

### CREDIT OPINION

21 November 2025

Update



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#### RATINGS

##### Lloyds Banking Group plc

Domicile	London, United Kingdom
Long Term CRR	Not Assigned
Long Term Debt	A3
Type	Senior Unsecured - Fgn Curr
Outlook	Stable
Long Term Deposit	Not Assigned

Please see the [ratings section](#) at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

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## Lloyds Banking Group plc

Update to credit analysis following affirmation

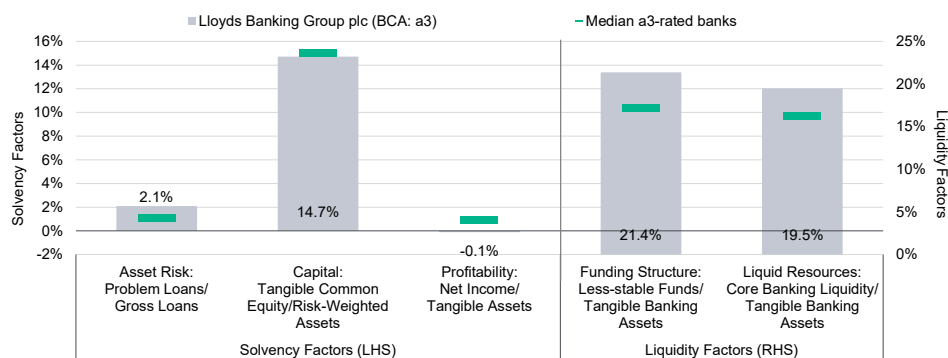
### Summary

The A3 long term senior unsecured debt rating assigned to [Lloyds Banking Group plc](#) (LBG) reflects (1) the group's standalone creditworthiness, expressed in an a3 notional Baseline Credit Assessment (BCA); (2) moderate loss-given-failure, which results in no uplift under our Advanced Loss Given Failure (LGF) analysis; and (3) our assessment of a low probability of support from the [Government of United Kingdom](#) (Aa3 stable), which results in no uplift.

LBG's a3 BCA reflects strong asset quality reflective of the predominantly secured nature of its loan book, improving outlook for profitability and capital generation, and its leading deposit funding franchise. The BCA also reflects our view that LBG's capital should be adjusted for nominal leverage, the calculation of risk weighted assets using an internal model, its insurance subsidiary as well as its planned distributions as it trends towards its medium term target. The a3 also reflects the group's diverse range of banking activities and position as the UK's only bancassurer that supports its through the cycle earnings stability.

Exhibit 1

#### Rating Scorecard — Key financial ratios As of June 2025



Source: Moody's Ratings

## Credit strengths

- » Low asset risk given secured prime mortgage lending focus
- » Capital levels that provide a buffer against any deterioration in asset quality as well as a platform for loan growth
- » Stable retail funding and long tenor of wholesale funding
- » Through the cycle earnings stability from a diverse range of activities

## Credit challenges

- » Heightened sensitivity to volatility in the UK housing market
- » Ensuring asset quality in a higher than historical interest rate environment
- » Maintaining leading mortgage and deposit market share in a competitive environment
- » Nominal leverage, IRB use, insurance subsidiary and shareholder returns diminish capitalisation

## Outlook

The stable outlook on LBG's senior unsecured ratings reflects our view that the combined solvency and liquidity metrics will remain in line with our current assessment of strong asset quality, improving profitability, adequate capitalisation, and ample liquidity, which moderates wholesale funding exposures.

## Factors that could lead to an upgrade of the ratings

LBG's long-term ratings could be upgraded following an upgrade of its notional BCA supported by a combination of consistently lower problem loans, maintaining higher capital than the bank's current capital distribution targets to shareholders would imply and delivering a greater than expected increase in profitability underpinned by structural efficiency gains. A successful execution of its 2026 strategy, including ongoing digitalization and technological advancements to improve efficiency and product distribution, thereby diversifying income streams and supporting profitability and capital generation could also be a key driver of positive ratings pressure on LBG's ratings.

