



22 March 2012

UPDATE ON VERDE PROCESS: LLOYDS BANKING GROUP CREATES 500 NEW ROLES TO SUPPORT VERDE BUSINESS

Lloyds Banking Group continues to make good progress on its EC mandated retail and commercial business divestment (Verde), and is today announcing the key operational sites which will join the Verde business.

These sites, which will provide telephony, banking operations and mortgage centre support to the Verde business, are in five UK locations, in Gloucester, Livingston, Birmingham, Sunderland and Swansea. Around 1,400 colleagues in these locations will become part of the Verde business, joining around 5,000 branch staff.

The Group is also announcing today the creation of around 500 new roles in the Verde business and the start of the recruitment process to fill these roles.

Alison Brittain, Group Director Retail Division said: "This represents the next step in building the Verde business following last year's branch network and management team announcement, and marks a significant milestone in building a fully operational challenger bank, well positioned for a successful future."

It remains our preference to sell the Verde business to The Co-operative Group. In addition the Group is continuing to prepare for a divestment through an Initial Public Offering (IPO).

We continue to progress discussions with the Co-operative Group. However, given that this is a substantial business and a highly complex transaction the Group now anticipates providing a further update in Q2 2012.

The Group remains on track to complete the transfer of the business before the end of 2013 in line with the EC mandated timescale.

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