

2020

ANNUAL REPORT & FINANCIAL STATEMENTS



Gníomhaireacht Bainistíochta an Chisteáin Náisiúnta
National Treasury Management Agency



The NTMA is a State body which provides asset and liability management services to Government. Its purpose is to manage public assets and liabilities commercially and prudently.

Contents

Introduction

Chairperson's Statement	4
Chief Executive's Review	6

Business Review

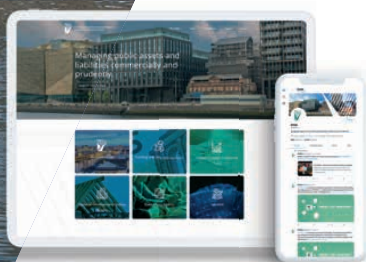
Funding and Debt Management	8
Ireland Strategic Investment Fund	20
National Development Finance Agency	32
NewERA	44
State Claims Agency	50

Governance and Corporate Information

Agency Members	60
Governance Statement and Agency Members' Report	62
Committee Reports	68
Risk Management	71
Management Team	77

Financial Statements 85

Portfolio of Investments – ISIF 215



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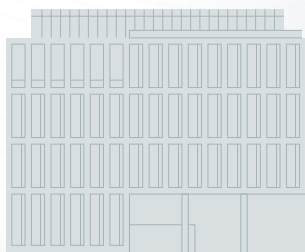
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Introduction

NTMA 2020: At a Glance

The NTMA is a State body which provides asset and liability management services to Government. Its purpose is to manage public assets and liabilities commercially and prudently.



Funding and Debt Management

The NTMA is responsible for borrowing on behalf of the Government and managing the National Debt in order to ensure liquidity for the Exchequer and to minimise the interest burden over the medium term.

 Read more [page 8](#)



Ireland Strategic Investment Fund

The NTMA controls and manages the Ireland Strategic Investment Fund (ISIF) which has a statutory mandate to invest on a commercial basis in a manner designed to support economic activity and employment in the State.

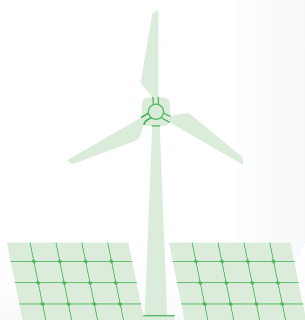
 Read more [page 20](#)



National Development Finance Agency

Acting as the National Development Finance Agency (NDFA), the NTMA provides financial advisory, procurement and project delivery services to State authorities on public infrastructure projects.

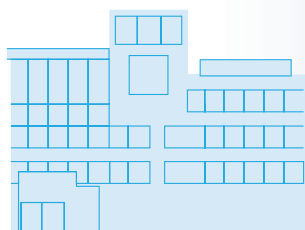
 Read more [page 32](#)



NewERA

Through NewERA, the NTMA provides a dedicated centre of corporate finance expertise to Government, providing financial advice to Ministers regarding their shareholdings in major commercial State bodies.

 Read more [page 44](#)



State Claims Agency

Acting as the State Claims Agency (SCA), the NTMA manages personal injury and third-party property damage claims against the State and State authorities and provides related risk management services. It also manages claims for legal costs against the State and State authorities, however so incurred.

 Read more [page 50](#)

Long-Term Issuance**€26bn**

€24.6bn of benchmark bond issuance at a weighted average yield of 0.21% and a weighted average maturity of 11.5 years. The balance was in private placements – seven notes with maturities ranging from 58 to 100 years.

Three New Bonds Issued via Syndication**€16bn**

from the sale of new 7, 10 and 15 year bonds.

Falling Interest Bill**<€4bn**

General Government interest dropped to below €4bn in 2020, the lowest it has been since 2009 and some 50% below the 2013 peak.

Investment Performance**>€700m**

of investment gains in 2020, representing an investment return of +8.8% in the year. Over €1.7bn accumulated returns since inception by end-2020, 3.5% per annum since inception.

Investing in Ireland**€13.6bn**

the total commitment to Ireland including co-investment by private sector partners. ISIF commitments of €5.0bn across 143 investments has unlocked €8.6bn of co-investment commitments since inception.

Supporting COVID-Affected Businesses**€2bn**

Pandemic Stabilisation and Recovery Fund (PSRF) established to invest in medium and large-scale businesses in Ireland impacted by COVID-19. ISIF has made over €400m in commitments to a wide range of sectors and industries.

Delivering Projects**€1.3bn**

delivery of primarily education and housing PPP and non-PPP infrastructure projects with an estimated capital value of €1.3bn.

Providing Financial Advice**€5.6bn**

providing financial advice on PPP (procurement, construction and operations) and other infrastructure projects in different sectors including housing, climate action, health, transport and education with an estimated capital value of €5.6bn.

TU Dublin Grangegorman PPP**10,000**

students will be facilitated in the new East and Central Quad PPP buildings at the TU Dublin Grangegorman Campus which has been procured by the NDFA. The East Quad was completed in December 2020 and the Central Quad was completed in March 2021.

Additional Designated State Bodies**11**

commercial State bodies in the transport sector formally designated to NewERA, bringing the total number of State bodies designated to NewERA to 18.

Advisory Mandate Activity**144**

the number of Portfolio Company assignments on which NewERA provided financial analysis and, where appropriate, recommendations to Government Ministers (2019: 138).

Advice – Capital Expenditure, Debt Financing & Other Items**€7.8bn**

of advisory assignments in relation to the Portfolio Companies, including €3.1bn of capital budgets and investments by the Portfolio Companies, €4.0bn of debt financing to fund their operations and capital investments and €0.7bn of other assignments such as joint ventures, acquisitions, disposals etc.

Estimated Outstanding Liability**€4.03bn**

the State Claims Agency was managing 12,175 active claims with an estimated outstanding liability of €4.03bn at end-2020.

Settling Claims**53%**

over half of cases resolved by the State Claims Agency in 2020 were resolved without court proceedings being served.

Reducing Legal Costs**41%**

the State Claims Agency settled 1,006 bills of costs received from third parties for €68.6m – a reduction of 41% on the amount claimed.

Chairperson's Statement



■

The early months of 2021 bring a new hope and optimism that we are getting closer to a much less devastating phase of the COVID-19 pandemic.

Demonstrating resilience, flexibility and adaptability

This 2020 Annual Report offers us an opportunity to reflect on the NTMA's success in managing the serious challenges that emerged during the past year.

The organisation learnt a lot about itself and the calibre of people we have working here. Like organisations everywhere, employees in the NTMA had to learn new skills and adapt to new working practices at speed. I have huge admiration for the manner in which everyone across the organisation responded to the pandemic, from the Management Team to those working in areas like IT and Facilities who came into their own during the pandemic and who made it possible for the rest of us to continue to work as normal in circumstances which were, of course, very far from normal.

This Report also provides an opportunity to look forward, confident in the great resilience, flexibility and adaptability that have been demonstrated by the people working throughout the NTMA and which have put the organisation in an even stronger position to meet the challenges of the future.

The early months of 2021 bring a new hope and optimism that we are getting closer to a much less devastating phase of the COVID-19 pandemic. A resumption of normalised activity offers the prospect of a broad-based economic recovery, which would be positive for our society, for jobs, for employers and for the nation's financial strength.

The Board and I are very proud of the fact that, despite the challenges of the pandemic, the NTMA made very strong progress across its mandates in 2020, as captured in detail throughout this Annual Report.

During 2020, the NTMA continued the implementation of its Gender Balance Strategy, which focuses on fostering the representation of women at senior decision making levels in the NTMA and enhancing women's professional growth so that the NTMA can attract, retain and develop female employees.

The Strategy recognises how much work we have to do before we achieve our goal of gender equality at all levels in the organisation and it sets out a clear path towards this goal, while all the time building a culture of appreciation of gender differences in management and leadership styles.

From this Annual Report we can see that there remains a substantial pay gap in favour of male employees. While our total workforce is split broadly evenly between males and females, the proportion of males rises to 70% at the senior levels where pay tends to be highest. Clearly it will take time to see this situation equalise but we are determined that it must and now we have a strategy to help achieve that.

The Board is committed to ensuring that the NTMA brings the same passion to promoting greater diversity and inclusion in all its forms. I am delighted the ethnic diversity of our workforce continues to widen and I am pleased that 2020 saw the NTMA take significant steps in building on its LGBT+ initiative, which aims to foster a more supportive environment and to provide leadership and guidance on LGBT+ for the benefit of everyone in the organisation.

Our Disability Awareness Team also played a strong role during the year, delivering on its commitment to build awareness among all our staff of challenges facing people with a disability, and developing a sustainable strategy for ensuring that people with a disability feel a greater sense of inclusion in the organisation and can participate more fully in the workforce.

These initiatives are crucial because the NTMA can only deliver to the high standards that citizens expect of it if everyone working in the organisation feels part of that mission, that their contribution is valued and that we embrace and celebrate what makes people different.

2020 was also a year in which the NTMA continued to invest heavily in measures that will help to address the major challenges posed by climate change. This is an area in which we believe the NTMA is uniquely placed to play a leading role, given its exposure to and expertise in so many sectors that are relevant to the climate change agenda. This exposure arises from the organisation's mandates in debt management, investment, infrastructural development and in the provision of specialist corporate finance advice in respect of commercial State bodies, to Ministers and Government Departments who must grapple with these challenges.

The task of addressing climate change remains urgent; notwithstanding the problems created by the pandemic, the NTMA has in 2020 been successful in supporting and implementing new and imaginative ways of doing things in a more sustainable manner and we want this work to continue.

I will conclude by saying how grateful I am to my fellow Board members, the Chief Executive and the Management Team, and employees throughout the NTMA for their hard work in such difficult circumstances.

For many in the NTMA team, the past year has been one of loss, of disruption, of worry and of pain at being separated from friends and family. Against this backdrop the Board and I have been hugely impressed by the commitment and the professionalism that we have seen throughout every part of the organisation. With all its challenges, 2020 stands out as a year of wonderful solidarity and of individual and organisational growth for the NTMA, with all the teams and business units coming together to live out the values of the organisation and deliver on its mission. On behalf of the Board I extend my heartiest thanks to Conor O'Kelly and all the Management Team for leading the organisation so well during this very tough year.

Maeve Carton
Chairperson | May 2021

Financial Highlights

NDFA Projects Capital Value

€1.3bn

2019: €1.3bn

NewERA Advisory Submissions

144

2019: 138

SCA Reducing Legal Costs

41%

2019: 39%

Chief Executive's Review



Significant results across the NTMA's various mandates were achieved while working remotely during the pandemic. The NTMA values, culture and mind-set were critical in enabling the exceptional response seen right across the organisation.

Creating significant value for the State

For the first time ever, this Annual Report of the NTMA looks back on the devastating impact of a global pandemic.

While in this Review we usually focus on the macro picture, 2020 has been a year in which our collective focus has centred far more on the importance of the individual and our shared vulnerability. A year where family, friends and colleagues experienced first-hand the devastating effects of COVID-19. Our thoughts are with the families and loved ones of those that passed away.

Our world was turned upside down; long held assumptions about our priorities, our communities, our interconnected world and our use of technology were seen in the new and stark light of a pandemic.

For the world's economy to work smoothly two things have to move freely – money and people.

Ten years ago in the Global Financial Crisis money stopped flowing freely and central banks around the world responded using every monetary policy tool available and they even created some new ones.

In 2020, monetary policy tools were again fully utilised but an unprecedented fiscal policy response was also required.

Ireland responded to the precipitous contraction in Q2 with the first counter-cyclical fiscal response in the history of the State.

The Government recorded a General Government deficit of over €18bn in 2020 and expects to record a similar number in 2021.

These deficits are being financed entirely through borrowing. In April 2020, the NTMA announced that the previously flagged funding range of €10-14bn for the year was increasing to €20-24bn; the total funding ultimately issued in 2020 was at the upper end of that revised range. Thankfully the low interest rate environment, which is essentially underwritten by the ECB, means the interest payments on this increased debt will be minimal. In fact, the total interest bill continues to fall as a result of the extensive refinancing of higher coupon bonds executed by the Funding and Debt Management Unit in recent years.

However, the country's total stock of debt is set to rise from €200bn at the end of 2019 to over €250bn by the time we have paid for the full impact of the pandemic in the coming years. So although our interest bill has not increased, it does mean Ireland is carrying higher refinancing risk into the future.

The supportive policy actions by the ECB have given European Sovereigns time and space to get national budgets back into balance. Over the coming years, it will be important for both sovereign bond investors and credit rating agencies that Ireland sets itself back on a clear path to budget balance over the medium term.

Investors are looking to the post-pandemic landscape and while Brexit has receded as a risk following the trade deal agreed at the end of 2020, international corporate tax developments are coming to the forefront and is now the number one discussion point with investors on our calls and virtual roadshows.

Stock markets fell precipitously in March 2020 and then proceeded to have the highest recorded twelve-month returns since the recovery from the Great Depression in March 1934. This environment allowed the Ireland Strategic Investment Fund (ISIF) to record an annual return of 8.8% on its €8.8bn portfolio, an investment gain of over €700m. This brings the total investment gains to over €1.7bn since the inception of the Fund.

At the Minister's request the ISIF set up the Pandemic Stabilisation and Recovery Fund (PSRF) in May 2020 to assist medium and large size businesses impacted by the pandemic. ISIF has made over €400m in commitments to a wide range of sectors and industries, supporting companies impacted by the economic fall out of the pandemic.

NewERA was called on to provide advice and assessments of the financial challenges faced by commercial State bodies as a result of the pandemic - some of these entities were in severe difficulty and emergency funding was required. From airports, ports and shipping routes to buses and trains, many of the key commercial State bodies needed significant assistance and in the majority of cases advice was provided by NewERA to Ministers and Government Departments. At the same time, Climate Action remains an important focus of these entities and, notwithstanding the impact of COVID-19 in 2020, NewERA has made good progress this year in helping address the major drivers of this agenda.

The main focus for the National Development Finance Agency (NDFA) was to continue to make progress on the major projects under construction, while adhering to COVID-19 health and safety guidelines. Project delays and site closures arising from COVID-19 restrictions required significant additional amounts of time and resources to manage the subsequent impacts. Notwithstanding delays, good progress was made in several key projects including TU Dublin and Social Housing Bundles 1 and 2. Pre-procurement and procurement activities continued on a number of projects including Social Housing Bundle 3 and a new Higher Education programme for 11 Higher Education facilities.

The State Claims Agency (SCA) continued to deal with its many sensitive cases and saw an increased use of online mediation and settlement across its caseload as more legal professionals embraced digital solutions. In total the SCA resolved 3,221 claims in 2020.

The NTMA is supporting various actions contained in the Government's Climate Action Plan 2019. We have put in place an NTMA Climate Action Strategy which establishes NTMA wide actions covering Ireland's sovereign Green bonds, investment policies, infrastructure developments, and climate-related financial advice to Government Departments including in relation to State owned entities. We will ensure that the requirements of the Government's new Climate Action Plan 2021 are incorporated into this strategy.

The NTMA also recognises the contribution it can make by reducing its organisational carbon footprint and supporting its employees in adopting a low carbon lifestyle through a range of sustainability-related initiatives. Our Climate Action strategy also commits the NTMA to be environmentally sustainable and a Net Zero emissions organisation by 2030 in advance of the 2050 timeline set by Government.

These significant results across the NTMA's various mandates were achieved while working remotely during the pandemic. The NTMA values, culture and mind-set were critical in enabling the exceptional response seen right across the organisation.

As the lockdown continued and remote working took over, our HR Team led a 'people first' strategy that engaged and motivated us, engendering high levels of trust that brought teams closer together. Organisationally there were many positives from the pandemic and these behaviours are ones we will strive to keep and embed in a post-pandemic world.

Thank you to our exceptional Chair, dedicated Board and other independent committee members who supported us and advised us throughout this year.

Thank you also to my colleagues across the organisation who continue to amaze me with their talent and commitment to the NTMA and to the country.

Conor O'Kelly

Chief Executive | May 2021

Financial Highlights

Issuing Longer-Dated Debt

€26bn

2019: €15bn

ISIF Investment Performance*

>€1.7bn

2019: €1bn

* since inception

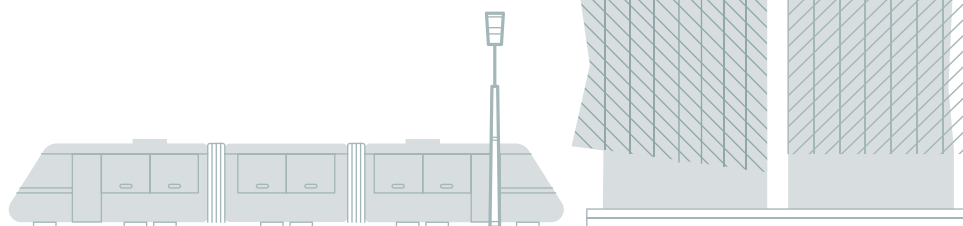
PSRF

€2bn

Supporting COVID-Affected Businesses

Funding and Debt Management

The NTMA is responsible for borrowing on behalf of the Government and managing the National Debt in order to ensure liquidity for the Exchequer and to minimise the interest burden over the medium term.



Issuing Longer-Dated Debt

€26bn

Total Long-Term Issuance in 2020

€24.6bn of benchmark bond issuance at a weighted average yield of 0.21% and a weighted average maturity of 11.5 years. The balance was in private placements – seven notes with maturities ranging from 58 to 100 years.



€16bn

New 7, 10 and 15 Year Bonds

The NTMA issued three new bonds by syndication in 2020:

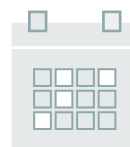
- In January, €4bn of a new 15-year bond, maturing in 2035, at a yield of 0.45%.
- In April, €6bn of a new 7-year bond, maturing in 2027, at a yield of 0.242%.
- In June, €6bn of a 10-year bond, maturing in 2030, at a yield of 0.285%.



11.3Yrs

Average Maturity

The weighted average maturity of Ireland's medium and long-term debt portfolio is estimated at 11.3 years at end-2020, up from 10.7 years at end-2019.



Interest Bill Continues to Decline

<€4bn

General Government
Interest

General Government interest dropped to below €4bn in 2020, the lowest it has been since 2009 and some 50% below the 2013 peak.

<5%

General Government
Revenue

Interest as a percentage of General Government revenue was below 5% in 2020 – it was over 12% as recently as 2013.

Gross National Debt at End-2020

€219.5bn

Fixed Rate Treasury Bonds	€127.9bn
Floating Rate Bonds	€7.5bn
Amortising Bonds	€0.4bn
Inflation-Linked Bonds	€0.9bn
EU Loans	€40.9bn
UK Bilateral Loan	€0.5bn
Other Medium & Long-Term Debt	€4.1bn
State Savings	€18.8bn
Short-Term Paper Debt	€14.0bn
Borrowing from Ministerial Funds	€4.3bn

Figures may not total due to rounding.

Funding and Debt Management (continued)

Irish Bond Market Review

The yield on Irish 10-year bonds started the year at close to 0.1%. The early months of the year saw yields fall further, moving into negative territory against a relatively stable market backdrop at that time. Irish 10-year yields had fallen to -0.2% by early March.

