

LLOYDS  
BANKING GROUP



# LLOYDS BANKING GROUP

Your invitation to join the  
Dividend Reinvestment Plan



If you have any doubt about the action you should take, it is recommended that you consult an authorised financial adviser (for the UK this is one authorised under the Financial Services and Markets Act 2000).

If you have sold or transferred all your ordinary shares in Lloyds Banking Group plc, please give this and the accompanying documents to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was made.

Dear Shareholder

## Lloyds Banking Group plc (the 'Company') Dividend Reinvestment Plan

Information is provided below on how you can choose to receive your dividends from the Company in shares through our Dividend Reinvestment Plan ('DRIP').

### What is the DRIP?

The DRIP is a low cost way to use your dividend payments from the Company to purchase additional shares, enabling you to increase your shareholding in a convenient and cost-effective manner.

The DRIP is provided by Equiniti Financial Services Limited ('Equiniti FS'). If you choose to join the DRIP, Equiniti FS will use your cash dividend to purchase shares on your behalf in the market as soon as practicable after the relevant dividend payment date. Fees and charges are located in the DRIP Terms and Conditions, further details of which are provided below.

For tax purposes, you are treated as if you had received the whole of your dividend in cash and bought the shares yourself.

### What do you need to read?

Before deciding whether to join the DRIP, you should read this invitation booklet and the DRIP Terms and Conditions. Full details about the DRIP, including the DRIP Terms and Conditions, can be found at [www.shareview.co.uk/info/drip](http://www.shareview.co.uk/info/drip)

### What do you need to do to join?

Simply follow the instructions on page 2 of this document to apply. You can also call or write to Equiniti FS to obtain an application form using the contact details shown on Page 2 of this document.

### When do you need to join by?

You may apply to join the DRIP at any time. Should the Company propose or declare that a dividend be paid to shareholders, you will be notified of the time by which Equiniti FS must receive your DRIP election instruction to ensure it is accepted before the payment of the next dividend by the Company.

Participation in the DRIP is optional. This invitation does not constitute advice to join the DRIP. If you are unsure about joining the DRIP, we recommend that you consult an authorised financial adviser.

If you have any questions about the DRIP, please contact Equiniti FS on **0371 384 2990\*** or **+44 121 415 7066** from outside the UK.

Yours  
faithfully

**Lord Blackwell**  
Chairman

\*Lines open 8.30am to 5.30pm (UK time), Monday to Friday (excluding public holidays in England and Wales).  
Lloyds Banking Group plc is registered in Scotland, No. 95000. Registered office: The Mound Edinburgh EH1 1YZ

# Joining the DRIP

You can join online for free via your Shareview Portfolio (see FAQs on how to sign up for a Shareview Portfolio):



Logon to your Shareview Portfolio at [www.shareview.co.uk/login](http://www.shareview.co.uk/login) (CREST Holders see FAQs)



Click Dividend Election next to your Lloyds Banking Group shares and follow the instructions

Alternatively visit [www.shareview.co.uk/info/drip](http://www.shareview.co.uk/info/drip) to download a DRIP Application Form and a copy of the latest DRIP Terms and Conditions. Return the completed DRIP Application Form to Equiniti FS at the address on the bottom of the form.

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## Fees and charges

There is no charge for joining or leaving the DRIP and there is no annual fee.

There is a commission charge of 1% of the value of shares purchased on your behalf, with no minimum fee.

Payment of Stamp Duty Reserve Tax (currently 0.5% of the value of shares that you buy) will also be deducted from your dividend proceeds on your behalf.

If the sum to be re-invested, including these costs, is insufficient to buy one whole share, then no costs will be charged to you and the whole of your dividend will be carried forward to the next payment.

Residues are returned as cash when someone leaves the Plan. An Annual Management Fee applies to these cash payments where they remain unclaimed. Any fee will be taken from the unclaimed payment held (up to a maximum of £5 incl VAT per annum).

Please note this only applies to payments issued to you when you leave the Plan which you do not cash.

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## Equiniti FS can be contacted in the following ways:



### Online

[www.shareview.co.uk/info/drip](http://www.shareview.co.uk/info/drip)



### Post

Share Dividend Team  
Equiniti Financial Services  
Limited  
Aspect House  
Spencer Road, Lancing  
West Sussex BN99 6DA  
United Kingdom



### Telephone

0371 384 2990\*  
from the UK or  
+44 (0) 121 415 7066  
from outside the UK

\*Lines open 8.30am to 5.30pm (UK time), Monday to Friday (excluding public holidays in England and Wales).

To read the latest version of Equiniti Financial Services Limited's Privacy Notice and understand more about how Equiniti Financial Services Limited safeguards your data, please visit [privacy.equiniti.com](http://privacy.equiniti.com)

Equiniti Financial Services Limited is registered in England & Wales with No. 6208699 and is authorised and regulated by the Financial Conduct Authority No. 468631. Registered Office: Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, United Kingdom.

# FAQs

## What is a DRIP?

A DRIP allows Equiniti FS as provider of the DRIP, to use your cash dividends to purchase shares for you in the market. You will not receive a cash payment while you remain in the DRIP. Any residual cash that is insufficient to buy a whole share will roll over to the next dividend payment to purchase additional shares.

