

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities Offered	Maximum Aggregate Offering Price
4.875% Senior Notes due 2016	\$2,250,000,000
Guarantees of 4.876% Senior Notes due 2016	—
6.375% Senior Notes due 2021	\$2,500,000,000
Guarantees of 6.375% Senior Notes due 2021	—
Total	\$4,750,000,000

(1) Calculated in accordance with Rule 457(r)

(2) Pursuant to Rule 475(n), no separate fee is payable with respect to the guarantees

PROSPECTUS SUPPLEMENT

(to prospectus dated December 22, 2010)



\$4,750,000,000

Lloyds TSB Bank plc
fully and unconditionally guaranteed by
Lloyds Banking Group plc

\$2,250,000,000 4.875% Senior Notes due 2016

\$2,500,000,000 6.375% Senior Notes due 2021

From and including the date of issuance, interest will be paid on the notes on January 21 and July 21 of each year, beginning on January 21, 2011. The 2016 Senior Notes due 2016 (the “2016 Senior Notes”) will bear interest at a rate of 4.875% per year and the notes due 2021 (the “2021 Senior Notes”) will bear interest at a rate of 6.375% per year. In this prospectus supplement, we refer to the 2016 Senior Notes and the 2021 Senior Notes collectively as the “Senior Notes”.

The Senior Notes will be issued in denominations of \$1,000 and in multiples of \$1,000 in excess thereof. The Senior Notes will be issued as senior, unconditional, unsecured and unsubordinated obligations ranking *pari passu*, without any preference among themselves, with all other senior, unconditional, unsecured and unsubordinated obligations, present and future, except such obligations as are preferred by operation of law. The Senior Notes will be guaranteed by Lloyds Banking Group plc.

We may redeem the Senior Notes, in whole but not in part, at any time at 100% of their principal amount plus accrued interest, plus a premium of 1% of the principal amount of the Senior Notes, if certain tax events described in this prospectus supplement and accompanying prospectus.

We intend to apply to list the Senior Notes on the New York Stock Exchange in accordance with its rules.

Investing in the Senior Notes involves risks. See “Risk Factors” beginning on page S-4 of this prospectus supplement and accompanying prospectus for a more complete discussion of these risks. reference herein.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of this offering, nor has it passed upon the accuracy or adequacy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is an offense.

	Price to Public	Underwriting Discounts
Per 2016 Senior Note	99.921%	0.35%
Total for 2016 Senior Notes	\$2,248,222,500	\$7,875,000
Per 2021 Senior Note	99.701%	0.45%
Total for 2021 Senior Notes	\$2,492,525,000	\$11,250,000
Total	\$4,740,747,500	\$19,125,000

The initial public offering price set forth above does not include accrued interest, if any. Interest on the Senior Notes will be paid on January 21 and July 21 of each year, beginning on January 21, 2011.

We expect that the Senior Notes will be ready for delivery through the book-entry facilities of The Depository Trust Company, including Clearstream Banking, S.A. (“Clearstream Luxembourg”) and Euroclear Bank S.A./NV (“Euroclear”) on or about January 21, 2011.

Joint Bookrunners and Joint Lead Managers

Barclays Capital

BofA Merrill Lynch
Joint Lead Manager

Goldman,

Lloyds Bank Corporate Markets

Prospectus Supplement dated January 13, 2011

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You should rely only on the information contained or incorporated by reference in this prospectus supplement and prospectus (including any free writing prospectus issued or authorized by us). We have not authorized anyone to provide information. We are not making an offer of these securities in any state or jurisdiction where the offer is not permitted. the information contained in this prospectus supplement, the accompanying prospectus and the documents incorporated

accurate only as of their respective dates.

ABOUT THIS PROSPECTUS SUPPLEMENT

In this prospectus supplement, we use the following terms:

- “we,” “us,” “our” and “Lloyds Bank” mean Lloyds TSB Bank plc;
- “LBG” means Lloyds Banking Group plc;
- “Group” means Lloyds Banking Group plc together with its subsidiaries and associated undertakings;
- “Issuer Group” means Lloyds TSB Bank plc together with its subsidiaries and associated undertakings;
- “SEC” refers to the Securities and Exchange Commission;

- “pounds,” “sterling,” “pence,” “£” and “p” refer to the currency of the United Kingdom;
- “dollars” and “\$” refer to the currency of the United States; and
- “euro” and “€” refer to the currency of the member states of the European Union (“EU”) that have adopted the single currency with the treaty establishing the European Community, as amended.

INCORPORATION OF INFORMATION BY REFERENCE

The Group files annual, semiannual and special reports and other information with the Securities and Exchange Commission. You may obtain a copy of any document that the Group files with the SEC at the SEC’s Public Reference Room, 450 Fifth Street, N.W., Washington, D.C. 20549, or by calling the SEC on 1-800-SEC-0330 for further information on the Public Reference Room. The SEC’s website, at <http://www.sec.gov>, also contains all the SEC filings of the Group and other information in electronic form that we have filed. You may also request a copy of any filings referred to below (excluding confidential information) by contacting us at 25 Gresham Street, London EC2V 7HN, England, telephone +44 207 626 1500.

The SEC allows us and the Group to incorporate by reference much of the information that the Group files with them. This information includes:

- incorporated documents are considered part of this prospectus supplement;
- we and the Group can disclose important information to you by referring you to these documents; and
- information that we and the Group file with the SEC will automatically update and supersede this prospectus supplement.

We also incorporate by reference in this prospectus supplement and accompanying prospectus any future documents the Group files with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act from the date of this prospectus supplement until the offering of securities under this prospectus supplement is completed. Reports on Form 6-K that the Group may furnish to the SEC after the date of this prospectus supplement (and any portions thereof) are incorporated by reference in this prospectus supplement only to the extent that the report expressly states that it is incorporated by reference in this prospectus supplement.

FORWARD-LOOKING STATEMENTS

From time to time, we may make statements, both written and oral, regarding our assumptions, projections, expectations, and other forward-looking information about future events. These statements constitute “forward-looking statements” for purposes of the Private Securities Litigation Reform Act of 1995. We caution that these statements may and often do vary materially from actual results. Accordingly, we cannot assure you that actual results will not differ materially from those expressed or implied by the forward-looking statements. You should read the sections entitled “Risk Factors” in this prospectus supplement and “Presentation of information—Forward-Looking statements” and “Forward-Looking Statements” in LBG’s Annual Report on Form 20-F for the year ended December 31, 2009, which is incorporated by reference herein.

We and the Group undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, forward-looking events discussed in this prospectus supplement are not guarantees of future performance.

information incorporated by reference, might not occur.

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SUMMARY

The following is a summary of this prospectus supplement and should be read as an introduction to, and in conjunction with, the prospectus supplement, the accompanying prospectus and any documents incorporated by reference therein. You should base your decision to invest on a consideration of this prospectus supplement, the accompanying prospectus and any documents incorporated by reference therein. Words and expressions defined in “Description of the Senior Notes” below shall have the same meanings in this summary.

General

Issuer	Lloyds TSB Bank plc
Guarantor	Lloyds Banking Group plc
Senior Notes	<p>\$2,250,000,000 aggregate principal amount of 4.875% Senior Notes due 2016 (the “2016 Senior Notes”)</p> <p>\$2,500,000,000 aggregate principal amount of 6.375% Senior Notes due 2021 (the “2021 Senior Notes”)</p> <p>In this prospectus supplement we refer to the 2016 Senior Notes and the 2021 Senior Notes collectively as the “Senior Notes”.</p>
Issue Date	January 21, 2011
Maturity	<p>We will pay the 2016 Senior Notes at 100% of their principal amount plus accrued interest on their maturity date.</p> <p>We will pay the 2021 Senior Notes at 100% of their principal amount plus accrued interest on their maturity date.</p>
Interest Rate	<p>The 2016 Senior Notes will bear interest at a rate of 4.875% per annum.</p> <p>The 2021 Senior Notes will bear interest at a rate of 6.375% per annum.</p>
Interest Payment Dates	Every January 21 and July 21, commencing on July 21, 2011.
Regular Record Dates	January 6 and July 6 of each year immediately preceding the Interest Payment Dates on the same dates of each year, respectively.
Ranking	The Senior Notes will constitute our direct, unconditional, unsecured and unsubordinated obligations, ranking <i>pari passu</i> with all our other outstanding unsecured and unsubordinated obligations, present and future, except such obligations as are preferred by operation of law.
Guarantee	The Senior Notes are fully and unconditionally guaranteed by LBG. The guarantee will constitute our direct, unconditional, unsecured and unsubordinated obligations ranking <i>pari passu</i> with all of our other outstanding unsecured and unsubordinated obligations, present and future, except such obligations as are preferred by operation of law.

Additional Issuances

We may, without the consent of the holders of the 2016 Senior Notes or the 2021 Senior Notes having the same ranking and same interest rate, maturity date, redemption terms and

	<p>Senior Notes or the 2021 Senior Notes (as applicable) described in this prospectus supplied to the public and issue date, provided however that such additional notes must be fungible for U.S. federal income tax purposes. See “<i>Description of the Senior Notes—Additional</i>” in the accompanying prospectus supplement.</p>
Tax Redemption	<p>In the event of various tax law changes that require us to pay additional amounts and other amounts as described under “<i>Description of the Senior Notes—Tax Redemption</i>” in this prospectus supplement or “<i>Description of Debt Securities—Redemption</i>” in the accompanying prospectus we may pay more than all, of the Senior Notes prior to maturity.</p>
Book-Entry Issuance, Settlement and Clearance	<p>We will issue the Senior Notes in fully registered form in denominations of \$1,000 and in multiples of \$1,000 in excess thereof. The Senior Notes will be represented by one or more global securities held in the name of a nominee of DTC. You will hold beneficial interests in the Senior Notes through indirect participants, including Euroclear and Clearstream Luxembourg, and DTC and its indirect participants will record your beneficial interest on their books. We will not issue certificates for the Senior Notes. The accompanying prospectus. Settlement of the Senior Notes will occur through DTC in accordance with the information on DTC’s book-entry system, see “<i>Description of Debt Securities—Form of Book-Entry System</i>” in the accompanying prospectus.</p>
CUSIP	<p>539473 AG3 for the 2016 Senior Notes 539473 AH1 for the 2021 Senior Notes</p>
ISIN	<p>US539473AG31 for the 2016 Senior Notes US539473AH14 for the 2021 Senior Notes</p>
Listing and Trading	<p>We intend to apply to list the Senior Notes on the New York Stock Exchange.</p>
Trustee and Principal Paying Agent	<p>The Bank of New York Mellon, acting through its London office, a banking corporation existing under the laws of the state of New York, as trustee, having its Corporate Trust Office at 25 Abchurch Lane, London EC4A 3DF, United Kingdom, will act as the trustee and initial principal paying agent for the Senior Notes.</p>
Timing and Delivery	<p>We currently expect delivery of the Senior Notes to occur on January 21, 2011, which is the day following the pricing of the Senior Notes (such settlement cycle being referred to as the “T+1” cycle). Secondary market participants generally are required to settle in three business days, unless the parties to the transaction expressly agree otherwise. Accordingly, purchasers who wish to trade Senior Notes on the date of pricing or the next succeeding business day will be required, by virtue of the fact that the Senior Notes will be delivered on January 21, 2011, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Senior Notes who wish to trade Senior Notes on the date of pricing or the next business day should consult their own advisors.</p>

Use of Proceeds

We intend to use the net proceeds of the offering for general corporate purposes.

