



LLOYDS TSB BANK plc

4y USD Fixed to Floating Rate Note

Issuer: Lloyds TSB Bank plc

**Issuer's Rating: "A" Standard & Poor's / "A2" Moody's /
"A" Fitch ****

USD 5,315,000

**In co-operation with
Lead Manager: UBS Limited**

** The Notes have not obtained nor are scheduled to obtain any individual credit rating. The current long-term ratings of the Issuer are: Standard & Poor's Ratings Services: A, Moody's Investors Service Inc. ("Moody's"): A2 and Fitch Ratings Limited: A.



USD Fixed-to-Floating Rate Note

Issued by Lloyds TSB Bank plc

4y Fix2FRN

SVSP Product Type: Capital Protection with Coupon (1140)

Valor: 19326929 ISIN: XS0820950045

Final Termsheet

This Product is not issued by UBS AG. UBS Limited is acting as the lead manager on a note issued by Lloyds TSB Bank plc. Please refer to the section 'General Information' in the Termsheet for the relevant details regarding the Issuer of this Product. Investors bear the credit risk of the Issuer.

The complete and legally binding terms and conditions of the Notes (the **Conditions**) are set forth in the base prospectus of the Note, Certificate and Warrant Programme dated 20 April 2012 as supplemented by a supplement(s) dated 11 May 2012 and dated 28th August 2012 (the **Base Prospectus**), and the final terms prepared in relation to the Notes (the **Final Terms**)

Lloyds Banking Group plc published its 2012 half year results for the half year ended 30 June 2012 via the RNS on 26 July 2012 (the "2012 Half Year Results"). The 2012 Half Year Results are also made available on Lloyds Banking Group's Investor Relations homepage <http://www.lloydsbankinggroup.com/investors.asp>. The Issuer will publish a supplement to its Note, Certificate & Warrant Programme Prospectus to incorporate by reference the 2012 Half Year Results. Until such time as a supplement is published in accordance with the Prospectus Directive, the 2012 Half Year Results will not be incorporated into the Note, Certificate & Warrant Programme Prospectus.

The information contained herein does not constitute the provision of investment advice; its sole purpose is the description of the Notes or transactions. Although the information set out herein has been taken from sources which are believed to be accurate, no warranty or representation is made as to its correctness, completeness and accuracy.

Investments in the Notes may not be suitable for all investors and is only suitable for investors who have the requisite knowledge and experience in structured products to evaluate the merits and risks of an investment in the context of such investors' financial position and circumstances.

Prospective purchasers of the Notes should carefully consider the complete information contained in, and evaluation of the Notes and any investment decision should be made on the basis of, the Base Prospectus and the Final Terms. Prospective purchasers of the Notes should consult their own business, financial, investment, legal, accounting, regulatory, tax and other professional advisers to assist them in determining the suitability of the Notes for them as an investment.

This Product does not represent a participation in any of the collective investment schemes pursuant to Art. 7 ss of the Swiss Federal Act on Collective Investment Schemes (CISA) and thus does not require an authorisation of the Swiss Financial Market Supervisory Authority FINMA. Therefore, investors in this Product are not eligible for the specific investor protection under the CISA.

1. Description of the Product

Information on Underlying

Underlying	3 month USD LIBOR Rate as determined by the Calculation Agent by referring to the Reuters Page LIBOR01 at 11:00 a.m. London time at Interest Rate Fixing.
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Product Details

Security Numbers	ISIN: XS0820950045	WKN: A1G8TM
	Valor: 19326929	Common Code: 082095004
Issue Size	USD 5,315,000	
Specified Denomination / Nominal	USD 1,000 per Product (traded in Nominal)	
Issue Price	100.00% of the Specified Denomination (percentage quotation, subject to market conditions)	

Contact: UBS AG, P.O. Box, 8098 Zurich

Internet: www.ubs.com/keyinvest

Private Investors: Please contact your client advisor or send an email to derivatives@ubs.com

Bank and Intermediaries: +41-44-239 77 66*

Please note that calls made to the numbers marked with an asterisk (*) may be recorded. Should you call on these numbers, we shall assume that you consent to this business practice.