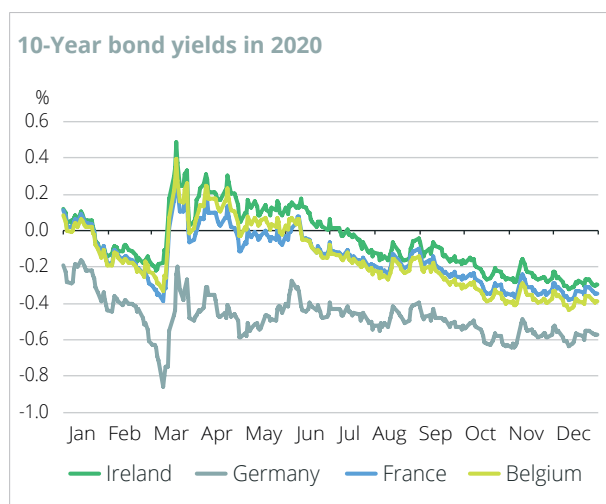
March saw a period of significant volatility in bond markets, as the COVID-19 virus began to spread more widely and it was declared a global pandemic by the World Health Organisation. Economic activity was curtailed, countries entered lockdown and government borrowing requirements increased.

By the middle of March, Irish 10-year yields had increased by c. 70 basis points (bps) relative to the position at the start of the month, reaching a 2020 high of 0.5%. This was similar to moves seen in the yields of other euro area, semi-core countries.

The increases in sovereign yields across the euro area prompted the ECB to take action, and introduce additional monetary policy measures. Initially, a temporary increase in the size of purchases under the Public Sector Purchase Programme (PSPP) was announced. This was quickly followed by the introduction of a new Pandemic Emergency Purchase Programme (PEPP). The Programme has lowered borrowing costs, allowing euro area countries to borrow large sums in response to the economic and fiscal deterioration brought on by the pandemic – further detail can be found on page 11.

Ireland's 10-year spread to Germany widened from around 30 bps at the start of the year to a high of over 80 bps in mid-March, as investors flocked towards the German bund as a safe-haven asset. This spread tightened back below 60 bps following the ECB announcement on PEPP. The spread trended lower over the second half of the year, as ECB buying compressed yields. Ireland's spread to Germany closed the year at around 25 bps. The 10-year spread to semi-core countries such as France and Belgium was relatively stable over the year, closing the year at less than 5 bps.

Irish 10-year yields ended the year at -0.3%, a record low.



Funding Activity

Long-Term Funding

The NTMA's original bond funding range for 2020 was €10bn to €14bn. However, in April, reflecting the deterioration in the public finances brought on by the COVID-19 pandemic, the range was increased to €20bn to €24bn. Then, in July, to coincide with the Government's stimulus announcement the NTMA guided that it would issue to the top end of the revised range.

Despite the lower than expected deficit, the NTMA ultimately issued to the top of the range, completing €24bn of benchmark bond issuance. A further €0.6bn was issued in the non-competitive bond auctions, bringing total bond issuance to €24.6bn. This funding had a weighted average yield of 0.21% and a weighted average maturity of 11.5 years.

The NTMA also raised €1.4bn in private placements issued under the NTMA's Euro Medium Term Note (EMTN) Programme. There were seven placements with maturities ranging from 58 to 100 years.

This brought total long-term issuance to €26bn, the most in a single year since 2009. This focus on long-term issuance, at low rates, was a continuation of the NTMA's strategy of recent years to smoothen and lengthen the maturity profile.

Over the six year period 2015-2020, the NTMA issued close to €100bn of long-term debt reflecting, in large part, the significant bond maturities and the completion of the early repayment of IMF loans during that time. This issuance had a weighted average maturity of almost 15 years and a weighted average yield of 0.8%.

The NTMA undertook three bond syndications in 2020, issuing new bonds maturing in 2027, 2030 and 2035.

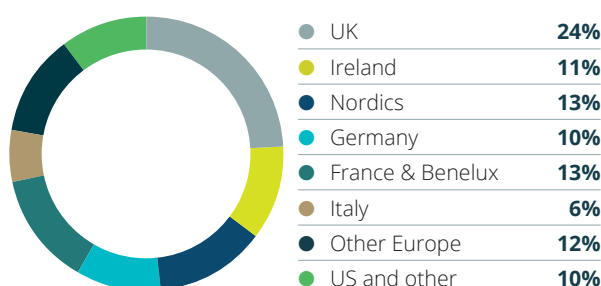
The first syndication of the year was a new 15-year bond issued in January, with €4bn sold at a yield of 0.45%. The total order book of over €20bn included in excess of 200 individual accounts. 97% of the bond was taken up by overseas investors.

The second syndication of the year took place in April. This was a new 7-year bond issued at a yield of 0.242%. Again, there was strong interest from a broad range of investors with a total of €6bn being sold. 84% was taken up by overseas investors.

In the third syndication of the year in June, €6bn of a new 10-year bond maturing in 2030 was issued at a yield of 0.285%.

Combined Investor Geographic Distribution

for three bond syndications in 2020



Figures may not total due to rounding.

The NTMA also held six bond auctions during the year issuing €8.6bn. Two of these auctions saw three different bonds being offered, which was a first for the NTMA. The September auction was also notable as it was the first time the Irish Sovereign Green Bond (ISGB) had been sold in an auction. This brought the outstanding balance in the 2031 ISGB to over €6bn – see page 12 for more details on ISGB.

NTMA Bond Auctions 2020

Bond Name	Auction Size €m*	Yield %	Bid-Cover Ratio
12 March			
1.1% Treasury Bond 2029	1,000	-0.156	1.8
14 May			
1.1% Treasury Bond 2029	850	0.043	2.3
1.5% Treasury Bond 2050	650	0.792	1.7
9 July			
0.2% Treasury Bond 2027	500	-0.257	2.9
0.2% Treasury Bond 2030	736	-0.025	1.7
1.5% Treasury Bond 2050	345	0.602	2.9
10 September			
1.35% Treasury Bond 2031	1,101	-0.098	1.8
1.5% Treasury Bond 2050	288	0.520	1.9
8 October			
0.2% Treasury Bond 2027	748	-0.420	1.9
0.2% Treasury Bond 2030	374	-0.192	2.7
0.4% Treasury Bond 2035	604	0.056	1.5
12 November			
0.2% Treasury Bond 2030	978	-0.202	1.8
1.5% Treasury Bond 2050	460	0.418	1.9

*includes proceeds of non-competitive auctions.

ECB Expands Quantitative Easing Measures

The ECB's QE programme was expanded in 2020, to counter the risks to euro area economies, posed by the COVID-19 pandemic. The ECB initially turned to its existing asset purchase programme – the Public Sector Purchase Programme (PSPP) – by announcing, in March, a temporary envelope of €120bn in additional net purchases to run until end-2020.

It quickly followed that up with the introduction of a new temporary asset purchase programme – the Pandemic Emergency Purchase Programme (PEPP). The total package was initially set at €750bn, to run until at least end-2020.

This was subsequently extended to mid-2021 and expanded in size to €1.35trn. Then, in December 2020, the programme was increased in size again, to €1.85trn. Net purchases will continue until at least March 2022.

The key features of the PEPP are its flexible allocation of purchases over time, across assets and countries. It includes all asset classes eligible for the PSPP, but in contrast to the PSPP, issuer/issue limits do not apply and although both programmes are guided by the capital key, the PEPP has more flexibility to deviate from it.

During 2020, net purchases of Ireland's debt across the two programmes totalled approximately €16bn.

By end-2020 the cumulative net purchases of Irish bonds under the PSPP totalled €37.5bn (from a total of just under €2.5trn) and under the PEPP totalled approximately €11bn (from a total of just over €750bn).

Business Review

Funding and Debt Management (continued)

Irish Sovereign Green Bond Programme Grows to Over €6bn

Irish Sovereign Green Bonds (ISGBs) provide investors with the financial features of standard Irish Government bonds combined with sovereign green bond market practices. The size and liquidity of ISGBs are expected to be equivalent to issues of standard Irish Government bonds. ISGBs are designed to be aligned to the Green Bond Principles published by the International Capital Market Association. The proceeds from ISGBs are allocated against Eligible Green Projects which generate positive environmental benefits. There was €6.1bn of ISGBs outstanding at end-2020.

The second annual allocation report, for the year ended 2019, was published in July 2020. It set out allocations to six eligible green categories which were comprised of 18 projects, schemes and programmes as per the table below:

Eligible Green Category	Amount €m
Built Environment/Energy Efficiency	216.0
Clean Transportation	836.8
Climate Change Adaptation	58.3
Environmentally Sustainable Management of Living Natural Resources and Land Use	160.4
Renewable Energy	10.3
Sustainable Water and Wastewater Management	687.1
Total	1,969

Figures may not total due to rounding.

€1,969m was allocated to Eligible Green Projects from the total proceeds of €3,287m available at end-2019, or 59.9%. The remainder, plus the proceeds from the first sale by auction of ISGBs in September 2020, creates a total of €2,587m for allocation to 2020 and beyond.

The first ISGB Impact Report was also published in July 2020. It details the environmental impact measures connected with the first allocation report which covers the years 2017 and 2018. This was a significant milestone in the life cycle of ISGBs. It sets out detailed impacts such as energy savings, carbon dioxide emissions avoided, passenger journey numbers for public transport and drinking water savings. These were among many impact measures directly connected with the allocations from ISGBs. The report also provides extensive secondary impact data and links to important relevant environmental studies and reports produced across the State entities which are responsible for climate-related expenditure. A spreadsheet containing all the impact data can also be downloaded on the NTMA website.

Floating Rate Bond buybacks

A total of €1bn nominal of Floating Rate Bonds held by the Central Bank were bought back and cancelled during 2020. These were replaced with medium to long-term fixed rate market funding. By end-2020, a total of €17.5bn of Floating Rate Bonds had been bought back and cancelled by the NTMA, leaving an outstanding balance of €7.5bn. This is ahead of the minimum disposal schedule, a strategy driven by the low interest rate environment of recent times. When replacing Floating Rate Bonds with fixed rate bonds the NTMA is protecting the State against future interest rate rises.

Short-Term Funding

As part of its response to the COVID-19 pandemic and the increased funding requirement, the NTMA stepped up its activity in short-term markets in 2020. From February, the NTMA held monthly Treasury Bill auctions and in April it increased the auction size to €0.75bn from €0.5bn. In total €7.75bn of Treasury Bills were issued at a weighted average yield and tenor of -0.5% and almost six months respectively. At year-end €3.75bn nominal of Treasury Bills were outstanding, up from €2bn at end-2019.

The NTMA also expanded Ireland's multi-currency Euro Commercial Paper (ECP) programme, with total turnover of over €29bn in 2020, compared to €6.7bn in 2019. ECP was issued at a weighted average euro equivalent yield of -0.5% and weighted average tenor of almost four months. The balance of ECP outstanding at year-end was €4.9bn, up from €0.3bn at end-2019.

Short-term debt was also issued in the form of Exchequer Notes and Central Treasury Notes. The majority of these notes are held by domestic public sector entities. The total outstanding at end-2020 was €5.4bn.

State Savings

State Savings is the brand name applied by the NTMA to the range of Irish Government savings products offered to personal savers. During 2020, there were net inflows of €1.5bn into State Savings products reflecting a general increase in savings across the Irish market as large parts of the economy were shut down for periods due to COVID-19. At end-2020, the total amount outstanding in fixed rate products and Prize Bonds was €18.8bn. When variable rate deposit accounts are included, this brings the year-end total to €22.7bn.

State Savings – Transformation Programme

State Savings is continuing its digital transformation to enhance the customer experience. In the lead up to 2020, the NTMA launched a revamped State Savings website, offering existing customers the ability to purchase online (www.StateSavings.ie). The State Savings Customer Number (SSCN) was also launched, allowing customers to use their unique QR code to purchase both online and at Post Office Counters, without having to complete an application form.

In 2020, State Savings enhanced the way Prize Bond winnings were issued. Customers whose Prize Bonds are selected for prizes in the draw can choose to have prizes paid directly to their bank accounts or automatically reinvested into new Prize Bonds. These alternative options are fast and secure payment methods. They also increase efficiency in payments to customers as 'clearing times' and costs associated with cheques do not apply. Also, a new online webchat function launched, giving customers another channel to interact with State Savings.

Future developments in State Savings will focus on the expansion of State Savings services online, discontinuing paper certificates and bonds and the expansion of customer payments by electronic funds transfer (EFT).

State Savings Products

	Total Outstanding at End-2020 €m	Net Inflow/ (Outflow) in 2020 €m
Savings Bonds	2,402	(64)
4 Year Solidarity Bonds	1,226	(31)
10 Year Solidarity Bonds	4,332	386
Savings Certificates	6,237	276
Instalment Savings/Savings Stamps	530	13
Prize Bonds	4,101	448
Deposit Accounts	3,919	499
Total	22,747	1,527

Figures may not total due to rounding.

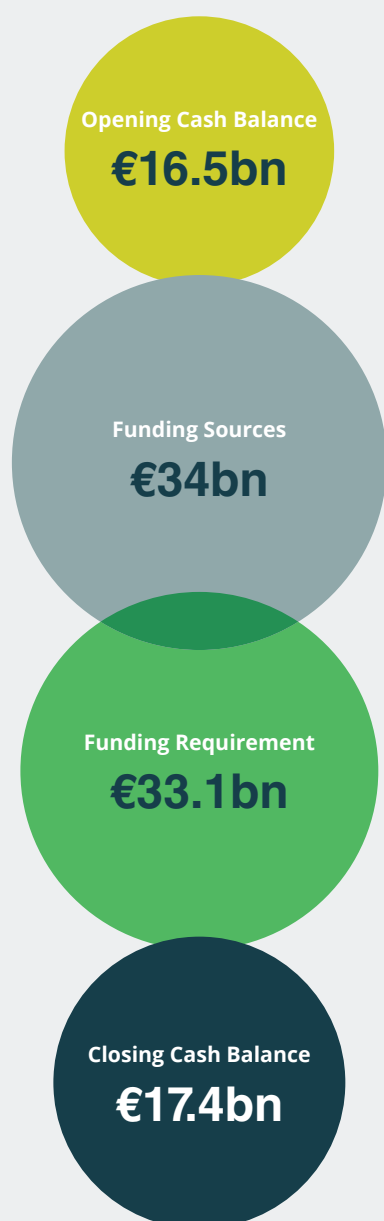
Business Review

Funding and Debt Management (continued)

Exchequer Funding Sources and Requirements 2020

The Exchequer had cash balances of €17.4bn at end-2020, an increase of €0.9bn on the previous year-end. The cash proceeds from long-term issuance (bonds, including non-competitive auctions, and private placements) totalled just under €27bn. Net State Savings inflows were €1.5bn, while other funding sources brought in over €5.5bn, most of which was short-term paper.

This funding was applied to meet bond maturities of just over €17bn, an EBR of €12.3bn, the redemption of four tranches of the UK bilateral loan totalling €1.9bn, as well as the purchase of €1bn nominal of Floating Rate Bonds from the Central Bank.



Debt Profile and Debt Ratios

National Debt is the net debt incurred by the Exchequer after taking account of cash balances and other financial assets. Gross National Debt – that is the National Debt before netting off cash and financial assets – is the primary component of General Government Debt (GGD). While the NTMA's debt management responsibilities relate to the National Debt, the focus of this section is on GGD given it is the more widely recognised measure of sovereign debt across the EU.

Composition of National Debt and General Government Debt¹ at end-2020

	€bn
Government Bonds	
Fixed Rate Treasury	127.9
Floating Rate	7.5
Amortising	0.4
Inflation-Linked	0.9
Total	136.8
EU Loans	40.9
UK Bilateral Loan	0.5
Other Medium and Long-term Debt	4.1
State Savings Schemes*	18.8
Short-Term Paper Debt	14.0
Borrowing from Ministerial Funds	4.3
Gross National Debt	219.5
Less Exchequer Cash	17.4
Less Other Financial Assets	1.8
National Debt	200.3
Gross National Debt	219.5
General Government Debt Adjustments	-1.3
General Government Debt	218.2

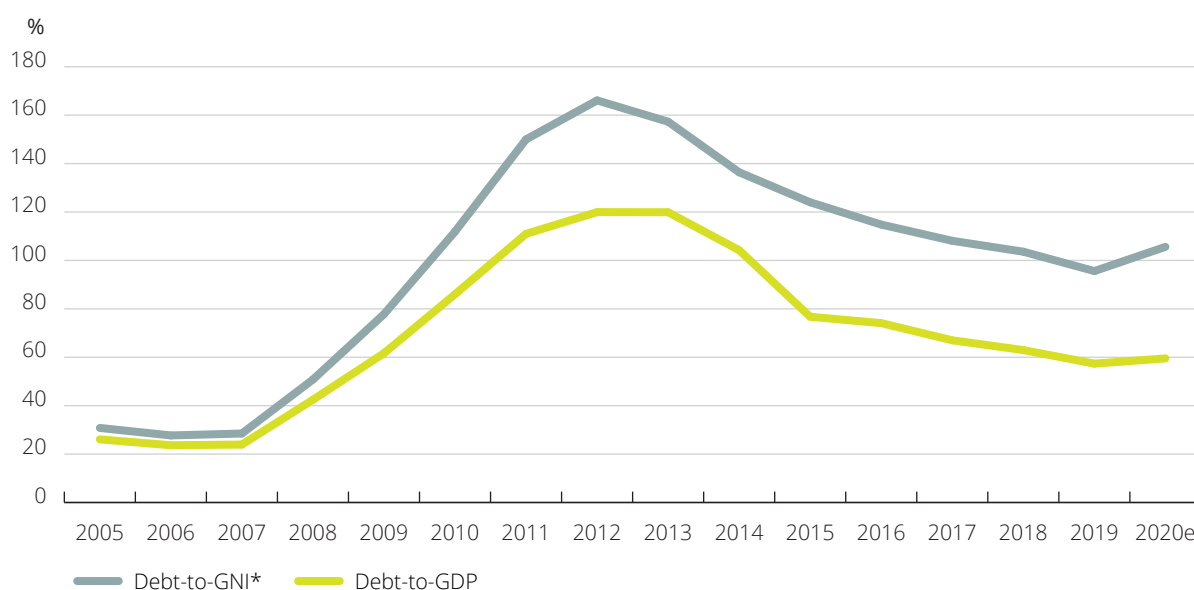
*State Savings Schemes also include Post Office Savings Bank (POSB) deposits. While not an explicit component of the National Debt, these funds are mainly lent to the Exchequer as a way and means of funding short-term Exchequer requirements. Taking into account the POSB Deposits, total State Savings outstanding were €22.7bn at end-2020.

Figures may not total due to rounding.

Source: NTMA and Central Statistics Office (CSO)

¹ General Government Debt (GGD) is a measure of the total gross consolidated debt of the State. It is the standard measure used for comparative purposes across the EU.

General Government Debt Ratios 2005-2020



Source: NTMA and CSO

At 59.5%, Ireland's GGD/GDP ratio at end-2020 had fallen significantly since its peak of 120% in 2012. However, the ratio – which had been on a consistent downward trend since that 2012 peak – did increase in 2020. The absolute level of debt increased sharply from €204bn at end-2019 to €218bn at end-2020. It is expected to grow further in 2021.

This growth is attributable to the borrowing required to fund the deficit in the public finances brought on by the Government's counter-cyclical response to the COVID-19 pandemic.

While the numerator has increased sharply, the nominal GDP denominator has proven resilient, increasing by 2.9% in 2020. This is due in large part to the performance of the multinational sector which was largely unaffected by the pandemic. Of course it is this sector which was largely responsible for the dramatic increase in GDP from 2015 onwards.

Ireland's general government revenue has also proved remarkably resilient to the worst effects of the pandemic, declining just 3.9% in 2020 as income tax and corporate taxes provided a strong counter-balance to the sharp fall in consumption taxes such as VAT.

It is widely accepted that the debt to GDP ratio is a less reliable indicator of sustainability for Ireland. In that context, it is necessary to focus on other metrics to obtain a clearer picture of Ireland's debt burden.

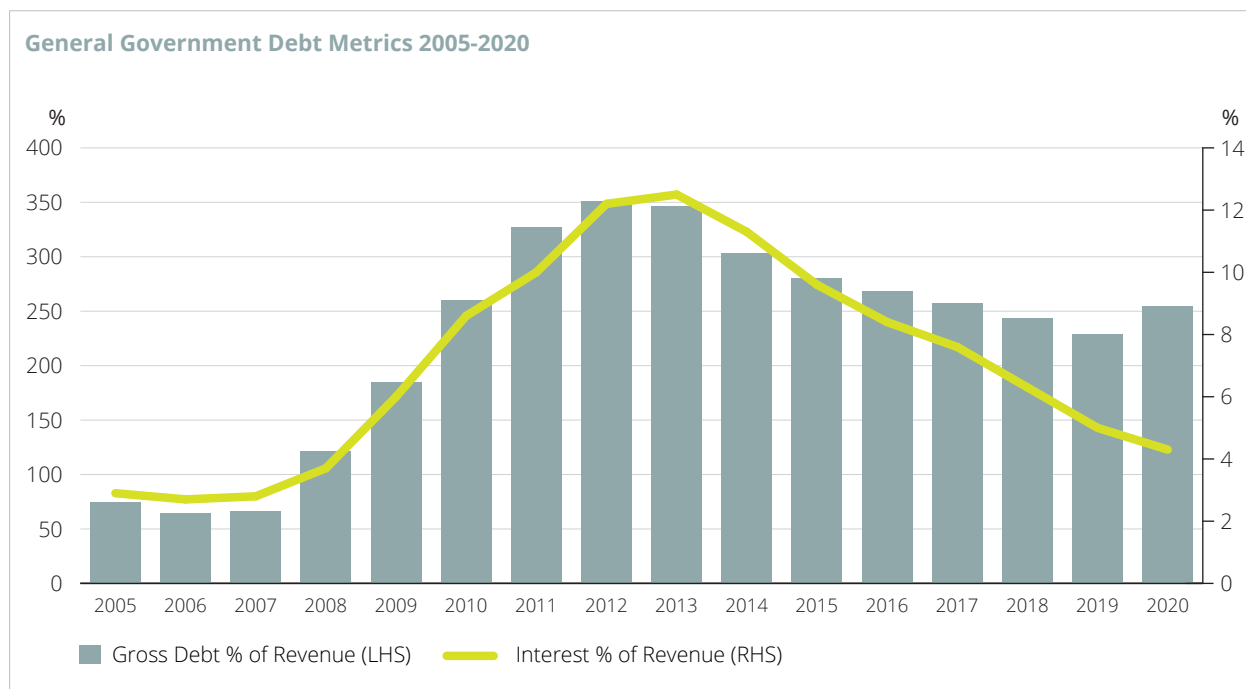
One alternative metric is GGD as a percentage of Modified Gross National Income, or GNI*. This metric strips out the impact of certain multinationals' activities from GDP. GNI* is considered the best, although still an imperfect, guide to the size of Ireland's economy. Similar to the trend in the GGD/GDP ratio, the GGD/GNI* ratio had also declined sharply from a peak of 166% in 2012 to 96% in 2019. In 2020, that trend was reversed and the ratio increased sharply to an estimated 106%.

Other important metrics looking at the burden of public debt include both debt and interest as a percentage of general government revenue. At end-2020, the GGD/revenue ratio stood at 254%, up from 229% at end-2019 but far below the 2012 peak of 351%.

The general government interest/revenue ratio continued its downward trend in 2020. It is discussed in more detail on page 17.

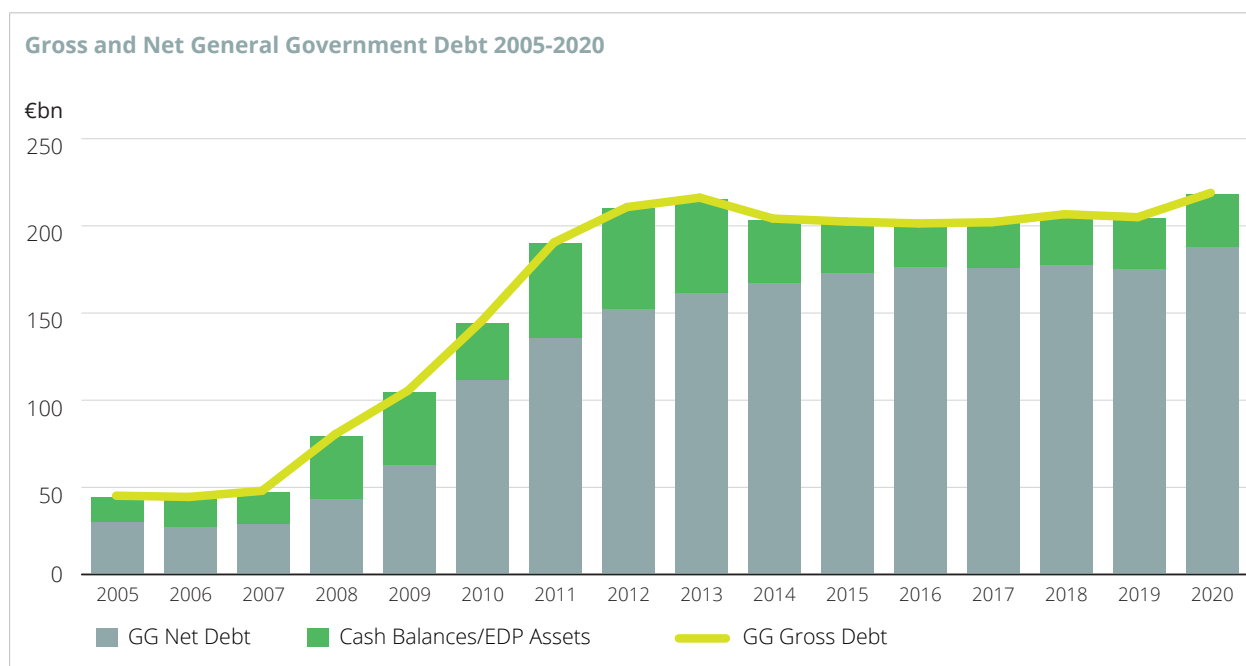
Business Review

Funding and Debt Management (continued)



Source: NTMA and CSO

GGD is a gross measure of debt. It does not allow for the netting off of cash balances and other financial assets. However, the CSO produces an estimate of General Government Net Debt. At end-2020, it stood at €187.7bn or 51.2% of GDP, giving EDP debt instrument assets of some €30.5bn. The main asset netted off for the purpose of calculating Net Debt is the Exchequer cash balance; other assets include ISIF cash and non-equity investments. The Government's equity stakes in the Irish banking sector, most notably AIB, are not part of these assets.



Source: NTMA and CSO

Debt Interest Bill

The NTMA's primary debt management objectives are to ensure liquidity for the Exchequer and to minimise the interest burden over the medium term.

Recent years have seen a sharp decline in the interest bill. This is despite gross debt remaining relatively stable at around €200bn for much of that time; and indeed increasing to €218bn in 2020.

Back in 2014, the interest bill was projected to reach almost €10bn in the latter part of that decade; in 2020 General Government interest expenditure fell below €4bn². This is the lowest it has been since 2009 and some 50% below the 2013 peak of €7.8bn.

The maturity of high-coupon bonds, most of which were issued during the financial crisis of the late 2000s and their replacement with cheaper funding, together with the compression of sovereign bond yields brought on by the ECB's QE programmes are the main factors behind the sharp reduction.

Over the four year period 2017 – 2020, six bonds – with coupons ranging from 4.4% to 5.9% – matured. The aggregate balance on these six bonds reached over €50bn. Over that same period, the NTMA issued ten new benchmark bonds by syndication, with coupons ranging from 0% to 1.7%. The total amount issued into these ten bonds over that period was almost €65bn.

The average interest rate on the debt has also fallen significantly over the last decade, from over 4% to under 2% in 2020.

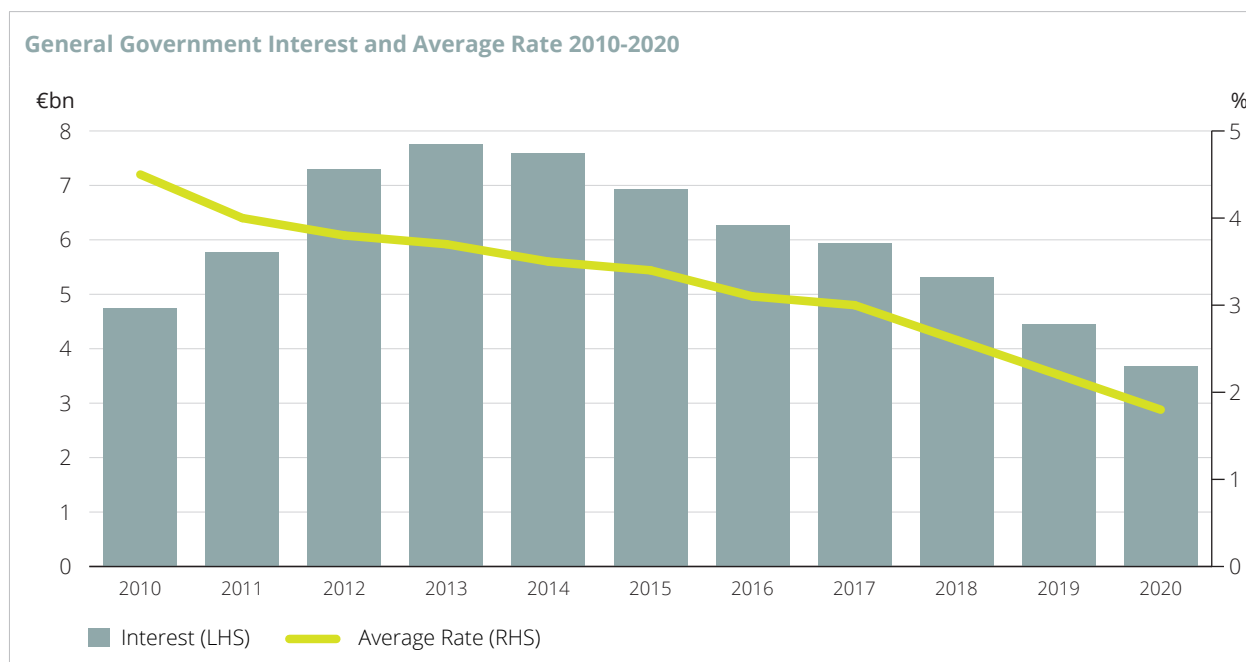
In terms of resources required to fund the interest payments on public debt, the interest/General Government revenue ratio fell further in 2020, to less than 5%. This was despite a fall in revenue of almost 4% in 2020. By contrast, this ratio was over 12% as recently as 2013.

Debt Redemptions

2020 was also notable for the size of bond maturities. There were two benchmark bond redemptions, the first in April (€10.6bn) and the second in October (€6.5bn). The April 2020 bond which had a coupon of 4.5% was first issued in January 2004 while the October 2020 bond which had a coupon of 5% was first issued in January 2010. It was the last new bond issued by syndication before Ireland entered the EU-IMF Programme in late 2010.

These were the last of five, high-coupon bonds to mature over the two-year period from October 2018 to October 2020. These five bonds collectively came to be known as the “chimney stacks” because of the scale of the outstanding balances which reached approximately €45bn. The refinancing of this high-coupon debt at much lower interest rates is a key factor behind the decline in the interest bill.

Four tranches of the UK bilateral loan totalling €1.9bn were also repaid in 2020.



Source: NTMA and CSO

² Source: CSO, Government Finance Statistics, April 2021. The Financial Statements present National Debt service/interest expenditure on page 91.

Business Review

Funding and Debt Management (continued)

Irish Government Bond Market

At end-2020, Ireland's benchmark bond curve consisted of 17 fixed rate bonds with a range of maturities extending to 2050.

Bond	Maturity Date	Outstanding End-2020 €m*
0.8% Treasury Bond 2022	15 March 2022	6,788
0.0% Treasury Bond 2022	18 October 2022	5,040
3.9% Treasury Bond 2023	20 March 2023	7,006
3.4% Treasury Bond 2024	18 March 2024	8,031
5.4% Treasury Bond 2025	13 March 2025	11,490
1.0% Treasury Bond 2026	15 May 2026	11,189
0.2% Treasury Bond 2027	15 May 2027	7,248
0.9% Treasury Bond 2028	15 May 2028	8,097
1.1% Treasury Bond 2029	15 May 2029	9,538
2.4% Treasury Bond 2030	15 May 2030	9,409
0.2% Treasury Bond 2030	18 October 2030	8,088
1.35% Treasury Bond 2031	18 March 2031	6,101
1.3% Treasury Bond 2033	15 May 2033	4,625
0.4% Treasury Bond 2035	15 May 2035	4,816
1.7% Treasury Bond 2037	15 May 2037	5,763
2.0% Treasury Bond 2045	18 February 2045	8,596
1.5% Treasury Bond 2050	15 May 2050	5,863

*excluding repos.

The Irish Government bond market has a strong primary dealer group, mainly consisting of international investment banks with a global reach. The 14 primary dealers have exclusive access to Irish Government bond auctions, and are required to quote continuous buy and sell prices in Irish benchmark bonds.

Maturity Profile

The maturity profile of Ireland's medium-long term (MLT) debt portfolio, as at end-2020, is shown in the graph below. There are no benchmark bond maturities in 2021; the next is in March 2022. The only maturity of note in 2021 is the final £0.4bn tranche of the UK bilateral loan, which was repaid in March. The €3bn EFSM loan with a contractual maturity date in June 2021 has been refinanced by the EU as per the 2013 agreement.



Source: NTMA

Notes:

*Reflects NTMA repo activity.

**Includes the effect of currency hedging transactions.

***EFSF loans reflect the maturity extensions agreed in June 2013.

****EFSM loans are also subject to extension, such that their original aggregated weighted average maturity will be a maximum of 19.5 years. The 2021 EFSM maturity in the chart has been extended and will now mature in April 2036.

Credit Ratings

The ratings of the three main agencies remained stable during 2020.

Ireland's Sovereign Credit Ratings at End-2020

Rating Agency	Long-Term rating	Short-Term rating	Outlook
Standard & Poor's	AA-	A-1+	Stable
Moody's	A2	P-1	Stable
Fitch Ratings	A+	F1+	Stable

Investor Relations

The NTMA continued its annual programme of investor relations in 2020 amid the pandemic. The goal of this programme is to develop and maintain long-term relationships with investors. It provides transparency to the market about Ireland's macroeconomic situation and the NTMA's funding plans.

Pre-COVID, the NTMA held in-person investor relations roadshows across Europe. Following the outbreak in Ireland in March, the NTMA switched to virtual roadshows to continue the annual programme. The NTMA grew its investor base by presenting virtually to investors located outside of the main financial centres.

Reflecting the ever-changing macro and fiscal picture brought on by the pandemic, the NTMA increased the publishing frequency of, and added additional material to its investor presentation pack. The pack covers a range of topics from economic data to updates on Government funding.

Ireland Apple Escrow Fund

In August 2016, the European Commission announced its decision that certain opinions of the Irish Revenue Commissioners provided to two Irish subsidiaries of Apple Inc., Apple Sales International Limited (formerly Apple Sales International) and Apple Operations Europe Limited (formerly Apple Operations Europe) (collectively "Apple"), constituted State aid contrary to European Union law (the "Commission Decision"), and Ireland was required to recover an amount equal to the alleged State aid together with EU interest (the "Recovery Amount") from Apple. An escrow framework deed (the "Escrow Deed") was agreed between the Minister for Finance and Apple in April 2018 providing for recovery of the alleged State aid and the framework for oversight, safekeeping and management of the escrow fund comprising the Recovery Amount (the "Fund"). The transfer of the Recovery Amount totalling €14.285bn was completed in Q3 2018.

On 15 July 2020, the General Court of the European Union (GCEU) issued its judgment annulling the European Commission decision, finding in favour of Ireland and Apple. On 25 September 2020 the European Commission announced its decision to lodge an appeal with the Court of Justice of the European Union (CJEU) challenging the judgment of the GCEU. The funds held in escrow will be released when there has been a final determination from the CJEU.

The Fund is managed by three investment firms; Amundi Asset Management, BlackRock (Netherlands) B.V. and Goldman Sachs Asset Management International with The Bank of New York Mellon, London Branch providing escrow agency and custodian services. The Fund is invested in accordance with an agreed investment policy and investment manager mandates in low risk, highly rated euro dominated fixed income securities (predominately short to medium-term sovereign and quasi-sovereign bonds). The investment objective is to preserve capital to the greatest extent possible in light of prevailing market conditions.

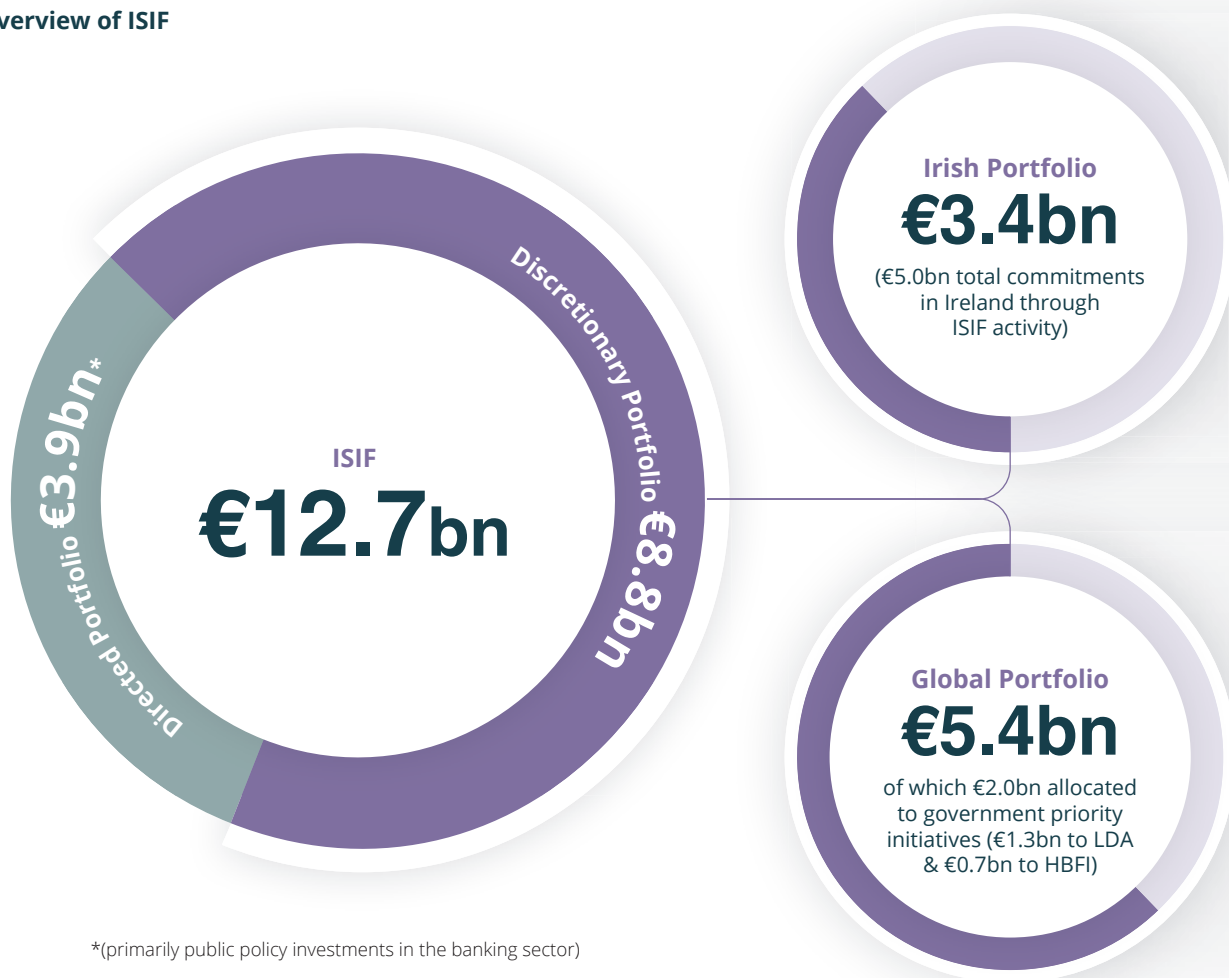
In accordance with Section 28 of the NTMA (Amendment) Act 2000 and at the direction of the Minister for Finance the NTMA is required to prepare and keep accounts for the Fund, which are subject to audit by the Comptroller and Auditor General. These accounts submitted annually to the Minister for Finance reflect the overall value, income and expenditure of the Fund using IFRS accounting standards. All income, expenses, gains and losses accrue to the Fund. The accounts are published separately to the NTMA accounts.