## Factors that could lead to a downgrade of the ratings

LBG's ratings could be downgraded following a downgrade of the notional BCA driven by higher problem loans, or a material deterioration in the group's asset risk metrics, leading to significant impairment charges and lower capital generation and capital levels. Delays in achieving strategic initiative targets could also lead to downwards rating pressure. The ratings of LBG could also be downgraded following a reduction in its stock of externally issued unsecured debt.

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the issuer/deal page on <https://ratings.moody's.com> for the most updated credit rating action information and rating history.

## Key indicators

Exhibit 2

### Lloyds Banking Group plc (Consolidated Financials) [1]

	06-25 <sup>2</sup>	12-24 <sup>2</sup>	12-23 <sup>2</sup>	12-22 <sup>2</sup>	12-21 <sup>2</sup>	CAGR/Avg. <sup>3</sup>
Total Assets (GBP Billion)	896.8	882.5	861.1	849.9	863.3	1.1 <sup>4</sup>
Total Assets (USD Billion)	1,228.9	1,105.2	1,097.7	1,022.3	1,165.1	1.5 <sup>4</sup>
Tangible Common Equity (GBP Billion)	34.1	33.6	34.1	33.0	40.7	(5.0) <sup>4</sup>
Tangible Common Equity (USD Billion)	46.7	42.1	43.4	39.7	55.0	(4.6) <sup>4</sup>
Problem Loans / Gross Loans (%)	1.9	1.9	2.2	2.3	1.8	2.0 <sup>5</sup>
Tangible Common Equity / Risk Weighted Assets (%)	14.7	14.9	15.5	15.6	20.8	16.3 <sup>6</sup>
Problem Loans / (Tangible Common Equity + Loan Loss Reserve) (%)	23.6	24.1	26.1	27.6	18.5	24.0 <sup>5</sup>
Net Interest Margin (%)	1.5	1.4	1.5	1.5	1.1	1.4 <sup>5</sup>
PPI / Average RWA (%)	3.2	3.1	3.8	2.3	2.6	3.0 <sup>6</sup>
Net Income / Tangible Assets (%)	0.4	0.1	0.6	-1.5	0.6	0.0 <sup>5</sup>
Cost / Income Ratio (%)	60.1	63.0	57.2	66.1	67.8	62.8 <sup>5</sup>
Gross Loans / Due to Customers (%)	96.1	94.8	94.6	95.2	94.1	95.0 <sup>5</sup>
Core Banking Liquidity (HQLA) / Tangible Banking Assets (%)	18.9	19.5	--	--	--	--
Less-stable Funds (LCR) / Tangible Banking Assets (%)	22.6	21.4	--	--	--	--

[–] Further to the publication of our revised methodology in July 2021, only ratios from annual 2020 onwards included in this report reflect the change in analytical treatment of the "high-trigger" Additional Tier 1 instruments. [1] All figures and ratios are adjusted using Moody's standard adjustments. [2] Basel III - fully loaded or transitional phase-in; IFRS. [3] May include rounding differences because of the scale of reported amounts. [4] Compound annual growth rate (%) based on the periods for the latest accounting regime. [5] Simple average of periods for the latest accounting regime. [6] Simple average of Basel III periods. [–] Further to the publication of our revised methodology in November 2025, only ratios from annual 2024 onwards included in this report apply reported risk weights for all exposures, discontinuing our previously applied standard adjustment for certain government securities.

