

Final Terms dated 9 February 2012

**Lloyds TSB Bank plc**  
(the “Bank”)

€153,660,000 Subordinated Fixed to Fixed Rate Notes due 2024 Callable 2019 (the “Notes”)  
under the £50,000,000,000  
Euro Medium Term Note Programme

**Part A - CONTRACTUAL TERMS**

The terms and conditions of the Notes shall consist of the “Terms and Conditions of the Notes” set out on pages 52 to 112 of the Base Prospectus dated 20 May 2011 as amended and supplemented below. References in the Prospectus dated 10 February 2012 to “**Final Terms**” shall be deemed to refer to the final terms set out below.

Terms used herein but not otherwise defined shall have the meanings given to them in the Base Prospectus.

<b>1</b>	Issuer:	Lloyds TSB Bank plc
<b>2</b>	(i) Series Number:	EMTN4680
	(ii) Tranche Number:	1
<b>3</b>	Specified Currency or Currencies:	Euro (“€”)
<b>4</b>	Aggregate Nominal Amount:	
	(i) Series:	€153,660,000
	(ii) Tranche:	€153,660,000
<b>5</b>	Issue Price:	99.413 per cent. of the Aggregate Nominal Amount
<b>6</b>	(i) Specified Denominations:	€1,000
		The Notes will not be issued to a subscriber of the Notes unless the aggregate consideration paid by the relevant subscriber for such Notes is at least €50,000
	(ii) Calculation Amount:	€1,000
<b>7</b>	(i) Issue Date:	10 February 2012
	(ii) Interest Commencement Date:	Issue Date
<b>8</b>	Maturity Date:	12 February 2024, subject to any early redemption of the Notes in accordance with items 23 and 32 below
<b>9</b>	Interest Basis:	Fixed Rate (single reset) (further particulars specified below)
<b>10</b>	Redemption/Payment Basis:	Redemption at par
<b>11</b>	Change of Interest or Redemption/Payment Basis:	See item 16 below
<b>12</b>	Alternative Currency Equivalent	Not Applicable
<b>13</b>	Put/Call Options:	Call Option

*(further particulars specified below)*

- |    |                         |   |
|----|-------------------------|---|
| 14 | Status of the Notes:    | Dated Subordinated  |
| 15 | Method of distribution: | Non-syndicated (initial delivery only to holders of existing securities issued by the Bank or its subsidiaries) |

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

- |    |                                   |   |
|----|-----------------------------------|---|
| 16 | <b>Fixed Rate Note Provisions</b> | Applicable  |
|    | (i) Rate(s) of Interest:          | <p>In respect of each Interest Period commencing prior to 12 February 2019 (the “<b>Reset Date</b>”), 10.375 per cent. per annum Fixed Rate, payable annually in arrear</p> <p>In respect of each Interest Period commencing on or following the Reset Date, the Notes will bear interest at a fixed rate of interest per annum determined on the date falling two Business Days prior to the Reset Date as the 5 Year Mid-Swap Rate plus the Initial Margin, payable annually in arrear,</p> <p>where:</p> <p>“<b>Calculation Agent</b>” means Citibank N.A., London branch</p> <p>“<b>5 Year Mid-Swap Rate</b>” means the mid-market arithmetic mean, expressed as a percentage and rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards) of the 5 Year Euro Swap Rates, as determined by the Calculation Agent at 11.00 a.m. (Central European time) on the date falling two Business Days prior to the Reset Date</p> <p>“<b>5 Year Euro Swap Rates</b>” means the bid and offered swap rates for euro swap transactions with a maturity of 5 years displayed on Bloomberg page “ICAE1” (or such other page as may replace that page on Bloomberg, or such other service as may be nominated by the person providing or sponsoring the information appearing there for the purposes of displaying comparable rates) at 11.00 a.m. (Central European time) on the date falling two Business Days prior to the Reset Date. If swap rates do not appear on that page, the 5 Year Mid-Swap Rate shall instead be determined by the Calculation Agent on the basis of (i) quotations provided by the principal office of each of four major banks in the euro swap market of the rates at which swaps in euro are offered by it at approximately 11.00 a.m. (Central European time) on the date falling two Business Days prior to the Reset Date to participants in the euro swap market for a five year period and (ii) the arithmetic mean expressed as a percentage and rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded</p> |

upwards) of such quotations

“**Initial Margin**” means 8.50 per cent.

