

THIS CARD IS CIRCULATED TO GIVE DETAILS OF AN ISSUE BY THE BANK
AND SHOULD BE RETAINED FOR REFERENCE PURPOSES

LI-LN 54

LLOYDS BANK PLC

LLO

(Incorporated in England with limited liability)

under the Companies Act 1862 and the Companies Acts 1948 to 1980)

**U.S.\$750,000,000 PRIMARY CAPITAL UNDATED FLOATING RATE NOTES
ISSUE PRICE 100 PER CENT.**

This document contains particulars given in compliance with the Regulations of the Council of The Stock Exchange of the United Kingdom and the Republic of Ireland ("The Stock Exchange") for the purpose of giving information with regard to Lloyds Bank Plc (the "Bank") and the issue of U.S.\$750,000,000 of the above-mentioned Notes (the "Notes") by the Bank. The Bank is the person responsible for the information contained in this document. To the best of the knowledge and belief of the Bank (which has taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information. The Bank accepts responsibility accordingly.

A copy of this document, which comprises the listing particulars required by The Stock Exchange (Listing Regulations 1984, has been delivered to the Registrar of Companies in England and Wales in accordance with such Regulations.

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

SUBSCRIPTION AND SALE

Lloyds Bank International Limited

Bank of Tokyo International Limited
Barclays Merchant Bank Limited
County Bank Limited
Credit Suisse First Boston Limited
Goldman Sachs International Corp.
LTCB International Limited
Mitsubishi Finance International Limited
Morgan Guaranty Ltd
Orion Royal Bank Limited
Swiss Bank Corporation International Limited
S. G. Warburg & Co. Ltd.

Algemene Bank Nederland N.V.
Australia and New Zealand Banking Group Limited
Bank of China
Banque Nationale de Paris
Baring Brothers & Co., Limited
Dai-ichi Kangyo International Limited
First Interstate Limited
Generale Bank
Kidder, Peabody International Limited
Lehman Brothers International, Inc.
Morgan Grenfell & Co. Limited
The National Commercial Bank (Saudi Arabia)
Sanwa International Limited

J. Henry Schroder Wagg & Co. Limited
Standard Chartered Merchant Bank Limited
Westpac Banking Corporation

Bankers Trust International Limited
Commerzbank Aktiengesellschaft
Crédit Lyonnais
Dresdner Bank Aktiengesellschaft
IBJ International Limited
Merrill Lynch International & Co.
Samuel Montagu & Co. Limited
Nomura International Limited
Sumitomo Finance International
Union Bank of Switzerland (Securities) Limited

Arab Banking Corporation (B.S.C.)
Bank of America International Limited
Banque Bruxelles Lambert S.A.
Banque Paribas
Citicorp International Bank Limited
Daiwa Europe Limited
Fuji International Finance Limited
Hambros Bank Limited
Kredietbank N.V.
Manufacturers Hanover Limited
Morgan Stanley International
Nippon Credit International (Hong Kong) Limited
Saudi International Bank
Al-Bank Al-Saudi Al-Alemi Limited
Société Générale
Tokai International Limited
Yamaichi International (Europe) Limited

The above-named (the "Managers") will pursuant to a Subscription Agreement to be dated 15th May, 1985 (the "Subscription Agreement"), jointly and severally agree with the Bank, subject to the satisfaction of certain conditions, to procure subscribers (and in default thereof to subscribe) for the Notes at a price of 100 per cent. of the principal amount of the Notes for a selling group commission of 0.50 per cent. of the principal amount of the Notes (plus United Kingdom Value Added Tax ("VAT") where applicable). The Subscription Agreement will provide for the payment to the Managers of a combined management and underwriting commission of 0.45 per cent. of the principal amount of the Notes (plus VAT where applicable) for their services in connection with the issue of the Notes. In addition the Bank will agree to reimburse the Managers for certain of their expenses in connection with the issue up to an amount of U.S.\$150,000. The Subscription Agreement will entitle the Managers to be released and discharged from their obligations in respect of the subscription of the Notes in certain circumstances prior to payment to the Bank.

The Managers, on behalf of the Bank, have invited certain banks, brokers and dealers (the "Selling Group") to subscribe Notes at a price of 100 per cent. of the principal amount of the Notes for a selling group commission of 0.50 per cent. of such principal amount plus VAT where applicable.

The Notes have not been and will not be registered under the Securities Act of 1933 of the United States of America. Accordingly, the Notes may not be offered or sold, directly or indirectly, in the United States or to any U.S. person as part of the distribution of the Notes. Any offers or sales of any of the Notes in the United States or to U.S. persons prior to the Exchange Date (as defined below) may violate United States laws. Notwithstanding the expiration of such period, any offers or sales of Notes in the United States or to U.S. persons must be made in compliance with the registration requirements of the Securities Act of 1933 of the United States of America or pursuant to an exemption therefrom. Neither the Bank nor any of the Managers makes any representation in respect of, or has assumed any responsibility for, the availability of any such exemption and they do not make any representation as to when, if at any time, the Notes may lawfully be sold in the United States or to U.S. persons.

Each Manager and each subscriber will represent and agree that (A) in connection with the distribution of the Notes it is not acquiring any Notes for the account of any U.S. person and it has not offered or sold and will not offer or sell any Notes to be subscribed by it, directly or indirectly, in the United States or to any U.S. person (except a member of the Selling Group in its capacity as a dealer) and (B) it will not, as principal or agent, offer or sell, directly or indirectly, any Notes.

the Securities Act of 1933 of the United States of America or pursuant to an exemption therefrom. Neither the Bank nor any of the Managers makes any representation in respect of, or has assumed any responsibility for, the availability of any such Notes or the ability of any person to acquire any representation as to when, if at any time, the Notes may lawfully be sold in the United States or to U.S. persons.

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Each Manager and each subscriber will further agree that it will deliver to each dealer that purchases any Notes subscribed by it pursuant to the Selling Agreement a written confirmation setting forth the restrictions on offers and sales of the Notes in the United States or to U.S. persons. A description of such restrictions is contained in the Selling Agreement.

The Notes will initially be represented by a single temporary global note (the "Temporary Global Note"), without interest coupons, which will be deposited with a common depository on behalf of Morgan Guaranty Trust Company of New York, Brussels office, as operator of the Euro-clear System ("Euro-clear") and CEDEL S.A. on or about 7th June, 1985. The Temporary Global Note will be exchangeable for definitive Notes, which will be in bearer form in the denomination of U.S. \$10,000 each with Coupons attached, not earlier than the date 90 days after completion of the distribution of the Notes, as determined by Lloyds Bank International Limited, (the "Exchange Date"). On and after the Exchange Date, definitive Notes may be obtained from Euro-clear or CEDEL S.A. upon presentation of a certificate in the form set out in the Trust Deed that the beneficial owner thereof is not a U.S. person. Any interest payable on the Temporary Global Note before the Exchange Date will be paid to Euro-clear or, as the case may be, CEDEL S.A., which will credit to the account of a person entitled to receive a definitive Note as shown by its records the amount of interest due on the Note but only upon receipt of a certificate in the form set out in the Trust Deed, not earlier than 15 days prior to the relevant Interest Payment Date, to the effect that the beneficial owner of the Note is not a U.S. person. The Temporary Global Note will provide that from the day after the Exchange Date definitive Notes not exchanged as aforesaid will be held on behalf of Euro-clear and CEDEL S.A. at the risk and cost of the person entitled to delivery thereof.

As used herein, "United States" means the United States of America, its possessions, territories and all areas subject to its jurisdiction; "U.S. person" means any person who is a national or resident of the United States (including corporations, partnerships or other entities created in or organised under the laws of the United States or any political subdivision thereof or any estate or trust which is subject to United States federal income taxation regardless of the source of its income); and "U.S. dollars" and "U.S.\$" refer to United States dollars.

