

Equity Basket linked to Bio Fuel theme

(DuPont, Syngenta, Monsanto, Deere, Bunge, Potash, Archer Daniels)

Euro Medium-Term Note / 4-Year Structured Note in USD

100% or 95% capital protection at maturity / Subscriptions until 27.03.2007, 14:00 CET

Final terms

Issuer	Lloyds TSB Bank plc
Rating	Aaa (Moody's)
Calculation Agent	Lloyds TSB Bank plc
Currency	USD
Minimum investment	USD 70,000 (minimum increments of USD 10,000)
Underlying Equity Basket, equally weighted	E.I. du Pont de Nemours and Co. (DD US) Syngenta AG (SYNN VX) Monsanto Co (MON US) Deere & Co (DE US) Bunge Ltd (BG US) Potash Corp of Saskatchewan (POT US) Archer-Daniels-Midland Co (ADM US)
Subscription date	27.03.2007, 14:00 CET
Effective date	28.03.2007 (closing level)
Payment date	04.04.2007
Final Observation date	28.03.2011
Maturity and Repayment Value date	04.04.2011
Issue Price	100%
Capital protection level	Series I: 100% Series II: 95%
Participation ratio	Series I: 75% of the Equity Basket performance Series II: 100% of the Equity Basket performance
Averaging Method used for Equity Basket performance (Asian End)	12-month average end (13 monthly observation points)
Early Redemption fee	Please see under "What happens if I want to withdraw my investment before maturity?"
Clearing	Euroclear / Clearstream
Security no.	Series I: temporary no: 462'540 Series II: temporary no: 462'541

What is it?

It is a Euro Medium-Term Note (EMTN) denominated in USD with a return linked to the positive performance of a Bio Fuel-related Equity Basket. This Equity Basket is composed of companies which support the agricultural process by, for example, providing seeds and fertilisers or agricultural machinery or by being involved in crop production. We consider that these companies will have the best chance to benefit from the increased demand for Bio Fuels.

Two Series are available, Series I carries a 100% capital protection at maturity, Series II carries a 95% capital protection at maturity.

How does it work?

At maturity, investors will receive:

- Series I: 100% of the invested capital plus 75% of the positive Equity Basket performance over 4 years
- Series II: 95% of the invested capital plus 100% of the positive Equity Basket performance over 4 years

The performance of the Equity Basket is calculated using monthly averaging during the last twelve months of the life of the note (13 monthly observation points).

Please see below under "Calculation of Return" for further details.

Who is it for?

The 100% capital protected version is designed for conservative investors who are interested in medium-term access to a Bio Fuel related Equity Basket. For balanced investors, a version with 95% capital protection is available.

What is the investment rationale?

We predict greater demand for ethanol and Bio Fuels in general as a result of:

- The economic emergence of Brazil, Russia, India and China (BRIC). We believe this economic empowerment will induce significant lifestyle changes for the 'BRIC' citizens
- Increasing energy demand and rampant environmental pollution, which are some of the many consequences of the BRIC emergence, will place greater focus on the bio fuel space (carbon neutral, renewable energy)

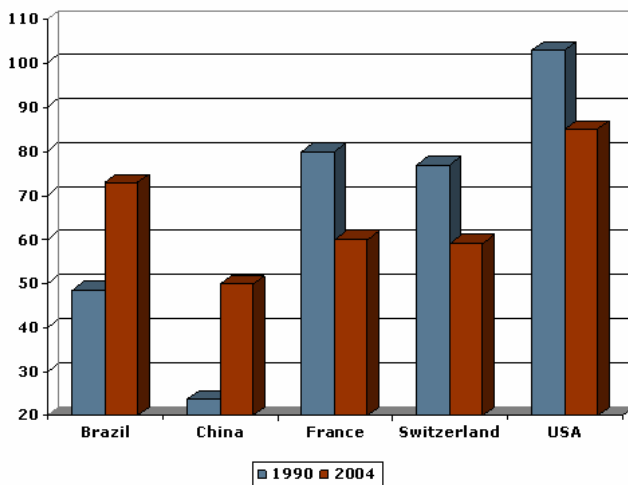
We note that **corn** is becoming a major source of ethanol and so expect that companies involved in or providing services to agriculture will benefit from these developments.

