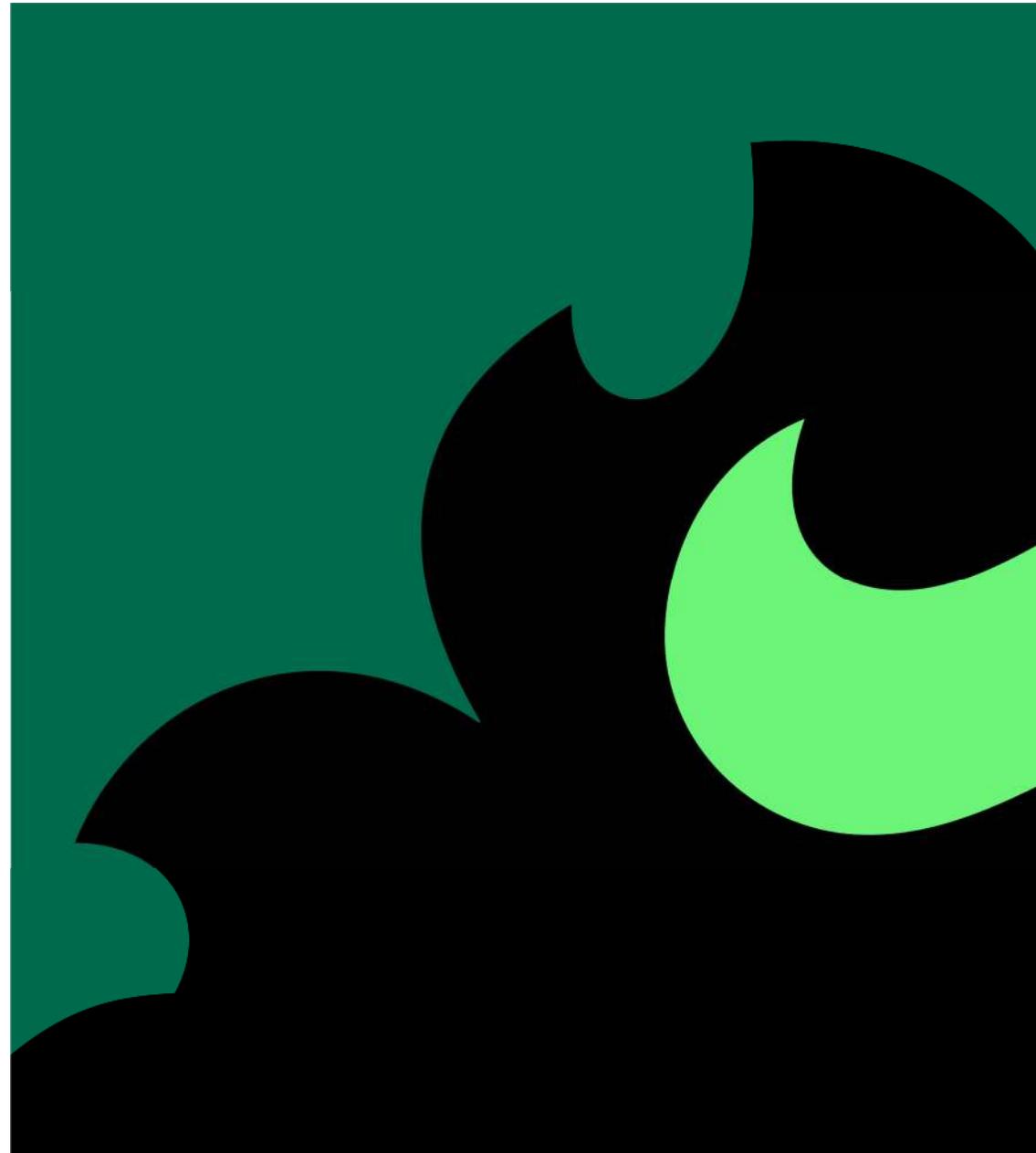
A black horse is captured in mid-stride, running from the left towards the right across a body of water. The horse is creating a white spray of water with its hooves. The background features a stunning landscape with green, rocky mountains under a blue sky with scattered white clouds.

2025 Results

Lloyds Banking Group
29 January 2026

Business and strategic update

Charlie Nunn



Continued strategic delivery; sustained strength in performance



Purpose

Helping Britain Prosper

Strategic delivery accelerating, benefitting customers and wider stakeholders

Sustained strength in financial performance, meeting 2025 guidance

Strong capital generation, enabling 15% dividend growth and £1.75bn buyback

Upgraded guidance for 2026; confident in our outlook beyond 2026

Successfully delivering for all stakeholders in 2025



Clear purpose driving growth

£17bn

Lending to first time buyers

£7.5bn

New tax-free savings supported through ISA propositions

c.£6.5bn

Gross new term lending to BCB customers

Healthy franchise momentum

5%

Loan growth; c.26% direct mortgage gross lending share

3%

Deposit growth; growth in PCA balance share

15%

Open book AuA growth

Sustained strength in financial performance

6% / 9%

NII / OOI growth

12.9% (14.8%)

Return on tangible equity (excl. Motor provision)

147bps (178bps)

Capital generation (excl. Motor provision)

Positioned for growth in a supportive operating environment



Constructive UK outlook

Resilient economic growth, with falling interest rates

Forecast average GDP growth of 1.4% per annum 2025-2029

Forecast two 25bps BoE rate cuts in 2026

Strengthening financial health; capacity for spending and investment

Household debt:income ratio down c.20pp since 2016; spending subdued but increasing

Business confidence c.15pp above long-term average; SME borrowing growth rate highest since 2021

Regulatory reforms being implemented

Ongoing prudential and conduct reviews supportive of growth

Reforms to support innovation (e.g. digital assets, investment advice) identified

Government committed to growth in key sectors

Industrial strategy designed to boost UK competitiveness and long-term economic resilience

Clear sector plans e.g. 1.5m new homes, retail investment campaign launching in 2026

Strategic focus on faster growing areas



Housing

#1 UK mortgage lender

>£22bn support to social housing since 2018¹

One of UK's largest private rental landlords



Pensions & Investments

#2 Workplace pensions provider

>750k Scottish Widows app users

Delivering an end-to-end wealth offering



Infrastructure & Project Finance

>2x Infra & Project Financing since 2021

£35bn commitment to UK companies in 2026²

>£70bn sustainable financing since 2022³

Expect to continue growing faster than wider UK economy

1 – Supporting new finance to the social housing sector. 2 – Companies operating and investing in the UK. 3 – Includes sustainable financing for Commercial customers, EPC A/B mortgage lending and new lending to EVs / PHEVs.

Strategic delivery accelerating



Significant transformation since 2021...

Grow

c.20%

Net income
growth¹

>30%

OOI
growth¹

Focus

c.45%

Distribution productivity
improvement²

£24bn

Gross RWA
optimisation

Change

>50%

Applications on
cloud

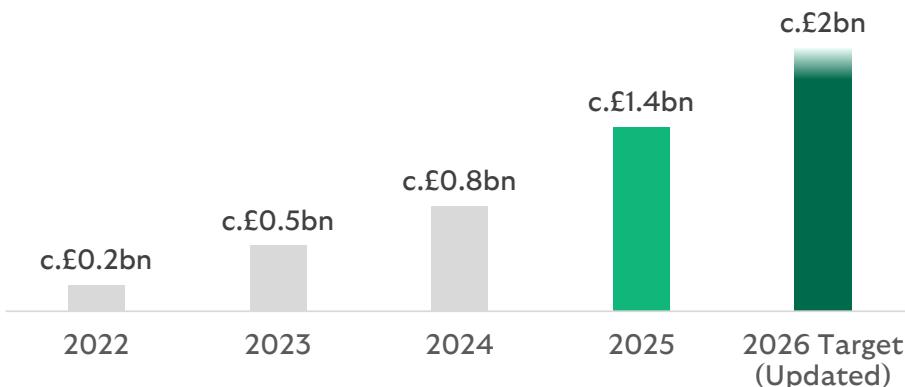
>50%

Annual mobile app
logon growth

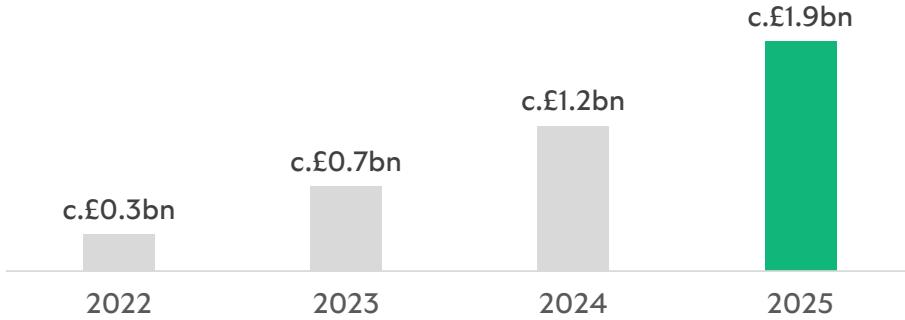
c.£15bn shareholder distributions since 2021

...with growing momentum over 2025 and 2026

Strategic initiative revenues



Gross cost savings since 2021



1 – Adjusted for IFRS17. 2 – Active customers served per distribution FTE.

