

ARC Ratings, S.A. withdraws the final, public, long-term ratings of 'AAA(sf)' to 'A-(sf)' accorded to the credit protection provided by 25 unexecuted and unfunded Financial Guarantees between Wetherby II Securities 2018 DAC and Lloyds Bank PLC, with stable outlooks

London, 2 March 2020 - ARC Ratings, S.A. (ARC) has withdrawn the final, public, long term ratings of 'AAA(sf)' to 'A-(sf)' accorded to the Tranches 1A to 7A of the unexecuted and unfunded Financial Guarantees between Wetherby II Securities 2018 DAC and Lloyds Bank PLC, with stable outlooks, at the Beneficiary's (Lloyds Bank PLC) request.

As at the most recent Investor Report (dated 18 February 2020), ARC notes that no portfolio covenants were in breach and is performing in-line with expectations. Furthermore, the February investor reports includes the following: i) a decrease in the % of assets with a slotting category of strong to 84.1% from 85.8%, ii) there remains an asset with a slotting category of 'default' (amounting to 1.5%, however noting that a slotting category of 'SL:Default' **does not** constitute a defaulted asset or a 'credit event' and therefore, as per the previous review, is not considered an issue to ARC as it demonstrates Lloyds' ability to take proactive action where there is a deterioration in an asset's quality), and iii) the weighted average LTV has improved by decreasing to 48.5% from 49.6%.

Therefore, ARC will discontinue rating coverage of this issue with immediate effect.

THIS DISCLOSURE IS FOR INFORMATION PURPOSES ONLY

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This Review Report should be read together with initial Rating Report and with the subsequent Review reports.

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Ratings do not constitute a recommendation to buy or sell, but only one of the factors to be weighted by investors.

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