Quotation The Products are trading CLEAN. Accrued Interest is NOT included in the secondary market price.

Settlement Currency USD

Interest **Interest Rate x Specified Denomination x Day Count Fraction**

Period	Interest Rate p.a.	Day Count Fraction
Year 1	1.75% p.a.	30/360
Year 2-4	3 month USD LIBOR Rate + 1.10% p.a. as defined in the section "Interest Rate Fixing"	30/360

Interest Rate Fixing The Interest Rate is fixed in advance, two (2) London business days prior to the START of the relevant Interest Period. The interest will be paid in arrears.

Notices Changes, adjustments and corrections to the Conditions will be published on the following website: <http://keyinvest-ch.ubs.com>. All notices to the noteholders will further be made in accordance with the Conditions.

Dates

Trade Date / Fixing Date 10 September 2012

Subscription Period 20 August 2012 until 10 September 2012, 12 p.m. CET. (Please note that the Subscription Period can be extended or can close earlier.)

Issue Date / Payment Date 14 September 2012

Redemption Date / Maturity Date 14 September 2016

Interest Period The initial Interest Period will be the period from and including the Issue Date to but excluding the first Interest Payment Date. Each subsequent Interest Period will be the period between two successive Interest Payment Dates, from and including one Interest Payment Date to but excluding the immediately following Interest Payment Date.

Interest Payment Dates 14 December, 14 March, 14 June and 14 September every year, from and including 14 December 2012 to and including 14 September 2016, adjusted as per the Business Day Convention.

Redemption

Redemption Amount at Maturity 100% of the Specified Denomination

Product Structure

The 4 year USD-denominated Fixed to Floating Rate Note offers Investors regular Interest payments. The Interest Rate is fixed for the first year and then linked to the 3 month USD LIBOR Rate as specified in the Section "Interest".

General Information

Issuer Lloyds TSB Bank plc

Issuer's Rating A2 Moody's / A Standard & Poor's / A Fitch

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Registered Office	25 Gresham Street, London EC2V 7HN, England
Lead Manager	UBS Limited
Calculation Agent	UBS AG, London Branch
Principal Paying Agent	Citibank, N.A., London
Listing	None
Secondary Market	Daily price indications will be available on http://keyinvest-ch.ubs.com
Business Days	London, New York
Business Day Convention	Modified Following Adjusted
Minimum Investment	USD 10,000
Minimum Trading Lot	USD 10,000
Status	Senior, Unsubordinated, Unsecured
Clearing	Euroclear, Clearstream
Form	Classic Global Note, Bearer Securities
Governing Law / Jurisdiction	English Law / Courts of England
Product	One Fix2FRN Note with the given Specified Denomination/Par Value is equivalent to one (1) "Product". "Products" wherever used herein shall be construed to mean integral multiples of the same, subject to the Issue Size.
Public Offering	Switzerland

Tax Treatment Switzerland

Swiss Federal Stamp Duty	The product classifies as a taxable security (bond). No stamp duty at issuance (primary market). Stamp duty on the turnover of securities of up to 0.3% on secondary market transactions if a Swiss securities dealer is a party or an intermediary to the transaction and no exemption applies.
Swiss Federal Income Tax	For private investors resident in Switzerland, the coupon payments are taxable interest payments.
Swiss Federal Withholding Tax	This product is not subject to the Swiss Federal Withholding Tax.
EU Savings Tax	For paying agents in Switzerland, the product is subject to the EU Savings Tax (TK1).

The tax information only provides a general overview of the potential tax consequences linked to this Product at the time of issue. Tax laws and tax doctrine may change, possibly with retroactive effect

Product Documentation

Issued off the Issuer's Note, Certificate and Warrant Programme dated 20th April 2012. Purchase of the Notes is subject to and should be read in conjunction with the Conditions, the Base Prospectus and the Final Terms relating to this issue of Notes (together the "Product Documentation"). A copy of these will be provided to investors on request. Furthermore, this document serves as and fulfills the requirements of a 'Simplified Prospectus' in accordance with Art. 5 of the Swiss Federal Act on Collective Investment Schemes (CISA).

