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Debt Management
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PRESS NOTICE

SYNDICATED LAUNCH OF £6.0 BILLION OF 3¾% TREASURY GILT 2053: RESULT

The United Kingdom Debt Management Office (DMO) announces that the syndicated launch of £6.0 billion (nominal) of 3¾% Treasury Gilt 2053 has been priced at £100.492 per £100 nominal, equating to a gross redemption yield of 3.7232%. The transaction will settle, and the first tranche of this gilt will be issued, on 25 January 2023.

Today's transaction was the sixth and final syndication in the DMO's programme for 2022-23. Proceeds are expected to amount to approximately £6.0 billion (cash¹) and will take the outturn for syndication proceeds this financial year to £24.0 billion.

The UK domestic market provided the main support for the issue, taking around 90% of the allocation.

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

"I am very pleased to say that our syndication programme for 2022-23 has concluded on an extremely strong note. Today we were able to launch a new current coupon 30-year gilt, which is intended to become a future benchmark at this key maturity, in the large size of £6.0 billion nominal, representing approximately £1.0 billion more than our initial planning assumption.

This highly successful launch has been possible thanks to significant support from our core investor base whose commitment to the gilt market was manifested in a large and very high quality order book. I am also pleased that the transaction was once again smoothly executed and well received by the market.

This was the sixth and final syndication of the current financial year and took proceeds from the programme to £24.0 billion.

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

Once again I would like to place on record my gratitude for the ongoing strong commitment we have seen from market participants both across the financial year as well as today. This is extremely important to us and I very much look forward to it continuing, as we conclude both this year's remit and move towards the delivery of a new remit for 2023-24".

NOTES TO EDITORS

The syndicated offering was lead managed by five Joint Bookrunners: Citi, Deutsche Bank, Goldman Sachs International, NatWest Markets 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 13 January 2023.

The order book for the transaction was opened at 9.00am on 24 January 2023 with indicative price guidance for investors at a spread of 2.75 to 3.25 basis points (bp) above the yield on the reference gilt (3¾% Treasury Gilt 2052). At 9.45am, the Joint Bookrunners announced that the price guidance was fixed at 2.75bp above the yield on the reference gilt (the tight end of the initial price guidance).

The book closed at 10.00am with 215 orders². The nominal size of the transaction was announced as £6.0 billion at 10.15am and the price was set at 12.53pm.

As a result of the sizing of today's transaction, £1.0 billion has been transferred from the unallocated portion of issuance to the long conventional syndication programme, increasing the size of that programme to £17.3 billion and reducing the residual balance in the unallocated portion of issuance to £481 million.

Proceeds from the transaction amount to approximately £6.0 billion and will take long conventional gilt sales for the financial year to date to £35.3 billion.

Total gilt sales for the financial year to date now amount to £136.6 billion, relative to the 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 £68.4 billion nominal.