2 Government Debt

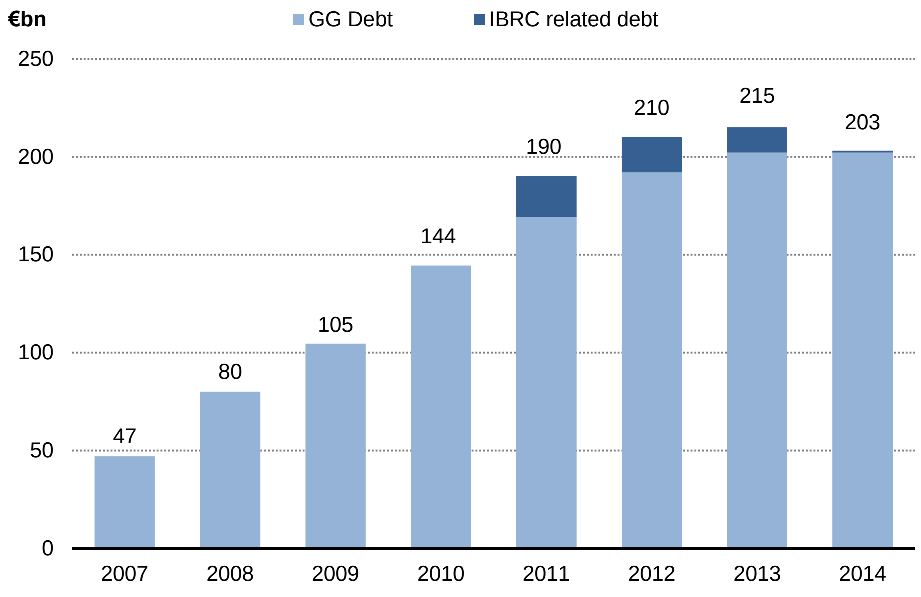
2.1 Revenues from taxation and other charges represent the primary source of State funding, but the State also borrows substantially to supplement annual funding. This report outlines the trend and composition of the government debt and the cost of debt service. It also provides an update in relation to Ireland's activity in the sovereign debt market.

General Government Debt

2.2 The most comprehensive measure of government debt is general government debt (GGDebt), an internationally standardised measure of debt which all EU countries are legally obliged to use for their twice-yearly reporting of government deficit and debt under the Maastricht Treaty. The GGDebt is defined by EU regulations as the total gross debt at nominal value outstanding at year-end for the consolidated general government sector – that is, the total gross debt owed by all government bodies to third parties outside government.[1] Debt that one government body owes another does not count towards the GGDebt. In Ireland, the general government sector includes most public sector bodies, but not publicly owned banks, NAMA Investment Ltd, and those commercially-operated State companies which cover a majority of their operating costs through sales.

2.3 Ireland's GGDebt at the end of 2014 is estimated at approximately €203 billion – a decrease of almost 6% year on year. This represents the first decrease in GGDebt in a number of years, as shown in Figure 2.1

Figure 2.1 Trend in general government debt, 2007 to 2014[a]



Source: Annex A, Figure A1

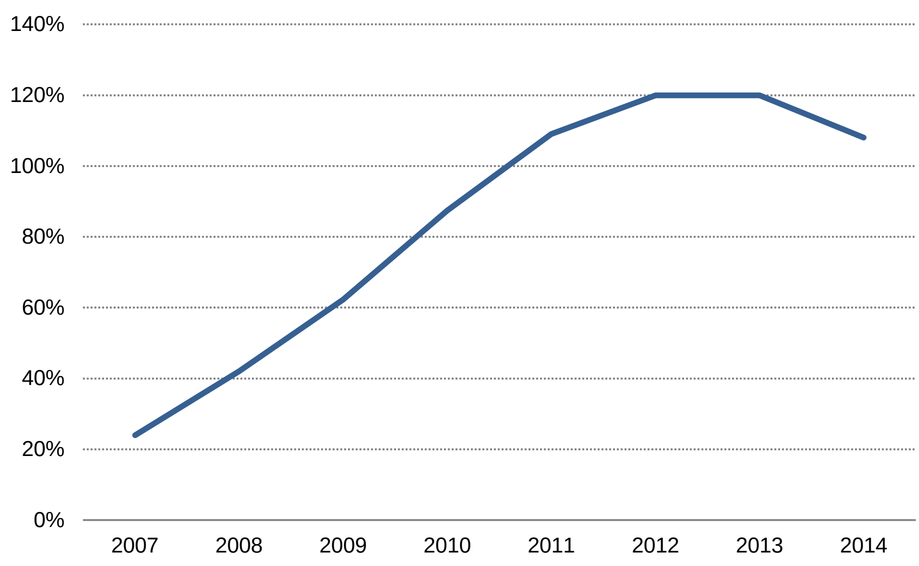
Note: a The GGDebt calculation is a statistical process. Consequently, amounts are subject to revision.

1 Specifically, GGDebt is defined as the consolidated liabilities of the general government sector in the following European System of Accounts (ESA2010) categories: currency and deposits; securities other than shares excluding financial derivatives; and loans.

