



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

**MINUTES OF MEETING OF THE  
NATIONAL TREASURY MANAGEMENT AGENCY  
HELD AT 2PM ON 26 SEPTEMBER 2023  
AT TREASURY DOCK, NORTH WALL QUAY, DUBLIN 1**

**PRESENT:**

Susan Webb, Chairperson  
Brian O’Kelly  
David Moloney  
Frank O’Connor  
Gerardine Jones  
John Hogan  
John McCormick  
Martin Murphy  
Rachael Ingle  
Susan Webb

**IN ATTENDANCE:**

Elaine Hudson, Agency Secretary  
Frank O’Kelly, Associate Agency Secretariat  
Susan O’Halloran, Chief Legal Officer (CLO)  
Ian Black, Chief Financial and Operating Officer (CFOO)  
Dave McEvoy, Director, FDM (Items 6 and 7 only)  
Aisling Synnott, Deputy Director, FDM (Item 6 only)  
Anthony Linehan, Deputy Director, FDM (Item 6 only)  
David Purdue, Chief Economist (Item 7 only)  
Jim Deery, Head of Corporate Strategy & Continuous Improvement (Item 8 only)  
Alex O’Donnell, Manager, Corporate Strategy, (Item 8 only)  
Emma Jane Joyce, Senior Business Manager – Sustainability (Item 8.1 only)  
This has been redacted pursuant to Section 37(1) of the FOI Act 2014.  
Fergal Power, Deputy Director – Finance (Item 9 only)  
Karen Toal, Senior Manager – Financial Reporting (Item 9 only)  
John O’Donovan, Deputy Director, ICT (Item 10 only)  
Nick Ashmore, Director, ISIF (Item 11.1 only)  
Lorraine Sibley, Deputy Director, SCA – Head of Operations (item 11.3 only)  
Simon Watchorn, Executive Head of Claims, GIS (item 11.3 only)  
Deirbhile Brennan, Head of Compliance (Items 12.3 and 12.4 only)  
Sinead Flanagan, Senior Compliance Manager (Items 12.3 and 12.4 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 its pre-meeting briefing session with Niklas Ekvall, Chief Executive of Swedish Pension Fund, AP4 had been instructive.

## **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 11 July and 29 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. He provided a brief overview of key areas of activity across the various business units. In relation to corporate matters, he highlighted key staffing updates and the commencement of the 2023 Graduate Programme. The Chief Executive advised that the Advocate General's opinion in the Ireland Apple case was expected to be delivered on 9 November with the CJEU judgement to follow, likely some months later.

Separately, the Chief Financial and Operations Officer provided a brief progress update in relation to (i) the sub-lease of the Treasury Dock ground floor west and first floor areas, and (ii) the building rent review. In relation to the latter, it was noted that agreement had been provisionally reached with the landlord in respect of the building rent review. It was noted that a further update in relation to the sub-lease would be provided at the November meeting.

## **5. EXCHEQUER SURPLUS – POTENTIAL STRATEGIC OPTIONS**

The Chief Executive briefed the Agency on the NTMA's continued active engagement with the Department of Finance on the draft Heads of Bills for the proposed new Future Ireland and Infrastructure, Climate and Nature Funds. He noted that a senior NTMA Working Group had been established to provide input on, inter alia, the potential governance structure(s) of the Funds. The Secretary General of the Department of Finance summarized progress to date and planned next steps, noting that the proposal was subject to ongoing Government consideration. It was noted that the Funds would form a central element of the Agency's Strategy Session in November. Following discussion, the Agency noted that it was important to ensure the project was appropriately resourced (including, as required, with full-time dedicated resources) and indicated that consideration could be given to potentially establishing a Board working group (akin to the previous New Premises Working Group) to provide support to management as required.

## **6. FDM BUSINESS UNIT UPDATE**

The FDM team presented the FDM annual business unit update to the Agency which noted, *inter alia*, an overview of the current debt level/composition and projected decline in the debt in the years

ahead, FDM's increasing focus on investments in light of elevated cash balances, the potential implications for FDM activities of the forecast fiscal surpluses over the next three years, and the potential options for accelerated debt reduction and the challenges associated with same.

