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PLACING OF SHARES IN ST JAMES'S PLACE PLC

Further to its announcement on 11 March 2013 of its intention to sell shares in St James's Place plc ('St James's Place', or the 'Company'), Lloyds Banking Group ('Lloyds', or the 'Group') announces that 101,703,070 shares have been placed at a price of £5.10 per share (the 'Placing'). The gross proceeds of the Placing are approximately £520 million.

Settlement of the Placing will take place on Friday 15 March 2013. On completion, Lloyds will hold 185,554,264 St James's Place shares (approximately 37 per cent of the Company's issued share capital) and will continue to have representation on the Company's Board.

Lloyds has agreed with a sole bookrunner (the 'Sole Bookrunner') that, for a period of 365 days following completion of the Placing, it will not make any further disposals from its remaining holding in St James's Place.

Effect of the Placing on Lloyds

As a result of the Placing, the Group will realise a gain on sale of approximately £400 million, including the effect of holding the Group's residual stake at fair value. The Placing will increase the Group's core tier 1 capital by approximately £600 million, equivalent to an approximate 20 basis points benefit to its core tier 1 capital ratio by (under current capital rules). On a pro forma fully loaded CRD IV basis, the Placing will increase the Group's common equity tier 1 capital by approximately £500 million, equivalent to an approximate 15 basis points benefit to this fully loaded ratio. The Placing will also increase the Group's net tangible assets per share by approximately 1.7 pence.

As a result of the reduction in its shareholding the Group will no longer consolidate St James's Place results in its accounts, and expects to account for the Company as an associate, reflecting the Group's share of St James's Place profit within its income statement. The statutory profit after tax but before minority interest attributable to St James's Place in the Group's accounts for the year end 31 December 2012 was £76 million.

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In member states of the European Economic Area ('EEA') which have implemented the Prospectus Directive (each, a 'Relevant Member State'), this announcement and any offer if made subsequently is directed exclusively at persons who are 'qualified investors' within the meaning of the Prospectus Directive ('Qualified Investors'). For these purposes, the expression 'Prospectus Directive' means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in a Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression '2010 PD Amending Directive' means Directive 2010/73/EU. In the United Kingdom this announcement is directed exclusively at Qualified Investors (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the 'Order') or (ii) who fall within Article 49(2)(A) to (D) of the Order, and (iii) to whom it may otherwise lawfully be communicated.

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In connection with any offering of the Placing Shares, the Sole Bookrunner and any of its affiliates acting as an investor for their own account may take up as a proprietary position any Placing Shares and in that capacity may retain, purchase or sell for their own account such Placing Shares. In addition they may enter into financing arrangements and swaps with investors in connection with which they may from time to time acquire, hold or dispose of Placing Shares. They do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

The Sole Bookrunner, which is authorised and regulated in the United Kingdom by the FSA, is acting on behalf of Lloyds and no one else in connection with any offering of the Placing Shares and will not be responsible to any other person for providing the protections afforded to any of its clients or for providing advice in relation to any offering of the Placing Shares. The Sole Bookrunner will not regard any other person as its client in relation to the offering of the Placing Shares.

FORWARD LOOKING STATEMENTS

This announcement contains forward looking statements with respect to the business, strategy and plans of the Lloyds Banking Group, its current goals and expectations relating to its future financial condition and performance. Statements that are not historical facts, including statements about the Group or the Group's management's beliefs and expectations, are forward looking statements. By their nature, forward looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will or may occur in the future. The Group's actual future business, strategy, plans and/or results may differ materially from those expressed or implied in these forward looking statements as a result of a variety of risks, uncertainties and other factors, including, but not limited to, UK domestic and global economic and business conditions; the ability to derive cost savings and other benefits, including as a result of the Group's Simplification programme; the ability to access sufficient funding to meet the Group's liquidity needs; changes to the Group's credit ratings; risks concerning borrower or counterparty credit quality; instability in the global financial markets, including Eurozone instability and the impact of any sovereign credit rating downgrade or other sovereign financial issues; market-related risks including, but not limited to, changes in interest rates and exchange rates; changing demographic and market-related trends; changes in customer preferences; changes to laws, regulation, accounting standards or taxation, including changes to regulatory capital or liquidity requirements; the policies and actions of governmental or regulatory authorities in the UK, the European Union, or jurisdictions outside the UK in which the Group operates, including other European countries and the US; the implementation of the draft EU crisis management framework directive and banking reform following the recommendations made by the Independent Commission on Banking; the ability to attract and retain senior management and other employees; requirements or limitations imposed on the Group as a result of HM Treasury's investment in the Group; the ability to complete satisfactorily the disposal of certain assets as part of the Group's EC state aid obligations; the extent of any future impairment charges or write-downs caused by depressed asset valuations, market disruptions and illiquid markets; the effects of competition and the actions of competitors, including non-bank financial services and lending companies; exposure to regulatory scrutiny, legal proceedings, regulatory investigations or complaints, 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 certain factors together with examples of forward looking statements. 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.