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PRESS NOTICE

SYNDICATED LAUNCH OF £4.5 BILLION OF 0⁵/₈% INDEX-LINKED TREASURY GILT 2045: RESULT

The United Kingdom Debt Management Office (DMO) announces that the syndicated launch of £4.5 billion (nominal) of 0⁵/₈% Index-linked Treasury Gilt 2045 has been priced at £99.403 per £100 nominal, equating to a gross real redemption yield of 0.6543%. The transaction will settle, and the first tranche of this gilt will be issued, on 27 April 2023.

Today's transaction was the first of seven syndications in the DMO's programme for 2023-24. Proceeds from today's sale are expected to amount to approximately £4.5 billion (cash¹).

The UK domestic market provided the main support for the issue, taking around 93% of the allocation.

Commenting on the result, Sir Robert Stheeman, the Chief Executive of the DMO, said:

"I am very pleased to see our syndication programme for 2023-24 has been launched on such a strong note, with the offering of a new current coupon index-linked gilt in a size of £4.5 billion (nominal).

Today's highly successful launch was executed in a timely and very efficient manner by our Joint Lead Managers and, once again, has highlighted the breadth and scale of support that we receive for this product from our core and wider investor base. We are grateful for the ongoing commitment of our investors to the gilt market. This was underlined by the detailed and informative feedback, and the quality of the order book received today. This transaction also saw the largest number of investor orders ever received on a syndicated index-linked gilt.

I greatly welcome this support, which remains a vital factor in helping us to implement our financing programmes. We shall continue to work with market participants to help ensure the smooth delivery of the entirety of the DMO's financing remit for 2023-24".

¹ Figures in this press notice are in cash terms unless indicated otherwise.

NOTES TO EDITORS

The syndicated offering was lead managed by four Joint Bookrunners: BofA Securities, BNP Paribas, J.P. Morgan and UBS Investment Bank. All other wholesale Index-linked Gilt-edged Market Makers were appointed Co-Lead Managers. The composition of the syndicate was announced by the DMO on 4 April 2023.

The order book for the transaction was opened at 9.00am on 26 April 2023 with indicative price guidance for investors at a spread of 3.75 to 4.25 basis points (bp) above the yield on the reference gilt (0½% Index-linked Treasury Gilt 2044). At 9.45am, the Joint Bookrunners announced that the price guidance was fixed at 3.75bp above the yield on the reference gilt (the tight end of the initial price guidance).

The book closed at 10.00am with 157 orders². The nominal size of the transaction was announced as £4.5 billion at 10.32am and the price was set at 12.34pm.

Proceeds from the transaction amount to approximately £4.5 billion and will take index-linked gilt sales for the financial year to date to £5.8 billion.

Total gilt sales for the financial year to date now amount to £21.9 billion, relative to the overall remit target of £237.8 billion.

The next planned syndication by the DMO is the launch of a new conventional gilt maturing in 2063, scheduled for the week commencing 15 May 2023, subject to demand and market conditions.

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

² Total orders were £46.4 billion nominal.