

Offering Circular



BARCLAYS BANK PLC
**BARCLAYS OVERSEAS INVESTMENT
COMPANY B.V.**

(Incorporated with limited liability in the Netherlands)

**U.S. \$600,000,000
Junior Guaranteed Undated Floating Rate Notes**

Guaranteed on a junior subordinated basis by

**BARCLAYS BANK INTERNATIONAL
LIMITED**

(Incorporated with limited liability in England)

The issue price of the Junior Guaranteed Undated Floating Rate Notes (the "Notes") is 100 per cent. of their principal amount.

Interest on the Notes will be payable in May and November of each year and will be at an annual rate of $\frac{1}{4}$ per cent. above the average of specified London inter-bank offered quotations for dollar deposits for each Interest Period, with a minimum rate of 5 per cent. per annum until November, 1990. See "Summary of the Terms and Conditions of the Notes—Interest".

The Notes will have no final maturity date and will only be redeemable or repayable as set forth under "Summary of the Terms and Conditions of the Notes—Redemption and Purchase; Default and Enforcement".

The Notes will be unsecured obligations of the Company. The due payment of principal and interest will be guaranteed on a junior subordinated basis by Barclays Bank International Limited to the extent set forth under "Summary of the Terms and Conditions of the Notes—Guarantee and Subordination".

Application has been made to the Council of The Stock Exchange of the United Kingdom and the Republic of Ireland for the Notes to be admitted to the Official List.

Two copies of this Offering Circular, each having attached thereto the documents set forth in the ninth paragraph under "General Information", have been delivered for registration to the Registrar of Companies in London.

The Notes may not be offered or sold directly or indirectly in the United States or to U.S. persons, with certain exceptions, as set forth under "Subscription, Underwriting and Sale".

A single temporary Global Note will be deposited with a common depository for the CEDEL and Euro-clear systems on or about 1st November, 1984. The temporary Global Note will be exchangeable for definitive Notes, which will be in bearer form in the denominations of U.S.\$5,000 and U.S.\$50,000, not earlier than 90 days after the completion of the distribution of the Notes, as determined by Barclays Merchant Bank Limited. Delivery will only be effected outside the United States and upon presentation of a certificate as more fully set forth under "Temporary Global Note".

Barclays Merchant Bank Limited

Credit Suisse First Boston
Limited

Lehman Brothers International
Shearson Lehman/American Express Inc.

S.G. Warburg & Co. Ltd.

Algemene Bank Nederland N.V.

Banque Bruxelles Lambert S.A.

Banque Internationale à Luxembourg S.A.

Banque Nationale de Paris

County Bank
Limited

Dresdner Bank
Aktiengesellschaft

Goldman Sachs International Corp.

Kidder, Peabody International
Limited

Lloyds Bank International
Limited

Merrill Lynch Capital Markets

Samuel Montagu & Co.
Limited

Morgan Grenfell & Co.
Limited

Morgan Stanley International

Salomon Brothers International
Limited

Sumitomo Finance International

Swiss Bank Corporation International
Limited

Union Bank of Switzerland (Securities)
Limited

16th October, 1984

BBPLC Direct Obligation From 30/10/92

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**BARCLAYS OVERSEAS
INVESTMENT COMPANY B.V.**

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(Incorporated with limited liability in the Netherlands)

**Issue of U.S.\$600,000,000
Junior Guaranteed Undated Floating Rate Notes**

Guaranteed on a junior subordinated basis by

BARCLAYS BANK INTERNATIONAL LIMITED

(Incorporated with limited liability in England)

Issue price: 100 per cent.

These particulars are issued in compliance with the Regulations of the Council of The Stock Exchange of the United Kingdom and the Republic of Ireland ("The Stock Exchange") for the purpose of giving information with regard to an issue of U.S.\$600,000,000 Junior Guaranteed Undated Floating Rate Notes (the "Notes") by Barclays Overseas Investment Company B.V. (the "Company") guaranteed on a junior subordinated basis by Barclays Bank International Limited (the "Bank"). The members of the Supervisory and Management Boards of the Company and the Directors of the Bank have taken all reasonable care to ensure that the facts stated herein in relation to the Company are true and accurate in all material respects and that there are no other facts the omission of which makes misleading any statement herein in relation as aforesaid, whether of fact or opinion. Such members and Directors accept responsibility accordingly. The Directors of the Bank have taken all reasonable care to ensure that the facts stated herein in relation to the Bank and its subsidiaries (the "International group") and to Barclays Bank PLC and its subsidiaries are true and accurate in all material respects and that there are no other facts the omission of which makes misleading any statement herein in relation as aforesaid, whether of fact or opinion. Such Directors accept responsibility accordingly.

In connection with the issue and sale of the Notes, no person is authorised to give any information or to make any representations not contained in this document and neither the Company nor the Bank nor any of the Managers (as defined under "Subscription, Underwriting and Sale" below) accepts responsibility for any such information or representation.

In this document all references to "pounds" or "£" are to pounds sterling, all references to "dollars" or "\$" are to United States dollars and all references to "Guilders" or "Dfl" are to Dutch florins.

Application has been made to the Council of The Stock Exchange for the Notes to be admitted to the Official List.

SUMMARY OF THE TERMS AND CONDITIONS OF THE NOTES

The Notes (which expression shall in this Summary, unless the context otherwise requires, include any further bearer notes issued pursuant to paragraph 14 below and forming a single series therewith) will be in bearer form with interest coupons and talons for further interest coupons (together the "Coupons") attached. The issue of the Notes was authorised by resolutions of the Supervisory and Management Boards of the Company passed on 4th October, 8th October and 15th October, 1984 and the giving of the Guarantee (as defined below) was authorised by resolutions of a duly constituted Committee of the Board of Directors of the Bank passed on 5th October and 8th October, 1984. The Notes will be constituted by a Trust Deed (the "Trust Deed") to be entered into between the Company, the Bank and Sun Insurance Office Limited (the "Trustee") as trustee for the holders of the Notes (the "Noteholders"). Barclays Bank PLC will be appointed as the initial principal paying agent (the "Principal Paying Agent"). Copies of the Trust Deed and the Paying Agency Agreement referred to below will be available for inspection at the registered office for the time being of the Trustee (being at the date hereof 1 Bartholomew Lane, London EC2N 2AB) and at the specified office(s) of each of the paying agents (the "Paying Agents") referred to in paragraph 7 below. The statements set out below include summaries of, and are subject to, the detailed provisions of the Trust Deed. The Noteholders and the holders of the Coupons (the "Couponholders") will be entitled to the benefit of, and be deemed to have notice of, all the provisions of the Trust Deed, the Paying Agency Agreement and the Notes, all of which will be binding on them.

1. Title and Denominations

Title to the Notes and the Coupons will pass by delivery. The Company, the Bank, the Trustee and any Paying Agent may treat the holder of any Note and the holder of any Coupon as the absolute owner thereof

(whether or not such Note or Coupon shall be overdue and notwithstanding any notice of ownership or writing thereon or any notice of previous loss or theft or of trust or other interest therein) for the purpose of making payment and for all other purposes.

The definitive Notes will be issued as to 20 per cent. of their aggregate principal amount in the denomination of \$5,000 each and as to 80 per cent. of their aggregate principal amount in the denomination of \$50,000 each. Notes of one denomination will not be exchangeable for Notes of the other denomination.

2. Status

The Notes and the Coupons will be direct, unconditional and (subject to the provisions of paragraph 4 below) unsecured obligations of the Company and (subject as aforesaid) will rank *pari passu*, without any preference among themselves, with all other outstanding unsecured and unsubordinated obligations of the Company, present and future, except such obligations as are preferred by statute.

3. Guarantee and Subordination

Subject to the provisions of the Trust Deed as to subordination, the due payment of the principal and interest in respect of the Notes (together with any additional amounts payable under paragraph 8 below and all other moneys payable by the Company under the Trust Deed) will have the benefit of the unconditional and irrevocable guarantee of the Bank (the "Guarantee").

The rights of Noteholders and Couponholders against the Bank under the terms of the Guarantee will be unsecured and, in the event of the winding up of the Bank, the claims of Noteholders and Couponholders pursuant thereto (the "Guarantee Claims") will be subordinated, in the manner to be provided in the Trust Deed, to the claims of depositors and other creditors (whether or not subordinated) of the Bank except for the claims of holders of unsecured rights against the Bank being rights which are subordinated so as to rank (to the satisfaction of the Trustee) either (a) *pari passu* with the Guarantee Claims, with all of which excepted claims the Guarantee Claims will rank *pari passu*, or (b) junior to the Guarantee Claims.

4. Negative Pledge by the Company

So long as any of the Notes remains outstanding (as defined in the Trust Deed) the Company will not create or have outstanding any mortgage, charge, lien, pledge or other similar encumbrance upon the whole or any part of its undertaking or assets, present or future, (including any uncalled capital) to secure any present or future indebtedness of the Company or any obligation of the Company under any guarantee of, or indemnity in respect of, any present or future indebtedness of any person without at the same time according to the Notes and the Coupons (to the satisfaction of the Trustee) such security as the Trustee, in its absolute discretion, shall reasonably require, or as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.

Neither the Trust Deed nor the Notes will contain any negative pledge by the Bank.

5. Interest

(a) Accrual of Interest

The Notes will bear interest accruing from day to day from and including the "Issue Date" (which expression means 1st November, 1984 or, in the event that closing is deferred as permitted by the Subscription Agreement described under "Subscription, Underwriting and Sale" below, such later date in November, 1984 as shall be the closing date) and interest on each Note will cease to accrue from the due date for redemption thereof unless, upon due presentation, payment of principal is improperly withheld or refused.

(b) Interest Payment Dates and Interest Periods

Interest will be payable in arrears on each date ("Interest Payment Date") which, save as mentioned below, falls six calendar months after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Issue Date. If any Interest Payment Date would otherwise fall on a day which is not a Business Day it shall be postponed to the next Business Day unless it would thereby fall in the next calendar month. In the latter event the Interest Payment Date shall be the immediately preceding Business Day and each subsequent Interest Payment Date shall be the last Business Day of the sixth calendar month after the calendar month in which the preceding Interest Payment Date shall have fallen. The period from and including an Interest Payment Date (or, as the case may be, the Issue Date) up to but excluding the next Interest Payment Date (or, as the case may be, the first Interest Payment Date) is referred to herein as an "Interest Period" and, as used in this paragraph 5, the expression "Business Day" means a day on which banks and foreign exchange markets are open for business in both London and New York City.

(c) Rate of Interest

For the purpose of determining the rate of interest payable on the Notes, the Company and the Bank will enter into an agreement (the "Agent Bank Agreement") with Barclays Merchant Bank Limited (the "Agent Bank"). The rate of interest payable from time to time on the Notes (the "Rate of Interest") will be determined by the Agent Bank on the basis of the following provisions:—

- (i) On each "Interest Determination Date", namely the second Business Day prior to the Issue Date (in the case of the payment of interest in respect of the first Interest Period) and thereafter the second Business Day prior to the commencement of the Interest Period for which such rate

will apply, the Agent Bank will request the principal London office of each of the Reference Banks described in sub-paragraph (g) below (the "Reference Banks") to provide the Agent Bank with its offered quotation to leading banks for dollar deposits in the London inter-bank market for the Interest Period concerned as at 11.00 a.m. (London time) on the Interest Determination Date in question. The Rate of Interest for that Interest Period shall, subject to (v) below, be $\frac{1}{4}$ per cent. per annum above the arithmetic average (rounded upwards if necessary to the nearest $\frac{1}{16}$ th per cent.) of such offered quotations provided by three out of the five quoting Reference Banks (excluding the highest and lowest (or, in either case, if more than one, then one only of them) of the offered quotations provided by all the Reference Banks).

- (ii) If on any Interest Determination Date four only of the Reference Banks provide such quotations, the Rate of Interest for the next Interest Period or, as the case may be, the first Interest Period shall, subject to (v) below, be determined on the basis of the offered quotations provided by two out of the four quoting Reference Banks (excluding as aforesaid).
- (iii) If on any Interest Determination Date three or two only of the Reference Banks provide such quotations, the Rate of Interest for the next Interest Period or, as the case may be, the first Interest Period shall, subject to (v) below, be determined on the basis of the offered quotations provided by all the quoting Reference Banks (but without excluding as aforesaid).
- (iv) If on any Interest Determination Date one only or none of the Reference Banks provides such a quotation, the Rate of Interest for the next Interest Period or, as the case may be, the first Interest Period shall, subject to (v) below, be (a) the Rate of Interest in effect on that Interest Determination Date or, if determinable and if higher, (b) the Reserve Interest Rate. The "Reserve Interest Rate" shall be the rate per annum which the Agent Bank determines to be either (i) $\frac{1}{4}$ per cent. per annum above the arithmetic average (rounded upwards if necessary to the nearest $\frac{1}{16}$ th per cent.) of the dollar lending rate which each of up to five New York City banks selected by the Agent Bank is quoting, on the relevant Interest Determination Date, for the applicable Interest Period, to the Reference Banks or those of them (being at least two in number) to which such quotations are, in the opinion of the Agent Bank, being so made or (ii) in the event that the Agent Bank can determine no such arithmetic average, $\frac{1}{4}$ per cent. per annum above the arithmetic average (rounded upwards as aforesaid) of the lowest dollar lending rate which each of up to five New York City banks selected by the Agent Bank is quoting on such Interest Determination Date to leading European banks for the applicable Interest Period.
- (v) Until the Interest Payment Date falling in November, 1990, in no event shall the Rate of Interest be less than 5 per cent. per annum. Thereafter there will be no minimum Rate of Interest.

(d) Determination of Rate of Interest and Coupon Amounts

The Agent Bank will, on or as soon as practicable after each Interest Determination Date, but in no event later than the fourth Business Day thereafter, determine the Rate of Interest and the amount of interest payable in respect of each \$5,000 principal amount of Notes (the "Interest Amount") for the relevant Interest Period. The Interest Amount shall be calculated by applying the Rate of Interest to the principal amount of \$5,000, multiplying such sum by the actual number of days in the Interest Period concerned divided by 360 and rounding the resultant figure to the nearest cent (half a cent being rounded upwards). The amount of interest payable on the presentation and surrender of each Coupon (the "Coupon Amount") for the relevant Interest Period will be the Interest Amount in respect of each Note of \$5,000 and ten times the Interest Amount in respect of each Note of \$50,000.

