Lloyds Banking Group plc

Q3 2024

Pillar 3 Disclosures

23 October 2024

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Basis of preparation

This report presents the interim Pillar 3 disclosures of Lloyds Banking Group plc ('the Group') as at 30 September 2024 and should be read in conjunction with the Group's Q3 2024 Interim Management Statement.

These disclosures have been prepared in accordance with the Disclosure section of the PRA Rulebook. Pillar 3 templates required to be disclosed on a quarterly basis that have not been included in this report are listed in the table below along with the reason for exclusion.

PRA reference	Template name	Reason for exclusion
CCR7	RWA flow statements of CCR exposures under the IMM	Not applicable to the Group

The information presented in this Pillar 3 report is not required to be, and has not been, subject to external audit.

Interim Pillar 3 disclosures for the Group's ring-fenced bank sub-group (Lloyds Bank plc) and large subsidiaries (Bank of Scotland plc and Lloyds Bank Corporate Markets plc) are published separately on the Group's website, located at www.lloydsbankinggroup.com/investors/financial-downloads.

Key metric and overview of risk weighted exposure amounts

KM1: Key metrics[1, 2]

KM1 Ref	LR2 Ref		**30 Sep 2024**	30 Jun 2024	31 Mar 2024	31 Dec 2023	30 Sep 2023
		Available own funds (amounts)					
1		Common Equity Tier 1 (CET1) capital (£m)	**31,967**	31,295	30,942	31,897	31,681
2		Tier 1 capital (£m)	**36,774**	36,102	36,757	37,712	37,494
3		Total capital (£m)	**42,377**	41,465	42,412	43,439	43,339
		Risk-weighted exposure amounts					
4		Total risk-weighted exposure amount (£m)	**223,311**	222,019	222,831	219,130	217,712
		Capital ratios (as a percentage of risk-weighted exposure amount)					
5		Common Equity Tier 1 ratio (%)	**14.3%**	14.1%	13.9%	14.6%	14.6%
6		Tier 1 ratio (%)	**16.5%**	16.3%	16.5%	17.2%	17.2%
7		Total capital ratio (%)	**19.0%**	18.7%	19.0%	19.8%	19.9%
		Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)					
UK 7a		Additional CET1 SREP requirements (%)	**1.5%**	1.5%	1.5%	1.5%	1.5%
UK 7b		Additional AT1 SREP requirements (%)	**0.5%**	0.5%	0.5%	0.5%	0.5%
UK 7c		Additional T2 SREP requirements (%)	**0.6%**	0.6%	0.6%	0.6%	0.6%
UK 7d		Total SREP own funds requirements (%)	**10.6%**	10.6%	10.6%	10.6%	10.6%
		Combined buffer requirement (as a percentage of risk-weighted exposure amount)					
8		Capital conservation buffer (%)	**2.5%**	2.5%	2.5%	2.5%	2.5%
9		Institution specific countercyclical capital buffer (%)	**1.9%**	1.8%	1.8%	1.8%	1.8%
10a		Other Systemically Important Institution buffer (%)[3]	**—**	—	—	—	—
11		Combined buffer requirement (%)	**4.4%**	4.3%	4.3%	4.3%	4.3%
UK 11a		Overall capital requirements (%)	**15.0%**	15.0%	15.0%	15.0%	14.1%
12		CET1 available after meeting minimum SREP own funds requirements (%)[4]	**8.3%**	8.1%	7.9%	8.6%	8.6%
		Leverage ratio					
13	UK-24b	Total exposure measure excluding claims on central banks (£m)	**673,238**	664,936	658,052	647,634	653,546
14	25	Leverage ratio excluding claims on central banks (%)	**5.5%**	5.4%	5.6%	5.8%	5.7%
		Additional leverage ratio disclosure requirements					
UK 14a	UK-25a	Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%)	**5.5%**	5.4%	5.6%	5.8%	5.7%
UK 14b	UK-25c	Leverage ratio including claims on central banks (%)	**5.0%**	4.9%	5.0%	5.2%	5.1%
UK 14c	UK-34	Average leverage ratio excluding claims on central banks (%)[5]	**5.4%**	5.4%	5.7%	5.7%	5.7%
UK 14d	UK-33	Average leverage ratio including claims on central banks (%)[5]	**5.0%**	4.9%	5.1%	5.1%	5.0%
	UK-31	Average total exposure measure including claims on central banks[5]	**736,490**	731,044	726,288	736,725	737,497
	UK-32	Average total exposure measure excluding claims on central banks[5]	**677,322**	665,494	652,887	656,857	649,434
	27	Leverage ratio buffer (%)[6]	**1.2%**	1.2%	1.2%	1.2%	1.2%
	UK-27a	Of which: G-SII or O-SII additional leverage ratio buffer (%)	**—**	—	—	—	—
UK 14e	UK-27b	Of which: countercyclical leverage ratio buffer (%)	**0.6%**	0.6%	0.6%	0.6%	0.6%

