



United Kingdom
Debt Management
Office

Minster Court
21 Mincing Lane
London
EC3R 7AG

T 020 7862 6500

www.dmo.gov.uk

21 September 2021

PRESS NOTICE

SYNDICATED LAUNCH OF £10.0 BILLION OF 0⁷/₈% GREEN GILT 2033: RESULT

The United Kingdom Debt Management Office (DMO) announces that the syndicated launch of £10.0 billion (nominal) of 0⁷/₈% Green Gilt 2033 has been priced at £100.033 per £100 nominal, equating to a gross redemption yield of 0.8721%. The transaction will settle, and the inaugural green gilt will be issued, on 22 September 2021.

Proceeds from today's transaction are expected to amount to approximately £10.0 billion (cash¹) and will take gilt sales via the four syndications held in the financial year to date to £29.0 billion. Total gilt sales in 2021-22 amount to £131.0 billion. The DMO is planning to raise £252.6 billion via gilt sales in 2021-22.

The UK domestic market provided the main support for the issue, taking around 83% of the allocation.

As announced on 31 August 2021, the DMO plans to schedule a second syndication of a new green gilt maturing in the 20- to 30-year area, in mid to late October 2021, subject to demand and market conditions.

Commenting on the result, Sir Robert Stheeman, the Chief Executive of the DMO, said:

"I am delighted with today's successful launch of the UK's inaugural green gilt. Our green gilt issuance is supporting the UK's ambitious environmental and climate goals, and we have been genuinely impressed by the very strong level of investor support today as well as the

¹ Figures in this Press Notice are in cash terms unless indicated otherwise.

encouragement we have received throughout this process to bring this landmark sterling green transaction to the market today.

We also welcome the addition of this new 12-year maturity to the existing gilt portfolio. Our decision to issue a 2033 maturity green gilt for the inaugural offering has been supported by a very high quality order book including a diverse set of accounts. Investor demand came predominantly from domestic accounts who are increasingly integrating environmental, social and governance factors into their investment decisions but the deal also successfully attracted new investors to the gilt market, including from overseas.

I would like to take this opportunity to thank both our structuring advisors, HSBC and J.P. Morgan, for their important contribution to establishing our new product, the green gilt. My thanks also go to the Joint Lead Manager group (Barclays, BNPP Paribas, Citi, Deutsche Bank, HSBC and J.P. Morgan) for ensuring the success of this highly anticipated offering, and also to our co-lead managers for their support for this transaction. I remain impressed with the gilt market's versatility – not only its resilience, as evidenced by the market's response to the challenges of the past year or so – but also how it has enthusiastically welcomed our debut green gilt. We now look ahead to the second green gilt, which we plan to launch next month in the 20- to 30-year maturity area, as we start to build out a green gilt curve.”

NOTES TO EDITORS

The syndicated offer was managed by six Joint Bookrunners: Barclays, BNP Paribas, Citi, Deutsche Bank, HSBC and J.P. Morgan. All other wholesale Gilt-edged Market Makers were appointed Co-Lead Managers. The composition of the syndicate was announced by the DMO on 3 September 2021, following the appointment of HSBC and J.P. Morgan on 27 January 2021 as Joint Structuring Advisors to assist with the UK government's inaugural issue of a green gilt.

The order book for the transaction was opened at 9.00am on 21 September 2021 with indicative price guidance for investors at a spread of 7.5bp to 8.5bp above the yield on the reference gilt (4¼% Treasury Stock 2032). At 9.30am the Joint Bookrunners announced that price guidance was being fixed at a yield spread of 7.5bp above the reference gilt (the tight end of the published price guidance). The book closed at 10.00am with 217 orders.²

At 10.54am the Joint Bookrunners announced that the size of the transaction had been set at £10.0 billion (nominal). The price was set at 1.18pm.

The £10.0 billion proceeds from today's transaction represent a draw-down of the unallocated portion of gilt issuance, reducing the size of the remaining unallocated portion to £13.5 billion.

² Total orders were £101.4 billion (nominal).

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

Further information on UK Government Green Financing can be found at:
<https://www.gov.uk/government/publications/uk-government-green-financing>