Funding and Debt Management

The NTMA is responsible for borrowing on behalf of the Government and managing the National Debt in order to ensure liquidity for the Exchequer and to minimise the interest burden over the medium term.

Irish Bond Market Review

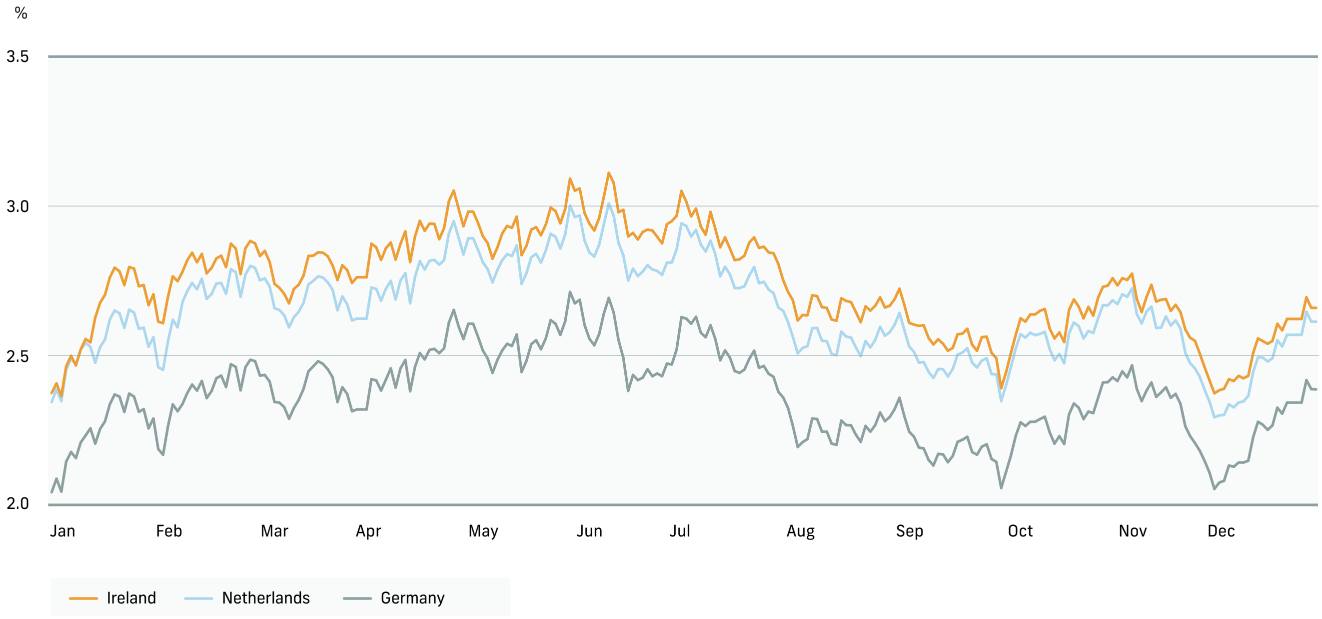
Monetary policy and geopolitical conflicts continued to be major themes in global bond markets in 2024. Having reached the peak of the current interest rate cycle in 2023, the European Central Bank (ECB) returned to lower rates over the course of 2024, cutting its deposit facility rate – through which it steers the monetary policy stance – by 100 basis points (bps) during the year. At end-2024, the deposit facility rate stood at 3% while the main refinancing rate was 3.15%.

Irish sovereign bond yields, like other European sovereigns, generally trended higher in the first half of the year. There was volatility, particularly approaching ECB Governing Council meeting dates, as well as around the release of key economic data. The European Parliament and French elections in early summer caused uncertainty for European bond markets.

A new Irish 10-year bond was issued in early January 2024 at a yield of 2.65%. The yield reached a peak of over 3% in June. In the second half of the year, yields trended lower as markets focused on stabilising inflation and expected further ECB rate cuts. The Irish 10-year yield declined to c. 2.35% in early December, before ultimately closing the year at just over 2.6%.

Ireland's limited borrowing requirements and favourable economic and fiscal backdrop were reflected in the improved credit risk profile of Irish bonds which saw Irish yields trade closer to those of core European sovereign issuers such as Germany and the Netherlands. Ireland's 10-year bond yield traded at an average of approximately 35bps above the German and c. 10bps above the Netherlands equivalents throughout 2024.

10-year European Sovereign Bond Yields in 2024



Funding Activity

Long-Term Funding

In November 2023, the NTMA published its Annual Funding Plan for 2024, stating it planned to issue €6bn to €10bn of bonds during the year. Given the ongoing strength of the public finances, the NTMA funded to the lower bound of this range, ultimately issuing a total of €6bn in 2024, through one bond syndication and three dual-bond auctions. A further €24m was issued in the non-competitive part of the bond auctions. This benchmark bond funding was completed at a weighted average yield of 2.70% and a weighted average maturity of 11.6 years.

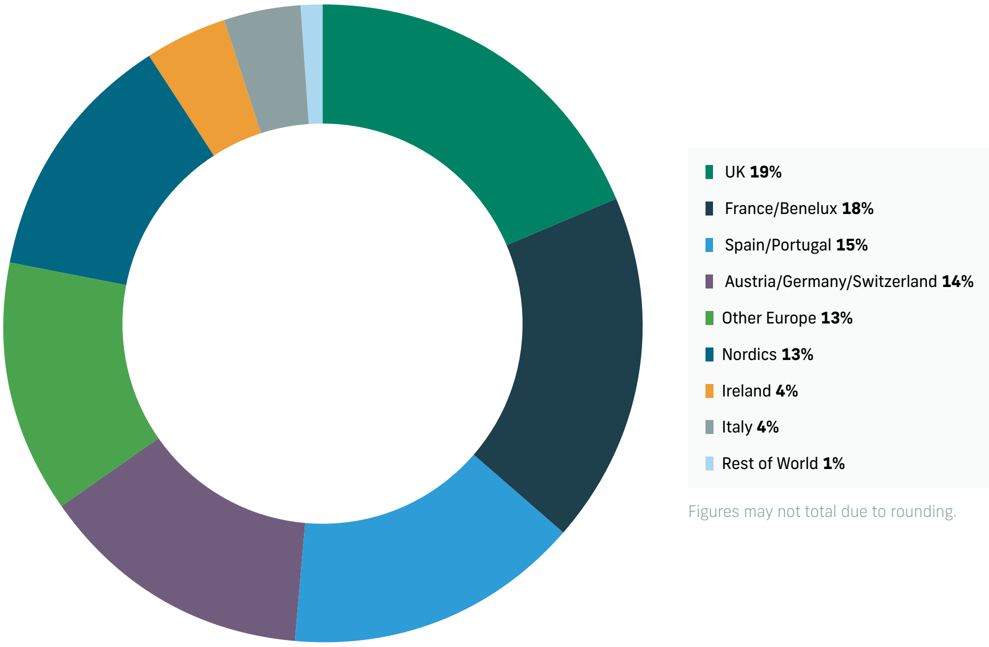
The NTMA also drew down a €0.2bn European Investment Bank (EIB) loan in July. This brought total long-term nominal funding in 2024 to €6.3bn.

