

\$300,000,000



MIDLAND BANK PLC
7.65% Subordinated Notes Due May 1, 2025

Interest on the Securities will be payable on November 1 and May 1 of each year, commencing November 1, 1995. The Securities will be redeemable at the option of each of the Holders on May 1, 2007 at a redemption price equal to the principal amount of the Securities plus accrued interest to the date of redemption. To exercise this option, a Holder must deliver a notice of exercise of the redemption option to the Bank no earlier than March 1, 2007 and no later than April 1, 2007. The Securities will not otherwise be redeemable prior to maturity, except in the event that payments with respect thereto become subject to certain taxes and redemption is approved by the Bank of England. The Securities will not be subject to any sinking fund. The Securities will be unsecured and subordinated to the extent set forth under "Description of the Securities". Payment of principal of the Securities may be accelerated only in the case of a winding up of the Bank. There is no right of acceleration upon a default in the payment of interest or in the performance of any covenant of the Bank.

The Securities will be issued initially in global form and deposited with a depository which will hold the Securities for the benefit of The Depository Trust Company ("DTC") and its participants. DTC will operate a system of dealing in the Securities in book-entry form ("Book-Entry Securities"). Interests in the Book-Entry Securities will be shown on, and transfers thereof will be effected only through, records maintained by DTC and its participants. See "Description of the Securities" and, in the accompanying Prospectus, "Description of Subordinated Debt Securities". The Book-Entry Securities will clear and settle in DTC's Same-Day Funds Settlement System.

Application has been made to list the Securities on the London Stock Exchange.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION, NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS SUPPLEMENT OR THE PROSPECTUS TO WHICH IT RELATES. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

	Initial Public Offering Price	Underwriting Discount (1)	Proceeds to Issuer (2)
Per Security	99.826%	0.675%	99.151%
Total	\$299,478,000	\$2,025,000	\$297,453,000

- (1) The Bank has agreed to indemnify the Underwriters against certain liabilities, including liabilities under the Securities Act of 1933.
- (2) Before deducting estimated expenses of \$200,000 payable by the Bank.

The Securities are offered severally by the Underwriters, as specified herein, subject to receipt and acceptance by them and subject to their right to reject any order in whole or in part. It is expected that the Securities will be ready for delivery through the facilities of DTC, against payment therefor in same-day funds, on or about May 10, 1995.

LEHMAN BROTHERS

MERRILL LYNCH & Co.

J.P. MORGAN SECURITIES INC.

PROSPECTUS SUMMARY

The following summary is qualified by the detailed information and financial statements included elsewhere in the Prospectus and this Prospectus Supplement. Capitalized terms not otherwise defined herein have the meanings as set forth in the Prospectus.

The Offering

Securities Offered	\$300,000,000 aggregate principal amount at maturity of 7.65% Subordinated Notes Due May 1, 2025 (the "Securities").
Maturity Date	May 1, 2025
Interest Payment Dates	Interest on the Securities will be payable on November 1 and May 1 of each year, commencing November 1, 1995. See "Description of the Securities — Payment and Settlement".
Optional Redemption by Holders	The Securities will be redeemable at the option of each of the Holders on May 1, 2007 at a redemption price equal to the principal amount of the Securities plus accrued interest to the date of redemption. To exercise this option, a Holder must deliver a notice of exercise of the redemption option to the Bank no earlier than March 1, 2007 and no later than April 1, 2007. See "Description of the Securities — Redemption of the Securities at the Option of the Holders".
Optional Redemption by the Bank	None, except in the event that payments with respect to the Securities become subject to certain taxes. Under current Bank of England requirements, any such optional tax redemption or any other optional redemption or repurchase of Securities (other than an optional redemption of Securities at the request of Holders as described in the preceding paragraph) will require the prior consent of the Bank of England. See "Description of Subordinated Debt Securities — Redemption" in the accompanying Prospectus.
Subordination of the Securities	The Securities are direct and unsecured subordinated obligations of the Bank and rank <i>pari passu</i> without any preference among themselves. The rights of Holders of the Securities will, in the event of the winding up of the Bank, be subordinated in right of payment to claims of depositors and all other creditors of the Bank other than claims in respect of any liability of the Bank, howsoever arising, for the payment of money, the right to payment of which by the Bank by the terms thereof is, or is expressed to be, subordinated in the event of the winding up of the Bank to the claims of all or any of the creditors of the Bank, in the manner provided in the Indenture.
Form; Denomination	The Securities will be issued initially in global form and deposited with a depository which will hold the Securities for the benefit of DTC and its participants. DTC will operate a system of dealing in the Securities in book-entry form. Interests in the Book-Entry Securities will be shown on, and transfers thereof will be effected only through, records maintained by DTC and its participants, including Euroclear and Cedel Bank, société anonyme. The Securities will be sold in minimum denominations of \$150,000 and integral multiples of \$1,000 in excess thereof.
Governing Law	New York, except that the subordination provisions of the Securities and of the Indenture will be governed by English Law.
General	The Securities have no established trading market. See "Underwriting".