Strong growth momentum across the Group

Enhancing
customer
experiences



Driving
growth
(2025, unless
stated)



Delivering
targeted
outcomes



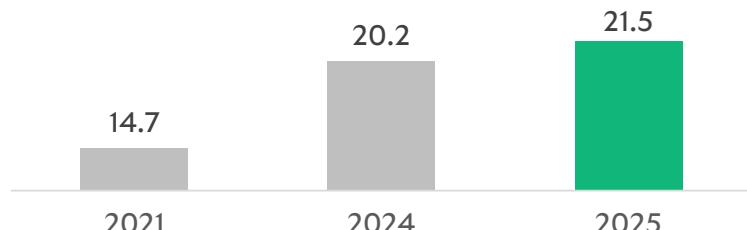
Retail

#1 PCAs, #1 Mortgages, #1 Cards, #1 Loans, #1 Motor¹

Launched **Lloyds Premier** – c.2x higher depth of relationship
Expanded unsecured offering with **Ultra** and **Advance** credit cards
Announced **Curve** acquisition², enhancing digital wallet capabilities

PCA balance share growth (+c.2pp since 2021 to **c.24%**)
c.25% growth in mortgage balances retained through Homes ecosystem
c.30% increase in digital D2C motor lending – mobile largest channel

Mobile app users (m)



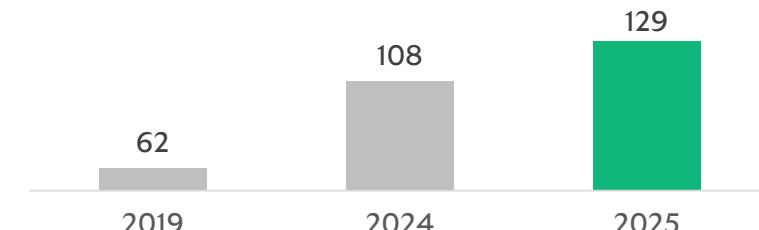
IP&I

#2 Workplace, #2 Home Insurance, #2 Individual Annuities

Launched new **IFA** protection proposition
Acquired **SPW** and announced rebrand to **Lloyds Wealth**
Announced third party **Motor** and **Health** insurance partnerships

>**750k** Scottish Widows app users (up >75% YoY), c.60% active
Protection share **+c.2pp**; IFA new bus. applications **more than doubled**
Digital take up of home insurance journeys up to **c.45%**, +13pp YoY

Workplace AuA (£bn)



Strong growth momentum across the Group

Commercial Banking

c.21% deposit share¹, #1 GBP Structured Finance, #2 GBP DCM

- Delivered new and enhanced **mobile journeys** (lending, term deposits)
- Launched **market-leading** FX solution
- Awarded landmark **UK Government** banking services contract

Enhancing customer experiences



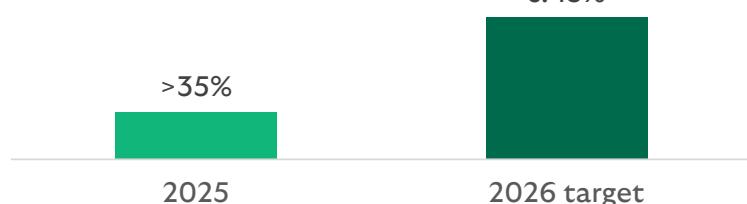
Driving growth
(2025, unless stated)



Delivering targeted outcomes



CIB OOI income growth since 2021



Equity Investments

Top-5 single family housing owner², High-returning UK PE business

- Strong Lloyds Living demand, with **95%** completed scheme occupancy
- Piloted '**zero bills**' homes with Octopus Energy
- LDC now supporting **>£2bn** portfolio, employing **>25k** people

c.150% increase in Lloyds Living OOI

c.£250m new LDC investments

>£600m of LDC exit proceeds generated (3.3x avg money multiple return)

Lloyds Living homes invested in (completed and under development)



Strong OOI diversification across the Group

Retail

c.13% CAGR since 2021

Illustrative drivers

>3x

Motor:
Tusker fleet size growth
since acquisition (2023)

c.2pp

Credit cards:
Spend share growth
since 2021

Commercial Banking

c.6% CAGR since 2021

Illustrative drivers

c.10pp

Capital markets:
GBP Structured Finance
share growth since 2021

>20%

Traded products:
Transactional FX OOI
growth since 2021

IP&I

c.11% CAGR since 2021¹

Illustrative drivers

>5pp

Individual annuities:
New business share
growth since 2021

>5pp

Home insurance:
New policies share
growth since 2022

Equity Investments

c.2% CAGR since 2021²

Illustrative drivers

c.7.8k

Lloyds Living:
Homes invested in since
launch in 2021

>£2bn

LDC:
Exit proceeds generated
since 2021

Driving cross-Group collaboration

20%

Mortgage protection:
Take-up rate, up c.13pp
since 2022 (+5pp YoY)

>15%

SME motor sales:
YoY growth in
Lex/Tusker sales

c.80%

Workplace pensions:
New scheme wins with
Commercial support

85%

Lloyds Living homes:
New homes with
Commercial clients

9% YoY OOI growth in 2025, continuing momentum

Enhancing cost and capital efficiency

Building operating leverage through productivity gains

c.45%

Increase in active customers served per distribution FTE since 2021
(2026 target: c.50%)

>50%

Proportion of key servicing interactions digitised in BCB (Achieved 2026 target)

c.30%

Gross reduction in run and change tech costs since 2021 (2026 target: 35%)

Improving capital efficiency through growth & optimisation

>5%

FY25 CIB income / average RWA, +c.2pp vs 2021
(2026 target: >5.25%)

£24bn

Cumulative gross RWA optimisation since 2021
(>£5bn in 2025)



Will review excess capital distributions every half year going forward

Delivering <50% cost:income ratio and >200bps capital generation in 2026

Leveraging our enablers to accelerate our transformation



Clear strategic priorities...

Enhancing infrastructure and investing in people

...with continued strong progress

c.50% reduction in number of data centres since 2021 (2026 target: >60%)
 >20% reduction in technology applications since 2021 (Achieved 2026 target)
 c.9k technology and data hires since 2021, including launch of Lloyds Technology Centre

Delivering improved, digital-first customer outcomes

Delivered new mobile PCA onboarding journey with c.7 minutes completion time
 c.15% residential refinancing via Home Hub
 >15pp increase in loan conversion rates through Your Credit Score¹

Innovating and leading across new and emerging technologies

Launched UK's first in-app financial assistant
 Recognised by Microsoft as leading AI adoption in Financial Services
 Completed UK-first public blockchain tokenised deposits transaction

Rated 'Outstanding' in Euromoney's 2025 MarketMap of world's best digital banks

Extending our Gen AI leadership position

c.50 live Gen AI use cases in 2025, generating c.£50m P&L benefit

Illustrative revenue and cost use cases and outcomes across domains

Customer interactions



Use case: Gen AI powered in-app search function

Outcome: Awarded 'Best AI use in Finance'

Customer operations



Use case: Complaints handling and automation

Outcome: Classification times reduced to 1 second (from c.5 mins)

Frontline/RM support



Use case: Knowledge mgmt. tool rolled out to c.30k colleagues

Outcome: c.66% average reduction in search times

Colleague assistants



Use case: HR assistant rolled out across the Group

Outcome: c.90% first-time query handling

Engineering support



Use case: c.5k Engineers leveraging GitHub Copilot for coding

Outcome: c.50% time improvement in legacy code conversion

Accelerating progress in 2026

Driving day-to-day productivity gains

Extending Copilot to >35k colleagues

Rolling out AI Academy learning programme



Further scaling of use cases

Realising further benefits from existing use cases



Unlocking Agentic opportunities

Prioritising scale Agentic use cases that span full breadth of the Group (e.g. fraud prevention)