Governing Law

The senior debt securities indenture, the Senior Notes and the guarantee are governed by accordance with, the laws of the State of New York.

RISK FACTORS

Prospective investors should consider carefully the risk factors incorporated by reference into this Prospectus Supplement as well as the other information set out elsewhere in this Prospectus Supplement (including any other documents incorporated by reference) and reach their own views prior to making any investment decision with respect to the Senior Notes.

Set out below and incorporated by reference herein are certain risk factors which could have a material adverse effect on the financial condition or prospects of Lloyds Bank and/or LBG and cause future results to be materially different from expected results. LBG's results could also be affected by competition and other factors. These factors should not be regarded as a complete and exclusive list of all potential risks and uncertainties Lloyds Bank and LBG face. Lloyds Bank and LBG have described only those risks relating to the Senior Notes which they consider to be material. There may be additional risks that Lloyds Bank and LBG currently consider not to be material or are not currently aware of, and any of these risks could have the effects set forth above. All of these factors are contingencies which may or may not occur, and Lloyds Bank and LBG are not in a position to express a view on the likelihood of any such contingency occurring. Investors should be aware of Lloyds Bank's and LBG's solvency risk. Each of the risks highlighted could have a material adverse effect on the amount of principal investors will receive in respect of the Senior Notes. In addition, each of the highlighted risks could adversely affect the trading of the Senior Notes or the rights of investors under the Senior Notes and, as a result, investors could lose some or all of their investment.

Lloyds Bank is a principal operating subsidiary of LBG and accounts for substantially all of the consolidated assets, liabilities and operations of LBG. Accordingly, those risk factors incorporated by reference which relate to LBG and the Group will also be of relevance to the Senior Notes.

Risks relating to Lloyds Bank and LBG

For a description of the risks associated with Lloyds Bank and LBG, see the section entitled "Risk Factors" of the report on the operations of LBG for the year ended 31 December 2010, which is incorporated by reference herein.

Risks relating to the Senior Notes

The Senior Notes are unsecured and are effectively subordinated to our secured indebtedness.

Our Senior Notes are unsecured, will be effectively subordinated to all secured indebtedness we may incur, to the extent of the secured indebtedness. The indenture relating to our Senior Notes does not restrict our ability to incur secured indebtedness in the future. In the event of our insolvency, bankruptcy, liquidation, reorganization, dissolution or winding up, we may not have sufficient assets to pay amounts due on our Senior Notes then outstanding.

An active trading market may not develop for the Senior Notes

Prior to the offering, there was no existing trading market for the Senior Notes. We intend to apply for listing of the Senior Notes on the New York Stock Exchange. If, however, an active trading market does not develop or is not maintained, the market price and liquidity of the Senior Notes may be adversely affected. In that case, holders of the Senior Notes may not be able to sell Senior Notes at a particular time or may not be able to sell Senior Notes at a favorable price. The liquidity of any market for the Senior Notes will depend on a number of factors including:

- the number of holders of the Senior Notes;

- Lloyds Bank's and LBG's credit ratings published by major credit rating agencies;
- our financial performance;
- the market for similar securities;

- the interest of securities dealers in making a market in the notes; and
- prevailing interest rates.

We cannot assure you that an active market for the notes will develop or, if developed, that it will continue.

Lloyds Bank's and LBG's credit ratings may not reflect all risks of an investment in the Senior Notes and the guarantee.

Lloyds Bank's and LBG's credit ratings may not reflect the potential impact of all risks relating to the market values of the Senior Notes and the guarantee. However, real or anticipated changes in Lloyds Bank's or LBG's credit ratings will generally affect the market value of the Senior Notes and the guarantee. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency.

We may redeem the Senior Notes at any time for certain tax reasons.

We may also redeem the Senior Notes at any time in whole (but not in part) upon the occurrence of certain tax changes as described in the prospectus supplement and accompanying prospectus.

Investors should be aware that the materialization of any of the above risks (including those risks incorporated herein by reference) may adversely affect the value of the Senior Notes and the guarantee.

USE OF PROCEEDS

The net proceeds from the sale of the Senior Notes, less the underwriting compensation stated on the cover of this prospectus and the expenses payable by us estimated at \$700,000, are estimated to be \$4,720,922,500. These proceeds will be used for general corporate purposes.

CAPITALIZATION OF THE GROUP

The Group's issued and fully paid share capital, shareholders' funds and indebtedness on an unaudited consolidated basis as at June 30, 2010 is set out in the report on Form 6-K dated December 22, 2010, which is incorporated by reference herein.

RATIO OF EARNINGS TO FIXED CHARGES

The Group's ratio of earnings to fixed charges as at June 30, 2010 and for the years ended December 31, 2009, 2008, 2007 and 2006 is set out in the report on Form 6-K dated October 8, 2010, which is incorporated by reference herein.

DESCRIPTION OF THE SENIOR NOTES

In this prospectus supplement we refer to the 2016 Senior Notes and the 2021 Senior Notes collectively as the “Senior Notes” and the summary of certain terms of the Senior Notes. It supplements the description of the general terms of the debt securities of any series contained in the accompanying prospectus under the heading “Description of Debt Securities”. If there is any inconsistency between this summary and the description in the accompanying prospectus, the following summary governs.

The 2016 Senior Notes will be issued in an aggregate principal amount of \$2,250,000,000 and will mature on January 21, 2016. The 2021 Senior Notes will be issued in an aggregate principal amount of \$2,500,000,000 and will mature on January 21, 2021. From and including January 21, 2011, interest will accrue on the 2016 Senior Notes at a rate of 4.875% per annum and on the 2021 Senior Notes at a rate of 6.375% per annum. Interest will be payable semi-annually in arrears on January 21 and July 21 of each year, commencing on January 21, 2011. The regular record dates for the Senior Notes will be January 6 and July 6 of each year immediately preceding the interest payment dates of January 21 and July 21, respectively.

Interest on the Senior Notes will be calculated on the basis of a 360-day year consisting of twelve 30-day months. If any scheduled interest payment date is not a business day, we will pay interest on the next business day, but interest on that payment will not accrue during the period from and after the scheduled interest payment date. If the scheduled maturity date or date of redemption or repayment is not a business day, we will pay principal on the next succeeding business day, but interest on that payment will not accrue during the period from and after the scheduled maturity date or date of redemption or repayment.

A “business day” means any day, other than Saturday or Sunday, that is neither a legal holiday nor a day on which banking institutions in the City of New York or in the City of London are authorized or required by law or regulation to close in the City of New York or in the City of London.

The Senior Notes will constitute our direct, unconditional, unsecured and unsubordinated obligations ranking *pari passu*, with all our other outstanding unsecured and unsubordinated obligations, present and future, except such obligations as may be otherwise specifically provided by operation of law.

General

Each of the 2016 Senior Notes and the 2021 Senior Notes will constitute a separate series of senior debt securities issued by us as Issuer, LBG, as Guarantor, and The Bank of New York Mellon as trustee (the “Trustee”). Book-entry interests in the Senior Notes will have minimum denominations of \$1,000 and in integral multiples of \$1,000 in excess thereof. Interest on the Senior Notes will be calculated on the basis of a 360-day year of twelve 30-day months.

The principal corporate trust office of the Trustee in London, United Kingdom, is designated as the principal paying agent. We may designate additional paying agents or rescind the designation of paying agents or approve a change in the office through which payments are made.

We will issue the Senior Notes in fully registered form. The Senior Notes will be represented by one or more global securities, which will be deposited with a nominee of The Depository Trust Company (the “DTC”). You will hold beneficial interest in the Senior Notes through the DTC participants. The Underwriters expect to deliver the Senior Notes through the facilities of the DTC on January 21, 2011. For a description of the form of the Senior Notes and settlement and clearance arrangements, you should read “Description of Debt Securities—Book-Entry System” in the accompanying prospectus. Indirect holders trading their beneficial interests in the Senior Notes through the DTC participants will be deemed to be trading through the DTC.

in the DTC's same-day funds settlement system and pay in immediately available funds. Secondary market trading will occur following the applicable rules and operating procedures of Euroclear and Clearstream Luxembourg.

Definitive debt securities will only be issued in limited circumstances described under “*Description of Debt Securities—Final Book-Entry System*” in the accompanying prospectus.

Payment of principal of and interest on the Senior Notes, so long as the Senior Notes are represented by global securities, will be made from immediately available funds. Beneficial interests in the global securities will trade in the same-day funds settlement system of the primary market trading activity in such interests will therefore settle in same-day funds.

Additional Issuances

We may, without the consent of the holders of the 2016 Senior Notes or the 2021 Senior Notes, issue additional notes having the same interest rate, maturity date, redemption terms and other terms as the 2016 Senior Notes or the 2021 Senior Notes (as applicable) in the prospectus supplement except for the price to the public and issue date, provided however that such additional notes must be fully paid for U.S. federal income tax purposes. Any such additional notes, together with the 2016 Senior Notes or the 2021 Senior Notes offered by this prospectus supplement, will constitute a single series of securities under the indenture relating to senior debt securities dated as of January 21, 2011, among us, LBG, and The Bank of New York Mellon. There is no limitation on the amount of notes or on the frequency with which we may issue under such indenture.

Tax Redemption

We may redeem each of the 2016 Senior Notes and the 2021 Senior Notes in whole but not in part if we determine that as a result of an amendment to the laws or regulations of a U.K. taxing jurisdiction:

- in making any payments on the particular series of debt securities, we have paid or will or would on the next payment date pay additional amounts;
- payments on the next payment date in respect of any of the series of debt securities would be treated as “distributions” under Chapter 2 Part 23 of the Corporation Tax Act 2010 of the United Kingdom, or any statutory modification or re-enactment thereof;
- on the next payment date we would not be entitled to claim a deduction in respect of the payments in computing our U.K. tax liability and the value of the deduction to us would be materially reduced.

In the event of such a redemption, the redemption price of the Senior Notes will be 100% of their principal amount together with any unpaid interest to the date of redemption.

If we elect to redeem the Senior Notes, they will cease to accrue interest from the redemption date, unless we fail to pay the redemption payment date. The circumstances in which we may redeem the Senior Notes and the applicable procedures are described further in the prospectus under “*Description of Debt Securities—Redemption*”.

Payment of Additional Amounts

The United Kingdom (or any political subdivision thereof or therein having the power to tax) may require us to withhold or deduct from payments of principal or interest on the Senior Notes, for taxes or other governmental charges. If such a withholding or deduction is required to pay additional amounts such that the net amount paid to holders of the Senior Notes, after such deduction or withholding, is less than that would have been payable had no such withholding or deduction been required. For more information on additional amounts which we must pay additional amounts, see “*Description of Debt Securities—Additional Amounts*” in the accompanying prospectus.

Waiver of Right to Set-Off

By accepting a Senior Note, each holder will be deemed to have waived any right of set-off, counterclaim or combination such Senior Note or the indenture (or between our obligations under or in respect of any Senior Note and any liability owed by us) that they might otherwise have against us, whether before or during our winding up.

