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LLOYDS BANKING GROUP ANNOUNCES SALE OF ECUADORIAN OPERATION

Lloyds Banking Group plc announces today that it is selling its Ecuadorian branch assets and liabilities to Banco Pichincha for a cash consideration of up to US\$25 million. The impact of the sale on the Group's accounts will not be material.

The Ecuadorian business is primarily a corporate relationship bank operating through two branches and employing c.108 people. Total gross assets at 31 December 2009 were valued at US\$170 million whilst the net assets for the business amount to US\$25 million. The Lloyds private banking operations in Ecuador are not part of this transaction.

This transaction is in line with the Group's strategy of divesting assets which are not core to its strategy and over the last twelve months the Group has now sold seven businesses, raising over £750 million.

The transaction is subject to certain conditions including regulatory approval and is expected to complete in the second half of the year.

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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's 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 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, without limitation, UK domestic and global economic and business conditions; the ability to derive cost savings and other benefits, as well as the ability to integrate successfully the acquisition of HBOS; 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; market related trends and developments; changing demographic trends; changes in customer preferences; changes to 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, including other European countries and the US; 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 EU State Aid obligations; the extent of any future impairment charges or write-downs caused by depressed asset valuations; exposure to regulatory scrutiny, legal proceedings or complaints, actions of competitors 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 such 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.