

**Delivering a robust financial performance whilst making good progress on strategy. We remain on track to deliver higher, more sustainable returns.**

**Our performance allows us to reaffirm our 2024 guidance and gives increasing confidence in our 2026 commitments**

- Strategic transformation building momentum, delivering for customers
- Robust financial performance
- Reaffirming 2024 guidance; confident in 2026

### 2024 guidance

- NIM >290bps
- Operating costs c.£9.4bn including c.£0.1bn BoE levy
- AQR expected to be <20bps
- RoTE c.13%
- RWAs £220-£225bn
- Capital generation c.175bps<sup>1</sup>

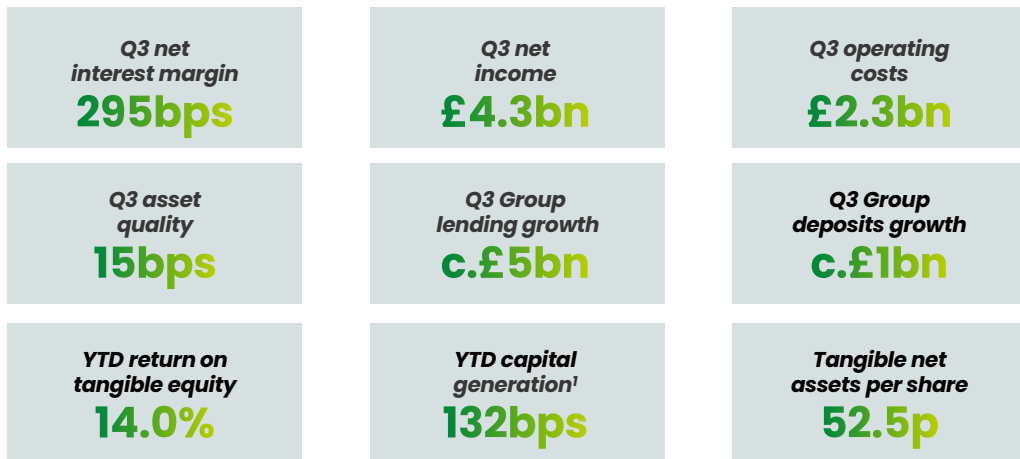
Expect to pay down to a CET1 ratio of c.13.5%

### 2026 guidance

- Cost:income <50%
- RoTE >15%
- Capital generation >200bps<sup>1</sup>

Expect to pay down to CET1 ratio of c.13% by the end of 2026

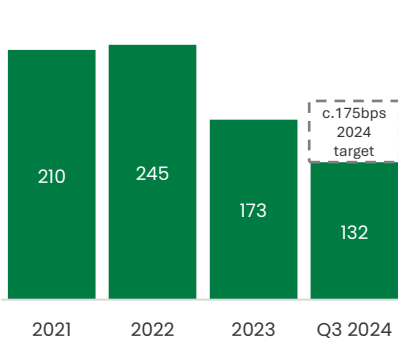
**Robust financial performance, with growth in income alongside continued cost discipline and strong asset quality**



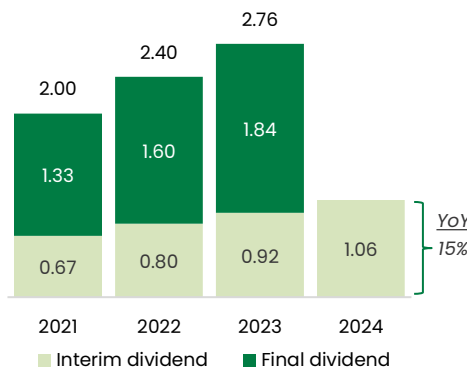
## Shareholder distributions

The Group has a progressive and sustainable ordinary dividend policy whilst maintaining the flexibility to return further surplus capital through buybacks or special dividends

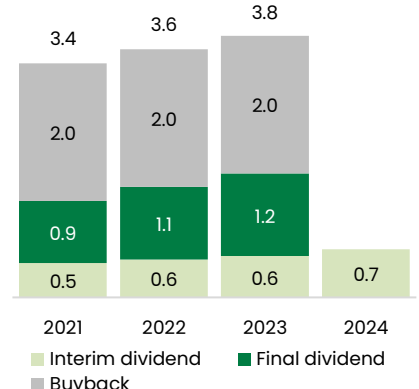
Strong capital generation<sup>1</sup>, bps



Progressive and sustainable ordinary dividend, £p/share



Track record of growing shareholder distributions<sup>2</sup>, £bn



<sup>1</sup> – Excluding capital distributions. Inclusive of ordinary dividends received from the Insurance business in February of the following year. <sup>2</sup> – Announced in year. Chart uses rounded inputs.



