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FINAL DRAFT

SERIES 2018-5 SUPPLEMENTAL TRUST DEED

___ DECEMBER 2020

**LLOYDS BANK PLC
as Issuer**

and

**LLOYDS BANK COVERED BONDS LLP
as LLP**

and

**BNY MELLON CORPORATE TRUSTEE SERVICES LIMITED
as Bond Trustee and Security Trustee**

relating to the €60 billion Global Covered Bond Programme

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THIS SERIES 2018-5 SUPPLEMENTAL TRUST DEED (this **Series 2018-5 Supplemental Trust Deed**) is made on ___ October 2020.

BETWEEN:

- (1) **LLOYDS BANK PLC** (formerly known as Lloyds TSB Bank plc) (registered number 2065), a public limited company incorporated under the laws of England and Wales, whose registered office is at 25 Gresham Street, London EC2V 7HN (the **Issuer**);
- (2) **LLOYDS BANK COVERED BONDS LLP** (formerly known as Lloyds TSB Covered Bonds LLP) (registered number OC340094), a limited liability partnership established in England and Wales under the Limited Liability Partnerships Act 2000, whose principal place of business is at 1 Bartholomew Lane London EC2N 2AX (the **LLP**); and
- (3) **BNY MELLON CORPORATE TRUSTEE SERVICES LIMITED** (registered number 02631386), a private limited company incorporated under the laws of England and Wales, whose registered office is at One Canada Square, London E14 5AL (in its capacity as the bond trustee for the Covered Bondholders, the Receiptholders and the Couponholders (the **Bond Trustee**) and in its capacity as the security trustee for the Secured Creditors (the **Security Trustee**)), which expressions shall, wherever the context so admits, include such company and all other persons or companies for the time being the bond trustee or bond trustees or security trustee or security trustees of the trust presents.

WHEREAS:

- (A) This Series 2018-5 Supplemental Trust Deed is supplemental to the trust deed dated 20 October 2008, as supplemented by a first supplemental trust deed dated 18 December 2008, as supplemented by a second supplemental trust deed dated 11 January 2010, as supplemented by a third supplemental trust deed dated 24 June 2010, as supplemented by a fourth supplemental trust deed dated 12 August 2010 and as supplemented by a fifth supplemental trust deed dated 8 November 2010 as supplemented by a sixth supplemental trust deed dated 7 June 2013, as supplemented by a seventh supplemental trust deed dated 22 July 2013, as supplemented by an eighth supplemental trust deed dated 7 April 2014, as supplemented by a ninth supplemental trust deed dated 1 April 2016, as supplemented by a tenth supplemental trust deed dated 30 March 2017, as supplemented by an eleventh supplemental trust deed dated 17 April 2018 and the twelfth supplemental trust deed dated 1 August 2018 (the **Principal Trust Deed**) made between the Issuer, the LLP, the Bond Trustee and the Security Trustee and relating to the €60 billion Global Covered Bond Programme (the **Programme**) established by the Issuer.
- (B) The Issuer on 15 November 2018 issued U.S.\$750,000,000 3.375 per cent. Fixed Rate Series 2018-5 Covered Bonds due November 2021 (ISIN: XS1907146671) (the **Series 2018-5 Covered Bonds**), under the Programme. The Series 2018-5 Covered Bonds remain outstanding as at the date hereof.
- (C) Pursuant to Condition 14 (Meetings of Covered Bondholders, Modification, Waiver and Substitution) and Schedule 4 (Provisions for Meetings of Covered Bondholders) of the Trust Deed, the holders of the Series 2018-5 Covered Bonds have at the meeting convened by the Notice, to be held via teleconference on 4 December 2020 (the **Meeting**) authorised, requested and directed the Bond Trustee to enter into this Series 2018-5 Supplemental Trust Deed by way of Extraordinary Resolution dated on or about the date hereof (the **2020 Extraordinary Resolution**).
- (D) The Issuer has requested the Bond Trustee to enter into this Series 2018-5 Supplemental Trust Deed to concur in making the modifications referred to in Clauses 2 and 3 below.