Discharge

We can legally release ourselves from any payment or other obligations on the Senior Notes, except for various obligations if the Senior Notes have become due and payable or will become due and payable at their stated maturity within one year or are to become due within one year and we deposit in trust for your benefit and the benefit of all other direct holders of the Senior Notes a combination of U.S. government or U.S. government agency notes or bonds that will generate enough cash to make interest, principal and any other payments on the Senior Notes on their various due dates. In addition, on the date of such deposit, we must not be in default. For purposes of this no-discharge, we will include an event of default that has occurred and not been cured, as described under “*Description of Debt Securities—Events of Default*” and “*Limitation of Remedies—Senior Debt Security Event of Default*” in the accompanying prospectus. A default for this purpose will be an event that would be an event of default if the requirements for giving us default notice or our default having to exist for a specified period of time were disregarded.

However, even if we take these actions, a number of our obligations under the senior debt indenture will remain.

Listing

We intend to apply for the listing of the Senior Notes on the New York Stock Exchange in accordance with its rules.

Guarantee

The Senior Notes are fully and unconditionally guaranteed by LBG. The guarantee is set forth in, and forms part of, the indenture for the Senior Notes will be issued by us. If, for any reason, we do not make any required payment in respect of our Senior Notes when due, payment to be made to or to the order of the applicable trustee. The guarantee will constitute LBG’s direct, unconditional, unsubordinated obligation ranking *pari passu* with all LBG’s other outstanding, unsecured and unsubordinated obligations, present and future, and will not be preferred by operation of law. Holders of Senior Notes issued by us may sue LBG to enforce their rights under the guarantee against us or any other person or entity. LBG may, without the consent of the holders of the Senior Notes, assume all of our rights and obligations under the guarantee and upon such assumption, we will be released from our liabilities under the senior debt indenture and the Senior Notes.

CERTAIN U.K. AND U.S. FEDERAL TAX CONSEQUENCES

A summary of material U.K. and U.S. federal tax consequences of the acquisition, ownership and disposition of the Senior Notes is set forth in Exhibit 2 entitled "Certain U.K. and U.S. Federal Tax Consequences of Notes" to our report on Form 6-K filed with the SEC on October 8, 2010, which is incorporated by reference herein.

In the event that interest payments are made by LBG under the provision of the guarantee, such payments can be made with a full deduction of U.K. income tax provided that the Senior Notes are and remain listed as described in the above mentioned Form 6-K filed with the SEC on October 8, 2010. In all other cases where LBG makes an interest payment, an amount of U.K. income tax must generally be withheld (currently 20 per cent), unless otherwise directed as further described in the above mentioned Form 6-K filed with the SEC on October 8, 2010.

UNDERWRITING

In this prospectus supplement we refer to the 2016 Senior Notes and the 2021 Senior Notes collectively as the “Senior Notes.” The Underwriters for the offering named below (the “Underwriters”) have entered into an underwriting agreement and a pricing agreement with us for the Senior Notes. Subject to certain conditions, we have agreed to sell to the Underwriters and each Underwriter has severally agreed to purchase the respective principal amounts of the 2016 Senior Notes and 2021 Senior Notes indicated opposite such Underwriter’s name in the table below.

<u>Underwriters</u>	<u>Principal Amount of 2016 Senior Notes</u>
Barclays Capital Inc.	\$ 675,000,000
Goldman, Sachs & Co.	675,000,000
Merrill Lynch, Pierce, Fenner & Smith Incorporated	675,000,000
Lloyds TSB Bank plc	225,000,000
Total	<u>\$ 2,250,000,000</u>

The Underwriters propose to offer the Senior Notes directly to the public at the initial public offering prices set forth on the prospectus and may offer the Senior Notes to certain securities dealers at the initial public offering price less a concession of 0.15% in the case of the 2016 Senior Notes and 0.30% in the case of the 2021 Senior Notes. The Underwriters may allow, and such dealers may realize, a concession of 0.15% in the case of the 2016 Senior Notes and 0.25% in the case of the 2021 Senior Notes to certain brokers and dealers. After the offering, the public offering prices, concessions and discounts may be changed.

The underwriting agreement and the pricing agreement provide that the obligations of the Underwriters are subject to certain conditions and that the Underwriters have undertaken to purchase all the Senior Notes offered by this prospectus supplement if any of them are not purchased. The offering of the Senior Notes by the Underwriters is subject to receipt and acceptance and the Underwriters have no obligation to purchase in whole or in part.

We intend to apply for the listing of the Senior Notes on the New York Stock Exchange. The Senior Notes are a new issue and there is no established trading market. We have been advised by the Underwriters that the Underwriters intend to make a market in the Senior Notes, but are not obligated to do so and may discontinue market-making at any time without notice. No assurance can be given as to the liquidity of the Senior Notes.

The Senior Notes will settle through the facilities of the DTC and its participants (including Euroclear and Clearstream Bank Luxembourg). The CUSIP number for the 2016 Senior Notes is 539473 AG3 and the ISIN is US539473AG31. The CUSIP number for the 2021 Senior Notes is 539473 AH14 and the ISIN is US539473AH14.

Certain of the Underwriters may not be U.S. registered broker-dealers and accordingly will not effect any sales within the United States in compliance with applicable U.S. laws and regulations, including the rules of FINRA.

We estimate that our total expenses for the offering, excluding underwriting commissions will be approximately \$700,000.

We have agreed to indemnify the several Underwriters against certain liabilities, including liabilities under the Securities Act.

It is expected that delivery of the Senior Notes will be made against payment on or about the date specified in the last paragraph of this prospectus supplement, which will be the fifth business day following the date of pricing of the Senior Notes (such settlement cycle as "T+5"). Trades in the secondary market generally are required to settle in three business days, unless the parties to any such trade agree otherwise. Accordingly, purchasers who wish to trade Senior Notes on the date of pricing or the next succeeding business day should be aware of the fact that the Senior Notes initially will settle in T+5, to specify an alternate settlement cycle at the time of any such trade or settlement. Purchasers of Senior Notes who wish to trade Senior Notes on the date of pricing or the next business day should consult with their broker.

Stabilization Transactions and Short Sales

In connection with the offering, the Underwriters may purchase and sell Senior Notes in the open market. These transactions may include stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the Underwriters of a principal amount of Senior Notes than they are required to purchase from us in the offering. Stabilizing transactions consist of purchases made for the purpose of preventing or retarding a decline in the market price of the Senior Notes while the offering is in progress.

The Underwriters may also impose a penalty bid. This occurs when a particular Underwriter repays to the Underwriters a portion of the discount received by it because the Underwriters have repurchased Senior Notes sold by or for the account of such Underwriter in connection with covering transactions.

These activities by the Underwriters may stabilize, maintain or otherwise affect the market price of the Senior Notes. As a result, the price of Senior Notes may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued by the Underwriters at any time. These transactions may be effected on the New York Stock Exchange, in the over-the-counter market or otherwise.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investments and brokerage activities. In the ordinary course of business, the Underwriters and their affiliates may have engaged in and may continue to engage in investment, financial, banking and advisory services with us or our affiliates, for which customary fees may apply.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including loans) for their own account and for the accounts of their customers, and such investment and securities activities may involve securities and/or instruments of the same issuer. The Underwriters and their respective affiliates may also make investment recommendations and/or publish or express independent views about such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities or instruments.

Selling Restrictions

United Kingdom

Each Underwriter has represented and agreed that, in connection with the distribution of the Senior Notes, it has only communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 of the United Kingdom (the "FSMA")) received by it in connection with the offer or sale of such Senior Notes or any investments representing the Senior Notes in circumstances in which section 21(1) of the FSMA, if applicable, would not, if we were not an authorized person, apply to us and Lloyds Banking Group plc and that it has complied and will continue to comply with applicable provisions of the FSMA with respect to anything done by it in relation to any Senior Notes in, from or otherwise in connection with the United Kingdom.

Public Offer Selling Restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, “State”), each Underwriter has severally represented and agreed that with effect from and including the date on which the Prospectus Directive was implemented in that Relevant Member State (the “Relevant Implementation Date”) it has not made and will not make an offer of Senior Notes the subject of the offering contemplated by this Prospectus to the public in that Relevant Member State prior to the publication of the Senior Notes which has been approved by the competent authority in that Relevant Member State or where appropriate, in the Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive that it may, with effect from and including the Relevant Implementation Date, make an offer of Senior Notes to the public in that State:

- (i) to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (ii) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, obtaining the prior consent of the relevant Underwriter or Underwriters nominated by the Issuer for any such offer;
- (iii) in any other circumstances falling under Article 3(2) of the Prospectus Directive,

provided no such offer of Senior Notes shall require the Issuer or any Underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of the above, the expression an “offer of the Senior Notes to the public” in relation to any Senior Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Senior Notes to enable an investor to decide to purchase or subscribe the Senior Notes, as the same may be varied in that Member State by any law, regulation, administrative provision or decision in force in that Member State and the expression “Prospectus Directive” means Directive 2003/71/EC (and any amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant law, regulation, administrative provision or decision in the Relevant Member State and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

Hong Kong

Each Underwriter has represented and agreed that:

(i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Senior Notes other than to “qualified investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance, in circumstances which do not result in the document being a “prospectus” as defined in the Companies Ordinance (Cap. 32) of Hong Kong, nor constitute an offer to the public within the meaning of that Ordinance; and

(ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Senior Notes, which is directed at the public in Hong Kong which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) in respect to Senior Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

Japan

The Senior Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law No. 252 of 1948, as amended; the “FIEA”). Accordingly, each Underwriter has represented and agreed that it has not offered or sold and will not offer or sell the Senior Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, A of the Exchange and Foreign Trade Control Act (Law No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Singapore

Each Underwriter has acknowledged that this prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Underwriter has represented and agreed that it has not offered or sold any Senior Notes or caused such Senior Notes to be offered or sold, subject of an invitation for subscription or purchase and will not offer or sell such Senior Notes or cause such Senior Notes to be offered or sold, subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, the prospectus or any other material in connection with the offer or sale, or invitation for subscription or purchase, of such Senior Notes, whether directly or indirectly, in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore, (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions of, any other applicable provision of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Senior Notes are subscribed or purchased under Section 275 by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of which is an accredited investor,

the Senior Notes shall not be transferred (whether or not the transferee is an accredited investor) to a person who is not an accredited investor, or securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever derived) in the Senior Notes shall not be transferred within 6 months after that corporation or that trust has acquired the Senior Notes pursuant to an offer made under the SFA, except:

(1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from a transfer permitted by Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(2) where no consideration is or will be given for the transfer; or

(3) where the transfer is by operation of law; or

(4) as specified in Section 276(7) of the SFA.

LEGAL OPINIONS

Our U.S. counsel, Davis Polk & Wardwell LLP, and U.S. counsel for the Underwriters, Allen & Overy LLP, will pass upon the legal matters relating to the Senior Notes and the guarantee. Our Scottish solicitors, Dundas & Wilson C.S. LLP, will pass upon the legal matters relating to the Senior Notes and the guarantee under Scots law. Our English solicitors, Linklaters LLP, will pass upon certain matters of English law relating to the issue and sale of the Senior Notes.

EXPERTS

The financial statements incorporated in this prospectus supplement by reference to Lloyds Banking Group plc's report on the consolidated financial statements for the year ended 31 December 2016.

