



# LLOYDS TSB BANK plc ✓

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

**£10,000,000,000**

## Euro Medium Term Note Programme

This Offering Circular (the "Offering Circular") supersedes the offering circular dated 27th November, 2000 in connection with the Programme (as defined below). Any Notes (as defined below) issued under the Programme on or after the date of this Offering Circular are issued subject to the provisions described herein. This does not affect any Notes already in issue. Under the Euro Medium Term Note Programme described in this Offering Circular (the "Programme"), Lloyds TSB Bank plc (the "Bank" or "Lloyds TSB Bank"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue Euro Medium Term Notes (the "Notes"). The aggregate nominal amount of Notes outstanding will not at any time exceed £10,000,000,000 (or the equivalent in other currencies), subject to increase as provided herein.

Application has been made to the Financial Services Authority in its capacity as competent authority under the Financial Services Act 1986 (the "UK Listing Authority") for Notes issued within 12 months after the date of this Offering Circular to be admitted to the official list of the UK Listing Authority (the "Official List") and to the London Stock Exchange plc (the "London Stock Exchange") for such Notes to be admitted to trading on the London Stock Exchange's market for listed securities. Admission to the Official List of the UK Listing Authority, together with admission to trading on the London Stock Exchange's market for listed securities, constitutes official listing on a stock exchange. However, unlisted Notes may be issued pursuant to the Programme. The relevant Pricing Supplement (as defined herein) in respect of the issue of any Notes will specify whether or not such Notes will be listed on the Official List and admitted for trading on the London Stock Exchange's market for listed securities (or listed on any other stock exchange).

Copies of this document, which comprises listing particulars approved by the UK Listing Authority in relation to Notes admitted to the Official List and admitted to trading on the London Stock Exchange's market for listed securities and issued within the period of 12 months after the date of this Offering Circular, 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. ✓

Each Tranche (as defined herein) of Notes in bearer form will be represented on issue by a temporary global note in bearer form (each a "temporary Global Note") or a permanent global note in bearer form (each a "permanent Global Note"). Notes in registered form will be represented by registered certificates (each a "Certificate"), one Certificate being issued in respect of each Noteholder's entire holding of Registered Notes of one Tranche. Global Notes and Certificates may be deposited on the issue date with a common depositary on behalf of Euroclear Bank S.A./N.V. as operator of the Euroclear System ("Euroclear") and Clearstream Banking, société anonyme ("Clearstream, Luxembourg") and/or any other agreed clearance system. The provisions governing the exchange of interests in Global Notes for other Global Notes and definitive Bearer Notes are described in "Summary of Provisions Relating to the Notes while in Global Form".

**Arranger**

**Merrill Lynch International**

**Dealers**

**Deutsche Bank  
JPMorgan  
Lloyds TSB Bank plc  
Schroder Salomon Smith Barney**

**Goldman Sachs International  
Lehman Brothers  
Merrill Lynch International  
UBS Warburg**



This Offering Circular (which may be amended or supplemented from time to time) comprises listing particulars (the "Listing Particulars") given in compliance with the listing rules made under Section 142 of the Financial Services Act 1986 by the UK Listing Authority for the purpose of giving information with regard to the Bank, the Lloyds TSB Bank Group (as defined below) and the Notes. The Bank accepts responsibility for the information contained in the Listing Particulars. To the best of the knowledge and belief of the Bank (which has taken all reasonable care to ensure that such is the case), the information contained in the Listing Particulars is in accordance with the facts and does not omit anything likely to affect the import of such information.

Any reference in this Offering Circular to listing particulars means this Offering Circular excluding all information incorporated by reference. The Bank has confirmed that any information incorporated by reference, including any such information to which readers of this Offering Circular are expressly referred, has not been and does not need to be included in the Listing Particulars to satisfy the requirements of the Financial Services Act 1986 or the Listing Rules. The Bank believes that none of the information incorporated therein by reference conflicts in any material respect with the information included in the Listing Particulars.

No person is or has been authorised to give any information or to make any representation other than as contained in this Offering Circular in its entirety in connection with the offering of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Bank or any of the Dealers or the Arranger or the Trustee (as defined in "Summary of the Programme"). Neither the delivery of this Offering Circular nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Bank, its subsidiaries, subsidiary undertakings or associated undertakings since the date hereof or the date upon which this document has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same. Neither this Offering Circular nor any other information supplied in connection with the Programme or any Notes (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation or constituting an invitation or offer by the Bank, the Trustee or any of the Dealers that any recipient of this Offering Circular or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Bank. Neither this Offering Circular nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer of, or an invitation by or on behalf of the Bank or any of the Dealers to any person to subscribe for or purchase, any Notes.

The Dealers expressly do not undertake to review the financial condition or affairs of the Bank during the life of the Programme.

The distribution of this document and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this document comes are required by the Bank, the Dealers and the Arranger to inform themselves about and to observe any such restriction. The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") and include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons. The Notes are not eligible for sale under Rule 144A under the Securities Act. For a description of certain restrictions on offers and sales of Notes and on distribution of this document, see "Subscription and Sale".

In connection with any Tranche (as defined in "Summary of the Programme"), one of the Dealers may act as a stabilising agent (the "Stabilising Agent"). The identity of the Stabilising Agent (if any) will be disclosed in the relevant Pricing Supplement. References in the next paragraph to "this issue" are to each Tranche in relation to which a Stabilisation Agent is appointed.

In connection with this issue, the Stabilising Agent may over-allot or effect transactions which stabilise or maintain the market price of the Notes of this issue at a level which might not otherwise prevail. Such stabilising, if commenced, may be discontinued at any time and will be carried out in accordance with applicable laws and regulations.

In this Offering Circular, unless otherwise specified or the context otherwise requires, references to "£", "pounds" and "Sterling" are to pounds sterling, references to "U.S.\$" and "U.S. dollars" are to United States dollars, references to "Yen", "JPY" and "¥" are to Japanese Yen, references to "€" and "euro" are to the currency introduced at the start of the third stage of European economic and monetary Union pursuant to the Treaty establishing the European Community as amended by the Treaty on European Union and by the Treaty of Amsterdam and references to "N.Z. dollars" and "N.Z.\$" are to the currency of New Zealand.

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

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### DOCUMENTS INCORPORATED BY REFERENCE

This Offering Circular should be read and construed in conjunction with each relevant Pricing Supplement and the most recently published audited annual accounts of the Bank, which shall be deemed to be incorporated in, and to form part of, this Offering Circular and which shall be deemed to modify or supersede the contents of this Offering Circular to the extent that a statement contained in any such document is inconsistent with such contents; provided, however, that no such document or modifying or superseding statement shall form part of the listing particulars issued in compliance with the listing rules made under Section 142 of the Financial Services Act 1986 or under Section 74 of the Financial Services and Markets Act 2000.

### SUPPLEMENTARY LISTING PARTICULARS / SUPPLEMENTAL OFFERING CIRCULAR

If at any time the Bank shall be required to prepare supplementary listing particulars pursuant to Section 81 of the Financial Services and Markets Act 2000, the Bank will prepare and make available an appropriate amendment or supplement to this Offering Circular or a further offering circular which, in respect of any subsequent issue of Notes to be listed on the Official List and admitted to trading on the London Stock Exchange's market for listed securities, shall constitute supplementary listing particulars as required by the UK Listing Authority and Section 81 of the Financial Services and Markets Act 2000.

## SUMMARY OF THE PROGRAMME

The following summary is qualified in its entirety by the remainder of this document.

<b>Bank:</b>	Lloyds TSB Bank plc.
<b>Description:</b>	Euro Medium Term Note Programme.
<b>Size:</b>	Up to £10,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time. The Bank may increase the aggregate nominal amount of Notes which may be issued under the Programme in accordance with the Programme Agreement.
<b>Arranger:</b>	Merrill Lynch International
<b>Dealers:</b>	Deutsche Bank AG London Goldman Sachs International Lehman Brothers International (Europe) Lloyds TSB Bank plc Merrill Lynch International J.P. Morgan Securities Ltd. Salomon Brothers International Limited* UBS AG, acting through its business group UBS Warburg
	The Bank may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Offering Circular to "Permanent Dealers" are to the persons listed above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and to "Dealers" are to all Permanent Dealers and all persons appointed as dealers in respect of one or more Tranches.
<b>Trustee:</b>	The Law Debenture Trust Corporation p.l.c.
<b>Issuing and Paying Agent:</b>	Citibank, N.A.
<b>Method of Issue:</b>	The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a "Series") having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a "Tranche") on the same or different issue dates. The specific terms of each Tranche (which will be supplemented, where necessary, with supplemental terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set out in a pricing supplement (each a "Pricing Supplement").
<b>Issue Price:</b>	Notes may be issued at their nominal amount or at a discount or premium to their nominal amount. Partly Paid Notes may be issued, the issue price of which will be payable in two or more instalments.
<b>Form of Notes:</b>	The Notes may be issued in bearer form only ("Bearer Notes"), in bearer form exchangeable for Registered Notes ("Exchangeable Bearer Notes") or in registered form only ("Registered Notes"). Each Tranche of Bearer Notes and Exchangeable Bearer Notes will be represented on issue by a temporary Global Note if (i) definitive Notes are to be made available to Noteholders following the expiry of 40 days after their issue date or (ii) such Notes have an initial maturity of more than one year and are being issued in compliance with the D Rules (as defined in "Summary of the Programme — Selling Restrictions"), otherwise such Tranche will be represented by a permanent Global Note. Temporary Global Notes and permanent Global Notes are together referred to as "Global Notes". Registered Notes will be represented by Certificates, one Certificate being issued

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in respect of each Noteholder's entire holding of Registered Notes of one Tranche. Certificates representing Registered Notes that are registered in the name of a nominee for one or more clearing systems are referred to as "Global Certificates".

- Clearing Systems:** Clearstream, Luxembourg, Euroclear and, in relation to any Tranche, such other clearing system as may be agreed between the Bank, the Issuing and Paying Agent, the Trustee and the relevant Dealer(s).
- Initial Delivery of Notes:** On or before the issue date for each Tranche, the temporary Global Note or, as the case may be, the permanent Global Note representing Bearer Notes or Exchangeable Bearer Notes or the Certificate representing Registered Notes may be deposited with a common depository for Euroclear and Clearstream, Luxembourg. Global Notes or Certificates may also be deposited with any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the Bank, the Issuing and Paying Agent, the Trustee and the relevant Dealer. Registered Notes that are to be credited to one or more clearing systems on issue will be registered in the name of nominees or a common nominee for such clearing systems.
- Currencies:** Subject to compliance with all relevant laws, regulations and directives, Notes may be issued denominated in any currency agreed between the Bank and the relevant Dealer(s).
- Issues of Notes denominated in Swiss francs or carrying a Swiss franc related element with a maturity of more than one year (other than Notes privately placed with a single investor with no publicity) will be effected in compliance with the relevant regulations of the Swiss National Bank based on article 7 of the Federal Law on Banks and Savings Banks of 8th November, 1934 (as amended) and article 15 of the Federal Law on Stock Exchanges and Securities Trading of 24th March, 1995 in connection with article 2, paragraph 2 of the Ordinance of the Federal Banking Corporation on Stock Exchanges and Securities Trading of 2nd December, 1996. Under the said regulations, the relevant Dealer or, in the case of a syndicated issue, the lead manager (the "Swiss Dealer") must be a bank domiciled in Switzerland (which includes branches or subsidiaries of a foreign bank located in Switzerland) or a securities dealer duly licensed by the Swiss Federal Banking Commission as per the Federal Law on Stock Exchanges and Securities Trading of 24th March, 1995. The Swiss Dealer must report certain details of the relevant transaction to the Swiss National Bank no later than the relevant issue date for such a transaction.
- Redenomination:** Notes denominated in a currency that may be converted into euro, may, following consultation with the Issuing and Paying Agent and the giving of notice to the Trustee, be subject to redenomination, renominatisation, reconventioning and/or consolidation with other Notes then denominated in euro, as specified in the relevant Pricing Supplement.
- Maturities:** Subject to compliance with all relevant laws, regulations and directives, any maturity. Unless otherwise permitted by then current laws, regulations and directives, (i) Subordinated Notes may be undated and (ii) Dated Subordinated Notes will have a minimum maturity of five years and one day.
- Denomination:** Definitive Notes will be in such denominations as may be specified in the relevant Pricing Supplement.
- Fixed Interest Rate Notes:** Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Pricing Supplement.
- Floating Rate Notes:** Floating Rate Notes will bear interest determined separately for each Series as follows:
- (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2000 ISDA Definitions (as amended and supplemented) published by the International Swaps and Derivatives Association, Inc; or
  - (ii) by reference to LIBOR, LIBID, LIMEAN or EURIBOR (or such other benchmark as may be specified in the relevant Pricing Supplement) as adjusted for any applicable margin.

	Interest Rates will be specified in the relevant Pricing Supplement.
<b>Zero Coupon Notes:</b>	Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest other than after the Maturity Date.
<b>Dual Currency Notes:</b>	Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as may be specified in the relevant Pricing Supplement.
<b>Index Linked Notes:</b>	Payments of principal in respect of Index Linked Redemption Notes or of interest in respect of Index Linked Interest Notes will be calculated by reference to such index and/or formula as may be specified in the relevant Pricing Supplement.
<b>Interest Periods and Interest Rates:</b>	The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Pricing Supplement.
<b>Redemption:</b>	The Pricing Supplement issued will specify the basis for calculating the redemption amounts payable, which may be by reference to a stock index or formula or as otherwise provided in the relevant Pricing Supplement.
<b>Redemption by Instalments:</b>	The Pricing Supplement issued in respect of each issue of Notes that are redeemable in two or more instalments will set out the dates on which, and the amounts in which, such Notes may be redeemed.
<b>Other Notes:</b>	Terms applicable to high interest Notes, low interest Notes, step-up Notes, step-down Notes, reverse dual currency Notes, optional dual currency Notes, Partly Paid Notes and any other type of Note that the Bank, the Trustee and any Dealer or Dealers may agree that the Bank may issue under the Programme will be set out in the relevant Pricing Supplement.
<b>Optional Redemption:</b>	The Pricing Supplement issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the Bank (either in whole or in part) and/or the holders, and if so the terms applicable to such redemption.
<b>Status of Notes:</b>	Senior Notes will constitute unsecured and unsubordinated obligations of the Bank and Subordinated Notes will constitute unsecured and subordinated obligations of the Bank, all as described in "Terms and Conditions of the Notes — Status".
<b>Early Redemption:</b>	Except as provided in "Optional Redemption" above, Notes will be redeemable at the option of the Bank prior to maturity only for tax reasons. See "Terms and Conditions of the Notes — Redemption, Purchase and Options".
<b>Withholding Tax:</b>	All payments of principal and interest in respect of the Notes will be made free and clear of withholding taxes of the United Kingdom subject to certain exceptions (including the IPMA Standard EU Exception), all as described in "Terms and Conditions of the Notes — Taxation".
<b>Governing Law:</b>	English.
<b>Listing:</b>	Application has been made to list Notes issued under the Programme on the Official List and to admit them to trading on the London Stock Exchange's market for listed securities or as otherwise specified in the relevant Pricing Supplement. As specified in the relevant Pricing Supplement, a Series of Notes may be unlisted.
<b>Selling Restrictions:</b>	<p>United States, United Kingdom, Japan, The Netherlands and other restrictions as may be required in connection with a particular issue of Notes. See "Subscription and Sale".</p> <p>The Bank is Category 2 for the purposes of Regulation S under the Securities Act.</p> <p>The Notes will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (the "D Rules") unless (i) the relevant Pricing Supplement states that Notes are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (the "C Rules") or (ii) the</p>

Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes will not constitute "registration required obligations" under the United States Tax Equity and Fiscal Responsibility Act of 1982 ("TEFRA"), which circumstances will be referred to in the relevant Pricing Supplement as a transaction to which TEFRA is not applicable.

## TERMS AND CONDITIONS OF THE NOTES

Neither the Trust Deed constituting the Notes nor the Terms and Conditions of the Notes will contain any negative pledge covenant by the Bank or any events of default other than those set out in Condition 9 below (which do not include, *inter alia*, a cross default provision).

