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PRESS NOTICE

SYNDICATED RE-OPENING OF £3.5 BILLION OF 0⁵/₈% INDEX-LINKED TREASURY GILT 2045: RESULT

The United Kingdom Debt Management Office (DMO) announces that the syndicated re-opening of £3.5 billion (nominal) of 0⁵/₈% Index-linked Treasury Gilt 2045 has been priced at £88.317 per £100 nominal, equating to a gross real redemption yield of 1.2410%. The transaction will settle, and the second tranche of this gilt will be issued, on 14 July 2023.

Today's transaction was the third of seven planned syndications in the DMO's programme for 2023-24. Proceeds from today's sale are expected to amount to approximately £3.2 billion (cash¹) and will take syndication proceeds for the financial year to-date to £13.0 billion.

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:

"Today has seen the successful re-opening of 0⁵/₈% Index-linked Treasury Gilt 2045 which we first launched in April. I have been impressed by the strength of demand that was reflected in the quality of the order book. It is an indication of the ongoing demand from our core investor base for instruments which offer inflation protection.

This is the second index-linked gilt transaction of the syndication programme for 2023-24 and was smoothly executed, against what has been a volatile market backdrop for some time. I am very grateful to the Joint Lead Manager group for helping to deliver successfully today's transaction, and also to the Co-leads for their ongoing commitment. The participation and interest evident from the wider market and investment community is highly valued and continues to be very important to us.

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

I look forward to continuing successes as we progress with the delivery of both our syndication programme and the overall financing remit for 2023-24”.

NOTES TO EDITORS

The syndicated offering was lead managed by four Joint Bookrunners: Barclays, Citi, Lloyds Bank Corporate Markets, and NatWest Markets. 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 30 June 2023.

The order book for the transaction was opened at 9.15am on 13 July 2023 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 (0½% Index-linked Treasury Gilt 2044). At 10.00am, 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).

The book closed at 10.15am with 123 orders². The nominal size of the transaction was announced as £3.5 billion at 10.48am and the price was set at 1.14pm.

Proceeds from the transaction amount to approximately £3.2 billion and will take index-linked gilt sales for the financial year to date to £11.4 billion.

Total gilt sales for the financial year to date now amount to £74.1 billion, relative to the overall remit target of £237.8 billion.

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

² Total orders were £39.3 billion nominal.