

Lloyds Banking Group plc
Form FWP
January 05, 2017

Filed pursuant to Rule 433

Dated January 4, 2017

Registration No. 333-211791

Free Writing Prospectus

(To Preliminary Prospectus Supplement dated January 4, 2017 and Prospectus dated June 2, 2016)

\$1,500,000,000 3.000% Senior Notes due 2022

Final Pricing Term Sheet

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| Issuer: | Lloyds Banking Group plc (“LBG”) |
| Expected Ratings*: | Baa1 / BBB+ / A+ (Moody’s (Stable), S&P (Negative), Fitch (Stable)) |
| Status: | Senior, Unsecured |
| Format: | SEC Registered Global Notes – Fixed Rate |
| Principal Amount: | \$1,500,000,000 |
| Pricing Date: | January 4, 2017 |
| Expected Settlement Date: | January 11, 2017 (T+5) |
| Maturity Date: | January 11, 2022 (5 years) |
| Coupon: | 3.000% |
| Interest Payment Dates: | Semi-annually on January 11 and July 11, commencing July 11, 2017 |
| Benchmark Treasury: | 2.000% due December 31, 2021 |
| Benchmark Treasury Price / Yield: | 100-11+ / 1.924% |
| Spread to Benchmark Treasury: | UST + 115 bps |
| Re-Offer Yield: | 3.074% |
| Re-Offer Price: | 99.659% |
| Underwriting Commission: | 0.250% |

Net Proceeds: \$1,491,135,000

**Agreement with
Respect to the Exercise
of the U.K. Bail-in
Power:**

Notwithstanding any other agreements, arrangements, or understandings between us and any holder or beneficial owner of the Senior Notes, the holders and beneficial owners of the Senior Notes will be required to agree that by purchasing or acquiring the Senior Notes, they acknowledge, accept, agree to be bound by and consent to the exercise of any U.K. bail-in power (as defined below) by the relevant U.K. resolution

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authority that may result in (i) the reduction or cancellation of all, or a portion, of the principal amount of, or interest on, the Senior Notes; (ii) the conversion of all, or a portion, of the principal amount of, or interest on, the Senior Notes into shares or other securities or other obligations of LBG or another person; and/or (iii) the amendment or alteration of the maturity of the Senior Notes, or amendment of the amount of interest due on the Senior Notes, or the dates on which interest becomes payable, including by suspending payment for a temporary period; which U.K. bail-in power may be exercised by means of variation of the terms of the Senior Notes solely to give effect to the exercise by the relevant U.K. resolution authority of such U.K. bail-in power. Each holder and beneficial owner of the Senior Notes will further be required to acknowledge and agree that the rights of the holders and/or beneficial owners under the Senior Notes are subject to, and will be varied, if necessary, solely to give effect to, the exercise of any U.K. bail-in power by the relevant U.K. resolution authority.

For these purposes, a “U.K. bail-in power” is any write-down, conversion, transfer, modification or suspension power existing from time to time under any laws, regulations, rules or requirements relating to the resolution of banks, banking group companies, credit institutions and/or investment firms incorporated in the United Kingdom in effect and applicable in the United Kingdom to LBG or its affiliates, including but not limited to any such laws, regulations, rules or requirements which are implemented, adopted or enacted within the context of a European Union directive or regulation of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms and/or within the context of a U.K. resolution regime under the Banking Act as the same has been or may be amended from time to time (whether pursuant to the U.K. Financial Services (Banking Reform) Act 2013 (the “Banking Reform Act 2013”), secondary legislation or otherwise), pursuant to which any obligations of a bank, banking group company, credit institution or investment firm or any of its affiliates can be reduced, cancelled, modified, transferred and/or converted into shares or other securities or obligations of the obligor or any other person (or suspended for a temporary period) or pursuant to which any right in a contract governing such obligations may be deemed to have been exercised. A reference to the “relevant U.K. resolution authority” is to any authority with the ability to exercise a U.K. bail-in power.

