Bank of Scotland plc

2026 Half-Year

Pillar 3 Disclosures

12 August 2026

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INTRODUCTION AND BASIS OF PREPARATION

This document presents the half-year Pillar 3 disclosures of Bank of Scotland plc ('the Bank') as at 30 June 2026 and should be read in conjunction with the Bank of Scotland plc 2026 Half-Year Results.

Basis of Preparation

The disclosures have been prepared in accordance with the requirements of the Disclosure (CRR) section of the PRA Rulebook. Where specific 'Articles' are referenced these refer to the applicable requirement within the PRA Rulebook or the UK Capital Requirements Regulation ('UK CRR').

The disclosures presented within this document are not required to be, and have not been, subjected to an external audit.

Article 432 on non-material, proprietary or confidential information permits institutions to omit one or more disclosures if the information provided by such a disclosure is not regarded as material. Appendix 1 includes a list of excluded templates and the reason for exclusion.

Where relevant, de minimis monetary amounts (<£0.5 million) are rounded down for reporting purposes and disclosed as a dash ('–') in the table.

Capital Instruments And Eligible Liabilities - Main Features Report (CRR Article 437(b))

A description of the main features of common equity tier 1 (CET1), additional tier 1 (AT1) and tier 2 (T2) capital instruments issued by Lloyds Banking Group plc (the ultimate parent company) and its large subsidiaries (including Bank of Scotland plc) are included in a separate document on the Lloyds Banking Group plc website located at www.lloydsbankinggroup.com/investors/financial-downloads. In addition, the report identifies and provides a description of the main features of debt instruments that are recognised as eligible liabilities in accordance with the Bank of England's MREL framework. Template TLAC 2 is included within the Pillar 3 disclosures for Lloyds Banking Group plc and details the creditor hierarchy and nominal values of instruments issued by Bank of Scotland plc. The Lloyds Banking Group plc 2026 Half-Year Pillar 3 Disclosures can be found on the Lloyds Banking Group plc website.

IRB Disclosures

Changes to the regulations applicable to internal ratings based (IRB) models were implemented by the PRA on 1 January 2022. The Group's models to meet CRD IV requirements are subject to review and approval by the PRA. As directed by PRA Supervisory Statement SS 11/13, the Group has applied temporary post model adjustments to risk-weighted asset and expected loss amounts reflecting the new modelling requirements.

Under the revised IRB regulations, Residential Mortgage exposures are subject to a 90 day default backstop and a hybrid-philosophy Probability of Default (PD) model. The Bank's incumbent (pre CRD IV) UK Mortgage models at the reporting date use a 180 day default backstop and a less cyclical PD model. As a result, the reported risk-weighted assets and expected loss amounts include the impact of significant temporary post model adjustments which reflect 90 day default backstop and other new modelling requirements. Less material definitional differences also exist for other IRB asset classes where similar temporary post model adjustments have been applied.

Standardised approach exposures already use a 90 day default backstop and this is reflected in the CR4 tables. Tables CQ1, CQ4 and CQ5 are based on accounting definitions, and therefore also use the current 90 days past due definition.

KEY METRICS AND OVERVIEW OF RISK WEIGHTED EXPOSURE AMOUNTS

KM1: Key metrics[1]

KM1	LR2		30 Jun 2026	31 Dec 2025	30 Jun 2025
Ref	Ref	**Available own funds (amounts)**			
1		Common Equity Tier 1 (CET1) capital (£m)	**11,750**	11,083	10,855
2		Tier 1 capital (£m)	**14,600**	13,683	13,455
3		Total capital (£m)	**15,100**	15,183	15,121
		Risk-weighted exposure amounts			
4		Total risk-weighted exposure amount (£m)	**83,201**	82,357	81,830
		Capital ratios (as a percentage of risk-weighted exposure amount)			
5		Common Equity Tier 1 ratio (%)	**14.1%**	13.5%	13.3%
6		Tier 1 ratio (%)	**17.5%**	16.6%	16.4%
7		Total capital ratio (%)	**18.1%**	18.4%	18.5%
		Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)			
UK 7a		Additional CET1 SREP requirements (%)	**1.1%**	1.1%	1.1%
UK 7b		Additional AT1 SREP requirements (%)	**0.3%**	0.3%	0.4%
UK 7c		Additional T2 SREP requirements (%)	**0.5%**	0.5%	0.5%
UK 7d		Total SREP own funds requirements (%)	**9.9%**	9.9%	10.0%
		Combined buffer requirement (as a percentage of risk-weighted exposure amount)			
8		Capital conservation buffer (%)	**2.5%**	2.5%	2.5%
9		Institution specific countercyclical capital buffer (%)	**2.0%**	2.0%	2.0%
11		Combined buffer requirement (%)	**4.5%**	4.5%	4.5%
UK 11a		Overall capital requirements (%)	**14.4%**	14.4%	14.5%
12		CET1 available after meeting minimum SREP own funds requirements (%)[2]	**8.5%**	7.9%	7.6%
		Leverage ratio			
13	UK-24b	Total exposure measure excluding claims on central banks (£m)	**323,091**	320,952	315,906
14	25	Leverage ratio excluding claims on central banks (%)	**4.5%**	4.3%	4.3%
		Additional leverage ratio disclosure requirements			
UK 14b	UK-25c	Leverage ratio including claims on central banks (%)	**4.5%**	4.2%	4.2%
UK 14c	UK-34	Average leverage ratio excluding claims on central banks (%)[3]	**4.5%**	4.3%	4.4%
UK 14d	UK-33	Average leverage ratio including claims on central banks (%)[3]	**4.5%**	4.3%	4.3%
	UK-31	Average total exposure measure including claims on central banks[3]	**324,514**	322,402	317,263
	UK-32	Average total exposure measure excluding claims on central banks[3]	**321,815**	319,700	314,549
	27	Leverage ratio buffer (%)[4]	**0.7%**	0.7%	0.7%
UK 14e	UK-27b	Of which: countercyclical leverage ratio buffer (%)	**0.7%**	0.7%	0.7%

1 Includes extracts of LR2 (Leverage ratio common disclosure) that are required to be disclosed quarterly.
2 Represents, as a percentage, the level of CET1 capital left available to meet buffer requirements after subtracting the minimum amount of CET1 capital required to meet total Pillar 1 plus Pillar 2A capital requirements, also referred to as total SREP own funds requirements. The minimum CET1 requirement is equivalent to 4.5% (Pillar 1) plus the additional CET1 SREP requirement (56.25% of Pillar 2A).
3 The average leverage ratio is based on the average of the month end tier 1 capital position and average exposure measure over the quarter.
4 The additional leverage ratio buffer (ALRB) does not apply for the Bank.

Common Equity Tier 1

The Bank's common equity tier 1 (CET1) capital ratio increased from 13.5% at 31 December 2025 to 14.1% at 30 June 2026. Profit for the first half of the year was partly offset by an increase in risk-weighted assets.

Total Capital

The total capital ratio reduced to 18.1% (31 December 2025: 18.4%) reflecting the increase in risk-weighted assets and a reduction in total capital resources, with the increase in CET1 capital and AT1 instrument issuance more than offset by AT1 and Tier 2 instrument calls.

Risk-Weighted Assets

Risk-weighted assets increased by £844 million from £82,357 million at 31 December 2025 to £83,201 million at 30 June 2026, largely reflecting the impact of lending growth offset by optimisation activity, including a securitisation of primarily legacy mortgages.

