

LLOYDS  
BANKING GROUP



# January 2023 Consensus

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# Lloyds Banking Group Consensus

LLOYDS BANKING GROUP CONSENSUS £m (unless stated)	Q4 2021 Actual	Q3 2022 YTD Actual	Q4 2022 Consensus	FY 2022 Consensus	FY 2023 Consensus	FY 2024 Consensus	FY 2025 Consensus
Net interest income	2,893	9,529	3,549	13,078	14,220	14,430	15,137
Other income	1,307	3,811	1,278	5,089	4,840	5,043	5,189
Operating lease depreciation	(78)	(295)	(133)	(428)	(589)	(667)	(697)
<b>Net income</b>	<b>4,122</b>	<b>13,045</b>	<b>4,694</b>	<b>17,739</b>	<b>18,472</b>	<b>18,806</b>	<b>19,628</b>
Operating costs	(2,246)	(6,436)	(2,363)	(8,799)	(9,073)	(9,201)	(9,207)
Remediation	(775)	(89)	(104)	(193)	(267)	(250)	(249)
<b>Total costs</b>	<b>(3,021)</b>	<b>(6,525)</b>	<b>(2,467)</b>	<b>(8,992)</b>	<b>(9,340)</b>	<b>(9,451)</b>	<b>(9,457)</b>
<b>Trading surplus</b>	<b>1,101</b>	<b>6,520</b>	<b>2,227</b>	<b>8,747</b>	<b>9,132</b>	<b>9,355</b>	<b>10,172</b>
Impairment	532	(1,045)	(380)	(1,425)	(1,719)	(1,642)	(1,562)
<b>Underlying profit</b>	<b>1,633</b>	<b>5,475</b>	<b>1,847</b>	<b>7,322</b>	<b>7,413</b>	<b>7,712</b>	<b>8,610</b>
Restructuring costs	(418)	(69)	(48)	(117)	(93)	(80)	(86)
Volatility and other items	(247)	(237)	(23)	(260)	(183)	(167)	(171)
<b>Statutory profit before tax</b>	<b>968</b>	<b>5,169</b>	<b>1,777</b>	<b>6,946</b>	<b>7,138</b>	<b>7,466</b>	<b>8,353</b>
Taxation	(548)	(1,134)	(563)	(1,697)	(1,957)	(2,066)	(2,277)
<b>Profit for the period</b>	<b>420</b>	<b>4,035</b>	<b>1,214</b>	<b>5,249</b>	<b>5,181</b>	<b>5,400</b>	<b>6,076</b>
<b>KEY METRICS</b>							
Average interest-earning banking assets (£bn)	449	451	454	452	455	461	468
Risk weighted assets (£bn)	196	211	211	211	217	223	227
Banking net interest margin	2.57%	2.84%	3.16%	2.92%	3.15%	3.14%	3.18%
Cost:income ratio	73.3%	50.0%	52.5%	50.7%	50.6%	50.3%	48.2%
Asset quality ratio	(0.46)%	0.30%	0.35%	0.31%	0.35%	0.33%	0.33%
Return on tangible equity	2.9%	12.9%	12.5%	12.8%	13.5%	14.1%	14.9%
CET1 ratio post dividends & buyback	16.3%	15.0%	14.2%	14.2%	13.9%	13.9%	13.8%
Ordinary dividend per share (p)	1.33	0.80	1.60	2.40	2.67	2.90	3.34
Excess capital distribution (£m)	2,000	-	1,972	1,972	1,769	1,785	2,380
Earnings/(loss) per share (p)	0.4	5.2	1.7	6.9	7.0	7.8	8.6
Tangible net assets per share (p)	57.5	49.0	51.7	51.7	52.7	58.0	60.1

## Notes

- 22 models received in December/ January; number of submissions vary by period and line.
- Dividend accruals deducted from capital quarterly; buybacks deducted in Q4 of the year announced.
- Analysts use economic assumptions which may differ between institutions and from those used by LBG.

## Definitions

- **Banking net interest margin** - banking net interest income as a percentage of average gross interest-earning banking assets.
- **Cost:income ratio** - total costs as a percentage of net income.
- **Asset quality ratio** - impairment as a percentage of average gross loans and advances to customers.
- **Return on tangible equity** - profit attributable to ordinary shareholders, divided by average tangible net assets.
- **Tangible net assets per share** - net assets excluding intangible assets divided by the number of ordinary shares in issue.
- **Excess capital distribution** - the sum of the average forecasted special dividends and share buybacks. The majority of analysts model buybacks.

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