The Agency discussed the update paper and questioned the FDM team on various aspects of same including, **This has been redacted pursuant to Section 40(1)(a) as it applies to 40(2)(d) of the FOI Act 2014.** The FDM team noted that State Savings provided an important source of diversified funding, noting that in contrast to the Fixed Income book's dependency on International Institutional investors, State Savings were purchased/funded by domestic retail investors. They noted that other National Debt Management Offices were increasingly diversifying their funding sources towards retail investors. In response to a question from the Agency on the significance, if any, of State Savings for Ratings Agency assessments, the FDM team indicated that while the Agencies did review the overall composition of the debt, they did not typically mention State Savings in their reports/reviews.

A key focus of the discussion centred on the importance of maintaining a market presence during a time of large fiscal surplus in order to ensure sufficient market liquidity (particularly in relation to benchmark bonds). The FDM team noted that it has explored potential options to affect accelerated debt reduction while maintaining market liquidity including introducing bond switches and/or buyback programmes. The Agency recognised the importance of maintaining market liquidity. **This has been redacted pursuant to Section 30(1)(b) of the FOI Act 2014.** In response to a question from the Agency, the FDM team noted that in the event that the ECB's currently 'passive' QT programme became more active, this would serve to improve market liquidity. **This has been redacted pursuant to Section 30(1)(b) of the FOI Act 2014.**

## 7. MARKET UPDATE

The Agency noted the report as presented. The NTMA Chief Economist briefed the Agency on the macro-economic outlook, noting, *inter alia*, that whilst the external economic picture had deteriorated, Ireland was expected to grow modestly. The Agency discussed Ireland's economic and fiscal downside risks, noting potential volatility in relation to Ireland's corporate tax receipts and revenues from various other tax heads. The FDM Director noted they would present the 2024 Funding Plan to the Agency in November. **This has been redacted pursuant to Section 30(1)(b) of the FOI Act 2014. [Action].**

## 8. NTMA CORPORATE STRATEGY

### 8.1. NTMA CORPORATE STRATEGY 2024 – 2028 (Part 1)

The presenters provided a brief overview of the corporate strategy formulation process and outlined the key changes to the NTMA Corporate Strategy (Part 1) for the Agency's review and consideration, highlighting, amongst other things, the incorporation of the NTMA Values into the document, the formulation of new Stakeholder Engagement business goals, and the inclusion of a new Sustainable Strategic Pillar (replacing the previous Reputation Pillar). The Senior Business Manager, Sustainability, outlined the rationale for the definition of Sustainability, within the Strategy, explaining that it was broader than the narrower ESG concept and was better aligned to the Sustainability deliverables required from the NTMA. Professor Simon Haslam characterised the updated Corporate Strategy as an evolution of the previous strategy, emanating from a series of meaningful engagements with key stakeholders over a period of time, and being well integrated into the organisation's and employees' goals and objectives. He also noted, *inter alia*, that it was incumbent on the organisation to

demonstrate its sustainability ethos/philosophy within the Strategy document and, more generally, to enhance the visual quality/finish of the document.

The Agency reviewed the draft Strategy and welcomed the proposed changes. In response to a question from the Agency, the Head of Corporate Strategy undertook to clarify wording (on page 6) with the Director, State Claims Agency in relation to how success would be evidenced through certain outcomes **[Action]**. Subject to any final amendments, the draft Corporate Strategy (Part 1) would be submitted to the Minister for his review prior to final approval by the Agency at its November meeting.

## **8.2 NTMA Corporate Strategy: Part 2 – Strategic KPIs**

The presenters provided an overview of the proposed NTMA Strategic Goals and Key Performance Indicators (KPIs), including key changes requested by the Agency at its 11 July workshop, to the members for review. The Agency discussed various aspects of the paper including, amongst other things, the rationale for the ISIF return targets, noting the legislative requirement for ISIF to exceed the interest cost of general government debt averaged over 5 years and reflected historical low borrowing rates. Referencing the three-year period since approval of the Global Portfolio Strategy, and in light of elevated interest rates at the short end of the curve, the Chief Executive noted it was apposite to review the Global Portfolio strategy. The Investment Committee Chairperson noted that the Global Portfolio had been designed with an ‘all -weather’ construct and requested that the NTMA Risk Global Portfolio report, as presented to the Committee at its 25 September meeting, be made available to Agency members **[Action]**.

