Group Overview & Strategy
New Group structure with multiple issuance points across products and currencies

- Over 95% of Group loans & advances within Ring-Fenced sub-group
- Capital and MREL issued out of HoldCo
- Funding at OpCo level - LBCM EMTN programme to be established in H1
- EEA subsidiaries established within ring-fenced, non-ring-fenced and insurance subgroups

### Main Entities

**HoldCo**

<table>
<thead>
<tr>
<th>Example Products</th>
<th>Lloyds Banking Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ratings(^1)</td>
<td></td>
</tr>
<tr>
<td>A3 / BBB+ / A+</td>
<td>P-2 / A-2 / F1</td>
</tr>
</tbody>
</table>

### Example Products

- **Senior Unsecured Capital**

### Ring-Fenced Sub-Group

- **Lloyds Bank, Bank of Scotland**
  - Aa3 / A+ / A+
  - P-1 / A-1 / F1
  - Senior Unsecured Covered Bonds ABS
  - CD, CP

### Non-Ring-Fenced Sub-Group

- **Lloyds Bank Corporate Markets**
  - A1 / A / A
  - P-1 / A-1 / F1
  - Senior Unsecured (from H1 2019)
  - CD, Yankee CD, CP

### Insurance Sub-Group

- **Scottish Widows**
  - A2 / A / AA-
  - -
  - Capital
  - -

### Equity Investments Sub-Group

- **Lloyds Equity Investments**
  - -
  - -
  - -

1 - Ratings shown as Moody's/S&P/Fitch
Well diversified loan book of £444.4bn

YE2018 Loans & Advances (£bn, %)

- Retail lending-focused loan book (76% of total lending)
- Secured mortgages represent 65% of total book with an average LTV of 44%
- Credit quality remains strong; no deterioration in credit risk
Opportunities for growth in targeted key segments

**Iconic brands**

**Strong franchise across key channels and products**

### Channels market share

<table>
<thead>
<tr>
<th>Channel Type</th>
<th>Market Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Digital new business volumes¹</td>
<td>21%</td>
</tr>
<tr>
<td>Branch new business volumes¹</td>
<td>20%</td>
</tr>
<tr>
<td>Number of branches²</td>
<td>22%</td>
</tr>
</tbody>
</table>

### Product market share

<table>
<thead>
<tr>
<th>Product Type</th>
<th>Market Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer credit card balances</td>
<td>25%</td>
</tr>
<tr>
<td>PCA deposit balances</td>
<td>22%</td>
</tr>
<tr>
<td>Mortgage balances (open book)</td>
<td>19%</td>
</tr>
<tr>
<td>SME and small business lending balances</td>
<td>19%</td>
</tr>
<tr>
<td>Mid Market main bank relationships</td>
<td>18%</td>
</tr>
<tr>
<td>Savings balances</td>
<td>17%</td>
</tr>
<tr>
<td>Consumer loan balances³</td>
<td>15%</td>
</tr>
<tr>
<td>Black Horse car finance balances</td>
<td>15%</td>
</tr>
<tr>
<td>Corporate pensions (flow)⁴</td>
<td>12%</td>
</tr>
<tr>
<td>Home insurance GWP</td>
<td>12%</td>
</tr>
<tr>
<td>Commercial payments volumes (flow)</td>
<td>7%</td>
</tr>
<tr>
<td>Individual pensions &amp; drawdown (flow)⁴</td>
<td>3%</td>
</tr>
</tbody>
</table>

Average market share⁵: 19%

---

¹ – Volumes across PCAs, loans, savings, cards and home insurance.  
² – Based on CACI Branch Base data as at 1 December 2018 (excluding agency branches).  
³ – Comprises unsecured personal loans, overdrafts and Black Horse retail lending balances.  
⁴ – Annualised Premium Equivalent new business on a whole of market basis.  
⁵ – Average market share calculated for core financial services products. Market data sources: ABI, BoE, CACI, eBenchmarkers, Experian pH, FLA, Ipsos MORI FRS, PayUK, Spence Johnson and internal estimates. All market shares FY18 except PCA & savings balances (Nov-18) and individual pensions & drawdown (9M18).
Clear strategic plan, delivering new sources of competitive advantage and future proofing our business model

