Lloyds Banking Group plc
Form 424B5
April 25, 2012
CALCULATION OF REGISTRATION FEE

| Title of Each Class of Securities Offered | Maximum Aggregate Offering Price | Amount of Registration Fee (1) |
|---|---|---|
| Senior Callable CMS Steepener Notes due April 26, 2027 | $11,000,000.00 | $1,260.60 |
| Guarantee of Senior Callable CMS Steepener Notes due April 26, 2027 | – | (2) |
| Total | $11,000,000.00 | $1,260.60 |

(1) Calculated in accordance with Rule 457(r)
(2) Pursuant to Rule 457(n), no separate fee is payable with respect to the guarantee

Pricing Supplement No. 10
(To Prospectus Supplement dated June 6, 2011
and Prospectus dated December 22, 2010)

Filed Pursuant to Rule 424(b)(5)
Registration Nos. 333-167844 and 333-167844-01
April 23, 2012

US $11,000,000
Lloyds TSB Bank plc
fully and unconditionally guaranteed by
Lloyds Banking Group plc
Senior Callable CMS Steepener Notes due April 26, 2027
Medium-Term Notes, Series A

| | | | |
|---|---|---|---|
| Notes: | Senior Callable CMS Steepener Notes due April 26, 2027, Medium-Term Notes, Series A (each a "Note" and collectively, "the Notes") | Issuer: | Lloyds TSB Bank plc |
| | | Guarantor: | Lloyds Banking Group plc |
| | | Aggregate Principal Amount: | US$11,000,000 |
| Trade Date: | April 23, 2012 | Issue Price: | 100.00% |
| Issue Date: | April 26, 2012 | CUSIP: | 5394E8AN9 |
| Maturity Date: | April 26, 2027, subject to redemption at the option of the Issuer (as set forth below). | ISIN: | US5394E8AN95 |
| Business Day: | New York and London, following, unadjusted | Day-Count Convention: | 30/360 |
| Payment at Maturity: | 100% repayment of principal, plus any accrued and unpaid interest, at maturity or upon early redemption. Repayment of principal at maturity, or upon early redemption, if applicable, and all payments of interest are subject to the creditworthiness of Lloyds TSB Bank plc, as the Issuer, and Lloyds Banking Group plc, as the Guarantor of the Issuer's obligations under the Notes. | Denominations: | Minimum denominations of $1,000 and multiples of $1,000 thereafter. |

Interest Rate: For each Interest Period (as defined below) commencing on or after the Issue Date to, but excluding, April 26, 2013, the interest rate per annum will be equal to the Initial Interest Rate.
For each Interest Period commencing on or after April 26, 2013, the interest rate per annum will be equal to the product of (1) the Multiplier and (2) the Reference Rate, subject to the Minimum Interest Rate and the applicable Maximum Interest Rate (the "Floating Interest Rate").

| | | | |
|---|---|---|---|
| Reference Rate: | An amount determined by the Calculation Agent equal to the CMS Spread, which is 30 | Initial Interest Rate: | 8.00% per annum |
| | | Maximum Interest Rate: | |