- (E) The Bond Trustee, acting on the directions of the Covered Bondholders pursuant to the 2020 Extraordinary Resolution, has agreed with the Issuer to modify the Final Terms of the Series 2018-5 Covered Bonds and amend Condition 4.2(b)(ii) (Screen Rate Determination for Floating Rate Covered Bonds) accordingly.

NOW THIS SERIES 2018-5 SUPPLEMENTAL TRUST DEED WITNESSES AND IT IS AGREED AND DECLARED as follows:

1. DEFINITIONS

Subject as otherwise provided in this Series 2018-5 Supplemental Trust Deed and unless there is anything in the subject or context inconsistent therewith, all words and expressions defined in the Principal Trust Deed shall have the same meanings in this Series 2018-5 Supplemental Trust Deed.

2. FINAL TERMS

The Conditions for the Series 2018-5 Covered Bonds shall be determined by reference to the Final Terms set out in Schedule 1 (Final Terms) which shall be deemed to replace the Final Terms dated 14 November 2018 relating to the Series 2018-5 Covered Bonds.

3. CONDITION 4.2(B)(II) (SCREEN RATE DETERMINATION FOR FLOATING RATE COVERED BONDS)

With effect from the date hereof Condition 4.2(b)(ii) (Screen Rate Determination for Floating Rate Covered Bonds) shall be amended, in respect of the Series 2018-5 Covered Bonds only, to add the following sub-section at the end of Condition 4.2(b)(ii) (Screen Rate Determination for Floating Rate Covered Bonds):

"SOFR

The Rate of Interest for each Interest Accrual Period will, subject to Condition 4.2(d), and as provided below, be the Compounded Daily SOFR plus or minus the Margin, where:

Compounded Daily SOFR means, with respect to an Interest Accrual Period, the rate of return of a daily compound interest investment in U.S. Dollars (with the applicable SOFR as the reference rate for the calculation of interest) and will be calculated by the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest) on the Interest Determination Date as follows, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards:

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{SOFR_{i-pUSBD} \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

where:

d is the number of calendar days in the relevant Interest Accrual Period;

d₀ is the number of U.S. Government Securities Business Days in the relevant Interest Accrual Period;

i is a series of whole numbers from one to d₀, each representing the U.S. Government Securities Business Days in chronological order from, and including, the first U.S. Government Securities Business Day in the relevant Interest Accrual Period;

USBD means a U.S. Government Securities Business Day;

n_i, for any U.S. Government Securities Business Day "i", means the number of calendar days from and including such U.S. Government Securities Business Day "i" up to but excluding the following U.S. Government Securities Business Day;

p means the number of U.S. Government Securities Business Days included in the Observation Look-Back Period; and

SOFR_{i-pUSBD} means SOFR for the U.S. Government Securities Business Day (being a U.S. Government Securities Business Day falling in the relevant Observation Period) falling "p" U.S. Government Securities Business Days prior to the relevant U.S. Government Securities Business Day "i".

Subject to Condition 14.2(d), if SOFR is not available in respect of any U.S. Government Securities Business Day, then the reference rate shall be SOFR for the first preceding Business Day on which SOFR was published on the Federal Reserve Bank of New York's Website, and "SOFR" shall be interpreted accordingly.

For the purposes of Condition 4.2(b)(ii), the following definitions will apply:

Federal Reserve Bank of New York's Website means the website of the Federal Reserve Bank of New York at <http://www.newyorkfed.org>, or any successor source (for the avoidance of doubt, this website (and/or any successor source) and the contents thereof do not form part of this document).

Observation Period means, in respect of an Interest Accrual Period, the period from and including the date falling "p" U.S. Government Securities Business Days prior to the first day of the relevant Interest Accrual Period and ending on, but excluding, the date which is "p" U.S. Government Securities Business Days prior to the Interest Payment Date for such Interest Accrual Period (or the date falling "p" U.S. Government Securities Business Days prior to such earlier date, if any, on which the Covered Bonds become due and payable).

