National Treasury Management Agency

Ireland successfully launches new €6 billion bond to re-finance maturing bond.

In its first new bond issue since 2004, Ireland today launched a new benchmark bond, the 4½% Treasury Bond which will mature in October 2018. This new bond will refinance in full a €6 billion bond which is due for repayment on 18 October 2007. The new bond was launched through a syndicate of banks led by Barclays Capital, Davy, Deutsche Bank and HSBC. The amount sold was €6 billion and is the largest syndicated bond transaction by any borrower in Europe to date this year. Demand for the bond was very strong with bids of over €16 billion received from investors.

Ireland has the top grade AAA credit rating from each of the four major credit rating agencies, Standard & Poor's, Moody's, Fitch Ratings, and Rating & Investment Information Inc. These ratings, combined with the scarcity premium for Irish Government bonds due to the fact that Ireland has not had occasion in recent years to borrow significant amounts in the capital markets, were key drivers of demand for the new bond.

The National Treasury Management Agency (NTMA) manages Ireland's national debt. The Chief Executive of the NTMA, Dr. Michael Somers, stated today that the launch of the new bond was extremely successful and that it highlights the confidence investors have in the Irish Government bond market. Dr. Somers also declared that the wide geographic distribution of investors in the bond underlines Ireland's strong profile in the international investment community. 21% of the bonds were sold in the United Kingdom, 21% in Germany/Austria, 16% in France, 9% in Benelux/Switzerland, 8% in Italy, 8% in the Nordic region, 3% in Spain/Portugal and 3% in other countries. Demand from Ireland accounted for 11%. Banks, pension funds, insurance companies and fund managers were the main investors in the bond.

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