

# Supporting UK Businesses

## Our Credentials (November 2015)

### ▶ **Below 10%**

Government shareholding in the Group, less than a third of its original stake.

### ▶ **1,000,000+**

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

### ▶ **6%**

Increase in the Group's underlying profits, compared to the first 9 months of 2015.

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

Bank of Scotland is a member of the Lloyds Banking Group which includes Halifax, Lloyds Bank, Scottish Widows as well as other subsidiaries. The Group has a strong nationwide presence; it has the largest network of branches in the UK and serves over 30 million customers.

Unless otherwise stated, the information provided here is as reported in the Group's 2015 third quarter results.

### **Best Bank for Customers**

Lloyds Banking Group was named 'Best Bank in the UK' for the third year running and 'Best Bank Transformation' worldwide, in the Euromoney 2015 Awards for Excellence. We are dedicated to serving customers in the most efficient way and have invested £500 million into more digital platforms for Commercial Banking users over the last four years.



### **Euromoney Awards for Excellence**

2015

Lloyds Banking Group was awarded 'Best Bank in the UK' for the third year in a row, and 'Best Bank Transformation' for the first time.



### **Bank of the year**

2015

FDs' Excellence Awards in association with the ICAEW and supported by the CBI & Real Business. For more information visit [bankofscotland.co.uk/bankoftheyear](http://bankofscotland.co.uk/bankoftheyear)

# Figures at a glance

## Financial Strength

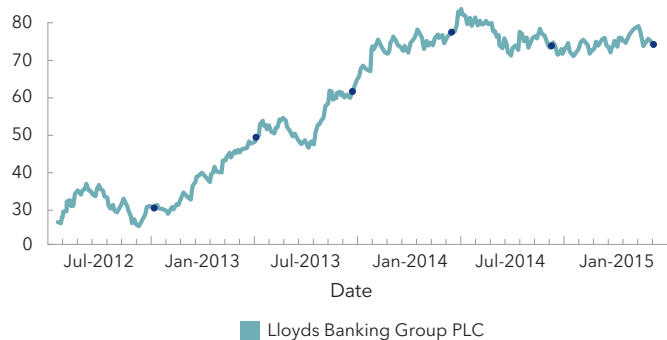
The Group has continued to decrease risk by building capital, reducing run-off assets, and growing customer deposits.

- ▶ Our Group loan to deposit ratio now stands at 109% compared with over 150% in 2010, with the significant improvement in this measure as a result of the growth in customer deposits and the reduction in our overall wholesale funding requirement and non-core assets.
- ▶ Our Group customer deposits now stand at £418 billion.
- ▶ Our balance sheet position remains the strongest of our major banking peers worldwide – a Common Equity Tier 1 ratio of 13.7% post dividend. This positions us well against the backdrop of evolving regulatory requirements for capital and leverage.
- ▶ Group income flat at £13,205 million.

## Helping Britain Prosper

Bank of Scotland continues to support our Helping Britain Prosper commitment by delivering sustainable growth. In contracting markets, our SME lending has grown 5% over the last 12 months and we have maintained Mid-Market lending. The Environment, Social and Governance (ESG) programme – to finance SMEs and healthcare providers in the most economically and disadvantaged areas of the UK – remains a key focus for the Group as does the government's National Infrastructure Plan – a plan to which we've committed £2.6 billion.

## Share Price Movement January 2012 - January 2015



Share price information available at [www.lloydsbankinggroup.com/investors/share-price-info](http://www.lloydsbankinggroup.com/investors/share-price-info)

## UK Best Capitalised Bank

	Leverage Ratio of Peer Banks (%)	Common Equity Tier 1* (%)
Lloyds Banking Group PLC	5.0%	13.7%
Santander UK PLC	4.1%	11.7%
Barclays Bank PLC	4.2%	11.1%
HSBC Holdings PLC	5.0%	11.8%
Royal Bank of Scotland PLC	5.0%	12.7%

Source: Bloomberg 02/11/2015

\* 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 2015)

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

## Credit Default Swap Spread\* January 2012 - January 2015



Source: Bloomberg 20/08/2015

\* 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).

## 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.

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.

The Lloyds Banking Group includes companies using brands including Lloyds Bank, Halifax and Bank of Scotland and their associated companies.

More information on the Lloyds Banking Group can be found at [lloydsbankinggroup.com](http://lloydsbankinggroup.com)

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