

IMPORTANT DISCLOSURE IN RELATION TO INVESTMENT RECOMMENDATIONS

The recommendation should be regarded as a marketing communication, it is not intended to be investment research and has not been prepared in accordance with legal requirements to promote the independence of investment research, nor is it subject to any prohibition on dealing ahead of the dissemination of investment research.

Unless otherwise specified, the content of the recommendation is based on interpretations, estimates, opinions and other types of non-factual information.

Lloyds Bank is not acting as an investment adviser or fiduciary. The recommendation does not constitute a personal recommendation or take into account the individual financial circumstances or objectives of any investor. The securities and other financial instruments in the recommendation may not be suitable for all purposes or for all investors. Accordingly, recipients must independently determine, in consultation with their own advisers, whether the recommendation is suitable for their purposes.

Prices and availability of financial instruments are subject to change without notice and investment transactions can lead to losses as a result of price fluctuations and other factors.

Recommendations contained in one type of Lloyds Bank communication may differ from recommendations contained in other Lloyds Bank communications, whether as a result of differing time horizons, methodologies or otherwise.

The recommendation is not directed toward, nor does it constitute an offer or solicitation to, anyone in any jurisdiction or country where such distribution or use would be contrary to local law or regulation.

1. Lloyds Bank

Lloyds Bank is a trading name of Lloyds Bank plc, Bank of Scotland plc and Lloyds Bank Corporate Markets plc. FCA and PRA authorisation can be checked at: <http://www.fca.org.uk> and www.bankofengland.co.uk/prudential-regulation

2. Risk factors

By purchasing securities or financial instruments, you may incur a loss or a loss in excess of the principal as a result of fluctuations in market prices or other financial indices.

The price, value of and income from any of the securities or other financial instruments mentioned in the recommendation can fall as well as rise. The value of securities and other financial instruments can be affected by changes in spot or forward interest and exchange rates, economic indicators and the financial standing of any issuer or reference issuer, which may have a positive or adverse effect on the income from or price of such securities or financial instruments. For a more detailed discussion of the risks of investing in the financial instruments mentioned in the recommendation, please refer to the section entitled General Risk Factors.

3. Independent assessment

Not all products or transactions will fulfil your requirements. You should be aware that any product which you purchase or a transaction which you enter into with Lloyds Bank is, in the absence of any written agreement to the contrary, on the basis that you are able to make your own independent assessment and decision as to your requirements and whether that product or transaction fulfils those requirements. Your decision will be based on your own knowledge and experience and any third-party professional advice which you may have sought in relation to the financial, legal, regulatory, tax or accounting aspects of the proposed product or transaction. Lloyds Bank, its directors, officers and employees accept no responsibility or liability for any loss (whether direct, indirect, consequential, loss of profit or damages) howsoever caused or howsoever arising, in relation to this presentation or any subsequent product or transaction entered into.

To the fullest extent permitted by law, Lloyds Bank accept no responsibility for and shall have no liability for any loss (including without limitation direct, indirect, consequential and loss of profit), damages, or for any liability to a third party however arising in relation to the recommendation (including without limitation in relation to any projection, analysis, assumption and opinion in the recommendation).

4. Reliance is recipient's own responsibility

Lloyds Bank exercises reasonable care in preparing recommendations (and in confirming that where any information or opinion in the recommendation is from or based on a third party source, that the source is reputable). Recipients must independently determine, in consultation with their own advisers, whether the recommendation is appropriate for their purposes. However, Lloyds Bank accepts no responsibility and no representation or warranty, express or implied, is made as to the accuracy, reliability or completeness of the source of information used in the creation of the recommendation, or the reasonableness of any projections, targets, estimates, or forecasts, nor as to whether any projections, targets, estimates, forecasts or payments are achievable or will occur.

5. Relevant time and date for price of financial instrument in recommendation

The price of any financial instrument mentioned in the recommendation is the price as of the date of publication of the recommendation and the time stated in the recommendation.

6. Planned frequency of updates to recommendation

The recommendation, opinions, estimates and projections are current as of the date of the recommendation and are subject to change without notice. Lloyds Bank has no obligation to update, modify or amend the recommendation or to otherwise notify a recipient thereof if any opinion, forecast or estimate contained in the recommendation changes or subsequently becomes inaccurate.

7. Meaning of recommendations

Any additional perception or sensitivity to the recommendations listed below may vary from recommendation to recommendation, and should be considered in the context of the recommendation material.