Ireland Strategic Investment Fund

The NTMA controls and manages the Ireland Strategic Investment Fund (ISIF) which has a statutory mandate to invest on a commercial basis in a manner designed to support economic activity and employment in the State.



Overview of ISIF



*(primarily public policy investments in the banking sector)



Economic Impact

29,566

Jobs supported to end-June 2020.



Investments

143

Commitments across multiple sectors, including 20 during 2020.



Financial Returns

+8.8%

ISIF investment returns of +8.8% in 2020 with accumulated returns at end-2020 over €1.7bn since inception.

Portfolio	2020 (€m)	since Dec 2014 (€m)
Global	80	605
Irish	633	1,142

Business Review

Ireland Strategic Investment Fund (continued)

Overview

The Ireland Strategic Investment Fund (ISIF), controlled and managed by the National Treasury Management Agency (NTMA), is a €12.7bn fund. The ISIF is comprised of the Discretionary Portfolio (€8.8bn) and the Directed Portfolio (€3.9bn). The Discretionary Portfolio has a “double bottom line” mandate to invest on a commercial basis in a manner designed to support economic activity and employment in Ireland. In December 2014, following the transfer of assets to the ISIF from the National Pensions Reserve Fund (NPRF), ISIF commenced execution of an investment strategy aimed at meeting that mandate. The Fund has since evolved to focus on a number of priority themes such as Regional Development, Housing, Indigenous Businesses, Climate Change and sectors adversely affected by Brexit (ISIF's 2019 Investment Strategy)³. During 2020, the COVID-19 pandemic created significant challenges for businesses in Ireland, and caused unemployment, global disruption and uncertainty. In response to this, in May 2020 the Minister for Finance announced the establishment within ISIF of a €2bn Pandemic Stabilisation and Recovery Fund (PSRF) to invest in medium and large-scale businesses in Ireland impacted by COVID-19.

The Directed Portfolio (primarily public policy investments in AIB and Bank of Ireland) continues to be held within the ISIF under direction from the Minister for Finance.

Discretionary Portfolio

The Discretionary Portfolio is comprised of the Irish Portfolio (€3.4bn) and the Global Portfolio (€5.4bn). The Discretionary Portfolio value has grown since inception from €7.1bn to €8.8bn, comprised of investment gains of over €1.7bn, cash injections of €1.5bn (AIB dividends €1.1bn, Bank of Ireland dividends €41m and the sale of the State's shareholding in Aer Lingus €335m) less transfers to other Government initiatives, including to the National Surplus (Exceptional Contingencies) Reserve Fund (Rainy Day Fund), of €1.5bn.

In 2020, the ISIF investment return was +8.8%, made up of +21.3% on the Irish Portfolio and +1.5% on the Global Portfolio. The Irish Portfolio benefited from broad based gains across asset classes and the Global Portfolio, having been adversely impacted in March 2020, benefitted from strong recoveries across equity, credit and some alternative markets in 2020.

Since inception to end-2020, the ISIF has generated an annualised return of +3.5% per annum, comprising +8.7% per annum from the Irish Portfolio and +1.7% per annum from the Global Portfolio. ISIF's investment target is to exceed the five-year rolling cost of Government debt (3.0% at end-2020) over the long term. As a long-term patient capital investor, the return on ISIF's investments will be recognised over an extended period. Nonetheless, ISIF's portfolio of investments is performing in line with expected financial targets at end-2020 and is expected to exceed the investment target over the long term.

The Irish Portfolio continues to invest in line with its “double bottom line” mandate, to invest on a commercial basis in a manner designed to support economic activity and employment in Ireland.

The Irish Portfolio return, comprising +8.7% per annum since inception, is encouraging and reflects investment in instruments right across the capital structure and risk spectrum, with some valuation gains, and some valuation reductions in the higher risk categories, as would be expected.

At the end of June 2020, ISIF investments supported the creation of 29,566 jobs and the generation of €1.4bn turnover from Irish based companies and projects. Further details can be found on page 25.

By design, the Global Portfolio takes a relatively low-risk multi-asset class and multi-strategy investment approach, investing across cash, fixed income, credit, equities, multi-strategy solutions and absolute return mandates through top quality external global asset managers.

The ISIF investment return on the Global Portfolio since inception is +1.7% per annum. This reflects the portfolio's low risk appetite, defensive drawdown characteristics, as well as its requirement for ongoing liquidity to finance both Irish Portfolio requirements and other Government initiatives throughout a period of negative interest rates.

Irish Portfolio

Irish Portfolio Mandate

The ISIF's “double bottom line” mandate makes it one of the few sovereign funds globally which invests to support economic activity and employment, in addition to delivering commercial returns. The ISIF seeks to generate a return over the long term in excess of the cost of Irish Government debt.

ISIF's 2019 Investment Strategy focused on five Priority Themes of key importance to the Irish economy: Regional Development, Housing, Indigenous Businesses, Climate Change and sectors adversely affected by Brexit. In addition to the Priority Themes, the Connectivity Fund sub-portfolio in the ISIF includes projects that enhance Ireland's global data, energy and physical connectivity.

During 2020, the COVID-19 pandemic created significant challenges for businesses in Ireland, and caused unemployment, global disruption and uncertainty. In response, the Minister for Finance announced the establishment within ISIF of a €2bn Pandemic Stabilisation and Recovery Fund (PSRF) to invest in, and support, medium and large-scale businesses in Ireland impacted by COVID-19.

³ ISIF's 2019 Investment Strategy was approved by the NTMA Board in November 2018 and published following consultation with the Minister for Finance and Public Expenditure and Reform on 1 February 2019.

PSRF Investment Strategy

As a sub-fund of ISIF, the PSRF operates within the existing ISIF statutory “double bottom line” mandate, with a particular investment focus on businesses impacted by the pandemic and those critical to Ireland’s ability to respond to the pandemic. Initially, with the pandemic at its height and businesses in urgent need of capital and support, the investment approach focused on stabilisation – i.e., investing commercially to ensure that medium and large businesses of scale negatively impacted by the COVID-19 crisis, could return to viability and contribute to the recovery of the Irish economy. Investing commercially to support economic recovery and growth more widely is expected to take over as the investment approach as the economy enters an anticipated recovery phase. In this phase, ISIF will continue to invest in companies of scale and those that can contribute significantly to the growth of the Irish economy, with a particular focus on the Priority Themes of Regional Development, Indigenous Businesses, Housing, Climate Change and sectors adversely affected by Brexit.

ISIF has continued to support new indirect investment funds including, in particular, where the funds’ strategies are pandemic-related. As a long-term patient capital investor, ISIF has also continued to support its existing direct and indirect investments including, with additional finance as appropriate, in line with its mandate.

Some flexibility is maintained to take advantage of selective, compelling opportunities of national significance which are consistent with the ISIF mandate and which do not fit under either the PSRF strategy or the Priority Themes.

Irish Portfolio Commitments

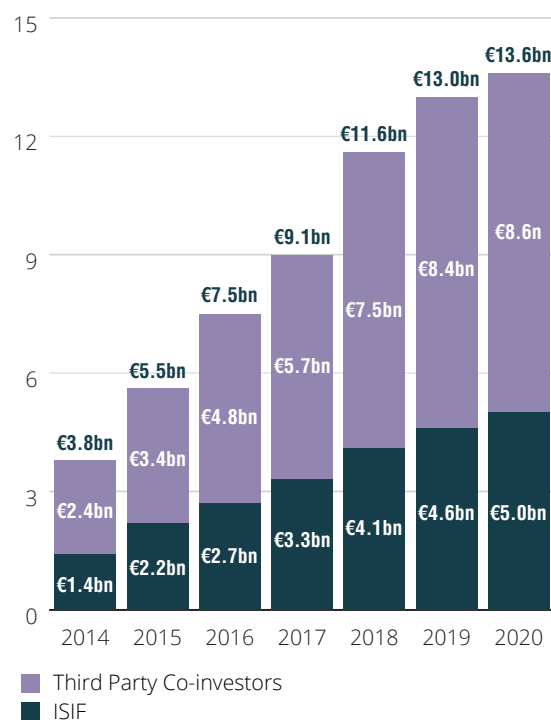
Including investments made by the NPRF, the ISIF committed €5bn at end-2020 to investments consistent with its “double bottom line” investment mandate. Including third-party co-investor commitments, a total of €13.6bn had been committed to investment in Ireland arising from ISIF investments.

The ISIF portfolio is diversified across the regions and many sectors of the economy, and includes investments in infrastructure, energy, housing, commercial real estate, SMEs, food and agriculture, forestry, technology, life sciences, education and international financial services.

ISIF set a co-investment target at inception to attract €1m in third-party capital alongside every €1m of capital invested by ISIF. As at 31 December 2020, ISIF exceeded this target with a co-investment rate of €1.7m alongside every €1m committed by ISIF.

ISIF Commitments To Ireland 2014-2020

Total Investment Committed in Ireland €bn



*Irish assets transferred in December 2014 from NPRF that were broadly consistent with ISIF mandate.

Figures may not total due to rounding.

Business Review

Ireland Strategic Investment Fund (continued)

Irish Portfolio: Capital Committed At End-2020

A total of €5.0bn has been committed to Ireland since the Fund's inception in December 2014. €407m was committed by ISIF to 20 separate investments during 2020 (average investment size of €20m).

ISIF Irish Investments During 2020

Investment	Description of Investment	Approximate amount €m
Greystones Media Campus Ltd	Equity investment to fund development of a state-of-the-art film and television studio campus in Co. Wicklow.	7
Xant, Inc.	Follow-on investment in Xant, a sales acceleration technology firm.	2
Swrve Mobile, Inc.	Follow-on investment in Swrve, a mobile marketing automation software platform.	2
Frontline EMEA Expansion Fund L.P.	Follow-on investment in Frontline EMEA, a fund focusing on highly rated North American software companies that target markets in Europe and the Middle East.	4
Insight Partners (Cayman) XI, L.P.	Specialist private equity firm that invests in growth-stage technology, software and internet businesses.	9
Foundry Innovation & Research 1 Limited (FIRE1)	Equity investment to enable FIRE1 to broaden and expand its solution to help patients living with heart failure.	8
Development Capital Fund II L.P.	Private equity firm that provides development and growth capital to Irish SMEs which have significant growth opportunities, primarily in export markets.	20
Urban Volt Limited	Leading provider of Lighting-as-a-Service and energy efficiency solutions.	5
Melior Equity Partners II SCSP	Private equity firm focused on investing in high potential Irish businesses.	26
Shamrock Renewable Products Limited	Financing for manufacturer of sustainable heating fuel products.	11
Irish Whiskey Growth Fund	Fund established exclusively to provide capital to Irish whiskey distilleries by way of stock-finance or direct stock-purchasing, supporting the growth of the Irish whiskey sector.	15
Finance Ireland	Specialist lender providing capital to areas not well served by the traditional banking market.	17
Harcourt Venture Fund L.P.	Follow-on investment.	0.1
DAA Finance plc	Participation in DAA bond issuance.	40
StayCity Investments Holdings Limited	Investment to support ongoing operations and future growth of the leading Irish aparthotel company.	30
Motive Capital Fund II-B, L.P.	Specialist private equity firm focused on growth equity and buyout investments in financial technology (FinTech) businesses.	25
MilkFlex II Accordion (follow-on)	Increased commitment to MilkFlex II (Finance Ireland Agri Funding DAC), an agri-loan provider, to fund continued demand for loans from farmers.	16
Aer Lingus Limited	Debt facility to support the liquidity needs of the business.	150
Frontline Ventures Fund III L.P.	Venture capital fund targeted at high potential early-stage software businesses primarily in Ireland and the UK, and selectively in Western Europe.	15
Renatus Capital Partners II L.P.	Private equity firm that provides growth funding to ambitious Irish SMEs.	7
Total		407

Figures may not total due to rounding.

Irish Portfolio Economic Impact

The ISIF seeks to maximise the economic impact from investments while also ensuring that all investments satisfy its commercial return objectives.

The economic impact and employment supported by ISIF investment differs from traditional Government expenditure. With Government expenditure, public financial resources are depleted as a result of the spending; whereas, with commercial investment, public resources are expected to be returned with a gain at the end of the investment period. Returned investment capital can then be recycled into additional beneficial projects.

In line with the ISIF's "double bottom line" mandate, a key part of the ISIF's due diligence in advance of investment is a comprehensive assessment of the economic impact potential of each transaction.

Typically, economic impact is assessed across the dimensions of additionality, displacement and deadweight.

Additionality refers to the additional economic benefits to Gross Value Added (GVA) which are likely to arise as a result of the investment under consideration, over and above what would have taken place anyway.

Displacement refers to instances whereby the additionality created from an investment is reduced or made smaller at the overall economy level due to a reduction in such benefits elsewhere in the economy.

Deadweight refers to instances whereby the economic benefits created from an investment would have been achieved in any event in the absence of intervention.

Through its investments, the ISIF seeks to deliver positive economic impact through creating additionality, minimising displacement, and avoiding deadweight by complementing (rather than competing with) private sector sources of capital.

As a result of conditions generated during the COVID-19 pandemic, the ISIF (via the PSRF) has sought to deliver positive economic impact in Ireland by investing commercially to enable businesses of scale to sustain themselves in the near-term – irrespective of sector – and to deliver additionality through enabling them to persist and support employment over the medium and longer term.

Post-investment, the ISIF completes a semi-annual survey of all investees to collect economic impact and employment data to enable it to monitor the economic impact progress of all investments. The results of the H1 2020 survey are outlined here.

ISIF Economic Impact As At June 2020



2,607

Irish based companies/projects
generated combined revenues
of €1.4bn, 29% through exports.



€419m

Wages & Salaries
earned in the 6 months to June 2020.



29,566

Jobs
are supported, directly and indirectly,
by ISIF investments.



€616m

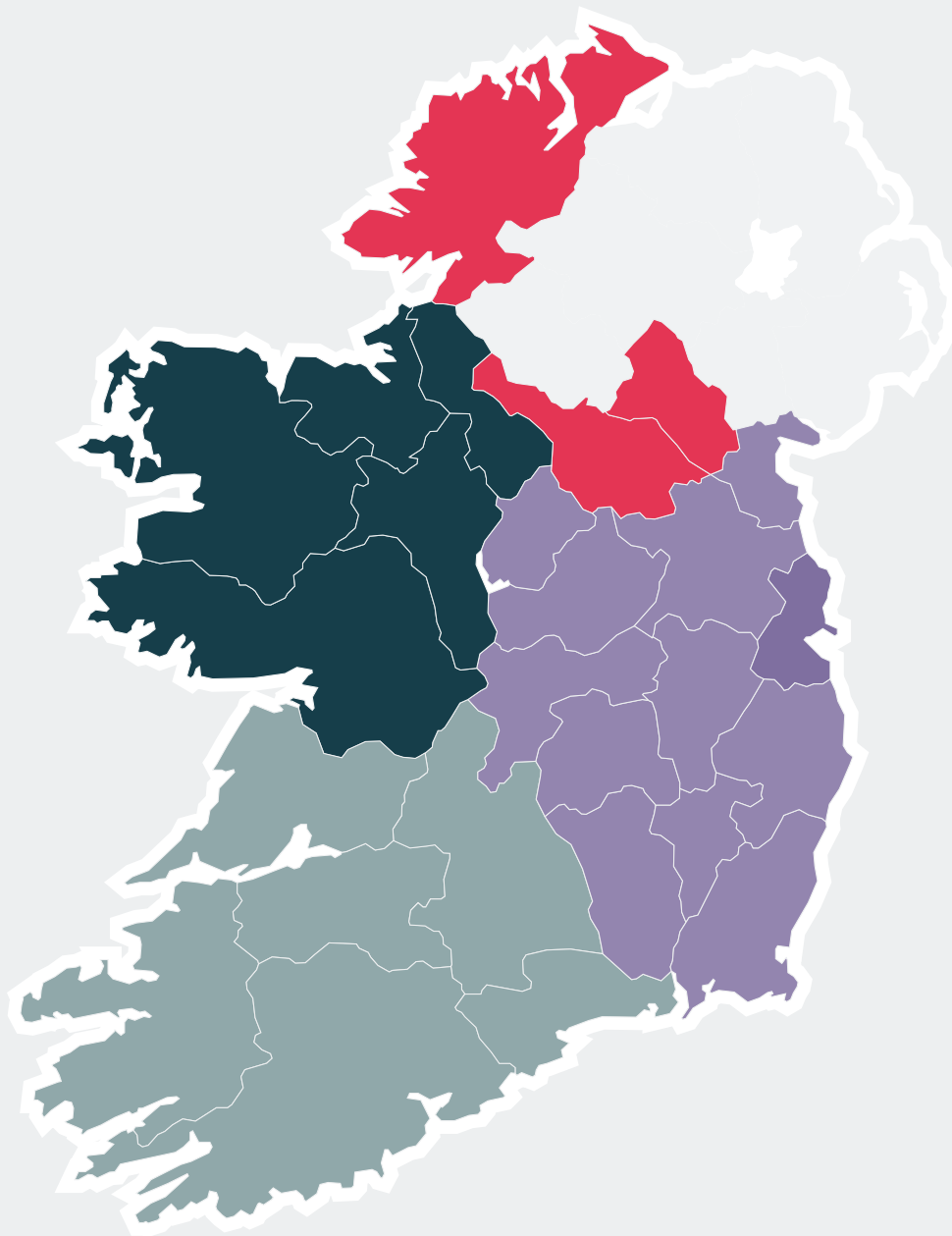
Gross Value Added (GVA)
to the Irish economy for the
6 months to June 2020.




Reflects detailed survey data for H1 2020. Given the quantum of surveys of investees and underlying investees of indirect investments and the comprehensive analysis completed, finalisation and publication of this economic impact data lags six months.