Leverage

The Bank's UK leverage ratio of 4.5% at 30 June 2026 has increased from 4.3% at 31 December 2025, reflecting the increase in total tier 1 capital, partially offset by the increase in the leverage exposure measure following lending growth.

KEY METRICS AND OVERVIEW OF RISK WEIGHTED EXPOSURE AMOUNTS (Continued)

OV1: Overview of risk weighted exposure amounts

		Total RWA		Total own funds requirements
		30 Jun 2026	31 Dec 2025	**30 Jun 2026**
		£m	£m	**£m**
1	**Credit risk (excluding CCR)**	**76,475**	75,342	**6,118**
2	Of which the standardised approach	**5,577**	6,196	**446**
3	Of which the foundation IRB (FIRB) approach	**1,170**	1,400	**94**
4	Of which slotting approach	**521**	542	**42**
UK 4a	Of which equities under the simple risk weighted approach	**2,896**	2,782	**232**
5	Of which the advanced IRB (AIRB) approach	**65,376**	63,418	**5,230**
	Of which: non-credit obligation assets[1]	**935**	1,004	**74**
6	**Counterparty credit risk (CCR)**	**129**	188	**10**
7	Of which the standardised approach	**88**	125	**7**
UK 8b	Of which credit valuation adjustment (CVA)	**41**	63	**3**
16	**Securitisation exposures in the non-trading book (after the cap)**	**530**	722	**43**
17	Of which SEC-IRBA approach	—	—	—
18	Of which SEC-ERBA approach (including IAA)	**529**	705	**43**
19	Of which SEC-SA approach	**1**	17	—
20	**Position, foreign exchange and commodities risks (Market risk)**	**16**	54	**1**
21	Of which the standardised approach	**16**	54	**1**
23	**Operational risk**	**6,051**	6,051	**484**
UK 23b	Of which standardised approach	**6,051**	6,051	**484**
24	Memo: Amounts below the thresholds for deduction (subject to 250% risk weight)	**2,896**	2,806	**232**
29	**Total**	**83,201**	82,357	**6,656**
	Pillar 2A capital requirement[2]			**1,582**
	Total capital requirement			**8,238**

1 Non-credit obligation assets (IRB approach) predominantly relate to other balance sheet assets that have no associated credit risk.
2 As at 30 June 2026, the Bank's Pillar 2A capital requirement was c.1.9% of risk-weighted assets, of which c.1.1% is to be met with CET1 capital.

Risk-weighted assets increased by £844 million to £83,201 million at 31 December 2026 (31 December 2025: £82,357 million). This largely reflected:

Credit Risk: RWAs increased by £1,133 million to £76,475 million, principally due to Retail lending, partially offset by optimisation activity, including the securitisation of primarily legacy mortgages.

KEY METRICS AND OVERVIEW OF RISK WEIGHTED EXPOSURE AMOUNTS (Continued)

CR8: RWA flow statements of credit risk exposures under the IRB approach

The table below summarises the movements of risk-weighted assets for credit risk exposures under the Internal Ratings Based (IRB) Approach. The table excludes counterparty credit risk exposures, securitisation exposures, other non-credit obligation assets and equity exposures.

		Total RWA quarter to 30 June 2026	Total RWA YTD 30 June 2026
		£m	£m
1	Risk weighted exposure amount as at the end of previous reporting period	**65,958**	**65,360**
2	Asset size (+/-)	**1,638**	**2,168**
3	Asset quality (+/-)	**(369)**	**(332)**
4	Model updates (+/-)	**(175)**	**(175)**
7	Foreign exchange movements (+/-)	**(1)**	**(1)**
8	Other (+/-)	**16**	**47**
9	**Risk weighted exposure amount at the end of the reporting period**	**67,067**	**67,067**

Key movements 31 March 2026 to 30 June 2026 and 31 December 2025 to 30 June 2026:

- **Asset size** increase largely driven by Retail lending growth.

OWN FUNDS

CC1: Composition of regulatory own funds

		30 Jun 2026 £m	31 Dec 2025 £m	CC2 reference
Common Equity Tier 1 (CET1) capital: instruments and reserves				
1	Capital instruments and the related share premium accounts	**5,847**	5,847	
	of which: called up share capital	**5,847**	5,847	a
2	Retained earnings	**4,831**	5,290	c
3	Accumulated other comprehensive income (and other reserves)	**3,244**	3,226	c
UK-5a	Independently reviewed interim profits net of any foreseeable charge or dividend[1]	**644**	(480)	
	of which: foreseeable dividend	**—**	(480)	
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	**14,566**	13,883	
Common Equity Tier 1 (CET1) capital: regulatory adjustments				
7	Additional value adjustments	**(32)**	(39)	
8	Intangible assets (net of related tax liability)	**(765)**	(746)	d
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) CRR are met)	**(1,677)**	(1,736)	e
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	**76**	90	
12	Negative amounts resulting from the calculation of expected loss amounts	**(385)**	(295)	
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	**(1)**	(1)	
15	Defined-benefit pension fund assets	**(32)**	(28)	f
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions)	**—**	(45)	g
28	**Total regulatory adjustments to Common Equity Tier 1 (CET1)**	**(2,816)**	(2,800)	
29	**Common Equity Tier 1 (CET1) capital**	**11,750**	11,083	
Additional Tier 1 (AT1) capital: instruments				
30	Capital instruments and the related share premium accounts	**2,850**	2,600	b
31	of which: classified as equity under applicable accounting standards	**2,850**	2,600	
44	**Additional Tier 1 (AT1) capital**	**2,850**	2,600	
45	**Tier 1 capital (T1 = CET1 + AT1)**	**14,600**	13,683	
Tier 2 (T2) capital: instruments				
46	Capital instruments and the related share premium accounts	**500**	1,500	h
50	Credit risk adjustments	**—**	—	
51	**Tier 2 (T2) capital before regulatory adjustments**	**500**	1,500	
Tier 2 (T2) capital: regulatory adjustments				
58	**Tier 2 (T2) capital**	**500**	1,500	
59	**Total capital (TC = T1 + T2)**	**15,100**	15,183	
60	**Total risk exposure amount**	**83,201**	82,357	
Capital ratios and buffer				
61	Common Equity Tier 1 (as a percentage of total risk exposure amount)	**14.1%**	13.5%	
62	Tier 1 (as a percentage of total risk exposure amount)	**17.5%**	16.6%	
63	Total capital (as a percentage of total risk exposure amount)	**18.1%**	18.4%	
64	Institution CET1 overall capital requirement (CET1 requirement in accordance with Article 92 (1) CRR, plus additional CET1 requirement which the institution is required to hold in accordance with point (a) of Article 104(1) CRD, plus combined buffer requirement in accordance with Article 128(6) CRD) expressed as a percentage of risk exposure amount)	**10.1%**	10.1%	
65	of which: capital conservation buffer requirement	**2.5%**	2.5%	
66	of which: countercyclical buffer requirement	**2.0%**	2.0%	
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)	**8.5%**	7.9%	
Amounts below the thresholds for deduction (before risk weighting)				
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	**1,158**	1,113	
75	Deferred tax assets arising from temporary differences (amount below 17.65% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)	**—**	9	
Applicable caps on the inclusion of provisions in Tier 2				
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	**—**	—	
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	**409**	399	

[1] The reported amount for 30 June 2026 through row UK-5a reflects the independently reviewed interim profits of the Bank attributable to ordinary shareholders. The reported amount for 31 December 2025 reflects the year end foreseeable dividend accrual only as the externally audited profits for the year to 31 December 2025 are included in row 2 (Retained earnings).

