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LLOYDS BANKING GROUP ANNOUNCES A PROPOSED 1.34 FOR 1 RIGHTS ISSUE OF 36,505,088,579 NEW SHARES AT AN ISSUE PRICE OF 37 PENCE PER NEW SHARE

Unless otherwise defined in this announcement, capitalised definitions shall have the same meaning as in the rights issue prospectus (the "Prospectus") published on 3 November 2009 by Lloyds Banking Group plc (the "Company" or "Lloyds Banking Group") in connection with the Rights Issue.

Lloyds Banking Group is pleased to announce that the Issue Price at which the New Shares will be offered pursuant to the Rights Issue has been set at 37 pence per New Share.

The Rights Issue comprises the offer of 36,505,088,579 New Shares at an Issue Price of 37 pence on the basis of 1.34 New Shares for every 1 Existing Ordinary Share held at the Record Date. The expected gross proceeds of the Rights Issue receivable by Lloyds Banking Group total £13,506,882,774.

The Issue Price represents a discount of 59.5 per cent. to the Closing Price of the Company's Ordinary Shares on 23 November 2009 (being the latest practicable date prior to the publication of this announcement) and a discount of 38.6 per cent. to the theoretical ex-rights price based on this Closing Price.

The New Shares will represent 57.3 per cent. of the enlarged share capital of Lloyds Banking Group immediately following completion of the Rights Issue and Share Subdivision.

RIGHTS ISSUE STATISTICS

Issue Price per New Share	37 pence
Discount of Issue Price to the Closing Price on 23 November 2009 (being the last practicable date before the publication of this announcement)	59.5 per cent.
Discount of Issue Price to theoretical ex-rights price based on the Closing Price on 23 November 2009	38.6 per cent.
Basis of Rights Issue	1.34 New Shares for every 1 Existing Ordinary Share
Number of Ordinary Shares in issue as at the date of this announcement	27,161,682,366
Number of Ordinary Shares to be issued by Lloyds Banking Group pursuant to the Rights Issue	36,505,088,579
New Shares as a percentage of Actual Enlarged Share Capital of Lloyds Banking Group immediately following completion of the Rights Issue ⁽¹⁾ and Share Subdivision	57.3 per cent.
Expected gross proceeds of the Rights Issue receivable by Lloyds Banking Group	£13,506,882,774

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	<i>Date</i>
Record Date for entitlement under the Rights Issue for Qualifying CREST Shareholders and Qualifying Non-CREST Shareholders and for holders of Limited Voting Shares for the LVS Capitalisation Issue	Close of business on 20 November 2009
Announcement of Issue Price and entitlements of Qualifying Shareholders	7.00 a.m. on 24 November 2009
Latest time and date for receipt of Forms of Proxy for the General Meeting	11.00 a.m. on 24 November 2009
General Meeting	11.00 a.m. on 26 November 2009
LVS Record Date for entitlement under the Rights Issue for Qualifying LV Shareholders	4.30 p.m. on 26 November 2009
Share Subdivision becomes effective	Close of business on 26 November 2009
Despatch of Provisional Allotment Letters (to Qualifying Non-CREST Shareholders only)	26 November 2009
Start of subscription period	26 November 2009
Admission	8.00 a.m. on 27 November 2009
Dealings in New Shares, nil paid, commence on the London Stock Exchange	8.00 a.m. on 27 November 2009
Existing Ordinary Shares marked "ex-rights" by the London Stock Exchange	8.00 a.m. on 27 November 2009

Note:

(1) On the assumption that no further Ordinary Shares are issued as a result of the exercise of any options under any Lloyds Banking Group Employee Share Plans between the date of this announcement and the closing of the Rights Issue.

