2022 Half Year Fixed Income Investor Presentation

Lloyds Banking Group
27 July 2022



Lloyds Banking Group – strong foundations

Our strong foundations…

- Leading UK customer franchise with trusted brands
- Largest UK digital bank
- Operating at scale with strong cost discipline
- Financial strength and disciplined risk management
- Dedicated colleagues with strong values

…have created distinct competitive strengths

Maintained leading market shares;
19% since 2017

>1m business client relationships

Relationship with c.50% of UK adults

Largest UK bank

Differentiated business model

Deep customer insights

UK's only integrated financial services provider

Significant data asset;
1bn monthly transactions

>19m digitally active customers;
50% growth over last 5 years

+68 all-channel NPS, stable vs 2021[1]

LLOYDS BANK · BANK OF SCOTLAND · HALIFAX · SCOTTISH WIDOWS · embark group · mbna · Schroders personalwealth · blackhorse · LEX AUTOLEASE · BM BIRMINGHAM MIDSHIRES · LDC

1 – 2021 comparative restated to reflect changes in measurement approach.

Strong performance in H1, enhancing 2022 guidance

Strong financial performance with continued business momentum

- Net income £8.5bn, up 12% YoY, supported by higher NIM of 2.77%
- AQR 17bps with sustained low levels of new to arrears
- RoTE 13.2% given strong profitability
- Strong capital generation 139bps, after full fixed pension contributions
- Interim dividend increased c.20% to 0.8p per share

Enhanced guidance for 2022

- NIM now expected to be >280bps
- AQR now expected to be <20bps
- RoTE now expected to be c.13%
- Capital generation expected to be >200bps

Enabling strategic delivery

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Grow	>£4bn net new money in Insurance and Wealth and 1.5pp growth in protection market share >20% increase in percentage share of FX wallet and 10% growth in new merchant services clients Green lending on target: c.£4bn sustainable financing[1] and funding for electric vehicles up >£0.9bn
Focus	Continued cost discipline with BAU cost savings
Change	New organisation structure and leadership team aligned to delivering strategic objectives New operating model implemented to deliver change more effectively £0.3bn strategic investment so far

Update on strategic progress in first half of 2023

1 – Includes Clean Growth Finance Initiative, Commercial Real Estate Green Lending, Renewable Energy Financing, Sustainability Linked Loans and Green, ESG and Social Bond facilitation.

Financial Update

Strong financial performance with continued business momentum

Summary P&L and key metrics

(£m)	H1 2022	H1 2021	*YoY*
Net interest income	**6,135**	5,418	*13%*
Other income	**2,529**	2,417	*5%*
Operating lease depreciation	**(213)**	(271)	*21%*
Net income	**8,451**	7,564	*12%*
Operating costs[1]	**(4,249)**	(4,053)	*(5)%*
Remediation	**(79)**	(425)	*81%*
Total costs	**(4,328)**	(4,478)	*3%*
Impairment	**(377)**	734	
Underlying profit	**3,746**	3,820	*(2)%*
Statutory profit after tax	**2,826**	3,865	*(27)%*
Return on tangible equity	**13.2%**	19.2%	*(6.0)pp*

	H1 2022	H2 2021	*HoH*
Tangible net asset value per share	**54.8p**	57.5p	*(2.7)p*
Risk-weighted assets	**£210bn**	£196bn	*£14bn*
Pro forma CET1 ratio[2]	**14.8%**	16.3%	*(1.5)pp*

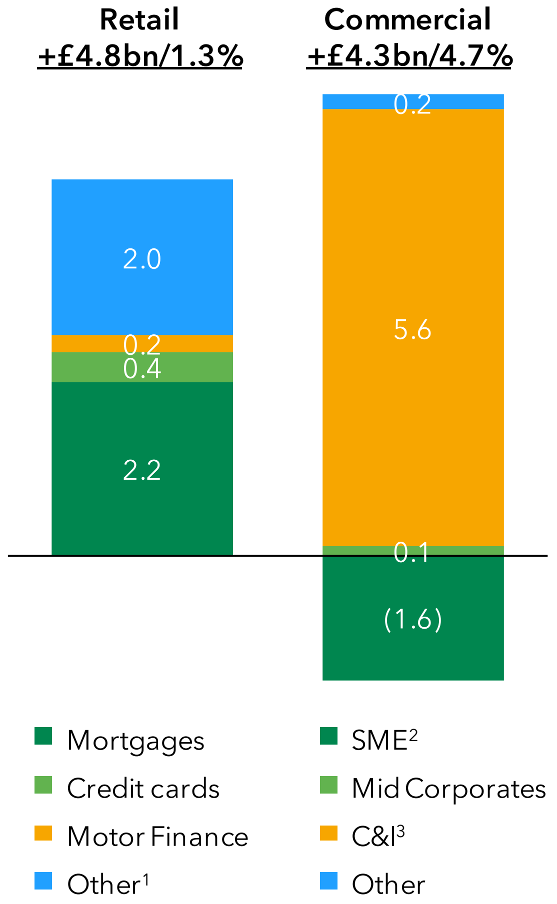
- Net income up 12%; NIM 277bps
- Operating costs up 5%; stable BAU costs and higher planned strategic investment
- Continued strong asset quality; charges below pre-pandemic levels
- Balance sheet franchise growth
- TNAV 54.8p, down 2.7p in H1 given reserve movements driven by higher rates
- RWAs £210bn, post regulatory inflation of £16bn on 1 January 2022
- Strong capital generation of 139bps[3]; pro forma CET1 ratio 14.8%

1 – Comparatives have been presented to reflect the new costs basis, consistent with the current period. 2 – H1 2022 includes the interim insurance dividend. 3 – Excluding regulatory changes on 1 January 2022, variable pension contributions and dividend accrual; inclusive of the interim insurance dividend.

Continued recovery in customer activity and franchise growth

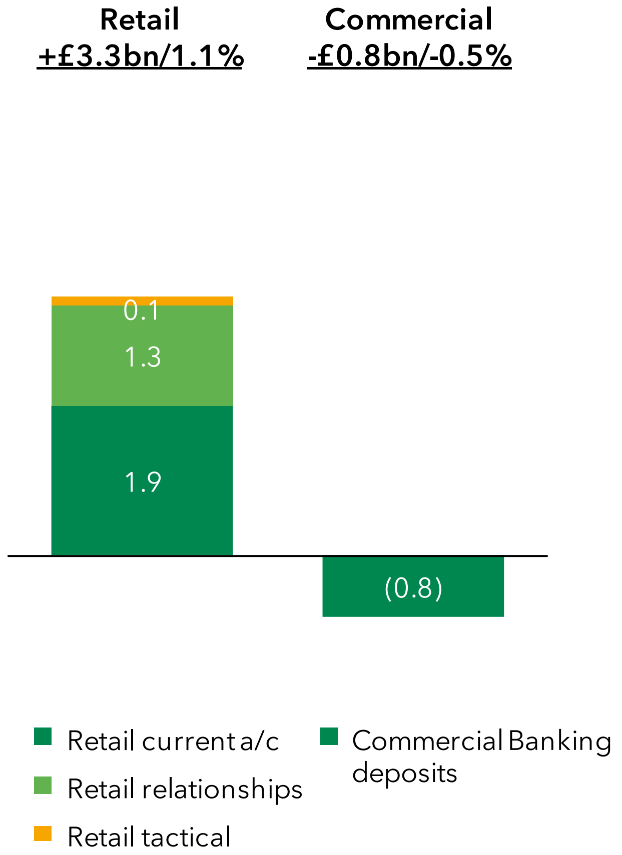
H1 lending change

(£bn)



H1 deposit change

(£bn)

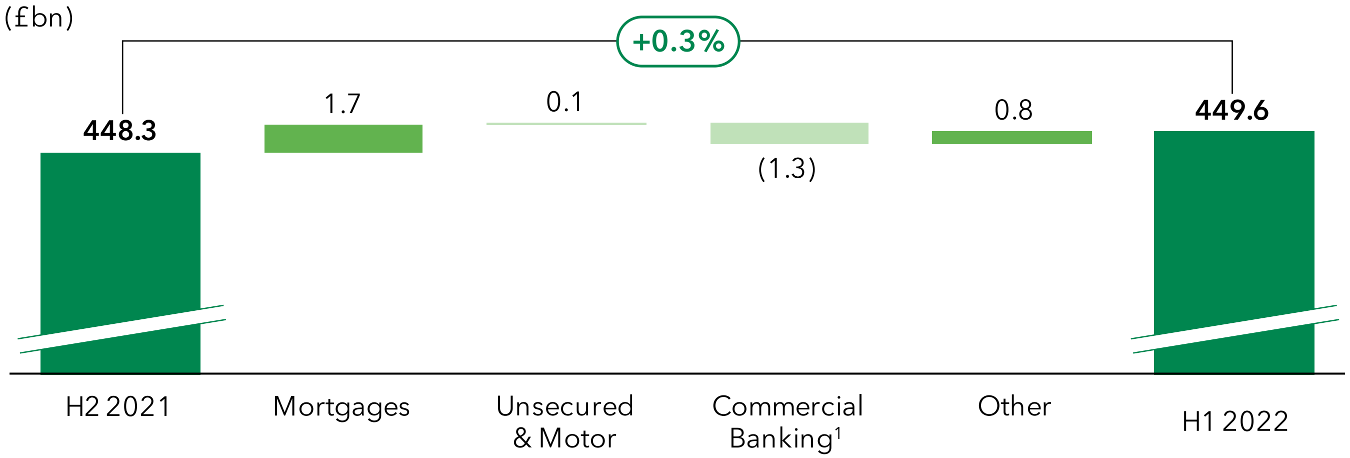


- Mortgage balances up £2.2bn to £310bn, driven by £3.3bn open book growth
- Credit card balances up £0.4bn in H1, all in Q2, given improving spend levels
- Commercial Banking balances up £4.3bn given growth and FX impacts in C&I[3]
- Retail deposits up £3.3bn in H1, reflecting continued resilient inflows
- Commercial deposits down £0.8bn
- Insurance & Wealth net new money >£4bn

