



BUND Fact Sheet

Issuance Activities and Debt Management by the German Finance Agency

- Germany: Europe's Benchmark Issuer with a funding volume of € 343* bn in 2010.
- The Finance Agency is a service provider for and controlled by the Federal Ministry of Finance.
- Managing the Federal Governments issuance activities, debt and liquidity.

* According to the announcement in December 2009

Primary Market

What's New 2010:

- Issuance volume:** € 343 bn (based on the announcement of Dec 2009 for nominal securities) compared to € 334 bn in 2009 (including ILB of € 5 bn, excluding the sole FX issue of USD 4 bn).
- More capital market instruments** (plus € 54 bn or 18%), less money market instruments (minus € 40 bn or 11%) resulting in a 60/40 % relation.
- Inflation linked securities:** extended commitment by announcing quarterly issuance of 3-4 bn.
- Increased issuance volume by 8%** (totals including ILB and nominal).
- 10Y Bunds: three new issues** instead of two as in the former years. This results in an additional interest and redemption date on September 4th (beside of Jan and July 4th).
- 5Y Bobls: three new series** compared with two so far. February will be an additional interest and redemption date to April and October.
- 30Y Bunds: the issuance volume has been doubled** to € 12 bn by four taps of € 3 bn bringing the Jul 2040 to an outstanding volume of € 22 bn.
- Bubills: New issues only in 6M and 12M.** 3M and 9M maturities will be offered via taps of existing 6M and 12M what brings outstanding volumes to a top of € 9 bn (in the 12M).

Issuance Outlook of the Federal Government 2010 (€ bn)*															
Security	Share 2010	Annual Change	Volume 2010	Q 1 2010			Q 2 2010			Q 3 2010			Q 4 2010		
				Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Schatz 2Y	22%	12	€ bn 76	7	7	6	6	7	12	7	6	6	7	5	
Bobl 5Y	17%	21	57	6	6	5	7	7		6	7		7	6	
Bund 10Y	18%	15	62	6	5	5	6	6	5	5	6	6	6	6	
Bund 30Y	3%	6	12	3			3			3		3			
Capital Market	60%	54	207	56			59			46			46		
Bubill 3M	3%	-3	12										4	8	
Bubill 6M	17%	-21	60	5	5	5	5	5	5	5	5	5	5	5	
Bubill 9M	5%	-11	16				2	2	2	2	2	2	2	2	
Bubill 12M	14%	-5	48	4	4	4	4	4	4	4	4	4	4	4	
Money Market	40%	-40	136	27			33			33			43		
Year total:	€ 343 bn			31	27	25	33	31	28	25	24	30	30	39	20
				83			92			79			89		

* According to the announcement in December 2009
N: new issue / R: reopening / **Bund10 / Bund30**: federal bonds with maturities of 10 or 30 years / **Bobl**: five year federal notes **Schatz**: two year federal treasury notes / **Bubills**: treasury discount paper with maturities of 3, 6, 9 and 12 months

Q1 2010 Issuance Calendar Germany (N: New, R: Reopening)													
Date	Bond	Interest	Maturity	Capital Market Instruments: € 56 bn				Money Market Instruments: € 27 bn					
				€ bn	N/R	Date	Bond	Maturity	€ bn	N/R			
Jan	Wed. 06.01.	Bund	3,25%, 04. Jan 2020	6	R	Mo. 11.01.	Bubill 6M	14. Jul 2010	5	N			
	Wed. 13.01.	Bobl 156	27. Feb 2015	6	N	Mo. 25.01.	Bubill 12M	26. Jan 2011	4	N			
	Wed. 20.01.	Schatz	1,25%, 16. Dec 2011	7	R								
Feb	Wed. 27.01.	Bund	4,75%, 04. Jul 2040	3	R								
	Wed. 03.02.	Bobl 156	27. Feb 2015	6	R	Mo. 15.02.	Bubill 6M	11. Aug 2010	5	N			
	Wed. 10.02.	Bund	3,25%, 04. Jan 2020	5	R	Mo. 22.02.	Bubill 12M	23. Feb 2011	4	N			
March	Wed. 17.02.	Schatz	16. March 2012	7	N								
	Wed. 03.03.	Bobl 156	27. Feb 2015	5	R	Mo. 15.03.	Bubill 6M	15. Sep 2010	5	N			
	Wed. 10.03.	Schatz	16. March 2012	6	R	Mo. 29.03.	Bubill 12M	30. March 2011	4	N			
Wed. 17.03.	Bund	3,25%, 04. Jan 2020	5	R									

