Group Overview
Simple group structure with multiple issuance points

**HoldCo**
- **Lloyds Banking Group**
  - Ratings: A3 / BBB+ / A+
  - Senior Unsecured Capital: Neg / Neg / Neg
  - Example Products:
    - A1 / A+ / A+
    - Sta / Neg / Neg
    - P-1 / A-1 / F1

**Main Entities**
- **Lloyds Bank, Bank of Scotland**
  - Ring-Fenced Sub-Group
    - A1 / A+ / A+
    - Sta / Neg / Neg
    - P-1 / A-1 / F1
    - CD, CP
    - L&A: £485bn
    - Assets: £604bn
- **Lloyds Bank Corporate Markets**
  - Non-Ring-Fenced Sub-Group
    - A1 / A+ / A+ (ABS)
    - Sta / Neg / Neg
    - P-1 / A-1 / F1
    - CD, Yankee CD, CP
    - L&A: £24bn
    - Assets: £92bn

**Insurance Sub-Group**
- **Scottish Widows**
  - Insurance Sub-Group
    - A2 / - / AA-
    - Sta / - / Neg
    - - / - / F-1
    - Capital
    - L&A: N/A
    - Assets: £172bn

**Equity Investments Sub-Group**
- **Lloyds Equity Investments**
  - Equity Investments Sub-Group
    - -
    - L&A: N/A
    - Assets: £4bn

**Example Products**
- **EU sub: Berlin**
  - L&A: N/A
  - Assets: £172bn
- **EU sub: Frankfurt**
  - L&A: N/A
  - Assets: £4bn
- **EU sub: Luxembourg**
  - L&A: N/A
  - Assets: £4bn

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1 - Ratings shown as Moody’s / S&P / Fitch. 2 – Rating shown is 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 for Ring-Fenced Bank Sub Group shown as at Q1 2021, other entities as at FY 2020.
Solid business momentum in Q1 with improved economic outlook

• **Continued support for customers and businesses** across our Helping Britain Recover focus areas

• **Solid financial performance** in Q1 as business continues to recover

• Balance sheet momentum driven by **£6bn growth in open mortgage book lending**

• **Strong capital position with 16.7% CET 1 ratio;** 54bps of capital build in the quarter

• **Strategic Review 2021 delivering momentum on key initiatives**

• **2021 guidance enhanced given improved operating environment,** though uncertainties remain
Strong start on delivering Strategic Review 2021

**Selected examples of 2021 progress against our strategic priorities**

<table>
<thead>
<tr>
<th>Helping Britain Recover</th>
<th>Customer ambitions</th>
<th>Enhanced capabilities</th>
</tr>
</thead>
</table>
| **Pay As You Grow and Recovery Loan Scheme** launched to support customers | **Preferred financial partner for personal customers:**  
- £6bn open book mortgage growth  
- c.75% increase¹ in Schroders Personal Wealth introductions  
- New Halifax branded digital-first protection product launched | **Modernised technology architecture:**  
Mobile app NPS of 74, +5pts vs. FY 2020 average |
| >6,500 colleagues trained to support customers in building financial resilience | **Best bank for business:**  
- Business Finance Assistant accounting proposition extended; >130% increase in users in Q1  
- Improved ranking across core Markets products from 10th to 6th² | **Integrated payments:** c.50% increase in clients onboarded to Cash Management & Payments platform |
| On track for £10bn first time buyer mortgages in 2021 (Q1: £3.8bn) | **Data-driven organisation:** Deposit balance management enhanced through embedding the use of advanced analytics techniques | **Reimagined ways of working:** Preparing for pilot use of above branch ‘community offices’ to offer flexible work spaces |
| Founding member of the Net Zero Banking Alliance |  | |
| Building an inclusive organisation with >8,000 enrolled on new Line Manager Race Education training |  | |

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1 – Compared to Q1 2020.  
2 – Combined Tradeweb and Bloomberg GBP IRS (Rates) ranking.
Financial Update
Solid financial performance, ahead of expectations