Nil Paid Rights credited to stock accounts in CREST (Qualifying CREST Shareholders only)	8.00 a.m. on 27 November 2009
Nil Paid Rights and Fully Paid Rights enabled in CREST	8.00 a.m. on 27 November 2009
Recommended latest time for requesting withdrawal of Nil Paid Rights and Fully Paid Rights from CREST (i.e. if your Nil Paid Rights and Fully Paid Rights are in CREST and you wish to convert them to certificated form)	3.00 p.m. on 4 December 2009
Latest time for depositing renounced Provisional Allotment Letters, nil or fully paid, into CREST or for dematerialising Nil Paid Rights or Fully Paid Rights into a CREST stock account (i.e. if your Nil Paid Rights and Fully Paid Rights are represented by a Provisional Allotment Letter and you wish to convert them to uncertificated form)	3.00 p.m. on 8 December 2009
Latest time and date for splitting Provisional Allotment Letters, nil or fully paid	3.00 p.m. on 9 December 2009
Latest time and date for acceptance, payment in full and registration or renunciation of Provisional Allotment Letters	11.00 a.m. on 11 December 2009
Dealings in New Shares, fully paid, commence on the London Stock Exchange	8.00 a.m. on 14 December 2009
New Shares credited to CREST accounts	by 14 December 2009
Despatch of definitive share certificates for the New Shares in certificated form	by 29 December 2009

This announcement is an advertisement and not a prospectus or a pricing statement and investors should not subscribe for or purchase any transferable securities referred to in this announcement except on the basis of the information in the Prospectus and the pricing statement expected to be issued by the Company today (the "Pricing Statement") in connection with the admission of its ordinary shares to the Official List of the Financial Services Authority and to trading on London Stock Exchange plc's main market for listed securities. No person has been authorised to give any information or make any representations other than those contained in the Prospectus and the Pricing Statement and, if given or made, such information or representations must not be relied upon as having been authorised by Lloyds Banking Group, the Directors, the Banks, the Co-Bookrunner, the Senior Co-Lead Managers or the Co-Lead Managers. Copies of the Prospectus are available for inspection during usual business hours on any weekday (Saturdays, Sundays, and public holidays excepted) up to 27 November 2009 at the registered office of the Company at Henry Duncan House, 120 George Street, Edinburgh EH2 4LH and at the offices of Linklaters LLP, One Silk Street, London EC2Y 8HQ, and on Lloyds Banking Group's website (www.lloydsbankinggroup.com). The Pricing Statement is available for viewing on Lloyds Banking Group's website (www.lloydsbankinggroup.com).

This announcement does not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States. The Nil Paid Rights, Fully Paid Rights and New Shares have not been and will not be registered under the Securities Act or under any securities laws of any state or other jurisdiction of the United States and may not be offered, sold, resold, transferred or delivered, directly or indirectly, within the United States except pursuant to an applicable exemption from the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. There will be no public offer of the Nil Paid Rights, Fully Paid Rights and New Shares in the United States. Neither the SEC nor any other US federal or state securities commission or regulatory authority has approved or disapproved the Nil Paid Rights, Fully Paid Rights and New Shares or passed an opinion on the adequacy of this announcement, the Prospectus, the Pricing Statement or the Provisional Allotment Letters. Any representation to the contrary is a criminal offence in the United States. Shareholders or holders of Lloyds Banking Group ADSs who are or become affiliates (within the meaning of the Securities Act) of Lloyds Banking Group will be subject to restrictions on the resale of the New Shares in the United States.

The securities mentioned herein and in the Prospectus may not be offered, sold, resold, transferred or delivered, directly or indirectly, in any Restricted Jurisdiction absent registration or an applicable exemption from the registration requirements of the relevant laws of any Restricted Jurisdiction. There will be no public offer of such securities in any Restricted Jurisdiction. This announcement does not constitute an offer to sell, or a solicitation of an offer to subscribe for, the securities being issued in any jurisdiction in which such offer or solicitation is unlawful.

The contents of Lloyds Banking Group's website do not form part of the Prospectus, the Pricing Statement or this announcement.

The contents of this announcement are not to be construed as legal, financial, business or tax advice. Each prospective investor should consult its own legal adviser, financial adviser or tax adviser for legal, financial or tax advice.

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