

LLOYDS
BANKING GROUP



July 2022 Consensus

7 July 2022

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LLOYDS BANKING GROUP CONSENSUS £m (unless stated)	Q1 2022 Actual	Q2 2022 Consensus	H1 2022 Consensus	FY 2022 Consensus	FY 2023 Consensus	FY 2024 Consensus	FY 2025 Consensus
Net interest income	2,945	3,011	5,956	12,214	12,529	12,785	12,868
Other income	1,261	1,262	2,523	5,084	4,955	5,164	5,380
Operating lease depreciation	(94)	(137)	(231)	(529)	(664)	(726)	(785)
Net income	4,112	4,135	8,247	16,769	16,821	17,224	17,463
Operating costs	(2,098)	(2,204)	(4,302)	(8,823)	(8,872)	(8,915)	(8,870)
Remediation	(52)	(105)	(157)	(313)	(271)	(263)	(239)
Total costs	(2,150)	(2,308)	(4,458)	(9,136)	(9,143)	(9,178)	(9,109)
Trading surplus	1,962	1,827	3,789	7,633	7,678	8,045	8,354
Impairment	(177)	(211)	(388)	(838)	(1,153)	(1,337)	(1,463)
Underlying profit	1,785	1,616	3,401	6,795	6,525	6,709	6,891
Restructuring costs	(24)	(43)	(67)	(89)	(64)	(44)	(60)
Volatility and other items	(138)	13	(125)	(232)	(190)	(182)	(170)
Statutory profit before tax	1,623	1,585	3,208	6,474	6,271	6,482	6,662
Taxation	(419)	(422)	(841)	(1,745)	(1,685)	(1,747)	(1,800)
Profit for the period	1,204	1,164	2,368	4,729	4,586	4,735	4,862
KEY METRICS							
Average interest-earning banking assets (£bn)	448	452	450	452	460	469	480
Risk weighted assets (£bn)	210	211	211	211	216	221	227
Banking net interest margin	2.68%	2.73%	2.70%	2.73%	2.76%	2.76%	2.73%
Cost:income ratio	52.3%	55.8%	54.1%	54.5%	54.4%	53.3%	52.2%
Asset quality ratio	0.16%	0.17%	0.16%	0.18%	0.24%	0.27%	0.30%
Return on tangible equity	10.8%	10.9%	10.9%	10.8%	10.9%	11.5%	11.8%
CET1 ratio post dividends & buyback	14.2%	14.5%	14.5%	14.0%	13.8%	13.7%	13.8%
Ordinary dividend per share (p)	-	0.75	0.75	2.33	2.58	2.78	3.19
Excess capital distribution (£m)	-	-	-	1,692	1,368	1,231	1,417
Earnings/(loss) per share (p)	1.5	1.6	3.0	6.0	6.1	6.5	6.8
Tangible net assets per share (p)	56.5	57.9	57.9	59.5	58.1	61.5	65.7

Notes

- 19 models received in June / July; submissions vary by period / line.
- Dividend accruals deducted from capital quarterly whilst 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 charge 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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