| | | | |
|---|---|---|---|
| | Year CMS Rate minus 2 Year CMS Rate | | From and including April 26, 2013 to but excluding April 26, 2018, 8.00% per annum.<br>From and including April 26, 2018 to but excluding April 26, 2022, 8.50% per annum.<br>From and including April 26, 2022 to but excluding April 26, 2024, 9.00% per annum.<br>From and including April 26, 2024 to but excluding April 26, 2026, 10.00% per annum.<br>From and including April 26, 2026 to but excluding the Maturity Date, 12.00% per annum. |
| CMS Rates: | The CMS Rate with a maturity of 30 years ("30 Year CMS Rate") and the CMS Rate with a maturity of 2 years ("2 Year CMS Rate"), which appears on Reuters ISDAFIX1 page (the "ISDAFIX1 Page") as of 11:00 a.m., New York City time, on the relevant Interest Determination Date | | |
| | | Minimum Interest Rate: | 0.25% per annum |
| Multiplier: | For Interest Periods commencing on or after April 26, 2013: 4.00 | | |
| Interest Payment Dates: | Quarterly, payable in arrears on the 26th day of each January, April, July and October, commencing on (and including) July 26, 2012, and ending on the Maturity Date or the Early Redemption Date, if applicable. | | |
| Redemption at the Option of the Issuer: | We may redeem all, but not less than all, of the Notes at the Redemption Price set forth below, on any Interest Payment Date commencing on April 26, 2015, provided we give at least 5 business days' and not more than 60 days prior written notice to each holder of Notes, the trustee and The Depository Trust Company ("DTC"). If we exercise our redemption option, the Interest Payment Date on which we so exercise it will be referred to as the "Early Redemption Date," which shall be the date the Redemption Price will become due and payable and on which payments of interest will cease to accrue. | | |
| Redemption Price: | If we exercise our redemption option, you will be entitled to receive on the Early Redemption Date 100% of the principal amount together with any accrued and unpaid interest to, but excluding, the Early Redemption Date. | | |
| Tax Redemption: | Following the occurrence of one or more changes in tax law that would require the Issuer or the Guarantor to pay additional amounts and in other limited circumstances as described under "Description of the Notes and the Guarantees—Redemption for Tax Reasons" in the prospectus supplement and "Description of Debt Securities—Redemption" in the prospectus, the Issuer may redeem all, but not fewer than all, of the Notes prior to maturity. | | |
| Settlement and Clearance: | DTC; Book-entry | | |
| Listing: | The Notes will not be listed or displayed on any securities exchange or quotation system. | | |
| Trustee and Paying Agent: | The Bank of New York Mellon, acting through its London Branch | | |
| Selling Agent: | Barclays Capital, Inc. (the "Selling Agent") | | |
| Calculation Agent: | Barclays Bank PLC | | |
| Governing Law: | New York | | |

Investing in the Notes involves significant risks. See "Risk Factors" beginning on page S-2 of the prospectus supplement and "Risk Factors" beginning on page PS-5 below.

The Notes are not bank deposits and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency.

None of the Securities and Exchange Commission, any state securities commission or any other regulatory body has approved or disapproved of these Notes or passed upon the adequacy or accuracy of this pricing supplement, the accompanying prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

| | Price to Public (1) (2) | Selling Agent's Commission (2) | Proceeds to Lloyds TSB Bank plc |
|---|---|---|---|
| Per Note | $1,000.00 | $50.00 | $950.00 |
| Total | $11,000,000.00 | $550,000.00 | $10,450,000.00 |

(1) The proceeds you might expect to receive if you were able to resell the Notes on the Issue Date are expected to be less than the Issue Price. This is because the Issue Price includes the Selling Agent's commission set forth above and also reflects certain hedging costs associated with the Notes. For additional information, see "Risk Factors—The Issue Price of the Notes has certain built-in costs, including the Selling Agent's commission and our cost of hedging, both of which are expected to be reflected in secondary market prices" on page PS-5 of this pricing supplement. The Issue Price also does not include fees that you may be charged if you buy the Notes through your registered investment advisers for managed fee-based accounts.

(2) The Selling Agent will receive commissions from the Issuer equal to $50 per $1,000 principal amount of the Notes, or $550,000 of the Aggregate Principal Amount of the Notes, and may retain all or a portion of these commissions or use all or a portion of these commissions to pay selling concessions or fees to other dealers. See "Supplemental Plan of Distribution" beginning on page PS-15 of this pricing supplement.

April 23, 2012

## ABOUT THIS PRICING SUPPLEMENT

Unless otherwise defined herein, terms used in this pricing supplement are defined in the accompanying prospectus supplement or in the accompanying prospectus. As used in this pricing supplement:

- “we,” “us,” “our,” the “Issuer” and “Lloyds Bank” mean Lloyds TSB Bank plc;
- “LBG” and “Guarantor” mean Lloyds Banking Group plc;
- “Notes” refers to the Senior Callable CMS Steepener Notes due April 26, 2027, Medium-Term Notes, Series A, together with the related Guarantee, unless the context requires otherwise; and
- “SEC” refers to the Securities and Exchange Commission.

LBG and Lloyds Bank have filed a registration statement (including a prospectus) with the SEC for the offering to which this pricing supplement relates. Before you invest, you should read this pricing supplement together with the accompanying prospectus dated December 22, 2010 (the “prospectus”) in that registration statement and other documents, including the more detailed information contained in the accompanying prospectus supplement dated June 6, 2011 (the “prospectus supplement”), that LBG and Lloyds Bank have filed with the SEC for more complete information about Lloyds Bank and LBG and this offering.

This pricing supplement, together with the prospectus supplement and prospectus, contains the terms of the Notes and supersedes all other prior or contemporaneous oral statements as well as any other written materials including preliminary or indicative pricing terms, correspondence, trade ideas, structures for implementation, sample structures, fact sheets, brochures or other educational materials of ours.

