Calculating prices from nominal redemption yields for conventional gilts

Scenario	1	2	3	4	1	2	3	4
Bond	8% 2015	8% 2015	8% 2015	8% 2015	6.75% 2004	6.75% 2004	6.75% 2004	6.75% 2004
Yield (y) as a decimal	0.04445	0.04445	0.04445	0.04445	0.04634	0.04634	0.04634	0.04634
Settlement date	24-May-99	26-May-99	27-May-99	07-Jun-99	10-May-99	17-May-99	18-May-99	26-May-99
Ex Dividend date	26-May-99	26-May-99	26-May-99	26-May-99	17-May-99	17-May-99	17-May-99	17-May-99
Ex-Dividend	No	No	Yes	No	No	No	Yes	No
Previous quasi-coupon date	07-Dec-98	07-Dec-98	07-Dec-98	07-Jun-99	26-Nov-98	26-Nov-98	26-Nov-98	26-May-99
Next quasi-coupon date	07-Jun-99	07-Jun-99	07-Jun-99	07-Dec-99	26-May-99	26-May-99	26-May-99	26-Nov-99
d1	4	4	0	4	3.375	3.375	0	3.375
Next but one quasi-coupon date	07-Dec-99	07-Dec-99	07-Dec-99	07-Jun-00	26-Nov-99	26-Nov-99	26-Nov-99	26-May-00
d2	4	4	4	4	3.375	3.375	3.375	3.375
Coupon (c)	8	8	8	8	6.75	6.75	6.75	6.75
f	2	2	2	2	2	2	2	2
v	0.978258211	0.978258211	0.978258211	0.978258211	0.977354692	0.977354692	0.977354692	0.977354692
r	14	12	11	183	16	9	8	184
s	182	182	182	183	181	181	181	184
Maturity date	07-Dec-15	07-Dec-15	07-Dec-15	07-Dec-15	26-Nov-04	26-Nov-04	26-Nov-04	26-Nov-04
n	33	33	33	32	11	11	11	10
Dirty Price	145.012268	145.047301	141.070132	141.257676	113.315543	113.415969	110.058738	110.170218

Calculating nominal redemption yields from prices for conventional gilts

Scenario	1	2	3	4	1	2	3	4
Bond	8% 2015	8% 2015	8% 2015	8% 2015	6.75% 2004	6.75% 2004	6.75% 2004	6.75% 2004
Dirty Price (P)	135	135	135	135	108	108	108	108
Settlement date	24-May-99	26-May-99	27-May-99	07-Jun-99	10-May-99	17-May-99	18-May-99	26-May-99
Ex Dividend date	26-May-99	26-May-99	26-May-99	26-May-99	17-May-99	17-May-99	17-May-99	17-May-99
Ex-Dividend	No	No	Yes	No	No	No	Yes	No
Previous quasi-coupon date	07-Dec-98	07-Dec-98	07-Dec-98	07-Jun-99	26-Nov-98	26-Nov-98	26-Nov-98	26-May-99
Next quasi-coupon date	07-Jun-99	07-Jun-99	07-Jun-99	07-Dec-99	26-May-99	26-May-99	26-May-99	26-Nov-99
d1	4	4	0	4	3.375	3.375	0	3.375
Next but one quasi-coupon date	07-Dec-99	07-Dec-99	07-Dec-99	07-Jun-00	26-Nov-99	26-Nov-99	26-Nov-99	26-May-00
d2	4	4	4	4	3.375	3.375	3.375	3.375
Coupon (c)	8	8	8	8	6.75	6.75	6.75	6.75
f	2	2	2	2	2	2	2	2
v	0.974839093	0.974825563	0.976222038	0.976154124	0.972285239	0.97217	0.9754131	0.975299445
r	14	12	11	183	16	9	8	184
s	182	182	182	183	181	181	181	184
Maturity date	07-Dec-15	07-Dec-15	07-Dec-15	07-Dec-15	26-Nov-04	26-Nov-04	26-Nov-04	26-Nov-04
n	33	33	33	32	11	11	11	10
Yield (y) as a decimal	0.051620635	0.051649111	0.04871425	0.048856785	0.057009527	0.057253361	0.050413308	0.050652248

