

2065

SUPPLEMENTAL OFFERING CIRCULAR

Dated 17th September, 1998



LLOYDS BANK Plc

(Incorporated in England with limited liability under the Companies Act 1862 and the Companies Act 1985 with registered number 2065)

£3,000,000,000

Euro Medium Term Note Programme

This Supplemental Offering Circular is supplemental to, and should be read in conjunction with, the offering circular dated 23rd September, 1997 (the "Offering Circular") and together with the Offering Circular comprises listing particulars in relation to the Euro Medium Term Note Programme (the "Programme") of Lloyds Bank Plc (the "Bank") and in relation to any Notes to be issued during the period of 12 months from the date of this Supplemental Offering Circular.

Application has been made to the London Stock Exchange Limited (the "London Stock Exchange") for Notes issued within 12 months of the date of this Supplemental Offering Circular to be admitted to the Official List. However, unlisted Notes or Notes listed on other stock exchanges may be issued pursuant to the Programme. The relevant Pricing Supplement in respect of the issue of any Notes will specify whether or not such Notes will be listed on the London Stock Exchange (or any other stock exchange).

Copies of these listing particulars have been delivered for registration to the Registrar of Companies in England and Wales as required by Section 149 of the Financial Services Act 1986.

Save where specifically otherwise defined herein or unless the context requires otherwise, terms defined in the Offering Circular have the same respective meanings when they appear in this document, references in the Offering Circular to "this Offering Circular" include this Supplemental Offering Circular and the contents of the Offering Circular are qualified in their entirety by the contents of this Supplemental Offering Circular.

Arrangers

Merrill Lynch International

**Merrill Lynch
Capital Markets Bank Limited
Frankfurt/Main Branch**

Dealers

Citibank International plc

Deutsche Bank

Goldman Sachs International

Lehman Brothers

Lloyds Bank Plc

Merrill Lynch International

J.P. Morgan Securities Ltd.

Warburg Dillon Read



This Supplemental Offering Circular (which may be amended or supplemented from time to time) together with the Offering Circular comprises listing particulars (the "Listing Particulars") given in compliance with the listing rules made under Section 142 of the Financial Services Act 1986 by the London Stock Exchange for the purpose of giving information with regard to the Bank, the Lloyds Bank Group (as defined below) and the Notes. The Bank accepts responsibility for the information contained in the Listing Particulars. To the best of the knowledge and belief of the Bank (which has taken all reasonable care to ensure that such is the case), the information contained in the Listing Particulars is in accordance with the facts and does not omit anything likely to affect the import of such information.

No person is or has been authorised to give any information or to make any representation other than as contained in this Supplemental Offering Circular in its entirety in connection with the offering of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Bank or any of the Dealers or Arrangers or the Trustee. Neither the delivery of this Supplemental Offering Circular nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Bank, its subsidiaries, subsidiary undertakings or associated undertakings since the date hereof or the date upon which this Supplemental Offering Circular has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same. Neither this Supplemental Offering Circular nor any other information supplied in connection with the Programme or any Notes (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation or constituting an invitation or offer by the Bank, the Trustee or any of the Dealers that any recipient of this Supplemental Offering Circular or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Bank. Neither this Supplemental Offering Circular nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer of, or an invitation by or on behalf of the Bank or any of the Dealers to any person to subscribe for or purchase, any Notes.

The Dealers expressly do not undertake to review the financial condition or affairs of the Bank during the life of the Programme.

The distribution of this document and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this document comes are required by the Bank, the Dealers and the Arrangers to inform themselves about and to observe any such restriction. The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") and include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons. The Notes are not eligible for sale under Rule 144A under the Securities Act. For a description of certain restrictions on offers and sales of Notes and on distribution of this document, see "Subscription and Sale" in the Offering Circular, as amended by this Supplemental Offering Circular.

In this Supplemental Offering Circular, unless otherwise specified or the context otherwise requires, references to "£", "pounds" and "Sterling" are to pounds sterling, references to "U.S.\$" and "U.S. dollars" are to United States dollars, references to "Yen", "JPY" and "¥" are to Japanese Yen, references to "DM" are to Deutsche Marks and references to "N.Z. dollars" and "N.Z.\$" are to the currency of New Zealand.

