

## KEY INFORMATION DOCUMENT

### Purpose

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

### Product

**PRIIP Name:** Commodity Call Option (Client Sells)

**PRIIP Manufacturer:** Lloyds Bank Corporate Markets plc (“Lloyds Bank”)

Call 0203 578 0064 for more information

**Website:** <http://www.lloydsbankcommercial.com>

**Date of Production:** 23/12/2024

**You are about to purchase a product that is not simple and may be difficult to understand**

### What is this product?

**Type:** An Over the Counter (OTC) contract - Commodity Instrument

**Objective:**

The objective of this product is to manage adverse movements in the Commodity Reference Price that you may experience. Note that it may not provide you with complete protection against such exposures. By entering into this product, you sell the right to purchase an underlying commodity at a specified price (the Strike Price) in respect of an agreed amount (Notional Amount), on a given date (Expiry Date). For granting this right you will receive an upfront cash fee (the Premium) from the buyer. On the Expiry Date, if the Commodity Reference Price rises above the Strike Price in respect of the agreed amount (Notional Amount) of the underlying Commodity you are obliged to pay a settlement amount to the buyer, foregoing the benefit of higher prices, and your resulting loss may potentially be unlimited. You will not make a loss if the difference between the Commodity Reference Price and the Strike Price does not exceed the Premium received. If the Commodity Reference Price does not rise above the Strike Price on the Expiry Date the buyer may not exercise this right and your gain will correspond to the Premium you have received. The buyer can exercise this right at the Expiry Date, or at one or more agreed exercise dates (e.g. monthly or quarterly settlement frequency) up to and including the Expiry Date.

Sample parameters and pre-agreed circumstances and conditions are set out below:

Instrument	Call Option	Total Notional	157 bbl/month (1,883 bbl total)
Commodity	ICE Brent Crude Oil	Calculation Periods	01/01/2025 to 31/12/2025
Commodity Ref Price (Floating Price)	CO1 COMDTY	Settlement Frequency	Monthly
Price Source	Bloomberg	Call Strike Price	69.15 USD/bbl

The product achieves its objectives as follows:

- The Call Option is cash-settled.
- Settlements are made at the end of each Calculation Period (defined above) and the settlement amount is the net difference between the Strike Price and the Commodity Reference Price, multiplied by the Notional Amount for that relevant Calculation Period: If the Commodity Reference Price is higher than the Strike Price, you pay the difference multiplied by the Notional Amount for that settlement date; If the Commodity Reference Price is lower than or equal to the Strike Price, there are no payments for that settlement date, other than any deferred Premium due.
- If you are receiving the Premium on a deferred basis, this will be netted off against any settlement amount due.

**Intended Retail Investor:**

This product is intended for retail investors with a short time horizon who:

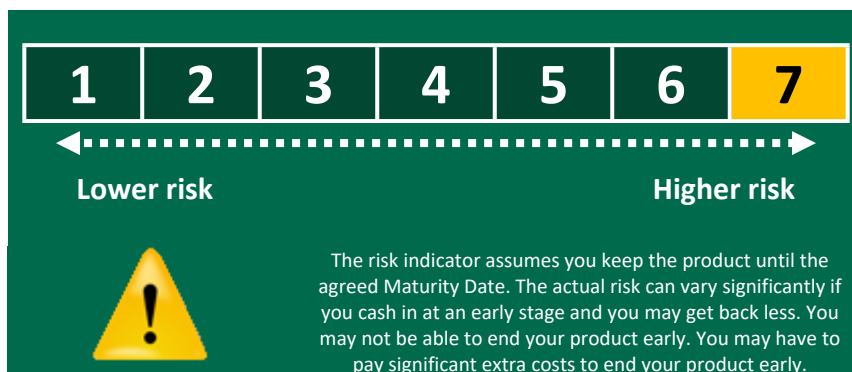
- (i) have sufficient knowledge or experience to understand complex financial products; and
- (ii) have exposure to the relevant commodity and are willing to forego the benefit of lower prices in return for a cash fee.

**Term:**

The term of the Commodity Call Option (Client Sells) will depend on how long you wish to protect against adverse movements in commodity prices and will be agreed with you before you enter into the Commodity Call Option (Client Sells). The product is a bilateral agreement that cannot ordinarily be terminated unilaterally by either you or Lloyds Bank, unless certain events of default or other termination events occur. In this case early termination payments may apply, and you may incur significant losses.

### What are the risks and what could I get in return?

## Risk Indicator:



The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you. We have classified this product as 7 out of 7, which is the highest risk class. This rates the potential losses from future performance at a very high level. **Be aware of currency risk. Where you receive payments in a different currency the final return you get depends on the exchange rate between the two currencies. This risk is not reflected in the indicator shown above.** This product does not include any protection from future market performance so you could incur significant losses. If we are not able to pay you what is owed you could incur significant losses.