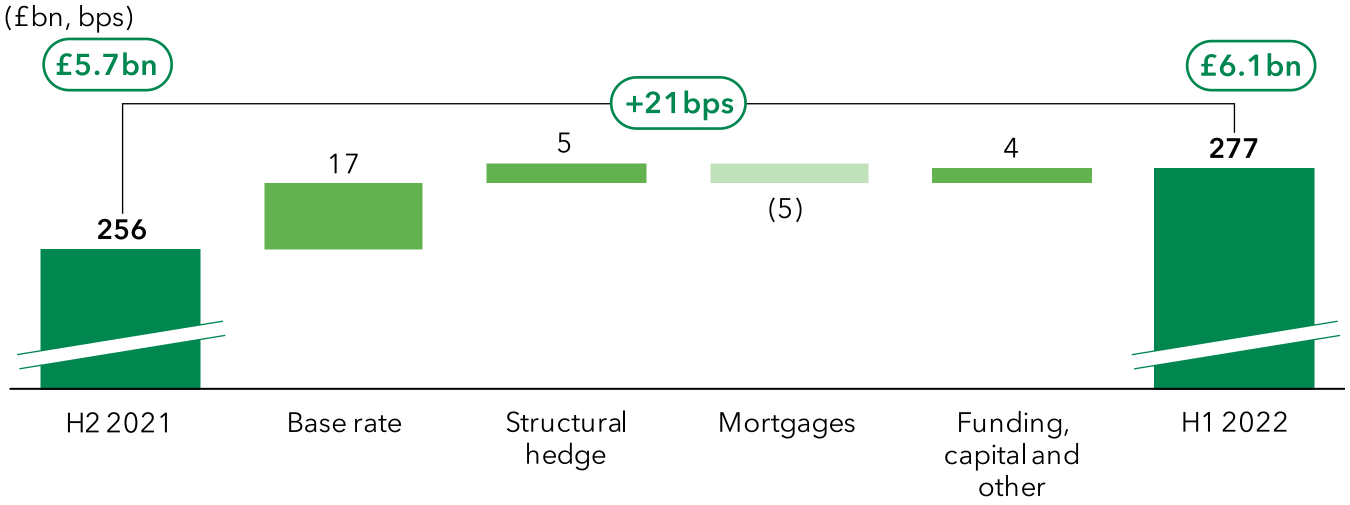
1 – Includes Unsecured loans, Overdrafts and Europe. 2 – Retail Business Banking included within SME for reporting purposes. 3 – Corporate and Institutional Clients.

Growth in net interest income

Average interest-earning assets (AIEAs)



Net interest income (NII) and banking net interest margin (NIM)



- NII £6.1bn, up 13% YoY and 7% HoH
  - Increased AIEAs, deposit growth and higher NIM
  - H1 AIEAs £449.6bn, up £8.8bn on prior year and £1.3bn on H2
  - NIM 277bps in H1, 287bps in Q2
- Positive impact from rising rates more than offsetting mortgage pricing pressure
- Continue to expect low single-digit percentage growth in AIEAs in 2022
- 2022 NIM now expected to be >280bps[2]

1 – Includes Retail Business Banking. 2 – Assumes UK base rate of 2% in Q4 2022.

Illustrative NII sensitivity

Cumulative impact of parallel shifts in interest rate curve – illustrative 50% deposit pass-through[1]

(£m)

	Year 1	Year 2	Year 3
+100bps	c.675	c.1,025	c.1,475
+50bps	c.350	c.525	c.725
+25bps	c.175	c.250	c.375

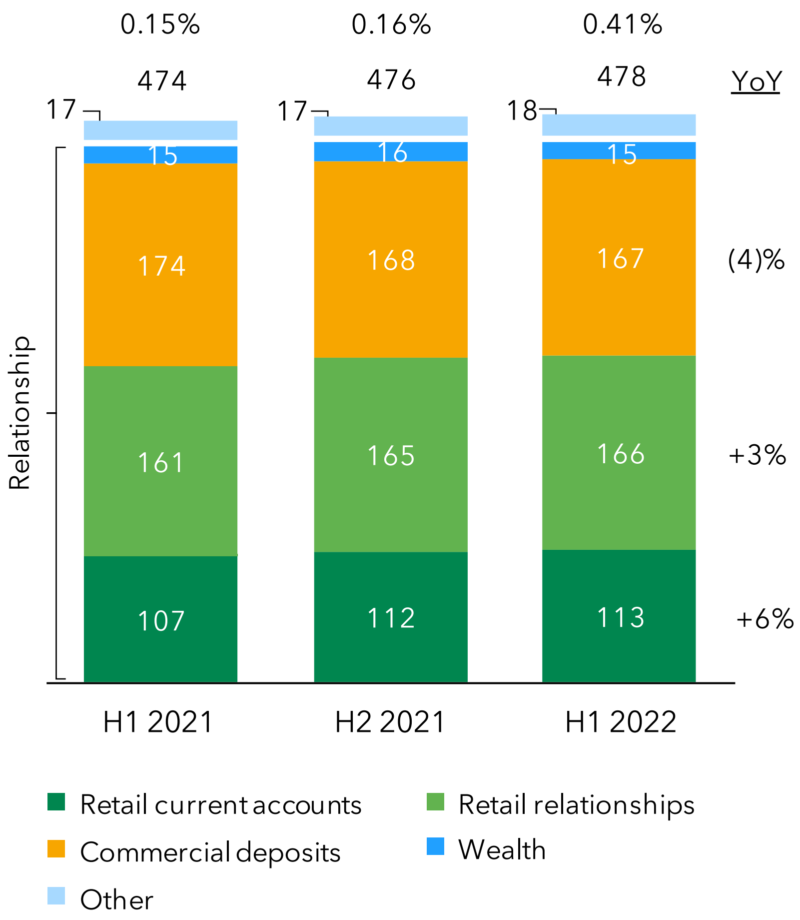
- c.£175m additional NII in year 1 for a 25bps parallel increase in rates
  - Sensitivities dependent on pass-through assumption
  - c.£50m additional year 1 NII for a 10pp lower assumed pass-through on 25bps shift; c.£100m on 50bps shift
- Significant growth in retail deposits embedded in increased hedge income
- Assumptions unchanged, including 50% illustrative through the cycle pass-through[2]

1 – Sensitivity based on modelled impact on banking book NII (including the future impact of structural hedge maturities). Year 1 reflects the 12 months from 30/06/2022 balance sheet position.
2 – Assumes instantaneous parallel shift in interest rate curves, including bank base rate; balance sheet remains constant; 100% pass-through on customer lending and analysis does not reflect new business margin implications and/or pricing actions, other than as outlined.

Continued deposit inflows supporting hedge sustainability

Customer deposits up £2bn in H1[1,2]

(Book size £bn, Gross margin %)

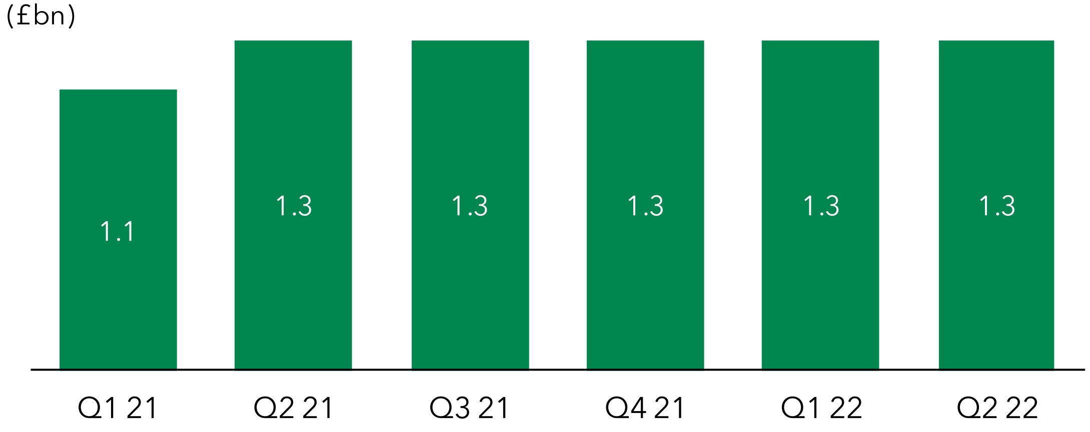


- Retail current account balances up £1.9bn in H1, including growth in Q2
- Commercial deposits down £0.8bn in H1, given reversal of short-term placements
- Structural hedge at £250bn, with c.3.5 year weighted-average life
- Hedge prudently managed:
  - Deposits up almost £70bn since year end 2019 – largely retail
  - £65bn capacity increase in same period, of which £40bn driven by deposit growth
  - £48bn hedge maturities to end 2023
- Hedge income in 2022 stronger than 2021 with tailwinds in 2023 and 2024

