**LLOYDS BANKING GROUP PLC – 2026 Q3 RESULTS – SELLSIDE ROUNDTABLE TRANSCRIPT**
(amended in places to improve readability only)

**Tuesday 3 November 2026 – 4.00pm**

**LBG:**
William Chalmers, Chief Financial Officer

**William Chalmers:**
Thank you, Operator, and thank you to our colleagues for joining this afternoon. I thought I might kick off with a couple of introductory comments and then hand over to you for questions in whichever areas are of most interest and relevance. So with that in mind, three messages really that we wanted to convey last Thursday.

One is that Q3 was a quarter of sustained strength in performance, and you'll have seen that in the context of NII up 10% year-to-date, OOI, likewise up 10% year-to-date, income increasing in total by 9% year-to-date, RoTE 17.9% over the course of the year, 19.5% actually over the course of Q3, and then 153 basis points year-to-date capital generation and 45 basis points in the quarter. So a quarter which we characterised as one of sustained strength. Second message was expected delivery on 2026 guidance in full. So what do we mean by that? We mean greater than £14.9 billion NII. We mean a sub 50% cost income ratio. We mean an RoTE in excess of 16%, and we mean capital generation in excess of 200 basis points. So delivery in full on '26 guidance.

And then the third message that we wanted to convey is that we expect delivery looking forward in the context of Accelerate 2030 consistent with our '27 to '30 financial framework that we laid out in July. And specifically, what does that mean? That means expectation of mid-single digits income growth over the course of the plan, and indeed higher than that in 2027. It means ongoing year-on-year improvements in operating leverage, delivering a sub 45% cost-income ratio by the time we get to 2030. It means improvements in RoTE to circa 20% by the time we get to 2030 and in excess of 18% in 2028. And it means capital generation in excess of 225 basis points again by the time we get to 2030. So expected delivery in full again on our accelerate 2030 ambitions and a financial framework that we laid out in July alongside of that.

Those are the three messages that we wanted to convey on Thursday. And perhaps I'll just stop there and hand over to you all for questions that again will be relevant and interesting.

**Question 1 – Ben Caven-Roberts, Goldman Sachs:**
Afternoon, William. Thank you very much for the presentation and taking the questions. Just two from me please. So firstly, we're just a follow-up on your opening remarks and harking back to one of the focus points of last week. So if we think about the framework outlined your strategy update through to 2030, could you just elaborate a bit more on where you would place Q3 within that context? Obviously a lot of focus last week on competition thematically, but I suppose it's worth noting that's already a headwind that's explicitly included within your multi-year revenue outlook. So how would you place where we are tracking right now within that expectation set and your level of comfort on the operating environment?

And then just a follow-up on mortgages please. Could you give a bit more colour on how you would disaggregate the demand picture right now in terms of how much of a wait and see environment there is given what's happening with rates and how you think about whether there's a level of potential structural pent-up demands that might accelerate at some point soon? Thank you.

**William Chalmers:**
Thanks Ben. Your first question is really quite a broad one because it obviously covers the P&L and the balance sheet in its entirety. So I'll give a few points of reference and you just let me know whether or not it addresses your query. Overall, I think the Q3 performance is, I would say, basically confirmatory of our expectations for the full year in terms of guidance and indeed giving us comfort in the context of our expectations around '27 to '30. Now what I mean by that is that we do expect to deliver consistently with '26 as I laid out in my opening comments, and we do expect to deliver in a manner that is consistent with our '27 to '30 financial framework. Again, consistent with my opening comments.

What have we seen over the course of Q3? I think we've seen a continuation of the competitive markets that again, we've been calling out over the course of the year. I'll come back to that in just a second. That is a

function of both structural and cyclical factors, but it's a continuation of what we've seen. And in that context at least, it's more about continuity than it is about change. I think then when we look at Q4, what we're looking at in terms of Q4 expectations around the income lines, we're expecting on NII, a continued growth in NII going into Q4, we expect that to reach modestly ahead of £14.9 billion. And obviously we chose our words carefully in the context of saying we expect it to be modestly above £14.9 billion. That is driven by very similar drivers to what we saw in Q3, excluding of course the day count. And then an expectation that net interest margin modestly ticks up, that we get flatter balance sheet, but nonetheless an averaging effect that pulls up the AIEAs in Q4.

When we look forward, Ben, on that same line, I'll come back to OOI in a second, but sticking with NII for the moment, when we look at NII for '27, as you know, our base case is that it is slower than '26. Again, I think the reasons for that are pretty much consistent with the thematics that we've been calling out over the course of the year. That is to say we're on track for '26, but again, it will be modestly above £14.9 billion. Maybe that is a very little bit lower than we previously expected going into Q4, but not by terribly much.

And then looking forward, competitive asset and deposit markets, which are competitive not just in the context of financing new lending, but also in the context of the ongoing rotation, if you like, in the assets and liabilities on the book. And so there'll be some of our assets that are term in nature and are multiple years. There'll be some of our assets that reprice within the year. Personal loans is one example, cards is another example. And the competitive asset and deposit markets that we see mean the margin pressure, if you like, is relevant not just to new lending on the balance sheet, but also keeping some of the existing lending on the balance sheet. And then I think looking forward, as you know, our structural hedge is expected to be growing, still a strong tailwind for the business, but it is growing by £1 billion next year rather than the £1.5 billion this year. That is pretty much consistent with where we were before. We'll see a bit of uplift from that in the context of market rates, but frankly, it is modest because the hedge is largely locked in now for 2027 as you would expect.

And then stepping back off of that, if rates stay at relatively high levels, we may see a touch slower asset growth than we previously expected. We'll see. But I think this is more about a margin story, Ben, as we look into next year than it is about a volume story, number one. And of course it's augmented by that hedge still growing powerfully, but growing by £500 million less in '27 than it was in '26. Now you put all of that onto a denominator that is higher than it was at the end of '25. You add all of that up, and I think it's not, from our perspective, at least it's not totally surprising that our growth expectation for NII in '27 is lower than it was in '26.

You asked me for a point of reference for that in the context of our framework looking forward. It's not terribly different to what we previously expected. Let me just further, if you like, give you some further colour on that in the context of OOI. Context of OOI, we've seen a bit of a slowdown in Q3 on OOI off the back of basically subsidence and CIB. Quarter on quarter, it's a little slower because we had boosts from LDC and boosts from securitisation in Q2. If you flatten that out, we probably had £50 million more than you might've expected in Q2 and we had £50 million less than you might've expected in Q3 to give you some idea. But actually, Ben, we expect that to pick up in Q4 and we expect to deliver consistent with our high single digits plus Lloyds Wealth in the year as a whole. So we feel very confident on that.

