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LLOYDS TSB GROUP PLC
Form 6-K
June 21, 2004

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C.20549

FORM 6-K

Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16
of the Securities Exchange Act of 1934

21 June 2004

LLOYDS TSB GROUP plc
(Translation of registrant's name into English)

5th Floor
25 Gresham Street
London
EC2V 7HN
United Kingdom

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F..X..Form 40-F.....

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

YesNo ..X..

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82- _____

Index to Exhibits

Item

No. 1 Regulatory News Service Announcement, dated 21 June 2004
re: Trading Statement

103/04

21 June 2004

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LLOYDS TSB - TRADING UPDATE

Lloyds TSB Group plc will shortly be meeting analysts ahead of its close period for the half-year ending 30 June 2004. This announcement details the information that will be provided at those meetings.

Good progress continues to be made in repositioning the Group for growth and Lloyds TSB expects to deliver a satisfactory trading performance for the half-year.

The Group has continued to deliver good levels of balance sheet growth. At 31 March 2004 total Group loans and advances to customers were GBP137.8 billion, an increase of 9 per cent, on a continuing businesses basis, over the last 12 months. On the same basis, customer deposits increased by 3 per cent to GBP116.7 billion. The Group net interest margin for the first three months of 2004 was 2.97 per cent compared with a Group net interest margin, on a continuing operations basis, of 2.92 per cent in the first half of 2003, and 3.03 per cent in the second half of 2003. Total Group risk-weighted assets at 31 March 2004 were GBP119.3 billion, an increase of 1 per cent during the quarter, as growth in customer loans and advances, particularly in mortgages, was partly offset by a reduction in debt securities.

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Retail Banking and Mortgages has continued to make progress in profitable franchise development, notwithstanding some slowdown in the demand for consumer credit. The retail bank has continued to maintain and grow market share in its core markets, particularly in mortgage and credit card lending, albeit with some expected margin erosion. Mortgage balances outstanding at 31 March 2004 totalled GBP73.4 billion, an increase of 13 per cent over the last 12 months. Net new mortgage lending in the first quarter of 2004 was GBP2.6 billion, compared with GBP2.2 billion in the first quarter of 2003. Personal loan and credit card lending increased by 12 per cent compared to the first quarter of 2003, excluding the impact of the Goldfish acquisition, and by 3 per cent since 31 December 2003. Balances on current accounts and savings and investment accounts grew by 9 per cent compared to the first quarter of 2003.

Scottish Widows has continued to change its product mix to focus on more profitable and capital efficient products. Overall weighted sales of life and pension products in the first quarter of 2004, at GBP136.5 million, were broadly in line with the first quarter of 2003. Unit trust sales fell to GBP21.9 million, compared to GBP33.5 million in the first quarter of 2003, as the market for regular premium equity based savings products continues to be subdued. Scottish Widows is strongly capitalised and remains on track to pay a 2004 dividend to Lloyds TSB.

In Wholesale Banking very good progress continues to be made in developing the overall franchise by extending and deepening relationships with our existing corporate customers. As a result, all businesses within the division have performed well and we have achieved a good increase in new business volumes. Overall balance sheet efficiency continues to improve with a 6 per cent reduction in fine margin debt securities during the first quarter of 2004 whilst risk-weighted assets were broadly unchanged.

Total Group asset quality remains satisfactory, with no material increase in the level of non-performing lending. The annualised charge for bad and doubtful debts in the first quarter of 2004, as a percentage of average lending, was broadly similar to the 0.66 per cent reported for the full year 2003.

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In the first five months of 2004 there was a negative investment variance totalling GBP97 million, largely as a result of lower gilt values and the slight fall in the FTSE All Share Index during the period.

Eric Daniels, Group Chief Executive, said "We are continuing to make good progress in our key priority to reposition the Group for sustainable growth and we remain well positioned to deliver our planned improved performance in the second half of 2004 and beyond".

The Group's results for the half-year ending 30 June 2004 will be announced on 30 July 2004. No changes in accounting policies are expected in the first half of 2004. The attached appendix provides detailed half-year comparative figures for 2003 which reflect changes in the Group's segmental analysis to reflect the introduction, in 2004, of the management of the Group's distribution channels as profit centres, and other changes in internal pricing arrangements.

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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 and its current goals and expectations relating to its future financial condition and performance. Statements that are not historical facts, including statements about Lloyds TSB Group's or management's beliefs and expectations, are forward looking statements. 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. Lloyds TSB 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

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economic and business conditions, risks concerning borrower credit quality, market related risks such as interest rate risk and exchange rate risk in its banking businesses and equity risk in its insurance businesses, inherent risks regarding changing demographic developments, catastrophic weather and similar contingencies outside Lloyds TSB Group's control, any adverse experience in inherent operational risks, any unexpected developments in regulation or regulatory actions, changes in customer preferences, competition, industry consolidation, acquisitions and other factors. For more information on these and other factors, please refer to Lloyds TSB Group's Annual Report on Form 20-F filed with the US Securities and Exchange Commission and to any subsequent reports furnished by Lloyds TSB Group to the US Securities and Exchange Commission or to the London Stock Exchange. The forward looking statements contained in this announcement are made as of the date hereof, and Lloyds TSB Group undertakes no obligation to update any of its forward looking statements.

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LLOYDS TSB GROUP

SEGMENTAL ANALYSIS

Half-year ended 30 June 2003	UK Retail Banking and Mortgages GBPm	Insurance and Investments GBPm	Wholesale and International Banking GBPm	Central group items GBPm	Continuing operations GBPm	Dis o
Net interest income	1,515	39	898	(167)	2,285	
Other finance income	-	-	-	17	17	
Other operating income	741	447	750	288	2,226	
Total income	2,256	486	1,648	138	4,528	
Operating expenses	1,354	133	991	6	2,484	
Trading surplus	902	353	657	132	2,044	
General insurance claims	-	108	-	-	108	
Bad debt provisions	298	-	145	(13)	430	
Amounts written off fixed asset investments	-	-	24	-	24	
Income from joint ventures	(11)	-	-	-	(11)	
Profit before tax*	593	245	488	145	1,471	
Investment variance	-	42	-	-	42	
Changes in economic assumptions	-	(8)	-	-	(8)	
Loss on sale of business	-	-	-	-	-	
Profit before tax	593	279	488	145	1,505	
Half-year ended 31 December 2003	UK Retail Banking and Mortgages GBPm	Insurance and Investments GBPm	Wholesale and International Banking GBPm	Central group items GBPm	Continuing operations GBPm	Dis o
Net interest income	1,622	42	977	(182)	2,459	

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Other finance income	-	-	-	17	17
Other operating income	792	534	811	11	2,148
Total income	2,414	576	1,788	(154)	4,624
Operating expenses	1,229	128	1,057	3	2,417
Trading surplus	1,185	448	731	(157)	2,207
General insurance claims	-	128	-	-	128
Bad debt provisions	296	-	161	-	457
Amounts written off fixed asset investments	-	-	20	-	20
Income from joint ventures	(11)	-	-	-	(11)
Profit before tax*	878	320	550	(157)	1,591
Investment variance	-	83	-	-	83
Changes in economic assumptions	-	(14)	-	-	(14)
Profit on sale of businesses	-	-	-	-	-
Profit before tax	878	389	550	(157)	1,660

* excluding investment variance, changes in economic assumptions and profit (loss) on sale of businesses

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

LLOYDS TSB GROUP plc
(Registrant)

By: M D Oliver
Name: M D Oliver
Title: Director of Investor Relations

Date: 21 June 2004