



27 June 2014

PRESS NOTICE

STERLING TREASURY BILL TENDERS: JULY - SEPTEMBER 2014 AND UPDATE ON COLLATERAL CREATION FOR DMO CASH MANAGEMENT OPERATIONS

In the second quarter of the 2014-15 financial year the United Kingdom Debt Management Office (“DMO”) will hold weekly tenders at which the Treasury bills on offer will include one-month (approximately 28 days), three-month (approximately 91 days) and six-month (approximately 182 days) bills.

The precise quantities and maturities of Treasury bills on offer will be announced with the results of the tender prior to the relevant tender. The tender and settlement dates for the tenders to be held in the period July - September 2014 are set out below. Please note that due to the August bank holiday, the tender on Friday 22 August 2014 will settle on Tuesday 26 August 2014.

| <u>Tender date</u> | <u>Settlement date</u> |
|--------------------|------------------------|
| 4 July | 7 July |
| 11 July | 14 July |
| 18 July | 21 July |
| 25 July | 28 July |
| 1 August | 4 August |
| 8 August | 11 August |
| 15 August | 18 August |
| 22 August | 26 August |
| 29 August | 1 September |
| 5 September | 8 September |
| 12 September | 15 September |
| 19 September | 22 September |
| 26 September | 29 September |

The next quarterly notice outlining the maturities of Treasury bills to be made available at tenders in the period October - December 2014 will be issued at 3.30pm on Friday 26 September 2014.

COLLATERAL CREATION FOR CASH MANAGEMENT OPERATIONS

The DMO is also announcing today that, on Tuesday 15 July 2014, and in accordance with paragraph D.10 of the DMO's 2014-15 Exchequer Cash Management Remit, an additional £15.0 billion (cash amount) of conventional gilts¹ will be created and issued to the DMO to replace redeeming stock held as collateral. The collateral created will be used in the DMO's cash management operations.

Full details, including the nominal amount for each individual gilt to be created, will be published at 3.30pm on Thursday 10 July 2014. At that time, a table will be published on the DMO website showing the nominal amounts to be created and the revised nominal amounts outstanding (rounded to the nearest £1 million nominal). The amount of each gilt to be created will be designed to minimise as much as possible the impact on the weighting of relevant gilt indices.

The additional collateral will be held on the Debt Management Account by the DMO. These additional amounts will not be made available to the repo market as specific gilts for a period of three months, but may be used in Delivery by Value ("DBV") transactions.

NOTES TO EDITORS

Each quarter the DMO publishes a timetable of Treasury bill tenders for the quarter ahead, and an indication of likely maturities. Following the publication on 23 April 2014 of the outturn of the 2013-14 Central Government Net Cash Requirement (CGNCR) it was announced that net Treasury bill sales will be reduced by £2.5 billion compared to plans published at Budget 2014, taking the planned stock at end-March 2015 to £70.5 billion. In 2014-15, the DMO will have the flexibility to vary the end-financial year stock of Treasury bills issued via tenders by up to £5.0 billion above or below the published planned level, to offset any anticipated net Exchequer cash surplus or deficit towards year-end.

Further information on Treasury bill issuance may be found in the Exchequer Cash Management Operational Notice, which was published by the DMO on 31 March 2014.

The Operational Notice and this press release are available on the DMO's website: www.dmo.gov.uk

¹ With residual maturities of more than one year.