



24TH MARCH 2015

LLOYDS BANK COMPLETES ALLOCATION OF ITS INAUGURAL £250 MILLION ENVIRONMENTAL, SOCIAL AND GOVERNANCE BOND

- **£250 million of bond proceeds allocated to eligible borrowers within six months**
- **1,468 qualifying loans to Small and Medium sized businesses, agriculture and healthcare businesses with a high social and environmental impact**
- **96 per cent of loans made to borrowers located in the UK's most economically deprived areas**
- **358 jobs directly attributable through loans made in partnership with the Regional Growth Fund***

Six months since Lloyds Banking Group became the first UK Bank to issue an Environmental, Social and Governance (ESG) bond, a total of 1,371 small and medium sized businesses across 17 industrial sectors have benefited from 1,468 loans extended under the bond.

Underpinned by the Group's Helping Britain Prosper plan, the bond reinforces the Group's commitment to the UK economy. The proceeds, raised predominantly from socially responsible investors, have been allocated to businesses across the UK with strong social or environmental qualities. Over 96 per cent of the loans have been made to borrowers in the most economically deprived areas of the UK. A significant proportion was allocated to small and medium-sized businesses in Birmingham, Manchester and Newcastle Upon-Tyne.

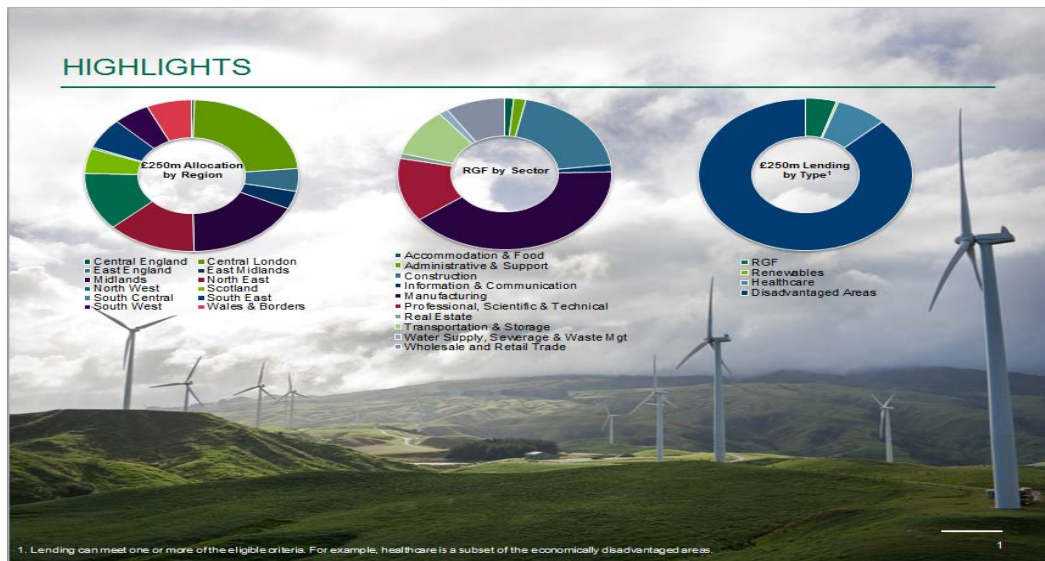
Information on the use of proceeds has been made available to bond investors via a unique and transparent reporting framework and also verified by an external auditor.

Proceeds from the bond have been used to finance small-scale renewable energy companies (0.3%), manufacturers (7.4%) and healthcare providers (7.7%). By way of example, over £19m of funds were allocated to 79 healthcare providers located in disadvantaged areas.

James Garvey, Managing Director, Head of Capital Markets at Lloyds Bank

Commercial Banking, said: “Investor appetite was very strong for Lloyds Bank’s first Environmental, Social and Governance bond, demonstrating the growing importance of socially responsible lending and investing.

“That we have been able to directly attribute the creation or safeguarding of over 358 jobs to the bond, with many more benefitting indirectly, is a resounding endorsement of our commitment to Helping Britain Prosper. Having successfully launched and allocated the first ESG bond by a UK bank, we will look at options to bring further ESG bonds to market in due course.”



Notes to the editor

* Lloyd Bank committed £25 million during 2014 to fund business through Regional Growth funds.

£250 million ESG bond was issued on the 9th July 2014. The bond matures on the 9th December 2018 and pays 2.75% fixed coupon semi-annually.

The bank worked with sustainability agency, Sustainalytics, to identify the most appropriate sectors and locations to benefit from the funding programme.

Key figures have been verified independently by PWC

For further information:

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