

**New Note Final Terms dated 21 May 2009**

**Lloyds Banking Group plc (the "Issuer")**

Issue of U.S.\$127,000,000 Non-Extendible Notes (the "New Notes")

**PART A — CONTRACTUAL TERMS**

On 17 July 2008, the Issuer issued a duly authorised tranche of debt securities, designated as its Extendible Notes in an aggregate principal amount of U.S.\$3,250,000,000 (the "Tranche 1 Notes"). On 23 July 2008, the Issuer issued a further duly authorised tranche of its Extendible Notes in an aggregate principal amount of U.S.\$500,000,000 (the "Tranche 2 Notes"). The Tranche 1 Notes and the Tranche 2 Notes were consolidated as of 23 July 2008 and form a single series of the Issuer's Extendible Notes in an aggregate principal amount of U.S.\$3,750,000,000 (the "Notes"). In accordance with the terms of the Notes, the holders of the Notes did not elect to extend the maturity of Notes in an aggregate principal amount of U.S.\$127,000,000 (referred to herein as the "New Notes"). The New Notes shall not be extendible and shall be represented and governed by the terms and conditions in the Base Prospectus dated 24 July 2008 (the "Base Prospectus") and as appended to the Issuing and Paying Agency Agreement between the Issuer and Citibank, N.A. dated 17 July 2008.

The Base Prospectus, as supplemented by supplementary prospectuses dated 5 August 2008, 7 October 2008, 15 October 2008, 7 November 2008, 21 November 2008, 17 December 2008 and 20 May 2009 constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "Prospectus Directive"). This document constitutes the New Note Final Terms of the New Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus as so supplemented. Full information on the Issuer and the New Notes is only available on the basis of the combination of these New Note Final Terms and the Base Prospectus as so supplemented. The Base Prospectus and the supplements to the Base Prospectus are available for viewing at, and copies may be obtained from, the head office of Lloyds Banking Group plc, 25 Gresham Street, London EC2V 7HN, England.

THE NEW NOTES DESCRIBED HEREIN HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR ANY OTHER APPLICABLE SECURITIES LAW, AND OFFERS AND SALES THEREOF MAY BE MADE ONLY IN COMPLIANCE WITH AN APPLICABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS. BY ITS ACCEPTANCE OF A NEW NOTE, THE PURCHASER WILL BE DEEMED TO REPRESENT THAT IT HAS BEEN AFFORDED AN OPPORTUNITY TO INVESTIGATE MATTERS RELATING TO THE ISSUER AND THE NEW NOTES, THAT IT IS NOT ACQUIRING SUCH NEW NOTE WITH A VIEW TO ANY DISTRIBUTION THEREOF AND THAT IT IS A QUALIFIED INSTITUTIONAL BUYER ("QIB") WITHIN THE MEANING OF RULE 144A UNDER THE ACT THAT IS ACQUIRING NEW NOTES FOR ITS OWN ACCOUNT OR FOR ONE OR MORE ACCOUNTS, EACH OF WHICH IS A QIB AND WITH RESPECT TO EACH OF WHICH THE PURCHASER HAS SOLE INVESTMENT DISCRETION; AND THE PURCHASER ACKNOWLEDGES THAT IT IS AWARE THAT THE SELLER MAY RELY UPON THE EXEMPTION FROM THE REGISTRATION PROVISIONS OF SECTION 5 OF THE ACT PROVIDED BY RULE 144A. BY ITS ACCEPTANCE OF A NEW NOTE, THE PURCHASER THEREOF SHALL ALSO BE DEEMED TO AGREE THAT ANY RESALE OR OTHER TRANSFER THEREOF WILL BE MADE ONLY (A) IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE ACT AND ANY OTHER APPLICABLE SECURITIES LAWS, EITHER (1) TO THE ISSUER OR TO GOLDMAN, SACHS & CO. OR MORGAN STANLEY & CO. INCORPORATED OR ANOTHER PERSON DESIGNATED BY THE ISSUER AS A PLACEMENT AGENT FOR THE NEW NOTES (COLLECTIVELY, THE "PLACEMENT AGENTS"), NONE OF WHICH SHALL HAVE ANY OBLIGATION TO ACQUIRE SUCH NEW NOTE, (2) THROUGH A PLACEMENT AGENT TO A QIB, OR (3) TO A QIB IN A TRANSACTION THAT MEETS THE REQUIREMENTS OF RULE 144A AND (B) IN MINIMUM AMOUNTS OF U.S.\$250,000 AND INTEGRAL MULTIPLES OF \$1,000 IN EXCESS THEREOF.

