



LLOYDS BANK

Benchmark Transparency Statement

For the attention of clients of Lloyds Bank plc, Lloyds Bank Corporate Markets plc (“Lloyds Bank”).

This Benchmark Transparency Statement provides you with general information about the relationship between Lloyds Bank and how it uses Benchmarks. Definitions of terms are provided at the end of this Statement.

When you enter into a financial transaction, the settlements or deliveries due to, or from, you (and any subsequent valuation of the transaction) may be determined by reference to the level of a Benchmark. The level of a Benchmark is determined by the Benchmark Administrator.

Lloyds Bank is not an FCA regulated Benchmark Administrator. As an authorised person, Lloyds Bank contributes to the Halifax House Prices Index (HHPI), which is administered by IHS Markit Benchmark Administration Ltd (IMBA UK), an FCA approved Benchmark Administrator.

Lloyds Bank is a User of Benchmarks; products or transactions offered to you by Lloyds Bank may reference a Benchmark that is administered by a third party. Lloyds Bank makes no representation or warranty with respect to any Benchmark Administrator’s determination of such Benchmarks. In making use of a Benchmark, Lloyds Bank may reference the Benchmark for internal purposes or use the Benchmark, on its own or in combination, in products, services or transactions which we provide or carry out with you. Benchmarks may be used for the purpose of determining payments, settlements or deliveries due to or from you because of a loan agreement, lending facility, deposit, or transaction in an investment, or in the valuation of any such loan or lending facility, deposit or investment.

When a weighted combination of Benchmarks is used to create a separate multi-asset measure that may determine payment, settlements or deliveries under a product, service or transaction offered by us, this combination of benchmarks is a use of each component Benchmark and is not the creation and administration of a new Benchmark.

Lloyds Bank uses many benchmarks for a variety of purposes, some of these ‘use’ cases fit within regulatory definitions and create regulatory obligations whereas other ‘uses’ do not. Examples of “non-regulated” use of a benchmark include the use of a benchmark in modelling, or other types of economic analysis.

Where Lloyds Bank makes a regulated use of a Benchmark it has processes in place to manage a material change or cessation of that Benchmark by its Benchmark Administrator, that includes where feasible and appropriate the determination of, and obtaining access to, a suitable replacement or alternative Benchmark.



LLOYDS BANK

Financial Markets activity

Lloyds Bank participates in financial markets and may transact or quote prices on Regulated Markets or Exchanges which may be used by a Benchmark Administrator for the purpose of determining a Benchmark.

Examples of Benchmarks in this category include:

- **ICE Swap Rate¹**, ICE Swap Rate® (formerly known as ISDAFIX) is recognised as the principal global benchmark for swap rates for interest rate swaps;
- **FX Benchmarks** such as those administered or published by WM Refinitiv or Bloomberg;
- **SONIA** is the Sterling Overnight Index Average rate. The Bank of England calculates, publishes and is the Benchmark Administrator of SONIA. The Benchmark is derived from overnight unsecured transactions negotiated bilaterally as well as those arranged via brokers, using the Bank of England's Sterling Money Market daily data collection as data source;
- **ICE TERM SONIA²**, Reference Rates ("ICE TSRR") is designed to measure, on a daily basis, the expected (forward-looking) SONIA rates over a one-month, three-month, six-month and 12-month tenor using eligible prices and volumes for specified SONIA-linked interest rate derivative products, provided by trading venues;
- **WM Refinitiv Term SONIA** benchmark is a forward-looking, risk-free reference rate available in 1-month, 3-month, 6-month and 12-month tenors denominated in sterling.

Definitions

"Benchmark Administrator" means a natural or legal person that has control over the provision of a benchmark namely:

- a) administering the arrangements for determining a Benchmark,
- b) collecting, analysing or processing input data for the purpose of determining Benchmark,
- c) determining a Benchmark through the application of a formula or other method of calculation or by an assessment of input data provided for that purpose.

"Benchmark" means any Index by reference to which the amount payable under a financial instrument or a financial contract, or the value of a financial instrument, is determined, or an index that is used to measure the performance of an investment fund with the purpose of tracking the return of such index or of defining the asset allocation of a portfolio or of computing the performance fees.

"Benchmark Methodology" means the written rules and procedures according to which information is collected and the Benchmark is determined.

"Benchmark Contributor" means an authorised person, natural or legal person, providing Input Data to a Benchmark Administrator, or to another person for the purposes of passing to a Benchmark

¹ <https://www.theice.com/iba/ice-swap-rate>

² <https://www.theice.com/iba/ice-swap-rate>



LLOYDS BANK

Administrator, that is required in connection with the determination of a Benchmark and is provided for that purpose.

“Expert Judgement” means the exercise of discretion by a Benchmark Administrator or Benchmark Contributor with respect to the use of data in determining a Benchmark, including extrapolating values from prior or related transactions, adjusting values for factors that might influence the quality of data such as market events or impairment of a buyer or seller’s credit quality, or weighting firm bids or offers greater than a particular concluded transaction.

“Index” means any figure:

- a) that is published or made available to the public,
- b) that is regularly determined:
 - i. entirely or partially by the application of a formula or any other method of calculation, or by an assessment,
 - ii. on the basis of the value of one or more underlying assets or prices, including estimated prices, actual or estimated interest rates, quotes and committed quotes, or other values or surveys.

“Input Data” means data in respect of the value of one or more underlying assets or prices, including estimated prices, quotes, committed quotes or other values used by an Administrator to determine a Benchmark.

“Investment(s)” means any asset, right or interest offered or provided by Lloyds Bank in performance of a regulated activity within the meaning of section 22 of the Financial Services and Markets Act 2000; the activities specified in Schedule II to the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001; any subordinate legislation made under the Act; and any modifications, amendments, extensions, consolidations, re-enactments and/or replacements of the foregoing statutory provisions and/or subordinate legislation which are in force from time to time.

“Lloyds Bank” means Lloyds Bank plc, Lloyds Bank Corporate Markets plc.

“Regulated Market or Exchange” means a market or exchange that is regulated and/or supervised by a governmental or statutory regulatory authority.

“User” refers to a legal person or entity that uses a Benchmark for one of the following purposes:

- (a) issuance of a financial instrument which references an Index or a combination of Indices,
- (b) determination of the amount payable under a financial instrument or a financial contract by referencing an Index or a combination of Indices,
- (c) being a party to a financial contract which references an Index or a combination of Indices,
- (d) providing a borrowing rate that is calculated as a spread or mark-up over an Index or a combination of Indices and that is solely used as a reference in a financial contract to which the creditor is a party,
- (e) measuring the performance of an investment fund through an Index or a combination of Indices for the purpose of tracking the return of such Index or combination of Indices, defining the asset allocation of a portfolio, or of computing the performance fees.



LLOYDS BANK

Lloyds Bank is a trading name of Lloyds Bank plc and Lloyds Bank Corporate Markets plc. Lloyds Bank plc. Registered Office: 25 Gresham Street, London EC2V 7HN. Registered in England and Wales no. 2065. Lloyds Bank Corporate Markets Plc Registered office 25 Gresham Street, London EC2V 7HN. Registered in England and Wales no. 10399850. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority under registration number 119278, 169628 and 763256 respectively.
DIS.BOS.G.B2/DIS.LB.G.B2 (09/24)