

PRESS RELEASE

LLOYDS
BANKING
GROUP



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LLOYDS BANKING GROUP RECEIVES £235m FOR INSIGHT

Lloyds Banking Group today received £235m from the sale of Insight Investment Management Limited (Insight) to Bank of New York (BNY) Mellon. This completes the sale announced in August and comprises a cash consideration of £200 million and an equity consideration of £35 million.

Lloyds Banking Group is the largest bancassurance provider in the UK and it sees significant opportunities to build on its success given its investment expertise, strong brands and range of highly effective distribution channels. The Group retains a strong investment management business, Scottish Widows Investment Partnership (SWIP).

Fund transfer to SWIP

The Group is transferring the investment management of the funds sourced from the Group's Halifax and Bank of Scotland bancassurance businesses, the Bank of Scotland wealth management operation and the Clerical Medical intermediary franchise from Insight to SWIP. The first tranche of 111 funds successfully migrated from Insight to SWIP at the end of October. The migration will occur in four tranches, completing by the end of March 2010.

Upon completion of the fund transfer, SWIP will become a centre of excellence for the Group's asset management activity. Based in Edinburgh, SWIP currently has £92 billion of assets under management and, after the transfer of approximately £42 billion from Insight, this will increase to approximately £134 billion.

Managing change for colleagues

All affected colleagues have been briefed by their line manager. There will be approximately 120 role reductions by March 2010. The Group is in full consultation with the unions about the transfer. 331 colleagues will be moving to BNY Mellon and 12 to SWIP.

Dean Buckley, managing director at SWIP said:

"The transfer of assets represents a great opportunity for SWIP to play a key role in the development of the Group's investment business. In September I announced the business model and executive team that will drive SWIP forward. Our priority remains to deliver strong investment performance and excellent client service, thereby reinforcing our reputation as a market-leading asset manager."

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