Sources: Moody's Ratings and company filings

## Profile

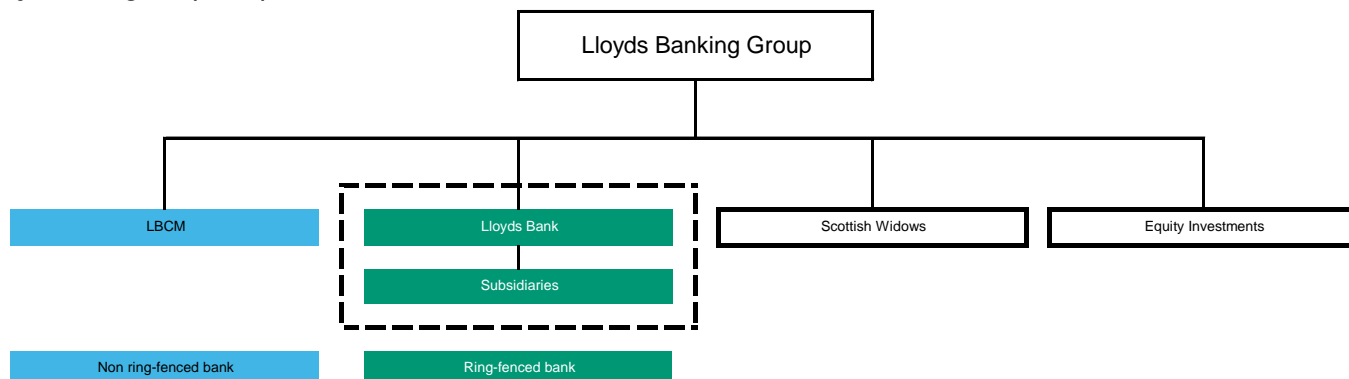
LBG is the holding company of a leading UK-based financial services group providing a wide range of banking and financial services, focused on personal and commercial customers. The group's main business activities are retail and commercial banking, as well as general insurance and life, pensions and investment provision. LBG's insurance and wealth activities, which includes the subsidiary [Scottish Widows Limited](#) (Scottish Widows, IFRS A2 positive) provide earnings diversification to the group's banking activities carried out by the ring-fenced bank [Lloyds Bank plc](#) (LB, A1 stable/A1 stable, a3<sup>1</sup>), and the non-ring-fenced bank [Lloyds Bank Corporate Markets plc](#) (LBCM, A1 stable/A1 stable, baa3<sup>2</sup>). The group operates the largest retail banking network of the UK via different brands (mainly Lloyds Bank, Halifax, Bank of Scotland) as well as Scottish Widows, and has a large and diversified customer base

LBG is organised along four business divisions: Retail, Commercial Banking, Insurance, Pensions and Investments and Central Items. Following the implementation of the UK's structural reform (so-called ring-fencing) most of LBG's banking activities, including more than 95% of the loan portfolio and most of the retail, small and medium-sized enterprise business, and corporate deposits, remained in the ring-fenced LB. LBCM, the non-ring-fenced entity which includes capital markets activities, business outside of the European Economic Area.

Under the current structure, LBG directly owns Lloyds Bank, Scottish Widows and LBCM. In October 2025, LBG fully acquired Schroders Personal Wealth (to be rebranded Lloyds Wealth), strengthening its position in the affluent segment. As part of the transaction, LBG exchanged its 19.1% stake in Cazenove Capital, which is now wholly owned by Schroders plc.

Exhibit 3

## Lloyds Banking Group's simplified structure



Sources: Moody's Ratings, LBG

## Detailed credit considerations

The financial data in the following sections are sourced from LBG's consolidated financial statements, unless otherwise stated.

### Secured lending portfolio supports low asset risk

We assign an a3 asset risk score that maps from our Problem loans to Gross Loans ratio of 1.9%, which we consider to be Strong and reflects LBG's predominantly secured lending book, diversified loan exposures as well as considering certain higher risk asset classes as well as low market risk.

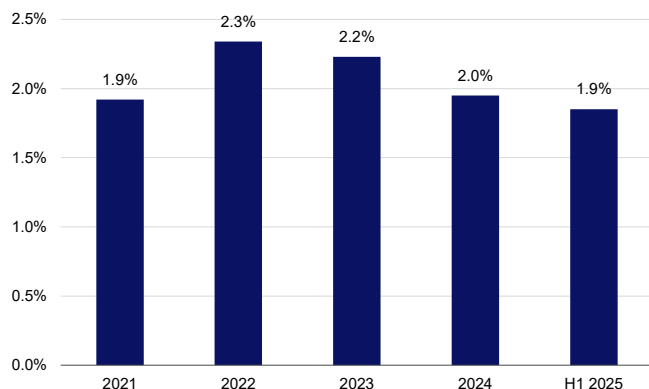
The assigned score considers our through-the-cycle view of its asset risk which incorporates the bank's asset quality strengths given its focused on prime UK residential mortgages (around two thirds of lending) with low average LTVs. LBG has exposure to buy-to-let mortgages (approximately 15% of mortgage lending) which are higher risk but remain secured and also benefit from low LTVs. We also consider its significant presence in unsecured consumer finance at around 10% of total lending as well as its commercial lending book between Business & Commercial Banking (BCB) and Corporate & Institutional Banking (CIB). The BCB book (around 6% of loans) is primarily SME lending, including Commercial Real Estate (CRE) and the CIB book (around 13% of loans) is largely lending to investment grade borrowers and is diversified amongst sectors. Our asset risk score also reflects LBG's loan book concentration in the UK housing market, increasing the group's sensitivity to house price volatility, however, this risk is mitigated by low LTVs and prudent underwriting.

