

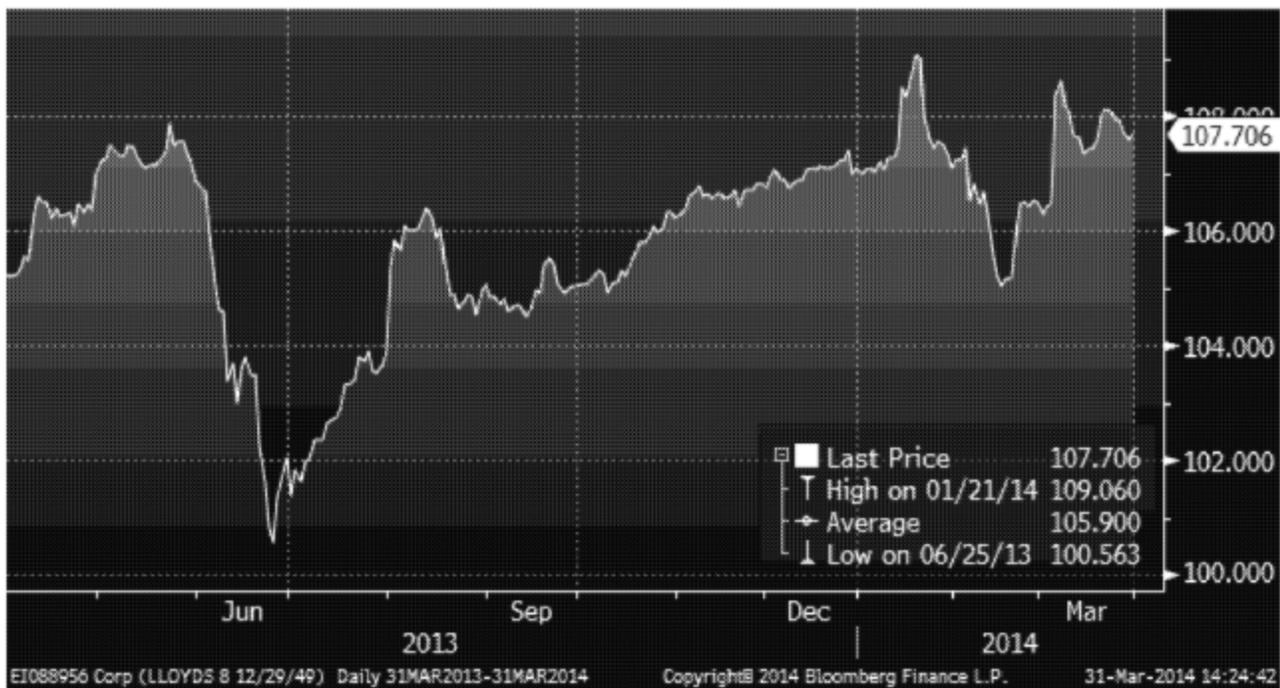
more liquid, and not be subject to a perpetual regulatory call (detail below). There are ~\$8.4bn outstanding CoCos that qualify for tender. Lloyd's is going to swap \$5bn of outstanding for new CoCos. Your issue is low on the waterfall of that \$8.4bn that could be swapped; **may not be exchanged at all or could be pro-rated**. New bond will have a **7.5% coupon that floats at 5yr MS +476bps in 2024** (callable in 2024). Details below, source: Pershing LLC as of 3/31/14.

Your cost basis is 108.25 (**down \$22,500k MTM on 3mm face**, does not include coupons collected)

Exchange ratio will be at 105.75 + accrued (\$24k per 1mm as of today), ~6.8% yield vs ~6.5% current. Benefits include no perpetual regulatory call, and liquidity.

Speak with you soon,

Lloyd's G5433BBG8 - 1yr price history



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Description	LBG CAPITAL NO 1
Symbol	<u>LYG.HT</u>
CUSIP	G5433BBG8
Offer	EXCHANGE
Offer Description	EXCHANGE OFFER
Subject To IRC 302 Withholding	NO
Other Offers Available	