

# National Treasury Management Agency

## 40. National Debt

The National Treasury Management Agency has the statutory function of borrowing moneys on behalf of the Exchequer and managing the National Debt on behalf of and subject to the control and general superintendence of the Minister for Finance.

Expenses incurred by the Agency in the performance of its functions are met from the Central Fund. The Agency incurred expenditure of , 6.3m on administration in 2000 (, 6.2m in 1999).

Under the provisions of section 12 of the National Treasury Management Agency Act, 1990 I am required to audit the accounts of the Agency and when making my statutory annual report on the Appropriation Accounts, to make also a report to Dáil Éireann regarding the correctness of the sums brought to account by the Agency in the year. The Agency's accounts for 2000 have been audited and the accounts, including an administration account and accounts relating to the National Debt, have been presented to the Minister who has laid copies thereof before both Houses of the Oireachtas.

I am satisfied that the accounts properly present the transactions of the Agency in 2000 and its balances at year end.

Table 54 shows the outturn for the National Debt in the five year period 1996-2000.

**Table 54 National Debt 1996-2000**

Year	National Debt Outstanding , m	Debt Service Cost , m
1996	29,912	2,475
1997	30,689	2,755
1998	29,541	2,410
1999	31,384	2,205
2000	28,755	2,028

The composition of the National Debt<sup>30</sup> at 31 December 2000 is shown in Table 55.

**Table 55 Composition of National Debt as at 31 December 2000**

	, m
Medium/Long term Debt	21,986
Short term Debt	5,088
National Savings Schemes	3,642
Less: Domestic Liquid Assets	(1,961)
<b>National Debt</b>	<b>28,755</b>

<sup>30</sup> The National Debt is stated on the basis of nominal amounts of principal originally borrowed.

The Agency's performance in regard to debt management activities is independently measured by an international investment bank specifically engaged for that purpose. The rationale and basis of the performance measurement was agreed with the Department of Finance. The Bank determined that, measured on a net present value basis against an independent benchmark portfolio, savings attributable to the Agency's management in the year amounted to , 23.3m.

#### **41. Savings Bank Fund**

The audit of the Post Office Savings Bank is carried out on my behalf by the auditors of An Post subject to my right to carry out any further audit tests which I consider necessary.

In 2001 they reported to me on their audit of the 2000 accounts. I accept their opinion that the accounts of the Post Office Savings Bank give a true and fair view of its transactions for that year end and of its year end balance.

In addition to managing the National Debt, the National Treasury Management Agency is responsible for the investment and management of funds remitted to the Exchequer by the Post Office Savings Bank. The Exchequer is responsible for the repayment to the Bank of all such funds and for meeting interest charges thereon.

The state of affairs of the fund at year end is shown in Table 56.

**Table 56 Post Office Savings Fund**

	<b>2000</b>	<b>1999</b>
	<b>, m</b>	<b>, m</b>
Liability in respect of funds due to depositors and creditors	545	502
Value of related investments held by Post Office Savings Bank Fund (at cost prices) <sup>31</sup>	552	512
<b>Surplus at 31 December</b>	<b>7</b>	<b>10</b>

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<sup>31</sup> The market value of the investments held by the Fund was , 3.1m more than their cost price.