

FINAL TERMS

7 September 2010

Lloyds TSB Bank plc (the “Issuer”)
Issue of US\$2,000,000,000 6.500% Fixed Rate Subordinated Lower Tier 2 Notes
due 2020 (the “Notes”) guaranteed by Lloyds Banking Group plc (the “Guarantor”)
issued pursuant to the Lloyds Banking Group plc and Lloyds TSB Bank plc \$35,000,000,000
Senior and Subordinated Medium-Term Notes Programme

Part A - CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Description of the Notes and the Guarantees set forth in the prospectus dated 14 May 2010, the supplemental prospectus dated 23 August 2010 and the supplemental prospectus dated 6 September 2010 which together constitute a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the “Prospectus Directive”). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such prospectus as supplemented. Full information on the Issuer and the Guarantor and the offer of the notes is only available on the basis of the combination of these Final Terms and the base prospectus as supplemented. The prospectus and the supplemental prospectuses are available for viewing at and copies may be obtained from Lloyds TSB Bank plc, 25 Gresham Street, London EC2V 7HN and the specified offices of each of the paying agents, The Bank of New York Mellon, at One Canada Square, London E14 5AL, United Kingdom; 101 Barclay Street, New York, NY 10286, USA; and Aerogolf Center, 1A, Hohenhof, L-1736, Senningerberg, Luxembourg.

TYPE OF NOTE

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|----------|--|---|
| 1 | (a) Status of the Notes: | The Subordinated Notes will constitute unsecured and subordinated obligations of the Issuer and will be unconditionally and irrevocably guaranteed on a subordinated basis by the Guarantor, and will rank pari passu without any preference among themselves. References to Subordinated Notes are to Subordinated Notes with a fixed maturity date. The Subordinated Notes are intended to constitute lower tier two capital in accordance with the requirements of the FSA |
| | (b) Guarantor: | Lloyds Banking Group plc |
| | (c) Status of the Guarantee: | Subordinated |
| 2 | (a) Interest/Payment Basis: | Fixed Rate payable semi-annually |
| | (b) Redemption Basis: | Redemption at par |
| 3 | If Original Issue Discount Note, insert: | |

Total Amount of OID:	Not applicable
Yield to Maturity:	Not applicable
Initial Accrual Period:	Not applicable
4 If Extendible Maturity Notes, insert:	
Initial Maturity Date:	Not applicable
Final Maturity Date:	Not applicable
Election Dates:	Not applicable
Minimum Denominations for extension:	Not applicable
Notice Period:	Not applicable
Method for delivery of Notice:	Not applicable
Method for revocation of election:	Not applicable

DESCRIPTION OF THE NOTES

5	Registered Notes:	The notes are in book-entry form
	Note Registrars:	The Bank of New York Mellon, acting through its New York Branch (101 Barclay Street, New York, NY 10286, USA) The Bank of New York Mellon (Luxembourg) S.A. (Aerogolf Center, 1A, Hoehenhof, L-1736, Senningerberg, Luxembourg)
6	(a) Series Number:	US 0010
	(b) Details (including the date, if any, on which the notes become fully fungible) if forming part of an existing Series:	Not applicable
7	(a) Nominal Amount of notes to be issued:	U.S.\$2,000,000,000
	(b) Aggregate nominal amount of Series (if more than one Tranche for the Series):	Not applicable
	(c) Specified Currency:	USD
	(d) Currency Determination Agent:	Not applicable
	(e) Specified Denomination(s):	U.S.\$100,000 and integral multiples of U.S.\$ 1,000 thereof

	(f) Method for Making U.S. Dollar Payments for a Specified Currency (if other than as set out in the Note):	Not applicable
8	Issue Price:	99.392% (before deduction of commission) 98.967% (after deduction of commission)
9	Issue Date:	14 September 2010
10	Interest Commencement Date:	Issue Date

