



# 2024 Results

**Fixed Income Presentation**

Lloyds Banking Group

20 February 2025



# Leading UK digital bank and integrated financial services provider



## Lloyds Banking Group

### Retail

#### Consumer Relationships

- Current accounts
- Savings accounts
- Mass affluent proposition

#### Consumer Lending

- Mortgages
- Credit cards
- Personal loans
- Motor finance

### Commercial

#### Business & Commercial Banking

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

#### Corporate & Institutional Banking

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

### Insurance, Pensions & Investments

- Home, motor, and pet protection
- Workplace pensions, direct to consumer pensions, retirement
- Ready-Made investments, Sharedealing



# Significant strategic progress, building momentum

Purpose

**Helping  
Britain  
Prosper**

Purpose-led strategy delivering for customers and wider stakeholders

First strategic chapter 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

# Successfully creating a platform for growth and higher returns

2021

2024

## Building a differentiated franchise

**c.15m** mobile app users

**>2m** Mass Affluent customers

**c.10%** share of BCB products originated and fulfilled digitally

Negligible Cloud adoption



**>20m** mobile app users

**>3m** Mass Affluent customers<sup>1</sup>

**>50%** share of BCB products originated and fulfilled digitally

**c.50%** of applications on Cloud

## Unlocking higher, more sustainable returns

**c.£15bn** net income<sup>2</sup>

**Negative** 3-year OOI CAGR

**c.8%** 3-year average RoTE

**c.£7bn** pension deficit

**c.£5bn** 3-year capital distribution



**c.£17bn** net income

**c.7%** 3-year OOI CAGR

**c.13%** 3-year average RoTE

**Addressed** pension deficit

**>£11bn** 3-year capital distribution

# Robust financial performance in 2024

## Positive business momentum

Largest UK digital bank

**22.7m (+6%)**

FY24 digitally active users

NIM turnaround

**+2bps**

4Q24 QoQ

OOI growth

**9%**

FY24 YoY

Disciplined costs

**£9.4bn**

FY24 operating costs

Loan<sup>1</sup> / deposit growth

**3% / 2%**

FY24

Open book AUA growth

**13%**

FY24

## Meeting strategic guidance

**£0.8bn**

Additional revenues from strategic initiatives

**£1.2bn**

Gross cost savings

**12.3% (14.0%)**

Return on Tangible Equity (excl. Motor provision)

**148bps (177bps)**

Capital generation (excl. Motor provision)

# Financial update

# Robust financial performance

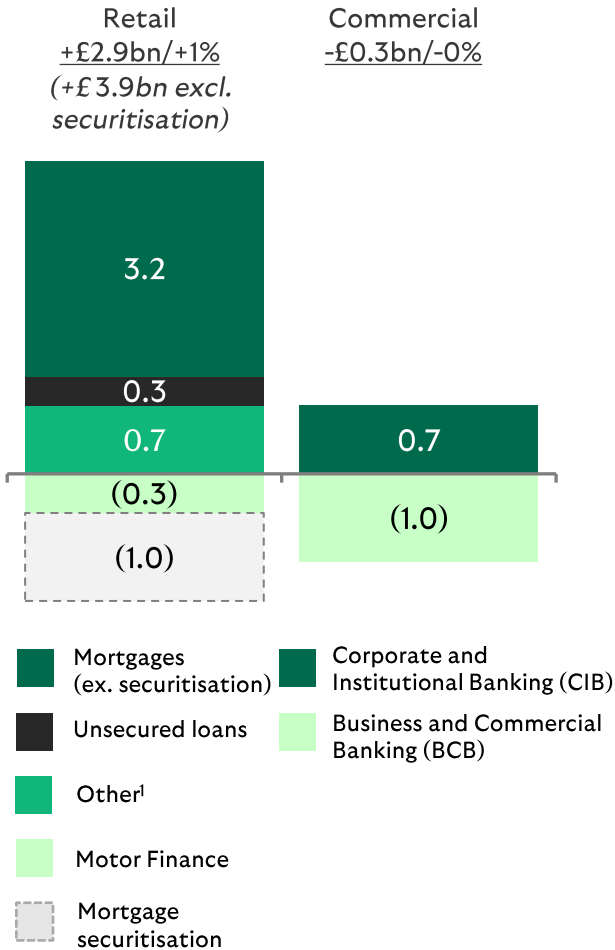
## Financial performance (£m)

	FY 2024	FY 2023	YoY %	Q4 2024	Q3 2024	QoQ %
Net interest income	12,845	13,765	(7)	3,276	3,231	1
Other income	5,597	5,123	9	1,433	1,430	-
Operating lease depreciation	(1,325)	(956)	(39)	(331)	(315)	(5)
<b>Net income</b>	<b>17,117</b>	<b>17,932</b>	<b>(5)</b>	<b>4,378</b>	4,346	<b>1</b>
Operating costs	(9,442)	(9,140)	(3)	(2,450)	(2,292)	(7)
Remediation	(899)	(675)	(33)	(775)	(29)	-
<b>Total costs inc. remediation</b>	<b>(10,341)</b>	<b>(9,815)</b>	<b>(5)</b>	<b>(3,225)</b>	<b>(2,321)</b>	<b>(39)</b>
<b>Underlying profit before impairment</b>	<b>6,776</b>	<b>8,117</b>	<b>(17)</b>	<b>1,153</b>	<b>2,025</b>	<b>(43)</b>
Impairment charge	(433)	(308)	(41)	(160)	(172)	7
<b>Underlying profit</b>	<b>6,343</b>	<b>7,809</b>	<b>(19)</b>	<b>993</b>	<b>1,853</b>	<b>(46)</b>
<b>Statutory profit after tax</b>	<b>4,477</b>	<b>5,518</b>	<b>(19)</b>	<b>700</b>	<b>1,333</b>	<b>(47)</b>
Net interest margin	2.95%	3.11%	(16)bps	2.97%	2.95%	2bps
Return on tangible equity	12.3%	15.8%	(3.5)pp	7.1%	15.2%	(8.1)pp
Earnings per share	6.3p	7.6p	(1.3)p	1.0p	1.9p	(0.9)p
TNAV per share	52.4p	50.8p	1.6p	52.4p	52.5p	(0.1)p
Pro forma CET1 ratio	13.5%	13.7%	(0.2)pp	13.5%	14.3%	(0.8)pp

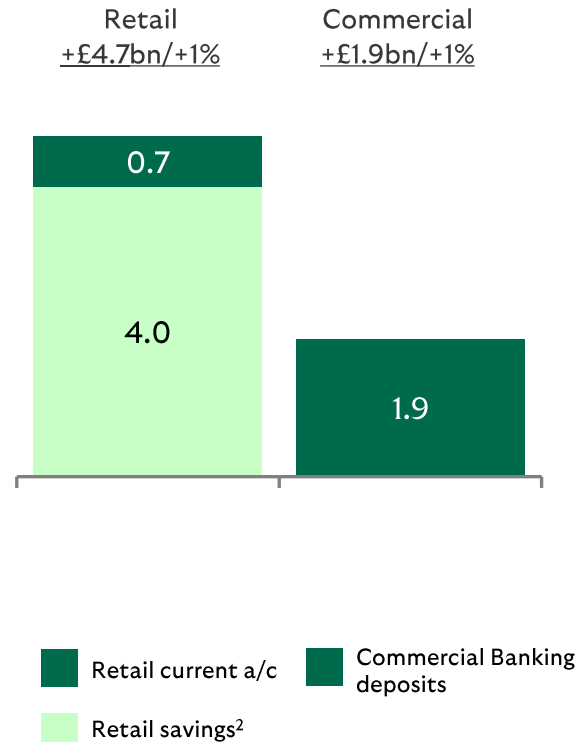
- **Statutory PAT £4.5bn; RoTE 12.3%; 14.0% excl. motor provision**
- **Robust net income: £17.1bn with NIM 295bps; Q4 297bps, up 2bps vs. Q3**
- **Continued cost discipline: Operating costs £9.4bn, up 3% given investment, inflation, new BoE charge**
- **Remediation £899m (inc. £700m for motor provision)**
- **Strong asset quality: £433m impairment charge; pre-MES AQR 19bps**
- **TNAV 52.4p, up 1.6p in 2024**
- **Strong capital generation: 148bps (177bps excl. motor provision); CET1 ratio 13.5%**

# Growth in lending and deposits

## Q4 lending change (£bn)



## Q4 deposit change (£bn)

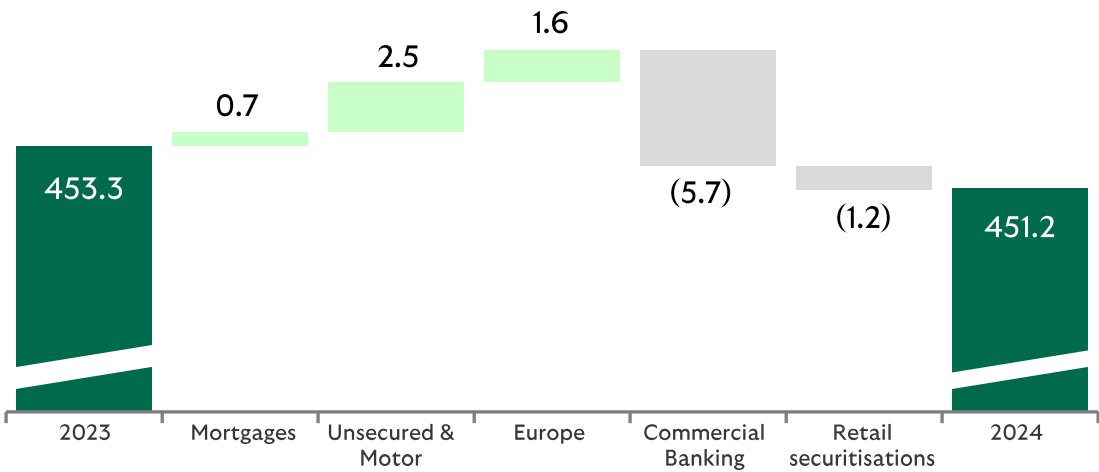


- **Lending £459.1bn, up 2% in 2024, Q4 up £2.1bn**
  - Q4 mortgages up £2.2bn, £3.2bn excl. securitisation
  - Q4 unsecured loans up £0.3bn
  - Q4 Commercial down £0.3bn; includes £0.4bn CBILS/BBLs repayments
- **Total deposits £482.7bn up 2% in 2024, Q4 up £7.0bn**
  - Q4 Retail up £4.7bn; savings £4.0bn, PCAs £0.7bn
  - Q4 Commercial up £1.9bn with targeted growth and FX impacts
- **£5.3bn IP&I open book AuA net new money in 2024; £1.8bn in Q4**