December 22, 2010 and management's assessment of the effectiveness of internal control over financial reporting (which is Management's Report on Internal Control over Financial Reporting) incorporated in this prospectus supplement by reference to Lloyds Banking Group plc on Form 20-F for the year ended December 31, 2009 have been so incorporated in reliance on the explanatory paragraph on the effectiveness of internal control over financial reporting due to the exclusion of certain elements of financial reporting of the HBOS plc business that Lloyds Banking Group plc acquired on January 16, 2009 as of December 31, 2008. PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in accounting.

The consolidated financial statements of HBOS plc as of December 31, 2008 and 2007, and for each of the years in the three year period ended December 31, 2008 have been incorporated by reference herein in reliance upon the report of KPMG Audit Plc, independent registered public accounting firm, incorporated by reference herein, and upon the authority of said firm as experts in accounting and auditing.

PROSPECTUS

LLOYDS TSB BANK plc fully and unconditionally guaranteed by LLOYDS BANKING GROUP plc

By this prospectus we may offer —

DEBT SECURITIES

We will provide the specific terms of these securities, and the manner in which they will be offered, in one or more prospectus supplements. Any prospectus supplement may also add, update or change information contained, or incorporated by reference, in this prospectus. You should read this prospectus and the prospectus supplements carefully before you invest.

You should read both this prospectus and any prospectus supplement, together with the additional information described under the heading “Where You Can Find More Information” and the heading “Incorporation of Documents by Reference”, before investing in our securities. The specific terms of the offered securities will be determined at the time of the offering.

Investing in our debt securities involves risks that are described in the “Risk Factors” section of our annual reports to shareholders. You should read these risk factors carefully. This prospectus is not a recommendation of the Securities and Exchange Commission or in the applicable prospectus supplement.

Neither the U.S. Securities and Exchange Commission nor any state securities commission has approved or disapproved this prospectus, nor has it determined that this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

This prospectus may not be used to sell securities unless it is accompanied by a prospectus supplement.

The date of this prospectus is December 22, 2010.

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we filed with the U.S. Securities and Exchange Commission (“SEC”) in connection with a registration or continuous offering process. Under this shelf process, we may sell the securities described in this prospectus in an unspecified amount in one or more foreign currencies or currency units.

This prospectus provides you with a general description of the debt securities we may offer, which we will refer to as the “securities.” At the time we sell securities, we will provide a prospectus supplement that will contain specific information about the terms of that offering. The prospectus supplement will provide information regarding certain tax consequences of the purchase, ownership and disposition of the offered securities. The prospectus supplement may also add to, update or change information contained in this prospectus. If there is any inconsistency between the information in this prospectus and any prospectus supplement, you should rely on the information in that prospectus supplement. We will file the prospectus supplement with the SEC. You should read both this prospectus and the applicable prospectus supplement, together with the applicable SEC rules, described under the heading “Where You Can Find More Information”.

The registration statement containing this prospectus, including exhibits to the registration statement, provides additional information about the securities offered under this prospectus. The registration statement can be read at the SEC’s offices or obtained from the SEC’s website under the heading “Where You Can Find More Information”.

Certain Terms

In this prospectus, the terms “we”, “us”, “our” and “Lloyds Bank” refer to Lloyds TSB Bank plc, the term “LBG” means Lloyds Banking Group plc and the term “Group” means Lloyds Banking Group plc and its subsidiaries.

LBG publishes its consolidated financial statements in pounds sterling (“£” or “sterling”), the lawful currency of the United Kingdom. In this prospectus and any prospectus supplement, references to “dollars” and “\$” are to United States dollars.

USE OF PROCEEDS

Unless we have disclosed a specific plan in the accompanying prospectus supplement, we will use the net proceeds from the securities offered by this prospectus in the general business of the Group. The Group has raised capital in various markets from time to time and may continue to raise capital in appropriate markets as and when required.

LLOYDS BANKING GROUP PLC

Lloyds Banking Group plc was incorporated as a public limited company and registered in Scotland under the UK Companies Act 1985 with the registered number 95000.

The history of the Group can be traced back to the 18th century when the banking partnership of Taylors and Lloyds was established in London, England. Lloyds Bank Plc was incorporated in 1865 and during the late 19th and early 20th centuries entered into a number of acquisitions, significantly increasing the number of banking offices in the UK. In 1995, it continued to expand with the acquisition of the Commercial Union Bank.

Building Society (C&G).

TSB Group plc became operational in 1986 when, following UK Government legislation, the operations of four Trustee Savings Bank related companies were transferred to TSB Group plc and its new banking subsidiaries. By 1995, the TSB Group had, either through acquisition, developed life and general insurance operations, investment management activities, and a motor vehicle hire purchase to supplement its retail banking activities.

In 1995, TSB Group plc merged with Lloyds Bank Plc. Under the terms of the merger, the TSB and Lloyds Bank groups merged to form Lloyds TSB Group plc, which was renamed Lloyds TSB Group plc with Lloyds Bank Plc, which was subsequently re-named Lloyds TSB Bank plc subsidiary. In 1999, the businesses, assets and liabilities of TSB Bank plc, the principal banking subsidiary of the TSB Group, and subsidiary Hill Samuel Bank Limited were vested in Lloyds TSB Bank plc, and in 2000, Lloyds TSB Group acquired Scottish Widening Bank, already being one of the leading providers of banking services in the UK, this transaction also positioned Lloyds TSB Group as a leading provider of suppliers of long-term savings and protection products in the UK.

On September 18, 2008, with the support of the UK Government, the boards of Lloyds TSB Group plc and HBOS plc announced an agreement reached agreement on the terms of a recommended acquisition by Lloyds TSB Group plc of HBOS plc. The shareholders of Lloyds TSB Group plc approved the acquisition at its general meeting on November 19, 2008. On January 16, 2009, the acquisition was completed and the company changed its name to Lloyds Banking Group plc.

Pursuant to two placing and open offers which were completed by LBG in January and June 2009 and the Rights Issue completed in July 2009, the UK Government acquired 43.4 per cent of LBG's issued ordinary share capital. Following the issue of ordinary shares pursuant to LBG's capital raising announced in November 2009, the UK Government's holding was reduced to approximately 30.5 per cent.

Lloyds Banking Group plc's registered office is The Mound, Edinburgh EH1 1YZ, Scotland, and its principal executive office is located at 25 Gresham Street, London EC2V 7HN, United Kingdom, telephone number 011-44-207-626-1500.

LLOYDS TSB BANK PLC

Lloyds Bank was incorporated in England and Wales on April 20, 1865 (Registration number 2065). Lloyds Bank is a wholly owned subsidiary of LBG, which is the holding company of the Group. The businesses of the Group are in or owned by Lloyds Bank.

Lloyds Bank's registered office and principal executive offices in the UK are located at 25 Gresham Street, London EC2V 7HN, United Kingdom, telephone number 011-44- 207-626-1500.

DESCRIPTION OF DEBT SECURITIES

The following is a summary of the general terms of the debt securities. Each time that we issue debt securities, we will file a prospectus supplement with the SEC, which you should read carefully. The prospectus supplement may contain additional terms of those debt securities. The prospectus supplement, together with the terms contained in the prospectus supplement, will be a description of the material terms of the debt securities. In the event of any inconsistency between the terms presented here and those in the prospectus supplement, those in the prospectus supplement will control. You should also read the indentures under which we will issue the debt securities, which we have filed with the SEC, and the registration statement of which this prospectus is a part.

When we refer to "debt securities" in this prospectus, we mean the senior debt securities and the subordinated debt securities. The senior debt securities of any series will be our subordinated obligations. Senior debt securities will be issued under a senior debt indenture and the subordinated debt securities will be issued under a subordinated debt indenture. Each indenture is a contract between us, LBG and The Bank of England. We will initially act as trustee. The indentures are substantially identical, except for certain provisions such as those relating to subordination.

included only in the subordinated debt indenture. None of the indentures limit our ability to incur additional indebtedness senior indebtedness.

General

The debt securities are not deposits and are not insured or guaranteed by the U.S. Federal Deposit Insurance Corporation or any agency of the United States or the United Kingdom.

The indentures do not limit the amount of debt securities that we may issue. We may issue debt securities in one or more series. Each prospectus supplement for any particular series of debt securities will describe the terms of the offered debt securities, including the following terms:

- whether they are senior debt securities or subordinated debt securities;
- their specific designation, authorized denomination and aggregate principal amount;
- the price or prices at which they will be issued;
- whether such debt securities have a maturity date and, if so, what the date is;
- the annual interest rate or rates, or how to calculate the interest rate or rates;
- the date or dates from which interest, if any, will accrue or the method, if any, by which such date or dates will be determined;
- whether payments are conditional on our ability to make such payments and remain able to pay our debts as they fall due and, if so, how long we may continue to exceed our liabilities (other than subordinated liabilities);
- the times and places at which any interest payments are payable;
- the terms of any mandatory or optional redemption, including the amount of any premium;
- any modifications or additions to the events of default with respect to the debt securities offered;
- any provisions relating to conversion or exchange for other securities issued by us;
- the currency or currencies in which they are denominated and in which we will make any payments;
- any index used to determine the amount of any payments on the debt securities;
- any restrictions that apply to the offer, sale and delivery of the debt securities and the exchange of debt securities of one series for securities of another form;
- whether and under what circumstances, if other than those described in this prospectus, we will pay additional amounts on the debt securities following certain developments with respect to tax laws and whether, and on what terms, if other than those described in this prospectus, we will

may redeem the debt securities following those developments;

- the terms of any mandatory or optional exchange; and
- any listing on a securities exchange.

In addition, the prospectus supplement will describe the material U.S. federal and UK tax considerations that apply to any securities.

Debt securities may bear interest at a fixed rate or a floating rate. We may sell any subordinated debt securities that bear interest at a rate that at the time of issuance is below the prevailing market rate, at a discount to their stated principal amount.

Holders of debt securities shall have no voting rights except those described under the heading “— Modification and Waiv

Senior Guarantee

LBG, as guarantor, will fully and unconditionally guarantee payment in full to the holders of senior debt securities issued in accordance with the terms set forth in, and forms part of, the indenture under which senior debt securities will be issued by us. If, for any reason, we do not make any required payment in respect of our senior debt securities when due, LBG will cause the payment to be made to or to the order of the applicable trustee. The guarantee will be on a senior basis when the guaranteed debt securities are issued under the senior indenture. Holders of senior debt securities issued by us may sue LBG to enforce their rights under the guarantee without first suing any other person or entity. LBG may, without the consent of the holders of the debt securities, assume all of our rights and obligations under the debt securities and upon such assumption, we will be released from our liabilities under the senior debt indenture and the senior debt securities.

Subordinated Guarantee

LBG, as guarantor, will fully and unconditionally guarantee payment in full to the holders of subordinated debt securities issued in accordance with the terms set forth in, and forms part of, the indenture under which subordinated debt securities will be issued by us. If, for any reason, we do not make any required payment in respect of our subordinated debt securities when due, LBG will cause the payment to be made to or to the order of the applicable trustee. The guarantee will be on a subordinated basis when the guaranteed debt securities are issued under the subordinated indenture. Holders of subordinated debt securities issued by us may sue LBG to enforce their rights under the guarantee without first suing any other person or entity. LBG may, without the consent of the holders of the debt securities, assume all of our rights and obligations under the debt securities and upon such assumption, we will be released from our liabilities under the subordinated debt indenture and the subordinated debt securities.

