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U.K. Banks' Creditworthiness Will Be Tested As Fiscal Support Ebbs

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Key Takeaways

- U.K. banks face an awful earnings environment, with the COVID-19-pandemic-induced recession resulting in large impairment charges and a prolonged zero-interest-rate bound squeezing profit margins.
- However, exceptional monetary and fiscal policy intervention has eased an initial asset quality shock and reinforced bank liquidity and capitalization.
- Bank provisioning has taken into account some of the anticipated increase in loan defaults and a sharp rise in unemployment, but banks' macroeconomic assumptions may yet prove to be too benign.
- We expect the planned withdrawal of government support schemes and payment holidays in coming months to be a credit inflexion point.
- U.K. banks' strong balance sheets could protect ratings during this difficult stretch, in our view, though we still see downside risks to our credit loss assumptions.

The COVID-19 pandemic and subsequent lockdown in the U.K. has arguably exposed domestic banks to the biggest economic shock since the 1980s. Moreover, this is the first real test of the regulatory overhaul since the financial crisis a decade ago that demanded increases in bank capitalization and liquidity, in particular. After scrutinizing U.K. banks' first-half results, S&P Global Ratings continues to see only a marginal increase in the risk that credit losses will rise to materially above 100 basis points of domestic lending this year (see "COVID-19 Effects Might Quadruple U.K. Bank Credit Losses In 2020," published May 4, 2020). Plus, we continue to believe the sector is well positioned to weather the storm as long as there are no material setbacks in the economic environment beyond S&P Global Ratings' economic assumptions.

We revised most of the rating outlooks on U.K. banks to negative in April in response to COVID-19 developments (see "Outlooks Revised On Six U.K. Banks On Deepening COVID-19 Downside Risks," published on April 23, 2020). The coming months will provide further critical insight into the trajectory of the recovery, removal of fiscal support, vaccine development, and the ability of society to contain the virus to avoid another economically damaging lockdown. As such, and assuming no idiosyncratic events, we do not expect to reassess the outlooks before fourth-quarter 2020, once the banks report their third-quarter earnings and we have greater visibility about credit performance and the prospects for 2021.

The Bank of England and U.K. government's extension of ultraloose monetary policy and fiscal support occurred with unprecedented speed and scale in March. Combined government and Bank of England credit support through Aug. 9, 2020, totaled just shy of £70 billion, of which bounce-back loans are £35 billion. Bank funding, liquidity, and capital have been further supported by numerous lending schemes (see table 1) and elimination of the countercyclical buffer by the Prudential Regulation Authority, alongside dividend and buyback cuts and senior staff bonus freezes. Such policies, which are creditor friendly, have sought to preserve capital while ensuring the ongoing availability of credit to the economy, and signs of early recovery appear encouraging. By contrast, severely weaker short-term outlook for profitability has been reflected in falling U.K. bank market capitalization (see chart 2). Not only have dividends and share buybacks been canceled for the whole of 2020, but the 65 basis point (bp) aggregate Bank of England rate cut, additional quantitative easing, and reduced lending volumes have intensified existing pressures on margins and earnings capacity.

Table 1

Summary Of U.K. Monetary And Fiscal Programs In Response To COVID-19

Policy/scheme	Detail		
Monetary Policy Committee rate cut	Aggregate 65 basis point cut to 0.1%		
Additional quantitative easing	Additional £100 billion quantitative easing announced in June 2020 to increase total to £745 billion		
Term Funding Scheme	12-month scheme offering four-to-six-year funding at or very near base rate for SMEs		
No dividends, share buybacks, or senior staff bonuses expected	Until end of 2020		
A package of government policy measures has been designed to support U.K. businesses			
	Medium and larger companies	**Small companies***	**OBR estimated budgetary costs (bil. £, 2020-2021)§**
Business support: Tax and spending measures			30.2
Business grant schemes	N	Y	
Business rates relief	Y	Y	
VAT payments deferral	Y	Y	
Self-assessment tax payment deferral	N	Y	
Statutory sick pay support	N	Y	
Business support: Loans and guarantees			20
Bounce Back Loan Scheme	N	Y	
Covid Corporate Financing Facility	Y		
Coronavirus Business Interruption Loan Scheme	Y	Y	

Table 1

Summary Of U.K. Monetary And Fiscal Programs In Response To COVID-19 (cont.)

Coronavirus Large Business Interruption Loan Scheme	Y	N	
Coronavirus Future Fund	N	Y	
Trade credit insurance	Y	Y	
Employment support measures			62.2
Coronavirus Job Retention Scheme	Y	Y	
Self-employment income support scheme	N	Y	
Summer economic update, specifically:			9.1†
Job retention bonus	Y	Y	
Reduced VAT for hospitality, accommodation and attractions	Y	Y	
Eat out to help out	Y	Y	

*For the purpose of the cash-flow deficit analysis, we have defined smaller companies as those with annual turnover of less than £10 million. However, there are several definitions of SMEs. For example, some definitions refer to businesses with less than 250 employees, and other definitions reference a combination of assets, employees, and turnover. §This column references the current estimates of the possible costs of the specified policy interventions in 2020–2021, as published by the OBR on July 14, 2020. †The estimated budgetary cost for this row refers to the current estimates of the possible costs of the three specified policy measures only. Sources: OBR, Coronavirus Policy Monitoring database, July 14, 2020. N--No. OBR--Office for Budget Responsibility. SME--Small and midsize enterprise. Y--Yes.