*The following is the text of the Terms and Conditions that, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement, shall be applicable to the Registered Notes and the Bearer Notes in definitive form (if any) issued in exchange for the Global Note(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on the Bearer Notes or on the Certificates relating to Registered Notes. All capitalised terms that are not defined in the Conditions will have the meanings given to them in the relevant Pricing Supplement. Those definitions will be endorsed on the definitive Notes or Certificates, as the case may be. References in the Conditions to "Notes" are to the Notes of one Series only, not to all Notes that may be issued under the Programme.*

The Notes are constituted by a Trust Deed originally dated 4th October, 1996 and amended and restated on 23rd November, 2001 (as modified and/or supplemented and/or restated as at the date of issue of the Notes (the "Issue Date"), the "Trust Deed") between Lloyds TSB Bank plc (the "Bank") and The Law Debenture Trust Corporation p.l.c. (the "Trustee", which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the Noteholders (as defined below). These Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Notes, Certificates, Receipts, Coupons and Talons referred to below. An Agency Agreement dated 4th October, 1996 and amended and restated on 23rd November, 2001 (as amended and/or supplemented and/or restated as at the Issue Date, the "Agency Agreement") has been entered into in relation to the Notes between the Bank, the Trustee, Citibank, N.A., London office (formerly Morgan Guaranty Trust Company of New York, London office), as issuing and paying agent and the other agents named in it. The issuing and paying agent, the paying agents, the registrar, the transfer agents and the calculation agent(s) for the time being (if any) are referred to below respectively as the "Issuing and Paying Agent", the "Paying Agents" (which expression shall, where the context so permits, include the Issuing and Paying Agent), the "Registrar", the "Transfer Agents" (which expression shall, where the context so permits, include the Registrar) and the "Calculation Agent(s)". Copies of the Trust Deed and the Agency Agreement are available for inspection during usual business hours at the registered office of the Trustee (being at 23rd November, 2001 at Fifth Floor, 100 Wood Street, London EC2V 7EX) and at the specified offices of the Paying Agents and the Transfer Agents.

The Noteholders, the holders of the interest coupons (the "Coupons") relating to interest bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the "Talons") (the "Couponholders") and the holders of the receipts for the payment of instalments of principal (the "Receipts") relating to Notes in bearer form of which the principal is payable in instalments are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and are deemed to have notice of those provisions applicable to them of the Agency Agreement.

### 1 Form, Denomination and Title

The Notes are issued in bearer form ("Bearer Notes", which expression includes Notes that are specified to be Exchangeable Bearer Notes), in registered form ("Registered Notes") or in bearer form exchangeable for Registered Notes ("Exchangeable Bearer Notes") in each case in the Specified Denomination(s) shown hereon.

*All Registered Notes shall have the same Specified Denomination. Where Exchangeable Bearer Notes are issued, the Registered Notes for which they are exchangeable shall have the same Specified Denomination as the lowest denomination of Exchangeable Bearer Notes.*

This Note is a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, an Index Linked Redemption Note, an Instalment Note, a Dual Currency Note or a Partly Paid Note, a combination of any of the foregoing or any other kind of Note, depending upon the Interest and Redemption/Payment Basis shown hereon.

Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable. Instalment Notes are issued with one or more Receipts attached.



Registered Notes are represented by registered certificates ("Certificates") and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Notes by the same holder.

Title to the Bearer Notes and the Receipts, Coupons and Talons shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the Bank shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the "Register"). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Receipt, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate) and no person shall be liable for so treating the holder.

In these Conditions, "Noteholder" means the bearer of any Bearer Note and the Receipts relating to it or the person in whose name a Registered Note is registered (as the case may be), "holder" (in relation to a Note, Receipt, Coupon or Talon) means the bearer of any Bearer Note, Receipt, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be) and capitalised terms have the meanings given to them hereon, the absence of any such meaning indicating that such term is not applicable to the Notes.

## **2 Exchanges of Exchangeable Bearer Notes and Transfers of Registered Notes**

### **(a) Exchange of Exchangeable Bearer Notes:**

Subject as provided in Condition 2(f), Exchangeable Bearer Notes may be exchanged for the same aggregate nominal amount of Registered Notes at the request in writing of the relevant Noteholder and upon surrender of each Exchangeable Bearer Note to be exchanged, together with all unmatured Receipts, Coupons and Talons relating to it, at the specified office of any Transfer Agent; provided, however, that where an Exchangeable Bearer Note is surrendered for exchange after the Record Date (as defined in Condition 6(b)) for any payment of interest, the Coupon in respect of that payment of interest need not be surrendered with it. Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination. Bearer Notes that are not Exchangeable Bearer Notes may not be exchanged for Registered Notes

### **(b) Transfer of Registered Notes:**

One or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate duly completed and executed and such other evidence as the Registrar or Transfer Agent may reasonably require to prove the title of the transferor. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request.

### **(c) Exercise of Options or Partial Redemption in Respect of Registered Notes:**

In the case of an exercise of the Bank's or a Noteholder's option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

### **(d) Delivery of New Certificates:**

Each new Certificate to be issued pursuant to Condition 2(a), (b) or (c) shall be available for delivery within three business days of receipt of the request for exchange, form of transfer or Exercise Notice (as defined in Condition 5(e)) or surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such request for exchange, form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or

surrender as aforesaid and as specified in the relevant request for exchange, form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), "business day" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

(e) *Exchange Free of Charge:*

Exchange and transfer of Notes and Certificates on registration, transfer, exercise of an option or partial redemption shall be effected without charge by or on behalf of the Bank, the Registrar or the Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may reasonably require).

(f) *Closed Periods:*

No Noteholder may require the transfer of a Registered Note to be registered or an Exchangeable Bearer Note to be exchanged for one or more Registered Note(s) (i) during the period of 15 days ending on the due date for redemption of, or payment of any Instalment Amount in respect of, that Note, (ii) during the period of 15 days prior to any date on which Notes may be called for redemption by the Bank at its option pursuant to Condition 5(d), (iii) after any such Note has been called for redemption or (iv) during the period of seven days ending on (and including) any Record Date. An Exchangeable Bearer Note called for redemption may, however, be exchanged for one or more Registered Note(s) in respect of which the Certificate is simultaneously surrendered not later than the relevant Record Date.

### 3 Status

(a) *No Set-off:*

Subject to applicable law and unless the Dated or Undated Subordinated Notes provide otherwise, no Dated or Undated Subordinated Noteholder may exercise or claim any right of set-off in respect of any amount owed to it by the Bank arising under or in connection with the Dated or Undated Subordinated Notes and each Dated and Undated Subordinated Noteholder shall, by virtue of being the holder of any Dated or Undated Subordinated Note, be deemed to have waived all such rights of set-off.

(b) *Status of Senior Notes:*

Subject to such exceptions as may be provided by mandatory provisions of applicable law, the Senior Notes (being those Notes that specify their status as Senior) and the Receipts and Coupons relating to them constitute unsecured and unsubordinated obligations of the Bank and rank *pari passu* without any preference among themselves and at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Bank.

(c) *Status of Dated Subordinated Notes:*

The Dated Subordinated Notes (being those Notes that specify their status as Dated Subordinated) and the Receipts and Coupons relating to them constitute unsecured obligations of the Bank and rank *pari passu* without any preference among themselves. The claims of the Trustee, the Noteholders, the holders of Receipts and the Couponholders against the Bank in respect of the Dated Subordinated Notes and the Receipts and Coupons relating to them will, in the event of the winding-up of the Bank, be subordinated, in the manner provided in the Trust Deed, to the claims of depositors and all other creditors of the Bank other than Subordinated Creditors (as defined below).

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

(d) *Status of Undated Subordinated Notes:*

The Undated Subordinated Notes (being those Notes that specify their status as Undated Subordinated) and the Coupons relating to them constitute unsecured obligations of the Bank, conditional as described below, and rank *pari passu* without any preference among themselves.

The rights of the holders of the Undated Subordinated Notes and the Coupons relating to them are subordinated to the claims of Senior Creditors (as defined below) and accordingly payments of principal and interest are conditional upon the Bank being solvent at the time of payment by the Bank and no principal or interest shall be payable in respect of the Undated Subordinated Notes except to the extent that the Bank could make such payment and still be solvent immediately thereafter. For the purpose of this Condition 3(d), the Bank shall be solvent if (i) it is able to pay its debts as they fall due and (ii) its Assets exceed its Liabilities (other than its Liabilities to persons who are not Senior Creditors). A report as to the solvency of the Bank by two Directors of the Bank or, in certain circumstances as provided in the Trust Deed, the auditors of the Bank or, if the Bank is in winding-up, its liquidator, shall in the absence of proven error be treated and accepted by the Bank, the Trustee, the Noteholders and the Couponholders as correct and sufficient evidence thereof.

If at any time an order is made or an effective resolution is passed for the winding-up in England of the Bank, there shall be payable on each Undated Subordinated Note (in lieu of any other payment), but subject as provided in this Condition 3(d), such amount, if any, as would have been payable to the holder thereof if, on the day prior to the commencement of the winding-up and thereafter, such holder of such Undated Subordinated Note were the holder of a preference share in the capital of the Bank (ranking *pari passu* with the Cumulative Floating Rate Preference Share of £1 in the capital of the Bank) having a preferential right to a return of assets in the winding-up over the holders of all issued shares for the time being in the capital of the Bank on the assumption that such preference share was entitled to receive on a return of assets in such winding-up an amount equal to the nominal amount of such Undated Subordinated Note together with Arrears of Interest (as defined in Condition 4(b)), if any, and any accrued interest (other than Arrears of Interest) up to, but excluding, the date of repayment (as provided in the Trust Deed) in respect thereof.

For the purposes of these Conditions, "Senior Creditors" means creditors of the Bank (i) who are depositors or other unsubordinated creditors of the Bank or (ii) whose claims are, or are expressed to be, subordinated (whether only in the event of the winding-up of the Bank or otherwise) to the claims of depositors and other unsubordinated creditors of the Bank but not further or otherwise or (iii) who are subordinated creditors of the Bank other than those whose claims are, or are expressed to rank, *pari passu* with, or junior to, the claims of the holders of the Undated Subordinated Notes; "Assets" means the unconsolidated gross assets of the Bank; and "Liabilities" means the unconsolidated gross liabilities of the Bank, all as shown by the latest published audited balance sheet of the Bank, but adjusted for contingent assets and contingent liabilities and for subsequent events, all in such manner as such Directors, the auditors or the liquidator (as the case may be) may determine.

*N.B. The obligations of the Bank in respect of the Undated Subordinated Notes and the related Coupons are conditional upon the Bank being solvent for the purpose of this Condition 3(d) immediately before and after payment by the Bank. If this Condition 3(d) is not satisfied, any amounts which might otherwise have been allocated in or towards payment of principal and interest in respect of the Undated Subordinated Notes may be used to absorb losses.*

#### **4 Interest and other Calculations**

(a) *Interest on Fixed Rate Notes:*

Each Fixed Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date, provided, however, that interest on Undated Subordinated Notes shall (subject to Condition 3(d)) be payable only at the option of the Bank unless such date is a Compulsory Interest Payment Date (as defined below).

If a Fixed Coupon Amount or a Broken Amount is specified hereon, the amount of interest payable on each Interest Payment Date will amount to the Fixed Coupon Amount or, if applicable, the Broken Amount so specified and in the case of the Broken Amount will be payable on the particular Interest Payment Date(s) specified hereon.

Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused or is not made by reason of Condition 3(d), in which event interest shall continue to accrue as provided in the Trust Deed.

*(b) Interest on Undated Subordinated Notes:*

Interest on the Undated Subordinated Notes shall accrue from day to day and shall (subject to Condition 3(d)) be payable on each Compulsory Interest Payment Date in respect of the interest accrued in the Interest Period ending on the day immediately preceding such date. On any Optional Interest Payment Date there may be paid (if the Bank so elects and gives not less than 30 days' notice of such election to the holders of the Undated Subordinated Notes in accordance with Condition 14) the interest accrued in the Interest Period ending on the day immediately preceding such date, but the Bank shall not have any obligation to make such payment and any failure to pay shall not constitute a default by the Bank for any purpose. Any interest not paid on an Interest Payment Date together with any other interest not paid on any other Interest Payment Date shall, so long as the same remains unpaid, constitute "Arrears of Interest". Arrears of Interest may, at the option of the Bank, be paid in whole or in part at any time upon the expiration of not less than seven days' notice to such effect given to the holders of the Undated Subordinated Notes in accordance with Condition 14, but all Arrears of Interest on all Undated Subordinated Notes outstanding shall (subject to Condition 3(d)) become due in full on whichever is the earliest of (i) the date upon which a dividend is next paid on any class of share capital of the Bank, (ii) the date set for any redemption pursuant to Condition 5(c) or 5(d) or (iii) the commencement of winding-up of the Bank. Notwithstanding the foregoing, if notice is given by the Bank of its intention to pay the whole or part of Arrears of Interest, the Bank shall be obliged (subject to Condition 3(d)) to do so upon the expiration of such notice. Arrears of Interest shall not themselves bear interest.

*(c) Interest on Floating Rate Notes and Index Linked Interest Notes:*

- (i) *Interest Payment Dates:* Each Floating Rate Note and Index Linked Interest Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which falls the number of months or other period shown hereon as the Specified Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.
- (ii) *Business Day Convention:* If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.
- (iii) *Rate of Interest for Floating Rate Notes:* The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified hereon and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified hereon.

*(A) ISDA Determination for Floating Rate Notes*

Where ISDA Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate plus or minus (as indicated hereon) the Margin (if any). For the purposes of this sub-paragraph (A), "ISDA Rate" for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (x) the Floating Rate Option is as specified hereon;
- (y) the Designated Maturity is a period specified hereon; and
- (z) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified hereon.

For the purposes of this sub-paragraph (A), "Floating Rate", "Calculation Agent", "Floating Rate Option", "Designated Maturity", "Reset Date" and "Swap Transaction" have the meanings given to those terms in the ISDA Definitions.

(B) Screen Rate Determination for Floating Rate Notes

Where Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent at or about the Relevant Time on the Interest Determination Date in respect of such Interest Accrual Period in accordance with the following:

(x) if the Primary Source for the Floating Rate is a Page, subject as provided below, the Rate of Interest shall be:

- (i) the Relevant Rate (where such Relevant Rate on such Page is a composite quotation or is customarily supplied by one entity); or
- (ii) the arithmetic mean, rounded upwards to five decimal places, of the Relevant Rates of the persons whose Relevant Rates appear on that Page,

in each case appearing on such Page at the Relevant Time on the Interest Determination Date;

(y) if the Primary Source for the Floating Rate is Reference Banks or if sub-paragraph (x)(i) above applies and no Relevant Rate appears on the Page at the Relevant Time on the Interest Determination Date or if sub-paragraph (x)(ii) above applies and fewer than two Relevant Rates appear on the Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Rate of Interest shall be the arithmetic mean, rounded upwards to five decimal places, of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre at the Relevant Time on the Interest Determination Date, as determined by the Calculation Agent;

(z) if paragraph (y) above applies, the Calculation Agent determines that fewer than two Reference Banks are so quoting Relevant Rates, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) that the Calculation Agent determines to be the rates (being the nearest equivalent to the Benchmark) in respect of a Representative Amount of the Specified Currency that at least two out of five leading banks selected by the Calculation Agent in the principal financial centre of the country of the Specified Currency or, if the Specified Currency is euro, the Euro-zone, as selected by the Calculation Agent (the "Principal Financial Centre") are quoting at or about the Relevant Time on the date on which such banks would customarily quote such rates for a period commencing on the Effective Date for a period equivalent to the Specified Duration (i) to leading banks carrying on business in Europe, or (if the Calculation Agent determines that fewer than two of such banks are so quoting to leading banks in Europe) (ii) to leading banks carrying on business in the Principal Financial Centre; except that, if fewer than two of such banks are so quoting to leading banks in the Principal Financial Centre, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date (after readjustment for any difference between any Margin, Rate Multiplier or Maximum or Minimum Rate of Interest applicable to the preceding Interest Accrual Period and to the relevant Interest Accrual Period);

(iv) *Rate of Interest for Index Linked Interest Notes:* The Rate of Interest in respect of Index Linked Interest Notes for each Interest Accrual Period shall be determined in the manner specified hereon and interest will accrue by reference to an Index or Formula as specified hereon.

