

Offering Circular



BARCLAYS

BARCLAYS BANK PLC

(Incorporated with limited liability in England)

£100,000,000

9 per cent. Permanent Interest Bearing Capital Bonds

Issue Price: 100.458 per cent.

Application has been made to The International Stock Exchange of the United Kingdom and the Republic of Ireland Limited (the "London Stock Exchange") for the Bonds to be admitted to the Official List. Two copies of this document, which comprises the listing particulars required by Section 142 of the Financial Services Act 1986, have been delivered to the Registrar of Companies in England and Wales for registration as required by Section 149 of that Act.

The Bonds have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended, and comprise Bonds that are subject to United States tax law requirements. Subject to certain exceptions, the Bonds may not be offered, sold or delivered within the United States or to U.S. persons. See "Subscription and Sale".

The Bonds will be in bearer form ("Bearer Bonds") and in registered form ("Registered Bonds"). The Bearer Bonds will be represented initially by a temporary Global Bond (the "temporary Global Bond") which will be deposited outside the United States with a common depository for Cedel and Euroclear on or about 11th October, 1993. The temporary Global Bond will be exchangeable for definitive Bearer Bonds on or after a date which is expected to be 22nd November, 1993, upon certification as to non-U.S. beneficial ownership as required by U.S. Treasury regulations and as described in the temporary Global Bond. Definitive Registered Bonds will be available for delivery promptly after 11th October, 1993 upon certification as to non-U.S. beneficial ownership. Transfers of Registered Bonds and exchanges of interests in the temporary Global Bond for Registered Bonds prior to 22nd November, 1993 may only be effected upon certification as to non-U.S. beneficial ownership.

Barclays de Zoete Wedd Limited

**Kidder, Peabody International
Limited**

Goldman Sachs International Limited

Salomon Brothers International Limited

Cazenove & Co.

1st October, 1993

This document comprises listing particulars in accordance with the listing rules made by the London Stock Exchange for the purpose of giving information with regard to an issue of £100,000,000 9 per cent. Permanent Interest Bearing Capital Bonds (the "Bonds") by Barclays Bank PLC (the "Bank") and with regard to the Bank and its subsidiaries.

The Bank is the person responsible for the information contained in this document. To the best of the knowledge and belief of the Bank (which has taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

In connection with the issue and sale of the Bonds, no person is authorised to give any information or to make any representation not contained in this document and neither the Bank nor any of the Managers (see "Subscription and Sale" below) accepts responsibility for any such information or representation. This document does not constitute an offer of, or an invitation to subscribe for, Bonds.

The distribution of this document and the offering or sale of the Bonds in certain jurisdictions may be restricted by law. See "Subscription and Sale" below for a description, *inter alia*, of certain restrictions on offers, sales and deliveries of the Bonds in the United States or to U.S. persons.

In this document all references to "£" are to pounds sterling.

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In connection with this issue, Barclays de Zoete Wedd Limited may over-allot or effect transactions which stabilise or maintain the market price of the Bonds at a level which might not otherwise prevail. Such stabilising, if commenced, may be discontinued at any time.

MAIN FEATURES OF THE BONDS

Interest	9 per cent. a year, payable in arrear on each 11th October, starting with 11th October, 1994.
Interest Payments	Interest is only compulsorily payable on any Interest Payment Date if the Bank satisfies the solvency condition, as more particularly described under "Conditions of the Bonds – Status and Subordination", and, within the preceding six months, a dividend has been declared or paid by Barclays PLC (the holding company of the Bank) or by the Bank on any preference shares of the Bank.
Arrears of Interest	Interest which has not been paid becomes compulsorily payable in full, subject to the solvency condition, on the earliest of (i) the date when a dividend is next paid by Barclays PLC or by the Bank on any preference shares of the Bank, (ii) the date fixed for any optional repayment of the Bonds or (iii) the commencement of the winding up in England of the Bank.
Repayment	The Bonds have no final maturity date and only become repayable (except at the option of the Bank) in the event of a winding up of the Bank in England. Subject to the solvency condition, the Bank may elect to repay all, but not some only, of the Bonds at their principal amount on the occurrence of certain tax events or otherwise at any time. In the latter case, however, if the repayment is made on or before 10th October, 2023 the repayment price will be the greater of the principal amount of the Bonds and a price arrived at by reference to the gross redemption yield of the Benchmark Gilt and as more particularly described under "Conditions of the Bonds – Repayment and Purchase".
Status and Subordination	The Bonds are unsecured obligations of the Bank and will be subordinated to all other creditors of the Bank other than those whose claims rank alongside, or junior to, the Bonds. No payment of principal or interest (including Arrears of Interest) may be made unless the Bank can make the payment and still be solvent immediately afterwards. The solvency condition also applies to beneficial purchases of Bonds by the Bank or any of its Subsidiaries. There is no limit on the amount of indebtedness which the Bank may incur. See "Conditions of the Bonds – Status and Subordination".
Form and Denominations	The Bonds will be in the form of Bearer Bonds (with Coupons and talons) in the denominations of £1,000 and £10,000 and/or Registered Bonds in the denomination of £1 or integral multiples of £1. Bearer Bonds can be exchanged for Registered Bonds, and vice versa, as described under "Conditions of the Bonds – Exchange and Transfer of Bonds".
Taxation	Payments of interest on the Registered Bonds will be subject to deduction of United Kingdom income tax. Payments on the Bearer Bonds will be free of any United Kingdom withholding tax and, if such tax is imposed, the Bank will be obliged, subject to certain exceptions, to pay additional amounts as described under "Conditions of the Bonds – Taxation".
Default	The only remedy for the Bank's default in payment of principal and/or interest on the Bonds, when payable, is the bringing of proceedings for the winding up of the Bank in England.
Other	Because the Bonds have no final maturity date, a Bondholder may only be able to realise his investment at such price and on such terms as are available in the market. A holding of Bonds is not a "protected deposit" under the Banking Act 1987.

CONDITIONS OF THE BONDS

The following is the text of the Conditions of the Bonds substantially in the form in which they will appear on the definitive Bonds:

The £100,000,000 9 per cent. Permanent Interest Bearing Capital Bonds (the "Bonds", which expression shall in these Conditions, unless the context otherwise requires, include any further bonds issued pursuant to Condition 13 and forming a single series with the Bonds) of Barclays Bank PLC (the "Bank") are in bearer form with interest coupons and talons for further interest coupons (together, where the context so permits, the "Coupons") attached ("Bearer Bonds") and/or in registered form without interest coupons or talons ("Registered Bonds"). The issue of the Bonds was authorised by a resolution of a duly constituted committee of the Board of Directors of the Bank adopted on 28th September, 1993. The Bonds are constituted by a Seventh Supplemental Trust Deed dated 11th October, 1993 and made between the Bank and Phoenix Assurance Public Limited Company (the "Trustee") as trustee for the holders of the Bonds (the "Bondholders") and expressed to be supplemental to (i) the principal Trust Deed dated 2nd July, 1985 and made between the Bank and the Trustee constituting the outstanding U.S.\$600,000,000 Undated Floating Rate Primary Capital Notes of the Bank (the "Series 1 Notes"), (ii) the First Supplemental Trust Deed dated 14th February, 1986 and made between the Bank and the Trustee constituting the outstanding U.S.\$750,000,000 Undated Floating Rate Primary Capital Notes Series 2 of the Bank and the Second Supplemental Trust Deed dated 4th September, 1989 and made between the Bank and the Trustee constituting up to U.S.\$450,000,000 Undated Floating Rate Primary Capital Notes Series 2 of the Bank (together, the "Series 2 Notes"), (iii) the Third Supplemental Trust Deed dated 16th October, 1989 and made between the Bank and the Trustee constituting the outstanding £200,000,000 Undated Floating Rate Primary Capital Notes Series 3 of the Bank (the "Series 3 Notes"), (iv) the Fourth Supplemental Trust Deed dated 28th September, 1990 and made between the Bank and the Trustee modifying the provisions of the said First Supplemental Trust Deed and Second Supplemental Trust Deed and (v) the Fifth Supplemental Trust Deed dated 12th May, 1993 and the Sixth Supplemental Trust Deed dated 25th June, 1993 and both made between the Bank and the Trustee and together constituting the outstanding £300,000,000 9.875 per cent. Undated Subordinated Notes of the Bank (the "Series 4 Notes"). The said Supplemental Trust Deeds and the said principal Trust Deed are herein referred to collectively as the "Trust Deed". The Bank is the initial principal paying agent for the Bearer Bonds (in such capacity, the "Principal Paying Agent") and the Bank is the initial registrar and transfer agent for the Registered Bonds (in such capacity, the "Registrar"). Copies of the Trust Deed, together with copies of the Agency Agreement (the "Agency Agreement") dated 11th October, 1993 and made between the Bank, the Trustee, the paying agents named therein and the Registrar, are available for inspection at the office for the time being of the Trustee (being at the date hereof 40 Chancery Lane, London WC2A 1JN) and at the specified office(s) of the Principal Paying Agent and each of the other paying agents referred to in Condition 6 (all together, the "Paying Agents") and the Registrar. The statements set out in these Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed in relation to the Bonds. The Bondholders and holders of the Coupons (the "Couponholders") are entitled to the benefit of, and are deemed to have notice of, all the provisions of the Trust Deed in relation to the Bonds, the Agency Agreement and the Bonds, all of which are binding on them.

