

SCREEN ANNOUNCEMENT

CHANGE TO THE TERMS OF THE DMO'S STANDING REPO FACILITY: 2 FEBRUARY 2023

The UK Debt Management Office (DMO) is today announcing an amendment to the terms under which its Standing Repo Facility will be available to its regular Gilt-edged Market Maker dealing counterparties, following the rise in the Bank of England's official Bank Rate, announced earlier today.

With immediate effect, the rate applicable to borrowing gilts under this Facility will become 3.25% (previously 2.75%). Lending under this Facility will normally also involve an overnight, back-to-back cash neutral reverse repo GC trade executed at the Bank of England's Bank Rate (currently 4.00%).

As stated on 16 June 2022, it is the DMO's current intention to maintain the differential between Bank Rate and the Standing Repo Facility rate at a spread of seventy-five basis points (0.75%) in the event of any further Bank Rate increases in the near term. The DMO does, however, reserve the right to keep this policy under review and to revise the Terms and Conditions of this Facility at any time, including in the light of prevailing interest rates, market conditions and/or market practices.

A revised Terms and Conditions document reflecting today's changes will be published on the DMO website at: <www.dmo.gov.uk>.