References to the "Group" or to the "Lloyds Bank Group" are to the Bank, its subsidiaries, subsidiary undertakings and associated undertakings.

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GENERAL

1 **Change in Issuing and Paying Agent, Registrar, Paying Agent, Transfer Agent and Calculation Agent**

Following the sale by Morgan Guaranty Trust Company of New York ("Morgan Guaranty") of its Global Trust and Agency Services business to Citibank, N.A. ("Citibank") and pursuant to an agreement dated 18th August, 1998 between the Bank, Morgan Guaranty and Citibank, Morgan Guaranty resigned as Issuing and Paying Agent, Registrar, Paying Agent in London and Brussels, Transfer Agent in London and Brussels and Calculation Agent under the Programme and Citibank will be appointed to each of those roles in place of Morgan Guaranty with effect from 28th September, 1998. References in the Offering Circular to Morgan Guaranty acting in such roles shall be read accordingly.

2 **Swiss Bank Corporation and UBS Limited**

UBS Limited has resigned as a Dealer under the Programme and, as a result of the merger of Swiss Bank Corporation and Union Bank of Switzerland, UBS AG, acting through its division Warburg Dillon Read, has by operation of law, become a Dealer under the Programme.

All references in the Offering Circular to "UBS Limited" shall be deleted. Each reference to "Swiss Bank Corporation" in the Offering Circular shall be deleted and replaced with "UBS AG, acting through its division Warburg Dillon Read".

AMENDMENTS TO SUMMARY OF THE PROGRAMME

1 **Dealers**

The list of Dealers in the section entitled "Dealers" on page 4 of the Offering Circular shall be deleted and replaced by the following:

"Dealers:
Citibank International plc
Deutsche Bank AG London
Goldman Sachs International
Lehman Brothers International (Europe)
Lloyds Bank Plc
Merrill Lynch International
J.P. Morgan Securities Ltd.
UBS AG, acting through its division Warburg Dillon Read"

2 **Issuing and Paying Agent**

The section entitled "Issuing and Paying Agent" on page 4 of the Offering Circular shall be deleted and replaced by the following:

"Issuing and Paying Agent:
Morgan Guaranty Trust Company of New York, London office
(up to and including 27th September, 1998)
Citibank, N.A., London office
(with effect from 28th September, 1998)"

3 **Redenomination**

A new section entitled "Redenomination" shall be added after the section entitled "Currencies" on page 6 of the Offering Circular as follows:

“Redenomination:

Notes denominated in a currency that may, after the start of the third stage of European monetary union, be converted into Euro, may be subject to redenomination, renominalisation, reconventioning and/or consolidation with other Notes then denominated in Euro, as specified in the relevant Pricing Supplement.”

AMENDMENTS TO THE TERMS AND CONDITIONS OF THE NOTES

Condition 6(a) shall be amended by the deletion of the words “(ii) in the case of Japanese yen, the transfer shall be to a non-resident Japanese yen account with an authorised foreign exchange bank (in the case of payment to a non-resident of Japan)” and the renumbering of paragraph (iii) as paragraph (ii).

THE LLOYDS BANK GROUP

The Bank is the holding and principal operating company of the Lloyds Bank Group, and Lloyds TSB Group plc is the ultimate holding company of the Bank.

The Lloyds Bank Group provides a comprehensive range of banking and financial services in the UK and overseas. At the end of 1997, the total assets of the Lloyds Bank Group were £129 billion and the average number of staff employed during 1997 was 62,208.

As part of an internal reorganisation, a bill was presented to Parliament in November 1996 which provides for the vesting in the Bank of the undertakings of TSB Bank plc and Hill Samuel Bank Ltd. This bill received Royal Assent in July 1998 and it is expected that the undertakings of TSB Bank plc and Hill Samuel Bank Ltd. will be vested in the Bank during the course of 1999.

