

INFORMATION MEMORANDUM



BARCLAYS

BARCLAYS BANK PLC

(Incorporated with limited liability in England)

as Issuer and Guarantor

BARCLAYS OVERSEAS CAPITAL CORPORATION B.V.

(Incorporated with limited liability in The Netherlands)

BARCLAYS OVERSEAS INVESTMENT COMPANY B.V.

(Incorporated with limited liability in The Netherlands)

as Issuers

£4,000,000,000 Debt Issuance Programme

On 14th August, 1992 Barclays Bank PLC and Barclays Overseas Capital Corporation B.V. established an ECU 2,000,000,000 Euro Note Programme which was renewed on 28th January, 1994. The Euro Note Programme was replaced in relation to Notes (as defined below) issued on or after 10th October, 1995 by the Debt Issuance Programme described in an Information Memorandum dated 10th October, 1995. The Debt Issuance Programme was amended and renewed on 8th October, 1997 and this Information Memorandum supersedes the Information Memorandum dated 8th October, 1997. Any Notes issued under the Debt Issuance Programme on or after the date of this Information Memorandum will be subject to the provisions set out herein.

Application has been made to the London Stock Exchange Limited (the "London Stock Exchange") for Notes (the "Notes") issued under the Debt Issuance Programme (the "Programme") during the period of 12 months from the date of the accompanying Information Memorandum Addendum to be admitted to the Official List. The Information Memorandum (which includes the accompanying Information Memorandum Addendum) comprises listing particulars issued in compliance with the listing rules made under Section 142 of the Financial Services Act 1986 for the purpose of giving information about the issue of Notes during the above 12 month period and with regard to Barclays Bank PLC and its subsidiaries, Barclays Overseas Capital Corporation B.V. and Barclays Overseas Investment Company B.V. Copies of the listing particulars have been delivered for registration to the Registrar of Companies in England and Wales in accordance with Section 149 of the above Act.

Application may also be made to list Notes on the Paris Bourse. For the sole purpose of listing Notes on the Paris Bourse, the Information Memorandum and the accompanying Information Memorandum Addendum have been submitted to the clearance procedures of the *Commission des Opérations de Bourse* (the "COB") and have been registered by the COB under no. P98-438 on 28th October, 1998 and no. P98-439 on 28th October, 1998, respectively.

Arrangers

Barclays Capital

Barclays Capital
Frankfurt Branch

Dealers

Banque Nationale de Paris

Barclays Capital

Barclays Capital
Frankfurt Branch

Barclays Capital France SA
Dresdner Kleinwort Benson
Dresdner Bank Aktiengesellschaft

Daiwa Europe Limited
Goldman Sachs International

Lehman Brothers

Merrill Lynch International

J.P. Morgan Securities Ltd.

Morgan Stanley Dean Witter

Nikko Europe Plc

Nomura International

PaineWebber International (U.K.) Ltd.

Salomon Smith Barney International

Warburg Dillon Read

29th October, 1998

Barclays Bank PLC (the “Bank”), Barclays Overseas Capital Corporation B.V. (“BOCC”) and Barclays Overseas Investment Company B.V. (“BOIC”) accept responsibility for the information contained in the Information Memorandum. To the best of the knowledge and belief of the Bank, BOCC and BOIC, which have taken all reasonable care to ensure that such is the case, the information contained in the Information Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information.

References herein to the “Issuers” are to the Bank, BOCC and BOIC collectively.

Unless the context otherwise requires, expressions defined under “Conditions of the Notes” below bear the same meanings when used elsewhere in this document and expressions defined in this document bear the same meanings when used in the Information Memorandum Addendum.

References herein to the “Information Memorandum Addendum” are to the Information Memorandum Addendum dated as of the Programme Date, being the date specified on the front cover of the Information Memorandum Addendum.

References herein to the “Information Memorandum” are to this document together with (unless the context otherwise requires) the Information Memorandum Addendum.

The Information Memorandum should be read and construed with any amendment or supplement thereto and with any other documents incorporated by reference therein and, in relation to any Series of the Notes, should be read and construed together with the relevant Pricing Supplement(s). Any such amendment or supplement and any documents incorporated by reference do not form part of the listing particulars issued in compliance with the listing rules made under Section 142 of the Financial Services Act 1986.

The dealers named under “Plan of Distribution” below (the “Dealers”, which expression shall include any additional or other dealers appointed under the Programme from time to time) and the Trustee have not separately verified the information contained in this document. None of the Dealers or the Trustee makes any representation, express or implied, or accepts any responsibility as to the accuracy or completeness of this document or any documents incorporated by reference herein or any further information supplied in connection with any Notes or their distribution. The statements made in this paragraph are without prejudice to the responsibilities of the Issuers and/or the Guarantor under or in connection with the Notes or, for the purpose of any Notes listed on the Paris Bourse, of Barclays Capital France SA, to the extent referred to in the Paris Bourse Responsibility Statement.

No person has been authorised to give any information or to make any representation not contained in or not consistent with the Information Memorandum or any documents incorporated by reference therein and, if given or made, such information or representation must not be relied upon as having been authorised by the Guarantor or any of the Issuers or Dealers. Neither the Information Memorandum nor any documents incorporated by reference therein or any further information supplied in connection with the Notes are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Guarantor, the Trustee or any of the Issuers or Dealers that any recipient of the Information Memorandum or any such documents or further information supplied in connection with the Notes should purchase any of the Notes. Each investor contemplating purchasing Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the relevant Issuer and, where applicable, the Guarantor and its purchase of Notes should be based on such investigation as it deems necessary. Neither the Information Memorandum nor any documents incorporated by reference therein constitute an offer or invitation by or on behalf of the Guarantor or any of the Issuers or Dealers to any person to subscribe for or to purchase any of the Notes.

The delivery of the Information Memorandum or any documents incorporated by reference therein does not at any time imply that the information contained therein concerning any of the Issuers or the Guarantor is correct as of any time subsequent to the date thereof or that any other written information supplied in connection with the Notes is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers and the Trustee expressly do not undertake to review the financial condition or affairs of the Issuers, the Guarantor and their subsidiaries during the life of the Programme nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers or the Trustee. Investors should review, *inter alia*, the most recent published financial statements of the relevant Issuer and, where applicable, the Guarantor when evaluating the Notes.

The distribution of the Information Memorandum or any Pricing Supplement and the offering, sale or delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession the Information Memorandum or any Pricing Supplement comes are required by the Issuers, the Guarantor and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of the Information Memorandum and other offering material relating to Notes, see “Plan of Distribution” below. In particular, the Notes and, in respect of Notes not issued by the Bank, the Guarantee have not been and will not be registered under the United States Securities Act of 1933 (as amended) and are instruments in bearer form which are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons. Neither the Information Memorandum nor any Pricing Supplement may be used for the purpose of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

None of the Issuers has authorised any offer of Notes to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995 (the “POS Regulations”). Notes may not lawfully be offered or sold to persons in the United Kingdom except in circumstances which do not result in an offer to the public in the United Kingdom within the meaning of the POS Regulations or otherwise in compliance with all applicable provisions of the POS Regulations, see “Plan of Distribution” below.

In the Information Memorandum, references to “euros” and “€” are to the currency to be introduced at the start of the third stage of the European economic and monetary union pursuant to the treaty establishing the European Community, references to “ECU” are to European Currency Units (as more particularly described under “Conditions of the Notes” below and which are deemed to be a currency for the purposes of the Information Memorandum), references to “U.S.\$” and “U.S. dollars” are to United States dollars, references to “£” and “sterling” are to pounds sterling, references to “¥” and “Yen” are to Japanese Yen, references to “DM” are to Deutsche Marks, references to “FRF” are to French francs and references to “NLG” are to Dutch guilders.

In connection with the issue of Notes under the Programme, the Dealer which is specified for the purpose in the Pricing Supplement in relation to the relevant Tranche of Notes may over-allot or effect transactions which stabilise or maintain the market price of the Notes of such Tranche at a level which might not otherwise prevail. Such stabilising, if commenced, may be discontinued at any time. Such stabilising shall be carried out in accordance with all applicable laws and regulations.

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DOCUMENTS INCORPORATED BY REFERENCE

The following documents shall be deemed to be incorporated in, and to form part of, the Information Memorandum:

- (1) the most recent Annual Report and Accounts and Interim Report of the Bank published from time to time by it and the most recent Annual Report of BOCC and of BOIC published from time to time by them respectively; and
- (2) all amendments and supplements to the Information Memorandum prepared from time to time by the Issuers,

save that (a) any statement in the Information Memorandum or in any Annual Report and Accounts or Interim Report of the Bank or any Annual Report of BOCC or of BOIC shall be deemed to be modified or superseded for the purposes of the Information Memorandum to the extent that a statement contained in any subsequently published Annual Report and Accounts or Interim Report or Annual Report expressly or impliedly modifies or supersedes such earlier statement, provided that any such modifying or superseding statement shall not form part of the listing particulars issued in compliance with the listing rules made under Section 142 of the Financial Services Act 1986 and (b) any documents incorporated by reference do not form part of the listing particulars issued in compliance with the listing rules made under Section 142 of the Financial Services Act 1986.

The documents incorporated by reference herein have not been submitted to the clearance procedures of the COB.

SUMMARY OF THE PROGRAMME

The following summary is qualified in its entirety by the remainder of this document and, in relation to the terms and conditions of any particular Series of Notes, the relevant Pricing Supplement(s).

- Issuers:** The Bank, BOCC (in respect of Senior Notes only) and BOIC (in respect of Capital Notes only).
- Guarantor:** The Bank (other than in respect of Notes issued by itself).
- Arrangers:** Barclays Bank PLC, save in the case of Notes denominated in Deutsche Marks where the Arranger will be Barclays Bank PLC Frankfurt Branch.
- Dealers:** Banque Nationale de Paris, Barclays Bank PLC, Barclays Bank PLC Frankfurt Branch, Barclays Capital France SA, Daiwa Europe Limited, Dresdner Bank Aktiengesellschaft, Goldman Sachs International, Lehman Brothers International (Europe), Merrill Lynch International, J.P. Morgan Securities Ltd., Morgan Stanley & Co. International Limited, Nikko Europe Plc, Nomura International plc, PaineWebber International (U.K.) Ltd., Salomon Brothers International Limited and UBS AG, acting through its division Warburg Dillon Read ("Warburg Dillon Read").
- Under the Distribution Agreement (as defined under "Plan of Distribution" below), other institutions may be appointed Dealers either in relation to the Programme or in relation to specific Tranches of Notes.
- Each issue of Notes denominated in Deutsche Marks will take place only in compliance with the guidelines, applicable for the time being, of the Deutsche Bundesbank regarding the issue of DM-denominated debt securities. Currently, only credit institutions domiciled in Germany, including German branches of foreign credit institutions, are eligible to act as Dealers in relation to such Notes except in the case of the issue of DM-denominated Notes on a syndicated basis (where only the lead manager need be a credit institution domiciled in Germany).
- Trustee:** Royal & Sun Alliance Trust Company Limited.
- Principal Paying Agent and Agent Bank:** Barclays Bank PLC.
- Distribution:** Notes may be distributed by way of private or public placement and, in each case, on a syndicated or non-syndicated basis.
- Initial Programme Amount:** The total principal amount of Notes outstanding at any time under the Programme may not exceed £4,000,000,000 (or its equivalent in other currencies as at the issue date of the relevant Tranche and as more particularly described under "Issue Procedure" below), subject to any duly authorised increase.
- Issue in Series:** Notes will be issued in Series. Each Series may comprise one or more Tranches issued on different issue dates. The Notes of each Series will all be subject to identical terms except that the issue date and the amount of the first payment of interest (if any) may be different in respect of different Tranches. The Notes of each Tranche will all be subject to identical terms but a Tranche may comprise Notes of different denominations.
- Issues in the primary market of Notes denominated in Deutsche Marks must, under current requirements, have an aggregate principal amount or aggregate purchase price per purchaser of at least DM80,000 unless otherwise provided in the syndication agreement (in the case of an issue made on a syndicated basis).

Currencies: Subject to all applicable legal and regulatory requirements, Notes may be denominated in ECU, U.S. dollars, sterling, Deutsche Marks, Yen, French Francs and such other currency or currencies as may be agreed. Subject as aforesaid, Notes may be issued as Dual Currency Notes.

Maturities: Subject to all applicable legal and regulatory requirements, Notes may have any maturity subject to a minimum maturity of three months and provided that no Issuer may issue perpetual Notes. Under current or prospective requirements (i) in the case of Notes issued by BOCC or BOIC (other than Capital Notes) and denominated in sterling, the minimum maturity will be one year, (ii) in the case of Notes denominated in Deutsche Marks, the minimum maturity will be two years, and (iii) in the case of Capital Notes which qualify as Lower Tier 2 or Tier 3 capital in accordance with the requirements of the United Kingdom Financial Services Authority (the "Financial Services Authority"), the minimum maturity will be five years and one day (Lower Tier 2 capital) or two years (Tier 3 capital). Such minimum maturities may be subject to increase or decrease from time to time as a result of changes in applicable legal or regulatory requirements.

Status of Senior Notes: The Notes of each Series issued on an unsubordinated basis ("Senior Notes") will constitute direct and unsecured obligations of the relevant Issuer ranking *pari passu* with all other unsecured and unsubordinated obligations of the relevant Issuer other than obligations preferred by law. Senior Notes may be issued by either the Bank or BOCC, in the latter case under the guarantee of the Guarantor. The obligations of the Guarantor under such guarantee will constitute direct and unsecured obligations of the Guarantor ranking *pari passu* with all other unsecured and unsubordinated obligations of the Guarantor other than obligations preferred by law.

Status of Capital Notes: The Notes of each Series issued by the Bank on a subordinated basis ("Capital Notes") will constitute direct and unsecured obligations of the Bank. The rights of the holders of such Capital Notes will, in the event of the winding up of the Bank, be subordinated in right of payment to the claims of depositors and other unsecured and unsubordinated creditors of the Bank, in the manner provided in the Trust Deed.

The Notes of each Series issued by BOIC ("Capital Notes") will constitute direct and unsecured obligations of BOIC ranking *pari passu* with all other unsecured and unsubordinated obligations of BOIC, other than obligations preferred by law. Capital Notes issued by BOIC will carry the guarantee of the Guarantor constituting the direct and unsecured obligations of the Guarantor. The claims against the Guarantor under such guarantee will, in the event of the winding up of the Guarantor, be subordinated in right of payment to the claims of depositors and other unsecured and unsubordinated creditors of the Guarantor, in the manner provided in the Trust Deed.

In certain circumstances, payment of principal and interest due in respect of Capital Notes qualifying as Tier 3 capital in accordance with Financial Services Authority requirements may be deferred.

Issue Price: Notes may be issued at their principal amount or at a discount to, or premium over, their principal amount. Notes may be issued on terms that the issue price is payable in instalments.

Interest: Notes may bear interest on a fixed rate basis or a floating rate basis or may be non-interest bearing.

Fixed Rate Notes:

Interest on Fixed Rate Notes will be payable on the date or dates specified in the relevant Pricing Supplement. Interest will be calculated on the basis of a 360-day year consisting of 12 months of 30 days each (or such other basis as may be specified in the relevant Pricing Supplement) and, in the case of an incomplete month, the number of days elapsed.

Floating Rate Notes:

Floating Rate Notes will bear interest calculated by reference to the rate or as otherwise specified in the relevant Pricing Supplement plus or minus the Relevant Margin (if any) also so specified. The aforementioned reference rate may, *inter alia*, be a rate determined on a screen rate basis or on the same basis as the floating rate under a notional interest rate swap transaction in the relevant currency governed by an agreement incorporating the ISDA Definitions. Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both. Interest Periods will be as specified in the relevant Pricing Supplement.

