

Lloyds Banking Group plc

Form F-4/A

March 27, 2014

As filed with the Securities and Exchange Commission on March 27, 2014

Registration No. 333- 194346

---

---

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

Amendment No. 1 to  
FORM F-4  
REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933

Lloyds Banking Group plc  
(Exact Name of Registrant as Specified in Its Charter)

Scotland  
(State or Other Jurisdiction of Incorporation or Organization)

6029  
(Primary Standard Industrial Classification Code Number)  
Not Applicable  
(I.R.S. Employer Identification No.)

25 Gresham Street  
London EC2V 7HN  
011-44-207-626-1500  
(Address and Telephone Number of Registrant's Principal Executive Offices)

Kevin P. McKendry  
Chief U.S. Counsel  
Lloyds Bank plc  
1095 Avenue of the Americas  
New York, New York 10036  
212-930-8920  
(Name, Address and Telephone Number of Agent for Service)

Please send copies of all communications to:  
John W. Banes  
DAVIS POLK & WARDWELL LONDON LLP  
99 Gresham Street  
London EC2V 7NG  
Tel. No.: 011-44-207-418-1300

Edgar Filing: Lloyds Banking Group plc - Form F-4/A

Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement becomes effective.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price per Unit(1)	Proposed Maximum Aggregate Offering Price(1)	Amount of Registration Fee(2)
Fixed Rate Reset Additional Tier 1 Securities (the "Additional Tier 1 Securities")	8,375(4)	100%	\$1,675,000,000	\$215,740(5)
Ordinary Shares of Lloyds Banking Group plc(3)				

(1) The securities being registered hereby are offered in exchange for the securities described in this prospectus. The registration fee has been computed based on the face value of the securities pursuant to Rule 457 under the Securities Act.

- (2) Calculated using a registration fee rate of \$128.80 per million. \$215,029.19 of the total registration fee was previously paid in connection with the filing of Schedule TO-I on March 6, 2014; the remainder of the total registration fee was previously paid in connection with the initial filing of this Form F-4 on March 6, 2014.
- (3) The Ordinary Shares of Lloyds Banking Group plc are being registered in connection with the registration of the securities being registered hereby. American Depositary Shares issuable upon deposit of the Ordinary Shares registered hereby have been registered under a separate Registration Statement on Form F-6 (Registration Statement No. 333-164429).
- (4) Plus such additional indeterminate number of Ordinary Shares as may become issuable upon conversion of the Additional Tier 1 Securities by reason of an adjustment of the Conversion Price resulting from the anti-dilution provisions of the Additional Tier 1 Securities, pursuant to Rule 416 under the Securities Act.
- (5) Pursuant to Rule 457(i) of the Securities Act, no registration fee is required to be paid with respect to the Ordinary Shares issuable in respect of the conversion of the Additional Tier 1 Securities because no additional consideration will be received in connection with the Automatic Conversion.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

The information in this prospectus may change. We may not complete the exchange offer and issue these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer is not permitted.

PRELIMINARY PROSPECTUS, DATED MARCH 27, 2014

LBG Capital No. 1 plc  
LBG Capital No. 2 plc

Offer to Exchange

LBG Capital No. 1 plc and LBG Capital No. 2 plc are offering to exchange up to \$1,675,000,000 Fixed Rate Reset Additional Tier 1 Securities issued by Lloyds Banking Group plc (the “Additional Tier 1 Securities”) (CUSIP No. 539439AG4 and ISIN No. US539439AG42) plus, a cash payment for any accrued and unpaid interest, plus (if applicable) cash amounts in lieu of any fractional Additional Tier 1 Securities for certain Enhanced Capital Notes listed in the table below

THE EXCHANGE OFFER WILL EXPIRE AT 11:59 P.M., NEW YORK CITY TIME, ON APRIL 2, 2014 (SUCH TIME AND DATE, AS THE SAME MAY BE EXTENDED, THE “EXPIRATION DEADLINE”). ENHANCED CAPITAL NOTES (AS DEFINED BELOW) TENDERED PURSUANT TO THE EXCHANGE OFFER MAY BE WITHDRAWN AT ANY TIME PRIOR TO THE EXPIRATION DEADLINE (SUCH TIME AND DATE, AS THE SAME MAY BE EXTENDED, THE “WITHDRAWAL DEADLINE”), BUT NOT THEREAFTER. IN ADDITION, IF NOT PREVIOUSLY RETURNED, YOU MAY WITHDRAW ENHANCED CAPITAL NOTES THAT YOU TENDER THAT ARE NOT ACCEPTED BY US FOR EXCHANGE AFTER THE EXPIRATION OF 40 BUSINESS DAYS FOLLOWING COMMENCEMENT OF THE EXCHANGE OFFER.

LBG Capital No. 1 plc (“LBG 1”), an indirect wholly owned subsidiary of Lloyds Banking Group plc (“LBG”), is offering to exchange, on the terms and conditions described in this prospectus (the “LBG 1 Offer”), Fixed Rate Reset Additional Tier 1 Securities (the “Additional Tier 1 Securities”) issued by Lloyds Banking Group plc (“LBG”), plus accrued and unpaid interest in cash, plus (if applicable) cash amounts in lieu of any fractional Additional Tier 1 Securities, for (1) 7.875% Dated Enhanced Capital Notes due 2020, issued by LBG 1 and fully and unconditionally guaranteed by LBG (the “Series 1 ECNs”), (2) 8.00% Fixed-to-Floating Rate Undated Enhanced Capital Notes, issued by LBG 1 and fully and unconditionally guaranteed by LBG (the “Series 2 ECNs”) and (3) 8.50% Fixed-to-Floating Rate Undated Enhanced Capital Notes, issued by LBG 1 and fully and unconditionally guaranteed by LBG (the “Series 3 ECNs”).