Because the guarantee is subordinated, if winding up proceedings with respect to LBG should occur, each holder may receive only a recovery in respect of its claims against the assets of LBG after the holders of its unsubordinated liabilities. If, in any such winding up, the amount payable on any guarantee of any series of debt securities issued by us ranking equally with such guarantee are not paid in full, those guarantees and other claims ranking equally will share ratably in the assets of LBG in a winding up in proportion to the respective amounts to which they are entitled. If any holder is entitled to any recovery in respect of its guarantee of any debt securities in any winding up or liquidation, the holder might not be entitled in those proceedings to a recovery in respect of its claim against the assets of LBG and might be entitled only to a recovery in pounds sterling or any other lawful currency of the United Kingdom.

In addition, because LBG is a holding company, its rights to participate in the assets of any subsidiary if it is liquidated will be subject to the claims of its creditors, including, in the case of us, our depositors, except to the extent that LBG may be a creditor with recognized claims against the subsidiary.

Form of Debt Securities; Book-Entry System

General

Unless the relevant prospectus supplement states otherwise, the debt securities shall initially be represented by one or more global securities in registered form, without coupons attached, and will be deposited with or on behalf of one or more depositary, including, without limitation, Depository Trust Company ("DTC"), Euroclear Bank S.A./N.V. ("Euroclear") and/or Clearstream Banking, *société anonyme* (a company with its registered office in Luxembourg), and will be registered in the name of such depositary or its nominee. Unless and until the debt securities are exchanged for definitive securities, the global securities may be transferred in whole or in part for other securities that we issue or the global securities are exchanged for definitive securities, the global securities may be transferred in whole by the depositary to a nominee or a successor of the depositary.

The debt securities may be accepted for clearance by DTC, Euroclear and Clearstream Luxembourg. Unless the relevant prospectus supplement states otherwise, the debt securities will be issued in registered form, without coupons attached, and will be deposited with or on behalf of one or more depositary, including, without limitation, Depository Trust Company ("DTC"), Euroclear Bank S.A./N.V. ("Euroclear") and/or Clearstream Banking, *société anonyme* (a company with its registered office in Luxembourg), and will be registered in the name of such depositary or its nominee.

states otherwise, the initial distribution of the debt securities will be cleared through DTC only. In such event, beneficial interests in the debt securities will be shown on, and transfers thereof will be effected only through, the book-entry records maintained by DTC and its clearing participants, including, as applicable, Euroclear and Clearstream Luxembourg.

The laws of some states may require that certain investors in securities take physical delivery of their securities in definitive form, which may impair the ability of investors to own interests in book-entry securities.

So long as the depositary, or its nominee, is the holder of a global debt security, the depositary or its nominee will be considered the holder of such global debt security for all purposes under the indentures. Except as described below under the heading “—Issuance of Debt Securities,” no participant, indirect participant or other person will be entitled to have debt securities registered in its name, receive or be entitled to physical delivery of debt securities in definitive form or be considered the owner or holder of the debt securities under the indentures. Except as otherwise provided, ownership or other interest in debt securities must rely on the procedures of the depositary, and, if a person is not a participant or indirect participant, must rely on the procedures of the participant or other securities intermediary through which that person owns its interest to exercise its rights as a holder under the indentures or the debt securities.

Payments on the Global Debt Security

Payments of any amounts in respect of any global securities will be made by the trustee to the depositary. Payments will be made to the owners of debt securities in accordance with the rules and procedures of the depositary or its direct and indirect participants, as applicable. Neither LBG nor the trustee nor any of our agents will have any responsibility or liability for any aspect of the records of any securities, the chain of intermediaries between the depositary and any beneficial owner of an interest in a global security, or the failure of the securities intermediary to pass through to any beneficial owner any payments that we or LBG make to the depositary.

The Clearing Systems

DTC, Euroclear and Clearstream Luxembourg have advised us as follows:

DTC. DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “clearing corporation” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants deposit with it. DTC facilitates the post-trade settlement among direct participants of sales and other securities transactions in deposited securities, the computerized book-entry transfers and pledges between direct participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the owner of DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a direct participant or indirectly. The DTC rules applicable to its participants are on file with the SEC. More information about DTC can be found at www.dtc.org.

Euroclear. Euroclear holds securities for its participants and clears and settles transactions between its participants through book-entry delivery against payment. Euroclear provides various other services, including safekeeping, administration, clearance, securities lending and borrowing, and interfaces with domestic markets in several countries. Securities clearance accounts and Euroclear are governed by the Terms and Conditions Governing Use of Euroclear and the related Operating Procedures of the Euroclear.

applicable law (collectively, the “Euroclear Terms and Conditions”). The Euroclear Terms and Conditions govern transfers within Euroclear, withdrawals of securities and cash from Euroclear, and receipts of payments with respect to securities in Euroclear.

Clearstream Luxembourg. Clearstream Luxembourg is incorporated under the laws of The Grand Duchy of Luxembourg as a depositary. Clearstream Luxembourg holds securities for its participants and facilitates the clearance and settlement of securities for its participants through electronic book-entry changes in accounts of its participants, thereby eliminating the need for physical securities certificates. Clearstream Luxembourg provides to its participants, among other things, services for safekeeping, administration and custody of internationally traded securities and securities lending and borrowing. Clearstream Luxembourg interfaces with domestic markets.

Issuance of Definitive Securities

So long as the depositary holds the global securities of a particular series of debt securities, such global securities will not be exchanged for definitive securities of that series unless:

- the depositary notifies the trustee that it is unwilling or unable to continue to act as depositary for the debt securities and is not a clearing agency registered under the Exchange Act;
- we or LBG are wound up and we or LBG fail to make a payment on the debt securities when due; or
- at any time we determine at our option and in our sole discretion that the global securities of a particular series of debt securities should be exchanged for definitive debt securities of that series in registered form.

Each person having an ownership or other interest in a debt security must rely exclusively on the rules or procedures of the depositary, which may be, and any agreement with any direct or indirect participant of the depositary, including Euroclear or Clearstream Luxembourg, as applicable, or any other securities intermediary through which that person holds its interest, to receive or direct payment of any definitive security. The indentures permit us to determine at any time and in our sole discretion that debt securities shall be represented by global securities. DTC has advised us that, under its current practices, it would notify its participants of our request, but will not withdraw its interests from the global securities at the request of each DTC participant. We would issue definitive certificates in exchange for the interests withdrawn.

Unless otherwise specified in the prospectus supplement, definitive debt securities will be issued in registered form only. Under applicable law, we, LBG, the trustee and any paying agent shall be entitled to treat the person in whose name any definitive security is registered as the owner.

Payments in respect of each series of definitive securities will be made to the person in whose name the definitive securities are registered appears in the register for that series of debt securities. Payments will be made in respect of the debt securities by check drawn on the issuer, or, if the holder requests, by transfer to the holder's account in New York. Definitive securities should be presented to the paying agent.

If we issue definitive debt securities of a particular series in exchange for a particular global debt security, the depositary, in exchange for the global debt security, will surrender it against receipt of the definitive debt securities, cancel the book-entry debt securities of that series and issue definitive debt securities of that series to the persons and in the amounts that the depositary specifies pursuant to the internal procedures of the depositary.

If definitive securities are issued in the limited circumstances described above, those securities may be transferred in whole or in part in denominations of any whole number of securities upon surrender of the definitive securities certificates together with the form of transfer.

duly completed and executed at the specified office of a paying agent. If only part of a securities certificate is transferred, representing the balance not transferred will be issued to the transferor within three business days after the paying agent receives the certificate representing the balance will be delivered to the transferor by uninsured post at the risk of the transferor, to the address appearing in the records of the paying agent. The new certificate representing the securities that were transferred will be sent to the transferor three business days after the paying agent receives the certificate transferred, by uninsured post at the risk of the holder entitled to the securities represented by the certificate, to the address specified in the form of transfer.

Settlement

Initial settlement for each series of debt securities and settlement of any secondary market trades in the debt securities will be made in U.S. dollars in U.S. funds. Book-entry debt securities held through DTC will settle in DTC's same-day funds settlement system.

Payments

We will make any payments of interest and principal on any particular series of debt securities on the dates and, in the case of interest payments, at the rate or rates, that we set out in, or that are determined by the method of calculation described in, the relevant prospectus supplement.

Subordinated Debt Securities

Unless the relevant prospectus supplement provides otherwise, if we do not make a payment on that series of subordinated debt securities on the payment date, our obligation to make that payment shall be deferred, if it is an interest payment, until the date upon which we pay dividends on the next class of our share capital and, if it is a principal payment, until the first business day after the date that falls six months after the date of the "Deferred Payment Date"). If we fail to make a payment before the Deferred Payment Date, that failure shall not create a default under the debt securities, nor shall it entitle any holder to sue us or LBG for the payment or take any other action. Each payment that is deferred in this way will accrue interest at the rate in effect in accordance with the terms of the series of debt securities immediately before the original payment date. Any payment deferred in this way shall be treated as due for any purpose, including for the purposes of ascertaining whether or not a Subordinated Debt Security Default has occurred on the Deferred Payment Date.

Subordination

Senior Debt Securities

Unless the relevant prospectus supplement provides otherwise, senior debt securities and coupons (if any) appertaining to them shall constitute unconditional, unsecured and unsubordinated obligations ranking *pari passu*, without any preference among themselves, with all other existing and future unsecured and unsubordinated obligations, present and future, except such obligations as are preferred by operation of law.

Subordinated Debt Securities

Unless the relevant prospectus supplement provides otherwise, in a winding up, all payments on any series of subordinated debt securities shall be subordinate to, and subject in right of payment to the prior payment in full of, all claims of all of our creditors other than claims that are, or is expressed to be, subordinated, whether only in the event of a winding up or otherwise, to the claims of all or any of our creditors in the manner provided in the subordinated debt indenture.

General

As a consequence of these subordination provisions, if winding up proceedings should occur, each holder may recover less than the full amount of our unsubordinated liabilities. If, in any winding up, the amount payable on any series of debt securities and any claims ranking equally with that series are not paid in full, those debt securities and other claims ranking equally will share ratably in any distribution of our assets in proportion to the respective amounts to which they are entitled. If any holder is entitled to any recovery with respect to the debt securities,

up or liquidation, the holder might not be entitled in those proceedings to a recovery in U.S. dollars and might be entitled to pounds sterling or any other lawful currency of the United Kingdom.

