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LLOYDS
BANKING
GROUP

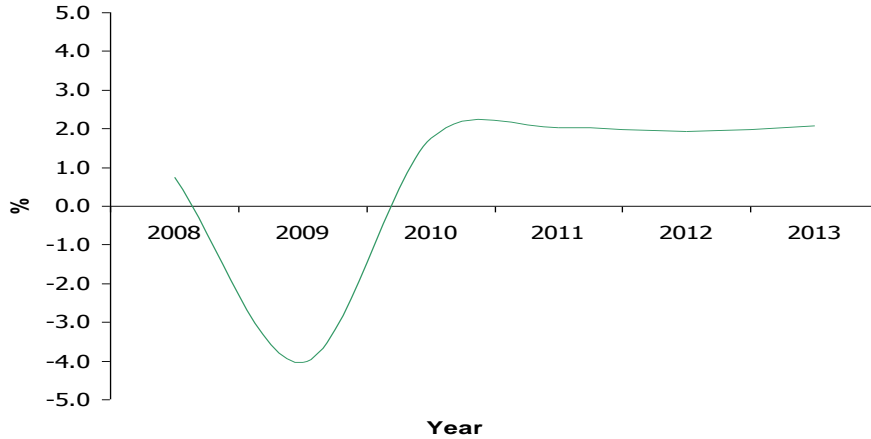


Institute of Certified Bookkeepers 26th November 2009

Stephen Pegge – External Affairs
Lloyds Banking Group Commercial

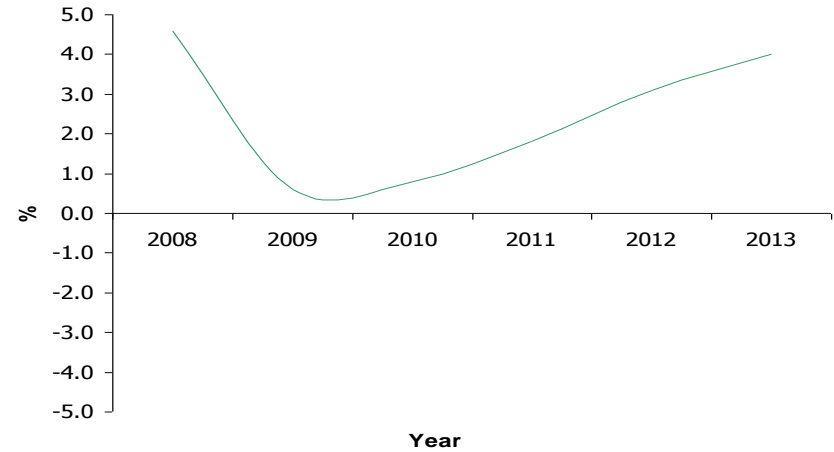
The economy...