**PROVISIONS RELATING TO INTEREST
(IF ANY) PAYABLE ON FIXED RATE
NOTES**

11	(a) Interest Basis/Bases:	6.500% per annum
	(b) Interest Payment Date(s):	Semi-annually on 14 March and 14 September each year commencing 14 March 2011 and ending on the Maturity Date
	(c) Day Count Fraction:	30/360, unadjusted
	(d) Determination Dates:	Not applicable
	(e) Business Day convention:	Following
	(f) Other terms relating to the method of calculating interest for Fixed Rate Notes:	Not applicable

FLOATING RATE NOTES OR INDEX LINKED INTEREST NOTES Not Applicable

FLOATING RATE NOTES Not Applicable

INDEX LINKED INTEREST NOTES Not Applicable

PROVISIONS REGARDING REDEMPTION/MATURITY

12	Maturity Date:	14 September 2020
	(a) Redemption at Issuer's option (other than redemption for taxation reasons):	No
	(b) Notice Period:	Not applicable
13	(a) Redemption at holder's option:	No
	(b) Notice Period:	Not applicable

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| 14 | Redemption where index/formula linked: | Not applicable |
| 15 | Calculation Agent responsible for calculating final redemption amount: | Not applicable |
| 16 | Other terms applicable to maturity or applicable on redemption: | Not applicable |

GENERAL PROVISIONS APPLICABLE TO THIS ISSUE OF NOTES

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| 17 | Other final terms: | Not applicable |
| 18 | Additional selling restrictions: | Yes – see Schedule A |
| 19 | Additional federal income tax considerations: | Not applicable |
| 20 | Method of distribution: | <p>Syndicated</p> <p>Joint Bookrunners: Citigroup Global Markets Inc., Deutsche Bank Securities Inc., Goldman, Sachs & Co., J.P. Morgan Securities LLC</p> <p>Senior Co-Manager: Lloyds TSB Bank plc</p> |
| 21 | Stabilising Manager: | None |
| 22 | Clearing System: | DTC (including its participants Clearstream and Euroclear) |
| 23 | Redenomination and Exchange provisions: | Not applicable |

LISTING AND ADMISSION TO TRADING

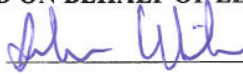
These final terms comprise the final terms required for the issue of Notes described herein pursuant to the \$35,000,000,000 Senior and Subordinated Medium-Term Notes Programme of Lloyds Banking Group plc and Lloyds TSB Bank plc to be admitted to listing on the Official List of the United Kingdom Listing Authority and admitted to trading on the London Stock Exchange's regulated market (as from 14 September 2010) for which purpose it is hereby submitted.

RESPONSIBILITY

The Issuer and the Guarantor accept responsibility for the information contained in these Final Terms.

Acceptance for and on behalf of each of the Issuer and the Guarantor of the terms of the Final Terms.

SIGNED ON BEHALF OF LLOYDS BANKING GROUP PLC AS GUARANTOR

By: 

Title: MANAGER CAPITAL MARKETS STRATEGY

SIGNED ON BEHALF OF LLOYDS TSB BANK PLC AS ISSUER

By: 

Title: MANAGER CAPITAL MARKETS STRATEGY

Part B - Other Information

1 LISTING AND ADMISSION TO TRADING

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| (i) | Listing: | London |
| (ii) | Admission to trading: | Application has been made for the Notes to be admitted to trading on the London Stock Exchange's registered market with effect from 14 September 2010. |
| (iii) | Estimate of total expenses related to admission to trading: | £3,900.00 |

2 RATINGS

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| Ratings: | The Notes to be issued are expected to be rated: |
| | Moody's: Baa3 (stable) |
| | S&P: BBB (stable) |
| | Fitch: A+ (stable) |

3 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save for any fees payable to the dealers, so far as the Issuer is aware, no person involved in the issue of the notes has an interest material to the offer.

