



Lloyds Banking Group

On track for strong sustainable returns

Reiterate Rating: BUY | PO: 63.00 GBp | Price: 45.98 GBp

Mid teens returns

Lloyds' Q1 performance reinforces our view that revenue prospects and credit quality are robust and that costs are being delivered on target. After minimal earnings revisions (Exhibit 12), we continue to expect good momentum in EPS and tangible book per share, supported by an RoTE (Exhibit 15) and capital distribution yield (Exhibit 17) in the midteens. This looks undervalued at less than 6x PE (Exhibit 16) and we reiterate Buy,

Income momentum the focus

The net interest margin held steady in Q1 despite just a 50bp mortgage completion spread. We think Q1 is the worst point for mortgage refinancing (Exhibit 8) but rate hikes are fading (Exhibit 4) and there's still a 30bp deposit cost increase in Q2 from recent rate hikes, taking Lloyds' cumulative beta to 30-35%, we estimate (Exhibit 5). Deposit outflows were modest (Exhibit 7) and migration has been limited so far (Exhibit 6), we expect more. After a margin step down in Q2, the rates environment (Exhibit 3) and prospects for a better mortgage mix (Exhibit 9) look supportive.

Non banking funding cost small and offset

Funding costs for non-lending business more than doubled QoQ. At £76m, it's a fraction of £3.6bn quarterly banking net interest income (Exhibit 2) but it is a cost that we'd only partially factored in. It should be offset by stronger other operating income (Exhibit 10).

Sound asset quality

A Q1 asset quality ratio of 22bp is well below c30bp FY23 company guidance (Exhibit 11). This included some benefit from improved economic assumptions as well as a relatively low underlying charge. It's early in the year, but current guidance looks conservative.

Estimates (Dec) (GBp)	2021A	2022A	2023E	2024E	2025E
Net Profit (£m)	5,355	5,021	4,991	4,974	5,200
EPS (Adjusted)	8.38	7.89	7.93	8.33	9.31
Dividend / Share	2.00	2.40	2.90	3.20	3.40
Adjusted NAV PS	56.4	51.0	53.0	60.0	68.5
ADR EPS (Adjusted - US\$)	0.46	0.39	0.40	0.42	0.46
ADR Dividend / Shares (US\$)	0.11	0.12	0.14	0.16	0.17
Valuation (Dec)					
P/E	5.55	5.89	5.88	5.59	5.01
EPS Change (YoY)	243%	-5.80%	0.39%	5.11%	11.8%
Price / BV	0.69x	0.73x	0.70x	0.62x	0.55x
Price / NAV	0.82x	0.90x	0.87x	0.77x	0.67x
Net Yield	4.35%	5.22%	6.31%	6.96%	7.39%
DPS Change (YoY)	251%	20.0%	20.8%	10.3%	6.25%
Price / GOP	5.37x	3.58x	3.41x	3.15x	2.81x

03 May 2023

Equity

Key Changes		
(GBp)	Previous	Current
2023E EPS	7.81	7.93
2024E EPS	8.34	8.33
2025E EPS	9.35	9.31

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Stock Data

Price (Common / ADR)	45.98 GBp / 2.28 USD
Price Objective	63.00 GBp / 3.14 USD
Date Established	9-Sep-2022 / 3-May-2023
Investment Opinion	B-1-7 / B-1-7
52-Week Range	38.51 GBp-54.33 GBp
Market Value (mn)	33,080 GBP
Shares Outstanding (mn)	71,944.0 / 17,986.0
Average Daily Value (mn)	75.64 USD
Free Float	99.9%
BofA Ticker / Exchange	LLDTF / LSE
BofA Ticker / Exchange	LYG / NYS
Bloomberg / Reuters	LLOY LN / LLOY.L
ROE (2023E)	11.9%
ESGMeter™	High

ESGMeter is not indicative of a company's future stock price performance and is not an investment recommendation or rating. ESGMeter is independent of BofA Global Research's equity investment rating, volatility risk rating, income rating, and price objective for that company. For full details, refer to "BofA ESGMeter Methodology".

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Refer to important disclosures on page 10 to 13. Analyst Certification on page 8. Price Objective Basis/Risk on page 8.

