

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you have any doubt about the action you should take, it is recommended that you consult your stockbroker, solicitor, accountant or other professional adviser authorised under the Financial Services and Markets Act 2000.

If you have sold or transferred all your ordinary shares in Lloyds Banking Group plc, please give this and the accompanying documents to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was made.

Harry F Baines
Company Secretary &
General Counsel

**LLOYDS
BANKING
GROUP**



17 April 2009

Lloyds Banking Group plc
25 Gresham Street
London EC2V 7HN

Dear Shareholder,

Annual general meeting and related matters

I am pleased to provide you with information regarding the first annual general meeting of the enlarged Lloyds Banking Group (formerly Lloyds TSB Group) following the acquisition of HBOS plc in January.

Included with this letter you will find either a copy of our annual report and accounts or the summary financial statement. You will also find a proxy form enclosed, or if you hold shares in the Lloyds Banking Group shareholder account administered by Halifax Nominees Limited a voting form, to enable you to exercise your voting rights, in the event that you are unable to attend the meeting. The relevant form will also include a tax voucher for the 2008/9 tax year for those shareholders who have had their dividends paid directly to a bank or building society account.

The annual general meeting will be held at the Scottish Exhibition & Conference Centre, Glasgow G3 8YW, at 11.00 am on Friday 5 June 2009. The meeting provides an opportunity for the company's shareholders to communicate with the directors and I sincerely hope that you will take this opportunity to do so. However, I appreciate that most shareholders will not attend the meeting in person. If you cannot attend, I strongly encourage you to exercise your right to vote by appointing a proxy.

The notice of meeting begins on page 4.

Resolutions numbered 1 to 6 relate to the receiving of the report and accounts; the approval of the directors' remuneration report; the election or re-election of directors; the re-appointment of the auditors; and the audit committee's authority to set the auditors' remuneration.

Resolutions 7 to 11 relate to the share capital of the company. Resolution 7 relates to the company seeking shareholder approval to increase its authorised share capital to give it sufficient authorised but unissued share capital to take advantage of the revised Association of British Insurers ('ABI') guidance published in December 2008. This guidance allows a company to grant its directors authority to issue up to two thirds of the company's existing share capital in connection with a rights issue. Resolutions 8 and 9 relating to renewing the directors' authority to allot and issue shares and also reflect the recommendations in the ABI guidance. Resolution 10

renews the company's authority to make market purchases of the ordinary shares and Resolution 11 renews the authority passed at the company's general meeting on 19 November 2008 to make market purchases of the company's Preference Shares issued to HM Treasury. Your directors consider that the authorities in these resolutions should be continued, to give flexibility for both business opportunities as they arise and to react to market developments, although there is no present intention of exercising them, other than to maintain the group's prudent capital position and to fulfil the company's obligations under its executive and employees' share schemes.

Resolution 12 relates to amendments to the articles of association to reflect provisions of the Companies Act 2006 ('the new act') coming into force in October 2009. An explanation of the main changes proposed is given on pages 9 and 10. When we wrote to shareholders last year, in connection with changes to the articles relating to provisions of the new act introduced in 2008, we mentioned that, as the act was being brought into force in stages, it was likely that further changes would be proposed at subsequent annual general meetings. Commencement dates for the final sections of the new act will occur later in 2009 and, accordingly, further changes to the articles of association are required this year.

Resolution 13 relates to our ability to call general meetings (other than annual general meetings) on 14 days' notice. The Shareholder Rights Directive is intended to be implemented in the UK in August this year. As a result of the introduction of the Shareholder Rights Directive, if the company wishes to retain the ability to call a general meeting on 14 (rather than 21) days' notice a specific annual approval is required notwithstanding that the articles of association of the company permit a meeting to be called on 14 days' notice. We are proposing this resolution so that we can continue to be able to hold general meetings on 14 days' notice after the Directive is implemented.

Resolution 14 relates to political donations and expenditure. As in previous years, and in accordance with revised provisions of the Companies Act 2006, we are asking shareholders to grant a general authority for the company and its UK subsidiaries to make political donations and incur political expenditure. The act includes broad definitions of political donations and expenditure which have the effect of covering a number of normal business activities that would not ordinarily be regarded as being a political donation or expenditure. We continue to avoid participating in any activity which we have reasonable grounds for believing falls within the scope of the act and it remains our policy not to make political donations. However, there are 'grey areas' and this authority is to prevent inadvertent breaches of the law in these 'grey areas'.

