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PRESS NOTICE

SYNDICATED LAUNCH OF £5.5 BILLION OF 1¾% INDEX-LINKED TREASURY GILT 2038: RESULT

The United Kingdom Debt Management Office (DMO) announces that the syndicated launch of £5.5 billion (nominal) of 1¾% Index-linked Treasury Gilt 2038 has been priced at £100.061 per £100 nominal, equating to a gross real redemption yield of 1.7449%. The transaction will settle, and the initial tranche of this gilt will be issued, on 11 June 2025.

Today's transaction represents the second of eight syndications planned in the DMO's programme for 2025-26. Proceeds from today's sale are expected to amount to approximately £5.5 billion (cash¹).

The UK domestic market provided the main support for the issue, taking around 89.6% of the allocation.

Commenting on the result, Jessica Pulay, Chief Executive Officer of the DMO, said:

"Today marked the first index-linked gilt syndication of our financing programme for 2025-26 with a successful launch of a new 2038 maturity index-linked gilt.

I was pleased to see such a strong outcome and a well-executed transaction, which reflects ongoing support for the UK's inflation-linked gilt market. In particular, it was encouraging to witness continued high-quality investor appetite for gilts in the current market environment. The investor order book, which represented a broad universe of high-quality institutions, allowed us to upsize the transaction relative to our initial planning assumptions.

The level of participation from both domestic and overseas investors demonstrates ongoing support for the UK inflation-linked gilt market.

I look forward to the continuing support of gilt market participants as we progress with the delivery of our financing remit for 2025-26."

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

NOTES TO EDITORS

The syndicated offering was lead managed by four Joint Bookrunners: Barclays, Citi, Nomura and RBC CM. All other wholesale Index-linked Gilt-edged Market Makers were appointed as Co-Lead Managers. The composition of the syndicate was announced by the DMO on 30 May 2025.

The order book for the transaction was opened at 9.00am on 10 June 2025 with indicative price guidance for investors at a spread of 11.75 to 12.25 basis points (bp) above the yield on the reference gilt (1½% Index-linked Treasury Gilt 2037). At 9.45am, the Joint Bookrunners announced that the price guidance was fixed at 11.75bp 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 168 allocated orders². The nominal size of the syndication was announced as £5.5 billion at 10.45am and the price was set at 11.52am.

Proceeds from today's transaction amount to approximately £5.5 billion (cash) and will take index-linked gilt sales for the financial year to date to £11.0 billion. Total gilt sales for the financial year to date amount to £65.0 billion, relative to the overall remit target of £299.1 billion.

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

² Total orders were £61.3 billion nominal.