

THIS NOTICE DOES NOT CONSTITUTE AN OFFER FOR SALE AND THE LOAN DESCRIBED BELOW IS NOT AVAILABLE FOR PURCHASE DIRECT FROM THE BANK OF ENGLAND. OFFICIAL DEALINGS IN THE LOAN ON THE INTERNATIONAL STOCK EXCHANGE ARE EXPECTED TO COMMENCE ON WEDNESDAY, 17TH FEBRUARY 1993.

PARTICULARS OF AN ISSUE OF £1,350,000,000

9 per cent CONVERSION LOAN, 2011

SCHEDULE OF PAYMENTS:

Amount paid on issue	£15.00 per cent
Amount payable on Thursday, 11th March 1993	£35.00 per cent
Amount payable on Tuesday, 4th May 1993	£54.50 per cent

INTEREST PAYABLE HALF-YEARLY ON 12TH JANUARY AND 12TH JULY

This Loan is an investment falling within Part II of the First Schedule to the Trustee Investments Act 1961, subject as regards securities payable to bearer to the provisions of Section 7 of the Trustee Act 1925. Application has been made to the Council of The International Stock Exchange for the Loan to be admitted to the Official List.

1. £1,200,000,000 of the above Loan has been issued to the Bank of England on 16th February 1993 at a price of £104.50 per cent. The amount paid on issue was £15.00 per cent, the amount payable on 11th March 1993 will be £35.00 per cent and the amount payable on 4th May 1993 will be £54.50 per cent. The balance of £150,000,000 of the Loan has been reserved for the National Debt Commissioners for public funds under their management.
2. The principal of and interest on the Loan will be a charge on the National Loans Fund, with recourse to the Consolidated Fund of the United Kingdom.
3. The Loan will be repaid at par on 12th July 2011.
4. The Loan has been issued in the form of stock which 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. Stock registered at the Bank of England held for the account of members of the Central Gilts Office (CGO) Service will also be transferable, in multiples of one penny, by exempt transfer in accordance with the Stock Transfer Act 1982 and the relevant subordinate legislation. Transfers will be free of stamp duty.
5. On or after 9th June 1993 stock may be exchanged into bonds to bearer which will be available in denominations of £100, £200, £500, £1,000, £5,000, £10,000 and £50,000. Bonds will be free of stamp duty.
6. Stock will be interchangeable with bonds without payment of any fee.
7. Interest will be payable half-yearly on 12th January and 12th July. The first interest payment will be made on 12th July 1993 at the rate of £2.4199 per £100 of the Loan. Warrants for interest on stock will be transmitted by post; income tax will be deducted from payments of more than £5 per annum. Interest on bonds to bearer, less income tax, will be paid by coupon.
8. Stock and bonds of this issue and the interest payable thereon will be exempt from all United Kingdom taxation, present or future, so long as it is shown that the stock or bonds are in the beneficial ownership of persons who are neither domiciled nor ordinarily resident in the United Kingdom of Great Britain and Northern Ireland.
9. Further, the interest payable on stock and bonds of this issue will be exempt from United Kingdom income tax, present or future, so long as it is shown that the stock or bonds are in the beneficial ownership of persons who are not ordinarily resident in the United Kingdom of Great Britain and Northern Ireland.
10. For the purposes of the preceding paragraphs, persons are not ordinarily resident in the United Kingdom if they are regarded as not ordinarily resident for the purposes of United Kingdom income tax.

11. Applications for exemption from United Kingdom income tax should, in the case of interest on stock, be made in such form as may be required by the Commissioners of Inland Revenue. Bearer bond coupons will be paid without deduction of United Kingdom income tax if accompanied by a declaration of ownership in such form as may be required by the Commissioners of Inland Revenue. The appropriate forms may be obtained from the Inspector of Foreign Dividends, Inland Revenue, Lynwood Road, Thames Ditton, Surrey, KT7 0DP.

12. These exemptions will not entitle a person to claim repayment of tax deducted from interest unless the claim to such repayment is made within the time limit provided for such claims under income tax law; under the provisions of the Taxes Management Act 1970, Section 43 (1), no such claim will be outside this time limit if it is made within six years from the date on which the interest is payable. In addition, these exemptions will not apply so as to exclude the interest from any computation for taxation purposes of the profits of any trade or business carried on in the United Kingdom. Moreover, the allowance of the exemptions is subject to the provisions of any law, present or future, of the United Kingdom directed to preventing avoidance of taxation by persons domiciled, resident or ordinarily resident in the United Kingdom, and, in particular, the interest will not be exempt from income tax where, under any such provision, it falls to be treated for the purpose of the Income Tax Acts as income of any person resident or ordinarily resident in the United Kingdom.

