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LLOYDS BANKING GROUP BEATS TARGET FOR SMALL BUSINESS LENDING

- Group beats £11.7 billion Merlin capacity target, by lending £12.5 billion in 2011
- Net lending has remained positive, even though industry net lending has been shrinking
- Group has made a unilateral pledge to lend at least £12 billion in 2012 and continue to deliver growth on a net basis

Lloyds Banking Group has announced that it has beaten its targets under the Merlin agreement, for lending to small and medium sized businesses (SMEs). During the 12 month period of the agreement, which began in February 2011, the Group lent £12.5 billion to SMEs, surpassing the higher £11.7 billion capacity target under Merlin. Separately, the Group has also kept its net lending to SMEs positive at three per cent, while across the industry net lending has declined by six per cent.

For 2012, the Group has made a unilateral commitment to lend at least £12 billion - and to keep its net lending positive - despite the continuing economic uncertainty. This commitment is uncapped and the Group will lend whatever is required to fulfil demand from viable small and medium sized businesses throughout the year. As part of its SME Charter, the Group has also made a series of pledges help ensure finance remains accessible and affordable.

John Maltby, Group Director, Commercial, Lloyds Banking Group, said: “The UK’s recovery hinges on the success of small businesses. And we are resolute in our commitment to making sure they do succeed. We lent £12.5 billion to small and medium sized businesses last year, beating our target of £11.7 billion under the Merlin agreement, and we’ve grown our net lending during a time when, across the industry, net lending has slipped into reverse.

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“But that is just the start. We’ve made a unilateral pledge to lend at least £12 billion again in 2012, despite the continuing economic uncertainty. And through our SME Charter we have set out how we will keep lending both accessible and affordable.”

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