

LLOYDS BANKING GROUP PLC– 2025 Q3 RESULTS – SELLSIDE ROUNDTABLE TRANSCRIPT

(amended in places to improve readability only)

Monday 27 October 2025 – 4.30pm

LBG:

William Chalmers, Chief Financial Officer

William Chalmers:

Thank you operator and thank you to everybody for taking the time to join us this afternoon. I thought I'd kick off with a couple of very brief messages and then just hand over to team on the line for questions in any areas that you see fit. Last Thursday we tried to get out three main messages. One of continued strategic delivery for customers and indeed wider stakeholders. The second, robust financial performance with strong capital generation attached to that. And then the third, the improvement of our 2025 guidance, excluding obviously the Q3 motor finance charge. And alongside of that, our continued confidence in delivery in 2026, and in all of the guidance that we've reiterated to you previously. So with that, perhaps I'll hand over to the team on the line for questions in, as I say, any area that would be interesting and helpful.

Question 1 – Ben Caven-Roberts, Goldman Sachs:

Afternoon, William. Thanks very much for taking the questions. First on asset quality, and second, just again on motor please. So on asset quality, I note the presentation cites certain one-off benefits to the AQR primarily from model calibrations. Could you please give some colour on the size of those benefits, and then looking further ahead, talk about the key elements underpinning your thoughts for cost of risk, looking into next year? And then secondly on motor, could you please comment on the extent to which the £1.95 billion provision captures potential customer redress outside of the FCA's compensation scheme? In particular, I'm wondering how much of a concern you see potentially arising from customers who may choose to opt out of the FCA scheme and to pursue litigation separately, either via a claims management company or otherwise. Thank you.

William Chalmers:

Thanks very much indeed, Ben. Picking each of those two in turn, in respect of impairment, first of all, as you know, Q3 impairment, £176 million, 15 basis points. Year to date, £618 million, 18 basis points. And within that, we've had MES of around £36 million. Ben, your question, is to what extent are there one-offs going on within that, and in particular, the calibrations that we had highlighted? There's a couple of points to make in that respect. The types of one-offs that we've seen over the course of Q3, model calibrations in commercial banking, I'll come back to that. And to a degree at least also bounce-back benefits, i.e. accounts and recovery that we are now going to receive if you like recovery from the government in respect of, that hadn't previously been banked on or planned. So both of those two are coming through. The calibration benefits within Commercial Banking primarily are things like stepping through the interest rate cycle. And we are seeing effectively that cycle having been lived through without any impact on the asset quality underlying it.

We're seeing things like improvements to observed new to arrears and defaults trends, and then applying that to the relevant book. And then some degree of model refinements. Not model rebuilds, but model refinements. And so if you strip those out and you also strip back the bounce-back points that I made just a second ago, Ben, you're seeing an underlying asset quality charge of, I think more like 20 to 25 basis points. It's in that zone, probably at the lower end of it for now. And again, that's a reflection of all of the things that we talked to you about previously. That is to say, a good asset quality book with a prime customer base, but also off the back of that, relatively stable macro conditions. And then that combination produces not just a stable impairment charge, but also as we look forward, very stable look forward indicators, whether that's new to arrears, flows to default, early warning indicators in the context of customer behaviour levels and so forth.

And so hopefully Ben that's helpful to you. But as I say, underlying or an observed charge at the lower end of 20 to 25 basis points. You had asked about the look forward from that. I think we'll give guidance on that clearly at the end of the year, but I think as we look forward right now, we in the past have said to you that our expectation for a through the cycle cost of risk charge is 30 basis points. To be clear, I don't expect that to be followed through on in full next year, not unless the cycle changes in a way that we don't currently expect it to. But having said that, a reasonable start point might be somewhere between the circa 25 basis points that we gave you at the beginning of this year, and in that zone, give or take a few basis points up or down.

We'll give more precise guidance on it during the course of next year, but it's that type of level, as I say, unless the cycle changes in a way that we don't currently expect it to.

The motor charge, Ben, and the extent to which that carries with it, if you like, other elements of cost. A couple of points that I'd make on that. One is, at the moment, at least, as I said in my comments on Friday, we actually think that the FCA has come down without necessarily taking all of the clarity that the Supreme Court allowed for or gave in the context of its ruling. So I mentioned on Thursday that an example of that was the fact the Supreme Court saw a nondisclosure not as equally unfair, but as a factor to be taken into consideration when one considers the balance of factors in the context of what could be considered unfair. Likewise, the Supreme Court in the case of Johnson, decided that 55% was a high commission rate, and that was, again in one input amongst many that will go into determining whether unfairness was there, and the FCA came down with a 35% commission rate.

