



**MINUTES OF MEETING OF THE
NATIONAL TREASURY MANAGEMENT AGENCY
HELD AT 2PM ON 24 SEPTEMBER 2024
AT TREASURY DOCK, NORTH WALL QUAY, DUBLIN 1**

PRESENT: Rachael Ingle, Chairperson
Brian O’Kelly
Fiona Ross
Frank O’Connor
Gerardine Jones
John Hogan
John McCormick
Myra Garrett

APOLOGIES: David Moloney

IN ATTENDANCE: Elaine Hudson, Agency Secretary
Frank O’Kelly, Secretariat Officer
Susan O’Halloran, Chief Legal Officer (CLO)
Nick Ashmore, Director, ISIF (Items 5 and 10.2 only)
Evelyn Leen, Investment Director (Item 5 only)
Elaine O’Keeffe, Investment Manager (Item 5 only)
Emily Stewart, Investment Manager (Items 5 and 6.2 only)
Ray Mangan, Project Director, FIF/ICNF (Items 6.1 and 6.2 only)
Mary MacNamara, Deputy Director, ISIF (Item 6.2 only)
Stephen Molloy, Investment Manager, ISIF (Item 6.2 only)
Dave McEvoy, Director, FDM (Items 7.1, 7.2 and 7.3 only)
Aisling Synnott, Deputy Director, FDM (Items 7.1, 7.2 and 7.3 only)
Anthony Linehan, Deputy Director, FDM (Items 7.1, 7.2 and 7.3 only)
David Purdue, NTMA Chief Economist (Items 7.1, 7.2 and 7.3 only)
Murray McCarter, Head of Retail Debt, FDM (Items 7.1, 7.2 and 7.3 only)
Fergal Power, Deputy Director, Finance (Items 8.1 and 8.2 only)
Karen Toal, Senior Finance Manager – Reporting (Items 8.1 and 8.2 only)
Oonagh Kelly, Chief People Officer (Items 8.1 and 8.2 only)
Jim Deery, Head of Corporate Strategy & Continuous Improvement (Items 9.1 and 9.2 only)
Lorraine Sibley, Deputy Director, Operations & Corporate Affairs, SCA (Item 10.3 only)

1. NOTICE AND QUORUM

The Chairperson noted that notice of the meeting and of the nature of the business to be conducted had been given to all members entitled to attend the meeting and a quorum was present.

The Agency noted that the pre-meeting session with Minister for Finance, Jack Chambers, had been very useful and informative.

2. DECLARATIONS OF INTEREST

For the purposes of Section 13A of the National Treasury Management Agency Act 1990 (as amended) and Section 17 of the Ethics in Public Office Act 1995, there were no material interests declared by members in the business to be transacted at the meeting.

3. MINUTES AND MATTERS ARISING

The Chairperson noted that draft minutes of the meetings of 9 July and 2 August had been circulated to the members in advance of the meeting. **IT WAS RESOLVED** that the minutes be approved and that they be signed by the Chairperson.

The Agency noted the status of the matters arising from previous meetings, as set out in the note circulated with the meeting papers.

4. CHIEF EXECUTIVE'S REPORT

The Chief Executive presented his Report highlighting a broad range of matters including, *inter alia*, that following the Court of Justice of the European Union ("CJEU") ruling on 10th September setting aside the General Court decision and confirming the European Commission's 2016 decision that Ireland granted Apple unlawful aid which Ireland was required to recover, the NTMA was working closely with the Department of Finance and the Revenue Commissioners to commence the process to transfer the Escrow Fund assets (in accordance with the Escrow Framework Deed). In relation to the FIF¹ and the ICNF² he noted the initial transfers to the Funds had taken place and the Interim Investment Strategies had been approved by the relevant Ministers and were being implemented. In relation to Funding and Debt Management he advised that the September auction brought total nominal bond issuance in 2024 to €6bn, noting there would be no further bond auctions held in 2024. He noted that Moody's had recently changed its outlook on Ireland to positive. Referring to wider NTMA Corporate initiatives, he also provided an update in relation to the NAMA winddown project, the Pay Transparency project and NTMA Risk Week.

The Agency discussed various aspects of the Report including, *inter alia*, Higher Education PPP Programme Bundle 2 and the potential implications for NTMA of the Apple CJEU ruling in the context of potential wider Policy decisions.

