<table>
<thead>
<tr>
<th>Section</th>
<th>Speaker Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td>António Horta-Osório</td>
<td>Group Chief Executive</td>
</tr>
<tr>
<td>Retail Bank update</td>
<td>Vim Maru</td>
<td>Group Director, Retail Bank</td>
</tr>
<tr>
<td>Financials</td>
<td>William Chalmers</td>
<td>Chief Financial Officer</td>
</tr>
<tr>
<td>Q&amp;A</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Full year results – Introduction

António Horta-Osório
Group Chief Executive
Strategic progress alongside solid financial performance

- Group continues to Help Britain Prosper, whilst building strategic advantage and delivering strong and sustainable returns

- Significant progress against strategic priorities with £2bn investment since launch of GSR3

- Solid financial returns in challenging environment with resilient underlying performance offset by PPI charges

- Progressive and sustainable total ordinary dividend of 3.37p, up 5%; quarterly dividends commence at Q1 2020

- Guidance for 2020 reflects confidence in business model and future performance

### Underlying profit and statutory profit after tax (£bn)

<table>
<thead>
<tr>
<th>Year</th>
<th>Underlying profit</th>
<th>Statutory profit after tax</th>
<th>PPI charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>6.8</td>
<td>2.6</td>
<td>1.0</td>
</tr>
<tr>
<td>2017</td>
<td>7.6</td>
<td>3.6</td>
<td>1.7</td>
</tr>
<tr>
<td>2018</td>
<td>8.1</td>
<td>4.5</td>
<td>0.8</td>
</tr>
<tr>
<td>2019</td>
<td>7.5</td>
<td>3.0</td>
<td>2.5</td>
</tr>
</tbody>
</table>

### Return on tangible equity (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>Underlying RoTE</th>
<th>Statutory RoTE</th>
<th>Pre-PPI statutory RoTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>6.6</td>
<td>9.2</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>8.9</td>
<td>13.2</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>11.7</td>
<td>13.6</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>7.8</td>
<td>14.4</td>
<td></td>
</tr>
</tbody>
</table>

1 – 2016 and 2017 restated to show Remediation / Other conduct within Underlying profit. 2 – 2016 to 2018 restated to reflect amendments to IAS12. 3 – Pre-tax PPI charge.
Solid financial performance in a challenging environment

<table>
<thead>
<tr>
<th>Statutory profit after tax</th>
<th>£3.0bn (33)%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Underlying profit</td>
<td>£7.5bn (7)%</td>
</tr>
<tr>
<td>Net income</td>
<td>£17.1bn (4)%</td>
</tr>
<tr>
<td>Total costs</td>
<td>£8.3bn 5%</td>
</tr>
<tr>
<td>Cost:income ratio</td>
<td>48.5% (0.8)pp</td>
</tr>
<tr>
<td>Return on tangible equity</td>
<td>7.8% (3.9)pp</td>
</tr>
<tr>
<td>Free capital build</td>
<td>86bps</td>
</tr>
</tbody>
</table>

- Statutory PAT of £3.0bn impacted by PPI charges of £2.45bn
- Underlying profit of £7.5bn with underlying RoTE of 14.8%
  - Net income of £17.1bn, 4% lower, with resilient NIM of 2.88%
  - Total costs of £8.3bn, 5% lower, with BAU costs down 6%, cost:income ratio further improved to 48.5% and positive jaws of 1%
  - Credit quality remains strong with net AQR of 29bps
- Statutory return on tangible equity of 7.8%
- Capital build of 86bps (207bps pre PPI); pro forma CET1 ratio of 13.8% post dividends
- TNAV per share of 50.8p
Growth in key segments

Open mortgage book ahead of 2018

(£bn)

<table>
<thead>
<tr>
<th>Year</th>
<th>2018</th>
<th>2019¹</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>266.6</td>
<td>270.1</td>
</tr>
</tbody>
</table>

+£3.5bn

Focused on growth opportunity in Insurance and Wealth

(Open book AUA, £bn)

<table>
<thead>
<tr>
<th>Year</th>
<th>2017</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>67</td>
<td>104</td>
</tr>
</tbody>
</table>

+£37bn²

SME lending growth ahead of market³

(Growth since start of GSR 3, %)

<table>
<thead>
<tr>
<th></th>
<th>Rest of market</th>
<th>LBG</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>1.7</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>3.3</td>
<td></td>
</tr>
</tbody>
</table>

Personal current account growth ahead of market⁴

(Growth since start of GSR 3, %)

<table>
<thead>
<tr>
<th></th>
<th>Rest of market</th>
<th>LBG</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>7.3</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>11.0</td>
<td></td>
</tr>
</tbody>
</table>

¹ Includes £3.5bn from Tesco book acquisition. ² Includes £18bn from Zurich’s UK workplace pensions and savings business acquisition. ³ LBG SME lending balances include Retail Business Banking and commercial cards. Rest of market based on Dec 2019 BoE data excluding LBG’s submitted balance. ⁴ LBG PCA credit balances exclude non-UK resident balances. Market data source: CACI (Nov 2019).
UK economy resilient in 2019 with some signs of improving outlook

- Economy resilient to slowing global growth and elevated political uncertainty during 2019
- Some signs of gradually improving outlook
  - Business and consumer confidence beginning to recover
  - Households’ spending power continuing to rise
  - Early signs of upturn in housing market activity and prices
- Outlook not yet reflected in interest rate yield curves
- Uncertainty remains given ongoing trade deal negotiations

