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LLOYDS TSB BOOSTS ISLAMIC BANKING ACROSS UK

Lloyds TSB is **boosting the number of branches offering Islamic banking services**. From today, branches in Newcastle, Preston, Sheffield, Bastwell and Sparkhill in Birmingham will begin to offer the products, including a current account and home finance, designed to meet the banking needs of the UK's two million Muslims, for whom interest is forbidden.

A total of 22 Lloyds TSB branches across the UK now offer Islamic banking services and several more branches across the country will do so by the end of the year. Since launching in February 2005, the pilot has been extended to many towns and cities across the UK.

Paul Sherrin, head of Lloyds TSB Islamic Financial Services, said: "This is yet another milestone on the road to making Islamic banking available to all Muslims in the UK. There is now a real choice on the high street for Muslims who want an alternative to conventional current accounts and mortgages and we're proud to be able to give these customers something we know that they will value.

"We're offering products which not only meet the needs of Muslims, but are also truly competitive. The fact we're expanding the pilot is testament to the popularity of our Islamic financial services so far."

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The current account complies fully with Islamic law (Shariah) which forbids both the payment and receipt of interest, known as Riba. The current account offers no credit interest and has no overdraft facility, but it does provide a debit card and unlike some other compliant accounts, does not charge a fee or require a minimum balance¹. The funds held by Lloyds TSB on all Islamic current accounts are held in accordance with Islamic law.

Similarly, the home finance product is not based on interest payments. Instead of lending money for a property purchase, the bank buys the home outright, contributing up to 90 per cent of the purchase price. The customer then pays the remaining percentage upfront and repays the outstanding sum over an agreed term, together with a rental payment.

In order to ensure that the current account is fully compliant with Islamic law (Shariah), Lloyds TSB has consulted every step of the way, with an Independent board of specialist scholars, who were able to advise on all aspects of Islamic law.

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Notes to editors:

During the pilot anyone who wants to apply for a current account or home finance needs to visit one of the pilot branches.

For more information on Lloyds TSB Islamic Financial Services call 08456 007 786.

¹All other charges on the account are the same as on other Lloyds TSB current accounts.

For more information:

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