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23 May 2007

LLOYDS TSB RMBS ISSUANCE

Arkle Master Issuer plc series 2007-1 (“Arkle”) has been priced¹. This is Lloyds TSB Group plc’s third securitisation of residential mortgages originated by its wholly owned subsidiary Cheltenham & Gloucester plc.

The total transaction was sized at £3.1bn. Arkle is structured as a de-linked master trust revolving programme. Joint bookrunners are Lehman Brothers International (Europe) and Lloyds TSB.

Helen Weir, Group Finance Director, Lloyds TSB, said: “We are delighted with the continued market interest in Arkle RMBS. The 2007-1 transaction was specifically focused at the short-dated end of the market but demand among investors was strong. We consider Arkle to be an established issuer and the programme fulfils our objective of improving the way in which the Group’s balance sheet is managed, moving from a ‘buy and hold’ approach towards an ‘originate and distribute’ framework.”

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Notes to editors:

¹ Date of pricing 22 May 2007

The Debt Capital Markets team at Lloyds TSB Corporate Markets is a multi-product origination team which repackages and distributes risk to the capital markets. Current structured credit products capabilities include arbitrage CDO, credit CPPI and structured notes. We are also active in multiple asset classes including Asset Backed Securities and Mortgage Backed Securities.

For more information:

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