

Statement by Ireland's National Treasury Management Agency

NTMA completes its largest ever Bond Auction

The National Treasury Management Agency today successfully auctioned €1 billion of its new benchmark 3.25% Treasury Bond 2009. This was the largest bond auction ever held by the NTMA and attracted bids from Ireland's eight Primary Dealers which totalled 2.3 times the amount on offer in the auction. The average yield on the €1 billion sold in the auction was 3.37%, or just some 2.5 basis points (hundredths of one per cent) more than comparable German government bond yields for the same maturity.

The new benchmark bond is now trading on the electronic trading platform, MTS Ireland. The NTMA stated that it intends to continue to increase the size of the bond through further auctions until it reaches €5 billion and is thus eligible for trading on EuroMTS, the major electronic trading platform for European and international sovereign benchmark bonds. The bond should continue to be attractive for investors because of the positive background of stable public finances in Ireland, with a debt/GDP ratio of 34% and a projected general government budget deficit of 0.7% of GDP this year. In addition the MTS trading platforms will guarantee the price transparency and liquidity of the bond.

National Treasury Management Agency

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