

SUPPLEMENTARY PROSPECTUS DATED 12 AUGUST 2015



LLOYDS BANK plc

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

LLOYDS BANKING GROUP plc

*(incorporated in Scotland with limited liability under the Companies Act 1985
with registered number 95000)*

Credit Linked Note Programme

This Supplement (the “**Supplement**”) to the prospectus dated 24 April 2015 and the supplementary prospectus dated 11 May 2015, which together constitute a base prospectus (the “**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 Credit Linked Note Programme (the “**Programme**”) 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 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.

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 the Prospectus the 2015 Half-Year Management Report and the 2015 Half-Year Results (each as defined in this Supplement), which were published via the RNS on 31 July 2015;
- (b) disclose recent developments relating to the upgrade by S&P of the Company’s long-term credit rating to ‘BBB+’, the downgrade by Moody’s of the Company’s long-term credit rating to ‘Baa1’ and the upgrade by Fitch of both the Bank’s and the Company’s credit ratings to ‘A+/F1’;
- (c) disclose a recent development relating to the announcement by the Company of the retirement, with effect from 31 October 2015, of Carolyn Fairbairn as an independent Non-executive Director of the Company and the Bank;

- (d) update the no significant change of the Bank and its subsidiary and associated undertakings (the “**Lloyds Bank Group**”);
- (e) update the no significant change statement of the Company and its subsidiary and associated undertakings (the “**Group**”);
- (f) update the no governmental, legal or arbitration proceedings statement of the Lloyds Bank Group and the Bank; and
- (g) 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 Prospectus and supplement the section entitled “*Documents Incorporated by Reference*” on page 14 of the Prospectus:

- (a) The Bank’s 2015 Half-Year Management Report for the half-year to 30 June 2015, including the unaudited condensed consolidated financial statements prepared on a statutory basis for the half-year to 30 June 2015, together with the independent review report thereon, as set out on pages 6 to 41 and 42 to 43 thereof, respectively (the “**2015 Half-Year Management Report**”); and
- (b) the Company’s 2015 Half-Year Results News Release for the half-year to 30 June 2015, including the unaudited condensed consolidated financial statements prepared on a statutory basis for the half-year to 30 June 2015, together with the independent review report thereon, as set out on pages 55 to 90 and 91 to 92 thereof, respectively (the “**2015 Half-Year Results**”).

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

(b) Credit Ratings

The credit ratings of the Bank and the Company are updated as set out below and supplement the sections entitled “Ratings of the Bank” on page 255 and “Ratings of the Company” on page 256 of the Prospectus:

Following the recent UK implementation of BRRD in the EU, S&P, Moody’s and Fitch have completed reviews of the Group’s ratings to reassess the likelihood of UK extraordinary government support.

On 9 June 2015, S&P upgraded the long-term ratings on the two holding companies Lloyds Banking Group plc and HBOS plc by one notch to ‘BBB+’. The operating companies Lloyds Bank plc and Bank of Scotland plc had their long-term ratings of ‘A’ affirmed. All ratings outlooks were revised to stable. On 5 June 2015, Moody’s affirmed both Lloyds Bank plc and Bank of Scotland plc at ‘A1/P-1’, downgraded Lloyds Banking Group plc to ‘Baa1’ from ‘A2’ and upgraded HBOS plc’s senior ratings to ‘A1/P-1’ from ‘A2/P-1’. All ratings outlooks were revised to positive. On 19 May 2015, Fitch upgraded Lloyds Bank plc, HBOS plc, Bank of Scotland plc and Lloyds Banking Group plc to ‘A+/F1’ from ‘A/F1’. The outlooks were revised to stable.

(c) Directors

The section entitled “Directors of the Bank and the Company” on page 279 of the Prospectus is supplemented with the following information:

With effect from 31 October 2015, Carolyn Fairbairn will retire as an independent Non-executive Director of the Company and the Bank to take up the position of Director-General of the Confederation of British Industry (CBI) in November 2015.

General Information

(d) No significant change of the Lloyds Bank Group

The no significant change of the Lloyds Bank Group statement at paragraph 3 on page 302 of the Prospectus is updated as set out below:

There has been no significant change in the financial position of the Lloyds Bank Group since 30 June 2015, the date to which the Lloyds Bank Group's last published audited interim financial information (as set out in the 2015 Half-Year Management Report) was prepared.

(e) No significant change of the Group

The no significant change of the Group statement at paragraph 4 on page 302 of the Prospectus is updated as set out below:

There has been no significant change in the financial position of the Group since 30 June 2015, the date to which the Group's last published audited interim financial information (as set out in the 2015 Half-Year Results) was prepared.

(f) 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 302 of the Prospectus is supplemented as set out below:

Save as disclosed in (i) the sub-sections entitled "Payment protection insurance", "Litigation in relation to insurance branch business in Germany", "Interest rate hedging products", "FCA review of complaint handling" and "Other legal actions and regulatory matters" in note 10 to the 2015 Half-Year Management Report and the sub-sections entitled "Interchange fees", "LIBOR and other trading rates", "Financial Services Compensation Scheme", "PRA/FCA report on HBOS" and "Plevin v Paragon Personal Finance Limited" in note 11 to the 2015 Half-Year Management Report and (ii) the sub-sections entitled "UK shareholder litigation", "U.S.-Swiss tax programme", "Tax authorities" and "Residential mortgage repossessions" of the section "Lloyds Banking Group and Lloyds Bank – Legal Actions and Regulatory Matters" on pages 269 to 271 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.

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

The no governmental, legal or arbitration proceedings statement of the Lloyds Bank Group and the Bank at paragraph 6 on page 302 to 303 of the Prospectus is supplemented as set out below:

Save as disclosed in (i) the sub-sections entitled "Payment protection insurance", "Litigation in relation to insurance branch business in Germany", "Interest rate hedging products", "FCA review of complaint handling" and "Other legal actions and regulatory matters" in note 12 to the 2015 Half-Year Results and the sub-sections entitled "Interchange fees", "LIBOR and other trading rates", "UK shareholder litigation", "Financial Services Compensation Scheme", "PRA/FCA report on HBOS" and "Plevin v Paragon Personal Finance Limited" in note 13 to the 2015 Half-Year Results and (ii) the sub-sections entitled "U.S.-Swiss tax programme", "Tax authorities" and "Residential mortgage repossessions" of the section "Lloyds Banking Group and Lloyds Bank – Legal Actions and Regulatory Matters" on pages 269 to 271 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 Lloyds Banking 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 the Prospectus. 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 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.