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27 November 2009

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CONVERSION PRICE ANNOUNCEMENT – NON US EXCHANGE OFFER

Further to the announcement on 3 November 2009, pursuant to which Lloyds Banking Group plc (“**Lloyds Banking Group**”) invited Holders of certain Existing Securities to Offer to Exchange their Existing Securities for Enhanced Capital Notes or an Exchange Consideration Amount, Lloyds Banking Group hereby announces the Conversion Price, as set out in the Exchange Offer Memorandum dated 3 November 2009.

Conversion Price

The Conversion Price, determined by the Lead Dealer Managers in accordance with the procedures set out in the Exchange Offer Memorandum, is £0.592093.

The Conversion Price shall apply to all series of ECNs and Additional ECNs issued pursuant to the Exchange Offer, and is subject to adjustment from time to time in accordance with the provisions of the ECN Deed Poll.

Rights Issue Factor

The Conversion Price was calculated by multiplying the Unadjusted Conversion Price of 89.7246 pence per Ordinary Share (as announced by Lloyds Banking Group on 18 November 2009) by the Rights Issue Factor. The Rights Issue Factor, as calculated by the Lead Dealer Managers is 0.6599.

For the purposes of calculating the Rights Issue Factor in accordance with the procedures set out in Part VI of the Exchange Offer Memorandum, the Current Market Price per Ordinary Share was calculated based upon the arithmetic average of the daily per share Volume-Weighted Average Price (“**VWAP**”) of Ordinary Shares on the London Stock Exchange (calculated in sterling) for each of the 10 consecutive trading days, as set out below. The Current Market Price, as calculated by the Lead Dealer Managers, is 90.9445 pence.

<i>Trading Day</i>	<i>VWAP per Ordinary Share</i>
13 November 2009	89.6939 pence
16 November 2009	90.0671 pence
17 November 2009	91.2545 pence
18 November 2009	90.4966 pence
19 November 2009	90.3275 pence
20 November 2009	89.0630 pence
23 November 2009	90.6671 pence
24 November 2009	93.0180 pence
25 November 2009	94.2844 pence
26 November 2009	90.5725 pence

Maximum Approved Amount

The Maximum Approved Amount, as calculated on 27 November 2009 in accordance with the procedures set out in the Exchange Offer Memorandum, is 3,341,228,996. The Maximum Approved Amount is subject to adjustment from time to time in accordance with any adjustments made to the Conversion Price under the terms of the ECN Deed Poll.

Capitalised terms used, but not otherwise defined in this announcement, shall have the meanings given to them in the Exchange Offer Memorandum dated 3 November 2009 relating to the Non-US Exchange Offer.

– END –

For further information:

Investor Relations

Michael Oliver +44 (0) 20 7356 2167
Director of Investor Relations
Email: michael.oliver@ltsb-finance.co.uk

Moira d’Arcy +44 (0) 20 7356 2164
Head of Debt Investor Relations
Email: moira.d’arcy@ltsb-finance.co.uk

Media Relations

Sara Evans +44 (0) 20 7356 2075
Media Relations Manager
Email: sara.evans2@lloydstsb.co.uk

In addition, requests for information in relation to the Non-US Exchange Offer may be directed to:

JOINT GLOBAL CO-ORDINATORS, JOINT SPONSORS, LEAD DEALER MANAGERS AND JOINT STRUCTURING ADVISERS

Merrill Lynch International

Merrill Lynch Financial Centre
2 King Edward Street
London EC1A 1HQ
United Kingdom

Tel: +44 20 7995 3715

Fax: +44 20 7995 8582

Attention: Liability Management –
John Cavanagh

email: john.m.cavanagh@baml.com

UBS Limited

1 Finsbury Avenue
London EC2M 2PP
United Kingdom

Tel: +44 20 7567 0525

Fax: +44 20 7568 5332

Attention: Liability Management Group
email: OL-Lloyds-Exchange@ubs.com

The other Dealer Managers in connection with the Non-US Exchange Offer are:

DEALER MANAGERS

Citigroup Global Markets Limited

Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

Tel: +44 20 7986 8969

Attention: Liability Management

Graham Bahan

email:

liabilitymanagement.europe@citi.com

Goldman Sachs International

Peterborough Court
133 Fleet Street
London EC4A 2BB
United Kingdom

Tel: +44 20 7552 9912

Fax: +44 20 7774 4477

Attention: European Fixed Income

Syndicate

Oliver Sedgwick

email: oliver.sedgwick@gs.com

HSBC Bank plc

8 Canada Square
London E14 5HQ
United Kingdom

Tel: +44 20 7991 5874

Attention: Liability Management – Andrew
Montgomery

email: liability.management@hsbcib.com

J.P. Morgan Securities Ltd.

