

Delivering on our purpose-driven strategy; confidence in delivering higher, more sustainable returns

- Customer support continuing in a resilient economy
- Purpose-driven strategy, on track to meet strategic outcomes
- Strong business performance, meeting 2023 financial guidance
- Increased shareholder distributions from strong capital generation
- Consistent vision and guidance for 2024 and 2026

2026 guidance

- RoTE >15%
- Capital generation >200bps
- Cost:income <50%

Now expect to pay down to CET1 ratio of c.13% by the end of 2026

Robust financial performance, in line with guidance

- Strong net interest income
- Building confidence in other income
- Disciplined operating costs
- Strong asset quality
- Underlying and statutory profit converge
- TNAV building
- Strong capital generation

£17.9bn

Net income, up 3% vs 2022

173bps

Capital generation² post reg. headwinds

21.5m

Digitally active users, up 17% from 2021

£9.1bn

Operating costs, in line with guidance

£3.8bn

Total capital distribution

68.2

Customer NPS, up 0.8 vs year end 2022⁴

15.8%

RoTE, above guidance

13.7%

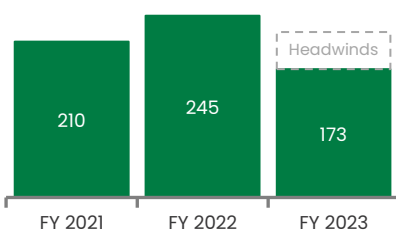
Pro forma CET1 ratio³

40.1%

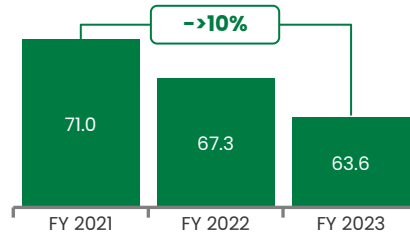
Women in senior roles, up 2.4pp vs year end 2021

Increased shareholder distributions from strong capital generation

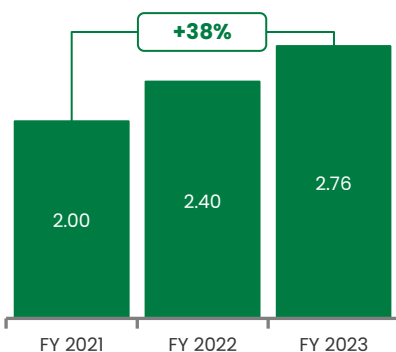
Strong capital generation², bps



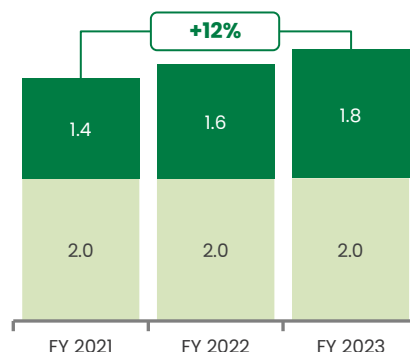
Reducing share count, bn



Progressive and sustainable ordinary dividend, £p/share



Track record of growing shareholder distributions, £bn



■ Ordinary dividend ■ Share buyback

The Group has a progressive and sustainable ordinary dividend policy whilst maintaining the flexibility to return further surplus capital through buybacks or special dividends

Expect to pay down to a CET1 ratio of c.13.5% by the end of 2024 and c.13% by the end of 2026

Key financials

Profit & loss	2023	2022²	Change
	£m	£m	%
Underlying net interest income	13,765	13,172	5
Underlying other income	5,123	4,666	10
Underlying operating lease depreciation	(956)	(373)	
Net income	17,932	17,465	3
Operating costs	(9,140)	(8,672)	(5)
Remediation	(675)	(255)	
Total costs	(9,815)	(8,927)	(10)
Underlying profit before impairment	8,117	8,538	(5)
Underlying impairment charge	(308)	(1,510)	80
Underlying profit	7,809	7,028	11
Below the line items	(306)	(2,246)	(86)
Statutory profit before tax	7,503	4,782	57
Statutory profit after tax	5,518	3,923	41
Banking net interest margin ¹	3.11%	2.94%	17bp
Average interest-earning banking assets ¹	£453.3bn	£452.0bn	
Cost:income ratio ¹	54.7%	51.1%	3.6pp
Asset quality ratio ¹	0.07%	0.32%	(25)bp
Return on tangible equity ¹	15.8%	9.8%	6.0pp
Tangible net assets per share ¹	50.8p	46.5p	4.3p

