

CREDIT OPINION

27 May 2026

Update

Send Your Feedback

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.

Contacts

Farooq Khan +44.20.7772.1638
VP-Senior Analyst - Financial Institutions
farooq.khan@moody's.com

Simon James Robin Ainsworth +44 207 772 5347
Associate Managing Director
simon.ainsworth@moody's.com

Christopher Tucker +44.20.7772.1357
Sr Ratings Associate
christopher.tucker@moody's.com

CLIENT SERVICES

Americas 1-212-553-1653
Asia Pacific 852-3551-3077
Japan 81-3-5408-4100
EMEA 44-20-7772-5454

Lloyds Banking Group plc

Update to credit analysis

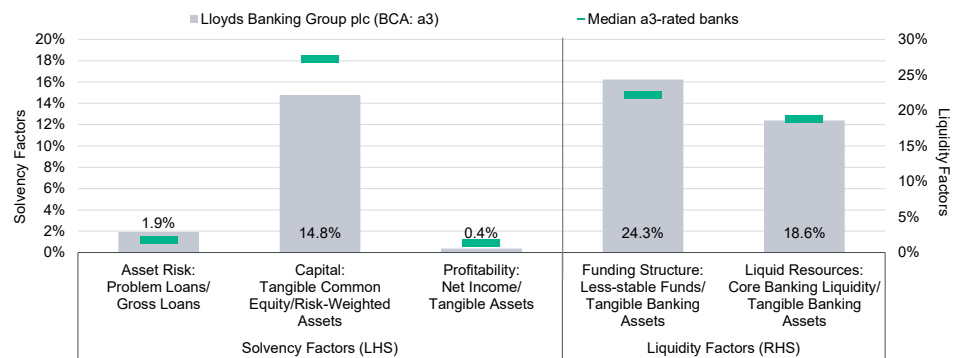
Summary

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 underpinned by 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 December 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]

	12-25 ²	12-24 ²	12-23 ²	12-22 ²	12-21 ²	CAGR/Avg. ³
Total Assets (GBP Billion)	926.0	882.5	861.1	849.9	863.3	1.8 ⁴
Total Assets (USD Billion)	1,245.5	1,105.2	1,097.7	1,022.3	1,165.1	1.7 ⁴
Tangible Common Equity (GBP Billion)	34.8	33.6	34.1	33.0	40.7	(3.8) ⁴
Tangible Common Equity (USD Billion)	46.9	42.1	43.4	39.7	55.0	(3.9) ⁴
Problem Loans / Gross Loans (%)	1.7	1.9	2.2	2.3	1.8	2.0 ⁵
Tangible Common Equity / Risk Weighted Assets (%)	14.8	14.9	15.5	15.6	20.8	16.3 ⁶
Problem Loans / (Tangible Common Equity + Loan Loss Reserve) (%)	21.7	24.1	26.1	27.6	18.5	23.6 ⁵
Net Interest Margin (%)	1.5	1.4	1.5	1.5	1.1	1.4 ⁵
PPI / Average RWA (%)	3.0	2.6	3.8	2.3	2.6	2.9 ⁶
Net Income / Tangible Assets (%)	0.4	0.1	0.6	-1.5	0.6	0.0 ⁵
Cost / Income Ratio (%)	63.6	66.8	57.2	66.1	67.8	64.3 ⁵
Gross Loans / Due to Customers (%)	97.6	94.8	94.6	95.2	94.1	95.2 ⁵
Core Banking Liquidity (HQLA) / Tangible Banking Assets (%)	18.6	19.5	--	--	--	19.0 ⁵
Less-stable Funds (LCR) / Tangible Banking Assets (%)	24.3	21.4	--	--	--	22.9 ⁵