Secondary Market

- Liquidity:** tightest bid/ask spreads in the Eurozone. More than 70 nominal Benchmark issues are outstanding across the EURO yield curve. Bunds are deliverable in the Eurex Future contracts. The outstanding volume of tradeable EURO-denominated German Government Securities: € 1036.5 bn (as of Mar 5th, 2010).
- Secondary Market Depth:** 50% (est.) of the daily trading volume in EGB's are German Government Securities. This is additionally supported by secondary market activities of the Finance Agency.
- Trading volume*** of German Government Securities in 2009 was around € 4.7 tn with monthly/daily average of € 392/18.6 bn. The net volume of 223.5 is the highest volume recorded since these data was first collected.

*Source: Secondary market flows reported from member banks in the "Bund Issues Auction Group", covering the major part of the market.
Securities: Bubills, 2Y Schatz, 5Y Bobls, 10Y and 30Y Bunds, USD Bund, inflation linked bonds.

Extraction of Current Benchmark Issues of the Bund (as of March 4th, 2010)

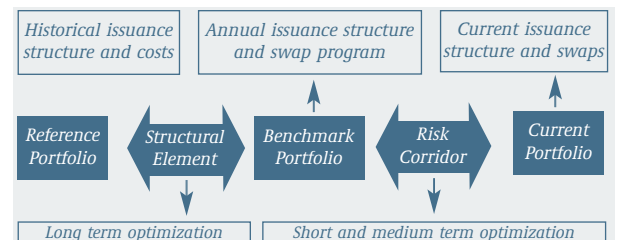
Security	Maturity	Coupon	Outstanding	Launch/Tap	ISIN
€ Capital Market Benchmarks (nominal)					
2Y Schatz	Dec 11	1.25%	€ 18 bn	Jan 10	DE0001137289
5Y Bobl S. 156	Feb 15	2.50%	€ 17 bn	Mar 10	DE0001141562
10Y Bund	Jan 20	3.25%	€ 17 bn	Feb 10	DE0001135390
30Y Bund	Jul 40	4.75%	€ 13 bn	Jan 10	DE0001135366
New Funding Tools					
5Y ILB (Bobl ei)	Apr 13	2.25%	€ 9 bn	Jul 08	DE0001030518
10Y ILB (Bund ei)	Apr 16	1.50%	€ 13 bn	Jun 08	DE0001030500
10Y ILB (Bund ei)	Apr 20	1.75%	€ 7 bn	Jan 10	DE0001030526
3Y FX (USD)	Sep 12	1.50%	US\$ 4 bn	Sep 09	DE0001030120
5Y FX (USD)	Jun 10	3.875%	US\$ 5 bn	May 05	DE0001030112

Secondary Market Volumes German Government Securities

€ bn	Total				Monthly Average			
	2009	2008	2007	2006	2009	2008	2007	2006
Trading Vol.	4.702	5.961	6.418	6.818	392	496	534	568
Net Volume	223.58	117.5	92.7	139.6	18.63	9.8	7.7	11.6

Management of the Debt Portfolio

- Reaching a target portfolio according to the long term cost and risk preferences of the issuer.
- Structuring the annual issuance calendar and using interest rate swaps.
- Adjusting the financing activities based on macro-economic analysis.
- Improved diversification in the portfolio because of using a broader variety of funding tools.
- Savings target of around € 500 mn interest costs per year.



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