The reasons for mentioning this is because if we were to go into litigation, it's obviously uncertain as to what exactly comes out the other end, but it is safe to say that the FCA has steered to one side of the Supreme Court, and arguably taken a more adverse view on some of the key factors or points of clarity that the Supreme Court gave us. So that's one point, Ben. The second point that I would make, is the FCA take-up assumptions and indeed therefore, the take-up assumptions in our provision, are very high. You've seen the types of numbers that they put forward in the FCA proposals, and it's kind of 80% or thereabouts. So really very high, and indeed higher than we've seen in other redress schemes, including for example PPI. Therefore, I think there is expected to be a strong inverse correlation between the take-up in the FCA proposals that you're going to see versus any potential litigation risk.

And when we look at our overall provision, Ben, that is indeed the way that we look at it. That is to say we are unlikely to have both a take-up of 80%, and at the same time have significant litigation risk. Particularly or rather underlined by those points in terms of the Supreme Court rulings I mentioned a second ago. So in short, Ben, we are essentially looking at scenario analysis that comes out with £1.95 billion as a provision. In the vast bulk of that £1.95 billion, to be clear, is based upon the FCA proposals, and as I mentioned on Thursday, some scenarios around them. We are not assuming a huge amount of money for litigation risk, but the reason for that is because we see litigation risk and FCA proposals, as, to an extent at least, substitutes or alternatives, rather than sitting alongside of each other at the same time.

Ben Caven Roberts:

Very helpful, thank you.

William Chalmers:

Thanks, Ben.

Question 2 – Benjamin Toms, RBC:

Afternoon, William. Thanks for taking the questions. The first one's on the structural hedge. At Q3, you reminded us that your guidance is predicated on the flat structural hedge notional, but I think when you talked at full year '24 results, you talked about the notional growing by mid-single digit billions in actual terms relative to what's in your guidance. Is that still the case? Do you still expect the structural hedge to grow mid-single digits into next year? And then secondly, on other income, the CAGR growth over the last couple of years has been about 9%. Without wanting to preview your strategic plan too much, is that a good run rate for the coming years or is it naturally should we expect a bit of a slowdown from here due to base effects? How we should think about the growth rate going forward in other income? Thank you.

William Chalmers:

Thanks for that Ben. In respect of the hedge, the best way to look at that actually now is that off the back of the deposit market being probably a bit tighter than we had initially expected. The expectations to the structural hedge have come in slightly, so if you look both at year-end this year, we are not expecting the structural edge to grow. To be clear, we've got £244 billion invested right now, that is the expectation for 2025 as a full year. When we look at 2026 thereafter, we are adopting a relatively prudent approach to our expectations in terms of volume of the structural hedge, and that is for two reasons. One is because we think the deposit market will grow, but only grow modestly. And what is behind that thinking is we've got a slowdown most likely in wage growth. We've got a pulling in, if you like, of government payments. We've

probably got a bit of fiscal tightening going on at the same time, and therefore we have really very modest expectations for the deposit market as a whole.

It may be that while as you know, we are expecting and indeed are experiencing churn, that is significantly attenuating. I think I mentioned it was 33% down in Q3 over Q2 on the call. That continues to come in over the course of Q4, albeit not quite at that pace i.e. it is not going to be 33% down again. But nonetheless that churn factor tips over a little bit into '26 and therefore our expectations for the structural hedge over the course of next year, Ben, whereas we used to have mid-single digit growth, we've now brought that back in and we're being a little bit more conservative than we were. We'll give you full numbers in terms of volumes at the year-end, but you should take it that we are being a touch more conservative in terms of our volume expectations for hedge next year versus where we were at the beginning of this year. Now, it goes without saying that our guidance is all staying in the same place, so don't take that structural hedge volume comment to be at the expense of any of our guidance, that is definitely not the case.