1 Includes extracts of LR2 (Leverage ratio common disclosure) that are required to be disclosed on a quarterly basis.

2 The Group applies dynamic relief in accordance with the IFRS9 transitional arrangements for capital as set out under CRR Article 473a (revised). In addition the Group applies a 100 per cent risk weight to the consequential Standardised credit risk exposure add-back as permitted under paragraph 7a of the arrangements. At 30 September 2024 dynamic relief for CET1 capital amounted to £17 million (31 December 2023: £196 million).

3 Although the Group does not have an Other Systemically Important Institution (O-SII) buffer, it is required to hold additional CET1 capital to meet its Ring-Fenced Bank's O-SII buffer of 2.0 per cent, which equates to 1.7 per cent of the Group's total risk-weighted exposure amount.

4 Represents, as a percentage, the level of CET1 capital left available to meet buffer requirements after subtracting the minimum amount of CET1 capital required to meet total Pillar 1 plus Pillar 2A capital requirements, also referred to as total SREP own funds requirements. The minimum CET1 requirement is equivalent to 4.5 per cent (Pillar 1) plus the additional CET1 SREP requirement (56.25 per cent of Pillar 2A). The Group's Pillar 2A capital requirement is around 2.6 per cent of risk-weighted assets, of which around 1.5 per cent is to be met with CET1 capital.

5 The average leverage ratio is based on the average of the month end tier 1 capital position and average exposure measure over the quarter.

6 The Group's total leverage ratio buffer includes an add-on of 0.6 per cent that equates to the additional leverage ratio buffer (ALRB) of 0.7 per cent applied to the Group's Ring-Fenced Bank.

Key metric and overview of risk weighted exposure amounts continued

KM1: Key metrics (continued)

KM1 Ref	LR2 Ref	Average Liquidity Coverage Ratio (weighted) (LCR)[7]	30 Sep 2024	30 Jun 2024	31 Mar 2024	31 Dec 2023	30 Sep 2023
15		Total high-quality liquid assets (HQLA) (Weighted value -average) (£m)	**134,594**	136,023	136,442	135,997	136,565
UK 16a		Cash outflows - Total weighted value - average (£m)	**109,021**	110,350	111,277	111,014	112,466
UK 16b		Cash inflows - Total weighted value - average (£m)	**15,715**	15,880	16,010	15,526	16,162
16		Total net cash outflows (adjusted value - average) (£m)	**93,306**	94,470	95,267	95,488	96,304
17		Average liquidity coverage ratio (%)	**144%**	144%	143%	142%	142%
		Average Net Stable Funding Ratio[8]					
18		Total available stable funding (Weighted value - average) (£m)	**529,219**	530,557	529,657	530,629	530,063
19		Total required stable funding (Weighted value - average) (£m)	**409,954**	408,586	407,403	407,452	407,773
20		Average NSFR ratio (%)	**129%**	130%	130%	130%	130%

7 The liquidity balances are calculated as the simple average of month end observations over the previous 12 months.

8 The net stable funding balances are calculated as the simple average of month end observations over the previous 4 quarter ends.

Key metric and overview of risk weighted exposure amounts continued

IFRS 9-FL: Capital

Comparison of institutions' own funds and capital and leverage ratios with and without the application of transitional arrangements for IFRS 9 or analogous ECLs.