The obligations of the Bank in respect of the Bonds and Coupons are conditional upon the Bank being solvent at the time of payment by the Bank and immediately thereafter. Neither these Conditions nor the Trust Deed provide any remedy for non payment of interest in respect of the Bonds so long as no dividend has been paid or declared in respect of any class of share capital of Barclays PLC or the preference share capital of the Bank in the six months immediately preceding the applicable Interest Payment Date. In the event of a winding up of the Bank the right to claim for interest (including Arrears of Interest) may be limited by applicable insolvency laws.

1. Title and Denominations

(a) Title to the Bearer Bonds and the Coupons will pass by delivery. The Bearer Bonds, which are serially numbered, are issued in the denominations of £1,000 and £10,000. Bearer Bonds of one denomination may not be exchanged for Bearer Bonds of the other denomination.

(b) Title to the Registered Bonds will pass by registration of transfers in accordance with Condition 2(d), the Agency Agreement and the Trust Deed. The Registered Bonds are issued in the denomination of £1 and integral multiples thereof.

(c) The Bank, the Trustee, the Registrar and each Paying Agent may treat the holder of any Bearer Bond and the holder of any Coupon and the registered holder(s) of any Registered Bond as the absolute owner(s) thereof (whether or not such Bond 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.

2. Exchange and Transfer of Bonds

(a) Subject as provided below, Bearer Bonds (provided that there are attached thereto all unmatured Coupons and matured Coupons representing any Arrears of Interest (as defined in Condition 4) appertaining to such Bearer Bonds) may be exchanged for a Registered Bond of a like aggregate principal amount by surrender of the Bearer Bonds and Coupons (including talons) to the Registrar at its specified office, together with a duly completed request in writing for the exchange in the form for the time being available from the specified office of the Registrar, provided that Bearer Bonds surrendered in exchange for a Registered Bond after a Record Date (as defined in Condition 6) and on or before the next following Interest Payment Date (as defined in Condition 4) are

not required to be surrendered with the Coupon maturing on such Interest Payment Date but are required to be surrendered with any talon maturing on such Interest Payment Date. Interest on a Registered Bond issued on exchange will accrue from and including the immediately preceding Interest Payment Date, except where issued in respect of Bearer Bonds surrendered after a Record Date and on or before the next following Interest Payment Date, in which event such interest shall accrue from and including such next following Interest Payment Date and the interest due on such next following Interest Payment Date on the Bearer Bonds exchanged will be paid to the person presenting the Coupon maturing on such Interest Payment Date. Subject to such reasonable regulations as the Bank and the Registrar (with the prior approval of the Trustee) may prescribe, the Registrar will, within five working days (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), deliver at its specified office to, or to the order of, the holder or (at the risk of the holder) send by mail to such address as may be specified by the holder in the request, a Registered Bond of a like aggregate principal amount to the Bearer Bonds exchanged.

Exchanges of Bearer Bonds for the time being represented by the temporary Global Bond for Registered Bonds will only be effected against certification as to non-U.S. beneficial ownership as provided in the Agency Agreement.

(b) On and after 22nd November, 1993 and subject as provided below, Registered Bonds in a minimum principal amount of £1,000 and integral multiples thereof may be exchanged for Bearer Bonds of a like aggregate principal amount by delivering to the Registrar at its specified office a duly completed request in writing for the exchange in the form for the time being available from the specified office of the Registrar, accompanied by the Registered Bonds to which such request relates. Interest on a Bearer Bond issued on exchange will accrue from and including the immediately preceding Interest Payment Date, except where issued in respect of Registered Bonds surrendered for exchange after a Record Date and on or before the next following Interest Payment Date, in which event interest shall accrue from and including such next following Interest Payment Date and the interest due on such next following Interest Payment Date will be paid to the person who was the registered holder (or first named of joint holders) of the relevant Registered Bonds on such Record Date. Upon the Registrar being satisfied with the documents of title and the identity of the person making the request and subject to such reasonable regulations as the Bank and the Registrar (with the prior approval of the Trustee) may prescribe, the Registrar will, within five working days of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), deliver at its specified office to, or to the order of, the exchanging Bondholder, the Bearer Bond(s) to be issued on such exchange. Each Bearer Bond issued on exchange will have attached thereto any relevant talon together with Coupons (i) in respect of any Arrears of Interest and (ii) in respect of each Interest Payment Date following the date of exchange, provided that, in the case of a Bearer Bond issued pursuant to a request during the period commencing on the day following a Record Date and expiring on the next following Interest Payment Date, no Coupon will be attached in respect of such next following Interest Payment Date.

(c) No exchanges of Bearer Bonds for Registered Bonds or vice versa may be effected on or after the fourteenth day prior to the date fixed for any repayment of the Bonds pursuant to Condition 5(a) or 5(b).

(d) A Registered Bond may be transferred in whole or in part (in the principal amount of £1 or integral multiples thereof) by the transferor depositing the Registered Bond for registration of the transfer of the Registered Bond (or the relevant part thereof) at the specified office of the Registrar, with a form of transfer available from, or acceptable to, the Registrar duly completed and signed by or on behalf of the transferor and upon the Registrar being satisfied with the documents of title and the identity of the person making the transfer application and subject to such reasonable regulations as the Bank and the Registrar (with the prior approval of the Trustee) may prescribe. Subject as provided above, the Registrar will within five working days of the transfer application (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), deliver at its specified office to, or to the order of, the transferee or (at the risk of the transferee) send by mail to such address as the transferee may request a new Registered Bond of a like aggregate principal amount to the Registered Bond (or the relevant part thereof) transferred. In the case of the transfer of part only of a Registered Bond, a new Registered Bond in respect of the balance of the Registered Bond not transferred will be so delivered or (at the risk of the transferor) sent to the transferor.

Transfers of Registered Bonds prior to 22nd November, 1993 will be subject to certification as to non-U.S. beneficial ownership as provided in the Agency Agreement.

(e) Bondholders will not be required to bear the costs and expenses of effecting any exchange or any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular mail and except that the Bank may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to such exchange or registration.