The main business activities of the Lloyds Bank Group are described below.

Retail Financial Services

The Lloyds Bank Group provides banking and financial services to personal and small business customers through the Bank and Cheltenham & Gloucester plc ("C&G") branches in England and Wales. The main services provided are:

Retail Banking. The retail branches of the Bank offer a broad range of branded products, including current accounts, savings and investment accounts, consumer lending and card services, and C&G provides retail investments through its branch network and a postal investment centre. The Bank has a substantial network of automated teller machines (ATMs) in the UK where personal customers are able to withdraw cash, as well as being able to withdraw cash through ATM machines of other institutions. Small business customers have access to a wide range of financial services through business centres in the Lloyds Bank retail network and to factoring, motor vehicle finance and assets finance through Lloyds UDT Limited and its subsidiary undertakings. The Bank offers a telephone banking service through LloydsLine.

Mortgages. C&G is the specialist residential mortgage provider in the Lloyds Bank Group selling mortgages through its own branches and those of the Bank and TSB Bank plc (a subsidiary of Lloyds TSB Group plc) and through the telephone and postal service, C&G Mortgage Direct. At the end of 1997, C&G had total mortgages outstanding of £38.5 billion.

Wholesale Markets

The Lloyds Bank Group's relationships with major UK and multinational companies, banks and institutions and medium-sized UK businesses, together with its activities in financial markets, are managed through dedicated offices in the UK and a number of locations overseas, including New York and Tokyo.

Treasury is a leading participant in foreign exchange, money and certain derivative markets to meet the needs of customers and as part of the Group's trading activities, including liquidity management.

Corporate and Institutional Financial Services provides a full range of banking and related services, including electronic banking, large value lease finance, share registration, securities custody, correspondent banking and capital markets services, to major UK and multinational companies.

Commercial Financial Services provides financial services to medium-sized businesses in the UK through a network of offices. In addition to a full range of banking services, the Group is a leading provider of factoring, invoice discounting and other asset-based financing products together with medium-term debt and venture capital to support expansion, corporate restructuring and changes of ownership.

International Banking

The Group provides banking and financial services overseas in three main areas overseas, and also through its offshore banking operations.

The Americas. The Group has operated in The Americas for over 130 years and has offices in Argentina, Brazil, Colombia and six other countries. In addition, the Group has private banking and investment operations in the United States and the Bahamas.

Europe. International Private Banking covers services to wealthy individuals outside their country of residence. The business is conducted through Switzerland and through four other countries overseas. There are additional corporate and private banking operations in Spain and France.

New Zealand. The National Bank of New Zealand Ltd is one of New Zealand's principal banks and provides a full range of banking and financial services through 160 outlets. On 11th September, 1998, the Group announced the purchase through NBNZ Holdings Limited of Countrywide Banking Corporation Limited ("Countrywide") for N.Z.\$850 million floating rate unsecured loan notes. In addition, Lloyds TSB Group plc has provided N.Z.\$110 million of new capital to Countrywide.

Offshore Banking comprises the Group's offices in the Channel Islands and Isle of Man and provides a full range of retail banking, private banking and financial services to overseas residents and islanders, together with deposit services offshore for UK residents.

Directors

The directors of the Bank, the business address of each of whom is 71 Lombard Street, London EC3P 3BS, and their respective principal outside activities, where significant to the Bank, are as follows:

Sir Brian Pitman *Chairman*

Chairman of NEXT and Director of Carlton Communications

Sir Nicholas Goodison *Deputy Chairman*

Deputy Chairman of British Steel

A.E. Moore CBE *Deputy Chairman*

P.B. Ellwood *Chief Executive*

Chairman of Visa International

M.E. Fairey *Deputy Chief Executive*

M.K. Atkinson *Director*

Director of Coca-Cola Beverages

R.C. Carefull *Director*

S.A. Maran *Director*

G.F. Pell *Director*

D.P. Pritchard *Director*

CAPITALISATION OF LLOYDS BANK Plc

The following table presents on a consolidated basis, as at the dates indicated, the Bank's (i) share capital and reserves and minority interests and (ii) undated and dated loan capital:

	31st December, 1997
	(<i>£ millions</i>)
Share capital and reserves	
Authorised: 1,650,000,000 ordinary shares of £1 each and 1 cumulative floating rate preference share of £1 (Note a)	1,650
Issued and fully paid: ordinary shares (Note b)	1,470
Reserves	3,227
Total	4,697
Minority interests	40
31st August, 1998	
Undated loan capital (Notes c, d, g and k)	
The Bank	
Primary Capital Undated Floating Rate Notes (Series 1) (U.S.\$750 million) (Note h)	452
Primary Capital Undated Floating Rate Notes (Series 2) (U.S.\$500 million) (Note h)	301
Primary Capital Undated Floating Rate Notes (Series 3) (U.S.\$600 million) (Note h)	361
Undated Subordinated 5.57% Step-up Coupon Notes (£20 billion)	84
Undated Subordinated 8% Step-up Notes (Note l)	198
Subsidiary undertaking	
11¾ per cent. Perpetual Subordinated Bonds	100
Total	1,496
Dated loan capital (Notes c, e, f, g and k)	
The Bank	
£200 million Variable Rate Subordinated Notes 1998 (Notes h and m)	10
£100 million 11¾ per cent. Subordinated Serial Bonds 1998	20
£300 million Subordinated Floating Rate Notes 1999 (Notes h and i)	228
£100 million Subordinated Floating Rate Notes 2004 (Notes h and i)	100
£400 million 7¾ per cent. Subordinated Bonds 2004	398
£100 million Subordinated Floating Rate Loan 2006 (Note h)	100
£300 million 7¾ per cent. Subordinated Bonds 2007	297
£100 million 10½ per cent. Guaranteed Subordinated Loan Stock 2008	118
DM750 million 5¼ per cent. Subordinated Notes 2008	252

31st August, 1998

£100 million 9½ per cent. Subordinated Bonds 2009	99
£100 million 12 per cent. Guaranteed Subordinated Bonds 2011	128
£200 million 9 ⁵ / ₈ per cent. Subordinated Bonds 2023	200
Subsidiary undertakings	
N.Z.\$200 million Subordinated Fixed Rate Bonds 2003 (Note j)	59
Subordinated Floating Rate Notes 2004 (Note h)	25
Subordinated Floating Rate Notes 2005 (Note h)	25
Subordinated Floating Rate Notes 2006 (Note h)	150
Subordinated Floating Rate Notes 2007 (Note h)	200
N.Z.\$150 million Subordinated Fixed Rate Bonds 2007 (Note j)	45
Subordinated Floating Rate Notes 2008 (Note h)	150
Total.	2,604
Total Capitalisation..	8,837

Notes:

- (a) *There has been no change in the authorised share capital since 31st December, 1997.*
- (b) *There has been no change in the issued share capital since 31st December, 1997.*
- (c) *There has been no material change in the Bank's consolidated undated and dated loan capital since 31st August, 1998.*
- (d) *The undated loan capital notes were issued on a subordinated basis and, in certain circumstances, the notes would acquire the characteristics of preference share capital.*
- (e) *Much of the dated loan capital is subject to repayment by periodic instalments. The figures on the right-hand side of the table represent in pounds sterling the amounts outstanding. Where repayment is due in instalments, the year shown is that in which the final instalment falls due.*
- (f) *Much of the dated loan capital is repayable at the option of the Bank subject to such, if any, prior approval of the Financial Services Authority as may for the time being be required therefor.*
- (g) *Loan capital denominated in currencies other than sterling has been translated at rates prevailing on 31st August, 1998.*
- (h) *Subject to the minimum rates stated therein, these notes and the loan bear interest at rates fixed periodically in advance based on London interbank rates.*
- (i) *Exchangeable at the election of the Bank for further subordinated floating rate notes.*
- (j) *These Bonds bear interest (to be reset five years before the final maturity date) at a fixed margin over New Zealand Government stocks.*
- (k) *In certain circumstances the amounts of undated loan capital and dated loan capital reflect issue expenses which are amortised over the life of the issue.*
- (l) *Redeemable at the election of the Group in 2023. In the event that the Notes are not redeemed, the coupon will be reset to a fixed margin over the then five year gilt rate.*
- (m) *These Notes mature on 18th September, 1998.*

UNITED KINGDOM TAXATION

The comments below are of a general nature based on current United Kingdom law and practice. They are not exhaustive. They do not necessarily apply where the income is deemed for tax purposes to be the income of any other person. They relate only to the position of persons who are the absolute beneficial owners of their Notes and Coupons and may not apply to certain classes of persons such as dealers. Any Noteholders who are in doubt as to their tax position should consult their professional advisers.

Withholding of tax on interest

- 1 Interest paid by the Bank on Notes which do not conform to any of the definitions of Tier 1, 2 or 3 capital adopted by the Bank of England may be paid without deduction for or on account of United Kingdom income tax, unless the Inland Revenue regard the characteristics of the Notes as being primarily attributable to an intention to avoid UK tax.

Irrespective of whether interest may be paid without deduction in accordance with the previous paragraph, while Notes which are in bearer form are listed on a recognised stock exchange within the meaning of section 841 Income and Corporation Taxes Act 1988 (which includes the London Stock Exchange), payments of interest on such Notes may be made without withholding or deduction for or on account of income tax where:

- (a) the payment of interest is made by an overseas paying agent; or
- (b) the payment is made by or through a person who is in the United Kingdom but:
 - (i) the beneficial owner of the Notes and the related Coupons is not resident in the United Kingdom, or
 - (ii) the Notes are held in a "recognised clearing system" (Euroclear, Cedel Bank, First Chicago Clearing Centre and Depository Trust Company of New York have each been designated as a "recognised clearing system" for this purpose),

and a declaration to that effect in the form required by law has been given to the person by or through whom the payment is made (or the Inland Revenue has issued a notice to the person by whom or through whom the payment is made directing payment of the interest without withholding or deduction in respect of United Kingdom tax) provided that the Inland Revenue has not issued a direction that it considers that neither of the conditions in (i) and (ii) is satisfied.

In all other cases interest on Notes will be paid under deduction of income tax at the lower rate (currently 20 per cent.) subject to any direction to the contrary from the Inland Revenue in respect of such relief as may be available pursuant to the provisions of any applicable double taxation treaty.

- 2 Where a United Kingdom person acts as a collecting agent in respect of Notes which are in bearer form and listed on a recognised stock exchange, i.e. either:
 - (a) acts as custodian of such Notes and receives interest on the Notes, or directs that interest on the Notes be paid to another person, or consents to such payments; or
 - (b) collects or secures payment of, or receives interest on, such Notes for a Noteholder or a Couponholder (except by means of clearing a cheque or arranging for the clearing of a cheque),the collecting agent will be required to withhold on account of United Kingdom income tax at the lower rate (currently 20 per cent.) unless:
 - (i) the relevant Notes are held in a "recognised clearing system" for which the collecting agent is a depository; or

- (ii) the relevant Notes are held in a "recognised clearing system" and the collecting agent pays or accounts for the interest directly or indirectly to the clearing system; or
- (iii) the person beneficially entitled to the interest and the related Notes is either not resident in the United Kingdom or is of a description specified by regulations; or
- (iv) the interest arises to trustees not resident in the United Kingdom of certain discretionary or accumulation trusts (where, *inter alia*, none of the beneficiaries of the trust is resident in the United Kingdom); or
- (v) the person beneficially entitled to the interest is eligible under specified provisions for relief from United Kingdom tax in respect of the interest; or
- (vi) the interest falls to be treated as the income of, or of the government of, a sovereign power or of an international organisation.

In the case of each of the exceptions at (ii) to (vi) above, a declaration in the form required by law has to be provided (or a notice issued by the Inland Revenue) for the relevant exception to be available and even then these exceptions will not be available if the Inland Revenue issues an appropriate direction. The collecting agent is required to withhold if the Inland Revenue so directs, having reason to believe that none of the above exceptions applies or that the depositary or collecting agent has failed to comply with certain requirements.

- 3 If Notes are issued at a discount or redeemable at a premium, no United Kingdom withholding tax should apply to any premium or discount on such Notes. If any element of premium or discount were to be treated for tax purposes as yearly interest, payments thereof would be subject to United Kingdom withholding tax as outlined above.

Taxation of Interest

- 1 Interest on Notes will have a United Kingdom source and accordingly may be chargeable to United Kingdom tax by direct assessment. Where the interest is paid without withholding or deduction, the interest will not be assessed to United Kingdom tax in the hands of holders of the Notes who are not resident in the United Kingdom, except where such persons carry on a trade, profession or vocation in the United Kingdom through a United Kingdom branch or agency in connection with which the interest is received or to which the Notes are attributable, in which case (subject to exemptions for interest received by certain categories of agent) tax may be levied on the United Kingdom branch or agency.
- 2 Where interest has been paid under deduction of United Kingdom income tax, Noteholders who are not resident in the United Kingdom may be able to recover all or part of the tax deducted under an appropriate provision in an applicable double taxation treaty.
- 3 Noteholders should recognise that the provisions relating to additional amounts referred to in "Terms and Conditions of the Notes — Taxation" above would not apply if the Inland Revenue sought to assess directly the person entitled to the relevant interest to United Kingdom tax. However, exemption from, or reduction of, such United Kingdom tax liability might be available under an applicable double taxation treaty.

Disposal (including Redemption)

Corporate Noteholders

Except as described below, Noteholders within the charge to United Kingdom corporation tax will be subject to tax as income on all profits and gains arising from, and from fluctuations in the value of, the Notes (whether attributable to movements in foreign currency exchange rates or otherwise) broadly in accordance with their statutory accounting treatment. Such Noteholders will generally be charged in each

accounting period by reference to interest and any profit or loss which in accordance with such Noteholder's authorised accounting method is applicable to that period.

Where the amount payable on redemption of Notes is determined by applying to the original principal amount the percentage movement over the life of the Notes in a share index, or where otherwise the amount that must be paid to discharge Notes is equal to the amount determined by applying to the original principal amount of the Notes the percentage change over the life of the Notes in the value of assets which are "chargeable assets" for the purposes of United Kingdom taxation of chargeable gains (or in any index of the value of such assets, but not the Retail Prices Index or any similar official general index of prices), the treatment described in the previous paragraph will apply only to interest arising in respect of the Notes. Other profits or gains on such Notes held by a Noteholder within the charge to United Kingdom corporation tax will not be subject to tax as income under Part IV of the Finance Act 1996 but the Notes will be treated as "chargeable assets" for the purposes of the United Kingdom taxation of chargeable gains so that a disposal of such Notes may give rise to a chargeable gain or allowable loss.

Special rules apply to particular types of company, such as insurance companies and investment trusts. Such holders should also have regard to rules for taxation of foreign exchange gains and losses contained in the Finance Act 1993.

Other Noteholders

A disposal of Notes by a holder resident or ordinarily resident for tax purposes in the United Kingdom or who carries on a trade, profession or vocation in the United Kingdom through a branch or agency to which the Notes are attributable may give rise to a chargeable gain or allowable loss for the purposes of taxation of capital gains. Such holders should also have regard, where appropriate, to the provisions of the relevant discounted securities legislation, the accrued income scheme, the capital gains tax legislation and, in particular, should note that, under certain provisions of the United Kingdom tax legislation (the relevant discounted securities legislation), the issue of Notes under a particular prospectus may, in certain circumstances, alter the tax treatment of Notes previously issued.

SUBSCRIPTION AND SALE

References in the Offering Circular to the "Programme Agreement" shall be deemed to be references to the Programme Agreement dated 4th October, 1996, as amended by the First Supplemental Programme Agreement (the "First Supplemental Programme Agreement") dated 17th September, 1998.