If the information in this pricing supplement differs from the information contained in the prospectus supplement or the prospectus, you should rely on the information in this pricing supplement.

You may access these documents for free by visiting EDGAR on the SEC website at www.sec.gov as follows (or if such address has changed, by reviewing our filings for the relevant date on the SEC website):

- the prospectus supplement dated June 6, 2011 and the prospectus dated December 22, 2010 can be accessed at the following hyperlink:

http://www.sec.gov/Archives/edgar/data/1160106/000095010311002265/dp23013_424b3.htm

Our Central Index Key, or CIK, on the SEC website is 1167831.

Alternatively, LBG, Lloyds Bank, the Selling Agent, any underwriter or any dealer participating in the offering will arrange to send you the prospectus, prospectus supplement and pricing supplement if you request them by calling your Selling Agent’s sales representative, such dealer or toll free 1-888-227-2275 (Extension 2-3430). A copy of these documents may also be obtained from the Selling Agent by writing to them at 745 Seventh Avenue—Attn: US InvSol Support, New York, NY 10019.

You should rely only on the information provided or incorporated by reference in this pricing supplement, the prospectus supplement and the prospectus. We have not authorized anyone to provide you with different information, and we take no responsibility for any other information that others may give you. We and the Selling Agent are offering to sell the Notes and seeking offers to buy the Notes only in jurisdictions where it is lawful to do so. This pricing supplement, the prospectus supplement and the prospectus are current only as of their respective dates.

KEY TERMS

The information in this section is qualified by the more detailed information set forth in this pricing supplement, the prospectus supplement and the prospectus.

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| Title of the Notes: | Senior Callable CMS Steepener Notes due April 26, 2027, Medium-Term Notes, Series A |
| Issuer: | Lloyds TSB Bank plc |
| Guarantor: | Lloyds Banking Group plc |
| Ranking: | The Notes will constitute our direct, unconditional, unsecured and unsubordinated obligations ranking pari passu, without any preference among themselves, with all our other outstanding unsecured and unsubordinated obligations, present and future, except such obligations as are preferred by operation of law. |
| Guarantee: | The Notes are fully and unconditionally guaranteed by the Guarantor. The Guarantee will constitute the Guarantor's direct, unconditional, unsecured and unsubordinated obligations ranking pari passu with all of the Guarantor's other outstanding unsecured and unsubordinated obligations, present and future, except such obligations as are preferred by operation of law. |
| Aggregate Principal Amount: | $11,000,000 |
| Denominations: | Minimum denominations of $1,000 and multiples of $1,000 thereafter |
| Issue Price: | 100.00% |
| Specified Currency: | U.S. dollars (also referred to as "US$" or "USD") |
| Trade Date: | April 23, 2012 |
| Issue Date: | April 26, 2012 |
| Maturity Date: | April 26, 2027 |
| Business Day: | Any day, other than a Saturday or Sunday, that is a day on which commercial banks are generally open for business in New York City and London |
| Payment at Maturity: | 100% repayment of principal, plus any accrued and unpaid interest, at maturity. Repayment of principal at maturity or upon early redemption, if applicable, and all payments of interest are subject to the creditworthiness of Lloyds TSB Bank plc, as the Issuer, and Lloyds Banking Group plc, as the Guarantor of the Issuer's obligations under the Notes. |
| Interest Rate: | For each Interest Period commencing on or after the Issue Date to, but excluding, April 26, 2013, the interest rate per annum will be equal to the Initial Interest Rate. |

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| | For each Interest Period commencing on or after April 26, 2013, the interest rate per annum will be equal to the product of (1) the Multiplier and (2) the Reference Rate, subject to the Minimum Interest Rate and the applicable Maximum Interest Rate (the "Floating Interest Rate"). |
| Initial Interest Rate: | 8.00% per annum |
| Reference Rate: | An amount determined by the Calculation Agent equal to the CMS Spread, which is 30 Year CMS Rate minus 2 Year CMS Rate |
| CMS Rates | The CMS Rate with a maturity of 30 years ("30 Year CMS Rate") and the CMS Rate with a maturity of 2 years ("2 Year CMS Rate"), which appears on Reuters ISDAFIX1 page (the "ISDAFIX1 Page") as of 11:00 a.m., New York City time, on the relevant Interest Determination Date, subject to the provisions set forth under "CMS Rates—Unavailability of CMS Rates" in this pricing supplement. |