- (ii) Interest Payment Date(s): 12 February in each year commencing 12 February 2013, up to and including the Maturity Date For the avoidance of doubt, there shall be a long first coupon in respect of the first Interest Period (the “**Long First Coupon**”)
- (iii) Fixed Coupon Amount(s): In respect of Interest Periods commencing prior to the Reset Date, €103.75 per Calculation Amount save in respect of the Long First Coupon  
The Fixed Coupon Amount for Interest Periods commencing on or following the Reset Date will be notified by the Calculation Agent once calculated on the date falling two Business Days prior to the Reset Date in accordance with Conditions 4(l) and 20
- (iv) Broken Amount(s): €104.32 per Calculation Amount, payable on the first Interest Payment Date in respect of the Long First Coupon
- (v) Day Count Fraction: Actual/Actual ICMA (unadjusted)
- (vi) Determination Dates: 12 February in each year
- (vii) Business Day Convention: Not Applicable. Condition 6(h) (Non-Business Days) applies
- (viii) Other terms relating to the method of calculating interest for Fixed Rate Notes: Not Applicable

- 17 Floating Rate Note Provisions** Not Applicable
- 18 Zero Coupon Note Provisions** Not Applicable
- 19 Index Linked Interest Note, Inflation Linked Interest Note and other variable-linked interest Note Provisions** Not Applicable
- 20 Equity Linked Interest Note Provisions** Not Applicable
- 21 Currency Linked Note Provisions** Not Applicable
- 22 Dual Currency Note Provisions** Not Applicable

#### **PROVISIONS RELATING TO REDEMPTION**

- 23 Call Option** Applicable
  - (i) Optional Redemption Date(s): The Reset Date

	(ii)	Optional Redemption Amount(s) and method, if any, of calculation of such amount(s):	€1,000 per Calculation Amount
	(iii)	If redeemable in part:	
		(a) Minimum Redemption Amount:	Not Applicable
		(b) Maximum Redemption Amount:	Not Applicable
	(iv)	Notice period:	Condition 5(d) applies – not less than 30 days nor more than 60 days
<b>24</b>		<b>Put Option</b>	Not Applicable
<b>25</b>		<b>Final Redemption Amount</b>	€1,000 per Calculation Amount
<b>26</b>		<b>Index Linked, Inflation Linked and other variable-linked Redemption Note Provisions</b>	Not Applicable
<b>27</b>		<b>Equity Linked Redemption Notes Provisions:</b>	Not Applicable
<b>28</b>		<b>Relevant Assets:</b>	Not Applicable
<b>29</b>		<b>Additional Disruption Events:</b>	Not Applicable
<b>30</b>		<b>Credit Linked Notes Provisions:</b>	Not Applicable
<b>31</b>		<b>Currency Linked Redemption Notes Provisions:</b>	Not Applicable
<b>32</b>		<b>Early Redemption Amount:</b>	
		Early Redemption Amount(s) payable on event of default or other early redemption:	As per Conditions save that Condition 5(c) “Redemption for Taxation Reasons” shall not apply
		Unwind Costs:	Not Applicable

#### **GENERAL PROVISIONS APPLICABLE TO THE NOTES**

<b>33</b>	<b>Form of Notes:</b>	<b>Bearer Notes:</b>
		Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note
<b>34</b>	New Global Note:	No
<b>35</b>	Financial Centre(s) or other special provisions relating to payment dates:	TARGET Business Day and London

- |    |  |   |
|----|--|---|
| 36 | Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):                      | No  |
| 37 | Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made: | Not Applicable  |
| 38 | Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made:                             | Not Applicable  |
| 39 | Redenomination, renominalisation and reconventioning provisions:   | Not Applicable  |
| 40 | Consolidation provisions:  | The provisions in Condition 19 apply  |
| 41 | Additional U.S. Federal Tax Considerations:  | Not Applicable  |
| 42 | Other final terms:   | <p>The Conditions of the Notes shall be amended to include a new Condition 5A as set out below:</p> |

**5A Substitution or variation following a Capital Event**

If a Capital Event has occurred and is continuing, then the Bank may, subject to the other provisions of this Condition 5A (without any requirement for the consent or approval of the Holders or the Trustee) either substitute all (but not some only) of the Notes for, or vary the terms of the Notes so that they remain or, as appropriate, become, Compliant Securities. Upon the expiry of the notice required by this Condition 5A, the Bank shall either vary the terms of, or substitute, the Notes in accordance with this Condition 5A, as the case may be and, subject as set out below, the Trustee shall agree to such substitution or variation.

