



United Kingdom
Debt Management
Office

Minster Court
21 Mincing Lane
London
EC3R 7AG

T 020 7862 6500

www.dmo.gov.uk

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PRESS NOTICE

SYNDICATED RE-OPENING OF £5.0 BILLION OF 4% TREASURY GILT 2063: RESULT

The United Kingdom Debt Management Office (DMO) announces that the syndicated re-opening of £5.0 billion (nominal) of 4% Treasury Gilt 2063 has been priced at £88.127 per £100 nominal, equating to a gross redemption yield of 4.6562%. The transaction will settle, and the second tranche of this gilt will be issued, on 6 September 2023.

Today's transaction was the fourth of seven syndications planned in the DMO's programme for 2023-24. Proceeds from today's sale are expected to amount to approximately £4.4 billion (cash¹) and will take syndication proceeds for the financial year to date to £17.4 billion relative to plans of £28.0 billion.

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 very pleased to note the very successful re-opening of the current 40-year benchmark 4% Treasury Gilt 2063, which we first syndicated in May and which we have now built up in size to £10.5 billion. This transaction represents the second long conventional gilt syndication of the current programme, and it has demonstrated again the value of syndications in facilitating the smooth absorption of long-dated high duration assets.

The strength of demand we saw today was reflected both in the large number of individual orders and the high quality of the overall book. It is also a welcome manifestation of the ongoing support we continue to receive from our core investor base for long dated gilts.

I am also appreciative of the support we saw today from the Joint Lead Manager group for helping smoothly to deliver today's transaction, and to the Co-leads for their ongoing commitment to wider gilt market. This is crucial in helping us to implement our financing

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

programmes and I very much look forward to this continuing as we approach the second half of our financing remit for 2023-24”.

NOTES TO EDITORS

The syndicated offering was lead managed by five Joint Bookrunners: BofA Securities, BNP Paribas, Deutsche Bank, J.P. Morgan 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 25 August 2023.

The order book for the transaction was opened at 9.00am on 5 September 2023 with indicative price guidance for investors at a spread of 9.0 to 9.25 basis points (bp) above the yield on the reference gilt (2½% Treasury Gilt 2065). At 9.45am, the Joint Bookrunners announced that the price guidance was fixed at 9.0bp 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 at 10.00am with 212 orders². The nominal size of the transaction was announced as £5.0 billion at 10.30am and the price was set at 12.49pm.

Proceeds from the transaction amount to approximately £4.4 billion and will take long conventional gilt sales for the financial year to date to £21.4 billion.

Total gilt sales for the financial year to date now amount to £98.8 billion, relative to the overall remit target of £237.8 billion.

The next planned syndication by the DMO is the launch of a new conventional gilt maturing in the 20-year area in November 2023, subject to demand and market conditions.

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

² Total orders were £59.3 billion nominal.