LBG Capital No. 2 plc (“LBG 2” and, together with LBG 1, the “Offerors” and each, an “Offeror”), an indirect wholly owned subsidiary of LBG, is offering to exchange, on the terms and conditions described in this prospectus (the “LBG 2 Offer” and, together with the “LBG 1 Offer”, the “Exchange Offer”), Additional Tier 1 Securities, plus accrued and unpaid interest in cash, plus (if applicable) cash amounts in lieu of any fractional Additional Tier 1 Securities, for 7.875% Dated Enhanced Capital Notes due 2020, issued by LBG 2 and fully and unconditionally guaranteed by Lloyds Bank plc (the “Series 4 ECNs” and, collectively with the Series 1 ECNs, the Series 2 ECNs and the Series 3 ECNs, the “ECNs”).

For each \$1,000 of the Enhanced Capital Notes validly tendered and accepted for exchange, holders of a particular series will be eligible to receive a principal amount of the Additional Tier 1 Securities set out in the table below (the “Exchange Consideration”).

The maximum aggregate principal amount of ECNs that can be accepted in the Exchange Offer is such an amount that would result in issuing the Additional Tier 1 Securities in an aggregate principal amount no greater than \$1,675,000,000 (the “Maximum New Issue Size”).

Exchange Priority	Offer	Enhanced Capital Notes	ISIN	Interest Rate	First Optional Call Date	Principal Amount Outstanding	Exchange Consideration(1)
1	LBG 1 Offer	LBG Capital No. 1 plc 7.875% Dated Enhanced Capital Notes due November 1, 2020	XS0459093521 XS0459093794	7.875% per annum	Not applicable	\$985,636,000	\$1,060.00 principal amount of Additional Tier 1 Securities

Exchange Priority	Offer	Enhanced Capital Notes	ISIN	Interest Rate	First Optional Call Date	Principal Amount Outstanding	Exchange Consideration(1)
2	LBG 2 Offer	LBG Capital No. 2 plc 7.875% Dated Enhanced Capital Notes due March 19, 2020	XS0496068429	7.875% per annum	Not applicable	\$407,578,000	\$1,062.50 principal amount of Additional Tier 1 Securities
3	LBG 1 Offer	LBG Capital No. 1 plc 8.00% Fixed-to-Floating Rate Undated Enhanced Capital Notes	XS0473106283 XS0471767276	8.00% to (but excluding) June 15, 2020. From (and including) June 15, 2020, 3-month U.S. dollar LIBOR plus 6.405%.	June 15, 2020	\$1,258,631,000	\$1,057.50 principal amount of Additional Tier 1 Securities
4	LBG 1 Offer	LBG Capital No. 1 plc 8.50% Fixed-to-Floating Rate Undated Enhanced Capital Notes	XS0473103348 XS0471770817	8.50% to (but excluding) December 17, 2021. From (and including) December 17, 2021, 3-month U.S. dollar LIBOR plus 6.921%.	December 17, 2021	\$276,658,000	\$1,060.00 principal amount of Additional Tier 1 Securities

(1) Principal amount of Additional Tier 1 Securities to be issued in exchange for each \$1,000 of ECNs.

Additional Tier 1 Securities	Currency	New Issue Price	Initial Coupon	Reset Coupon	Conversion Price	First Call Date	Minimum New Issue Size	Maximum New Issue Size
Fixed Rate Reset Additional Tier 1 Securities	USD	100%	7.5%	5-year MS+4.76%	\$1.072	June 27, 2024	\$750,000,000	\$1,675,000,000

Upon the terms and subject to the conditions of the Exchange Offer, LBG 1 and LBG 2 will accept tenders in accordance with the Exchange Priority set out in the table above, until either (i) all of the ECNs validly offered for exchange have been accepted or (ii) the principal amount of Additional Tier 1 Securities to be delivered in exchange for ECNs is the maximum such principal amount that can be delivered without exceeding the Maximum New Issue Size. Where the acceptance in accordance with the Exchange Priority of all valid tenders of a series of ECNs would require a greater principal amount of Additional Tier 1 Securities to be delivered than the Maximum New Issue Size,

ECNs validly tendered and not validly withdrawn prior to the Expiration Deadline will be accepted in accordance with the Exchange Priority and, in the case of that particular series, on a pro rata basis up to the Maximum New Issue Size. Offers to exchange a series of ECNs with a lower Exchange Priority than the lowest ranking series of ECNs with respect to which any tenders are accepted, will not be accepted. The Offerors reserve the right, at their absolute discretion, but are under no obligation, to increase or waive the Maximum New Issue Size at any time, subject to compliance with applicable law.

The Exchange Offer is subject to a minimum new issue size of at least \$750,000,000 in aggregate principal amount of Additional Tier 1 Securities being issued in exchange for ECNs validly tendered pursuant to the Exchange Offer and not withdrawn (the “Minimum New Issue Size”) and certain other conditions (the “General Conditions”) set out under “The Exchange Offer—Terms of the Exchange Offer—Exchange Offer Conditions—General Conditions”.

The Additional Tier 1 Securities will be delivered on the Settlement Date, expected to be on or around April 7, 2014, unless the Expiration Deadline is extended. We will not deliver fractional Additional Tier 1 Securities pursuant to the Exchange Offer. Instead, each tendering holder of ECNs who would otherwise be entitled to a fractional Additional Tier 1 Security will receive cash in an amount equal to such fractional entitlement.

The Offerors may extend, re-open, amend, limit, waive any condition of, or terminate the Exchange Offer at any time (subject to applicable law and as provided in this prospectus). Details of any such extension, re-opening, amendment, limitation, waiver (if permitted) or termination will be announced wherever applicable as provided in this prospectus as soon as reasonably practicable after the relevant decision is made. For more information, see “The Exchange Offer”.

Questions and requests for assistance in connection with (i) the Exchange Offer may be directed to the Dealer Managers and (ii) the delivery of Exchange Instructions (as defined herein) may be directed to Lucid Issuer Services Limited (the “Exchange Agent”), as applicable, the contact details for whom are on the back cover page of this prospectus.