€bn	Nominal	Cash Proceeds
Syndications/auctions	6.0	5.8
Non-competitive auctions	0.02	0.02
1. Total Benchmark Bond Issuance	**6.0**	**5.9**
- Weighted average yield	2.70%	
- Weighted average maturity	11.6yrs	
2. EIB Loan	**0.2**	**0.2**
Total Long-Term Funding	**6.3**	**6.1**

Figures may not total due to rounding.

In its January 2024 syndication, the NTMA issued a new 10-year benchmark bond, which matures in October 2034. Three billion euro was raised at a yield of 2.65%. There was strong demand for the transaction with a total order book in excess of €44bn which included more than 300 individual accounts. Ninety-six per cent of the issue was taken up by overseas investors with the largest distribution of almost 19% going to the UK.

Investor Geographical Distribution for 2024 Bond Syndication



Figures may not total due to rounding.

The NTMA also held three dual-bond auctions in 2024, in March, May, and September, issuing a total of €3bn nominal (including non-competitive auction issuance of €24m in the March auction). In total, four different bonds were sold in the three auctions, with maturities ranging from the 2031 green bond to the 2043 green bond.

NTMA Bond Auctions 2024

Bond Name		Auction Size (€m)	Non-Competitive Auction (€m)	Yield (%)	Cover Ratio
21 March					
2.6%	Treasury Bond 2034	500	7	2.749	2.30
3.0%	Treasury Bond 2043	500	17	2.949	1.52
9 May					
2.6%	Treasury Bond 2034	600	0	2.882	2.05
0.55%	Treasury Bond 2041	400	0	3.064	2.52
12 September					
1.35%	Treasury Bond 2031	300	0	2.264	4.43
2.6%	Treasury Bond 2034	700	0	2.504	2.88

Short-Term Funding

The NTMA's Annual Funding Plan for 2024 noted that it did not expect to issue any Treasury Bills in 2024 and as expected, there was no such issuance during the year. Similarly, there was no issuance under Ireland's Euro Commercial Paper (ECP) programme in 2024, given the Exchequer's strong funding position throughout the year. However, short-term debt was issued in the form of Exchequer Notes and Central Treasury Notes, with the majority of these notes being held by domestic public sector entities. The aggregate total outstanding in Exchequer Notes and Central Treasury Notes at end-2024 was €19.4bn, up from €17.4bn at end-2023.

Ireland State Savings

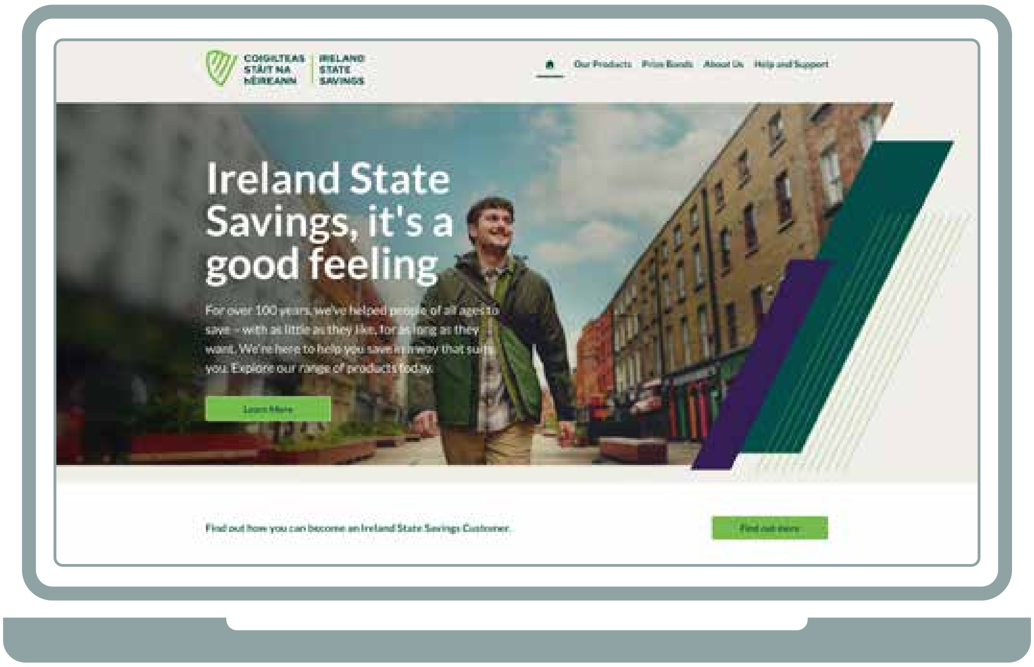
Ireland State Savings is the brand name used by the NTMA to describe the range of Irish Government savings products offered by the NTMA to personal savers.

During 2024, there was a net outflow of just over €0.4bn from Ireland State Savings products, including Post Office Savings Bank (POSB) deposit accounts. This compares to a net outflow of €0.1bn in 2023. At end-2024, the total amount outstanding in fixed term / fixed rate products and Prize Bonds was €19.6bn. When Deposit Accounts (POSB) are included, the year-end balance outstanding was €24.3bn.

Registrations for State Savings Online remained strong throughout the year with customers able to view holdings and transactions online, see prize winnings and download annual statements.

In October 2024, a new branding programme was put in place for Ireland State Savings, focusing on existing collateral including the website, brochures, correspondence, and post office displays. The new programme aims to raise awareness and enhance the identity of Ireland State Savings products for existing and prospective customers.

The focus for Ireland State Savings remains on further digital developments to enhance the service offering to customers and build a sustainable business for the future.



Ireland State Savings Products

	Total Outstanding at End-2024 €m	Net Inflow/ (Outflow) in 2024 €m
Savings Bonds	2,618	150
4 Year Solidarity Bonds*	1,095	(379)
10 Year Solidarity Bonds	5,170	161
Savings Certificates	5,661	1
Instalment Savings/Savings Stamps	544	(3)
Prize Bonds	4,463	(187)
POSB Deposit Accounts	4,714	(176)
Total	**24,265**	**(433)**

Figures may not total due to rounding.

