

LLOYDS
BANKING GROUP



Q4 2021 CONSENSUS

28 January 2022

IMPORTANT: The consensus information set out in this document is subject to the disclaimer contained in slide 2. You should read the disclaimer carefully before proceeding further with the consensus information

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.

Disclaimer



The consensus information in the table above constitutes line-by-line averages based on the estimates received by Lloyds Banking Group plc from independent analysts covering Lloyds Banking Group plc, its subsidiaries and/or its affiliates ("LBG").

The opinions, forecasts, estimates, projections, predictions and recommendations, and the consensus information derived therefrom, are those of the analysts alone and do not represent opinions, estimates or forecasts of LBG or any of its management.

By presenting the consensus information, LBG does not endorse or concur with any of such analysts' opinions, forecasts, estimates, projections, predictions or recommendations. Neither LBG nor its respective directors, officers and employees makes any representation or warranty, express or implied, as to, or accepts any responsibility for, the fairness, accuracy, sufficiency or completeness of the consensus information or otherwise endorses or concurs with any of the consensus information.

Analysts provide their modelled estimates and whilst LBG does not verify any of the information it receives nor does it intend to do so in the future, LBG does (in its absolute discretion) reserve the right to exclude submissions where estimates have not been updated following the last reported results (whether quarterly or otherwise), have not been updated to reflect significant announcements or events, or contain a manifest error.

LBG has obtained the permission from each analyst included in the consensus information to include their estimates on a non-disclosed basis. The inclusion of each analyst's estimates in the consensus information is not affected by such analyst's opinions, forecasts, estimates, projections, predictions or recommendations in respect of LBG.

The consensus information may contain forward looking statements, estimates and/or forecasts, which are based on assumptions, expectations, valuations, targets and/or projections about future events. These are subject to risks and uncertainties with respect to LBG including but not limited to any of its securities, investments, assets and operating environment, meaning actual results may differ from those estimated, projected and/or forecast in the consensus information.

LBG does not assume any responsibility to update, revise or supplement any consensus information and neither LBG nor its directors, officers and employees accepts any liability for the consequences of any reliance upon, or actions taken based on, any of the consensus information provided. The consensus information has been prepared without taking into account the objectives, financial situation or needs of any person or individual. The consensus information is being provided for information purposes only and is not intended to, nor does it, constitute or form part of any investment advice or promotional material for services offered by any LBG entity, or any solicitation to buy, hold or sell securities or other financial instruments of any LBG entity.

The receipt and/or distribution of the consensus information may, in certain jurisdictions, be restricted by legal or regulatory requirements. Recipients are required to inform themselves about and observe any such restrictions.

LBG is not aware of, nor has it investigated, the existence of any interests or conflicts of interest of the contributors that could compromise the objectivity of the contributed information.

LBG is not obliged to produce and/or circulate consensus information and reserves the right (in its absolute discretion) to cease doing so at any time. Additionally, LBG does not provide commentary on the consensus information including amounts and figures.