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LLOYDS BANKING GROUP ANNOUNCES THE SUCCESSFUL COMPLETION OF THE PLACING AND COMPENSATORY OPEN OFFER AND PLACEMENT OF ALL NON ACCEPTED SHARES

Lloyds Banking Group plc (the "Company") announces that the joint bookrunners have today procured places for all of the 1,365,380,615 Open Offer Shares (representing approximately 13 per cent of the total number of Open Offer Shares) for which valid acceptances were not received under the Compensatory Open Offer (the "Rump"), at a price of 60 pence per Open Offer Share, a premium of 21.57 pence to the Issue Price of 38.43 pence per share.

As previously communicated, the net proceeds from the placing of such Open Offer Shares (other than the fractional Open Offer Entitlements) in excess of the Issue Price (plus associated expenses) will be remitted on a pro rata basis to those Registered Shareholders who did not (or were deemed not to) take up, or were otherwise treated as not having taken up, their Open Offer Entitlements, save that amounts of less than £3.00 per holding will not be so paid but will be aggregated and donated to charity (the British Heart Foundation). The fractional Open Offer Entitlements were aggregated and placed for the benefit of the Company.

Eric Daniels, Group Chief Executive, Lloyds Banking Group, said: "We would like to thank our investors for their support for our successful Placing and Compensatory Open Offer. We believe our shareholders will welcome the removal of the dividend blocker and the £480 million annual saving now we are redeeming the HMT preference shares. The focus of our management team continues to be on ensuring a successful integration and delivering significant benefits for our shareholders in the medium to longer term."

Each of the Lloyds Banking Group Directors has taken up his or her Open Offer Entitlement in full.

Due to the take up under the Compensatory Open Offer by Lloyds Banking Group qualifying shareholders and following the placing of the Rump by the joint bookrunners, HM Treasury's holding in Lloyds Banking Group as a result of the Placing and Compensatory Open Offer remains unchanged at approximately 43.4 per cent of the enlarged issued ordinary share capital of the Company.

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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 Prospectus is available to eligible shareholders on the website of Lloyds Banking Group (www.lloydsbankinggroup.com) and in hard copy from Lloyds Banking Group's registered office. Copies of the Prospectus are also available for viewing at the Document Viewing Facility of the FSA (25 The North Colonnade, London E14 5HS) and is available for inspection at Lloyds Banking Group's registered office (Henry Duncan House, 120 George Street, Edinburgh EH2 4LH) as well as at the offices of Linklaters LLP (One Silk Street, London EC2Y 8HQ) during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) until Admission.

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The Lloyds Banking Group Directors accept responsibility for the information contained in this announcement. To the best of the knowledge and belief of the Lloyds Banking Group Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this announcement is in accordance with the facts and does not omit anything likely to affect the import of such information.