

APPLICATION FORMS MUST BE SENT TO THE BANK OF ENGLAND, NEW ISSUES, PO BOX 444, GLOUCESTER, GL1 1NP TO ARRIVE NOT LATER THAN 10.00 A.M. ON WEDNESDAY, 29TH JANUARY 1992; OR LODGED BY HAND AT THE CENTRAL GILTS OFFICE, BANK OF ENGLAND, BANK BUILDINGS, 19 OLD JEWRY, LONDON NOT LATER THAN 10.00 A.M. ON WEDNESDAY, 29TH JANUARY 1992; OR LODGED BY HAND AT ANY OF THE BRANCHES OR AGENCIES OF THE BANK OF ENGLAND NOT LATER THAN 3.30 P.M. ON TUESDAY, 28TH JANUARY 1992.

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ISSUE OF £1,800,000,000

# 9 $\frac{3}{4}$ per cent TREASURY STOCK, 2002

FOR AUCTION ON A BID PRICE BASIS

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PAYABLE AS FOLLOWS:

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|-------------------------------|-----------------------------|
| Deposit on application:       |                             |
| with a competitive bid        | Price bid less £75 per cent |
| with a non-competitive bid    | £25 per cent                |
| Balance of purchase money:    |                             |
| On Monday, 24th February 1992 | £40 per cent                |
| On Thursday, 26th March 1992  | £35 per cent                |

INTEREST PAYABLE HALF-YEARLY ON 27TH FEBRUARY AND 27TH AUGUST

*This Stock will, on issue, be an investment falling within Part II of the First Schedule to the Trustee Investments Act 1961. Application has been made to the Council of The International Stock Exchange for the Stock to be admitted to the Official List on 30th January 1992.*

1. THE GOVERNOR AND COMPANY OF THE BANK OF ENGLAND are authorised to receive bids for the above Stock.
2. The principal of and interest on the Stock will be a charge on the National Loans Fund, with recourse to the Consolidated Fund of the United Kingdom.
3. The Stock will be repaid at par on 27th August 2002.
4. The Stock will be registered at the Bank of England or at the Bank of Ireland, Belfast, and will be transferable, in multiples of one penny, by instrument in writing in accordance with the Stock Transfer Act 1963. Stock registered at the Bank of England held for the account of members of the Central Gilts Office (CGO) Service will also be transferable, in multiples of one penny, by exempt transfer in accordance with the Stock Transfer Act 1982 and the relevant subordinate legislation. Transfers will be free of stamp duty.
5. Interest will be payable half-yearly on 27th February and 27th August. Income tax will be deducted from payments of more than £5 per annum. Interest warrants will be transmitted by post. Interest will accrue from Thursday, 30th January 1992 and the first interest payment will be made on 27th August 1992 at the rate of £4.8190 per £100 of the Stock.

## Method of Application

6. Bids may be made on either a competitive or a non-competitive basis, as set out below, and must be submitted on the application form published with this prospectus. Each application form must comprise either one competitive bid or one non-competitive bid. Separate arrangements have been made under which gilt-edged market makers may make competitive bids by telephone to the Bank of England not later than 10.00 a.m. on Wednesday, 29th January 1992.
7. Application forms must be sent to the Bank of England, New Issues, PO Box 444, Gloucester, GL1 1NP to arrive not later than **10.00 A.M. ON WEDNESDAY, 29TH JANUARY 1992**; or lodged by hand at the Central Gilts Office, Bank of England, Bank Buildings, 19 Old Jewry, London not later than **10.00 A.M. ON WEDNESDAY, 29TH JANUARY 1992**; or lodged by hand at any of the Branches or Agencies of the Bank of England not later than **3.30 P.M. ON TUESDAY, 28TH JANUARY 1992**. Bids will not be revocable between 10.00 a.m. on Wednesday, 29th January 1992 and 10.00 a.m. on Monday, 3rd February 1992.

