Sustainability Referenced Fixed Term Deposit (SRFTD)

Product information factsheet

LLOYDS

Quick Facts

Product Type:	Sustainability Referenced Deposit
Deposit Type:	Sustainability Referenced Fixed Term Deposit
Interest Rate:	Fixed rate agreed at time of placing the deposit and fixed until the Maturity Date.
Interest Calculation & Payment Frequency:	For deposits up to 1 year in duration, interest is calculated using the Day Basis and paid on the Maturity Date. For deposits exceeding 1 year in duration, interest is calculated using the Day Basis and paid on each anniversary of the deposits' Value Date and on the Maturity Date[2].
Minimum Deposit Amount:	10,000 (£/€/$)[1]
Maximum Deposit Amount:	25,000,000 (£/€/$)[1]
Minimum Duration:	Overnight
Maximum Duration:	3 years[2]
Statement Frequency:	None
Eligibility Requirements:	This product is available to commercial businesses with an annual turnover of £25million and over.

[1] Larger or smaller amounts (and in other currencies) may be available on request/at Our discretion.

[2] Unless otherwise agreed.

Definitions

- **Sustainability Referenced FTD (SRFTD):** means the Fixed Term Deposit held with Lloyds Bank plc which conforms to our Sustainability lending criteria.
- **Day Basis:** means calendar days/365 for Sterling (GBP) or calendar days/360 for Euro (EUR) and US Dollars (USD).
- **Interest Rate:** means the fixed rate of interest that will apply to your SRFTD. This rate is agreed with you when you agree to place the deposit with Us.
- **Lloyds Bank/We/Us/Our:** means Lloyds Bank plc.
- **Maturity Date:** means the final payment date, when all funds in your SRFTD (including the Principal and any remaining interest) is due to be paid to you. This must be a Working Day and will be agreed with you, when you agree to place the deposit with Us.
- **Principal:** means the initial amount of funds placed into your SRFTD.
- **Value Date:** means the date that cleared funds are received from you. This must be a Working Day and will be agreed with you, when you agree to place the deposit with Us.
- **Working Day:** means any day (excluding Saturday and Sunday) on which the banks in London are open for business.

Key Features

- Sustainability Referenced Fixed Term Deposits contribute towards eligible funding for Lloyds Bank Sustainability Lending (as defined in summary below and more fully in the Sustainability Referenced Deposits Framework). The deposits are not linked to specific loans, and they contribute to the wider Lloyds Bank plc balance sheet.
- The GBP deposits outstanding are capped at live Sustainability lending levels i.e. GBP sustainability drawn lending will always be greater than or equal to the GBP Sustainability Referenced Deposits.
- Practically Lloyds will maintain a sustainability assets "buffer" to ensure that sustainability GBP lending is always greater or equal to Sustainability Referenced Deposits and will not issue additional deposits if this buffer is under stress.
- The Group has appointed Sustainalytics, a provider of ESG research and ratings, to produce an independent Second Party Opinion for the Sustainability Referenced Deposit products. The Second Party Opinion can be found here: **www.lloydsbank.com/sustainability-referenced-deposits-framework**
- Eligible Sustainability Lending includes:
  1. Green Buildings –
     a) Housebuilding, obtain either:
        i. minimum EPC rating of B for each individual unit and a project weighted average of "EPC B+", or;
        ii. Next Generation Project criteria "Bronze" or higher, or;
        iii. meets other equivalent standards (or better) such as BREEAM or HQM.
     b) Commercial or Residential properties, including office, industrial, retail, hospitality, and university campus buildings, obtain either EPC Rating B or higher, or meets other equivalent standards (or better) such as BREEAM or LEED.
     c) Retrofit of existing Residential or Commercial buildings which results in a 30% reduction in Primary Energy Demand use or carbon emissions, or improvement into EPC B or higher.
  2. Renewable energy lending for projects in the UK and abroad:
     a) Onshore and offshore wind energy projects
     b) Solar power or solar photovoltaic energy projects
     c) Low Carbon Hydrogen
     d) Battery Storage
  3. Energy efficiency technologies (e.g. smart meters) – the development, manufacture, repair, maintenance or installation.
  4. Low carbon transportation for people and materials (e.g. zero direct tailpipe passenger and commercial vehicles).
  5. Lending to Housing Associations for the provision of social and affordable housing.
- Sustainability Referenced Fixed Term Deposits are available in all major currencies including Sterling (GBP), Euro (EUR), and US Dollars (USD). Other currencies may be available upon request.
- The Interest Rate, Principal, Value Date and Maturity Date will be agreed with you, at the time when you agree to place the deposit with Us.
- The minimum duration of a SRFTD is overnight, up to a maximum of 3 years[2].
- Interest is calculated by reference to the Interest Rate which is fixed until the Maturity Date using the Day Basis.
- For deposits placed with a term of less than 1 year, We will calculate and pay the Principal and any interest to your nominated account on the Maturity Date as stated in your standard instructions, unless instructed otherwise, prior to the maturity of the SRFTD.
- For deposits placed with a term of more than 1 year, We will calculate and pay interest to your nominated account on an annual basis by reference to the Value Date. The Principal including any remaining interest will be paid to your nominated account on the Maturity Date.