The importance of U.K. banks' role in implementing government-guaranteed lending schemes and therefore supporting the real economy should not be underestimated. This is both credit positive in terms of emergency liquidity provision and the rapid reopening of capital markets (see chart 1), but also raises unpredictable tensions with respect to the pricing of risk, ultimate support scheme exit strategies, and reputational risks to the banks from managing eventual repayment arrears. It remains to be seen whether proximity to the zero (interest rate) bound will ultimately result in sustained increases in bank lending spreads that might slow the recovery. Some banks have cut deposit rates in response to the base rate moves. Competition from National Savings & Investments (NS&I) while noteworthy, which has increased its deposit-gathering target to £35 billion in 2020-2021, is unlikely to prove significant to the major banks, which have seen their deposit balances rise markedly.

U.K. bank results for the first half were marked by large loan loss provisions, particularly for those with large unsecured and/or corporate exposures--such as Lloyds and Natwest--that reported pretax losses. Those banks that remained profitable typically benefited from the diversification value of strong investment banking performance, particularly in markets trading due to extreme secondary market volatility and illiquidity. Assuming a gradual, uninterrupted recovery of economic activity, as we observed in July, we expect the second half to see improved earnings as the initial impact of lower credit card balances, COVID-19 support, overdraft fee freezes, and full lockdowns gradually dissipates. That said, we emphasize that the economic effects of COVID-19 may be more severe or protracted than we currently envisage, and that risks remain skewed to the downside.

Table 2

Headline First-Half 2020 Results For Major U.K. Banks

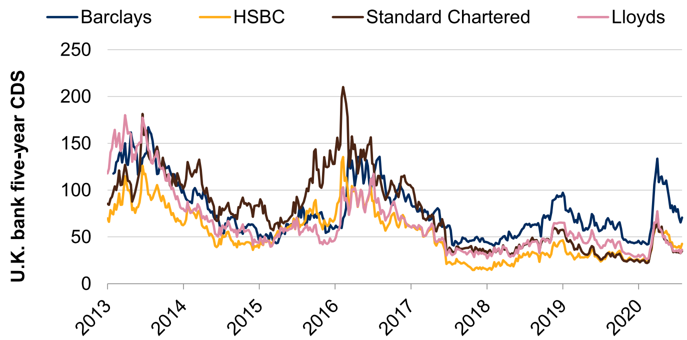
(Mil. £)	Barclays	HSBC*	Lloyds	NatWest	Standard Chartered*
Total assets	1,385,117	2,922,798	872,994	806,887	741,585
% change versus H1 2019	12.35	6.23	6.17	10.55	4.08
Operating revenue	11,590.00	27,729.00	8,049.00	5,942.00	8,163.00
% change versus H1 2019	7.41	(7.16)	(15.82)	(2.77)	1.91
Noninterest expenses	6,531.00	14,942.00	4,358.00	3,368.00	4,734.00
% change versus H1 2019	(3.36)	(7.55)	(6.88)	(0.38)	(2.93)
Preprovision operating income	5,059.00	12,787.00	3,691.00	2,574.00	3,429.00
Pretax profit	1,272.00	4,318.00	(602.00)	(770.00)	1,627.00
Return on average common equity (%)	2.50	2.42	0.94	(4.71)	4.82
Net interest income/average earning assets (%)	1.21	1.44	2.30	1.56	1.23
Noninterest expenses/operating revenue (%)	56.35	53.89	54.14	56.68	57.99
New loan loss provisions/average customer loans (%)	2.17	1.32	1.71	1.61	1.12
Stage 3 loans/total loans (%)	2.57	1.69	2.13	1.90	3.14
Stage 3 ECL allowance/Stage 3 loans (%)	43.78	38.82	28.60	40.66	59.68
Customer loans (net)/customer deposits (%)	76.73	66.48	99.81	83.21	63.75

*HSBC Holdings and Standard Chartered reports in U.S. dollars. ECL--Expected credit losses. Source: S&P Global Ratings database and ratio definitions.

Chart 1

U.K. Bank CDS Are Rapidly Recovering To Pre-March 2020 Levels

Brisk, powerful fiscal and monetary policy response underwrote bank liquidity

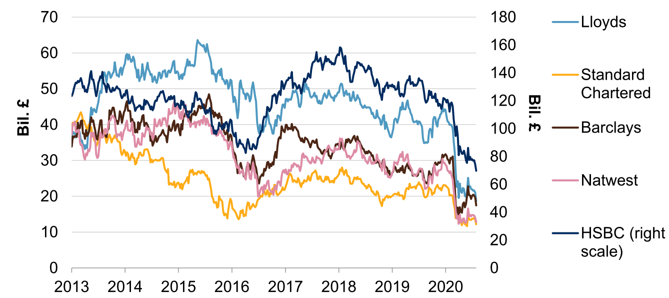


CDS--Credit default swap. Source: Bloomberg.

Chart 2

U.K. Bank Market Capitalization Remains Near Global Financial Crisis Lows

Increasing risk of negative rates and significant credit loss undermining earnings outlook



Source: Bloomberg.

