

**SUPPLEMENTARY PROSPECTUS DATED 13 MARCH 2017
TO THE PROSPECTUSES SET OUT IN THE SCHEDULE HERETO**



LLOYDS BANK plc

(incorporated in England with limited liability with registered number 2065)

LLOYDS BANKING GROUP plc

(incorporated in Scotland with limited liability with registered number 95000)

This Supplement (the “**Supplement**”) to the prospectuses, each dated 17 May 2016 and listed in the Schedule hereto (each, together with the supplements to each of them, the “**Prospectuses**”), each of which comprises a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC, constitutes a supplementary prospectus for the purposes of Section 87G of the Financial Services and Markets Act 2000 (the “**FSMA**”) and is prepared in connection with the Programmes (as defined herein) established by Lloyds Bank plc (the “**Bank**”) and Lloyds Banking Group plc (the “**Company**”).

This Supplement is supplemental to, and should be read in conjunction with, the Prospectuses and the documents incorporated by reference therein. Capitalised terms used in this Supplement but not defined herein shall have the meanings ascribed to them in the Prospectuses.

Each of the Bank and the Company accepts responsibility for the information contained in this Supplement. To the best of the knowledge of each of the Bank and the Company (having taken all reasonable care to ensure that such is the case) the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

Purpose of this Supplement

The purpose of this Supplement is to:

- (a) incorporate by reference into each of the Prospectuses the announcement published by the Company entitled “Lloyds Banking Group files Annual Report on Form 20-F”, the Bank’s 2016 Annual Report and the Company’s 2016 Annual Report (each as defined in this Supplement), which were published via the RNS on 10 March 2017, 10 March 2017 and 22 February 2017, respectively;
- (b) update the no significant change statement of the Bank and its subsidiary and associated undertakings (the “**Lloyds Bank Group**”) and the no material adverse change statement of the Bank;
- (c) update the no significant change statement of the Company and its subsidiary and associated undertakings (the “**Group**”) and the no material adverse change statement of the Company;
- (d) update the no governmental, legal or arbitration proceedings statement of the Lloyds Bank Group and the Bank; and
- (e) update the no governmental, legal or arbitration proceedings statement of the Group and the Company.

(a) Documents Incorporated by Reference

By virtue of this Supplement, the following documents, which have previously been filed with the Financial Conduct Authority, shall be deemed to be incorporated in, and form part of, the Prospectuses and supplement the section entitled “*Documents Incorporated by Reference*” in each of the Prospectuses:

- (a) the announcement published by the Company entitled “Lloyds Banking Group files Annual Report on Form 20-F”;
- (b) the Bank’s Annual Report and Accounts, including the audited financial statements of the Bank for the financial year ended 31 December 2016, together with the audit report thereon, as set out on pages 15 to 139 and 13 to 14 thereof, respectively (the “**Bank’s 2016 Annual Report**”); and
- (c) the Company’s Annual Report and Accounts including, the audited financial statements of the Company for the financial year ended 31 December 2016, together with the audit report thereon, as set out on pages 179 to 284 and 171 to 178 thereof, respectively (the “**Company’s 2016 Annual Report**”).

Any documents themselves incorporated by reference in the documents incorporated by reference herein shall not form part of the Prospectuses.

General Information

(b) No significant change of the Lloyds Bank Group and no material adverse change of the Bank

The no significant change of the Lloyds Bank Group statement and no material adverse change of the Bank statement at paragraph 3 on page 168 of the EMTN Prospectus is updated as set out below:

There has been no significant change in the financial position of the Lloyds Bank Group since 31 December 2016, the date to which the Lloyds Bank Group’s last published audited financial information (as set out in the Bank’s 2016 Annual Report) was prepared. There has been no material adverse change in the prospects of the Bank since 31 December 2016, the date to which the Bank’s last published audited financial information (as set out in the Bank’s 2016 Annual Report) was prepared.

The no significant change of the Lloyds Bank Group statement and no material adverse change of the Bank statement at paragraph 3 on page 617 of the GMTN Prospectus is updated as set out below:

There has been no significant change in the financial position of the Lloyds Bank Group since 31 December 2016, the date to which the Lloyds Bank Group’s last published audited financial information (as set out in the Bank’s 2016 Annual Report) was prepared. There has been no material adverse change in the prospects of the Bank since 31 December 2016, the date to which the Bank’s last published audited financial information (as set out in the Bank’s 2016 Annual Report) was prepared.

(c) No significant change of the Group and no material adverse change of the Company

The no significant change of the Group statement and no material adverse change of the Company statement at paragraph 4 on page 168 of the EMTN Prospectus is updated as set out below:

There has been no significant change in the financial position of the Group since 31 December 2016, the date to which the Group’s last published audited financial information (as set out in the Company’s 2016 Annual Report) was prepared. There has been no material adverse change in the prospects of the Company since 31 December 2016, the date to which the Company’s last published audited financial information (as set out in the Company’s 2016 Annual Report) was prepared.