Increasing customer roll-out

Targeting full customer roll-out of in-app agent

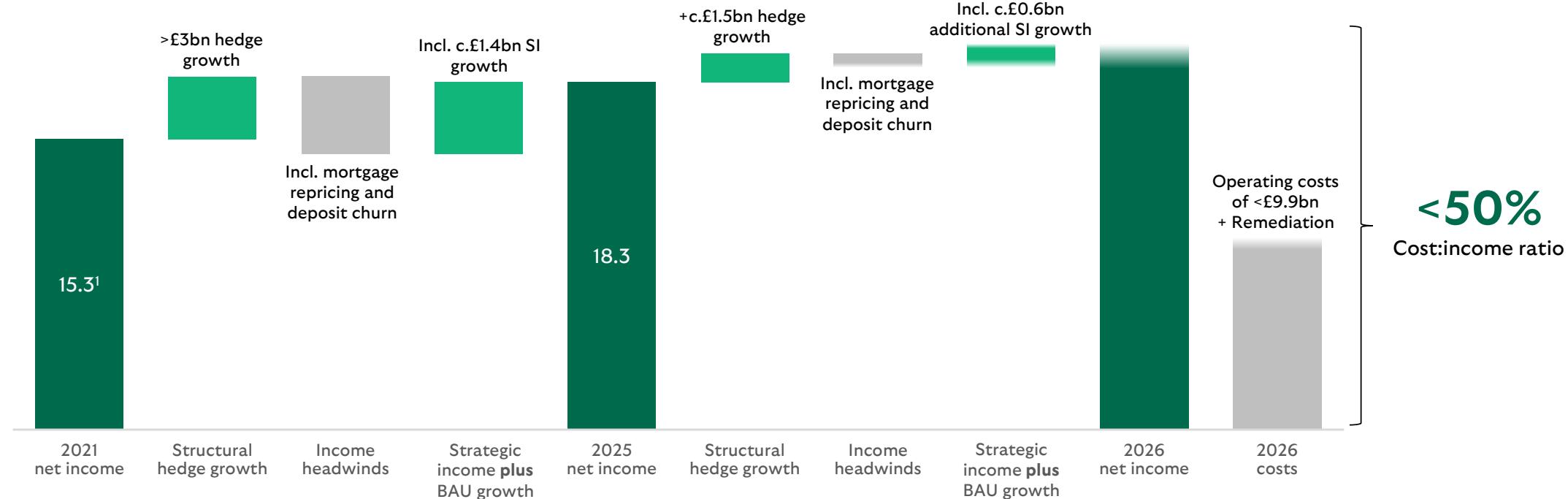


>£100m revenue/cost benefits from Gen AI in 2026; significant further opportunity beyond

Grow, Focus, Change: Building operating leverage in 2026



Net income and costs outlook (£bn)



Accelerating income growth and flattening costs deliver <50% CIR in 2026

¹ – Adjusted for IFRS17.

Well positioned for 2026 and beyond

Reinforcing competitive advantage...

Market leader

#1 in key markets, enhancing growth as an integrated financial services provider

Cost and capital leader

Efficient scale model, building operating leverage
De-risked and optimised balance sheet

Digital and AI leader

Largest UK digital bank, leading across emerging technologies, reinforcing revenue & cost opportunity

...delivering strong shareholder outcomes

2026 guidance

<50%

Cost:income ratio

>16%

Return on Tangible equity

>200bps

Capital generation

Continued momentum beyond 2026



Further **strengthening** and **growing** the core franchise



Unlocking **new growth opportunities** and **diversification**



Driving continued improvements in **productivity**



Innovating and **leading** across **new & emerging technologies**

Strategy update:
July 2026

Committed to continuing income growth, improving operating leverage and stronger, sustainable returns

Financial update

William Chalmers



Sustained strength in financial performance



Financial performance (£m)

	FY 2025	FY 2024	YoY %	Q4 2025	vs Q3 2025 %
Net interest income	13,635	12,845	6	3,529	2
Other income	6,120	5,597	9	1,594	2
Operating lease depreciation	(1,454)	(1,325)	(10)	(379)	(4)
Net income	18,301	17,117	7	4,744	2
Operating costs	(9,761)	(9,442)	(3)	(2,585)	(12)
Remediation	(968)	(899)	(8)	(56)	94
Total costs incl. remediation	(10,729)	(10,341)	(4)	(2,641)	17
Underlying profit before impairment	7,572	6,776	12	2,103	43
Impairment charge	(795)	(433)	(84)	(177)	(1)
Underlying profit	6,777	6,343	7	1,926	49
Statutory profit after tax	4,757	4,477	6	1,435	84
Net interest margin	3.06%	2.95%	11bps	3.10%	4bps
Return on tangible equity	12.9%	12.3%	0.6pp	15.7%	8.2pp
Earnings per share	7.0p	6.3p	0.7p	2.2p	1.2p
TNAV per share	57.0p	52.4p	4.6p	57.0p	2.0p
Pro forma CET1 ratio	13.2%	13.5%	(0.3)pp	13.2%	(0.6)pp

- Statutory PAT £4.8bn; RoTE 12.9% (14.8% excl. motor provision)**
- Robust net income: £18.3bn, up 7% YoY; NIM 306bps**
- Continued cost discipline: Operating costs £9.76bn, up 3% given investment, business growth and inflation**
- Remediation £968m (incl. £800m for motor provision)**
- Strong credit performance: £795m impairment charge; AQR 17bps**
- TNAV 57.0p, up 4.6p in 2025**
- Strong capital generation: 147bps (178bps excl. motor provision); Pro forma CET1 ratio 13.2%**

Strong lending and deposit growth

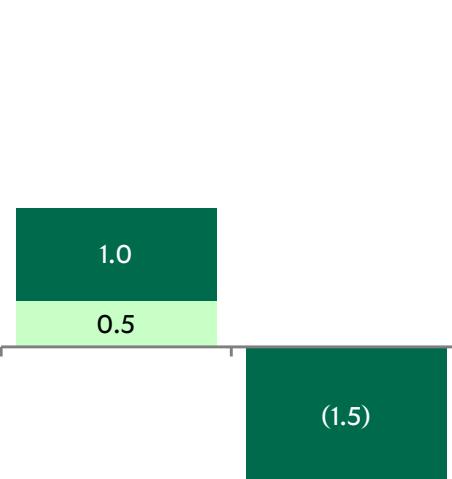
Q4 lending change (£bn)

Retail
+£3.6bn/+1%



Q4 deposit change (£bn)

Retail
+£1.5bn/+0%

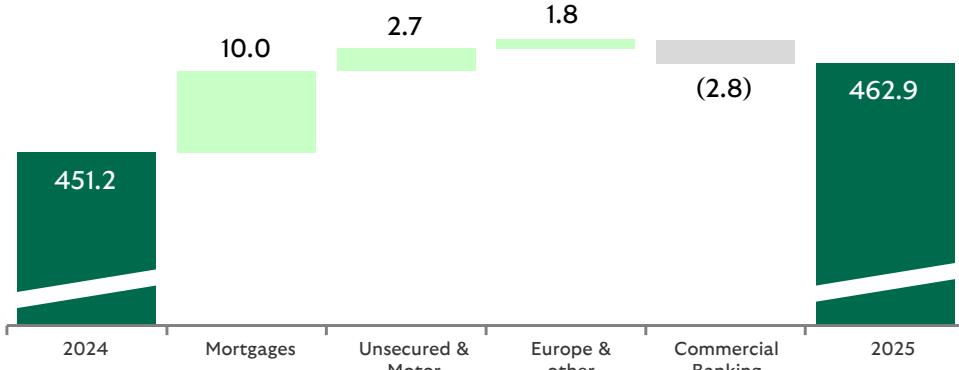


1 - Includes Overdrafts, Europe and Wealth. 2 - Includes Retail savings and Wealth.

- **Lending £481.1bn, up 5% in 2025, Q4 up £4.0bn**
 - Q4 Mortgages up £2.1bn, growth in Cards, Loans, Motor and European Retail
 - Q4 Commercial up £0.2bn, after £0.3bn CBILS / BBLS repayments
- **Total deposits £496.5bn up 3% in 2025, Q4 down £0.2bn**
 - Q4 Retail up £1.5bn; savings £0.5bn, PCAs £1.0bn
 - Q4 Commercial down £1.5bn
- **£7.9bn IP&I open book AuA net new money in 2025; £4.2bn in Q4**

Sustained growth in net interest income

Average interest earning assets (£bn)



