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## PRESS NOTICE

### SYNDICATED LAUNCH OF £6.0 BILLION OF 1½% GREEN GILT 2053: RESULT

The United Kingdom Debt Management Office (DMO) announces that the syndicated launch of £6.0 billion (nominal) of 1½% Green Gilt 2053 has been priced at £102.214 per £100 nominal, equating to a gross redemption yield of 1.4133%. The transaction will settle, and the new green gilt will be issued, on 22 October 2021.

Proceeds from today's transaction are expected to amount to approximately £6.1 billion (cash<sup>1</sup>) and will take gilt sales via the five syndications held in the financial year to date to £35.1 billion. Total gilt sales in 2021-22 amount to £153.1 billion, of which green gilt sales account for £16.1 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 88% of the allocation.

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 second green gilt, which follows the very well received launch of the inaugural green gilt last month. Our green gilt issuance is supporting the UK's ambitious environmental and climate goals, and we have been strongly impressed by the encouragement we have received from the market throughout this process. Today's very strong level of investor support for the second green gilt launch fully confirms this.*

*We welcome the addition of this new 32-year maturity to the existing gilt portfolio. The 2053 maturity makes this the longest dated sovereign green bond currently outstanding. The offering has been very well supported with a record number of orders from a diverse set of accounts. Investor demand came predominantly from domestic accounts who are increasingly*

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<sup>1</sup> Figures in this Press Notice are in cash terms unless indicated otherwise.

*integrating environmental, social and governance factors into their investment decisions. This second green gilt, like the inaugural transaction, also successfully attracted new investors to our market, including from overseas. I would like to take this opportunity to thank the Joint Lead Manager group (BofA Securities, Morgan Stanley, NatWest Markets, RBC CM and Santander) for ensuring the success of this highly anticipated offering, and also to our Co-Lead Managers for their support.*

*We have now successfully delivered on the government's commitment to issue a minimum of £15 billion of green gilts in 2021-22 and, by introducing a second maturity point, have begun implementing the government's plans to build out a green yield curve in coming years. I would like to thank the gilt market again for so enthusiastically welcoming these two landmark green transactions."*

## **NOTES TO EDITORS**

The syndicated offer was managed by five Joint Bookrunners: BofA Securities, Morgan Stanley, NatWest Markets, RBC CM and Santander. All other wholesale Gilt-edged Market Makers were appointed Co-Lead Managers. The composition of the syndicate was announced by the DMO on 8 October 2021.

The order book for the transaction was opened at 8.30am on 21 October 2021 with indicative price guidance for investors at a spread of 0 to 1 basis point (bp) below the yield on the reference gilt (3¾% Treasury Gilt 2052) in a size of £6.0 billion nominal. At 9.00am, the Joint Bookrunners announced that the price guidance was being narrowed to 0½bp to 1bp below the yield on the reference gilt.

At 9.15am the Joint Bookrunners announced that price guidance was being fixed at 1bp below the reference gilt (the tight end of the initial price guidance). The book closed at 9.30am with 230 orders.<sup>2</sup> The price was set at 12.44pm.

The £6.1 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 £7.4 billion.

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

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<sup>2</sup> Total orders were £74.1 billion (nominal).