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Debt Management
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PRESS NOTICE

SYNDICATED RE-OPENING OF £4.25 BILLION OF 1¼% INDEX-LINKED TREASURY GILT 2054: RESULT

The United Kingdom Debt Management Office (DMO) announces that the syndicated re-opening of £4.25 billion (nominal) of 1¼% Index-linked Treasury Gilt 2054 has been priced at £92.388 per £100 nominal, equating to a gross redemption yield of 1.5692%. The transaction will settle, and this tranche of the gilt will be issued, on 27 November 2024.

Today's transaction was the fifth of eight syndications planned in the DMO's programme for 2024-25. Proceeds from today's sale are expected to amount to approximately £4.0 billion (cash¹) and will take syndication proceeds for the financial year to date to £33.6 billion, relative to the remit target of £50.1 billion.

The UK domestic market provided the main support for the issue, taking around 87% of the allocation.

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

"I am extremely pleased with today's successful syndicated offering of 1¼% Index-linked Treasury Gilt 2054. This transaction, which represents the third offering of this bond, has firmly established the gilt as the 30-year benchmark in the sector.

There was strong underlying demand from the investor community for the transaction, which allowed us to size it accordingly at £4.25 billion. The gilt, which was initially launched in March 2024, has now reached an outstanding amount of £12.75 billion (nominal).

As we approach the end of the calendar year, I was particularly encouraged to see such broad participation from high-quality investors in today's offering.

I would like to express my gratitude for the commitment and support we have seen from the four banks who acted as joint lead managers, alongside the co-lead management group. We

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

look forward to continuing to work closely with market participants to fulfil this financial year's remit".

NOTES TO EDITORS

The syndicated offering was lead managed by four Joint Bookrunners: Barclays, BofA Securities, Citi 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 15 November 2024.

The order book for the transaction was opened at 9.00am on 26 November 2024 with indicative price guidance for investors at a spread of 4.0 to 4.25 basis points (bp) above the yield on the reference gilt (1¼% Index-linked Treasury Gilt 2055). 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 240 allocated orders². The nominal size of the syndication was announced as £4.25 billion at 10.30am and the price was set at 12.20pm.

Proceeds from today's transaction amount to approximately £4.0 billion and will take index-linked gilt sales for the financial year to date to £22.8 billion.

Total gilt sales for the financial year to date amount to £193.6 billion, relative to the overall remit target of £296.9 billion.

The next syndication in the 2024-25 programme is scheduled to be the sale of a new or existing long conventional gilt maturing in the 15- to 20-year area in the week commencing 20 January 2025, 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 £65.99 billion nominal.