(e) Publication of Rate of Interest and Coupon Amounts

The Company and the Bank shall cause the Rate of Interest and the Coupon Amounts for each Interest Period, together with the relative Interest Payment Date, to be published in accordance with paragraph 15 below as soon as practicable after their determination but in no event later than the fourth Business Day thereafter. The Coupon Amounts and Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the relevant Interest Period or of manifest error.

(f) Determination of Rate of Interest and Coupon Amounts by Trustee

The Trustee shall, if the Agent Bank does not at any material time for any reason determine the Rate of Interest and the Coupon Amounts in accordance with sub-paragraphs (c) and (d) above, determine the Rate of Interest and the Coupon Amounts, the former at such rate as, in its absolute discretion (having such regard as it shall think fit to the procedure described in sub-paragraph (c) above but subject to sub-paragraph (c) (v) above) it shall deem fair and reasonable in all the circumstances, and such determination shall be deemed to be a determination thereof by the Agent Bank.

(g) Reference Banks and Agent Bank

The Company and the Bank will procure that so long as any of the Notes remains outstanding there shall at all times be five Reference Banks and an Agent Bank. The initial Reference Banks will be Citibank N.A., Dresdner Bank Aktiengesellschaft, Morgan Guaranty Trust Company of New York, The Sumitomo Bank, Limited and Swiss Bank Corporation. The Company and the Bank may, with the prior written approval of the Trustee, from time to time replace any Reference Bank or the Agent Bank by another bank engaged in

the eurodollar market. In the event of the appointed office of any Reference Bank or the Agent Bank being unable or unwilling to continue to act as a Reference Bank or the Agent Bank (as the case may be) or (without prejudice to sub-paragraph (f) above), in the case of the Agent Bank, failing duly to determine the Rate of Interest and the Coupon Amounts for any Interest Period, the Company and the Bank shall forthwith appoint the London office of such other bank engaged in the eurodollar market as may be approved by the Trustee to act as such in its place. The Agent Bank may not resign its duties or be removed without a successor having been appointed as aforesaid.

(h) Notifications, etc. to be final

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this paragraph 5, whether by the Reference Banks (or any of them), the Agent Bank or the Trustee, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Company, the Bank, the Reference Banks, the Agent Bank, the Trustee, the Paying Agents and all Noteholders and Couponholders and (in the absence as aforesaid) no liability to the Noteholders or Couponholders shall attach to the Reference Banks, the Agent Bank or the Trustee in connection with the exercise or non-exercise by them of their powers, duties and discretions.

6. Redemption and Purchase

(a) Redemption for Taxation Reasons

If the Company or, as the case may be, the Bank satisfies the Trustee immediately prior to the giving of the notice referred to below that on the next Interest Payment Date either the Company would be compelled by law for reasons outside its control to pay any additional amounts in accordance with paragraph 8 below, or the Bank would be unable for reasons outside its control to procure payment by the Company and in making such payment itself it would be compelled by law for reasons outside its control to pay any such additional amounts, the Company may, having given not less than 45 nor more than 60 days' notice to the Trustee and the Noteholders, redeem on such Interest Payment Date all, but not some only, of the Notes at their principal amount.

(b) Optional Purchase

The Company, the Bank or any other subsidiary of the Bank may at any time purchase beneficially or procure others to purchase beneficially for its account Notes in the open market or otherwise at any price, except that on a purchase by private treaty the price (exclusive of expenses and accrued interest) shall not exceed 110 per cent. of the middle market quotation of the Notes (derived from The Stock Exchange Daily Official List) on The Stock Exchange (or, failing such quotation, by reference to such other quotation as may be agreed between the Company and the Trustee) on the last dealing day (or, as the case may be, the last working day) preceding the date of purchase. Each such purchase of Notes shall include all unmatured Coupons and talons appertaining thereto.

(c) Optional Redemption

- (i) The Company may, having given not less than 45 nor more than 60 days' notice to the Trustee and the Noteholders, redeem on any Interest Payment Date falling in or after November, 1990 all or from time to time some of the Notes (aggregating, in the case of a redemption of some only of the Notes, \$10,000,000 in principal amount or an integral multiple thereof) at their principal amount.
- (ii) Save as provided in sub-paragraph (a) above, and without prejudice to sub-paragraph (b) above, the Company may not optionally redeem Notes except in accordance with this sub-paragraph (c).

(d) Cancellation and Restrictions on Re-sale

All Notes redeemed or purchased beneficially by or for the account of the Company will be cancelled together with all unmatured Coupons and talons attached thereto or surrendered therewith and accordingly will not be available for re-issue or re-sale.

All Notes purchased beneficially by or for the account of the Bank or any subsidiary thereof (other than the Company) may be held by or for the account of the Bank or such subsidiary, as the case may be, but may not be re-sold except (i) in the ordinary course of a business of dealing in securities or (ii) to the Company for cancellation or (iii) to another such subsidiary or to the Bank which, in any such case, may only deal with the Notes in question in the manner provided in (ii) or (iii) of this sentence. Neither the Bank nor any such subsidiary shall be entitled to vote in respect of any Notes so held.

(e) Drawings and Notices of Redemption

In the case of a partial redemption under sub-paragraph (c) above, Notes to be drawn for redemption will be drawn in such place and in such manner as the Trustee may approve not more than 45 days before the Interest Payment Date fixed for redemption and notice of the Notes so drawn and of the date fixed for redemption will be published in accordance with paragraph 15 below not less than 30 days before such date.

The Notes will be undated and accordingly will have no final maturity date and will only be redeemable or repayable as provided in this paragraph 6 and in paragraph 9 below.

7. Payments

The names of the initial Paying Agents (which will be appointed by the Company and the Bank under the Paying Agency Agreement) and their specified offices are set out at the end of this document.

Payments of principal and interest in respect of the Notes will only be made against presentation and surrender of Notes or, as the case may be, Coupons at any specified office of any of the initial Paying Agents or of any such additional Paying Agent(s) outside the United States as the Company and the Bank may appoint from time to time with the prior approval of the Trustee, in each case subject to the laws and regulations applicable in the place of payment, but without prejudice to the provisions of paragraph 8 below. Payments in respect of the Notes and Coupons will be made by dollar cheque drawn on a bank in New York City, or by transfer to a dollar account maintained by the payee with a bank outside the United States. No payment of principal or interest in respect of the Notes will be made to an address in the United States or by transfer to an account maintained by the payee in the United States.

Notwithstanding the foregoing, (a) if payment of the full amount in dollars in respect of the Notes and Coupons at the specified offices of all such Paying Agents is illegal or effectively precluded because of the imposition of exchange controls or similar restrictions on the payment or receipt of such amount in dollars and such payment is then permitted under United States law to be made in the United States or (b) if any such payment is otherwise permitted under United States law to be made in the United States without involving, in the opinion of the Company or the Bank, adverse tax consequences to the Company or the Bank, then upon the request of the Trustee the Company and the Bank shall appoint a Paying Agent having a specified office in the United States at which such payment will be made.