SOFR means, in respect of any U.S. Government Securities Business Day, a reference rate equal to the daily Secured Overnight Financing Rate as provided by the Federal Reserve Bank of New York, as the administrator of such rate (or any successor administrator of such rate) on the Federal Reserve Bank of New York's Website, in each case on or about 5:00 p.m. (New York City Time) on the U.S. Government Securities Business Day immediately following such U.S. Government Securities Business Day.

U.S. Government Securities Business Day means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association (or any successor thereto) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

If the relevant Series of Covered Bonds become due and payable in accordance with Condition 9, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Final Terms, be deemed to be the date on which such Covered Bonds became due and payable and the Rate of Interest on such Covered Bonds shall, for so long as any such Covered Bond remains outstanding, be that determined on such date and as if (solely for the purpose of such interest determination) the relevant Interest Accrual Period had been shortened accordingly.

Effect of Benchmark Transition Event

If the Designated Transaction Representative determines on or prior to the relevant determination date that a Benchmark Transition Event has occurred with respect to any U.S. dollar denominated Floating Rate Covered Bonds calculated by reference to SOFR, then the Bond Trustee shall be obliged, without the consent or sanction of the Covered Bondholders (including without the requirement to provide to Covered Bondholders an opportunity to object) or any confirmation from any Rating Agencies, to concur with the Designated Transaction Representative in making any

modification (other than in respect of a Series Reserved Matter, provided that neither replacing the then-current Benchmark with the Benchmark Replacement nor any Benchmark Replacement Conforming Changes (each as defined below) shall constitute in respect of a Series Reserved Matter) of the Conditions or any of the Transaction Documents solely with respect to any U.S. dollar denominated Floating Rate Covered Bonds calculated by reference to SOFR that the Designated Transaction Representative decides may be appropriate to give effect to the provisions set forth under this section titled “*Effect of Benchmark Transition Event*” in relation only to all determinations of the rate of interest payable on any U.S. dollar denominated Floating Rate Covered Bonds calculated by reference to SOFR (and any related swap agreements):

- I. If the Designated Transaction Representative determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any determination of the Benchmark on any date applicable to any U.S. dollar denominated Floating Rate Covered Bonds calculated by reference to SOFR, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to any U.S. dollar denominated Floating Rate Covered Bonds calculated by reference to SOFR in respect of such determination on such date and all determinations on all subsequent dates.
- II. In connection with the implementation of a Benchmark Replacement with respect to any U.S. dollar denominated Floating Rate Covered Bonds calculated by reference to SOFR, the Designated Transaction Representative will have the right to make Benchmark Replacement Conforming Changes with respect to any U.S. dollar denominated Floating Rate Covered Bonds calculated by reference to SOFR from time to time.
- III. Any determination, decision or election that may be made by the Designated Transaction Representative pursuant to this section titled “*Effect of Benchmark Transition Event*”, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, in each case, solely with respect to any U.S. dollar denominated Floating Rate Covered Bonds calculated by reference to SOFR, will be conclusive and binding absent manifest error, may be made in the Designated Transaction Representative’s sole discretion, and, notwithstanding anything to the contrary in the documentation relating to any U.S. dollar denominated Floating Rate Covered Bonds calculated by reference to SOFR, shall become effective without consent, sanction or absence of objection from any other party (including Covered Bondholders).
- IV. The following definitions shall apply with respect to this section titled “*Effect of Benchmark Transition Event*”:

Benchmark means, initially, SOFR, as applicable; provided that if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to SOFR, as applicable, or the then-current Benchmark, then “Benchmark” means the applicable Benchmark Replacement.

