

The Arabian Opportunity

(Lyxor / DJ Arabia Titans 50 Fund)

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

100% or 95% capital protection at maturity / Subscriptions until 07.12.2006, 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 100,000 (minimum increments of USD 10,000)
Subscription date	07.12.2006, 14:00 CET
Effective date	11.12.2006 (closing level)
Payment date	15.12.2006
Final Observation date	13.12.2010
Maturity and Repayment Value date	20.12.2010
Issue Price	100%
Capital protection level	Series I: 100% Series II: 95%
Participation ratio	Series I: 73% of the average Fund performance Series II: 90% of the average Fund performance
Averaging Method used for Fund performance (Asian End)	4-year full term, simple average of 16 quarterly 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: 462'503 Series II: temporary no: 462'504

What is it?

It is a Euro Medium-Term Note (EMTN) denominated in USD with a return linked to the positive average performance of the Lyxor / DJ Arabia Titans 50 Fund. 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 73% of the positive average Fund performance over 4 years
- Series II: 95% of the invested capital plus 90% of the positive average Fund performance over 4 years

The performance of the Fund is calculated using quarterly averaging during the full 4-year term of the note (16 quarterly observation points).

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

Who is it for?

It is designed for conservative investors who are interested in medium-term access to Arabian equity markets, in a 100% principal and currency protected manner. For balanced investors, a version with 95% capital protection is available.

What is the investment rationale?

- Economic growth prospects for the region are favorable. GDP expansion in the ten Arab countries that constitute the index continues to outpace global growth and should average 6.0% in 2006 before easing to 5.2% in 2007
- Although the recent record levels of oil prices are probably behind us for a while, the further downside risk seems relatively limited
- The region's fiscal and external surpluses have been rising. The current account surplus is reflected in the sharp increase in gross official foreign exchange reserves. The group's fiscal position moved from a slight deficit to a surplus of about 9.6% of GDP over the last five years
- Most countries have also reduced their debt-to-GDP ratios over the same period. Progress in reducing debt and building official reserves has put the region in a better position to absorb shocks and address development needs going forward
- The inflation rate is seen to rise in oil-exporting countries, but it should remain moderate staying in the low single digits in most cases. Macroeconomic policies are overall moving in the right direction
- Valuation-wise, judging by the available estimates, the region as a whole does not look overvalued, especially when taking into account its above average return-on-equity numbers and strong double-digit EPS growth rates

The Underlying Fund

Lyxor / DJ Arabia Titans 50 Fund A USD
(Bloomberg: LXDJATA JY, Isin GB00B0ZGKP73)

- Open-end investment fund incorporated in Jersey, inception in June 2006
- Its objective is to track the performance of the Dow Jones DIFC Arabia Titans 50 Index
- The Fund invests in financial instruments including stocks, cash deposits, money market instruments, equity and debt securities, and indices

The Index

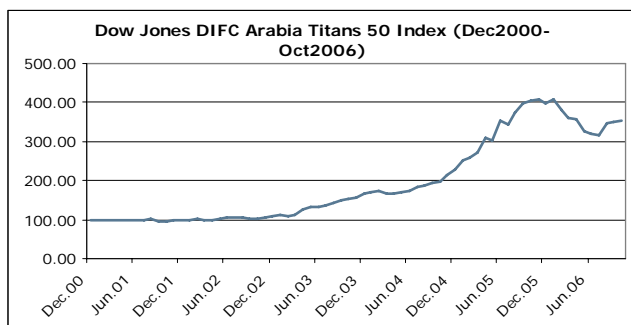
Dow Jones DIFC Arabia Titans 50 Index
(Bloomberg: DJARB50 Index)

- An Index of 50 leading Arab stocks, the first of its kind, was created jointly by Dow Jones Indexes and the Dubai International Financial Centre (DIFC) on 31 December 2000
- The Index represents established Arab markets that have proven to be accessible to international investors

Weighting by country

Country	Weighting	Country	Weighting
Egypt	22.8%	Qatar	7.6%
Kuwait	19.1%	Bahrain	4.8%
Morocco	17.2%	Lebanon	2.8%
UAE	13.3%	Oman	1.4%
Jordan	11.0%		

(Source: Dow Jones, 30.08.06)



(Source: Bloomberg, 31.10.06)

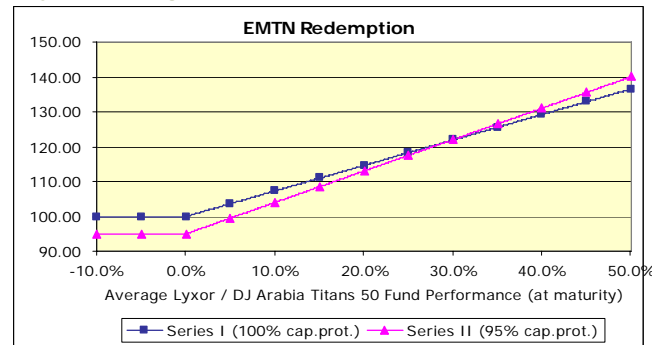
Note: the graph above shows the Index past performance instead of the fund past performance as the latter has been inception in June 2006 only. Past performance is not a guarantee for future performance

Pay-out Table

4 year average Fund 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%	103.65	99.50
10%	107.30	104.00
20%	114.60	113.00
30%	121.90	122.00
40%	129.20	131.00
50%	136.50	140.00

Series II only: At maturity, the average Fund performance is added to the Capital Protection Level of 95%, i.e. if the average Fund performance at maturity is 30%, the EMTN will be reimbursed at 122.0% (95% protection level + 90% of the average Fund performance (30.0%) = 27.0%). In case of an average Fund 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 Fund 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:

$$3\% - \frac{2\% \times m}{24}$$

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 3% 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 Fund.

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 x 100%*
or
- b) *Nominal Amount x 100% + {Nominal Amount x (73% x average Fund performance)}*

Series II:

- a) *Nominal Amount x 95%*
or
- b) *Nominal Amount x 95% + {Nominal Amount x (90% x average Fund performance)}*

- The average Fund performance is defined as:

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

- The Average Fund level is defined as:
the simple average of 16 quarterly points, (i.e. over the full term of the product), each point being the Net Asset Value (NAV) of the Lyxor / DJ Arabia Titans 50 Fund (or Replacement Asset as the case may be) as published by the fund management company or sponsor as at the close of business on the Observation Dates
- The Underlying Fund Start level is defined as:
the Net Asset Value (NAV) of the Lyxor / DJ Arabia Titans 50 Fund (or Replacement Asset as the case may be) as calculated and published by the fund management company, or sponsor as at the close of business on the Effective Date
- The Observation Dates are defined as:
11th of each March, June, September and December, adjusted for good business days, from 12.03.2007 up to and including 13.12.2010

Important information

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.

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.

If there are any changes to the Underlying Fund, any disruption to the operation thereof, any suspension or limitation on the trading thereof, any compulsory redemption of the units thereof, any change in management company, advisor or other related organisation, any change to the law/regulations, any insolvency or merger affecting the Underlying Fund or any other change, disruption or event which, in the sole discretion of the Calculation Agent, is deemed material (any such being a "Material Event"), the Calculation Agent reserves the right to replace the affected Underlying Fund, (the "Affected Fund") at its sole discretion, with a replacement asset (the "Replacement Asset"), which shall be an alternative Fund managed by the same management company, or alternative Fund managed by another management company or an equity index, and/or a cash Fund managed by the same or another management company or any other alternative asset chosen in a commercially reasonable manner by, and at the sole discretion of, the Calculation Agent, or terminate the Note at fair market value, acting in good faith and a commercially reasonable manner. Such replacement would take place on such date selected by the Calculation Agent for the replacement of the relevant Underlying Fund (the "Substitution Date").

The value of the Replacement Asset as at each Observation Date subsequent to the Substitution Date will be calculated as follows:

$$\frac{\text{Replacement Asset NAV on Observation Date} \times \text{Affected Fund NAV on Substitution Date}}{\text{Replacement Asset NAV on Substitution Date}}$$

If a Material Event occurs in respect of a Replacement Asset (whereupon such Replacement Asset will also be an "Affected Fund"), the Calculation Agent shall choose a further Replacement Asset, or terminate the Note at fair market value, acting in good faith and in a commercially reasonable manner.

Following the replacement of the Underlying Fund or Replacement Asset, as the case may be, by a Replacement Index or other Replacement Asset that is not a Fund, such Replacement Asset shall replace the affected Fund on the Substitution Date selected by the Calculation Agent, and the Calculation Agent shall make any corresponding adjustments that it deems appropriate to any variable, calculation or valuation methodology or any other terms relevant to the calculation of the NAV of such Replacement Asset.

The EMTN described herein has not been and will not be registered under the United States Securities Act of 1933 (the "Securities Act") or any state securities law, and may not be offered or sold within the United States or to or for the account or benefit of any US person, except pursuant to an exemption from or in a transaction not subject to, the registration requirements of the Securities Act.

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, subject to market liquidity, at market value which may be less than the amount initially invested. However, there is no assurance that a secondary market will exist. Redemption requests given until 11:00 CET will be traded on the Fund's next business day with the Fund's appropriate Net Asset Value (NAV). Should a secondary market be available, 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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1211 Geneva 11
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