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SUPPLEMENTARY PROSPECTUS DATED 30 OCTOBER 2020



LLOYDS BANK

LLOYDS BANK PLC

(incorporated in England with limited liability under the Companies Act 1862 and the Companies Act 1985 with registered number 2065)

€60 billion Global Covered Bond Programme

unconditionally and irrevocably guaranteed as to payments of interest and principal by

LLOYDS BANK COVERED BONDS LLP

(a limited liability partnership incorporated in England and Wales registered number OC340094)

This Supplement (the **Supplement**) to the prospectus dated 18 May 2020, as supplemented by the supplementary prospectus dated 3 August 2020 which comprises a base prospectus (the **Prospectus**) for the purposes of Regulation (EU) 2017/1129 (the **Prospectus Regulation**) constitutes a supplementary prospectus for the purposes of Article 23 of the Prospectus Regulation and is prepared in connection with the €60 billion Global Covered Bond Programme (the **Programme**) established by Lloyds Bank plc (the **Issuer**).

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.

This Supplement has been approved as a supplementary prospectus by the Financial Conduct Authority (the **FCA**), as competent authority under Prospectus Regulation, as a supplement to the Prospectus. The Prospectus constitutes a base prospectus prepared in compliance with the Prospectus Regulation for the purpose of giving information with regard to the issue of Covered Bonds under the Programme.

The Issuer and Lloyds Bank Covered Bonds LLP (the **LLP**) accept responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuer and the LLP (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:
 - (i) the Q3 2020 Interim Management Statement (as defined in this Supplement), which was published by Lloyds Bank plc via the RNS on 29 October 2020;
 - (ii) the Non-Executive Board and Committee Changes Announcement (as defined in this Supplement), which was published by Lloyds Banking Group plc via the RNS on 10 September 2020;
 - (iii) the Board Committee Changes Announcement (as defined in this Supplement), which was published by Lloyds Banking Group plc via the RNS on 25 September 2020; and

- (iv) the Chairman Succession Update Announcement (as defined in this Supplement), which was published by Lloyds Banking Group plc via the RNS on 29 October 2020;
- (b) update the no significant change statement of the Issuer and its subsidiary and associated undertakings (the **Lloyds Bank Group**) and the no material adverse change statement of the Issuer; and
- (c) update the section entitled "Recent Developments".

(a) Documents Incorporated by Reference

By virtue of this Supplement:

- (i) the unaudited Q3 2020 Interim Management Statement of the Issuer for the nine months ended 30 September 2020 (the "**Q3 2020 Interim Management Statement**"), which has previously been filed with the Financial Conduct Authority;
- (ii) the announcement entitled "Non-Executive Board and Committee Changes" (RNS Number 6222Y) (the "**Non-Executive Board and Committee Changes Announcement**"), which was published by Lloyds Banking Group plc via the RNS on 10 September 2020;
- (iii) the announcement entitled "Board Committee Changes" (RNS Number 1408A) (the "**Board Committee Changes Announcement**"), which was published by Lloyds Banking Group plc via the RNS on 25 September 2020; and
- (iv) the announcement entitled "Lloyds Banking Group - Chairman Succession Update" (RNS Number 5404D) the "**Chairman Succession Update Announcement**"), which was published by Lloyds Banking Group plc via the RNS on 29 October 2020,

shall be deemed to be incorporated in, and form part of, the Prospectus and supplement the section entitled "*Documents Incorporated by Reference*" on page 15 to 16 of the Prospectus.

Any documents themselves incorporated by reference in the Q3 2020 Interim Management Statement, the Non-Executive Board and Committee Changes Announcement, the Board Committee Changes Announcement or the Chairman Succession Update Announcement shall not form part of the Prospectus, unless otherwise specified here.

General Information

(b) Significant or Material Change

The following first sentence in the first paragraph under the section headed "*Significant or Material Change*" on page 271 of the Prospectus shall be deemed deleted and replaced with the following sentence:

"There has been no significant change in the financial position or financial performance of the Issuer or the Lloyds Bank Group since 30 September 2020, the date to which the Issuer or the Lloyds Bank Group's last published unaudited interim financial information (as set out in the **Issuer's Q3 2020 Interim Management Statement**) was prepared."

The following first sentence in the second paragraph under the section headed "*Significant or Material Change*" on page 271 of the Prospectus shall be deemed deleted and replaced with the following sentence:

"Save as disclosed in the sub-sections entitled (i) "*Risk Factors - Economic and Financial Risks - Risks relating to the impact of COVID-19*" and (ii) "*Recent Developments*" on pages 33 to 34 and 167 respectively of this Prospectus, there has been no material adverse change in the prospects of the Issuer since 31 December 2019, the date to which the Issuer's last published audited financial information (as set out in the Issuer's 2019 Annual Report) was prepared."

Recent Developments

The section entitled “*Recent Developments*” on page 167 of the Prospectus is updated as set out below:

“The outlook for the Lloyds Bank Group remains highly uncertain given the second wave of coronavirus, Government response including social distancing measures and the end of the furlough scheme, together with the ongoing Brexit negotiations. Mortgage activity has picked up strongly and there has been an increase in Retail current accounts ahead of the market; mortgage business strength has offset yield curve pressure. Solid pre-provision profit and enhanced capital strength provide significant loss absorbing capacity, building on the Lloyds Bank Group’s cost leadership position. On 30 September 2020, the Issuer’s parent, Lloyds Banking Group, announced its updated 2020 guidance, reflecting its proactive response to the challenging economic environment and based on its current macroeconomic assumptions. In that updated 2020 guidance, Lloyds Banking Group said it expected its:

- Net interest margin¹ to be c.240 basis points in the fourth quarter, resulting in a full year margin of c.250 basis points
- Operating costs to be below £7.6 billion;
- Impairments charge for the full year to be at the lower end of the £4.5 billion to £5.5 billion range; and
- Risk-weighted assets to be broadly stable compared to 30 September 2020.

Although the economic outlook remains uncertain, the Lloyds Bank Group remains well positioned for long-term superior and sustainable returns, supported by its leading efficiency position and prudent balance sheet. This together with the Lloyds Bank Group’s capital position and business model enables it to continue to support its customers and help Britain recover.”

The Issuer 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 Issuer at its principal office at 25 Gresham Street, London, EC2V 7HN.

Copies of this Supplement and all documents incorporated by reference in this Supplement can be viewed on the website of the Issuer at <https://www.lloydsbankinggroup.com/investors/> or the Regulatory News Service operated by the London Stock Exchange at 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.

¹ Net interest margin has been identified by the Lloyds Banking Group as an alternative performance measure and refers to banking net interest income on customer and product balances in the banking businesses as a percentage of average gross banking interest-earning assets for the period.