5. GLOBAL PORTFOLIO IMPLEMENTATION STRATEGY ("GPIS") ("THE STRATEGY")

The ISIF Representatives ("the Team") briefed the Agency on the proposed revisions to the Global Portfolio Implementation Strategy, highlighting both the aspects which would remain unchanged, in addition to the key changes. The Investment Committee Chairperson noted that the Committee, at its 23 September, reaffirmed its decision of 17 June 2024, recommending to the Agency the updated Global Portfolio Implementation Strategy and proposed delegation of implementation of same.

THIS HAS BEEN REDACTED IN PART.

6. FUTURE IRELAND FUND ("FIF") AND INFRASTRUCTURE, CLIMATE & NATURE FUND ("ICNF")

6.1. FIF ICNF Project Update

¹ Future Ireland Fund

² Infrastructure, Climate and Nature Fund

The Project Director, FIF ICNF provided an update on progress across the FIF ICNF workstreams, noting, *inter alia*, the recent transfers to both Funds, Ministerial approval of both interim Investment Strategies, the ongoing recruitment progress and key changes to the Project Plan (and the rationale for same). In relation to the latter, he noted that while the overall Project implementation date of March 2025 remained within the originally approved project plan, there was no remaining contingency period for any potential unforeseen delays, and there were a number of risks to the achievement of that timeline.

The Agency discussed the update including, *inter alia*, progress in relation to the Custodian procurement process, Project resourcing and the extent of coordination across ISIF and the Funds in relation to IT systems **THIS HAS BEEN REDACTED IN PART**. The Agency noted the new Funds Investment Committee would ideally review the Long-Term Investment Strategies for both funds ahead of presentation of same to the Agency for approval.

6.2. FIF and ICNF Long Term Investment Strategies Update

The FIF ICNF Long-Term Investment Strategy Workstream (“the Team”) briefed the Agency on progress in the development of the Long-Term Investment strategies in respect of both the FIF and ICNF **THIS HAS BEEN REDACTED IN PART**.

In the course of the discussion, the Agency, recognising the challenges in communicating the various complexities of the Funds, emphasised the importance of a clear and comprehensible communication strategy.

7. FDM UPDATES

7.1. FDM Business Unit Update

The FDM Representatives presented their annual Business Unit Update to the Agency, outlining the key developments since 2023, key activities including areas of focus, opportunities and challenges for the Unit.

The Agency commended the presentation and questioned whether, in view of FDM's wide breadth of activities, the Team was sufficiently resourced. The Director, FDM noted that in recognition of the significant increase in activity, while remaining a relatively small team, a request for a small headcount increase would be included as part of the 2025 Expenditure Budget. In response to a follow-on question from the Agency, he noted that succession planning was managed through a combination of hiring mid-career professionals and significant cross training within the Team. In the context of the increase in FDM's activity levels, the Agency queried whether the Team's systems and processes were scalable. The FDM Team confirmed that, following UAT and regression testing, investment had commenced for the interim management of the two new funds, and it was well placed in terms of both systems and processes to meet current investment activity across the exchequer and new funds.

THIS HAS BEEN REDACTED IN PART.

In response to a question from the Agency, the FDM Team noted the positive view expressed by the Rating Agencies regarding establishment of both the Infrastructure, Climate and Nature Fund and the Future Ireland Fund. Responding to a further question from the Agency, the Chief Economist noted that, in the course of Investor and Rating Agency meetings, the management of the Funds was of interest, as was how money could be transferred to and from the Funds. The Chief Economist noted that the drawdown mechanisms in legislation, in relation to the ICNF and FIF were made clear to investors.

7.2. Market Update

The Agency noted the Market Update, as presented.

7.3. State Savings Branding Update

The Head of Retail Debt, FDM provided (i) a recap of the business case for the State Savings branding review, (ii) progress update on same since last presented to the Agency at its May 2023 meeting and (iii) an overview of key next steps. In the ensuing discussion, the Head of Retail Debt advised that a separate new project for digital onboarding of new customers was being assessed and that FDM maintained a strong relationship with its Agent, with all stakeholders aligned in terms of the success of the State Savings franchise. The Team's approach to support the roll-out of the State Savings rebrand was also discussed.