Timestamp: 03 May 2023 01:08PM EDT

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iQprofile[™] Lloyds Banking Group

Key Income Statement Data (Dec)	2021A	2022A	2023E	2024E	2025E
(£ Millions)	IFRS	IFRS	IFRS	IFRS	IFRS
Net Interest Income	11,163	13,172	13,883	14,172	14,768
Net Fee Income	1,423	1,503	1,533	1,564	1,595
Securities Gains / (Losses)	NA	NA	NA	NA	NA
Other Income	3,637	3,746	3,483	3,559	3,586
Total Non-Interest Income	5,060	5,249	5,016	5,123	5,181
Total Operating Income	16,223	18,421	18,899	19,295	19,949
Operating Expenses	(10,072)	(9,463)	(9,966)	(10,153)	(10,375)
Pre-Provision Profit	6,151	8,958	8,933	9,142	9,574
Provisions Expense	1,385	(1,510)	(1,222)	(1,377)	(1,500)
Operating Profit	7,536	7,448	7,711	7,765	8,075
Non-Operating Items	(634)	(520)	(245)	(220)	(220)
Pre-Tax Income	6,902	6,928	7,466	7,545	7,855
Net Income to sh/holders	5,355	5,021	4,991	4,974	5,200
Adjusted Cash Earnings	5,945	5,435	5,183	5,148	5,374
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Key Balance Sheet Data	006 535	077 020	072 506	002 (02	000 442
Total Assets	886,525	877,829	873,586	883,602	898,442
Average Interest Earning Assets	439,800	448,300	452,895	456,490	465,013
Risk Weighted Assets	195,967	210,859	215,943	223,285	229,982
Total Gross Customer Loans	507,140	504,282	503,771	512,547	527,267
Total Customer Deposits	507,469	523,927	503,473	503,473	509,603
Tier 1 Capital	36,594	34,036	33,809	34,601	36,959
Tangible Equity	40,495	34,539	34,288	36,320	38,665
Common Shareholders' Equity	47,011	41,980	42,089	44,361	46,826
Key Metrics					
Net Interest Margin	2.51%	2.91%	3.06%	3.09%	3.14%
Tier 1 Ratio	18.7%	16.1%	15.7%	15.5%	16.1%
Effective Tax Rate	14.7%	19.8%	26.0%	27.0%	27.0%
Loan / Assets Ratio	56.8%	56.9%	57.1%	57.6%	58.2%
Loan / Deposit Ratio	99.2%	95.4%	99.1%	101%	103%
Oper Leverage (Inc Growth - Cost Growth)	-7.72%	19.6%	-2.72%	0.22%	1.21%
Gearing (Assets / Equity)	18.9x	20.9x	20.8x	19.9x	19.2x
Tangible Equity / Assets	4.57%	3.93%	3.92%	4.11%	4.30%
Tangible Equity / RWAs	20.7%	16.4%	15.9%	16.3%	16.8%
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Business Performance	C 120/	12 F0/	2.500/	2.100/	2.200/
Revenue Growth	6.12%	13.5%	2.59%	2.10%	3.39%
Operating Expense Growth	13.8% -133%	-6.05%	5.31%	1.88%	2.19%
Provisions Expense Growth		-209%	-19.1%	12.6%	8.92%
Operating Revenue / Average Assets	0.86%	0.84%	0.88%	0.88%	0.91%
Operating Expenses / Average Assets	-1.15%	-1.07%	-1.14%	-1.16%	-1.16%
Pre-Provision ROA	0.70%	1.02%	1.02%	1.04%	1.07%
ROA	0.61%	0.57%	0.57%	0.57%	0.58%
Pre-Provision ROE	13.6%	20.1%	21.3%	21.1%	21.0%
ROE	11.9%	11.3%	11.9%	11.5%	11.4%
RoTE	15.4%	14.5%	15.1%	14.6%	14.3%
RoRWAs	2.98%	2.67%	2.43%	2.34%	2.37%
Dividend Payout Ratio	23.9%	30.4%	36.6%	38.4%	36.5%
Efficiency Ratio (Cost / Income Ratio)	62.1%	51.4%	52.7%	52.6%	52.0%
Quality of Earnings					
Total Non-Interest Inc / Operating Inc	31.2%	28.5%	26.5%	26.6%	26.0%
Market-Related Revenue / Total Revenues	0%	0%	0%	0%	0%
Provisioning Burden as % of PPP	-22.5%	16.9%	13.7%	15.1%	15.7%
NPLs plus Foreclosed Real Estate / Loans	1.28%	1.53%	1.60%	1.57%	1.53%
1	59.3%	59.1%	62.5%	50.0%	50.0%
Loan Loss Reserves / NPLs	23.270	33.170	02.570	30.070	
Loan Loss Reserves / NPLs Loan Loss Reserves / Total Loans	0.76%	0.90%	1.00%	0.79%	0.76%

