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9 July 2024

PRESS NOTICE

SYNDICATED RE-OPENING OF £4.5 BILLION OF 1¼% INDEX-LINKED TREASURY GILT 2054: RESULT

The United Kingdom Debt Management Office (DMO) announces that the syndicated re-opening of £4.5 billion (nominal) of 1¼% Index-linked Treasury Gilt 2054 has been priced at £95.732 per £100 nominal, equating to a gross real redemption yield of 1.4236%. The transaction will settle, and the second tranche of this gilt will be issued, on 10 July 2024.

Today's sale was the third of seven transactions in the DMO's syndication programme for 2024-25. Proceeds today are expected to amount to approximately £4.4 billion (cash¹) and will take the syndication proceeds for the financial year to date to £21.6 billion.

The UK domestic market provided the main support for the issue, taking around 91% of the allocation.

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

I am extremely pleased to see today's successful £4.5 billion re-opening of the 2054 index-linked gilt, which was initially launched in March 2024 and is being established as the 30-year benchmark in the sector. The strength of market support, and the high quality of investor orders received today, has enabled us to build this bond up to a size of £8.5 billion in issue after two transactions.

This transaction met with a very strong reception from a broad range of investors, including significant participation from our core investor base. The offering saw the largest investor order book of any of our index-linked gilt syndications.

I am very grateful for the efficient and orderly way in which the transaction has been managed by our Joint Lead Managers, and also appreciate the assistance we received from the Co-Lead Manager group.

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

In addition, the overall level of investor support received for this offering is highly welcome and we will, as ever, continue to work closely with the market to help ensure a smooth delivery of our financing programme for the remainder of the financial year.

NOTES TO EDITORS

The syndicated offering was lead managed by four Joint Bookrunners: BNP Paribas, J.P. Morgan, Morgan Stanley 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 28 June 2024.

The order book for the transaction was opened at 9.00am on 9 July 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 222 orders². The nominal size of the syndication was announced as £4.5 billion at 10.42am and the price was set at 13.05pm.

Proceeds from today's transaction amount to approximately £4.4 billion and will take total index-linked gilt sales for 2024-25 to £10.6 billion. Total gilt sales for the financial year to date amount to £80.6 billion, relative to the overall remit target of £277.7 billion.

The next syndication in the DMO's 2024-25 programme is planned to be for the sale of a long conventional gilt in September 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 amounted to £64.1 billion (nominal).