

**Final Terms dated 11 October 2007**

**HBOS plc**

**Issue of EUR 160,000,000 Subordinated 5.374% Fixed Rate Notes due 30 June 2021  
(the "Instruments")**

**issued under the USD 120,000,000,000 Programme for the Issuance of Debt Instruments of  
HBOS plc and Bank of Scotland plc (acting through its Treasury Division, London office  
and Australia branch)**

**PART A – CONTRACTUAL TERMS**

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Prospectus dated 1 May 2007 (the "**Prospectus**") and the supplemental Prospectuses dated 1 August 2007 and 17 September 2007 and any other supplements to the Prospectus issued by the Issuer, 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 Instruments described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Prospectus as so supplemented. Full information on the Issuer and the offer of the Instruments is only available on the basis of the combination of these Final Terms and the Prospectus. The Prospectus and the supplemental Prospectuses are available for viewing in respect of HBOS plc and Bank of Scotland, at the offices of Shepherd and Wedderburn LLP, Level 2, Saltire Court, 20 Castle Terrace, Edinburgh EH1 2ET, and, in the case of each of them, at the specified office of the Principal Paying Agent.

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|----|--|---|
| 1. | Issuer:  | HBOS plc  |
| 2. | Series Number:   | HBOS 0033   |
| 3. | Specified Currency or Currencies:                              | Euro ("EUR")  |
| 4. | Aggregate Principal Amount of Instruments admitted to trading: | EUR 160,000,000   |
| 5. | Issue Price:   | 100 per cent of the Aggregate Principal Amount            |
| 6. | Specified Denominations:                                       | EUR 100,000   |
| 7. | Issue Date:  | 15 October 2007   |
| 8. | Maturity Date:   | 30 June 2021  |
| 9. | Interest Basis:  | Interest Bearing. Condition 5A (Fixed Rate) is applicable |

*(Further particulars specified below)*

5.374% per annum

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|-----|---|---|
| 10. | Redemption/Payment Basis:                                       | Redemption at par   |
| 11. | Change of Interest or Redemption/Payment Basis:                 | Not Applicable  |
| 12. | Put/Call Options:   | Not Applicable  |
| 13. | (i) Status of the Instruments:                                  | Subordinated  |
|     |   | Conditions 3B.01 and 3B.02 apply                                |
|     |   | Conditions 7.01(i), 7.05, 7.07, 7.09, 7.10, 7.11 and 7.12 apply |
|     | (ii) Status of the Guarantee:                                   | Not Applicable  |
|     | (iii) Date Board approval for issuance of Instruments obtained: | Not Applicable  |
| 14. | Method of distribution:   | Non-syndicated  |

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

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|-----|---|--|
| 15. | <b>Fixed Rate Instrument Provisions</b> | Applicable   |
|     | (i) Rate of Interest:                   | 5.374 per cent. per annum payable annually in arrear.  |
|     | (ii) Interest Period(s):                | The period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each subsequent period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next Interest Payment Date |
|     |   | For the avoidance of doubt Interest Periods shall remain unadjusted for the purpose of calculating the Interest Amount payable in respect of the principal amount of each Specified Denomination   |
|     | (iii) Interest Payment Date(s):         | 30 June in each year commencing on 30 June 2008 up to and including the Maturity Date as adjusted in accordance with the Following Business Day Convention. A short first coupon will be due 30 June 2008.   |
|     | (iv) Fixed Coupon Amount(s):            | EUR 5,374.00 per EUR 100,000 in principal amount in respect of the Interest Payment Dates  |

|   |  |
|---|--|
|   | from and including 30 June 2009 to and including the Maturity Date   |
| (v) Broken Amount(s):   | EUR 3,806.58 per EUR 100,000 in principal amount in respect of the Interest Payment Date falling on 30 June 2008 |
| (vi) Relevant Financial Centre(s):  | London and TARGET Settlement Days  |
| (vii) Day Count Fraction:   | 30/360   |
| (viii) Determination Dates:   | Not Applicable   |
| (ix) Other terms relating to the method of calculating interest for Fixed Rate Instruments: | Not Applicable   |
| 16. <b>Floating Rate Instrument Provisions:</b>   | Not Applicable   |
| 17. <b>Non Interest Bearing Instrument Provisions</b>                                       | Not Applicable   |
| 18. <b>Index-Linked Interest Instruments</b>  | Not Applicable   |
| 19. <b>Dual Currency Instrument Provisions</b>  | Not Applicable   |
| 20. <b>Other Rates</b>  | Not Applicable   |

#### **PROVISIONS RELATING TO REDEMPTION**

|   |                              |
|---|------------------------------|
| 21. <b>Call Option (Instruments to which Condition 6.06 applies)</b>  | Not Applicable               |
| 22. <b>Put Option (Instruments to which Condition 6.09 applies)</b>   | Not Applicable               |
| 23. <b>Final Redemption Amount of each Instrument</b>   | Redemption at par            |
| 24. <b>Early Redemption Amount</b>  |                              |
| Early Redemption Amount(s) of each Instrument payable on redemption for taxation reasons or on default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions): | As set out in the Conditions |

## GENERAL PROVISIONS APPLICABLE TO THE INSTRUMENTS

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|-----|--|---|
| 25. | Form of Instruments:   | <b>Bearer Instruments:</b><br><br>Temporary Global Instrument exchangeable for a Permanent Global Instrument which is exchangeable for Definitive Instruments only upon the occurrence of an Exchange Event as specified in the Permanent Global Instrument |
| 26. | Relevant Financial Centre(s) or other special provisions relating to dates for payment or any amount due in respect of any Instrument:       | London and TARGET Settlement Days   |
| 27. | Talons for future Coupons or Receipts to be attached to Definitive Instruments (and dates on which such Talons mature):                      | No  |
| 28. | Details relating to Partly Paid Instruments: amount of each payment comprising the Issue Price and date on which each payment is to be made: | Not Applicable  |
| 29. | Details relating to Instalment Instruments: amount of each instalment, date on which each payment is to be made:                             | Not Applicable  |
| 30. | Redenomination, renominalisation and reconventioning provisions:   | Not Applicable  |
| 31. | New Global Instrument:   | Yes   |
| 32. | Other final terms:   | Not Applicable  |

## DISTRIBUTION

33. If syndicated, names of Managers: Not Applicable
34. If non-syndicated, name of Dealer: Citigroup Global Markets Limited
35. Total commission and concession: Not Applicable
36. Additional selling restrictions: Not Applicable

## LISTING AND ADMISSION TO TRADING APPLICATION

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Instruments described herein pursuant to the USD 120,000,000,000 Programme for the Issuance of Debt Instruments of HBOS plc and Bank of Scotland plc (acting through its Treasury Division, London office and Australia branch).

## RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. The Issuer confirms that, to the best of its knowledge, having taken all reasonable care to ensure that such is the case, such information is in accordance with the facts and does not omit anything likely to affect its import.

  
Signed on behalf of HBOS plc, as Issuer:

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

Duly authorised \_\_\_\_\_

## PART B - OTHER INFORMATION

### 1. LISTING

- (i) Listing: London.
- (ii) Admission to trading: Application has been made for the Instruments to be admitted to the Official List of the UK Listing Authority and to trading on the Gilt Edged and Fixed Interest market of the London Stock Exchange (the "**London Stock Exchange**") with effect from on or around the Issue Date.
- (iii) Estimate of total expenses related to admission to trading: GBP 3,700.00

### 2. RATINGS

- Ratings: The Instruments are expected to have the following ratings:
- S&P: A+
- Moody's: Aa3
- Fitch: AA-

### 3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save as discussed in "Subscription and Sale", so far as the Issuer is aware, no person involved in the offer of the Instruments has an interest material to the offer.

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

- Reasons for the offer See "Use of Proceeds" wording in Prospectus

### 5. YIELD

5.374 per cent. per annum

As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

### 6. OPERATIONAL INFORMATION

- ISIN Code: XS0324964666
- Common Code: 032496466
- Any clearing system(s) other Not Applicable

than Euroclear Bank SA/NV and  
Clearstream Banking Societe  
Anonyme and the relevant  
identification number(s):

Delivery:

Delivery against payment.

Names and addresses of  
additional Paying Agent(s) (if  
any):

Not Applicable

Intended to be held in a manner  
which would allow Eurosystem  
eligibility:

Yes

Note that the designation "yes" simply means that the Instruments are intended upon issue to be deposited with one of Euroclear and Clearstream, Luxembourg as common safekeeper and does not necessarily mean that the Instruments will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.