The Conditions of the Notes will appear on each Note substantially in the following form:

CONDITIONS OF THE NOTES

The 75,000 Notes, serially numbered, comprising the U.S.\$750,000,000 Primary Capital Undated Floating Rate Notes (the "Notes") of Lloyds Bank Plc (the "Bank") are constituted by a trust deed dated 14th May, 1985 (the "Trust Deed") between the Bank (1) and The Law Debenture Corporation p.l.c., as trustee (the "Trustee") (2). The Trustee acts as trustee for the holders of the Notes (the "Noteholders") in accordance with the provisions of the Trust Deed. Copies of the Trust Deed are available for inspection at the registered office for the time being of the Trustee (presently at Estates House, 66 Gresham Street, London EC2V 7HX) and at the specified offices of each of the Paying Agents referred to below. The Noteholders and the holders of the coupons referred to below (the "Couponholders") are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions contained in the Trust Deed.

1. Title and Denomination

The Notes are being issued in the denomination of U.S.\$10,000 each. Title to the Notes, and to the coupons including the talon for further coupons (together where the context so permits "Coupons") appertaining thereto, will pass by delivery. The bearer of any Note and the bearer of any Coupon shall be deemed to be, and shall be treated as, the absolute owner thereof for the purpose of receiving payment thereof or on account thereof (notwithstanding any notice of ownership or writing thereon) and for all other purposes whether or not such Note or Coupon shall be overdue.

2. Status and Subordination

The Notes and Coupons constitute unsecured obligations of the Bank, conditional as described below, and rank *pari passu* without any preference among themselves.

The rights of the Noteholders and Couponholders are subordinated to the claims of Senior Creditors (as defined below) and accordingly payments of principal and interest are conditional upon the Bank being solvent at the time of payment by the Bank, and no principal or interest shall be payable in respect of the Notes except to the extent that the Bank could make such payment and still be solvent immediately thereafter. For the purpose of this Condition the Bank shall be solvent if (i) it is able to pay its debts as they fall due and (ii) its Assets exceed its Liabilities (other than its Liabilities to persons who are not Senior Creditors). A report as to the solvency of the Bank by two directors of the Bank or in certain circumstances as provided in the Trust Deed the auditors of the Bank or, if the Bank is in winding-up, its liquidator shall in the absence of proven error be treated and accepted by the Bank, the Trustee and the Noteholders and Couponholders as correct and sufficient evidence thereof. If at any time the Bank is in winding-up in England there shall be payable on the Notes (in lieu of any other payment) but subject as provided in this paragraph such amounts (if any) as would have been payable in respect of the Preference Shares referred to in Condition 7.

For the purposes of these Conditions, "Senior Creditors" means creditors of the Bank (i) who are depositors or other unsubordinated creditors of the Bank or (ii) whose claims are, or are expressed to be, subordinated to the claims of depositors and other unsubordinated creditors of the Bank but not further or otherwise or (iii) who are subordinated creditors of the Bank other than those whose claims are expressed to rank *pari passu* with or junior to the claims of the Noteholders; "Assets" means the unconsolidated gross assets of the Bank; and "Liabilities" means the unconsolidated gross liabilities of the Bank, all as shown by the latest published audited balance sheet of the Bank, but adjusted for contingent assets and contingent liabilities and for subsequent events, all in such manner as such directors, the auditors or the liquidator (as the case may be) may determine.

N.B. If the Bank would not otherwise be solvent (having taken into account liabilities to creditors other than Senior Creditors), principal and interest on the Notes may be used to absorb further losses.

3. Interest

(A) Period of Accrual of Interest and Coupons

The Notes bear interest from 7th June, 1985 (the "Issue Date") and interest payments will be made against surrender of the appropriate Coupons in accordance with and subject to the provisions of Condition 5. Interest on each Note shall cease to accrue from the date for redemption thereof unless, upon due presentation, payment of principal is improperly withheld or refused or is not made by reason of Condition 2. After such date for redemption any unmatured Coupons (which expression shall mean Coupons maturing on Interest Payment Dates falling after the due date of redemption but, for the avoidance of doubt, shall not include Coupons maturing on Interest Payment Dates falling on or before such due date in respect of which interest has not been paid by the Bank) relating to such Note (whether or not attached thereto) shall become void. After all the Coupons attached to or issued in respect of a Note have matured further Coupons and one further talon will (subject to Condition 8) be issued against presentation of the relevant talon.

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

creditors of the Bank other than those whose claims are expressed to rank *pari passu* with or junior to the claims of the Noteholders; "Assets" means the unconsolidated gross assets of the Bank; and "Liabilities" means the unconsolidated gross liabilities of the Bank, all as shown by the latest published audited balance sheet of the Bank, but adjusted for contingent assets and contingent liabilities and for subsequent events, all in such manner as such directors, the auditors or the liquidator (as the case may be) may determine.

N.B. If the Bank would not otherwise be solvent (having taken into account liabilities to creditors other than Senior Creditors), principal and interest on the Notes may be used to absorb further losses.

3. Interest

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The Notes bear interest from 7th June, 1985 (the "Issue Date") and interest payments will be made against surrender of the appropriate Coupons in accordance with and subject to the provisions of Condition 5. Interest on each Note shall cease to accrue from the date for redemption thereof unless, upon due presentation, payment of principal is improperly withheld or refused or is not made by reason of Condition 2. After such date for redemption any unmatured Coupons (which expression shall mean Coupons maturing on Interest Payment Dates falling after the due date of redemption but, for the avoidance of doubt, shall not include Coupons maturing on Interest Payment Dates falling on or before such due date in respect of which interest has not been paid by the Bank) relating to such Note (whether or not attached thereto) shall become void. After all the Coupons attached to or issued in respect of a Note have matured further Coupons and one further talon will (subject to Condition 8) be issued against presentation of the relevant talon.

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

Interest on the Notes shall accrue from day to day and shall (subject to Condition 2) be payable on each Compulsory Interest Payment Date (as defined below) in respect of the interest accrued in the Interest Period (as defined below) ending on the day immediately preceding such date. On any Optional Interest Payment Date (as defined below) there may be paid (if the Bank so elects) the interest accrued in the Interest Period ending on the day immediately preceding such date but the Bank shall not have any obligation to make such payment and any failure to pay shall not constitute a default by the Bank for any purpose. Any interest not paid on an Interest Payment Date together with any other interest not paid on any other Interest Payment Date shall, so long as the same remains unpaid, constitute "Arrears of Interest". Arrears of Interest may at the option of the Bank be paid in whole or in part at any time upon the expiration of not less than seven days' notice to such effect given to the Noteholders in accordance with Condition 12, but all Arrears of Interest on all Notes outstanding shall (subject to Condition 2) become due in full on

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whichever is the earliest of (i) the date upon which a dividend is next paid on any class of share capital of the Bank, (ii) the date set for any redemption pursuant to Condition 4(a) or 4(b) or (iii) the commencement of winding-up of the Bank. If notice is given by the Bank of its intention to pay the whole or part of Arrears of Interest, the Bank shall be obliged (subject to Condition 2) to do so upon the expiration of such notice. Arrears of Interest shall not themselves bear interest.

For the purposes hereof the expressions following have the following meanings:-

"Interest Payment Date" means the date falling six months after the Issue Date and thereafter each date which falls six calendar months after the immediately preceding Interest Payment Date. If, determined on the relevant Interest Determination Date (as defined below), any Interest Payment Date would otherwise fall on a day which is not a business day it shall be postponed to the next day which is a business day unless it would thereby fall in the next calendar month. In the latter event the Interest Payment Date shall be the immediately preceding day which is a business day. If for any reason an Interest Payment Date is so determined by the Agent Bank (as described in paragraph (F) below) to be or to be deemed to be the last business day of any calendar month all subsequent Interest Payment Dates shall (subject as provided below) be the last business day of each June and December. If, however, after the determination of an Interest Payment Date the same is declared or determined not to be a business day, then that Interest Payment Date will be re-determined on the above basis (*mutatis mutandis*) except that if such re-determination falls to be made 14 days or less before that Interest Payment Date as originally determined then that Interest Payment Date as re-determined will be postponed to the next day which is a business day even though such business day falls in the next calendar month. Subsequent Interest Payment Dates will in such event nevertheless be determined as if that re-determined Interest Payment Date had fallen on the last business day of the month in which it was originally determined to fall.

