

## **PRESS NOTICE**

### **UK BANK RE-CAPITALISATION: REVISION TO DMO's FINANCING REMIT 2008-09**

The UK DMO announces its intention to begin a gilt and Treasury bill sales programme designed to raise £37 billion in order to contribute to the financing of the re-capitalisation of UK banks announced on 8 October 2008. It is envisaged that these sales will begin in the week commencing 20 October 2008, but that, given the auction of 4½% 2013 on 16 October, the programme will not commence with the sale of a five-year maturity gilt.

The DMO is inviting representatives of gilt market investors and the Gilt-edged Market-Makers to meetings to discuss the structure and timescale of the programme at 3.30pm and 5.00pm respectively today. Agendas for the meetings will be published at 10.00am this morning.

The DMO will announce the details of the programme at 3.30pm on Tuesday, 14 October 2008.

This revision to the DMO's remit takes no account of any changes to the Government's forecasts of the public finances. These will be updated at the Pre-Budget Report (PBR). Any resultant changes to the DMO's remit arising from the PBR will be published as usual after the Chancellor's statement and will also incorporate the changes being announced today.

### **NOTES TO EDITORS**

This revision to the DMO's financing remit is being made in accordance with paragraph 5.18 of the published remit which provides that

*“Any aspect of this remit may be revised during the year, in light of exceptional circumstances and/or substantial changes in the following:*

- *the Government's forecast for the gilt sales requirement;*
- *the level and shape of the yield curve*
- *market expectations of future interest and inflation rates; and*
- *market volatility”.*