2.4 Arising from changes in the definition of the general government sector in 2014, Irish Bank Resolution Corporation (IBRC) (in special liquidation) was included in the GGDebt calculation, back dated to 2011. The impact of the inclusion of IBRC's consolidated debt on GGDebt in the period 2011 to 2014 is shown in Figure 2.1. The extent of IBRC consolidated debt on GGDebt had reduced to €1.2 billion at the end of 2014 (Annex A, Figure A1).

2.5 The ratio of GGDebt to gross domestic product (GDP) is a standard sustainability measure applied for the purposes of comparison across the EU. The GGDebt as a proportion of GDP rose from 24% in 2007 to a peak of 120% in 2012 and 2013. At end-2014, GGDebt represented 108% of GDP as shown in Figure 2.2.

Figure 2.2 GGDebt as a proportion of GDP, 2007 to 2014



Source: Annex A, Figure A2

Funding and Debt Management Strategy 2013 to 2015

2.6 For 2013 and 2014, the Funding and Debt Management Unit (FDM) of the NTMA outlined its key objectives for the year in a series of strategic goals. These strategic goals for both 2013 and 2014 were approved by the Chief Executive.

2.7 The core strategic goal of FDM for 2013 was to regain access to capital markets on a sustainable and regular basis in order to position the State for exiting the EU/IMF Programme of Financial Support at end-2013. The NTMA's working plan – announced publicly on 9 January 2013 – was to raise €10 billion, subject to market conditions.

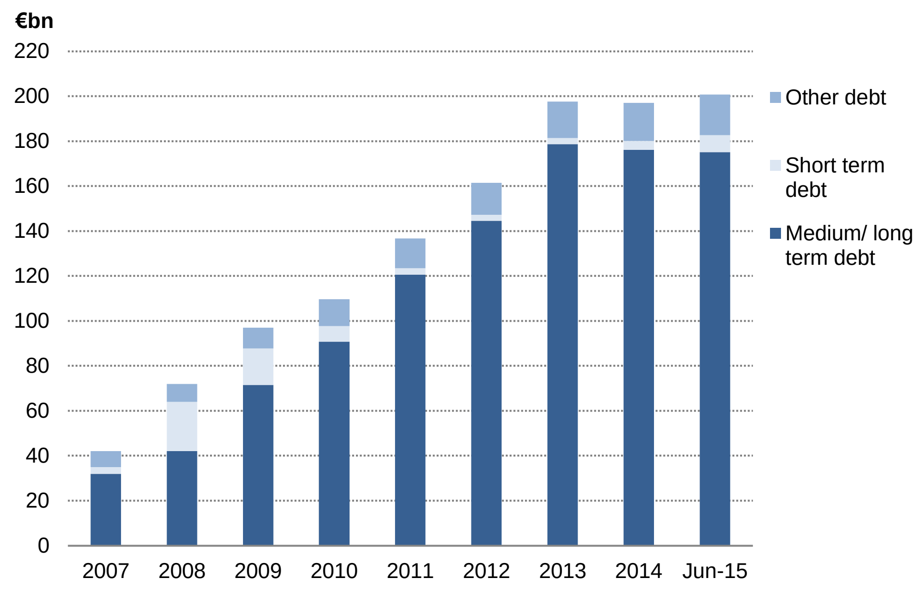
2.8 For 2014, the key strategic goal of FDM was to issue medium and long-term debt on a regular and sustainable basis in a manner consistent with the complete normalisation of Ireland's return to capital markets following the exit from the EU/IMF Programme of Financial Support at end-2013. Bond funding in the range of €6 billion to €10 billion – announced publicly in early January 2014 – was initially targeted as was a return to holding a series of regular bond auctions.

2.9 For 2015, bond funding in the range of €12 to €15 billion was approved by the NTMA board at its December 2014 board meeting. This targeted level of bond funding was announced publicly on 22 December 2014.

Gross National Debt

2.10 The largest component of GGDebt is the gross national debt, which is debt arising from borrowings of the Exchequer undertaken by the National Treasury Management Agency (the NTMA). This stood at €197.1 billion at the end of 2014, having changed little during the year (see Figure 2.3). By end-June 2015, gross national debt had increased to €200.8 billion – a 2% increase.[1]

Figure 2.3 Gross national debt at redeemable par values, 2007 to 2014 (year-end) and at end-June 2015



Source: Annex A, Figure A3

Short-term Debt

2.11 Short-term debt is debt with an original maturity of less than one year. Short-term debt[2] accounted for €4.1 billion of gross national debt at end-2014 and €7.5 billion at end-June 2015 (Annex A, Figure A6). Short-term instruments are used to provide liquidity and flexibility in the timing of long-term funding operations.

2.12 The main forms of short-term borrowings are treasury bills, exchequer notes and the euro commercial paper programme. Regular auctions of short-term treasury bills (which resumed in July 2012) continued throughout 2014, with five auctions taking place during the year. Between January and June 2015, a further three auctions have taken place. Exchequer notes and euro commercial paper are sold through reverse enquiry. At end-2014, NAMA held €0.7 billion (2013: €1.6 billion) in exchequer notes; this accounted for 16% of the total short-term paper outstanding at end-2014.

