

TENDERS MUST BE LODGED AT THE BANK OF ENGLAND, NEW ISSUES (A), WATLING STREET, LONDON, EC4M 9AA NOT LATER THAN 10.00 A.M. ON WEDNESDAY, 2ND MAY 1984, OR AT ANY OF THE BRANCHES OF THE BANK OF ENGLAND OR AT THE GLASGOW AGENCY OF THE BANK OF ENGLAND NOT LATER THAN 3.30 P.M. ON TUESDAY, 1ST MAY 1984.

ISSUE OF £1,100,000,000

9½ per cent TREASURY CONVERTIBLE STOCK, 1989

622

MINIMUM TENDER PRICE £95.50 PER CENT

PAYABLE AS FOLLOWS:

Deposit with tender	£50.00 per cent
On Monday, 4th June 1984	Balance of purchase money

INTEREST PAYABLE HALF-YEARLY ON 18TH APRIL AND 18TH OCTOBER

This Stock is an investment falling within Part II of the First Schedule to the Trustee Investments Act 1961. Application has been made to the Council of The Stock Exchange for the Stock to be admitted to the Official List.

1. THE GOVERNOR AND COMPANY OF THE BANK OF ENGLAND are authorised to receive tenders for £1,000,000,000 of the above Stock; the balance of £100,000,000 has been reserved for the National Debt Commissioners for public funds under their management.
2. The principal of and interest on the Stock will be a charge on the National Loans Fund, with recourse to the Consolidated Fund of the United Kingdom.
3. The Stock will be registered at the Bank of England or at the Bank of Ireland, Belfast, and will be transferable, in multiples of one penny, by instrument in writing in accordance with the Stock Transfer Act 1963. Transfers will be free of stamp duty.
4. Interest will be payable half-yearly on 18th April and 18th October. Income tax will be deducted from payments of more than £5 per annum. Interest warrants will be transmitted by post. The first interest payment will be made on 18th October 1984 at the rate of £3.9895 per £100 of the Stock.
5. Holdings of 9½ per cent Treasury Convertible Stock, 1989 may, at the option of holders, be converted in whole or in part into 9½ per cent Conversion Stock, 2005 (hereinafter referred to as "Conversion Stock"), as on the following dates and at the indicated rates:—

Date of conversion	Nominal amount of Conversion Stock per £100 nominal of 9½ per cent Treasury Convertible Stock, 1989
18th April 1985	£99
18th October 1985	£97
18th April 1986	£95
18th October 1986	£93
18th April 1987	£91

6. Notices setting out the administrative arrangements for the exercise of the options to convert and forms of acceptance for completion will be issued to holders at the appropriate times. Where a holding is held jointly by more than two holders options to convert may be exercised by a majority of them. Completed forms of acceptance in respect of each of the options to convert, accompanied by certificates of title for holdings of 9½ per cent Treasury Convertible Stock, 1989, must be lodged at the Bank of England, New Change, London, EC4M 9AA, or at the Bank of Ireland, Moyne Buildings, 1st Floor, 20 Callender Street, Belfast, BT1 5BN, not later than 3.00 p.m. on the sixth working day before each date of conversion.

7. Her Majesty's Treasury have directed that Section 326 of the Income and Corporation Taxes Act 1970 (which relates to the treatment for taxation purposes of financial concerns whose business consists wholly or partly in dealing in securities) shall apply to exchanges of securities made in pursuance of the conversion offer.

8. Conversion Stock will be an investment falling within Part II of the First Schedule to the Trustee Investments Act 1961, and application will be made to the Council of The Stock Exchange for Conversion Stock to be admitted to the Official List. Paragraphs 2 and 3 of this prospectus will apply equally to Conversion Stock as to 9½ per cent Treasury Convertible Stock, 1989. Interest on Conversion Stock will be payable half-yearly on 18th April and 18th October. Income tax will be deducted from payments of more than £5 per annum. Interest warrants will be transmitted by post. Conversion Stock will be repaid at par on 18th April 2005.

9. Holdings of 9½ per cent Treasury Convertible Stock, 1989 in respect of which options to convert have not been exercised will be repaid at par on 18th April 1989.