Benefits

The Sustainability Referenced Fixed Term Deposit can fit in with a depositor's Sustainability criteria as part of a wider organisational Corporate strategy.

- The Sustainability Referenced Deposits Framework has been reviewed by Sustainalytics and their Second Party Opinion can be accessed here: **www.lloydsbank.com/sustainability-referenced-deposits-framework**
- We will issue an eligibility certificate for each Deposit.
- We will provide a Sustainability Referenced Deposits summary report on a quarterly basis.
- The Interest Rate you receive on the SRFTD is fixed until the Maturity Date.
- Trade parameters including Principal, Interest Rate, and Duration can be tailored to suit your requirements, but are fixed once agreed and cannot be altered.

Risks

- You may not withdraw all or part of the Principal prior to the Maturity Date and you must hold the SRFTD until the Maturity Date. This means that the Principal is committed for the duration of the SRFTD and your financial position must allow you to be able to cover any cash flow requirements you may have during the fixed term.
- No additional funds can be deposited once the parameters of the SRFTD have been agreed.

Placement/Maturity of Sustainability Referenced Fixed Term Deposit (SFTD)

- In order to place a SRFTD, instructions must be given by telephone to your Lloyds Bank representative.
- In order to make a deposit, you will need to open or have a nominated account. This nominated account will be used to transfer the deposit amount agreed and used to transfer your deposit and applicable interest upon maturity. Your nominated account does not need to be held with Lloyds Bank.
- Further funds may not be deposited into an existing SRFTD, but it is possible to place more than one SRFTD.
- Written confirmation will be sent to you in respect of each SRFTD that you place with Us. The confirmation will confirm the Interest Rate, Principal, the Maturity Date and the Value Date. No statements will be sent.
- The SRFTD will operate from the agreed Value Date. You must ensure that the agreed amount of funds to be deposited into your SRFTD is received by Us on the agreed Value Date. A delay in the receipt of funds may result in a loss of interest on your SRFTD.
- On the Maturity Date, Lloyds Bank will transfer the Principal and any remaining interest on the SRFTD to your nominated account as agreed at the time of placing your deposit. Should you wish to amend your nominated account or amend any instructions under your SRFTD, you must notify Lloyds Bank prior to the Maturity Date. Any instructions received on or after the Maturity Date will not have any effect.

Important Information

- Lloyds Bank will only accept, and agree to, a SRFTD once it has received all necessary documentation and its internal checks have been completed to its satisfaction. Lloyds Bank reserves the right to reject an application.
- Terms and Conditions apply which you should read carefully. These can be found at: **www.lloydsbank.com/commercialbanking_deposit_termsofbusiness**
- You are responsible for ensuring that payment is made to the relevant revenue authorities for any tax liability due in respect of your SRFTD. However, We reserve the right to withhold tax from any amount that We pay to you. We may be required to report from time to time to regulatory or other authorities, details of any information We hold in respect of your SRFTD. We reserve the right to do so without any further notice to you.

Please contact your Lloyds Bank representative if you have any queries regarding the information in this factsheet.

Our service promise

Business help and support

We aim to provide you with a high level of service. If you have a query our Help & Support pages can help: **www.lloydsbank.com/business/help**

Important information

Lloyds and Lloyds Bank are trading names of Lloyds Bank plc. Registered Office: 25 Gresham Street, London EC2V 7HN. Registered in England and Wales no. 2065. Telephone: **0207 626 1500**.

Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority under Registration Number 119278.

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.

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