

## CASE STUDY: LLOYDS TSB CORPORATE MARKETS



Lloyds TSB Corporate Markets is the corporate and investment banking arm of one of the UK's leading retail banks. Indeed, while the bank had a strong reputation as a UK clearer - and a very deep franchise in the UK mid-market corporate banking arena - the media view was that the bank had not fully capitalised on these strengths further up the wholesale banking ladder.

Moorgate has been working for Lloyds TSB Corporate Markets since 2004. The core objective of our work has been to profile the bank's expertise and successes across a range of corporate finance products. These include loans syndication, trade finance, cash management, acquisitions finance (LBOs), asset finance, project finance and derivatives. Indeed, with the latter we executed a major project to highlight in-house expertise on the new IFRS accounting standards and their impact on derivative products (a campaign highlight in *PR Week* - see below). Wider tactics include ghost-authoring commentary articles, features, case studies and profiles, as well as awards and "deals of the year" submissions, relationship building with key editors and sourcing and executing market "punditry" opportunities.

The IFRS campaign was featured in *PR Week*, page down to see a copy.

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Lloyds TSB Awards since mandating:

- In 2007, Lloyds TSB Corporate Markets was named as the best bank in the UK at the *Euromoney Awards for Excellence*
- In 2007, 2006 and 2005 Lloyds TSB Corporate Markets was named Bank of the Year by *Real FD*
- In 2004 Lloyds TSB Corporate Markets won the Most Improved Market Profile award from *EuroWeek*

## B2B Lloyds TSB alerts clients to reporting law change

**Campaign** IAS 39

**Client** Lloyds TSB Corporate Markets

**PR team** Moorgate Group and in-house

**Timescale** September 2005-May 2006

**Budget** £35,000

Complex changes to international financial reporting standards (IFRS) for 2005/06 posed a threat to the derivatives business at Lloyds TSB's financial markets division.

Corporate clients that had previously bought derivative products to hedge against the risks posed by fluctuations in interest rates or foreign currencies would be required to report the value of their derivative portfolios in their 2005/06 accounts. These so-called IAS 39 regulations would mean reporting their 'fair value' – which takes into account fluctuating market values – meaning that a company's balance sheet would record derivatives as large potential liabilities, ignoring the fact they were intended to insure against such losses.

Given this, many corporate clients were steering clear of them, much to Lloyds TSB's regret.

### Objectives

To create a highly technical campaign that explained the issues involved to an audience that, although sophisticated,



**Heart of the City:** new International financial reporting standards were explained

might need the nuances of the rule changes explained in a digestible format. To promote Lloyds TSB's consultancy services simultaneously.

### Strategy and Plan

Specialist corporate banking PR agency Moorgate Group – retained by Lloyds TSB Corporate – was brought in to assist the in-house marketing team with the problems facing the financial markets division.

The target audience were corporate treasurers – the relevant decision makers within the corporate clients –

and accountants, the group most likely to be advising corporate clients. There were key titles for both groups: *The Treasurer* is the magazine of the Association of Corporate Treasurers; while *Accountancy* is affiliated to the Institute of Chartered Accountants of England and Wales.

Moorgate pitched features to the editors of these titles – features that would be written by Lloyds TSB's IFRS consultant Johann Kruger. Lloyds TSB also sponsored two events held by the Association of Corporate Treasurers – one specifically on IAS 39

and the other its annual conference. At each event, Lloyds TSB hosted seminars on IAS 39, and the audience was invited to vote on particular issues.

### Measurement and Evaluation

*The Treasurer* published two articles, and *Accountancy* one. These were followed up with pieces in rival titles *Accountancy Age* and *Global Treasury News*. *FX Week* also ran an article, meaning the 'derivatives peer-group audience' was reached.

The results of the conference votes formed the basis of a press release that secured coverage in other specialist titles, such as *Real Finance*, *Financial Director* and *CFO Europe*.

### Results

Lloyds TSB received emails from customers commenting positively on the articles. It was also contacted by *Euromoney* magazine, which reproduced an article in a 'global risk' handbook. Meanwhile, 115 clients attended the annual conference, with 120 visiting the IAS 39 day.

*Accountancy* editor Chris Quick recalls: 'Accountancy standards are a controversial issue as they can have a considerable impact on a company's accounts. This dealt with complicated concepts so we were happy to get an expert rather than a journalist to write it. Plus, Lloyds TSB is not an accountant, which is always a bonus.'

**Steve Smethurst**