



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 £6.75 BILLION OF 4³/₈% TREASURY GILT 2054: RESULT

The United Kingdom Debt Management Office (DMO) announces that the syndicated re-opening of £6.75 billion (nominal) of 4³/₈% Treasury Gilt 2054 has been priced at £93.521 per £100 nominal, equating to a gross redemption yield of 4.7818%. The transaction will settle, and the second tranche of this gilt will be issued, on 25 April 2024, after which the gilt will have £12.75 billion nominal in issue.

Today's transaction was the first of seven syndications planned in the DMO's programme for 2024-25. Proceeds from today's sale are expected to amount to approximately £6.3 billion (cash¹).

The UK domestic market provided the main support for the issue, taking around 91% of the allocation.

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

"I am particularly pleased with today's very successful re-opening of the 4³/₈% 2054 gilt which we expect to become in due course the new 30-year benchmark. The first syndication of a new remit is always important in setting the tone for the rest of the financial year and the strong response to this transaction bodes well for the delivery of the remainder of the annual programme.

We saw another very high-quality order book, with significant participation from our core investor base. Today's syndication has enabled us to more than double the nominal size of this key benchmark gilt to £12.75 billion since its launch in January 2024.

The transaction was managed smoothly and efficiently by our Joint Lead Manager group, and I am also grateful for the support from the Co-Lead Managers and the wider market".

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: BNP Paribas, Goldman Sachs International Bank, HSBC, 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 12 April 2024.

The order book for the transaction was opened at 9.00am on 24 April 2024 with indicative price guidance for investors at a spread of 1.75 to 2.0 basis points (bp) above the yield on the reference gilt (3¾% Treasury Gilt 2053). At 9.45am, the Joint Bookrunners announced that the price guidance was fixed at 1.75bp 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 227 orders². The nominal size of the syndication was announced as £6.75 billion at 10.47am and the price was set at 12.50pm.

Proceeds from today's transaction amount to approximately £6.3 billion and will take long conventional gilt sales for the financial year to date to £9.2 billion.

Total gilt sales for the financial year to date amount to £23.4 billion, relative to the overall remit target of £277.7 billion.

The next syndication in the DMO's programme for 2024-25 is scheduled to be for a new medium maturity conventional gilt maturing in the 10-year area in June 2024, 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 £91.5 billion nominal.