We expect to apply to list the Additional Tier 1 Securities on the Global Exchange Market of the Irish Stock Exchange within two months of the Settlement Date. Our American Depositary Shares are listed on the New York Stock Exchange under the symbol “LYG”.

Before deciding whether to exchange your ECNs for Additional Tier 1 Securities, you are encouraged to read and carefully consider this prospectus (including the documents incorporated by reference herein) in its entirety. See “Risk Factors” beginning on page 21 for a discussion of risk factors that you should consider prior to deciding whether to tender your ECNs in the Exchange Offer.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the Exchange Offer or the securities to be issued in the Exchange Offer or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

Global Coordinators and Joint Lead Dealer Managers

BofA Merrill Lynch

Goldman, Sachs & Co.

Joint Lead Dealer Managers

Barclays

Lloyds Securities

Morgan Stanley

Joint Dealer Managers

BNP PARIBAS

Citigroup

Deutsche Bank Securities

HSBC

J.P. Morgan  
Securities LLC

UBS Investment  
Bank

The date of this prospectus is , 2014

v

---



## TABLE OF CONTENTS

---

Prospectus	Page
<u>About this Prospectus</u>	vi
<u>Important Notices</u>	viii
<u>Incorporation of Information by Reference</u>	x
<u>Forward-Looking Statements</u>	xi
<u>Enforceability of Civil Liabilities</u>	xii
<u>Prospectus Summary</u>	1
<u>Risk Factors</u>	21
<u>Use of Proceeds and Rationale of the Exchange Offer</u>	45
<u>Ratio of Earnings to Fixed Charges</u>	46
<u>Capitalization of the Group</u>	47
<u>Market Information and Dividend Policy</u>	49
<u>The Exchange Offer</u>	51
<u>Important Note Relating to the Concurrent Exchange Offers</u>	63
<u>Description of the Additional Tier 1 Securities</u>	64
<u>Comparison of Certain Material Terms of the Enhanced Capital Notes and the Additional Tier 1 Securities</u>	99
<u>Description of Ordinary Shares</u>	113
<u>Description of American Depositary Shares</u>	118
<u>Taxation Considerations</u>	125
<u>Trading in Ordinary Shares and ADSs by the Issuer and its Affiliates</u>	135
<u>Certain Benefit Plan Investor Considerations</u>	136
<u>Validity of the Additional Tier 1 Securities</u>	138
<u>Experts</u>	138
<u>Index to Financial Statements</u>	138

You should rely only on the information contained or incorporated by reference in this prospectus (including any free writing prospectus issued or authorized by us). Neither we nor the Dealer Managers have authorized anyone to provide you with additional, different or inconsistent information. We are not making an offer of these securities in any state or jurisdiction where the offer is not permitted. You should assume that the information contained in this prospectus and the documents incorporated by reference herein is accurate only as of their respective dates.

### ABOUT THIS PROSPECTUS

In this prospectus, we use the following terms:

- “we”, “us”, “our”, “the Issuer”, “LBG” and “Lloyds Banking Group” mean Lloyds Banking Group plc;
  - “LBG 1” means LBG Capital No. 1 plc;
  - “LBG 2” means LBG Capital No. 2 plc;
- “Group” means Lloyds Banking Group plc together with its subsidiaries and associated undertakings;

- “SEC” refers to the Securities and Exchange Commission;
- “pound sterling”, “pence”, “£” and “p” refer to the currency of the United Kingdom;
- “U.S. dollars”, “\$” and “cents” refer to the currency of the United States;

Table of Contents

• “euro”, “€” and “euro cents” refer to the currency of the member states of the European Union (the “EU”) that have adopted the single currency in accordance with the treaty establishing the European Community, as amended; and

- “UK” means the United Kingdom.

Table of Contents

IMPORTANT NOTICES

If a holder decides to tender ECNs pursuant to the Exchange Offer, the holder must arrange for the relevant account holder to submit an electronic tender and blocking instruction in the form specified in the “Deadlines and Corporate Events” or similar form of notice to be sent to account holders by each of Euroclear and Clearstream, Luxembourg on or about the date of this prospectus informing account holders of the procedures to be followed in order to participate in the Exchange Offer (each an “Exchange Instruction”). See “The Exchange Offer—Procedures for Participating in the Exchange Offer”.

If you are a beneficial owner of ECNs that are held by or registered in the name of a bank, broker, custodian or other nominee, and you wish to participate in the Exchange Offer, you must promptly contact your bank, broker, custodian or other nominee to instruct it to tender your ECNs, to agree to the terms of the Exchange Offer and to cause the timely transmission of an Exchange Instruction on your behalf to the Exchange Agent. You are urged to instruct your bank, broker, custodian or other nominee at least five Business Days prior to the Expiration Deadline in order to allow adequate processing time for your instruction.

The Offerors are making the Exchange Offer only in those jurisdictions where it is legal to do so. See “The Exchange Offer—Certain Matters Relating to Non-U.S. Jurisdictions”. This document does not constitute a “prospectus” for the purposes of Directive 2003/71/EC (as amended) and no such prospectus is required for the issue of the Additional Tier 1 Securities.

ECNs can be tendered in the Exchange Offer only in accordance with the procedures described in “The Exchange Offer—Procedures for Participating in the Exchange Offer”. Holders who do not participate in the Exchange Offer, or whose ECNs are not accepted for purchase, will continue to hold their ECNs.

Holders must comply with all laws that apply to them in any place in which they possess this prospectus. Holders must also obtain any consents or approvals that they need in order to tender their ECNs. None of LBG, the Offerors, Dealer Managers or the Exchange Agent (or any of their respective directors, employees or affiliates) is responsible for holders’ compliance with these legal requirements. See “The Exchange Offer—Certain Matters Relating to Non-U.S. Jurisdictions”. The applicable provisions of the UK Financial Services and Markets Act 2000 must be complied with in respect of anything done in relation to the Exchange Offer in, from or otherwise involving the United Kingdom.