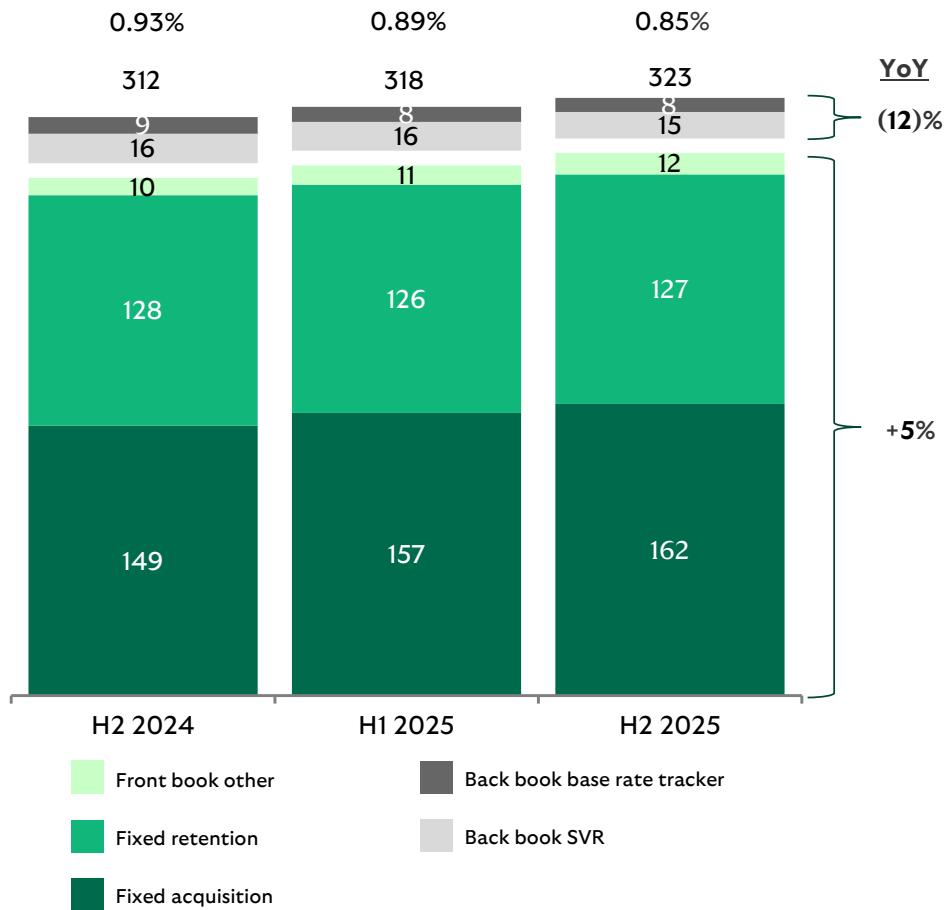
Banking net interest margin (bps)



- **2025 NII £13.6bn, up 6% YoY, Q4 up 2%**
 - Strong hedge and lending growth partially offset by mortgage repricing and deposit churn headwinds
- **2025 AIEAs £462.9bn, up 3% YoY; Q4 AIEAs £470.3bn, up £4.8bn**
 - Driven by strong lending growth through the year
- **2025 NIM 306bps, up 11bps YoY; Q4 NIM 310bps, up 4bps vs. Q3**
- **2025 non-banking NII charge £515m, £143m in Q4**
- **2026 NII expected to be c.£14.9bn:**
 - Franchise volume growth plus stronger hedge income
 - Partially offset by mortgage and deposit headwinds alongside non-banking NII

Growth in mortgages

Mortgage book (Book size £bn, Gross margin %¹)

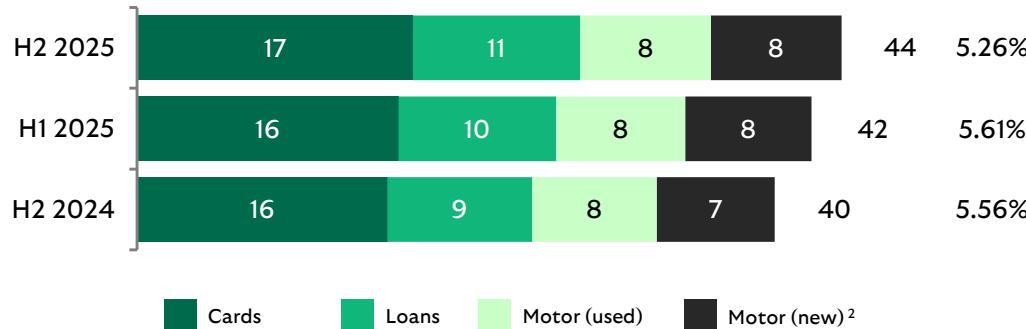


- **Mortgage balances £323.1bn, up £10.8bn YoY, Q4 up £2.1bn**
 - 2025 flow market share c.19%
 - ‘Direct to bank’ market share c.26%, up 3pp YoY
- **Completion margins² c.70bps in Q4**
- **Enhancing customer proposition solutions in protection and home insurance around mortgage journey**
 - 5pp increase in protection take-up rates to c.20%

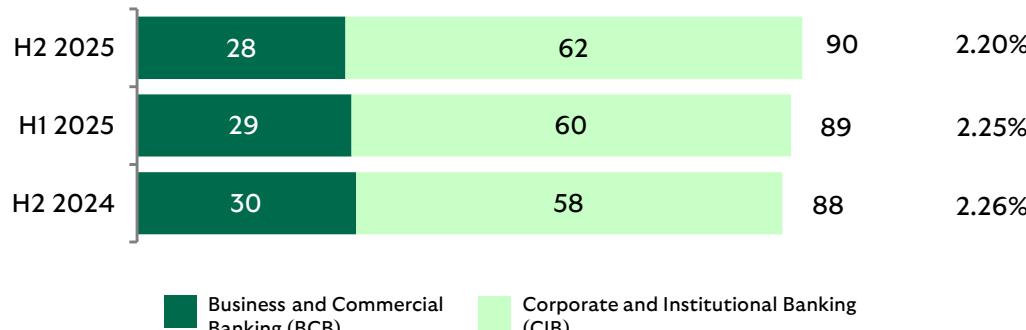
¹ – Gross margin is gross customer receivables, less short term funding costs; references SONIA. Chart uses rounded inputs. ² – Total completion margins include new business and product transfers and is equal to customer rate, plus net customer fees, less the relevant funding rate.

Solid performance in consumer and commercial lending

Cards, Loans & Motor (Book size £bn, Gross margin %¹)



Commercial Banking (Book size £bn, Gross margin %¹)

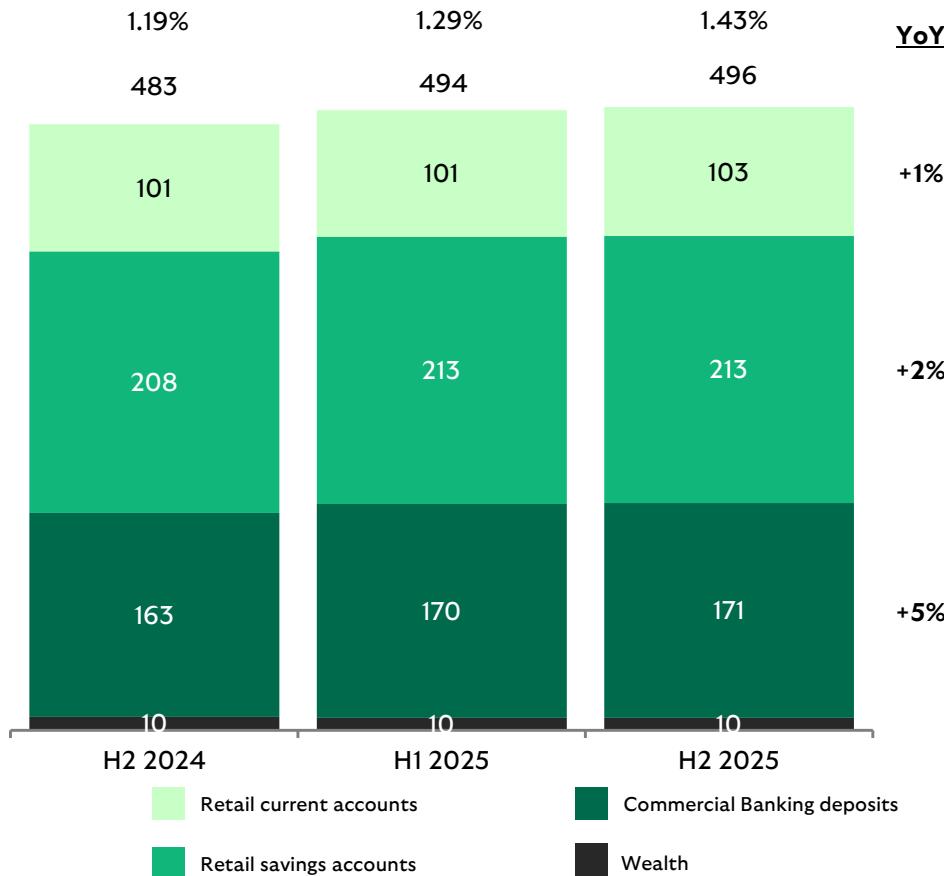


- **Growth in consumer lending from leveraging data, enhanced decisioning and personalised experiences**
 - Unsecured loans up £1.4bn
 - Credit cards up £1.6bn
 - Motor finance up £1.1bn in Black Horse
- **Commercial Banking up £2.7bn in 2025, up £4.1bn excl. government lending repayments**
 - CIB lending up £4.1bn, with growth in strategic sectors, including institutional and corporate infrastructure
 - BCB balances down £1.4bn, underlying flat after £1.4bn CBILS / BBLS repayments

¹ – Gross margin is gross customer receivables, less short term funding costs; references SONIA. Chart uses rounded inputs. ² – Includes Black Horse Retail, Fleet and Stocking, as well as Lex finance leases.

