

Lloyds TSB Offshore Limited

Summary Financial Statement

31 December 2009

Member of Lloyds Banking Group

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The information contained within this summary financial statement has been prepared in accordance with the requirements of the Banking Business (Jersey) Law 1991. Additional information to allow for a full understanding of the results of the company and its state of affairs has been submitted to the Jersey Financial Services Commission as required by the Banking Business (Jersey) Law 1991. In accordance with the Banking Business (General Provisions) (Amendment) (Jersey) Order 1994, Lloyds TSB Offshore Limited has decided to adopt the summarised form of financial statement.

Lloyds TSB Offshore Limited is a wholly owned subsidiary of Lloyds TSB Offshore Holdings Limited, which is incorporated in Jersey C.I. The ultimate holding company is Lloyds Banking Group plc which is registered in Scotland.

Copies of the financial statements of Lloyds Banking Group plc are available on request.

Board of Directors

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Directors:

Martin Frederick Fricker
Chairman

Dr Jakob Pfaudler

Michael Joseph Starkey

Tony Peter Wild

Ross Davey Willcox

Adrian Hick

Anthony Robert Wilcox (Appointed 15th October 2009)

Adrian David Lane (Appointed 18th February 2010)

Peter Hemingway Reid (Appointed 18th February 2010)

Secretary:

Lloyds TSB Offshore Corporate Services Limited

Registered Office:

P.O. Box 160
25 New Street
St Helier
Jersey JE4 8RG
Channel Islands
Telephone (01534) 845144
Telefax (01534) 845145

Auditors:

PricewaterhouseCoopers CI LLP
Chartered Accountants
Twenty Two Colomberie
St Helier
Jersey JE1 4XA
Channel Islands

Chairman's Statement

I am pleased to report that in 2009 despite considerable economic uncertainty the bank achieved profits after tax of £54.9 million (down from £83.5 million in 2008).

Underlying client business continued to show growth throughout the year but historically low interest rates and increasing impairments adversely affected financial performance. Nevertheless provisions as a proportion of customer loans remain very strong at 0.33%. Deposits fell by circa £500 million in 2009 but most of this arose from funds which had been deposited with the bank (£800m) during the peak of the banking crisis in late 2008.

In October 2008, Lloyds TSB Group Plc announced the acquisition of HBOS Plc. This had no direct impact on this company during 2008 or 2009 but integration plans to bring together the offshore businesses of the Lloyds Banking Group were formulated and delivery started during the year. The effect of this is that Lloyd TSB Offshore Limited and Bank of Scotland International Limited legally merged on 1 January 2010. Considerable activity is underway to merge the operational, front office and functional support areas during 2009 and 2010. This will deliver significant cost synergies and bring together the customer bases of the two heritage entities. Bringing together these two complementary businesses serving predominately island and expatriate customers with a compelling product and service proposition bodes well for significant growth in the years to come.

I am pleased to welcome Tony Willcox to the board who joined on 15 October 2009.

I am also pleased to report that in 2009 the Company was able to continue supporting worthwhile charitable causes through the Lloyds TSB Foundation for the Channel Islands with approximately £900,000 being donated.

The current world economic scenario paints a challenging picture for the Company in 2010 but with a strong capital base and a business that is skewed towards deposit-taking rather than lending I still anticipate that the Company will prove profitable in the year, though at a reduced level than seen in the previous years.

Finally, on behalf of the board, I would like to extend our thanks to all of the staff for their efforts to ensure that 2009 was a successful year in difficult circumstances.

INDEPENDENT AUDITOR'S STATEMENT TO THE MEMBERS OF LLOYDS TSB OFFSHORE LIMITED

We have examined the summary financial statement for the year ended 31 December 2009 set out on pages 5 to 8.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the summary financial statement in accordance with applicable Jersey law. Our responsibility is to report to you our opinion on the consistency of the summary financial statement with the full annual financial statements and the Directors report, and its compliance with the relevant requirements of the Banking Business (General Provisions) (Jersey) Order 2002 and the guidance notes issued by the Jersey Financial Services Commission applicable to the summary financial statement.

Basis of opinion

We conducted our work in accordance with Bulletin 2008/03 'The auditor's statement on the summary financial statement' issued by the Auditing Practices Board. Our report on the company's full annual financial statements describes the basis of our opinion on those financial statements and on the Directors report.

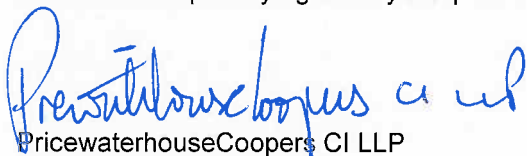
Opinion

In our opinion the summary financial statement is consistent with the full annual financial statements and the Directors report of Lloyds TSB Offshore Limited for the year ended 31 December 2009 and complies with the requirements of the Banking Business (General Provisions) (Jersey) Order 2002 and the guidance notes issued by the Jersey Financial Services Commission applicable to the summary financial statement.

Limitation of use

These summary financial statements may be published on a dedicated website. The maintenance and integrity of the summary financial statements on that website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the summary financial statements since they were initially presented on the website. Legislation in Jersey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with the requirements of the Banking Business (General Provisions) (Jersey) Order 2002 and the guidance notes issued by the Jersey Financial Services Commission and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.



PricewaterhouseCoopers CI LLP
Chartered Accountants
30 March 2010

