



18 May 2018

LLOYDS BANKING GROUP ANNOUNCES SALE OF ITS IRISH RESIDENTIAL MORTGAGE PORTFOLIO

Lloyds Banking Group plc (the 'Group') announces today that it has agreed the sale of its Irish residential mortgage portfolio to Barclays Bank plc, for a cash consideration of around £4 billion at current exchange rates.

The transaction will generate approximately 25 basis points of CET1 capital upon completion, slightly better than originally expected, and will complete in the second half of 2018. The transaction will also generate a pre-tax loss on sale of c.£110 million, recognised in the first half results.

The gross assets subject to the transaction are c.£4.3 billion, of which £0.3 billion are impaired, and in the year to 31 December 2017 generated a pre-tax loss of c.£40 million.

The sale is in line with the Group's strategy of becoming a low risk, UK focused bank. Following the transaction the Group will have minimal exposure to Ireland and the total outstanding run-off portfolio will be around £4 billion, less than 1 per cent of the Group's loans and advances to customers.

The sale proceeds will be used for general corporate purposes.

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FORWARD LOOKING STATEMENTS

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