Growing customer deposit franchise

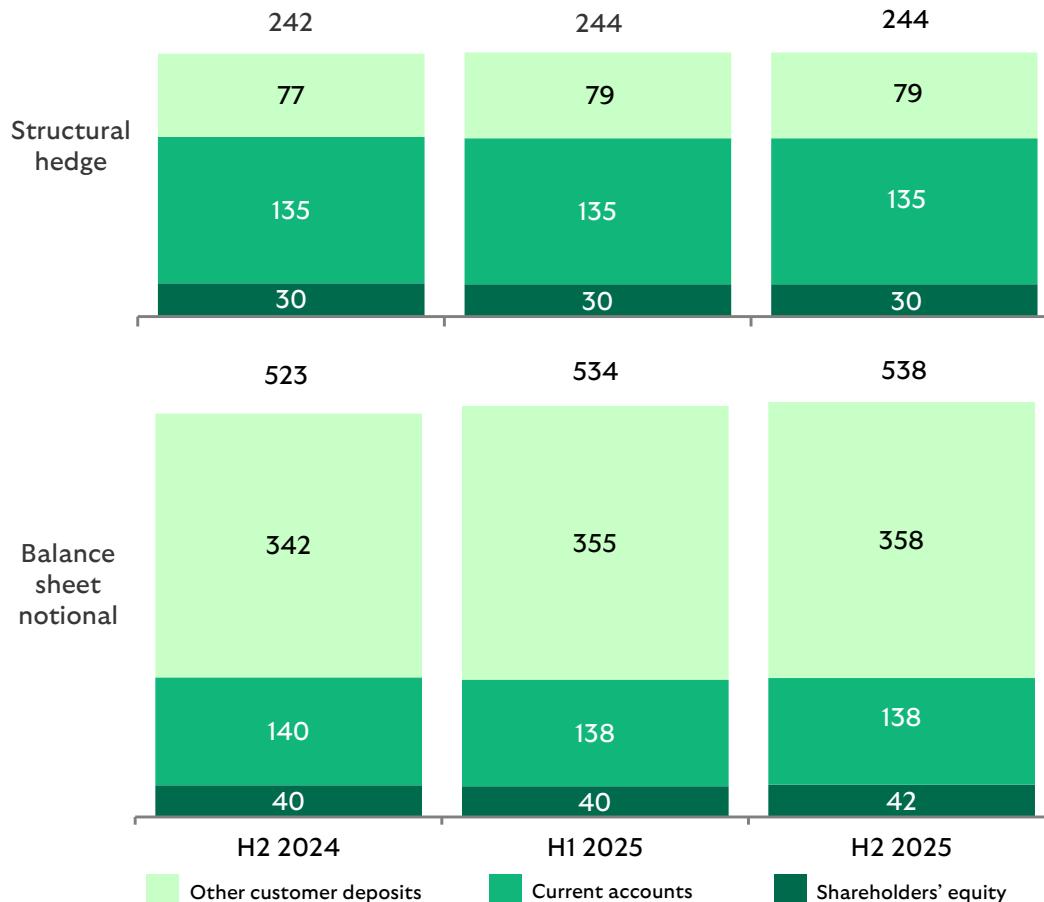
Customer deposits (Book size £bn, Gross margin %¹)



¹ – Gross margin is short term funding costs less gross customer payables; references SONIA and includes structural hedge income. Chart uses rounded inputs.

Strengthening tailwind from the structural hedge

Hedged balances¹ (£bn)

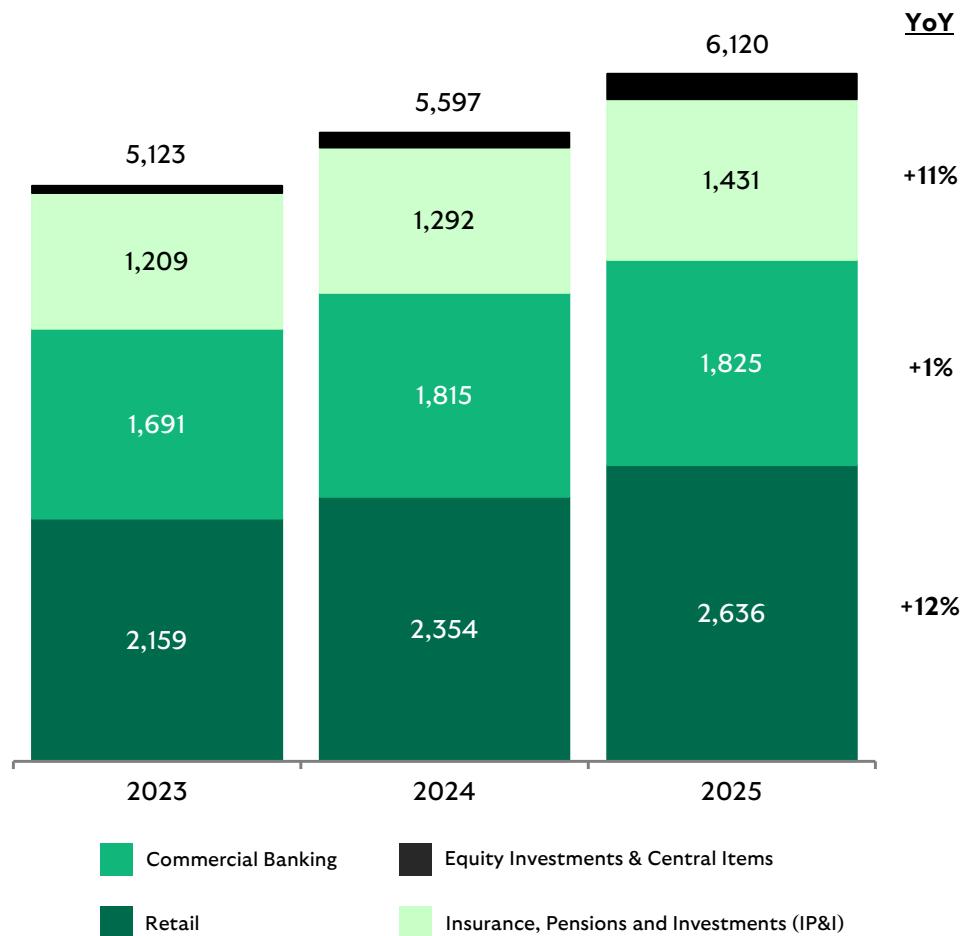


- **Structural hedge notional £244bn, stable over H2**
 - Benefiting from positive current account performance, strong savings growth and easing churn
- **2025 structural hedge earnings of £5.5bn, up £1.3bn YoY**
- **Weighted average life extended to c.3.75 years, given deposit performance**
- **Tailwind over 2026, 2027 and beyond**
 - Expect 2026 hedge income of c.£7.0bn
 - Expect 2027 hedge income of c.£8.0bn

¹ – The external sterling structural hedge nominal is managed as a portfolio, split shown is indicative.

Momentum in other income

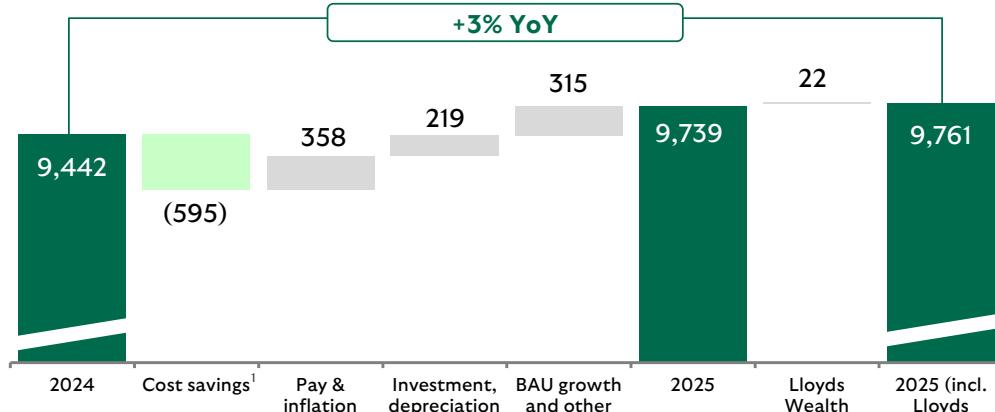
Divisional other income (£m)



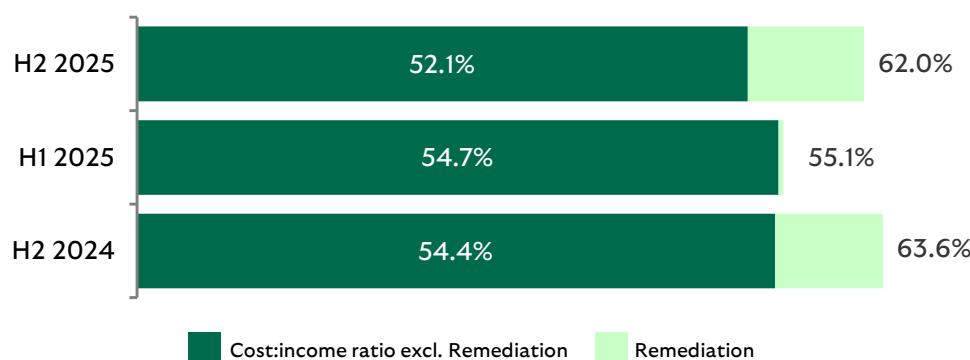
- **OOI £6.1bn in 2025, up 9% YoY; Q4 up £37m / 2%**
- **Broad based other income momentum in 2025**
 - Retail up 12%: Growing Motor, strength in Cards and banking income
 - Commercial up 1%: Solid Markets and Transaction Banking income, offset by lower Loan Markets activity
 - IP&I up 11%: Strong performance in General Insurance, Workplace Pensions, addition of Lloyds Wealth
 - Equity Investments up 15%: Driven by Lloyds Living
- **Lloyds Wealth to support OOI growth in 2026**
- **Operating lease depreciation £1,454m; Q4 £379m**
 - 2025 increase largely reflects fleet growth and higher value vehicles