10. Tenders must be lodged at the Bank of England, New Issues (A), Watling Street, London, EC4M 9AA not later than 10.00 A.M. ON WEDNESDAY, 2ND MAY 1984, or at any of the Branches of the Bank of England or at the Glasgow Agency of the Bank of England not later than 3.30 P.M. ON TUESDAY, 1ST MAY 1984. Tenders will not be revocable between 10.00 a.m. on Wednesday, 2nd May 1984 and 10.00 a.m. on Tuesday, 8th May 1984.

11. Each tender must be for one amount and at one price. The minimum price, below which tenders will not be accepted, is £95.50 per cent. Tenders must be made at the minimum price or at higher prices which are multiples of 25p. Tenders lodged without a price being stated will be deemed to have been made at the minimum price.

12. A separate cheque representing a deposit at the rate of £50.00 for every £100 of the *nominal* amount of Stock tendered for must accompany each tender; cheques must be drawn on a bank in, and be payable in, the United Kingdom, the Channel Islands or the Isle of Man.

13. Tenders must be for a minimum of £100 Stock and for multiples of Stock as follows:-

<i>Amount of Stock tendered for</i>	<i>Multiple</i>
£100—£1,000	£100
£1,000—£3,000	£500
£3,000—£10,000	£1,000
£10,000—£50,000	£5,000
£50,000 or greater	£25,000

14. Her Majesty's Treasury reserve the right to reject any tender or part of any tender and may therefore allot to tenderers less than the full amount of the Stock. Tenders will be ranked in descending order of price and allotments will be made to tenderers whose tenders are at or above the lowest price at which Her Majesty's Treasury decide that any tender should be accepted (the allotment price), which will be not less than the minimum tender price. All allotments will be made at the allotment price: tenders which are accepted and which are made at prices above the allotment price will be allotted in full; tenders made at the allotment price may be allotted in full or in part only. Any balance of Stock not allotted to tenderers will be allotted at the allotment price to the Governor and Company of the Bank of England, Issue Department.

15. Letters of allotment in respect of Stock allotted, being the only form in which the Stock may be transferred prior to registration, will be despatched by post at the risk of the tenderer; but the despatch of any letter of allotment, and any refund of the balance of the amount paid as deposit, may at the discretion of the Bank of England be withheld until the tenderer's cheque has been paid. In the event of such withholding, the tenderer will be notified by letter by the Bank of England of the acceptance of his tender and of the amount of Stock allocated to him, subject in each case to payment of his cheque, but such notification will confer no right on the tenderer to transfer the Stock so allocated.

16. No allotment will be made for a less amount than £100 Stock. In the event of partial allotment, the balance of the amount paid as deposit will, when refunded, be remitted by cheque despatched by post at the risk of the tenderer; if no allotment is made the amount paid as deposit will be returned likewise. Payment in full may be made at any time after allotment but no discount will be allowed on such payment. Interest may be charged on a day-to-day basis on any overdue amount which may be accepted at a rate equal to the London Inter-Bank Offered Rate for seven day deposits in sterling ("LIBOR") plus 1 per cent per annum. Such rate will be determined by the Bank of England by reference to market quotations, on the due date for the relevant payment, for LIBOR obtained from such source or sources as the Bank of England shall consider appropriate. Default in due payment of any amount in respect of the Stock will render the allotment of such Stock liable to cancellation and any amount previously paid liable to forfeiture.

17. Letters of allotment may be split into denominations of multiples of £100 on written request received by the Bank of England, New Issues, Watling Street, London, EC4M 9AA on any date not later than 31st May 1984. Such requests must be signed and must be accompanied by the letters of allotment.

18. Letters of allotment must be surrendered for registration, accompanied by a completed registration form, when the balance of purchase money is paid, unless payment in full has been made before the due date, in which case they must be surrendered for registration not later than 4th June 1984.

19. Tender forms and copies of this prospectus may be obtained at the Bank of England, New Issues, Watling Street, London, EC4M 9AA, or at any of the Branches of the Bank of England, or at the Glasgow Agency of the Bank of England, 25 St. Vincent Place, Glasgow, G1 2EB; at the Bank of Ireland, Moyne Buildings, 1st Floor, 20 Callender Street, Belfast, BT1 5BN; at Mullens & Co., 15 Moorgate, London, EC2R 6AN; or at any office of The Stock Exchange in the United Kingdom.

BANK OF ENGLAND
LONDON

27th April 1984