Pricing Supplement

STANDARD CHARTERED BANK

U.S.$3,000,000,000
Debt Issuance Programme

Series No: 6
Tranche No: 1
£200,000,000 Undated Subordinated Step-up Notes

Issue Price: 99.22 per cent.

J.P. Morgan Securities Ltd.

Bank of America International Limited
Barclays Bank PLC
Cazenove & Co.
Standard Chartered Bank

The date of this Pricing Supplement is 27 October 2000
This Pricing Supplement, under which the Notes described herein (the "Notes") are issued, is supplemental to, and should be read in conjunction with, the Offering Circular (the "Offering Circular") dated 8 September 2000 issued in relation to the U.S.$3,000,000,000 Debt Issuance Programme of Standard Chartered Bank (the "Issuer"). Terms defined in the Offering Circular have the same meaning in this Pricing Supplement. The Notes will be issued on the terms of this Pricing Supplement read together with the Offering Circular. The Issuer accepts responsibility for the information contained in this Pricing Supplement which, when read together with the Offering Circular, contains all information that is material in the context of the issue of the Notes.

This Pricing Supplement does not constitute, and may not be used for the purposes of, an offer of, or an invitation by or on behalf of anyone to subscribe or purchase any of the Notes.

Save as described in the Offering Circular, there has been no significant change in the financial or trading position of the Issuer or of the Group since 31 December 1999 and no material adverse change in the financial position or prospects of the Issuer or of the Group since 31 December 1999.

Signed: NIGEL KENNY

Director

In connection with this issue, J.P. Morgan Securities Ltd. may over-allot or effect transactions which stabilise or maintain the market price of the Notes at a level which might not otherwise prevail. Such stabilising, if commenced, may be discontinued at any time.
The terms of the Notes and additional provisions relating to their issue are as follows:

Provisions appearing on the face of the Notes

1 Series No: 
2 Tranche No:  
3 ISIN: XS0119816402  
4 Currency: Sterling (£)  
5 Principal Amount of Tranche: £200,000,000  
6 Issue Date: 30 October 2000

Provisions appearing on the back of the Notes

7 Form: Bearer  
8 Denomination: £10,000  
9 Status: Undated Subordinated  
10 Interest Commencement Date: 30 October 2000
11 Interest Rate (including after Maturity Date): In respect of the period from (and including) 30 October 2000 to (but excluding) 31 January 2022 the Interest Rate will be 7.75 per cent. per annum; thereafter from (and including) 31 January 2022 the Interest Rate will be the sum of the Five Year Benchmark Gilt Rate plus 3.80 per cent. per annum.

In this Condition:

"Five Year Benchmark Gilt" means, in respect of an Interest Calculation Period or an Interest Period falling within such Interest Calculation Period, such United Kingdom Government Security having a maturity date on or about the last day of such Interest Calculation Period as the Calculation Agent, with the advice of the Reference Market Makers, may determine to be appropriate for the purpose of determining the Five Year Benchmark Gilt Rate.

"Five Year Benchmark Gilt Rate" means, in respect of an Interest Calculation Period and each Interest Period falling within such Interest Calculation Period, the gross redemption yield (calculated by the Calculation Agent on the basis set out by the Joint Index and Classification Committee of
12 Interest Payment Date(s):

