

EXECUTION VERSION

FOURTEENTH SUPPLEMENTAL TRUST DEED

DATED 31 JULY 2015

BANK OF SCOTLAND PLC

and

HBOS PLC

and

HBOS COVERED BONDS LLP

and

CITICORP TRUSTEE COMPANY LIMITED

**Further modifying and restating the Trust Deed originally dated 18 July 2003
relating to a €60,000,000,000
Covered Bond Programme**

ALLEN & OVERY

Allen & Overy LLP

0011002-0001132 ICM:22087449.12

THIS FOURTEENTH SUPPLEMENTAL TRUST DEED is made on 31 July 2015

BETWEEN:

- (1) **BANK OF SCOTLAND PLC**, a public limited company incorporated under the laws of Scotland, whose registered office is at The Mound, Edinburgh EH1 1YZ, Scotland (acting in its capacity as the **Issuer**);
- (2) **HBOS PLC**, a public limited company incorporated under the laws of Scotland, whose registered office is at The Mound, Edinburgh EH1 1YZ, Scotland (**HBOS** and the **HBOS Group Guarantor**);
- (3) **HBOS COVERED BONDS LLP**, a limited liability partnership incorporated with limited liability under the laws of England and Wales, whose principal place of business is at Trinity Road, Halifax, West Yorkshire HX1 2RG (the **LLP** and, together with the HBOS Group Guarantor, the **Guarantors**); and
- (4) **CITICORP TRUSTEE COMPANY LIMITED**, a company incorporated under the laws of England and Wales, whose registered office is at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB (in its capacity as the Bond Trustee for the Covered Bondholders, the Receiptholders and the Couponholders, the **Bond Trustee** and in its capacity as the Security Trustee for the Secured Creditors the **Security Trustee**, which expressions shall, wherever the context so admits, include such company and all other persons or companies for the time being the bond trustee or bond trustees or security trustee or security trustees of the trust presents).

WHEREAS:

- (A) This Fourteenth Supplemental Trust Deed is supplemental to:
 - (i) the Trust Deed dated 18 July 2003 (hereinafter called the **Principal Trust Deed**) made between HBOS Treasury Services plc, the Governor and Company of the Bank of Scotland, HBOS Covered Bonds LLP and Citicorp Trustee Company Limited and relating to the Covered Bond Programme established by the Issuer (the **Programme**);
 - (ii) the First Supplemental Trust Deed dated 17 August 2004 (hereinafter called the **First Supplemental Trust Deed**) made between the same parties as are parties hereto and modifying the provisions of the Principal Trust Deed;
 - (iii) the Second Supplemental Trust Deed dated 3 November 2005 (hereinafter called the **Second Supplemental Trust Deed**) made between the same parties as are parties hereto and modifying the provisions of the Principal Trust Deed;
 - (iv) the Third Supplemental Trust Deed dated 16 October 2006 (hereinafter called the **Third Supplemental Trust Deed**) made between the same parties as are parties hereto and further modifying and restating the provisions of the Principal Trust Deed;
 - (v) the Fourth Supplemental Trust Deed dated 9 May 2007 (hereinafter called the **Fourth Supplemental Trust Deed**) made between the same parties as are parties hereto and further modifying and restating the provisions of the Principal Trust Deed;

- (vi) the Fifth Supplemental Trust Deed dated 29 April 2008 (hereinafter called the **Fifth Supplemental Trust Deed**) made between the same parties as are parties hereto and further modifying and restating the provisions of the Principal Trust Deed;
 - (vii) the Sixth Supplemental Trust Deed dated 13 March 2008 (hereinafter called the **Sixth Supplemental Trust Deed**) made between the same parties as are parties hereto and further modifying and restating the provisions of the Principal Trust Deed;
 - (viii) the Seventh Supplemental Trust Deed dated 10 March 2010 (hereinafter called the **Seventh Supplemental Trust Deed**) made between the same parties as are parties hereto and further modifying and restating the provisions of the Principal Trust Deed;
 - (ix) the Eighth Supplemental Trust Deed dated 15 December 2010 (hereinafter called the **Eighth Supplemental Trust Deed**) made between the same parties as are parties hereto and further modifying and restating the provisions of the Principal Trust Deed);
 - (x) the Ninth Supplemental Trust Deed dated 2 March 2011 (hereinafter called the **Ninth Supplemental Trust Deed**) made between the same parties as are parties hereto and further modifying and restating the provisions of the Principal Trust Deed);
 - (xi) the Tenth Supplemental Trust Deed dated 9 September 2011 (hereinafter called the **Tenth Supplemental Trust Deed**) made between the same parties as are parties hereto and further modifying and restating the provisions of the Principal Trust Deed); and
 - (xii) the Eleventh Supplemental Trust Deed dated 2 February 2012 (hereinafter called the **Eleventh Supplemental Trust Deed**) made between the same parties as are parties hereto and further modifying and restating the provisions of the Principal Trust Deed); and
 - (xiii) the Twelfth Supplemental Trust Deed dated 21 December 2012 (hereinafter called the **Twelfth Supplemental Trust Deed**) made between the same parties as are parties hereto and further modifying and restating the provisions of the Principal Trust Deed); and
 - (xiv) the Thirteenth Supplemental Trust Deed dated 6 July 2015 (hereinafter called the **Thirteenth Supplemental Trust Deed**, and together with the Principal Trust Deed, the First Supplemental Trust Deed, the Second Supplemental Trust Deed, the Third Supplemental Trust Deed, the Fourth Supplemental Trust Deed, the Fifth Supplemental Trust Deed, the Sixth Supplemental Trust Deed, the Seventh Supplemental Trust Deed, the Eighth Supplemental Trust Deed, the Ninth Supplemental Trust Deed, the Tenth Supplemental Trust Deed, Eleventh Supplemental Trust Deed and Twelfth Supplemental Trust Deed, the **Subsisting Trust Deeds**) made between the same parties as are parties hereto and further modifying and restating the provisions of the Principal Trust Deed.
- (B) The Issuer has issued EUR 1,500,000,000 Series 16 Covered Bonds due 2021 (the **Series 16 Covered Bonds**), under the Programme. The Series 16 Covered Bonds remain outstanding as at the date hereof.
- (C) The Issuer has issued EUR 1,500,000,000 Series 17 Covered Bonds due 2016 (the **Series 17 Covered Bonds**), under the Programme. The Series 17 Covered Bonds remain outstanding as at the date hereof.