<table>
<thead>
<tr>
<th>Q1 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income(^1)</td>
</tr>
<tr>
<td>£3.7bn (7)% / +2%</td>
</tr>
<tr>
<td>Cost:income ratio (incl. remediation)(^1)</td>
</tr>
<tr>
<td>52.3% +2.6pp / (7.6)pp</td>
</tr>
<tr>
<td>Pre-provision operating profit(^1)</td>
</tr>
<tr>
<td>£1.7bn (12)% / +21%</td>
</tr>
<tr>
<td>Impairment credit</td>
</tr>
<tr>
<td>£323m</td>
</tr>
<tr>
<td>Statutory profit before tax</td>
</tr>
<tr>
<td>£1.9bn</td>
</tr>
<tr>
<td>Statutory return on tangible equity</td>
</tr>
<tr>
<td>13.9%</td>
</tr>
<tr>
<td>TNAV</td>
</tr>
<tr>
<td>52.4p</td>
</tr>
<tr>
<td>CET1 ratio</td>
</tr>
<tr>
<td>16.7%</td>
</tr>
</tbody>
</table>

- **Net income recovering**
  - NII of £2.7bn; Q1 NIM of 2.49% and AIEAs of £439bn, both ahead of our expectations
  - Other income of £1.1bn
- **Total costs of £1.9bn, 2% lower year on year**
- **Underlying asset quality remains strong. Impairment credit of £323m driven by release of £459m given improved economic outlook**
- **Statutory profit before tax of £1.9bn**
- **Strong balance sheet and capital build**
  - Open mortgage book growth of £6.0bn in Q1
  - Deposit growth of £11.7bn
  - 16.7% CET1, with capital build of 54bps
- **2021 guidance enhanced**

\(^1\) Q1 2021 variance quoted against Q1 2020 / Q4 2020.
Continued franchise growth

- Total mortgage balances up £5.4bn to £299.2bn, driven by £6bn increase in open mortgage book
- Unsecured balances down c.£1bn and Commercial Banking balances broadly flat
- Retail deposits up £9.5bn, reflecting continued low spend and inflows to trusted brands
- Low single-digit percentage growth in AIEAs is now expected in 2021
  - Continued mortgage strength in Q2
  - Modest recovery in unsecured balance in H2
  - Further optimisation in Commercial Banking

1 – Includes Unsecured loans, Overdrafts and Europe. 2 – Retail Business Banking included within SME for reporting purposes. 3 – Corporate and Institutional Clients.
Resilient income with improved margins

- NII of £2.7bn in line with Q4 2020
- Q1 NIM of 2.49% and AIEAs of £439bn
- Structural hedge notional balance increased £21bn to £207bn; c.£40bn of maturities remaining in 2021
  - WAL now c.3.5 years (2020: c.2.5 years)
  - Capacity increased to £225bn, reflecting increased deposits and continued strong current account growth
  - 2021 hedge income now expected to be c.£300m lower than 2020
- 2021 NIM now expected to be in excess of 245bps
- Other income of £1.1bn, impacted by lockdown
  - Gradual recovery expected in line with activity and investment
Operating costs continue to provide competitive advantage

- Total costs of £1.9bn down 2% with operating costs 1% lower
  - Sustained cost discipline

- Strategic investment spend of £0.2bn on track for £0.9bn target
  - Continued focus on strategic priorities including technology and data

- Operating costs to reduce to c.£7.5 billion in 2021
  - Including net Covid-related costs and compensation headwinds in 2021 of £100m to £150m
Strong asset quality and improved economic outlook resulting in impairment release in the quarter

- Asset quality strong with new to arrears stable
  - Retail credit experience remains benign and in line with pre-Covid levels
  - Commercial credit performance robust, benefitting from improved restructuring outcomes and lower defaults

- Impairment credit of £323m including ECL release of £459m given improved economic outlook
  - Peak unemployment forecast reduced from 8% to 7%
  - HPI fall in 2021 reduced from c.(4)% to c.(1)%

- Stock of ECL reduced to £6.2bn, £2bn higher than year-end 2019
  - Covid management judgements retained, now c.£1.0bn including £400m central overlay