Asset quality is a credit strength for LBG, with Stage 3 loans stable at 1.9% of gross loans (down from 2.0% in 2024) and Stage 2 loans improving to 9.8% from 10.4%. Retail credit performance strengthened, while Commercial saw a modest rise in Stage 3 to 2.3%, mainly in CIB (1.6% vs. 1.1% in 2024), partly offset by BCB improvements. Strong underwriting and risk management support quality, with over 90% of CRE exposure at LTVs below 70% and an average LTV of 45%. The portfolio is well-diversified, early warning indicators remain stable, supporting the Group's low-risk profile.

We expect LBG's problem loan ratio to moderately improve over the next 12–18 months, as easing inflation and lower interest rates are likely to reduce pressure on household and corporate finances.

Exhibit 4

**LBG has a low level of problem loans**  
**Problem loans as a percentage of gross loans**

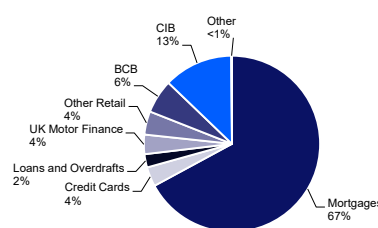


Within problem loans, we include the purchased or originated credit-impaired (POCI) that LBG classifies under Stage 3.

Source: LBG's financial reports and Moody's Ratings

Exhibit 5

**LBG's loan book has a high level of retail secured loans**  
**Loan book composition, year-end 2024**



Business and Commercial Banking (previously SMB)

Source: LBG's financial reports

In line with its business model, LBG's market risk is limited, with market risk representing just 1.9% of total RWA at end-June 2025 and very low Value at risk (VaR).

As part of its strategy, LBG aims to drive revenue growth and diversification both in its consumer and commercial businesses: in the Consumer business, it targets to deepen and innovate in consumer banking and create a new mass affluent offering; in the Commercial business, it targets to digitise and diversify its BCB business and to increase its CIB offering and cross-selling. These initiatives should help the firm grow revenue and further benefits expected as the group progresses through the second phase of their strategy as revenue benefits outweigh net costs.

### Capital remains adequate but expected to decline towards target levels

We assign a baa2 score for capital that maps from our Tangible Common Equity (TCE) to Risk Weighted Assets score of 14.7%, which we consider to be Very strong, and is adjusted for nominal leverage, its calculation of risk weighted assets using an IRB model, Scottish widows capital adjustment as well as planned shareholder distributions. Our view of capital, as encapsulated by the assigned score, also takes into account LBG's improved internal capital generation capacity in the context of its planned dividend distributions as it moves towards its medium-term capital target of 13%.

LBG's nominal leverage (TCE/Tangible Assets) is low and less than 4.5%, reflecting the group's capital levels in light of its retail mortgage focused loan book and the scale and composition of LBG's balance sheet. We adjust the assigned score to account for this.

A significant portion of LBG's portfolio is assessed using Internal Ratings Based (IRB) models, allowing the group to apply internal estimates of credit risk, which typically results in lower risk-weighted assets and higher reported capital ratios than standardized approaches. This reliance on IRB models and the risk it engenders is an important consideration in our assessment of LBG's capital strength.

Our TCE <sup>3</sup> incorporates the entire equity of Scottish Widows. However, we adjust for capital that is effectively trapped within the insurance subsidiary, which is included in our TCE measure but excluded for analytical comparability with CET1, due to limitations on the group's ability to utilise this capital. The dividend policy of Scottish Widows is subject to its own independent board and requires supervisory approval, further constraining capital fungibility within the group and our view of capital strength.