1 End-June 2015 figures are not audited.

2 Excluding short-term borrowing by NTMA from other State funds e.g. overnight balances.

Medium and Long Term Debt

2.13 Medium and long-term debt at end-2014 accounted for 89% of the gross national debt. It comprised mainly borrowings in the form of government bonds, and loans received under the EU-IMF Programme of Financial Support for Ireland.

Government Bonds

2.14 Of the €116 billion in government bonds outstanding at end-December 2014, fixed rate treasury bonds accounted for €90.6 billion or 78%.

2.15 During 2014, €11.75 billion (nominal) of bond market funding was raised by the NTMA, including the following significant transactions.

- In January, the NTMA raised €3.75 billion from the syndicated sale of a new ten year benchmark bond, with a maturity date of March 2024 at a yield of 3.54%.[1]
- In March, the NTMA resumed scheduled bond auctions (which had been suspended in 2010) – there were five scheduled auctions during 2014 of the 2024 treasury bond which raised a total of €4.25 billion – yields ranged from 2.97% in the first auction down to 1.63% in the final auction in October.
- In November, the NTMA completed its bond funding for the year raising €3.75 billion with the issue of a new 15-year benchmark bond by syndication, at a yield of 2.49%.

2.16 On 2 July 2014, the NTMA bought back just under €1.1 billion of the 4.6% treasury bond 2016 on an outright basis. The transaction also included a switch, done on a '2 for 1' nominal basis, which saw €959 million of the 2016 bond bought back and €479.5 million of the 3.9% treasury bond 2023 issued. This transaction reduced the amount outstanding of the 4.6% treasury bond maturing in April 2016 to €8.1 billion, from €10.2 billion.

2.17 The register of holders of Irish government bonds is maintained by the Central Bank of Ireland. Irish resident holders of government bonds increased from 17% at end-2009 to 45% at end-2014.

Floating Rate Government Bonds

2.18 In 2010, as part of the process of bank capitalisation, the Minister for Finance issued promissory notes to the value of €30.85 billion to three financial institutions – Anglo Irish Bank (Anglo), Irish Nationwide Building Society (INBS) and the Educational Building Society (EBS).[2] The net effect of this measure was to create State debt outside the NTMA-managed gross national debt. The promissory notes were held by the Central Bank as collateral for lending to IBRC.

2.19 On 7 February 2013, joint special liquidators were appointed to IBRC. The IBRC promissory notes were replaced with eight new floating rate government bonds with a nominal value of €25.034 billion, which were issued by the NTMA to the Central Bank with maturities ranging from 25 to 40 years. These floating rate government bonds accounted for 21% of the overall government bond balance at end-December 2014.

1 The yield is the annual rate of return investors will receive for holding the bonds.

2 Anglo and INBS were subsequently merged, becoming IBRC.

2.20 In December 2014, €500 million nominal of the 2038 bond was bought back by the NTMA and cancelled. The NTMA paid €680 million to the Central Bank, resulting in a book profit for the Central Bank. The Central Bank distributes a percentage of profits back to the Exchequer and holds the remainder as reserves.[1] Between June and August 2015, the NTMA bought back and cancelled a further €1 billion nominal of the 2038 bond, for a total consideration of almost €1.35 billion.

2.21 The nominal value of promissory notes outstanding at 30 June 2015 is €187 million, relating solely to EBS. EBS has received annual payments of €25 million in the period 2011 to 2015 totalling €125 million. The interest rate on the promissory notes is fixed at 5.46%.

EU-IMF Programme of Financial Support

2.22 Ireland's EU-IMF programme provided for loan funding from EU facilities, the IMF and bilateral loans from the UK, Sweden and Denmark. The final programme disbursement of €0.8 billion from the European Financial Stabilisation Mechanism (EFSM) occurred in March 2014. The net euro amount received by the Exchequer under the programme was €67.5 billion (after adjustment for below par issuance, deduction of a prepaid margin, and the effect of foreign exchange transactions).

2.23 The external support under the programme originally comprised of

- €22.5 billion from the IMF Extended Fund Facility
- €22.5 billion from the EFSM
- €17.7 billion from the European Financial Stability Facility (EFSF). (This is net of a prepaid margin of €530 million[2]) and
- €4.8 billion in bilateral loans from the United Kingdom (€3.8 billion), Sweden (€0.6 billion) and Denmark (€0.4 billion).

2.24 Between December 2014 and March 2015, Ireland made early repayments totalling just over €18 billion or 81% of the original €22.5 billion IMF loan facility granted under the EU/IMF Programme.[3] The repayment was of the more expensive portion of the IMF facility. The NTMA has estimated that the early repayments will generate interest savings in excess €1.5 billion over the original life time of the loans.

2.25 The terms of the EU-IMF funding have been amended several times since the first drawdowns were made to reduce interest margins on bilateral, EFSF and EFSM loans and extend maturities for loans granted by the EFSF and EFSM.

2.26 The outstanding EU-IMF programme loan balance reduced to €49.7 billion at end-June 2015. The first of the programme loans to mature is a bilateral loan from the United Kingdom in 2019.

