



## 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)*

**£5,000,000,000**

### **Low Denomination Euro Medium Term Note Programme**

This Supplement (the “**Supplement**”) to the prospectus dated 9 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 £5,000,000,000 Low Denomination Euro Medium Term 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;
- (g) update the no governmental, legal or arbitration proceedings statement of the Group and the Company; and
- (h) following release of the 2015 Half-Year Management Report and the 2015 Half-Year Results, update the Summary appearing on pages 7 to 24 of the Prospectus to take into account such new information relating to the financials and the ratings of the Issuers. The new Summary is attached as the Appendix hereto.

**(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 80 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 140 and “Ratings of the Company” on page 141 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 165 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 234 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 234 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 234 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 155 to 156 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 234 to 235 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 reposessions”* of the section *“Lloyds Banking Group and Lloyds Bank – Legal Actions and Regulatory Matters”* on pages 155 to 156 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.

## Appendix (h) Summary

Section B – The Bank						
B.12	Selected historical key financial information regarding the Bank	The following summary financial data for each of the financial years ended 31 December 2013 and 2014 and half-year periods ended 30 June 2014 and 30 June 2015 has been extracted, without material adjustment, from Lloyds Bank Group’s consolidated financial statements in respect of those dates or relevant periods, as applicable.				
		There has been no significant change in the financial position of the Lloyds Bank Group since 30 June 2015 and there has been no material adverse change in the prospects of the Bank since 31 December 2014.				
		<b>Consolidated Income Statement</b>				
			Year to 31 December 2014	Year to 31 December 2013	Half-year to 30 June 2015	Half-year to 30 June 2014
			Audited	Audited	Unaudited	Unaudited
		(£million)				
		Net Interest Income	10,214	6,990	5,215	5,077
		Other Income	19,948	31,227	6,803	9,917
		<b>Total income</b>	<b>30,162</b>	<b>38,217</b>	<b>12,018</b>	<b>14,994</b>
		Insurance claims	(13,493)	(19,507)	(2,998)	(6,338)
		<b>Total income, net of insurance claims</b>	<b>16,669</b>	<b>18,710</b>	<b>9,020</b>	<b>8,656</b>
		Total operating expenses	(13,628)	(15,075)	(7,443)	(6,197)
		Impairment	(752)	(2,741)	(161)	(641)
		<b>Profit (loss) before tax</b>	<b>2,289</b>	<b>894</b>	<b>1,416</b>	<b>1,818</b>
		<b>Consolidated Balance Sheet</b>				
			At 31 December 2014	At 31 December 2013	At 30 June 2015	At 30 June 2014
	Audited	Audited	Unaudited	Unaudited		
(£million)						
<b>Assets</b>						
Cash and balances at central banks	50,492	49,915	67,687	50,845		
Trading and other financial assets at fair value through profit or loss	152,520	143,207	148,455	147,748		
Derivative financial	35,483	29,592	27,725	26,771		

		instruments				
		Loans and receivables:				
		Loans and advances to customers	482,704	492,952	425,427	491,345
		Loans and advances to banks	26,155	25,365	23,548	21,589
		Debt securities	1,213	1,355	1,569	1,266
		Due from fellow Lloyds Banking Group undertakings	11,482	15,453	11,599	15,531
			521,554	535,125	489,143	529,731
		Available-for-sale financial assets	56,493	43,976	32,173	50,348
		Other assets	49,906	55,539	69,501	54,083
		<b>Total assets</b>	<b>866,448</b>	<b>857,354</b>	<b>834,684</b>	<b>859,526</b>
		<b>Liabilities</b>				
		Deposits from banks	10,887	13,982	16,966	11,851
		Customer deposits	447,067	439,467	416,595	445,091
		Due to fellow Lloyds Banking Group Undertakings	5,288	8,797	5,352	8,617
		Trading and other financial liabilities at fair value through profit or loss	62,102	43,625	63,328	63,046
		Derivative financial instruments	33,293	27,898	27,856	25,508
		Debt securities in issue	75,672	86,566	77,219	77,220
		Liabilities arising from insurance and investment contracts	114,509	110,782	107,630	84,312
		Subordinated liabilities	31,973	33,534	28,583	32,015
		Other liabilities	35,667	48,617	42,672	30,115
		<b>Total liabilities</b>	<b>816,458</b>	<b>813,268</b>	<b>786,201</b>	<b>813,255</b>
		<b>Total equity</b>	<b>49,990</b>	<b>44,086</b>	<b>48,483</b>	<b>46,271</b>
		<b>Total liabilities and equity</b>	<b>866,448</b>	<b>857,354</b>	<b>834,684</b>	<b>859,526</b>
<b>B.17</b>	<b>Credit ratings</b>	<p><b>Programme summary:</b></p> <p>The long-term senior obligations of the Bank are rated “A” by Standard &amp; Poor’s Credit Market Services Europe Limited (“<b>S&amp;P</b>”), “A1” by Moody’s Investors Service Ltd. (“<b>Moody’s</b>”) and “A+” by Fitch Ratings Limited (“<b>Fitch</b>”). The short-term obligations of the Bank are rated “A-1” by S&amp;P, “P-1” by Moody’s and “F1” by Fitch.</p> <p>Tranches of Notes to be issued under the Programme will be rated or</p>				