Company Sector

Banks-Retail

Company Description

A wide range of banking activities including personal and corporate lending, life assurance, general insurance, private banking and investment management. The majority of the group's assets and profits are located in and earned in the

Investment Rationale

Rising interest rates and a strategic focus on increasing customer wallet share are positives and should sustain a solid double digit RoTE even with significant mortgage pricing pressure. Capital distributions look set to decline but are still attractive. The current stock price undervalues this level of profitability and capital return, in our view.

Stock Data

Shares / ADR	4.00
Drice to Book Value	0.7×

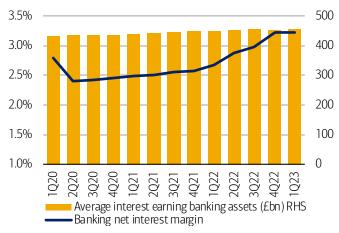
Key Changes		
(US\$)	Previous	Current
Price Obj.	3.13	3.14
2023E EPS	0.39	0.40
2025E EPS	0.47	0.46



Robust earnings outlook

Stable margin and volume, doubling non-banking funding cost still small

Exhibit 1: Net interest margin and average interest earning assets Margin and balance sheet stable in Q1

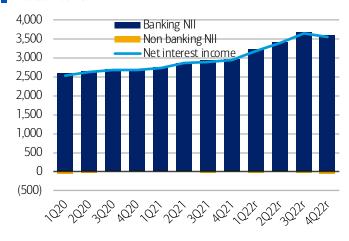


Source: Company date. BofA Global Research

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Exhibit 2: Banking and non-banking net interest income (£m)

Funding costs for non lending business doubled QoQ to £76m vs £3.5bn net interest income



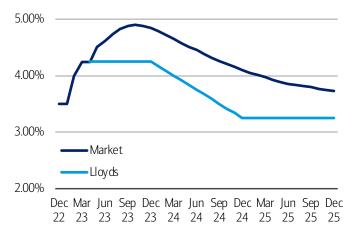
Source: Company date. BofA Global Research

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Market expecting higher rates, more deposit beta and migration to come

Exhibit 3: Policy rate

Lloyds assumes an average 60bp lower than market expects

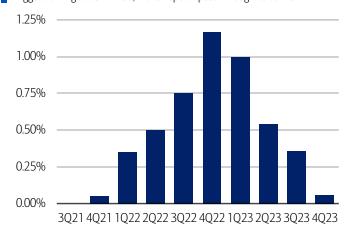


Source: Bank of England, Bloomberg. company reports

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Exhibit 4: QoQ change in average UK policy rate (%)

Biggest changes behind us, more deposit pass through to come

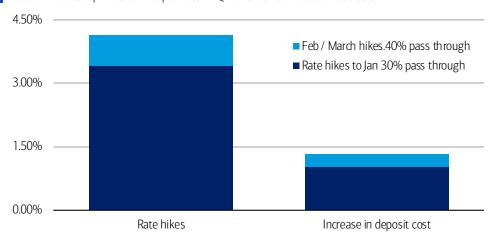


Source: Bank of England, Bloomberg, BofA Global Research



Exhibit 5: UK rate hikes and Lloyds deposit pass through

We estimate a 30bp increase in deposit cost in Q2 takes cumulative beta to 30-35%



Source: Bank of England, company data, BofA Global Research estimates

Exhibit 6: Lloyds deposit balances (£bn)

£473bn, 2% below 3Q22 peak, 15% above 4Q19, still 1/3 current accounts



Source: Company date. BofA Global Research

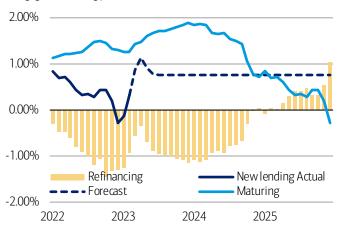


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Q1 looks like mortgage refinancing worst point