- (D) The Issuer has issued EUR 1,250,000,000 Series 23 Covered Bonds due 2022 (the **Series 23 Covered Bonds**), under the Programme. The Series 23 Covered Bonds remain outstanding as at the date hereof.
- (E) The Issuer has issued DKK 4,680,000,000 Series 26 Covered Bonds due 2018 (the **Series 26 Covered Bonds**), under the Programme. The Series 26 Covered Bonds remain outstanding as at the date hereof.
- (F) Pursuant to Condition 15 (*Meetings of Covered Bondholders, Modification, Waiver and Substitution*) and Schedule 4 (*Provisions for Meetings of Covered Bondholders*) of the Trust Deed, the holders of 100 per cent. of the aggregate Principal Amount Outstanding of each of the Series 16 Covered Bonds, the Series 17 Covered Bonds, the Series 23 Covered Bonds and the Series 26 Covered Bonds have in separate Meetings authorised, requested and directed the Bond Trustee to enter into this Fourteenth Supplemental Trust Deed by way of Extraordinary Resolutions dated on or about the date hereof.
- (G) The Issuer has requested the Bond Trustee to enter into this Fourteenth Supplemental Trust Deed to concur in making the modifications referred to in Clause 2 below.
- (H) The Bond Trustee, acting on the directions of the Covered Bondholders pursuant to extraordinary resolutions dated on or about the date hereof of this Fourteenth Supplemental Trust Deed, has agreed with the Issuer to modify the Final Terms of each of the Series 16 Covered Bonds, the Series 17 Covered Bonds, the Series 23 Covered Bonds and the Series 26 Covered Bonds accordingly.

NOW THIS FOURTEENTH SUPPLEMENTAL TRUST DEED WITNESSES AND IT IS AGREED AND DECLARED as follows:

1. DEFINITIONS

Subject as otherwise provided in this Fourteenth Supplemental Trust Deed and unless there is anything in the subject or context inconsistent therewith, all words and expressions defined in the Trust Deed shall have the same meanings in this Fourteenth Supplemental Trust Deed.

2. FINAL TERMS

- (a) The Conditions for the Series 16 Covered Bonds shall be determined by reference to the Final Terms set out in Schedule 1 Part 3 (Final Terms) which shall be deemed to replace the Final Terms dated 11 July 2006.
- (b) The Conditions for the Series 17 Covered Bonds shall be determined by reference to the Final Terms set out in Schedule 1 Part 4 (Final Terms) which shall be deemed to replace the Final Terms dated 11 July 2006.
- (c) The Conditions for the Series 23 Covered Bonds shall be determined by reference to the Final Terms set out in Schedule 1 Part 6 (Final Terms) which shall be deemed to replace the Final Terms dated 6 June 2007.
- (d) The Conditions for the Series 26 Covered Bonds shall be determined by reference to the Final Terms set out in Schedule 1 Part 7 (Final Terms) which shall be deemed to replace the Final Terms dated 14 December 2007.

3. GENERAL

- 3.1 The Trust Deed shall henceforth be read and construed as one document with this Fourteenth Supplemental Trust Deed in respect of the Covered Bonds.
- 3.2 A memorandum of this Fourteenth Supplemental Trust Deed shall be endorsed by the Bond Trustee on the original of the Principal Trust Deed and by Citibank N.A., London Branch as the Principal Paying Agent on its duplicate thereof.

4. THIRD PARTY RIGHTS

A person who is not a party to this Fourteenth Supplemental Trust Deed may not enforce any of its terms under the Contracts (Rights of Third Parties) Act 1999 but this shall not affect any right or remedy of any person which exists or is available apart from such Act.

5. COUNTERPARTS AND SEVERABILITY

- 5.1 This Fourteenth Supplemental Trust Deed and any deed supplemental hereto may be executed and delivered in any number of counterparts (manually or by facsimile) and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original, and all of which, taken together, shall constitute one and the same instrument.
- 5.2 Where any provision in or obligation under this Fourteenth Supplemental Trust Deed shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations under this Fourteenth Supplemental Trust Deed, or of such provision or obligation in any other jurisdiction, shall not be affected or impaired thereby.

6. GOVERNING LAW AND SUBMISSION TO JURISDICTION

- 6.1 This Fourteenth Supplemental Trust Deed and any non-contractual obligations arising out of or in connection with it shall be governed by, and construed in accordance with, English law.
- 6.2 Each party to this Fourteenth Supplemental Trust Deed hereby irrevocably submits to the exclusive jurisdiction of the English courts in any action or proceeding arising out of or relating to this Fourteenth Supplemental Trust Deed (including a dispute relating to any non-contractual obligations arising out of or relating to this Fourteenth Supplemental Trust Deed) and hereby irrevocably agrees that all claims in respect of such action or proceeding may be heard and determined by such courts. Each party to this Fourteenth Supplemental Trust Deed hereby irrevocably waives, to the fullest extent it may possibly do so, any defence or claim that the English courts are an inconvenient forum for the maintenance or hearing of such action or proceeding.

IN WITNESS whereof this Fourteenth Supplemental Trust Deed has been executed as a deed by the Issuer, HBOS, the HBOS Group Guarantor, the LLP, the Security Trustee and the Bond Trustee and delivered on the date first stated on page 1.

SCHEDULE 1
FINAL TERMS

PART 1
SERIES 16 COVERED BONDS
FINAL TERMS
PART A – CONTRACTUAL TERMS

11 July 2006, as amended and restated on 31 July 2015

Bank of Scotland plc

Issue of €1,500,000,000 4.50 per cent. Series 16 Covered Bonds due 13 July 2021
Unconditionally guaranteed by HBOS plc

and

Irrevocably and unconditionally guaranteed as to payment of principal and interest by
HBOS Covered Bonds LLP
under the €25 billion
Covered Bond Programme

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the offering circular dated 3 November 2005 as supplemented by a supplemental offering circular dated 6 July 2006 (the **Offering Circular**) which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**). This document constitutes the Final Terms of the Covered Bonds described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Offering Circular. Full information on the Issuer and the offer of the Covered Bonds is only available on the basis of the combination of these Final Terms and the Offering Circular. The Offering Circular is available for viewing at the registered office of the Issuer and the specified office of the Agent.

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|----|-----------------------------------|--|
| 1. | Issuer: | Bank of Scotland plc |
| | Guarantors: | HBOS plc and HBOS Covered Bonds LLP |
| 2. | Series Number: | 0016/06 |
| | Tranche Number: | 1 |
| 3. | Specified Currency or Currencies: | Euro (€) |
| 4. | Aggregate Nominal Amount: | |
| | (i) Series: | €1,500,000,000 |
| | (ii) Tranche: | €1,500,000,000 |
| 5. | Issue Price: | 98.986 per cent. of the Aggregate Nominal Amount |

6. Specified Denominations: *(in the case of Registered Covered Bonds, this means the minimum integral amount in which transfers can be made)* The Specified Denomination of the Notes shall be €50,000 provided that, for so long as the Notes are represented by a Global Note and the relevant clearing system(s) so permit, the Notes shall be tradable in integral multiples of €1,000 thereafter
7. (i) Issue Date: 13 July 2006
(ii) Interest Commencement Date: 13 July 2006
8. Final Maturity Date: 13 July 2021
9. Extended Due for Payment Date: 13 July 2022
10. Interest Basis: 4.50 per cent. Fixed Rate (further particulars specified below)
11. Redemption/Payment Basis: Redemption at par
12. Change of Interest Basis or Redemption/Payment Basis: Applicable, from, and including, the Final Maturity Date (the **Extension Date**) (if applicable), to but excluding, the Extended Due for Payment Date (or, if earlier, the date on which the Final Redemption Amount, as defined in the Conditions, is paid in full), the following interest provisions apply:
- Interest Basis: 1 month EURIBOR +0.10 per cent.
- Interest Payment Dates: The 13th of each month from, and including the First Interest Payment Date set out below up to, and including, the earlier of (i) the Extended Due for Payment Date and (ii) the date on which the Final Redemption Amount in respect of the Covered Bonds described herein is paid in full, subject to adjustment in accordance with the Business Day Convention set out below
- First Interest Payment Date: 13th August 2021, provided that the Extension Date occurs in respect of the Covered Bonds described herein
- Additional Business Centre(s): Not Applicable
- Business Day Convention: Modified Following Business Day Convention
- Day Count Fraction: Actual/360
- Screen Rate Determination: Applicable