On a regulatory ratio basis, LBG reports pro forma CET1 ratios in excess of its regulatory minima (13.8% at end-June 2025). This reflects the bank's strong capital generation which more than offset the impact of shareholder distributions. Management continues to expect 2025 capital generation, post CRD IV and regulatory headwinds, to be c. 145 bps<sup>4</sup>, building to greater than 200 bps in 2026. However the bank has a stated capital target of around 13% in 2026 which also is a key consideration in our view of the group's capital.

### Improving outlook for profitability

We assign a baa1 Profitability score, which maps from our net income to tangible assets forecast score of 0.5%, which we consider to be Moderate. Our view of LBG's profitability reflects our expectation that LBG's earnings will remain resilient and improve through 2025, supported by stable income streams from business diversification, a robust structural hedge, and ongoing growth in fee and commission income as the group continues to execute strategic initiatives to reduce reliance on interest income. Cost-saving measures and disciplined expense management further support profitability, while the cost of risk is expected to remain low and in line with the bank's target of 20 bps.

For the first nine months of 2025, LBG reported a statutory profit after tax of £3.3 billion (down 12% year-on-year), with RoTE of 11.9% (14.6% excluding the motor finance provision), driven primarily by an additional £800 million provision in relation to the potential impact from the motor finance redress scheme<sup>5</sup>. The group's structural hedge generated £4.0 billion in the period, with management expecting hedge income to be £1.2 billion higher in 2025 than in 2024 and a further £1.5 billion increase in 2026, providing a tail wind as rates decline, supporting net interest income (NII). Capital generation was robust at 110 bps (141 bps excluding the motor finance charge), cost of risk was stable at 18 bps, and management remains confident in meeting 2025 targets, supported by stable asset quality and the reversal of temporary RWA increases.

Diversification remains a key strength for LBG's profitability as the group benefits from deriving revenues from its retail division (accounted for 55% of underlying group profits), commercial banking (34% of profits), and insurance, pensions and investments revenue accounted for (4% of profits). NII represented 69% of underlying group revenue<sup>6</sup> and other income 31%.

In terms of strategy, to grow additional revenue streams. The second phase of LBG's five-year transformation is delivering progress. By June 2025, LBG generated over £1 billion in additional strategic revenues and remains on track to exceed £1.5 billion by 2026. The Group continues to focus on high-value growth in mass affluent (targeting 10% balance growth) and is broadening CIB offerings, leveraging a c.10% market share in sterling debt capital markets. Technology and GenAI investments are driving efficiency, supporting a cost to income ratio target of <50% by 2026.

### Leading deposit franchise with low short-term market funding reliance and ample liquidity

We assign an a2 Combined Liquidity score, reflecting an a2 Funding Structure score and an a3 Liquid Resources score, both in line with their respective initial scores.

LBG benefits from a stable and granular retail deposit base, supported by the highest market share for personal current accounts in the UK. As of June 2025, the less stable funds to tangible banking assets ratio was 22.6%, reflecting prudent funding with limited reliance on confidence-sensitive and short-term wholesale funding. High deposit stability and long-term wholesale funding maturities underpin the assigned funding structure score. The Group's MREL ratio was 31.4% at end-June 2025, comfortably above regulatory requirement of 27.3%.

