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## LLOYDS BANKING GROUP READY TO SUPPORT UK SMALL BUSINESSES IMPACTED BY COVID-19

- *£2bn of arrangement fee free finance available to support small businesses up to £25m turnover in size*
- *Relationship managers already speaking directly with businesses most likely to be impacted*
- *Finance is available to support ongoing cashflow needs, caused by interruptions to supply chains or due to high staff absences*
- *Current impact on UK businesses has been minimal, but LBG hopes this financial support will reassure small businesses should their situation change*
- *This initiative is part of the Group's £18bn commitment to support British businesses in 2020, as announced in January.*

Lloyds Banking Group has today announced that it has allocated up to £2 billion of arrangement fee free finance assigned to specifically support Britain's small and medium sized enterprises (SMEs) to ensure that they have access to additional finance to overcome any impact COVID-19 causes to their cashflow.

Relationship Managers from Lloyds Banking Group speak to nearly 5,000 small businesses each and every week and have already reached out to more than 10,000 SMEs to discuss any concerns they already have on the potential impact a sustained COVID-19 outbreak may have on their business. This additional financial support, which has now been confirmed for small business customers with up to £25 million turnover, will include the removal of certain fees and the possibility of payment holidays for the worst affected.\*

Although the current impact on businesses has been minimal, as the number and rate of infections in the UK increases, Lloyds Banking Group wants to reassure its customers that it continues to stand by their side and will provide them with additional financial support as required. It is anticipated that a sustained and wide-scale outbreak in the UK will impact businesses and in particular their



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cashflows, as interruptions to their supply chain or significant employee absence will severely impact their ability to generate sales and result in reduced revenues.

Under this £2 billion financial support, Lloyds Banking Group's small business customers can access:

- No arrangement fees for new overdrafts or overdraft limit increases
- No arrangement fees for new or increased invoice discounting and finance facilities
- In certain circumstances, repayment holidays to be provided, to those businesses impacted the most\*

All customers with a dedicated Relationship Manager will be contacted to discuss their financial needs.

This package of measures is another example of Lloyds Banking Group's long-standing support for British businesses to help them navigate whatever the future holds. In January this year, the Group announced an £18 billion commitment to support businesses during 2020. In addition, since the start of 2011, the Group has grown its net lending to small and medium-sized businesses by 36% whilst the market has contracted by 11%.

**David Oldfield, Group Director, Commercial Banking, Lloyds Banking Group said:** "We fully understand how worrying these times are for business owners, concerned not only about their and their own family's health and wellbeing, but also of their employees. They are also worried what the outbreak might mean for their business and with no knowledge of how or when they might be affected. As our customers face into such uncertainty, we want to provide reassurance to them that, if needed, we are here to help with additional working capital to get them through temporary interruptions to their business and to their cashflow."

– END –

## Notes to the editor

\*Subject to individual agreements

## Additional notes



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- The support package will be available to new and existing Business Banking, SME and Mid-Corporate customers, namely those with turnovers of up to £25 million.
- The Group's support for UK businesses is an integral part of the Group's current three year strategy, with the Group having already committed to grow its net lending to SME and Mid-sized businesses by £6 billion by 2020.
- 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.
- Since the start of 2011, we have grown our net lending to SMEs by 36% whilst the market has contracted by 11%.