Calculating prices from real redemption yields for IGs

Scenario	1	2	3	4
Bond	2.5% IL 2003	2.5% IL 2003	2.5% IL 2003	2.5% IL 2003
Yield (rho) as a decimal	0.02945	0.02945	0.02945	0.02945
Base RPI	78.75792142	78.75792142	78.75792142	78.75792142
Settlement date	08-May-98	11-May-98	12-May-98	20-May-98
Ex Dividend date	11-May-98	11-May-98	11-May-98	11-May-98
Ex-Dividend	No	No	Yes	No
Previous quasi-coupon date	20-Nov-97	20-Nov-97	20-Nov-97	20-May-98
Next quasi-coupon date	20-May-98	20-May-98	20-May-98	20-Nov-98
Month of RPID1	01-Sep-97	01-Sep-97	01-Sep-97	01-Mar-98
RPID1	159.3	159.3	159.3	160.8
d1	2.5283	2.5283	0	2.5521
Next but one quasi-coupon date	20-Nov-98	20-Nov-98	20-Nov-98	20-May-99
Month of RPID2	01-Mar-98	01-Mar-98	01-Mar-98	01-Sep-98
RPID2	160.8	160.8	160.8	Not Available
d2	2.5521	2.5521	2.5521	2.612673571
Real Coupon (c)	2.5	2.5	2.5	2.5
f	2	2	2	2
w	0.985488679	0.985488679	0.985488679	0.985488679
pi	0.03	0.03	0.03	0.03
u	0.985329278	0.985329278	0.985329278	0.985329278
r	12	9	8	184
s	181	181	181	184
Maturity date	20-May-03	20-May-03	20-May-03	20-May-03
n	10	10	10	9
Month of latest RPI known at settlement	01-Mar-98	01-Mar-98	01-Mar-98	01-Apr-98
RPIL	160.8	160.8	160.8	162.6
k	6	6	6	1
a	2.011746185	2.011746185	2.011746185	2.059475011
Dirty Price	199.180324	199.277397	196.784748	198.734517

Notes:
(i) in scenario 4, d2 is estimated using the formula in the annex of the price/yield paper
(ii) The RPI was rebased to 100 in Jan 1987. The rebased Base RPI is calculated by dividing the original Base RPI (=310.7) by the scaling factor 3.945, and is unrounded

Calculating real redemption yields from prices for IGs

Scenario	1	2	3	4
Bond	2.5% IL 2003	2.5% IL 2003	2.5% IL 2003	2.5% IL 2003
Dirty Price (P)	198	198	198	198
Base RPI	78.757921	78.757921	78.757921	78.757921
Settlement date	08-May-98	11-May-98	12-May-98	20-May-98
Ex Dividend date	11-May-98	11-May-98	11-May-98	11-May-98
Ex-Dividend	No	No	Yes	No
Previous quasi-coupon date	20-Nov-97	20-Nov-97	20-Nov-97	20-May-98
Next quasi-coupon date	20-May-98	20-May-98	20-May-98	20-Nov-98
Month of RPID1	01-Sep-97	01-Sep-97	01-Sep-97	01-Mar-98
RPID1	159.3	159.3	159.3	160.8
d1	2.5283	2.5283	0	2.5521
Next but one quasi-coupon date	20-Nov-98	20-Nov-98	20-Nov-98	20-May-99
Month of RPID2	01-Mar-98	01-Mar-98	01-Mar-98	01-Sep-98
RPID2	160.8	160.8	160.8	Not Available
d2	2.5521	2.5521	2.5521	2.612673585
Real Coupon (c)	2.5	2.5	2.5	2.5
f	2	2	2	2
w	0.984865796	0.984813553	0.986127498	0.98510284
pi	0.03	0.03	0.03	0.03
u	0.985329278	0.985329278	0.985329278	0.985329278
r	12	9	8	184
s	181	181	181	184
Maturity date	20-May-03	20-May-03	20-May-03	20-May-03
n	10	10	10	9
Month of latest RPI known at settlement	01-Mar-98	01-Mar-98	01-Mar-98	01-Apr-98
RPIL	160.8	160.8	160.8	162.6
k	6	6	6	1
a	2.011746195	2.011746195	2.011746195	2.059475022
Sum of NPV'd cash flows	198	198	198	198
Yield (rho) as a decimal	0.030733535	0.030841264	0.028135312	0.030244883

Note: in scenario 4, d2 is estimated using the formula in the annex of the price/yield paper

