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LLOYDS BANKING GROUP MAKES £1 BILLION PLEDGE TO SUPPORT BUSINESSES IN THE RUN UP TO 2012 OLYMPIC AND PARALYMPIC GAMES

- **At least £1 billion of loans being made available to firms across the UK**
- **The lending will help firms fund existing London 2012 Olympic and Paralympic Games projects, as well as the many smaller contracts still to be awarded**
- **The lending will be on competitive, commercial terms and the Group's SME Charter will apply for small and medium sized firms**
- **In the run up to London 2012, the Group will stage over 500 nationwide seminars to help firms understand the business benefits of the Games**
- **Businesses could benefit from at least £1 billion in direct London 2012 Games contracts as well as an additional 'ripple effect'**

Lloyds Banking Group is pledging to make available at least £1 billion over the next two years, to eligible firms across the UK, as part of a drive to help businesses benefit from the opportunities created by the London 2012 Olympic and Paralympic Games.

The initiative is part of the Group's overall commitment to lend to UK firms, and will be open to any companies that win contracts with:

- the Olympic Development Authority (ODA)
- the London Organising Committee of the Olympic Games and Paralympic Games (LOCOG); as well as
- any suppliers to firms that already hold contracts

The total value of contracts connected to London 2012 is an estimated £6 billion¹, including £1 billion of direct contracts and an estimated £5 billion for suppliers to those companies that win business.

Help for companies across the UK, not yet involved

Importantly, the Group's commitment will also help companies that are yet to take advantage of the London 2012 Games. There are still a large number of small direct

contracts available for firms across the UK as well as opportunities from the supply chain.

The Group will also be making the lending available to the thousands of businesses without official contracts, that stand to benefit from the ripple effect generated by the London 2012 Games. Examples of these businesses could include retailers in the area surrounding the Olympic site, or providers of services as diverse as catering, transport, or language translation, across the country.

Truett Tate, Group Executive Director, Wholesale, said: “British businesses could reap significant rewards from the Olympic and Paralympic Games. We want to make sure that they are able to secure competitively priced finance.

“We’re making available at least £1 billion in the run up to the Games to help businesses gain from the opportunity offered through London 2012. We want enterprising firms to know that, wherever in the UK they happen to be, there is still time to take a share of the Olympic pie. We also want to encourage firms that are not yet involved to act quickly.”

Steps being taken to raise awareness

In order to ensure firms across the UK are aware of the available finance and the contract opportunities still open for the taking, the Group has put in place a series of initiatives.

- In the run up to the London 2012 Games, the Group will support a nationwide programme of over 500 business seminars, for both SMEs and larger corporates. The events will be held over the next two years, and will help businesses understand the steps they need to take to ensure they seize the opportunities available.
- The Group has also published an online guide² called ‘*Winning Business*’, to help companies of all sizes understand the business potential of the London 2012 Games and pitch successfully for the contracts still available.

All lending provided as part of this initiative will be on the same competitive and commercial terms as other business lending across the Group – and firms of all sizes, sectors will be eligible, across the UK.

Additionally, for small and medium sized firms (with a turnover of up to £15 million), our 2012 SME Charter principles apply. The lending will also help support businesses borrowing through Government initiatives such as the Enterprise Finance Guarantee Scheme. Businesses that are interested in exploring opportunities connected to London 2012, or that want to discuss possible financial support, should contact their relationship managers.

Lord Mandelson said: “The London 2012 Olympic and Paralympic Games is a unique opportunity for business. Over the next two and a half years we will be building towards an event in which firms of all shapes and sizes, and across all regions, can play a part. But it is also clear that the economic benefits of the Games will live on far beyond 2012.

“Initiatives such as this from Lloyds Banking Group serve to encourage businesses to make the Games work for them. This is a good thing for business, for local communities, and for the UK as a whole.”

Minister for the Olympics Tessa Jowell said: “The Olympic and Paralympic Games are already keeping order books busy up and down the country thanks to the billions of pounds worth of contracts already awarded. This initiative will build on that success, providing yet another boost to business.”

Sebastian Coe, Chair, London Organising Committee of the Olympic Games and Paralympic Games (LOCOG), said: “London 2012 is not just about sporting talent and it is not just about London. Across the UK, there are thousands of incredible businesses that could stand to benefit from the huge economic boost that will come from the Games.

“The lending that Lloyds Banking Group has announced, will not only help those firms that are already making plans related to the Games; it will also help businesses that have not yet considered the opportunities in the run up to London 2012 and beyond.”

Notes to editors:

¹Department of Culture, Media and Sport, Nov 2009

²www.lloydstsb.com/london2012business

Lloyds TSB and Bank of Scotland, part of Lloyds Banking Group, are official partners to the London 2012 Olympic and Paralympic Games

The key points of the 2012 SME Charter are:

1. Lloyds TSB will encourage enterprise, boost access to finance and provide clearer and fairer pricing for customers – including a pledge to help 300,000 new start ups by 2012
2. Lloyds TSB will run a programme of 200 nationwide seminars every year for the next three years, to provide expert guidance and support for SMEs on starting up, employment, exporting, bidding for 2012 contracts, sustainability and finance
3. Lloyds TSB will agree to any reasonable request for competitive commercially-priced finance (whether short-term or long-term) from viable business customers
4. Lloyds TSB will not change the availability of overdrafts during the period of a customer's agreement, as long as their accounts are kept within agreed terms and limits
5. The price of existing loans or renewed overdrafts will reflect the cost of funding. The margin Lloyds TSB charges over the cost of funding will only increase where there has been a material increase in risk (subject to a minimum 1.5 per cent over the cost of our funds). Lloyds TSB will be transparent about pricing and help customers understand the price of their facilities. Where margins increase, Lloyds TSB will provide a clear explanation of the reasons
6. Lloyds TSB's fees will be competitively priced. And arrangement fees on loans and overdrafts will not be greater than 1.5 per cent of the overall value of the facility

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