

# CNBC Interview with António Horta-Osório, CEO, Lloyds Banking Group, from the World Economic Forum 2019

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*Following are excerpts from a CNBC interview with Lloyds Banking Group CEO, António Horta-Osório, and CNBC's Nancy Hungerford.*

**NH:** And I'm pleased to say we're about to get a view from another UK bank, joining me now is António Horta-Osório, the CEO of Lloyds Banking Group. Sir, it's a pleasure to have you on CNBC-,

AH: Good morning.

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**NH:** When you talk about your mission to service UK customers, I mean, it does seem as though you are still, in some ways, paying for what happened in the financial crisis era. I mean, there's still a trust deficit, it seems, people concerned about overdraft fees, also even a call from an MP about your own resignation, related to a whistleblower scandal at the bank. What's your response to that, specifically?

AH: Well, I think it is correct that all banks have legacy issues of the past, we have a few related to the acquisition of HBOS, which was in 2008, so-,

**NH:** Right.

AH: More than ten years ago. Our purpose, as Lloyds, and having acquired HBOS, of course, we take responsibility-,

**NH:** Mm.

AH: Is to put things right, redress customers, where they should be redressed, and continue to work to get people's trust. This is our motto. It's to help

Britain prosper. If you look, for example, and you are mentioning small businesses-

**NH: Right.**

AH: Over the last eight years, according to Bank of England numbers, the sector, the lending to SME sector, has shrunk by £22 billion in the UK, and Lloyds alone has increased the lending to SMEs net by £8 million. Our market share, as a consequence, went from 13% to 19% of small businesses, and small businesses are the lifeblood of any economy, they make most of the employment, most of the exports, they-, they are the lifeblood of the economy, and that is one of our main priorities, as the largest retail and commercial bank in the country.

**NH: Another legacy of the financial crisis, too, has been the greater scrutiny, as mentioned, coming from regulatory bodies, and when you look at the recent stress tests, Lloyds did rank among the three worst performers here, obviously still passing, but have you taken steps to address some of those concerns in those stress tests?**

AH: Well, it was the-, it was the most severe stress test, over the last few years, and, as you said, absolutely concentrated on the UK, because the Bank of England, and rightly so-

**NH: Mm.**

AH: Wanted to test banks for Brexit, and we are absolutely concentrated on the UK economy, that's why, as I told you, our motto is to help Britain prosper. So, we passed, under draconian assumptions-

**NH: [Laughs].**

AH: Of the Bank of England, and that's why Governor Carney said that banks are all very well prepared, should the no deal Brexit alternative-

**NH: Mm.**

AH: Come to be a reality.