FINANCE ACCOUNTS

Audited Financial Statements of the Exchequer

For the Financial Year 1st January 2019 to 31st December 2019

Presented to both Houses of the Oireachtas pursuant to Section 4 of the Comptroller and Auditor General (Amendment) Act, 1993.

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Statement of Accounting Policies and Principles

1. The Finance Accounts, which are prepared under Section 4 of the Comptroller and Auditor General (Amendment) Act, 1993, contain detailed analysis and classification of the payments into and out of the Central Fund as well as details of the National Debt. They also contain certain other statements and footnoted information. The Finance Accounts have a statutorily specified purpose in relation to providing an annual statement of the transactions, recorded on a cash basis, of the Central Fund. The Finance Accounts do not purport to be a comprehensive financial statement for the State, its assets and liabilities. Payments into and out of the Central Fund in relation to debt management activities by NTMA are presented on a net borrowing or repayment of debt basis including the rollover of debt and related hedging transactions.

2. The maintenance of the Central Fund derives from the Constitutional requirement that "All revenues of the State from whatever source arising shall, subject to such exception as may be provided by law, form one fund, and shall be appropriated for the purposes and in the manner and subject to the charges and liabilities determined and imposed by law".

3. The Central Fund Account is prepared on a receipts and payments basis and its euro banking transactions are effected through the Exchequer Account maintained at the Central Bank of Ireland and foreign currency clearing accounts managed by the National Treasury Management Agency. Prior year data is provided for comparison purposes.

4. The information contained in the notes is not specified by legislation, but is provided in order to give further details regarding certain transactions on the Central Fund, or other matters. Explanatory notes are not provided where the data relates to the prior year only. The reader should consult the Finance Accounts for the prior year. Loans provided by and repaid to the Central Fund are recorded on a cash basis in Statement 1.7. Share capital acquired in companies is recorded at historical cost, or historical valuation in the case of non-cash capitalisation, as at the date of acquisition. Investments in International Bodies are recorded at historical cost. Shareholdings denominated in U.S. Dollars are stated in Euro at the exchange rates prevailing at the relevant dates, except in the case of the Asian Development Bank and the International Common Fund for Commodities where any repayment of the shares purchased in U.S. Dollars would be made in Euro at the exchange rates prevailing at the time the shares were purchased. Statement 1.11 only records the amounts the Government has guaranteed under specific legislation.

5. The Statements relating to the National Debt and its servicing and cash flow provided by the National Treasury Management Agency (NTMA) are presented in Part Two of these accounts. The accounts of the National Debt form part of the NTMA's annual accounts for which the Chief Executive of the NTMA is the Accounting Officer.

6. These Accounts comprise the Central Fund Account, Statements 1.1 to 1.11 and the Financial Statements of the National Debt including the Accounting Policies.

7. The reporting period is the year ended 31 December 2019.

Derek Moran
Secretary General
Department of Finance
25 June 2020

Statement on Internal Financial Control

Responsibility for System of Internal Financial Control

As Accounting Officer, I am responsible for maintaining a sound system of internal control in respect of those Central Fund transactions which are within the purview of the Department of Finance and for those parts of the process where the Department has ownership. This responsibility is exercised in the context of the resources available to me and my other obligations as Secretary General.

The system of control can provide only reasonable, and not absolute, assurance that transactions are authorised and properly recorded and that material errors are either prevented or would be detected in a timely manner. The system of internal control is based on the identification of risks; an evaluation of the likelihood of those risks being realised; the impact should they be realised and the effective management of them. Maintaining the system of internal financial controls is a continuous process and the system and its effectiveness are kept under ongoing review.

The control system in relation to the Central Fund has the following aspects:

- There is clear separation of duties in respect of transactions. Payments are only made on foot of instructions from the appropriate business sections in the Department of Finance or, where relevant, from the Department of Public Expenditure and Reform. There is also separation of duties within the accounting system used for recording the transactions. This is enforced by appropriate user permissions in the system. All new general ledger accounts are confirmed with the relevant business sections in the Department of Finance and Department of Public Expenditure and Reform.
- Up to date procedure manuals and job instructions are readily accessible to all operational staff.
- Accounting entries are generated from approved data entry templates. Payment instructions are computer generated and are derived from underlying transaction records.
- In the event of a failure of IT systems, arrangements have been established with the Central Bank to allow for the transmission of transactions for manual input by the Bank. Disaster recovery arrangements are in place and a business continuity facility is also available.
- In accordance with Section 2 of the Comptroller and Auditor General (Amendment) Act, 1993, payments from the Central Fund are made in line with credits granted by the Comptroller and Auditor General. These credits are reconciled daily with the Central Bank of Ireland. The credits are input to the accounting system and the monetary and time limits are strictly adhered to.
- Monthly accounts of the Central Fund, in the form of the Exchequer Statement, are produced, reviewed and provided to me. Where appropriate, outturns are compared to profiles established at the start of the year.
- The Department's Audit Committee can advise me in regard to the discharge of my responsibilities for the internal financial control system for the Central Fund.

I have fulfilled my responsibilities in relation to the requirements of the Service Management Agreement between this Department and the National Shared Service Office for the provision of payroll shared service.

I rely on a letter of assurance from the Accounting Officer of the Vote for Shared Services that the appropriate controls are exercised in the provision of shared services to this Department.

Internal Audit

The Department has access to the internal audit service of the Department of Public Expenditure and Reform under a shared service arrangement. I can confirm that the internal audit service has appropriately trained personnel and operates in accordance with a written charter. Its work is informed by analysis of the risks to which the Department is exposed and its annual internal audit plans are based on this analysis and approved by me. These plans aim to cover the key controls on a rolling basis over a reasonable period. The internal audit function is reviewed periodically by me and by the Audit Committee. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

Derek Moran
Secretary General
Department of Finance
25 June 2020

Ard Reachtaire Cuntas agus Ciste
Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Finance Accounts

Opinion on the accounts

I have audited the Finance Accounts prepared by the Department of Finance for the year ended 31 December 2019 under Section 4 of the Comptroller and Auditor General (Amendment) Act 1993. The accounts comprise the Central Fund of the Exchequer account, the financial statements of Exchequer receipts and issues and guaranteed liabilities, and the financial statements of the national debt.

In my opinion, the accounts properly present the payments into and out of the Central Fund of the Exchequer for the year ended 31 December 2019.

Basis of opinion

I conducted my audit of the accounts in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the Department of Finance and have fulfilled my other ethical responsibilities in accordance with the standards.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Report on statement on internal financial control and on other matters

The Department of Finance has presented a statement on internal financial control together with the accounts. My responsibilities to report in relation to the information in the statement, and on certain other matters upon which I report by exception, are described in the appendix to this report.

I have nothing to report in that regard.

Seamus McCarthy

Seamus McCarthy
Comptroller and Auditor General

30 June 2020

Appendix to the report

Responsibilities of the Department of Finance

As detailed in the statement of accounting policies and principles, the Department is responsible for

- the preparation of accounts in the format specified by the Minister for Finance in accordance with section 4 of the Comptroller and Auditor General (Amendment) Act 1993
- ensuring that the accounts properly present the payments into and out of the Central Fund for the year ended 31 December 2019.
- ensuring the regularity of transactions, and
- implementing such internal control as is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 4 of the 1993 Act to audit the accounts and to report thereon to the Houses of the Oireachtas.

My objective in carrying out the audit is to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the accounts whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures.

I communicate with the Department regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Statement on Internal Financial Control

My opinion on the accounts does not cover the statement on internal financial control presented with those accounts, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the accounts, I am required under the ISAs to read the statement on internal financial control presented and, in doing so, consider whether the information therein is materially inconsistent with the accounts or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this information, I am required to report that fact.

Reporting on other matters

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation. I report if I identify material matters relating to the manner in which public business has been conducted.

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I report if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

I also report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the accounts to be readily and properly audited, or
- the accounts are not in agreement with the accounting records.

CENTRAL FUND ACCOUNT

Account of Receipts and Payments for year ended 31 December 2019

	Statement No.	€000	2018 €000	€000	2019 €000
Current Receipts:					
Tax Revenue	1.1		55,557,493		**59,313,620**
Non-Tax Revenue	1.2		2,905,307		**3,348,380**
			58,462,800		**62,662,000**
Less Current Payments:					
Issues for Voted Expenditure - Current	1.3	44,453,957		**46,822,146**	
Non-Voted Issues -					
Service of National Debt	2.1	5,966,879		**5,220,280**	
Transfer to/(from) Capital Services Redemption Account	Note 12	(47)		**(60)**	
Payments charged to Central Fund in respect of Salaries, Allowances, Pensions etc.	1.4	43,582		**44,855**	
Payments to European Union	1.5	2,519,250		**2,431,670**	
Other non-voted Issues	1.6	253,171	53,236,792	**236,666**	**54,755,557**
Surplus on Current Account			5,226,008		**7,906,443**
Capital Receipts:					
Gaeltacht Loans Repaid		2		**4**	
Loans Repaid	1.7	933,290		**1,055,020**	
Receipts from European Union	1.9	89,457		**24,481**	
Investment in International Bodies	1.8(B)	-		**571**	
Other Receipts	1.2	822,791	1,845,540	**687,368**	**1,767,444**

CENTRAL FUND ACCOUNT

Account of Receipts and Payments for year ended 31 December 2019 - Continued

	Statement No.	€000	2018 €000	€000	2019 €000
Less Capital Payments:					
Issues for Voted Expenditure – Capital	1.3	5,991,073		**7,323,894**	
Non-Voted (payments charged directly under particular legislation) -					
Loans Issued	1.7	974,960		**935,000**	
Share Capital acquired in Irish Companies	1.8 (A)	-		**-**	
Investment in International Bodies	1.8 (B)	5,660		**10,390**	
Other Payments	1.10	606	6,972,299	**758,100**	**9,027,384**
Deficit on Capital Account			(5,126,759)		**(7,259,940)**
Exchequer Surplus/(Deficit)			99,249		**646,503**
Source and Application of Funds					
Net (Borrowing)/Repayment and Other Balances	2.3	(4,276,304)		**(296,922)**	
Increase/(Decrease) in Exchequer Balances and Commercial Deposits	2.2	4,375,553		**943,425**	
Net Total			99,249		**646,503**

