

LLOYDS  
BANKING GROUP



# October 2022 Consensus

19 October 2022

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# Lloyds Banking Group Consensus

LLOYDS BANKING GROUP CONSENSUS £m (unless stated)	Q3 2021 Actual	H1 2022 Actual	Q3 2022 Consensus	H2 2022 Consensus	FY 2022 Consensus	FY 2023 Consensus	FY 2024 Consensus	FY 2025 Consensus
Net interest income	2,852	6,135	3,292	6,662	12,797	13,417	13,749	14,329
Other income	1,336	2,529	1,273	2,563	5,092	4,904	5,109	5,251
Operating lease depreciation	(111)	(213)	(133)	(266)	(479)	(623)	(689)	(746)
<b>Net income</b>	<b>4,077</b>	<b>8,451</b>	<b>4,432</b>	<b>8,959</b>	<b>17,410</b>	<b>17,698</b>	<b>18,169</b>	<b>18,834</b>
Operating costs	(2,013)	(4,249)	(2,182)	(4,542)	(8,791)	(8,932)	(9,030)	(9,048)
Remediation	(100)	(79)	(84)	(167)	(246)	(268)	(263)	(244)
<b>Total costs</b>	<b>(2,113)</b>	<b>(4,328)</b>	<b>(2,265)</b>	<b>(4,710)</b>	<b>(9,038)</b>	<b>(9,200)</b>	<b>(9,292)</b>	<b>(9,292)</b>
<b>Trading surplus</b>	<b>1,964</b>	<b>4,123</b>	<b>2,166</b>	<b>4,249</b>	<b>8,372</b>	<b>8,497</b>	<b>8,877</b>	<b>9,542</b>
Impairment	119	(377)	(285)	(579)	(956)	(1,447)	(1,483)	(1,568)
<b>Underlying profit</b>	<b>2,083</b>	<b>3,746</b>	<b>1,881</b>	<b>3,670</b>	<b>7,416</b>	<b>7,051</b>	<b>7,394</b>	<b>7,974</b>
Restructuring costs	(24)	(47)	(20)	(46)	(93)	(59)	(55)	(29)
Volatility and other items	(30)	(38)	(25)	(97)	(135)	(185)	(167)	(125)
<b>Statutory profit before tax</b>	<b>2,029</b>	<b>3,661</b>	<b>1,836</b>	<b>3,527</b>	<b>7,188</b>	<b>6,807</b>	<b>7,172</b>	<b>7,820</b>
Taxation	(429)	(835)	(477)	(1,018)	(1,853)	(1,852)	(1,913)	(2,063)
<b>Profit for the period</b>	<b>1,600</b>	<b>2,826</b>	<b>1,359</b>	<b>2,509</b>	<b>5,335</b>	<b>4,955</b>	<b>5,259</b>	<b>5,757</b>
<b>KEY METRICS</b>								
Average interest-earning banking assets (£bn)	447	450	454	453	451	458	466	476
Risk weighted assets (£bn)	201	210	210	211	211	218	223	230
Banking net interest margin	2.55%	2.77%	2.90%	2.94%	2.85%	2.93%	2.96%	3.01%
Cost:income ratio	51.8%	51.2%	51.1%	52.6%	51.9%	52.0%	51.1%	49.3%
Asset quality ratio	(0.10)%	0.17%	0.21%	0.22%	0.21%	0.31%	0.31%	0.32%
Return on tangible equity	14.5%	13.2%	14.2%	12.5%	12.9%	12.5%	13.4%	14.7%
CET1 ratio post dividends & buyback	17.2%	14.8%	14.9%	14.3%	14.3%	13.9%	13.9%	14.1%
Ordinary dividend per share (p)	-	0.80	-	1.64	2.44	2.68	2.91	3.39
Excess capital distribution (£m)	-	-	-	1,826	1,826	1,512	1,597	2,407
Earnings/(loss) per share (p)	2.0	3.7	1.8	3.3	7.0	6.7	7.3	8.3
Tangible net assets per share (p)	56.6	54.8	51.0	52.8	52.8	54.8	59.3	63.0

## 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.

## 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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