Year ended 31 December 2020

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&lt;sup&gt;2&lt;/sup&gt; £m</th>
<th>Profit/(loss) before tax £m</th>
<th>Tax (paid) received&lt;sup&gt;3&lt;/sup&gt; £m</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></td>
<td></td>
<td></td>
<td></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></td>
<td><strong>Total</strong></td>
<td></td>
<td><strong>14,544</strong></td>
<td><strong>1,364</strong></td>
<td><strong>(601)</strong></td>
<td><strong>61,263</strong></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></td>
<td><strong>Total</strong></td>
<td></td>
<td><strong>49</strong></td>
<td><strong>49</strong></td>
<td><strong>—</strong></td>
<td><strong>71</strong></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></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td></td>
<td><strong>3</strong></td>
<td><strong>(43)</strong></td>
<td><strong>—</strong></td>
<td><strong>254</strong></td>
</tr>
<tr>
<td>Netherlands</td>
<td>Lloyds Bank GmbH – branch</td>
<td>Banking and financial services</td>
<td></td>
<td></td>
<td></td>
<td></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></td>
<td><strong>Total</strong></td>
<td></td>
<td><strong>(11)</strong></td>
<td><strong>(44)</strong></td>
<td><strong>(16)</strong></td>
<td><strong>123</strong></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Lloyds Bank Group total</strong></td>
<td></td>
<td><strong>14,585</strong></td>
<td><strong>1,329</strong></td>
<td><strong>(616)</strong></td>
<td><strong>61,727</strong></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 2020 Annual Report and Accounts dated 11 March 2021.

**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, how the profits we make are taxed, our UK total tax contribution, and the economic value we generate and distribute to society each year can be found on our website in our annual Tax Strategy and Approach to Tax document.

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 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 £10 million in 2020 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 2020 has been properly prepared, in all material respects, in accordance with the requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013. The company is responsible for preparing a consolidated country-by-country report in respect of itself and its subsidiary undertakings (together “the Group”).

We have audited the country-by-country information for the year ended 31 December 2020 in the 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 Group 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 section on 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
Our evaluation of the directors’ assessment of the Group’s ability to continue to adopt the going concern basis of accounting included:

- Evaluation of management’s going concern assessment;
- Evaluation and testing of the control environment in place over liquidity and capital forecasting to the extent these are relevant to the going concern assessments performed by the Group;
- Evaluation of stress testing performed by management and consideration of whether the stresses applied are appropriate for assessing going concern;
- Evaluation of the Group’s forecast financial performance, liquidity and capital positions over the going concern period including an evaluation of the impact of COVID-19 on the financial outlook of the Group;
- Review of credit rating agency ratings and actions;
- Substantiation of certain financial resources available to the Group, for example at the Bank of England; and
- Inquiries over any conditions or events since the Group’s Annual Report and Accounts was published that may have had an effect on the Group’s ability to continue as a going concern and inspection of management packs.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group’s ability to continue as a going concern for a period of at least twelve months from the date on which the country-by-country information is authorised for issue.

In auditing the country-by-country information, we have concluded that the directors’ use of the going concern basis of accounting in the preparation of the country-by-country information is appropriate.

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 Group’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 Group 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Conclusions relating to going concern
Our evaluation of the directors’ assessment of the Group’s ability to continue to adopt the going concern basis of accounting included:

- Evaluation of management’s going concern assessment;
- Evaluation and testing of the control environment in place over liquidity and capital forecasting to the extent these are relevant to the going concern assessments performed by the Group;
- Evaluation of stress testing performed by management and consideration of whether the stresses applied are appropriate for assessing going concern;
- Evaluation of the Group’s forecast financial performance, liquidity and capital positions over the going concern period including an evaluation of the impact of COVID-19 on the financial outlook of the Group;
- Review of credit rating agency ratings and actions;
- Substantiation of certain financial resources available to the Group, for example at the Bank of England; and
- Inquiries over any conditions or events since the Group’s Annual Report and Accounts was published that may have had an effect on the Group’s ability to continue as a going concern and inspection of management packs.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group’s ability to continue as a going concern for a period of at least twelve months from the date on which the country-by-country information is authorised for issue.

In auditing the country-by-country information, we have concluded that the directors’ use of the going concern basis of accounting in the preparation of the country-by-country information is appropriate.

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

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In preparing the country-by-country information, the directors are responsible for assessing the Group’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 Group 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.
Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of banking laws and regulations, such as, but not limited to, regulations relating to consumer credit and unethical and prohibited business practices, and we considered the extent to which non-compliance might have a material effect on the country-by-country information. We also considered those laws and regulations that have a direct impact on the country-by-country information such as applicable tax legislation and the Capital Requirements (Country-by-Country Reporting) Regulations 2013. We evaluated management’s incentives and opportunities for fraudulent manipulation of the country-by-country information (including the risk of override of controls), and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates and significant one-off or unusual transactions.

Audit procedures performed included:

- Discussions with management and those charged with governance including consideration of known or suspected instances of non-compliance with laws and regulation and fraud.
- Evaluation and testing of the operating effectiveness of management’s entity level controls designed to prevent and detect irregularities, in particular their code of conduct and whistleblowing helpline.
- Assessment of matters reported on the Group’s whistleblowing helpline and the results of management’s investigation of such matters.
- Performing testing over period end adjustments.
- Incorporating unpredictability into the nature, timing and/or extent of our testing.
- Reviewing key correspondence with the FCA and PRA.
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to the allowance for ECL; the defined benefit obligations and the valuation of certain level 3 financial instruments.
- Identifying and testing journal entries, in particular any manual journal entries posted by unexpected or unusual users, posted with descriptions indicating a higher level of risk, and posted late with a favourable impact on financial performance.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the country-by-country information. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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
25 March 2021