

MARKET LINKED DEPOSIT (MLD)

Index Basket MLD with annual coupon payment Ref. 509

linked to

Index Basket equally weighted:

**Standard & Poors 500 Index
S&P/TSX 60 Index**

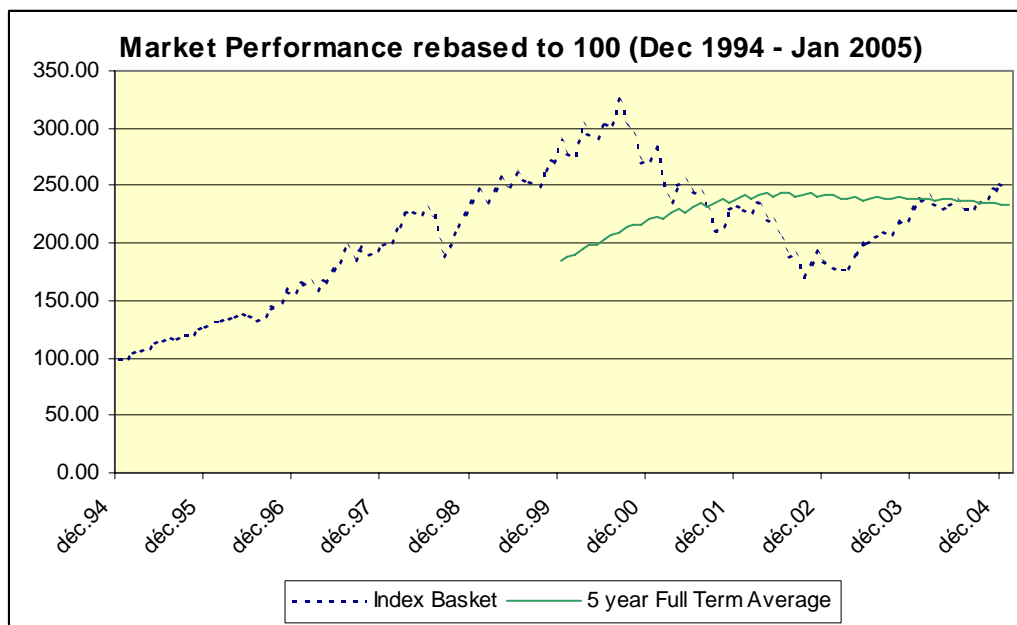
5 Year Structured Deposit in CAD

100% capital protection

**Subscriptions possible
at market price**

Index Basket MLD with annual coupon payment (CAD)

This structure is designed for conservative investors who are looking for long term access to the US and Canadian Equity markets, in a 100% principal and currency protected manner. The return is linked to the full term average performance of an Index Basket (equally weighted S&P 500 and S&P/TSX 60). **The MLD pays an annual coupon of 1.50%.**



At maturity investors receive **the higher of**

a) 100% of invested capital

or

b) 100% of invested capital + 85% of the average Index Basket Performance over 5 years

The performance of this MLD is linked to the **average** of the Index Basket over the full 5 year term based on the value of the Index Basket at the end of every three month period (20 quarterly observation points). **The potential return is unlimited.**

Index Basket MLD with annual coupon payment (CAD)

Please find below the **final terms** of this product:

Effective date	03.02.2005 (closing level)	
Payment date	Trade date + 2 business days	
Maturity date	03.02.2010	
Final Settlement date	08.02.2010	
Index start levels	S&P 500	1'189.89
	S&P/TSX 60	511.81
Capital protection level	100%	
Guaranteed annual coupon	1.50% flat (paid annually from 07.02.2006 to 08.02.2010)	
Participation ratio	85% of the average performance of the Index Basket	
Asian End	5 years full term, simple average of 20 quarterly observation points	
Minimum investment	CAD 100'000.-	
Commission rate	0.75% p.a. charged annually	

Annually the deposit pays:

Nominal Amount x 1.50% (flat), paid annually on 7th February of the years 2006 until 2010, adjusted for good business days, from 07.02.06 to 08.02.10, inclusive.

On maturity the deposit pays:

Deposit Redemption

The higher of:

- a) **Nominal Amount x 100%**
or
- b) **100% of Nominal Amount + {Nominal Amount x (85% x Average Index Basket Performance)}**

Definitions

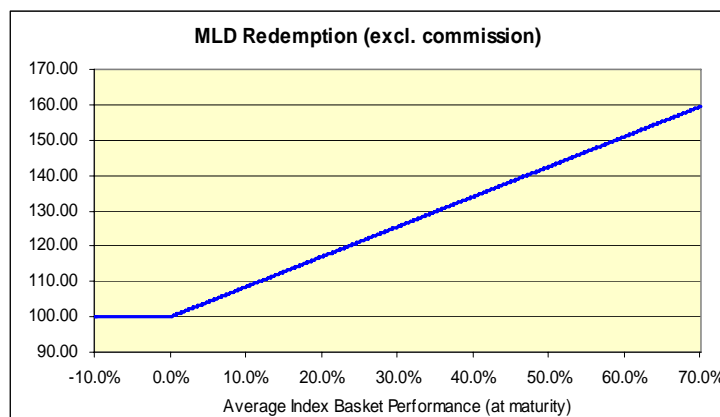
- Average Index Basket Performance = $\frac{1}{2} \times (\text{S\&P 500 performance} + \text{S\&P/TSX 60 performance})$
 where: S&P 500 performance = $\frac{(\text{Average S\&P 500 level} - \text{S\&P 500 Start level})}{\text{S\&P 500 Start level}}$
 S&P/TSX 60 performance = $\frac{(\text{Average S\&P/TSX 60 level} - \text{S\&P/TSX 60 Start level})}{\text{S\&P/TSX 60 Start level}}$
- Average Index level = simple arithmetic average of closing levels of the Relevant Index as at the close of business on the 3rd of each May, August, November and February, adjusted for good business days, from 03.05.05 to 03.02.10, inclusive. There are 20 observation points
- Index Start level = closing level of the Relevant Index on the Effective date
- Relevant Index = S&P 500, S&P/TSX 60

