



Lloyds TSB

Public Policy and Regulation

25 Gresham Street
London
EC2V 7HN

Direct line: 0207 356 1021
Network: 400 1021
Switchboard: 0207 626 1500
Facsimile: 0207 356 2039

Your ref:

Dr Caroline Lucas MEP
Green Party MEP for SE England
Suite 58, The Hop Exchange
24 Southwark Street
SE1 1TY

Dear Ms Lucas,

Thank you for getting in touch about the Islamic Bank of Britain (IBB) and Interpal. I do understand your concern so I am grateful for this opportunity to respond and give you as much information as I can. I hope I can reassure you about our commitment not only to our Muslim customers but to building relationships with the wider Muslim community.

We can confirm that Lloyds TSB does not hold accounts for Interpal. Our customer is the Islamic Bank of Britain (IBB). We have had a series of discussions with IBB about this matter and they have consented to the release of certain information about the account it holds with Lloyds TSB.

We would like to clarify we have not instructed IBB to close Interpal's accounts but we have said we will not process payments for Interpal.

The reason we are obliged to stop processing Interpal's transactions is because Lloyds TSB, like many other banks, has dealings with the United States and we have no option but to comply with US government economic sanctions laws which prevent us from offering service to companies that have been identified by the US government as global terrorists. The US government has classified Interpal as a Specially Designated Global Terrorist which means that Lloyds TSB cannot provide any service to Interpal.

This is an issue for any company dealing with Interpal (directly or indirectly). The way to resolve it is either for Interpal to persuade the US government to remove them from their sanctions list or for Interpal to work to find an industry wide solution to the current position, possibly with the assistance of the UK government.

Lloyds TSB is committed to our business with the highest levels of integrity and regulatory compliance across all of our operations. We understand the strength of feeling about this issue but our hands are tied.

Our commitment to serve the UK Muslim community

Lloyds TSB has an excellent track record working with the UK Muslim communities. Indeed, we were the first high street bank in the UK to launch an Islamic Business and Corporate account so Islamic businesses could bank in line with their faith. We are now one of the largest suppliers of Islamic banking products in the UK.

We have a range of Shariah compliant financial services including:

- current and student accounts
- mortgages
- investment funds
- Shariah baby bonds

We were named top performer in the 2008 Race for Opportunity Benchmark and were the first and only organisation in the Benchmark's history to achieve Platinum standard status.

Supporting excellence in the Muslim and wider Asian communities

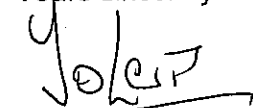
The Lloyds TSB Foundations are registered charities with direct funding from Lloyds TSB. They support small and medium under-funded charities that can make a significant difference to the lives of disadvantaged UK people by helping them to play a fuller role in the community. It has supported over 160 ethnic minority charities – including 31 from the Muslim community.

We are very proud of our involvement with the Jewel Awards. These recognise the valuable contribution and success of the Asian community - including many Islamic contributors - in sectors including professional services, media and healthcare. Lloyds TSB is its lead sponsor.

We are also a leading sponsor of the Asian Women of Achievement Awards. These prestigious awards recognise the success of women from an Asian background in a wide number of sectors from entertainment to public service.

Thank you again for following this up with us. I hope I have clearly demonstrated our commitment to the Muslim community in the UK.

Yours sincerely



Jo Lewis

Head of Public Policy & Regulation