Our list of exposures for this Note includes fertilizer providers (Potash, Bunge), agricultural machinery (Deere), seeds-related companies (Du Pont, Monsanto, Syngenta), and processing firms in the supply chain of crop production (Archer Daniels).

Knowing that corn is a major source of feed for cows and pigs, we believe that demand for **corn** will also increase as a result of the growing demand for meat in emerging countries.

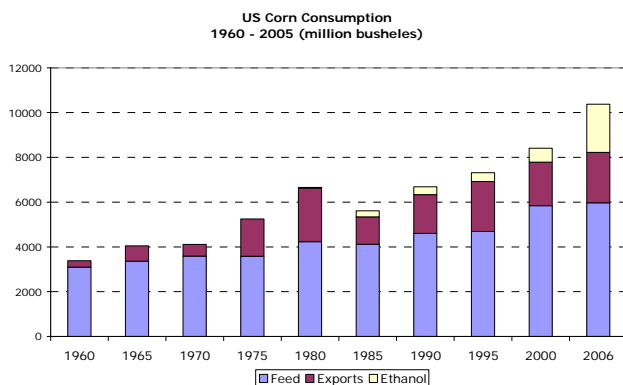
Indeed, as shown in the chart below, meat consumption in the BRIC countries is in strong expansion.

Meat (Beef, Chicken and Pork) Consumption 1990 vs 2004 (kg per person per year)



Source: Food and Agriculture Org. of the UN (Jan07)

All these factors taken together lead to increased corn consumption, as illustrated in the underneath chart.



Source: United States Department of Agriculture (Jan07)

The Underlying Equity Basket (equally weighted)

Company	Market Cap. US\$ bn	Est. P/E ratio 2007
E.I. du Pont de Nemours & Co.	48.4	16.4x
Syngenta AG	19.1	18.0x
Monsanto Co.	30.3	34.2x
Deere & Co.	25.8	17.3x
Bunge Ltd	10.0	19.6x
Potash Corp of Saskatchewan	17.5	23.4x
Archer-Daniels-Midland Co.	23.3	14.1x

Source: Bloomberg (20.02.07)

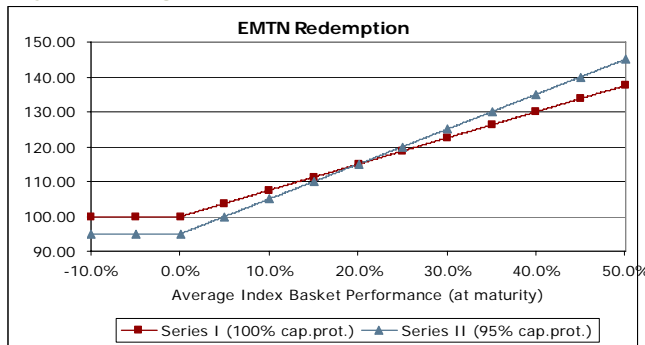
- E. I. du Pont de Nemours & Co. is a global chemical and life sciences company with businesses in high-performance materials, specialty chemicals, pharmaceuticals and biotechnology.
- Syngenta AG produces crop protection products and seeds. The company produces herbicides, insecticides and fungicides, and seeds for field crops, vegetables, and flowers.
- Monsanto Co. provides technology-based solutions and agricultural products for growers and downstream customers in agricultural markets. The company products provide growers with solutions to produce crops with higher yields.
- Deere & Co. manufactures and distributes a range of agricultural, construction and commercial and consumer equipment. It also provides financing services for its products and parts.
- Bunge Ltd is an integrated global agribusiness and food company spanning the farm-to-customer food chain. Bunge has primary operations in North and South America.
- Potash Corp. of Saskatchewan Inc. produces potash, phosphate, and nitrogen to the agricultural and industrial industries worldwide. The company operates in Brazil, Chile, Trinidad, Canada and USA.
- Archer-Daniels-Midland Co. produces, transports, stores processes and merchandises agricultural commodities and products. The company processes oilseeds, corn, oats, barley, peanuts and wheat.