In connection with any substitution or variation in accordance with this Condition 5A, the Bank shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

Any substitution or variation in accordance with this Condition 5A is subject to the Bank (i) obtaining the prior written consent of the FSA, provided that at the relevant time such consent is required to be given; (ii) both at the time of, and immediately following, the substitution or variation, being in compliance with its “Capital Resources Requirement” as provided in the Capital Regulations applicable to it from time to time (and a certificate from two authorised signatories of the Bank confirming such compliance shall be conclusive

evidence of such compliance); and (iii) giving not less than 30 nor more than 60 calendar days' notice to the Holders (which notice shall be irrevocable), the Trustee and the Paying Agents, in accordance with Condition 20, which notice shall be irrevocable.

Any substitution or variation in accordance with this Condition 5A does not give the Bank an option to redeem the Notes under the Conditions.

Prior to the publication of any notice of substitution or variation pursuant to this Condition 5A, the Bank shall deliver to the Trustee a certificate signed by two authorised signatories of the Bank stating that the Capital Event giving rise to the right to substitute or vary has occurred and is continuing as at the date of the certificate and the Trustee shall accept such certificate without any further inquiry as sufficient evidence of the occurrence of a Capital Event in which event it shall be conclusive and binding on the Trustee, the Couponholders and the Holders.

The Trustee shall use its reasonable endeavours to participate in, or assist the Bank with, the substitution of the Notes for, or the variation of the terms of the Notes so that they become, Compliant Securities, provided that the Trustee shall not be obliged to participate in, or assist with, any such substitution or variation if the terms of the proposed alternative Compliant Securities or the participation in, or assistance with, such substitution or variation would impose, in the Trustee's opinion, more onerous obligations upon it or require the Trustee to incur any liability for which it is not indemnified and/or secured and/or pre-funded to its satisfaction.

The Trustee may rely without liability to Holders or Couponholders on a report, confirmation or certificate or any advice of any accountants, financial advisers, financial institution or any other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report, confirmation or certificate or advice and such report, confirmation or certificate or advice shall be binding on the Bank, the Trustee and the Holders.

A "**Capital Event**" is deemed to have occurred if as a result of any amendment to, or change in, the Capital Regulations, the Notes (or any part thereof) may no

longer be included in full in the Tier 2 Capital of the Bank and/or the Group by reason of their non-compliance with CRD IV.

**“Capital Regulations”** means, at any time, the regulations, requirements, guidelines and policies relating to capital adequacy of the FSA then in effect.

**“Compliant Securities”** means securities issued directly or indirectly by the Bank that:

(a) have terms not materially less favourable to an investor than the terms of the Notes (as reasonably determined by the Bank, and provided that a certification to such effect of two authorised signatories of the Bank shall have been delivered to the Trustee prior to the issue of the relevant securities), provided that such securities (1) contain terms such that they comply with the then current requirements of the FSA in relation to Tier 2 Capital; (2) include terms which provide for the same Rate of Interest from time to time and Maturity Date applying to the Notes; (3) rank *pari passu* with the Notes; and (4) shall preserve any existing rights under the Conditions to any accrued interest which has not been satisfied; and

(b) are listed on (i) the regulated market of the London Stock Exchange or (ii) such other Recognised Stock Exchange as selected by the Bank; and

(c) where the Notes which have been substituted or varied had a published rating from a Rating Agency immediately prior to their substitution or variation each such Rating Agency has ascribed, or announced its intention to ascribe, an equal or higher published rating to the relevant Notes.

**“CRD IV”** means taken together, (i) the CRD IV Directive, (ii) the CRD IV Regulation and (iii) the Future Capital Instruments Regulations.

**“CRD IV Directive”** means a directive of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms amending Directive 2002/87/EC, a draft of which was published on 20 July 2011.

