LLOYDS BANKING GROUP

Investor factbook: Q3 2026 results

"The Group is delivering **sustained strength in financial performance**, with continued income growth, improving operating leverage and strong and stable credit performance. Our **differentiated business model** is performing well and we are **on track to meet our 2026 guidance**.

We are **maintaining strategic delivery** as we continue to focus on supporting UK households and businesses. As we near completion of our current strategic chapter, we are excited to **begin executing on our new strategy**, Accelerate 2030. This will ensure we can deliver continued, **sustainable value for our customers and shareholders**."

Charlie Nunn, Group Chief Executive

Sustained strength in financial performance[1]

£4.8bn Statutory profit after tax	**17.9%** Return on tangible equity	**£14.8bn** Net income, up 9% YoY
3.21% Net interest margin, up 17bps YoY	**£7.2bn** Operating costs, flat YoY	**25bps** Asset quality ratio
55.4p Tangible net asset value, down 1.6p YTD	**13.3%** Pro forma CET1 ratio	**153bps** Strong capital generation

1 Nine months ended 30 September 2026.

On track to meet 2026 guidance

Based on the sustained strength in our financial performance and our current macroeconomic assumptions, for 2026 the Group remains on track to deliver its full year guidance:

- Underlying net interest income of greater than £14.9 billion
- Cost:income ratio of less than 50% (including operating costs of less than £9.9 billion)
- Asset quality ratio of c.25 basis points
- Return on tangible equity of greater than 16%
- Capital generation of greater than 200 basis points[2]
- To pay down to a CET1 ratio of c.13.0%

2 Excludes capital distributions.

Our 2022 to 2026 strategy

We are successfully completing our strategy which will enable us to deliver our vision of being the UK customer-focused digital leader and integrated financial services provider, capitalising on new opportunities, at scale.

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

Our 2027 to 2030 strategy

Accelerate 2030 is the new ambitious strategy for Lloyds Banking Group.

The strategy aligns with our Purpose of Helping Britain Prosper and our customer promise of 'making finance simpler, smarter and more connected for every moment that matters'.

Accelerate 2030

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

Sustained strength in financial performance

	Nine months ended 30 Sep 2026 £m	Nine months ended 30 Sep 2025 £m	Change %	**Three months ended 30 Sep 2026 £m**	Three months ended 30 Sep 2025 £m	Change %
Underlying net interest income	**11,084**	10,106	10	**3,806**	3,451	10
Underlying other income	**4,996**	4,526	10	**1,686**	1,557	8
Operating lease depreciation	**(1,261)**	(1,075)	(17)	**(420)**	(365)	(15)
Net income	**14,819**	13,557	9	**5,072**	4,643	9
Operating costs	**(7,246)**	(7,176)	(1)	**(2,370)**	(2,302)	(3)
Remediation	**(61)**	(912)	93	**(22)**	(875)	97
Total costs	**(7,307)**	(8,088)	10	**(2,392)**	(3,177)	25
Underlying profit before impairment	**7,512**	5,469	37	**2,680**	1,466	83
Underlying impairment charge	**(930)**	(618)	(50)	**(313)**	(176)	(78)
Underlying profit	**6,582**	4,851	36	**2,367**	1,290	83
Restructuring	**(51)**	(16)		**(17)**	(7)	
Volatility and other items	**94**	(157)		**(18)**	(109)	83
Statutory profit before tax	**6,625**	4,678	42	**2,332**	1,174	99
Tax expense	**(1,790)**	(1,356)	(32)	**(620)**	(396)	(57)
Statutory profit after tax	**4,835**	3,322	46	**1,712**	778	
Earnings per share	**7.6p**	4.8p	2.8p	**2.8p**	1.0p	1.8p
Banking net interest margin[A]	**3.21%**	3.04%	17bp	**3.25%**	3.06%	19bp
Average interest-earning banking assets[A] (£bn)	**477.5**	460.4	4	**481.0**	465.5	3
Cost:income ratio[A]	**49.3%**	59.7%	(10.4)pp	**47.2%**	68.4%	(21.2)pp
Asset quality ratio[A]	**0.25%**	0.18%	7bp	**0.25%**	0.15%	10bp
Return on tangible equity[A]	**17.9%**	11.9%	6.0pp	**19.5%**	7.5%	12.0pp

	At 30 Sep 2026	At 30 Jun 2026	Change %	At 31 Dec 2025	Change %
Underlying loans and advances to customers[A,1] (£bn)	**495.5**	491.5	1	481.1	3
Customer deposits (£bn)	**502.8**	500.9		496.5	1
Loan to deposit ratio[A]	**99%**	98%	1pp	97%	2pp
CET1 ratio	**13.3%**	13.6%	(0.3)pp	14.0%	(0.7)pp
Pro forma CET1 ratio[A,2]	**13.3%**	13.1%	0.2pp	13.2%	0.1pp
Total capital ratio	**17.9%**	18.4%	(0.5)pp	18.9%	(1.0)pp
MREL ratio	**31.2%**	32.0%	(0.8)pp	32.2%	(1.0)pp
UK leverage ratio	**5.0%**	5.1%	(0.1)pp	5.4%	(0.4)pp
Risk-weighted assets (£bn)	**247.4**	241.8	2	235.5	5
Wholesale funding[3] (£bn)	**109.9**	107.8	2	95.6	15
Liquidity coverage ratio[4]	**143%**	144%	(1)pp	145%	(2)pp
Net stable funding ratio[5]	**123%**	123%		124%	(1)pp
Tangible net assets per share[A]	**55.4p**	57.0p	(1.6)p	57.0p	(1.6)p

[A] See page 15 of the Q3 2026 results.

[1] The increase between 31 December 2025 and 30 September 2026 is net of the impact of the securitisation of £1.8 billion of primarily legacy Retail mortgages in April 2026.

[2] 30 June 2026 pro forma CET1 ratio reflects the full impact of the share buyback in respect of the first half of 2026, announced in July 2026. 31 December 2025 pro forma CET1 ratio reflects the full impact of the share buyback in respect of 2025, announced in January 2026.

[3] From the second quarter of 2026, the Group revised its definition of wholesale funding to comprise debt securities in issue and subordinated liabilities only. The 31 December 2025 comparative period is represented on a consistent basis.

[4] The liquidity coverage ratio is calculated as an average of month-end observations over the last 12 months.

[5] The net stable funding ratio is calculated as an average of the last four quarter-end observations.

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Our reporting
Our reporting is designed to facilitate better communication to a range of stakeholders. See our full reporting suite at www.lloydsbankinggroup.com/investors

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