

### **Appointment of Bookrunners and advisers on Lloyds share disposal**

17 September 2013

UKFI announced on 17 September 2013 that it had successfully completed the disposal of 15.5% of HM Treasury's shareholding in Lloyds Banking Group.

As previously announced on 27 June 2013, UKFI established a Framework Agreement ('panel') compliant with the Public Contract Regulations (2006) and the principles of 'openness and transparency'; this panel was used to select UKFI's advisers and Bookrunners on the Lloyds share sale.

The firms on this panel of potential Bookrunners and advisers were assessed against objective qualitative and commercial criteria as published in the tendering documents. The applications were scored against these criteria by three UKFI personnel and the results moderated by a member of UKFI staff who has no connection with any of the applicants. The panel firms were selected based upon the outcome of this evaluation process which was also independently reviewed by HM Treasury Commercial and Legal teams.

The selection of Bookrunners reflects the outcome of the evaluation process; the final selection was reviewed by a non-executive member of the UKFI Board who has no connection with any of the qualified members of the panel of Bookrunners. The three Bookrunners all scored highly on the qualitative criteria and submitted the most competitive commercial bids.

UKFI has agreed call-off contract arrangements with each Bookrunner for their services including paying no commission in connection with the placing of the shares. The terms of these call-off contracts will be published in line with UKFI's Framework Agreement and the Government's Transparency agenda.

Jim O'Neil recused himself from any involvement in the procurement process for both the Framework and each of the call-off contracts given his impending departure to Bank of America Merrill Lynch.