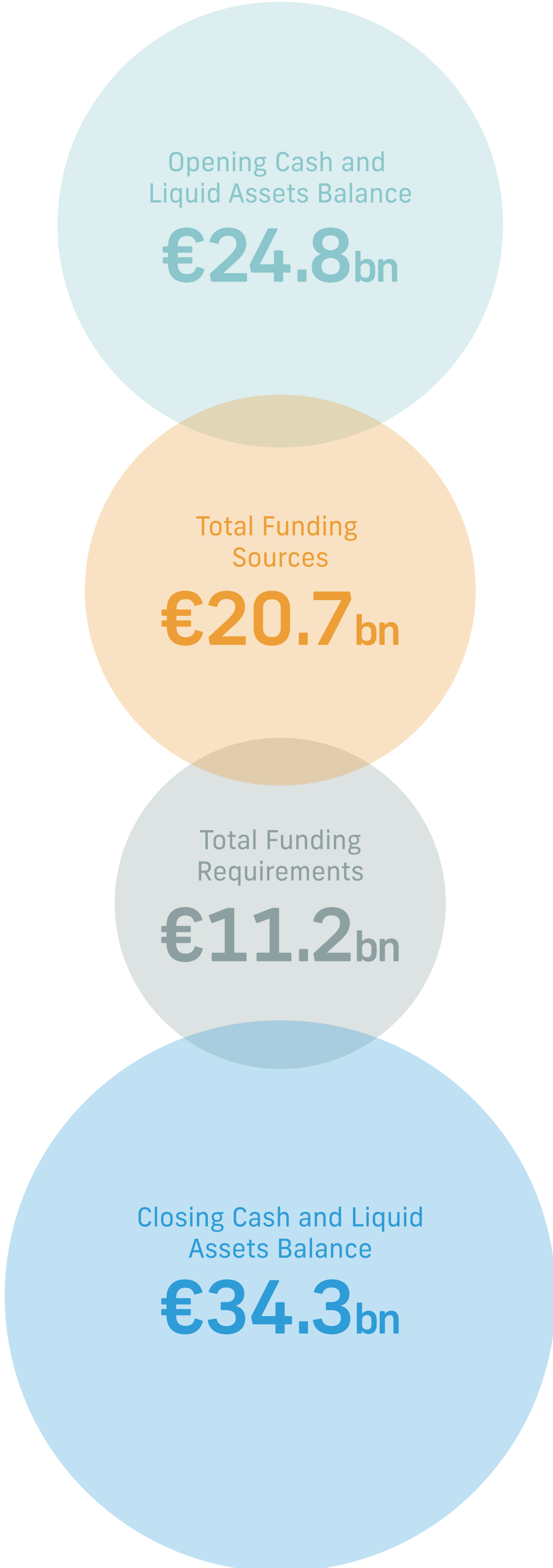
*This product was discontinued in 2023.

Exchequer Funding Sources and Requirements 2024

The Exchequer had cash and liquid asset balances of €34.3bn at end-2024, an increase of €9.5bn on end-2023. This increase was driven by the transfer of receipts of almost €11bn arising from the Court of Justice of the European Union (CJEU) ruling of 10 September 2024. These receipts are reflected in the Exchequer surplus.

The main funding sources in 2024 were:
- an Exchequer surplus of €12.8bn;
- bond issuance (cash) proceeds of €5.9bn; and
- net short-term paper inflows of €2.1bn (short-term paper is almost exclusively held by domestic public sector entities).

The most notable funding requirements in 2024 were:
- an €8bn 3.4% 2024 bond maturity; and
- a €0.8bn European Financial Stabilisation Mechanism (EFSM) loan maturity.



Figures may not total due to rounding.

Debt Profile and Debt Ratios

The NTMA's debt management responsibilities relate to the National Debt. That is, the debt outstanding for the time being of the Exchequer. The NTMA refers to this as Gross National Debt (GND). GND is the primary component of General Government Debt (GGD), as published by the Central Statistics Office (CSO). The focus of this section is on GGD as it is a measure of the total gross consolidated debt of the State and the standard measure used for comparative purposes across the EU. The NTMA and CSO also publish separate net measures of Ireland's public debt, which are discussed in more detail on page 17.

Composition of National Debt and General Government Debt at End-2024

		€bn
Government Bonds		
Fixed Rate Treasury	*140.5*	
Amortising	*0.2*	
Inflation-Linked	*1.2*	
Total		141.9
EU Programme Loans (EFSM & EFSF)		38.1
SURE Programme Loans		2.5
Other Medium and Long-term (MLT) Debt		5.4
Ireland State Savings Schemes*		19.6
Short-Term Paper		19.4
Borrowings from Ministerial Funds		5.8
Gross National Debt		**232.6**
Less Exchequer Cash and Liquid Assets		34.3
Less Other Financial Assets		5.3
Net National Debt		**193.0**
Gross National Debt		**232.6**
General Government Debt Adjustments[2]		-14.4
General Government Debt		**218.2**

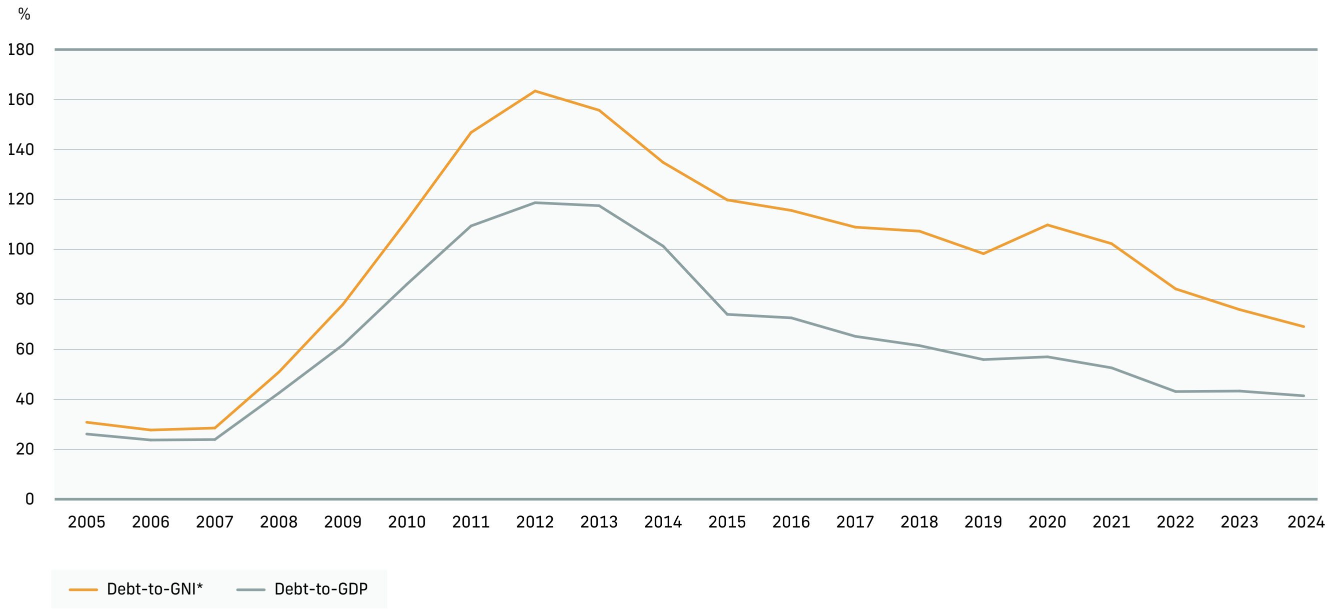
Figures may not total due to rounding.

