

Lloyds Banking Group plc  
Form 6-K  
November 04, 2009

**SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C.20549**

**FORM 6-K**

**Report of Foreign Private Issuer  
Pursuant to Rule 13a-16 or 15d-16  
of the Securities Exchange Act of 1934**

4 November 2009

**LLOYDS BANKING GROUP plc**  
(Translation of registrant's name into English)

**5th Floor  
25 Gresham Street  
London  
EC2V 7HN  
United Kingdom**

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports  
under cover Form 20-F or Form 40-F.

Form 20-F..X..Form 40-F.....

Indicate by check mark whether the registrant by furnishing the information  
contained in this Form is also thereby furnishing the information to the  
Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes .....No ..X..

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule  
12g3-2(b): 82- \_\_\_\_\_

Index to Exhibits

Item

No. 1 Regulatory News Service Announcement, dated 4 November 2009

re: Exchange Offer to Eligible Investors

3 November 2009

NOT FOR DISTRIBUTION TO ANY PERSON LOCATED OR RESIDENT IN THE REPUBLIC OF ITALY OR ANY OTHER JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OF SUCH JURISDICTION

**LLOYDS BANKING GROUP PLC ANNOUNCES EXCHANGE OFFER TO ELIGIBLE INVESTORS OF CERTAIN EXISTING SECURITIES FOR ENHANCED CAPITAL NOTES**

LBG Capital No.1 plc ("LBG Capital No.1"), a wholly-owned subsidiary of Lloyds Banking Group plc, has today invited all eligible holders of the Existing Securities specified in the Appendix hereto, to Offer to Exchange any or all of their Existing Securities upon the terms and conditions of the Exchange Offer for Enhanced Capital Notes.

The Exchange Offer forms part of a package of proposals, under which the Group will, subject to shareholder approval: (i) generate at least £7.5 billion in nominal value of contingent core tier 1 and/or core tier 1 capital through the Exchange Offer and/or related arrangements; and (ii) raise £13.5 billion (£13 billion net of expenses) by way of a Rights Issue. The proposals are being put forth to Lloyds Banking Group's shareholders as an alternative to the UK Government Asset Protection Scheme.

The ECNs are new lower tier 2 capital qualifying bonds which will automatically convert into ordinary shares of Lloyds Banking Group if the Group's published consolidated core tier 1 capital ratio falls to less than 5 per cent. The ECNs will have the benefit of a guarantee from Lloyds Banking Group or Lloyds Banking Group and Lloyds TSB Bank. The ECNs contain non-discretionary payment provisions and have a fixed maturity date.

Offers to Exchange, if accepted, will be accepted in accordance with an Exchange Priority up to a maximum amount of \$800,000,000.

Neither of the ECN Issuers nor Lloyds Banking Group will accept any Offers to Exchange from Holders of Existing Securities unless all resolutions as may be necessary to approve, effect and implement the Exchange Offer or the other elements of the Proposals, and authorise and permit the creation and allotment of New Shares, are passed at the Lloyds Banking Group General Meeting (or any adjournment thereof).

Information on the exchange offer, including the timing thereof, may be obtained by eligible holders from the exchange agents below.

**EXCHANGE AGENTS  
D.F. King & Co., Inc.  
48 Wall Street, 22nd Floor  
New York, New York - 10005**

**Bankers and Brokers call: +1 212 269 5550**

**All other call toll free: +1 800 628 8536**

**Fax: +1 212 809 8838**

**Attention: Elton Bagley**

**email: lloyds@dfking.com**

**Lucid Issuer Services Limited**

**436 Essex Road**

**London N1 3QP**

**United Kingdom**

**Tel: +44 20 7704 0880**

**Fax: +44 20 7067 9098**

**Attention: Sunjeeve Patel, Lee Pellicci, Yves Theis, David Shilson**

**email: lbg@lucid-is.com**

APPENDIX

<i>ISIN of Existing Securities</i>	<i>Issuer/Title of Existing Securities<sup>(1)</sup></i>	<i>Principal Amount Outstanding</i>	<i>ECNs Exchange Ratio (for validly accepted Offers to Exchange occurring prior to Early Tender Deadline)<sup>(2)</sup></i>	<i>ECNs Exchange Ratio (for validly accepted Offers to Exchange occurring after the Early Deadline but prior to the Expiration Deadline)<sup>(3)</sup></i>	<i>ECN Issuer</i>	<i>ECN ISIN</i>	<i>Series Number of ECNs<sup>(4)</sup></i>
			1:1	9:10			002

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US4041A2AG96 (144A)	HBOS plc U.S.\$1,000,000,000	U.S.\$ 1,000,000,000			LBG XS0459093794 Capital (QIB only)	
US4041A3AF96 (Reg S)	5.375% Undated Fixed to Floating Rate Subordinated Notes				No.1 XS0459093521 (Reg S)	
USG43648AA57 (Reg S)	HBOS Capital Funding	U.S.\$ 750,000,000	1:1	9:10	LBG XS0459094255 Capital (QIB only)	003
US40411CAA09 (144A)	No.2 L.P. U.S.\$750,000,000 6.071% Non-voting Non-cumulative Perpetual Preferred Securities				No.1 XS0459093950 (Reg S)	
GB0000765403	Bank of Scotland plc U.S.\$250,000,000 Undated Floating Rate Primary Capital Notes	U.S.\$ 237,200,000	1:1	9:10	LBG XS0459093448 Capital No.2	001
GB0005205751	Lloyds TSB Bank plc U.S.\$500,000,000 Primary Capital Undated Floating Rate Notes (Series 2)	U.S.\$ 423,810,000	1:1	9:10	LBG XS0459093448 Capital No.2	001
GB0005224307	Lloyds TSB Bank plc U.S.\$750,000,000 Primary Capital Undated Floating Rate Notes (Series 1)	U.S.\$ 659,850,000	1:1	9:10	LBG XS0459093448 Capital No.2	001
GB0005232391	Lloyds TSB Bank plc U.S.\$600,000,000 Primary Capital Undated Floating Rate Notes	U.S.\$ 526,150,000	1:1	9:10	LBG XS0459093448 Capital No.2	001

**DISCLAIMER**

If any Holder is in any doubt as to the action it should take, it is recommended to seek its own legal, tax, financial and accounting advice, including as to any tax consequences, from its stockbroker, bank manager, solicitor, accountant or other independent financial adviser. None of the Dealer Managers, the Exchange Agents, the ECN Trustee, or any person who controls, or is a director, officer, employee or agent of such persons, or any affiliate of such persons, makes any recommendation as to whether Holders should participate in the Exchange Offer. No offer or invitation to acquire or exchange any securities is being made pursuant to this announcement. This announcement does not constitute an invitation to participate in the Exchange Offer in any jurisdiction in which, or to or from any person to or from whom, it is unlawful to make such invitation under applicable securities laws and offers of Existing Securities for exchange pursuant to the Exchange Offer will not be accepted from Holders in any jurisdiction where such invitation is unlawful.

The distribution of this announcement in certain jurisdictions may be restricted by law. Persons into whose possession this announcement comes is required by each of the ECN Issuers, Lloyds Banking Group, the Dealer Managers and the Exchange Agents to inform themselves about, and to observe, any such restrictions.

## **OFFER RESTRICTIONS**

### **United States**

This announcement and the information contained herein do not contain or constitute an offer for sale or the solicitation of an offer to purchase securities in the United States. The ECNs referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold in the United States absent registration under the Securities Act or an available exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. There will be no public offer of ECNs in the United States.

### **European Economic Area**

This announcement has been prepared on the basis that the Exchange Offer will either be made pursuant to an exemption under the Prospectus Directive, as implemented in Member States of the EEA, from the requirement to produce a prospectus for offers of the ECNs or the relevant Exchange Consideration or by the use of the Exchange Offer Memorandum, as a prospectus approved by the UKLA and prepared in accordance with the Prospectus Directive and the Prospectus Rules made under section 73A of FSMA and passported to the EEA Permitted Jurisdictions. Accordingly, any person making or intending to make an Offer to Exchange within the EEA should only do so in the EEA Permitted Jurisdictions using the exchange offer memorandum, or, in any other EEA jurisdiction, in circumstances in which no obligation arises for the ECN Issuers, Lloyds Banking Group or any of the Dealer Managers to produce a prospectus for such offer.

