

Annual General Meeting
Sir Robin Budenberg, Chair, Lloyds Banking Group
Thursday 15th May, 2025

Good morning everyone, and welcome to the Lloyds Banking Group 2025 Annual General Meeting. I'm Robin Budenberg, and I have the privilege of being Chair of the Group.

It's a great pleasure to be here in the City of Edinburgh, which recently marked its 900th anniversary. Edinburgh has long been a leading hub for financial and professional services. Our Group is rooted in this City, where Bank of Scotland was founded in 1695 by the Scottish Parliament as the Nation's first 'public bank'.

Welcome to all of you here in person, and welcome to all those joining via the webcast. With over 2.2 million shareholders, we have more individual investors than almost any other UK business. Many of those shareholders are among our 28 million customers – reflecting the significant role we play in UK financial services.

In a short while, there will be an opportunity for you to ask questions. After that, we will conduct the formal part of the meeting – including voting on the proposed resolutions.

Before then, I'd like to share my thoughts on our performance last year – which will be followed by reflections from Charlie Nunn, our Group Chief Executive, and Amanda MacKenzie, Chair of our Responsible Business Committee.

We've had one change to our Board over the past 12 months. Nathan Bostock joined the Board as a Non-Executive Director in August 2024 – and also became Chair of Lloyds Bank Corporate Markets.

Nathan brings deep financial services and markets' experience, and I am grateful to him as well as to all Board members for their invaluable contribution to the strong governance, foresight and stability of our organization.

Moving, then, to the Group's robust financial performance in 2024 – a year in which we successfully completed the first phase of our five year strategy; returning our Group to growth and improving our cost and capital efficiency.

Amidst a complex external environment, we have made significant progress in our ongoing transformation – improving customer experience, and delivering strong returns for shareholders.

Having met the guidance we had set for financial performance in 2024, and having reported a statutory profit after tax for the full year of £4.5 billion, we were pleased to announce a total ordinary dividend of 3.17 pence per share for 2024 – an increase of 15 per cent on 2023, in line with our progressive and sustainable dividend policy. We have also announced our intention to implement a share buyback of £1.7 billion, during 2025. This is in line with our target to pay down to a 13 per cent Core Tier 1 ratio by the end of 2026.

I am sure that shareholders will have been pleased to see some improvement in our share price, which I believe is starting to better reflect our consistent business performance and growing confidence in our medium-term outlook for higher, more sustainable returns. However, we recognise that the Court of Appeal ruling in relation to motor finance has created uncertainty both for customers and for shareholders. The Group continues to assess the potential impacts of this ruling, and we hope to have greater clarity soon.

We're pleased to maintain guidance on our strategic targets for 2026 – reinforcing confidence in our transformation objectives and delivery. A strong economy requires strong banks, with strong support from their shareholders. We also value good engagement with key stakeholders in the public and private sectors. Such engagement should create the right operating environment for financial services to protect and grow the futures of those we serve.

Our strategy is enabling us to deliver on our purpose of Helping Britain Prosper. We're transforming our business in order to build long-term resilience and prosperity for our customers, communities, colleagues and shareholders. Digital transformation is at the heart of our ambitions – uniting the best technology and talent to support customers in the ways that *they* choose to bank.

Our Consumer teams are simplifying mortgage applications, increasing awareness and control over credit scores, and redesigning the app to create a really clear, helpful experience. Our Insurance, Pension and Investment team are enabling customers to take greater ownership of their financial futures. Our Business and Commercial Banking unit is meeting customer needs faster and more effectively than ever before, with significantly enhanced digital services for smaller businesses. And Corporate and Institutional Banking is making a critical contribution to the UK's growth agenda through its support for our clients.

I am particularly proud of our partnership with Higher Education institutions across the UK – which can be engines for regional growth and development. Their research increases private sector productivity by £40 billion each year. Last year, we co-authored a report with PwC UK which set out how the catalytic power of Universities can be deployed for the benefit of our communities and commerce.

Also in 2024, we became the first major UK bank to lend to a Community Development Financial Institution – a not-for-profit lender that offers credit to customers who cannot access it elsewhere. We're proud to be helping small businesses, entrepreneurs and essential local employers to access the finance they need to get off the ground, and to thrive. Our contribution is part of a larger fund which is designed to support 800 businesses and over 10,000 jobs in the regions.

Meanwhile, as the biggest commercial supporter of social housing, we're committed to working across the private, public and community sectors to help increase the provision of safe and secure homes in every part of the UK. Last year, we extended our partnership with the charity Crisis. I know Amanda will also touch on this in a moment.

I would also meanwhile like to credit our Group's own Charitable Foundations – marking their 40th anniversary this year. In that time, supported fully by Lloyds Banking Group profits, they have contributed over £800 million to small, grass-root charities across the UK – supporting some of the most urgent areas of community need.

Of course, we could not deliver on our purpose and strategy without the sustained effort of colleagues across the whole Group. And we, in turn, are committed to – creating a fair, supportive and collegiate working environment, where ideas and skills can flourish. And when it comes to flexible working, we

are proud to have one of the best offers in the market for those with caring responsibilities or other needs.

Our Employee Engagement score is now at 71% – that’s 5% up on the previous year, and also 5% above the industry average. We believe that we’re moving forward in the right direction for our Colleagues. As part of this, we’ve launched our new People Forums – enhancing the way we engage colleagues in our transformation journey and strategic priorities. We also value the annual MyVoice Survey; input from our colleague Networks; and valued partnerships with our Trade Unions, Accord and Unite.

Diversity of thought and representation is paramount to the success of our Group, and its ability to innovate and deliver for our customers. We were the first FTSE 100 company to set targets for increasing both gender and ethnic diversity at senior levels, and we have also committed to double the representation of senior colleagues with any form of disability. In our view, inclusive business, is strong business.

To conclude, I’m proud of what Lloyds Banking Group is delivering for its customers, colleagues and shareholders – and I am proud of the way we are doing this. We are making important, long-term investments in the growth of our business, and the health of our communities.

Our financial results bear this out – with strong capital generation and shareholder distributions. And I am confident in our commitment to generating higher, more sustainable returns in the future – building on our strategic progress to date.

I would like to end by thanking our colleagues for their efforts, and their relentless focus on the evolving needs of our customers.

Thank you, and I will now hand over to Charlie.

(1309 words)