Ireland’s National Treasury Management Agency
Managing a complex portfolio of public assets and liabilities

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A complex portfolio of public assets and liabilities

NATIONAL TREASURY MANAGEMENT AGENCY
Public assets and liabilities being managed

- Debt portfolio
- PLUS
- Asset portfolios
- Liquidity assets
- Carbon credits
- Contingent liabilities
  - [Banking sector]
  - Claims against the State
  - PPPs
General Government Debt (%GDP) has risen significantly in recent years as a result of the banking crisis.
Responding to the crisis

• Not all liabilities can be anticipated

• NTMA structure makes it particularly suited to respond in crisis
• Established in 1990 to manage the National Debt because it was no longer possible to do so within civil service (Department of Finance) structures.

• Legislation deliberately positioned NTMA outside of the wider public service structures with freedom to negotiate market-competitive salaries (and headhunt if necessary).

• Since 1990, NTMA has evolved from a single-function agency managing the National Debt to a manager of a complex portfolio of public assets and liabilities.
Ireland’s NTMA: background and establishment

• Has played leading role in State’s response to financial crisis, tasked with establishing 3 new, high-profile businesses from scratch since 2009 alone:
  - NAMA (acquired property loans from banks)
  - Banking Unit (deleveraging and recapitalisation of banks)
  - NewERA (disposal of State assets and Shareholder Executive)

• Has also been managing NPRF (long term pension liabilities of the State; peak € 25 bn reserve fund)
NAMA – Banking liabilities

- Acquired loans with nominal value of €74 billion (12,000 loans, 35,000 individual properties, 800 debtors) from participating financial institutions

- Injected €32 billion of liquid assets into financial institutions as consideration

- New organisation established from scratch (200 staff recruited with long standing experience in banking and property), from standing start in December 2009 to fully operational during 2010

- So far paid down over €3.6 billion of NAMA debt (€3.3 bn NAMA Bonds and €0.3 bn to the State)
Practical issues – striking the right balance

- Synergies
- Conflicts of interest
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NTMA Advisory Board

Minister of Finance

NPRF Commission

NDFA Board

NAMA Board

Funding and Debt Management

State Claims Agency (SCA)

Banking system functions (Seconded to Dept of Finance)

NewERA

National Pensions Reserve Fund (NPRF)

National Development Finance Agency (NDFA)

National Asset Management Agency (NAMA)
Advantages

• Centralising treasury operations means various arms of State aren’t in competition

• Model gives NTMA flexibility to quickly equip itself with professional expertise necessary to perform additional functions given to it by successive governments over the years

• New functions acquired can leverage NTMA’s services in IT, human resources, legal, communications

• Cross-fertilisation of ideas and expertise