OWN FUNDS (Continued)

CC2: Reconciliation of regulatory own funds to the balance sheet in the financial statements

The following table presents the Bank's accounting balance sheet as at 30 June 2026 which forms the basis for the calculation of the Bank's regulatory own funds as presented in table CC1. There is no difference between the Bank's accounting and regulatory balance sheets.

		Balance sheet at 30 Jun 26 £m	Reference[1]
Assets			
1	Cash and balances at central banks	**2,706**	
2	Financial assets at fair value through profit or loss	**122**	
3	Derivative financial instruments	**1,951**	
4	Loans and advances to banks	**117**	
5	Loans and advances to customers	**307,969**	
6	Debt securities	**680**	
7	Due from fellow Lloyds Bank Group undertakings	**32,241**	
8	Financial assets at amortised cost	**341,007**	
9	Investment in subsidiary undertakings	**1,284**	d, g
10	Goodwill and other intangible assets	**325**	d
11	Current tax recoverable	**416**	
12	Deferred tax assets[2]	**1,689**	e
13	Retirement benefit assets	**45**	f
14	Other assets	**1,497**	
15	**Total assets**	**351,042**	
Liabilities			
1	Deposits from banks	**109**	
2	Customer deposits	**164,617**	
3	Repurchase agreements at amortised cost	**12,969**	
4	Due to fellow Lloyds Bank Group undertakings	**140,476**	
5	Derivative financial instruments	**1,883**	
6	Notes in circulation	**2,177**	
7	Debt securities in issue	**9,399**	
8	Other liabilities	**1,145**	
11	Other provisions	**322**	
12	Subordinated liabilities	**529**	h
13	**Total liabilities**	**333,626**	
Shareholders' equity			
1	Called up share capital	**5,847**	
2	of which: share capital	**5,847**	a
3	Other equity instruments	**2,850**	b
4	Retained earnings, accumulated other comprehensive income and other reserves	**8,719**	c
5	**Total equity excluding non-controlling interests**	**17,416**	
6	Non-controlling interests	—	
7	**Total equity**	**17,416**	
8	**Total equity and liabilities**	**351,042**	

1 The references (a) to (h) identify regulatory balance sheet components that link initially to items disclosed in table CC1, prior to the application of regulatory definitions and adjustments per the rules for calculating own funds.

2 Deferred tax assets that rely on future profitability may be reduced by associated deferred tax liabilities where the conditions specified in Article 38 of the CRR are met. The resultant net deferred tax asset positions are deducted from CET1 capital, except in the case of deferred tax assets that arise from temporary differences which may be risk weighted instead of deducted from capital for the portion of the balance that does not exceed a threshold limit.

OWN FUNDS (Continued)

CCyB1: Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer

	30 Jun 2026												
	General credit exposures[2,3]		Relevant credit exposures - Market risk[2]		Securitisation exposures[3]		Own fund requirements - relevant credit exposures						
	Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models	Exposure value for non-trading book	Total exposure value	Credit risk[2,3]	Market risk[2]	Securitisation positions in the non-trading book[3]	Total	Risk-weighted exposure amounts	Own fund requirements weights	Countercyclical buffer rate
Breakdown by Country	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	%	%
United Kingdom	13,411	348,075	—	—	930	362,416	5,882	—	16	5,898	73,724	99.41	2.00
Denmark	—	5	—	—	—	5	—	—	—	—	4	0.01	2.50
France	—	—	—	—	71	71	—	—	3	3	38	0.05	1.00
Germany	—	28	—	—	230	258	3		1	4	55	0.07	0.75
Hong Kong	—	3	—	—	—	3	—	—	—	—	2	0.00	0.50
Ireland	1	5	—	—	—	6	—	—	—	—	4	0.01	1.50
Luxembourg	—	40	—	—	—	40	—	—	—	—	—	0.00	0.50
Netherlands	—	—	—	—	66	66	—	—	1	1	7	0.01	2.00
i) Total[1]	13,412	348,156	—	—	1,297	362,865	5,885	—	21	5,906	73,834	99.56	
ii) Total[1]	—	—	—	—	—	—	—	—	—	—	—	0.00	
iii) Rest of the World[1]	73	18	—	—	1,549	1,640	5	—	22	27	326	0.44	
Total	13,485	348,174	—	—	2,846	364,505	5,890	—	43	5,933	74,160	100.00	

OWN FUNDS (Continued)

CCyB1: Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer continued

	31 Dec 2025												
	General credit exposures[2,3]		Relevant credit exposures - Market risk[2]		Securitisation exposures[3]		Own fund requirements - relevant credit exposures						
	Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models	Exposure value for non-trading book	Total exposure value	Credit risk[2,3]	Market risk[2]	Securitisation positions in the non-trading book[3]	Total	Risk-weighted exposure amounts	Own fund requirements weights	Countercyclical buffer rate
Breakdown by Country	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	%	%
United Kingdom	14,998	341,037	—	—	1,462	357,497	5,799	—	35	5,834	72,919	99.45	2.00
Denmark	—	6	—	—	—	6	—	—	—	—	4	0.01	2.50
France	—	—	—	—	62	62	—	—	3	3	34	0.05	1.00
Germany	—	30	—	—	233	263	3	—	2	5	58	0.08	0.75
Hong Kong	—	3	—	—	—	3	—	—	—	—	2	0.00	0.50
Ireland	—	6	—	—	—	6	—	—	—	—	5	0.01	1.50
Luxembourg	—	47	—	—	—	47	—	—	—	—	—	0.00	0.50
Netherlands	—	—	—	—	67	67	—	—	1	1	7	0.01	2.00
i) Total[1]	14,998	341,129	—	—	1,824	357,951	5,802	—	41	5,843	73,029	99.61	
ii) Total[1]	—	—	—	—	—	—	—	—	—	—	—	0.00	
iii) Rest of the World[1]	73	37	—	—	1,282	1,392	6	—	17	23	292	0.39	
Total[1]	15,071	341,166	—	—	3,106	359,343	5,808	—	58	5,866	73,321	100.00	

1 The breakdown by country is disclosed on the following basis:
- i. those countries for which a countercyclical capital buffer rate has been set and the Bank holds applicable exposures.
- ii. those countries for which a countercyclical capital buffer rate has not been set and have an own funds requirement weighting of greater than or equal to one per cent, the threshold having been determined by the Bank in accordance with guidelines on materiality for Pillar 3.
- iii. the aggregate of all remaining countries for which a countercyclical buffer rate has not been set and individually have an own funds requirement weighting of less than one per cent.

2 For the purposes of the calculation of the countercyclical capital buffer, general credit risk and trading book exposures exclude exposures to central governments, central banks, regional governments, local authorities, public sector entities, multilateral development banks, international organisations and institutions. In addition, trading book exposures are limited to those that are subject to the own funds requirement for specific risk or incremental default and migration risk (IRC).

