

LLOYDS BANKING GROUP PLC

10 Year A\$ Fixed Rate Senior Unsecured Term Sheet

NOT FOR DISTRIBUTION TO ANY U.S. PERSON OR TO ANY PERSON OR ADDRESS IN THE U.S.

Issuer	Lloyds Banking Group plc (“ Issuer ”)
Expected Issue Rating ¹	BBB+ (Stab) by Standard & Poor’s / A3 (Stab) by Moody’s / A+ (Stab) by Fitch
Documentation	A\$15 billion Medium Term Note Programme (“ Information Memorandum ”) dated 19 December 2014
Instrument	A\$ Fixed Rate Notes (“ Notes ”)
Lead Managers	ANZ, J.P. Morgan Securities PLC, National Australia Bank Limited, Nomura International Plc, Westpac Institutional Bank
Maturity	23 May 2028
Amount	A\$ 150,000,000
Coupon	4.75% p.a. paid semi annually in arrear
Benchmark ²	Semi-quarterly coupon matched asset swap
Re-Offer Spread to Benchmark ²	+ 185 bps
Re-Offer Yield ^{2,3}	4.7625 % p.a.
Re-Offer Price	99.902 %
Coupon Payment Dates	Each 23 November and 23 May, commencing on 23 November 2018 and ending on the Maturity Date
Day Count Fraction	RBA Bond Basis
Business Day Convention	Following Unadjusted
ISIN	AU3CB0253227
Common Code	TBC
Launch Date	15 May 2018
Pricing Date	16 May 2018
Settlement Date	23 May 2018 (T+5)
Record Date	The close of business in the place where the Register is maintained on the 8 th calendar day before the relevant payment date
Definition of Business Day	Sydney and London
Status of Notes	Unsecured and unsubordinated obligations of the Issuer which are “Senior Notes” under the Programme documentation
Currency	Australian dollars
Denomination(s)	Denominations of A\$10,000. The minimum consideration payable when offered or sold in Australia will be A\$500,000
Settlement	Austraclear, Euroclear and Clearstream Luxembourg
Registrar	Citigroup Pty Limited
Issuing and Paying Agent	Citigroup Pty Limited
Listing	Australian Stock Exchange
Governing Law	New South Wales, Australia. Refer to the Information Memorandum for further information
Negative Pledge:	None
Cross Default:	None
Senior Notes Waiver of Set-off:	Applicable
Restricted Events of Default:	Applicable
Loss Absorption Disqualification Event – partial Exclusion	Applicable
Australian Interest Withholding Tax	So long as the Issuer continues to be a non-resident of Australia and the Notes issued by it are not attributable to a permanent establishment of the Issuer in Australia, payments of principal and interest made under the Notes issued by it should not be subject to Australian interest withholding tax. Refer to the Information Memorandum for further information
Selling Restrictions	Refer to the Information Memorandum for information with respect to selling restrictions and other important information. The Notes may not be offered or sold within the U.S. or to U.S. persons.

Note:

¹ 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

² These items are not terms of the Notes

³ The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield



LLOYDS BANKING GROUP PLC

10 Year A\$ Fixed Rate Senior Unsecured Term Sheet

EU Bank Resolution and Recovery Directive	The final text of the Bank Recovery and Resolution Directive (“BRRD”), establishing a framework for the prevention, management and resolution of failing banks, was published in the Official Journal of the European Union on 12 June 2014, with Member States required to adopt necessary implementing measures under national law by no later than 31 December 2014. In the U.K., the U.K. Banking Reform Act 2013 has given full effect to the majority of the provisions of BRRD from 1 January 2015. Refer to the Information Memorandum for further information.
Target Market	Manufacturer target market (MIFID II product governance) is eligible counterparties and professional clients
GPS 120	The applicable accounting or capital treatment relevant to an investment in the Notes is a matter for determination by each investor in their own particular circumstances. It is intended that the Notes will be issued in a manner which in principal should allow them to qualify as “assets in Australia” for the purposes of Prudential Standard GPS 120 published by the Australian Prudential Regulation Authority and in effect as at the date hereof. Investors who are “general insurers” for the purposes of the Insurance Act 1973 of Australia may request further details from the manager with respect to the issue of the Notes for the purposes of their consideration or determination of whether Notes held, or to be acquired, by them qualify as “assets in Australia” for the purposes of the Insurance Act 1973 of Australia. The Issuer neither directly nor indirectly guarantees nor warranties that the notes do qualify as “assets in Australia” for the purposes of GPS 120 and accordingly cannot be held liable if the notes do not so qualify.

The **DISCLAIMERS** on the following page contains important information which is an integral part of this Indicative Term Sheet.

MiFID II product governance / Professional investors and ECPs only target market - Solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturer’s target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer’s target market assessment) and determining appropriate distribution channels.

LLOYDS BANKING GROUP PLC

10 Year A\$ Fixed Rate Senior Unsecured Term Sheet

Neither Issuer is a bank nor an authorised deposit-taking institution which is authorised under the Banking Act 1959 of Australia (“Australian Banking Act”). The Notes are not obligations of the Australian Government or any other government and, in particular, are not guaranteed by the Commonwealth of Australia. Neither Issuer is supervised by the Australian Prudential Regulation Authority. An investment in any Notes issued by an Issuer will not be covered by the depositor protection provisions in section 13A of the Australian Banking Act and will not be covered by the Australian Government’s bank deposit guarantee (also commonly referred to as the Financial Claims Scheme).

ANZ Disclaimer

This term sheet (“Term Sheet”) is distributed in Australia by Australia and New Zealand Banking Group Limited (ABN 11 005 357 522) (“ANZ”) in its capacity as a Lead Manager. ANZ holds Australian Financial Services licence no. 234527. This Term Sheet is for distribution only to wholesale or professional investors whose ordinary business includes the buying or selling of securities such as the notes described in this Term Sheet (“Notes”) in circumstances where disclosure is not required under Chapters 6D or 7 of the Corporations Act 2001 (Cwth) and in such other circumstances as may be permitted by applicable law. This Term Sheet should not be distributed to, and is not intended for, any other person. This Term Sheet is not intended for and must not be distributed to private clients in the United Kingdom. This Term Sheet is not for distribution in the United States of America or to US Persons. This Term Sheet does not constitute an offer of securities in any jurisdiction. In particular, the Notes have not been registered under the U.S. Securities Act of 1933 and may not be offered, sold or resold in the United States or to a U.S. person. This Term Sheet was prepared solely by ANZ using the information directly extracted from the information memorandum, offering circular or other disclosure document for the Notes provided by the Notes’ issuer (together the “Offering Material”) and is not intended to be a complete statement or summary of the Notes, particularly with respect to the risk and special considerations associated with an investment in the Notes. This Term Sheet is subject to and must be read in conjunction with the terms and conditions of the Notes and the Offering Material (including any pricing supplement relating to this issue). ANZ does not undertake to update this Term Sheet. This Term Sheet is provided solely for informational purposes and is not to be construed as a solicitation, recommendation or an offer to buy or sell any medium term notes, transferable deposits or other securities or related financial instruments or derivatives and should not be treated as giving investment advice. This Term Sheet has no regard to the specific investment objectives, financial situation or particular needs of any specific recipient. Prior to acquiring the Notes recipients should consult with their own legal, regulatory, tax, business, investment, financial and accounting advisers to the extent that they deem necessary, and make their own investment, hedging and trading decisions (including decisions regarding the suitability of this investment) based upon their own judgement and upon advice from such advisers as they deem necessary and not upon any view expressed by ANZ. ANZ, its related companies and their respective directors and employees are not acting as advisers to recipients and do not assume any duty of care in this respect. ANZ, its related bodies corporate and/or their directors, officers and employees or clients may, from time to time, as principal or agent, have long or short positions in, or may buy and sell, any Notes or related financial instruments or derivatives. Furthermore, ANZ and its related bodies corporate may perform for or solicit investment or other banking services from, any company mentioned in the Term Sheet. ANZ, its related bodies corporate and/or their directors and employees may also act as placement agent, adviser or lender to the Notes’ issuer. Except where contrary to legislation, ANZ and its officers, employees and agents accept no liability (including for negligence) for loss or damage arising in connection with the information in this Term Sheet. European Economic Area (“EEA”): United Kingdom. ANZ is authorised in the United Kingdom by the Prudential Regulation Authority (“PRA”) and is subject to regulation by the Financial Conduct Authority (“FCA”) and limited regulation by the PRA. Details of ANZ’s regulation by the PRA will be available on request. This Term Sheet is distributed in the United Kingdom by ANZ solely for the information of persons who would come within the FCA definition of “eligible counterparty” or “professional client”. It is not intended for and must not be distributed to any person who would come within the FCA definition of “retail client”. Nothing here excludes or restricts any duty or liability to a customer which ANZ may have under the UK Financial Services and Markets Act 2000 or under the regulatory system as defined in the Rules of the PRA and the FCA. Germany. This Term Sheet is distributed in Germany by the Frankfurt Branch of ANZ solely for the information of its clients. Other EEA countries. This Term Sheet is distributed in the EEA by ANZ which is authorised and regulated by the Australian Prudential Regulation Authority, to persons who would come within the MiFID definition of “eligible counterparty” or “professional client” in other countries in the EEA. This Term Sheet is distributed in those countries solely for the information of such persons upon their request. It is not intended for, and must not be distributed to, any person in those countries who would come within the FCA definition of “retail client”. Hong Kong. This Term Sheet is distributed in Hong Kong by the Hong Kong branch of ANZ, which is registered by the Hong Kong Monetary Authority to conduct Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities. In Hong Kong this Term Sheet is only for “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and any rules made under that Ordinance. The contents of this Term Sheet have not been reviewed by any regulatory authority in Hong Kong. New Zealand. This Term Sheet is distributed by ANZ in New Zealand and is intended only for “wholesale” clients as defined in the Financial Advisers Act 2008. Singapore. This Term Sheet is distributed in Singapore by the Singapore branch of ANZ solely for the information of “accredited investors”, “expert investors” or “institutional investors” (each term as defined in the Securities and Futures Act Cap. 289 of Singapore). ANZ is licensed in Singapore under the Banking Act Cap. 19 of Singapore and is exempted from holding a financial adviser’s licence under Section 23(1)(a) of the Financial Advisers Act Cap. 100 of Singapore