Exhibit 8: Mortgage lending and refinancing spreads, UK industry

Mortgage refinancing pressure most intense in 1Q23



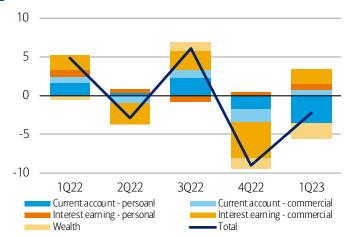
Source: Bank of England, BofA Global Research estimates

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Exhibit 7: Lloyds deposit flow per quarter (£bn)

£2.2bn in 1Q23, current account and wealth outflows, commercial inflow

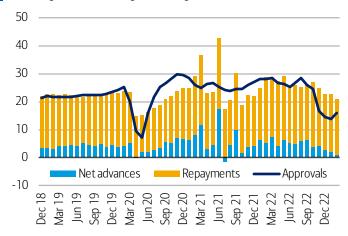


Source: Company date. BofA Global Research

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Exhibit 9: Mortgage lending volumes (£bn)

Minimal growth, refinancing dominating



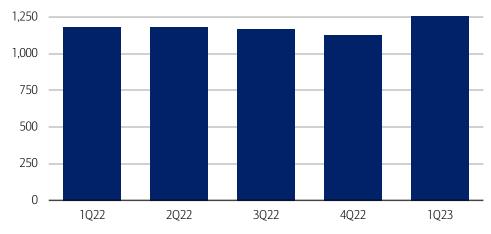
Source: Bank of England, Refinitiv Eikon, BofA Global Research



Other operating income improved

Exhibit 10: Other operating income, (£m)

Rebuilding from a depressed 4Q22, Modest 1Q23 mortgage disposal gain replaced with activity based income through the year.



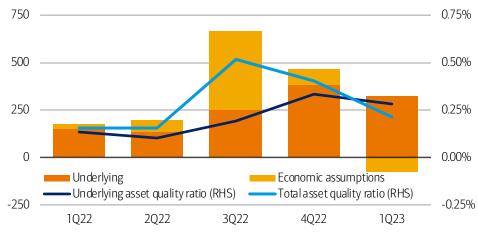
Source: Company date. BofA Global Research

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Q1 impairment charge below FY23 guidance

Exhibit 11: Loan impairment charge (£m) and asset quality ratio

 $1Q23\ AQR\ 22 bp\ vs\ 30 vp\ FY 23\ guidance-slightly\ improved\ economic assumptions\ and\ underlying\ performance$