PART ONE

FINANCIAL STATEMENTS OF CENTRAL FUND RECEIPTS AND ISSUES AND

GUARANTEED LIABILITIES

FOR THE YEAR ENDED 31 DECEMBER 2019

STATEMENT 1.1

Current: Tax Revenue

	2018 €000	**2019** **€000**
Income Tax	21,241,693	**22,934,492**
Value Added Tax	14,234,328	**15,117,604**
Excise Duty	5,417,823	**5,940,367**
Corporation Tax	10,385,196	**10,887,572**
Stamps	1,453,305	**1,514,914**
Customs	332,636	**348,510**
Capital Acquisitions Tax	522,488	**532,980**
Capital Gains Tax	993,506	**1,075,056**
Training and Employment Levy	-	**26**
Motor Tax Receipts	976,518	**962,099**
Total	55,557,493	**59,313,620**

STATEMENT 1.2

Non-Tax Revenue - Current and Capital

	Current		Capital	
	2018	**2019**	2018	**2019**
	€000	**€000**	€000	**€000**
Central Bank Surplus Income	2,107,978	**2,394,829**	-	-
National Lottery Surplus [1]	224,647	**250,663**	-	-
Commission for Communications Regulation Surplus	84,048	**24,649**	-	-
Royalties	2,920	**1,245**	-	-
Receipts from National Treasury Management Agency in respect of the Carbon Fund Act, 2007 [2]	-	-	599	**607**
Income from Credit Institutions	1,058	-	-	-
Interest received on loans	1,251	**1,011**	-	-
Share Dividends	261,191	**262,158**	-	-
Receipts collected by Government Departments and Offices [3]				
Agriculture, Food and the Marine	978	-	-	-
Communications, Climate Action and Environment	84,800	**207,591**	-	-
Education and Skills	-	**1,392**	-	**17**
Housing, Planning and Local Government	6,859	**14,618**	1,181	**1,891**
Defence	-	**0.1**	-	-
Houses of the Oireachtas	-	**0.03**	-	-
Finance Group	1	**42**	-	-
Children and Youth Affairs	1,750	**1,177**	765	**369**
Business, Enterprise and Innovation	469	**9,131**	-	**0.2**
Justice and Equality	8,349	**14,184**	-	-
Property Registration Authority	67,197	**69,901**	-	-
Office of the Director of Public Prosecutions	19	-	-	-
Office of the Ombudsman	3	**4**	-	-
Office of the Revenue Commissioners	1,703	**1,475**	-	-
Public Expenditure and Reform Group	152	**555**	-	-
Employment Affairs and Social Protection	6	**12**	-	-
Taoiseach	-	**2**	-	-
Transport, Tourism and Sport	605	**8,556**	199	**2,591**

[1] Allocation of expenditure, which is part-funded by the National Lottery, is shown in the Estimates for Public Services.
[2] Payments from the Exchequer Account in relation to the Carbon Fund Act, 2007 are receipted back to the Exchequer Account via the National Treasury Management Agency as Manager of the Carbon Fund following the reimbursement from the Voted Expenditure of the Department of Communications, Climate Action and Environment.
[3] These are receipts that must be credited directly to the Exchequer and cannot be retained by Departments for their own use.

STATEMENT 1.2

Non-Tax Revenue - Current and Capital - Continued

	Current		Capital	
	2018	**2019**	2018	**2019**
	€000	**€000**	€000	**€000**
Other Receipts				
Monies received under various Acts	9,704	**14,762**	-	**-**
Voluntary salary and pension surrenders	523	**513**	-	**-**
Pension Related Deductions from certain bodies [4]	12,014	**5,495**	-	**-**
NTMA Public Service Pension Levy	153	**250**	-	**-**
Receipts from European Investment Bank	330	**248**	-	**-**
Nursing Home Support Scheme	26,541	**27,945**	-	**-**
Recovery of State Aid [5]	-	**33,777**	-	**-**
IBRC Special Liquidation Payments [6]	-	**-**	340,668	**681,746**
Repayment from Credit Union Fund	-	**-**	238,000	**-**
Repayment from Credit Institutions Resolution Fund	-	**-**	240,000	**-**
Miscellaneous	58	**2,195**	1,379	**147**
Total	2,905,307	**3,348,380**	822,791	**687,368**

[4] Pension Related Deductions received from Central Bank, National Treasury Management Agency, National Asset Management Agency and Houses of the Oireachtas. This figure also includes deductions from certain salaries paid from the Central Fund.

[5] Monies recovered in relation to EU Commission State Aid decisions. These monies were held in the Sundry Moneys Deposit account pending the completion of legal proceedings. The legal proceedings were completed in 2019 and the monies transferred to the Exchequer.

[6] Dividends received by the State as a result of being an unsecured creditor of IBRC following its liquidation in February 2013 and also as a result of being the sole holder of all shares in the former Anglo Irish Bank upon the date of its nationalisation. This sum is made up of the final payment from the Special Liquidators of IBRC of the Department of Finance's unsecured creditor claims, the interest owed on these claims and also the amounts owed in relation to the preference shares of Anglo Irish Bank which were transferred to the Minister for Finance upon the nationalisation of Anglo Irish Bank. To end December 2019 the total sum of €1.58 billion has been received, €1.23 billion of which relates to the State being an unsecured creditor of IBRC at the date of liquidation and €0.35 billion as a result of being the sole holder of the preference shares in the former Anglo Irish Bank upon the date of its nationalisation.

STATEMENT 1.3

Issues For Voted Expenditure - Current and Capital [1]

Vote No.	Service	Current 2018 €000	Current **2019 €000**	Capital 2018 €000	Capital **2019 €000**
1	President's Establishment	3,391	**3,552**	-	**-**
2	Department of the Taoiseach	26,936	**23,845**	-	**-**
3	Office of the Attorney General	13,759	**14,987**	-	**-**
4	Central Statistics Office	46,970	**53,112**	-	**-**
5	Office of the Director of Public Prosecutions	42,475	**42,291**	-	**-**
6	Office of the Chief State Solicitor	32,732	**39,576**	-	**-**
7	Office of the Minister for Finance	33,342	**57,493**	980	**206**
8	Office of the Comptroller and Auditor General	5,363	**6,486**	-	**-**
9	Office of the Revenue Commissioners	330,454	**353,765**	23,215	**26,459**
10	Tax Appeals Commission	1,369	**1,746**	-	**-**
11	Office of the Minister for Public Expenditure and Reform	48,302	**51,773**	5,536	**4,146**
12	Superannuation and Retired Allowances	336,018	**243,584**	-	**-**
13	Office of Public Works	247,945	**260,252**	174,314	**179,049**
14	State Laboratory	8,705	**9,157**	-	**-**
15	Secret Service	773	**1,286**	-	**-**
16	Valuation Office	8,083	**9,315**	-	**18**
17	Public Appointments Service	11,647	**12,633**	1,110	**1,700**
18	National Shared Service Office	34,019	**34,554**	8,341	**7,195**
19	Office of the Ombudsman	8,986	**9,806**	-	**-**
20	Garda Síochána	1,536,578	**1,586,140**	61,440	**83,080**
21	Prison Service	312,974	**321,124**	24,064	**26,566**
22	Courts Service	32,805	**37,800**	48,672	**51,517**
23	Property Registration Authority	27,007	**28,460**	547	**556**
24	Justice and Equality	368,683	**447,534**	1,846	**1,209**
25	Irish Human Rights and Equality Commission	4,166	**5,672**	10	**100**
26	Education and Skills	8,474,381	**8,917,830**	742,458	**940,413**
27	International Co-operation	503,562	**549,958**	570	**623**
28	Foreign Affairs and Trade	144,508	**192,177**	10,500	**13,483**
29	Communications, Climate Action and Environment	125,541	**131,420**	207,949	**232,296**

[1] The figures shown are the amounts *issued* to fund current and capital expenditure on each Vote. Details of voted and *actual* expenditure are contained in the Appropriation Accounts.

STATEMENT 1.3

Issues For Voted Expenditure - Current and Capital - Continued[1]

Vote No.	Service	Current 2018 €000	Current 2019 €000	Capital 2018 €000	Capital 2019 €000
30	Agriculture, Food and the Marine	882,418	**965,264**	272,858	**280,977**
31	Transport, Tourism and Sport	716,933	**739,420**	1,329,973	**1,583,966**
32	Business, Enterprise and Innovation	249,855	**285,952**	535,207	**618,381**
33	Culture, Heritage and the Gaeltacht	242,574	**259,904**	54,200	**73,800**
34	Housing, Planning and Local Government	1,541,851	**1,747,841**	1,774,219	**2,182,992**
35	Army Pensions	237,058	**245,553**	-	**-**
36	Defence	574,516	**587,064**	95,999	**136,783**
37	Employment Affairs and Social Protection	10,740,996	**10,628,926**	7,372	**8,716**
38	Health	15,010,937	**16,290,997**	512,750	**732,000**
39	Office of Government Procurement	14,768	**14,618**	869	**556**
40	Children and Youth Affairs	1,337,035	**1,465,349**	26,089	**26,231**
41	Policing Authority	2,336	**2,766**	-	**-**
42	Rural and Community Development	131,206	**141,164**	69,985	**110,876**
	Total Exchequer Issues - Voted Current & Capital Expenditure	44,453,957	**46,822,146**	5,991,073	**7,323,894**

[1] The figures shown are the amounts *issued* to fund current and capital expenditure on each Vote. Details of voted and *actual* expenditure are contained in the Appropriation Accounts.

