



LLOYDS BANK plc

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

LLOYDS BANKING GROUP plc

*(incorporated in Scotland with limited liability
with registered number 95000)*

£5,000,000,000

Low Denomination Euro Medium Term Note Programme

This Supplement (the “**Supplement**”) to the prospectus dated 17 May 2016, which constitutes 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 2016 Half-Year Management Report and the 2016 Half-Year Results (each as defined in this Supplement), which were published via the RNS on 28 July 2016;
- (b) update the no significant change of the Bank and its subsidiary and associated undertakings (the “**Lloyds Bank Group**”);
- (c) update the no significant change statement of the Company and its subsidiary and associated undertakings (the “**Group**”);
- (d) update the no governmental, legal or arbitration proceedings statement of the Lloyds Bank Group and the Bank;

- (e) update the no governmental, legal or arbitration proceedings statement of the Group and the Company; and
- (f) following release of the 2016 Half-Year Management Report and the 2016 Half-Year Results, update certain sections of the Summary appearing on pages 8 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 sections B.12 and B.17 for each Issuer are 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 2016 Half-Year Management Report for the half-year to 30 June 2016, including the unaudited condensed consolidated financial statements prepared on a statutory basis for the half-year to 30 June 2016, together with the independent review report thereon, as set out on pages 6 to 41 and 43 to 44 thereof, respectively (the “**2016 Half-Year Management Report**”); and
- (b) the Company’s 2016 Half-Year Results News Release for the half-year to 30 June 2016, including the unaudited condensed consolidated financial statements prepared on a statutory basis for the half-year to 30 June 2016, together with the independent review report thereon, as set out on pages 54 to 91 and 93 to 94 thereof, respectively (the “**2016 Half-Year Results**”).

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

General Information

(b) No significant change of the Lloyds Bank Group

The no significant change of the Lloyds Bank Group statement at paragraph 3 on page 228 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 2016, the date to which the Lloyds Bank Group’s last published unaudited interim financial information (as set out in the Bank’s 2016 Half-Year Management Report) was prepared.

(c) No significant change of the Group

The no significant change of the Group statement at paragraph 4 on page 228 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 2016, the date to which the Group’s last published unaudited interim financial information (as set out in the Company’s 2016 Half-Year Results) was prepared.

(d) 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 228 of the Prospectus is supplemented as set out below:

Save as disclosed in (i) the sub-section entitled “*Mortgage arrears handling activities*” on page 28 of the 2016 Half-Year Management Report and (ii) the sub-sections entitled “*Interchange fees*”, “*Payment Protection Insurance*”, “*Investigation and litigation relating to interbank offered rates, and other references rates*”, “*Litigation in relation to insurance branch business in Germany*”, “*Interest rate hedging products*”,

“Provisions for other legal actions and regulatory matters”, “UK shareholder litigation”, “Financial Services Compensation Scheme”, “Tax authorities” and “Residential mortgage repossessions” of the section “Lloyds Banking Group and Lloyds Bank – Legal Actions and Regulatory Matters” on pages 151 to 157 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.

(e) 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 6 on pages 228 to 229 of the Prospectus is supplemented as set out below:

Save as disclosed in (i) the sub-section entitled “Mortgage arrears handling activities” on page 78 of the 2016 Half-Year Results and (ii) the sub-sections entitled “Interchange fees”, “Payment Protection Insurance”, “Investigation and litigation relating to interbank offered rates, and other references rates”, “Litigation in relation to insurance branch business in Germany”, “Interest rate hedging products”, “Provisions for other legal actions and regulatory matters”, “UK shareholder litigation”, “Financial Services Compensation Scheme”, “Tax authorities” and “Residential mortgage repossessions” of the section “Lloyds Banking Group and Lloyds Bank – Legal Actions and Regulatory Matters” on pages 151 to 157 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 (f) Summary

