



BANK OF ENGLAND

News release

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Bank of England Euro Bills

The Bank of England today announced the issue of €900 million nominal of Bank of England Euro Bills, for auction on a bid-yield basis on Tuesday, 13 January 2004, in the following maturities:

€600 million for maturity on 15 April 2004 and

€300 million for maturity on 15 July 2004.

An additional €50 million nominal of six-month Bills, maturing on 15 July 2004, will be allotted directly to the Bank of England. A copy of the auction notice published by the Bank (Appendix 1) is attached.

In addition, the Bank of England has today published a new and updated Information Memorandum for the Bank of England Euro Bill programme. This includes an updated list of market makers for Bank of England Euro Bills.

A schedule of dates on which auctions are expected to be held during 2004 are attached to this news release.

Notes for Editors

The Bank of England Euro Bill programme (together with its predecessor, the UK Government Euro Treasury Bill programme) has now been running for over 15 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 the Bank of England Euro Bill Information Memorandum published today.

Auctions are held monthly; the first took place in October 1988. The specific amounts and maturities of Bills on offer at each auction will be announced at least four business days in advance of each auction.

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

There are currently €3.6 billion of Bills outstanding with the public, with maturity dates between January and June 2004. 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 CHAPS Sterling and CHAPS Euro payment systems.

There are seventeen Bank of England Euro Bill market makers, as listed in the Information Memorandum. Copies of the Information Memorandum are available from the Foreign Exchange Division, Bank of England, Threadneedle Street, London, EC2R 8AH (Tel: 020 7601 3232; fax: 020 7601 5588) or from the Foreign Exchange Markets Publications pages.

Key Resources

Auction Notice - 6 January 2004

<http://webarchive.nationalarchives.gov.uk/20100114080129/http://www.bankofengland.co.uk/publications/news/2004/auctnt040106.pdf>

Information Memorandum 6 January 2004*

<http://webarchive.nationalarchives.gov.uk/20100114080129/http://www.bankofengland.co.uk/publications/news/2004/inmem0401.pdf>

* The news release published on 7 June 2005 details two changes made to the auction arrangements set out in the January 2004 Information Memorandum