

COMMERCIAL BANKING



FX CONVERT

FX Convert service gives you the ability to send all your transactions destined for the UK or the Republic of Ireland to one provider, giving you control of FX margin and pricing as well as a consistent experience for your clients.

Benefits to you

- Omnichannel – you choose the channel appropriate to your operating model – direct via SWIFT FIN/FileAct, or via Target2
- Consistent journey for your clients transactional flow
- Externally-benchmarked FX Rates
- Automated journey
- Payments can be paid on in currency or returned when not converted
- Opportunity for FX Revenue to be shared between Lloyds Bank and you
- Our conversion logic is powered by an extensive database coverage of UK & Republic of Ireland Sort Codes, underpinned by extensive market intelligence that is continually improved

Why Lloyds Bank?

- Lloyds Bank is part of Lloyds Banking Group; the largest domestic UK bank, operating the UK's largest digital bank and branch network, and over 30 million banking relationships in the UK
- Bank has extensive experience as a UK clearing bank and helps to shape the future of clearing services by taking a leading role in numerous industry innovation initiatives - We touch 1 in 3 GBP payments in the UK
- Already trusted by over 1,000 financial institutions to provide their payment solutions
- Dedicated FI Coverage team with specialist payment product advisory to support your needs
- We are ISO 20022 enabled – ready to partner with you for own migration timeframes
- We have invested in and delivered our new cash and payments capabilities in one infrastructure – Lloyds Bank Gem®



LLOYDS BANK

Lloyds Bank expertise

- Lloyds Bank is in a strong position to support you as a direct member of GBP and EUR clearing and settlement systems.

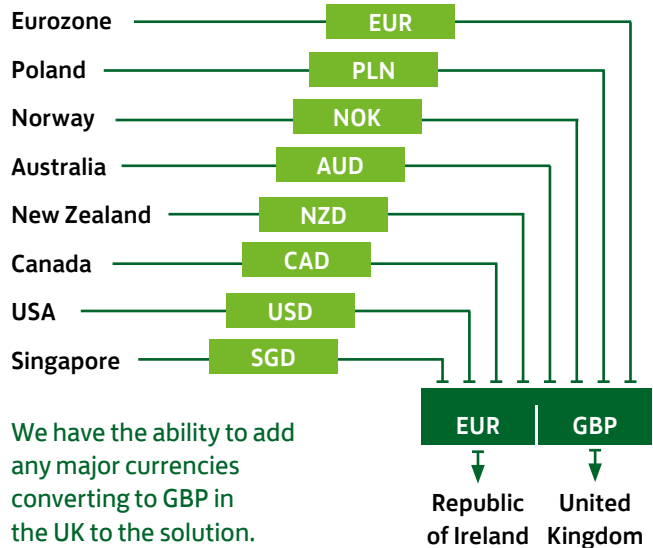
Lloyds Bank has direct access to the following clearing schemes

GBP Clearing	Type	Payment type
CHAPS	Real-Time Gross Settlement (RTGS)	High-value, real-time
Faster Payments Scheme (FPS)	Near real-time, intraday settlement	Low-value immediate payments, future-dated payments
Bacs	Low-value Automated Clearing House (ACH)	Non-urgent, low-value debits and credits
Cheque and Credit Image Clearing System	Next-day, images of cheques and bank giro credits	Non-urgent, Paper cheques and bank giro credits
EUR Clearing	Type	Payment type
TARGET2	RTGS	High-value, real-time
EBA Step2	Pan-European ACH SEPA	Non-urgent, low-value debits and credits

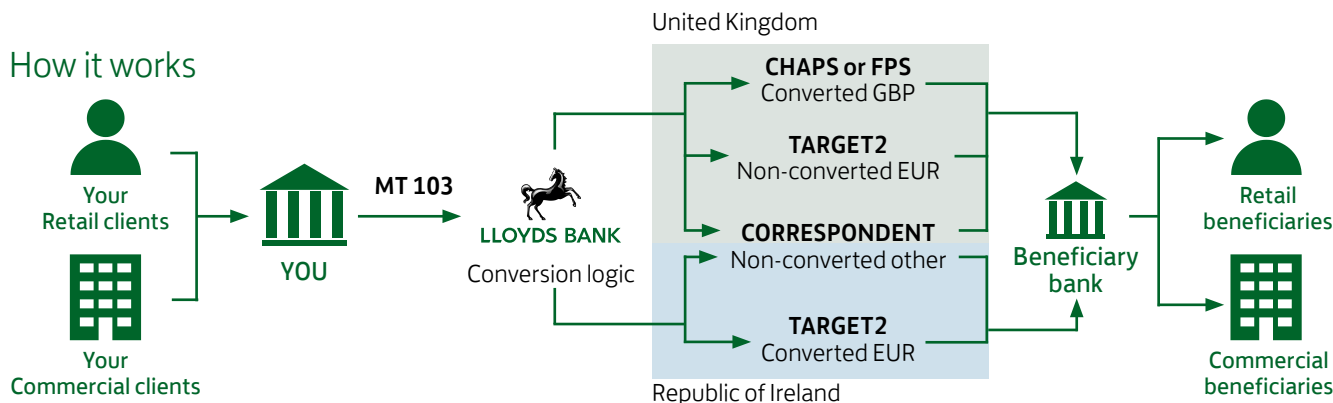
- Payment Systems Regulator - Member of Payment Strategy Forum
- Chair – Payment Strategy Forum working group on Financial Crime, Data and Security
- Member of SWIFT – www.swift.com
- Member of UK Finance – www.ukfinance.org.uk
- Board Member of Pay.UK – www.wearepay.uk
- SWIFT GPI – First Bank globally to launch SWIFTgpi Instant
- SWIFT KYC Registry – We use and advocate the SWIFT KYC Registry.