Interest on Floating Rate Notes will be payable on interest payment dates as specified in the relevant Pricing Supplement and will be calculated on the basis of the day count fraction specified in the relevant Pricing Supplement.

Zero Coupon Notes:

Zero Coupon Notes may be issued at their principal amount or at a discount to it and will not bear interest (other than in the case of late payment).

Dual Currency Notes:

Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as are specified in the relevant Pricing Supplement.

Indexed Notes:

Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Indexed Notes will be calculated by reference to such index and/or formula as is specified in, or on such other terms as are specified in, the relevant Pricing Supplement. Each issue of Indexed Notes denominated in Deutsche Marks will be made in compliance with the policy of the Deutsche Bundesbank regarding the indexation of DM-denominated debt obligations of non-German issuers. Each issue of index-linked Notes which are Paris listed Notes or otherwise subject to *Principes Généraux* set by the COB and the *Conseil des Bourses de Valeurs* or any successor authority must be made in compliance therewith.

Final Redemption:

Notes will mature for redemption at par or at such other amount (calculated in accordance with a formula or otherwise) and on such date as are specified in the relevant Pricing Supplement. The relevant Pricing Supplement may provide that Notes will be redeemed in two or more instalments of such amounts and on such dates as are so specified.

Early Redemption:

There will be no optional right to redeem Notes of any Series prior to their stated maturity, except for taxation reasons or where the relevant Pricing Supplement provides for early redemption at the option of the relevant Issuer and/or the relevant Noteholders.

Under current regulatory requirements no early redemption (other than for taxation reasons or following an event of default) will be permitted (i) in the case of BA Notes (as defined below) with an original maturity of one year or more but less than three years, prior to one year, (ii) in the case of BA Notes with an original maturity of three years or more, prior to three years and (iii) in the case of Notes denominated in Deutsche Marks, prior to two years, in each case

from their date of issue. Further, the early redemption of Capital Notes at any time requires the prior written consent of the Financial Services Authority.

“BA Notes” means Notes issued by BOCC or BOIC (including Notes denominated in sterling) in respect of which the issue proceeds are to be accepted by BOCC or BOIC in the United Kingdom.

Denominations:

Such denomination in such currency as may be specified in the relevant Pricing Supplement (save that the minimum denomination for BA Notes (unless such Notes have an original maturity of three years or more and are to be listed on the London Stock Exchange or otherwise comply with a relevant exemption under the Banking Act 1987 (Exempt Transactions) Regulations 1997) will be £100,000 (or its equivalent in any other currency) or, in any case, such other minimum denomination as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Issuer or the relevant currency).

Form of Notes:

Unless otherwise specified in the relevant Pricing Supplement, each Series of Notes with an original maturity of more than one year will initially be represented by one or more temporary global Notes in bearer form and each Series of Notes with an original maturity of one year or less will initially be represented by one or more permanent global Notes in bearer form. Interests in a temporary global Note will be exchangeable, in the circumstances set out under “Summary of Provisions Relating to Notes while in Global Form” below, either for interests in a permanent global Note or, if so specified in the relevant Pricing Supplement, for Notes in definitive bearer form. Interests in a permanent global Note will only be exchangeable for Notes in definitive form in limited circumstances.

Taxation:

All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by the United Kingdom and (in the case of Notes issued by BOCC or BOIC) The Netherlands, subject as mentioned under “Conditions of the Notes” below.

Cross Default:

None.

Negative Pledge:

None.

Listing:

The London Stock Exchange or otherwise as specified in the relevant Pricing Supplement. The Issuers may issue unlisted Notes as part of the Programme. It is strongly recommended by the French Ministry of the Economy, Finance and Industry that Notes denominated in French Francs and Notes denominated in euros should be listed on the Paris Bourse, particularly, but not exclusively, where such Notes are to be offered publicly in France. Notes which are to be listed on the Paris Bourse will be subject to the requirements of the COB and the Paris Bourse.

Governing Law:

The Trust Deed, the Notes, the Coupons (if any), the Talons (if any) and all related contractual documentation will be governed by, and construed in accordance with, English law.

Selling Restrictions:

Restrictions on the sale of Notes and the distribution of offering material are set out under “Plan of Distribution” below.

ISSUE PROCEDURE

Notes may be issued from time to time if so agreed between an Issuer and any of the Dealers or any third party purchaser of such Notes from the Issuer (any such Dealer or third party being referred to herein as a "Purchaser"). The terms and conditions of each Series of Notes or a Tranche thereof as agreed between the relevant Issuer and the Purchaser(s) will be recorded in a Pricing Supplement prepared or caused to be prepared by such Issuer at or prior to the issue date of the Series or Tranche together with such other information relating to the Issuer or such Series or Tranche (including, where applicable, supplementary listing particulars required under Section 147 of the Financial Services Act 1986) as may be agreed between the relevant Issuer and the Purchaser(s) or as may be required by any relevant supervisory authority or stock exchange. The terms and conditions applicable to each Series or Tranche thereof will, accordingly, be those set out or referred to in this document as supplemented, modified or replaced by the relevant Pricing Supplement. A copy of each relevant Pricing Supplement, in the case of a Series to be listed on the London Stock Exchange, will be lodged by or on behalf of the relevant Issuer with the London Stock Exchange.

Notes may not be issued under the Programme in an amount which would result in the aggregate principal amount of Notes outstanding on the date of issue of the Notes so issued (and immediately after the issue thereof) exceeding £4,000,000,000 or its equivalent in other currencies (subject to increase in accordance with the provisions of the Distribution Agreement). For this purpose the sterling equivalent of Notes denominated in a currency other than sterling shall be determined on the basis of the spot rate for the sale of sterling against the purchase of such other currency in the London foreign exchange market quoted by the Bank (or, if the Bank is not quoting such rates, such other financial institution as may be agreed between the Bank and the Trustee) at or about 11.00 a.m. (London time) on the second London business day prior to the relevant date of issue, and so that (a) in the case of Dual Currency Notes, Indexed Notes and Partly Paid Notes, the sterling equivalent shall be determined by reference to the original principal amount of such Notes in the currency in which they are denominated (with regard to Partly Paid Notes, regardless of the amount of the issue price payable on issue) and (b) in the case of Zero Coupon Notes and other Notes issued at a discount or premium, the sterling equivalent shall be determined by reference to the issue price thereof. In this paragraph "London business day" means a day on which banks and foreign exchange markets are open for business in London.

SUMMARY OF PROVISIONS RELATING TO NOTES WHILE IN GLOBAL FORM

Unless otherwise specified in the relevant Pricing Supplement, each Series of Notes having an original maturity of more than one year will initially be represented by one or more temporary global Notes (each, a "Temporary Global Note") and each Series of Notes having an original maturity of one year or less will initially be represented by one or more permanent global Notes (each, a "Permanent Global Note" and, together with a Temporary Global Note, a "Global Note"), in each case in bearer form, without Coupons or Talons, which will be deposited on or about the issue date of the relevant Notes with a common depositary for Cedel Bank, société anonyme ("Cedel Bank") and/or Morgan Guaranty Trust Company of New York, Brussels office, as operator of the Euroclear system ("Euroclear") and/or any other relevant clearing system or depositary specified in the relevant Pricing Supplement (including, in the case of Notes listed on the Paris Bourse, Sicovam S.A. ("Sicovam")).

Upon deposit of the Global Note(s) with the common depositary, Cedel Bank or Euroclear will credit each subscriber with a principal amount of Notes equal to the principal amount thereof for which it has subscribed and paid and, in the case of Notes held through Sicovam, the "*intermédiaires financiers habilités*" (French banks or brokers authorised to maintain securities accounts on behalf of their clients (each, an "Approved Intermediary") who are entitled to such Notes according to the records of Sicovam) will likewise credit each subscriber with a principal amount of Notes equal to the principal amount thereof for which it has subscribed and paid.

Each of the persons shown in the records of Cedel Bank or Euroclear or such Approved Intermediary as the holder of a Note represented by a Global Note must look solely to Cedel Bank or Euroclear or such Approved Intermediary (as the case may be) for his share of each payment made by the relevant Issuer to the bearer of such Global Note, subject to and in accordance with the respective rules and procedures of Cedel Bank, Euroclear or Sicovam (as the case may be).

Interests in a Temporary Global Note will be exchangeable (free of charge) not earlier than 40 days after the date of issue of the Notes (the "Exchange Date") and upon certification as to non-U.S. beneficial ownership as referred to below either (i) for interests in a Permanent Global Note in bearer form and in substantially the form (subject to completion and amendment and as supplemented or varied in accordance with the relevant Pricing Supplement) scheduled to the Trust Deed or (ii) if so specified in the relevant Pricing Supplement, for Notes in definitive bearer form ("Definitive Notes") and in substantially the form (subject to completion and amendment and as supplemented or varied in accordance with the relevant Pricing Supplement) scheduled to the Trust Deed.

The Global Notes will contain provisions applicable to the Notes represented thereby, some of which may modify the effect of the Conditions of the Notes. Certain of these are summarised in this section.

For so long as any of the Notes are represented by a Global Note, each person who is for the time being shown in the records of Cedel Bank and/or Euroclear as the holder of a particular principal amount of such Notes (in which regard any certificate or other document issued by Cedel Bank and/or Euroclear as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the relevant Issuer, (where applicable) the Guarantor, the Trustee and the Paying Agents as a holder of such principal amount of such Notes for all purposes other than with respect to the payment of principal and interest on such Notes, the right to which shall be vested, as against the relevant Issuer, (where applicable) the Guarantor, the Trustee and the Paying Agents, solely in the bearer of the Global Note (in accordance with and subject to its terms and the Trust Deed) and the expressions "Noteholder", "holder of Notes" and related expressions shall be construed accordingly. Interests in Notes which are represented by a Global Note will only be transferable in accordance with the rules and procedures for the time being of Cedel Bank and/or Euroclear, as the case may be.

Principal and interest (if any) payable with respect to a Temporary Global Note or a Permanent Global Note will be paid to Cedel Bank and/or Euroclear with respect to that portion of such Global Note which is held for its account (subject, in the case of a Temporary Global Note, to the certifications as provided therein). Each of Cedel Bank and/or Euroclear will in such circumstances credit the principal or, as the case may be, interest in respect of such Global Note to the persons credited in its records with interests in such Global Note.

If any date on which a payment is due on the Notes of a Tranche occurs prior to the relevant Exchange Date, the relevant payment will be made on the Temporary Global Note only to the extent that certification as to non-U.S. beneficial ownership as required by U.S. Treasury regulations (in substantially the form set out in the Temporary Global Note or in such other form as is customarily issued in such circumstances by the relevant clearing system or depository) has been received by Cedel Bank or Euroclear. Payment of amounts due in respect of a Permanent Global Note will be made through Cedel Bank or Euroclear without any requirement for certification.

An exchange of a Temporary Global Note for a Permanent Global Note or, where applicable, Definitive Notes will be made only on or after the Exchange Date (as set out in the relevant Pricing Supplement) and provided certification as to non-U.S. beneficial ownership as required by U.S. Treasury regulations (in substantially the form set out in the Temporary Global Note or in such other form as is customarily issued in such circumstances by the relevant clearing system or depository) has been received.

The holder of any Temporary Global Note shall not (unless, upon due presentation of such Temporary Global Note for exchange (in whole or in part) for a Permanent Global Note or, where applicable, for delivery of Definitive Notes, such exchange or delivery is improperly withheld or refused and such withholding or refusal is continuing at the relevant payment date) be entitled to receive any payment in respect of the Notes represented by such Temporary Global Note which falls due on or after the Exchange Date or be entitled to exercise any option on a date on or after the Exchange Date.

Interests in a Permanent Global Note will be exchanged by the relevant Issuer (free of charge) in whole (but not in part only) for Definitive Notes (a) if any Note of the relevant Series becomes immediately repayable in accordance with Condition 8 of the Conditions of the Notes; (b) if Cedel Bank or Euroclear is closed for business for a continuous period of 14 days (other than by reason of public holidays) or announces an intention to cease business permanently or in fact does so; or (c) if the Trustee is satisfied that, on the occasion of the next payment due in respect of the Notes of the relevant Series, the relevant Issuer, (where applicable) the Guarantor or any of the Paying Agents would be required to make

any deduction or withholding from any payment in respect of such Notes which would not be required were such Notes in definitive form. The cost of printing Definitive Notes will be borne by the relevant Issuer.

For so long as a Series of Notes is represented in its entirety by one or more Global Note(s) and such Global Note(s) is/are held on behalf of Cedel Bank and/or Euroclear, notices to Noteholders of that Series may be given by delivery of the relevant notice to Cedel Bank and/or Euroclear for communication to entitled accountholders in substitution for publication as required by the Conditions of the Notes, subject to any applicable stock exchange requirements in the case of listed Notes. Unless otherwise specified in the relevant Pricing Supplement, any such notice shall be deemed to have been given to the relevant Noteholders on the seventh day after the day on which the said notice was given to Cedel Bank and/or, as the case may be, Euroclear. So long as any such Notes are listed on the Paris Bourse and the rules of the Bourse so require, notices in respect of such Notes shall also be published in a French language newspaper of general circulation in Paris (which is expected to be *La Tribune Défossés* or *Les Echos*).

Any reference herein (other than under "United Kingdom Taxation" below) to Cedel Bank and/or Euroclear shall, whenever the context so permits, be deemed to include a reference to any such other clearing system or depository (including, in the case of Notes listed on the Paris Bourse, Sicovam) as is specified in the relevant Pricing Supplement.

The following legend will appear on all Permanent Global Notes with maturities of more than one year and on all Definitive Notes and Coupons: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws including the limitations provided in sections 165(j) and 1287(a) of the Internal Revenue Code".

CONDITIONS OF THE NOTES

The following is the text of the conditions applicable to the Notes which, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement(s), will be incorporated by reference in each Global Note and which will be attached to or endorsed on the Definitive Notes (if any) issued in exchange for the Global Note representing each Tranche, details of the relevant Tranche being as set out in the relevant Pricing Supplement. The Pricing Supplement in relation to any Tranche may specify other conditions which shall, to the extent so specified or to the extent inconsistent with such conditions, replace or modify the following conditions for the purpose of such Tranche.

This Note is one of a Series of Notes (as defined below) issued pursuant to the Debt Issuance Programme (the “Programme”) established by Barclays Bank PLC (the “Bank”), Barclays Overseas Capital Corporation B.V. (“BOCC”) and Barclays Overseas Investment Company B.V. (“BOIC”) on 10th October, 1995 and is constituted by a Trust Deed dated 10th October, 1995, as amended and restated on 8th October, 1997 (as amended or supplemented from time to time, the “Trust Deed”) between the Bank, BOCC, BOIC and Royal & Sun Alliance Trust Company Limited (formerly called Sun Alliance Trust Company Limited) (the “Trustee” which expression shall wherever the context so admits include its successors) and has the benefit of an Agency Agreement dated 10th October, 1995, as amended and restated on 8th October, 1997 (as amended or supplemented from time to time, the “Agency Agreement”) made between the Bank, BOCC, BOIC, the Principal Paying Agent (the “Principal Paying Agent” which expression shall wherever the context so admits include its successors as such, and, together with any successor and the other paying agent(s) appointed in respect of any Notes, the “Paying Agents”), the Agent Bank (the “Agent Bank” which expression shall wherever the context so admits include any successor or other person appointed as such in respect of any Notes), each named therein, and the Trustee. The initial Paying Agents and the initial Agent Bank are named below. The Trustee shall exercise the duties, powers, trusts, authorities and discretions vested in it by the Trust Deed separately in relation to each Series of Notes in accordance with the provisions of the Trust Deed. Copies of the Trust Deed and the Agency Agreement are available for inspection during normal business hours at the office for the time being of the Trustee (being at the date of the Trust Deed 40 Chancery Lane, London WC2A 1JN) and at the specified office of each of the Paying Agents appointed from time to time pursuant to the terms of the Agency Agreement. The holders for the time being of Notes (the “Noteholders”) and of any coupons (“Coupons”) or talons for further Coupons (“Talons”) appertaining thereto (together, the “Couponholders”) are entitled to the benefit of, are bound by, and will be deemed to have notice of, all the provisions of the Trust Deed and the Agency Agreement applicable to them.

