SC095000

Lloyds TSB Group plc

Interim accounts

Six months to 30 June 2008

Income statement
For the six months to 30 June 2008

	Note	£ million
Net interest expense		**(40)**
Other income		**1,644**
Total income		**1,604**
Operating expenses		**(20)**
Profit on ordinary activities before tax		**1,584**
Taxation credit		**9**
Profit for the period		**1,593**

The accompanying notes are an integral part of the interim accounts

Balance sheet
As at 30 June 2008

	Note	£ million
Assets		
Non current assets		
Investments in subsidiaries		5,589
Loans to subsidiaries		2,825
		8,414
Current assets		
Derivative financial instruments		212
Other assets		191
Amounts due from subsidiaries		416
Cash and cash equivalents		32
		851
Total assets		9,265
Equity and liabilities		
Capital and reserves		
Share capital	2	1,441
Share premium account	3	1,396
Retained profits	4	2,122
Total equity		4,959
Non current liabilities		
Subordinated liabilities	6	2,370
Debt securities in issue		47
Deferred tax liabilities		3
		2,420
Current liabilities		
Debt securities in issue		1,712
Current tax liabilities		24
Derivative financial instruments		58
Other liabilities		92
		1,886
Total liabilities		4,306
Total equity and liabilities		9,265

The accompanying notes are an integral part of the interim accounts

The directors approved the interim accounts on 29 July 2008

J Eric Daniels
Group Chief Executive

Statement of changes in equity
For the six months to 30 June 2008

	Share capital and premium £ million	Retained profits £ million	Total £ million
Balance at 1 January 2008	2,730	1,935	4,665
Profit for the period		1,593	1,593
Dividends (note 5)		(1,394)	(1,394)
Purchase/sale of treasury shares		(23)	(23)
Employee share option schemes			
– value of employee services		11	11
– proceeds from shares issued	107		107
Balance at 30 June 2008	2,837	2,122	4,959

Notes to the interim accounts

1 Accounting policies

Lloyds TSB Group plc ("the Company") has applied International Financial Reporting Standards ('IFRS') as adopted by the European Union (EU) in these interim accounts for the half year to 30 June 2008 IFRS comprises accounting standards prefixed IFRS issued by the International Accounting Standards Board ('IASB') and those prefixed IAS issued by the IASB's predecessor body as well as interpretations issued by the International Financial Reporting Interpretations Committee and its predecessor body The EU endorsed version of IAS 39 'Financial Instruments Recognition and Measurement' relaxes some of the hedge accounting requirements, the Company has not taken advantage of this relaxation, and therefore there is no difference in application to the Company between IFRS as adopted by the EU and IFRS as issued by the IASB

The financial information has been prepared under the historical cost convention, as modified by the revaluation of all derivative contracts

The accounting policies applied in the preparation of these interim accounts are the same as those adopted by the Company in the preparation of its financial statements for the year ended 31 December 2007

2 Share capital

	30 June 2008
Authorised share capital	
Sterling	**£ million**
6,911 million Ordinary shares of 25p each	**1,728**
79 million Limited voting ordinary shares of 25p each	**20**
175 million Preference shares of 25p each	**44**
	1,792
US dollars	**US$ million**
160 million Preference shares of 25 cents each	**40**
Euro	**€ million**
160 million Preference shares of 25 cents each	**40**
Japanese yen	**¥ million**
50 million Preference shares of ¥25 each	**1,250**

Issued and fully paid shares recorded as share capital on the balance sheet

	Number of shares	£ million
Ordinary shares of 25p each		
At 1 January 2008	**5,647,703,945**	**1,412**
Issued under employee share schemes	**36,986,011**	**9**
At 30 June 2008	**5,648,689,956**	**1,421**
Limited voting ordinary shares of 25p each		
At 1 January 2008 and 30 June 2008	**78,947,368**	**20**
		1,441

3 Share premium account

	£ million
At 1 January 2008	**1,298**
Premium arising on issue of shares under share option schemes	**98**
At 30 June 2008	**1,396**

4 Retained profits

	£ million
At 1 January 2008	**1,935**
Profit for the period	**1,593**
Dividends (note 5)	**(1,394)**
Purchase/sale of treasury shares	**(23)**
Employee share option schemes value of employee services	**11**
At 30 June 2008	**2,122**

5 Dividends

On 7 May 2008, a final dividend for 2007 of 24 7 pence per share was paid to shareholders This dividend totalled £1,394 million

The directors have proposed an interim dividend for 2008 of 11 4 pence per share, representing a total cost of £648 million, which will be paid on 1 October 2008

6 Subordinated liabilities	**30 June 2008 £ million**
Preferred securities	
Fixed/Floating Rate Non Cumulative Callable Preference Shares callable 2015 (£600 million)	**566**
Fixed/Floating Rate Non Cumulative Callable Preference Shares callable 2016 (US$ 1,000 million)	**520**
6% Non Cumulative Redeemable Preference Shares (£100 in total)	
Undated subordinated liabilities	
6% Undated Subordinated Step up Guaranteed Bonds callable 2032 (£500 million)	**497**
Dated subordinated liabilities	
9⅛ % Subordinated Bonds 2011 (£150 million)	**149**
5⅞ % Subordinated Guaranteed Bonds 2014 (€750 million)	**638**
Total subordinated loan capital	**2,370**

These liabilities will, in the event of the winding up of the issuer, be subordinated to the claims of depositors and all other creditors of the issuer

7 Approval of the interim accounts and other information

These interim accounts were approved by the directors of Lloyds TSB Group plc on 29 July 2008

The financial information included in these interim accounts does not constitute statutory accounts within the meaning of section 240 of the Companies Act 1985 Statutory accounts for the year ended 31 December 2007 were approved by directors on 21 February 2008 and delivered to the Registrar of Companies The auditors' report on these accounts was unqualified and did not include a statement under sections 237(2) (accounting records or returns inadequate or accounts not agreeing with records and returns) or 237(3) (failure to obtain necessary information and explanations) of the Companies Act 1985

Lloyds TSB Group plc was incorporated as a public limited company and registered in Scotland under the UK Companies Act 1985 on 21 October 1985 with the registered number 95000 Lloyds TSB Group plc's registered office is Henry Duncan House, 120 George Street, Edinburgh EH2 4LH, Scotland, and its principal executive offices in the UK are located at 25 Gresham Street, London EC2V 7HN