Form of proxy or voting form

A form of proxy or voting form is enclosed for you to complete according to the instructions printed on it and send to the company's registrar.

Shareholders may also register their proxy appointment and instructions electronically and full details of the appropriate electronic address to use are shown on the form of proxy or voting form.

All proxies must be received by the registrar by 11.00 am on 3 June 2009. However, an earlier date applies for shares held within the Lloyds Banking Group shareholder account and the relevant date is shown on the voting form. Appointment of a proxy will not prevent you from attending and voting at the meeting, if you subsequently find that you are able to do so.

Meeting arrangements

As in previous years, all the resolutions included in the notice of the annual general meeting will be decided on a poll. We believe that this is fair and democratic and means that shareholders who attend the meeting, as well as those who are not able to attend but have sent us proxy forms, may have their votes taken into account according to the number of shares they hold. Details of the results of the polls will be announced through the stock exchange information service and will appear on our website, www.lloydsbankinggroup.com.

If you are attending, you will have the opportunity to ask questions relating to the business of the meeting. There will be a designated area where customer service issues may be raised with directors and staff, both before and after the meeting. Therefore, in the interests of the general body of shareholders who attend the meeting, it would not be appropriate for us to respond, during the meeting, to questions which relate to individual customer, as distinct from shareholder, issues.

Recommendation

Your directors consider that all the resolutions in the notice of meeting are in the best interests of the company and shareholders as a whole and we recommend that you vote in favour of them.

Capitalisation Issue

Following approval by shareholders at the general meeting on 19 November 2008 the board has approved a capitalisation issue of 1 share for every 40 shares held. The shares will be allotted on 11 May 2009 to eligible shareholders whose names appear on the register of members on 8 May 2009. Share certificates and Lloyds Banking Group shareholder account statements will be despatched by 22 May 2009.

Yours faithfully



Harry F Baines

Notice of annual general meeting

The annual general meeting of Lloyds Banking Group plc will be held at the Scottish Exhibition & Conference Centre, Glasgow G3 8YW, on Friday 5 June 2009 at 11.00 am, for the following purposes:

1. Report and accounts

To receive the accounts and the reports of the directors and of the auditors for the year ended 31 December 2008.

2. Directors' remuneration report

To approve the directors' remuneration report contained in the report and accounts.

3. Election of directors

By separate resolutions, to elect as directors, the following, who retire under article 79 of the company's articles of association, having been appointed by the board since the last annual general meeting.

- (a) Ms C J McCall
- (b) Mr T T Ryan Jr
- (c) Mr M A Scicluna
- (d) Mr T J W Tookey
- (e) Mr Anthony Watson

(We consider that these directors should be elected, to maintain the appropriate balance of skills, knowledge and experience on the board.)

4. Re-election of directors

By separate resolutions, to re-elect as directors, the following, who retire under article 82 of the company's articles of association.

- (a) Sir Victor Blank
- (b) Mr A G Kane
- (c) Lord Leitch

(Following an evaluation of the performance of the board, its committees and individual directors, we consider that the performance of the directors, including those mentioned above, continues to be effective and that they have demonstrated commitment to their roles.)

5. Re-appointment of auditors

To re-appoint PricewaterhouseCoopers LLP as auditors.

6. Auditors' remuneration

To authorise the audit committee to set the remuneration of the auditors.

7. Increase in authorised share capital

To resolve as an ordinary resolution:

That the authorised share capital of the company be increased from £5,675,477,055, €40,000,000, US\$40,000,000 and ¥1,250,000,000 to £7,043,396,347, €40,000,000, US\$40,000,000 and ¥1,250,000,000.

(On 1 October 2009 the concept of authorised share capital will be abolished as a result of changes to be brought in by the Companies Act 2006. In the interim period, between the date of the annual general meeting and 1 October 2009, shareholders are being asked to authorise an increase of approximately 25% to the company's authorised share capital in order to allow it to take advantage

of the ABI guidance allowing a company to grant directors authority to issue up to two thirds of their existing share capital in connection with a rights issue.)

