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LLOYDS BANKING GROUP PROVIDES OVER £500 MILLION OF FUNDING TO SCOTLAND'S BIG BUSINESSES IN H1 2010

Lloyds Banking Group's Corporate Markets team in Scotland has made funding of over £500 million available to large Scottish businesses in the first half of 2010.

The team, which provides finance to businesses with annual sales in excess of £15 million, says it has also increased its balance of deposits from companies keen to conserve cash reserves by 20 per cent since January. To cater for this increased demand, the Bank is planning to launch a range of market-leading deposit accounts for the business community in the coming months.

These latest figures suggest Scotland's larger companies are showing a growing appetite for growth and are consistently improving their financial position. Over 50 per cent of all approved Corporate Markets funding from the first half of the year were increases in existing facilities from within the Bank's customer base.

Lending by the Corporate Markets team was widely spread across 22 business sectors with eight key industries showing high activity levels. Oil & Gas was the most active sector, with the Bank's base in Aberdeen providing on-the-ground support to some of the country's largest oil & gas services businesses. This included facilitating four acquisitions for Global Energy Group worth over £20 million towards the beginning of the year.

Manufacturing also performed well, with Lloyds Banking Group's support for the industry reflecting recent evidence suggesting robust growth in new orders is galvanising the recovery of the manufacturing sector in Scotland.

Another key sector to have benefited from financial support from Lloyds Banking Group in the first half of 2010 was food & drink, with one in eight new finance deals completed by the bank involving a company in the sector. The food and drink sector is likely to be a major component of Scottish economic recovery and Lloyds Banking Group has been involved in some of the country's most high profile deals in the food & drink sector this year. Those include a £20.9 million funding package to Irish drinks group C&C Group - the makers of Magners Cider. The deal saw the group's cider brands presence bolstered in the Scottish drinks market by enabling the business to sell cider through its Tennant's distribution network.

Alasdair Gardner, Managing Director for Lloyds Banking Group's corporate markets division in Scotland, said: "The corporate community in Scotland worked hard to protect its position during the recession by strengthening balance sheets and reducing debt. Many of those companies are now reaping the rewards of that approach and are beginning to focus on recovery and growth."

“Lloyds Banking Group started the year with a proactive approach and that is continuing with the launch of a range of competitive deposit accounts for the business community. We are also expanding our capital markets capability in Scotland as businesses seek a variety of alternative finance solutions to meet their needs.

“Increasingly the trend has shifted as more and more Scottish companies have completed a period of recovery and are now looking to the bank for ways to grow and consolidate their position. We are pleased with the bank’s contribution to that process and we aim to provide more support in the coming months as the wheels of Scottish corporate and economic recovery start to turn.

“The performance of Scotland’s largest businesses will be a key barometer of how well the country will recover from recession. Their appetite for new funding to support some very ambitious growth strategies certainly suggests that the drive is there. We will continue to support any organisation with the right management, a strong balance sheet and a good business model – the funding is there.”

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Lloyds Banking Group Wholesale:

- Lloyds Banking Group Wholesale has approximately 26,000 corporate customers and some 800,000 SME customers in the UK.
- Lloyds Banking Group has a 22 per cent market share in banking amongst businesses with a turnover between £15 - £250 million.
- In addition to core banking, Lloyds Banking Group provides specialist products and services including asset based lending, structured finance, acquisition finance, capital markets, international trade finance and risk management on interest rates, inflation, foreign exchange and commodities.
- Lloyds TSB Corporate Markets was named ‘Bank of the Year’ for the sixth consecutive year at the Real Business/CBI Finance Directors’ Excellence Awards in May 2010. Voted for by Britain’s Financial Directors, the award was given in recognition of the support the bank has given business customers through the downturn.