- Number of deliverables achieved within first 12 months:
  - **Largest digital bank** in UK with **15.7m** digitally active users\(^{(1)}\) and **74\%**\(^{(2)}\) of products originated digitally, alongside **largest branch network in the UK**
  - Launched API-enabled **Open Banking aggregation** functionality
  - Provided differentiated **Single Customer View** to >3m customers\(^{(3)}\)
  - **Building innovation pipeline** and collaborating with FinTechs to accelerate transformation, while announced strategic partnership with **Schroders** to create **market leading wealth proposition**
  - Delivered **targeted customer propositions** to better meet customer needs and grow in under represented segments
  - **£3bn** loan growth across **start-ups, SME and Mid-Markets**

---

1 – As at December 2018. Reflects number of customers by brand which have logged in within last 3 months. Includes 1.6m MBNA customers.
2 – Based on volumes. Includes internet banking and mobile, includes MBNA.
3 – Customers who can see insurance and/or pension products alongside banking products.
UK economy remains resilient despite heightened uncertainty

- Economic growth remains resilient and global growth forecast to slow slightly
- Households benefiting from record employment rate and pay growth exceeding inflation
- Consumer indebtedness down 24% from pre-crisis
- Business investment lower in 2018
- Expect one 25bp rate rise per year to 2021

1 – Source: ONS. 2 – Employment is % of 16+ population, year average. 3 – IMF World Economic Outlook update, Jan 2019
A number of key opportunities exist in 2019, building on our progress to date

- Well positioned to accelerate strategic delivery:
  - **Open Banking** aggregation functionality extended to all active mobile app customers and progressing towards >9m on **Single Customer View** by end of plan period
  - Building on **strong open book AuA customer net inflows** of £13bn in 2018\(^{(1)}\), expect to generate c.£15bn in 2019\(^{(1)}\)
  - Developing **Scottish Widows Schroders** JV proposition ahead of planned launch by June 2019\(^{(2)}\):
    - To be branded **Schroders Personal Wealth** and aiming to become **a top 3 UK financial planning business within 5 years**
    - Broadening relationships with **targeted customer segments**, including recent launch of **Lend a Hand** mortgage
    - **Digitising credit decisioning** for **Business Banking and SME** clients, significantly reducing **time to cash**\(^{(3)}\)

---

1 – Excludes negative market movements and includes benefit of Zurich acquisition. 2 – Subject to regulatory approval. 3 – Time to cash for simple unsecured lending within 2 hours
2018 Results
Strong financial performance with continued growth in profits and returns

| Statutory profit after tax | £4.4bn  
|                          | +24%  |
| Earnings per share        | 5.5p  
|                          | +27%  |
| Underlying profit         | £8.1bn 
|                          | +6%   |
| Net income                | £17.8bn 
|                          | +2%   |
| Cost:income ratio (incl. remediation) | 49.3%  
|                          | (2.5)pp |
| Cost:income ratio (excl. remediation) | 46.0% 
|                          | (0.8)pp |
| Return on tangible equity | 11.7%  
|                          | +2.8pp |
| Capital build (pre dividend and buyback) | 210bps |

- Statutory profit after tax of £4.4bn up 24%, with EPS 27% higher
- Underlying profit up 6% at £8.1bn
  - Net income of £17.8bn, 2% higher, with higher NIM of 2.93%
  - Cost:income ratio further improved to 49.3% with positive jaws of 5% and BAU costs\(^1\) down 4%
  - Credit quality remains strong with gross AQR flat at 28bps and higher net AQR of 21bps due to lower write-backs and releases
- Continued growth with loans up £4bn excluding the sale of Irish mortgages and current accounts £8bn higher in the year
- Increased return on tangible equity of 11.7%
- Strong CET1 capital increase of 210bps and CET1 ratio 13.9% post dividends and share buyback
- TNAV per share 53.0p up 1.3p after payment of dividends in 2018

\(^1\) – Operating costs, less investment expensed and depreciation.
Balance sheet – quality of the portfolio continues to improve

- Loans and advances £444bn, stable in 2018
  - Loan growth in targeted segments offsetting sale of the Irish mortgage portfolio
  - Open mortgage book broadly flat while continuing to focus on the Group margin
  - SME\(^{(1)}\) growth 3% continues ahead of the market
  - Continued high-quality growth in unsecured portfolio

- Continued reduction in RWAs to £206bn
  - Continued de-risking of portfolio, including £4bn sale of Irish mortgage portfolio in 2018
  - Improved capital returns and RWA efficiency through business mix optimisation
Credit quality remains strong reflecting a continued prudent approach to risk

**Asset quality ratio**
(bps)

Gross AQR flat at 28bps with net AQR of 21bps up due to expected lower releases and write-backs

Underlying credit portfolio remains stable

Continuing to benefit from low risk approach

Stage 2 and 3 balances down while expected credit loss coverage of Stages 2 and 3 increased

Continue to expect AQR to be <30bps in 2019 and through the plan

---

1 – Shown on an underlying basis.  2 – Stage 2/3 expected credit loss allowance as a proportion of Stage 2/3 drawn balances.

### IFRS 9 Stage 2 and 3 as proportion of total customer loans and advances

<table>
<thead>
<tr>
<th></th>
<th>1 Jan 18</th>
<th>1 Jan 18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stage 2</td>
<td>11.3%</td>
<td>7.8%</td>
</tr>
<tr>
<td>Stage 3</td>
<td>1.9%</td>
<td>1.9%</td>
</tr>
</tbody>
</table>

### Stage 2/3 coverage

<table>
<thead>
<tr>
<th></th>
<th>1 Jan 18</th>
<th>1 Jan 18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stage 2</td>
<td>3.5%</td>
<td>4.1%</td>
</tr>
<tr>
<td>Stage 3</td>
<td>24.0%</td>
<td>24.3%</td>
</tr>
</tbody>
</table>
Diversified, high quality portfolios with new to arrears stable

- No deterioration in credit seen across mortgage portfolio with new to arrears remaining low
- High quality mortgage book; low average LTV 44.1%
  - Legacy balances declining: pre-2009 vintages down 13% in 2018, including Specialist book down 11%
- Diversified and high quality Commercial portfolio
  - Prudent approach to vulnerable sectors/single names
- Prime credit card book with conservative risk appetite
  - New to arrears low and MBNA in line with expectations
- Prudent approach to Motor Finance
  - Continued profit on sale given prudent residual values
  - Maintained protection from c.£200m residual value and specific event provision
Asset pricing and mix: mortgage pricing remains competitive but margin resilient

<table>
<thead>
<tr>
<th>Mortgage book</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Front book</td>
<td>291</td>
<td>288</td>
</tr>
<tr>
<td>Back book</td>
<td>37</td>
<td>32</td>
</tr>
<tr>
<td></td>
<td>83</td>
<td>72</td>
</tr>
<tr>
<td></td>
<td>23</td>
<td>22</td>
</tr>
<tr>
<td></td>
<td>64</td>
<td>72</td>
</tr>
<tr>
<td></td>
<td>84</td>
<td>90</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>UK consumer finance</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motor – New(2)</td>
<td>8</td>
<td>9</td>
</tr>
<tr>
<td>Motor - Used</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Loans</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>Cards</td>
<td>18</td>
<td>18</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Commercial Banking incl. Retail Business Banking(3)</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global Corporates, Financial Institutions &amp; Other (excl. run off)</td>
<td>35</td>
<td>37</td>
</tr>
<tr>
<td>Mid Markets</td>
<td>29</td>
<td>32</td>
</tr>
<tr>
<td>SME</td>
<td>31</td>
<td>32</td>
</tr>
</tbody>
</table>