Continued discipline on costs

Operating costs (£m)



Cost:income ratio (%)



- **2025 operating costs £9,761m; £9,739m excl. impact from Lloyds Wealth; up 3% YoY**
 - Reflects investment, business growth, inflation net of cost savings
 - Q4 £2.6bn, incl. Bank Levy
- **2025 cost:income ratio 58.6%; 53.3% excl. remediation**
- **Continue to expect cost:income ratio <50% in 2026 (operating costs <£9.9bn)**
 - Ongoing efficiency savings partially offsetting full year impact of Lloyds Wealth and inflation
- **Remediation charge £968m, including £800m for motor finance in Q3**

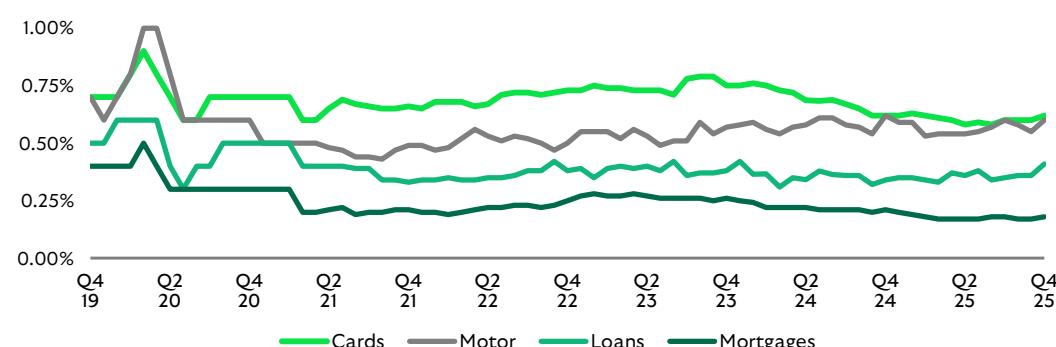
1 – Does not include change savings.

Strong and stable credit performance

Impairment (£m)

	FY 2025	FY 2024	YoY £m	Q4 2025	QoQ £m
Charge (credit) pre updated MES ¹	721	827	(106)	130	(10)
<i>Retail</i>	734	789	(55)	107	(94)
<i>Commercial Banking</i>	(14)	48	(62)	22	83
<i>Other</i>	1	(10)	11	1	1
Updated economic outlook	74	(394)	468	47	11
<i>Retail</i>	-	(332)	332	42	-
<i>Commercial Banking</i>	74	(62)	136	5	11
Total impairment charge/(credit)	795	433	362	177	1

Retail new to arrears (3 month rolling average, %)

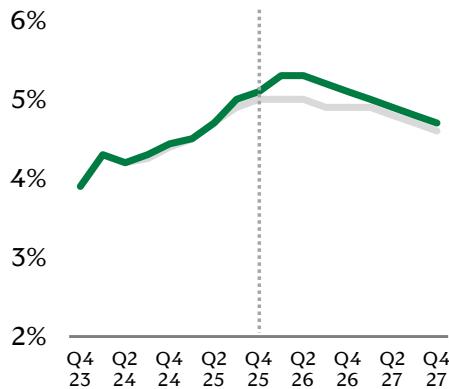


1 - Impairment charges absent the impact from updated economic outlook, thus reflecting only observed movements in credit quality.

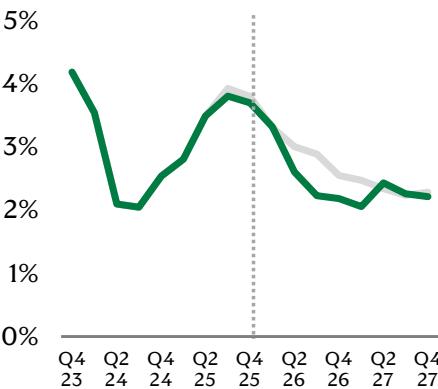
- **Strong and stable credit performance, reflecting prudent lending and healthy customer behaviours**
 - Arrears low and stable across portfolios
 - Stable early warning indicators
- **Low 2025 impairment charge £795m, AQR 17bps**
 - Includes benefits from model calibrations and refinements
- **Q4 impairment charge £177m, AQR 14bps, includes MES charge of £47m**
 - Pre-MES¹ AQR 11bps; benefits from model refinements and stable underlying charge
- **Stock of ECL £3.4bn, c.£0.4bn above base case**
- **Expect 2026 AQR to be c.25bps**

Updated macroeconomic outlook

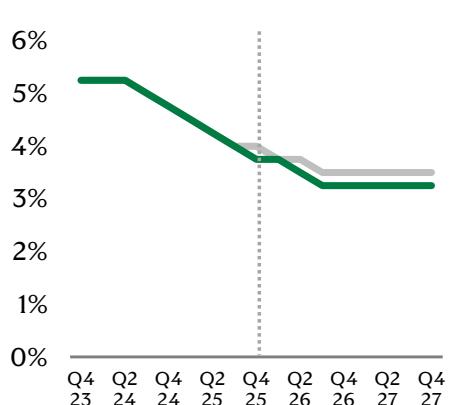
Unemployment



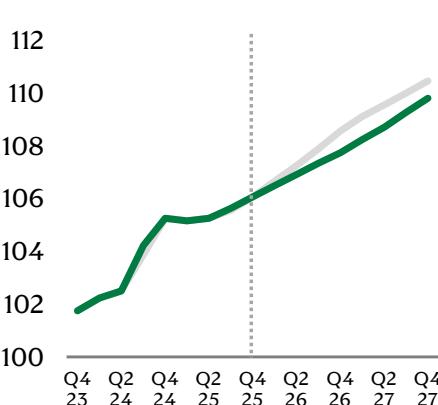
CPI inflation



UK Bank Rate



Indexed house prices



— Q4 base case

— Q3 base case

- **Minor forecast changes since Q3:**

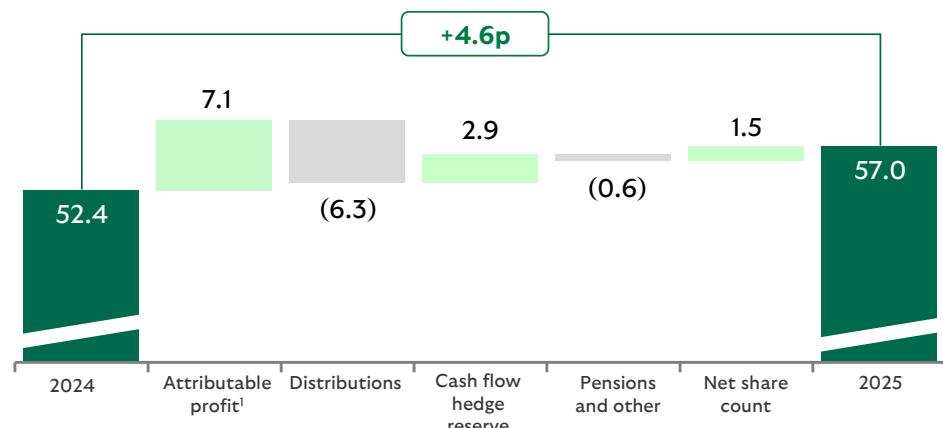
- Slightly stronger GDP expectations in 2026 and beyond, forecast at 1.2% (vs. 1.0% previously)
- Modest increase in unemployment, peaking at 5.3% in H1 2026
- Assume two 25bps cuts in UK Bank Rate in 2026; continue to assume long-term rate of 3.5% by 2028
- House price growth forecast stable at c.2% in 2026 and 2027

Robust return on tangible equity

Statutory profit (£m)

	2025	2024	YoY%	Q4 2025	QoQ%
Underlying profit	6,777	6,343	7	1,926	49
Restructuring	(46)	(40)	(15)	(30)	
Volatility and other items	(70)	(332)	79	87	
Statutory profit before tax	6,661	5,971	12	1,983	69
Tax expense	(1,904)	(1,494)	(27)	(548)	(38)
Statutory profit after tax	4,757	4,477	6	1,435	84
Return on tangible equity	12.9%	12.3%	0.6pp	15.7%	8.2pp
Return on tangible equity excl. motor provision	14.8%	14.0%	0.8pp		

Tangible net asset value per share (pence)

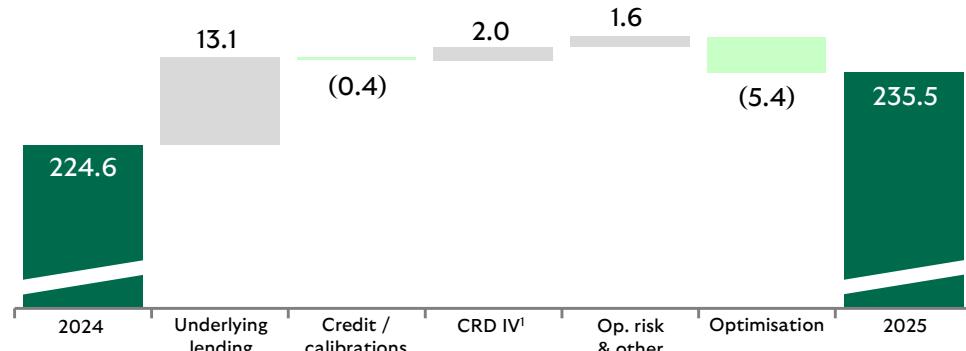


1 - After motor finance provision costing 1.1 pence per share.

