

Our approach to pricing our Financial Instruments

Lloyds Bank Corporate Markets Wertpapierhandelsbank GmbH (“LBCMW”, “we”, “us” or “our”) have designed our pricing structures to deliver transparent and fair pricing. We will apply these structures consistently across all transactions to ensure they deliver fair value.

Financial Instruments

Financial Instruments include, without limitation, all fixed income and currency products offered by us. It does not include deposits, short term or variable rate lending, and services such as underwriting and placing of bond transactions or private placements.

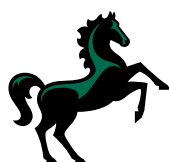
Factors that determine pricing of Financial Instruments

When pricing Financial Instruments, we take into account the cost of providing our products and what the associated services cost us. We then balance this with our need to generate a reasonable financial return for our business.

How we apply this pricing is determined by our understanding of client needs. We recognise some clients prefer pricing structures which provide a defined margin and give certainty over the margin applied to future transactions, while others prefer the opportunity to review pricing for each transaction individually. We have developed our pricing structures to reflect this.

Where individual pricing outcomes do not provide our clients with fair value, we may either:

- adjust the margin; or
- decline to quote or refuse to complete the transaction.



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Price components

Our price for Financial Instruments comprises two parts:

1. the Risk Transfer Price; and
2. a margin to cover any additional costs and charges.

The Risk Transfer Price, or trader price, is the expected price of risk managing the position over time. The factors that impact the Risk Transfer Price include, but are not necessarily limited to:

- prevailing market prices for similar transactions;
- liquidity and volatility;
- the size and complexity of the transaction;
- what impact the transaction will have on our existing risk position;
- the cost of entering into hedging transactions to manage the risk position; and/or
- any residual unhedged risk carried by us.

The margin for additional costs and charges includes:

- cost of capital – credit, funding and capital costs incurred by us;
- cost to serve – which includes but is not limited to the cost of providing clients with execution support and the transaction and operational costs incurred in providing the product. Given that a large proportion of the cost to serve that the bank incurs is fixed, we will also take account of a client's overall interaction with the bank to estimate the impact this has on the marginal cost of providing each product and the overall returns generated; and
- financial return – an amount required to satisfy our internal capital return targets once costs have been taken into account.

Transparent pricing

We are committed to providing sufficient pricing disclosures to allow you to make well-informed decisions. For example, when we are transacting with you through a third-party venue and you want to compare the cost across different providers, we will give you our price information in the same format as other providers. Alternatively, when you are reliant on the bank for price information and you call us directly, we will provide additional margin disclosures directly to you, both prior to and at the point of trade.

This document does not cover Best Execution. For more information on this, please visit <https://www.lloydsbank.com/business/corporate-banking/important-information/best-execution.html>

We will provide you with further information about the costs and charges relating to Financial Instruments in line with our regulatory obligations.

For anything more on the pricing of Financial Instruments, please contact your sales representative.

Our service promise

If you experience a problem, we will always try to resolve it as quickly as possible. Please bring it to the attention of any member of staff.

Our complaints procedures for businesses with an annual turnover of up to £25 million are published at lloydsbank.com/business/complaints. For businesses with an annual turnover of £25 million or more, they can be found at lloydsbank.com/business/corporate-banking/voice-your-concerns

Visit lloydsbank.com/business/corporate-banking/home

Additional support



Please contact us if you'd like this information in an alternative format such as braille, large print or audio.

If you have a hearing or speech impairment you can use Text Relay (previously Typetalk).

Important information

Calls may be monitored or recorded in case we need to check we have carried out your instructions correctly and to help improve our quality of service.

Please note that any data sent via email is not secure and could be read by others.

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