Benchmark Replacement means the first alternative set forth in the order below that can be determined by the Designated Transaction Representative as of the Benchmark Replacement Date:

- (1) the sum of: (a) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark for the applicable Corresponding Tenor and (b) the Benchmark Replacement Adjustment;

- (2) the sum of: (a) the ISDA Fallback Rate and (b) the Benchmark Replacement Adjustment;
- (3) the sum of: (a) the alternate rate of interest that has been selected by the Designated Transaction Representative as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Benchmark for any U.S. dollar denominated Floating Rate Covered Bonds calculated by reference to at such time and (b) the Benchmark Replacement Adjustment.

Benchmark Replacement Adjustment means the first alternative set forth in the order below that can be determined by the Designated Transaction Representative as of the Benchmark Replacement Date:

- (1) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected, endorsed or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;
- (2) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, then the ISDA Fallback Adjustment;
- (3) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Designated Transaction Representative giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement for any U.S. dollar denominated Floating Rate Covered Bonds calculated by reference to SOFR at such time.

Benchmark Replacement Conforming Changes means, with respect to any Benchmark Replacement, any technical, administrative or operational changes with respect to any U.S. dollar denominated Floating Rate Covered Bonds calculated by reference to SOFR (including changes to the definition of “Interest Accrual Period”, timing and frequency of determining rates and making payments of interest, changes to the definition of “Corresponding Tenor” solely when such tenor is longer than the Interest Accrual Period and other administrative matters) and any related swap agreements that the Designated Transaction Representative decides may be appropriate to reflect the adoption of such Benchmark Replacement with respect to any U.S. dollar denominated Floating Rate Covered Bonds calculated by reference to SOFR in a manner substantially consistent with market practice (or, if the Designated Transaction Representative decides that adoption of any portion of such market practice is not administratively feasible or if the Designated Transaction Representative determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Designated Transaction Representative determines is reasonably necessary).

Benchmark Replacement Date means:

- (1) in the case of paragraph (1) or (2) of the definition of “Benchmark Transition Event,” the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of the relevant Benchmark permanently or indefinitely ceases to provide such Benchmark, or

- (2) in the case of paragraph (3) of the definition of “Benchmark Transition Event,” the date of the public statement or publication of information;

provided, however, that on or after the 60th day preceding the date on which such Benchmark Replacement Date would otherwise occur (if applicable), the Designated Transaction Representative may give written notice to holders of any U.S. dollar denominated Floating Rate Covered Bonds calculated by reference to SOFR in which the Designated Transaction Representative designates an earlier date (but not earlier than the 30th day following such notice) and represents that such earlier date will facilitate an orderly transition of any U.S. dollar denominated Floating Rate Covered Bonds calculated by reference to SOFR to the Benchmark Replacement, in which case such earlier date shall be the Benchmark Replacement Date.

For the avoidance of doubt, if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination.

Benchmark Transition Event means the occurrence of one or more of the following events with respect to the then-current Benchmark (including any daily published component used in the calculation thereof):

- (1) a public statement or publication of information by or on behalf of the administrator of the Benchmark announcing that the administrator has ceased or will cease to provide the Benchmark permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark;
- (2) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark, the central bank for the currency of the Benchmark, an insolvency official with jurisdiction over the administrator for the Benchmark, a resolution authority with jurisdiction over the administrator for the Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark has ceased or will cease to provide the Benchmark permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark; or
- (3) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative.

Corresponding Tenor with respect to a Benchmark Replacement means a tenor (including overnight) having approximately the same length (disregarding business day adjustment) as the applicable tenor for the then-current Benchmark.

Designated Transaction Representative means, with respect to any U.S. dollar denominated Floating Rate Covered Bonds calculated by reference to SOFR and a particular obligation to be performed in connection with the transition to a Benchmark Replacement, the Issuer.

Federal Reserve Bank of New York’s Website means the website of the Federal Reserve Bank of New York at <http://www.newyorkfed.org>, or any successor source (for the avoidance of

doubt, this website (and/or any successor source) and the contents thereof do not form part of this document).

ISDA Definitions means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time.

