

IRELAND

National Treasury Management Agency

Treasury Building
Grand Canal Street
Dublin 2
Ireland

Telephone: + (353) 1 664 0800

Fax: + (353) 1 664 0890

Email: info@ntma.ie

Web: <http://www.ntma.ie>

Organisation

The National Treasury Management Agency (NTMA) is a separate agency with managerial autonomy. The National Treasury Management Agency Act 1990 provided for the establishment of the NTMA "to borrow moneys for the exchequer and to manage the national debt on behalf of and subject to the control and general superintendence of the minister for finance and to perform certain related functions and to provide for connected matters". Obligations or liabilities undertaken by the NTMA in the performance of its functions have the same force and effect as if undertaken by the minister.

The NTMA is assisted and advised by the NTMA Advisory Committee in relation to such matters as are referred to it for that purpose by the NTMA. The chief executive is directly responsible to the minister for finance and is the accounting officer for the purposes of the Public Accounts Committee of the Dáil (the lower House of Parliament).

The NTMA was established in 1990. Previously, debt management activities were carried out by the Department of Finance and the Central Bank of Ireland.

Responsibilities

The NTMA carries out euro and foreign issuance in accordance with guidelines laid down by the minister for finance. The NTMA has autonomy in formulating policy and executing its strategy within these guidelines. Foreign currency issuance is, in practice, hedged into euros.

The NTMA also carries out cash management. It includes the maintenance of an agreed balance in the Exchequer Account at

the Central Bank and Financial Services Authority of Ireland as part of the management of liquidity in the euro area by the European Central Bank.

Contingent liabilities are managed by the Department of Finance. The Central Bank and Financial Services Authority of Ireland maintains the register of holders of Irish Government bonds, the majority of which are in the name of Euroclear Bank which carries out the clearing and settlement function for Irish Government bonds. The NTMA maintains the register for short-term paper products other than commercial paper for which the register is held by JP Morgan Chase, London.

The NTMA is responsible for the issuance and maintenance of retail debt products. It offers a Central Treasury Service (CTS) to certain public sector bodies, and also operates a €2bn Euro Commercial Paper Programme on behalf of the Housing Finance Agency. The NTMA manages the National Pensions Reserve Fund, performs the functions of the National Development Finance Agency (NDFA), and is designated as the State Claims Agency (SCA).

Chief executive

Dr Michael J Somers (Chief Executive, appointed December 1990)

Dr Somers held the post of secretary, national debt management, in the Department of Finance from April, 1987. Most of his previous experience had been in the Department of Finance and he also spent a period in the central bank. He was chairman of the EC group that established the European Bank for Reconstruction and Development (EBRD), for which the President of France awarded him the honour of Chevalier in the Légion d'Honneur.

The chief executive is appointed by the minister for finance for a term determined by the minister.

Senior staff

Oliver Whelan (Director, Funding and Debt Management)

John C Corrigan (Director, National Pensions Reserve Fund)

Anne Counihan (Chief Executive NDFA; Director, Legal and Corporate Affairs)

Adrian J Kearns (Director, State Claims Agency)

Brendan Mc Donagh (Director, Finance, Technology and Risk)

Staff numbers

85

Debt stock

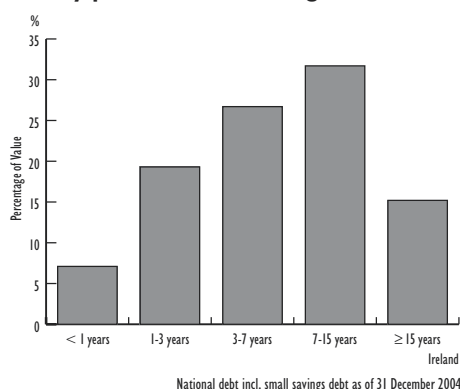
Domestic currency bonds: €31.3bn

Net short term debt: €359m

Outstanding marketable securities as of 31 December 2004

As of 31 December 2004, total national debt was €37.8bn. Average duration of debt was 5.63 years. General government debt (including local government debt and extra-budgetary funds, but excluding offsetting exchequer cash balances) was €43.7bn, equivalent to 29.9% of GDP. At the end of 2003, government issues comprised 4.5% of bonds listed on the Irish Stock Exchange and 99.9% of the total turnover of bonds on the exchange. At the end of 2003, 87% of total public debt was managed by the NTMA.

Maturity profile of outstanding debt



Debt issuance

Gross: €78.1bn (includes short-term rollovers)

Net: €236m

In year 2003

In 2004, five bond auctions raised €3.4bn. Some €0.9bn of this was used to refinance maturing long term debt and to buy back other debt, while the balance was used to refinance €2.5bn of short term debt. €6.6bn in new securities was issued. The NTMA held its first ever reverse auction in January 2004, with a view to encouraging investment in a new long term bond.

Market structure

Index-linked securities are not used. There are 9 primary dealers, and a total of 14 market makers for benchmark Irish Government bonds on EuroMTS. New bonds are normally issued either through a competitive auction among the primary dealers or through an exchange programme in which a certain amount of an old off the run bond is repurchased, sometimes by way of a reverse auction, in exchange for the issue of a new benchmark bond. Bonds are tapped through regular monthly auctions among the Primary Dealers. The NTMA also has in place a US\$ 5 billion Euro Medium Term Note Programme and a US\$ 500 million US Medium Term Note Programme.

The NTMA operates short term debt and cash management programmes. The short term debt programmes comprise:

- \$8bn Euro Commercial Paper programme (ECP);
- €2bn ECP programme for the Housing Finance Agency;
- Exchequer Notes programme; and
- Agricultural Commodity Intervention Bills (ACIBs).

Technology

The core IT system used for debt management is Oracle 9i RDBMS with 9i App server applications developed using Oracle Forms, Reports and PLSQL. The core debt management system is an integrated in-house developed Oracle application, employed on the platform outline above.

Current activities

The NTMA publishes an *Annual Report*.