125 London Wall
London EC2Y 5AJ
United Kingdom

Tel: +44 20 7779 2468

Attention: FIG Syndicate - Richard Howard

email: richard.v.howard@jpmorgan.com

FORWARD LOOKING STATEMENTS

This announcement contains forward looking statements with respect to the business, strategy and plans of Lloyds Banking Group, its current goals and expectations relating to its future financial condition and performance. By their nature, forward looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. The Group's actual future results may differ materially from the results expressed or implied in these forward looking statements as a result of a variety of factors, including UK domestic and global economic and business conditions, the ability to derive cost savings and other benefits as well as to mitigate exposures from the acquisition and integration of HBOS, risks concerning borrower quality, market related trends and developments, changing demographic trends, changes in customer preferences, changes to regulation, the policies and actions of governmental and regulatory authorities in the UK or jurisdictions outside the UK, including other European countries and the US, exposure to regulatory scrutiny, legal proceedings or complaints, competition and other factors. Please refer to the latest Annual Report on Form 20-F filed with the US Securities and Exchange Commission for a discussion of such factors. The forward looking statements contained in this announcement are made as at the date of this announcement, and the Group undertakes no obligation to update any of its forward looking statements.

DISCLAIMER

This announcement must be read in conjunction with the exchange offer memorandum for the Non-US Exchange Offer dated 3 November 2009 (the "Non-US Exchange Offer Memorandum"). This announcement and the Non-US Exchange Offer Memorandum contain important information which must be read carefully before any decision is made with respect to the Non-US Exchange Offer. If any Holder is in any doubt as to the action it should take, it is recommended to seek its own legal, tax, financial and accounting advice, including as to any tax consequences, from its stockbroker, bank manager, solicitor, accountant or other independent financial adviser. Any individual or company whose Existing Securities are held on its behalf by a broker, dealer, bank, custodian, trust company, or other nominee must contact such entity if it wishes to participate in the Non-US Exchange Offer. None of the Dealer Managers, the Exchange Agent, the ECN Trustee, or any person who controls, or is a director, officer, employee or agent of such persons, or any affiliate of such persons, makes any recommendation as to whether Holders should participate in the Non-US Exchange Offer. No offer or invitation to acquire or exchange any securities is being made pursuant to this announcement. Neither this announcement nor the Non-US Exchange Offer Memorandum constitute an invitation to participate in the Non-US Exchange Offer in any jurisdiction in which, or to or from any person to or from whom, it is unlawful to make such invitation under applicable securities laws and offers of Existing Securities for exchange pursuant to the Non-US Exchange Offer will not be accepted from Holders in any jurisdiction where such invitation is unlawful.

The distribution of this announcement and the Non-US Exchange Offer Memorandum in certain jurisdictions may be restricted by law. Persons into whose possession this announcement and/or the Non-US Exchange Offer Memorandum come are required by each of the ECN Issuers, Lloyds Banking Group, the Dealer Managers and the Exchange Agent to inform themselves about, and to observe, any such restrictions.

OFFER RESTRICTIONS

European Economic Area

This announcement and the Non-US Exchange Offer Memorandum have been prepared on the basis that the Non-US Exchange Offer will either be made pursuant to an exemption under the Prospectus Directive, as implemented in Member States of the EEA, from the requirement to produce a prospectus for offers of the ECNs or the relevant Exchange Consideration or by the use of the Non-US Exchange Offer Memorandum, as a prospectus approved by the UKLA and prepared in accordance with the Prospectus Directive and the Prospectus Rules made under section 73A of FSMA and passported to the EEA Permitted Jurisdictions. Accordingly, any person making or intending to make an Offer to Exchange within the EEA should only do so in the EEA Permitted Jurisdictions using the Non-US Exchange Offer Memorandum, or, in any other EEA jurisdiction, in circumstances in which no obligation arises for the ECN Issuers, Lloyds Banking Group or any of the Dealer Managers to produce a prospectus for such offer.

United States

The Non-US Exchange Offer is not being made, and will not be made, directly or indirectly, in or into, or by use of the mail of, or by any means or instrumentality of interstate or foreign commerce of or of any facilities of a national securities exchange of, the United States or to, or for the account or benefit of, US persons. This includes, but is not limited to, facsimile transmission, electronic mail, telex, telephone and the internet. Accordingly, copies of this announcement, the Non-US Exchange Offer Memorandum and any other documents or materials relating to the Non-US Exchange Offer are not being, and must not be, directly or indirectly, mailed or otherwise transmitted, distributed or forwarded (including, without limitation, by custodians, nominees or trustees) in or into the United States or to US persons and the Existing Securities for the Non-US Exchange Offer cannot be Offered for Exchange by any such use, means, instruments or facilities or from within the United States or by US persons. Any purported Offer to Exchange such Existing

Securities resulting directly or indirectly from a violation of these restrictions will be invalid, and any purported Offer to Exchange made by a US person, a resident of the United States or from the United States or from any agent, fiduciary or other intermediary acting on a nondiscretionary basis for a principal giving instructions from within the United States or for a US person will be invalid and will not be accepted.