31 January in each year, commencing on 31 January 2002

13 Relevant Time:

Not applicable

14 Interest Determination Date:

See paragraph 11
<table>
<thead>
<tr>
<th></th>
<th>Description</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>15</td>
<td>Primary Source for Floating Rate:</td>
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<tr>
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<td>Reference Banks:</td>
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<td>17</td>
<td>Relevant Financial Centre:</td>
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<td>18</td>
<td>Benchmark:</td>
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<td>Specified Duration:</td>
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<td>25</td>
<td>Maximum/Minimum Interest Rate:</td>
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<td>Maximum/Minimum Instalment Amount:</td>
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<td>Maximum/Minimum Redemption Amount:</td>
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<td>Interest Amount:</td>
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<td>Day Count Fraction:</td>
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<td>Determination Dates:</td>
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<td>31</td>
<td>Interest Period Dates</td>
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<td>Redemption Amount (including early redemption):</td>
<td>Principal Amount</td>
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<td>Maturity Date:</td>
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<td>Redemption for Taxation Reasons permitted or</td>
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<td></td>
<td>days other than Interest Payment Dates:</td>
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<td>Amortisation Yield:</td>
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<td>36</td>
<td>Terms of redemption at the option of the Issuer</td>
<td>With the consent of the Financial Services</td>
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<tr>
<td></td>
<td>or description of any other Issuer's option:</td>
<td>Authority (if required) the Issuer may</td>
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<tr>
<td></td>
<td></td>
<td>redeem all of the Notes at their principal</td>
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<td>amount together with Arrears of Interest</td>
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<td>(if any) as provided in Condition 4(b), on</td>
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<td>any Interest Calculation Period Date only</td>
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<td>Issuer's Option Period:</td>
<td>As provided in Condition 5(d), on not less</td>
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<td>than 30 nor more than 60 days’ notice prior</td>
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<td>to an Interest Calculation Period Date.</td>
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<tr>
<td>38</td>
<td>Terms of redemption at the option of the</td>
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<td>Noteholders or description of any other</td>
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<tr>
<td></td>
<td>Noteholders’ option:</td>
<td></td>
</tr>
<tr>
<td>39</td>
<td>Noteholders’ Option Period:</td>
<td>Not applicable</td>
</tr>
</tbody>
</table>
40 Instalment Dates: Not applicable
41 Instalment Amounts: Not applicable
42 Unmatured Coupons to become void upon early redemption: Yes
43 Talons to be attached to Notes and, if applicable, the number of Interest Payment Dates between the maturity of each Talon: Yes
44 Business Day Jurisdictions for Condition 6(h) (jurisdictions required to be open for payment): Place of presentation and, where payment is to be made by transfer to an account, London
45 Additional steps that may only be taken following approval by an Extraordinary Resolution in accordance with Condition 10(a): Not applicable
46 Details of any other additions or variations to the Conditions: The following new paragraph is added to the end of Condition 10(b):

"The Trustee may agree, without the consent of the Noteholders or Couponholders, on or after the Specified Date (as defined below) to such modifications of any of the provisions of the Trust Deed, the Notes or the Coupons in order to facilitate payment of interest in euro and redemption at the euro-equivalent of the sterling principal amount of the Notes and associated reconventioning, renominalisation and related matters as may be proposed by the Issuer (and confirmed by an independent financial institution approved by the Trustee to be in conformity with then applicable market conventions).

For these purposes, "Specified Date" means the date on which the United Kingdom participates in the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community or otherwise participates in European Economic and Monetary Union in a manner with an effect similar to such third stage."

47 The Agents appointed in respect of the Notes are:
Issuing & Paying Agent
Citibank, N.A.
5 Carmelite Street
London EC4Y 0PA

Paying Agent
The Bank of New York
Avenue des Arts 35
Provisions applicable to Global Notes and Global Certificates

48 Notes to be represented on issue by: Temporary Global Note

49 Applicable TEFRA exemption: D Rules

50 Temporary Global Note exchangeable for No Definitive Notes:

51 Permanent Global Note exchangeable for No Definitive Notes at the request of the holder:

52 Global Certificate exchangeable for definitive Registered Notes at the request of the holder:

Provisions relating only to the sale and listing of the Notes

53 Details of any additions or variations to the selling restrictions: None

54 Listing: London

55 Dealer’s Commission: Combined management and underwriting commission of 0.25 per cent. of the Principal Amount of this Tranche of Notes

Selling commission of 0.375 per cent of the Principal Amount of this Tranche of Notes

56 Method of issue of Notes: Syndicated Issue

57 The following Dealers are subscribing the Notes:

J.P. Morgan Securities Ltd.
Bank of America International Limited
Barclays Bank PLC
Cazenove & Co.
Standard Chartered Bank

58 Common Code: 11981640

59 The aggregate principal amount of Notes issued has been translated into U.S. dollars at the rate of £1:U.S.$1.435200 producing a sum of:

U.S.$ 287,040,000

59 The aggregate principal amount of Notes issued has been translated into U.S. dollars at the rate of £1:U.S.$1.435200 producing a sum of:

£197,172,500

60 Net Proceeds:

61 Use of Proceeds (if different from that stated in the Offering Circular): As stated in the Offering Circular
The full text of the Terms and Conditions which apply to the Notes are set out in the Annex hereto, which Terms and Conditions replace in their entirety those appearing in the Offering Circular for the purpose of these Notes and such Terms and Conditions will prevail over any other provision to the contrary.
ANNEX