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| Multiplier: | For Interest Periods commencing on or after April 26, 2013: 4.00 |
| Maximum Interest Rate: | From and including April 26, 2013 to but excluding April 26, 2018, 8.00% per annum<br>From and including April 26, 2018 to but excluding April 26, 2022, 8.50% per annum<br>From and including April 26, 2022 to but excluding April 26, 2024, 9.00% per annum<br>From and including April 26, 2024 to but excluding April 26, 2026, 10.00% per annum<br>From and including April 26, 2026 to but excluding the Maturity Date, 12.00% per annum |
| Minimum Interest Rate: | 0.25% per annum |
| Interest Payment Dates: | Quarterly, payable in arrears on the 26th day of each January, April, July and October, commencing on (and including) July 26, 2012, and ending on the Maturity Date or the Early Redemption Date, if applicable. If any Interest Payment Date is not a Business Day, interest will be paid on the following Business Day, and interest on that payment will not accrue during the period from and after the originally scheduled Interest Payment Date. |
| Interest Periods: | The first period will begin on, and will include, the Issue Date and end on, but exclude, the first Interest Payment Date. Each subsequent Interest Period will begin on, and include, the Interest Payment Date for the preceding Interest Period and end on, but exclude, the next following Interest Payment Date. The final Interest Period will end on, but exclude, the Maturity Date (or the Early Redemption Date, if applicable). |
| Interest Reset Dates: | For each Interest Period commencing on or after April 26, 2013, the first day of such Interest Period |
| Interest Determination Dates: | The second U.S. Government Securities Business Day prior to the relevant Interest Reset Date |
| U.S. Government Securities Business Day: | Any day, other than a Saturday, Sunday, or a day on which the Securities Industry and Financial Markets Association (or any successor thereto) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities. |
| Business Day Convention: | Following unadjusted |
| Day Count Basis: | Interest payable with respect to an Interest Period will be computed on the basis of a 360-day year of twelve 30-day months. |
| Payment Determination: | The Paying Agent will calculate the amount you will be entitled to receive on each Interest Payment Date, at maturity or upon early redemption, if applicable. For each Interest Determination Date, the Calculation Agent will cause to be communicated to us, the Trustee and the Paying Agent, the relevant Reference Rate. The Paying Agent will calculate the amount you will be entitled to receive on each Interest Payment Date, at maturity or upon early redemption, if applicable, using the Reference Rate as so provided. |

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| Redemption at the Option of the Issuer: | We may redeem all, but not less than all, of the Notes at the Redemption Price set forth below, on any Interest Payment Date commencing on April 26, 2015, provided we give at least 5 business days' and not more than 60 days prior written notice to each holder of Notes, the trustee and The Depository Trust Company ("DTC"). If we exercise our redemption option, the Interest Payment Date on which we so exercise it will be referred to as the "Early Redemption Date," which shall be the date the Redemption Price will become due and payable and on which payments of interest will cease to accrue. |
| Redemption Price: | If we exercise our redemption option, you will be entitled to receive on the Early Redemption Date 100% of the principal amount together with any accrued and unpaid interest to, but excluding, the Early Redemption Date. |
| Tax Redemption: | Following the occurrence of one or more changes in tax law that would require the Issuer or the Guarantor to pay additional amounts and in other limited circumstances as described under "Description of the Notes and the Guarantees—Redemption for Tax Reasons" in the prospectus supplement and "Description of Debt Securities—Redemption" in the prospectus, the Issuer may redeem all, but not fewer than all, of the |

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| | Notes prior to maturity. |
| Settlement and Clearance: | DTC; Book-entry |
| Listing: | The Notes will not be listed or displayed on any securities exchange or quotation system. |
| Calculation Agent: | Barclays Bank PLC |
| Selling Agent: | Barclays Capital, Inc. (the "Selling Agent") |
| Trustee and Paying Agent: | The Bank of New York Mellon, acting through its London Branch |
| Governing Law: | New York |
| CUSIP: | 5394E8AN9 |
| ISIN: | US5394E8AN95 |

## RISK FACTORS

Your investment in the Notes involves significant risks. Your decision to purchase the Notes should be made only after carefully considering the risks of an investment in the Notes, including those discussed below and in the section entitled "Risk Factors" beginning on page S-2 of the prospectus supplement, with your advisers in light of your particular circumstances. The Notes are not an appropriate investment for you if you are not knowledgeable about significant elements of the Notes or financial matters in general. We also urge you to consult with your investment, legal, accounting, tax, and other advisers before you invest in the Notes.

