


**Lloyds
Bank**
Substitution of
LLOYDS BANK Plc

*(Incorporated in England with limited liability under the Companies Act 1862
and the Companies Act 1985 with registered number 2065)*

in place of
LLOYDS TSB GROUP plc

*(Incorporated in Scotland with limited liability under the
Companies Acts with registered number 95000)
(formerly called TSB Group plc)*

as the principal debtor in respect of
£100,000,000

**10⁵% per cent. Guaranteed Subordinated Loan Stock 2008
and guarantee thereof on a subordinated basis by**

LLOYDS TSB GROUP plc

These listing particulars are in relation to the substitution of Lloyds Bank Plc ("Lloyds Bank") in place of Lloyds TSB Group plc ("Lloyds TSB") as the principal debtor in respect of the £100,000,000 10% per cent. Guaranteed Subordinated Loan Stock 2008 (the "Stock"), originally issued (without a guarantee) by Lloyds TSB Group plc (then called TSB Group plc), and the guarantee thereof on a subordinated basis by Lloyds TSB Group plc.

The Stock is constituted by a trust deed dated 21 October 1988 (the "Principal Trust Deed") made between Lloyds TSB (then called TSB Group plc) and The Law Debenture Trust Corporation p.l.c. (the "Trustee"). Pursuant to the provisions of the Principal Trust Deed and as set out in the first supplemental trust deed dated 27 May 1997 (the "First Supplemental Trust Deed" and, together with the Principal Trust Deed, the "Trust Deed") made between Lloyds TSB, Lloyds Bank and the Trustee, the Trustee has concurred with Lloyds TSB and Lloyds Bank, with effect on and from the Effective Date (as defined below), in effecting the substitution of Lloyds Bank in place of Lloyds TSB as the principal debtor in respect of the Stock and under the Trust Deed together with the addition of an unconditional (subject as set out herein) and irrevocable guarantee on a subordinated basis of Lloyds TSB (in such capacity, the "Guarantor") of all amounts payable in respect of the Stock and under the Trust Deed. In addition, the Trustee has concurred with Lloyds TSB and Lloyds Bank, with effect on and from the Effective Date, in effecting the modification of other provisions of the Principal Trust Deed arising as a consequence of the substitution referred to above, including modification of the subordination provisions contained in Clause 5 of the Principal Trust Deed to make them consistent with the subordination provisions governing other subsisting dated subordinated borrowings of Lloyds Bank. The "Effective Date" shall be the date on which the London Stock Exchange Limited (the "London Stock Exchange") grants admission to the Official List for the Stock as stock of Lloyds Bank and is expected to be 30 May 1997.

In connection with the substitution of Lloyds Bank in place of Lloyds TSB, Lloyds Bank and Lloyds TSB have entered into (i) a substitution agreement dated 27 May 1997 (the "Substitution Agreement") setting out Lloyds TSB's agreement to transfer, and Lloyds Bank's agreement to assume, Lloyds TSB's liabilities and obligations in respect of the Stock, and (ii) a first supplemental registration agreement dated 27 May 1997 (the "First Supplemental Registration Agreement") to amend the provisions of the registration agreement dated 21 October 1988 (the "Registration Agreement") entered into by and between Lloyds TSB (then called TSB Group plc) and Hill Samuel Registrars Limited in connection with the original issue of the Stock. Lloyds Bank Registrars (the "Registrar"), an operating division of Lloyds Bank, is the successor to Hill Samuel Registrars Limited as registrar in respect of the Stock.

References herein to the "Stock" shall, where the context so admits, be deemed to be references to the Stock as modified pursuant to the terms of the First Supplemental Trust Deed.

Application has been made to the London Stock Exchange for the Stock to be admitted to the Official List as stock of Lloyds Bank. Copies of this document have been delivered for registration to the Registrar of Companies in England and Wales as required by Section 149 of the Financial Services Act 1986.

This document comprises listing particulars given in compliance with the listing rules made under Section 142 of the Financial Services Act 1986 by the London Stock Exchange for the purpose of giving information with regard to Lloyds TSB, Lloyds Bank and their respective subsidiaries and subsidiary undertakings and the Stock. Lloyds Bank and Lloyds TSB accept responsibility for the information contained in this document. To the best of the knowledge and belief of each of Lloyds Bank and Lloyds TSB (each of which has taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

In connection with the Stock, no person has been authorised to give any information or to make any representation other than as contained in this document in its entirety and, if given or made, such information or representation must not be relied upon as having been authorised by Lloyds Bank, Lloyds TSB or Swiss Bank Corporation (as listing agent). The delivery of this document shall not, under any circumstances, create any implication that there has been no change in the affairs of Lloyds TSB or Lloyds Bank or their respective subsidiaries and subsidiary undertakings since the date hereof.

The distribution of this document in certain jurisdictions may be restricted by law. Persons into whose possession this document comes are required by Lloyds Bank, Lloyds TSB and Swiss Bank Corporation (as listing agent) to inform themselves about and to observe any such restrictions.

All references herein to "pounds", "pounds sterling", "£", "pence" or "p" are to the currency of the United Kingdom, to "U.S. dollars" or "U.S.\$" are to the currency of the United States of America, to "N.Z. dollars" or "N.Z.\$" are to the currency of New Zealand and to "Yen" or "¥" are to the currency of Japan.

References to the "Lloyds Bank Group" are to Lloyds Bank, its subsidiaries, subsidiary undertakings and associated undertakings, and references to the "Lloyds TSB Group" are to Lloyds TSB, its subsidiaries, subsidiary undertakings and associated undertakings.

