

LLOYDS BANKING GROUP



19 September 2012

LLOYDS BANKING GROUP BECOMES FIRST BANK TO DRAW DOWN FROM FUNDING FOR LENDING SCHEME

Lloyds Banking Group today announced that it has become the first bank to access funding under the Government's Funding for Lending Scheme, with an initial draw down of £1 billion from the Bank of England.

The Group will lend this amount in a matter of weeks through discounted lending to small and medium sized businesses, mid market companies and homebuyers.

The drawdown of the funding follows the launch of the Group's own discounted offer under the Funding for Lending Scheme, last week, and the successful completion of its lending through the Government's National Loan Guarantee Scheme.

The announcement demonstrates the Group's continued support for businesses and for the UK economy and builds upon a range of recent successes, including:

- A four per cent increase in net lending to small businesses, during a time when net lending growth across the industry has shrunk by four per cent.
- A commitment to increasing lending to the manufacturing industry by £1 billion before September 2013.
- Helping one in four of all UK first time buyers, providing new mortgages to more than 25,000 of them during the first half of 2012 alone.

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António Horta-Osório, Lloyds Banking Group Chief Executive said: “This initial £1 billion is just the start. We are committed to helping Britain prosper by encouraging investment and supporting businesses and households with the best possible terms through Lloyds Funding for Lending.”

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Notes to editors:

- The scheme will offer an ongoing 1% reduction in the interest rate over the full life of the loan
- The scheme is available for new loans to both new and existing customers
- The scheme includes both variable and fixed rate lending
- The loan terms are from 1 year
- Standard arrangement fees will apply
- Normal credit conditions apply
- This offer is available to all SME and Mid Market customers with a turnover up to £250 million