The Agency queried the target range for State Savings as a funding source **THIS HAS BEEN REDACTED IN PART.**

He contextualized this further by noting that State Savings contributed c. €21 billion to Ireland's funding pre-pandemic, noting there had been no marketing in the intervening period, which culminated in State Savings balances of c. €24 billion.

THIS HAS BEEN REDACTED IN PART.

8. EXPENDITURE BUDGET

8.1. Budget Outturns: end August 2024

The Senior Finance Manager briefed the Agency on the NTMA Administration Account and Ireland Strategic Investment Fund (“ISIF”) 2024 expenditure out-turns for the eight-month period ended 31 August 2024 and full year forecast for 2024 versus the 2024 budgets approved by the Agency at its November 2023 meeting.

At the Agency’s request, the budgetary approach for the Future Ireland Funds was explained, noting that the **THIS HAS BEEN REDACTED IN PART**, agreed by the Agency at its November 2023 meeting, covered costs incurred up to the date of establishment of the Funds (30th July 2024) to be paid by the NTMA **THIS HAS BEEN REDACTED IN PART.**

It was explained that it was proposed to adopt a similar approach to the ISIF, with a separate budget for the Future Ireland Funds in respect of 2025. Referring to the primary driver of the savings identified, the Agency queried whether there were any particular challenges in relation to recruitment. The Chief People Officer noted that while certain specialist skill sets were more challenging to fill, there were no issues in hiring the requisite resources, albeit the recruitment timelines had increased reflecting market conditions. **THIS HAS BEEN REDACTED IN PART.**

8.2. Expenditure Budget 2025 Assumptions

The Deputy Director, Finance and Senior Finance Manager presented, *inter alia*, the high-level budget assumptions underpinning the 2025 NTMA and ISIF Expenditure budgets, noting that the proposed NTMA, ISIF and Future Ireland Funds expenditure budgets would be presented to the Agency for approval at its November 2024 meeting. The presenters noted the Remuneration Committee had reviewed the 2025 Pay assumptions included in the budget. The Agency noted the “walk” from the 2024 forecasted outturn through to the 2025 base cost and on to the 2025 budget request was helpful. As one of the key drivers of costs, the Agency queried the process by which the headcount assumptions were derived and challenged, and the implications, if any, for any NTMA activities arising from resource constraints. The Deputy Director, Finance outlined the process involving consideration and challenge of all requests and related rationale including by the Chief Executive. It was noted that similar to the Future Ireland Funds last year, the budget for the establishment of the NAMA Resolution Unit would remain separate from the NTMA Expenditure Budget. In response to a question from the Agency, the presenters noted that the analysis underpinning the proposed Remuneration assumptions included information in relation to both Public Sector and Private sector (including Financial Sector) pay provisions for 2025. It was further clarified that the full year effect of 2024 hires were incorporated into the 2025 base case.

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9. NTMA CORPORATE STRATEGY

9.1. NTMA Strategic Outturns (to end July 2024)

The Head of Corporate Strategy presented the Strategic Key Performance Indicators (KPIs) Outturns for the year to end July 2024. He noted the strong performance across all mandates as evidenced by the 'Green' status against many KPIs. **THIS HAS BEEN REDACTED IN PART.** He also noted that in order to provide a more accurate reflection of the NTMA's progress towards its 2030 NetZero emissions target, the calculation methodology in respect of the Climate Action KPI had changed from an annual % reduction to a rolling annual 3-year average % reduction from 2024 onwards.

Referring to the large number of KPIs rated 'Green', the Agency challenged whether the KPIs were sufficiently stretching. The Head of Corporate Strategy noted that the NTMA Strategic Goals and Key Performance Indicators (KPIs) had been reformulated in 2023 as part of a five-year review process which included an Agency workshop and that a full review, with external independent assessment, of the NTMA's Strategic and Leading KPIs had been conducted in 2021. **THIS HAS BEEN REDACTED IN PART.**

9.2. NTMA Strategic KPIs (including targets/deliverables for 2025)

The Head of Corporate Strategy presented the proposed NTMA Strategic Goals and Key Performance Indicators for 2025 to Agency members for review and approval to submit to the Minister for Finance. **THIS HAS BEEN REDACTED IN PART.**

The Agency noted that, subject to its aforementioned comments being reflected and following its review and agreement of same, Part 2 of the Corporate Strategy would be submitted to the Minister for his views. The KPIs, incorporating any comments that the Minister might have, would be tabled for formal approval at the Agency's November meeting.