Upon the due date for redemption of any Note, unmatured Coupons and talons appertaining to such Note (whether or not attached) shall become void and no payment shall be made in respect of such Coupons and no exchange made in respect of such talons. If the date for redemption of a Note is not an Interest Payment Date, the interest accrued from the preceding Interest Payment Date (or the Issue Date, as the case may be) shall be payable only against presentation of such Note.

The Company and the Bank may, with the prior approval of the Trustee, vary or terminate the appointment of any Paying Agent and/or appoint additional Paying Agents and/or approve any change in the specified office of any Paying Agent, provided that so long as any of the Notes remains outstanding the Company and the Bank will maintain a Paying Agent with a specified office in continental Europe and, so long as the Notes are listed on The Stock Exchange, a Paying Agent with a specified office in London. In the event of any such variation, termination, appointment or change in specified office, notice thereof will be given by the Company to the Noteholders in accordance with paragraph 15 below.

8. Taxation

All payments of principal and interest will be made without withholding or deduction for, or on account of, any present or future taxes or duties of whatever nature imposed or levied by, or on behalf of, the Netherlands or the United Kingdom or any authority in the Netherlands or the United Kingdom having power to tax, unless the Company or, as the case may be, the Bank is compelled by law to withhold or deduct such taxes or duties. In any such case, the Company or, as the case may be, the Bank will pay such additional amounts as will result in the payment to the Noteholders and/or the Couponholders concerned of the sum which would in the absence of such withholding or deduction be payable on the Notes and/or the Coupons, provided that no such additional amount shall be payable in respect of any Note or Coupon presented for payment:—

(a) by or on behalf of a holder who:—

- (i) is able to avoid such withholding or deduction by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority; or
- (ii) is liable to such taxes or duties in respect of such principal or interest by reason of his having some connection with the Netherlands or the United Kingdom other than the mere holding of the Note or the Coupon (as the case may be); or

(b) more than 30 days after the Relevant Date, except to the extent that the holder thereof would have been entitled to such additional amount on presenting the same for payment at the close of such 30 day period. For this purpose the "Relevant Date" in relation to such payment means:—

- (i) the date on which such payment first becomes due; or
- (ii) (if the full amount of the moneys payable on such due date has not been received by the Principal Paying Agent or the Trustee on or prior to such due date) such later date on which notice is duly given to the Noteholders in accordance with paragraph 15 below that such moneys have been so received.

References herein to principal and/or interest shall be deemed also to refer to any additional amounts which may be payable under this paragraph 8 or under the Trust Deed.

9. Default and Enforcement

(a) The Trustee at its discretion may, and if so requested in writing by the holders of not less than 25 per cent. in principal amount of the Notes then outstanding or so directed by an Extraordinary Resolution of the Noteholders shall, declare the Notes to be due and repayable immediately at their principal amount (and the Notes shall thereby become so due and repayable) in the event that an effective resolution is passed or an

order of the Court is made that the Company or the Bank be wound up except for the purposes of an amalgamation, merger or reconstruction the terms whereof have previously been approved by the Trustee or by an Extraordinary Resolution of the Noteholders. On any such declaration being made, interest on the Notes shall accrue to the date being 14 days after the date upon which, the principal amount of the Notes having been duly received by the Trustee or the Principal Paying Agent, notice of such receipt is duly given to the Noteholders in accordance with paragraph 15 below.

(b) In the event of default being made for a period of more than 21 days in any payment of interest in respect of any of the Notes as and when the same ought to be paid in accordance with the terms of the Notes and the Trust Deed or of all or any of the Notes having become due and repayable and not having been repaid, together with accrued interest, the Trustee may at its discretion and without further notice institute such proceedings against the Company as it may think fit to enforce payment and may, in order to enforce the obligations of the Bank under the Notes or the Trust Deed, at its discretion and without further notice institute proceedings for the winding up of the Bank. The Trustee shall not, however, be bound to institute any such proceedings as aforesaid unless (i) it shall have been so requested by an Extraordinary Resolution of the Noteholders or in writing by the holders of not less than 25 per cent. in principal amount of the Notes then outstanding and (ii) it shall have been indemnified to its satisfaction.

(c) No Noteholder or Couponholder shall be entitled to institute proceedings against the Company for the recovery of amounts owing on the Notes or the Coupons unless the Trustee, having become bound to proceed against the Company as aforesaid, fails to do so within a reasonable period and such failure shall be continuing.

(d) No remedy against the Bank, other than the institution of proceedings by the Trustee for the winding up of the Bank, shall be available to the Trustee or the Noteholders or the Couponholders for the recovery of amounts owing on the Notes or the Coupons and no Noteholder or Couponholder shall be entitled to institute proceedings for the winding up of the Bank, or to prove in such winding up, except that if the Trustee, having become bound to institute proceedings against the Bank as aforesaid, fails to do so, or fails to prove in such winding up if and when permitted to do so under the Trust Deed, in each case within a reasonable period, and such failure shall be continuing, then any such holder may, on giving an indemnity satisfactory to the Trustee, in the name of the Trustee (but not otherwise), himself institute proceedings for the winding up of the Bank or prove in such winding up.

10. Prescription

Each Note and Coupon shall become void unless presented for payment within 12 years and 6 years respectively after the Relevant Date (as defined in paragraph 8 above) in relation to payment thereof.

11. Modification of Terms and Conditions; Substitution

The Trust Deed will contain provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the modification by Extraordinary Resolution of the terms and conditions of the Notes or the provisions of the Trust Deed, except that the provisions relating to subordination shall not be so capable of modification. The quorum at any such meeting for passing an Extraordinary Resolution for modifying certain provisions (including, *inter alia*, those concerning the amount, currency and due dates of payment of principal and interest on the Notes and determination of the Rate of Interest) will be persons holding or representing not less than two-thirds, or at any adjourned meeting not less than one-third, in principal amount of the Notes for the time being outstanding. In other cases the quorum for passing an Extraordinary Resolution will be persons holding or representing not less than a clear majority in principal amount of the Notes for the time being outstanding, or at any adjourned meeting persons being or representing Noteholders whatever the principal amount of the Notes held or represented by them. Any resolution duly passed at any such meeting shall be binding on all the Noteholders, whether present or not, and on all the Couponholders.

The Trustee may agree, without the consent of the Noteholders or the Couponholders, to any modification of, or to any waiver or authorisation of any breach or proposed breach of any provision of, the Trust Deed which, in the opinion of the Trustee, is not materially prejudicial to the interests of the Noteholders or to any modification which is of a formal or technical nature or which is made to correct a manifest error.

The Trustee may also agree, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require, but without the consent of the Noteholders or the Couponholders, to the substitution of the Bank in place of the Company as principal debtor (the obligations of the Bank being subordinated to the same extent as its obligations under the Guarantee) or, subject to the Notes and the Coupons remaining guaranteed by the Bank on a junior subordinated basis as mentioned in paragraph 3 above, to the substitution of another subsidiary of the Bank in place of the Company as principal debtor under the Trust Deed, the Notes and the Coupons, provided that the claims of the Noteholders and the Couponholders shall, in the case of the substitution for the Company of a banking subsidiary of the Bank, be subordinated (if legally possible) to the rights of the depositors and all other creditors of that subsidiary. For this purpose the Trustee may agree, without the consent of the Noteholders or the Couponholders, to a change in the law governing the Trust Deed and/or the Notes and/or the Coupons, provided that such change would not, in the opinion of the Trustee, be materially prejudicial to the interests of the Noteholders.