Unique business model and increased investment creating competitive advantage

**OUR PURPOSE**
Helping Britain Prosper

**OUR AIM**
Best bank for customers, colleagues and shareholders

**OUR BUSINESS MODEL**
Digitised, simple, low risk, customer focused, UK financial services provider

Creating competitive advantage

- Market leading efficiency
- Greater investment capacity
- Sustainable and superior returns
- Improvement to customer experience
- Net cost reduction
- Enhancements to internal processes
Transforming the Group for success in a digital world

### Targeted outcomes (2020)

- **#1 UK digital bank**
- **Maintain #1 branch network**
- **More personalised customer propositions**
- **Supporting start-ups, SME and MM businesses**
- **Sole integrated UK banking and insurance provider**
- **End-to-end transformation covering >70% of cost base**
- **Simplification and modernisation of IT architecture**
- **Biggest ever investment in our People**

### Progress to date

- **16.4m** digitally active users
- **#1 branch network**
- **>£9bn** balance growth in targeted segments
- **SME growth ahead of market**
- **>1m** new pension customers target surpassed
- **55%** of cost base covered by transformation
- **>1m** cumulative hours saved through **automation**
- **3.2m** additional training hours delivered
- **33%** of change delivered by Agile methodologies

---

1 – Balance growth from FY 2017 to October 2019. Aligns to ‘Deepen Engagement’ segment on slide 19.
2019 strategic progress – Leading Customer Experience

All financial needs in one place

>5m Customers with Single Customer View capability

c.9m Customers with Single Customer View capability by end 2020

Further improving customer satisfaction
All channel Net Promoter Score

- 43
- 58
- 61
- 63

2011 2014 2017 2019

+47% +3%
2019 strategic progress – Maximising Group Capabilities

Leading lender to SMEs

SME lending balances (£bn)¹

**c.6pp increase in market share since 2010**

<table>
<thead>
<tr>
<th>Year</th>
<th>H1</th>
<th>H2</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>28</td>
<td>31</td>
</tr>
<tr>
<td>2019</td>
<td>32</td>
<td>31</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>H1</th>
<th>H2</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>+23%</td>
<td>+45%</td>
</tr>
<tr>
<td>2019</td>
<td>+23%</td>
<td>+45%</td>
</tr>
</tbody>
</table>

Strong start for Schroders Personal Wealth

**LBG Retail wealth referrals**

New AuA generated through LBG Retail wealth referrals

---

¹ – SME lending balances include Retail Business Banking and commercial cards. Market data source: BoE (Dec 2019).
2019 strategic progress – Digitising the Group and Transforming Ways of Working

Enhancing our cost track record

FY 2017-FY 2019 cost:income ratio movement

UK peer average

-0.4pp

-3.3pp

LBG cost:income ratio differential vs. UK peer average

2017

-10.4pp

2019

-13.3pp

Fintech collaboration to accelerate transformation

Selected examples

Cloud native next generation banking platform

Bespoke digital home insurance for renters

Online financial management service for small businesses

1 – Average underlying cost:income ratio (excluding notable items as highlighted by each institution). Reduction calculated vs. 9M 2019 for peers where FY 2019 not yet published. 2 – Differential calculated vs. 9M 2019 where FY 2019 not yet published.
Continued successful strategic execution is reinforcing competitive strengths

**Delivering for customers**
- Multi-brand, multi-channel distribution model
- Data-driven personalised experiences

**Future proofing the business**
- Sustainable business model
  - Market leading efficiency
  - Top quartile investment
- Low risk
  - Rigorous execution and management discipline

**Delivering for shareholders**
- Consistent delivery of market leading returns

>5m
Single Customer View customers

+3%
Improvement in NPS during GSR3

---

1. Estimated. Regional averages based on selection of peers where disclosure exists. Proxy for tech spend calculated based on available disclosure in annual reports or investor presentations and may not be like for like. 2. Reflects same peer set as that for technology spend, except for UK which reflects a broader set of UK banks, in line with slide 11. 3. As stated by peers, 9M 2019 where FY 2019 not disclosed.
Significant ESG delivery, supported by Helping Britain Prosper plan

A proven track record

Environmental

- Raised >£2.8bn in green bonds for UK corporate issuers, more than any other UK bank
- One of the UK’s leading low emission fleet through Lex Autolease
- Group carbon emissions down 63% since 2009, achieving 2030 target 11 years early
- One of the first businesses to sign up to all three of The Climate Group’s campaigns

Social

- The first FTSE100 company to set public diversity goals on gender and ethnicity
- 37% of senior roles held by women, up 8pp from 2014; 7% by BAME colleagues
- Donated >£100m since 2014 to our four independent charitable Foundations
- Highest corporate payer1 of UK taxes over the last four years
- Leading SME lender, increasing market share by c.6pp to 19% since 20102

Governance

- Dedicated Board-level Responsible Business Committee established in 2015
- Robust governance structures to protect customers and their data
- Comprehensive stakeholder consultation across a variety of topics, including remuneration

New ambitious goal

We aim to help reduce the emissions we finance by >50% by 2030

‘Our approach to ESG topics’
Investor presentation launched today

1 – As reported in the PWC Total Tax Contribution survey of the 100 Group. 2 – SME lending balances include Retail Business Banking and commercial cards. Market data source: BoE (Dec 2019).
Retail Bank update

Vim Maru
Group Director, Retail Bank
Unique multi-brand, multi-channel strategy and strong franchise

