

Investor factbook: 2025 results

The Group demonstrated **sustained strength in financial performance** in 2025, including in the final quarter, with continued balance sheet and income growth, as well as strong cost discipline and credit performance. This performance enables **total shareholder distributions of c.£3.9 billion** for the year.

Looking ahead to 2026 and the culmination of the five year strategy we set out in 2022, our **continued business momentum and strategic delivery** enable us to upgrade guidance. The sustained strength in performance means we are **well positioned for 2026 and beyond**. Having entered this year on a positive trajectory, I look forward to sharing more detail on the next stage of the Group's strategy, beyond the current plan, in the summer."

Charlie Nunn, Group Chief Executive

Sustained strength in financial performance

- Statutory profit after tax £4.8bn; return on tangible equity 12.9% (14.8% excl. motor provision)
- Robust net income: £18.3bn, up 7% YoY; net interest margin 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; asset quality ratio 17bps
- Strong capital generation: 147bps (178bps excl. motor provision); Pro forma CET1 ratio 13.2%
- Lending £481.1bn, up 5% in 2025, Q4 up £4.0bn; Total deposits £496.5bn up 3% in 2025, Q4 down £0.2bn

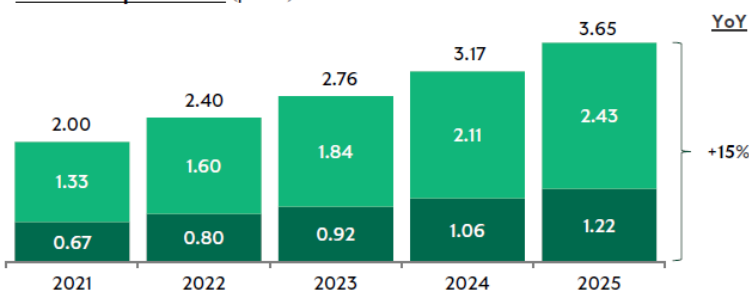
Upgraded guidance for 2026

Based on our sustained strength in financial performance and our current macroeconomic assumptions, for 2026 the Group expects:

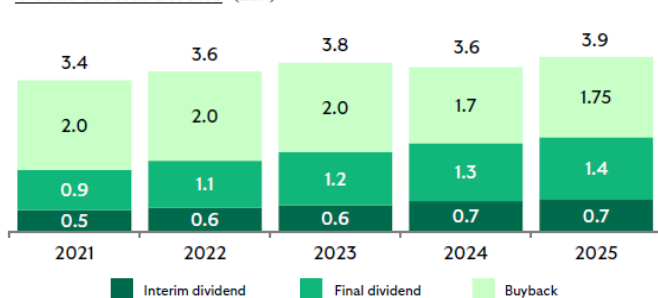
- Underlying net interest income of c.£14.9 billion
- Cost:income ratio of less than 50% (including operating costs of less than £9.9 billion)
- Asset quality ratio of c.25 basis points
- Return on tangible equity now of greater than 16%
- Capital generation of greater than 200 basis points
- To pay down to a CET1 ratio of c.13.0%

Continued growth in capital distributions

Dividend per share (pence)



Total distributions¹ (£bn)



1 – Announced in year. Chart uses rounded inputs.

- 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
- Committed to returning excess capital and paying down to c.13.0% by end 2026
- Will now review excess capital distributions every half year

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

...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

...and delivering strong shareholder outcomes
2026 guidance

<50%

Cost:income ratio

>16%

Return on tangible equity

>200bps

Capital generation

Distinct competitive strengths

Leading UK customer franchise with deep customer insight

c.28 million customers with unequalled reach across the UK. Extensive customer data and analysis ensures we can anticipate and meet the needs of these customers more effectively.

All-channel distribution 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.

Innovation through modern and transformative technology

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

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 attractive returns for shareholders.

Financial strength and robust risk management

Strong capital position. 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.

Successfully delivering for all stakeholders in 2025

Retail

Enhancing customer experiences

- Launched Lloyds Premier – c.2x higher depth of relationship
- Expanded unsecured offering with Ultra and Advance credit cards
- Announced Curve acquisition (subject to completion), enhancing digital wallet capabilities

Driving growth

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

Insurance, Pensions and Investments

Enhancing customer experiences

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

Driving growth

- >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

Commercial Banking

Enhancing customer experiences

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

Driving growth

- c.4% growth in BCB deposits
- c.15% growth in BCB gross new term lending
- c.21% growth in FX volumes

LBG Equity Investments

Enhancing customer experiences

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

Driving growth

- c.150% increase in Lloyds Living OOI
- c.£250m new LDC investments
- >£600m of LDC exit proceeds generated (3.3x avg money multiple return)

Sustained strength in financial performance

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

	2025 £m	2024 £m	Change %
Underlying net interest income	13,635	12,845	6
Underlying other income	6,120	5,597	9
Operating lease depreciation	(1,454)	(1,325)	(10)
Net income	18,301	17,117	7
Operating costs	(9,761)	(9,442)	(3)
Remediation	(968)	(899)	(8)
Total costs	(10,729)	(10,341)	(4)
Underlying profit before impairment	7,572	6,776	12
Underlying impairment charge	(795)	(433)	(84)
Underlying profit	6,777	6,343	7
Restructuring	(46)	(40)	(15)
Volatility and other items	(70)	(332)	79
Statutory profit before tax	6,661	5,971	12
Tax expense	(1,904)	(1,494)	(27)
Statutory profit after tax	4,757	4,477	6
Earnings per share	7.0p	6.3p	0.7p
Dividends per share – ordinary	3.65p	3.17p	15
Share buyback value	£1.75bn	£1.70bn	3
Banking net interest margin ^A	3.06%	2.95%	11bp
Average interest-earning banking assets ^A	£462.9bn	£451.2bn	3
Cost:income ratio ^A	58.6%	60.4%	(1.8)pp
Asset quality ratio ^A	0.17%	0.10%	7bp
Return on tangible equity ^A	12.9%	12.3%	0.6pp

	At 31 Dec 2025	At 31 Dec 2024	Change %
Underlying loans and advances to customers ^A	£481.1bn	£459.1bn	5
Customer deposits	£496.5bn	£482.7bn	3
Loan to deposit ratio ^A	97%	95%	2pp
CET1 ratio	14.0%	14.2%	(0.2)pp
Pro forma CET1 ratio ^{A,1}	13.2%	13.5%	(0.3)pp
UK leverage ratio	5.4%	5.5%	(0.1)pp
Risk-weighted assets	£235.5bn	£224.6bn	5
Wholesale funding ²	£99.4bn	£92.5bn	7
Liquidity coverage ratio ³	145%	146%	(1)pp
Net stable funding ratio ⁴	124%	129%	(5)pp
Tangible net assets per share ^A	57.0p	52.4p	4.6p

^A See page 62 of the 2025 results.

¹ 31 December 2025 and 31 December 2024 pro forma CET1 ratios reflect the full impact of the share buybacks announced in respect of 2025 and 2024. 31 December 2024 pro forma CET1 ratio also reflects the ordinary dividend received from the Insurance business in February 2025. The CET1 and pro forma CET1 ratios at 31 December 2025 both reflect an ordinary dividend received from the Insurance business in December 2025, that would previously have been received in February of the following year.

² Excludes balances relating to cash collateral of £1.5 billion (31 December 2024: £2.8 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.

Contacts
Private shareholders:
shareholderquestions@lloydsbanking.com
Institutional investors and analysts:
investor.relations@lloydsbanking.com

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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