Calculating a long first dividend for conventional gilts

Coupon =	6
Issue date =	07-May-99
First div date =	07-Dec-99
Previous quasi-coupon date =	07-Dec-98
Next quasi-coupon date =	07-Jun-99
r1 =	31
s1 =	182
s2 =	183
First dividend payment =	3.510989

Calculating accrued interest for conventional gilts

Case (1)

Settlement date =	29-May-99
t =	22
Accrued Interest =	0.362637

Case (2)

Settlement date =	07-Sep-99
r2 =	92
Accrued Interest =	2.019186

Case (3)

Settlement date =	06-Dec-99
r2 =	182
Accrued Interest =	-0.016393

Settlement Date	Time Variable	Accrued Interest	Settlement Date	Time Variable	Accrued Interest	Settlement Date	Time Variable	Accrued Interest
08-May-99	1	0.016484	01-Aug-99	55	1.412628	25-Oct-99	140	2.806071
09-May-99	2	0.032967	02-Aug-99	56	1.429022	26-Oct-99	141	2.822464
10-May-99	3	0.049451	03-Aug-99	57	1.445415	27-Oct-99	142	2.838858
11-May-99	4	0.065934	04-Aug-99	58	1.461809	28-Oct-99	143	2.855251
12-May-99	5	0.082418	05-Aug-99	59	1.478202	29-Oct-99	144	2.871645
13-May-99	6	0.098901	06-Aug-99	60	1.494596	30-Oct-99	145	2.888038
14-May-99	7	0.115385	07-Aug-99	61	1.510989	31-Oct-99	146	2.904432
15-May-99	8	0.131868	08-Aug-99	62	1.527382	01-Nov-99	147	2.920825
16-May-99	9	0.148352	09-Aug-99	63	1.543776	02-Nov-99	148	2.937219
17-May-99	10	0.164835	10-Aug-99	64	1.560169	03-Nov-99	149	2.953612
18-May-99	11	0.181319	11-Aug-99	65	1.576563	04-Nov-99	150	2.970005
19-May-99	12	0.197802	12-Aug-99	66	1.592956	05-Nov-99	151	2.986399
20-May-99	13	0.214286	13-Aug-99	67	1.60935	06-Nov-99	152	3.002792
21-May-99	14	0.230769	14-Aug-99	68	1.625743	07-Nov-99	153	3.019186
22-May-99	15	0.247253	15-Aug-99	69	1.642137	08-Nov-99	154	3.035579
23-May-99	16	0.263736	16-Aug-99	70	1.65853	09-Nov-99	155	3.051973
24-May-99	17	0.28022	17-Aug-99	71	1.674923	10-Nov-99	156	3.068366
25-May-99	18	0.296703	18-Aug-99	72	1.691317	11-Nov-99	157	3.08476
26-May-99	19	0.313187	19-Aug-99	73	1.70771	12-Nov-99	158	3.101153
27-May-99	20	0.32967	20-Aug-99	74	1.724104	13-Nov-99	159	3.117546
28-May-99	21	0.346154	21-Aug-99	75	1.740497	14-Nov-99	160	3.13394
29-May-99	22	0.362637	22-Aug-99	76	1.756891	15-Nov-99	161	3.150333
30-May-99	23	0.379121	23-Aug-99	77	1.773284	16-Nov-99	162	3.166727
31-May-99	24	0.395604	24-Aug-99	78	1.789678	17-Nov-99	163	3.18312
01-Jun-99	25	0.412088	25-Aug-99	79	1.806071	18-Nov-99	164	3.199514
02-Jun-99	26	0.428571	26-Aug-99	80	1.822464	19-Nov-99	165	3.215907
03-Jun-99	27	0.445055	27-Aug-99	81	1.838858	20-Nov-99	166	3.2323
04-Jun-99	28	0.461538	28-Aug-99	82	1.855251	21-Nov-99	167	3.248694
05-Jun-99	29	0.478022	29-Aug-99	83	1.871645	22-Nov-99	168	3.265087
06-Jun-99	30	0.494505	30-Aug-99	84	1.888038	23-Nov-99	169	3.281481
07-Jun-99	31	0.510989	31-Aug-99	85	1.904432	24-Nov-99	170	3.297874
08-Jun-99	1	0.527382	01-Sep-99	86	1.920825	25-Nov-99	171	3.314268