Neither this announcement nor the Non-US Exchange Offer Memorandum constitute an offer of securities for sale in the United States or to US persons. The New Securities have not been, and will not be, registered under the Securities Act or the securities laws of any state or jurisdiction of the United States, and may not be offered, sold or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, US persons. There will be no public offering of securities in the United States. The purpose of this announcement and the Non-US Exchange Offer Memorandum is limited to the Non-US Exchange Offer, and neither this announcement nor the Non-US Exchange Offer Memorandum may be sent or given to any person other than in an offshore transaction in accordance with Regulation S under the Securities Act.

Each Holder of Existing Securities participating in the Non-US Exchange Offer will represent that it is not a US person and is participating in the Non-US Exchange Offer in accordance with Regulation S under the Securities Act and that it is not participating in the Non-US Exchange Offer from the United States nor is it a US person or an agent, fiduciary or other intermediary acting on a non-discretionary basis for a principal giving instructions from within the United States or for a US person.

Italy

This announcement and the Non-US Exchange Offer is not being made in the Republic of Italy. The Non-US Exchange Offer, this announcement and the Non-US Exchange Offer Memorandum have not been submitted to the clearance procedure of the Commissione Nazionale per le Società e la Borsa (“CONSOB”) pursuant to Italian laws and regulations. Accordingly, the Non-US Exchange Offer is not made or made available to holders of Existing Securities who are Italian residents and/or persons located in the Republic of Italy and they may not submit acceptances relating to Existing Securities in respect of the Non-US Exchange Offer and, as such, any acceptances received from or on behalf of such Holders of Existing Securities shall be ineffective and void. Neither the Non-US Exchange Offer Memorandum nor any other information material relating to the Non-US Exchange Offer or the Existing Securities may be distributed or made available in the Republic of Italy.

Belgium

Neither this announcement, the Non-US Exchange Offer Memorandum nor any other offering material has been submitted or will be submitted for approval or recognition to the Belgian Banking, Finance and Insurance Commission (“Commission bancaire, financière et des assurances/Commissie voor het Bank-, Financie- en Assurantiewezen”). The Non-US Exchange Offer may not be made in Belgium by way of a public offering, as defined in Articles 3 and 6 of the Belgian Law of 1 April 2007 on public takeover bids or as defined in Article 3 of the Belgian Law of 16 June 2006 on the public offer of placement instruments and the admission to trading of placement instruments on regulated markets (the “Belgian Public Offer Law”), each as amended or replaced from time to time. Accordingly, the Non-US Exchange Offer may not be advertised and the Non-US Exchange Offer will not be extended and no Non-US Exchange Offer Memorandum, other memorandum, information circular, brochure or any similar document has or will be distributed, directly or indirectly, to any person in Belgium other than “qualified investors” in the meaning of Article 10 of the Belgian Public Offer Law (as amended from time to time). This announcement and the Non-US Exchange Offer Memorandum have been issued only for the personal use of the above qualified investors and exclusively for the purpose of the Non-US Exchange Offer. Accordingly, the information contained herein and in the Non-US Exchange Offer Memorandum, may not be used for any other purpose or disclosed to any other person in Belgium.

General

The Dealer Managers, the Registrars and the Exchange Agent (and their respective directors, employees or affiliates) make no representations or recommendations whatsoever regarding this document or the Non-US Exchange Offer. The Exchange Agent is the agent of the ECN Issuers and Lloyds Banking Group and owes no duty to any Holder. None of Lloyds Banking Group, the ECN Issuers, the Dealer Managers, the Registrars or the Exchange Agent makes any recommendation as to whether or not Holders should participate in the Non-US Exchange Offer.

The Non-US Exchange Offer does not constitute an offer to buy or the solicitation of an offer to sell the Existing Securities and/or the New Securities in any circumstances in which such offer or solicitation is unlawful. In those jurisdictions where the securities or other laws require the Non-US Exchange Offer to be made by a licensed broker or dealer and either of the Dealer Managers or any of their respective affiliates is such a licensed broker or dealer in that jurisdiction, the Non-US Exchange Offer shall be deemed to be made on behalf of Lloyds Banking Group and the ECN Issuers by such Dealer Manager or affiliate (as the case may be) in such jurisdiction.