Business Review

Ireland Strategic Investment Fund (continued)

ISIF Regional Economic Impact H1 2020



	Ulster	Munster	Connacht	Leinster (Ex Dublin)	Dublin
 Jobs	5%	18%	5%	28%	44%
 ISIF Capital	2%	21%	7%	12%	58%
 GVA	6%	20%	6%	21%	47%
*CSO Regional Split of GVA (2016)	5%	24%	7%	19%	45%

Gross Value Added (GVA) is the enterprise or sector level measure of goods or services produced which, when aggregated across all enterprises and adjusted for taxes and subsidies, equals Gross Domestic Product (GDP).

Housing

ISIF committed €937m to residential housing, this investment programme is targeting the delivery of 15,000 new homes. By end-2020 4,274 homes sold with an additional 5,339 under construction.



*Estimate based on 1) sites that have planning permission, but where construction has not commenced; and 2) sites without planning permission.

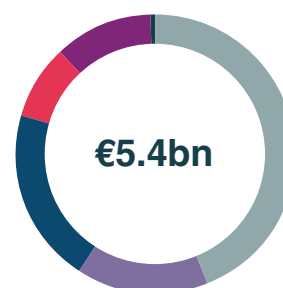
Global Portfolio

Total value €5.4bn, of which €2.0bn allocated to other Government Priorities (€1.3bn to LDA & €0.7bn to HBFI).

The main objective of the Global Portfolio is to ensure that cash is available to fund existing and future Irish investment commitments and investments as they materialise, both Priority Themed investments and PSRF investments, as well as other directed or expected withdrawals (including in respect of Home Building Finance Ireland (HBFI) and the Land Development Agency (LDA)) and to earn an appropriate risk adjusted return that will assist ISIF's performance with a low risk appetite in the intervening period. The Global Portfolio, with total assets at end-2020 of €5.4bn, accounted for 61% of invested assets of the overall Discretionary Portfolio at December 2020.

By design, the Global Portfolio takes a relatively low-risk multi-asset class and multi-strategy investment approach, investing across cash, fixed income, credit, equities, multi-strategy solutions and absolute return mandates through top quality external global asset managers. The Global Portfolio has, by design, a low sensitivity to equity and credit markets and a high degree of liquidity at all times. The design and structure of the Global Portfolio performed as planned in 2020 with cash and the lower risk strategies helping to weather some of the volatility and drawdown experienced in global markets.

Global Portfolio Assets At End-2020



Multi-Asset	€2,361m
Credit	€821m
Cash and Financial Assets	€1,096m
Absolute Return	€454m
Equity	€622m
Legacy Global Real Estate and Private Equity	€15m

Figures may not total due to rounding.

Business Review

Ireland Strategic Investment Fund (continued)

Global Portfolio Managers at End-2020

Manager	Mandate	Market Value €m	Global Portfolio %
Goldman Sachs Asset Management	Multi-Asset	1,672	31
Irish Life Investment Managers	Multi-Asset	690	13
J.P. Morgan Asset Management	Credit	192	4
Amundi Asset Management	Credit	204	4
BlackRock Investment Management	Credit	326	6
Mackay Shields European Investment Management	Credit	99	2
Acadian Asset Management	Equity	332	6
Generation Investment Management	Equity	290	5
Blackstone Alternative Asset Management	Absolute Return	225	4
Bridgewater Associates	Absolute Return	229	4
Global Real Estate Managers*	Real Estate	15	0
NTMA	Cash and Financial Assets	1,096	20
Total		5,370	100

*Legacy NPRF investments.

Figures may not total due to rounding.

The ISIF's custodian, BNY Mellon, provides custody, accounting, pricing and transaction services to the NTMA. BNY Mellon is responsible for transaction settlement and the custody of the segregated holdings of the ISIF's directly-owned public markets assets.

Sustainability and Responsible Investment Strategy 2020

- The Sustainability and Responsible Investment Strategy (S&RIS) 2020 seeks to protect and enhance both the long-term value and reputation of the ISIF. Among other areas of focus, the S&RIS is focused on ensuring that the whole portfolio, Global and Irish, third-party managers, and investee companies consider potential climate risks and opportunities as appropriate and that such risks are appropriately considered as a part of ISIF's decision making and portfolio management.

Some of ISIF's S&RI Beliefs and Principles

- The NTMA has a responsibility to actively contribute to the sustainability of the Irish economy for future generations and to encourage others to do the same.
- Responsibly managed companies, those that actively manage Environmental, Social and Governance (ESG) factors, are best-placed to achieve a sustainable

competitive advantage and provide strong, long-term investment returns.

- ISIF is a founding signatory to the Principles of Responsible Investment (PRI), supporter of CDP (formerly the Carbon Disclosure Project) and a recent endorser of the One Planet Sovereign Wealth Funds (OPSWF) initiative.
- ISIF also endorses the Santiago Principles, which sets out best practice standards for accountability and conduct for sovereign wealth funds.

Whole of Fund approach to Sustainability and Responsible Investment

The different characteristics of the Irish and Global Portfolios require varied ESG tools and approaches that take portfolio characteristics, time horizons, asset classes and liquidity profiles, together with the size, scale and maturity of investees into consideration.

Key ESG tools include integrated analysis and active ownership.

- Integration: ESG Framework tool to assist in the identification, monitoring and mitigation of material ESG risks across the Irish Portfolio. Throughout its investment decision making processes, the Fund aims to mitigate and manage ESG issues.

- The ISIF has a long history of active ownership and EOS at Federated Hermes provides Active Ownership services for the Global Portfolio. EOS, on ISIF's behalf, engaged with 593 companies on a range of ESG issues and objectives over 2020. EOS made voting recommendations for 18,459 resolutions.
- ISIF uses the services of ISS-ESG to conduct detailed portfolio analytics including carbon footprinting and impact analysis aligned with the UN Sustainable Development Goals (SDGs). Climate Risk assessment is conducted on both an aggregated basis across the Global Portfolio and as part of the monitoring of each of our individual Investment Managers.

Fossil Fuel Divestment and other exclusions

The Fossil Fuel Divestment Act 2018 provides for the divestment by ISIF from fossil fuel undertakings (effectively, companies that derive more than 20% of their revenues from the exploration, extraction and/or refinement of fossil fuels) within a practicable timeframe.

By year end-2020, ISIF had developed a list of 242 fossil fuel companies in which it will not invest. ISIF continues to monitor any potential exposure within its portfolio. Exiting fossil fuel investments builds on ISIF's existing investment exclusionary strategy in respect of cluster munitions and anti-personnel

mines (which are prohibited investments under the Cluster Munitions and Anti-Personnel Mines Act 2008), coal production and processing, and tobacco manufacturing.

In early 2021, ISIF's exclusion policy was extended to also include direct investment in companies that have been verified to be involved in the manufacture and testing of nuclear weapons or critical component parts thereof.

Climate Change Investment

Climate change is one of ISIF's five priority investment themes in ISIF's 2019 Investment Strategy. ISIF's Climate Strategy is to make investments that help position Ireland for the net zero carbon economy ("Net Zero") envisaged under the national Climate Action Plan and improve the resilience of the Irish economy as the global market increasingly pivots towards sustainable business practices. The Climate Strategy encompasses investments ranging from sustainable infrastructure to new technologies, and business models that will underpin the transition to Net Zero across each segment of the economy that is heavily reliant on energy and carbon: electricity, transport, buildings, agriculture, and wider enterprise. ISIF has, to date, committed over €300m to projects in Ireland in the renewable energy and forestry space. Investments include:

Investment Name	Description
Gore Street	£30m investment in Gore Street Energy Storage Fund plc, resulting in the world's first listed energy storage company investing in Ireland.
Greencoat Renewables plc	€76m cornerstone investment establishing Ireland's first listed renewable energy infrastructure company via a €270m IPO on the Dublin and London markets. In 2020, ISIF sold down 75% of its holding of Greencoat Renewables via a secondary sale process.
Temporis Aurora L.P.	€50m ISIF cornerstone investment enabling the establishment of Ireland's first dedicated renewable energy development equity fund.
The Foraois Limited Partnership	Investment alongside European Investment Bank in a Dasos-managed fund to support new investment in privately owned forests across Ireland. The investment will support crucial upgrades to Ireland's forestry infrastructure through the consolidation of its management.
NTR Wind 1 L.P.	€35m commitment to a €250m equity fund targeting the construction and operation of onshore wind energy projects.
Urban Volt Limited	€5m direct equity Series A investment in Urban Volt, an innovative business providing energy efficient lighting solutions for corporate enterprises.
Shamrock Renewable Products Limited	Approximately €11m loan to Shamrock Renewables, a manufacturer of carbon neutral fuel products for the domestic consumer.

Business Review

Ireland Strategic Investment Fund (continued)

Directions from the Minister for Finance

The ISIF has allocated €2.0bn for other Government initiatives; the Land Development Agency (LDA) (€1.25bn), and Home Building Finance Ireland (HBFI) (€730m).

- **Land Development Agency:** On 22 October 2018, the Minister for Finance informed the NTMA in writing of a proposal to allocate a reserve of up to €1.25bn to support the Land Development Agency. No direction has yet been issued to the NTMA in respect of this transfer.
- **Home Building Finance Ireland (HBFI):** On 8 April 2019, the Minister for Finance directed the NTMA to execute a loan facility agreement with Home Building Finance Ireland (Lending) DAC (HBFIL) and to make available a loan facility of up to €730m from the ISIF to HBFI. Since the establishment of HBFI, €45m in total has been drawn down. Taking into account amounts repaid by HBFI, the outstanding loan as at end-2020 amounted to €37m.

Directed Portfolio

The Directed Portfolio – primarily public policy investments in AIB, Bank of Ireland, Strategic Banking Corporation of Ireland (SBCI) and HBFI – continues to be held within the ISIF under direction from the Minister for Finance. During the financial crisis, a total of €20.7bn was invested by the NPRF in AIB and Bank of Ireland at the direction of the Minister for Finance for public policy reasons. These assets transferred to the ISIF on the establishment of the ISIF.

The figures in this section relate to investments held by the ISIF only and do not include public policy investments in Irish financial institutions made by the Minister for Finance through the Exchequer. At end-2020, the Directed Portfolio comprised:

- Ordinary shares in AIB valued at the market price of €1.68 per share;
- Ordinary shares in Bank of Ireland valued at the market price of €3.30 per share;
- €165m in cash, committed to lending to the Strategic Banking Corporation of Ireland (SBCI); and
- €37m loan to HBFI.

The Directed Portfolio had a valuation of €3.9bn at end-2020. Its return in 2020 was -45%. Arising from the €20.7bn invested in AIB and Bank of Ireland, cash returns on investments to date have amounted to €10.3bn while investment valuations at end-2020 were €3.7bn, bringing the total amount (income and value) to €14.0bn.

Directed Portfolio at End-2020

	Cash Invested €bn	Cash Received €bn	End-2019 Value €bn	End-2020 Value €bn	Total (Income & Value) €bn	Shareholding at End-2020 %
Bank of Ireland	4.7	4.2	0.7	0.5	4.7	14
AIB	16.0	6.1	6.0	3.2	9.3	71
Total Bank Investments	20.7	10.3	6.7	3.7	14.0	
HBFI			0.0	0.0		
Cash committed to SBCI			0.2	0.2		
Total Directed Portfolio			6.9	3.9		

Figures may not total due to rounding.

NATIONAL SURPLUS (EXCEPTIONAL CONTINGENCIES) RESERVE FUND

Overview

The National Surplus (Reserve Fund for Exceptional Contingencies) Act 2019 (the “Act”) was commenced by Order of the Minister for Finance on 31 October 2019. The National Surplus (Exceptional Contingencies) Reserve Fund (the “Rainy Day Fund”) was established on that date. The Minister for Finance has delegated to the NTMA certain functions of the Minister in relation to the investment of the Rainy Day Fund. On 7 November 2019, the Minister directed the NTMA to transfer assets of a value of €1.5bn from the ISIF to the Rainy Day Fund. This transfer was made on 15 November 2019, having been funded by the liquidation of various Global Portfolio assets which had been held in cash like instruments within the ISIF’s Global Portfolio. Pursuant to further directions issued by the Minister for Finance on 20 October 2020, €1.5bn was transferred from the Rainy Day Fund to the Exchequer’s Central Fund on 28 October 2020.

Investment Strategy and Governance

On 7 November 2019, the Minister for Finance directed the NTMA to invest the Rainy Day Fund subject to and in accordance with Section 8 of the Act and in a manner consistent with the investment guidelines annexed to the Minister’s directions (the “Investment Guidelines”). The Investment Guidelines state that the investment objective of the Rainy Day Fund is to preserve capital to the greatest extent possible subject to prevailing market conditions while ensuring the Rainy Day Fund has adequate liquidity at all times. The NTMA is required to prepare an appropriate investment plan for the Rainy Day Fund each year.

A National Surplus (Exceptional Contingencies) Reserve Fund Oversight Committee within the NTMA oversees the management and investment of the Fund. This Committee, which is made up of representatives from various NTMA business units and corporate functions, reports to the Chief Executive who in turn reports to the NTMA Board. The Committee meets quarterly.

On 20 October 2020 the Minister for Finance directed the NTMA to convert the assets of the Rainy Day Fund into cash and to transfer the balance to the Exchequer. The Minister also directed (inter alia) that the NTMA preserve an account in respect of the Rainy Day Fund in order to allow the NTMA to manage any assets which may be transferred into the Rainy Day Fund in the future in accordance with the Act. On 28 October €1.5bn was transferred from the Rainy Day Fund to the Exchequer’s Central Fund pursuant to such directions.

	Cash Transferred €bn	End-2020 value €bn
October 2020	1.5	0

National Development Finance Agency

Acting as the National Development Finance Agency (NDFA), the NTMA provides financial advisory, procurement and project delivery services to State authorities on public infrastructure projects.



Delivering PPP and Non-PPP Infrastructure

Capital Value

€1.3bn

Delivery of primarily education and housing PPP and non-PPP infrastructure projects with an estimated capital value of €1.3bn.

Education

Procurement and delivery of three PPP educational projects and three non-PPP Exchequer Funded educational projects. Notwithstanding delays due to COVID-19, construction was completed on two large academic buildings on the Technological University (TU) Dublin campus in Grangegorman with the East Quad and Central Quad completed in December 2020 and March 2021 respectively. Procurement progressed on 11 Higher Education facilities across nine counties, (in two bundles), and pre-procurement activities advanced on a programme of 20 Exchequer Funded schools in three bundles across seven counties.



Social Housing

Procurement and delivery of three social housing PPP projects. Notwithstanding delays due to COVID-19, construction continued on Social Housing PPP Bundle 1 (534 homes) where 205 homes were completed by August 2020, a further 179 homes in Q1/Q2 2021 and with the remainder expected by Q2/Q3 2021. Construction also continued on Social Housing PPP Bundle 2 (465 homes) with the first 28 homes delivered in May 2021 and the remaining due for delivery in 2021. Further COVID-19 restrictions may impact delivery of homes in 2021. Pre procurement activities have now commenced on Social Housing PPP Bundle 3 which will deliver c.440 homes across four counties.



Providing Financial Advice

Capital Value

€5.6bn

Providing financial advice on PPP (procurement, construction and operations) and non-PPP infrastructure projects in different sectors including housing, climate action, health, transport and education with an estimated capital value of €5.6bn.

Housing

Providing financial advice across a range of housing initiatives, including mixed tenure local authority developments, social housing leasing and a pilot cost rental scheme.



Climate Action

Providing financial advice across a range of climate action initiatives, including climate action grant funding and district heating.



Health

Providing financial advice to the Health Service Executive on projects including the Community Nursing Units PPP.



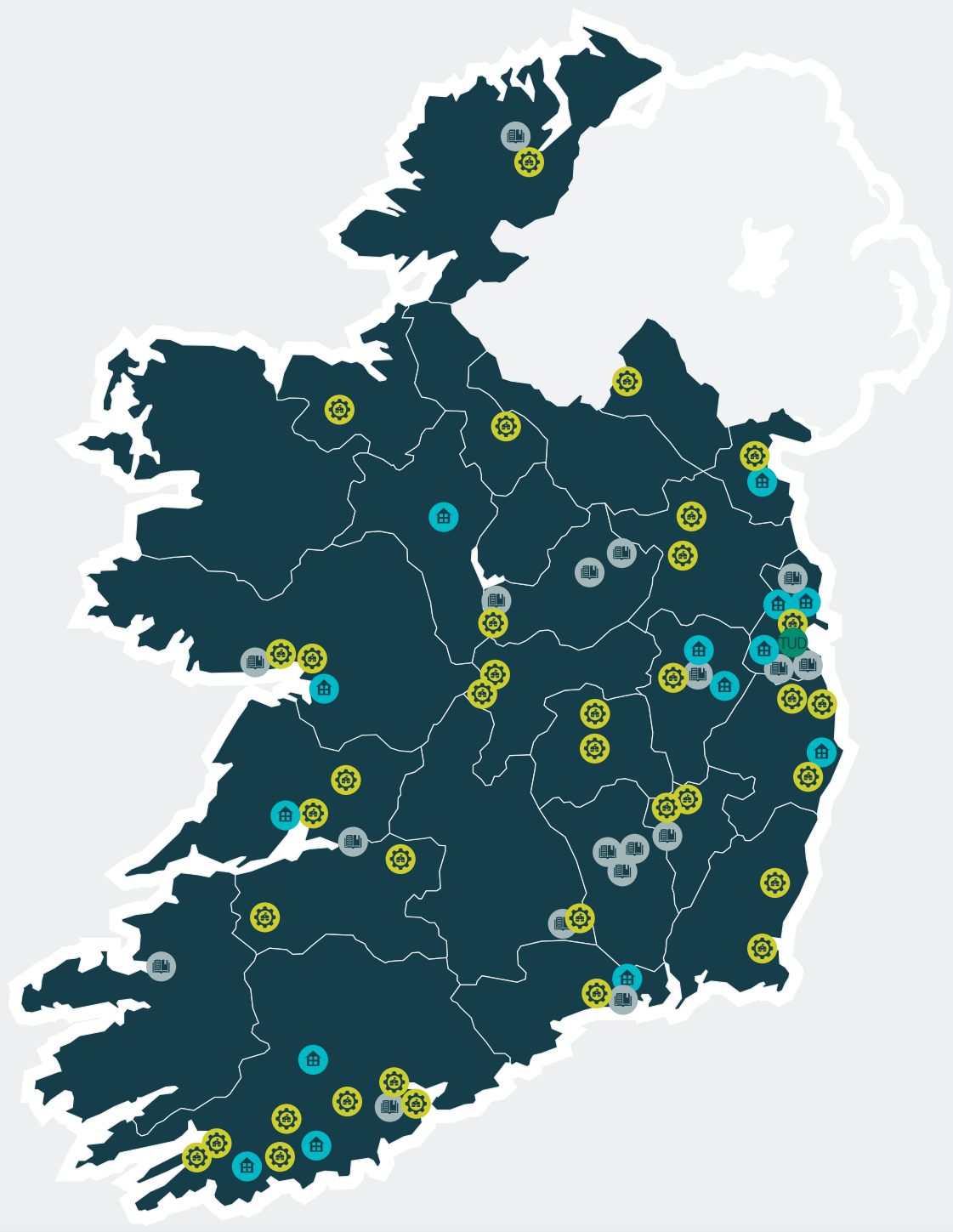
Transport

Providing financial advice on a number of transport projects, in particular in the rail and road sectors (including Metrolink).