Over 26m retail customers are served by our iconic brands…

…and extensive multi-channel strategy…

…with strong customer satisfaction

<table>
<thead>
<tr>
<th>Relationship brands</th>
<th>Specialist brands</th>
</tr>
</thead>
<tbody>
<tr>
<td>LLOYDS BANK</td>
<td>blackhorse</td>
</tr>
<tr>
<td>HALIFAX</td>
<td>mbna</td>
</tr>
<tr>
<td>BANK OF SCOTLAND</td>
<td>Schroders personalwealth</td>
</tr>
<tr>
<td>SCOTTISH WIDOWS</td>
<td></td>
</tr>
</tbody>
</table>

Delivering on our strategic priorities

#1 branch network
Branch market share

<table>
<thead>
<tr>
<th>Year</th>
<th>On track</th>
<th>2017</th>
<th>2020e</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>c.21%</td>
<td>c.21%</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2020e</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#1 UK digital bank

- Digitally active users: 16.4m +22%²
- Mobile app active users: 10.7m +39%²

Delivering balance growth in targeted segments

+£9.5bn
Growth since FY17³

1 – Excludes PPI, Packaged Bank Accounts and other CMC complaints. 2 – Change since FY 2017. 3 – Balance growth from FY 2017 to October 2019. Aligns to ‘Deepen Engagement’ segment on slide 19.
Resilient financial performance despite a number of market headwinds

- **Stable income performance** despite a number of market headwinds
  - Increased competition and back book erosion
  - Regulatory changes
  - Fee income pressure

- NIM trend supported by prioritisation of margin and risk over volume in intermediary mortgages and **mix improvement** in higher margin consumer lending

- **Strong cost control** while continuing to invest significantly in the business
  - BAU costs **down 7%** since 2017
  - Investment **up 14%**

- Underlying credit quality remains robust

- c.50% of both Group underlying PBT and RWAs, with stable returns above the Group’s target level
We are refocusing our physical presence to serving complex needs

Adapting to changing behaviours

Customer channel interactions (indexed to 2014)

Branches are not the primary cost lever for the Group

Breakdown of Group operating cost base (2019)

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2017</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Branch costs¹</td>
<td>12%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Group costs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Group (£7.9bn)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Refocusing on serving complex needs

Customer-facing time spent serving complex needs

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Branch</td>
<td>45%</td>
<td>c.50%</td>
</tr>
<tr>
<td>Digital</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

• **Mortgages** – Relationship channel share up 3pp since 2017 to 17%²
• **Insurance & Wealth** – Mortgages protected through branches up 19% YoY in 2019
• **Business Banking** – Business Current Account balance share up 0.5pp to 20% since 2017³

Responding to changing customer preferences, digital is now our largest channel

Continuing to see increasing levels of digital penetration

Products originated via digital and mobile channels

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2017</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Digital</td>
<td>40%</td>
<td>68%</td>
<td>75%</td>
</tr>
<tr>
<td>o/w Mobile</td>
<td>29%</td>
<td>21%</td>
<td>25%</td>
</tr>
</tbody>
</table>

...supported by enhancements to functionality

- **Google Maps search**
  - Launched 2018 (First to market)
  - c.1.1m map views per month

- **App statement search**
  - Launched 2019
  - c.1.2m monthly uses

- **Save the change**
  - Extended 2019
  - c.1.3m registered users

Meeting all financial needs in one place

- **PCAs**
- **Savings**
- **Loans**
- **Credit cards**
- **Mortgages**
- **Protection**
- **Home insurance**
- **Corporate pensions**
- **Individual pensions**

23 average customer logons per month

**Strong customer relationships**

- Average balance per customer (£k)
  - 2014: 2.9
  - 2017: 4.1
  - 2019: 4.4

- Personal current account customers (m)
  - 2014: 15.9
  - 2017: 16.9
  - 2019: 17.3

---

1 – 3 month average. 2 – Based on 4Q 2019. 3 - Average customer mobile app logons. 4 – Retail & Wealth active current account holders across Lloyds Bank, Halifax and Bank of Scotland.
Targeted propositions with increasing personalisation

Greater understanding of our diverse customer base

<table>
<thead>
<tr>
<th>Complexity of needs</th>
<th>Strategy</th>
<th>Deepen engagement</th>
<th>Retain relationships</th>
<th>Deliver brilliant basics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>High</td>
<td>c.50%</td>
<td>c.25%</td>
<td>c.25%</td>
</tr>
<tr>
<td></td>
<td>Low</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

% of customers

- c.65%
- c.25%
- c.10%

% of customer deposits

- c.50%
- c.25%
- c.10%

Driving growth through more tailored propositions

1.6m customers
- Club Lloyds
- 2.7x average deposit balances

72% digital users
- Club Saver
- Lend a Hand
- Schroders personalwealth

1.8m customers
- Prize Draw
- 4x average savings balances
- 11pts higher NPS

1 – Represents c.95% of Retail customer base. 2 – Club vs. Non-Club. 3 – Registered Halifax Prize Draw customers vs Non-registered eligible Halifax Prize Draw customers. 4 – As at June 2019.
We continue to see opportunities across the business

A leading, diversified franchise

*Market share and movement since FY17*

**Distinct channel strategy in mortgages (open book)**

<table>
<thead>
<tr>
<th>Gross lending share</th>
<th>Intermediary channel</th>
<th>Relationship channel</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>18%</td>
<td>17%</td>
</tr>
<tr>
<td></td>
<td>+0.5</td>
<td>+3.2</td>
</tr>
</tbody>
</table>