The term “Notes” means debt instruments, by whatever name called, issued under the Programme. All Notes will be issued in series (each, a “Series”) and each Series may comprise one or more tranches (each, a “Tranche”) of Notes. Each Tranche will be the subject of a pricing supplement (each, a “Pricing Supplement”), a copy of which will be attached to or endorsed on each Note of such Tranche. The Pricing Supplement applicable to this Note supplements these Conditions and may specify other conditions which shall, to the extent so specified or to the extent not consistent with these Conditions, replace or modify these Conditions for the purposes of this Note. References herein to the “relevant Pricing Supplement” are to the Pricing Supplement attached hereto or endorsed hereon. Subject as set out in the relevant Pricing Supplement, all Notes issued on the same date, denominated in the same currency, having the same maturity date, bearing interest, if any, on the same basis and otherwise issued on identical terms will constitute one Tranche of Notes.

The expression “Issuer” in relation to any Series of Notes means the Bank, BOCC or BOIC, as specified in the relevant Pricing Supplement, as the issuer of such Notes, and the expression “Guarantor” means the Bank in its capacity as guarantor of Notes issued by BOCC or BOIC.

1. Form, Denomination and Title

(a) Form

The Notes of this Series are in bearer form serially numbered.

The Notes are either Senior Notes or Capital Notes, as specified in the relevant Pricing Supplement. In addition, the Notes are issued in any one or more of the following forms as specified in the relevant Pricing Supplement: (i) Notes bearing interest on a fixed rate basis (“Fixed Rate Notes”); (ii) Notes bearing interest on a floating or variable rate basis (“Floating Rate Notes”); (iii) Notes issued on a non-interest bearing basis (“Zero Coupon Notes”); (iv) Notes in respect of which principal and/or

interest is or may be payable in one or more currencies other than the currency in which they are denominated (“**Dual Currency Notes**”); (v) Notes in respect of which principal and/or interest is calculated by reference to an index and/or a formula or such other terms as are specified in the relevant Pricing Supplement (“**Indexed Notes**”); (vi) Notes the principal amount of which is repayable by instalments (“**Instalment Notes**”); and (vii) Notes which are issued on a partly paid basis (“**Partly Paid Notes**”). The appropriate provisions of these Conditions shall apply accordingly in relation to the Notes of this Series.

Interest-bearing Notes, if so specified in the relevant Pricing Supplement, have attached thereto at the time of their initial delivery Coupons and, if so specified, also have attached thereto at the time of their initial delivery a Talon, and the expression “**Coupons**” shall, where the context so permits, include Talons.

Instalment Notes have endorsed thereon a grid for recording the repayment of principal or, if so specified in the relevant Pricing Supplement, have attached thereto at the time of their initial delivery payment receipts (“**Receipts**”) in respect of the instalments of principal (other than the final instalment) and the expression “**Notes**” shall, where the context so permits, include Receipts.

(b) Denomination

The Notes of this Series are issued in the denomination(s) specified in the relevant Pricing Supplement. Notes of one denomination will not be exchangeable for Notes of any other denomination.

(c) Title

Title to the Notes and Coupons shall pass by delivery.

To the extent permitted by law, the Issuer, (where applicable) the Guarantor, each Paying Agent, the Agent Bank and the Trustee may deem and treat the holder of any Note or of any Coupon as the absolute owner thereof (whether or not such Note or Coupon shall be overdue and notwithstanding any notice of ownership or writing thereon or notice of any trust or previous loss or theft thereof) for the purpose of making payment and for all other purposes.

2. Currency

The Notes of this Series are denominated in the currency specified in the relevant Pricing Supplement (being ECU (as defined in Condition 7(b)), U.S. dollars, pounds sterling, Deutsche Marks, Japanese Yen, French Francs or such other currency as is so specified). For the purposes of these Conditions ECU is deemed to be a currency.

3. Status, Guarantee and Subordination

(1) Senior Notes

(a) Senior Notes issued by the Bank or BOCC and the Coupons (if any) appertaining thereto constitute direct, unconditional, unsecured and unsubordinated obligations of the Bank or, as the case may be, BOCC ranking *pari passu*, without any preference among themselves, with all other outstanding unsecured and unsubordinated obligations of the Bank or, as the case may be, BOCC, present and future, except such obligations as are preferred by operation of law.

(b) The due payment of principal and interest (if any) in respect of Senior Notes issued by BOCC has been unconditionally and irrevocably guaranteed on an unsubordinated basis by the Guarantor in accordance with the provisions of the Trust Deed (the “**Senior Guarantee**”).

(c) Senior Notes will not be issued by BOIC under the Programme.

(2) Capital Notes

(a) Capital Notes issued by the Bank and the Coupons (if any) appertaining thereto constitute direct and unsecured obligations of the Bank ranking *pari passu* without any preference among themselves. In the event of the winding up of the Bank, the claims of the Trustee, the Noteholders and the Couponholders (if any) against the Bank in respect of such Notes and Coupons will be subordinated, in the manner provided in the Trust Deed, to the claims of all other creditors of the Bank (including depositors) except for the claims of holders of unsecured rights against the Bank being rights which are subordinated so as to rank either (i) *pari passu* with such Notes and Coupons, with all of which excepted claims (which shall include the Subordinated Guarantee Claims as defined in paragraph (2)(c) below) such Notes and Coupons shall rank *pari passu*, or (ii) junior to such Notes and Coupons.

(b) Capital Notes issued by BOIC and the Coupons (if any) appertaining thereto constitute direct, unconditional, unsecured and unsubordinated obligations of BOIC ranking *pari passu*, without any preference among themselves, with all other outstanding unsecured and unsubordinated obligations of BOIC, present and future, except such obligations as are preferred by operation of law.

(c) Subject to the below mentioned provisions as to subordination, the due payment of the principal and interest (if any) in respect of Capital Notes issued by BOIC has been unconditionally and irrevocably guaranteed by the Guarantor in accordance with the provisions of the Trust Deed (the “**Subordinated Guarantee**”). The rights of the Trustee, the Noteholders and the Couponholders (if any) against the Guarantor in respect of such Notes and Coupons under the terms of the Subordinated Guarantee are unsecured and, in the event of the winding up of the Guarantor, the claims of the Trustee, the Noteholders and the Couponholders (if any) in respect of such Notes and Coupons pursuant to the Subordinated Guarantee (the “**Subordinated Guarantee Claims**”) will be subordinated, in the manner provided in the Trust Deed, to the claims of all other creditors of the Guarantor (including depositors) except for the claims of holders of unsecured rights against the Guarantor being rights which are subordinated so as to rank either (i) *pari passu* with the Subordinated Guarantee Claims, with all of which excepted claims (which shall include claims in respect of Capital Notes issued by the Bank) the Subordinated Guarantee Claims shall rank *pari passu*, or (ii) junior to the Subordinated Guarantee Claims.

(d) Capital Notes will not be issued by BOCC under the Programme.

(3) Capital Notes: Deferral of Payments

In the case of Capital Notes in relation to which this Condition 3(3) is specified in the relevant Pricing Supplement as applying, the Bank shall be entitled, by notice in writing to the Trustee (a “**Deferral Notice**”), to defer the due date for payment of any principal or interest in respect of such Notes, and, accordingly, on the giving of such notice the due date for payment of such principal or interest (the “**Deferred Payment**”) shall be so deferred and the Issuer shall not be obliged to make payment thereof on the date the same would otherwise have become due and payable, and such deferral of payment shall not constitute a default by the Issuer or, where applicable, the Guarantor for any purpose. Accordingly, the applicable provisions of these Conditions in relation to such Notes shall in all respects have effect subject to this Condition 3(3). The Bank may not give a Deferral Notice except in circumstances where the United Kingdom Financial Services Authority (the “**Financial Services Authority**”) has required or requested the Bank to defer payment of the relevant Deferred Payment. Interest will accrue on principal deferred as aforesaid in accordance with the provisions of these Conditions and the Trust Deed, save that such interest shall only become due and payable at such time as the principal in respect of which it has accrued becomes due and payable under the following sentence. Promptly upon being satisfied that the Financial Services Authority will not object to the payment of the whole or any part of any Deferred Payment, the Bank shall give to the Trustee written notice thereof (a “**Payment Notice**”) and the relevant Deferred Payment (or the appropriate part of it) and any accrued interest as aforesaid shall become due and payable on the seventh day after the date of such Payment Notice. In addition, all Deferred Payments which remain unpaid shall become due and payable in full on the commencement (as defined in the Trust Deed) of a winding up of the Bank. Where more than one Deferred Payment remains unpaid, payment of part thereof shall be made *pro rata* according to the amounts of such Deferred Payments remaining unpaid and of any accrued interest as aforesaid remaining unpaid. The Bank shall promptly give notice to the holders of the relevant Series of Notes in accordance with Condition 14 of any Deferral Notice or Payment Notice.

NB: In the case of Capital Notes which constitute Tier 3 capital, the Financial Services Authority requires to be notified by a bank if its total eligible capital falls below its target capital requirement and the Financial Services Authority may require deferral of payments of principal and interest in respect of such Notes in such circumstances.

4. Interest

(1) Certain Defined Terms

As used in these Conditions:

“**Rate of Interest**” means the rate, or each rate, of interest in respect of each interest bearing Note determined in accordance with the applicable provisions of this Condition 4 and/or as specified in the relevant Pricing Supplement.

“Interest Commencement Date” means the date specified as such in the relevant Pricing Supplement.

“Maturity Date” means the date on which a Note is to be redeemed (or, in the case of an Instalment Note, finally redeemed), as specified in the relevant Pricing Supplement.

(2) **Interest on Fixed Rate Notes**

Unless otherwise provided in the relevant Pricing Supplement, each Fixed Rate Note shall bear interest in accordance with the provisions of this Condition 4(2).

(a) Each Fixed Rate Note bears interest on the outstanding principal amount of such Note (or, in the case of any Partly Paid Note unless otherwise specified in the relevant Pricing Supplement, the principal amount for the time being paid up thereon) at the fixed rate or rates per annum specified in the relevant Pricing Supplement as the Rate(s) of Interest from (and including) the Interest Commencement Date for such Note. Interest will be payable in arrear on the date or dates in each year specified in the relevant Pricing Supplement (each, a **“Fixed Interest Payment Date”**) and on the Maturity Date of such Note if other than a Fixed Interest Payment Date. The first payment of interest will be made on the first Fixed Interest Payment Date following the Interest Commencement Date.

(b) Interest will cease to accrue on each Fixed Rate Note from (and including) its due date for redemption (or, in the case of an Instalment Note, in respect of each instalment of principal, from (and including) the due date for payment of the relevant Instalment Amount, as defined in Condition 5) unless, upon due presentation, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue (as well after as before any judgment) up to and including the date on which, upon further presentation, payment in full of the principal amount due in respect of such Fixed Rate Note, together with accrued interest, is made or (if earlier) the date upon which notice is duly given to the holder of such Note that sufficient funds for payment of the principal amount due in respect of it, together with accrued interest, have been received by the Principal Paying Agent or the Trustee.

(c) If interest falls to be calculated for a period which is not a full year, such interest will be calculated on the basis of a 360-day year consisting of 12 months of 30 days each (or such other basis as may be specified in the relevant Pricing Supplement) and, in the case of an incomplete month, the actual number of days elapsed.

(3) **Interest on Floating Rate Notes**

Unless otherwise provided in the relevant Pricing Supplement, each Floating Rate Note shall bear interest in accordance with the applicable provisions of this Condition 4(3).

(a) *Accrual of Interest*

Each Floating Rate Note bears interest on the outstanding principal amount of such Note (or, in the case of any Partly Paid Note unless otherwise specified in the relevant Pricing Supplement, the principal amount for the time being paid up thereon) from (and including) the Interest Commencement Date for such Note.

Interest will cease to accrue on each Floating Rate Note from (and including) its due date for redemption (or, in the case of an Instalment Note, in respect of each instalment of principal, from (and including) the due date for payment of the relevant Instalment Amount) unless, upon due presentation, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue (as well after as before any judgment) up to and including the date on which, upon further presentation, payment in full of the principal amount due in respect of such Note, together with accrued interest, is made or (if earlier) the date upon which notice is duly given to the holder of such Note that sufficient funds for payment of the principal amount due in respect of it, together with accrued interest, have been received by the Principal Paying Agent or the Trustee.

(b) *Interest Payment Dates and Interest Periods*

Interest on each Floating Rate Note will be payable in arrear on either (i) such dates as are specified in the relevant Pricing Supplement for such purpose (each, an **“Interest Payment Date”**) or (ii) if no such dates are specified in the relevant Pricing Supplement for such purpose, each date (each, an **“Interest Payment Date”**) which falls the number of months or other period specified as the Interest Period in the relevant Pricing Supplement after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date, provided that, unless otherwise specified in the relevant Pricing Supplement, if any Interest Payment Date would otherwise fall on a day

which is not a business day, it shall be postponed to the next business day unless it would thereby fall in the next calendar month, in which event the Interest Payment Date shall be the immediately preceding business day and, thereafter, each subsequent Interest Payment Date shall be the last business day of the month which falls the number of months or other period specified as the Interest Period in the relevant Pricing Supplement after the month in which the immediately preceding Interest Payment Date fell. The first payment of interest will be made on the first Interest Payment Date following the Interest Commencement Date.

The period from (and including) the Interest Commencement Date up to (but excluding) the first Interest Payment Date and each period thereafter from (and including) an Interest Payment Date to (but excluding) the next Interest Payment Date is referred to herein as an “**Interest Period**” and the expression “**business day**”, as used in this Condition 4(3), shall mean a day on which commercial banks and foreign exchange markets are open for business in London and any other place as is specified in the relevant Pricing Supplement as an Additional Business Centre and, in the case of Notes denominated in, or in respect of which interest is payable in, ECU, a business day for ECU as defined by the ECU Banking Association or, in the case of Notes denominated in, or in respect of which interest is payable in, a currency other than ECU, a day on which banks and foreign exchange markets are open for business in the principal financial centre or centres of the country of such currency.

(c) *Rate of Interest*

The Rate of Interest payable from time to time on each Floating Rate Note will be determined in the manner provided in the relevant Pricing Supplement.