		30 Sep 2024	30 Jun 2024	31 Mar 2024	31 Dec 2023	30 Sep 2023
	Available own funds (amounts)					
1	Common Equity Tier 1 (CET1) capital (£m)	**31,967**	31,295	30,942	31,897	31,681
2	CET1 capital as if IFRS 9 transitional arrangements had not been applied (£m)	**31,950**	31,278	30,844	31,701	31,436
3	Tier 1 capital (£m)	**36,774**	36,102	36,757	37,712	37,494
4	Tier 1 capital as if IFRS 9 transitional arrangements had not been applied (£m)	**36,757**	36,085	36,659	37,516	37,249
5	Total capital (£m)	**42,377**	41,465	42,412	43,439	43,339
6	Total capital as if IFRS 9 transitional arrangements had not been applied (£m)	**42,360**	41,448	42,393	43,402	43,326
	Risk-weighted exposure (amounts)					
7	Total risk-weighted exposure amount (£m)	**223,311**	222,019	222,831	219,130	217,712
8	Total risk-weighted exposure amount as if IFRS 9 transitional arrangements had not been applied (£m)	**223,289**	221,996	222,773	219,015	217,601
	Capital ratios (as a percentage of risk-weighted exposure amount)					
9	Common Equity Tier 1 ratio (%)	**14.3%**	14.1%	13.9%	14.6%	14.6%
10	CET1 ratio as if IFRS 9 transitional arrangements had not been applied (%)	**14.3%**	14.1%	13.8%	14.5%	14.4%
11	Tier 1 ratio (%)	**16.5%**	16.3%	16.5%	17.2%	17.2%
12	Tier 1 ratio as if IFRS 9 transitional arrangements had not been applied (%)	**16.5%**	16.3%	16.5%	17.1%	17.1%
13	Total capital ratio (%)	**19.0%**	18.7%	19.0%	19.8%	19.9%
14	Total capital ratio as if IFRS 9 transitional arrangements had not been applied (%)	**19.0%**	18.7%	19.0%	19.8%	19.9%
	Leverage ratio					
15	Total exposure measure excluding claims on central banks (£m)	**673,238**	664,936	658,052	647,634	653,546
16	Leverage ratio excluding claims on central banks (%)	**5.5%**	5.4%	5.6%	5.8%	5.7%
17	Leverage ratio excluding claims on central banks as if IFRS 9 transitional arrangements had not been applied (%)	**5.5%**	5.4%	5.6%	5.8%	5.7%

KM2: Key Metrics – TLAC requirements

		30 Sep 2024	30 Jun 2024	31 Mar 2024	31 Dec 2023	30 Sep 2023
		Resolution Group[1]				
1	Total loss absorbing capacity (TLAC) available (£m)	**71,816**	70,314	71,386	69,905	71,071
1a	Fully loaded ECL accounting model TLAC available (£m)	**71,799**	70,297	71,368	69,868	71,059
2	Total RWA at the level of the resolution group (£m)	**223,311**	222,019	222,831	219,130	217,712
3	TLAC as a percentage of RWA (%)	**32.2%**	31.7%	32.0%	31.9%	32.6%
3a	Fully loaded ECL accounting model TLAC as a percentage of fully loaded ECL accounting model RWA (%)	**32.2%**	31.7%	32.0%	31.9%	32.7%
4	UK leverage ratio exposure measure at the level of the resolution group (£m)	**673,238**	664,936	658,052	647,634	653,546
5	TLAC as a percentage of UK leverage ratio exposure measure (%)	**10.7%**	10.6%	10.8%	10.8%	10.9%
5a	Fully loaded ECL accounting model TLAC as a percentage of fully loaded ECL accounting model UK leverage ratio exposure measure (%)	**10.7%**	10.6%	10.8%	10.8%	10.9%
6a	Does the subordination exemption in the ante-penultimate paragraph of Section 11 of the FSB TLAC Term Sheet apply?	**No**	No	No	No	No
6b	Does the subordination exemption in the penultimate paragraph of Section 11 of the FSB TLAC Term Sheet apply?	**No**	No	No	No	No
6c	If the capped subordination exemption applies, the amount of funding issued that ranks pari passu with excluded liabilities and that is recognised as external TLAC, divided by funding issued that ranks pari passu with excluded liabilities and that would be recognised as external TLAC if no cap was applied (%)	**N/A**	N/A	N/A	N/A	N/A

1 The consolidated position of Lloyds Banking Group plc (the resolution entity).

Key metric and overview of risk weighted exposure amounts continued

Common Equity Tier 1

The Group's common equity tier 1 (CET1) capital ratio has reduced to 14.3 per cent at 30 September 2024 (31 December 2023: 14.6 per cent). Banking business profits for the period and the dividends received from the Group's Insurance business in February 2024 and June 2024 were partly offset by an increase in risk-weighted assets and other movements, including the recognition of a foreign exchange translation loss following the US Dollar AT1 capital instrument redemption. Further offsets included the recognition of the full capital impact of the share buyback programme, the payment of the interim ordinary dividend in September 2024 and the accrual for foreseeable ordinary dividends.

