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Private and Confidential

Harry Baines
Companies' Secretary
HBOS plc
The Mound
Edinburgh
EH1 1YZ

Our ref rb

Contact Richard Bennison
020 7311 8934

27 February 2009

Dear Sir

Notification of resignation as auditors

We write to you in your capacity as company secretary of the companies listed in the Appendix to this letter.

Following the acquisition of the companies by Lloyds TSB plc, we hereby give notice of our resignation as auditors of each of the companies listed in the Appendix with effect from today. In accordance with section 519 of the Companies Act 2006, we enclose our statutory statement given in connection with our ceasing to act.

Under section 517 of the Companies Act 2006, you are required to file a copy of this letter of notice with the Registrar of Companies within 14 days of your receipt of this letter.

Under section 523 of the Companies Act 2006, you are required to make various notifications to the relevant audit authority in connection with our resignation. We consider that the audit of the financial statements of each of the companies listed in the Appendix falls within the definition of a major audit and therefore your notification should be made to the Professional Oversight Board.

Yours faithfully

KPMG Audit Plc

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*KPMG Audit Plc
Notification of resignation as auditors
27 February 2009*

Appendix

Company name

HBOS plc

Bank of Scotland plc

Company registered number

SC218813

SC327000 ✓