

CERTIFICATE PLUS

Japanese Banks - TOPIX-Banks Index

Euro Medium-Term Note (EMTN) / 3-Year Structured Note in USD

100% conditional capital protection / Kick-out Level applies on 25% fall of TOPIX-Banks Index / Subscriptions until 02.03.2007, 14:00 CET

Final terms

Issuer	Lloyds TSB Bank plc
Rating	Aaa (Moody's)
Currency	USD
Minimum investment	USD 100,000 (minimum increments of USD 10,000)
Underlying Index	TOPIX-Banks Index Bloomberg: TPNBNK Index
Subscription date	02.03.2007, 14:00 CET
Effective date	06.03.2007 (closing level)
Payment date	13.03.2007
Final Observation date	08.03.2010
Maturity and Repayment Value date	15.03.2010
Issue Price	100%
Conditional capital protection level*	100%
Participation ratio	130%
Kick-out Level (Event)	75% of TOPIX-Banks Index Start level
Index Start Level	Closing level of the TOPIX-Banks Index on the Effective date
Early Redemption fee	Please see under "What happens if I want to withdraw my investment before maturity"
Clearing	Euroclear / Clearstream
Security no.	3388 (temporary number: 462'536)

* Provided the TOPIX-Banks Index has never fallen by 25% or more (Kick-out Event) compared to the Index Start level during the life of the product.

What is it?

It is a Euro Medium-Term Note (EMTN) denominated in USD with a return linked to the performance of the TOPIX-Banks Index.

How does it work?

The note carries a 100% conditional capital protection. The capital protection will apply provided the TOPIX-Banks Index has never fallen at any time by 25% or more compared to the Index Start level during the life of the product. Otherwise, the return will be based on the performance of the TOPIX-Banks Index (calculated point-to-point from Effective date to Final Observation date) whether this performance is positive or negative.

Scenario 1, if a **Kick-out Event has NOT occurred** during the product's lifetime, you will receive the higher of

- 100% of the invested capital or
- 100% of the invested capital + 130% of the positive TOPIX-Banks Index performance over 3 years

Scenario 2, if a **Kick-out Event has occurred** during the product's lifetime, you will receive:

- 100% of the invested capital + 100% of the TOPIX-Banks Index performance (which can be negative) over 3 years, i.e. the product will lose its capital protection feature and enhanced participation ratio

A **Kick-out Event** shall be deemed to occur if the value of the TOPIX-Banks Index trades **at or below** the Kick-out Level at any time on any exchange business day during the period from and including the Effective date to and including the Final Index Observation date.

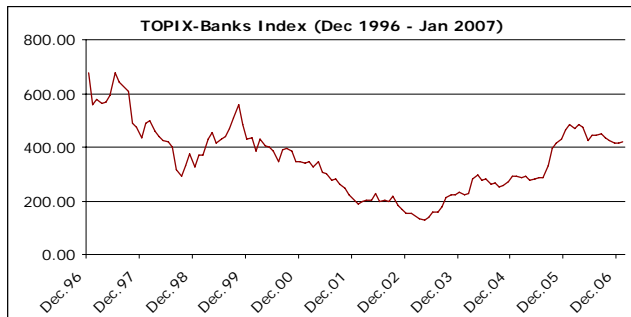
In both scenarios, the TOPIX-Banks Index performance is calculated 'point to point' from the Start date until the Maturity date, i.e. no averaging is used. You will find further details under the section "Calculation of Return".

Investment rationale

- Over the past year, Japan's banking sector has been left behind in the global stock market rally which can be attributed to its slowing earnings momentum. This situation creates an investment opportunity in the sector.
- Given the increase in lending growth figures, we expect the overall earnings of Japanese banks to recover after the spreads widen over the next 6 – 12 months.
- On the economic front Japan is experiencing a cyclical pause of the economic expansion that started in 2003.
- Our long-term growth scenario is intact and the economy should return to a 2.5% annual growth rate in the second half of 2007.
- This product is an attractive alternative to a medium-term investment directly into the underlying market. At maturity, the performance of the product will be at least as good as the underlying. If the Kick-out Level is never touched during the life of the product you will benefit from a full capital protection and an enhanced participation ratio.

The Index

The TOPIX-Banks Index (Bloomberg: TPNBNK Index) is a capitalisation-weighted index of all the banks listed on the First Section of the Tokyo Stock Exchange and is one of the 33 industry sectors of the TOPIX Index (TPX). The index is currently composed of 85 companies.



(Source: Bloomberg 07/02/07)

Top 5 Members with weighting

Mitsubishi UFJ Financial Group Inc	27.2%
Mizuho Financial Group Inc	19.0%
Sumitomo Mitsui Financial Group Inc	17.1%
Sumitomo Trust & Banking Co Ltd	4.4%
Resona Holdings Inc	3.6%

Source: Bloomberg 07/02/07

Who is it for?

This structure is designed for balanced and dynamic investors who are looking for medium term access to the Japanese Banks related Equity Market, with conditional capital protection.

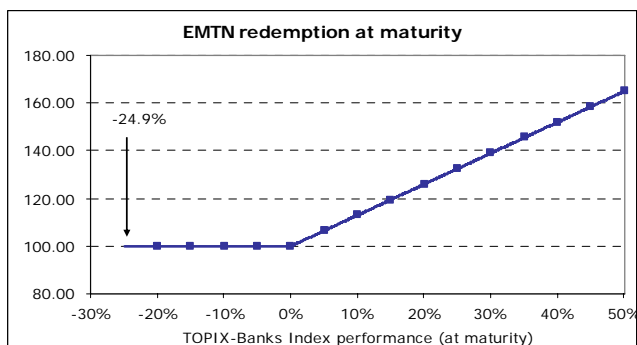
Scenario 1:

Pay-out Table

The TOPIX-Banks Index does not decrease by 25% or more (Kick-out Event) at any stage during the product's lifetime.

3 year TOPIX-Banks Index performance	3 year EMTN payout at maturity
-24.9%	100.00
-20.0%	100.00
-10.0%	100.00
0.0%	100.00
10.0%	113.00
20.0%	126.00
30.0%	139.00
40.0%	152.00
50.0%	165.00

Pay-out Diagram



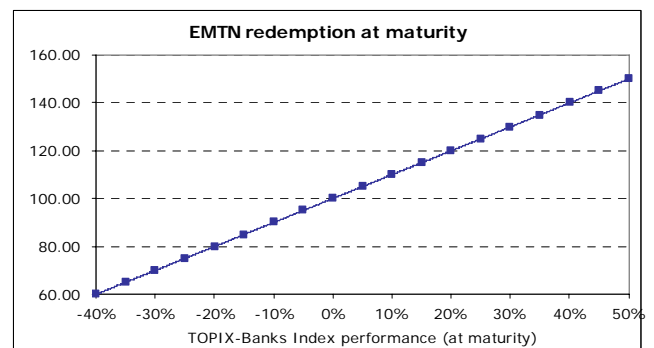
Scenario 2:

Pay-out Table

The TOPIX-Banks Index has decreased by 25% or more (Kick-out Event) at least once during the product's lifetime.

3-year TOPIX-Banks Index performance	3-year EMTN payout at maturity
-40.0%	60.00
-30.0%	70.00
-20.0%	80.00
-10.0%	90.00
0.0%	100.00
10.0%	110.00
20.0%	120.00
30.0%	130.00
40.0%	140.00
50.0%	150.00

Pay-out Diagram



Associated Risks

- The product only offers conditional capital protection. You are exposed to the risk of a fall in the underlying index sufficiently large to trigger the Kick-out Event. This would mean that, if the underlying index falls by 25% or more at any time during the life of the product, the capital protection element is no longer applicable and you could get back less than you originally invested.
- Risk of default of the issuer, although it should be noted that Lloyds TSB has a credit rating allocated to banks with the lowest possible risk of default.
- Even if the likelihood of the kick-out event occurring becomes very small, if you are required to sell the note prior to maturity you could receive significantly less than your initial investment as the conditional capital protection only applies at maturity, and an early redemption fee is applied (see below).

How long is my money invested for?

Your money is invested for 3 years if you do not withdraw your investment before maturity.

What happens if I want to withdraw my investment before maturity?

Lloyds TSB will endeavour to provide a secondary market for early termination daily at market value, which may be less than the amount initially invested. In addition to considerations of market value, an early redemption fee of minimum 1% will be applied and is calculated as follows:

$$2\% - \frac{1\% \times m}{24}$$

m being defined as the number of calendar months since the product's issue date. Hence, for the first two years of the product the early redemption fee will be higher, decreasing from 2% immediately after launch to 1% after 2 years.

What does it offer that a cash account does not?

The product offers the chance to get better returns than cash based on the performance of the chosen index.

What does Conditional Capital Protection mean?

It means that you will get your capital back at maturity provided the Kick-out Event does not occur.

Fiscal Aspects

The return on this product is outside the scope of the European Tax Savings Directive (EUSD).

Calculation of Return

Scenario 1, a Kick-out Event has NOT occurred

On the Repayment Value date, the investor will receive the higher of

a) *Nominal Amount x 100%*
or

b) *Nominal Amount x 100% + {Nominal Amount x (130% x TOPIX-Banks Index performance)}*

Scenario 2, a Kick-out Event has occurred

On the Repayment Value date, the investor will receive

Nominal Amount x 100% + {Nominal Amount x (100% x TOPIX-Banks Index performance)}

Where:

- TOPIX-Banks Index Performance is defined as

$$\frac{(\text{TOPIX-Banks Index Final level} - \text{TOPIX-Banks Index Start level})}{\text{TOPIX-Banks Index Start level}}$$

- The TOPIX-Banks Index Final level is defined as:
The closing level of the TOPIX-Banks Index on the Final Index Observation date
- TOPIX-Banks Index Start level is defined as:
The closing level of the TOPIX-Banks Index on the Effective date

A **Kick-out Event** shall be deemed to occur if the value of the TOPIX-Banks Index trades **at or below** the Kick-out Level at any time on any exchange business day during the period from and including the Effective date to and including the Final Index Observation date.

Important information

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The terms and conditions in this document are purely indicative and are subject to the final expression of the terms as detailed in the definitive Pricing Supplement, the relevant EMTN Offering Circular and all related Agreements and documents issued by Lloyds TSB Bank plc London.

Lloyds TSB will endeavour to provide a secondary market for early termination daily at market value which may be less than the amount initially invested. An early redemption fee will be applied. Please refer to "What happens if I want to withdraw my investment before maturity?"

In case of substantial change in market conditions, we reserve the right to cancel the offering. In case of oversubscription, orders will be handled on a 'first come first serve' basis. We also reserve the right to scale back subscription amounts if necessary.

What next ?

Please contact your Relationship Manager who can provide you with further information as well as a document with technical information on this product.

Alternatively you can contact:

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