

USE OF THE DMO'S STANDING REPO FACILITY: 30 OCTOBER 2008

An additional £70 million (nominal) of 4% Treasury Gilt 2016 has today been created and made available to the market under the terms of the DMO's standing repo facility, which was introduced on the 1 June 2000, and revised with effect from 1 April 2008. It is intended that this additional stock will be cancelled upon return, but the DMO will make an announcement at that time. The DMO has been given general collateral at the Bank of England's Official Bank Rate against the stock it has lent at Bank Rate less 300 bps (i.e. 1.50%)

The additional amount(s) of stock created this morning is NOT eligible for inclusion in FTSE indices calculations and the amount(s) in issue following cancellation of this stock will remain at £19,850 million nominal.