Again, putting that in the context of what does that mean for the framework, that's very consistent with what we expected for the framework. And you add that all together, therefore, what does the total income picture look like for '27 and indeed beyond? We feel that this is very consistent with what we've laid out. That is to say we expect '27 income picture to be higher than mid-single digits. I don't think we ever described it more eloquently than that actually in July, but higher than mid single digits in '27 and then mid single digits in the period after '27, i.e. 28 through '30. But as you can tell from my comments, the balance of growth is going to be stronger in OOI than it is in NII. And I hope that's coming through in my comments because that's our expectation. And frankly, it was when we set these things out in July of this year.

I think for costs and impairments and all the rest of it, Ben, I won't add much because I think your question is probably more in the context of income. Safe to say that the cost expectation is very consistent with what we've laid out for you before. Likewise, the impairments expectation and likewise off the back of that capital generation and the like. Happy to go into that space, Ben, if it's of interest, but I think your question was mainly focused on income and I hope that's been helpful.

Mortgages, Ben. Overall, I think we are seeing a mortgage market which is still pretty resilient, but I think at the edges at least it is feeling some of the effects of rising rates. Alongside of that, we are taking participation decisions in that mortgage market, which are consistent with our value and volume balancing that we always do. So as you know, we've probably grown about £4 billion in mortgage balances over the course of the year. We grew by a relatively modest £0.3 billion in Q3. A couple of things were going on there.

One is we've got stronger margins. Two is we again chose to balance up value and volume. I think three is there was probably a touch slower market than we had previously seen. Again, a function of the rates environment. I suspect that'll continue a little bit going into Q4. I don't think this is a dramatic change, but if I give you some idea, our £0.3 billion that we secured during course of Q3 is consistent with a market share in new business of a shade over 17%. So that gives you some idea if you like about the strength of the mortgage market with those two stats in mind. Going into '27, Ben, I think we have to see, I think there's a lot of structural interest behind the mortgage market. There always is, but it is likely to be somewhat attenuated if rates stay at their current levels.

**Ben Caven-Roberts:**
Thank you. Very clear.

**William Chalmers:**
Thanks, Ben.

**Question 2 – Benjamin Toms, RBC:**
Hi William. Thanks for taking my question. We've obviously covered quite a lot of ground in first one, but I just wanted to ask on relation to motor finance. The FCA said this morning that it's happy for lenders to settle early with customers in respect of motor finance as long as those customers aren't worse off than under the existing scheme. I think that you need to weigh up upfront admin costs with removing some downside risk if the courts decide that this scheme does not provide enough compensation for customers. Does Lloyds see any merit like some of its peers in providing some compensation early to customers? Thank you.

**William Chalmers:**
Thank you, Ben, for that question. We've obviously noted the situation that you're referring to there. Our position on this remains the same as it always was, which is to say we believe that the FCA scheme, while not perfect, is the best way to move forward and it's the right way for our customers and shareholders to move forward just in support of a clear and orderly process if you like. So that is very much our position. We are continuing in that context to make preparations for the FCA scheme and await the upper tribunal hearing to determine exactly when that goes forward and how and so forth. At the moment, Ben, we don't have any imminent plans to follow what others are doing in this respect, but I do think we're going to keep it under review. We'll take a look at how the institution's concerned, deal with the issue. We'll take a look at how customers respond. We'll take a look at how the regulator sees it. And in that context, we may adjust our position slightly, but it's not the plan right now. It's not the base case.

I think if we do end up in that space, the number of Johnson type cases, which is what is being addressed here, for us is a pretty small proportion of the overall number of cases that we have. And so this is dealing with really just a very small component of the overall motor issue. And I don't think we see anything that is going on or that prospectively might go on in respect of this that actually changes the fundamentals of the situation. That is to say we sponsor the FCA scheme, imperfect as it may be, we sponsor it. We have a provision that we believe covers our overall exposure to this and we feel very comfortable with that position.

So I think this is just really kind of around the edges, Ben. As said, we'll stay where we are for now, but we'll watch with interest if you like what goes on.

**Benjamin Toms:**
Okay.

**William Chalmers:**
Thank you, Ben.

**Question 3 – Amit Goel, Mediobanca:**
Hi, thank you guys. Thanks for the call as well. So just again, I just wanted to follow up just in terms of that NII growth and trajectory into '27. So I just want to be clear in terms of the growth commentary, so it's a bit less than the growth we saw in '26, but just to check, so are we saying that it's kind of mid single digit or slightly less than the single digit given slightly stronger growth in OOI in '27 or just trying to firm that up a little bit because if I want to think about it also from a perspective of the hedge contribution versus the bits outside, if I think about '26, the total NII growth is less than the hedge contribution. For '27, I think if I look at consensus, and I appreciate that would've moved post results, but it's expecting a bit more from the non-hedge piece.

So just trying to get a sense of where you think that lands and whether, for example, the non-hedge piece you'd expect to be kind of flattish or actually having a positive contribution net net to the NII growth in '27. Thank you.

**William Chalmers:**
Thanks for that, Amit. Maybe just to give a bit more context around the NII point, and then I'll address directly your question, Amit. First of all, I think the building blocks for the NII as we look forward are very similar to the ones that we have seen and discussed with you before. So the drivers specifically NIM, strong tailwind of the hedge versus the headwind of, in particular, the mortgage refinancing and I would say other assets margin compression alongside a bit of deposit headwind. So it's that tailwind versus headwind playing out, number one. Volumes similar to last year would be my expectation. And then non-banking net interest income ticking up a bit over the course of the year because we are driving strong OOI growth and non-banking net interest income is the price of that on the interest income line. What does that then translate as?

Again, and apologies, this may rehearse a little bit, what I was just discussing with Ben a second ago, but the overall expectation is that the volumes picture will be roughly similar. Let's see what rates do, but roughly similar to this year. Again, depending upon whether rates stay at very high levels, let's see, but the base case is roughly similar.

The margins picture is of ongoing margin compression, if you like. And it might be a little bit lower in the context of the book as a whole, the margin point, I mean, simply because the mortgage headwind will have played itself out by Q1, Q2 of next year. But having said that, we're seeing pretty meaningful margin compression in the context of CB, particularly CIB right now. And I mentioned earlier on a little bit around interest bearing balances within cards as a further example of that. So, less margin pressure within the context of mortgages because the headwind is playing itself out by Q1, Q2, but maybe being picked up a little bit by other areas, CB is a good example of that. Again, cards interest bearing balances might be another.

And as I said, that is a function of new lending. And of course, I'll come back to deposits point in just a second. It's a function of new lending, but it's also a function of refinancing existing lending that is inherently limited term in nature. The deposit picture is one that we've talked a lot about before, and obviously we have seen relatively slower growing deposit markets, and the deposit markets that have grown have typically gone into fixed term deposits. And so that is, as you know, being managed to very tight and sometimes negative margins. And then added onto that, we've got the hedge, which as said is growing at £500 million less than it was in '26.

