

SUPPLEMENTARY OFFERING CIRCULAR DATED 30 OCTOBER 2020



LLOYDS BANK

LLOYDS BANK plc

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

Global Medium Term Note Programme

This Supplement (the “**Supplement**”) to the offering circular dated 11 June 2020, which comprises an offering circular (the “**Offering Circular**”), is prepared in connection with the Global Medium Term Note Programme (the “**Programme**”) established by Lloyds Bank plc (the “**Bank**”). Prospective investors should note that neither this Supplement nor the Offering Circular constitutes a “prospectus” for the purposes of Regulation (EU) 2017/1129.

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

The Bank accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Bank (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 Offering Circular:
 - (i) the Q3 2020 Interim Management Statement (as defined in this Supplement), which was published by Lloyds Banking Group 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; and
- (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; 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 Bank 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 Offering Circular and supplement the section entitled “*Documents Incorporated by Reference*” on page 21 of the Offering Circular.

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 Offering Circular.

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

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

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 31 to 32 and 677 respectively of this Offering Circular, there has been no material adverse change in the prospects of the Bank since 31 December 2019, the date to which the Bank’s last published audited financial information (as set out in the Bank’s 2019 Annual Report) was prepared.

(c) Recent Developments section

The section entitled “Recent Developments” on page 677 of the Offering Circular is updated as set out below:

Recent Developments

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;
- Impairment 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.

Copies of this Supplement and all documents incorporated by reference in this Supplement can be viewed on the website of the Bank at www.lloydsbankinggroup.com.

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Offering Circular by this Supplement and (b) any other statement in or incorporated by reference into the Offering Circular, 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 Offering Circular has arisen or been noted, as the case may be, since the publication of the Offering Circular.

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.