STATEMENT 1.4

Current: Payments charged to Central Fund in respect of Salaries, Allowances, Pensions, etc.

	2018	**2019**
	€000	**€000**
Annuities, Pensions, etc. of former Constitutional, Ministerial and Judicial Office-holders [1]	15,955	**15,964**
Salaries and Allowances for Constitutional Office-holders [2]	829	**836**
Judicial Salaries [3]	26,798	**28,055**
Total	43,582	**44,855**

[1] Payments under this heading were as follows: - (a) pensions to former Presidents of Ireland; (b) pensions, retirement lump sums and death gratuities relating to judicial services. (Deductions from lump sum payments to Judges relating to Spouses' and Children's contributions were payable to the Superannuation and Retired Allowances Vote (Vote 12)); (c) pensions to former Ministers, Ministers of State, Attorneys General, Ceann Comhairlí, Leas-Cheann Comhairlí, Cathaoirligh of the Seanad, Leaschathaoirligh of the Seanad and Comptrollers and Auditors General; (d) pensions to surviving spouses and children of former Presidents, members of the judiciary and office holders listed at (c) above; (e) severance payments to former office holders. Severance payments are payable to Ministers, Ministers of State and Attorneys General when they cease to hold office: the initial allowance is 75% of the former office holder's salary, declining to zero over a period of at most 2 years; (f) Retirement lump sums and death gratuities relating to Ministers and other office holders listed at (c) above.

[2] Salaries and Allowances relate to the personal remuneration and annual allowance of the President of Ireland and the remuneration of the Comptroller and Auditor General.

[3] Judicial Salaries relate to the remuneration of Judges of the Supreme Court, Court of Appeal, High Court, Circuit Courts and District Courts.

STATEMENT 1.5

Payments to the European Union

	Current	
	2018	**2019**
	€000	**€000**
To European Union Budget		
Customs Duties [1]	285,120	**304,255**
VAT related payments [2]	253,826	**276,950**
GNI (Gross National Income) related payments [2]	1,980,304	**1,850,465**
Total	2,519,250	**2,431,670**

[1] Payments to the European Union Budget take into account agreements which Ireland has made under the Single European Authorisation System. This system allows a company to pay its customs duty in Member State A in respect of goods imported into Member State B. In 2019, the net effect of the agreements was to increase Ireland's European Budget customs duties payments by approximately €144 million (€138 million in 2018). This amount also includes a late interest payment of €687 in respect of delays in not making available traditional own resources in January 2018.

[2] The VAT and GNI related payments are made on the basis of forecast estimates. Adjustments are made in subsequent years, as the estimates are revised, leading to a mixture of additional payments and/or refunds relating to several years. In addition to adjustments made in respect of previous years' contributions, a number of adjustments may be made to Member States' payments in the course of the budget year following the adoption of any Supplementary Amending Budgets. Contained within the GNI related figure are payments towards the UK Rebate. The 2019 GNI figure includes an adjustment of €8 million which related to Ireland's non participation in some policies in the areas of freedom, security and justice.

STATEMENT 1.6

Current: Other Non-Voted Expenditure

	2018	**2019**
	€000	**€000**
Houses of the Oireachtas Commission (Amendment) Act 2015	130,559	**126,367**
Payments to parliamentary leaders of qualifying parties under the Ministerial and Parliamentary Offices Act, 1938, as amended, including most recently by the Oireachtas (Ministerial and Parliamentary Offices) (Amendment) Act, 2014 [1]	7,588	**7,510**
Payments to qualified parties under Section 17 of Electoral Act, 1997	5,964	**5,964**
Payments to qualifying Independent members under the Ministerial and Parliamentary Offices Act, 1938, as amended, including most recently by the Oireachtas (Ministerial and Parliamentary Offices) (Amendment) Act, 2014	1,013	**998**
Returning Officers' Expenses under the Electoral/Referendum Acts (1992 - 2015)	26,839	**20,597**
Reimbursement of candidates' election expenses under the Electoral Act, 1997	-	**1,133**
Election Postal Charges	14,901	**22,076**
Payments to International Development Association [2]	24,390	**26,460**
Asian Development Fund [3]	4,640	**4,735**
Council of Europe Development Bank	12	**14**
Payments to PSE Kinsale Energy Ltd [4]	6,786	**9,105**
Payments in respect of prevesting day pensions for Eircom and An Post	28	**-**
Pension Insolvency Payments Scheme (PIPS) [5]	5,546	**5,326**
Payments under Section 48A of the Pensions Act, 1990	6,963	**-**
Payments to Department of Employment Affairs and Social Protection under Section 48B of the Pensions Act, 1990 [6]	3,727	**5,512**
Payments under Credit Institutions (Financial Support) Act, 2008	-	**98**
Transfer of monies equivalent to Local Property Tax collected to Local Government Fund	12,179	**-**
Irish Fiscal Advisory Council [7]	675	**771**
Sugar Levies	1,361	**-**
Total	253,171	**236,666**

[1] Details of annual allowances to parliamentary leaders of qualifying parties are available on the Department of Finance website.
[2] Payments were made under the International Development Association Act, 1960 towards the replenishment of the resources of the Association, which is the concessionary lending body of the World Bank Group.
[3] Payments made under the Development Banks Act 2005 in respect of replenishments of the Asian Development Fund (ADF XI & ADF12).
[4] Remittance to PSE Kinsale Energy Ltd. of a proportion of tax and royalties paid to the State. Partial remittance is provided for under Article X of the 1959 Agreement between Marathon Petroleum and the State covering the exploration and development of Kinsale gas field and the Finance Act 1992. PSE Kinsale Energy Ltd. is a subsidiary of PETRONAS who acquired Marathon Petroleum Ireland Ltd. in 2009.
[5] Ongoing payments to pensioners accepted into the Pension Insolvency Payments Scheme (PIPS) under Section 22 of the Social Welfare and Pensions Act, 2009. Where there are associated capital receipts they are recorded in Statement 1.2.
[6] Government Decisions of 9/12/14 and 24/3/15 accepted recommendations of payments of a cash lump sum by way of compensation to each deferred member of the Waterford Crystal Factory and staff schemes. This figure also includes ongoing pension payments paid in 2019.
[7] The Irish Fiscal Advisory Council is an independent statutory body established under the Fiscal Responsibility Act, 2012. The role of the Council is to independently assess, and comment publicly on, whether the Government is meeting its own stated budgetary targets and objectives. The Fiscal Responsibility Act, 2012 provides for an expenditure ceiling of €800,000 for the Fiscal Council in 2012. This sum is to be adjusted by the annual percentage change in the Harmonised Index of Consumer Prices published by the Central Statistics Office for each subsequent year.

STATEMENT 1.7

Capital: Loan Transactions

Body/Fund	Outstanding at 31 December 2018	**Loans Issued 2019**	**Loans Repaid 2019**	**Outstanding at 31 December 2019**
	€000	**€000**	**€000**	**€000**
Department of Agriculture, Food and the Marine				
FEOGA Guarantee	725,000	**750,000**	**725,000**	**750,000**
Department of Finance				
EU Stability Support to Greece [1]	347,439	**-**	**-**	**347,439**
Insurance Compensation Fund [2]	635,694	**-**	**80,000**	**555,694**
Advances to PMG Supply Account under the Appropriation Act [3]	249,960	**185,000**	**249,960**	**185,000**
Advances to An Post	30,000	**-**	**-**	**30,000**
Office of Public Works				
Local Loans Fund [4]	61	**-**	**60**	**1**
Department of Transport, Tourism and Sport				
Coras Iompair Éireann [5]	12,511	**-**	**-**	**12,511**
Total	2,000,665	**935,000**	**1,055,020**	**1,880,645**

[1] Interest on this loan is received quarterly based on the 3 Month EURIBOR rate plus a margin of 0.5% and is shown in Statement 1.2. Cumulative interest received at 31 December 2019 is €36.8 million. The first capital repayment on the loan to Greece is scheduled for June 2020 for €2.9 million. Thereafter capital repayments of €4.3 million are scheduled to be repaid at three-monthly intervals, the first one scheduled for September 2020 and the last one scheduled for March 2040. A final payment is scheduled for June 2040 of €1.3 million.

[2] The purpose of the Insurance Compensation Fund is to provide a certain minimum level of protection for insurance policy holders and claimants should an insurance company go into liquidation. The Fund also allows administrators to apply to the High Court for funding where necessary in order to enable them to meet their financial obligations as they arise. The Central Bank has responsibility under Section 6 of the Insurance Act 1964 to carry out an annual assessment of the needs of the Fund and where it is of the opinion that the state of the Fund is such that financial support should be provided for it, it is allowed determine an appropriate contribution to be paid to the Fund by each insurer or insurer authorised in another Member State in relation to insured risks in the State. However, because it is not pre-funded, there is provision in Section 5 of the Insurance Act 1964, which allows the Minister for Finance to provide the necessary monies in the form of a repayable loan on such terms as the Minister decides after consulting with the Bank where there are insufficient funds available to enable payments out of the Fund to be made expeditiously. The amount of accrued interest at 31 December 2019 is €182 million.

[3] In order to ensure a sufficient balance in the Paymaster General Supply Account, Section 3 of the Appropriation Act 2019 provides for advances from the Central Fund in December 2019 to the PMG Supply Account in order to facilitate electronic funds transfers in respect of certain payments due on 1 and 2 January 2020, and certain payments, under the Social Welfare Acts, made on an agency basis by An Post payable between 1 and 3 January 2020. The advance of €185 million was repaid to the Central Fund in January 2020 and the advance of €249.96 million provided in accordance with Section 4 of the Appropriation Act 2018 in December 2018 was repaid to the Central Fund in January 2019.

[4] The opening balance has been restated to take account of reclassifications reported in the Local Loans Fund Account.

