Lloyds Bank plc

Q1 2025

Pillar 3 Disclosures

1 May 2025

TABLE OF CONTENTS

BASIS OF PREPARATION

This report presents the consolidated interim Pillar 3 disclosures of Lloyds Bank plc ('the Group') as at 31 March 2025 and should be read in conjunction with the Group's Q1 2025 Interim Management Statement.

These disclosures have been prepared in accordance with the Disclosure section of the PRA Rulebook. Pillar 3 templates required to be disclosed on a quarterly basis that have not been included in this report are listed in the table below along with the reason for exclusion.

PRA reference	Template name	Reason for exclusion
CCR7	RWA flow statements of CCR exposures under the IMM	Not applicable to the Group
MR2-B	RWA flow statements of market risk exposures under the IMA	Not applicable to the Group

The information presented in this Pillar 3 report is not required to be, and has not been, subject to external audit.

Interim Pillar 3 disclosures for the Group's large subsidiary (Bank of Scotland plc) are published separately on the Group's website, located at www.lloydsbankinggroup.com/investors/financial-downloads.

KEY METRICS AND OVERVIEW OF RISK WEIGHTED EXPOSURE AMOUNTS

KM1: Key metrics[1]

KM1	LR2		31 Mar 2025	31 Dec 2024	30 Sep 2024	30 Jun 2024	31 Mar 2024
Ref	**Ref**	**Available own funds (amounts)**					
1		Common Equity Tier 1 (CET1) capital (£m)	26,052	25,610	25,197	25,038	26,243
2		Tier 1 capital (£m)	32,497	31,305	30,625	30,056	31,261
3		Total capital (£m)	38,044	37,214	36,684	35,681	37,081
		Risk-weighted exposure amounts					
4		Total risk-weighted exposure amount (£m)	190,951	186,996	184,910	183,949	184,304
		Capital ratios (as a percentage of risk-weighted exposure amount)					
5		Common Equity Tier 1 ratio (%)	13.6%	13.7%	13.6%	13.6%	14.2%
6		Tier 1 ratio (%)	17.0%	16.7%	16.6%	16.3%	17.0%
7		Total capital ratio (%)	19.9%	19.9%	19.8%	19.4%	20.1%
		Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)					
UK 7a		Additional CET1 SREP requirements (%)	1.7%	1.7%	1.7%	1.7%	1.7%
UK 7b		Additional AT1 SREP requirements (%)	0.6%	0.6%	0.6%	0.6%	0.6%
UK 7c		Additional T2 SREP requirements (%)	0.7%	0.7%	0.7%	0.7%	0.7%
UK 7d		Total SREP own funds requirements (%)	11.0%	11.0%	11.0%	11.0%	11.0%
		Combined buffer requirement (as a percentage of risk-weighted exposure amount)					
8		Capital conservation buffer (%)	2.5%	2.5%	2.5%	2.5%	2.5%
9		Institution specific countercyclical capital buffer (%)	1.9%	1.9%	1.9%	1.9%	1.9%
UK 10a		Other Systemically Important Institution buffer (%)[2]	2.0%	2.0%	2.0%	2.0%	2.0%
11		Combined buffer requirement (%)	6.4%	6.4%	6.4%	6.4%	6.4%
UK 11a		Overall capital requirements (%)	17.4%	17.4%	17.4%	17.4%	17.4%
12		CET1 available after meeting minimum SREP own funds requirements (%)[3]	7.5%	7.5%	7.5%	7.4%	8.1%
		Leverage ratio					
13	UK-24b	Total exposure measure excluding claims on central banks (£m)	588,776	582,332	582,214	574,932	569,835
14	25	Leverage ratio excluding claims on central banks (%)	5.5%	5.4%	5.3%	5.2%	5.5%
		Additional leverage ratio disclosure requirements					
UK 14a	UK-25a	Fully loaded ECL accounting model leverage ratio excluding claims on central banks(%)	5.5%	5.4%	5.3%	5.2%	5.5%
UK 14b	UK-25c	Leverage ratio including claims on central banks (%)	5.2%	5.0%	4.9%	4.8%	5.0%
UK 14c	UK-34	Average leverage ratio excluding claims on central banks (%)[4]	5.5%	5.3%	5.2%	5.4%	5.6%
UK 14d	UK-33	Average leverage ratio including claims on central banks (%)[4]	5.1%	4.9%	4.9%	5.0%	5.1%
	UK-31	Average total exposure measure including claims on central banks[4]	632,506	638,358	626,024	624,803	620,687
	UK-32	Average total exposure measure excluding claims on central banks[4]	590,752	597,279	585,009	576,761	568,908
	27	Leverage ratio buffer (%)	1.4%	1.4%	1.4%	1.4%	1.4%
	UK-27a	Of which: G-SII or O-SII additional leverage ratio buffer (%)	0.7%	0.7%	0.7%	0.7%	0.7%
UK 14e	UK-27b	Of which: countercyclical leverage ratio buffer (%)	0.7%	0.7%	0.7%	0.7%	0.7%

