

Lloyds Banking Group Pre-Q4 Consensus

Lloyds Banking Group
24 January 2025

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Lloyds Banking Group consensus



LLOYDS BANKING GROUP CONSENSUS Jan 2025 (£m unless stated)	Q3 2024 Actuals	Q4 2024 Consensus	FY 2023 Actuals	FY 2024 Consensus	FY 2025 Consensus	FY 2026 Consensus	FY 2027 Consensus
Net interest income	3,231	3,248	13,765	12,817	13,383	14,321	15,056
Other income	1,430	1,411	5,123	5,575	5,908	6,209	6,454
Operating lease depreciation	(315)	(318)	(956)	(1,312)	(1,307)	(1,359)	(1,412)
Net income	4,346	4,340	17,932	17,079	17,984	19,171	20,099
Operating costs	(2,292)	(2,422)	(9,140)	(9,414)	(9,591)	(9,727)	(9,988)
Remediation	(29)	(316)	(675)	(440)	(1,485)	(459)	(255)
Total costs	(2,321)	(2,738)	(9,815)	(9,854)	(11,076)	(10,186)	(10,243)
Underlying profit before impairment	2,025	1,602	8,117	7,225	6,908	8,985	9,856
Impairment	(172)	(280)	(308)	(553)	(1,209)	(1,293)	(1,374)
Underlying profit	1,853	1,323	7,809	6,673	5,699	7,693	8,482
Restructuring costs	(6)	(35)	(154)	(56)	(67)	(66)	(66)
Volatility and other items	(24)	(42)	(152)	(224)	(177)	(162)	(135)
Statutory profit before tax	1,823	1,246	7,503	6,393	5,455	7,465	8,280
Tax expense	(490)	(385)	(1,985)	(1,755)	(1,693)	(2,063)	(2,236)
Profit for the period	1,333	861	5,518	4,638	3,762	5,402	6,044
Profit attributable to ordinary shareholders	1,210	725	4,933	4,080	3,179	4,862	5,466

KEY METRICS							
Banking net interest margin	2.95%	2.97%	3.11%	2.95%	3.02%	3.15%	3.22%
Average interest-earning banking assets (£bn)	451	454	453	451	460	471	483
Cost:income ratio	53.4%	63.1%	54.7%	57.7%	61.6%	53.1%	51.0%
Asset quality ratio	0.15%	0.24%	0.07%	0.13%	0.26%	0.27%	0.28%
Return on tangible equity	15.2%	8.6%	15.8%	12.6%	9.8%	14.2%	15.4%
CET1 ratio post dividends & buyback	14.3%	13.7%	13.7%	13.7%	13.3%	13.3%	13.4%
Risk weighted assets (£bn)	223	224	219	224	229	234	241
Tangible net assets per share (p)	52.5	53.6	50.8	53.6	56.8	62.7	68.0
Earnings/(loss) per share (p)	1.9	1.3	7.6	6.6	5.4	8.5	10.0
Total dividend per share (p)	-	2.03	2.76	3.09	3.33	3.74	4.26
Share buyback (£m)	-	1,696	2,000	1,696	1,593	2,293	2,467

Notes

- 18 models incorporated into consensus; number of 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
- FY 2024-26 remediation charge:
 - A number of analysts have included additional Motor Finance provisions; these vary in quantum and timing
 - In Q4 24 / FY 2024, 7 of 18 analysts include a Motor provision. These 7 analysts model an incremental provision of c.£550m on average, compared to a c.£200m average in consensus

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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