Total Capital and MREL

The Group's total capital ratio reduced to 19.0 per cent at 30 September 2024 (31 December 2023: 19.8 per cent), primarily reflecting the AT1 redemption and the increase in risk-weighted assets. The MREL ratio increased to 32.2 per cent at 30 September 2024 (31 December 2023: 31.9 per cent) reflecting the increase in other eligible liabilities driven primarily by new issuances, net of calls, the exclusion of instruments maturing over the next 12 months and the impact of movements in foreign exchange rates. This was partly offset by the reduction in total capital resources and the increase in risk-weighted assets.

Risk-Weighted Assets

Risk-weighted assets increased by £4.2 billion in the year to date to £223.3 billion at 30 September 2024 (31 December 2023: £219.1 billion) reflecting the impact of lending growth, Retail secured CRD IV model updates and other movements, partly offset by optimisation including capital efficient securitisation activity.

Leverage

The Group's UK leverage ratio reduced to 5.5 per cent (31 December 2023: 5.8 per cent) reflecting both the reduction in the total tier 1 capital position and the increase in the leverage exposure measure following increases across securities financing transactions and other assets (excluding central bank claims).

Liquidity

The Group's liquidity coverage ratio (LCR) was 144 per cent (based on a simple average over the previous 12 months) as of 30 September 2024 (31 December 2023: 142 per cent). The increase of 2 per cent was primarily due to a decrease in net cash outflows from a reduction in wholesale funding outflows. The Group's net stable funding ratio (NSFR) remains strong at 129 per cent (based on a simple average over the previous 4 quarters) as at 30 September 2024 (31 December 2023: 130 per cent).

OV1: Overview of risk-weighted assets

		Total RWA		Total own funds requirements
		30 Sep 2024	31 Dec 2023	30 Sep 2024
		£m	£m	£m
1	**Credit risk (excluding CCR)**	**176,406**	172,979	**14,112**
2	Of which the standardised approach	**22,367**	22,074	**1,789**
3	Of which the foundation IRB (FIRB) approach	**33,632**	35,727	**2,691**
4	Of which slotting approach	**9,067**	8,778	**725**
UK 4a	Of which equities under the simple risk weighted approach	**14,055**	13,973	**1,124**
5	Of which the advanced IRB (AIRB) approach	**89,695**	85,459	**7,176**
	Of which: non-credit obligation assets[1]	**7,590**	6,968	**607**
6	**Counterparty credit risk (CCR)**	**6,742**	6,535	**539**
7	Of which the standardised approach	**5,393**	5,333	**431**
UK 8a	Of which exposures to a CCP	**191**	178	**15**
UK 8b	Of which credit valuation adjustment (CVA)	**689**	689	**55**
9	Of which other CCR	**469**	335	**38**
16	**Securitisation exposures in the non-trading book (after the cap)**	**8,735**	8,958	**699**
17	Of which SEC-IRBA approach	**4,271**	4,329	**342**
18	Of which SEC-ERBA approach (including IAA)	**1,443**	1,642	**115**
19	Of which SEC-SA approach	**3,021**	2,987	**242**
20	**Position, foreign exchange and commodities risks (Market risk)**	**5,098**	4,242	**408**
21	Of which the standardised approach	**612**	698	**49**
22	Of which IMA	**4,486**	3,544	**359**
23	**Operational risk**	**26,330**	26,416	**2,106**
UK 23b	Of which standardised approach	**26,330**	26,416	**2,106**
24	Memo: Amounts below the thresholds for deduction (subject to 250% risk weight)	**10,662**	11,028	**853**
29	**Total**	**223,311**	219,130	**17,864**
	Pillar 2A capital requirement[2]			**5,899**
	Total capital requirement			**23,763**

1 Non-credit obligation assets (IRB approach) predominantly relate to other balance sheet assets that have no associated credit risk, including the residual value of operating leases.

