

## SUPPLEMENTARY PROSPECTUS DATED 1 APRIL 2021



# 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 prospectus dated 18 May 2020, as supplemented by the supplementary prospectuses dated 11 June 2020, 31 July 2020 and 30 October 2020, 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 Global Medium Term Note Programme (the “**Programme**”) established by Lloyds Bank plc (the “**Bank**”).

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.

The Bank accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Bank, 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) update certain sections of the Prospectus for regulatory changes necessitated by the end of the Brexit transition period and changes to the board of directors of the Bank;
- (b) update the section of the Prospectus headed “*Risk Factors*”; and
- (c) incorporate by reference into the Prospectus:
  - (i) certain information contained in the Bank’s 2020 Annual Report (as defined in this Supplement), the publication of which was announced via the RNS on 12 March 2021; and
  - (ii) certain risk factors set out in the Bank’s Form 20-F (as defined in this Supplement), which was filed with the Securities and Exchange Commission on 11 March 2021 as announced via the RNS on 12 March 2021.

#### **Updates, amendments and supplements**

##### **(a) FRONT AND COVER PAGES**

- (i) Paragraph 2 of the section entitled “*This Prospectus*” on page 1 of the Prospectus shall be deleted in its entirety and replaced with the following: “This Prospectus constitutes a base prospectus for the purposes of the UK Prospectus Regulation. This Prospectus will be valid

as a base prospectus under the Prospectus Regulation for 12 months from 18 May 2020. The obligation to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies will not apply following the expiry of that period. When used in this Prospectus, “Prospectus Regulation” means Regulation (EU) 2017/1129 (as amended) and “UK Prospectus Regulation” means Regulation (EU) 2017/1129 as it forms part of the UK domestic law by virtue of the European Union Withdrawal Act 2018 (“EUWA”).

- (ii) Paragraph 2 of the section entitled “*Credit Ratings*” on page 2 of the Prospectus shall be deleted in its entirety and replaced with the following:

“Each of Fitch and Moody’s is established in the United Kingdom and is registered under Regulation (EC) No. 1060/2009 as it forms part of domestic law by virtue of the EUWA (the “UK CRA Regulation”). S&P is not established in the UK but the ratings it has given to the long-term senior obligations and short-term senior obligations of the Bank are endorsed by S&P Global Ratings UK Limited, which is established in the UK and registered under the UK CRA Regulation.”

The section entitled “*PRIIPS/IMPORTANT – EEA AND UK RETAIL INVESTORS*” at paragraph 6 on page 6 of the Prospectus shall be deleted in its entirety and replaced with the following:

**“UK MiFIR PRODUCT GOVERNANCE / TARGET MARKET: The Final Terms in respect of any Notes may include a legend entitled “UK MiFIR Product Governance” which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any distributor should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “UK MiFIR Product Governance Rules”) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels. A determination will be made in relation to each issue of Notes about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger, the Co-arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.**

**PROHIBITION OF SALES TO EEA RETAIL INVESTORS: The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“EEA”). 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 Directive 2014/65/EU (as amended, “MiFID II”); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the “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 (as amended, the “PRIIPs Regulation”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.**

**PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in 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 (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of UK MiFIR. Consequently no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the “UK PRIIPs Regulation”) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.”

- (iii) The last paragraph on page 8 of the Prospectus shall be deleted in its entirety and replaced with the following:

“Interest, redemption amounts and/or other amounts payable under the Notes may be calculated by reference to certain reference rates. Any such reference rate may constitute a benchmark for the purposes of Regulation (EU) 2016/1011 as it forms part of domestic law by virtue of the EUWA (the “UK Benchmarks Regulation”). If any such reference rate does constitute such a benchmark, the relevant Final Terms will indicate whether or not the benchmark is provided by an administrator included in the register of administrators and benchmarks established and maintained by the FCA pursuant to Article 36 of the UK Benchmarks Regulation. Not every reference rate will fall within scope of the UK Benchmarks Regulation. Transitional provisions in the UK Benchmarks Regulation may have the result that the administrator of a particular benchmark is not required to appear in the register of administrators and benchmarks at the date of the relevant Final Terms (or, if located outside the UK, recognition, endorsement or equivalence). The registration status of any administrator under the UK Benchmarks Regulation is a matter of public record and, save where required by applicable law, the Bank does not intend to update the relevant Final Terms to reflect any change in the registration status of the administrator.”