National Development Finance Agency (continued)


NDFA Project Locations



Projects in procurement/construction by the NDFA in 2020

-  Schools & Higher Education facilities
-  TU Dublin at Grangegorman
-  Social Housing

Operational PPPs under contract management by NDFA or where support services provided in 2020

-  Operational Facilities comprising 33 schools across all four provinces, the National Maritime College of Ireland, the Cork School of Music (both now in the Munster Technological University (MTU)) and the Convention Centre Dublin.








The NTMA is known as the National Development Finance Agency (NDFA) when providing financial advice to State authorities in respect of public investment projects which are referred to it, with a capital value over €75m. The NDFA also provides financial advice to State Authorities on some projects below this threshold. It procures and delivers Public Private Partnership (PPP) projects when engaged by State authorities and directly procures Exchequer funded (non-PPP) projects on behalf of the Department of Education.

Delivery of PPP Projects

2020 was a very challenging year for construction activities with sites closed for up to seven weeks due to COVID-19. The NDFA was involved in the monitoring of NDFA project sites when works recommenced, including monitoring of adherence to COVID-19 health and safety guidelines. Project delays and site closures arising from COVID-19 restrictions required significant amounts of additional time and resources to manage the subsequent impacts. While COVID-19 restrictions impacted delivery across the NDFA portfolio of projects, progress was still made on these projects during the year.

Further restrictions during 2021 may impact expected timelines noted below.

Progress on PPP Projects Being Procured by the NDFA at End-2020

Project	Description	Status
TU Dublin at Grangegorman PPP 	The development of two quad buildings at the new TU Dublin Campus in Grangegorman, providing 10,000 student places in applied arts, sciences and engineering.	Completed. The East Quad building and the Central Quad building reached service commencement in December 2020 and March 2021 respectively.
Higher Education PPP Programme -Bundle 1 	Development of six higher education facilities, primarily focused on STEM, across four counties.	Following a pre-qualification process, three candidates were shortlisted and invited to tender in August 2020 with the procurement process ongoing.
Higher Education PPP Programme -Bundle 2 	Development of five higher education facilities, primarily focused on STEM, across five counties.	Pre-qualification documents issued in October 2020 and the procurement process is ongoing.
Social Housing PPP Programme - Bundle 1 	Development of 534 social homes in Dublin, Louth, Wicklow and Kildare.	Three of the six sites were completed by August 2020 providing 205 homes. 179 further homes were completed in Q1/Q2 2021 and the remaining homes are due for completion by Q2/Q3 2021.
Social Housing PPP Programme - Bundle 2 	Development of 465 social homes in Roscommon, Cork, Waterford, Galway, Clare and Kildare.	Construction is continuing with the first 28 homes completed in May 2021 and the remaining homes due for completion in 2021.
Social Housing PPP Programme - Bundle 3 	Development of c. 440 social homes in Dublin, Kildare, Sligo and Wicklow.	Advisers have been appointed and design development is ongoing. It is expected that the project will launch to the market in Q3/Q4 2021.
Schools PPP Bundle 5 	Five schools and one Institute of Further Education providing 4,870 student places in Carlow, Meath, Wicklow and Wexford.	All schools are operational. Final outstanding works across the project were completed in October 2020 ⁴ .

⁴ The completion of the overall project was impacted by the liquidation of a member of the PPP company (Carillion plc) in January 2018 which necessitated restructuring of the project by the remaining shareholder.

National Development Finance Agency (continued)

Higher Education PPP Programme

These projects are being delivered under Project Ireland 2040, which recognises that investment in education is central to achieving a strong, future-proofed economy, balanced across the regions, and a just society in which all citizens are enabled to fulfill their potential. The NDFA will procure the projects on behalf of the Department of Further and Higher Education, Research, Innovation and Science and the Higher Education Authority and is also acting as financial adviser.

The project facilities, to be delivered in two distinct project bundles under this programme, will enhance the campus environment for students and staff, and support strengthened partnerships with industry. The buildings will have a strong STEM focus, supporting practice-based learning, including laboratories, workshops and studios. They will also have significant flexibility to adapt to changing teaching and learning needs, and to support hybrid and remote learning.

All facilities will be “nearly zero energy building standard” (NZEB) compliant, achieve a minimum A3 **Building Energy Rating** (BER) and a “very good” **BREEAM*** rating, with significant emphasis on reducing fossil fuel usage in the tender requirements. The programme, which will facilitate approximately 8,000 additional students, is especially significant as it is currently forecast that demand for enrolments in this sector will increase by c. 20% by 2030.

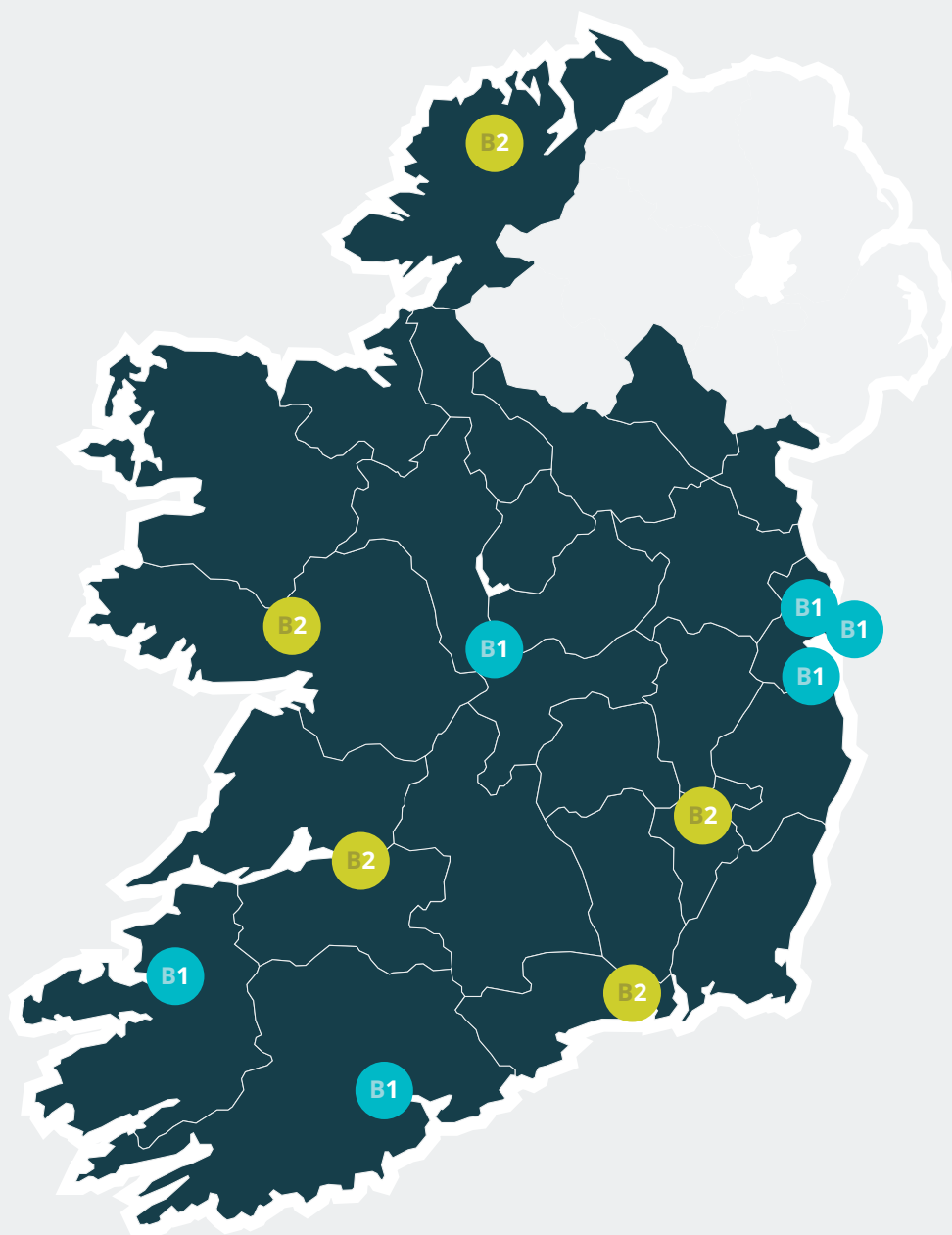
The projects in the first bundle are located in the Tallaght and Blanchardstown campuses of TU Dublin; in the Cork and Tralee campuses of the new Munster Technological University (MTU) which was established in January 2021; in the Institute of Art, Design and Technology, Dún Laoghaire; and in Athlone Institute of Technology.

The projects in the second bundle are located in the Waterford Institute of Technology and the Institute of Technology Carlow, which are part of the consortium seeking to establish a Technological University for the South East; in the Galway-Mayo Institute of Technology and Letterkenny IT, which are part of the Connacht Ulster Alliance; and in Limerick Institute of Technology which has formed a consortium with Athlone Institute of Technology.



Higher Education PPP Bundle 1, Artist impression of Dún Laoghaire Institute of Art, Design & Technology.

* Building Research Establishment Environmental Assessment Method (BREEAM).



B1

Higher Education PPP Bundle 1

Last Key Milestone	Tender documents issued August 2020
Next Key Milestone	Tender evaluation
Expected delivery of facilities	2023/2024
Number of facilities in bundle	6
Higher Education Facilities	Athlone Institute of Technology MTU Cork Campus Dún Laoghaire Institute of Art, Design and Technology TU Dublin Blanchardstown Campus TU Dublin Tallaght Campus MTU Tralee Campus

B2

Higher Education PPP Bundle 2

Last Key Milestone	OJEU Notice published October 2020
Next Key Milestone	Prequalification evaluation
Expected delivery of facilities	2024/2025
Number of facilities in bundle	5
Higher Education Facilities	Waterford Institute of Technology Limerick Institute of Technology Letterkenny Institute of Technology Galway-Mayo Institute of Technology Institute of Technology Carlow

Business Review

National Development Finance Agency (continued)

Social Housing PPP Programme

It is expected that around 1,500 homes will be delivered by the State through the Social Housing PPP Programme. The delivery is divided into three distinct project bundles with construction of homes nationwide. Constructing and providing social housing using the PPP model is a first for the State.

These projects are unique for a number of reasons:

First social housing PPP projects in Ireland: first time local authorities are collaborating to deliver social housing projects; first time European Investment Bank (EIB) financing has been used in a Social Housing PPP; first time the Irish charity sector is involved in a PPP consortium.

Tenancy Management is a new feature in this PPP delivery model. Like traditional social housing the local authority is the landlord for these schemes and nominates the tenants to each unit; however under this model the PPP company then acts as landlord's agent to provide a comprehensive tenancy management service. The tenant's rights and obligations are no different to other local authority tenants and the PPP company provides the service through its specialist tenancy management provider, typically an approved housing body.

The design and construction quality of the homes delivered by this programme is of a high standard. All homes will achieve the **NZEB** standard featuring air-tight construction and controlled ventilation for a comfortable living environment.

Lifetime Homes considerations have also been incorporated where practicable to ensure that homes can be readily adapted to meet changing tenant needs over time.

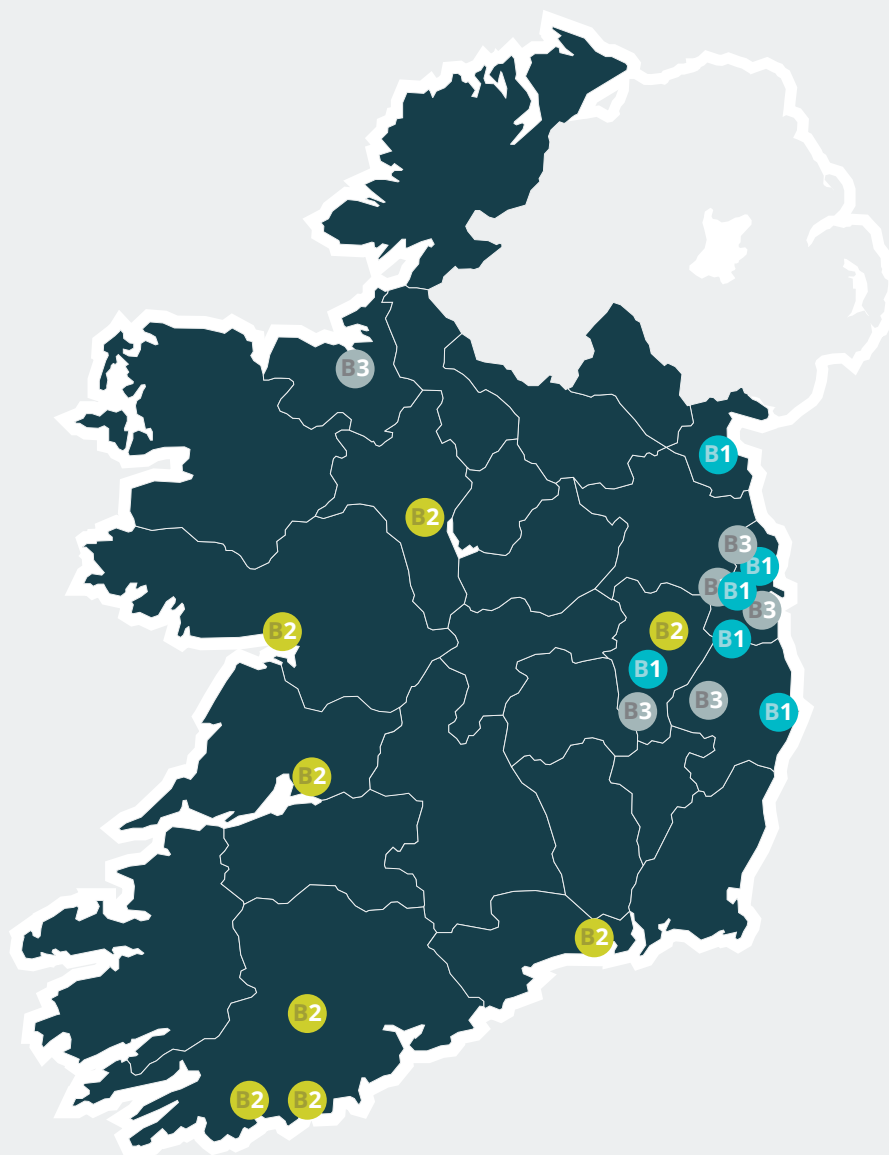
The types of homes being delivered by the programme include apartments, houses, senior citizen and assisted living homes. Another important feature of this model is that whilst the properties are privately funded, they remain in State ownership throughout.

The NDFA has worked in close collaboration with the Department of Housing, Local Government and Heritage and multiple local authorities to progress the programme with contracts signed in 2019 for the first two bundles and the third bundle design phase now underway.

Notwithstanding delays due to COVID-19, construction continued on Social Housing PPP Bundle 1 (534 homes) where 205 homes were completed by August 2020, a further 179 homes in Q1/Q2 2021 and with the remainder expected by Q2/Q3 2021. Construction also continued on Social Housing PPP Bundle 2 (465 homes) with the first 28 homes delivered in May 2021 and the remaining due for delivery in 2021. Further COVID-19 restrictions may impact delivery of homes in 2021. Pre procurement activities have now commenced on Social Housing PPP Bundle 3 which will deliver c. 440 homes across four counties.



Social Housing PPP Bundle 1, new homes at Craddockstown, Co. Kildare.



	B1 Social Housing PPP Bundle 1	B2 Social Housing PPP Bundle 2	B3 Social Housing PPP Bundle 3
Contract signed	March 2019	November 2019	Expected 2023
Expected delivery of Homes (subject to COVID-19 restrictions)	First homes completed and occupied in 2020; remainder expected in 2021	First homes completed in May 2021, remainder expected later in 2021	2024/2025
Number of homes in bundle	534	465	c. 440
Local authorities	Dublin City Council South Dublin Co. Council Louth Co. Council Wicklow Co. Council Kildare Co. Council	Roscommon Co. Council Cork Co. Council Galway Co. Council Clare Co. Council Kildare Co. Council Waterford City and Co. Council	Dublin City Council Kildare Co. Council Sligo Co. Council Wicklow Co. Council
PPP Company			
Building Contractor	Sisk	JJ Rhatigan/OHL	Pre-procurement activities have commenced
Operating Service Provider	Choice Housing	Derwent FM	
Tenancy Management Co.	Oaklee	Tuath Housing Association	
Equity Provider	Macquarie and Sisk	Equitix Ltd., Kajima Partnerships Ltd. OHL S.A., Tuath Housing Assoc.	
Debt providers	EIB, Bank of Ireland, Korean Development Bank	Nord LB	

Business Review

National Development Finance Agency (continued)

TU Dublin Campus at Grangegorman PPP

Despite delays due to COVID-19 restrictions, in December 2020 the project reached a significant milestone with the completion of the East Quad building. A further milestone was reached when the Central Quad building was subsequently completed in March 2021, bringing the construction phase of these important buildings to a close. This consolidates over 15 academic schools into two large academic buildings on one campus for TU Dublin at Grangegorman. Together these buildings will accommodate 10,000 students and 700 staff.

The Central Quad is the bigger of the two new buildings at 36,000m², accommodating 7,000 students, while the East Quad is 16,000m² accommodating 3,000 students. The East Quad building is now the location of the College of Music and features a 400 seat performance hall where public recitals and performances will take place.

Both buildings were designed to provide modern and sustainable academic facilities and staff accommodation spaces using the latest construction methods and to fit in with the overall master plan for the Grangegorman campus. The NDFA is the procuring body acting for and on behalf of the Minister for Further and Higher Education, Research, Innovation and Science and is financial adviser for the project. It will also provide contract management services during the services period.



East Quad building, TU Dublin Campus at Grangegorman.



Central Quad building, TU Dublin Campus at Grangegorman.

Delivery of Non-PPP Procured Projects

Following the successful delivery of the first Exchequer Funded Schools Building Programme in 2015, the Department of Education has referred a second programme of 'design and build' schools projects (non-PPP) for procurement by the NDFA. Separately, the NDFA continued to provide strategic project management advice to the Department of Education on other non-PPP procured schools projects.

Exchequer Funded Schools Programme 2

Approximately 20 individual school building projects in three distinct project bundles (Project Nore, Project Boyne and Project Dargle) will be provided under the second Exchequer Funded Schools Building Programme. The developments range from new builds to extensions/refurbishment projects for works at both primary and post primary level in seven counties across Ireland and are expected to provide in excess of 15,550 pupil places. A framework of project management and design team consultants has been appointed for the programme.

Scheme designs are completed and planning applications are in finalisation for the first bundle, Project Nore, and construction is expected to commence in Q1 2022 upon appointment of a design and build contractor in Q4 2021, subject to COVID-19 restrictions. This bundle will provide for six new schools and the extension and refurbishment of one existing school.

Pre-procurement activities progressed in 2020 for the second bundle, Project Boyne, with design teams and project managers tendered for in August 2020.

Exchequer Funded Schools Programme 2 - Project Nore

School	Location	Project Type
Kilkenny CBS	Kilkenny	New Build Replacement
St. Canice's Primary School	Kilkenny	New Build Replacement
Presentation Secondary School	Kilkenny	New School Replacement
St. Finian's College	Mullingar	Extension and Refurbishment of Protected Structure
St. Mary's Special School	Mullingar	New Build Replacement
Gaelscoil Charraig na Siúire	Carrick on Suir	New Build Replacement
St. Mark's Special School	Newbridge	New Build Replacement

Business Review

National Development Finance Agency (continued)

Provision of Financial Advice

The NDFA provides financial advice to State authorities in respect of public investment projects which are referred to it with a capital value over €75m.

During 2020, the NDFA provided advice to stakeholders across a range of sectors including housing, climate action, health, transport and education. Notable examples include:

Housing: the NDFA advised a number of local authorities seeking to deliver mixed tenure developments on their lands. Other schemes the NDFA is advising on include enhanced leasing schemes and a pilot cost rental scheme.





