Q3 2026 FREQUENTLY ASKED INVESTOR QUESTIONS

How was the Group's financial performance year to date?

- Lloyds Banking Group continued to demonstrate sustained strength in financial performance during the first nine months of 2026, and we are on track to meet our 2026 guidance.
- Statutory profit after tax of £4.8bn YTD (Q3 2025 YTD: £3.3bn). This included net income of £14.8bn, up 9% YoY.
- Net interest income of £11.1bn YTD, up 10% YoY, from stronger structural hedge income and franchise led volume growth, partially offset by asset margin compression and a competitive deposit market. YTD net interest margin of 3.21%, up 17bps (3.25% in Q3, up 3 basis points QoQ).
- Other income of £5.0bn YTD, up 10% YoY, reflecting broad-based growth due to strengthening customer activity, benefits from investments in strategic initiatives and Lloyds Wealth. Q3 was down 1% QoQ, reflecting higher subsidence claims, lower markets income and non-repeat of Q2 securitisation and LDC gains.
- Operating lease depreciation of £1.3bn YTD, up 17% YoY, driven by fleet growth, the depreciation of higher value vehicles and a second quarter charge for reduced used car prices, partially offset by continued risk mitigation. Q3 charge of £420m, down 7% QoQ, predominantly due to the non-repeat of the additional charge taken in Q2 to reflect used car prices, offset by ongoing fleet growth.
- Operating costs of £7.2bn YTD, up 1% YoY, reflects business growth costs and costs related to Lloyds Wealth, largely offset by ongoing cost savings, and lower investment (including severance) as the current strategic cycle ends.
- Strong and stable credit performance. Impairment charge of £930m YTD, resulting in an asset quality ratio of 25 basis points.
- Loans and advances to customers increased by £14.4bn/3% YTD to £495.5bn, with broad growth across business lines. Retail grew £6.8bn and Commercial grew £9.2bn.
- Customer deposits increased by £6.3bn/1% YTD to £502.8bn. Growth of £9.6bn within Commercial Banking was partially offset by a reduction in Retail of £3.7bn, due to disciplined pricing in a competitive deposit market.
- The Group delivered strong capital generation of 153 basis points with a closing CET1 capital ratio of 13.3%.
- Return on tangible equity of 17.9% YTD. Tangible net assets per share of 55.4 pence, down 1.6 pence both YTD and QoQ reflecting profitability and a lower share count offset by shareholder distributions and the impact of higher interest rates on the cash flow hedge reserve.
- For more on our Q3 2026 results, please see our Q3 2026 Interim Management Statement.

How do you expect the Group to perform for the remainder of 2026?

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 £14.9bn
- Cost:income ratio of less than 50% (including operating costs of less than £9.9bn)
- Asset quality ratio of c.25 basis points
- Return on tangible equity of greater than 16%
- Capital generation of greater than 200 basis points[1]
- To pay down to a CET1 ratio of c.13.0%

[1] Excludes capital distributions.

Is there any further update on your motor finance provisions?

- There have been no further charges relating to motor finance commission arrangements.
- Four challenges to the FCA's motor finance redress schemes (announced in March 2026) have been raised, three by lenders and one by a consumer group. The implementation of the schemes has now been delayed, as the Upper Tribunal hearing in respect of those challenges is listed for hearing in the second half of February 2027.
- The Group will continue to closely monitor the development of these challenges and consider any potential impact on the existing provision.
- Despite these uncertainties, as well as broader implications of any legal and/or regulatory developments, the current provision continues to represent the Group's current best estimate of the potential impact of the motor finance issue.

Why are you buying back shares?

- The Group currently uses an approved buyback programme to return excess capital to shareholders. We now review excess capital distributions, in addition to the ordinary dividend, every half year.
- The Board announced at the 2026 half year results its intention to implement a further ordinary share buyback programme of up to £1.0bn which is expected to complete by 27 January 2027, the day before the announcement of the Group's 2026 preliminary results.
- It is expected that shareholders who retain their shares in the company will benefit from the share buyback programme as they will own an increased proportion of the total shares in the company and should therefore see an increase in the dividend per share going forward given the reduced number of shares in issue.

How are the previously announced share buybacks progressing?

- On 30 January 2026 the Group commenced a £1.75bn ordinary share buyback programme which was completed on 24 September 2026 with c.1.7bn shares repurchased at an average price of £1.02.
- In July 2026, the Group announced a further ordinary share buyback of up to £1.0bn. This launched on 31 July 2026, with 0.2bn ordinary shares purchased as at 30 September 2026, at a cost of £0.2bn.

How are you progressing against your current strategy?

- We are successfully delivering against our current strategy and are on track to deliver our 2026 financial guidance.
- Since 2021 we have transformed the Group, building on our leading scale, breadth and connectivity. We maintained leadership and grew market shares in key products and segments, while unlocking the potential of digital and AI, and driving cost and capital efficiency.
- This success has included generating around £2bn of strategic initiative revenues, delivering an 8% other income compound annual growth rate vs. 2021 and realising more than £2bn of gross cost savings over the period.

How are you preparing for Accelerate 2030?

- We announced our new strategy, Accelerate 2030, at our half year results. We will reimagine customer experiences, increase Group connectivity and deliver a productivity step-change, all enabled by pioneering technology.
- We remain focused on delivering our 2026 financial guidance and laying firm foundations for Accelerate 2030.
- We are mobilising the business at all levels for Accelerate 2030. For example, we have established a new business unit to unlock connected growth opportunities across the Group and we have allocated over 95% of our 2027 strategic investment spend, which is now built into delivery plans.
- More detail on Accelerate 2030 can be found in our half year presentation and shareholder FAQs.

How are you addressing the competitive threat posed by the rise of fintech and challenger banks?

- Competition remains intense, particularly from fintechs, neobanks and other non-bank financial institutions, which continue to use competitive pricing, product innovation and technology to attract customers.
- We remain confident in our competitive position given the scale of our franchise, trusted brands, breadth of products and ability to serve customers across their financial needs. Our approach is focused on deepening customer relationships while maintaining disciplined pricing and sustainable returns.
- While neobanks have grown rapidly and accounted for c.48% of new personal current account openings in the year to August 2026, our PCA balance market share has increased from 22.7% to 24.7% over 2022-26.
- We are continuing to invest in digital journeys, personalisation and AI-enabled capabilities, while leveraging our broader product offering to deepen relationships and compete effectively as the market evolves.
- Our breadth, with 28m customers across banking, insurance, pensions and investments, together with our scale, customer relationships and data, provides rich Group-wide data and insight, supporting better pricing, risk decisions and more effective deployment of AI across the Group.

How are you supporting the transition to net zero?

- We're working with customers, government and the market to reduce the carbon emissions we finance by more than 50% and halve the carbon footprint of our investments by 2030.
- Our purpose allows us to play a key role in supporting the transition of the UK to a low carbon economy, and our focus is on financing the transition to build a more sustainable future. Through our current strategy we have provided over £80bn of sustainable finance to our customers since January 2022 up to H1 2026.
- As part of our new strategy, we have now introduced a new sustainable and transition finance ambition of more than £100bn between 2027 and 2030 to support credible transition in the real economy where clients need capital to modernise, decarbonise and remain competitive.
- This ambition is underpinned by the Group's new Sustainable & Transition Financing Framework and expands the Group's financing ambition to include eligible transition finance activities alongside sustainable finance.
- Scottish Widows' climate-aware investments have now reached over £90bn (as of H1 2026), with the original target met at the end of 2024.

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.