Maturity Profile of Debt

2.27 Medium and long-term debt has various maturity dates. At end-June 2015, the residual maturity of fixed rate government bonds in issue ranged from under one year to 30 years. The maturity of floating rate bonds ranged from 23 to 38 years, and the final maturity of amortising bonds ranged from 12 to 32 years. The longest maturity for borrowing under the EU-IMF programme is currently just over 27 years.

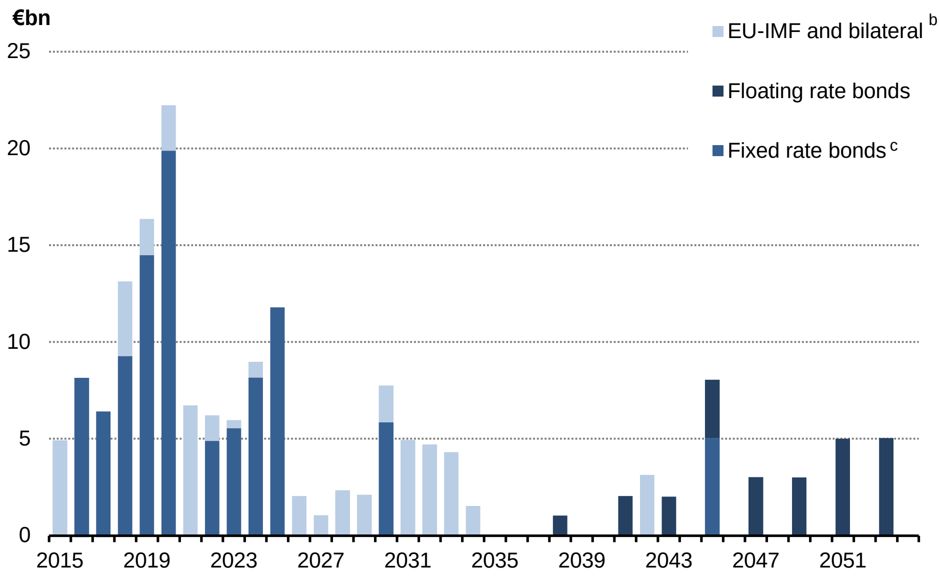
2.28 Figure 2.4. shows the maturity profile of government bonds and EU-IMF programme debt (totalling €174 billion) at end-June 2015.

1 SI No. 93 of 1943 Central Bank of Ireland (Surplus Income) Regulations provides that the Central Bank may retain up to a maximum of 20% of profit each year).

2 The first drawdown from the EFSF in February 2011 amounted to €4.2 billion. At that time, Ireland was required to prepay the present value of the interest margin charges that would accrue over the life of the loan (€530 million), along with additional fees and charges of €72 million. The net amount disbursed was €3.6 billion. It is expected that €485 million of the €530 million prepaid margin (along with the related EFSF investment return) will be rebated to Ireland in 2016. The remaining €45 million is due to member state guarantors.

3 These repayments discharge IMF principal repayment obligations that were originally to fall due from July 2015 to January 2021.

Figure 2.4 Maturity profile of government bonds and EU-IMF programme funding held at end-June 2015[a]



Source: Annex A, Figure A4 and Figure A5

Notes:
a The EU-IMF programme balances are shown net of currency hedging transactions where relevant.

b EFSF loans reflect maturity extensions agreed in June 2013. EFSM loans are also subject to a seven year extension. It is not expected that Ireland will have to refinance any of its EFSM loans before 2027. However, the revised maturity dates of individual EFSM loans will only be determined as they approach their original maturity dates. The original EFSM maturities are reflected here.

c Includes amortising bonds.

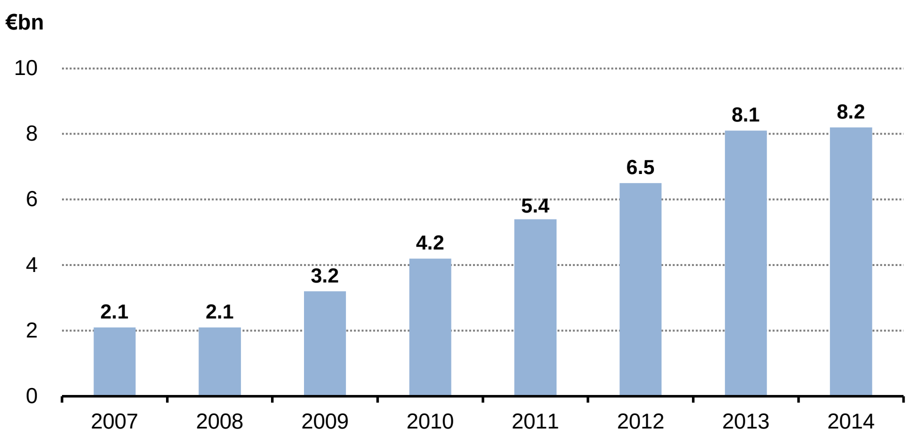
Debt Service Costs

Annual Cost

2.29 The debt service cost disclosed in the NTMA's accounts for 2014 was just over €8.2 billion when measured on a cash basis, up marginally (2%) year on year (see Figure 2.5). When account is taken of a transfer of €633 million from current funds to a statutory sinking fund, the servicing outlay was just under €7.6 billion.[1] This is net of €124 million interest received and includes fees and expenses of €108 million.

