

# Investor Factbook: 2024 Results

## Significant strategic progress, building momentum

Purpose-led strategy delivering for customers and wider stakeholders

First strategic phase successfully completed, building broad momentum

Robust financial performance in line with guidance

Strong capital generation, enabling increased dividend and £1.7 billion buyback

New guidance for 2025, with targets reaffirmed for 2026

## Delivering on our purpose for all stakeholders

### Our purpose

Helping Britain Prosper.  
We do this by creating a more sustainable and inclusive future for people and businesses, shaping finance as a force for good.

### Our vision

To be the UK customer-focused digital leader and integrated financial services provider, capitalising on new opportunities, at scale.

## UK financial services provider with three core divisions



### Retail

#### Consumer lending

- Mortgages
- Credit cards
- Personal loans
- Motor finance

#### Consumer relationships

- Current accounts
- Savings accounts
- Mass affluent proposition



### Insurance, Pensions and Investments

#### Insurance

- Home, motor, pet
- Protection

#### Pensions and retirement

- Workplace pensions
- Direct to customer pensions
- Retirement

#### Investments

- Ready-Made investments
- Sharedealing



### Commercial Banking

#### Business and commercial banking

- Business loans
- Transactional banking
- Working capital
- Merchant services

#### Corporate and institutional banking

- Lending and debt capital markets
- Cash liquidity
- Risk management

## Distinct competitive advantages

### Leading UK customer franchise with deep customer insight

28 million customers with extensive reach across the UK. Customer data and analysis ensures we can meet the needs of these customers more effectively.

### All-channel distribution focus with digital leadership and trusted brands

Operating through a range of brands and distribution channels, including the UK's largest digital bank.

### Unique customer proposition

Serving all our customers' banking, investment and insurance needs through a comprehensive product range.

### Operating at scale with cost discipline

Our scale and efficiency enable us to operate and invest more effectively.

### Focused and capital generative business model

Allowing significant investment while generating an attractive capital return for shareholders.

### Innovation through modern technology

Continued investment in our technology platform, apps and change function enables us to innovate to anticipate and meet customers' needs.

### Financial strength and robust risk management

Strong capital position. Continue to take a robust approach to risk, as reflected through the quality of our portfolio and underwriting criteria.

### Dedicated colleagues with strong values

Highly engaged, skilled, customer focused, diverse workforce with significant expertise and experience.

# Purpose-driven strategy delivering

## Helping Britain Prosper

...supported by a clear strategic plan...

<b>Grow</b> Drive revenue growth and diversification	<b>Focus</b> Strengthen cost and capital efficiency	<b>Change</b> Maximise the potential of people, tech and data
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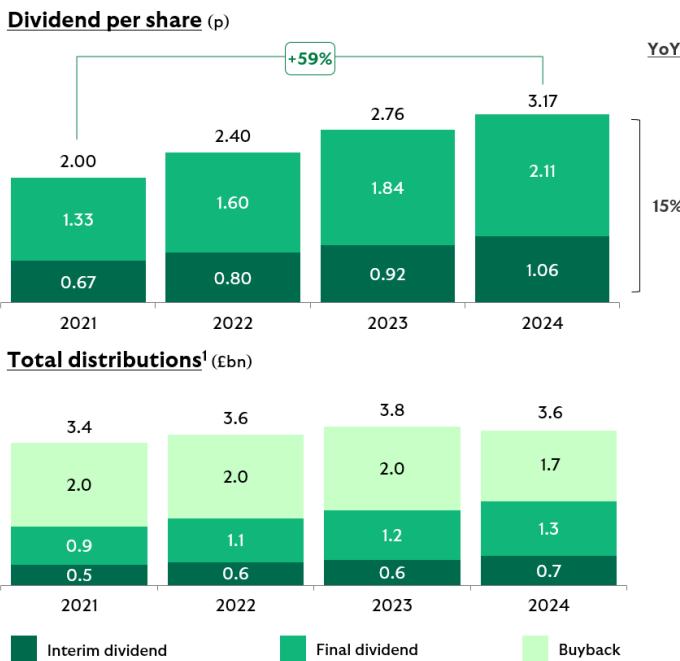
...driving competitive advantage...