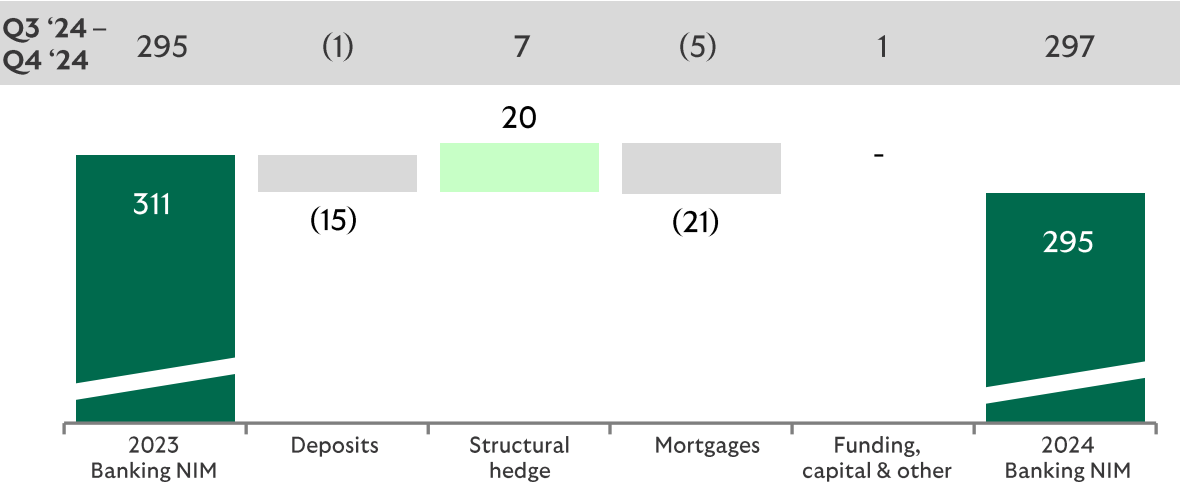


# Resilient net interest income performance

Average interest earning assets<sup>1</sup> (£bn)



Banking net interest margin (bps)

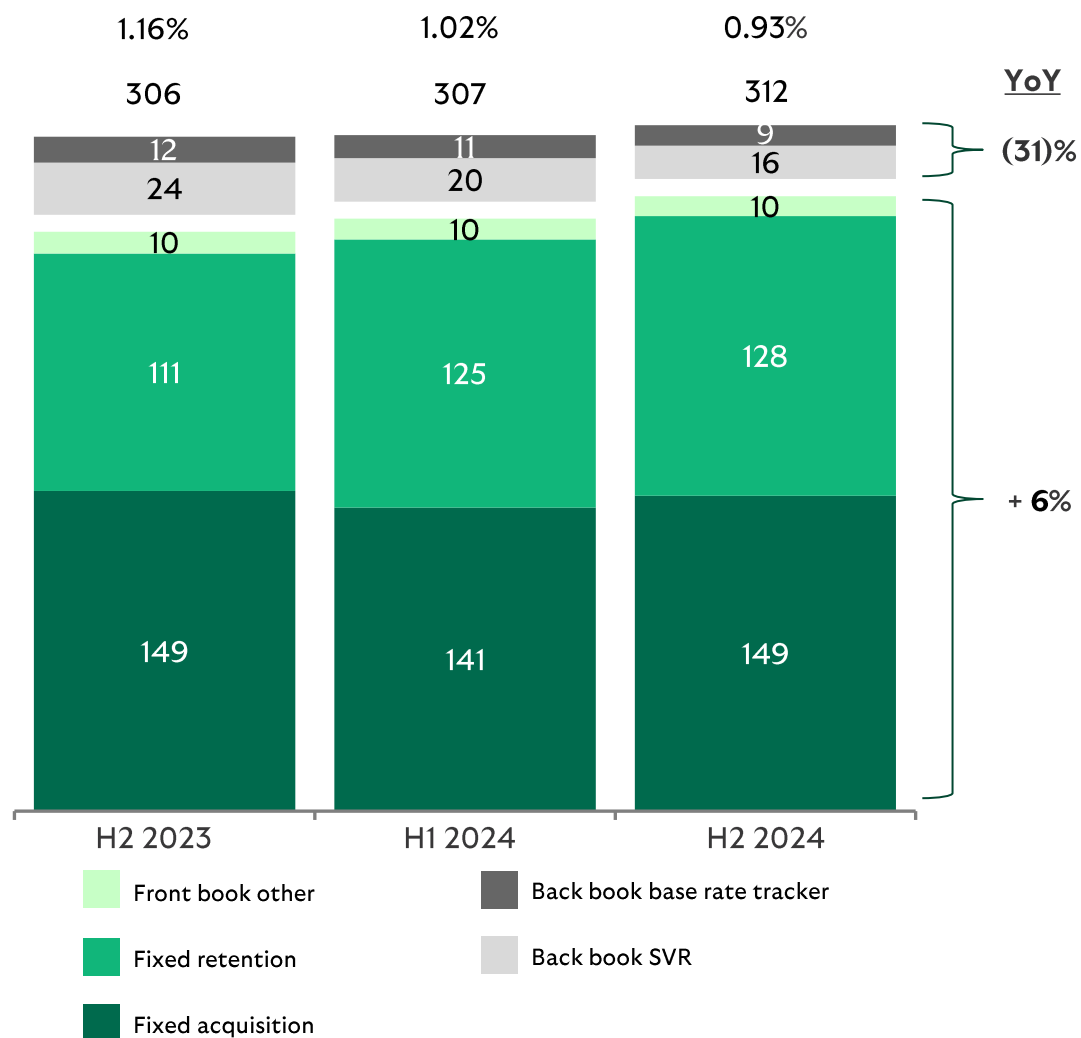


- 2024 NII £12.8bn, down 7% YoY, Q4 up 1%
  - Growth in NII and NIM in H2; Q4 NII up after Q3 upturn
- 2024 AIEAs £451.2bn; Q4 AIEAs £455.1bn
- 2024 NIM 295bps; Q4 NIM 297bps, up 2bps vs. Q3
- 2024 non-banking NII charge £469m, £122m in Q4
- New NII guidance for 2025 of c.£13.5bn, c.£0.7bn higher than 2024:
  - Franchise volume growth plus stronger hedge income
  - Partially offset by mortgage and deposit headwinds and non-banking NII
  - 2025 NII consistent with a NIM of c.305bps

1 - Retail customer balances derecognised through securitisations in 2023-24 are added back to products, with derecognition shown in 'Retail securitisations', net of retained notes.

# Growth in mortgages

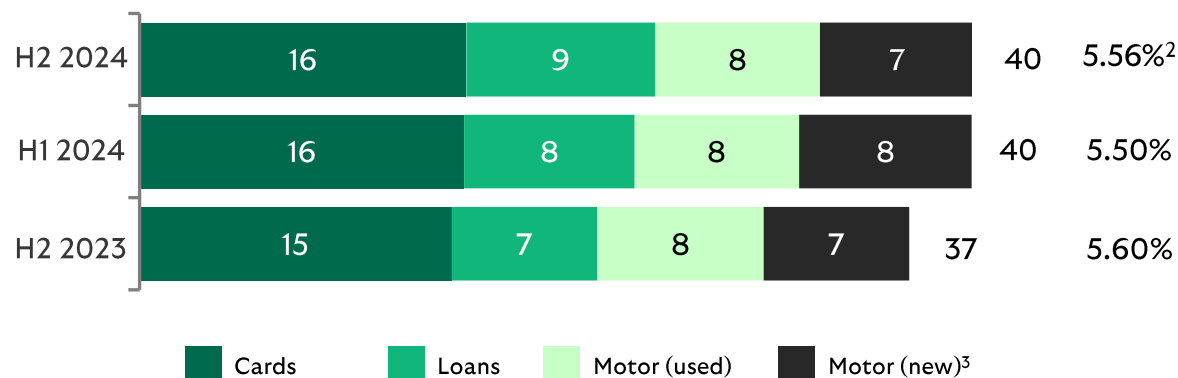
## Mortgage book (Book size £bn, Gross margin %<sup>1</sup>)



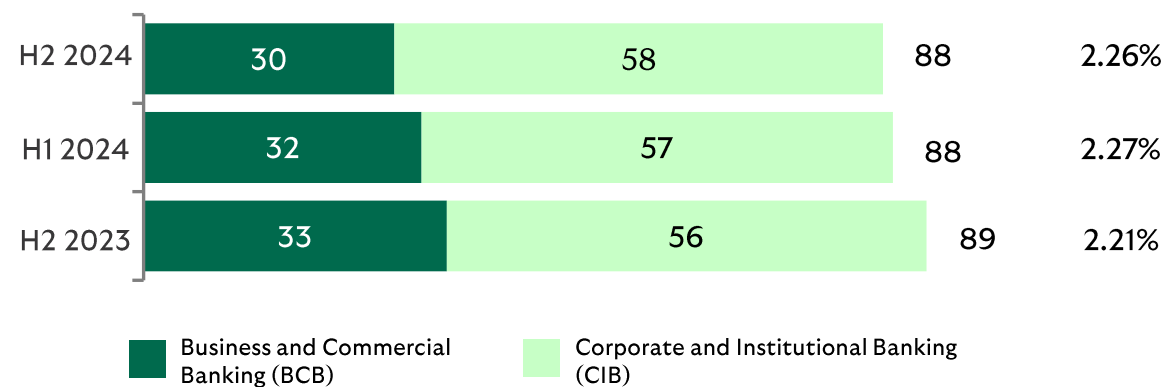
- **Mortgage balances £312.3bn, up £6.1bn in 2024, up £8.0bn excl. securitisations**
  - 2024 flow market share c.20%, above stock share c.19%
- **Completion margins<sup>2</sup> c.75bps in Q4**
- **Enhancing customer proposition solutions in protection and home insurance around mortgage journey**
  - 6pp increase in protection take-up rates to c.15%

# Solid performance in consumer and commercial lending

## Cards, Loans & Motor (Book size £bn, Gross margin %<sup>1</sup>)



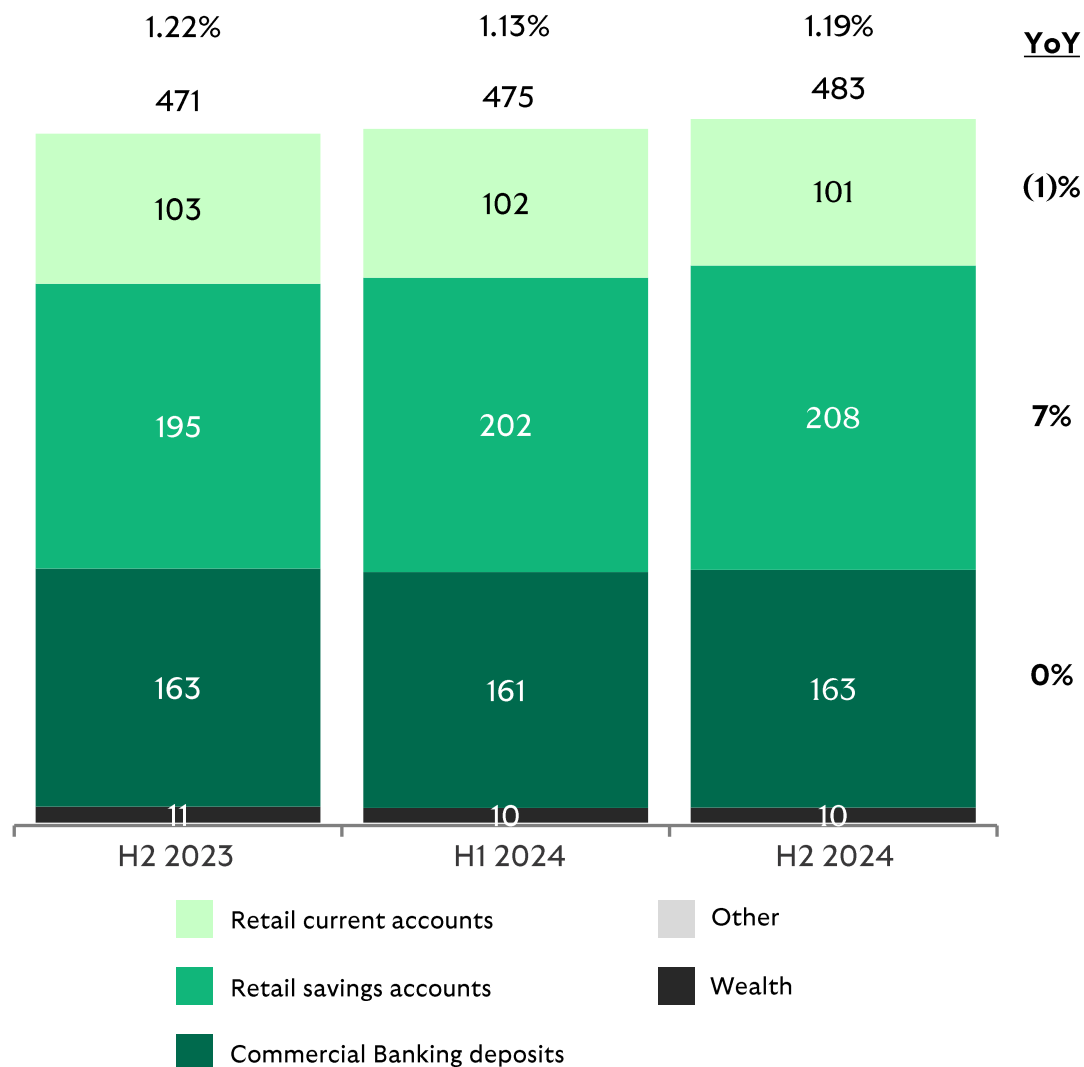
## Commercial Banking (Book size £bn, Gross margin %<sup>1</sup>)



