



CHANGES TO OUR PRIVATE BANKING CURRENT ACCOUNTS

WE'RE MAKING SOME CHANGES.

We have recently announced some changes to our current accounts, including some to our overdraft fees. If you have a current account we will be writing to you over the summer to explain the changes we are making and how you may be affected. We're making these changes to our current accounts from 2 December 2010.

Below we've explained everything you need to know about the changes.

WHAT'S HAPPENING, AT A GLANCE.

- We're introducing a new £25 overdraft buffer. This means if you go into an Unplanned or Planned Overdraft by £25 or less, you won't pay any overdraft fees or interest.
- To help you manage your money, our Mobile Banking Pack is still free for all customers. It includes useful Text Alerts that warn you when you're close to, or over, your limit.
- We're reducing the overall cost of using an Unplanned Overdraft, please see table below.
- A new £5 Monthly Overdraft Usage Fee will apply if you use either a Planned or Unplanned Overdraft. You'll only pay this fee once per monthly billing period, no matter how many times you go overdrawn in that month. If you're still overdrawn at the start of the next monthly billing period, you'll pay the £5 fee again.
- Standard interest will no longer be paid when your current account is in credit. The standard rate is currently 0.1% AER/Gross.

WHAT ISN'T CHANGING.

- The interest-free overdraft that comes with some accounts, such as the Private Banking Premier Account, is not affected by these changes.
- You still pay interest when you use an overdraft (this does not apply to any interest-free overdraft on the account).

WHAT'S CHANGING.

| | WHAT'S AFFECTED | TODAY | FROM 2 DECEMBER 2010* | WHAT THIS MEANS TO YOU |
|---|---|------------------------------------|---|--|
| Ways to keep your fees lower | A new £25 overdraft buffer** | No buffer | £25 buffer | No fees or interest to pay if you go overdrawn (either Planned or Unplanned) by £25 or less |
| | Mobile Banking Pack | Free for everyone | Free for everyone | Mobile Banking Pack including Text Alerts will be free |
| Changes to Returned Item Fee | Return Item Fee (max. 3 fees per day) | £20 per item | £10 per item | £10 less for each item We won't charge you for payments which are for less than £10 |
| Changes to monthly Overdraft fees | A new Monthly Overdraft Usage Fee | No fee | £5 fee per monthly billing period applies | If a Planned or Unplanned Overdraft of more than £25 is used, the new £5 fee applies |
| | Monthly Unplanned Overdraft Fee | £15 per monthly billing period | £0 | No fee to pay |
| Reductions to Unplanned Overdraft Daily Fees | £0-£25 overdrawn | £6 Daily Fee | £0 | Covered by the new £25 buffer |
| | £25.01-£99.99 overdrawn | £15 Daily Fee | £5 Daily Fee | £10 less per day |
| | £100 or more overdrawn | £20 Daily Fee | £10 Daily Fee | £10 less per day |
| | Maximum number of Daily Fees charged per monthly billing period | 10 | 8 | 2 fewer days of Daily Fees |
| Credit interest | Standard credit interest | 0.1% AER/Gross where applicable*** | No longer paid | Unless you have a Premier Plus Account, your account won't earn interest when it's in credit |

*Changes to credit interest and Returned Item Fees take effect on 2 December 2010. All other changes will come into effect from the beginning of your December billing period.

**The £25 buffer applies to all Lloyds TSB Private Banking current account holders. Clients who receive an interest free overdraft as part of their Added Value Account will only pay the £5 Monthly Overdraft Usage Fee when they go beyond their interest free overdraft and £25 buffer. Clients will still be charged debit interest once they exceed their interest free overdraft and this rate will remain unchanged for each type of account.

***Gross rate is the contractual rate of interest payable before deduction of income tax at the rate specified by law. AER stands for Annual Equivalent Rate and illustrates what the interest rate would be if interest was paid and compounded once every year.

CHANGES TO OUR MAYFAIR CURRENT ACCOUNTS

The Private Banking changes mentioned in the above table do not apply to Mayfair accounts with the exception of the Returned Item Fee. From 2 December 2010 we are pleased to confirm that the Returned Item Fee will be reduced from £20 to £10.

CHANGES TO YOUR PERSONAL BANKING TERMS AND CONDITIONS

As a result of the new changes that are taking place, we will be updating our Private Banking terms and conditions also known as 'Your Banking Relationship with us'. A number of other changes will also be included in this update.

- Introducing Single Euro Payments Area (SEPA) Direct Debits.

This is a new international payment service that lets you make Direct Debit payments in euros to European Economic Area countries. On the day of the payment we'll use our standard euro exchange rate, which you can find out by visiting any of our branches or by calling **0845 300 2750**.

As payments using this service come out of your account during the day, any Text Alerts including Limit Alerts you receive will not include these payments. You'll need to make sure you have enough money in your account to cover them.

- Closure of the Cheque Guarantee Card Scheme.

The UK Cheque Guarantee Card Scheme is being closed on 30 June 2011. As a result, we will not guarantee any cheques written and dated after 30 June 2011, even if your card has a cheque guarantee symbol. We'll begin removing cheque guarantee cards and the cheque guarantee facility from replacement debit cards over the coming months.

- Changes to our Cashpoint® services.

The services at some of our Cashpoints are changing. This means that full paper statements, postal statements and cheque book ordering will not be available at cash machines. You can still request a mini-statement at any Cashpoint and order a full statement at any branch.