



PRESS RELEASE

12th October 2017

FOR IMMEDIATE USE

LLOYDS BANKING GROUP TO BOOST SCOTTISH WIDOWS WITH ACQUISITION OF ZURICH'S UK WORKPLACE PENSIONS AND SAVINGS BUSINESS

Today's announcement includes a multi-year, exclusive distribution partnership for Zurich to provide group life protection solutions to certain corporate clients of LBG's Commercial Banking services

Lloyds Banking Group (LBG) and Zurich today announce a strategic deal under which LBG will acquire Zurich's UK workplace pensions and savings business with assets under administration of more than £15 billion and c.500,000 customers.

The transaction enhances Scottish Widows' current offering whilst delivering a modern, flexible workplace savings platform and an enriched customer experience. Scottish Widows already manages more than £124 billion of funds of which £35 billion is workplace pensions business.

It is in line with LBG's targeted growth strategy and accelerates the development of its financial planning and retirement business.

This transaction is in line with Zurich's strategy and will see it receive exclusive distribution rights for group life protection to certain corporate clients of LBG's Commercial Banking services. The overall deal underlines Zurich's ambition to grow in markets where it is performing strongly and further cements its number one position for new sales in corporate protection.

Antonio Lorenzo, LBG Director, Insurance & Wealth and Chief Executive, Scottish Widows, said: *"Today's announcement is a clear signal of Lloyds Banking Group's commitment to the financial planning and retirement segment. The acquisition of Zurich Corporate Savings complements Scottish Widows' growth to date and provides us with an ideal opportunity to accelerate our goal to become a market leader in this important sector for advisers and customers.*

"Zurich Corporate Savings is highly regarded and has achieved good growth in assets under administration driven through strong relationships with large-scale corporate clients and their intermediaries. The greater proposition choice created through this acquisition will help us meet adviser and customer demands and ensure we continue to evolve our service proposition so that we are easy to do business with."

Tulsi Naidu, CEO of Zurich UK, said: *"We see today's announcement as a very positive step forward for our business. We are simplifying our organisation and focusing on markets where we have strong assets and can best serve our customers and distributors. Our UK life and savings strategy is simple – to establish market leading positions in retail wealth, and retail and corporate protection, while growing our new corporate longevity and de-risking business.*



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“This new exclusive deal with Lloyds Banking Group broadens our corporate protection distribution footprint. To support our other ambitious growth plans, we are also investing in a new multi-million pound retail protection platform and enhancing the range of products on our retail wealth platform.”

The Zurich Corporate Savings proposition will broaden Scottish Widows’ participation in the large pension scheme sector, with Master Trust and Group Self Invested Personal Pension (GSIPP) solutions. It will also provide a flexible investment capability to support advisers to create bespoke client investments and access assets not previously available via Scottish Widows.

As part of the transaction c.200 Zurich employees - including key management, relationship managers, technical experts and operations staff, located primarily in Cheltenham - are expected to transfer to LBG under a TUPE arrangement.

The acquisition is expected to partially close in the first quarter of 2018, with subsequent completion and transfer of assets following the required regulatory and legal approvals.

- Ends -

Notes to Editors

About Lloyds Banking Group

Lloyds Banking Group is one of the UK’s biggest lenders to SMEs, one of the leading mortgage providers to first time buyers and operates the UK’s largest digital bank.

The Group’s main business activities are retail and commercial banking, general insurance, and long-term savings, protection and investment. The Group provides services under a number of well recognised brands including Lloyds Bank, Halifax, Bank of Scotland and Scottish Widows.

About Zurich in the UK

Zurich provides a suite of general insurance and life insurance products to retail and corporate customers.

We supply personal, commercial and local authority insurance through a number of distribution channels, and offer a range of protection, retirement and savings policies available online and through financial intermediaries for the retail market and via employee benefit consultants for the corporate market.

Based at around 20 locations across the UK - with large sites in Birmingham, Cheltenham, Farnborough, Glasgow, London, Swindon and Whiteley - Zurich employs approximately 6,000 people in the UK. Further information about Zurich UK is available at www.zurich.co.uk

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