09-Jun-99	2	0.543776	02-Sep-99	87	1.937219	26-Nov-99	172	3.330661
10-Jun-99	3	0.560169	03-Sep-99	88	1.953612	27-Nov-99	173	-0.16393
11-Jun-99	4	0.576563	04-Sep-99	89	1.970005	28-Nov-99	174	-0.14754
12-Jun-99	5	0.592956	05-Sep-99	90	1.986399	29-Nov-99	175	-0.13115
13-Jun-99	6	0.60935	06-Sep-99	91	2.002792	30-Nov-99	176	-0.11475
14-Jun-99	7	0.625743	07-Sep-99	92	2.019186	01-Dec-99	177	-0.09836
15-Jun-99	8	0.642137	08-Sep-99	93	2.035579	02-Dec-99	178	-0.08197
16-Jun-99	9	0.65853	09-Sep-99	94	2.051973	03-Dec-99	179	-0.06557
17-Jun-99	10	0.674923	10-Sep-99	95	2.068366	04-Dec-99	180	-0.04918
18-Jun-99	11	0.691317	11-Sep-99	96	2.08476	05-Dec-99	181	-0.03279
19-Jun-99	12	0.70771	12-Sep-99	97	2.101153	06-Dec-99	182	-0.01639
20-Jun-99	13	0.724104	13-Sep-99	98	2.117546	07-Dec-99	183	0
21-Jun-99	14	0.740497	14-Sep-99	99	2.13394			
22-Jun-99	15	0.756891	15-Sep-99	100	2.150333			
23-Jun-99	16	0.773284	16-Sep-99	101	2.166727			
24-Jun-99	17	0.789678	17-Sep-99	102	2.18312			
25-Jun-99	18	0.806071	18-Sep-99	103	2.199514			
26-Jun-99	19	0.822464	19-Sep-99	104	2.215907			
27-Jun-99	20	0.838858	20-Sep-99	105	2.2323			
28-Jun-99	21	0.855251	21-Sep-99	106	2.248694			
29-Jun-99	22	0.871645	22-Sep-99	107	2.265087			
30-Jun-99	23	0.888038	23-Sep-99	108	2.281481			
01-Jul-99	24	0.904432	24-Sep-99	109	2.297874			
02-Jul-99	25	0.920825	25-Sep-99	110	2.314268			
03-Jul-99	26	0.937219	26-Sep-99	111	2.330661			
04-Jul-99	27	0.953612	27-Sep-99	112	2.347055			
05-Jul-99	28	0.970005	28-Sep-99	113	2.363448			
06-Jul-99	29	0.986399	29-Sep-99	114	2.379841			
07-Jul-99	30	1.002792	30-Sep-99	115	2.396235			
08-Jul-99	31	1.019186	01-Oct-99	116	2.412628			
09-Jul-99	32	1.035579	02-Oct-99	117	2.429022			
10-Jul-99	33	1.051973	03-Oct-99	118	2.445415			
11-Jul-99	34	1.068366	04-Oct-99	119	2.461809			
12-Jul-99	35	1.08476	05-Oct-99	120	2.478202			
13-Jul-99	36	1.101153	06-Oct-99	121	2.494596			
14-Jul-99	37	1.117546	07-Oct-99	122	2.510989			
15-Jul-99	38	1.13394	08-Oct-99	123	2.527382			
16-Jul-99	39	1.150333	09-Oct-99	124	2.543776			
17-Jul-99	40	1.166727	10-Oct-99	125	2.560169			
18-Jul-99	41	1.18312	11-Oct-99	126	2.576563			
19-Jul-99	42	1.199514	12-Oct-99	127	2.592956			
20-Jul-99	43	1.215907	13-Oct-99	128	2.60935			
21-Jul-99	44	1.2323	14-Oct-99	129	2.625743			
22-Jul-99	45	1.248694	15-Oct-99	130	2.642137			
23-Jul-99	46	1.265087	16-Oct-99	131	2.65853			
24-Jul-99	47	1.281481	17-Oct-99	132	2.674923			
25-Jul-99	48	1.297874	18-Oct-99	133	2.691317			
26-Jul-99	49	1.314268	19-Oct-99	134	2.70771			
27-Jul-99	50	1.330661	20-Oct-99	135	2.724104			
28-Jul-99	51	1.347055	21-Oct-99	136	2.740497			
29-Jul-99	52	1.363448	22-Oct-99	137	2.756891			
30-Jul-99	53	1.379841	23-Oct-99	138	2.773284			
31-Jul-99	54	1.396235	24-Oct-99	139	2.789678			