But that gives you hopefully an answer to your question. The OOI expectation, as you say, 9% up year-to-date, Q3 year-on-year also up 9%, and then spread amongst a range of different business lines, as you know. As we go into quarter four and indeed as we go into next year, the increase to that is, as I mentioned on Thursday, Schroders Personal Wealth now Lloyds Wealth. And so there is an additional engine that is being put into other operating income which was not there previously. That'll give us about £175 million incremental other operating income growth. Well, a new number in the other operating income equation next year versus this year. It would also to be clear, give us about £120 million of costs, so don't miss those when you model the SPW in its totality.

Now, I'm not going to give you a percentage number, Ben, but I would hope that we are able to achieve the, 8 to 9% as a benchmark and then ideally, let's see whether or not we can do any better than that.

Benjamin Toms:

Thank you.

Question 3 – Andrew Coombs, Citi:

Afternoon. Perhaps just a couple of follow-ups and one fresh one if I may. On the follow-ups, given you just went into detail on the structural hedge, you're not changing the £1.5 billion guidance despite now assuming that or flattish notional before you had growth to £250 billion, so what's the offset? The question is, is it just simply a higher reinvestment yield that you're now assuming? That would be the first question. And the second question is coming back to the motor finance point, if you took the £11 billion FCA industry number and just took your market share, you'd obviously come out with a slightly lower revision and the difference seems to be what's captured.

It sounds like a larger proportion of your loans are in scope compared to the 44% industry average in the FCA consultation. And I think you've touched upon this 35% cost of credit being the issue, so perhaps you can just elaborate there on what portion of your loans you think are in scope under the current FCA definition and why you think your slightly higher than the industry average in that perspective. And then the fresh question, a very simple one. You've previously given us the front and back fixed mortgage spreads, would you mind providing that again? Thank you.

William Chalmers:

Sure. In respect to the first of those three, Andrew, the structural hedge, it's probably a couple of things really, one is we obviously give our guidance intending with a very high level of confidence to meet it and therefore there's a bit of, to put it bluntly, inbuilt cushion in our guidance. At the same time, as you pointed out in your question there, Andrew, we have had probably a slightly better rates environment than we had previously expected, slightly higher term rates in particular. And that has allowed us to build slightly stronger performance into the hedge over the course of next year versus what we might've expected at the beginning of this year. Therefore, a little bit of slippage, if you like in volumes doesn't actually do terribly much damage. Now having said that, Andrew, we are seeing the PCA market, at least our performance I should say in the PCA market, probably be a little bit better than we had expected.

You know the figures over the quarter, the third quarter, which is to say that we're up £1.2 billion, that continues to stick with us. And so let's see how that performs over the course of next year, so there is a bit of

encouragement from that space, but the first two parts of my answer, Andrew, are really the most direct answer to your question. In respect to the FCA £11 billion, I think it's a fair question and I think that there is at the moment at least a fair amount of industry consternation for want of a better word, about trying to answer where that £11 billion comes from. And so bear that in mind, it's not entirely clear, I think to the industry as a whole where that £11 billion comes from. But your question is to what extent are we likely to take more than our natural market share of that and why would that be? And I think there are probably a couple of reasons for that.

If you take our £1.95 billion, then in turn, I suppose you could say that that is more than our natural market share of the total FCA £11 billion, so I can see where the question is coming from. But as said, the answer to that might be in two respects really. One is the way in which the FCA scheme is set up is relatively penal towards used car or rather non-captive car dealers versus captives. And the reason for that is because captives will typically vary the cost of the car as part of their deal for customers, meaning that if customers take finance, then the cost of the car can flex in response to that. That is a lever that is less accessible to non-captive car finance dealers. And therefore the way that the FCA determines unfairness number one and redress number two is likely to bear down more heavily on those dealers who have less flex in respect of the car price and therefore have to alter things like APR and commission and such, so that's one.

The second one is I mentioned on Thursday that the FCA calculation as it is currently constructed, produces anomalous outcomes for customers. An example of that is if we have a very low APR transaction for a customer, that is a good customer deal. We also have a minimum level of commission which has been provided to dealers. It's a relatively low level, but the way in which the FCA constructs or determination of unfairness and methodology for redress it will obviously get that deal i.e. it will connect with that deal despite the fact that from a customer point of view, it's a low APR and it's also a relatively low commission. But because of the ratio between those two, it is captured by the way in which the FCA determines unfairness number one, i.e. it is a high commission as a proportion of the total financing cost and in terms of the way in which the FCA defines redress, number two.