"Compulsory Interest Payment Date" means any Interest Payment Date if, in the immediately preceding Interest Period, any dividend has been declared or paid on any class of share capital of the Bank.

"Optional Interest Payment Date" means any Interest Payment Date other than a Compulsory Interest Payment Date.

"Interest Period" means the period from and including one Interest Payment Date (or the Issue Date) to but excluding the next (or first) Interest Payment Date.

"business day" means (but not for Condition 5 (B)) a day on which banks and foreign exchange markets are open for business in both London and New York City.

(C) **Rate and Amount of Interest**

The rate of interest from time to time payable in respect of the Notes (the "Rate of Interest") shall be determined by the Agent Bank on the basis of the provisions below:

- (i) On each "Interest Determination Date", namely the second business day prior to the commencement of the Interest Period for which such rate will apply, the Agent Bank will request the principal London offices of the Reference Banks (as described in paragraph (F) below) to provide the Agent Bank with their offered quotations to leading banks for deposits of U.S. dollars in the London Interbank Market for the Interest Period concerned as at 11.00 a.m. (London time) on the Interest Determination Date in question. The Rate of Interest for such Interest Period shall be $\frac{1}{4}$ per cent. per annum above the mean (rounded if necessary to the nearest $\frac{1}{16}$ per cent., $\frac{1}{32}$ per cent. being rounded upwards) of the offered quotations of three out of the five quoting Reference Banks (excluding, if all such quotations are not the same, the quotations provided by the Reference Banks with the highest and lowest offered quotations and, if more than one Reference Bank provides the highest such quotation, the quotation of one such Reference Bank shall be excluded and similarly if more than one Reference Bank provides the lowest such quotation), as determined by the Agent Bank.
- (ii) If on any Interest Determination Date only four of the Reference Banks provide the Agent Bank with such quotations, the Rate of Interest for the relevant Interest Period shall be determined in accordance with (i) above on the basis of the mean of the offered quotations of those Reference Banks providing such quotations (excluding two such quotations on the basis set out in (i) above).
- (iii) If on any Interest Determination Date only three of the Reference Banks provide the Agent Bank with such quotations, the Rate of Interest shall be determined in accordance with (i) above on the basis of the mean of the offered quotations of all the quoting Reference Banks (without any exclusion as aforesaid).
- (iv) If on any Interest Determination Date less than three of the Reference Banks provide the Agent Bank with such quotations, the Rate of Interest for the relevant Interest Period shall be the Rate of Interest in effect on the last day of the immediately preceding Interest Period, Provided that (1) if on any day during the relevant Interest Period the Agent Bank determines that at least three of the Reference Banks are quoting offered rates for six months U.S. dollar deposits to leading banks in the London Interbank Market, then the Agent Bank shall determine a new Rate of Interest (the "Substituted Rate") by application (*mutatis mutandis*) of the provisions set out in (i), (ii) or (iii) above, as the case may be, and (2) the Rate of Interest originally applicable to such Interest Period shall apply in respect of such Interest Period from and including the first day thereof up to but excluding the second business day after the day upon which the Substituted Rate is determined and the Substituted Rate shall apply from and including such second business day up to but excluding the next Interest Payment Date.
- (v) Interest on the Notes shall be calculated on the basis of the actual number of days in the period concerned divided by 360.
- (vi) The determination by the Agent Bank of the Rate of Interest shall (in the absence of manifest error) be final and binding upon all parties.

(D) **Publication of Rate and Amount of Interest**

As soon as possible after each such determination, but in any event not later than the fourth business day thereafter, the Agent Bank shall cause each Rate of Interest (including any Substituted Rate), together with the amount of interest payable in respect of each Note (rounding to the nearest cent, half a cent being rounded upwards) for the relevant Interest Period and the relative Interest Payment Date, to be notified to any stock exchange upon which the Notes are for the time being listed or quoted and published in accordance with Condition 12. The amount and date so published may subsequently be amended and appropriate arrangements made by way of adjustment without notice in the event of an extension or shortening of the Interest Period.

(E) **Determination of Rate of Interest by Trustee**

The Trustee shall (if the Agent Bank does not at any relevant time determine the Rate of Interest) determine the Rate of Interest at such rate as, in its absolute discretion (but having such regard to the provisions of this Condition 3 as it shall consider appropriate), it shall deem fair and reasonable in all the circumstances and such determination shall be deemed to be a determination thereof by the Agent Bank.

(F) **Agent Bank and Reference Banks**

The Bank shall procure that so long as any of the Notes remains outstanding there shall for the purposes of the Notes at all times be an Agent Bank and five Reference Banks, each having a branch in London. The initial Reference

Bank shall be Citibank N.A., Citicorp International Westminster Bank PLC, Morgan Guaranty Trust

be deemed to be a determination thereof by the Agent Bank.

(F) *Agent Bank and Reference Banks*

The Bank shall procure that so long as any of the Notes remains outstanding there shall for the purposes of the Notes at all times be an Agent Bank and five Reference Banks, each having a branch in London. The initial Reference Banks shall be Citibank, N.A., Crédit Lyonnais, International Westminster Bank PLC, Morgan Guaranty Trust Company of New York and Swiss Bank Corporation, and the initial Agent Bank shall be The Chase Manhattan Bank, N.A., but if any such bank is unable or unwilling to continue to act, the Bank shall appoint such other bank as may be approved by the Trustee to act as such in its place.

4. **Redemption**

The Bank shall not be at liberty to redeem the Notes except in accordance with the following provisions of this Condition:—

(a) *Redemption for Taxation Reasons*

If the Bank satisfies the Trustee immediately prior to the giving of the notice referred to below that, on the next Interest Payment Date or if the Bank were to seek to redeem the Notes, the Bank would, for reasons outside its control, be unable (after making such endeavours as the Trustee shall consider reasonable) to make such payment or redemption without having to pay additional amounts as provided or referred to in Condition 6, the Bank may at its option (subject to Condition 2), having given not less than 30 nor more than 45 days' notice to the Noteholders, redeem all, but not some only, of the Notes at their principal amount plus accrued interest to the date of redemption.

Subject only to the obligation of the Bank to use such endeavours as aforesaid, it shall be sufficient, to establish the existence of the circumstances required to be established pursuant to this paragraph (a), if the Bank shall deliver to the Trustee a certificate of an independent lawyer or accountant satisfactory to the Trustee in a form satisfactory to the Trustee to the effect either that such circumstances exist or that, upon a change in or amendment to the laws (including any regulations pursuant thereto) of the United Kingdom, which at the date of such certificate is proposed and which in the opinion of such lawyer or accountant is reasonably expected to become effective on or prior to the date on which the relevant payment of principal or interest in respect of the Notes would otherwise be made, becoming so effective, such circumstances would exist.

(b) *Optional Redemption*

On giving not more than 60 nor less than 30 days' notice to the Trustee and to the Noteholders in accordance with Condition 12, the Bank may on any Interest Payment Date falling in or after June 1990, redeem all the Notes or some only of the Notes, in each case at their principal amount. Upon the expiration of such notice the Bank shall (subject to Condition 2) be bound to redeem such Notes at their principal amount together with all Arrears of Interest as provided in Condition 3(B).