8. Directors' authority to allot shares

To resolve:

That the directors be generally and unconditionally authorised pursuant to and in accordance with section 80 of the Companies Act 1985 to exercise all the powers of the company to allot relevant securities (as defined in section 80(2) of the Companies Act 1985):

- (i) up to a nominal amount of (I) £1,368,679,269 in ordinary shares and (II) £52,035,254, US\$38,875,000, €39,875,000 and ¥1,250,000,000 in preference shares;
- (ii) subject to the passing of resolution 7 above, comprising equity securities (as defined in the Companies Act 1985) up to a further nominal amount of £1,368,679,269 in connection with an offer by way of a rights issue;

such authorities to apply in substitution for all previous authorities pursuant to section 80 of the Companies Act 1985 and to expire at the end of the next annual general meeting or on 4 September 2010, whichever is the earlier but, in each case, so that the company may make offers and enter into agreements during the relevant period which would, or might, require relevant securities to be allotted after the authority ends.

For the purposes of this resolution 'rights issue' means an offer to:

- (a) ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
- (b) people who are holders of other equity securities if this is required by the rights of those securities or, if the directors consider it necessary, as permitted by the rights of those securities, to subscribe further securities by means of the issue of a renounceable letter (or other negotiable document) which may be traded for a period before payment for the securities is due, but subject in both cases to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory.

(In relation to paragraph (i) this would, as in previous years, extend the directors' authority, so that for the period mentioned above they would be able to allot up to the whole of the authorised but unissued share capital, including the preference share capital. The authority would relate to shares representing approximately 33.3% of the current issued ordinary share capital. None of the ordinary shares of the company are held in treasury. Following the December 2008 ABI guidance on authority to allot, companies may continue to propose a resolution at their annual general meeting to seek general authority to allot an amount equal to one third of their share capital. In addition companies may now also pass a resolution to authorise the allotment of a further one third to be used only for a fully pre-emptive rights issue which is reflected in paragraph (ii) above.)

9. Directors' power to issue shares for cash

To resolve as a special resolution:

That subject to the passing of resolution 8 above, the directors be empowered to allot equity securities (as defined in section 94(2) of the Companies Act 1985) wholly for cash:

- (i) pursuant to the authority given by paragraph (i) of resolution 8 above or where the allotment constitutes an allotment of equity securities by virtue of section 94(3A) of the Companies Act 1985 in each case:
 - (I) in connection with a pre-emptive offer; and
 - (II) otherwise than in connection with a pre-emptive offer, up to an aggregate nominal amount of £205,301,890; and
- (ii) pursuant to the authority given by paragraph (ii) of resolution 8 above in connection with a rights issue, as if section 89(1) of the Companies Act 1985 did not apply to any such allotment;

such power to expire at the end of the next annual general meeting or on 4 September 2010, whichever is the earlier but so that the company may make offers and enter into agreements during this period which would, or might, require equity securities to be allotted after the power ends and the Board may allot equity securities under any such offer or agreement as if the power had not ended.

For the purposes of this resolution:

- (a) 'rights issue' has the same meaning as in resolution 8 above;
- (b) 'pre-emptive offer' means an offer of equity securities open for acceptance for a period fixed by the directors to (a) holders (other than the company) on the register on a record date fixed by the directors of ordinary shares in proportion to their respective holdings and (b) other persons so entitled by virtue of the rights attaching to any other equity securities held by them, but subject in both cases to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory;
- (c) references to an allotment of equity securities shall include a sale of treasury shares; and
- (d) the nominal amount of any securities shall be taken to be, in the case of rights to subscribe for or convert any securities into shares of the company, the nominal amount of such shares which may be allotted pursuant to such rights.

(This would, as in previous years, renew the directors' power to issue shares for cash, for example in a rights issue, or to persons other than existing shareholders provided that any such issue of ordinary shares to these persons would represent no more than 5% of the issued ordinary share capital. In addition, if the company were to purchase its own shares and hold them in treasury, this resolution would give the directors power to sell these shares for cash to persons other than existing shareholders, subject to the same limit that would apply to issues of shares for cash to these persons. In addition, the resolution authorises the directors to issue shares for cash in connection with a rights issue on a non pre-emptive basis. In applying the powers to be granted by virtue of this resolution, the company intends to adhere to the Pre-emption Group's Statement of Principles which provides that no more than 7.5% of the issued share capital should be issued on a non pre-emptive basis over a rolling three-year period without prior consultation with shareholders.)

