



National Treasury Management Agency

Irish Government Bond Auction

The National Treasury Management Agency (NTMA) has covered in excess of 80 per cent of its €20 billion borrowing programme for 2010 with the sale of €1.5 billion bonds in today's bond auction. Total long term funding of €16.4 billion has been raised to date this year, €15 billion through bond sales and €1.4 billion in the domestic retail savings market.

In today's auction two bonds were offered, the 4.6% Treasury Bond 2016 and the 4.5% Treasury Bond 2018. The overall total amount of the two bonds on offer in the auction was in the range of €1 billion to €1.5 billion.

It was decided to issue a total of €1.5 billion, as the total bids received amounted to €4.445 billion, or 3 times the maximum amount on offer in the auction. An amount of €750 million of the 4.6% Treasury Bond 2016 was issued where the total bids received were 3.1 times the amount allocated, while €750 million of the 4.5% Treasury Bond 2018 was also issued where the total bids received were 2.9 times the amount allocated.

The 2016 bond was sold at an average yield of 4.521% while the 2018 bond was sold at an average yield of 5.088%.

The NTMA expressed its satisfaction at the strong level of demand for Irish Government bonds in the very difficult market conditions which obtained today following Moody's downgrade of Greece. With more than 80% of its long term borrowing programme completed Ireland is in a strong funding position. Allowing for other cash balances the Exchequer is fully funded through end-2010.

The NTMA will continue for the time being its regular series of monthly bond auctions with the next auction scheduled for 20 July 2010.

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Tuesday, 15 June 2010.

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