(c) *Purchases*

The Bank or any of its subsidiaries may at any time purchase Notes on The Stock Exchange in London or by tender (available to all Noteholders alike) or by private treaty. In the case of purchases on The Stock Exchange in London or by tender the price, exclusive of expenses and accrued interest, will not exceed the average of the middle market quotations of the Notes taken from The Stock Exchange Daily Official List for the 10 business days before the purchase is made or, in the case of a purchase on The Stock Exchange in London, the market price provided that it is not more than 5 per cent. above such average. In the case of purchases by private treaty the price, exclusive of expenses and accrued interest, will not exceed 110 per cent. of the middle market quotation of the Notes on The Stock Exchange in London (or, failing such quotation, by reference to such other quotation as may be agreed between the Bank and the Trustee) at the close of business on the last dealing day preceding the date of purchase. In each case purchases will be made together with all unmatured Coupons relating thereto.

(d) *Cancellation*

All Notes which are (i) redeemed or (ii) purchased for its own account (otherwise than in the ordinary course of a business of dealing in securities) by or on behalf of the Bank or any subsidiary of the Bank may not be reissued or resold and shall in due course be cancelled, together with all unmatured Coupons attached thereto or surrendered therewith.

(e) *Drawings*

In the case of a partial redemption pursuant to paragraph (b) of this Condition, Notes to be redeemed will be selected individually by lot and otherwise in a manner approved by the Trustee not more than 60 days prior to the date fixed for redemption and a list of Notes called for redemption will be published in accordance with Condition 12 not more than 60 days nor less than 30 days prior to such date.

5. **Payments**

- (A) Payment of principal and interest in respect of Notes will (subject to Condition 2) be made against presentation and surrender of the relevant Note or Coupon at the specified office of any of the Paying Agents, by dollar cheque drawn on, or by transfer to a dollar account maintained by the payee with, a bank in New York City, subject in all cases to any fiscal or other laws and regulations applicable to the Bank or the holder of the Note or Coupon in respect of such payment but without prejudice to the provisions of Condition 6. Without prejudice to the generality of the foregoing the Bank reserves the right to require a Noteholder or Couponholder to provide a Paying Agent with such certification or information as may be required to enable the Bank to comply with the requirements of the United States federal income tax laws. *It is likely that corporations, including banks and other financial institutions, would be required only to provide evidence of their corporate status.* If any payment is to be made in respect of interest, the Interest Payment Date for which falls on or after the date on which the winding-up of the Bank is deemed to have commenced, such payment shall be made only against presentation of the relevant Note and the Coupon for any such Interest Payment Date shall be void. Each Note presented for redemption must be presented together with all unmatured Coupons appertaining thereto. In addition any Note presented for payment after the commencement of the winding-up of the Bank must be presented together with all Coupons in respect of Arrears of Interest, failing which there shall be withheld from any payment otherwise due to the Noteholder such proportion thereof as the Arrears of Interest due in respect of any such missing Coupon bears to the total of the principal amount of the relevant Note, all Arrears of Interest in respect thereof and all interest accrued thereon in respect of the Interest Period current at the date of the commencement of the winding-up.
- (B) If the date for payment of any amount of principal or interest in respect of any Note is not at any place of payment a business day, then the holder thereof shall not be entitled to payment at that place of payment of the amount payable until the next following day which is a business day at that place of payment and the holder shall not be entitled to any further interest or other payment in respect of any such delay. In this Condition 5(B), "business day" means any day on which banks are open for business in the relevant place of payment and (in the case of payment by transfer to a dollar account as referred to in Condition 5(A)) on which dealings in foreign currency may be carried on both in New York City and in such place of payment.
- (C) The initial Paying Agents and their initial specified offices are set out below. The Bank reserves the right, subject to the approval of the Trustee, at any time to vary or terminate the appointment of any Paying Agent and to appoint additional or other Paying Agents, provided that it will at all times maintain a Paying Agent having a specified office in Europe, which, so long as the Notes are listed on The Stock Exchange in London, shall be in London. In addition,

payable until the next following day which is a business day at that place of payment and the holder shall not be entitled to any further interest or other payment in respect of any such delay. In this Condition 5(B), "business day" means any day on which banks are open for business in the relevant place of payment and (in the case of payment by transfer to a dollar account as referred to in Condition 5(A)) on which dealings in foreign currency may be carried on both in New York City and in such place of payment.

- (C) The initial Paying Agents and their initial specified offices are set out below. The Bank reserves the right, subject to the approval of the Trustee, at any time to vary or terminate the appointment of any Paying Agent and to appoint additional or other Paying Agents, provided that it will at all times maintain a Paying Agent having a specified office in Europe, which, so long as the Notes are listed on The Stock Exchange in London, shall be in London. In addition, the Bank will, if so required by the Trustee, appoint a Paying Agent having a specified office in New York City if (i) the Bank shall have appointed Paying Agents outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the full amount of interest on the Notes (to persons so entitled under applicable local law) in dollars when due, (ii) payment of the full amount of such interest by all such Paying Agents is illegal or effectively precluded by exchange controls or other similar restrictions (iii) the Bank does not within a reasonable period (as determined by the Trustee) appoint a paying agent in a jurisdiction where such payment is not illegal or so precluded, and (iv) such payment is then permitted by United States law. Notice of any such termination or appointment and of any changes in the specified offices of the Paying Agents will be given to the Noteholders in accordance with Condition 12.

Continued on Card 2

the rate of interest from time to time payable in respect of the Notes (and there shall be no interest on interest) shall be determined by the Agent Bank on the basis of the provisions below:

- (i) On each "Interest Determination Date", namely the second business day prior to the commencement of the

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U.S.\$750,000,000 PRIMARY CAPITAL UNDATED FLOATING RATE NOTES
ISSUE PRICE 100 PER CENT.

6. Taxation

All payments of principal and/or interest in respect of Notes shall be made without withholding or deduction for or on account of any present or future tax, duty or charge of whatsoever nature imposed or levied by or on behalf of the United Kingdom, or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In that event, the Bank shall pay such additional amounts as will result (after such withholding or deduction) in the receipt by the holders of the sums which would have been receivable (in the absence of such withholding or deduction) from it in respect of their Notes and/or, as the case may be, Coupons; except that no such additional amounts shall be payable with respect to any Note or Coupon presented for payment:—

- (a) by or on behalf of any holder liable to such tax, duty or charge in respect of such Note or Coupon by reason of such holder having some connection with the United Kingdom other than the mere holding of such Note or Coupon; or
- (b) in the United Kingdom; or
- (c) more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment at the expiry of such period of 30 days.

The "Relevant Date" in respect of any payment means the date on which such payment first becomes due or (if the full amount of the moneys payable has not been duly received by the Principal Paying Agent or the Trustee on or prior to such due date) the date on which notice is given to the Noteholders that such moneys have been so received.

Any reference in these Conditions to the principal and/or interest in respect of the Notes shall be deemed to include a reference to any additional amounts which may be payable under this Condition 6 or under any obligations undertaken in addition thereto or in substitution therefor pursuant to the Trust Deed.

7. Events of Default and Enforcement

- (A) If the Bank shall not make payment in respect of the Notes (in the case of any payment of principal) for a period of seven days or more after the due date for the same or (in the case of any payment of interest) for a period of 14 days or more after a Compulsory Interest Payment Date or any other date upon which the payment of interest is compulsory, the Trustee may institute proceedings in England (but not elsewhere) for the winding-up of the Bank. Provided that it shall not have the right to institute such proceedings if the Bank withholds or refuses any such payment (i) in order to comply with any fiscal or other law or regulation or with the order of any court of competent jurisdiction, in each case applicable to such payment or (ii) (subject as provided in the Trust Deed), in case of doubt as to the validity or applicability of any such law, regulation or order, in accordance with advice given as to such validity or applicability at any time during the said period of seven or 14 days, as the case may be, by independent legal advisers acceptable to the Trustee. For the purpose of this paragraph a payment shall be deemed to be due or compulsory even if the condition set out in Condition 2 is not satisfied.