(d) *Rate of Interest: Screen Rate Basis*

Where so specified in the relevant Pricing Supplement, the Rate of Interest applicable to each Floating Rate Note for each Interest Period shall be determined by the Agent Bank on the following basis:

- (i) the Agent Bank will determine the rate for deposits (or, as the case may require, the arithmetic mean (rounded, if necessary, to the nearest one-hundred thousandth of a percentage point) of the rates for deposits (excluding, if all the rates are not the same where there are four or more such rates, the highest and lowest rates and, if there is more than one highest or lowest rate, excluding one such rate)) in the relevant currency for a period of the duration of the relevant Interest Period on the Relevant Screen Page as of 11.00 a.m. (London time) on the second day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in London (a “**London Banking Day**”) before (or, in the case of Notes denominated in pounds sterling, on) the first day of the relevant Interest Period (the “**Interest Determination Date**”);
- (ii) if, on any Interest Determination Date, no such rate for deposits so appears (or, as the case may require, if fewer than two such rates for deposits so appear), the Agent Bank will request appropriate quotations and will determine the arithmetic mean (rounded as aforesaid) of the rates at which deposits in the relevant currency are offered by four major banks in the London interbank market, selected by the Agent Bank, at approximately 11.00 a.m. (London time) on the Interest Determination Date to prime banks in the London interbank market for a period of the duration of the relevant Interest Period and in an amount that is representative for a single transaction in the relevant market at the relevant time;
- (iii) if, on any Interest Determination Date, only two or three rates are so quoted, the Agent Bank will determine the arithmetic mean (rounded as aforesaid) of the rates so quoted; and
- (iv) if fewer than two rates are so quoted, the Agent Bank will determine the arithmetic mean (rounded as aforesaid) of the rates quoted by four major banks in the Relevant Financial Centre (as defined in Condition 7) (or, in the case of Notes denominated in ECU, in such financial centre or centres as the Agent Bank may select), selected by the Agent Bank, at approximately 11.00 a.m. (Relevant Financial Centre (or other financial centre or centres as aforesaid) time) on the Interest Determination Date for loans in the relevant currency to leading European banks for a period of the duration of the relevant Interest Period and in an amount that is representative for a single transaction in the relevant market at the relevant time, and the Rate of Interest applicable to such Note during each Interest Period will be the rate (or, as the case may be, the arithmetic mean) so determined plus or minus (as specified in the relevant Pricing Supplement) the relevant margin (if any) so specified (the “**Relevant Margin**”) Provided that if the Agent Bank is unable to determine a rate (or, as the case may

be, an arithmetic mean) in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to such Note during such Interest Period will be the rate (or, as the case may be, the arithmetic mean) last determined in relation to such Note in respect of a preceding Interest Period plus or minus, as the case may be, the Relevant Margin (but substituting, where a different Relevant Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Relevant Margin relating to the relevant Interest Period).

As used herein, "**Relevant Screen Page**" means such page as is specified in the relevant Pricing Supplement on the Reuters Money Market Rates Service or the Associated Press – Dow Jones Telerate Service (or such other service or services as may be nominated as the information vendor for the purpose of displaying comparable rates in succession thereto) or such other equivalent information vending service as is so specified.

(e) *Rate of Interest: ISDA Basis*

Where so specified in the relevant Pricing Supplement, the Rate of Interest in respect of each Floating Rate Note for each Interest Period will be the applicable ISDA Rate plus or minus (as specified in the relevant Pricing Supplement) the Relevant Margin (if any). For this purpose, "**ISDA Rate**" for an Interest Period means a rate equal to the Floating Rate which would be determined by the Agent Bank under an interest rate swap transaction if the Agent Bank were acting as Calculation Agent for that swap transaction pursuant to the terms of an agreement incorporating the ISDA Definitions and under which:

- (i) the Floating Rate Option is as specified in the relevant Pricing Supplement;
- (ii) the relevant Interest Commencement Date is the Effective Date;
- (iii) the Designated Maturity is a period equal to the applicable Interest Period;
- (iv) the relevant Reset Date is either (A) if the applicable Floating Rate Option is based on the London interbank offered rate for a currency, the first day of that Interest Period or (B) in any other case, as specified in the relevant Pricing Supplement; and
- (v) all other terms are as specified in the relevant Pricing Supplement.

"**ISDA Definitions**" means the 1991 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. (unless otherwise specified in the relevant Pricing Supplement, as amended and updated as at the date of issue of such Note or, if the Series of which such Note forms a part consists of more than one Tranche, the date of issue of the first Tranche). The expressions "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Effective Date**", "**Designated Maturity**" and "**Reset Date**" have the respective meanings given to them in the ISDA Definitions.

When this Condition 4(3)(e) applies, the Agent Bank shall determine the Rate of Interest for each Interest Period in accordance with this Condition 4(3)(e).

(f) *Minimum and/or maximum Rate of Interest*

If the relevant Pricing Supplement specifies a minimum and/or a maximum Rate of Interest for any one or more Interest Periods then the Rate of Interest for any such Interest Period shall in no event be less than or, as the case may be, greater than it.

(g) *Determination of Rate of Interest and calculation of Interest Amount*

The Agent Bank will, as soon as practicable after 11.00 a.m. (London time) or such other time as may be specified in the relevant Pricing Supplement on each Interest Determination Date, determine the Rate of Interest and calculate the amount of interest payable in respect of each denomination of the relevant Floating Rate Notes (the "**Interest Amount**") for the relevant Interest Period.

The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the outstanding principal amount (or, in the case of a Partly Paid Note unless otherwise specified in the relevant Pricing Supplement, the principal amount for the time being paid up thereon) of the relevant Note of each denomination, multiplying the product by the day count fraction specified in the relevant Pricing Supplement and rounding the resulting figure to the nearest applicable sub-unit of the currency other than ECU in which such Note is denominated or, as the case may be, in which such interest is payable (one half of any such sub-unit being rounded upwards) or, where such currency is ECU, to the nearest 0.01 of an ECU (0.005 of an ECU being rounded upwards).

(h) *Notification of Rate of Interest and Interest Amount*

The Agent Bank will cause the Rate of Interest and the Interest Amount for each Interest Period, the relevant Interest Payment Date and any other item determined or calculated by it in accordance with the relevant Pricing Supplement to be notified to the Issuer, (where applicable) the Guarantor, the Principal Paying Agent and (in the case of listed Notes) the stock exchange on which such Notes are for the time being listed as soon as possible after the determination or calculation thereof but in any event not later than the fourth London Banking Day thereafter. The Agent Bank will give notice to the relevant Noteholders of the Rate of Interest, the Interest Amount and the relevant Interest Payment Date in accordance with Condition 14 as soon as possible after the determination or calculation thereof. The Interest Amount and the Interest Payment Date so notified in respect of any Notes may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which such Notes are for the time being listed.

(i) *Determination or calculation by the Trustee*

If the Agent Bank does not at any time for any reason determine the Rate of Interest or calculate the Interest Amount or any other item required to be determined or calculated by it under the relevant Pricing Supplement, the Trustee shall do so and such determination or calculation shall be deemed to have been made by the Agent Bank. In doing so, the Trustee shall apply the foregoing provisions of this Condition 4(3) and, where applicable, the relevant Pricing Supplement, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and in all other respects it shall do so in such manner as it shall deem fair and reasonable in all the circumstances (subject always to Condition 4(3)(f)).

(j) *Certificates, etc. to be final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4 whether by the Agent Bank or the Trustee shall (in the absence of manifest error) be final and binding on the Issuer, (where applicable) the Guarantor, the Trustee, the Paying Agents and the holders of Notes and of the Coupons appertaining thereto. No holder of Notes or of the Coupons appertaining thereto shall be entitled to proceed against the Agent Bank, the Trustee, the Paying Agents or any of them in connection with the exercise or non-exercise by them of their powers, duties and discretions hereunder.

(4) *Indexed Notes and Dual Currency Notes*

In the case of Indexed Notes or Dual Currency Notes, if the Rate of Interest and/or amount of interest falls to be determined by reference to an index and/or formula or, as the case may be, an exchange rate then the Rate of Interest and/or amount of interest shall be determined in the manner specified in the relevant Pricing Supplement.

Such interest will cease to accrue on an Indexed Note or Dual Currency Note from (and including) its due date for redemption (or, in the case of an Instalment Note, in respect of each instalment of principal, from (and including) the due date for payment of the relevant Instalment Amount) unless, upon due presentation, payment of the amount due on redemption is improperly withheld or refused. In such event, interest will continue to accrue (as well after as before any judgment) up to and including the date on which, upon further presentation, payment in full of the redemption amount due in respect of such Note, together with accrued interest, is made or (if earlier) the date on which notice is given to the holder of such Note that sufficient funds for payment of the redemption amount due in respect of it, together with accrued interest, have been received by the Principal Paying Agent or the Trustee.

(5) *Zero Coupon Notes*

Unless otherwise specified in the relevant Pricing Supplement, if any Zero Coupon Note is not duly redeemed on its due date for redemption then the applicable redemption amount shall bear interest at a rate determined in accordance with the relevant Pricing Supplement. Such interest will accrue (as well after as before any judgment) up to and including the date on which, upon due presentation, payment in full of such redemption amount, together with accrued interest, is made or (if earlier) the date on which notice is given to the holder of such Note that sufficient funds for payment of such redemption amount, together with accrued interest, have been received by the Principal Paying Agent or the Trustee.

5. Redemption and Purchase

(a) Redemption at Maturity

Unless previously redeemed or purchased and cancelled and subject as otherwise specified in the relevant Pricing Supplement, the Notes of this Series will be redeemed at their outstanding principal amount (or at such other redemption amount as may be specified in or determined in accordance with the relevant Pricing Supplement) on their Maturity Date.

(b) Redemption for Taxation Reasons

Subject to paragraph (i) of this Condition 5, if immediately prior to the giving of the notice referred to below, the Issuer or (where applicable) the Guarantor satisfies the Trustee that on the occasion of the next payment due in respect of the Notes of this Series the Issuer would, for reasons outside its control (after using reasonable endeavours), be unable to make such payment without being required to pay additional amounts as provided in Condition 6 or the Guarantor would, for reasons outside its control (after using reasonable endeavours), be unable to procure payment by the Issuer and in making payment itself under the Senior Guarantee or the Subordinated Guarantee, as the case may be, would be required, for reasons outside its control (after using reasonable endeavours), to pay additional amounts as provided in Condition 6 then the Issuer may, at its option, having given not less than 30 nor more than 60 days' notice (ending, in the case of Floating Rate Notes, on an Interest Payment Date) to the holders of such Notes in accordance with Condition 14 (such notice being irrevocable) redeem all (but not some only) of such Notes at their outstanding principal amount (or at such other redemption amount as may be specified in or determined in accordance with the relevant Pricing Supplement) together with, in the case of Notes which bear interest, accrued interest thereon to the date fixed for redemption. Provided, however, that no such notice of redemption may be given earlier than 90 days prior to the earliest date on which the Issuer or (where applicable) the Guarantor would be obliged to pay such additional amounts were a payment in respect of such Notes then due. Upon the expiry of such notice of redemption, the Issuer shall be bound to redeem such Notes accordingly.

Subject only to the obligation of the Issuer or (where applicable) the Guarantor to use reasonable endeavours as aforesaid, it shall be sufficient to establish the circumstances required to be established under this Condition 5(b) if the Issuer or the Guarantor shall deliver to the Trustee a certificate of a firm of independent legal advisers or accountants to the effect either that such a circumstance does exist or that, upon a change in or amendment to the laws (including any regulations thereunder) or in the interpretation or administration thereof, of the United Kingdom or, as the case may be, The Netherlands (including, in either case, any authority or political subdivision therein or thereof having power to tax) which at the date of such certificate is proposed to be made and in the opinion of such firm is reasonably expected to become effective on or prior to the date when the relevant payment in respect of such Notes would otherwise be made, becoming so effective, such circumstances would exist.

(c) Redemption at the Option of the Issuer

Where so specified in the relevant Pricing Supplement and subject to paragraph (i) of this Condition 5, Notes of this Series are redeemable at the option of the Issuer. In such case, the Issuer may at any time (in the case of Fixed Rate Notes or Zero Coupon Notes), on any Interest Payment Date (in the case of Floating Rate Notes) or otherwise as specified in the relevant Pricing Supplement, on giving (in accordance with Condition 14) not less than 30 nor more than 60 days' notice (or such other period as is specified in the relevant Pricing Supplement) to the relevant Noteholders (such notice being irrevocable) specifying the date fixed for such redemption, redeem all of such Notes (or if so specified in the relevant Pricing Supplement and subject as therein specified, some only of the Notes) at their outstanding principal amount (or at such other redemption amount as may be specified in or determined in accordance with the relevant Pricing Supplement) together with, in the case of Notes bearing interest, interest accrued thereon to the date fixed for redemption. Upon the expiry of such notice of redemption, the Issuer shall be bound to redeem such Notes accordingly.

If such Notes are to be redeemed in part only on any date in accordance with this paragraph (c), the Notes to be redeemed shall be drawn by lot in London, or identified in such other manner or in such other place as the Principal Paying Agent and the Trustee may approve and deem appropriate and fair, subject always to compliance with all applicable laws and the requirements of any stock exchange on which such Notes may be listed.

(d) Redemption at the Option of Noteholders

Where so specified in the relevant Pricing Supplement, Notes of this Series are redeemable at the option of Noteholders. In such case, upon any Noteholder giving to the Issuer notice of redemption (such notice being irrevocable) the Issuer will, in accordance with the provisions specified in the relevant Pricing Supplement, redeem in whole (but not in part) the Note(s) specified in such notice at their outstanding principal amount (or at such other redemption amount as may be specified in or determined in accordance with the relevant Pricing Supplement) together with, in the case of Notes bearing interest, interest accrued thereon to the date fixed for redemption.

In order to give such notice, a Noteholder must, not less than 45 days before the date for redemption as specified in the relevant Pricing Supplement (or such other period as may be so specified), deposit the relevant Note (together with, in the case of an interest-bearing Note, any unmatured Coupons and unexchanged Talon appertaining thereto) with any Paying Agent together with a duly completed redemption notice in the form which is available from the specified office of any of the Paying Agents. The holder of a Note may not exercise such option in respect of any Note which is the subject of an exercise by the Issuer of its option to redeem such Note under paragraph (b) or (c) of this Condition 5 and any exercise of the first-mentioned option in such circumstances shall have no effect.

(e) Redemption by Instalments

If the Notes of this Series are Instalment Notes they will be redeemed in such number of instalments, in such amounts ("**Instalment Amounts**") and on such dates as may be specified in or determined in accordance with the relevant Pricing Supplement and upon each partial redemption as required by this paragraph the outstanding principal amount of each such Note shall be reduced by the relevant Instalment Amount for all purposes.

(f) Zero Coupon Notes, Indexed Notes and Partly Paid Notes

If the Notes of this Series are Zero Coupon Notes, Indexed Notes or Partly Paid Notes and they are redeemed by the Issuer prior to their Maturity Date, they shall be redeemed at a redemption amount specified in or determined in accordance with, and subject to, the provisions set out in the relevant Pricing Supplement.

(g) Purchases

Subject to paragraph (i) of this Condition 5 and to the requirements (if any) of any stock exchange on which the Notes of this Series may for the time being be listed, the Bank or any of its subsidiaries may at any time purchase any such Notes at any price in the open market or otherwise and may re-sell the same. In the case of a purchase by tender, such tender must be made available to all holders of the Notes of this Series alike.

(h) Cancellation

All Notes redeemed or, where applicable, finally redeemed pursuant to this Condition 5 shall, and all Notes purchased by the Issuer pursuant to this Condition 5 may, at the option of the Issuer, be cancelled forthwith (together with, in the case of interest-bearing Notes, all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith) by the Paying Agent through which they are redeemed or, where applicable, finally redeemed or by the Principal Paying Agent to which they are surrendered for cancellation. All Notes redeemed or purchased and cancelled as aforesaid may not be re-issued or re-sold.

(i) Restriction on Optional Redemption and Purchases

In the case of Capital Notes issued by the Bank, such Notes may not be redeemed at the option of the Issuer nor may the Issuer or any of its subsidiaries purchase beneficially or procure others to purchase beneficially for its account any of such Notes unless the Auditors (as defined in the Trust Deed) shall have reported to the Trustee within six months before such redemption or purchase that, in their opinion, based on the most recent published consolidated balance sheet of the Issuer and its subsidiaries available at the date of such report, the aggregate book value of the tangible assets of the Issuer and its subsidiaries exceeds the aggregate book value of their liabilities but so that this provision shall not prejudice the right of the Trustee to take proceedings for the winding up of the Issuer in accordance with Condition 8.

