



**Gníomhaireacht Bainistíochta an Chisteáin Náisiúnta
National Treasury Management Agency**

**MINUTES OF MEETING OF THE
NATIONAL TREASURY MANAGEMENT AGENCY
HELD AT MARKET FLOOR, EURONEXT, DUBLIN 2
AT 8AM ON 26 NOVEMBER 2024**

PRESENT:

Rachael Ingle, Chairperson
Brian O’Kelly
David Moloney
Fiona Ross
Frank O’Connor
Gerardine Jones (except item 9.2 and part of item 9.1)
John S. Daly (except item 9.1)
John Hogan
John McCormick
Myra Garrett (except items 8.1 to 11)
Patricia Byron (except item 9.2)

IN ATTENDANCE:

Elaine Hudson, Agency Secretary
Frank O’Kelly, Associate – Agency Secretariat
Susan O’Halloran, Chief Legal Officer (CLO)
Ian Black, NTMA Chief Financial & Operating Officer (CFOO)
THIS HAS BEEN REDACTED IN PART
Ray Mangan FIF / ICNF Project Director (item 5.1, 5.2 & 5.3 only)
Mary MacNamara Deputy Director, ISIF (item 5.1 & 5.2 only)
Kieran Bristow, Advisor, ISIF & FIF (item 5.2 only)
Stephen Molloy, Investment Manager, ISIF (item 5.2 only)
Emily Stewart, Investment Manager, ISIF, (item 5.2 only)
Dave McEvoy, Director, FDM (Item 6.1, 6.2 & 6.3 only)
David Purdue, Chief Economist, FDM (Item 6.3 only)
Aisling Synnott, Deputy Director, FDM (Item 6.1 and 6.3 only)
Anthony Linehan, Deputy Director, FDM (Item 6.1, 6.2 & 6.3 only)
Alan Mahon, Head of Fiscal, Strategy & Communications, FDM (Items 6.1 & 6.3 only)
Fergal Power, Deputy Director - Finance (Items 7.1, 7.2 & 8.1.1 only)
Karen Toal, Senior Manager – Financial Reporting (Items 7.1 and 7.2 only)
Nick Ashmore, Director, ISIF (Item 8.2 only)
Ciarán Breen, Director, SCA (Item 8.3 only)
Donal Steele, Head of Corporate Procurement and Facilities (Item 9.5 only)
THIS HAS BEEN REDACTED IN PART

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 Chairperson formally welcomed recently appointed Agency members John S. Daly and Patricia Byron to the meeting.

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 meeting of 26 September 2024 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 Committee 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. He provided an update on various matters including, *inter alia*, (i) the appointment of Rebekah Brady, Deputy Director, Head of Investments, ISIF as the Director, Future Ireland Funds; (ii) the completion of the ISIF's partial realization in AMCS and recent ISIF market engagements; (iii) the recent addition of the Housing Finance Agency (HFA) as a NewERA designated body, bringing total designations to 24; **THIS HAS BEEN REDACTED IN PART** and (v) the SCA's recent submission of observations on the draft Pre-Action Protocol to the Department of Justice. He also noted significant work and engagement was ongoing with NAMA in relation to staffing matters in the context of NAMA's wind down and more generally that the wider project regarding the establishment of a Resolution Unit within the NTMA remained "on track". The Chief Financial & Operations Officer (CFOO) briefed the Agency on the Deputy Director ICT move from his day-to-day role to lead key technology and data aspects of the FIF on a full-time basis for 12 months.

5. Future Ireland Funds

THIS HAS BEEN REDACTED IN PART

6. FDM Updates

6.1 Funding Plan 2025

The FDM representatives presented the proposed 2025 Funding Plan to the Agency highlighting amongst other things, the strength of the 2024 fiscal position, with an Exchequer surplus of c. €12bn forecast in the recent Budget, which primarily reflected an assumed €8bn of the proceeds in 2024, from the recent Court of Justice of the European Union (CJEU) judgement. They advised that Exchequer cash/liquid assets balances were expected to remain elevated at year-end and into next year, notwithstanding a likely reduction in 2025 arising from the investment of the majority of the Social Insurance Fund (SIF) surplus outside the Exchequer. By way of context, for the proposed bond funding range, the FDM team referenced almost €14bn of maturities in 2025, an €11.5bn bond maturity (representing the last of the high coupon bonds first issued in 2009) and a €2.4bn European Financial Stabilisation Mechanism (EFSM) loan maturity. They noted that General Government gross debt at end 2025 was forecast to be c. €25bn below the post-COVID peak of €236bn, in part due to the NTMA's curtailment of its issuance for the last three years. In addition, debt service costs, after a decade of trending downwards, were likely to edge upwards gradually going forward.

