LLOYDS BANKING GROUP

FIXED INCOME INVESTOR PRESENTATION

H1 2021

Group Overview

Simple group structure with multiple issuance points

	HoldCo	
Main Entities	Lloyds Banking Group	
Ratings¹	A2 / BBB+ / A Sta / Sta / Sta	P-1 / A-2 / F1
Example Products	Senior Unsecured Capital	-

Ring-Fenced Sub-Group		Non-Ring-Fenced Sub-Group		Insurance Sub-Group		Equity Investments Sub-Group	
Lloyds Bank, Bank of Scotland		Lloyds Bank Corporate Markets		Scottish Widows		Lloyds Equity Investments	
A1 / A+ / A+ Sta / Sta / Sta	P-1 / A-1 / F1	A1 / A / A+ Sta / Sta / Sta	P-1 / A-1 / F1	A2 / - / A+[2] Sta / - / Sta	- / - / F-1	-	-
Senior Unsecured Covered Bonds ABS	CD, CP	Senior Unsecured	CD, Yankee CD, CP	Capital	-	-	-
L&A: **£481bn**[4,5]	Assets: **£610bn**[5]	L&A: **£24bn**[4,5]	Assets: **£92bn**[5]	L&A: N/A	AuA: **£185bn**[3,5]	L&A: **N/A**	Assets: **£3bn**[5]
EU sub: Berlin		**EU sub: Frankfurt**		**EU sub: Luxembourg**			

1 - Ratings shown are senior unsecured, Moody's / S&P / Fitch. 2 – Ratings shown are for Scottish Widows Ltd Insurance Financial Strength Rating. 3 – Insurance assets includes Wealth. 4 – "L&A" refers to Loans & Advances to customers and banks. 5 – L&A & Total Assets as at H1 2021 except for LBCM and LEIL which are as at FY 2020

Well positioned to continue delivering for all stakeholders

LLOYDS BANKING GROUP

OUR PURPOSE

Helping Britain Prosper

OUR FOCUS IN 2021

Helping Britain Recover

- **Ongoing support for customers whilst Helping Britain Recover**
- **Good progress on Strategic Review 2021 priorities**
- **Solid financial performance and business momentum**
- **Continued balance sheet growth, including £12.6bn in the open mortgage book**
- **Strong capital position, underpinned by strong capital build**
- **Interim ordinary dividend of 0.67p per share**
- **2021 guidance enhanced**
  - Net interest margin expected to be around 250bps
  - Operating costs expected to be c.£7.6bn
  - Net asset quality ratio expected to be below 10bps
  - RoTE expected to be c.10%, excluding the c.2.5pp benefit from tax changes
  - RWAs expected to be below £200bn

Strategic Review 2021: Progress on Helping Britain Recover

LLOYDS BANKING GROUP

Helping Britain Recover

Customer ambitions

Enhanced capabilities

Focused where we can make a difference

H1 progress vs. 2021 targets[1]

Expand availability of affordable and quality homes

c.£9bn lent to first time buyers; almost reaching FY target of £10bn

>£2bn of social housing sector funding, exceeding FY target

Support businesses to recover, adapt and grow

Supported >48k businesses in start up as part of 75k commitment

Helped 75k small businesses boost their digital capabilities

Help rebuild households' financial health and wellbeing

Directed customers to free independent debt advice for >130k accounts

>6,500 colleagues trained and supporting customers in building financial resilience

Accelerate the transition to a low carbon economy

c.£9bn of total green finance[2] since 2016, with funding available under discounted green finance initiatives expanded from £3bn to £5bn in 2021

On track to achieve own operations emissions target, ranking 6th in FT's inaugural listing of Europe's Climate Leaders

Build an inclusive society and organisation

Progress towards diversity goals of 50% women, 13% Black, Asian, Minority Ethnic and 3% Black colleagues in senior roles by 2025

1 – More detail is available in our ESG Investor Presentation, available here: https://www.lloydsbankinggroup.com/investors/financial-downloads.html. 2 – Includes Clean Growth Finance Initiative, Commercial Real Estate Green Finance, Renewable Energy Financing and Green/ESG Bond facilitation.

Strategic Review 2021: Progress against our customer ambitions

Helping Britain Recover

Customer ambitions

Enhanced capabilities

Preferred financial partner for personal customers

71

Record all channel NPS, **up 3 pts**

Target: Maintain in 2021 (68)

>£12bn

Strong net growth in **open book mortgages**

Best bank for business

+3pts

Increase in **SME digital NPS**

Target: 5 point increase by 2023

6th

Improved GBP rates ranking (FY20: 10th)[1]

Strategic actions taken to enhance wealth offering

Mass market digital offering	Mass affluent	HNW/UHNW
LLOYDS BANK, HALIFAX, embark group	Schroders personalwealth	Cazenove Capital
<£100k investable assets or income, self-directed	***>£100k investable assets or income, seeking advice***	***>£1m investable assets, with more complex needs***

Supporting progress on SR21 aims

+£4bn Net new money in Insurance & Wealth in H1 2021, c.7% annualised growth

c.£40bn Increased 2023 net new money target *(previously £25bn)*

1 – Combined Tradeweb and Bloomberg GBP IRS (Rates) ranking.

Strategic Review 2021: Progress in enhancing our capabilities

Helping Britain Recover

Customer ambitions

Enhanced capabilities

Modernised technology architecture

c.175% Mobile app releases in H1 as % of HY20

Target: Double number of releases in 2021

c.120k Customer accounts safely migrated to pilot of new bank architecture

Target: c.400k accounts migrated in 2021

Integrated payments

c.2x Increase in clients onboarded to cash management & payments platform

Target: 3x increase in 2021

#1 Leading card spend market share

Target: Maintain spend share in 2021

Data-driven organisation

20k Franchise customers with faster mortgage approvals due to automated income verification analysis

45m Customer records migrated to cloud as part of proof of concept

Reimagined ways of working

c.80% Colleagues to be working in a hybrid manner as part of future ways of working model

c.3% Reduction in office space in H1

Target: 8% reduction in 2021

Significant progress across our ESG ambitions in the past 12 months

Environmental

- Announced ambitious goals to reach **net zero emissions in our lending and investment portfolios by 2050 or sooner, with intermediate goals to**
  - **Help reduce** carbon emissions we finance **by >50% by 2030**
  - **Halve** the carbon footprint of Scottish Widows investments **by 2030**
- Developed three new operational climate pledges including **net zero carbon operations by 2030**
- Calculated initial estimate of our **2018 financed emissions baseline** covering c.70% of Group's balance sheet[1]
- Joined **Net-Zero Banking Alliance** as a founding member in April 2021 NEW
- Scottish Widows **divesting c.£1.4bn** from companies not meeting ESG standards NEW

