



National Treasury Management Agency

Irish Government Bond Auction

Tuesday, 17 August 2010 - The National Treasury Management Agency (NTMA) today raised €1.5 billion through its eighth bond auction of the year. With the success of this auction Ireland has now completed 99% of its borrowing programme of €20 billion for 2010.

The NTMA offered two bonds in today's auction: the 4.0% Treasury Bond 2014 and the 5.0% Treasury Bond 2020. The overall total amount of the two bonds offered in the auction was in the range of €1 billion to €1.5 billion and the total bids received amounted to €5.085 billion, or 3.4 times the maximum amount on offer.

An amount of €500 million of the 4.0% Treasury Bond 2014 was issued where the total bids received were 5.4 times the amount allocated, while €1 billion of the 5.0% Treasury Bond 2020 was also issued where the total bids received were 2.4 times the amount allocated.

The 2014 bond was sold at an average yield of 3.627% while the 2020 bond was sold at an average yield of 5.386%. This compares with a yield of 5.537% for the benchmark 10-year 2020 bond at the previous auction in July.

The NTMA expressed its satisfaction at the outcome of today's auction. Anthony Linehan, Deputy Director, Funding & Debt Management, said: "Today's auction showed that investor appetite for Irish Government bonds has remained strong despite the market volatility of recent weeks. The decline in German yields to their lowest level in decades has contributed to the widening of the spread of Irish bonds over their German counterparts but it is significant that the absolute yield achieved today on the benchmark 10-year bond was lower than at last month's auction."

Today's auction brings the total funds raised from the bond market in 2010 to €18.3 billion. Allowing for cash balances, retail debt and the long-term funding carried over from last year, the Exchequer is fully funded into the second quarter of 2011.

The next bond auction is scheduled for 21 September 2010.