

Offer Dates

Cut-Off Date	03/31/2014	Cut-Off Time	19.00.00
Withdrawal Date		Withdrawal Time	00.00.00
Expiration Date	04/02/2014	Expiration Time	10.00.00
Protected Date			

Offer Details

Odd Lot	Over Subscribe
Minimum Bid	Maximum Bid
Increments	Multiplier Factor

++ UPDATE 03/28/14 : AGENT HAS ADVISED THAT PARTICIPATING BENEFICIAL OWNER NAME WILL NEED TO BE DISCLOSED. PERSHING WILL DISCLOSE AS REQUIRED.++++++

UPDATE: THE AGENT HAS ADVISED HOLDERS MAY EXCHANGE THEIR NOTES IN A MINIMUM DENOMINATION OF USD1,000 AND MULTIPLES THEREOF.

+UPDATE 03/13/14: THE CONVERSION PRICE OF THE NEW NOTES IS USD1.072 NOT USD1,072 AS PREVIOUSLY ANNOUNCED. +

NO MAILING WILL BE MADE TO HOLDERS. IF YOU ARE ELIGIBLE AND WISH TO REQUEST A COPY OF THE MATERIAL PLEASE SEND A SERVICE CENTER TO CORPORATE ACTIONS, VOLUNTARY, OFFER - EXPIRING.

FOREIGN RESTRICTIONS: RESTRICTIONS APPLY TO BENEFICIAL HOLDERS IN THE SWITZERLAND, UNITED KINGDOM, ISLE OF MAN, JERSEY, GUERNSEY, BELGIUM, FRANCE AND ITALY.

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GENERAL OFFER TERMS: IN 2009, LBG UNDERTOOK A SIGNIFICANT CAPITAL RAISING EXERCISE IN ORDER TO REINFORCE THE GROUP'S GOING-CONCERN CAPITAL RATIOS, AND TO MEET THE FINANCIAL SERVICE AUTHORITY'S STRESS REQUIREMENTS. AS A COMPONENT OF THE EXERCISE, THE GROUP ISSUED 33 SERIES OF ENHANCED CAPITAL NOTES (ECNS), WITH A NOMINAL OF USD8.4BN (BRITISH POUNDS) CURRENTLY OUTSTANDING.

THE EXISTING NOTES CONDITIONS OF THE ECNS INCLUDE A REGULATORY CALL RIGHT SHOULD, AMONGST OTHER THINGS, THE ECNS CEASE TO BE TAKEN INTO ACCOUNT FOR THE PURPOSES OF ANY STRESS TEST APPLIED BY THE PRA IN RESPECT OF CORE CAPITAL. WHILST STILL UNCERTAIN, MANAGEMENT OF LBG BELIEVE RECENT DEVELOPMENTS RESULTING IN HIGHER CAPITAL REQUIREMENTS FOR BANKS MAKE IT LIKELY THAT THE ECNS WILL NOT PROVIDE GOING CONCERN BENEFIT UNDER FUTURE STRESS TESTS. AS A RESULT THE GROUP'S CET1 RATIO IS SUBSTANTIALLY LOWER THAN THE CORE TIER ONE RATIO ON WHICH THE CONVERSION TRIGGER OF THE ECNS IS BASED. LBG IS LAUNCHING A PRIORITIZED EXCHANGE OFFER TO ELIGIBLE HOLDERS