



Lloyds TSB

**MARKET LINKED DEPOSIT:
Ref. 464**

**Index Basket equally weighted
Standard & Poors 500
DJ Eurostoxx 50
(4 Year Structured Deposit in USD)**

**100% capital protection plus
9% minimum return at maturity**

**Subscriptions possible
at market price**

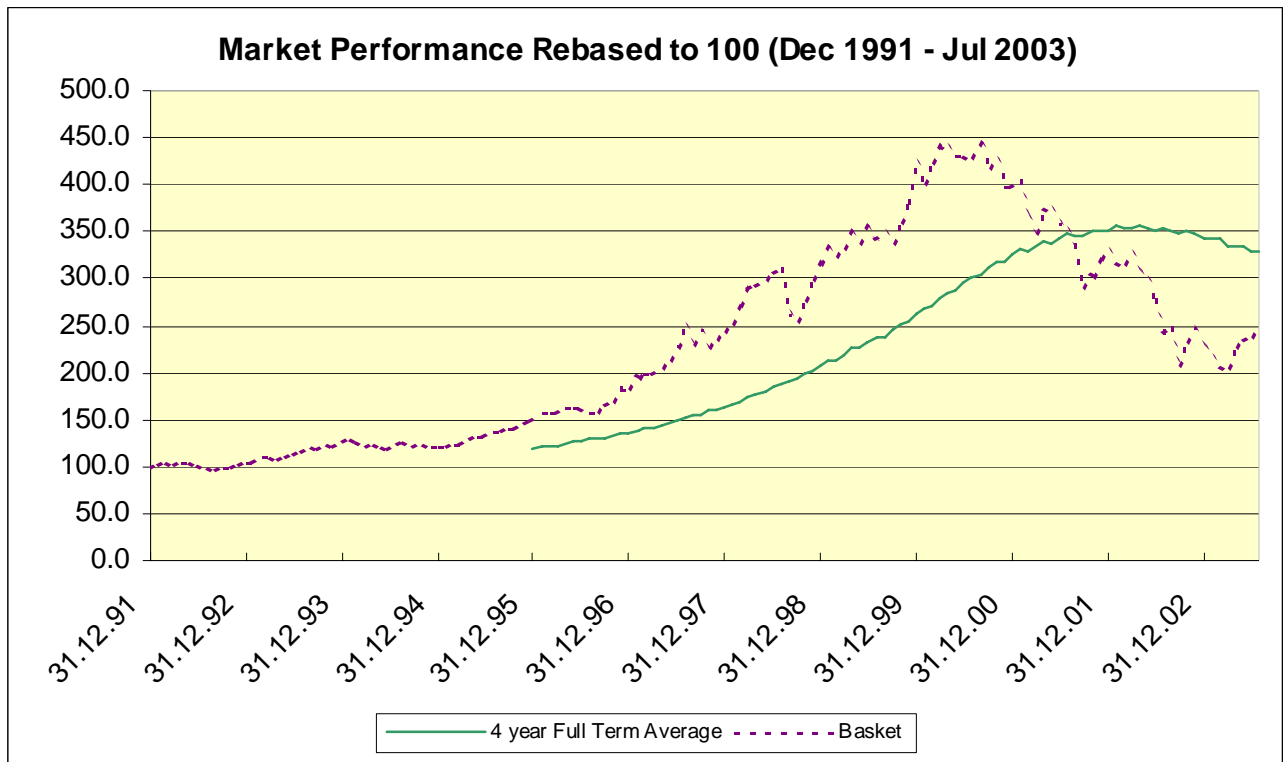
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MARKET LINKED DEPOSIT: Index Basket
Index Basket (equally weighted S&P 500, DJ Eurostoxx 50)
(4 Year Structured Deposit in USD)
with 100% capital protection plus 9% minimum return



Source: Reuters

This structure is designed for conservative investors who are looking for long term access to the US and Euroland 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 DJ Eurostoxx 50). The minimum return paid at maturity is 9%.

At maturity investors receive **the higher of**

a) 100% of invested capital + 9% minimum return

or

b) 100% of invested capital + 72% of the average Index Basket performance over 4 years

The performance of this MLD is linked to the **average** of the Index Basket over the full 4 year term based on the value of the Index Basket at the end of every three month period (16 quarterly observation points). **The potential return is unlimited.**



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

Term	4 years (14.08.2007)
Effective date	Closing level 14.08.2003
Payment date	Trade date + 2 business days
Final Settlement date	16.08.2007
Index start levels	S & P 500 990.51 DJ Eurostoxx 50 2'544.05
Capital protection level	100%
Minimum return	9% flat (paid at maturity)
Participation ratio	72% of the average performance of the Index Basket
Asian End	4 years full term, simple average of 16 quarterly observation points
Minimum investment	USD 100'000.-
Commission rate	0.75% p.a. charged annually

Deposit Redemption

The higher of:

- a) **Nominal Amount x 109%**
or
- b) **100% of Nominal Amount + {Nominal Amount x (72% x Average Index Basket Performance)}**

