2026 half year results fixed income presentation

Lloyds Banking Group
30 July 2026

Leading UK digital bank and integrated financial services provider

Lloyds Banking Group

Retail

Consumer Relationships

- Current accounts
- Savings accounts
- Mass affluent proposition

Consumer Lending

- Mortgages
- Credit cards
- Personal loans
- Motor finance

Commercial

Business & Commercial Banking

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

Corporate & Institutional Banking

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

Insurance, Pensions & Investments

- Home, motor, and pet insurance
- Workplace pensions, direct to consumer pensions, retirement planning
- Ready-Made investments, Sharedealing

2022-26 strategic progress

The UK financial services leader - customer focused, digitally led

Market leader

c.28m Retail customers

c.1m Commercial relationships

#1 or leading positions
across target segments and products

Digital and AI leader

c.22m Mobile app users, UK's largest digital bank

c.7bn Annual digital logons

'Outstanding' in Euromoney ranking of best digital banks globally

>800 AI models live today

Cost and capital leader

Since 2021

>£2bn Gross cost savings

c.£28bn Cumulative RWA optimisation

c.£17bn Shareholder distributions (c.25% of m/cap)

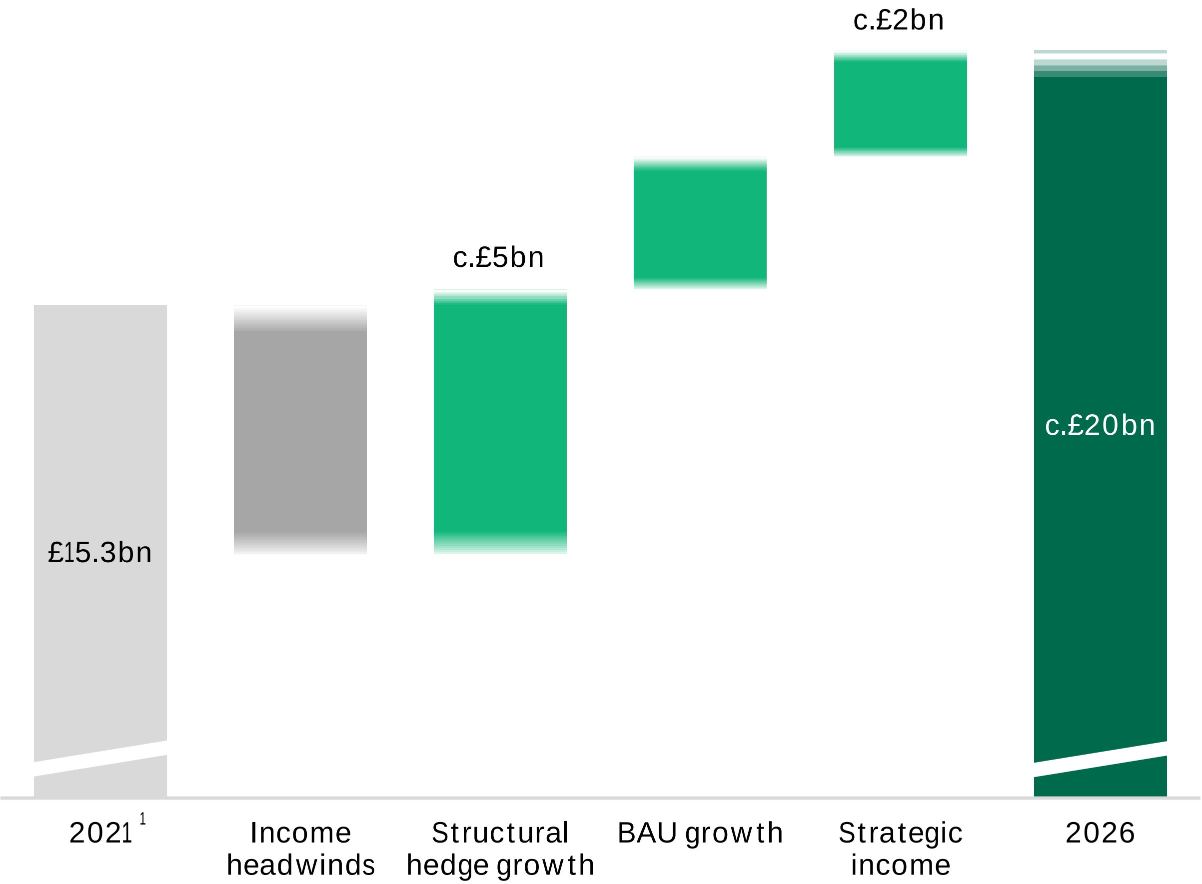
Low risk, diversified balance sheet underpinning sustained value creation

£492bn	£501bn	c.£20bn	>16%
Customer lending (H1 2026)	Customer deposits (H1 2026)	Group net income (FY 2026) c.34% OOI contribution	Return on Tangible Equity (FY 2026)

Market leader: Broad-based growth since 2021

c.£5bn net income growth, mid-single-digit CAGR

Net income (£bn)



Customer experience improvements

12pp increase in FRS Net Promoter Score vs. 2021[2]

Market share gains

3pp average market share increase in target areas

Balance sheet growth

+£43bn lending, +£25bn deposits, +£132bn open book AUA

Diversification

8% OOI CAGR; c.34% of net income (+4pp vs. 2021)

Growth in high value areas

>3m Mass Affluent customers, c.4x Tusker fleet growth[3]

New revenues from strategic initiatives

c.£2bn by FY 2026, ahead of original target (c.£1.5bn)

1 – Adjusted for IFRS17. 2 – © Ipsos 2026, Financial Research Survey (FRS). Lloyds Banking Group (Lloyds Bank, Halifax, Bank of Scotland) main current account NPS® : +23 at May 2026, vs +11 at December 2021. Based on n=2,737 LBG main current account customers (16+), 3 months rolling ending May 2026. For full detail, see reference on slide 71. 3 – Since acquisition.

Digital and AI leader: Established the platform for innovation

Strong execution against a clear digital and AI strategy

Invested in people and infrastructure

- c.11k tech and data hires since 2021; platform teams c.80% weighted to tech talent
- >60% of applications on Cloud (2021: Negligible); >50% reduction in data centres since 2021
- Legacy applications down c.25% since 2021; c.35% gross reduction in run and change tech costs

Improved, digital-first outcomes

- +30pp increase in proportion of Retail product openings through app since 2021
- >1m Scottish Widows app users, up c.80% YoY
- >50% of key BCB servicing interactions digitised

Leadership across new technologies

- >£100m Gen AI P&L benefit in 2026; recognised as leading Financial Services AI adoption
- UK-first public blockchain tokenised deposits transaction
- Acquired pioneering wallet capabilities through Curve

Divisional examples

Retail

c.50% growth in app users vs. 2021

c.15pp residential refinancing via Home Hub ecosystem

Commercial

Up to 15x opening time reduction from digital BCA origination

Launched market-leading algorithmic FX solution

IP&I

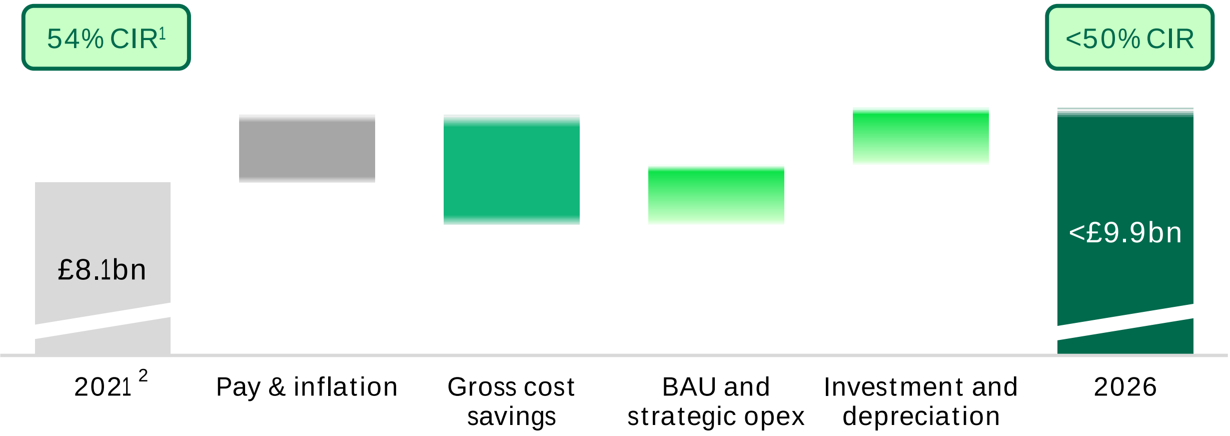
c.50% digital take up of home insurance journeys, up c.15pp YoY

>90k new investment customers since launch of Ready-Made Investments in 2023

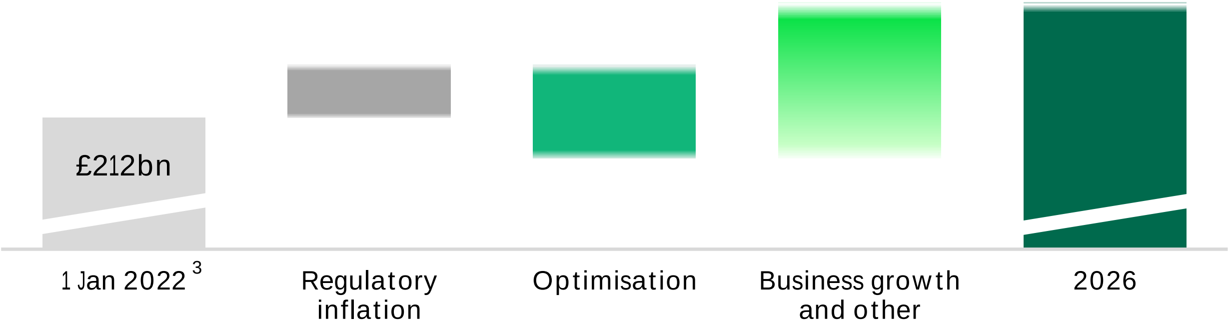
Cost and capital leader: Created capacity to fund growth

Successfully mitigated inflationary and regulatory headwinds

Operating costs (£bn)



RWAs (£bn)



Significant gross cost savings

>£2bn realised to date (original target: c.£1bn by 2024)

Productivity enhancements

c.45% increase in active customers served per distribution FTE

Strategic investment

>£4bn over 5 years; on track to deliver targeted outcomes

Optimised the balance sheet, offsetting headwinds

c.£28bn cumulative RWA optimisation since 2021

De-risking the Group, reducing claims on capital

Addressed pension deficit and securitised legacy mortgages

Delivered for shareholders

More than doubled ordinary dividend vs. 2021

1 – Excl. exceptional remediation. 2 – Adjusted for IFRS17. 3 – Pro forma for £16bn regulatory inflation.

On track to deliver 2026 and accelerate beyond

New strategic initiative revenues	**c.£2bn** Strategic initiative revenues by FY 2026
Diversified income growth	**8%** OOI CAGR vs. 2021 (annualised); Net income contribution +4pp
Significant gross cost savings	**>£2bn** Gross cost savings realised
Improved operating leverage	**<50%** FY 2026 CIR
Higher, more sustainable returns	**>16%** FY 2026 RoTE
Growing capital generation	**>200bps** FY 2026 capital generation

The next phase... Accelerate 2030

HY results update

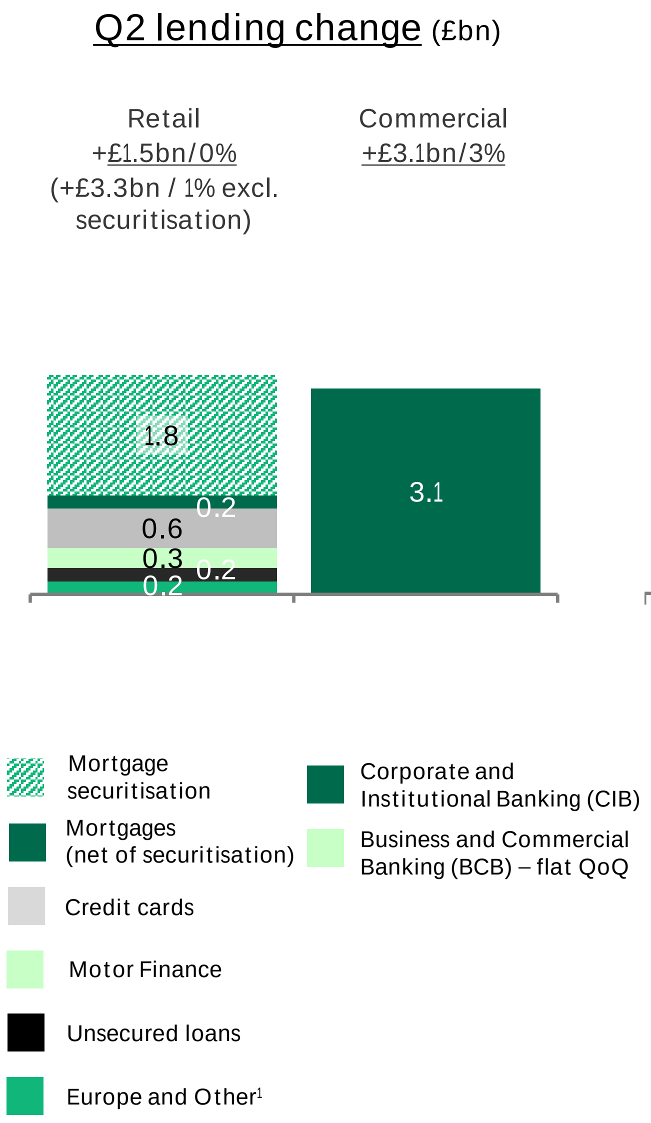
Sustained strength in financial performance

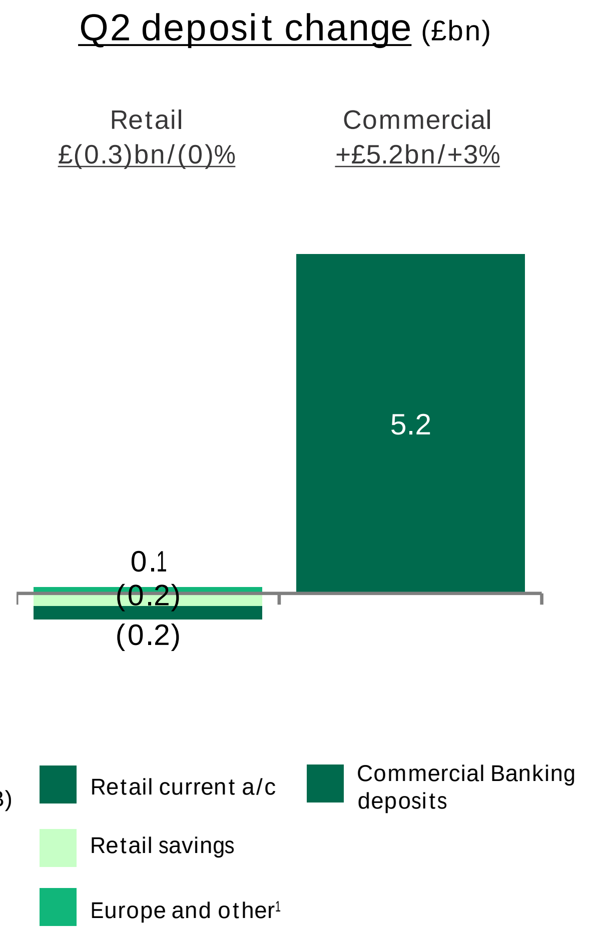
Financial performance[1] (£m)	H1 2026	H1 2025	YoY %	Q2 2026	Q1 2026	QoQ %
Net interest income	7,278	6,655	*9*	3,709	3,569	*4*
Other income	3,310	2,969	*11*	1,705	1,605	*6*
Operating lease depreciation	(841)	(710)	*(18)*	(452)	(389)	*(16)*
Net income	9,747	8,914	*9*	4,962	4,785	*4*
Operating costs	(4,876)	(4,874)	-	(2,402)	(2,474)	*3*
Remediation	(39)	(37)	*(5)*	(28)	(11)	
Total costs inc. remediation	(4,915)	(4,911)	-	(2,430)	(2,485)	*2*
Underlying profit pre impairment	4,832	4,003	*21*	2,532	2,300	*10*
Impairment charge	(617)	(442)	*(40)*	(322)	(295)	*(9)*
Underlying profit	4,215	3,561	*18*	2,210	2,005	*10*
Statutory profit after tax	3,123	2,544	*23*	1,568	1,555	*1*
Net interest margin	3.19%	3.04%	*15bp*	3.22%	3.17%	*5bp*
Cost:income ratio	50.4%	55.1%	*(4.7)pp*	49.0%	51.9%	*(2.9)pp*
Return on tangible equity	17.1%	14.1%	*3.0pp*	17.0%	17.0%	-
TNAV per share	57.0p	54.5p	*2.5p*	57.0p	57.9p	*(0.9)p*
Pro forma CET1 ratio	13.1%	13.8%	*(0.7)pp*	13.1%	13.4%	*(0.3)pp*

- Statutory PAT £3.1bn in H1; RoTE 17.1%
- Income momentum: Net income £9.7bn, up 9% YoY, with strong growth across NII and OOI
- Disciplined cost management: Operating costs £4.9bn, flat YoY
- Strong and stable credit performance: £617m impairment, 25bps AQR
- Strong capital generation of 108bps, supporting a 30% increase in the interim dividend and a £1bn buyback
- Pro forma CET1 ratio 13.1%

1 – Underlying basis. Unless otherwise stated, numbers quoted in this presentation are on an underlying basis.