Interest Determination Date: The second day on which TARGET2 is open prior to the start of each Interest Period

Relevant Screen Page: Reuters EURIBOR01 (or any replacement thereto)

13. Call Option: Not Applicable

14. (i) Status of the Covered Bonds: Senior

(ii) Status of the Guarantees: Senior

(iii) Date approval for issuance of Covered Bonds obtained: 20 June 2006

15. Method of distribution: Syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16. **Fixed Rate Covered Bond Provisions** Applicable from, and including, the Interest Commencement Date to, but excluding, the Final Maturity Date

(i) Rate(s) of Interest: 4.50 per cent. per annum payable annually in arrear

(ii) Interest Payment Date(s): 13 July in each year commencing on 13 July 2007 up to and including the Final Maturity Date

(iii) Fixed Coupon Amount(s): The Fixed Coupon Amount shall be €2,250 per €50,000 in nominal amount and €45 per €1,000 in nominal amount

(iv) Broken Amount(s): Not Applicable

(v) Day Count Fraction: Actual/Actual (ICMA)

(vi) Determination Date(s): 13 July in each year

(vii) Other terms relating to the method of calculating interest for Fixed Rate Covered Bonds: None

17. **Floating Rate Covered Bond Provisions** Not Applicable

18. **Zero Coupon Covered Bond Provisions** Not Applicable

19. **Index Linked Interest Covered Bond Provisions** Not Applicable

20. **Dual Currency Interest Covered Bond Provisions** Not Applicable

PROVISION RELATING TO REDEMPTION

21. Issuer Call: Not Applicable
22. Final Redemption Amount of each Covered Bond: €50,000 per Note of €50,000 Specified Denomination and €1,000 per integral multiple of €1,000 in excess thereof.
- For so long as the Notes are represented by a Global Note and Euroclear and Clearstream, Luxembourg so permit, the Notes shall be tradeable in minimum nominal amounts of €50,000 and integral multiples of €1,000 thereafter.
- If Definitive Notes are required to be issued in the circumstances specified in the Permanent Global Note they will only be printed and issued in the denomination of €50,000.
- Accordingly, if Definitive Notes are required to be issued, a Noteholder holding Notes having an original nominal amount which cannot be fully represented by Definitive Notes in the denomination of €50,000 will not be able to receive a Definitive Note in respect of the original nominal amount of the Notes by which the original nominal amount of such holding of Notes exceeds the next lowest integral multiple of €50,000, (the **Excess Amount**) and will not be able to receive interest or principal in respect of the Excess Amount.
23. Early Redemption Amount of each Covered Bond payable on redemption for taxation reasons, on acceleration following an HBOS Event of Default as against the Issuer and the Group Guarantors or an LLP Event of Default and/or the method of calculating the same (if required or if different from that set out in Condition 7(d)): As set out in Condition 7(d)

GENERAL PROVISIONS APPLICABLE TO THE COVERED BONDS

24. Form of Covered Bonds: Temporary Bearer Global Covered Bond exchangeable for a Permanent Bearer Global Covered Bond which is exchangeable for Covered Bonds in definitive form only upon (i) Euroclear and Clearstream, Luxembourg having been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or having announced an

intention permanently to cease business or having in fact done so and no successor clearing system being available or (ii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Covered Bonds represented by the Permanent Bearer Global Covered Bond in definitive form

25. Additional Financial Centre(s) or other special provisions relating to Payment Dates: Not Applicable
26. Talons for future Coupons or Receipts to be attached to Definitive Bearer Covered Bonds (and dates on which such Talons mature): No
27. Details relating to Instalment Covered Bonds:
- (i) Instalment Amount(s): Not Applicable
- (ii) Instalment Date(s): Not Applicable
28. Redenomination applicable: Redenomination not applicable
29. Additional U.S. Federal Income Tax Considerations: Not Applicable
30. Other Final Terms: Not Applicable

DISTRIBUTION

31. (i) If syndicated, names of Managers: ABN AMRO Bank N.V. London Branch
Dresdner Bank Aktiengesellschaft
Société Générale

(together the **Joint Lead Managers**)

Citigroup Global Markets Limited
Danske Bank A/S
IXIS Corporate and Investment Bank
Landesbank Baden-Württemberg
Morgan Stanley & Co. International Limited

(together with the Joint Lead Managers, the **Managers**)
- (ii) Stabilising Manager (if any): Not Applicable
32. If non-syndicated, name of relevant Dealer(s): Not Applicable

33. Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: TEFRA D
34. Additional selling restrictions: Not Applicable

LISTING AND ADMISSION TO TRADING

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Covered Bonds described herein pursuant to the €25,000,000,000 Covered Bond Programme of Bank of Scotland plc.

RESPONSIBILITY

Each of the Issuer, the Group Guarantors and the LLP accepts responsibility for the information contained in these Final Terms.

Signed on behalf of the Issuer:

Signed on behalf of HBOS plc:

By:

By:

Duly authorised

Duly authorised

Signed on behalf of the LLP:

By:

By:

Duly authorised

Duly authorised

PART B – OTHER INFORMATION

1. LISTING

(i) Listing:	Luxembourg
(ii) Admission to trading:	Application has been made for the Covered Bonds to be admitted to trading on the Luxembourg Stock Exchange's regulated market with effect from 13 July 2006
(iii) Estimate of total expenses related to admission to trading:	€4,500

2. RATINGS

Ratings:	The Covered Bonds to be issued have been rated:
S&P:	AAA
Moody's:	Aaa
Fitch:	AAA

3. NOTIFICATION

Not Applicable

4. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save for any fees payable to the Managers, so far as the Issuer is aware, no person involved in the issue of the Covered Bonds has an interest material to the offer.

5. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

(i) Reasons for the offer	Not Applicable
(ii) Estimated net proceeds:	Not Applicable
(iii) Estimated total expenses:	Not Applicable

6. YIELD (*Fixed Rate Covered Bonds only*)

Indication of yield:	4.595 per cent.
	The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

7. PERFORMANCE OF INDEX/FORMULA, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING (*Index-Linked Covered Bonds only*)

Not Applicable

8. PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT (*Dual Currency Covered Bonds only*)

Not Applicable

9. OPERATIONAL INFORMATION

(i)	ISIN Code:	XS0260981658
(ii)	Common Code:	026098165
(iii)	Any clearing system(s) other than Euroclear Bank S.A./N.V., and Clearstream Banking, société anonyme and DTC and the relevant identification number(s):	Not Applicable
(iv)	Delivery:	Delivery against payment
(v)	Names and addresses of additional Paying Agent(s) (if any):	Not Applicable

PART 2
SERIES 17 COVERED BONDS
FINAL TERMS
PART A – CONTRACTUAL TERMS

11 July 2006 and as amended and restated on 31 July 2015

Bank of Scotland plc

Issue of €1,500,000,000 4.375 per cent. Series 17 Covered Bonds due 13 July 2016
Unconditionally guaranteed by HBOS plc

and

Irrevocably and unconditionally guaranteed as to payment of principal and interest by
HBOS Covered Bonds LLP
under the €25 billion
Covered Bond Programme

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the offering circular dated 3 November 2005 as supplemented by a supplemental offering circular dated 6 July 2006 (the **Offering Circular**) which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**). This document constitutes the Final Terms of the Covered Bonds described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Offering Circular. Full information on the Issuer and the offer of the Covered Bonds is only available on the basis of the combination of these Final Terms and the Offering Circular. The Offering Circular is available for viewing at the registered office of the Issuer and the specified office of the Agent.

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| 1. | Issuer: | Bank of Scotland plc |
| | Guarantors: | HBOS plc and HBOS Covered Bonds LLP |
| 2. | Series Number: | 0017/06 |
| | Tranche Number: | 1 |
| 3. | Specified Currency or Currencies: | Euro (€) |
| 4. | Aggregate Nominal Amount: | |
| | (i) Series: | €1,500,000,000 |
| | (ii) Tranche: | €1,500,000,000 |
| 5. | Issue Price: | 99.817 per cent. of the Aggregate Nominal Amount |

6.	Specified Denominations: <i>(in the case of Registered Covered Bonds, this means the minimum integral amount in which transfers can be made)</i>	The Specified Denomination of the Notes shall be €50,000 provided that, for so long as the Notes are represented by a Global Note and the relevant clearing system(s) so permit, the Notes shall be tradable in integral multiples of €1,000 thereafter
7.	(i) Issue Date:	13 July 2006
	(ii) Interest Commencement Date:	13 July 2006
8.	Final Maturity Date:	13 July 2016
9.	Extended Due for Payment Date:	13 July 2017
10.	Interest Basis:	4.375 per cent. Fixed Rate (further particulars specified below)
11.	Redemption/Payment Basis:	Redemption at par
12.	Change of Interest Basis or Redemption/ Payment Basis:	<p>Applicable, from, and including, the Final Maturity Date (the Extension Date) (if applicable), to but excluding, the Extended Due for Payment Date (or, if earlier, the date on which the Final Redemption Amount, as defined in the Conditions, is paid in full), the following interest provisions apply:</p> <p>Interest Basis: 1 month EURIBOR +0.06 per cent.</p> <p>Interest Payment Dates: The 13th of each month from, and including the First Interest Payment Date set out below up to, and including, the earlier of (i) the Extended Due for Payment Date and (ii) the date on which the Final Redemption Amount in respect of the Covered Bonds described herein is paid in full, subject to adjustment in accordance with the Business Day Convention set out below</p> <p>First Interest Payment Date: 13th August 2016, provided that the Extension Date occurs in respect of the Covered Bonds described herein</p> <p>Additional Business Centre(s): Not Applicable</p> <p>Business Day Convention: Modified Following Business Day Convention</p> <p>Day Count Fraction: Actual/360</p> <p>Screen Rate Determination: Applicable</p>

Interest Determination Date: The second day on which TARGET2 is open prior to the start of each Interest Period

Relevant Screen Page: Reuters EURIBOR01 (or any replacement thereto)

13. Call Option: Not Applicable

14. (i) Status of the Covered Bonds: Senior

(ii) Status of the Guarantees: Senior

(iii) Date approval for issuance of Covered Bonds obtained: 3 July 2006

15. Method of distribution: Syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16. **Fixed Rate Covered Bond Provisions** Applicable from, and including, the Interest Commencement Date to, but excluding, the Final Maturity Date

(i) Rate(s) of Interest: 4.375 per cent. per annum payable annually in arrear

(ii) Interest Payment Date(s): 13 July in each year commencing on 13 July 2007 up to and including the Final Maturity Date

(iii) Fixed Coupon Amount(s): The Fixed Coupon Amount shall be €2,187.50 per €50,000 in nominal amount and €43.75 per €1,000 in nominal amount

(iv) Broken Amount(s): Not Applicable

(v) Day Count Fraction: Actual/Actual (ICMA)

(vi) Determination Date(s): 13 July in each year

(vii) Other terms relating to the method of calculating interest for Fixed Rate Covered Bonds: None

17. **Floating Rate Covered Bond Provisions** Not Applicable

18. **Zero Coupon Covered Bond Provisions** Not Applicable

19. **Index Linked Interest Covered Bond Provisions** Not Applicable

20. **Dual Currency Interest Covered Bond Provisions** Not Applicable

PROVISION RELATING TO REDEMPTION

21. Issuer Call: Not Applicable
22. Final Redemption Amount of each Covered Bond: €50,000 per Note of €50,000 Specified Denomination and €1,000 per integral multiple of €1,000 in excess thereof.
- For so long as the Notes are represented by a Global Note and Euroclear and Clearstream, Luxembourg so permit, the Notes shall be tradeable in minimum nominal amounts of €50,000 and integral multiples of €1,000 thereafter.
- If Definitive Notes are required to be issued in the circumstances specified in the Permanent Global Note they will only be printed and issued in the denomination of €50,000.
- Accordingly, if Definitive Notes are required to be issued, a Noteholder holding Notes having an original nominal amount which cannot be fully represented by Definitive Notes in the denomination of €50,000 will not be able to receive a Definitive Note in respect of the original nominal amount of the Notes by which the original nominal amount of such holding of Notes exceeds the next lowest integral multiple of €50,000, (the **Excess Amount**) and will not be able to receive interest or principal in respect of the Excess Amount.
23. Early Redemption Amount of each Covered Bond payable on redemption for taxation reasons, on acceleration following an HBOS Event of Default as against the Issuer and the Group Guarantors or an LLP Event of Default and/or the method of calculating the same (if required or if different from that set out in Condition 7(d)): As set out in Condition 7(d)

GENERAL PROVISIONS APPLICABLE TO THE COVERED BONDS

24. Form of Covered Bonds: Temporary Bearer Global Covered Bond exchangeable for a Permanent Bearer Global Covered Bond which is exchangeable for Covered Bonds in definitive form only upon (i) Euroclear and Clearstream, Luxembourg having been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or

having announced an intention permanently to cease business or having in fact done so and no successor clearing system being available or (ii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Covered Bonds represented by the Permanent Bearer Global Covered Bond in definitive form

25. Additional Financial Centre(s) or other special provisions relating to Payment Dates: Not Applicable
26. Talons for future Coupons or Receipts to be attached to Definitive Bearer Covered Bonds (and dates on which such Talons mature): No
27. Details relating to Instalment Covered Bonds:
- (i) Instalment Amount(s): Not Applicable
- (ii) Instalment Date(s): Not Applicable
28. Redenomination applicable: Redenomination not applicable
29. Additional U.S. Federal Income Tax Considerations: Not Applicable
30. Other Final Terms: Not Applicable

DISTRIBUTION

31. (i) If syndicated, names of Managers: ABN AMRO Bank N.V. London Branch
Dresdner Bank Aktiengesellschaft
Société Générale

(together the **Joint Lead Managers**)

Citigroup Global Markets Limited
Danske Bank A/S
IXIS Corporate and Investment Bank
Landesbank Baden-Württemberg
Morgan Stanley & Co. International Limited

(together with the Joint Lead Managers, the **Managers**)
- (ii) Stabilising Manager (if any): Not Applicable
32. If non-syndicated, name of relevant Dealer(s): Not Applicable

33. Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: TEFRA D
34. Additional selling restrictions: Not Applicable

LISTING AND ADMISSION TO TRADING

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Covered Bonds described herein pursuant to the €25,000,000,000 Covered Bond Programme of Bank of Scotland plc.

RESPONSIBILITY

Each of the Issuer, the Group Guarantors and the LLP accepts responsibility for the information contained in these Final Terms.

Signed on behalf of the Issuer:

Signed on behalf of HBOS plc:

By:

By:

Duly authorised

Duly authorised

Signed on behalf of the LLP:

By:

By:

Duly authorised

Duly authorised

PART B – OTHER INFORMATION

1. LISTING

(i) Listing:	Luxembourg
(ii) Admission to trading:	Application has been made for the Covered Bonds to be admitted to trading on the Luxembourg Stock Exchange's regulated market with effect from 13 July 2006
(iii) Estimate of total expenses related to admission to trading:	€4,500

2. RATINGS

Ratings:	The Covered Bonds to be issued have been rated:
S&P:	AAA
Moody's:	Aaa
Fitch:	AAA

3. NOTIFICATION

Not Applicable

4. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save for any fees payable to the Managers, so far as the Issuer is aware, no person involved in the issue of the Covered Bonds has an interest material to the offer.

5. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

(i) Reasons for the offer	Not Applicable
(ii) Estimated net proceeds:	Not Applicable
(iii) Estimated total expenses:	Not Applicable

6. YIELD (*Fixed Rate Covered Bonds only*)

Indication of yield:	4.398 per cent.
	The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

7. PERFORMANCE OF INDEX/FORMULA, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING (*Index-Linked Covered Bonds only*)

Not Applicable

8. PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT (*Dual Currency Covered Bonds only*)

Not Applicable

9. OPERATIONAL INFORMATION

(i)	ISIN Code:	XS0260981229
(ii)	Common Code:	026098122
(iii)	Any clearing system(s) other than Euroclear Bank S.A./N.V., and Clearstream Banking, société anonyme and DTC and the relevant identification number(s):	Not Applicable
(iv)	Delivery:	Delivery against payment
(v)	Names and addresses of additional Paying Agent(s) (if any):	Not Applicable

PART 3
SERIES 23 COVERED BONDS

FINAL TERMS

PART A – CONTRACTUAL TERMS

6 June 2007 and as amended and restated on 31 July 2015

Bank of Scotland plc

Issue of €1,250,000,000 4.75 per cent. Series 23 Covered Bonds due 8 June 2022
Unconditionally guaranteed by HBOS plc

and

Irrevocably and unconditionally guaranteed as to payment of principal and interest by
HBOS Covered Bonds LLP
under the €60 billion
Covered Bond Programme

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the offering circular dated 9 May 2007 (the **Offering Circular**) which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**). This document constitutes the Final Terms of the Covered Bonds described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Offering Circular. Full information on the Issuer and the offer of the Covered Bonds is only available on the basis of the combination of these Final Terms and the Offering Circular. The Offering Circular is available for viewing at the registered office of the Issuer and the specified office of the Agent.

- | | | |
|----|-----------------------------------|---|
| 1. | Issuer: | Bank of Scotland plc |
| | Guarantors: | HBOS plc and HBOS Covered Bonds LLP |
| 2. | Series Number: | 0023/07 |
| | Tranche Number: | 1 |
| 3. | Specified Currency or Currencies: | Euro (€) |
| 4. | Aggregate Nominal Amount: | |
| | (i) Series: | €1,250,000,000 |
| | (ii) Tranche: | €1,250,000,000 |
| 5. | Issue Price: | 99.60 per cent. of the Aggregate Nominal Amount |

6.	Specified Denominations: <i>(in the case of Registered Covered Bonds, this means the minimum integral amount in which transfers can be made)</i>	The Specified Denomination of the Covered Bonds shall be €50,000 and integral multiples of €1,000 in excess thereof up to and including €99,000. No Covered Bonds in definitive form will be issued with a denomination above €99,000
7.	(i) Issue Date:	8 June 2007
	(ii) Interest Commencement Date:	8 June 2007
8.	Final Maturity Date:	8 June 2022
9.	Extended Due for Payment Date:	8 June 2023
10.	Interest Basis:	4.75 per cent. Fixed Rate (further particulars specified below)
11.	Redemption/Payment Basis:	Redemption at par
12.	Change of Interest Basis or Redemption/ Payment Basis:	<p>Applicable, from, and including, the Final Maturity Date (the Extension Date) (if applicable), to but excluding, the Extended Due for Payment Date (or, if earlier, the date on which the Final Redemption Amount, as defined in the Conditions, is paid in full), the following interest provisions apply:</p> <p>Interest Basis: 1 month EURIBOR +0.06 per cent.</p> <p>Interest Payment Dates: The 8th of each month from, and including the First Interest Payment Date set out below up to, and including, the earlier of (i) the Extended Due for Payment Date and (ii) the date on which the Final Redemption Amount in respect of the Covered Bonds described herein is paid in full, subject to adjustment in accordance with the Business Day Convention set out below</p> <p>First Interest Payment Date: 8th July 2022, provided that the Extension Date occurs in respect of the Covered Bonds described herein</p> <p>Additional Business Centre(s): Not Applicable</p> <p>Business Day Convention: Modified Following Business Day Convention</p> <p>Day Count Fraction: Actual/360</p> <p>Screen Rate Determination: Applicable</p>

Interest Determination Date: The second day on which TARGET2 is open prior to the start of each Interest Period

Relevant Screen Page: Reuters EURIBOR01 (or any replacement thereto)

13. Call Option: Not Applicable
14. (i) Status of the Covered Bonds: Senior
- (ii) Status of the Guarantees: Senior
- (iii) Date approval for issuance of Covered Bonds obtained: 22 January 2007
15. Method of distribution: Syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16. **Fixed Rate Covered Bond Provisions** Applicable from, and including, the Interest Commencement Date to, but excluding, the Final Maturity Date
- (i) Rate(s) of Interest: 4.75 per cent. per annum payable annually in arrear
- (ii) Interest Payment Date(s): 8 June in each year up to and including the Final Maturity Date.
- (iii) Fixed Coupon Amount(s): The Fixed Coupon Amount shall be €2,375.00 per €50,000 in nominal amount and €47.50 per €1,000 in nominal amount
- (iv) Broken Amount(s): Not Applicable
- (v) Day Count Fraction: Actual/Actual (ICMA)
- (vi) Determination Date(s): 8 June in each year
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Covered Bonds: None
17. **Floating Rate Covered Bond Provisions** Not Applicable
18. **Zero Coupon Covered Bond Provisions** Not Applicable
19. **Index Linked Interest Covered Bond Provisions** Not Applicable
20. **Dual Currency Interest Covered Bond Provisions** Not Applicable