(f) The Bank reserves the right, with the prior approval of the Trustee, at any time to vary or terminate the appointment of the Registrar and to appoint another Registrar, provided that it will at all times maintain a Registrar with a specified office in a place approved by the Trustee. Unless the Trustee agrees otherwise, notice of any variation, termination or appointment and of any change in specified office will be given to the Bondholders by the Bank in accordance with Condition 14.

3. Status and Subordination

(a) The Bonds and the Coupons constitute unsecured obligations of the Bank ranking *pari passu* without any preference among themselves. The Bonds, the Series 1 Notes, the Series 2 Notes, the Series 3 Notes, the Series 4 Notes and the U.S.\$500,000,000 8% Convertible Capital Notes, Series E, of the Bank, which are separate series of securities, rank *pari passu inter se* in point of subordination.

(b) The rights of the Bondholders and Couponholders are subordinated to the claims of Senior Creditors (as defined below) and, accordingly, payments of principal and interest are conditional upon the Bank being solvent at the time of payment by the Bank, and no principal or interest shall be payable in respect of the Bonds

except to the extent that the Bank could make such payment and still be solvent immediately thereafter. For the purposes of this paragraph (b) the Bank shall be solvent if (i) it is able to pay its debts as they fall due and (ii) its Assets (as defined below) exceed its Liabilities (as defined below) (other than, except in the circumstances provided in the Trust Deed, its Liabilities to persons who are not Senior Creditors). The Trust Deed contains provisions requiring a report as to the solvency of the Bank to be made by two Directors of the Bank or, in certain circumstances as provided in the Trust Deed, the Auditors (as defined in the Trust Deed) or, if the Bank is in winding up in England, its liquidator prior to any payment of principal or interest and also prior to the purchase of any Bonds beneficially by or for the account of the Bank or any of its Subsidiaries (as defined in the Trust Deed). Any such report shall, in the absence of proven error, be treated and accepted by the Bank, the Trustee and the Bondholders and Couponholders as correct and sufficient evidence of such solvency.

(c) If at any time the Bank is in winding up in England, there shall be payable in respect of the Bonds (in lieu of any other payment but subject as provided in paragraph (b) above) such amounts (if any) as would have been payable in respect thereof as if, on the day immediately prior to the commencement (as defined in the Trust Deed) of the winding up and thereafter, the Bondholders were the holders of a class of preference shares in the capital of the Bank having a preferential right to a return of assets in the winding up over the holders of all other classes of shares for the time being in the capital of the Bank on the assumption that such preference shares were entitled (to the exclusion of any other rights or privileges) to receive on a return of capital in such winding up an amount equal to the principal amount of the Bonds together with interest accrued to the date of repayment (as provided in the Trust Deed) and any Arrears of Interest.

(d) As used in this Condition 3:

"Senior Creditors" means creditors of the Bank (i) who are depositors and/or other unsubordinated creditors of the Bank or (ii) whose claims are, or are expressed to be, subordinated to the claims of depositors and other unsubordinated creditors of the Bank (whether only in the event of a winding up of the Bank or otherwise) but not further or otherwise or (iii) who are subordinated creditors of the Bank (whether as aforesaid or otherwise) other than those with whose claims the claims of the Bondholders and Couponholders are expressed to rank *pari passu* and those whose claims are expressed to rank *pari passu* with or junior to the claims of the Bondholders and Couponholders and any claims ranking *pari passu* with such last-mentioned claims.

"Assets" means the total amount of the unconsolidated gross tangible assets of the Bank, and "Liabilities" means the total amount of the unconsolidated gross liabilities of the Bank, in each case as shown by the latest published audited balance sheet of the Bank, but adjusted, if the aggregate amount included in such balance sheet in respect of the Bank's investment in all Subsidiaries and Associated Companies (as defined in the Trust Deed) of the Bank exceeds the aggregate of the net tangible assets of such Subsidiaries and Associated Companies attributable to the Bank (calculated on a consolidated basis where any of such Subsidiaries and Associated Companies itself has subsidiaries) as shown by their latest relevant audited balance sheets, by deducting from the total amount of such assets an amount equal to such excess and adjusted also for contingencies and subsequent events in such manner as the above-mentioned Directors, the Auditors or the liquidator (as the case may be) may determine.

If the Bank would not otherwise be solvent (having taken into account liabilities to both Senior Creditors and creditors other than Senior Creditors), the amount of principal and of sums which would otherwise be payable as interest in respect of the Bonds will be available to meet the losses of the Bank.

4. Interest

(a) Rate and Accrual of Interest

The Bonds bear interest from and including 11th October, 1993 (the "Issue Date") at the rate of 9 per cent. per annum payable, subject as provided in these Conditions, annually in arrear on each Interest Payment Date (as defined below), commencing with the Interest Payment Date falling in 1994. Interest in respect of each Bond will accrue from day to day and will cease to accrue from the due date for repayment thereof, unless payment of principal is improperly withheld or refused or is not made by reason of Condition 3(b). If interest is required to be calculated for a period of less than a full year, it will be calculated on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed.

(b) Interest Payment Dates, Interest Periods and Arrears of Interest

Interest in respect of the Bonds is (subject to Condition 3(b)) payable on each Compulsory Interest Payment Date (as defined below) in respect of the Interest Period (as defined below) ending on the day immediately preceding such date. On any Optional Interest Payment Date (as defined below) there may be paid (if the Bank so elects but subject to Condition 3(b)) the interest in respect of the Bonds accrued in the Interest Period ending on the day immediately preceding such date, but the Bank shall not have any obligation to make such payment and any failure to pay shall not constitute a default by the Bank for any purpose. Any interest in respect of the Bonds not paid on an Interest Payment Date, together with any other interest in respect thereof not paid on any other Interest Payment Date, shall, so long as the same remains unpaid, constitute "Arrears of Interest". Arrears of Interest may at the option of the Bank be paid in whole or in part at any time upon the expiration of not less than 14 days' notice to such effect given to the Trustee and to the Bondholders in accordance with Condition 14, but all Arrears of Interest in respect of all Bonds for the time being outstanding (as defined in the Trust Deed) shall (subject to Condition 3(b)) become due in full on whichever is the earliest of (i) the date upon which a dividend is next paid on any class of share capital of the Holding Company (as defined below) or (if at the relevant time the Holding Company is a company other than the Bank itself) on any class of preference share capital of the Bank, (ii) the date fixed for any repayment pursuant to Condition 5(a) or 5(b) or (iii) the commencement of a winding up in England of the Bank. If notice is given by the Bank of its intention to pay the whole or any part of Arrears of Interest, the Bank shall be obliged (subject to Condition 3(b)) to do so upon the expiration of such notice. Where Arrears of Interest are paid in part, each part payment shall be in respect of the full amount of the Arrears of Interest

accrued due to the relative Interest Payment Date or consecutive Interest Payment Dates furthest from the date of payment. Arrears of Interest shall not themselves bear interest.

As used herein:

“Interest Payment Date” means 11th October in each year.

“Compulsory Interest Payment Date” means any Interest Payment Date if, in the six months immediately preceding such Interest Payment Date, any dividend has been declared or paid on any class of share capital of the Holding Company or (if at the relevant time the Holding Company is a company other than the Bank itself) on any class of preference share capital of the Bank.

“Optional Interest Payment Date” means any Interest Payment Date other than a Compulsory Interest Payment Date.

“Interest Period” means the period from and including one Interest Payment Date (or, as the case may be, the Issue Date) up to but excluding the next (or first) Interest Payment Date.

“Holding Company” means Barclays PLC or otherwise the ultimate holding company for the time being of the Bank or, if at any relevant time there shall be no such holding company, then “Holding Company” shall mean the Bank itself.

In the event that the latest dividend declared or paid on any class of share capital of the Holding Company or (if at the relevant time the Holding Company is a company other than the Bank itself) on any class of preference share capital of the Bank is so declared or paid more than six months prior to an Interest Payment Date, such Interest Payment Date will not be a Compulsory Interest Payment Date.

