



10 December 2015

ENHANCED CAPITAL NOTES – COURT OF APPEAL DECISION

Further to the RNS dated 3 June 2015 and the announcement released by the Group earlier today, the Civil Division of the Court of Appeal has now given its decision in respect of the interpretation of certain terms of the Enhanced Capital Notes (ECNs).

The Court found unanimously in the Group's favour that a Capital Disqualification Event, as defined in the conditions of the ECNs, has occurred. This judgment gives the Group the right, subject to conditions, to redeem any series of ECNs at par or (in relation to certain series) a make-whole price (the Regulatory Call Right).

The Group welcomes this unanimous decision from the Court of Appeal. It remains our intention to call those ECNs listed in the RNS dated 16 December 2014 using the Regulatory Call Right.

The Group continues to consider its options in relation to the remaining series of ECNs, notes the time elapsed since the December 2014 stress test, and intends to provide further guidance in due course. The Group reserves its right to exercise the Regulatory Call Right and redeem any or all series of ECNs at any time in accordance with the terms and conditions of each series of the ECNs.

The Group will also request that the temporary suspension of the ECNs from the Official List be lifted by the Financial Conduct Authority.

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For further information:

Investor Relations

Douglas Radcliffe

+44 (0) 20 7356 1571

Group Investor Relations Director

Email: douglas.radcliffe@finance.lloydsbanking.com

Corporate Affairs

Matt Smith

+44 (0) 20 7356 3522

Head of Corporate Media

Email: matt.smith@lloydsbanking.com

FORWARD LOOKING STATEMENTS

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