Robust balance sheet growth



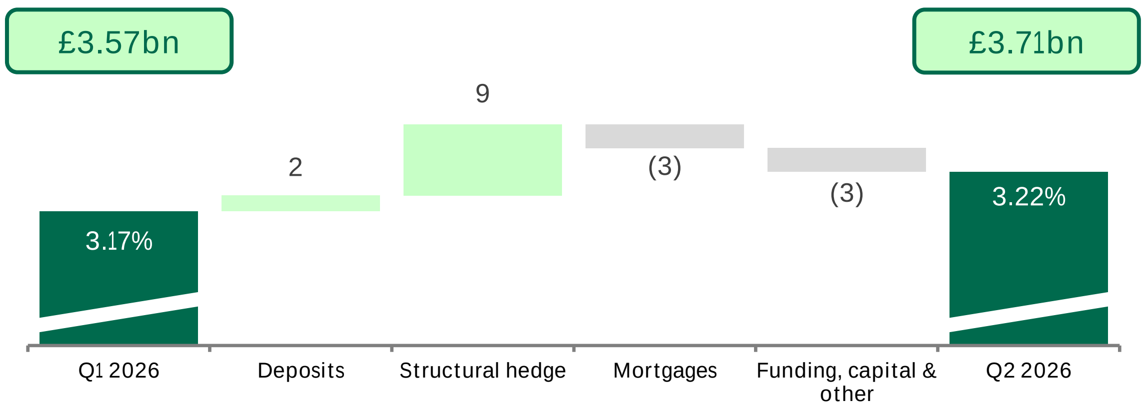


- Lending £491.5bn, up £5.3bn / 1% in Q2, 2% YTD. Growth across portfolios
  - Mortgages up £0.2bn QoQ, up £2.0bn excl. securitisation; completion margins c.70bps
  - Continued growth in Cards, Loans, Motor and Europe
  - Commercial up £3.1bn, net of £0.3bn government backed lending repayments
- Deposits £500.9bn, up £5.0bn / 1% in Q2, 1% YTD
  - Retail broadly flat QoQ; stable savings balances and European growth
  - Commercial up £5.2bn, with growth in targeted sectors
- £251bn IP&I open book AuA, up by c.£25bn QoQ

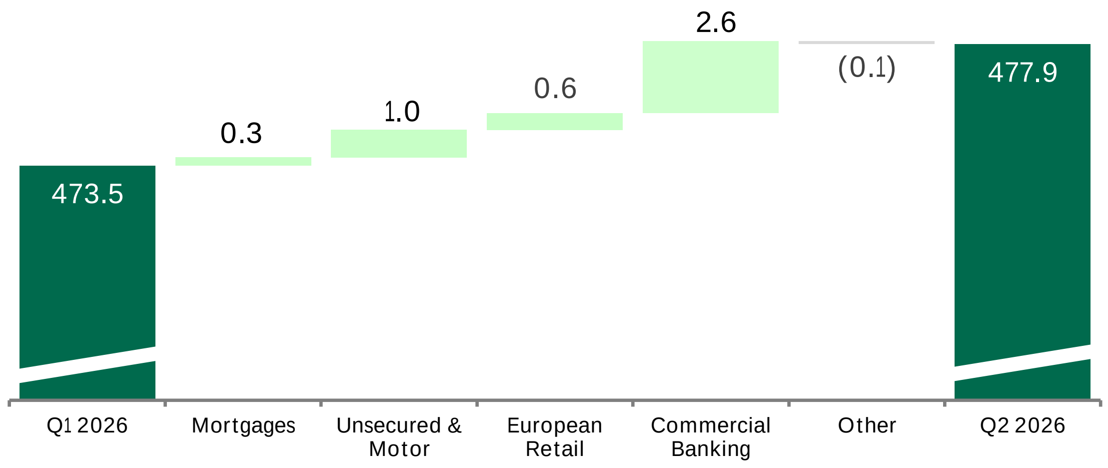
1 – Includes Europe and UK private bank. Lending also includes Overdrafts.

Continued growth in net interest income

Net interest income and banking net interest margin (£bn, bps)



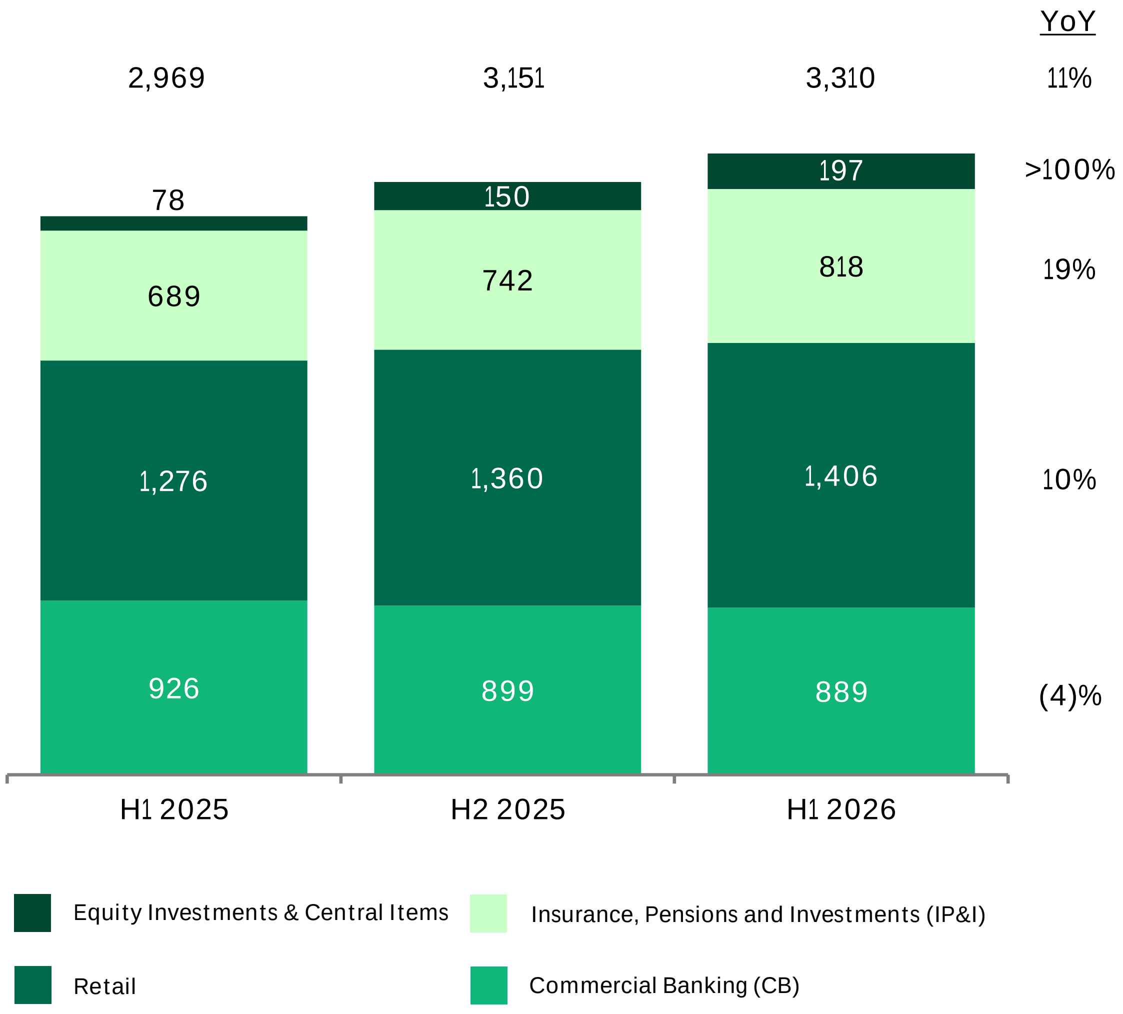
Average interest earning assets (£bn)



- H1 NII £7.3bn, up 9% YoY, Q2 up 4% QoQ
- H1 AIEAs £475.7bn, up 4% YoY; Q2 £477.9bn, up 1% QoQ
- H1 NIM 319bps; Q2 NIM 322bps up 5bp QoQ
  - Hedge tailwind and stable base rate more than offset mortgages refinancing headwind
  - H1 non-banking NII charge of £251m, £123m in Q2
- H1 structural hedge earnings of £3.4bn
  - Notional balance of £246bn, flat QoQ
  - Stable c.3.75 year weighted average duration
  - Continue to expect hedge income of >£7bn in 2026 and >£8bn in 2027, with growth to the end of the decade
- Continue to expect 2026 NII of >£14.9bn

Continued momentum in other income

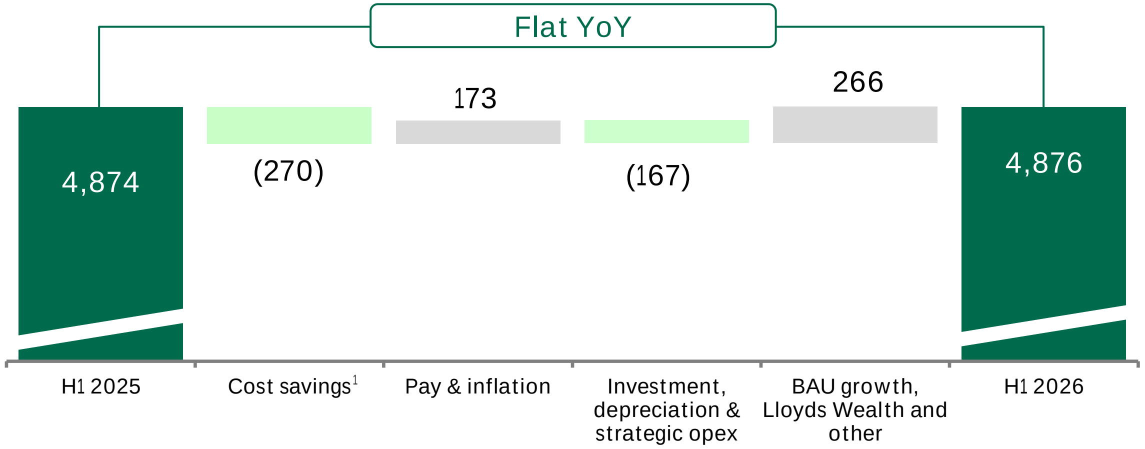
Divisional other income (£m)



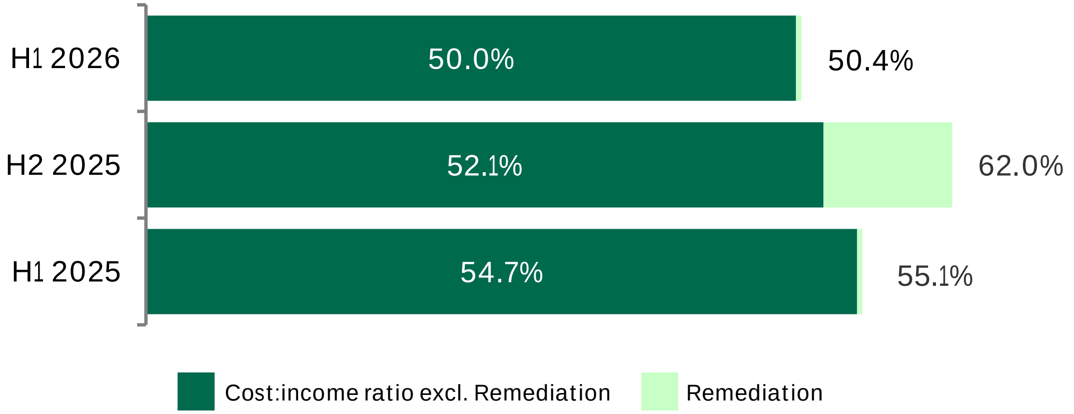
- OOI £3.3bn in H1, up 11% YoY; £1.7bn in Q2
- Broad-based other income momentum in H1
  - Retail: Growth in Transport and payments
  - CB: Loan Markets & Transaction banking growth more than offset by lower trading income; QoQ growth
  - IP&I: Growth in Workplace and Lloyds Wealth
  - Equity Investments: Strength in LDC & Lloyds Living
- H1 OpLD £841m, including £452m charge in Q2
  - Q2 impacted by fleet growth and a £41m revaluation charge due to lower used car prices
  - Going forward, expect reversion to normalised run-rate, growing in line with the fleet

Continued discipline on costs

Operating costs (£m)



Cost:income ratio (%)



- H1 operating costs £4.9bn, flat YoY; £2.4bn in Q2
  - Reflects continued efficiency savings, lower investment (including severance) and timing
- Remediation charge £39m; £28m in Q2
- H1 cost:income 50.4%; 49.0% in Q2
- Continue to expect cost:income ratio <50% in 2026 (operating costs <£9.9bn)
  - Ongoing efficiency savings significantly offset full year impact of Lloyds Wealth, Curve and inflation

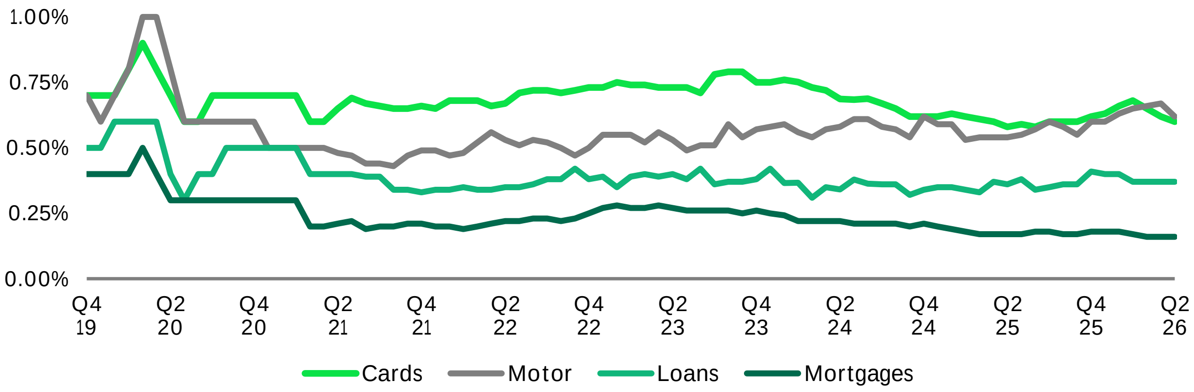
1 – Does not include change savings.

