
DIRECTION

To: Lloyds Bank Plc (FRN 119278)
Bank of Scotland Plc (FRN 169628)
Lloyds Bank Corporate Markets Plc (FRN 763256)
(each a "Firm")

Of: 25 Gresham Street, London EC2V 7HN

Ref: 00003927, 00003928 & 00003929

Date: 7 January 2022

Liquidity Coverage Ratio (CRR) Part of the PRA Rulebook (Version in force at the effective date of this Direction)

Power

1. This Direction is given by the *PRA* under section 138A of *FSMA*.

Duration

2. This Direction takes effect on 5 January 2022.

3. This Direction shall end on the earlier of:

- (a) The date that the relevant rules are revoked or no longer apply to the Firm; or
- (b) The date that this Direction is revoked, varied or superseded by a further direction that applies to the Firm relating to the same subject matter.

Rules Modified

4. The *PRA* directs that Chapter 2 of the Liquidity Coverage Ratio (CRR) Part of the *PRA* Rulebook applies to each of the Firms in respect of the solo and/or consolidated requirements they are subject to with the modifications shown below (new text underlined).

Rule	Modification
Article 10(1)(c)(i), (ii) and (iv)	(c) assets representing claims on or guaranteed by the following central or regional governments, local authorities or public sector entities: (i) the central government of the <i>United Kingdom</i> <u>or of an EEA State</u>; (ii) the central government of a third country <u>(other than an EEA State)</u>, provided that it is assigned a credit assessment by a nominated ECAI which is at least credit quality step 1 in accordance with Article 114(2) of <i>CRR</i>;



	(iii) regional governments or local authorities in a third country of the type referred to in point (ii) <u>or regional governments or local authorities in an EEA State</u> , provided that they are treated as exposures to the central government of the third country in accordance with Article 115(4) of CRR;
Article 10(1)(d)(i)	(d) the following assets: (i) assets representing claims on or guaranteed by the central government or <i>central bank of a third country</i> <u>(other than assets representing claims on or guaranteed by the central government of an EEA State)</u> which is not assigned a credit assessment of credit quality step 1 by a nominated ECAI in accordance with Article 114(2) of CRR;
Article 11(1)(b)	(b) assets representing claims on or guaranteed by the central government or the <i>central bank of a third country</i> <u>(other than assets representing claims on or guaranteed by the central government of an EEA State)</u> or by a regional government, local authority or public sector entity in a third country, provided that they are assigned a 20% risk weight in accordance with Article 114(2), 115 or 116 of CRR, as applicable;

Interpretation

5. Interpretative provisions (including definitions) of the PRA Rulebook apply to this Direction in the same way as they apply to the PRA Rulebook.

Supervision, Risk and Policy Committee

Prudential Regulation Authority