Events of Default

An “Event of Default” with respect to the Senior Notes shall result if:

Events of

Default;

Default;

Limitation of

Remedies:

· a court of competent jurisdiction makes an order which is not successfully appealed within 30 days; or

· an effective shareholders’ resolution is validly adopted,

for the winding-up of LBG, other than under or in connection with a scheme of amalgamation or reconstruction not involving

a bankruptcy or insolvency.

If an Event of Default occurs, the Trustee or the holder or holders of at least 25% in aggregate principal amount of the outstanding Senior Notes of the relevant series may declare to be due and payable immediately in accordance with the terms of the Indenture the principal amount of, and any accrued but unpaid interest, and any Additional Amounts (as defined in the Indenture), on the Senior Notes of that series.

Defaults

A “Default” with respect to the Senior Notes shall result if:

- any installment of interest in respect of the Senior Notes of the relevant series is not paid on or before its Interest Payment Date and such failure continues for 14 days; or
- all or any part of the principal of the Senior Notes of the relevant series is not paid when it otherwise becomes due and payable, whether upon redemption or otherwise, and such failure continues for seven days.

If a Default occurs, the Trustee may commence a proceeding for the winding-up of LBG, provided that the Trustee may not declare the principal amount of any outstanding Senior Notes to be due and payable.

Notwithstanding any contrary provisions, nothing shall impair the right of a holder, absent the holder’s consent, to sue for any payments due but unpaid with respect to the Senior Notes.

ISIN: US53944YAC75
CUSIP: 53944YAC7
Day Count Fraction: 30 / 360
Denominations: \$200,000 and integral multiples of \$1,000 in excess thereof
Business Days: 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
Business Day Convention: Following, unadjusted
Expected Listing: New York Stock Exchange

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Joint Book-Running Managers: Goldman, Sachs & Co., HSBC Securities (USA) Inc., Lloyds Securities Inc., Morgan Stanley & Co. LLC, and Wells Fargo Securities, LLC

** Note: A securities rating is not a recommendation to buy, sell or hold securities. Ratings may be subject to revision or withdrawal at any time, and each rating should be evaluated independently of any other rating.*

Lloyds Banking Group plc has filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents Lloyds Banking Group plc has filed with the SEC for more complete information about Lloyds Banking Group plc and this offering. You may get these documents

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for free by visiting EDGAR on the SEC Web site at www.sec.gov. Alternatively, Lloyds Banking Group plc and, any underwriter or any dealer participating in the offering will arrange to send you the prospectus if you request it by calling Goldman, Sachs & Co. toll-free at (866) 471-2526, HSBC Securities (USA) Inc. collect at (866) 811-8049, Lloyds Securities Inc. collect at (212) 930-5000, Morgan Stanley & Co. LLC collect at (866) 718-1649, or Wells Fargo Securities, LLC toll free at 1-800-645-3751.

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\$1,250,000,000 3.750% Senior Notes due 2027

Final Pricing Term Sheet

Issuer: Lloyds Banking Group plc (“LBG”)
Expected Ratings*: Baa1 / BBB+ / A+ (Moody’s (Stable), S&P (Negative), Fitch (Stable))
Status: Senior, Unsecured
Format: SEC Registered Global Notes – Fixed Rate
Principal Amount: \$1,250,000,000
Pricing Date: January 4, 2017
Expected Settlement Date: January 11, 2017 (T+5)
Maturity Date: January 11, 2027 (10 years)
Coupon: 3.750%
Interest Payment Dates: Semi-annually on January 11 and July 11, commencing July 11, 2017
Benchmark Treasury: 2.000% due November 15, 2026
Benchmark Treasury Price / Yield: 96-07 / 2.434%
Spread to Benchmark Treasury: UST + 140 bps
Re-Offer Yield: 3.834%
Re-Offer Price: 99.308%
Underwriting Commission: 0.350%
Net Proceeds: \$1,236,975,000
Agreement with Respect to the Exercise of the U.K. Bail-in Power: Notwithstanding any other agreements, arrangements, or understandings between us and any holder or beneficial owner of the Senior Notes, the holders and beneficial owners of the Senior Notes will be required to agree that by purchasing or acquiring the Senior Notes, they acknowledge, accept, agree to be bound by and consent to the exercise of any U.K. bail-in power (as defined below) by the relevant U.K. resolution authority that may result in (i) the reduction or cancellation of all, or a portion, of the principal amount of, or interest on, the Senior Notes; (ii) the conversion of all, or a portion, of the principal amount of, or interest on, the Senior Notes into shares or other securities or other obligations of LBG or another person; and/or (iii) the amendment or alteration of the maturity