The no significant change of the Group statement and no material adverse change of the Company statement at paragraph 4 on page 617 of the GMTN Prospectus is updated as set out below:

There has been no significant change in the financial position of the Group since 31 December 2016, the date to which the Group’s last published audited financial information (as set out in the Company’s 2016 Annual Report) was prepared. There has been no material adverse change in the prospects of the Company since 31 December 2016, the date to which the Company’s last published audited financial information (as set out in the Company’s 2016 Annual Report) was prepared.

(d) No governmental, legal or arbitration proceedings statement of the Lloyds Bank Group and the Bank

The no governmental, legal or arbitration proceedings statement of the Lloyds Bank Group and the Bank at paragraph 5 on page 168 of the Prospectus relating to the EMTN Programme is supplemented as set out below:

Save as disclosed in (i) the sub-sections entitled “Payment protection insurance”, “Packaged bank accounts”, “Arrears handling related activities” and “Customer claims in relation to insurance branch business in Germany” on pages 75 to 76 and “Events since the balance sheet date” on page 136 of the Bank’s 2016 Annual Report; (ii) the sub-section entitled “Review” on page 1 of the Bank’s Q3 2016 Interim Management Statement in relation to the £1 billion provision for PPI to cover further operating costs and redress including the impact of the proposed June 2019 deadline, and, the further £100 million provision in respect of packaged bank accounts; (iii) the sub-section entitled “Mortgage arrears handling activities” on page 28 of the 2016 Half-Year Management Report; and (iv) the sub-sections entitled “Interchange fees”, “Payment Protection Insurance”, “Investigation and litigation relating to interbank offered rates, and other references rates”, “Litigation in relation to insurance branch business in Germany”, “Interest rate hedging products”, “Provisions for other legal actions and regulatory matters”, “UK shareholder litigation”, “Financial Services Compensation Scheme”, “Tax authorities” and “Residential mortgage repossessions” of the section “Lloyds Banking Group and Lloyds Bank – Legal Actions and Regulatory Matters” on pages 124 to 128 of the Prospectus, there are no governmental, legal or arbitration proceedings (including any such proceedings pending or threatened of which the Bank is aware) during the 12 months preceding the date of this Supplement, which may have or have had in the recent past, significant effects on the financial position or profitability of the Bank or Lloyds Bank Group.

The no governmental, legal or arbitration proceedings statement of the Lloyds Bank Group and the Bank at paragraph 5 on page 617 of the Prospectus relating to the GMTN Programme is supplemented as set out below:

Save as disclosed in (i) the sub-sections entitled “Payment protection insurance”, “Packaged bank accounts”, “Arrears handling related activities” and “Customer claims in relation to insurance branch business in Germany” on pages 75 to 76 and “Events since the balance sheet date” on page 136 of the Bank’s 2016 Annual Report; (ii) the sub-section entitled “Review” on page 1 of the Bank’s Q3 2016 Interim Management Statement in relation to the £1 billion provision for PPI to cover further operating costs and redress including the impact of the proposed June 2019 deadline, and, the further £100 million provision in respect of packaged bank accounts; (iii) the sub-section entitled “Mortgage arrears handling activities” on page 28 of the 2016 Half-Year Management Report; and (iv) the sub-sections entitled “Interchange fees”, “Payment Protection Insurance”, “Investigation and litigation relating to interbank offered rates, and other references rates”, “Litigation in relation to insurance branch business in Germany”, “Interest rate hedging products”, “Provisions for other legal actions and regulatory matters”, “UK shareholder litigation”, “Financial Services Compensation Scheme”, “Tax authorities” and “Residential mortgage repossessions” of the section “Lloyds Banking Group and Lloyds Bank – Legal Actions and Regulatory Matters” on pages 578 to 583 of the Prospectus, there are no governmental, legal or arbitration proceedings (including any such proceedings pending or threatened of which the Bank is aware) during the 12 months preceding the date of this Supplement, which may have or have had in the recent past, significant effects on the financial position or profitability of the Bank or Lloyds Bank Group.

