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PRESS NOTICE

SYNDICATED LAUNCH OF £11.0 BILLION OF 4¼% TREASURY GILT 2034: RESULT

The United Kingdom Debt Management Office (DMO) announces that the syndicated launch of £11.0 billion (nominal) of 4¼% Treasury Gilt 2034 has been priced at £99.233 per £100 nominal, equating to a gross redemption yield of 4.3434%. The transaction will settle, and the initial tranche of this gilt will be issued, on 12 June 2024.

Today's transaction was the second of seven syndications planned in the DMO's programme for 2024-25. Proceeds from today's sale are expected to amount to approximately £10.9 billion (cash¹) and will take syndication proceeds for the financial year to date to £17.2 billion.

The UK domestic market provided the main support for the issue, taking around 84% of the allocation.

Commenting on the result, Jo Whelan, Deputy Chief Executive of the DMO, said:

"We are really pleased with today's highly successful syndicated launch of the new 2034 maturity gilt and delighted that the new gilt received such a strong reception from investors, attracting the largest book at any DMO syndication.

Importantly, not only have we seen yet another high-quality order book, but also the strength and breadth of interest from the wide range of investors enabled us to launch the new gilt in a significant size of £11.0 billion, the second largest print of any of our syndications. This has established a strong foundation for the bond which will be the new 10-year benchmark.

As ever, we greatly appreciate the way our Joint Lead Manager group managed the transaction and also the good participation from the Co-Lead Managers – I am very happy that the transaction was delivered in such an efficient and orderly way.

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

The overall reception to today's transaction was very positive and is highly valued. We look forward to this strong degree of support continuing as we progress with delivering our financing remit for 2024-25".

NOTES TO EDITORS

The syndicated offering was lead managed by six Joint Bookrunners: Barclays, Citi, Deutsche Bank, Lloyds Bank Corporate Markets, NatWest Markets and RBC CM. All other wholesale Gilt-edged Market Makers were appointed Co-Lead Managers. The composition of the syndicate was announced by the DMO on 31 May 2024.

The order book for the transaction was opened at 9.00am on 11 June 2024 with indicative price guidance for investors at a spread of 4.0 to 4.5 basis points (bp) above the yield on the reference gilt (4½% Treasury Gilt 2034). At 9.45am, the Joint Bookrunners announced that the price guidance was fixed at 4.0bp 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 237 allocated orders². The nominal size of the syndication was announced as £11.0 billion at 10.43am and the price was set at 12.42pm.

Proceeds from today's transaction amount to approximately £10.9 billion and will take medium conventional gilt sales for the financial year to date to £24.6 billion.

Total gilt sales for the financial year to date amount to £61.5 billion, relative to the overall remit target of £277.7 billion.

The next syndication in the DMO's 2024-25 programme is scheduled to be a re-opening of 1¼% Index-linked Gilt 2054 in the week commencing 8 July 2024, 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 £110.0 billion nominal.