FX Convert at a glance

We currently support the following currency corridors with our FX Convert service



We have the ability to add any major currencies converting to GBP in the UK to the solution.



1. You send a payment instruction to Lloyds Bank using SWIFT FIN or FileAct
2. If an instruction settles to a Lloyds Bank beneficiary, we will pay into their account in the currency of that account.
3. For instructions that settle to a non-Lloyds Bank beneficiary, we apply our advanced conversion logic to choose the appropriate channel for the payment.

United Kingdom:

- Non-converted payments will be forwarded via:
 - Target2 for Euro instructions.
 - Our correspondent bank network for non-Euro instructions.
- If an instruction is converted it will be settled as GBP via CHAPS or FPS. During registration you will identify your preference for which GBP clearing we should prioritise for your FX convert settlements.

Republic of Ireland:

- Non-converted payments will be forwarded via our correspondent bank network for non-Euro instructions.
- If an instruction is converted it will be settled as EUR via Target2.

4. Beneficiary Bank then credits the client

Cut off times

	CHAPS	FPS	TARGET2
MT	17:25 GMT	18:00 GMT	15:50 GMT
ISO 20022 - Individual	17:25 GMT	18:00 GMT	15:50 GMT
ISO 20022 - File	17:25 GMT	18:00 GMT	15:50 GMT

Book transfer cut-off time for GBP is 17:25 GMT and for EUR is 15:50 GMT.

Payment instructions received on a public holiday will be processed the next working day with the exception of the Faster Payment Service which is available on a 24/7/365 basis.

Payments received after our FX cut off of 18:00 will be processed next business day.

Clearing times are as follows:

- **CHAPS** – Monday to Friday – 06:00 to 18:00
- **TARGET2** – Monday to Friday – 06:00 to 17:00
- **Faster Payments** – 24/7/365 – current scheme limit £250,000 due to increase to £1,000,000 next year.

Upon implementation you can select your clearing preferences, Lloyds Bank will use that method where possible, but has the right to use an alternative clearing method when required.

Pricing

We aim to process all of your payments with 100% STP. So providing the instructions have all the necessary information to execute the payment to the beneficiary/beneficiary's bank (and pass through sanction screening), we will make the payment. On the rare occasion an item cannot be processed we will return via MT199 for a commercial payment instruction. The response will be sent automatically and instantaneously once we receive the rejection. Therefore no non-STP charges are applicable.

Pricing for transaction charges will be agreed with your Lloyds Bank Relationship Team. FX Share to be agreed upon implementation.

Formatting – MyStandards

We utilise the SWIFT MyStandards portal to provide format specifications and format validation capability. We support all SWIFT standards and you can find our message standards guides for both MT and ISO 20022 on SWIFT MyStandards. Using the portal enables you to validate adherence of your payment formatting to our specifications.

Payment Processing

As well as being able to avail of our highly automated STP processing you have the opportunity to determine how the flow when converted should be processed, you can add exclusions from the service either by the remitter or beneficiary, once qualified by a unique identifier.

Reporting

Along with monthly settlement of funds due to you, a detailed report is provided with details of converted payments, charges, FX Share, exclusion, values and transaction references

Lloyds Bank Gem Service and Onboarding team

You can raise your queries via SWIFT MT, Lloyds Bank Gem Connect, via email or phone.

Our cut off for same-day cancellations or cancellations sent via MTn92 and MTn95 is 06:00 same day for CHAPS payments. We can accept MTn99 messages although, due to the free format text, these cannot be given the same level of automation and treatment. Our dedicated implementation team can ensure full testing in advance of live date.

ISO 20022

We fully support the new transaction management platform and will send SWIFT ISO 20022 from November 2022. We will send Payment messages via MX instead of series MT we will also be able to receive and process ISO 20022 from Nov 2022. Current date for CHAPS migration to ISO 20022 is June 2022, Target2 November 2022 and for Faster Payments 2023/4.

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 are published at commercialbanking.lloydsbank.com/contactus/

 lloydsbank.com/financial-institutions

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

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