In connection with any proposed substitution as aforesaid, the Trustee shall not have regard to the consequences of such substitution for individual Noteholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory.

Any such modification, waiver, authorisation or substitution shall be binding on the Noteholders and the Couponholders and, unless the Trustee agrees otherwise, any such modification or substitution shall be notified to the Noteholders as soon as practicable thereafter in accordance with paragraph 15 below.

12. Replacement of Notes, Coupons and Talons

If a Note, Coupon or talon is mutilated, defaced, destroyed, stolen or lost it may, and shall, in the case of mutilation or defacement, upon the surrender of the mutilated or defaced Note, Coupon or talon, be replaced at the specified office of the Principal Paying Agent, on payment of such costs as may be incurred in connection therewith and, in the case of destruction, theft or loss, on such terms as to evidence and indemnity as the Company may reasonably require.

13. Indemnification of the Trustee

The Trust Deed will contain provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings to obtain payment of principal or interest in respect of the Notes unless indemnified to its satisfaction. The Trustee will be entitled to enter into business transactions with the Bank, the Company or any other subsidiary of the Bank without accounting for any profit resulting therefrom.

14. Further Issues

The Company shall be at liberty from time to time without the consent of the Noteholders to create and issue further notes or bonds either (in the case of bearer notes) ranking *pari passu* in all respects (or in all respects save for the first payment of interest thereon) and so that the same shall be consolidated and form a single series with the Notes or upon such terms as to interest, conversion, redemption and otherwise as the Company may at the time of the issue thereof determine. Any further notes or bonds forming a single series with the outstanding notes or bonds of any series (including the Notes) constituted by the Trust Deed or any Deed supplemental thereto shall, and any other further notes or bonds may (with the consent of the Trustee), be constituted by a Deed supplemental to the Trust Deed. The Trust Deed will contain provisions for convening a single meeting of the Noteholders and the holders of notes or bonds of other series in certain circumstances where the Trustee so decides.

15. Notices

All notices to the Noteholders will be valid if published in a leading daily English language newspaper published in London (which is expected to be the *Financial Times*) or, if at any time such publication is not possible, in such other English language newspaper or newspapers circulating or published in Europe as the Company, with the approval of the Trustee, shall determine. Such notice shall be deemed to have been given on the date of such publication or, if published more than once, on the date of the first such publication.

16. Governing Law

Subject as mentioned in paragraph 11 above, the Trust Deed (including the Guarantee), the Notes and the Coupons will be governed by and construed in accordance with the law of England, and the Company will submit to the jurisdiction of the English courts for all purposes in connection with the Trust Deed, the Notes and the Coupons.

TEMPORARY GLOBAL NOTE

The Notes will initially be represented by a single temporary Global Note, without interest coupons. The Global Note will be delivered and deposited outside the United States (as defined under "Subscription, Underwriting and Sale" below) on behalf of subscribers with a common depositary for the CEDEL and Euro-clear systems on or about 1st November, 1984. The Global Note will be exchangeable, without charge, for definitive Notes in bearer form in the denominations of \$5,000 and \$50,000, with Coupons attached, not earlier than the first date (the "Exchange Date") following the expiration of 90 days after the completion of the distribution of the Notes, as determined by Barclays Merchant Bank Limited. The exchange into definitive Notes will only be effected outside the United States and upon presentation (a) of a certificate that the same are not being acquired by or on behalf of, or for offering or re-sale to, a U.S. person (as defined under "Subscription, Underwriting and Sale" below) or (b), if the beneficial owner is a branch of a United States bank located outside the United States, of a certificate to the effect set out in the Trust Deed containing the representations and agreements described under "Subscription, Underwriting and Sale" below.

USE OF PROCEEDS

The net proceeds of the issue of the Notes are estimated to amount to \$593,470,000 and will be used for the development and expansion of the business of the International group and further to strengthen the capital base of the Bank. It is the intention of the Company and the Bank that the proceeds of the issue of the Notes will be loaned to the Bank on the same basis as to subordination as applies in regard to the claims of Noteholders and Couponholders under the Guarantee (as defined above).

THE COMPANY

Incorporation and Business

The Company, which is a wholly owned subsidiary of the Bank, was incorporated in the Netherlands by deed on 20th December, 1973 as a *Besloten Vennootschap met Beperkte Aansprakelijkheid* under Netherlands law with limited liability for an indefinite period. The objects of the Company are, *inter alia*, to participate in enterprises, to finance transactions by means of loans or by the putting up of guarantees or in any other manner, in the field of real estate and trade, and the investment of capital; and all and any other acts which relate to the foregoing objects in the widest sense or which result therefrom or may be conducive thereto. The Company is registered with the Trade Register in Amsterdam under number 137.958.

The members of the Supervisory Board of the Company are C. H. Manton, M. J. Mayo, C. J. Van Tienhoven, W. C. de Regt and R. B. Bakker. The members of the Management Board are M. Philipse, P. W. M. Maassen and D. J. Wood.

Tax Status of Noteholders

The Company and the Bank have been advised that, under present Netherlands tax law, payments of principal and interest in respect of the Notes will not be subject to Netherlands withholding tax. Noteholders, neither resident nor deemed resident nor having an enterprise with a permanent establishment or a permanent representative in the Netherlands to which or to whom Notes are attributable nor having a direct or indirect substantial or deemed substantial interest in the share capital of the Company, will not be subject to Netherlands tax or duties. However, if a security by way of mortgage upon real estate situated in the Netherlands were to be accorded to the Notes, a non-resident holder of such Notes might be liable to Netherlands personal or corporate income tax and, if he is an individual, also to Netherlands net wealth tax. No gift, estate or inheritance tax arises in the Netherlands on a gift of Notes by, or on the death of, a Noteholder neither resident nor deemed resident in the Netherlands, unless the Notes are secured by way of mortgage upon real estate situated in the Netherlands or are attributable to a permanent establishment or to a permanent representative in the Netherlands.

Capital Resources

The following is a summary of the capital resources of the Company at 31st December, 1983 based on the audited accounts at that date and adjusted to give effect to the issue of the Notes now being made, the issue of \$350 million Guaranteed Floating Rate Notes due 2004 in March, 1984 and the repayment of loan capital up to 31st August, 1984:—

	<i>Dfl 000's</i>	<i>Dfl 000's</i>
Loan capital		
At 31st December, 1983		1,814,952
\$350 million Guaranteed Floating Rate Notes due 2004		1,140,572
		<hr/> 2,955,524
\$600 million Junior Guaranteed Undated Floating Rate Notes (now being issued)		1,955,267
Shareholders' funds		
Ordinary shares	700	
Reserves	98	
	<hr/>	<hr/>
		798
		<hr/> <hr/> 4,911,589

Note:

Loan capital and Junior Guaranteed Undated Floating Rate Notes are expressed at rates of exchange ruling on 31st August, 1984.

THE BANK AND THE INTERNATIONAL GROUP

History and Business

The Bank was incorporated in England as a company with limited liability by the Colonial Bank Act 1925 and is a Recognised Bank for the purposes of the Banking Act 1979.