Source: NTMA and Central Statistics Office (CSO)

*Ireland State Savings Schemes also include Post Office Savings Bank (POSB) deposits. While not an explicit component of the National Debt, these funds are mainly lent to the Exchequer as an alternative source of Exchequer funding and liquidity. Including POSB Deposits, total Ireland State Savings outstanding were €24.3bn at end-2024.

2 These adjustments mostly reflect the consolidation of short-term Exchequer debt held by domestic public sector entities.

General Government Debt Ratios 2005-2024



Source: NTMA, CSO and Department of Finance for forecast GNI* 2024

Ireland's absolute level of GGD fell by €2.5bn in 2024 to €218.2bn at year-end as limited bond issuance of €6bn was more than offset by a bond maturity of €8bn and an EFSM loan maturity of €0.8bn.

This marked the third consecutive year in which the absolute level of debt declined and at end-2024 GGD was almost €20bn below the post pandemic peak of end-2021.

At end-2024, Ireland's GGD/GNI*[3] ratio stood at a forecast 70%, down six percentage points on the end-2023 position and well below its peak of 163%. While the limitations of GDP in an Irish context are well known, it is worth noting that the GGD/GDP ratio stood at 41% at end-2024, a reduction of two percentage points on the end-2023 position and down significantly from its peak of 119%.

Other metrics for examining the burden of public debt in Ireland include both GGD and General Government interest (GGI) as a percentage of General Government Revenue (GGR), although it must be acknowledged that GGR in 2024 was inflated by the receipts arising from the CJEU ruling of 10 September 2024.

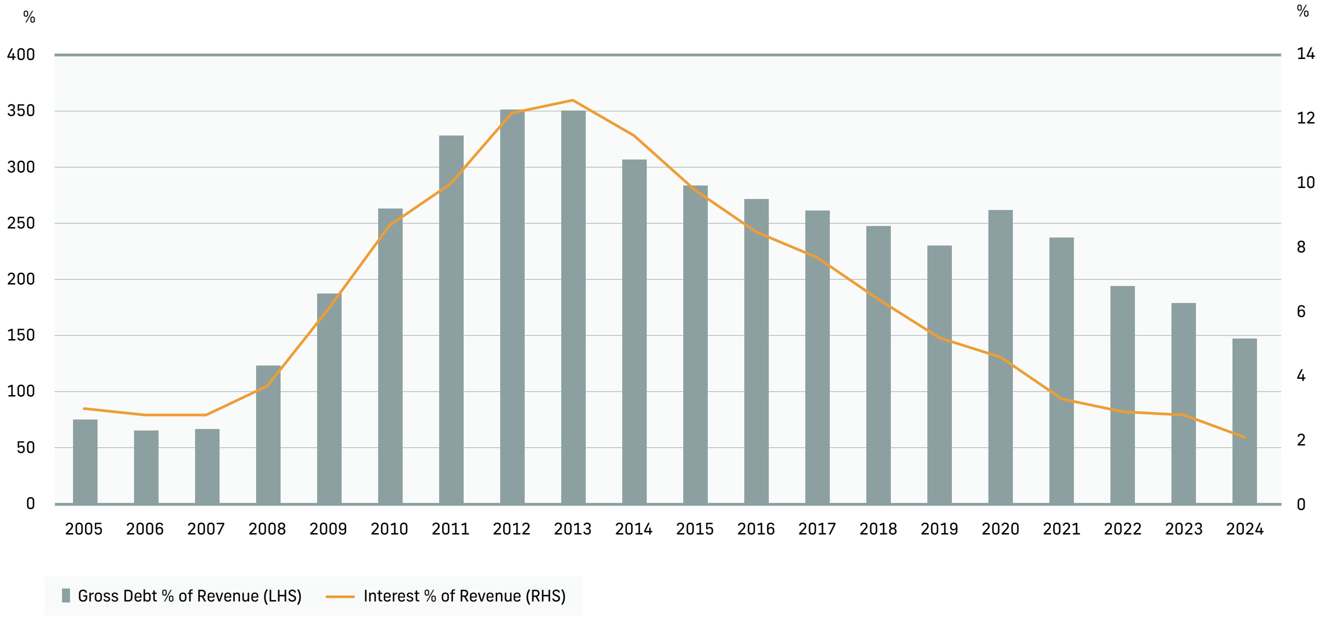
This was a significant factor in GGR growing to more than €148bn in 2024, an increase of 20% on 2023 levels. All four of the main tax heads - income tax, corporation tax, VAT and excise - grew strongly in 2024.

At end-2024, Ireland's GGD/GGR ratio stood at 147%, a reduction of 31 percentage points on the end-2023 position and significantly below its peak of 351%.

Ireland's GGI/GGR ratio also continued to decline last year, to 2.2%, down from 2.8% in 2023. This compares to a 2013 peak of almost 13%. The interest bill is discussed in more detail on page 19.

3 Modified Gross National Income, or GNI* is considered the best, though still an imperfect, guide to the size of Ireland's economy as it strips out the impact of certain multinationals' activities which inflate Gross Domestic Product (GDP).

Other General Government Debt Metrics 2005-2024



Source: NTMA and CSO

Net Measures of Debt

Net National Debt

As noted elsewhere in this section, the NTMA's debt management responsibilities relate to the National Debt. That is, the debt outstanding for the time being of the Exchequer. The NTMA refers to this measure as Gross National Debt (GND). Net National Debt (NND) is the debt of the Exchequer after taking account of Exchequer cash and other financial assets.

At end-2024, GND stood at €232.6bn. Deducting Exchequer cash and other financial asset balances of €39.6bn, NND stood at €193bn.