**Increasing share**

<table>
<thead>
<tr>
<th>Stock lending share</th>
<th>PCAs</th>
<th>Black Horse car finance</th>
<th>Consumer loans</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>22%</td>
<td>15%</td>
<td>15%</td>
</tr>
<tr>
<td></td>
<td>+0.6</td>
<td>+0.8</td>
<td>+0.8</td>
</tr>
</tbody>
</table>

**With a clear strategy across all businesses**

**Deliver sustainable returns**

- Retain channel specific strategy in mortgages
  - Intermediary channel participation influenced by market pricing
  - Significantly increasing share through Relationship channel
- Cards portfolio to be managed within low risk appetite
- Consider ‘bolt-on’ inorganic opportunities where appropriate

**Increase participation**

- MBNA to be leveraged into new areas e.g. personal loans
- Motor Finance relationship with JLR renewed¹

**Maximising Group Capabilities**

- Increasing referrals to Schroders Personal Wealth advisers
- All financial needs in one place through Single Customer View
- Growing Home and Protection through multiple channels
- Collaborating with fintechs to provide financial management services to Business Banking customers

¹ – Subject to contract.
Full year results – Financials

William Chalmers
Chief Financial Officer
Resilient underlying performance in a challenging environment

<table>
<thead>
<tr>
<th>(£m)</th>
<th>2019</th>
<th>2018</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net interest income</td>
<td>12,377</td>
<td>12,714</td>
<td>(3)%</td>
</tr>
<tr>
<td>Other income (incl. Vocalink)</td>
<td>5,732</td>
<td>6,010</td>
<td>(5)%</td>
</tr>
<tr>
<td>Operating lease depreciation</td>
<td>(967)</td>
<td>(956)</td>
<td>(1)%</td>
</tr>
<tr>
<td>Net income</td>
<td>17,142</td>
<td>17,768</td>
<td>(4)%</td>
</tr>
<tr>
<td>Operating costs</td>
<td>(7,875)</td>
<td>(8,165)</td>
<td>4%</td>
</tr>
<tr>
<td>Remediation</td>
<td>(445)</td>
<td>(600)</td>
<td>26%</td>
</tr>
<tr>
<td>Total costs</td>
<td>(8,320)</td>
<td>(8,765)</td>
<td>5%</td>
</tr>
<tr>
<td>Trading surplus</td>
<td>8,822</td>
<td>9,003</td>
<td>(2)%</td>
</tr>
<tr>
<td>Impairment</td>
<td>(1,291)</td>
<td>(937)</td>
<td>(38)%</td>
</tr>
<tr>
<td>Underlying profit</td>
<td>7,531</td>
<td>8,066</td>
<td>(7)%</td>
</tr>
<tr>
<td>PPI</td>
<td>(2,450)</td>
<td>(750)</td>
<td></td>
</tr>
<tr>
<td>Other below the line items</td>
<td>(688)</td>
<td>(1,356)</td>
<td>49%</td>
</tr>
<tr>
<td>Statutory profit before tax</td>
<td>4,393</td>
<td>5,960</td>
<td>(26)%</td>
</tr>
<tr>
<td>Earnings per share</td>
<td>3.5p</td>
<td>5.5p</td>
<td>(36)%</td>
</tr>
<tr>
<td>Net interest margin</td>
<td>2.88%</td>
<td>2.93%</td>
<td>(5)bp</td>
</tr>
<tr>
<td>Cost:income (incl. remediation)</td>
<td>48.5%</td>
<td>49.3%</td>
<td>(0.8)pp</td>
</tr>
<tr>
<td>Asset quality ratio</td>
<td>0.29%</td>
<td>0.21%</td>
<td>8bp</td>
</tr>
</tbody>
</table>

- **Net income down 4% at £17.1bn**
  - NII 3% lower; stable AIEAs, resilient NIM
  - Other income of £5.7bn; Insurance growth offset by lower Commercial Banking revenues and gilt gains

- **Total costs reduced by 5%**
  - Operating costs <£7.9bn, down 4%
  - Continued significant investment in business
  - Remediation down 26%
  - Cost:income ratio of 48.5%, below prior year

- **Solid trading surplus of £8.8bn**

- **Credit quality strong with net AQR of 29bps**

- **Underlying profit of £7.5bn, down 7%**

- **Statutory PBT of £4.4bn, down 26%, impacted by PPI**
Net interest income lower; Resilient margin of 2.88 per cent in 2019

Net interest income and banking net interest margin (£m)

- NII down slightly, resilient NIM and stable AIEAs
  - Asset pricing pressure partly offset by lower deposit costs
  - Targeted asset growth vs. closed book run off and Irish mortgage book sale
- NIM for 2020 expected to be 2.75 – 2.80%

Quarterly net interest income and margin (£bn, %)

1. Other includes non-banking net interest income.
Resilient asset margin across key segments
- Open mortgage book ahead of 2018, enhanced by Tesco book acquisition
- Mortgage back book attrition of c.15%
- Targeted growth in consumer finance supporting Group margin
- Rebalancing Commercial portfolio towards higher return relationships