Social

- Announced **new gender and ethnic diversity aspirations** for colleagues in senior roles by 2025
- Marked 1st anniversary of our **Race Action Plan**, driving change across our culture, recruitment and progression, and supporting Black communities externally NEW
- The **first FTSE100 company** to set a public goal for **senior roles held by Black colleagues** (3% by 2025)
- **>£51m total community investment**, including **£25.5m** for our **four independent charitable Foundations**

Governance

- Successful transition to new Chair with ongoing CEO **leadership succession;** new CEO starting in August NEW
- Comprehensive **shareholder engagement** including Board Governance Event and retail investor briefings
- **Employee engagement** remains strong reflecting support to colleagues through pandemic NEW
- New **ESG Report (FY2020)**, including **enhanced TCFD disclosures** and **new SASB index**

1 – Excluding Insurance & Wealth

Long-term ESG focus supported by memberships, awards and ratings

1985
Independent charitable Foundations established

2002
Investment in energy savings measures recognised by Carbon Trust Energy Efficiency Accreditation Scheme

2008
Adopted the Equator Principles

2014
Launched our Helping Britain Prosper Plan

2018
Launched our Sustainability strategy

2019
Signed up to all 3 of The Climate Group initiatives

2020
Launched our Race Action Plan

2021
Announced Helping Britain Recover

Memberships

- Net-Zero Banking Alliance (NZBA) NEW
- Task Force on Nature-Related Financial Disclosures
- Institutional Investors Group on Climate Change
- UNEP FI Principles for Sustainable Insurance
- UNEP FI Principles for Responsible Banking
- Task Force on Climate-Related Financial Disclosures
- UN Principles for Responsible Investment
- The Equator Principles

Recent awards and recognition

NEW
Ranked 6th in FT's inaugural listing of Europe's Climate Leaders

FTSE4Good

The Times Top 50 Employers for Women 2020

Bloomberg Gender-Equality Index 2020

Ethnicity Awards

Top 10 Employer for Working Families 2020

iwfm Impact Awards 2020

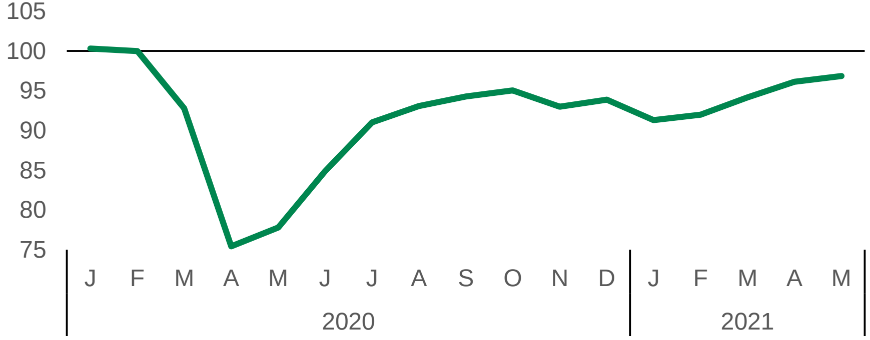
Latest ESG index scores

MSCI	AA
Sustainalytics	23.3
ISS ESG Corporate rating	C (Prime)
CDP	A-
Workforce Disclosure Initiative	85%

Continuing economic recovery, although uncertainties remain

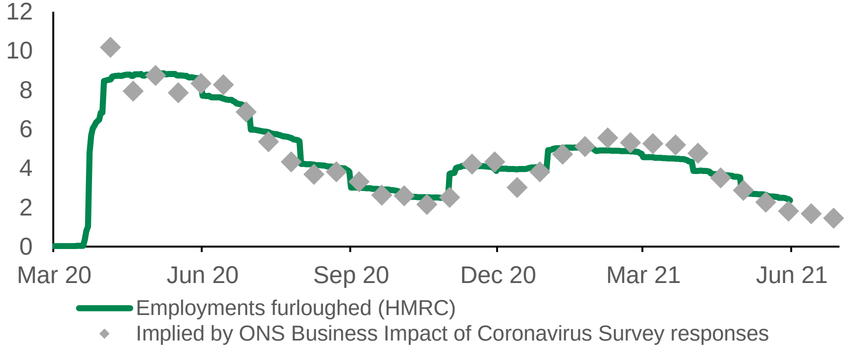
UK GDP[1]

(Indexed to February 2020 = 100)



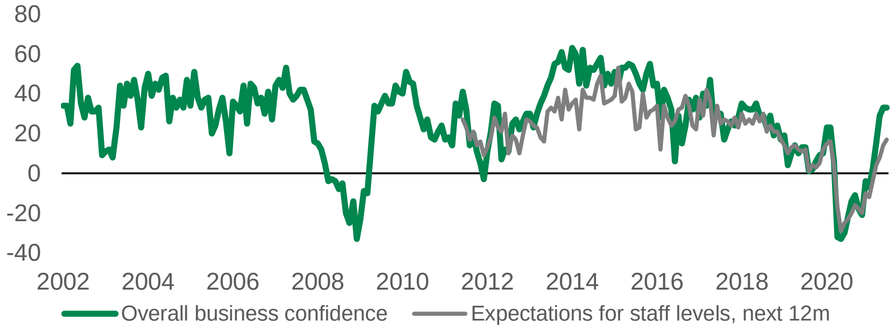
Employments furloughed per day[2]

(Millions)



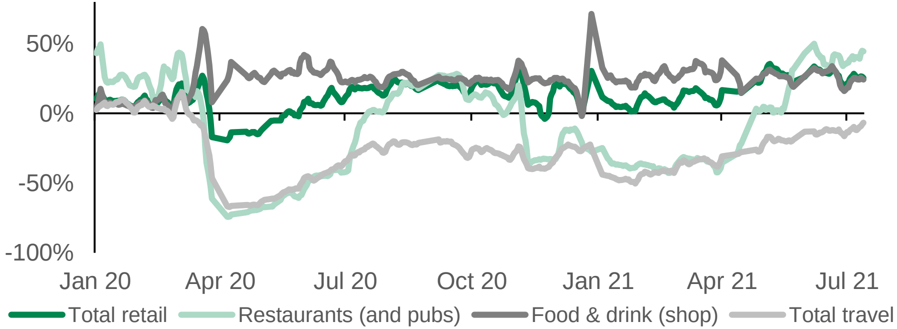
Business confidence and expectations for staff numbers[3]

(Expectations for coming 12 months)



LBG customer card spend[4]

(104 week percentage change, 7d moving average, excluding public holidays)



1 – ONS. 2 – HMRC / ONS. 3 – Lloyds Bank Business Barometer. 4 – LBG total debit and credit card spend.