- Based on current economic assumptions, FY 2021 net AQR now expected to be below 25bps

<table>
<thead>
<tr>
<th>Impairment (£m)</th>
<th>Q1 21</th>
<th>Q1 20</th>
<th>YoY change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charges pre-updated MES¹</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retail</td>
<td>209</td>
<td>368</td>
<td>(159)</td>
</tr>
<tr>
<td>Commercial Banking</td>
<td>321</td>
<td>325</td>
<td>(4)</td>
</tr>
<tr>
<td>Other</td>
<td>(111)</td>
<td>52</td>
<td>(163)</td>
</tr>
<tr>
<td>Coronavirus impacted restructuring cases²</td>
<td>(73)</td>
<td>218</td>
<td>(291)</td>
</tr>
<tr>
<td>Updated economic outlook</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retail</td>
<td>(459)</td>
<td>844</td>
<td>(1,303)</td>
</tr>
<tr>
<td>Commercial Banking</td>
<td>(240)</td>
<td>564</td>
<td>(804)</td>
</tr>
<tr>
<td>Total impairment (credit) / charge</td>
<td>(323)</td>
<td>1,430</td>
<td>(1,753)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expected credit loss</th>
<th>Upside (30%)</th>
<th>Base Case (30%)</th>
<th>Downside (30%)</th>
<th>Severe downside (10%)</th>
<th>Prob. weighted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec-20</td>
<td>£5,766m</td>
<td>£6,354m</td>
<td>£7,468m</td>
<td>£9,838m</td>
<td>£6,860m</td>
</tr>
<tr>
<td>Mar-21</td>
<td>£5,256m</td>
<td>£5,779m</td>
<td>£6,753m</td>
<td>£8,900m</td>
<td>£6,226m</td>
</tr>
</tbody>
</table>

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
Credit quality remains strong with new to arrears stable

- Observed credit experience remains benign, with support schemes effective
- Strong performance on Retail payment holidays with 95% now fully matured; of which 94% repaying
- c.70% of Commercial exposure at investment grade
- New to Business Support Unit levels remain in line with pre-crisis levels
- Supporting Commercial clients; selectively managing lending in key coronavirus-impacted sectors
  - Exposure to key coronavirus-impacted sectors remains modest at c.2% of Group lending
  - Net reduction of c.£1.9bn in lending utilisation of key coronavirus-impacted sectors since March 2020
- New to arrears levels forecast to increase later in 2021 consistent with economic outlook, but remain well provisioned

**Key coronavirus-impacted sectors net lending utilisation change**

<table>
<thead>
<tr>
<th>Sector</th>
<th>Dec 19</th>
<th>Mar 20</th>
<th>Jun 20</th>
<th>Sept 20</th>
<th>Dec 20</th>
<th>Mar 21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail non-food</td>
<td>(0.51)</td>
<td>(0.51)</td>
<td>(0.30)</td>
<td>(0.26)</td>
<td>(0.14)</td>
<td>2.1</td>
</tr>
<tr>
<td>Construction</td>
<td>(0.51)</td>
<td>(0.51)</td>
<td></td>
<td></td>
<td></td>
<td>0.7</td>
</tr>
<tr>
<td>Auto. dealerships(^2)</td>
<td>(0.30)</td>
<td></td>
<td>(0.25)</td>
<td></td>
<td></td>
<td>2.0</td>
</tr>
<tr>
<td>Oil &amp; gas</td>
<td>(0.26)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1.1</td>
</tr>
<tr>
<td>Leisure</td>
<td>(0.25)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.5</td>
</tr>
<tr>
<td>Hotels</td>
<td>(0.14)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1.6</td>
</tr>
<tr>
<td>Restaurants &amp; bars</td>
<td>(0.05)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.6</td>
</tr>
<tr>
<td>Passenger transport</td>
<td></td>
<td></td>
<td></td>
<td>0.13</td>
<td></td>
<td>1.4</td>
</tr>
</tbody>
</table>