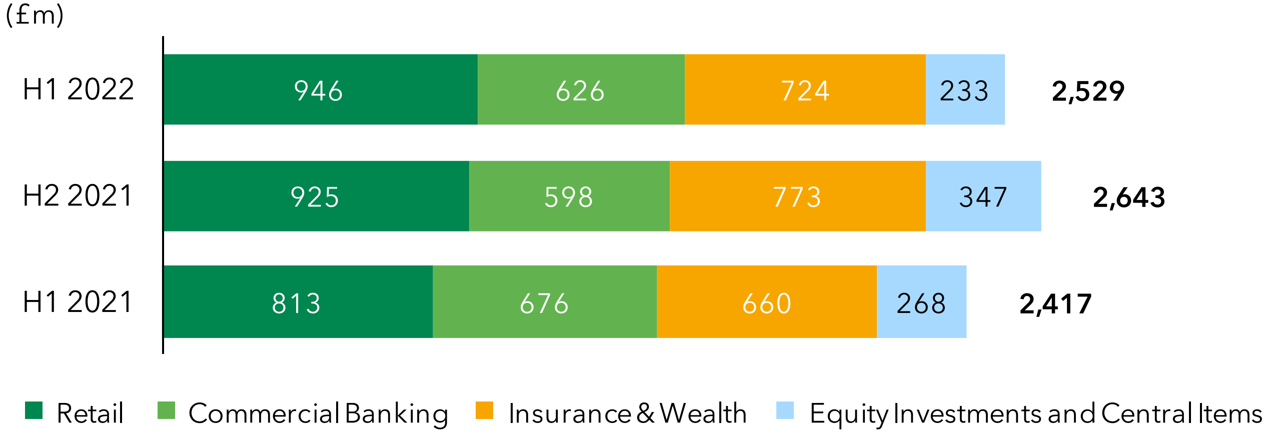
1 – Retail Business Banking shown in Commercial. 2 – Gross margin is gross customer payables, less short-term funding costs; references SONIA and includes structural hedge income. Chart uses rounded inputs.

Other income supported by recovering customer activity

Other income



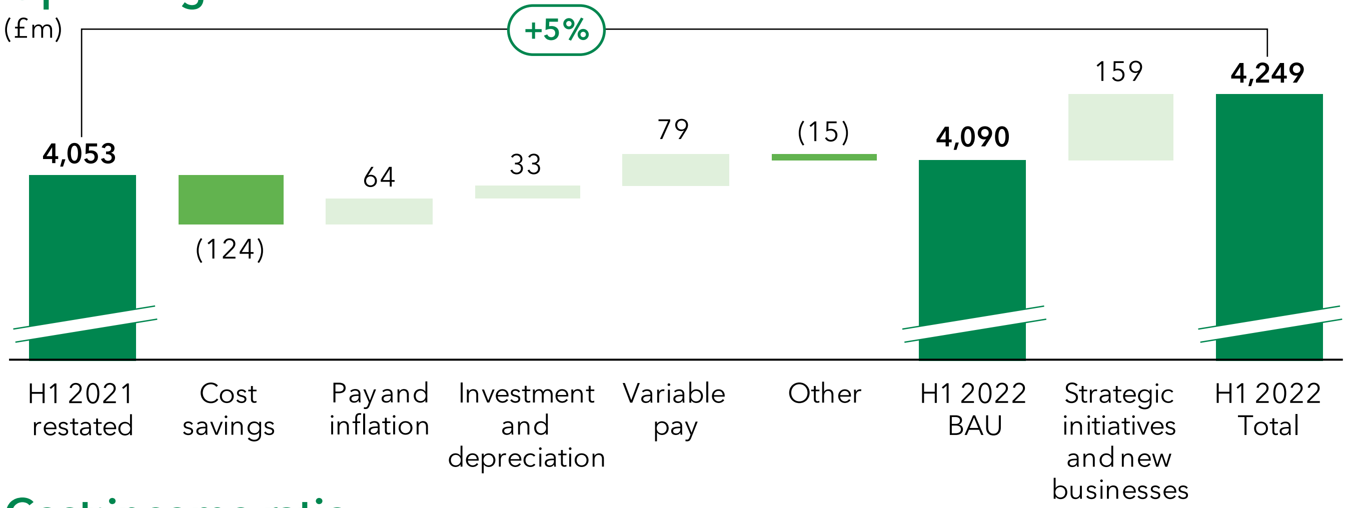
Divisional other income



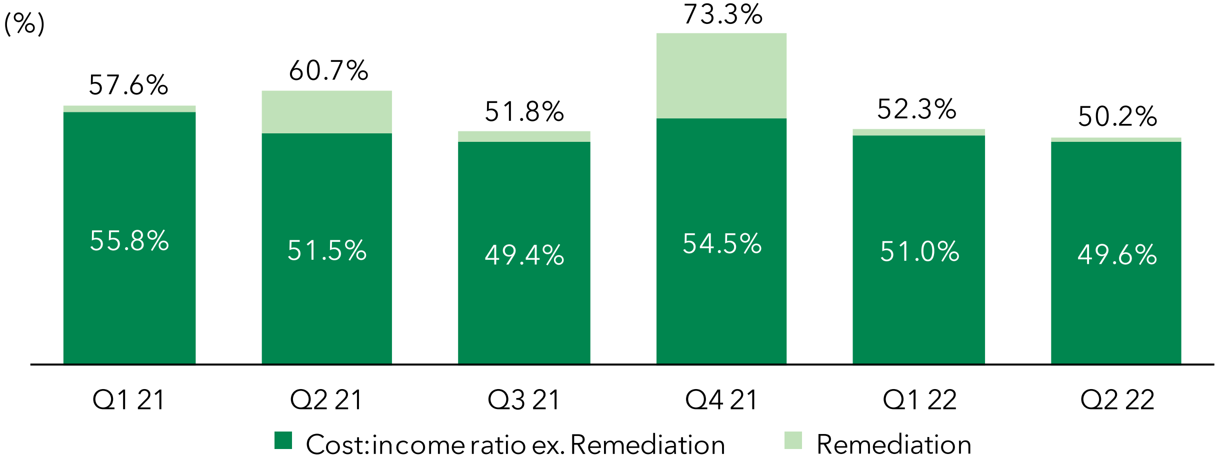
- H1 other income £2.5bn; £1.3bn in Q2
  - Retail: improved current account and credit card performance
  - Commercial: improving transaction banking and resilient financial markets
  - I&W: increased new business income in workplace pensions and bulk annuities
- Expect gradual development, dependent on customer activity, supported by investment

Stable BAU costs, increased investment as planned

Operating costs



Cost:income ratio



- Operating costs £4.2bn, up 5% given planned investment and new businesses
- Sustained cost discipline with BAU cost management offsetting inflation pressure
- Continue to expect 2022 operating costs of c.£8.8bn
  - Stable BAU plus planned increased investment and new businesses costs
  - Includes c.£65m impact of one-off £1,000 payment to staff[1]
- Remediation £79m, principally relating to pre-existing programmes

1 – Pro rated by contracted hours.

Strong asset quality and sustained low new to arrears

Impairment
(£m)

	H1 2022	H1 2021	*YoY*
Charges / (credits) pre-updated MES[1]	**282**	103	*179*
Retail	**315**	451	*(136)*
Commercial Banking	**(37)**	(345)	*308*
Other	**4**	(3)	*7*
Updated economic outlook	**95**	(837)	*932*
Retail	**170**	(544)	*714*
Commercial Banking	**125**	(293)	*418*
Other	**(200)**	–	*(200)*
Total impairment charge/(credit)	**377**	(734)	*1,111*

- £377m net impairment charge; AQR 17bps
- Sustained low levels of new to arrears; underlying charges below pre-COVID level
- Updated economic outlook and associated provision incorporates higher inflation
- Stock of ECL stable at £4.5bn
  - £0.3bn COVID release; £0.5bn ECL retained inc. £0.2bn central adjustment[2]
  - Cost of living ECL impacts £0.4bn, incremental to £60m established in Q4
- 2022 AQR now expected to be <20bps

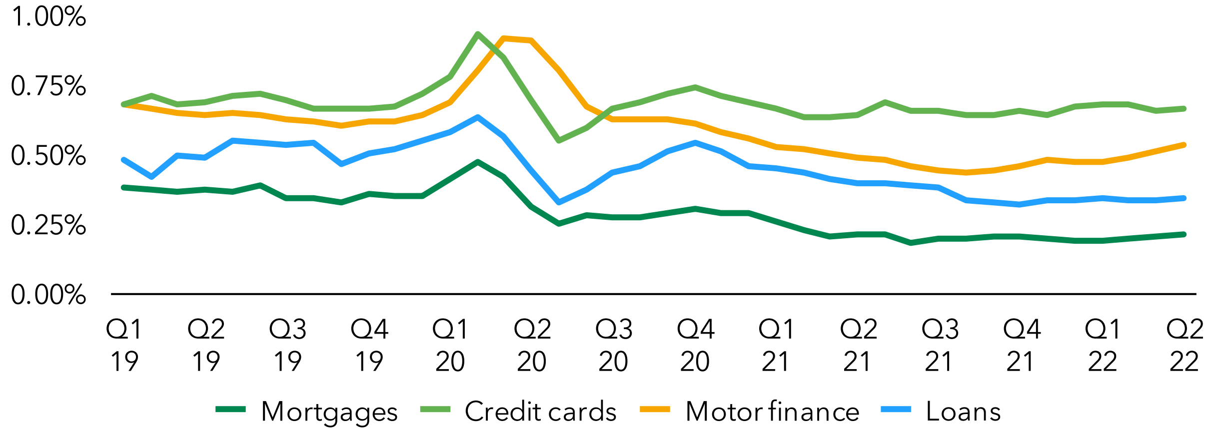
1 – Impairment charges absent the impact from updated economic outlook, thus reflecting only observed movements in credit quality. Coronavirus impacted restructuring cases, previously disclosed separately, are now reported within charges pre-updated MES (multiple economic scenarios). 2 – £0.5bn ECL comprises £0.2bn within ECL models, £0.1bn in portfolio judgements and £0.2bn central adjustment held for COVID-related risks to the Group's base case assumptions.

