



National Treasury Management Agency

## **Ireland's Funding Programme for the Second Half of 2004.**

"The National Treasury Management Agency announces that at this stage it does not plan to hold any further bond auctions during the second half of 2004. Bond issuance of €4 billion had originally been envisaged for the full year. However, due to the strong position of the public finances and the success of the bond auctions in the first half of the year when €3.4 billion of a new benchmark 16 year bond, the 4.5% Treasury Bond 2020, was sold in the markets in a series of five auctions, it is considered that no further issuance is required for the time being.

The NTMA will, however, continue to be active in the bond market through the provision of repos and reverse repos and the buy back of off-the-run bonds at competitive market prices from Primary Dealers. It will also continue to facilitate the Primary Dealers in switching their bond holdings between the various benchmark issues.

The Agency will continue to trade a portfolio of €85 million Irish Government bonds in the secondary market and to manage a euro sovereign bond portfolio of €1 billion and a cash portfolio of €1.2 billion on behalf of the National Pensions Reserve Fund, and will invest the accumulated surplus of €1.3 billion for the Social Insurance Fund and assets amounting to some €200 million for the Dormant Accounts Fund.

Borrowing activity will continue in the short-term markets in the second half of the year mainly through the Agency's Commercial Paper programme and also through the issue of Exchequer Notes and Section 69 multi-currency notes. The management of liquidity in the Irish market on behalf of the European Central Bank, which amounts to a daily average of €400 million, will also continue.

The borrowing needs of the Housing Finance Agency will also be managed by the NTMA through the issue of commercial paper under the HFA's €2 billion ECP Programme.

The funding position will be kept under review and should there be any significant change in circumstances a further announcement will be made."

5 July 2004