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PARTICULARS OF THE STOCK AS MODIFIED

The Certificates for Stock now in issue will not be called in for replacement or endorsement to reflect the modifications thereto. However, for convenience only, set out below is the text of the Particulars of the Stock (the "Particulars"), as modified as referred to above, which will be effective on and after the Effective Date (as defined in the Trust Deed).

The £100,000,000 nominal of 10% per cent. Guaranteed Subordinated Loan Stock 2008 of Lloyds Bank Plc (the "Stock" and the "Company" respectively) guaranteed on a subordinated basis by Lloyds TSB Group plc (formerly called TSB Group plc) (the "Guarantor") was created by a resolution of a duly constituted committee of the Board of Directors of the Guarantor passed on 12 October 1988 and is constituted as an unsecured subordinated obligation of the Company by a trust deed (the "Principal Trust Deed") between the Guarantor and The Law Debenture Trust Corporation p.l.c. (the "Trustee") whose principal office is on the Effective Date at Princes House, 95 Gresham Street, London EC2V 7LY as trustee for the holders of the Stock (the "Stockholders") as modified by a first supplemental trust deed dated 27 May 1997 and made between the Company, the Guarantor and the Trustee (the "First Supplemental Trust Deed" and, together with the Principal Trust Deed, the "Trust Deed"). Copies of the Trust Deed are available for inspection by Stockholders at the registered office for the time being of the Company, being on the Effective Date at 71 Lombard Street, London EC3P 3BS. The Trust Deed contains provisions *inter alia* to the following effect:

1. Transfer

The Stock is registered and transferable in integral multiples of £1 nominal. Stock may only be transferred in writing in any form permitted by the Stock Transfer Act 1963 or in any other form approved by the Company and the Trustee. The instrument of transfer must be signed by or on behalf of the transferor. The transferor shall be deemed to remain the holder of such Stock until the name of the transferee is entered in the Register in respect thereof.

2. Subordination

The claims of the Trustee and the Stockholders against the Company in respect of the Stock will, in the event of the winding up of the Company, be subordinated, in the manner provided in the Trust Deed, to the claims of depositors and all other creditors of the Company other than Subordinated Creditors (as defined below).

For the purposes of these Particulars, "Subordinated Creditors" means (a) persons whose claims are subordinated in the event of the winding up of the Company in any manner (other than by statute) to the claims of any unsecured creditor of the Company and (b) persons whose claims in the event of the winding up of the Company should have been but shall not have been subordinated to the claims of unsecured creditors of the Company in the manner required by any agreement, deed or instrument entered into by the Company (whether before, on or after the Effective Date) whereunder the claims of any creditor or class of creditors of the Company are required to be subordinated to the claims of any unsecured creditor of the Company.

3. Subordinated Guarantee

- (a) The Guarantor has unconditionally (save as set out below) and irrevocably guaranteed the due payment of all sums expressed to be payable by the Company under the Trust Deed and the Stock. Its obligations in that respect (the "Guarantee") are contained in the Trust Deed.
- (b) The rights against the Guarantor to payment of principal and interest in respect of the Stock are, in the event of the winding up of the Guarantor, subordinated to the rights of Senior Creditors in that payment of principal and interest in respect of the Stock is subject to the condition that the Guarantor be solvent at the time of payment and that in the event of such payment being made the Guarantor would still be solvent immediately after such payment. For this purpose the Guarantor shall be considered to be solvent if:
 - (i) it is able to pay its debts to Senior Creditors as they fall due; and
 - (ii) its Assets exceed its Liabilities to Senior Creditors.

A report by two of the Directors of the Guarantor or the Auditors of the Guarantor or, if the Guarantor is being wound up in Scotland, its liquidator, containing statements that the Guarantor is solvent for the purpose of this paragraph 3 and that if the Guarantor were to make any specified payment of principal or interest in respect of the Stock it would still be solvent as aforesaid immediately after making such payment will, unless the contrary is proved, be treated and accepted by the Guarantor and the persons entitled to such payment of principal or interest in respect of the Stock as conclusive as to the matters stated and the correctness of the opinions expressed therein.

(c) For the purposes of these Particulars:

"Assets" means the non-consolidated gross assets of the Guarantor as shown by the then latest published balance sheet of the Guarantor but adjusted for contingencies and for subsequent events and to such extent as the Directors of the Guarantor, the Auditors of the Guarantor or, as the case may be, the liquidator of the Guarantor may determine to be appropriate;

"Liabilities" means the non-consolidated gross liabilities of the Guarantor as shown and adjusted in like manner as for Assets; and

"Senior Creditor" means any creditor of the Guarantor whose claims have been accepted by the liquidator of the Guarantor in the winding up of the Guarantor not being a creditor:

- (i) whose right to repayment ranks or is expressed to rank postponed to or subordinate to that of unsubordinated creditors of the Guarantor; or
- (ii) whose right to repayment is made subject to a condition or is restricted (whether by operation of law or otherwise) or is expressed to be restricted in each case such that the amount which may be claimed for his own retention by such creditor in the event that the Guarantor is not solvent is less than in the event that the Guarantor is solvent; or
- (iii) whose debt is irrecoverable or expressed to be irrecoverable unless the persons entitled to payment of principal and interest in respect of the Stock recover the amounts of such principal and interest which such persons would be entitled to recover if payment of such principal and interest to such persons were not subject to any condition.

4. Interest

Interest at the rate of 10% per cent. per annum is payable (less United Kingdom income tax, where appropriate) on the Stock outstanding on 21 April and 21 October in each year up to and including 21 October 2008 in accordance with the provisions described in paragraph 6 below by equal half-yearly instalments on, and in respect of the half-years ending on, those dates respectively (each an "interest payment date").

5. Redemption and Purchase

- (a) All Stock not previously purchased and cancelled as hereinafter provided will be redeemed on 21 October 2008, at par, together with interest accrued up to and including such date.
- (b) The Company may, at any time after 22 October 1993, having given not less than 30 nor more than 45 days' notice in writing to the Stockholders any of whose Stock is to be redeemed, redeem the whole or any part of the Stock at a price, together with interest accrued up to and including the date of redemption, which shall be:
 - (i) par; or
 - (ii) if higher, that price at which the Gross Redemption Yield on the Stock at 3.00 p.m. on the Relevant Date is equal to the Gross Redemption Yield at 3.00 p.m. on that date of 9 per cent. Treasury Stock 2008 while that stock is in issue, and thereafter such government stock as the Trustee, with the advice of three brokers and/or Gilt-edged market makers or such other three persons operating in the Gilt-edged market as the Trustee may approve, may agree to be appropriate. For the purposes of this sub-paragraph (b), "Relevant Date" means the date which is two business days in London prior to the despatch of the notice of redemption referred to in this sub-paragraph (b). "Gross Redemption Yield" means the gross redemption yield as calculated by S.G. Warburg Securities (or such other person as the Trustee may approve) in the manner provided in the Trust Deed on the basis set out by the Joint Index and Classification Committee of the Institute and Faculty of Actuaries as reported in the Journal of the Institute of Actuaries Vol. 105, Part 1, 1978, page 18.
- (c) In the event of the Company determining to redeem part only of the Stock, the particular Stock to be redeemed shall be as nearly as may be *pro rata* to holdings of the Stock but without involving the redemption of a fraction of £1 nominal of the Stock.
- (d) The Company, any Subsidiary (as defined in the Trust Deed) of the Company, the Guarantor or any other Subsidiary of the Guarantor may at any time purchase Stock on the London Stock Exchange Limited ("The

Stock Exchange") or on any other recognised stock exchange or by tender (available to all Stockholders alike) or by private treaty, in each case at a price (inclusive of accrued interest but exclusive of all costs of purchase) which, if the Stock is then listed on The Stock Exchange, shall not exceed the average of the middle market quotations therefor on The Stock Exchange (calculated by reference to The Stock Exchange Daily Official List) during the period of 10 dealing days immediately preceding the date of purchase (or, in the case of a purchase by tender, the 10 dealing days immediately preceding the date of the invitation by the Company, the Guarantor or the relevant Subsidiary to tender) or, in the case of a purchase on The Stock Exchange, at the market price thereof provided that such market price is not more than 5 per cent. above such average, and which, if the Stock is not then so listed, shall not exceed 110 per cent. of the nominal amount thereof, but not otherwise.

- (e) All Stock redeemed shall be cancelled and shall not be reissued. Stock purchased by the Company, the Guarantor or any of their Subsidiaries may be held or resold or surrendered for cancellation.

6. Payments

Payments of principal and interest will be made in pounds sterling by cheque or warrant, drawn on a branch of a bank in the City of London, which will be despatched by pre-paid first class or airmail post not later than the day preceding the due date for the relevant payment, at the Stockholders' risk of loss, damage or delay, to persons who are registered as Stockholders at the close of business on the relevant Record Date at the respective addresses appearing in the Register or to their nominated agents, and made payable to such Stockholders. In the case of joint holders in respect of a particular holding, the cheque or warrant (made payable to all such holders) will be sent to the first named on the Register of Stockholders unless instructions to the contrary are given in writing to the Registrar by all such holders. Due payment of a cheque or warrant shall be a satisfaction of the payment in respect of which the cheque or warrant was despatched to the Stockholder. If at any time by reason of the suspension or curtailment of postal services the Company is unable to despatch a cheque or warrant in accordance with the provisions described above, the Company may, by notice advertised once in at least two leading daily newspapers (at least one of which shall be published in London), notify the Stockholders that any cheque or warrant is available for collection from a specified address, and the Stockholders or their duly authorised representatives may, on producing such evidence of authority and identity as the Company shall reasonably require, collect such cheque or warrant from such address during business hours of the Company. The "Record Date" shall mean the 21st day before an interest payment date, provided that should such day fall on a day on which the specified office of the Registrar is not open for business, then the Record Date shall mean the first day thereafter on which such specified office is open for business.

7. Events of Default and Enforcement

- (a) If default is made for a period of 14 days or more in the payment of any principal or interest due in respect of the Stock after the due date therefor the Trustee may at its discretion and without further notice institute such proceedings against the Guarantor as it may think fit to enforce the obligations of the Guarantor under the Trust Deed and may institute proceedings for the winding up of the Company in England (but not elsewhere) and/or the Guarantor provided that the Guarantor shall not, by virtue of the institution of any such proceedings other than proceedings for the winding up of the Company in England (but not elsewhere) or the Guarantor, be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.
- (b) If, otherwise than for the purposes of reconstruction or amalgamation on terms previously approved in writing by the Trustee, an order is made or an effective resolution is passed for winding up the Company and/or the Guarantor, the Trustee may give notice to the Company and the Guarantor that the Stock is, and it shall accordingly immediately become, due and repayable at par, plus accrued interest.
- (c) The Trustee shall be bound to take any of the actions referred to in sub-paragraphs (a) and (b) above to enforce the respective obligations of the Company and the Guarantor in respect of the Stock and under the Trust Deed if, but only if, (i) it shall have been so requested by an Extraordinary Resolution (as defined in the Trust Deed) of the Stockholders or in writing by the holders of at least one-fifth in principal amount of the Stock then outstanding and (ii) it shall have been indemnified to its satisfaction.
- (d) No Stockholder shall be entitled to institute proceedings for the winding up of the Company, or to prove in such winding up, except that if the Trustee, having become bound to proceed against the Company as aforesaid, fails to do so, or, being able to prove in such winding up, fails to do so, in either case within a reasonable period and such failure is continuing, then any Stockholder may, on giving an indemnity

satisfactory to the Trustee, in the name of the Trustee (but not otherwise), himself institute proceedings for the winding up in England (but not elsewhere) of the Company and/or prove in such winding up to the same extent (but not further or otherwise) that the Trustee would have been entitled so to do. No remedy against the Company, other than the institution of proceedings for the winding up of the Company in England or, as the case may be, proving in the winding up of the Company in the manner and by the persons aforesaid, shall be available to the Trustee or the Stockholders, whether for the recovery of amounts owing in respect of the Stock or under the Trust Deed or in respect of any breach by the Company of any of its obligations under the Stock or the Trust Deed (other than for recovery of the Trustee's remuneration or expenses).