Classification: Public

Benign credit trends in a resilient Retail portfolio

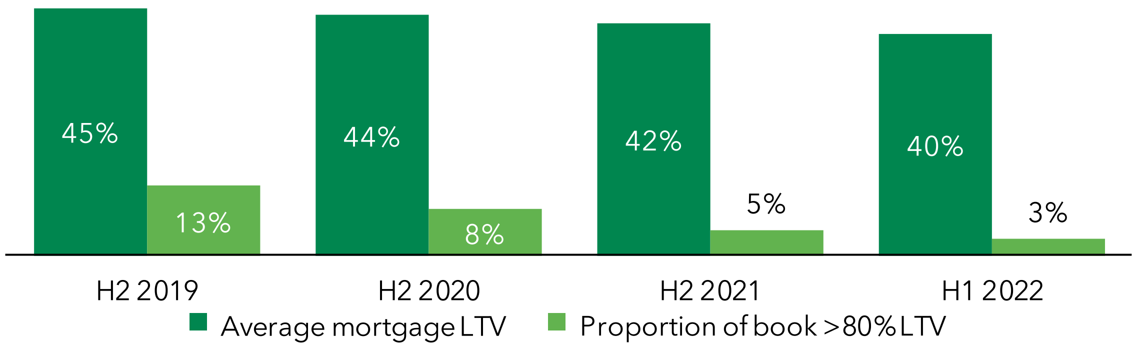
New to arrears as a proportion of total balances

(3-month rolling average, %)



Average mortgage LTV

(%)

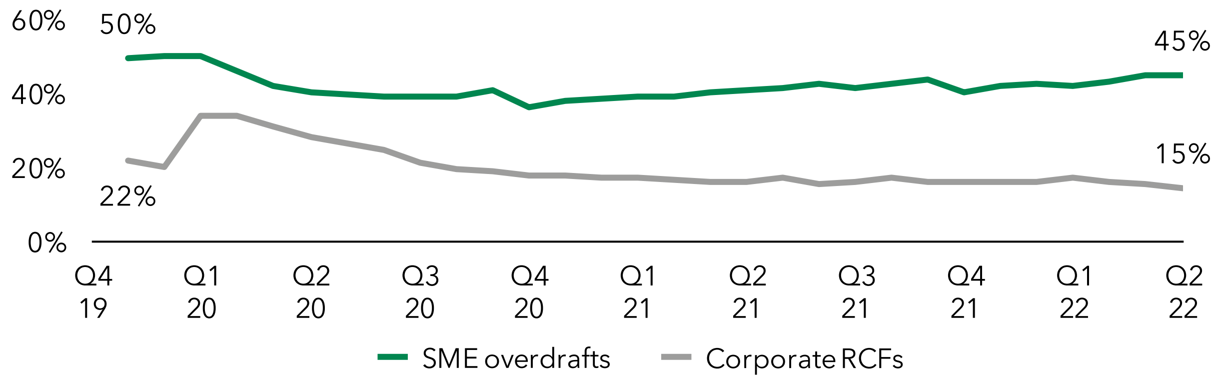


- Customers demonstrating resilience with stock of arrears below pre-COVID level
- Cards charge-offs remain low and in line with historical average
  - Middle and high income customers account for c.90% of credit card spend
  - Credit card balances and regular minimum-payers stable
  - Charge-off at 4 months in arrears; c.6.2% coverage with further 12 month policy[1]
- Average mortgage LTV 40.2% with 97% of book below 80% LTV

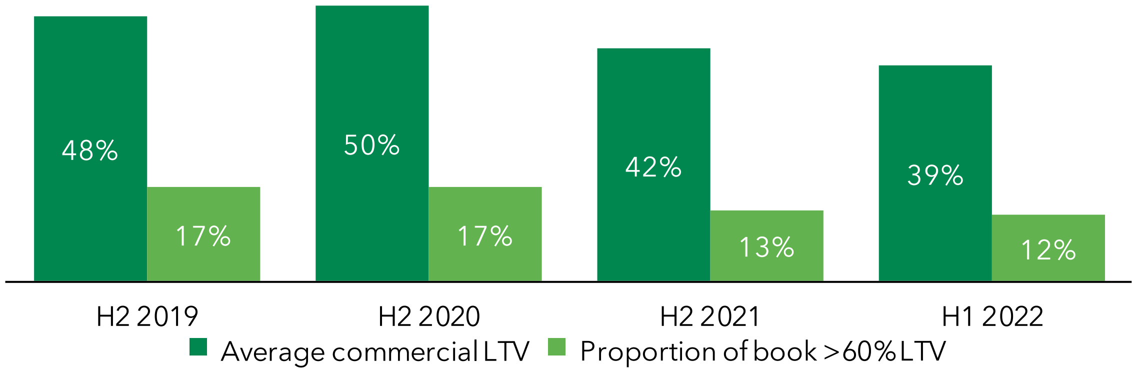
1 – Estimated based on last 12 months' charge-offs retained in Stage 3 at appropriate coverage.

Resilient Commercial portfolio with stable trends

SME overdraft[1] and corporate RCF[2] utilisation
(%)



Commercial Banking UK direct real estate LTV[3]
(%)



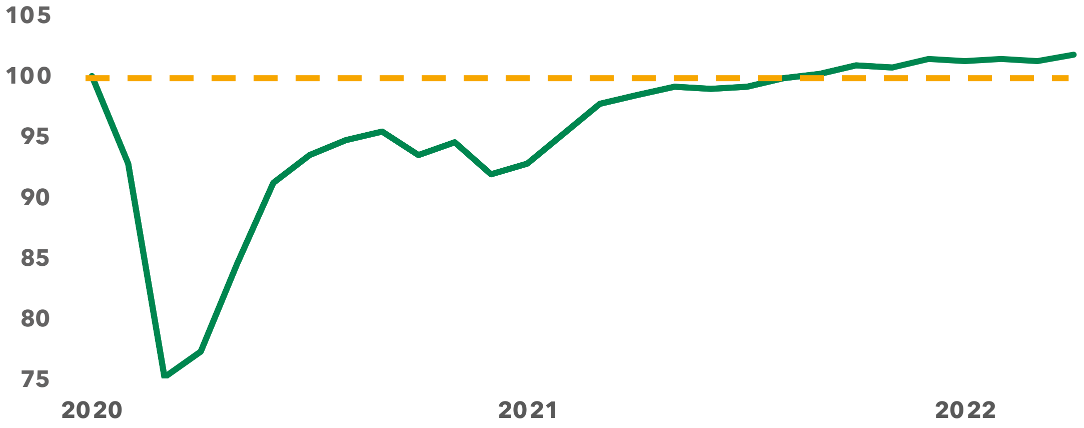
- Stable SME overdraft utilisation through pandemic, below 8 year average
- Stable working capital utilisation through the year
  - RCF utilisation stable and c.50% below 2020 peak
- Net CRE exposure of £11.1bn significantly de-risked
  - Average LTV 39% and c.12% with LTV >60%
- Commercial clients moving to BSU remain low and c.70% then returned to good book
- Well-positioned to support customers, remaining vigilant for signs of stress

1 – SME excluding Retail Business Banking. 2 – Revolving credit facilities. 3 – H2 2019 to H2 2021 exclude CRE exposures <£1m; H1 2022 includes all CRE exposures. Difference is not expected to materially impact trends.

Recovery being impacted by higher cost of living

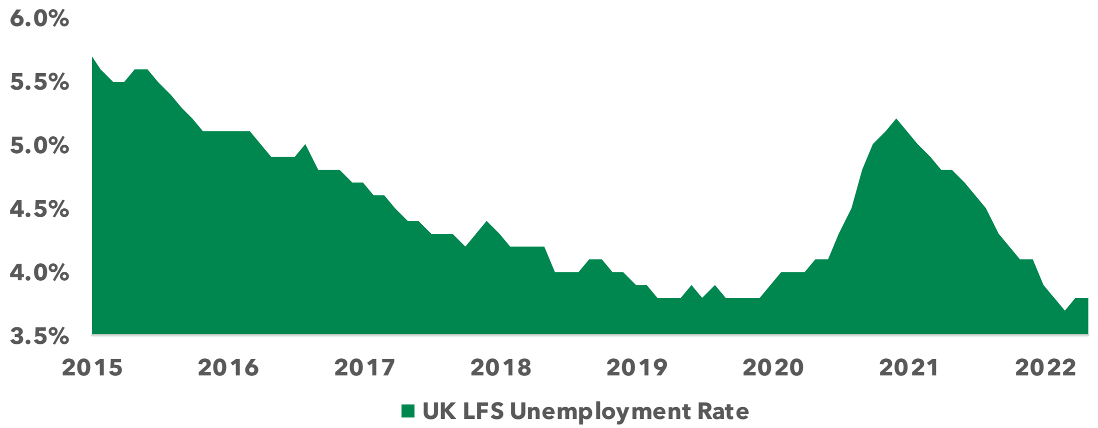
GDP has recovered to pre-pandemic levels

Monthly UK GDP – Index, February 2020 = 100[1]



