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Lloyds Banking Group delivers £9bn to social housing sector in just three years

- **£9bn delivered to UK social housing sector by Lloyds Banking Group since 2018**
- **Bank aims to deliver £1.5bn in funding to social housing in 2021 with at least £500m going to ESG spending**

Since 2018, Lloyds Banking Group has provided £9bn of funding to the UK's social housing sector, outstripping its original £2.25bn funding commitment by £6.75bn over this period due to strong sector demand and the Group's appetite to support more social housing and ESG (Environmental, Social and Governance) projects. The funding has been delivered by the Group's Lloyds Bank, Bank of Scotland, Scottish Widows and Lloyds Bank Corporate Markets teams.

Commitment to Social Housing

The funding has aided the creation of more, high quality homes helping housing associations provide homes for those on the lowest incomes. In the last three years, transactions have included £350m to Midlands-based Platform Housing Group to support one of the UK's largest social housing development programmes and a £250m sustainability linked Bond for Aster Group, which owns and manages over 30,000 homes across the south of England.

In addition, Lloyds Banking Group has also unveiled plans to deliver £1.5bn of funding to social housing in 2021 with at least a £500m going to projects with a clear ESG stated ambition to help drive robust and meaningful change. This will support the sector to accelerate its investment in creating greener homes through the construction of sustainable new builds and the retrofit of existing properties to help the sector continue its decarbonisation journey.

ESG integration

ESG considerations have also been integrated into the Group's lending and investment activities, when earlier in 2021 the Group announced furthering its transition to a low carbon economy with an expanded target of net zero by 2050, or sooner. As part of this stated target, the Group announced that Scottish Widows will halve its carbon footprint by 2030

Good Economy Framework

Lloyds Bank and Scottish Widows, also part of Lloyds Banking Group, have become early adopters of the Good Economy Framework's Sustainability Reporting Standard for Social Housing. The standard provides a framework for housing associations to voluntarily disclose their ESG performance in a transparent and comparable way, which will also help inform future funding decisions.

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In addition, housing associations have access to the bank's Green Buildings Tool which enables them to quickly assess the energy efficiency of buildings and makes recommendations on how this can be improved. The bank has assessed the energy retrofit requirements of over 200,000 homes in the social housing sector and is now working with clients to enable them to measure and plan to improve the sustainability of their stock.

David Cleary, Managing Director, Head of Housing, Lloyds Bank, comments: "Sustainability is rightly dominating the agenda for the social housing sector. The market-leading amount of funding we've delivered in the past three years and our plan for the year ahead underlines our ongoing commitment to social housing and to the UK's green prosperity and economic recovery.

"Measures to improve the green credentials of the UK's social housing stock is of dual benefit for the planet and for people. It benefits tenants by creating greener homes with typically lower running costs and helps tackle the climate emergency. The development of new homes and retrofitting of existing ones also supports jobs in the small and large companies undertaking the work."

Lloyds Bank has recently backed housing association Cartrefi Conwy by way of a £22m funding package to enable it to make 4,000 homes greener and build 1,000 new homes in North Wales. The Sustainability Linked Loan was Lloyds Bank's first for the social housing sector and provided Cartrefi Conwy with a set of environmental and social KPIs to meet to secure margin discounts on its financing. Cartrefi Conwy used the Good Economy Framework's reporting standard to help plan their green improvements.

ENDS

Notes to editors

- We define housing associations as registered providers of social housing. The government publishes [a list of these online](#).
- For more information on the Good Economy Framework's Sustainability Reporting Standard for Social Housing [see online here](#).
- For more information on the Green Buildings Tool please [see online here](#).

About Lloyds Bank Commercial Bank

Lloyds Bank Commercial Banking provides comprehensive expert financial services for small businesses, 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.

About Scottish Widows

Scottish Widows loan investments team offers long-term financing and structured credit options across a range of sectors, with a significant portfolio covering real estate, housing, infrastructure – including energy – and education. In line with its UK-focused strategy, Scottish Widows has a strong track record in the UK residential sector, including social housing, with £3.5 billion invested with housing associations who offer people an affordable, long-term and secure housing option. Its specialist transactional team has extensive deal structuring experience focused on meeting the needs of its range of clients through more than £3bn new business lending to date. Part of Lloyds Banking Group, Scottish Widows is able to leverage, when needed, expertise and knowledge from sector specialists across the Group. This enables clients to benefit from the breadth of products available including commercial and ancillary banking facilities.

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