8. Each bid must be for a minimum amount and in a multiple of Stock as follows:—

| <i>Amount of Stock applied for</i>           | <i>Multiple</i> |
|--|-----------------|
| <b>Competitive bids (minimum £500,000)</b>   |                 |
| £500,000-£1,000,000                          | £100,000        |
| £1,000,000 or greater                        | £1,000,000      |
| <b>Non-competitive bids (minimum £1,000)</b> |                 |
| £1,000-£10,000                               | £1,000          |
| £10,000-£50,000                              | £5,000          |
| £50,000-£500,000                             | £25,000         |

#### 9. COMPETITIVE BIDS

(i) Each competitive bid must be for one amount and at one price expressed as a multiple of 1/32nd of £1 and must be for a minimum of £500,000 nominal of Stock.

(ii) Unless the applicant is a member of the CGO Service, a separate cheque representing the **DEPOSIT DUE, i.e. THE PRICE BID LESS £75 FOR EVERY £100 NOMINAL OF STOCK BID FOR**, must accompany each competitive bid. Cheques must be drawn on a branch or office, situated within the Town Clearing area, of a settlement member of CHAPS and Town Clearing Company Limited.

(iii) Her Majesty's Treasury reserve the right to reject any competitive bid or part of any competitive bid. Competitive bids will be ranked in descending order of price and allotments will be made to applicants whose competitive bids are at or above the lowest price at which Her Majesty's Treasury decide that any competitive bid should be accepted (the lowest accepted price). **APPLICANTS WHOSE COMPETITIVE BIDS ARE ACCEPTED WILL BE ALLOTTED STOCK AT THE PRICES WHICH THEY BID: competitive bids which are accepted and which are made at prices above the lowest accepted price will be allotted in full; competitive bids which are accepted and which are made at the lowest accepted price may be allotted in full or in part only.**

#### 10. NON-COMPETITIVE BIDS

(i) A non-competitive bid must be for not less than £1,000 nominal and not more than £500,000 nominal of Stock, and must be in one of the multiples described in paragraph 8 above.

(ii) Only one non-competitive bid may be submitted for the benefit of any one person. Multiple applications or suspected multiple applications are liable to be rejected.

(iii) Unless the applicant is a member of the CGO Service, a separate cheque representing a **DEPOSIT AT THE RATE OF £25 FOR EVERY £100 NOMINAL OF STOCK APPLIED FOR** must accompany each non-competitive bid; cheques must be drawn on a bank in, and be payable in, the United Kingdom, the Channel Islands or the Isle of Man.

(iv) Her Majesty's Treasury reserve the right to reject any non-competitive bid. All allotments which are made to non-competitive applicants will be made in full **AT A PRICE (the non-competitive allotment price) EQUAL TO THE AVERAGE OF THE PRICES AT WHICH COMPETITIVE BIDS HAVE BEEN ACCEPTED, the average being weighted by reference to the amount accepted at each price and ROUNDED DOWN TO THE NEAREST MULTIPLE OF 1/32ND OF £1.**

(v) If the non-competitive allotment price is less than £100 per cent, the amount by which the amount paid as deposit exceeds the non-competitive allotment price less £75 per cent will be refunded by cheque despatched by post at the risk of the applicant.

(vi) If the non-competitive allotment price is greater than £100 per cent, applicants whose non-competitive bids are accepted may be required to pay a further deposit equal to the non-competitive allotment price less £100 for every £100 nominal of Stock allocated to them. An applicant from whom a further deposit is required will be notified by letter by the Bank of England of the amount of Stock allocated to him and of the further deposit due, but such notification will confer no right on the applicant to transfer the amount of Stock so allocated. The despatch of allotment letters to applicants from whom a further deposit is required will be delayed until such further deposit has been made.

11. Her Majesty's Treasury may allot to applicants less than the full amount of the Stock. Any balance of Stock not allotted to applicants will be allotted at the lowest accepted price to the Governor and Company of the Bank of England, Issue Department.