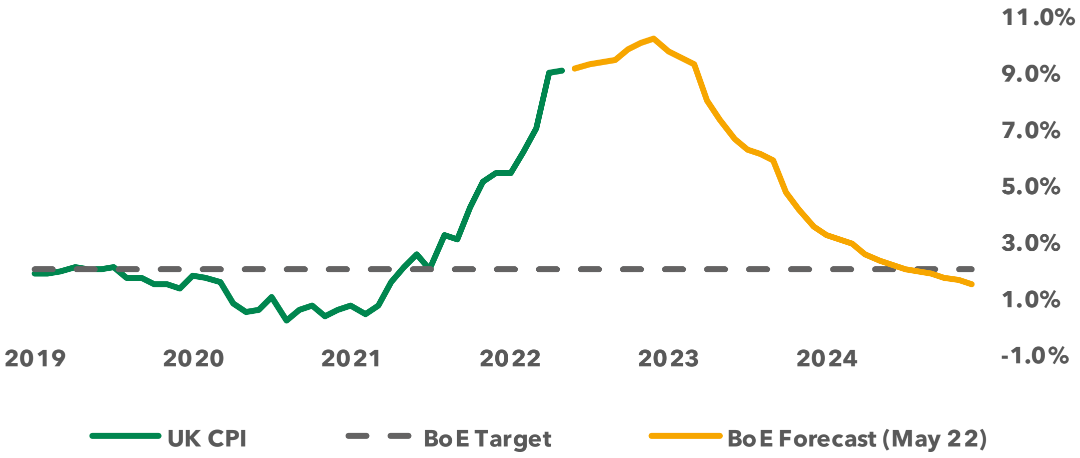
Unemployment remains low

UK unemployment rate, %[2]



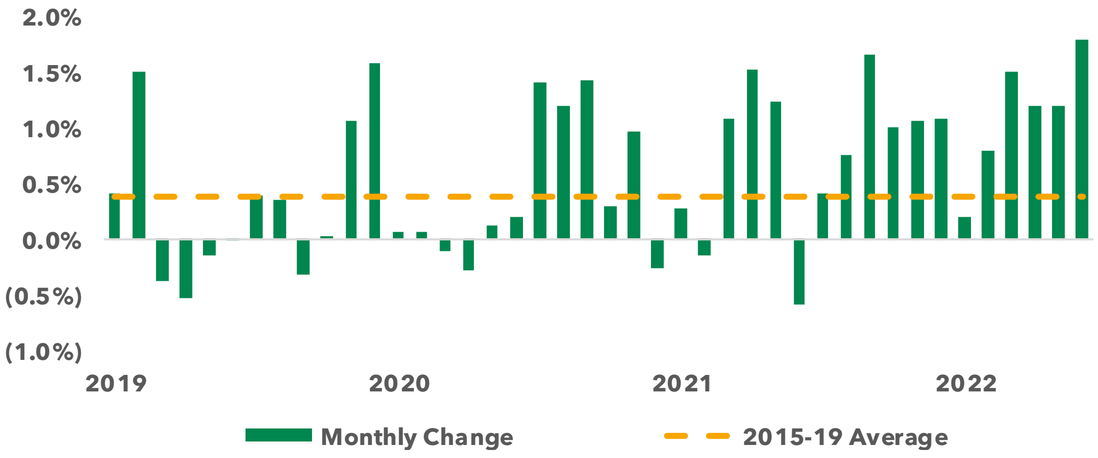
Inflation projected to rise before normalizing in 2023

CPI Inflation and Bank of England projected forecast[3]



HPI growth remains robust

Halifax UK House Price Index – monthly percentage change[4]



1 – Source: ONS and Lloyds Banking Group. 2 – Source: ONS. 3 – ONS and Bank of England May 2022 Inflation Forecast. 4 - Source: IHS Markit and Lloyds Banking Group.

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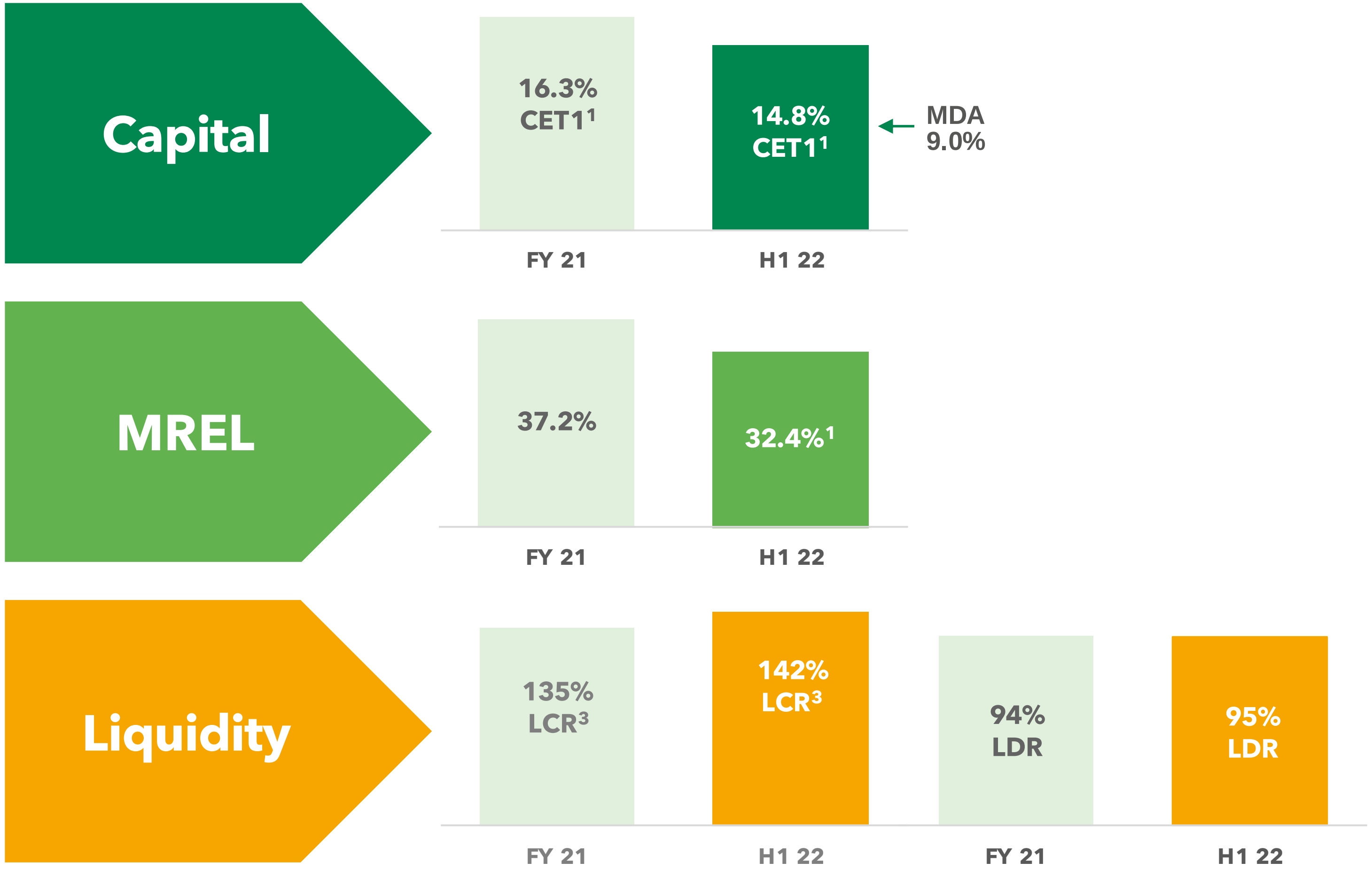
Capital, Funding & Liquidity

Capital, MREL & Liquidity summary



CET1 remains ahead of regulatory minimum and ongoing Group target of c.12.5% + c.1% management buffer

MREL remains comfortably in excess of ongoing requirement of 27.2%[2] following 1 Jan 2022 regulatory changes

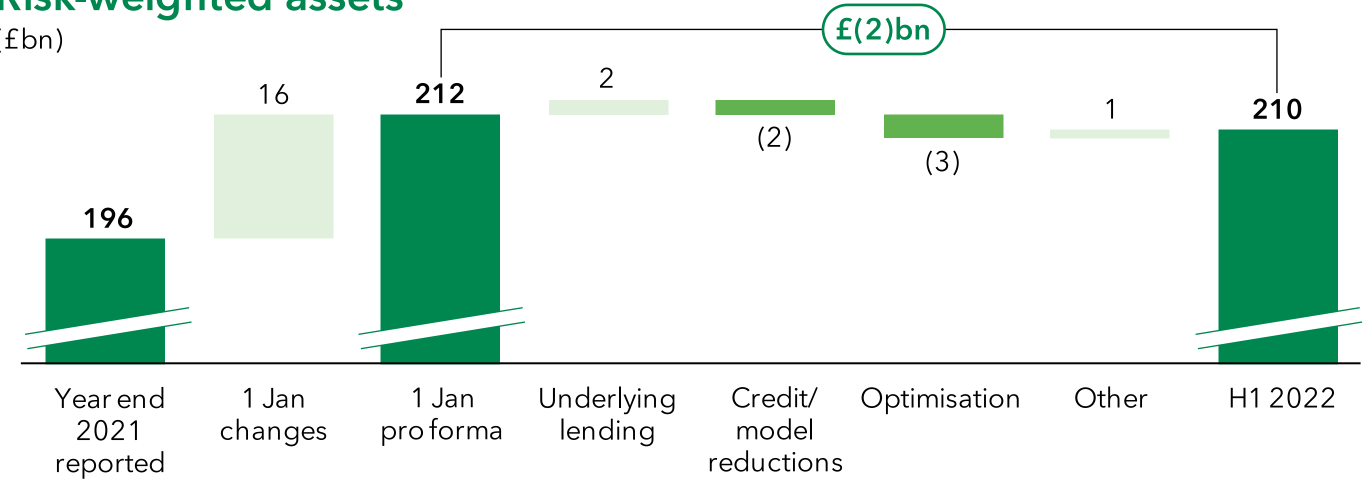
Strong liquidity metrics with deposits remaining elevated

1 – The pro forma CET1 ratio as at 30 June 2022 reflects the interim dividend received from Insurance in July 2022. The 31 December 2021 comparative reflects the dividend received from Insurance in February 2022, full impact of the share buyback and FY dividend. CET1 and MREL ratios include H1 dividend accrual and variable pension contributions. 2 - Pillar 2A reviewed annually by the PRA. Current P2A component based upon notional requirement as at 31 December 2021 and RWAs as at 30 June 2022. MREL requirements shown exclude any other PRA buffer requirement which we are not permitted to disclose. 3 – Calculated as a simple average of month end observations over the previous 12 months.