Asset margins: Remain resilient in a competitive market

### Changing asset mix

**(Book size £bn, Gross margin %)**

<table>
<thead>
<tr>
<th>Mortgage book</th>
<th>1.8%</th>
<th>1.8%</th>
<th>1.7%</th>
</tr>
</thead>
<tbody>
<tr>
<td>H2 2018</td>
<td>288</td>
<td>288</td>
<td>289</td>
</tr>
<tr>
<td>H1 2019</td>
<td>32</td>
<td>30</td>
<td>28</td>
</tr>
<tr>
<td>H2 2019</td>
<td>72</td>
<td>64</td>
<td>60</td>
</tr>
<tr>
<td>Front book</td>
<td>90</td>
<td>94</td>
<td>100</td>
</tr>
<tr>
<td>Back book</td>
<td>72</td>
<td>21</td>
<td>23</td>
</tr>
<tr>
<td></td>
<td>22</td>
<td>64</td>
<td>60</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>UK consumer finance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>Motor - New</td>
</tr>
<tr>
<td>Motor - Used</td>
</tr>
<tr>
<td>Loans</td>
</tr>
<tr>
<td>Cards</td>
</tr>
<tr>
<td>6.8%</td>
</tr>
</tbody>
</table>

### Commercial Banking incl. Retail Business Banking

<table>
<thead>
<tr>
<th></th>
<th>H2 2018</th>
<th>H1 2019</th>
<th>H2 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global Corporates,</td>
<td>37</td>
<td>37</td>
<td>34</td>
</tr>
<tr>
<td>Financial Institutions &amp; Other (excl. run off)</td>
<td>32</td>
<td>31</td>
<td>29</td>
</tr>
<tr>
<td>Mid Markets</td>
<td>32</td>
<td>32</td>
<td>32</td>
</tr>
<tr>
<td>SME</td>
<td>32</td>
<td>32</td>
<td>32</td>
</tr>
<tr>
<td>2.0%</td>
<td>100</td>
<td>100</td>
<td>95</td>
</tr>
</tbody>
</table>

1 – Gross margin is gross customers receivables or payables, less short term funding costs (LIBOR or relevant swap rates).
2 – Including Tesco mortgage book.
3 – Includes c.0.4% benefit from card terms alignment in H2 2019.
4 – Includes Fleet, Stocking and Lex Finance.
5 – Includes Retail Business Banking.
Liability margins: Improving mix and structural hedge supporting resilient margin despite lower rates

Improving liability mix\(^1\)
(Book size £bn, Gross margin %\(^2\))

<table>
<thead>
<tr>
<th>Relationship</th>
<th>H2 2018</th>
<th>H1 2019</th>
<th>H2 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial deposits</td>
<td>130</td>
<td>133</td>
<td>128</td>
</tr>
<tr>
<td>Retail current accounts</td>
<td>146</td>
<td>144</td>
<td>145</td>
</tr>
<tr>
<td>Retail relationship</td>
<td>35</td>
<td>34</td>
<td>35</td>
</tr>
<tr>
<td>Other customer deposits</td>
<td>74</td>
<td>76</td>
<td>77</td>
</tr>
</tbody>
</table>

Hedged balances
(£bn)

- Further opportunity to grow current accounts, reduce tactical balances and optimise mix
  - Current accounts now 27% of deposits (16% in 2014)
- Structural hedge of £179bn; c.3 years weighted avg. life
  - Hedge earnings of 0.7% or £1.1bn over LIBOR
  - Reinvested upcoming maturities in Q4 to protect income
  - c.£6bn uninvested with around £30bn maturing in 2020

1 – Includes Retail Business Banking within SME and other reclassifications. 2 – Gross margin is gross customers receivables or payables, less short term funding costs (LIBOR or relevant swap rates). 3 – The external structural hedge notional is managed as a portfolio, split shown is indicative.
Other income challenging, but building resilience

**Other income of £5.7bn, down 5%**

- **Commercial**: softness in large corporates markets activity
- **I&W**: workplace pensions, GI growth, benefit from change in investment manager, longevity benefits
- **Retail**: lower fleet volumes in Lex
- **Central**: lower LDC and gilt gains

**Expected to remain challenging in 2020, but ongoing investment to build resilience**

- **I&W**: Financial Planning & Retirement, Protection and Home Insurance product capabilities
- **Commercial**: Corporate payments platform
- **Retail**: value adding current account rewards and loyalty propositions

---

**Other Income (including Vocalink) (£bn)**

<table>
<thead>
<tr>
<th></th>
<th>Q4 2018</th>
<th>Q1 2019</th>
<th>Q2 2019</th>
<th>Q3 2019</th>
<th>Q4 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>1.4</td>
<td>1.6</td>
<td>1.6</td>
<td>1.3</td>
<td>1.3</td>
</tr>
<tr>
<td>2018²</td>
<td>1.4</td>
<td>1.7</td>
<td>1.9</td>
<td>1.6</td>
<td>1.6</td>
</tr>
<tr>
<td>2017²</td>
<td>1.8</td>
<td>1.8</td>
<td>1.8</td>
<td>1.4</td>
<td>1.4</td>
</tr>
</tbody>
</table>

**Divisional Other Income (including Vocalink) (£bn)**

- **Retail**: lower fleet volumes in Lex
- **Commercial**: Corporate payments platform
- **Central**: lower LDC and gilt gains

---

1 – Includes £136m benefit from the change in investment manager provider. 2 – 2017 and 2018 segmental comparatives restated.
Continued delivery on operating costs while maintaining strategic investment

- Total costs down 5%; BAU costs down 6%; investment expensed and depreciation £2.4bn, up 3%
- Above the line cash investment spend of £2.4bn, including strategic investment of £1.0bn
- c.£2.0bn of strategic investment since launch of GSR3
- Capitalisation stable at c.60% of above the line investment or c.50% of total investment
- Remediation down 26%, expected to reduce further

---

1 – 2018 adjusted to reflect impact of IFRS16.
Efficiency opportunities driven by investment, flexibility and focus