- (e) No Stockholder shall be entitled to proceed directly against the Guarantor unless the Trustee, having become bound so to proceed, fails to do so within a reasonable period and such failure is continuing. No Stockholder shall be entitled to institute proceedings for the winding up of the Guarantor, or to submit a claim in such winding up, except that if the Trustee, having become bound so to proceed against the Guarantor as aforesaid, fails to do so, or, being able to submit a claim in such winding up, fails to do so, in each case within a reasonable period and such failure is continuing, then any such holder may, on giving an indemnity satisfactory to the Trustee, in the name of the Trustee (but not otherwise), himself institute proceedings for the winding up of the Guarantor and/or submit a claim in such winding up to the same extent (but not further or otherwise) that the Trustee would have been entitled to do so.

8. Covenant

So long as any part of the Stock remains outstanding, each of the Company and the Guarantor will procure that no Banking Company other than the Company or (by virtue of proviso (b) below) the Guarantor will (on or after the Effective Date) make any subordinated borrowing or give any subordinated guarantee or indemnity in respect of the borrowing of any other company within the Lloyds TSB Group (as defined in the Trust Deed), provided that this provision shall not apply (a) to Intra-group Transactions (as defined in the Trust Deed), or (b) to any borrowing, guarantee or indemnity made or given by a Banking Company which has prior thereto given a guarantee or indemnity in respect of the Stock ranking at least equally with such other borrowing, guarantee or indemnity in terms approved by the Trustee, or (c) to any borrowing, guarantee or indemnity made or given by any company prior to, and not in contemplation of, its becoming a Banking Company.

For the purposes of this provision:

"subordinated borrowing" means a borrowing in respect of which, on a winding up of the borrower, the claims of the lender are subordinated to the claims of unsubordinated creditors of the borrower;

"subordinated guarantee or indemnity" means a guarantee or indemnity under which, on a winding up of the company giving such guarantee or indemnity, claims against it are subordinated to the claims of its unsubordinated creditors; and

"Banking Company" means (i) TSB Bank plc, TSB Scotland plc, Hill Samuel Bank Limited and United Dominions Trust Limited, (ii) any other Subsidiary of the Company or any holding company (as defined in the Trust Deed) of the Company or another Subsidiary of any such holding company which in any such case (a) is incorporated in, or carries on substantially the whole of its business in or has substantially all of its assets in, the United Kingdom, and (b) is an authorised institution for the purposes of the Banking Act 1987 or is similarly authorised to carry on banking business in the United Kingdom under any statutory provision modifying, re-enacting or replacing such Act and (iii) any holding company, whether or not authorised as aforesaid, of any of the companies falling within (i) or (ii) above.

9. Modification of Rights and Substitution

- (a) Stockholders have power by Extraordinary Resolution *inter alia* to sanction any modification, abrogation or compromise of or arrangement in respect of their rights against the Company and/or the Guarantor and to assent to any modification of the provisions of the Trust Deed. In addition, the Trustee may from time to time without the consent or sanction of the Stockholders (but only if and insofar as in the opinion of the Trustee the interests of the Stockholders will not be materially prejudiced thereby or in order to correct a manifest error) waive or authorise on such terms and subject to such conditions as it shall deem expedient any breach or proposed breach by the Company or the Guarantor of any of the covenants or provisions of the Trust Deed or agree to any modification of the provisions of the Trust Deed.

Unless the Trustee agrees otherwise, any such modification shall be notified by the Company to the Stockholders in accordance with the provisions described in paragraph 12 below as soon as practicable thereafter.

- (b) The Trustee may also agree, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require to give effect thereto, but without the consent of the Stockholders, to the substitution, subject to the Stock being or becoming unconditionally (save, in the case of the Guarantor, as set out in paragraph 3 above) and irrevocably guaranteed by the Company and the Guarantor on subordinated bases equivalent to those referred to in paragraphs 2 and 3 above respectively, in the place of the Company (or of any previous substitute under the provision described in this paragraph), of any Subsidiary of the Company or any holding company of the Company or another Subsidiary of any such holding company as principal debtor under the Trust Deed and the Stock.

In connection with any proposed substitution as aforesaid, (i) the Trustee shall not have regard to the consequences of such substitution for any person resulting from his being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory; and (ii) no person shall, in connection with any such substitution, be entitled to claim from the Company or the Guarantor any indemnification or payment in respect of any tax consequence of any such substitution upon any person.

10. Trustee's Indemnification and Consents

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility in certain events. Any consent given by the Trustee may be given on such terms and subject to such conditions (if any) as the Trustee may in its absolute discretion think fit and, notwithstanding anything to the contrary in these Particulars contained, may be given retrospectively.

11. Removal, Retirement and Replacement of Trustee

The Trust Deed contains provisions relating to the removal of the Trustee and permits the Trustee to retire at any time upon giving not less than three months' notice without assigning any reason, subject to the appointment of a successor in the case of a sole trustee.