### Key financials

#### Profit & loss<sup>A</sup>

	Nine months ended 30 Sep 2024 £m	Nine months ended 30 Sep 2023 £m	Change %	Three months ended 30 Sep 2024 £m	Three months ended 30 Sep 2023 £m	Change %
Underlying net interest income	9,569	10,448	(8)	3,231	3,444	(6)
Underlying other income	4,164	3,837	9	1,430	1,299	10
Operating lease depreciation	(994)	(585)	(70)	(315)	(229)	(38)
<b>Net income</b>	<b>12,739</b>	<b>13,700</b>	<b>(7)</b>	<b>4,346</b>	<b>4,514</b>	<b>(4)</b>
Operating costs	(6,992)	(6,654)	(5)	(2,292)	(2,241)	(2)
Remediation	(124)	(134)	7	(29)	(64)	55
<b>Total costs</b>	<b>(7,116)</b>	<b>(6,788)</b>	<b>(5)</b>	<b>(2,321)</b>	<b>(2,305)</b>	<b>(1)</b>
<b>Underlying profit before impairment</b>	<b>5,623</b>	<b>6,912</b>	<b>(19)</b>	<b>2,025</b>	<b>2,209</b>	<b>(8)</b>
Underlying impairment charge	(273)	(849)	68	(172)	(187)	8
<b>Underlying profit</b>	<b>5,350</b>	<b>6,063</b>	<b>(12)</b>	<b>1,853</b>	<b>2,022</b>	<b>(8)</b>
Restructuring	(21)	(69)	70	(6)	(44)	86
Volatility and other items	(182)	(266)	32	(24)	(120)	80
<b>Statutory profit before tax</b>	<b>5,147</b>	<b>5,728</b>	<b>(10)</b>	<b>1,823</b>	<b>1,858</b>	<b>(2)</b>
Tax expense	(1,370)	(1,444)	5	(490)	(438)	(12)
<b>Statutory profit after tax</b>	<b>3,777</b>	<b>4,284</b>	<b>(12)</b>	<b>1,333</b>	<b>1,420</b>	<b>(6)</b>
Earnings per share	5.3p	5.9p	(0.6)p	1.9p	2.0p	(0.1)p
Banking net interest margin <sup>A</sup>	2.94%	3.15%	(21)bp	2.95%	3.08%	(13)bp
Average interest-earning banking assets <sup>A</sup>	£449.9bn	£453.5bn	(1)	£451.1bn	£453.0bn	
Cost:income ratio <sup>A</sup>	55.9%	49.5%	6.4pp	53.4%	51.1%	2.3pp
Asset quality ratio <sup>A</sup>	0.09%	0.25%	(16)bp	0.15%	0.17%	(2)bp
Return on tangible equity <sup>A</sup>	14.0%	16.6%	(2.6)pp	15.2%	16.9%	(1.7)pp

#### Key balance sheet metrics

	At 30 Sep 2024	At 30 Jun 2024	Change %	At 31 Dec 2023	Change %
Underlying loans and advances to customers <sup>A</sup>	£457.0bn	£452.4bn	1	£449.7bn	2
Customer deposits	£475.7bn	£474.7bn		£471.4bn	1
Loan to deposit ratio <sup>A</sup>	96%	95%	1pp	95%	1pp
CET1 ratio	14.3%	14.1%	0.2pp	14.6%	(0.3)pp
Pro forma CET1 ratio <sup>A,1</sup>	14.3%	14.1%	0.2pp	13.7%	0.6pp
Total capital ratio	19.0%	18.7%	0.3pp	19.8%	(0.8)pp
MREL ratio	32.2%	31.7%	0.5pp	31.9%	0.3pp
UK leverage ratio	5.5%	5.4%	0.1pp	5.8%	(0.3)pp
Risk-weighted assets	£223.3bn	£222.0bn	1	£219.1bn	2
Wholesale funding	£93.3bn	£97.6bn	(4)	£98.7bn	(5)
Liquidity coverage ratio <sup>2</sup>	144%	144%		142%	2pp
Net stable funding ratio <sup>3</sup>	129%	130%	(1)pp	130%	(1)pp
Tangible net assets per share <sup>A</sup>	52.5p	49.6p	2.9p	50.8p	1.7p

A - The Group uses alternative performance measures in the description of its financial position. Further information on these measures is set out on page 13 of the Q3 2024 Interim Management Statement. 1 - 31 December 2023 reflects both the full impact of the share buyback in respect of 2023 and the ordinary dividend received from the Insurance business in February 2024, but excludes the impact of the phased unwind of IFRS 9 relief on 1 January 2024. 2 - The liquidity coverage ratio is calculated as a simple average of month-end observations over the previous 12 months. 3 - The net stable funding ratio is calculated as a simple average of month-end observations over the previous four quarter-ends.