Climate Action: the NDFA advised the Department of Environment, Climate and Communications on the selection of suitable projects for its €500m Climate Action Fund. The NDFA also advised Dublin City Council in relation to its district heating scheme.

Health: the NDFA advised the Health Service Executive on the procurement of its Community Nursing Units PPP and provided advice to the Department of Health on the National Children's Hospital.

Transport: the NDFA advised Transport Infrastructure Ireland in relation to its public transport schemes, such as Metrolink, which is at an early stage of development, as well as certain roads schemes.

During 2020, the NDFA provided assistance to the Department of Public Expenditure and Reform in implementing the updated Public Spending Code, published in 2019. The NDFA is part of a working group to support the development of an external assurance process for major capital projects (above €100m) under Project Ireland 2040. The external assurance process will provide independent peer reviews of major projects. The NDFA has also provided input into a review led by the Department of Public Expenditure and Reform of the use of PPPs in the National Development Plan (NDP).

Progress on Projects Where the NDFA Acted as Financial Advisor at End-2020

Project	Description	Status
 Housing	The NDFA is advising a number of local authorities seeking to develop mixed tenure housing on their lands. Other schemes the NDFA is advising on include enhanced leasing schemes and a pilot cost rental scheme.	One of the largest and most advanced of the mixed tenure schemes is Kilcarbery Grange which reached contract close in March 2021. The project will see the delivery of 1,034 homes including 310 social homes. Seven enhanced leasing agreements have been completed to date which will deliver over 300 social homes across Dublin, Wicklow, Kildare and Galway.
 Climate Action Fund	The NDFA is advising the Department of Environment, Climate and Communications on the selection of suitable projects for its €500m Climate Action Fund.	The NDFA has assisted with four submissions which have obtained grant funding and a further two submissions are at validation stage.
 Health	The NDFA is advising the Health Service Executive on its Community Nursing Units PPP which will provide seven units nationwide.	The project is at preferred tenderer stage and is expected to reach financial close in H2 2021.
 Transport	The NDFA is advising Transport Infrastructure Ireland on the Metrolink project, which is at an early stage, with procurement options, including PPP, under consideration.	Pre-procurement work is ongoing.

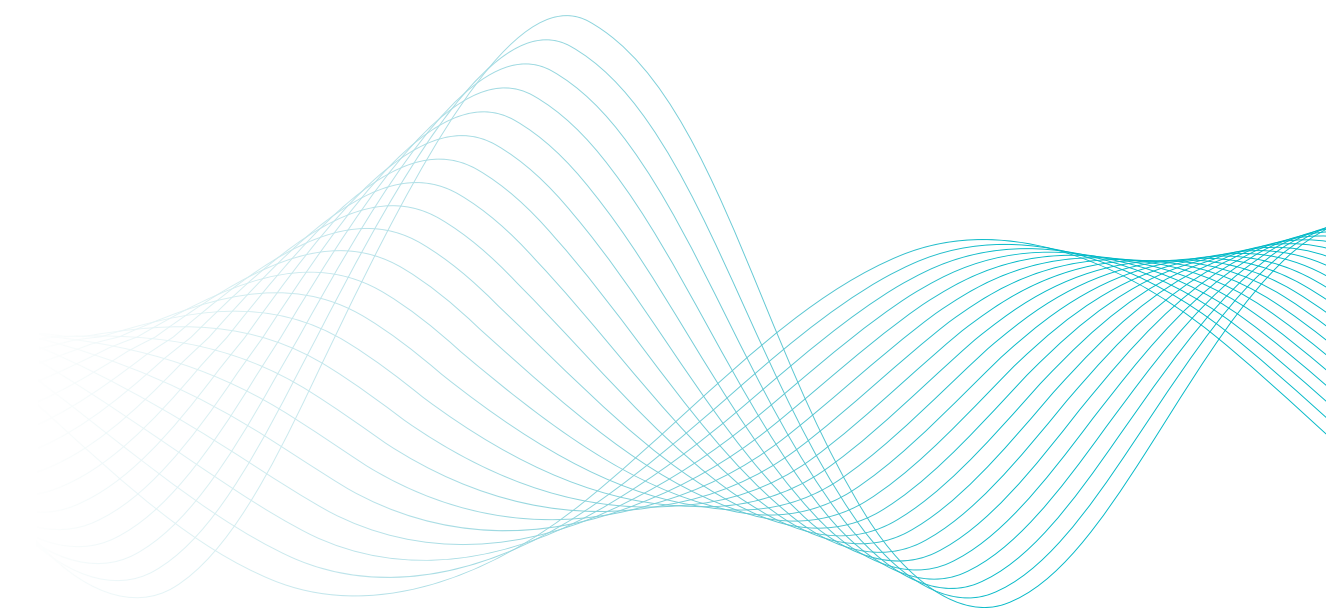
Contract Management Services

The NDFA, at the request of the Department of Education, undertakes contract management of all operational PPP schools. At the end of 2020, the NDFA was managing the contracts for six schools projects covering 33 educational facilities (capital value c. €500m).

Working under a Service Level Agreement, this involves monitoring the relevant PPP companies in the performance of their obligations under the PPP contract, ensuring that the long-term value of these contracts is captured. Under a PPP contract if the facilities are not available to users and/or services are not provided to the required standard then deductions are made to the payments to the PPP company (known as unitary or availability payments). While all operational schools were closed for a period in 2020 due to COVID-19 restrictions, the NDFA actively supported the

Department of Education by liaising with the relevant PPP companies and school stakeholders to facilitate the safe re-opening of these schools in September 2020 and with further school closures in 2021.

The NDFA provided contract management support to the Department of Housing, Local Government and Heritage for the first three sites in the Social Housing Bundle 1 PPP which were completed and occupied during 2020. The NDFA also provides contract management support services for the Convention Centre, Dublin on behalf of the Office of Public Works and the Cork School of Music and the National Maritime College of Ireland (now within MTU) on behalf of the Department of Further and Higher Education, Research, Innovation and Science. The NDFA will additionally provide contract management services for the recently completed TU Grangegorman PPP during the services period.



NewERA

Through NewERA, the NTMA provides a dedicated centre of corporate finance expertise to Government, providing financial advice to Ministers regarding their shareholdings in major commercial State bodies.



Overview

NewERA's core role is to provide financial and commercial advice to Government Ministers and Departments in relation to their shareholdings in State-owned companies⁵ across the energy, water, postal, forestry, transport, health and broadcasting sectors. A number of these companies are designated to NewERA under its legislation whilst NewERA provides advice to the relevant Government Ministers and Departments on the other companies by agreement. 11 transport companies were designated on 18 February 2021 so that NewERA now has 21 companies within its scope of work and 18 of these are designated. These companies are collectively referred to as the Portfolio or the Portfolio Companies.

Designated Companies 18

Other Companies 3

an
post

COILLTE
GROW · TRANSFORM · SUSTAIN

BORD
MÓNA

daa

Bus Éireann

Dublin Bus

CIE

COMHLACHT CHALAFORT
ÁTHA CLIATH
DUBLIN PORT COMPANY

⁵ Reference to companies includes statutory bodies and shareholdings includes any ownership interest.



Business Review

NewERA (continued)

NewERA Advisory Functions

Board appointments
(Chairperson, Directors,
CEO) and remuneration



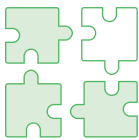
Financial performance,
return on capital and
dividend policy



Effective and efficient
use of capital



Acquisitions, disposals,
reorganisations,
restructurings



Capital and
investment plans



Corporate Strategy



Active Ownership

NewERA's approach is to facilitate an enhanced level of active ownership by the State as shareholder in the Portfolio Companies. The Shareholder Expectations Framework (the Framework) which communicates the Government's expectations, as shareholder, to the Chairperson and Board of each company by way of annual/biennial letters (Framework Letters) from the relevant Government Ministers assists with the implementation of this more active approach. This approach is now applied more widely across the commercial State sector with the Framework and use of Framework Letters included in the Code of Practice for the Governance of State Bodies which states that: "Clear accountability underpins effective relations between Government Departments and State Bodies under their aegis" and sets out that "For commercial State bodies the oversight agreement is the Shareholder Letter of Expectation". The link between the Framework and the strategic, business and financial planning processes of the Portfolio Companies is illustrated overleaf.

Oireachtas 	Core Mandate <p>The functions and powers of the individual entities as generally set out in their governing legislation or constitution, as applicable.</p>
Relevant Government Ministers, supported by NewERA and relevant Departments 	Shareholder Expectations Framework: <ul style="list-style-type: none"> • Strategic priorities* • Sectoral policy objectives • Financial performance requirements* • Reporting requirements* <p><i>*NewERA input</i></p> <p>The purpose of the Framework is to provide formal clarity and guidance to the Chairperson and Board of the commercial State body in relation to the Government's expectations, as shareholder, in respect of strategic priorities, policy objectives, financial performance and reporting requirements.</p>
Board of Directors 	Strategic Plan <ul style="list-style-type: none"> • Rolling five-year business and financial plan <p>The Code sets out that the preparation and adoption of a strategic plan and rolling five-year business and financial plan is the primary responsibility of the Board of a State Body. Plans should reflect shareholders' objectives, as appropriate, and the strategic and legal mandate of the State body.</p>
Relevant Government Ministers and Departments, NewERA, Board of Directors, Company Management 	Ongoing Dialogue* <p><i>*NewERA input</i></p> <p>Through ongoing dialogue, the State monitors compliance by entities with their core mandate and Shareholder expectations as provided for in the Framework Letters.</p>

The Impact of COVID-19

A number of the Portfolio Companies have been materially impacted by the COVID-19 pandemic given the sectors in which they operate. For instance, the significant fall-off in demand for air transport has adversely impacted the Portfolio Companies with responsibility for managing Dublin, Cork and Shannon airports and Irish airspace. Similarly in the public transport sector, services were operated at a considerably reduced capacity for much of 2020.

A key focus for NewERA is to assist the relevant Government Departments and Ministers in assessing and monitoring the financial challenges resulting from COVID-19 on the Portfolio Companies. NewERA delivered advice on a number of COVID-related items during 2020 drawing on in-depth knowledge of the companies' trading environments and financial positions to quickly assess the financial implications of the crisis.

Business Review

NewERA (continued)

- **CIÉ: Financial impact of COVID-19**
 - Provided analysis of CIÉ Group's revenue projections, outlining the relative impacts of COVID-19 on Exchequer-supported revenue streams and the Group's non-subsidised commercial businesses, and the implications for CIÉ's liquidity position.
- **Shannon Group 2020/21 forecasts/funding requirements**
 - Provided analysis of the forecast financial performance of Shannon Group in 2020/21 and the case for Exchequer funding to be provided due to the significant impact of COVID-19.
- **RTÉ: Forecast Trading**
 - Provided analysis of the forecast trading position prepared by RTÉ.

COVID-19 has had a material impact on the aggregated financial performance of the Portfolio, which will be presented in more detail in NewERA's next Annual Financial Review to be published later this year. The financial highlights of the 2019/20 Annual Financial Review, which covers the reporting periods preceding the onset of the COVID-19 pandemic, are set out below alongside indicative aggregate financial information for the 2020/21 period.

FINANCIAL HIGHLIGHTS	2020/21 (indicative)
2019/20	
€1.7bn Operating Profit	€0.8bn
€1.7bn of operating profit was generated by the Portfolio in 2019/20 with an operating profit margin of 14.6%.	A material reduction in operating profit relative to the prior period mainly reflecting the impact of COVID-19 on the companies operating in the transport sector.
€2.7bn Gross Capital Expenditure	€2.7bn
€2.7bn of capital investment spend in 2019/20, 72% of which related to the energy and water sector companies, reflecting the scale of their individual regulated asset capital investment programmes.	Capital investment spend was broadly in line with the prior year notwithstanding the impact of COVID-19.
€261m Dividends	€133m
€261m in combined dividends were received by the Exchequer from bodies within NewERA's remit in 2019/20 with €1.5bn of dividends paid to the Exchequer over the past five years.	€133m in combined dividends were received by the Exchequer from bodies within NewERA's remit in 2020/21. This represents a decrease of c. 49% YoY which reflects the impact of COVID-19 on a number of the companies, as well as a reduction in special dividends received.

Advisory Mandate Activity

During 2020, NewERA provided detailed financial analysis and, where appropriate, recommendations to Government Ministers/Departments on a total of 144 submissions for Ministerial consideration and consent made by the Portfolio Companies (2019: 138).

144 PORTFOLIO COMPANY ASSIGNMENTS

on which NewERA provided financial analysis and, where appropriate, recommendations to Government Ministers/Departments in 2020 (2019: 138).



€4.0bn

Debt Financing



€2.8bn

Capital Budgets and Commitments



€0.3bn

Capital Investment



€0.7bn

Joint ventures / others

NewERA provided analysis and advice to relevant Government Ministers/Departments on a number of debt financing transactions undertaken by some of the Portfolio Companies, including:

- ESB's refinancing of its €1.4bn revolving credit facility which, for the first time, included sustainability linked elements as part of ESB's Green Finance Strategy
- daa increase of its revolving credit facility from €300m to €450m
- A new bond issue from daa of €500m
- Irish Water's replacement of €240m commercial borrowings with a new Exchequer loan facility from the Minister for Finance concluding the second phase of the replacement of Irish Water's commercial borrowings.

NewERA reviewed capital investment projects by Portfolio Companies and provided financial and commercial advice and analysis to Government Ministers and Departments on significant projects throughout the year including:

- EirGrid Celtic Interconnector project and the proposed investment relating to the detailed design and consents phase
- Irish Water Ringsend wastewater treatment plant €52m upgrade
- An Post's €18m investment in a new digital consumer platform for its financial services
- Bord na Móna's €108m enhanced peat rehabilitation scheme
- Coillte Smart Ply €44m investment to upgrade their facility in Waterford.

NewERA also provided advice to Government Ministers and Departments in relation to a number of acquisitions and disposals throughout 2020, these included:

- ESB's acquisition of a 50% stake in the Inch Cape offshore wind development stage project.
- ESB's disposal of its Fitzwilliam 28 property.

Climate Action Objectives

NewERA, through the financial advisory services it provides to Government Ministers and Departments including in relation to the Portfolio Companies, has a role to play in assisting the State in meeting its climate objectives.

At Portfolio level, it is recognised that the transition to a low carbon energy future affects some of the companies more than others, with the impact being considerable for those operating in the energy sector given the relative nature and scale of the climate-related risks and opportunities they face.

The Portfolio Companies represent a diverse group in terms of size, sectors and activities and different companies are at different stages on the climate action and broader sustainability journeys. However, all of the companies either have a sustainability strategy in place, or have commenced the development of such a strategy. Many place the United Nations Sustainable Development Goals framework at the centre of their approach. Even as the Portfolio Companies deal with the challenges of the COVID-19 crisis, continuing to progress the development of and progress towards sustainability goals has remained a priority.

Climate Action Framework

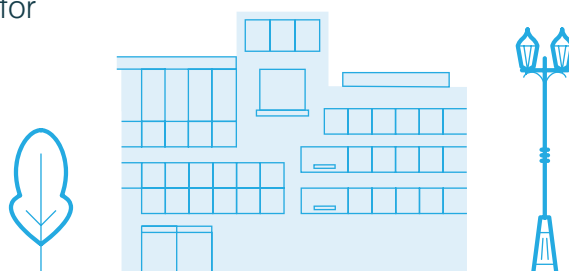
Throughout 2020, NewERA has engaged with the Portfolio Companies to better understand each company's approach to sustainability, and in particular the approaches taken to environmental issues. This has informed work on the development of a framework for the CSS* sector to address climate action objectives, as envisaged under Action 147 of the Climate Action Plan 2019. NewERA is developing this framework in conjunction with the Department of the Environment, Climate and Communications and the Department of Public Expenditure and Reform.

NewERA's proposed approach has been agreed with the Departments of the Environment, Climate and Communications and Public Expenditure and Reform, and is expected to be submitted to Government for approval during Q2 2021. It envisages the Framework as a series of five commitments by the companies in relation to their climate action objectives. The proposed commitments reflect the three centrally designated frameworks highlighted in the Public Sector Leading by Example section of the Climate Action Plan 2019 (measurement of carbon footprint, green public procurement, carbon pricing in capital evaluation) as well as two further elements specific to the corporate environment (governance of climate action objectives and financial disclosures). By signing up to or adopting the framework, each company would be voluntarily entering into these commitments.

*Commercial Semi-State (CSS)

State Claims Agency

The NTMA is known as the State Claims Agency (SCA) when managing personal injury and third-party property damage claims against the State and State authorities, as delegated to it, and in providing related risk management services. As the SCA, the NTMA also manages claims for legal costs against the State and State authorities, as delegated to it, however such costs are incurred.



The SCA is obliged by statute to manage delegated claims and counterclaims in such manner as to ensure that the liability of the State authorities is contained at the lowest achievable level. In performing this function, the SCA seeks to act fairly, ethically and sensitively in dealing with people who have suffered injuries and/or damage, and their families. In cases where the

SCA investigation concludes that the relevant State authority bears some or all liability, the SCA seeks to settle claims expeditiously and on fair and reasonable terms. If it considers, in individual claims or classes of claim, that the State is not liable or that the amount sought in compensation is excessive, the SCA's policy is to contest the claim or level of claim.

The “risk universe” indemnified by the State through these schemes is extensive. It includes over 200,000 State employees and all public healthcare service users. It includes public services that, by their nature, constitute higher-risk activities such as the provision of clinical care in hospitals, Defence Forces personnel on operations overseas, members of An Garda Síochána on operational duty, customs inspections, emergency response services and custody of prisoners.

The SCA provides claims and risk management services through two State indemnity schemes:

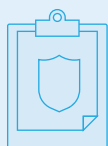
Clinical Indemnity Scheme

Under the Clinical Indemnity Scheme, the SCA manages clinical negligence claims taken against healthcare enterprises, hospitals and clinical, nursing and allied healthcare practitioners covered by the scheme.



General Indemnity Scheme

Under the General Indemnity Scheme, the SCA manages personal injury and third-party property damage claims taken against State bodies covered by the scheme.



During 2020, the management of claims against private healthcare facilities and clinicians providing facilities and additional professional medical services resources to the public health system in the management of COVID-19 cases and the delivery of acute hospital care more generally during the pandemic was delegated to the SCA. The management of claims against Enfer Labs Unlimited Company⁶, a private sector company assisting with the COVID-19 testing programme, was also delegated to the SCA in 2020.

⁶ and its subsidiaries and associated companies.



