



BANK OF ENGLAND

News release

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Bank of England Euro Notes: Announcement of Auction and Publication of Information Memorandum

The Bank of England today announced the auction of €1 billion nominal of Bank of England Euro Notes maturing in 2005. The auction, which will be on a bid-yield basis, will take place on Tuesday 22 January 2002. An additional €100 million of Notes will be allotted directly to the Bank of England, and will be available for sale and repurchase operations with market makers. The Notes will be issued on Monday 28 January 2002, to mature on Friday 28 January 2005. This will be the second issue of Bank of England Euro Notes, following the announcement of 21 March 2000 setting out arrangements for the Bank of England to replace HM Treasury as issuer of Notes denominated in euro. A copy of the auction notice published by the Bank is found in (Appendix 1).

It is expected that further tranches of these Notes maturing in 2005 will be sold in subsequent auctions in 2002, to be held on the following auction dates:

- 19 March 2002
- 16 April 2002

The amount to be offered at each future auction will be announced at least four business days in advance of each auction.

In addition, the Bank of England has today published a new Information Memorandum for the Bank of England Euro Note programme, copies of which are available from the Bank of England on request. The new Information Memorandum contains an updated list of market makers, including the appointment of ABN AMRO Bank N.V. London as a new market maker.

Notes for Editors

On 21 March 2000, the Bank of England announced that it would be taking over from HM Treasury as the issuer of 3-year euro Notes with effect from January 2001. The UK Government Euro Treasury Note

Programme (together with its predecessor, the ECU Treasury Note programme) had been running since 1992.

There are currently €4 bn of UK Government Euro Treasury Notes outstanding with the public, with maturity dates between January 2002 and January 2003. The original maturity of each Note was three years. These remain the obligations of HM Treasury. In addition €2 bn of Bank of England Euro Notes and €3.5 bn of Bank of England Euro Bills (one to six months in maturity) are outstanding with the public. All these instruments 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.

The proceeds of the issue of Bank of England Euro Notes will be added to the foreign currency holdings of the Bank of England.

This information does not constitute an offer of securities for sale in the United States. The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold without registration thereunder or pursuant to an available exemption therefrom.

There are 22 Bank of England Euro Note market makers, as listed in the Information Memorandum.

Key Resources

Auction Notice

<http://webarchive.nationalarchives.gov.uk/20100114080129/http://www.bankofengland.co.uk/publications/news/2002/020115app1.pdf>

Information Memorandum dated 15 January 2002

<http://webarchive.nationalarchives.gov.uk/20100114080129/http://www.bankofengland.co.uk/publications/news/2002/inmem020115.pdf>