CAPITALIZATION

The following table shows the capitalization of Midland as at December 31, 1994 and as adjusted to give effect to the issuance of the Securities.

	December 31, 1994	
	Actual	As Adjusted
	(£ millions)	
Undated subordinated loan capital	992	992
Dated subordinated loan capital	1,490	1,674 ¹
Minority Interests	197	197
Share capital (including non-equity interests) ²	797	797
Reserves	<u>2,061</u>	<u>2,061</u>
Total capital resources	<u>5,537</u>	<u>5,721</u>

¹ The net proceeds of this offering have been translated into pounds sterling at a rate of \$1.615 = £1.

² In February 1995, the Bank issued 7,000,000 Non-Cumulative Dollar-denominated Preference Shares, Series B1 and 7,000,000 Non-Cumulative Dollar-denominated Preference Shares, Series B2, each with a nominal value of \$0.01, at an issue price of \$20 and \$5 per share, respectively.

USE OF PROCEEDS

The net proceeds from the sale of the Securities will be used to support the development of Midland and to strengthen further Midland's capital base.

DESCRIPTION OF SECURITIES

The following description of the particular terms of the Securities offered hereby supplements, and to the extent inconsistent therewith replaces, the description of the general terms and provisions of the Debt Securities set forth in the Prospectus, to which description reference is hereby made. Capitalized terms not otherwise defined herein have the meanings as set forth in the Prospectus.

General

The Securities will be obligations of the Issuer limited to \$300,000,000 aggregate principal amount at maturity, will mature on May 1, 2025 and will be issued under an Indenture dated as of December 1, 1994 (the "Indenture") between the Bank and Bankers Trust Company, as trustee (the "Trustee").

The Securities will be direct and unsecured subordinated obligations of the Bank, and will rank *pari passu* among themselves, without any preference one over the other by reason of priority of date of issue or otherwise. The rights of Holders of the Securities will, in the event of the winding up of the Bank, be subordinated in right of payment to claims of depositors and all other creditors of the Bank other than claims in respect of any liability of the Bank, howsoever arising, for the payment of money, the right to payment of which by the Bank by the terms thereof is, or is expressed to be, subordinated in the event of the winding up of the Bank to the claims of all or any of the creditors of the Bank, in the manner provided in the Indenture. The Indenture is generally governed by New York law; however, the subordination provisions of the Indenture, to which the Securities are subject, are governed by English law.

Payment and Settlement

Interest on the Securities will be payable from May 10, 1995 or from the most recent Interest Payment Date to which interest has been paid or duly provided for, semi-annually in arrears on November 1 and May 1 in each year (each an "Interest Payment Date"), commencing November 1, 1995, at the rate of 7.65% per annum, until the principal thereof is paid or made available for payment. Payments of any amounts in respect of the Global Securities (as defined below) will be made through a Paying Agent to the Book-Entry Depository (as defined below), as the Holder thereof. The Book-Entry Depository will pay an amount equal to each such payment to DTC, which will distribute such payments to its Participants (as defined below). See "Description of Subordinated Debt Securities — Form; Settlement and Clearance — Payments on the Global Debt Security" in the accompanying Prospectus.

The Securities will be sold in minimum denominations of \$150,000 and integral multiples of \$1,000 in excess thereof. Except as described below, the Securities are not redeemable prior to maturity, except in the event that payments with respect thereto become subject to certain taxes and redemption is approved by the Bank of England. The Securities are not entitled to any sinking fund. See "Description of Subordinated Debt Securities — Redemption" in the accompanying Prospectus.