## (b) DOCUMENTS INCORPORATED BY REFERENCE

By virtue of this Supplement:

- I. the audited consolidated financial statements of the Bank for the financial year ended 31 December 2020, together with the audit report thereon, as set out on pages 79 to 223 and pages 68 to 78, respectively of the Bank’s Annual Report and Accounts 2020 (RNS Number 0889S) (the “**2020 Annual Report**”), which has previously been filed with the Financial Conduct Authority; and
- II. the sub-sections entitled “*Economic and Financial Risks*”, “*Regulatory and Legal Risks*” and “*Business and Operational Risks*” on pages 89 to 93, pages 93 to 97 and pages 97 to 100 respectively, (together, the “**Form 20-F Risk Factors**”) of the Bank’s 2020 Annual Report on Form 20-F (the “**Form 20-F**”) which was filed with the U.S. Securities and Exchange Commission and on 11 March 2021 as announced via the RNS on 12 March 2021 (RNS Number 1618S) and is available <https://www.lloydsbankinggroup.com/assets/pdfs/investors/financial-performance/lloyds-bank-plc/2020/2020-lb-form-20f.pdf>,

shall be deemed to be incorporated in, and form part of, the Prospectus and supplement the section entitled “*Documents Incorporated by Reference*” on pages 21 to 23 of the Prospectus.

Any documents themselves incorporated by reference in the Bank’s 2020 Annual Report or the Form 20-F Risk Factors shall not form part of the Prospectus.

**(c) OVERVIEW OF THE PROGRAMME**

Paragraph 1 of the section entitled “*Selling Restrictions*” on page 29 of the Prospectus shall be deleted in its entirety and replaced with the following:

<b>Selling Restrictions</b>	United States, Prohibition of Sales to EEA Retail Investors, Prohibition of Sales to UK Retail Investors, Prohibition of Sales to Swiss Retail Investors, the UK and all jurisdictions listed in “ <i>Selling Restrictions</i> ”. Other restrictions may be required in connection with a particular issue of Notes. The Bank is Category 2 for the purposes of Regulation S under the Securities Act.
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**(d) RISK FACTORS**

The sub-sections entitled “*Economic and Financial Risks*”, “*Regulatory and Legal Risks*” and “*Business and Operational Risks*” on pages 30 to 38, pages 38 to 46 and pages 46 to 51 respectively shall be deleted in their entirety and replaced with the Form 20-F Risk Factors which have been incorporated by reference by virtue of this Supplement.

**(e) FORM OF FINAL TERMS OF THE NOTES WITH A DENOMINATION OF AT LEAST €100,000 (OR EQUIVALENT)**

- (i) the paragraph entitled “*Prohibition of Sales to EEA and UK Retail Investors*” on page 387 of the Prospectus shall be deleted in its entirety and replaced with the following:

**“UK MiFIR product governance / Professional investors and ECPs only target market:** Solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (“**COBS**”), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**EUWA**”) (“**UK MiFIR**”); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any [person subsequently offering, selling or recommending the Notes (a “**distributor**”)] [distributor] should take into consideration the manufacturers’ target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK MiFIR Product Governance Rules**”) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels.

**PROHIBITION OF SALES TO EEA RETAIL INVESTORS:** The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). 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 (the “**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 Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.



register of administrators and benchmarks established and maintained by the FCA pursuant to Article 36 (Register of administrators and benchmarks) of the UK Benchmarks Regulation]/[As far as the Bank is aware, as at the date hereof, [*specify benchmark*] does not fall within the scope of the UK Benchmarks Regulation]/[Not Applicable]

**(f) LLOYDS BANK GROUP**

- (i) Paragraphs 5 and 6 of the section entitled “*Ratings of the Bank*” on page 667 of the Prospectus shall be deleted in its entirety and replaced with the following:

“The credit ratings referred to and included in this Prospectus have been issued by S&P, Fitch and Moody’s. Each of Fitch and Moody’s is established in the UK and is registered under the UK CRA Regulation. S&P is not established in the UK, but the ratings it has given to the long-term senior obligations and short-term senior obligations of the Bank are endorsed by S&P Global Ratings UK Limited, which is established in the UK and registered under the UK CRA Regulation.

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. Whether or not a rating in relation to any Tranche of Notes will be treated as having been issued or endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation will be disclosed in the relevant Final Terms.”

- (ii) The section entitled “EU Regulation” on page 673 of the Prospectus shall be deleted in its entirety and replaced with the following:

**EU Regulation**

Lloyds Bank Group is currently subject to the relevant EU legislation, which is regularly reviewed at EU level and could be subject to change. Lloyds Bank Group will continue to monitor changes to legislation, providing specialist input on their drafting and assess the likely impact on its business.

