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Debt Management
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PRESS NOTICE

SYNDICATED LAUNCH OF £7.0 BILLION OF 4¾% TREASURY GILT 2043: RESULT

The United Kingdom Debt Management Office (DMO) announces that the syndicated launch of £7.0 billion (nominal) of 4¾% Treasury Gilt 2043 has been priced at £101.480 per £100 nominal, equating to a gross redemption yield of 4.6357%. The transaction will settle, and the initial tranche of this gilt will be issued, on 16 November 2023.

Today's transaction was the fifth of seven syndications planned in the DMO's programme for 2023-24. Proceeds from today's sale are expected to amount to approximately £7.1 billion (cash¹) and will take syndication proceeds for the financial year to date to £24.5 billion relative to plans of £28.0 billion.

The UK domestic market provided the main support for the issue, taking around 90% of the allocation.

Commenting on the result, Jessica Pulay, Co-Head of Policy and Markets at the DMO, said:

"I am very pleased that today's syndicated launch of a new 2043 maturity gilt, which will become our next 20-year benchmark, has met with a very strong reception by the market. The high-quality order book, which featured a record 248 investor orders, has enabled us to bring the new bond to market in a size of £7.0 billion.

This successful outcome represents a clear manifestation of the excellent support we continue to receive from our core investor base for UK government bonds.

I would like to express my thanks to the Joint Lead Manager group for helping smoothly to deliver today's transaction, as well as to the Co-lead Managers for their ongoing support of the wider gilt market. This is greatly appreciated and incredibly important to the implementation of our financing remit. I look forward to this continuing throughout the remainder of 2023-24 and beyond."

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

NOTES TO EDITORS

The syndicated offering was lead managed by five Joint Bookrunners: Barclays, HSBC, Lloyds Bank Corporate Markets, Morgan Stanley and UBS Investment Bank. All other wholesale Gilt-edged Market Makers were appointed Co-Lead Managers. The composition of the syndicate was announced by the DMO on 3 November 2023.

The order book for the transaction was opened at 9.00am on 15 November 2023 with indicative price guidance for investors at a spread of 5.75 to 6.25 basis points (bp) above the yield on the reference gilt (4½% Treasury Gilt 2042). At 9.45am, the Joint Bookrunners announced that the price guidance was fixed at 5.75bp 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 248 orders². The nominal size of the syndication was announced as £7.0 billion at 10.45am and the price was set at 12.45pm.

Proceeds from the transaction amount to approximately £7.1 billion and will take long conventional gilt sales for the financial year to date to £34.4 billion.

Total gilt sales for the financial year to date amount to £148.3 billion, relative to the overall remit target of £237.8 billion.

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

² Total orders were £93.6 billion nominal.