Settlement will be made in same-day funds. All payments of principal and interest will be made by the Issuer in same-day funds. The Book-Entry Securities will trade in the Same-Day Funds Settlement System of DTC until maturity, and secondary market trading activity for the Securities will therefore settle in same-day funds.

Book-Entry System

The Securities will be issued in the form of one or more bearer global securities (each a "Global Security"). The Global Securities will be deposited on issue with Marine Midland Bank, as book-entry depository (the "Book-Entry Depository"), which will hold the Global Securities for the benefit of DTC and its participants pursuant to the terms of the Debt Security Deposit Agreement (the "Debt Security Deposit Agreement") dated as of December 1, 1994 among the Bank, the Book-Entry Depository and the holders and beneficial owners from time to time of Book-Entry Securities (as defined below). Pursuant to the Debt Security Deposit Agreement and an agreement to be dated May 10, 1995 between DTC and the Book-Entry Depository (the "DTC Agreement"), the Book-Entry Depository will issue one or more certificateless depository interests which together will represent a 100 per cent interest in the underlying Global Securities ("Book-Entry Securities"). Such Book-Entry Securities will be issued to DTC, which will operate a book-entry system for the Book-Entry Securities.

Ownership of the Book-Entry Securities will be limited to persons, including depositaries for Euroclear and Cedel Bank, société anonyme, that have accounts with DTC (“Participants”) or persons that hold interests through Participants (“Indirect Participants”). Upon the issuance by the Book-Entry Depositary of the Book-Entry Securities to DTC, DTC will credit, on its book-entry registration and transfer system, the Participants’ accounts with the respective interests owned by such Participants. Ownership of Book-Entry Securities will be shown on, and the transfer of such Book-Entry Securities will be effected only through, records maintained by DTC (with respect to interests of Participants) and on the records of Participants, including Euroclear and Cedel Bank, société anonyme (with respect to interests of Indirect Participants).

So long as the Book-Entry Depositary, or its nominee, is the Holder of the Global Securities, the Book-Entry Depositary or such nominee, as the case may be, will be considered the sole Holder of such Global Securities for all purposes under the Indenture.

The Bank understands that under existing industry practices, if it requests any action of Holders of Securities or if an owner of a Book-Entry Security desires to give or take any action that a Holder is entitled to give or take under the Indenture or the owner of a Book-Entry Security is entitled to give or take under the Debt Security Deposit Agreement, DTC would authorize the Participants owning the relevant Book-Entry Securities to give or take such action, and such Participants would authorize Indirect Participants to give or take such action or would otherwise act upon the instructions of owners holding through them.

For a further discussion of the form of the Securities and the settlement and clearance arrangements, see “Description of Subordinated Debt Securities — Form; Settlement and Clearance” in the accompanying Prospectus.

Redemption of the Securities at the Option of the Holders

The Securities will be redeemable at the option of each of the Holders on May 1, 2007, at a Redemption Price equal to the principal amount of the Securities, plus accrued interest to the date of redemption. To exercise this option, a Holder of Securities must deliver a notice of exercise of the redemption option no earlier than March 1, 2007 and no later than April 1, 2007 to the Bank at the Corporate Trust Office of the Trustee or such other location of which the Bank shall notify such Holder. Any such notice of exercise of the redemption option shall be irrevocable. The redemption option may be exercised for less than the entire principal amount of the Securities held by such Holder, so long as the principal amount that is to be redeemed is equal to \$1,000 or an integral multiple of \$1,000. All questions as to the validity, form, eligibility (including time of receipt) and acceptance of any Security for redemption will be determined by the Bank, whose determination will be final and binding.

Owners of Book-Entry Securities must exercise their rights to the redemption option through the procedures of DTC. See “Book-Entry System”.

TAXATION

The Securities will be treated as indebtedness for US federal income tax purposes. See “Taxation — Taxation of Debt Securities” in the accompanying Prospectus.

UNDERWRITING

Subject to the terms and conditions set forth in the Underwriting Agreement, the Bank has agreed to sell to each of the Underwriters named below, and each of the Underwriters has severally agreed to purchase, the principal amount of the Securities set forth opposite its name below:

<u>Underwriter</u>	<u>Principal Amount of Securities</u>
Lehman Brothers Inc.	\$ 98,000,000
Merrill Lynch, Pierce, Fenner & Smith Incorporated	96,000,000
J.P. Morgan Securities Inc.	96,000,000
Morgan Stanley & Co. Incorporated	10,000,000
Total	\$300,000,000

Under the terms and conditions of the Underwriting Agreement, the Underwriters are committed to take and pay for all of the Securities, if any are taken.