- Mortgage pricing remains competitive and focus remains on margin and risk ahead of volume
- Back book now £104bn with attrition stable at c.13%
  - Average back book rate c.3.7% and only 14% of customers pay >4.25%
  - c.£17bn of back book mortgages on balance of less than £50k
- Mix benefiting from c.75% retention
- Targeted growth in consumer finance supporting Group margin
- Resilient Commercial margin; targeted growth in SME and Mid Markets

1 – Gross margin is gross customers receivables or payables, less short term funding costs (LIBOR or relevant swap rates).
2 – Includes Fleet, Stocking and Lex Finance.
3 – Prior periods restated to reflect changes in operating structures.
Operating costs continue to provide competitive advantage despite increased strategic investment

- Operating costs down with BAU costs -4% and investment expensed and depreciation £2.1bn, +10%
- Above the line investment £2.4bn included c.£1bn of strategic investment; on track for >£3bn by end 2020
- Capitalisation broadly stable at c.60% of above the line investment or c.50% of total investment
- Remediation down 31% with further significant reduction expected in 2019
- Operating costs now expected to be <£8bn in 2019

1. Operating costs exclude operating lease depreciation.
Market leading efficiency creates capacity for increased investment

Continued focus on BAU cost reduction

Operating costs\(^{(1)}\), £bn

\[
\text{Cost:income ratio (\%\(^{(1)}\)): BAU Costs CAGR}
\]

\[
\begin{array}{cccc}
2011 & 2014 & 2017 & 2018 \\
9.4 & 8.3 & 8.2 & 8.2 \\
\end{array}
\]

\(-5\%\)

\[
\begin{array}{c}
8.5 \\
7.1 \\
6.3 \\
6.0 \\
\end{array}
\]

Selected examples:
- Staff costs down 4% YoY
- General expenses down 7% YoY
- Professional services down 13% YoY

Creating capacity for >£3bn strategic investment over plan period

2018 strategic investment as multiple of 2017 (Selected examples)

- Open Banking: 1.4x
- Data & advanced analytics: 2.2x
- People & Ways of Working: 4.5x
- Financial Planning & Retirement: 10.0x

1 – Excludes TSB, includes remediation.
Capital, Funding & Liquidity
Robust capital buffers supported by strong capital build in 2018

- CET1 ratio of 13.9%\(^4\) post dividend accrual & share buyback
- 210bps of CET1 build (195bps from underlying performance); guidance remains at 170-200 bps p.a.
- CET1 target remains c.13% plus a management buffer of around 1%
- UK leverage ratio improved to 5.6%\(^5\)

Common equity tier 1 ratio (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>Pro forma</th>
<th>Bank dividend</th>
<th>Insurance dividend</th>
<th>PPI</th>
<th>Irish mortgage sale</th>
<th>Other dividend</th>
<th>2018 post-dividend</th>
<th>Buy back</th>
<th>2018 pro forma</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>13.9</td>
<td>0.95</td>
<td>0.25</td>
<td>0.25</td>
<td>0.03</td>
<td>14.8</td>
<td>(0.9)</td>
<td>13.9</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1 - Chart not to scale. 2 - Systemic Risk Buffer to be communicated by the PRA in 2019. Applicable to the RFB sub-group. 3 - Pillar 2A reviewed annually by the PRA. Dec-19 figure applicable as at 1 Jan 2019. 4 – The CET1 ratio of 13.9% is pro forma, reflecting the Insurance dividend to be received in February 2019, ordinary dividends and the share buyback. The Leverage ratio of 5.6% is pro forma, reflecting the insurance dividend to be received in February 2019.
MREL ratio ahead of interim requirement, well on-track for end-state

- Strong total capital ratio of 23.1% means minimal additional capital needs over 2019

- MREL issuance steady state of c.£5bn p.a. on average

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Capital</th>
<th>HoldCo Senior</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>223</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>216</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>211</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>206</td>
<td></td>
</tr>
<tr>
<td>2019e</td>
<td>5</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>HoldCo Issuance (£bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>223</td>
</tr>
<tr>
<td>2016</td>
<td>216</td>
</tr>
<tr>
<td>2017</td>
<td>211</td>
</tr>
<tr>
<td>2018</td>
<td>206</td>
</tr>
<tr>
<td>2019e</td>
<td>5</td>
</tr>
</tbody>
</table>

