

# Lloyds profits boom on back of Covid mortgage market

LLOYDS BANK raced to [profit](#) of £2 billion in the last three months, partly on the back of a booming [mortgage market](#) as Britons sought bigger [houses](#) for their families in a [Covid](#) world.

All banks have seen mortgage sales leap.

That's a boon to Charlie Nunn, the new Lloyds CEO presenting his first results,.

His CFO William Chalmers said: "The mortgage market has been very strong. There has been low unemployment and low [interest rates](#). People have looked to move outside urban centres to find more space."

Those £2 billion of profits are double what they were a year ago. A write back of £84 million from money set aside for bad loans also helped.

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A total £740 million of the £1.2 billion held during the

pandemic has now been added back to the balance sheet.

The performance of Covid loans has been “ahead of our expectations”, said Nunn, a former HSBC banker who replaced Antonio Horta-Osorio earlier this year.

The bank didn't pay staff bonuses last year, but they are likely to return. Nunn said: “We do think it is appropriate to reward employees fairly and competitively,” said the CEO.

Lloyds shares have languished for years, down about 15% since in the last five years.

Today they opened up 1p at 50p, as the bank upped its guidance for the rest of the year. Margins should rise along with interest rates with the wider economic outlook “benign”.

Banks have lately been pulling their cheapest fixed rate mortgage deals off the market in expectation of rising interest rates.

Several did so yesterday just hours after the budget.