Section B – The Bank					
B.12	Selected historical key financial information regarding the Bank	<p>The following summary financial data for each of the financial years ended 31 December 2014 and 2015 and half-year periods ended 30 June 2015 and 30 June 2016 has been extracted, without material adjustment, from Lloyds Bank Group’s consolidated financial statements in respect of those dates or relevant periods, as applicable.</p> <p>There has been no significant change in the financial position of the Lloyds Bank Group since 30 June 2016 and there has been no material adverse change in the prospects of the Bank since 31 December 2015.</p>			
		Consolidated Income Statement			
		Year to 31 December 2015	Year to 31 December 2014	Half-year to 30 June 2016	Half-year to 30 June 2015
		Audited	Audited	Unaudited	Unaudited
		<i>(£million)</i>			
		10,751	10,214	4,982	5,215
		11,836	19,948	11,987	6,803
		22,587	30,162	16,969	12,018
		(5,729)	(13,493)	(10,110)	(2,998)
		16,858	16,669	6,859	9,020
		(15,096)	(13,628)	(5,494)	(7,443)
		1,762	3,041	1,365	1,577
		(390)	(752)	(362)	(161)
		1,372	2,289	1,003	1,416
		Consolidated Balance Sheet			
		At 31 December 2015	At 31 December 2014	At 30 June 2016	At 30 June 2015
		Audited	Audited	Unaudited	Unaudited
		<i>(£million)</i>			
		Assets			
		58,417	50,492	73,399	67,687
		141,149	152,520	146,622	148,455

	Derivative financial instruments	28,922	35,483	47,357	27,725
	Loans and receivables:				
	Loans and advances to customers	455,175	482,704	453,033	452,427
	Loans and advances to banks	25,117	26,155	25,958	23,548
	Debt securities	4,191	1,213	3,996	1,569
	Due from fellow Lloyds Banking Group undertakings	11,045	11,482	2,440	11,599
		495,528	521,554	485,427	489,143
	Available-for-sale financial assets	33,032	56,493	35,860	32,173
	Held to maturity investments	19,808	0	21,500	19,960
	Other assets	41,048	49,906	40,892	49,541
	Total assets	817,904	866,448	851,057	834,684
	Liabilities				
	Deposits from banks	16,925	10,887	23,162	16,966
	Customer deposits	418,326	447,067	423,279	416,595
	Due to fellow Lloyds Banking Group Undertakings	5,926	5,288	2,108	5,352
	Trading and other financial liabilities at fair value through profit or loss	51,863	62,102	52,094	63,328
	Derivative financial instruments	26,347	33,293	42,860	27,856
	Debt securities in issue	82,056	75,672	88,758	77,219
	Liabilities arising from insurance and investment contracts	103,351	114,509	108,007	107,630
	Subordinated liabilities	27,605	31,973	21,392	28,583
	Other liabilities	38,152	35,667	39,121	42,672
	Total liabilities	770,551	816,458	800,781	786,201
	Total equity	47,353	49,990	50,276	48,483
	Total liabilities and equity	817,904	866,448	851,057	834,684