- **Strong track record of delivery**
  - Operating costs from c.£10bn in 2010 to <£7.9bn in 2019, with significant increases in investment
  - Cost guidance enhanced twice during 2019

- **Operating costs expected to be <£7.7bn in 2020**
  - Cost:income ratio to be lower than in 2019

- **Strategic investment in cost reduction**
  - Automation to improve efficiency of processes and customer service
  - Decommissioning legacy systems
  - Infrastructure rationalisation

- **Doing things smarter**
  - Organisational structure

**Examples of cost saving initiatives**

- **Automation**
  - Use of new technologies (e.g. robotics, AI)
  - Simplification of customer and internal processes

- **Rationalisation of HQ properties**
  - Reducing property footprint

- **Cloud strategy**
  - Increasing use of private and public cloud

- **Organisational effectiveness**
  - Simplification of management and team structures
Asset quality remains strong reflecting prudent approach to risk

- Gross AQR of 37bps, net AQR of 29bps
  - Asset quality remains stable excluding two material corporate cases
  - Benefit from continued debt sales, write backs

- Stage 2 and 3 balances as % of Group lending broadly stable, coverage slightly lower
  - Stage 2 coverage at 3.7% due to IFRS 9 methodology refinements across Commercial portfolios
  - Stage 3 coverage at 22.5% due to change in asset mix in Stage 3 in Commercial Banking

- Underlying credit portfolio remains strong

- Expect net AQR to be less than 30bps in 2020

---

1 – Shown on an underlying basis.  2 – Stage 2/3 expected credit loss allowance as a proportion of Stage 2/3 drawn balances.
Credit quality remains strong across all portfolios

- **Strong credit performance across Mortgage portfolio, new to arrears remain low**
  - Low average LTV of <45%; average LTV of new business c.64% and c.90% of portfolio has LTV ≤80%\(^2\)
  - Legacy balances declining: 2006-8 originations down 12% in 2019

- **Prime Credit Card book**
  - New to arrears remain low, charge-off rates stable

- **Prudent approach to Motor Finance**
  - Predominantly secured with conservative provisioning; used car prices stabilised in Q4

- **Diversified and high quality Commercial portfolio**
  - SME portfolio largely secured
  - Prudent approach to vulnerable sectors; CRE exposure reduced to <£15bn with LTVs improved
  - Large single name charges not typical of wider portfolio

---

1 – Gross lending mortgage balances. Pre-2017 balances not adjusted for IFRS9. 2 – 2019 Loan to Values use Markit’s 2019 Halifax House price index; 2014 - 2018 values have been restated on the same basis.
Statutory performance impacted by PPI

<table>
<thead>
<tr>
<th>(£m)</th>
<th>2019</th>
<th>2018¹</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Underlying profit</td>
<td>7,531</td>
<td>8,066</td>
<td>(7)%</td>
</tr>
<tr>
<td>Market volatility and asset sales</td>
<td>126</td>
<td>(50)</td>
<td></td>
</tr>
<tr>
<td>Fair value unwind and other²</td>
<td>(343)</td>
<td>(427)</td>
<td>20%</td>
</tr>
<tr>
<td>Restructuring costs</td>
<td>(471)</td>
<td>(879)</td>
<td>46%</td>
</tr>
<tr>
<td>PPI</td>
<td>(2,450)</td>
<td>(750)</td>
<td></td>
</tr>
<tr>
<td>Statutory profit before tax</td>
<td>4,393</td>
<td>5,960</td>
<td>(26)%</td>
</tr>
<tr>
<td>Tax expense</td>
<td>(1,387)</td>
<td>(1,454)</td>
<td>5%</td>
</tr>
<tr>
<td>Statutory profit after tax</td>
<td>3,006</td>
<td>4,506</td>
<td>(33)%</td>
</tr>
</tbody>
</table>

- **Statutory profit after tax down 33%**
  - Restructuring: major projects completed, severance and initial costs for Schroders joint venture
  - PPI: no provision in Q4; conversion in line with 10% assumption, agreement reached with Official Receiver

- **Higher effective tax rate of 32% due to PPI**
  - Guidance remains c.25%, although likely lower in 2020

- **Statutory RoTE of 7.8% impacted by PPI**
  - Strong underlying RoTE of 14.8%

- **Statutory RoTE expected to be 12 – 13% in 2020**

¹ – Restated to reflect amendments to IAS12. ² – Including amortisation of purchased intangibles.
Growth in targeted segments with continued portfolio optimisation

- Loans and advances £440bn
  - **Open mortgage book** ahead of prior year while focusing on margin and risk, particularly in intermediary channel
  - Continued high-quality growth in **consumer portfolio**, particularly **Motor Finance**
  - **SME¹** growth c.1% continues ahead of market
  - **Commercial Other** down c.£5bn; portfolio optimisation to focus on higher risk-adjusted return business

- Reduction in RWAs to £203bn
  - Optimisation of Commercial offsetting impact of IFRS16, increase in Retail and Tesco book acquisition
  - Optimisation driving improved Commercial returns and RWA efficiency
  - Expect RWAs in 2020 to be broadly in line with 2019, despite regulatory headwinds

---

**Loans and advances (£bn)**

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail Other</td>
<td>65</td>
<td>70</td>
</tr>
<tr>
<td>SME¹</td>
<td>32</td>
<td>32</td>
</tr>
<tr>
<td>Commercial Other</td>
<td>51</td>
<td>52</td>
</tr>
<tr>
<td>Closed mortgage book</td>
<td>19</td>
<td>21</td>
</tr>
<tr>
<td>Open mortgage book</td>
<td>270</td>
<td>267</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>440</td>
<td>444</td>
</tr>
</tbody>
</table>