- **Cards, Loans & Motor up £2.8bn in 2024**
  - Unsecured loans up £2.2bn
  - Credit cards up £0.6bn
  - Motor finance stable in Black Horse
- **Commercial Banking down £1.0bn in 2024, up £0.6bn excl. government lending repayments**
  - BCB balances down £3.3bn, including £1.6bn repayments of CBILS/BBLS
  - CIB lending up £2.3bn, with strategic growth in infrastructure

# Growing customer deposit franchise

## Customer deposits (Book size £bn, Gross margin %<sup>1</sup>)

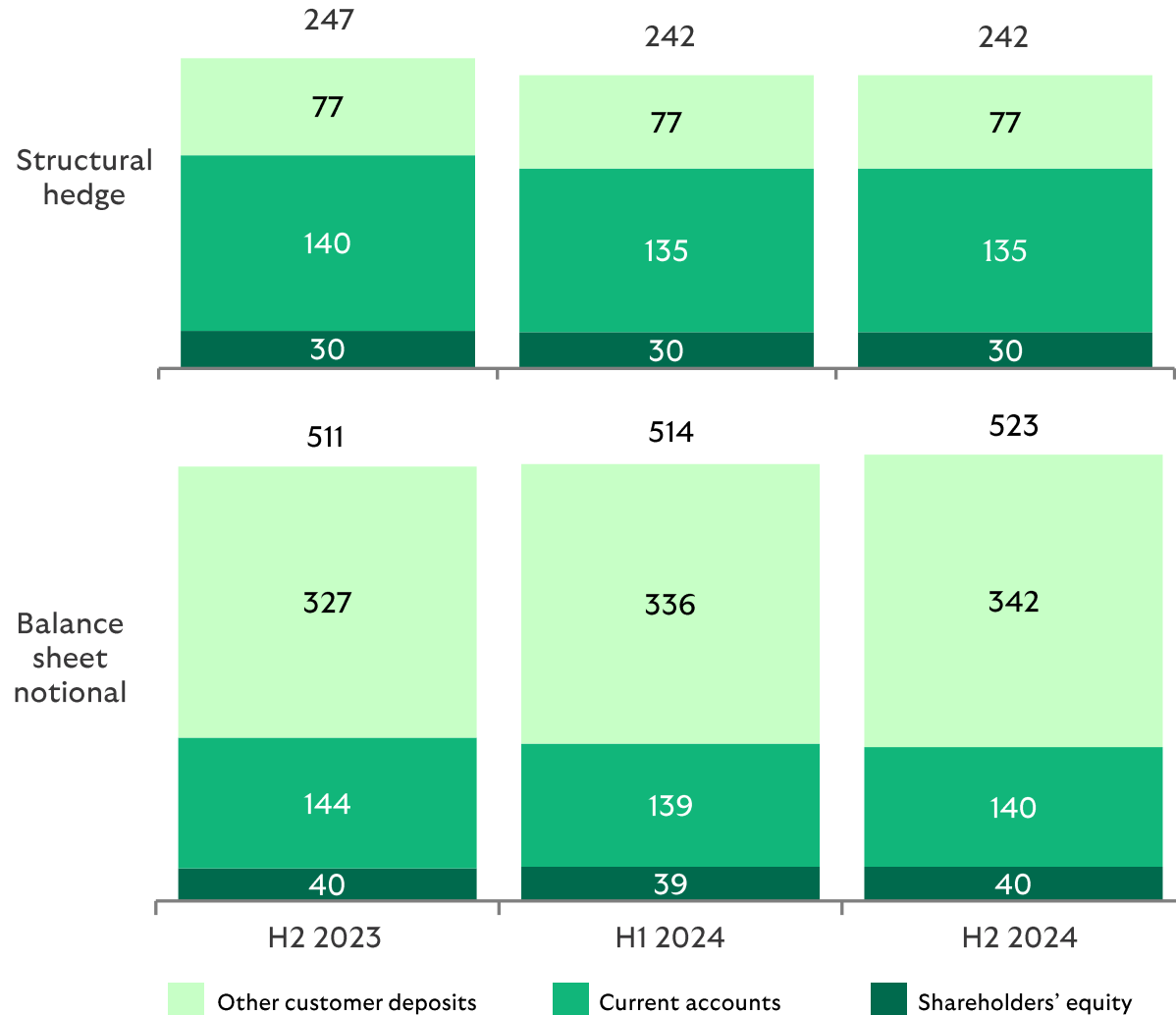


- **Total deposits £482.7bn, up £11.3bn / 2% in 2024**
- **Retail deposits up £11.3bn in 2024**
  - Retail current accounts down £1.4bn / 1% in 2024; growing balance share during the year
  - Retail savings accounts up £13.4bn / 7% in 2024
- **Commercial deposits stable in 2024**
  - BCB up due to targeted growth in Mid-Corporates, offset by an expected Q3 outflow in CIB



# Strengthening tailwind from the structural hedge

## Hedged balances<sup>1</sup> (£bn)

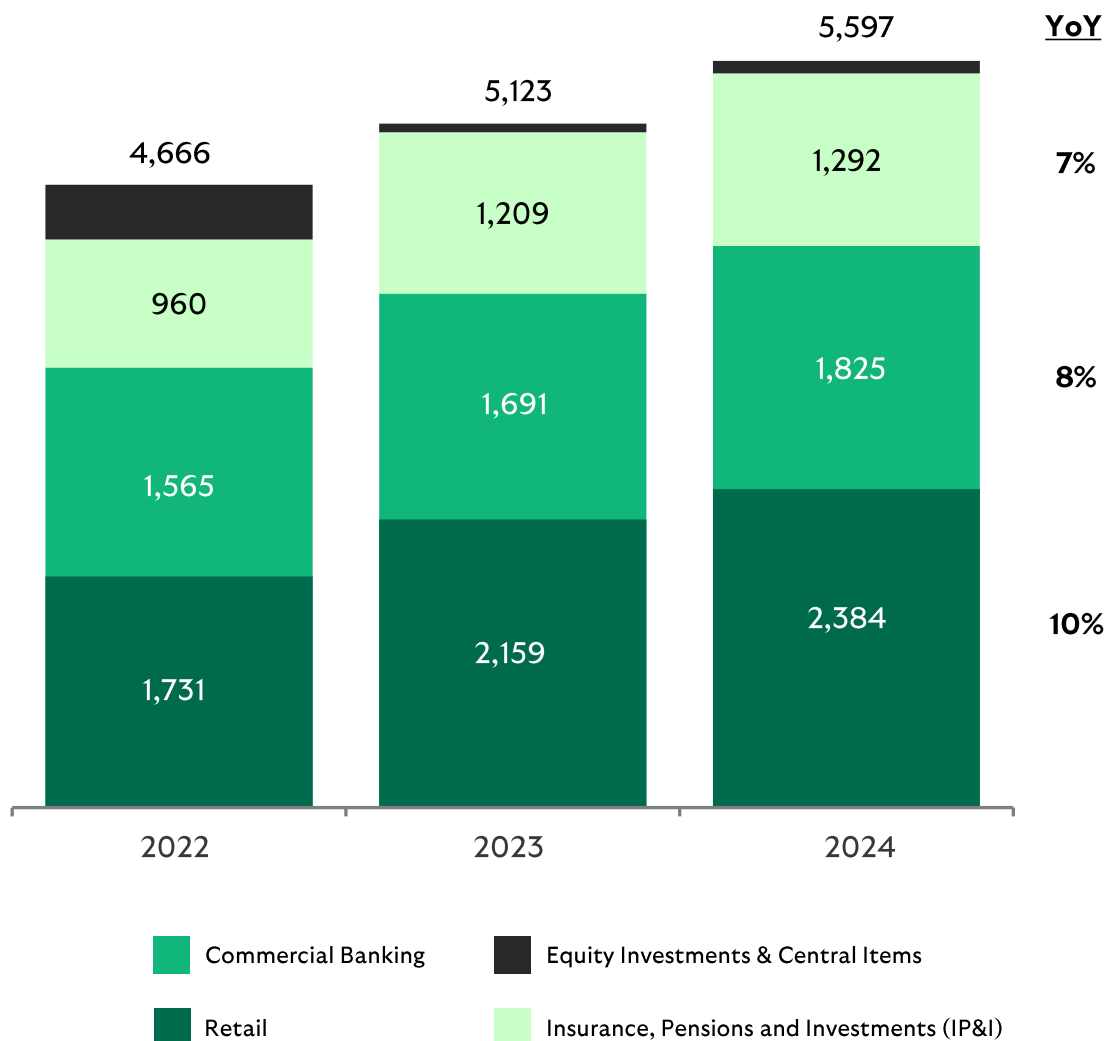


- **Structural hedge notional £242bn, stable in H2**
  - Benefitting from stable current account performance, strong savings growth and easing churn
- **2024 structural hedge earnings of £4.2bn**
- **Stable c.3.5 year weighted average duration**
- **Strong tailwind over 2025-2026**
  - Expect 2025 hedge income c.£1.2bn higher than 2024
  - Expect 2026 hedge income c.£1.5bn higher than 2025

<sup>1</sup> - The external sterling structural hedge nominal is managed as a portfolio, split shown is indicative. Commercial Banking current accounts primarily comprise non interest bearing current accounts; other Commercial Banking customer deposits primarily comprise interest bearing accounts.