So those are the factors again, Amit. And when you put numbers on it, I shan't put precise numbers on it, but to give you some idea, we are expecting high single digits OOI growth. We are expecting NII growth to still be healthy, but less than the high single digits that we are expecting in OOI growth. So I shan't put a precise number on it, but I hope that that distinction, if you like, between the high single digits of OOI and the lower expectation than that in the context of NII gives you an overall picture.

If I then take a further step back and say, "We're getting this contribution of circa £1 billion from hedge," to what extent does the non-hedge piece actually add on in net interest income growth in addition to that? I would say very limited. And so we'll see exactly how it pans out, but it may be that we get a little bit more. It may also be that we get a little bit less than the hedge contribution of £1 billion next year because of those margin competition points that I'm making.

Again, I'll just revert to the point mentioned a second ago, which is to say high single digits OOI, lower than that in the context of NII growth next year. So still healthy, but not in the high single digits territory.

**Amit Goel:**
Got it. Thank you.

**William Chalmers:**
Thank you, Amit.

**Question 4 – Alvaro Serrano, Morgan Stanley:**
Hi, William. Thanks for doing this. I apologise, but I'm going to ask about the NII outlook again, but hopefully in a slightly different way. I think part of the anxiety among investors is that we're going to repeat 2023 on the deposit side. So if I think about the next few quarters and with a very strong loan growth serving corporate, but generally in the market, loans growing well ahead of deposits, as you see the market funding that loan growth, how worried are you that somebody in the market is going to try to fund that loan growth with aggressive deposit campaigns and disturb the market, which so far is reasonably orderly? I think when you look at the migration and the churn, as you've pointed out in the past, is there a risk that at some point somebody comes in and for very little market share gains raises the cost for everyone? Your thoughts around that risk that could drive a repeat of '23.

And if the market behaves and people fund the marginal growth with wholesale funding, RMBS, or covered bonds, as you seem to be doing this year, which it seems like the rational thing to do, if the marginal funding is coming from market debt, which is obviously more expensive than deposits, wouldn't you expect at some point, and this might sound pretty optimistic, but I'm just getting your thoughts around rational market behaviour, competitive behaviour, wouldn't you expect at some point the loan pricing to get better as the marginal funding comes from the market versus deposits?

**William Chalmers:**
Thanks. Yeah, thanks, Alvaro. And I think these are interesting points and well worth addressing.

I think first of all, on the deposit side, it is a competitive market, but as you say, the signs of disturbance or migration in that competitive market, at the moment at least, are relatively limited. And I think that is because what we saw in '23 is a repricing of markets from something like 1% to something like 4+%, even 5% actually in a relatively short period of time. And that woke everybody up. And as you know, there's an awful lot of press and attention paid to it, and that sponsored a degree of migration within balances that after all were coming off of very high levels following the COVID crisis. And those very high levels were current accounts, and those very high levels were also instant access.

So you had a market that was pretty primed for disturbance, and then you had a rapid rally in interest rates with a lot of media attention around it. And those two come together and you see a lot of migration off the back of it. I don't think we're seeing that right now. I think what we're seeing is slow deposit markets because of cyclical and structural factors, and I can talk about those in just a second, allied to the deposits that are appearing going into fixed term. That's a slightly different phenomenon to migration. Not to say that we're seeing zero migration, we are seeing some, but as mentioned, it's somewhere in the £1-1.5 billion per quarter that you have seen.

So if I think about year to date, we've probably seen about £3-4 billion year to date slip over, move over if you like, from instant access into fixed. That's the extent of it. It's £1-1.5 billion per quarter, not terribly significant. And I think that's probably the way that it will continue, absent some other sharp rallying rates that we don't expect, frankly, and we haven't really seen to date. So I think that's the distinction that I would make between '23 to now. '23 had a lot of deposits earning no money, we had a sharp rise in rates, and we had a lot of media retention. Today, much of that migration that was going to happen has already happened, and we are not seeing a rally in rates to the extent that we saw in 2023.

So I think that's point one. I think point two is the asset pricing in the market. Is somebody going to come in and raise expensive deposits and take a lot of asset market share? I think you can't rule it out, but I do think the developments for the last few days, and in particular some of what came out of one of our competitors on Friday, is interesting to put into this context. So before I go there, the one point that I would make is as we look at asset pricing and the rational way to respond to the deposit markets and the asset spreads that we see out there, it's an approach which is very consistent with what we have done year to date. And what I mean

by that is that we have deliberately been circumspect, if you like, in terms of maintaining our mortgage market leadership, but equally not going crazy in the market. So £4 billion, we've got 17.6% completion share over the year as opposed to in excess of 17%, I think I said 17.1% for Q3, 17.6% share of new business over the year as a whole. So we're growing mortgages, £4 billion, but we're not growing them that fast, circa 1% over the course of the year, a little over. If you contrast that with other areas of the balance sheet which are more attractive from a risk return point of view, cards, motor, personal loans as examples on the retail side, we're growing each of those by 6% to 7%.

And then equally within the CB side, although I mentioned earlier on the margins there are under pressure. Actually, as you know, Alvaro, you are looking for ancillaries as a big part of the equation to make decent returns off of the CB book, and that's where we have been delivering. And therefore, we feel comfortable with the significant growth in CB volumes, even though margins have been under pressure over the course of the year and we expect a little bit of that to continue into next year. So I think the asset pricing strategy that we have been deploying is a deliberate response to both asset side margins and, indeed, the expense of marginal funding.

I think then the third point, Alvaro, which feeds into this asset repricing consideration is, again, what we heard in the latter part of last week that I think, as I said, the banks are not, in my view at least, not really constrained by loan deposit ratios, but they are constrained by liquidity coverage ratios. And therefore, I think what we have seen over the course of the last year or so is a bit of asset reallocation going on amongst our competitors, which is to say they've got a bunch of fully funded assets, which up until recently have been in the liquidity book, which they have then been redeploying into term customer-facing lending books. And that's an easy thing to do because you get a marginal pickup in spread off the back of that reallocation, number one, and you don't have to fund it, number two.

But that seems to now have run its course. And as a result, that asset reallocation strategy is over, meaning that if the peers are to grow their lending books, they are going to have to fund it. And that is the very first step, if you like, in the type of, let's say, asset price consideration, if not repricing, that one would expect to see.

And I think ultimately the answer to your question, Alvaro, has to be, yes, there will be an asset repricing off the back of this, but I think the slight unknown is that we don't quite know when that's going to happen. We are not forecasting it for next year, to be clear. We are forecasting, as you can tell from my comments, continued competition. But I do think the exhaustion of this asset reallocation strategy is the first step in terms of repricing of assets in the real economy and the spreads off the back of that, which in turn will lead to probably stronger, more sustainable outcomes for the industry. Again, we're not forecasting it for next year, Alvaro, because there is that timing uncertainty associated with it.