Financial Update

Solid financial performance, continued business momentum

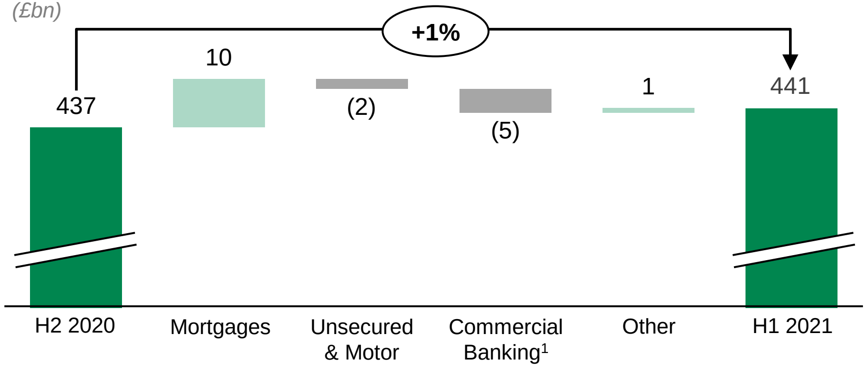
	H1 2021
Net income	£7.6bn
Cost:income ratio (incl. remediation)	54.9%
Pre-provision operating profit	£3.4bn
Impairment credit	£656m
Statutory profit before tax	£3.9bn
Return on tangible equity	19.2%
TNAV	55.6p
CET1 ratio	16.7%

- **Net income recovering, 2% ahead of H1 2020, 8% ahead of H2 2020**
  - NII £5.4bn with AIEAs £441bn and H1 NIM 250bps
  - Other income of £2.4bn; operating lease depreciation of £271m
- **Operating costs slightly up on prior year**
- **Higher remediation charge, relating to legacy programmes**
- **Underlying asset quality strong with net impairment credit**
- **Statutory profit before tax of £3.9bn**
- **Strong balance sheet and capital build in H1**
  - Open mortgage book growth of £12.6bn
  - Deposit growth of £23.7bn
  - TNAV of 55.6p, up 3.3p in H1
  - CET1 ratio of 16.7% post-dividend accrual, with capital build of 93bps
- **2021 guidance enhanced**

Strong balance sheet and resilient net interest income

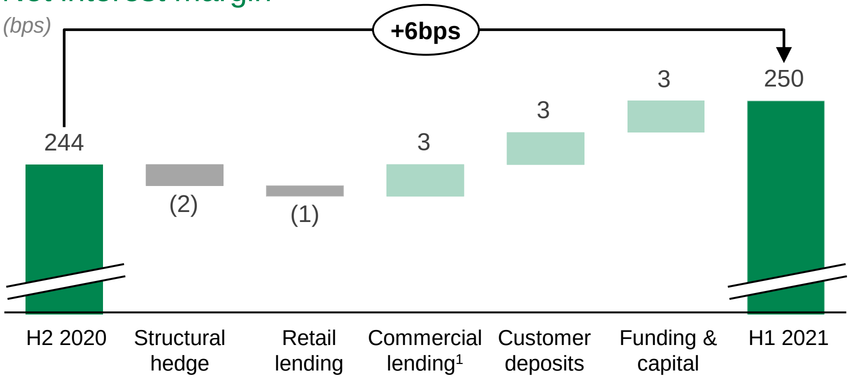
Average interest earning assets

(£bn)



Net interest margin

(bps)



- **H1 AIEAs at £441bn up c.£4bn versus H2 2020**
- **NII of £5.4bn, down 1% on H1 2020 impacted by lower rates; up 2% on H2**
- **H1 NIM of 250bps, with Q2 margin of 251bps**
- **Continue to expect low single-digit percentage growth in AIEAs in 2021**
  - Solid mortgage pipeline for Q3
  - Modest recovery in unsecured balances expected in H2
- **2021 NIM now expected to be around 250bps**
  - H2 mortgage margin pressure mitigated by increased hedge income and lower funding costs

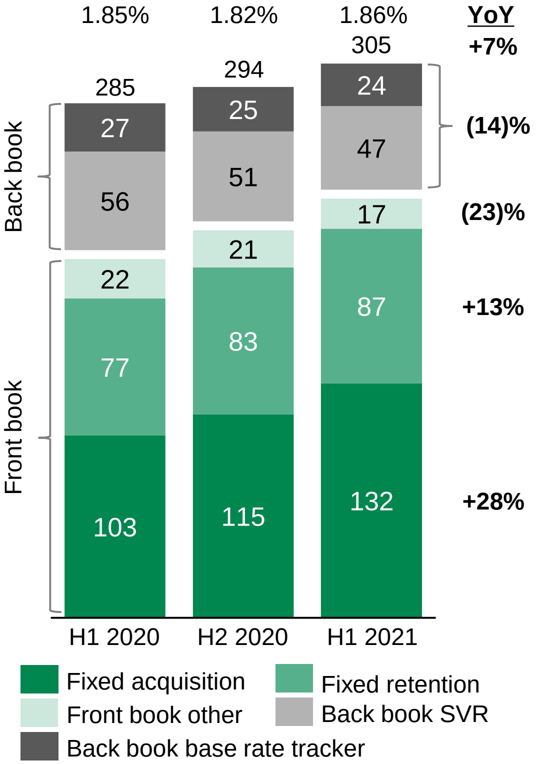
1 – Retail Business Banking shown in Commercial.