(d) *Zero Coupon Notes:*

Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the due date for redemption, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as defined in Condition 5(b)(i)).

*(e) Dual Currency Notes:*

In the case of Dual Currency Notes, if the rate or amount of interest fails to be determined by reference to a Rate of Exchange or a method of calculating Rate of Exchange, the rate or amount of interest payable shall be determined in the manner specified hereon.

*(f) Partly Paid Notes:*

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified hereon.

*(g) Accrual of Interest:*

Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue or, in the case of Zero Coupon Notes, shall accrue (in each case, as well after as before judgment) at the Rate of Interest in the manner provided in this Condition 4 to the Relevant Date (as defined in Condition 7).

*(h) Margin, Maximum/Minimum Rates of Interest, Instalment Amounts and Redemption Amounts, Rate Multipliers and Rounding:*

- (i) If any Margin or Rate Multiplier is specified hereon (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with Condition 4(c) above by adding (if a positive number) or subtracting (if a negative number) the absolute value of such Margin or multiplying by such Rate Multiplier, subject always to the next paragraph.
- (ii) If any Maximum or Minimum Rate of Interest, Instalment Amount or Redemption Amount is specified hereon, then any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be.
- (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes "unit" means the lowest amount of such currency that is available as legal tender in the country of such currency.

*(i) Calculations:*

The amount of interest payable in respect of any Note for any period shall be calculated by multiplying the product of the Rate of Interest and the outstanding nominal amount of such Note by the Day Count Fraction, unless an Interest Amount (or a formula for its calculation) is specified in respect of such period, in which case the amount of interest payable in respect of such Note for such period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable in respect of such Interest Period shall be the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods.

*(j) Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and Instalment Amounts:*

As soon as practicable after the relevant time on each Interest Determination Date or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, it shall determine such rate and calculate the Interest Amounts in respect of each Specified Denomination of the Notes for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or any Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or any Instalment Amount to be notified to the Trustee, the Bank, each of the Paying Agents, the Registrar, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange or admitted to listing by another relevant authority and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than (i) the commencement of

the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 4(c)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made with the consent of the Trustee by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and repayable under Condition 9, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made unless the Trustee otherwise requires. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding on all parties.

*(k) Determination or Calculation by Trustee:*

If the Calculation Agent does not at any time for any reason determine or calculate the Rate of Interest for an Interest Period or any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption or Optional Redemption Amount, the Trustee shall do so (or shall appoint an agent on its behalf to do so) and such determination or calculation shall be deemed to have been made by the Calculation Agent. In doing so, the Trustee shall apply the foregoing provisions of this Condition, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.

*(l) Definitions:*

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

*"Business Day"* means:

- (i) in the case of a currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency; and/or
- (ii) in the case of euro, a day on which the TARGET System is operating (a "TARGET Business Day"); and/or
- (iii) in the case of a currency and/or one or more Additional Business Centres, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Additional Business Centres or, if no currency is indicated, generally in each of the Additional Business Centres.

*"Compulsory Interest Payment Date"* means, in respect of any Undated Subordinated Note, any Interest Payment Date if, in the immediately preceding six calendar months, any dividend has been declared or paid on any class of share capital of the Bank.

*"Day Count Fraction"* means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period, the "Calculation Period"):

- (i) if "Actual/365" or "Actual/Actual — ISDA" is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (ii) if "Actual/365 (Fixed)" is specified hereon, the actual number of days in the Calculation Period divided by 365;
- (iii) if "Actual/360" is specified hereon, the actual number of days in the Calculation Period divided by 360;
- (iv) if "30/360", "360/360" or "Bond Basis" is specified hereon, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (a) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month));

(v) if "30E/360" or "Eurobond Basis" is specified hereon, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of a Calculation Period ending on the Maturity Date, the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month); and

(vi) if "Actual/Actual — ISMA" is specified hereon:

(a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in such Calculation Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year, or

(b) if the Calculation Period is longer than one Determination Period, the sum of:

(1) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

(2) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year;

where:

*"Determination Period"* means the period from and including a Determination Date (as specified in the relevant Pricing Supplement) in any year to but excluding the next Determination Date; and

*"Determination Date"* means the date specified as such in the relevant Pricing Supplement or, if none is so specified, the Interest Payment Date.

*"Effective Date"* means, with respect to any Floating Rate to be determined on an Interest Determination Date, the date specified as such hereon or, if none is so specified, the first day of the Interest Accrual Period to which such Interest Determination Date relates.

*"Euro-zone"* means the region comprised of member states of the European Union that adopt or have adopted the single currency in accordance with the Treaty establishing the European Community, as amended.

*"Interest Accrual Period"* means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

*"Interest Amount"* means the amount of interest payable, and in the case of Fixed Rate Notes, means the Fixed Coupon Amount or Broken Amount, as the case may be.

*"Interest Commencement Date"* means the Issue Date or such other date as may be specified hereon.

*"Interest Determination Date"* means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such hereon or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor euro or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro.

*"Interest Period"* means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

*"Interest Period Date"* means each Interest Payment Date unless otherwise specified hereon.

*"ISDA Definitions"* means the 2000 ISDA Definitions (as amended and supplemented) published by the International Swaps and Derivatives Association, Inc., unless otherwise specified hereon.

*"Optional Interest Payment Date"* means, in respect of any Undated Subordinated Note, any Interest Payment Date other than a Compulsory Interest Payment Date.

*"Page"* means such page, section, caption, column or other part of a particular information service (including, but not limited to, Reuters Markets 3000 ("Reuters") and Bridge/Telerate ("Telerate")) as may be specified for the



purpose of providing a Relevant Rate, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to that Relevant Rate.

*"Rate of Interest"* means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions hereon.

*"Reference Banks"* means the institutions specified as such hereon or, if none, four major banks selected by the Calculation Agent in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the Benchmark (which, if EURIBOR is the relevant Benchmark, shall be the Euro-zone).

*"Relevant Financial Centre"* means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the financial centre as may be specified as such hereon or, if none is so specified, the financial centre with which the relevant Benchmark is most closely connected (which, if EURIBOR is the relevant Benchmark, shall be the Euro-zone) or, if none is so connected, London.

*"Relevant Rate"* means the Benchmark for a Representative Amount of the Specified Currency for a period (if applicable or appropriate to the Benchmark) equal to the Specified Duration commencing on the Effective Date.

*"Relevant Time"* means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre specified hereon or, if none is specified, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Specified Currency in the interbank market in the Relevant Financial Centre and for this purpose "local time" means, with respect to the Euro-zone as a Relevant Financial Centre, Central European Time.

*"Representative Amount"* means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the amount specified as such hereon or, if none is specified, an amount that is representative for a single transaction in the relevant market at the time.

*"Specified Currency"* means the currency specified hereon or, if none is specified, the currency in which the Notes are denominated.

*"Specified Duration"* means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the duration specified hereon or, if none is specified, a period of time equal to the relative Interest Accrual Period, disregarding any adjustment pursuant to Condition 4(c).

*"TARGET System"* means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System or any successor thereto.

*(m) Calculation Agent and Reference Banks:*

The Bank shall procure that there shall at all times be four Reference Banks (or such other number as may be required) with offices in the Relevant Financial Centre and one or more Calculation Agents if provision is made for them hereon and for so long as any Note is outstanding (as defined in the Trust Deed). If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank, then the Bank shall (with the prior approval of the Trustee) appoint another Reference Bank with an office in the Relevant Financial Centre to act as such in its place. Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Period or to calculate any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Bank shall (with the prior approval of the Trustee) appoint a leading bank or investment banking firm engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

## 5 Redemption, Purchase and Options

### (a) *Redemption by Instalments and Final Redemption:*

- (i) Unless previously redeemed, purchased and cancelled as provided in this Condition 5 or the relevant Instalment Date (being one of the dates so specified hereon) is extended pursuant to any Bank's or Noteholder's option in accordance with Condition 5(d) or 5(e), each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified hereon. The outstanding nominal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused on presentation of the related Receipt, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.
- (ii) Unless previously redeemed, purchased and cancelled as provided below or its maturity is extended pursuant to any Bank's or Noteholder's option in accordance with Condition 5(d) or 5(e), each Note shall be finally redeemed on the Maturity Date specified hereon at its Final Redemption Amount (which, unless otherwise provided hereon, is its nominal amount) or, in the case of a Note falling within paragraph (i) above, its final Instalment Amount.
- (iii) Undated Subordinated Notes have no final maturity date and are only redeemable in accordance with the following provisions of this Condition 5 or Condition 9.

### (b) *Early Redemption:*

#### (i) *Zero Coupon Notes:*

- (A) The Early Redemption Amount payable in respect of any Zero Coupon Note the Early Redemption Amount of which is not linked to an index and/or a formula, upon redemption of such Note pursuant to Condition 5(c) or upon it becoming due and repayable as provided in Condition 9 shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.
- (B) Subject to the provisions of sub-paragraph (C) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.
- (C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 5(c) or upon it becoming due and repayable as provided in Condition 9 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as calculated in accordance with sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the reference therein to the Maturity Date were replaced by a reference to the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (as well after as before judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 4(d).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown hereon.

- (ii) *Other Notes:* The Early Redemption Amount payable in respect of any Note (other than Notes described in (i) above), upon redemption of such Note pursuant to Condition 5(c) or upon it becoming due and repayable as provided in Condition 9(b), shall be the Final Redemption Amount unless otherwise specified hereon.

### (c) *Redemption for Taxation Reasons:*

- (i) If at any time the Bank satisfies the Trustee immediately prior to the giving of the notice referred to below that (x) if a payment of principal or interest in respect of the Notes were to be due (whether or not the same is in fact then due) on or before the next Interest Payment Date, the Bank would, for reasons outside its control, be unable (after using such endeavours as the Trustee shall consider reasonable) to make such payment of principal or

interest without having to pay additional amounts as provided or referred to in Condition 7 or (y) in the case of Undated Subordinated Notes only, on the next Interest Payment Date the payment of interest in respect of such Notes would be treated, for reasons outside the control of the Bank, as a "distribution" within the meaning of the Taxes Acts for the time being of the United Kingdom, the Bank may at its option (subject, in the case of Undated Subordinated Notes, to Condition 3(d)), having given not less than 30 nor more than 60 days' notice in accordance with Condition 14, redeem on such Interest Payment Date or, if so specified hereon, at any time all, but not some only, of the Notes then outstanding at the Early Redemption Amount (as described in Condition 5(b) above) (together with interest accrued to the date fixed for redemption) and, in the case of Undated Subordinated Notes, shall also pay Arrears of Interest (if any) and any accrued interest (other than Arrears of Interest) up to, but excluding, the date of redemption.

- (ii) Subject only to the obligation of the Bank to use such endeavours as aforesaid, it shall be sufficient to establish the existence of the circumstances required to be established pursuant to this paragraph (c) if the Bank shall deliver to the Trustee a certificate of an independent lawyer or accountant satisfactory to the Trustee, in a form satisfactory to the Trustee, to the effect either that such circumstances exist or that, upon a change in the taxation laws (or regulations made thereunder) of the United Kingdom or any authority thereof or therein having power to tax or in the application or interpretation of such laws or regulations, which at the date of such certificate is proposed and which in the opinion of such lawyer or accountant can reasonably be expected to become effective on or prior to such Interest Payment Date or time as is referred to in (i) above, becoming so effective, such circumstances would exist.

*(d) Redemption at the Option of the Bank and Exercise of Bank's Options:*

If Call Option is specified hereon, the Bank may, on giving not less than 7 nor more than 30 days' irrevocable notice to the Noteholders (or such other notice period as may be specified hereon), redeem, or exercise any Bank's option (as may be described hereon) in relation to, all or, if so provided, some only of the Notes on any Optional Redemption Date or Optional Exercise Date, as the case may be. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption or, in the case of Undated Subordinated Notes, together with all Arrears of Interest (if any) as provided in Condition 4(b). Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the minimum nominal amount to be redeemed specified hereon and no greater than the maximum nominal amount to be redeemed specified hereon.

All Notes in respect of which any such notice is given shall be redeemed, or the Bank's option shall be exercised, on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption or a partial exercise of a Bank's option, the notice to Noteholders shall also contain the certificate numbers of the Notes to be redeemed or in respect of which such option has been exercised, which shall have been drawn in such place as the Trustee may approve and in such manner as it deems appropriate, subject to compliance with any applicable laws, stock exchange requirements or the requirements of any other relevant authority. If the Notes are listed on a stock exchange or with another relevant authority and the rules of such stock exchange or other relevant authority so require, the Bank shall, once in each year in which there has been a partial redemption of the Notes, cause to be published in a leading newspaper of general circulation as specified by such stock exchange, a notice specifying the aggregate nominal amount of Notes outstanding and a list of the Notes drawn for redemption but not surrendered.

*(e) Redemption at the Option of Noteholders and Exercise of Noteholders' Options:*

If Put Option is specified hereon, the Bank shall, at the option of the holder of any Note, upon the holder of such Note giving not less than 7 nor more than 30 days' notice to the Issuer (or such other notice period as may be specified hereon), redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount together with interest accrued to the date fixed for redemption.

To exercise such option or any other Noteholders' option that may be set out hereon (which must be exercised on an Optional Exercise Date) the holder must deposit (in the case of Bearer Notes) such Note (together with all unmaturing Receipts and Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice ("Exercise Notice") in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the notice period. No Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Bank.

*(f) Partly Paid Notes:*

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the provisions specified hereon.

*(g) Purchases:*

The Bank or any of its subsidiaries or any holding company of the Bank or any other subsidiary of any such holding company may at any time purchase Notes (provided that all unmatured Receipts and Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price. Any purchase by tender shall be made available to all Noteholders alike.

*(h) Cancellation:*

All Notes purchased by or on behalf of the Bank or any of its subsidiaries or any holding company of the Bank or any other subsidiary of any such holding company may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Receipts and Coupons and all unexchanged Talons to the Issuing and Paying Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, shall, together with all Notes redeemed by the Bank, be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Bank in respect of any such Notes shall be discharged.

## **6 Payments and Talons**

*(a) Bearer Notes:*

Payments of principal and interest in respect of Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative Note), Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 6(f)(vi)) or Coupons (in the case of interest, save as specified in Condition 6(f)(ii)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the holder, by transfer to an account denominated in such currency with, a bank in the principal financial centre for such currency or, if such currency is euro, in a city in which banks have access to the TARGET System.

*(b) Registered Notes:*

- (i) Payments of principal (which for the purposes of this Condition 6(b) shall include final Instalment Amounts but not other Instalment Amounts) in respect of Registered Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in paragraph (ii) below.
- (ii) Interest (which for the purpose of this Condition 6(b) shall include all Instalment Amounts other than final Instalment Amounts) on Registered Notes shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the "Record Date"). Payments of interest on each Registered Note shall be made in the relevant currency by a cheque drawn on a bank in the principal financial centre of such currency, subject as provided in paragraph (a) above, and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date and subject as provided in paragraph (a) above, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a bank in the principal financial centre of the country of such currency.

*(c) Payments in the United States:*

Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Bank shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other

similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Bank, any adverse tax consequence to the Bank.

*(d) Payments subject to Fiscal Laws:*

All payments are subject in all cases to any applicable fiscal or other laws, regulations, directives and orders of any court of competent jurisdiction, but without prejudice to the provisions of Condition 7. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments. The Bank reserves the right to require a Noteholder or Couponholder to provide a Paying Agent, the Registrar or a Transfer Agent with such certification or information as may be required to enable the Bank to comply with the requirements of the United States federal income tax laws.

