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## **APPOINTMENT OF NEW CHIEF EXECUTIVE OFFICER**

As previously announced, Lloyds Banking Group plc ('the Group') has appointed António Horta-Osório to succeed Eric Daniels. António will join the Group early in 2011 and will take over as Chief Executive Officer on 1 March 2011.

António Horta-Osório has been Chief Executive Officer of Santander UK since 2006. He has led the successful expansion of the Santander Group in the UK through strong organic growth and the integration of the activities of Abbey, Alliance & Leicester and the Bradford & Bingley savings business.

Sir Win Bischoff, Chairman, Lloyds Banking Group said: "Mr António Horta-Osório stood out in an excellent shortlist of potential candidates for this position. We are delighted to have attracted someone with his experience in, and understanding of, the UK retail and commercial banking industry, as well as his track record in integrating three well respected UK retail banking franchises. António's drive, enthusiasm and commitment to customers along with his proven ability to build and lead strong management teams will be of significant value to all stakeholders of the Group. The Board and I look forward to working with him to ensure the success of the next stage of development of the Group."

Eric Daniels, Group Chief Executive, Lloyds Banking Group commented: "I am pleased that António has been appointed as my successor. I have known him for many years and admire the work he has done with Santander. I am confident that I will be leaving the Group in good hands with António and the talented wider leadership team."

António Horta-Osório said: "I am honoured to have been invited by the Board to undertake the challenge of leading Lloyds Banking Group.

"I am conscious of the vitally important role the Group plays in the UK's social and economic fabric. Lloyds is a key player in the UK economy and is instrumental in supporting the future growth and prosperity of the country. I am personally committed to ensuring the bank plays its part in lending to SMEs and supporting homeowners. To achieve this we will build on the Group's focus of delivering growth through strong customer relationships and the creation of innovative products and services.

"I look forward to working with the Board and the management team to move Lloyds into the next phase of its development and realise the full potential of this Group."

– END –

## **Notes to Editors**

### **Biography**

Mr Horta-Osório became Chief Executive of Santander UK in 2006. He is Executive Vice President of the Santander Group and a member of its Management Committee, and also Chairman of Santander Totta in Portugal where he was Group Chief Executive from 1999 until 2006. He was previously Group Chief Executive of Banco Santander Brazil. Mr Horta-Osório started his career at Citibank Portugal where he was Head of Capital Markets. At the same time, he was an assistant professor at Universidade Catolica Portuguesa. He then worked for Goldman Sachs in New York and London. In 1993, he joined Grupo Santander as Group Chief Executive of Banco Santander de Negocios Portugal. He is a graduate of management and business administration at Universidade Catolica Portuguesa, and has a MBA from INSEAD where he was awarded the Henry Ford II prize – and an AMP from Harvard Business School.

In June 2009 he was appointed non-executive Director to the Court of the Bank of England.

He is 46 years old and married with three children.

### **Key compensation notes**

Compensation arrangements include an annual salary of £1,035,000 and a discretionary annual bonus of up to a maximum of 225% of salary. It is intended to award a long term performance-based share incentive of up to a maximum of 420% of salary for 2011 which will vest in three years and only if stretching performance targets have been exceeded by a significant margin. Mr Horta-Osório will receive a cash allowance to fund personal pension arrangements, which will be £610,000 in 2011. In addition, he will be compensated for the loss of deferred cash and shares and pension benefits he is giving up as a result of his resignation from the Santander Group.

The extent to which Mr Horta-Osório will receive future awards will depend on the performance of Lloyds Banking Group in the short, medium and longer term against stretching performance measures, including earnings, profit and share price growth and expanding the Group's SME lending portfolio.

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**FORWARD LOOKING STATEMENTS**

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