Continued strong and stable credit performance

Impairment (£m)

	H1 2026	H1 2025	*YoY £m*	Q2 2026	Q1 2026	*QoQ £m*
Charge (credit) pre updated MES[1]	537	451	*86*	343	194	*149*
Retail	488	426	*62*	264	224	40
Commercial Banking	48	25	*23*	78	(30)	*108*
Other	1	-	1	1	-	*1*
Updated economic outlook	80	(9)	*89*	(21)	101	(122)
Retail	77	(84)	*161*	(18)	95	*(113)*
Commercial Banking	3	75	*(72)*	(3)	6	*(9)*
Total impairment charge/(credit)	617	442	*175*	322	295	*27*

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



- Strong and stable credit performance reflecting prudent lending and resilient customer base
  - Arrears low and stable across portfolios
  - Stable early warning indicators
- H1 impairment charge £617m; AQR 25bps
- Q2 impairment charge £322m; AQR 26bps
  - Pre-MES AQR 28bps includes model updates and non-repeat of Q1 releases
  - Modest economic outlook updates result in small Q2 MES release
- Continue to expect 2026 AQR c.25bps

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

Sustained strength in financial performance

Purpose

Helping Britain Prosper

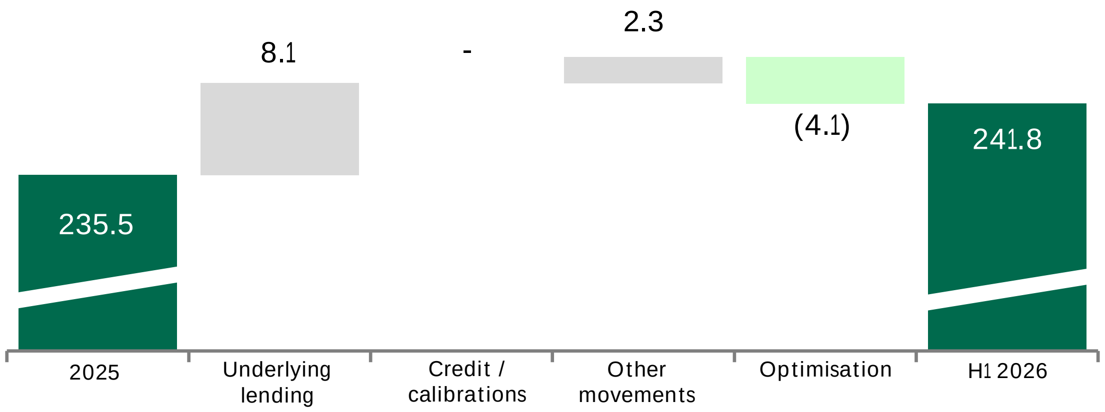
	2026 guidance
Net interest income	>£14.9bn
Cost:income	<50% CIR (Operating costs <£9.9bn)
Asset quality ratio	c.25bps
RoTE	>16%
Capital generation	>200bps
CET1 ratio target	Pay down to c.13.0%
Capital distribution	Progressive and sustainable ordinary dividend

Committed to continued income growth, improving operating leverage, stronger, sustainable returns and growing capital generation

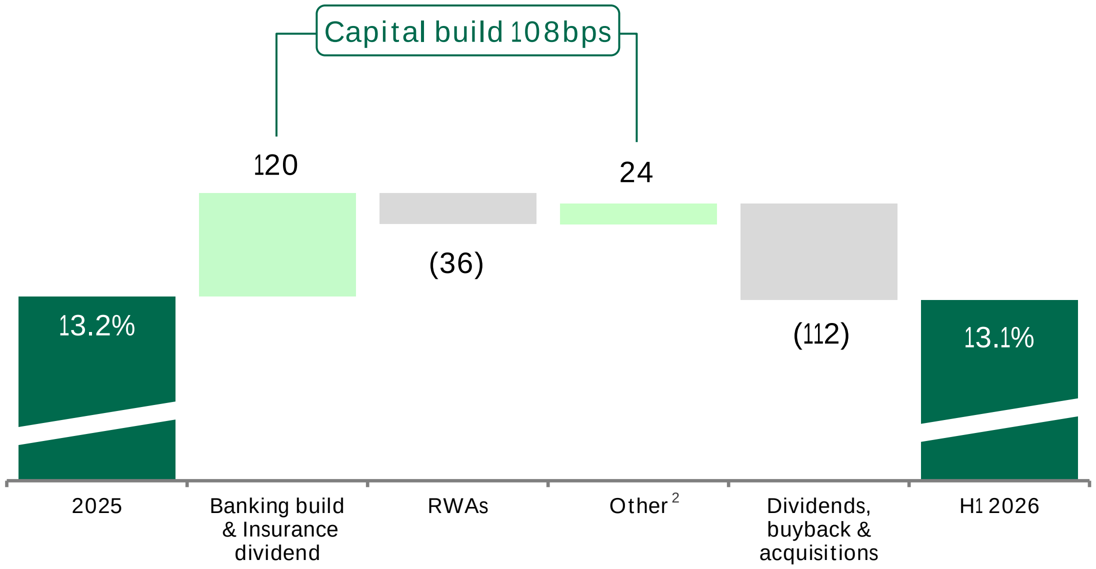
Capital, Funding & Liquidity

Strong capital generation

Risk weighted assets (£bn)



Common equity tier 1 ratio[1] (%, bps)

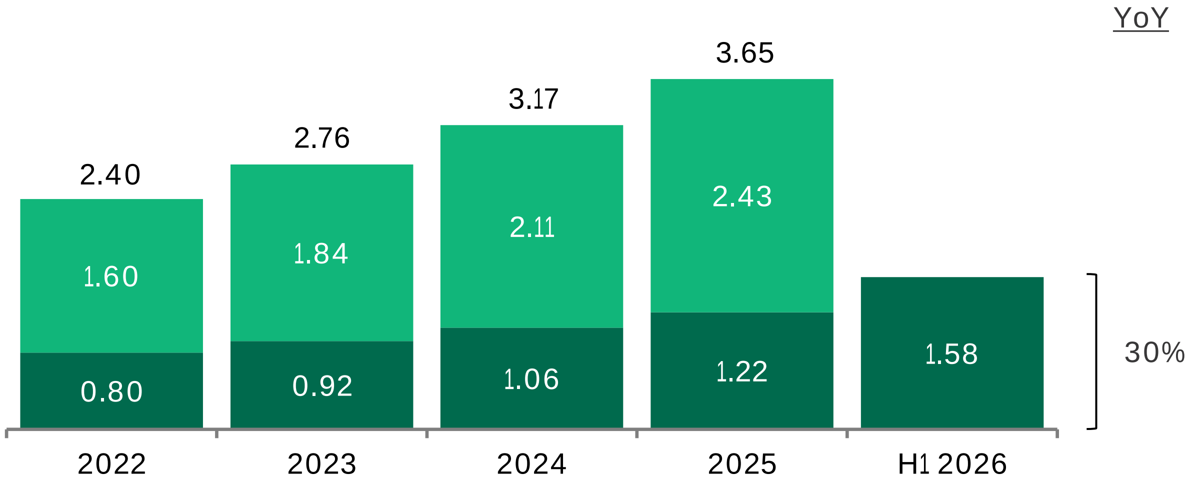


- RWAs £241.8bn; up £6.3bn in H1, up £1.0bn in Q2
  - Strong lending growth offset by continued optimisation
- Strong 108bps capital generation in H1, 67bps in Q2
- Pro forma CET1 ratio 13.1% after dividend accrual and buyback
- Continue to expect 2026 capital generation to be >200bps

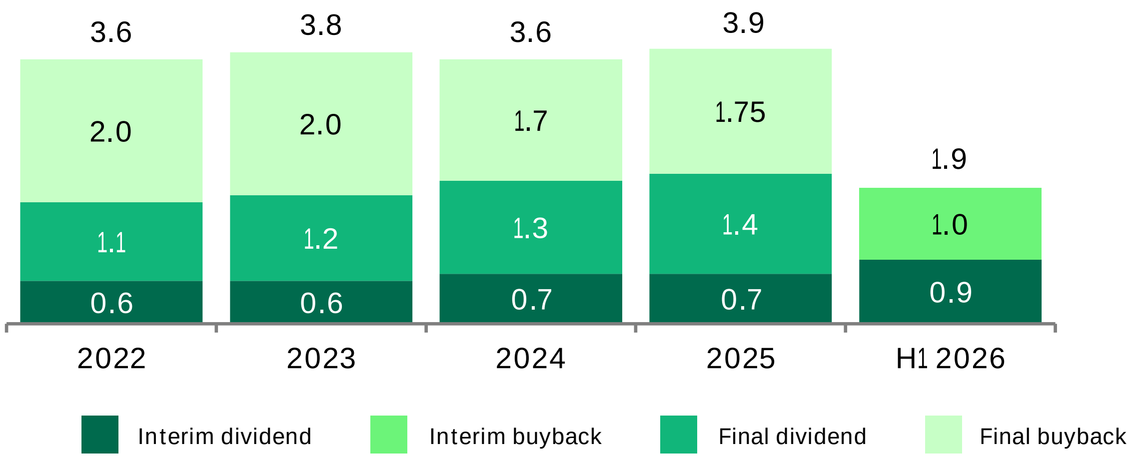
1 – Shown on a pro forma basis. 2 – Other includes share-based payments and market movements.

Significant growth in capital distributions

Dividend per share (pence)



Total distributions[1] (£bn)



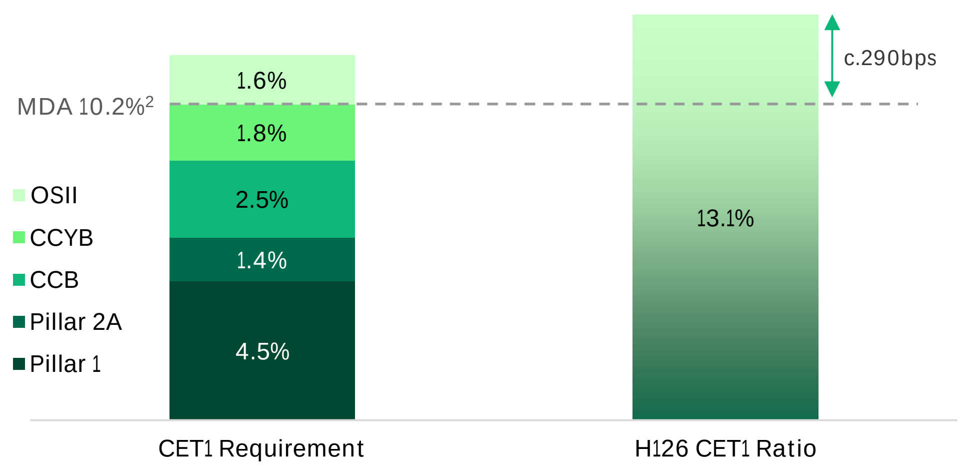
- Strong capital generation enables continued growth in shareholder distributions
- Interim dividend of 1.58p, 30% higher YoY, reflecting capital position and confidence in earnings trajectory
- First interim buyback of up to £1bn, supporting £1.9bn of capital return in the half
  - Share count reduction of >18% since end 2021
- Continue to expect to pay down to c.13.0% CET1 target by end 2026
- Committed to returning excess capital

1 – Announced in year. Chart uses rounded inputs.

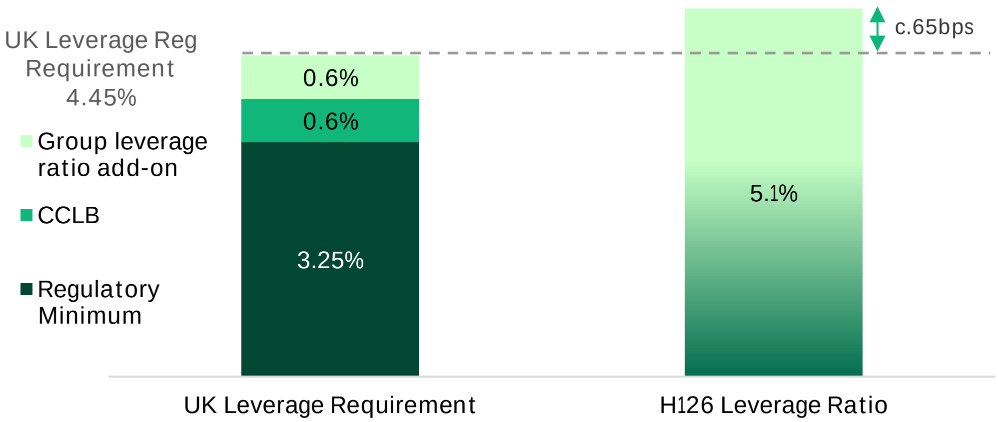
Prudent capital ratios

No material impact expected from July 2026 FPC proposals on Leverage Requirements, with the Group's binding constraint being RWA requirements

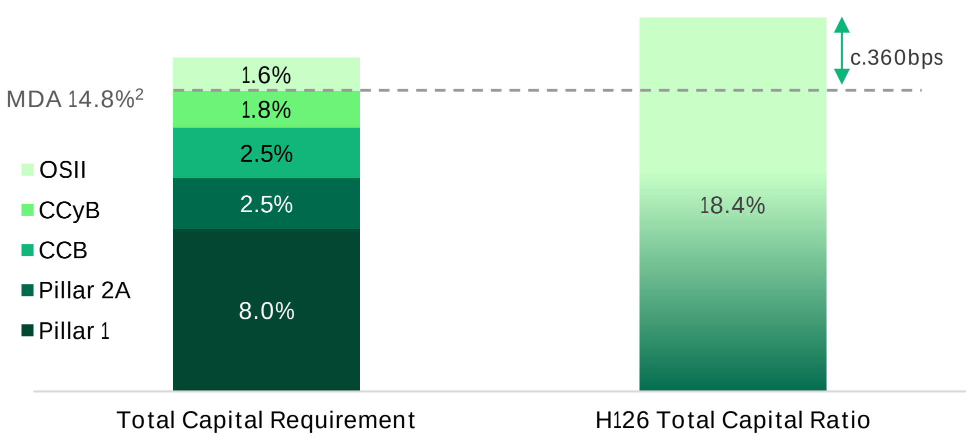
13.1% pro forma[1] CET1 following 108bps of capital generation



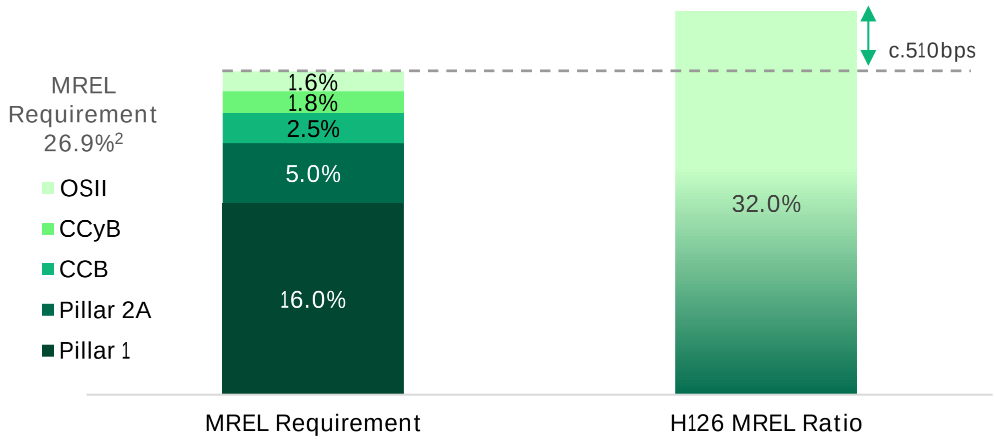
Significant headroom above UK Leverage Requirements



Total capital ratio of 18.4% ahead of regulatory requirement



MREL remains strong and above regulatory requirement



1 - Pro forma CET1 ratio reflects full impact of the buyback announced at HY26 results.
2 - The MDA threshold is based on the combined buffer requirement, excluding the equivalent of the Ring-Fenced Bank's O-SII buffer. MDA and MREL thresholds are calculated using unrounded regulatory requirements

Active capital & risk management

H1 2026 risk transfer transactions

Synthetic SRT

- Investors provide credit protection on the junior tranche of a reference portfolio of assets
- The Group pays investors a coupon for providing the protection for an agreed period
- Assets remain on balance sheet, with no impact on the client relationship or servicing
- Executed 2 transactions so far in 2026

SME Agriculture
c.£0.5bn[1]

SME Loans
c.£4.0bn[1]

Securitised Sale

- Assets are fully derecognised from the balance sheet
- Group continues to service the loans; no impact on customer treatment and retention of relationship
- Executed c.£11bn[2] transactions across Retail since 2023

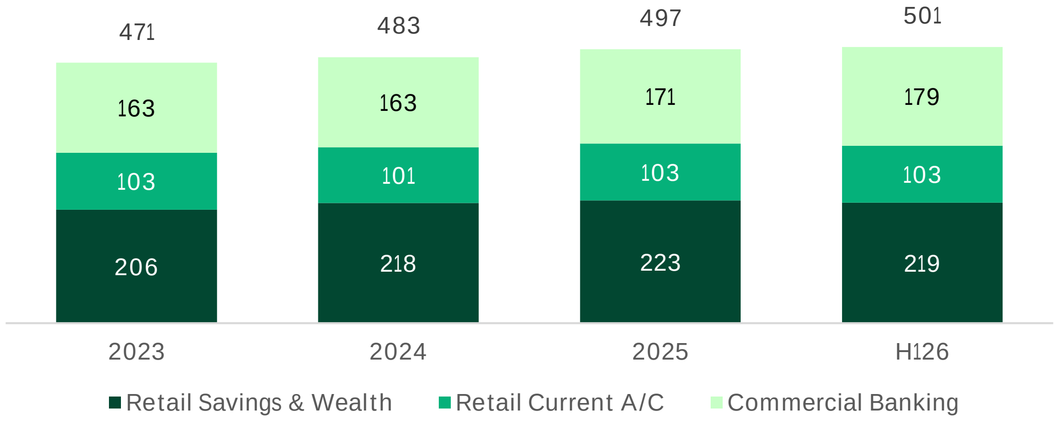
UK Residential Mortgages
c.£2bn[2]