Elevated Economic Uncertainty Points To Slower Recovery

The second quarter has seen all U.K. banks adjust their economic assumptions, which they apply to their expected credit losses, to more severely negative scenarios. Table 3 outlines a snapshot of some of the different assumptions by bank and institution. While much uncertainty remains, the consensus has moved to a deeper recession in 2020 and a slower recovery through 2021-2022. We note the range of 2021 forecasts for GDP and, to a lesser extent unemployment, and highlight the material impact such uncertainty could have on future bank credit losses and asset quality.

U.K. bank disclosure is notable for its high standard and transparency in outlining downside risks. Furthermore, we anticipate no material change in macroeconomic assumptions and an absence of Payment Protection Insurance (PPI) charges, which are likely to further support third-quarter 2020 year-on-year comparisons.

While our Banking Industry Country Risk Analysis (BICRA) for the U.K. focuses on domestic losses, our bank analysis considers consolidated losses, in line with the Bank of England's approach. To that end, the re-emergence of geopolitical tension between the U.S., China, and Hong Kong could pose uncertainty for groups with core businesses in affected markets. We see potential for such developments to become more material in nature for HSBC and Standard Chartered that have significant exposures to Asia and China specifically. We also continue to believe the post-Brexit transition period will be critical for all U.K. banks, particularly those with high U.K. concentrations, such as Lloyds, Natwest, Nationwide Building Society, and Virgin Money. Exposure to the U.S. will be monitored closely in the second half of 2020 as the combination of moderate COVID-19 containment success and election uncertainty could yet evolve into credit underperformance for Barclays and HSBC.

Table 3

Selected U.K. GDP And Unemployment Assumptions By U.K. Banks

Q2 2020

	U.K. GDP		U.K. unemployment	
	2020	2021	2020	2021
Lloyds	(10.0)	6.0	7.2	7.0
NatWest	(14.2)	13.3	9.5	6.4
Barclays	(8.7)	6.1	6.6	6.5
Santander UK	(9.5)	5.8	9.3	6.9
HSBC	(7.8)	5.9	6.8	6.3
Virgin Money	(11.6)	5.5	6.4	7.5
S&P Global Ratings*	(8.1)	6.5	6.0	6.2
Bank of England§	(9.5)	9.0	7.5	6.0

Base case scenario for all except Virgin Money, which is a weighted scenario. Natwest data is the average of two central scenarios. *S&P Global Ratings' data as of July 24, 2020. §Bank of England data as of Aug. 7 , 2020. Source: Monetary Policy Committee Report.

Margins Are Likely To Stabilize In The Second Half

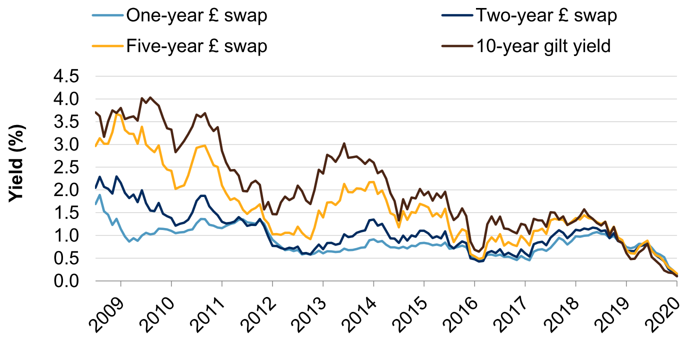
The Bank of England's 65 bp aggregate rate cuts in March 2020 contributed to narrower net interest margins across the sector in the second quarter. That said, we expect the large deposit rate cuts subsequently enacted in the second and third quarter to gradually result in improved margin stability in the second half. In addition, we think price competition in loan markets may ease somewhat, given the uncertain backdrop for asset quality and the need for banks to rebuild earnings and dividend capacity in coming years. A more rapid recovery in 2021 may limit total impairment charges but also risk a return to stiffer competition and margin pressure.

The full lockdown in the second quarter restricted all economic activity (second-quarter GDP fell 20.4% quarter-on-quarter) and sharply reduced consumer and mortgage lending volumes. The abrupt liquidity shock, experienced by most businesses, led to a dramatic increase in corporate lending via government-supported schemes. We expect to see a gradual increase in overall volumes as society adjusts to localized lockdowns should COVID-19 cases resurge. A recovery in unsecured lending, which, dampened by the drop in card spending in the second quarter, is likely to lag that of mortgages and business activity, as individuals look to derisk personal finances until there is more certainty about employment prospects.

