

Investor factbook: Q3 2025 results

“The Group continues to perform well, demonstrating **robust financial performance** alongside **strategic progress**, including our recent acquisition of Schroders Personal Wealth.

Strong capital generation was supported by **income growth, cost discipline and strong asset quality** in the first nine months of 2025, despite the impact of the additional motor finance charge in the third quarter.

Our strategic progress combined with this financial performance gives us **confidence in our performance for the year and our 2026 guidance.**”

Charlie Nunn, Group Chief Executive

Robust financial performance

- YTD statutory profit after tax £3.3bn; Return on tangible equity 11.9% (14.6% excl. motor provision)
- Income momentum: YTD net income £13.6bn up 6% YoY; Q3 £4.6bn, up 3% QoQ
- Cost discipline: YTD operating costs £7.2bn, up 3% YoY
- Remediation £912m (incl. £800m for motor provision)
- Strong asset quality: YTD impairment £618m, 18bps asset quality ratio
- Growth in tangible net asset value per share to 55.0p, up 2.6p YTD, up 0.5p in Q3
- Strong YTD capital generation 110bps (141 bps excl. motor)
- CET1 ratio 13.8%

Guidance: continuing to deliver; confident in our outlook

	2025	2025 (excl. motor)	2026
Net interest income	c.£13.6bn (from c.£13.5bn)	c.£13.6bn (from c.£13.5bn)	
Operating costs	c.£9.7bn excl. SPW ¹	c.£9.7bn excl. SPW ¹	<50% cost:income ratio
Asset quality	c.20bps (from c.25bps)	c.20bps (from c.25bps)	
RoTE	c.12%	c.14% (from c.13.5%)	>15%
Capital generation	c.145bps	c.175bps	>200bps
CET1 ratio target			Pay down to c.13.0%
Capital distribution	Progressive and sustainable ordinary dividend		

¹ Modestly >£9.7bn given Q4 impact of SPW.

Delivering on our purpose-driven strategy for all stakeholders

Our purpose

Helping Britain Prosper.

We do this by creating a more sustainable and inclusive future for people and businesses, shaping finance as a force for good.

Our vision

To be the UK customer-focused digital leader and integrated financial services provider, capitalising on new opportunities, at scale.

...supported by a clear strategic plan...

Grow

Drive revenue growth and diversification

Focus

Strengthen cost and capital efficiency

Change

Maximise the potential of people, tech and data

...driving competitive advantage...

Market leader

#1 provider in key markets;
Integrated financial services provider

Proven cost leader

Strong track record of cost delivery;
Highly effective business model

Digital and technology leader

Largest UK digital bank,
New technologies driving structural advantage

...and strong shareholder outcomes

Strong income growth trajectory

Significant operating leverage

Higher, more sustainable returns and capital generation

Increasing shareholder distributions

Distinct competitive strengths

Leading UK customer franchise with deep customer insight

28 million customers with extensive reach across the UK. Customer data and analysis ensures we can meet the needs of these customers more effectively.

All-channel distribution focus with digital leadership and trusted brands

Operating through a range of brands and distribution channels, including the UK's largest digital bank.

Unique customer proposition

Serving all our customers' banking, investment and insurance needs through a comprehensive product range.

Operating at scale with cost discipline

Our scale and efficiency enable us to operate and invest more effectively.

Focused and capital generative business model

Allowing significant investment while generating an attractive capital return for shareholders.

Innovation through modern technology

Continued investment in our technology platform, apps and change function enables us to innovate to anticipate and meet customers' needs.

Financial strength and robust risk management

Strong capital position. Continue to take a robust approach to risk, as reflected through the quality of our portfolio and underwriting criteria.

Dedicated colleagues with strong values

Highly engaged, skilled, customer focused, diverse workforce with significant expertise and experience.