1 Lending classified using ONS SIC codes at legal entity level. Net lending utilisation change from Q1 2020 to Q1 2021. Balances exclude c.£1.0bn of BBLs/CBILS lending. 2 Automotive dealerships includes Black Horse Motor Wholesale lending (within Retail). 3 Commercial Banking excluding SME. 4 Excluding BBLs/CBILS.
Solid business momentum in Q1 with enhanced 2021 guidance

- Helping Britain Recover: continued support for customers
- Strategic Review 2021 delivering momentum
- Solid financial performance with balance sheet momentum
- Strong capital position with 16.7% CET 1 ratio
- 2021 guidance enhanced, though uncertainties remain

2021 guidance based on Group’s current economic assumptions:
- Net interest margin now expected to be in excess of 245bps
- Operating costs to reduce to c.£7.5 billion
- Net asset quality ratio now expected to be below 25bps
- RWAs to be broadly stable on 2020
- Statutory RoTE now expected to be between 8% and 10%, excluding c.2.5pp benefit from tax rate changes

Targeting medium term statutory RoTE in excess of cost of equity
Capital, Funding & Liquidity
Robust metrics across Capital, Funding & Liquidity

Significant CET1 headroom to regulatory minimum and Group target

<table>
<thead>
<tr>
<th></th>
<th>Q1 2021</th>
<th>CET1 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pillar 1</td>
<td>16.7%</td>
<td></td>
</tr>
<tr>
<td>Pillar 2A</td>
<td></td>
<td>1.2% + mgt buffer</td>
</tr>
<tr>
<td>CCB</td>
<td>2.5%</td>
<td></td>
</tr>
<tr>
<td>O-SII</td>
<td>2.2%</td>
<td></td>
</tr>
<tr>
<td>O-SII</td>
<td>4.5%</td>
<td></td>
</tr>
</tbody>
</table>

MREL strongly positioned - c.830bps above expected requirement

<table>
<thead>
<tr>
<th></th>
<th>Q1 2021</th>
<th>Jan 2022 Expected Final Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>36.1%</td>
<td></td>
<td>c.1%</td>
</tr>
<tr>
<td>27.9%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

£9.9bn of issuance in 2020

<table>
<thead>
<tr>
<th></th>
<th>Covered Bonds</th>
<th>Securitisation</th>
<th>LBCM Senior</th>
<th>LB Senior</th>
<th>HoldCo Senior</th>
<th>Sub Debt</th>
</tr>
</thead>
<tbody>
<tr>
<td>£bn</td>
<td>2.5%</td>
<td>2.2%</td>
<td>1.7%</td>
<td>4.5%</td>
<td>2.5%</td>
<td>0.5%</td>
</tr>
</tbody>
</table>

2021 Issuance plan expected to be less than £10bn

AT1
- No near-term plans

Tier 2
- No near-term plans

HoldCo Senior
- Limited to refinancing

OpCo
- Minimal LB plc need but expect some LBCM funding

Strong liquidity metrics through the pandemic

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>Q1 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>LCR</td>
<td>136%</td>
<td>134%</td>
</tr>
</tbody>
</table>

Strong credit ratings

Lloyds Banking Group
- A3 / BBB+ / A+
- Neg / Neg / Neg

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

Ratings shown as Moody's & S&P/Fitch
**RWAs lower with strong capital build in the quarter**

- **RWAs reduced by £3.8bn, primarily driven by optimisation activity**
- **Limited credit migration given quality of book**
- **2021 RWAs to be broadly stable on 2020**
  - Headwinds from regulatory changes to increase RWAs in 2022
- **CET 1 increased to 16.7% reflecting capital build of 54bps**
  - 16.2% excluding software intangible benefit
- **TNAV of 52.4p**
- **Accruing dividends with intention to resume progressive and sustainable ordinary dividend policy**
  - Interim dividends will be considered at H1 2021 subject to PRA update
Increased headroom over capital requirements

Common equity tier 1 ratio

- CCyB confirmed at 0% until at least Q4 2021; earliest implementation of any change now Q4 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
- Group Pillar 2A reduced over 2020 and set in nominal terms for 2021, providing stability of requirements should RWAs increase in stress