The Company has the power to appoint a new Trustee but the appointment of such new Trustee shall be subject to the approval of an Extraordinary Resolution of the Stockholders.

12. Notices

All notices will be valid if despatched by first class or airmail post in a prepaid envelope to each Stockholder at his registered address (or, in the case of joint holders, to the address of the holder whose name stands first in the Register). Any such notice will be deemed to have been given on the day following the date of despatch.

13. Issues of Further Stock

Provision has been made to enable further unsecured loan stock of the Company to be issued either so as to be identical in all respects with and to form a single series with the Stock or on such terms, including rights as to interest, ranking, conversion, premium, repayment and otherwise, as the Company may determine. Such further unsecured loan stock shall, if identical and forming a single series with the Stock, and may in any other case, where it is to rank *pari passu* with the Stock as regards subordination, with the consent of the Trustee, be constituted by a trust deed supplemental to the Trust Deed. No additional loan capital of the Company, any Subsidiary of the Company, the Guarantor or any other Subsidiary of the Guarantor shall be paid up in whole or in part by way of capitalisation of profits or reserves.

14. Governing Law

The Trust Deed is governed by, and shall be construed in accordance with, English law.

Note:

The Trust Deed does not contain any provision precluding the Company, the Guarantor or any of their Subsidiaries from disposing of any of their respective assets or from changing the nature of their respective businesses or for prescription periods. Breach of the covenant described in paragraph 8 of these Particulars will not be an event of default for the purposes of paragraph 7 above and will not give rise to an entitlement of the Trustee or the Stockholders to require the Stock to be repaid sooner than the same would otherwise have been repayable by the Company.

The **Lloyds TSB Group** is a U.K. based financial services group, whose businesses provide a comprehensive range of banking and financial services in the U.K. and overseas. At the end of 1996, total group assets were £147 billion and the Lloyds TSB Group employed over 82,000 staff. Lloyds Bank is a wholly-owned subsidiary of Lloyds TSB. The main businesses and activities of the Lloyds TSB Group are described below.

Retail Financial Services comprises the U.K. retail businesses of Lloyds Bank, TSB Bank plc and TSB Bank Scotland plc (both together, "TSB"), Cheltenham & Gloucester plc and Lloyds Abbey Life plc. The Lloyds TSB Group provides a full range of banking, mortgage, insurance and other financial services to over 15 million personal and small business customers. With over 3,000 branches, the Lloyds TSB Group has the most comprehensive geographic coverage of any financial services group in England, Scotland and Wales.

Wholesale Markets provides banking, treasury, investment management and other related services for major U.K. and multinational companies, banks and institutions and medium-sized U.K. businesses.

Private Banking provides a range of specialised, tailor-made services to individuals around the world. The Lloyds TSB Group has 39 offices in the U.K. and a presence in 13 countries overseas.

International Banking provides banking and financial services, principally in Latin America, New Zealand and Germany.

The **Lloyds Bank Group** comprises the great majority of the operations described above, with the exception of TSB. At the end of 1996 its consolidated total assets were £120 billion and it employed over 58,000 staff.

As part of an internal reorganisation, a bill was presented to Parliament in November 1996 which provides for the vesting in Lloyds Bank of the undertakings of TSB Bank plc and Hill Samuel Bank Ltd. It is hoped that the bill will be enacted by the Spring of 1998.

Directors

The directors of Lloyds Bank, the business address of each of whom is 71 Lombard Street, London EC3P 3BS, and their respective principal outside activities, where significant to Lloyds Bank, are as follows:

Sir Brian Pitman *Chairman*

Sir Nicholas Goodison *Deputy Chairman*
Deputy Chairman of British Steel

John T Davies *Deputy Chairman*

Peter B Ellwood *Chief Executive*
Chairman of Visa International

Alan E Moore CBE *Deputy Chief Executive and Treasurer*

M Kent Atkinson *Finance Director*

Robert C Carefull *Director of Strategic Planning & Retail Finance*

Michael E Fairey *Group Director, Central Services*

Andrew H Longhurst *Group Director, Customer Finance*

Stephen A Maran *Group Director, Savings & Investments*

David B Pirrie *Managing Director, International Banking*

David B Pirrie will leave the board of Lloyds Bank on 30 June 1997.

The directors of Lloyds TSB, the business address of each of whom should be regarded for the purpose of these Listing Particulars as 71 Lombard Street, London EC3P 3BS (which address is also the head office of Lloyds TSB), and their respective principal outside activities, where significant to Lloyds TSB, are as follows:

Sir Brian Pitman *Chairman*

Sir Nicholas Goodison *Deputy Chairman*
Deputy Chairman of British Steel

John T Davies *Deputy Chairman*

Peter B Ellwood *Group Chief Executive*
Chairman of Visa International

Alan E Moore *CBE Deputy Group Chief Executive*

M Kent Atkinson *Group Finance Director*

Michael E Fairey *Group Director, Central Services*

Andrew H Longhurst *Group Director, Customer Finance*

Stephen A Maran *Group Director, Savings & Investments*

Gordon A Anderson*

A Clive Butler*
Director of Unilever

Sheila M Forbes*

Sir Simon Hornby*
Director of Pearson and chairman of the Association for Business Sponsorship of the Arts

L E Linaker*
Chairman of Marling Industries and director of Wolverhampton and Dudley Breweries

Peter C Nicholson*
Director of Crest Nicholson and chairman of Carisbrooke Shipping

Dame Bridget Ogilvie DBE ScD*
Director of the Wellcome Trust and Zeneca Group

Sir David Plastow*
Chairman of the Medical Research Council and a director of Tenneco Inc

