



Lloyds TSB

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LLOYDS TSB SELLS GOLDFISH CREDIT CARD BUSINESS TO MORGAN STANLEY

Lloyds TSB announces that it has reached agreement to sell, for cash, the credit card business of Goldfish to Morgan Stanley Bank International Limited for a premium of £175 million.

As at 30 November 2005, Goldfish's total net credit card receivables amounted to approximately £800 million. The transaction also includes the Goldfish brand and loyalty programme. Profit before tax of circa £70 million, which remains subject to the finalisation of completion accounts, is expected to be recognised in the accounts of Lloyds TSB Group for the year ending 31 December 2005.

Terri Dial, Group Executive Director, UK Retail Banking at Lloyds TSB, said: "Having reviewed our credit card business, I am convinced that our strategy going forward should focus on growing our core franchise. The sale of Goldfish reflects our desire to concentrate on growing our Lloyds TSB branded credit card business. As customers increasingly use credit and debit cards as tools to help them manage their cash flow, we believe there are substantial growth opportunities. I am pleased that the vast majority of Goldfish staff will transfer to Morgan Stanley."

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FORWARD LOOKING STATEMENTS

This announcement contains forward looking statements with respect to the business, strategy and plans of the Lloyds TSB Group and its current goals and expectations relating to its future financial condition and performance. Statements that are not historical facts, including statements about Lloyds TSB Group's or 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. Lloyds TSB Group's actual future results may differ materially from the results expressed or implied in these forward looking statements as a result of a variety of factors, including UK domestic and global economic and business conditions, risks concerning borrower credit quality, market related risks such as interest rate risk and exchange rate risk in its banking businesses and equity risk in its insurance businesses, inherent risks regarding changing demographic developments, catastrophic weather and similar contingencies outside Lloyds TSB Group's control, any adverse experience in inherent operational risks, any unexpected developments in regulation or regulatory actions, changes in customer preferences, competition, industry consolidation, acquisitions and other factors. For more information on these and other factors, please refer to Lloyds TSB Group's Annual Report on Form 20-F filed with the US Securities and Exchange Commission and to any subsequent reports furnished by Lloyds TSB Group to the US Securities and Exchange Commission or to the London Stock Exchange. The forward looking statements contained in this announcement are made as of the date hereof, and Lloyds TSB Group undertakes no obligation to update any of its forward looking statements.