The disclosures set out in the table are required by the Capital Requirements (Country by Country Reporting) Regulations 2013. The requirements originate from Article 89 of the Capital Requirements Directive (CRD IV).

<table>
<thead>
<tr>
<th>Country</th>
<th>Entity established in the country</th>
<th>Description of activity</th>
<th>Revenues (£m)(1)</th>
<th>Profit/(loss) before tax (£m)(1)</th>
<th>Tax (paid) received (£m)(2)</th>
<th>Number of employees (average FTE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>United Kingdom</td>
<td>Bank of Scotland plc</td>
<td>Banking and financial services</td>
<td>16,823</td>
<td>3,738</td>
<td>(1,232)</td>
<td>62,470</td>
</tr>
<tr>
<td></td>
<td>HBOS plc</td>
<td>Holding company</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Lloyds Bank plc</td>
<td>Banking and financial services</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Channel Islands and Isle of Man</td>
<td>HBOS Capital Funding No 1 LP</td>
<td>Banking and financial services</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>HBOS Sterling Finance (Jsy) LP</td>
<td>Banking and financial services</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total:</td>
<td></td>
<td></td>
<td>70</td>
<td>70</td>
<td></td>
<td>54</td>
</tr>
<tr>
<td>Germany</td>
<td>Bank of Scotland plc - branch</td>
<td>Banking and financial services</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Lloyds Bank GmbH</td>
<td>Banking and financial services</td>
<td>(25)</td>
<td>(53)</td>
<td></td>
<td>216</td>
</tr>
<tr>
<td>Total:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Netherlands</td>
<td>Lloyds Bank GmbH - branch</td>
<td>Banking and financial services</td>
<td>(253)</td>
<td>(270)</td>
<td>(13)</td>
<td>116</td>
</tr>
<tr>
<td></td>
<td>Bank of Scotland plc - branch</td>
<td>Banking and financial services</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total:</td>
<td></td>
<td></td>
<td>(253)</td>
<td>(270)</td>
<td>(13)</td>
<td>116</td>
</tr>
<tr>
<td>Other (3)</td>
<td>Total:</td>
<td></td>
<td>(7)</td>
<td>(11)</td>
<td>4</td>
<td>21</td>
</tr>
<tr>
<td>Lloyds Bank Group total:</td>
<td></td>
<td></td>
<td>16,608</td>
<td>3,474</td>
<td>(1,232)</td>
<td>62,877</td>
</tr>
</tbody>
</table>

Basis of preparation
The Group’s country-by-country disclosures have been prepared on the basis of the geographical location of the business unit booking the transaction. Overseas branches of UK companies are shown as separate business units for the purposes of this report. Income and expenses between business units in the same jurisdiction have been eliminated. Transactions between business units in different geographical locations have not been eliminated. Dividend payments and other remittances of profits between business units are excluded.

The Group’s country-by-country disclosures have been prepared using information reported in the Group’s 2019 Annual Report and Accounts dated 23 March 2020.

Notes (unaudited)
The Group’s approach to tax is governed by a Group Board-approved tax policy and strategy, which has been discussed with HMRC.

Additional information on our tax strategy, and discussion of our UK total tax contribution, can be found in our Tax Strategy document, which is published on our website each year.

(1) Entities
Principal entities and branches only. A full list of the Group’s subsidiaries and their location is included in the Group’s Annual Report and Accounts.

(2) Revenue
Reported revenues represent the Group’s total statutory income.

(3) Tax Paid
The tax paid numbers disclosed under CRD IV are corporate income taxes only. They do not include the wider tax contributions we make to the UK Exchequer and other tax authorities.

The Group is UK-headquartered, and is subject to UK tax in respect of profits of overseas subsidiaries through the UK controlled foreign company rules. The UK’s controlled foreign company rules subject the profit of companies in ‘low tax’ countries to UK tax where they do not satisfy certain exemptions.

Profits arising from overseas activities carried out through branches of UK entities are also subject to UK corporation tax as part of the taxable profits of the UK entity.

Profits of the Limited Partnerships in Jersey are fully taxable in the UK.

(4) Other
Other includes a number of countries which individually had revenues of less than £10m in 2019 and are immaterial in the context of the Group.

(5) Public subsidies received
The Group did not receive any public subsidies during the year.
Independent auditors’ report to the directors of Lloyds Bank plc

Report on the audit of the country-by-country information

Opinion

In our opinion, Lloyds Bank plc’s (the company) country-by-country information for the year ended 31 December 2019 has been properly prepared, in all material respects, in accordance with the requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013.

We have audited the country-by-country information for the year ended 31 December 2019 in the company’s Country-by-Country Report.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (“ISAs (UK)”), including ISA (UK) 800 and ISA (UK) 805, and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors’ responsibilities for the audit of the country-by-country information section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the country-by-country information in the UK, which includes the FRC’s Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter - Basis of preparation

In forming our opinion on the country-by-country information, which is not modified, we draw attention to the description of the basis of preparation in the country-by-country information. The country-by-country information is prepared for the directors for the purpose of complying with the requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013. The country-by-country information has therefore been prepared in accordance with a special purpose framework and, as a result, the country-by-country information may not be suitable for another purpose.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors’ use of the going concern basis of accounting in the preparation of the country-by-country information is not appropriate; or
- the directors have not disclosed in the country-by-country information any identified material uncertainties that may cast significant doubt about the company’s ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the country-by-country information is authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company’s ability to continue as a going concern.

Responsibilities for the country-by-country information and the audit

Responsibilities of the directors for the country-by-country information

The directors are responsible for the preparation of the country-by-country information in accordance with the requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013 as explained in the basis of preparation and notes to the country-by-country information, and for determining that the basis of preparation and accounting policies are acceptable in the circumstances. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of country-by-country information that is free from material misstatement, whether due to fraud or error.

In preparing the country-by-country information, the directors are responsible for assessing the company’s ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors’ responsibilities for the audit of the country-by-country information

It is our responsibility to report on whether the country-by-country information has been properly prepared in accordance with the relevant requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013.

Our objectives are to obtain reasonable assurance about whether the country-by-country information as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this country-by-country information.

A further description of our responsibilities for the audit of the country-by-country information is located on the FRC’s website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors’ report.

Use of this report

This report, including the opinion, has been prepared for and only for the company’s directors in accordance with the Capital Requirements (Country-by-Country Reporting) Regulations 2013 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come, save where expressly agreed by our prior consent in writing.

The engagement partner responsible for this audit is Mark Hannam.

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
29 July 2020