



21 February 2017

PRESS NOTICE

AUCTION OF BRITISH GOVERNMENT STOCK

Auction Details

| | |
|-----------------------------------|-----------------------------------|
| Auction Date | Thursday, 2 March 2017 |
| Issue and Settlement Date | Friday, 3 March 2017 |
| Bidding Convention | Fully paid Bid Price (see Note 1) |
| Accrued Interest payable with bid | £0.055249 per £100 nominal |
| Auction Close | 10:30am London Time |

Details of Security

| | |
|-----------------------------------|---|
| Title | 0½% Treasury Gilt 2022 |
| Amount (nominal) for auction | £2,500 million (fungible with previous issues) (see Note 4) |
| Nominal outstanding after auction | £19,725.3 million |
| Maturity Date | 22 July 2022 at par |
| Interest Dates | 22 January – 22 July |
| ISIN Code | GB00BD0PCK97 |
| SEDOL Code | B-D0P-CK9 |
| Strippable | No (see Note 2) |
| Interest Payable | Gross (see Note 3) |
| Next Interest Date | 22 July 2017 (Standard Coupon) |

Note 1: Bids may be made on either a competitive or a non-competitive basis. Details of the bidding procedures are set out in the prospectus and in the Information Memorandum. Gilt-edged Market Makers may bid by means of the Bloomberg Bond Auction System to the DMO not later than 10.30 am on Thursday, 2 March 2017.

Note 2: The Gilt may not be stripped and reconstituted until so specified in a notice issued by the DMO.

Note 3: Holders may elect to have United Kingdom income tax deducted from interest payments, should they so wish, on application to the Registrar, Computershare Investor Services PLC.

Note 4: Subject to the provisions of the Information Memorandum, this auction will be eligible for the Post Auction Option Facility of an additional amount of the Gilt equivalent to 15% of the nominal amount of the Gilt allocated at the auction. Details of the Post Auction Option Facility procedures are set out in the Information Memorandum.

Documentation

| | |
|--|---|
| Prospectus DMO : 21 February 2017 | http://www.dmo.gov.uk/documentview.aspx?docName=/gilts/public/prospectus/prosp210217c.pdf |
| Information Memorandum relating to the Issue, Stripping and Reconstitution of British Government Stock DMO : January 2017 | http://www.dmo.gov.uk/documentview.aspx?docName=/publications/operationalrules/infmemadd200117.pdf |
| Formulae for Calculating Gilt Prices from Yields DMO : 16 March 2005 | www.dmo.gov.uk/documentview.aspx?docname=/giltsmarket/formulae/yldeqns.pdf |

Applications from Members of the Approved Group of Investors

Application forms from Approved Group members must be sent to Computershare Investor Services PLC, who is acting on behalf of the DMO, at the following address: British Government Stocks (Gilts), Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZW to arrive not later than 10.00 am on Thursday, 2 March 2017. They may also be lodged by hand at the DMO, Eastcheap Court, 11 Philpot Lane, London, EC3M 8UD not later than 10.00 am on Thursday, 2 March 2017.

The amount payable on application in the case of a non-competitive bid made by a member of the Approved Group is £101 per £100 nominal of the Gilt.

Remit 2016-17

Gilt sales of £146.5 billion (cash) are planned in 2016-17 and progress against the remit is summarised in the table below (which does not include proceeds from the syndicated offering of 0½% Index-linked Treasury Gilt 2065 on 21 February 2017).

| Gilt sales relative to remit plans 21 February 2017 (£ millions) | | | | | |
|--|--------------------|---------------|---------------|--------------------|----------------|
| | Conventional Gilts | | | Index-linked gilts | Total |
| | Short | Medium | Long | | |
| Auction proceeds to-date | 30,387 | 22,344 | 24,531 | 14,414 | 91,677 |
| PAOF proceeds to-date | 2,642 | 2,245 | 1,405 | 417 | 6,709 |
| Auction and PAOF proceeds to-date | 33,028 | 24,590 | 25,936 | 14,831 | 98,385 |
| Syndication sales to-date | 0 | 0 | 14,586 | 13,914 | 28,500 |
| Gilt tender sales to date | 0 | 0 | 912 | 1,696 | 2,608 |
| Total gilt sales to date | 33,028 | 24,590 | 41,435 | 30,441 | 129,494 |
| Auction sales required to meet plans | 4,772 | 4,110 | 1,864 | 1,069 | 11,815 |
| Number of auctions remaining | 2 | 2 | 1 | 1 | 6 |
| Current average auction sizes | 2,386 | 2,055 | 1,864 | 1,069 | |
| Planned gilt sales at auctions | 37,800 | 28,700 | 27,800 | 15,900 | 110,200 |
| Number of auctions scheduled | 13 | 11 | 12 | 12 | 48 |
| Minimum syndication sales plan | - | - | 14,550 | 17,800 | 32,350 |
| Syndication sales required to meet minimum plan | - | - | 36 | 3,886 | 3,850 |
| Remaining unallocated sales | | | | | 1,342 |
| Balance of total supplementary gilt sales | | | | | 5,192 |
| Total planned supplementary gilt sales | | | | | 36,300 |
| Total planned gilt sales | | | | | 146,500 |