Exchequer cash and other financial assets

The Exchequer's end-2024 cash and other financial asset balances of €39.6bn can be split into two categories comprising:

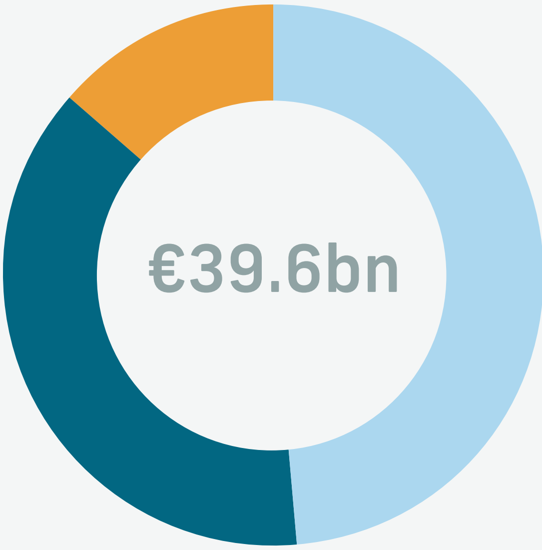
1. **Cash and liquid assets of €34.3bn:**
   - Cash balance of the Central Fund held at the Central Bank of Ireland (CBI): €19.3bn
   - Treasury Bill investments: €14.9bn, almost €11bn of which related to the receipts arising from the CJEU ruling of 10 September 2024.

2. **Non-liquid financial assets of €5.3bn,** all of which were Housing Finance Agency (HFA) Guaranteed Notes.

The HFA Guaranteed Notes may not be readily realisable dependent on market conditions and so are categorised in this analysis as being non-liquid.

Treasury Bills represent investments in Treasury Bills issued by other European sovereigns and supra-national agencies. During 2024, the Exchequer also advanced cash on a short-term bilateral basis to other European debt offices to support liquidity management. However, there were no such advances outstanding at end-2024.

Exchequer Cash and Other Financial Assets End-2024

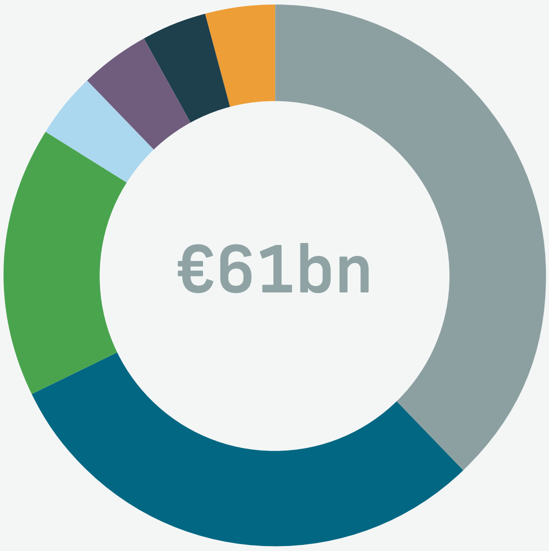


- Central Fund Cash Balance **€19.3bn**
- Treasury Bill Investments **€14.9bn**
- Housing Finance Agency Guaranteed Notes **€5.3bn**

Figures may not total due to rounding.

Source: NTMA

EDP Assets End-2024



- Central Fund Cash Balance **€19.3bn**
- Exchequer Treasury Bill Investments **€14.9bn**
- Future Ireland Fund **€8.5bn**
- Infrastructure, Climate and Nature Fund **€2.0bn**
- Ireland Strategic Investment Fund **€3.2bn**
- Local Government Loans and Deposits **€2.2bn**
- Other **€10.8bn**

Source: NTMA and CSO

General Government Debt and Net General Government Debt

General Government Debt is a gross measure of debt calculated in accordance with ESA 2010 reporting requirements which is reported under the Excessive Deficit Procedure (EDP) and published by the CSO as part of its Government Finance Statistics Publication. It is a broader measure of public debt than the GND concept that is used by the NTMA as it includes the debt of all bodies classified within the General Government sector. The CSO also produces and publishes a measure of Net GGD. The difference between the gross and net measures is simply specific assets of the entire General Government Sector, also known as EDP assets. These assets (which are subtracted from the equivalent liabilities) fall into three categories:

1. Currency and Deposits
2. Debt securities (both short-term and long-term)
3. Loans (both short-term and long-term)

It is important to note that EDP assets do not include, for example, equity investments such as those of the Ireland Strategic Investment Fund (ISIF) in the domestic banking sector, most notably in AIB.

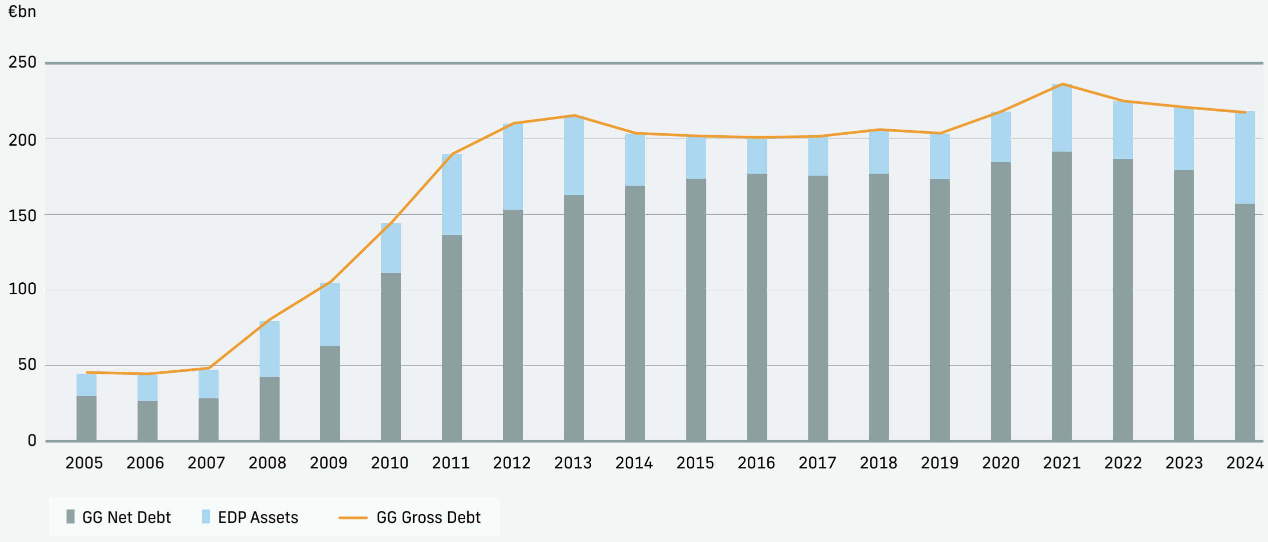
At end-2024, Ireland's EDP assets totalled €61bn, meaning that Net GGD stood at €157bn.