10. Authority to purchase ordinary shares

To resolve as a special resolution:

That the company's general and unconditional authority, conferred by resolution passed at the annual general meeting of the company in 2008, to make market purchases, within the meaning of section 163 of the Companies Act 1985, of ordinary shares of 25p each in the capital of the company be further renewed and extended from the conclusion of this meeting, and where such shares are held in treasury, the company may use them for the purposes of its employees' share schemes, provided that:

- (a) the maximum aggregate number of ordinary shares authorised to be purchased be 1,642,415,123;
- (b) the minimum price which may be paid for each ordinary share be 25p;
- (c) the maximum price, inclusive of expenses, which may be paid for each ordinary share be an amount equal to 105% of the average of the middle market quotations as derived from the stock exchange daily official list for the five business days immediately preceding the day on which the ordinary share is purchased;
- (d) the renewed and extended authority shall expire at the conclusion of the annual general meeting in 2010 or on 4 December 2010, whichever is the earlier, unless that authority be further renewed before then; and

- (e) the company may make a contract to purchase its ordinary shares under the renewed and extended authority before its expiry which would or might be executed wholly or partly after the expiry, and may make a purchase of its ordinary shares under that contract.

(This would, as last year, renew the authority for the company to purchase its ordinary shares in the market and would be limited to 1,642,415,123 ordinary shares, equivalent to 10% of the issued ordinary share capital. Any shares purchased in this way may be cancelled or held in treasury for eventual sale for cash, transfer in connection with an employees' share scheme or cancellation.)

The above resolution explicitly authorises the company to use any shares purchased and held in treasury for the purposes of its employees' share schemes. If any shares were used in this way, the company would take them into account when calculating the share issuing limits in the schemes, as long as required under the guidelines of the ABI.

179,188,241 ordinary shares, equivalent to 1.1% of the issued ordinary share capital, may be issued on the exercise of outstanding options. If the company were to purchase and cancel shares up to the maximum permitted by this resolution, that percentage would increase to 1.2% The directors would exercise the authority only if they felt it would be in the best interests of the company to do so and would result in an increase in earnings per share. To the extent that any such shares were held in treasury, earnings per share would only be increased on a temporary basis, until the shares were sold or transferred out of treasury. Also, if the directors were to decide to use the authority, they would, at that time, determine whether, in the best interests of shareholders as a whole, the shares purchased should be cancelled or held in treasury.)

11. Authority to purchase preference shares

To resolve as a special resolution:

That the company's general and unconditional authority, conferred by resolution passed at the general meeting on 19 November 2008, to make market purchases, within the meaning of section 163 of the Companies Act 1985, of (i) the £1,000,000,000 Fixed to Floating Callable Non-Cumulative Preference Shares issued by the company to HM Treasury and (ii) the preference shares issued by the company in exchange for the £3,000,000,000 Fixed to Floating Callable Non-Cumulative Preference Shares issued by HBOS plc to HM Treasury (the 'Preference Shares') be further renewed and extended from the conclusion of this meeting provided that:

- (a) the maximum aggregate number of Preference Shares authorised to be purchased be 4,000,000;
- (b) the minimum price which may be paid for each Preference Share be 25p (exclusive of expenses);
- (c) the maximum price which may be paid for each Preference Share be an amount equal to 120% of the liquidation preference of the Preference Shares;
- (d) the renewed and extended authority shall expire at the conclusion of the annual general meeting in 2010 or on 4 December 2010, whichever is the earlier, unless that authority be further renewed before then; and
- (e) the company may make a contract to purchase its Preference Shares under the renewed and extended authority before its expiry which would or might be executed wholly or partly after the expiry, and may make a purchase of its Preference Shares under that contract.

(This would renew the authority, granted at the general meeting on 19 November 2008, for the company to purchase all of the Preference Shares (as defined in this resolution). We are proposing to renew the existing authority in order to bring the renewal date into line with that for the ordinary shares as set out in resolution 10.)

12. Amendments to the articles of association

To resolve as a special resolution that, with effect from 1 October 2009:

- (a) the articles of association be amended by deleting all the provisions of the company's memorandum of association which, by virtue of section 28 of the Companies Act 2006, are to be treated as part of the articles of association of the company; and
- (b) the articles of association contained in the document produced to the meeting and signed by the chairman for the purposes of identification be approved and adopted as the new articles of association of the company in substitution for, and to the exclusion of, the existing articles of association.

