

Lloyds Banking Group plc  
Form 424B2  
January 13, 2011

The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell nor do they seek an offer to buy these securities in any jurisdiction where the offer is not permitted.

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Subject to Completion

Preliminary Prospectus Supplement dated January 13, 2011

PRELIMINARY PROSPECTUS SUPPLEMENT

(to prospectus dated December 22, 2010)

\$

Lloyds TSB Bank plc  
fully and unconditionally guaranteed by

Lloyds Banking Group plc

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% Senior Notes due

% Senior Notes due

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

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

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

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

Investing in the Senior Notes involves risks. See “Risk Factors” beginning on page S-3 of this prospectus supplement and as incorporated by reference herein.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

	Price to Public	Underwriting Discounts	Proceeds to us (before expenses)
Per Senior Note	%	\$	\$
Total for Senior Notes	%	\$	\$
Per Senior Note	%	\$	\$
Total for Senior Notes	%	\$	\$
Total	%	\$	\$

The initial public offering price set forth above does not include accrued interest, if any. Interest on the Senior Notes will accrue from the date of issuance, which is expected to be January , 2011.

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

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Joint Bookrunners and Joint Lead Managers

Barclays Capital

BofA Merrill Lynch

Goldman, Sachs & Co.

Joint Lead Manager

Lloyds Bank Corporate Markets

Prospectus Supplement dated January , 2011

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You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus (including any free writing prospectus issued or authorized by us). We have not authorized anyone to provide you with different 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 supplement, the accompanying prospectus and the documents incorporated by reference is accurate only as of their respective dates.

ABOUT THIS PROSPECTUS SUPPLEMENT

In this prospectus supplement, we use the following terms:

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

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

#### INCORPORATION OF INFORMATION BY REFERENCE

The Group files annual, semiannual and special reports and other information with the Securities and Exchange Commission. You may read and copy any document that the Group files with the SEC at the SEC’s Public Reference Room, 450 Fifth Street, N.W., Washington, D.C. 20549. 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 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 us and the Group to incorporate by reference much of the information that the Group files with them. This means:

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

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

#### FORWARD-LOOKING STATEMENTS

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

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

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SUMMARY

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

General

Issuer	Lloyds TSB Bank plc
Guarantor	Lloyds Banking Group plc
Senior Notes	\$ aggregate principal amount of % Senior Notes due (the “ Senior Notes”). \$ aggregate principal amount of % Senior Notes due (the “ Senior Notes”). In this prospectus supplement we refer to the Senior Notes and the Senior Notes collectively as the “Senior Notes”.
Issue Date	January , 2011
Maturity	We will pay the Senior Notes at 100% of their principal amount plus accrued interest on January , for the Senior Notes and on January , for the Senior Notes.
Interest Rate	The Senior Notes will bear interest at a rate of % per annum. The Senior Notes will bear interest at a rate of % per annum.
Interest Payment Dates	Every January and July , commencing on July , 2011.
Regular Record Dates	January and July of each year immediately preceding the Interest Payment Dates on January and July , respectively.
Ranking	The Senior Notes will constitute our direct, unconditional, unsecured and unsubordinated obligations ranking pari passu, without any preference among themselves, with all our other outstanding unsecured and unsubordinated obligations, present and future, except such obligations as are preferred by operation of law.
Guarantee	The Senior Notes are fully and unconditionally guaranteed by LBG. The guarantee will constitute LBG’s direct, unconditional, unsecured and unsubordinated obligations ranking pari passu with all of LBG’s other outstanding unsecured and unsubordinated obligations, present and future, except such obligations as are preferred by operation of law.
Additional Issuances	We may, without the consent of the holders of the Senior Notes or the Senior Notes, issue additional notes having the same ranking and same interest rate, maturity date, redemption terms and other terms as the



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Senior Notes or the Senior Notes (as applicable) described in this prospectus supplement except for the price to the public and issue date, provided however that such additional notes must be fungible with the Senior Notes for U.S. federal income tax purposes. See “Description of the Senior Notes—Additional Issuances” in this prospectus supplement.