- The Group engages in risk transfer transactions for capital and risk management purposes amongst other methods for balance sheet optimisation
- Since 2014, the Group has been active in synthetic SRTs across SME, agriculture mortgages, large corporates, CRE and project finance
- Securitised sales extend to retail portfolios, including UK residential mortgages, autos, and unsecured personal loans
- These transactions are capital accretive, reduce risk and improve the efficiency of capital
- Credit risk is transferred to investors, providing LBG the following benefits:
  - Credit protection
  - Reduction of credit risk on legacy portfolios leads to lower capital requirements and provisions

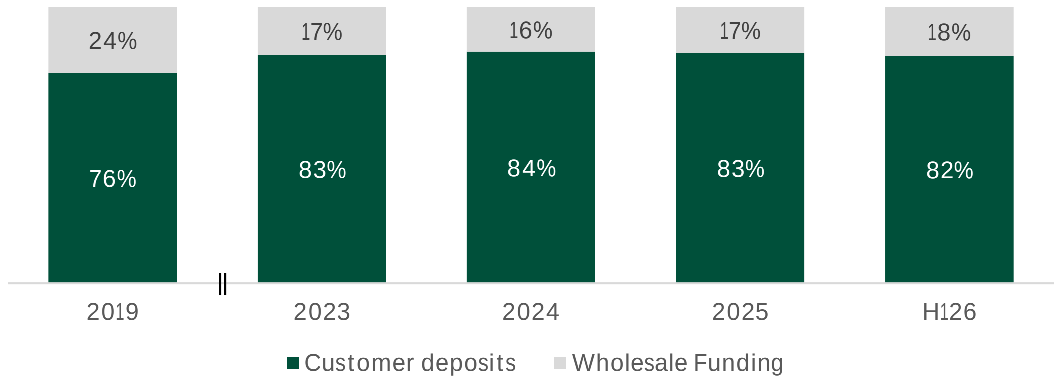
1 – Reference Amount 2 - Balance Sheet Notional Amount

Diversified funding profile underpinned by strong deposit franchise

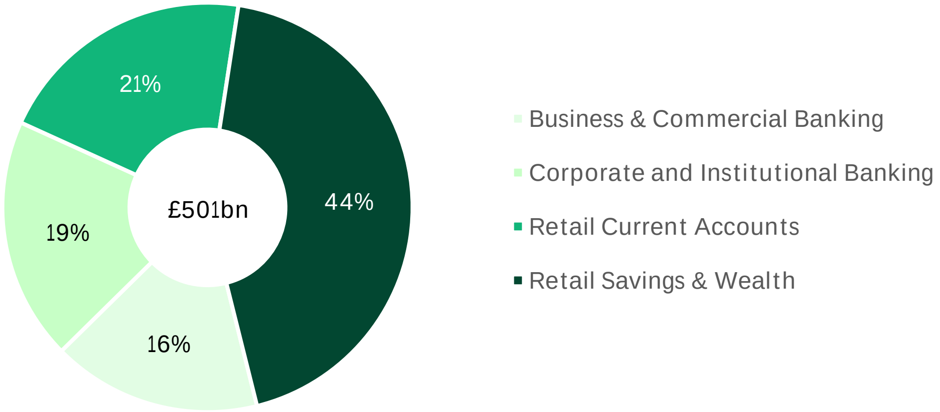
Stable customer funding profile with continued deposit growth (£bn)



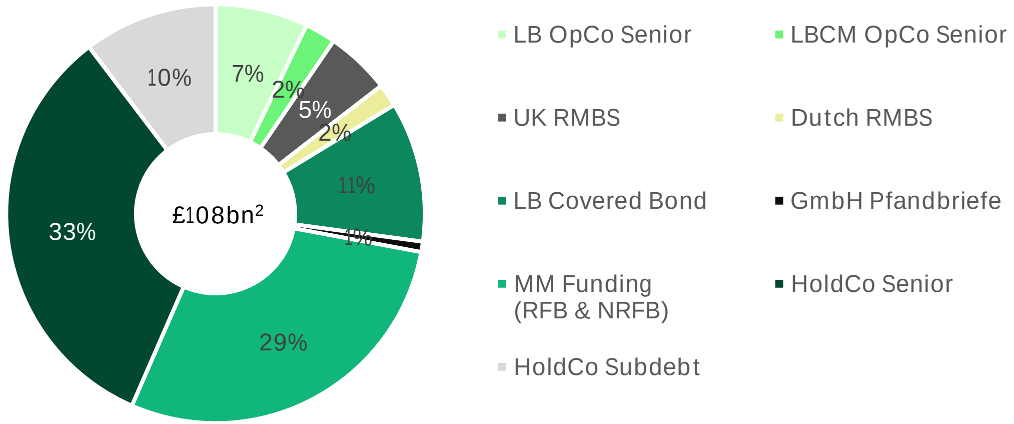
Wholesale funding profile remains anchored by a strong customer deposit franchise



Deposit franchise supported by Retail and Commercial customer relationships, with just under 60% of total deposits insured[1]



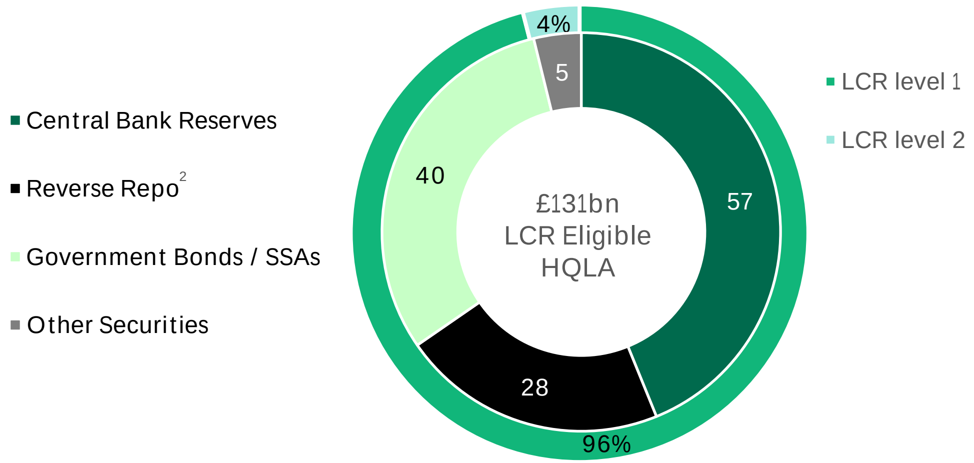
Well-diversified wholesale funding across portfolio entities, products, and currencies



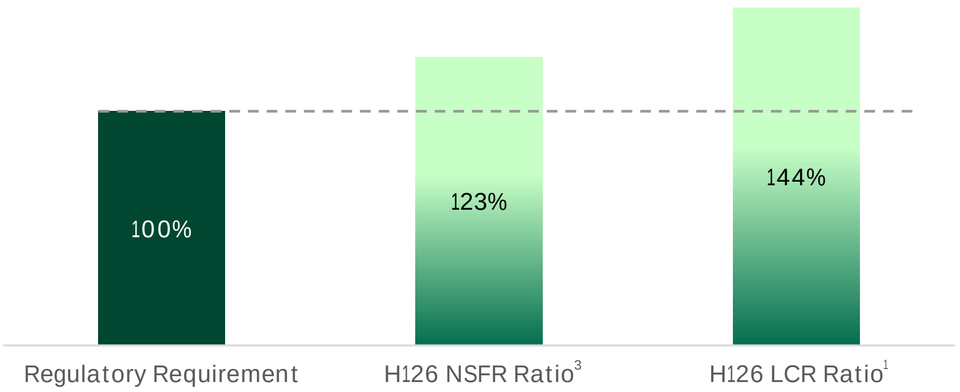
1 – Insured being those deposits immediately eligible for deposit protection schemes (principally the FSCS in the UK).
2 – Deposits from banks have been removed from the wholesale funding definition, which now includes only debt securities in issue and subordinated liabilities.

Liquidity buffer remains robust and well positioned

£131bn[1] liquidity buffer hedged for interest rate risk exposure



Liquidity ratios remain comfortably above requirements



- The liquidity buffer is predominantly held in Level 1 high-quality liquid assets, principally cash and government bonds.
- Assets are sourced through a combination of bond purchases and bonds financed via reverse repo.
- Fixed-rate bonds within the portfolio are hedged for interest rate risk, resulting in minimal exposure to movements in bond yields.
- Bonds accounted for as held to collect represent a small proportion of the overall liquidity buffer (c.6%)
- The Group maintains an additional £97bn[1] of contingent liquidity via prepositioned assets at central banks

1 – Calculated as an average of the previous 12-month ends. **2** – Primarily UK Government bonds; netted balance includes reverse repo and other balancing items. **3** – Calculated as an average of the four previous quarters.

2026 Wholesale Issuance

	2026 Completed YTD	Issuance detail
HoldCo Senior	£5.5bn *Guidance: up to £7bn*	Feb €1.5bn Dual Tranche May €750m Single Tranche G Feb $2.75bn Multi-tranche Jun £750m Single Tranche Jun AUD 750m Dual Tranche G Jun JPY 75bn Dual Tranche
Capital	£0.5bn *Complete*	Apr £500m Tier 2
OpCo Secured / Unsecured	£5.2bn[1] *Guidance: up to £7bn*	Feb €750m LB GmbH RMBS May €2bn LB Covered Bond Dual Tranche Jul €500m LBCM Senior Mar £1.5bn LB Covered Bond Jul £750m LB RMBS

- Refinancing maturities across core and non-core currencies
- **Support the Group's balance sheet growth**
- Continued commitment to sustainable format as evident in recent EUR and AUD HoldCo Senior issuance

- c.£0.4bn Tier 2 recognised from 30 July as a result of reclassification of Preference Shares following AT1 consent solicitation ; no further Tier 2 issuance expected in 2026
- H126 Ratios:
  - AT1 ratio at c.2.0%
  - Tier 2 ratio at c.2.9%

- Modest OpCo issuance remaining across LB plc, LB GmbH, and LBCM, predominantly in secured format
- £13bn TFSME repaid in 2025 with £9bn remaining maturities across 2027 & beyond

G Green Bond

1 – Total completed YTD includes Private Placements, not stated in issuance detail

Ratings reflect strong fundamentals

Credit Ratings[1]	UK Sovereign	Lloyds Banking Group: LBG HoldCo[2]	Lloyds Banking Group: LBG Tier 2	Lloyds Banking Group: LBG AT1	Ring-fenced bank: Lloyds Bank, BoS	Non-ring-fenced bank: LBCM
S&P	AA Stable	A- Stable A-2	BBB+ Stable	BBB- Stable	A+ Stable A-1	A Stable A-1
Moody's	Aa3 Stable	A3 Stable P-2	Baa1 Stable	Baa3 Stable	A1 Stable P-1	A1 Stable P-1
Fitch	AA- Stable	A+ Stable F1	A- Stable	BBB Stable	AA Stable F1+	AA Stable F1+

Fitch OpCo ratings upgraded in May 2026

ESG Ratings[1,3]

S&P CSA

51

YoY reduction driven by potential Motor Finance redress

MSCI

AAA

MSCI score upgraded from AA in March 2026

1 – Ratings shown as of 30.06.2026 and credit ratings reflect senior unsecured issuer ratings – LT, outlook, ST. 2 – LBG HoldCo issuer rating equivalent to HoldCo Senior Unsecured rating.
3 – Additional ESG Ratings can be found in our 2025 Sustainability Metrics Data Sheet

Accelerate 2030

Strategy overview

Stable UK economy, LBG uniquely positioned to grow faster

LLOYDS BANKING GROUP

Stable UK economy with potential to move to higher growth trajectory

Resilient growth
Average real GDP growth 1.4% p.a. to 2030
Average nominal GDP growth 3.6% p.a. to 2030

Capacity to spend and invest
Household debt:income down >15pp[1] vs. 2021
Corporate debt:earnings down by a quarter[2] vs. 2021

Constructive regulatory environment
Conduct and prudential reforms

Structural shifts create long-term nominal GDP+ opportunities

	UK opportunity	LBG leadership
Housing	Scope to unlock c.£9tn residential housing value	#1 UK mortgage lender, a leading FTB provider
Digital economy	0.4-1.2pp AI productivity benefit p.a. in next decade	Rated as a top 20 digital bank globally
Infrastructure	>£700bn 10-year UK infrastructure pipeline	A leading UK I&PF provider
Energy transition	>£30bn p.a. clean energy investment by 2035	Finance 1 in 8 EVs on UK roads today
Wealth	Mandate to grow c.33% UK adults directly investing	Top 5 D2C platform provider; E2E wealth offering
Pensions	>23m people saving in workplace pensions	Top 3 workplace provider

1 – Source: ONS. 2 – Source: ONS. Private Non-Financial Corporation debt security and loan liabilities relative to Gross Operating Surplus.

Accelerate 2030

Purpose

Helping Britain Prosper

Customer Promise

Making finance simpler, smarter and more connected for every moment that matters

Strategy

Accelerate through reimagined customer experiences, increased Group connectivity, and a productivity step-change, enabled by pioneering technology

Strategic pillars

Grow the core	**Innovate** to deepen & diversify	**Simplify** to outperform

Financial outcomes

Continued income growth	**Improving** operating leverage	**Stronger, sustainable returns**	**Growing capital generation**
Mid-single-digit CAGR	<45% CIR in 2030	c.20% RoTE in 2030	>225bps in 2030

Three pillars represent distinct opportunities

Grow the core	Innovate to deepen & diversify	Simplify to outperform
Focus areas		
Scale our market leading businesses	Increase cross-Group connectivity	Build future-ready skills and infrastructure
Accelerate in faster growing areas within our core	Extend into higher-value, fee generating adjacencies	Deliver a digital and AI productivity step-change
Reimagine customer experiences, leveraging AI	Broaden reach across third party and AI channels	Maximise capital efficiency
Key strategic priorities		
New, unique Group Rewards offering	Integrated bancassurance and wealth	Data as an AI enabler
Broader, transformed Homes experience	UK's first integrated transport ecosystem	Modernised core platforms
Digital and AI-enabled, full-service BCB	Data-led, connected propositions	Reinvented servicing and operations
Focused, modern, client centric CIB	New wallet and payments products	Scaled originate to distribute
Maintain/Grow market share	High-single-digit OOI CAGR	c.£2bn gross cost savings

Accelerate 2030

Building on our competitive advantage…

Market leader

Digital and AI leader

Cost and capital leader

…to deliver an ambitious strategic plan

Grow the core

Innovate to deepen & diversify

Simplify to outperform

Driving sustainable value creation

Continued income growth
Mid-single-digit net income CAGR
High-single-digit OOI CAGR

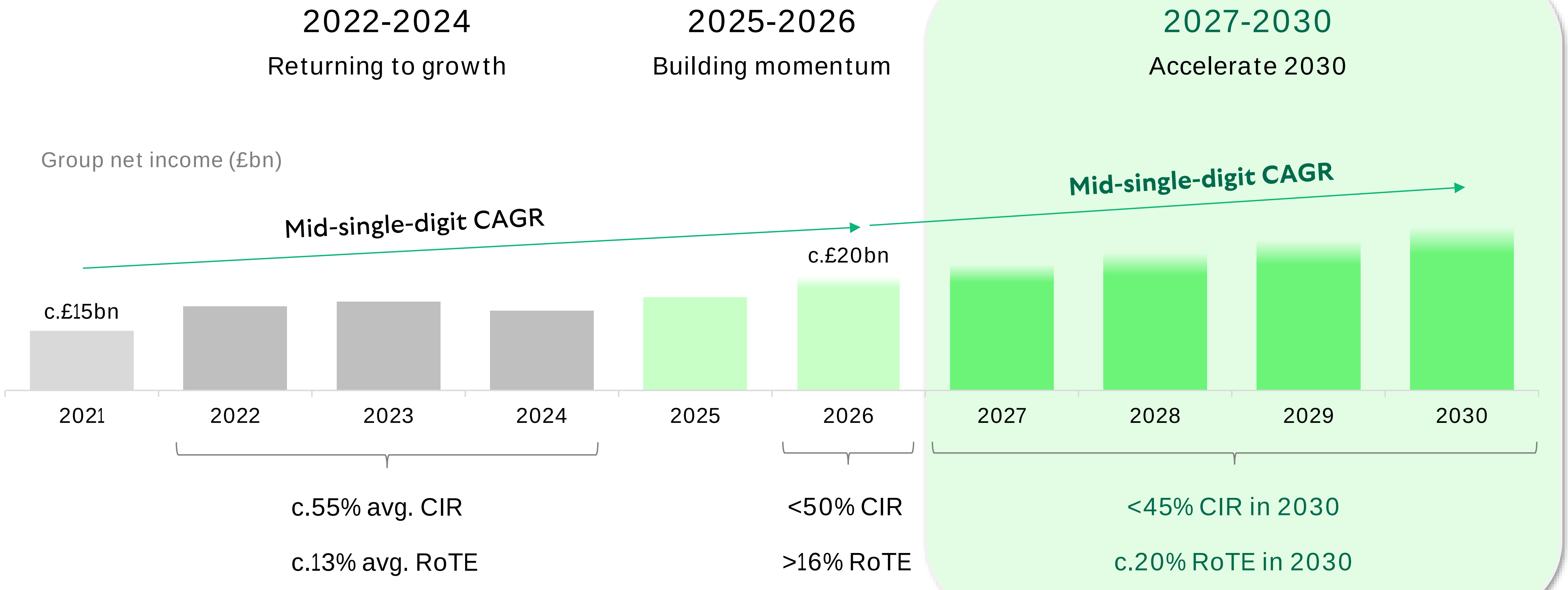
Improving operating leverage
<45% CIR in 2030, with YoY reductions