The Bank is a wholly owned subsidiary of Barclays Bank PLC ("Barclays"), one of the United Kingdom clearing banks, which with its subsidiaries (collectively the "Barclays Group") comprises one of the major banking groups in the world. The consolidated assets of the Barclays Group at 31st December, 1983 were £64,904 million (1982: £59,046 million) and the profit before taxation of the Barclays Group for the year ended 31st December, 1983 was £557 million (1982: £495 million).

The International group currently conducts virtually all of the Barclays Group's non-sterling business and is engaged through banking offices, representative offices and affiliates, in more than 80 countries throughout the world, in retail and wholesale commercial banking, merchant banking, development finance and related financial services. Although by far the most important part of the operations of the International

group lies in the retail and wholesale banking field, the provision of other related services, such as merchant banking, consumer finance and equipment leasing, now represents a significant part of its activities. The International group also provides a worldwide foreign exchange service through a network of professional dealing offices in most of the main financial centres. At 31st December, 1983, the present International group contributed £42,425 million (1982: £38,313 million) to the total assets of the Barclays Group. The International group currently has some 57,000 employees around the world and some 2,400 banking and other offices.

See "Barclays Group Reorganisation" below for details of the proposed group reorganisation affecting the Bank.

Capital Resources

The following is a summary of the capital resources of the International group at 31st December, 1983 based on the audited consolidated accounts at that date, adjusted for the matters noted below:—

	£ millions	£ millions
Loan capital (Note 1)		1,113
Junior undated capital notes (Note 2)		458
Minority interests in subsidiaries (Note 4)		221
Stockholders' funds		
Ordinary stock (Note 3)	530	
Reserves (Note 4)	929	
		<hr/> 1,459
		<hr/> 3,251

Notes:

1. Loan capital, the claims in respect of which against the Bank are subordinated to the claims of depositors of the Bank, is raised by the Bank and its financing subsidiaries for the development and expansion of the International group's business. Loan capital is expressed at rates of exchange ruling on 31st August, 1984 and includes the following changes up to that date:
 - (a) the issue by the Company in March, 1984 of \$350 million Guaranteed Floating Rate Notes due 2004; and
 - (b) repayments since 31st December, 1983.
2. Junior undated capital notes, the claims in respect of which against the Bank are subordinated to the claims against the Bank of depositors and holders of loan capital, comprise the \$600 million Junior Guaranteed Undated Floating Rate Notes now being issued, expressed at the rate of exchange ruling on 31st August, 1984.
3. The Ordinary stock was increased on 3rd January, 1984 by the issue of £30 million Ordinary stock of the Bank in consideration for the transfer of the issued share capital of Mercantile Credit Company Limited ("MCC"), a wholly owned subsidiary of Barclays, to the Bank.
4. The reserves and minority interests in subsidiaries have been adjusted to reflect:
 - (a) the additional reserves and minority interests in subsidiaries of MCC at 31st December, 1983 based on its audited consolidated accounts for the year ended 31st December, 1983;
 - (b) the effect of special provisions of £445 million for deferred taxation and other related liabilities arising from changes in the rates of taxation and capital allowances announced in March, 1984, offset by an additional group relief receipt of £450 million; and
 - (c) the effect in 1984 of a reduction in shareholding in an overseas subsidiary.

Profits

The audited consolidated profits for the three years ended 31st December, 1983, restated to include the results of the MCC group, and the unaudited results for the six months ended 30th June, 1984 of the International group, were:—

	Year ended 31st December,			Six months to 30th June,
	1981 £ millions	1982 £ millions	1983 £ millions	1984 £ millions
OPERATING PROFIT	220	99	181	73
Share of profit of associated companies	29	39	40	18
PROFIT BEFORE TAXATION AND EXTRA- ORDINARY ITEMS (Note 1)	249	138	221	91
Taxation credit/(charge) (Note 2)	36	18	(49)	(51)
PROFIT AFTER TAXATION	285	156	172	40
Profit attributable to minority interests in subsidiaries	30	35	48	12
Extraordinary items (Note 3)	255 (3)	121 —	124 3	28 17
PROFIT ATTRIBUTABLE TO THE MEMBERS OF THE BANK	252	121	127	45

Notes:

- The contribution to profit before taxation and extraordinary items of the former International group and of the MCC group was as follows:

	Year ended 31st December,			Six months to 30th June,
	1981 £ millions	1982 £ millions	1983 £ millions	1984 £ millions
Former International group	197	96	188	68
MCC group	52	42	33	23

- The contribution to the taxation credit/(charge) of the former International group and of the MCC group was as follows:

	Year ended 31st December,			Six months to 30th June,
	1981 £ millions	1982 £ millions	1983 £ millions	1984 £ millions
Former International group	(76)	(45)	(86)	(49)
MCC group	112	63	37	(2)

The taxation credit in the MCC group in 1981 to 1983 reflected the level of capital allowances claimed on leasing transactions and amounts receivable in respect of group and consortium relief in those years. In addition, prior to the Finance Act 1984, the Directors considered it necessary to maintain a prudential provision for deferred taxation of only 25 per cent. of the potential United Kingdom taxation liability as no liability to taxation was at that time expected to arise in the foreseeable future.

- Extraordinary items in the six months to 30th June, 1984 comprise special provisions of £445 million for deferred taxation and rebate of rentals attributable to leases with tax variation clauses, offset by an additional group relief receipt of £450 million and a surplus of £12 million arising from a reduction in shareholding in an overseas subsidiary.

Extraordinary items in 1981 and 1983 comprise the special levy on United Kingdom banking deposits and a surplus on the sale of a trade investment respectively.

BARCLAYS GROUP REORGANISATION

Reorganisation Proposals

Barclays has announced proposals for the reorganisation of the Barclays Group. The reorganisation is a further step in the development of the Barclays Group and is designed to provide a better service to customers and a more efficient use of manpower and financial resources. The proposals involve the transfer to the Bank of the whole of the business undertaking of Barclays, other than the shares in the Bank owned by Barclays, in consideration for the issue to Barclays of additional shares in the Bank. This transfer is to be implemented by means of the Barclays Bank Act 1984 of the United Kingdom and is expected to become effective on 1st January, 1985. Upon completion of the transfer, the Bank will become the main operating company within the Barclays Group with responsibility not only for the non-sterling business operations, which will not be affected by the reorganisation, but also for the United Kingdom banking business currently conducted by Barclays. In addition, there will be transferred to the Bank the shares in Barclays' other subsidiaries. In order to reflect the continuity of the United Kingdom banking business the Bank will be re-registered as a public company and will change its name to "Barclays Bank PLC".

The scheme of reorganisation also involves arrangements, which will be implemented on the same effective date, whereby the outstanding loan stocks of Barclays will be cancelled and replaced by corresponding new loan stocks of the Bank of like principal amounts, carrying the same terms as to interest and maturity. In addition, the Bank will assume liability, in substitution for Barclays, under the latter's guarantees in respect of the two outstanding series of Guaranteed Capital Notes of Barclays North American Capital Corporation ("BNACC"). As at 31st August, 1984 the outstanding principal amounts of the existing Barclays loan stocks and of the Guaranteed Capital Notes of BNACC aggregated £309 million and \$500 million respectively. The foregoing substituted loan stocks and guarantees of the Bank will, in each case, constitute unsecured subordinated obligations of the Bank.