Both the Central Fund cash balance at the CBI, and the Exchequer investments in Treasury Bills, are classified as EDP assets, the former categorised as Currency and Deposits and the latter as (short-term) debt securities. At an aggregate €34.3bn, together these accounted for c. 56% of EDP assets.

At end-2024, both the Future Ireland Fund (FIF) and Infrastructure, Climate and Nature Fund (ICNF) were being managed by the NTMA under an interim investment strategy which reflected a low-risk appetite, permitting investments only in highly rated, liquid sovereign and quasi-sovereign bonds. At end-2024, these two funds had combined assets of approximately €10.5bn, accounting for c. 17% of EDP assets. These assets are classified as debt securities.

The remaining EDP assets totalled c. €16bn and include the cash and non-equity investments of ISIF as well as Local Government loans and deposits and the relevant assets of the Social Insurance Fund.

Gross and Net General Government Debt 2005-2024



Source: NTMA and CSO

Debt Interest Bill

The NTMA's primary debt management objectives are to ensure liquidity for the Exchequer and to minimise the interest burden over the medium term.

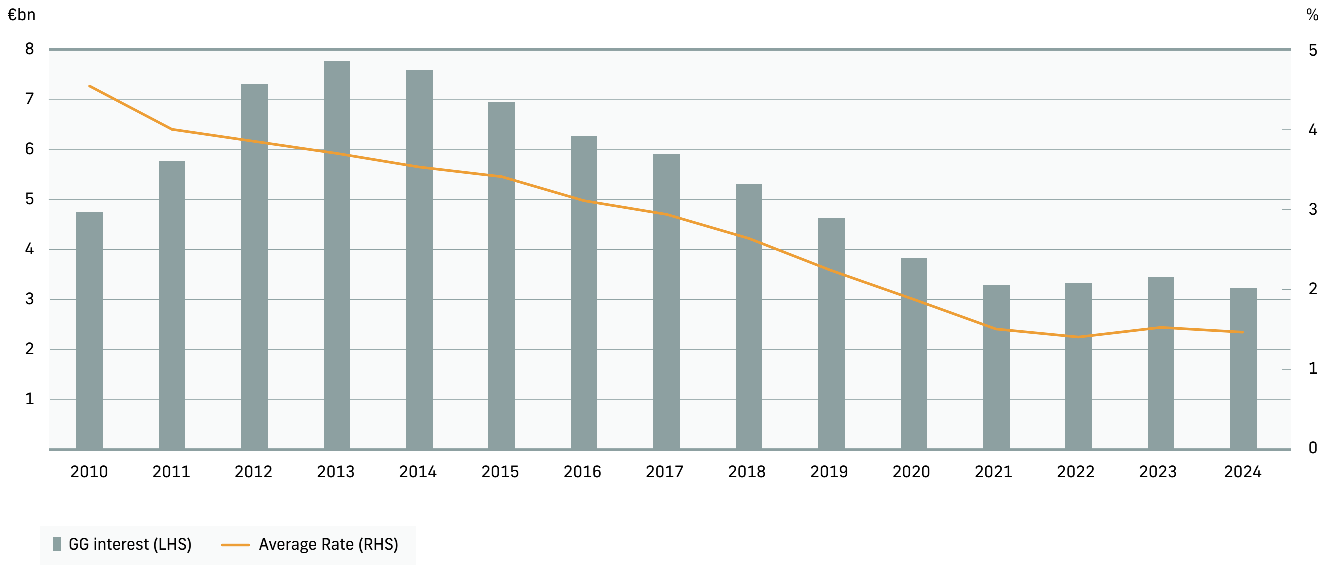
Ireland's GGI[4] bill in 2024 was €3.2bn, almost 60% below its 2013 peak of €7.8bn and down 7% on 2023.

Sovereign bond yields generally were lower in 2024 than in 2023 as the ECB cut its key interest rates on four separate occasions. The weighted average yield on the NTMA's benchmark bond issuance in 2024 was 2.7%, down from 3.2% in 2023.

As was the case in 2023, given the strength of the public finances, the NTMA limited its bond issuance in 2024 to the lower bound of its funding range, issuing €6bn of bonds. This decision to limit new issuance, coupled with the fact that almost all of Ireland's existing public debt is at fixed rates of interest, will assist in the stability of the interest bill. The GGI bill is largely unchanged over the last four years notwithstanding the rise in sovereign borrowing costs since 2020.

The average interest rate[5] on Ireland's stock of public debt has remained at close to 1.5% since 2021.

General Government Interest and Average Rate 2010-2024



Source: NTMA and CSO

4 GGI is an alternative measure of debt interest, based on GGD. It differs from the National Debt service measure which the NTMA reports in the Financial Statements of the National Debt of Ireland on page 108. National Debt service in 2024 was €3.1bn, down from €3.3bn in 2023.
5 GGI as a percentage of the GGD stock outstanding at the previous year-end.

Irish Government Bond Market

Bond		Maturity Date	Outstanding End-2023 €m*	Outstanding End-2024 €m*	Change in 2024 €m*
3.4%	Treasury Bond 2024	18 March 2024	8,031	-	-8,031
5.4%	Treasury Bond 2025	13 March 2025	11,490	11,490	0
1.0%	Treasury Bond 2026	15 May 2026	11,639	11,639	0
0.2%	Treasury Bond 2027	15 May 2027	7,751	7,751	0
0.9%	Treasury Bond 2028	15 May 2028	8,458	8,458	0
1.1%	Treasury Bond 2029	15 May 2029	10,228	10,228	0
2.4%	Treasury Bond 2030	15 May 2030	9,409	9,409	0
0.2%	Treasury Bond 2030	18 October 2030	8,088	8,088	0
1.35%	Treasury Bond 2031	18 March 2031	6,848	7,148	+300
0%	Treasury Bond 2031	18 October 2031	9,193	8,893	-300
0.35%	Treasury Bond 2032	18 October 2032	5,208	5,208	0
1.3%	Treasury Bond 2033	15 May 2033	5,395	5,395	0
2.6%	Treasury Bond 2034	18 October 2034	-	4,807	+4,807
0.4%	Treasury Bond 2035	15 May 2035	5,366	5,366	0
1.7%	Treasury Bond 2037	15 May 2037	7,657	7,657	0
0.55%	Treasury Bond 2041	22 April 2041	4,133	4,533	+400
3%	Treasury Bond 2043	18 October 2043	3,500	4,017	+517
2.0%	Treasury Bond 2045	18 February 2045	11,083	11,215	+132
1.5%	Treasury Bond 2050	15 May 2050	9,181	9,181	0

*Excluding repos.