**Alvaro Serrano:**
Yeah, it was more an intellectual question than actually for the model next year. Thanks, William. Thank you.

**William Chalmers:**
Yeah. Thanks, Alvaro.

**Question 5 – Andrew Coombs, Citi:**
It's going to be a similar round of questions from me, I'm afraid, given the events of last week, and you alluded to your competitor on Friday as well.

I guess firstly, just to get into the nitty-gritty, you talked about the term deposit migration, the £1.5 billion per quarter. That was really helpful. If you were to look at your term deposits as a percentage total, I know it's something you don't necessarily disclose in the same way as your peers do, but you did say that most of your new deposit flow is into term. I'm assuming that's more on the commercial side, given what you disclosed on slide four, but perhaps you could just elaborate on what portion of your deposit base is now deemed to be term and how that's shifted over the course of this year.

Second question, you again talked about the C&I lending. You had the £3.1 billion in Q3. Can you provide us with an indication of what the yield and the spread on that new business is, how it compares to the existing C&I business? That would be incredibly helpful.

And then a third, but a much broader question, I was very interested to hear you say that you still think next year is a margin more than a volume story in terms of net interest income growth. I guess the question is why do you think you're so different to your peers? Thank you.

**William Chalmers:**
Sure. Thanks, Andrew.

Just taking each of those in turn, on the deposit side, we gave a few data points last week actually, which I'm happy just to talk through and see if those help in respect of the question. Overall, first of all, deposits up by £6.3 billion this year, up by £1.9 billion over the course of Q3. One important data point to bear in mind in the context of that £6.3 billion is that actually PCAs are up £1 billion year to date. And we have seen resilience, I would say, in the context of commercial banking, non-interest bearing current accounts. I don't think it's true to say that all of the deposit flow has been in term. Certainly a decent chunk of it has been, for sure, but there's also been a healthy chunk of it in the context of PCAs, which is good to see obviously for financial reasons, but more importantly for customer relationship reasons. So all of what I'm about to say is with that context in mind.

Having said that, we've seen this migration of about £1-1.5 billion per quarter, instant access into effectively fixed term. And although I don't think I gave precise numbers in the context of the discussion last week, I think I did say that the fixed book is about 25% to 30% of the UK savings book. So if you think about the UK savings book as effectively just that, i.e. the UK deposits minus the PCAs, then the fixed book, in turn, is about 25% to 30% of that. That gives you a pretty good idea. If you think, again, UK deposits, they're about, I don't know, £305-306 billion in that zone. You've got about 100 and something billion of PCAs, that gives you an idea, therefore, of UK savings. And of that UK savings, about 25% to 30% is fixed term.

Then Andrew, in terms of the mix on the commercial side between term and non-term, again, I didn't give that, but what I did give last week is a sense of the overall non-interest bearing current accounts. And happy to repeat that. And to give you some sense, if you take PCAs, I think as you probably know, it's about £104 billion, I think it is, of PCAs, you can take about 20% of our commercial banking balances as being non-interest bearing. And outside of that 20%, the other end, 80% within commercial banking is managed rate, is term, is some sort of derivation of that. So the non-interest bearing part, again, about 20% of the overall commercial banking balances. And as you probably know, the commercial banking balances, they're about £180 billion, something like that. So I hope that gives you pretty good signposts, Andrew, in terms of understanding the interest bearing versus the non-interest bearing components of the deposit base.

On the C&I side, you asked a lending question there, Andrew, and I'm happy to talk about it a little further. The overall performance in CB, let's say, has been very strong. So we've seen about £3.3 billion, 3% over the course of Q3. We've seen about just over £9 billion, about 10% over the course of the year to date. And that has been quite skewed towards CIB, both in Q3 and also in the year as a whole.

BCB, i.e. the non-CIB part, has been actually pretty decent, but it's been offset against the headwind of bounce-back loan repayments. And so the strength within CB has been significantly within CIB, corporate institutional business. That is up about £3 billion over the course of Q3. So you can tell it makes up most of the Q3 gains. And it's up probably around, I don't know, £8 billion or so. I'm going to get my numbers slightly wrong on that. Just about £8.5 billion over the course of the year as a whole in C&I.

Andrew, we don't disclose margins on C&I because that isn't really the way in which we manage the business. What we're managing the business for is the client return, which is both a function of the interest margin associated with the lending. It is also a function of the ancillary revenues associated with the lending. And those will be a variety of things. There might be FX, there might be issuance, there might be cash management payments. It'll be a variety of things, but we very tightly manage both the expectation of ancillaries and also the delivery of ancillaries.

And then what we say is what is the return on the risk weighted asset for that piece of commercial lending, for that piece of C&I lending? And that's the margin that we're managing to, rather than net interest margin, because net interest margin is only telling a small part of the story.

What we are satisfied with is that the returns from that C&I management approach, if you like, taking into account the holistic income, when weighed against the capital that is both retained on the balance sheet and indeed some of which is distributed through either SRTs or securitisations, we are happy that that return is comfortably in excess of the cost of capital. And that is what we're managing towards.

The further point I'd make on C&I before leaving the point, Andrew, is the risk point. We are very mindful of making sure that we stay within our risk appetite, within our risk parameters. And actually, if you look at areas of our business that are growing, I was looking at the US business, for example, recently, which is growing a little bit in conjunction with our UK strengths, that US business is actually 92% investment grade. That is a higher level of investment grade for the US business than it is for the book as a whole, which is in excess of 80% investment grade.

So actually not only are we managing to maintain risk appetite, but we are in the areas that matter to us, managing to enhance it. And that is obviously a really important part of the equation. So we're looking at it from an income perspective, for sure. We're looking at that against capital, and we're looking at that against risk. And those are the three parameters that matter to us, Andrew.

You talked about volume versus margin looking forward. First of all, in contrast, I guess, to some of the peers, we don't have volume targets and, therefore, we are, I suppose, a little bit freer to consider carefully where should we be pursuing volume versus where should we be pursuing margin and making sure that we keep the kind of disciplined shape of the business going forward. So we do not have volume targets in that respect, Andrew.

When we look at margin expectations, we're all operating in the same market. I obviously can't comment on what others are seeing in their markets, but I can tell you that it's a reasonably competitive market as we see it. As said, the mortgage margin headwind that we've seen in play for a while, that exhausts itself in Q1, Q2 of next year.

We do expect continued margin pressure in the context of, I suppose, averaging in, number one, of stuff that has happened in '26 into the full year of '27. And then we expect a continued bit of margin erosion in the context of our various product activities across retail and across commercial going forward into '27. So I can't really comment on what others are seeing, but we are building an expectation that margins are a little tougher going into '27 than '26.