ISDA Fallback Adjustment means the spread adjustment, (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark for the applicable tenor.

ISDA Fallback Rate means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment.

Reference Time with respect to any determination of the Benchmark means (1) if the Benchmark is SOFR, 2:00 p.m. (London time) on the day that is two London banking days preceding the date of such determination, and (2) if the Benchmark is not SOFR, the time determined by the Designated Transaction Representative in accordance with the Benchmark Replacement Conforming Changes.

Relevant Governmental Body means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto.

SOFR means, in respect of any U.S. Government Securities Business Day, a reference rate equal to the daily Secured Overnight Financing Rate as provided by the Federal Reserve Bank of New York, as the administrator of such rate (or any successor administrator of such rate) on the Federal Reserve Bank of New York's Website, in each case on or about 5:00 p.m. (New York City Time) on the Business Day immediately following such U.S. Government Securities Business Day.

Unadjusted Benchmark Replacement means the Benchmark Replacement excluding the applicable Benchmark Replacement Adjustment.

- V. To the extent that there is any inconsistency between the conditions set out in this section titled "*Effect of Benchmark Transition Event*" and any other Condition, the statements in this section shall prevail with respect to any U.S. dollar denominated Floating Rate Covered Bonds calculated by reference to SOFR.
- VI. Notwithstanding anything to the contrary in this section titled "*Effect of Benchmark Transition Event*" or any Transaction Document, when implementing any replacement of the then-current Benchmark with the Benchmark Replacement or any Benchmark Replacement Conforming Changes pursuant to this section:
- a. the Bond Trustee shall not consider the interests of the Covered Bondholders, any other Secured Creditor or any other person and shall act and rely solely, and without further enquiry or liability, on any certificate or evidence provided to it by the Issuer and shall not be liable to the Covered Bondholders, any other Secured Creditor or any other person for so acting or relying, irrespective of whether any such replacement of the then-current Benchmark with the Benchmark Replacement or any

Benchmark Replacement Conforming Changes is or may be materially prejudicial to the interests of any such person; and

- b. the Bond Trustee shall not be obliged to agree to any modification which, in the sole opinion of the Bond Trustee, would have the effect of (i) exposing the Bond Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction and/or (ii) increasing the obligations or duties, or decreasing the rights or protections, of the Bond Trustee in the Transaction Documents and/or these Conditions.

VII. For the avoidance of doubt, the Issuer may propose that a Benchmark Replacement replace the then-current Benchmark and any Benchmark Replacement Conforming Changes on more than one occasion provided that the conditions set out in this section titled “Effect of Benchmark Transition Event” are satisfied.

4. GENERAL

- 4.1 The provisions of the Principal Trust Deed, as modified by this Series 2018-5 Supplemental Trust Deed, shall continue in full force and effect and shall be valid and binding obligations of each of the Issuer, the LLP, the Bond Trustee and the Security Trustee.
- 4.2 The Principal Trust Deed shall henceforth be read and construed as one document with this Series 2018-5 Supplemental Trust Deed.
- 4.3 A memorandum of this Series 2018-5 Supplemental Trust Deed shall be endorsed by the Bond Trustee on the Trust Deed and by the Issuer on its duplicate thereof.

5. THIRD PARTY RIGHTS

A person who is not a party to this Series 2018-5 Supplemental Trust Deed may not enforce any of its terms under the Contracts (Rights of Third Parties) Act 1999.

6. COUNTERPARTS AND SEVERABILITY

- 6.1 This Series 2018-5 Supplemental Trust Deed and any trust deed supplemental hereto may be executed and delivered in any number of counterparts (manually or by facsimile) and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original, and all of which, taken together, shall constitute one and the same instrument.
- 6.2 Where any provision in or obligation under this Series 2018-5 Supplemental Trust Deed shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations under this Series 2018-5 Supplemental Trust Deed, or of such provision or obligation in any other jurisdiction, shall not be affected or impaired thereby.