Sir Ian Prosser*
Chairman and chief executive of Bass

Sir Michael Quinlan GCB*
Director of the Ditchley Foundation and Pilkington

John M Raisman CBE LLD*
Chairman of British Bio-Tech and The Council for Industry and Higher Education, Director of Candover Investments and Tandem Computers

The Earl of Selborne KBE FRS*
Managing director of The Blackmoor Estate, chairman of the Joint Nature Conservation Committee

* Non-executive directors

CAPITALISATION OF THE LLOYDS TSB GROUP AND THE LLOYDS BANK GROUP

The following tables represent, on a consolidated basis, the Lloyds TSB Group's and the Lloyds Bank Group's (i) authorised share capital and (ii) issued share capital and reserves and minority interests in each case as at 31 December 1996 and (iii) undated and dated loan capital as at 31 March 1997 (adjusted to reflect the substitution of Lloyds Bank in place of Lloyds TSB as the principal debtor in respect of the Stock and in respect of £100,000,000 12 per cent. Guaranteed Subordinated Bonds 2011 which are being assumed by Lloyds Bank and guaranteed on a subordinated basis by Lloyds TSB at the same time as the Stock).

Lloyds TSB Group

	31 December 1996 £m
Share capital and reserves	
Authorised (<i>Note a</i>):	
6,911,052,632 ordinary shares of 25p each	1,728
78,947,368 limited voting ordinary shares of 25p each	20
300,000,000 limited voting preference shares of £1 each	300
	<u>2,048</u>
Issued and fully paid (<i>Note b</i>):	
5,354,889,454 ordinary shares	1,338
78,947,368 limited voting ordinary shares	20
	<u>1,358</u>
Reserves	3,716
	<u>5,074</u>
Minority interests	<u>34</u>

31 March
1997
£m

Undated loan capital (Notes c, d, e and n)

Lloyds TSB

£100 million Perpetual Floating Rate Notes (Note f) 100

Subsidiary undertakings

Primary Capital Undated Floating Rate Notes (Series 1) (U.S.\$750 million) (Notes f and h) 460

Primary Capital Undated Floating Rate Notes (Series 2) (U.S.\$500 million) (Notes f and h) 307

Primary Capital Undated Floating Rate Notes (Series 3) (U.S.\$600 million) (Notes f and h) 368

Undated Subordinated 5.57 per cent. Step-up Coupon Notes (¥20 billion) (Notes g and m) 99

£100 million 11½ per cent. Perpetual Subordinated Bonds 100

Total 1,434

Dated loan capital (Notes c, e, j, k and n)

Lloyds TSB

£135 million Subordinated Zero Coupon Bonds 1998 114

£100 million Variable Rate Subordinated Notes 2003 (Note f) 100

£250 million 8½ per cent. Subordinated Bonds 2006 248

£150 million 9½ per cent. Subordinated Bonds 2011 148

£100 million Subordinated Floating Rate Notes 2006 99

Subsidiary undertakings

£100 million 10½ per cent. Guaranteed Subordinated Loan Stock 2008 (now being assumed) 100

£100 million 12 per cent. Guaranteed Subordinated Bonds 2011 (being assumed at the same time as the Stock) 100

U.S.\$280 million Guaranteed Floating Rate Notes 1997 (U.S.\$56 million) (Notes f and h) 34

£150 million 10½ per cent. Subordinated Bonds 1998 150

£200 million Variable Rate Subordinated Notes 1998 (Note f) 80

U.S.\$230 million Guaranteed Floating Rate Notes 1998 (U.S.\$46 million) (Notes f and h) 28

£100 million 11½ per cent. Subordinated Serial Bonds 1998 40

£200 million 9½ per cent. Subordinated Bonds 2023 200

£400 million 7½ per cent. Subordinated Bonds 2004 398

£100 million 9½ per cent. Subordinated Bonds 2009 99

£300 million Subordinated Floating Rate Notes 1999 (£228 million) (Notes f and l) 226

£100 million Subordinated Floating Rate Notes 2004 (Notes f and l) 100

N.Z.\$200 million Subordinated Fixed Rate Bonds 2003 (Note i) 85

N.Z.\$150 million Subordinated Fixed Rate Bonds 2007 (Note i) 64

£17.5 million Subordinated Floating Rate Notes 2003 (Note f) 18

£25 million Subordinated Floating Rate Notes 2004 (Note f) 25

£25 million Subordinated Floating Rate Notes 2005 (Note f) 25

£135 million Floating Rate Notes 2063 (Note f) 21

¥3 billion Eurocurrency Step-up Coupon Bonds 2003 (Note g) 13

Total 2,515

Total Capitalisation of Lloyds TSB Group 9,057

Lloyds Bank Group

31 December
1996
£m

Share capital and reserves

Authorised (Note a):

1,650,000,000 ordinary shares of £1 each and 1 cumulative floating rate preference share of £1	1,650
	1,650

Issued and fully paid (Note o):

1,458,180,792 ordinary shares of £1 each	1,458
Reserves	2,316

Total	3,774
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Minority interests	7
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31 March
1997
£m

Undated loan capital (Notes c, d, e and n)

Lloyds Bank

Primary Capital Undated Floating Rate Notes (Series 1) (U.S.\$750 million) (Notes f and h)	460
Primary Capital Undated Floating Rate Notes (Series 2) (U.S.\$500 million) (Notes f and h)	307
Primary Capital Undated Floating Rate Notes (Series 3) (U.S.\$600 million) (Notes f and h)	368
Undated Subordinated 5.57 per cent. Step-up Coupon Notes (¥20 billion) (Notes g and m)	99

Subsidiary undertakings

£100 million 11½ per cent. Perpetual Subordinated Bonds	100
Total	1,334

Dated loan capital (Notes c, e, j, k and n)