See “Taxation Considerations Material U.S. Federal Income Tax Considerations” for a description of material United States federal income tax considerations that should be considered carefully in evaluating the Exchange Offer.

Unless the context otherwise requires, all references in this prospectus to a “holder” or “holder of the ECNs” include:

- (a) each person who is shown in the records of Euroclear Bank S.A./N.V. (“Euroclear”) or Clearstream Banking, société anonyme (“Clearstream, Luxembourg”) and, together with Euroclear, the “Clearing Systems” and each a “Clearing System”) as a holder of the ECNs (also referred to as “Direct Participants” and each a “Direct Participant”);
- (b) any broker, dealer, commercial bank, trust company or other nominee or custodian who holds ECNs; and
- (c) each beneficial owner of ECNs holding such ECNs, directly or indirectly, in accounts in the name of a Direct Participant acting on the beneficial owner’s behalf,

except that for the purposes of the exchange of ECNs pursuant to the Exchange Offer and the payment of any cash payments, to the extent the beneficial owner of the relevant ECNs is not a Direct Participant, the relevant Additional Tier 1 Securities and any cash payments will only be delivered and paid to the relevant Direct Participant and the

delivery of such Additional Tier 1 Securities and payment of cash payments to such Direct Participant will satisfy

viii

---

Table of Contents

any obligations of LBG, the Exchange Agent and the relevant Clearing System in respect of the exchange of such ECNs.

The Offerors are not providing for guaranteed delivery procedures and therefore you must allow sufficient time for the necessary tender procedures to be completed during normal business hours of the Clearing Systems prior to the Expiration Deadline. Tenders received by the Exchange Agent after the Expiration Deadline will be disregarded and of no effect.

LBG is incorporating by reference into this document important business and financial information that is not included in or delivered with this document. This information is available without charge to security holders upon written or oral request. Requests should be directed to:

Lloyds Banking Group  
25 Gresham Street  
London EC2V 7HN  
United Kingdom  
Telephone Number: +44 207 626 1500

In order to ensure timely delivery of such documents, holders must request this information no later than five Business Days before the date they must make their investment decision. Accordingly, any request for information should be made by March 27, 2014 to ensure timely delivery of the documents prior to the Expiration Deadline.

See “Risk Factors”, beginning on page 21 for a description of certain factors relating to a decision to tender your ECNs in the Exchange Offer, including information about our business.

The terms of the Additional Tier 1 Securities will be substantially different from those of the ECNs. In addition to differences in financial terms which include, among others, the coupon and payment dates, the terms of the Additional Tier 1 Securities differ in respect of maturity, interest cancellation, the contingent conversion feature and ranking. Investors should carefully consider these differences in addition to those described under “Comparison of Certain Material Terms of the Enhanced Capital Notes and the Additional Tier 1 Securities” in deciding whether to tender ECNs for exchange in connection with the Exchange Offer.

The Additional Tier 1 Securities are novel and complex financial instruments and may not be a suitable investment for all investors. As a result, an investment in the Additional Tier 1 Securities and the Settlement Shares issuable following the Trigger Event will involve certain increased risks. Investors should be aware that if one or more of the risks described in this prospectus were to occur, they may find that an investment in the Additional Tier 1 Securities is materially adversely affected. As a provider of additional tier 1 capital to LBG, an investor in the Additional Tier 1 Securities should be prepared to suffer losses on its investment if, in particular, LBG and/or the financial sector generally approaches or enters into a period of financial stress. There is no established trading market for the Additional Tier 1 Securities and one may not develop. If a market does develop, it may not be liquid.

Neither the Offerors nor their representatives are making any representation to you regarding the legality of participation in the Exchange Offer by you under applicable legal investment or similar laws. You should consult with your own advisors as to legal, tax, business, financial and related aspects of a decision whether to tender your ECNs in the Exchange Offer.

All references in this prospectus to a “cash payment” or “cash payments” payable on the Settlement Date of the Exchange Offer with respect to a series of ECNs include (i) all accrued and unpaid interest payments on such series of ECNs from and including the latest interest payment date for such series of ECNs through, but not including, the Settlement

Date, and (ii) any cash amounts in lieu of any fractional Additional Tier 1 Securities that a tendering holder of ECNs would have otherwise been entitled to receive. Any cash amounts payable pursuant to the Exchange Offer will be rounded to the nearest U.S.\$0.01, with U.S.\$0.005, being rounded upwards.

Unless otherwise indicated or the context otherwise requires, all references in this prospectus to the exchange of ECNs for Additional Tier 1 Securities include all cash payments made in connection with the exchange of such ECNs for Additional Tier 1 Securities.

Table of Contents

The Additional Tier 1 Securities will be available initially only in book-entry form, represented in one or more global securities registered in the name of a nominee of The Depository Trust Company (“DTC”). You will hold beneficial interests in the Additional Tier 1 Securities through DTC and its direct and indirect participants, including Euroclear and Clearstream, Luxembourg, and DTC and its direct and indirect participants will record your beneficial interest on their books.

We expect to apply to list the Additional Tier 1 Securities on the Global Exchange Market of the Irish Stock Exchange within two months of the Settlement Date. We will comply with any undertakings given by us from time to time to the Global Exchange Market of the Irish Stock Exchange in connection with the Additional Tier 1 Securities, and we will furnish to the Global Exchange Market of the Irish Stock Exchange all such information as the rules of the Global Exchange Market of the Irish Stock Exchange may require in connection with the listing of the Additional Tier 1 Securities.

INCORPORATION OF INFORMATION BY REFERENCE

LBG files annual, semiannual and special reports and other information with the Securities and Exchange Commission. You may read and copy any document that LBG files with the SEC at the SEC’s Public Reference Room, 100 F Street, N.E., Washington, D.C. 20549. You can call the SEC on 1-800-SEC-0330 for further information on the Public Reference Room. The SEC’s website, at <http://www.sec.gov>, contains, free of charge, reports and other information in electronic form that we have filed. You may also request a copy of any filings referred to below (excluding exhibits) at no cost, by contacting us at 25 Gresham Street, London EC2V 7HN, England, telephone +44 207 626 1500.

The SEC allows LBG to incorporate by reference much of the information that it files with them. This means:

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

We also incorporate by reference in this prospectus any future documents we may file with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) from the date of this prospectus until the Exchange Offer contemplated in this prospectus expires or is terminated. Reports on Form 6-K that we may furnish to the SEC after the date of this prospectus (or portions thereof) are incorporated by reference in this prospectus only to the extent that the report expressly states that it is (or such portions are) incorporated by reference in this prospectus.

Each document incorporated by reference into this prospectus is current only as of the date of such document, and the incorporation by reference of such document is not intended to create any implication that there has been no change in the affairs of LBG since the date of the relevant document or that the information contained in such document is current as of any time subsequent to its date. Any statement contained in such incorporated documents is deemed to be modified or superseded for the purpose of this prospectus to the extent that a subsequent statement contained in another document that is incorporated by reference into this prospectus at a later date modifies or supersedes that statement. Any such statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus.



Edgar Filing: Lloyds Banking Group plc - Form F-4/A

This prospectus incorporates by reference the documents listed below, which LBG has previously filed with or furnished to the SEC. These documents contain important information about LBG and its financial condition, business and results.

- LBG's annual report (the "Annual Report") for the fiscal year ended December 31, 2013 on Form 20-F filed with the SEC on March 5, 2014 pursuant to the Exchange Act, including the audited consolidated annual financial statements of the Group, together with the audit report thereon;
- Form 6-K dated March 5, 2014, containing the Group's statement of computation of ratio of earnings to fixed charges as at December 31, 2013 and for the years ended December 31, 2012, 2011, 2010 and 2009; and

x

---

Table of Contents

- Form 6-K dated March 5, 2014, containing the Group's capitalization and indebtedness on a consolidated basis in accordance with IFRS as at December 31, 2013.

FORWARD-LOOKING STATEMENTS

From time to time, we may make statements, both written and oral, regarding assumptions, projections, expectations, intentions or beliefs about future events. Words such as 'believes', 'anticipates', 'estimates', 'expects', 'intends', 'aims', 'potential', 'will', 'would', 'could', 'considered', 'likely', 'estimate' and variations of these words and similar future or conditional expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend upon circumstances that will or may occur in the future. 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 and "Forward-Looking Statements" in our Annual Report on Form 20-F for the year ended December 31, 2013, which is incorporated by reference herein.

Factors that could cause actual business, strategy, plans and/or results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements made by the Group or on its behalf include, but are not limited to the risks identified above under the section entitled "Risk Factors" in our Annual Report on Form 20-F for the year ended December 31, 2013, as well as the following:

- general economic and business conditions in the UK and internationally;
- inflation, deflation, interest rates and policies of the Bank of England, the European Central Bank and other G8 central banks;
  - fluctuations in exchange rates, stock markets and currencies;
- the ability to access sufficient funding to meet the Group's liquidity needs;
  - changes to the Group's credit ratings;
- the ability to derive cost savings and other benefits including, without limitation, as a result of the Group's Simplification Programme;
- changing demographic developments including mortality and changing customer behavior including consumer spending, saving and borrowing habits; changes in customer preferences and changes to borrower or counterparty credit quality;
- instability in the global financial markets, including Eurozone instability and the impact of any sovereign credit rating downgrade or other sovereign financial issues;
- technological changes, natural and other disasters, adverse weather and similar contingencies outside the Group's control;
  - inadequate or failed internal or external processes, people and systems;
-

terrorist acts and other acts of war or hostility and responses to those acts, geopolitical, pandemic or other such events;

- changes in laws, regulations, taxation, accounting standards or practices;
- regulatory capital or liquidity requirements and similar contingencies outside the Group's control;
- the policies and actions of governmental or regulatory authorities in the UK, the EU, the United States or elsewhere;

Table of Contents

- the implementation of the draft EU crisis management framework directive and banking reform, following the recommendations made by the Independent Commission on Banking;
  - the ability to attract and retain senior management and other employees;
- requirements or limitations imposed on the Group as a result of HM Treasury's investment in the Group;
- the ability to complete satisfactorily the disposal of certain assets as part of the Group's EU State Aid obligations;
  - the extent of any future impairment charges or write-downs caused by depressed asset valuations, market disruptions and illiquid markets and market-related trends and developments;
  - exposure to regulatory scrutiny, legal proceedings, regulatory investigations or complaints;
  - changes in competition and pricing environments, or the inability to hedge certain risks economically; and
- the adequacy of loss reserves, the actions of competitors, including non-bank financial services and lending companies, and the success of the Group in managing the risks of the foregoing.

In light of these risks, uncertainties and assumptions, forward-looking events discussed in this prospectus or any information incorporated by reference might not occur. The forward-looking statements contained in this prospectus speak only as of the date of this prospectus. We undertake to publicly update, to the extent required by U.S. federal securities laws, any forward-looking statement to reflect certain events or circumstances after such dates or to reflect the occurrence of unanticipated events.

#### ENFORCEABILITY OF CIVIL LIABILITIES

LBG is a public limited company incorporated under the laws of Scotland. Most of LBG's directors and executive officers and certain of the experts named herein are residents of the UK. A substantial portion of the assets of LBG, its subsidiaries and such persons, are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon all such persons or to enforce against them in U.S. courts judgments obtained in such courts, including those predicated upon the civil liability provisions of the federal securities laws of the United States. Furthermore, LBG has been advised by its solicitors that there is doubt as to the enforceability in the UK, in original actions or in actions for enforcement of judgments of U.S. courts, of certain civil liabilities, including those predicated solely upon the federal securities laws of the United States.

Table of Contents

PROSPECTUS SUMMARY

The following is a summary of this prospectus and should be read as an introduction to, and in conjunction with, the remainder of this prospectus and any documents incorporated by reference therein. You should base your investment decision on a consideration of this prospectus and any documents incorporated by reference therein, as a whole. Words and expressions defined in “Description of the Additional Tier 1 Securities” below shall have the same meanings in this summary.

The Issuer

Lloyds Banking Group plc was incorporated as a public limited company and registered in Scotland under the UK Companies Act 1985 on October 21, 1985 (registration number 95000). Lloyds Banking Group plc’s registered office is at The Mound, Edinburgh EH1 1YZ, Scotland, and its principal executive offices in the UK are located at 25 Gresham Street, London EC2V 7HN, United Kingdom, telephone number +44 (0) 20 7626 1500. For further information relating to LBG, please refer to our Annual Report on Form 20-F for the fiscal year ended December 31, 2013.

The Offerors

LBG Capital No. 1 plc was incorporated and registered in England on October 15, 2009 with registered number 7045658 as a public company limited by shares. The principal legislation under which LBG Capital No. 1 plc operates is the UK Companies Act 2006 (as amended) (the “Companies Act”) and regulations made thereunder. LBG Capital No. 1 plc is domiciled in the United Kingdom. Its head office is at 25 Gresham Street, London EC2V 7HN (Tel. +44 (0)20 7626 1500).

LBG Capital No. 2 plc was incorporated and registered in England on October 15, 2009 with registered number 7045669 as a public company limited by shares. The principal legislation under which LBG Capital No. 2 plc operates is the Companies Act and regulations made thereunder. LBG Capital No. 2 plc is domiciled in the United Kingdom. Its head office is at 25 Gresham Street, London EC2V 7HN (Tel. +44 (0)20 7626 1500).

Each of LBG Capital No. 1 plc and LBG Capital No. 2 plc is a wholly owned subsidiary of LBG Capital Holdings Limited, which itself is a wholly-owned subsidiary of LBG.

LBG Capital No. 1 plc’s and LBG Capital No. 2 plc’s principal activities include issuing the ECNs and holding certain securities issued by other members of the Group.

The following summary contains selected information about the Exchange Offer. It is provided solely for your convenience. This summary is not intended to be complete. You should read the full text and more specific details contained elsewhere in this prospectus. For a more detailed description of the Exchange Offer, see “The Exchange Offer”.

The Offerors

LBG Capital No. 1 plc  
LBG Capital No. 2 plc

Purpose of the Exchange Offer

In 2009, the Group undertook a significant capital raising exercise in order to reinforce the Group’s going-concern capital ratios, and to meet the stress test requirements of the Financial Services Authority (the “FSA”). As a component of the exercise,

Edgar Filing: Lloyds Banking Group plc - Form F-4/A

the Group issued 33 series of enhanced capital notes, with a nominal amount of £8.4 billion currently outstanding.

The terms and conditions of the ECNs include a Regulatory Call Right (as defined herein) should, amongst

1

---

Table of Contents

other things, the ECNs cease to be taken into account for the purposes of any “stress test” applied by the Prudential Regulatory Authority (the “PRA”) (successor to the FSA) in respect of core capital. Whilst still uncertain, management of LBG believes recent developments resulting in higher capital requirements for banks, including a changed definition of core capital, make it likely that the ECNs will not provide going concern benefit under future stress tests.

These recent developments include:

- a requirement in the CRR (as defined below) that with effect from January 1, 2014, convertible additional tier 1 capital instruments should have a conversion trigger set at no less than 5.125% CET1 ratio (“CET1 ratio” means, the ratio of a firm’s common equity tier 1 capital to its risk weighted assets, and calculated in accordance with the end-point requirements of CRD IV);
- statements by the PRA in late 2013 that a conversion trigger of 5.125% CET1 ratio may not convert in time to prevent the failure of a firm and that it expects major UK firms to meet a 7% CET1 ratio determined in accordance with the end-point requirements of CRD IV;
- a statement by the European Banking Authority (the “EBA”) in January 2014 that tier 2 instruments must have a conversion trigger above a 5.5% CET1 ratio to be recognized in its forthcoming stress tests; and
- an announcement by the PRA that, following a consultation commenced in October 2013, it expects to revise stress testing methodology and pass marks in 2014.

As a result of differences in definition, the Group’s CET1 ratio is substantially lower than the core tier 1 ratio on which the conversion trigger of the ECNs is based. As at December 31, 2013, the difference was 4.0%. Applying the same difference to the 5.0% core tier 1 ratio used as the ECN conversion trigger gives a 1.0% CET1 ratio determined in accordance with end point requirements of CRD IV, well below the CRR minimum requirements.

The Group is today launching prioritized exchange offers to holders of enhanced capital notes, including the ECNs, to exchange their enhanced capital notes for new additional tier 1 securities at a price consistent with current trading prices. The offers provide holders with a means to eliminate the uncertainty

around the Regulatory Call Right in the enhanced capital notes. In addition, such exchange offers are expected to result in sufficient additional tier 1 securities being issued to meet the Group's medium-term additional tier 1 target.



Table of Contents

## The Exchange Offer

LBG Capital No. 1 is offering to exchange, on the terms and conditions described in this prospectus, Additional Tier 1 Securities, plus accrued and unpaid interest in cash, plus (if applicable) cash amounts in lieu of any fractional Additional Tier 1 Securities, for the Series 1 ECNs, the Series 2 ECNs and the Series 3 ECNs. LBG Capital No. 2 plc is offering to exchange, on the terms and conditions described in this prospectus, Additional Tier 1 Securities, plus accrued and unpaid interest in cash, plus (if applicable) cash amounts in lieu of any fractional Additional Tier 1 Securities, for the Series 4 ECNs.