N.B. In the case of any Capital Note, under the practice of the Financial Services Authority prevailing as at the date of the Trust Deed, no redemption (prior to its stated maturity date) or purchase of any such Note pursuant to this Condition 5 may be made without the prior written consent of the Financial Services Authority.

6. Taxation

Except as otherwise specified in the relevant Pricing Supplement, all payments of principal and interest in respect of the Notes of this Series will be made without withholding or deduction for or on account of any taxes, duties, assessments or governmental charges of whatever nature, present or future, as are imposed or levied by or on behalf of (in the case of payments by the Bank in its capacity as Issuer or Guarantor) the United Kingdom (or any authority or political subdivision therein or thereof having power to tax) or (in the case of payments by BOCC or BOIC) The Netherlands (or any authority or political subdivision therein or thereof having power to tax) unless the Issuer or, as the case may be, the Guarantor is required by law to withhold or deduct any such taxes, duties, assessments or governmental charges.

In such event, the Issuer or, as the case may be, the Guarantor will pay such additional amounts as may be necessary in order that the net amounts receivable by the Noteholders or Couponholders, as the case may be, after such withholding or deduction shall equal the respective amounts of principal and interest which would have been receivable in respect of such Notes and/or, as the case may be, the Coupons appertaining thereto in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to the payment of accrued interest on any Withheld Amount (as defined in Condition 8(1)(a)(i) or Condition 8(2)(a)) or with respect to any Note or Coupon:

- (a) to, or to a third party on behalf of, a holder of a Note or Coupon who is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of his having some connection with the United Kingdom or, as the case may be, The Netherlands other than the mere holding of such Note or Coupon; or
- (b) unless it is proved, to the satisfaction of the Principal Paying Agent or the Paying Agent to whom the same is presented, that the holder is unable to avoid such withholding or deduction by satisfying any statutory requirement or by making a declaration of non-residence or other similar claim for exemption to the relevant tax authorities; or
- (c) presented for payment in the United Kingdom (in the case of payment by the Bank) or The Netherlands (in the case of payment by BOCC or BOIC) if a Paying Agent with a specified office outside the United Kingdom or, as the case may be, The Netherlands has been appointed at which payment in respect of such Note or, as the case may be, Coupon may be made without any such withholding or deduction; or
- (d) presented more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on the last day of such period of 30 days.

As used herein, the “**Relevant Date**” means the date on which such payment first becomes due (or, in the case of any amount not paid in the circumstances set out in Condition 8(1)(a)(i) or Condition 8(2)(a), the date on which the relevant Withheld Amount falls due for payment under Condition 8(3)(c)) but if the full amount of the money payable has not been received by the Principal Paying Agent or the Trustee on or prior to such due date, it means the date on which the full amount of such money has been so received and notice to that effect shall have been duly given to the relevant Noteholders in accordance with Condition 14.

Any reference in these Conditions to principal in respect of the Notes of any Series shall be deemed to include, as applicable:

- (i) any additional amounts which may be payable with respect to principal under this Condition 6 or pursuant to any undertakings given in addition thereto or in substitution therefor pursuant to the Trust Deed;
- (ii) the redemption amount payable on such Notes on their Maturity Date;
- (iii) the redemption amount payable on redemption of such Notes prior to such Maturity Date; and
- (iv) any premium and any other amounts which may be payable under or in respect of such Notes.

Any reference in these Conditions to interest in respect of the Notes of any Series shall be deemed to include, as applicable, any amount of interest accrued on any Withheld Amount (as provided in Condition 8(3)(c)) and any additional amounts which may be payable with respect to interest under this Condition 6 or pursuant to any undertakings given in addition thereto or in substitution therefor pursuant to the Trust Deed.

7. Payments and Talons

(a) General Provisions

Payments of principal and interest (if any) in respect of Notes will (subject as provided below) be made against presentation and (save in the case of partial payment or payment of an Instalment Amount (other than the final Instalment Amount)) surrender of the relevant Note or, in the case of payments of interest, surrender of the relevant Coupon at the specified office of any Paying Agent outside the United States (subject to the next sub-paragraph). Subject as otherwise specified in the relevant Pricing Supplement, such payments will be made in the currency in which the payment is due either (i) by cheque or (ii) at the option of the payee, by transfer to an account denominated in the relevant currency specified by the payee. Payments will be subject in all cases to any applicable laws and regulations, but without prejudice to Condition 6.

Payments of amounts due in respect of interest on Notes and exchanges of Talons for Coupon sheets will not be made at the specified office of any Paying Agent in the United States (as defined in the United States Internal Revenue Code and Regulations thereunder) Provided that, in the case of any such Notes and/or Coupons payable in U.S. dollars, if (i) payment in full of amounts in respect of interest on such Notes when due or, as the case may be, the exchange of Talons at all the specified offices of the Paying Agents outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions and (ii) such payment or exchange is permitted by applicable United States law, then the Issuer shall forthwith appoint a further Paying Agent with a specified office in New York City for the purpose of making such payment or exchange.

A holder shall be entitled to present a Note or Coupon for payment only on a Presentation Date and shall not, except as provided in Condition 4, be entitled to any further interest or other payment if a Presentation Date is after the due date. "Presentation Date" means a day which (subject to Condition 9) (a) is or falls after the relevant due date or, if the due date is not or was not a Relevant Financial Centre Day (as defined below), is or falls after the next following day which is a Relevant Financial Centre Day and (b) is a local banking day (as defined below).

Payment of Instalment Amounts (other than the final Instalment Amount) in respect of an Instalment Note will be made against presentation of the Note together with the relevant Receipt and surrender of such Receipt.

The Receipts are not and shall not in any circumstances be deemed to be documents of title and if separated from the Note to which they appertain will not represent any obligation of the Issuer. The presentation of a Note without the relative Receipt or the presentation of a Receipt without the Note to which it appertains shall not entitle the holder to any payment in respect of the relevant Instalment Amount.

Upon the due date for redemption of any interest-bearing Note other than a Fixed Rate Note all unmatured Coupons and Talons (if any) relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of such Coupons and no further Coupons shall be issued in respect of such Talons.

Fixed Rate Notes should be presented for payment with all unmatured Coupons appertaining thereto, failing which the face value of any missing unmatured Coupon (or, in the case of payment not being made in full, that portion of the amount of such missing unmatured Coupon which the sum of principal so paid bears to the total amount of principal due) will be deducted from the sum due for payment. Any amount of principal so deducted will be paid in the manner mentioned above against surrender of the relevant missing Coupon within a period of ten years from the Relevant Date (as defined in Condition 6) for the payment of such principal, whether or not such Coupon has become void pursuant to Condition 9 or, if later, five years from the date on which such Coupon would have become due.

Notwithstanding the above, if any Fixed Rate Notes should be issued with a Maturity Date and an interest rate or rates such that, on the presentation for payment of any such Note without any unmatured Coupons attached thereto or surrendered therewith, the amount required to be deducted would be greater than the amount otherwise due for payment, then, upon the due date for redemption, such unmatured Coupons (whether or not attached) shall become void (and no payment shall be made in respect thereof) as shall be required so that the amount required to be deducted would not be greater than the amount otherwise due for payment. Where the application of the foregoing sentence requires some but not all of the unmatured Coupons relating to a Note to become void, the relevant Paying Agent shall determine which unmatured Coupons are to become void, and shall select for such purpose Coupons maturing on later dates in preference to Coupons maturing on earlier dates.

Upon any Fixed Rate Notes becoming due and repayable prior to their Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

If (otherwise than by reason of the application of the above) the due date for redemption of any Note is not the due date for the payment of a Coupon appertaining thereto, interest accrued in respect of such Note from (and including) the last preceding due date for the payment of a Coupon (or from the Interest Commencement Date, as the case may be) will be paid only against surrender of such Note.

In relation to Notes initially delivered with Talons attached thereto, on or after the due date for the payment of interest on which the final Coupon comprised in any Coupon sheet matures, the Talon comprised in the Coupon sheet may be surrendered at the specified office of any Paying Agent outside (save as provided above) the United States in exchange for a further Coupon sheet (including any appropriate further Talon), subject to the provisions of Condition 9. Each Talon shall, for the purpose of these Conditions, be deemed to mature on the due date for the payment of interest on which the final Coupon comprised in the relative Coupon sheet matures.

For the purposes of these Conditions:

- (i) **“Relevant Financial Centre Day”** means, in the case of any currency other than ECU, a day on which commercial banks and foreign exchange markets settle payments in the principal financial centre or centres for such currency and in any other place set out in the relevant Pricing Supplement and, in the case of payment in ECU, a day which is an ECU Settlement Day (as determined by the ECU Banking Association); and
- (ii) **“local banking day”** means a day (other than a Saturday or Sunday) on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in the place of presentation of the relevant Note or, as the case may be, Coupon and, in the case of payment to an account specified by the payee, in the place where such account is maintained.

(b) Value of the ECU

The following provisions of this Condition 7 are applicable in relation to Notes denominated in ECU or Notes having the ECU as a currency by reference to which any amount falls to be determined or in which any payment falls to be made. For the purposes of these Conditions and subject as provided below, the ECU (“ECU”) in which the Notes are denominated is the same as the ECU, as referred to in Article 109g of the Treaty establishing the European Communities, as amended by the Treaty on European Union (the **“Treaty”**) and as defined in Council Regulation (EC) No 3320/94, that is from time to time used as the unit of account of the European Communities. Changes to the ECU may be made by the European Communities, in which event the ECU will change accordingly.

(c) Payments in a Component Currency of ECU

Subject as provided below, in the event that the ECU ceases to be used as the unit of account of the European Communities or as the currency of the European Union then, after the ECU Conversion Date, any obligation under the terms of the Notes to make a payment in ECU will be replaced by an obligation on the part of the Issuer and/or (where applicable) the Guarantor to make a payment in the Selected Currency in the Equivalent Amount. For the purposes of these Conditions:

- (i) **“Banking Day”** means a day on which commercial banks and foreign exchange markets settle payments in the relevant currency in London and in the Relevant Financial Centre for the relevant Component Currency.
- (ii) **“Component Amount”** means, in respect of a Component Currency, the number of units (including decimals) of that currency represented in the ECU on (a) if the ECU was used for the settlement of transactions by public institutions of or within the European Communities on the Valuation Date, that date or (b) if the ECU was not used for the settlement of transactions by public institutions of or within the European Communities on the Valuation Date, the last day on which the ECU was so used or the ECU Conversion Date, whichever is later;
- (iii) **“Component Currency”** means any currency that, on the ECU Conversion Date, is a component currency of the ECU;

- (iv) **“ECU Conversion Date”** means the last day on which the ECU was used as the unit of account of the European Communities;
- (v) **“Equivalent Amount”** means, in respect of a Selected Currency, an amount determined by the Agent Bank by adding the results obtained by converting the Component Amount of each Component Currency into United States dollars at the Market Exchange Rate for converting that Component Currency into United States dollars and then converting the sum of those United States dollar amounts (unless the Selected Currency is the United States dollar) into the Selected Currency at the Market Exchange Rate for converting United States dollars into the Selected Currency;
- (vi) **“Market Exchange Rate”** means, in respect of any Component Currency or the United States dollar, the arithmetic mean of the middle spot delivery quotations for that currency for cable transfers quoted at approximately 2.30 p.m. (London time) on the Valuation Date by three leading foreign exchange dealers, selected by the Agent Bank, in the Relevant Financial Centre for the relevant Component Currency or, as the case may be, the United States dollar; in the event that quotations are not available for a currency as of the Valuation Date from any of the banks selected by the Agent Bank for this purpose because foreign exchange markets are closed in the country of issue of the currency or for any other reason, the most recent direct quotations for that currency obtained by, or on behalf of, the Agent Bank shall be used in computing the Equivalent Amount of the Selected Currency on the Valuation Date if those rates were prevailing in the country of issue not more than two Banking Days before the Valuation Date; if the only rates available for such purpose are as of a date more than two Banking Days before the Valuation Date, the Agent Bank shall convert the Component Amount into United States dollars or that amount into the Selected Currency on the basis of cross rates derived from the arithmetic mean of the middle spot delivery quotations for such currencies prevailing at approximately 2.30 p.m. (London time) on the Valuation Date, as obtained by the Agent Bank from one or more major banks, in a country other than the country of issue of such currency; for the purpose of determining a Market Exchange Rate, quotations will be obtained from the market in which a non-resident issuer of securities denominated in that currency would purchase that currency in order to make payment for the securities;
- (vii) **“Relevant Financial Centre”** means such financial centre or centres as may be specified in relation to the relevant currency for the purposes of the definition of **“Business Day”** in the ISDA Definitions, as the same may be modified by the relevant Pricing Supplement.
- (viii) **“Selected Currency”** means a currency selected by the Agent Bank from among the Component Currencies and the United States dollar; and
- (ix) **“Valuation Date”** means, in respect of any payment deemed to be payable in a Selected Currency, the day that is four Banking Days preceding the due date of the applicable payment.

The determination by the Agent Bank of all rates and amounts for the purposes of this paragraph (c) shall (in the absence of manifest error) be final and binding on the Issuer, (where applicable) the Guarantor, the Trustee, the Paying Agents and the holders of Notes and Coupons. The Agent Bank will notify the Issuer, (where applicable) the Guarantor, the Trustee and the Paying Agents of the Selected Currency and of all rates and amounts determined by it for the purposes of this paragraph (from whose respective offices such information will be available).

From the start of the third stage of European Economic and Monetary Union, all payments which under the terms of any Notes are to be made in ECU will be made in euro at the rate then established in accordance with the Treaty, and this Condition 7(c) will not result in an obligation to make a payment in a Component Currency in such circumstances.

8. Default and Enforcement

(1) The provisions of this Condition 8(1) shall have effect in relation to any Series of Senior Notes issued by the Bank or by BOCC:

- (a) The Trustee may at its discretion declare the Notes of such Series to be due and repayable immediately (and such Notes shall thereby become so due and repayable) at their outstanding principal amount (or at such other repayment amount as may be specified in or determined in accordance with the relevant Pricing Supplement) together with accrued interest as provided in the Trust Deed, in the event that:
- (i) any principal or interest on such Notes has not been paid within 14 days from the due date for payment and such sum has not been duly paid within a further 14 days following written notice from the Trustee to the Bank or, as the case may be, BOCC (in the latter case with a copy to the Guarantor) requiring the non-payment to be made good. The Bank or, as the case may be, BOCC shall not, however, be in default if during the 14 days after the Trustee's notice it satisfies the Trustee that such sums ("**Withheld Amounts**") were not paid in order to comply with a mandatory law, regulation or order of any court of competent jurisdiction. Where there is doubt as to the validity or applicability of any such law, regulation or order, the Bank or, as the case may be, BOCC will not be in default if it acts on the advice given to it during such 14 day period by independent legal advisers approved by the Trustee; or
 - (ii) the Bank or, as the case may be, BOCC breaches any provision of such Notes or the Trust Deed in relation to such Notes (other than as stated in (i) above) and that breach has not been remedied within 21 days of receipt of a written notice from the Trustee certifying that in its opinion the breach is materially prejudicial to the interests of the holders of such Notes and requiring the same to be remedied; or
 - (iii) in the case of Senior Notes issued by BOCC, the Senior Guarantee ceases to be effective; or
 - (iv) in the case of Senior Notes issued by BOCC, an order is made or an effective resolution is passed for the winding up of BOCC or the Guarantor (otherwise than in connection with a scheme of reconstruction, merger or amalgamation the terms of which shall previously have been approved by the Trustee in writing or by an Extraordinary Resolution (as defined in the Trust Deed) of the holders of such Notes); or
 - (v) in the case of Senior Notes issued by the Bank, an order is made or an effective resolution is passed for the winding up of the Bank (otherwise than in connection with a scheme of reconstruction, merger or amalgamation the terms of which shall previously have been approved by the Trustee in writing or by an Extraordinary Resolution of the holders of such Notes).
- (b) At any time after any Series of Senior Notes shall have become due and repayable under paragraph (1)(a) above, the Trustee may at its discretion and without further notice institute such proceedings as it may think against the Bank or, as the case may be, BOCC (and/or in the latter case against the Guarantor) to enforce payment.

