



Lloyds Banking Group

Consensus

Pre-Q4 2023 Results

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Lloyds Banking Group consensus



LLOYDS BANKING GROUP CONSENSUS £m (unless stated)	Q3 2023 YTD Actual	Q4 2023 Consensus	FY 2023 Consensus	FY 2024 Consensus	FY 2025 Consensus	FY 2026 Consensus
Net interest income	10,448	3,368	13,816	13,208	13,482	13,974
Other income	3,837	1,295	5,132	5,396	5,649	5,867
Operating lease depreciation	(585)	(234)	(819)	(945)	(983)	(1,037)
Net income	13,700	4,430	18,130	17,659	18,148	18,804
Operating costs	(6,654)	(2,442)	(9,096)	(9,257)	(9,380)	(9,537)
Remediation	(134)	(152)	(286)	(558)	(423)	(263)
Total costs	(6,788)	(2,594)	(9,382)	(9,815)	(9,802)	(9,801)
Trading surplus	6,912	1,836	8,748	7,844	8,346	9,004
Impairment	(849)	(126)	(975)	(1,446)	(1,427)	(1,475)
Underlying profit	6,063	1,710	7,773	6,398	6,919	7,529
Restructuring costs	(69)	(17)	(86)	(62)	(61)	(61)
Volatility and other items	(266)	(42)	(308)	(179)	(165)	(174)
Statutory profit before tax	5,728	1,651	7,379	6,157	6,693	7,293
Taxation	(1,444)	(512)	(1,956)	(1,713)	(1,836)	(1,970)
Profit for the period	4,284	1,139	5,423	4,444	4,858	5,324

KEY METRICS

Average interest-earning banking assets (£bn)	454	452	453	455	463	471
Risk weighted assets (£bn)	217	218	218	223	228	234
Banking net interest margin	3.15%	3.01%	3.11%	2.96%	2.98%	3.03%
Cost:income ratio	49.5%	58.5%	51.7%	55.6%	54.0%	52.1%
Asset quality ratio	0.25%	0.09%	0.21%	0.32%	0.31%	0.36%
Return on tangible equity	16.6%	12.7%	15.6%	12.8%	13.6%	14.2%
CET1 ratio post dividends & buyback	14.6%	13.8%	13.8%	13.7%	13.6%	13.7%
Ordinary dividend per share (p)	0.92	1.84	2.76	3.02	3.39	3.78
Excess capital distribution (£m)	-	2,184	2,184	1,981	2,014	2,033
Earnings/(loss) per share (p)	5.9	1.7	7.6	6.6	7.8	8.9
Tangible net assets per share (p)	47.2	49.3	49.3	54.2	59.8	65.8

Notes

- 18 models received in January; number of submissions vary by period and line
- It should be noted that submissions particularly vary for:
 - Q4/FY 23 impairment charge:**
Around half of submissions appear to include significant write-back in Q4; excluding these, remaining models average £1,232m (FY 23).
 - FY 23-25 remediation charge:**
Estimates for Motor Finance provisions vary considerably, both for quantum and timing.
- 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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