4 REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

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|------|-------------------------|---|
| (i) | Reasons for the offer: | The net proceeds of the Notes will be used for the general business purposes of the Group |
| (ii) | Estimated net proceeds: | \$1,979,340,000 |

5 YIELD (*Fixed Rate Notes Only*)

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|----------------------|---|
| Indication of yield: | 6.584% |
| | The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield. |

6 PERFORMANCE OF INDEX/FORMULA, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING

Not applicable

7 PERFORMANCE OF RATE OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT

Not applicable

8 OPERATIONAL INFORMATION

- | | | |
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| | Rule 144A | Regulation S |
| CUSIP: | 53947NAA2 | 53947QAA5 |
| ISIN Code: | US53947NAA28 | US53947QAA58 |

Common Code:	054189001	054189010
Clearing system(s) and, if applicable, the relevant identification number(s):	DTC (including its participants Euroclear and Clearstream)	
Settlement Procedures:	DTC-MMI settlement system	
Delivery:	Delivery against payment	
Names and addresses of additional Paying Agent(s) (if any):	Not applicable	

Additional Selling Restrictions

Singapore

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

Where 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 the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within 6 months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 except:

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

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

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

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

Hong Kong

Each Dealer 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 Notes other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not 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 Notes, which is directed at, or the contents of 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) other than with respect to 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.

Belgium

The Notes may not be distributed in Belgium by way of an offer of securities to the public, as defined in Article 3 §1 of the Belgian Law of 16 June 2006 on public offerings of investment instruments and the admission of investment instruments to trading on regulated markets (the “Prospectus Law”), save in those circumstances set out in Article 3 §2 of the Prospectus Law.

The offering is exclusively conducted under applicable private placement exemptions and therefore it has not been and will not be notified to, and the Base Prospectus or any other offering material relating to the Notes has not been and will not be approved by, the Belgian Banking, Finance and Insurance Commission (Commission bancaire, financière et des assurances/ Commissie voor het Bank-, Financie- en Assurantiewezen).

Accordingly, the offering may not be advertised and each of the Dealers has represented and agreed that it has not offered, sold or resold, transferred or delivered, and will not offer, sell, resell, transfer or deliver, the Notes and that it has not distributed, and will not distribute, any memorandum, information circular, brochure or any similar documents, directly or indirectly, to any individual or legal entity in Belgium other than:

- (i) qualified investors, as defined in Article 10 of the Prospectus Law;
- (ii) investors required to invest a minimum of €50,000 (per investor and per transaction);

and in any other circumstances set out in Article 3 §2 of the Prospectus Law.

The Base Prospectus has been issued only for the personal use of the above qualified investors and exclusively for the purpose of the offering of Notes. Accordingly, the information contained herein may not be used for any other purpose nor disclosed to any other person in Belgium.

Sweden

Each Dealer has represented and agreed that no offer will be made to the public in Sweden unless it is in compliance with Swedish law.

Switzerland

Each Dealer has represented and agreed that:

- (a) it will not publicly offer, sell or advertise the Notes in or from Switzerland, as such term is defined or interpreted under the Swiss Code of Obligations (“CO”); and
- (b) to the extent the Notes qualify as structured products within the meaning of the Swiss Collective Investment Schemes Act (“CISA”), it will not publicly offer, sell or advertise the Notes in or from Switzerland, as such term is defined or interpreted under the CISA.

Neither the Base Prospectus nor any other documents related to the Notes constitute a prospectus in the sense of article 652a or 1156 CO or a simplified prospectus in the sense of article 5 CISA, and neither the Base Prospectus nor any other documents related to the Notes may be publicly distributed or otherwise made publicly available in Switzerland. The Bank has not applied for a listing of the Notes on the SIX Swiss Exchange or any other regulated securities market in Switzerland, and consequently, the information presented in the Base Prospectus does not necessarily comply with the information standards set out in the listing rules of the SIX Swiss Exchange. The Notes do not constitute participations in a collective investment scheme within the meaning of the CISA. Therefore the Notes are not subject to the approval of, or supervision by, the Swiss Financial Markets Supervisory Authority FINMA (“FINMA”), and investors in the Notes will not benefit from protection under the CISA or supervision by FINMA.