Terms and Conditions of the Notes

The Notes are constituted by a Trust Deed (as amended or supplemented as at the date of issue of the Notes (the "Issue Date"), the "Trust Deed") dated 24th June 1998 between the Issuer and The Law Debenture Trust Corporation p.l.c. (the "Trustee", which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the Noteholders (as defined below). These terms and conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Notes, Coupons and Talons referred to below. An Agency Agreement (as amended or supplemented as at the Issue Date, the "Agency Agreement") dated 24th June 1998 has been entered into in relation to the Notes between the Issuer, the Trustee, Morgan Guaranty Trust Company of New York and has been amended by a Deed dated 7th August 1998 executed by Citibank, N.A. as successor issuing and paying agent, a paying agent, calculation agent, registrar and transfer agent. An agreement was entered into between, inter alia, Citibank, N.A., Brussels and The Bank of New York, Brussels on 8th November 1999 under which The Bank of New York, Brussels became successor paying agent, registrar and transfer agent. The issuing and paying agent, the paying agents and the calculation agent(s), for the time being (if any) are referred to below respectively as the "Issuing and Paying Agent", and the "Paying Agents" (which expression shall include the Issuing and Paying Agent) and the "Calculation Agent(s)". Copies of the Trust Deed, the Agency Agreement and the Deed dated 7th August 1998 referred to above are available for inspection during usual business hours at the registered office of the Trustee (presently at Princes House, 95 Gresham Street, London EC2V 7LY) and at the specified offices of the Paying Agents and the Transfer Agents.

The Noteholders, the holders of the interest coupons (the "Coupons") appertaining to interest bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the "Talons") (the "Couponholders") are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the relevant Pricing Supplement and are deemed to have notice of those provisions applicable to them of the Agency Agreement.

1. Form, Denomination and Title

The Notes are issued in bearer form in the denomination of £10,000.

The Notes are serially numbered and are issued with Coupons and Talons attached.

Title to the Notes, the Coupons and Talons shall pass by delivery. Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it or its theft or loss and no person shall be liable for so treating the holder.

In these Conditions, "Noteholder" means the bearer of any Note, "holder" (in relation to a Note, Coupon or Talon) means the bearer of any Note, Coupon or Talon (as the case may be) and capitalised terms have the meanings given to them hereon, the absence of any such meaning indicating that such term is not applicable to the Notes.
2. Exchanges of Exchangeable Bearer Notes and Transfers of Registered Notes

(a) Exchange of Exchangeable Bearer Notes
Not applicable.

(b) Transfer of Registered Notes
Not applicable.

(c) Exercise of Options or Partial Redemption in Respect of Registered Notes
Not applicable.

(d) Delivery of New Certificates
Not applicable.

(e) Exchange Free of Charge
Not applicable.

(f) Closed Periods
Not applicable.

3. Status

(a) Status of Senior Notes
Not applicable.

(b) Status of Dated Subordinated Notes
Not applicable.

(c) Status of Undated Subordinated Notes

The Notes and the Coupons relating to them are direct and unsecured obligations of the Issuer, conditional as described below and rank pari passu without any preference among themselves.

The obligations of the Issuer in respect of the Notes are subordinated in right of payment in the manner provided in the Trust Deed to the claims of all Creditors (as defined below) and accordingly payments of principal and interest by the Issuer in respect of such Notes are conditional upon the Issuer being considered solvent at the time of such payment and no principal or interest shall be payable by the Issuer in respect of such Notes except to the extent that the Issuer could make such payment and still be considered solvent immediately thereafter. For this purpose, the Issuer shall be considered solvent if both (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 Creditors).

A report as to the solvency of the Issuer by two Directors of the Issuer or, in certain circumstances as provided in the Trust Deed, the Auditors or, if the Issuer is dissolved or being wound up, its liquidator shall, in the absence of proven error, be treated and accepted by the Issuer, the Trustee and Noteholders and Couponholders as correct and sufficient evidence thereof.

If at any time an order is made or an effective resolution is passed for the winding up in England of the Issuer (except for the purposes of reconstruction, amalgamation, reorganisation, merger or consolidation on terms previously approved in writing by the Trustee or by an Extraordinary
Resolution of the Noteholders) there shall be payable by the Issuer in respect of each Note (in lieu of any other payment by the Issuer) such amount, if any, as would have been payable to the holder thereof if, on the day prior to the commencement of the winding-up and thereafter, such Noteholder were the holder of one of a class of preference shares in the capital of the Issuer having a preferential right to a return of assets in the winding-up over the holders of all other classes of issued shares for the time being in the capital of the Issuer on the assumption that such preference share was entitled to receive on a return of assets in such winding-up an amount equal to the principal amount of such Note together with Arrears of Interest (as defined in Condition 4(b)), if any, and any accrued interest (other than Arrears of Interest) as provided in the Trust Deed.