J.P.Morgan



NOMURA

Westpac

LLOYDS BANKING GROUP PLC

10 Year A\$ Fixed Rate Senior Unsecured Term Sheet

Disclaimer – J.P. Morgan

This indicative term sheet is subject to and must be read in conjunction with the terms and conditions of relevant securities (the “Notes”), the Information Memorandum (“Information Memorandum”) as supplemented by the supplements to the Information Memorandum (including the documents incorporated by reference therein) and the Pricing Supplement relating to the Notes. This indicative term sheet and such other documents are not an offer to sell the Notes, nor soliciting an offer or a recommendation to buy the Notes in any jurisdiction where such offering or sale is not permitted and should not be treated as giving investment advice. In particular, this indicative term sheet is for distribution only to professional investors whose ordinary business includes the buying or selling of securities such as Notes in circumstances where disclosure is not required under Parts 6D.2 or 7.9 of the Corporations Act 2001 of Australia (“Corporations Act”) and in such other circumstances as may be permitted by applicable law. The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (“Securities Act”) or the securities laws of any state in the United States. Notes may not be offered or sold within the U.S. or to or for the account of U.S. persons (as defined in Regulation S under the Securities Act) except as described in the Information Memorandum.

This material is for distribution only under such circumstances as may be permitted by applicable law. It has no regard to the specific investment objectives, financial situation or particular needs of any recipient. It is published solely for informational purposes and is not to be construed as a solicitation or an offer to buy or sell any securities or related financial instruments. No representation or warranty, either express or implied, is provided in relation to the accuracy, completeness or reliability of the information contained herein, nor is it intended to be a complete statement or summary of the securities, markets or developments referred to in the materials. It should not be regarded by recipients as a substitute for the exercise of their own judgement.

