

FY 2018 Highlights & Key Metrics

- Lloyds Bank Corporate Markets ("LBCM") operates as the **non ring-fenced subsidiary** of Lloyds Banking Group plc ("LBG")
- LBCM was created in response to ring-fencing, which required the separation of certain Commercial Banking activities & International operations from the rest of the Lloyds Banking Group (the "Group")
- The business will **continue to support its international clients & those with more complex business needs**, in line with the Group's ultimate aim of 'Helping Britain Prosper'

Products & Services

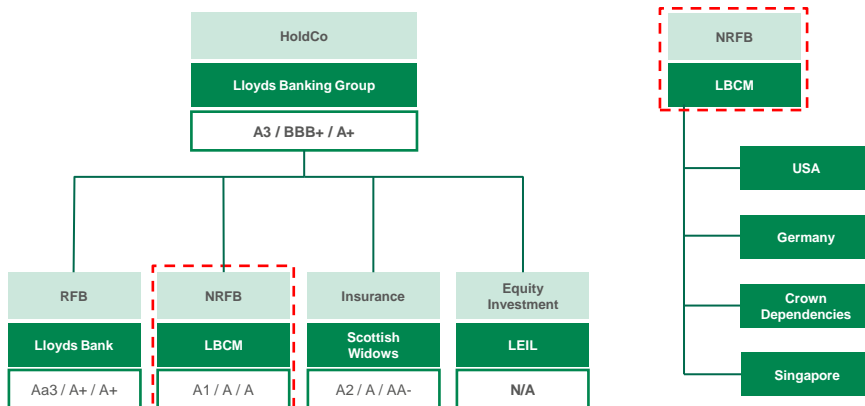
- Financial Markets**
 - Rates
 - Foreign Exchange
 - Credit Sales
 - Money Markets & Repo
- Capital Markets**
 - Bond Origination
 - Structured Finance
 - Commercial Lending
 - Risk Management
- Non-EEA Activity**
 - Lending booked out of New York & Singapore
 - Retail banking services in the crown dependencies
 - Trade & Working Capital Management

Capital & Funding

- All Capital & MREL will be issued out of the holding company (LBG) and **downstreamed** to LBCM and the other subsidiary companies
- An EMTN funding programme will allow LBCM to access the wholesale funding markets.** This will be **complementary to the existing Yankee CD and Money Market programmes**
- Expectations for 2019 are:
 - Up to c.£2bn issuance (sterling equivalent) – public & private**
 - Maturities of 2-5 years**
 - Senior Unsecured format**
 - All major currencies will be considered, primarily GBP, USD, EUR**

Structure

- LBCM is a **strategically important part of the Group**. The business allows us to continue to **service clients with more complex needs**, such as accessing the Capital Markets and trading in the Financial Markets
- The business has geographical diversity, with a presence in multiple regions

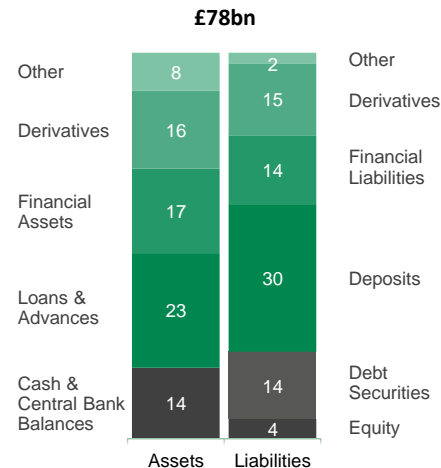


Carve Out Financials¹

Total Income	£892m
Operating Expenses	(469m)
Statutory PBT	£426m
Profit for the Year	£343m

1 - Note on the basis of preparation: The objective of preparing the Historical Financial Information is, so far as possible, to present an historical record reflecting the events which actually occurred during the reporting period.

Balance Sheet²



Key Metrics²

RWAs	£19.9bn
CET1 Ratio	13.7%
Tier 1 Ratio	17.5%
Total Capital Ratio	20.9%

*All Credit Ratings are shown as Moody's / S&P / Fitch

1 - "Carve Out Financials" sourced from FY 2018 LBCM Carve Out Financial Statements, published June 2019

2 - "Balance Sheet" details and Key Metrics sourced from FY 2018 LBCM Statutory Report & Accounts

FORWARD LOOKING STATEMENTS

This document contains certain forward looking statements with respect to the business, strategy and plans of Lloyds Banking Group and its current goals and expectations relating to its future financial condition and performance. Statements that are not historical facts, including statements about Lloyds Banking Group's or its directors' and/or management's beliefs and expectations, are forward looking statements. By their nature, forward looking statements involve risk and uncertainty because they relate to events and depend upon circumstances that will or may occur in the future. Factors that could cause actual business, strategy, plans and/or results (including but not limited to the payment of dividends) to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward looking statements made by the Group or on its behalf include, but are not limited to: general economic and business conditions in the UK and internationally; market related trends and developments; fluctuations in interest rates (including low or negative rates), exchange rates, stock markets and currencies; the ability to access sufficient sources of capital, liquidity and funding when required; changes to the Group's credit ratings; the ability to derive cost savings and other benefits including, but without limitation as a result of any acquisitions, disposals and other strategic transactions; changing customer behaviour including consumer spending, saving and borrowing habits; changes to borrower or counterparty credit quality; instability in the global financial markets, including Eurozone instability, instability as a result of the exit by the UK from the European Union (EU) and the potential for other countries to exit the EU or the Eurozone and the impact of any sovereign credit rating downgrade or other sovereign financial issues; technological changes and risks to the security of IT and operational infrastructure, systems, data and information resulting from increased threat of cyber and other attacks; natural, pandemic and other disasters, adverse weather and similar contingencies outside the Group's control; inadequate or failed internal or external processes or systems; acts of war, other acts of hostility, terrorist acts and responses to those acts, geopolitical, pandemic or other such events; changes in laws, regulations, accounting standards or taxation, including as a result of the exit by the UK from the EU, or a further possible referendum on Scottish independence; changes to regulatory capital or liquidity requirements and similar contingencies outside the Group's control; the policies, decisions and actions of governmental or regulatory authorities or courts in the UK, the EU, the US or elsewhere including the implementation and interpretation of key legislation and regulation together with any resulting impact on the future structure of the Group; the ability to attract and retain senior management and other employees; actions or omissions by the Group's directors, management or employees including industrial action; changes to the Group's post-retirement defined benefit scheme obligations; the extent of any future impairment charges or write-downs caused by, but not limited to, depressed asset valuations, market disruptions and illiquid markets; the value and effectiveness of any credit protection purchased by the Group; the inability to hedge certain risks economically; the adequacy of loss reserves; the actions of competitors, including non-bank financial services, lending companies and digital innovators and disruptive technologies; and exposure to regulatory or competition scrutiny, legal, regulatory or competition proceedings, investigations or complaints. Please refer to the latest Annual Report on Form 20-F filed with the US Securities and Exchange Commission for a discussion of certain factors together with examples of forward looking statements. Except as required by any applicable law or regulation, the forward looking statements contained in this document are made as of today's date, and Lloyds Banking Group expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward looking statements. The information, statements and opinions contained in this document do not constitute a public offer under any applicable law or an offer to sell any securities or financial instruments or any advice or recommendation with respect to such securities or financial instruments.