Chart 3

Unrelenting Journey To The Zero Bound And Zero Curve For U.K. Banks

Earnings pressure unlikely to be reversed without absolute repricing and more radical management action

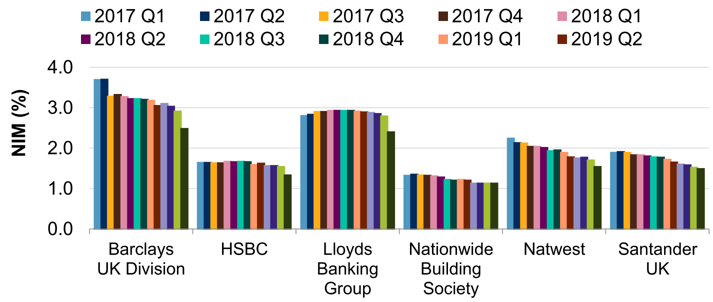


Source: Bloomberg

Chart 4

Net Interest Margin Pressure Has Intensified For Most U.K. Banks In First-Half 2020

Most significant declines in Q2 2020 NIM seen with banks more exposed to consumer and corporate banking



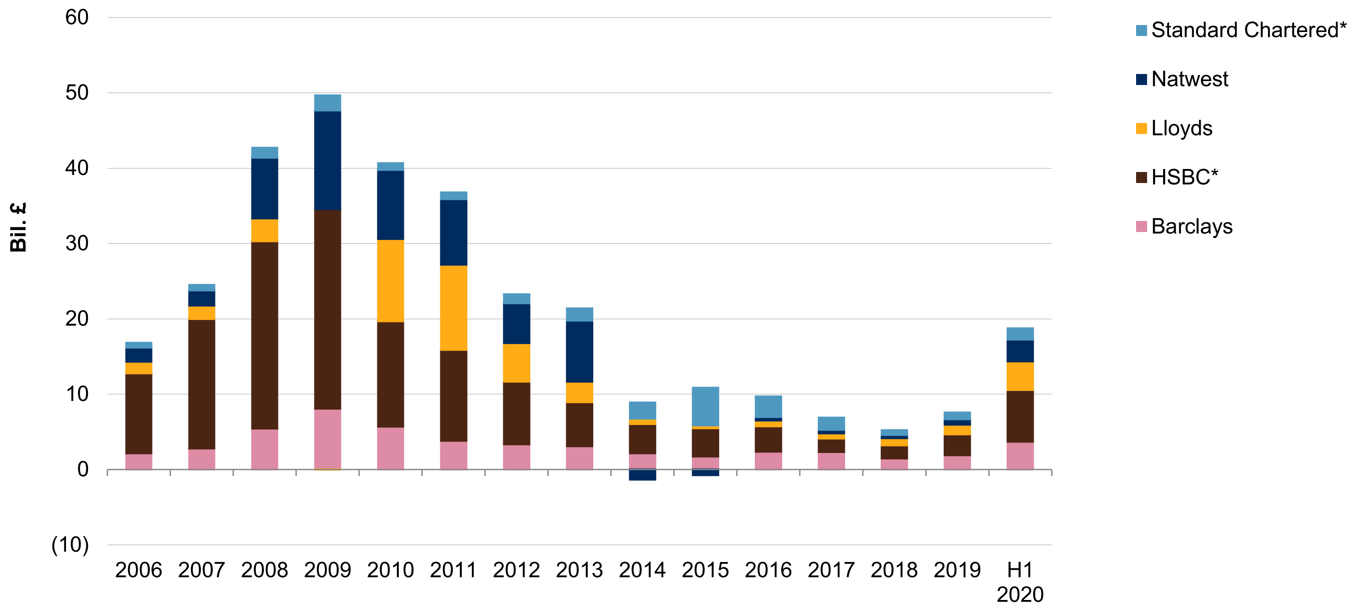
NIM--Net interest margin. NIM definitions differ between banks. Barclays and Santander UK: Net interest income to average interest-earning customer assets. HSBC and RBS: Net interest income to average interest-earning assets. Lloyds: Banking net interest income to average interest-earning banking assets. Source: Banks' reported financials.

Payment holidays muddy the asset quality picture

The earliest tranches of maturing residential mortgage payment holidays have tended to result in about 70%-80% of customers returning to regular payment plans--but uncertainty remains regarding the others--and specifically how an exit from government support schemes, phased or not, will affect asset quality. We think the massive size of fiscal support programs has delayed the emergence of asset quality deterioration and likely shielded banks from even greater impairment charges. The backdrop of localized infection spikes and sporadic lockdowns highlights the risk of larger-scale second wave economic disruption through the second half. Should that occur, we see a risk that banks will lower their economic assumptions further, leading to additional impairment charges.

Chart 5

U.K. Bank Consolidated Loan Loss Provisions Are On The Rise
Putting COVID-19 into context



*Y axis title is Bil. $ for HSBC and Standard Chartered. f--Forecast. H--Half. Mid of company forecast where provided, S&P Global Ratings forecast where not provided. Source: Bloomberg, annual reports, S&P Global Ratings.

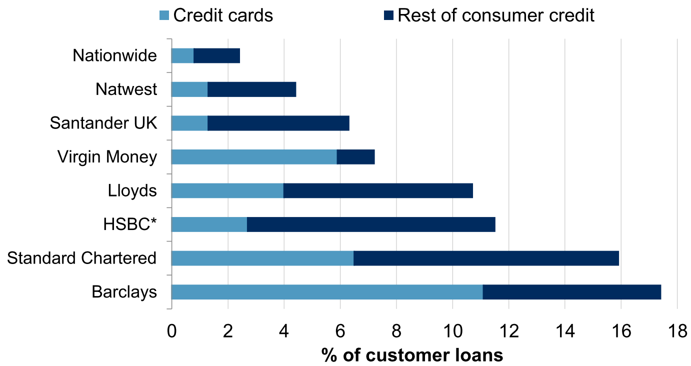
While common equity tier 1 (CET1) ratios increased for all U.K. banks in the second quarter, the main reason was regulatory transitional arrangements under International Financial Reporting Standard (IFRS) 9 for Stage 1 and Stage 2 asset impairment charges. Capital ratios will remain under pressure in the second half as the extended economic slowdown results in greater inflation of risk-weighted assets. As government support schemes are withdrawn, delinquency rates will likely rise, changing parameters in banks' internal credit rating models that will accelerate stage migration. For certain issuers, a strong investment banking performance in the first half because of extreme market volatility, central banks' quantitative easing programs, and emergency liquidity capital raising will begin to normalize, assuming market conditions continue to stabilize--thereby more directly exposing banks to the weaker earnings environment.