And so there's an example there of a very advantageous customer deal, but nonetheless results in redress from a customer point of view. And again, that's another reason why there is likely to be a skew because if you look at our deals over the course of the last several years, there are many which are low APR deals, but they also have a fixed commission associated with them. And the ratio of those two brings it within the net of the FCA redress scheme as it is currently constructed. And when we make our proposals to the FCA, Andrew, one of the objections that we have to it, is that how can this be? How can it make sense to give a redress to a customer who has got just that, a very low and advantageous transaction from a financing point of view or financing cost point of view? So I think that's the second reason, Andrew, why there is probably a higher proportion as currently constructed in respect to the FCA redress scheme versus our natural market share.

Your third question, Andrew mortgage, spreads. Mortgage spreads at the moment are circa 70 basis points in terms of completions. I mentioned that's been the case through the year, but there's been a basis point or two of slippage over the course of the year. And then the maturity margins on mortgages. At the moment at least, they're between 85-90 basis points. So you're getting about 15 basis points, 15-20 basis points, call it, of headwind. Our expectation, at the moment at least, based on the completions that we see, is that we're still roughly speaking in that same zone. It may be there's a basis point or two more of pressure. We'll see how we finish up the year.

Andrew Coombs:

It's very helpful. Thank you very much.

William Chalmers:

Thanks, Andrew.

Question 4 – Chris Cant, Autonomous:

Good afternoon. Thanks for taking my questions. I wanted to ask one on growth and then one in terms of understanding your guidance. So on the growth piece, I know you're expecting some CRD IV model impact in the fourth quarter, but on the call you talked about £234-235 billion of full year RWA expectation. Just trying to infer your 3Q blended densities for the different books. It looks like you're guiding to either a slowdown in

lending growth in the fourth quarter or there must be some planned optimization actions in there. So I just wanted to check whether that was correct and which of those we should be thinking about.

And then in terms of piecing together the guidance, I feel like we're sort of recapping a bit that the conversation we had on the full year '24 call, when you didn't really want to be drawn into an implied revenue number, but given what you're now telling us in terms for the £9.7 billion underlying this year, some but modest growth into next year, and then £100 million of SPW costs and £200-300 million of remediation as the usual run rate.

To hit your sub 50% cost to income ratio target, and you were quite emphatic on that point, I thought on the call the other day, but to hit your sub 50, even if it's by a hair's breadth, seems to be suggesting something like at least 20.3, but possibly a little bit higher, depending on how we interpret the word flattening.

And I think at the full year stage you were quite reluctant for us to draw that conclusion, but as we approach '26 it feels sort of inexorably that we should be getting there, if you're as emphatic as you seem to be on hitting the sub 50% specifically in '26. So if you could comment on that, that would be appreciated. Thank you.

William Chalmers:

Thanks for both those questions, Chris, just taking them each in turn. In respect of Q4, your point is exactly right. That is to say we do expect to see some optimization in respect of Q4 on the RWAs. That will go some way towards offsetting both the lending growth, and indeed some CRDIV add-on that we expect to take in respect of Q4.

And to the net of those, I mentioned on the call on Thursday, without being too specific on the numbers, but we've got RWAs right now at £232.3 billion. We might put something like a couple of billion plus or minus a bit in the context of Q4. But that is, as I say, the net of those moving pieces. It's worth saying actually at this juncture that we hope to finish up with CRDIV in 2026. That's the point at which we should be aligning our secured mortgage methodology with the PRA, and then we'll be able to move on from that. That'll be done in '26.

We will then turn to the 1 January '27 in respect of Basel 3.1. And as you've heard us say before, we do expect that to be moderately positive from our perspective. So while we're talking about this subject I guess of regulatory add-ons in CRD IV, it's worth also pointing out that we have this regulatory benefit in the context of Basel 3.1 in January 1st of '27.

The guidance, Chris, to your second question. It's obviously a harder question for me to ask, simply because I don't want to be explicit on exactly what we are planning going into next year, but hopefully the guidance that we've given you so far has been useful. You can tell, obviously, the trajectory of net interest income. Ben had a question on OOI there, which hopefully we were reasonably clear on response to.

We do expect to get sub 50% cost income ratio next year, and I was emphatic about that quite deliberately on the call, because that is absolutely the commitment that we have to the market, and one that we will deliver on. I think as you said, Chris, in your question, that depends in part upon, or rather what the revenue implications of that are depending upon how one defines flattening costs. And I just look at both sides of the equation in answering your question.