See also “*Regulatory and Legal Risks – Lloyds Bank Group faces risks associated with its compliance with a wide range of laws and regulations*”, “*Regulatory and Legal Risks - Legal and regulatory risk arising from the UK’s exit from the European Union could adversely impact Lloyds Bank Group’s business, results of operations, financial condition and prospects*” and “*Regulatory and Legal Risks – Lloyds Banking Group and its subsidiaries are subject to resolution planning requirements, which could have an adverse impact on Lloyds Bank Group’s business*”.

- (iii) In the section entitled “*Directors of the Bank*”, the following paragraphs shall be inserted before the last paragraph on page 680 of the Prospectus:

“António Horta-Osório will step down as Group Chief Executive and Executive Director of the Bank with effect from 30 April 2021 and, subject to regulatory approval, Charlie Nunn will be appointed as Group Chief Executive and Executive Director of the Bank on 16 August 2021. Subject to receipt of regulatory approval, William Chalmers will, take on the role of acting Group Chief Executive of the Bank during the interim period from when António Horta-Osório steps down on 30 April 2021 until Mr. Nunn’s appointment on 16 August 2021.

Sara Weller will retire as Non-Executive Director of the Bank in May 2021.

Catherine Woods succeeded Nick Prettejohn as Chair of the Board Risk Committee on 1 January 2021. With effect from 29 March 2021, the Board Risk Committee comprised Catherine Woods (as chair), Alan Dickinson, Sarah Legg and Nick Prettejohn.”

**(g) SELLING RESTRICTIONS**

- (i) the paragraph entitled “*Prohibition of Sales to EEA and UK Retail Investors*” on page 687 of the Prospectus shall be deleted in its entirety and replaced with the following:

**“Prohibition of Sales to EEA Retail Investors**

Each relevant Dealer will be required to represent and agree at the time of issuance of Notes, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Prospectus as completed by the relevant Final Terms in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision, the expression “retail investor” means a person who is one (or more) of the following:

- (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
- (ii) a customer within the meaning of the 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.”
- (ii) the following section shall be added after the existing section entitled “*Prohibition of Sales to EEA and UK Retail Investors*” on page 687 of the Prospectus:

**“Prohibition of Sales to UK Retail Investors**

Each relevant Dealer will be required to represent and agree at the time of issuance of Notes, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the UK. For the purposes of this provision, the expression “retail investor” means a person who is one (or more) of the following:

- (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or
- (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA.”
- (iii) the section entitled “*Republic of Italy*” on page 697 of the Prospectus shall be deleted in its entirety and replaced with the following:

**“Republic of Italy**

Each relevant Dealer will be required to represent and agree at the time of issuance of Notes, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any investor in Italy.”

**(h) GENERAL INFORMATION**

- (i) The no significant change of the Group statement and no material adverse change of the Bank statement at paragraph 3 on page 703 of the Prospectus shall be deleted in its entirety and replaced with the following:

“There has been no significant change in the financial position or financial performance of the Lloyds Bank Group since 31 December 2020, the date to which the Lloyds Bank Group’s last published audited financial information (as set out in the Bank’s 2020 Annual Report) was prepared.

Save as disclosed in the sub-section entitled “*Risk Factors – Economic and Financial Risks – Risks relating to the impact of COVID-19*” on pages 32 to 33 of this Prospectus, there has been no material adverse change in the prospects of the Bank since 31 December 2020, the date to which the Bank’s last published audited financial information (as set out in the Bank’s 2020 Annual Report) was prepared.”

- (ii) The statement on expected credit ratings of the Notes at paragraphs 4 and 5 of statement 14 on page 704 of the Prospectus shall be deleted in its entirety and replaced with the following:

“The credit ratings referred to and included in this Prospectus have been issued by S&P, Fitch and Moody’s. Each of Fitch and Moody’s is established in the UK and is registered under the UK CRA Regulation. S&P is not established in the UK, but the ratings it has given to the long-term senior obligations and short-term senior obligations of the Bank are endorsed by S&P Global Ratings UK Limited, which is established in the UK and registered under the UK CRA Regulation.

Notes to be issued under the Programme will be rated or unrated. Where Notes are to be rated, such rating will not necessarily be the same as the rating assigned to Notes already issued. Whether or not a rating in relation to any Notes will be treated as having been issued or endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation will be disclosed in the relevant Pricing Supplement. 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.” The Bank 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 Bank 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 Bank’s website at: <https://www.lloydsbankinggroup.com/investors.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.