*(e) Appointment of Agents:*

The Issuing and Paying Agent, the other Paying Agents, the Registrar and the Transfer Agents initially appointed by the Bank and their respective specified offices are listed below. Subject as provided in the Trust Deed and the Agency Agreement, the Issuing and Paying Agent, the other Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent act solely as agents of the Bank and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Bank reserves the right at any time with the approval of the Trustee to vary or terminate the appointment of the Issuing and Paying Agent, any other Paying Agent, the Registrar, any Transfer Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents or Transfer Agents, provided that the Bank shall at all times maintain (i) an Issuing and Paying Agent, (ii) a Registrar in relation to Registered Notes, (iii) a Transfer Agent in relation to Registered Notes which may be the Registrar, (iv) one or more Calculation Agent(s) where the Conditions so require, (v) a Paying Agent having a specified office in Europe, which, so long as the Notes are listed on the official list (the "Official List") of the Financial Services Authority in its capacity as competent authority under the Financial Services Act 1986 and the Financial Services and Markets Act 2000 (the "UK Listing Authority") and are admitted to trading on the market for listed securities of the London Stock Exchange plc (the "London Stock Exchange"), shall be in London, (vi) a Paying Agent outside the United Kingdom, (vii) such other agents as may be required by any other stock exchange on which the Notes may be listed, in each case as approved by the Trustee and (viii) a Paying Agent with a specified office in a European Union member state that will not be obliged to withhold or deduct tax pursuant to any European Union Directive or the taxation of savings implementing the conclusion of the ECOFIN Council meeting of 26th-27th November, 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive.

In addition, the Bank shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. dollars in the circumstances described in paragraph (c) above.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders by the Bank in accordance with Condition 14.

*(f) Unmatured Coupons and Receipts and unexchanged Talons:*

- (i) Unless the Notes provide that the relative Coupons are to become void upon the due date for redemption of the Notes, Bearer Notes should be surrendered for payment together with all unmatured Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 8). In relation to any Undated Subordinated Note, if any payment is to be made in respect of interest the Interest Payment Date for which falls on or after the date on which the winding-up of the Bank is deemed to have commenced, such payment shall be made only against presentation of the relevant Note and the Coupon for any such Interest Payment Date shall be void. In addition, any Undated Subordinated Note presented for payment after an order is made or an effective resolution is passed for the winding-up in England of the Bank must be presented together with all Coupons in respect of Arrears of Interest relating to Interest Payment Dates falling prior to such commencement of the winding-up of the Bank, failing which there shall be withheld from any payment otherwise due to the holder of such Undated Subordinated Note such proportion thereof as the Arrears of Interest due in respect of any such missing Coupon bears to the total of the principal amount of the relevant Undated Subordinated Note, all Arrears of Interest in respect thereof and interest (other

than Arrears of Interest) accrued on such Undated Subordinated Note in respect of the Interest Period current at the date of the commencement of the winding-up.

- (ii) If the Notes so provide, upon the due date for redemption of any Bearer Note, unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Upon the due date for redemption of any Bearer Note that is redeemable in instalments, all Receipts relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.
- (v) Where any Bearer Note that provides that the relative unmatured Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons and any unexchanged Talon relating to it, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Bank may require.
- (vi) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be. Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Certificate representing it, as the case may be.

*(g) Talons:*

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Paying Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 8).

*(h) Non-Business Days:*

If any date for payment in respect of any Note, Receipt or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, "business day" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such jurisdictions as shall be specified as "Additional Financial Centres" hereon and:

- (i) (in the case of a payment in a currency other than euro) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency; or
- (ii) (in the case of a payment in euro) which is a TARGET Business Day.

## **7 Taxation**

All payments of principal and/or interest by or on behalf of the Bank in respect of the Notes, the Receipts and the Coupons shall be made without withholding or deduction for or on account of any present or future tax, duty or charge of whatsoever nature imposed or levied by or on behalf of the United Kingdom or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In that event, the Bank shall pay such additional amounts as will result (after such withholding or deduction) in receipt by the Noteholders, the Receiptholders and the Couponholders of the sums which would have been receivable (in the absence of such withholding or deduction) from it in respect of their Notes and/or Receipts and/or Coupons, as the case may be; except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

- (a) presented for payment by or on behalf of any holder who is liable to such tax, duty or charge in respect of such Note, Receipt or Coupon by reason of such holder having some connection with the United Kingdom other than the mere holding of such Note, Receipt or Coupon; or
- (b) to, or to a third party on behalf of, a holder if such withholding or deduction may be avoided by complying with any statutory requirement or by making a declaration of non-residence or other similar claim for exemption to any authority of or in the United Kingdom, unless such holder proves that he is not entitled so to comply or to make such declaration or claim; or

- (c) to, or to a third party on behalf of, a holder that is a partnership, or a holder that is not the sole beneficial owner of the Note, Receipt or Coupon, or which holds the Note, Receipt or Coupon in a fiduciary capacity, to the extent that any of the members of the partnership, the beneficial owner or the settlor or beneficiary with respect to the fiduciary would not have been entitled to the payment of an additional amount had each of the members of the partnership, the beneficial owner, settlor or beneficiary (as the case may be) received directly his beneficial or distributive share of the payment; or
- (d) presented for payment more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment at the expiry of such period of 30 days; or
- (e) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to any European Union Directive on the taxation of savings implementing the conclusions of the ECOFIN Council meeting of 26th-27th November, 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (f) in respect of any Note, Receipt or Coupon presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the European Union.

The "Relevant Date" in respect of any payment means the date on which such payment first becomes due or (if the full amount of the moneys payable has not been duly received by the Issuing and Paying Agent or the Trustee on or prior to such date) the date on which notice is given to the Noteholders that such moneys have been so received.

References in these Conditions to (i) "principal" shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 5 or any amendment or supplement to it, (ii) "interest" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 4 or any amendment or supplement to it and (iii) "principal" and/or "interest" (other than such interest as is referred to in Condition 9(g)) shall be deemed to include any additional amounts that may be payable under this Condition 7 or under any obligations undertaken in addition thereto or in substitution therefor under the Trust Deed.

## 8 Prescription

Claims for payment of principal (excluding principal comprised in a withheld amount) will become void 12 years, and claims for payment of interest (other than interest comprised in, or accrued on, a withheld amount) will become void six years, after the Relevant Date (as defined in Condition 7) relating thereto. Claims in respect of principal comprised in a withheld amount and claims in respect of interest comprised in, or accrued on, a withheld amount will, in the case of such principal, become void 12 years and will, in the case of such interest, become void six years after the due date for payment thereof as specified in Condition 9(f) or, if the full amount of the moneys payable has not been duly received by the Issuing and Paying Agent, another Paying Agent, the Registrar, a Transfer Agent or the Trustee, as the case may be, on or prior to such date, the date of which notice is given in accordance with Condition 14 that the relevant part of such moneys has been so received.

The prescription period in respect of Talons shall be:

- (a) as to any Talon the original due date for exchange of which falls within the 12 years immediately prior to the due date for redemption (pursuant to Condition 5(a), 5(c), 5(d) or 5(e)) of the Note to which it pertains, six years from the Relevant Date for the redemption of such Note, but so that the Coupon sheet for which it is exchangeable shall be issued without any Coupon itself prescribed in accordance with this Condition 8 or the Relevant Date for payment of which would fall after the Relevant Date for the redemption of the relevant Note and without a Talon; and
- (b) as to any other Talon, 12 years from the Relevant Date for payment of the last Coupon of the Coupon sheet of which it formed part.

## 9 Events of Default and Enforcement

- (a) If the Bank shall not make payment (1) other than in the case of Undated Subordinated Notes, of any principal or any interest in respect of the Notes for a period of 14 days or more after the due date for the same, or (2) in the case of Undated Subordinated Notes only, in respect of such Notes (in the case of any payment of principal)

for a period of 14 days or more after the due date for the same or (in the case of any payment of interest) for a period of 14 days or more after a Compulsory Interest Payment Date or any other date upon which the payment of interest is compulsory, the Trustee may:

- (i) in respect of Senior Notes, at any time at its discretion and without notice institute such proceedings and/or take such other action as it may think fit against or in relation to the Bank to enforce its obligations under the Senior Notes; or
- (ii) in respect of Dated Subordinated Notes and Undated Subordinated Notes, institute proceedings in England (but not elsewhere) for the winding-up of the Bank,

provided that it shall not have the right to institute such proceedings and/or, as the case may be, to take such other action if the Bank withholds or refuses any such payment (i) in order to comply with any fiscal or other law or regulation or with the order of any court of competent jurisdiction, in each case applicable to such payment, the Bank, the relevant Paying Agent, Transfer Agent or Registrar or the holder of the Note, Receipt or Coupon or (ii) (subject as provided in the Trust Deed) in case of doubt as to the validity or applicability of any such law, regulation or order, in accordance with advice as to such validity or applicability given at any time during the said period of 14 days by independent legal advisers acceptable to the Trustee. For the purpose of this Condition 9, in the case of Undated Subordinated Notes only, a payment otherwise due (in the case of principal) or compulsory (in the case of interest) shall be deemed so due or compulsory notwithstanding that the condition set out in Condition 3(d) is not satisfied.

- (b) If, other than in the case of Undated Subordinated Notes, 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 Bank, the Trustee may at its discretion give notice to the Bank that the Notes are, and they shall accordingly immediately become, due and repayable at their Early Redemption Amount, together with accrued interest (calculated as provided in the Trust Deed).
- (c) *The Trustee shall not be bound to institute proceedings and/or take the action referred to in paragraph (a) or (b) above or (d) below to enforce the obligations of the Bank in respect of the Notes, Receipts and Coupons unless (i) it shall have been so requested by Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders or in writing by the holders of at least one-fifth in nominal amount of the Notes then outstanding (as defined in the Trust Deed) and (ii) it shall have been indemnified to its satisfaction.*
- (d) No Noteholder, Receiptholder or Couponholder shall be entitled to institute such proceedings and/or take such other action as is referred to in paragraph (a)(i) above or institute proceedings for the winding-up in England (but not elsewhere) of the Bank as is referred to in paragraph (a)(ii) above, or to prove in such winding-up, except that if the Trustee, having become bound to proceed against the Bank 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 such holder may, on giving an indemnity satisfactory to the Trustee, in the name of the Trustee (but not otherwise), himself institute such proceedings and/or take such other action or institute proceedings for the winding-up in England (but not elsewhere) of the Bank 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. In the case of Dated and Undated Subordinated Notes, no remedy against the Bank, other than the institution of proceedings for the winding-up of the Bank in England or, as the case may be, proving in the winding-up of the Bank in the manner and by the persons aforesaid, shall be available to the Trustee or the Noteholders, Receiptholders or Couponholders, whether for the recovery of amounts owing in respect of the Notes or under the Trust Deed or in respect of any breach by the Bank of any of its obligations under the Notes or the Trust Deed (other than for recovery of the Trustee's remuneration or expenses). The Bank has undertaken in the Trust Deed to pay English stamp and other duties (if any) on or in connection with the execution of the Trust Deed and English, Belgian and Luxembourg stamp and other duties or taxes (if any) on the constitution and issue of the Notes in temporary global, permanent global or definitive form (provided such stamp and other duties or taxes result from laws applicable on or prior to the date 40 days after the Issue Date specified hereon of such Notes and, in the case of exchange of a global Note for Notes in definitive form, such tax results from laws applicable on or prior to the date of such exchange) and stamp and other duties or taxes (if any) payable in England (but not elsewhere) solely by virtue of and in connection with any permissible proceedings under the Trust Deed or the Notes, save that the Bank shall not be liable to pay any such stamp or other duties or taxes to the extent that the obligation arises or the amount payable is increased by reason of the holder at the relevant time unreasonably delaying in producing any relevant document for stamping or similar process. Subject as aforesaid, the Bank will not be otherwise responsible for stamp or other duties or taxes otherwise imposed and in particular (but without



prejudice to the generality of the foregoing) for any penalties arising on account of late payment where due by the holder at the relevant time. Any such stamp or other duties or taxes that might be imposed upon or in respect of Notes in temporary global, permanent global or definitive form or the Receipts, Coupons or Talons (in each case other than as aforesaid) are the liability of the holders thereof.

- (e) If payment to any Noteholder of any amount due in respect of the Notes (other than interest) is improperly withheld or refused (any withholding or refusal effected in reliance upon the proviso to paragraph (a) of this Condition where the relevant law, regulation or order proves subsequently not to be valid or applicable shall be treated, for the purpose of ascertaining entitlement to accrued interest but not for any other purpose, as if it had been at all times an improper withholding or refusal), interest shall accrue until, but excluding, the date on which notice is given in accordance with Condition 14 that the full amount in the Specified Currency payable in respect of such Notes is available for payment or the date of payment, whichever first occurs and shall be calculated by applying the Rate of Interest determined in accordance with these Conditions on the first day of the then current Interest Period (and each relevant Interest Period (if any) thereafter) to such amount withheld or refused, multiplying the sum by the relevant Day Count Fraction and rounding the resultant figure to the nearest unit (as such term is defined in Condition 4(h)(iii)).
- (f) If, in reliance upon the proviso to paragraph (a) above, payment of any amount (each a "withheld amount") in respect of the whole or any part of the principal and/or any interest due in respect of the Notes, or any of them, is not paid or provided by the Bank to the Trustee or to or to the account of or with the Issuing and Paying Agent, or is withheld or refused by any of the Paying Agents, the Registrar or the Transfer Agents, in each case other than improperly within the meaning of paragraph (e) above, or which is paid or provided after the due date for payment thereof, such withheld amount shall, where not already on interest bearing deposit, if lawful, promptly be so placed, all as more particularly described in the Trust Deed. If subsequently it shall be or become lawful to make payment of such withheld amount in the Specified Currency, notice shall be given in accordance with Condition 14, specifying the date (which shall be no later than seven days after the earliest date thereafter upon which such interest bearing deposit falls or may (without penalty) be called due for repayment) on and after which payment in full of such withheld amount (or that part thereof which it is lawful to pay) will be made. In such event (but subject in all cases to any applicable fiscal or other law or regulation or the order of any court of competent jurisdiction), the withheld amount or the relevant part thereof, together with interest accrued thereon from, and including, the date the same was placed on deposit to, but excluding, the date upon which such interest bearing deposit was repaid, shall be paid to (or released by) the Issuing and Paying Agent for payment to the relevant holders of Notes and/or Receipts and/or Coupons, as the case may be (or, if the Issuing and Paying Agent advises the Bank of its inability to effect such payment, shall be paid to (or released by) such other Paying Agent, Registrar or Transfer Agent (as the case may be) as there then may be or, if none, to the Trustee, in any such case for payment as aforesaid). For the purposes of paragraph (a) above, the date specified in the said notice shall become the due date for payment in respect of such withheld amount or the relevant part thereof. The obligations under this paragraph (f) shall be in lieu of any other remedy otherwise available under these Conditions, the Trust Deed or otherwise in respect of such withheld amount or the relevant part thereof.
- (g) Any interest payable as provided in paragraph (f) above shall be paid net of any taxes applicable thereto and Condition 7 shall not apply in respect of the payment of any such interest.

## **10 Indemnification of the Trustee**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings unless indemnified to its satisfaction. The Trustee is entitled to enter into business transactions with the Bank and/or any subsidiary and/or any holding company of the Bank and/or any other subsidiary of any such holding company without accounting for any profit resulting therefrom.

## **11 Meetings of Noteholders, Modification, Waiver and Substitution**

### **(a) Meetings of Noteholders:**

The Trust Deed contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Trust Deed) of a modification of any of these Conditions or any of the provisions of the Notes, the Receipts, the Coupons or the Trust Deed, except that certain provisions of the Trust Deed may only be modified subject to approval by Extraordinary Resolution passed at a meeting of Noteholders to which special quorum provisions shall have applied. Any Extraordinary Resolution duly passed shall be

binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

These Conditions may be amended, modified or varied in relation to any Series of Notes by the terms of the relevant Pricing Supplement in relation to such Series.

*(b) Modification of the Trust Deed:*

The Trustee may agree, without the consent of the Noteholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed that is of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed that is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and the Couponholders and, if the Trustee so requires, such modification shall be notified to the Noteholders as soon as practicable in accordance with Condition 14.

*(c) Substitution — Senior Notes:*

The Trustee shall agree, if requested by the Bank and subject to such amendment of the Trust Deed and such other conditions as the Trustee may reasonably require, but without the consent of the Noteholders or the Couponholders, to the substitution, subject to the Notes, the Receipts and the Coupons being unconditionally and irrevocably guaranteed by the Bank on an unsubordinated basis, of a subsidiary of the Bank or a holding company of the Bank or another subsidiary of any such holding company in place of the Bank as principal debtor under the Trust Deed, the Notes, the Receipts and the Coupons and as a party to the Agency Agreement.