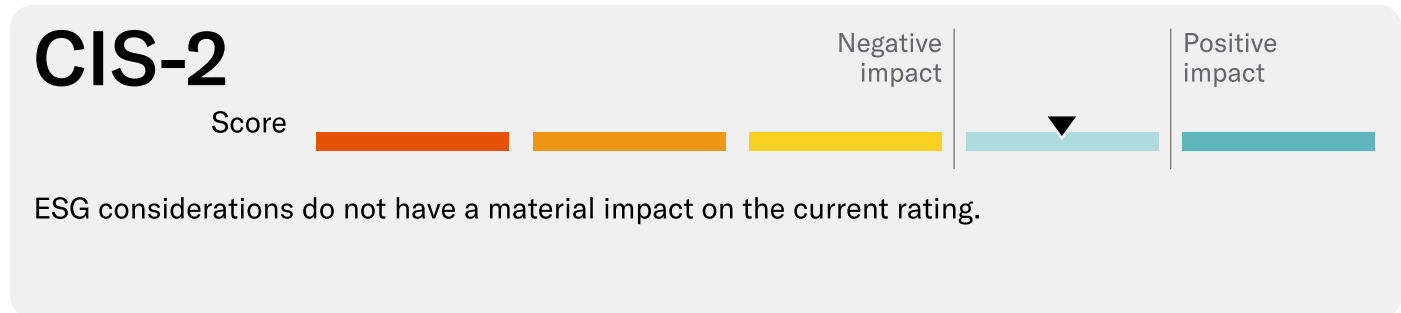
LBG's Core Banking Liquidity / Tangible Banking Assets ratio stood at 18.9% at end-June 2025, supported by substantial High-Quality Liquid Assets (HQLA) and material pre-positioned collateral with the Bank of England. The group maintains strong regulatory liquidity metrics, with an LCR of 145% and NSFR of 127% at end-June 2025, mitigating risks from deposit outflows and wholesale market disruption. We expect HQLA to remain broadly stable over the next 12-18 months, supporting a robust liquidity profile.

## ESG considerations

Lloyds Banking Group plc's ESG credit impact score is CIS-2

Exhibit 6

### ESG credit impact score

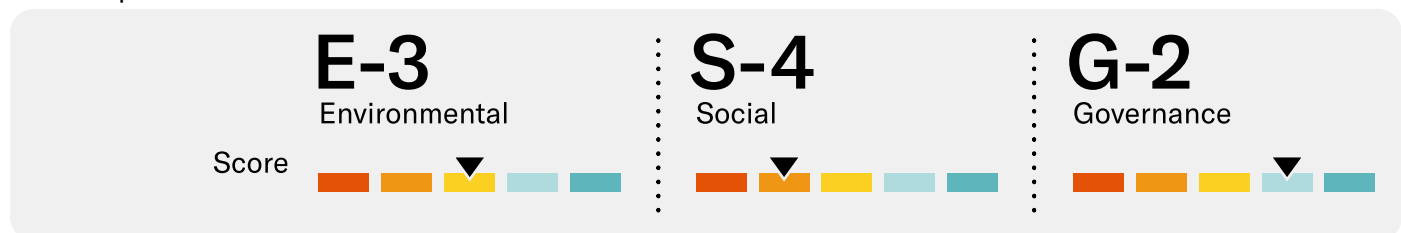


Source: Moody's Ratings

Lloyds Banking Group' **CIS-2** indicates that ESG considerations do not have a material impact on the rating to date. In particular, governance risks are low, and take into consideration the group's stable and credible management along with sound capital, liquidity and risk management.

Exhibit 7

### ESG issuer profile scores



Source: Moody's Ratings

### Environmental

Lloyds Banking Group faces moderate environmental risks mainly because of its portfolio exposure to carbon transition risk as a diversified, universal banking group. In line with peers, the bank is facing mounting business risks and stakeholder pressure to meet broader carbon transition goals. In response, Lloyds Banking Group is actively engaging in optimizing its loan portfolio longer-term toward less carbon intensive assets.

### Social

Lloyds Banking Group faces high social risks from customer relations, because of considerable focus on consumer protection in the UK, exposing banks to potential fines from regulators and litigation from customers as well as cyber risk and the financial and reputational implications of data breaches. The group's developed policies and procedures help manage associated credit risks. The group also faces moderate social risks related to potential competition from technology firms and other disruptors.

### Governance

Lloyds Banking Group's governance risk is low. The bank has sound board structure, risk management, and capital and liquidity management. Management has a strong track record of simplification and efficiency. The group's organizational structure is straight forward, with Lloyds Bank containing the ring-fenced business and representing more than 90% of assets and revenue. The board structure and composition is in line with industry best practice.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moody's.com. In order to view the latest scores, please click [here](#) to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

## Support and structural considerations

### Loss Given Failure (LGF) analysis

We apply our advanced LGF analysis to LBG because the bank is incorporated in the UK, which we consider to be an operational resolution regime.