Barclays

Barclays is currently responsible for the United Kingdom domestic operations of the Barclays Group directly through its banking offices and indirectly through its United Kingdom subsidiary and associated companies other than the Bank. The Barclays Group, excluding the International group, currently employs some 69,000 people in the United Kingdom and at 31st December, 1983 contributed £22,479 million (1982: £20,733 million) to the total assets of the Barclays Group.

Barclays has some 2,900 banking offices in the United Kingdom through which it provides a comprehensive range of banking services to corporate and personal customers. It conducts a major credit card operation, Barclaycard, as a member of the Visa international credit card network. Through subsidiary companies, it provides merchant banking, investment, unit trust and insurance broking services and it holds minority interests in certain other United Kingdom banks and financial institutions.

In March, 1984 Barclays announced plans to establish a major presence in the securities industry both in the United Kingdom and overseas. As part of this, the Barclays Group has acquired a 29.9 per cent. interest as a limited partner in Wedd Durlacher Mordaunt & Co., one of the largest firms of jobbers on The Stock Exchange, and has agreed to acquire a 5 per cent. interest as a limited partner in de Zoete & Bevan, a major United Kingdom firm of stockbrokers. It is the intention of the parties that these stakes be increased to up to 75 per cent. in each case as and when the rules of The Stock Exchange permit.

Illustration of the Financial Effects of the Reorganisation

The summarised balance sheets set out below illustrate the effect of the reorganisation on the capital structure of the Bank on the assumption that the reorganisation had taken place on 1st July, 1984, adjusted as mentioned in Note 1. The summarised balance sheets, which should be read in conjunction with the Notes thereto, are based on the unaudited balance sheets of Barclays and the Bank at 30th June, 1984.

	<i>The Bank</i>	<i>Envisaged position of the Bank as if reorganised</i>
	<i>£ millions</i>	<i>£ millions</i>
ASSETS		
Trading assets (Notes 2 and 3)	27,502	49,131
Investment in group and associated companies and trade investments	1,572	1,936
Property and equipment	151	925
	<u>29,225</u>	<u>51,992</u>
LIABILITIES		
Trading liabilities (Notes 3 and 4)	27,014	48,115
Loan capital (Notes 1 and 5)	731	1,340
STOCKHOLDERS' FUNDS (Note 6)	1,480	2,537
	<u>29,225</u>	<u>51,992</u>

On the same bases as those mentioned above, the total consolidated assets of the International group at 1st July, 1984 as enlarged by the reorganisation would have been £69,759 million.

Notes:

1. The summarised balance sheets have been adjusted to reflect loan capital at rates of exchange ruling on 31st August, 1984.
2. Trading assets comprise mainly banking and leasing balances and investments and reflect certain exchange adjustments.
3. Inter-company balances are included in trading assets and trading liabilities as appropriate, but the envisaged position is arrived at after eliminating £1,761 million being the net balance outstanding at 30th June, 1984 owing by the Bank to Barclays.
4. Trading liabilities comprise mainly deposits, customers' current accounts and other accounts.
5. Loan capital comprises:

	<i>£ millions</i>
(a) The Bank	
At 30th June, 1984	731
(b) Barclays*	
8¼ per cent. Unsecured Loan Stock 1986/93	59
16 per cent. Unsecured Capital Loan Stock 2002/07	100
12 per cent. Unsecured Capital Loan Stock 2010	150
Loan from BNACC	300
	<u>1,340</u>

*The new loan stocks of the Bank to be issued in substitution for the corresponding Barclays loan stocks will, in each case, carry the same terms as to interest and maturity.

6. The figure of £2,537 million in respect of stockholders' funds included in the envisaged position takes account of special provisions of £543 million in the Barclays Group for deferred taxation and other related liabilities, arising from changes in the rates of taxation and capital allowances announced in March, 1984. Stockholders' funds included in the envisaged position have also been arrived at on the basis of there being no revaluation of assets in connection with the issue of fully paid shares in the Bank to Barclays by way of consideration for the transfer of the latter's undertaking.

The illustrative financial information set out above should not be taken as an indication of the financial position of the Bank or the International group when the reorganisation becomes effective.

SUBSCRIPTION, UNDERWRITING AND SALE

Under a Subscription Agreement entered into with the Company and the Bank on 16th October, 1984, Barclays Merchant Bank Limited, Credit Suisse First Boston Limited, Lehman Brothers International, Inc., S. G. Warburg & Co. Ltd., Algemene Bank Nederland N.V., Banque Bruxelles Lambert S.A., Banque Internationale à Luxembourg S.A., Banque Nationale de Paris, County Bank Limited, Dresdner Bank Aktiengesellschaft, Goldman Sachs International Corp., Kidder, Peabody International Limited, Lloyds Bank International Limited, Merrill Lynch International & Co., Samuel Montagu & Co. Limited, Morgan Grenfell & Co. Limited, Morgan Stanley International, Salomon Brothers International Limited, Sumitomo Finance International, Swiss Bank Corporation International Limited and Union Bank of Switzerland (Securities) Limited (the "Managers") have jointly and severally agreed to subscribe or procure subscribers for the Notes at the issue price of 100 per cent., less the Selling Group concession of 0.50 per cent. referred to below, a management commission of 0.30 per cent. of the aggregate principal amount of the Notes and an underwriting commission of 0.25 per cent. of such aggregate principal amount. In addition, the Company has agreed to pay all costs and expenses incurred in connection with the issue of the Notes. The Subscription Agreement is subject to termination in certain circumstances prior to payment to the Company.

The Managers on behalf of the Company will offer the Notes for subscription at the issue price shown above, less a Selling Group concession of 0.50 per cent. of the aggregate principal amount of the Notes, to certain banks, brokers and securities dealers, including the Managers and underwriters and selected jobbers in accordance with the requirements of The Stock Exchange, (the "Selling Group").

The Managers, on behalf of the Company, have entered into underwriting agreements with, amongst others, the following:—

Amro International Limited	Daiwa Europe Limited
Banca Nazionale del Lavoro	Hambros Bank Limited
Bank of America International Limited	Hill Samuel & Co. Limited
Bank of Tokyo International Limited	IBJ International Limited
Banque Française du Commerce Extérieur	Kansallis-Osake-Pankki
Banque Paribas	Kleinwort, Benson Limited
Baring Brothers & Co., Limited	Korea Merchant Banking Corporation
Bayerische Hypotheken-und Wechsel-Bank Aktiengesellschaft	Kredietbank NV
Bayerische Landesbank Girozentrale	Lazard Brothers & Co., Limited
Bayerische Vereinsbank Aktiengesellschaft	Morgan Guaranty Ltd
Berliner Handels-und Frankfurter Bank	The Nikko Securities Co., (Europe) Ltd.
Caisse des Dépôts et Consignations	Nomura International Limited
Chase Manhattan Limited	Orion Royal Bank Limited
P. K. Christiania Bank (U.K.) Limited	Österreichische Länderbank Aktiengesellschaft
CIBC Limited	N. M. Rothschild & Sons Limited
Citicorp International Bank Limited	J. Henry Schroder Wagg & Co. Limited
Commerzbank Aktiengesellschaft	Société Générale
Crédit Commercial de France	Société Générale de Banque S.A.
Crédit Lyonnais	Westdeutsche Landesbank Girozentrale
Dai-Ichi Kangyo International Limited	Wood Gundy Inc.
	Yamaichi International (Europe) Limited

The Notes have not been and will not be registered under the Securities Act of 1933, as amended, of the United States (the "Securities Act") and will bear a legend to that effect. The Notes may not, in connection with the distribution thereof, be offered or sold directly or indirectly in the United States or to any U.S. person, except as set out below, and will be delivered only outside the United States.