# Momentum in other income

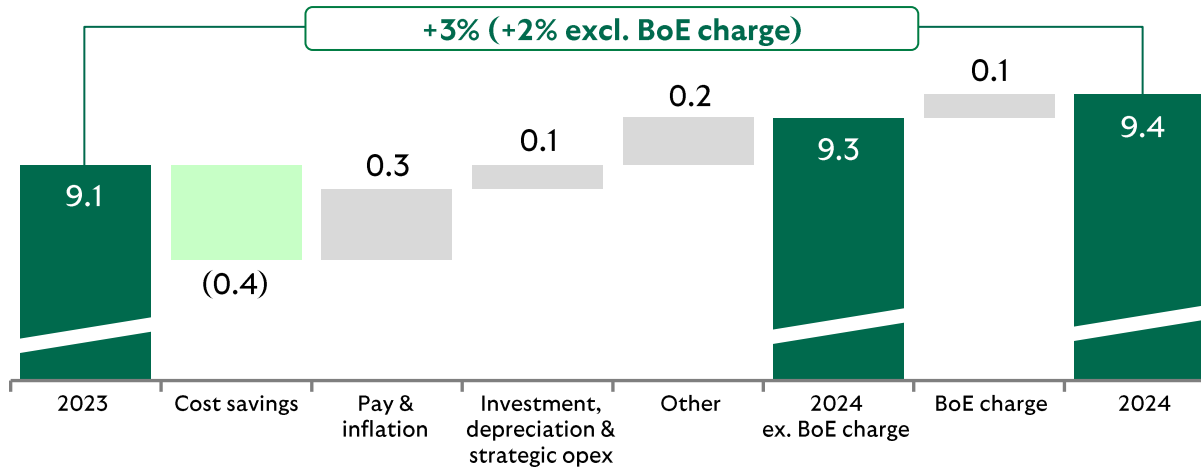
## Divisional other income (£m)



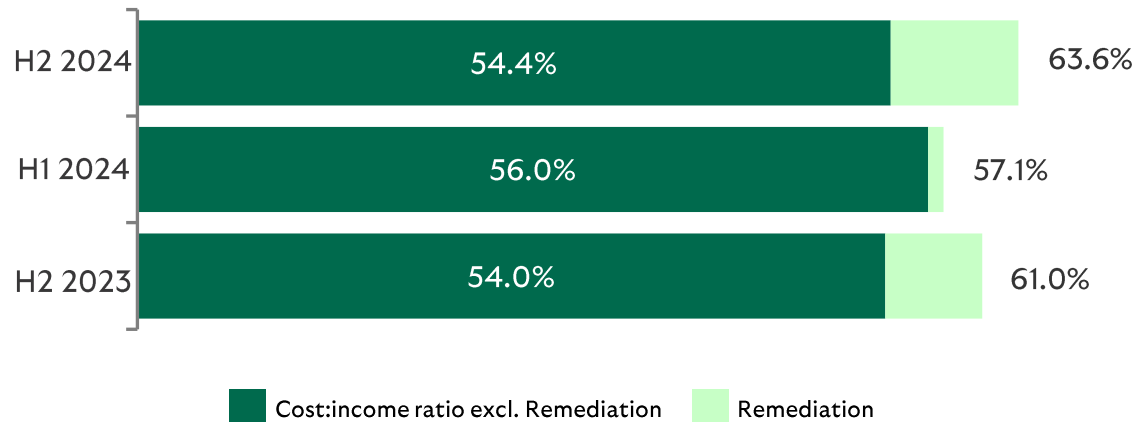
- **OOI £5.6bn in 2024, up 9% YoY; Q4 flat QoQ**
- **Broad based other income momentum in 2024**
  - Retail: Growing Motor and resilient banking income
  - Commercial: Strong Markets performance
  - IP&I: Strong performance in General Insurance, Workplace Pensions and Individual Annuities
  - Equity Investments: Growth in Lloyds Living and LDC
- **Operating lease depreciation £1,325m; Q4 £331m**
  - H2 vehicle prices in line with H1 revaluation expectations
  - 2025 charge to reflect fleet growth and higher value vehicles

# Continued discipline on costs

## Operating costs (£bn)



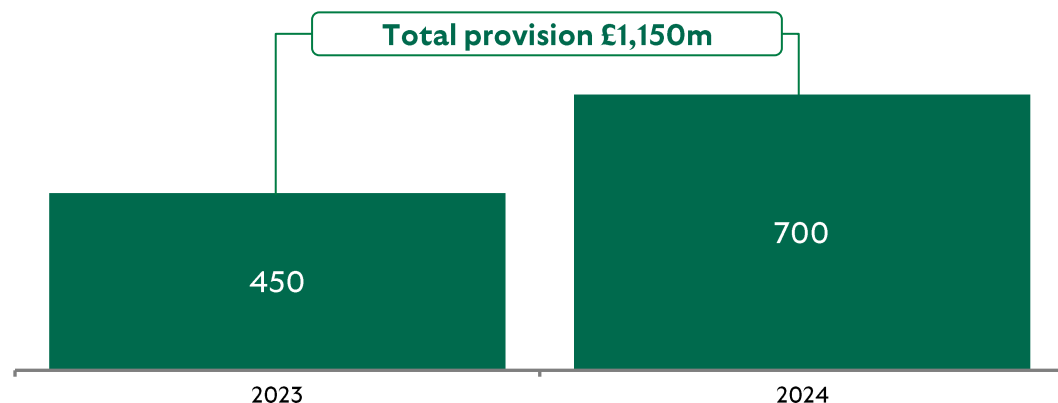
## Cost:income ratio (%)



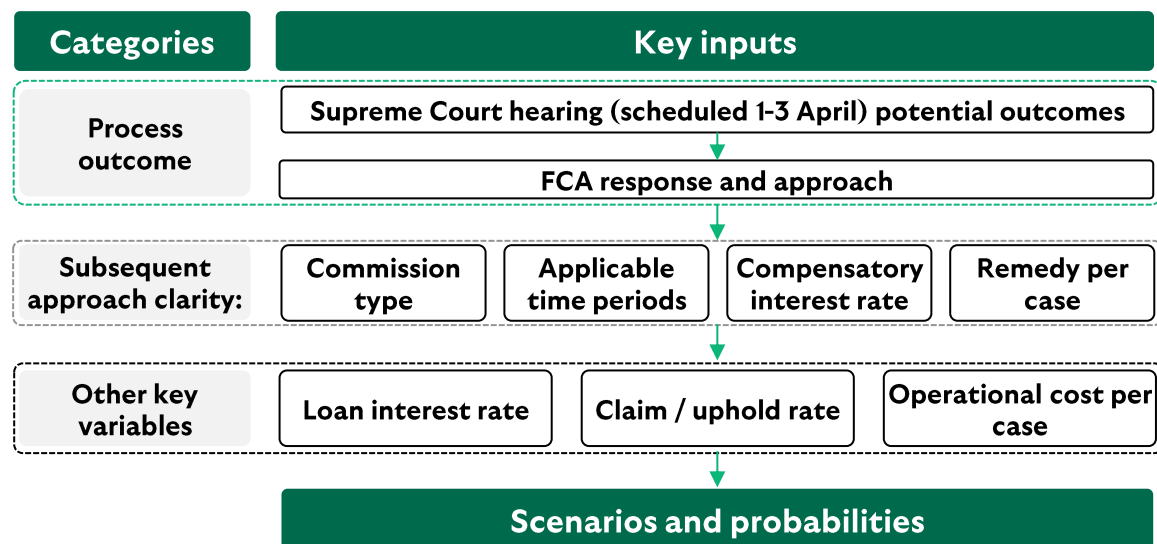
- **2024 operating costs £9.4bn, delivered guidance; reflects BoE charge, strategic investment, inflation and cost saves**
  - Q4 £2.5bn, inc. Bank Levy
- **2024 cost:income 60.4%; 55.2% excl. remediation**
- **Expect 2025 operating costs c.£9.7bn**
  - Includes impact of higher NIC of c.£0.1bn per annum
  - Ongoing investment, increased severance and inflation, partly offset by further efficiency savings
- **Continue to expect cost:income <50% in 2026**
- **Remediation charge £899m, including £700m for motor finance in Q4**

# Motor finance commissions update

## Motor finance commissions provision (£m)



## Methodology and key assumptions for provision scenarios



- £700m provision in Q4 2024 in relation to potential impact of motor finance commissions
- Reflects Court of Appeal judgment that goes beyond scope of FCA review
- Total motor finance provision now £1,150m, including £450m taken Q4 2023
- Provision includes estimate for operational costs and potential redress, based on multiple scenarios
- Significant uncertainty in relation to final financial impact



# Strong asset quality

## Impairment (£m)

	Q4	2024	2023	YoY
Charge (credit) pre updated MES <sup>1</sup>	230	827	565	(46)%
<i>Retail</i>	197	789	1064	26%
<i>Commercial Banking</i>	32	48	(487)	-
<i>Other</i>	1	(10)	(12)	(17)%
Updated economic outlook	(70)	(394)	(257)	53%
<i>Retail</i>	(63)	(332)	(233)	42%
<i>Commercial Banking</i>	(7)	(62)	(24)	-
Total impairment charge/(credit)	160	433	308	(41)%

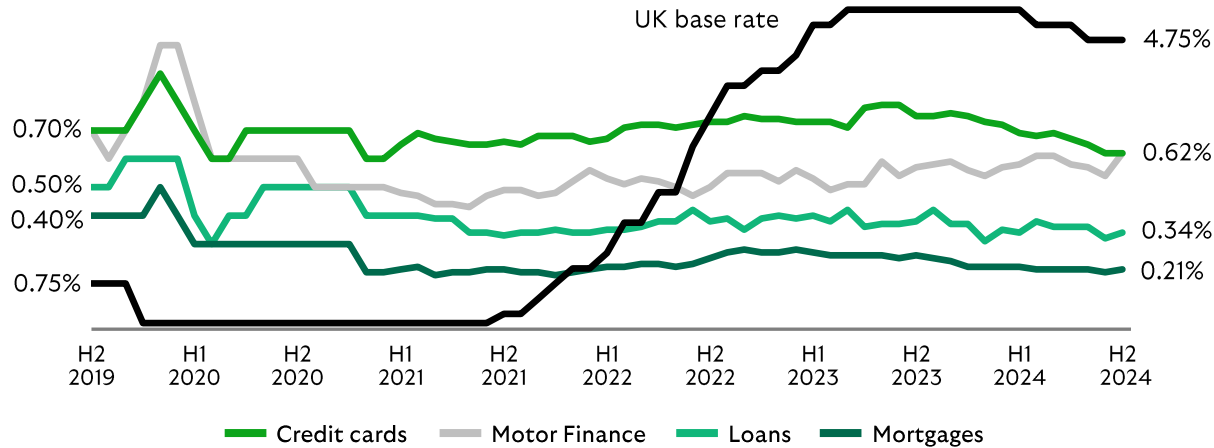
## Gross lending and coverage level<sup>2</sup> (£bn, %)

		Stage 1	Stage 2	Stage 3	Total
<b>Dec 2024</b>	Loans and advances	405bn	48bn	9bn	462bn
	Coverage	0.2%	2.8%	16.4%	0.8%
<b>Dec 2023</b>	Loans and advances	387bn	57bn	10bn	454bn
	Coverage	0.3%	3.0%	15.8%	0.9%

