



National Treasury Management Agency

The Irish National Treasury Management Agency (NTMA) announced that Ireland had successfully issued a new 10-year €6 billion benchmark bond today. The bond was issued through a syndicate group of six of Ireland's primary dealer banks.

This issue represents the third syndicated bond issue by Ireland in 2009 and brings to €16 billion the total amount raised by syndication this year. On 8th January €6 billion of a 5-year bond (4% Treasury Bond 2014) was issued through syndication while on 25 February €4 billion of a 3-year bond (3.9% Treasury Bond 2012) was likewise issued through syndication.

The new bond, the 5.9% Treasury Bond which matures on 18 October 2019 was sold at an issue price of €99.794 per €100 nominal, for an annual yield of 5.932%.

Irish investors accounted for 22% of the uptake of the bond.

The Chief Executive of the National Treasury Management Agency, Dr. Michael Somers said:

"We are very pleased with the great success of the new bond issue. We are particularly pleased that Ireland could secure substantial long term funding in the very competitive conditions which now prevail in the Government bond markets. The success of this bond issue is a clear signal of the confidence investors have in the Irish Government bond market. We are also pleased to have secured the bulk of our funding requirement for this year."

In addition to the €16 billion raised through syndications Ireland has also raised €4.7 billion this year through a series of regular scheduled bond auctions. Ireland plans to raise in the region of €5 billion to €6 billion of funding from the five remaining monthly bond auctions which will be held in the months of July through November this year. This funding programme effectively meets Ireland's funding needs as announced in the Supplementary Budget on 7 April 2009 as well as the refinancing of a €5 billion bond which matured in April.

Ireland had cash balances in excess of €20 billion in the Exchequer Account at the beginning of the year, in addition to the €16 billion assets of the National Pensions Reserve Fund. The Exchequer cash balances have been maintained at the €20 billion level by means of short-term borrowings under Ireland's new Treasury Bill programme which was launched in March, as well as borrowings under its Euro Commercial Paper programme. Ireland intends further diversifying its sources of short term borrowing by launching a new US Commercial Paper programme in July.

Ireland's cash balances will be used to temporarily bridge any gap between the Exchequer's full year requirements and the amounts raised by bond issuance and the €1-€1.25 billion expected from the retail savings schemes operated by An Post and the Prize Bond Company.

National Treasury Management Agency
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www.ntma.ie