



Lloyds TSB

MARKET LINKED DEPOSIT

Ref. 461

Nasdaq 100 Index

5 Year Structured Deposit in USD

95% capital protection

**Subscriptions possible
at market price**

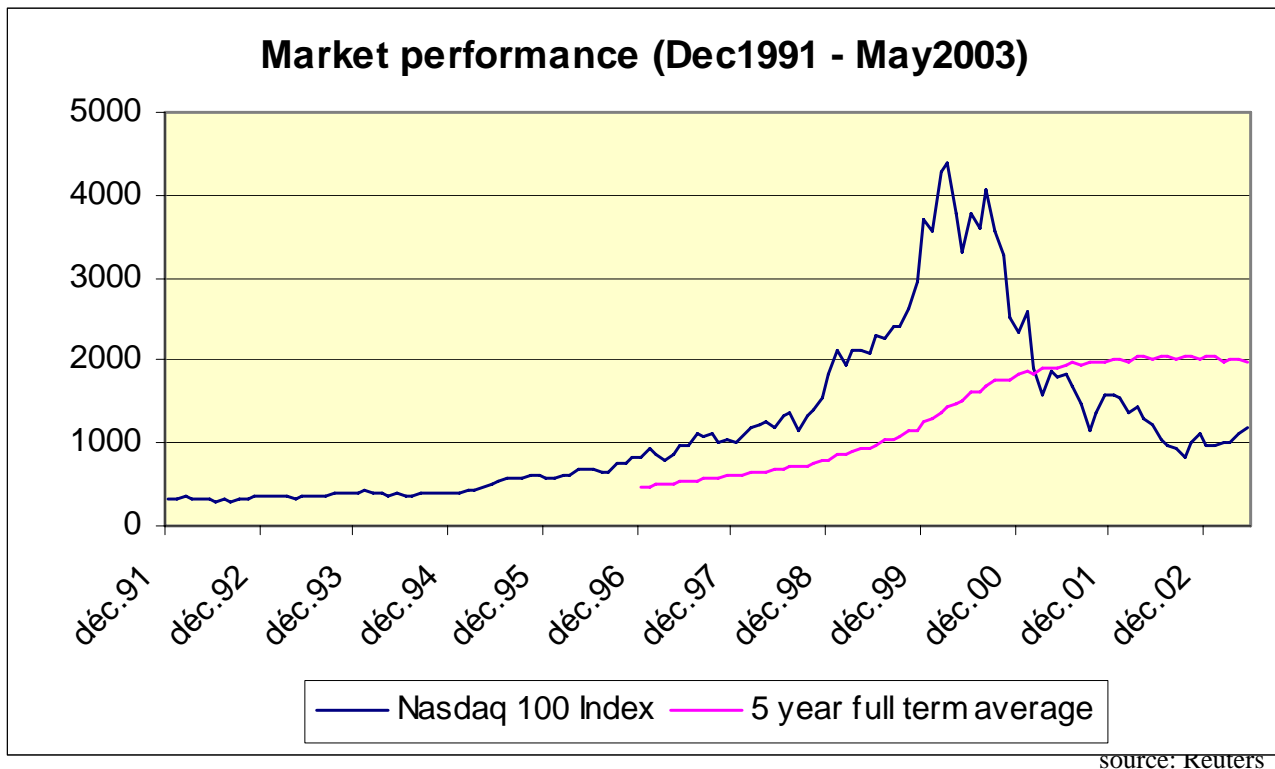
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MARKET LINKED DEPOSIT: Nasdaq 100 Index **5 Year Structured Deposit in USD** **with 95% capital protection**



The Nasdaq 100 Index is a modified capitalization-weighted index of the 100 largest and most active non-financial issues listed on the Nasdaq. The top 5 companies (based on weighting) in the Index are Microsoft, Intel, Cisco, Amgen and Qualcomm.

This structure is designed for dynamic investors who are looking for long term access to the US Equity market with a focus on the technology sector, in a 95% principal and currency protected manner. The return is linked to the full term average performance of the Nasdaq 100 Index.

At maturity investors receive:

95% of their capital back plus 90% of the average rise in the Nasdaq 100 Index over 5 years

The performance of this MLD is linked to the average of the Nasdaq 100 Index over the full 5 year term, based on the value of the Nasdaq 100 Index at the end of every three month period (20 quarterly observation points). **The potential return is unlimited.**



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

Term	5 years (03.06.2008)
Effective date	Closing level 03.06.2003
Payment date	Trade date + 2 business days
Final Settlement date	05.06.2008
Index start level	1'198.57
Capital protection level	95%
Participation ratio	90% of the average performance of the Nasdaq 100 Index
Asian End	5 years full term, simple average of 20 quarterly points
Minimum investment	USD 100'000.-
Commission rate	0.75% p.a. charged annually

Deposit Redemption

The higher of

- a) **95% of Nominal Amount**
or
b) **95% of Nominal Amount + {Nominal Amount x (90% x Average Nasdaq 100 Index Performance)}**

Definitions

- Average Nasdaq 100 Index Performance =
$$\frac{(\text{Average Nasdaq 100 Index level} - \text{Nasdaq 100 Index Start level})}{\text{Nasdaq 100 Index Start level}}$$
- Average Nasdaq 100 Index level = simple arithmetic average of the Nasdaq 100 Index closing levels as at the close of business on the 3rd of each September, December, March and June, adjusted for good business days, from 03.09.03 to 03.06.08, inclusive. There are 20 observation points
- Nasdaq 100 Index Start level = closing level of the Nasdaq 100 Index on the effective date

Important Note:

- We would like to draw your attention to the fact that the redemption of this MLD is linked to the **average performance** of the Nasdaq 100 Index Level **over the full 5 year term**, based on the value of the Nasdaq 100 Index at the end of every 3 month period

☞ **At maturity, the average Nasdaq 100 Index performance is added to the Capital Protection Level of 95%, i.e. if the average Nasdaq 100 Index performance at maturity is 30%, the MLD will be reimbursed at 122.0% (95% protection level + 90% of the average Nasdaq 100 Index performance (30.0%) = 27.0%). In case of a negative or very low positive performance, the MLD redemption can therefore be below 100%, but not below the protection level of 95%.**

Early termination is possible at market value. For details and additional fees, please refer to the Fiduciary Instruction form.

**MARKET LINKED DEPOSIT:
Nasdaq 100 Index**

Past Index Performances (monthly statistics starting 31.12.91, 77 observations)

5 year performance		* Nasdaq 100 Index
Best performance	Point to point	886.6%
	Full term average	224.8%
Worst performance	Point to point	-24.1%
	Full term average	41.1%
Average performance	Point to point	269.9%
	Full term average	130.1%
Positive performances	Point to point	69
	Full term average	78
Negative performances	Point to point	9
	Full term average	0

Source: Reuters

- * Point to point: Absolute 5 year performance from start to end level
 Full term average: 5 year average performance, based on the value of the Nasdaq 100 Index at the end of every 3 month period (simple arithmetic average of 20 quarterly observation points)

Payout table

5 year Nasdaq 100 Index performance (full term average)	5 year MLD payout at maturity (excl. commission)
-10.00%	95.00
0.00%	95.00
*) 5.57%	100.01
10.00%	104.00
20.00%	113.00
30.00%	122.00
40.00%	131.00
50.00%	140.00
60.00%	149.00

*) **Breakeven point**, i.e. an average Nasdaq 100 Index performance of 5.57% is necessary in order to achieve an MLD payout of 100% (excl. commission)



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Payout Diagram