[5] Amounts of £6,000,000 (€7.6 million) and £3,853,000 (€4.9 million) were provided by the Exchequer in 1983 and 1984 as non-repayable non-interest bearing advances for transfer to Ostlanna Iompair Eireann in order to assist that company to discharge its liabilities.

STATEMENT 1.8(A)

Capital: Share Capital acquired in Irish Companies

Department/Body	Shareholding at 31 December 2018	**Shareholding acquired 2019**	**Shareholding disposed 2019**	**Shareholding at 31 December 2019**
	€000	**€000**	**€000**	**€000**
Agriculture, Food and the Marine				
Coillte CGA [1]	795,060	-	-	**795,060**
Irish National Stud Company Ltd [1]	13,769	-	-	**13,769**
Murphy's Irish Seafood (formerly Fastnet Mussels Ltd) [2]	19	-	-	**19**
Kush Seafarms Ltd [2]	19	-	-	**19**
Communications, Climate Action and Environment				
An Post [1]	68,239	-	-	**68,239**
Bord na Móna plc [3]	78,664	-	-	**78,664**
EirGrid [4]	38	-	-	**38**
Irish National Petroleum Corporation	0.003	-	-	**0.003**
National Oil Reserves Agency [1]	0.001	-	-	**0.001**
Housing, Planning and Local Government				
Housing Finance Agency plc [1]	39	-	-	**39**
National Building Agency Ltd	0.2	-	-	**0.2**
Irish Water [1]	324,000	-	-	**324,000**
Finance				
Irish Bank Resolution Corporation Ltd (formerly Anglo Irish Bank – in liquidation) [5]	4,123,000	-	-	**4,123,000**
Permanent TSB Group [6]	2,161,498	-	-	**2,161,498**
Strategic Banking Corporation of Ireland (SBCI) [7]	35,000	-	-	**35,000**

[1] Where the 2019 Financial Statements are not available shareholdings have been taken from the Financial Statements for the year ended 31 December 2018.
[2] Taken from the Financial Statements for the year ended 31 December 2017.
[3] Taken from the Financial Statements for the year ended 27 March 2019. The shareholding in Bord na Mona stood at 95% on 27 March 2019.
[4] Taken from the Financial Statements for the year ended 30 September 2019.
[5] S.I. 36/2013 of 7 February 2013, pursuant to Section 4 of the Irish Bank Resolution Corporation Act, 2013, provided for the winding up of Irish Bank Resolution Corporation Limited (IBRC). This reflects the share capital of the IBRC in their 2012 interim report for the six months to the 30 June 2012 (the last report which the IBRC published prior to its liquidation in February 2013). Section 262 of the Companies Act 1963 (requiring accounts to be prepared and filed) was dis-applied by the IBRC Act so while there is no requirement to file accounts for the IBRC (in Special Liquidation), the Special Liquidators have provided a copy of their most recent Progress Update Report dated 22 May 2019 to the Company Registration Office. Contained in the report is a summary of the cash inflows and outflows in the liquidation for the 12 months to February 2019. The final position in relation to the Minister's shareholding in IBRC may vary from the current valuation recorded in the financial statements, following the liquidation.
[6] The shareholding disclosed represents the value of the shareholding at the date of acquisition whereas the market value of the shareholding in the Permanent TSB Group at 31 December 2019 was €0.389 billion.
[7] The SBCI received its original €10 million of share capital from the National Pension Reserve Fund (NPRF) now the Ireland Strategic Investment Fund (ISIF). In addition, it has a €240 million loan facility with ISIF. The SBCI has received Ministerial approval to convert a further €25 million of this loan facility into equity shares. This is to ensure that the SBCI has sufficient equity capital to meet the needs of the following projects: Agricultural Cash Flow Loan Support Scheme, Brexit Mitigation Measure and future risk sharing schemes as well as covering any operating losses as required.

STATEMENT 1.8(A)

Capital: Share Capital acquired in Irish Companies - Continued

Department/Body	Shareholding at 31 December 2018	**Shareholding acquired 2019**	**Shareholding disposed 2019**	**Shareholding at 31 December 2019**
	€000	**€000**	**€000**	**€000**
Finance (continued)				
Home Building Finance Ireland (HBFI) [8]	20,000	**-**	**-**	**20,000**
Transport, Tourism and Sport				
daa [1]	186,337	**-**	**-**	**186,337**
Shannon Group [1]	38	**-**	**-**	**38**
Irish Aviation Authority [1]	22,675	**-**	**-**	**22,675**
Dublin Port Company [1]	14,464	**-**	**-**	**14,464**
Galway Harbour Company [1]	8,927	**-**	**-**	**8,927**
New Ross Port Company [9]	4,672	**-**	**-**	**-**
Port of Cork Company [1]	22,518	**-**	**-**	**22,518**
Port of Waterford Company [1]	18,676	**-**	**-**	**18,676**
Shannon Foynes Port Company [1]	22,187	**-**	**-**	**22,187**
Total	7,919,839	**-**	**-**	**7,915,167**

[1] Where the 2019 Financial Statements are not available shareholdings have been taken from the Financial Statements for the year ended 31 December 2018.

[8] HBFI received €20 million of share capital from the ISIF. In addition, they entered into a €730 million loan facility with ISIF in early 2019. No Central Fund contribution is involved.

[9] National Port Policy published in 2013 provided that 5 designated ports of regional significance would be transferred to Local Authority control. The Harbours Act 2015 provides the necessary legislative framework for transfer. The Act provides for two models of transfer: (1) the transfer and dissolution of the Company and (2) the transfer of the shareholding in the Company. New Ross Port Company was dissolved and the harbour was transferred to Wexford County Council on 1 August 2019.

STATEMENT 1.8(B)

Capital: Investments in International Bodies under International Agreements

	Shareholding at 31 December 2018 [1]	**Cost of Shares Acquired 2019**	**Disposal of Shares 2019**	**Shareholding at 31 December 2019 [1]**
	€000	**€000**	**€000**	**€000**
International Bank for Reconstruction and Development [1, 2]	48,297	**4,519**	**-**	**53,654**
International Finance Corporation Act, 1958 [3]	1,127	**-**	**-**	**1,148**
European Bank for Reconstruction and Development [3]	18,780	**-**	**-**	**18,780**
European Investment Bank [3]	122,663	**-**	**-**	**122,663**
International Common Fund for Commodities [1, 3]	529	**-**	**-**	**529**
Multilateral Investment Guarantee Agency [3]	817	**-**	**-**	**832**
European Financial Stability Facility [3]	453	**-**	**-**	**453**
European Stability Mechanism [4]	1,273,760	**-**	**571**	**1,273,189**
Council of Europe Development Bank [3, 5]	15,261	**-**	**-**	**15,261**
Asian Development Bank [6]	21,985	**1,010**	**-**	**22,280**
Asian Infrastructure Investment Bank [7]	22,969	**4,861**	**-**	**23,411**
Total	1,526,641	**10,390**	**571**	**1,532,200**

[1] All shareholding amounts represent the actual shareholdings at the relevant dates. Shareholdings denominated in US dollars are stated in Euro at the exchange rates prevailing at the relevant dates except in the case of International Common Fund for Commodities where any repayment of the shares purchased in US Dollars would be made in Euro at the exchange rates prevailing at the time the shares were purchased.

[2] Payments made under the Bretton Woods Agreement Act, 1957-1999.

[3] There were no new shares acquired in these institutions in 2019. Any changes in value of shareholdings relate to exchange rate fluctuations.

[4] As a result of the end of the temporary correction period of the contribution key in respect of the Republic of Slovenia, Ireland received a refund of ESM paid in capital of €571,428 on 19 February 2019. Irelands ESM shareholding was reduced by the amount of this refund to €1,273,188,572.

[5] The amount of €15.261 million is made up of the actual shareholding of €5.362 million and the sum of €9.898 million paid as a contribution to a share of the reserves of the Bank.

[6] In June 2011, Ireland subscribed to the Fifth General Capital Increase of the Asian Development Bank (ADB) which will cost approximately €8.3 million and will be paid over a ten-year period. Payments are made under the Development Banks Act, 2005. To ensure consistency with the recording of Ireland's shareholding at other institutions the method used to illustrate Ireland's ADB shareholding was revised in 2017. Previously shareholding was calculated on the basis of each instalment of Ireland's subscription as it was paid to the ADB in Euro. Since 2017, the shareholding is illustrated by converting Ireland's total subscribed paid-in capital in the ADB to Euro.

[7] Ireland became a member of the Asian Infrastructure Investment Bank (AIIB) on 23 October 2017. As per the conditions of membership agreed with the Bank, Ireland subscribed to paid-in capital totaling US$26.3 million to be paid in equal annual instalments over 5 years. The first instalment of US$5.27 million (€4.533 million) was paid in 2017 and the second instalment of US$5.26 million (€4.592 million) was paid in 2018; the third instalment of US$5.26 million (€4.861 million) was paid in 2019. Payments are made under the Asian Infrastructure Investment Bank Act, 2017. As with all other institutions, the shareholding amount represents Ireland's total subscribed paid-in capital at the Bank.

STATEMENT 1.9

Capital: Receipts from the European Union		
	2018	**2019**
	€000	**€000**
European Regional Development Fund	89,182	**24,481**
Trans European Network	275	**-**
Total	89,457	**24,481**

STATEMENT 1.10

Capital: Other Non-Voted Expenditure [1, 2]

	2018	**2019**
	€000	**€000**
Payments under other Acts		
Capital Contribution to Irish Water under the Water Services (No. 2) Act, 2013 [3]	-	**758,000**
Carbon Fund Act, 2007	606	**100**
Total	606	**758,100**

[1] There were no payments from the Exchequer to the National Pensions Reserve Fund/Ireland Strategic Investment Fund in 2018 or 2019.