		<p>unrated. Where a Tranche of Notes is to be rated, such rating will not necessarily be the same as the rating assigned to Notes already issued. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.</p> <p><b>Issue specific summary:</b></p> <p>[The Notes [are not/have been/are expected to be] rated]:</p> <p>[rating agency]: [●]]</p> <p>[[rating agency] [is established in the EU and registered under the CRA Regulation (Regulation (EC) No 1060/2009).]</p>
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Section B – The Company						
B.12	Selected historical key financial information regarding the Company	The following summary financial data for each of the financial years ended 31 December 2013 and 2014 and half-year periods ended 30 June 2014 and 30 June 2015 has been extracted, without material adjustment, from the Group’s consolidated financial statements in respect of those dates or relevant periods, as applicable.				
		There has been no significant change in the financial position of the Group since 30 June 2015and there has been no material adverse change in the prospects of the Company since 31 December 2014.				
		<b>Consolidated Income Statement</b>				
		Year to 31 December 2014	Year to 31 December 2013	Half-year to 30 June 2015	Half-year to 30 June 2014	
		Audited	Audited	Unaudited	Unaudited	
		(£million)				
		Net Interest Income	10,660	7,338	5,492	5,262
		Other Income	19,232	30,647	6,313	8,772
		<b>Total Income</b>	<b>29,892</b>	<b>37,985</b>	<b>11,805</b>	<b>14,034</b>
		Insurance claims	(13,493)	(19,507)	(2,998)	(6,338)
		<b>Total income, net of insurance claims</b>	<b>16,399</b>	<b>18,478</b>	<b>8,807</b>	<b>7,696</b>
		Total operating expenses	(13,885)	(15,322)	(7,453)	(6,192)
		Impairment	(752)	(2,741)	(161)	(641)
		<b>Profit (loss) before tax</b>	<b>1,762</b>	<b>415</b>	<b>1,193</b>	<b>863</b>
				<b>Consolidated Balance Sheet</b>		
		At 31 December 2014	At 31 December 2013	At 30 June 2015	At 30 June 2014	

		Audited	Audited	Unaudited	Unaudited
		(£million)			
	<b>Assets</b>				
	Cash and balances at central banks	50,492	49,915	67,687	50,845
	Trading and other financial assets at fair value through profit or loss	151,931	142,683	147,849	147,187
	Derivative financial instruments	36,128	30,804	27,980	27,241
	Loans and receivables:				
	Loans and advances to customers	482,704	492,952	452,427	491,345
	Loans and advances to banks	26,155	25,365	23,548	21,589
	Debt securities	1,213	1,355	1,569	1,266
		510,072	519,672	477,544	514,200
	Available-for-sale financial assets	56,493	43,976	32,173	50,348
	Other assets	49,780	55,330	69,599	54,119
	<b>Total assets</b>	<b>854,896</b>	<b>842,380</b>	<b>822,832</b>	<b>843,940</b>
	<b>Liabilities</b>				
	Deposits from banks	10,887	13,982	16,966	11,851
	Customer deposits	447,067	439,467	416,595	445,091
	Trading and other financial liabilities at fair value through profit or loss	62,102	43,625	63,328	63,046
	Derivative financial instruments	33,187	27,658	27,778	25,285
	Debt securities in issue	76,233	87,102	77,776	77,729
	Liabilities arising from insurance and investment contracts	114,486	110,758	107,604	111,958



		Subordinated liabilities                      26,042                      32,312                      22,639                      25,675  Other liabilities                                      34,989                      48,140                      42,105                      37,427  <b>Total liabilities</b> <b>804,993</b> <b>803,044</b> <b>774,791</b> <b>798,062</b>  <b>Total equity</b> <b>49,903</b> <b>39,336</b> <b>48,041</b> <b>45,878</b>  <b>Total liabilities and equity</b> <b>854,896</b> <b>842,380</b> <b>822,832</b> <b>843,940</b>
<b>B.17</b>	<b>Credit ratings</b>	<p><b><i>Programme summary:</i></b></p> <p>The long-term senior obligations of the Company are rated “BBB+” by Standard &amp; Poor’s Credit Market Services Europe Limited (“<b>S&amp;P</b>”), “Baa1” by Moody’s Investors Service Ltd. (“<b>Moody’s</b>”) and “A+” by Fitch Ratings Limited (“<b>Fitch</b>”). The short-term obligations of the Company are rated “A-2” by S&amp;P, “P-1” by Moody’s and “F1” by Fitch. Tranches of Notes to be issued under the Programme will be rated or unrated. Where a Tranche of Notes is to be rated, such rating will not necessarily be the same as the rating assigned to Notes already issued. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.</p> <p><b><i>Issue specific summary:</i></b></p> <p>[The Notes [are not/have been/are expected to be] rated]:</p> <p>[<i>rating agency</i>]: [●]</p> <p>[[<i>rating agency</i>] [is established in the EU and registered under the CRA Regulation (Regulation (EC) No 1060/2009).]</p>