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PRESS NOTICE

SYNDICATED RE-OPENING OF £2.25 BILLION NOMINAL OF 0 $\frac{1}{8}$ % INDEX-LINKED TREASURY GILT 2041: RESULT

The United Kingdom Debt Management Office (DMO) announces that the syndicated re-opening of £2.25 billion (nominal) of 0 $\frac{1}{8}$ % Index-linked Treasury Gilt 2041 has been priced at £154.050 per £100 nominal, equating to a gross real redemption yield of -1.8784%. The transaction will settle, and the fourth tranche of this gilt will be issued, on 20 November 2019, from which date the gilt will have £10.50 billion (nominal) in issue (£10.92 billion uplifted nominal).

Proceeds from today's transaction are expected to amount to approximately £3.6 billion (cash¹) and this takes total proceeds from syndications in 2019-20 to date to £17.2 billion. Today's sale was the fourth transaction of the DMO's 2019-20 syndication programme. One long conventional transaction remains in the 2019-20 syndication programme.

The offering was priced at a yield spread of 3 $\frac{1}{2}$ basis points (bps) above the yield on 0 $\frac{5}{8}$ % Index-linked Treasury Gilt 2040, which represented the tight end of the published price guidance. The UK domestic market provided the predominant support for the issue, taking around 87% of the allocation.

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

Today's syndication has concluded our index-linked syndication programme for 2019-20, which has raised £7.8 billion in two transactions. I am very pleased that this transaction has firmly reinforced the build-up of the index-linked 2041 maturity to benchmark size and it now stands at £10.5 billion.

The transaction was executed very smoothly and as ever I very much appreciate the ongoing commitment shown by gilt market participants in supporting the delivery of our annual gilt

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

financing programme. We look forward to working with the market to deliver the DMO's financing remit for the balance of this financial year.

NOTES TO EDITORS

The syndicated offering was managed by four Joint Bookrunners: BNP Paribas, Deutsche Bank, HSBC and NatWest Markets. All other panel member Index-linked Gilt-edged Market Makers were Co-Lead Managers. The composition of the syndicate was announced by the DMO on 8 November 2019.

The order book for the transaction was opened at 9.00am on 19 November 2019 with indicative price guidance for investors at a spread of 3½ bps to 3¾ bps above the yield on 0⁵/₈% Index-linked Treasury Gilt 2040 (the reference gilt). At 9.30am the Joint Bookrunners announced that the value of orders exceeded £16.5 billion, and that the book was expected to close at 10.00am. At 9.45am the Joint Bookrunners announced that orders exceeded £17 billion, that price guidance was being fixed at a yield spread of 3½ bps above the reference gilt, and that the book would close at 10.00am.

The book closed at 10.00am with 78 orders totaling £17.6 billion (nominal). At 10.52am the Joint Bookrunners announced that the size of the transaction had been set at £2.25 billion (nominal). The price was set at 12.54pm.

Proceeds from the transaction amount to approximately £3.6 billion and will take index-linked gilt sales for the financial year to-date to £17.4 billion. Total gilt sales for the financial year to date now amount to £83.7 billion, relative to the overall remit target of £122.8 billion.

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