**Risk-weighted assets (£bn)**

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail</td>
<td>77</td>
<td>87</td>
</tr>
<tr>
<td>Commercial</td>
<td>28</td>
<td>26</td>
</tr>
<tr>
<td>Other²</td>
<td>98</td>
<td>94</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>203</td>
<td>206</td>
</tr>
</tbody>
</table>

---

¹ Retail Business Banking included within SME. ² Other includes Insurance & Wealth and Central; Other RWAs also include threshold RWAs.
Tangible net asset value impacted by PPI and market movements

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>53.0</td>
<td>7.6</td>
<td>(3.5)</td>
<td>(1.6)</td>
<td>0.6</td>
<td></td>
<td>54.1</td>
<td>(3.3)</td>
<td>50.8</td>
</tr>
</tbody>
</table>

- TNAV of 50.8p per share, down 2.2p in the year
- Gross TNAV generation of 1.1p in 2019
  - Pre-PPI statutory profit of 7.6p per share
  - PPI charge of (3.5)p per share
  - Pensions impact of (1.6)p per share driven by tightening credit spreads
  - 0.6p per share movement in cash flow hedge reserve due to lower swap rates
- Dividends paid in the year of 3.3p per share
- Full year reserve movements largely driven by market movements in Q4

---

1 – Other includes AT1 coupon and other reserve movements.
Strong capital build excluding PPI charge

- Capital build 207bps pre-PPI, 86bps after PPI
- Pro forma CET1 13.8% after dividend
  - Final ordinary dividend 2.25p per share; total ordinary dividend 3.37p per share, up 5%
- Ongoing CET1 target remains c.12.5% plus a management buffer of c.1%
  - CCyB 1.8% with partial P2A offset expected, both at end of 2020
  - Expect P2A to reduce over time
- Total pro forma capital remains strong at 21.5%; pro forma UK leverage ratio of 5.2%
Strategic progress alongside solid financial performance

- Group continues to Help Britain Prosper, whilst building strategic advantage and delivering strong and sustainable returns

- Significant progress against strategic priorities with £2bn investment since launch of GSR3

- Solid financial returns in challenging environment with resilient underlying performance offset by PPI charges

- Progressive and sustainable total ordinary dividend of 3.37p, up 5%; quarterly dividends commence at Q1 2020

- Guidance for 2020 reflects confidence in business model and future performance

Guidance for 2020

- NIM of 2.75 – 2.80%

- Operating costs less than £7.7bn with cost:income ratio lower than in 2019

- Net AQR ratio less than 30bps

- Capital build expected within the Group’s ongoing guidance of 170 – 200bps p.a.

- RWAs to be broadly in line with 2019

- Statutory RoTE of 12 – 13%, driven by resilient underlying profit and lower below the line charges
Appendix
### Quarterly P&L and key ratios – solid financial performance

<table>
<thead>
<tr>
<th></th>
<th>Q4 2019</th>
<th>Q3 2019</th>
<th>Q2 2019</th>
<th>Q1 2019</th>
<th>Q4 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net interest income</strong></td>
<td>3,102</td>
<td>3,130</td>
<td>3,062</td>
<td>3,083</td>
<td>3,170</td>
</tr>
<tr>
<td><strong>Other Income</strong></td>
<td>1,267</td>
<td>1,315</td>
<td>1,594</td>
<td>1,556</td>
<td>1,400</td>
</tr>
<tr>
<td><strong>Operating lease depreciation</strong></td>
<td>(236)</td>
<td>(258)</td>
<td>(254)</td>
<td>(219)</td>
<td>(225)</td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>4,133</td>
<td>4,187</td>
<td>4,402</td>
<td>4,420</td>
<td>4,345</td>
</tr>
<tr>
<td><strong>Operating costs</strong></td>
<td>(2,058)</td>
<td>(1,911)</td>
<td>(1,949)</td>
<td>(1,957)</td>
<td>(2,151)</td>
</tr>
<tr>
<td><strong>Remediation</strong></td>
<td>(219)</td>
<td>(83)</td>
<td>(123)</td>
<td>(20)</td>
<td>(234)</td>
</tr>
<tr>
<td><strong>Total costs</strong></td>
<td>(2,277)</td>
<td>(1,994)</td>
<td>(2,072)</td>
<td>(1,977)</td>
<td>(2,385)</td>
</tr>
<tr>
<td><strong>Trading surplus</strong></td>
<td>1,856</td>
<td>2,193</td>
<td>2,330</td>
<td>2,443</td>
<td>1,960</td>
</tr>
<tr>
<td><strong>Impairment</strong></td>
<td>(341)</td>
<td>(371)</td>
<td>(304)</td>
<td>(275)</td>
<td>(197)</td>
</tr>
<tr>
<td><strong>Underlying profit</strong></td>
<td>1,515</td>
<td>1,822</td>
<td>2,026</td>
<td>2,168</td>
<td>1,763</td>
</tr>
<tr>
<td><strong>PPI</strong></td>
<td>–</td>
<td>(1,800)</td>
<td>(550)</td>
<td>(100)</td>
<td>(200)</td>
</tr>
<tr>
<td><strong>Other below the line items</strong></td>
<td>(69)</td>
<td>28</td>
<td>(182)</td>
<td>(465)</td>
<td>(537)</td>
</tr>
<tr>
<td><strong>Statutory profit before tax</strong></td>
<td>1,446</td>
<td>50</td>
<td>1,294</td>
<td>1,603</td>
<td>1,026</td>
</tr>
<tr>
<td><strong>Statutory profit after tax</strong></td>
<td>1,019</td>
<td>(238)</td>
<td>1,025</td>
<td>1,200</td>
<td>766</td>
</tr>
</tbody>
</table>