### **Italy**

This announcement and the Exchange Offer is not being made in the Republic of Italy. The Exchange Offer, this announcement and the exchange offer memorandum have not been submitted to the clearance procedure of the Commissione Nazionale per le Società e la Borsa ("CONSOB") pursuant to Italian laws and regulations. Accordingly, the Exchange Offer is not made or made available to holders of Existing Securities who are Italian residents and/or persons located in the Republic of Italy and they may not submit acceptances relating to Existing Securities in respect of the Exchange Offer and, as such, any acceptances received from or on behalf of such Holders of Existing Securities shall be ineffective and void. No material relating to the Exchange Offer or the Existing Securities may be distributed or made available in the Republic of Italy.

### **Belgium**

Neither this announcement nor any other offering material has been submitted or will be submitted for approval or recognition to the Belgian Banking, Finance and Insurance Commission ("Commission bancaire, financière et des assurances/Commissie voor het Bank-, Financier- en Assurantiewezen"). The Exchange Offer may not be made in

Belgium by way of a public offering, as defined in Articles 3 and 6 of the Belgian Law of 1 April 2007 on public takeover bids or as defined in Article 3 of the Belgian Law of 16 June 2006 on the public offer of placement instruments and the admission to trading of placement instruments on regulated markets (the "Belgian Public Offer Law"), each as amended or replaced from time to time. Accordingly, the Exchange Offer may not be advertised and the Exchange Offer will not be extended and no memorandum, information circular, brochure or any similar document has or will be distributed, directly or indirectly, to any person in Belgium other than "qualified investors" in the meaning of Article 10 of the Belgian Public Offer Law (as amended from time to time). This announcement has been issued only for the personal use of the above qualified investors and exclusively for the purpose of the Exchange Offer. Accordingly, the information contained herein and in the exchange offer memorandum, may not be used for any other purpose or disclosed to any other person in Belgium.

## General

The Dealer Managers, the Registrars and the Exchange Agents (and their respective directors, employees or affiliates) make no representations or recommendations whatsoever regarding this document or the Exchange Offer. The Exchange Agents are agents of the ECN Issuers and Lloyds Banking Group and owes no duty to any Holder. None of Lloyds Banking Group, the ECN Issuers, the Dealer Managers, the Registrars or the Exchange Agents makes any recommendation as to whether or not Holders should participate in the Exchange Offer.

The Exchange Offer does not constitute an offer to buy or the solicitation of an offer to sell the Existing Securities in any circumstances in which such offer or solicitation is unlawful. In those jurisdictions where the securities or other laws require the Exchange Offer to be made by a licensed broker or dealer and either of the Dealer Managers or any of their respective affiliates is such a licensed broker or dealer in that jurisdiction, the Exchange Offer shall be deemed to be made on behalf of Lloyds Banking Group and the ECN Issuers by such Dealer Manager or affiliate (as the case may be) in such jurisdiction.

For further information:

### Investor Relations

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### Media Relations

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## FORWARD LOOKING STATEMENTS

This announcement contains forward looking statements with respect to the business, strategy and plans of the Lloyds Banking Group, its current goals and expectations relating to its future financial condition and performance. By their nature, forward looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. The Group's actual future results may differ materially from the results expressed or implied in these forward looking statements as a result of a variety of factors, including UK domestic and global economic and business conditions, the ability to derive cost savings and other benefits as well as to mitigate exposures from the acquisition and integration of HBOS, risks concerning borrower quality, market related trends and developments, changing demographic trends, changes in customer preferences, changes to regulation, the policies and actions of governmental and regulatory authorities in the UK or jurisdictions outside the UK, including other European countries and the US, exposure to regulatory scrutiny, legal proceedings or complaints, competition and other factors. Please refer to the latest Annual Report on Form 20-F filed with the US Securities and Exchange Commission for a discussion of such factors. The forward looking statements contained in this announcement are made as at the date of this announcement, and the Group undertakes no obligation to update any of its forward looking statements.

### Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

LLOYDS BANKING GROUP plc  
(Registrant)

By: M D Oliver

Name: M D Oliver

Title: Director of Investor

Relations

Date: 4 November 2009