Source: Company date. BofA Global Research



Financials and valuation

Exhibit 12: Forecast changes

Little change to earnings – other income offsets NII, lower 2023E provisions

	2023E			2024E			2025E		
	New	Old	Change	New	Old	Change	New	Old	Change
Net interest income	13,883	14,039	-1%	14,172	14,330	-1%	14,768	14,931	-1%
Other income	5,016	4,851	3%	5,123	4,973	3%	5,181	5,044	3%
Total income	18,899	18,890	0%	19,295	19,304	0%	19,949	19,975	0%
Costs	(9,966)	(9,966)	0%	(10,153)	(10,153)	0%	(10,375)	(10,375)	0%
Pre provision profit	8,933	8,924	0%	9,142	9,150	0%	9,574	9,599	0%
Provisions	(1,222)	(1,311)	-7%	(1,377)	(1,377)	0%	(1,500)	(1,500)	0%
Underlying PBT	7,711	7,613	1%	7,765	7,773	0%	8,075	8,100	0%
Volatility & other	(195)	(195)	0%	(170)	(170)	0%	(170)	(170)	0%
Statutory PBT	7,466	7,368	1%	7,545	7,553	0%	7,855	7,880	0%
Tax	(1,941)	(1,916)	1%	(2,037)	(2,039)	0%	(2,121)	(2,128)	0%
Minorities	(534)	(534)	0%	(534)	(534)	0%	(534)	(534)	0%
Attributable profit	4,991	4,918	1%	4,974	4,980	0%	5,200	5,218	0%
Per share (p)									
EPS	7.6	7.5	1%	8.0	8.1	0%	9.0	9.0	0%
DPS	2.90	2.90	0%	3.20	3.20	0%	3.40	3.40	0%
Share buyback (£m)	2,500	2,500	0%	2,500	2,500	0%	2,500	2,500	0%
TNAV	54.1	53.9	0%	61.2	61.1	0%	69.9	69.8	0%
NOSH	64,679	64,679	0%	60,579	60,579	0%	56,479	56,479	0%
Balance sheet									
Loans	498,771	498,771	0%	508,547	508,547	0%	523,267	523,267	0%
Total assets	873,586	873,586	0%	883,602	883,602	0%	898,442	898,442	0%
AIEA	453,789	452,837	0%	459,191	459,328	0%	470,835	470,976	0%
RWA	215,943	215,943	0%	223,285	223,285	0%	229,982	229,982	0%
Deposits	503,473	503,473	0%	503,473	503,473	0%	509,603	509,603	0%
<u>Key ratios</u>									
Net interest margin	3.13%	3.13%	0.00%	3.15%	3.15%	0.00%	3.20%	3.20%	0.00%
Non II % income	27%	26%	1%	27%	26%	1%	26%	25%	1%
Cost: income	52.7%	52.8%	0.0%	52.6%	52.6%	0.0%	52.0%	51.9%	0.1%
Cost of risk	0.27%	0.29%	-0.02%	0.29%	0.29%	0.00%	0.31%	0.31%	0.00%
RoTE	14.9%	14.7%	0.2%	14.0%	14.0%	0.0%	13.8%	13.9%	-0.1%
CET1 ratio	13.7%	13.7%	0.0%	13.6%	13.6%	0.0%	14.3%	14.2%	0.0%
LDR	99%	99%	0%	101%	101%	0%	103%	103%	0%

Source: BofA Global Research estimates

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Exhibit 13: Fundamental valuation

67p Gordon Growth model based valuation

	Value per share (p)
2025E RoTE	13.8%
Cost of equity	12.5%
Growth	0%
Book multiple	1.1x
Book multiple discounted to 1 year from now	0.9x
2023E tangible book value	54
Value pre capital return	50
Present value of dividend	8
Present value of share buyback	9
Fair value	67

Source BofA Global Research estimates

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Exhibit 14: European Bank sector relative PE valuation

51p valuation on European Bank sector 12M forward PE

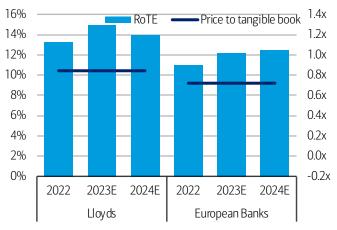
	Value (p)
Lloyds 1 year forward EPS	7.8
European Bank sector 1 year forward PE	6.5x
Lloyds valued on sector multiple	51

Source: BofA Global Research estimates, Bloomberg



Exhibit 15: RoTE and price to tangible book value

Multiple premium consistent with profitability differential

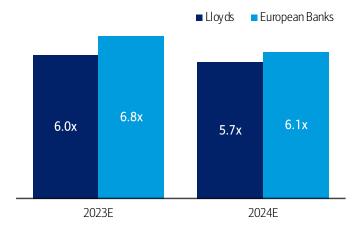


Source: BofA Global Research estimates, Bloomberg

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Exhibit 16: PE multiple

Lloyds 10% discount to the sector



Source: BofA Global Research estimates, Bloomberg

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Exhibit 17: Capital distribution (£m) and yield

15% annual yield



Source: BofA Global Research estimates, Bloomberg

Price objective basis & risk

Lloyds Banking Group (LLDTF / LYG)

We value Lloyds using a Gordon Growth methodology using 2025E as a base year and a 12.5% CoE. We add to this valuation the present value of our forecast dividends and share buybacks through to 2025E discounted at the cost of equity. This is then cross checked against sector PE multiples and our economic scenarios analysis to arrive at our PO of 63p (\$3.14).

Downside risks to our price objective are weaker earnings than anticipated from higher impairment losses if the UK economy performs worse than we presently expect, a weaker interest rate outlook, tougher regulation and/or increased competition. Upside risks are stronger UK growth and more interest rate hikes, and a more constructive pricing environment.

Analyst Certification

I, Rohith Chandra-Rajan, hereby certify that the views expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or view expressed in this research report.