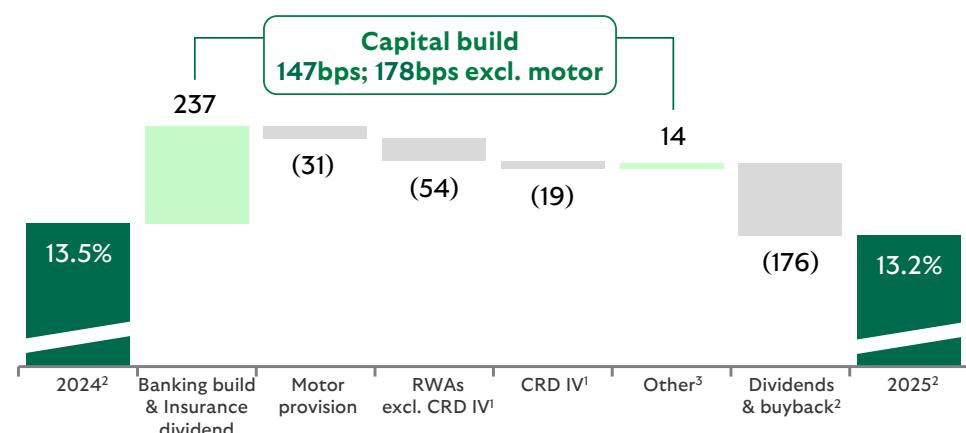
- **2025 RoTE 12.9%; 14.8% excl. Q3 motor provision**
 - Q4 RoTE 15.7%
- **2025 restructuring charge £46m (Curve and Lloyds Wealth); volatility charge £70m**
- **TNAV 57.0p, up 4.6p in 2025**
 - Profits, CFHR unwind and reduced share count, offset by distributions
- **Expect material TNAV per share growth from profits, cash flow hedge reserve unwind and share count reduction**
- **Expect RoTE to be >16% in 2026**

Strong capital generation

Risk weighted assets (£bn)



Common equity tier 1 ratio (%)

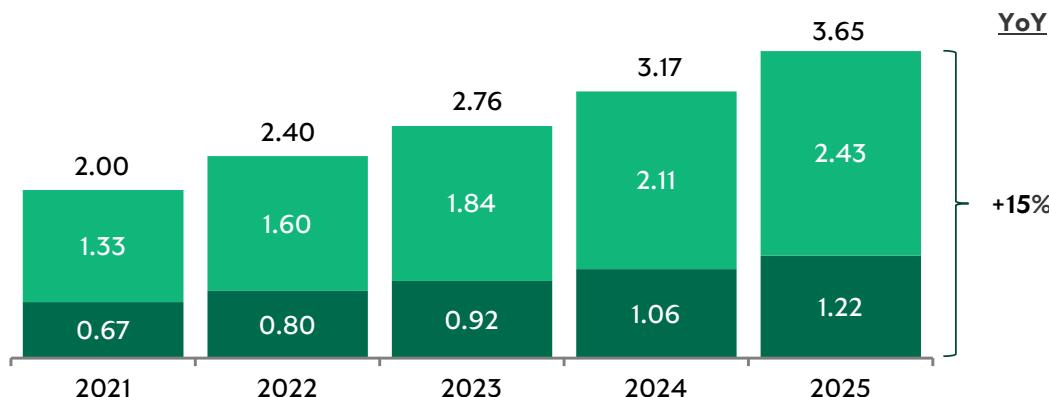


- **RWAs £235.5bn, up £10.9bn, inc £3.2bn in Q4**
 - Includes £2.0bn for CRDIV in Q4, reflecting model outcomes subject to PRA approval
 - Basel 3.1 implementation on 1 Jan 2027 expected to result in a Day 1 RWA reduction of c.£6bn-£8bn
- **Strong 147bps capital generation; 178bps excl. motor provision**
- **Pro forma CET1 ratio 13.2%**
- **Expect 2026 capital generation to be >200bps**

1 – Retail secured CRD IV increases. 2 – Shown on a pro forma basis. 3 – Other includes share-based payments and market volatility.

Continued growth in capital distributions

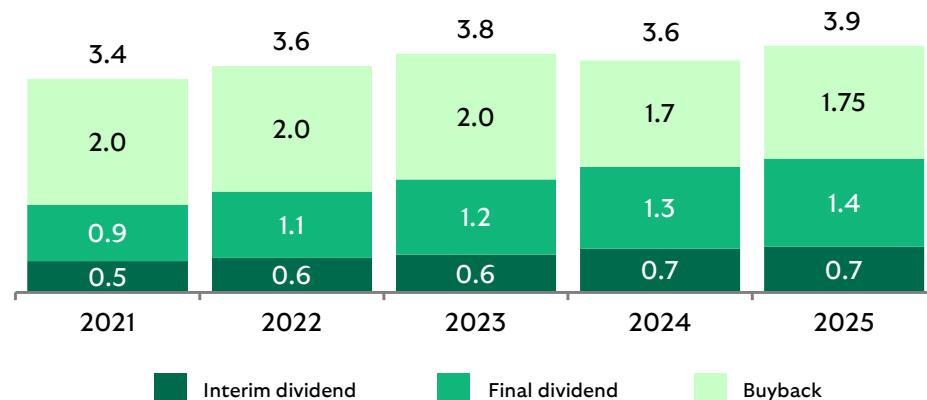
Dividend per share (pence)



YoY

+15%

Total distributions¹ (£bn)



Interim dividend

Final dividend

Buyback

- Strong capital generation enables growth in shareholder distributions**
- Capital return of up to c.£3.9bn**
 - Final dividend 2.43p; total 3.65p, up c.15% YoY
 - Share buyback of up to £1.75bn
- Dividend growth consistently over strategic plan, FY 2025 up >80% vs. FY 2021**
- Consecutive buyback programmes reduced share count by >17% to date since end 2021**
- Committed to returning excess capital and paying down to c.13.0% by end 2026**
- Will now review excess capital distributions every half year**

¹ – Announced in year. Chart uses rounded inputs.

Sustained strength in performance and upgraded guidance



Purpose
**Helping
Britain
Prosper**

Net interest income

2026

NEW: c.£14.9bn

Cost:income

<50% CIR (NEW: Operating costs <£9.9bn)