Enhanced capital position and guidance

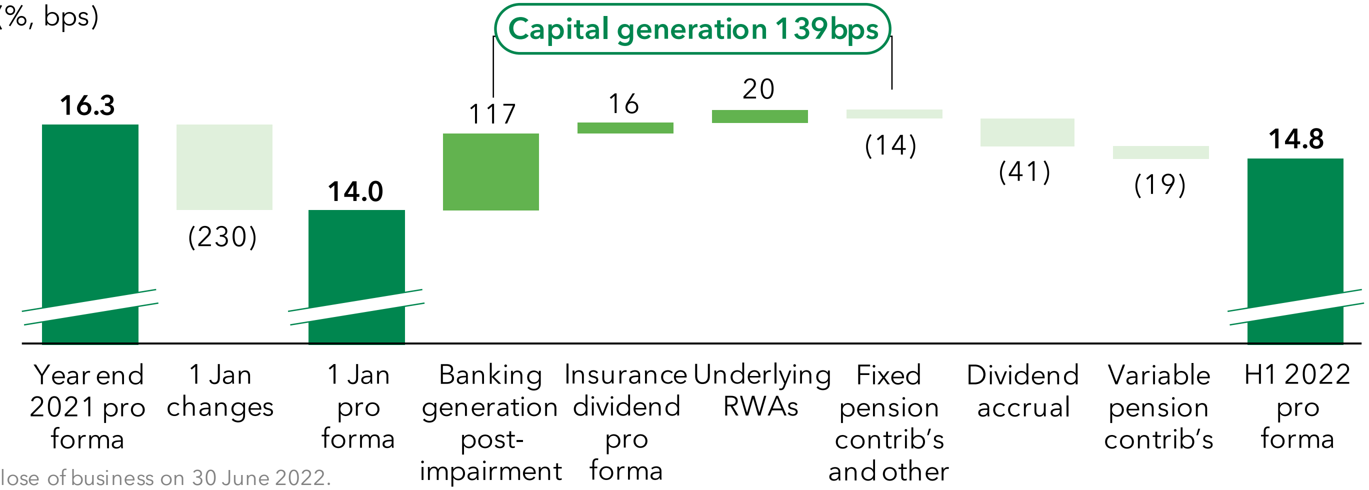
Risk-weighted assets

(£bn)



Common equity tier 1 ratio

(%, bps)

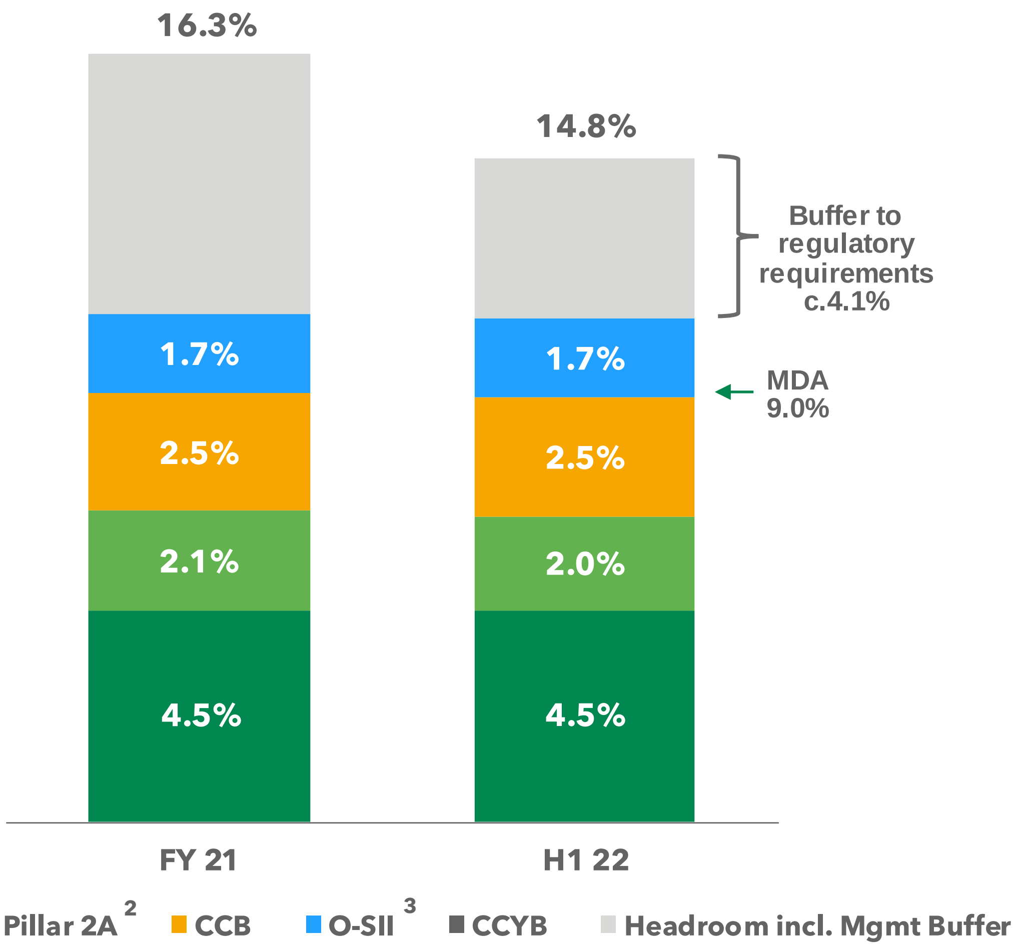


- RWAs down £2bn since 1 January given optimisation and credit/model reductions
- 139bps capital generation after 31bps for full fixed pension deficit contributions
- Pro forma CET1 ratio 14.8% after £500m variable pension contributions YTD
- Remain ahead of ongoing target of c.12.5% plus a c.1% management buffer
- Dividend accrual 41bps and interim dividend 0.8p per share, up c.20%
- Completed c.£1.3bn of 2022 buyback, with c.2.8bn shares bought[1]
- Continue to expect 2022 RWAs c.£210bn
- Expect 2022 capital generation >200bps

1 – At close of business on 30 June 2022.

Capital strength maintained

Common equity tier 1 ratio [1]



- Pro forma CET1 ratio of 14.8% reflects strong capital build of 139bps during half-year after regulatory headwinds of 230bps on 1 January 2022
- UK CCyB rate set to increase from 1% in December 2022 to 2% in July 2023, which represents an equivalent increase in the Group's CCyB to 1.8%
- FPC view that the banking sector has adequate levels of capital and liquidity that can support households and businesses, despite the worsening economic outlook
- O-SII buffer maintained at 1.7% until reassessment in December 2023; earliest implementation of any change January 2025

1 – The pro forma CET1 ratio as at 30 June 2022 reflects the interim dividend received from Insurance in July 2022. The 31 December 2021 comparative reflects the dividend received from Insurance in February 2022, full impact of the share buyback and FY dividend. CET1 and MREL ratios include H1 dividend accrual and variable pension contributions. 2 - Pillar 2A reviewed annually by the PRA. Current P2A component based upon notional requirement as at 31 December 2021 and RWAs as at 30 June 2022. MREL requirements shown exclude any other PRA buffer requirement which we are not permitted to disclose. 3 – O-SII buffer of 2% is applicable to the RFB sub-group, equating to 1.7% at Group level.

Guiding to increased funding requirements over strategic plan period

	2022	2023 onwards
HoldCo Senior	c.£5-6bn	Refinancing of maturities
Tier 2	Ongoing target of around 2.5%	Ongoing refinancing to c.2.5% target
AT1	Ongoing target of around 2.0%	Ongoing refinancing to c.2.0% target
OpCo	No current plans	Refinancing of maturities and government lending schemes

- c.£3.5bn equivalent issued YTD, out of planned c.£5-6bn
- Expect £10-15bn of wholesale funding needs in 2023
- The Group has access to a diverse range of funding programmes, products and markets
- No planned OpCo funding needs for 2022 but we will retain flexibility for opportunistic issuance activity

Strong credit ratings across the Group

	HoldCo	Ring-Fenced Bank	Non-Ring-Fenced Bank	Insurance Sub-Group
	Lloyds Banking Group	**Lloyds Bank, Bank of Scotland**	**Lloyds Bank Corporate Markets**	**Scottish Widows [1]**
	UK Sovereign			

	UK Sovereign	Lloyds Banking Group	Lloyds Bank, Bank of Scotland	Lloyds Bank Corporate Markets	Scottish Widows [1]
S&P	**AA** Stable	**BBB+** Stable **A-2**	**A+** Stable **A-1**	**A** Stable **A-1**	-
Moody's	**Aa3** Stable	**A3** Stable **P-2**	**A1** Stable **P-1**	**A1** Stable **P-1**	**A2** Stable -
Fitch	**AA-** Stable	**A** Stable **F1**	**A+** Stable **F1**	**A+** Stable **F1**	**A+** Stable **F1**

1 – Ratings shown for Scottish Widows are Insurance Financial Strength.