*(d) Substitution — Subordinated Notes:*

The Trustee shall agree, if requested by the Bank and subject to such amendment of the Trust Deed and such other conditions as the Trustee may reasonably require, but without the consent of the Noteholders or the Couponholders, to the substitution, subject to the Notes, the Receipts and the Coupons being irrevocably guaranteed by the Bank on a subordinated basis equivalent to that mentioned in Condition 3(c) or 3(d), as the case may be, of a subsidiary of the Bank or a holding company of the Bank or another subsidiary of any such holding company in place of the Bank as principal debtor under the Trust Deed, the Notes, the Receipts and the Coupons and as a party to the Agency Agreement and so that the claims of the Noteholders, the holders of the Receipts and the Couponholders may, in the case of the substitution of a holding company of the Bank or a banking company (as defined in the Trust Deed) in the place of the Bank, also be subordinated to the rights of (x) in the case of Dated Subordinated Notes, depositors and other unsubordinated creditors of that holding company or banking company but not further or otherwise or (y) in the case of Undated Subordinated Notes, Senior Creditors (as defined in Condition 3(c), but with the substitution of references to "that holding company" or to "that subsidiary" in place of references to "the Bank" together with such consequential amendments as are appropriate).

*(e) Change of Governing Law:*

In the case of a substitution pursuant to Condition 11(c) or Condition 11(d) the Trustee may in its absolute discretion agree, without the consent of the Noteholders or Couponholders, to a change of the law governing the Notes, the Receipts, the Coupons, the Talons and/or the Trust Deed and/or the Agency Agreement provided that such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders.

*(f) Entitlement of the Trustee:*

In connection with the exercise of its functions (including but not limited to those referred to in this Condition) the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders, Receiptholders or Couponholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory. No Noteholder, Receiptholder or Couponholder shall, in connection with any such modification, waiver, authorisation or substitution, be entitled to claim, and the Trustee shall not be entitled to require, from the Bank any indemnification or payment in respect of any tax or other consequence of any such exercise upon individual Noteholders, Receiptholders or Couponholders except to the extent provided for by Condition 7.

## 12 Replacement of Notes, Certificates, Receipts, Coupons and Talons

(a) If a Note, Certificate, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Issuing and Paying Agent (in the case of Bearer Notes, Receipts, Coupons or Talons) and of the Registrar (in the case of Certificates) or such other place of which notice shall be given in accordance with Condition 14 in each case on payment by the claimant of the expenses incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Certificate, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Bank on demand the amount payable by the Bank in respect of such Note, Certificate, Receipt, Coupon or further Coupons) and otherwise as the Bank may require. Mutilated or defaced Notes, Certificates, Receipts, Coupons or Talons must be surrendered before replacements will be issued. In addition, the Bank may require the person requesting delivery of a replacement Note, Certificate, Receipt, Coupon or Talon to pay, prior to delivery of such replacement Note, Certificate, Receipt, Coupon or Talon, any stamp or other tax or governmental charges required to be paid in connection with such replacement. No replacement Note shall be issued having attached thereto any Receipt, Coupon or Talon, claims in respect of which shall have become void pursuant to Condition 8.

(b) Where:

- (i) a Talon (the "relevant Talon") has become prescribed in accordance with Condition 8; and
- (ii) the Note to which the relevant Talon pertains has not become void through prescription; and
- (iii) no Coupon sheet (or part thereof, being (a) Coupon(s) and/or a Talon, hereinafter called a "part Coupon sheet"), which Coupon sheet would have been exchangeable for the relevant Talon or for any subsequent Talon bearing the same serial number pertaining to such Note, has been issued; and
- (iv) either no replacement Coupon sheet or part Coupon sheet has been issued in respect of any Coupon sheet or part Coupon sheet referred to in (iii) above or, in the reasonable opinion of the Bank, there is no reasonable likelihood that any such replacement has been issued,

then upon payment by the claimant of the expenses incurred in connection therewith and on such terms as to evidence and indemnity or security as the Bank may reasonably require there may be obtained at the specified office of the Issuing and Paying Agent (or such other place of which notice shall be given in accordance with Condition 14) a Coupon sheet or Coupon sheets or part Coupon sheet(s), as the circumstances may require, issued:

- (A) in the case of a Note that has become due for redemption (x) without any Coupon itself prescribed in accordance with Condition 8 or the Relevant Date for payment of which would fall after the Relevant Date for the redemption of the relevant Note, and (y) without any Talon or Talons, as the case may be; or
- (B) in any other case, without any Coupon or Talon itself prescribed in accordance with Condition 8 and without any Talon pertaining to a Coupon sheet the Relevant Date of the final Coupon of which falls on or prior to the date when the Coupon sheet(s) or part Coupon sheet(s) is (are) delivered to or to the order of the claimant, but in no event shall any Coupon sheet be issued the original due date for exchange of which falls after the date of delivery of such Coupon sheet(s) as aforesaid.

For the avoidance of doubt, the provisions of this Condition 12(b) shall not give, or revive, any rights in respect of any Talon that has become prescribed in accordance with Condition 8.

## 13 Further Issues

The Bank may from time to time without the consent of the Noteholders, Receiptholders or Couponholders create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that such further notes shall be consolidated and form a single Series with the Notes. References in these Conditions to the Notes include (unless the context requires otherwise) any other notes issued pursuant to this Condition and forming a single Series with the Notes. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of notes of other Series in certain circumstances where the Trustee so decides.

#### **14 Notices**

Notices to the holders of Bearer Notes shall be valid if published in a daily newspaper of general circulation in the United Kingdom (which is expected to be the *Financial Times*). If in the opinion of the Trustee any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in the United Kingdom, approved by the Trustee. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which such publication is made.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition.

Notices to the holders of Registered Notes shall be mailed to them at their respective addresses in the Register and shall be deemed to have been given on the weekday (being a day other than a Saturday or a Sunday) after the date of mailing provided that, if at any time by reason of the suspension or curtailment (or expected suspension or curtailment) of postal services within the United Kingdom or elsewhere the Bank is unable effectively to give notice to holders of Registered Notes through the post, notices to holders of Registered Notes will be valid if given in the same manner as other notices as set out above.

#### **15 Governing Law**

The Trust Deed, the Notes, the Receipts, the Coupons and the Talons are governed by, and shall be construed in accordance with, English law.

#### **16 Third Party Rights**

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999 but this does not affect any right or remedy of any person that exists or is available apart from that Act.

## SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

### Initial Issue of Notes

Upon the initial deposit of a Global Note with a common depositary for Euroclear and Clearstream, Luxembourg (the "Common Depositary") or registration of Registered Notes in the name of any nominee for Euroclear and Clearstream, Luxembourg and delivery of the relative Global Certificate to the Common Depositary, Euroclear or Clearstream, Luxembourg will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

Notes that are initially deposited with the Common Depositary may also be credited to the accounts of subscribers with (if indicated in the relevant Pricing Supplement) other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by such other clearing systems. Conversely, Notes that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg or other clearing systems.

### Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or any other clearing system as the holder of a Note represented by a Global Note or a Global Certificate (each an "Accountholder") (in which regard any certificate or other document issued by Euroclear, Clearstream, Luxembourg or such other clearing system as to the nominal amount of Notes standing to the account of any person shall be conclusive and binding for all purposes) shall be treated as the holder of such nominal amount of such Notes for all purposes (including for the purposes of any quorum requirements of, or the right to demand a poll at, meetings of the Noteholders) other than in respect of the payment of principal and interest on such Notes, the right to which shall be vested, as against the Bank and the Trustee, solely in the bearer of the relevant Global Note or the registered holder of the relevant Global Certificate in accordance with and subject to its terms and the terms of the Trust Deed. Accountholders shall have no claim directly against the Bank in respect of payments due on the Notes for so long as the Notes are represented by such Global Note or Global Certificate and such obligations of the Bank will be discharged by payment to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, in respect of each amount so paid.

### Exchange

#### 1. *Temporary Global Notes*

Each temporary Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date (as defined in paragraph 6 below):

- 1.1 if the relevant Pricing Supplement indicates that such temporary Global Note is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable (as to which, see "Summary of the Programme — Selling Restrictions"), in whole, but not in part, for the Definitive Notes defined and described below; and
- 1.2 otherwise, in whole or in part upon certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement for interests in a permanent Global Note or, if so provided in the relevant Pricing Supplement, for Definitive Notes.

Each temporary Global Note that is also an Exchangeable Bearer Note will be exchangeable for Registered Notes in accordance with the Conditions in addition to any permanent Global Note or definitive Bearer Notes for which it may be exchangeable and, before its Exchange Date, will also be exchangeable in whole or in part for Registered Notes only.

#### 2. *Permanent Global Notes*

Each permanent Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not, except as provided under "Partial Exchange of Permanent Global Notes", in part for definitive Bearer Notes or, in the case of 2.3 below, Registered Notes:

- 2.1 by the Bank giving notice to the Noteholders and the Issuing and Paying Agent of its intention to effect such exchange (unless principal in respect of any Notes has not been paid when due);

- 2.2 if the relevant Pricing Supplement provides that the permanent Global Note is exchangeable at the request of the holder, by the holder (acting on the instructions of the person(s) with beneficial interest(s) in such permanent Global Note) giving notice to the Issuing and Paying Agent of its election for such exchange;
- 2.3 if the permanent Global Note is an Exchangeable Bearer Note, by the holder (acting on the instructions of the person(s) with beneficial interest(s) in such permanent Global Note) giving notice to the Issuing and Paying Agent of its election to exchange the whole or a part of such permanent Global Note for Registered Notes; and
- 2.4 otherwise, (i) upon the happening of any of the events defined in the Trust Deed as "Events of Default"; or (ii) if Euroclear or Clearstream, Luxembourg or any other clearing system (an "Alternative Clearing System") is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so and no alternative clearance system satisfactory to the Trustee is available.

### 3. *Permanent Global Certificates*

If the Pricing Supplement states that the Notes are to be represented by a permanent Global Certificate on issue, transfers of the holding of Notes represented by any Global Certificate pursuant to Condition 2(b) may only be made in part:

- 3.1 upon the happening of any of the events defined in the Trust Deed as "Events of Default"; or
- 3.2 if Euroclear or Clearstream, Luxembourg or an Alternative Clearing System is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so and no alternative clearance system satisfactory to the Trustee is available; or
- 3.3 with the consent of the Bank,

provided that, in the case of the first transfer of part of a holding pursuant to 3.1 or 3.2 above, the Registered Holder has given the Registrar not less than 30 days' notice at its specified office of the Registered Holder's intention to effect such transfer.

### 4. *Partial Exchange of Permanent Global Notes*

For so long as a permanent Global Note is held on behalf of a clearing system and the rules of that clearing system permit, such permanent Global Note will be exchangeable in part on one or more occasions (1) for Registered Notes if the permanent Global Note is an Exchangeable Bearer Note and the part submitted for exchange is to be exchanged for Registered Notes, or (2) for Definitive Notes (i) if principal in respect of any Notes is not paid when due or (ii) if so provided in, and in accordance with, the Conditions (which will be set out in the relevant Pricing Supplement) relating to Partly Paid Notes.

### 5. *Delivery of Notes*

On or after any due date for exchange the holder of a Global Note may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Issuing and Paying Agent. In exchange for any Global Note, or the part thereof to be exchanged, the Bank will (i) in the case of a temporary Global Note exchangeable for a permanent Global Note, deliver, or procure the delivery of, a permanent Global Note in an aggregate nominal amount equal to that of the whole or that part of a temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a permanent Global Note to reflect such exchange or (ii) in the case of a Global Note exchangeable for Definitive Notes or Registered Notes, deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Notes and/or Certificates, as the case may be. In this Offering Circular, "Definitive Notes" means, in relation to any Global Note, the definitive Bearer Notes for which such Global Note may be exchanged (if appropriate, having attached to them, if applicable, all Coupons and Receipts in respect of interest or Instalment Amounts that have not already been paid on the Global Note and, if applicable, a Talon). Definitive Notes will be security printed and Certificates will be printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Trust Deed. On exchange in full of each permanent Global Note, the Bank will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.

## **6. Exchange Date**

"Exchange Date" means, in relation to a temporary Global Note, the day falling after the expiry of 40 days after its issue date and, in relation to a permanent Global Note, a day falling not less than 60 days, or in the case of an exchange for Registered Notes five days, after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Issuing and Paying Agent is located and in the city in which the relevant clearing system is located.

## **Amendment to Conditions**

The temporary Global Notes, permanent Global Notes and Global Certificates contain provisions that apply to the Notes that they represent, some of which modify the effect of the Conditions. The following is a summary of certain of those provisions:

### **1. Payments**

No payment falling due after the Exchange Date will be made on any Global Note unless exchange for an interest in a permanent Global Note or for Definitive Notes or Registered Notes is improperly withheld or refused. Payments on any temporary Global Note issued in compliance with the D Rules before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement. All payments in respect of Notes represented by a Global Note will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Issuing and Paying Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. A record of each payment so made will be endorsed on each Global Note, which endorsement will be prima facie evidence that such payment has been made in respect of the Notes. Condition 6(e) (viii) and Condition 7(g) will apply to Definitive Notes only.

### **2. Prescription**

Claims against the Bank in respect of Notes that are represented by a permanent Global Note will become void unless it is presented for payment within a period of 12 years (in the case of principal) and six years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 7).

### **3. Cancellation**

Cancellation of any Note represented by a Global Note that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the nominal amount of the relevant Global Note.

### **4. Purchase**

Notes represented by a permanent Global Note may only be purchased by the Bank, or any of its subsidiaries or any holding company of the Bank or any other subsidiary of any such holding company if they are purchased together with the right to receive all future payments of interest and Instalment Amounts (if any) thereon.

### **5. Bank's Option**

Any option of the Bank provided for in the Conditions of any Notes while such Notes are represented by a permanent Global Note shall be exercised by the Bank giving notice to the Noteholders within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain the certificate numbers of Notes drawn in the case of a partial exercise of an option and accordingly no drawing of Notes shall be required. In the event that any option of the Bank is exercised in respect of some but not all of the Notes of any Series, the rights of Accountholders in respect of the Notes will be governed by the standard procedures of Euroclear, Clearstream, Luxembourg or any other clearing system (as the case may be).

### **6. Noteholders' Options**

Any option of the Noteholders provided for in the Conditions of any Notes while such Notes are represented by a permanent Global Note may be exercised by the holder of the permanent Global Note giving notice to the Issuing and Paying Agent within the time limits relating to the deposit of Notes with a Paying Agent set out in the Conditions substantially in the form of the notice available from any Paying Agent, except that the notice shall not be required to contain the certificate numbers of the Notes in respect of which the option has been exercised, and stating the nominal

amount of Notes in respect of which the option is exercised and at the same time presenting the permanent Global Note to the Issuing and Paying Agent, or to a Paying Agent acting on behalf of the Issuing and Paying Agent, for notation.

**7. *Trustee's Powers***

In considering the interests of Noteholders while any Global Note is held on behalf of, or Registered Notes are registered in the name of any nominee for, a clearing system, the Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its Accountholders with entitlements to such Global Note or Registered Notes and may consider such interests as if such Accountholders were the holders of the Notes represented by such Global Note or Global Certificate.

**8. *Notices***

So long as any Notes are represented by a Global Note and such Global Note is held on behalf of a clearing system, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to the relative Accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note.

**Partly Paid Notes**

The provisions relating to Partly Paid Notes are not set out in this Offering Circular, but will be contained in the relevant Pricing Supplement and thereby in the Global Notes. While any instalments of the subscription moneys due from the holder of Partly Paid Notes are overdue, no interest in a Global Note representing such Notes may be exchanged for an interest in a permanent Global Note or for Definitive Notes (as the case may be). If any Noteholder fails to pay any instalment due on any Partly Paid Notes within the time specified, the Bank may forfeit such Notes and shall have no further obligation to their holder in respect of them.



#### **USE OF PROCEEDS**

The net proceeds of each issue of Notes will be used for the general business purposes of the Lloyds TSB Bank Group group of companies.

## LLOYDS TSB BANK GROUP

The main businesses and activities of the Lloyds TSB Bank Group's three segments are described below.

