



6 July 2020

LEADERSHIP SUCCESSION AT LLOYDS BANKING GROUP

Following the announcement last year that Lord Blackwell intended to retire as Chairman of Lloyds Banking Group over the coming year, the Group is pleased to announce that Robin Budenberg CBE has been selected as his successor. Robin will join the Group Board on 1 October 2020 and take over as Chair in early 2021 when Lord Blackwell steps down from the Board.

During a long career with S.G. Warburg/UBS Investment Bank, Robin Budenberg worked closely with the Government in 2008 as an advisor on the recapitalisation of the UK banking industry. In 2009 he became Chief Executive, then Chairman, of UK Financial Investments (UKFI) with responsibility for managing the UK Government's investment in UK banks, including Lloyds. In 2014, Robin became London Chairman of Centerview Partners, the US based independent advisory firm, and in 2016 he was appointed Chairman of The Crown Estate, which has a diverse £14 billion portfolio with its profits remitted to the Treasury for the benefit of the public finances. Before he assumes the role of Chair of Lloyds Banking Group he will step down from his current roles at Centerview Partners and on the boards of Big Society Trust and Charity Bank, but will continue as Chairman of The Crown Estate. His selection followed an extensive search process led by the Group's Senior Independent Director, Alan Dickinson.

With the Chair succession now in place, António Horta-Osório has also informed the Board of his intention to step down as Chief Executive in 2021 after having delivered three strategic plans and completed 10 years in the role next year.

António has agreed to time his stepping down as Group CEO to support a smooth transition, with a target date at the end of June next year, at which point he will retire from Lloyds. Until then he will continue to be completely focused with the executive team on delivering the remainder of the current strategic plan (GSR3), as well as the plans put in place to address the Covid 19 pandemic effects and support our customers during these difficult times.

This planned leadership succession will allow a new Chief Executive to work with the new Chair in the next stage of the Group's development and transformation.

Lord Blackwell comments:

"I am delighted to welcome Robin Budenberg to the Board as my successor. His knowledge of the Group combined with his broad experience in both financial services and other strategic advisory roles give him an outstanding background to provide the Board leadership required to support the continued transformation of the Group."

I would also like to take this opportunity to pay tribute to the outstanding contribution that António Horta-Osório has made to first turning round and then leading the strategic development of the Group over the last decade. His personal commitment and strong vision have driven a period of massive and successful change in the Group, restoring Lloyds to its preeminent position in Helping Britain Prosper as the UK's leading retail and commercial bank. During his tenure, he has overseen a comprehensive transformation of the Group's balance sheet, operations, and customer propositions, including the repayment of the UK Government's £21 billion investment and evolution of the Group into the UK's largest digital bank.

His decision to announce now his planned retirement allows for an orderly succession process to appoint a new Chief Executive next year to work with the new Chair.”

Robin Budenberg comments:

“Lloyds will play a vital role as Britain recovers from the current crisis. It is a great honour and challenge to take on the role of Chair at this time and I hope to continue Norman and António’s work, initially alongside António, in pursuing Lloyds’ core purpose of Helping Britain Prosper and in building the culture of the bank in order to support that purpose.”

António Horta-Osório comments:

"It is of course with mixed emotions that I announce my intention to step down as Chief Executive of Lloyds Banking Group by June next year. I am lucky to have had the support of a superb Board and executive team on whom I will continue to rely as we complete our current strategic plan, transforming the Group into the bank of the future.

Everyone at Lloyds has unified around our purpose of Helping Britain Prosper and our customers and communities are seeing our commitment to that now, more than ever.

I have been honoured to play my part in the transformation of large parts of our business. I know that when I leave the group next year, it has the strategic, operational and management strength to build further on its leading market position”.

This announcement contains information that qualified or may have qualified as inside information and is disclosed in accordance with the Market Abuse Regulation (EU) 596/2014 ("MAR"). For the purposes of MAR, this announcement is made by Kate Cheetham, Group General Counsel & Company Secretary.

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For further information:

Investor Relations

Douglas Radcliffe

+44 (0) 20 7356 1571

Group Investor Relations Director

douglas.radcliffe@lloydsbanking.com

Corporate Affairs

Matt Smith

+44 (0) 20 7356 3522

Head of Media Relations

matt.smith@lloydsbanking.com

Notes:

There are no other matters to be disclosed under listing rule 9.6.13R in relation to Robin Budenberg's appointment.

On assuming the role of Chair, Robin Budenberg's compensation will remain unchanged from that of the current Chairman, at £772,850 p.a. for 2020.