Stronger, sustainable returns
c.20% RoTE in 2030

Growing capital generation
>225bps in 2030

Financial outlook reinforces our track record

Growing revenues and improved operating leverage driving stronger, sustainable returns



Accelerate 2030

Financial outlook

Prudent macro assumptions over plan period

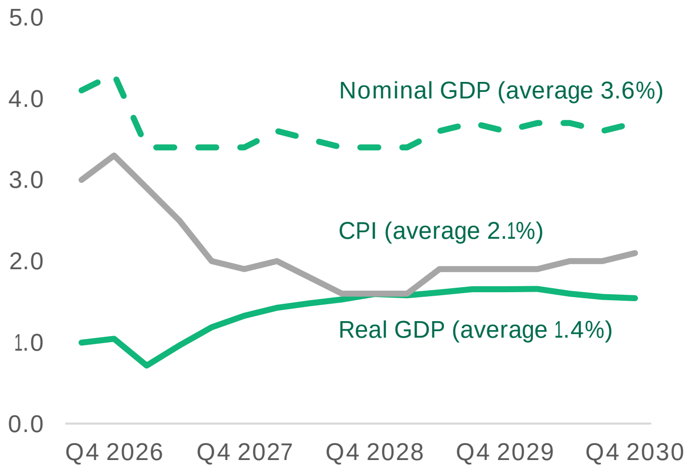
Stable economic outlook, resilient strategy in a range of scenarios

Economic growth

Average real GDP growth 1.4% p.a. to 2030

Average nominal GDP growth 3.6% p.a. to 2030

GDP (real & nominal) and CPI (%)

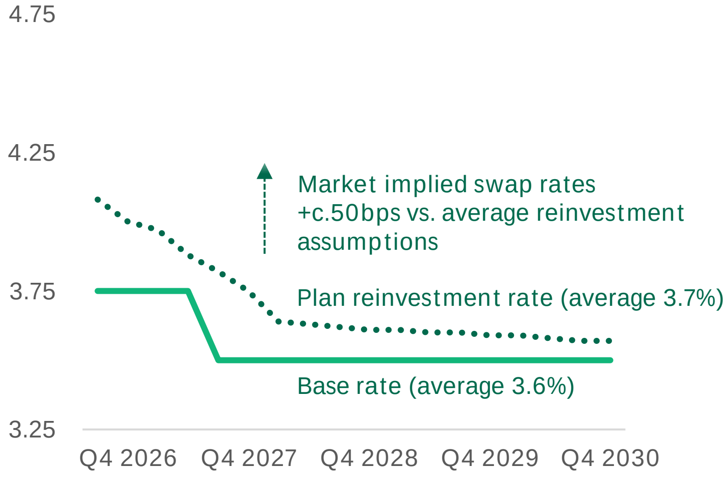


Interest rates

Terminal base rate assumption of 3.50%

Prudent rate assumptions on hedge reinvestment

Interest rates (%)

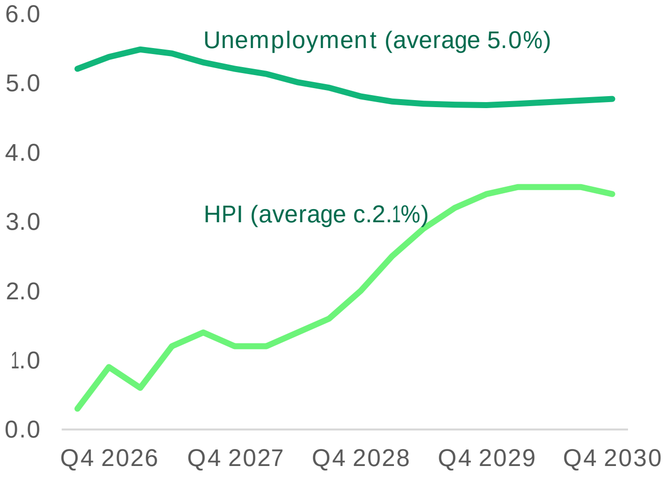


Unemployment and HPI

Unemployment peak at 5.5% in Q1 2027

HPI growth over plan period

Unemployment and HPI growth (%)



Investment discipline: Value focused execution, efficient funding

Strategic and financial value

Business priorities

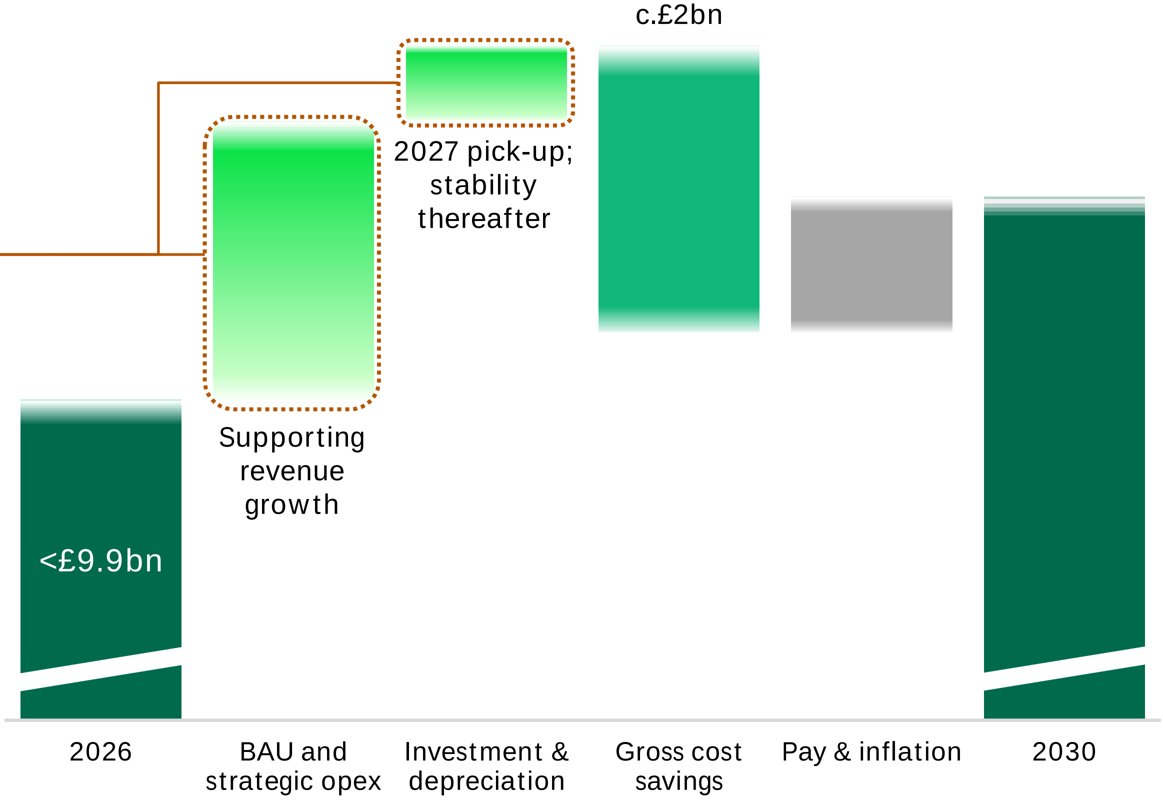
- Reimagined customer propositions
- Transformed cross-Group connectivity
- Digital & AI-enabled productivity step-change
- Investment in talent

Execution principles

- Scaling investment commensurate with opportunity
- Disciplined return hurdles
- Continuous tracking & reprioritisation as required

Higher investment financed by gross cost saves

Operating expenses (£bn)



Efficiency focus: Remains a keystone

Proven costs track record; further opportunity

2022-H1 2026

>£2bn

Gross cost savings

c.45% Modernising technology and digitising servicing

c.25% Organisational design

c.15% Property

c.15% Other BAU

2027-2030

c.£2bn

Gross cost savings

Extending existing levers

Modernising tech and digital transformation, process simplification, scaling Lloyds Technology Centre, property

Realise AI value for a productivity step change

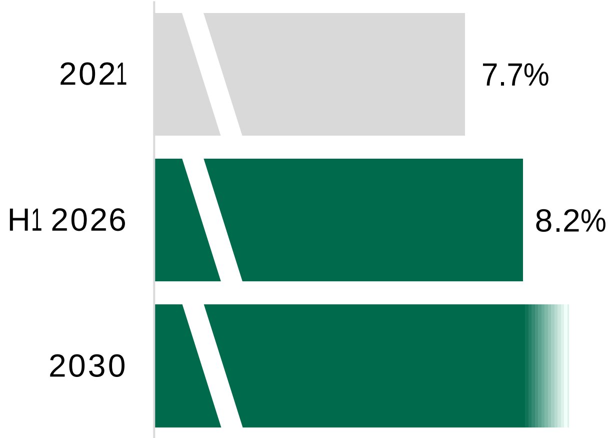
Significant improvement in distribution productivity

Transformed colleague productivity, including scaled use of engineering tools

AI enabled process automation, including complaints and fraud

Capital efficient model

Net income per average RWA (%)



Key drivers

Capital-lite, OOI growth

Disciplined pricing and return hurdles

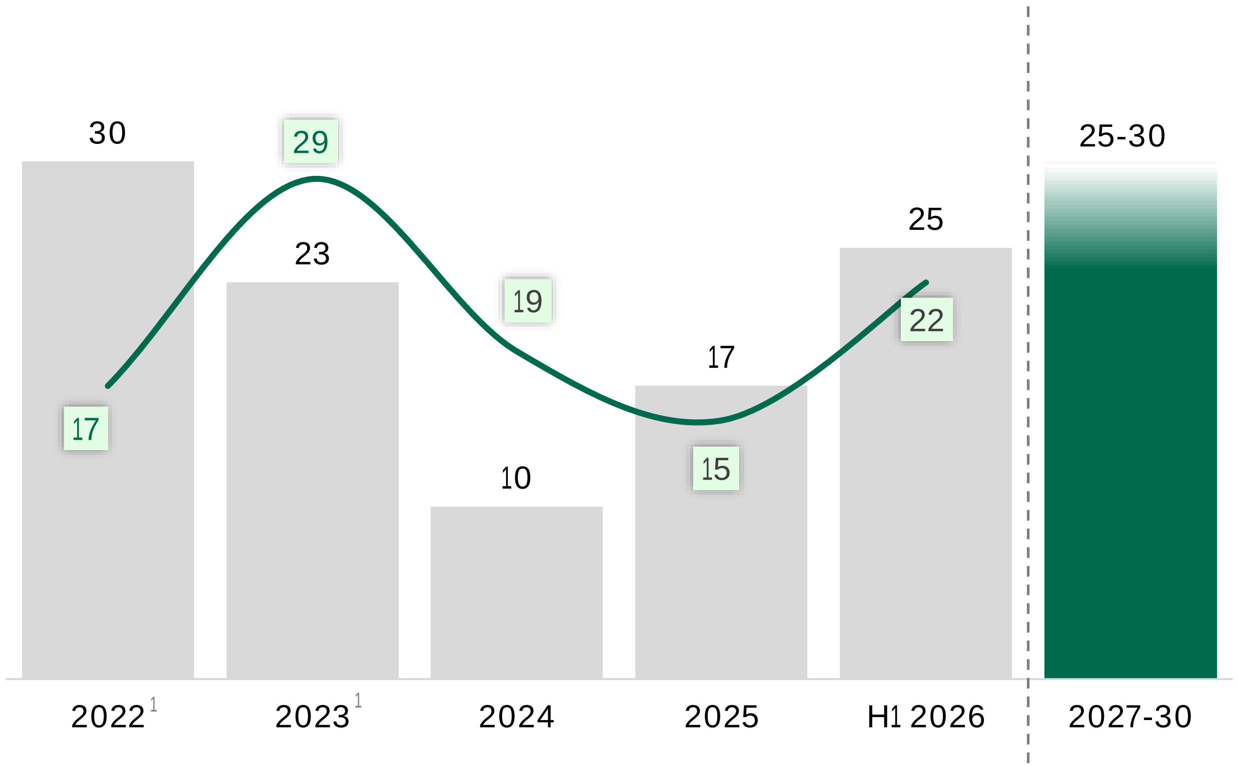
Improved distribution capabilities

Value-added RWA optimisation

Risk management: High quality book, prudent risk appetite

Consistently low AQR

Asset quality ratio (bps) – Total (bars) and pre-MES (line)



Key drivers

Low risk, diversified balance sheet

46% average Mortgage LTV

c.90% SME lending secured[2]

Consistent, low risk participation choices

Strategy aligned to current Group risk appetite

Focus on risk adjusted returns

Comprehensive data and robust underwriting[3]

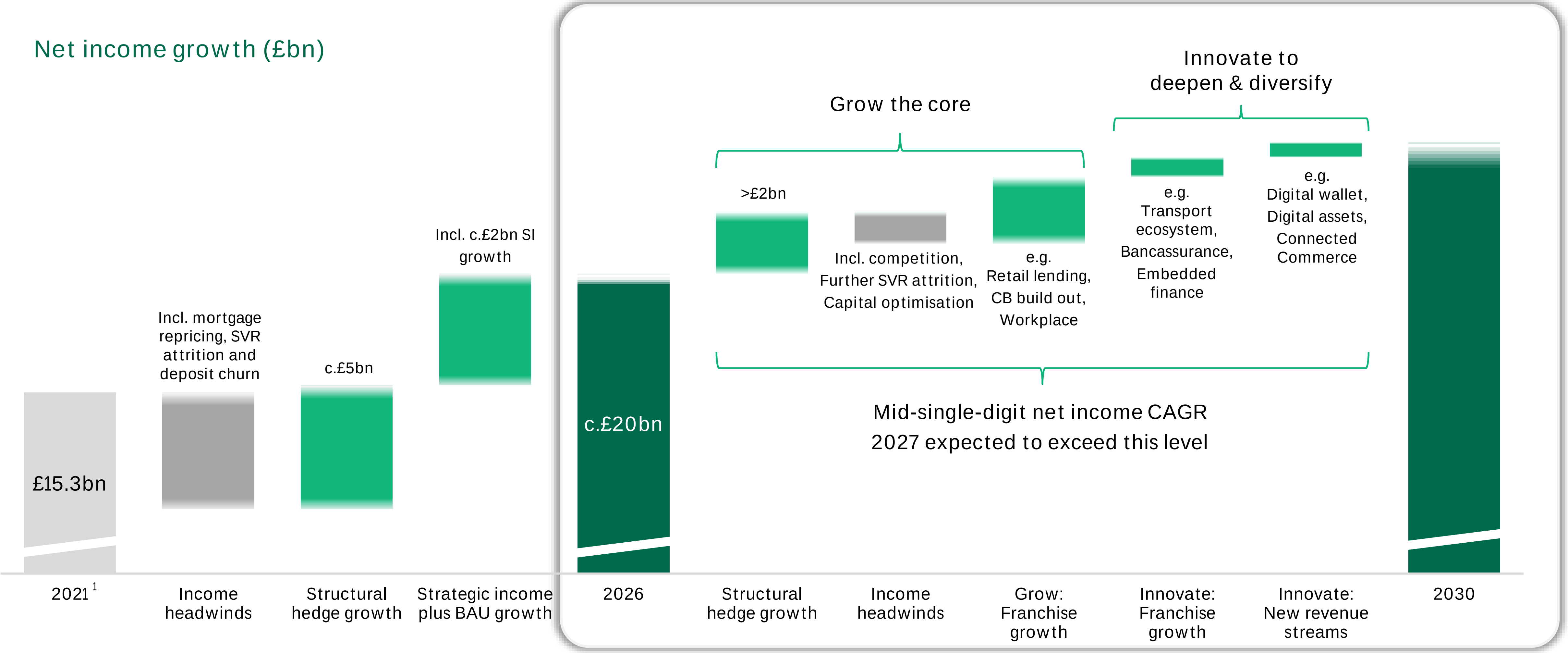
2026 mortgage maturities tested to at least 6.5% rate[4]

>85% of CIB exposure at investment grade[5]

25-30bps AQR through the plan period

1 – Adjusted for a significant charge and write-back. 2 – SME excluding Business Banking; lending fully or partially secured. 3 – >90% of consumer lending decisions are automated. 4 – Residential mortgages. 5 – Lending and contingent limits, both drawn and undrawn.