1 The sinking fund is used to make principal repayments. Each year, annuities are provided for in the Finance Act and are paid into the Capital Services Redemption Account from the Central Fund. A specified amount of this is used for servicing the national debt (interest payments) and the balance for principal repayments (referred to as the sinking fund). The requirement to make an annual sinking fund payment was removed in Finance Act 2014.

Figure 2.5 Debt service costs, 2007 to 2014 (cash basis)



Source: National Treasury Management Agency

2.30 When the debt service cost is measured on an accruals basis, the servicing cost for 2014 was €7.7 billion.[1] The equivalent cost for 2013 was €7.4 billion – a 3% increase year on year.

Average Cost of Borrowing

2.31 At end-2014, the overall weighted average cost of servicing the gross national debt was estimated at 3.8% (end-2013: 3.9%). The NTMA estimates the overall weighted average cost of servicing the gross national debt at 3.5% at end-June 2015. At end-June 2015, around 92% of gross national debt was at fixed rates, including debt where hedging had been undertaken.[2] The balance of the debt was at floating interest rates.

Figure 2.6 Average cost of borrowing, end-December 2014

Product	% Gross national debt December 2014[a]	Average interest rate %
Fixed rate bonds and amortising bonds	46.6	4.64[b]
EU-IMF programme	29.8	3.22[c]
Floating rate bonds	12.4	2.80[d]
State savings schemes	8.3	2.72[e]

Source: National Treasury Management Agency

Notes:
- a The remaining 2.9% of gross national debt is made up of short-term debt (2.4%) and other medium/long term debt (0.5%). Figures above are rounded.
- b This is the nominal interest rate which differs from the yield.
- c The rate is the estimated all-in fixed euro equivalent cost reflecting hedging costs.
- d This equates to an interest rate of six-month Euribor plus an average margin of 263 basis points. The rate reflects the relevant rate reset. The NTMA has entered into interest rate swaps to hedge an element of the exposure to interest rate movements. However, the rates quoted do not take account of this hedging.
- e This rate reflects accrued interest and expenses in 2014 as a percentage of average State savings schemes balances. The maximum interest rates (AER) payable on the fixed term fixed rate products available for purchase at end–2014 ranged from 0.83% – 2.26% (down from 1.32% – 2.66% at end–2013)

1 The accruals basis recognises the debt service costs incurred in the year, rather than those paid, and excludes sinking fund movements.

2 Fixed rate debt also includes EFSF loans disbursed as part of the EFSF's pooled funding mechanism. The cost of these EFSF pooled loans is related to the EFSF's cost of funds in managing the pool and can change from time to time.

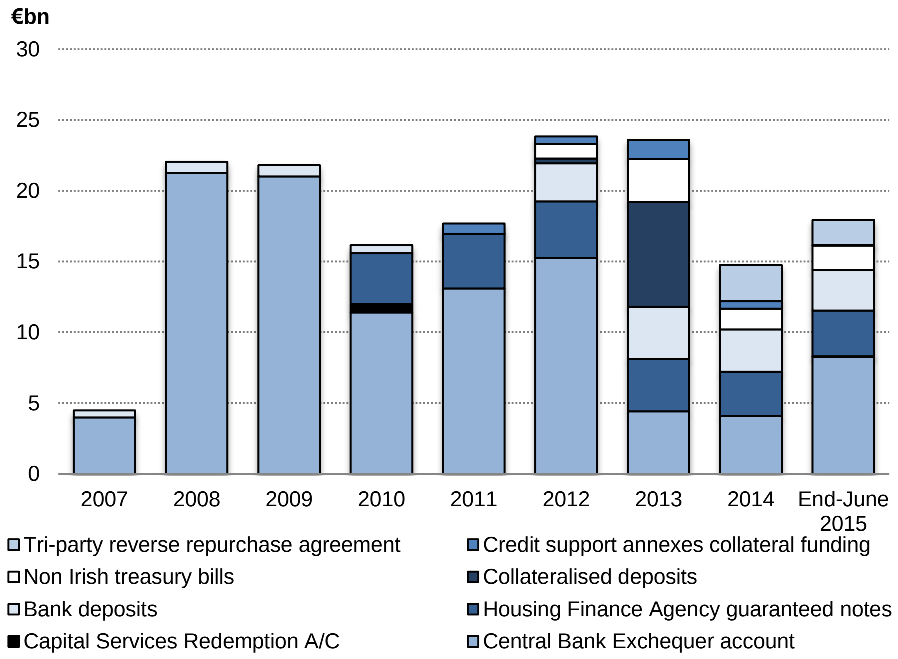
Composition of Cash and Other Financial Assets

2.32 The NTMA defines the 'net national debt' as gross national debt incurred by the Exchequer, less cash balances and other financial assets held.

2.33 The NTMA has held significant balances of cash and other financial assets over the past number of years. At end-2014, a total of €14.8 billion was held. This had increased by 21% to €17.9 billion at end-June 2015.