PROVISION RELATING TO REDEMPTION

21. Issuer Call: Not Applicable
22. Final Redemption Amount of each Covered Bond: €50,000 per Covered Bond of €50,000 Specified Denomination and €1,000 per integral multiple of €1,000 in excess thereof.
- For the avoidance of doubt, in the case of a holding of Covered Bonds in an integral multiple of €1,000 in excess of €50,000 as envisaged in paragraph 6 above, such holding will be redeemed at its nominal amount.
23. Early Redemption Amount of each Covered Bond payable on redemption for taxation reasons, on acceleration following an HBOS Event of Default as against the Issuer and the Group Guarantors or an LLP Event of Default and/or the method of calculating the same (if required or if different from that set out in Condition 7(d)): As set out in Condition 7(d)

GENERAL PROVISIONS APPLICABLE TO THE COVERED BONDS

24. (a) Form of Covered Bonds: Temporary Bearer Global Covered Bond exchangeable for a Permanent Bearer Global Covered Bond which is exchangeable for Covered Bonds in definitive form only upon (i) Euroclear and Clearstream, Luxembourg having been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or having announced an intention permanently to cease business or having in fact done so and no successor clearing system being available or (ii) the Issuer has or will become subject to adverse tax consequences as a result of legislative changes in the domicile of the Issuer which would not be suffered were the Covered Bonds represented by the Permanent Bearer Global Covered Bond in definitive form
- (b) New Global Covered Bond Yes
25. Additional Financial Centre(s) or other special provisions relating to Payment Dates: Not Applicable

26. Talons for future Coupons or Receipts to be attached to Definitive Bearer Covered Bonds (and dates on which such Talons mature): No
27. Details relating to Instalment Covered Bonds:
- (i) Instalment Amount(s): Not Applicable
- (ii) Instalment Date(s): Not Applicable
28. Redenomination applicable: Redenomination not applicable
29. Additional U.S. Federal Income Tax Considerations: Not Applicable
30. Other Final Terms: Not Applicable

DISTRIBUTION

31. (i) If syndicated, names of Managers: Dresdner Bank Aktiengesellschaft
DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main
IXIS Corporate & Investment Bank

(together the **Joint Lead Managers**)

Landesbank Baden-Württemberg
Danske Bank A/S
Société Générale
UBS Limited

(together with the Joint Lead Managers, the **Managers**)
- (ii) Stabilising Manager (if any): Not Applicable
32. If non-syndicated, name of relevant Dealer(s): Not Applicable
33. Whether TEFRA D rules applicable or TEFRA rules not applicable: TEFRA D
34. Additional selling restrictions: Not Applicable

LISTING AND ADMISSION TO TRADING

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Covered Bonds described herein pursuant to the €60,000,000,000 Covered Bond Programme of Bank of Scotland plc.

RESPONSIBILITY

Each of the Issuer, HBOS plc and HBOS Covered Bonds LLP accepts responsibility for the information contained in these Final Terms.

Signed on behalf of the Issuer:

Signed on behalf of HBOS plc:

By:

By:

By:

By:

Duly authorised

Duly authorised

Signed on behalf of HBOS Covered Bonds LLP

By:

By:

By:

Duly authorised

Duly authorised

PART B – OTHER INFORMATION

1. LISTING

(i) Listing:	Luxembourg
(ii) Admission to trading:	Application has been made for the Covered Bonds to be admitted to trading on the Luxembourg Stock Exchange's regulated market with effect from 8 June 2007
(iii) Estimate of total expenses related to admission to trading:	€6,100

2. RATINGS

Ratings:	The Covered Bonds to be issued have been rated:
S&P:	AAA
Moody's:	Aaa
Fitch:	AAA

3. NOTIFICATION

Not Applicable

4. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save for any fees payable to the Managers, so far as the Issuer is aware, no person involved in the issue of the Covered Bonds has an interest material to the offer.

5. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

(i) Reasons for the offer	Not Applicable
(ii) Estimated net proceeds:	Not Applicable
(iii) Estimated total expenses:	Not Applicable

6. YIELD (*Fixed Rate Covered Bonds only*)

Indication of yield:	4.788 per cent.
	The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

7. PERFORMANCE OF INDEX/FORMULA, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING (*Index-Linked Covered Bonds only*)

Not Applicable

8. PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT (*Dual Currency Covered Bonds only*)

Not Applicable

9. OPERATIONAL INFORMATION

(i)	ISIN Code:	XS0304459026
(ii)	Common Code:	030445902
(iii)	Any clearing system(s) other than Euroclear Bank S.A./N.V., and Clearstream Banking, société anonyme and DTC and the relevant identification number(s):	Not Applicable
(iv)	Delivery:	Delivery against payment
(v)	Names and addresses of additional Paying Agent(s) (if any):	Not Applicable
(vi)	Intended to be held in a manner which would allow Eurosystem eligibility:	Yes

PART 4
SERIES 26 COVERED BONDS

FINAL TERMS

PART A – CONTRACTUAL TERMS

14 December 2007 and as amended and restated on 31 July 2015

Bank of Scotland plc

**Issue of DKK 4,680,000,000 Floating Rate Series 26 Covered Bonds due January 2018
Unconditionally guaranteed by HBOS plc**

and

**Irrevocably and unconditionally guaranteed as to payment of principal and interest by
HBOS Covered Bonds LLP
under the €60 billion
Covered Bond Programme**

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the offering circular dated 9 May 2007 (the **Offering Circular**) as supplemented by supplemental offering circulars dated 28 August 2007 and 17 September 2007, which together constitute a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**). This document constitutes the Final Terms of the Covered Bonds described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Offering Circular as so supplemented. Full information on the Issuer and the offer of the Covered Bonds is only available on the basis of the combination of these Final Terms and the Offering Circular as so supplemented. The Offering Circular is available for viewing at the registered office of the Issuer and the specified office of the Agent.

- | | | |
|----|---|---|
| 1. | Issuer: | Bank of Scotland plc |
| | Guarantors: | HBOS plc and HBOS Covered Bonds LLP |
| 2. | Series Number: | 0026/07 |
| | Tranche Number: | 1 |
| 3. | Specified Currency or Currencies: | Danish Kroner (DKK) |
| 4. | Aggregate Nominal Amount: | |
| | (i) Series: | DKK 4,680,000,000 |
| | (ii) Tranche: | DKK 4,680,000,000 |
| 5. | Issue Price: | 100 per cent. of the Aggregate Nominal Amount |
| 6. | Specified Denominations: | The Specified Denomination of the Covered Bonds shall be DKK 500,000. No Covered Bonds in definitive form will be issued. |
| | <i>(in the case of Registered Covered Bonds, this means the</i> | |

minimum integral amount in which transfers can be made)

7. (i) Issue Date: 18 December 2007
(ii) Interest Commencement Date: 18 December 2007
8. Final Maturity Date: 1 January 2018
9. Extended Due for Payment Date: 1 January 2019
10. Interest Basis: 6 month DKK CIBOR plus 0.29 per cent. Floating Rate (further particulars specified below)
11. Redemption/Payment Basis: Redemption at par
12. Change of Interest Basis or Redemption/ Payment Basis: Applicable, Interest will be paid monthly applicable from, and including, the Final Maturity Date (the **Extension Date**) (if applicable), to but excluding, the Extended Due for Payment Date (or, if earlier, the date on which the Final Redemption Amount, as defined in the Conditions, is paid in full) , the following interest provisions apply:

Interest Basis: 1 month CIBOR +0.29 per cent.