EMEA - Banks Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
BUY				
	Allied Irish Banks	AIBRF	AIBG ID	Alastair Ryan
	Banco BPM	BNCZF	BAMIIM	Antonio Reale
	Bank Of Ireland Group	XBOIF	BIRG ID	Alastair Ryan
	BFF Banking Group	XBBZF	BFF IM	Antonio Reale
	BNP Paribas	BNPQF	BNP FP	Tarik El Mejjad
	BNP Paribas	BNPQY	BNPQY US	Tarik El Mejjad
	Credit Agricole	CRARF	ACA FP	Tarik El Mejjad
	Danske Bank	DNSKF	DANSKE DC	David Taranto
	Erste Bank	EBKOF	EBS AV	Alastair Ryan
	Erste Bank	EBKDY	EBKDY US	Alastair Ryan
	HSBC	XHSBF	5 HK	Alastair Ryan
	HSBC	HBCYF	HSBA LN	Alastair Ryan
	HSBC -A	HSBC	HSBC US	Alastair Ryan
	ING Groep NV	ING	ING US	Tarik El Mejjad
	ING Groep NV	INGVF	INGA NA	Tarik El Mejjad
	Intesa Sanpaolo	IITSF	ISP IM	Antonio Reale
	Intesa Sanpaolo	ISNPY	ISNPY US	Antonio Reale
	KBC Group	KBCSF	KBC BB	Tarik El Mejjad
	KBC Group NV	KBCSY	KBCSY US	Tarik El Mejjad
	Lloyds Banking Group	LLDTF	LLOY LN	Rohith Chandra-Rajan
	Lloyds Banking Group	LYG	LYG US	Rohith Chandra-Rajan
	NatWest Group	RBSPF	NWG LN	Rohith Chandra-Rajan
	Natwest Group PLc	NWG	NWG US	Rohith Chandra-Rajan
	Nordea	NBNKF	NDA FH	David Taranto
	Nordea	XSABF	NDA SS	David Taranto
	Nordea Bank Abp	NRDBY	NRDBY US	David Taranto
	Permanent TSB	ILPMF	PTSB ID	Alastair Ryan
	Societe Generale	SCGLF	GLE FP	Tarik El Mejjad
	Societe Generale	SCGLY	SCGLY US	Tarik El Mejjad
	UBS	XUHJF	UBSG SW	Alastair Ryan
	UBS	UBS	UBS US	Alastair Ryan
	Unicredit	UNCFF	UCG IM	Antonio Reale
	Unicredit	UNCRY	UNCRY US	Antonio Reale
NEUTRAL				
	Barclays	BCLYF	BARC LN	Rohith Chandra-Rajan
	Barclays	BCS	BCS US	Rohith Chandra-Rajan
	Commerzbank	CRZBF	CBK GY	Rohith Chandra-Rajan



EMEA - Banks Coverage Cluster

Investment rating	Company	Bof A Ticker	Bloomberg symbol	Analyst
	Handelsbanken	SVNLF	SHBA SS	David Taranto
	Mediobanca	MDIBF	MB IM	Antonio Reale
	StanChart	SCBFF	STANLN	Alastair Ryan
	StanChart	XCHBF	2888 HK	Alastair Ryan
	Svenska Handelsbanke	SVNLY	SVNLY US	David Taranto
UNDERPERFORM				
	ABN AMRO	ABMRF	ABN NA	Tarik El Mejjad
	Deutsche Bank	DB	DB US	Rohith Chandra-Rajan
	Deutsche Bank	XDUSF	DBK GY	Rohith Chandra-Rajan
	DNB	DNBBF	DNB NO	David Taranto
	DNB ASA	DNBBY	DNBBY US	David Taranto
	Monte dei Paschi	BMDPF	BMPS IM	Antonio Reale
	Poste Italiane	PITAF	PST IM	Antonio Reale
	Raiffeisen Bank International	RAIFF	RBIAV	Alastair Ryan
	SEB	SVKEF	SEBA SS	David Taranto
	Swedbank	SWDBF	SWEDA SS	David Taranto
	Swedbank AB	SWDBY	SWDBY US	David Taranto
	Virgin Money UK PLC	CBBYF	VMUK LN	Rohith Chandra-Rajan
	Virgin Money UK PLC	CYBBF	VUK AU	Rohith Chandra-Rajan

