

A black horse is running from left to right across the foreground. The background features a scenic landscape with a lake, mountains, and a sunset sky. The text is overlaid on the left side of the image.

# Lloyds Banking Group Consensus October 2023

**IMPORTANT:** The consensus information set out in this document is subject to the disclaimer contained in the final slide. You should read the disclaimer carefully before proceeding further with the consensus information



# Lloyds Banking Group consensus



LLOYDS BANKING GROUP CONSENSUS £m (unless stated)	HY 2023 Actual	Q3 2023 Consensus	YTD 2023 Consensus	FY 2023 Consensus	FY 2024 Consensus	FY 2025 Consensus	FY 2026 Consensus
Net interest income	7,004	3,477	10,481	13,922	13,744	14,066	14,610
Other income	2,538	1,282	3,820	5,117	5,333	5,537	5,592
Operating lease depreciation	(356)	(202)	(558)	(732)	(806)	(838)	(856)
<b>Net income</b>	<b>9,186</b>	<b>4,558</b>	<b>13,744</b>	<b>18,307</b>	<b>18,271</b>	<b>18,765</b>	<b>19,346</b>
Operating costs	(4,413)	(2,268)	(6,681)	(9,087)	(9,241)	(9,368)	(9,369)
Remediation	(70)	(72)	(142)	(225)	(260)	(249)	(256)
<b>Total costs</b>	<b>(4,483)</b>	<b>(2,340)</b>	<b>(6,823)</b>	<b>(9,312)</b>	<b>(9,501)</b>	<b>(9,617)</b>	<b>(9,625)</b>
<b>Trading surplus</b>	<b>4,703</b>	<b>2,217</b>	<b>6,920</b>	<b>8,995</b>	<b>8,771</b>	<b>9,148</b>	<b>9,721</b>
Impairment	(662)	(336)	(998)	(1,391)	(1,511)	(1,469)	(1,514)
<b>Underlying profit</b>	<b>4,041</b>	<b>1,881</b>	<b>5,922</b>	<b>7,604</b>	<b>7,260</b>	<b>7,679</b>	<b>8,206</b>
Restructuring costs	(25)	(20)	(45)	(73)	(71)	(75)	(85)
Volatility and other items	(146)	(43)	(189)	(199)	(162)	(144)	(141)
<b>Statutory profit before tax</b>	<b>3,870</b>	<b>1,818</b>	<b>5,688</b>	<b>7,332</b>	<b>7,027</b>	<b>7,460</b>	<b>7,980</b>
Taxation	(1,006)	(487)	(1,493)	(1,942)	(1,896)	(1,998)	(2,157)
<b>Profit for the period</b>	<b>2,864</b>	<b>1,330</b>	<b>4,194</b>	<b>5,389</b>	<b>5,131</b>	<b>5,463</b>	<b>5,823</b>

## KEY METRICS

Average interest-earning banking assets (£bn)	454	452	453	453	455	462	468
Risk weighted assets (£bn)	215	215	215	216	221	226	230
Banking net interest margin	3.18%	3.10%	3.15%	3.13%	3.09%	3.08%	3.17%
Cost:income ratio	48.8%	51.4%	49.6%	50.9%	52.0%	51.2%	49.8%
Asset quality ratio	0.29%	0.29%	0.29%	0.30%	0.33%	0.32%	0.32%
Return on tangible equity	16.6%	15.7%	16.3%	14.9%	14.3%	14.4%	15.1%
CET1 ratio post dividends & buyback	14.2%	14.6%	14.6%	13.8%	13.9%	13.9%	14.2%
Ordinary dividend per share (p)	0.92		0.92	2.70	3.03	3.35	3.71
Excess capital distribution (£m)				2,172	2,024	2,092	2,143
Earnings/(loss) per share (p)	3.9	1.9	5.8	7.4	7.5	8.4	9.5
Tangible net assets per share (p)	45.7	47.2	47.2	49.4	55.2	61.6	67.7

## Notes

- 20 models received in August and September; 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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