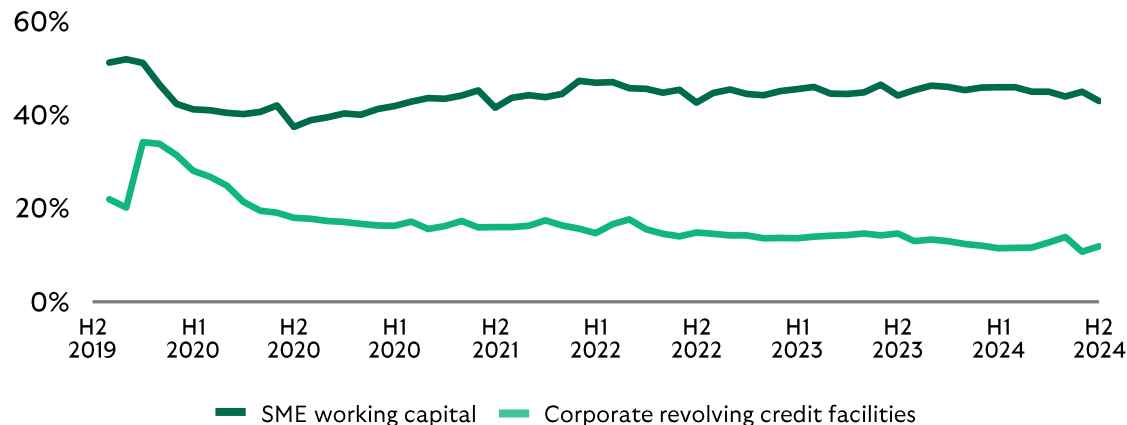
- **Strong asset quality, with improved credit performance**
  - Arrears either stable or improving
- **2024 impairment charge £433m, AQR 10bps**
  - £827m pre-MES, AQR 19bps; low underlying charge plus release of inflationary judgements
  - £394m total MES release; economic outlook improvements plus revised severe downside scenario
- **Q4 impairment charge £160m, AQR 14bps**
  - £70m MES credit; pre-MES charge £230m / 20bps
- **Stock of ECL £3.7bn, c.£0.4bn above base case**
- **Expect 2025 AQR c.25bps**

# Low risk portfolio, resilient through the cycle

## New to arrears and UK Bank Base Rate (3 month rolling average, %)



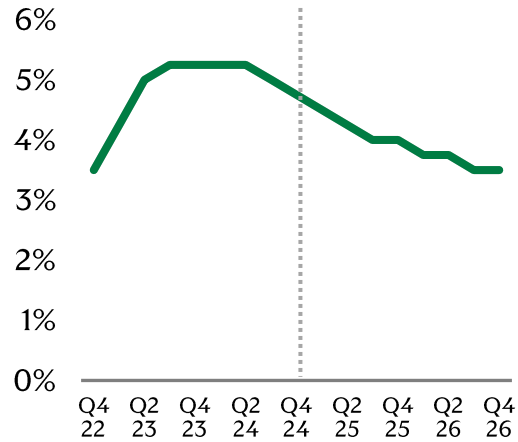
## SME working capital<sup>1</sup> and corporate RCF<sup>2</sup> utilisation (%)



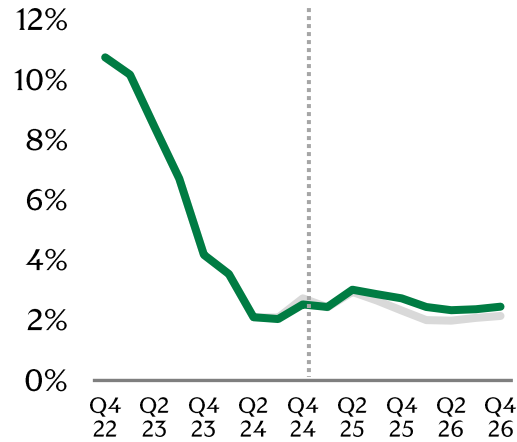
- **Very low and improving mortgage book new to arrears and default rates in 2024**
  - Over two thirds of fixed book now on pay rate >3%, with the portfolio tested to much higher rates
  - Average LTV 43.7%
  - Unsecured new to arrears continue to decline
- **Resilient performance in commercial portfolios**
  - Stable SME<sup>1</sup> working capital utilisation; RCF utilisation 10pp below pre-pandemic
- **Significant de-risking across the portfolio**
  - 2006-08 legacy mortgages (£24bn) halved since 2020
  - Net CRE exposure<sup>3</sup> £9.3bn, remains robust; reduced by one third since 2020

# Updated macroeconomic outlook

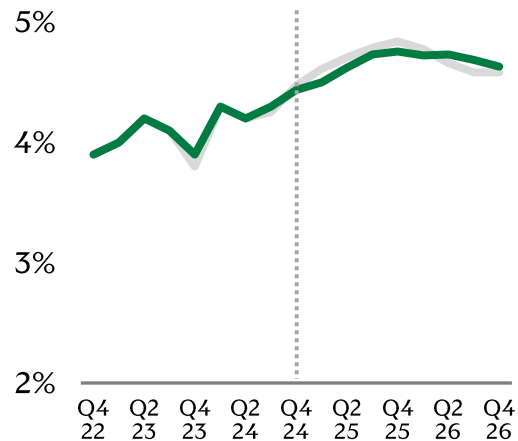
**UK Bank Rate**



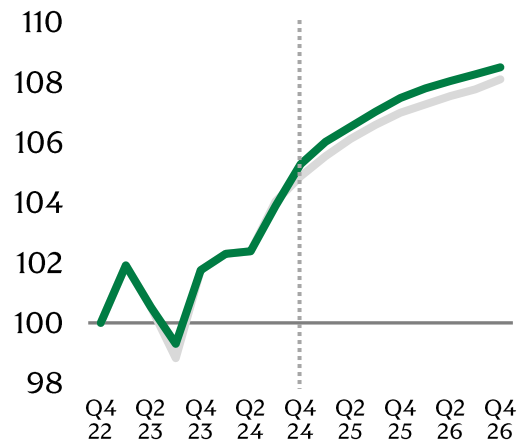
**CPI inflation**



**Unemployment**



**Indexed house prices**



— Q4 base case    — Q3 base case

- **Stable economic outlook with minor forecast changes since Q3:**
  - Slightly weaker GDP growth in 2025, forecast at 1.0% (vs. 1.3% previously)
  - Three 25bps cuts in UK Bank Rate in 2025, two cuts in 2026
  - Modest increase in unemployment: average 4.7% in both 2025 and 2026
  - House price growth forecast at c.2% in 2025

# Confidence in delivering higher, more sustainable returns

2025

2026

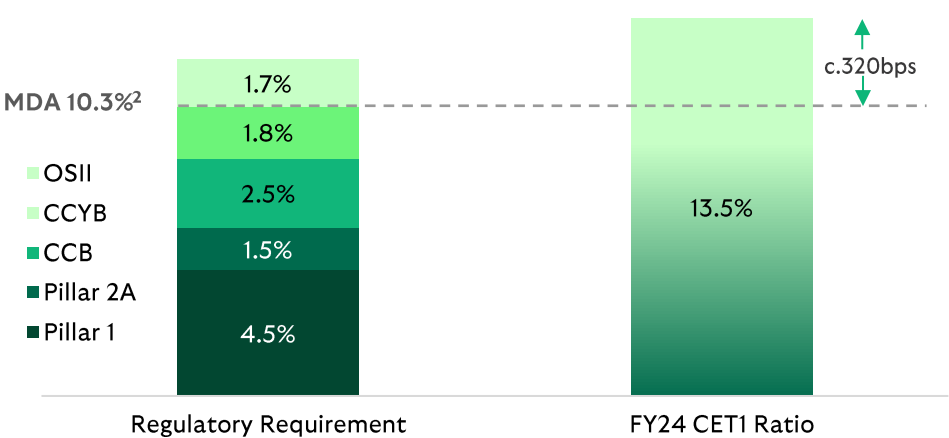
Income	NEW: NII c.£13.5bn	
Costs	NEW: c.£9.7bn operating costs	<50% cost:income ratio
Asset quality ratio	NEW: c.25bps	
Return on tangible equity	NEW: c.13.5%	>15%
Capital generation	NEW: c.175bps	>200bps
CET1 ratio target		Expect to pay down to c.13.0%
Capital distribution	Progressive and sustainable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



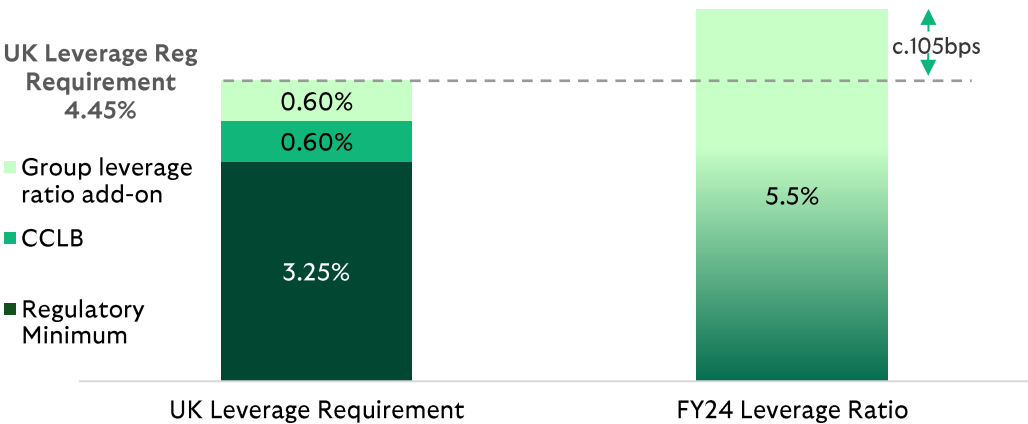
# Capital, Funding & Liquidity

# Prudent Capital Ratios

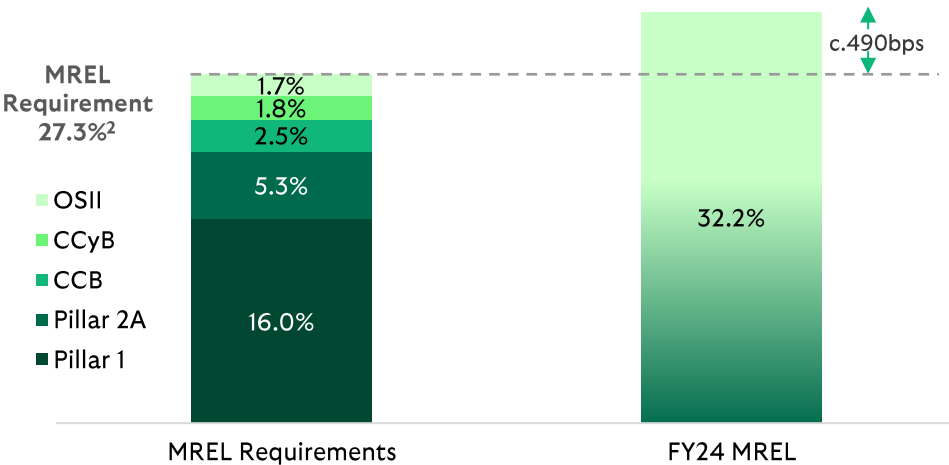
13.5% pro forma CET1 remains ahead of 10.3% MDA<sup>1</sup> and current target of c.13.0%



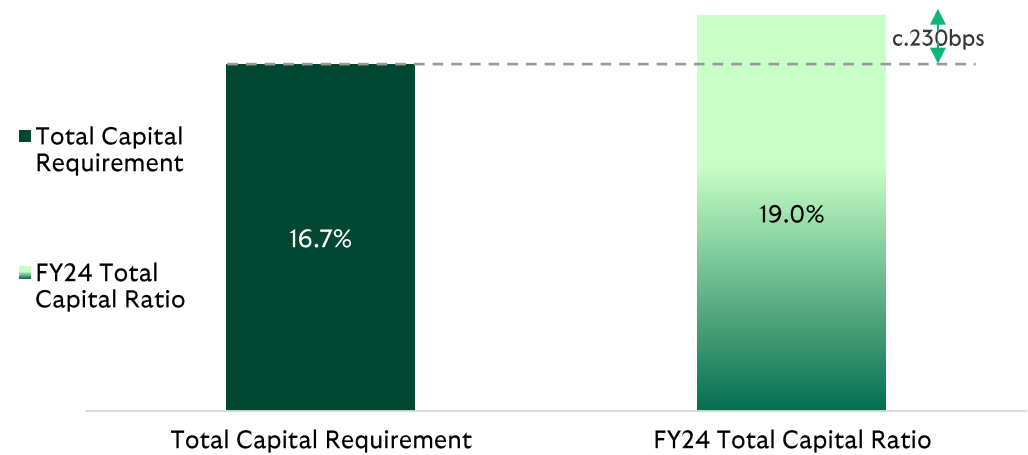
UK leverage ratio above requirement of 4.45%