(2) The provisions of this Condition 8(2) shall have effect in relation to any Series of Capital Notes issued by the Bank or by BOIC:

- (a) In the event that any principal or interest on such Notes has not been paid within 14 days from the due date for payment and such sum has not been duly paid within a further 14 days following written notice from the Trustee to the Bank or, as the case may be, BOIC (and in the latter case with a copy to the Guarantor) requiring the non-payment to be made good then, subject as provided below, the Trustee may at its discretion and without further notice, institute proceedings for the winding up of BOIC (in the case of such Notes issued by BOIC) and/or for the winding up of the Bank (in the case of such Notes issued by the Bank or BOIC). Provided that the Bank or, as the case may be, BOIC shall not be in default if during the 14 days after the Trustee's notice it satisfies the Trustee that such sums ("**Withheld Amounts**") were not paid in order to comply with a mandatory law, regulation or order of any court of competent jurisdiction. Where there is doubt as to the validity or applicability of any such law, regulation or order, the Bank or, as the case may be, BOIC will not be in default if it acts on the advice given to it during such 14 day period by independent legal advisers approved by the Trustee.

- (b) The Trustee may, at its discretion and without further notice, institute such proceedings against the Bank or, as the case may be, BOIC as it may think fit to enforce any obligation, condition or provision binding on the Bank or, as the case may be, BOIC under such Notes or Coupons or the terms of the Trust Deed relating thereto (other than any obligation for the payment of any principal or interest in respect of the Notes or Coupons) provided that neither the Bank nor BOIC shall by virtue of the institution of any such proceedings be obliged to pay any sum or sums representing principal or interest in respect of such Notes or Coupons sooner than the same would otherwise have been payable by it.
- (c) In the event of an order being made or an effective resolution being passed for the winding up of BOIC (otherwise than in connection with a scheme of reconstruction, merger or amalgamation the terms of which shall previously have been approved by the Trustee in writing or by an Extraordinary Resolution of the holders of such Notes) or if BOIC applies for a “*surseance van betaling*” (within the meaning of the Statute of Bankruptcy of The Netherlands), then (unless at the relevant time the Bank is in winding up or is the subject of an administration order under the Insolvency Act 1986) immediately thereupon and without further formality the Bank shall become the principal debtor, in place of BOIC, under such Notes issued by BOIC and the Coupons (if any) appertaining thereto and under the Trust Deed in relation thereto, and the Subordinated Guarantee shall cease to be of any effect and the Trustee and the holders of such Notes and Coupons shall cease to have any rights or claims whatsoever against BOIC; Provided that:
- (i) the obligations of the Bank as principal debtor as aforesaid shall be subordinated to the same extent as its obligations under the Subordinated Guarantee; and
 - (ii) no holder of such Notes or Coupons shall, as a result of any change in principal debtor as aforesaid, be entitled to claim from the Bank or BOIC any indemnification or payment in respect of any tax consequences of such change upon individual holders of such Notes or Coupons except to the extent provided for by Condition 6.
- (d) In the event of the Bank becoming the principal debtor under such Notes, the Coupons (if any) appertaining thereto and the Trust Deed in relation thereto in place of BOIC in the circumstances mentioned in paragraph (2)(c) above, and whether or not such Notes would, in consequence thereof under the law of The Netherlands, have become due and repayable, with or without discount, had the Bank not become such principal debtor, the Bank shall not be obliged to pay any sum or sums representing principal or interest in respect of such Notes or Coupons sooner than the same would have been payable by BOIC pursuant to these Conditions or the Trust Deed if no such event as is referred to in that paragraph had occurred, save in the case of the institution of proceedings for the winding up of the Bank under paragraph (2)(a) above.
- (e) In the event of an order being made or an effective resolution being passed for the winding up of the Bank (otherwise than in connection with a scheme of reconstruction, merger or amalgamation the terms of which shall previously have been approved by the Trustee in writing or by an Extraordinary Resolution of the holders of such Notes), the Trustee at its discretion may declare such Notes to be due and repayable immediately (and such Notes shall thereby become so due and repayable) at their outstanding principal amount (or at such other repayment amount as may be specified in or determined in accordance with the relevant Pricing Supplement) together with accrued interest as provided in the Trust Deed.
- (f) No remedy against the Bank (in its capacity as Issuer or Guarantor) or against BOIC, other than the institution of the proceedings referred to in paragraph (2)(a) or, as the case may be, (b) above or proving in the winding up of the Bank or BOIC, shall be available to the Trustee or the holders of such Notes or the Coupons (if any) appertaining thereto whether for the recovery of amounts owing in respect of such Notes or Coupons or under the Trust Deed in relation thereto or in respect of any breach by the Bank or BOIC of any of its other obligations under or in respect of such Notes or Coupons or under the Trust Deed in relation thereto.

Subject to applicable law, none of the holders of such Notes or the Coupons (if any) appertaining thereto may exercise or claim as against the Bank any right of set-off, or analogous right, in respect of any amount owed to such holder by the Bank under or in respect

of such Notes or Coupons and each holder of such Notes or Coupons shall, by virtue of the acquisition or holding of any such Note or Coupon by such holder, be deemed to have waived all such set-off or analogous rights.

(3) The provisions of this Condition 8(3) shall have effect in relation to any Series of Senior or Capital Notes:

- (a) The Trustee shall not be obliged to take any of the actions referred to in paragraph (1)(a) or (b) above or in paragraph 2(a), (b) or (e) above unless (i) it shall have been so requested in writing by the holders of at least 25 per cent. in outstanding principal amount of the relevant Series of Notes then outstanding or so directed by an Extraordinary Resolution of the holders of such Notes and (ii) it shall have been indemnified to its satisfaction.
- (b) No holder of any such Notes and no holder of the Coupons (if any) appertaining thereto shall be entitled to institute any of the proceedings referred to in paragraph (1)(b) above or in paragraph (2)(a) or (b) above or to prove in the winding up of the Bank, BOCC or BOIC, as the case may be, except that if the Trustee, having become bound to proceed against the Bank, BOCC or BOIC, as the case may be, 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 such winding up to the same extent (but not further or otherwise) that the Trustee would have been entitled so to do in respect of his Notes and/or Coupons.
- (c) If lawful, Withheld Amounts or a sum equal to Withheld Amounts shall be placed promptly on interest bearing deposit as described in the Trust Deed. The Bank, BOCC or BOIC, as the case may be, will give notice in accordance with Condition 14 if at any time it is lawful to pay any Withheld Amount to Noteholders or Couponholders or if such payment is possible as soon as any doubt as to the validity or applicability of any such law, regulation or order as is mentioned in paragraph (1)(a)(i) above or paragraph (2)(a) above is resolved. The notice will give the date on which such Withheld Amount and the interest accrued on it will be paid. This date will be the earliest day after the day on which it is decided Withheld Amounts can be paid on which such interest bearing deposit falls due for repayment or may be repaid without penalty. On such date, the Bank, BOCC or BOIC, as the case may be, shall be bound to pay such Withheld Amount together with interest accrued on it. For the purposes of paragraph (1)(a)(i) above or, as the case may be, paragraph (2)(a) above this date shall be the due date for such sums. The obligations of the Bank, BOCC or BOIC, as the case may be, under this paragraph (3)(c) shall be in lieu of any other remedy against it in respect of Withheld Amounts. Payment will be subject to applicable laws, regulations or court orders, but, in the case of payment of any Withheld Amount, without prejudice to Condition 6. Interest accrued on any Withheld Amount shall be paid net of any taxes required by applicable law to be withheld or deducted and the Bank, BOCC or BOIC, as the case may be, shall not be obliged to pay any additional amount in respect of any such withholding or deduction.

9. Prescription

Notes and Coupons will become void unless presented for payment within a period of ten years and five years, respectively, from the Relevant Date (as defined in Condition 6) in respect thereof. Any monies paid by the Issuer or the Guarantor to the Principal Paying Agent or the Trustee for the payment of the principal or interest in respect of any Notes or Coupons and remaining unclaimed when such Notes or Coupons become void will then revert to the Issuer or the Guarantor and all liability of the Principal Paying Agent or the Trustee with respect thereto will thereupon cease.

There shall not be included in any Coupon sheet issued in exchange for a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition 9 or Condition 7 or any Talon which would be void pursuant to Condition 7.

10. Paying Agents and Agent Bank

The Agency Agreement contains provisions indemnifying the Paying Agents and the Agent Bank and absolving them from responsibility in connection with certain matters. The Agency Agreement may be amended by the parties thereto in relation to any Series of Notes if in the opinion of the Trustee the amendment will not materially adversely affect the interests of the relevant Noteholders.

The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent or the Agent Bank and to appoint additional or other Paying Agents or a substitute or other Agent Bank in respect of any one or more Series of Notes, provided that it will, so long as any Notes are outstanding, maintain (i) an Agent Bank and (ii) a Paying Agent having a specified office in a city approved by the Trustee (such approval not to be unreasonably withheld or delayed) in Europe which, so long as any Notes are listed on London Stock Exchange Limited and/or any other stock exchange, shall be London and/or such other place as may be required by such other stock exchange. So long as any Notes are listed on the Paris Bourse there shall be a Paying Agent with a specified office in Paris. Notice of all changes in the identities or specified offices of the Paying Agents or the Agent Bank will be given by the Issuer to Noteholders in accordance with Condition 14.

11. Replacement of Notes, Coupons and Talons

Should any Note, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Principal Paying Agent or such other Paying Agent or office as the Trustee may approve upon payment by the claimant of the expenses incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Coupons or Talons must be surrendered before replacements will be issued.

12. Modification of Terms, Waiver and Substitution

The Trust Deed contains provisions for convening meetings of the holders of the Notes of any Series to consider any matter affecting their interests, including, subject to the agreement of the Issuer and (where applicable) the Guarantor, the modification by Extraordinary Resolution of the conditions of such Notes or the provisions of the Trust Deed with respect to such Notes except that the provisions relating to subordination of Capital Notes and/or the Subordinated Guarantee shall not be so capable of modification. The quorum at any such meeting for passing an Extraordinary Resolution for modifying certain provisions (including, *inter alia*, those concerning the amount, currency and due dates of payment of principal and interest in respect of Notes and the determination thereof) will be one or more persons holding or representing not less than two-thirds, or at any adjourned meeting not less than one-third, in outstanding principal amount of the Notes of such Series for the time being outstanding. In other cases, the quorum for passing an Extraordinary Resolution will be one or more persons holding or representing not less than a clear majority in outstanding principal amount of the Notes of the relevant Series for the time being outstanding, or at any adjourned meeting one or more persons being or representing holders of such Notes whatever the outstanding principal amount of such Notes held or represented by that person or persons. Any resolution duly passed at any such meeting shall be binding on all the holders of such Notes, whether or not present, and on all the holders of the Coupons (if any) appertaining thereto. The Trust Deed also provides for a resolution in writing signed by or on behalf of all the holders of the Notes of any Series to be as effective as if it were an Extraordinary Resolution duly passed at a meeting.

The Trust Deed contains provisions for convening a single meeting of the holders of Notes of more than one Series in certain circumstances where the Trustee so decides.

Subject to certain exceptions, the Trustee may agree, without the consent of the holders of Notes of any Series or holders of the Coupons (if any) appertaining thereto, to:

- (i) any modification of the conditions of such Notes or any of the provisions of the Trust Deed in relation to such Notes; and
- (ii) any waiver or authorisation of any breach or proposed breach of the conditions of such Notes or any of the provisions of the Trust Deed in relation to such Notes,

which, in either case, is not in the opinion of the Trustee materially prejudicial to the interests of the holders of Notes of that Series or to any modification which is of a formal or technical nature or which is made to correct a manifest error. In addition, the Trustee may determine (without the consent of the holders of Notes of any Series or holders of the Coupons (if any) appertaining thereto) that any Event of Default or Potential Event of Default (both as defined in the Trust Deed) shall not be treated as such for the purpose of the Trust Deed and such Notes if, in the opinion of the Trustee, the interests of the relevant Noteholders would not be materially prejudiced thereby.

Subject to such amendment of the Trust Deed and such other conditions as the Trustee may require, but without the consent of the holders of Notes of any Series or the holders of the Coupons (if any) appertaining thereto, the Trustee may also agree to the substitution of the Bank (on a subordinated basis in the case of Capital Notes) in place of BOCC or BOIC (where the relevant Notes are Notes in

respect of which BOCC or BOIC is the Issuer) as principal debtor under such Notes or, subject to such Notes and Coupons being or, where appropriate, remaining irrevocably guaranteed by the Bank (on a subordinated basis in the case of Capital Notes), to the substitution of any subsidiary of the Bank in place of the Issuer as principal debtor under such Notes and in each case the Coupons (if any) appertaining thereto and the Trust Deed insofar as it relates to such Notes.

Any such modification, waiver, authorisation or substitution shall be binding on the holders of Notes of the relevant Series and the holders of the Coupons (if any) appertaining thereto and, unless the Trustee agrees otherwise, shall be notified to the holders of Notes of that Series as soon as practicable thereafter in accordance with Condition 14.

In connection with the exercise of its powers, trusts, authorities or discretions (including, but not limited to, those in relation to any such modification, waiver, authorisation or substitution as aforesaid) the Trustee shall have regard to the interests of the holders of the Notes of the relevant Series as a class and in particular, but without limitation, shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders resulting from the individual Noteholders or Couponholders being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer or (where applicable) the Guarantor any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders or Couponholders.

13. Further issues

The Issuer of any Series of Notes shall be at liberty from time to time without the consent of the holders of such Notes or holders of the Coupons (if any) appertaining thereto to create and issue further notes ranking equally in all respects (or in all respects save as specified in the Pricing Supplement relating thereto) with the Notes of such Series and so that the same shall be consolidated and form a single series with such Notes for the time being outstanding.

14. Notices

(a) All notices to the holders of Notes will be valid if published (i) in one leading daily newspaper in London (which is expected to be the *Financial Times*) or, if this is not possible, in one other leading English language daily newspaper with general circulation in Europe, and (ii) if and so long as the relevant Notes are listed on the Paris Bourse and the Paris Bourse so requires, a French language newspaper of general circulation in Paris (which is expected to be *La Tribune Défossés* or *Les Echos*). Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or, if (ii) applies, on different dates, on the date of the first such publication in such newspaper or, as the case may be, in both such newspapers.

If publication as provided above is not practicable, notice will be given in such other manner, and shall be deemed to have been given on such date, as the Trustee may approve.

Holders of any Coupons appertaining to Notes will be deemed for all purposes to have notice of the contents of any notice given to the holders of such Notes in accordance herewith.

(b) Notices given by any Noteholder shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Principal Paying Agent or any other Paying Agent at its specified office.

15. Trustee

As more particularly described in the Trust Deed, the Trustee is entitled, *inter alia*, to enter into business transactions with BOCC, BOIC and/or the Bank and/or any of the Bank's other subsidiaries and to act as trustee for the holders of any other securities issued or guaranteed by BOCC, BOIC or the Bank or any of the Bank's other subsidiaries, in each case without accounting for any profit resulting therefrom.