The Bank of England's recent Financial Stability Report included a "reverse stress test" that examined the scale of credit impairments necessary to deplete the major U.K. banks' CET1 ratios by over 5 percentage points (comparable with the capital drawdown in its 2019 annual stress test exercise). It concluded that a reduction of this magnitude, given specific economic assumptions, implied impairments of about £120 billion, including impairments on international lending. This contrasts with its current assumption that total impairments will be less than £80 billion in the 2020-2021 period.

The lockdown scenarios have introduced new risks of disruption to banks' loan books and while consumer credit will likely weaken in tandem with broader economic deterioration, the move to working from home also increases the risk associated with commercial real estate. Charts 6 and 7 illustrate the relative concentrations of both sectors as a proportion of customer loans.

Chart 6

Considerable Range Of Exposure To Consumer Credit By U.K. Issuers

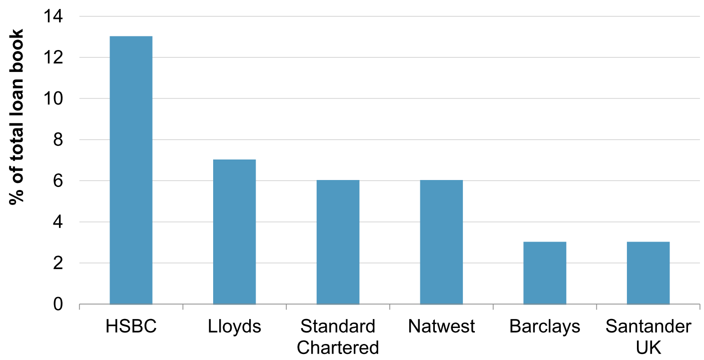


Data at year-end 2019, except Virgin Money (March 31, 2020) and NBS (year-end April 4, 2020). *HSBC's ratio falls to 6.5% from 11.5% once we adjust for Credit Logement ($18 billion) and Lombard lending ($30 billion).

Chart 7

Commercial Real Estate Loans Are In Focus

Most U.K. Banks Had Been Reducing Exposures Before The Trend Toward Working From Home



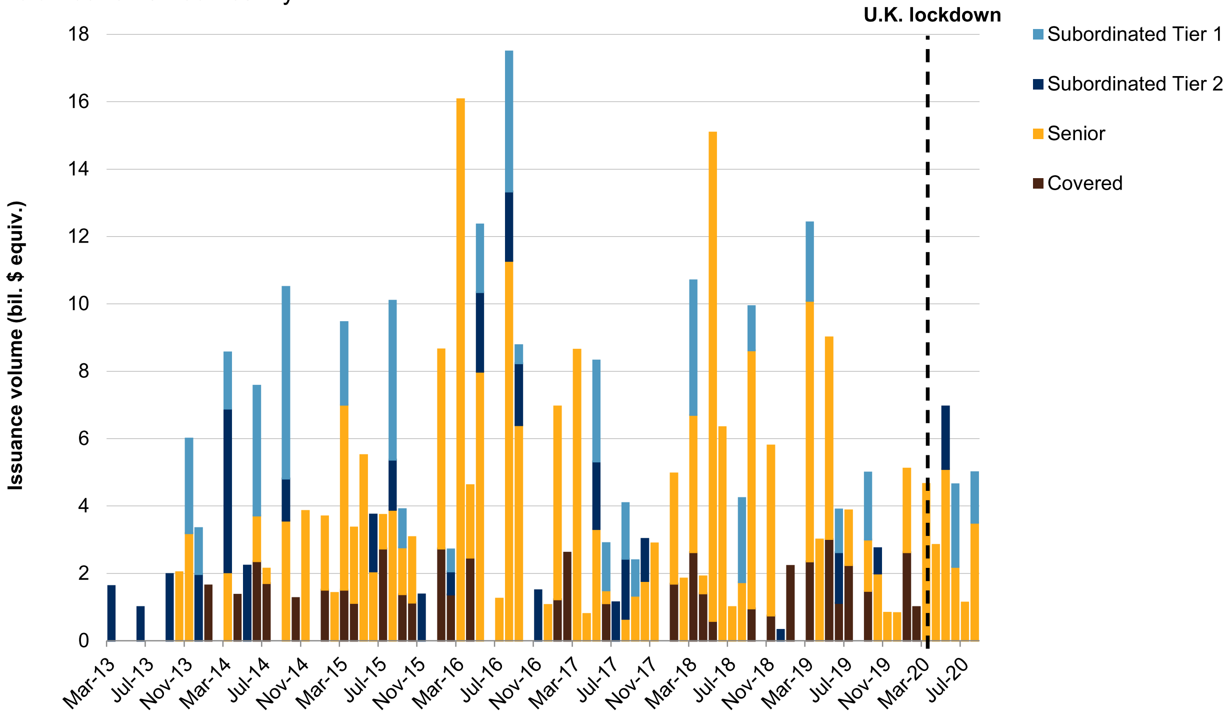
Data at year-end 2019, except NBS at year-end April 4, 2020. CRE--Commercial real estate.