[–] 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

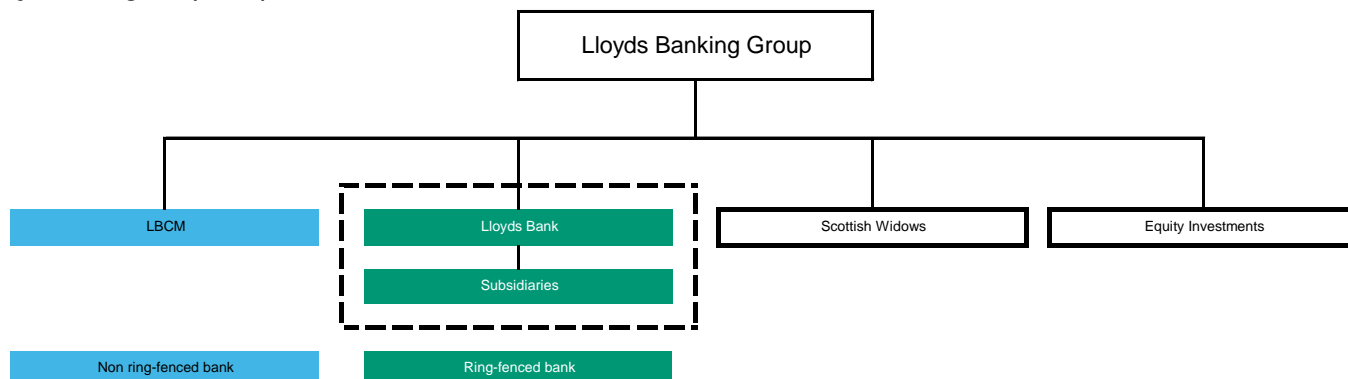
LBG is the holding company of a leading UK-based financial services group providing a wide range of banking and financial services, focused on personal and commercial customers. The group's main business activities are retail and commercial banking, as well as general insurance and life, pensions and investment provision. LBG's insurance and wealth activities, which includes the subsidiary [Scottish Widows Limited](#) (Scottish Widows, IFRS A1 stable) provide earnings diversification to the group's banking activities carried out by the ring-fenced bank [Lloyds Bank plc](#) (LB, A1 stable/A1 stable, a3¹), and the non-ring-fenced bank [Lloyds Bank Corporate Markets plc](#) (LBCM, A1 stable/A1 stable, baa3²). 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 Equity 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 Wealth³ (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 reflects 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 focus 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.

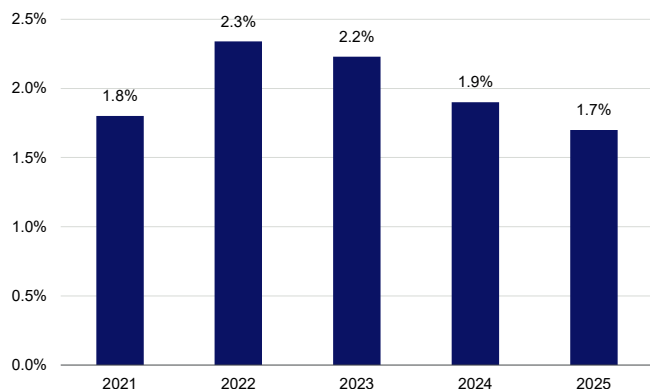
Asset quality is a credit strength for LBG, with Stage 3 loans stable at 1.7% of gross loans (down from 1.9% in 2024) and Stage 2 loans improving to 9.4% from 10.4%. Both Retail and Commercial credit performance strengthened in 2025, with Stage 3 loans in the Retail portfolio reducing to 1.2% from 1.3% in 2024 and Stage 3 loans in the Commercial portfolio reducing to 1.9%, down from 2.1%, driven by improving asset quality in the BCB book (3.4% vs. 4.0% in 2024), offsetting slight deterioration in the CIB book (1.2% vs 1.1% in 2024). 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 remain broadly stable over the next 12–18 months despite inflationary pressures and interest rates likely to remain higher than we previously expected adding to some pressure on household and corporate finances.

Exhibit 4

LBG has a low level of problem loans

Problem loans as a percentage of gross loans



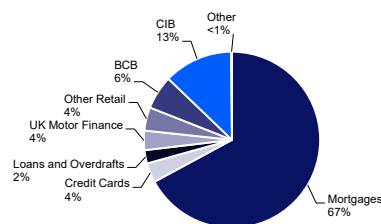
Within problem loans, we include the purchased or originated credit-impaired (POCI) that LBG classifies under Stage 3.

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 2025



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 1.6% of total RWA at end-December 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 reflects our Tangible Common Equity (TCE)⁴ to Risk Weighted Assets score of 14.8%, which we consider to be 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 c.13%, which is a key consideration in our view of the group's capital.