# Investor factbook

Q3 2024



## Helping customers, colleagues and communities through our scale, capabilities and ambitions

Our purpose	Our vision	Our strategy
<p>Helping Britain Prosper.</p> <p>We do this by creating a more sustainable and inclusive future for people and businesses, shaping finance as a force for good</p>	<p>Our vision is to be the UK customer-focused digital leader and integrated financial services provider, capitalising on new opportunities, at scale</p>	<p>We will achieve our vision through our strategic priorities: Grow, Focus and Change. Our strategy has been designed to transform the business and create higher, more sustainable growth and returns.</p>

## We have distinct competitive strengths that collectively differentiate our proposition

<p><b>Leading UK customer franchise with deep customer insight</b></p> <p>More than 27 million customers, with extensive reach across the UK. Customer data and analysis ensures we can meet the needs of these customers more effectively</p>	<p><b>Dedicated colleagues with strong values</b></p> <p>Highly engaged, customer focused, diverse workforce with significant expertise and experience.</p>	<p><b>Operating at scale with cost discipline</b></p> <p>Our scale and efficiency enable us to operate more effectively</p>
<p><b>Focused and capital generative business model</b></p> <p>Allowing significant investment while returning capital to shareholders.</p>	<p><b>Unique customer proposition</b></p> <p>Serving all our customers' banking, investment and insurance needs in one place through a comprehensive product range.</p>	<p><b>Financial strength and disciplined risk management</b></p> <p>Strong capital position. Continue to take a disciplined approach to risk, as reflected through the quality of our portfolio and underwriting criteria.</p>
<p><b>All-channel distribution focus with digital leadership and trusted brands</b></p> <p>Operating through a range of distribution channels ensures our customers can interact with us when and how they want. We are the UK's largest digital bank, with 22 million digitally active users which includes 19.4 million app users.</p>		

## Leading UK digital bank and integrated financial services provider

3 core divisions	Retail		Commercial		Insurance Pensions & Investments		
Business units	Consumer Relationships	Consumer Lending	Small and Medium Businesses	Corporate & Institutional Banking			
Products	<p>Current accounts</p> <p>Savings accounts</p> <p>Mass affluent proposition</p>	<p>Mortgages</p> <p>Credit cards</p> <p>Personal loans</p> <p>Motor finance</p>	<p>Business loans</p> <p>Transactional banking</p> <p>Working capital</p>	<p>Lending &amp; debt capital markets</p> <p>Risk mgmt</p> <p>Cash liquidity</p>	<p>Home, motor and protection insurance</p> <p>Pensions</p> <p>Investments</p>		
Trusted brands							

# Investor factbook

Q3 2024



## Purpose driven strategy delivers for broader stakeholders

### Strategic priorities



Grow

Drive revenue growth and diversification



Focus

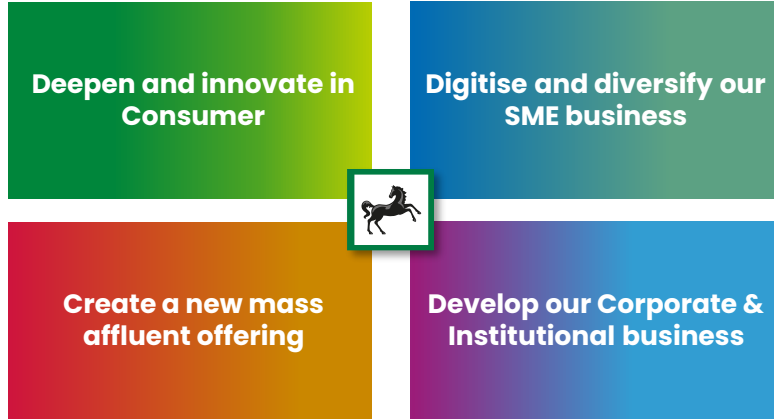
Strengthen cost and capital efficiency



Change

Maximise the potential of people, technology and data

### Growth pillars



**c.£3bn** incremental strategic investment 2022–2024

**c.£1.5bn** additional revenue target by 2026 (**c.£0.7bn** by 2024)

**c.£1.2bn** gross cost savings target by 2024

### Contacts

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Institutional investors and analysts:

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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](http://www.lloydsbankinggroup.com/investors)

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