1 Includes extracts of LR2 (Leverage ratio common disclosure) that are required to be disclosed on a quarterly basis.

2 The Group is subject to an Other Systemically Important Institution (OSII) Buffer of 2.0% of risk-weighted exposure amounts which is designed to hold systemically important banks to higher capital standards so that they can withstand a greater level of stress before requiring resolution.

3 Represents, as a percentage, the level of CET1 capital left available to meet buffer requirements after subtracting the minimum amount of CET1 capital required to meet total Pillar 1 plus Pillar 2A capital requirements, also referred to as total SREP own funds requirements. The minimum CET1 requirement is equivalent to 4.5% (Pillar 1) plus the additional CET1 SREP requirement (56.25% of Pillar 2A). The Group's Pillar 2A capital requirement is around 3.0% of risk-weighted assets, of which around 1.7% is to be met with CET1 capital.

4 The average leverage ratio is based on the average of the month end tier 1 capital position and average exposure measure over the quarter.

KEY METRICS AND OVERVIEW OF RISK WEIGHTED EXPOSURE AMOUNTS (Continued)

KM1: Key metrics (continued)

KM1	LR2		31 Mar 2025	31 Dec 2024	30 Sep 2024	30 Jun 2024	31 Mar 2024
Ref	**Ref**	**Average Liquidity Coverage Ratio (weighted) (LCR)[5]**					
15		Total high-quality liquid assets (HQLA)(Weighted value -average) (£m)	**106,882**	107,531	107,544	108,413	108,598
UK 16a		Cash outflows - Total weighted value - average (£m)	**83,866**	84,399	85,673	86,682	87,143
UK 16b		Cash inflows - Total weighted value - average (£m)	**5,588**	5,738	5,888	5,908	5,721
16		Total net cash outflows (adjusted value - average) (£m)	**78,278**	78,661	79,785	80,774	81,422
17		Average liquidity coverage ratio (%)	**137%**	137%	135%	134%	133%
		Average Net Stable Funding Ratio[6]					
18		Total available stable funding (Weighted value - average) (£m)	**480,628**	481,973	484,406	484,745	483,968
19		Total required stable funding (Weighted value - average) (£m)	**390,040**	390,213	391,029	389,339	387,522
20		Average NSFR ratio (%)	**123%**	124%	124%	125%	125%

[5] The liquidity balances are calculated as the simple average of month end observations over the previous 12 months.

[6] The net stable funding balances are calculated as the simple average of month end observations over the previous 4 quarter ends.

Common Equity Tier 1

The Group's common equity tier 1 (CET1) capital ratio reduced to 13.6% at 31 March 2025 from 13.7% at 31 December 2024. Profit for the first three months of the year was offset by the accrual for foreseeable ordinary dividends and an increase in risk-weighted assets.

Total Capital

The Group's total capital ratio at 31 March 2025 remained at 19.9% (31 December 2024: 19.9%). The increase in CET1 capital and the issuance of a new AT1 capital instrument were offset by the increase in risk-weighted assets and a reduction in tier 2 capital reflecting an instrument call and other movements.

Risk-Weighted Assets

Risk-weighted assets increased by £3,955 million to £190,951 million at 31 March 2025 from £186,996 million at 31 December 2024. This reflects the impact of lending growth, but also includes a temporary c.£2.5 billion increase primarily due to hedging activity that is expected to reverse by the third quarter. The growth in risk-weighted assets was partly offset by continued optimisation activity and other movements.

Leverage

The Group's UK leverage ratio increased to 5.5% at 31 March 2025 from 5.4% at 31 December 2024, reflecting an increase in the total tier 1 capital position, partially offset by an increase in the leverage exposure measure. The latter reflects increases across loans and advances and other assets, due in part to lending growth, partially offset by a reduction in the measure for securities financing transactions.

Liquidity

The Group's liquidity coverage ratio (LCR) was unchanged 137% (based on a simple average over the previous 12 months) at 31 March 2025 (31 December 2024: 137%). There are no material changes in Liquid assets and net cash outflows. The Group's net stable funding ratio (NSFR) reduced by 1 percentage point to 123% (based on a quarterly simple average over the previous 4 quarters) at 31 March 2025 (31 December 2024: 124%). The 1 percentage point decrease was primarily due to a reduction in wholesale funding.

