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## PRESS NOTICE

### SYNDICATED LAUNCH OF £13.0 BILLION OF 4½% TREASURY GILT 2035: RESULT

The United Kingdom Debt Management Office (DMO) announces that the syndicated launch of £13.0 billion (nominal) of 4½% Treasury Gilt 2035 has been priced at £99.706 per £100 nominal, equating to a redemption yield of 4.5363%. The transaction will settle, and this tranche of the gilt will be issued, on 12 February 2025.

Today's transaction was the seventh of eight syndications planned in the DMO's programme for 2024-25. Proceeds from today's sale are expected to amount to approximately £12.9 billion (cash<sup>1</sup>) and will take syndication proceeds for the financial year to date to £54.5 billion, relative to the revised remit target of £55.0 billion<sup>2</sup>.

The UK domestic market provided the main support for the issue, taking around 60% of the allocation.

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

*"Today's syndicated launch of a new 2035 maturity gilt, which concludes our conventional gilt syndication programme for 2024-25, has received a very strong reception from the market. I greatly welcome the level of support and commitment from high-quality gilt market investors which we have seen in today's transaction; this allowed us to upsize the transaction relative to initial planning assumptions by utilising a degree of flexibility built into the programme. This well-received offering will allow the new bond successfully to achieve its status as the 10-year gilt benchmark over time.*

*I am also very pleased with the efficient and orderly manner in which our Joint Lead Manager group handled the launch of this new gilt, and I am also grateful for the associated support from the Co-Lead Managers. This is particularly appreciated as we approach the end of this financial year and as we look forward to the months and years ahead."*

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<sup>1</sup> Figures in this press notice are in cash terms unless indicated otherwise.

<sup>2</sup> See Notes to Editors.

## NOTES TO EDITORS

The syndicated offering was lead managed by six Joint Bookrunners: Barclays, BNP Paribas, Citi, Goldman Sachs International Bank, HSBC and NatWest. All other wholesale Gilt-edged Market Makers were appointed Co-Lead Managers. The composition of the syndicate was announced by the DMO on 31 January 2025.

The order book for the transaction was opened at 8.30am on 11 February 2025 with indicative price guidance for investors at a spread of 5.5 to 6.0 basis points (bp) above the yield on the reference gilt (4¼% Treasury Gilt 2034). At 9.15am, the Joint Bookrunners announced that the price guidance was fixed at 5.5bp above the yield on the reference gilt (the tight end of the initial price guidance) and that the book will close at 9.30am.

The book closed with 256 allocated orders<sup>3</sup>. The nominal size of the syndication was announced as £13.0 billion at 10.26am and the price was set at 11.56am.

Proceeds from today's transaction amount to approximately £12.9 billion (cash) and will take medium conventional gilt sales for the financial year to date to £87.8 billion. Total gilt sales for the financial year to date amount to £259.4 billion, relative to the overall remit target of £296.9 billion.

### **Transfer from the unallocated portion of gilt issuance to the medium conventional gilt syndication programme**

The remaining £1.165 billion (cash) in the unallocated portion of gilt issuance has been transferred to the medium conventional gilt syndication programme, reducing the residual balance in the unallocated portion of gilt issuance to zero.

### **Exercise of paragraph 16 of the DMO's 2024-25 financing remit**

Prior to today's transaction, remaining planned medium conventional gilt sales by syndication amounted to £8.5 billion (cash). Following the transfer from the unallocated portion of gilt issuance as noted above, this amount increased to £9.7 billion. In recognition of the amount and quality of investor orders received today, and in accordance with the flexibility accorded to the final syndicated offering of each type (conventional or index-linked gilt) of the financial year, as outlined in paragraph 16 of the DMO's 2024-25 financing remit announcement<sup>4</sup>, the DMO has increased the size of today's syndication by an additional £3.3 billion (cash), resulting in proceeds of approximately £12.9 billion (cash)<sup>5</sup>.

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<sup>3</sup> Total orders were £142.1 billion nominal.

<sup>4</sup> Paragraph 16 of the DMO financing remit 2024-25 (published on 6 March 2024) states that: "In order to maintain the operational viability of syndicated offerings at the end of each programme, the overall size of the syndication programmes (conventional, and/or index-linked) may be increased by up to 10% (in cash terms) of the total size of the respective planned syndication programme at the time of the final syndicated offering of each type."

<sup>5</sup> Figures may not sum due to rounding.

## **Gilt tenders in the remainder of 2024-25**

Consistent with the DMO's financing remit, the DMO may schedule (a) further gilt tender(s) in the remainder of the 2024-25 financial year, to assist with delivery of the financing remit, following consultation with market participants. Gilt tenders may also be used for market management reasons.

This press notice will be appearing on the DMO's website at: [www.dmo.gov.uk](http://www.dmo.gov.uk)