The Underwriters propose to offer the Securities in part directly to the public at the initial public offering price set forth on the cover page of this Prospectus Supplement and in part to certain securities dealers at such price less a concession of .40% of the principal amount of the Securities. The Underwriters may allow, and such dealers may reallow, a concession not to exceed .25% of the principal amount of the Securities to certain brokers and dealers. After the Securities are released for sale to the public, the offering price and other selling terms may from time to time be varied by the Underwriters.

Settlement for the Securities will be made in same-day funds, and all secondary trading in the Securities will settle in same-day funds. See “Description of Securities — Payment and Settlement”.

Application has been made to list the Securities on the London Stock Exchange.

Each Underwriter has represented and agreed that, (i) it has not offered or sold in the United Kingdom or elsewhere, by means of any document, any Securities prior to application for listing of the Securities on the London Stock Exchange being made in accordance with Part IV of the Financial Services Act 1986 (the “1986 Act”) (other than in circumstances which did not constitute an offer to the public within the meaning of the Companies Act 1985), (ii) it has complied and will comply with all applicable provisions of the 1986 Act with respect to anything done by it in relation to the Securities in, from or otherwise involving the United Kingdom and (iii) it has only issued or passed on and will only issue or pass on in the United Kingdom to any person any document received by it in connection with the issue of the Securities, other than any document which consists of, or any part of, listing particulars, supplementary listing particulars or any other document required or permitted to be published by listing rules made by the London Stock Exchange under Part IV of the 1986 Act, if that person is of a kind described in Article 9(3) of the Financial Services Act 1986 (Investment Advertisements) (Exemptions) Order 1988, as amended, or is a person to whom the document may otherwise lawfully be issued or passed on.

The Securities have no established trading market. The Bank has been advised by the Underwriters that the Underwriters intend to make a market in the Securities but they are not obligated to do so and may discontinue market making at any time without notice. No assurance can be given as to the liquidity of the trading market for the Securities.

The Bank has agreed to indemnify the Underwriters against certain liabilities, including liabilities under the Securities Act of 1933.

Because HSBC Securities, Inc., an affiliate of the Bank, is expected to participate in the offer and sale of the Securities, the offering of the Securities is being conducted in accordance with the applicable provisions of Schedule E (“Schedule E”) of the bylaws of the National Association of Securities Dealers, Inc. (the

“NASD”). In accordance with Schedule E, no NASD member participating in the distribution of the Securities is permitted to confirm sales to accounts over which it exercises discretionary authority without prior specific written consent.

In the ordinary course of their respective businesses, the Underwriters named above and certain of their affiliates have engaged, and may in the future engage, in commercial banking transactions with the Bank and have provided, and may in the future provide, investment banking services to the Bank.



Midland Bank plc

Subordinated Debt Securities and Non-cumulative Dollar-denominated Preference Shares

Midland Bank plc (the "Bank") may offer from time to time, in one or more series, (i) subordinated debt securities ("Debt Securities") consisting of debentures, notes and/or other evidences of subordinated indebtedness or (ii) non-cumulative dollar-denominated preference shares of \$0.01 nominal value each (the "Dollar Preference Shares"; the Debt Securities and the Dollar Preference Shares are collectively referred to as "Securities"). The Dollar Preference Shares of each series will be represented by American Depositary Shares ("ADSs") of a corresponding series. Each ADS of a particular series will represent one Dollar Preference Share of the corresponding series. The ADSs will be evidenced by American Depositary Receipts ("ADRs"). The Dollar Preference Shares of more than one series may be offered and sold as units, in which case such units of Dollar Preference Shares will be represented by units of ADSs of each corresponding series evidenced by units of ADRs of each corresponding series. The aggregate initial offering price of any combination of Securities will not exceed \$1,000,000,000, or the equivalent thereof if Debt Securities are denominated in one or more foreign currencies or foreign currency units, at prices and on terms to be determined at or prior to the time of sale.

Specific terms of the Securities in respect of which this Prospectus is being delivered will be set forth in an accompanying Prospectus Supplement (the "Prospectus Supplement"), together with the terms of the offering of such Securities, the initial offering price and the net proceeds to the Bank from the sale thereof. The Prospectus Supplement will set forth, among other matters, the following with respect to the particular Securities: (i) in the case of Debt Securities, the specific designation, aggregate principal amount, authorized denominations, maturity, rate or method of calculation of interest and dates for payment thereof, any exchange, conversion, redemption or prepayment provisions and the currency, currencies or currency units in which principal, premium, if any, and interest, if any, is payable and (ii) in the case of Dollar Preference Shares, the specific designation, liquidation value per share, number of shares offered in the form of ADSs, initial public offering price, dividend rate (or method of determination thereof), dates on which dividends will be payable, voting rights, any redemption provisions and other rights, preferences, privileges, limitations and restrictions relating to the Dollar Preference Shares of a particular series.

The Bank may sell Securities directly to purchasers or through agents designated from time to time by the Bank or to or through underwriters or a group of underwriters. If any agents of the Bank or any underwriters are involved in the sales of Securities in respect of which this Prospectus is being delivered, the names of such agents or underwriters and any applicable commissions or discounts will be set forth in the accompanying Prospectus Supplement.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION, NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this Prospectus is May 3, 1995.

As used in this Prospectus and in any Prospectus Supplement, the term "Bank" means Midland Bank plc, the term "Midland" means Midland Bank plc and its subsidiary undertakings, the term "HSBC" means HSBC Holdings plc and the term "HSBC Group" means HSBC Holdings plc and its subsidiary undertakings. In addition, the term "UK GAAP" means generally accepted accounting principles in the United Kingdom and the term "US GAAP" means generally accepted accounting principles in the United States.

The consolidated financial statements of Midland are published in pounds sterling. In this Prospectus and any Prospectus Supplement, references to "US dollars" or "\$" are references to US currency and references to "pounds sterling", "£" or "pence" are references to UK currency.

SERVICE OF PROCESS; ENFORCEMENT OF LIABILITIES

The Bank is an English public limited company. All of the directors and executive officers of the Bank (and certain experts named in this Prospectus or in documents incorporated by reference herein) are resident outside the United States, and all or a substantial portion of the assets of the Bank and such persons are located outside the United States. As a result, it may be difficult for investors to effect service of process within the United States upon such persons or to enforce against them or the Bank in US courts judgments obtained in US courts predicated upon the civil liability provisions of the federal securities laws of the United States. The Bank has been advised by its English solicitors, Clifford Chance, that there is doubt as to enforceability in the United Kingdom, in original actions or in actions for enforcement of judgments of US courts, of liabilities predicated solely upon the federal securities laws of the United States.

AVAILABLE INFORMATION

The Bank is subject to the informational requirements of the US Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith files reports and other information with the US Securities and Exchange Commission (the "Commission"). The Bank is exempt from the rules under the Exchange Act prescribing the furnishing and content of proxy statements. Reports and other information filed by the Bank with the Commission may be inspected and copied at the public reference facilities maintained by the Commission at Room 1024, 450 Fifth Street, N.W., Washington, D.C. 20549, and at the following Regional Offices of the Commission: New York Regional Office, Room 1400, 13th Floor, 7 World Trade Center, New York, New York 10048 and Northwestern Atrium Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661-2511. Copies of such materials may also be obtained from the Public Reference Section of the Commission at 450 Fifth Street, N.W., Washington D.C., 20549, at prescribed rates. In addition, copies of such material may be inspected and copied at the offices of the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005, on which exchange the Bank's American Depositary Share Units, Series A and Series B are listed.

The Bank will furnish the Trustee referred to under "Description of Subordinated Debt Securities" and the Depositary referred to under "Description of American Depositary Receipts" with its annual reports, which will include a description of operations and annual audited consolidated financial statements prepared in conformity with UK GAAP, together with a reconciliation of net income and shareholders' funds to amounts estimated to be in accordance with US GAAP. The Bank will also furnish the Trustee and the Depositary with interim reports which will include unaudited interim consolidated financial information prepared in conformity with UK GAAP and which, if the Bank so elects, may contain a reconciliation of net income and shareholders' funds to amounts estimated to be in accordance with US GAAP. Upon receipt thereof, the Trustee or the Depositary, as appropriate, will mail such reports to a holder of such Securities who so requests. See "Description of American Depositary Receipts — Reports and Notices".

