



BANK OF ENGLAND

News release

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Bank of England Euro Bills

The Bank of England today announced the issue of €1,000 million nominal of Bank of England Euro Bills, for auction on a bid-yield basis on Tuesday, 11 January 2000, in the following maturities:

€200 million for maturity on 10 February 2000,

€500 million for maturity on 13 April 2000 and

€300 million for maturity on 13 July 2000.

An additional €50 million nominal of six-month Bills, maturing on 13 July 2000, will be allotted directly to the Bank of England. A copy of the auction notice published by the Bank (Appendix 1) and statistics showing the turnover of Bank of England Euro Bills by market makers in December 1999 (Appendix 2) are attached. A schedule of expected dates for auctions during 2000 is attached to this notice (Appendix 3).

In addition, the Bank of England has today issued the attached supplement to the Information Memorandum for the Bank of England Euro Bill programme comprising a revised list of market makers (Appendix 4).

Notes to Editors

1. The Bank of England Euro Bill programme (together with its predecessor, the UK Government Euro Treasury Bill programme) has now been running for over 11 years. The Bank of England took over from H M Treasury as the issuer of euro bills over the period April to September 1999. Bank of England Euro Bills are similar in all their main features to the earlier UK Government Euro Treasury Bills, but are the obligations of the Bank of England rather than HM Treasury. The arrangements for the programme are described in an Information Memorandum issued on 6 April 1999.

2. Auctions are held monthly; the first took place in October 1988. The size and maturity of auctions are normally announced a week before auctions are held.

3. The proceeds of Bank of England Euro Bills are used by the Bank to finance the provision by it of intra-day liquidity, on a secured basis, to participants in CHAPS euro, as part of the arrangements for TARGET.

4. There are currently €3.5 bn of Bills outstanding with the public, with maturity dates between January 2000 and June 2000. They are eligible as Tier 1 collateral within TARGET for euro intra-day liquidity and in the ESCB's open market operations. They are also eligible as collateral for repo in the Bank's sterling open market operations and for intra-day liquidity within the sterling CHAPS payments system.

5. There are twenty Bill market makers, as listed in the attached supplement.

Key Resources

Auction Notice

<http://webarchive.nationalarchives.gov.uk/20100114080129/http://www.bankofengland.co.uk/publications/news/2000/auctnt15.pdf>

Turnover of Bank of England Euro Bills by market makers

<http://webarchive.nationalarchives.gov.uk/20100114080129/http://www.bankofengland.co.uk/publications/news/2000/uktb17.pdf>

Schedule of expected dates for auctions during 2000

<http://webarchive.nationalarchives.gov.uk/20100114080129/http://www.bankofengland.co.uk/publications/news/2000/auction00.pdf>

Information Memorandum

<http://webarchive.nationalarchives.gov.uk/20100114080129/http://www.bankofengland.co.uk/publications/news/2000/inmen994.pdf>