Compared to the financial crisis, central bank policy responded to normalize capital market access in a matter of weeks--not years. The inclusion of £100 billion in quantitative easing served to support this key objective and helped maximize the potential economic recovery, particularly given the U.K. economy has transitioned to increasingly market-based finance. Chart 8 illustrates the rapid return to primary market activity by U.K. banks and successful subordinated issuance, including additional tier 1 capital, which is set to contribute to relative stability in capital positions for full-year 2020.

Chart 8

U.K. Banks Took Advantage Of Rapid Recovery In Senior And Subordinated Capital Markets Access

Covered bond volumes collapsed upon the launch of TFSME; senior and subordinated volumes remained healthy



Central to how much banks ultimately accumulate in provisions will be the speed of the economic recovery. It is notable that while U.K. banks are modeling a significant fall in GDP and unemployment rises in 2020, they also expect a rapid recovery in GDP in 2021, alongside a more marginal recovery in unemployment. S&P Global Ratings notes a large degree of uncertainty about the timing of discovery and availability of a vaccine and therefore acknowledges the severe risk to asset quality should a more prolonged period of sequential, partial lockdowns and restricted international travel occur. This scenario would intensify pressure on high-risk sector exposures such as travel, hospitality, and commercial real estate. An extended period of disruption would significantly increase the risk that structural unemployment brings about more serious asset quality issues.

Loan provision buffers are considerably higher than a decade ago

Much has changed since the 2008 financial crisis. In addition to tighter lending standards, higher capital ratios, and an established bail-in framework, it is also notable that loan provision buffers are higher in 2020 than in 2008, in many cases by a considerable margin (see table 4). This is primarily due to the change from incurred loss accounting under International Accounting Standard 39 to expected loss accounting under IFRS 9.

Table 4

U.K. Banks' Expected Loss Coverage Is More Sizable Than A Decade Ago

ECL allowance/total loans (as reported*)	H1 2020	Dec. 31, 2019	June 30, 2008
Barclays	2.5	1.8	1.2
HSBC Holdings	1.3	0.9	1.3
Lloyds	1.4	0.8	1.1
NatWest	1.7	1.1	0.8
Santander UK	0.6	0.4	0.5
Standard Chartered	2.3	2.1	0.3

*Data prior to 2018 not fully comparable due to change in accounting standards. ECL--Expected credit loss. GFC--Global financial crisis.

Stage 2 coverage by asset and quantum of Stage 2 loans

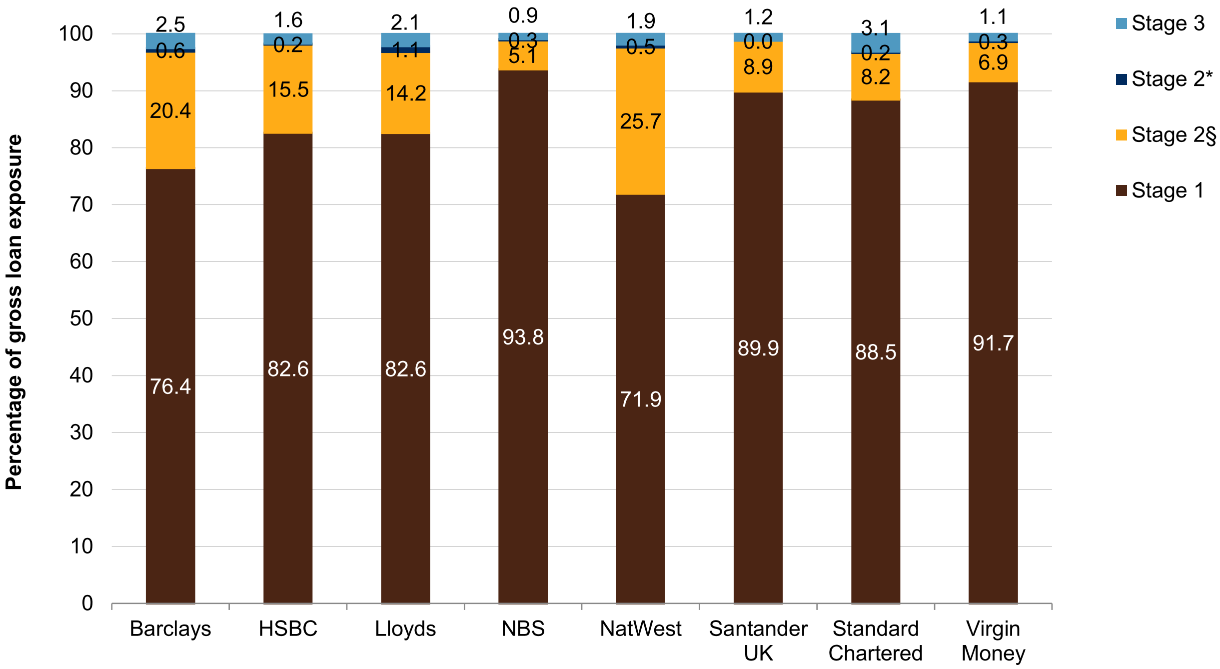
U.K. banks increased impairment reserves during the first half, and the COVID-19 environment is providing the first test case of IFRS 9 through a credit cycle. We note varying rates of increase in Stage 2 loans due to different triggers for migration from Stage 1 to Stage 2. But most Stage 2 loans are not past due. As of the end of the first half, coverage by stage appeared appropriate, though it is worth noting that while triggers are informed by quantitative measures, there is substantial management judgment involved. As such, it is very hard to make comparisons between banks. The different business mix of the major banks also shows up in the analysis of provisions to total loans. Nationwide's modest exposure to corporate and credit cards, compared with Lloyds' and Barclays', is evident.