Interest Payment Dates: 1st of each month from, and including the First Interest Payment Date set out below up to, and including, the earlier of (i) the Extended Due for Payment Date and (ii) the date on which the Final Redemption Amount in respect of the Covered Bonds described herein is paid in full, subject to adjustment in accordance with the Business Day Convention set out below

First Interest Payment Date: 1st February 2018, provided that the Extension Date occurs in respect of the Covered Bonds described herein

Additional Business Centre(s): Copenhagen and TARGET

Business Day Convention: Modified Following Business Day Convention

Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): Danske Bank A/S

Day Count Fraction: Actual/360 (adjusted)

Screen Rate Determination: Applicable

Interest Determination Date: 2 Business Days prior to each Interest Period

Relevant Screen Page: The website of NASDAQ OMX Nordic
 (<http://www.nasdaqomxnordic.com/bonds/denmark/cibor>)
 or any successor page to such screen page or successor
 publisher of CIBOR from time to time

13. Call Option: Not Applicable

14. (i) Status of the Covered Bonds: Senior

(ii) Status of the Guarantees: Senior

(iii) Date approval for issuance of Covered Bonds obtained: 27 November 2007

15. Method of distribution: Non-Syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16. **Fixed Rate Covered Bond Provisions** Not Applicable

17. **Floating Rate Covered Bond Provisions** Applicable from, and including, the Interest Commencement Date to, but excluding, the Final Maturity Date

(i) Specified Period(s)/Specified Interest Payment Dates: Interest will be payable semi-annually in arrears, on 1 January and 1 July, in each year from and including 2 January 2008 to and including Final Maturity Date, subject to adjustment in accordance with the Modified Following Business Day Convention. For the first Interest Period there will be a short first coupon on 2 January 2008 which will be fixed with reference to 2 week DKK CIBOR.

The first Interest Period will be from (and including) 18 December 2007 to (but excluding) the first Interest Payment Date in 2008. Subsequent Interest Periods will be from (and including) the relevant Interest Payment Date to (but excluding) the next following Interest Payment Date, with the final Interest Period being from (and including) the last Interest Payment Date in 2017 to (but excluding) the Final Maturity Date.

(ii) Business Day Convention: Modified Following Business Day Convention

(iii) Additional Business Centre(s) Copenhagen and TARGET

(iv) Manner in which the Rate of Interest and Interest Screen Rate Determination

- Amount is to be determined:
- (v) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): Danske Bank A/S
 - (vi) Screen Rate Determination
 - Reference Rate: 6 Month DKK CIBOR
 - Interest Determination Date(s): 2 Business Days prior to each Interest Period
 - Relevant Screen Page: The website of NASDAQ OMX Nordic (<http://www.nasdaqomxnordic.com/bonds/denmark/cibor>) or any successor page to such screen page or successor publisher of CIBOR from time to time
 - (vii) ISDA Determination: Not Applicable
 - Floating Rate Option:
 - Designation Maturity:
 - Reset Date:
 - (viii) Margin(s): plus 0.29 per cent. per annum
 - (ix) Minimum Rate of Interest: Not Applicable
 - (x) Maximum Rate of Interest: Not Applicable
 - (xi) Day Count Fraction: Actual/360 – Adjusted
 - (xii) Fall back provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Covered Bonds, if different from those set out in the Conditions: 6 Month DKK CIBOR shall be the 6-month CIBOR published by NASDAQ OMX Nordic on each relevant Interest Determination Date. If NASDAQ OMX Nordic does not publish the mentioned CIBOR on any such relevant Interest Determination Date, the party responsible for calculating the Rate of Interest and Interest Amount will instead obtain quotes from another similar 6-month money market instrument (which shall in such event replace CIBOR on any such relevant Interest Determination Date) and will, on the basis of such quotes, calculate the Rate of Interest and Interest Amount.

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|-----|---|----------------|
| 18. | Zero Coupon Covered Bond Provisions | Not Applicable |
| 19. | Index Linked Interest Covered Bond Provisions | Not Applicable |
| 20. | Dual Currency Interest Covered Bond Provisions | Not Applicable |

PROVISION RELATING TO REDEMPTION

- | | | |
|-----|--|---|
| 21. | Issuer Call: | Not Applicable |
| 22. | Final Redemption Amount of each Covered Bond: | DKK 500,000 per Covered Bond of DKK 500,000 Specified Denomination. |
| 23. | Early Redemption Amount of each Covered Bond payable on redemption for taxation reasons, on acceleration following an HBOS Event of Default as against the Issuer and the Group Guarantors or an LLP Event of Default and/or the method of calculating the same (if required or if different from that set out in Condition 7(d)): | As set out in Condition 7(d) |

GENERAL PROVISIONS APPLICABLE TO THE COVERED BONDS

- | | | |
|-----|----------------------------|---|
| 24. | (a) Form of Covered Bonds: | The Covered Bonds will be represented by a VP global covered bond (the VP Global Covered Bond) in substantially the form set out in the Fifth Supplemental Trust Deed to be entered into between the Issuer, the Guarantors and Citicorp Trustee Company Limited as Bond Trustee and Security Trustee on 14 December 2007 (the Fifth Supplemental Trust Deed). Interests in the Covered Bonds represented by the VP Global Covered Bond will be registered in Værdipapircentralen A/S (VP Securities – the Danish clearing system) (VP). |
|-----|----------------------------|---|

The VP Global Covered bond shall be controlled and held in custody by Danske Bank A/S as account holding institute for and on behalf of the Issuer in accordance with the provisions of the Danish Government Regulation No. 1168 of 1 December 2004 (the **Government Regulation**) on the registration of funds assets in a securities centre. In compliance with Section 3 of the Government Regulation, the VP Global Covered Bond can only be held in favour of Danske Bank A/S acting in its capacity as account holding institute on behalf of holders for the time being registered in VP.

As long as interests in the Covered Bonds are registered in VP, Danske Bank A/S in its capacity as depositary will agree to refrain from exercising any rights given to it as depositary under the VP Global Covered Bond unless instructed to the contrary in respect of any Covered Bond by the Issuer.

Interests in the VP Global Covered Bond will not be exchangeable for Definitive Covered Bonds.