- (B) If an order is made or an effective resolution is passed for the winding-up of the Bank in England, all the Notes shall be treated for the purposes of determining the amount of the liability of the Bank in respect of principal and interest relating to the Notes as if, at the close of business on the day immediately preceding the presentation of the petition which resulted in the order being made or, as the case may be, the date of the meeting at which the relevant resolution was passed, all the Notes together with all Arrears of Interest and all interest accrued in respect of the Interest Period then current had been converted into Preference Shares (as hereinafter defined) in accordance with the following formula:—

$$N = \frac{P}{R}$$

where:—

- N = the number of Preference Shares into which each Note is deemed to be converted (rounded down to the nearest whole number);
- P = the principal amount of each Note together with all Arrears of Interest thereon and all interest accrued thereon in respect of the Interest Period then current; and
- R = the U.S. dollar equivalent (computed to the greater of four significant figures and four decimal places) of one pound sterling as determined as at 11.00 a.m. on such immediately preceding day by the Agent Bank by reference to the mid-rates quoted by the Reference Banks or (if less than all the Reference Banks so quote) on the basis of those Reference Banks who so quote,

and, in lieu of payments in respect of the Notes as hereinbefore provided, there shall (subject to Condition 2) be paid only such sums as would have been payable in respect of such Preference Shares disregarding any tax credit given in relation to dividends payable thereon.

"Preference Shares" means Cumulative Floating Rate Preference Shares of £1 each in the capital of the Bank having the rights and privileges and being subject to the restrictions particulars of which are set forth in the Trust Deed. *The rights attaching to the Preference Shares are designed to provide that on the conclusion of a solvent winding-up of the Bank the Noteholders would be entitled to receive the then sterling equivalent of all amounts which they would have received if such winding-up had not taken place and the Notes had been repaid in full at par.*

- (C) The Trustee shall not be bound to take the action referred to in paragraph (A) above to enforce the obligations of the Bank in respect of the Notes and Coupons unless (i) it shall have been so requested by an Extraordinary Resolution of the Noteholders or in writing by the holders of at least one-fifth in principal amount of the Notes then outstanding and (ii) it shall have been indemnified to its satisfaction.
- (D) No Noteholder or Couponholder shall be entitled to proceed directly against the Bank unless the Trustee, having become bound so to proceed after 1st June, 1986, fails to do so in which case the Noteholder or Couponholder shall have only such rights against the Bank as those which the Trustee is entitled to exercise. No Noteholder or Couponholder shall be entitled to institute proceedings for the winding-up of the Bank, or to prove in such winding-up, except that if the Trustee, having become bound to proceed against the Bank as aforesaid, fails to do so, or, being able to prove in such winding-up, fails to do so, then any such holder may, on giving an indemnity satisfactory to the Trustee, in the name of the Trustee (but not otherwise), himself institute proceedings for the winding-up in England (but not elsewhere) of the Bank and/or prove in such winding-up to the same extent (but not further) as if the Trustee had proceeded as aforesaid.

and (iii) it shall have been indemnified to its satisfaction.

- (D) No Noteholder or Couponholder shall be entitled to proceed directly against the Bank unless the Trustee, having become bound so to proceed after 1st June, 1986, fails to do so in which case the Noteholder or Couponholder shall have only such rights against the Bank as those which the Trustee is entitled to exercise. No Noteholder or Couponholder shall be entitled to institute proceedings for the winding-up of the Bank, or to prove in such winding-up, except that if the Trustee, having become bound to proceed against the Bank as aforesaid, fails to do so, or, being able to prove in such winding-up, fails to do so, then any such holder may, on giving an indemnity satisfactory to the Trustee, in the name of the Trustee (but not otherwise), himself institute proceedings for the winding-up in England (but not elsewhere) of the Bank 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 Coupons. No remedy against the Bank, other than the institution of proceedings for the winding-up of the Bank in England, shall be available to the Trustee or the Noteholders or Couponholders whether for the recovery of amounts owing in respect of the Notes or under the Trust Deed or in respect of any breach by the Bank of any of its obligations under the Trust Deed or the Notes (other than for recovery of the Trustee's remuneration or expenses). The Bank will undertake in the Trust Deed to pay English stamp and other duties (if any) on or in connection with the execution of the Trust Deed and English, Belgian or Luxembourg stamp and other duties or taxes (if any) on the original issue and constitution of Notes in temporary or definitive form (provided such stamp and other duties or taxes result from laws applicable on the date falling 90 days after completion of the distribution of the Notes, as determined by Lloyds Bank International Limited (the "Exchange Date")) or stamp or other duties or taxes payable in England (but not elsewhere), solely by virtue of and in connection with any permissible proceedings under the Trust Deed or the Notes but will not be otherwise responsible for stamp or other duties or taxes otherwise imposed and in particular but without prejudice to the generality of the foregoing for any penalties arising on account of late payment where due by the holder at the relevant time. Any such stamp or other duties or taxes that might be imposed upon the definitive Notes or Coupons appertaining thereto (other than as aforesaid) after the Exchange Date are the liability of the holders thereof.

8. Prescription

Notes and Coupons (excluding for this purpose talons) will become void unless presented for payment within a period of 12 years in the case of Notes and six years in the case of Coupons respectively from the Relevant Date (as defined in Condition 6) relating thereto. The prescription period in respect of talons shall be:

- (a) as to any talon whose original due date for exchange falls not more than 12 years prior to the due date for redemption (pursuant to Condition 4(a) or 4(b)) of the Note to which it pertains, six years from the Relevant Date of such Note, but such that the Coupon sheet for which it is exchangeable shall be issued without any Coupon itself prescribed in accordance with this Condition 8 and without a talon; and
- (b) as to any other talon, 12 years from the Relevant Date of the last Coupon of the Coupon sheet of which it formed part.

9. Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings unless indemnified to its satisfaction. The Trustee is entitled to enter into business transactions with the Bank and/or any of its subsidiaries without accounting for any profit resulting therefrom.

10. Meetings of Noteholders, Modifications, Waiver and Substitution of Principal Debtor

The Trust Deed contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including any modification of the terms and conditions of the Notes and the provisions of the Trust Deed, provided that certain provisions (including, *inter alia*, the terms concerning the currency and due dates of payment of interest in respect of the Notes, the principal amount of any Note and the provisions pertaining to the Preference Shares) may only be modified at a meeting of Noteholders for which special quorum provisions apply. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders, whether present or not, and on all Couponholders.

The Trustee may agree, without the consent of the Noteholders or the Couponholders, to any modification (except as aforesaid) of, or to any waiver or authorisation of any breach or proposed breach of, any provision of the Trust Deed which, in the opinion of the Trustee, is not materially prejudicial to the interests of the Noteholders or to any modification to correct a manifest error. Unless the Trustee agrees otherwise, any modification shall be notified to the Noteholders in accordance with Condition 12 as soon as practicable thereafter.

The Trustee may also agree, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require, but without the consent of the Noteholders or the Couponholders, to the substitution, subject to the Notes and the Coupons being unconditionally and irrevocably guaranteed by the Bank on a subordinated basis equivalent to that mentioned in Condition 2, of a subsidiary of the Bank in place of the Bank as principal debtor under the Trust Deed, the Notes and the Coupons and so that the claims of the Noteholders and the Couponholders may, in the case of the substitution of a banking subsidiary (as defined in the Trust Deed) of the Bank in the place of the Bank, be subordinated to the rights of Senior Creditors (as defined in Condition 2, but with the substitution of references to "that subsidiary" in place of references to "the Bank") of that subsidiary.

