

LLOYDS
BANKING GROUP



Q4 2021 CONSENSUS

28 January 2022

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Lloyds Banking Group Consensus



LLOYDS BANKING GROUP CONSENSUS £m (unless stated)	FY 2020 Actual	Q3 2021 YTD Actual	Q4 2021 Consensus	FY 2021 Consensus	FY 2022 Consensus	FY 2023 Consensus	FY 2024 Consensus
Net interest income	10,773	8,270	2,840	11,110	11,560	11,848	12,058
Other income	4,515	3,753	1,173	4,926	4,985	4,869	5,016
Operating lease depreciation	(884)	(382)	(130)	(512)	(640)	(682)	(705)
Net income	14,404	11,641	3,882	15,523	15,905	16,036	16,369
Operating costs	(7,585)	(5,601)	(2,075)	(7,676)	(7,994)	(7,950)	(8,001)
Remediation	(379)	(525)	(153)	(678)	(464)	(318)	(267)
Total costs	(7,964)	(6,126)	(2,228)	(8,354)	(8,457)	(8,269)	(8,267)
Trading surplus	6,440	5,515	1,654	7,169	7,448	7,767	8,101
Impairment	(4,247)	740	(70)	670	(830)	(1,252)	(1,338)
Underlying profit	2,193	6,255	1,585	7,840	6,618	6,515	6,763
Restructuring costs	(521)	(386)	(238)	(624)	(500)	(372)	(348)
Volatility and other items	(361)	65	(68)	(3)	(216)	(207)	(177)
Payment protection insurance provision	(85)	-	-	-	-	-	-
Statutory profit before tax	1,226	5,934	1,278	7,212	5,902	5,936	6,238
Taxation	161	(469)	(410)	(879)	(1,631)	(1,613)	(1,710)
Profit for the period	1,387	5,465	868	6,333	4,271	4,323	4,527

KEY METRICS

Average interest-earning banking assets (£bn)	435	443	448	445	451	458	466
Risk weighted assets (£bn)	203	201	199	199	211	214	218
Banking net interest margin	2.52%	2.52%	2.55%	2.52%	2.60%	2.63%	2.63%
Cost:income ratio	55.3%	52.6%	57.4%	53.8%	53.2%	51.6%	50.5%
Asset quality ratio	0.96%	(0.22)%	0.07%	(0.15)%	0.17%	0.26%	0.27%
Return on tangible equity	2.3%	17.6%	9.5%	15.1%	10.0%	10.2%	11.0%
CET1 ratio post dividends & buyback	16.2%	17.2%	16.3%	16.3%	14.7%	14.3%	14.1%
Ordinary dividend per share (p)	0.57	0.67	1.40	2.07	2.42	2.66	2.78
Excess capital distribution (£m)	-	-	1,377	1,377	1,488	1,390	1,117
Earnings/(loss) per share (p)	1.2	7.1	1.0	8.1	5.6	5.7	6.3
Tangible net assets per share (p)	52.3	56.6	56.6	56.6	58.8	57.7	60.0

Notes

All analyst models received in January 2022.

Data based on 22 submitted models. The number of submissions varies by period and line.

Accruals for ordinary dividends are deducted from capital quarterly whilst special dividends are deducted in Q4; buybacks are deducted in full in Q4 of the year they are announced, on a pro forma basis.

Definitions

Banking net interest margin – banking net interest income as a percentage of average gross interest-earning banking assets for the period.

Cost:income ratio – total costs as a percentage of net income.

Asset quality ratio – the impairment (credit)/charge for the period expressed as a percentage of average gross loans and advances to customers for the period.

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 such as goodwill and acquisition-related intangibles 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 forecast buybacks.

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