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9 June 2014

TSB Banking Group plc IPO: Announcement of Price Range

Following its announcement of 27 May 2014 of its intention to float TSB, Lloyds Banking Group plc ("**Lloyds**") today announces the price range for the IPO and the intention for TSB to publish, later today, the Prospectus for the Offer.

- The price range for the Offer has been set at between 220 pence to 290 pence per Ordinary Share
- The expected offering size is 125 million Ordinary Shares (prior to any exercise of the 10% over-allotment option), representing 25% of TSB's existing Ordinary Shares in issue
- At the mid-point of the price range, TSB's market capitalisation would be approximately £1,275 million
- Final pricing is expected to be announced on or around 20 June 2014, with conditional dealings in TSB shares beginning on the London Stock Exchange on the same day

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The Company expressly disclaims any obligation or undertaking to update, review or revise any forward-looking statement contained in this announcement whether as a result of new information future developments or otherwise.

Citigroup, J.P. Morgan Cazenove, UBS Limited, Investec Bank plc, RBC Europe Limited and Rothschild, each of which is authorised by the Prudential Regulation Authority and regulated by both the Prudential Regulation Authority and the Financial Conduct Authority, and Numis Securities Limited, which is authorised and regulated by the Financial Conduct Authority in the UK, are acting exclusively for Lloyds, the Selling Shareholder and the Company and no one else in connection with the Offer. They will not regard any other person as a client in relation to the Offer and will not be responsible to anyone other than Lloyds, the Selling Shareholder and the Company for providing the protections afforded to their respective clients or for giving advice in relation to the Offer or the contents of this announcement or any transaction, arrangement or other matter referred to herein. Rothschild is acting exclusively for the Board of TSB and no one else in connection with the Offer and will not regard any other person as a client in relation to the Offer and will not be responsible to anyone other than the Board of TSB for providing the protections afforded to its clients nor for giving advice in relation to the Offer or any transaction or arrangement referred to in this announcement.

In connection with the Offer, each of the Underwriters and Rothschild or any of their respective affiliates, acting as investors for their own accounts, may subscribe for or purchase Ordinary Shares and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such Ordinary Shares and other securities of the Company or related investments in connection with the Offer or otherwise. Accordingly, references in the Prospectus, once published, to the Ordinary Shares being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or subscription, acquisition, placing or dealing by, the Underwriters, Rothschild or any of their respective affiliates acting as investors for their own accounts. In addition, certain of the Underwriters, Rothschild or their affiliates may enter into financing arrangements and swaps in connection with which they or their affiliates may from time to time acquire, hold or dispose of Ordinary Shares. The Underwriters and Rothschild or any of their respective affiliates do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

None of the Underwriters, Rothschild or any of their respective subsidiary undertakings, affiliates or any of their respective directors, officers, employees, advisers, agents or any other person accepts any responsibility or liability whatsoever for, or makes any representation, warranty or undertaking , express or implied, as to the truth, accuracy, completeness or fairness of the information or opinions in this announcement (or whether any information has been omitted from the announcement) or any other information relating to the Company, its subsidiaries or associated companies, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available or for any loss howsoever arising from any use of this announcement or its contents or otherwise arising in connection therewith.

The Offer timetable, including the date of Admission, may be influenced by a range of factors such as market conditions. There is no guarantee that the Offer and Admission will occur and you should not base your financial decisions on Lloyds' intentions in relation to the Offer and Admission at this stage. Acquiring investments to which this announcement relates may expose an investor to a significant risk of losing all of the amount invested. The value of Ordinary Shares can go down as well as up. Potential investors should consult a professional advisor as to the suitability of the Offer for the person concerned. Past performance cannot be relied upon as a guide to future performance.

In connection with the Offer, a stabilising manager, or any of its agents, may (but will be under no obligation to), to the extent permitted by applicable law, over-allot Ordinary Shares or effect other transactions with a view to supporting the market price of the Ordinary Shares at a higher level than that which might otherwise prevail in the open market. The stabilising manager may, for stabilisation purposes, over-allot Ordinary Shares up to a maximum of 10 per cent. of the total number of Ordinary Shares comprised in the Offer. The stabilising manager will not be required to enter into such transactions and such transactions may be effected on any securities, market, over-the-counter market, stock exchange or otherwise and may be undertaken at any time during the period commencing on the date of the commencement of conditional dealings of the Ordinary Shares on the London Stock Exchange and ending no later than 30 calendar days thereafter. However, there will be no obligation on the stabilising manager or any of its agents to effect stabilising transactions and there is no assurance that stabilising transactions will be undertaken. Such stabilising measures, if commenced, may be discontinued at any time without prior notice. In no event will measures be taken to stabilise the market price of the Ordinary Shares above the offer price. Save as required by law or regulation, neither the stabilising manager nor any of its agents intends to disclose the extent of any over-allotments made and/or stabilisation transactions conducted in relation to the Offer.