Year	Market Value of NPRF/ISIF	Discretionary Portfolio	Directed Portfolio
2018	€16.8 bn	€8.8 bn	€8 bn
2019	€15.1 bn	€8.1 bn	€6.9 bn

The Ireland Strategic Investment Fund (ISIF) was established on 22 December 2014 with a statutory mandate to invest on a commercial basis in a manner designed to support economic activity and employment in the State. The assets of the National Pensions Reserve Fund (NPRF) became assets of the ISIF on the ISIF's establishment (except for assets governed by foreign law which remain NPRF assets until their transfer). The National Treasury Management Agency (NTMA) has advised that the Discretionary Portfolio (the Fund excluding the public policy investments in Allied Irish Banks and Bank of Ireland) was valued at €8.1 billion as at 31 December 2019. On 15 November 2019, €1.5 billion was, under direction of the Minister for Finance, transferred from ISIF's Discretionary Portfolio to the National Surplus (Exceptional Contingencies) Reserve Fund, which is managed by the NTMA on behalf of the Minister for Finance. The Directed Portfolio (public policy investments in Allied Irish Banks, Bank of Ireland and Home Building Finance Ireland made at the direction of the Minister for Finance) was valued at €6.9 billion at 31 December 2019. The total Fund size at 31 December 2019 was €15.1 billion.

[2] An actuarial valuation was carried out in 2017, using data as at 31 December 2015, by the Department of Public Expenditure and Reform to update the accrued liability in respect of Public Service occupational pensions. Further information can be found at https://www.gov.ie/en/publication/70acca-actuarial-review-of-public-service-pension-liabilities/.

[3] Government Decision S180/20/10/1277C on 18 October 2016 agreed that Irish Water's external commercial debt facilities be replaced, where possible, with more competitively priced State funded debt facilities. Government Decision S180/20/10/1277D of 26 March 2019 agreed the methodology established by recommendations of the final Report of the Department of Finance's Working Group on replacing Irish Water's debt. Irish Water's overall borrowing limit under its facilities with retail banks and ISIF is €1.26 billion. The Working Group determined a split of approximately 85% and 15% between the domestic and non-domestic elements of IW's existing borrowings. This transaction deals only with the replacement of the domestic sector related debt which has been determined to be €758 million as Phase 1 of the replacement of IW's debt. It was decided that this aspect of the commercial debt replacement be implemented by way of a capital contribution legally underpinned through a Capital Contribution Deed (signed on 6 December 2019). In keeping with this Deed and acting under Section 37 of the Water Services (No. 2) Act 2013, on 11 December 2019, the Minister for Finance advanced the payment of a €758 million capital contribution from the Central Fund to Irish Water. The capital contribution is an irrevocable, non-refundable and unconditional payment for which no shares issued in return.

STATEMENT 1.11

Guaranteed Liabilities

At 31 December 2019, the Government had guaranteed, under specific legislation, the due payment of obligations in respect of liabilities of which the principal or capital value outstanding was €5.009 billion. The individual amounts represent capital raised and commitments entered into in accordance with the relevant statutes.

Relevant Department and Nature of Liability	Amounts Outstanding at 31 December 2018	**Changes in Guaranteed Liabilities in 2019**	**Amounts Outstanding at 31 December 2019**
	€000	**€000**	**€000**
Finance			
ACP-EEC Convention of Lomé (contracts of Guarantee between State and European Investment Bank) Act, 1976 [1]	6,715	**685**	**7,400**
Strategic Banking Corporation of Ireland [2]	585,000	**(76,667)**	**508,333**
Business, Enterprise and Innovation			
Credit Guarantee Act, 2012 [3]	3,093	**2,054**	**5,147**
Housing, Planning and Local Government			
Housing Finance Agency plc. [4]	3,782,100	**706,200**	**4,488,300**
Total	4,376,908	**632,272**	**5,009,180**

[1] The amount of €7.4 million represents Ireland's share of the EU guarantee of loans from the European Investment Bank to African, Caribbean and Pacific (ACP) countries under the conventions of Lomé and Cotonou. These conventions are financial and political frameworks for cooperation between the EU and the ACP countries.

[2] The Strategic Banking Corporation of Ireland (SBCI) is a company limited by shares and wholly owned by the Minister for Finance. Section 18 of the SBCI Act 2014 gives the Minister for Finance the authority to guarantee any moneys borrowed by the SBCI up to a maximum of €4 billion. This is measured as an aggregate of all guarantees outstanding at any given time (accrued interest does not count towards this maximum amount).

[3] The opening balance has been restated to take account of miscalculations. The Credit Guarantee Acts allow the Minister for Business, Enterprise and Innovation to provide partial Guarantees to banks in respect of lending to employment-creating firms. The amount of €5.147 million represents the maximum exposure on claims against remaining Live Lending on the Credit Guarantee Scheme (CGS) including cases sanctioned and paying premium but Guarantee Start Dates not notified to the Operator, as at 31 December 2019. The maximum exposure on claims against Live Lending was €2,582,360 under CGS 2012-15 and €2,564,952 under CGS 2017, while the maximum exposure on claims on cases sanctioned paying premium but with guarantee start dates not notified to the Operator ("Pending Cases") was €98,006. The Strategic Banking Corporation of Ireland manages the Credit Guarantee Scheme. This guarantee if invoked is paid by the State (the "Guarantor") to the Lender on the unrecovered amounts in the event of a borrower defaulting on the Scheme Facility repayments. Under these Acts and Schemes, the limit on Guarantees which can be issued in any one year is €150 million.

[4] Housing Finance Agency guaranteed debt held by NTMA is included in the Financial Statements of the National Debt. HFA's outstanding debt securities in issue as at 31 December 2019, for Guaranteed Notes with the NTMA, was €1.913 billion (2018: €1.558 billion) – see Page 37.

PART TWO

FINANCIAL STATEMENTS OF THE NATIONAL DEBT OF IRELAND

FOR THE YEAR ENDED 31 DECEMBER 2019

STATEMENT 2.1 - NATIONAL DEBT OF IRELAND

Service of National Debt	Year Ended 31 December 2019		
	Note	2019 €m	2018 €m
Net Interest Paid on Gross National Debt	3	4,972	5,733
Net Interest Paid on Cash and Other Financial Assets	4	76	65
Fees and Operating Expenses	5	172	169
Total Debt Service Cost		**5,220**	**5,967**

STATEMENT 2.2 - NATIONAL DEBT OF IRELAND

National Debt Statement		Year Ended 31 December 2019	
		2019	**2018**
	Note	**€m**	**€m**
Medium/Long Term Debt			
Irish Government Bonds	6	130,067	131,828
EU/IMF Programme Funding	7	43,269	44,877
Other Medium/Long Term Loans	8	2,578	2,243
		175,914	**178,948**
Short Term Debt			
Short Term Paper	9	9,998	6,393
Borrowings from Ministerial Funds	10	3,018	2,595
		13,016	**8,988**
State Savings Schemes			
State Savings Products	11	17,800	17,339
Gross National Debt		**206,730**	**205,275**
Cash and Other Financial assets	12	(18,536)	(17,593)
National Debt	13	**188,194**	**187,682**

STATEMENT 2.3 - NATIONAL DEBT OF IRELAND

National Debt Cash Flow Statement	Year ended 31 December 2019		
		2019	**2018**
	Note	**€m**	**€m**
Movement in Exchequer Balances:			
Balance at 1 January	12	15,338	10,533
Decrease in Other Financial Assets	12	220	430
Net Borrowing of Debt (see below)		297	4,276
		15,855	15,239
Exchequer Surplus		647	99
Balance at 31 December	12	**16,502**	**15,338**

		2019 Net[1]	**2018 Net[1]**
Net Borrowing /(Repayment) of Debt		**€m**	**€m**
Medium/Long Term Debt			
Irish Government Bonds		(2,942)	1,895
EU/IMF Programme Funding		(1,608)	(5)
Other Medium/Long Term Loans	8	335	345
Short Term Debt			
Short Term Paper		3,628	1,680
Borrowings from Ministerial Funds	10	423	314
State Savings Schemes			
State Savings Products	11	461	47
Net Borrowing of Debt		**297**	**4,276**

[1] The amounts represent the net borrowing or repayment of debt (inclusive of premiums and discounts paid at issue / repayment) together with the rollover of debt and related hedging transactions.

STATEMENT 2.4 - NATIONAL DEBT OF IRELAND

Statement of Movement in National Debt	Year ended 31 December 2019		
	Note	2019 €m	2018 €m
National Debt at 1 January	13	187,682	185,483
Increase in National Debt (nominal)		512	2,199
National Debt at 31 December	**13**	**188,194**	**187,682**
Increase in National Debt (nominal) represented by:			
Exchequer Surplus		(647)	(99)
Effect of Foreign Exchange Rate Movements		(23)	(53)
Adjustment for inflation linked liabilities		8	7
Net Premium on Medium/Long Term Loans		-	(1)
Net Premium on Bond Issuances and Cancellations		1,174	2,345
		512	**2,199**

Notes To The Financial Statements

1. Background

Under the National Treasury Management Agency Act, 1990, The National Treasury Management Agency ("the Agency") performs borrowing and National Debt Management functions on behalf of the Minister for Finance.

The form of the statements has been approved by the Minister for Finance under section 12 of the National Treasury Management Agency Act, 1990.

The financial statements of the National Debt also include disclosure notes in relation to the National Loans Advance Interest Account, the National Loans (Winding Up) Account, the National Treasury Management Agency (Unclaimed Dividends) Account, the Deposit Monies Investment Account, the Surplus Public Expenditure Monies Account and the Account of Stock Accepted in Payment of Inheritance Tax and Death Duties. As these are operational accounts set up for specific purposes, the related cash balances are not included with the Exchequer account balance reported under Cash and Other Financial Assets in the National Debt Statement.

2. Basis of Preparation

The financial statements have been prepared for the year ended 31 December 2019, on a cash basis under the historical cost convention except where otherwise stated.