5. Repayment and Purchase

The Bonds are undated and, accordingly, have no final maturity date and may not be repaid except in accordance with the provisions of this Condition 5 or Condition 8.

(a) Repayment for Taxation Reasons

If the Bank satisfies the Trustee immediately prior to the giving of the notice referred to below that:

- (i) on the next Interest Payment Date the Bank would be compelled by law for reasons outside its control to pay any additional amounts in accordance with Condition 7, or
- (ii) the payment of interest in respect of all, but not some only, of the Bonds would be treated as “distributions” within the meaning of the Taxes Acts for the time being of the United Kingdom,

the Bank may at its option, at any time, having given not less than 45 nor more than 60 days’ notice to the Trustee and to the Bondholders in accordance with Condition 14, repay all, but not some only, of the Bonds at their principal amount. Upon the expiration of such notice the Bank shall (subject to Condition 3(b)) be bound to repay all the Bonds at their principal amount together with accrued interest and all Arrears of Interest.

(b) Optional Repayment

The Bank may, having given not less than 45 nor more than 60 days’ notice to the Trustee and to the Bondholders in accordance with Condition 14, repay at any time all, but not some only, of the Bonds at the applicable Repayment Price (as defined below). Upon the expiration of such notice the Bank shall (subject to Condition 3(b)) be bound to repay all the Bonds at the applicable Repayment Price together with accrued interest and all Arrears of Interest.

As used herein:

“Repayment Price” means:

- (i) in respect of a repayment made on or before 10th October, 2023, whichever is the higher of the principal amount of the Bonds and the Adjusted Price; or
- (ii) in respect of a repayment made after 10th October, 2023, the principal amount of the Bonds.

“Adjusted Price” means such price as shall be determined on the Determination Date by a leading bank and/or broker in London selected by the Bank (with the prior approval of the Trustee) as being the price expressed as a percentage of the principal amount of the Bonds (rounded, if necessary, to the third decimal place, with 0.0005 being rounded upwards) at which the gross redemption yield on the Bonds (calculated on the assumption that the Bonds were to be repaid at their principal amount and to have a final maturity date of 10th October, 2023) would be equal to the gross redemption yield in respect of the Benchmark Gilt on the basis of the arithmetic mean (rounded, if necessary, as aforesaid) of the offered prices of the Benchmark Gilt quoted by the Reference Market Makers (on a dealing basis for settlement on the next following dealing day in London) at or about 3 p.m. (London time) on the Determination Date and on the basis that the gross redemption yield in respect of the Bonds and the Benchmark Gilt will be calculated *mutatis mutandis* on the basis indicated by the Joint Index and Classification Committee of the Institute and Faculty of Actuaries as reported in the Journal of the Institute of Actuaries Vol. 105, Part 1, 1978, page 18.

"Determination Date" means the date which is the second London dealing day in the gilt-edged market before the relevant notice of repayment is given.

"Benchmark Gilt" means the 8¾ per cent. Treasury Stock 2017 (or such other United Kingdom government security as may be determined by the Bank (with the prior approval of the Trustee) to be more appropriate).

"Reference Market Makers" means three brokers and/or gilt-edged market makers selected by the Bank (with the prior approval of the Trustee) or such other three persons operating in the gilt-edged market as are selected by the Bank (with the prior approval of the Trustee).

References in these Conditions to principal shall, unless the context otherwise requires, include the applicable Repayment Price.

(c) Optional Purchase

Subject to Condition 3(b), the Bank or any of its Subsidiaries may at any time purchase beneficially or procure others to purchase beneficially for its account Bonds in the open market or otherwise at any price. Any purchase by tender shall be made available to all Bondholders alike. Each such purchase of Bonds shall include all unmatured Coupons and talons appertaining thereto.

The requirements of this paragraph (c) and of paragraph (d) below as to the purchase of Bonds shall not apply in regard to the purchase of Bonds in the ordinary course of a business of dealing in securities.

(d) Cancellation and Re-sale

All Bonds (i) repaid or (ii) purchased beneficially by or for the account of the Bank 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.

6. Payments and Exchange of Talons

(a) The names of the initial Paying Agents (which have been appointed by the Bank under the Agency Agreement) and their specified offices are set out below.

(b) Payments of principal and interest in respect of the Bearer Bonds will (subject to Condition 3(b)) only be made against presentation and surrender of Bearer Bonds or, as the case may be, Coupons at any specified office of any of the initial Paying Agents or of any such additional and/or other Paying Agent(s) outside the United States as the Bank may appoint from time to time with the prior written 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 Condition 7. Payments in respect of Arrears of Interest will be made against presentation and surrender (or, in the case of a partial payment, endorsement) of the appropriate Coupon at any specified office of any of the Paying Agents. Payments in respect of the Bearer Bonds and Coupons will be made (i) in cash in pounds sterling at the specified office of the Paying Agent in London or (ii), at the option of the holder, at the specified office of any of the Paying Agents by a pounds sterling cheque drawn on a Town Clearing Branch of a bank in London or by transfer to a pounds sterling account maintained by the payee with a bank in London. No payment of principal or interest (including Arrears of Interest) in respect of the Bearer Bonds will be made to an address in the United States or by transfer to an account maintained by the payee in the United States. Without prejudice to the generality of the foregoing, the Bank reserves the right to require a Bondholder or Couponholder to provide a Paying Agent with such certification or information as may be required to enable the Bank to comply with the requirements of the United States federal income tax laws.

(c) Payments of principal and interest (including Arrears of Interest) in respect of each Registered Bond will (subject to Condition 3(b)) be made by a pounds sterling cheque drawn on a Town Clearing Branch of a bank in London and mailed on the due date for payment to the holder (or to the first named of joint holders) of the Registered Bond appearing in the register at the close of business on the fifteenth day before the relevant payment date (the "Record Date") at the address outside the United States shown in the register on the Record Date. Upon application of the holder of a Registered Bond to the specified office of the Registrar not less than three working days in London before a payment date, the relevant payment may (subject to Condition 3(b)) be made by transfer to a pounds sterling account maintained by the payee with a bank in London. Payments of principal and interest (including Arrears of Interest) in respect of the Registered Bonds are subject in all cases to the laws and regulations applicable in the place of payment.

(d) Upon the due date for repayment of any Bearer Bond, unmatured Coupons and talons appertaining to such Bearer Bond (whether or not attached) shall become void and no payment shall be made in respect of such Coupons and no exchange shall be made in respect of such talons. If the date for repayment of a Bearer Bond 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 Bearer Bond.

(e) In the event of a winding up in England of the Bank, all unmatured Coupons and talons shall become void and any payment of interest in respect of the Bearer Bonds to which such Coupons appertain shall be made only against presentation of such Bearer Bonds. In addition, in the event of such a winding up, each Bearer Bond which is presented for payment must be presented together with all Coupons appertaining thereto (whether or not attached) in respect of Arrears of Interest, failing which the amount of Arrears of Interest due on any such missing Coupon (or, in the case of payment not being made in full, that proportion of such amount which the amount so paid bears to the total amount payable in respect of such Bearer Bond (inclusive of Arrears of Interest and accrued interest)) will be deducted from the sum due for payment on presentation of such Bearer Bond. In the case of any such missing Coupon, the amount so deducted will be payable in the manner mentioned above against presentation and surrender of such Coupon within a period of 6 years from the Relevant Date (as defined in Condition 7) in relation to the payment of such amount.

For the purpose of these Conditions, “unmatured Coupon” means a Coupon in respect of which the applicable Interest Payment Date falls after the date fixed for the repayment of the Bearer Bond to which such Coupon appertains or, as the case may be, the date on which a winding up in England of the Bank commences (or is deemed to commence) and “unmatured talon” means a talon in respect of which the Interest Payment Date on and after which it may be exchanged falls on or after the date fixed for repayment of the Bearer Bond to which such talon appertains or, as the case may be, the date on which a winding up in England of the Bank commences (or is deemed to commence).