16. Governing Law

The Trust Deed, the Notes, the Coupons (if any) and the Talons (if any) are governed by, and shall be construed in accordance with, English law.

Each of the Issuers and the Guarantor has, in the Trust Deed, (i) agreed that, for the benefit of the Trustee and the Noteholders and Couponholders, the courts of England shall have jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes, which may arise out of or in connection with any Notes, Coupons or the Trust Deed (respectively, “**Proceedings**” and “**Disputes**”) and, for such purpose, irrevocably submitted to the jurisdiction of such courts and (ii) waived any objection which it might at any time have to such courts being nominated as the forum to hear and determine any Proceedings and to settle any Disputes and agreed not to claim that any such court is not a convenient or appropriate forum. Each of BOCC and BOIC has, in the Trust Deed, agreed that the process by which any Proceedings in England are commenced may be served on it by being delivered to the registered office for the time being in England of the Bank (or to such other address as BOCC or BOIC may have notified in writing to the Trustee and as the Trustee shall from time to time have approved) and marked for the attention of Group Treasurer (or such official as BOCC or BOIC may have notified in writing to the Trustee). Nothing herein shall affect the right of the Trustee or the Noteholders or Couponholders to serve process in any other manner permitted by law or the right to take Proceedings in any other jurisdiction. In the case of a substitution under Condition 12, the Trustee may agree, without the consent of the holders of the Notes of the relevant Series or of the Coupons (if any) appertaining thereto, to a change of the law governing such Notes and/or Coupons and/or the Trust Deed insofar as it relates to such Notes provided that such change would not in the opinion of the Trustee be materially prejudicial to the interests of the holders of the Notes of such Series.

USE OF PROCEEDS

The net proceeds of the issue of each Series of Notes will be used in the conduct of the business of the Bank and its subsidiaries (the “Group”).

UNITED KINGDOM TAXATION

The following is a summary of the current United Kingdom taxation treatment of the Notes. It is not exhaustive and, in particular, does not deal with the position of certain classes of Noteholders, such as dealers in securities. Noteholders who are in any doubt as to their tax position should consult their professional advisers.

1. Notes issued by the Bank (“UK Notes”) which are in bearer form and which carry a right to interest will constitute “quoted Eurobonds” provided they continue to be listed on a recognised stock exchange (the London Stock Exchange and the Paris Bourse are so recognised) (“UK Bearer Notes”). Accordingly, while UK Bearer Notes remain in global form and are held in a recognised clearing system within the meaning of section 841A of the Income and Corporation Taxes Act 1988 (“ICTA”) (Cedel Bank and Euroclear have each been designated as a “recognised clearing system”), payments of interest on those UK Bearer Notes may be made by any paying agent without withholding or deduction for or on account of United Kingdom income tax provided that, where required, such paying agent has received an appropriate declaration, or a notice from the Inland Revenue. If UK Bearer Notes are issued in definitive form in the circumstances set out under “Summary of Provisions Relating to Notes while in Global Form” and continue to be listed on a recognised stock exchange, then payments of interest on the UK Bearer Notes may be made without withholding or deduction where:

- (a) payment is made through an overseas paying agent; or
- (b) payment is made through a United Kingdom paying agent and either:
 - (i) the beneficial owner of the UK Bearer Notes is not resident in the United Kingdom and is beneficially entitled to the interest; or
 - (ii) the UK Bearer Notes are held in a recognised clearing system

and, if required by regulations, a declaration in appropriate form has been given to the person by or through whom the payment is made or the Inland Revenue has issued an appropriate notice to that person, provided that the Inland Revenue has not issued a direction that it considers that neither of the conditions in (i) or (ii) is satisfied.

Interest on UK Notes having a maturity of less than one year (and which are not issued with such a maturity date pursuant to any arrangement, the effect of which is to render such Note part of a borrowing for a total term of one year or more) may also be paid without withholding or deduction for or on account of United Kingdom income tax. In all other cases, unless the interest on UK Notes is paid by the Bank while it continues to be a “bank” within the meaning of section 840A ICTA in the ordinary course of its business for the purposes of section 349 ICTA, interest on UK Notes will be paid under deduction of United Kingdom income tax at the lower rate (currently 20 per cent.) subject to any direction to the contrary by the Inland Revenue under an applicable double tax treaty.

2. Where a UK Note constitutes a “quoted Eurobond” as defined above and a United Kingdom collecting agent:

- (a) acts as custodian of the UK Note and receives interest on the UK Note or directs that interest on the UK Note be paid to another person or consents to such payment; or
- (b) collects or secures payment of or receives interest on the UK Note for a Noteholder or a Couponholder (except by means only of clearing a cheque or arranging for the clearing of a cheque); or
- (c) otherwise acts in the course of a trade or profession for another person in arranging to collect or secure payment of interest on the UK Note,

the collecting agent will be liable to account for a sum representing income tax at the lower rate (currently 20 per cent.) on payments of interest on the UK Note and will deduct such a sum unless:

- (i) the relevant UK Note is held in a recognised clearing system and the collecting agent either:
 - (A) pays or accounts for the interest directly or indirectly to the recognised clearing system; or
 - (B) is acting as depositary for the recognised clearing system in respect of the relevant Note; or
- (ii) the person beneficially entitled to the interest is either not resident in the United Kingdom and beneficially owns the relevant UK Note or is prescribed by regulations; or

- (iii) the interest arises to trustees not resident in the United Kingdom of certain discretionary or accumulation trusts (where, *inter alia*, none of the beneficiaries of the trust is resident in the United Kingdom); or
- (iv) the person beneficially entitled to the interest is eligible for certain reliefs from tax in respect of the interest; or
- (v) the interest falls to be treated as the income of, or of the government of, a sovereign power or of certain international organisations.

Further conditions may be imposed by regulations for the relevant exception to be available except in the case of (i)(B) above.

3. Payments of interest on Notes issued by BOCC or BOIC (“Non-UK Notes”) may be made without withholding or deduction for or on account of United Kingdom income tax where:

- (a) payment is made through an overseas paying agent; or
- (b) payment is made through a United Kingdom paying agent and:
 - (i) the interest is payable direct to a person outside the United Kingdom; or
 - (ii) the Non-UK Notes are held in a recognised clearing system; or
 - (iii) the beneficial owner of the Non-UK Notes is not resident in the United Kingdom and is beneficially entitled to the interest; or
 - (iv) the beneficial owner of the Non-UK Notes falls within certain other categories of person, including United Kingdom banks, charities and approved pension funds; or
 - (v) the interest falls to be treated as the income of, or the government of, a sovereign power or of an international organisation

and, if required by regulations, a declaration in an appropriate form has been given to the person by or through whom the payment is made or the Inland Revenue has issued an appropriate notice to that person.

The paying agent is required to withhold if the Inland Revenue issues a direction to that effect, having reason to believe that no exception applies or that the depository or paying agent has failed to comply with certain requirements.

4. The position of United Kingdom collecting agents for interest on Non-UK Notes is essentially as described in paragraph 2 above in relation to UK Notes which constitute “quoted Eurobonds”.

5. The interest on UK Notes will have a United Kingdom source and, accordingly, subject as set out below, will be chargeable to United Kingdom income tax by direct assessment even if paid without withholding or deduction except in the hands of a Noteholder who is exempt from United Kingdom income tax under the terms of an applicable double taxation treaty or otherwise. The profit realised on any disposal (which includes redemption) of any UK Note issued at an issue price of less than the amount payable on redemption is similarly chargeable but does not attract United Kingdom withholding (see further paragraph 9 below). However, neither such profit nor interest received without deduction or withholding is chargeable to United Kingdom tax in the hands of a Noteholder who is not resident for tax purposes in the United Kingdom unless the Noteholder carries on a trade, profession or vocation in the United Kingdom through a branch or agency in the United Kingdom in connection with which the interest or profit is received or to which the UK Notes are attributable. There are certain exceptions for income received by specified categories of agent (such as some brokers and investment managers).

6. Where interest on UK Notes has been paid under deduction of United Kingdom tax, Noteholders who are not resident in the United Kingdom may be able to recover all or part of the tax deducted if there is an appropriate provision in an applicable double taxation treaty.

7. The provisions relating to additional payments referred to in Condition 6 of “Conditions of the Notes” would not apply if the Inland Revenue sought to assess the person entitled to the relevant interest or (where applicable) profit on any discounted Note directly to United Kingdom income tax. However, exemption from or reduction of such United Kingdom tax liability might be available under an applicable double taxation treaty.

8. If the Guarantor is required to make a payment of interest under the Senior Guarantee or Subordinated Guarantee, the payment may attract United Kingdom withholding tax subject to such relief as may be available under the provisions of any applicable double taxation treaty.

9. For Noteholders chargeable to United Kingdom income tax, rather than corporation tax, Notes issued at an issue price of less than the amount payable on redemption may constitute "relevant discounted securities" for the purposes of section 102 and Schedule 13 of the Finance Act 1996. In such case, a Noteholder may (subject to paragraph 5 above) be liable to United Kingdom income tax on the profit (the amount by which any sum payable on the transfer or redemption of the Note exceeds its acquisition price, less certain costs) realised on any disposal of the Note (which includes redemption). Noteholders will not be subject to any United Kingdom withholding tax on any such profit and the provisions of paragraphs 2 and 4 above relating to United Kingdom collecting agents do not apply to receipt of profit from any such Note.

10. Notes denominated other than in sterling may be "qualifying assets" for the purposes of the United Kingdom's provisions relating to the taxation of foreign exchange gains and losses (the "FOREX provisions"). A corporate Noteholder which is within the charge to United Kingdom corporation tax may, depending on the movement of the currency in which the Notes are denominated against the "local currency" of the Noteholder, realise an income gain or loss taxable on an accruals basis for United Kingdom tax purposes for each accounting period during which Notes are held, notwithstanding that there has been no disposal of the Notes.

11. For corporate Noteholders within the charge to United Kingdom corporation tax, Notes will normally constitute "qualifying corporate bonds" within section 117 of the Taxation of Chargeable Gains Act 1992, whether or not denominated in sterling. Such corporate Noteholders will normally recognise any gain or loss for corporation tax purposes under the "loan relationship" rules in the Finance Act 1996. Under these rules, all profits, gains and losses, measured and recognised in accordance with an authorised accounting method, are taxed or relieved as income. Corporate Noteholders within the charge to United Kingdom corporation tax are charged to tax in each accounting period on interest by reference either to interest accrued in that period or on a mark to market basis.

12. Indexed Notes may fall outside the FOREX provisions, and may also fall outside the "loan relationship" rules except in relation to interest (which will be charged to United Kingdom corporation tax in each accounting period by reference to interest accrued in that period). In such a case, Indexed Notes will be taxed under the United Kingdom's rules for the taxation of chargeable gains. Accordingly, on a disposal or redemption of such Notes, United Kingdom corporate taxpayers may realise a chargeable gain or an allowable loss for the purposes of the United Kingdom's provisions for the taxation of chargeable gains.

13. For Noteholders who are not corporates but are within the charge to United Kingdom tax, Notes denominated in currencies other than sterling will not constitute "qualifying corporate bonds". Accordingly, on a disposal or redemption of such Notes, such Noteholders may realise a chargeable gain or an allowable loss for United Kingdom capital gains tax purposes. Notes which are denominated in currencies other than sterling which are "relevant discounted securities" within the meaning of Schedule 13 of the Finance Act 1996 and Notes denominated in sterling will normally be "qualifying corporate bonds", in which case no chargeable gains and no allowable losses will arise for the purposes of taxation of capital gains.

14. A transfer of Notes by a non-corporate Noteholder resident or ordinarily resident in the United Kingdom or who carries on a trade in the United Kingdom through a branch or agency to which the Notes are attributable, may give rise to a charge to United Kingdom income tax in respect of an amount representing interest on the Notes which has accrued since the preceding interest payment date.

Proposed EU Directive on the Taxation of Savings Income

The Council of the European Union is currently considering a proposed directive (which may or may not be adopted) to oblige Member States to adopt either a "withholding tax system" or an "information system" in relation to savings income.

The "withholding tax system" would require a "paying agent" (which can include an issuer of debt) established in an EU Member State to withhold tax at a minimum rate of 20 per cent. from interest paid to an individual resident in another EU Member State unless certain exemptions apply. The "information system" would require an EU Member State to supply other Member States with details of payments of interest made by "paying agents" within its jurisdiction to individuals resident in those other Member States.

NETHERLANDS TAXATION

BOCC and BOIC have been advised that under existing Netherlands law:

- (a) payment of principal and interest on the Notes and Coupons issued by BOCC or BOIC under the Programme will not be subject to Netherlands withholding tax;
- (b) a holder of a Note and/or Coupon so issued (a "Holder") will not be subject to Netherlands income tax in respect of any payment under the Note and/or the Coupon provided that:
 - (i) the Holder is not a resident or a deemed resident of The Netherlands;
 - (ii) the Holder does not have an enterprise or an interest in an enterprise which in its entirety or in part is carried on through a permanent establishment or a permanent representative in The Netherlands to which or to whom the Note and/or Coupon is or are attributable; and
 - (iii) the Holder does not have, directly or indirectly, a substantial interest or deemed substantial interest in the share capital of BOCC or BOIC, or, in the event that he does have such an interest, such interest belongs to the business assets of an enterprise;
- (c) a Holder will not be subject to Netherlands capital gains tax in respect of the Notes issued by BOCC or BOIC provided that the conditions mentioned in (b)(i), (ii) and (iii) are met;
- (d) a holder of a Note and/or Coupon will not be subject to Netherlands net wealth tax in respect of such Note and/or Coupon provided that such holder is not an individual or, if he is an individual, provided that the conditions mentioned in (b)(i) and (ii) above are met;
- (e) no gift, estate or inheritance tax will arise in The Netherlands on a gift of a Note and/or Coupon issued by BOCC or BOIC by, or on the death of, a Holder who is neither resident nor deemed resident in The Netherlands, provided that:
 - (i) such Holder does not die within 180 days after having made a gift, while being on the moment of his death a resident or deemed resident of The Netherlands; and
 - (ii) such Note and/or Coupon is or are not attributable to an enterprise which in its entirety or in part is carried on through a permanent establishment or a permanent representative in The Netherlands;
- (f) a Holder of a Note and/or Coupon issued by BOCC or BOIC will not be subject to taxation in The Netherlands by reason only of the performance by BOCC or BOIC of its obligations under such Note and/or Coupon.

The above is included for general information and is a summary only of the Netherlands taxation implications as they may affect investors. Persons who are in any doubt as to their tax position should consult their professional advisers

PLAN OF DISTRIBUTION

Subject to the terms and conditions set out in the Distribution Agreement dated 10th October, 1995, as amended and restated on 8th October, 1997, the Notes may be offered from time to time on a continuing basis by the Issuers to all or any of Banque Nationale de Paris, Barclays Bank PLC, Barclays Bank PLC Frankfurt Branch, Barclays Capital France SA, Daiwa Europe Limited, Dresdner Bank Aktiengesellschaft, Goldman Sachs International, Lehman Brothers International (Europe), Merrill Lynch International, J.P. Morgan Securities Ltd., Morgan Stanley & Co. International Limited, Nikko Europe Plc, Nomura International plc, PaineWebber International (U.K.) Ltd., Salomon Brothers International Limited and UBS AG, acting through its division, Warburg Dillon Read (the "Dealers"). The Issuers have reserved the right, however, to sell Notes directly on their own behalf to Purchasers which are not Dealers, provided that any such sales are made upon the terms of the Distribution Agreement. Notes so purchased under the Distribution Agreement may be re-sold at prevailing market prices, or at prices related thereto, at the time of such re-sale, as determined by the relevant Dealer. The Notes may also be sold by the Issuers through all or any of the Dealers acting as agents. In addition, the Distribution Agreement provides for Notes to be issued in syndicated Tranches which are jointly and severally underwritten by two or more Dealers.