2.34 The composition of the Exchequer's cash balances and financial assets has changed significantly in recent years. Prior to the financial crisis, almost all were held in the form of deposits at the Central Bank. At end-2014, only 28% of cash and financial assets was held in the Central Bank (see Figure 2.7).

Figure 2.7 Cash and other financial assets, 2007 to June 2015



Source: Annex A Figure A7

2.35 Around 75% (€11.1 billion) in cash and other financial assets held at end-2014 was available to the State immediately or at short notice. Housing Finance Agency (HFA) guaranteed notes of €3.1 billion were not readily realisable. A further €0.5 billion used to fund collateral deposited with derivative counterparties under credit support agreements, while not readily realisable, is given a cash value that reflects changes in the market value of related derivatives or as the derivatives mature.[1]

2.36 In July 2015, the Minister for Finance paid 27 local authorities €427 million from the Exchequer under Section 10 (3) of the Water Services Act 2014, in order for them to repay the HFA any water related loans (and associated interest) held by local authorities. This will reduce the holding of HFA guaranteed notes but increase the cash holding as the HFA repays the notes.

1 This is the net of collateral posted of €1.5 billion and collateral received from NAMA (€690 million), IBRC (€25 million) and other counterparties (€289 million).

2.37 Since 2012, the NTMA has invested available cash balances in short-term bank deposits (including collateralised deposits,[1] tri-party reverse repurchase agreements and in non-Irish Treasury Bills). These investments earn a higher rate of return than cash held at the Central Bank but may also carry a higher risk.

2.38 In June 2014, following a decision of the European Central Bank, all Government deposits held in the Central Bank are remunerated at zero per cent or at the deposit facility rate, whichever is lower.[2] The deposit rate was minus 0.1% from 10 June 2014 and minus 0.2% from 9 September 2014.

2.39 At end-June 2015, €1.8 billion or 12% of available cash balances and other short-term investment balances were in tri-party reverse repurchase agreements with financial institutions.[3] The administration of the transactions including settlement, collateral allocation and other functions are carried out by a third party agent (Euroclear). Collateralised deposits are now entirely completed under tri-party agreements. At end-June 2015, the overall weighted average maturity remaining on these agreements was 12 days.

Post Office Savings Bank Fund

2.40 The Post Office Savings Bank (POSB) Fund (the Fund) had an accumulated surplus at 31 December 2014 of €190 million. Under guidelines issued to the NTMA by the Minister for Finance, the Fund accumulated surplus must be kept above €5 million.

2.41 The Fund accumulated surplus does not form part of the financial assets of the Exchequer. However, section 19 of the Finance Act 1930 provides the ability to appropriate to the Exchequer an accumulated surplus of the Fund, having made appropriate provision for the depreciation in the value of the Fund's assets available to meet the liabilities to the depositors.

2.42 The NTMA has stated that during 2015, there has been a reversal in the performance of Irish government bonds with yields rising. As a result of this, the Fund has incurred a negative return for the year to date, resulting in a reduction of the accumulated reserves to €172 million at the end of June. It stated that an appropriation of any surplus through a distribution of reserves would, all other things being equal, lower the Exchequer borrowing requirement and reduce the national debt. However, there would be no impact on the General Government Balance or GGDebt, as the POSB is classified within the 'General Government' sector.

2.43 It stated that given the potential for increased volatility in the current low interest rate environment, the fact that the appropriation of a surplus would have a negligible impact on the national debt, and noting the reduction in the surplus since end-2014, it would not currently recommend transferring the surplus to the Exchequer, instead retaining it in the Fund for future interest payments to POSB depositors and as a provision against depreciation in the value of the securities standing to the credit of the Fund.

2.44 In the period 2000 to 2011, the Fund accumulated surplus has ranged in value between €7.5 million and €13.2 million. Since 2012, there has been a significant increase in the surplus, rising to €66.6 million in 2012 with further increases in 2013 and 2014 to €96.2 million and €190.4 million respectively.

1 In order to mange counterparty credit risk, the NTMA receives collateral such as Government bonds for cash placed on deposit.

2 This applies to government deposits exceeding the higher of either €200 million or 0.04% of gross domestic product.

3 A reverse repurchase agreement is where one party buys an asset from another party and commits to sell the asset back to the second party at a future date.

Conclusions

2.45 The ratio of GGDebt to GDP declined to 108% at end-2014, from its peak level of 120% at end-2013, due largely to a combination of strong GDP growth and a reduction in the liabilities of IBRC.

2.46 The main component of GG Debt is cumulative borrowing undertaken by the NTMA on behalf of the State, referred to as gross national debt. This decreased by a net €500 million during 2014. In the first six months of 2015, the gross national debt rose marginally to €201 billion. Additional short-term debt and Government bonds account for the majority of the increase.

2.47 The NTMA estimates that the weighted average cost of servicing the gross national debt was 3.5% at end-June 2015, down from 3.8% at end-2014. Around 92% of the gross national debt at end-June 2015 was at fixed rates, including debt where hedging had been undertaken. The remainder of the debt was at floating interest rates.