The credit risk of Lloyds Bank and LBG and their credit ratings and credit spreads may adversely affect the value of the Notes.

You are dependent on Lloyds Bank's ability to pay all amounts due on the Notes, and therefore you are subject to the credit risk of Lloyds Bank and to changes in the market's view of Lloyds Bank's creditworthiness. In addition, because the Notes are fully and unconditionally guaranteed by Lloyds Bank's parent company, LBG, you are also dependent on the credit risk of LBG in the event that Lloyds Bank fails to make any payment or delivery required by the terms of the Notes. If Lloyds Bank and LBG were to default on their respective payment obligations, you may not receive any amounts owed to you under the Notes and you could lose your entire investment. The credit ratings of Lloyds Bank and LBG are an assessment by rating agencies of their ability to pay their obligations, including those under the Notes. Any actual or anticipated decline in Lloyds Bank's and LBG's credit ratings, or increase in the credit spreads charged by the market for taking credit risk, is likely to adversely affect the value of the Notes. However, because the return on the Notes is dependent upon factors in addition to Lloyds Bank's and LBG's credit ratings, an improvement in their credit ratings will not necessarily increase the value of the Notes and will not reduce market risk and other investment risks related to the Notes.

The Issue Price of the Notes has certain built-in costs, including the Selling Agent's commission and our cost of hedging, both of which are expected to be reflected in secondary market prices.

In determining the economic terms of the Notes, and consequently the potential return on the Notes to you, we have taken into account compensation to the Selling Agent for distributing the Notes, which is reflected in the Selling Agent's commission described on the cover of this pricing supplement, as well as certain costs associated with hedging our obligations under the Notes. The Issue Price of the Notes reflects these factors. As a result, the value of the Notes on the Issue Date is expected to be less than the Issue Price. Assuming no change in market conditions or any other relevant factors, the price, if any, at which the Selling Agent or another purchaser is willing to purchase the Notes in secondary market transactions will likely be less than the Issue Price. This is due to, among other things, the fact that the Issue Price includes, and secondary market prices are likely to exclude, the Selling Agent's commission with respect to, and the hedging costs associated with, the Notes. The cost of hedging includes the projected profit that may be realized in consideration for assuming the risks inherent in managing the hedging transactions. These secondary market prices are also likely to be reduced by the costs of unwinding the related hedging transactions. A profit may be realized from the expected hedging activity even if investors do not receive a favorable investment return under the terms of the Notes or in any secondary market transaction. In addition, any secondary market prices may differ from values determined by pricing models used by the Selling Agent, as a result of dealer discounts, mark-ups or other transaction costs.

After the first year, the Notes are subject to interest payment risk based on the Reference Rate.

Investing in the Notes is not equivalent to investing in securities directly linked to the CMS Rates or the Reference Rate. Instead, the amount of interest payable on the Notes (after the initial Interest Periods for which the Initial

Interest Rate is payable) is determined by multiplying (a) the applicable Multiplier by (b) the difference between the CMS Rates of the two maturities identified on the cover page hereof, as determined on the Interest Determination Date applicable to the relevant Interest Period, subject to the Minimum Interest Rate and the applicable Maximum Interest Rate. Accordingly, the amount of interest payable on the Notes is dependent on whether, and the extent to which, the Reference Rate is greater than the Minimum Interest Rate on the Interest Determination Date. Because the Minimum Interest Rate on the Notes is equal to 0.25% per annum, if the Reference Rate on any Interest Determination Date is equal to or less than zero, you would receive the Minimum Interest Rate on the related Interest Payment Date. If the Reference Rate is equal to or less than zero on every Interest Determination Date throughout the term of the Notes, then you would receive interest payments on your Notes at the Minimum Interest Rate throughout the term of the Notes.

The amount of interest payable on the Notes will vary after the first year.

Because the CMS Rates are floating rates, the Reference Rate, which is the difference between 30 Year CMS Rate and 2 Year CMS Rate, will fluctuate. From and including April 26, 2013 to but excluding the Maturity Date, the Notes will bear interest during each quarterly Interest Period at a per annum rate equal to the product of the Multiplier of 4.00 and the difference between 30 Year CMS Rate and 2 Year CMS Rate, as determined on the second U.S. Government Securities Business Day prior to the relevant Interest Reset Date, subject to a Minimum Interest Rate of 0.25% per annum and the applicable Maximum Interest Rate for that Interest Period. The per annum interest rate that is determined on the relevant Interest Determination Date will apply to the entire Interest Period following that Interest Determination Date, even if the difference between 30 Year CMS Rate and 2 Year CMS Rate increases during that interest period, but is applicable only to that quarterly Interest Period; interest payments for any other quarterly Interest Periods will vary.

The amount of interest payable on the Notes on each Floating Interest Rate Interest Payment Date is capped, and the amount of interest you will be entitled to receive may be less than the return you could earn on other investments with a comparable maturity.

The Floating Interest Rate on the Notes for each Floating Interest Rate Interest Period is capped for that period at the Maximum Interest Rate applicable to that period. Interest rates may change significantly over the term of the Notes, and it is impossible to predict what interest rates will be at any point in the future. Although the Floating Interest Rate on the Notes will be based on the levels of the CMS Rates, the Floating Interest Rate that will apply during each Floating Interest Rate Interest Period on the Notes may be more or less than other prevailing market interest rates at such time and in any event will never exceed the applicable Maximum Interest Rate regardless of the levels of the CMS Rates on any relevant Interest Determination Date. In addition, if the product of the CMS Spread and the Multiplier of 4.00 is less than the Maximum Interest Rate for any Floating Interest Rate Interest Period, the cumulative interest rate for such year will be less than the Maximum Interest Rate. As a result, the amount of interest you receive on the Notes may be less than the return you could earn on other investments with a comparable maturity.

If the CMS Rates change, the value of the Notes may not change in the same manner.

The price of your Notes may move differently than the CMS Rates. Changes in the CMS Rates may not result in a comparable change in the value of your Notes. We discuss some of the reasons for this disparity under "—After the first year, the Notes are subject to interest payment risk based on the Reference Rate," "—The amount of interest payable on the Notes will vary after the first year," "—The amount of interest payable on the Notes on each Floating Interest Rate Interest Payment Date is capped, and the amount of interest you will be entitled to receive may be less than the return you could earn on other investments with a comparable maturity" above and "—The value of the Notes prior to maturity and the Reference Rate will be influenced by many unpredictable factors, and the value of the Notes may be less than the Issue Price" below.

The Notes will not be listed or displayed on any securities exchange or quotation system, and there may be little or no secondary market for the Notes.

The Notes will not have an established trading market when issued and the Notes will not be listed or displayed on any securities exchange or quotation system; accordingly, there may be little or no secondary market for the Notes and, as such, information regarding independent market pricing for the Notes may be very limited or non-existent. Even if there is a secondary market, it may not provide enough liquidity to allow you to trade or sell the Notes easily. We, the Selling Agent and/or its affiliates may purchase and sell the Notes from time to time in the secondary market, but we, the Selling Agent and/or its affiliates are not obligated to do so. If we, the Selling Agent and/or its affiliates make such a market in the Notes, we, the Selling Agent and/or any such affiliate may stop doing so at any time and for any reason without notice. Because other dealers are not likely to make a secondary market for the Notes, the prices at which you may be able to trade your Notes will probably depend on the price, if any, at which we, the Selling Agent and/or its affiliates may be willing to buy the Notes. It is expected that transaction costs in any secondary market would be high and, as a result, the difference between bid and asked prices for your Notes in any secondary market could be substantial. There is no assurance that there will be a secondary market for any of the Notes. Accordingly, you should be willing to hold the Notes until the Maturity Date, and you may incur a loss if you sell the Notes prior to the Maturity Date or the Early Redemption Date, as applicable. In addition, the Selling Agent may, at any time, hold unsold inventory which may inhibit the development of a secondary market for the Notes.

The value of the Notes prior to maturity and the Reference Rate will be influenced by many unpredictable factors, and the value of the Notes may be less than the Issue Price.

The value of the Notes may be less than the Issue Price of the Notes. The value of the Notes may be affected by a number of factors that may either offset or magnify each other, including the following:

- the difference between 30 Year CMS Rate and 2 Year CMS Rate. In general, the value of the Notes will increase when the difference between the CMS Rates increases (to the extent that 30 Year CMS Rate is greater than 2 Year CMS Rate), and the value of the Notes will decrease when the difference between the CMS Rates decreases (to the extent that 30 Year CMS Rate is greater than 2 Year CMS Rate). Conversely, the value of the Notes will decrease when the difference between the CMS Rates increases (to the extent that 2 Year CMS Rate is greater than 30 Year CMS Rate), and the value of the Notes will increase when the difference between the CMS Rates decreases (to the extent tha