Recommendation	Meaning of recommendation	Length of time of investment to which recommendation relates
Buy	Recommends holding more/initiating a 'long' exposure in a particular issuer/financial instrument.	3 months, unless otherwise specified.
Sell	Recommends holding less/initiating a 'short' exposure in a particular issuer/financial instrument.	3 months, unless otherwise specified.
Hold	Recommends holding (i.e. retaining an interest in a particular issuer/financial instrument).	3 months, unless otherwise specified.
Outperform	Recommends holding more of a particular issuer/financial instrument (including initiating a 'long' exposure), expecting it to produce a greater return than a particular benchmark or comparable issuer/s or financial instrument/s as specified in the recommendation.	3 months, unless otherwise specified.
Neutral	Favours neither long nor short exposure to a particular issuer/financial instrument.	3 months, unless otherwise specified.
Underperform	Recommends holding less of a particular issuer/financial instrument (including initiating a 'short' exposure), expecting it to produce a lower return than a particular benchmark or comparable issuer/s or financial instrument/s as specified in the recommendation.	3 months, unless otherwise specified.
Other	Indicates that the recommendation was neither a "Buy"/"Outperform", a "Hold"/"Neutral", nor a "Sell"/"Underperform", which applies where the relevant information was a price forecast (projecting varying prices across quarterly calendar end periods, unless otherwise specified).	As specified in the recommendation.

Rate swaps recommendations

Any additional perception or sensitivity to the recommendations listed below may vary from recommendation to recommendation, and should be considered in the context of the recommendation material.

Recommendation	Meaning of recommendation	Length of time of investment to which recommendation relates
Buy	Recommends paying a fixed rate whilst receiving a floating rate calculated against a specified index (e.g. 3m Libor) on a specific tenor.	3 months, unless otherwise specified.
Sell	Recommends receiving a fixed rate whilst paying a floating rate calculated against a specified index (e.g. 3m Libor) on a specific tenor.	3 months, unless otherwise specified.
Outperform	Recommends paying a fixed rate whilst paying a floating rate calculated against a specified index (i.e., 'Buying' a swap) on a specific tenor swap and simultaneously receiving a fixed rate against a specified index (i.e., 'Selling' a swap) on one of more other specific tenor/s.	3 months, unless otherwise specified.
Neutral	Favours neither 'Buying' nor 'Selling' a swap on a specific tenor.	3 months, unless otherwise specified.
Underperform	Recommends receiving a fixed rate whilst paying a floating rate calculated versus a specified index (i.e., 'Selling' a swap) on a specific tenor swap and simultaneously paying a fixed rate whilst receiving a floating rate calculated against a specified index (i.e. 'Buying' a swap) on one or more other specific tenor/s.	3 months, unless otherwise specified.
Other	Indicates that the recommendation was neither a "Buy"/"Outperform", a "Hold"/"Neutral", nor a "Sell"/"Underperform", which applies where the relevant information was a price forecast (projecting varying prices across quarterly calendar end periods, unless otherwise specified).	As specified in the recommendation.

8. Recent previous different recommendations

Recommendations may differ over time. Please refer to the following internet link to view Lloyds Bank previous recommendations in respect of the issuer and or financial instrument contained in the recommendation that is different to the current recommendation: <http://commercialbanking.lloydsbank.com/important-information/investment-recommendations/>.

9. Previous recommendations during preceding 12 month period

Please refer to the following internet link to view Lloyds Bank previous recommendations made during the preceding 12 month period: <http://commercialbanking.lloydsbank.com/important-information/investment-recommendations/>.

10. Proportion of recommendations in relation to the provision of material services of investment firms

Lloyds Bank shall publish on a quarterly basis, the proportion of all recommendations that are "buy", "hold", "sell" or equivalent terms and the proportion of issuers corresponding to each of those categories to which such person has supplied material services of investment firms set-out in Section A and Section B of Annex I of Directive 2014/65/EU.

Please refer to the following internet link to view the proportion of recommendations in relation to the provision material services of investment firms set-out in Section A and Section B of Annex I of Directive 2014/65/EU: <http://commercialbanking.lloydsbank.com/important-information/investment-recommendations/>

11. Disclosure of recommendation to the issuer to which recommendation relates

It is the policy of Lloyds Bank not to disclose recommendations to the issuer to which the recommendation directly or indirectly relates (except in relation to initial recommendations as described below). Lloyds Bank may provide the initial recommendations to

any of the issuers referred to in the recommendation for fact checking. As a result, the current recommendation may have changed from the initial recommendation provided to the issuer in question.

