October 2022 Consensus

19 October 2022

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### Lloyds Banking Group Consensus

<table>
<thead>
<tr>
<th>Key Metrics</th>
<th>FY 2022 Actual</th>
<th>H1 2022 Actual</th>
<th>Q3 2022 Consensus</th>
<th>H2 2022 Consensus</th>
<th>FY 2022 Consensus</th>
<th>FY 2023 Consensus</th>
<th>FY 2024 Consensus</th>
<th>FY 2025 Consensus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average interest-earning banking assets (£bn)</td>
<td>447</td>
<td>450</td>
<td>454</td>
<td>453</td>
<td>451</td>
<td>458</td>
<td>466</td>
<td>476</td>
</tr>
<tr>
<td>Risk weighted assets (£bn)</td>
<td>201</td>
<td>210</td>
<td>210</td>
<td>211</td>
<td>211</td>
<td>218</td>
<td>223</td>
<td>230</td>
</tr>
<tr>
<td>Banking net interest margin</td>
<td>2.55%</td>
<td>2.77%</td>
<td>2.90%</td>
<td>2.94%</td>
<td>2.85%</td>
<td>2.93%</td>
<td>2.96%</td>
<td>3.01%</td>
</tr>
<tr>
<td>Cost:income ratio</td>
<td>51.8%</td>
<td>51.2%</td>
<td>51.1%</td>
<td>52.6%</td>
<td>51.9%</td>
<td>52.0%</td>
<td>51.1%</td>
<td>49.3%</td>
</tr>
<tr>
<td>Asset quality ratio</td>
<td>(0.10)%</td>
<td>0.17%</td>
<td>0.21%</td>
<td>0.22%</td>
<td>0.21%</td>
<td>0.31%</td>
<td>0.31%</td>
<td>0.32%</td>
</tr>
<tr>
<td>Return on tangible equity</td>
<td>14.5%</td>
<td>13.2%</td>
<td>14.2%</td>
<td>12.5%</td>
<td>12.5%</td>
<td>12.5%</td>
<td>13.4%</td>
<td>14.7%</td>
</tr>
<tr>
<td>CET1 ratio post dividends &amp; buyback</td>
<td>17.2%</td>
<td>14.8%</td>
<td>14.9%</td>
<td>14.3%</td>
<td>14.3%</td>
<td>13.9%</td>
<td>13.9%</td>
<td>14.1%</td>
</tr>
<tr>
<td>Ordinary dividend per share (p)</td>
<td>-</td>
<td>0.80</td>
<td>-</td>
<td>1.64</td>
<td>2.44</td>
<td>2.68</td>
<td>2.91</td>
<td>3.39</td>
</tr>
<tr>
<td>Excess capital distribution (£m)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,826</td>
<td>1,826</td>
<td>1,512</td>
<td>1,597</td>
<td>2,407</td>
</tr>
<tr>
<td>Tangible net assets per share (p)</td>
<td>2.0</td>
<td>3.7</td>
<td>1.8</td>
<td>3.3</td>
<td>7.0</td>
<td>6.7</td>
<td>7.3</td>
<td>8.3</td>
</tr>
<tr>
<td>Net interest income</td>
<td>2,852</td>
<td>6,135</td>
<td>3,292</td>
<td>6,662</td>
<td>12,797</td>
<td>13,417</td>
<td>13,749</td>
<td>14,329</td>
</tr>
<tr>
<td>Other income</td>
<td>1,336</td>
<td>2,529</td>
<td>1,273</td>
<td>2,563</td>
<td>5,092</td>
<td>4,904</td>
<td>5,109</td>
<td>5,251</td>
</tr>
<tr>
<td>Operating lease depreciation</td>
<td>(111)</td>
<td>(213)</td>
<td>(133)</td>
<td>(266)</td>
<td>(479)</td>
<td>(623)</td>
<td>(689)</td>
<td>(746)</td>
</tr>
<tr>
<td>Net income</td>
<td>4,077</td>
<td>8,451</td>
<td>4,432</td>
<td>8,959</td>
<td>17,410</td>
<td>17,698</td>
<td>18,169</td>
<td>18,834</td>
</tr>
<tr>
<td>Operating costs</td>
<td>(2,913)</td>
<td>(4,540)</td>
<td>(2,182)</td>
<td>(4,540)</td>
<td>(8,731)</td>
<td>(8,932)</td>
<td>(9,030)</td>
<td>(9,048)</td>
</tr>
<tr>
<td>Remediation</td>
<td>(100)</td>
<td>(79)</td>
<td>(84)</td>
<td>(167)</td>
<td>(246)</td>
<td>(266)</td>
<td>(263)</td>
<td>(244)</td>
</tr>
<tr>
<td>Total costs</td>
<td>(2,113)</td>
<td>(4,328)</td>
<td>(2,265)</td>
<td>(4,710)</td>
<td>(9,038)</td>
<td>(9,200)</td>
<td>(9,292)</td>
<td>(9,292)</td>
</tr>
<tr>
<td>Trading surplus</td>
<td>1,964</td>
<td>4,123</td>
<td>2,166</td>
<td>4,249</td>
<td>8,372</td>
<td>8,497</td>
<td>8,877</td>
<td>9,542</td>
</tr>
<tr>
<td>Impairment</td>
<td>119</td>
<td>(377)</td>
<td>(285)</td>
<td>(579)</td>
<td>(956)</td>
<td>(1,447)</td>
<td>(1,483)</td>
<td>(1,568)</td>
</tr>
<tr>
<td>Underlying profit</td>
<td>2,083</td>
<td>3,746</td>
<td>1,881</td>
<td>3,670</td>
<td>7,416</td>
<td>7,051</td>
<td>7,394</td>
<td>7,974</td>
</tr>
<tr>
<td>Restructuring costs</td>
<td>(24)</td>
<td>(47)</td>
<td>(20)</td>
<td>(46)</td>
<td>(93)</td>
<td>(59)</td>
<td>(55)</td>
<td>(29)</td>
</tr>
<tr>
<td>Volatility and other items</td>
<td>(30)</td>
<td>(38)</td>
<td>(25)</td>
<td>(97)</td>
<td>(135)</td>
<td>(165)</td>
<td>(167)</td>
<td>(125)</td>
</tr>
<tr>
<td>Statutory profit before tax</td>
<td>2,029</td>
<td>3,661</td>
<td>1,836</td>
<td>3,527</td>
<td>7,186</td>
<td>6,807</td>
<td>7,172</td>
<td>7,820</td>
</tr>
<tr>
<td>Taxation</td>
<td>(429)</td>
<td>(635)</td>
<td>(477)</td>
<td>(1,018)</td>
<td>(1,853)</td>
<td>(1,852)</td>
<td>(1,913)</td>
<td>(2,063)</td>
</tr>
<tr>
<td>Profit for the period</td>
<td>1,600</td>
<td>2,826</td>
<td>1,359</td>
<td>2,509</td>
<td>5,335</td>
<td>4,955</td>
<td>5,259</td>
<td>5,757</td>
</tr>
</tbody>
</table>

### 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.

### Notes
- 21 models received in September/October; 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.
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3