The National Debt Statement is a statement of the total amount of principal borrowed by Ireland not repaid at the end of the year, less cash and other financial assets available for redemption of those liabilities at the same date. The Minister for Finance under various statutes also guarantees borrowings by the State and other agencies. These guarantees are not included in these financial statements.

The presentation currency is euro. All amounts in the financial statements have been rounded to the nearest million unless otherwise indicated. Figures may not total due to rounding. Where used, '000' or 'k' denotes thousand, and 'm' denotes million.

2.1 *Receipts and Payments*

Receipts and payments relating to the National Debt through the Exchequer Account, Foreign Currency Clearing Accounts and the Capital Services Redemption Account ("CSRA") are recorded at the time the money is received or payment made.

2.2 *Liability Valuation*

Debt balances are recorded in the National Debt Statement at their redeemable par value. Where medium or long term debt is issued or cancelled at a premium or discount to its redeemable par value any such premium or discount is accounted for through the Statement of Movement in National Debt. For liabilities where the redeemable par value is linked to inflation, the increase or reduction to the liability due to movements in inflation is accounted for through the Statement of Movement in National Debt.

2.3 *Derivatives*

Swap agreements and other financial instruments are entered into for hedging purposes as part of the process of managing the National Debt. The results of those hedging activities that are linked with specific borrowing transactions are recognised in accordance with the underlying transactions. The net funds flows arising on hedging activities that are not linked with specific borrowing transactions are included in debt service costs at the time the funds are received or payment made. Where swaps are terminated or converted into other swap instruments the net funds flows affect debt service in accordance with the terms of the revised instrument.

2.4 *Foreign Currencies*

Receipts and payments in foreign currencies are translated into euro at the rates of exchange prevailing at the date of the transaction. Liabilities and assets in foreign currencies are translated into euro at the rates of exchange ruling at the year end date.

3. Net Interest Paid on Gross National Debt

Interest Paid on Medium/Long Term Debt	2019 €m	2018 €m
Irish Government Bonds	3,717	4,048
EU/IMF Programme Funding	869	994
Derivatives hedging Medium/Long Term Debt	166	234
Private Placements	35	35
European Investment Bank	18	15
Medium/Long Term Notes	8	6
Council of Europe Development Bank	1	1
	4,814	5,333
Interest Paid/(Received) on Short Term Debt		
Euro Commercial Paper	27	34
Exchequer Notes	(11)	(5)
Irish Treasury Bills	(9)	(9)
	7	20
Interest Paid on State Savings Schemes		
Savings Certificates	70	285
Savings Bonds	24	35
Prizes in respect of Prize Bonds	18	18
4 Year National Solidarity Bonds	16	17
10 Year National Solidarity Bonds	12	11
Instalment Savings	11	14
	151	380
Total Interest Paid on Gross National Debt	**4,972**	**5,733**

4. Net Interest Paid on Cash and Other Financial Assets

	2019 €m	2018 €m
Interest Paid on Cash Balances	87	77
Interest Received on Financial Assets	(11)	(12)
	76	**65**

5. Fees and Operating Expenses

	2019 €m	2018 €m
EU/IMF Programme Funding	36	51
Government Bonds and Other Expenses	21	21
Prize Bonds	12	13
Savings Certificates	9	9
10 Year National Solidarity Bonds	6	5
Savings Bonds	4	5
4 Year National Solidarity Bonds	2	2
Instalment Savings	1	1
	91	**107**
Agency Operating Expenses[2]	81	62
	172	**169**

6. Irish Government Bonds

	2019 €m	2018 €m
Fixed Rate Bonds	120,045	119,095
Floating Rate Bonds	8,534	11,534
Index Linked Bonds	927	620
Amortising Bonds	561	579
	130,067	**131,828**

Floating Rate Bonds – Settlement of IBRC Promissory Notes:
Following the liquidation of Irish Bank Resolution Corporation ("IBRC") on 7 February 2013, and the agreement between the Irish Government and the Central Bank of Ireland ("CBI") to replace the promissory notes provided to State-owned IBRC with long-term Government Bonds, the promissory notes were cancelled and replaced with eight new Floating Rate Bonds. A total amount of €25.03 billion was issued on 8 February 2013 to the CBI with maturities ranging from 25 to 40 years.

During 2019, the Agency bought and cancelled €3 billion (2018: €4 billion) of the Floating Rate Bonds at a premium of €1.74 billion (2018: €2.25 billion). The bonds were purchased from the CBI, reducing the total nominal outstanding of the Floating Rate Bonds to €8.53 billion (2018: €11.53 billion).

Since the year-end, the Agency bought and cancelled a further €0.5 billion of the Floating Rate Bonds.

Sovereign Green Bond:
In accordance with the Irish Sovereign Green Bond (ISGB) Framework, fixed rate bonds include €5 billion from Irelands inaugural sovereign green bond issuance.

[2] Expenses incurred by the Agency in the performance of its functions are charged on and paid out of the Exchequer Account or the growing produce thereof. Further details can be found in the financial statements of the NTMA Administration Account (Central Fund note).

7. EU/IMF Programme Funding

Ireland's EU/IMF programme provided for €67.5 billion in external support from the International Monetary Fund ("IMF"), the European Financial Stabilisation Mechanism ("EFSM"), the European Financial Stability Facility ("EFSF") and other bilateral loans.

The liabilities outstanding under the EU/IMF Programme at end 2019, taking into account the effect of currency hedging transactions, are as follows:

Lender	2019 €m	Weighted Average Residual Maturity Years	2018 €m	Weighted Average Residual Maturity Years
European Financial Stability Facility	18,411	13.1 Years	18,411	14.1 Years
European Financial Stabilisation Mechanism	22,500	8.9 Years	22,500	9.9 Years
United Kingdom Treasury	2,358	0.7 Years	3,966	1.2 Years
Total	**43,269**		**44,877**	

An agreement was reached in 2013 to extend the EFSF and EFSM loans. In respect of the EFSM loans, the revised maturity dates are only determined as they reach their original maturity dates. As a result the average maturity of the EFSM loans reflects only the maturity extensions agreed to date.

8. Other Medium/Long Term Loans

	2019 €m	2018 €m
European Investment Bank	1,295	1,195
Private Placements	602	602
Medium/Long Term Notes	635	400
Council of Europe Development Bank	41	41
Other Medium/Long Term Loans	5	5
	2,578	**2,243**

9. Short Term Paper

The Agency issues short-term paper with maturities of up to one year to raise short-term funds. The proceeds are used to fund the Exchequer as bridging finance in the replacement of longer term debt, and for other liquidity management purposes. Borrowings may be in a range of currencies, but all non-euro borrowings are immediately swapped into euro.

	2019 €m	2018 €m
Exchequer Notes	7,339	3,629
Irish Treasury Bills	2,010	2,014
European Commercial Paper Programme	345	466
Central Treasury Notes	304	284
	9,998	**6,393**

10. Borrowings from Ministerial Funds

These funds are short term borrowings of the Exchequer drawn down as a "ways and means" of funding Exchequer requirements from a number of funds under the control of the Minister for Finance.

	2019	2018
	€m	€m
Post Office Savings Bank Fund	2,140	2,058
Surplus Public Expenditures Monies Account (note 19)	878	537
	3,018	**2,595**

11. State Savings Schemes

	2019	2018
	€m	€m
Savings Certificates	5,961	5,685
10 Year National Solidarity Bonds	3,946	3,505
Prize Bonds	3,653	3,414
Savings Bonds	2,466	2,855
4 Year National Solidarity Bonds	1,257	1,370
Instalment Savings	515	508
Savings Stamps	2	2
	17,800	**17,339**

Amounts shown in respect of Savings Certificates, Instalment Savings, Savings Bonds, Solidarity Bonds and Prize Bonds are net of €9 million (2018: €10.8 million) cash balances held by An Post, Permanent TSB and the Prize Bond Company. An Post and the Prize Bond Company act as registrars for the respective schemes.

As the National Debt financial statements are prepared on a cash basis, the liabilities do not include the sum of €275 million (2018: €280 million), being the estimate of the amount of accrued interest at end 2019 in respect of Savings Bonds, Savings Certificates, 10 Year National Solidarity Bonds, 4 Year National Solidarity Bonds and Instalment Savings.

12. Cash and Other Financial Assets

	2019 €m	2018 €m
Cash Balances		
Exchequer Account and CSRA [3]	16,502	15,338
Other Financial Assets		
Collateral Funding (note 14.2)	96	612
SBCI Medium Term Guaranteed Notes	25	85
Housing Finance Agency Guaranteed Notes	1,913	1,558
	2,034	**2,255**
	18,536	**17,593**

The Agency can invest in Deposits, Collateralised Deposits and Sovereign Treasury Bills for maturities of up to one year.

Cash is placed as collateral with counterparties arising from the requirements under Credit Support Annexes in respect of certain derivative transactions. These balances, and access to the related cash collateral, change on a daily basis and are dependent on the market value of these derivatives (See Note 14).

The Housing Finance Agency and SBCI Medium Term Guaranteed Notes may not be readily realisable dependent on market conditions.

Foreign Currency Clearing accounts

The Agency maintains a number of foreign currency clearing accounts for the purpose of managing transactions in these currencies. The balance held in these accounts at end December 2019 was Nil (2018: Nil). The Agency held no other foreign currency cash balances.

The movement in the Foreign Currency accounts are further outlined below:

	Receipts €m	Payments €m	Net 2019 €m	Net 2018 €m
Balance at 1 January 2019			**NIL**	**NIL**
Debt Service				
Medium/Long Term Loan Interest	93	(88)	**5**	**(3)**
Short Term Debt Interest	-	(29)	**(29)**	**(36)**
Foreign Exchange Contracts	1,183	(1,182)	**1**	**(32)**
Fees and Expenses	-	(6)	**(6)**	**(7)**
Borrowing Activity				
EU/IMF Programme	1,871	(1,871)	**-**	**(6)**
Short Term Debt	11,145	(11,116)	**29**	**84**
Balance at 31 December 2019	**14,292**	**(14,292)**	**NIL**	**NIL**

[3] The Balance held in the CSRA was €250k (2018: €310K) at end December 2019.