### UK Retail Banking and Mortgages

UK Retail Banking and Mortgages provided banking and financial services to over 15 million customers during 2000. With approximately 2,400 branches of Lloyds TSB Bank, Lloyds TSB Scotland and Cheltenham & Gloucester at the end of 2000, Lloyds TSB Bank Group had the most comprehensive geographic branch coverage of any financial services group in England, Scotland and Wales. Lloyds TSB Bank Group has continued to develop a number of alternative distribution channels, through the telephone (PhoneBank and PhoneBank Express, an interactive voice recognition service), the internet (*LloydsTSB.com*) and TV Banking, via Telewest Digital, a cable TV provider. This enables Lloyds TSB Bank Group to offer the broadest possible range of access points for customers in order to improve service and to enhance revenue growth. Lloyds TSB Bank Group believes that its distribution capability will also be much improved within the next six months as it completes its information technology integration as planned, combining the systems of Lloyds Bank and TSB Group plc giving online real time banking for personal banking customers. This will enable customers to get up-to-the minute information of their account balances and will allow immediate clearance of Lloyds TSB cheques and immediate transfer of funds between Lloyds TSB accounts. The introduction of on-line banking creates a real competitive advantage for Lloyds TSB Bank Group as none of Lloyds TSB Bank Group's major competitors in the UK offers this service.

### UK Retail Banking

*Current accounts, savings and investment accounts, and consumer lending.* The retail branches of Lloyds TSB Bank offer a broad range of branded products, and Cheltenham & Gloucester provides retail investments through its branch network and a postal investment centre. Lloyds TSB Bank Group's supermarket banking operation, branded "easibank", continues to expand and there were 22 branches in ASDA supermarkets or large shopping centres at the end of 2000. Lloyds TSB Bank Group has extended its relationship with the Post Office to allow Lloyds TSB Bank Group personal customers to undertake banking transactions in post offices in Scotland, in addition to Lloyds TSB Bank Group existing arrangements in England and Wales.

*Business banking.* Small businesses were served by dedicated business managers based in over 450 locations throughout the UK at the end of 2000. Customers have access to a wide range of tailored business services including money transmission, lending and deposits, asset finance, factoring, mortgages and insurance and investments. Asset finance provides a range of finance solutions to companies to enable them to acquire the assets needed to run their businesses through the provision of leasing, hire purchase and contract hire packages. Factoring involves the purchase of companies' trade debts, assuming the task of debt collection and accepting the credit risk, for up to 90 per cent of their value to provide the companies with working capital, with the remaining balance paid, less a small service fee, when the debts are settled.

*Card services* provides a range of card-based products and services, including credit and debit cards and card processing services for retailers. Lloyds TSB Bank Group is a member of both the VISA and MasterCard payment systems and is the second largest credit card issuer in the UK with a 10 per cent share of cards in issue at 30 June, 2001.

*Cash machines.* Lloyds TSB Bank Group has one of the largest cash machine networks of any leading banking group in the UK and personal customers of Lloyds TSB Bank are able to withdraw cash, check balances and obtain mini statements through 4,400 cashpoints at branches and external locations around the country. In addition, they have access to a further 27,000 cash machines via LINK in the UK and to cash machines worldwide through the VISA and MasterCard networks.

*Telephone banking.* Telephone Banking continues to grow and Lloyds TSB Bank Group provides one of the largest telephony services in Europe, in terms of customer numbers. At the end of 2000 over 2 million customers had registered to use the services of PhoneBank and the automated voice response service PhoneBank Express. PhoneBank and PhoneBank Express handled 23.5 million calls during the year.

*Internet banking.* Internet Banking provides online banking facilities for personal and business customers and enables them to conduct their financial affairs without the need to use the branch network. Lloyds TSB Bank Group had over 1 million online customers of *LloydsTSB.com* at the end of 2000. This was increased subsequently to over 1.5 million registered users by May 2001 and *LloydsTSB.com* was rated one of the most visited financial websites in Europe by Jupiter MMXI.

*Private banking and stockbroking.* Private Banking provided a range of tailor-made wealth management services and products to individuals from 40 offices throughout the UK in 2000. In addition to asset management, these include tax and estate planning, executor and trustee services, deposit taking and lending, insurance and personal equity plan and individual savings account (ISA) products. At 31 December, 2000, total funds managed and administered totalled some £12,000 million. A new wealth management strategy, based on providing a new set of products and services for more affluent customers, is expected to be developed in the autumn of 2001 under a new brand, "Create". For these customers Lloyds TSB Bank Group will provide tailored independent advice, enhanced service and a choice of investment options from a variety of providers. Key elements will be Lloyds TSB Bank Group's online share dealing and funds hypermarket, and a new Wealth Management Account that will allow consolidation of all financial products into a single account. The Create offer will be underpinned by access to the comprehensive broking services of Goldman Sachs PrimeAccess™. Lloyds TSB Stockbrokers undertakes retail stockbroking through its Shareddeal Direct telephone service.

### **Mortgages**

Cheltenham & Gloucester is Lloyds TSB Bank Group's specialist residential mortgage provider, providing a range of mortgage products to personal customers through its own branches and those of the Bank in England and Wales, as well as through the telephone, internet and postal service, C&G TeleDirect. Lloyds TSB Bank Group also provides mortgages through Lloyds TSB Scotland and Scottish Widows Bank. During 2000, the contribution from Mortgages was £865 million. Lloyds TSB Group is the third largest residential mortgage lender in the UK on the basis of outstanding balances, with mortgages outstanding at 31 December, 2000 of £52,659 million, representing a market share of 9.8 per cent. Lloyds TSB Bank Group believes that it is one of the most efficient mortgage providers in the UK; since Cheltenham & Gloucester's acquisition by Lloyds TSB Bank Group in 1995, it has consistently had one of the lowest efficiency ratios (total operating expenses expressed as a percentage of total income) compared to its comparable competitors.

### **Insurance and Investments**

*Life assurance, pensions and investment.* Scottish Widows is Lloyds TSB Bank Group's specialist provider of life assurance, pensions and investment products, which are distributed through Lloyds TSB Bank's branch network, through independent financial advisers and directly via the telephone and the internet. Before its acquisition, Scottish Widows was a leading provider of life assurance, pensions and long-term savings products mainly distributed through independent financial advisers. Following the acquisition, the Scottish Widows brand became the sole brand for Lloyds TSB Bank Group's life, pensions, unit trust and other long-term savings products, and Lloyds TSB Bank Group extended the brand's product range to Lloyds TSB Bank Group's retail banking branch network.

In common with other life assurance companies in the UK, the life and pensions business of each of the life assurance companies in the Lloyds TSB Bank Group is written in a long-term business fund. The long-term business fund is divided into a With-Profits and a "Non-Participating" sub-fund. The vast majority of with-profit business is in Scottish Widows plc.

The with-profits benefits provided under some life and pensions products are provided from the With-Profits Fund, and are designed to provide a smoothed return to policyholders who hold their policies to maturity through a mix of annual and final (or terminal) bonuses added to guaranteed basic benefits. The guarantees generally only apply on death or maturity. The actual bonuses declared will reflect the experience of the With-Profits Fund.

Other benefits under life and pensions products are generally provided from the "Non-Participating" sub-fund. Examples include unit-linked benefits, annuities, term assurances and health insurance (under which a pre-determined amount of benefit is payable in the event of an insured event such as death). Unit-linked benefits are wholly or partly determined by reference to a specific portfolio of assets known as unit-linked funds.

*General Insurance.* Lloyds TSB General Insurance provides general insurance through the retail branches of Lloyds TSB Bank and Cheltenham & Gloucester, and through a direct telephone operation and the internet. Based on internal management estimates Lloyds TSB General Insurance had a new business market share of 10 per cent of the new household insurance market, selling more policies in the twelve months to December 2000 than any of the top 10 leading distributors who together have an estimated aggregate market share of 34 per cent. The remainder of the market is served by a large number of insurance operations each with an estimated market share of less than 1 per cent. The new household insurance market is defined as those customers switching suppliers, taking out first ever policies and customers re-entering the household insurance market.

*Scottish Widows Investment Partnership* manages funds for Lloyds TSB Bank Group's retail life, pensions and investment products. Clients also include corporate pension schemes, local authorities and other institutions in the UK and

overseas. At 31 December, 2000 funds under management amounted to some £87,000 million, making Lloyds TSB Bank Group a significant player in the asset management business.

## **Wholesale Markets and International Banking**

### ***Wholesale Markets***

Lloyds TSB Bank Group's relationships with major UK and multinational companies, banks and institutions, and medium-sized UK businesses, together with its activities in financial markets, are managed through dedicated offices in the UK and a number of locations overseas, including New York and Tokyo.

*Treasury* is a leading participant in the money and foreign exchange markets and is also active in certain derivatives markets to meet the needs of customers, and as part of Lloyds TSB Bank Group's trading activities. It plays a central role in funding, cash and liquidity management of Lloyds TSB Bank Group.

*Corporate and Commercial* provides a wide range of banking and related services, including electronic banking, large value lease finance, share registration, venture capital, correspondent banking and capital markets services to major UK and multinational companies and financial institutions, and, through a network of dedicated offices, to medium-sized businesses in the UK. The Agricultural Mortgage Corporation provides long-term finance for the agricultural sector.

*Asset finance* provides leasing, hire purchase and loan products to the corporate and personal sectors through the Lloyds UDT, Chartered Trust and Lloyds TSB Autolease (a subsidiary of Lloyds UDT) brands. Hire purchase, or instalment credit, is a form of consumer financing where a customer takes possession of goods on payment of an initial deposit but the legal title to the goods does not pass to them until the agreed number of instalments have been paid and the option to purchase has been exercised. Based on information maintained by the Factors and Discounters Association, Lloyds TSB Commercial Finance (which is a subsidiary of Lloyds TSB Bank) and Alex Lawrie Factors (which is a subsidiary of Lloyds TSB Commercial Finance) are the second largest invoice discounting and factoring companies in the UK, with a combined market share of 21 per cent as of 31 December, 2000. The invoice discounting and factoring market provides working capital finance for companies by releasing to the company up to 90 per cent of the value of their unpaid invoices, with the balance payable, after deduction of a small service fee, once the invoices have been settled. Invoice discounting differs to factoring in that the company retains control of the debt collection and credit control process.

### ***International Banking***

*New Zealand.* The National Bank of New Zealand Limited ("NBNZ") was New Zealand's second largest bank measured by profitability during 2000 and provides a wide range of banking services through some 160 retail branch outlets. NBNZ serves retail customers' needs for current and savings accounts, credit cards, consumer lending and home loans. NBNZ also has a substantial non-personal business providing working capital, term lending, trade finance and treasury services to the business and agricultural sector.

*International Private Banking* provides services to wealthy individuals outside their country of residence. The business is conducted through branches of Lloyds TSB Bank located in Switzerland, Dubai, Luxembourg, Monaco and Gibraltar. There are also private and corporate banking operations in Spain and France.

*Offshore banking* comprises Lloyds TSB Bank Group's offices in the Channel Islands and Isle of Man, as well as its operations in Hong Kong, Singapore and Malaysia and representation in Belgium and the US. It provides a wide range of retail banking, private banking and financial services to overseas residents and islanders, together with deposit services offshore for UK residents.

*The Americas.* Lloyds TSB Bank Group has operated in the Americas for over 130 years and has offices in Brazil, Argentina, Colombia, Ecuador, Guatemala, Honduras, Panama, Paraguay and Uruguay. In addition Lloyds TSB Bank Group has private banking and investment operations in the US and the Bahamas. In Brazil where Lloyds TSB Bank has 11 offices Lloyds TSB Bank Group's most substantial business is Losango, a consumer lending operation providing three retail products: borrowing at the point of sale in stores, unsecured personal lending and borrowing to fund new and secondhand car purchases. The Losango business is conducted through Banco Lloyds TSB SA a locally incorporated subsidiary of Lloyds TSB Bank. Through its network of branches, Lloyds TSB Bank also provides specialist banking and treasury products to corporate clients in Brazil. In Argentina where Lloyds TSB Bank has 41 branches and Colombia where Lloyds TSB Bank's subsidiary Lloyds TSB Bank SA has 20 branches, Lloyds TSB Bank Group provides corporate banking services, including trade finance, working capital loans, import finance, term deposits and money transmission. It also provides retail banking services through a network of branches, including current and savings accounts, credit cards, personal loans and mortgages.

## Directors

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

**Maarten A. van den Bergh**  
Chairman

*A director of Royal Dutch Petroleum Company and  
British Telecommunications plc*

**Alan E. Moore CBE**  
Deputy Chairman

### Executive Directors

**Peter B. Ellwood CBE**  
Group Chief Executive

**Michael E. Fairey**  
Deputy Group Chief Executive

**Michael D. Ross CBE**  
Deputy Group Chief Executive

**M. Kent Atkinson**  
Group Finance Director

*A director of Coca-Cola HBC SA*

**J. Eric Daniels**  
Group Executive Director, UK Retail Banking

**Archie G. Kane**  
Group Executive Director, IT and Operations

**David P. Pritchard**  
Group Executive Director, Wholesale &  
International Banking

### Non-executive directors

**Professor Ewan Brown CBE**

*A director of Stagecoach Holdings plc and Noble Grossart  
Limited*

**A. Clive Butler**

*A director of Unilever plc*

**Sheila M. Forbes**

**Christopher S. Gibson-Smith**

*Chairman of National Air Traffic Services Limited and  
a director of Powergen plc*

**DeAnne S. Julius**

*Member of the Court of the Bank of England and a director of  
Serco Group plc*

**Thomas F. W. McKillop**

*Chief executive of AstraZeneca plc*

**The Earl of Selborne KBE FRS**

*Managing director of The Blackmoor Estate*

**Lawrence M. Urquhart**

*Chairman of BAA plc and a director of Imerys SA*

## CAPITALISATION AND INDEBTEDNESS OF LLOYDS TSB BANK plc

The following table presents on a consolidated basis, as at the date indicated, the Bank's share capital and reserves, minority interests, undated and dated loan capital. Undated loan capital is subordinated debt that has no mandatory repayment date. Dated loan capital is subordinated debt that is repayable on an agreed date that, at the time of issue of the loan capital, is at least five years and one day in the future.