Pay-out Table

4 year Equity Basket performance	4 year EMTN payout at maturity (Series I)	4 year EMTN payout at maturity (Series II)
-10%	100.00	95.00
0%	100.00	95.00
5%	103.75	100.00
10%	107.50	105.00
20%	115.00	115.00
30%	122.50	125.00
40%	130.00	135.00
50%	137.50	145.00

Series II only: At maturity, the Equity Basket performance is added to the Capital Protection Level of 95%, i.e. if the Equity Basket performance at maturity is 30%, the EMTN will be reimbursed at 125.0% (95% protection level + 100% of the Equity Basket performance (30.0%) = 25.0%). In case of an Equity Basket performance that is negative or very low, the EMTN redemption can therefore be below 100%, but not below the protection level of 95%.

Pay-out Diagram



Associated Risks

- Although there is either no loss or a limited loss (depending on the capital protection chosen) of original investment if held to maturity, and the product offers you potentially unlimited upside, if the performance of the Equity Basket is negative you will only receive 100% or 95% of your original investment at maturity. This is in contrast to other investments, where you might expect income and/or capital appreciation, for example by placing the same amount of money in an interest bearing deposit account
- 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
- If you are required to sell the note prior to maturity you could receive significantly less than your initial investment as the capital protection only applies at maturity. If you wish to sell before maturity an early redemption fee is applied (see below)

How long is my money invested for?

Your money is invested in this structured product for a period of 4 years.

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?

A chance to get better returns than cash based on the performance of the chosen Equity Basket.

What does Capital Protection mean?

It means that you will at least get your capital back at maturity if you have chosen 100% capital protection. If you have chosen 95% capital protection, you will at least get back 95% of the Note's nominal amount.

Calculation of Return

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

Series I:

a) $Nominal\ Amount \times 100\%$
or

b) $Nominal\ Amount \times 100\% + \{Nominal\ Amount \times (75\% \times Equity\ Basket\ performance)\}$

Series II:

a) $Nominal\ Amount \times 95\%$
or

b) $Nominal\ Amount \times 95\% + \{Nominal\ Amount \times (100\% \times Equity\ Basket\ performance)\}$

- The Equity Basket performance is defined as:

$$\left(\begin{aligned} &1/7 \times E.I. du Pont de Nemours \& Co. performance + \\ &1/7 \times Syngenta AG performance + \\ &1/7 \times Monsanto Co performance + \\ &1/7 \times Deere \& Co performance + \\ &1/7 \times Bunge Ltd performance + \\ &1/7 \times Potash Corp of Saskatchewan performance + \\ &1/7 \times Archer-Daniels-Midland Co performance \end{aligned} \right)$$

Where the Underlying Equity performance =

$$\frac{(\text{Average Underlying Equity level} - \text{Underlying Equity Start level})}{(\text{Underlying Equity Start level})}$$

- The Average Underlying Equity level is defined as:
The simple arithmetic average of closing levels of the relevant Underlying Equity as at the close of business on the 28th of each month during the last 12 months of the life of the structure, adjusted for good business days, from 29.03.2010 until 28.03.2011 inclusive. There are 13 observation points.
- The Underlying Equity Start level is defined as:
the closing level of the relevant Underlying Equity as at the close of business on the Effective Date
- The Underlying Equities are:
E.I. du Pont de Nemours and Co. (DD US)
Syngenta AG (SYNN VX)
Monsanto Co (MON US)
Deere & Co (DE US)
Bunge Ltd (BG US)
Potash Corp of Saskatchewan (POT US)
Archer-Daniels-Midland Co (ADM US)

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Lloyds TSB Bank plc makes no representation as to the existence of a secondary market for the Notes. The market value can be expected to fluctuate significantly and investors should be prepared to assume the market risks associated with these Notes.

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. If early termination is requested within the first 2 years, an early redemption fee will be applied. Please refer to "What happens if I want to withdraw my investment before maturity?".

Following the declaration by an issuer of an Underlying Equity of the terms of an adjustment event or merger event that has a diluting, concentrative or other effect on the theoretical value of the Underlying Equities, the Calculation Agent shall make the corresponding adjustment, if any, to the Underlying Equity Start level and/or any other term the Calculation Agent deems appropriate to account for such diluting, concentrative or other effect and determine the effective date of that adjustment.

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.

Lloyds TSB does not assume any responsibility for product suitability for product placements made with institutional or private clients who are not existing clients of Lloyds.

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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