Index Basket MLD with annual coupon payment (CAD)

Payout table for redemption amount

<i>5 year average Index Basket performance</i>	<i>5 year MLD payout at maturity (excl. commission)</i>
-10%	100.00
0%	100.00
10%	108.50
20%	117.00
30%	125.50
40%	134.00
50%	142.50
60%	151.00
70%	159.50

Payout Diagram for redemption amount



Past Index Performances (monthly statistics starting 30.12.94, 62 observations)

<i>5 year performance (Full term average)</i>	<i>Index Basket</i>
Best performance	88.8%
Worst performance	-19.0%
Average performance	36.3%
Positive performances	50
Negative performances	12

Please bear in mind that past performance is no guarantee for future performance

Example: Based on the average performance of 36.3% over the past 10 years, the MLD payout would have been 130.86% (85% participation on 36.3% performance)

Important information

- This offer is made by Lloyds TSB Bank plc outside the United Kingdom. For investors in the UK the Financial Ombudsman Service and the Financial Services Compensation Scheme established under the Financial Services and Markets Act 2000 do not apply.
- This document is for information only and should not be relied upon as authoritative. No representation is made as to its accuracy or completeness and Lloyds TSB Group accepts no liability for any loss arising from any use of this document or its contents
- The EU adopted on June 3, 2003 a Directive on the Taxation of Savings Income ("EU Savings Directive") of EU resident individuals. Switzerland, as well as other countries, concluded an Agreement with the EU in this respect ("CH-EU Agreement"). According to the CH-EU Agreement, an EU retention (similar to a withholding tax at source) has been scheduled to be progressively implemented and increased from rates of 15% from 1 July, 2005, to 20% from 1 July, 2008, and to 35% from 1 July, 2011, in the cases where the exchange of information has not been deliberately authorised by the accountholder. According to the legislations mentioned, the guaranteed annual coupon payment on this product is considered to be an interest and, as such, falls within the scope of the EU Savings Directive resp. the CH-EU Agreement when the holder is an EU resident individual. Therefore, if you are a EU resident individual, the guaranteed annual coupon payment of the product shall be subject to the EU retention resp. exchange of information if deliberately authorised by you
- Early termination is possible at market value. For details and additional fees, please refer to the Fiduciary Instruction form

FIDUCIARY INSTRUCTION

Market Linked Deposit

I/we authorise the Bank to place in its own name, but at my/our sole risk, with Lloyds TSB Bank plc in London, an investment with the items specified below regulated by the Master Agreement issued by Lloyds TSB Bank plc, London.

Nominal Currency / Amount: CAD

Market Index / Underlying: Index Basket (equally weighted S&P 500 and S&P/TSX 60)

Capital Protection Level: 100% **Maturity Date:** 03.02.2010

Guaranteed annual coupon: 1.50% flat, paid annually from 07.02.2006 to 08.02.2010

Asian End: Full term average (simple arithmetic average of 20 quarterly observation points)

Participation: 85%

I/we note and understand the following important points relating to this investment with Lloyds TSB Bank plc, London :

A commission of 0.75% p.a. will be charged on the Nominal Amount, on a pro rata basis, until maturity or early termination of the Deposit.

If access to the capital is required by the customer, early termination shall be possible. However, in such circumstances, the value of the repayment will depend upon the realisable value of the underlying (notably derivatives) entered into by Lloyds TSB Bank plc, London. **The repayment value may be substantially below the Nominal Amount of the deposit both in percentage terms and in absolute amount.** This value is affected by a number of factors including the prevailing interest rates, stock market conditions and level of the Market. An additional fee of 1% on the value of repayment will be charged.

Calculation of the Return at maturity is specified in the Master Agreement. The return on an investment of this type depends upon the movement in the Index which cannot be predicted and should the market fail to perform adequately, I/we might not receive any Return on my/our investment.

The EU adopted on June 3, 2003 a Directive on the Taxation of Savings Income ("EU Savings Directive") of EU resident individuals. Switzerland, as well as other countries, concluded an Agreement with the EU in this respect ("CH-EU Agreement"). According to the CH-EU Agreement, an EU retention (similar to a withholding tax at source) has been scheduled to be progressively implemented and increased from rates of 15% from 1 July, 2005, to 20% from 1 July, 2008, and to 35% from 1 July, 2011, in the cases where the exchange of information has not been deliberately authorised by the accountholder. According to the legislations mentioned, the guaranteed annual coupon payment on this product is considered to be an interest and, as such, falls within the scope of the EU Savings Directive resp. the CH-EU Agreement when the holder is an EU resident individual. Therefore, if you are a EU resident individual, the guaranteed annual coupon payment of the product shall be subject to the EU retention resp. exchange of information if deliberately authorised by you

Agreed

I/we confirm, in particular, my/our understanding of the calculation of the Return and my/our acceptance to the risks potentially arising from this kind of investment. In addition, I/we acknowledge being fully aware of the fact that, **should I/we place an early termination request, the repayment value obtained could possibly be considerably below my/our initial investment.**

A specimen of the Master agreement is at your disposal upon request.

Please debit my/our account No with yourself of the nominal amount and associated fees. In addition to that, General Conditions of the Bank, Article 2 governing Fiduciary Deposits and Article 13 governing the Applicable Law and jurisdiction, apply in my/our relationship with the Bank.

Date: Name: Signature: