



15 February 2019

LLOYDS BANKING GROUP RECRUITS WILLIAM CHALMERS AS CHIEF FINANCIAL OFFICER

Lloyds Banking Group today announces that, following the previously announced decision of George Culmer to retire from the Group in Q3 2019, he will be succeeded as Executive Director and Chief Financial Officer by William Chalmers.

Mr Chalmers is currently Co-Head of the Global Financial Institutions Group of Morgan Stanley, having joined in 2000. It is envisaged that he will join the Group, subject to customary regulatory approvals, in June 2019, allowing for a period of induction and smooth transition prior to joining the Board and assuming the role of Chief Financial Officer upon George Culmer's departure.

Lord Blackwell, Chairman, said:

"We are pleased to have been able to attract a candidate of William's calibre to the Board. He brings a wealth of experience that will be of significant benefit to the Group."

António Horta-Osório, Group Chief Executive, said:

"William has a proven track record in financial services and will be a great addition to the executive team. We will be sad to see George go, but are pleased to have had him in the team for the past seven years and to be able to have George and William working together to ensure a smooth transition."

William Chalmers, said:

"I very much look forward to joining the executive team at Lloyds Banking Group. It is a tremendous company that is going through an impressive transformation. I look forward to getting started and making a contribution."

Biographical information

Mr Chalmers is the Co-Head of the Global Financial Institutions Group at Morgan Stanley, advising financial institutions, particularly in the UK, Europe and Asia. He joined Morgan Stanley in 2000, after six years at JP Morgan, and was promoted to Managing Director in 2003. Before taking on his global role, he led Morgan Stanley's European Financial Institutions Group. He received a first class honours degree in economics from Edinburgh University and a Juris Doctor from Harvard Law School, before being admitted to the New York Bar.

Supplementary information

Mr Chalmers' remuneration package will be aligned with that of the current Chief Financial Officer, which fairly reflects his role and accountabilities. His fixed remuneration will consist of a basic salary of £794,938 and a Fixed Share Award of £504,000, delivered in shares over five years. In line with our approved Directors' Remuneration Policy, the role attracts a pension allowance of 25 per cent of basic salary and a benefits allowance of 4 per cent of salary. Mr Chalmers will be eligible to be considered for awards under the Group Performance Share and Group Ownership Share plans in line with the terms of the Directors' Remuneration Policy.

On appointment, Mr Chalmers will be granted deferred cash and share awards to replace unvested Morgan Stanley awards that are forfeited as a result of him joining Lloyds Banking Group. The awards will match the vesting and retention periods attached to the awards forfeited, and will be subject to the regulatory requirements for buy-outs as detailed in PRA rule 15A. The number of shares granted in respect of the share-based component of these awards will be calculated using the USD:GBP exchange rate and the respective mid-market closing prices of Morgan Stanley and Lloyds Banking Group on the date of his appointment. Based on Morgan Stanley's closing share price and exchange rate on 13 February 2019, plus the cash element of the awards to be replaced, the value of the replacement awards would be approximately £4.4 million.

There are no other matters to disclose under Listing Rule 9.6.13.

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