



14 December 2011

## **LLOYDS BANKING GROUP ANNOUNCES PREFERRED BIDDER FOR EC MANDATED BRANCH DIVESTMENT (VERDE)**

Lloyds Banking Group today announces that, having further reviewed the formal offers for its EC mandated retail and commercial business divestment (Verde) the preferred option is a direct sale and the preferred bidder for the business is The Co-operative Group.

Lloyds Banking Group will now progress more detailed exclusive discussions with The Co-operative Group, with the aim of agreeing heads of terms by the end of Q1 2012. The Group will continue to progress an Initial Public Offering (IPO) during this phase of the discussions.

Tim Tookey, Interim Group Chief Executive and Group Finance Director, said: "We are pleased to be reporting progress with the Verde divestment which continues to move forward in line with our expectations. I am confident that we will complete the transaction by the end of November 2013, in line with the EC mandated timescale."

This is subject to regulatory approval.

– END –

For further information:

### **Investor Relations**

Kate O'Neill  
Managing Director, Investor Relations  
Email: [kate.o'neill@ltsb-finance.co.uk](mailto:kate.o'neill@ltsb-finance.co.uk)

+44 (0) 20 7356 3520

### **Corporate Affairs**

Matthew Young  
Director of Corporate Affairs  
Email: [matt.young@lloydsbanking.com](mailto:matt.young@lloydsbanking.com)

+44 (0) 20 7356 2231

## **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 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; instability in the global financial markets; changing demographic and market related 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.