Qmethod [™] Measures Definitions

Business Performance	Numerator	Denominator
Return On Capital Employed	NOPAT = (EBIT + Interest Income) \times (1 - Tax Rate) + Goodwill Amortization	Total Assets – Current Liabilities + ST Debt + Accumulated Goodwill
		Amortization
Return On Equity	Net Income	Shareholders' Equity
Operating Margin	Operating Profit	Sales
Earnings Growth	Expected 5 Year CAGR From Latest Actual	N/A
Free Cash Flow	Cash Flow From Operations — Total Capex	N/A
Quality of Earnings	Numerator	Denominator
Cash Realization Ratio	Cash Flow From Operations	Net Income
Asset Replacement Ratio	Capex	Depreciation
Tax Rate	Tax Charge	Pre-Tax Income
Net Debt-To-Equity Ratio	Net Debt = Total Debt - Cash & Equivalents	Total Equity
Interest Cover	EBIT	Interest Expense
Valuation Toolkit	Numerator	Denominator
Price / Earnings Ratio	Current Share Price	Diluted Earnings Per Share (Basis As Specified)
Price / Book Value	Current Share Price	Shareholders' Equity / Current Basic Shares
Dividend Yield	Annualised Declared Cash Dividend	Current Share Price
Free Cash Flow Yield	Cash Flow From Operations – Total Capex	Market Cap = Current Share Price × Current Basic Shares
Enterprise Value / Sales	EV = Current Share Price × Current Shares + Minority Equity + Net Debt +	Sales
	Other LT Liabilities	
EV / EBITDA	Enterprise Value	Basic EBIT + Depreciation + Amortization

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**Relations before casted as well as historical data for income statements, balance sheets, and cash flow statements for companies covered by BofA Global Research.

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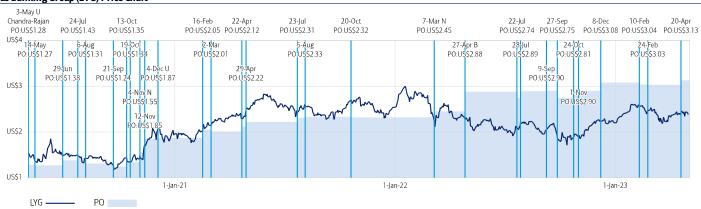
Lloyds Banking Group (LLDTF) Price Chart



B: Buy, N: Neutral, U: Underperform, PO: Price Objective, NA: No longer valid, NR: No Rating

The Investment Opinion System is contained at the end of the report under the heading "Fundamental Equity Opinion Key". Dark grey shading indicates the security is restricted with the opinion suspended. Medium grey shading indicates the security is under review with the opinion withdrawn. Light grey shading indicates the security is not covered. Chart is current as of a date no more than one trading day prior to the date of the report.

Lloyds Banking Group (LYG) Price Chart



B: Buy, N: Neutral, U: Underperform, PO: Price Objective, NA: No longer valid, NR: No Rating

The Investment Opinion System is contained at the end of the report under the heading "Fundamental Equity Opinion Key". Dark grey shading indicates the security is restricted with the opinion suspended. Medium grey shading indicates the security is under review with the opinion withdrawn. Light grey shading indicates the security is not covered. Chart is current as of a date no more than one trading day prior to the date of the report

Equity Investment Rating Distribution: Banks Group (as of 31 Mar 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships R1	Count	Percent
Buy	88	50.87%	Buy	72	81.82%
Hold	40	23.12%	Hold	29	72.50%
Sell	45	26.01%	Sell	34	75.56%

Equity Investment Rating Distribution: Global Group (as of 31 Mar 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships R1	Count	Percent
Buy	1869	53.01%	Buy	1030	55.11%
Hold	827	23.45%	Hold	476	57.56%
Sell	830	23.54%	Sell	389	46.87%

Issuers that were investment banking dients of BofA Securities or one of its affiliates within the past 12 months. For purposes of this Investment Rating Distribution, the coverage universe includes only stocks. A stock rated Neutral is included as a Hold, and a stock rated Underperform is included as a Sell.



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Investment rating Total return expectation (within 12-month period of date of initial rating) Ratings dispersion guidelines for coverage cluster^{R2}

 Buy
 ≥ 10%
 ≤ 70%

 Neutral
 ≥ 0%
 ≤ 30%

 Underperform
 N/A
 ≥ 20%

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