Chris Cant:

Okay, thank you.

William Chalmers:

Thanks, Chris.

Question 5 – Sheel Shah, JPMorgan:

Great, thanks. AIEA growth is running quite strong this quarter, at around or just above 1%, which I think is the fastest we've seen in a while. So, I just wanted to understand how much of this reflects a good quarter compared to maybe a more normalised quarter?

And then touching on what you said on the deposit outlook being a touch weaker than you would've hoped for the next few years, how does that also correspond to the lending outlook? Are you still quite positive there, and how should we be thinking about that? Thanks.

William Chalmers:

Yeah, thanks, Sheel. When we look at Q3, it was decent growth over the course of Q3 in respect of lending, but I would say also that we've had a fairly decent year in terms of lending as a whole. So, Q3 was up about 1.3%, i.e. £6.1 billion, but for the year as a whole, year to date, we're up £18 billion, which is 4%. So, Q3 doesn't look awfully different to the rest of the year, really. It ebbed a little bit during the course of Q2 in mortgages in particular, but as you know, that's partly because Q1 was very strong.

And then in respect to the individual products, overall, I think it's been pretty respectable. So, cards up 7% year to date, the personal loans up 13%, albeit there was a securitization a couple of years ago there, so you would expect that to be relatively fast. Motor up 5% year to date, mortgages up 3%. And therefore, I suppose my point is that it's been a pretty strong year in terms of lending, but not just in Q3, right the way through.

And that, as you say, Sheel, has been feeding through into AIEAs over the course of particularly in quarter three, but that's simply because of the lagging effect that you see over the course of the year as a whole. So, £465.5 billion, it was as of Q3. And I would expect off the back of lending growth in Q4 that we expect to see, you'll see that AIEA's number for Q4 continue to edge up. That's both a full year averaging effect as well as lending in Q4, to be clear. I'd be surprised if Q4 was £6.1 billion again, just as Q3 was, and that's just a seasonal comment more than anything. But nonetheless, you should expect to see some healthy growth during that quarter.

I think then going forward, again, I won't put numbers on it at this point, but I do think we would expect to see AIEA growth over the course of next year. Partly this lagging effect catching up from 2025's performance, but also partly new lending in its own right, again, across the piece, really. And indeed, being solidified in some areas, e.g. BCB, by the fact that government backed lending payments are starting to slow, and the underlying private sector lending is now catching up with it, within that business unit. Think on deposits. I would say a couple of things. I mean, one is, as I say, the overall macro context for deposits as we look forward now is a little slower versus as we look forward, versus let's say, at the beginning of this year. First of all, that's not by terribly much, but it is off the back of the factors that you would expect, as I mentioned earlier on, maybe a bit of fiscal tightening alongside slowing wage growth alongside perhaps government payments in line with the fiscal tightening coming in slightly.

I think that is likely to be the overall deposit picture. As we look forward at our plans, that may mean a touch slower deposit growth, but having said that, the mix gets better, and so, you wouldn't expect in that declining interest rate environment and that slowing deposit environment for the fixed-term product, if you like, to be as competitively fought for as it has been over recent periods. And indeed, that, in turn, helps instant access, helps limited withdrawal, and helps PCAs, which as you know are very critical for us.

Question 6 – Jason Napier, UBS:

Thank you for taking my question. Can I just check that you can hear me all right, please?

William Chalmers:

We can. Jason.

Jason Napier:

Thanks, William. Two please. The first, just coming back to the issues around FCA, and it's not about motor at all, it's about the sense we got from the government that motor was supposed to be the last time we would face a sort of a widespread redress event. And I just wonder whether you could help us understand what signposts or what steps would be required from government's perspective in order to make that so in the way that you see it.

And then, secondly, just thinking again as we come into the budget, the government has made I think no secret of its view that, in order for Britain to grow, finance itself, and succeed, we need a competitive financial services sector. I just wonder what your expectations are for the capital review that's ongoing for things like SME support factors and so on. Is it demonstratively the case that things are getting easier for doing all those

sorts of things? What are the things we should be expecting or at least looking for to see confirmation that things are going in the right direction? Thank you.