- | | | |
|-----|--|---|
| (b) | New Global Covered Bond | No |
| 25. | Additional Financial Centre(s) or other special provisions relating to Payment Dates: | Not Applicable |
| 26. | Talons for future Coupons or Receipts to be attached to Definitive Bearer Covered Bonds (and dates on which such Talons mature): | No |
| 27. | Details relating to Instalment Covered Bonds: | |
| | (i) Instalment Amount(s): | Not Applicable |
| | (ii) Instalment Date(s): | Not Applicable |
| 28. | Redenomination applicable: | Redenomination not applicable |
| 29. | Additional U.S. Federal Income Tax Considerations | Not Applicable |
| 30. | Other Final Terms: | Interests in the Covered Bonds will be registered in and cleared through VP. All references in the Terms and Conditions to Clearstream, Luxembourg and/or Euroclear shall, whenever the context so permits, be deemed to include references to VP. In addition, all references in the Terms and Conditions to the Agent shall, whenever the context so permits, be deemed to include references to Danske Bank A/S in its capacity as Exclusive Agent in respect of the Covered Bonds. |

The governing law of the Covered Bonds shall be English law. Without prejudice to the provisions of Condition 2, with regard to the registration of the Covered Bonds in VP, the governing law shall be Danish law and the jurisdiction shall be the courts of Denmark.

Settlement of purchase and sale transactions takes place on a registration against payment basis two Copenhagen Business Days after the transaction date. Transfer of

ownership to the Covered Bonds will be made in accordance with the rules of VP. **Copenhagen Business Day** shall mean a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in Copenhagen.

Payments of principal and interest on the Covered Bonds will be effected via VP by Danske Bank A/S, acting as the Exclusive Paying Agent in respect of the Covered Bonds.

Notwithstanding the provisions of Condition 14 (*Notices*), for as long as the Covered Bonds are represented by the VP Global Covered Bond and the VP Global Covered Bond is being held by Danske Bank A/S as depositary, notices to the holders of the Covered Bonds may be given by delivery of the relevant notice to VP and, in any such case, such notices shall be deemed to have been validly given to the holders of the Covered Bonds in accordance with Condition 14 (*Notices*) on the date of delivery to VP.

DISTRIBUTION

31. (i) If syndicated, names of Managers: Not Applicable
- (ii) Stabilising Manager (if any): Not Applicable
32. If non-syndicated, name of relevant Dealer(s): Danske Bank A/S
33. Whether TEFRA D rules applicable or TEFRA rules not applicable: Not Applicable
34. Additional selling restrictions: Not Applicable

LISTING AND ADMISSION TO TRADING

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Covered Bonds described herein pursuant to the €60,000,000,000 Covered Bond Programme of Bank of Scotland plc.

RESPONSIBILITY

Each of the Issuer, HBOS plc and HBOS Covered Bonds LLP accepts responsibility for the information contained in these Final Terms.

Signed on behalf of the Issuer:

Signed on behalf of HBOS plc:

By:

By:

By:

By:

Duly authorised

Duly authorised

Signed on behalf of HBOS Covered Bonds LLP

By:

Duly authorised

PART B – OTHER INFORMATION

1. LISTING

(i) Listing:	OMX Nordic Exchange Copenhagen A/S
(ii) Admission to trading:	Application has been made for the Covered Bonds to be admitted to trading on the OMX Nordic Exchange Copenhagen A/S's regulated market with effect on or about 18 December 2007
(iii) Estimate of total expenses related to admission to trading:	DKK 20,000

2. RATINGS

Ratings:	The Covered Bonds to be issued have been rated:
S&P:	AAA
Moody's:	Aaa
Fitch:	AAA

3. NOTIFICATION

The Commission de Surveillance du Secteur Financier has provided the Danish Financial Supervisory Authority (*Finanstilsynet*) with a certificate of approval attesting that the Prospectus has been drawn up in accordance with the Prospective Directive.

4. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save for any fees payable to the Managers, so far as the Issuer is aware, no person involved in the issue of the Covered Bonds has an interest material to the offer.

5. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

(i) Reasons for the offer	Not Applicable
(ii) Estimated net proceeds:	Not Applicable
(iii) Estimated total expenses:	Not Applicable

6. YIELD (*Fixed Rate Covered Bonds only*)

Indication of yield:	Not Applicable
	The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

7. PERFORMANCE OF INDEX/FORMULA, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING (*Index-Linked Covered Bonds only*)

Not Applicable

8. PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT (*Dual Currency Covered Bonds only*)

Not Applicable

9. OPERATIONAL INFORMATION

(i)	ISIN Code:	DK0030075023
(ii)	Common Code:	Not Applicable
(iii)	Any clearing system(s) other than Euroclear Bank S.A./N.V., and Clearstream Banking, société anonyme and DTC and the relevant identification number(s):	VP Securities A/S Weidekampsgade 14 P.O. Box 4040 DK-2300 Copenhagen S Denmark
(iv)	Delivery:	Delivery against payment
(v)	Names and addresses of additional Paying Agent(s) (if any):	Danske Bank A/S 2-12 Holmens Kanal DK-1092 Copenhagen Denmark
(vi)	Intended to be held in a manner which would allow Eurosystem eligibility:	No

SIGNATORIES

EXECUTED as a **DEED** by)
BANK OF SCOTLAND PLC)
acting by its attorney in the presence of:)

Witness: )
Name: **GARY STAINES**)

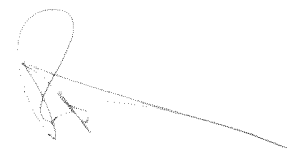
Address: **10 GRESHAM ST. LONDON**)
)



EXECUTED as a **DEED** by)
HBOS PLC)
acting by its attorney in the presence of:)

Witness: )
Name: **GARY STAINES**)

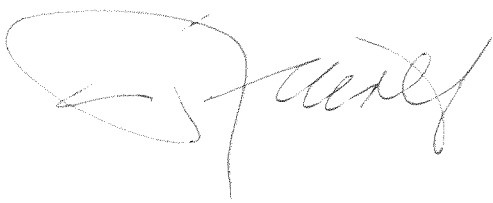
Address: **10 GRESHAM ST. LONDON**)
)



EXECUTED as a **DEED** by)
HBOS COVERED BONDS LLP)
acting by its attorney in the presence of:)

Witness: Ia. Russell)
Name: **IAIN RUSSELL**)

Address: **10 GRESHAM ST**)
LONDON)
EC2V 7AE)



EXECUTED as a **DEED** by)
CITICORP TRUSTEE COMPANY)
LIMITED in its capacity as Bond Trustee)
and Security Trustee)
acting by two Directors/a Director and)
a Secretary)

SIGNATORIES

EXECUTED as a DEED by)
BANK OF SCOTLAND PLC)
acting by its attorney in the presence of:)

Witness:)
Name:)
Address:)
)


EXECUTED as a DEED by)
HBOS PLC)
acting by its attorney in the presence of:)

Witness:)
Name:)
Address:)
)

EXECUTED as a DEED by)
HBOS COVERED BONDS LLP)
acting by its attorney in the presence of:)

Witness:)
Name:)
Address:)
)

EXECUTED as a DEED by)
CITICORP TRUSTEE COMPANY)
LIMITED in its capacity as Bond Trustee)
and Security Trustee)
acting by ~~two Directors/a Director and~~)
~~a Secretary~~ witnessed by)


RICK YANG



Citigroup Centre, 25 Canada Square
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