Continued lending growth in mortgages; robust asset margins

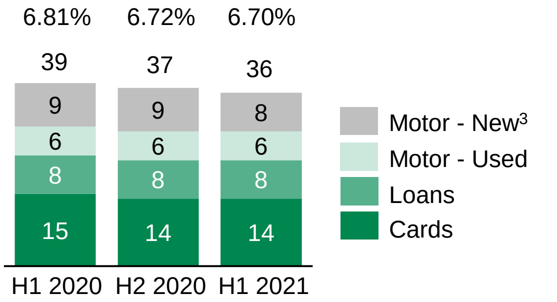
Changing asset mix

(Book size £bn, Gross margin %[1])

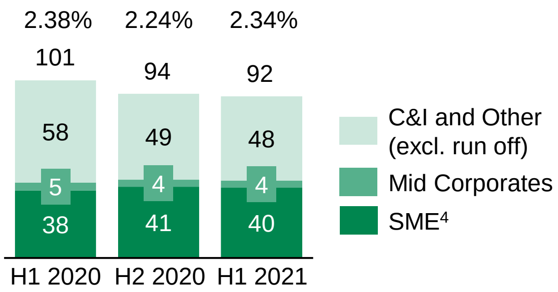
Mortgage book



UK consumer finance[2]



Commercial Banking incl. Retail Business Banking

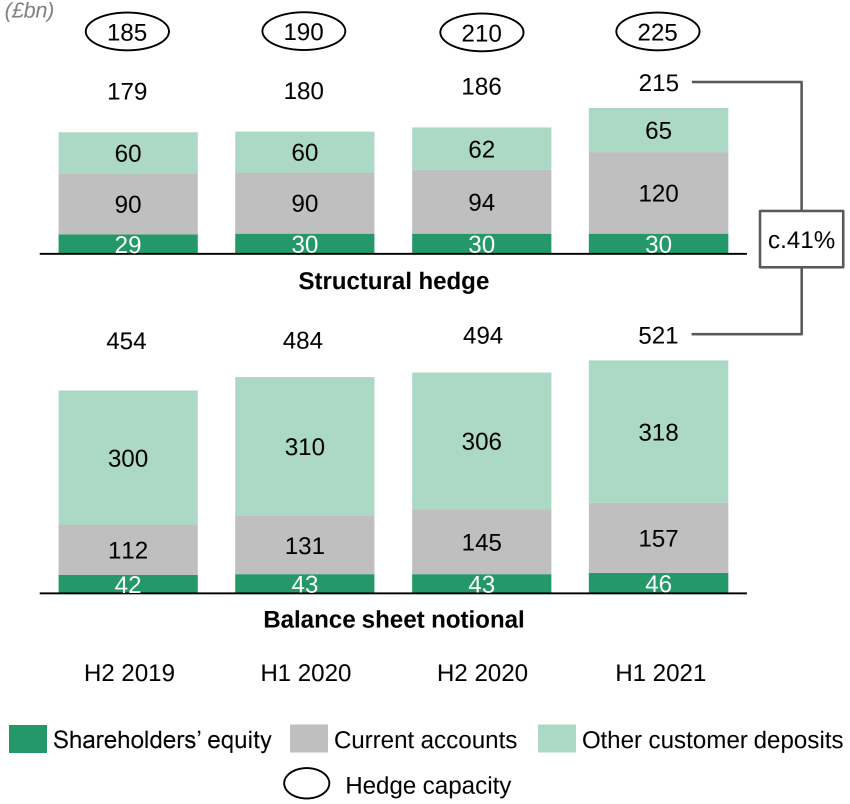


- **Total mortgage book up £11.4bn in H1 driven by strong open book growth**
- **Mortgage new business margins declining but remain above front book maturities**
- **SVR attrition c.15% given strong home mover market**
- **Consumer finance balances down £1bn, predominantly in cards; balances stable in Q2**
- **Commercial Banking balances down £2bn with margin supported by mix and ongoing pricing actions**

1 – Gross margin is gross customer receivables or payables, less short-term funding costs; references SONIA. Chart uses rounded inputs. 2 – Excluding overdrafts. 3 – Includes Fleet, Stocking and Lex Finance. 4 – Includes Retail Business Banking.

Franchise strength further building hedge sustainability

Hedged balances[1]

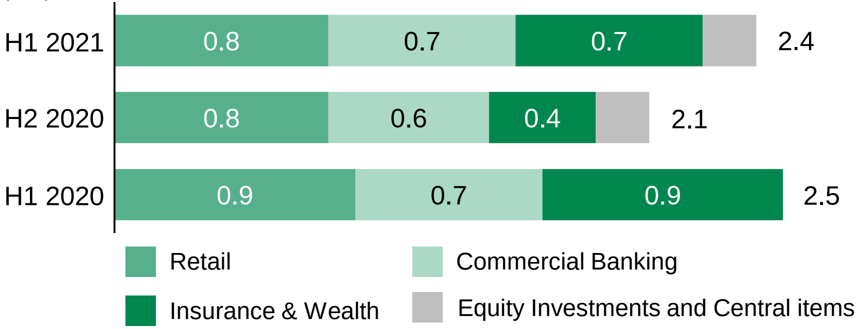


- **Structural hedge capacity of £225bn, up £15bn in H1 and £40bn since year end 2019, largely driven by continued strong deposit growth**
  - Prudent increase in capacity given c.£63bn deposit growth since year end 2019
- **Structural hedge notional balance of £215bn**
  - c.3.5 year weighted average life (c.2.5 years at year end)
- **c.£30bn of maturities in H2 and £10bn unhedged capacity provide flexibility**
- **£1.1bn income from structural hedge balances in H1**
  - Structural hedge income expected to be c.£250m lower in 2021 than in 2020

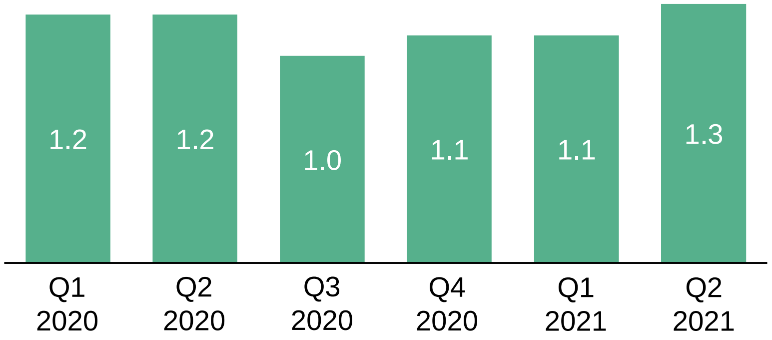
1 – The external sterling structural hedge notional is managed as a portfolio, split shown is indicative.