3 General credit and securitisation exposures include counterparty credit risk and are stated on a post CRM basis.

CCyB2: Amount of institution-specific countercyclical capital buffer

		30 Jun 2026	31 Dec 2025
1	Total risk exposure amount	**£83,201m**	£82,357m
2	Institution specific countercyclical capital buffer rate	**1.99%**	1.99%
3	Institution specific countercyclical capital buffer requirement	**£1,655m**	£1,639m

LEVERAGE

LR2: Leverage ratio common disclosure

		30 Jun 2026	31 Dec 2025
		£m	£m
On-balance sheet exposures (excluding derivatives and SFTs)			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)[1]	**348,996**	333,752
3	Deductions of receivables assets for cash variation margin provided in derivatives transactions	**(71)**	(72)
6	Asset amounts deducted in determining tier 1 capital (leverage)	**(2,862)**	(2,856)
7	Total on-balance sheet exposures (excluding derivatives and SFTs)	**346,063**	330,824
Derivative exposures			
8	Replacement cost associated with SA-CCR derivatives transactions (i.e. net of eligible cash variation margin)	**225**	86
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	**400**	475
11	Adjusted effective notional amount of written credit derivatives	**—**	—
12	Adjusted effective notional offsets and add-on deductions for written credit derivatives	**—**	—
13	Total derivatives exposures	**625**	561
Securities financing transaction (SFT) exposures			
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	**—**	5
18	Total securities financing transaction exposures	**—**	5
Other off-balance sheet exposures			
19	Off-balance sheet exposures at gross notional amount	**48,248**	45,236
20	Adjustments for conversion to credit equivalent amounts	**(39,025)**	(37,049)
21	General provisions deducted in determining tier 1 capital (leverage) and specific provisions associated with off-balance sheet exposures	**(59)**	(63)
22	Off-balance sheet exposures	**9,164**	8,124
Excluded exposures			
UK-22a	Exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) of the CRR	**(30,055)**	(15,847)
UK-22k	Total exempted exposures	**(30,055)**	(15,847)
Capital and total exposure measure			
23	Tier 1 capital (leverage)	**14,600**	13,683
24	Total exposure measure including claims on central banks	**325,797**	323,667
UK-24a	(-) Claims on central banks excluded	**(2,706)**	(2,715)
UK-24b	Total exposure measure excluding claims on central banks	**323,091**	320,952
Leverage ratio			
25	Leverage ratio excluding claims on central banks (%)	**4.5%**	4.3%
UK-25c	Leverage ratio including claims on central banks (%)	**4.5%**	4.2%
26	Regulatory minimum leverage ratio requirement (%)	**3.25%**	3.25%
Additional leverage ratio disclosure requirements - leverage ratio buffers			
27	Leverage ratio buffer (%)	**0.7%**	0.7%
UK-27b	Of which: countercyclical leverage ratio buffer (%)	**0.7%**	0.7%
Additional leverage ratio disclosure requirements - disclosure of mean values			
28	Mean of daily values of gross SFT assets (over the quarter), after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivable[2]	**—**	—
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables[2]	**—**	—
UK-31	Average total exposure measure including claims on central banks	**324,514**	322,402
UK-32	Average total exposure measure excluding claims on central banks	**321,815**	319,700
UK-33	Average leverage ratio including claims on central banks	**4.5%**	4.3%
UK-34	Average leverage ratio excluding claims on central banks	**4.5%**	4.3%

1 Includes an adjustment to exclude lending under the UK Government's Bounce Back Loan Scheme (BBLS).
2 Excludes intragroup SFT assets amounting to £5 million at 31 December 2025, exempted in accordance with point (c) of Article 429a(1) of the CRR.

LEVERAGE (Continued)

LR1: Summary reconciliation of accounting assets and leverage ratio exposures

		30 Jun 2026 £m	31 Dec 2025 £m
1	Total assets as per financial statements	**351,042**	336,117
4	Adjustment for exemption of exposures to central banks	**(2,706)**	(2,715)
6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	—	(1)
8	Adjustment for derivative financial instruments	**282**	148
10	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)[1]	**9,223**	8,187
11	Adjustment for items and specific and general provisions which have reduced tier 1 capital (leverage)	**(2,921)**	(2,919)
UK-11a	Adjustment for exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) of the CRR	**(31,735)**	(17,719)
12	Other adjustments[2]	**(94)**	(146)
13	**Total exposure measure**	**323,091**	320,952

[1] Gross of specific provisions. The amount net of specific provisions at 30 June 2026 is £9,164 million (31 December 2025: £8,124 million).
[2] Includes an adjustment to exclude lending under the UK Government's Bounce Back Loan Scheme (BBLS).

LR3: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)

		30 Jun 2026 £m	31 Dec 2025 £m
UK-1	**Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:**	**319,398**	318,258
UK-2	**Trading book exposures**	—	—
UK-3	**Banking book exposures, of which:**	**319,398**	318,258
UK-5	Exposures treated as sovereigns	**2,230**	2,244
UK-7	Institutions	**38**	29
UK-8	Secured by mortgages of immovable properties	**291,089**	288,402
UK-9	Retail exposures	**11,366**	11,226
UK-10	Corporates	**3,687**	3,417
UK-11	Exposures in default	**2,546**	2,892
UK-12	Other exposures (e.g. equity, securitisations, and other non-credit obligation assets)	**8,442**	10,048

CREDIT RISK

The tables in this section reflect FINREP categories and definitions. The reported values for defaulted exposure reflect a definition of default backstop of 90 days.

CR1: Performing and non-performing exposures and related provisions

		30 Jun 2026														
		Gross carrying amount/nominal amount[1]						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions[1]							Collateral and financial guarantees received	
		Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions					
			Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3	Accumulated partial write-off	On performing exposures	On non-performing exposures
		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
005	**Cash balances at central banks and other demand deposits**	4,506	4,506	—	—	—	—	—	—	—	—	—	—	—	—	—
010	**Loans and advances**	332,961	305,123	27,720	5,161	312	4,849	(530)	(156)	(374)	(595)	(19)	(576)	(147)	290,352	4,273
020	Central banks	1,780	1,780	—	—	—	—	—	—	—	—	—	—	—	—	—
030	General governments	21	8	—	—	—	—	—	—	—	—	—	—	—	8	—
040	Credit institutions	23,066	23,066	—	—	—	—	—	—	—	—	—	—	—	—	—
050	Other financial corporations	4,109	4,108	1	2	—	2	—	—	—	(2)	—	(2)	—	16	—
060	Non-financial corporations	4,803	4,043	682	232	11	221	(39)	(9)	(30)	(58)	—	(58)	(147)	1,398	58
070	Of which SMEs	1,946	1,590	356	99	11	88	(11)	(3)	(8)	(8)	—	(8)	—	363	18
080	Households	299,182	272,118	27,037	4,927	301	4,626	(491)	(147)	(344)	(535)	(19)	(516)	—	288,930	4,215
090	**Debt securities**	1,406	1,403	—	1	—	1	—	—	—	(1)	—	(1)	—	—	—
120	Credit institutions	151	151	—	—	—	—	—	—	—	—	—	—	—	—	—
130	Other financial corporations	1,255	1,252	—	—	—	—	—	—	—	—	—	—	—	—	—
140	Non-financial corporations	—	—	—	1	—	1	—	—	—	(1)	—	(1)	—	—	—
150	**Off-balance-sheet exposures**	47,450	46,348	1,102	135	110	25	(59)	(32)	(27)	(3)	(2)	(1)		383	—
170	General governments	22	22	—	—	—	—	—	—	—	—	—	—		—	—
190	Other financial corporations	2,538	2,537	1	—	—	—	—	—	—	—	—	—		—	—
200	Non-financial corporations	2,005	1,913	92	62	60	2	(4)	(2)	(2)	(1)	—	(1)		383	—
210	Households	42,885	41,876	1,009	73	50	23	(55)	(30)	(25)	(2)	(2)	—		—	—
220	**Total**	386,323	357,380	28,822	5,297	422	4,875	(589)	(188)	(401)	(599)	(21)	(578)	(147)	290,735	4,273

