Bank of Scotland plc

Q3 2026

Pillar 3 Disclosures

29 October 2026

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BASIS OF PREPARATION

This report presents the interim Pillar 3 disclosures of Bank of Scotland plc ('the Bank') as at 30 September 2026.

The disclosures have been prepared in accordance with the requirements of the Disclosure (CRR) section of the PRA Rulebook. Pillar 3 templates required to be disclosed on a quarterly basis that have not been included in this report are listed in the table below along with the reason for exclusion.

PRA reference	Template name	Reason for exclusion
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 IMA	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 Q3 2026 Pillar 3 Disclosures for further information.
LIQB	Qualitative information on LCR	

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

LEVERAGE AND OVERVIEW OF RISK WEIGHTED EXPOSURE AMOUNTS

LR2: Leverage ratio common disclosure[1]

LR2		**30 Sep 2026**	30 Jun 2026	31 Mar 2026	31 Dec 2025
Ref	**Leverage ratio**				
UK-24b	Total exposure measure excluding claims on central banks (£m)	**323,243**	323,091	322,922	320,952
25	Leverage ratio excluding claims on central banks (%)	**4.7%**	4.5%	4.4%	4.3%
UK 25c	Leverage ratio including claims on central banks (%)	**4.6%**	4.5%	4.4%	4.2%
	Additional leverage ratio disclosure requirements - leverage ratio buffers				
27	Leverage ratio buffer (%)[2]	**0.7%**	0.7%	0.7%	0.7%
UK-27b	Of which: countercyclical leverage ratio buffer (%)	**0.7%**	0.7%	0.7%	0.7%
	Additional leverage ratio disclosure requirements - disclosure of mean values				
UK-31	Average total exposure measure including claims on central banks (£m)[3]	**324,814**	324,514	324,504	322,402
UK-32	Average total exposure measure excluding claims on central banks (£m)[3]	**322,159**	321,815	321,833	319,700
UK-33	Average leverage ratio including claims on central banks (%)[3]	**4.6%**	4.5%	4.4%	4.3%
UK-34	Average leverage ratio excluding claims on central banks (%)[3]	**4.6%**	4.5%	4.4%	4.3%

[1] Extracts of LR2 (Leverage ratio common disclosure) that are required to be disclosed quarterly.
[2] The additional leverage ratio buffer (ALRB) does not apply for the Bank.
[3] The average UK leverage ratio is based on the average of the month end tier 1 capital position and average exposure measure over the quarter.

The Bank's UK leverage ratio increased to 4.7% at 30 September 2026 (31 December 2025: 4.3%) reflecting an increase in total tier 1 capital, partially offset by the increase in the leverage exposure measure following lending growth, including off-balance sheet commitments.

LEVERAGE AND OVERVIEW OF RISK WEIGHTED EXPOSURE AMOUNTS (Continued)

OV1: Overview of risk weighted exposure amounts

		Total RWA		Total own funds requirements
		30 Sep 2026	31 Dec 2025	**30 Sep 2026**
		£m	£m	**£m**
1	**Credit risk (excluding CCR)**	**76,280**	75,342	**6,102**
2	Of which the standardised approach	**5,532**	6,196	**443**
3	Of which the foundation IRB (FIRB) approach	**1,216**	1,400	**97**
4	Of which slotting approach	**515**	542	**41**
UK 4a	Of which equities under the simple risk weighted approach	**2,895**	2,782	**232**
5	Of which the advanced IRB (AIRB) approach	**65,218**	63,418	**5,217**
	Of which: non-credit obligation assets[1]	**904**	1,004	**72**
6	**Counterparty credit risk (CCR)**	**110**	188	**9**
7	Of which the standardised approach	**65**	125	**5**
UK 8b	Of which credit valuation adjustment (CVA)	**45**	63	**4**
16	**Securitisation exposures in the non-trading book (after the cap)**	**552**	722	**44**
17	Of which SEC-IRBA approach	**—**	—	**—**
18	Of which SEC-ERBA approach (including IAA)	**551**	705	**44**
19	Of which SEC-SA approach	**1**	17	**—**
20	**Position, foreign exchange and commodities risks (Market risk)**	**20**	54	**2**
21	Of which the standardised approach	**20**	54	**2**
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**	**83,013**	82,357	**6,641**
	Pillar 2A capital requirement[2]			**1,579**
	Total capital requirement			**8,220**

[1] Non-credit obligation assets (IRB approach) predominantly relate to other balance sheet assets that have no associated credit risk.

[2] The PRA provided an update on the Bank's Pillar 2A capital requirement during the third quarter. From 1 January 2027 the requirement will reduce to c.1.6% of risk-weighted assets, of which c.0.9% is to be met with CET1 capital, reflecting the implementation of Basel 3.1. The current requirement of c.1.9% of risk-weighted assets, of which c.1.1% must be met with CET1 capital, will continue to apply until 31 December 2026.

LEVERAGE 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 Sep 2026	Total RWA YTD 30 Sep 2026
		£m	£m
1	Risk weighted exposure amount as at the end of previous reporting period	**67,067**	**65,360**
2	Asset size (+/-)	**(92)**	**2,076**
3	Asset quality (+/-)	**(178)**	**(510)**
4	Model updates (+/-)	**152**	**(23)**
7	Foreign exchange movements (+/-)	**—**	**(1)**
8	Other (+/-)	**—**	**47**
9	**Risk weighted exposure amount at the end of the reporting period**	**66,949**	**66,949**

Key movements 31 December 2025 to 30 September 2026:
- **Asset size** increase largely driven by Retail lending growth.
- **Asset quality** decrease mainly driven by a small change in risk profile, including from HPI within the Retail Secured portfolio.

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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