(f) If the due date for payment in respect of any Bond or Coupon is not, at the place of payment, a business day then the holder thereof shall not be entitled to payment at the place of payment of the amount due until the following business day in such place, nor to any interest or other payment in respect of such delay. In this paragraph, a “business day” in relation to any place means a day on which banks are open generally for business in such place and, in the case of payment by transfer to a pounds sterling account as referred to above, on which dealings in foreign currencies may be carried on in both London and such place.

(g) The Bank may, with the prior written approval of the Trustee, vary or terminate the appointment of any Paying Agent and/or appoint additional or other Paying Agents and/or approve any change in the specified office of any Paying Agent, provided that so long as any of the Bonds remains outstanding the Bank will maintain a Paying Agent with a specified office in continental Europe and, so long as the Bonds are listed on the London Stock Exchange (as defined in the Trust Deed), 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 Bank to the Bondholders in accordance with Condition 14.

(h) On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the talon comprised in such Coupon sheet may be surrendered at the specified office of any of the Paying Agents outside the United States in exchange for a further Coupon sheet (including a further talon), subject to the provisions of Condition 9, provided that the Bank may, by notice to the Bondholders in accordance with Condition 14, at any time or from time to time require any such exchange to be effected at the specified office(s) of one or certain only of the Paying Agents so specified in such notice.

7. Taxation

All payments of principal and interest (including Arrears of Interest) in respect of the Registered Bonds will be made subject to deduction of any United Kingdom tax required to be withheld at source.

All payments of principal and interest (including Arrears of Interest) in respect of the Bearer Bonds 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 United Kingdom or any authority in the United Kingdom having power to tax, unless the Bank is compelled by law to withhold or deduct such taxes or duties. In any such case, the Bank will pay such additional amounts as will result in the receipt by the Bondholders and/or the Couponholders concerned of the sum which would in the absence of such withholding or deduction be payable on the Bearer Bonds and/or the Coupons, provided that no such additional amount shall be payable in respect of any Bearer Bond or Coupon presented for payment:

- (a) by or on behalf of a holder who is liable to such taxes or duties in respect of such principal or interest by reason of his having some connection with the United Kingdom other than the mere holding of the Bearer Bond or the Coupon (as the case may be); or
- (b) in the United Kingdom if a Paying Agent with a specified office outside the United Kingdom has been appointed at which payments in respect of the Bearer Bonds or, as the case may be, Coupons can be made without any such withholding or deduction of United Kingdom tax; or
- (c) 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 given to the Bondholders in accordance with Condition 14 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 Condition 7 or under the Trust Deed.

8. Default and Enforcement

(a) If the Bank shall not make payment in respect of the Bonds (in the case of any payment of principal) for a period of seven days or more after the due date for the same or (in the case of any payment of interest) for a period of 14 days or more after a Compulsory Interest Payment Date or any other date upon which the payment of interest is compulsory, the Trustee may institute proceedings in England (but not elsewhere) for the winding up of the Bank, provided that it shall not have the right to institute such proceedings if and so long as the Bank withholds or refuses any such payment (i) in order to comply with any fiscal or other law or regulation or with the order of any court of competent jurisdiction, in each case applicable to such payment, or (ii) (subject as provided in the Trust Deed), in case of doubt as to the validity or applicability of any such law, regulation or order, in accordance with

advice given as to such validity or applicability at any time during the said period of seven or 14 days, as the case may be, by independent legal advisers acceptable to the Trustee. For the purposes of this paragraph (a) a payment shall be deemed to be due or compulsory even if the condition set out in Condition 3(b) is not satisfied.

(b) The Trustee may at its discretion and without further notice institute such proceedings against the Bank as it may think fit to enforce any obligation, condition or provision binding on the Bank under the Trust Deed, the Bonds or the Coupons (other than any obligation for the payment of any principal or interest in respect of the Bonds or Coupons) provided that the Bank shall not by virtue of the institution of any such proceedings be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.

(c) The Trustee shall not be bound to take the action referred to in paragraph (a) or (b) above to enforce the obligations of the Bank in respect of the Trust Deed, the Bonds or the Coupons unless (i) it shall have been so requested by an Extraordinary Resolution (as defined in the Trust Deed) of the Bondholders or in writing by the holders of at least 25 per cent. in principal amount of the Bonds then outstanding and (ii) it shall have been indemnified to its satisfaction.

(d) No Bondholder or Couponholder shall be entitled to institute any of the proceedings referred to in paragraph (a) or (b) above or to prove in the winding up of the Bank, except that if the Trustee, having become bound to proceed against the Bank as aforesaid, fails to do so, or, being able to prove in such winding up, fails to do so, in each case within a reasonable period, and in each such case 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 such proceedings and/or prove in the winding up of the Bank to the same extent and in the same jurisdiction (but not further or otherwise) that the Trustee would have been entitled so to do in respect of his Bonds and/or Coupons. No remedy against the Bank, other than the institution of the proceedings referred to in paragraph (a) or (b) above or proving in the winding up of the Bank, shall be available to the Trustee or the Bondholders or Couponholders whether for the recovery of amounts owing in respect of the Bonds or the Coupons or under the Trust Deed or in respect of any breach by the Bank of any of its obligations under the Trust Deed, the Bonds or the Coupons.

9. Prescription

Claims for payment of principal shall become void unless made within 12 years after the Relevant Date (as defined in Condition 7) in relation to payment thereof and claims for payment of interest shall become void unless made within 6 years after the Relevant Date in relation to payment thereof.

There shall not be included in any Coupon sheet issued on exchange of a talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition 9 or Condition 6(d) or any talon which would be void pursuant to Condition 6(d).

10. Modification of Conditions, Waiver and Substitution

(a) The Trust Deed contains provisions for convening meetings of the Bondholders to consider any matter affecting their interests, including the modification by Extraordinary Resolution of these Conditions or the provisions of the Trust Deed, except that the provisions relating to subordination are not 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 in respect of the Bonds, the rate of interest applicable thereto and the method of determining the Adjusted Price) 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 Bonds 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 Bonds for the time being outstanding, or at any adjourned meeting persons being or representing Bondholders whatever the principal amount of the Bonds held or represented by them. Any resolution duly passed at any such meeting shall be binding on all the Bondholders, whether present or not, and on all the Couponholders.

(b) The Trustee may agree, without the consent of the Bondholders or the Couponholders, to any modification of (subject to certain exceptions), or to any waiver or authorisation of any breach or proposed breach of any provision of, these Conditions or the Trust Deed which, in the opinion of the Trustee, is not materially prejudicial to the interests of the Bondholders or to any modification which is of a formal or technical nature or which is made to correct a manifest error.

(c) 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 Bondholders or the Couponholders, to the substitution of a Subsidiary of the Bank in place of the Bank as principal debtor under the Trust Deed, the Bonds and the Coupons, subject to the Bonds and Coupons being, to the satisfaction of the Trustee, guaranteed by the Bank on a subordinated basis equivalent to that mentioned in Condition 3, and so that the claims of the Bondholders and the Couponholders may, in the case of the substitution of a banking Subsidiary of the Bank in place of the Bank, be subordinated to the rights of all or any other creditors of that Subsidiary. For this purpose, the Trustee may agree, without the consent of the Bondholders or the Couponholders, to a change in the law governing the Trust Deed and/or the Bonds and/or the Coupons, provided that such change would not, in the opinion of the Trustee, be materially prejudicial to the interests of the Bondholders.

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

(d) Any such modification, waiver, authorisation or substitution shall be binding on the Bondholders and the Couponholders and, unless the Trustee agrees otherwise, any such modification or substitution shall be notified to the Bondholders as soon as practicable thereafter in accordance with Condition 14.

