

Supporting UK Businesses

Our Credentials (November 2020)

- ▶ The Group will continue to Help Britain Prosper whilst delivering strong and sustainable returns.

▶ **1,000,000+**

Businesses served by Lloyds Banking Group ranging from start-ups and SMEs to global corporations nationwide.

Bank of Scotland has been dedicated to the customers, businesses and communities of Scotland for over 300 years. We are a simple, low-risk, UK-focused bank, that fully recognises the importance of Commercial Banking in supporting the UK economy.

Lloyds Banking Group is a financial services group that incorporates a number of brands including Bank of Scotland. More information on Lloyds Banking Group can be found at lloydsbankinggroup.com. The Group has a strong nationwide presence; it has the largest network of branches in the UK and serves over 27 million customers.

Unless otherwise stated, the information provided here is as reported in the Group's 2020 Quarter 3 Interim Management Statement.



Business Bank of the year

2005-2020

Lloyds Banking Group was named Bank of the Year in the FDs' Excellence Awards 2005-2020 supported by Real Deals Media.

For more information visit lloydsbank.com/bankoftheyear

Continuing to build an inclusive and more sustainable future

▶ Proactive response to coronavirus pandemic

- Working with the Government, regulators and other stakeholders to **help Britain recover**.
- Proactively **supporting customers, colleagues and communities**; mental health and well-being key areas.
- Guaranteed **£25.5m of funding to our charitable Foundations** in 2021 to continue vital work in communities.

▶ Diversity

- Announced **Race Action** plan to **drive cultural change, recruitment and progression** across the Group.
- Quantified target to **increase Black representation in senior roles** in addition to existing diversity targets.
- Moody's note the **Race Action plan is credit positive** given improved diversity and reduced social risk.

▶ Sustainability

- Ambitious goal to help **reduce the carbon emissions we finance by >50% by 2030**.
- **2030 internal carbon reduction target already met**: developing **new internal carbon, energy and travel targets**.
- **5 new green customer propositions**, including home energy saving tool and sustainable agriculture product.
- **Committed to invest £2bn in BlackRock's climate transition fund** via Scottish Widows flagship pension fund.

Figures at a glance

Financial Strength Quarter 3 2020

- ▶ Our Group loan to deposit ratio now stands at 98% compared to over 154% in 2010, resulting in a lower wholesale funding requirement; the significant improvement in this measure is a result of the growth in customer deposits and the reduction in non-core assets.
- ▶ Our Group customer deposits now stand at £447bn, reflecting inflows to our trusted brands.
- ▶ Our balance sheet position remains among the strongest of our major banking peers worldwide – a Common Equity Tier 1 ratio of 15.2%.
- ▶ Group net income was at £10.8bn for the first three quarters of 2020.

Strongly Capitalised Bank

	Common Equity Tier 1 ratio* (%)	UK Leverage Ratio %
Lloyds Banking Group PLC	15.2%	5.6%

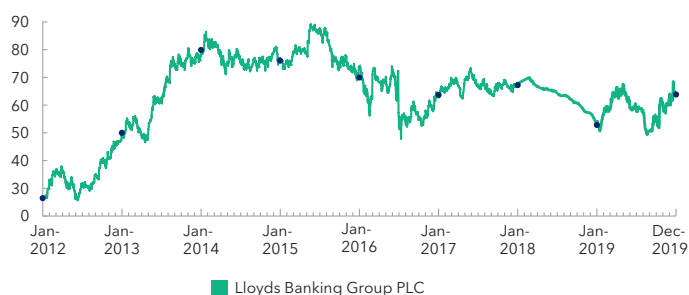
* Common Equity Tier 1 is a key capital ratio used by regulators and the market, to assess a bank's capital strength.

Credit Rating

(as per November 2020)

Bank of Scotland plc		
Agency	Long Term	Short Term
Moody's	A1	P-1
Fitch	A+	F1
Standard and Poor's	A+	A-1

Share Price Movement January 2012 - December 2019



Share price information available at www.lloydsbankinggroup.com/investors/share-price-info

Credit Default Swap Spread*** January 2012 - December 2019



Source: Bloomberg 31/12/2019

*** Credit Default Swap Spread in Euros. A credit default swap is a type of credit derivative. It is an arrangement whereby the credit risk of an asset is transferred from the buyer to the seller of protection. The entity selling protection receives premium or interest-related payments in return for contracting to make payments to the protection buyer upon a defined credit event (e.g. bankruptcy or downgrades by a rating agency).

Please contact us if you would like this information in an alternative format such as Braille, large print or audio.

Important information

Bank of Scotland plc. Registered Office: The Mound, Edinburgh EH1 1YZ. Registered in Scotland no. SC327000.

Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority under Registration Number 169628.

Eligible deposits with us are protected by the Financial Services Compensation Scheme (FSCS). We are covered by the Financial Ombudsman Service (FOS). Please note that due to FSCS and FOS eligibility criteria not all business customers will be covered.

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