The Agency, acknowledging the SCA’s ongoing work/efforts in containing costs generally, and legal fees in particular, queried whether a strategic objective could be put in place for the SCA with respect to containment of legal fees as a general matter (plaintiff and defendant). Following further discussion, the Head of Corporate Strategy agreed to revisit the extent to which a meaningful legal fee containment KPI was feasible with the SCA. **[Action]**.

The Agency noted that following its review and agreement, 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.

## **8.3 NTMA Strategic Out-turns to end July 2023**

The Head of Corporate Strategy & Continuous Improvement and Manager, Corporate Strategy, presented the summary KPI Outturns to end-July 2023. The Agency noted the paper as presented.

## **9. EXPENDITURE BUDGET**

### **9.1 Budget Outturns: end August 2023**

The Senior Finance Manager briefed the Agency on the NTMA Administration Account and Ireland Strategic Investment Fund (“ISIF”) 2023 expenditure out-turns for the eight-month period ended 31 August 2023 and full year forecast for 2023 versus the 2023 budgets approved by the Agency at its November 2022 meeting. The Agency noted the paper as presented.

### **9.2 Expenditure Budget 2024 Assumptions**

The Deputy Director, Finance and Senior Finance Manager presented, *inter alia*, the budget assumptions for the 2024 financial year in respect of the NTMA and ISIF Expenditure budgets, noting that a more detailed budget exercise would be undertaken in October ahead of the proposed NTMA and ISIF expenditure budgets being presented to the Agency for approval at its November 2023 meeting. The Agency reviewed the NTMA Expenditure Budget 2023 budgetary assumptions noting,

inter alia, the key variables relating to staff costs (headcount/remuneration related), non-staff costs (including premises and ICT costs) and cost recovery assumptions. It was noted that the budget assumptions did not include any budgetary provision in relation to the Long-Term Saving and Infrastructure, Climate and Nature Funds. In response to a question from the Agency, the Chief Executive noted that there was not yet any forecast or estimate of costs associated with the proposed new Funds.

The Agency discussed the paper and questioned the Finance representatives on various aspect of same. In discussing the proposed staff cost provisions, the Agency queried the drivers behind the additional headcount costs and the underlying assumptions in respect of proposed pay provisions. The Agency noted that the Remuneration Committee had reviewed the remuneration budgetary assumptions at its September meeting. The Chief Executive advised that there had been significant internal challenge in respect of any additional headcount requests, and he briefly outlined the rationale for the proposed additional head count. He noted further that the significant drivers of 2024 budget increases comprised the additional headcount costs in respect of the full year impact of 2023 hires, a number of which had been hired later in the year due to challenging labour market conditions. Referencing the wider public sector context and headline inflation over the last number of years, the Agency requested that detail on the budgetary growth of the Agency over the last three to four years be provided to it at its November meeting [Action]. **This has been redacted pursuant to Section 30(1)(b) of the FOI Act 2014.** [Action].

## **10. ANNUAL ICT UPDATE**

The Deputy Director, ICT presented an overview of ICT progress/delivery year to date, key areas of focus for Q4/2024 and the main ICT challenges and opportunities. He advised that the cyber threat landscape was evolving and a particular focus for ICT was on further increasing cyber security awareness. In the context of the fast pace of technological change, he also highlighted the balance ICT sought to achieve between the development of employee digital skills and digital dexterity while being mindful of change fatigue.

The Agency discussed various aspects of the paper including inter alia, **This has been redacted pursuant to Section 30(1)(b) of the FOI Act 2014.**

## **11. COMMITTEE REPORTS**

### **11.1 Investment Committee**

The Investment Committee Chairperson, Martin Murphy, presented the report of the Committee meetings held on 30 August and 25 September 2023 respectively. The Agency noted, *inter alia*, the overview of the transactions approved/discussed by the Committee. The Committee Chairperson highlighted a number of realisations and advised that a Renewable Energy Fund proposal would be brought to the Agency for approval at an upcoming meeting. The Committee Chairperson also outlined the various reports and investment updates as presented to the Committee.

### **11.2 Audit and Risk Committee**

The Audit and Risk Committee Chairperson, Gerardine Jones, presented the Report of the Committee meeting held on 19 September 2023. She highlighted certain aspects of the Report including, inter alia, the findings of the recent Environmental Social (“ES”) audit. She advised that the Committee had reviewed ISIF’s top strategic/operational and emerging risks and **This has been redacted pursuant to Section 29(1) and 30(1)(b) of the FOI Act 2014.** She also informed the Agency that the Committee’s Pre-Meeting Briefing Session on Operational Risk New Challenges had been beneficial.

