

## Chapter 11

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# National Treasury Management Agency

## 11.1 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 €24.4m on administration in 2006 (€19.9m in 2005).

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 2006 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 2006 and its balances at year end.

Table 49 shows the outturn for the National Debt in the five-year period 2002-2006.

**Table 49 National Debt 2002 – 2006**

	National Debt Outstanding €m	Debt Service Cost €m
2002	36,361	2,169
2003	37,610	2,277
2004	37,846	2,203
2005	38,182	2,238
2006	35,917	2,379

The composition of the National Debt<sup>50</sup> at 31 December 2006 is shown in Table 50.

**Table 50 Composition of National Debt as at 31 December 2006**

	€m
Medium/Long term Debt	31,816
Short term Debt	2,779
National Savings Schemes	4,910
Less: Domestic Liquid Assets	(3,588)
<b>National Debt</b>	<b>€35,917m</b>

<sup>50</sup> The National Debt is stated on the basis of nominal amounts of principal originally borrowed.

## 11.2 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 further audit tests which I consider necessary.

In 2007 they reported to me on their audit of the 2006 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 51.

**Table 51 Post Office Savings Fund**

	2006 €m	2005 €m
Liability in respect of funds due to depositors and creditors	1,551	1,489
Value of related investments held by Post Office Savings Bank Fund (at cost prices) <sup>51</sup>	1,561	1,499
<b>Surplus at 31 December</b>	<b>€10m</b>	<b>€10m</b>

<sup>51</sup> The market value of the investments held by the Fund was €0.6m less than their cost price.