For the purposes of Condition 3(c):

"Assets" means the non-consolidated gross assets of the Issuer as shown by the then latest published balance sheet of the Issuer but adjusted for contingencies and for subsequent events and to such extent as two Directors of the Issuer, the Auditors or the liquidator of the Issuer (as the case may be) may determine to be appropriate;

"Auditors" means the auditors for the time being of the Issuer or, in the event of their being unable or unwilling promptly to carry out any action requested of them pursuant to the provisions of the Trust Deed, such other firm of accountants as may be nominated or approved by the Trustee after consultation with the Issuer;

"Creditor" means any creditor of the Issuer (i) who is an unsubordinated creditor of the Issuer or (ii) whose claim is or is expressed to be subordinated to the claim of any unsubordinated creditor of the Issuer but not further or otherwise or (iii) who is a subordinated creditor of the Issuer other than any whose claim ranks or is expressed to rank pari passu with or junior to the claim of any Noteholder;

"Liabilities" means the non-consolidated gross liabilities of the Issuer as shown and adjusted in like manner as for Assets; and

(d) Set-off

Subject to applicable law, no Noteholder or Couponholder may exercise, claim or plead any right of set-off, counter-claim or retention in respect of any amount owed to it by the Issuer arising under or in connection with the Notes or the Coupons in respect of them and each Noteholder and Couponholder shall, by virtue of being the holder of any Note or, as the case may be, Coupon in relation to it, be deemed to have waived all such rights of such set-off, counter-claim or retention.

4. Interest and other Calculations

(a) Interest Rate and Accrual

Each Note bears interest on its outstanding principal amount from and including 30 October 2000 (the "Interest Commencement Date") for the period from (and including) the Interest Commencement Date to (but excluding) 31 January 2022 at the rate of 7.75 per cent. per annum and thereafter at the rate equal to the sum of the Five Year Benchmark Gilt Rate (as defined below) plus 3.80 per cent. per annum (in each case the "Interest Rate"), such interest being payable annually in arrear on each 31 January (each an "Interest Payment Date"), commencing on 31 January 2002 provided, however, that interest on the Notes shall (subject to Condition 3(c)) be payable only at the option of the Issuer unless such date is a Compulsory Interest Payment Date.

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Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused, in which event interest shall continue to accrue (after as well as before judgment) at the Interest Rate in the manner provided in this Condition 4 to the Relevant Date (as defined in Condition 7).

(b) Interest on Undated Subordinated Notes

Interest on the Notes shall be payable on each Compulsory Interest Payment Date in respect of the Interest Period which ends on that Compulsory Interest Payment Date. On any Optional Interest Payment Date there may be paid (if the Issuer so decides and gives notice of such decision to Noteholders) interest accrued in the Interest Period which ends on that Optional Interest Payment Date, but the Issuer shall not have any obligations to make such payment and any failure to pay shall not constitute a default by the Issuer for any purpose. Any interest not so paid on an Interest Payment Date shall, so long as the same remains unpaid, constitute "Arrears of Interest". Arrears of Interest may, at the option of the Issuer, be paid in whole or in part (any such part being the whole of the interest accrued during any Interest Period or Periods) at any time upon the expiration of not less than seven days' notice to such effect given to the holders of the Notes in accordance with Condition 13, but so that in the case of payment of only part of the Arrears of Interest the interest accrued during any Interest Period shall not be paid prior to that accrued during an earlier Interest Period. All Arrears of Interest in respect of the Notes outstanding shall (subject to Condition 3(c)) become due in full on the earliest of (i) the date upon which a dividend is next declared or paid on any class of share capital of the Issuer, (ii) the date set for any redemption pursuant to Condition 5(a), (b), (c), (d) or (e) or (iii) the commencement of the winding-up of the Issuer (except for the purposes of reconstruction, amalgamation, reorganisation, merger or consolidation on terms previously approved in writing by the Trustee). Notwithstanding the foregoing, if notice is given by the Issuer of its intention to pay the whole or part of Arrears of Interest, the Issuer shall be obliged (subject to Condition 3(c)) to do so upon the expiration of such notice. So long as, and to the extent that, the same have not become due and payable, Arrears of Interest shall not bear interest. All references in these Conditions to interest on the Notes shall, unless the context otherwise requires, include Arrears of Interest.

(c) Business Day Convention

Not applicable.

(d) Interest Rate on Floating Rate Notes

Not applicable.

(e) Interest Rate on Zero Coupon Notes

Not applicable.

(f) Margin, Maximum/Minimum Interest Rates, Instalment Amounts and Redemption Amounts, Rate Multipliers and Rounding

(i) Not applicable.

(ii) Not applicable.

(iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified) all currency amounts that fall due and payable shall be rounded to the nearest £0.01 (with £0.005 being rounded up to £0.01).
(g) **Calculations**

The amount of interest payable in respect of any Note for any period shall be calculated by multiplying the product of the Interest Rate and the outstanding principal amount of such Note by the Day Count Fraction.