GDP



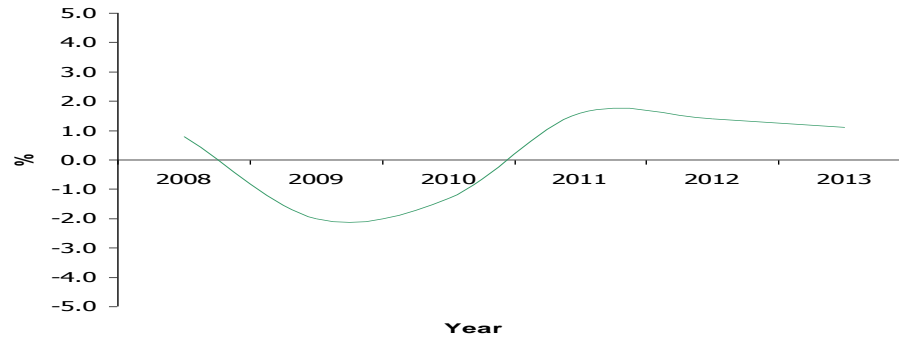
Source: Group economics Q3 09 forecasts

Base Rate



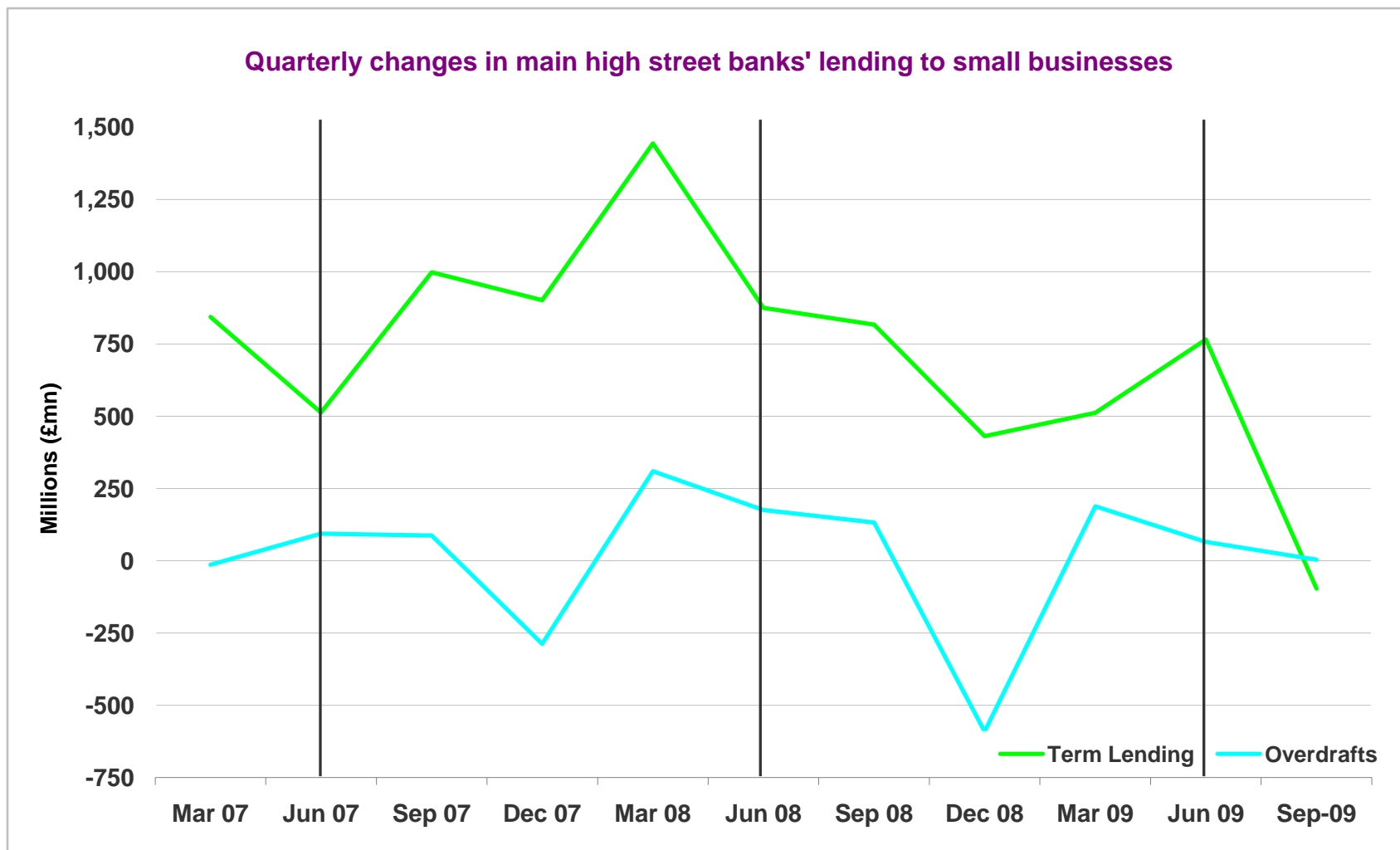
Source: Group economics Q3 09 forecasts

Employment Growth



Source: Group economics Q3 09 forecasts

BBA industry lending view – Sept. 2009



Enterprise Finance Guarantee Scheme



- EFG helps viable businesses that do not have sufficient security but banks still want to lend to them.
- Since its launch (and as at 11th November 2009) over 6000 loans worth £650m of EFG facilities have been offered to businesses.
- LBG have offered over 1800 of these loans worth a total £120m of EFG facilities.
- LTSB is fully supportive of the EFG scheme and are the most efficient provider of this finance in the banking industry.

Trends in Customers' Needs...