KEY METRICS AND OVERVIEW OF RISK WEIGHTED EXPOSURE AMOUNTS (Continued)

OV1: Overview of risk weighted exposure amounts

		Total RWA		Total own funds requirements
		31 Mar 2025	31 Dec 2024	31 Mar 2025
		£m	£m	£m
1	**Credit risk (excluding CCR)**	153,597	151,614	12,288
2	Of which the standardised approach	20,346	19,380	1,628
3	Of which the foundation IRB (FIRB) approach	26,802	26,518	2,144
4	Of which slotting approach	8,821	8,841	706
5	Of which the advanced IRB (AIRB) approach	91,275	90,548	7,302
	Of which: non-credit obligation assets[1]	6,353	6,327	508
6	**Counterparty credit risk (CCR)**	1,392	1,363	111
7	Of which the standardised approach	461	523	37
UK 8a	Of which exposures to a CCP	128	139	10
UK 8b	Of which credit valuation adjustment (CVA)	351	244	28
9	Of which other CCR	452	457	36
16	**Securitisation exposures in the non-trading book (after the cap)**	7,677	7,648	614
17	Of which SEC-IRBA approach	3,830	3,820	306
18	Of which SEC-ERBA approach (including IAA)	1,239	1,212	99
19	Of which SEC-SA approach	2,608	2,616	209
20	**Position, foreign exchange and commodities risks (Market risk)**	2,206	292	177
21	Of which the standardised approach	2,206	292	177
23	**Operational risk**	26,079	26,079	2,086
UK 23b	Of which standardised approach	26,079	26,079	2,086
24	Memo: Amounts below the thresholds for deduction (subject to 250% risk weight)	1,092	1,211	87
29	**Total**	190,951	186,996	15,276
	Pillar 2A capital requirement[2]			5,634
	Total capital requirement			20,910

1 Non-credit obligation assets (IRB approach) predominately relate to other balance sheet assets that have no associated credit risk, including the residual value of operating leases.

2 As at 31 March 2025, the Pillar 2A capital requirement was around 3.0% of risk-weighted assets, of which around 1.7% was to be met with CET1 capital.

CREDIT RISK

The table below summarises the movements of risk-weighted assets for credit risk exposures under the Internal Ratings Based (IRB) Approach. The table excludes counterparty credit risk exposures, securitisation exposures, other non-credit obligation assets and equity exposures.

CR8: RWA flow statements of credit risk exposures under the IRB approach

		Total RWA quarter to 31 Mar 2025 £m
1	Risk weighted exposure amount as at the end of previous reporting period	125,907
2	Asset size (+/-)	1,749
3	Asset quality (+/-)	(498)
5	Methodology and policy (+/-)	(187)
6	Acquisitions and disposals (+/-)	—
7	Foreign exchange movements (+/-)	(73)
8	Other (+/-)	—
9	**Risk weighted exposure amount at the end of the reporting period**	126,898

Key movements 31 December 2024 to 31 March 2025:

– Asset size increase predominately driven by Retail lending growth.

– Asset quality movement mainly driven by model calibrations across certain portfolios.

LIQUIDITY

The table below presents the breakdown of the Group's cash outflows and cash inflows, as well as its available high quality liquid assets, calculated as the simple averages of month end observations over the 12 months preceding the end of each quarter.

LIQ1: Liquidity Coverage Ratio (LCR)