Delivering our growth priorities across our business

Retail

Deepening relationships and delivering differentiated propositions

Continued strategic delivery in H1 2025:

- Launched Lloyds Premier
- Mass Affluent mortgage share up 4pp YoY
- New partnerships established with General Motors and Xpeng Motors

Commercial Banking

Building a digitally-led relationship bank and driving CIB growth and diversification

Continued strategic delivery in H1 2025:

- Launched mobile Business Banking loans journey
- Structured Finance market share up 8pp YoY
- FX volumes up 17% YoY; launched market-leading FX client algorithmic solution

Insurance, Pensions and Investments

Transforming engagement and driving deeper Group relationships

Continued strategic delivery in H1 2025:

- >550k Scottish Widows app users, up >90% YoY
- Announced Long-Term Asset Fund
- Expanded product offering with pet and motor insurance

Robust financial performance

Income statement (underlying basis)^A and key balance sheet metrics

	Nine months ended 30 Sep 2025 £m	Nine months ended 30 Sep 2024 £m	Change %	Three months ended 30 Sep 2025 £m	Three months ended 30 Sep 2024 £m	Change %
Underlying net interest income	10,106	9,569	6	3,451	3,231	7
Underlying other income	4,526	4,164	9	1,557	1,430	9
Operating lease depreciation	(1,075)	(994)	(8)	(365)	(315)	(16)
Net income	13,557	12,739	6	4,643	4,346	7
Operating costs	(7,176)	(6,992)	(3)	(2,302)	(2,292)	
Remediation	(912)	(124)		(875)	(29)	
Total costs	(8,088)	(7,116)	(14)	(3,177)	(2,321)	(37)
Underlying profit before impairment	5,469	5,623	(3)	1,466	2,025	(28)
Underlying impairment charge	(618)	(273)		(176)	(172)	(2)
Underlying profit	4,851	5,350	(9)	1,290	1,853	(30)
Restructuring	(16)	(21)	24	(7)	(6)	(17)
Volatility and other items	(157)	(182)	14	(109)	(24)	
Statutory profit before tax	4,678	5,147	(9)	1,174	1,823	(36)
Tax expense	(1,356)	(1,370)	1	(396)	(490)	19
Statutory profit after tax	3,322	3,777	(12)	778	1,333	(42)

Earnings per share	4.8p	5.3p	(0.5)p	1.0p	1.9p	(0.9)p
Banking net interest margin ^A	3.04%	2.94%	10bp	3.06%	2.95%	11bp
Average interest-earning banking assets ^A	£460.4bn	£449.9bn	2	£465.5bn	£451.1bn	3
Cost:income ratio ^A	59.7%	55.9%	3.8pp	68.4%	53.4%	15.0pp
Asset quality ratio ^A	0.18%	0.09%	9bp	0.15%	0.15%	
Return on tangible equity ^A	11.9%	14.0%	(2.1)pp	7.5%	15.2%	(7.7)pp

	At 30 Sep 2025	At 30 Jun 2025	Change %		At 31 Dec 2024	Change %
Underlying loans and advances to customers ^A	£477.1bn	£471.0bn	1		£459.1bn	4
Customer deposits	£496.7bn	£493.9bn	1		£482.7bn	3
Loan to deposit ratio ^A	96%	95%	1pp		95%	1pp
CET1 ratio	13.8%	13.8%			14.2%	(0.4)pp
Pro forma CET1 ratio ^{A,1}	13.8%	13.8%			13.5%	0.3pp
Total capital ratio	18.6%	19.0%	(0.4)pp		19.0%	(0.4)pp
MREL ratio	31.2%	31.4%	(0.2)pp		32.2%	(1.0)pp
UK leverage ratio	5.2%	5.4%	(0.2)pp		5.5%	(0.3)pp
Risk-weighted assets	£232.3bn	£231.4bn			£224.6bn	3
Wholesale funding ²	£103.5bn	£92.2bn	12		£92.5bn	12
Liquidity coverage ratio ³	145%	145%			146%	(1)pp
Net stable funding ratio ⁴	126%	127%	(1)pp		129%	(3)pp
Tangible net assets per share ^A	55.0p	54.5p	0.5p		52.4p	2.6p

^A See page 14 of our Q3 results.

¹ 30 June 2025 reflects the interim ordinary dividend received from the Insurance business in July 2025. 31 December 2024 reflects both the full impact of the share buyback announced in respect of 2024 and the ordinary dividend received from the Insurance business in February 2025.

² Excludes balances relating to margins of £0.9 billion (31 December 2024: £2.8 billion, 30 June 2025: £1.1 billion).

³ The liquidity coverage ratio is calculated as a simple average of month-end observations over the previous 12 months.

⁴ The net stable funding ratio is calculated as a simple average of month-end observations over the previous four quarter-ends.

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Our reporting
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