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PRESS NOTICE

SYNDICATED RE-OPENING OF 0 $\frac{1}{8}$ % INDEX-LINKED TREASURY GILT 2048: APPOINTMENT OF SYNDICATE

The United Kingdom Debt Management Office (DMO) announces the appointment of a syndicate to sell by subscription the forthcoming re-opening of 0 $\frac{1}{8}$ % Index-linked Treasury Gilt 2048.

Joint Bookrunners: BofA Merrill Lynch, J.P. Morgan, Lloyds Bank and Santander GBM.

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

The DMO appointed a panel comprising exclusively wholesale GEMM firms from which it has chosen syndicate members for the conduct of the programme of syndications in 2017-18. The programme is currently planned to raise a minimum of £23.7 billion and proceeds in the financial year to date amount to £19.9 billion.

The DMO plans to provide an update on the timing of the transaction at 3.30pm today.

Notes for editors

The DMO's financing remit for 2017-18, published alongside the Spring Budget on 8 March 2017, included the provision for a programme of syndicated offerings to be held in 2017-18 aiming to raise a minimum of £21.0 billion (split £12.0 billion of index-linked gilts and £9.0 billion of long conventional gilts). The DMO also

announced that it envisaged holding five syndicated offerings (two of long conventional gilts and three of index-linked gilts) in 2017-18.

The remit for 2017-18 also included an initially unallocated portion of gilt issuance of £6.6 billion, which was reduced to £6.5 billion at the remit revision alongside the publication of the 2016-17 CGNCR¹ outturn in April 2017. The remit provides that this portion can be used to issue any type or maturity of gilt via any issuance method. It was expected, however, that the unallocated portion would 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.

The results of the four syndications held in 2017-18 to date are summarised in the table below.

Date	Gilt	Size (£mn nom)	Issue Price (£)	Issue Yield (%)	Proceeds (£mn cash)
16-May-17	1¼% Treasury Gilt 2057	5,000	101.744	1.690	5,077
11-Jul-17	0% Index-linked Treasury Gilt 2056	2,500	177.716	-1.361	4,540
05-Sep-17	2½% Treasury Gilt 2065	4,000	132.145	1.547	5,278
07-Nov-17	0% Index-linked Treasury Gilt 2048	3,000	165.868	-1.541	4,970
<i>Figures may not sum due to rounding.</i>					19,865

Given the strength and quality of demand for all four of these transactions, £2.7 billion (cash) has been moved from the unallocated portion of issuance to the syndication programme (£1.3 billion to the long conventional programme and £1.4 billion to the index-linked programme), increasing the minimum size of the overall syndication programme to £23.7 billion. The remaining unallocated portion of issuance is currently £1.0 billion².

On 30 November 2017 the DMO announced that it planned to re-open 0¼% Index-linked Treasury Gilt 2048 by syndication in late January-early February 2018.

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

¹ Central Government Net Cash Requirement.

² In addition to the £2.7 billion transferred to the syndication programme, £3.0 billion of the unallocated portion of issuance was transferred to the gilt auction programme on 31 August 2017. The remaining balance of the unallocated portion was £800 million ahead of the Autumn Budget 2017 at which time it was increased by £900 million to £1,700 million. £688 million was subsequently drawn down at the gilt tender of 4% 2060 on 28 November 2017.