- **Net interest margin**: 2.85%, 2.88%, 2.89%, 2.91%, 2.92%
- **Cost:income (incl. remediation)**: 55.1%, 47.6%, 47.1%, 44.7%, 54.9%
- **Asset quality ratio**: 0.30%, 0.33%, 0.27%, 0.25%, 0.18%
- **Underlying RoTE**: 12.2%, 14.3%, 15.6%, 17.0%, 13.6%
- **Statutory RoTE**: 11.0%, (2.8)%, 10.5%, 12.5%, 7.8%
- **TNAV per share**: 50.8p, 52.0p, 53.0p, 53.4p, 53.0p
### Mortgage portfolio LTV breakdown – continued low LTVs

<table>
<thead>
<tr>
<th>LTV Category</th>
<th>Dec 2019¹</th>
<th>Dec 2018¹</th>
<th>Dec 2010²</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mainstream</td>
<td>Buy to let</td>
<td>Specialist</td>
</tr>
<tr>
<td>Average LTVs</td>
<td>43.6%</td>
<td>52.3%</td>
<td>44.0%</td>
</tr>
<tr>
<td>New business LTVs</td>
<td>65.2%</td>
<td>58.2%</td>
<td>n/a</td>
</tr>
<tr>
<td>≤ 80% LTV</td>
<td>85.1%</td>
<td>97.2%</td>
<td>91.9%</td>
</tr>
<tr>
<td>&gt;80–90% LTV</td>
<td>12.0%</td>
<td>2.0%</td>
<td>4.1%</td>
</tr>
<tr>
<td>&gt;90–100% LTV</td>
<td>2.6%</td>
<td>0.4%</td>
<td>1.2%</td>
</tr>
<tr>
<td>&gt;100% LTV</td>
<td>0.3%</td>
<td>0.4%</td>
<td>2.8%</td>
</tr>
<tr>
<td>Value &gt;80% LTV</td>
<td>£33.8bn</td>
<td>£1.4bn</td>
<td>£1.0bn</td>
</tr>
<tr>
<td>Value &gt;100% LTV</td>
<td>£0.7bn</td>
<td>£0.2bn</td>
<td>£0.3bn</td>
</tr>
<tr>
<td>Gross lending</td>
<td>£229bn</td>
<td>£49bn</td>
<td>£12bn</td>
</tr>
</tbody>
</table>

1 – 2019 Loan to Values use Markit's 2019 Halifax House price index; 2018 values have been restated on the same basis. 2 – 2010 Loan to Values use Markit's pre 2019 Halifax House price index and includes TSB.
Market shares - opportunities for growth in targeted key segments

Channels market share

- Digital new business volumes: 18%
- Branch new business volumes: 22%

Product market share

- Consumer credit card balances: 24%
- PCA deposit balances: 22%
- Mortgage balances (open book): 19%
- SME and small business lending balances: 19%
- Mid corporate main bank relationships: 18%
- Savings balances: 16%
- Consumer loan balances: 15%
- Black Horse car finance balances: 15%
- Corporate pensions (flow): 14%
- Home insurance GWP: 12%
- Commercial payments volumes (flow): 7%
- Individual pensions & drawdown (flow): 3%
- Wealth management AuA: 2%

Average market share: 18%

1 – Average volume share across PCAs, loans, savings, cards and home insurance. 2 – Comprises unsecured personal loans, overdrafts and Black Horse retail lending balances. 3 – Annualised Premium Equivalent new business on an estimated whole of market basis. 4 – Excludes execution-only stockbrokers. 5 – Average market share calculated for core financial services products.

Forward looking statements and basis of presentation

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 Banking Group plc together with its subsidiaries (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. Words such as 'believes', 'anticipates', 'estimates', 'expects', 'intends', 'aims', 'potential', 'will', 'would', 'could', 'considered', 'likely', 'estimate' and variations of these words and similar future or conditional expressions are intended to identify forward looking statements but are not the exclusive means of identifying such statements. Examples of such forward looking statements include, but are not limited to: projections or expectations of the 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 Group's future financial performance; the level and extent of future impairments and write-downs; statements of plans, objectives or goals of the Group or its management including in respect of statements about the future business and economic environments in the UK and elsewhere including, but not limited to, future trends in interest rates, foreign exchange rates, credit and equity market levels and demographic developments; statements about competition, regulation, disposals and consolidation or technological developments in the financial services industry; 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, 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; any impact of the transition from IBORs or other reference rates; 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; political instability including as a result of any UK general election; 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 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 or Form 20-F filed by Lloyds Banking Group plc with the US Securities and Exchange Commission for a discussion of certain factors and risks together with examples of forward looking statements. Lloyds Banking Group may also make or disclose written and/or oral forward looking statements in reports filed with or furnished to the US Securities and Exchange Commission, Lloyds Banking Group annual reviews, half-year announcements, proxy statements, offering circulars, prospectuses, press releases and other written materials and in oral statements made by the directors, officers or employees of Lloyds Banking Group 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 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 within the 2019 Results News Release (2019 News Release). This presentation is derived from the 2019 News Release and readers of this presentation should refer to the 2019 News Release for the underlying information.