

CERTIFICATE PLUS - S&P 500 Index

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

100% conditional capital protection / 2.5% conditional min. return / Kick-out Level applies on 30% fall of S&P 500 Index / Subscriptions until 30.10.2006, 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	S&P 500 Index
Subscription date	30.10.2006, 14:00 CET
Effective date	30.10.2006 (closing level)
Payment date	06.11.2006
Final Index Observation date	30.10.2009
Maturity and Repayment Value date	06.11.2009
Issue Price	100%
Conditional capital protection level*	100%
Conditional minimum return*	2.5%
Participation ratio	100%
Kick-out Level (Event)	70% of S&P 500 Index Start level
Index Start Level	Closing level of the S&P 500 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.	TBA (temporary number: 419'285)

* Provided the S&P 500 Index has never fallen by 30% 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 S&P 500 Index.

How does it work?

The note carries a 100% conditional capital protection and a conditional minimum return of 2.5%. The capital protection and minimum return will apply provided the S&P 500 Index has never fallen at any time by 30% 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 S&P 500 Index 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

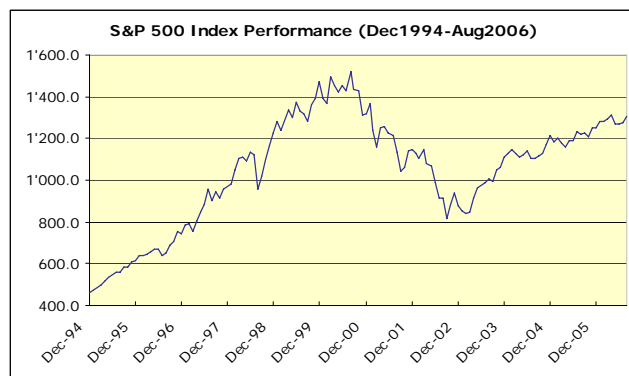
- 102.5% of the invested capital or
- 100% of the invested capital + 100% of the positive S&P 500 Index performance over 3 years

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 S&P 500 Index performance (which can be negative) over 3 years, i.e. the product will lose its capital protection feature and conditional minimum return

A **Kick-out Event** shall be deemed to occur if the value of the S&P 500 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 S&P 500 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".



Source: Reuters

Investment rationale

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 a minimum return of 2.5%.

Who is it for?

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

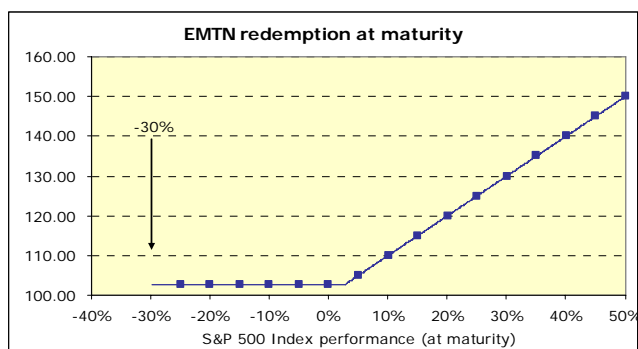
Scenario 1:

Pay-out Table

The S&P 500 Index does not decrease by 30% or more (Kick-out Event) at any stage during the product's lifetime.

3 year S&P 500 Index performance	3 year EMTN payout at maturity
-29.9%	102.50
-20.0%	102.50
-10.0%	102.50
0.0%	102.50
10.0%	110.00
20.0%	120.00
30.0%	130.00
40.0%	140.00
50.0%	150.00

Pay-out Diagram



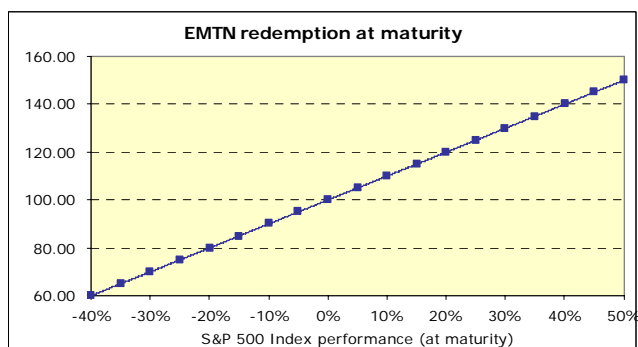
Scenario 2:

Pay-out Table

The S&P 500 Index has decreased by 30% or more (Kick-out Event) at least once during the product's lifetime.

3-year S&P 500 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



Past Index Performances

3 year performance*	S&P 500 Index
Best performance	120.0%
Worst performance	-43.4%
Average performance	30.7%
Positive performances	70
Negative performances	35
Kick-out Events	32

Source: Reuters

Note: Past performance is not necessarily a guide to the future.

* Monthly statistics since 31.12.94, 105 observations

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 30% or more at any time during the life of the product, the capital protection element and minimum return 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.

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. An early redemption fee of minimum 1% will be applied and is calculated as follows: $2\% - 1\% \times m/24$, 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 102.5%*
- or
- b) *Nominal Amount x 100% + {Nominal Amount x (100% x S&P 500 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 S&P 500 Index performance)}

Where:

- S&P 500 Index Performance is defined as

$$\frac{(\text{S\&P 500 Index Final level} - \text{S\&P 500 Index Start level})}{\text{S\&P 500 Index Start level}}$$

- The S&P 500 Index Final level is defined as:
The closing level of the S&P 500 Index on the Final Index Observation date
- S&P 500 Index Start level is defined as:
The closing level of the S&P 500 Index on the Effective date

A **Kick-out Event** shall be deemed to occur if the value of the S&P 500 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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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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