Resilient other income, some early signs of recovery

Divisional other income
(£bn)



Other income
(£bn)



- **Other income of £2.4bn YTD with £1.3bn in Q2**
  - Q2 benefits from strong contribution from Equity Investments business and positive assumption changes in Insurance
- **Divisional performance beginning to recover with early signs of increasing activity and new business**
  - Modest Q2 uplift in Retail and Insurance
  - Stable performance in Commercial Banking, consistent with H1 2020
- **Continued recovery dependent on activity supported by ongoing investment**

Strong asset quality and improved economic outlook

Impairment (£m)	H1 2021	Q2 2021	H1 2020	*YoY change*
Charges pre-updated MES[1]	**252**	**43**	788	*(536)*
Retail	**527**	**206**	578	*(51)*
Commercial Banking	**(272)**	**(161)**	206	*(478)*
Other	**(3)**	**(2)**	4	*(7)*
Coronavirus impacted restructuring cases[2]	**(71)**	**2**	432	*(503)*
Updated economic outlook	**(837)**	**(378)**	2,598	*(3,435)*
Retail	**(544)**	**(304)**	1,517	*(2,061)*
Commercial Banking	**(293)**	**(74)**	881	*(1,174)*
Severe scenario overlay	**–**	**–**	200	*(200)*
Total impairment (credit) / charge	**(656)**	**(333)**	3,818	*(4,474)*

ECL[3]	Upside (30%)	Base Case (30%)	Downside (30%)	Severe downside (10%)	Prob. -weighted
H1 2021	**£4,807m**	**£5,194m**	**£6,025m**	**£7,737m**	**£5,582m**
H2 2020	£5,766m	£6,354m	£7,468m	£9,838m	£6,860m

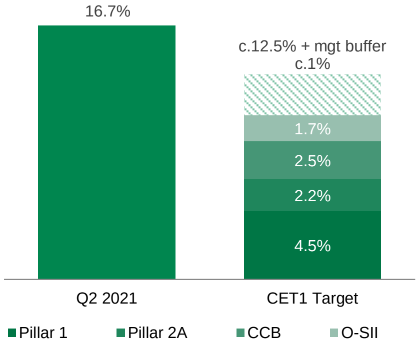
- **Asset quality remains strong with low new to arrears and underlying charges below pre-Covid levels**
  - Retail and Commercial credit experience remains benign
  - Commercial benefits from better restructuring outcomes
- **H1 net impairment credit of £656m bolstered by economic outlook release of £837m**
- **Stock of ECL reduced to £5.6bn, c.£1.4bn higher than year end 2019**
  - Covid management judgements retained, now c.£1.2bn, including £400m central overlay
- **Based on current economic assumptions, FY 2021 net AQR now expected to be below 10bps**

1 – Multiple economic scenarios. 2 – Further (releases) / charges on existing material cases in restructuring at the end of 2019 where coronavirus has directly hampered the recovery strategy. 3 – Expected credit loss.

Capital, Funding & Liquidity

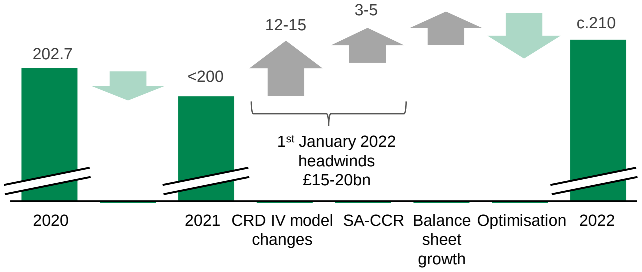
Capital, Funding & Liquidity summary

Significant CET1 headroom to regulatory minimum and Group target

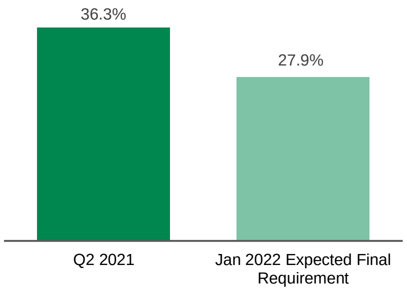


2022 RWA regulatory headwinds, although uncertainties remain

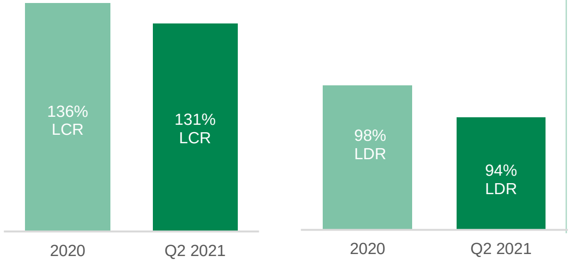
(£bn)



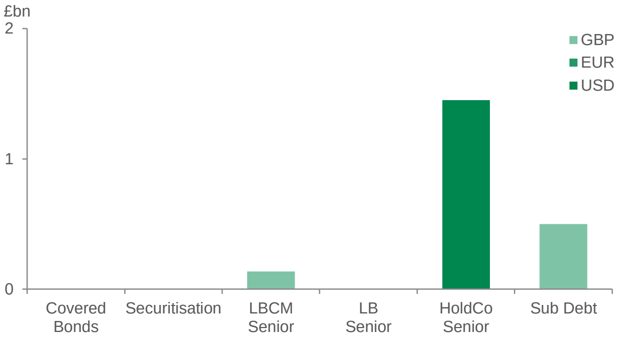
MREL strongly positioned - c.840bps above expected requirement



Strong liquidity metrics through the pandemic



c.£2bn of Issuance over 2021 with limited requirements during H2



Stabilised rating outlooks

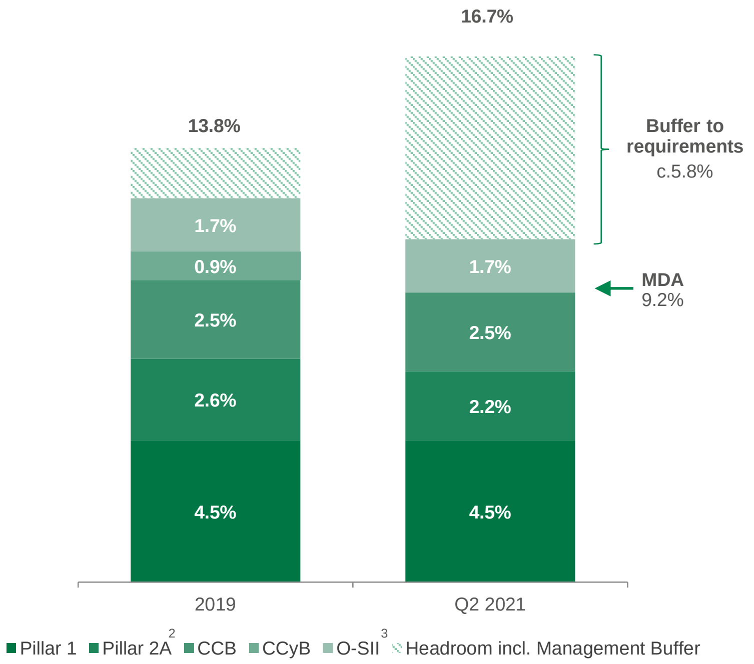
Lloyds Banking Group
A2 / BBB+ / A
Sta / Sta / Sta