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 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 (13.4% at end-March 2026). This reflects the bank's strong capital generation which more than offset the impact of shareholder distributions. Management continues to expect 2026 capital generation, post CRD IV and regulatory headwinds, to be greater than 200 bps.

Improving outlook for profitability

We assign a baa1 Profitability score, which reflects 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 2026, 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 c.25 bps.

In 2025, diversification remained a key strength for LBG's profitability as the group benefits from deriving revenues from its retail division (accounted for 50% of underlying group profits), commercial banking (38% of profits), and insurance, pensions and investments revenue accounted for (5% of profits). Net interest income (NII) represented 69% of underlying group revenue⁵ and other income 31%.

LBG's recent results have illustrated our credit view with 2025 statutory profit after tax increasing by 6% YoY leading to a return on tangible equity (RoTE) of 12.9%, supported by structural hedge income and lending growth, despite motor finance remediation charges⁶. Capital generation remained robust at 147 bps (178 bps excluding remediation), and asset quality was resilient (cost of risk of 17 bps). Momentum also strengthened in Q1 2026, with profits up 37% YoY as NII and margins (3.17%) driving RoTE to 17.0%. Management expects further NII support from rising structural hedge income, underpinning earnings visibility.

LBG continues to focus on diversifying and growing higher-quality revenue streams as it enters the final year of its 2022–26 strategy. By year-end 2025, the group had generated c.£1.4 billion of incremental revenues from strategic initiatives and upgraded its 2026 target to around £2 billion, alongside continued growth in both NII and other income, reflecting broad-based progress across retail, wealth, and commercial segments.

LBG's strategy remains centred on scaling higher-value areas such as mass affluent and wealth (including Lloyds Wealth) and expanding CIB capabilities, while leveraging its franchise to deepen customer relationships and drive cross-product income. Continued investment in technology and AI is supporting efficiency and operating leverage, contributing to c.£1.9 billion of cost savings to date and underpinning the target of a less than 50% cost:income ratio in 2026, alongside upgraded NII guidance of greater than £14.9 billion and strong capital generation.

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 December 2025, the less stable funds to tangible banking assets ratio was 24.3%, 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 31.7% at end-March 2026, comfortably above regulatory requirement of 27.0%.

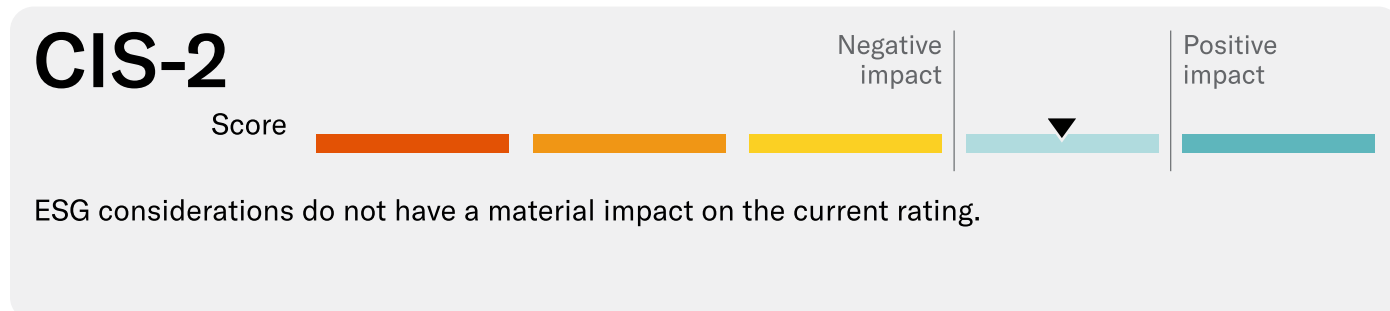
LBG's Core Banking Liquidity to Tangible Banking Assets ratio stood at 18.6% at end-December 2025, supported by substantial High-Quality Liquid Assets (HQLA) and material pre-positioned collateral with the Bank of England. The group maintains strong regulatory liquidity metrics, with an LCR of 144% and NSFR of 123% at end-March 2026, 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