The Issuers will pay each relevant Dealer a commission, to be agreed from time to time and depending on maturity, in respect of Notes sold to or through it.

The Issuers have agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Distribution Agreement may be terminated in relation to all or any of the Dealers by the Issuers or, in relation to itself and the Issuers only, by any Dealer, at any time on giving not less than 10 business days' notice.

United States of America: The Notes and, in respect of Notes not issued by the Bank, the Guarantee have not been and will not be registered under the United States 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.

Notes in bearer form (other than any Notes issued with an initial maturity of 365 days or less) 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 U.S. persons, 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 of 1986, as amended, and the regulations thereunder.

Each Dealer has represented and agreed that, except as permitted by the Distribution Agreement, it has not offered, sold or delivered and will not offer, sell or deliver the Notes of any identifiable Tranche (i) as part of their distribution at any time, or (ii) otherwise until 40 days after the completion of the distribution of such Tranche, as determined and certified to the Principal Paying Agent or the relevant Issuer by the relevant Dealer (or, in the case of a sale of a Tranche of Notes to or through more than one Dealer, by each of such Dealers as to the Notes of such Tranche purchased by or through it, in which case the Principal Paying Agent or the relevant Issuer shall notify each such Dealer when all such Dealers have so certified), within the United States or to, or for the account or benefit of, U.S. persons, and that it will have sent to each dealer to which it sells Notes during the distribution compliance period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Notes 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 Notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Each issue of Indexed Notes shall be subject to such additional U.S. selling restrictions as the relevant Issuer and the relevant Dealer or Dealers may agree in connection with the issue and purchase of such Notes. Each Dealer has agreed that it will offer, sell and deliver such Notes only in compliance with such additional U.S. selling restrictions.

United Kingdom: Each Dealer has represented and agreed that:

- (a) it has not offered or sold and will not offer or sell to persons in the United Kingdom (i) any Notes having a maturity of one year or greater in respect of which admission to listing in accordance with Part IV of the Financial Services Act 1986 (the "Act") is to be sought, prior to

admission of such Notes to such listing or (ii) prior to the expiry of the period of six months from the date of issue, any Notes having a maturity of one year or greater in respect of which admission to such listing is not sought, except, in each case, to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995 or, in the case of Notes in respect of which admission to such listing is to be sought, the Act;

- (b) it has complied and will comply with all applicable provisions of the Act with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom; and
- (c) 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 any issue of Notes, other than 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 Act, to a person who is of a kind described in Article 11(3) of the Financial Services Act 1986 (Investment Advertisements)(Exemptions) Order 1996 or is a person to whom such document may otherwise lawfully be issued or passed on.

Federal Republic of Germany: Each Dealer has confirmed that it is aware of the fact that no German selling prospectus (*Verkaufsprospekt*) has been or will be published in respect of the Programme and that it will comply with the Securities Selling Prospectus Act (the "1990 Act") of the Federal Republic of Germany (*Wertpapier-Verkaufsprospektgesetz*) of 13th December, 1990. In particular each Dealer has undertaken not to engage in public offering (*Öffentliches Anbieten*) in the Federal Republic of Germany with respect to any Notes issued under the Programme otherwise than in accordance with the 1990 Act and any other legislative act replacing or supplementing the 1990 Act and all other applicable laws and regulations.

The Republic of France: Each Dealer has represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, any Notes in the Republic of France, whether or not such Notes are Paris listed Notes, and that it has not distributed or caused to be distributed and will not distribute or cause to be distributed in the Republic of France the Information Memorandum or any other offering material relating to the Notes, except to (i) qualified investors (*investisseurs qualifiés*) or (ii) a restricted circle of investors (*cercle restreint d'investisseurs*), each as defined in Article 6 of *Ordonnance* no. 67-833 of 28th September, 1967, as amended, and Decree no. 98-880 of 1st October, 1998.

The Netherlands: Each Dealer has represented and agreed that:

- (i) it has not offered, sold, transferred or delivered, and will not offer, sell, transfer or deliver any of the Notes in or from The Netherlands as part of their initial distribution or at any time thereafter, directly or indirectly, other than to banks, pension funds, insurance companies, securities firms, investment institutions, central governments, large international and supranational institutions and other comparable entities, including, *inter alia*, treasuries and finance companies of large enterprises, which trade or invest in securities in the conduct of a business or profession; and
- (ii) Zero Coupon Notes and other Notes on which no interest is paid during their term are subject to the selling restriction set out above, and in addition thereto such Notes (except when in the form of rights representing an interest in a Global Note) may not, directly or indirectly, be offered, sold, transferred or delivered in The Netherlands except in conformity with the requirements of the Netherlands Savings Certificates Act of 21st May, 1985 (*Wet inzake spaarbewijzen*).

Japan: The Notes have not been and will not be registered under the Securities and Exchange Law of Japan (the "Securities and Exchange Law"). Each Dealer has represented and agreed that in connection with the initial issue of each Tranche of Notes and thereafter, it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements

of, and otherwise in accordance with, the Securities and Exchange Law and other relevant laws and regulations of Japan. As used in this paragraph, "resident of Japan" means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

No Notes denominated in Yen or in respect of which amounts may be payable or repayable in Yen shall be issued without the licence or approval of the Japanese Minister of Finance so long as such licence or approval is required by the applicable laws of Japan.

General: Other than with respect to the listing of Notes on the relevant stock exchange, no action has been or will be taken in any country or jurisdiction by any Issuer or the Dealers that would permit a public offering of Notes, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required. Persons into whose hands the Information Memorandum or any Pricing Supplement comes are required by each Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or have in their possession or distribute such offering material, in all cases at their own expense.

The Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) in official interpretation, after the date hereof, in applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the preceding paragraph.

Selling restrictions may be supplemented or modified with the agreement of the relevant Issuer. Any such supplement or modification will be set out in the relevant Pricing Supplement (in the case of a supplement or modification relevant only to a particular Series of Notes) or (in any other case) in a supplement to the Information Memorandum.

The Issuers have given an undertaking to the Dealers in connection with the listing of any of the Notes on the London Stock Exchange to the effect that if after preparation of the listing particulars for submission to the London Stock Exchange and at any time during the duration of the Programme the Issuers become aware that (a) there has been a significant change affecting any matter contained in the listing particulars published in connection with the listing of any of the Notes whose inclusion was required by Section 146 of the Financial Services Act 1986 or by the listing rules made by the London Stock Exchange or otherwise; or (b) a significant new matter has arisen the inclusion of information in respect of which would have been so required if it had arisen when the listing particulars were prepared, the Issuers shall give to each Dealer full information about such change or matter and shall publish supplementary listing particulars as may be required by the London Stock Exchange, and shall otherwise comply with Sections 147 and 149 of the Financial Services Act 1986 and the listing rules in that regard and shall supply to each Dealer such number of copies of the supplementary listing particulars as it may reasonably request.

GENERAL INFORMATION

1. The establishment of the Programme (including, in the case of the Bank, the giving of its guarantee in respect of Notes issued by BOCC or BOIC) was authorised by resolutions of a duly constituted Committee of the Board of Directors of the Bank and of the Board of Directors of BOCC and of BOIC passed on 21st September, 1995, 20th September, 1995 and 20th September, 1995, respectively. The updating and amendment of the Programme was authorised by a resolution of a duly constituted Committee of the Board of Directors of the Bank and by resolutions of BOCC and of BOIC passed on 30th September, 1998, 25th September, 1998 and 25th September, 1998, respectively.

2. The listing of a Series of Notes on the London Stock Exchange will be expressed as a percentage of their principal amount (exclusive of accrued interest, if any). The listing of the Programme on the London Stock Exchange is expected to be granted on 29th October, 1998 for a period of 12 months. Any Series of Notes intended to be listed on the London Stock Exchange will be admitted to the Official List upon submission to the London Stock Exchange of the relevant Pricing Supplement and any other information required by the London Stock Exchange, subject to the issue of the Global Note representing Notes of that Series. If such Global Note is not issued, the issue of such Notes may be cancelled. Prior to official listing, dealings in the Notes of the relevant Series will be permitted by the London Stock Exchange in accordance with its rules.

Notes may, however, be issued under the Programme which are not listed or which will be listed on one or more other stock exchanges.

3. The Notes may be accepted for clearance through the Cedel Bank and Euroclear systems. The common code for each Series of Notes allocated by Cedel Bank and Euroclear will be contained in the relevant Pricing Supplement, along with the International Securities Identification Number for that Series. Transactions will normally be effected for settlement not earlier than three days after the date of the transaction. The relevant Pricing Supplement shall specify any other clearing system (including Sicovam) as shall have accepted the relevant Notes for clearance together with any further appropriate information.

4. The Arranger for issues of Deutsche Mark Notes, the Dealers for such Notes and the relevant Issuer will comply with the Deutsche Bundesbank statements from time to time relating to the issue of Deutsche Mark debt securities.

5. BA Notes (as defined in "Summary of the Programme" above) which are issued as an exempt transaction under regulation 13(1) or (3) of the Banking Act 1987 (Exempt Transactions) Regulations 1997 (the "Regulations") will constitute shorter term debt securities or longer term debt securities (in each case, as defined in the Regulations), as specified on such Notes, in each case issued in accordance with regulations made under section 4 of the Banking Act 1987. BOCC and BOIC are not authorised institutions or European authorised institutions (as such terms are defined in the Regulations) and repayment of the principal and payment of any interest or premium in connection with such Notes will be guaranteed by the Bank, which is an authorised institution, but is not a European authorised institution.

6. (a) In relation to any BA Notes which are to be exempt transactions under regulation 13(3) of the Regulations where such BA Notes would fall within regulation 13(4)(a) or (b) of the Regulations:

- (i) the relevant Issuer confirms that, as at the date hereof, it has complied with its obligations under the relevant rules in relation to the admission to and continuing listing of the Programme and of any previous issues made under it and listed on the same exchange as the Programme;
- (ii) the relevant Issuer confirms that it will have complied with its obligations under the relevant rules in relation to the admission to listing of such BA Notes by the time when such BA Notes are so admitted; and
- (iii) the relevant Issuer confirms that, as at the date hereof, it has not, since the last publication, if any, in compliance with the relevant rules of information about the Programme, any previous issues made under it and listed on the same exchange as the Programme, or any BA Notes falling within regulation 13(4)(a) or (b) of the Regulations, having made all reasonable enquiries, become aware of any change in circumstances which could reasonably be regarded as significantly and adversely affecting its ability to meet its obligations as issuer in respect of such BA Notes as they fall due.

In this paragraph (a) the expression "the relevant rules" shall have the same meaning as in the Regulations.

(b) In relation to BA Notes which are to be exempt transactions under regulation 13(3) and fall within regulation 13(4)(b) of the Regulations, the relevant Issuer has complied and will continue to comply with its obligations under the Regulations to lodge all relevant information (as defined in the Regulations) in relation to any such BA Notes with the London Stock Exchange.

7. Under Article 109g of the Treaty, the currency composition of the ECU may not be changed. The Treaty contemplates that European Economic and Monetary Union will occur in three stages, the second of which began on 1st January, 1994 with the entry into force of the Treaty on European Union. The Treaty provides that the third stage of European Economic and Monetary Union will start on 1st January, 1999 and on that date the value of the ECU as against the currencies of the member states participating in the third stage will be irrevocably fixed and the ECU will become a currency in its own right. On 17th June, 1997, the Council of the European Union adopted Council Regulation (EC) No 1103/97, which recites that the name of that currency will be the euro and provides that, in accordance with the Treaty, references to the ECU will be replaced by references to the euro at the rate of one euro for one ECU. From the start of the third stage of European Economic and Monetary Union, all payments in respect of Notes denominated or payable in ECU will be payable in euro at the rate of one euro for one ECU.

PARIS LISTING INFORMATION

It is strongly recommended by the French Ministry of the Economy, Finance and Industry that Notes denominated in French Francs and Notes denominated in euros should be listed on the Paris Bourse, particularly, but not exclusively, where such Notes are to be offered publicly in France. The following procedures will apply to Notes which are to be listed on the Paris Bourse.

1. Commissions des Opérations de Bourse (COB)

Prior to listing of any Notes on the Paris Bourse, the COB is required to have approved the Information Memorandum. In addition, the Pricing Supplement applicable to each issue of Notes to be listed on the Paris Bourse is currently required to be approved at the time of the relevant issue. The relevant approval in relation to each such issue will be evidenced by the issue of a *visa* by the COB. The *visa* number will be disclosed in the Pricing Supplement applicable to the relevant Notes.

Each Issuer and the Guarantor has given an undertaking to the COB that, if and for so long as any of the Notes are listed on the Paris Bourse, any material adverse changes in the business, financial condition or otherwise of the Issuers, the Guarantor and their subsidiaries shall be notified to the COB and published in accordance with its rules.

2. SBF – Bourse de Paris (SBF)

The listing of Notes on the Paris Bourse is subject to approval by the SBF. Such approval will be evidenced by publication in the *Bulletin de la SBF*. Such publication will be made in a notice published in connection with each particular issue of Notes.

3. Bulletin des Annonces Légales Obligatoires (BALO)

Notes to be listed on the Paris Bourse may not be offered in France and the publication of the Pricing Supplement applicable thereto must not be made before such listing becomes effective and details of the relevant Notes (in the form of a *notice légale*) have been published in the BALO.

4. Filing of Constitutive Documents

Prior to the listing on the Paris Bourse of any Notes, a French translation of the Issuers' constitutive documents will have been filed with the *Greffé du Tribunal de Commerce* of Paris.

5. Documents Available for Inspection

So long as any Notes are listed on the Paris Bourse, copies of the Information Memorandum and all documents incorporated by reference therein will be available for inspection at the specified office in Paris of the listing agent for Notes listed on the Paris Bourse.

6. Responsibility Statement

There is set out on the next page the responsibility statement:

**PERSONNES QUI ASSUMENT
LA RESPONSABILITE DU "DOCUMENT DE BASE"
EN CE QUI CONCERNE LES TITRES QUI SERONT ADMIS
A LA NEGOCIATION AU PREMIER MARCHÉ
DE LA BOURSE DE PARIS**

1. AU NOM DES EMETTEURS

A la connaissance des émetteurs, les données du présent Document de Base sont conformes à la réalité et ne comportent pas d'omission de nature à en altérer la portée.

Barclays Bank PLC

**Barclays Overseas Capital
Corporation B.V.**

**Barclays Overseas Investment
Company B.V.**

J.H. Culmer
Trésorier Adjoint du Groupe

Luit J. Hooy
Directeur Général

Luit J. Hooy
Directeur Général

2. AU NOM DU GARANT

A la connaissance du garant, les données du présent Document de Base sont conformes à la réalité et ne comportent pas d'omission de nature à en altérer la portée.

Barclays Bank PLC

J.H. Culmer
Trésorier Adjoint du Groupe

3. AU NOM DE LA LA BANQUE PRESENTATRICE

A la connaissance de la banque présentatrice, les données du présent Document de Base sont conformes à la réalité et ne comportent pas d'omission de nature à en altérer la portée.

Barclays Capital France SA

Aurian d'Ursel
Directeur Général

VISA DE LA COMMISSION DES OPERATIONS DE BOURSE

En vue de la cotation à Paris des obligations éventuellement émises dans le cadre de ce présent Programme, et par application des articles 6 et 7 de l'ordonnance no. 67-833 du 28 septembre 1967, telle que modifiée, la Commission des Opérations de Bourse a enregistré le présent Document de Base sous le no. P98-438 du 28 octobre 1998.

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