13. Risk Management

13.1 Risk Management Framework

The Agency's responsibility for both the issuance of new debt and the repayment of maturing debt, together with the management of the interest rate and currency profile of the total debt portfolio, makes the management of risk a central and critical element of the Agency's business. The principal categories of risk arising from the Agency's National Debt activities are liquidity, market, counterparty credit and operational risk .

The Agency Risk Management Policy and Framework prescribes mandatory standards and definitions for risk management that apply to all parts of the Agency and across all risk categories. These standards are then implemented through the detailed policies and procedures that govern the management of individual risk categories and/or risk management processes.

The Agency Risk Management Framework is predicated on the three-lines-of-defence model and its organisational structure and risk committee structure are aligned in order to establish clear ownership and accountabilities for risk management.

As the first line of defence, the Agency's Business Units and Corporate Functions are primarily responsible for owning and managing risks on a day-to-day basis, taking into account the Agency's risk tolerance and appetite and in line with its policies, procedures, controls and limits.

The second line of defence, which includes the Agency's Risk, Compliance and other control functions, is independent of first line management and operations and its role is to challenge decisions that affect the organisation's exposure to risk and to provide comprehensive and understandable reporting on risks management issues.

The third line of defence includes the Internal Audit function which provides independent risk-based assurance to key stakeholders on the robustness of the Agency's governance, risk management system and the design and operating effectiveness of the internal control environment under a planned programme of work approved by the Audit and Risk Committee.

A number of Agency and management committees, including the Agency Audit and Risk Committee and Risk sub-committees, support the Agency in discharging its responsibilities in relation to risk management.

Agency Audit & Risk Committee (ARC)

The Audit and Risk Committee assists the Agency in:

- the oversight of the quality and integrity of the financial statements, the review and monitoring of the effectiveness of the systems of internal control, the internal audit process and the compliance function, and the review and consideration of the outputs from the statutory auditor; and
- the oversight of the Agency's risk management framework including setting risk appetite, monitoring adherence to risk governance and ensuring risks are properly identified, assessed, managed and reported.

In addition, the Committee oversees the internal audit and risk management functions, which are managed on a day to day basis by the Head of Internal Audit and the Head of Risk (Financial, Investment and Enterprise) respectively.

Management Committees

Enterprise Risk Management Committee (ERMC)
The ERMC oversees the implementation of the Agency's overall risk appetite and senior management's establishment of appropriate systems (including policies, procedures and risk limits) to ensure enterprise risks are effectively identified, measured, monitored, controlled and reported.

Counterparty Credit Risk Committee (CCRC)
The CCRC oversees and advises the ERMC on counterparty credit risk. It formulates, implements and monitors compliance with the NTMA Counterparty Credit Risk Management Policy, including the consideration and recommendation, where appropriate, of any proposed changes and ensures that all appropriate actions are taken in respect of relevant policy or any breaches. It reports relevant counterparty credit risk exposures and details to the ERMC.

13.1 Risk Management Framework - continued

Market and Liquidity Risk Committee (MLRC)
The MLRC oversees and advises the ERMC on market and liquidity risk exposures. It formulates, implements and monitors compliance with the NTMA Market and Liquidity Risk Polices, including the consideration and recommendation, where appropriate, of any proposed changes and ensures that all appropriate actions are taken in respect of relevant policy or any breaches. It reports relevant market risk and liquidity risk exposures and details to the ERMC.

Operational Risk and Control Committee (ORCC)
The ORCC reviews and recommends to the ERMC for approval the operational risk policies. The ORCC monitors, reviews and challenges the Agency's operational risks and reports on operational risk management to the ERMC.

Products and Processes Committee (PPC)
The PPC reviews, challenges and recommends to the ERMC for approval proposals and risk assessments in respect of new products and processes, or material changes to existing products and processes.

Principal Risks

Liquidity Risk
A key objective of the Agency is to ensure that the Exchequer has sufficient cash to meet all obligations as they fall due. Ensuring that the Exchequer has sufficient liquidity is one of the Agency's most critical tasks. Liquidity risks related to the National Debt can arise either from domestic events or, given the high level of linkage between markets, from events outside Ireland. The Agency manages liquidity risk primarily by maintaining appropriate cash buffers, by limiting the amount of liabilities maturing in any particular period of time and by matching the timing and volume of market funding with the projected funding requirements. This is reinforced by the Agency's activities in maintaining a well informed and diversified international investor base, with a presence in all major capital markets and a broad range of debt instruments which can be issued.

Market Risk
Market risk is the risk of loss or increased costs resulting from changes in the value of assets and liabilities (including off-balance sheet assets and liabilities) due to fluctuations in risk factors such as interest rates, foreign exchange rates or other market prices. The Agency must have regard both to the short-term and long-term implications of its transactions given its task of managing not only the immediate fiscal debt service costs but also the present value of all future payments of principal and interest. The exposure to interest rate and currency risk is controlled by managing the interest rate and currency composition of the portfolio in accordance with the Agency's risk appetite. Specific limits are in place to control market risk; exposures against these limits are reported regularly to senior management. As conditions in financial markets change, the appropriate interest rate and currency profile of the portfolio is reassessed in line with periodic limit reviews. The Agency seeks to achieve the best trade-off between cost and risk over time and has in place a hedging programme to manage interest rate and exchange rate risks and to protect the Exchequer from potential volatility in future years. More information on the use of derivatives is set out in Derivatives (note 14).

Counterparty Credit Risk
Counterparty credit risk is the risk of financial loss arising from a financial market transaction as a result of a counterparty failing to fulfil its financial obligations under that transaction and with regard to the National Debt mainly arises from derivatives, deposits and foreign exchange transactions. The level of counterparty credit risk is managed in accordance with the Agency's risk appetite by dealing only with counterparties of high credit standing. Procedures provide for the approval of risk limits for all counterparties and exposures are reported daily to management. A review of all limits is undertaken periodically to take account of changes in the credit standing of counterparties or economic and political events. In order to mitigate the Exchequer's exposure to market counterparties while at the same time ensuring that Ireland has efficient market access for its hedging activities, the Agency may enter into credit support arrangements with the market participants with which it wishes to trade – this involves the receipt and posting of collateral to offset the market value of exposures. More information on the use of credit support arrangements is set out in Derivatives (note 14).

13.1 Risk Management Framework - continued

Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events which would affect the Agency's ability to execute its business strategy. Sub-categories of operational risk include people risk, governance risk, third party risk, business continuity management and legal and compliance risk. A risk management policy and framework is applicable to the Agency as a whole. The objective of this policy and framework is to ensure that operational risk is managed in an appropriate and integrated manner across the organisation. This policy and framework outlines the strategy, processes, risk criteria, controls and governance structures in place for managing operational risks within the Agency. The policy and framework also sets out the methodology for the risk and control self-assessment process which describes the process for adequate and timely identification, assessment, treatment, monitoring and reporting of the risks posed by the activities of the Agency.

The NTMA Business Continuity Management Group ensures an appropriate and consistent approach to business continuity management across the Agency and provides a supporting role in establishment, implementation, monitoring and improvement of business continuity management activities.

13.2 National Debt – Currency Composition

The Agency hedges the foreign currency risk of the National Debt through the use of foreign exchange contracts and currency swaps. The currency composition of the National Debt, and related currency hedges, is as follows:

Currency	**As at 31 December**	
	2019	**2018**
	€m	**€m**
Debt Instruments		
Euro	185,835	183,251
US Dollar	-	513
Pound Sterling	2,371	3,607
	188,206	**187,371**
Foreign Currency and Swap Contract		
Euro	2,359	4,443
US Dollar	-	(524)
Pound Sterling	(2,371)	(3,608)
	(12)	**311**
National Debt	**188,194**	**187,682**

13. Risk Management - continued

13.3 National Debt – Maturity Profile

The residual maturity profile at year-end of the Medium/Long Term Debt, taking into account the treasury management transactions entered into by the Agency, is as follows:

2019 €m	Due within 1 Year	Due between 1-5 Years	Due between 5-10 Years	Due over 10 Years	Total
Irish Government Bonds	17,169	27,055	38,718	47,125	130,067
EU/IMF Funding Programme	1,876	6,282	10,770	24,341	43,269
Other Medium & Long Term Debt	6	228	844	1,500	2,578
Short Term Debt[4]	11,751	1,265	-	-	13,016
State Savings[5]	6,892	8,399	2,507	2	17,800
Cash & Other Financial Assets	(17,669)	(252)	(215)	(400)	(18,536)
National Debt	20,025	42,977	52,624	72,568	**188,194**

2018 €m	Due within 1 Year	Due between 1-5 Years	Due between 5-10 Years	Due over 10 Years	Total
Irish Government Bonds	13,571	36,147	39,289	42,821	131,828
EU/IMF Funding Programme	1,608	7,358	8,500	27,411	44,877
Other Medium & Long Term Debt	5	9	981	1,248	2,243
Short Term Debt[4]	7,722	1,266	0	0	8,988
State Savings[5]	6,481	8,318	2,539	1	17,339
Cash & Other Financial Assets	(16,407)	(781)	(155)	(250)	(17,593)
National Debt	12,980	52,317	51,154	71,231	**187,682**

[4] Short Term Debt has been adjusted to reflect the expected longer maturity of a portion of the Ways and Means monies repayable to the Post Office Savings Bank Fund.

[5] State Savings maturities are based on contracted maturity information provided by An Post for end 2019.

