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PRESS NOTICE

SYNDICATED LAUNCH OF A NEW CONVENTIONAL GILT MATURING ON 22 OCTOBER 2071 IN THE WEEK COMMENCING 14 MAY 2018: APPOINTMENT OF SYNDICATE

The United Kingdom Debt Management Office (DMO) announces the appointment of a syndicate to sell by subscription the forthcoming launch of a new conventional gilt maturing on 22 October 2071.

Joint Bookrunners: Barclays Bank plc, Deutsche Bank, Goldman Sachs International and NatWest Markets plc.

Co-Lead Managers: All other panel member Gilt-edged Market Makers (GEMMs) have been invited to be Co-Lead Managers.

The DMO has appointed a panel comprising exclusively wholesale GEMM firms from which it will choose syndicate members for the conduct of the programme of syndications in 2018-19. The programme is currently planned to raise a minimum of £18.0 billion via four transactions (two each of long conventional and index-linked gilts).

This first transaction in the 2018-19 programme is planned to take place in the week commencing 14 May 2018, subject to market and demand conditions. Further details of the sale, including the coupon on the new gilt, will be announced in due course.

Notes for editors

The DMO's financing remit for 2018-19, published alongside the Spring Statement on 13 March 2018, included the provision for a programme of syndicated offerings to be held in 2018-19 aiming to raise a minimum of £17.0 billion¹ (split £9.0 billion of long conventional gilts and £8.0 billion of index-linked gilts). The DMO also announced that it envisaged holding four syndicated offerings (two each of long conventional gilts and index-linked gilts) in 2018-19.

At the remit revision announced alongside the publication of the 2017-18 CGNCR (ex NRAM, B&B and NR)² outturn on 24 April 2018, the minimum size of the syndication programme in 2018-19 was increased by £1.0 billion to £18.0 billion with the increase split equally between the long conventional and index-linked gilt programmes, taking the minimum sizes of those programmes to £9.5 billion and £8.5 billion respectively.

The remit for 2018-19 also included an initially unallocated portion of gilt issuance of £6.6 billion, which was increased to £6.7 billion at the remit revision on 24 April 2018. The remit provides that this portion can be used to issue any type or maturity of gilt via any issuance method. It is expected, however, that the unallocated portion will primarily be used to increase the size of syndicated offerings (where warranted by the size and quality of demand), and/or to increase average sizes of gilt auctions (for example, if they are reduced by the take-up of the Post Auction Option Facility (PAOF)). The unallocated portion can also be used to schedule gilt tenders.

On 23 March 2018 the DMO announced plans to sell via syndication a new long conventional gilt maturing in the period 2070 to 2073 in mid to late May 2018.

On 1 May 2018 the DMO announced that the maturity date of the new gilt will be 22 October 2071 and that the transaction was planned for the week commencing 14 May 2018.

This Press Notice will be appearing on the DMO's website at: www.dmo.gov.uk

¹ Figures in this Press Notice are in cash terms unless stated otherwise.

² Central Government Net Cash Requirement (excluding Northern Rock (Asset Management) (NRAM), Bradford and Bingley (B&B) and Network Rail (NR)).