		Total unweighted value (average)				Total weighted value (average)			
		31 Mar 2025	31 Dec 2024	30 Sep 2024	30 Jun 2024	31 Mar 2025	31 Dec 2024	30 Sep 2024	30 Jun 2024
	Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
High-quality liquid assets (£m)									
1	Total high-quality liquid assets (HQLA)					106,882	107,531	107,544	108,413
Cash - outflows (£m)									
2	Retail deposits and deposits from small business customers, of which:	347,354	343,460	340,350	338,047	22,837	22,522	22,319	22,209
3	Stable deposits	268,601	266,225	263,973	262,145	13,430	13,311	13,199	13,107
4	Less stable deposits	78,753	77,235	76,377	75,902	9,407	9,211	9,120	9,102
5	Unsecured wholesale funding	85,360	85,699	87,122	88,438	42,659	43,081	44,167	45,032
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	23,757	22,253	20,824	20,060	5,940	5,563	5,206	5,015
7	Non-operational deposits (all counterparties)	59,690	61,493	64,101	65,445	34,806	35,565	36,764	37,084
8	Unsecured debt	1,913	1,953	2,197	2,933	1,913	1,953	2,197	2,933
9	Secured wholesale funding					40	32	61	87
10	Additional requirements	47,441	47,469	47,930	48,145	14,157	14,655	15,202	15,483
11	Outflows related to derivative exposures and other collateral requirements	6,930	7,654	8,308	8,570	6,930	7,654	8,308	8,570
12	Outflows related to loss of funding on debt products	672	587	595	614	672	587	595	614
13	Credit and liquidity facilities	39,839	39,228	39,027	38,961	6,555	6,414	6,299	6,299
14	Other contractual funding obligations	555	548	535	521	156	159	151	141
15	Other contingent funding obligations	88,062	87,392	86,178	85,254	4,017	3,950	3,773	3,730
16	Total cash outflows					83,866	84,399	85,673	86,682
Cash - inflows (£m)									
17	Secured lending (e.g. reverse repos)	14,262	13,553	13,226	12,966	186	208	223	252
18	Inflows from fully performing exposures	6,233	6,419	6,457	6,464	4,510	4,703	4,712	4,678
19	Other cash inflows	951	887	1,010	1,031	892	827	953	978
20	Total cash inflows	21,446	20,859	20,693	20,461	5,588	5,738	5,888	5,908
UK-20c	**Inflows subject to 75% cap**	21,275	20,646	20,368	20,155	5,588	5,738	5,888	5,908
Total adjusted value									
UK-21	Liquidity buffer (£m)					106,882	107,531	107,544	108,413
22	Total net cash outflows (£m)					78,278	78,661	79,785	80,774
23	Liquidity coverage ratio (%)					137%	137%	135%	134%

LIQUIDITY (Continued)

LIQB: Qualitative information on LCR

The Group's LCR disclosure (based on a monthly simple average over the previous 12 months) was 137% at 31 March 2025, unchanged from the prior quarter with no material changes in liquid assets and net cash outflows.

The Group's funding and liquidity position is underpinned by its significant customer deposit base and is supported by strong relationships across customer segments. Other sources of funding include a range of wholesale unsecured and secured funding, across a diverse range of products and counterparties. Funding concentration by counterparty, currency and tenor is monitored on an ongoing basis and where concentrations do exist, these are managed as part of the planning process and limited by the internal funding and liquidity risk monitoring framework, with analysis regularly provided to senior management.

The Group's liquidity buffer consists almost entirely of Level 1 assets. Level 1 assets are primarily held as central bank reserves and UK government bonds.

The Group's outflows related to derivative exposures and other collateral requirements include outflows for potential deterioration in credit rating and for the impact of an adverse market scenario on derivatives transactions.

The Group's liquidity risk management framework covers currency liquidity risk and ensures the currency denomination of LCR liquid assets is consistent with the distribution of net currency liquidity outflows. Granular LCR risk appetites by significant currency are set and monitored across tenors at Group committee level.