EXCHANGE RATES

The following table sets forth, for the periods ended and dates indicated, certain information concerning the exchange rate for pounds sterling based on the noon buying rate in New York City for cable transfers in pounds sterling as certified for customs purposes by the Federal Reserve Bank of New York (the "noon buying rate"), expressed in US dollars per £1. No representation is made that pounds sterling amounts have been, could have been or could be converted into US dollars at the noon buying rate or at any other rate.

<u>Year ended December 31,</u>	<u>At period end</u>	<u>Average (1)</u>	<u>High</u>	<u>Low</u>
1995 (through April 28, 1995)	\$1.609	\$1.598	\$1.644	\$1.552
1994	1.567	1.539	1.637	1.462
1993	1.478	1.497	1.590	1.418
1992	1.513	1.756	2.004	1.510
1991	1.866	1.762	1.999	1.602
1990	1.929	1.793	1.976	1.595

(1) The average rate means the average of the noon buying rates on the last business day of each month during the relevant period.

More recent information relating to the exchange rate between pounds sterling and US dollars may be set forth in the Prospectus Supplement relating to the Securities of a particular series.

A substantial portion of Midland's consolidated assets, liabilities, revenues and expenses is denominated in currencies other than pounds sterling, in particular US dollars. Fluctuations in the value of pounds sterling relative to other currencies can have a significant effect on the pounds sterling value of non-pounds sterling assets, liabilities, revenues and expenses. Because a substantial proportion of Midland's non-pounds sterling assets is employed in international operations, such fluctuations also affect the respective domestic and international proportions of assets, liabilities, revenues and expenses.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The Bank's Annual Report on Form 20-F for the fiscal year ended December 31, 1994 (File No. 2-87110) (the "1994 Form 20-F") is incorporated herein by reference.

In addition, all documents filed by the Bank pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act and, to the extent, if any, designated therein, certain reports on Form 6-K furnished by the Bank after the date of this Prospectus and prior to the termination of the offering of the Securities, shall be incorporated by reference in this Prospectus or in any Prospectus Supplement and deemed to be a part hereof from the date of filing or furnishing of such documents or reports.

Any statement contained in a document incorporated by reference herein or in any Prospectus Supplement shall be deemed to be modified or superseded for purposes of this Prospectus and such Prospectus Supplement to the extent that a statement contained herein or therein or in any other subsequently filed document which also is incorporated by reference herein or in such Prospectus Supplement modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus or any Prospectus Supplement.

The Bank will provide without charge to each person to whom a copy of this Prospectus or any Prospectus Supplement is delivered, upon the written or oral request of any such person, a copy of any or all of the documents referred to above which have been or may be incorporated herein by reference (other than certain exhibits to such documents). Requests for such copies should be directed to The Secretary, Midland Bank plc, 10 Lower Thames Street, London EC3R 6AE, England (telephone: (011-44-171) 260-8000) or to Midland Bank plc, 140 Broadway, New York, New York 10005 (telephone: (212) 658-5100), Attention: Regional Compliance Officer, Americas.

MIDLAND

Midland is one of the principal UK based banking and financial services groups. At December 31, 1994, Midland's total assets were £80 billion, and on the basis of total assets it ranked fifth among such groups in the United Kingdom. Through UK and international branches and subsidiary undertakings, Midland's business activities encompass retail and corporate banking, card operations, asset finance and leasing, factoring, investment management, insurance brokerage, life insurance underwriting, financial advisory services, securities trading and stockbroking.

The Bank dates back to 1836, and it registered as a limited company in 1880. The Bank adopted the name Midland Bank Limited in 1923 and its present name of Midland Bank plc in 1982. In July 1992, the Bank became a wholly-owned subsidiary undertaking of HSBC. The HSBC Group has more than 3,000 offices in 68 countries and is one of the largest banking groups in the world. Its total assets at December 31, 1994 amounted to £202 billion.