The issuer of the securities or other financial instruments referred in the recommendation may have acted upon the initial recommendation, information and analysis contained in the initial recommendation before it was made available to clients of Lloyds Bank.

12. Projections, forecasts and price targets

Any projections, forecasts and price targets made in the recommendation have been identified as such in the recommendation and any material assumptions that have been either used or made in producing the projection, forecast or price target in question are set out in the recommendation.

13. Source of information in recommendation

The information contained in the recommendation may be based on or contain information, such as opinions, recommendations, estimates, price targets and valuations which emanate from publicly available information, information derived from Lloyds Banks access to financial markets or external market data vendors, information from other divisions of Lloyds Bank's, or other named sources.

14. Valuation and methodology

Recommendations may be based on one or more methods of valuations, including observing the market and underlying movements in particular instruments or issuers. This analysis will take into account key criteria such as market liquidity of the financial instrument or issuer at the time of production of the recommendation.

Lloyds Bank also employs a number of its own proprietary models to produce valuations. Valuations based on other models or different assumptions may yield different results. Lloyds Bank expressly disclaims any responsibility for: (i) the accuracy of the models or estimates used in deriving the valuations; (ii) any errors or omissions in computing or disseminating the valuations; and (iii) any uses to which the valuations are put. Any valuation provided may be different from the valuation of the same product that Lloyds Bank may use for its own purposes, including those prepared in its own financial records.

Recommendations in relation to certain products may use valuation or methodology by way of the Bloomberg relative value ("RV") tool as well as our proprietary models to chart certain trade ideas. However, any exact methodologies as to calculations of these trade ideas are by way of own proprietary models.

Further information

Please contact your Lloyds Bank representative for further information in relation to the Lloyds Bank proprietary models or tools.

Please contact your Bloomberg Relationship Manager for further information in relation to the Bloomberg RV tool.

15. Conflicts of interest

Recommendations should not necessarily be considered to be either objective or unbiased. Lloyds Bank may engage in transactions in a manner inconsistent with the recommendation. Lloyds Bank, its affiliates, or any of their respective employees, clients and officers, including persons involved in the preparation or issuance of the information contained in the recommendation may act as a market-maker, deal as principal, or investment manager in any of the securities or other financial instruments mentioned, and may have a long or short position in (including possibly a position that was accumulated on the basis of the material prior to it being disseminated and/or a position inconsistent with the information in the recommendation), engaged in transactions in, or acted as lead manager or co-manager of a public offering of, any of the securities or other financial instruments (or related securities/financial instruments) mentioned in the recommendation, and may have, or be seeking to develop, an investment banking or corporate banking relationship with issuers mentioned in the recommendation. Accordingly, information included in the recommendation or information referred to in the recommendation but not explicitly included in it is not independent from the proprietary interests of Lloyds Bank and its affiliates, which may conflict with your interests.

16. Issuer specific disclosure of conflicts of interest

In view of Lloyds Bank's position in its markets, investors should note that:

- (a) Lloyds Bank and its affiliates may at any time acquire, hold or dispose of long or short positions exceeding the threshold of 0.5% of total issued share capital of an issuer, calculated in accordance with the calculated in accordance with Article 3 of Regulation (EU) No 236/2012 and with Chapter III and IV of Commission Delegated Regulation (EU) No 918/2012;
- (b) Lloyds Bank is a market maker or liquidity provider in relation to the securities or other financial instruments that are the subject of the recommendation;
- (c) issuers referred in the recommendation may hold more than 5% of the total issued capital of Lloyds Bank or its affiliates; For

further details on the company please refer to the following internet link to view the annual report of Lloyd's Banking Group: <http://www.lloydsbankinggroup.com/investors/annual-reports/>;

- (d) Lloyds Bank may have been a lead manager or co-lead manager over the previous 12 months of any publicly disclosed offer of financial instruments of the issuer;
- (e) Lloyds Bank may be party to an agreement with the issuer relating to the provision of services of investment firms set out in Sections A and B of Annex I to Directive 2014/65/EU;
- (f) Lloyds Bank may currently be providing or seeking to provide to the issuer, the services of investment firms set out in Sections A and B of Annex I to Directive 2014/65/EU and Lloyds Bank may receive or intends to seek compensation from the issuer for those services which have been provided during the past 12 months; and
- (g) Lloyds Bank may be party to an agreement with the issuer relating to the production of the recommendation.