12. Letters of allotment in respect of Stock allotted, being the only form in which the Stock (other than amounts held in the CGO Service for the account of members) may be transferred prior to registration, will be despatched by post at the risk of the applicant, but the despatch of any letter of allotment, and any refund of the balance of the amount paid as deposit, may at the discretion of the Bank of England be withheld until the applicant's cheque has been paid. In the event of such withholding, the applicant will be notified by letter by the Bank of England of the acceptance of his application and of the amount of Stock allocated to him, subject in each case to the payment of his cheque, but such notification will confer no right on the applicant to transfer the Stock so allocated.

13. No allotment will be made for a less amount than £1,000 Stock. In the event of partial allotment, the balance of the amount paid as deposit will, when refunded, be remitted by cheque despatched by post at the risk of the applicant; if no

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

14. Letters of allotment may be split into denominations of multiples of £100 on written request to the Bank of England, New Issues, Southgate House, Southgate Street, Gloucester, GL1 1UW received not later than 24th March 1992. Such requests must be signed and must be accompanied by the letters of allotment (but a letter cannot be split if any payment is overdue).

15. Subject to the provisions governing membership of the CGO Service, a member of that Service may, by completing Section D of the application form, request that any Stock allotted to him be credited direct to his account in the CGO on Thursday, 30th January 1992 by means of a member-to-member delivery from an account in the name of the Governor and Company of the Bank of England, New Issues Account. Failure to accept such delivery by the deadline for member-to-member deliveries under the rules of the CGO Service on 30th January 1992 shall for the purposes of this prospectus constitute default in due payment of the deposit payable in respect of the relevant Stock. A member of the CGO Service may also, subject to the provisions governing membership of that Service, surrender a partly-paid letter of allotment to the CGO for cancellation and for the Stock comprised therein to be credited to the member's account. The member who is shown by the accounts of the CGO as being entitled to any Stock shall, to the exclusion of all persons previously entitled to such Stock and any person claiming any entitlement thereto, both be treated as entitled to such Stock as if that member were the holder of a letter of allotment and be liable for the payment of any amount due in respect of such Stock. A member will be entitled at any time prior to registration to withdraw, in multiples of £100, Stock credited to the member's account and to obtain a partly-paid letter of allotment comprising such Stock, and such member shall be liable for the payment of all amounts becoming due thereafter in respect of such Stock unless and until that letter of allotment is surrendered to the CGO for cancellation as aforesaid.

16. Payment of the call due on 24th February 1992 and the final instalment due on 26th March 1992 must be sent to the Bank of England, New Issues, Southgate House, Southgate Street, Gloucester, GL1 1UW. Letters of allotment must be surrendered for registration, accompanied by a completed registration form, when the final instalment is paid, unless payment in full has been made before the due date, in which case they must be surrendered for registration not later than 26th March 1992; payment of the call and final instalment and registration of Stock held for the account of members of the CGO Service will be effected under separate arrangements.

17. Until the close of business on 23rd July 1992, stock issued in accordance with this prospectus will be known as 9¾ per cent Treasury Stock, 2002 "C". The interest due on 27th August 1992 will be paid separately on holdings of the existing 9¾ per cent Treasury Stock, 2002 and on holdings of "C" stock registered at the close of business on 23rd July 1992; consequently, interest mandates, authorities for income tax exemption and other notifications recorded in respect of holdings of existing stock will not be applied to the payment of interest due on 27th August 1992 on holdings of "C" stock.

18. Transfers of 9¾ per cent Treasury Stock, 2002 "C" may be lodged at the Bank of England for registration in that form up to 21st July 1992. After this date, for purposes of certification, the "C" stock will not be distinguished from the existing 9¾ per cent Treasury Stock, 2002. From the opening of business on 24th July 1992, the "C" stock will be amalgamated on the register with the existing stock. CGO account balances will have been amalgamated from the opening of business on 22nd July 1992.

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

#### *Government Statement*

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

BANK OF ENGLAND  
LONDON

21st January 1992