

SUPPLEMENTARY PROSPECTUS DATED 7 NOVEMBER 2008



LLOYDS TSB GROUP plc

(incorporated in Scotland with limited liability under the Companies Act 1985 with registered number 95000)

Private Placement of

U.S.\$3,750,000,000 Extendible Notes (the "Notes")

*issued as two tranches in the amount of U.S.\$3,250,000,000 on 17 July 2008
and U.S.\$500,000,000 on 23 July 2008*

This Supplement (the "**Supplement**") to the Base Prospectus (the "**Prospectus**") dated 24 July 2008 (as supplemented by supplementary prospectuses dated 5 August 2008 (the "**5 August Supplementary Prospectus**"), 7 October 2008 (the "**7 October Supplementary Prospectus**") and 15 October 2008 (the "**15 October Supplementary Prospectus**")) which comprises a base prospectus, constitutes a supplementary prospectus for the purposes of Section 87G of the Financial Services and Markets Act 2000 (the "**FSMA**") and is prepared in connection with the Notes issued by Lloyds TSB Group plc (the "**Company**"). Terms defined in the Prospectus have the same meaning when used in this Supplement.

This Supplement is supplemental to, and should be read in conjunction with, the Prospectus and any other supplements to the Prospectus issued by the Company.

The Company accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Company (having taken all reasonable care to ensure that such is the case) the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

Interim Management Statement and Lloyds TSB Circular to Shareholders

On 3 November 2008, the Company published an interim management statement (the "**Management Statement**") and posted a circular to its shareholders (the "**Circular**"). Copies of the Management Statement and the Circular have been filed with the Financial Services Authority and, by virtue of this Supplement, the Management Statement and certain parts of the Circular (as specified below) are incorporated by reference in, and form part of, the Prospectus.

Management Statement

The Management Statement shall be deemed to be incorporated in full in, and form part of, the Prospectus.

Circular

Certain information contained in the Prospectus superseded

To the extent that any information contained or incorporated by reference in this Supplement is inconsistent with or supersedes any information contained in the Prospectus (as previously supplemented), the information contained or incorporated by reference in this Supplement shall prevail and be deemed to replace and/or supersede the information contained in the Prospectus (as previously

supplemented). In particular (but without limitation), the following information contained in the Prospectus (as previously supplemented) shall, by virtue of this Supplement, be deemed to be replaced and superseded by the information contained or incorporated by reference in this Supplement:

- the section entitled “*Risk Factors relating to Lloyds TSB Group*” within Risk Factors on pages 6 – 9 of the Prospectus; and
- the section entitled “*Lloyds TSB Group*” on pages 20 – 33 of the Prospectus, save that the following shall not be deemed to be replaced or superseded:
 - (i) the first paragraph of that section on page 20 of the Prospectus;
 - (ii) the paragraph entitled “*Financial Services Authority*” immediately before the paragraph entitled “*UK Office of Fair Trading*” as inserted at page 27 of the Prospectus by the 7 October Supplementary Prospectus
 - (ii) the paragraphs under the heading “*The European Commission*” and above the heading “*Regulation*” in the sub-section entitled “*Competitive environment*” on page 28 of the Prospectus; and
 - (iii) the sub-section entitled “*Regulation*” on pages 28 – 31 of the Prospectus, as previously supplemented by the 7 October Supplementary Prospectus.

Incorporation by reference

The following sections of the Circular shall be deemed to be incorporated in, and form part of, the Prospectus (page references are to the relevant page(s) of the Circular unless the context otherwise requires):

- page 2: the section entitled “*Presentation of Information*”;
- page 7: the section entitled “*Expected Timetable of Principal Events*”;
- pages 10 – 24: sub-sections 1 to 12 (inclusive) (but excluding sub-section 5) and sub-section 15 of the section entitled “*Part I, Letter from Sir Victor Blank, Chairman of Lloyds TSB Group plc*”;
- pages 29 – 41: the section entitled “*Risks relating to the Lloyds TSB Group and, if the Acquisition becomes Effective, the Enlarged Group*”;
- pages 41 – 44: the section entitled “*Risks relating to the Acquisition*”, save that the following shall not be incorporated in or form part of the Prospectus or shall be incorporated with the amendments set out below:
 - page 42: the sentence reading “These conditions are set out in Appendix 1 to the Announcement and are incorporated by reference into this document” in sub-section 2.3 shall be incorporated herein however such words shall be deemed to be amended so as to read: “These conditions are set out in Appendix 1 to the Announcement and are incorporated by reference herein pursuant to the 7 October Supplementary Prospectus”;
 - page 43: the second sentence of the first paragraph of sub-section 2.5 shall not be incorporated herein, and in the third sentence of that paragraph the word “these” shall be deemed to read “the”; and
 - page 44: sub-section 2.8 shall not be incorporated herein;

