

Dividends will be paid half-yearly on the 1st June and 1st December. Dividends on Stock will be paid by Warrant which will be sent by post. Dividends and bonds will be paid by Coupon.

Inscribed Stock will be convertible into Bonds to Bearer at any time without payment of any fee; and Bonds to Bearer will be exchangeable for Inscribed Stock on payment of a fee of one shilling per Bond.

The instalments may be paid in full on or after the 20th July 1915, under discount at the rate of $4\frac{1}{2}$ per cent. per annum. In case of default in the payment of any instalment by its proper date, the deposit and the instalments previously paid will be liable to forfeiture.

Scrip Certificates to Bearer, with Coupon attached for the dividend payable on the 1st December 1915, will be issued in exchange for the provisional receipts. As soon as these Scrip Certificates have been paid in full they can be inscribed (*i.e.*, can be converted into Stock); or, they can be exchanged for Bonds to Bearer (as soon as these can be prepared) in denominations of £100, £200, £500, £1000, £5000, and £10,000. Inscribed Stock will be transferable in any sums which are multiples of a penny.

CONVERSION OF

£3, 10s. per Cent. War Loan, 1925-1928.

£2, 10s. per Cent. Consols.

£2, 15s. per Cent. Annuities.

£2, 10s. per Cent. Annuities.

Holders of £4, 10s. per cent. War Loan, 1925-1945, will have the additional right, in respect of each £100 Stock (or Bonds) held by them, and fully-paid in cash, to exercise one or other of the four following options of conversion, provided application for conversion is made not later than the 30th October 1915.

OPTION 1. CONVERSION OF £3, 10s. PER CENT. WAR LOAN, 1925-1928.

To exchange Stock (or Bonds) of £3, 10s. per cent. War Loan, 1925-1928, to an amount not exceeding £100 nominal, for fully-paid Stock (or Bonds) of £4, 10s. per Cent. War Loan, 1925-1945, at the rate of £100 of the former, with a cash payment of £5 per cent. thereon, for £100 of the latter.

Persons who exercise this option will receive the dividend of £1, 10s. 11d. per cent. payable on the 1st September 1915, in respect of the £3, 10s. per cent. War Loan, 1925-1928, surrendered, and a full half-year's dividend of £2, 5s. per cent., payable on the 1st December 1915, in respect of the £4, 10s. per cent. War Loan, 1925-1945, issued in lieu thereof.

OPTION 2. CONVERSION OF £2, 10s. PER CENT. CONSOLS.

To exchange Stock (or Stock Certificates) of £2, 10s. per cent. Consols, to an amount not exceeding £75 nominal, for fully-paid Stock (or Bonds) of £4, 10s. per cent. War Loan, 1925-1945, at the rate of £75 of the former for £50 of the latter.

Persons who exercise this option will receive the usual quarter's dividend of 12s. 6d. per cent., payable on the 5th October 1915, in respect of the £2, 10s. per cent. Consols sur-

rendered, and a full half-year's dividend of £2, 5s. per cent., payable on the 1st December 1915, in respect of the £4, 10s. per cent. War Loan, 1925-1945, issued in lieu thereof.

OPTION 3. CONVERSION OF £2, 15s. PER CENT. ANNUITIES.

To exchange Stock (or Stock Certificates) of £2, 15s. per cent. Annuities, to an amount not exceeding £67 nominal, for fully-paid Stock (or Bonds) of £4, 10s. per cent. War Loan, 1925-1945, at the rate of £67 of the former for £50 of the latter.

Persons who exercise this option will receive the usual quarter's dividend of 13s. 9d. per cent., payable on the 5th October 1915, in respect of the £2, 15s. per cent. Annuities surrendered, and a full half-year's dividend of £2, 5s. per cent., payable on the 1st December 1915, in respect of the £4, 10s. per cent. War Loan, 1925-1945, issued in lieu thereof.

OPTION 4. CONVERSION OF £2, 10s. PER CENT. ANNUITIES.

To exchange Stock (or Stock Certificates) of £2, 10s. per cent. Annuities, to an amount not exceeding £78 nominal, for fully-paid Stock (or Bonds) of £4, 10s. per cent. War Loan, 1925-1945, at the rate of £78 of the former for £50 of the latter.

Persons who exercise this option will receive the usual quarter's dividend of 12s. 6d. per cent., payable on the 5th October 1915, in respect of the £2, 10s. per cent. Annuities surrendered, and a full half-year's dividend of £2, 5s. per cent., payable on the 1st December 1915, in respect of the £4, 10s. per cent. War Loan, 1925-1945, issued in lieu thereof.

In the event of future issues (other than issues made abroad or issues of Exchequer Bonds, Treasury Bills, or similar short-dated Securities) being made by His Majesty's Government, for the purpose of carrying on the War, Stock and Bonds of this issue will be accepted at par, plus accrued interest, as the equivalent of cash for the purpose of subscriptions to such issues.

A commission of one-eighth per cent. will be allowed to Bankers, Brokers and Financial Houses on allotments made in respect of cash applications for this issue bearing their Stamp; but no commission will be allowed in respect of applications for conversion.

Application Forms for Cash Subscriptions may be obtained at the Bank of England and the Bank of Ireland; at any Bank or Money Order Office in the United Kingdom; of Messrs. Mullens, Marshall & Co., 13 George Street, Mansion House, E.C.; and of the principal Stockbrokers.

Application Forms for Conversion will be forwarded with each Letter of Allotment.

The List of Applications will be closed on or before Saturday, the 10th July 1915.

Bank of England,

London, 21st June 1915.

$4\frac{1}{2}$ PER CENT. WAR LOAN, 1925-1945.

Applications for conversion into the above loan of $3\frac{1}{2}$ per cent. War Loan, 1925-1928 will not