**Issuer:** Lloyds Banking Group plc (formerly know as Lloyds TSB Group plc)

<b>Securities:</b>	Unsecured non-extendible short-term notes, ranking <i>pari passu</i> with the Issuer's present and future unsubordinated and unsecured indebtedness.
<b>Exemption:</b>	The New Notes are exempt from registration under the Securities Act of 1933, as amended (the "Act"), pursuant to Section 4(2) of the Act, and the New Notes cannot be resold unless registered or an exemption from registration is available.
<b>Principal Amount:</b>	U.S.\$127,000,000.
<b>Offering Price:</b>	100% of the principal amount of the New Notes.
<b>Denominations:</b>	U.S.\$250,000 and integral multiples of U.S.\$1,000 in excess thereof.
<b>Original Issue Date:</b>	The Tranche 1 Notes were issued on 17 July 2008 and the Tranche 2 Notes were issued on 23 July 2008.
<b>New Note Issue Date:</b>	7 February 2009.
<b>New Maturity Date:</b>	7 December 2009 or if such day is not a Business Day, the immediately preceding Business Day.
<b>Extension of Maturity of the New Notes; Election to Extend the Maturity of the New Notes:</b>	Not Applicable.
<b>Election Dates and Notice Periods for Election to Extend the maturity of the New Notes:</b>	Not Applicable.
<b>Interest Payment Dates:</b>	<p>Interest on the New Notes will be paid quarterly in arrear on the 7th day of February and May and on the New Maturity Date.</p> <p>Interest payable on the New Notes on any Interest Payment Date shall be the amount of interest accrued from, and including, the immediately preceding Interest Payment Date in respect of which interest has been paid or duly provided for (or from, and including, 17 July 2008, if no interest has been paid or duly provided for with respect to the New Notes) to, but excluding, such Interest Payment Date. If any Interest Payment Date (other than the New Maturity Date) would otherwise be a day that is not a Business Day, such Interest Payment Date will be postponed to the next succeeding day that is a Business Day, except that if such Business Day is in the next succeeding calendar month, such Interest Payment Date (other than the New Maturity Date) shall be the immediately preceding Business Day.</p> <p>Any interest, other than interest payable at the New Maturity Date or upon earlier redemption, will be payable on the relevant Interest Payment Date to the registered holder of the New Notes at the close of business on the fifteenth calendar day (whether or not a Business Day) preceding such Interest Payment Date.</p>
<b>Interest Rate:</b>	<p>Three-month LIBOR, reset on a quarterly basis on each Interest Reset Date, plus the Applicable Spread. Interest on the New Notes will be computed on the basis of the actual number of days elapsed over a 360-day year.</p> <p>Three-month LIBOR will be determined by the Calculation Agent as of the</p>



applicable Interest Determination Date in accordance with the Extendible Notes Conditions.

<b>Applicable Spread:</b>	For Interest Reset Dates occurring: From and including the New Note Issue Date to but excluding 7 August 2009	Spread: Plus 0.30%
	From and including 7 August 2009 to but excluding the New Maturity Date	Plus 0.32%
<b>Interest Reset Dates:</b>	The 7th day of February and May. If any Interest Reset Date would otherwise be a day that is not a Business Day, such Interest Reset Date will be postponed to the next succeeding day that is a Business Day, except that if such Business Day is in the next succeeding calendar month, such Interest Reset Date shall be the immediately preceding Business Day.	
<b>Interest Reset Periods:</b>	The Interest Reset Periods will be the periods from and including an Interest Reset Date to but excluding the immediately succeeding Interest Reset Date; <i>provided that</i> the final Interest Reset Period for the New Notes will be the period from and including the Interest Reset Date immediately preceding the New Maturity Date to but excluding the New Maturity Date.	
<b>Interest Determination Dates:</b>	Two London Business Days prior to each Interest Reset Date.	
<b>Redemption for Taxation Reasons:</b>	Applicable.	
<b>Form:</b>	The New Notes will be represented by one or more Master Notes deposited with, or on behalf of, DTC and registered in the name of a nominee for DTC. The New Notes will be issued and purchases thereof will be recorded only through the book-entry system of DTC. Beneficial owners will not receive certificates representing their ownership interest in the New Notes.	
<b>Settlement:</b>	Delivery free of payment on same day basis.	
<b>Issuing and Paying Agent:</b>	Citibank, N.A.	
<b>Calculation Agent:</b>	Citibank, N.A.	
<b>CUSIP No.:</b>	53943EBC1	
<b>ISIN No.:</b>	US53943EBC12	

#### LISTING AND ADMISSION TO TRADING APPLICATION

These New Note Final Terms comprise the new note final terms required for issue and admission to trading of the New Notes described herein.

#### RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these New Note Final Terms.

Signed on behalf of the Issuer:



By: EDWARD SHORT, HEAD OF LIQUIDITY / FUNDING MANAGEMENT  
Duly authorised

## PART B — OTHER INFORMATION

### 1 Listing

- |                                                                   |                                                                                                                                                         |
|-------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|
| (i) Listing:                                                      | London                                                                                                                                                  |
| (ii) Admission to trading:                                        | Application has been made for the New Notes to be admitted to trading on the London Stock Exchange plc's Regulated Market with effect from 22 May 2009. |
| (iii) Estimate of total expenses related to admission to trading: | Zero                                                                                                                                                    |

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

So far as the Issuer is aware, no person involved in the offer of the New Notes has an interest material to the offer.

### 3 OPERATIONAL INFORMATION

ISIN Code:	53943EBC1
CUSIP:	US53943EBC12
Any clearing system(s) other than the Depository Trust Company and the relevant identification number(s):	Not Applicable
Delivery:	Delivery free of payment
Names and addresses of additional Paying Agent(s) (if any):	Not Applicable