Stage 2 includes fully performing loans, and we expect to see more material migration through the fourth quarter as payment holidays and the furlough scheme conclude and a truer picture of the economy emerges. High-risk sectors such as hospitality, transport, and commercial real estate are deserving of close attention and are susceptible to a more pronounced increase in expected credit losses over the coming years.

Expected Credit Loss Increases In The First Half: Bank by Bank

Chart 9

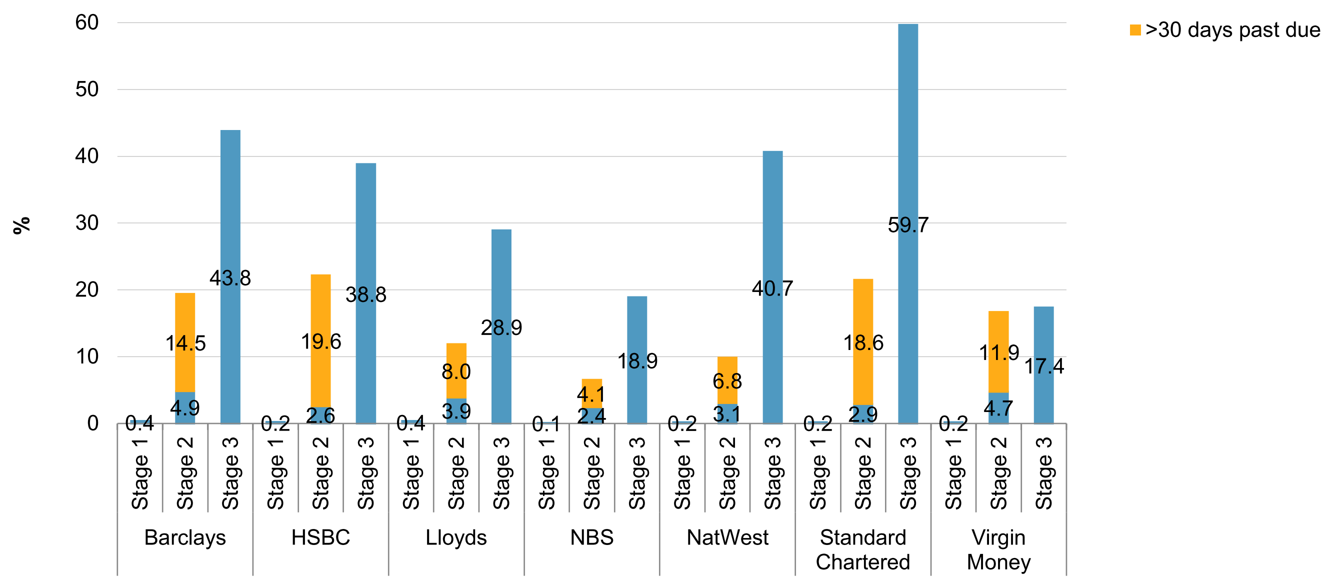
Stage 3 Loans Remain Low But Stage 2 Loans Increase Substantially Due To Updated Macroeconomic Assumptions



*Stage 2: not past due and less than 30 days past due. §Stage 2: greater than 30 days past due. H1 2020 data.

Chart 10

Allowance As Percentage Of Carrying Amount Breakdown By Stage



Data for H1 2020.

Following our COVID-19-related outlook revisions in April 2020, only three U.K. banks currently do not have negative outlooks, including HSBC, which was downgraded in May (see "HSBC Holdings Ratings Lowered To 'A-/A-2' On Muted Prospects And Extensive Restructuring; Outlook Stable" published on May 13, 2020). This reflects banks' weakened earnings and asset quality, and the risk that a deeper or more prolonged economic downturn could further increase balance sheet pressure through end-2020 and into 2021. We could take further negative rating actions if we expect the cyclical economic recovery to be substantially weaker or delayed, as this would imply a more negative effect on bank credit strength. Rating actions could also follow credit-negative developments at individual banks.

