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Debt Management
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PRESS NOTICE

SYNDICATED RE-OPENING OF £1.5 BILLION OF 0¹/₈% INDEX-LINKED TREASURY GILT 2073: RESULT

The United Kingdom Debt Management Office (DMO) announces that the syndicated re-opening of £1.5 billion (nominal) of 0¹/₈% Index-linked Treasury Gilt 2073 has been priced at £128.523 per £100 nominal, equating to a gross real redemption yield of -0.3877%. The transaction will settle, and the third tranche of this gilt will be issued, on 23 November 2022.

Proceeds from today's transaction are expected to amount to approximately £2.2 billion (cash¹) and will take syndication proceeds this financial year to £18.0 billion. This represents the fifth transaction of the DMO's 2022-23 syndication programme, which is currently planned to raise £22.8 billion.

The UK domestic market provided the main support for the issue, taking around 78% of the allocation.

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

"I am pleased with today's third syndicated sale of our longest dated index-linked gilt. The transaction was smoothly executed and well received by the market, which is particularly encouraging in light of the recent market volatility and the very significant amount of duration represented by this supply event.

I believe that the success of today's transaction continues the welcome evidence of the resilience of the gilt market, notably against the context of the recent market backdrop. Its success has demonstrated also the commitment of gilt market participants and the strong support we receive from our investor base.

Today's sale was the fifth of our six planned syndications in 2022-23 and it attracted a sizeable order book from a wide range of investors. Once again, I should like to stress that the degree of support we have seen for today's transaction from both Gilt-edged Market Makers and the

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

investment community remains very important to us and is highly appreciated as we aim to deliver the government's financing remit, both in the current financial year and the years ahead".

NOTES TO EDITORS

The syndicated offering was lead managed by four Joint Bookrunners: Deutsche Bank, Goldman Sachs International, J.P. Morgan 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 14 November 2022.

The order book for the transaction was opened at 9.00am on 22 November 2022 with indicative price guidance for investors at a spread of -20.0 to -19.0 basis points (bp) below the yield on the reference gilt (0½% Index-linked Treasury Gilt 2068). At 9.45am, the Joint Bookrunners announced that the price guidance was fixed at 20.0bp below the yield on the reference gilt (the tight end of the initial price guidance).

The book closed at 10.00am with 134 orders². The nominal size of the transaction was announced as £1.5 billion at 10.17am and the price was set at 12.29pm.

Proceeds from the transaction amount to approximately £2.2 billion and will take index-linked gilt sales for the financial year to date to £14.6 billion.

Total gilt sales for the financial year to date now amount to £99.0 billion, relative to the new overall remit target of £169.5 billion.

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

² Total orders were £16.8 billion nominal.