The Agency discussed the 2025 Funding Plan and questioned the FDM representatives on various aspects of same including, inter alia:

- **the NTMA's cash/liquid asset position THIS HAS BEEN REDACTED IN PART**
The presenters noted that net debt was a key metric in the assessment of sovereign issuers, especially for Ireland, and was particularly relevant in the context of the elevated cash/liquid asset balances, and also the investment of the Future Ireland Fund and the Infrastructure Climate and Nature Fund;
- **the operational arrangements in relation to the SIF: THIS HAS BEEN REDACTED IN PART.**
They noted that FDM would be engaging further with the Department of Finance and the Department of Social Protection **THIS HAS BEEN REDACTED IN PART.**
- **whether there was a target for the weighted average life of issuance in 2025:** the presenters noted that as a relatively small issuer, the NTMA's priority was to ensure that it maintained its market presence and provided liquidity points on Ireland's bond curve **THIS HAS BEEN REDACTED IN PART.** The presenters noted that during Quantitative Easing, the average life of bonds across Europe increased to over 10 years. In the present Quantitative Tightening period, the average life was likely to revert to closer to historical levels **THIS HAS BEEN REDACTED IN PART.**
- **issuance plans in relation to 10-year benchmark bond;** the Agency noted that with a view to maintaining a liquid and functioning bond market, and given feedback to date, it was likely that FDM would look to syndicate a new bond in 2025 at the 10-year+ part of the curve **THIS HAS BEEN REDACTED IN PART.**
- **the implications for the funding range of any unforeseen outcomes as part of a new Programme for Government or otherwise:** the Budget estimates reflected a considerable cash/liquid asset balance for the period to 2030, with further optionality for increased issuance to the upper end-of range, accessing marketable short term debt (ECP and T-bills) and also the possibility of accessing funds from the Infrastructure, Climate and Nature Fund in the event of a downturn. The Agency also discussed the General Government gross debt position, also noting the increasing focus on the net debt position.

Following due consideration, **IT WAS RESOLVED** that the 2025 Funding Plan i.e., a nominal gross bond funding range of €6bn to €10bn and an average maturity of not less than 7 years be approved. Net issuance may be lower depending on the level of bond switches or buybacks. Management was required to revert to the Agency for approval if total nominal gross bond funding and/or average maturity was expected to be outside these parameters. The Agency noted that it was planned to announce the Funding Range to the market on 28 November 2024.

6.2 Engagement with J&E Davy Stockbrokers ("Davy") in the Primary Dealer Recognition Process

The Director and Deputy Director, FDM briefed the Agency on the background to the Agency's decision in March 2021 to withdraw Davy's authority to act as a Primary Dealer. They noted that the Agency agreed at the time that any subsequent recognition of J&E Davy as a Primary Dealer by the NTMA if that were to arise, would be a matter for the Board to consider. They informed the Agency that Davy had undergone considerable restructuring since 2021 and was seeking re-recognition as a Primary Dealer. **THIS HAS BEEN REDACTED IN PART**

The Director, FDM noted, *inter alia*, that if re-recognised, J&E Davy would be the third domestic primary dealer, alongside Cantor Fitzgerald and Goodbody Stockbrokers, (representing three out of 15 Primary Dealers).

THIS HAS BEEN REDACTED IN PART

Following due consideration, the Agency **RESOLVED TO APPROVE** the proposal that Davy be recognised as a Primary Dealer, subject to completion of the formal recognition application process as described above, to the satisfaction of the Chief Executive.

6.3 Market Update

The NTMA Chief Economist presented his paper to the Agency outlining, *inter alia*, a macroeconomic overview and the potential ramifications of the US election for the Irish economy. The Agency noted that as part of its investor engagement programme, the NTMA was very transparent about the potential risks and challenges to the Irish economic outlook.