11. Replacement of Bonds, Coupons and Talons

If a Bond, 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 Bond, Coupon or talon, be replaced at the specified office of the Principal Paying Agent (in the case of a Bearer Bond, Coupon or talon) or the specified office of the Registrar (in the case of a Registered Bond) 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 Bank may reasonably require.

12. Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility. The Trustee is entitled to enter into business transactions with the Bank, the Holding Company or any other Subsidiary thereof without accounting for any profit resulting therefrom.

13. Further Issues

The Bank is at liberty from time to time, without the consent of the Bondholders or the Couponholders, to create and issue further bonds or notes either ranking (in the case of bonds) *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 Bonds or upon such terms as to interest, conversion, repayment and otherwise as the Bank may at the time of the issue thereof determine. Any further bonds or notes forming a single series with the outstanding bonds or notes of any series (including the Bonds) constituted by the Trust Deed or any Deed supplemental thereto shall, and any other further bonds or notes may (with the consent of the Trustee), be constituted by a Deed supplemental to the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Bondholders and the holders of bonds or notes of other series in certain circumstances where the Trustee so decides.

14. Notices

All notices to the Bondholders will be valid if published in a leading London daily newspaper (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 Bank, with the approval of the Trustee, shall determine. Any 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.

A copy of each such notice will on, or within three days after, the date on which it is so given be mailed to each registered holder (or to the first named of joint holders) of Registered Bonds at his address appearing in the register of holders of Registered Bonds.

15. Governing Law

Subject as mentioned in Condition 10, the Trust Deed, the Bonds and the Coupons are governed by and will be construed in accordance with the law of England and the English courts have jurisdiction in connection with the Trust Deed, the Bonds and the Coupons.

USE OF PROCEEDS

The net proceeds of the issue of the Bonds are estimated to amount to approximately £99,700,000 and will be used for the development and expansion of the business of the Bank and its subsidiaries (the "Group") and further to strengthen the capital base of the Bank.

THE BANK AND THE GROUP

Business

The Group is a U.K. based financial services group engaged primarily in the banking and investment banking businesses. In terms of assets employed, it is one of the largest financial services groups in the United Kingdom. The Group also operates in the financial markets of 76 other countries. In addition to servicing domestic markets, it is a principal provider of co-ordinated global services to multinational corporations and financial institutions from Group operations in the world's main financial centres. Principal activities include retail and corporate banking, investment banking and insurance. At 31st December, 1992 the total consolidated assets of the Group were £149,118 million, based on the audited balance sheet at that date, and £159,857 million as restated in the unaudited interim results referred to below because of regulatory changes in the presentation of the Group's accounts. The whole of the issued Ordinary share capital of the Bank is owned by Barclays PLC which is the ultimate holding company of the Group.

The loss before taxation of the Group in respect of the year ended 31st December, 1992 amounted to £242 million after charging credit risk provisions of £2,554 million. The corresponding figure for 1991 was a profit of £533 million after charging credit risk provisions of £1,758 million.

Interim Results

On 5th August, 1993, Barclays PLC announced an unaudited consolidated profit before taxation for the six months ended 30th June, 1993 of £335 million, after charging credit risk provisions of £997 million. The interim results reflect a loss of £285 million in respect of certain assets and activities in the United States which have been identified as unlikely to be of long-term interest to the Group and against which heavy provisions, including a general provision charge of £108 million, have been made in the period. The profit before taxation for the corresponding period of 1992 was £51 million, after credit risk provisions of £1,048 million.

The interim announcement contained the following statement as to trading prospects:

"The factors that have adversely affected the Group's results for the past two years have not abated significantly. Levels of non-performing lendings, particularly in the personal and small corporate sectors, remain high and the Group's results will continue to be affected by the state of the property sector in its principal markets. As a consequence, provisions for bad debts and the loss of income on non-accrual lendings are expected to remain at a high level in the second half of 1993."

Capitalisation

The authorised share capital of the Bank is 2,500,000,000 Ordinary Shares of £1 each, of which 2,001,000,000 shares are issued and fully paid, and 150,000,000 Preference Shares of U.S.\$0.01 each, of which 54,920,000 shares constitute the issued and fully paid Series A Non-cumulative Dollar-denominated Preference Shares, Series B Non-cumulative Dollar-denominated Preference Shares, Series C1 and C2 Non-cumulative Dollar-denominated Preference Shares and Series D1 and Series D2 Non-cumulative Dollar-denominated Preference Shares of the Bank.

The following table sets out the shareholders' funds of the Group at 31st December, 1992 based on the audited consolidated balance sheet at that date, together with the undated loan capital and dated loan capital of the Group at 31st August, 1993:—

Shareholders' Funds at 31st December, 1992

	<i>£ million</i>
Issued and fully paid share capital.....	1,996
Reserves.....	3,818
	<u>5,814</u>

Undated Loan Capital at 31st August, 1993

	<i>£ million</i>
The Bank:	
Junior Undated Floating Rate Notes (U.S.\$331 million).....	222
Undated Floating Rate Primary Capital Notes Series 1 (U.S.\$600 million).....	403
Undated Floating Rate Primary Capital Notes Series 2 (U.S.\$869 million).....	584
Undated Floating Rate Primary Capital Notes Series 3.....	200
8% Convertible Capital Notes, Series E (U.S.\$500 million)	336
9.875% Undated Subordinated Notes	300
	<u>2,045</u>

Dated Loan Capital at 31st August, 1993

£ million

The Bank:

8¼% Unsecured Capital Loan Stock 1986/93	59
10¼% Senior Subordinated Bonds 1997	250
12¾% Senior Subordinated Bonds 1997	200
8.8% Subordinated Redeemable Bonds 1998 (FFr 600 million)	69
9.5% Subordinated Redeemable Bonds 2001 (FFr 350 million)	40
Floating Rate Senior Subordinated Bonds 2001	50
16% Unsecured Capital Loan Stock 2002/07	100
Floating Rate Unsecured Capital Loan Stock 2006	7
12% Unsecured Capital Loan Stock 2010	25
Floating Rate Unsecured Capital Loan Stock 2010	1

Barclays Overseas Investment Company B.V.:

6% Guaranteed Bonds 1996 (¥40,000 million)	257
8½% Unsecured Bearer Bonds 1983/98 (DM 250 million)	100
Guaranteed Floating Rate Notes 2001 (ECU 105 million)	80
Guaranteed Floating Rate Notes 2004 (U.S.\$350 million)	235
Guaranteed Notes 2007 (¥15,000 million)	96

Barclays North American Capital Corporation:

11½% Guaranteed Capital Notes 2003 (U.S.\$400 million)	269
10½% Guaranteed Capital Notes 2017 (U.S.\$400 million)	269
9¾% Guaranteed Capital Notes 2021 (U.S.\$500 million)	336

2,443

The figures set out above in respect of the undated loan capital and dated loan capital of the Group have not been audited and take no account of liabilities between members of the Group.

The Junior Undated Floating Rate Notes (the "Junior Notes") rank behind the claims against the Bank of depositors and other unsecured unsubordinated creditors and holders of dated loan capital. The three series of Undated Floating Rate Primary Capital Notes (the "Series 1 Notes", the "Series 2 Notes" and the "Series 3 Notes", respectively), the Convertible Capital Notes, Series E (the "Series E Notes") and the Undated Subordinated Notes rank behind the claims against the Bank of the holders of the Junior Notes. The Junior Notes, the Series 1 Notes, the Series 2 Notes and the Series E Notes are expressed in sterling at the exchange rate prevailing on 31st August, 1993. The Junior Notes, the Series 1 Notes and the Series 2 Notes bear interest at rates fixed in advance for periods of six months, the rate in force on 31st August, 1993 for the Junior Notes being 3.5 per cent., for the Series 1 Notes 3.625 per cent. and for the Series 2 Notes 3.5625 per cent. The Series 3 Notes bear interest at rates fixed in advance for periods of three months, the rate in force on 31st August, 1993 being 6.5625 per cent.