CREDIT RISK (Continued)

CR1: Performing and non-performing exposures and related provisions continued

		31 Dec 2025														
		Gross carrying amount/nominal amount[1]						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions[1]							Collateral and financial guarantees received	
		Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions					
			Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3	Accumulated partial write-off	On performing exposures	On non-performing exposures
		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
005	Cash balances at central banks and other demand deposits	1,728	1,728	—	—	—	—	—	—	—	—	—	—	—	—	—
010	Loans and advances	319,572	290,159	29,292	5,722	343	5,379	(558)	(153)	(405)	(686)	(21)	(665)	(147)	287,943	4,728
020	Central banks	1,745	1,745	—	—	—	—	—	—	—	—	—	—	—	—	—
030	General governments	23	10	—	—	—	—	—	—	—	—	—	—	—	10	—
040	Credit institutions	11,779	11,779	—	—	—	—	—	—	—	—	—	—	—	—	—
050	Other financial corporations	4,063	4,063	—	2	—	2	—	—	—	(2)	—	(2)	—	12	—
060	Non-financial corporations	4,995	4,226	689	245	15	230	(54)	(11)	(43)	(60)	—	(60)	(147)	1,608	56
070	Of which SMEs	1,950	1,590	360	106	15	91	(14)	(4)	(10)	(9)	—	(9)	—	418	13
080	Households	296,967	268,336	28,603	5,475	328	5,147	(504)	(142)	(362)	(624)	(21)	(603)	—	286,313	4,672
090	Debt securities	1,672	1,669	—	1	—	1	—	—	—	(1)	—	(1)	—	—	—
120	Credit institutions	40	40	—	—	—	—	—	—	—	—	—	—	—	—	—
130	Other financial corporations	1,632	1,629	—	—	—	—	—	—	—	—	—	—	—	—	—
140	Non-financial corporations	—	—	—	1	—	1	—	—	—	(1)	—	(1)	—	—	—
150	Off-balance-sheet exposures	45,073	43,528	1,544	72	52	20	(61)	(31)	(30)	(2)	(2)	—		228	—
170	General governments	5	5	—	—	—	—	—	—	—	—	—	—		—	—
190	Other financial corporations	2,508	2,508	—	—	—	—	—	—	—	—	—	—		1	—
200	Non-financial corporations	1,908	1,773	134	3	2	1	(3)	(1)	(2)	—	—	—		227	—
210	Households	40,652	39,242	1,410	69	50	19	(58)	(30)	(28)	(2)	(2)	—		—	—
220	Total	368,045	337,084	30,836	5,795	395	5,400	(619)	(184)	(435)	(689)	(23)	(666)	(147)	288,171	4,728

[1] Staging analysis will exclude those assets and provisions that can not be allocated to a stage such as those classified as 'purchased or originated credit impaired' (POCI) and those measured at fair value.

CREDIT RISK (Continued)

CR1-A: Maturity of exposures

		30 Jun 2026					
		Net exposure value					
		On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
		£m	£m	£m	£m	£m	£m
1	Loans and advances	**6,884**	**4,978**	**18,373**	**306,723**	**39**	**336,997**
2	Debt securities	**151**	**—**	**883**	**372**	**—**	**1,406**
3	**Total**	**7,035**	**4,978**	**19,256**	**307,095**	**39**	**338,403**

		31 Dec 2025					
		£m	£m	£m	£m	£m	£m
1	Loans and advances	7,114	7,113	19,584	290,198	40	324,049
2	Debt securities	40	967	270	395	—	1,672
3	Total	7,154	8,080	19,854	290,593	40	325,721

CR2: Changes in the stock of non-performing loans and advances

		Gross carrying amount
		£m
010	Initial stock of non-performing loans and advances at 31 December 2025	**5,722**
020	Inflows to non-performing portfolios	**1,126**
030	Outflows from non-performing portfolios	**(1,687)**
040	Outflows due to write-offs	**(232)**
050	Outflow due to other situations	**(1,455)**
060	**Final stock of non-performing loans and advances at 30 June 2026**	**5,161**

CREDIT RISK (Continued)

CQ1: Credit quality of forborne exposures

		30 Jun 2026							
		Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
			Non-performing forborne						
		Performing forborne		Of which defaulted	Of which impaired	On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measures
		£m	£m	£m	£m	£m	£m	£m	£m
010	**Loans and advances**	**877**	**2,258**	**2,098**	**2,098**	**(17)**	**(263)**	**2,531**	**1,756**
050	Other financial corporations	**1**	**2**	**2**	**2**	**—**	**(2)**	**—**	**—**
060	Non-financial corporations	**34**	**232**	**221**	**221**	**—**	**(58)**	**59**	**58**
070	Households	**842**	**2,024**	**1,875**	**1,875**	**(17)**	**(203)**	**2,472**	**1,698**
090	**Loan commitments given**	**48**	**108**	**25**	**25**	**(1)**	**(2)**	**—**	**—**
100	**Total**	**925**	**2,366**	**2,123**	**2,123**	**(18)**	**(265)**	**2,531**	**1,756**

		31 Dec 2025							
		£m	£m	£m	£m	£m	£m	£m	£m
010	Loans and advances	838	2,370	2,182	2,182	(16)	(289)	2,559	1,833
050	Other financial corporations	1	2	2	2	—	(2)	—	—
060	Non-financial corporations	46	232	195	195	—	(58)	50	48
070	Households	791	2,136	1,985	1,985	(16)	(229)	2,509	1,785
090	Loan commitments given	46	46	19	19	(1)	(1)	—	—
100	Total	884	2,416	2,201	2,201	(17)	(290)	2,559	1,833

CREDIT RISK (Continued)

CQ4: Quality of non-performing exposures by geography

		30 Jun 2026[1]				
		Gross carrying/nominal amount				
		Total performing and non-performing	Of which defaulted	Accumulated impairment	Provisions on off-balance-sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
		£m	£m	£m	£m	£m
010	**On-balance-sheet exposures**	**339,529**	**4,849**	**(1,126)**		—
040	United Kingdom	**339,331**	**4,849**	**(1,124)**		—
070	Other countries	**198**	—	**(2)**		—
080	**Off-balance-sheet exposures**	**47,585**	**25**		**(62)**	
110	United Kingdom	**47,575**	**25**		**(62)**	
140	Other countries	**10**	—		—	
150	**Total**	**387,114**	**4,874**	**(1,126)**	**(62)**	—

		31 Dec 2025[1]				
		£m	£m	£m	£m	£m
010	On-balance-sheet exposures	326,967	5,378	(1,245)		—
040	United Kingdom	326,756	5,378	(1,242)		—
070	Other countries	211	—	(3)		—
080	Off-balance-sheet exposures	45,145	20		(63)	
110	United Kingdom	45,111	20		(63)	
140	Other countries	34	—		—	
150	Total	372,112	5,398	(1,245)	(63)	—

[1] Geographical exposures are presented individually by country where the total exposure to that country exceeds 1% of the Bank's total exposure. All other geographical exposures are presented in aggregate within other countries.