**“CRD IV Regulation”** a regulation of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms, a draft of which was published on 20 July 2011.

**“Future Capital Instruments Regulations”** means regulatory capital rules which may in the future be introduced by the FSA and which are applicable to the Bank (on a solo or consolidated basis) as applied and

construed by the FSA, which lay down the requirements to be fulfilled by financial instruments for inclusion in the regulatory capital of the Bank (on a solo or consolidated basis) as required by (i) the CRD IV Regulation or (ii) the CRD IV Directive.

“**FSA**” means the Financial Services Authority or such other governmental authority in the United Kingdom (or, if the Bank becomes domiciled in a jurisdiction other than the United Kingdom, in such other jurisdiction) having primary supervisory authority with respect to the Bank.

“**Group**” means Lloyds Banking Group plc and its subsidiaries and subsidiary undertakings from time to time.

“**Rating Agency**” means Fitch Ratings Limited or Moody's Investors Service Ltd. or Standard & Poor's Credit Market Services Europe Limited or their respective successors.

“**Recognised Stock Exchange**” means a recognised stock exchange as defined in section 1005 of the Income Tax Act 2007 as the same may be amended from time to time and any provision, statute or statutory instrument replacing the same from time to time.

“**Tier 2 Capital**” has the meaning given to it by the FSA from time to time.

## DISTRIBUTION

43	(i)	If syndicated, names and addresses of Managers <i>and underwriting commitments</i> :	Not Applicable
	(ii)	Date of Subscription Agreement:	Not Applicable
	(iii)	Stabilising Manager(s) (if any):	Not Applicable
44		If non-syndicated, name and address of Dealer:	Not Applicable
45		Total commission and concession:	Not Applicable
46		U.S. Selling Restrictions:	Reg S Category 2; TEFRA D
47		Non-exempt Offer:	Not Applicable
48		Additional selling restrictions:	Not Applicable

## LISTING AND ADMISSION TO TRADING APPLICATION

These Final Terms comprise the final terms required for issue and admission to trading of the Notes described herein pursuant to the £50,000,000,000 Euro Medium Term Note Programme of Lloyds TSB Bank



plc.

**RESPONSIBILITY**

The Bank accepts responsibility for the information contained in these Final Terms.

Signed on behalf of the Bank:

By: \_\_\_\_\_

Duly authorised

## Part B - Other Information

### 1 LISTING

- |       |   |   |
|-------|---|---|
| (i)   | Listing:  | London  |
| (ii)  | Admission to trading:                                       | Application has been made for the Notes to be admitted to trading on the regulated market of the London Stock Exchange with effect from 13 February 2012. |
| (iii) | Estimate of total expenses related to admission to trading: | £3,600  |

### 2 RATINGS

Ratings:

The Notes to be issued have been rated:

S & P: BBB-

Moody's: Baa2 (currently under review for downgrade)

Fitch: BBB-

Fitch Ratings Limited ("**Fitch**"), Moody's Investors Service Ltd. ("**Moody's**") and Standard & Poor's Credit Market Services Europe Limited ("**S&P**") are established in the European Union and registered under Regulation (EC) No 1060/2009.

### 3 NOTIFICATION

Not applicable

### 4 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save as discussed in "*Subscription and Sale*" in the Base Prospectus, so far as the Bank is aware, no person involved in the invitation to subscribe for the Notes has an interest material to the issue of the Notes.

### 5 REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- |       |                           |                    |
|-------|---------------------------|--------------------|
| (i)   | Reasons for the offer:    | Capital management |
| (ii)  | Estimated net proceeds:   | Not Applicable     |
| (iii) | Estimated total expenses: | £3,600             |

### 6 YIELD

Indication of yield

For the period from (and including) the Issue Date to (but excluding) the Reset Date, 10.497 per cent.

As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

### 7 OPERATIONAL INFORMATION

ISIN Code: XS0744444588

Common Code:	074444458
Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, <i>société anonyme</i> and the relevant identification number(s):	Not Applicable
Delivery:	Delivery against delivery of existing securities pursuant to an exchange offer
Names and addresses of additional Paying Agent(s) (if any):	Not Applicable
Intended to be held in a manner which would allow Eurosystem eligibility:	No