Lloyds Bank

£150 million 10¼ per cent. Subordinated Bonds 1998	150
£200 million Variable Rate Subordinated Notes 1998 (Note f)	80
£100 million 11½ per cent. Subordinated Serial Bonds 1998	40
£200 million 9½ per cent. Subordinated Bonds 2023	200
£400 million 7½ per cent. Subordinated Bonds 2004	398
£100 million 9½ per cent. Subordinated Bonds 2009	99
£300 million Subordinated Floating Rate Notes 1999 (£228 million) (Notes f and l)	226
£100 million Subordinated Floating Rate Notes 2004 (Notes f and l)	100
£100 million Subordinated Floating Rate Loan 2006 (Note f)	100
£100 million 10¼ per cent. Guaranteed Subordinated Loan Stock 2008 (now being assumed)	100
£100 million 12 per cent. Guaranteed Subordinated Bonds 2011 (being assumed at the same time as the Stock)	100

Subsidiary undertakings

U.S.\$280 million Guaranteed Floating Rate Notes 1997 (U.S.\$56 million) (Notes f and h)	34
U.S.\$230 million Guaranteed Floating Rate Notes 1998 (U.S.\$46 million) (Notes f and h)	28
N.Z.\$200 million Subordinated Fixed Rate Bonds 2003 (Note i)	85
N.Z.\$150 million Subordinated Fixed Rate Bonds 2007 (Note i)	64
£17.5 million Subordinated Floating Rate Notes 2003 (Note f)	18
£25 million Subordinated Floating Rate Notes 2004 (Note f)	25
£25 million Subordinated Floating Rate Notes 2005 (Note f)	25
£150 million Subordinated Floating Rate Notes 2006 (Note f)	150

Total	2,022
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Total Capitalisation of the Lloyds Bank Group	7,137
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- (a) *There has been no change in the authorised share capital of Lloyds TSB or Lloyds Bank since 31 December 1996.*
 - (b) *Between 31 December 1996 and 22 May 1997 (the latest practicable date prior to the printing of this document), Lloyds TSB issued a total of 3,566,276 ordinary shares of 25p each at prices ranging between 71.01p per share and 288p per share under the Lloyds TSB Group's employees' share schemes, 1,472,281 shares were issued in connection with the acquisition of the minority interest in Lloyds Abbey Life plc and 6,087,184 shares were issued under the share dividend scheme. No other ordinary shares were issued during this period. There has been no material change in the issued share capital since 22 May 1997.*
 - (c) *Save for the £100 million 10% per cent. Guaranteed Subordinated Loan Stock 2008 and £100 million 12 per cent. Guaranteed Subordinated Bonds 2011, both now being assumed by Lloyds Bank and guaranteed on a subordinated basis by Lloyds TSB, there has been no material change in the consolidated undated and dated loan capital since 31 March 1997.*
 - (d) *The undated loan capital notes and bonds were issued on a subordinated basis and, in certain circumstances, would acquire the characteristics of preference share capital.*
 - (e) *In certain circumstances the amounts of undated and dated loan capital reflect issue expenses which are amortised over the life of the issue.*
 - (f) *These notes bear interest at rates fixed periodically in advance based on London interbank rates.*
 - (g) *Loan capital denominated in Yen has been translated at the rate of £1 = ¥201.5169, being the rate prevailing on 31 March 1997.*
 - (h) *Loan capital denominated in U.S.\$ has been translated at the rate of £1 = U.S.\$1.63, being the rate prevailing on 31 March 1997.*
 - (i) *Loan capital denominated in N.Z.\$ has been translated at the rate of £1 = N.Z.\$2.3474, being the rate prevailing on 31 March 1997. These Bonds bear interest (to be reset five years before the final maturity date) at a fixed margin over New Zealand government stocks.*
 - (j) *Much of the dated loan capital is prepayable at the option of the relevant issuer subject to such, if any, prior approval of the Bank of England as may for the time being be required therefor.*
 - (k) *Much of the dated loan capital is subject to repayment by periodic instalments. The figures on the right hand side of the table represent in pounds sterling terms the amounts outstanding. Where repayment is due in instalments, the year shown is that in which the final instalment falls due.*
 - (l) *Exchangeable at the election of Lloyds Bank for further subordinated floating rate notes.*
 - (m) *Redeemable at the election of Lloyds Bank in 2015. If the Notes are not redeemed, the coupon will be reset to a fixed margin over the then five year Yen swap rate.*
 - (n) *All dated and undated loan capital described above is subordinated.*
 - (o) *There has been no change in the issued share capital of Lloyds Bank since 31 December 1996.*

The comments below are of a general nature based on current United Kingdom law and practice. They are not exhaustive. They do not necessarily apply where the income is deemed for tax purposes to be the income of any other person. They relate only to the position of persons who are the absolute beneficial owners of their Stock and may not apply to certain classes of persons such as dealers. Any holders of Stock who are in doubt as to their tax position should consult their professional advisers.

Lloyds TSB and Lloyds Bank have been advised that under current United Kingdom law and practice the substitution of Lloyds Bank in place of Lloyds TSB as the principal debtor and the addition of Lloyds TSB as guarantor should not have any adverse United Kingdom taxation consequences for holders. The principal United Kingdom taxation consequences of holding and disposing of the Stock after substitution are set out below.

Interest

Payments of interest on the Stock will be paid under deduction of income tax at the applicable rate (currently 20 per cent.) subject to any direction to the contrary from the Inland Revenue in respect of such relief as may be available pursuant to the provisions of any applicable double taxation treaty.

