

29 April 2021



Lloyds Banking Group plc
25 Gresham Street
London EC2V 7HN

Lloyds Banking Group Directors' Remuneration Report (Resolution 11)

Please find below additional context and detail on the performance adjustment for Mr Colombás to support shareholders in their voting decision.

The performance adjustment for Mr Colombás that we disclosed in our 2020 Directors' Remuneration Report relates to a downward adjustment in respect of awards made in performance years 2011 to 2015 (an 'ex-post' or 'malus' adjustment) and is applied on the basis of 'Functional Accountability'. There was no finding of individual failure or wrongdoing and no concern over individual behaviour. The adjustment was made in line with our standard and comprehensive governance process, which has been applied over a number of previous years, and is aligned to regulatory requirements. This adjustment was made in respect of Mr Colombás' prior role as Chief Risk Officer held in the relevant earlier years.

We were the only large UK bank to pay no annual bonus (Group Performance Share, our short term incentive award) to Executive Directors in respect of 2020. We have worked hard on ensuring greater alignment with shareholder outcomes in our compensation and simplifying our disclosure which meets all regulatory and corporate governance requirements. Accordingly, we would welcome the support of our shareholders in voting in favour of the report.

This information is also available on the Lloyds Banking Group website. Please contact Douglas Radcliffe, Group Investor Relations Director on +44 (0)20 7356 1571 or douglas.radcliffe@lloydsbanking.com if you require any further detail.