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 March 2021 notional requirement and RWAs. Note Q1 2021 reduction in RWAs led to a Pillar 2A requirements of 2.2% compared with 2.1% at YE20. 3 – O-SII buffer of 2% is applicable to the RFB sub-group, equating to 1.7% at Group level.
Well positioned for end-state MREL requirements

- Strongly positioned with total capital ratio of 23.0% and MREL ratio of 36.1%; c.£1.4bn of MREL eligible senior unsecured issued in Q1 2021
- BoE Resolvability timeline unchanged at 1 Jan 2022; the BoE has commenced a review of the current MREL framework and expects to consult on proposed changes during the year with a view to setting final end-state requirements from 1 January 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 March 2021 notional requirement and RWAs.
Successful execution of 2020 funding plan; prudent funding and liquidity position

- Average LCR remains comfortably above regulatory minimum at 134%, with liquidity pool increasing to £143bn
- Loan to deposit ratio reduced to 96% due to continued deposit inflows
- c.£1.5bn equivalent issued YTD
- c.£8.7bn TFSME drawn with c.£5bn repaid in Q1; access to over £40bn has reduced near-term funding needs
- Continue to expect 2021 issuance to be less than £10bn; annual steady state funding remains £15-20bn

Wholesale funding portfolio by maturity and type

- < 1 Year (MM)
- 12mth ≤ 2 yrs
- 5yrs +
- MM Funding
- Securitisation
- OpCo Senior
- HoldCo Senior
- Sub Debt

LCR stable and above minimum requirements; LDR reduced due to deposit inflow

2020 Funding by currency

- GBP
- EUR
- USD

2021 Issuance plan – expected to be less than £10bn

- AT1
  - No near-term plans
- Tier 2
  - No near-term plans

HoldCo Senior
  - Limited to refinancing
OpCo
  - Minimal LB plc need but expect some LBCM funding
Credit ratings remain strong, with negative pressures due to the pandemic

<table>
<thead>
<tr>
<th>Rating</th>
<th>Commentary</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Standard and Poor's</strong></td>
<td>While negative outlooks remain on most UK banks in light of the potential earnings, asset quality and capitalisation pressures arising as a result of the coronavirus pandemic, S&amp;P see room for cautious optimism over the shape of the UK’s economic recovery.</td>
</tr>
<tr>
<td><strong>Moody’s</strong></td>
<td>UK banking system remains on negative outlook reflecting Moody’s view that Brexit-related disruption will slow the UK’s economic recovery from the coronavirus contraction.</td>
</tr>
<tr>
<td><strong>Fitch</strong></td>
<td>In February 2021, Fitch reviewed the ratings of the Group, RFB and NRFB, reaffirming all existing ratings and outlooks. Negative outlooks on most UK banks remain, citing concerns around the impact of the coronavirus pandemic.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Rating</th>
<th>HoldCo</th>
<th>Ring-Fenced Bank</th>
<th>Non-Ring-Fenced Bank</th>
<th>Commentary</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>UK Sovereign</strong></td>
<td>AA / Sta</td>
<td>BBB+ / A-2 / Neg</td>
<td>A / A-1 / Neg</td>
<td></td>
</tr>
<tr>
<td><strong>Lloyds Banking Group</strong></td>
<td>A3 / P-2 / Neg</td>
<td>A1 / P-1 / Sta</td>
<td>A1 / P-1 / Sta</td>
<td></td>
</tr>
<tr>
<td><strong>Lloyds Bank, Bank of Scotland</strong></td>
<td>A+ / F1 / Neg</td>
<td>A+ / F1 / Neg</td>
<td>A+ / F1 / Neg</td>
<td></td>
</tr>
<tr>
<td><strong>Lloyds Bank Corporate Markets</strong></td>
<td>A+ / A-1 / Neg</td>
<td>A+ / F1 / Neg</td>
<td>A+ / F1 / Neg</td>
<td></td>
</tr>
</tbody>
</table>

1 – Bank ratings shown are LT / ST / Outlook.
Appendix
Significant progress across our ESG ambitions