## Where can I obtain the terms and conditions of the DRIP?

The terms and conditions of the DRIP are available from [www.shareview.co.uk/info/drip](http://www.shareview.co.uk/info/drip) or by telephoning / writing to Equiniti FS using the contact details shown on page 2 of this document.

## Who can join?

If you are resident in the UK, Channel Islands or European Economic Area you may participate in the DRIP. Permitted Service Personnel are treated as being resident in the UK.

If you are resident outside the UK you may participate provided you are not subject to regulations that would oblige Equiniti FS or Lloyds Banking Group plc to comply with any governmental or regulatory procedures or formalities. You are responsible for checking that you can join the DRIP. If you are in any doubt you should consult an authorised financial adviser.

The DRIP is not available if you are resident in the United States, Canada, India, Pakistan or China.

## Can Lloyds Banking Group Shareholder Account ('Shareholder Account') participants join the DRIP?

Yes. The DRIP is open to shareholders holding ordinary shares in the Shareholder Account.

## What if I am a CREST holder?

You must make your election to join the DRIP through CREST. Refer to the elections process document at [www.shareview.co.uk/info/drip](http://www.shareview.co.uk/info/drip)

## What do I need to do to join?

Details of how to join online via your Shareview Portfolio or by completing a paper application form are provided on Page 2 of this document.

## How do I sign up for a Shareview Portfolio?

You can sign up for a Shareview Portfolio in 2 easy steps:

1. Register at [www.shareview.co.uk/register](http://www.shareview.co.uk/register)
2. Once you receive your activation code in the post log on to your Portfolio at [www.shareview.co.uk/login](http://www.shareview.co.uk/login)

## When will I receive the shares?

Equiniti FS will start the purchase of your shares as soon as practicable after the relevant dividend payment date. This may take several days to complete; however, all participants will receive the same average price. Shares will be added to your holding following the completion of the share purchase process, which is usually expected to be 3-4 days following the dividend payment date.

## How many shares will I receive?

The number of shares you will receive will depend on:

- (i) your cash dividend, based on the number of shares you hold at the dividend record date;
- (ii) the purchase price of the shares; and
- (iii) the dealing costs and Stamp Duty Reserve Tax for the purchase of shares.

You will receive the maximum whole number of shares which can be purchased on your behalf. Any cash balance will be carried forward.

## What happens if I do not have enough cash to purchase one share?

The cash will be rolled over and will be put towards the purchase of additional shares at the time of the next dividend if you remain a participant in the DRIP at that time. You will not be charged for the roll-over of your dividend. If you leave the DRIP, or if the DRIP comes to an end, Equiniti FS will send you any remaining cash as soon as possible.

### **Must my participation in the DRIP be in respect of my entire holding?**

Usually you must participate in the DRIP in respect of your entire shareholding. However, if your shares are held for more than one beneficial owner, Equiniti FS may (at its discretion) allow you to reinvest the cash dividend on only part of your shareholding.

### **How will I receive my new shares?**

Shares purchased by Equiniti FS on your behalf will be added to your shareholding. If this is certificated, you will receive an additional share certificate. Shares held in the Shareholder Account will be added to that holding and will show on your next statement. CREST holders will receive new shares via CREST.

### **Fees and charges for the DRIP**

There is no charge for joining or leaving the DRIP and there is no annual fee.

The commission charge is 1% of the value of shares purchased, with no minimum fee. Stamp Duty Reserve Tax is currently 0.5% of the value of shares that you purchase. These amounts will be deducted from your dividend proceeds.

If the sums to be re-invested, including these costs, is insufficient to buy one share, then no costs will be charged to you and the whole of your dividend will be carried forward to the next payment.

Residues are returned as cash when someone leaves the Plan. An Annual Management Fee applies to these cash payments where they remain unclaimed. Any fee will be taken from the unclaimed payment held (up to a maximum of £5 incl VAT per annum). Please note this only applies to payments issued to you when you leave the Plan which you do not cash.

### **Can I leave the DRIP?**

You can leave the DRIP at any time. There is no charge. You can revoke your DRIP election online via your Shareview Portfolio or write to Equiniti FS at the address shown on Page 2 of this document to confirm your revocation.

### **IMPORTANT:**

**If you revoke your DRIP election on shares held in the Shareholder Account, you must provide valid bank or building society details by the dividend record date to receive your cash dividends direct, otherwise your shares will be transferred out of the Shareholder Account and a share certificate issued to you. Future dividends will then be paid on your certificated shares by cheque.**

### **What are the tax effects of joining the DRIP? Will I still receive a tax voucher?**

For tax purposes, you are treated as if you had received the whole of your dividend in cash.

If you elect to join the DRIP:

- where your shares are held by share certificate, upon completion of each DRIP share purchase Equiniti FS will send you a tax voucher with a contract note confirming the purchase price and number of new shares purchased with a new share certificate in respect of such shares;
- where your shares are held in the Shareholder Account, you will receive a tax voucher and a contract note confirming the purchase price and number of new shares purchased, to be credited to your Shareholder Account; or
- where shares are held in CREST, Equiniti FS will send you a tax voucher and a contract note confirming the purchase price and number of new shares purchased, to be credited to your CREST account.

### **Who should I contact if I have further questions?**

If you have any questions about the DRIP, please contact Equiniti FS using the contact details shown on Page 2 of this document.

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