

APPENDIX 4.1
(referred to in paragraphs 2.47, 4.23 and 4.45)

Regional market shares and local overlaps

1. Table 1 shows regional market shares for the number of PCAs. Lloyds TSB's market share is highest in the [2008] and lowest in [2009], while the reverse is true for Abbey National. We calculated the correlation coefficient between the regional market shares of Lloyds TSB and Abbey National: this was [0.1] for PCAs, [0.2] for savings accounts and [0.3] for mortgage accounts, indicating that where Lloyds TSB's share is relatively high Abbey National's tends to be relatively low and vice versa.

2. Nevertheless there is a high degree of local overlap between Lloyds TSB and Abbey National branches. Lloyds TSB told us that 156 out of 209 Abbey National branches within the M25 were within a quarter of a mile of a Lloyds TSB branch and that 537 out of 565 Abbey National branches outside the M25 were within 1 mile of a Lloyds TSB branch. In the great majority of these overlaps there were three or more competitor branches (see Table 2).

3. We also asked both Lloyds TSB and Abbey National about the number of branches where the only local competitors were one or more members of the big four. Lloyds TSB told us that there were 88 Abbey National branches where the nearest branch of a competitor other than one of the big four was more than a quarter of a mile away and 45 where it was more than 1 mile away. Abbey National told us that there were 70 locations where members of the big four were its only competitors on the high street.

TABLE 1 Regional PCA market shares, 2000

	<i>per cent</i>											
	Scotland	North	North-West	Yorkshire & Humberside	West Midlands	East Midlands	East Anglia	Wales	London	Other South-East	South-West	Great Britain
Barclays*												
HSBC												
Lloyds TSB												
RBS/NatWest												
BoS												
NAB												
Abbey National												
Alliance & Leicester												
Halifax												
Nationwide												
Others												
Total												
<i>Pre-merger</i>												
Total: big four												
Total: all traditional banks												
HHI (number)												
<i>Post-merger</i>												
Lloyds TSB												
Total: big four												
Total: all traditional banks												
HHI (number)												

Figures omitted. See note on page iv.

Source: FRS data on number of accounts [Details omitted. See note on page iv.].

*Includes Woolwich.

TABLE 2 Other competitors' branches where there is an overlap between Lloyds TSB and Abbey National branch networks

Number of other competitors' branches*	Within M25, Abbey National branches within ¼ mile of nearest Lloyds TSB branch	Outside M25, Abbey National branches within 1 mile of nearest Lloyds TSB branch	Total Abbey National branches
0	3	2	5
1	5	5	10
2	7	13	20
3-5	55	158	213
6-10	66	230	296
>10	20	129	149
Abbey National branches with overlap with Lloyds TSB	156	537	693
Abbey National branches with no overlap with Lloyds TSB	53	28	81
Total Abbey National branches in UK	209	565	774

Source: Lloyds TSB internal calculations based on Lloyds TSB data and Abbey branch network data from *Retail Locations*, June 2000.

*This column refers to the number of places where there is an Abbey National branch close to a Lloyds TSB branch and the merger will reduce the number of branches, other than Lloyds TSB, from one to zero (row '0'), from two to one (row '1'), and from three to two (row '2') and so on. Other competitors are: Barclays/Woolwich, RBS/Natwest, HSBC, Halifax, Alliance & Leicester, Nationwide, BoS and NAB.