



## **Irish Government Bond Auction**

**Tuesday, 21 September 2010** - The National Treasury Management Agency (NTMA) today raised €1.5 billion through its ninth bond auction of the year. With the success of this auction Ireland has now achieved its target of raising €20 billion from the bond markets in 2010. Allowing for cash balances, retail debt and the long-term funding carried over from last year, the Exchequer is now fully funded through the first half of 2011.

The weighted average cost of funds raised in the bond market in 2010 (including today's auction) is 4.7% which is the same as the average funding cost achieved in 2009. These costs are fixed until the bonds in question mature.

The NTMA offered two bonds in today's auction: the 4.0% Treasury Bond 2014 and the 4.5% Treasury Bond 2018. 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 €5.47 billion, or 3.6 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 5.1 times the amount allocated. The 2014 bond was sold at an average yield of 4.767%.

An amount of €1 billion of the 4.5% Treasury Bond 2018 was also issued where the total bids received were 2.9 times the amount allocated. The 2018 bond was sold at an average yield of 6.023%.

Oliver Whelan, Director, Funding & Debt Management, said: "We are very pleased to have achieved our stated objective of raising €20 billion from the bond markets in 2010 and we note that investor demand has remained firm even in the current difficult market conditions as evidenced by the fact that we received bids for 3.6 times the amount on offer."

The NTMA, in keeping with its previously announced schedule, plans to hold its next bond auction on 19 October.