

LLOYDS BANKING GROUP – SHAREHOLDER FREQUENTLY ASKED QUESTIONS

The Board recognises the importance and value our shareholders place on engaging directly with us. Shareholders are invited to submit questions, or raise matters of concern as a shareholder, to shareholderquestions@lloydsbanking.com. Responses to questions on key themes can be found below.

Question: What is Lloyds Banking Group doing to improve the share price and shareholder value?

Answer: The share price is impacted by a wide range of factors, including financial performance and external circumstances. The Board and Executive team are very focused on our strategy and continuing to build a Group that is able to sustain long-term profitability in a rapidly changing world. In February 2022 we launched our new strategy, which targets an ambitious 5-year transformation of the Group, with clear deliverables and increasing financial benefits. The new strategy aims to generate returns of around 13%. In 2022 we returned £3.6bn to shareholders, which is more than 10% of our market capitalisation.

Question: Could Lloyds Banking Group try to be a little more flexible with its costs and loan rates instead of sticking to set rates?

Answer: Lloyds Banking Group plc's lending rates are largely determined by the rates at which it is able to arrange its own funding; those in turn are influenced by market rates, including the Bank of England's base rate. The Group is aware of the importance of costs to its customers and strives to maintain them at an affordable level. We are also mindful of the need to treat customers fairly and strive to ensure good customer outcomes.

Question: Is it a good idea to consider a share buyback?

Answer: In February 2023 we announced an increase of the ordinary dividend by 20% and also a share buyback of £2bn. The share buyback is part of our strategy for capital return. The Group has a progressive and sustainable ordinary dividend policy, whilst maintaining the flexibility to return surplus capital through buybacks or special dividends. A share buyback is a form of returning surplus capital held by a company to shareholders, involving the purchase by a company of its own shares.

Question: When you are planning to close Branches, do you consider how many other Bank Branches are in the same locality?

Answer: When making the decision whether to close a branch, we visit each location and use many different measures to assess the impact which closure would have on the community and what other ways customers can access banking locally.

Once we announce that a branch will close, we proactively engage with customers and members of the local community to inform them of the proposed closure and to advise how customers can continue to bank with us. Our customers are increasingly using digital channels to manage their money. We now have over 20 million regular digital users, so it's important that we continue to

develop the online services our customers want to use- our branches will continue to be an option for our customers, alongside our telephone services, mobile app and online bank.

Following the closure of any bank branch, LINK, the UK's Cash Access and ATM network, will identify whether a community requires further cash services. In addition, any community without branches can contact LINK directly and ask to be assessed for support.

Question: Why does Lloyds Banking Group's AGM continue to be held in Scotland?

Answer: The need for Lloyds Banking Group, which is registered in Scotland, to continue to hold its AGM in Scotland is set out in our Articles of Association. A copy of our Articles of Association is available online at lloydsbankinggroup.com should you wish to review these.

Question: What information and support can Lloyds Banking Group provide to biodiversity?

Answer: Lloyds Banking Group wants to help restore and protect nature in the UK. This is closely aligned to our purpose of Helping Britain Prosper. Nature loss is a complex topic and the first step on our journey is to understand more clearly how the Group's activities interact with nature. Our work has focused on developing an understanding of how our activities are impacting nature within the UK, both in terms of our own operations and through the clients we finance.

With regard to our own operations, in 2020 we implemented our new approach to land management across 16 office and branch sites by protecting and restoring over 17,000 m² of green space, creating new habitats and wildlife corridors, and making more space for nature. Working with our facilities management partner, Mitie, we implemented various restoration and biodiversity-enhancing solutions unique to each site and local area. Our approach included introducing 5,130 m² wildflower meadows, 1,000 UK-native tree and hedge saplings providing future shelter and food sources for birds and other wildlife and installing pollinator-friendly beds and planters, amongst other activities. As an example of our work, we've continued to transform the green space surrounding The Mound, one of our main office sites in Edinburgh. Working with the Scottish Wildlife Trust and the Edinburgh Nature Network, we developed a habitat management plan. In 2022, we completed our butterfly garden, added pollinator-friendly UK-native planting to our east terrace and woodland areas, and successfully tested using nature-based solutions to help reduce flooding in an area of the main garden.

The next phase of our operational biodiversity programme includes broadening our efforts to embed biodiversity in our buildings' design and to define a measurement and reporting structure, enabling us to track and share our progress consistently.

As we are the largest financier of UK farmers (with over 70 per cent of the UK's land being used for agricultural practices), looking at the agricultural sector will be a key focus for us. Our aim is to support our clients move to more sustainable practices and we have already started to make some progress in this regard through our work with the Soil Association, piloting a new service, the Soil Association Exchange. As part of this pilot, we are funding a consultancy service for up to 1,000 of our largest agriculture customers, helping them to improve their operations' ecological footprint and overall sustainability. The Exchange covers soil health, carbon emissions, water quality, biodiversity, animal health, and the social and community impacts of the farm.