In relation to above, please refer to the recommendation for specific details.

17. Management of conflicts of interests

Lloyds Bank has systems and controls for the identification, avoidance, management and disclosure, as appropriate, of conflicts of interests that may arise in the preparation or provision of investment recommendations. The types of conflicts considered could include conflicts between the private and public sides of Lloyds Bank investment banking activities, between Lloyds Bank clients, Lloyds Bank's own interests (such as permitted proprietary trading and investment banking activities) and the personal interests of Lloyds Bank officers and employees. Lloyds Bank policies, procedures and controls in this regard include for example:

- (a) a general prohibition on officers and employees trading for their own account in any shares/securities of any company to which an investment recommendation provided by them relates;
- (b) internal policies, procedures, guidance and regular training on the identification of possible conflicts of interest as and when they arise;
- (c) escalation procedures for ensuring that identified conflicts of interest are considered at the appropriate level within the bank;
- (d) maintenance of robust information barriers between different parts of the bank to restrict the flow of inside information so as to avoid inadvertent spread or misuse;
- (e) monitoring of potential conflicts arising out of the publication of investment recommendations before, during and after investment banking transactions;
- (f) exclusions on the provision of any investment recommendation in relation to companies in which Lloyds Bank owns a majority interest; and
- (g) restrictions on personal account dealing and procedures and controls relating to wall crossing.

If you wish to have further information on the conflicts policy, or on any specific conflict of interest that you think might affect you, please contact your Lloyds Bank representative.

18. Remuneration

Authors, analysts and/or employees responsible for the provision of the recommendation may be paid in part by reference to the profitability of Lloyds Bank which includes investment banking, sales and trading, and principal trading revenues. Remuneration of analysts and/or employees is not dependent on individual transactions effected by Lloyds Bank.

19. Benchmarks

Lloyds Bank and its subsidiaries may participate in benchmarks in any one or more of the following capacities; as administrator, submitter or user. Benchmarks may be referenced by Lloyds Bank for internal purposes or used to reference products, services or transactions which we provide or carry out with you. More information about Lloyds Bank's participation in benchmarks is set out in the Benchmark Transparency Statement which is available on our website as follows: https://www.lloydsbank.com/assets-business-banking/pdfs/Benchmark%20Transparency%20Statement_FINAL.pdf.

20. General risk factors

The risk factors should be read in conjunction with the investment recommendation and any related risk warning provided in the recommendation.

21. Bonds

Bonds may be subject to the risk of the issuer's inability to meet principal and interest payments on the obligation and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer, general market liquidity, and other economic factors, amongst other issues. When interest rates rise, the value of corporate bonds can be expected to decline. Fixed-rate transferable bonds with longer maturities tend to be more sensitive to interest rate movements than those with shorter maturities. In the event of insolvency of the issuer, holders of bonds are likely to be able to participate with other creditors in the allotment of the proceeds from the sale of the company's assets in priority to holders of equity securities.

Holders of bonds will be exposed to both the specific risk associated with individual securities held (and the financial soundness of their issuers), as well as the systemic risks of the equity and debt securities markets.

22. Foreign exchange

Foreign exchange transactions may incur risks arising from several factors, including the following:

- (a) exchange rates can be volatile and are subject to large fluctuations. Movements in exchange rates may cause the value of an investment to fluctuate in either a favourable or unfavourable manner. Such valuations will affect profit or loss in transactions in foreign currency denominated contracts where there is a need to convert from the currency denomination of the contract to another currency;
- (b) the value of currencies may be affected by numerous market factors, including world and national economic, political and regulatory events, events in equity and debt markets and changes in interest rates; and
- (c) currencies may be subject to devaluation or government imposed exchange controls which could affect the value of the currency.

23. Derivatives

Derivative transactions involve numerous risks including, among others, market, counterparty default and illiquidity risk. The appropriateness or otherwise of these products for use by investors is dependent on the investors' own circumstances including their tax position, their regulatory environment and the nature of their other assets and liabilities, and as such, investors should take expert legal and financial advice before entering into any transaction. The risk of loss in futures trading and options, foreign or domestic, can be substantial. As a result of the high degree of leverage obtainable in futures and options trading, losses may be incurred that are greater than the amount of funds initially deposited. Trading in options involves risk and is not suitable for all investors.



LLOYDS BANK

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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.