Total Capital by Type

- CET1: 14.8%
- AT1: 3.6%
- T2: 4.7%
- Total Capital: 23.1%

1 - Total Capital Ratio & MREL ratios shown on a pro forma basis, after ordinary dividends and insurance dividends received, but before share buyback. 2 - Indicative interim MREL Requirements = (2x P1) + P2A = 20.7% + buffers. 3 - Indicative final MREL Requirements = (2x P1) + (2x P2A) = 25.4% + buffers. Final requirement to be confirmed following Bank of England review in 2020.
Successful year across capital markets, validating diversified funding model

- 2019 expected to be closer to £15bn
- Diverse funding model:
  - Core markets: USD, EUR and GBP
  - Strategic markets AUD, JPY, CAD, NOK and CHF

2018 Funding by Product

- Covered Bonds
- Securitisation
- OpCo Senior
- HoldCo Senior
- Sub Debt

2018 Funding by Currency

- GBP
- EUR
- USD
- Other

All Funding by Maturity

- < 1 Year (MM)
- < 1 Year
- 12mth < 2 yrs
- 2yrs - 5yrs
- 5yrs +

All Funding by Product

- Covered Bond
- Securitisation
- MM Funding
- OpCo Senior
- HoldCo Senior
- Sub Debt

C.£3bn strategic currency issuance in 2018 (£bn)

Appendix
Strong mortgage portfolio with continued low LTVs
£289bn gross lending; total market share 21% and 19% of open book

<table>
<thead>
<tr>
<th></th>
<th>Mainstream</th>
<th>Buy to let</th>
<th>Specialist</th>
<th>Total</th>
<th>Dec 2017</th>
<th>Dec 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average LTVs</td>
<td>42.5%</td>
<td>52.1%</td>
<td>45.8%</td>
<td>44.1%</td>
<td>43.6%</td>
<td>55.6%</td>
</tr>
<tr>
<td>New business LTVs</td>
<td>63.1%</td>
<td>58.6%</td>
<td>n/a</td>
<td>62.5%</td>
<td>63.0%</td>
<td>60.9%</td>
</tr>
<tr>
<td>≤ 80% LTV</td>
<td>86.1%</td>
<td>94.2%</td>
<td>88.2%</td>
<td>87.7%</td>
<td>89.5%</td>
<td>57.0%</td>
</tr>
<tr>
<td>&gt;80–90% LTV</td>
<td>10.7%</td>
<td>4.6%</td>
<td>6.6%</td>
<td>9.4%</td>
<td>8.0%</td>
<td>16.2%</td>
</tr>
<tr>
<td>&gt;90–100% LTV</td>
<td>2.8%</td>
<td>0.7%</td>
<td>2.0%</td>
<td>2.4%</td>
<td>1.9%</td>
<td>13.6%</td>
</tr>
<tr>
<td>&gt;100% LTV</td>
<td>0.4%</td>
<td>0.5%</td>
<td>3.2%</td>
<td>0.5%</td>
<td>0.6%</td>
<td>13.2%</td>
</tr>
<tr>
<td>Value &gt;80% LTV</td>
<td>£31.1bn</td>
<td>£3.0bn</td>
<td>£1.6bn</td>
<td>£35.7bn</td>
<td>£30.7bn</td>
<td>£146.6bn</td>
</tr>
<tr>
<td>Value &gt;100% LTV</td>
<td>£0.8bn</td>
<td>£0.3bn</td>
<td>£0.4bn</td>
<td>£1.5bn</td>
<td>£1.8bn</td>
<td>£44.9bn</td>
</tr>
<tr>
<td>Gross lending</td>
<td>£223bn</td>
<td>£52bn</td>
<td>£14bn</td>
<td>£289bn</td>
<td>£292bn</td>
<td>£341bn</td>
</tr>
</tbody>
</table>

1 – 2010 LTVs include TSB.
Creating a market leading wealth proposition for customers