- Ambitious goal to help reduce emissions we finance by >50% by 2030, on path to net zero by 2050 or sooner
- 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
- Through Scottish Widows announced >£440m divestment from companies that fail to meet our ESG standards
- Founding member of Net Zero Banking Alliance

- Launched our Race Action Plan to help drive cultural change, recruitment and progression across the Group
- First FTSE100 company to set a public goal for senior roles held by Black colleagues (3% by 2025)
- Developed new gender and ethnic diversity aspirations for colleagues in senior roles
- >£51m total community investment, including £25.5m for our four independent charitable Foundations
- Building an inclusive organisation with >8,000 enrolled on new Line Manager Race Education training

- Comprehensive shareholder engagement incl. Board Governance Event and retail investor briefing
- Employee engagement at all-time high at 81% reflecting continued support to colleagues
- YE 2020 ESG Report, including enhanced TCFD disclosures and new SASB index

1 – Excluding Insurance & Wealth

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**Environmental**

- MSCI rating improved to AA from BBB
- Sustainalytics score improved to 23.3 from 24.4 (medium risk)
## Prudent economic scenarios

<table>
<thead>
<tr>
<th>Scenario</th>
<th>ECL (£m)</th>
<th>GDP</th>
<th>Interest rate</th>
<th>Unemployment rate</th>
<th>HPI growth</th>
<th>CRE price growth</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Upside (30%)</strong></td>
<td>5,256</td>
<td>5.7</td>
<td>0.81</td>
<td>4.9</td>
<td>0.8</td>
<td>9.3</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2.0</td>
<td>(0.33)</td>
<td>(0.5)</td>
<td>2.2</td>
<td>0.0</td>
</tr>
<tr>
<td><strong>Base case (30%)</strong></td>
<td>5,779</td>
<td>5.0</td>
<td>0.10</td>
<td>6.0</td>
<td>(0.8)</td>
<td>(1.8)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2.0</td>
<td>0.00</td>
<td>(0.8)</td>
<td>3.0</td>
<td>(0.1)</td>
</tr>
<tr>
<td><strong>Downside (30%)</strong></td>
<td>6,753</td>
<td>4.5</td>
<td>0.12</td>
<td>6.9</td>
<td>(4.1)</td>
<td>(9.0)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2.8</td>
<td>0.06</td>
<td>(1.0)</td>
<td>4.3</td>
<td>1.6</td>
</tr>
<tr>
<td><strong>Severe downside (10%)</strong></td>
<td>8,900</td>
<td>2.8</td>
<td>0.03</td>
<td>8.4</td>
<td>(5.9)</td>
<td>(19.8)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2.5</td>
<td>0.03</td>
<td>(1.5)</td>
<td>5.2</td>
<td>1.6</td>
</tr>
<tr>
<td><strong>Probability-weighted ECL</strong></td>
<td>6,226</td>
<td>6,226</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1 – Changes only shown for 2021 measures.
Modest reduction in coverage reflecting updated economic outlook