FORWARD LOOKING STATEMENTS

This document contains certain forward looking statements within the meaning of Section 21E of the US Securities Exchange Act of 1934, as amended, and section 27A of the US Securities Act of 1933, as amended, with respect to the business, strategy, plans and/or results of Lloyds Banking Group plc together with its subsidiaries (the Group) and its current goals and expectations relating to its future financial condition and performance. Statements that are not historical facts, including statements about the Group's or its directors' and/or management's beliefs and expectations, are forward looking statements. Words such as 'believes', 'anticipates', 'estimates', 'expects', 'intends', 'aims', 'potential', 'will', 'would', 'could', 'considered', 'likely', 'estimate' and variations of these words and similar future or conditional expressions are intended to identify forward looking statements but are not the exclusive means of identifying such statements. Examples of such forward looking statements include, but are not limited to: projections or expectations of the Group's future financial position including profit attributable to shareholders, provisions, economic profit, dividends, capital structure, portfolios, net interest margin, capital ratios, liquidity, risk-weighted assets (RWAs), expenditures or any other financial items or ratios; litigation, regulatory and governmental investigations; the Group's future financial performance; the level and extent of future impairments and write-downs; statements of plans, objectives or goals of the Group or its management including in respect of statements about the future business and economic environments in the UK and elsewhere including, but not limited to, future trends in interest rates, foreign exchange rates, credit and equity market levels and demographic developments; statements about competition, regulation, disposals and consolidation or technological developments in the financial services industry; and statements of assumptions underlying such statements. By their nature, forward looking statements involve risk and uncertainty because they relate to events and depend upon circumstances that will or may occur in the future. Factors that could cause actual business, strategy, plans and/or results (including but not limited to the payment of dividends) to differ materially from forward looking statements made by the Group or on its behalf include, but are not limited to: general economic and business conditions in the UK and internationally; market related trends and developments; fluctuations in interest rates, inflation, exchange rates, stock markets and currencies; any impact of the transition from IBORs to alternative reference rates; the ability to access sufficient sources of capital, liquidity and funding when required; changes to the Group's credit ratings; the ability to derive cost savings and other benefits including, but without limitation as a result of any acquisitions, disposals and other strategic transactions; the ability to achieve strategic objectives; changing customer behaviour including consumer spending, saving and borrowing habits; changes to borrower or counterparty credit quality; concentration of financial exposure; management and monitoring of conduct risk; instability in the global financial markets, including Eurozone instability, instability as a result of uncertainty surrounding the exit by the UK from the European Union (EU) and as a result of such exit and the potential for other countries to exit the EU or the Eurozone and the impact of any sovereign credit rating downgrade or other sovereign financial issues; political instability including as a result of any UK general election; technological changes and risks to the security of IT and operational infrastructure, systems, data and information resulting from increased threat of cyber and other attacks; natural, pandemic (including but not limited to the coronavirus disease (COVID-19) outbreak) and other disasters, adverse weather and similar contingencies outside the Group's control; inadequate or failed internal or external processes or systems; acts of war, other acts of hostility, terrorist acts and responses to those acts, geopolitical, pandemic or other such events; risks relating to climate change; changes in laws, regulations, practices and accounting standards or taxation, including as a result of the exit by the UK from the EU, or a further possible referendum on Scottish independence; changes to regulatory capital or liquidity requirements and similar contingencies outside the Group's control; the policies, decisions and actions of governmental or regulatory authorities or courts in the UK, the EU, the US or elsewhere including the implementation and interpretation of key legislation and regulation together with any resulting impact on the future structure of the Group; the ability to attract and retain senior management and other employees and meet its diversity objectives; actions or omissions by the Group's directors, management or employees including industrial action; changes to the Group's post-retirement defined benefit scheme obligations; the extent of any future impairment charges or write-downs caused by, but not limited to, depressed asset valuations, market disruptions and illiquid markets; the value and effectiveness of any credit protection purchased by the Group; the inability to hedge certain risks economically; the adequacy of loss reserves; the actions of competitors, including non-bank financial services, lending companies and digital innovators and disruptive technologies; and exposure to regulatory or competition scrutiny, legal, regulatory or competition proceedings, investigations or complaints. Please refer to the latest Annual Report on Form 20-F filed by Lloyds Banking Group plc with the US Securities and Exchange Commission for a discussion of certain factors and risks together with examples of forward looking statements. Lloyds Banking Group may also make or disclose written and/or oral forward looking statements in reports filed with or furnished to the US Securities and Exchange Commission, Lloyds Banking Group annual reviews, half-year announcements, proxy statements, offering circulars, prospectuses, press releases and other written materials and in oral statements made by the directors, officers or employees of Lloyds Banking Group to third parties, including financial analysts. 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