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## PRESS NOTICE

### **SYNDICATED LAUNCH OF £6.0 BILLION OF 4<sup>3/8</sup>% TREASURY GILT 2054: RESULT**

The United Kingdom Debt Management Office (DMO) announces that the syndicated launch of £6.0 billion (nominal) of 4<sup>3/8</sup>% Treasury Gilt 2054 has been priced at £96.808 per £100 nominal, equating to a gross redemption yield of 4.5699%. The transaction will settle, and the initial tranche of this gilt will be issued, on 24 January 2024.

Today's transaction was the sixth of seven syndications planned in the DMO's programme for 2023-24. Proceeds from today's sale are expected to amount to approximately £5.8 billion (cash<sup>1</sup>) and will take syndication proceeds for the financial year to date to £30.3 billion.

The UK domestic market provided the main support for the issue, taking around 87% of the allocation.

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

*"Today's syndicated launch of a new 2054 maturity gilt, which concludes our long conventional gilt syndication programme for 2023-24, has received a strong reception from the market."*

*I am very pleased to see another high-quality order book. The syndication attracted notable interest from our core investors which enabled us to launch this new gilt in a size of £6.0 billion, a strong starting base for what will become our 30-year benchmark.*

*I have been pleased with the smooth and orderly way in which the transaction was managed by our Joint Lead Manager group and also for the assistance we again received from the Co-Lead Managers.*

*The market support we have seen today is highly valued and very encouraging for the delivery of our financing remits in the remainder of 2023-24 and in the financial year to come."*

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<sup>1</sup> Figures in this press notice are in cash terms unless indicated otherwise.

## **Transfer from the unallocated portion of gilt issuance to the long conventional gilt syndication programme**

A sum of £1.7 billion (cash) is being transferred from the unallocated portion of gilt issuance to the long conventional gilt syndication programme, increasing the size of that programme to £22.5 billion and reducing the residual balance in the unallocated portion of issuance to £837 million. The outturn for long conventional gilt sales via syndication in 2023-24 is £22.641 billion.

### **NOTES TO EDITORS**

The syndicated offering was lead managed by five Joint Bookrunners: Citi, Deutsche Bank, J.P. Morgan, NatWest Markets and Santander. All other wholesale Gilt-edged Market Makers were appointed Co-Lead Managers. The composition of the syndicate was announced by the DMO on 12 January 2024.

The order book for the transaction was opened at 9.00am on 23 January 2024 with indicative price guidance for investors at a spread of 1.75 to 2.25 basis points (bp) above the yield on the reference gilt (3¾% Treasury Gilt 2053). At 9.45am, the Joint Bookrunners announced that the price guidance was fixed at 1.75bp above the yield on the reference gilt (the tight end of the initial price guidance) and that the book will close at 10.00am.

The book closed with 192 orders<sup>2</sup>. The nominal size of the syndication was announced as £6.0 billion at 10.54am and the price was set at 12.52pm.

Proceeds from today's transaction amount to approximately £5.8 billion and will take long conventional gilt sales for the financial year to date to £47.7 billion.

Total gilt sales for the financial year to date amount to £191.9 billion, relative to the overall remit target of £237.3 billion.

The final syndication in the DMO's programme for 2023-24 is scheduled to be for an index-linked gilt in March 2024, subject to demand and market conditions.

This press notice will be appearing on the DMO's website at: [www.dmo.gov.uk](http://www.dmo.gov.uk)

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<sup>2</sup> Total orders were £77.8 billion nominal.