- pages 44 – 46: the section entitled “*Risks relating to the Placing and Open Offer and to investment in Lloyds TSB Shares*”, save for sub-sections 3.2, 3.3, 3.4 and 3.5 thereof;
- pages 47 – 52: the section entitled “*Part III, Principal Terms of the Acquisition*”, save for sub-sections 9 and 11 thereof;
- pages 53 – 56: the section entitled “*Part IV, Principal Terms of the Placing and Open Offer*”, save for sub-sections 5 and 6 thereof;
- pages 57 – 58: the section entitled “*Part V, Conditions relating to the Proposed Government Funding*”;
- pages 59 – 60: the section entitled “*Part VI, Principal Terms of the Capitalisation Issue*”, save for sub-sections 5 and 6 thereof;
- pages 61 – 71: the section entitled “*Part VII, Information on the Lloyds TSB Group*”, save that the italicised introductory paragraph (prior to sub-section 1) on page 61 of the Circular shall not be incorporated in, or form part of, the Prospectus;
- pages 72 – 74: the section entitled “*Part VIII, Information on the HBOS Group*”;
- pages 75 – 212: the section entitled “*Part IX, Historical Financial Information relating to HBOS plc, Part A – Financial Information for the three years ended 31 December 2007*”;
- pages 213 – 234: the section entitled “*Part IX, Historical Financial Information relating to HBOS plc, Part B – Unaudited Interim Financial Information*”;
- pages 235 – 237: the section entitled “*Part X, Reconciliation of Accounting Policies*”;
- pages 238 – 245: the section entitled “*Part XI, Unaudited Pro Forma Net Assets Statement of the Enlarged Group as at 30 June 2008*”;
- pages 246 – 270: the following sub-sections only of the section entitled “*Part XII, Additional Information*”:
 - pages 254 – 262: sub-section 9; and
 - pages 263 – 265: sub-section 11;
- pages 271 – 273: the section entitled “*Part XIII, HBOS Interim Management Statement 3 November 2008*”; and
- pages 274 – 282: the section entitled “*Definitions*”.

For the purposes of incorporating by reference in the Prospectus certain parts of the Circular, references and cross-references in the Circular to any part(s) of “this document” or “herein” (or similar references) shall, to the extent incorporated by reference in the Prospectus, be deemed to be references to the relevant part(s) of the Circular as incorporated by reference in the Prospectus.

Recent Developments

The sub-section entitled “*Recent Developments*” on page 31 – 32 of the Prospectus, as previously supplemented by the 5 August Supplementary Prospectus, the 7 October Supplementary Prospectus and the 15 October Supplementary Prospectus shall be deemed to be replaced and superseded by the following:

“Recent Developments

- On 30 July 2008, the Issuer published its 2008 Interim Results News Release for the half-year to 30 June 2008 (the “**2008 Company Interim Results**”) and Lloyds TSB Bank plc published its Interim Management Report for the half-year to 30 June 2008. Certain recent developments referred to in the 2008 Company Interim Results are described below (compared to the first half of 2007):
 - On a statutory basis, profit before tax for the first half of 2008 fell by 70 per cent to £599 million which was largely resultant of the impact of market dislocation and volatility relating to the Group’s insurance businesses.
 - At the end of June 2008, the Group had a total capital ratio on a Basel II basis of 11.3 per cent, a tier 1 ratio of 8.6 per cent and a core tier 1 ratio of 6.2 per cent.
- On 18 September 2008, the Issuer published an announcement (the “**Announcement**”) regarding the recommended acquisition of HBOS plc by the Issuer to be implemented by means of a scheme of arrangement under sections 895 to 899 of the Companies Act 2006. A copy of the Announcement has been filed with the Financial Services Authority and certain parts of the Announcement are incorporated by reference in, and form part of, this Prospectus.
- On 18 September 2008, Standard & Poor’s published a ratings update placing Lloyds TSB Bank plc’s ‘AA’ long-term counterparty credit rating and the Issuer’s ‘AA/A-1+’ long- and short-term counterparty credit ratings on CreditWatch with negative implications and affirming Lloyds TSB Bank plc’s ‘A-1+’ short-term counterparty credit rating.
- On 18 September 2008, Moody’s Investor Services Limited published a ratings update placing Lloyds TSB Bank plc’s ‘B+’ financial strength rating, its ‘Aaa’ senior debt and long-term deposit ratings and the Issuer’s ‘Aa1’ senior debt rating on review for possible downgrade and affirming Lloyds TSB Bank plc’s ‘P-1’ short term rating.
- On 18 September 2008, Fitch Ratings Ltd published a ratings update placing Lloyds TSB Bank plc’s long-term issuer default rating and senior unsecured debt ratings of ‘AA+’, its individual rating of ‘A’ and its subordinated debt ratings of ‘AA’ on Rating Watch Negative and affirming each of Lloyds TSB Bank plc’s short-term issuer default rating at ‘F1+’, its Support Rating at ‘1’ and its Support Rating Floor at ‘A-’ (A minus). In addition, Fitch Ratings Ltd placed the Issuer’s long-term issuer default rating and senior unsecured debt ratings of ‘AA+’, its individual rating of ‘A’ and its preference shares and subordinated debt ratings of ‘AA’ on Rating Watch Negative and affirmed the Issuer’s short-term issuer default rating at ‘F1+’, its Support Rating at ‘5’ and its Support Rating Floor at ‘No Floor’.
- On 8 October 2008, HM Treasury issued a press release entitled “*Financial support to the banking industry*” (the “**Government’s Announcement**”) announcing proposals by the UK Government to ensure stability of the financial system and to protect ordinary savers, depositors, businesses and borrowers.
- On 8 October 2008, the Issuer issued an announcement via the London Stock Exchange plc’s Regulatory News Service confirming that it welcomed the Government’s Announcement, and stating that the Issuer would make a further announcement in due course once it had fully assessed the implications of the Government’s Announcement.
- On 13 October 2008, the Issuer published an announcement (the “**Acquisition and Capital Announcement**”) regarding (i) the revised terms of the acquisition of HBOS plc by the Issuer, and (ii) the raising of £5.5 billion of new capital. A copy of the Acquisition and Capital Announcement

has been filed with the Financial Services Authority and certain parts of the Acquisition and Capital Announcement are incorporated by reference in, and form part of, this Prospectus.

- On 3 November 2008, the Issuer:
 - published an interim management statement (the “**Management Statement**”); and
 - posted a circular to its shareholders (the “**Circular**”).

Copies of the Management Statement and the Circular have been filed with the Financial Services Authority and the Management Statement and certain parts of the Circular are incorporated by reference in, and form part of, this Prospectus.”

Directors

The sub-section entitled “*Directors*” on page 32 – 33 of the Prospectus, as previously supplemented by the 7 October Supplementary Prospectus shall be deemed to be replaced and superseded by the following:

“Directors

The directors of the Issuer, the business address of each of whom is 25 Gresham Street, London EC2V 7HN, England, and their respective principal outside activities, where significant to the Issuer, are as follows:

<u>Name</u>	<u>Principal outside activities</u>
Sir Victor Blank Chairman	A member of the Financial Reporting Council from 2002 to 2007 and a member of the Council of Oxford University from 2000 to 2007. A senior adviser to the Texas Pacific Group and a UK British Ambassador for the Prime Minister. Chairs two charities, Wellbeing of Women and UJS Hillel, as well as the Council of University College School.
Executive directors	
J. Eric Daniels Group Chief Executive	A non-executive director of BT Group.
Archie G. Kane Group Executive Director, Insurance and Investments	Chairman of the board of the Association of British Insurers. Member of the Treasury’s Financial Services Global Competitiveness Group.
G. Truett Tate Group Executive Director, Wholesale & International Banking	A non-executive director of BritishAmerican Business Inc. A member of the fund-raising board of the National Society for the Prevention of Cruelty to Children.
Helen A. Weir CBE Group Executive Director, UK Retail Banking	A non-executive director of Royal Mail Holdings. A member of the Said Business School Advisory Board and a former member of the Accounting Standards Board.
Tim J.W. Tookey Group Finance Director	None.

