



Lloyds TSB

11 July 2008

65/08

LLOYDS TSB SEGMENTAL ANALYSIS RESTATEMENT

As part of Lloyds TSB Group's transition to Basel II on 1 January 2008, the Group has taken the opportunity to update its capital and liquidity pricing methodology. The main difference in this approach is to allocate a greater share of certain funding costs, previously allocated to the Central group items segment, to individual divisions.

In addition, to enable meaningful year-on-year comparisons to be made, the Group intends to report its 2008 segmental results on a continuing businesses basis, excluding the impact of the businesses sold in 2007.

The attached appendix sets out the relevant segmental analyses for 2007 which have been restated to reflect these reporting changes, and which have no impact on the statutory results of the Group.

For further information:-

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FORWARD LOOKING STATEMENTS

This announcement contains forward looking statements with respect to the business, strategy and plans of the Lloyds TSB Group, its current goals and expectations relating to its future financial condition and performance. By their nature, forward looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. The Group's actual future results may differ materially from the results expressed or implied in these forward looking statements as a result of a variety of factors, including UK domestic and global economic and business conditions, risks concerning borrower credit quality, market related risks such as interest rate risk and exchange rate risk in its banking business and equity risk in its insurance businesses, changing demographic trends, unexpected changes to regulation, the policies and actions of governmental and regulatory authorities in the UK or jurisdictions outside the UK, including other European countries and the US, exposure to legal proceedings or complaints, changes in customer preferences, competition and other factors. Please refer to the latest Annual Report on Form 20-F filed with the US Securities and Exchange Commission for a discussion of such factors. The forward looking statements contained in this announcement are made as at the date of this announcement, and the Group undertakes no obligation to update any of its forward looking statements.

SUMMARISED SEGMENTAL ANALYSIS

2007

	UK Retail Banking £m	Insurance and Investments £m	Wholesale and International Banking £m	Central group items £m	Group excluding insurance gross up £m	Insurance gross up £m	Group £m
Net interest income	3,695	(106)	2,380	(368)	5,601	421	6,022
Other income	1,797	1,741	1,644	362	5,544	6,233	11,777
Total income	5,492	1,635	4,024	(6)	11,145	6,654	17,799
Insurance claims	-	(302)	-	-	(302)	(6,615)	(6,917)
Total income, net of insurance claims	5,492	1,333	4,024	(6)	10,843	39	10,882
Operating expenses	(2,548)	(611)	(2,152)	(6)	(5,317)	(13)	(5,330)
Trading surplus (deficit)	2,944	722	1,872	(12)	5,526	26	5,552
Impairment	(1,224)	-	(572)	-	(1,796)	-	(1,796)
Profit (loss) before tax	1,720	722	1,300	(12)	3,730	26	3,756
Volatility							
- Insurance	-	(277)	-	-	(277)	-	(277)
- Policyholder interests	-	-	-	-	-	(222)	(222)
Profit on sale of businesses	-	272	385	-	657	-	657
Discontinued businesses	-	145	28	-	173	(11)	162
Settlement of overdraft claims	(76)	-	-	-	(76)	-	(76)
Profit (loss) before tax	1,644	862	1,713	(12)	4,207	(207)	4,000

Half-year to 30 June 2007

	UK Retail Banking £m	Insurance and Investments £m	Wholesale and International Banking £m	Central group items £m	Group excluding insurance gross up £m	Insurance gross up £m	Group £m
Net interest income	1,798	(56)	1,109	(154)	2,697	100	2,797
Other income	883	833	931	182	2,829	3,380	6,209
Total income	2,681	777	2,040	28	5,526	3,480	9,006
Insurance claims	-	(152)	-	-	(152)	(3,462)	(3,614)
Total income, net of insurance claims	2,681	625	2,040	28	5,374	18	5,392
Operating expenses	(1,261)	(307)	(1,041)	(3)	(2,612)	(6)	(2,618)
Trading surplus	1,420	318	999	25	2,762	12	2,774
Impairment	(627)	-	(210)	-	(837)	-	(837)
Profit before tax	793	318	789	25	1,925	12	1,937
Volatility							
- Insurance	-	9	-	-	9	-	9
- Policyholder interests	-	-	-	-	-	(63)	(63)
Discontinued businesses	-	119	22	-	141	5	146
Settlement of overdraft claims	(36)	-	-	-	(36)	-	(36)
Profit (loss) before tax	757	446	811	25	2,039	(46)	1,993

Half-year to
31 December 2007

	UK Retail Banking £m	Insurance and Investments £m	Wholesale and International Banking £m	Central group items £m	Group excluding insurance gross up £m	Insurance gross up £m	Group £m
Net interest income	1,897	(50)	1,271	(214)	2,904	321	3,225
Other income	914	908	713	180	2,715	2,853	5,568
Total income	2,811	858	1,984	(34)	5,619	3,174	8,793
Insurance claims	-	(150)	-	-	(150)	(3,153)	(3,303)
Total income, net of insurance claims	2,811	708	1,984	(34)	5,469	21	5,490
Operating expenses	(1,287)	(304)	(1,111)	(3)	(2,705)	(7)	(2,712)
Trading surplus (deficit)	1,524	404	873	(37)	2,764	14	2,778
Impairment	(597)	-	(362)	-	(959)	-	(959)
Profit (loss) before tax	927	404	511	(37)	1,805	14	1,819
Volatility							
- Insurance	-	(286)	-	-	(286)	-	(286)
- Policyholder interests	-	-	-	-	-	(159)	(159)
Profit on sale of businesses	-	272	385	-	657	-	657
Discontinued businesses	-	26	6	-	32	(16)	16
Settlement of overdraft claims	(40)	-	-	-	(40)	-	(40)
Profit (loss) before tax	887	416	902	(37)	2,168	(161)	2,007