Key balance sheet metrics	2023	2022	Change
	£bn	£bn	%
Mortgages ³	306.2	311.2	(2)
Credit cards	15.1	14.3	6
UK Retail unsecured loans ³	6.9	8.7	(21)
UK Motor Finance	15.3	14.3	7
Overdrafts	1.1	1.0	10
Wealth	0.9	0.9	
Retail other ⁴	15.7	13.8	14
SME and Mid Corporates	33.0	37.7	(12)
Corporate and Institutional	55.6	56.0	(1)
Central items ⁵	(0.1)	(3.0)	(97)
Loans and advances to customers	449.7	454.9	(1)
Retail current accounts	102.7	114.0	(10)
Retail relationship savings accounts	177.7	166.3	
Retail tactical savings accounts	17.1	16.1	6
Wealth	10.9	14.4	(24)
Commercial Banking deposits	162.8	163.8	(1)
Central items	0.2	0.7	(71)
Total customer deposits	471.4	475.3	(1)

Delivering on our purpose-driven strategy

Robust financial performance, in line with guidance

Resilient customer franchise

2024 guidance

- Banking NIM >290bps
- Operating costs c.£9.3bn
- AQR <30bps
- RoTE c.13%
- Capital generation c.175bps

2026 guidance

- Cost:income <50%
- RoTE >15%
- Capital generation >200bps

Investor factbook

2023 Results



Leading UK digital bank and integrated financial services provider

3 core divisions	Retail		Commercial		Insurance			
Business units	Consumer Relationships	Consumer Lending	Small and Medium Businesses	Corporate & Institutional Banking	Pensions & Investments			
Products	Current accounts Savings accounts Mass affluent proposition	Mortgages Credit cards Personal loans Motor finance	Business loans Transactional banking Working capital	Lending & debt capital markets Risk mgmt Cash liquidity	Home, motor and protection insurance Pensions Investments			
Trusted brands	LLOYDS BANK	HALIFAX	BANK OF SCOTLAND	mbna	Citra	LDC	AMC	IWEB
	blackhorse	LEX AUTOLEASE	SCOTTISH WIDOWS	Schroders personalwealth	cavendish online	BIRMINGHAM MIDSHIRES	Tusker.	

Purpose-driven strategy delivers for broader stakeholders

Strategic priorities



Grow

Drive revenue growth and diversification



Focus

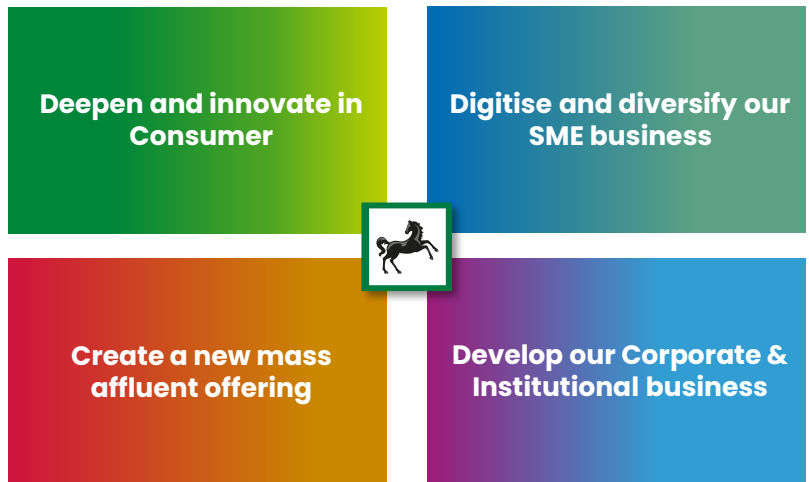
Strengthen cost and capital efficiency



Change

Maximise the potential of people, technology and data

Growth pillars



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Our reporting

Our reporting is designed to facilitate better communication to a range of stakeholders. See our full reporting suite at www.lloydsbankinggroup.com/investors

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1 – EPC A/B. 2 – Increase in loans conversion following sharing of income and expenditure data. 3 – Since acquisition. 4 – For new mortgage customers in branch. 5 – Includes existing customers who have recently attained the >£75k threshold; balances include lending and deposits, ex. Motor. 6 – Business current account onboarding for sole traders and limited companies. 7 – In line with the Sustainable Financing Framework. 8 – For Road Passenger Transport, Commercial & Residential Real Estate and Agriculture.