From my perspective, Andrew, I would see that as banking business as usual. That is the way that the banking business typically is on a business as usual basis. And that's why being a scale operator in these contexts really matters.

Now, having said all of that, Andrew, it's important not to confuse product margin with Group margin. And what I mean by that is that we are, as you can tell from my comments, we are projecting some product margin attrition in some of the, again, some of the retail and some of the commercial areas, for sure.

But that is not the same as saying that we expect net interest margin at a Group level to go down. We are not saying that. We've said historically that we expect net interest margin to be pretty healthy over the course of '26 and going into '27. We're not changing that. That is still our core expectation. And, therefore, distinguish, Andrew, between product margin influenced by products and Group margin influenced by products and funding and structural hedge and all the other things going on within the Group margin.

**Andrew:**
Thank you for that, very comprehensive, appreciate it.

**William Chalmers:**
Thank you, Andrew.

**Question 6 – Chris Cant from Autonomous:**
Afternoon, thanks for taking the questions. Another one on margins, I'm afraid, and one on funding. So on the margins, you've mentioned a couple of times, feels rather important you mentioned a couple of times, other asset repricing headwinds beyond mortgages. And I think we've all had in our spreadsheets for a number of

years now this negative churn effect on mortgages, but absent colour on where you're seeing new business pricing, I think there was a previous question on that that you didn't want to give us numbers.

How should we be thinking about the scale of that headwind prospectively and potentially the duration of that headwind? So how would you encourage us to think about the absent colour on front book business pricing for commercial or personal, please?

And in terms of funding mix and how you think about funding balance sheet growth going forwards, the Bank of England's been pretty clear since mid '24 that they expect all of the banks to be making more extensive use of central bank repo as we get down to the or what they call the PMRR, the minimum reserve range.

How are you thinking about ILTR usage here? How much are you comfortable with, and how much should we be thinking about that as a marginal funding source for growth looking into '27 and '28, please? Thank you.

**William Chalmers:**
Yeah, sure, thanks, Chris. A couple of points that I'd make on the first of the two questions, and maybe just to highlight actually one of the slides in the appendix, the materials that we sent out at the half year back in July.

In terms of the margin pressure as we look forward over next year, there's essentially a couple of things going on. I mean, one is margin pressure doesn't just stop because 2026 comes to a calendar year-end. As I say, it's basically business as usual in banking.

Now, the one big one that we've discussed a lot, as you rightly say, Chris, over the last few years is the mortgage headwind. And that does play itself out as new spread circa 70 basis points become pretty much equal with what the book is yielding, i.e., 70 basis points. Maturing spreads and new spreads pretty much cancel each other out.

And so, that mortgage margin headwind plays itself out pretty much in exactly the way that we've discussed amongst us for the last few years, culminating in Q1, Q2, it's around that point in time. So that's exactly as was.

There is, as I mentioned earlier on, just a little bit of continuing margin pressure in the context of other areas of the retail business and also in areas of the commercial business.

And as an illustration of that, if you look at, I think it's page 65 of the materials that we sent out in July in conjunction with Accelerate 2030, you'll see there a good example of what's going on in the cards, loans and motor business in margin compression between H1 '25 to H1 '26.

Now, I'm not trying to say that's exactly what happened then, therefore, that's exactly what happened now, but it is an illustration of the type of margin pressures that you see in non-mortgage parts of the business, again on a BAU basis. And that's okay, that's why we're a scale provider and we'll be able to deal with that and deliver our circa 20% returns. But that chart for cards, loans and motor is quite a good example.

On the commercial banking side there, you actually see less margin pressure than I've been giving the impression of during the course of this discussion. And that's partly because H1 '26 is helped by one or two benefits from categorisation and the like in the course of H1. So if you look at that part of the chart, same page on 65, I think the H1 '26 Commercial Banking margin is probably a little bit ahead of where it is because of basically one-off effects.

What you should look at is the picture of roughly five basis points is going on between '25 H1 and '25 H2. And then if you kind of continue that, you get an impression of what's going on in commercial. So I think, Chris, those are the margin pressures there.

I would add one further point to that, which is what you are seeing also is not just, if you like, pressure in '27, but it's the averaging in effect of what was happening in '26. So if you have an asset on the book for six months of '26, the effect of writing that asset at a lower margin then gets averaged in full in the 12 months of '27. So that's an averaging in effect, if you like, that I guess shouldn't be missed. Hopefully, Chris, that gives you a sense on the other assets. Happy to talk further about it, but that's what we're seeing.

I think there is a macro comment that may be helpful in that context is that you add all of that together, what does it mean? Margin pressures are a little bit less in '27 versus what they were in '26. They're a little bit less, but they are still meaningful. I hope that part of what I just said made sense. Margin pressures in totality in the round are a little bit less in '27 than they are in '26, but they're still meaningful. That's again, product margin.

**Chris Cant:**
That's helpful colour, thank you. I'd seen that slide 65, but that's why I was a little bit surprised on the C&I because obviously that levelled off. But essentially, that's ticking down sort of five bits underlying is what you're telling us, per half, yeah.

**William Chalmers:**
I think that's about, yeah, give or take, that's about right. As I say, there are one or two kind of one-offs that often are with Commercial Banking lending that are going on in the H1 26 number. And actually our expectation going into next year is that CB margin pressure will be, it'll be reasonable. We do expect it is what I mean.

**Chris Cant:**
Okay.

**William Chalmers:**
On the ILTR, Chris, the second two questions, we actually welcome the ILTR changes from the Bank of England. We think it's a sensible move to a demand-driven system, and we are participants and will continue to participate going forward.

We today are using one of the categories of ILTR called ILTR C, which you may well be familiar with, pretty much proportionately as you would expect from our share of the overall market. And so, we're not trying to grow the balance sheet off the back of ILTR. That is explicitly not the strategy.

But are we an ILTR user? Yes, we are. And what's the extent of the ILTR usage? Pretty much equivalent to our overall market share in the UK sector.

We do think it is a sensible demand-driven reserves framework, not least because it takes some of the sting out of the reserves remuneration discussion. But it is also the sensible way of dealing with reserves in the context of the end of QE and, by extension, QT. It's the next natural evolution, if you like and as said, we welcome it, and we're participants in it.

**Chris Cant:**
In the context of the LCR comments you've made about funding, that being the sort of biting consideration from a funding perspective, how much are you willing to match your liquidity off against central bank repo? Because I suspect that's where a lot of banks will ultimately end up going with this, is that that will be how they think about framing their usages against meeting LCR requirements in a world where surplus reserves are being drained from the system from QT.

But should we expect you to utilise this to match off against meeting the LCR, or how do you think about it in that context? I appreciate you're not trying to grow a loan book with it.

