

## Investor factbook: Q1 2026 Results

“In the first quarter of 2026, the Group delivered **sustained strength in financial performance**, growing our income, maintaining our cost discipline and delivering strong profitability. **Our differentiated business model** remains resilient in the context of the current economic uncertainties. We remain focused on **supporting UK households and businesses** as they look to strengthen their financial positions and achieve their goals.

We are **building strategic momentum** during the final year of our current plan, providing innovative ways for our customers to manage their financial needs and achieve their financial aspirations. We are **confident in our delivery** for the year ahead and **reiterate our guidance for 2026**. We look forward to presenting our new strategy alongside the half-year results.”

Charlie Nunn, Group Chief Executive

### Sustained strength in financial performance

**£1.6bn**

Statutory profit  
after tax

**17.0%**

Return on tangible  
equity

**£4.8bn**

Net income growth,  
up 9% YoY

**317bps**

Net interest margin,  
up 7bps QoQ

**£2.5bn**

Operating costs,  
down 3% YoY

**25bps**

Asset quality ratio

**57.9p**

Tangible net asset  
value, up 0.9p QoQ

**13.4%**

CET1 ratio

**41bps**

Strong capital  
generation

### Reiterating guidance for 2026

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

- Underlying net interest income now expected to be greater than £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 of greater than 16%
- Capital generation of greater than 200 basis points<sup>1</sup>
- To pay down to a CET1 ratio of c.13.0%

# 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.

## UK financial services provider with three core divisions

### Retail

#### Consumer lending

- Mortgages
- Credit cards
- Personal loans
- Motor finance

#### Consumer relationships

- Current accounts
- Savings accounts
- Mass affluent

### Insurance, Pensions and Investments

#### Insurance

- Home, motor, pet
- Protection

#### Pensions and retirement

- Workplace pensions
- Direct to consumer pensions
- Retirement

#### Investments

- Ready-Made investments
- Sharedealing

### Commercial Banking

#### Business and commercial banking

- Business loans
- Transactional banking
- Working capital
- Merchant services

#### Corporate and institutional banking

- Lending and debt capital markets
- Cash liquidity
- Risk management

## Sustained strength in financial performance

	Three months ended 31 Mar 2026 £m	Three months ended 31 Mar 2025 £m	Change %	Three months ended 31 Dec 2025 £m	Change %
Underlying net interest income	3,569	3,294	8	3,529	1
Underlying other income	1,605	1,452	11	1,594	1
Operating lease depreciation	(389)	(355)	(10)	(379)	(3)
<b>Net income</b>	<b>4,785</b>	<b>4,391</b>	<b>9</b>	<b>4,744</b>	<b>1</b>
Operating costs	(2,474)	(2,550)	3	(2,585)	4
Remediation	(11)	–		(56)	80
<b>Total costs</b>	<b>(2,485)</b>	<b>(2,550)</b>	<b>3</b>	<b>(2,641)</b>	<b>6</b>
<b>Underlying profit before impairment</b>	<b>2,300</b>	<b>1,841</b>	<b>25</b>	<b>2,103</b>	<b>9</b>
Underlying impairment charge	(295)	(309)	5	(177)	(67)
<b>Underlying profit</b>	<b>2,005</b>	<b>1,532</b>	<b>31</b>	<b>1,926</b>	<b>4</b>
Restructuring	(18)	(4)		(30)	40
Volatility and other items	38	(11)		87	(56)
<b>Statutory profit before tax</b>	<b>2,025</b>	<b>1,517</b>	<b>33</b>	<b>1,983</b>	<b>2</b>
Tax expense	(470)	(383)	(23)	(548)	14
<b>Statutory profit after tax</b>	<b>1,555</b>	<b>1,134</b>	<b>37</b>	<b>1,435</b>	<b>8</b>
Earnings per share	2.4p	1.7p	0.7p	2.2p	0.2p
Banking net interest margin <sup>A</sup>	3.17%	3.03%	14bp	3.10%	7bp
Average interest-earning banking assets <sup>A</sup>	£473.5bn	£455.5bn	4	£470.3bn	1
Cost:income ratio <sup>A</sup>	51.9%	58.1%	(6.2)pp	55.7%	(3.8)pp
Asset quality ratio <sup>A</sup>	0.25%	0.27%	(2)bp	0.14%	11bp
Return on tangible equity <sup>A</sup>	17.0%	12.6%	4.4pp	15.7%	1.3pp
	<b>At 31 Mar 2026</b>	<b>At 31 Mar 2025</b>	<b>Change %</b>	<b>At 31 Dec 2025</b>	<b>Change %</b>
Underlying loans and advances to customers <sup>A</sup>	£486.2bn	£466.2bn	4	£481.1bn	1
Customer deposits	£495.9bn	£487.7bn	2	£496.5bn	
Loan to deposit ratio <sup>A</sup>	98%	96%	2pp	97%	1pp
CET1 ratio	13.4%	13.5%	(0.1)pp	14.0%	(0.6)pp
Pro forma CET1 ratio <sup>A,1</sup>	13.4%	13.5%	(0.1)pp	13.2%	0.2pp
Total capital ratio	18.2%	18.4%	(0.2)pp	18.9%	(0.7)pp
MREL ratio	31.7%	30.4%	1.3pp	32.2%	(0.5)pp
UK leverage ratio	5.1%	5.5%	(0.4)pp	5.4%	(0.3)pp
Risk-weighted assets	£240.8bn	£230.1bn	5	£235.5bn	2
Wholesale funding <sup>2</sup>	£114.0bn	£89.4bn	28	£99.4bn	15
Liquidity coverage ratio <sup>3</sup>	144%	145%	(1)pp	145%	(1)pp
Net stable funding ratio <sup>4</sup>	123%	128%	(5)pp	124%	(1)pp
Tangible net assets per share <sup>A</sup>	57.9p	54.4p	3.5p	57.0p	0.9p

<sup>A</sup> See page 13 of the Q1 2026 interim management statement.

<sup>1</sup> 31 December 2025 pro forma CET1 ratio reflects the full impact of the share buyback in respect of 2025, announced in January 2026.

<sup>2</sup> Excludes balances relating to cash collateral of £2.0 billion (31 December 2025: £1.5 billion, 31 March 2025: £1.4 billion).

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

<sup>4</sup> 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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