<b>Market leader</b> #1 provider in key markets; Integrated financial services provider	<b>Proven cost leader</b> Strong track record of cost delivery; Highly efficient business model	<b>Digital and technology leader</b> Largest UK digital bank - 22.7m active users; New technologies driving structural advantage
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...and strong shareholder outcomes

Strong income growth trajectory	Significant operating leverage	Higher, more sustainable returns and capital generation	Increasing shareholder distributions
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## Strong distributions, with increased final dividend



**Strong capital generation enabling increased dividend and £1.7bn buyback, whilst taking a further £700m motor finance provision**

**Progressive and sustainable ordinary dividend policy**

**Paid down to a CET1 ratio of c.13.5% in 2024 and expect to pay down to c.13% by the end of 2026**

## Confidence in delivering higher, more sustainable returns

	2025	2026
Income	NEW: NII c.£13.5bn	
Costs	NEW: c.£9.7bn operating costs	<50% cost:income ratio
Asset quality ratio	NEW: c.25bps	
Return on tangible equity	NEW: c.13.5%	>15%
Capital generation	NEW: c.175bps	>200bps
CET1 ratio target		Expect to pay down to c.13.0%
Capital distribution	Progressive and sustainable ordinary dividend	

# Robust financial performance in 2024

## Income statement – underlying basis<sup>A</sup>

	2024 £m	2023 £m	Change %
Underlying net interest income	12,845	13,765	(7)
Underlying other income	5,597	5,123	9
Operating lease depreciation	(1,325)	(956)	(39)
<b>Net income</b>	<b>17,117</b>	<b>17,932</b>	<b>(5)</b>
Operating costs	(9,442)	(9,140)	(3)
Remediation	(899)	(675)	(33)
<b>Total costs</b>	<b>(10,341)</b>	<b>(9,815)</b>	<b>(5)</b>
<b>Underlying profit before impairment</b>	<b>6,776</b>	<b>8,117</b>	<b>(17)</b>
Underlying impairment charge	(433)	(308)	(41)
<b>Underlying profit</b>	<b>6,343</b>	<b>7,809</b>	<b>(19)</b>
Restructuring	(40)	(154)	74
Market volatility and asset sales	(144)	35	
Amortisation of purchased intangibles	(81)	(80)	(1)
Fair value unwind	(107)	(107)	
Volatility and other items	(332)	(152)	
<b>Statutory profit before tax</b>	<b>5,971</b>	<b>7,503</b>	<b>(20)</b>
Tax expense	(1,494)	(1,985)	25
<b>Statutory profit after tax</b>	<b>4,477</b>	<b>5,518</b>	<b>(19)</b>
Earnings per share	6.3p	7.6p	(1.3)p
Dividends per share – ordinary	3.17p	2.76p	15
Share buyback value	£1.7bn	£2.0bn	(15)
Banking net interest margin <sup>A</sup>	2.95%	3.11%	(16)bp
Average interest-earning banking assets <sup>A</sup>	£451.2bn	£453.3bn	
Cost:income ratio <sup>A</sup>	60.4%	54.7%	5.7pp
Asset quality ratio <sup>A</sup>	0.10%	0.07%	3bp
Return on tangible equity <sup>A</sup>	12.3%	15.8%	(3.5)pp

<sup>A</sup> See page 314 of the 2024 annual report and accounts.

## Key balance sheet metrics

	At 31 Dec 2024	At 31 Dec 2023	Change %
Underlying loans and advances to customers <sup>A</sup>	£459.1bn	£449.7bn	2
Customer deposits	£482.7bn	£471.4bn	2
Loan to deposit ratio <sup>A</sup>	95%	95%	
CET1 ratio	14.2%	14.6%	(0.4)pp
Pro forma CET1 ratio <sup>A,1</sup>	13.5%	13.7%	(0.2)pp
UK leverage ratio	5.5%	5.8%	(0.3)pp
Risk-weighted assets	£224.6bn	£219.1bn	3
Wholesale funding <sup>2</sup>	£92.5bn	£98.7bn	(6)
Wholesale funding <1 year maturity <sup>2</sup>	£31.3bn	£35.1bn	(11)
of which: money market funding <1 year maturity <sup>2</sup>	£16.9bn	£23.8bn	(29)
Liquidity coverage ratio – eligible assets <sup>3</sup>	£134.4bn	£136.0bn	(1)
Liquidity coverage ratio <sup>4</sup>	146%	142%	4pp
Net stable funding ratio <sup>5</sup>	129%	130%	(1)pp
Tangible net assets per share <sup>A</sup>	52.4p	50.8p	1.6p

1 31 December 2023 and 31 December 2024 reflect both the full impact of the share buybacks announced in respect of 2023 and 2024 and the ordinary dividends received from the Insurance business in February 2024 and February 2025.

2 Excludes balances relating to margins of £2.8 billion (31 December 2023: £2.4 billion).

3 Eligible assets are calculated as a monthly rolling simple average of month end observations over the previous 12 months post any liquidity haircuts.

4 The liquidity coverage ratio is calculated as a simple average of month-end observations over the previous 12 months.

5 The net stable funding ratio is calculated as a simple average of month-end observations over the previous four quarter-ends.

### Contacts

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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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