The interest on the Stock has a United Kingdom source and accordingly will be chargeable to income tax or corporation tax by assessment in addition to being subject to withholding or deduction. Subject to certain exceptions, the interest will not be assessed to United Kingdom tax in the hands of a holder of Stock who is not resident for tax purposes in the United Kingdom throughout the relevant tax year, unless that holder carries on a trade, profession or vocation in the United Kingdom through a branch or agency in connection with which the interest is received or to which the Stock is attributable.

Where interest has been received under deduction of United Kingdom income tax, a holder of Stock who is not resident in the United Kingdom may be able to recover all or part of the tax deducted if there is an appropriate provision in an applicable double taxation treaty.

Disposal

The Stock is a "qualifying corporate bond" within the meaning of Section 117 of the Taxation of Chargeable Gains Act 1992 with the result that on a disposal of the Stock neither a chargeable gain nor an allowable loss will arise for the purposes of taxation of chargeable gains.

A transfer of Stock by a non-corporate holder who is resident or ordinarily resident for tax purposes in the United Kingdom or who carries on a trade in the United Kingdom through a branch or agency to which the Stock is attributable may give rise to a charge to tax on income under the accrued income scheme in respect of an amount representing interest on the Stock which has accrued since the preceding interest payment date.

Corporation Tax Payers

Pursuant to the provisions contained in the Finance Act 1996, all profits and gains, including interest, arising from the Stock to holders of the Stock within the charge to United Kingdom corporation tax will be subject to tax as income items and the quantum of these profits and gains, and the time at which they will be recognised for tax purposes, will be determined, in general, in accordance with the company's statutory accounting treatment. Similarly losses arising from the Stock will be relieved as income items and will generally be quantified and recognised for corporation tax purposes in accordance with the company's statutory accounting treatment.

Stamp Duty

Transfers of the Stock will not be subject to stamp duty and agreements to transfer the Stock will not be subject to stamp duty reserve tax.

GENERAL INFORMATION

1. The £100,000,000 10½ per cent. Subordinated Loan Stock 2008 (then an obligation of TSB Group plc) was listed on the London Stock Exchange on 17 October 1988. It is expected that listing of the Stock (as stock of Lloyds Bank, and modified as set out herein) on the London Stock Exchange will be granted on 30 May 1997. Each transaction in respect of the Stock will be effected for settlement in pounds sterling and for delivery normally on the third dealing day after the date of the transaction.
2. Neither Lloyds TSB nor Lloyds Bank nor any of their respective subsidiaries is involved in any legal or arbitration proceedings which may have, or have had during the 12 months preceding the date of this document, a significant effect on the financial position of the Lloyds TSB Group or of the Lloyds Bank Group nor, so far as Lloyds TSB or Lloyds Bank is aware, are any such proceedings pending or threatened.
3. Since 31 December 1996, the date to which the latest audited consolidated published accounts of Lloyds TSB, Lloyds Bank and their respective subsidiaries were made up, there has been no significant change in the financial or trading position of the Lloyds TSB Group or of the Lloyds Bank Group and no material adverse change in the financial position or prospects of the Lloyds TSB Group or of the Lloyds Bank Group.
4. The annual consolidated published accounts of Lloyds TSB and its subsidiaries for the financial year ended 31 October 1994 have been audited by KPMG (formerly KPMG Peat Marwick), Chartered Accountants and Registered Auditors, whose address is 8 Salisbury Square, London EC4Y 8BB, and the Auditors' Report contained therein was unqualified. The annual consolidated published accounts of Lloyds TSB and its subsidiaries for the year ended 31 December 1996 and for the period ended 31 December 1995 and the annual consolidated published accounts of Lloyds Bank and its subsidiaries for the three financial years ended 31 December 1996 have been audited by Price Waterhouse, Chartered Accountants and Registered Auditors, whose address is Southwark Towers, 32 London Bridge Street, London SE1 9SY, and the Auditors' Reports contained therein were unqualified.
5. Copies of the latest published Annual Report and Accounts of Lloyds TSB and of the latest published Annual Report and Accounts of Lloyds Bank will (so long as any of the Stock remains outstanding) be sent to the holders of the Stock on publication. Lloyds Bank does not publish interim accounts.
6. The substitution of Lloyds Bank in place of Lloyds TSB as the principal debtor in respect of the Stock and the giving of the subordinated guarantee in respect of the Stock by Lloyds TSB were authorised by respective resolutions of the Chairman's Committee of the Board of Directors of each of Lloyds Bank and Lloyds TSB both passed on 6 May 1997.
7. Under current regulations of the Bank of England, no repayment of the Stock pursuant to the provisions described in paragraph 5(b) of the Particulars of the Stock may be made without the consent of the Bank of England.
8. Copies of the following documents are available for inspection during usual business hours on any weekday (Saturdays and public holidays excepted) at the offices of Linklaters & Paines, Barrington House, 59-67 Gresham Street, London EC2V 7JA, for a period of 14 days from the date hereof:
 - (a) the Memoranda and Articles of Association of Lloyds TSB and Lloyds Bank;
 - (b) the audited consolidated Annual Reports and Accounts of Lloyds TSB for the financial period ended 31 December 1995 and for the financial year ended 31 December 1996 and the audited consolidated Annual Reports and Accounts of Lloyds Bank for the two financial years ended 31 December 1996; and
 - (c) the Principal Trust Deed, the First Supplemental Trust Deed, the Substitution Agreement, the Registration Agreement and the First Supplemental Registration Agreement.

REGISTERED OFFICE OF LLOYDS BANK Plc

71 Lombard Street
London EC3P 3BS

REGISTERED OFFICE OF LLOYDS TSB GROUP plc

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95 Gresham Street
London EC2V 7LY

REGISTRAR

Lloyds Bank Registrars

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