Additional Amounts

Unless the relevant prospectus supplement provides otherwise, amounts to be paid on any series of debt securities or under made without deduction or withholding for, or on account of, any and all

present and future income, stamp and other taxes, levies, imposts, duties, charges, fees, deductions or withholdings imposed, levied or assessed by or on behalf of the United Kingdom or any United Kingdom political subdivision thereof or authority that has the power to impose such tax (a "UK taxing jurisdiction"), unless such deduction or withholding is required by law. If at any time a UK taxing jurisdiction requires a deduction or withholding, we, or the guarantor, as the case may be, will pay additional amounts with respect to the principal of, interest on, or other payment on, the debt securities ("Additional Amounts") that are necessary in order that the net amounts paid to the holders of those debt securities after such deduction or withholding, shall equal the amounts which would have been payable on that series of debt securities if the deduction or withholding were not required. However, this will not apply to any such amount that would not have been payable or due but for the fact that:

- the holder or the beneficial owner of the debt securities is a domiciliary, national or resident of, or engaging in business through a permanent establishment or physically present in, a UK taxing jurisdiction or otherwise having some connection with a UK taxing jurisdiction other than the holding or ownership of a debt security, or the collection of any payment of, or in respect of, principal of, interest on, or other payment on, any debt security of the relevant series or under the guarantee;
- except in the case of a winding up in the United Kingdom, the relevant debt security is presented (where presentation is required) in the United Kingdom;
- the relevant debt security is presented (where presentation is required) for payment more than 30 days after the date provided for, whichever is later, except to the extent that the holder would have been entitled to the Additional Amounts if the relevant debt security for payment at the close of that 30 day period;
- the holder or the beneficial owner of the relevant debt security or the beneficial owner of any payment of or in respect of principal of, interest or other payment on, the debt security failed to comply with a request by us, the guarantor or our liquidator or assignee addressed to the holder to provide information concerning the nationality, residence or identity of the holder or the beneficial owner, or any declaration or other similar claim to satisfy any requirement, which is required or imposed by a statute, treaty, regulation or the practice of a UK taxing jurisdiction as a precondition to exemption from all or part of the tax;
- the withholding or deduction is imposed on a payment to or for the benefit of an individual and is required to be made in order to conform to, such directive or, in the case of subordinated debt securities, any European Union Directive of savings implementing the proposal for a European Union Directive presented by the European Commission on July 1, 1993, or complying with, or introduced in order to conform to such a directive;
- the relevant debt security is presented (where presentation is required) for payment by or on behalf of a holder who would avoid such withholding or deduction by presenting the relevant debt security to another paying agent in a Member State or
- any combination of the above items,

nor shall Additional Amounts be paid with respect to the principal of, or any interest or other payment on, the debt securities of any holder who is a fiduciary or partnership or settlor with respect to such fiduciary or a member of such partnership other than the beneficiary or partner or settlor with respect to such fiduciary or a member of such partnership or a beneficial owner who would

such Additional Amounts, had it been the holder.

Whenever we refer in this prospectus and any prospectus supplement, in any context, to the payment of the principal of or payments on, or in respect of, any debt security of any series, we mean to include

the payment of Additional Amounts to the extent that, in the context, Additional Amounts are, were or would be payable.

Redemption

Unless the relevant prospectus supplement provides otherwise and subject in the case of any subordinated debt securities to the United Kingdom Financial Services Authority (“FSA”) of our intention to so redeem at least one month (or such other long FSA may then require or accept) prior to becoming committed to the proposed repayment and any necessary prior consent, notice or no objection, as applicable, having been received from the FSA, and (ii) satisfying the FSA that after such repayment we will be able to meet our capital resource requirements and have sufficient financial resources to meet our applicable capital adequacy requirements, we will have the option to redeem the subordinated debt securities of any series, as a whole but not in part, upon not less than 30 nor more than 60 days’ notice to each holder of debt securities, at a redemption price equal to 100% of their principal amount together with any accrued but unpaid interest in the case of discount securities, their accreted face amount, together with any accrued interest, if we determine that as a result of a change in or amendment to the regulations of a UK taxing jurisdiction, including any treaty to which it is a party, or a change in the application or interpretation of such regulations, including a decision of any court or tribunal or any generally published pronouncement by any relevant tax authority, such amendment or pronouncement becomes effective or applicable on or after the date of the applicable prospectus supplement:

- in making any payments on the particular series of debt securities or under the guarantee, we or LBG have paid or will be required to pay Additional Amounts;
- payments on the next payment date in respect of any of the series of debt securities would be treated as “a distribution” for the purposes of Chapter 2, Part 23 of the Corporation Tax Act 2010 of the United Kingdom, or any statutory modification or reenactment thereof;
- on the next payment date we or LBG would not be entitled to claim a deduction in respect of the payments in computing our taxable profits, or the value of the deduction to us or LBG, as applicable, would be materially reduced.

Unless the relevant prospectus supplement provides otherwise, and subject to our (i) having notified the FSA of our intention to so redeem at least one month (or such other longer or shorter period as the FSA may then require or accept) prior to becoming committed to the proposed repayment and any necessary prior consent, notice or no objection, as applicable, having been received from the FSA, and (ii) satisfying the FSA that after such repayment we will be able to meet our capital resource requirements and have sufficient financial resources to meet our applicable capital adequacy requirements, with respect to any series of subordinated debt securities, we will have the option to redeem the subordinated debt securities, as a whole but not in part, upon not less than 30 nor more than 60 days’ notice, to each holder of such subordinated debt securities, at any price equal to 100% of the principal amount, together with accrued but unpaid interest (including any deferred interest), if any, in respect of such subordinated debt securities to the date fixed for redemption (or, in the case of discount securities, the accreted face amount together with accrued interest, if any), if, immediately prior to the giving of the notice referred to above the subordinated debt securities would not qualify in whole or in part (save where such non-qualification is only as a result of any applicable limitation on the amount of subordinated debt in the Lower Tier 2 Capital, as defined by the FSA from time to time, of Lloyds Bank.

In the case of redemption due to tax changes, we shall be required, before we give a notice of redemption, to deliver to the trustee a certificate evidencing compliance with such provisions and stating that we are entitled to redeem the relevant securities or (ii) a written opinion by an independent United Kingdom counsel of recognized standing selected by us, or written opinion by a firm of certified accountants, or the trustee confirming that the relevant change in the application or interpretation of such laws or regulations has occurred and

exercise our right of redemption.

The relevant prospectus supplement will specify whether or not we may redeem the debt securities of any series, in whole or in part, under any other circumstances and, if so, the prices and any premium at which and the dates on which we may do so. Any notice of redemption of debt securities of any series will state, among other items:

- the redemption date;
- the amount of debt securities to be redeemed if less than all of the series is to be redeemed;
- the redemption price;
- that the redemption price will become due and payable on the redemption date and that payments will cease to accrue on the redemption date;
- the place or places at which each holder may obtain payment of the redemption price; and
- the CUSIP, Common Code and/or ISIN number or numbers, if any, with respect to the debt securities being redeemed.

In the case of a partial redemption, the trustee shall select the debt securities to be redeemed in any manner which it deems appropriate, consistent with the rules and procedures of the applicable clearing systems.

We, LBG or any of LBG's subsidiaries may at any time and from time to time purchase debt securities of any series in the open market (available to each holder of debt securities of the relevant series) or by private agreement, if applicable law permits. Any debt securities so purchased by us beneficially for our own account, other than in connection with dealing in securities, will be treated as cancelled and not issued and outstanding.

Under existing FSA requirements, we may not make any redemption or repurchase of any debt securities beneficially for our own account other than a repurchase in connection with dealing in securities, unless we give prior notice to the FSA and the FSA has not objected. Our successor thereto may impose conditions on any redemption or repurchase.

Modification and Waiver

We, LBG and the trustee may make certain modifications and amendments to the applicable indenture with respect to any debt securities without the consent of the holders of the debt securities. Other modifications and amendments may be made to the indenture with the consent of the holder or holders of not less than a majority, or in the case of subordinated debt securities, two-thirds, in aggregate outstanding debt securities of the series outstanding under the indenture that are affected by the modification or amendment, voting as one class. Certain modifications or amendments may be made without the consent of the holder of each debt security affected that would:

- change the stated maturity of the principal amount of any debt security;
- reduce the principal amount of, the interest rates, or any premium payable upon the redemption of, or the payments with respect to, any debt security;

- change any obligation (or any successors') to pay Additional Amounts;
- change the currency of payment;
- impair the right to institute suit for the enforcement of any payment due and payable;
- reduce the percentage in aggregate principal amount of outstanding debt securities of the series necessary to modify or waive compliance with certain provisions of the indenture and any Senior Debt Security Event of Default, Subordinated Debt Security Default or Subordinated Debt Security Default (as such terms are defined below);

- modify the subordination provisions or the terms of our obligations or LBG's obligations in respect of the due and payable amounts due and payable on the debt securities in a manner adverse to the holders; or
- modify the above requirements.

In addition, material variations in the terms and conditions of debt securities of any series, including modifications relating to a Senior Debt Security Event of Default, a Subordinated Debt Security Event of Default or a Subordinated Debt Security Default (as such terms are defined below), may require the non-objection from, or consent of, the FSA.

Events of Default; Default; Limitation of Remedies

Senior Debt Security Event of Default

Unless the relevant prospectus supplement provides otherwise, a "Senior Debt Security Event of Default" with respect to a series of debt securities shall result if:

- Lloyds Bank or LBG does not pay any principal or interest on any senior debt securities of that series within 14 days following the due date of payment and the principal or interest has not been duly paid within 14 days following written notice from the trustee of the senior debt securities of that series to us requiring the payment to be made. It shall be a Senior Debt Security Event of Default if during the 14 days after the notice, Lloyds Bank or LBG delivers a written opinion to the trustee who may be an employee of, or legal advisors for, Lloyds Bank or LBG or other legal advisors acceptable to the trustee concluding that such sums were not paid in order to comply with a law, regulation or order of any court of competent jurisdiction. It shall not be a Senior Debt Security Event of Default if Lloyds Bank or LBG delivers such an Opinion and the trustee shall be entitled to rely on such opinion. The foregoing shall not otherwise be deemed to impair the right of the trustee to make payment of the principal of and interest on any such security or to institute suit for the enforcement of any such payment.
- Lloyds Bank or LBG breaches any covenant or warranty of the senior debt indenture (other than as stated above with respect to the due date) and that breach has not been remedied within 60 days of receipt of a written notice from the trustee certifying that the breach is materially prejudicial to the interests of the holders of the senior debt securities of that series and requiring the breach to be remedied by holders of at least 25% in outstanding principal amount of the senior debt securities of that series requiring the breach to be remedied.
- either a court of competent jurisdiction issues an order which is not successfully appealed within 30 days, or an effectual resolution is validly adopted, for the winding-up of Lloyds Bank or LBG (other than under or in connection with a scheme of arrangement, merger or amalgamation not involving bankruptcy or insolvency).

If a Senior Debt Security Event of Default occurs and is continuing, the trustee or the holders of at least 25% in outstanding principal amount of the senior debt securities of that series may at their discretion declare the senior debt securities of that series to be due and repayable (or at such other time as may be specified in or determined in accordance with the relevant prospectus supplement) together with accrued interest, if any, as if the due date had been reached. The trustee may at its discretion and without further notice institute such proceedings as it may think necessary to enforce payment. Subject to the indenture provisions for the indemnification of the trustee, the holder(s) of a series of debt securities having an outstanding principal amount of the outstanding senior debt securities of any series shall have the right to direct the time, method and place of payment of the principal of and interest on any such security or to institute suit for the enforcement of any such payment.

proceeding in the name of and on the behalf of the trustee for any remedy available to the trustee or exercising any trust or trustee with respect to the series. However, this direction must not be in conflict with any rule of law or the senior debt indenture unjustly prejudicial to the holder(s) of any senior debt securities of that series not taking part in the direction, and not expose the risk. The trustee may also take any other action, consistent with the direction, that it deems proper.