Set forth below is a table that shows, with respect to each series of ECNs, the aggregate principal amount of Additional Tier 1 Securities that a holder of a particular series will receive for each \$1,000 principal amount of ECNs validly tendered and accepted for exchange.

Exchange Priority	Offer	Enhanced Capital Notes	ISIN	Interest Rate	First Optional Call Date	Principal Amount Outstanding	Exchange Consideration(1)
1	LBG 1 Offer	LBG Capital No. 1 plc 7.875% Dated Enhanced Capital Notes due November 1, 2020	XS0459093521 XS0459093794	7.875% per annum	Not applicable	\$985,636,000	\$1,060.00 principal amount of Additional Tier 1 Securities
2	LBG 2 Offer	LBG Capital No. 2 plc 7.875% Dated Enhanced Capital Notes due March 19, 2020	XS0496068429	7.875% per annum	Not applicable	\$407,578,000	\$1,062.50 principal amount of Additional Tier 1 Securities
3	LBG 1 Offer	LBG Capital No. 1 plc 8.00% Fixed-to-Floating Rate Undated Enhanced Capital Notes	XS0473106283 XS0471767276	8.00% to (but excluding) June 15, 2020. From (and including) June 15, 2020, 3-month U.S. dollar LIBOR plus 6.405%.	June 15, 2020	\$1,258,631,000	\$1,057.50 principal amount of Additional Tier 1 Securities
4						\$276,658,000	

Edgar Filing: Lloyds Banking Group plc - Form F-4/A

LBG 1 Offer	LBG Capital No. XS0473103348 1 plc 8.50% XS0471770817 Fixed-to-Floating Rate Undated Enhanced Capital Notes	8.50% to (but excluding) December 17, 2021. From (and including) December 17, 2021, 3-month U.S. dollar LIBOR plus 6.921%.	December 17, 2021	\$1,060.00 principal amount of Additional Tier 1 Securities
----------------	--	--	----------------------	--

(1) Principal amount of Additional Tier 1 Securities to be issued in exchange for each \$1,000 of ECNs.

Additional Tier 1 Securities	Currency	New Issue Price	Initial Coupon	Reset Coupon	Conversion Price	First Call Date	Minimum New Issue Size	Maximum New Issue Size
Fixed Rate Reset Additional Tier 1 Securities	USD	100%	7.5%	5-year MS+4.76%	\$1.072	June 27, 2024	\$750,000,000	\$1,675,000,000

Table of Contents

Securities Offered	The Offerors are offering up to \$1,675,000,000 Fixed Rate Reset Additional Tier 1 Securities (the “Additional Tier 1 Securities”), issued by LBG which will be registered under the Securities Act. See “Description of the Additional Tier 1 Securities”.
ECNs	LBG 1 ECNs and LBG 2 ECNs
LBG 1 ECNs	<ul style="list-style-type: none"><li>· LBG Capital No. 1 plc 7.875% Dated Enhanced Capital Notes due 2020 (ISIN XS0459093521 and XS0459093794);</li><li>· LBG Capital No. 1 plc 8.00% Fixed-to-Floating Rate Undated Enhanced Capital Notes (ISIN XS0473106283 and XS0471767276); and</li><li>· LBG Capital No. 1 plc 8.50% Fixed-to-Floating Rate Undated Enhanced Capital Notes (ISIN XS0473103348 and XS0471770817).</li></ul>
LBG 2 ECNs	<ul style="list-style-type: none"><li>· LBG Capital No. 2 plc 7.875% Dated Enhanced Capital Notes due 2020 (ISIN XS0496068429).</li></ul>
Maximum New Issue Size	\$1,675,000,000 of Additional Tier 1 Securities. The Offerors expressly reserve the right to increase, decrease or waive such Maximum New Issue Size in their sole discretion at any time, subject to compliance with applicable law. In the event the Maximum New Issue Size is modified, references herein to the Maximum New Issue Size shall be to the Maximum New Issue Size as so modified.
Minimum New Issue Size	\$750,000,000 of Additional Tier 1 Securities.
Exchange Priority	The order, on a series by series basis, in which tenders of ECNs will be accepted, as more particularly set out in the table on the front cover page of this prospectus.
Exchange Offer Period	From the commencement of the Exchange Offer on March 6, 2014 to the Expiration Deadline, which is expected to be 11:59 p.m. on April 2, 2014, subject to extension.
Withdrawal Rights	<p>If you decide to tender your ECNs in the Exchange Offer, you may withdraw them at any time prior to 11:59 p.m. New York City time on April 2, 2014. Holders may not rescind their withdrawal of tenders of ECNs, and any ECNs properly withdrawn will thereafter be deemed not validly tendered for purposes of the Exchange Offer. Properly withdrawn ECNs may, however, be re-tendered by again following the procedures described herein at any time prior to the Expiration Deadline.</p> <p>In addition, if not previously returned, you may withdraw ECNs that you tender that are not accepted by us for exchange after the expiration of 40 Business Days following the commencement of the Exchange Offer.</p>