In the case of a substitution pursuant to this Condition the Trustee may in its absolute discretion agree, without the consent of the Noteholders or Couponholders, to a change of the law governing the Notes, the Coupons and/or the Trust Deed provided that such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders.

In connection with any proposed substitution as aforesaid, the Trustee shall have regard to the interests of the Noteholders as a class and in particular, but without prejudice to the generality of the foregoing, shall not have regard to the consequences of such substitution for individual Noteholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of any particular territory. No Noteholder or Couponholder shall, in connection with any such substitution, be entitled to claim from the Bank any indemnification or payment in respect of any tax consequence of any such substitution upon individual Noteholders or Couponholders except to the extent already provided for by Condition 6 (as from time to time amended).

11. Replacement of Notes and Coupons

Should any Note or Coupon be lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Principal Paying Agent (or such other place of which notice shall be given in accordance with Condition 12) upon payment by the claimant of the expenses incurred in connection therewith and on such terms as to evidence and indemnity as the Bank may reasonably require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

12. Notices

All notices regarding the Notes will be valid if published in one leading London daily newspaper or, if, in the opinion of the Trustee, this is not practical, in one other leading English language daily newspaper which is approved by the Trustee and having circulation in Europe. Any notice published in a newspaper as aforesaid shall be deemed to have been given on the date of such publication or, if published more than once, on the date of the first such publication. If publication is not practical in any such newspaper as is mentioned above, notice will be valid if given in such other manner, and shall be deemed to have been given on such date, as the Trustee shall determine. It is expected that publication of notices will normally be made in the *Financial Times*.

13. Governing Law

The Trust Deed, the Notes and the Coupons are governed by and construed in accordance with English law.

PRINCIPAL PAYING AGENT

be issued.

Notes or Coupons must be surrendered before replacements will

12. Notices

All notices regarding the Notes will be valid if published in one leading London daily newspaper or, if, in the opinion of the Trustee, this is not practical, in one other leading English language daily newspaper which is approved by the Trustee and having circulation in Europe. Any notice published in a newspaper as aforesaid shall be deemed to have been given on the date of such publication or, if published more than once, on the date of the first such publication. If publication is not practical in any such newspaper as is mentioned above, notice will be valid if given in such other manner, and shall be deemed to have been given on such date, as the Trustee shall determine. It is expected that publication of notices will normally be made in the *Financial Times*.

13. Governing Law

The Trust Deed, the Notes and the Coupons are governed by and construed in accordance with English law.

PRINCIPAL PAYING AGENT

The Chase Manhattan Bank, N.A.,
Woolgate House,
Coleman Street,
London EC2P 2HD

PAYING AGENTS

Banque Bruxelles Lambert S.A.,
24 Avenue Marnix,
B-1050 Brussels

Chase Manhattan Bank
Luxembourg S.A.,
47 Boulevard Royal,
Luxembourg

This card is circulated by Extel Statistical Services Ltd. in compliance with the requirements of
The Council of The Stock Exchange, and is printed by Williams Lea & Co. Ltd., London.

Any reference in these Conditions to the principal and/or interest in respect of the Notes shall be deemed to include a reference to any additional amounts which may be payable under this Condition 6 or under any obligations undertaken in

USE OF PROCEEDS

The net proceeds of the issue, which are estimated to amount to approximately U.S.\$742,725,000, will be employed in the general business of the Bank and its subsidiaries.

THE LLOYDS BANK GROUP

The Bank and its subsidiaries (the "Group") provide a comprehensive range of domestic and international banking and financial services. The Group is represented in over 45 countries. At 31st December, 1984 the total assets of the Group were £44 billion, of which the Bank contributed £18 billion.

The Group conducts its domestic (UK) retail and commercial banking and financial services operations through a network of nearly 2,700 branches and offices in the UK, of which more than 2,300 relate to the Bank's domestic banking activities. The Group's services include deposit and lending facilities, transmission of funds, foreign exchange and money market operations, equipment leasing, export finance, instalment finance, factoring, executor and trustee services, merchant banking, credit card operations, insurance broking, investment management, share registration services, financial futures trading, an estate agency network and the provision of venture capital.

International banking, including eurocurrency business and export finance, is carried out by Lloyds Bank International Limited ("LBI") and its subsidiaries and other overseas subsidiaries of the Bank through some 500 offices in over 45 countries, as well as by the Overseas Division of the Bank.

In January 1985 shareholders of the Bank approved the proposal contained in the Lloyds Bank (Merger) Bill to merge LBI with the Bank. It is expected that the merger of the United Kingdom and United States businesses of the Group will become effective by 1st January, 1986; the merger of the other overseas banking businesses will take place on or as soon as practicable after that date. The Bank will not be changing its name.

The Group also has banking subsidiaries in New Zealand and California.

DIRECTORS OF THE BANK

The Directors of the Bank, the address of each of whom is 71 Lombard Street, London EC3P 3BS, their respective functions within the Group and their respective principal outside activities, where significant to the Bank and its subsidiaries, are as follows:—

<i>Name and Address</i>	<i>Function within the Group</i>	<i>Principal Outside Activity</i>
Sir Christopher Jeremy Morse KCMG	Chairman. Also Deputy Chairman of Lloyds Bank International Limited	—
Sir John Lindsay Alexander	Deputy Chairman. Also Chairman of Lloyds Bank International Limited	—
Norman William Jones CBE, TD	Deputy Chairman	—
Sir John Hedley Greenborough KBE, LLD	Deputy Chairman	—
Arthur John Davis RD	Vice-Chairman	—
The Rt. Hon Robert Andrew Inskip Viscount Caldecote DSC, F.Eng	Director	Chairman, Investors in Industry Group plc
Frederick William Crawley	Director, Deputy Group Chief Executive. Also Chief General Manager of the Bank's domestic (UK) operation	—
George Duncan	Director, also Chairman of Lloyds and Scottish Plc	—
The Rt. Hon. James Edward Lord Hanson	Director	Chairman, Hanson Trust Plc
Sir Gordon Ivan Hobday LLD	Director	Director, Central Independent Television Limited
Sir John Robin Ibbs	Director	Director, Imperial Chemical Industries PLC
Geoffrey Charles Kent	Director	Chairman, Imperial Group p.l.c.
Sir Peter Alec Matthews AO	Director	—
Brian Ivor Pitman	Director and Group Chief Executive	—
Sir Charles Henry Plumb DL	Director	Chairman of the European Democratic Group
John Michael Raisman CBE	Director	—
The Hon. Sir Peter Edward Ramsbotham GCMG, GCVO	Director	Director, Commercial Union Assurance Company plc
Eric Yvon Whittle	Director and Deputy Group Chief Executive. Also Chief Executive of Lloyds Bank International Limited.	—

CAPITALISATION OF THE BANK AND ITS SUBSIDIARIES

The consolidated capitalisation of the Bank and its subsidiaries as at 31st March, 1985, as adjusted for the Notes now being issued, is as follows:—

	£m
SHARE CAPITAL AND RESERVES	
Authorised — 300,000,000 Shares of £1 each	235
Issued and fully paid	1,817
Reserves	
Total	2,052

The consolidated capitalisation of the Bank and its subsidiaries as at 31st March, 1985, as adjusted for the Notes now being issued, is as follows:—