2.48 A significant factor in the reduction in the average cost of borrowing was the early repayment of the most expensive portion of the EU-IMF lending. The first tranche of early repayment concluded in the first quarter of 2015, and in total, just over €18 billion (81% of the original IMF loan facility) was repaid early. Ultimately, bond funding in excess of the NTMA's original target was sourced in 2014 given the decision to repay early the most expensive portion of the IMF loan facility.

2.49 There is no specific monetary limit set by the Minister for Finance for the level of cash and financial assets maintained by the NTMA. The NTMA has stated that its current policy in accordance with prudent liquidity risk management, is to maintain cash and other liquid assets equivalent to at least twelve months' advance Exchequer funding requirements.

2.50 At end-2014, over half of the assets were held in higher yielding (but also higher risk) instruments. Nevertheless, the return on cash and related assets is lower than the average cost of borrowing. As a result, there is a cost associated with maintaining high levels of cash balances.

Annex A

Figure A1 Composition of General Government Debt at year-end, 2007 to 2014[a]

	2007	2008	2009	2010	2011	2012	2013	2014
	€m	€m	€m	€m	€m	€m	€m	€m
Central Government – Exchequer								
Gross national debt	42,047	72,457	96,968	109,609	136,774	161,482	197,547	197,069
Less liabilities to other central government bodies, local authorities and VECs	(2,943)	(3,275)	(2,409)	(2,472)	(2,635)	(2,330)	(2,346)	(2,621)
Adjustment for nominal value of debt [b]	23	489	55	72	4	6	4	2
European Financial Stability Fund prepaid margin	–	–	–	–	530	530	530	530
Liability for coinage in circulation	653	697	674	673	694	670	675	693
Accrual adjustment [c]	780	653	346	368	464	548	604	596
Other adjustments [d]	4	3	12	(10)	153	1440	996	1,042
National loans advance interest	–	–	127	64	12	12	5	49
Promissory notes	–	–	–	30,850	28,333	25,261	215	201
Exchequer contribution	**40,564**	**71,024**	**95,773**	**139,154**	**164,329**	**187,619**	**198,230**	**197,561**
Other Central Government								
IBRC consolidated debt	–	–	–	–	20,927	17,797	12,660	1,237
Post Office Savings Bank Fund deposits	1,303	1,770	1,892	2,328	2,506	2,774	2,646	2,672
Other State bodies [e]	584	876	789	544	536	456	375	654
Westlink buy-out	–	560	510	460	410	360	310	260
Other central government contribution	**1,887**	**3,206**	**3,191**	**3,332**	**24,378**	**21,387**	**15,991**	**4,823**
Housing Finance Agency								
Gross debt	4,338	4,992	4,941	4,512	4,414	4,501	4,423	4,209
Less liabilities to central government bodies and local authorities	(523)	(487)	(212)	(3,833)	(4,030)	(4,107)	(3,996)	(3,796)
Housing Finance Agency contribution	**3,815**	**4,505**	**4,729**	**679**	**384**	**394**	**427**	**413**
Local Government								
Gross debt	4,744	5,403	5,641	5,598	5,469	5,358	4,956	4,776
Less liabilities to Housing Finance Agency and other central government bodies	(3,862)	(4534)	(4,667)	(4,537)	(4,438)	(4,521)	(4,276)	(4,254)
Local government contribution	**882**	**869**	**974**	**1,062**	**1,032**	**837**	**679**	**522**
Total[f]	**47,148**	**79,604**	**104,667**	**144,227**	**190,123**	**210,238**	**215,327**	**203,319**

Source: Central Statistics Office

Notes:

a Information for the years 2009 to 2014 sourced from the CSO April 2015 publication 'Government Finance Statistics Annual results'. Information for 2007 and 2008 supplied by CSO as part of its Quarterly Government Debt return to Eurostat.

b GGDebt reported to the EU is stated at nominal values. Certain debt, such as commercial paper, is issued at a discount to its nominal value, but the nominal value is reported for GGDebt purposes.

c Small Savings Reserve Fund and national loans advance interest.

d Repurchase agreements, collateral and OPW contracts.

e Includes voluntary hospitals, HSE, National Oil Reserve Agency.

f This excludes other exchequer liabilities including commitments in respect of public private partnership contracts in place at year-end and accrued pension entitlements.

Figure A2 GGDebt as a proportion of GDP, 2007 to 2014[a]

Ratio	2007	2008	2009	2010	2011	2012	2013	2014
	€m	€m	€m	€m	€m	€m	€m	€m
GGDebt	47,148	79,604	104,667	144,227	190,123	210,238	215,327	203,319
GDP	197,054	187,547	169,432	166,157	173,940	174,845	179,448	189,046
GGDebt: GDP	24%	42%	62%	87%	109%	120%	120%	108%

Source: Central Statistics Office

Note: a Information for the years 2009 to 2014 sourced from the CSO April 2015 publication 'Government Finance Statistics Annual results'. Information for 2007 and 2008 supplied by CSO as part of its Quarterly Government Debt return to Eurostat.