13. Until payment in full has been made and a completed registration form submitted to the Bank of England, the Loan (other than amounts held in the CGO Service for the account of members) will be represented by letters of allotment.

14. Payment in full may be made at any time prior to 4th May 1993 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 such 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 Loan will render the relevant amount of the Loan and any amount previously paid liable to forfeiture.

15. Letters of allotment may be split into denominations of multiples of £100 on written request to the Bank of England, New Issues, Southgate House, Southgate Street, Gloucester, GL1 1UW received not later than 29th April 1993. Such requests must be signed and must be accompanied by the letters of allotment (but a letter cannot be split if any payment is overdue).

16. Members of the CGO Service may, subject to the provisions governing membership of that Service, surrender a partly-paid letter of allotment to the CGO for cancellation and for the amount of the Loan comprised therein to be credited to the member's account. The member who is shown by the accounts of the CGO as being entitled to any amount of the Loan shall, to the exclusion of all persons previously entitled to such amount of the Loan and any person claiming any entitlement thereto, both be treated as entitled to such amount of the Loan as if that member were the holder of a letter of allotment and be liable for the payment of any amount due in respect of such amount of the Loan. A member will be entitled at any time prior to registration to withdraw, in multiples of £100, amounts of the Loan credited to the member's account and to obtain a partly-paid letter of allotment comprising any such amount of the Loan, and such member shall be liable for the payment of all amounts becoming due thereafter in respect of such amount of the Loan unless and until that letter of allotment is surrendered to the CGO for cancellation as aforesaid.

17. Payment of the call due on 11th March 1993 and the final instalment due on 4th May 1993 must be sent to the Bank of England, New Issues, Southgate House, Southgate Street, Gloucester, GL1 1UW. Letters of allotment must be surrendered for registration, accompanied by a completed registration form, when the final instalment 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 May 1993; in the case of amounts of the Loan held for the account of members of the CGO Service payment of the call and the final instalment and registration of amounts of the Loan will be effected under separate arrangements.

18. Until the close of business on 9th June 1993, stock issued in accordance with this notice will be known as 9 per cent Conversion Loan, 2011 "C". The interest due on 12th July 1993 will be paid separately on holdings of the existing 9 per cent Conversion Loan, 2011 and on holdings of "C" stock registered at the close of business on 9th June 1993; consequently, interest mandates, authorities for income tax exemption and other notifications recorded in respect of holdings of existing stock will not be applied to the payment of interest due on 12th July 1993 on holdings of "C" stock.

19. Transfers of 9 per cent Conversion Loan, 2011 "C" may be lodged at the Bank of England for registration in that form up to 7th June 1993. After that date, for purposes of certification, the "C" stock will not be distinguished from the existing 9 per cent Conversion Loan, 2011. From the opening of business on 10th June 1993, the "C" stock will be amalgamated on the register with the existing stock. CGO account balances will have been amalgamated from the opening of business on 8th June 1993.

20. Copies of this notice may be obtained by post from the Bank of England, New Issues, Southgate House, Southgate Street, Gloucester, GL1 1UW; at the Central Gilts Office, Bank of England, 1 Bank Buildings, Princes Street, London, EC2R 8EU or at any of the Branches or Agencies of the Bank of England; at the Bank of Ireland, Moyne Buildings, 1st Floor, 20 Callender Street, Belfast, BT1 5BN; or at any office of The International Stock Exchange in the United Kingdom.

Government Statement

Attention is drawn to the statement issued by Her Majesty's Treasury on 29th May 1985 which explained that, in the interest of the orderly conduct of fiscal policy, neither Her Majesty's Government nor the Bank of England or their respective servants or agents undertake to disclose tax changes decided on but not yet announced, even where they may specifically affect the terms on which, or the conditions under which, this Loan is issued or sold by or on behalf of the Government or the Bank; that no responsibility can therefore be accepted for any omission to make such disclosure; and that such omission shall neither render any transaction liable to be set aside nor give rise to any claim for compensation.

BANK OF ENGLAND
LONDON

16th February 1993