SELLING RESTRICTIONS

In accordance with the terms of the First Supplemental Programme Agreement, the United Kingdom selling restriction shall be deleted and replaced by the following:

"Each Dealer has agreed that:

- 1 it has not offered or sold and will not offer or sell (a) any Notes (other than Notes with a maturity of less than one year or a minimum denomination of at least ECU 40,000 or its equivalent in other currencies), in respect of which admission to listing in accordance with Part IV of the Financial Services Act 1986 (the "Act") is to be sought, to persons in the United Kingdom prior to admission of such Notes to such listing or (b) prior to the date six months after their date of issue, any Notes having a maturity of one year or more, in respect of which admission to such listing is not to be sought, to persons in the United Kingdom, in each case, except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances that have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995 or, in the case of Notes in respect of which admission to such listing is to be sought, the Act
- 2 it has complied with and will comply with all applicable provisions of the Act with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom and
- 3 it has only issued or passed on and will only issue or pass on in the United Kingdom any document received by it in connection with the issue of the Notes, other than any document that consists of or any part of listing particulars, supplementary listing particulars or any other document required or permitted to be published by listing rules under Part IV of the Act, to a person who is of a kind described in Article 11(3) of the Financial Services Act 1986 (Investment Advertisements) (Exemptions) Order 1996 or is a person to whom such document may otherwise lawfully be issued or passed on."

GENERAL INFORMATION

- 1 The listing of the Notes on the London Stock Exchange will be expressed as a percentage of their principal amount (exclusive of accrued interest). It is expected that listing of the Notes on the London Stock Exchange will be granted on or before 18th September, 1998 subject only to the issue of a temporary or permanent Global Note (or one or more Certificates) in respect of each Tranche. Prior to official listing, however, dealings will be permitted by the London Stock Exchange in accordance with its rules. Transactions on the London Stock Exchange will normally be effected for delivery on the third working day after the day of the transaction. However, unlisted Notes may be issued pursuant to the Programme.
- 2 The Bank has obtained all necessary consents, approvals and authorisations in the United Kingdom in connection with the issue and performance of the Notes. The establishment of the Programme and the issue of the Notes were authorised by resolutions of the Chairman's Committee of the Board of Directors of the Bank passed on 26th September, 1996, 18th September, 1997 and 10th September, 1998.
- 3 There has been no significant change in the financial or trading position of the Bank or of the Group since 31st December, 1997, and no material adverse change in the financial position or prospects of the Bank or of the Group since 31st December, 1997.
- 4 Neither the Bank nor any of its subsidiaries is involved in any legal or arbitration proceedings that may have, or have had during the 12 months preceding the date of this document, a significant effect on the financial position of the Group or of the Bank nor is the Bank aware that any such proceedings are pending or threatened.
- 5 Each Bearer Note, Receipt, Coupon and Talon will bear the following legend:

“Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code”.
- 6 Notes have been accepted for clearance through the Euroclear and Cedel Bank systems. The Common Code and the International Securities Identification Number (ISIN) for each Series of Notes will be set out in the relevant Pricing Supplement.
- 7 Under Article 109g of the Treaty, the currency composition of the ECU may not be changed. The Treaty contemplates that European Economic and Monetary Union will occur in three stages, the second of which began on 1st January, 1994 with the entry into force of the Treaty on European Union. The Treaty provides that the third stage of European Economic and Monetary Union will start on 1st January, 1999 and on that date the value of the ECU as against the currencies of the member states participating in the third stage will be irrevocably fixed and the ECU will become a currency in its own right. On 17th June, 1997, the Council of the European Union adopted Council Regulation (EC) No.1103/97, which recites that the name of that currency will be the euro and that, in accordance with the Treaty, references to the ECU will be replaced by references to the euro at the rate of one euro for one ECU. From the start of the third stage of European Economic and Monetary Union, all payments in respect of Notes otherwise payable in ECU will be payable in euro at the rate of one euro for one ECU.
- 8 The Arranger for issues of Deutsche Mark Notes, the Dealers for Deutsche Mark Notes and the Bank will comply with the Deutsche Bundesbank statements from time to time relating to the issue of Deutsche Mark securities.
- 9 For so long as Notes may be issued pursuant to this Offering Circular, the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the office of Lloyds Bank Plc, 71 Lombard Street, London EC3P 3BS and of the Issuing and Paying Agent:

- 9.1 the Trust Deed (which includes the form of the Global Notes, the definitive Bearer Notes, the Certificates, the Coupons, the Receipts and the Talons);
 - 9.2 the Programme Agreement (including the First Supplemental Programme Agreement);
 - 9.3 the Memorandum and Articles of Association of the Bank;
 - 9.4 the audited consolidated Report and Accounts of the Bank for the two financial years most recently ended;
 - 9.5 each Pricing Supplement for Notes that are listed on the London Stock Exchange or any other stock exchange;
 - 9.6 a copy of this Supplemental Offering Circular and the Offering Circular, together with any further supplemental Offering Circular or Offering Circular; and
 - 9.7 all reports, letters and other documents, balance sheets, valuations and statements by any expert any part of which is extracted or referred to in this Supplemental Offering Circular or the Offering Circular.
- 10 Copies of the latest audited consolidated Report and Accounts of the Bank and copies of the Trust Deed will be available for inspection at the specified offices of each of the Paying Agents during normal business hours, so long as any of the Notes is outstanding. The Bank does not publish interim accounts.
 - 11 Price Waterhouse, Chartered Accountants and Registered Auditors have audited, and rendered unqualified audit reports on, the annual consolidated published accounts of the Bank and its subsidiaries for the three financial years ended 31st December, 1997. On 1st July, 1998, Price Waterhouse merged its business with Coopers & Lybrand to form a new partnership called PricewaterhouseCoopers. The successor firm was appointed as auditors of the Bank on 10th September, 1998.
 - 12 No redemption of the Notes for taxation reasons, no redemption of the Notes, no optional redemption of the Notes pursuant to Condition 5(d) or Condition 5(e) and no purchase and cancellation of the Notes in accordance with the Conditions of the Notes will be made by the Bank without such prior consent of the Bank of England as may for the time being be required therefor.

REGISTERED OFFICE OF THE BANK

71 Lombard Street
London EC3P 3BS

DEALERS

Citibank International plc
Citibank House
336 Strand
London WC2R 1HB

Deutsche Bank AG London
6 Bishopsgate
London EC2P 2AT

Goldman Sachs International
Peterborough Court
133 Fleet Street
London EC4A 2BB

Lehman Brothers International (Europe)
One Broadgate
London EC2M 7HA

Lloyds Bank Plc
71 Lombard Street
London EC3P 3BS

Merrill Lynch International
Ropemaker Place
25 Ropemaker Street
London EC2Y 9LY

J.P. Morgan Securities Ltd.
60 Victoria Embankment
London EC4Y 0JP

Warburg Dillon Read
1 Finsbury Avenue
London EC2M 2PP

TRUSTEE

The Law Debenture Trust Corporation p.l.c.
Princes House
95 Gresham Street
London EC2V 7LY

ISSUING AND PAYING AGENT, REGISTRAR AND TRANSFER AGENT

Citibank, N.A.
5 Carmelite Street
London EC4Y 0PA
(with effect from 28th September, 1998)

PAYING AGENTS AND TRANSFER AGENTS

Citibank, N.A.
Building 726
1931 Brucargo
Brussels
Belgium
(with effect from 28th September, 1998)

Banque Paribas Luxembourg
10A Boulevard Royal
L-2093 Luxembourg

LONDON LISTING AGENT

Merrill Lynch International
Ropemaker Place
25 Ropemaker Street
London EC2Y 9LY

AUDITORS

To the Bank
PricewaterhouseCoopers
Southwark Towers
32 London Bridge Street
London SE1 9SY

LEGAL ADVISERS

To the Bank
Linklaters & Paines
One Silk Street
London EC2Y 8HQ

To the Dealers and the Trustee
Allen & Overy
One New Change
London EC4M 9QQ