Strong ESG ratings supported by clear deliverables

Environmental

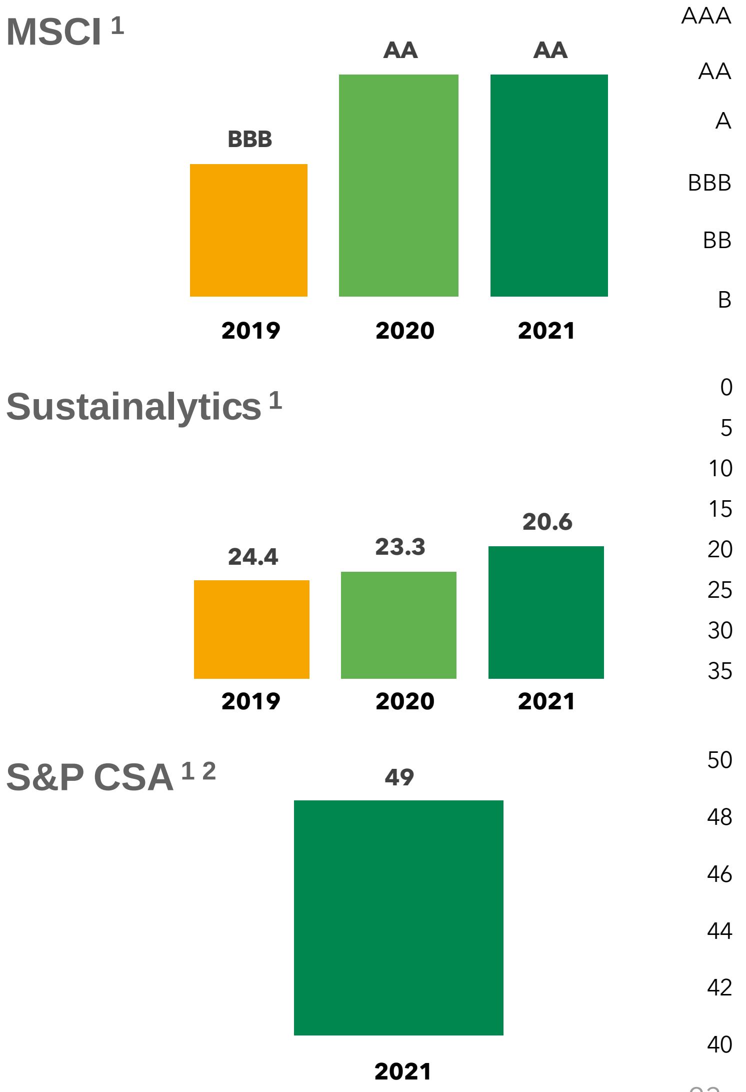
- Reduce carbon emissions we finance by >50% by 2030, on the path to net zero by 2050 or sooner
- Net zero for our own operations by 2030
- Sustainability embedded across business priorities

Social

- Improving access to quality housing
- Promoting financial inclusion and education
- Enabling regional development
- 50% female, 13% Black, Asian and minority ethnic with 3% Black heritage colleagues in senior roles by 2025

Governance

- 3 ESG performance measures in the Group Balanced Scorecard
- Transparency through ESG reporting: 2021 ESG Report and 2021 Climate Report
- Stakeholder outcomes incorporated in the Group's new strategy



1 – Ratings shown are all end of year scores. 2 – S&P only shows a score for 2021 as LBG did not participate in the CSA process in earlier years.

Appendix

Simple group structure with multiple issuance points

HoldCo	
Lloyds Banking Group	
BBB+ / A3 / A Sta / Sta / Sta	A-2 / P-2 / F1
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** [2]		**Lloyds Equity Investments**	
A+ / A1 / A+ Sta / Sta / Sta	A-1 / P-1 / F1	A / A1 / A+ Sta / Sta / Sta	A-1 / P-1 / F1	- / A2 / A+ - / Sta / Sta	- / - / F1	-	-
Senior Unsecured Covered Bonds ABS	CD, CP	Senior Unsecured	CD, Yankee CD, CP	Capital	-	-	-
L&A: £435bn[3]	Assets: £626bn[4]	L&A: £17bn[3]	Assets: £89bn[4]	L&A: N/A	AuA: £210bn[4]	L&A: N/A	Assets: £3bn[4]
EU Sub: Berlin		**EU Sub: Frankfurt**		**EU Sub: Luxembourg**			

1 - Ratings shown are senior unsecured in the order of S&P / Moody's / Fitch. 2 – Ratings shown are for Scottish Widows are Insurance Financial Strength Ratings. 3 – "L&A" refers to Loans & Advances to customers. Lloyds Bank L&A are shown as at H122 and LBCM L&A are shown as at FY21. 4 – Lloyds Bank Total Assets and Scottish Widows AuA as at H122, LBCM and LEIL Total Assets as at FY21.

Classification: Public

Prudent economic scenarios

Scenario	ECL(£m)	Measure (%)[1]	2022	*vs Q1 22*[2]	2023	2024	2025	2026	*Ave. 22-26*
Upside (30%)	3,810	GDP	3.5	*(0.1)*	1.2	1.8	1.7	1.7	*2.0*
		Interest rate	1.64	*0.25*	3.12	2.97	2.88	2.78	*2.68*
		Unemployment rate	3.1	*(0.2)*	2.7	2.9	3.2	3.4	*3.1*
		HPI growth	3.2	*(2.1)*	3.6	9.3	5.9	4.3	*5.2*
		CRE price growth	9.2	*0.1*	1.8	0.9	(0.9)	(0.2)	*2.1*
		CPI inflation	8.6	*1.0*	5.5	2.5	1.9	2.2	*4.1*
Base case (30%)	4,138	GDP	3.3	*(0.2)*	0.6	1.5	1.6	1.7	*1.7*
		Interest rate	1.44	*0.38*	2.25	2.00	2.00	2.00	*1.94*
		Unemployment rate	3.8	*(0.3)*	4.2	4.4	4.5	4.5	*4.3*
		HPI growth	1.8	*(1.5)*	(1.4)	3.4	1.2	1.0	*1.2*
		CRE price growth	1.8	*1.3*	(5.0)	(1.6)	(1.3)	0.8	*(1.1)*
		CPI inflation	8.6	*1.1*	5.5	2.2	1.3	1.5	*3.8*
Downside (30%)	4,817	GDP	3.0	*(0.3)*	(0.1)	1.1	1.4	1.7	*1.4*
		Interest rate	1.25	*0.58*	1.23	0.80	0.85	0.95	*1.02*
		Unemployment rate	4.5	*(0.6)*	6.0	6.3	6.1	5.9	*5.8*
		HPI growth	(0.1)	*(0.1)*	(7.6)	(4.6)	(5.1)	(3.5)	*(4.2)*
		CRE price growth	(4.4)	*2.4*	(11.9)	(5.5)	(3.6)	(0.7)	*(5.3)*
		CPI inflation	8.7	*1.2*	5.5	1.8	0.6	0.7	*3.5*
Severe downside (10%)	6,844	GDP	1.6	*0.5*	(1.8)	1.0	1.4	1.6	*0.8*
		Interest rate – adj.	2.94	*2.70*	4.75	3.00	2.25	2.25	*3.04*
		Unemployment rate	5.8	*(1.0)*	8.7	8.7	8.3	7.7	*7.8*
		HPI growth	(1.6)	*(0.2)*	(14.0)	(12.3)	(10.5)	(6.4)	*(9.1)*
		CRE price growth	(14.9)	*3.0*	(20.9)	(11.0)	(5.6)	1.0	*(10.6)*
		CPI inflation – adj.	9.8	*2.3*	13.7	4.1	1.7	0.1	*5.9*
Probability-weighted	**4,514**								

1 – Interest rate and unemployment rate are shown as averages for the respective period. 2 – Comparison to scenarios modelled at Q1 2022; changes only shown for 2022 measures.

Classification: Public

Updated coverage after updated economic outlook

(£m, unless stated otherwise)	Gross customer L&A (£bn)	Coverage (ex. Recoveries)[1] Stage 1	Stage 2	Stage 3	Total	Total coverage Q4 2021[1]	ECL Q4 2021	*Write-offs & Other*	*P&L charge/ (credit)*	Net ECL increase/ (decrease)	ECL Q2 2022	Write-offs & Other H1 2021[2]
Retail	**370.9**	0.2%	2.8%	14.3%	**0.8%**	0.7%	2,723	*(351)*	*485*	134	**2,857**	(433)
UK Mortgages	***310.9***	*0.0%*	*1.3%*	*10.6%*	***0.4%***	*0.4%*	*1,284*	*11*	*(64)*	*(53)*	***1,231***	*(24)*
Cards	***15.1***	*1.4%*	*15.1%*	*53.6%*	***4.2%***	*3.7%*	*531*	*(175)*	*273*	*98*	***629***	*(200)*
Loans & Overdrafts	***10.1***	*1.9%*	*21.2%*	*70.7%*	***5.4%***	*4.7%*	*445*	*(144)*	*241*	*97*	***542***	*(167)*
Motor	***14.5***	*0.8%*	*4.4%*	*58.7%*	***2.0%***	*2.1%*	*298*	*(15)*	*7*	*(8)*	***290***	*(27)*
Other	***20.4***	*0.3%*	*2.7%*	*10.4%*	***0.8%***	*0.9%*	*165*	*(28)*	*28*	*–*	***165***	*(15)*
Commercial	**90.0**	0.2%	4.8%	38.8%	**1.6%**	1.6%	1,333	*(10)*	*88*	78	**1,411**	(114)
Other[3]	**(0.5)**	(1.2)%	3.1%	21.0%	**(4.1)%**	2.0%	443	*(1)*	*(196)*	(197)	**246**	3
Total	**460.3**	0.2%	3.0%	20.1%	**1.0%**	1.0%	4,499	*(362)*	*377*	15	**4,514**	(544)

1 – Underlying basis. Loans and advances to customers only; excludes £31m of ECL on other assets at 30/06/2022 (£22m at 31/12/2021). 2 – Excludes £78m of non lending-related fraud costs now included within operating costs. 3 – Coverage calculation for Other excludes £200m ECL central adjustment (£400m at 31/12/2021).

