



PAC-R-223

Correspondence 3.8
Meeting – 12/01/2012

Gníomhaireacht Bainistíochta an Chisteáin Náisiúnta
National Treasury Management Agency



21 December 2011.

Mr Ted McEnery
Principal Clerk
Committee of Public Accounts
Leinster House
Dublin 2

Dear Mr McEnery

I refer to your letter of 9 December last seeking further information on the debt service savings arising from the changes to the European Financial Stability Mechanism (EFSM) and European Financial Stability Facility (EFSF) announced last July.

As requested I have set out overleaf a schedule showing estimated annual interest payable under both the original and revised terms and the estimated savings taking into account the latest information available from the EFSM and EFSF. To ensure a meaningful comparison I have assumed that maturing loans under the original shorter maturities are refinanced in the markets so that they have a maturity equal to that under the revised terms. All new loans from the EFSM are assumed to have a maturity of 12.5 years and all new loans from the EFSF are assumed to have a maturity of 15 years.



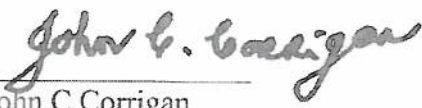
Estimated Annual Interest Payable to
EFSM and EFSF(€bn*)

Year	Original Terms	Revised Terms	Difference
2011	0.8	0.4	0.4
2012	2.0	1.1	0.9
2013	2.5	1.4	1.1
2014	2.6	1.5	1.2
2015	2.6	1.5	1.2
2016	2.6	1.5	1.2
2017	2.6	1.5	1.1
2018	2.6	1.5	1.2
2019	2.6	1.5	1.2
2020	2.5	1.5	1.0
2021	2.4	1.5	0.9
2022	2.4	1.5	0.9
2023	2.2	1.4	0.8
2024	1.4	1.0	0.4
2025	1.1	0.9	0.2
2026	0.6	0.4	0.2
2027	0.2	0.1	0.1
	<u>33.8</u>	<u>19.9</u>	<u>13.9</u>

*Totals may not add due to rounding

I trust the above is of assistance to the Committee. Please do not hesitate to contact me if the Committee has any further queries.

Yours sincerely


John C Corrigan
Chief Executive