(h) **Determination and Publication of Interest Rates, Interest Amounts, Redemption Amounts and Instalment Amounts**

As soon as practicable after 1500 hours London time on each Interest Determination Date, it shall determine the Interest Rate and calculate the amount of interest payable ("Interest Amount") in respect of each Note for the relevant Interest Period, obtain such quote or make such determination or calculation, as the case may be, and cause the Interest Rate and the Interest Amount for each Interest Period to be notified to the Trustee, the Issuer, each of the Paying Agents, the Noteholders and the UK Listing Authority, if the rules of the UK Listing Authority so require, as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to the UK Listing Authority of an Interest Rate and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. If the Notes become due and payable under Condition 9, the accrued interest and the Interest Rate payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Interest Rate so calculated need be made unless the Trustee otherwise requires. The determination of each Interest Rate and Interest Amount, the obtaining of each quote and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

(i) **Determination or Calculation by Trustee**

If the Calculation Agent does not at any time for any reason determine or calculate the Interest Rate for an Interest Period, the Trustee shall do so (or shall appoint an agent on its behalf to do so) and such determination or calculation shall be deemed to have been made by the Calculation Agent. In doing so, the Trustee shall apply the foregoing provisions of this Condition, 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.

(j) **Definitions**

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

"Business Day" means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in London.

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

"Day Count Fraction" means, in respect of the calculation of an amount of interest on any Note for any period of time (whether or not constituting an Interest Period, the "Calculation Period"), the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (a) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be
considered to be shortened to a 30-day month, or (b) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).

"Five Year Benchmark Gilt" means, in respect of an Interest Calculation Period or an Interest Period falling within such Interest Calculation Period, such United Kingdom Government Security having a maturity date on or about the last day of such Interest Calculation Period as the Calculation Agent, with the advice of the Reference Market Makers, may determine to be appropriate for the purpose of determining the Five Year Benchmark Gilt Rate.

"Five Year Benchmark Gilt Rate" means, in respect of an Interest Calculation Period and each Interest Period falling within such Interest Calculation Period, the gross redemption yield (calculated by the Calculation Agent on the basis set out by the Joint Index and Classification Committee of the Institute and Faculty of Actuaries as reported in the Journal of the Institute of Actuaries Vol. 105, Part 1, 1978, page 18 (as amended or updated from time to time) on a semi-annual compounding basis) of the Five Year Benchmark Gilt in respect of that Interest Calculation Period (converted to an annualised payment and expressed as a percentage (rounded up (if necessary) to 4 decimal places) of the bid and offered prices for such Five Year Benchmark Gilt quoted by the Reference Market Makers at 1500 hours (London time) on the Interest Determination Date on a dealing basis for settlement on the next following dealing day in London.

"Interest Calculation Period" means each period commencing on an Interest Calculation Period Date and ending on (but excluding) the next succeeding Interest Calculation Period Date.

"Interest Calculation Period Date" means 31 January 2022 and every fifth successive 31 January thereafter.

"Interest Determination Date" means, in relation to any Interest Calculation Period, the fifth Business Day prior to such Interest Calculation Period Date provided that if it is not possible for any reason, in the opinion of the Calculation Agent to determine the Five Year Benchmark Gilt Rate on such day, the Interest Determination Date shall be postponed to the first Business Day thereafter on which the Calculation Agent determines that it is possible to determine such rate.

"Interest Period" means the period beginning on (and including) 30 October 2000 and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

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

"Reference Market Makers" means three brokers of Gilts and/or Gilt Edged market makers selected by the Calculation Agent or such other three persons operating in the Gilt Edged market as are selected by the Calculation Agent.

(k) Calculation Agent and Reference Banks

The Issuer shall procure that there shall be a Calculation Agent for so long as any Note is outstanding (as defined in the Trust Deed). If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Interest Rate for an Interest Period or to comply with any other requirement, the Issuer shall (with the prior approval of the Trustee) appoint a leading bank or investment banking firm engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options markets) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal
London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

5. **Redemption, Purchase and Options**

(a) **Redemption by Instalments and Final Redemption**

(i) Not applicable.

(ii) The Notes have no final Maturity Date and are only redeemable or repayable in accordance with the following provisions of this Condition 5 or Condition 9 and, in the case of Condition 5 only, with the consent of the Financial Services Authority if required by it.

(b) **Early Redemption of Zero Coupon Notes**

(i) Not applicable.

(ii) Not applicable.

(iii) Not applicable.

(c) **Redemption for Taxation Reasons**

The Notes may be redeemed at the option of the Issuer in whole, but not in part, (with the consent of the Financial Services Authority if required by it) at any time, on giving not less than 30 nor more than 60 days’ notice to the Noteholders (which notice shall be irrevocable) at their principal amount (together with all Arrears of Interest (if any) as provided in Condition 4 (b)), if (i) the Issuer satisfies the Trustee immediately before the giving of such notice that it has or will become obliged to pay additional amounts as described under Condition 7 as a result of any change in, or amendment to, the laws or regulations of the United Kingdom or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 30 October 2000, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Before the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Trustee a certificate signed by two Directors of the Issuer stating that the obligation referred to in (i) above cannot be avoided by the Issuer taking reasonable measures available to it and the Trustee shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the condition precedent set out in (ii) above in which event it shall be conclusive and binding on Noteholders and Couponholders.