Our analysis assumes residual tangible common equity of 3% and post-failure losses of 8% of tangible banking assets, in line with our standard assumptions. Our advanced LGF analysis indicates that LBG's senior unsecured debt is likely to face low loss-given-failure because of the loss absorption provided by the inclusion of Additional Tier 1 (AT1) instruments, the subordinated debt issued by LBG and by its subsidiaries and the volume of LBG's senior debt itself; this results in one notch uplift from the BCA. However, we assign zero notch uplift, taking into consideration the group's future funding plans.

### Government support considerations

We incorporate a low probability of support for the debt issued by LBG's holding company, which does not result in any uplift.

### About Moody's Bank scorecard

Our scorecard is designed to capture, express and explain in summary form our Rating Committee's judgement. When read in conjunction with our research, a fulsome presentation of our judgement is expressed. As a result, the output of our scorecard may materially differ from that suggested by raw data alone (though it has been calibrated to avoid the frequent need for strong divergence). The scorecard output and the individual scores are discussed in rating committees and may be adjusted up or down to reflect conditions specific to each rated entity.



## Rating methodology and scorecard factors

Exhibit 8

### Rating Factors

Macro Factors							
Weighted Macro Profile		Strong +	100%				
Factor	Historic Ratio	Initial Score	Expected Trend	Assigned Score	Key driver #1	Key driver #2	
Solvency							
Asset Risk							
Problem Loans / Gross Loans	2.1%	a2	↑	a3	Sector concentration	Long-run loss performance	
Capital							
Tangible Common Equity / Risk Weighted Assets (Basel III - transitional phase-in)	14.7%	a2	↓	baa2	Capital quality	Nominal leverage	
Profitability							
Net Income / Tangible Assets	-0.1%	caa1	↑↑	baa1	Earnings stability		
Combined Solvency Score		baa2		baa1			
Liquidity							
Funding Structure							
Less-stable Funds / Tangible Banking Assets	21.4%	a2	↔	a2	Deposit quality		
Liquid Resources							
Core Banking Liquidity / Tangible Banking Assets	19.5%	a3	↔	a3	Quality of liquid assets		
Combined Liquidity Score		a2		a2			
Financial Profile		baa1		a3			
Qualitative Adjustments				Adjustment			
Business and Geographic Diversification				0			
Complexity and Opacity				0			
Strategy, Risk Appetite and Governance				0			
Total Qualitative Adjustments				0			
Sovereign or Affiliate constraint				Aa3			
BCA Scorecard-indicated Outcome - Range				a2 - baa1			
Assigned BCA				a3			
Affiliate Support notching				0			
Adjusted BCA				a3			
Balance Sheet	in-scope (GBP Million)		% in-scope		at-failure (GBP Million)	% at-failure	
Other liabilities	611,664		89.6%		611,664	89.6%	
Deposits	0		0.0%		0	0.0%	
Preferred deposits	0		0.0%		0	0.0%	
Junior deposits	0		0.0%		0	0.0%	
Dated subordinated bank debt	879		0.1%		879	0.1%	
Junior subordinated bank debt	138		0.0%		138	0.0%	
Senior unsecured holding company debt	32,856		4.8%		32,856	4.8%	
Dated subordinated holding company debt	10,129		1.5%		10,129	1.5%	
Junior subordinated holding company debt	10		0.0%		10	0.0%	
Preference shares(holding company)	6,627		1.0%		6,627	1.0%	
Equity	20,484		3.0%		20,484	3.0%	
Total Tangible Banking Assets	682,787		100.0%		682,787	100.0%	

Debt Class	De Jure waterfall		De Facto waterfall		Notching		LGF Notching Guidance vs. Adjusted BCA	Assigned LGF notching	Additional Notching	Preliminary Rating Assessment
	Instrument volume + subordination	Sub-ordination	Instrument volume + subordination	Sub-ordination	De Jure	De Facto				
Senior unsecured holding company debt	10.4%	5.6%	10.4%	5.6%	1	1	1	0	0	a3
Dated subordinated holding company debt	5.6%	4.0%	5.6%	4.0%	-1	-1	-1	-1	0	baa1
Holding company non-cumulative preference shares	4.0%	3.0%	4.0%	3.0%	-1	-1	-1	-1	-2	baa3

Instrument Class	Loss Given Failure notching	Additional notching	Preliminary Rating Assessment	Government Support notching	Local Currency Rating	Foreign Currency Rating
Senior unsecured holding company debt	0	0	a3	0	A3	A3
Dated subordinated holding company debt	-1	0	baa1	0	Baa1	Baa1
Holding company non-cumulative preference shares	-1	-2	baa3	0	Baa3 (hyb)	Baa3 (hyb)

[1] Where dashes are shown for a particular factor (or sub-factor), the score is based on non-public information.