2 As at 30 September 2024, the Pillar 2A capital requirement was around 2.6 per cent of risk-weighted assets, of which around 1.5 per cent was to be met with CET1 capital. The PRA provided an update to the Group's Pillar 2A capital requirement during the third quarter, with the requirement remaining at around 2.6 per cent of risk-weighted assets.

Credit risk

The table below summarises the movements of risk-weighted assets for credit risk exposures under the Internal Ratings Based (IRB) Approach. The table excludes counterparty credit risk exposures, securitisation exposures, other non-credit obligation assets and equity exposures.

CR8: Risk-weighted assets flow statements of credit risk exposures

		Total RWA quarter to 30 Sep 2024	Total RWA YTD 30 Sep 2024
		£m	£m
1	Risk weighted exposure amount as at the end of previous reporting period	131,344	129,964
2	Asset size (+/-)	1,327	4,936
3	Asset quality (+/-)	(172)	322
5	Methodology and policy (+/-)	454	67
6	Acquisitions and disposals (+/-)	—	(474)
7	Foreign exchange movements (+/-)	(559)	(615)
8	Other (+/-)	—	(1,806)
9	**Risk weighted exposure amount at the end of the reporting period**	**132,394**	**132,394**

Key movements 30 June 2024 to 30 September 2024

– Asset Size movement largely driven by Commercial Banking and Retail lending growth.

– Methodology and policy movement driven by CRD IV model updates, partly offset by optimisation activity.

– Foreign exchange movements are principally driven by movement in the US Dollar.

Market Risk

MR2-B: Risk-weighted assets flow statements of market risk exposures under the Internal Model Approach

The table below summarises the movements of risk-weighted assets for market risk exposures under the Internal Model Approach (IMA).

		Total RWA quarter to 30 Sep 2024					
		VaR	SVaR	IRC	Other	Total RWA	Total own funds requirements
		£m	£m	£m	£m	£m	£m
1	**RWAs at 30 June 2024**	**495**	**1,809**	**436**	**1,401**	**4,142**	**331**
1a	Regulatory adjustment	(365)	(1,288)	—	—	(1,653)	(132)
1b	RWAs at the previous quarter-end (end of the day)[1]	130	521	436	1,401	2,489	199
2	Movement in risk levels	(5)	17	(19)	(225)	(233)	(18)
3	Model updates/changes	—	—	—	113	113	9
8a	RWAs at end of the disclosure period (end of the day)[1]	125	538	417	1,289	2,369	190
8b	Regulatory adjustment	261	1,819	37	—	2,117	169
8	**RWAs at 30 September 2024**	**386**	**2,357**	**454**	**1,289**	**4,486**	**359**

		Total RWA YTD 30 Sep 2024					
		VaR	SVaR	IRC	Other	Total RWA	Total own funds requirements
		£m	£m	£m	£m	£m	£m
1	**RWAs at 31 December 2023**	**853**	**1,009**	**383**	**1,299**	**3,544**	**284**
1a	Regulatory adjustment	(713)	(646)	(42)	—	(1,401)	(113)
1b	RWAs at end of day[1]	140	363	341	1,299	2,143	171
2	Movement in risk levels	(15)	175	42	(60)	142	12
3	Model updates/changes	—	—	34	50	84	7
8a	RWAs at end of day[1]	125	538	417	1,289	2,369	190
8b	Regulatory adjustment	261	1,819	37	—	2,117	169
8	**RWAs at 30 September 2024**	**386**	**2,357**	**454**	**1,289**	**4,486**	**359**

[1] End of day represents spot position

Key movements 30 June 2024 to 30 September 2024:

– Moves in VaR and SVaR RWA were driven by portfolio evolution.

– The decrease in Other RWA was driven by risk reduction, partially offset by RNIV (Risk not in VaR) framework enhancements.

Liquidity

The table below presents the breakdown of the Group's cash outflows and cash inflows, as well as its available high quality liquid assets, calculated as the simple averages of month end observations over the 12 months preceding the end of each quarter.