B.17	Credit ratings	<p>Programme summary:</p> <p>The long-term senior obligations of the Bank are rated “A” by Standard & Poor’s Credit Market Services Europe Limited (“S&P”), “A1” by Moody’s Investors Service Ltd. (“Moody’s”) and “A+” by Fitch Ratings Limited (“Fitch”). The short-term obligations of the Bank are rated “A-1” by S&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 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>Issue specific summary:</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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B.12	Selected historical key financial information regarding the Company	<p>The following summary financial data for each of the financial years ended 31 December 2014 and 2015 and half-year periods ended 30 June 2015 and 30 June 2016 has been extracted, without material adjustment, from the Group’s consolidated financial statements in respect of those dates or relevant periods, as applicable.</p> <p>There has been no significant change in the financial position of the Group since 30 June 2016 and there has been no material adverse change in the prospects of the Company since 31 December 2015.</p> <p>Consolidated Income Statement</p> <table border="1" data-bbox="624 1406 1455 2047"> <thead> <tr> <th></th> <th>Year to 31 December 2015</th> <th>Year to 31 December 2014</th> <th>Half-year to 30 June 2016</th> <th>Half-year to 30 June 2015</th> </tr> <tr> <th></th> <th>Audited</th> <th>Audited</th> <th>Unaudited</th> <th>Unaudited</th> </tr> </thead> <tbody> <tr> <td></td> <td colspan="4" style="text-align: center;">(€million)</td> </tr> <tr> <td>Net Interest Income</td> <td>11,318</td> <td>10,660</td> <td>5,225</td> <td>5,492</td> </tr> <tr> <td>Other Income</td> <td>11,832</td> <td>19,232</td> <td>13,205</td> <td>6,313</td> </tr> <tr> <td>Total Income</td> <td>23,150</td> <td>29,892</td> <td>18,430</td> <td>11,805</td> </tr> <tr> <td>Insurance claims</td> <td>(5,729)</td> <td>(13,493)</td> <td>(10,110)</td> <td>(2,998)</td> </tr> <tr> <td>Total income, net of insurance claims</td> <td>17,421</td> <td>16,399</td> <td>8,320</td> <td>8,807</td> </tr> <tr> <td>Total operating expenses</td> <td>(15,387)</td> <td>(13,885)</td> <td>(5,504)</td> <td>(7,453)</td> </tr> </tbody> </table>		Year to 31 December 2015	Year to 31 December 2014	Half-year to 30 June 2016	Half-year to 30 June 2015		Audited	Audited	Unaudited	Unaudited		(€million)				Net Interest Income	11,318	10,660	5,225	5,492	Other Income	11,832	19,232	13,205	6,313	Total Income	23,150	29,892	18,430	11,805	Insurance claims	(5,729)	(13,493)	(10,110)	(2,998)	Total income, net of insurance claims	17,421	16,399	8,320	8,807	Total operating expenses	(15,387)	(13,885)	(5,504)	(7,453)
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		Total Surplus	2,034	2,514	2,816	–
		Impairment	(390)	(752)	(362)	(161)
		Profit before tax	1,644	1,762	2,454	1,193
		Consolidated Balance Sheet				
			At 31 December 2015	At 31 December 2014	At 30 June 2016	At 30 June 2015
			Audited	Audited	Unaudited	Unaudited
			<i>(£million)</i>			
		Assets				
		Cash and balances at central banks	58,417	50,492	73,399	67,687
		Trading and other financial assets at fair value through profit or loss	140,536	151,931	146,177	147,849
		Derivative financial instruments	29,467	36,128	47,323	27,980
		Loans and receivables:				
		Loans and advances to customers	455,175	482,704	453,033	452,427
		Loans and advances to banks	25,117	26,155	25,958	23,548
		Debt securities	4,191	1,213	3,996	1,569
			484,483	510,072	482,987	477,544
		Available-for-sale financial assets	33,032	56,493	35,860	32,173
		Held to maturity investments	19,808	0	21,500	19,960
		Other assets	40,945	49,780	40,986	49,639
		Total assets	806,688	854,896	848,232	822,832
		Liabilities				
		Deposits from banks	16,925	10,887	23,162	16,966
		Customer deposits	418,326	447,067	423,279	416,595
		Trading and other financial	51,863	62,102	52,094	63,328

		liabilities at fair value through profit or loss				
		Derivative financial instruments	26,301	33,187	42,376	27,778
		Debt securities in issue	82,056	76,233	88,758	77,776
		Liabilities arising from insurance and investment contracts	103,328	114,486	107,985	107,604
		Subordinated liabilities	23,312	26,042	22,935	22,639
		Other liabilities	37,597	34,989	38,705	42,105
		Total liabilities	759,708	804,993	799,294	774,791
		Total equity	46,980	49,903	48,938	48,041
		Total liabilities and equity	806,688	854,896	848,232	822,832
B.17	Credit ratings	<p>Programme summary:</p> <p>The long-term senior obligations of the Company are rated “BBB+” by Standard & Poor’s Credit Market Services Europe Limited (“S&P”), “Baa1” by Moody’s Investors Service Ltd. (“Moody’s”) and “A+” by Fitch Ratings Limited (“Fitch”). The short-term obligations of the Company are rated “A-2” by S&P, “P-2” 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>Issue specific summary:</p> <p>[The Notes [are not/have been/are expected to be] rated]: [<i>rating agency</i>]: [●] [[<i>rating agency</i>] [is established in the EU and registered under the CRA Regulation (Regulation (EC) No 1060/2009).]</p>				