MREL remains strong and above regulatory requirement of 27.3%



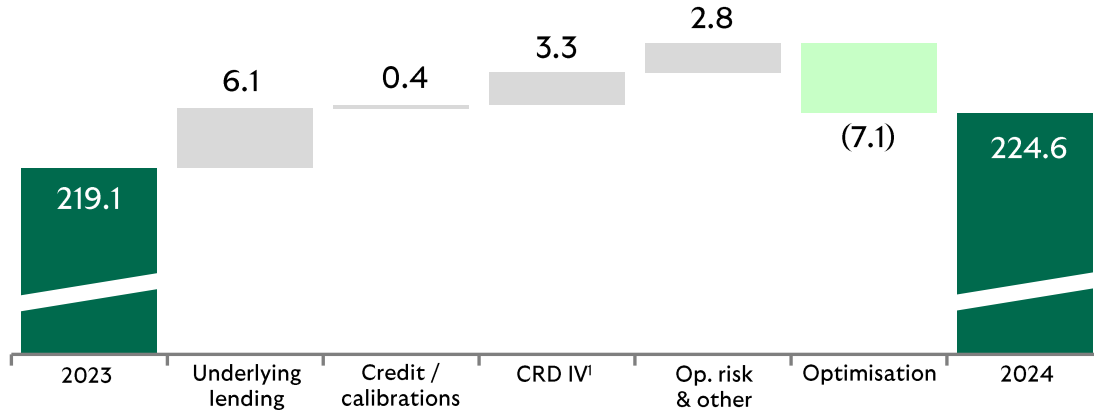
Total capital ratio of 19.0% ahead of 16.7% requirement



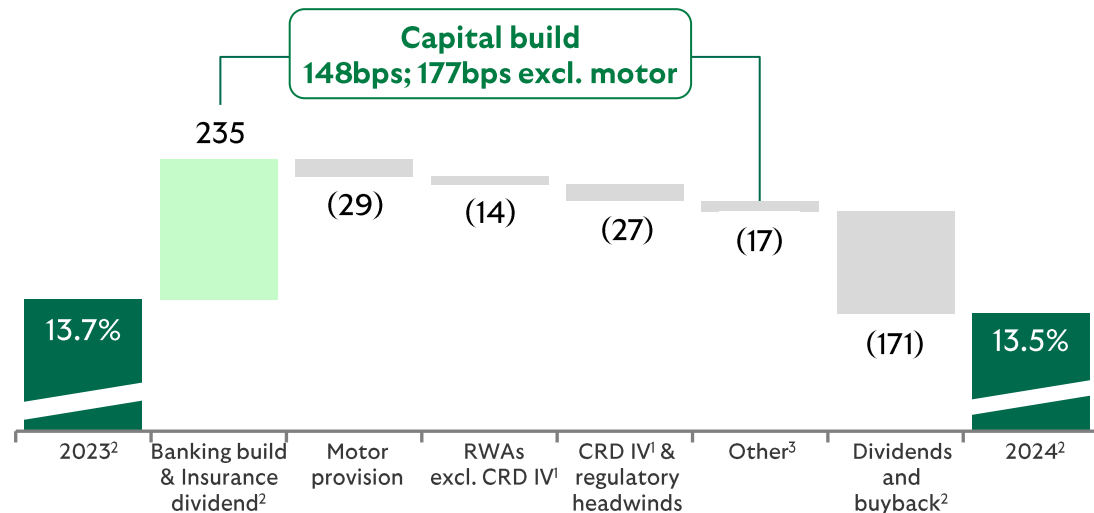
1 – The Group’s total regulatory requirement is c.12%. The MDA threshold is based on the combined buffer requirement, which excludes the equivalent of the Ring-Fenced Bank’s O-SII. 2 - MDA and MREL equals 10.3% and 27.3% respectively when using unrounded regulatory requirements.

# Strong capital generation

## Risk weighted assets (£bn)



## Common equity tier 1 ratio (% , bps)



- **RWAs £224.6bn, in line with guidance; up £5.5bn, inc. £1.3bn in Q4**
  - CRD IV: Now expect modestly >£5bn<sup>1</sup> uplift, inc. £3.3bn taken in 2024 (£2.6bn in Q4), subject to PRA review
  - Continued optimisation to offset CRD IV pressures
  - Basel 3.1 moderately positive, but now delayed to 2027
- **Strong 148bps capital generation; 177bps excl. motor provision**
- **Pro forma CET1 ratio 13.5%, in line with guidance**
- **Expect 2025 capital generation to be c.175bps**

# Active capital & risk management

## 2024 risk transfer transactions

### Synthetic SRT

- Investors provide credit protection against the junior part of a reference portfolio of assets
- The Group pays investors a coupon for providing the protection for an agreed period
- Assets remain on balance sheet, with no impact on the client relationship or servicing

Corporate loans incl. CRE  
c. £3bn<sup>1</sup>

SME Loans  
c. £2bn<sup>1</sup>

### Securitised Sale

- Assets are fully or partially derecognised from the balance sheet
- There is no obligation to take assets back on balance sheet at transaction maturity
- Group continues to service the loans; no impact on customer treatment and retention of relationship

UK residential mortgages  
c. £2bn<sup>2</sup>

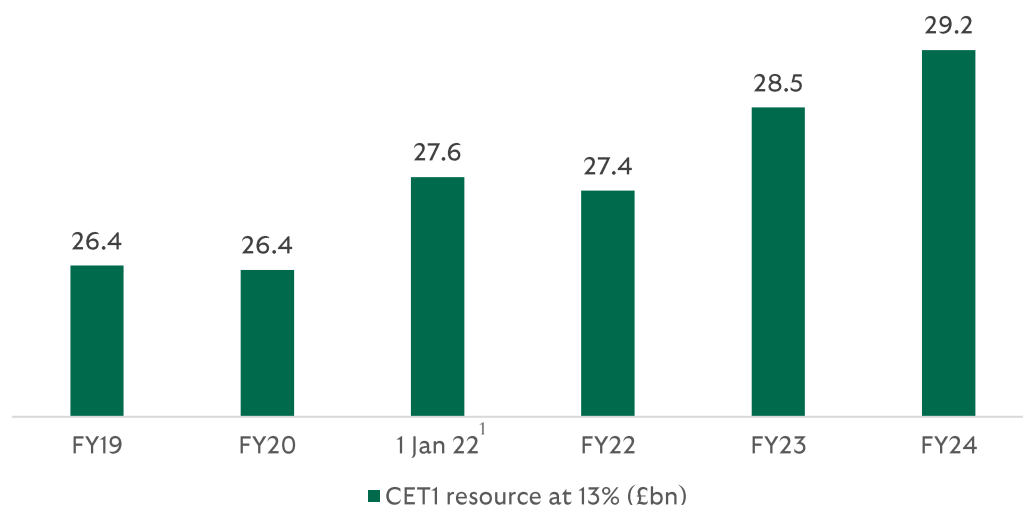
Auto Loans  
c. £1bn<sup>2</sup>

- The Group engages in risk transfer transactions for capital and risk purposes amongst other methods for balance sheet optimisation
- Credit risk is transferred to investors, providing LBG the following benefits:
  - Credit protection
  - Derisking legacy portfolios
  - Reduction of risk leads to lower capital requirements and provisions
- Since 2014, the Group has been active in synthetic SRTs across SME, agriculture mortgages, large corporates, CRE and project finance.
- Recent securitised sales extend to retail portfolios, including UK residential mortgages, autos and unsecured personal loans
- These transactions are capital accretive, reduce risk and improve the efficiency of capital

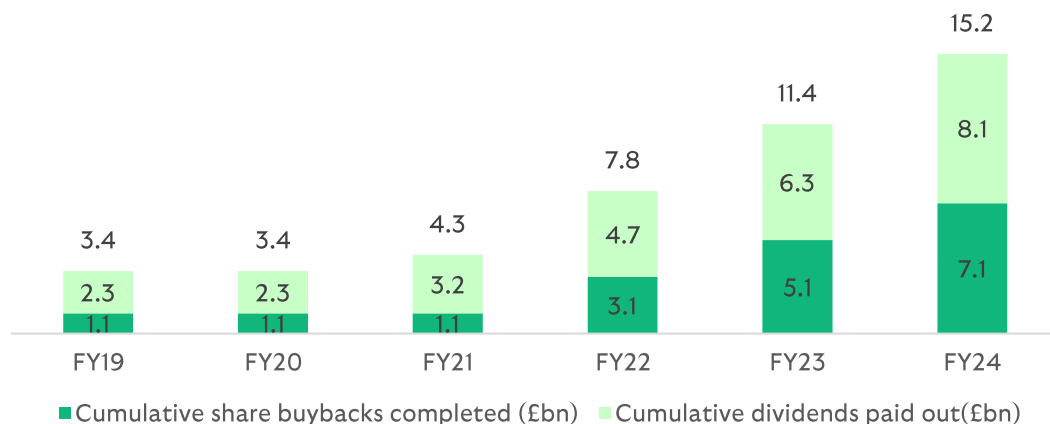


# 2024 CET1 at 13.5%; target CET1 of c.13.0% by 2026

## CET1 resources at c.13.0% target (£bn)



## Cumulative Distributions (£bn)



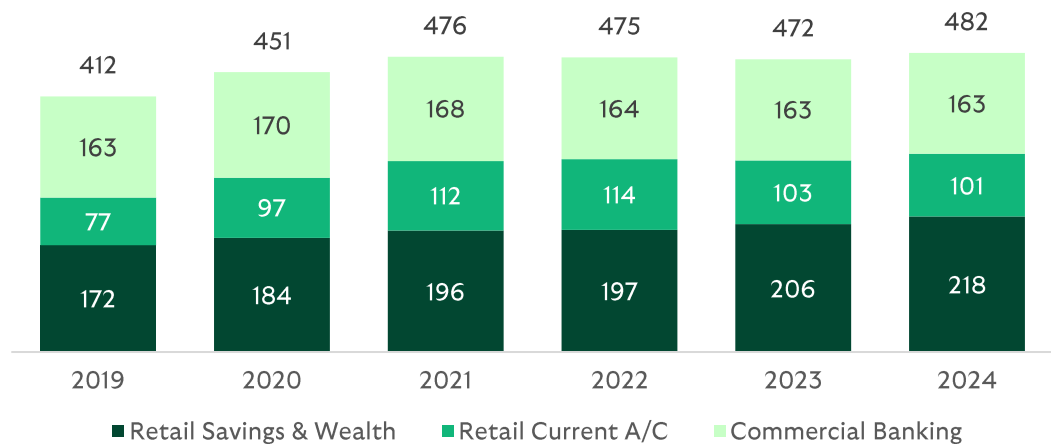
## Capital target of c.13.0% supported by derisking and regulatory developments