Classification

This Product does not represent a participation in any of the collective investment schemes pursuant to Art. 7 ss of the Swiss Federal Act on Collective Investment Schemes (CISA) and thus does not require an authorisation of the Swiss Financial Market Supervisory Authority (FINMA). Therefore, investors in this Product are not eligible for the specific investor protection under the CISA.

Furthermore, this Product does not benefit from any depositor protection under Art. 37b under the Swiss Federal Law on Banks

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and Savings Banks (Banking Act) or other forms of deposit insurance under any other law as might be applicable to this Product.

Prudential Supervision

Lloyds TSB Bank plc is authorised and regulated by the FSA

2. Prospects of Profits and Losses

Market Expectation	Investors in this Product expect that the Underlying is stable or that it increases.
Risk Tolerance	Investors in this Product should be familiar with interest rate markets. Although Investors benefit from regular Interest payments, they must be aware that they receive an Interest that is exposed to the performance of the Underlying which could be worse than the performance expected at the time of the purchase of this Product. The Product is suitable for Investors who require capital protection on the Redemption Date / Maturity Date.
Profit Potential	The prospective gain is limited to the Interest.
Loss Potential	Investors are exposed to the credit risk of the Issuer.

3. Significant Risks for Investors

For product specific risks please see above (2. Prospects of Profits and Losses)

Investors are advised to also consider the risk factors set out on pages 20 to 61 of the Base Prospectus.

Risk Factors relating to the Issuer

In addition to the market risk with regard to the development of the Underlying, each Investor bears the general risk that the financial situation of the Issuer could deteriorate. Subject to such exceptions as may be provided by mandatory provisions of applicable law, the Products constitute unsecured and unsubordinated obligations of the Issuer and rank pari passu without any preference among themselves and at least pari passu with all other present and future unsecured and unsubordinated obligations of the Issuer. The general assessment of the Issuer's creditworthiness may affect the value of the Products. This assessment generally depends on the ratings assigned to the Issuer or its affiliated companies by rating agencies such as Moody's, Fitch and Standard & Poor's.

The Issuer Ratings indicated in this document reflect the situation at the time of issuance and may be subject to changes. The actual Issuer Ratings at any given time can be seen on the Issuer's website (www.lloydsbankinggroup.com) under "Investors", "Credit Ratings".

Secondary Market

The Lead Manager intends, under normal market conditions, to provide bid and offer prices for this Product on a regular basis. However, the Lead Manager, as applicable, makes no firm commitment to provide liquidity by means of bid and offer prices for this Product, and assumes no legal obligation to quote any such prices or with respect to the level or determination of such prices. Potential Investors therefore should not rely on the ability to sell this Product at a specific time or at a specific price.

In special market situations, where the Lead Manager is completely unable to enter into hedging transactions, or where such transactions are very difficult to enter into, the spread between the bid and offer prices may be temporarily expanded, in order to limit the economic risks of the Lead Manager.

Bid and offer prices may possibly differ to a greater or lesser extent.

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Market Risk

The investor is exposed to market disruption events (such as trading disruption, exchange disruption and early closure of the relevant exchange), adjustments and early termination which could have an impact on the redemption amount through delay in payment or change in value. For a detailed description of such events and their effects please read the Product Documentation.

Important Information

This information is communicated by UBS AG and/or its affiliates ("UBS"). UBS may from time to time, as principal or agent, have positions in, or may buy or sell, or make a market in any securities, currencies, financial instruments or other assets underlying the transaction to which this document relates. UBS may provide investment banking and other services to and/or have officers who serve as directors of the companies referred to in this document. UBS' trading and/or hedging activities related to this transaction may have an impact on the price of the underlying asset and may affect the likelihood that any relevant barrier is crossed. UBS has policies and procedures designed to minimise the risk that officers and employees are influenced by any conflicting interest or duty and that confidential information is improperly disclosed or made available.