7. GOVERNING LAW AND SUBMISSION TO JURISDICTION

- 7.1 This Series 2018-5 Supplemental Trust Deed and any non-contractual obligations arising out of or in connection with it shall be governed by, and construed in accordance with, English law.
- 7.2 Each party to this Series 2018-5 Supplemental Trust Deed hereby irrevocably submits to the exclusive jurisdiction of the English courts in any action or proceeding arising out of or relating to this Series 2018-5 Supplemental Trust Deed (including a dispute relating to any non-contractual obligations arising out of or relating to this Series 2018-5 Supplemental Trust Deed) and hereby

irrevocably agrees that all claims in respect of such action or proceeding may be heard and determined by such courts. Each party to this Series 2018-5 Supplemental Trust Deed hereby irrevocably waives, to the fullest extent it may possibly do so, any defence or claim that the English courts are an inconvenient forum for the maintenance or hearing of such action or proceeding.

IN WITNESS whereof this Series 2018-5 Supplemental Trust Deed has been executed as a deed by the Issuer, the LLP, the Security Trustee and the Bond Trustee and delivered on the date first stated on page 1.

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SCHEDULE 1

FINAL TERMS

14 November 2018, and as amended and restated on ____ December 2020

Lloyds Bank plc

Legal entity identifier (LEI): H7FNTJ4851HG0EXQ1Z70

Issue of Regulated U.S.\$750,000,000 3.375 per cent. Series 2018-5 Covered Bonds due November 2021 irrevocably and unconditionally guaranteed as to payment of principal and interest by Lloyds Bank Covered Bonds LLP under the €60 billion Global Covered Bond Programme

MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPs ONLY TARGET MARKET – Solely for the purposes of the manufacturer’s product approval process, the target market assessment in respect of the Covered Bonds has led to the conclusion that: (i) the target market for the Covered Bonds is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, **MiFID II**); and (ii) all channels for distribution of the Covered Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Covered Bonds (a **distributor**) should take into consideration the manufacturers’ target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Covered Bonds (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels.

IMPORTANT - PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS: The Covered Bonds are not intended to be offered, sold or otherwise made available to and, with effect from such date, should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**) or in the United Kingdom (the **UK**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II or (ii) a customer within the meaning of Directive (EU) 2016/97 (**Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (the **PRIIPs Regulation**) for offering or selling the Covered Bonds or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.

PART A — CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the **Terms and Conditions**) set forth in the Prospectus dated 17 April 2018 and the supplemental prospectuses dated 1 May 2018, 2 August 2018 and 25 October 2018 which constitute a base prospectus (the **Prospectus**) for the purposes of the Prospectus Directive (Directive 2003/71/EC) (as amended, which includes the amendments made by Directive 2010/73/EU to the effect that such amendments have been implemented in a relevant Member State) (the **Prospectus Directive**). This document constitutes the Final Terms of the Covered Bonds described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Prospectus. Full information on the Issuer, the LLP and the offer of the Covered Bonds is only available on the basis of the combination of these Final Terms, the Prospectus and the supplemental prospectuses dated 1 May 2018, 2 August 2018 and 25 October 2018. The Prospectus is available for viewing at Lloyds Bank plc, 25 Gresham Street, London EC2V 7HN and

www.lloydsbankinggroup.com and copies may be obtained during normal business hours from Lloyds Bank plc, 25 Gresham Street, London EC2V 7HN.

