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PRESS NOTICE

SYNDICATED LAUNCH OF A NEW INDEX-LINKED GILT MATURING ON 10 AUGUST 2041, IN THE WEEK COMMENCING 9 JULY 2018

The United Kingdom Debt Management Office (DMO) announces that it plans to launch a new index-linked gilt maturing on 10 August 2041 in the week commencing 9 July 2018, subject to market and demand conditions. This transaction will be the second of four syndications planned for the financial year 2018-19.

The new gilt will pay a long first coupon on 10 February 2019 and will have the ISIN code GB00BGDYHF49 and the SEDOL code B-GDY-HF4.

Further details of the sale, including the composition of the syndicate and 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

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)).

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.

£1.0 billion of the unallocated portion of issuance was transferred to the long conventional syndication programme on 15 May 2018 as a consequence of the sizing decision at the first syndication of the 2018-19 programme, the result of which is summarised in the table below.

Date	Gilt	Size (£mn nom)	Issue Price (£)	Issue Yield (%)	Proceeds (£mn cash)
15 May 2018	1½% Treasury Gilt 2071	6,000	97.615	1.693	5,843

As a result of the transfer, the minimum size of the long conventional syndication programme was increased to £10.5 billion and the size of the remaining unallocated portion of issuance fell to £5.7 billion.

On 31 May 2018 the DMO announced plans to sell a new index-linked gilt maturing in the 20- to 25-year area by syndication in the first half of July 2018.

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