

CYBG PLC: Pre H1 19 Consensus

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P&L (€m)	2018PF	H1 19E	H2 19E	2019E	2020E	2021E	2022E
Net interest income	1,457	708	704	1,411	1,442	1,484	1,551
Non-interest income	228	112	113	231	223	228	238
Total operating income	1,685	820	818	1,641	1,665	1,713	1,789
Underlying operating and administrative expenses	(998)	(476)	(465)	(939)	(897)	(853)	(839)
Operating profit before impairment losses	687	344	353	703	777	860	950
Impairment losses on credit exposures	(106)	(74)	(85)	(155)	(194)	(224)	(249)
Underlying profit on ordinary activities before tax	581	271	268	547	584	636	701
Integration costs	-	(54)	(53)	(108)	(103)	(78)	(3)
Restructuring expense	(38)	(9)	(6)	(12)	(5)	(5)	(4)
Conduct charges	(306)	(13)	(31)	(41)	(7)	(6)	(4)
Fair value unwind	-	(20)	(26)	(44)	(54)	(56)	(52)
Other	(63)	(122)	19	(110)	(6)	(3)	(3)
Exceptional items	(497)	(218)	(97)	(315)	(176)	(148)	(67)
Statutory profit on ordinary activities before tax	84	53	171	232	408	487	635
Tax charge	n/a	(16)	(45)	(63)	(103)	(122)	(159)
Statutory profit for the period	n/a	37	126	170	304	366	475
Underlying profit after tax, before deductions of distributions	n/a	203	200	410	438	479	529
Gross AT1 distributions	n/a	(35)	(40)	(74)	(74)	(73)	(72)
Tax on AT1 distributions	n/a	6	7	12	12	12	11
Underlying profit after tax attributable to ordinary equity holders	n/a	173	168	349	376	417	467
Underlying basic earnings per share (p)	29.8	12.2	11.7	24.5	26.3	29.3	32.8
Statutory basic earnings per share (p)	(1.3)	0.5	6.5	7.6	17.0	21.4	26.1
Dividend per share (p)	n/a	1.7	5.1	7.0	10.0	12.6	15.4
Effective tax rate	n/a	30%	26%	27%	25%	25%	25%

Period end balance sheet (€bn)	2018PF	H1 19E	H2 19E	2019E	2020E	2021E	2022E
Average interest earnings assets (AIEA)	81.7	83.8	85.7	84.8	88.2	91.0	94.3
Total customer loans	70.9	72.1	73.5	73.7	76.5	79.6	82.8
Customer deposits	60.6	62.3	63.9	63.8	66.7	69.8	73.0
Risk weighted assets (RWA)	22.9	23.5	24.1	24.1	25.2	26.1	27.2
Tangible net asset value (TNAV) per share (p)	260.0	258.3	262.8	264.9	272.8	281.9	295.3

Key performance indicators	2018PF	H1 19E	H2 19E	2019E	2020E	2021E	2022E
Net interest margin (NIM)	1.78%	1.69%	1.64%	1.67%	1.64%	1.64%	1.65%
Underlying cost income ratio (CIR)	59.2%	58.0%	56.9%	57.2%	53.4%	49.9%	47.0%
Cost of risk (COR)	0.15%	0.21%	0.24%	0.21%	0.28%	0.29%	0.31%
Underlying return on tangible equity (RoTE)	11.1%	9.3%	8.9%	9.3%	9.8%	10.6%	11.4%
Statutory return on tangible equity (RoTE)	(0.5%)	0.4%	4.9%	2.9%	6.3%	7.7%	10.1%
Loan to deposit ratio (LDR)	116%	116%	115%	115%	115%	114%	113%
CET1 ratio	15.1%	14.6%	14.4%	14.4%	14.1%	13.9%	14.0%

Disclaimer

The consensus summary was last updated on 09 May 2019. Consensus figures in the tables above are based on forecasts to the extent they were provided by 17 analysts. Figures provided by analysts that do not relate to a specific line item have been excluded.

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H1 19E consensus			
Low	Mean	High	# Analysts
690	708	727	13
96	112	122	13
802	820	838	13
(476)	(476)	(463)	13
338	344	363	13
(66)	(74)	(59)	13
248	271	290	13
(98)	(54)	(17)	13
(30)	(9)	-	13
(50)	(13)	-	13
(38)	(20)	-	13
(144)	(122)	(25)	13
(292)	(218)	(102)	13
(16)	53	169	13
(43)	(16)	4	13
(12)	37	127	13
183	203	224	13
(47)	(35)	(20)	13
3	6	11	13
156	173	191	13
10.9	12.2	13.3	13
(2.7)	0.5	7.0	13
-	1.7	4.1	13
23%	30%	40%	13