Table of Contents

Fractional Entitlements	No fractional Additional Tier 1 Securities will be delivered pursuant to the Exchange Offer. Instead, each tendering holder of ECNs who would otherwise be entitled to a fractional Additional Tier 1 Security will receive cash in an amount equal to such fractional entitlement.
Conditions of the Exchange Offer	The Exchange Offer is subject to the satisfaction or waiver of certain conditions, including the Minimum New Issue Size, which are set forth in “The Exchange Offer—Terms of the Exchange Offer—Exchange Offer Conditions”.
Amendment of Terms of the Exchange Offer	Subject to applicable laws and as provided herein, the Offerors may extend, re-open, amend, limit, waive any condition of, or terminate the Exchange Offer at any time. Details of any such extension, re-opening, amendment, limitation, waiver (if permitted) or termination will be announced wherever applicable as provided in this prospectus as soon as reasonably practicable after the relevant decision is made.
Settlement Date	The Additional Tier 1 Securities plus the cash payment for any accrued and unpaid interest, (including, if applicable, cash amounts in lieu of any fractional Additional Tier 1 Securities) will be delivered on the Settlement Date, which is expected to be on or around April 7, 2014. Any cash amounts payable pursuant to the Exchange Offer will be rounded to the nearest U.S.\$0.01, with U.S.\$0.005, being rounded upwards.
Offer Restrictions	The Exchange Offer is subject to certain offer restrictions. See “The Exchange Offer—Certain Matters Relating to Non-U.S. Jurisdictions”.
Use of Proceeds	Neither LBG nor the Offerors will receive any proceeds from the issuance of the Additional Tier 1 Securities in the Exchange Offer.
Dealer Managers	<p>The Global Coordinators and Joint Lead Dealer Managers for the Exchange Offer are Goldman, Sachs &amp; Co. and Merrill Lynch, Pierce, Fenner &amp; Smith Incorporated.</p> <p>The Joint Lead Dealer Managers for the Exchange Offer are Barclays Capital Inc., Lloyds Securities Inc. and Morgan Stanley &amp; Co. LLC.</p> <p>The Joint Dealer Managers for the Exchange Offer are BNP Paribas Securities Corp., Citigroup Global Markets Inc., Deutsche Bank Securities Inc., HSBC Securities (USA) Inc., J.P. Morgan Securities LLC and UBS Limited.</p> <p>Lloyds Securities Inc. is an affiliate of LBG and the Offerors. Any participation in the Exchange Offer by Lloyds Securities Inc. will be made in compliance with applicable provisions of Rule 5121 of the Financial Industry Regulatory Authority, Inc.</p>



Table of Contents

Exchange Agent	Lucid Issuer Services Limited.
Brokerage Commission	No brokerage commissions are payable by the holders to LBG, the Offerors, the Dealer Managers or the Exchange Agent. If your ECNs are held through a broker or other nominee that tenders the ECNs on your behalf, such broker or other nominee may charge you a commission for doing so. You should consult with your broker or nominee to determine whether any charges will apply.
No Recommendation	None of LBG, the Offerors, the Dealer Managers or the Exchange Agent (or any of their respective directors, employees or affiliates) is providing holders of ECNs with any legal, business, tax or other advice in the prospectus, nor is making any recommendation as to whether or not holders should tender any ECNs in the Exchange Offer or refrain from tendering any ECNs, and none of them has authorized any person to make any such recommendation. Holders should consult their own advisers as needed to assist them in making an investment decision.
Further Information	<p>If you have questions about the terms of the Exchange Offer, please contact your bank, broker or professional investment advisor, or you may contact the Dealer Managers. If you have questions regarding the procedures for tendering your ECNs, please contact the Exchange Agent. The Exchange Agent's and Dealer Managers' contact details are set forth on the back cover page of this prospectus.</p> <p>As required by the Securities Act, we have filed a registration statement relating to the Exchange Offer with the SEC. This document is a part of that registration statement, which includes additional information.</p>
U.S. Federal Income Tax Considerations	For a discussion of material U.S. federal income tax considerations of the Exchange Offer applicable to holders of ECNs, see "Taxation Considerations—Material U.S. Federal Income Tax Considerations".
The Additional Tier 1 Securities	
Issuer	Lloyds Banking Group plc
Securities	Additional Tier 1 Securities
Issue Date	, 2014
Issue Price:	100%
Denomination	The Additional Tier 1 Securities will be issued in fully registered form in denominations of \$200,000 and in integral multiples of \$1,000 thereafter.





Table of Contents

Perpetual Securities	The Additional Tier 1 Securities are perpetual securities and have no fixed maturity or fixed redemption date.
Initial Interest Rate	From and including (the “Issue Date”) to but excluding June 27, 2024, (the “First Call Date”), interest will accrue on the Additional Tier 1 Securities at an initial rate equal to 7.5% per annum. From and including each Reset Date to but excluding the next succeeding Reset Date, the interest will accrue on the Additional Tier 1 Securities at a rate per annum equal to the sum of then prevailing Mid-Market Swap Rate on the relevant Reset Determination Date (as defined below) and 4.76%, converted to a quarterly rate in accordance with market convention (rounded to three decimal places, with 0.0005 rounded down)
Reset Date	The First Call Date and every 5th anniversary thereafter.
Interest Payment Dates	March 27, June 27, September 27 and December 27 of each year, commencing on June 27, 2014 (short first interest period).
Interest Payments Discretionary	<p>Interest on the Additional Tier 1 Securities will be due and payable only at the sole discretion of LBG and LBG shall have absolute discretion at all times and for any reason to cancel any interest payment in whole or in part that would otherwise be payable on any Interest Payment Date. If LBG elects not to make an interest payment on the relevant Interest Payment Date, or if LBG elects to make a payment of a portion, but not all, of such interest payment, such non-payment shall evidence LBG’s exercise of discretion to cancel such interest payment, or the portion of such interest payment not paid, and accordingly such interest payment, or portion thereof, shall not be or become due and payable.</p> <p>See also “—Agreement to Interest Cancellation” and “—Notice of Interest Cancellation” below.</p>
Restrictions on Interest Payments	<p>LBG shall cancel any interest on the Additional Tier 1 Securities (or, as appropriate, any part thereof) which is scheduled to be paid on an Interest Payment Date if in respect of such Interest Payment Date to the extent that LBG has an amount of Distributable Items on any scheduled Interest Payment Date that is less than the sum of (i) all payments (other than redemption payments) made or declared by LBG since the end of LBG’s last financial year and prior to such Interest Payment Date on or in respect of any Parity Securities, the Additional Tier 1 Securities and any Junior Securities and (ii) all payments (other than redemption payments) payable by LBG on such Interest Payment Date (x) on the Additional Tier 1 Securities and (y) on or in respect of any Parity Securities or any Junior Securities, in the case of each of (i) and (ii), excluding any payments already accounted for in determining the Distributable Items.</p>



Table of Contents