The dated loan capital of the Bank has been issued on the basis that the claims thereunder against the Bank are subordinated to the claims of depositors and other unsecured unsubordinated creditors. The dated loan capital of Barclays Overseas Investment Company B.V. and of Barclays North American Capital Corporation carries the guarantee of the Bank which is subordinated on a similar basis. Dated loan capital in foreign currencies is expressed in sterling at the exchange rates prevailing on 31st August, 1993. The Floating Rate Senior Subordinated Bonds 2001, the Floating Rate Unsecured Capital Loan Stock 2006 and the Guaranteed Floating Rate Notes 2001 bear interest at rates fixed in advance for periods of six months. The Floating Rate Unsecured Capital Loan Stock 2010 bears interest at rates fixed in advance for periods of three months. At 31st August, 1993 the rates in force were 6.4875 per cent. on the 2001 Bonds, 5.875 per cent. on the 2006 Loan Stock, 9.0825 per cent. on the 2001 Notes and 5.875 per cent. on the 2010 Loan Stock. The coupons of the Guaranteed Notes 2007 have been swapped until March 2002, resulting in an interest rate payable until then of LIBOR plus 40 basis points, the rate in force on 31st August, 1993 being 3.65 per cent. After March 2002, the coupon on the 2007 Notes will be LIBOR plus 115 basis points. Both rates on the 2007 Notes are fixed in advance for periods of three months.

The Series E Notes are convertible, at the option of the Bank, into Non-cumulative Dollar-denominated Preference Shares of the Bank.

On 8th September, 1993, Barclays Overseas Investment Company B.V. redeemed all of its outstanding U.S.\$350,000,000 Guaranteed Floating Rate Notes due 2004.

Since 31st August, 1993 the Bank has purchased for cancellation U.S.\$299,165,000 in aggregate principal amount of the Junior Notes, Series 1 Notes and Series 2 Notes.

Save as mentioned above, there has been no material change in the authorised and issued share capital of the Bank since 31st December, 1992 nor, save as aforesaid, has there been any material change in the undated loan capital and dated loan capital of the Group since 31st August, 1993.

Directors

The Directors of the Bank, each of whose business address is Johnson Smirke Building, 4 Royal Mint Court, London EC3N 4HJ, their functions in relation to the Group and their principal outside activities (if any) of significance to the Group are as follows:—

<i>Name</i>	<i>Function within the Group</i>	<i>Principal outside activity</i>
Andrew Robert Fowell Buxton	Chairman and Chief Executive	—
Sir Martin Jacomb	Deputy Chairman (Non-executive)	Chairman, Postel Investment Management Limited
Sir Peter Middleton, GCB	Deputy Chairman; Chairman, BZW Division	—
Humphrey Thomas Norrington	Vice-Chairman	—
Francis Alastair Lavie Robinson	Vice-Chairman and Chief Executive, Banking Division	—
Mary Elizabeth Baker	Non-Executive Director	—
David Band	Chief Executive, BZW Division	—
Sir Derek Birkin, TD	Non-Executive Director	Chairman, The RTZ Corporation PLC
The Rt. Hon. The Lord Camoys	Deputy Chairman, BZW Division	—
Sir Denys Henderson	Non-Executive Director	Chairman, Imperial Chemical Industries PLC
The Rt. Hon. The Lord Lawson of Blaby, P.C.	Non-Executive Director	—
Sir Nigel Mobbs, DL	Non-Executive Director	Chairman and Chief Executive, Slough Estates plc
Shijuro Ogata	Non-Executive Director	—
Jan Peelen	Non-Executive Director	Director, Unilever PLC
Sir James Spooner	Non-Executive Director	Director, John Swire and Sons Limited
Oliver Henry James Stocken	Finance Director	—
Sir Patrick Wright, GCMG	Non-Executive Director	—

It was announced on 19th August, 1993 that Mr Martin Taylor, currently the Chairman and Chief Executive of Courtaulds Textiles plc, is to become a Director of the Bank on 1st November, 1993 and Group Chief Executive on 1st January, 1994.

UNITED KINGDOM TAXATION

The following is a summary of certain United Kingdom tax implications of the holding and disposal of the Bonds. It is not an exhaustive summary and in particular does not deal with the position of certain classes of Bondholders, such as those who are dealers in securities or resident for tax purposes in jurisdictions outside the United Kingdom.

Bondholders who are in any doubt as to their tax position should consult their professional advisers without delay.

1. The Bearer Bonds will constitute "quoted Eurobonds" within the terms of Section 124 of the Income and Corporation Taxes Act 1988, provided that they continue to be in bearer form and quoted on a recognised stock exchange within the meaning of Section 841 of that Act. If these conditions are satisfied, payments of interest may be made without withholding or deduction for or on account of United Kingdom income tax where:—

- (a) the person by or through whom the payment is made is not in the United Kingdom; or
- (b) the payment is made by or through a person who is in the United Kingdom and
 - (i) it is proved, on a claim in that behalf to the Board of Inland Revenue, that the person beneficially entitled to the interest and to the relative Bond (or, if different, the person whose income the interest is deemed to be for United Kingdom tax purposes) is not resident in the United Kingdom for tax purposes; or
 - (ii) the Bond and Coupon are held by one and the same person in a "recognised clearing system" (Cedel and Euroclear have each been designated as a "recognised clearing system" for this purpose).

2. In all other cases, including in particular Registered Bonds, interest will be paid under deduction of United Kingdom income tax at the basic rate (currently 25 per cent.) subject to such relief as may be available under the provisions of any applicable double taxation treaty.

3. A collecting agent in the United Kingdom obtaining payment of interest on behalf of a holder of a Bearer Bond which is a quoted Eurobond as described above or Coupon relating to such a Bond where either:—

- (a) payment was not made by or entrusted to any person in the United Kingdom; or
- (b) the Bond and Coupon are held in a "recognised clearing system" (for which see above)

may be required to withhold or deduct for or on account of United Kingdom income tax at the basic rate unless it is proved, on a claim in that behalf made in advance and in the required manner to the Board of Inland Revenue, that the beneficial owner of the Bond and Coupon entitled to the interest is not resident in the United Kingdom.

4. Interest on Bonds will constitute United Kingdom source income for United Kingdom tax purposes and, as such, remains subject to United Kingdom income tax by direct assessment even though paid gross. However, under long standing Inland Revenue practice (published as Extra-Statutory Concession B.13) no action is normally taken to pursue any such income tax liability where the beneficial owner of the interest is and remains not resident in the United Kingdom throughout the relevant tax year and is neither chargeable in the name of a United Kingdom trustee or other person mentioned in Section 72 of the Taxes Management Act 1970 nor has a United Kingdom branch or agent which has the management or control of the interest, except insofar as the tax can be recovered by a set-off on a claim for relief in respect of taxed income from United Kingdom sources. This concession does not apply to the corporation tax chargeable on the income of the United Kingdom branch or agency of a non-resident company or to income tax which is chargeable on the profits of a trade carried on in the United Kingdom. Furthermore, United Kingdom tax otherwise payable may be reduced under the provisions of any applicable double taxation treaty.

5. Bearer Bondholders should note that the provisions relating to payments of further sums referred to under "Conditions of the Bonds—Taxation" above would not apply if the Inland Revenue sought to assess the person entitled to the relevant interest directly to United Kingdom tax on interest. However, exemption from or reduction of such United Kingdom tax liability might be available under any applicable double taxation treaty.

6. A disposal of a Bond by a holder resident or (in the case of an individual) ordinarily resident for tax purposes in the United Kingdom, or who carries on a trade in the United Kingdom through a branch or agency for the purposes of which the Bond is used or held, may give rise to a charge to tax on income in respect of the interest on the Bond which has accrued since the preceding interest payment date under the provisions of the "accrued interest scheme".

