

**Bank of Scotland plc**  
(the Issuer)

*(Incorporated with limited liability in Scotland with registered number SC 327000)*

**NOTICE**

to the holders of those of the:

EUR 1,250,000,000 Series 4 Covered Bonds due 2019 (ISIN: XS0193640629)

EUR 2,000,000,000 Series 5 Covered Bonds due 2014 (ISIN: XS0201674594)

GBP 500,000,000 Series 6 Covered Bonds due 2014 (ISIN: XS0208047778)

EUR 1,500,000,000 Series 7 Covered Bonds due 2020 (ISIN: XS0212074388)

EUR 1,500,000,000 Series 16 Covered Bonds due 2021 (ISIN: XS0260981658)

EUR 1,500,000,000 Series 17 Covered Bonds due 2016 (ISIN: XS0260981229)

USD 3,000,000,000 Series 21 Covered Bonds due 2017 (ISIN: XS0286774483;

US40411EAB48; CUSIP: 40411EAB4)

EUR 1,250,000,000 Series 22 Covered Bonds due 2017 (ISIN: XS0304458721)

EUR 1,250,000,000 Series 23 Covered Bonds due 2022 (ISIN: XS0304459026)

EUR 2,000,000,000 Series 25 Covered Bonds due 2015 (ISIN: XS0327502224)

DKK 4,680,000,000 Series 26 Covered Bonds due 2018 (ISIN: DK0030075023)

EUR 850,000,000 Series 41 Covered Bonds due 2016 (ISIN: XS0496583468)

(the Covered Bonds)

of the Issuer presently outstanding

unconditionally and irrevocably guaranteed as to payments of interest and principal by  
HBOS Covered Bonds LLP under the EUR 60 billion Covered Bond Programme

Capitalised terms used but not defined in this Announcement shall have the meanings given to them in the Prospectus dated 10 March 2010.

**NOTICE IS HEREBY GIVEN** to the holders of the above Covered Bonds in accordance with Condition 14 (*Notices*) that with effect on and from 30 April 2014, the Bond Trustee and the Security Trustee have consented to HBOS Covered Bonds LLP adhering to the ISDA 2013 EMIR Portfolio Reconciliation, Dispute Resolution and Disclosure Protocol (the **Protocol**) in order to comply with the risk mitigation requirements of European Regulation 648/2012 of 4 July 2012 of the European Parliament and of the Council on OTC Derivatives, Central Counterparties and Trade Repositories (the **European Market Infrastructure Regulation** or **EMIR**).

In addition notice is hereby given to the holders of the above Covered Bonds in accordance with Condition 14 (*Notices*) that *inter alios*, the LLP and the Cash Manager have made, certain amendments to the cash management agreement dated 18 July 2003, as amended and restated on 5 September 2012 and 21 December 2012 (the **Cash Management Agreement**) by way of a side letter (the **Side Letter**) pursuant to which the Cash Manager has agreed to perform on behalf of the LLP certain additional services in order to ensure that the LLP is complying with its obligations under EMIR. These additional services will be performed at no additional cost to the LLP.

The amendments to the Cash Management Agreement were effected on 30 April 2014.

Documentation effecting each of the amendments to the Cash Management Agreement will be available from the website set out below from 1 May 2014: <http://www.lloydsbankinggroup.com/investors/debt-investors/covered-bonds/#>

Notice is given by

**Bank of Scotland plc**

By: \_\_\_\_\_



Dated: 2 May 2014

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