Continued income momentum

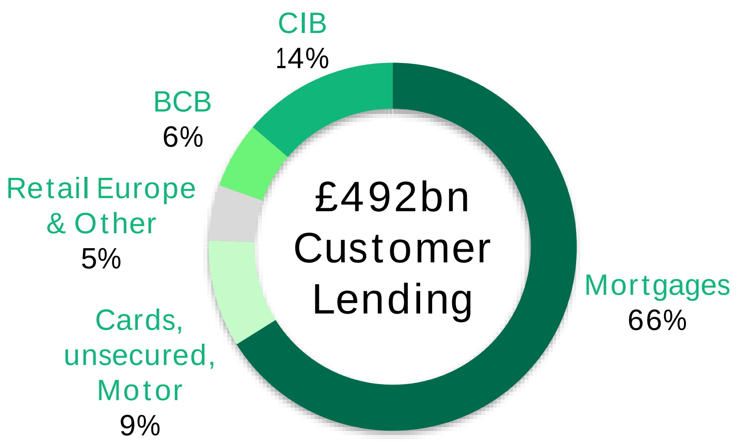


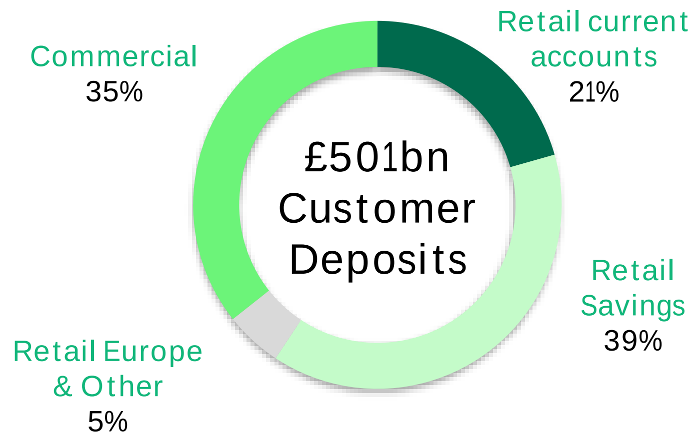
Mid-single-digit net income CAGR

1 – Adjusted for IFRS17.

NII supported by diversified lending and deposit growth…

Diversified and growing balance sheet



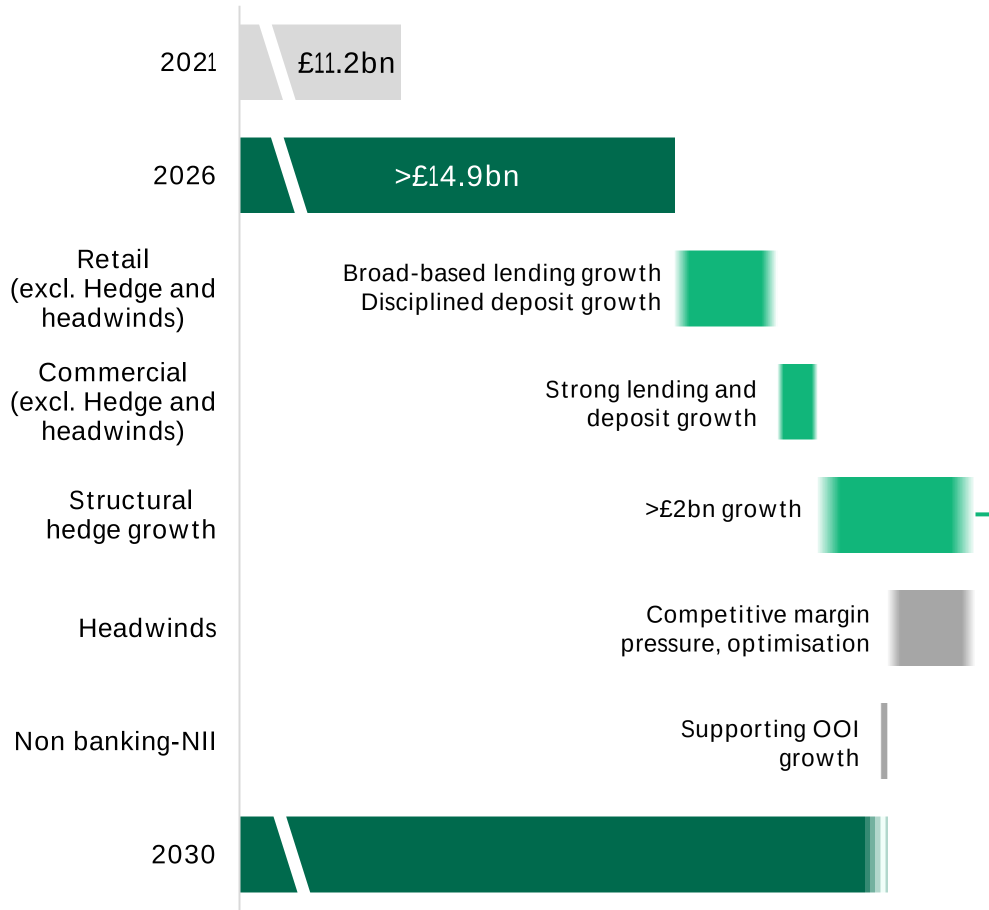


Lending	Nominal GDP+ growth across strategic areas, sustainable returns
Deposits	Disciplined growth, deepening relationships, increasing franchise breadth
RWAs	Growth driven by customer lending partly offset by Basel 3.1 and value-added optimisation RWA density[1] to modestly increase post Basel 3.1 reduction

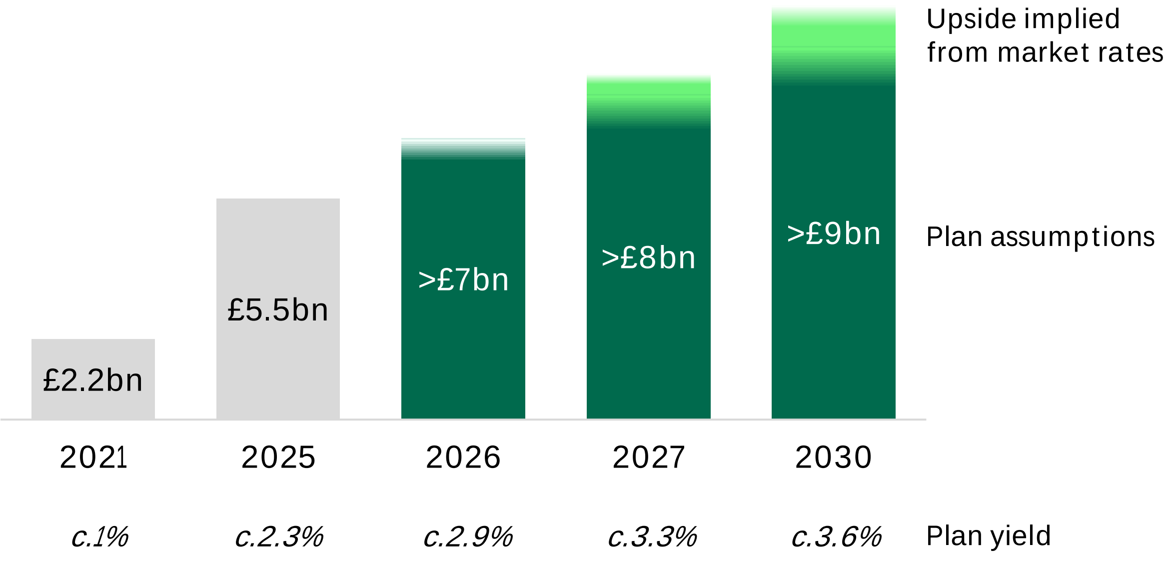
1 – Total RWAs as a proportion of customer gross lending. Increase includes impact of business growth on operational risk and Equity Investments.

...and underpinned by hedge tailwind

NII growth (£bn)



Structural hedge income (£bn)

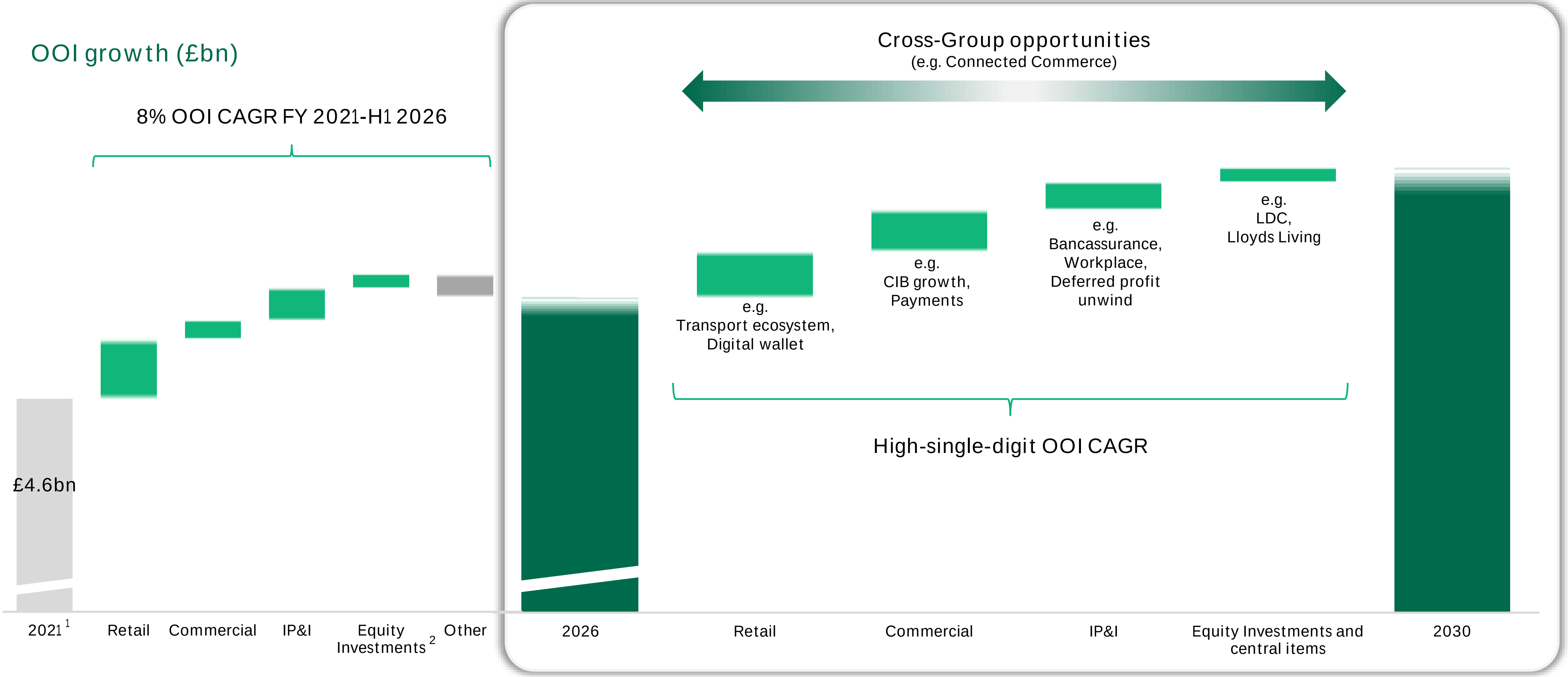


Hedge income to increase each year to at least 2030

Supported by strong deposit franchise, including #1 PCA share

Reinvestment rate assumed consistent with terminal base rate assumption of 3.5%

Capital efficient OOI growth, increasing diversification



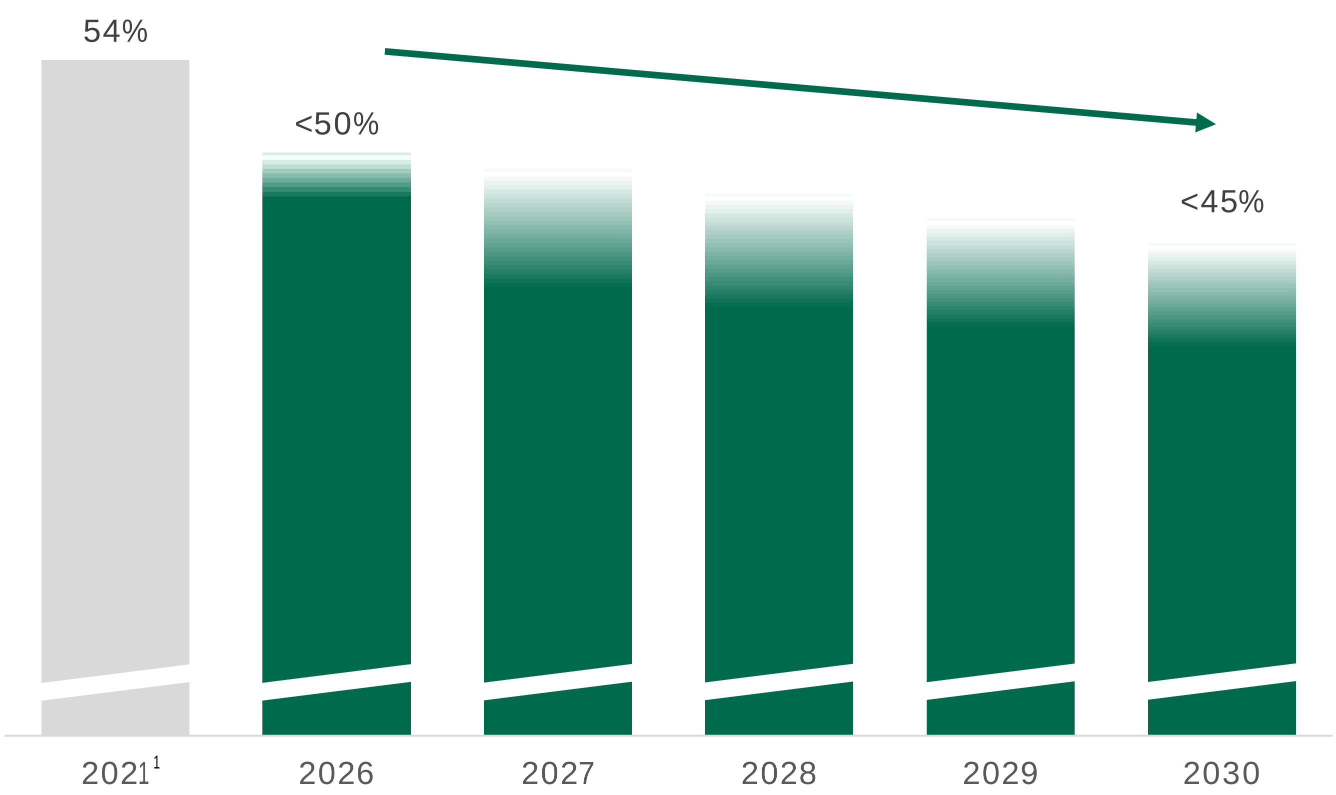
High-single-digit OOI CAGR

1 – Adjusted for IFRS17. **2** – Lloyds Living and LDC only. 2021 includes outsized LDC gains.