Credit ratings are for distribution only to a person (a) who is not a “retail client” within the meaning of section 761G of the Corporations Act 2001 and is also a sophisticated investor, professional investor or other investor in respect of whom disclosure is not required under Part 6D.2 or 7.9 of the Australian Corporations Act, and (b) who is otherwise permitted to receive credit ratings in accordance with applicable law in any jurisdiction in which the person may be located. Anyone who is not such a person is not entitled to receive this document and any who receives this document must not distribute it to any person who is not entitled to receive it.

J.P. Morgan Securities plc or an affiliate thereof (“J.P. Morgan”), their directors, officers and employees or clients may have or have had interests or long or short positions in the securities or other financial instruments referred to herein and may at any time make purchases and/or sales in them as principal or agent. The Lead Managers or their affiliates may act or have acted as market-maker in the securities or other financial instruments discussed in this material. Furthermore, the Lead Managers may have or have had a relationship with or may provide or have provided investment banking, capital markets and/or other financial services to the relevant companies. The Lead Managers, in their capacity as principal or agent are involved in a wide range of commercial banking and investment banking activities globally from which conflicting interests or duties may arise. The Lead Managers may provide services to any member of the same group as the Issuer or any other entity or person (a “Third Party”), engage in any transaction (on its own account or otherwise) with respect to the Issuer or a Third Party, or act in relation to any matter for itself or any Third Party, notwithstanding that such services, transactions or actions may be adverse to the Issuer or any member of its group, and the Lead Managers may retain for their own benefit any related remuneration or profit.

Australian wholesale clients may from time to time receive financial services from J.P. Morgan Securities plc which does not hold an Australian Financial Services Licence (“AFSL”). J.P. Morgan Securities plc is authorised by the Prudential Regulation Authority (“PRA”) and regulated by the Financial Conduct Authority and the PRA under the laws of United Kingdom, which differs from Australian laws, and is exempt from the obligation to hold an AFSL under the Corporations Act 2001 of Australia (“Act”) to provide financial services to Australian wholesale clients; J.P. Morgan Securities plc understands that you are a wholesale client within the meaning of section 761G of the Act (“Wholesale Client”) and may only provide you with financial services while you remain a Wholesale Client. You must inform J.P. Morgan if you are not currently a Wholesale Client or if you cease to be a Wholesale Client at any time in the future. For the purposes of this clause, references to “you” refers to you and any client(s) you act for.

Neither Lead Manager nor any of their affiliates, nor any of the Lead Managers’ or any of their affiliates’ directors, employees or agents accepts any liability for any loss or damage arising out of the use of all or any part of this material.

By accepting this material, you acknowledge and agree that each Lead Manager is acting, and will at all times act, as an independent contractor on an arm’s-length basis and is not acting, and will not act, in any other capacity, including in a fiduciary capacity, with respect to you. The Lead Managers specifically prohibit the redistribution of this material and accept no liability whatsoever for the actions of third parties in this respect.



LLOYDS BANKING GROUP PLC

10 Year A\$ Fixed Rate Senior Unsecured Term Sheet

NAB disclaimer

This summary document was prepared by National Australia Bank. It is a brief summary only. It is not binding. The actual terms and conditions of the issue are as set out in the pricing supplement and other programme documents. This summary document does not necessarily set out all terms and conditions that are material. If this document is inconsistent with the actual terms and conditions of the issue, it is those actual terms and conditions that prevail. You should read the actual terms and conditions.

In providing this document, we are assuming that your organisation is capable of evaluating the merits and risks of the instruments, their suitability for your organisation's purposes and their legal, taxation, accounting and financial implications and that in making this evaluation you are not relying on any recommendation or statement by us. You should ensure that you have independently assessed and fully understand these things. This document is not advice and we are not acting as your adviser or assuming any duty of care in this respect.

To the extent permitted by applicable law, none of the Joint Lead Managers, the Issuer accepts any liability whatsoever for any direct or consequential loss arising from any use of this document, including for negligence.

This document is strictly confidential and may only be disclosed to those of your directors, officers, employees or professional advisers to whom such disclosure is reasonably necessary for the purpose for which this document has been provided to you.