Definitions

- Average Index Basket Performance = $1/2 \times (\text{S\&P 500 performance} + \text{DJ Eurostoxx 50 performance})$
where: S&P 500 performance = $\frac{(\text{Average S\&P 500 level} - \text{S\&P 500 Start level})}{\text{S\&P 500 Start level}}$
DJ Eurostoxx 50 performance = $\frac{(\text{Average DJ Eurostoxx 50 level} - \text{DJ Eurostoxx 50 Start level})}{\text{DJ Eurostoxx 50 Start level}}$
- Average Index level = simple arithmetic average of closing levels of the Relevant Index as at the close of business on the 14th of each November, February, May and August, adjusted for good business days, from 14.11.03 to 14.08.07, inclusive. There are 16 observation points
- Index Start level = closing level of the Relevant Index on the effective date
- Relevant Index = S&P 500, DJ Eurostoxx 50



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Index Basket (equally weighted S&P 500, DJ Eurostoxx 50)

Past Index Performances (monthly statistics starting 31.12.91, 92 observations)

4 year performance	*	Index Basket
Best performance	Point to point	182.5%
	Full term average	92.8%
Worst performance	Point to point	-38.7%
	Full term average	-7.3%
Average performance	Point to point	83.7%
	Full term average	44.7%
Positive performances	Point to point	78
	Full term average	88
Negative performances	Point to point	14
	Full term average	4

Source: Reuters

- * Point to point: Absolute 4 year performance from start to end level
 Full term average: 4 year average performance, based on the value of the Index Basket at the end of every 3 month period (simple arithmetic average of 16 quarterly observation points)

Payout table

4 year Index Basket performance (full term average)	4 year MLD payout at maturity (excl. commission)
-10%	109.00
0%	109.00
10%	109.00
*) 12.5%	109.00
20%	114.40
30%	121.60
40%	128.80
50%	136.00
60%	143.20
70%	150.40

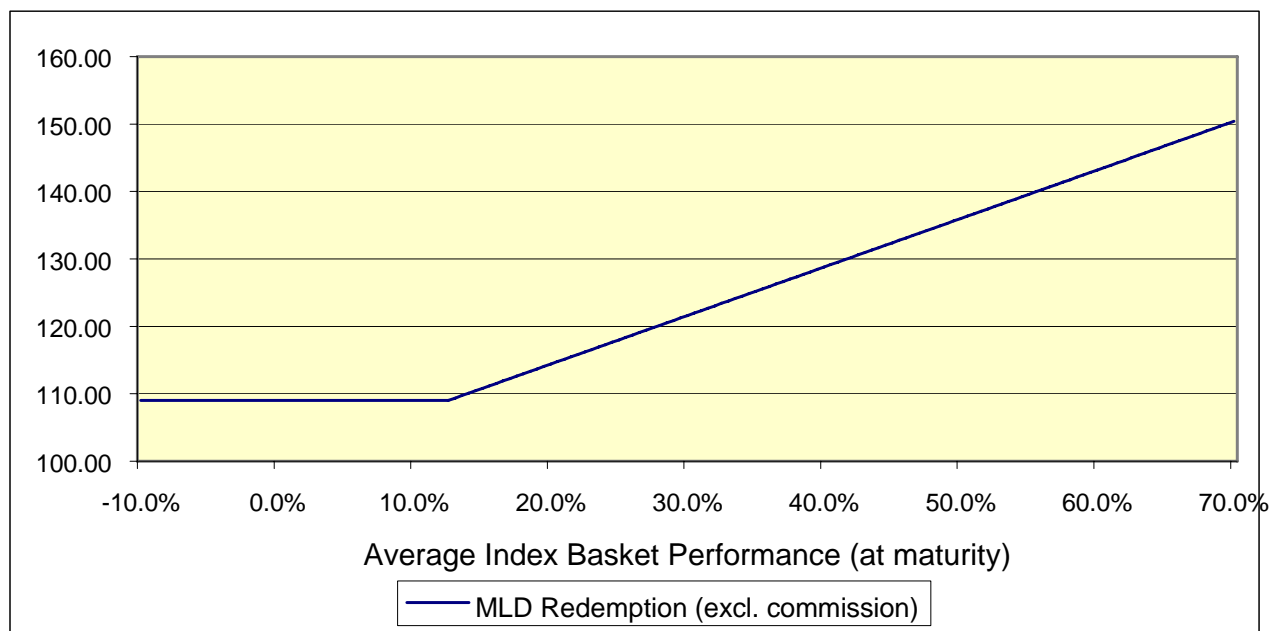
*) Breakeven point, i.e. a 4 year Index Basket performance of 12.5% (full term average) is necessary in order to achieve an MLD payout above 109% (minimum payback excl. commission)



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Payout Diagram



Example: Based on the average performance of 44.7% over the past 12 years, the MLD payout would have been 132.18% (72% participation on 44.7% average performance)

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