

SUPPLEMENTARY PROSPECTUS DATED 8 MARCH 2023



LLOYDS BANK

LLOYDS BANK PLC

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

€60 billion

Global Covered Bond Programme

unconditionally and irrevocably guaranteed as to payments of interest and principal by LLOYDS BANK COVERED BONDS LLP

(a limited liability partnership incorporated in England and Wales registered number OC340094)

This Supplement (the **Supplement**) to the prospectus dated 18 August 2022, as supplemented by the supplementary prospectus dated 28 October 2022, which together comprise a base prospectus (the **Prospectus**) for the purposes of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the **UK Prospectus Regulation**), constitutes a supplementary prospectus for the purposes of Article 23 of the UK Prospectus Regulation, and is prepared in connection with the €60 billion Global Covered Bond Programme (the **Programme**) established by Lloyds Bank plc (the **Issuer**).

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.

This Supplement has been approved by the Financial Conduct Authority (the **FCA**), as competent authority under the UK Prospectus Regulation. The FCA only approves this Supplement as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation. Approval by the FCA should not be considered as an endorsement of the Issuer and/or the LLP or of the quality of the Covered Bonds that are the subject of this Supplement.

The Issuer and Lloyds Bank Covered Bonds LLP (the **LLP**) each accept responsibility for the information contained in this Supplement. To the best of the knowledge of each of the Issuer and the LLP 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 certain information contained in the 2022 Annual Report (as defined in this Supplement), which was published via the RNS on 7 March 2023;
- (b) update the risk factor titled “*Lloyds Bank Group is subject to the risk of having insufficient capital resources and/or not meeting liquidity requirements*” on page 47 to 48 of the Prospectus;
- (c) update the no significant change statement of the Issuer and its subsidiary and associated undertakings (the **Lloyds Bank Group**) and the no material adverse change statement of the Issuer; and
- (d) update the no governmental, legal or arbitration proceedings statement of the Lloyds Bank Group and the Issuer.

(a) **DOCUMENTS INCORPORATED BY REFERENCE**

By virtue of this Supplement, the Issuer's audited consolidated financial statements for the financial year ended 31 December 2022, together with the audit report thereon, as set out on pages 75 to 225 and pages 64 to 74, respectively, available at: <https://www.lloydsbankinggroup.com/assets/pdfs/investors/financial-performance/lloyds-bank-plc/2022/full-year/2022-lb-annual-report.pdf> (the **2022 Annual Report**), which has 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 pages 18 to 19 of the Prospectus.

Any documents themselves incorporated by reference in the 2022 Annual Report shall not form part of the Prospectus, unless specified otherwise here.

(b) **RISK FACTORS**

The risk factor titled "*Lloyds Bank Group is subject to the risk of having insufficient capital resources and/or not meeting liquidity requirements*" on pages 47 to 48 of the Prospectus shall be deleted in its entirety and replaced as set out below:

"2.6 Lloyds Bank Group is subject to the risk of having insufficient capital resources and/or not meeting liquidity requirements

Under PRA requirements, Lloyds Bank Group (as the ring-fenced bank sub-group) became subject to prudential requirements on a sub-consolidated basis from 1 January 2019. These requirements are in addition to the requirements that the Issuer must meet under the existing prudential regime on an individual basis.

If the Issuer and/or Lloyds Bank Group has, or is perceived to have, a shortage of regulatory capital or to be unable to meet its regulatory minimum liquidity requirements, then it may be subject to regulatory interventions and sanctions and may suffer a loss of confidence in the market with the result that access to sources of liquidity and funding may become constrained, more expensive or unavailable. This, in turn, may affect Lloyds Bank Group's capacity to continue its business operations, pay future dividends to its parent and make other distributions or pursue acquisitions or other strategic opportunities, impacting future growth potential.

See also the risk factor above entitled "*Economic and Financial Risks - Lloyds Bank Group's businesses are subject to inherent risks concerning liquidity and funding, particularly if the availability of traditional sources of funding such as retail deposits or the access to wholesale funding markets becomes more limited*".

A shortage of capital could arise from (i) a depletion of Lloyds Bank Group and/or the Issuer's capital resources through increased costs or liabilities and reduced asset values which could arise as a result of the crystallisation of credit-related risks, regulatory and legal risks, business and economic risks, operational risks, financial soundness-related risks and other risks; and/or (ii) changes to the actual level of risk faced by Lloyds Bank Group and/or the Issuer requiring higher capital needed to be held; and/or (iii) changes required by legislation or set by the regulatory authorities increasing the amount of minimum capital requirements and/or the risk-weightings applicable to its assets.

Lloyds Bank Group and/or the Issuer may address a shortage of capital by acting to reduce leverage exposures and/or risk-weighted assets, for example by way of business disposals. Such actions may impact the profitability of Lloyds Bank Group.

Whilst Lloyds Bank Group monitors current and expected future capital, MREL, leverage and liquidity requirements, and seeks to manage and plan its prudential position accordingly and on the basis of current assumptions regarding future regulatory requirements, there can be no assurance that

the assumptions will be accurate in all respects or that it will not be required to take additional measures to strengthen its capital, MREL, leverage or liquidity position. Market expectations as to capital and liquidity levels may also increase, driven by, for example, the capital and liquidity levels (or targets) of peer banking groups.

In addition, from a capital perspective, any new capital or MREL issuances for Lloyds Bank Group and / or the Issuer will be dependent on Lloyds Banking Group having sufficient resources available or the ability to raise capital or MREL and then downstream. Lloyds Bank Group's borrowing costs and access to capital markets, as well as its ability to lend or carry out certain aspects of its business, could also be affected by future prudential regulatory developments in the UK and in other jurisdictions to which Lloyds Bank Group has exposure.

Any of the risks mentioned above could have a material adverse effect on Lloyds Bank Group's capital resources and/or liquidity, results of operations, its ability to continue its business operations and its financial condition."

(c) NO SIGNIFICANT CHANGE OF THE LLOYDS BANK GROUP AND NO MATERIAL ADVERSE CHANGE OF THE ISSUER

The first sentence in the first paragraph under the section headed "*Significant or Material Change*" on page 274 of the Prospectus shall be deemed deleted and replaced with the following sentence:

"There has been no significant change in the financial position or financial performance of the Lloyds Bank Group since 31 December 2022, the date to which the Lloyds Bank Group's last published audited financial information (as set out in the 2022 Annual Report) was prepared."

The second paragraph under the section headed "*Significant or Material Change*" on page 274 of the Prospectus shall be deemed deleted and replaced with the following:

"There has been no material adverse change in the prospects of the Issuer since 31 December 2022, the date to which the Issuer's last published audited financial information (as set out in the 2022 Annual Report) was prepared."

(d) THE NO GOVERNMENTAL, LEGAL OR ARBITRATION PROCEEDINGS STATEMENT OF THE LLOYDS BANK GROUP AND THE ISSUER

The first sentence of the no governmental, legal or arbitration proceedings statement of the Lloyds Bank Group and the Issuer under the section headed "*Litigation Statement*" page 274 of the Prospectus shall be deleted in its entirety and replaced with the following:

"Save as disclosed in Note 29 (*Other Provisions*) and Note 39 (*Contingent liabilities, commitments and guarantees*) of the 2022 Annual Report, there are no governmental, legal or arbitration proceedings (including any such proceedings pending or threatened of which the Issuer is aware) during the 12 months preceding the date of this Prospectus, which may have or have had in the recent past, significant effects on the financial position or profitability of the Issuer or the Lloyds Bank Group."

The Issuer 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 the Issuer at its principal office at 25 Gresham Street, London, EC2V 7HN.

Copies of this Supplement and all documents incorporated by reference in this Supplement can be viewed on the website of the Issuer at <https://www.lloydsbankinggroup.com/investors/> and on Regulatory News Service operated by the London Stock Exchange at: <https://www.londonstockexchange.com/news?tab=news-explorer>.

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 material inaccuracy relating to information included in the Prospectus has arisen or been noted, as the case may be, since the publication of the Prospectus.