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16 December 2009

REPURCHASE AND CANCELLATION OF PREFERENCE SHARES

As described in its previous announcement on 11 December 2009, Lloyds Banking Group plc (“Lloyds Banking Group”) has now settled the exchanges described below. On 15 December 2009, Lloyds Banking Group repurchased for cancellation (i) 301,900 preference shares (representing U.S.\$301,900,000 in liquidation preference) of its U.S.\$750,000,000 6.413 per cent. Non-Cumulative Fixed to Floating Rate Preference Shares (ISIN: GB00B3KSBH82) leaving 448,100 preference shares (representing U.S.\$448,100,000 in liquidation preference) outstanding; (ii) 178,922 preference shares (representing U.S.\$178,922,000 in liquidation preference) of its U.S.\$750,000,000 5.92 per cent. Non-Cumulative Fixed to Floating Rate Preference Shares (ISIN: GB00B3KSBJ07) leaving 571,078 preference shares (representing U.S.\$571,078,000 in liquidation preference) outstanding; (iii) 221,292 preference shares (representing U.S.\$221,292,000 in liquidation preference) of its U.S.\$750,000,000 6.657 per cent. Non-Cumulative Fixed to Floating Rate Preference Shares (ISIN: GB00B3KS BK12) leaving 528,708 preference shares (representing U.S.\$528,708,000 in liquidation preference) outstanding; and (iv) 356,648 preference shares (representing U.S.\$356,648,000 in liquidation preference) of its U.S.\$1,000,000,000 6.267 per cent. Non-Cumulative Fixed to Floating Rate Preference Shares (ISIN: XS0460002693) leaving 643,352 preference shares (representing U.S.\$643,352,000 in liquidation preference) outstanding.

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