<table>
<thead>
<tr>
<th>(£m)</th>
<th>L&amp;A to Customers (£bn)</th>
<th>Coverage¹ (excl. Recoveries)</th>
<th>Q4 2020 Coverage Total¹</th>
<th>Total ECL Q1 2021</th>
<th>Net ECL increase / (decrease)</th>
<th>P&amp;L charge / (credit)</th>
<th>Write-offs &amp; Other</th>
<th>ECL Q4 2020</th>
<th>Write-offs &amp; Other 2020 Q1</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Stage 1</td>
<td>Stage 2</td>
<td>Stage 3</td>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retail</td>
<td>359.3</td>
<td>0.2%</td>
<td>4.3%</td>
<td>22.7%</td>
<td>1.1%</td>
<td>1.1%</td>
<td>3,843</td>
<td>(165)</td>
<td>81</td>
</tr>
<tr>
<td>UK Mortgages</td>
<td>300.7</td>
<td>0.0%</td>
<td>2.1%</td>
<td>15.1%</td>
<td>0.5%</td>
<td>0.5%</td>
<td>1,518</td>
<td>(87)</td>
<td>(72)</td>
</tr>
<tr>
<td>Cards</td>
<td>14.2</td>
<td>1.8%</td>
<td>16.7%</td>
<td>59.7%</td>
<td>6.3%</td>
<td>6.4%</td>
<td>894</td>
<td>(64)</td>
<td>28</td>
</tr>
<tr>
<td>Loans &amp; Overdrafts</td>
<td>9.4</td>
<td>2.7%</td>
<td>23.2%</td>
<td>64.7%</td>
<td>7.6%</td>
<td>7.6%</td>
<td>707</td>
<td>(8)</td>
<td>108</td>
</tr>
<tr>
<td>Motor</td>
<td>15.4</td>
<td>1.4%</td>
<td>7.6%</td>
<td>66.8%</td>
<td>3.3%</td>
<td>3.3%</td>
<td>503</td>
<td>2</td>
<td>11</td>
</tr>
<tr>
<td>Other</td>
<td>19.6</td>
<td>0.3%</td>
<td>9.6%</td>
<td>40.2%</td>
<td>1.1%</td>
<td>1.2%</td>
<td>221</td>
<td>(8)</td>
<td>6</td>
</tr>
<tr>
<td>Commercial</td>
<td>87.4</td>
<td>0.4%</td>
<td>5.0%</td>
<td>34.5%</td>
<td>2.2%</td>
<td>2.7%</td>
<td>1,932</td>
<td>(470)</td>
<td>(403)</td>
</tr>
<tr>
<td>Other ²</td>
<td>55.3</td>
<td>0.7%</td>
<td>3.0%</td>
<td>24.2%</td>
<td>0.8%</td>
<td>0.7%</td>
<td>451</td>
<td>1</td>
<td>(1)</td>
</tr>
<tr>
<td>Total</td>
<td>502.1</td>
<td>0.3%</td>
<td>4.4%</td>
<td>27.1%</td>
<td>1.2%</td>
<td>1.4%</td>
<td>6,226</td>
<td>(634)</td>
<td>(323)</td>
</tr>
</tbody>
</table>

¹ Loans and advances to customers only; excludes £32m of ECL on other assets at 31/03/2021 (£28m at 31/12/2020).
² Includes reverse repos of £52.8bn which dilutes reported Group coverage by 0.2pp.
Continued low mortgage LTVs

<table>
<thead>
<tr>
<th></th>
<th>Q1 2021&lt;sup&gt;1&lt;/sup&gt;</th>
<th>2020&lt;sup&gt;1&lt;/sup&gt;</th>
<th>2010&lt;sup&gt;1&lt;/sup&gt;</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>42.7%</td>
<td>49.9%</td>
<td>40.5%</td>
</tr>
<tr>
<td>New business LTVs</td>
<td>62.2%</td>
<td>60.3%</td>
<td>n/a</td>
</tr>
<tr>
<td>≤ 80% LTV</td>
<td>90.2%</td>
<td>98.9%</td>
<td>94.8%</td>
</tr>
<tr>
<td>&gt;80–90% LTV</td>
<td>9.4%</td>
<td>0.7%</td>
<td>1.8%</td>
</tr>
<tr>
<td>&gt;90–100% LTV</td>
<td>0.2%</td>
<td>0.1%</td>
<td>1.0%</td>
</tr>
<tr>
<td>&gt;100% LTV</td>
<td>0.2%</td>
<td>0.3%</td>
<td>2.4%</td>
</tr>
<tr>
<td>Value &gt;80% LTV</td>
<td>£23.5bn</td>
<td>£0.5bn</td>
<td>£0.5bn</td>
</tr>
<tr>
<td>Value &gt;100% LTV</td>
<td>£0.4bn</td>
<td>£0.1bn</td>
<td>£0.3bn</td>
</tr>
<tr>
<td>Gross lending</td>
<td>£239bn</td>
<td>£51bn</td>
<td>£11bn</td>
</tr>
</tbody>
</table>

1 – Q1 2021 and 2020 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’ 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 forward looking statements include, but are not limited to, statements regarding the Group’s future financial position including provision 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. 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