Tax Redemption	In the event of various tax law changes that require us to pay additional amounts and other limited circumstances as described under “Description of the Senior Notes—Tax Redemption” in this prospectus supplement and “Description of Debt Securities—Redemption” in the accompanying prospectus we may redeem all, but not less than all, of the Senior Notes prior to maturity.
Book-Entry Issuance, Settlement and Clearance	We will issue the Senior Notes in fully registered form in denominations of \$1,000 and integral multiples of \$1,000 in excess thereof. The Senior Notes will be represented by one or more global securities registered in the name of a nominee of DTC. You will hold beneficial interests in the Senior Notes 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 will not issue certificated notes as described in the accompanying prospectus. Settlement of the Senior Notes will occur through DTC in same day funds. For information on DTC’s book-entry system, see “Description of Debt Securities—Form of Debt Securities; Book-Entry System” in the accompanying prospectus.
CUSIP	
ISIN	
Common Code	
Listing and Trading	We intend to apply to list the Senior Notes on the New York Stock Exchange.
Trustee and Principal Paying Agent	The Bank of New York Mellon, acting through its London office, a banking corporation duly organized and existing under the laws of the state of New York, as trustee, having its Corporate Trust Office at One Canada Square, London E14 5AL, United Kingdom, will act as the trustee and initial principal paying agent for the Senior Notes.
Timing and Delivery	We currently expect delivery of the Senior Notes to occur on January , 2011, which will be the fifth business day following the pricing of the Senior Notes (such settlement cycle being referred to as “T+5”). Trades in the secondary market generally are required to settle in three business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade Senior Notes on the date of pricing or the next succeeding business day will be required, by virtue of the fact that the Senior Notes initially will settle in T+5, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Purchasers of Senior Notes who wish to trade Senior Notes on the date of pricing or the next business day should consult their own advisors.

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Use of Proceeds	We intend to use the net proceeds of the offering for general corporate purposes.
Governing Law	The senior debt securities indenture, the Senior Notes and the guarantee are governed by, and construed in accordance with, the laws of the State of New York.

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## RISK FACTORS

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

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

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

### Risks relating to Lloyds Bank and LBG

For a description of the risks associated with Lloyds Bank and LBG, see the section entitled "Risk Factors" of the report on Form 6-K dated August 23, 2010, which is incorporated by reference herein.

### Risks relating to the Senior Notes

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

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

### An active trading market may not develop for the Senior Notes

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

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

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

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

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

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

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

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

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

#### USE OF PROCEEDS

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

#### CAPITALIZATION OF THE GROUP

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

#### RATIO OF EARNINGS TO FIXED CHARGES

The Group's ratio of earnings to fixed charges as at June 30, 2010 and for the years ended December 31, 2009, 2008, 2007, 2006 and 2005 is set out in the report on Form 6-K dated October 8, 2010, which is incorporated by reference herein.

## DESCRIPTION OF THE SENIOR NOTES

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

The Senior Notes will be issued in an aggregate principal amount of \$ and will mature on January , and the Senior Notes will be issued in an aggregate principal amount of \$ and will mature on January , . From and including the date of issuance, interest will accrue on the Senior Notes at a rate of % per annum and on the Senior Notes at a rate of % per annum. Interest will accrue from January , 2011. Interest will be payable semi-annually in arrears on January and July of each year, commencing on July , 2011. The regular record dates for the Senior Notes will be January and July of each year immediately preceding the interest payment dates on January and July , respectively.

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

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

The Senior Notes will constitute our direct, unconditional, unsecured and unsubordinated obligations ranking pari passu, without any preference among themselves, with all our other outstanding unsecured and unsubordinated obligations, present and future, except such obligations as are preferred by operation of law.

### General

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

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

We will issue the Senior Notes in fully registered form. The Senior Notes will be represented by one or more global securities in the name of a nominee of The Depository Trust Company (the “DTC”). You will hold beneficial interest in the Senior Notes through the DTC and its participants. The Underwriters expect to deliver the Senior Notes through the facilities of the DTC on January , 2011. For a more detailed summary of the form of the Senior Notes and



settlement and clearance arrangements, you should read “Description of Debt Securities—Form of Debt Securities; Book-Entry System” in the accompanying prospectus. Indirect holders trading their beneficial interests in the Senior Notes through the DTC must trade in the DTC’s same-day funds settlement system and pay in immediately available funds. Secondary market trading will occur in the ordinary way following the applicable rules and operating procedures of Euroclear and Clearstream Luxembourg.

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

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

#### Additional Issuances

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

#### Tax Redemption

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

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

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

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