

FX Convert

FX Convert allows you to send all your transactions destined for the UK or 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

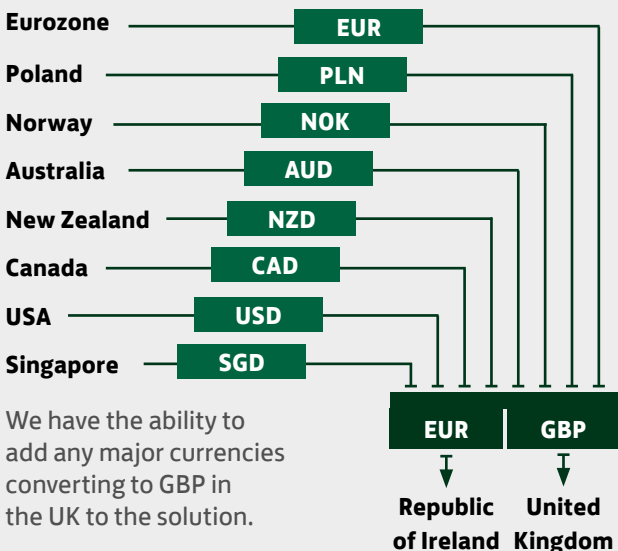
- Choose the channel appropriate to your operating model – direct via SWIFT, or via Target2
- Consistent journey for your clients' transactional flow
- Externally-benchmarked FX rates
- Automated journey
- Payments can be paid on in the relevant currency or returned when not converted
- Opportunity for FX revenue to be shared between you and Lloyds Bank
- Our conversion logic is powered by an extensive database of UK & Republic of Ireland sort codes, underpinned by extensive market intelligence that is continually updated

Why Lloyds Bank?

- Lloyds Bank is part of Lloyds Banking Group; the largest UK retail and commercial financial services provider, operating a leading digital presence and branch network, and over 26 million banking relationships in the UK
- Lloyds 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
- Established relationships with over 1,000 Financial Institutions (FIs) providing payment solutions
- Dedicated FI Coverage team with specialist payment product advisory to support your needs
- ISO 20022 enabled – ready to partner with you for your own migration timeframes
- We have invested in and delivered our new cash and payments capabilities in one infrastructure – **Lloyds Bank Gem[®]**

FX Convert at a glance

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



LLOYDS BANK

Lloyds Bank expertise

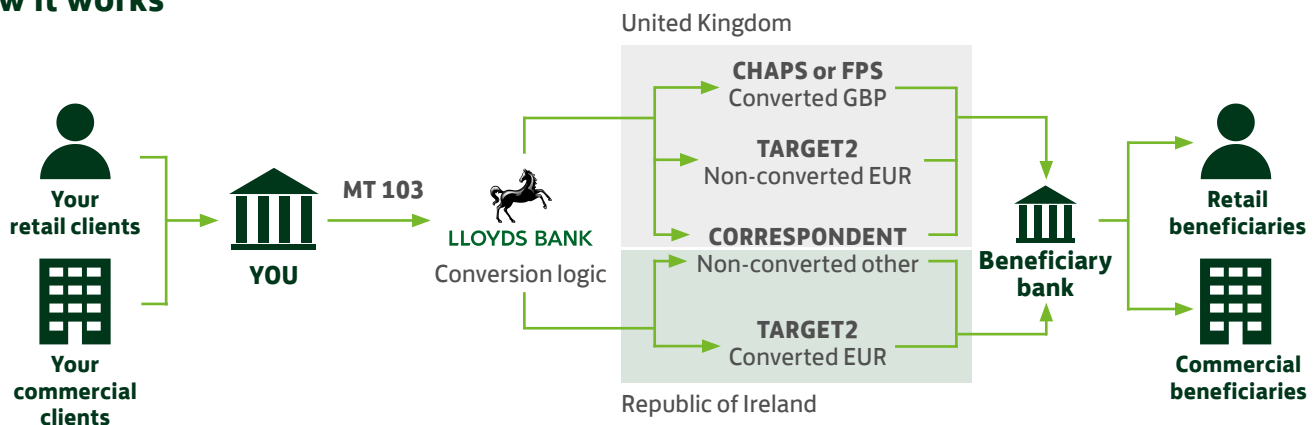
Lloyds Bank is in a strong position to support you as a direct member of GBP and EUR clearing and settlement systems.

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 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 Single European Payments Area (SEPA)	Non-urgent, low-value debits and credits

- Member of SWIFT – www.swift.com
- Board member of SWIFT UK
- Member of UK Finance – www.ukfinance.org.uk
- SWIFT GPI – First Bank globally to launch SWIFT gpi Instant
- SWIFT KYC Registry – We use and advocate the SWIFT KYC Registry

How it works



- 1 You send a payment instruction to Lloyds Bank using SWIFT MT or MX
- 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

- 4 Beneficiary bank then credits the client

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

Cut-off Times

Format	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 the 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 £1,000,000

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% Straight-through Processing (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 use 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 make use of our highly automated STP capability, you have the opportunity to determine how the flow should be processed once it is converted. 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 begin to send SWIFT ISO 20022 from March 2023 – we will migrate our payment messages from MT to MX over the coexistence period. We will be able to send and receive MT and MX for the full coexistence period, beginning March 2023. The current revised dates for the ISO 20022 migration are March 2023 for Target2, and June 2023 for CHAPS, with Faster Payments to be confirmed for 2023/24.



Go to lloydsbank.com/commercialbanking

Please contact us if you would 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 Relay UK. More information on the Relay UK Service can be found at: relayuk.bt.com

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 lloydsbankcommercial.com/contactus

Important information



Lloyds Bank Gem[®] is a registered trademark of Lloyds Bank plc.

Lloyds Bank plc. Registered Office: 25 Gresham Street, London EC2V 7HN. Registered in England & 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. Lloyds Banking Group is a financial services group that incorporates a number of brands including Lloyds Bank. More information on Lloyds Banking Group can be found at lloydsbankinggroup.com