	£m
SHARE CAPITAL AND RESERVES	
Authorised — 300,000,000 Shares of £1 each	
Issued and fully paid	235
Reserves	1,817
Total	2,052
LOAN CAPITAL	
<i>The Bank</i>	
U.S.\$20m 9% Subordinated Notes due 1989	12
Variable Rate Subordinated Unsecured Loan Stock 1986	1
The Notes now being issued	609
<i>Lloyds Eurofinance N.V.</i>	
Guaranteed Sterling/U.S. Dollar Payable Floating Rate Notes due 1990	50
U.S.\$100m Guaranteed Floating Rate Notes due 1992	81
U.S.\$200m Guaranteed Floating Rate Notes due 1993	162
U.S.\$100m 11½% Guaranteed Bonds due 1994	81
£200m Guaranteed Floating Rate Notes due 1996	200
U.S.\$250m Guaranteed Floating Rate Notes due 2004	203
<i>Lloyds First Western Corporation</i>	
U.S.\$40m 8 7/8% Promissory Notes due October 1, 1994	28
<i>Lloyds Bank California</i>	
U.S.\$12.5m 4 7/8% Capital Notes due August 15, 1989	3
<i>Cedar Holdings Limited</i>	
9.17% Debenture Stock 1989	1
10.25% Debenture Stock 1996	5
Total	1,436
Total Capitalisation	3,488

Notes:—

- Share Capital and Reserves are shown as at 31st December, 1984. Pursuant to Ordinary Resolutions of the Bank passed on 1st May, 1985 at the Annual General Meeting of the Bank the authorised share capital of the Bank was increased by the creation of 150,000,000 additional Shares of £1 each and a one for two capitalisation issue to members on the register on 31st May, 1985 was approved.
- Between 1st January and 10th May, 1985 (the latest practicable date prior to the printing of this document) a total of 1,053,894 Shares of £1 each have been issued under the staff savings-related share option and the senior executives' share option schemes and under the staff profit sharing schemes at prices ranging between £2.22 and £5.57. Save as referred to in (a) above, there has been no material change in the authorised or issued share capital of the Bank since 31st December, 1984.
- The debenture stocks of Cedar Holdings Limited are secured by a floating charge on advances to certain customers.
- Loan capital denominated in U.S. dollars has been translated at the rate of £1 = U.S.\$1.2315.
- There has been no material change in the loan capital of any member of the Group since 31st March, 1985.

UNITED KINGDOM INCOME TAXATION

The current United Kingdom income taxation position can be summarised as follows:—

- The Notes will constitute "quoted Eurobonds" within the terms of Section 35 of the Finance Act 1984, provided they remain in bearer form and continue to be quoted on a recognised stock exchange within the meaning of Section 535 of the Income and Corporation Taxes Act 1970. Accordingly, payments of interest may be made without withholding or deduction for or on account of United Kingdom income tax where:—
 - the person by or through whom the payment is made is not in the United Kingdom. The Bank has been advised that in accordance with current Revenue practice no withholding or deduction for or on account of United Kingdom income tax will be required where the payment of interest is made by an overseas paying agent, notwithstanding that the Bank is resident in the United Kingdom and will appoint a principal paying agent in the United Kingdom; or
 - the payment is made by or through a person who is in the United Kingdom and
 - it is proved, on a claim in that behalf made to the Commissioners of Inland Revenue, that the person who is the beneficial owner of the Note and entitled to the interest is not resident in the United Kingdom, or where the interest is by virtue of any provision of the United Kingdom Taxes Acts deemed to be income of a person other than the person who is the beneficial owner of the Note on a claim in that behalf made to the Commissioners of Inland Revenue by that other person, that such other person is not resident in the United Kingdom; or
 - the Note and Coupon are held by one and the same person in a "recognised clearing system". Euroclear and CEDEL S.A. have each been designated as a "recognised clearing system" for this purpose.

In all other cases, interest will be paid under deduction of United Kingdom income tax subject to such relief as may be available under the provisions of any relevant double taxation treaty.
- A collecting agent in the United Kingdom obtaining payment elsewhere than in the United Kingdom on behalf of a holder of a Note or Coupon may be required to withhold or deduct for or on account of United Kingdom income tax unless it is proved, on a claim in that behalf made to the Commissioners of Inland Revenue, that the beneficial owner of the Note or Coupon is not resident in the United Kingdom.
- The interest has a United Kingdom source and accordingly will be chargeable to United Kingdom tax by direct assessment even if the interest was paid without withholding or deduction. However, under long-standing Inland Revenue practice, the interest will not be assessed to United Kingdom tax in the hands of Noteholders who are not residents of the United Kingdom, except where such persons:—
 - are chargeable in the name of an agent in the United Kingdom (*N.B. the Finance Bill contains proposals to*

is not resident in the United Kingdom; or

- (ii) the Note and Coupon are held by one and the same person in a "recognised clearing system". Euro-clear and CEDEL S.A. have each been designated as a "recognised clearing system" for this purpose.

In all other cases, interest will be paid under deduction of United Kingdom income tax subject to such relief as may be available under the provisions of any relevant double taxation treaty.

2. A collecting agent in the United Kingdom obtaining payment elsewhere than in the United Kingdom on behalf of a holder of a Note or Coupon may be required to withhold or deduct for or on account of United Kingdom income tax unless it is proved, on a claim in that behalf made to the Commissioners of Inland Revenue, that the beneficial owner of the Note or Coupon is not resident in the United Kingdom.
3. The interest has a United Kingdom source and accordingly will be chargeable to United Kingdom tax by direct assessment even if the interest was paid without withholding or deduction. However, under long-standing Inland Revenue practice, the interest will not be assessed to United Kingdom tax in the hands of Noteholders who are not residents of the United Kingdom, except where such persons:—
 - (a) are chargeable in the name of an agent in the United Kingdom (*N.B. the Finance Bill contains proposals to exclude from such a charge certain investment managers to whom certain stipulated conditions apply*); or
 - (b) have a branch in the United Kingdom which has the management or control of the interest; or
 - (c) seek to claim relief in respect of taxed income from United Kingdom sources; or
 - (d) are chargeable to Corporation Tax on the income of a United Kingdom branch or agency to which the interest is attributable.
4. Noteholders should note that the provisions relating to additional payments referred to in Condition 6 of the Notes would not apply if the Inland Revenue sought to assess the person entitled to the relevant interest directly to United Kingdom tax on interest. However, exemption from or reduction of such United Kingdom tax liability might be available under an appropriate double taxation treaty.
5. The Bank has been advised that payments of interest on the Notes will not constitute a distribution for UK tax purposes.

Continued on Card 3

Name and Address

Sir Christopher Jeremy Morse KCMG

Function within the Group

Chairman. Also Deputy Chairman of

Principal Outside Activity

THIS CARD IS CIRCULATED TO GIVE DETAILS OF AN ISSUE BY THE BANK
AND SHOULD BE RETAINED FOR REFERENCE PURPOSES

LI-LN 54

LLOYDS BANK PLC

LLO

(Incorporated in England with limited liability)

under the Companies Act 1862 and the Companies Acts 1948 to 1980)

U.S.\$750,000,000 PRIMARY CAPITAL UNDATED FLOATING RATE NOTES
ISSUE PRICE 100 PER CENT.

GENERAL INFORMATION

1. The listing of the Notes on The Stock Exchange will be expressed in U.S. dollars as a percentage of their principal amount (exclusive of accrued interest). Transactions on The Stock Exchange will normally be effected for settlement in U.S. dollars and for delivery on the fifth dealing day after the date of the transaction. It is expected that the Notes will be admitted to the Official List on 31st May, 1985 subject only to the issue of the Temporary Global Note. Pending such issue, however, dealings will be permitted by the Council of The Stock Exchange in accordance with its rules.

2. The Notes have been accepted for clearance through CEDEL S.A. (reference no. 203980) and through Euro-clear (reference no. 12489).

3. Neither the Bank nor any of its subsidiaries is involved in any legal or arbitration proceedings which may have, or have had, during the twelve months preceding the date of this document a significant effect on the financial position of the Bank and its subsidiaries, nor, so far as the Bank is aware, are any such proceedings pending or threatened against the Bank or any of its subsidiaries.

4. Since 31st December, 1984, the date to which the latest audited consolidated published accounts of the Bank and its subsidiaries were made up, there has been no material change in the financial or trading position of the Bank and its subsidiaries, taken as a whole, nor has there been any material adverse change in the financial position or prospects of the Bank.