Consistently improving operating leverage

CIR to improve every year

Cost:income ratio (%)



Key underpins

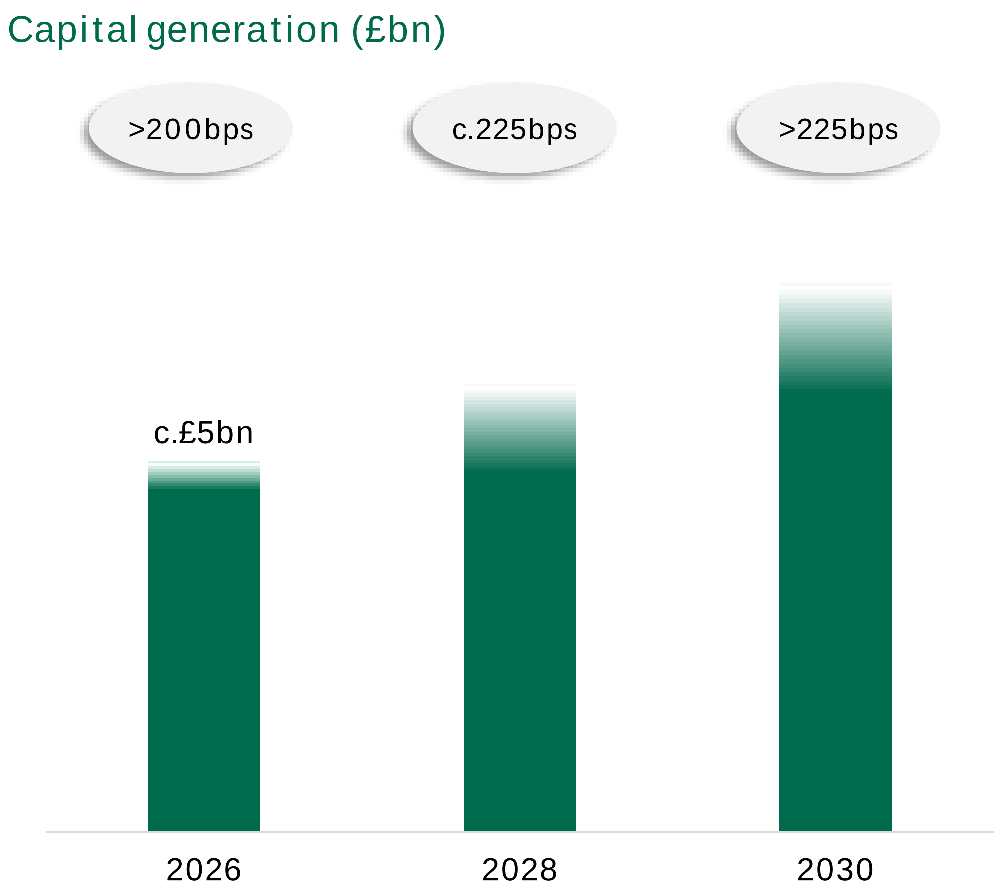
Revenue growth	Mid-single-digit net income CAGR
Cost saves	c.£2bn gross cost saves
Remediation	Broadly consistent remediation through plan

<45% CIR in 2030 with YoY reductions

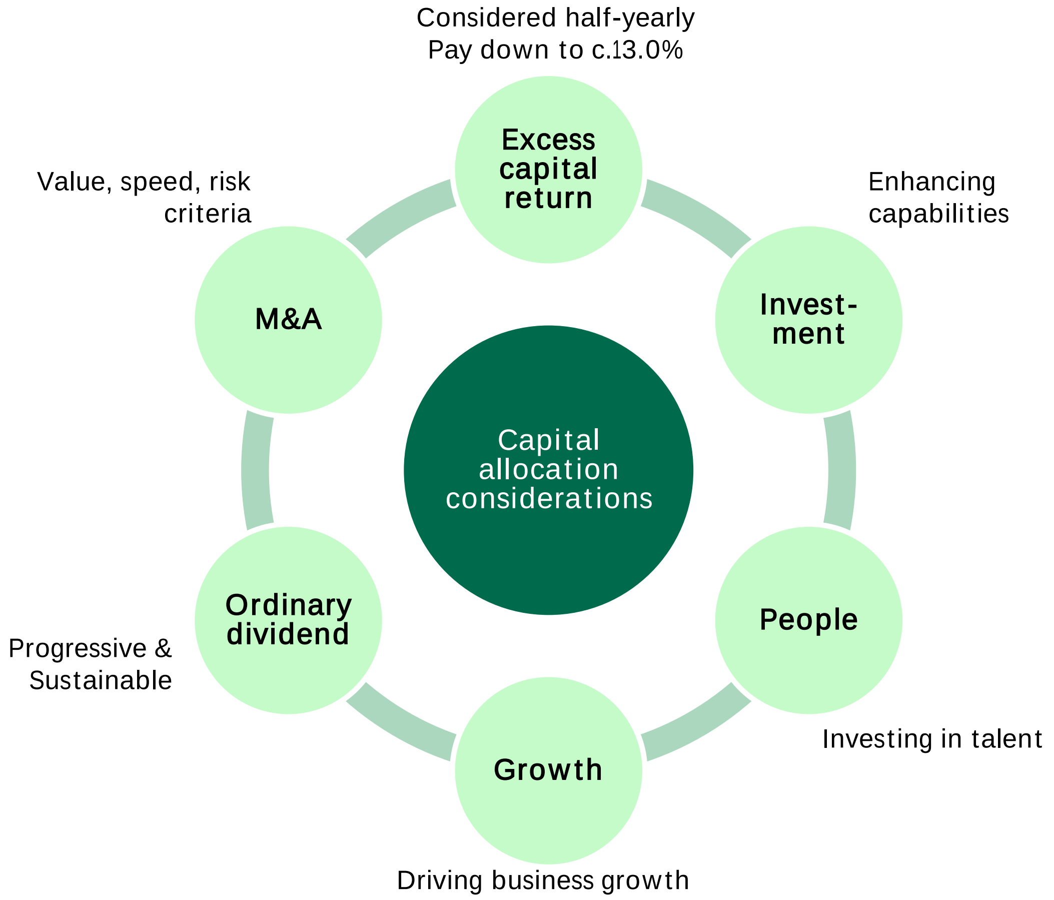
1 – Excl. exceptional remediation.

Growing capital generation, growing shareholder distributions

Growing absolute capital generation on increasing RWAs



Targeted deployment to sustain growing distributions



>225bps capital generation in 2030

Guidance overview

	2026 *Annual guidance to be provided each year-end*	2027-2030
Income	NII >£14.9bn	Mid-single-digit net income CAGR High-single-digit OOI CAGR
Cost:income	<50% CIR (Operating costs <£9.9bn)	<45% CIR in 2030, with YoY reductions
Asset quality	c.25bps	25-30bps through the plan period
Return on Tangible Equity	>16%	c.20% in 2030 (>18% in 2028)
Capital generation	>200bps	>225bps in 2030
CET1 ratio target	c.13.0%	
Capital distribution	Progressive & sustainable ordinary dividend To consider excess capital distribution half-yearly	

Appendix

Simple group structure with multiple issuance points

HoldCo

Lloyds Banking Group

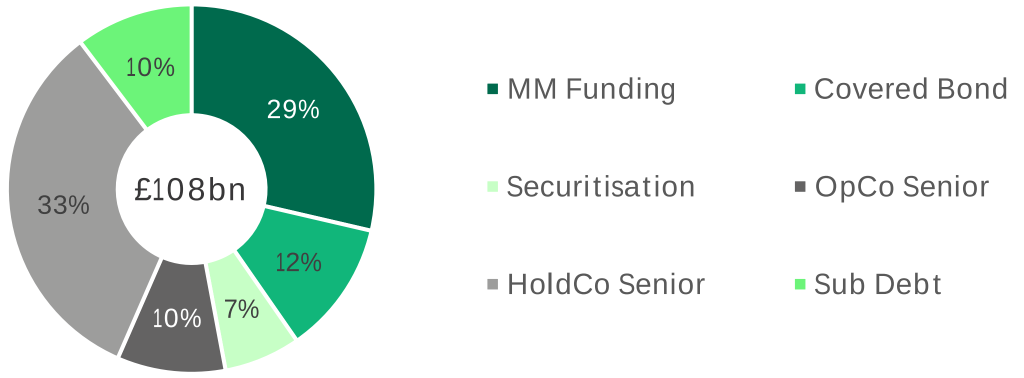
A-/ A3 / A+[1] Sta / Sta / Sta	A-2 / P-2 / F1
Senior Unsecured Capital	-

Ring-fenced Sub-Group		Non-Ring-fenced Sub-Group		Insurance Sub-Group		Equity Investments Sub-Group	
L&A: £470bn[4]	Assets: £656bn	L&A: £21bn[4]	Assets: £103bn	L&A: N/A	AuA: £303bn[5]	L&A: N/A	Assets: £6bn
Lloyds Bank, Bank of Scotland		Lloyds Bank Corporate Markets		Scottish Widows[3]		LBG Equity Investments	
A+ / A1 / AA Sta / Sta / Sta	A-1 / P-1 / F1+	A / A1 / AA Sta / Sta / Sta	A-1 / P-1 / F1+	- / A1 / AA- - / Sta / Sta	-	-	-
Senior Unsecured Covered Bonds ABS	CD, CP	Senior Unsecured	CD, Yankee CD, CP	Capital	-	-	-
Lloyds Bank GmbH (Berlin)[2]		LBCMW GmbH (Frankfurt)					
- / A2 / AA - / Sta /Sta	Pfandbriefe, RMBS (Candide)						

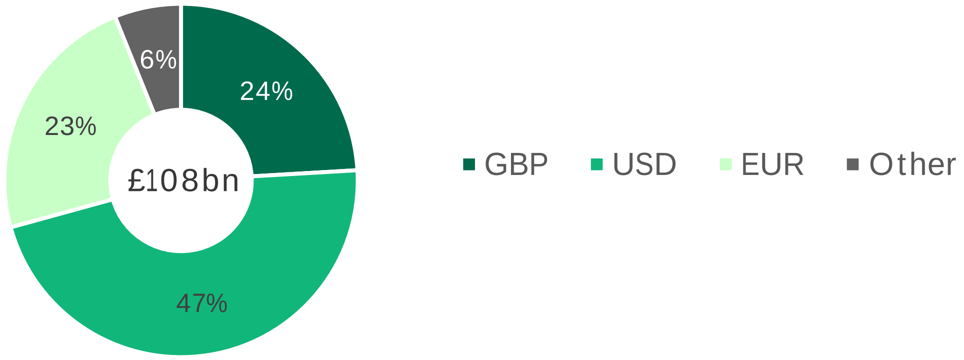
1 – Ratings shown are senior unsecured in the order of S&P / Moody's / Fitch as at 30.06.2026. 2 – GmbH ratings shown are deposit ratings in the order of S&P / Moody's / Fitch as at 30.06.2026.
3 – Ratings shown for Scottish Widows are Insurer Financial Strength Ratings. 4 – "L&A" refers to Loans & Advances to customers. 5 – Insurance AuA includes Lloyds Wealth

Diverse funding portfolio[1] as at H126

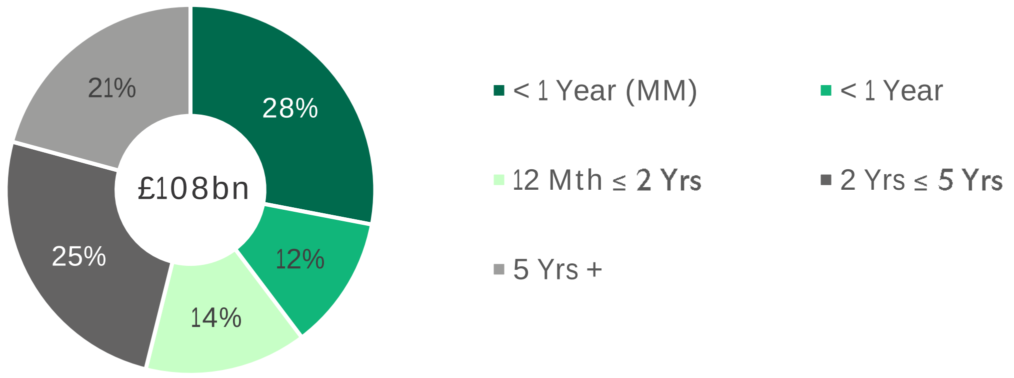
Wholesale funding portfolio by type



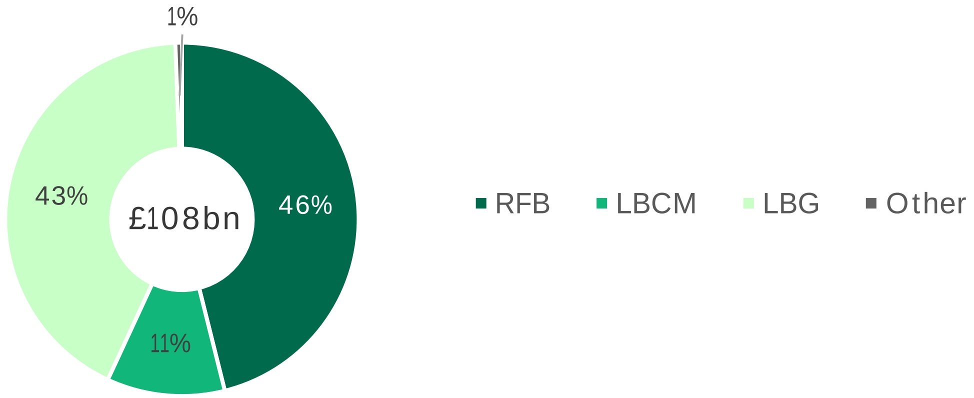
Wholesale funding portfolio by currency



Wholesale funding portfolio by maturity



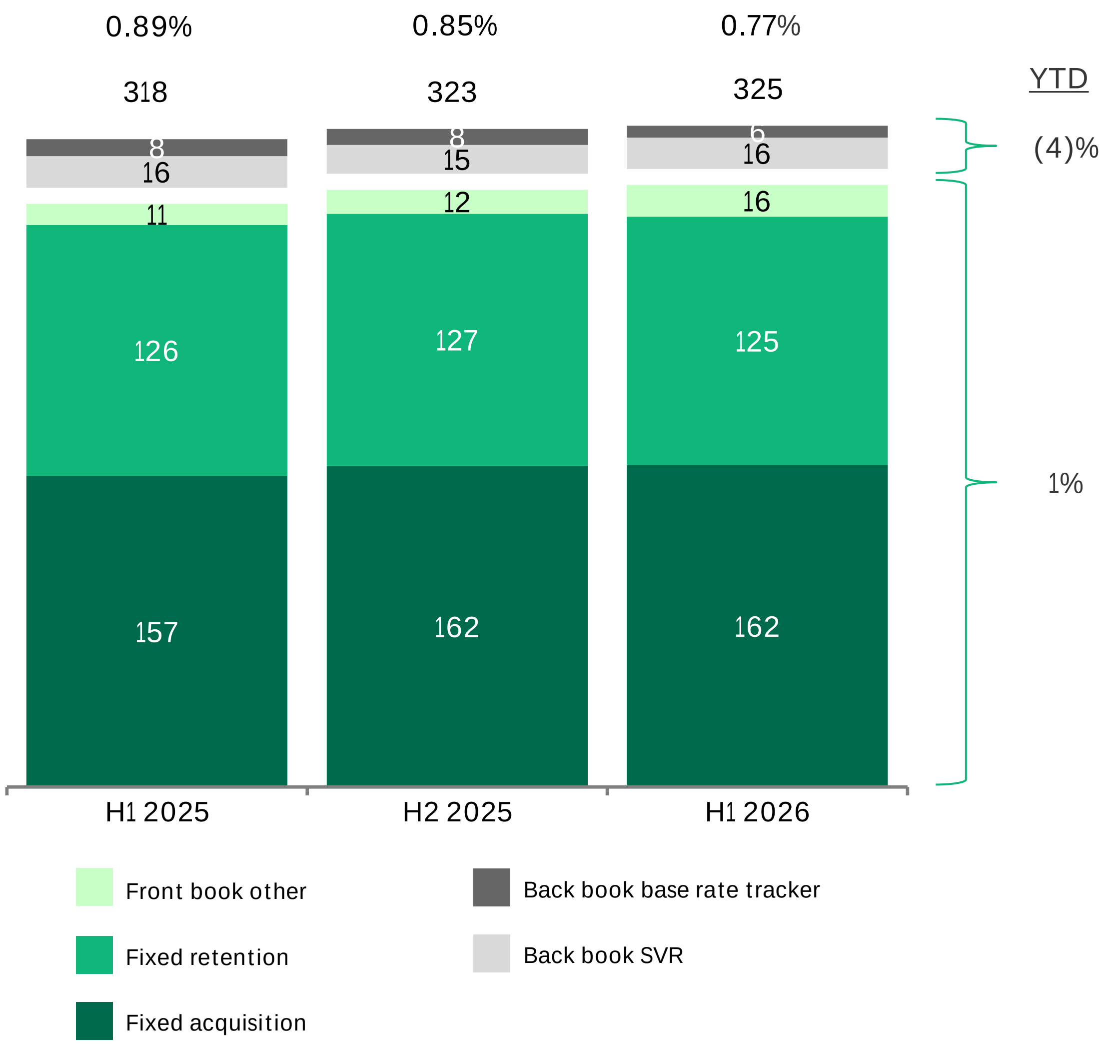
Wholesale funding portfolio by entity



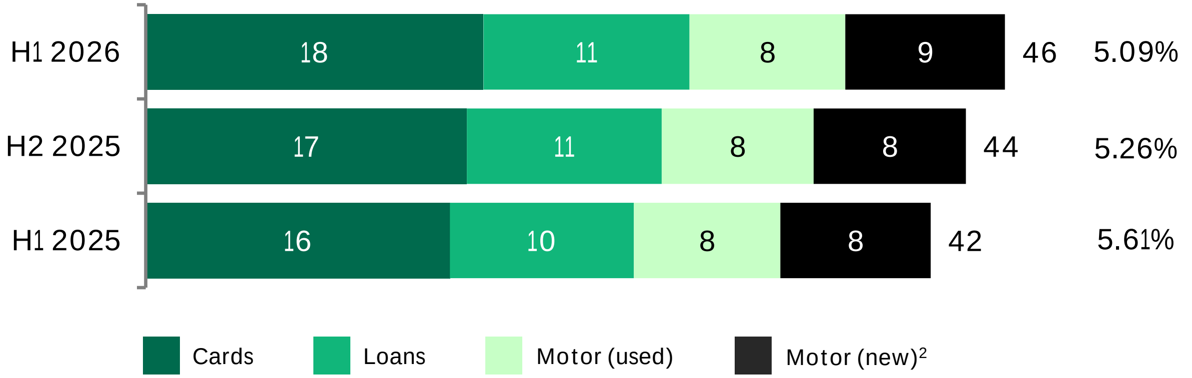
1 – Deposits from banks have been removed from the wholesale funding definition, which now includes only debt securities in issue and subordinated liabilities. Charts use rounded inputs