**Clear rationale for strategic partnership between two of UK’s strongest financial services businesses**

**Unique client base**

**Multi-channel distribution model with leading digital franchise**

**Investment & wealth management expertise with well-established brand**

**Expert technology capabilities**

**Delivering significant growth in line with strategy**

- Growth will be in addition to existing £50bn FP&R open book AuA growth target

**Asset management capabilities covered by new long-term agreement**

**Market leading wealth proposition with full and unique market offering**

---

**Mass Market**

- Digitally enabled direct Financial Planning & Retirement offer

**Mass Affluent – Affluent**

- Joint venture – 50.1% holding⁽¹⁾

- Scottish Widows Schroders planned launch by June 2019⁽¹⁾; JV to be branded Schroders Personal Wealth

- Aim to be top-3 UK financial planning business within 5 years

- c.300 advisors on day 1; expected to more than double within 3 years

**High Net Worth Customers**

- 19.9% stake in Cazenove Capital

- Leading wealth management and investment funds business

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⁽¹⁾ Subject to regulatory approval.
Forward looking statements and basis of presentation

Forward looking statements

This document contains certain forward looking statements with respect to the business, strategy, plans and/or results of the Group and its current goals and expectations relating to its future financial condition and performance. Statements that are not historical facts, including statements about the Group's or its directors' and/or management's beliefs and expectations, are forward looking 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, plans and/or results (including but not limited to the payment of dividends) to differ materially from forward looking statements made by the Group or on its behalf include, but are not limited to: general economic and business conditions in the UK and internationally; market related trends and developments; fluctuations in interest rates, inflation, exchange rates, stock markets and currencies; the ability to access sufficient sources of capital, liquidity and funding when required; changes to the Group's credit ratings; the ability to derive cost savings and other benefits including, but without limitation as a result of any acquisitions, disposals and other strategic transactions; the ability to achieve strategic objectives; changing customer behaviour including consumer spending, saving and borrowing habits; changes to borrower or counterparty credit quality; concentration of financial exposure; management and monitoring of conduct risk; instability in the global financial markets, including Eurozone instability, instability as a result of uncertainty surrounding the exit by the UK from the European Union (EU) and as a result of such exit and the potential for other countries to exit the EU or the Eurozone and the impact of any sovereign credit rating downgrade or other sovereign financial issues; 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; natural, pandemic and other disasters, adverse weather and similar contingencies outside the Group's control; inadequate or failed internal or external processes or systems; acts of war, other acts of hostility, terrorist acts and responses to those acts, geopolitical, pandemic or other such events; risks relating to climate change; changes in laws, regulations, practices and accounting standards or taxation, including as a result of the exit by the UK from the EU, or a further possible referendum on Scottish independence; changes to regulatory capital or liquidity requirements and similar contingencies outside the Group's control; the policies, decisions and actions of governmental or regulatory authorities or courts in the UK, the EU, the US or elsewhere including the implementation and interpretation of key legislation and regulation together with any resulting impact on the future structure of the Group; the transition from IBORs to alternative reference rates; the ability to attract and retain senior management and other employees and meet its diversity objectives; actions or omissions by the Group's directors, management or employees including industrial action; changes to the Group's post-retirement defined benefit scheme obligations; the extent of any future impairment charges or write-downs caused by, but not limited to, depressed asset valuations, market disruptions and illiquid markets; the value and effectiveness of any credit protection purchased by the Group; the inability to hedge certain risks economically; the adequacy of loss reserves; the actions of competitors, including non-bank financial services, lending companies and digital innovators and disruptive technologies; and exposure to regulatory or competition scrutiny, legal, regulatory or competition proceedings, investigations or complaints. Please refer to the latest Annual Report on Form 20-F filed with the US Securities and Exchange Commission for a discussion of certain factors and risks together with examples of forward looking statements. 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 Group expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward looking statements contained in this document to reflect any change in the Group's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. 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.

Basis of presentation

The results of the Group and its business are presented in this presentation on an underlying basis. The principles adopted in the preparation of the underlying basis of reporting are set out on the inside front cover of the 2018 Results News Release.
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