

East Asia

(South Korea, Taiwan, Indonesia, Thailand, Malaysia)

Market Linked Deposit / 3-Year Structured Deposit in USD

100% or 95% capital protection at maturity / Subscription at market price

Final terms

Currency	USD
Minimum investment	USD 50,000 (minimum increments of USD 10,000)
Underlying Index Basket	
31%	Korea Stock Exch. KOSPI 200 Index (KOSPI2)
24%	MSCI Taiwan Index (TWY)
22%	MSCI Indonesia Index (MXID)
15%	Kuala Lumpur Stock Exch. Comp. Index (KLCI)
8%	MSCI Thailand Index (MXTH)
Effective date	16.01.2007 (closing level)
Payment date	Trade date + 2 business days
Maturity and Final Observation date	18.01.2010
Repayment Value date	20.01.2010
Capital protection level	Series I (MLD 1099): 100% Series II (MLD 1095): 95%
Participation ratio	Series I: 110% of the average Index Basket performance Series II: 147% of the average Index Basket performance
Averaging Method used for Index Basket performance (Asian End)	3-year full term, simple average of 12 quarterly observation points
Early Redemption fee	Please see under "What happens if I want to withdraw my investment before maturity?"
Commission rate	0.75% p.a. charged annually

What is it?

It is a Market Linked Deposit (MLD) denominated in USD with a return linked to the positive average performance of an East Asian Index Basket. 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 110% of the positive average Index Basket performance over 3 years
- Series II: 95% of the invested capital plus 147% of the positive average Index Basket performance over 3 years

The performance of the Index Basket is calculated using quarterly averaging during the full 3-year term of the deposit (12 quarterly 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 East Asian equity markets. For balanced investors, a version with 95% capital protection is available.

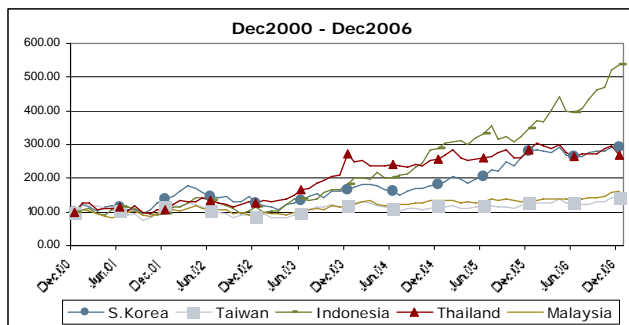
What is the investment rationale?

- After four years of underperformance compared to emerging peers, emerging Asia as a whole looks as the most attractive region within the global emerging equity markets' universe.
- Emerging Asia should offer the highest rates of economic growth in the world, with an average 6.2% rise in GDP seen in 2006 and 5.9% expected in 2007. It compares favourably with the average rate of 5.7% for global emerging markets overall and with the world's average GDP growth rate of 3.8% expected in 2006.
- Asian economies are financially stable, thanks to their overall good current account balances, decreasing public debts and rising foreign exchange reserves. The region's current account balances are expected to show an average surplus of 3.0% of GDP in 2006. With an average ratio of public debt to GDP estimated at 45%, emerging Asian economies are not overly indebted. Healthy fiscal and external positions should allow the region to weather a potential deterioration in global liquidity conditions.
- We favour markets with solid financial balances - in terms of current accounts and public debts - and undemanding valuations. In East Asia, our main country picks are South Korea, Taiwan and Indonesia. These markets are attractively valued on most parameters (P/E, P/Book, dividend yield); they run current account surpluses and their indebtedness level is below the global emerging markets' average.
- Several ASEAN countries (e.g. Indonesia, Malaysia, Thailand, Philippines) look well positioned to benefit from high economic growth on the back of lower energy prices, declining interest rates and their relatively low trade exposure to the United States. Malaysia is a solid and defensive market within the Asian context, as it has outstanding macroeconomic fundamentals with solid GDP growth (5.9% expected in 2006 and 5.4% in 2007) and one of the world's highest current account surpluses at 14% of GDP.

- In December and January, the Central Bank and the Ministry of Finance of Thailand disappointed financial markets with a series of far-reaching market-unfriendly decisions aiming at limiting short-term money inflows and reinforcing control over foreign business ownership. The country's reputation with investors has deteriorated as a result. However, following the sharp correction in the market, we stick to our neutral stance towards Thai equities. This stance is based on two main considerations:
 - a) the Thai stock market is very attractive (in terms of valuation, it is the cheapest in Asia)
 - b) it may nevertheless remain volatile until the parliamentary elections planned for October 2007, which should lead to a return to democracy, following the coup on 19 September 2006.