Lloyds Bank, Bank of Scotland	Lloyds Bank Corporate Markets	Scottish Widows
A1 / A+ / A+ Sta / Sta / Sta	A1 / A / A+ Sta / Sta / Sta	A2 / - / A+ Sta / - / Sta

Ratings shown as Moody's/S&P/Fitch

Enhanced capital strength with significant headroom over target and requirements

Common equity tier 1 ratio



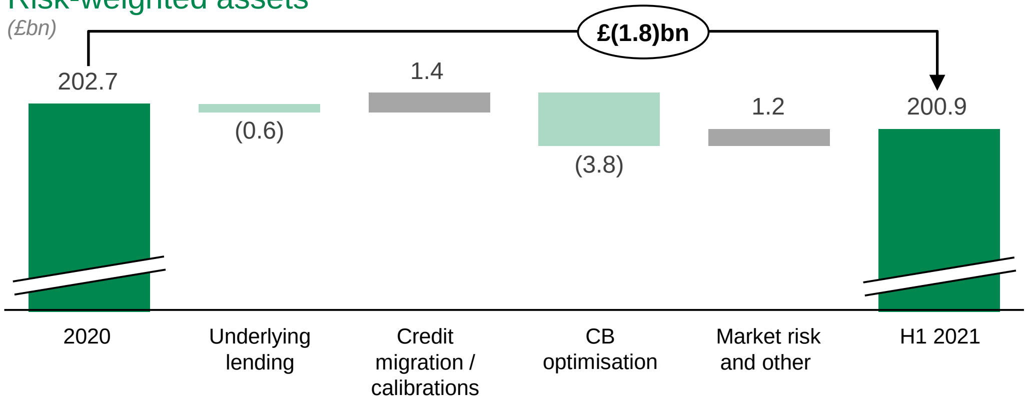
- **CET 1 ratio 16.7% underpinned by strong capital build with 93bps in H1**
- **CET 1 ratio 15.5% excluding software benefit and IFRS 9 transitional relief**
  - Ongoing target of c.12.5% plus a management buffer of c.1%
  - Significant headroom over c.11% regulatory requirement[1]
- **Group Pillar 2A reduced over 2020 and set in nominal terms for 2021, providing stability of requirements should RWAs increase in stress**
- **CCyB confirmed at 0% until at least Dec 2021; earliest implementation of any change now Dec 2022**
- **O-SII buffer (formerly Systemic Risk Buffer) maintained at current rate prior to reassessment in Dec 2022; earliest implementation of any change now January 2024**

1 – CET1 requirements shown exclude any other PRA buffer requirement which we are not permitted to disclose. 2 – Pillar 2A reviewed annually by the PRA. Expected final P2A component based on June 2021 notional requirement and RWAs. 3 – O-SII buffer of 2% is applicable to the RFB sub-group, equating to 1.7% at Group level.

RWAs down £1.8bn in H1; regulatory pressure in 2022

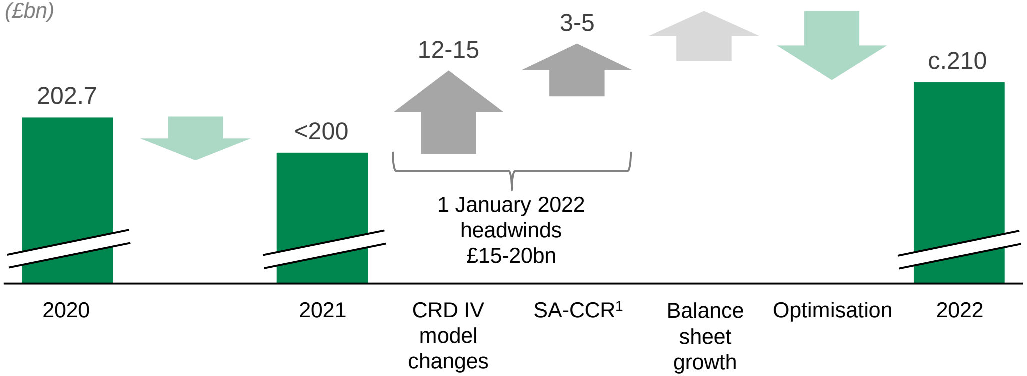
Risk-weighted assets

(£bn)



2022 RWA regulatory headwinds, although uncertainties remain

(£bn)

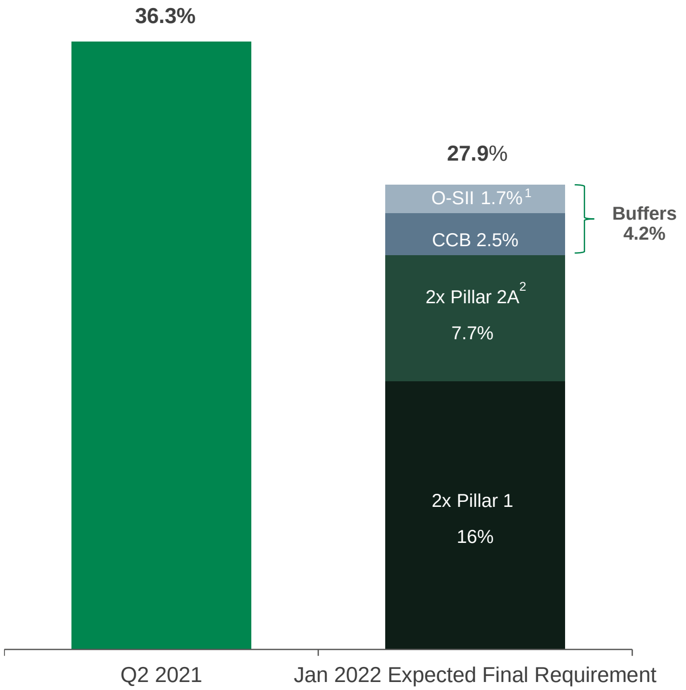


- **RWAs down £1.8bn in H1 to £201bn, driven by Commercial Banking optimisation**
- **Limited credit migration seen to date, supported by high quality book and HPI**
- **2021 RWAs now expected to be below £200bn**
- **Regulatory headwinds expected to increase RWAs in January 2022**
  - Impact estimated at £15-20bn, subject to economic conditions and model finalisation
  - Active RWA management to continue, providing some offset
- **2023 Basel 3.1 impacts expected to be broadly neutral with reductions from F-IRB[2] changes offsetting other increases**

1 – Standardised Approach for Counterparty Credit Risk. 2 – Foundation internal ratings-based approach.

Well positioned for end-state MREL requirements

Transitional MREL ratio

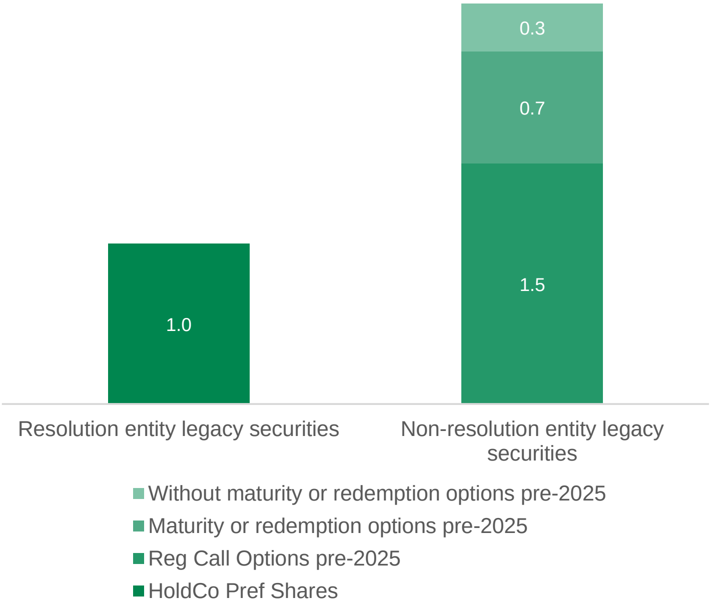


- **Strongly positioned with total capital ratio of 23.1% and MREL ratio of 36.3%; c.£1.4bn of MREL eligible senior unsecured and £500m Tier 2 issued over 2021**
- **July BoE consultation paper proposed no changes to end-state requirements that will apply from 1 Jan 2022**
- **2021 HoldCo issuance focused on meeting requirements and funding needs, including prudent buffers, at each legal entity level**

1 – O-SII Buffer of 2% is applicable to the RFB sub-group, equating to 1.7% at Group level. 2 – Pillar 2A reviewed annually by the PRA. Expected final P2A component based on June 2021 notional requirement and RWAs.

Scale of legacy capital securities limited in context of wider capital stack

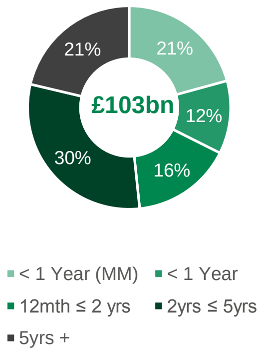
Legacy Securities (£bn)

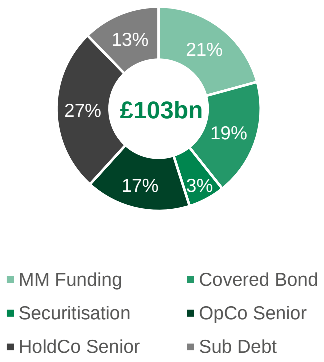


- **Legacy capital securities constitute only £3.5bn, of which:**
  - **£1bn preference shares issued from the resolution entity**
  - **£1.5bn with regulatory call options, currently grandfathered Tier 1 until end-2021**
  - **£0.7bn securities with maturity or redemption options pre-June 2025**
  - **£0.3bn securities without maturity or redemption options pre-June 2025**

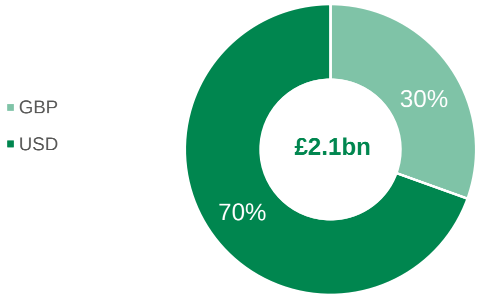
Prudent funding and liquidity position with limited funding requirements

Wholesale funding portfolio by maturity and type

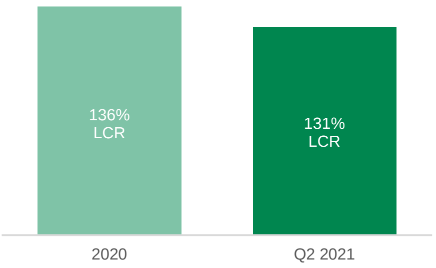




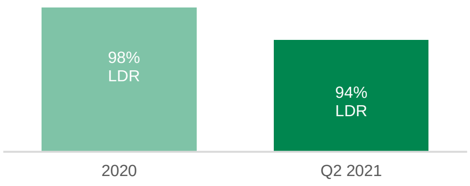
2021 Funding by currency



LCR stable and above minimum requirements



LDR continues to reduce due to deposit inflows



- **Average LCR remains comfortably above regulatory minimum at 131%**
- **Loan to deposit ratio reduced further to 94% due to continued deposit inflows**
- **c.£2.0bn equivalent issued YTD as a result of deposit inflows and TFSME**
- **Limited requirements over rest of 2021 given current funding position and maturities**
- **TFSME outstanding of £8.7bn following c.£5bn repayment in Q1**

Rating outlooks improved to stable

		HoldCo	Ring-Fenced Bank	Non-Ring-Fenced Bank	
	UK Sovereign	Lloyds Banking Group[1]	Lloyds Bank, Bank of Scotland[1]	Lloyds Bank Corporate Markets[1]	Commentary
Standard and Poor's	*AA / Sta*	*BBB+ / A-2 / Sta*	*A+ / A-1 / Sta*	*A / A-1 / Sta*	• In June, S&P returned the Group's Rating Outlooks to Stable from Negative. This was driven by a revision to the BICRA economic risk trend, which also moved to Stable from Negative, as well as what S&P view as the Group's prudent provisioning and ability to navigate any potential tail risks from the pandemic.
Moody's	*Aa3 / Sta*	*A2 / P-1 / Sta*	*A1 / P-1 / Sta*	*A1 / P-1 / Sta*	• Following the implementation of their new methodology in July, Moody's upgraded LBG to A2 from A3. Moody's also revised LBG's Rating Outlook back to Stable, from Negative, reflecting an updated view of the UK and stabilisation of asset quality and profitability metrics across the Group.
Fitch	*AA- / Sta*	*A / F1 / Sta*	*A+ / F1 / Sta*	*A+ / F1 / Sta*	• In May Fitch downgraded LBG by one notch to A - a methodological downgrade triggered by a fall in Qualifying Junior Debt. • In July, Fitch returned the Group's Rating Outlooks to Stable from Negative. This followed a return to Stable for the UK Sovereign in June.