The Bank is HSBC's flagship in the United Kingdom and continental Europe. Midland's international network is mainly concentrated in continental Europe. There are branches in Spain, Greece, France and Sweden and representative offices in Ireland and Russia. In addition, Midland operates through the following subsidiary undertakings in Europe in Germany, Trinkaus & Burkhardt KGaA; in France, Midland Bank SA; in Luxembourg, Trinkaus & Burkhardt (International) SA; in Switzerland, Guyerzeller Bank AG and Trinkaus & Burkhardt (Schweiz) AG; in Turkey, Midland Bank AS; and in Ireland, Midland International Financial Services (Ireland) Limited. The Bank's other overseas operations now comprise branches in Tokyo and New York, which primarily undertake treasury and capital markets business, and representative offices in Singapore and Taiwan. Following the granting of a license by the Reserve Bank of Australia, a branch was opened in Sydney on March 13, 1995 which will undertake treasury sales and trading and will also offer structured finance, securitization, advisory services, debt originations, project finance and specialized lending. In 1995, Midland acquired from HSBC Group the entire share capital of Midland Australia Limited, the principal business of which is corporate lending. Midland also acquired and renamed the two branches in Panama of The Hongkong and Shanghai Banking Corporation Limited.

The Bank's principal executive office is located at Poultry, London EC2P 2BX, England. The telephone number is (011-44-171) 260-8000.

USE OF PROCEEDS

Unless otherwise disclosed in the accompanying Prospectus Supplement, the net proceeds from the sale of Securities will be used to support the development of Midland and to strengthen further Midland's capital base.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

The financial information set forth below in respect of the five years ended December 31, 1994 is derived from the audited Consolidated Financial Statements of the Bank for each of those years. This information should be read in conjunction with, and is qualified in its entirety by reference to, the audited Consolidated Financial Statements and the Notes thereto included in the 1994 Form 20-F. For a discussion of certain changes in accounting principles recently adopted by the Bank, see "Selected Consolidated Financial Information" in the 1994 Form 20-F.

The Bank's consolidated financial statements are prepared in accordance with UK GAAP, which differ in certain significant respects from US GAAP. For a discussion of the significant differences between UK GAAP and US GAAP and a reconciliation of net income and shareholders' funds (which comprises share capital and reserves) between amounts calculated under UK GAAP and those adjusted to accord with US GAAP, see Note 35 of Notes to Consolidated Financial Statements included in the 1994 Form 20-F.

The financial information set forth below does not comprise "statutory accounts" within the meaning of Section 240 of the Companies Act 1985 of Great Britain. Statutory accounts for each of the years in the five year period ended December 31, 1994 have been delivered to the Registrar of Companies for England and Wales. The auditors' reports on each of these accounts were unqualified and did not contain any statement under Section 237(2) or (3) of that Act.

Amounts in accordance with UK GAAP:

	Year ended December 31				
	1994	1993	1992	1991	1990
	(£ millions)				
INCOME STATEMENT DATA					
Interest receivable	4,280	4,639	5,326	6,305	7,359
Interest payable	(2,452)	(2,830)	(3,694)	(4,675)	(5,903)
Net interest income	1,828	1,809	1,632	1,630	1,456
Provision for loan losses	(98)	(679)	(582)	(785)	(522)
Operating profit (loss) — continuing operations	785	723	229	(71)	(141)
Operating profit (loss) — discontinued operations	—	41	(8)	35	79
Total operating profit (loss)	785	764	221	(36)	(62)
Income on ordinary activities before tax	905	844	204	46	23
Tax charge on income on ordinary activities	(289)	(172)	(87)	(69)	(188)
Net income (loss)	595	646	102	(39)	(181)
	December 31				
	1994	1993	1992	1991	1990
	(£ millions)				
BALANCE SHEET DATA					
Undated subordinated loan capital	992	1,046	1,026	851	824
Dated subordinated loan capital	1,490	1,247	1,183	1,129	1,012
Minority interests	197	175	171	166	161
Shareholders' funds (including non-equity interests)	2,858	2,670	2,224	2,350	2,422
Total capital resources	5,537	5,138	4,604	4,496	4,419
Deposits by banks	13,668	16,789	12,755	11,907	13,834
Customer accounts	44,557	40,498	40,784	40,435	40,008
Debt securities in issue	2,375	1,947	1,757	1,988	2,716
Loans and advances to banks	12,933	10,793	8,790	9,226	8,687
Loans and advances to customers	37,780	37,526	41,402	40,263	43,487
Total assets	80,375	76,473	70,863	67,638	67,783