The Underlying Index Basket

Country	Index	Weighting
South Korea	KOSPI 200 Index (KOSPI2 Index)	31%
Taiwan	MSCI Taiwan Index (TWY Index)	24%
Indonesia	MSCI Indonesia Index (MXID Index)	22%
Malaysia	Kuala Lumpur Composite Index (KLCI Index)	15%
Thailand	MSCI Thailand Index (MXTH Index)	8%



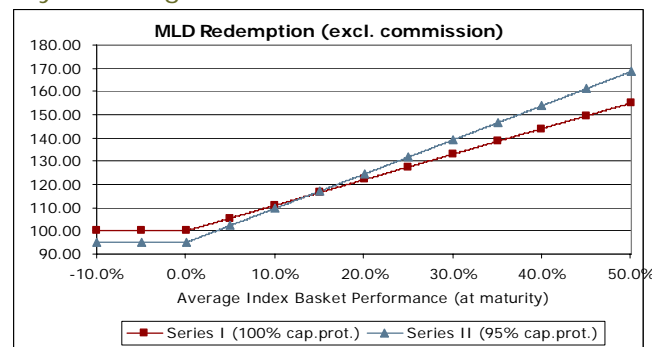
(Source: Bloomberg, 31.12.06)

Pay-out Table

3 year average Index Basket performance	3 year MLD payout at maturity (excl. commission) Series I	3 year EMTN payout at maturity (excl. commission) Series II
-10%	100.00	95.00
0%	100.00	95.00
5%	105.50	102.35
10%	111.00	109.70
20%	122.00	124.40
30%	133.00	139.10
40%	144.00	153.80
50%	155.00	168.50

Series II only: At maturity, the average Index Basket performance is added to the Capital Protection Level of 95%, i.e. if the average Index Basket performance at maturity is 30%, the MLD will be reimbursed at 139.1% (95% protection level + 147% of the average Index Basket performance (30.0%) = 44.1%). In case of an average Index Basket performance that is negative or very low, the MLD 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 Index 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
- If you are required to sell the deposit 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 3 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 1% will be applied.

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 Index 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 Deposit's nominal amount.

Calculation of Return

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

Series I:

- a) $\text{Nominal Amount} \times 100\%$
or
- b) $\text{Nominal Amount} \times 100\% + \{\text{Nominal Amount} \times (110\% \times \text{average Index Basket performance})\}$

Series II:

- a) $\text{Nominal Amount} \times 95\%$
or
- b) $\text{Nominal Amount} \times 95\% + \{\text{Nominal Amount} \times (147\% \times \text{average Index Basket performance})\}$

- The average Index Basket performance is defined as:

$$\left(\begin{array}{l} 31\% \times \text{South Korea Index performance} + \\ 24\% \times \text{Taiwan Index performance} + \\ 22\% \times \text{Indonesia Index performance} + \\ 15\% \times \text{Malaysia Index performance} + \\ 8\% \times \text{Thailand Index performance} \end{array} \right)$$

Where the Underlying Index performance =

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

- The Average Underlying Index level is defined as: the simple average of 12 quarterly points, (i.e. over the full term of the product), each point being the closing level of the relevant Underlying Index as at the close of business on the Observation Dates
- The Underlying Index Start level is defined as: the closing level of the relevant Underlying Index as at the close of business on the Effective Date
- The Observation Dates are defined as: 16th of each April, July, October and January, adjusted for good business days, from 16.04.2007 up to and including 18.01.2010

- The Underlying Indices are:

South Korea: Korea Stock Exchange KOSPI 200 Index (Bloomberg: KOSPI2 Index)

Taiwan: MSCI Taiwan Index (Bloomberg: TWY Index)

Indonesia: MSCI Indonesia Index (Bloomberg: MXID Index)

Thailand: MSCI Thailand Index (Bloomberg: MXTH Index)

Malaysia: Kuala Lumpur Stock Exchange Composite Index (Bloomberg: KLCI Index)

Important information

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The above described product is not a participation in an investment fund and as such is not subject to supervision by the Swiss Federal Banking Commission.

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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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: USD

Market Index / Underlying: East Asian Index Basket:
 - 31% Korea Stock Exch. KOSPI 200 Index (KOSPI2 Index)
 - 24% MSCI Taiwan Index (TWY Index)
 - 22% MSCI Indonesia Index (MXID Index)
 - 15% Kuala Lumpur Stock Exch.Comp. Index (KLCI Index)
 - 8% MSCI Thailand Index (MXTH Index)

Capital Protection Level:% **Maturity Date:** 18.01.2010

Asian End: 3 year full term, simple average of 12 quarterly observations points)

Participation:%

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 index performances. 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 funds which cannot be predicted and should the funds fail to perform adequately, I/we might not receive any Return on my/our investment, and lose part of my/our capital if I/we have chosen a capital protection of below 100%.

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. Provisions of the power of administration for Fiduciary Deposits abroad and article 27 of the General Conditions governing the Applicable Law and jurisdiction, apply in my/our relationship with the Bank.

Date: Name: Signature: