

CREATION ON 17 JULY 2012 OF COLLATERAL FOR CASH MANAGEMENT OPERATIONS

On Tuesday 17 July 2012, in accordance with paragraph 1.10 of the 2012-13 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 £12,208 million (nominal) of conventional gilts (excluding gilts maturing within one year, double-dated, undated and rump gilts).

The increase in size of individual gilts ranges from £103 million (nominal) to £539 million (nominal). 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.

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

12 JULY 2012

Additional gilt collateral to be issued on 17 July 2012		
	<u>Collateral (£mn)</u>	<u>New amount in issue (£mn)</u>
<u>Conventional gilts</u>		
8% Treasury Stock 2013	119	8,679
2 1/4% Treasury Gilt 2014	483	35,346
5% Treasury Stock 2014	539	39,411
2 3/4% Treasury Gilt 2015	399	29,191
4 3/4% Treasury Stock 2015	476	34,855
8% Treasury Stock 2015	142	10,357
2% Treasury Gilt 2016	442	32,312
4% Treasury Gilt 2016	476	34,822
1 3/4% Treasury Gilt 2017	372	27,209
8 3/4% Treasury Stock 2017	149	10,879
1% Treasury Gilt 2017	247	18,092
5% Treasury Gilt 2018	415	30,353
4 1/2% Treasury Gilt 2019	430	31,428
3 3/4% Treasury Gilt 2019	383	28,057
4 3/4% Treasury Stock 2020	444	32,517
3 3/4% Treasury Gilt 2020	328	23,997
8% Treasury Stock 2021	321	23,499
3 3/4% Treasury Gilt 2021	379	27,709
4% Treasury Gilt 2022	480	35,120
1 3/4% Treasury Gilt 2022	103	7,528
5% Treasury Stock 2025	437	31,992
4 1/4% Treasury Gilt 2027	401	29,324
6% Treasury Stock 2028	254	18,575
4 3/4% Treasury Gilt 2030	370	27,080
4 1/4% Treasury Stock 2032	418	30,591
4 1/2 Treasury Gilt 2034	295	21,606
4 1/4% Treasury Stock 2036	321	23,515
4 3/4% Treasury Stock 2038	336	24,610
4 1/4% Treasury Gilt 2039	264	19,280
4 1/4% Treasury Gilt 2040	332	24,257
4 1/2% Treasury Gilt 2042	332	24,265
4 1/4% Treasury Gilt 2046	286	20,890
4 1/4% Treasury Gilt 2049	264	19,301
3 3/4% Treasury Gilt 2052	195	14,293
4 1/4% Treasury Gilt 2055	320	23,432
4% Treasury Gilt 2060	256	18,764
	12,208	893,134

Figures may not sum due to rounding