FORWARD-LOOKING STATEMENTS

This document contains certain forward-looking statements within the meaning of Section 21E of the US Securities Exchange Act of 1934, as amended, and section 27A of the US Securities Act of 1933, as amended, with respect to the business, strategy, plans and/or results of Lloyds Bank plc together with its subsidiaries (the Lloyds Bank Group) and its current goals and expectations. Statements that are not historical or current facts, including statements about the Lloyds Bank Group's or its directors' and/or management's beliefs and expectations, are forward-looking statements. Words such as, without limitation, 'believes', 'achieves', 'anticipates', 'estimates', 'expects', 'targets', 'should', 'intends', 'aims', 'projects', 'plans', 'potential', 'will', 'would', 'could', 'considered', 'likely', 'may', 'seek', 'estimate', 'probability', 'goal', 'objective', 'deliver', 'endeavour', 'prospects', 'optimistic' and similar expressions or variations on these expressions are intended to identify forward-looking statements. These statements concern or may affect future matters, including but not limited to: projections or expectations of the Lloyds Bank Group's future financial position, including profit attributable to shareholders, provisions, economic profit, dividends, capital structure, portfolios, net interest margin, capital ratios, liquidity, risk-weighted assets (RWAs), expenditures or any other financial items or ratios; litigation, regulatory and governmental investigations; the Lloyds Bank Group's future financial performance; the level and extent of future impairments and write-downs; the Lloyds Bank Group's ESG targets and/or commitments; statements of plans, objectives or goals of the Lloyds Bank Group or its management and other statements that are not historical fact and statements of assumptions underlying such statements. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend upon circumstances that will or may occur in the future. Factors that could cause actual business, strategy, targets, plans and/or results (including but not limited to the payment of dividends) to differ materially from forward-looking statements include, but are not limited to: general economic and business conditions in the UK and internationally (including in relation to tariffs); imposed and threatened tariffs and changes to global trade policies; acts of hostility or terrorism and responses to those acts, or other such events; geopolitical unpredictability; the war between Russia and Ukraine; the conflicts in the Middle East; the tensions between China and Taiwan; political instability including as a result of any UK general election; market related risks, trends and developments; changes in client and consumer behaviour and demand; exposure to counterparty risk; the ability to access sufficient sources of capital, liquidity and funding when required; changes to the Lloyds Bank Group's or Lloyds Banking Group plc's credit ratings; fluctuations in interest rates, inflation, exchange rates, stock markets and currencies; volatility in credit markets; volatility in the price of the Lloyds Bank Group's securities; natural pandemic and other disasters; risks concerning borrower and counterparty credit quality; risks affecting defined benefit pension schemes; changes in laws, regulations, practices and accounting standards or taxation; changes to regulatory capital or liquidity requirements and similar contingencies; the policies and actions of governmental or regulatory authorities or courts together with any resulting impact on the future structure of the Lloyds Bank Group; risks associated with the Lloyds Bank Group's compliance with a wide range of laws and regulations; assessment related to resolution planning requirements; risks related to regulatory actions which may be taken in the event of a bank or Lloyds Bank Group or Lloyds Banking Group failure; exposure to legal, regulatory or competition proceedings, investigations or complaints; failure to comply with anti-money laundering, counter terrorist financing, anti-bribery and sanctions regulations; failure to prevent or detect any illegal or improper activities; operational risks including risks as a result of the failure of third party suppliers; conduct risk; technological changes and risks to the security of IT and operational infrastructure, systems, data and information resulting from increased threat of cyber and other attacks; technological failure; inadequate or failed internal or external processes or systems; risks relating to ESG matters, such as climate change (and achieving climate change ambitions) and decarbonisation, including the Lloyds Bank Group's or the Lloyds Banking Group's ability along with the government and other stakeholders to measure, manage and mitigate the impacts of climate change effectively, and human rights issues; the impact of competitive conditions; failure to attract, retain and develop high calibre talent; the ability to achieve strategic objectives; the ability to derive cost savings and other benefits including, but without limitation, as a result of any acquisitions, disposals and other strategic transactions; inability to capture accurately the expected value from acquisitions; and assumptions and estimates that form the basis of the Lloyds Bank Group's financial statements. A number of these influences and factors are beyond the Lloyds Bank Group's control. Please refer to the latest Annual Report on Form 20-F filed by Lloyds Bank plc with the US Securities and Exchange Commission (the SEC), which is available on the SEC's website at www.sec.gov, for a discussion of certain factors and risks. Lloyds Bank plc may also make or disclose written and/or oral forward-looking statements in other written materials and in oral statements made by the directors, officers or employees of Lloyds Bank plc to third parties, including financial analysts. Except as required by any applicable law or regulation, the forward-looking statements contained in this document are made as of today's date, and the Lloyds Bank Group expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this document whether as a result of new information, future events or otherwise. The information, statements and opinions contained in this document do not constitute a public offer under any applicable law or an offer to sell any securities or financial instruments or any advice or recommendation with respect to such securities or financial instruments.

CONTACTS

For further information please contact:

INVESTORS AND ANALYSTS
Douglas Radcliffe
Group Investor Relations Director
020 7356 1571
douglas.radcliffe@lloydsbanking.com

Rohith Chandra-Rajan
Director of Investor Relations
07786 988 936
rohith.chandra-rajan@lloydsbanking.com

Nora Thoden
Director of Investor Relations - ESG
020 7356 2334
nora.thoden@lloydsbanking.com

Tom Grantham
Investor Relations Senior Manager
07851 440 091
thomas.grantham@lloydsbanking.com

Sarah Robson
Investor Relations Senior Manager
07494 513 983
sarah.robson2@lloydsbanking.com

CORPORATE AFFAIRS
Grant Ringshaw
External Relations Director
020 7356 2362
grant.ringshaw@lloydsbanking.com

Matt Smith
Head of Media Relations
07788 352 487
matt.smith@lloydsbanking.com

Registered office: Lloyds Bank plc, 25 Gresham Street, London, EC2V 7HN
Registered in England no. 2065