William Chalmers:

Yeah. Yeah, thank you Jason for both of those two questions. I think, in respect to the first, as you say, there has been a series of very clear statements that the motor issue should be the last of the mass redress schemes, and those statements have come from the FCA, amongst others, which of course is the most important source of statement.

What is it that might make a difference in that respect? I mean, I think first and foremost, it is, well, maybe a combination of the fact the bank's issues of this type have been getting worked through. Post PPI, post much of this motor issue, we and others have put in place pretty clear board risk appetite metrics, which in turn effectively lead to conduct outcomes that are better oriented to, if you like, fulfilling customer value commitments independent of consumer duty and these other things. They were in way before consumer duty came along. But these issues are legacy in their nature, and therefore, they are getting worked through.

I think that's point one I think, then, point two is, you've got an approach from the main regulator, i.e, the FCA, that indeed is consistent with that. They are not looking to create these issues out of application of new regulation, e.g., consumer duty. There is no intention that we are aware of, at least, and certainly, if you follow the FCA statements, I think this would be clearly supported. There is no intention of using consumer duty to prize open new issues of this type. So, legacy issues are being, if you like, taken care of. The FCA has no ambition to use new regulation to prize open new fronts.

But then, importantly, Jason, I think there is a third element which is around FOS reform. FOS reform, as you know, is going through the motions right now, and there are a couple of very important pieces of that. One is the application of DISP, which is effectively the read across rule. When the FOS rules on a particular issue, there is in, or there has been in force, a so-called DISP obligation, which means that you have applications of that issue across your book to any proximate situations. That is being considered as a part of FOS reform.

The second is statutory time limit on the extent to which you can go back in respect of any particular issue that arises, and therefore, if you have the addition of those two, then FOS starts to become something arguably for what it was set up for in the first place, which is individual complaint resolution, not the creation or if the genesis, if you like, of a mass redress event. That was never what FOS was intended to do, but because of, as I say, DISP obligations allied to time periods, it is what it's become, and that's what's being looked at in the context of FOS reform and that allied to the previous two points that I made, Jason, is fundamentally what allows us to move on from a, if you like, mass redress history to a better place going forward.

The FPC, Jason, your second question, is a really interesting one. I think we are going to see the progress of FPC and its capital review in reasonably short order. I don't mean to raise expectations particularly by saying that. It's just that I think there is a fairly firm commitment to a reasonably short and constrained timeframe.

Before getting onto the specifics, the particular issues behind or rather the attitude behind that is clearly a combined political and regulatory one. That is to say, I think everybody is aware clearly of where HMT is coming from in respect of this issue and the desire to see further progress, but it is also allied to the secondary growth objective that the PRA has now, and indeed, a mentality, if you like, or approach the FPC and by extension the PRA has to actually deliver on that. You'll hear no end of that in the context of things like the mansion house speeches last week. You'll hear no end of it on a look forward basis, so, there is this kind of attitudinal point coming from HMT, and, to an extent, at least, from the PRA, and by extension, the FPC.

The types of things that we might expect to see there. It's a little hard to say with any specificity, Jason, because I think they'll look at across the piece, but the types of things that you might arguably look at there are things like the scaling of buffers, are things like Pillar 2 offsets to some of the Basel 3.1 measures that came in and the PRA ruled on at the time, are things like, what does it want to do about, in that context, at least, the SME Pillar 2A adjustment that we have seen.

I'm less inclined to think that we'll see structural change from it. For example, a consideration of ring fencing I think is on a slightly separate track and we might see some reforms to that, but I'm not sure it comes out of the FPC capital review, as such. That type of structural change, if you like, I think is beyond the remit of the

strict capital review, but I think questions around quantum, questions around buffers, questions around Pillar 2A adjustments including the SME adjustment. Those are the types of things that I think will be very clearly looked at.

It is possible to get more ambitious and talk about things like software intangibles, which are currently deducted from CET1, not deducted in Europe, not deducted in the US, as you probably know, but I am, to be clear, I'm less optimistic about whether that type of thing really comes up.

I think, to sum it up, Jason, the direction of travel in respect of the FPC is a positive one. I have absolutely no doubt about that. I think what we have to see is the extent to which that is true. Is it really very minor and around the edges or is it something a bit more significant? We'll see.

Jason Napier:

Thanks very much.

William Chalmers:

Thanks, Jason.