Non-executive directors

Wolfgang C.G. Berndt

A non-executive director of Cadbury, GfK AG and MIBA AG.

Ewan Brown CBE FRSE

A non-executive director of Noble Grossart and Stagecoach Group, senior governor of the Court of the University of St Andrews and vice chairman of the Edinburgh International Festival.

Jan P. du Plessis

Chairman of British American Tobacco and a director of Rio Tinto and Marks and Spencer Group.

Philip N. Green

Chief Executive of United Utilities. A director of Business in the Community, a member of the government's UK Commission for Employment and Skills and a trustee of the Philharmonia Orchestra.

Sir Julian Horn-Smith

A non-executive director of Digicel Group, a member of the Altimio International advisory board and a senior adviser to UBS in relation to the global telecommunications sector.

Lord Leitch

Appointed chairman of Scottish Widows in 2007. Chairman of the government's Review of Skills (published in December 2006) and deputy chairman of the Commonwealth Education Fund. Chairman of BUPA and Intrinsic Financial Services and a non-executive director of Paternoster.

Sir David Manning GCMG CVO

A non-executive director of BG Group.

Martin A. Scicluna

A non-executive director of Great Portland Estates.

Carolyn J. McCall OBE

Chief Executive of Guardian Media Group. Chair of Opportunity Now and a board member of Business in the Community.

None of the directors of the Issuer have any actual or potential conflict between their duties to the Issuer and their private interests or other duties as listed above."

General Information

The statements made in paragraphs three and four under the heading "General Information" on page 43 of the Prospectus as supplemented by the 5 August Supplementary Prospectus and the 15 October Supplementary Prospectus shall be deemed to be to be replaced and superseded by the following:

"3 Save for a further deterioration in insurance volatility during October, and save as disclosed in the third paragraph of the section headed "Strong relationship banking growth in Wholesale and International Banking", the third paragraph of the section headed 'In a difficult economic environment, asset quality remains satisfactory' and the section headed 'Insurance volatility' in sub-section 7 (*Current Trading, Trends and Prospects*) of Part VII ("*Information on the Lloyds TSB Group*") of the Circular, as incorporated by reference herein, there has been no significant change in the financial or trading position of Lloyds TSB Group since 30 June 2008 and save as disclosed in pages 30 to 45 of the 2008 Company Interim Results and save for a further deterioration in insurance volatility during October, and save as disclosed in the third paragraph of the section headed "Strong relationship banking growth in Wholesale

and International Banking', the third paragraph of the section headed 'In a difficult economic environment, asset quality remains satisfactory' and the section headed 'Insurance volatility' in sub-section 7 (*Current Trading, Trends and Prospects*) of Part VII (*Information on the Lloyds TSB Group*) of the Circular, as incorporated by reference herein, no material adverse change in the prospects of the Lloyds TSB Group since 31 December 2007.

4 Save as disclosed in sub-section 11.1 (*Litigation relating to the Lloyds TSB Group*) of Part XII (*Additional Information*) of the Circular, as incorporated by reference herein, neither the Issuer nor any of its subsidiaries is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of this Prospectus which may have or have had in the recent past a significant effect on Lloyds TSB Group's financial position or profitability."

The Company will provide, without charge, to each person to whom a copy of this Supplement has been delivered, upon the oral or written request of such person, a copy of any or all of the documents which are incorporated in whole or in part by reference herein or in the Prospectus. Written or oral requests for such documents should be directed to the Company at its head office at 25 Gresham Street, London, EC2V 7HN, as described on page 5 of the Prospectus.

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Prospectus by this Supplement and (b) any other statement in or incorporated by reference in the Prospectus, the statements in (a) above will prevail.

Save as disclosed in this Supplement, no other significant new factor, material mistake or inaccuracy relating to information included in the Prospectus has arisen or been noted, as the case may be, since the publication of the Prospectus. An investor should be aware of its rights arising pursuant to Section 87Q(4) of the FSMA.