	Year ended December 31				
	1994	1993	1992	1991	1990
			(pence)		
FINANCIAL RATIOS					
Per ordinary share:					
Net income (loss)	73.1	80.7	12.9	(4.9)	(23.2)
Dividends	50.2	50.2	—	3.4	9.0
			(per cent)		
Dividend payout ratio for ordinary shares	68.7	62.2	—	N/A	N/A
Net income (loss) as a percentage of:					
Average total assets	0.8	0.9	0.1	(0.1)	(0.3)
Average shareholders' funds (equity)	21.2	25.6	4.1	(1.7)	(6.7)
Average shareholders' funds (equity) as a percentage of average total assets	3.6	3.3	3.6	3.4	3.7
Percentage of allowances (excluding LDC allowances) for loan losses as a percentage of gross loans (excluding LDC loans)	3.0	3.4	3.3	3.0	2.0
Net interest margin (i)	2.9	2.8	2.6	2.6	2.3
Risk asset ratio (ii)	11.5	11.3	10.7	10.3	9.8

(i) Net interest margin is net interest income as a percentage of average interest earning assets.

(ii) Risk asset ratio is total capital (as measured by the Bank of England for supervisory purposes) as a percentage of risk-weighted assets.

Estimated amounts in accordance with US GAAP:

	Year ended December 31				
	1994	1993	1992	1991	1990
	(£ millions)				
INCOME STATEMENT DATA					
Net income (loss) from continuing operations	552	545	(90)	(116)	(71)
Net income from discontinued operations					
Income (loss) from operations	—	41	(9)	12	76
Profit on disposal of discontinued operations	—	4	100	—	—
	—	45	91	12	76
Cumulative effect of adjusting for change in surplus retained in long-term assurance funds and net present value of policies in force	—	—	—	(8)	—
Cumulative effect of change in method of accounting for income taxes	—	188	—	—	—
Total net income (loss)	<u>552</u>	<u>778</u>	<u>1</u>	<u>(112)</u>	<u>5</u>

	December 31				
	1994	1993	1992	1991	1990
	(£ millions)				
BALANCE SHEET DATA					
Shareholders' funds (including non-equity interests)	2,774	2,612	1,862	1,842	1,980
Total assets	79,234	75,807	70,474	67,960	68,058

	Year ended December 31				
	1994	1993	1992 (pence)	1991	1990
FINANCIAL RATIOS					
Per ordinary share:					
Net income (loss)	67.6	97.6	0.1	(14.3)	0.6
Dividends	50.2	25.1	—	3.3	9.0
			(per cent)		
Dividend payout ratio for ordinary shares	74.2	25.8	—	N/A	N/A
Net income (loss) as a percentage of:					
Average total assets	0.7	1.1	—	(0.2)	—
Average shareholders' funds (equity)	21.3	34.8	0.1	(5.9)	0.3
Average shareholders' funds (equity) as a percentage of average total assets	3.3	3.1	2.7	2.8	2.9

**RATIOS OF EARNINGS TO COMBINED FIXED CHARGES
AND PREFERENCE SHARE DIVIDENDS**

The ratios of earnings to combined fixed charges and preference share dividends for Midland for each of the years in the five year period ended December 31, 1994, using financial information calculated in accordance with UK GAAP and estimated financial information adjusted to reflect US GAAP, are:

	Year ended December 31				
	1994	1993	1992	1991	1990
Ratios in accordance with UK GAAP:					
Excluding interest on deposits	5.03	4.75	1.90	1.00	0.71
Including interest on deposits	1.36	1.27	1.05	1.00	0.99
Estimated ratios in accordance with US GAAP:					
Excluding interest on deposits	4.32	4.33	1.27	0.71	0.67
Including interest on deposits	1.29	1.24	1.02	0.99	0.99

(1) Under UK GAAP, fixed charges exceeded earnings by £1 million, £75 million and £372 million for the years ended December 31, 1991 and 1990, respectively. Under US GAAP, fixed charges exceeded earnings by £68 million and £86 million for the years ended December 31, 1991 and 1990, respectively.

For the purpose of calculating the ratios of earnings to combined fixed charges and preference share dividends, earnings consist of income (loss) from continuing operations before taxation and minority interests, plus fixed charges and after deduction of the unremitted pre-tax income of associated undertakings. Fixed charges consist of total interest expense, including or excluding interest on deposits, as appropriate, and the proportion of rental expense deemed representative of the interest factor. The Bank did not have any preference shares outstanding during the three year period ended December 31, 1992, and accordingly did not have any preference share dividend requirements in respect of such periods.