CREDIT RISK (Continued)

CQ5: Credit quality of loans and advances to non-financial corporations by industry

		30 Jun 2026			
		Gross carrying amount			Accumulated negative changes in fair value due to credit risk on non-performing exposures
			Of which defaulted	Accumulated impairment	
		£m	£m	£m	£m
010	Agriculture, forestry and fishing	**508**	**15**	**(8)**	**—**
020	Mining and quarrying	**4**	**—**	**—**	**—**
030	Manufacturing	**155**	**2**	**(1)**	**—**
040	Electricity, gas, steam and air conditioning supply	**9**	**—**	**—**	**—**
050	Water supply	**6**	**—**	**—**	**—**
060	Construction	**453**	**67**	**(23)**	**—**
070	Wholesale and retail trade	**425**	**9**	**(4)**	**—**
080	Transport and storage	**110**	**1**	**(6)**	**—**
090	Accommodation and food service activities	**294**	**6**	**(3)**	**—**
100	Information and communication	**31**	**11**	**(1)**	**—**
110	Financial and insurance activities				
120	Real estate activities	**2,544**	**85**	**(37)**	**—**
130	Professional, scientific and technical activities	**103**	**4**	**(5)**	**—**
140	Administrative and support service activities	**73**	**1**	**(1)**	**—**
160	Education	**53**	**8**	**(1)**	**—**
170	Human health services and social work activities	**170**	**4**	**(1)**	**—**
180	Arts, entertainment and recreation	**35**	**6**	**(5)**	**—**
190	Other services	**62**	**2**	**(1)**	**—**
200	**Total**	**5,035**	**221**	**(97)**	**—**

		31 Dec 2025			
		£m	£m	£m	£m
010	Agriculture, forestry and fishing	499	21	(10)	—
020	Mining and quarrying	4	—	—	—
030	Manufacturing	150	38	(1)	—
040	Electricity, gas, steam and air conditioning supply	11	—	—	—
050	Water supply	7	—	—	—
060	Construction	469	36	(25)	—
070	Wholesale and retail trade	359	6	(4)	—
080	Transport and storage	390	2	(8)	—
090	Accommodation and food service activities	304	10	(4)	—
100	Information and communication	30	3	(1)	—
110	Financial and insurance activities				
120	Real estate activities	2,526	92	(44)	—
130	Professional, scientific and technical activities	135	4	(8)	—
140	Administrative and support service activities	59	6	(1)	—
160	Education	37	—	(1)	—
170	Human health services and social work activities	166	5	(1)	—
180	Arts, entertainment and recreation	33	6	(5)	—
190	Other services	61	1	(1)	—
200	Total	5,240	230	(114)	—

CREDIT RISK (Continued)

CR3: CRM techniques overview: Disclosure of the use of credit risk mitigation techniques

	30 Jun 2026				
	Unsecured carrying amount	Secured carrying amount	Of which secured by collateral	Of which secured by financial guarantees	Of which secured by credit derivatives
	£m	£m	£m	£m	£m
Loans and advances	**42,372**	**294,625**	**294,453**	**172**	—
Debt securities	**1,406**	—	—	—	
Total	**43,778**	**294,625**	**294,453**	**172**	—
Of which non-performing exposures	**293**	**4,273**	**4,260**	**13**	—
Of which defaulted	**190**	**4,063**			

	31 Dec 2025				
	£m	£m	£m	£m	£m
Loans and advances	31,378	292,672	292,432	239	—
Debt securities	1,672	—	—	—	
Total	33,050	292,672	292,432	239	—
Of which non-performing exposures	307	4,728	4,717	11	—
Of which defaulted	189	4,503			

CR4: Standardised approach – Credit risk exposure and CRM effects

		30 Jun 2026					
		Exposures before CCF and before CRM		Exposures post CCF and post CRM		RWAs and RWAs density[1]	
		On-balance sheet exposures	Off-balance sheet exposures	On-balance sheet exposures	Off-balance sheet exposures	RWAs	RWAs density
	Exposure classes	£m	£m	£m	£m	£m	%
1	Central governments or central banks	**2,196**	—	**2,326**	**46**	—	—
6	Institutions	**28,600**	**41**	**28,600**	**8**	**11**	—
7	Corporates	**3,366**	**628**	**3,363**	**147**	**1,108**	**32**
8	Retail	**1,344**	**308**	**1,263**	**13**	**864**	**68**
9	Secured by mortgages on immovable property	**7,317**	**712**	**7,317**	**509**	**2,756**	**35**
10	Exposures in default	**722**	**3**	**700**	—	**716**	**102**
16	Other items	**163**	—	**163**	—	**122**	**75**
17	**Total**	**43,708**	**1,692**	**43,732**	**723**	**5,577**	**13**

		31 Dec 2025					
	Exposure classes	£m	£m	£m	£m	£m	%
1	Central governments or central banks	2,204	—	2,388	36	23	1
6	Institutions	13,856	40	13,856	8	11	—
7	Corporates	2,915	955	2,909	209	810	26
8	Retail	1,375	327	1,242	8	845	68
9	Secured by mortgages on immovable property	9,039	761	9,039	501	3,357	35
10	Exposures in default	1,002	4	974	—	999	103
16	Other items	180	—	180	—	151	84
17	Total	30,571	2,087	30,588	762	6,196	20

1 Risk-weighted assets and density reported in this table are disclosed after application of supporting factors.

CREDIT RISK (Continued)

CR7-A IRB approach - Disclosure of the extent of the use of CRM techniques

		30 Jun 2026												
			Credit risk mitigation techniques											Credit risk mitigation methods in the calculation of RWAs
			Funded Credit Protection (FCP)									Unfunded Credit Protection (UFCP)[2]		
A-IRB		Total exposure at default £m	Part of exposures covered by financial collaterals %	Part of exposures covered by other eligible collaterals[1] %	Part of exposures covered by immovable property collaterals[1] %	Part of exposures covered by receivables %	Part of exposures covered by other physical collateral %	Part of exposures covered by other funded credit protection %	Part of exposures covered by cash on deposit %	Part of exposures covered by life insurance policies %	Part of exposures covered by instruments held by a third party %	Part of exposures covered by guarantees %	Part of exposures covered by credit derivatives %	RWA with substitution effects (both reduction and substitution effects) £m
4	**Retail**	**343,147**	—	**92.4**	**92.4**	—	—	—	—	—	—	—	—	**65,376**
4.1	Of which Retail – Immovable property SMEs	—	—	—	—	—	—	—	—	—	—	—	—	—
4.2	Of which Retail – Immovable property non-SMEs	**317,330**	—	**99.9**	**99.9**	—	—	—	—	—	—	—	—	**54,708**
4.3	Of which Retail – Qualifying revolving	**21,113**	—	—	—	—	—	—	—	—	—	—	—	**5,757**
4.4	Of which Retail – Other SMEs	—	—	—	—	—	—	—	—	—	—	—	—	—
4.5	Of which Retail – Other non-SMEs	**4,704**	—	—	—	—	—	—	—	—	—	—	—	**4,911**
5	**Total**	**343,147**	—	**92.4**	**92.4**	—	—	—	—	—	—	—	—	**65,376**
F-IRB														
1	**Central governments and central banks**	—	—	—	—	—	—	—				—	—	—
2	**Institutions**	**33**	**45.0**	—	—	—	—	—				—	—	**5**
3	**Corporates**	**2,264**	**15.9**	**52.4**	**52.1**	**0.3**	—	—				**6.0**	—	**1,166**
3.1	Of which Corporates – SMEs	**538**	**2.1**	**46.6**	**46.5**	**0.1**	—	—				**0.6**	—	**337**
3.3	Of which Corporates – Other	**1,726**	**20.2**	**54.2**	**53.9**	**0.3**	—	—				**7.6**	—	**829**
4	**Total**	**2,297**	**16.3**	**51.7**	**51.4**	**0.3**	—	—				**5.9**	—	**1,171**
Other IRB														
	Specialised lending under the slotting approach[3]	**818**												**521**
	Total	**818**												**521**

CREDIT RISK (Continued)

CR7-A IRB approach - Disclosure of the extent of the use of CRM techniques continued

		31 Dec 2025												
			Credit risk mitigation techniques											Credit risk mitigation methods in the calculation of RWAs
			Funded Credit Protection (FCP)									Unfunded Credit Protection (UFCP)[2]		
A-IRB		Total exposure at default £m	Part of exposures covered by financial collaterals %	Part of exposures covered by other eligible collaterals[1] %	Part of exposures covered by immovable property collaterals[1] %	Part of exposures covered by receivables %	Part of exposures covered by other physical collateral %	Part of exposures covered by other funded credit protection %	Part of exposures covered by cash on deposit %	Part of exposures covered by life insurance policies %	Part of exposures covered by instruments held by a third party %	Part of exposures covered by guarantees %	Part of exposures covered by credit derivatives %	RWA with substitution effects (both reduction and substitution effects) £m
4	Retail	335,772	—	92.2	92.2	—	—	—	—	—	—	—	—	63,418
4.1	Of which Retail – Immovable property SMEs	—	—	—	—	—	—	—	—	—	—	—	—	—
4.2	Of which Retail – Immovable property non-SMEs	310,007	—	99.9	99.9	—	—	—	—	—	—	—	—	52,991
4.3	Of which Retail – Qualifying revolving	21,294	—	—	—	—	—	—	—	—	—	—	—	5,769
4.4	Of which Retail – Other SMEs	—	—	—	—	—	—	—	—	—	—	—	—	—
4.5	Of which Retail – Other non-SMEs	4,471	—	—	—	—	—	—	—	—	—	—	—	4,658
5	Total	335,772	—	92.2	92.2	—	—	—	—	—	—	—	—	63,418
F-IRB														
1	Central governments and central banks	—	—	—	—	—	—	—				—	—	—
2	Institutions	51	14.0	—	—	—	—	—				—	—	19
3	Corporates	2,372	20.6	27.3	27.3	—	—	—				5.5	—	1,381
3.1	Of which Corporates – SMEs	505	1.5	23.1	22.9	0.1	—	—				1.5	—	366
3.3	Of which Corporates – Other	1,867	25.8	28.4	28.4	—	—	—				6.5	—	1,015
4	Total	2,423	20.5	26.7	26.7	—	—	—				5.3	—	1,400
Other IRB														
	Specialised lending under the slotting approach[3]	820												542
	Total	820												542

[1] For AIRB the value of eligible collateral has been capped at the individual exposure amount. For FIRB the amount is capped at the value used in determining the LGD.
[2] For AIRB the unfunded credit protection includes only cases where unfunded credit protection is taken into account in own estimates of LGD. For FIRB it relates to unfunded credit protection which has substitution effect.
[3] The exposures disclosed in the 'Specialised lending under the slotting approach' row are fully secured, however the collateral is not used directly in the calculation of RWA.

CREDIT RISK (Continued)

CR10.1: IRB – Specialised lending - Project Finance (Slotting approach)

		30 Jun 2026					
Regulatory categories	**Remaining maturity**	**On-balance sheet exposure £m**	**Off-balance sheet exposure £m**	**Risk weight %**	**Exposure value £m**	**Risk weighted exposure amount £m**	**Expected loss amount £m**
1) Strong	Less than 2.5 years	**—**	**5**	**50**	**1**	**1**	**—**
	Equal to or more than 2.5 years	**94**	**37**	**70**	**123**	**78**	**—**
2) Good	Less than 2.5 years	**2**	**3**	**70**	**5**	**3**	**—**
	Equal to or more than 2.5 years	**2**	**3**	**90**	**4**	**3**	**—**
3) Satisfactory	Less than 2.5 years	**—**	**—**	**115**	**—**	**—**	**—**
	Equal to or more than 2.5 years	**18**	**4**	**115**	**21**	**24**	**1**
4) Weak	Less than 2.5 years	**—**	**—**	**250**	**—**	**—**	**—**
	Equal to or more than 2.5 years	**—**	**—**	**250**	**—**	**—**	**—**
5) Default	Less than 2.5 years	**31**	**4**		**34**	**—**	**17**
	Equal to or more than 2.5 years	**—**	**7**		**5**	**—**	**3**
Total	**Less than 2.5 years**	**33**	**12**		**40**	**4**	**17**
	Equal to or more than 2.5 years	**114**	**51**		**153**	**105**	**4**

		31 Dec 2025					
Regulatory categories	Remaining maturity	£m	£m	%	£m	£m	£m
1) Strong	Less than 2.5 years	—	5	50	1	—	—
	Equal to or more than 2.5 years	96	37	70	125	80	1
2) Good	Less than 2.5 years	—	4	70	4	3	—
	Equal to or more than 2.5 years	4	2	90	6	5	—
3) Satisfactory	Less than 2.5 years	—	—	115	—	—	—
	Equal to or more than 2.5 years	19	4	115	22	25	1
4) Weak	Less than 2.5 years	—	—	250	—	—	—
	Equal to or more than 2.5 years	—	7	250	5	13	—
5) Default	Less than 2.5 years	30	3		32	—	16
	Equal to or more than 2.5 years	—	1		—	—	—
Total	Less than 2.5 years	30	12		37	3	16
	Equal to or more than 2.5 years	119	51		158	123	2

CREDIT RISK (Continued)

CR10.2: IRB – Specialised lending - Income-producing real estate and high volatility commercial real estate (Slotting approach)

		30 Jun 2026					
Regulatory categories	**Remaining maturity**	**On-balance sheet exposure £m**	**Off-balance sheet exposure £m**	**Risk weight %**	**Exposure value £m**	**Risk weighted exposure amount £m**	**Expected loss amount £m**
1) Strong	Less than 2.5 years	**64**	**12**	**50**	**69**	**32**	**—**
	Equal to or more than 2.5 years	**105**	**1**	**70**	**105**	**66**	**—**
2) Good	Less than 2.5 years	**123**	**20**	**70**	**135**	**88**	**1**
	Equal to or more than 2.5 years	**165**	**46**	**90**	**198**	**158**	**2**
3) Satisfactory	Less than 2.5 years	**6**	**—**	**115**	**6**	**7**	**—**
	Equal to or more than 2.5 years	**53**	**1**	**115**	**53**	**61**	**2**
5) Default	Less than 2.5 years	**56**	**1**		**56**	**—**	**28**
	Equal to or more than 2.5 years	**3**	**—**		**3**	**—**	**1**
Total	**Less than 2.5 years**	**249**	**33**		**266**	**127**	**29**
	Equal to or more than 2.5 years	**326**	**48**		**359**	**285**	**5**