Table 5

Ratings And Capital And Earnings Scores For Rated U.K. Banks

	Group SACP	C&E	RP	Combined impact of C&E and RP (notches)	RAC ratio before div. (Dec. 31, 2019; %)	Forecast RAC ratio ranges (%)	Banks' CET1 ratio (June 30, 2020; %)
AIB Group (U.K.) PLC*	bb+	Strong	Weak	-1	18.4	14.5-15.0	N.A.
Barclays PLC	bbb+	Strong	Moderate	0	11.2	10.75-11.25	14.2
FCE Bank PLC	bbb-	Strong	Adequate	1	16.8	14.0-14.5	17.0
HSBC Holdings PLC	a	Adequate	Strong	1	9.8	8.25-8.75	15.0

Table 5

Ratings And Capital And Earnings Scores For Rated U.K. Banks (cont.)

	Group SACP	C&E	RP	Combined impact of C&E and RP (notches)	RAC ratio before div. (Dec. 31, 2019; %)	Forecast RAC ratio ranges (%)	Banks' CET1 ratio (June 30, 2020; %)
Lloyds Banking Group PLC	a-	Adequate	Adequate	0	8.7	7.75-8.25	14.6
Nationwide Building Society§	a-	Strong	Adequate	1	10.8	11.25-11.75	31.9
Natwest Group PLC	bbb+	Adequate	Adequate	0	10.4	9.5-10.0	17.2
Santander UK Group Holdings PLC	bbb+	Adequate	Adequate	0	9.5	8.5-9	14.5
Standard Chartered PLC	a-	Strong	Moderate	0	9.8	9.75-10.25	14.3
Virgin Money UK PLC†	bbb	Adequate	Adequate	0	9.3	9.5-10.0	13.3

*The CET1 Ratio for AIB Group UK is as at December 2019. §The RAC and CET1 Ratio for Nationwide Building Society are at April 2020. †The RAC ratio for Virgin Money UK PLC is at September 2019 and the CET1 ratio is at March 2020. The CET1 ratio for Virgin Money UK PLC does not include the transition impact of IFRS 9, which the bank will report from October 2019 onward. C&E--Capital and earnings. CET1--Common Equity Tier 1. ICR--Issuer credit rating. RAC--Risk-adjusted capital. RP--Risk position. SACP--Stand-alone credit profile.

Table 6

Rating Components For Rated U.K. Financial Institutions

	Core opco long-term ICR/outlook	Business position	Capital and earnings	Risk position	Funding and liquidity	Group SACP	Type of Support	No. of notches of support	Holdco long-term ICR/ outlook
AIB Group (UK) PLC	BBB/Negative	Weak	Strong	Weak	Avg/Adequate	bb+	Group	2	N/A
Barclays PLC*	A/Negative	Adequate	Strong	Moderate	Avg/Adequate	bbb+	ALAC	2	BBB/Negative
FCE Bank plc	BBB-/Watch Negative	Weak	Strong	Adequate	Below Avg/Adequate	bbb-	Group	1	N/A
Handelsbanken PLC	AA-/Stable	N/A	N/A	N/A	N/A	N/A	Group	N/A	N/A
HSBC Holdings plc*	A+/Stable	Strong	Adequate	Strong	Above Avg/Adequate	a	ALAC	1	A-/Stable
Lloyds Banking Group plc*	A+/Negative	Strong	Adequate	Adequate	Avg/Adequate	a-	ALAC	2	BBB+/Negative
Nationwide Building Society	A/Stable	Adequate	Strong	Adequate	Avg/Adequate	a-	ALAC	1	N/A
Natwest Group plc*	A/Negative	Adequate	Adequate	Adequate	Avg/Adequate	bbb+	ALAC	2	BBB/Negative
Santander UK Group Holdings plc*	A/Negative	Adequate	Adequate	Adequate	Avg/Adequate	bbb+	ALAC	2	BBB/Negative
Standard Chartered PLC*	A/Stable	Adequate	Strong	Moderate	Above Avg/Strong	a-	ALAC	1	BBB+/Stable
Virgin Money UK PLC*	BBB+/Negative	Moderate	Adequate	Adequate	Avg/Adequate	bbb	ALAC	1	BBB-/Negative

*These scores reflect the group credit profile construct. In each case the anchor is 'bbb+'. ALAC--Additional loss-absorbing capacity. ICR--Issuer credit rating. Group SACP--Group stand-alone credit profile. Holdco--Holding company. N/A--Not applicable. Opco--Operating company. SACP--Stand-alone credit profile. Source: S&P Global Ratings.

Related Research

- EMEA Financial Institutions Monitor 3Q2020: Low Profitability Lingers On, July 24, 2020
- How COVID-19 Is Affecting Bank Ratings: June 2020 Update, June 11, 2020
- Comparative Statistics: Top 25 U.K. Banks, June 22, 2020
- COVID-19 Effects Might Quadruple U.K. Bank Credit Losses In 2020, May 4, 2020
- United Kingdom 'AA/A-1+' Ratings Affirmed; Outlook Stable, April 24, 2020
- Outlooks Revised On Six U.K. Banks On Deepening COVID-19 Downside Risks, April 23, 2020
- Europe's AT1 Market Faces The COVID-19 Test: Bend, Not Break, April 22, 2020
- Banking Industry Country Risk Assessment: United Kingdom, Dec. 5, 2019

This report does not constitute a rating action.