



## Issuer Services DEPOSITARY RECEIPTS

January 20, 2009

### Corporate Action

ATTENTION: International Research, Sales, Trading and Operations Staff

### **(Revised) Scheme of Arrangement and Termination**

	OLD	NEW
<b>Name:</b>	HBOS plc HBOS FTF (Series A) RegS HBOS FTF (Series A) 144A HBOS FTF (Series B) RegS HBOS FTF (Series B) 144A HBOS FTF Pref RegS  HBOS FTF Pref 144A	Lloyds Banking Group plc Lloyds Banking Group plc (Series A) RegS Lloyds Banking Group plc (Series A) 144A Lloyds Banking Group plc (Series B) RegS Lloyds Banking Group plc (Series B) 144A Lloyds Banking Group plc Non Cumulative Dollar Pref RegS Lloyds Banking Group plc Non Cumulative Dollar Pref 144A
<b>Country:</b>	United Kingdom	United Kingdom
<b>Symbol:</b>	HBOOY ----	LYG ----
<b>CUSIP Number:</b>	42205M106 G4364DAU0 42205MAB2 G4364DAT3 42205MAA4 42205MAD8 42205MAC0	539439109 G5533WAA5 539439AC3 G5533WAB3 539439AD1 539439AE9 539439AF6
<b>Exchange:</b>	OTC ---	NYSE ---
<b>Ratio:</b>	1 ADR: 1ORDs 1000 ADRs: 1 ORDs	1 ADR: 4ORDs 1000 ADRs: 1ORDs



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Effective January 19, 2009, HBOS plc will become a wholly-owned subsidiary of Lloyds TSB Group plc ("Lloyds") pursuant to a scheme of arrangement. Scheme shareholders will be entitled to receive New Lloyds Banking Group ordinary shares in exchange for the cancellation of their HBOS ordinary shares at a rate of 0.605 New Lloyds Banking Group ordinary share for every one (1) HBOS ordinary shares. No fractions will be allotted to HBOS shareholders.

HBOS ordinary ADS Holders will be entitled to receive New Lloyds Banking Group ordinary ADSs (each representing four (4) new Lloyds Banking Group ordinary shares) in exchange for the cancellation of their HBOS ordinary ADSs at a rate of 0.15125 of a New Lloyds Banking Group ordinary ADS for every 1 HBOS ordinary ADS. No fractions will be allotted to HBOS ADS holders; fractional entitlements to the new Lloyds ADSs will be aggregated and sold in the market. Net proceeds of the sale will be distributed to holders of HBOS ADSs entitled to them.

Effective **January 20, 2009**, holders will be required to surrender their existing HBOS plc DRs for cancellation and exchange for new Lloyds Banking group DRs.

**The Ratio of 1 DR: 4 ORDs for Lloyds Banking Group plc DR facility will remain the same.**

HBOS preference ADS Holders will be entitled to receive New Lloyds Banking Group preference ADSs in exchange for the cancellation of their HBOS preference ADSs at a rate of 1 Lloyds Banking Group preference ADS for every 1 HBOS preference ADS.

Please note that the Deposit Agreements among HBOS plc., The Bank of New York Mellon, as Depositary, and the owners and beneficial owners from time to time of the ADRs issued thereunder, in connection with the scheme of arrangements of all the shares (including shares represented by ADSs) of HBOS plc. by Lloyds TSB will be formally terminated.

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