1 – Bank ratings shown are LT / ST / Outlook.

Appendix

Prudent economic scenarios

Scenario	ECL (£m)	Economic measure (%)	2021	*Change since FY 2020[1]*	2022	2023	2024	2025	*2021-25*
Upside (30%)	4,807	GDP	6.1	*2.4*	5.5	1.4	1.4	1.2	3.1
		Interest rate	0.52	*(0.62)*	1.27	1.09	1.32	1.58	1.16
		Unemployment rate	4.7	*(0.7)*	4.9	4.4	4.2	4.1	4.5
		HPI growth	6.8	*8.2*	3.4	4.6	3.9	3.4	4.4
		CRE price growth	9.2	*(0.1)*	5.7	2.4	0.3	(0.3)	3.4
Base case (30%)	5,194	GDP	5.5	*2.5*	5.5	1.6	1.4	1.2	3.0
		Interest rate	0.10	*0.00*	0.10	0.25	0.50	0.75	0.34
		Unemployment rate	5.4	*(1.4)*	6.1	5.4	5.0	4.8	5.4
		HPI growth	5.6	*9.4*	0.1	0.1	0.6	1.1	1.5
		CRE price growth	0.4	*2.1*	1.0	0.6	0.3	0.5	0.6
Downside (30%)	6,025	GDP	4.8	*3.1*	4.2	1.3	1.4	1.4	2.6
		Interest rate	0.09	*0.03*	0.05	0.06	0.11	0.20	0.10
		Unemployment rate	6.0	*(1.9)*	7.8	7.1	6.5	6.0	6.7
		HPI growth	3.5	*11.9*	(6.2)	(7.5)	(4.9)	(1.8)	(3.5)
		CRE price growth	(5.3)	*5.3*	(5.3)	(2.8)	(1.5)	0.2	(3.0)
Severe downside (10%)	7,737	GDP	4.1	*3.8*	3.5	1.1	1.4	1.4	2.3
		Interest rate	0.06	*0.06*	0.00	0.01	0.02	0.03	0.02
		Unemployment rate	7.0	*(2.9)*	9.9	9.1	8.3	7.6	8.4
		HPI growth	2.4	*13.5*	(11.0)	(13.2)	(9.6)	(5.1)	(7.5)
		CRE price growth	(13.5)	*7.9*	(13.5)	(6.9)	(2.3)	0.5	(7.3)
Probability-weighted ECL	**5,582**								

1 – Changes only shown for 2021 measures.

Modest reduction in coverage reflecting updated economic outlook

(£m)	Gross customer L&A (£bn)	Coverage (excl. Recoveries)[1]				Q4 2020 Total Coverage[1]	Total ECL HY 2021	Net ECL increase / (decrease)	*P&L charge / (credit)*	*Write-offs & Other*	ECL Q4 2020	Write-offs & Other H1 2020
		Stage 1	Stage 2	Stage 3	Total							
Retail	***364.7***	0.2%	3.6%	21.0%	**1.0%**	**1.1%**	**3,482**	(526)	(17)	(509)	4,008	(677)
UK Mortgages	**306.6**	0.0%	1.8%	13.7%	**0.5%**	**0.5%**	***1,406***	*(199)*	*(175)*	*(24)*	*1,605*	*(56)*
Cards	**14.2**	1.9%	16.2%	57.5%	**5.8%**	**6.4%**	***825***	*(133)*	*67*	*(200)*	*958*	*(271)*
Loans & Overdrafts	**9.5**	2.3%	19.6%	62.4%	**6.4%**	**7.6%**	***606***	*(109)*	*130*	*(239)*	*715*	*(265)*
Motor	**14.9**	1.2%	5.7%	64.8%	**2.9%**	**3.3%**	***434***	*(67)*	*(40)*	*(27)*	*501*	*(65)*
Other	**19.5**	0.3%	8.7%	41.4%	**1.1%**	**1.2%**	***211***	*(18)*	*1*	*(19)*	*229*	*(20)*
Commercial	**85.7**	0.3%	4.9%	33.7%	**1.9%**	**2.7%**	***1,650***	(752)	(636)	(116)	2,402	(71)
Other [2]	**55.1**	0.7%	2.8%	22.9%	**0.8%**	**0.7%**	***450***	0	(3)	3	450	9
Total	**505.5**	0.3%	3.8%	25.6%	**1.1%**	**1.4%**	**5,582**	**(1,278)**	**(656)**	**(622)**	**6,860**	(739)

1 – Loans and advances to customers only; excludes £27m of ECL on other assets at 30/06/2021 (£28m at 31/12/2020). 2 – Includes reverse repos of £52.7bn which dilutes reported Group coverage by 0.1pp.

Continued low mortgage LTVs

	June 2021[1]				2020[1]	2010[1]
	Mainstream	Buy to let	Specialist	Total	Total	Total
Average LTVs	42.2%	48.8%	39.2%	**43.1%**	43.5%	55.6%
New business LTVs	63.6%	60.2%	N/A	**63.1%**	63.9%	60.9%
≤ 80% LTV	92.8%	99.3%	95.4%	**94.0%**	91.6%	57.0%
>80–90% LTV	6.8%	0.4%	1.5%	**5.6%**	7.8%	16.2%
>90–100% LTV	0.2%	0.1%	1.0%	**0.2%**	0.3%	13.6%
>100% LTV	0.2%	0.2%	2.1%	**0.2%**	0.3%	13.2%
Value >80% LTV	£17.5bn	£0.4bn	£0.5bn	**£18.4bn**	£24.9bn	£146.6bn
Value >100% LTV	£0.4bn	£0.1bn	£0.2bn	**£0.7bn**	£1.0bn	£44.9bn
Gross lending	£245.3bn	£51.1bn	£10.2bn	**£306.6bn**	£295.4bn	£341.1bn

1 – 2020-21 LTVs use Markit's 2019 Halifax HPI; 2010 LTVs use Markit's pre-2019 Halifax HPI and include TSB.

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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 or current 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’, ‘achieves’, ‘anticipates’, ‘estimates’, ‘expects’, ‘targets’, ‘should’, ‘intends’, ‘aims’, ‘projects’, ‘plans’, ‘potential’, ‘will’, ‘would’, ‘could’, ‘considered’, ‘likely’, ‘may’, ‘seek’, ‘estimate’, ‘probability’, ‘goal’, ‘objective’, ‘endeavour’, ‘prospects’, ‘optimistic’ 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.

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