5. The annual consolidated published accounts of the Bank and its subsidiaries for the three financial years ended 31st December, 1984 were audited by Price Waterhouse, Chartered Accountants, whose address is Southwark Towers, 32 London Bridge Street, London SE1 9SY.

6. No redemption of the Notes for taxation reasons, nor any redemption of the Notes at the option of the Bank will be made without the consent of the Bank of England.

7. The obligations of the Bank in respect of the Notes and the Coupons are conditional upon the Bank being solvent at the time of payment by the Bank. The terms and conditions of the Notes do not provide any remedy for non-payment of interest thereon so long as no dividend has been paid or declared in respect of any class of capital of the Bank in the Interest Period preceding the relevant Interest Payment Date (each as defined in Condition 3). In the event of the winding up of the Bank the right to claim for Arrears of Interest (as defined in Condition 3) may be limited by applicable insolvency law.

8. Copies of the latest published Report and Accounts of the Bank will (so long as any of the Notes remain outstanding) be available to the holders of the Notes at the specified office of each paying agent for the time being.

9. Copies of the audited Annual Report and Accounts of the Bank for the year ended 31st December, 1984 and of these Listing Particulars are available until 30th May, 1985 (20th May, 1985 in the case of the Company Announcements Office of The Stock Exchange) from:—

- (a) Hoare Govett Ltd., Heron House, 319-325 High Holborn, London WC1V 7PB;
- (b) the Bank, 71 Lombard Street, London EC3P 3BS; and
- (c) The Chase Manhattan Bank, N.A., Woolgate House, Coleman Street, London EC2P 2HD.

10. Copies of the following documents are available for inspection during usual business hours on any weekday (Saturdays and public holidays excepted) at the offices of Linklaters & Paines, Barrington House, 59-67 Gresham Street, London EC2V 7JA for a period of 14 days from the date hereof:

- (a) the Memorandum and Articles of Association of the Bank;
- (b) the Report and Accounts of the Bank for the years ended 31st December, 1983 and 31st December, 1984;
- (c) the Subscription Agreement referred to above;
- (d) the Trust Deed referred to above (including, *inter alia*, the form of the Note and the form of the Temporary Global Note) and drafts (subject to amendment) of the Paying Agency Agreement and Agent Bank Agreement; and
- (e) the circular dated 14th May, 1985 addressed to the members of the Bank containing, *inter alia*, the Notice convening an Extraordinary General Meeting of the Bank for 6th June, 1985 to create a Cumulative Floating Rate Preference Share.

REGISTERED OFFICE OF THE BANK

71 Lombard Street,
London EC3P 3BS

TRUSTEE FOR THE NOTEHOLDERS

THE LAW DEBENTURE CORPORATION p.l.c.,
Estates House,
66 Gresham Street,
London EC2V 7HX

LEGAL ADVISERS

To the Bank
LINKLATERS & PAINES,
Barrington House,
59-67 Gresham Street,
London EC2V 7JA

BROKERS
HOARE GOVETT LTD.,
Heron House,
319-325 High Holborn,
London WC1V 7PB

To the Managers and the Trustee
SLAUGHTER AND MAY,
35 Basinghall Street,
London EC2V 5DB

GENERAL INFORMATION

1. The listing of the Notes on The Stock Exchange will be expressed in U.S. dollars as a percentage of their principal amount (exclusive of accrued interest). Transactions on The Stock Exchange will normally be effected for settlement in U.S. dollars and for delivery on the fifth dealing day after the date of the transaction. It is expected that the Notes will be admitted to the Official List on 31st May, 1985 subject only to the issue of the Temporary Global Note. Pending such issue, however, dealings will be permitted by the Council of The Stock Exchange in accordance with its rules.

2. The Notes have been accepted for clearance through CEDEL S.A. (reference no. 203980) and through Euro-clear (reference no. 12489).

3. Neither the Bank nor any of its subsidiaries is involved in any legal or arbitration proceedings which may have, or have had, during the twelve months preceding the date of this document a significant effect on the financial position of the Bank and its subsidiaries, nor, so far as the Bank is aware, are any such proceedings pending or threatened against the Bank or any of its subsidiaries.

4. Since 31st December, 1984, the date to which the latest audited consolidated published accounts of the Bank and its subsidiaries were made up, there has been no material change in the financial or trading position of the Bank and its subsidiaries, taken as a whole, nor has there been any material adverse change in the financial position or prospects of the Bank.

5. The annual consolidated published accounts of the Bank and its subsidiaries for the three financial years ended 31st December, 1984 were audited by Price Waterhouse, Chartered Accountants, whose address is Southwark Towers, 32 London Bridge Street, London SE1 9SY.

6. No redemption of the Notes for taxation reasons, nor any redemption of the Notes at the option of the Bank will be made without the consent of the Bank of England.

7. The obligations of the Bank in respect of the Notes and the Coupons are conditional upon the Bank being solvent at the time of payment by the Bank. The terms and conditions of the Notes do not provide any remedy for non-payment of interest thereon so long as no dividend has been paid or declared in respect of any class of capital of the Bank in the Interest Period preceding the relevant Interest Payment Date (each as defined in Condition 3). In the event of the winding up of the Bank the right to claim for Arrears of Interest (as defined in Condition 3) may be limited by applicable insolvency law.

8. Copies of the latest published Report and Accounts of the Bank will (so long as any of the Notes remain outstanding) be available to the holders of the Notes at the specified office of each paying agent for the time being.

9. Copies of the audited Annual Report and Accounts of the Bank for the year ended 31st December, 1984 and of these Listing Particulars are available until 30th May, 1985 (20th May, 1985 in the case of the Company Announcements Office of The Stock Exchange) from:—

(a) Hoare Govett Ltd., Heron House, 319-325 High Holborn, London WC1V 7PB;

(b) the Bank, 71 Lombard Street, London EC3P 3BS; and

(c) The Chase Manhattan Bank, N.A., Woolgate House, Coleman Street, London EC2P 2HD.

10. Copies of the following documents are available for inspection during usual business hours on any weekday (Saturdays and public holidays excepted) at the offices of Linklaters & Paines, Barrington House, 59-67 Gresham Street, London EC2V 7JA for a period of 14 days from the date hereof:

(a) the Memorandum and Articles of Association of the Bank;

(b) the Report and Accounts of the Bank for the years ended 31st December, 1983 and 31st December, 1984;

(c) the Subscription Agreement referred to above;

(d) the Trust Deed referred to above (including, *inter alia*, the form of the Note and the form of the Temporary Global Note) and drafts (subject to amendment) of the Paying Agency Agreement and Agent Bank Agreement; and

(e) the circular dated 14th May, 1985 addressed to the members of the Bank containing, *inter alia*, the Notice convening an Extraordinary General Meeting of the Bank for 6th June, 1985 to create a Cumulative Floating Rate Preference Share.

REGISTERED OFFICE OF THE BANK

71 Lombard Street,
London EC3P 3BS

TRUSTEE FOR THE NOTEHOLDERS

THE LAW DEBENTURE CORPORATION p.l.c.,
Estates House,
66 Gresham Street,
London EC2V 7HX

LEGAL ADVISERS

To the Bank
LINKLATERS & PAINES,
Barrington House,
59-67 Gresham Street,
London EC2V 7JA

BROKERS
HOARE GOVETT LTD.,
Heron House,
319-325 High Holborn,
London WC1V 7PB

To the Managers and the Trustee
SLAUGHTER AND MAY,
35 Basinghall Street,
London EC2V 5DB

Dated 14th May, 1985.

This card is circulated by Extel Statistical Services Ltd. in compliance with the requirements of The Council of The Stock Exchange, and is printed by Williams Lea & Co. Ltd., London.