7. The Bonds will constitute "qualifying corporate bonds" with the result that on a disposal of a Bond neither a chargeable gain nor an allowable loss will arise for the purposes of United Kingdom taxation of capital gains.

8. The Bonds will constitute "equity notes" within the terms of Section 209(9) of the Income and Corporation Taxes Act 1988. Accordingly, payments on the Bonds will be treated as distributions for United Kingdom tax purposes (and not as interest) if the Bonds are at the time of the payment held by a company which is an associated company of the Bank or is a "funded company". For these purposes, a company is a "funded company" if there are arrangements involving the company being put in funds (directly or indirectly) by the Bank or a company associated with the Bank. The Inland Revenue have indicated that a company which incidentally holds an equity note issued by a company with which it (directly or indirectly) has a business relationship will in practice not be treated for that reason alone as a "funded company".

9. No United Kingdom stamp duty or stamp duty reserve tax should arise on the issue or transfer of Bearer Bonds or Registered Bonds.

SUBSCRIPTION AND SALE

Under a Subscription Agreement entered into with the Bank on 1st October, 1993, Barclays de Zoete Wedd Limited, Kidder, Peabody International Limited, Goldman Sachs International Limited, Salomon Brothers International Limited and Cazenove & Co. (the "Managers") have jointly and severally agreed to subscribe for the Bonds at the issue price of 100.458 per cent. of their principal amount, less a selling concession of 0.375 per cent. of such principal amount. The Bank has agreed to pay to the Managers a combined management and underwriting commission of 0.375 per cent. of the principal amount of the Bonds. The Subscription Agreement is subject to termination in certain circumstances prior to payment to the Bank.

The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Bonds are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a U.S. person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder.

Each Manager has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver Bonds (i) as part of their distribution at any time, or (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date (as defined in the Subscription Agreement), within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Bonds during the restricted period a confirmation or other notice setting forth the restrictions on offers and sales of Bonds within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering, an offer or sale of Bonds within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

Each Manager has represented and agreed that (i) it did not offer or sell in the United Kingdom or elsewhere, by means of any document, any Bonds prior to application for listing of the Bonds being made in accordance with Part IV of the Financial Services Act 1986 (other than in circumstances which did not constitute an offer to the public within the meaning of the Companies Act 1985), (ii) it has complied and will comply with all applicable provisions of the Financial Services Act 1986 with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom and (iii) it has only issued or passed on, and will only issue or pass on, in the United Kingdom any document received by it in connection with the issue of the Bonds, other than the Offering Circular in final form or any document which consists of or any part of listing particulars, supplementary listing particulars or any other document required or permitted to be published by listing rules under Part IV of the Financial Services Act 1986, to a person who is of a kind described in Article 9(3) of the Financial Services Act 1986 (Investment Advertisements) (Exemptions) Order 1988, as amended, or is a person to whom the document may otherwise lawfully be issued or passed on.

Each Manager has represented and agreed that it will only sell Bonds in compliance with the laws and regulations in any jurisdiction applicable to such sale.

GENERAL INFORMATION

The listing of the Bonds on the London Stock Exchange will be expressed as a percentage of their principal amount (exclusive of accrued interest). It is expected that listing of the Bonds on the London Stock Exchange will be granted on 6th October, 1993 subject only to the issue of the temporary Global Bond and the definitive Registered Bonds. If the temporary Global Bond and the definitive Registered Bonds are not issued as mentioned in this document, the issue of the Bonds may be cancelled. Prior to official listing, however, dealings in Bonds will be permitted by the London Stock Exchange in accordance with its rules. Transactions will normally be effected for settlement in pounds sterling and for delivery on the fifth working day after the date of the transaction.

The Bonds have been accepted for clearance through Cedel and Euroclear under common code number 4613201. Pending delivery of Bearer Bonds in definitive form, a record of transactions in the Bearer Bonds will be kept by Cedel and/or Euroclear. The International Securities Identification Number for the Bonds is XS0046132014.

All Bonds and Coupons will carry a legend to the following effect: "Any United States person who holds this obligation may 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 persons, with certain exceptions, will not be entitled to deduct any loss, and will not be entitled to capital gains treatment with respect to any gain, realised on any sale, exchange or redemption of a Bond or Coupon.

In 1991, the House of Lords, in ruling that U.K. local authorities have no power to enter into swap transactions, did not decide whether banks or local authorities could recover payments previously made in respect of such transactions. The High Court held in two cases in February 1993 that all payments, whether made by a bank or a local authority, and whether paid under a closed or open swap, are recoverable. One of these cases is subject to appeal. The appeal is due to be heard in December 1993. The Group has made no provision relating to any such payments that may now be made or received by the Group, as the Directors do not believe that they would have a significant effect on the financial position of the Group. The value of open transactions entered into by the Group, and fully provided against in previous years, was written off in 1991.

There are no legal or arbitration proceedings pending or, so far as the Bank is aware, threatened against the Bank or any of its subsidiaries which may have, or have had during the period of 12 months ending on the date of this document, a significant effect on the financial position of the Group taken as a whole.

Save as mentioned under "Interim Results" on page 12, since 31st December, 1992 there has been no significant change in the financial or trading position of the Bank or the Group taken as a whole, nor, save as aforesaid, has there been any material adverse change in the financial position or prospects of the Bank or the Group taken as a whole.

No optional repayment of the Bonds will be made by the Bank without the prior consent of the Bank of England.

The principal office of the Bank is at Johnson Smirke Building, 4 Royal Mint Court, London EC3N 4HJ.

The annual consolidated accounts of the Bank and its subsidiaries for each of the three years ended 31st December, 1992 have been audited by Price Waterhouse. Those accounts contained unqualified audit reports under Section 235 of the Companies Act 1985.

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 Lovell White Durrant, 65 Holborn Viaduct, London EC1A 2DY for a period of 14 days from the date hereof:—

- (i) the Memorandum and Articles of Association of the Bank;
- (ii) the published consolidated Report and Accounts of the Bank and its subsidiaries for the years ended 31st December, 1991 and 31st December, 1992, together with the unaudited interim report of Barclays PLC for the half year ended 30th June, 1993;
- (iii) the Subscription Agreement;
- (iv) the principal Trust Deed dated 2nd July, 1985 constituting the Series 1 Notes, the First Supplemental Trust Deed dated 14th February, 1986 and the Second Supplemental Trust Deed dated 4th September, 1989 together constituting the Series 2 Notes, the Third Supplemental Trust Deed dated 16th October, 1989 constituting the Series 3 Notes, the Fourth Supplemental Trust Deed dated 28th September, 1990 modifying the provisions of the First Supplemental Trust Deed and the Second Supplemental Trust Deed and the Fifth Supplemental Trust Deed dated 12th May, 1993 and the Sixth Supplemental Trust Deed dated 25th June, 1993 together constituting the Series 4 Notes;
- (v) a draft, subject to amendment, of the Seventh Supplemental Trust Deed to constitute the Bonds, including the forms of Bonds, Coupons and talons; and
- (vi) a draft, subject to amendment, of the Agency Agreement in relation to the Bonds.

**SECRETARY AND REGISTERED
OFFICE OF THE BANK**

J.M.D. Atterbury
54 Lombard Street
London EC3P 3AH

TRUSTEE FOR THE BONDHOLDERS

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London EC2N 2AB

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Price Waterhouse
Chartered Accountants and Registered Auditor
Southwark Towers
32 London Bridge Street
London SE1 9SY

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London EC1A 2DY

To the Managers
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Barrington House
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London EC2V 7JA

To the Trustee
Allen & Overy
9 Cheapside
London EC2V 6AD

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PRINCIPAL PAYING AGENT

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BGSS Depository Services
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