

£4% CONSOLIDATED LOAN.

Redeemable at par on any half-yearly Interest date on or after 1st February, 1957, at the option of His Majesty's Government, at three months' notice.

INTEREST PAYABLE HALF-YEARLY on the 1st FEBRUARY and 1st AUGUST.

First Dividend of £1 : 5s. per £100 payable 1st August, 1927.

PRICE OF ISSUE £85 PER CENT.

PAYABLE AS FOLLOWS :

On Application	£ 2 per Cent.
On Tuesday, 1st February, 1927	£13 „
On Wednesday, 6th April	£25 „
On Wednesday, 4th May	£45 „
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	£85 per Cent.

The Stock is an investment authorised by "The Trustee Act, 1925."

THE GOVERNOR AND COMPANY OF THE BANK OF ENGLAND are authorised to receive applications for the above Loan.

The Principal and Interest of the Loan will be a charge on the Consolidated Fund of the United Kingdom.

The Loan will not be redeemable before the 1st February, 1957, but on and after that date may be redeemed at par on any half-yearly interest date at the option of His Majesty's Government on three months' notice being given in the *London Gazette*.

His Majesty's Government undertake, for a period of ten years commencing on the 1st May, 1927, and ending on the 30th April, 1937, so long as the price of the Loan is at or below par, to apply monies at the rate of £2,500,000 during each quarter year to the purchase of the Loan in the Market for cancellation.

5 % TREASURY BONDS DUE 1st FEBRUARY, 1927.

Holders of the above Bonds may surrender their holdings, in whole or in part, and receive therefor 4 % Consolidated Loan at the rate of £117 : 15s.— Consolidated Loan for each £100 nominal 5 % Treasury Bonds then payable.

Holders who accept this offer will receive the interest payable on the 1st February, 1927, in respect of the 5 % Treasury Bonds then due and a full half-year's interest on the 4 % Consolidated Loan will be paid on the 1st August, 1927.

Applications for the conversion of Registered Bonds transferable by Deed must be accompanied by the relative Register Certificates ; applications for the conversion of Bearer Bonds must be accompanied by the relative Bonds from which the Coupons due the 1st February, 1927, must first be detached.

Inscribed or Registered Holdings will be convertible into Stock which will in each case be transferable in the same manner as the converted holding. Bearer Bonds will be convertible into Stock " transferable in the Books " or " transferable by Deed " at the option of the holder. Stock will be exchangeable, in due course, for Bonds to Bearer.

5 % NATIONAL WAR BONDS DUE 1st OCTOBER, 1927.

4 % NATIONAL WAR BONDS DUE 1st OCTOBER, 1927.

Holders of these Bonds may surrender their holdings, in whole or in part, and receive therefor—

4 % Consolidated Loan at the rate of £124 : 5s.— Consolidated Loan for each £100 nominal 5 % National War Bonds, due 1st October, 1927.

4 % Consolidated Loan at the rate of £118— Consolidated Loan for each £100 nominal 4 % National War Bonds, due 1st October, 1927.

Interest from the 1st October, 1926, to the 1st February, 1927, on the surrendered holdings will be paid on the 1st February, 1927, and a full half-year's interest on the 4 % Consolidated Loan will be paid on the 1st August, 1927.

Applications for the conversion of Registered Bonds transferable by Deed must be accompanied by the relative Register Certificates ; applications for the conversion of Bearer Bonds must be accompanied by the relative Bonds together with all coupons due subsequent to the 1st October, 1926.

Inscribed or Registered Holdings will be convertible into Stock which will in each case be transferable in the same manner as the converted holding. Bearer Bonds will be convertible into Stock " transferable in the Books " or " transferable by Deed " at the option of the holder. Stock will be exchangeable, in due course, for Bonds to Bearer.

Commission as under will be paid to Bankers and Stockbrokers in respect of accepted applications bearing their stamp, viz. :—

On applications to be paid for in Cash	{ 5s. per £100 nominal 4 % Consolidated Loan allotted.
On Conversion Applications received by the Bank of England or the Bank of Ireland not later than Friday, 7th January, 1927	{ 5s. per £100 nominal 5 % Treasury Bonds, 1927, or 5 % National War Bonds, 1927, or 4 % National War Bonds, 1927, surrendered.
On Conversion Applications received by the Bank of England or the Bank of Ireland after the 7th January, 1927	{ 2s. 6d. per £100 nominal 5 % Treasury Bonds, 1927, or 5 % National War Bonds, 1927, or 4 % National War Bonds, 1927, surrendered.

The Books of the Loan will be kept at the Bank of England. Holdings may be in the form of:—

1. Inscribed Stock "transferable in the Books";
2. Registered Stock "transferable by Deed"; or
3. Bonds to Bearer in denominations of £50, £100, £200, £500, £1,000 and £5,000;

and the several holdings will be interchangeable without payment of any fee. Stock will be transferable in sums which are even multiples of one penny.

Interest will be paid half-yearly on the 1st February and the 1st August. A first payment of £1:5s. per Cent. will be made on the 1st August, 1927. Interest on Stock will be paid by warrants transmitted by post; Income Tax will be deducted from all dividends of more than £5 per annum, except in cases in which instructions to the contrary are given by the Inland Revenue Authorities. Interest on Bonds to Bearer will be paid by coupon.

Powers of Attorney for the transfer of Inscribed Stock, Deeds for the transfer of Registered Stock, and Bonds to Bearer will be free of Stamp Duty.

This Issue will not be regarded as a "Loan issued for the purposes of the present war" within the meaning of Rule 3, Schedule C, of the Income Tax Act, 1918.

Applications, which must be accompanied by a deposit of £2 per Cent., will be received at the Bank of England Loans Office, 5 & 6, Lombard Street, E.C.3. In case of partial allotment, the balance of the amount paid as deposit will be applied towards payment of the first instalment; should there be a surplus after making that payment, such surplus will be refunded by cheque.

Applications must be for £50 of the Loan or for even multiples thereof. No allotment will be made for a less amount than £50 of the Loan. Allotment letters will not be posted until Wednesday, 19th January, 1927.

Instalments may be paid in full after allotment under discount at the rate of 3 per Cent. per annum. In the case of full payments made before the 1st February, 1927, discount will only be allowed from the latter date. Default in the payment of any instalment by its proper date will render the deposit and any instalments previously paid liable to forfeiture and the allotment to cancellation.

Scrip Certificates to Bearer, with Coupon attached for the interest payable on the 1st August, 1927, will be issued in exchange for Allotment Letters. These Scrip Certificates, when fully paid, can be inscribed or registered; or they may be retained to be exchanged on or after 2nd July, 1927, for Bonds to Bearer.

Until the 2nd July, 1927, 4% Consolidated Loan issued in respect of cash subscriptions will be designated 4% Consolidated Loan "A," but, on that date, it will be amalgamated with 4% Consolidated Loan raised as the result of the conversion offers set out in this Prospectus.

Applications :—

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| 1. for the conversion of Stock inscribed or registered in the Books of the | } Bank of England | must be lodged at the Bank of England, London, E.C.2. |
| 2. do. | Bank of Ireland, Dublin | must be lodged at the Bank of Ireland, Dublin. |
| 3. do. | Bank of Ireland, Belfast | must be lodged at the Bank of Ireland, Belfast. |
| 4. for the conversion of Bearer Bonds, and all cash applications | | must be lodged at the Bank of England Loans Office, 5 & 6, Lombard Street, London, E.C.3. |

Application forms may be obtained, together with copies of this Prospectus, at the Bank of England; at the Bank of Ireland; of Messrs. Mullens, Marshall, Steer, Lawford & Co., 13, George Street, Mansion House, E.C.4; and at any Bank or Stock Exchange in the United Kingdom.

In the case of conversion applications, forms have already been sent by post to all holders of Registered or Inscribed Stock (in the case of joint accounts—to the first holder).

The List for Cash Applications will be closed on or before Thursday, the 6th day of January, 1927.

The List for Conversion Applications will be closed on Friday, the 14th day of January, 1927.

BANK OF ENGLAND,
LONDON,
29th December, 1926.

N.B.—5% Treasury Bonds, 1927, and National War Bonds, 1927, of the Post Office Issue will not be convertible at the Bank of England; they will be convertible at the Post Office under the arrangements set forth in the separate Prospectus issued by His Majesty's Postmaster-General.