		31 Dec 2025					
Regulatory categories	Remaining maturity	On-balance sheet exposure £m	Off-balance sheet exposure £m	Risk weight %	Exposure value £m	Risk weighted exposure amount £m	Expected loss amount £m
1) Strong	Less than 2.5 years	76	2	50	76	35	—
	Equal to or more than 2.5 years	117	1	70	117	75	—
2) Good	Less than 2.5 years	108	10	70	112	76	1
	Equal to or more than 2.5 years	167	23	90	182	150	1
3) Satisfactory	Less than 2.5 years	11	1	115	12	13	—
	Equal to or more than 2.5 years	58	1	115	59	67	2
5) Default	Less than 2.5 years	62	4		64	—	32
	Equal to or more than 2.5 years	2	—		2	—	1
Total	Less than 2.5 years	257	17		264	124	33
	Equal to or more than 2.5 years	344	25		360	292	4

APPENDIX 1: EXCLUDED TEMPLATES

Pillar 3 templates that are required to be disclosed semi-annually but have not been included in this document are listed in the table below along with the reason for exclusion.

PRA reference	Template name	Reason for exclusion
CR2a	Changes in the stock of non-performing loans and advances and related net accumulated recoveries	Threshold for disclosure not met
CQ2	Quality of forbearance	Threshold for disclosure not met
CQ6	Collateral valuation – loans and advances	Threshold for disclosure not met
CQ7	Collateral obtained by taking possession and execution processes	No collateral taken into possession is recognised on the balance sheet
CQ8	Collateral obtained by taking possession and execution processes – vintage breakdown	No collateral taken into possession is recognised on the balance sheet and threshold for disclosure is not met
CR7	IRB – Effect on the RWAs of credit derivatives used as CRM techniques	Excluded on materiality basis
CR10.3	Specialised lending: Object finance (Slotting approach)	Not applicable to the Bank
CR10.4	Specialised lending: Commodities finance (Slotting approach)	Not applicable to the Bank
CR10.5	Equity exposures subject to the simple risk weight method	Not applicable to the Bank
CCR7	RWA flow statements of CCR exposures under the IMM	Not applicable to the Bank
MR2-B	RWA flow statements of market risk exposures under the Internal Model Approach	Not applicable to the Bank
LIQ1	Liquidity coverage ratio (LCR)	Liquidity is managed at a Lloyds Bank Liquidity Sub-Group level. Refer to the Lloyds Bank plc 2026 Half-Year Pillar 3 Disclosures for further information.
LIQ2	Net stable funding ratio	
LIQB	Qualitative information on LCR	

FORWARD-LOOKING STATEMENTS

This document contains certain forward-looking statements within the meaning of Section 21E of the US Securities Exchange Act of 1934, as amended, and section 27A of the US Securities Act of 1933, as amended, with respect to the business, strategy, plans and/or results of Bank of Scotland plc together with its subsidiaries (the Group) and its current goals and expectations. Statements that are not historical or current facts, including statements about the Group's or its directors' and/or management's beliefs and expectations, are forward-looking statements. Words such as, without limitation, 'believes', 'achieves', 'anticipates', 'estimates', 'expects', 'targets', 'should', 'intends', 'aims', 'projects', 'plans', 'potential', 'will', 'would', 'could', 'considered', 'likely', 'may', 'seek', 'estimate', 'probability', 'goal', 'objective', 'deliver', 'endeavour', 'prospects', 'optimistic' and similar expressions or variations on these expressions are intended to identify forward-looking statements. These statements concern or may affect future matters, including but not limited to: projections or expectations of the Group's future financial position, including profit attributable to shareholders, provisions, economic profit, dividends, capital structure, portfolios, net interest margin, capital ratios, liquidity, risk-weighted assets (RWAs), expenditures or any other financial items or ratios; litigation, regulatory and governmental investigations; the Group's future financial performance; the level and extent of future impairments and write-downs; the Group's ESG targets and/or commitments; statements of plans, objectives or goals of the Group or its management and other statements that are not historical fact and statements of assumptions underlying such statements. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend upon circumstances that will or may occur in the future. Factors that could cause actual business, strategy, targets, plans and/or results (including but not limited to the payment of dividends) to differ materially from forward-looking statements include, but are not limited to: general economic and business conditions in the UK and internationally (including in relation to tariffs); imposed and threatened tariffs and changes to global trade policies; acts of hostility or terrorism and responses to those acts, or other such events; geopolitical unpredictability; the war between Russia and Ukraine; the escalation of conflicts in the Middle East; the tensions between China and Taiwan; political instability including as a result of any UK general election; market related risks, trends and developments; changes in client and consumer behaviour and demand; exposure to counterparty risk; the ability to access sufficient sources of capital, liquidity and funding when required; changes to the Group's credit ratings; fluctuations in interest rates, inflation, exchange rates, stock markets and currencies; volatility in credit markets; volatility in the price of the Group's securities; natural pandemic and other disasters; risks concerning borrower and counterparty credit quality; risks affecting defined benefit pension schemes; changes in laws, regulations, practices and accounting standards or taxation; changes to regulatory capital or liquidity requirements and similar contingencies; the policies and actions of governmental or regulatory authorities or courts together with any resulting impact on the future structure of the Group; risks associated with the Group's compliance with a wide range of laws and regulations; assessment related to resolution planning requirements; risks related to regulatory actions which may be taken in the event of a bank or Group failure; exposure to legal, regulatory or competition proceedings, investigations or complaints; failure to comply with anti-money laundering, counter terrorist financing, anti-bribery and sanctions regulations; failure to prevent or detect any illegal or improper activities; operational risks including risks as a result of the failure of third party suppliers; conduct risk; risks related to new and emerging technologies, including artificial intelligence; technological changes and risks to the security of IT and operational infrastructure, systems, data and information resulting from increased threat of cyber and other attacks; technological failure; inadequate or failed internal or external processes or systems; risks relating to ESG matters, such as climate change (and achieving climate change ambitions) and decarbonisation, including the Group's ability along with the government and other stakeholders to measure, manage and mitigate the impacts of climate change effectively, and human rights issues; the impact of competitive conditions; failure to attract, retain and develop high calibre talent; the ability to achieve strategic objectives; the ability to derive cost savings and other benefits including, but without limitation, as a result of any acquisitions, disposals and other strategic transactions; inability to capture accurately the expected value from acquisitions; and assumptions and estimates that form the basis of the Group's financial statements. A number of these influences and factors are beyond the Group's control. Please refer to the latest Annual Report on Form 20-F filed by Lloyds Banking Group plc with the US Securities and Exchange Commission (the SEC), which is available on the SEC's website at www.sec.gov, for a discussion of certain factors and risks. Lloyds Banking Group plc may also make or disclose written and/or oral forward-looking statements in other written materials and in oral statements made by the directors, officers or employees of Lloyds Banking Group plc to third parties, including financial analysts. Except as required by any applicable law or regulation, the forward-looking statements contained in this document are made as of today's date, and the Group expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this document whether as a result of new information, future events or otherwise. 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