

Lloyds Banking Group Consensus July 2023

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Lloyds Banking Group consensus



LLOYDS BANKING GROUP CONSENSUS £m (unless stated)	Q1 2023 Actual	Q2 2023 Consensus	HY 2023 Consensus	FY 2023 Consensus	FY 2024 Consensus	FY 2025 Consensus	FY 2026 Consensus
Net interest income	3,535	3,429	6,964	13,892	13,943	14,220	14,861
Other income	1,257	1,231	2,488	5,002	5,189	5,393	5,554
Operating lease depreciation	(140)	(150)	(290)	(605)	(697)	(751)	(801)
Net income	4,652	4,510	9,162	18,289	18,435	18,861	19,614
Operating costs	(2,170)	(2,241)	(4,411)	(9,107)	(9,234)	(9,348)	(9,498)
Remediation	(19)	(80)	(99)	(252)	(258)	(256)	(244)
Total costs	(2,189)	(2,321)	(4,510)	(9,359)	(9,493)	(9,604)	(9,742)
Trading surplus	2,463	2,189	4,652	8,930	8,942	9,257	9,871
Impairment	(243)	(371)	(614)	(1,406)	(1,548)	(1,509)	(1,497)
Underlying profit	2,220	1,818	4,038	7,524	7,395	7,748	8,374
Restructuring costs	(12)	(24)	(36)	(72)	(68)	(66)	(66)
Volatility and other items	52	(72)	(20)	(129)	(158)	(133)	(127)
Statutory profit before tax	2,260	1,721	3,981	7,323	7,168	7,548	8,180
Taxation	(619)	(467)	(1,086)	(1,990)	(1,955)	(2,068)	(2,234)
Profit for the period	1,641	1,254	2,895	5,333	5,214	5,480	5,946

KEY METRICS

Average interest-earning banking assets (£bn)	454	453	454	454	460	469	478
Risk weighted assets (£bn)	211	212	212	216	222	228	234
Banking net interest margin	3.22%	3.10%	3.16%	3.12%	3.09%	3.10%	3.15%
Cost:income ratio	47.1%	51.5%	49.2%	51.2%	51.5%	50.9%	49.7%
Asset quality ratio	0.22%	0.30%	0.26%	0.31%	0.33%	0.32%	0.31%
Return on tangible equity	19.1%	14.3%	16.7%	14.5%	13.9%	14.0%	15.3%
CET1 ratio post dividends & buyback	14.1%	14.2%	14.2%	13.9%	13.8%	14.2%	13.9%
Ordinary dividend per share (p)	-	0.92	0.92	2.75	3.04	3.43	3.64
Excess capital distribution (£m)	-	-	-	2,079	1,996	2,157	2,199
Earnings/(loss) per share (p)	2.3	1.7	4.0	7.4	7.7	8.7	9.9
Tangible net assets per share (p)	49.6	49.7	49.7	52.5	58.9	65.2	72.0

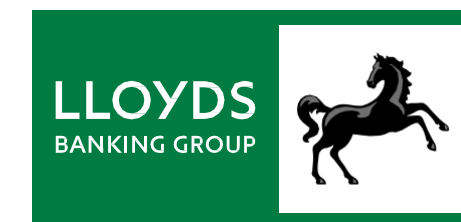
Notes

- 21 models received in June and July; 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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