Figures may not total due to rounding.

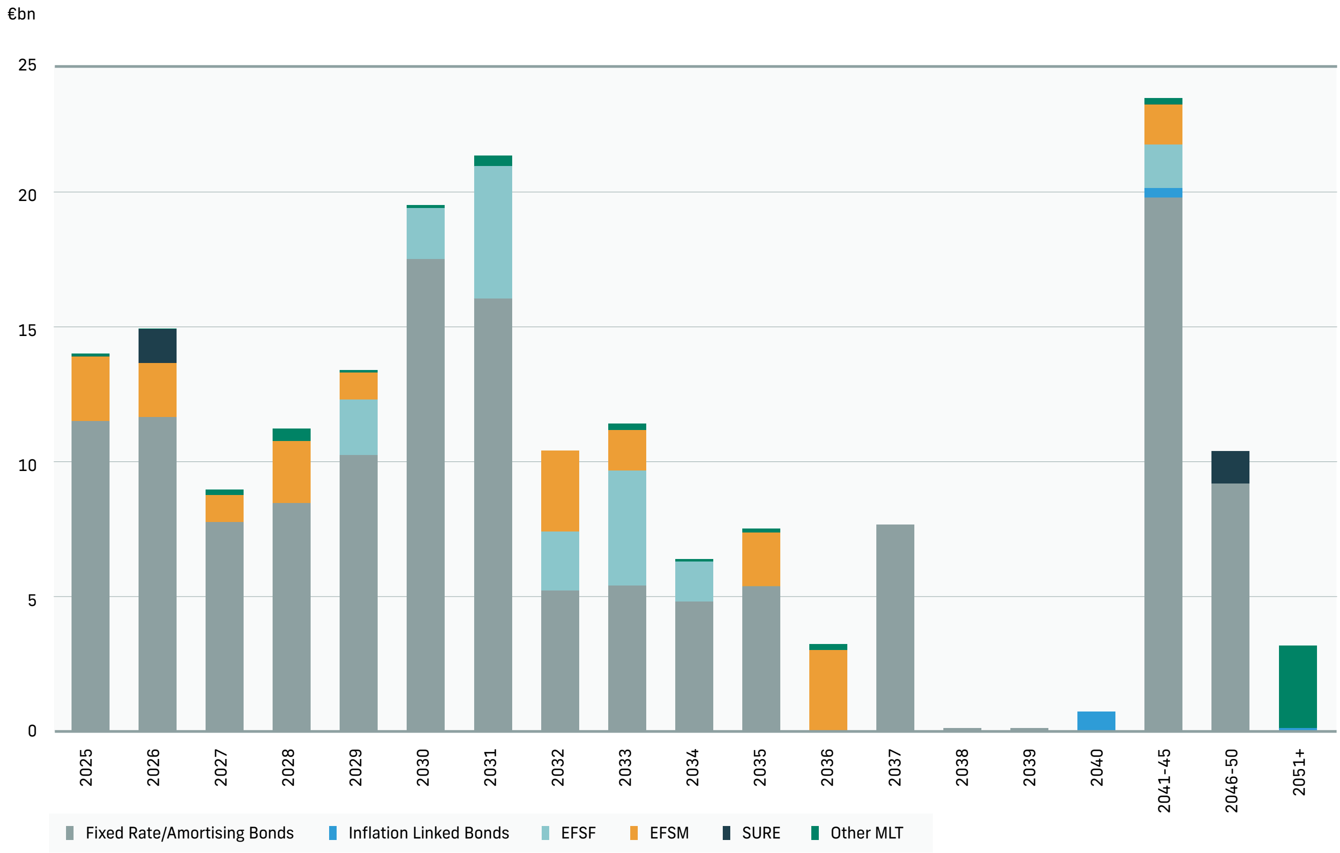
At end-2024, Ireland's benchmark bond curve consisted of 18 fixed rate bonds with a range of maturities extending to 2050. The total outstanding balance stood at just over €140bn.

The Irish Government bond market has a strong primary dealer group, mainly consisting of international investment banks with a global reach. At end-2024, there were 14 primary dealers with exclusive access to Irish Government bond auctions and they are required to quote continuous buy and sell prices in Irish benchmark bonds.

Maturity Profile

The maturity profile of Ireland's €187.9bn MLT debt portfolio, as at end-2024, is shown in the graph below. The weighted average maturity of the portfolio was 9.5 years at end-2024.

Maturity Profile of Ireland's MLT Debt at End-2024



There was one benchmark bond maturity in 2024. The 3.4% 2024 bond matured on 18 March with a balance of €8bn. This bond was first issued in January 2014 as a 10-year benchmark in a €3.75bn syndicated transaction at a yield of 3.54%. It was a highly significant transaction at the time as it marked the first issue of a new bond since Ireland's exit from the EU-IMF Programme of Financial Support in December 2013.

There was also a €0.8bn EFSM loan maturity in 2024. As part of the EU-IMF Programme, Ireland borrowed a total of €22.5bn under this loan facility and this matured tranche was the last to be drawn down, in March 2014. Following this maturity, the outstanding balance on this loan facility was €19.7bn at end-2024.

Finally, there were also two Schuldschein loan maturities in 2024, totalling €0.2bn.

Continuing its strategy of recent years, the NTMA pre-funded these maturities.

Credit Ratings

2024 was another positive year for Ireland's credit ratings. In May, Fitch Ratings upgraded Ireland's rating by one notch, to AA, with a stable outlook. This was the first upgrade from Fitch since early 2022.