14. Derivatives

14.1 Derivatives

As part of its risk management strategy the Agency uses a combination of derivatives including interest rate swaps, currency swaps and foreign exchange contracts. The following table shows the nominal value and fair value, of the instruments related to the National Debt outstanding at year end. The fair value of each instrument is determined by using an appropriate rate of interest to discount all its future cashflows to their present value.

	31 December 2019		31 December 2018	
	Nominal	Fair Value	Nominal	Fair Value
	€m	€m	€m	€m
Interest Rate Swaps	6,460	(150)	11,566	(310)
Exchange Contracts	2,371	5	4,490	(341)
	8,831	**(145)**	**16,056**	**(651)**

The Agency provides treasury services to the National Asset Management Agency ("NAMA") under section 52 and 235 of the National Asset Management Agency Act, 2009. Accordingly it may enter into derivative transactions with NAMA. Any such transactions are offset by matching transactions with market counterparties. As a result there is no net effect on the National Debt accounts. The nominal value of interest rate swaps transacted with NAMA outstanding at end 2019 was €Nil (2018: €0.02 billion); the nominal value of currency swaps and foreign exchange rate contracts transacted with NAMA outstanding at end 2019 was €0.02 billion (2018: €0.04 billion).

The Agency also provides treasury services to IBRC (in liquidation) and accordingly may enter into derivative transactions with IBRC. Any such transactions are offset by matching transactions with market counterparties. As a result there is no net effect on the National Debt accounts. The nominal value of foreign exchange rate contracts transacted with IBRC outstanding at end 2019 was €0.11 billion (2018: €0.11 billion).

In order to mitigate the risks arising from derivative transactions, the Agency enters into credit support arrangements with its market counterparties. Derivative contracts are drawn up in accordance with Master Agreements of the International Swaps and Derivatives Association ("ISDA"). A Credit Support Annex ("CSA") is a legal document which may be attached to an ISDA Master Agreement to regulate credit support (in this case, cash collateral) for derivative transactions and it defines the circumstances under which counterparties are required to post collateral. Under the CSAs, the posting of cash constitutes an outright transfer of ownership. However, the transfer is subject to an obligation to return equivalent collateral in line with changes in market values or under certain circumstances such as a Termination Event or an Event of Default. The provider of collateral is entitled to deposit interest on cash balances posted.

14. Derivatives - continued

14.2 Credit Support Account

The Agency established a Credit Support Account in the Central Bank of Ireland in 2010 to facilitate these transactions. Derivative contracts are valued daily. When collateral is required from a counterparty it is paid into the Credit Support Account. When the Agency is required to post collateral with a counterparty, it uses the funds in the Credit Support Account to fund the collateral payment. If there are insufficient funds in the Credit Support Account, the account is funded from the Exchequer.

	2019	**2018**
	€m	**€m**
Balance at 1 January	-	-
Cash Collateral received from counterparties	1,067	1,193
Cash Collateral paid to counterparties	(551)	(948)
	516	245
Decrease in Exchequer Funding during the year	(516)	(245)
Balance at 31 December	**NIL**	**NIL**

Note:	**2019**	2018
	€m	€m
Exchequer Funding at 31 December	96	612
Net Collateral Posted to Counterparties at 31 December (note 12)	(96)	(612)

The Agency has entered into a Collateral Posting Agreement with NAMA. At end 2019, NAMA had posted collateral of €25m (2018: €25m) to the Agency as part of this agreement.

The Agency has also entered into a Collateral Posting Agreement with IBRC. At end 2019, IBRC had posted collateral of €25m (2018: €25m) to the Agency as part of this agreement.

15. Capital Services Redemption Account (CSRA)

15.1 Background

The Capital Services Redemption Account ("CSRA") was established under section 22 of the Finance Act, 1950 as amended. The account is used for the purpose of settling transactions of a normal banking nature that the Agency may enter into in accordance with section 54(7) of the Finance Act, 1970.

Transactions of a normal banking nature include activities such as foreign exchange deals, swaps and interest on deposits which are related to debt servicing costs. Such amounts may be used to make payments and repayments in respect of normal banking transactions or towards defraying interest and expenses on the public debt.

Transactions of a normal banking nature include derivative transactions entered into by the Agency with the National Asset Management Agency ("NAMA") (in accordance with sections 52 and 235 of the National Asset Management Agency Act, 2009 and Statutory Instrument No. 203/2010) and the Irish Bank Resolution Corporation Limited (in Special Liquidation) ("IBRC") (in accordance with section 17(4) of the Irish Bank Resolution Corporation Act, 2013 and Statutory Instrument No. 57/2013) (see also note 14 above). Such transactions entered into with NAMA and IBRC are offset by matching transactions with market counterparties. As a result there is no net effect on the CSRA.

The balance in the CSRA is maintained by the Agency at a level which is subject to guidelines issued by the Minister for Finance under section 4(4) of the National Treasury Management Agency Act, 1990. Under ministerial guidelines the balance in the CSRA from year end 2015 and thereafter each year end was to be less than €1 million. To adhere to these guidelines, the Agency transfers excess funds from the CSRA to the Exchequer Account before year end.

15.2 Movement in the Account for the Year

	2019 €m	2018 €m
Balance at 1 January	-	-
Receipts		
Derivative Transactions	1,187	4,254
Interest on Cash and Other Financial Assets	13	15
	1,200	4,269
Payments		
Derivative Transactions	(1,187	(4,254)
Interest on National Debt	(2)	(3)
Expenses on National Debt	-	-
Transfer to Exchequer Account	(11)	(12)
	(1,200)	(4,269)
Balance at 31 December	**-**	**-**

15.3 Derivative Transactions undertaken for IBRC and NAMA

Receipts and payments in respect of derivative transactions undertaken in respect of IBRC and NAMA in the period are outlined below:

	Receipts €m	Payments €m	Net 2019 €m	Net 2018 €m
NAMA Related Derivatives	318	318	-	-
IBRC Related Derivatives	869	869	-	-
	1,187	**1,187**	**-**	**-**

16. National Loans Advance Interest Account

The Agency can cancel or issue amounts of existing Irish Government Bonds. The settlement amount for each bond transaction includes the accrued interest at that point in the coupon period. The interest paid is deposited in the National Loans Advance Interest Account until the full interest is due on the coupon date. On the coupon date, the interest is then used to offset the related servicing costs of the Exchequer.

Account of Receipts and Payments	2019 €m	2018 €m
Balance at 1 January	41	46
Accrued Interest Received on National Loans – Tranches and Auctions	44	57
Accrued Interest Paid on National Loans	(47)	(62)
Balance at 31 December – Cash with Central Bank of Ireland	**38**	**41**

17. National Loans (Winding Up) Account

When a National Loan, Stock or Government Bond is due for redemption, the full amount outstanding is payable to the holder. Amounts not claimed by the holder at the redemption date are transferred into this account by a payment from the Exchequer. Any future claims which are made in relation to these matured loans are therefore met from this account. This account also includes balances which were held by the Central Bank and the Department of Finance as Paying Agents in respect of uncashed redemption payments, and which were transferred to the Agency.

The balance on the account comprises principally historic amounts. Changes in the way in which bonds are held by investors and the processing of payments means unclaimed amounts rarely arise.

Account of Receipts and Payments	2019 €m	2018 €m
Balance at 1 January	3	3
Receipts from Central Bank Account	-	-
Payments to Central Bank Account	-	-
Payments for Redemption of National Loans	-	-
Balance at 31 December - Cash with Central Bank of Ireland	**3**	**3**

18. National Treasury Management Agency (Unclaimed Dividends) Account

When interest is due on a bond liability, the full amount due is paid by the Agency to the Paying Agent who then issues it to the registered holder. The balance in the unclaimed dividends account represents unclaimed interest on matured loans, which has been returned to the Agency by the Paying Agent and has yet to be claimed by the registered holders. The Paying Agent maintains a cash float, on behalf of the Agency, which it uses to service claims as they arise during the year.

The balance on the account comprises principally historic amounts. Changes in the way in which bonds are held by investors and the processing of payments means unclaimed amounts rarely arise.

Account of Receipts and Payments	2019 €m	2018 €m
Balance at 1 January	3	3
Receipts/(Payments) of Unclaimed Interest	-	-
Balance at 31 December - Cash with Central Bank of Ireland	**3**	**3**

19. Surplus Public Expenditure Monies Account

The Surplus Public Expenditure Monies Account records the borrowings and repayments of surplus funds held in the Supply Account of the Paymaster General.

The Supply Account of the Paymaster General is the account through which funding is provided by the Exchequer to Government Departments. Surplus funds which arise periodically on the PMG Supply Account are transferred and recorded against the Surplus Public Expenditure Monies Account.

Following a change in the operation of the Supply Account at the end September 2018, the Surplus Public Expenditure Monies Account replaced the Deposit Monies Investment Account. At the time of conversion, the Deposit Monies Account reported year-to-date receipts and payments of €4.5bn and €4.9bn respectively.

Surplus funds on the PMG Supply Account are transferred to and recorded against the Surplus Public Expenditure Monies Account on a daily basis (note 10).

Surplus Public Expenditure Monies Account	**2019**	**2018**
	€m	**€m**
Balance at 1 January	537	-
Ways and Means Exchequer Receipts	12,793	2,889
Ways and Means Exchequer Payments	(12,452)	(2,352)
Balance at 31 December (note 10)	**878**	**537**

20. Account of Stock Accepted in Payment of Inheritance Tax and Death Duties

No stock was accepted in payment of inheritance tax and death duties during 2019 (2018: nil).

21. Events after the end of reporting period

Note 6 details 2020 floating rate bond transactions which occurred after the end of the reporting period.

The outbreak of the novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on the 11th March 2020, has impacted global financial markets which in turn has adversely affected the National Debt. As neither the duration nor the scope of the impact can be predicted, the overall financial impact cannot be estimated at this time.

22. Approval of Financial Statements

The financial statements were approved by the Agency on 5 May 2020.