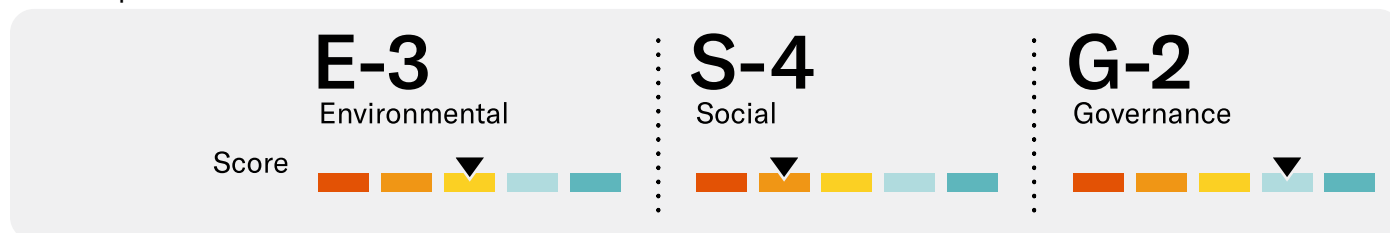


Source: Moody's Ratings

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

LBG is domiciled in the UK, which we consider an operational resolution regime (ORR). Thus, we apply our advanced Loss Given Failure (LGF) analysis, using our standard assumptions.

Our LGF analysis indicates that LBG's senior unsecured debt are likely to face moderate loss-given-failure, resulting in no uplift from the bank's Adjusted BCA.

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	1.9%	a1	↔	a3	Sector concentration	Long-run loss performance	
Capital							
Tangible Common Equity / Risk Weighted Assets (Basel III - transitional phase-in)	14.8%	a2	↓	baa2	Capital quality	Nominal leverage	
Profitability							
Net Income / Tangible Assets	0.4%	ba2	↑↑	baa1	Earnings stability		
Combined Solvency Score		a3		baa1			
Liquidity							
Funding Structure							
Less-stable Funds / Tangible Banking Assets	24.3%	a3	↔	a2	Deposit quality		
Liquid Resources							
Core Banking Liquidity / Tangible Banking Assets	18.6%	a3	↔	a3	Quality of liquid assets		
Combined Liquidity Score		a3		a2			
Financial Profile		a3		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		630,799		90.1%		630,799	90.1%
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		224		0.0%		224	0.0%
Junior subordinated bank debt		129		0.0%		129	0.0%
Senior unsecured holding company debt		31,643		4.5%		31,643	4.5%
Dated subordinated holding company debt		10,290		1.5%		10,290	1.5%
Junior subordinated holding company debt		10		0.0%		10	0.0%
Preference shares(holding company)		6,309		0.9%		6,309	0.9%
Equity		21,012		3.0%		21,012	3.0%
Total Tangible Banking Assets		700,416		100.0%		700,416	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	9.9%	5.4%	9.9%	5.4%	0	0	0	0	0	a3
Dated subordinated holding company debt	5.4%	3.9%	5.4%	3.9%	-1	-1	-1	-1	0	baa1
Holding company non-cumulative preference shares	3.9%	3.0%	3.9%	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
LLOYDS BANKING GROUP PLC	
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
HBOS PLC	
Outlook	Stable
Counterparty Risk Rating	Aa3/P-1
Counterparty Risk Assessment	Aa3(cr)/P-1(cr)
Issuer Rating	A1
Subordinate	Baa1
ST Issuer Rating	P-1
LLOYDS BANK 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)
Senior Unsecured	A1
Subordinate MTN	(P)Baa1
Commercial Paper	P-1
Other Short Term -Dom Curr	(P)P-1
LLOYDS BANK CORPORATE MARKETS PLC	
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
LLOYDS BANK CORPORATE MARKETS PLC, NY BRANCH	
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
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](#) Wealth management and advice business previously operated as a joint venture with Schroders Group
- [4](#) 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).
- [5](#) Excluding operating lease depreciation
- [6](#) Total provisions taken by LBG stand at £1.95 billion as of end-March 2026

© 2026 Moody's Corporation, Moody's Investors Service, Inc., Moody's Analytics, Inc. and/or their licensors and affiliates (collectively, "MOODY'S"). All rights reserved.