- **Low risk profile and prudent underwriting standards, demonstrated by:**
  - Average LTV on mortgage portfolio 43.7%
  - 2006-08 mortgage book continues to decrease: £24bn in 2024 vs £143bn in 2012
  - CRE portfolio well diversified and reducing, <2% of total book, average LTV 45%
  - c.90% of SME lending secured
  - Exited businesses not aligned to strategy
- **Greater clarity on regulatory position and requirements**
- **CET1 resources have increased (+£3bn since 2019) despite risk reduction**
- **Solid fundamentals support the journey to c.13.0%:**
  - Track record of sustainable capital growth
  - Expect capital generation of c.175bps in 2025 increasing to >200bps in 2026 despite RWA growth
  - Significant capacity to absorb unexpected losses with 200bps CET1 generation equating to c£4.5bn post tax
  - Strong balance sheet position, including c.£3.7bn of ECL provisions held

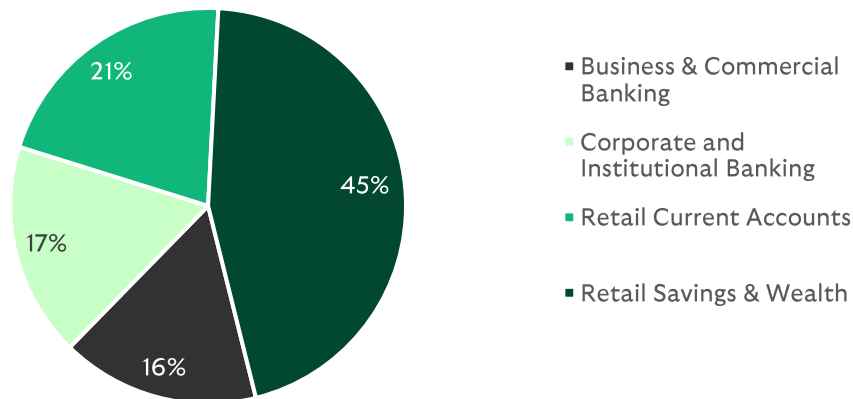
1 – The Group's RWAs increased by £16bn on 1 Jan 2022 (vs FY21) reflecting the UK implementation of CRR 2, including new CRD IV model requirements

# Diversified deposit base and robust liquidity portfolio

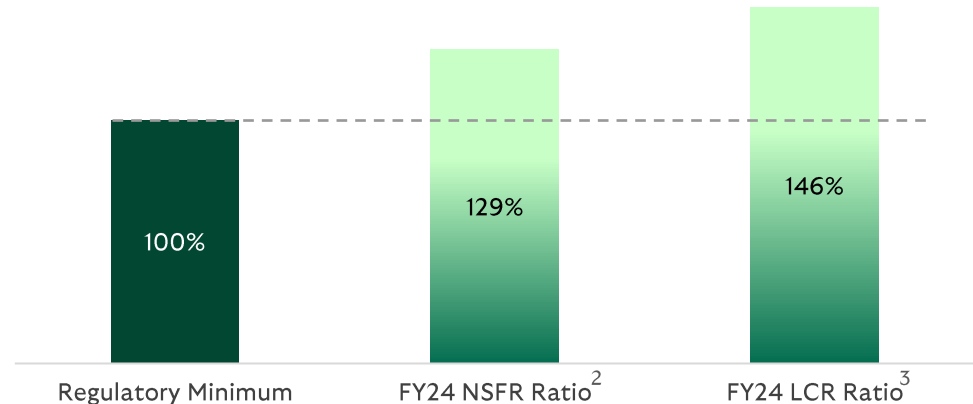
Deposits have steadily increased since 2019 driven primarily by Retail growth and remain stable (£bn)



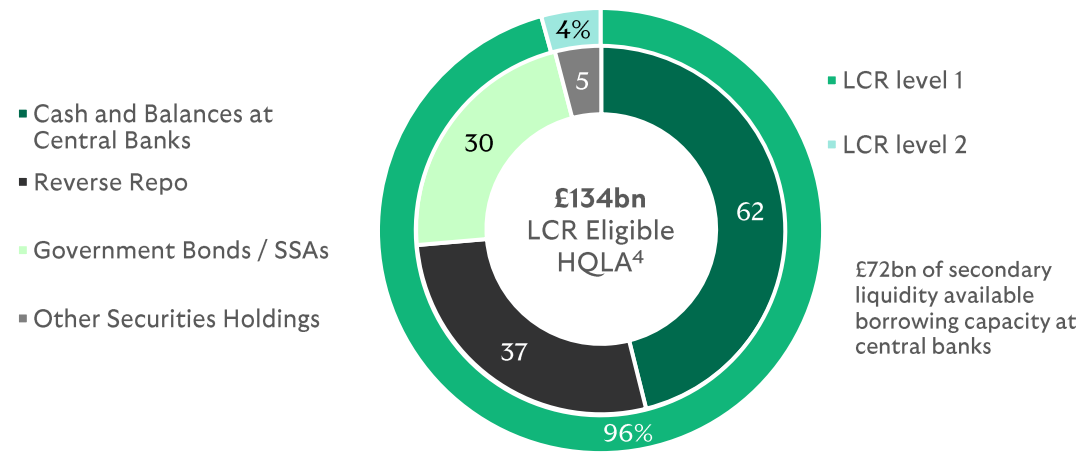
Diversified deposit base across Retail and Commercial, with c.56% of total deposits insured<sup>1</sup>



Liquidity ratios remain comfortably above requirements



£134bn primary liquidity fully hedged for interest rate risk and supported by further immediate drawing capacity of £72bn



1 – Insured being those deposits immediately eligible for deposit protection schemes (principally the FSCS in the UK). 2 – Calculated as an average of the four previous quarters. 3 – Calculated as an average of month-end observations over the previous 12 months. 4 – Calculated on a 12-month average basis.

# 2025 Forecast Wholesale Issuance

## Issuance principles

## 2024 Completed

## 2025 Guidance

### HoldCo Senior

- Refinancing maturities across core and non-core currencies
- Support the Group's balance sheet growth

£9.6bn<sup>1</sup>

up to £4bn

### Capital

- Ongoing refinancing to **c.2.0% AT1 target** and **c.2.5% Tier 2 target**
- Issuance across core and non-core currencies
- FY24 Ratios:
  - AT1 ratio c.2.4%
  - Tier 2 ratio at c.2.4%

£1.6bn

up to £2bn

### OpCo

- Supporting balance sheet growth in RFB & NRFB entities
- Continued deposit strength influences OpCo issuance needs
- £8bn TFSME repaid in Dec-24
  - Maturities: £13bn in 2025, £9bn 2027 & beyond

£2.6bn<sup>2</sup>

up to £3bn

# Strong ratings reaffirmed across the Group

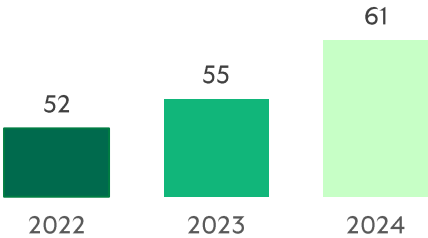


		Lloyds Banking Group			Ring-fenced bank	Non-ring-fenced bank
Credit Ratings <sup>1</sup>	UK Sovereign	LBG HoldCo <sup>2</sup>	LBG Tier 2	LBG AT1	Lloyds Bank, BoS	LBCM
S&P	AA Stable	BBB+ Stable A-2	BBB- Stable	BB- Stable	A+ Stable A-1	A Stable A-1
Moody's	Aa3 Stable	A3 Stable P-2	Baa1 Stable	Baa3 Stable	A1 Stable P-1	A1 Stable P-1
Fitch	AA- Stable	A+ Stable F1	A- Stable	BBB Stable	AA- Stable F1+	AA- Stable F1+

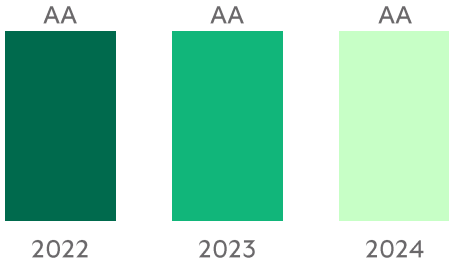
Fitch ratings upgraded by one notch in November 2024

## ESG Ratings<sup>1,3</sup>

### S&P CSA



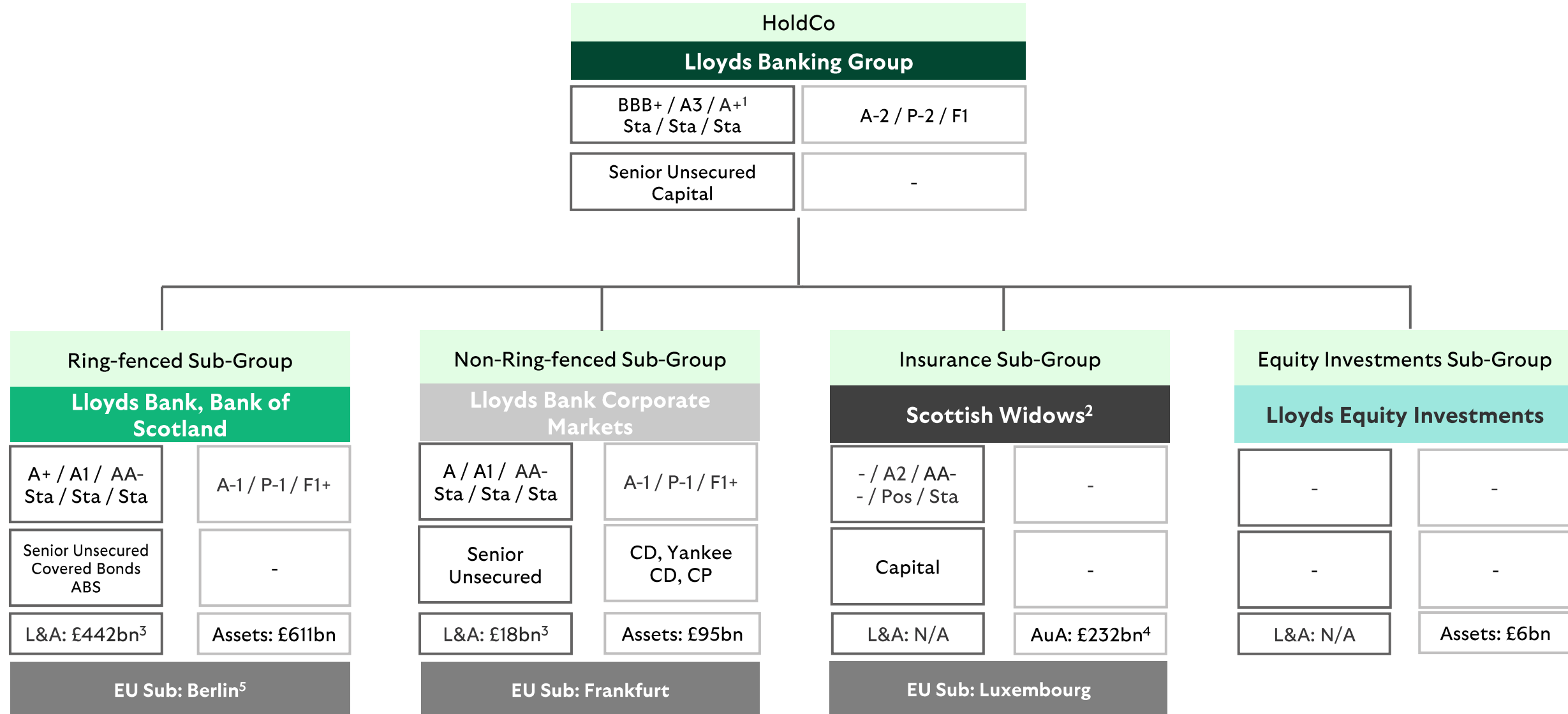
### MSCI



1 – Ratings shown as of 19.02.2025 and credit ratings reflect senior unsecured issuer ratings – LT, outlook, ST 2– LBG HoldCo issuer rating equivalent to HoldCo Senior Unsecured rating, 3 – Additional ESG Ratings can be found in our 2024 Sustainability Report