**William Chalmers:**
I'll make a couple of comments, Chris, and you can tell me if this answer your question, but we are quite conscious and careful about our overall ILTR utilisation. We have proportionate limits in terms of our deployment of ILTR. We wouldn't seek to go beyond those.

And it's certainly not the case that we want to, as you've just said really, Chris, finance loan growth off the back of ILTR consumption. It's there as a liquidity resource, not as a means of funding the balance sheet. And I think quite rightly, the Bank of England would see it as somewhat surprising if the bank started to fund meaningful shares of their lending book off the back of liquidity reserves like that.

I think then when we look at the overall LCR position of the business, as you know, we're at about 143% in terms of the LCR. Two points on that.

One is it's in excess of where we were pre-COVID. So we'll look at that over time. It's obviously expensive to keep liquidity, but I wouldn't want to create the impression, Chris, that there's a whole load of asset reallocation that we're about to do. We're not. And therefore, we're not going to seek to fund large parts of the loan book out of running that LCR ratio down. That is not the expectation.

I would say, however, that that LCR is pretty solidly founded. It's off the back of retail deposits, largely retail deposits, I should say, about 66%. And that, in turn, means that our LCR of 143% is something we feel very comfortable with because those retail deposits are sticky versus other LCRs that, let's say, more wholesale funded banks, which may need off the back of that higher LCRs and/or because they may be commercial bank deposit funded.

And so, LCRs are different for different banks. For us, 143% feels very strong and solid. We don't really see it as an incremental funding source. It might come down a little bit over time in line with the comments that I made earlier on about optimisation and all the rest of it, but it's not a major source of funding in the way that perhaps has been the case elsewhere.

**Chris Cant:**
Thank you.

**William Chalmers:**
Thanks, Chris.

**Question 7 – Perlie Mong, Bank of America:**
Hello. I think that's probably enough discussion on margin, so I'll ask you about some product, especially in retail Europe. Because if I look at what happened this quarter, that seems to be generating the most loan growth and also the deposit loss in that bucket is probably also the highest. So can you just help us understand what's happening in retail Europe? That's number one.

And number two, I think until last week, maybe one of the biggest focus areas was tax. Now that we know what happened with the surcharge, how confident are you that this is actually going to be a 15-month temporary measure?

**William Chalmers:**
Yeah. Just to deal with each of those, Perlie, first of all, in terms of Europe, Europe performance has been pretty good, actually, up £0.6 billion on the asset side in Q3, year-to-date up £1.5 billion, about 7%.

And essentially what's going on there, I'll spend a moment on the assets and then come to the deposits, what's going on there is really quite strong asset performance, predominantly in the Netherlands residential mortgage area. Something like, I don't know, 90+% of that, maybe 95% of that asset is essentially Netherlands residential mortgages. And very safe, very long-dated, decent margin of about 1.05% actually in the European business. I don't think we quoted that number before, but that, in turn, gives us an ROE, which is comfortable, I would say, in line with the rest of the business, attractive ROE for the European business.

Now having said that, as you pointed out, Perlie, we've seen a deposit book which has gone down by about £0.5 billion in Q3 in the European business.

And what is going on there, it's essentially part of that deposit book is instant access funded and part of that deposit book is fixed term funded. And what we've seen is a couple of things going on in Europe. One is it is a more competitive market in Europe. We've seen one or two, including one of the large US investment banks, step into the European deposit market. And that probably increased the price of deposits in the fixed term market, at least at the edge it has.

And then I think secondly, internally, we came to the end of a marketing campaign and a repricing campaign in the context of Q3, which will then be relaunched in the Q4. That's a seasonal factor. I don't think it's of terribly great importance.

I think therefore, Perlie, when you look at the overall decline in European deposits of about £0.5 billion, we're not terribly troubled about it. It is simply, as I say, the fixed-term part of it contracting. Part of that is competition. Obviously, that will probably last. Part of that is campaign-led. That will not last. We'll get back into better shape in the fixed term market in particular in Q4, and that will be fine.

Over time, I do expect that business to grow. I also expect it to be pretty attractively returning, but as we've been discussing in the context of the UK, there is a bit of deposit margin pressure that is going on, and we need to manage that carefully to make sure that we keep the returns that we want to keep.

On tax, Perle, it's a very good question. I don't think that we have any particular wisdom on the point. I think when we look at it, we hear what the Chancellor has had to say. We obviously recognise fiscal constraints. As you may have seen in our comments elsewhere last week, we don't think the way to growth in the UK is to tax the banks. We actually think that this should be much more about reducing the cost of lending, and in turn reducing the cost of borrowing for our customers. We think that's what will stimulate growth within the UK.

In that context, Perle, we certainly hope the Chancellor keeps his word and makes sure that it is limited. That's what we'll be planning on. We'll be making the same point to anybody who will listen to us, including the governmental authorities, as I've just made to you. And we hope that that is what's going to be delivered upon.

**Perlie Mong:**
Cool, thank you very much, let's hope so.

**William Chalmers:**
Thanks, Perlie.

**Question 8** – **Aman Rakkar, Barclays Capital:**
Hi, William, thanks for your time, appreciate it. I was going to probably ask just three quick ones, actually. Just on prospective rate hikes from here, I think your illustrative rate sensitivity assumes the 50% deposit beta, which I think is the level that you have done in recent years. Is that still a decent guide point from here if we do get base rate hikes in the coming weeks and months? I guess I look at your instant access product range and think actually some of these rates might be a bit low versus the system. So I'd just be interested if you're confident in that level going forward.

Could I ask a point of clarification? How much hedge buffer do you currently have? I think that's a number that you used to disclose beforehand. So your take on hedge-eligible deposit balances relative to the notional that you currently have on the structural hedge - just help us understand if the mix does evolve from here, something we might need to think about.

And then, sorry, third quick point of clarification. The Basel benefit that is coming 1st Jan 2027, do you consider that to be a kind of full year 2026 benefit when we're thinking about sweeping down capital, or in your mind is that a 2027 event? Thank you so much.

**William Chalmers:**
Thanks, Aman. Maybe just to take each of those in turn, on the rate increases, when we look at the structural hedge and the sensitivities that we give you, so I think it's £75 million from a 25 basis point increase; it is basically that 50% or thereabouts, not quite 50%, but it's near as damn it to 50% deposit beta that we're assuming in the context of the structural hedge. So I think that is the right number to look at. I think it then links into your second question a little bit, which is to say, instant access deposits, the value proposition that we present to customers is our whole host of things. Some of it is price, clearly, but some of it is about brand, some of it is about access, some of it is about branches, some of it is about security, some of it is about app capabilities. We give discounts to customers who have various different products with us. There's just a whole stack of reasons as to why somebody has a customer relationship with Lloyds. Price is important, but it isn't the only one. And so that point I would make as a standalone point in instant access. But having said that, as your question highlights, Aman, we are conscious of the need to protect the customer relationships and particularly instant access deposits because of their importance to the business. And so we will think about pricing decisions in the context of bank base rate changes in that context.