CREDIT RATINGS ISSUED BY MOODY'S CREDIT RATINGS AFFILIATES ARE THEIR CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES, AND MATERIALS, PRODUCTS, SERVICES AND INFORMATION PUBLISHED OR OTHERWISE MADE AVAILABLE BY MOODY'S (COLLECTIVELY, "MATERIALS") MAY INCLUDE SUCH CURRENT OPINIONS. MOODY'S DEFINES CREDIT RISK AS THE RISK THAT AN ENTITY MAY NOT MEET ITS CONTRACTUAL FINANCIAL OBLIGATIONS AS THEY COME DUE AND ANY ESTIMATED FINANCIAL LOSS IN THE EVENT OF DEFAULT OR IMPAIRMENT. SEE APPLICABLE MOODY'S RATING SYMBOLS AND DEFINITIONS PUBLICATION FOR INFORMATION ON THE TYPES OF CONTRACTUAL FINANCIAL OBLIGATIONS ADDRESSED BY MOODY'S CREDIT RATINGS. CREDIT RATINGS DO NOT ADDRESS ANY OTHER RISK, INCLUDING BUT NOT LIMITED TO: LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. CREDIT RATINGS, NON-CREDIT ASSESSMENTS ("ASSESSMENTS"), AND OTHER OPINIONS INCLUDED IN MOODY'S MATERIALS ARE NOT STATEMENTS OF CURRENT OR HISTORICAL FACT. MOODY'S MATERIALS MAY ALSO INCLUDE QUANTITATIVE MODEL-BASED ESTIMATES OF CREDIT RISK AND RELATED OPINIONS OR COMMENTARY PUBLISHED BY MOODY'S ANALYTICS, INC. AND/OR ITS AFFILIATES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS DO NOT CONSTITUTE OR PROVIDE LEGAL, COMPLIANCE, INVESTMENT, FINANCIAL OR OTHER PROFESSIONAL ADVICE, AND MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS ARE NOT AND DO NOT PROVIDE RECOMMENDATIONS TO PURCHASE, SELL, OR HOLD PARTICULAR SECURITIES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS DO NOT COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. MOODY'S ISSUES ITS CREDIT RATINGS, ASSESSMENTS AND OTHER OPINIONS AND PUBLISHES OR OTHERWISE MAKES AVAILABLE ITS MATERIALS WITH THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL, WITH DUE CARE, MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING, OR SALE.

MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS, AND MATERIALS ARE NOT INTENDED FOR USE BY RETAIL INVESTORS AND IT WOULD BE RECKLESS AND INAPPROPRIATE FOR RETAIL INVESTORS TO USE MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS OR MATERIALS WHEN MAKING AN INVESTMENT DECISION. IF IN DOUBT YOU SHOULD CONTACT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISER.

ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY LAW, INCLUDING BUT NOT LIMITED TO, COPYRIGHT LAW, AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT. FOR CLARITY, NO INFORMATION CONTAINED HEREIN MAY BE USED TO DEVELOP, IMPROVE, TRAIN OR RETRAIN ANY SOFTWARE PROGRAM OR DATABASE, INCLUDING, BUT NOT LIMITED TO, FOR ANY ARTIFICIAL INTELLIGENCE, MACHINE LEARNING OR NATURAL LANGUAGE PROCESSING SOFTWARE, ALGORITHM, METHODOLOGY AND/OR MODEL.

MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS ARE NOT INTENDED FOR USE BY ANY PERSON AS A BENCHMARK AS THAT TERM IS DEFINED FOR REGULATORY PURPOSES AND MUST NOT BE USED IN ANY WAY THAT COULD RESULT IN THEM BEING CONSIDERED A BENCHMARK.

All information contained herein is obtained by MOODY'S from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, all information contained herein is provided "AS IS" without warranty of any kind. MOODY'S adopts all necessary measures so that the information it uses in assigning a credit rating or assessment is of sufficient quality and from sources MOODY'S considers to be reliable including, when appropriate, independent third-party sources. However, MOODY'S is not an auditor and cannot in every instance independently verify or validate information received in the credit rating or assessment process or in preparing its Materials.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability to any person or entity for any indirect, special, consequential, or incidental losses or damages whatsoever arising from or in connection with the information contained herein or the use of or inability to use any such information, even if MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers is advised in advance of the possibility of such losses or damages, including but not limited to: (a) any loss of present or prospective profits or (b) any loss or damage arising where the relevant financial instrument is not the subject of a particular credit rating or assessment assigned by MOODY'S.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability for any direct or compensatory losses or damages caused to any person or entity, including but not limited to by any negligence (but excluding fraud, willful misconduct or any other type of liability that, for the avoidance of doubt, by law cannot be excluded) on the part of, or any contingency within or beyond the control of, MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers, arising from or in connection with the information contained herein or the use of or inability to use any such information.

NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY CREDIT RATING, ASSESSMENT, OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER.

Moody's Investors Service, Inc., a wholly-owned credit rating agency subsidiary of Moody's Corporation ("MCO"), hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by Moody's Investors Service, Inc. have, prior to assignment of any credit rating, agreed to pay Moody's Investors Service, Inc. for credit ratings opinions and services rendered by it. MCO and all MCO entities that issue ratings under the "Moody's Ratings" brand name ("Moody's Ratings"), also maintain policies and procedures to address the independence of Moody's Ratings' credit ratings and credit rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold credit ratings from Moody's Investors Service, Inc. and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually at ir.moody.com under the heading "Investor Relations — Corporate Governance — Charter and Governance Documents - Director and Shareholder Affiliation Policy."

Moody's SF Japan K.K., Moody's Local AR Agente de Calificación de Riesgo S.A., Moody's Local BR Agência de Classificação de Risco LTDA, Moody's Local MX S.A. de C.V., I.C.V., Moody's Local PE Clasificadora de Riesgo S.A., Moody's Local PA Calificadora de Riesgo S.A., Moody's Local CR Calificadora de Riesgo S.A., Moody's Local ES S.A. de CV Clasificadora de Riesgo, Moody's Local RD Sociedad Calificadora de Riesgo S.R.L. and Moody's Local GT S.A. (collectively, the "Moody's Non-NRSRO CRAs") are all indirectly wholly-owned credit rating agency subsidiaries of MCO. None of the Moody's Non-NRSRO CRAs is a Nationally Recognized Statistical Rating Organization.

Additional terms for Australia only: Any publication into Australia of this document is pursuant to the Australian Financial Services License of MOODY'S affiliate, Moody's Investors Service Pty Limited ABN 61 003 399 657 AFSL 336969 and/or Moody's Analytics Australia Pty Ltd ABN 94 105 136 972 AFSL 383569 (as applicable). This document is intended to be provided only to "wholesale clients" within the meaning of section 761G of the Corporations Act 2001. By continuing to access this document from within Australia, you represent to MOODY'S that you are, or are accessing the document as a representative of, a "wholesale client" and that neither you nor the entity you represent will directly or indirectly disseminate this document or its contents to "retail clients" within the meaning of section 761G of the Corporations Act 2001. MOODY'S credit rating is an opinion as to the creditworthiness of a debt obligation of the issuer, not on the equity securities of the issuer or any form of security that is available to retail investors.

Additional terms for India only: Moody's credit ratings, Assessments, other opinions and Materials are not intended to be and shall not be relied upon or used by any users located in India in relation to securities listed or proposed to be listed on Indian stock exchanges.

Additional terms with respect to Second Party Opinions and Net Zero Assessments (as defined in Moody's Ratings Rating Symbols and Definitions): Please note that neither a Second Party Opinion ("SPO") nor a Net Zero Assessment ("NZA") is a "credit rating". The issuance of SPOs and NZAs is not a regulated activity in many jurisdictions, including Singapore. EU: In the European Union, each of Moody's Deutschland GmbH and Moody's France SAS provide services as an external reviewer in accordance with the applicable requirements of the EU Green Bond Regulation. JAPAN: In Japan, development and provision of SPOs and NZAs fall under the category of "Ancillary Businesses", not "Credit Rating Business", and are not subject to the regulations applicable to "Credit Rating Business" under the Financial Instruments and Exchange Act of Japan and its relevant regulation. PRC: Any SPO: (1) does not constitute a PRC Green Bond Assessment as defined under any relevant PRC laws or regulations; (2) cannot be included in any registration statement, offering circular, prospectus or any other documents submitted to the PRC regulatory authorities or otherwise used to satisfy any PRC regulatory disclosure requirement; and (3) cannot be used

within the PRC for any regulatory purpose or for any other purpose which is not permitted under relevant PRC laws or regulations. For the purposes of this disclaimer, "PRC" refers to the mainland of the People's Republic of China, excluding Hong Kong, Macau and Taiwan.

REPORT NUMBER 1485740

CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454