1. (i) Issuer: Lloyds Bank plc
- (ii) LLP: Lloyds Bank Covered Bonds LLP
2. (i) Series Number: 2018-5
- (ii) Tranche Number: 1
- (iii) Series which Covered Bonds will be consolidated and form a single Series with: Not Applicable
- (iv) Date on which the Covered Bonds will be consolidated and form a single Series with the Series specified above; Not Applicable
3. Specified Currency or Currencies: U.S. Dollars (U.S.\$)
4. Aggregate Amount of Covered Bonds to be issued: U.S.\$750,000,000
5. Aggregate Nominal Amount of Covered Bonds admitted to trading: U.S.\$750,000,000
- (i) Series: U.S.\$750,000,000
- (ii) Tranche: U.S.\$750,000,000
6. Issue Price: 99.723 per cent. of the aggregate nominal amount
7. (i) Specified Denominations: U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof.
- (ii) Calculation Amount: U.S.\$1,000
8. (i) Issue Date: 15 November 2018
- (ii) Interest Commencement Date: Issue Date
9. (i) Final Maturity Date: 15 November 2021
- (ii) Extended Due for Payment Date of Guaranteed Amounts corresponding to the Final Redemption Amount under the Covered Bond Guarantee: 15 November 2022
10. Interest Basis: See 16 below.
11. Redemption/Payment Basis: 100 per cent. of the nominal value
12. Change of Interest or Redemption/Payment Basis: From, and including the Final Maturity Date to, but excluding the Extended Due for Payment Date the following Interest provisions apply:

Specified Interest Payment Dates: 15th day of each month, from but excluding the Final Maturity Date to and including the Extended Due for Payment Date, subject to adjustment in accordance with the Business Day Convention. The first floating rate Interest Payment Date shall be 15 December 2021.

Interest Period: The first Interest Period after the Final Maturity Date will be the period from and including the Final Maturity Date to but excluding the next following Interest Payment Date and subsequent Interest Periods will be from and including an Interest Payment Date to but excluding the next following Interest Payment Date up to but excluding the Extended Due for Payment Date

Business Day Convention: Modified Following Business Day Convention.

Business Day(s): U.S. Government Securities Business Days

Additional Business Centre(s): Not Applicable

Relevant Financial Centre: Not Applicable

Manner in which the Rate(s) of Interest is/are to be determined: Screen Rate Determination

Screen Rate Determination: Applicable

Calculation Method: Compounded Daily

Reference Rate: Compounded Daily SOFR

Interest Determination Dates: The day that is the fifth U.S. Government Securities Business Day prior to the Interest Payment Date in respect of the relevant Interest Period

Relevant Screen Page: SOFFRATE

Relevant time: 5 p.m. New York time

Observation Method: Lag

Observation Look-back Period: 5 U.S. Government Securities Business Days

Margin: [*Adjusted Margin to be calculated on the Pricing Date as set out in Annex B to the Notice*].

Day Count Fraction: Actual/360 Fixed (adjusted).

- | | | |
|-----|--|--|
| 13. | Put/Call Options: | Not Applicable |
| 14. | Date Board approval for issuance of Covered Bonds and Covered Bond Guarantee obtained: | 29 November 2017 in respect of the Issuer and 12 November 2018 in respect of the LLP |
| 15. | Listing: | London |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16. **Fixed Rate Covered Bond Provisions** Applicable
- (i) Fixed Rate(s) of Interest: 3.375 per cent. per annum payable semi-annually in arrear on each Interest Payment Date
- (ii) Interest Payment Date(s): The first Interest Payment Date will be 15 May 2019 and thereafter 15 May and 15 November in each year up to and including the Final Maturity Date (provided however that after the Extension Determination Date, the Interest Payment Date shall be monthly)
- (iii) Business Day Convention: Following Business Day Convention
- (iv) Business Day(s): London
- (v) Additional Business Centre(s): New York
- (vi) Fixed Coupon Amount(s): U.S.\$16.875 per Calculation Amount
- (vii) Initial Broken Amount(s): Not Applicable
- (viii) Final Broken Amount: Not Applicable
- (ix) Day Count Fraction: 30/360 (not adjusted)
- (x) Determination Dates: Not Applicable
17. **Floating Rate Covered Bond Provisions** Applicable from and including the Final Maturity Date to but excluding the Extended Due for Payment Date
18. **Zero Coupon Covered Bond Provisions** Not Applicable

PROVISIONS RELATING TO REDEMPTION

19. **Issuer Call Option** Not Applicable
20. **Investor Put Option** Not Applicable
21. **Final Redemption Amount** U.S.\$1,000 per Calculation Amount
22. **Early Redemption Amount**
Early Redemption Amount(s) payable on redemption for taxation reasons or on acceleration following an Issuer Event of Default or an LLP Event of Default: U.S.\$1,000 per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE COVERED BONDS

23. **Form of Covered Bonds** Bearer Covered Bonds:
Temporary Global Covered Bond exchangeable for a Permanent Global Covered Bond which is exchangeable for Bearer Definitive Covered Bonds in definitive form after an Exchange Event
24. New Global Covered Bond: Yes
25. Additional Financial Centre(s) or other special provisions relating to payment dates: New York

26. Talons for future Coupons or Receipts to be attached to Definitive Covered Bonds (and dates on which such Talons mature): No
27. Details relating to Instalment Covered Bonds: Not Applicable
28. Redenomination: Not Applicable

Signed on behalf of Lloyds Bank plc

Signed on behalf of Lloyds Bank Covered Bonds
LLP

By:
Duly authorised

By:
Duly authorised

DRAFT

PART B — OTHER INFORMATION

1. LISTING

- (i) Admission to trading: Application is expected to be made by the Issuer (or on its behalf) for the Covered Bonds to be admitted to trading on the London Stock Exchange's regulated market and to the Official List of the UK Listing Authority with effect from 15 November 2018
- (ii) Estimate of total expenses related to admission to trading: £4,560

2. RATINGS

- Ratings: The Covered Bonds to be issued have been initially rated:
Fitch: AAA
Moody's: Aaa

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save as discussed in "*Subscription and Sale and Transfer and Selling Restrictions*", so far as the Issuer and LLP are aware, no person involved in the issue of the Covered Bonds has an interest material to the offer. HSBC Bank plc, Lloyds Bank Corporate Markets plc, RBC Europe Limited and The Toronto-Dominion Bank and their respective affiliates have engaged and may in the future engage in investment banking and/or commercial banking transactions with and may perform other services for the Issuer and/or the LLP and/or it or their affiliates in the ordinary course of business

4. OPERATIONAL INFORMATION:

- (i) ISIN: XS1907146671
- (ii) Common Code: 190714667
- (iii) CFI Code: DMXXXB
- (iv) FISN: LLOYDS BANK PLC/3.375EMTN 20211115
- (v) (Insert here any other relevant codes such as CUSIP AND CINS codes): Not Applicable
- (vi) Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking, S.A. and the relevant identification number(s): Not Applicable
- (vii) Intended to be held in a manner which would allow Eurosystem eligibility: Yes. Note that the designation "yes" simply means that the Covered Bonds are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Covered Bonds will be recognized as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.

5. YIELD (Fixed Rate Covered Bonds only)

Indication of yield:

3.473 per cent. The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

6. **RELEVANT BENCHMARKS**

Benchmark Administrator: Federal Reserve Bank of New York

The Federal Reserve Bank of New York does not appear on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority (ESMA) pursuant to Article 36 of the Benchmarks Regulation (Regulation (EU) 2016/1011) (the **Benchmarks Regulation**).

As far as the Issuer is aware, SOFR does not fall within the scope of the Benchmarks Regulation by virtue of Article 2 of that Regulation, such that the administrator of SOFR is not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence).

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SIGNATORIES

**EXECUTED as a DEED by
LLOYDS BANK PLC**
acting by its duly authorised attorney

By: _____

in the presence of:

Witness name:

Signature:

Address:

**EXECUTED as a DEED by
LLOYDS BANK COVERED BONDS LLP**
acting by its duly authorised attorney

By: _____

in the presence of:

Witness name:

Signature:

Address:

EXECUTED as a **DEED** by
BNY MELLON CORPORATE TRUSTEE SERVICES LIMITED
as Bond Trustee and Security Trustee
acting by two of its lawful Attorneys:

Attorney _____

Attorney _____

in the presence of:

Witness name:

Signature:

Address:

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