LIQ1: Liquidity Coverage Ratio

		Total unweighted value (average)				Total weighted value (average)			
		30 Sep 2024	30 Jun 2024	31 Mar 2024	31 Dec 2023	**30 Sep 2024**	30 Jun 2024	31 Mar 2024	31 Dec 2023
	Number of data points used in the calculation of averages	**12**	12	12	12	**12**	12	12	12
High-quality liquid assets (£m)									
1	Total high-quality liquid assets (HQLA)					**134,594**	136,023	136,442	135,997
Cash - outflows (£m)									
2	Retail deposits and deposits from small business customers, of which:	**348,045**	345,646	344,618	344,964	**23,321**	23,193	23,183	23,324
3	Stable deposits	**263,972**	262,145	261,144	260,875	**13,198**	13,107	13,057	13,044
4	Less stable deposits	**84,073**	83,501	83,474	84,089	**10,123**	10,086	10,126	10,280
5	Unsecured wholesale funding	**91,937**	93,693	95,274	96,585	**46,362**	47,603	48,485	48,599
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	**20,871**	20,083	19,279	21,777	**5,218**	5,021	4,820	5,444
7	Non-operational deposits (all counterparties)	**67,745**	69,532	71,772	70,397	**37,823**	38,504	39,442	38,744
8	Unsecured debt	**3,321**	4,078	4,223	4,411	**3,321**	4,078	4,223	4,411
9	Secured wholesale funding					**209**	253	291	286
10	Additional requirements	**73,985**	74,450	74,347	73,970	**34,057**	34,457	34,394	33,944
11	Outflows related to derivative exposures and other collateral requirements	**21,466**	21,779	21,927	21,551	**21,466**	21,779	21,927	21,551
12	Outflows related to loss of funding on debt products	**595**	614	558	751	**595**	614	558	751
13	Credit and liquidity facilities	**51,924**	52,057	51,862	51,668	**11,996**	12,064	11,909	11,642
14	Other contractual funding obligations	**2,033**	1,433	1,524	1,404	**1,198**	1,013	1,110	1,003
15	Other contingent funding obligations	**92,903**	91,953	91,361	91,681	**3,874**	3,831	3,814	3,858
16	Total cash outflows					**109,021**	110,350	111,277	111,014
Cash - inflows (£m)									
17	Secured lending (e.g. reverse repos)	**34,866**	33,549	34,008	35,056	**342**	391	460	457
18	Inflows from fully performing exposures	**7,126**	7,186	7,137	6,746	**5,319**	5,338	5,211	4,788
19	Other cash inflows	**10,110**	10,204	10,388	10,396	**10,054**	10,151	10,339	10,281
20	Total cash inflows	**52,102**	50,939	51,533	52,198	**15,715**	15,880	16,010	15,526
UK-20c	Inflows subject to 75% cap	**50,075**	48,967	49,284	49,736	**15,715**	15,880	16,010	15,526
Total adjusted value									
UK-21	Liquidity buffer (£m)					**134,594**	136,023	136,442	135,997
22	Total net cash outflows (£m)					**93,306**	94,470	95,267	95,488
23	Liquidity coverage ratio (%)					**144%**	144%	143%	142%

Liquidity continued

LIQB: Qualitative information on LCR

The Group's LCR disclosure (calculated as the simple average of month end observations over the previous 12 months) was 144 per cent as of 30 September 2024, unchanged from the prior quarter. For the quarterly change, Liquid assets decreased primarily from a reduction in wholesale funding partially offset with an increase in customer deposits. Net cash outflows also decreased, primarily from the associated reduction in wholesale funding outflows.

The Group's funding and liquidity position is underpinned by its significant customer deposit base and is supported by strong relationships across customer segments. Funding concentration by counterparty, currency and tenor is monitored on an ongoing basis and where concentrations do exist, these are managed as part of the planning process and limited by the internal funding and liquidity risk monitoring framework, with analysis regularly provided to senior management.

The Group's liquidity buffer consists almost entirely of Level 1 assets. Level 1 assets are primarily held as central bank reserves and UK government bonds.

The Group's outflows related to derivative exposures and other collateral requirements include outflows for potential deterioration in credit rating and for the impact of an adverse market scenario on derivatives transactions. Also included are outflows on derivative contracts that have offsetting inflows recorded in 'other cash inflows'.

The Group's liquidity risk management framework covers currency liquidity risk and ensures the currency denomination of LCR liquid assets is consistent with the distribution of net currency liquidity outflows. Granular LCR risk appetites by significant currency are set and monitored across tenors at Group committee level.

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; acts of hostility or terrorism and responses to those acts, or other such events; geopolitical unpredictability; the war between Russia and Ukraine; the 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; tightening of monetary policy in jurisdictions in which the Group operates; 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; 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. 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