(e) No governmental, legal or arbitration proceedings statement of the Group and the Company

The no governmental, legal or arbitration proceedings statement of the Group and the Company at paragraph 6 on pages 168 to 169 of the EMTN Prospectus is supplemented as set out below:

Save as disclosed in (i) the RNS published by the Company on 10 March 2017 entitled “Lloyds Banking Group files Annual Report on Form 20-F”; (ii) the sub-sections entitled “Payment protection insurance”, “Packaged bank accounts”, “Arrears handling related activities” and “Customer claims in relation to insurance branch business in Germany” on pages 230 to 231 of the Company’s 2016 Annual Report; (iii)

the sub-section entitled “*Statutory Profit*” on page 6 of the Company’s Q3 2016 Interim Management Statement in relation to the £1 billion provision for PPI to cover further operating costs and redress including the impact of the proposed June 2019 deadline, and, the further £100 million provision in respect of packaged bank accounts; (iv) the sub-section entitled “*Mortgage arrears handling activities*” on page 78 of the 2016 Half-Year Results; and (v) the sub-sections entitled “*Interchange fees*”, “*Payment Protection Insurance*”, “*Investigation and litigation relating to interbank offered rates, and other references rates*”, “*Litigation in relation to insurance branch business in Germany*”, “*Interest rate hedging products*”, “*Provisions for other legal actions and regulatory matters*”, “*UK shareholder litigation*”, “*Financial Services Compensation Scheme*”, “*Tax authorities*” and “*Residential mortgage reposessions*” of the section “*Lloyds Banking Group and Lloyds Bank – Legal Actions and Regulatory Matters*” on pages 124 to 128 of the Prospectus, there are no governmental, legal or arbitration proceedings (including any such proceedings pending or threatened of which the Company is aware) during the 12 months preceding the date of this Supplement, which may have or have had in the recent past, significant effects on the financial position or profitability of the Company or the Group.

The no governmental, legal or arbitration proceedings statement of the Group and the Company at paragraph 6 on page 617 of the GMTN Prospectus is supplemented as set out below:

Save as disclosed in (i) the RNS published by the Company on 10 March 2017 entitled “Lloyds Banking Group files Annual Report on Form 20-F”; (ii) the sub-sections entitled “*Payment protection insurance*”, “*Packaged bank accounts*”, “*Arrears handling related activities*” and “*Customer claims in relation to insurance branch business in Germany*” on pages 230 to 231 of the Company’s 2016 Annual Report; (iii) the sub-section entitled “*Statutory Profit*” on page 6 of the Company’s Q3 2016 Interim Management Statement in relation to the £1 billion provision for PPI to cover further operating costs and redress including the impact of the proposed June 2019 deadline, and, the further £100 million provision in respect of packaged bank accounts; (iv) the sub-section entitled “*Mortgage arrears handling activities*” on page 78 of the 2016 Half-Year Results; and (v) the sub-sections entitled “*Interchange fees*”, “*Payment Protection Insurance*”, “*Investigation and litigation relating to interbank offered rates, and other references rates*”, “*Litigation in relation to insurance branch business in Germany*”, “*Interest rate hedging products*”, “*Provisions for other legal actions and regulatory matters*”, “*UK shareholder litigation*”, “*Financial Services Compensation Scheme*”, “*Tax authorities*” and “*Residential mortgage reposessions*” of the section “*Lloyds Banking Group and Lloyds Bank – Legal Actions and Regulatory Matters*” on pages 578 to 583 of the Prospectus, there are no governmental, legal or arbitration proceedings (including any such proceedings pending or threatened of which the Company is aware) during the 12 months preceding the date of this Supplement, which may have or have had in the recent past, significant effects on the financial position or profitability of the Company or the Group.

The Bank and the Company will provide, without charge, to each person to whom a copy of this Supplement has been delivered, upon the oral or written request of such person, a copy of any or all of the documents which are incorporated in whole or in part by reference herein or in each of the Prospectuses. Written or oral requests for such documents should be directed to either the Bank at its principal office at 25 Gresham Street, London, EC2V 7HN or to the Company at its principal office at The Mound, Edinburgh, EH1 1YZ. Copies of all documents incorporated by reference in this Supplement can also be viewed on the website of the Regulatory News Service operated by the London Stock Exchange at: <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>.

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the relevant Prospectus by this Supplement and (b) any other statement in or incorporated by reference into the relevant Prospectus, the statements in (a) above will prevail.

Save as disclosed in this Supplement, no other significant new factor, material mistake or inaccuracy relating to information included in each of the Prospectuses has arisen or been noted, as the case may be, since the publication of each of the Prospectuses.

Schedule

List of Prospectuses

EMTN Programme Prospectus

- Prospectus dated 17 May 2016 relating to the Lloyds Banking Group plc and Lloyds Bank plc £50,000,000,000 Euro Medium Term Note Programme (the “**EMTN Programme**”) and the supplements to it dated 29 July 2016 and 26 October 2016.

GMTN Programme Prospectus

- Prospectus dated 17 May 2016 relating to the Lloyds Banking Group plc and Lloyds Bank plc Global Medium Term Note Programme (the “**GMTN Programme**”, together with the EMTN Programme, the “**Programmes**”) and the supplements to it dated 29 July 2016 and 26 October 2016.