(d) **Redemption at the Option of the Issuer and Exercise of Issuer’s Options**

The Issuer may (with the consent of the Financial Services Authority if required by it), on giving not less than 30 nor more than 60 days’ irrevocable notice to the Noteholders redeem all of the Notes on any Interest Calculation Period Date (as defined in Condition 4(j)). Any such redemption of Notes shall be at their principal amount together with Arrears of Interest (if any) as provided in Condition 4(b).

All Notes in respect of which any such notice is given shall be redeemed on the relevant Interest Calculation Period Date (as defined in Condition 4(j)).
(e) **Redemption at the Option of Noteholders and Exercise of Noteholders’ Options**

Not applicable.

(f) **Purchases**

The Issuer or any of its subsidiaries or any holding company (within the meaning of section 736 of the Companies Act 1985) of the Issuer or any other subsidiary of such holding company (with the consent of the Financial Services Authority if required by it) may at any time purchase Notes (provided that all unmatured Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price, subject to the requirements (if any) of any stock exchange on which the Notes are listed.

(g) **Cancellation**

All Notes purchased by or on behalf of the Issuer may be surrendered for cancellation (with the consent of the Financial Services Authority if required by it), by surrendering each such Note together with all unmatured Coupons and all unexchanged Talons to the Issuing and Paying Agent and, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

*Under current FSA requirements, any optional redemption by the Issuer or Noteholders of Subordinated Notes may be made only with the prior written consent of the FSA and subject to such conditions as the FSA may impose at the time of consent.*

6. **Payments and Talons**

(a) **Bearer Notes**

Payments of principal and interest in respect of the Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Notes (in the case of payments of principal and, in the case of interest, as specified in Condition 6(f)(vi) or Coupons (in the case of interest save as specified in Condition 6(f)(iii)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque drawn in Sterling on, or, at the option of the holder, by transfer to a Sterling account with a bank in London.

(b) **Registered Notes**

Not applicable.

(c) **Payments in the United States**

Not applicable.

(d) **Payments subject to Fiscal Laws**

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 7. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.
(e) Appointment of Agents

The Issuing and Paying Agent, the Paying Agents and the Calculation Agent initially appointed by the Issuer and their respective specified offices are listed below. The Issuing and Paying Agent, the Paying Agents and the Calculation Agent act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer reserves the right at any time with the approval of the Trustee to vary or terminate the appointment of the Issuing and Paying Agent, any other Paying Agent or Calculation Agent and to appoint additional or other Paying Agents, provided that the Issuer shall at all times maintain (i) an Issuing and Paying Agent, (ii) a Calculation Agent, (iii) Paying Agents having specified offices in at least two major European cities (including London) so long as the Notes are listed on the official list of the UK Listing Authority in its capacity as competent authority under the Financial Services Act 1986 and admitted to trading on the London Stock Exchange's market for listed securities and (iv) such other agents as may be required by any other stock exchange on which the Notes may be listed in each case, as approved by the Trustee.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders.

(f) Unmatured Coupons and Receipts and unexchanged Talons:

(i) Not applicable.

(ii) Upon the due date for redemption of any Note, unmatured Coupons relating to such Note (whether or not attached) shall become void and no payments shall be made in respect of them.

(iii) Upon the due date for redemption of any Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.

(iv) Not applicable.

(v) Where any Note is presented for redemption without all unmatured Coupons, and where any Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.

(vi) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Note.

(g) Talons

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Paying Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) but excluding any Coupons that may have become void pursuant to Condition 8.

(h) Non-Business Days

If any date for payment in respect of any Note or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, "business day" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the
relevant place of presentation and, where payment is to be made by transfer to an account, on which foreign exchange transactions may be carried on in London.

(i) Not applicable.

(ii) Not applicable.

7. Taxation

All payments of principal and interest in respect of the Notes and the Coupons shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the United Kingdom or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts as shall result in receipt by the Noteholders and Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note or Coupon:

(a) to, or to a third party on behalf of, a holder 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 other than the mere holding of the Note or Coupon or

(b) presented for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting it for payment on the thirtieth day or

(c) presented for payment in the United Kingdom or

(d) if such withholding or deduction may be avoided by the holder’s complying with any statutory requirement or by making a declaration of non-residence or other similar claim for exemption to any authority of or in the United Kingdom, unless such holder proves that he is not entitled so to comply or to make such declaration or claim.

