



PRESS RELEASE

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LLOYDS BANKING GROUP ENTERS INTO STRATEGIC PARTNERSHIP WITH THOUGHT MACHINE

Lloyds Banking Group (Lloyds) has today announced a strategic partnership with Thought Machine, an innovative fintech company, to accelerate the digital transformation of the bank's business.

Thought Machine has been developing innovative banking technology with the potential to bring significant improvements to the Group's customers. This partnership is in line with Lloyds' Strategic Review, announced earlier this year, and is consistent with its ongoing drive to enhance the customer experience, become more agile, and build on its market-leading efficiency.

Thought Machine is a UK-based growth stage technology company whose core product, Vault, is a cloud-native next generation banking platform. Over the past three years, the Thought Machine team has written Vault using the latest software engineering techniques to help simplify the technical and operational complexity of banking, whilst maintaining the advantages of security and reliability.

Since 2017, Lloyds has completed extensive testing and proofs of concept, and continues to work with Thought Machine to develop the capabilities of Vault. The new technology can provide customers with more tailored products, as well as enable faster development cycles and further digital banking improvements. Lloyds will enter into a development and deployment phase in 2019.

In conjunction with this partnership, Lloyds has made an £11 million investment in Thought Machine, representing a 10 per cent stake, as part of its 'Series A' £18 million investment round. Lloyds will continue to look at further investment opportunities to help accelerate the delivery of the ambitious transformation programme.

Zak Mian, Group Director, Transformation, Lloyds Banking Group, said: "A key part of our recently launched three-year strategic plan is applying technology innovation to meet our customers' evolving needs. I'm really excited to work with the Thought Machine team to explore ways to simplify and enhance our IT architecture and helping on our journey to make banking easy and simple for customers."

Paul Taylor, CEO and Founder of Thought Machine, said: "We are delighted to announce this partnership with Lloyds. Lloyds has shown a deep commitment to embrace the opportunities that new technologies can bring in improving customers' banking experience and it is a pleasure to take this partnership forward."

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About Thought Machine

Thought Machine is a UK-based growth stage technology company which builds cloud native technology for banks. Founded in 2014 by CEO Paul Taylor, Thought Machine's mission is to enable banks to deploy modern systems.

About Vault

Vault is a next generation cloud native core banking platform which has been written from scratch by Thought Machine. Vault is completely flexible, and can be configured to run any type of bank. Smart contracts are used to implement the full range of banking products, from mortgages to current accounts, and its workflow engine is used to define the operating model of the bank.

All data runs in real time within the system, meaning data analytics and regulatory reporting can be fully automated. APIs create the ability to have fully automated customer interaction via mobile and web applications, greatly reducing the time and effort for customer interaction.