This document is not an offer, invitation or solicitation to buy the Notes. This document is only intended for professional investors whose ordinary business includes the buying or selling of securities such as the Notes. In particular:

(a) this summary document is only intended to be distributed in circumstances where disclosure is not required under Chapter 6D.2 of the Corporations Act of Australia; and

(b) the Notes may not be offered, sold or delivered (directly or indirectly) in the United States or to, or for, the account or benefit of, United States persons and the summary document may not be distributed in the United States or to United States persons (unless an exception from registration under the US Securities Act of 1933 is available).

Westpac Banking Corporation Disclaimer

This term sheet is for distribution only to professional investors whose ordinary business includes the buying or selling of securities such as the securities described above (the "Notes") in circumstances where disclosure is not required under Chapter 6D.2 of the Corporations Act, 2001 and in such other circumstances as may be permitted by applicable law. This term sheet should not be distributed to, and is not intended for, any other person. This term sheet is distributed solely for informational purposes and is not to be construed as a solicitation, recommendation or an offer to buy or sell any Notes and should not be treated as giving investment advice. This term sheet is subject to and must be read in conjunction with the terms and conditions of the Notes, the Information Memorandum for the Notes and the pricing supplement relating to this issue.

Nomura Disclaimer

This document is confidential and for your private information only. You must obtain the consent of Nomura International plc ("Nlplc") before distributing this document to any person uninvolved in the proposed transaction. This document is subject to the copyright of Nlplc. This term sheet is for discussion purposes and contains indicative terms only. Neither of us will be legally bound until we agree to enter into a transaction subject to material terms, which shall be set out in agreed documentation. This termsheet does not constitute a prospectus and you should not subscribe for any securities referred to in this termsheet except on the basis of the information contained in the prospectus (or similar document), which is published in respect of such securities. Any information contained herein is based on sources we consider to be reliable, however we do not represent that it is accurate or complete. Nlplc does not accept any liability whatsoever for any direct, indirect or consequential loss arising from any actions undertaken in reliance on the information or other content of this term sheet. If the transaction described includes leverage, embedded options forwards or futures, the exchange of currencies, or other structural elements, the value of the transaction, and your exposure, could change more quickly, more frequently or by a greater magnitude (or all three) relative to other derivative transactions or cash market instruments. Generally, all over-the-counter ("OTC") derivative transactions involve the risk of adverse or unanticipated market developments, risk of counterparty default, risk of illiquidity and other risks and may involve the risk of loss due to default or potential default by the issuer of obligations or securities. In certain transactions, counterparties may lose their entire stake or incur an unlimited loss. Directors, employees, affiliates of Nomura Holdings, Inc or its subsidiaries (collectively the "Nomura Group"), may from time to time perform investment banking or other services (including acting as advisor, manager or lender), or may have a position or act as market maker, for/in connection with the issuers of securities in companies mentioned herein or in derivatives or related investments thereof. Nlplc is authorised and regulated by the UK Financial Conduct Authority ("FCA") and is a member of the London Stock Exchange. This product is intended only for investors who are "eligible counterparties" or "professional clients" as defined by FCA. This document is not intended for private customers. This term sheet is provided on the basis that you have the capability to make your own independent evaluation of the financial, market, legal, regulatory, credit, tax and accounting risks and consequences involved in the described transaction and its suitability for your purposes. Nlplc is not your designated investment adviser. The securities described herein have not been registered under the U.S. Securities Act 1933, and may not be offered or sold in the United States or to U.S. persons unless they have been registered under such Act, or in compliance with an exemption from the registration requirements of such Act. This publication contains material that has been prepared by Nlplc for publication within the UK and Europe only. Affiliates of Nlplc may act as its agent in distributing this material to clients in other locations. You should refer to your local sales representative, as additional requirements may apply in relation to the distribution of this termsheet. Nlplc does not hold an Australian financial services licence. Nlplc is exempt from the requirement to hold an Australian financial services licence. Nlplc is regulated by the FCA under UK laws which differ from Australian laws.