H2 19E consensus			
Low	Mean	High	# Analysts
677	704	734	13
103	113	144	13
786	818	858	13
(476)	(465)	(452)	13
322	353	396	13
(107)	(85)	(72)	13
224	268	312	13
(93)	(53)	-	13
(20)	(6)	-	13
(100)	(31)	-	13
(40)	(26)	-	13
(25)	19	40	13
(215)	(97)	(40)	13
22	171	246	13
(61)	(45)	3	13
25	126	193	13
168	200	236	13
(68)	(40)	(32)	13
5	7	18	13
137	168	209	13
9.5	11.7	14.7	13
(0.9)	6.5	10.7	13
2.5	5.1	6.9	13
(14%)	26%	37%	13

FY 2019E consensus			
Low	Mean	High	# Analysts
1,345	1,411	1,449	17
202	231	301	17
1,604	1,641	1,681	17
(954)	(939)	(923)	17
666	703	746	17
(189)	(155)	(128)	17
501	547	619	17
(130)	(108)	(57)	17
(42)	(12)	-	17
(100)	(41)	-	17
(80)	(44)	-	17
(161)	(110)	(10)	17
(393)	(315)	(167)	17
108	232	375	17
(97)	(63)	(20)	17
88	170	281	17
371	410	464	17
(94)	(74)	(61)	17
7	12	23	17
305	349	397	17
21.4	24.5	27.7	17
1.5	7.6	16.0	17
3.2	7.0	9.6	17
19%	27%	36%	17

FY 2020E consensus			
Low	Mean	High	# Analysts
1,355	1,442.0	1,519	17
193	223	307	17
1,561	1,665	1,748	17
(922)	(897)	(827)	17
672	777	858	17
(233)	(194)	(158)	17
488	584	700	17
(120)	(103)	(80)	17
(40)	(5)	-	17
(30)	(7)	-	17
(90)	(56)	-	17
(50)	(9)	-	17
(235)	(176)	(80)	17
298	408	556	17
(136)	(103)	(54)	17
244	304	420	17
361	438	525	17
(97)	(73)	(61)	17
7	12	23	17
294	376	462	17
20.5	26.3	32.2	17
12.3	17.0	25.7	17
6.3	10.0	13.3	17
16%	25%	29%	17

FY 2021E consensus			
Low	Mean	High	# Analysts
1,291	1,484	1,595	17
196	228	313	17
1,498	1,713	1,834	17
(899)	(853)	(815)	17
665	800	973	17
(272)	(234)	(169)	17
458	636	803	17
(110)	(78)	(50)	17
(40)	(9)	-	17
(30)	(6)	-	17
(100)	(52)	-	17
(50)	(9)	-	17
(255)	(148)	(70)	17
258	487	663	17
(179)	(122)	(44)	17
215	366	492	17
339	479	602	17
(97)	(73)	(61)	17
7	12	23	17
273	417	539	17
18.9	29.3	37.6	17
10.3	21.4	30.7	17
9.4	12.6	17.5	17
17%	25%	27%	17

FY 2022E consensus			
Low	Mean	High	# Analysts
1,442	1,551	1,675	15
199	238	319	15
1,688	1,788	1,925	15
(906)	(839)	(785)	15
853	950	1,086	15
(296)	(249)	(203)	15
598	701	870	15
(20)	(3)	-	15
(35)	(4)	-	15
(15)	(4)	-	15
(100)	(52)	-	15
(50)	(3)	-	15
(150)	(67)	-	15
501	635	810	15
(219)	(159)	(121)	15
378	475	611	15
440	529	652	15
(97)	(72)	(61)	15
7	11	22	15
371	467	596	15
25.9	32.8	45.4	15
22.2	29.1	41.1	15
12.0	15.4	23.0	15
23%	25%	27%	15

H1 19E consensus			
Low	Mean	High	# Analysts
81.4	83.8	86.3	13
69.7	72.1	73.0	12
60.6	62.3	63.8	11
22.9	23.5	24.4	13
251.2	258.3	265.2	12

H2 19E consensus			
Low	Mean	High	# Analysts
83.0	85.7	89.2	13
71.2	73.5	74.4	12
61.5	63.9	65.8	11
23.4	24.1	24.8	13
247.8	262.8	273.4	12

FY 2019E consensus			
Low	Mean	High	# Analysts
83.4	84.8	86.2	16
71.2	73.7	74.4	17
61.5	63.8	65.8	16
23.4	24.1	24.8	17
248.0	264.9	294.5	17

FY 2020E consensus			
Low	Mean	High	# Analysts
85.8	88.2	90.7	16
73.9	76.5	78.2	17
63.4	66.7	70.8	16
23.9	25.2	26.8	17
252.2	272.8	300.2	17