Figure A3 Cumulative borrowing at redeemable par values, at year-end 2007 to 2014 and end-June 2015[a]

	2007	2008	2009	2010	2011	2012	2013	2014	June 2015
	€m	€m	€m	€m	€m	€m	€m	€m	€m
Medium/long-term debt [b]									
Government bonds	30,947	41,863	70,858	90,102	85,310	87,853	111,007	116,339	124,382
EU-IMF programme funding [c]	–	–	–	–	34,629	55,898	66,942	58,793	49,665
Other medium/long-term	615	483	670	673	673	772	772	927	1,068
Short-term debt [d]									
Short-term debt	3,286	21,783	16,261	6,972	2,920	2,690	2,645	4,102	7,534
Other debt									
Borrowings from other State funds [e]	2,258	2,605	1,783	1,524	1,696	786	676	523	1,571
Government savings schemes [f]	4,941	5,723	7,396	10,338	11,546	13,483	15,506	16,384	16,546
Gross national debt	**42,047**	**72,457**	**96,968**	**109,609**	**136,774**	**161,482**	**197,548**	**197,068**	**200,766**

Source: National Treasury Management Agency

Notes:
a End-June 2015 figures have not been audited.
b Original maturities of more than one year.
c The balances are stated net of currency hedging transactions.
d Original maturities of one year or less.
e The main element of this borrowing relates to the Post Office Savings Bank Fund.
f Maturities up to ten years.

Figure A4 EU-IMF programme of financial support for Ireland, December 2014 and end-June 2015[a]

Lender	December 2014 €m	December 2014 Average term (years)[b]	End-June 2015 €m	End-June 2015 Average term (years)[b]
IMF	13,550	8.3	4,342	9.3
EFSF [c]	17,881	20.7	17,881	20.7
EFSM	22,500	12.2	22,500	12.2
Bilateral loans [d]	4,862	7.5	4,942	7.5
Total	**58,793**		**49,665**	

Source: National Treasury Management Agency

Notes:
- a The liability outstanding at end–June 2015 differs from the drawdown amount due to repayments, the effects of hedging instruments to hedge currency risk, exchange rate movements and adjustment for below par issuance. The balances are stated net of currency hedging transactions.
- b Weighted average term from date of drawdown.
- c The EFSF figures are shown net of a prepaid margin of €530 million. It is expected that €485 million of the prepaid margin will be rebated to Ireland in 2016. (The total aggregate liability including the prepaid margin at end-June 2015 was €50.2 billion.)
- d The bilateral loans are with the United Kingdom, Denmark and Sweden.

Figure A5 Maturity profile of government bonds, at year-end 2009 to 2014 and end-June 2015[a]

	Under 5 years €m	5 to 10 years €m	Over 10 years €m	Total €m
2009	25,687	29,296	15,875	**70,858**
2010	28,298	53,520	8,284	**90,102**
2011	33,670	43,356	8,284	**85,310**
2012	30,548	44,733	12,572	**87,853**
2013	32,490	40,656	37,861	**111,007**
2014	40,659	34,653	41,027	**116,339**
End-June 2015[b]	38,366	38,542	47,474	**124,382**

Source: National Treasury Management Agency

Notes:
- a End-June 2015 figures have not been audited.
- b Maturity refers to the position at the end of the calendar year.

Figure A6 Maturity profile of short-term paper, at year-end 2009 to 2014 and end-June 2015[a]

	Less than one month	One to three months	Three to six months	Over six months	Total
	€m	€m	€m	€m	€m
2009	4,561	8,628	2,913	159	**16,261**
2010	2,186	3,286	1,392	108	**6,972**
2011	2,796	106	18	–	**2,920**
2012	1,147	1,417	93	33	**2,690**
2013	445	747	1,428	25	**2,645**
2014	1,114	1,554	1,074	360	**4,102**
End-June 2015	1,615	2,602	2,866	451	**7,534**

Source: National Treasury Management Agency

Note: a End-June 2015 figures have not been audited.

Figure A7 Cash and other financial assets, at year-end 2007 to 2014 and end-June 2015[a]

	2007	2008	2009	2010	2011	2012	2013	2014	End-June 2015
	€m	€m	€m	€m	€m	€m	€m	€m	€m
Exchequer account	3,997	21,269	21,026	11,399	13,099	15,280	4,432	4,089	8,296
Capital services redemption account	–	–	–	600	–	–	–	–	18
Housing Finance Agency guaranteed notes	–	–	–	3,585	3,848	3,982	3,704	3,145	3,232
Bank deposits	490	790	790	580	30	2,680	3,679	2,984	2,860
Collateralised deposits	–	–	–	–	–	340	7,389	–	–
Non Irish treasury bills	–	–	–	–	–	1,045	3,041	1,474	1,734
Credit support agreements collateral funding	–	–	–	–	715	523	1,356	511	45
Tri-party reverse repurchase agreements	–	–	–	–	–	–	–	2,556	1,757
Total cash and financial assets	**4487**	**22,059**	**21,816**	**16,164**	**17,692**	**23,850**	**23,601**	**14,759**	**17,942**

Source: National Treasury Management Agency

Note: a End-June 2015 figures have not been audited.