What that means is that while we've got a 50% assumption built into the structural hedge in terms of sensitivities that we give you, the price response to any given change in bank base rates will be considering issues that transcend that, that go beyond that, and might not stick religiously therefore to the 50% assumption that you see in our sensitivities.

The third question on the buffer: the way in which we manage the buffer is a combination of maturities, number one, and buffer, number two. And specifically the reason I call that out is because our buffers typically are in the £10-15 billion range, but the buffer, and this is quite an important point, the buffer is not just deposit sitting around, it's also the maturities that we expect in the next three months. And therefore, if you think about the interest income that we might be earning off that buffer, or the resilience that it gives and so forth, just bear in mind that a good chunk of that buffer of £10-15 billion is maturities in the next three months alongside some deposits that we have chosen not to put in the hedge at this point because we're still proving them out. So that's that point.

Having said all of that, Aman, alongside of that, as said, PCAs have grown by £1 billion over the course of this year. That is, if not the key... Well, it probably is the key ingredient, I guess, for the structural hedge, and therefore those types of balances are looking in pretty good shape. And what we have to do is to balance strengthen PCAs alongside protection of the instant access, as mentioned earlier on in the context of growing the franchise of the business. And of course, Accelerate 2030 is significantly about growing the depth of those customer relationships.

And I would add a final point onto that, which is over the course of this year, not only have PCA balances grown by £1 billion, but our market share of PCA balances has grown. I forget the exact number, but it's grown by something like half a percent over the course of this year. It has grown by a meaningful amount over the course of this year as market share. And of course, that's very valuable to us, and ultimately, it's what makes the investment worthwhile.

You asked about Basel 3.1 there, Aman, and how we would consider it at the end of the year. Technically, Basel 3.1, as you know, is 1 of January 2027. It's also worth saying that there are some other moving pieces in the context of regulatory capital requirements. CRD4 secured is the best example of that. Now, technically we are committed to 13% or getting to a 13% capital target as the rules stand today. At the end of the year, it'll be for the Board to determine whether or not it wants to move further than that, or to go further than that, obviously subject to PRA permissions and all the rest of it, but it will be up to the Board to determine if it wants to go further than that, and consider, in the context of year-end distributions, digging into an element of that Basel 3.1 benefit. The Basel 3.1 benefit is £6-8 billion, call it, I don't know what that is, 40 to 50 basis points, something like that.

It is technically part of next year's capital. I think it is likely that there will be a discussion with the inevitable pros and cons about whether the Board is prepared to dip in, at least to an extent, into a bit of that. But I don't want to make any promises at this point, Aman, because it will be a Board discussion. But I think it's that distinction, if you like, between the technical answer to your question and the way the Board discussion might be in the interest of round numbers, and things like that.

**Aman Rakkar:**
Thank you, William, really helpful.

**William Chalmers:**
Thanks, Aman.

**Question 9** – **Guy Stebbings, BNP Paribas:**
Hi, William, just had a few quick follow-ups on NII again. The first one was just on the hedge. I think you talked about 91%, 92% of the hedge being locked in and that being just slightly ahead of the pure mechanical role and therefore a bit of modest pre-hedging for 2027. In terms of the timing of that activity, so we think that might have been carried out relatively recently, which would imply quite healthy swap rates being locked in. Is that a fair way to think about it?

And then also on the hedge, you made a point of referencing the role being more weighted to H2 in 2027. I don't suppose you could give any more colour as we think about how much more weighted to H2 versus H1.

And then the final, just quick one, in terms of that retail term as a percentage of retail, the 25% to 30% you referenced, can you maybe use a colour at how that trended through Q3 or through 2026 as a percentage? Thank you.

**William Chalmers:**
Thanks, Guy. In terms of the structural hedge balance, as you say, if we were to sit at the end of October with a pure caterpillar hedge, I think we would be just a shade over 90% locked in. As we stand today, we're probably a percentage point or so ahead of that in terms of the lock-in. And as you know, that's in the interest of just managing concentrations preponderantly, but in the overall structural hedge book. And so that's where we stand. It's basically a kind of caterpillar plus might be one way to describe it.

In terms of the income and when that was booked in, I shall not comment explicitly, safe to say, and sorry, this is a bit of a repeat really, but safe to say that in 2027, we expect the structural hedge to deliver us with a number very consistent with what we have said before, which is greater than £8 billion over the course of 2027.

That hasn't changed. I know that's not a complete answer to your question, Guy, but we're sticking with that guidance for 2027. I mentioned in the call last Thursday that we see the structural hedge as being slightly back-end loaded in terms of its maturities in 2027. And that was a deliberate comment because we wanted to give people insight as to what to expect over the course of the year as the margin develops, and as net interest income develops as part of that. It is, for the reasons just mentioned, a little bit back-end loaded. And that I think we'll talk more about it the full year, clearly, but hopefully that sort of sets expectations a little bit for how the net interest income balance might deliver during the course of the year.

The term point, Guy, the term is, I think the best way to put it is just to comment again that over the course of Q3, we saw the fixed book increase by just a shade over £1 billion. And that was basically at the expense of the instant access book, which reduced by, again, a shade over £1 billion. So if you think about that, and that was a pretty repeat performance from Q2 and Q1, maybe it was a little bit heavier in Q1 in particular because of ISAs and the like, but that was together therefore £3-4 billion over the course of the year. If you think about the fixed book being 25% to 30% of a £200 billion UK savings book, then that's giving you hopefully an answer to your percentage increase, even if it's sort of within a range.

**Guy Stebbings:**
Okay, that's helpful, thank you.

**William Chalmers:**
Thanks, Guy.

**Question 10 – Sheel Shah, JP Morgan:**
Great, thanks for taking the question. One, just on the branding strategy: because we've clearly seen Halifax rolled up into the Group, you've merged the auto brands together more recently. Can I ask the strategic logic behind this, and should we expect any more of the brand roll-up across other brands, MBNA, or anything else that we should be thinking about going forward? Thanks.

**William Chalmers:**
Yeah, thank you, Sheel. I guess there have been two brand moves in the last several months. One is to consolidate under the Lloyds brand, and that is in order to deliver a lot more product to our customers, if you like, at a much greater pace, and allow us to be, therefore, much more responsive. And in that context, we can either spread our overall focus and expense, and ultimately, delivery across two brands, or we can focus it all upon one. And focusing it all upon one allows us to deliver products, services, app improvements, and the like to customers in a much faster, more focused way.

