

SUPPLEMENTARY PROSPECTUS DATED 27 JULY 2017



LLOYDS BANKING GROUP plc
(incorporated in Scotland with limited liability with registered number 95000)

£25,000,000,000

Euro Medium Term Note Programme

This Supplement (the “**Supplement**”) to the prospectus dated 30 March 2017 and the supplementary prospectus dated 27 April 2017 (the “**Prospectus**”), 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 £25,000,000,000 Euro Medium Term Note Programme (the “**Programme**”) established by Lloyds Banking Group plc (the “**Company**”).

This Supplement is supplemental to, and should be read in conjunction with, the Prospectus 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 Prospectus.

The Company accepts responsibility for the information contained in this Supplement. To the best of the knowledge of 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 the Prospectus the 2017 Half-Year Results (as defined in this Supplement), which was published via the RNS on 27 July 2017;
- (b) update the no significant change statement of the Company and its subsidiary and associated undertakings (the “**Group**”); and
- (c) 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 Company’s 2017 Half-Year Results News Release for the half-year to 30 June 2017, including the unaudited condensed consolidated financial statements prepared on a statutory basis for the half-year to 30 June 2017, together with the independent review report thereon, as set out on pages 50 to 85 and 87 to 88 thereof, respectively (the “**2017 Half-Year Results**”), which have previously been filed with the Financial Conduct Authority, shall be deemed to be incorporated in, and form part of, the Prospectus and supplement the section entitled “*Documents Incorporated by Reference*” on page 10 of the Prospectus.

Any documents themselves incorporated by reference in the 2017 Half-Year Results shall not form part of the Prospectus.

General Information

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

The no significant change of the Group and no material adverse change of the Company statement at paragraph 3 on page 160 of the Prospectus is updated as stated below:

There has been no significant change in the financial position of the Group since 30 June 2017, the date to which the Group's last published unaudited interim financial information (as set out in the Company's 2017 Half-Year Results) 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.

(c) 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 4 on page 160 of the Prospectus is supplemented as set out below:

Save as disclosed in (i) the sub-sections entitled "Payment protection insurance (excluding MBNA)", "Other provisions for legal actions and regulatory matters – Packaged bank accounts" and "Other provisions for legal actions and regulatory matters – Arrears handling related activities" in note 14 to the 2017 Half-Year Results (on pages 69 to 70), (ii) the sub-section entitled "Statutory profit" on page 5 of the Q1 2017 Interim Management Statement in relation to the £100 million provision for estimated compensation costs in respect of the HBOS Reading fraud; and (iii) the sub-sections entitled "Interchange fees", "Libor and other trading rates", "Litigation in relation to insurance branch business in Germany", "Provisions for other legal actions and regulatory matters", "UK shareholder litigation", "Financial Services Compensation Scheme", "Tax authorities", "Residential mortgage repossessions", "Mortgage arrears handling activities", "HBOS Reading – Customer Review" and "Contingent liabilities in respect of other legal actions and regulatory matters" of the section "Lloyds Banking Group – Legal Actions and Regulatory Matters" on pages 126 to 130 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 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 the Prospectus. Written or oral requests for such documents should be directed 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 Prospectus by this Supplement and (b) any other statement in or incorporated by reference into the 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 the Prospectus has arisen or been noted, as the case may be, since the publication of the Prospectus.