As used in these Conditions, "Relevant Date" in respect of any Note or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to (i) "principal" shall be deemed to include all amounts in the nature of principal payable pursuant to Condition 5 or any amendment or supplement to it, (ii) "interest" shall be deemed to include all amounts payable pursuant to Condition 4 or any amendment or supplement to it and (iii) "principal" and/or "interest" (other than such interest as is referred to in Condition 9(f)) shall be deemed to include any additional amounts that may be payable under this Condition or any undertaking given in addition to or in substitution for it under the Trust Deed.

8. Prescription

Claims against the Issuer for payment in respect of the Notes and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them save in respect of Withheld Amounts (as defined in Condition 9). Claims in respect of principal comprised in a Withheld Amount and claims in respect of interest comprised in,
or accrued on a Withheld Amount will, in the case of such principal, become void ten years and, in the case of such interest, become void five years after the due date for payment as specified in Condition 9 or, if the full amount of the moneys payable has not been duly received by the Issuing and Paying Agent, another Paying Agent or the Trustee, as the case may be, on or prior to such date, the date of which notice is given in accordance with Condition 13 that the relevant part of such moneys has been so received.

9. Events of Default

(a) Events of Default in respect of Senior Notes
Not applicable.

(b) Events of Default in respect of Dated Subordinated Notes
Not applicable

(c) Events of Default in respect of Undated Subordinated Notes
If the Issuer shall not make payment in respect of the Notes (in the case of any payment of principal) for a period of 14 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 due, the Trustee may, subject as provided below, at its discretion and without further notice institute proceedings in England (but not elsewhere) for the winding up of the Issuer provided that the Issuer shall not be in default if during the 14 days grace period it satisfies the Trustee that Withheld Amounts were not paid (i) in order to comply with any fiscal or other law, regulation or order of any court of competent jurisdiction, in each case applicable to such payment, the Issuer, the relevant Paying Agent or the holder of any Note or Coupon 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 as to such validity or applicability given at any time during the said 14 day grace period by independent legal advisers acceptable to the Trustee. For the purposes of this paragraph a payment otherwise due (in the case of principal) or compulsory (in the case of interest) shall be deemed so due or compulsory notwithstanding that the conditions for payment set out in Condition 8(c) are not satisfied.

(d) Remedies

(i) Without prejudice to paragraph (c), if the Issuer fails to perform, observe or comply with any obligation, condition or provision relating to such Notes binding on it under these Conditions (other than any obligation of the Issuer for the payment of any principal or interest in respect of the Notes) the Trustee may, subject as provided below, at its discretion and without further notice, institute such proceedings against the Issuer as it may think fit to enforce such obligation, condition or provision provided that the Issuer shall not as a consequence of such proceedings be obliged to pay any sum or sums representing or measured by reference to principal or interest in respect of such Notes sooner than the same would otherwise have been payable by it.

(ii) Subject to applicable laws, no remedy (including the exercise of any right of set-off or analogous event) other than those provided for in paragraph (c) and paragraph (d)(i) above or submitting a claim in the winding-up of the Issuer will be available to the Trustee or the holders of Notes and/or Coupons.

(e) Enforcement

The Trustee need not take any such action or proceedings as referred to in paragraphs (c) and/or (d)(i) above unless (a) it shall have been so directed by an Extraordinary Resolution or so
requested in writing by Noteholders holding at least one-fifth in principal amount of the Notes then outstanding and (b) it shall have been indemnified to its satisfaction. No Noteholder or Couponholder may proceed directly against the Issuer or submit a claim in the winding-up of the Issuer unless the Trustee having become bound so to proceed or being able to submit such a claim, fails to do so in each case within a reasonable time and such failure is continuing. In such a case the relevant Noteholder or Couponholder may, on giving an indemnity satisfactory to the Trustee, in the name of the Trustee (but not otherwise), himself institute proceedings against the Issuer and/or submit a claim in the winding-up of the Issuer, but only to the same extent (but not further or otherwise) that the Trustee would have been entitled to do so in respect of his Notes and/or Coupons.

(f) Withheld Amounts

If lawful, Withheld Amounts or sums equal to Withheld Amounts shall be placed promptly on interest-bearing deposit all as more particularly described in the Trust Deed. If subsequently it shall be or become lawful to pay any Withheld Amount to the relevant 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 Condition 9(g) above is resolved, notice shall be given in accordance with Condition 13. The notice shall specify the date (which shall be no later than seven days after the earliest date thereafter upon which such interest-bearing deposit falls or may (without penalty) be called due for repayment) on and after which payment in full of such Withheld Amounts shall be made. On such date, the Issuer shall be bound to pay such Withheld Amount together with interest accrued on it. For the purposes of Condition 9(c), this date shall be the Relevant Date for such sums. The obligations of the Issuer under this paragraph (f) shall be in lieu of any other remedy against it in respect of Withheld Amounts. Payment will be made subject to applicable laws, regulations or court orders, but, in the case of any payment of any Withheld Amounts without prejudice to Condition 7. Interest accrued on any Withheld Amount shall be paid net of any taxes required by applicable law to be withheld or deducted and the Issuer shall not be obliged to pay any additional amount in respect of any such withholding or deduction.