In certain circumstances UBS sells this Product to dealers and other financial institutions at a discount to the issue price or rebates to them for their account some proportion of the issue price. Further information is available on request.

Structured transactions are complex and may involve a high risk of loss. Prior to entering into a transaction you should consult with your own legal, regulatory, tax, financial and accounting advisors to the extent you consider it necessary, and make your own investment, hedging and trading decisions (including decisions regarding the suitability of this transaction) based upon your own judgement and advice from those advisers you consider necessary. Save as otherwise expressly agreed in writing, UBS is not acting as your financial adviser or fiduciary in any transaction.

This document should not be construed as an offer, personal recommendation or solicitation to conclude a transaction and should not be treated as giving investment advice. The terms of any investment will be exclusively subject to the detailed provisions, including risk considerations, contained in the Information Memorandum, Prospectus or other issuer documentation for the issue of the Products/Notes (the "Prospectus").

Investors who decide to place an order for subscription or purchase of this Product should note that such orders are binding and that the Investors have no right to withdraw or cancel such orders.

UBS makes no representation or warranty relating to any information herein which is derived from independent sources. This document shall not be copied or reproduced without UBS' prior written permission.

No action has been or will be taken in any jurisdiction that would permit a public offering of the Products described herein, save where explicitly stated in the Product Documentation. The Products must be sold in accordance with all applicable selling restrictions in the jurisdictions in which they are sold.

There is a possibility that costs, including taxes, related to transactions in connection with this Product may arise for the Investor that are not paid by UBS or imposed by it.

Selling Restrictions

Any Products purchased by any person for resale may not be offered in any jurisdiction in circumstances which would result in the Issuer being obliged to register any further documentation relating to this Product in such jurisdiction.

The restrictions listed below must not be taken as definitive guidance as to whether this Product can be sold in a jurisdiction. Additional restrictions on offering, selling or holding of this Product may apply in other jurisdictions. Investors in this Product should seek specific advice before on-selling this Product.

Europe - Any public offer of this Product within a EEA jurisdiction (EU member states plus Norway, Iceland and Liechtenstein) shall only be possible if compliant with the requirements of the EUPD and with the law of that jurisdiction.

If the prospectus either does not qualify as a prospectus published in accordance with the requirements of the EUPD or is not filed with or notified to the relevant Financial Supervisory Authority, this Product may not be offered or sold in EEA jurisdictions other than 1) in minimum denominations of, or total consideration per investor of at least, EUR 50,000 (or equivalent in other currencies), provided that the offer is only being made in one or more EEA jurisdiction that will not, before the end of the offer period for the Notes, have implemented the provision under the Directive 2010/73/EU (the "PD Amending Directive") that increases this minimum denomination (or total consideration per investor) to EUR 100,000; or 2) only to Qualified Investors; and/or (aggregated for all distributors) to less than 100 or, if the relevant EEA jurisdiction has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or legal persons that are not Qualified Investors per EEA

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jurisdiction. "Qualified Investors" are persons or entities as defined in the Prospectus Directive.

For information on public offering in EEA jurisdictions please see under section "General Information" above.

Hong Kong – Each purchaser has represented and agreed that (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance and (ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

Singapore - This document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of this Product may not be circulated or distributed, nor may this Product be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act (Cap. 289) of Singapore ("SFA"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275, of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where this Product is subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
 - (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,
- securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the securities pursuant of an offer made under Section 275 of the SFA except:
- (1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276 (4)(i)(B) of the SFA;
 - (2) where no consideration is or will be given for the transfer;
 - (3) where the transfer is by operation of law; or
 - (4) as specified in Section 276 (7) of the SFA.

UK – For the purpose of non-discretionary accounts, this Product should not be sold with a consideration of less than 100,000 EUR or equivalent.

USA - This Product may not be sold or offered within the United States or to U.S. persons.

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