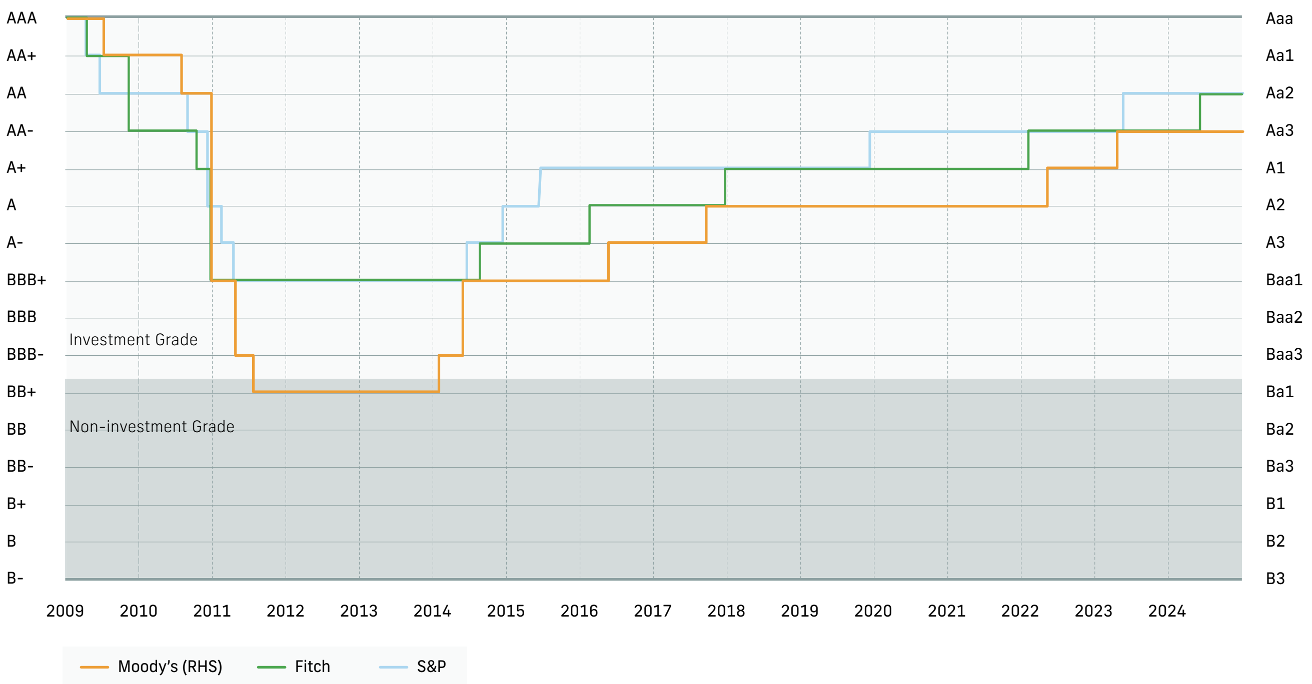
Similarly, in September, Morningstar DBRS also upgraded Ireland's rating to AA with a stable trend. Scope also upgraded Ireland's rating by one notch to AA, in August.

Standard and Poor's (S&P) maintained Ireland's rating at AA during 2024 but placed it on positive outlook in November. Similarly, Moody's maintained Ireland's rating at Aa3 during 2024 but placed it on positive outlook in August. These changes mean that two of the three largest rating agencies had Ireland on positive outlook at end-2024.

Both R&I and KBRA maintained their ratings on Ireland at AA- and AA respectively in 2024.

In their assessments, the rating agencies noted the resilience of the Irish economy, strong revenue performance, and the improved debt sustainability metrics. The establishment and transfer of money to the two new funds (FIF and ICNF), have been viewed positively by the rating agencies amid the external risks surrounding Ireland's corporate tax receipts.

The chart below shows Ireland's historical ratings for the three main rating agencies up to and including end-2024. Ireland is rated in the AA category with all the major global rating agencies.



Ireland's Sovereign Credit Ratings – as of April 2025

Rating Agency	Long-Term rating	Short-Term rating	Outlook/ Trend
S&P	AA	A-1+	Positive
Moody's	Aa3	P-1	Positive
Fitch Ratings	AA	F1+	Stable
Morningstar DBRS	AA	R-1 (high)	Stable
R&I	AA-	a-1+	Positive
KBRA	AA	K1+	Stable
Scope Ratings	AA	S-1+	Stable

Investor Relations

The goal of the NTMA's Investor Relations programme is to develop and maintain long-term relationships with investors. It provides transparency to the market about Ireland's macroeconomic situation and the NTMA's funding plan.

Throughout 2024, the NTMA met with investors from all the major financial centres across Europe, North America, and Asia, as well as a number of secondary centres. In total, the NTMA met investors from 17 cities across 15 countries. The programme ran a combination of in-person and virtual meetings in 2024.

Ireland Apple Escrow Fund

The NTMA has continued to perform certain functions of the Minister for Finance in relation to the investment of the Ireland Apple Escrow Fund (the "Fund") in line with the relevant legislative provisions, delegation orders made by the Minister and related Ministerial directions. An Investment Committee comprising an equal number of members appointed by the NTMA (as agent of the Minister) and by the relevant Apple entities, was responsible for investment oversight and for monitoring the performance of the investment managers and the escrow agent/custodian. The committee met on five occasions during 2024 and once in January 2025.

On 24 April 2018, the Minister for Finance and Apple (among other parties) entered into an Escrow Framework Deed, pursuant and subject to which funds were recovered from Apple and paid into the Fund to be held in escrow pending a final determination in the European Courts on the validity of the European Commission State aid decision regarding Apple (Decision C (2016)5605). On 15 July 2020, the General Court of the European Union (GCEU) issued its judgment annulling the Commission decision, finding in favour of Ireland and Apple. Following an appeal by the European Commission, the CJEU held an oral hearing on 23 May 2023. On 10 September 2024, the CJEU issued its final judgment, setting aside the judgment of the GCEU and confirming the European Commission's 2016 decision.

Following this final determination by the CJEU, the process of transferring the cash and assets held in the escrow accounts to Ireland commenced in the manner prescribed in the Escrow Framework Deed. Almost €11bn had been paid to the Revenue Commissioners and in turn to the Exchequer by end-2024. In line with the Escrow Framework Deed, the balance of the escrow accounts transferred to an account of the Minister held by the Fund's custodian (the "Ireland Designated Account") in January 2025. The full balance in the Fund after all fees and operational expenses are paid will accrue to the State. Following the payment of such balance to the Exchequer, the NTMA will procure that the Ireland Designated Account is closed (the "Account Closing").

In accordance with Section 28 of the *National Treasury Management Agency (Amendment) Act 2000* and at the direction of the Minister for Finance, the NTMA is required to prepare and keep accounts for the Fund, which are submitted annually to the Minister for Finance and are subject to audit by the Comptroller and Auditor General. At the direction of the Minister the final accounts of the Fund will relate to the period from 1 January 2024 to the date of the Account Closing and will reflect the overall value, income and expenditure of the Fund using IFRS accounting standards. All income, expenses, gains and losses accrue to the Fund. The accounts are published separately to the NTMA accounts.

Further information on the background to, and establishment of, the Fund as well as information on the performance of the Fund, can be found in the most recently published financial statements of the Ireland Apple Escrow Fund, which are published by the Department of Finance at www.gov.ie/publications.