10. Meetings of Noteholders, Modification, Waiver and Substitution

(a) Meetings of Noteholders

The Trust Deed contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any provisions of the Trust Deed. Such a meeting may be convened by Noteholders holding not less than 10% in principal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a clear majority in principal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the principal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, inter alia, (i) to amend the dates of maturity or redemption of the Notes or any date for payment of interest on the Notes, (ii) to reduce or cancel the principal amount of the Notes, (iii) to reduce the rate of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest in respect of the Notes, (iv) (not applicable), (v) (not applicable), (vi) to vary the currency or currencies of payment or denomination of the Notes, (vii) to take any steps that as specified hereon may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply, or (viii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, in which
case the necessary quorum shall be two or more persons holding or representing not less than 75%, or at any adjourned meeting not less than 25%, in principal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

(b) Modification of the Trust Deed

The Trustee may agree, without the consent of the Noteholders or Couponholders, to (i) any modification of any of these Conditions or any of the provisions of the Trust Deed that is of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of these Conditions or any of the provisions of the Trust Deed that is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and the Couponholders and, if the Trustee so requires, such modification shall be notified to the Noteholders as soon as practicable in accordance with Condition 13.

The Trustee may agree, without the consent of the Noteholders or Couponholders, on or after the Specified Date (as defined below) to such modifications to any of the provisions of the Trust Deed, the Notes or the Coupons in order to facilitate payment of interest in euro and redemption at the euro-equivalent of the sterling principal amount of the Notes and associated reconventioning, renominalisation and related matters as may be proposed by the Issuer (and confirmed by an independent financial institution approved by the Trustee to be in conformity with then applicable market conventions).

For these purposes, “Specified Date” means the date on which the United Kingdom participates in the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community or otherwise participates in European Economic and Monetary Union in a manner with an effect similar to such third stage.”

(c) Substitution

The Trustee (if it is satisfied that so to do would not be materially prejudicial to the interests of Noteholders or Couponholders) may agree, if requested by the Issuer and subject to such amendment of the Trust Deed and such other conditions as the Trustee may reasonably require, but without the consent of the Noteholders or the Couponholders, to the substitution, subject to the Notes and Coupons being unconditionally and irrevocably guaranteed by the Issuer (on a subordinated basis equivalent to that described in Condition 3) of a subsidiary of the Issuer or a holding company of the Issuer or another subsidiary of any such holding company in place of the Issuer as principal debtor under the Trust Deed, the Notes and the Coupons and as a party to the Agency Agreement and so that the claims of the Noteholders or the Couponholders may, in the case of the substitution of a holding company of the Issuer in the place of the Issuer, also be subordinated to the rights of Creditors of that holding company but not further or otherwise.

In the case of a substitution under this Condition 10, the Trustee may agree, without the consent of the Noteholders or Couponholders, to a change of law governing the 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 holders of the Notes.
(d) Entitlement of the Trustee

In connection with the exercise of its functions (including but not limited to those referred to in this Condition) the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders.

11. Replacement of Notes, Coupons and Talons

If a Note, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange regulations, at the specified office of the Issuing and Paying Agent or such other Paying Agent as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, inter alia, that if the allegedly lost, stolen or destroyed Note, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Notes, Coupons or Talons must be surrendered before replacements will be issued.

12. Further Issues

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further securities either having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding securities of any series (including the Notes) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Notes include (unless the context requires otherwise) any other securities issued pursuant to this Condition and forming a single series with the Notes. Any further securities forming a single series with the outstanding securities of any series (including the Notes) constituted by the Trust Deed or any deed supplemental to it shall, and any other securities may (with the consent of the Trustee), be constituted by the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of securities of other series where the Trustee so decides.

13. Notices

Notices to the holders of Notes shall be valid if published in a daily newspaper of general circulation in London (which is expected to be the Financial Times). If in the opinion of the Trustee any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made, as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Notes in accordance with this Condition.
14. **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 Issuer and any entity related to the Issuer without accounting for any profit.

15. **Contracts (Rights of Third Parties) Act 1999**

No person shall have any right to enforce any term or condition of the Notes by virtue of the Contracts (Rights of Third Parties) Act 1999 but this does not affect any right or remedy of any person which exists or is available apart from that Act.

16. **Governing Law and Jurisdiction**

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

(b) The Courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Trust Deed, the Notes, Coupons or Talons and accordingly any legal action or proceedings arising out of or in connection with the Trust Deed, the Notes, Coupons or Talons may be brought in such courts.
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