Asset quality

NEW: c.25bps

RoTE

NEW: >16%

Capital generation

>200bps

CET1 ratio target

Pay down to c.13.0%

Capital distribution

Progressive and sustainable ordinary dividend

**Committed to continuing income growth, improving operating
leverage and stronger, sustainable returns**

Closing remarks

Charlie Nunn



Continued strategic delivery; sustained strength in performance



Purpose

Helping Britain Prosper

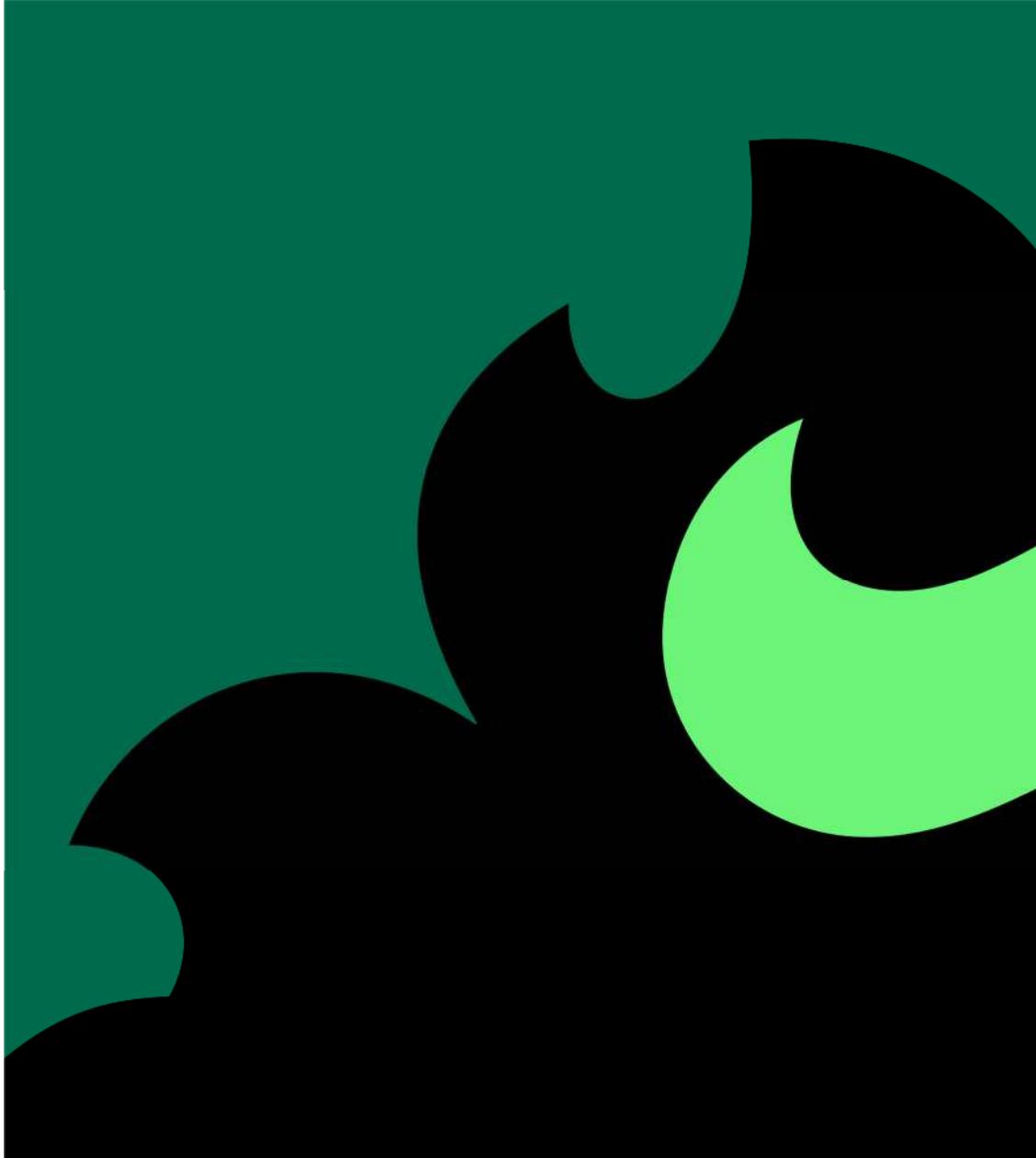
Strategic delivery accelerating, benefitting customers and wider stakeholders

Sustained strength in financial performance, meeting 2025 guidance

Strong capital generation, enabling 15% dividend growth and £1.75bn buyback

Upgraded guidance for 2026; confident in our outlook beyond 2026

Q&A



Appendix



Quarterly P&L and key ratios



(£m)	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024
Net interest income	3,529	3,451	3,361	3,294	3,276	3,231	3,154	3,184
Other income	1,594	1,557	1,517	1,452	1,433	1,430	1,394	1,340
Operating lease depreciation	(379)	(365)	(355)	(355)	(331)	(315)	(396)	(283)
Net income	4,744	4,643	4,523	4,391	4,378	4,346	4,152	4,241
Operating costs	(2,585)	(2,302)	(2,324)	(2,550)	(2,450)	(2,292)	(2,298)	(2,402)
Remediation	(56)	(875)	(37)	-	(775)	(29)	(70)	(25)
Total costs	(2,641)	(3,177)	(2,361)	(2,550)	(3,225)	(2,321)	(2,368)	(2,427)
Underlying profit before impairment	2,103	1,466	2,162	1,841	1,153	2,025	1,784	1,814
Impairment (charge)/credit	(177)	(176)	(133)	(309)	(160)	(172)	(44)	(57)
Underlying profit	1,926	1,290	2,029	1,532	993	1,853	1,740	1,757
Restructuring	(30)	(7)	(5)	(4)	(19)	(6)	(3)	(12)
Volatility and other items	87	(109)	(37)	(11)	(150)	(24)	(41)	(117)
Statutory profit before tax	1,983	1,174	1,987	1,517	824	1,823	1,696	1,628
Statutory profit after tax	1,435	778	1,410	1,134	700	1,333	1,229	1,215
Net interest margin	3.10%	3.06%	3.04%	3.03%	2.97%	2.95%	2.93%	2.95%
Average interest earning assets	£470bn	£466bn	£460bn	£456bn	£455bn	£451bn	£449bn	£449bn
Cost:income ratio	55.7%	68.4%	52.2%	58.1%	73.7%	53.4%	57.0%	57.2%
Asset quality ratio	0.14%	0.15%	0.11%	0.27%	0.14%	0.15%	0.05%	0.06%
Return on tangible equity	15.7%	7.5%	15.5%	12.6%	7.1%	15.2%	13.6%	13.3%
Tangible net asset value per share	57.0p	55.0p	54.5p	54.4p	52.4p	52.5p	49.6p	51.2p

Updated economic scenarios



Scenario	ECL ¹ (£m)	Measure (%)	2025	2026	2027	2028	2029	Ave. 25-29
Upside (30%)	2,591	GDP	1.4	2.0	2.3	1.6	1.6	1.8
		Unemployment rate	4.8	4.2	3.2	3.1	3.2	3.7
		HPI growth	0.8	3.5	7.1	6.9	6.0	4.8
		CRE price growth	1.2	7.9	4.9	1.7	0.8	3.2
		UK Bank Rate	4.13	3.94	4.59	5.07	5.33	4.61
		CPI inflation	3.4	2.6	2.4	2.8	3.1	2.9
Base case (30%)	2,987	GDP	1.4	1.2	1.4	1.5	1.6	1.4
		Unemployment rate	4.8	5.2	4.8	4.6	4.5	4.8
		HPI growth	0.8	1.6	1.9	2.2	3.1	1.9
		CRE price growth	1.2	0.6	1.7	0.5	0.2	0.9
		UK Bank Rate	4.13	3.44	3.25	3.44	3.50	3.55
		CPI inflation	3.4	2.6	2.2	2.2	2.3	2.6
Downside (30%)	3,797	GDP	1.4	(0.3)	(0.5)	1.1	1.6	0.7
		Unemployment rate	4.8	6.6	7.5	7.4	7.0	6.7
		HPI growth	0.8	(0.2)	(4.7)	(5.7)	(2.8)	(2.6)
		CRE price growth	1.2	(7.1)	(4.2)	(2.7)	(2.3)	(3.1)
		UK Bank Rate	4.13	2.74	1.09	0.75	0.52	1.85
		CPI inflation	3.4	2.6	2.0	1.4	1.0	2.1
Severe downside (10%)	5,400	GDP	1.4	(1.9)	(1.8)	0.7	1.4	-
		Unemployment rate	4.8	8.3	10.2	9.9	9.4	8.5
		HPI growth	0.8	(1.2)	(11.1)	(12.2)	(7.8)	(6.5)
		CRE price growth	1.2	(17.4)	(9.8)	(7.4)	(5.4)	(8.0)
		UK Bank Rate	4.13	1.91	0.10	0.03	0.01	1.24
		CPI inflation	3.4	2.6	1.7	0.5	(0.4)	1.6
Probability weighted	3,353							

1 – Underlying basis.

Low mortgage LTVs



	December 2025 ¹				2024 ¹	2010 ¹
	Mainstream	Buy to let	Specialist	Total	Total	Total
Average LTVs	44.7%	48.2%	32.0%	45.0%	43.6%	55.6%
New business LTVs	64.7%	58.8%	N/A	64.1%	63.2%	60.9%
≤80% LTV	82.9%	99.9%	98.4%	85.6%	88.5%	57.0%
>80–90% LTV	14.4%	0.1%	0.9%	12.2%	10.0%	16.2%
>90–100% LTV	2.7%	0.0%	0.4%	2.2%	1.5%	13.6%
>100% LTV	0.0%	0.0%	0.3%	0.0%	0.0%	13.2%
Value >80% LTV	£46.8bn	£0.1bn	£0.0bn	£46.8bn	£36.0bn	£146.6bn
Value >100% LTV	£0.1bn	£0.0bn	£0.0bn	£0.0bn	£0.1bn	£44.9bn
Gross lending	£273.1bn	£47.9bn	£2.8bn	£323.8bn	£313.1bn	£341.1bn

¹ – Average LTV is calculated as total loans and advances as a percentage of the total indexed collateral of these loans and advances. 2024-25 LTVs use Markit's 2019 Halifax HPI and are now presented on a statutory basis; 2010 LTVs use Markit's pre 2019 Halifax HPI and include TSB. Table uses rounded inputs.

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