Growth across lending books

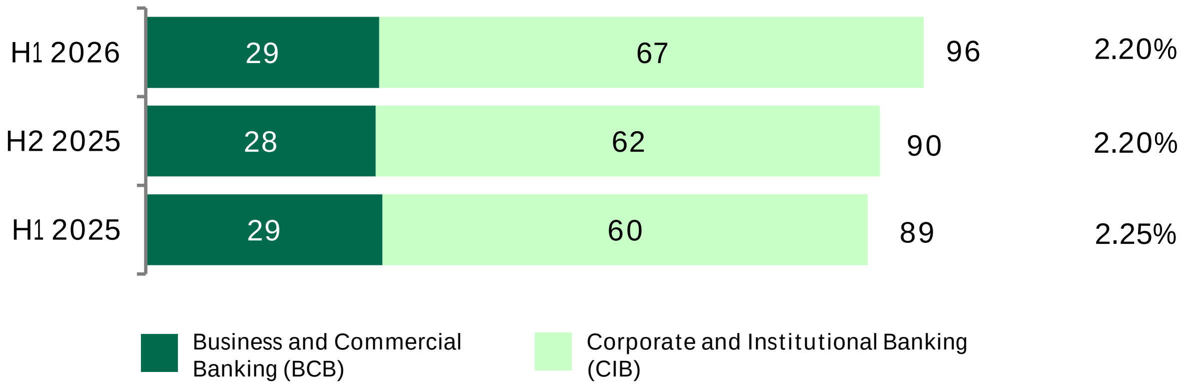
Mortgage book (Book size £bn, Gross margin %[1])



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

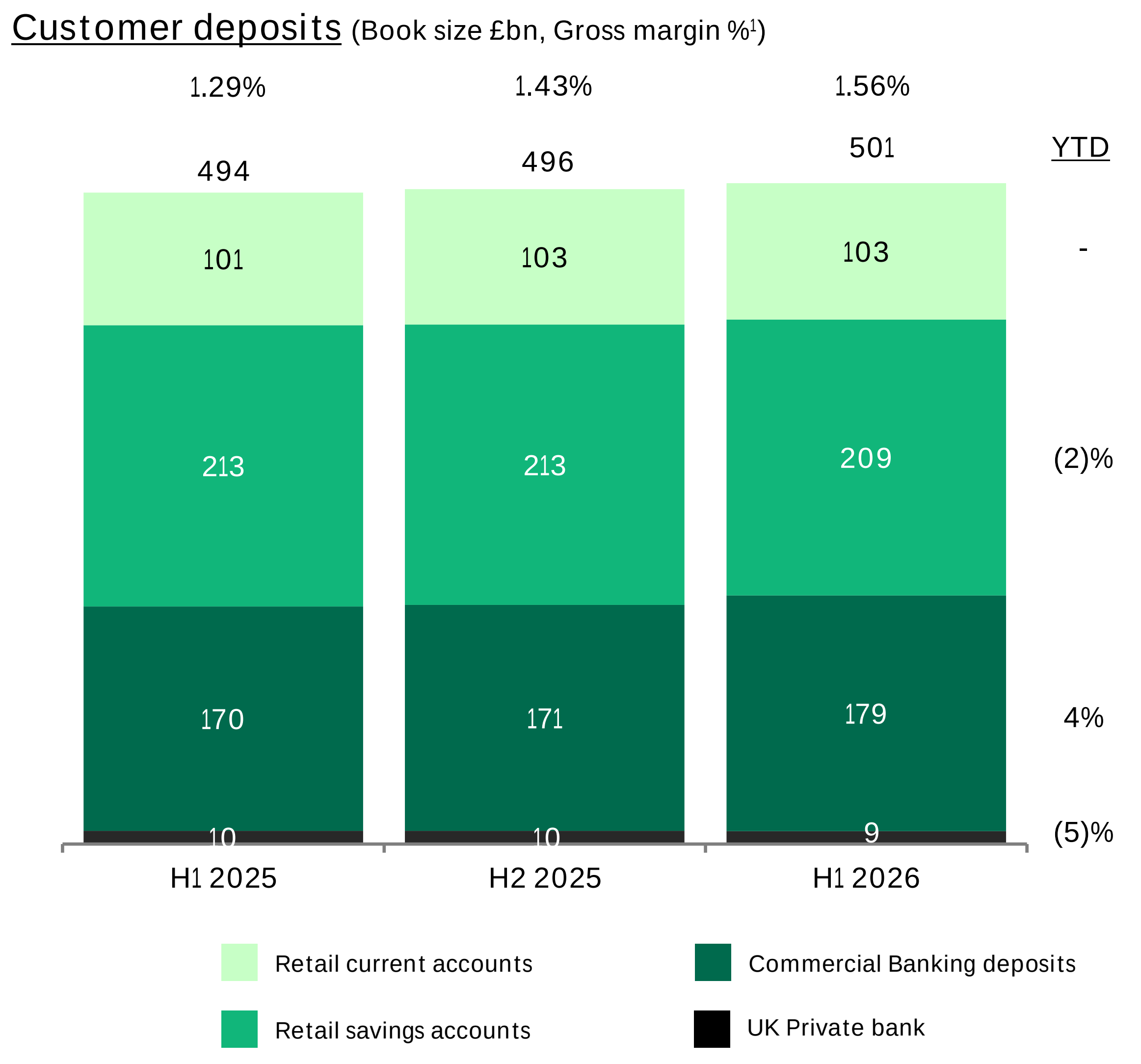


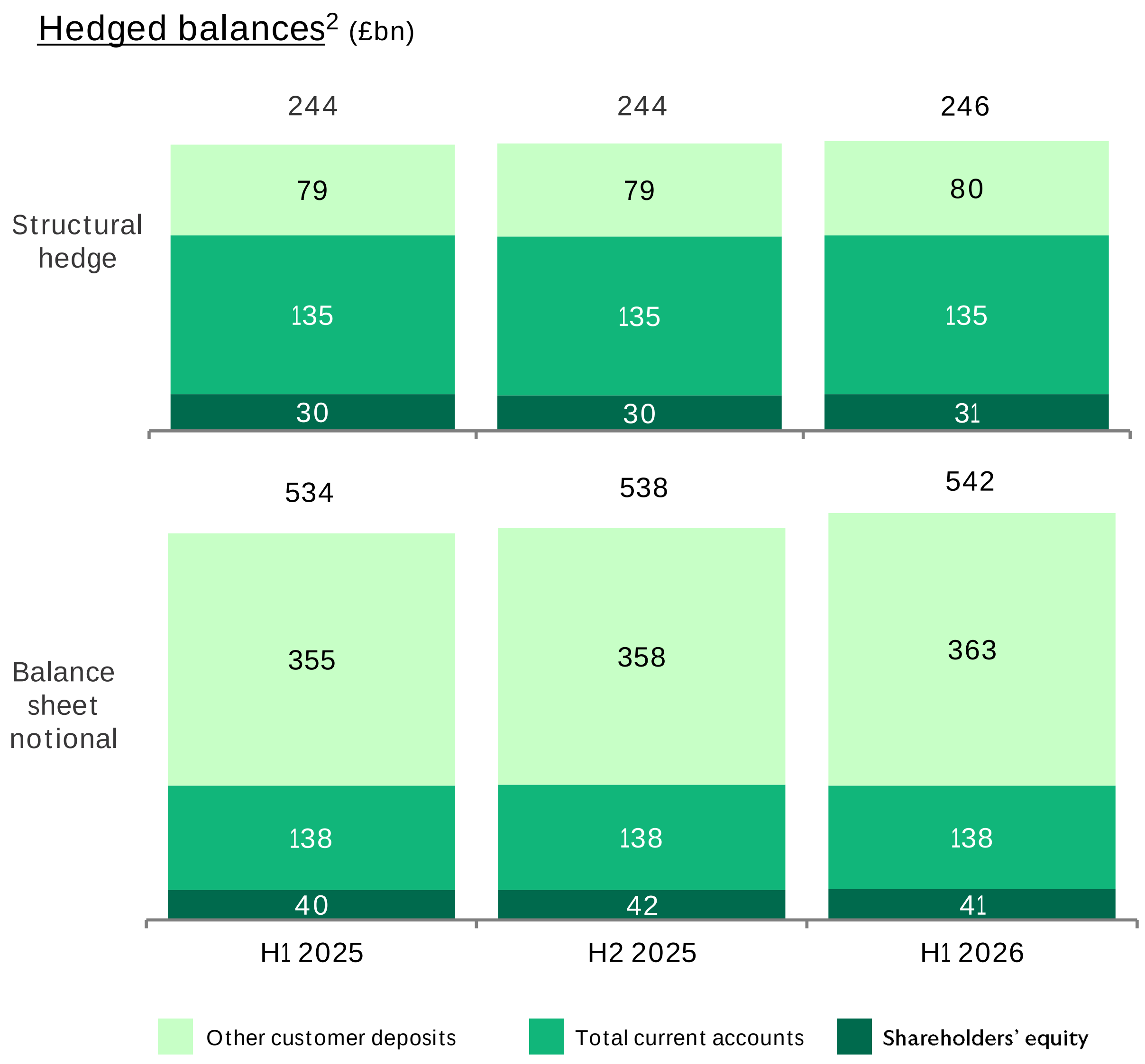
Commercial Banking (Book size £bn, Gross margin %[1])



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.

Targeted deposit performance supporting structural hedge





1 – Gross margin is short term funding costs less gross customer payables; references SONIA and includes structural hedge income. Chart uses rounded inputs. **2** – External sterling structural hedge nominal is managed as a portfolio, split shown indicative. Commercial current accounts primarily comprise non interest bearing current accounts; other customer deposits primarily comprise interest bearing accounts.

Quarterly P&L and key ratios

(£m)	Q2 2026	Q1 2026	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024
Net interest income	3,709	3,569	3,529	3,451	3,361	3,294	3,276	3,231	3,154
Other income	1,705	1,605	1,594	1,557	1,517	1,452	1,433	1,430	1,394
Operating lease depreciation	(452)	(389)	(379)	(365)	(355)	(355)	(331)	(315)	(396)
Net income	4,962	4,785	4,744	4,643	4,523	4,391	4,378	4,346	4,152
Operating costs	(2,402)	(2,474)	(2,585)	(2,302)	(2,324)	(2,550)	(2,450)	(2,292)	(2,298)
Remediation	(28)	(11)	(56)	(875)	(37)	-	(775)	(29)	(70)
Total costs	(2,430)	(2,485)	(2,641)	(3,177)	(2,361)	(2,550)	(3,225)	(2,321)	(2,368)
Underlying profit before impairment	2,532	2,300	2,103	1,466	2,162	1,841	1,153	2,025	1,784
Impairment (charge)/credit	(322)	(295)	(177)	(176)	(133)	(309)	(160)	(172)	(44)
Underlying profit	2,210	2,005	1,926	1,290	2,029	1,532	993	1,853	1,740
Restructuring	(16)	(18)	(30)	(7)	(5)	(4)	(19)	(6)	(3)
Volatility and other items	74	38	87	(109)	(37)	(11)	(150)	(24)	(41)
Statutory profit before tax	2,268	2,025	1,983	1,174	1,987	1,517	824	1,823	1,696
Statutory profit after tax	1,568	1,555	1,435	778	1,410	1,134	700	1,333	1,229
Net interest margin	3.22%	3.17%	3.10%	3.06%	3.04%	3.03%	2.97%	2.95%	2.93%
Average interest earning assets	£477.9bn	£473.5bn	£470.3bn	£465.5bn	£460.0bn	£455.5bn	£455.1bn	£451.1bn	£449.4bn
Cost:income ratio	49.0%	51.9%	55.7%	68.4%	52.2%	58.1%	73.7%	53.4%	57.0%
Asset quality ratio	0.26%	0.25%	0.14%	0.15%	0.11%	0.27%	0.14%	0.15%	0.05%
Return on tangible equity	17.0%	17.0%	15.7%	7.5%	15.5%	12.6%	7.1%	15.2%	13.6%
Tangible net asset value per share	57.0p	57.9p	57.0p	55.0p	54.5p	54.4p	52.4p	52.5p	49.6p

Updated economic scenarios

Scenario	ECL[1] (£m)	Measure (%)	2026	2027	2028	2029	2030	*Ave. 26-30*
Upside (30%)	2,499	GDP	1.4	2.4	1.9	1.6	1.6	*1.8*
		Unemployment rate	4.8	3.7	3.1	3.1	3.3	*3.6*
		HPI growth	1.8	4.5	7.7	7.5	6.0	*5.5*
		CRE price growth	3.3	6.6	3.1	2.0	0.7	*3.1*
		UK Bank Rate	3.85	4.79	5.19	5.46	5.65	*4.99*
		CPI inflation	3.1	2.5	2.2	2.7	3.0	*2.7*
Base case (30%)	2,915	GDP	1.0	1.0	1.5	1.6	1.6	*1.4*
		Unemployment rate	5.2	5.4	5.0	4.7	4.7	*5.0*
		HPI growth	0.9	1.2	2.0	3.4	3.4	*2.2*
		CRE price growth	(0.3)	0.0	0.9	0.8	0.0	*0.3*
		UK Bank Rate	3.75	3.63	3.50	3.50	3.50	*3.58*
		CPI inflation	3.1	2.4	1.8	1.8	2.0	*2.2*
Downside (30%)	3,684	GDP	0.6	(1.2)	0.5	1.4	1.7	*0.6*
		Unemployment rate	5.6	7.5	7.7	7.3	7.0	*7.0*
		HPI growth	0.0	(2.4)	(5.4)	(3.2)	(1.3)	*(2.5)*
		CRE price growth	(3.5)	(8.7)	(3.2)	(2.1)	(2.7)	*(4.0)*
		UK Bank Rate	3.65	2.04	1.04	0.71	0.49	*1.59*
		CPI inflation	3.1	2.3	1.2	0.7	0.6	*1.6*
Severe downside (10%)	5,279	GDP	0.1	(3.3)	(0.1)	1.2	1.5	*(0.1)*
		Unemployment rate	6.2	10.1	10.4	9.8	9.3	*9.2*
		HPI growth	(1.0)	(5.1)	(12.4)	(9.2)	(6.0)	*(6.8)*
		CRE price growth	(8.6)	(17.8)	(8.7)	(6.5)	(6.1)	*(9.6)*
		UK Bank Rate	3.49	0.64	0.07	0.02	0.01	*0.85*
		CPI inflation	3.1	2.2	0.6	(0.5)	(1.0)	*0.9*
Probability weighted	3,257							

1 – Underlying basis.

Low mortgage LTVs

	Q2 2026[1]				2025[1]	2010[1]
	Mainstream	Buy to let	Specialist	Total	Total	Total
Average LTVs	45.4%	48.9%	31.4%	45.7%	45.0%	55.6%
New business LTVs	66.9%	61.8%	N/A	66.2%	64.1%	60.9%
≤80% LTV	81.4%	99.9%	99.3%	84.2%	85.6%	57.0%
>80–90% LTV	15.8%	0.1%	0.5%	13.4%	12.2%	16.2%
>90–100% LTV	2.8%	-	0.1%	2.4%	2.2%	13.6%
>100% LTV	-	-	0.1%	-	-	13.2%
Value >80% LTV	£51.3bn	£0.1bn	-	£51.4bn	£46.9bn	£146.6bn
Value >100% LTV	£0.1bn	-	-	£0.1bn	£0.1bn	£44.9bn
Gross lending	£275.7bn	£48.1bn	£1.7bn	£325.5bn	£323.8bn	£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. 2025-26 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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Full reference from Ipsos (slide 5)

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