

HBOS plc
12 January 2009

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Placing and Open Offer Results

HBOS today announces that, as at 11.00 a.m. on 9 January 2008, being the latest date for receipt of valid acceptances and settlement in full under the Open Offer, it had received valid applications in respect of 17,692,895 Open Offer Shares, representing approximately 0.24 per cent. of the total number of Open Offer Shares offered to HBOS Shareholders pursuant to the Open Offer.

In accordance with the arrangements set out in Part VII of the prospectus published by HBOS on 18 November 2008, as supplemented by the supplementary prospectus published by HBOS on 17 December 2008 (the "**Prospectus**"), upon closing of the Placing and Open Offer HM Treasury will acquire the remaining 7,464,701,471 Open Offer Shares for which valid acceptances have not been received. As a result, HM Treasury will own approximately 57.9 per cent. of the enlarged issued ordinary share capital of HBOS immediately following completion of the Placing and Open Offer.

Lloyds TSB has also today announced the results of the Lloyds TSB Open Offer and that it has received valid acceptances in respect of 13,085,995 Lloyds TSB Open Offer Shares, representing approximately 0.50 per cent. of the total number of Lloyds TSB Open Offer Shares offered to Lloyds TSB Shareholders pursuant to the Lloyds TSB Open Offer. As with the HBOS Placing and Open Offer, HM Treasury will take up the remaining Lloyds TSB Open Offer Shares for which valid acceptances have not been received from Lloyds TSB Shareholders. As a result, on completion of the proposed Acquisition of HBOS (following the Scheme becoming effective in accordance with its terms), it is expected that HM Treasury will own approximately 43.4 per cent of the enlarged issued ordinary share capital of the newly named Lloyds Banking Group plc as at 19 January 2008.

Closing of the Placing and Open Offer and the issue of Open Offer Shares is conditional upon, amongst other things, the Scheme being sanctioned by the Court which is expected to take place later today. It is expected that the listing of HBOS Shares and dealings in HBOS Shares will be suspended at 6.00pm on 14 January 2009 and that the Open Offer Shares will be issued at 8.00 a.m. on 15 January 2009. New Lloyds TSB Shares issued in exchange for the cancellation of HBOS Shares pursuant to the terms of the Acquisition, are expected to be issued at or after 5.00 p.m. on 16 January 2009, and subsequently admitted to the Official List and to dealings on the London Stock Exchange at 8.00 a.m. on 19 January 2009.

Capitalised terms used in this announcement but not defined herein shall have the meanings given to them in the Prospectus.

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Dealing Disclosure Requirements

Under the provisions of Rule 8.3 of the Takeover Code (the 'Code'), if any person is, or becomes, 'interested' (directly or indirectly) in 1% or more of any class of 'relevant securities' of Lloyds TSB Group plc ('Lloyds TSB') or of HBOS, all 'dealings' in any 'relevant securities' of that company (including by means of an option in respect of, or a derivative referenced to, any such 'relevant securities') must be publicly disclosed by no later than 3.30 pm (London time) on the London business day following the date of the relevant transaction. This requirement will continue until the date on which the offer becomes, or is declared, unconditional as to acceptances, lapses or is otherwise withdrawn or on which the 'offer period' otherwise ends. If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire an 'interest' in 'relevant securities' of Lloyds TSB or of HBOS, they will be deemed to be a single person for the purpose of Rule 8.3.

Under the provisions of Rule 8.1 of the Code, all 'dealings' in 'relevant securities' of Lloyds TSB or of HBOS by Lloyds TSB or HBOS, or by any of their respective 'associates', must be disclosed by no later than 12.00 noon (London time) on the London business day following the date of the relevant transaction.

A disclosure table, giving details of the companies in whose 'relevant securities' 'dealings' should be disclosed, and the number of such securities in issue, can be found on the Takeover Panel's website at www.thetakeoverpanel.org.uk.

'Interests in securities' arise, in summary, when a person has long economic exposure, whether conditional or absolute, to changes in the price of securities. In particular, a person will be treated as having an 'interest' by virtue of the ownership or control of securities, or by virtue of any option in respect of, or derivative referenced to, securities.

Terms in quotation marks are defined in the Code, which can also be found on the Panel's website. If you are in any doubt as to whether or not you are required to disclose a 'dealing' under Rule 8, you should consult the Panel.