	31 December, 2000
	<i>£ millions</i>
<b>Share capital and reserves</b>	
Authorised: 1,650,000,000 ordinary shares of £1 each and 1 cumulative floating rate preference share of £1 .. .. .	1,650
Issued and fully paid: ordinary shares .. .. .	1,542
Reserves .. .. .	9,593
<b>Total</b> .. .. .	<b>11,135</b>
<b>Minority Interests (Notes a and b)</b>	
Equity .. .. .	37
Non-equity:	
7.375% Step-up Non-voting Non-cumulative Preferred Securities callable 2012 (£430 million) (Notes c and d) .. .. .	267
7.834% Step-up Non-voting Non-cumulative Preferred Securities callable 2015 (£250 million) (Notes c and d) .. .. .	248
	<b>552</b>
<b>Undated Loan Capital (Notes a, b, d, f and k)</b>	
Primary Capital Undated Floating Rate Notes (Series 1) (US\$750 million) (Note g) .. .. .	502
Primary Capital Undated Floating Rate Notes (Series 2) (US\$500 million) (Note g) .. .. .	335
Primary Capital Undated Floating Rate Notes (Series 3) (US\$600 million) (Note g) .. .. .	401
11¼% Perpetual Subordinated Bonds .. .. .	100
5½% Undated Subordinated Step-up Notes callable 2009 (£1,250 million) (Note c) .. .. .	774
Undated Step-up Floating Rate Notes callable 2009 (£150 million) (Notes c and g) .. .. .	94
6½% Undated Subordinated Step-up Notes callable 2010 (Note c) .. .. .	405
5.57% Undated Subordinated Step-up Coupon Notes callable 2015 (¥20,000 million) (Note c) .. .. .	117
6½% Undated Subordinated Step-up Notes callable 2019 (Note c) .. .. .	266
8% Undated Subordinated Step-up Notes callable 2023 (Note c) .. .. .	199
6½% Undated Subordinated Step-up Notes callable 2029 (Note c) .. .. .	198
<b>Total</b> .. .. .	<b>3,391</b>
<b>Dated Loan Capital (Notes a, b, d, h and k)</b>	
Eurocurrency Zero Coupon Bonds 2003 (¥3,000 million) .. .. .	15
Subordinated Fixed Rate Bonds 2003 (NZ\$165 million) (Note i) .. .. .	49
Subordinated Floating Rate Notes 2004 (Note g) .. .. .	20
7½% Subordinated Bonds 2004 .. .. .	399
Subordinated Floating Rate Notes 2004 (Notes g and j) .. .. .	100
Subordinated Fixed Rate Bonds 2006 (NZ\$75 million) (Note i) .. .. .	22
Subordinated Floating Rate Notes 2006 (Note g) .. .. .	250
Subordinated Floating Rate Notes 2007 (Note g) .. .. .	200
7¾% Subordinated Bonds 2007 .. .. .	298
Subordinated Fixed Rate Bonds 2007 (NZ\$150 million) (Note i) .. .. .	44
5¼% Subordinated Notes 2008 (DM750 million) .. .. .	240
Subordinated Floating Rate Notes 2008 (Note g) .. .. .	150
10½% Guaranteed Subordinated Loan Stock 2008 .. .. .	113
9½% Subordinated Bonds 2009 .. .. .	99
Subordinated Step-up Floating Rate Notes 2009 callable 2004 (US\$500 million) (Notes c and g) .. .. .	334
Subordinated Fixed Rate Bonds 2010 (NZ\$100 million) (Note i) .. .. .	30
6¼% Subordinated Notes 2010 (£400 million) .. .. .	250

	31 December, 2000
	<u>£ millions</u>
Subordinated Floating Rate Notes 2010 (US\$400 million) (Note g) .. .. .	267
12% Guaranteed Subordinated Bonds 2011 .. .. .	123
4¾% Subordinated Notes 2011 (€850 million) .. .. .	508
6½% Subordinated Notes 2015 .. .. .	343
Subordinated Floating Rate Notes 2020 (€100 million) (Note g) .. .. .	62
9¾% Subordinated Bonds 2023 .. .. .	342
Subordinated Non-Interest Bearing Loan on rolling 6 year notice .. .. .	150
<b>Total</b> .. .. .	<u><b>4,408</b></u>
<b>Total Capitalisation</b> .. .. .	<u><b>19,486</b></u>

- (a) Preferred securities, capital securities and loan capital denominated in currencies other than sterling have been translated at rates prevailing on 31 December 2000.
- (b) In certain circumstances the amounts of preferred securities, capital securities and loan capital reflect issue expenses which are amortised over the shorter of the life of the issue and the period to the callable date.
- (c) These preferred securities, bonds and notes will bear interest at an increased margin over the relevant reference benchmark if they are not called on the relevant callable date.
- (d) In certain circumstances the preferred securities are subject to mandatory conversion into preference shares issued by Lloyds TSB Group plc. If they are not called at the relevant callable date, investors have the right to seek redemption from the proceeds of issues of new ordinary shares in Lloyds TSB Group plc.
- (e) Lloyds TSB Bank may elect at any time to satisfy its obligation to make payment in respect of the Perpetual Capital Securities by the issue of ordinary shares to the trustee for the holders of the Perpetual Capital Securities. In that event Lloyds TSB Group plc will issue ordinary shares to the trustee in exchange for the ordinary shares issued by Lloyds TSB Bank, and Lloyds TSB Group plc's shares will be sold to provide the cash to make the relevant payment.
- (f) The undated loan capital notes were issued on a subordinated basis and, in certain circumstances, the notes would acquire the characteristics of preference share capital.
- (g) These notes bear interest at rates fixed periodically in advance based on interbank rates.
- (h) Much of the dated loan capital is prepayable at the option of the borrower, subject to prior consent of the Financial Services Authority.
- (i) These bonds bear interest, to be reset 5 years before redemption date, at a fixed margin over New Zealand Government stocks.
- (j) These notes are exchangeable at the election of the issuer for further subordinated floating rate notes.
- (k) As at 31 December 2000, the Bank had other borrowings of £134,418 million (including deposits by banks of £16,735 million, customer accounts of £100,811 million, debt securities in issue of £17,899 million and other liabilities of £13,774 million) and contingent liabilities (including guarantees) of £5,147 million.
- (l) None of the preferred securities, capital securities or loan capital is secured, or, except where otherwise stated, guaranteed.
- (m) Since 31 December 2000, the Lloyds TSB Bank Group has (i) issued NZ\$100 million 6.87% Subordinated Bonds 2007; (ii) issued €750m 6.625% Perpetual Capital Securities (€750 million) (Notes a, b and e); (iii) issued £250 million 6½ per cent Undated Subordinated Step-up Notes callable in 2029, with proceeds from the issue amounting to £257 million; (iv) redeemed NZ\$15 million of Subordinated Fixed Rate Bonds 2003; (v) redeemed NZ\$25m of Subordinated Fixed Rate Bonds 2006; and (vi) redeemed £100m of Subordinated Floating Rate Notes 2006. There have been no other material changes to the Lloyds TSB Bank Group's capitalisation or indebtedness, contingent liabilities and guarantees since that date.

## UNITED KINGDOM TAXATION

The comments below are of a general nature based on current United Kingdom law and Inland Revenue practice. 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 Notes and Coupons and may not apply to certain classes of persons such as dealers. Any Noteholders who are in doubt as to their tax position should consult their professional advisers.

### Taxation of Interest

While the Notes continue to be listed on a recognised stock exchange within the meaning of section 841 Income and Corporation Taxes Act 1988 (the "Act"), payments of interest may be made without withholding or deduction for or on account of income tax. The London Stock Exchange is recognised for the purposes of section 841 of the Act.

The Bank, provided that it continues to be a bank within the meaning of section 840A of the Act, and provided that the interest on the Notes is paid in the ordinary course of its business within the meaning of section 349 of the Act, will be entitled to make payments of interest without withholding or deduction for or on account of United Kingdom income tax.

Interest on the Notes may also be paid without withholding or deduction on account of United Kingdom tax where interest on the Notes is paid to a person who belongs in the United Kingdom and the Bank reasonably believes (and any person by or through whom interest on the Notes is paid reasonably believes) that the beneficial owner is within the charge to United Kingdom corporation tax as regards the payment of interest at the time the payment is made, provided that the Inland Revenue has not given a direction (in circumstances where it has reasonable grounds to believe that it is likely that the beneficial owner is not within the charge to United Kingdom corporation tax in respect of such payment of interest at the time the payment is made) that the interest should be paid under deduction of tax.

In all other cases, an amount must be withheld from payments of yearly interest on the Notes on account of United Kingdom income tax at the lower rate (currently 20 per cent.), subject to any direction to the contrary by the Inland Revenue under an applicable double taxation treaty.

Persons in the United Kingdom paying interest to or receiving interest on behalf of another person may be required to provide certain information to the United Kingdom Inland Revenue regarding the identity of the payee or person entitled to the interest and, in certain circumstances, such information may be exchanged with tax authorities in other countries.

The interest has a United Kingdom source and accordingly may be chargeable to United Kingdom tax by direct assessment. Where the interest is paid without withholding or deduction, the interest will not be assessed to United Kingdom tax in the hands of holders of the Notes who are not resident in the United Kingdom, except where such persons carry on a trade, profession or vocation in the United Kingdom through a United Kingdom branch or agency in connection with which the interest is received or to which the Notes are attributable, in which case (subject to exceptions for interest received by certain categories of agent) tax may be levied on the United Kingdom branch or agency.

Where interest has been paid under deduction of United Kingdom income tax, Noteholders who are not resident in the United Kingdom may be able to recover all or part of the tax deducted if there is an applicable double taxation treaty.

Noteholders should recognise that the provisions relating to additional amounts referred to in "Terms and Conditions of the Notes — Taxation" would not apply if the Inland Revenue sought to assess directly the person entitled to the relevant interest to United Kingdom tax. However, exemption from, or reduction of, such United Kingdom tax liability might be available under an applicable double taxation treaty.

### Disposal (including Redemption)

#### *Corporate Noteholders*

Except as described below, Noteholders within the charge to United Kingdom corporation tax may be subject to corporation tax on their holding, disposal and redemption (including part redemption of Notes that are redeemable in two or more instalments) of Notes. The nature of the tax charge will depend on the terms of the Note in question and the particular circumstances of the relevant Noteholder. In particular, Noteholders within the charge to United Kingdom corporation tax should have regard, among other matters, to the provisions of the "loan relationship legislation" contained in the Finance Act 1996, the chargeable gains legislation and the legislation applicable to foreign exchange gains and losses contained in the Finance Act 1993.



#### *Other Noteholders*

A disposal of Notes by a holder who is an individual or trustee and 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 Notes are attributable may be subject to United Kingdom income or capital gains tax on their holding, disposal or redemption (including a part redemption of Notes that are redeemable in two or more instalments) of Notes. The nature of the tax charge will depend on the nature of the Note in question and the particular circumstances of the relevant Noteholder. In particular, individual Noteholders should have regard to, among other matters, the capital gains legislation, the "accrued income scheme" and the "relevant discounted securities" legislation.

#### **Interest — Withholding Tax: United Kingdom Finance Act 2000 Changes and European Council Proposals**

On 18 July 2001 the EU Commission published a proposal for a new directive regarding the taxation of savings income. It is proposed that, subject to a number of important conditions being met, Member States will be required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to an individual resident in that other Member State, subject to the right of certain Member States (including Luxembourg but not including the United Kingdom) to opt instead for a withholding system for a transitional period in relation to such payments and subject to the proposals not being required to be applied, for a limited period of seven years after the new directive comes into force, to tranches of Notes issued before 1 March 2002 and fungible with Notes issued before 1 March 2001 or where the original offering document was certified before that date. The proposed directive is not yet final, and may be subject to further amendment and/or clarification.

## SUBSCRIPTION AND SALE

### Summary of Programme Agreement

Subject to the terms and on the conditions contained in a Programme Agreement originally dated 4th October, 1996 and amended and restated on 23rd November, 2001 (as modified and/or supplemented and/or restated as at the date of the issue of the Notes, the "Programme Agreement") between the Bank, the Permanent Dealers and the Arranger, the Notes will be offered on a continuous basis by the Bank to the Permanent Dealers. However, the Bank has reserved the right to sell Notes directly on its own behalf to Dealers that are not Permanent Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Bank through the Dealers, acting as agents of the Bank. The Programme Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The Bank may pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it. The Bank has agreed to reimburse the Arranger for certain of its expenses incurred in connection with the establishment of the Programme.

The Bank has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Programme Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Bank.

## SELLING RESTRICTIONS

### United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Notes in bearer form having a maturity of more than one year are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder.

Each Dealer has agreed that, except as permitted by the Programme Agreement, it will not offer, sell or deliver the Notes of any identifiable Tranche, (i) as part of their distribution at any time or (ii) otherwise until 40 days after completion of the distribution of such Tranche within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

### United Kingdom

In relation to each Tranche of Notes, each Dealer subscribing for or purchasing such Notes represents, warrants and undertakes to the Issuer and each other Dealer (if any) that:

#### 1. No offer to public — listed Notes

With respect to Notes which have a maturity of one year or more and which are to be admitted to the Official List of the UK Listing Authority, it has not offered or sold and will not offer or sell any such Notes to persons in the United Kingdom prior to admission of such Notes to listing in accordance with Part IV of the Financial Services Act 1986 (the "Act"), or (after the repeal of that Part) Part VI of the Financial Services and Markets Act 2000 (the "FSMA"), except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995 or the Act or (after the repeal of Part IV of the Act) the FSMA;

## **2. No offer to public — unlisted Notes**

With respect to Notes which have a maturity of one year or more and which are not be admitted to the Official List of the UK Listing Authority, it has not offered or sold and will not offer or sell any such Notes to persons in the United Kingdom prior to the expiry of a period of six months from the issue date of such Notes except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers at Securities Regulations 1995;

## **3. General compliance**

It has complied and will comply with all applicable provisions of the Act (and, after they come into force, all applicable provisions of the FSMA) with respect to anything done by it in relation to such Notes in, from or otherwise involving the United Kingdom; and

## **4. Investment advertisements**

It has only issued or passed on and will only issue or pass on in the United Kingdom, before the repeal of section 57 of the Act, any document received by it in connection with the issue of such Notes, other than any document which consists of or any part of listing particulars, supplementary listing particulars or any other document required or permitted to be published by listing rules under Part IV of the Act, to a person who is of a kind described in article 11(3) of the Financial Services Act 1986 (Investment Advertisements) (Exemptions) Order 1996, or is a person to whom such document may otherwise lawfully be issued or passed on. After the repeal of section 57 of the Act it will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of such Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer.

### **Japan**

The Notes have not been and will not be registered under the Securities and Exchange Law of Japan (the "Securities and Exchange Law"). Accordingly, each of the Dealers has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Securities and Exchange Law and other relevant laws and regulations of Japan. As used in this paragraph, "resident of Japan" means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

### **The Netherlands**

Each Dealer has represented and agreed that it has not offered, sold, transferred or delivered and will not offer, sell, transfer or deliver the Notes in or from The Netherlands as part of their initial distribution or at any time thereafter, directly or indirectly, other than to individuals or legal entities, which include but are not limited to, banks, brokers, dealers, institutional investors and undertakings with a treasury department, who or which trade or invest in securities in the conduct of a business or profession.

### **General**

These selling restrictions may be modified by the agreement of the Bank and the Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in the Pricing Supplement issued in respect of the issue of Notes to which it relates or in a supplement to this Offering Circular.

Other than in the United Kingdom, no action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Offering Circular or any other offering material or any Pricing Supplement, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed that it will, to the best of its knowledge and belief, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Offering Circular, any other offering material or any Pricing Supplement and neither the Bank nor any other Dealer shall have responsibility therefor.

## FORM OF PRICING SUPPLEMENT

Pricing Supplement dated [●]

### LLOYDS TSB BANK plc

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]  
under the £10,000,000,000 Euro Medium Term Note Programme

This document constitutes the Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated 23rd November, 2001. This Pricing Supplement must be read in conjunction with such Offering Circular.

*[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote directions for completing the Pricing Supplement.]*

- 1 Issuer [●]
- 2 (i) Series Number: [●]
- (ii) [Tranche Number: [●]  
(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible.)]
- 3 Specified Currency or Currencies: [●]
- 4 Aggregate Nominal Amount:
  - (i) Series: [●]
  - (ii) [Tranche: [●]]
- 5 (i) Issue Price: [●] per cent. of the Aggregate Nominal Amount  
[plus accrued interest from [insert date] (in the case of fungible issue only, if applicable)]
- (ii) [Net proceeds: [●] (Required only for listing issues)]
- 6 Specified Denominations: [●]
- 7 (i) Issue Date: [●]
- (ii) [Interest Commencement Date (if different from the Issue Date): [●]]
- 8 Maturity Date: [specify date or (for Floating Rate Notes) Interest Payment Date falling in the relevant month and year]
- 9 Interest Basis: [●] per cent. Fixed Rate]  
[[specify reference rate] +/- [●] per cent. Floating Rate]  
[Zero Coupon]  
[Index Linked Interest]  
[Other (specify)]  
(further particulars specified below)
- 10 Redemption/Payment Basis: [Redemption at par]  
[Index Linked Redemption]  
[Dual Currency]  
[Partly Paid]  
[Instalment]  
[Other (specify)]

- 11 Change of Interest or Redemption/Payment Basis: *[Specify details of any provision for convertibility of Notes into another interest or redemption/payment basis]*
- 12 Put/Call Options: *[Put]*  
*[Call]*  
*[(further particulars specified below)]*
- 13 Status of the Notes: *[Senior/[Dated/Perpetual]/Subordinated]*
- 14 Listing: *[Official List of the UK Listing Authority and trading on the London Stock Exchange/Other (specify)/None]*
- 15 Method of distribution: *[Syndicated/Non-syndicated]*