Chart 1 – Sales and orders, last six months



Chart 7 – Business confidence



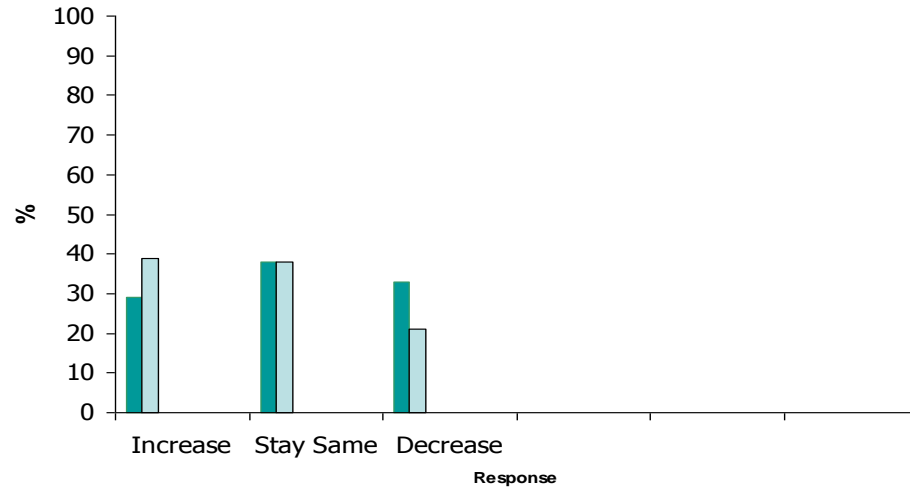
Customers' Outlook...

KEY:

June 2009

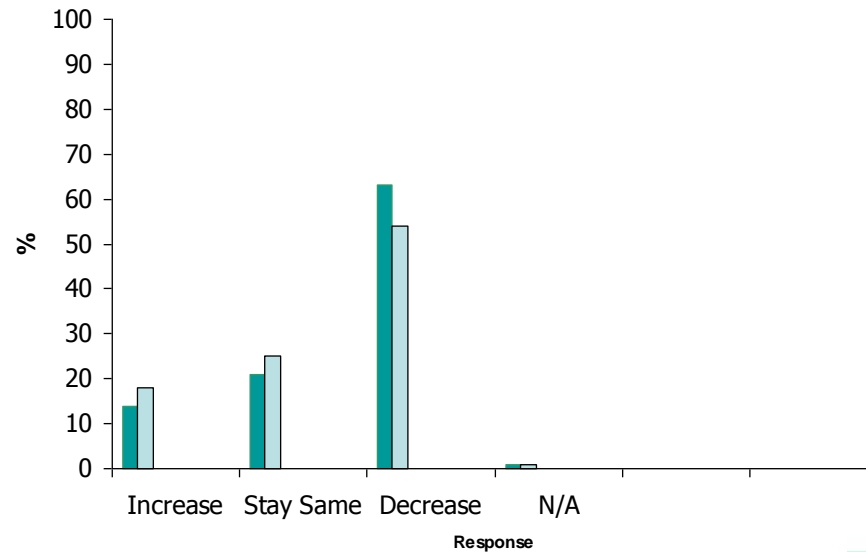
Nov. 2009

BUSINESS CONFIDENCE



PROFITS OUTLOOK

Source: Business In Britain Survey – Nov. 2009



Encouraging Enterprise - measures which will help position small and medium sized businesses to grow and lead the recovery as it starts to take shape:

- We'll help encourage and support 300,000 new businesses to start up by 2012.
- We will run a programme of 200 nationwide seminars every year for the next three years, to provide expert guidance and support for SMEs on starting up, employment, exporting, bidding for 2012 contracts, sustainability and finance.
- We will provide online advice and support to business customers on issues including starting up, sustainability, procurement opportunities and finance.

Access to Finance - commitments building on the Group's growing lending to SMEs, which aim to boost confidence:

- We will meet every reasonable request for competitive commercially-priced finance (whether short-term or long-term) from viable business customers.
- We will not change the availability of overdrafts during the period of a customer's agreement, as long as their accounts are kept within agreed terms and limits.
- We will do our best to support any viable business through temporary difficulties and into the recovery.

Clearer and Fairer Pricing – pledges to help ensure firms have clear information and certainty about the finance they receive:

- The price of existing loans or renewed overdrafts will reflect our cost of funding. The margin we charge over our cost of funding will only increase where there has been a material increase in risk (subject to a minimum 1.5 per cent over the cost of our funds). We will be transparent about our pricing and help customers understand the price of their facilities. Where margins increase, we will provide a clear explanation of the reasons.
- All our fees will be competitively priced. And arrangement fees on loans and overdrafts will not be greater than 1.5 per cent of the overall value of the facility. As in 2007, to cover our administration costs for smaller facilities, there will be a minimum scale charge of between £100 and £250.

London 2012 Olympic Games & Paralympic Games



Institute of Certified Bookkeepers
Conference 2009
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London 2012 Business Guide – An opportunity

 **Lloyds TSB** | for the journey...



YOUR JOURNEY TO 2012

Seizing the business
opportunities around the
London 2012 Olympic &
Paralympic Games





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