10. COMMITTEE REPORTS

10.1. *Audit and Risk Committee*

The Audit and Risk Committee Chairperson, Gerardine Jones, presented the report of the Committee meetings held on 28 August and 17 September 2024 respectively. She noted, *inter alia*, that the Committee had received a comprehensive overview of the second line of defence challenge across the ISIF's Irish Portfolio investment life cycle from the Head of Investment Risk and that the Committee was briefed on the planned procurement of future internal audit service provision including, the procurement options available. She advised that preparations for the tendering process for a single service provider would commence with a new provider expected to be in place by end August 2025.

10.2. *Investment Committee*

The Investment Committee Chairperson, Fiona Ross, presented the report of Committee meetings held on 22 July, 2 August, 16 August, 26 August, 12 September and 23 September 2024 respectively. **THIS HAS BEEN REDACTED IN PART.**

10.3 *SCA Advisory Committee*

The SCA Advisory Committee Chairperson, Brian O'Kelly, presented the report of the Committee meeting held on 11 September. The Deputy Director, SCA provided a brief overview of key updates including, amongst other things, **THIS HAS BEEN REDACTED IN PART.** She noted that the relevant legislation to give effect to the new indexation rate was with the Office of the Parliamentary Council. She also informed the Agency that the Inter-Departmental Working Group's report was launched on 19 September. She advised that the Department of Justice had sought the SCA's further observations in relation to Pre Action Protocols, to be submitted in early October. The Agency also noted the

updates in relation to (i) the Motor Insurance Insolvency Compensation Bill (which was at final stages and would result in the SCA assuming an audit role) (ii) the Patient Safety (Notifiable Incidents and Open Disclosures) Act (which would be commenced on 26 September) and (iii) progress in relation to the Garda Compensation Scheme. The Agency noted the significant progress across a range of key matters, noting in particular the strategic nature of many of same. In response to a question from the Agency, the Deputy Director, SCA noted that the SCA remained hopeful that PPOs, the Real Rate of Return regulations, and Pre-Action Protocols could reach final conclusion before year-end.

10.4 Remuneration Committee

The Remuneration Committee Chairperson, John McCormick, presented the report of the Committee meetings held on 22 August and 17 September. He reported that the Committee had, *inter alia*, received an external briefing on reward trends within the Financial Services Industry, reviewed the 2025 Remuneration budget assumptions, received an update on Pay Transparency (and job architecture project) **THIS HAS BEEN REDACTED IN PART**. The Committee Chairperson confirmed that the Committee, having discussed the rationale for and drivers behind the 2025 Remuneration budget assumptions, was satisfied that the proposals were reasonable.

11. GOVERNANCE ITEMS

11.1. Travel and Expenses Policy

The Travel and Expenses Policy, which applied to members of the Agency and its Committees, was scheduled for annual review. It was noted that no amendments were proposed to the Policy at this time. The Agency was satisfied to proceed on this basis.

11.2. Schedule of Matters Reserved for Decision by the Agency

The Agency noted the Schedule of Matters Reserved for Decision by the Agency, and the amendments in respect of same.

Following discussion, the Agency **RESOLVED TO APPROVE** that (i) the Schedule of Matters Reserved for Decision by the Agency and the Delegated Matters Notifiable to the Agency be amended as presented to the Agency and (ii) upon dissolution of the NRF, all references to the NRF should be excised from the Schedule of Matters Reserved for Decision by the Agency.

11.3. Delegated Matters Notifiable to the Agency

The Agency noted the Report on Delegated Matters Notifiable to the Agency, as presented.

12. AOB

The Meeting Chairperson noted the next scheduled meeting, and annual Agency Strategy Day, was due to take place on Tuesday, 26 November. She invited input from Agency members on any proposed topic/themes for the day to be communicated to the Agency Chairperson directly.

There being no other items, the Chairperson brought the meeting to a close.

Rachael Ingle

Agency Chairperson

26 November 2024