(The amendments are proposed in order to update the company's articles of association and to take account of changes in applicable company law brought about by the Companies Act 2006. The Companies Act 2006 is being implemented in phases with additional provisions being brought into force on 1 October 2009. Accordingly, the resolution adopting the new articles of association will only become effective on 1 October 2009 when all the provisions of the Companies Act 2006 that are being implemented in 2009 are in force. The principal changes introduced in the new articles of association are summarised on pages 9 and 10.)

13. Notice period

To resolve as a special resolution:

That a general meeting other than an annual general meeting may be called on not less than 14 clear days' notice.

(This resolution is required to reflect the proposed implementation in August 2009 of the Shareholder Rights Directive. As a result of the introduction of the Shareholder Rights Directive, if the company wishes to retain the ability to call a general meeting on 14 (rather than 21) days' notice a specific annual approval is required notwithstanding that the articles of association of the company permit a meeting to be called on 14 days' notice.)

14. Authority for the company and its subsidiaries to make political donations or incur political expenditure

To resolve as a special resolution:

- (a) That the company and those companies which are subsidiaries of the company at any time during the period for which this resolution has effect be authorised for the purposes of Part 14 of the Companies Act 2006 during the period from the date of the passing of this resolution to the period ending on 4 June 2013:
 - (i) to make political donations to political parties, and/or independent election candidates;
 - (ii) to make political donations to political organisations other than political parties; and
 - (iii) to incur political expenditure,up to an aggregate amount of £100,000 in any year, and the amount authorised under each of paragraphs (i) to (iii) above shall also be limited to such amount;
- (b) all existing authorisations and approvals relating to political donations or expenditure under Part 10A of the Companies Act 1985 and Part 14 of the Companies Act 2006 are hereby revoked without prejudice to any donation made or expenditure incurred prior to the date hereof pursuant to such authorisation or approval; and
- (c) words and expressions defined for the purpose of the Companies Act 2006 shall have the same meaning in this resolution.

(This resolution would renew the authorities granted (i) by the company's shareholders in 2006 to incur expenditure which would otherwise be prohibited under Part 10A of the Companies Act 1985 and (ii) by HBOS plc's shareholders in 2008 to incur expenditure which would otherwise be prohibited under Part 14 of the Companies Act 2006. The relevant provisions of the Companies Act

1985 have been replaced by similar provisions in Part 14 of the Companies Act 2006 and consequently, the terms of this year's resolution have been adjusted to reflect the different technical requirements of Part 14 of the Companies Act 2006.

Although neither set of authorities has been used, we believe it to be prudent to obtain approval for their renewal. This is to avoid inadvertently breaching the act, which includes broad definitions covering activities that might not be thought to be political expenditure within the normal meaning of that expression.

It is the group's firm policy not to make contributions to political parties and it is the directors' expressed intention not to make any political donation or incur expenditure within the meaning of the act. However, should a payment be made before the expiry of these authorities which, under the act, would need to be disclosed in the annual report, the directors would seek shareholders' approval for a new authority at the annual general meeting immediately following publication of that report. (The National Association of Pension Funds has confirmed that this is consistent with their corporate governance policy and best practice.)

A member entitled to attend and vote is entitled to appoint a proxy or proxies to attend, speak and vote instead of that member. A member may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by the member. A proxy need not be a member of the company.

By order of the board

Harry F Baines
Company Secretary & General Counsel
17 April 2009

Registered office:
Henry Duncan House
George Street
Edinburgh EH2 4LH

Articles of association – explanatory notes of the proposed changes

1. General

The proposed amendments to the articles of association (the 'articles') reflect recent changes in the law that will become effective upon the bringing into force of certain provisions of the Companies Act 2006 (the 'new act') on 1 October 2009. Accordingly, the new articles are proposed to be adopted effective from 1 October 2009. Certain definitions and expressions used throughout the articles have been changed to align them with definitions and expressions used in the new act. The main changes made to reflect this approach are detailed below.

2. The company's objects

The provisions regulating the operations of the company are currently set out in the company's memorandum and articles of association. The company's memorandum of association (the 'memorandum') contains, among other things, the objects clause which sets out the scope of the activities the company is authorised to undertake. This is drafted to give a wide scope.

The new act significantly reduces the constitutional significance of a company's memorandum. The new act provides that a memorandum will record only the names of subscribers and the number of shares each subscriber has agreed to take in the company. Under the new act the objects clause and all other provisions which are currently contained in a company's memorandum, for existing companies at 1 October 2009, will be deemed to be contained in a company's articles but the company can remove these provisions by special resolution.

