

USE OF THE DMO'S REPO FACILITIES: 16 OCTOBER

An additional £643 million (nominal) of 4% Treasury Stock 2009 and £ 57 million (nominal) of 4¼ % Treasury Gilt 2011 has today (16 October) been created and made available to the market under the terms of the DMO's special repo facility, which was announced on 3 October 2008. The DMO has been given general collateral for one week at the Bank of England's Official Bank Rate against the stock it has lent at Bank Rate less 150 bps (i.e. 3.00%)

An additional £ 52 million (nominal) of the 4% Treasury Stock 2009 has also been created under the existing standing repo facility on an overnight basis, against which the DMO has been given GC collateral at Bank Rate less 300 bps (i.e. 1.50%)

It is intended that all stock created will be cancelled upon return, but the DMO will make announcements to this effect at the relevant time.

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 £17,141 million nominal (4% 2009) and £14,292 million nominal (4Q 2011).