## Investment Performance Information

### a) Factors likely to affect future returns

The factors affecting returns will also affect the product's performance. For this product the Commodity Reference Price (Floating Price) is the only factor affecting return. Your return will vary depending on how the Floating Price performs against the Call Strike Price.

### b) Most relevant Index

The most relevant index is the Floating Price of the Commodity Call Option. The level of the Floating Price over the lifetime of the option directly affects the performance and volatility of the option.

### c) What could affect my return positively?

If the Floating Price decreases below the Call Strike Price over a calculation period, you will not be required to make a payment to the Bank. However, we will pay you any premium due. Therefore, your return will be higher.

### d) What could affect my return negatively?

If the Floating Price increases above the Call Strike Price over a calculation period, you must make a payment to the Bank. The higher the Floating Price above the Call Strike Price, the more you will pay to the Bank, and your return will be lower.

### e) Performance in severely adverse market conditions

Commodity prices can rise significantly. This means that you could end up paying a much higher Floating Price than expected, whilst still receiving the same premium payments and therefore reducing your expected return. Any premium payments due to you will still be paid, but these may be substantially less than the amounts that you must pay to us.

## What happens if Lloyds Bank Corporate Markets plc is unable to pay out?

You may be exposed to a risk that Lloyds Bank might be unable to fulfil its obligations in respect of the Commodity Call Option (Client Sells). The product is not protected by any local investor compensation or guarantee scheme. This means that if Lloyds Bank is unable to pay out, you may not receive any amount from Lloyds Bank under the product.

## What are the costs?

The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the performance of the product. The total costs take into account one-off, ongoing and incidental costs. The amounts shown here are the cumulative costs of the product itself, over the recommended holding period. They include potential early exit penalties. The figures assume a nominal value of \$ 10,000. The figures are estimates and may change in the future.

### Costs over time:

The person selling you this product may charge you other costs. If so, this person will provide you with information about these costs, and show you the impact that all costs will have on your investment over time.

Investment Scenarios [USD 10,000]	If you cash in at the end of the recommended holding period
Total costs	USD 1,500
Impact on return (RIY) per year	20.32 % each year

### Composition of costs:

The table below shows:

- the impact each year of the different types of costs on the performance of the product at the end of the recommended holding period;
- the meaning of the different cost categories.

The costs below are the maximum values shown and will vary depending on the underlying parameters of the transaction.

**This table shows the impact on return per year**

One-off costs	<b>Entry costs</b>	20.32 %	The impact of the costs you pay when entering your investment. This is the most you will pay, and you could pay less.
	<b>Exit costs</b>	0.00 %	The impact of the costs of exiting your investment when it matures.
Ongoing costs	<b>Portfolio transaction costs</b>	0.00 %	The impact of the costs of us buying and selling underlying investments for the product.
	<b>Other ongoing costs</b>	0.00 %	The impact of the costs we take each year for managing your investments.

## How long should I hold it and can I take it out early?

**Recommended holding period:** This product is designed to be held to the Agreed Expiry Date. It is a product designed to be entered into for its term and cannot be easily sold. Early termination may occur if certain events of default or other termination events occur, in which case early termination payments may apply.

**Early exit impact:** If the product is terminated early, in whole or in part, an Early Termination Payment may become payable by either you or Lloyds Bank. The Early Termination Payment is linked to market parameters and could be a substantial loss or gain to you. Settlement on early termination will be specific to your Commodity Call Option (Client Sells) and will be influenced by a number of factors which include but are not limited to: the length of time remaining on the contract; the movement of the underlying Commodity Floating Price since the transaction Trade Date; the amount affected by the early termination.

**The Early Termination Payment is not a penalty charge.** The sum represents the economic value of what Lloyds Bank would have paid or received if the product continued as agreed. Depending on market conditions at the time of the early termination, the settlement calculated could result in a substantial amount being due from you to Lloyds Bank.

## How can I complain?

### Contact us

Should you have any complaints about the product, the conduct of Lloyds Bank and/or the person selling the product, please follow the below steps:

- Include the following information so we can resolve your complaint as quickly as possible: as much information as possible about your complaint; any actions you wish us to take to resolve your complaint;
- Contact your Relationship Manager
- Call us on **0800 072 3572** or **+441733 462 267**
- Contact us online at <http://commercialbanking.lloydsbank.com/contact-us/>; or
- Write to us at **Lloyds Banking Group, Customer Services, BX1 1LT**

## Other Relevant Information

Additional relevant information may be set out in the confirmation, as supplemented and amended by the applicable definitions and the master agreement terms. These are available upon request from your Lloyds Bank representative. Information about your relationship with us can be found at <http://www.lloydsbankcommercial.com>.