Alongside of that, Sheel, in an era in which we are increasingly dominated by forms of marketing that are effectively new, including in respect of AI-generated marketing and the like, focusing your energy upon one brand to make sure that you get exposure for that one brand is a much more effective way than focusing upon two and having half the impact on two, if you like, as opposed to 100% on one.

Therefore, when a customer types into an AI-inspired search function, what product is best for, I don't know, PCAs, they are more likely to come up with Lloyds than they are to come up with either Lloyds or Halifax if we spread our ammunition. So that's what's behind that overall shift in brand. It's better services for our customers, it's faster services for our customers, it is more responsive and better, if you like, marketing performance. And then I think underneath that, Sheel, this is not the purpose of the brand strategy, but underneath all of that is also some cost savings. That's all well and good, but actually it's being driven much more by the top line than it is by the middle line, I suppose.

In terms of the Lloyds Auto brand strategy, it's really very similar. That is to say, we think we get much more effective customer understanding of the proposition if they look at the Lloyds brand as opposed to if they look at the Lex brand, the Tusker brand, and, for that matter, the Black Horse brand.

If instead they look at the Lloyds brand and say, "Well, I can get salary sacrifice for this, or I can get car financing for this, or I can get just regular car leasing for this," it is a much more effective way of dealing with the customers than having them think there are three different companies that they have to deal with. And we would expect, off the back of that, forgive the term, but to leverage the breadth of our overall auto proposition in a more effective way with our customer base, whether those customers are retail customers, or whether they are dealers, or whether they are, in the case of salary sacrifice, for example, corporate customers. It's a more effective strategy, which we hope will deliver, again, stronger growth off the back of what is and will continue to be in a consolidating market, a very high-returning product.

I think if that's the last question, perhaps just before the operator hangs up and what I saw at your attention, the two or three things again I wanted to highlight were the ones that I started out with, which is Q3 sustained strength, delivery on 2026 in full, and importantly, expected delivery on the 27 to 30 financial framework in a way that is very consistent with what we set out in July, and again, what we've discussed today. So those messages are just worth repeating at the end, I guess, just as they were at the beginning, but those are the ones that want to resonate.

Thank you very much indeed for taking the time, really appreciate the interest and the questions.

## FORWARD-LOOKING STATEMENTS

This document contains certain forward-looking statements within the meaning of Section 21E of the US Securities Exchange Act of 1934, as amended, and section 27A of the US Securities Act of 1933, as amended, with respect to the business, strategy, plans and/or results of Lloyds Banking Group plc together with its subsidiaries (the Group) and its current goals and expectations. Statements that are not historical or current facts, including statements about the Group's or its directors' and/or management's beliefs and expectations, are forward-looking statements. Words such as, without limitation, 'believes', 'achieves', 'anticipates', 'estimates', 'expects', 'targets', 'should', 'intends', 'aims', 'projects', 'plans', 'potential', 'will', 'would', 'could', 'considered', 'likely', 'may', 'seek', 'estimate', 'probability', 'goal', 'objective', 'deliver', 'endeavour', 'prospects', 'optimistic' and similar expressions or variations on these expressions are intended to identify forward-looking statements. These statements concern or may affect future matters, including but not limited to: projections or expectations of the Group's future financial position, including profit attributable to shareholders, provisions, economic profit, dividends, capital structure, portfolios, net interest margin, capital ratios, liquidity, risk-weighted assets (RWAs), expenditures or any other financial items or ratios; litigation, regulatory and governmental investigations; the Group's future financial performance; the level and extent of future impairments and write-downs; the Group's ESG targets and/or commitments; statements of plans, objectives or goals of the Group or its management and other statements that are not historical fact and statements of assumptions underlying such statements. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend upon circumstances that will or may occur in the future. Factors that could cause actual business, strategy, targets, plans and/or results (including but not limited to the payment of dividends) to differ materially from forward-looking statements include, but are not limited to: general economic and business conditions in the UK and internationally (including in relation to tariffs); imposed and threatened tariffs and changes to global trade policies; acts of hostility or terrorism and responses to those acts, or other such events; geopolitical unpredictability; the war between Russia and Ukraine; the escalation of conflicts in the Middle East; the tensions between China and Taiwan; political instability including as a result of any UK general election; market related risks, trends and developments; changes in client and consumer behaviour and demand; exposure to counterparty risk; the ability to access sufficient sources of capital, liquidity and funding when required; changes to the Group's credit ratings; fluctuations in interest rates, inflation, exchange rates, stock markets and currencies; volatility in credit markets; volatility in the price of the Group's securities; natural pandemic and other disasters; risks concerning borrower and counterparty credit quality; risks affecting insurance business and defined benefit pension schemes; changes in laws, regulations, practices and accounting standards or taxation; changes to regulatory capital or liquidity requirements and similar contingencies; the policies and actions of governmental or regulatory authorities or courts together with any resulting impact on the future structure of the Group; risks associated with the Group's compliance with a wide range of laws and regulations; assessment related to resolution planning requirements; risks related to regulatory actions which may be taken in the event of a bank or Group failure; exposure to legal, regulatory or competition proceedings, investigations or complaints; failure to comply with anti-money laundering, counter terrorist financing, anti-bribery and sanctions regulations; failure to prevent or detect any illegal or improper activities; operational risks including risks as a result of the failure of third party suppliers; conduct risk; risks related to new and emerging technologies, including artificial intelligence; technological changes and risks to the security of IT and operational infrastructure, systems, data and information resulting from increased threat of cyber and other attacks; technological failure; inadequate or failed internal or external processes or systems; risks relating to ESG matters, such as climate change (and achieving climate change ambitions) and decarbonisation, including the Group's ability along with the government and other stakeholders to measure, manage and mitigate the impacts of climate change effectively, and human rights issues; the impact of competitive conditions; failure to attract, retain and develop high calibre talent; the ability to achieve strategic objectives; the ability to derive cost savings and other benefits including, but without limitation, as a result of any acquisitions, disposals and other strategic transactions; inability to capture accurately the expected value from acquisitions; assumptions and estimates that form the basis of the Group's financial statements; and potential changes in dividend policy. A number of these influences and factors are beyond the Group's control. Please refer to the latest Annual Report on Form 20-F filed by Lloyds Banking Group plc with the US Securities and Exchange Commission (the SEC), which is available on the SEC's website at www.sec.gov, for a discussion of certain factors and risks. Lloyds Banking Group plc may also make or disclose written and/or oral forward-looking statements in other written materials and in oral statements made by the directors, officers or employees of Lloyds Banking Group plc to third parties, including financial analysts. Except as required by any applicable law or regulation, the forward looking statements contained in this document are made as of today's date, and the Group expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this document whether as a result of new information, future events or otherwise. The information, statements and opinions contained in this document do not constitute a public offer under any applicable law or an offer to sell any securities or financial instruments or any advice or recommendation with respect to such securities or financial instruments.