Notwithstanding any contrary provisions, nothing shall impair the right of a holder, absent the holder's consent, to sue for unpaid with respect to the senior debt securities.

By accepting a senior debt security, each holder will be deemed to have waived any right of set-off, counterclaim or comb respect to the senior debt securities or the applicable indenture that they might otherwise have against Lloyds Bank or LBG, wi winding up of Lloyds Bank or LBG, as applicable.

Subordinated Debt Security Events of Default

Unless the relevant prospectus supplement provides otherwise, a "Subordinated Debt Security Event of Default" of Lloyds series of subordinated debt security shall result if:

- a court of competent jurisdiction makes an order which is not successfully appealed within 30 days; or
- an effective shareholders' resolution is validly adopted for the winding-up of Lloyds Bank, other than under or in co amalgamation or reconstruction not involving a bankruptcy or insolvency.

If a Subordinated Debt Security Event of Default of Lloyds Bank occurs and is continuing, the trustee or the holder or hol aggregate principal amount of the outstanding subordinated debt securities of each series may declare to be due and payable im with the terms of the indenture the principal amount of, and any accrued but unpaid payments (or, in the case of discount secur amount, together with any accrued interest), including any deferred interest, on the subordinated debt securities of the series. F declaration but before the trustee obtains a judgment or decree for payment of money due, the holder or holders of a majority in amount of the outstanding subordinated debt securities of the series may rescind the declaration of acceleration and its consequ Subordinated Debt Security Events of Default of Lloyds Bank have been remedied and all payments due, other than those due have been made.

Unless the relevant prospectus supplement provides otherwise, a "Subordinated Debt Security Event of Default" of LBG v guarantees of any series of subordinated debt security shall result if:

- a court of competent jurisdiction makes an order which is not successfully appealed within 30 days; or
- an effective shareholders' resolution is validly adopted for the winding-up of LBG, other than under or in connection amalgamation or reconstruction not involving a bankruptcy or insolvency.

If a Subordinated Debt Security Event of Default of LBG occurs and is continuing, the trustee or the holder or holders of a principal amount of the outstanding subordinated debt securities of each series may deem to be due and payable by Lloyds Ban accordance with the terms of the indenture, for the purposes of the guarantee only (whether or not a Subordinated Debt Secur Lloyds Bank has occurred), the principal amount of, and any accrued but unpaid payments (or, in the case of discount securitie amount, together with any accrued interest), including any deferred interest, on the subordinated debt securities of the series. F declaration but before the trustee obtains a judgment or decree for payment of money due, the holder or holders of a majority in amount of the outstanding subordinated debt securities of the series may rescind the declaration of acceleration and its consequ Subordinated Debt Security Events of Default of LBG have been remedied and all payments due, other than those due as a resu

been made.

Subordinated Debt Security Defaults

In addition to Subordinated Debt Security Events of Default, the Indenture also separately provides for Subordinated Debt Security Defaults. Unless the relevant prospectus supplement provides otherwise, it shall be a “Subordinated Debt Security Default” with respect to any securities if:

- any installment of interest upon any subordinated debt security of that series is not paid on or before its Deferred Payment Date specified for its payment in the Indenture and such failure continues for 14 days; or
- all or any part of the principal of any subordinated debt security of that series is not paid on its Deferred Payment Date becomes due and payable, whether upon redemption or otherwise, and such failure continues for seven days.

If a Subordinated Debt Security Default occurs and is continuing, the trustee may commence a proceeding in England and elsewhere) for the winding-up of Lloyds Bank or LBG, respectively.

However, a failure to make any payment on a series of subordinated debt securities shall not be a Subordinated Debt Security Default if the trustee is withheld or refused in order to comply with any applicable fiscal or other law or regulation or order of any court of competent jurisdiction. Lloyds Bank or LBG delivers an Opinion of Counsel to the trustee with that conclusion, at any time before the expiry of the applicable period by independent legal advisers.

Notwithstanding any contrary provisions, nothing shall impair the right of a holder, absent the holder's consent, to sue for or enforce payment of any amount unpaid with respect to the subordinated debt securities.

By accepting a subordinated debt security, each holder and the trustee will be deemed to have waived any right of set-off, right of compensation or combination of accounts with respect to the subordinated debt securities or the applicable indenture (or between our obligation on any subordinated debt security and any liability owed by a holder or the trustee to Lloyds Bank or LBG) that they might otherwise have against Lloyds Bank or LBG, whether before or during our winding up.

Events of Default and Defaults—General

The holder or holders of not less than a majority in aggregate principal amount of the outstanding debt securities of any series shall have the right to demand payment of interest, if any, or principal of (or premium, if any) or payments on any debt security or a covenant or provision of the applicable indenture which cannot be modified or amended without the consent of each holder of debt securities of such series.

Subject to certain exceptions, such as in the case of a payment default, the trustee may, without the consent of the holders, suspend the right to demand payment of interest, if any, or principal of (or premium, if any) or payments on any debt security or a covenant or provision of the applicable indenture if, in the opinion of the trustee, the Senior Debt Security Event of Default would not be in the interests of the holders.

Subject to the provisions of the applicable indenture relating to the duties of the trustee, if a Senior Debt Security Event of Default or Subordinated Debt Security Default occurs and is continuing with respect to the debt securities of any series, the trustee will be under no obligation to any holder or holders of the debt securities of the series, unless they have offered reasonable satisfaction to the trustee. Subject to the indenture provisions for the indemnification of the trustee, the holder or holders of a majority in aggregate principal amount of the outstanding debt securities of any series shall have the right to direct the time, method and place of conducting any proceeding for the enforcement of any debt security or a covenant or provision of the applicable indenture to the trustee or exercising any trust or power conferred on the trustee with respect to the series, if the direction is not in conflict with the applicable indenture and does not expose the trustee to undue risk and the action would not be unjustly prejudicial to the interests of the holders of debt securities of any series not taking part in that direction. The trustee may take any other action that it deems proper which

that direction.

The indentures provide that the trustee will, within 90 days after the occurrence of a Senior Debt Security Event of Default or Subordinated Debt Security Default with respect to the debt securities of any series, give to each holder of the affected series notice of the Senior Debt Security Event of Default, Subordinated Debt Security Event of Default or

Subordinated Debt Security Default known to it, unless the Senior Debt Security Event of Default, Subordinated Debt Security Default, has been cured or waived. However, the trustee shall be protected in withholding notice in good faith that withholding notice is in the interest of the holders.

We are required to furnish to the trustee a statement as to our compliance with all conditions and covenants under the indenture within five Business Days of a written request from the trustee.

Consolidation, Merger and Sale of Assets; Assumption

We or LBG may, without the consent of the holders of any of the debt securities, consolidate with, merge into or transfer or substantially as an entirety to any person, provided that any successor corporation formed by any consolidation or amalgamation or lessee of our assets, is a company organized under the laws of any part of the United Kingdom that assumes, by a supplemental indenture or, if applicable, LBG's obligations, on the debt securities and under the applicable indenture, immediately after giving effect to the event of default shall have occurred and be continuing, and we procure the delivery of a customary officer's certificate and legal opinion that the conditions precedent to the transaction have been complied with.

Subject to applicable law and regulation, any of our wholly-owned subsidiaries may assume our obligations under the debt securities without the consent of any holder, provided that we unconditionally guarantee, which, in the case of subordinated debt securities, on a subordinated basis in substantially the manner described above, the obligations of the subsidiary under the debt securities of the series and the applicable indenture shall immediately be discharged. Any obligations under the debt securities of the series will be payable in respect of taxes imposed by the jurisdiction in which the assuming subsidiary is incorporated for "UK taxing jurisdiction". However, if we or LBG make payment under such guarantee, we or LBG shall be required to pay Additional Amounts related to taxes, subject to the exceptions described under the heading "—Additional Amounts" imposed by any UK taxing jurisdiction by reason of the guarantee payment. The subsidiary that assumes our obligations will assume the debt securities of the relevant series in the circumstances described in "—Redemption" above with respect to any change or in the application or official interpretation of, the laws or regulations (including any treaty) of the assuming subsidiary's jurisdiction which occurs after the date of the assumption.

An assumption of our obligations under the debt securities of any series might be deemed for U.S. federal income tax purposes to be a sale of those debt securities for new debt securities by each beneficial owner, resulting in a recognition of taxable gain or loss for those owners and certain other adverse tax consequences. You should consult your tax advisor regarding the U.S. federal, state and local income tax consequences of an assumption.

Governing Law

The debt securities and the indentures will be governed by and construed in accordance with the laws of the State of New York. The Indenture Act of 1939, as amended ("TIA"), one of the U.S. Securities laws, except that, as the indentures specify, the subordination to each series of debt securities in the indentures will be governed and construed in accordance with the laws of England and the covenants relating to the guarantees endorsed on each series of debt securities in the indentures will be governed and construed in accordance with the laws of Scotland.

Notices

All notices to holders of registered debt securities shall be validly given if in writing and mailed, first-class postage prepaid, to the respective addresses in the register maintained by the trustee.

The Trustee

The Bank of New York Mellon, acting through its London office, One Canada Square, London E14 5AL, is the trustee under the indenture. The trustee shall have and be subject to all the duties and responsibilities specified

with respect to an indenture trustee under the TIA. Subject to the provisions of the TIA, the trustee is under no obligation to exercise its discretion to invest in it by the indentures at the request of any holder of notes, unless offered reasonable indemnity or security deemed satisfactory in its sole discretion, by the holder against the costs, expense and liabilities which might be incurred thereby. We, LBG and certain of our subsidiaries maintain deposit accounts and conduct other banking transactions with The Bank of New York Mellon in the ordinary course of business. The Bank of New York Mellon is also the book-entry depository with respect to certain of our or LBG's debt securities and the depository for the shares representing certain of LBG's preference shares.

Consent to Service of Process

Under the indentures, we and LBG irrevocably designate our Chief U.S. Counsel, Lloyds TSB Bank plc (or any successor) at One World Trade Center, Avenue of the Americas, 34th Floor, New York, NY 10036, as our authorized agent for service of process in any legal action or proceeding brought against us or relating to the indentures or any debt securities brought in any federal or state court in The City of New York, New York and to submit to the jurisdiction of those courts.

PLAN OF DISTRIBUTION

We may sell relevant securities to or through underwriters or dealers and also may sell all or part of such securities directly to investors through agents.

The distribution of the securities may be effected from time to time in one or more transactions at a fixed price or prices, at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices.

In connection with the sale of securities, we may compensate underwriters in the form of discounts, concessions or commissions in the form that the applicable prospectus supplement describes. Underwriters may sell securities to or through dealers, and the dealers may sell securities in the form of discounts, concessions or commissions from the underwriters or commissions from the purchasers for whom they may act as agents. Underwriters, dealers and agents that participate in the distribution of securities may be deemed to be underwriters, and any discounts and commissions that we pay them and any profit on the resale of securities by them may be deemed to be underwriting discounts and commissions under the Securities Act of 1933, as amended (the "Securities Act"). Any such underwriter or agent will be identified, and any such compensation will be described, in the prospectus supplement.

Under agreements which we may enter into, we may be required to indemnify underwriters, dealers and agents who participate in the distribution of securities against certain liabilities, including liabilities under the Securities Act.

Unless a prospectus supplement specifies otherwise, we will not offer any securities or any investments representing securities to the public in the United Kingdom. Unless otherwise specified in any agreement which we may enter into, underwriters, dealers and agents will not offer securities or any investments representing securities of any series and subject to the terms of any such agreement, we, our dealer or agent in connection with an offering of securities or any investments representing securities of any series will represent and warrant that:

- it has complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000 (the "FSMA") in relation to anything done by it in relation to the securities or any investments representing securities of such series in, from or through the United Kingdom; and

- it has only communicated or caused to be communicated and will only communicate or cause to be communicated any solicitation or offer to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the securities or any investments representing the securities (including without limitation the registration statement, the

prospectus and any preliminary prospectus) in circumstances in which Section 21(1) of the FSMA does not apply to the

Each new series of debt securities will be a new issue of securities with no established trading market. If securities of a particular series are listed on a U.S. national securities exchange, certain broker-dealers may make a market in those securities, but will not be obligated to discontinue any market making at any time without notice. We cannot give any assurance that any broker-dealer will make a market in any series or as to the liquidity of the trading market for those securities.

To the extent an initial offering of the securities will be distributed by an affiliate of ours each such offering of securities will be in compliance with the requirements of NASD Rule 2720 of the Financial Industry Regulatory Authority, which is commonly referred to as FINRA, regarding a FINRA member firm's distribution of securities of an affiliate. Following the initial distribution of any of these securities, we may offer and sell these securities in the course of their businesses as broker-dealers. Such affiliates may act as principals or agents and may make any sales at varying prices related to prevailing market prices at the time of sale or otherwise. Such affiliates may be engaged in connection with these transactions. None of our affiliates is obligated to make a market in any of these securities and may discontinue market making activities at any time without notice.

Any underwriter, selling agent or dealer utilized in the initial offering of securities will not confirm sales to accounts over which it exercises discretionary authority without the prior specific written approval of its customer.

Delayed Delivery Arrangements

If so indicated in the prospectus supplement, we may authorize underwriters or other persons acting as their agents to solicit institutional investors to purchase debt securities from them pursuant to contracts providing for payment and delivery on a future date. In such contracts may be made include commercial and savings banks, insurance companies, pension funds, investment companies, educational institutions and others, but in all cases such institutions must be approved by us. The obligations of any purchaser under any such contract shall be subject to the condition that the purchase of the offered securities shall not at the time of delivery be prohibited under the laws of the jurisdiction in which the purchaser is subject. The underwriters and such other agents will not have any responsibility in respect of the validity or performance of such contracts.

LEGAL OPINIONS

Our United States counsel, Davis Polk & Wardwell LLP, will pass upon certain legal matters relating to the securities under U.S. laws. Our English counsel, Linklaters LLP, will pass upon the validity of the debt securities under English law and the subordination of subordinated debt securities under English law. Our Scottish counsel, Dundas & Wilson CS LLP, will pass upon certain matters relating to the validity of the guarantees of the debt securities and the subordination provisions of the guarantees of the debt securities under Scottish law.

EXPERTS

The financial statements incorporated in this Prospectus by reference to LBG's report on Form 6-K dated December 22, 2008, and the assessment of the effectiveness of internal control over financial reporting (which is included in Management's Report on Internal Control over Financial Reporting) incorporated in this prospectus by reference to the Lloyds Banking Group plc Annual Report on Form 20-F for the year ended 31 December 2009 have been so incorporated in reliance on the report, which contains an explanatory paragraph on the effectiveness of internal control over financial reporting.

reporting due to the exclusion of certain elements of the internal control over financial reporting of the HBOS plc business January 16, 2009 as of December 31, 2009, of PricewaterhouseCoopers LLP, an independent registered public accounting firm said firm as experts in auditing and accounting.

The consolidated financial statements of HBOS plc as of December 31, 2008 and 2007, and for each of the years in the three years ended December 31, 2008 have been incorporated by reference herein in reliance upon the report of KPMG Audit Plc, independent registered accountancy firm, incorporated by reference herein, and upon the authority of said firm as experts in accounting and auditing.

ENFORCEMENT OF CIVIL LIABILITIES

We and LBG are public limited companies incorporated and registered in England and Scotland, respectively. Most of our executive officers, and certain experts named in this prospectus, reside in the United States. A substantial portion of our and LBG's non-resident persons are located outside the United States. As a result, it may not be possible for investors (i) to effect service of process upon us, LBG or those persons or (ii) to enforce against us, LBG or those persons judgments obtained in U.S. courts under the civil liability provisions of the federal securities laws of the United States. We have been advised by our Scottish counsel, Dundas & Dunning LLP (as to Scots law) and our English counsel, Linklaters LLP (as to English law) that, both in original actions and in actions for the enforcement of judgments of U.S. courts, there is doubt as to whether civil liabilities predicated solely upon the U.S. federal securities laws are enforceable in England and Scotland as the case may be.

WHERE YOU CAN FIND MORE INFORMATION

Ongoing Reporting

LBG is subject to the informational requirements of the Exchange Act and in accordance therewith, LBG files reports and other information with the SEC. You can read and copy these reports and other information at the SEC's Public Reference Room at 100 F Street, N.E., Room 1027, Washington, D.C. 20549, U.S.A. You may call the SEC at 1-800-SEC-0330 for further information on the Public Reference Room. The SEC's website at <http://www.sec.gov> which contains in electronic form each of the reports and other information that we have filed with the SEC. You can also read this material at the offices of The New York Stock Exchange, 20 Broad Street, New York, New York 10005, where certain of LBG's securities are listed.

We will provide the trustee for any debt securities with LBG's annual reports, which will include a description of operations and unaudited consolidated financial statements. We will also provide the trustee with LBG's interim reports that will include unaudited consolidated financial information. Upon receipt, the trustee will mail the reports to all record holders of the debt securities. In addition, we will provide the trustee with all notices of meetings at which holders of debt securities are entitled to vote, and all other reports and communications that are generally available to holders of debt securities.

Registration Statement

This prospectus is part of a registration statement that we and LBG filed with the SEC. As exhibits to the registration statement are the indentures, and LBG's Articles of Association. Statements contained in this prospectus as to the contents of any contract or other document referred to in this prospectus are not necessarily complete, and in each instance reference is made to the copy of such contract or other document as an exhibit to the registration statement, each such statement being qualified in all respects by such reference. For further information, see the registration statement. You can obtain the full registration statement from the SEC or from us or LBG.

INCORPORATION OF DOCUMENTS BY REFERENCE

The SEC allows us to “incorporate by reference” the information that LBG files with the SEC. This permits us to disclose you by referring to these filed documents. Any information referred to in this way is considered part of this prospectus, and any files with the SEC after the date of this prospectus will automatically be deemed to update and supersede this information.

We incorporate by reference (i) LBG's Annual Report on Form 20-F for the fiscal year ended December 31, 2009 filed with the SEC on June 28, 2010; (ii) LBG's report on Form 6-K including audited consolidated financial statements of HBOS plc at and for the years ended December 31, 2007 and 2008 filed with the SEC on June 28, 2010; (iii) LBG's report on Form 6-K including pro forma financial information for the year ended June 30, 2010; (iv) LBG's report on Form 6-K furnished with the SEC on June 28, 2010 disclosing the Ratio of Earnings to Fixed Charges of Combined Fixed Charges and Preferred Dividends to Earnings; (v) LBG's report on Form 6-K filed with the SEC on September 8, 2010; (vi) LBG's report on Form 6-K including LBG's Capitalization and Ratio of Earnings to Fixed Charges filed with the SEC on October 8, 2010; (vii) LBG's report on Form 6-K including the audited financial statements of LBG at and for the year ended December 31, 2009 filed with the SEC on November 12, 2010; (viii) LBG's report on Form 6-K including the unaudited interim results of LBG for the half year ended June 30, 2010 filed with the SEC on June 22, 2010; (ix) LBG's report on Form 6-K including LBG's Capitalization filed with the SEC on December 22, 2010; and (x) LBG's report on Form 6-K including certain regulatory news service announcements made by LBG and other information filed with the SEC on December 22, 2010. We also incorporate by reference all subsequent Annual Reports filed on Form 20-F and any future filings made with the SEC under Section 15(d) of the Exchange Act and certain Reports on Form 6-K, if they state that they are incorporated by reference into this prospectus. We will incorporate by reference into this prospectus all information filed with the SEC after the date of this prospectus and until we or any underwriters sell all of the securities.

Upon written or oral request, we will provide free of charge a copy of any or all of the documents that we incorporate by reference into this prospectus, other than exhibits which are not specifically incorporated by reference into this prospectus. To obtain copies you should contact Investor Relations, 25 Gresham Street, London EC2V 7HN, United Kingdom or by telephone at 011-44-207-356-1273.

CAUTIONARY STATEMENT ON FORWARD-LOOKING STATEMENTS

Certain statements included in this prospectus are forward-looking statements. We may make forward-looking statements from time to time with the SEC that are incorporated by reference into this prospectus. Forward-looking statements can be identified by the use of certain terminology such as words "expect," "estimate," "project," "anticipate," "believes," "should," "could," "intend," "plan," "propose," "may," "goal," "objective," "may," "endeavor," "outlook," "optimistic," "prospects" or by the use of similar expressions or variations thereof in the discussion of strategy or objectives. Forward-looking statements are based on current plans, estimates and projections, and are subject to various risks, uncertainties and other factors which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements.

In particular, this prospectus and certain documents incorporated by reference into this prospectus include forward-looking statements that are not limited, to possible future write-downs and our capital planning projections, our potential exposures to various types of market risk, foreign exchange rate risk, liquidity risk, credit risk and commodity and equity price risk. Such statements are subject to various uncertainties. For example, certain of the market risk disclosures are dependent on choices about key model characteristics, assumptions and are subject to various limitations. By their nature, certain of the market risk disclosures are only estimates and, as a result, actual results and losses could differ materially from those that have been estimated.

Other factors could also adversely affect our results or the accuracy of forward-looking statements in this prospectus, and the factors discussed here or in LBG's Form 20-F filed on May 13, 2010, incorporated by reference herein, to be a complete set of factors. We have economic, financial market, credit, legal and other specialists who monitor economic and market conditions and uncertainties. We have policies and actions. However, because it is difficult to predict with accuracy any changes in economic or market conditions and actions, it is difficult for us to anticipate the effects that such changes could have on our financial performance and business.

The forward-looking statements made in this prospectus speak only as of the date of this prospectus. We do not intend to update these forward-looking statements to reflect events or circumstances after the date of this prospectus, and we do not assume any responsibility for any updates or revisions. You should, however, consult any further disclosures of a forward-looking nature we made in other documents filed with the SEC and incorporated by reference into this prospectus. This discussion is provided as permitted by the Private Securities Litigation Reformation Act.

**LLOYDS
BANKING
GROUP**



\$4,750,000,000

Lloyds TSB Bank plc

fully and unconditionally guaranteed by

Lloyds Banking Group plc

\$2,250,000,000 4.875% Senior Notes due 2016

\$2,500,000,000 6.375% Senior Notes due 2021

PROSPECTUS SUPPLEMENT

(to prospectus dated December 22, 2010)

Joint Bookrunners and Joint Lead Managers

**Barclays Capital
BofA Merrill Lynch**

Goldman, Sachs & Co.

Joint Lead Manager

Lloyds Bank Corporate Markets
