



19 November 2012

## **LLOYDS BANKING GROUP ANNOUNCES SALE OF IRISH COMMERCIAL REAL ESTATE LOANS TO AN ENTITY AFFILIATED WITH APOLLO**

Lloyds Banking Group plc (the Group) announces today that it has agreed the sale of a portfolio of Irish commercial real estate loans (the Portfolio) to Risali Limited, an entity affiliated with Apollo Global Management, LLC (NYSE: APO) for a cash consideration of £149 million. The transaction is not expected to have a material impact on the Group due to the significant impairment provisions held against the Portfolio, which are higher than the average across the Irish wholesale book because of the particularly distressed nature of these assets. The sale proceeds will be used for general corporate purposes.

The Portfolio generated losses of £202 million in the year to 31 December 2011. The gross assets subject to the transaction are £1,466 million.

This transaction is in line with the Group's strategy of de-risking its balance sheet and reducing its non-core assets.

The transaction is expected to complete in the first quarter of 2013.

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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 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 or may 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 UK domestic and global economic and business conditions; the ability to derive cost savings and other benefits, including as a result of the Group's simplification programme; 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, including Eurozone instability; changing demographic and market related trends; changes in customer preferences; changes to laws, 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 implementation of the draft EU crisis management framework directive and banking reform following the recommendations made by the Independent Commission on Banking; 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 EC state aid obligations; the extent of any future impairment charges or write-downs caused by depressed asset valuations, market disruptions and illiquid markets; the effects of competition and the actions of competitors, including non-bank financial services and lending companies; exposure to regulatory scrutiny, legal proceedings, regulatory investigations or complaints, 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 certain 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.