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LLOYDS BANK MOVES TO BOOST UK AUTOMOTIVE SECTOR WITH NEW SUPPORT

Businesses in the automotive supply chain that need to invest in bespoke tools to complete contracts are to get specialist support, thanks to the launch of a new Tooling Finance product by Lloyds Bank Commercial Banking.

Tooling Finance is tailored to manufacturers with a proven track record in the automotive supply chain, and provides up to 90 per cent of the project cost upfront, with typical terms of up to 24 months.

By freeing up cash that would otherwise be tied up in machinery, tooling finance aims to take the pressure off working capital and providing ambitious businesses with the capital to invest in growth.

It has been developed specifically to back the 2,049 firms and 78,000 workers in the UK automotive supply chain¹, and comes with support from Lloyds Bank's experienced manufacturing relationship managers.

Dave Atkinson, UK head of manufacturing for SME, Lloyds Bank Commercial Banking, said: "We have a deep understanding of automotive manufacturing and know that the UK is one of the most attractive locations for investment in the sector.

"As a result, our clients through the supply chain are seeing increasing opportunities for growth.

"We also understand that high up-front costs can make investing in growth very difficult for firms that are looking to grow.

"To help them, we have developed a tooling finance solution that will support automotive manufacturers and suppliers in funding bespoke tooling.

"With end production sometimes not occurring until 12-24 months after tooling requirements are identified, cashflow pressures can affect working capital. Tooling finance can help alleviate that pressure.

"Manufacturing has never been more important to the success and growth of the UK economy, with the automotive industry representing about eight per cent of UK manufacturing output."

The launch comes as the Society of Motor Manufacturers and Traders (SMMT) reports that UK car production grew 9.8 per cent year on year in March, with 159,074 cars built – one every 16 seconds.

Mike Hawes, SMMT Chief Executive, said: “The UK’s automotive supply chain is currently undergoing a resurgence. However, we know that there is still a £6 billion opportunity in this sector of the industry and new financing options will enable companies to grow to their full potential.”

Lloyds Bank has pledged to provide £1 billion of new funding to the manufacturing sector every year until 2017 and has invested in training more than 300 manufacturing specialists, accredited by the Warwick Manufacturing Group through the University of Warwick.

ENDS

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Notes to Editors

Lloyds Bank Commercial Banking

- Lloyds Bank Commercial Banking provides comprehensive expert financial services to businesses of all sizes, from start-ups and small businesses to mid-sized businesses and multinational corporations.
- Maintaining a network of relationship teams across the UK, as well as internationally, Lloyds Bank Commercial Banking delivers the mix of local understanding and global expertise necessary to provide long-term support to its clients.
- Lloyds Bank Commercial Banking offers a broad range of finance beyond term lending and this spans import and export trade finance, structured and asset finance, securitisation facilities and capital market funding. Its product specialists provide bespoke financial services and solutions, including tailored cash management, international trade, treasury and risk management services.

Support for SMEs

- For our 2016 SME Charter we have pledged to support 5,000 first time exporters; grow lending to small businesses; help 100,000 start-up businesses; and support small firms for their next phase of growth.
- Lloyds Banking Group is committed to helping businesses of all types and sizes, giving them the funding and support they need to grow at home and abroad. We have set out our pledges in our Helping Britain Prosper Plan.
- In 2015 the Bank helped more than 100,000 start ups get off the ground as part of its commitment to supporting British enterprise.
- Since the start of 2011, we have grown our net lending to SMEs by 25% whilst the market has contracted by 13%.
- To see the latest supporting businesses factsheet please visit: <http://www.lloydsbankinggroup.com/media/media-kit/sme-fact-sheet/>