

CREATION OF COLLATERAL FOR CASH MANAGEMENT OPERATIONS: APRIL 2008

On Wednesday 16 April 2008, in accordance with paragraph 6.10 of the 2008-09 DMO Exchequer cash management remit, an additional £15,000 million (cash) of collateral will be created and issued to the DMO for use in the DMO's Exchequer cash management operations. The collateral to be created will comprise £11,650 million (nominal) of gilts (excluding gilts maturing within one year, double-dated, undated and rump gilts) plus £483 million (nominal) of the Treasury bill maturing on 7 July 2008.

The increase in size of individual gilts ranges from £73 million (nominal) to £519 million (nominal) for conventional gilts and from £41 million (nominal) to £261 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 and will not be available for outright sale. 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 of gilts in issue (rounded to the nearest £1 million) is published below.

Additional collateral to be issued on 16 April 2008

	<u>Collateral (£mn)</u>	<u>New amount in issue (£mn)</u>	
<u>Treasury bill</u>			
Treasury bill maturing on 7 July 2008	483		
<u>Conventional gilts</u>			
5¾% Treasury Stock 2009	355		12,479
4¾% Treasury Stock 2010	487		17,137
6¼% Treasury Stock 2010	154		5,410
4¼% Treasury Gilt 2011	406		14,292
9% Conversion Loan 2011	167		5,887
5% Treasury Stock 2012	414		14,561
5¼% Treasury Gilt 2012	303		10,654
4½% Treasury Gilt 2013	73		2,573
8% Treasury Stock 2013	192		6,745
5% Treasury Stock 2014	405		14,239
4¾% Treasury Stock 2015	403		14,185
8% Treasury Stock 2015	229		8,049
4% Treasury Gilt 2016	399		14,032
8¾% Treasury Stock 2017	240		8,456
5% Treasury Gilt 2018	295		10,369
4¾% Treasury Stock 2020	317		11,166
8% Treasury Stock 2021	519		18,265
5% Treasury Stock 2025	478		16,826
4¼% Treasury Gilt 2027	399		14,032
6% Treasury Stock 2028	365		12,827
4¾% Treasury Gilt 2030	258		9,075
4¼% Treasury Stock 2032	512		18,009
4¼% Treasury Stock 2036	463		16,285
4¾% Treasury Stock 2038	442		15,547
4½% Treasury Gilt 2042	310		10,894
4¼% Treasury Gilt 2046	406		14,292
4¼% Treasury Gilt 2055	343		12,059
<u>Index-linked gilts (3-month lag)</u>			
		<u>New nominal in issue</u>	<u>New uplifted nominal</u>
1¼% I-L Treasury Gilt 2017	258	9,634	10,473
1⅞% I-L Treasury Gilt 2022	123	4,604	4,715
1¼% I-L Treasury Gilt 2027	192	7,172	7,783
1⅞% I-L Treasury Gilt 2037	157	5,852	6,094
0¾% I-L Treasury Gilt 2047	41	1,523	1,544
1¼% I-L Treasury Gilt 2055	147	5,484	6,009
<u>Index-linked gilts (8-month lag)</u>			
2½% I-L Treasury Stock 2009	92	3,427	9,020
2½% I-L Treasury Stock 2011	129	4,803	13,356
2½% I-L Treasury Stock 2013	204	7,620	17,709
2½% I-L Treasury Stock 2016	214	7,982	20,273
2½% I-L Treasury Stock 2020	176	6,585	16,453
2½% I-L Treasury Stock 2024	183	6,827	14,490
4⅞% I-L Treasury Stock 2030	139	5,207	7,990
2% I-L Treasury Stock 2035	261	9,738	11,628