William Chalmers:

Great. Well, maybe just to wrap it up there, then, and to say, as always, thank you very much indeed for taking the time to join us today, and indeed, for your interest in the stock, I know there's an ongoing dialogue with the IR team, which obviously is there to help address any issues that might come up. So, for the time being, we'll just say, thank you, and let everybody get on with it. Thanks very much indeed, guys.

FORWARD-LOOKING STATEMENTS

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Words such as, without limitation, 'believes', 'achieves', 'anticipates', 'estimates', 'expects', 'targets', 'should', 'intends', 'aims', 'projects', 'plans', 'potential', 'will', 'would', 'could', 'considered', 'likely', 'may', 'seek', 'estimate', 'probability', 'goal', 'objective', 'deliver', 'endeavour', 'prospects', 'optimistic' and similar expressions or variations on these expressions are intended to identify forward-looking statements. These statements concern or may affect future matters, including but not limited to: projections or expectations of the Group's future financial position, including profit attributable to shareholders, provisions, economic profit, dividends, capital structure, portfolios, net interest margin, capital ratios, liquidity, risk-weighted assets (RWAs), expenditures or any other financial items or ratios; litigation, regulatory and governmental investigations; the Group's future financial performance; the level and extent of future impairments and write-downs; the Group's ESG targets and/or commitments; statements of plans, objectives or goals of the Group or its management and other statements that are not historical fact and statements of assumptions underlying such statements. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend upon circumstances that will or may occur in the future. Factors that could cause actual business, strategy, targets, plans and/or results (including but not limited to the payment of dividends) to differ materially from forward-looking statements include, but are not limited to: general economic and business conditions in the UK and internationally (including in relation to tariffs); imposed and threatened tariffs and changes to global trade policies; acts of hostility or terrorism and responses to those acts, or other such events; geopolitical unpredictability; the war between Russia and Ukraine; the escalation of conflicts in the Middle East; the tensions between China and Taiwan; political instability including as a result of any UK general election; market related risks, trends and developments; changes in client and consumer behaviour and demand; exposure to counterparty risk; the ability to access sufficient sources of capital, liquidity and funding when required; changes to the Group's credit ratings; fluctuations in interest rates, inflation, exchange rates, stock markets and currencies; volatility in credit markets; volatility in the price of the Group's securities; natural pandemic and other disasters; risks concerning borrower and counterparty credit quality; risks affecting insurance business and defined benefit pension schemes; changes in laws, regulations, practices and accounting standards or taxation; changes to regulatory capital or liquidity requirements and similar contingencies; the policies and actions of governmental or regulatory authorities or courts together with any resulting impact on the future structure of the Group; risks associated with the Group's compliance with a wide range of laws and regulations; assessment related to resolution planning requirements; risks related to regulatory actions which may be taken in the event of a bank or Group failure; exposure to legal, regulatory or competition proceedings, investigations or complaints; failure to comply with anti-money laundering, counter terrorist financing, anti-bribery and sanctions regulations; failure to prevent or detect any illegal or improper activities; operational risks including risks as a result of the failure of third party suppliers; conduct risk; technological changes and risks to the security of IT and operational infrastructure, systems, data and information resulting from increased threat of cyber and other attacks; technological failure; inadequate or failed internal or external processes or systems; risks relating to ESG matters, such as climate change (and achieving climate change ambitions) and decarbonisation, including the Group's ability along with the government and other stakeholders to measure, manage and mitigate the impacts of climate change effectively, and human rights issues; the impact of competitive conditions; failure to attract, retain and develop high calibre talent; the ability to achieve strategic objectives; the ability to derive cost savings and other benefits including, but without limitation, as a result of any acquisitions, disposals and other strategic transactions; inability to capture accurately the expected value from acquisitions; assumptions and estimates that form the basis of the Group's financial statements; and potential changes in dividend policy. A number of these influences and factors are beyond the Group's control. Please refer to the latest Annual Report on Form 20-F filed by Lloyds Banking Group plc with the US Securities and Exchange Commission (the SEC), which is available on the SEC's website at www.sec.gov, for a discussion of certain factors and risks. Lloyds Banking Group plc may also make or disclose written and/or oral forward-looking statements in other written materials and in oral statements made by the directors, officers or employees of Lloyds Banking Group plc to third parties, including financial analysts. Except as required by any applicable law or regulation, the forward-looking statements contained in this document are made as of today's date, and the Group expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this document whether as a result of new information, future events or otherwise. 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