

## **CREATION OF COLLATERAL FOR CASH MANAGEMENT OPERATIONS: JANUARY 2008**

On Wednesday 16 January 2008, in accordance with paragraph 6.10 of the 2007-08 DMO Exchequer cash management remit, an additional £4,847 million (cash) of gilts (excluding gilts maturing within one year, double-dated, undated and rump gilts) plus £153 million of the Treasury bill maturing on 7 April 2008, will be created and issued to the DMO for use in the DMO's Exchequer cash management operations.

The increase in size of individual gilts ranges from £51 million (nominal) to £173 million (nominal) for conventional gilts and from £7 million (nominal) to £88 million (nominal) for index-linked gilts. The amounts have been chosen to have a negligible effect on relevant indices.

The additional collateral will be held on the Debt Management Account by the DMO. Specific gilts will not be available to the repo market for a period of three months, during which time these new issues will only be used in Delivery-by-Value (DBV) transactions. The additional Treasury bills being created will also only be used in DBV transactions.

A table showing the nominal amounts of the Treasury bill and each gilt to be created with the revised nominal amounts in issue (rounded to the nearest £1 million) is published below.

The DMO announced its intention to create this collateral, with a current value of £5.0 billion, on Friday 28 December 2007.

**Additional collateral to be issued on 16 January 2008**

	<u>Nominal amount (£mn)</u>	<u>New amount in issue (£mn)</u>
<b>Treasury bill</b>		
Treasury bill maturing 7 April 2008	153	1,555
<b>Conventional gilts</b>		
4% Treasury Stock 2009	167	17,141
5¾% Treasury Stock 2009	118	12,124
4¾% Treasury Stock 2010	126	12,900
6¼% Treasury Stock 2010	51	5,256
4¼% Treasury Gilt 2011	136	13,886
9% Conversion Loan 2011	56	5,720
5% Treasury Stock 2012	138	14,147
5¼% Treasury Gilt 2012	101	10,351
8% Treasury Stock 2013	64	6,553
5% Treasury Stock 2014	135	13,834
4¾% Treasury Stock 2015	135	13,782
8% Treasury Stock 2015	76	7,820
4% Treasury Gilt 2016	133	13,633
8¾% Treasury Stock 2017	80	8,216
5% Treasury Gilt 2018	74	7,574
4¾% Treasury Stock 2020	106	10,849
8% Treasury Stock 2021	173	17,746
5% Treasury Stock 2025	160	16,348
4¼% Treasury Gilt 2027	133	13,633
6% Treasury Stock 2028	122	12,462
4¾% Treasury Gilt 2030	67	6,817
4¼% Treasury Stock 2032	171	17,497
4¼% Treasury Gilt 2036	154	15,822
4¾% Treasury Gilt 2038	147	15,105
4½% Treasury Gilt 2042	84	8,584
4¼% Treasury Gilt 2046	136	13,886
4¼% Treasury Gilt 2055	114	11,716
<b>Index-linked gilts (3-month lag)</b>		
		<u>New amount in issue (£mn)</u> <u>(including inflation uplift)</u>
1¼% I-L Treasury Gilt 2017	76	8,833
1⅞% I-L Treasury Gilt 2022	31	3,441
1¼% I-L Treasury Gilt 2027	55	6,476
1⅞% I-L Treasury Gilt 2037	45	4,988
0¾% I-L Treasury Gilt 2047	7	763
1¼% I-L Treasury Gilt 2055	49	5,811
<b>Index-linked gilts (8-month lag)</b>		
2½% I-L Treasury Stock 2009	31	8,732
2½% I-L Treasury Stock 2011	43	12,928
2½% I-L Treasury Stock 2013	69	17,143
2½% I-L Treasury Stock 2016	72	19,625
2½% I-L Treasury Stock 2020	59	15,929
2½% I-L Treasury Stock 2024	61	14,027
4⅞% I-L Treasury Stock 2030	47	7,735
2% I-L Treasury Stock 2035	88	11,257