Any re-offers, re-sales or deliveries of Notes in the United States or to any U.S. person must be made in compliance with the registration requirements of the Securities Act or pursuant to an exemption therefrom. None of the Company, the Bank and the Managers makes any representation in respect of, or has assumed any responsibility for, the availability of any such exemption and none of the Company, the Bank and the Managers makes any representation as to when, if at any time, the Notes may lawfully be sold in the United States or to U.S. persons. Each Selling Group member, including the Managers, has represented and agreed or will represent and agree that, in connection with the distribution of the Notes, it will not offer or sell directly or indirectly any Notes in the United States or to U.S. persons (except as set forth below) and that it will not offer or sell directly or indirectly any Notes, otherwise acquired, in the United States or to U.S. persons prior to the Exchange Date, except in transactions with other Selling Group members or with securities dealers who have agreed to comply with these provisions.

Notwithstanding the foregoing, with the prior written consent of Barclays Merchant Bank Limited, the Company may arrange for the private sale of a portion of the Notes to branches of U.S. banks located outside the United States ("U.S. bank branches") provided that each such purchaser (i) agrees to purchase Notes in a principal amount of not less than \$250,000 and will represent that it is acquiring the Notes for its own account for investment and not with a view to any re-sale, distribution or other disposition thereof, (ii) agrees that in the event that at some future time it shall dispose of any such Notes (such disposition not being then foreseen or contemplated) it will not offer or sell directly or indirectly any of such Notes in the United States or to any U.S. person or to others for offering or re-sale in the United States or to any U.S. person (except, with the prior written approval of Barclays Merchant Bank Limited, it may sell not less than \$250,000 in principal amount of such Notes to U.S. bank branches which have agreed as set forth in this sentence), (iii) represents and agrees that it is a financial institution which will comply with Section 165 (j) (3) (A), (B), or

(C) of the United States Internal Revenue Code and the regulations thereunder, and (iv) acknowledges that in connection with the original issuance of the Notes, the Notes will be released in definitive form only upon presentation of a certificate of such U.S. bank branch to the Company, a Manager or a Selling Group member to the same effect as in (iii) above.

Each Selling Group member, including the Managers, has further represented and agreed or will represent and agree that it will deliver Notes only outside the United States and will deliver to purchasers of Notes from it in connection with the distribution a written confirmation setting out the restrictions imposed on dealers and retail purchasers with respect to offers and sales of the Notes in the United States and to U.S. persons or, in the case of U.S. bank branches, a written confirmation that such purchasers will comply with the provisions of the United States Internal Revenue Code referred to in the preceding paragraph.

As used herein, "United States" means the United States of America, its possessions, its territories and all areas subject to its jurisdiction; and "U.S. person" means any person who is a national or resident of the United States and any corporation, partnership or other entity organised in or under the laws of the United States or any political subdivision thereof or any estate or trust which is subject to United States federal income taxation regardless of the source of its income.

GENERAL INFORMATION

Permission has been given by De Nederlandsche Bank N.V. for the Company to advance the proceeds of the issue of the Notes to the Bank.

The listing of the Notes on The Stock Exchange will be expressed as a percentage of their principal amount (exclusive of accrued interest). It is expected that listing of the Notes on The Stock Exchange will be granted on 17th October, 1984 subject only to the issue of the Global Note. Prior to official listing, however, dealings in Notes will be permitted by the Council of The Stock Exchange in accordance with its rules. Transactions will normally be effected for settlement in dollars and for delivery on the fifth working day after the date of the transaction.

The Notes have been accepted for clearance through CEDEL S.A. (reference number 113441) and Euro-clear (reference number 10613). Pending delivery of Notes in definitive form, a record of transactions in the Notes will be kept by CEDEL S.A. and/or Euro-clear.

A certificate of exemption has been granted by the Council of The Stock Exchange under Section 418 of the Companies Act 1948.

All Notes and Coupons will carry a legend to the following effect: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in sections 165(j) and 1287(a) of the Internal Revenue Code". The sections referred to in such legend provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Notes and will not be entitled to capital gains treatment of any gain on any sale, disposition or payment of principal of Notes.

Neither the Bank nor any of its subsidiaries is involved in any litigation proceedings which are material in the context of the issue of the Notes nor, so far as the Bank is aware, are any such litigation proceedings pending or threatened.

Save as disclosed herein, since 31st December, 1983 there has been no material adverse change in the overall financial position of the International group taken as a whole.

The expenses of the issue of the Notes, including the commissions and concession referred to under "Subscription, Underwriting and Sale" above and the expenses of the Managers, are estimated to amount to approximately \$6,530,000, excluding value added tax, and are payable by the Company.

Two copies of the Offering Telex, each having attached thereto a copy of this document and of the Subscription Agreement referred to above, have been delivered for registration to the Registrar of Companies in London.

The summarised accounts of the Bank and the International group set out in this document do not comprise full accounts within the meaning of Section 11 of the Companies Act 1981. The summarised accounts for the three years ended 31st December, 1983 are based on the full published accounts of the Bank for the respective financial years which contain unqualified reports given by the auditors and which have been delivered to the Registrar of Companies in accordance with Section 1 of the Companies Act 1976.

Copies of the following documents will be available for inspection during usual business hours on any weekday (Saturdays and public holidays excepted) at the offices of Durrant Piesse, 73 Cheapside, London EC2V 6ER until 1st November, 1984:—

- (i) a certified English translation of the Statutes of the Company and of the relevant articles of the *Burgerlijk Wetboek* (the Civil Code of the Netherlands);
- (ii) the Barclays Bank International Acts 1925 to 1974, which include the Articles of Association of the Bank;
- (iii) the Barclays Bank Act 1984;

- (iv) the published Report and Accounts of the Bank for the years ended 31st December, 1982 and 1983;
- (v) the unaudited interim report of the Bank for the half year ended 30th June, 1984;
- (vi) the Subscription Agreement referred to above;
- (vii) a draft, subject to amendment, of the Trust Deed to constitute the Notes, including the Guarantee and the forms of Note, Coupon and talon; and
- (viii) drafts, subject to amendment, of the Paying Agency Agreement and Agent Bank Agreement.

**REGISTERED OFFICE
OF THE COMPANY**

Herengracht 500
1017 CB Amsterdam
Netherlands

**SECRETARY AND REGISTERED OFFICE
OF THE BANK**

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London EC3P 3AH

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Registeraccountants
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Netherlands

The Bank

Deloitte Haskins & Sells
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London SE1 9SY

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and The Stock Exchange

Cazenove & Co.
12 Tokenhouse Yard
London EC2R 7AN
and The Stock Exchange

Strauss, Turnbull & Co.
3 Moorgate Place
London EC2R 6HR
and The Stock Exchange

AGENT BANK

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PRINCIPAL PAYING AGENT

Barclays Bank PLC
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London EC3P 3AH

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Netherlands

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