of the Senior Notes, or amendment of the amount of interest due on the Senior Notes, or the dates on which interest becomes payable, including by suspending payment for a temporary period; which U.K. bail-in power may be exercised by means of variation of the terms of the Senior Notes solely to give effect to the exercise by the relevant U.K. resolution authority of such U.K. bail-in power. Each holder and beneficial owner of the Senior Notes will further be required to acknowledge and agree that the rights of the holders and/or beneficial owners under the Senior Notes are subject to, and will be varied, if necessary, solely to give effect to, the exercise of any U.K. bail-in power by the relevant U.K. resolution authority.

For these purposes, a “U.K. bail-in power” is any write-down, conversion, transfer, modification or suspension power existing from time to time under any laws, regulations, rules or requirements relating to the resolution of banks, banking group companies, credit institutions and/or investment firms incorporated in the United Kingdom in effect and applicable in the United Kingdom to LBG or its affiliates, including but not limited to any such laws, regulations, rules or requirements which are implemented, adopted or enacted within the context of a European Union directive or regulation of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms and/or within the context of a U.K. resolution regime under the Banking Act as the same has been or may be amended from time to time (whether pursuant to the U.K. Financial Services (Banking Reform) Act 2013 (the “Banking Reform Act 2013”), secondary legislation or otherwise), pursuant to which any obligations of a bank, banking group company, credit institution or investment firm or any of its affiliates can be reduced, cancelled, modified, transferred and/or converted into shares or other securities or obligations of the obligor or any other person (or suspended for a temporary period) or pursuant to which any right in a contract governing such obligations may be deemed to have been exercised. A reference to the “relevant U.K. resolution authority” is to any authority with the ability to exercise a U.K. bail-in power.

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Remedies: An “Event of Default” with respect to the Senior Notes shall result if:

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- an effective shareholders’ resolution is validly adopted,

for the winding-up of LBG, other than under or in connection with a scheme of amalgamation or reconstruction not involving a bankruptcy or insolvency.

If an Event of Default occurs, the Trustee or the holder or holders of at least 25% in aggregate principal amount of the outstanding Senior Notes of the relevant series may declare to be due and payable

immediately in accordance with the terms of the Indenture the principal amount of, and any accrued but

unpaid interest, and any Additional Amounts (as defined in the Indenture), on the Senior Notes of that series.

Defaults

A “Default” with respect to the Senior Notes shall result if:

- any installment of interest in respect of the Senior Notes of the relevant series is not paid on or before its Interest Payment Date and such failure continues for 14 days; or
- all or any part of the principal of the Senior Notes of the relevant series is not paid when it otherwise becomes due and payable, whether upon redemption or otherwise, and such failure continues for seven days.

If a Default occurs, the Trustee may commence a proceeding for the winding-up of LBG, provided that the Trustee may not declare the principal amount of any outstanding Senior Notes to be due and payable.

Notwithstanding any contrary provisions, nothing shall impair the right of a holder, absent the holder’s consent, to sue for any payments due but unpaid with respect to the Senior Notes.

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|-------------------------------------|---|
| ISIN: | US53944YAD58 |
| CUSIP: | 53944YAD5 |
| Day Count Fraction: | 30 / 360 |
| Denominations: | \$200,000 and integral multiples of \$1,000 in excess thereof |
| Business Days: | 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 |
| Business Day Convention: | Following, unadjusted |
| Expected Listing: | New York Stock Exchange |
| Joint Book-Running Managers: | Goldman, Sachs & Co., HSBC Securities (USA) Inc., Lloyds Securities Inc., and Morgan Stanley & Co. LLC |

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