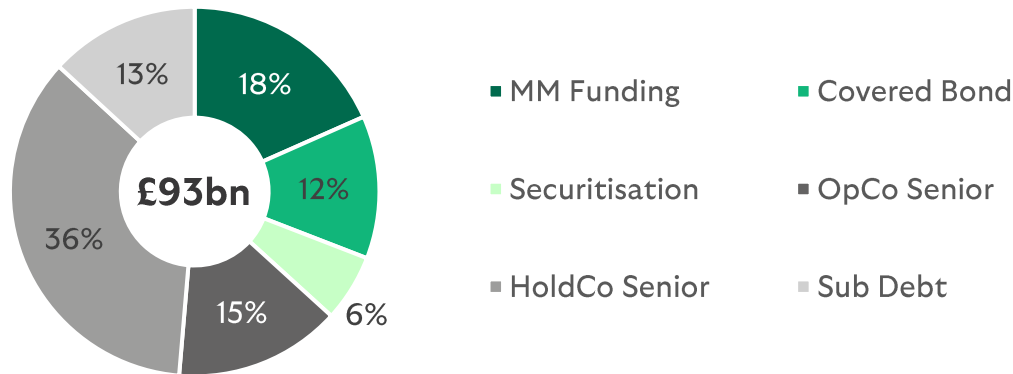
# Appendix

# Simple group structure with multiple issuance points

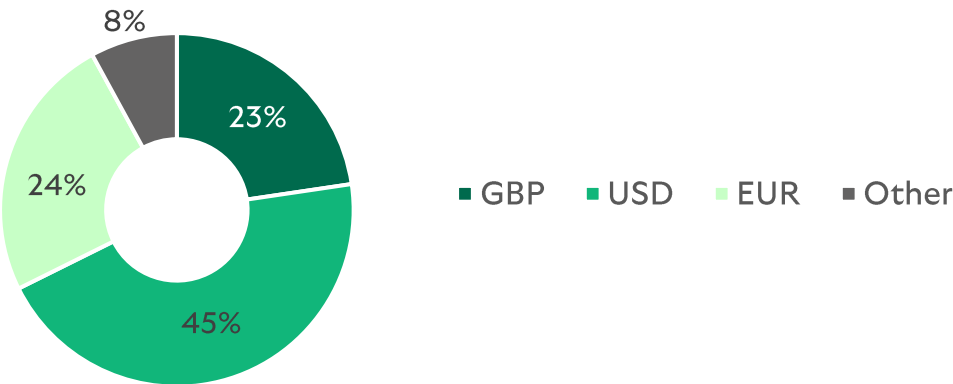


# Diverse funding portfolio as at FY2024

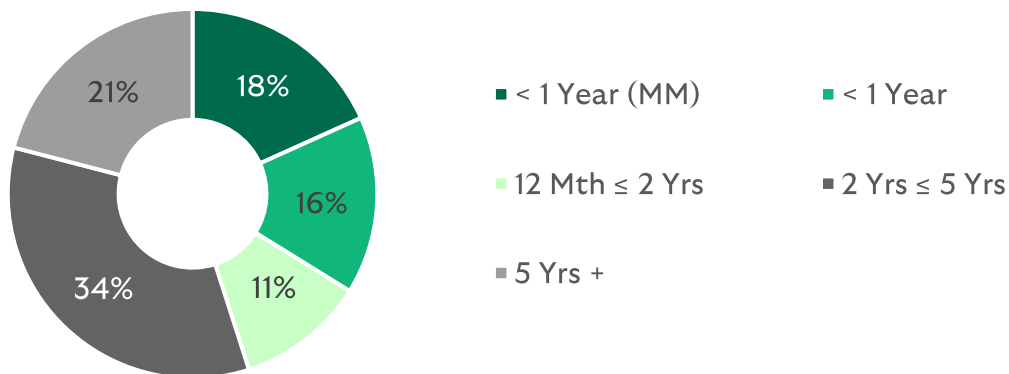
Wholesale funding portfolio by type



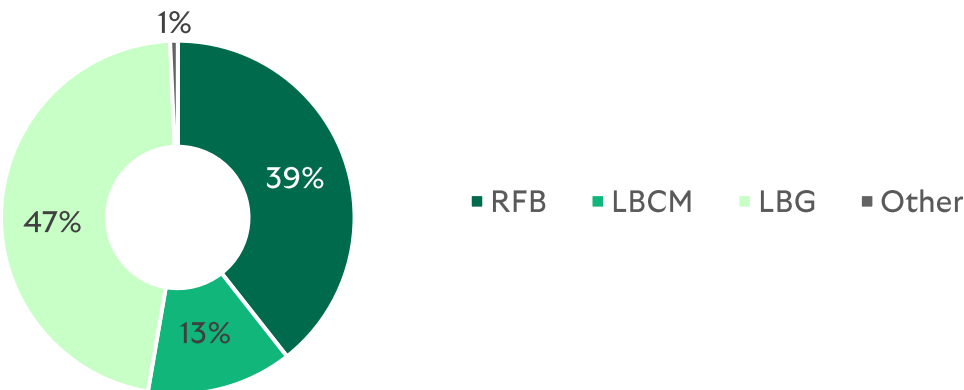
Wholesale funding portfolio by currency



Wholesale funding portfolio by maturity



Wholesale funding portfolio by entity





# Quarterly P&L and key ratios

(£m)	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Net interest income	3,276	3,231	3,154	3,184	3,317	3,444	3,469	3,535
Other income	1,433	1,430	1,394	1,340	1,286	1,299	1,281	1,257
Operating lease depreciation	(331)	(315)	(396)	(283)	(371)	(229)	(216)	(140)
Net income	4,378	4,346	4,152	4,241	4,232	4,514	4,534	4,652
Operating costs	(2,450)	(2,292)	(2,298)	(2,402)	(2,486)	(2,241)	(2,243)	(2,170)
Remediation	(775)	(29)	(70)	(25)	(541)	(64)	(51)	(19)
Total costs	(3,225)	(2,321)	(2,368)	(2,427)	(3,027)	(2,305)	(2,294)	(2,189)
Underlying profit before impairment	1,153	2,025	1,784	1,814	1,205	2,209	2,240	2,463
Impairment (charge)/credit	(160)	(172)	(44)	(57)	541	(187)	(419)	(243)
Underlying profit	993	1,853	1,740	1,757	1,746	2,022	1,821	2,220
Restructuring	(19)	(6)	(3)	(12)	(85)	(44)	(13)	(12)
Volatility and other items	(150)	(24)	(41)	(117)	114	(120)	(198)	52
Statutory profit before tax	824	1,823	1,696	1,628	1,775	1,858	1,610	2,260
Statutory profit after tax	700	1,333	1,229	1,215	1,234	1,420	1,223	1,641
Net interest margin	2.97%	2.95%	2.93%	2.95%	2.98%	3.08%	3.14%	3.22%
Average interest earning assets	£455bn	£451bn	£449bn	£449bn	£453bn	£453bn	£453bn	£454bn
Cost:income ratio	73.7%	53.4%	57.0%	57.2%	71.5%	51.1%	50.6%	47.1%
Asset quality ratio	0.14%	0.15%	0.05%	0.06%	(0.47)%	0.17%	0.36%	0.22%
Return on tangible equity	7.1%	15.2%	13.6%	13.3%	13.9%	16.9%	13.6%	19.1%
Tangible net asset value per share	52.4p	52.5p	49.6p	51.2p	50.8p	47.2p	45.7p	49.6p

# Updated economic scenarios

Scenario	ECL (£m)	Measure (%)	2024	2025	2026	2027	2028	Ave. 24-28
Upside (30%)	2,634	GDP	0.8	1.9	2.2	1.5	1.4	1.6
		Unemployment rate	4.3	3.5	2.8	2.7	2.8	3.2
		HPI growth	3.4	3.7	6.5	6.6	5.4	5.1
		CRE price growth	0.7	7.8	6.7	3.2	0.5	3.7
		UK Bank Rate	5.06	4.71	5.02	5.19	5.42	5.08
		CPI inflation	2.6	2.8	2.6	2.9	3.0	2.8
Base case (30%)	3,204	GDP	0.8	1.0	1.4	1.5	1.5	1.2
		Unemployment rate	4.3	4.7	4.7	4.5	4.5	4.5
		HPI growth	3.4	2.1	1.0	1.4	2.4	2.0
		CRE price growth	0.7	0.3	2.5	1.9	0.0	1.1
		UK Bank Rate	5.06	4.19	3.63	3.5	3.5	3.98
		CPI inflation	2.6	2.8	2.4	2.4	2.2	2.5
Downside (30%)	4,159	GDP	0.8	(0.5)	(0.4)	1.0	1.5	0.5
		Unemployment rate	4.3	6.0	7.4	7.4	7.1	6.4
		HPI growth	3.4	0.6	(5.5)	(6.6)	(3.4)	(2.4)
		CRE price growth	0.7	(7.8)	(3.1)	(0.9)	(2.3)	(2.7)
		UK Bank Rate	5.06	3.53	1.56	0.96	0.68	2.36
		CPI inflation	2.6	2.8	2.3	1.8	1.2	2.1
Severe downside (10%)	6,515	GDP	0.8	(1.9)	(1.5)	0.7	1.3	(0.1)
		Unemployment rate	4.3	7.7	10.0	10.0	9.7	8.4
		HPI growth	3.4	(0.8)	(12.4)	(13.6)	(8.8)	(6.7)
		CRE price growth	0.7	(17.4)	(8.5)	(5.5)	(5.7)	(7.5)
		UK Bank Rate – adj.	5.06	4.03	2.7	2.23	1.95	3.19
		CPI inflation – adj.	2.6	3.6	2.1	1.4	0.8	2.1
Probability weighted	3,651							

# Low mortgage LTVs

	December 2024 <sup>1</sup>				2023 <sup>1</sup>	2010 <sup>1</sup>
	Mainstream	Buy to let	Specialist	Total	Total	Total
Average LTVs	43.2%	47.4%	33.2%	43.7%	43.6%	55.6%
New business LTVs	64.1%	56.4%	N/A	63.2%	61.7%	60.9%
≤80% LTV	86.2%	99.7%	96.8%	88.4%	89.3%	57.0%
>80–90% LTV	11.9%	0.1%	1.2%	10.0%	7.8%	16.2%
>90–100% LTV	1.8%	0.1%	0.9%	1.5%	2.8%	13.6%
>100% LTV	0.1%	0.1%	1.1%	0.1%	0.1%	13.2%
Value >80% LTV	£36.1bn	£0.1bn	£0.1bn	£36.3bn	£33.0bn	£146.6bn
Value >100% LTV	£0.2bn	-	-	£0.2bn	£0.3bn	£44.9bn
Gross lending	£261.7bn	£48.0bn	£3.6bn	£313.3bn	£307.6bn	£341.1bn

1 - 2023-24 LTVs use Markit's 2019 Halifax HPI; 2010 LTVs use Markit's pre 2019 Halifax HPI and include TSB. Table uses rounded inputs.

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