#### **PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

- 16 Fixed Rate Note Provisions *[Applicable/Not Applicable]*  
*(if not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate[(s)] of Interest: *[●] per cent. per annum [payable annually/semi-annually/quarterly/monthly] in arrear]*
- (ii) Interest Payment Date(s): *[●] in each year*
- (iii) Fixed Coupon Amount[(s)]: *[●] per [●] in nominal amount*
- (iv) Broken Amount: *[insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount[(s)] and the Interest Payment Date[(s)] to which they relate]*
- (v) Day Count Fraction (Condition [4(1)]): *[●]*  
*(Day count fraction should be Actual/Actual-ISMA for all fixed rate issues other than those denominated in U.S. dollars, unless otherwise agreed)*
- (vi) Determination Date(s): *[Insert day(s) and month(s) on which interest is normally paid (if more than one, then insert such dates in the alternative) in each year] (NB: Only relevant where Day Count Fraction is Actual/Actual-ISMA).*
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: *[Not Applicable/give details]*
- 17 Floating Rate Provisions *[Applicable/Not Applicable] (if not applicable, delete the remaining sub-paragraphs of this paragraph. Also consider whether EURO BBA LIBOR or EURIBOR is the appropriate reference rate for Notes denominated in euro)*
- (i) Specified Period(s)/Specified Interest Payment Dates: *[●]*
- (ii) Business Day Convention: *[Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]*

- (iii) Additional Business Centre(s) (Condition 4(1)): [●]
- (iv) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination/other (*give details*)]
- (v) Interest Period Date(s): [Not Applicable/*specify dates*]
- (vi) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the [Calculation Agent]): [●]
- (vii) Screen Rate Determination (Condition 4(c) (iii) (B)):
- Relevant Time: [●]
  - Interest Determination Date: [[●] *[TARGET] Business Days in [specify city] for [specify currency] prior to [the first day in each Interest Accrual Period/each Interest Payment Date]*]
  - Primary Source for Floating Rate: [Specify relevant screen page or "Reference Banks"]
  - Reference Banks (if Primary Source is Reference Banks): [*Specify four*]
  - Relevant Financial Centre: [*The financial centre most closely connected to the Benchmark – specify if not London*]
  - Benchmark: [*LIBOR, LIBID, LIMEAN, EURIBOR or other benchmark*]
  - Representative Amount: [*Specify if screen or Reference Bank quotations are to be given in respect of a transaction of a specified notional amount*]
  - Effective Date: [*Specify if quotations are not to be obtained with effect from commencement of Interest Accrual Period*]
  - Specified Duration: [*Specify period for quotation if not duration of Interest Accrual Period*]
- (viii) - ISDA Determination (Condition 4(c) (iii) (A)):
- Floating Rate Option: [●]
  - Designated Maturity: [●]
  - Reset Date: [●]
  - ISDA Definitions: (if different from those set out in the Conditions) [●]
- (ix) Margin(s): [+/-] [●] per cent. per annum
- (x) Minimum Rate of Interest: [●] per cent. per annum
- (xi) Maximum Rate of Interest: [●] per cent. per annum
- (xii) Day Count Fraction (Condition 4(1)): [●]
- (xiii) Rate Multiplier: [●]

- (xiv) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [●]
- 18 **Zero Coupon Note Provisions** [Applicable/Not Applicable] (*if not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (i) Amortisation Yield (Condition 5(b)): [●] per cent. per annum
- (ii) Day Count Fraction (Condition 4(1)): [●]
- (iii) Any other formula/basis of determining amount payable: [●]
- 19 **Index Linked Interest Note Provisions** [Applicable/Not Applicable] (*if not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (i) Index/Formula: [Give or annex details]
- (ii) Calculation Agent responsible for calculating the interest due: [●]
- (iii) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable: [●]
- (iv) Specified Period(s)/Specified Interest Payment Dates: [●]
- (v) Business Day Convention: [Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (*give details*)]
- (vi) Additional Business Centre(s) (Condition 4(1)): [●]
- (vii) Minimum Rate of Interest: [●] per cent. per annum
- (viii) Maximum Rate of Interest: [●] per cent. per annum
- (ix) Day Count Fraction (Condition 4(1)): [●]
- 20 **Dual Currency Note Provisions** [Applicable/Not Applicable] (*if not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (i) Rate of Exchange/Method of calculating Rate of Exchange: [Give details]
- (ii) Calculation Agent, if any, responsible for calculating the principal and/or interest due: [●]
- (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [●]
- (iv) Person at whose option Specified Currency(ies) is/are payable: [●]
- (v) Day Count Fraction (Condition 4(1)): [●]

## PROVISIONS RELATING TO REDEMPTION

- 21 **Call Option** [Applicable/Not Applicable] (*if not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (i) Optional Redemption Date(s): [●]
  - (ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [●]
  - (iii) If redeemable in part:
    - (a) Minimum nominal amount to be redeemed: [●]
    - (b) Maximum nominal amount to be redeemed: [●]
  - (iv) Option Exercise Date(s): [●]
  - (v) Description of any other Bank's option: [●]
  - (vi) Notice period (if other than as set out in the Conditions): [●]
- 22 **Put Option** [Applicable/Not Applicable] (*if not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (i) Optional Redemption Date(s): [●]
  - (ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [●]
  - (iii) Option Exercise Date(s): [●]
  - (iv) Description of any other Noteholder's option: [●]
  - (v) Notice period (if other than as set out in the Conditions): [●]
- 23 **Final Redemption Amount** [Nominal amount/Other/see Appendix]
- 24 **Early Redemption Amount**
- (i) Early Redemption Amount(s) payable on redemption for taxation reasons (Condition 5(c)) or an event of default (Condition 9) and/or the method of calculating the same (if required or if different from that set out in the Conditions): [●]
  - (ii) Redemption for taxation reasons permitted on days other than Interest Payment Dates (Condition 5(c)): [Yes/No]
  - (iii) Unmatured Coupons to become void upon early redemption (Bearer Notes only) (Condition 6(f)): [Yes/No/Not Applicable]



## GENERAL PROVISIONS APPLICABLE TO THE NOTES

- 25 Form of Notes: [Bearer Notes/Exchangeable Bearer Notes/Registered Notes]  
[Delete as appropriate]
- (i) Temporary or permanent global Note/Certificate: [temporary Global Note/Certificate exchangeable for a permanent Global Note/Certificate which is exchangeable for Definitive Notes/Certificates on [●] days' notice/at any time/in the limited circumstances specified in the permanent Global Note/Certificate]  
[temporary Global Note/Certificate exchangeable for Definitive Notes/Certificates on [●] days' notice]  
[permanent Global Note/Certificate exchangeable for Definitive Notes/Certificates on [●] days' notice/at any time/in the limited circumstances specified in the permanent Global Note/Certificate]  
[C Rules/D Rules/Not Applicable]
- 26 Additional Financial Centre(s) (Condition 6(h)) or other special provisions relating to payment dates: [Not Applicable/Give details. Note that this item relates to the place of payment, and not interest period end dates, to which item 17(iii) relates]
- 27 Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. If yes, give details]
- 28 Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Bank to forfeit the Notes and interest due on late payment: [Not Applicable/give details]
- 29 Details relating to Instalment Notes: [Not Applicable/give details]
- (i) Instalment Amount(s): [●]
- (ii) Instalment Date(s): [●]
- (iii) Minimum Instalment Amount: [●]
- (iv) Maximum Instalment Amount: [●]
- 30 Redenomination, renominatisation and reconventioning provisions: [Not Applicable/The provisions [in Condition [●]] [annexed to this Pricing Supplement] apply]
- 31 Consolidation provisions: [Not Applicable/The provisions [in Condition [●]] [annexed to this Pricing Supplement] apply]
- 32 Other terms or special conditions:<sup>1</sup> [Not Applicable/give details]

## DISTRIBUTION

<sup>1</sup> If full terms and conditions are to be used, please add the following here:

"The full text of the Conditions which apply to the Notes [and which will be endorsed on the Notes in definitive form] are set out in [the Annex hereto], which Conditions replace in their entirety those appearing in the Offering Circular for the purposes of these Notes and such Conditions will prevail over any other provision to the contrary."

The first set of bracketed words is to be deleted where there is a permanent global Note instead of Notes in definitive form. The full Conditions should be attached to and form part of the pricing supplement.

- 33 (i) if syndicated, names of Managers: [Not Applicable/*give names*]  
 (ii) Stabilising Manager (if any): [Not Applicable/*give name*]  
 (iii) Dealer's Commission: [Not Applicable/*give details*]  
 34 If non-syndicated, name of Dealer: [Not Applicable/*give details*]  
 35 Additional selling restrictions

#### OPERATIONAL INFORMATION

- 36 ISIN Code: [●]  
 37 Common Code: [●]  
 38 Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [Not Applicable/*give name(s) and number(s)*]  
 39 Delivery: Delivery [against/free of] payment  
 40 The Agents appointed in respect of the Notes are: [●]

#### GENERAL

- 41 Additional steps that may only be taken following Extraordinary Resolution in accordance with Condition 11(a): [Not Applicable/*give details*]  
 42 The aggregate principal amount of Notes issued has been translated into pounds sterling at the rate of [●], producing a sum of (for Notes not denominated in pounds sterling): [Not Applicable/£[●]]

#### [LISTING APPLICATION

This Pricing Supplement comprises the details required to list the issue of Notes described herein pursuant to the listing of the £10,000,000,000 Euro Medium Term Note Programme of Lloyds TSB Bank plc.]

#### [STABILISING

In connection with this issue, [*insert name of Stabilising Manager*] may over-allot or effect transactions which stabilise or maintain the market price of the Notes at a level which might not otherwise prevail. Such stabilising, if commenced, may be discontinued at any time.]

#### MATERIAL ADVERSE CHANGE STATEMENT

[Except as disclosed in this document, there/There]<sup>2</sup> has been no significant change in the financial or trading position of the Bank or of the Group since [*insert date of last audited accounts or interim accounts (if later)*] and no material adverse change in the financial position or prospects of the Bank or of the Group since [*insert date of last published annual accounts*].]

#### RESPONSIBILITY

The Bank accepts responsibility for the information contained in this Pricing Supplement which, when read together with the Offering Circular referred to above, contains all information that is material in the context of the issue of the Notes.

Signed on behalf of the Bank:

<sup>2</sup> If any change is disclosed in the Pricing Supplement, it will require approval by the Financial Services Authority in its capacity as competent authority under the Financial Services Act 1986 (for London-listed deals) or the Stock Exchange(s) as the case may be. Consideration should be given as to whether or not such disclosure should be made by means of a supplemental Offering Circular comprising listing particulars rather than in a Pricing Supplement.

## GENERAL INFORMATION

1. The listing of the Notes on the Official List will be expressed as a percentage of their nominal amount (exclusive of accrued interest). It is expected that listing of the Notes on the Official List and admission of the Notes to trading on the London Stock Exchange's market for listed securities will be granted on or before 28th November, 2001, subject only to the issue of a temporary or permanent Global Note (or one or more Certificates) in respect of each Tranche. Prior to official listing and admission to trading, however, dealings will be permitted by the London Stock Exchange in accordance with its rules. Transactions on the London Stock Exchange will normally be effected for delivery on the third working day after the day of the transaction. However, unlisted Notes may be issued pursuant to the Programme.

2. The Bank has obtained all necessary consents, approvals and authorisations in the United Kingdom in connection with the establishment and update of the Programme and the issue and performance of the Notes. The establishment and update of the Programme and the issue of the Notes were authorised by resolutions of the Chairman's Committee of the Board of Directors of the Bank passed on 26th September, 1996, 18th September, 1997, 10th September, 1998, 17th June, 1999, 23rd November, 2000 and 15th November, 2001.

3. There has been no significant change in the financial or trading position of the Bank or of the Group since 31st December, 2000 and no material adverse change in the financial position or prospects of the Bank or of the Group since 31st December, 2000.

4. Neither the Bank nor any of its subsidiaries is or has been involved in any legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Bank is aware) which may have, or have had during the past 12 months, a significant effect on the financial position of the Group.

5. Each Bearer Note, Receipt, Coupon and Talon will bear the following legend:

"Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code".

6. Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems. The Common Code and the International Securities Identification Number (ISIN) and (where applicable) the identification number for any other relevant clearing system for each Series of Notes will be set out in the relevant Pricing Supplement.

### 7. European Monetary Union

The third stage of European economic and monetary union commenced on 1st January, 1999 when the value of the euro as against the currencies of the member states participating in the third stage was irrevocably fixed and the euro became a currency in its own right. Each euro is divided into 100 cents and, for a transitional period of three years into participating member currencies at the following fixed exchange rates:

Austrian schilling	13.7603	German mark	1.95583
Belgian franc	40.3399	Irish punt	0.787564
Dutch guilder	2.20371	Luxembourg franc	40.3399
Finnish markka	5.94573	Portuguese escudo	200.482
French franc	6.55957	Spanish peseta	166.386

With effect from 1st January, 2002 the participating member currencies will cease to exist.

8. For so long as Notes may be issued pursuant to this Offering Circular, the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the office of Lloyds TSB Bank plc, 71 Lombard Street, London EC3P 3BS and of the Issuing and Paying Agent:

8.1 the Trust Deed (which includes the form of the Global Notes, the definitive Bearer Notes, the Certificates, the Coupons, the Receipts and the Talons);

8.2 the Programme Agreement;

8.3 the Memorandum and Articles of Association of the Bank;

8.4 the audited consolidated Report and Accounts of the Bank for the two financial years ended 31st December, 1999 and 31st December, 2000;

8.5 each Pricing Supplement for Notes that are listed on the Official List and admitted to trading on the London Stock Exchange's market for listed securities or on any other stock exchange; and

8.6 a copy of this Offering Circular together with any supplemental Offering Circular or further Offering Circular.

9. Copies of the latest audited consolidated Report and Accounts of the Bank and copies of the Trust Deed will be available for inspection at the specified offices of each of the Paying Agents during normal business hours, so long as any of the Notes is outstanding. The Bank does not publish interim accounts.

10. Price Waterhouse, Chartered Accountants and Registered Auditors, have audited, and rendered unqualified audit reports on, the annual consolidated published accounts of the Bank and its subsidiaries for the three financial years ended 31st December, 1997. On 1st July, 1998, Price Waterhouse merged its business with Coopers & Lybrand to form a new partnership called PricewaterhouseCoopers. The successor firm was appointed as auditors of the Bank on 10th September, 1998. PricewaterhouseCoopers, Chartered Accountants and Registered Auditors, have audited, and rendered unqualified audit reports on, the annual consolidated published accounts of the Bank and its subsidiaries for the financial years ended 31st December, 1998, 31st December, 1999 and 31st December, 2000.

11. No redemption of the Notes for taxation reasons, no redemption of the Notes, no optional redemption of the Notes pursuant to Condition 5(d) or Condition 5(e) and no purchase and cancellation of the Notes in accordance with the Conditions of the Notes will be made by the Bank without such prior consent of the Financial Services Authority as may for the time being be required therefor.

**REGISTERED OFFICE OF THE BANK**

71 Lombard Street  
London EC3P 3BS

**DEALERS**

**Deutsche Bank AG London**  
Winchester House  
1 Great Winchester Street  
London EC2N 2DB

**J.P. Morgan Securities Ltd.**  
60 Victoria Embankment  
London EC4Y 0JP

**Lloyds TSB Bank plc**  
71 Lombard Street  
London EC3P 3BS

**Salomon Brothers International Limited**  
Citigroup Centre  
33 Canada Square  
London E14 5LB

**Goldman Sachs International**  
Peterborough Court  
133 Fleet Street  
London EC4A 2BB

**Lehman Brothers International (Europe)**  
One Broadgate  
London EC2M 7HA

**Merrill Lynch International**  
Ropemaker Place  
25 Ropemaker Street  
London EC2Y 9LY

**UBS AG, acting through its  
business group UBS Warburg**  
1 Finsbury Avenue  
London EC2M 2PP

**TRUSTEE**

**The Law Debenture Trust Corporation p.l.c.**  
Fifth Floor  
100 Wood Street  
London EC2V 7EX

**ISSUING AND PAYING AGENT, CALCULATION AGENT, REGISTRAR AND TRANSFER AGENT**

**Citibank, N.A.**  
5 Carmelite Street  
London EC4Y 0PA

**PAYING AGENT AND TRANSFER AGENT**

**BNP Paribas Luxembourg**  
10A Boulevard Royal  
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**LONDON LISTING AGENT**

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Ropemaker Place  
25 Ropemaker Street  
London EC2Y 9LY

**AUDITORS**

*To the Bank*  
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Southwark Towers  
32 London Bridge Street  
London SE1 9SY

**LEGAL ADVISERS**

*To the Bank*  
**Linklaters**  
**Linklaters & Alliance**  
One Silk Street  
London EC2Y 8HQ

*To the Dealers and the Trustee*  
**Allen & Overy**  
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London EC4M 9QQ

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