



20 March 2014

RESULTS OF EXCHANGE OFFERS AND COMMENCEMENT OF SUBMISSION PERIOD FOR RETAIL TENDER OFFER FOR ENHANCED CAPITAL NOTES

Lloyds Banking Group plc (the Group) has today announced the results of its offers for holders of certain series of its Sterling and Euro Enhanced Capital Notes (ECNs) to exchange them for new Additional Tier 1 (AT1) securities. Given substantial demand, the equivalent of £4.0 billion of ECNs have been accepted into the offers. This will result in the issue of the equivalent of £4.35 billion (across four series) of new AT1 securities, around £0.35 billion more than the amount anticipated at the commencement of the offers. Settlement of the exchange offers is expected to occur on or around 1 April 2014. Details of the issues accepted into the offer are given in a separate RNS issued today.

In addition to these exchange offers, the Group is today announcing the commencement of the submission period for its tender offer to eligible retail holders to sell their Sterling-denominated ECNs for cash. Details of the offer, which will remain open until 4.00pm London time on 16 April 2014, including of the securities eligible to be tendered in the offer, are contained in a separate RNS issued today and an offering memorandum dated 6 March 2014.

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DIFFERENCES BETWEEN THE ECNs AND THE AT1 SECURITIES

Further details of the AT1 securities to be issued by the Group in the exchange offers is contained in the offering documents for the exchange offers. The form, terms and conditions of the ECNs are substantially different from those of the AT1 securities. Holders who are in any doubt as to the terms of their ECNs and the differences to the terms of the AT1 securities are recommended to inform themselves about the terms of their ECNs and seek financial and legal advice from their professional advisers as they deem appropriate. The AT1 securities will rank senior to ordinary shares in the Group. It is the current intention of the Board of Directors of the Group (the Board) that, whenever exercising its discretion to declare dividends on the ordinary shares, or its discretion to cancel interest on the AT1 securities, it will take into account the relative ranking of these instruments in the Group's capital structure, although the Board may at any time depart from this policy at its sole discretion.

DISCLAIMER

This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities. Nothing in this communication constitutes an invitation to participate in the offers which will only be made through the relevant offering documents or exchange offer memorandum or tender offer memorandum. The terms and conditions of the offers are as set out in the relevant exchange offer memorandum or tender offer memorandum.

This announcement is neither an advertisement nor a prospectus. In any case, you should not rely on this announcement for any purpose in respect of the offers (including making a decision whether or not to participate in the offers). You should make your decision solely on the basis of a careful review of the information contained in the relevant offer documents.

The distribution of this announcement in certain jurisdictions may be restricted by law. Persons into whose possession this announcement comes are required to inform themselves about and to observe any such restrictions.

The retail tender offer is not being made, and will not be made, directly or indirectly and the Sterling and Euro exchange offers were not made, directly or indirectly, in or into the United States or to US persons as defined in Regulation S of the US Securities Act of 1933, as amended.

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.