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## PRESS NOTICE

### SYNDICATED RE-OPENING OF £1.8 BILLION OF 0<sup>1</sup>/<sub>8</sub>% INDEX-LINKED TREASURY GILT 2073: RESULT

The United Kingdom Debt Management Office (DMO) announces that the syndicated re-opening of £1.8 billion (nominal) of 0<sup>1</sup>/<sub>8</sub>% Index-linked Treasury Gilt 2073 has been priced at £241.841 per £100 nominal, equating to a gross redemption yield of -1.6451%. The transaction will settle, and the second tranche of this gilt will be issued, on 28 April 2022.

Proceeds from today's transaction are expected to amount to approximately £4.5 billion (cash<sup>1</sup>). This represents the first transaction of the DMO's 2022-23 syndication programme, which is now planned to raise £21.5 billion (£13.0 billion via issuance of long conventional gilts in three transactions and £8.5 billion via issuance of index-linked gilts in two transactions).

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 delighted that we have seen such an encouraging start to our 2022-23 syndication programme today. This first re-opening of the 2073 maturity index-linked gilt, which we originally launched in November last year, was well received by the market and attracted a strong order book.*

*Today's syndication represented a significant amount of risk for the market to absorb, owing to the long maturity (and long duration) of the bond, and I am pleased that the transaction was smoothly executed against what has been a volatile market backdrop over recent weeks.*

*The success of today's transaction also demonstrates the high and ongoing level of support for our issuance programme from the gilt market investor base, including those institutions seeking to hedge long-term liabilities, which I very much welcome.*

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

*I am grateful to the Joint Lead Manager group for helping to deliver successfully today's transaction, to our Co-Lead Managers for their assistance, and to all those gilt market participants whose continued support is so crucial in helping us to deliver smoothly the government's financing programme."*

## **NOTES TO EDITORS**

The syndicated offer was managed by four Joint Bookrunners: Barclays, BofA Securities, Citi and Nomura. 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 14 April 2022.

The order book for the transaction was opened at 9.00am on 27 April 2022 with indicative price guidance for investors at a spread of 5.25 to 5.75 basis points (bp) below the yield on the reference gilt (0½% Index-linked Treasury Gilt 2068). At 9.45am, the Joint Bookrunners announced that the price guidance was fixed at 5.75bp below the yield on the reference gilt (the tight end of the initial price guidance).

The book closed at 10.00am with 224 orders, which is a record for an index-linked gilt syndication<sup>2</sup>. The nominal size of the transaction was announced as £1.8 billion at 10.37am and the price was set at 12.49pm.

Proceeds from the transaction amount to approximately £4.5 billion and will take index-linked gilt sales for the financial year to date to £4.5 billion. Total gilt sales for the financial year to date now amount to £12.6 billion, relative to the overall remit target of £131.5 billion.

£0.5 billion has been transferred from the unallocated portion of gilt issuance to the index-linked gilt syndication programme, increasing the size of that programme to £8.5 billion. The size of the remaining unallocated amount has accordingly been reduced to £6.5 billion.

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 in excess of £20.5 billion (nominal).