Continued low mortgage LTVs

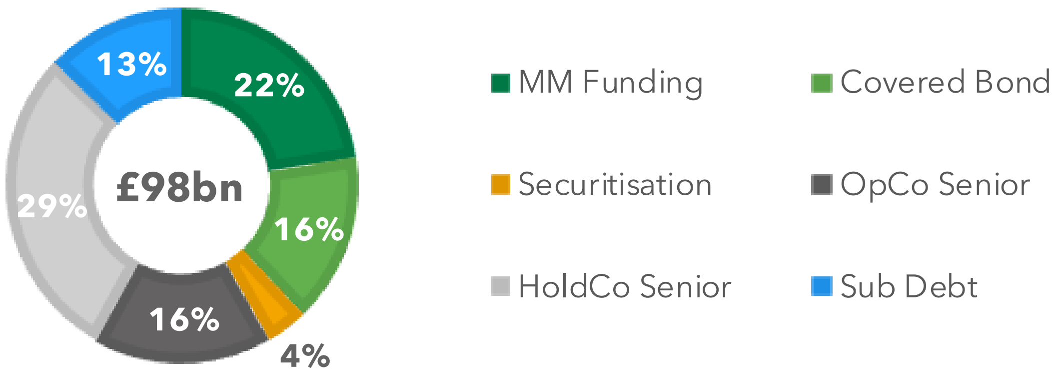
	June 2022[1]				2021[1]	2010[1]
	Mainstream	Buy to let	Specialist	Total	Total	Total
Average LTVs	39.5%	45.4%	34.9%	**40.2%**	42.1%	55.6%
New business LTVs	62.3%	59.3%	N/A	**61.9%**	63.3%	60.9%
≤ 80% LTV	96.4%	99.7%	96.8%	**97.0%**	95.4%	57.0%
>80–90% LTV	3.2%	0.1%	1.1%	**2.6%**	4.1%	16.2%
>90–100% LTV	0.3%	0.1%	1.0%	**0.3%**	0.3%	13.6%
>100% LTV	0.1%	0.1%	1.1%	**0.1%**	0.2%	13.2%
Value >80% LTV	£8.9bn	£0.2bn	£0.3bn	**£9.4bn**	£14.3bn	£146.6bn
Value >100% LTV	£0.2bn	£0.1bn	£0.1bn	**£0.4bn**	£0.5bn	£44.9bn
Gross lending	£250.9bn	£51.4bn	£8.6bn	**£310.9bn**	£308.8bn	£341.1bn

1 – 2021-22 LTVs use Markit's 2019 Halifax HPI; 2010 LTVs use Markit's pre-2019 Halifax HPI and include TSB.

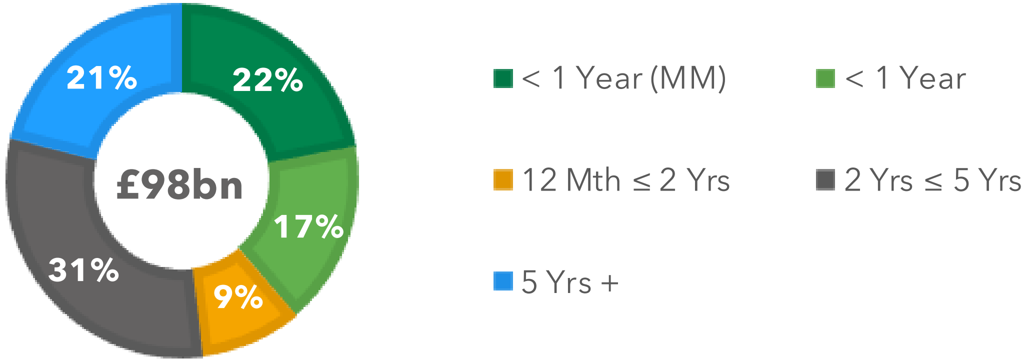
Classification: Public

Diverse funding portfolio as at H1 22

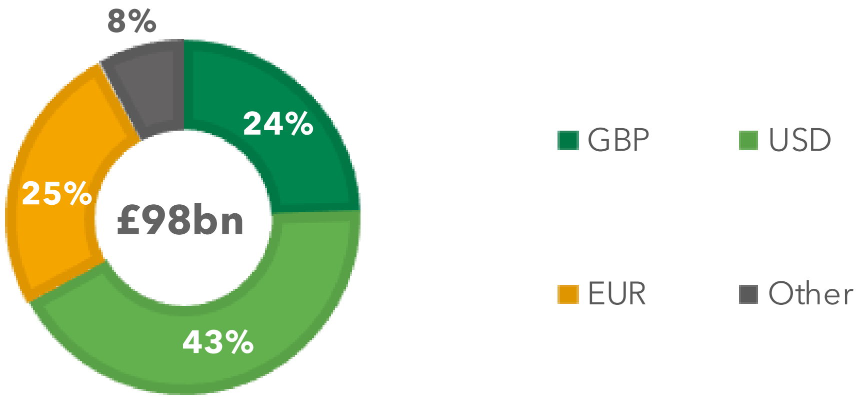
Wholesale funding portfolio by type



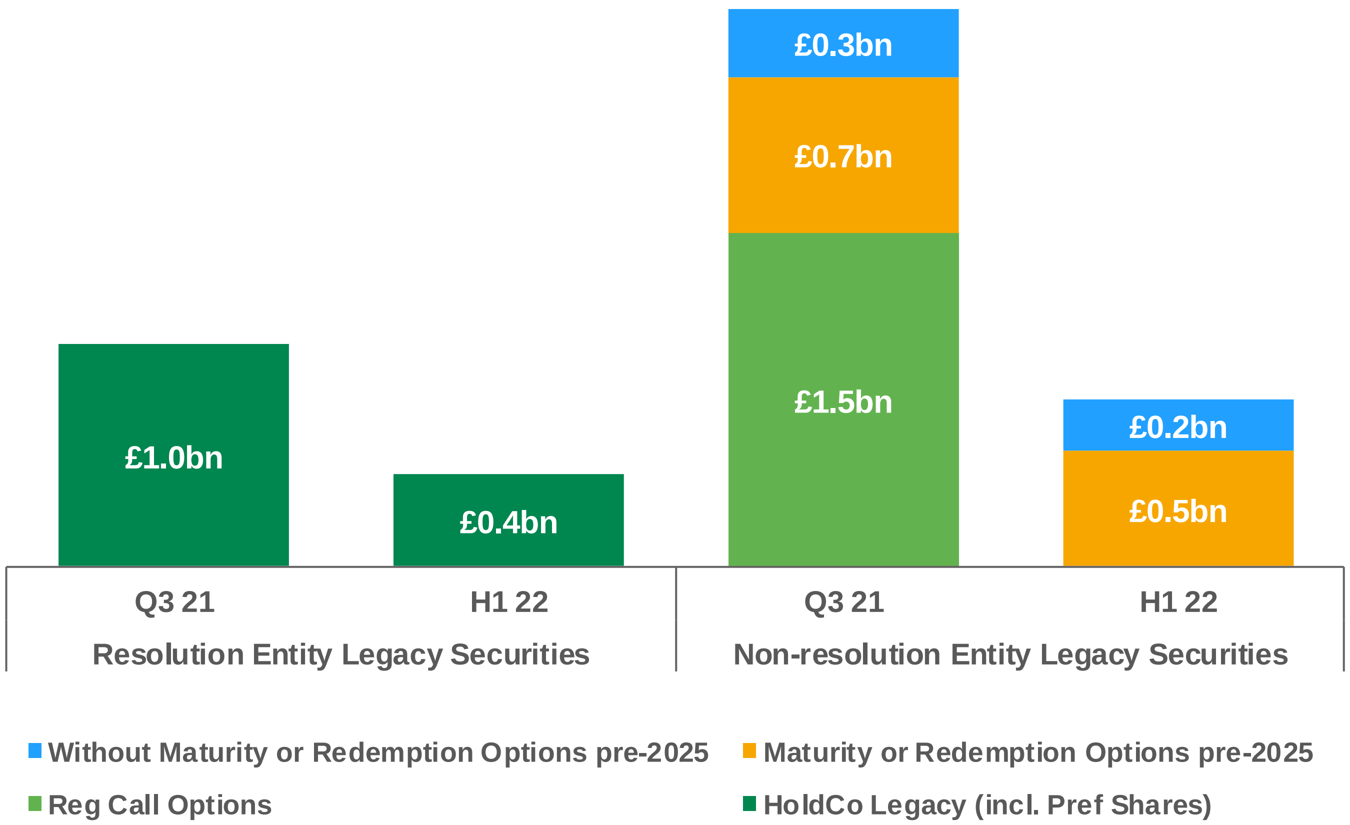
Wholesale funding portfolio by maturity



Wholesale funding portfolio by currency



Continued focus on legacy securities with significant reduction since 2021



- Legacy capital securities now constitute only c.£1.2bn, a reduction of c.£2.3bn since 2021 following LME and redemptions
- Outstanding amount immaterial when compared to c.£66bn of regulatory loss-absorbing capacity:
  - £0.4bn preference shares issued from the resolution entity
  - £0.5bn securities with maturity or redemption options pre-June 2025
  - £0.2bn securities without maturity or redemption options pre-June 2025

Classification: Public

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