The Audit and Risk Committee Chairperson provided a brief oral update of the Committee meeting held on 26 September 2023. She advised that following an externally and internally advertised recruitment process for the role of Head of Internal Audit, and a robust selection process, the Committee had approved the appointment of Aislinn Redmond, current Head of Operation, NDFA, to the position of Head of Internal Audit.

### **11.3 SCA Director's Report**

The SCA representatives presented the SCA Report (within the Chief Executive's Report) to the Agency, providing an overview of the key matters therein including, *inter alia*, the SCA's ongoing work with various Government Departments and State authorities in respect of delegations and designations of bodies to the SCA and recent developments in respect of the National Children's Hospital.

In relation to the SCA Director's Report, they briefed the Agency on certain significant claims and other developments in respect of the SCA's claims' portfolios.

#### **11.3.1 SCA Advisory Committee Establishment**

The Agency noted the paper as presented.

After due consideration, the Agency **resolved to approve** the establishment of the SCA Advisory Committee with effect from 1 October 2023.

### **11.4 Remuneration Committee**

The Remuneration Committee Chairperson, Rachael Ingle presented the report of the Remuneration Committee meeting held 18 September 2023. She reported that the Committee had, *inter alia*, reviewed the 2024 Remuneration budget assumptions, been briefed on the ongoing job sizing project and received an update in relation to initial draft results on the NTMA's gender pay gap as of 30 June 2023. The Chairperson confirmed that the Committee, having discussed the rationale for and drivers behind the 2024 Remuneration budget assumptions, was satisfied that the proposals were reasonable.

The Agency discussed the proposed 2024 Remuneration budget provision, and in light of the Agency's earlier discussion under Agenda item 9.2, noted that the 2024 Remuneration budget assumptions would be reviewed and brought back to the Agency at its November meeting. The Committee would reconvene if required to discuss any material amendments to the proposed Remuneration assumptions.

The Agency noted that the Committee had reviewed its Terms of Reference, with no changes being proposed at this time.

## **12 GOVERNANCE ITEMS**

### **12.1 National Reserve Fund Annual Investment Plan**

The Chief Executive presented the Annual Investment Plan (the Plan) for the National Surplus (Exceptional Contingencies) Reserve Fund (the Fund) to the Agency for review noting, *inter alia*, in light of recent Government announcements, including the potential for withdrawals from the Fund to capitalise proposed new funds, and elevated interest rate at the short end of the yield curve, it was proposed to maintain the time horizon of 0-1 years in respect of investments of the Fund. He noted that in the event the liquidity needs of the Fund changed or market dynamics shifted materially, the NTMA might revert to the Agency with proposed changes to the Annual Investment Plan as required. **This has been redacted pursuant to Section 30(1)(b) of the FOI Act 2014.**

After due consideration, the Agency **RESOLVED TO APPROVE** the National Reserve Fund Annual Investment Plan, as presented.

### **12.2 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.

### **12.3 Code of Conduct for Members of the Agency and its Committees**

The Head of Compliance presented proposed minor updates to the Code of Conduct for Members of the Agency and its Committees. **IT WAS RESOLVED** that the updated Code of Conduct for Members of the Agency and its Committees, as presented to the Agency, be approved.

### **12.4 Code of Conduct for NTMA Employees**

The Senior Compliance Manager presented the Code of Conduct for NTMA Employees (ex-NAMA) to the Agency outlining the relatively nonmaterial proposed revisions to same. In response to a query from the Agency, the Head of Compliance confirmed that treatment of non-work-related email communications was being considered separately under the IT usage policy which was cross referenced in the Code.

Following due consideration, **IT WAS RESOLVED** that the updated Code of Conduct for NTMA Employees (ex-NAMA), as presented to the Agency, be approved.

### **12.5 Delegated Matters Notifiable to the Agency**

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

## **12. AOB**

The Chairperson noted that planning was under way in relation to the Board's Strategy session on 28 November. She also indicated that an out of course Board meeting may be convened in late October to approve, amongst other things, new Investment Committee members.

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

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Susan Webb

Agency Chairperson

28 November 2023