Source: Moody's Ratings

## Ratings

Exhibit 9

Category	Moody's Rating
<b>LLOYDS BANKING GROUP PLC</b>	
Outlook	Stable
Baseline Credit Assessment	a3
Adjusted Baseline Credit Assessment	a3
Senior Unsecured	A3
Subordinate	Baa1
Bkd Jr Subordinate -Dom Curr	Baa2 (hyb)
Pref. Stock Non-cumulative	Baa3 (hyb)
Other Short Term -Dom Curr	(P)P-2
<b>LLOYDS BANK PLC</b>	
Outlook	Stable
Counterparty Risk Rating	Aa3/P-1
Bank Deposits	A1/P-1
Baseline Credit Assessment	a3
Adjusted Baseline Credit Assessment	a3
Counterparty Risk Assessment	Aa3(cr)/P-1(cr)
Senior Unsecured	A1
Subordinate MTN	(P)Baa1
Commercial Paper	P-1
Other Short Term -Dom Curr	(P)P-1
<b>LLOYDS BANK CORPORATE MARKETS PLC</b>	
Outlook	Stable
Counterparty Risk Rating	A1/P-1
Bank Deposits	A1/P-1
Baseline Credit Assessment	baa3
Adjusted Baseline Credit Assessment	baa1
Counterparty Risk Assessment	A1(cr)/P-1(cr)
Issuer Rating	A1
Senior Unsecured	A1
Commercial Paper	P-1
Other Short Term	(P)P-1
<b>LLOYDS BANK CORPORATE MARKETS PLC, NY BRANCH</b>	

Counterparty Risk Rating	A1/P-1
Counterparty Risk Assessment	A1(cr)/P-1(cr)
Commercial Paper	P-1

**SCOTTISH WIDOWS LIMITED**

Outlook	Stable
Insurance Financial Strength	A2
Subordinate -Dom Curr	Baa1

**HBOS PLC**

Outlook	Stable
Counterparty Risk Rating	Aa3/P-1
Counterparty Risk Assessment	Aa3(cr)/P-1(cr)
Issuer Rating	A1
Subordinate	Baa1
Jr Subordinate -Dom Curr	Baa2 (hyb)
ST Issuer Rating	P-1

**LLOYDS BANK GMBH**

Outlook	Stable
Counterparty Risk Rating	A2/P-1
Bank Deposits	A3/P-2
Baseline Credit Assessment	baa2
Adjusted Baseline Credit Assessment	a3
Counterparty Risk Assessment	A1(cr)/P-1(cr)

**BANK OF SCOTLAND PLC**

Outlook	Stable
Counterparty Risk Rating	Aa3/P-1
Bank Deposits	A1/P-1
Baseline Credit Assessment	a3
Adjusted Baseline Credit Assessment	a3
Counterparty Risk Assessment	Aa3(cr)/P-1(cr)
Issuer Rating	A1
Bkd Senior Unsecured	A1
Pref. Stock Non-cumulative -Dom Curr	Baa3 (hyb)

Source: Moody's Ratings

## Endnotes

- [1](#) Deposit rating, senior unsecured debt rating and Baseline Credit Assessment
- [2](#) Deposit rating, senior unsecured/issuer rating and Baseline Credit Assessment
- [3](#) Our preferred measure of capital for reasons of global comparability. Tangible common equity (TCE) = (Common shares + retained earnings and related reserves + treasury stock + foreign currency translation) minus (Goodwill and other Intangible Assets) minus (Deferred Tax Assets) plus (Impact of Cap on Deferred Tax Assets).
- [4](#) 175 bps excluding the £800 million motor finance provision
- [5](#) Total provisions taken by LBG as of end-September 2025 stand at £1.95 billion
- [6](#) Excluding operating lease depreciation

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