Further the new act states that unless a company's articles provide otherwise, a company's objects are unrestricted. This abolishes the need for companies to have objects clauses.

For this reason the company is proposing to remove its objects clause together with all other provisions of its memorandum which, by virtue of the new act, are to be treated as forming part of the company's articles as of 1 October 2009. The company is proposing that the provision in the

memorandum stating that the liability of members is limited be preserved by the insertion of an equivalent provision in the company's articles. Resolution 12 confirms the removal of these provisions for the company.

3. Authorised share capital and unissued shares

The new act abolishes the requirement for a company to have an authorised share capital and the new articles reflect this. Resolution 12 deletes, with effect from 1 October 2009, all provisions of the company's memorandum relating to authorised share capital, which are deemed to form part of the articles from that date. The directors will still be limited as to the number of shares they can at any time allot because an allotment authority continues to be required under the new act, save in respect of employee share schemes.

4. Redeemable shares

At present if a company wishes to issue redeemable shares, it must include in its articles the terms and manner of redemption. The new act enables directors to determine such matters instead provided they are so authorised by the articles. The new articles contain such an authorisation which will take effect from 1 October 2009. The company has no plans to issue redeemable shares.

5. Authority to purchase own shares and consolidate and sub-divide shares

Under the law currently in force a company requires specific enabling provisions in its articles to purchase its own shares and to consolidate or sub-divide its shares as well as shareholder authority to undertake the relevant action. The company's current articles include these enabling provisions. Under the new act a company will only require shareholder authority to do any of these things and it will no longer be necessary for articles to contain enabling provisions. Accordingly the relevant enabling provisions have been removed from the new articles.

6. Fractional entitlements

If, following a consolidation or subdivision, a member is entitled to a fraction of a share the directors have power to sell those fractions and distribute the proceeds to the entitled members. The company proposes to include a new provision in the articles so that if the entitlement is less than a nominal amount to be decided by the directors, the directors may give that amount to charity rather than the entitled member. This is in line with the Model Articles for public companies and ensures that the directors are not obliged to distribute nominal sums to members where the cost of doing so might be greater than the amount to be distributed.

7. Provision for employees on cessation of business

The new act provides that the powers of the directors of a company to make provision for a person employed or formerly employed by the company or any of its subsidiaries in connection with the cessation or transfer to any person of the whole or part of the undertaking of the company or that subsidiary, may only be exercised by the directors if they are so authorised by the company's articles or by the company in general meeting. The new articles provide that the directors may exercise this power from 1 October 2009.

8. Closure of share register

The new act abolishes a company's ability to close its register of members for up to 30 days each year, as of 1 October 2009. The Company proposes to amend its articles to reflect the fact that this will no longer be permitted after that date.

9. Directors' power to allot securities

The provisions regulating authority to allot shares and the disapplication of pre-emption rights are currently set out in the company's articles. In line with market practice, the company proposes to delete these provisions from the new articles and to instead pass resolutions at the annual general meeting to obtain these authorities on an annual basis.

10. Use of seals

The new articles provide an alternative option for the execution of documents (other than share certificates). Under the new articles, when the seal is affixed to a document, in addition to the previously stated options, it may be signed by one director in the presence of a witness.

Notes (Notes 2 to 5 are only relevant to shareholders whose names appear in the register of members)

1. The annual general meeting must be held in Scotland, according to the company's articles of association.
2. Only shareholders, proxies and authorised representatives of corporations which are shareholders are entitled to attend and speak at the meeting and shareholders' names must be entered in the register at 6.00 pm on 3 June 2009, so that such shareholders, proxies and authorised representatives of corporations may have the right to vote at the meeting. Should the meeting be adjourned, members who wish to attend and vote must have their names entered in the Company's register of members by 6.00 pm two days before the time fixed for the adjourned AGM.

In order to facilitate voting by corporate representatives at the meeting, arrangements will be put in place at the meeting so that (i) if a corporate shareholder has appointed the chairman of the meeting as its corporate representative with instructions to vote on a poll in accordance with the directions of all of the other corporate representatives for that shareholder at the meeting, then on a poll those corporate representatives will give voting directions to the chairman and the chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and (ii) if more than one corporate representative for the same corporate shareholder attends the meeting but the corporate shareholder has not appointed the chairman of the meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives (www.icsa.org.uk) for further details of this procedure. The guidance includes a sample form of representation letter if the chairman is being appointed as described in (i) above.

3. Shareholders are invited to complete and return the enclosed form of proxy to Equiniti Limited, FREEPOST NAT15577, Aspect House, Lancing, West Sussex BN99 6LF or register their appointment of proxy electronically on our website, www.sharevote.co.uk. Appointment of a proxy will not prevent shareholders from attending and voting at the meeting. The form of proxy and, if relevant, the power of attorney or other authority under which it is signed, or a certified copy of that power or authority, must be received by Equiniti Limited by 11.00 am on 3 June 2009.

The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communications from the company in accordance with section 146 of the Companies Act 2006 ('nominated persons'). Nominated persons may have a right under an agreement with the registered shareholder who holds the shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if nominated persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights.

4. CREST members who wish to appoint and/or give instructions to a proxy or proxies through the CREST electronic proxy appointment service may do so through Equiniti Limited (ID RA19) by 11.00 am on 3 June 2009. The time of receipt by Equiniti Limited will be deemed to be the time (as determined by the time stamp applied to the message by the CREST 'applications host') from which Equiniti Limited is able to retrieve the message by enquiry of Euroclear in the manner prescribed by Euroclear. Equiniti Limited may treat as invalid a CREST instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
5. Proxy appointments may be revoked by written notice to Equiniti Limited, FREEPOST NAT15577, Aspect House, Lancing, West Sussex BN99 6LF, which must be received by 10.00 am on 5 June 2009. Proxy instructions may be amended by notice under article 127 of the articles of association served at any time up to the time of the relevant poll. CREST members

may also give instructions to revoke or amend by CREST message but only if the message is received by Equiniti Limited by 11.00 am on 5 June 2009.

6. It would be helpful if any shareholder intending to come to the meeting would remove the attendance card from the form of proxy and bring it to the meeting. The shareholder will then be asked to produce the attendance card to show that he or she has the right to attend, speak and vote. The card is not transferable and may only be used by the shareholder attending in person. If you are using our website for the appointment of a proxy, you may also use the website to register your intention to attend the meeting.
7. If any shareholder intending to come to the meeting would like to ask a question, which should relate to the business of the meeting, they are asked to register it at the question registration desk which will be located in the reception at the meeting. To assist with these arrangements shareholders may, if they wish, send us advance notice of their question to agmquestions@lloydsbanking.com. If you give us advance notice of your questions, please tell a member of staff at the question registration desk when you arrive at the meeting. There will be a designated area where customer service issues may be raised with directors and staff, both before and after the meeting.
8. Any electronic communication sent by a shareholder to the company or the registrar that is found to contain a computer virus will not be accepted.
9. Electronic communication facilities are available to all shareholders and those who use them will not be disadvantaged. Shareholders who decide to use them will, in future, receive an electronic mail message, sent to the electronic address registered, giving details of the location on the Lloyds Banking Group website www.lloydsbankinggroup.com where relevant documents may be viewed. The company will not regard itself as responsible for any failure in transmission beyond its control.

There is no particular software needed, other than that which is described and is available on our website.

10. Biographical details relating to the directors are given in the annual review and in the report and accounts.
11. The articles of association include a provision giving the directors power to resolve to pay final as well as interim dividends and this practice has been followed for a number of years. It enables the board to pay the final dividend at about the same time every year, rather than delaying payment until after the annual general meeting.
12. Copies of the proposed new articles of association are available for inspection during normal business hours on any weekday until the close of the annual general meeting on 3 June 2009, at the head office of the company, 25 Gresham Street, London EC2V 7HN and at the registered office of the company, Henry Duncan House, 120 George Street, Edinburgh EH2 4LH. For a period of one hour before and during the annual general meeting copies will also be available for inspection at the Scottish Exhibition & Conference Centre, Glasgow G3 8YW.
13. As at 17 April 2009 (the date this notice was approved) the total number of shares issued by Lloyds Banking Group plc with rights to vote which are exercisable in all circumstances at general meetings is 16,345,203,865 ordinary shares of 25p each, which includes shares represented by American Depositary Receipts.
14. Copies of this notice are available in large print, Braille or on CD-ROM. If you would like a copy in any of these forms, please contact Equiniti Limited, Aspect House, Lancing, West Sussex BN99 6DA; telephone 0871 384 2990*;
textphone 0871 384 2255.