7. EXPENDITURE BUDGET

7.1 NTMA Administration Account, Future Ireland Funds (“FIF”) and Ireland Strategic Investment Fund (“ISIF”) expenditure outturn update

The Finance Representatives briefed the Agency on the NTMA Administration Account, Future Ireland Funds and Ireland Strategic Investment Fund 2024 expenditure out-turns for the ten-month period ended 31 October 2024 and full year forecast for 2024 versus the 2024 budgets approved by the Agency at its November 2023 meeting. The Agency noted the update as presented.

7.2 NTMA & ISIF Expenditure Budgets 2025

The Finance representatives presented the NTMA, FIF and ISIF Expenditure Budgets 2025 including headcount proposals. **THIS HAS BEEN REDACTED IN PART**. He noted that the headcount request for 2025 remained unchanged since September.

The Agency reviewed the NTMA, FIF and ISIF Expenditure Budgets 2025 as circulated and questioned the Finance representatives on various aspects of same **THIS HAS BEEN REDACTED IN PART**

The Chief Executive noted that management was mindful of the need for efficiency and cost effectiveness in terms of expenditure and was accordingly satisfied with the present proposed budget. The Agency also briefly discussed the potential need for flexibility in the budget arising from policy changes, noting in the unlikely event of any proposed budgetary increases, they would be brought back to the Agency, for onward approval by the Minister for Finance as required.

Referencing the proposed ISIF 2025 expenditure budget, the ISIF Investment Committee Chairperson noted the **THIS HAS BEEN REDACTED IN PART**

Following the discussion, the Agency **RESOLVED TO APPROVE** (i) the NTMA Expenditure Budget for 2025 as presented, **THIS HAS BEEN REDACTED IN PART**

In discussing the NTMA’s resourcing capacity, and noting the need for flexibility in the event of increasing demands, the Agency **agreed** it was supportive of the headcount requests as presented.

8.COMMITTEE REPORTS

8.1 Audit and Risk Committee

The Agency noted the Audit and Risk Committee report as presented.

8.1.1 Selection of GAAP for FIF and ICNF

The Deputy Director, Finance outlined the proposed format of the accounts for the Future Ireland Funds, namely the adoption of FRS 102. It was noted that this approach (i) had been agreed with the Comptroller and Auditor General, (ii) was consistent with advice from Deloitte technical advisory, (iii) aligned with the ISIF Accounts and (iv) the Audit and Risk Committee, at its 19 November meeting, had agreed to recommend same.

Following due consideration, having regard to the Audit and Risk Committee recommendation, the Agency **RESOLVED TO APPROVE** the format of the accounts for the Future Ireland Fund and infrastructure, Climate and Nature Fund, including adoption of the FRS 102, the Financial Reporting Standard applicable in the UK and Ireland.

8.2 Investment Committee

The Investment Committee Chairperson, Fiona Ross, presented the reports of the Committee meetings held on 25 November. **THIS HAS BEEN REDACTED IN PART** the team structure was well embedded, and work was ongoing in relation to the triennial review of ISIF's impact strategy.

8.2.1 Investment Committee Terms of Reference

The Agency noted the Committee had conducted its annual review of its terms of reference and agreed that no amendments were required. On the recommendation of the Investment Committee, the Agency **RESOLVED TO APPROVE** the Investment Committee Terms of Reference (unchanged), as presented.

8.3 SCA Advisory Committee

The SCA Advisory Committee Chairperson, Brian O'Kelly, presented the report of the Committee meeting held on 20 November. The Director, SCA provided a brief overview of the trend in claims activity, **THIS HAS BEEN REDACTED IN PART**

The Director, SCA also briefed the Agency on the reinstatement of Periodic Payment Orders (PPOs) (expected following the report of the Interdepartmental Working Group which recommended a new wages-related index) noting **THIS HAS BEEN REDACTED IN PART**

8.4 Remuneration Committee

The Agency noted the Remuneration Committee report as presented.

9. Governance Matters

9.1 Future Ireland Funds Investment Committee Terms of Reference

Gerardine Jones and John S. Daly absented themselves from the meeting for parts (iii) & (iv) of the resolution.

The Chairperson advised that the proposed draft Future Ireland Funds Investment Committee Terms of Reference had been through a few iterations, having been reviewed by the management Oversight Committee and the Agency Working Group (comprising the Chief Executive, Agency Chairperson and ISIF Investment Committee Chairperson). The Agency discussed the draft Terms of Reference and

suggested an amendment to the Committee's proposed duties to include keeping the Investment Strategy for both funds under review and recommending any changes to the Agency as appropriate.

Following discussion, and subject to the aforementioned wording change, the Agency **RESOLVED TO APPROVE:**

- (i) the Future Ireland Funds Investment Committee Terms of Reference;
- (ii) the establishment of the FIF Investment Committee with effect from 1 December 2024;
- (iii) the appointment of John S. Daly as Chairperson of the FIF Investment Committee for a period of three years from the date of establishment, or until he is no longer an Agency member (whichever is the earlier); and
- (iv) the appointment of Gerardine Jones as a member of the FIF Investment Committee, for a period of three years from the date of establishment, or until she is no longer an Agency member (whichever is the earlier).

John S. Daly re-joined the meeting following consideration of parts (iii) & (iv) of the resolution.

9.2 Audit and Risk Committee Membership Proposal

Gerardine Jones and Patricia Byron absented themselves from the meeting for this item.

The Agency noted the paper as presented. After due consideration, the Agency **RESOLVED:**

- (v) that Gerardine Jones would step down as Audit and Risk Committee Chairperson and member effective 30 April 2025;
- (vi) to approve the appointment of Patricia Byron as Audit and Risk Committee member for a period of three years with effect from 1 December 2024 and to appoint her as Committee Chairperson effective 30 April 2025;

Gerardine Jones and Patricia Byron re-joined the meeting at this point.

9.3 Annual Oversight Agreement Review

The Agency noted the proposed changes to the Oversight Agreement reflected, *inter alia*, the establishment of the Future Ireland Funds and relevant changes to the legislation identified since last reviewed by the Agency at its 6 February 2024 meeting. It was noted that the detailed annual review exercise of the NTMA's statutory obligations would be carried out in Q1 2025 in the usual manner. Following due consideration, it was **RESOLVED** that:

- (vii) the Oversight Agreement with the Minister for Finance, as presented to the Agency be approved, subject to such non-material amendments as may be required, at the discretion of the Chief Executive;
- (viii) the Chief Executive be authorised to sign the Oversight Agreement on behalf of the Agency.

9.4 Other Appointments Procedure

The Agency noted that in view of comments received, it was proposed to revert to the Agency for approval via Written Resolution in due course.

9.5 D&O Insurance Policy

The Deputy Director – Facilities & Procurement and **THIS HAS BEEN REDACTED IN PART** briefed the Agency on the Directors and Officers (D&O) Liability Insurance policies held by NTMA, noting that

the policies are due for renewal on 1st January 2025. They outlined the key features of the NTMA's current policies and provided an overview of general market conditions. **THIS HAS BEEN REDACTED IN PART**

9.6 Delegated Matters Notifiable to the Agency

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

9.7 Agency Work Programme

The Agency noted the Work Programme for 2025, as well as the Agency's progress against the 2024 Work Programme. In relation to the latter, the Chairperson advised that her annual meeting with the Minister had been deferred due to the election and that it was proposed to reschedule same for early 2025. In relation to the Agency's 2025 Work Programme, she noted that in view of the larger size of the Board and the significant demands on the Agency, it was proposed to arrange an externally facilitated Board development session ahead of the Agency's March meeting. She noted that it was also planned to arrange a separate Board member and Committee member event in H1 2025 to provide an opportunity to members for engagement amongst the wider group.

10. AOB

The Chairperson briefed the Agency on a small number of housekeeping matters noting, *inter alia*, that, subject to any final comments from Agency members, it was proposed to submit the **Corporate Strategy 2025 (goals and KPIs)** to the Minister for his views in early course. She advised that if the Minister reverted prior to year-end (noting the potential for delays arising from the government formation talks), it was proposed to approve the document via Written Resolution, otherwise, it would be tabled at the Agency's 11 February meeting.

The Chairperson also informed the Agency that in line with the Code of Practice for the Governance of State Bodies requirement for the Board to undertake an **external performance review** every three years, it was proposed to commence the External Board Evaluation in late December/early January, with the tender process for same commencing imminently.

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

11. NON-EXECUTIVE SESSION

The Agency met in non-executive session. This item is minuted separately.

Rachael Ingle

Agency Chairperson

11 February 2025