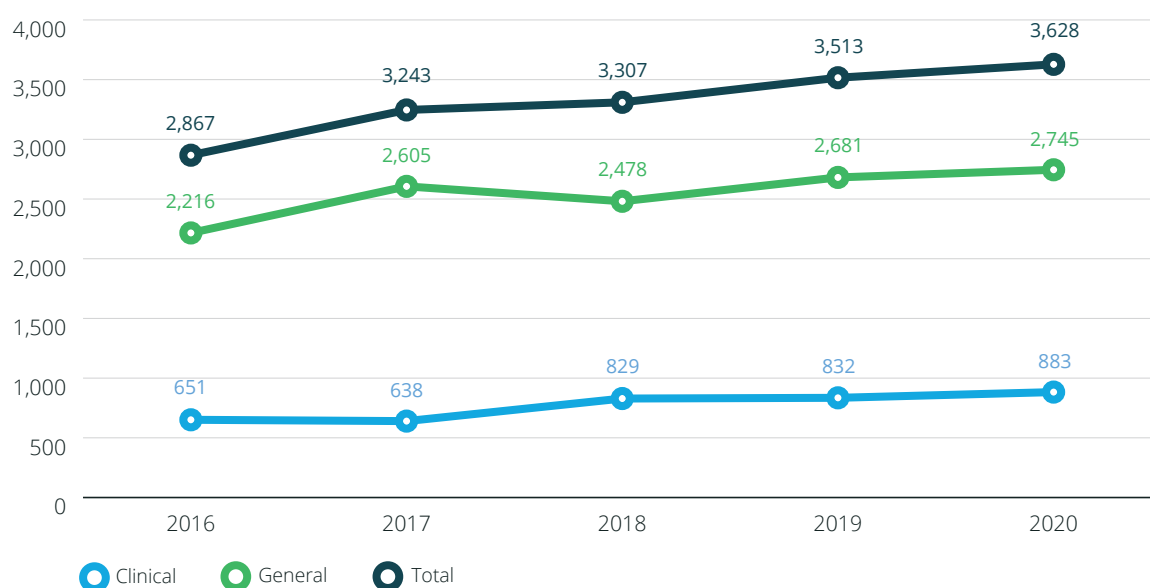
Claims Received and Resolved

The SCA received 3,628 new claims and resolved 3,221 claims in 2020. The ratio of claims resolved to claims received (excluding mass action claims) in 2020 was 0.98, the 2019 equivalent was 0.81. This performance was facilitated by a reduction in general claims (excluding mass action claims) received during the year compared with 2019 and despite the impact of COVID-19 restrictions, which resulted in the courts being effectively restricted to trials in respect of urgent personal injury claims for most of the year.

In these circumstances, the SCA worked closely with plaintiffs' legal representatives to continue to settle claims to the greatest extent possible outside of the formal court process.

The SCA was managing 12,175 active claims at end-2020: 8,677 of these were general claims while 3,498 were clinical claims.

Claims Received 2016-2020



Business Review

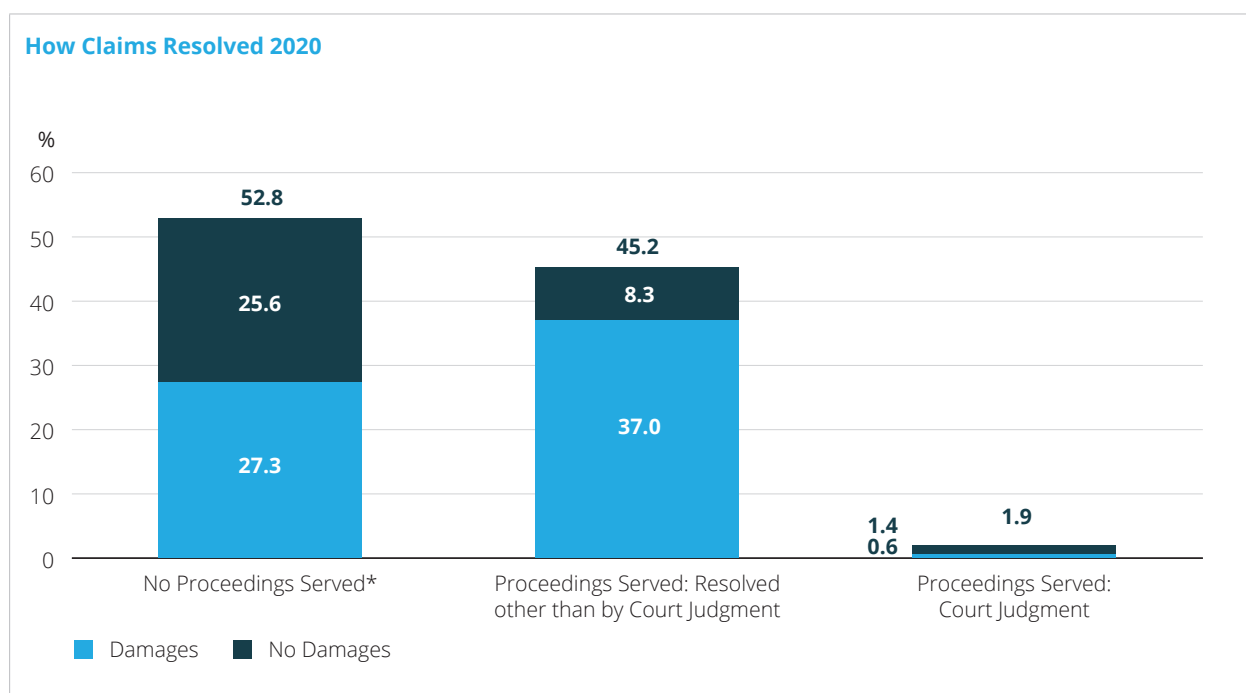
State Claims Agency (continued)

There were a number of extensions to the remit of the General Indemnity Scheme between 2014 and 2017 including higher-risk areas such as Section 38⁷ acute hospitals and bodies providing disability services, leading to an increase in the number of claims received annually over the five-year-period 2016-2020. In addition, headline numbers with regard to general claims can be volatile and are strongly influenced by the number of mass action claims received each year. Excluding mass action claims, the number of general claims received annually increased from 1,897 in 2016 to 2,375 in 2019 before falling back to 1,968 in 2020. The fall between 2019 and 2020 is most likely due to a general decrease in activity in State authorities as a result of COVID-19 restrictions.

There has also been an increase in the number of clinical claims received annually over the period 2018-2020 compared with 2016 and 2017. While mass action claims in respect of the CervicalCheck screening service and transvaginal implants are a contributory factor here, the underlying trend still shows an increase with the number of claims (excluding mass actions) increasing from some 630 each year in 2016 and 2017 to 793 in 2020. In the case of clinical claims, a decrease in normal hospital activity during the pandemic is unlikely to have had an effect on the number of claims received, given the typically longer time between the occurrence of an incident and the making of a claim in clinical negligence cases.

Just over half of cases resolved by the SCA in 2020 were resolved without court proceedings being served, as was the position in 2019. The SCA paid damages in 65% of all cases resolved in 2020, compared with 58% in 2019. Just under 2% of cases resolved by the SCA were the subject of a court judgment. The 2019 equivalent was 2.5%.

The SCA strongly favours mediation, where possible, as an alternative to the formal court process, particularly with regard to complex clinical claims. 25% of claims concluded by the clinical claims team in 2020 where damages were paid involved a mediation process⁸.



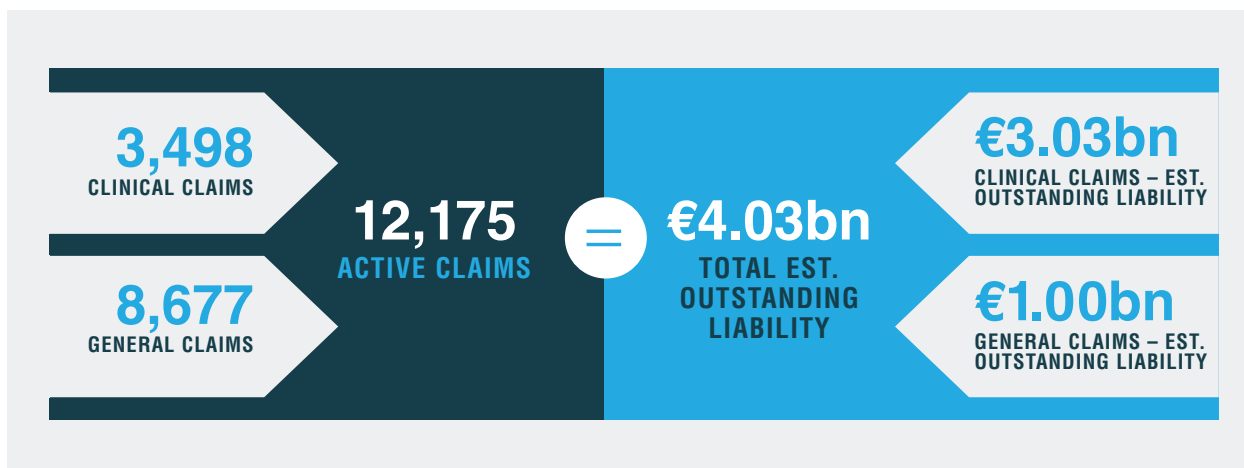
* includes cases settled, cases discontinued or claim statute barred, and indemnity received.
Figures may not total due to rounding.

⁷ S.38 of the Health Act 2004 (as amended).

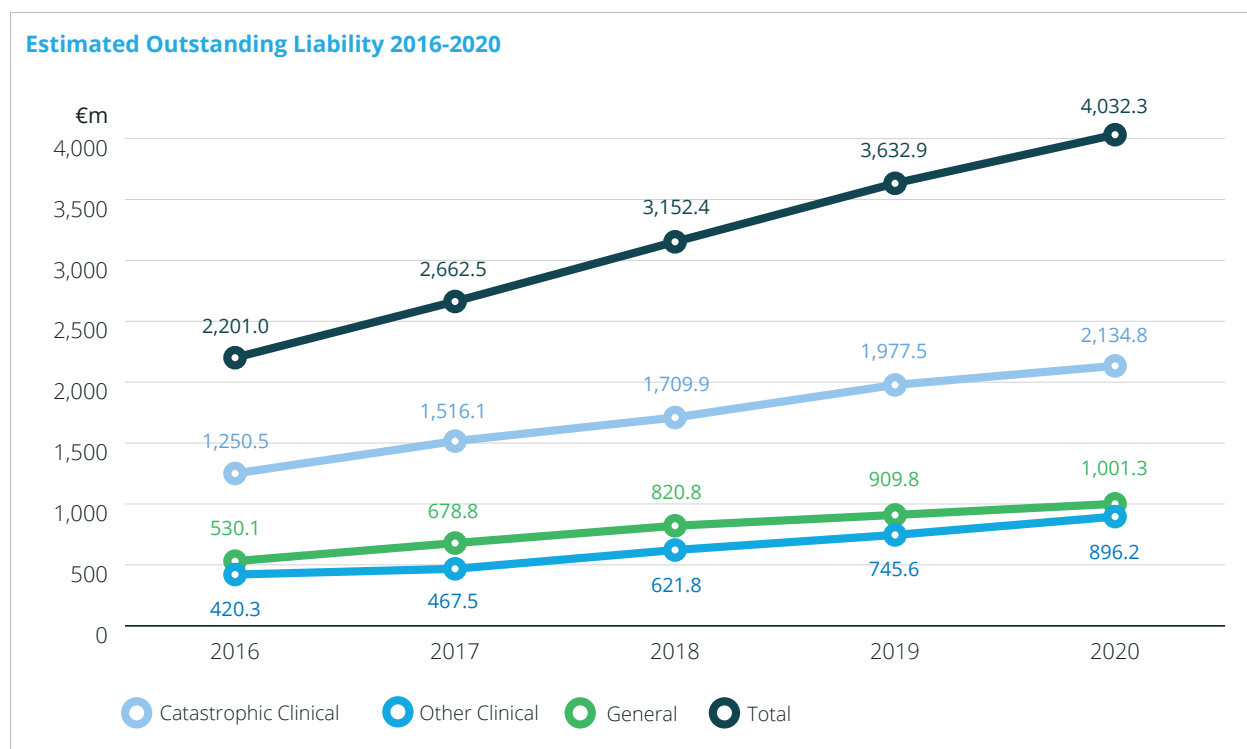
⁸ Concluded claims are claims where damages, if any, have been agreed, whether through settlement discussions or court award, but where costs may still be outstanding.

Estimated Outstanding Liability

The total estimated outstanding liability associated with the SCA's claims portfolio at end-2020 was €4,032m. Although clinical claims comprised only 29% of the overall number of active claims at end-2020, at €3,031m they comprised 75% of the overall estimated outstanding liability. This is primarily due to the very high levels of settlements and awards in the resolution of infant cerebral palsy and other catastrophic injury claims.



The estimated outstanding liability has increased significantly over the period since 2016 (from €2,201m at end-2016 to €4,032m at end-2020). While catastrophic injury claims, due to their high value, are the main driver behind this increase, there have also been large increases in the liabilities attached to non-catastrophic clinical and general claims.



Figures may not total due to rounding.

Business Review

State Claims Agency (continued)

While the number of active claims being managed by the SCA has increased over the last five years – from 8,898 at end-2016 to 12,175 at end-2020, the increase in the estimated outstanding liability is primarily due to a number of other factors. These include:

- the effect of the reduction of the Real Rate of Return (RRR) by the Court of Appeal Decision in *Gill Russell v HSE*⁹ on case reserves in catastrophic injury cases and cases involving a significant loss of earnings - this affects most clinical claims.
- with regard to catastrophic injuries, increased life expectancy due to improved medical and pharmacological care.
- with regard to clinical claims generally, allocation of higher estimated liabilities reflecting increased levels of general damages in clinical claims and, also, inclusion of additional heads of damages in claims.
- as previously noted, there were a number of extensions to the remit of the General Indemnity Scheme between 2014 and 2017 including higher-risk areas such as Section 38 acute hospitals and bodies providing disability services. At end-2020, the health and social care sector¹⁰ (€691.2m) comprised 69% of the total estimated outstanding liability associated with general claims.
- a number of significant mass action claims under both the general and clinical indemnity schemes, e.g. *CervicalCheck*, lack of in-cell sanitation, H1N1 flu vaccination, *Iarium*.

It should be noted that the estimated outstanding liability with regard to catastrophic clinical claims includes claims which have been settled on an interim payment order or PPO basis, and in respect of which the State's liability will be discharged over time. There were 69 such cases at end-2020, out of a total of 296 active catastrophic injury claims.

Interim Payment Orders and Periodic Payment Orders

In 2010, the SCA, assisted by the High Court, pioneered interim payment orders as a means of compensating plaintiffs in catastrophic injury cases. Interim payment orders were introduced in the absence of statutory Periodic Payment Orders (PPOs) to address the investment risk to the plaintiff associated with a lump-sum settlement. Under these orders, certain heads of damages are resolved on a full and final basis (e.g. general damages, loss of earnings, past care). Ongoing care requirements are dealt with by means of interim High Court orders which allow for part-payment of future care requirements for a specified time-period. When this time period has elapsed, the plaintiff may revert to the High Court to seek another interim order or full and final settlement of the claim.

Statutory PPOs are provided for under Part 2 of the *Civil Liability (Amendment) Act 2017*, which commenced in October 2018. This empowers the courts, as an alternative to lump sum awards of damages, to make consensual and non-consensual PPOs to compensate injured victims in cases of catastrophic injury where long-term permanent care is required. The Harmonised Index of Consumer Prices (HICP) is the index used for the purpose of calculating increases in annual PPO payments. The adequacy of this indexation provision was considered during a directions' hearing in a catastrophic injury case during 2019. The High Court found that the index used in the legislation would not meet the cost of future care needs of catastrophically injured people.

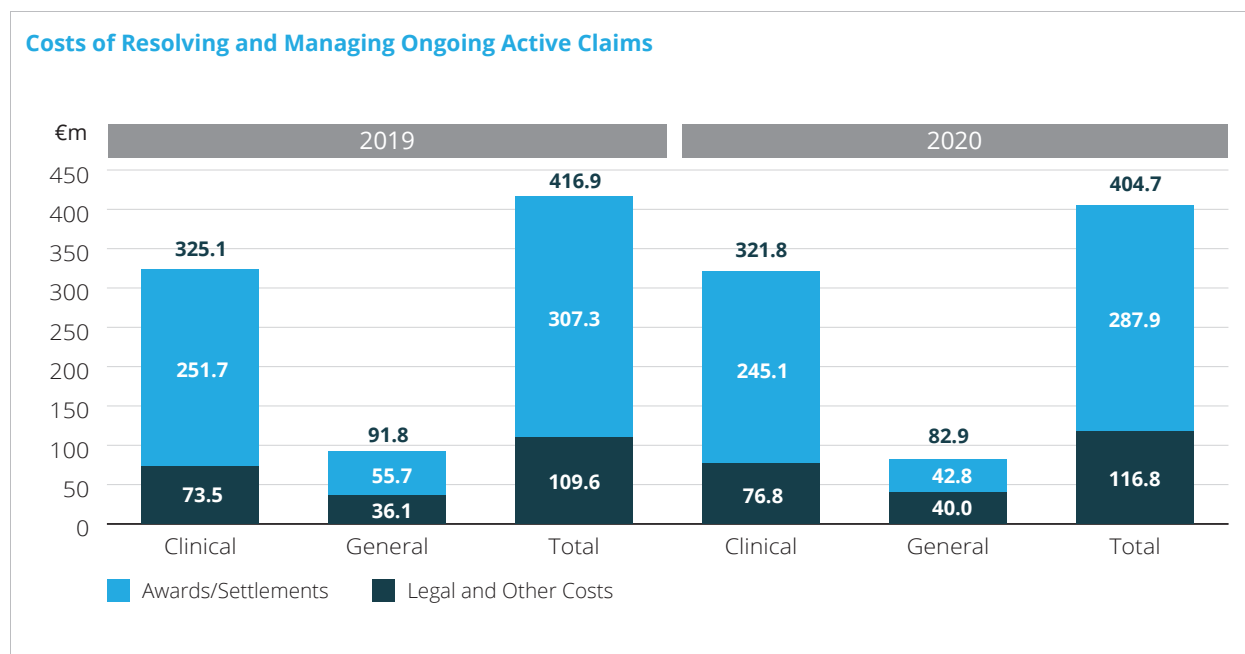
In light of this, barring a change to the index, it is expected that most claims will be settled on a lump-sum or interim payment order basis. In 2020, no statutory PPOs were made (compared with six in 2019). The Department of Justice is proposing to reconvene the Working Group, which it established to examine the technical aspects of PPOs prior to the passage of the enabling legislation, with a view to exploring available legislative and administrative options and to make recommendations to the Minister for Justice on resolving the matter. The SCA will be represented on the Working Group.

⁹ The Court of Appeal held that the RRR in respect of the calculation of future care-related special damages should be 1%. It also held that the RRR in respect of all pecuniary losses should be 1.5%. The RRR used previously to calculate the estimated outstanding liability was 3%.

¹⁰ The HSE, Section 38 bodies, Tusla and the Department of Health.

Cost of Claims

The costs incurred in 2020 in resolving and managing ongoing active claims were €404.7m, a decrease of 2.9% on the 2019 out-turn of €416.9m.



Figures may not total due to rounding.

Awards/settlements decreased by €19.4m in 2020 compared with 2019. This was primarily driven by a reduction in payments on general claims (€12.9m) with a smaller reduction in payments on clinical claims (€6.6m). In this regard it should be noted that the 2019 general claims figures include a significant settlement in respect of a catastrophic injury claim – there was no such equivalent single large payment in 2020.

Legal and other costs (including both the SCA's own costs and plaintiffs' costs) rose by €7.2m between 2019 and 2020 of which €3.9m was in respect of general claims. The high value of legal and other costs relative to awards/settlements for general claims compared with that for clinical claims is due to the lower levels of awards/settlements associated with general claims, which results in legal and other costs comprising a higher proportion of the overall costs than is the case for clinical claims. In addition, in both 2019 and 2020, the SCA incurred significant costs in respect of mass action claims, particularly costs associated with the H1N1 flu vaccination claims relating to very substantial discovery. In such mass action claims, the bulk of the legal and other costs are frontloaded in that they are attached to the lead case or cases rather than being spread across all relevant claims. The increase in legal and other costs associated with general claims in 2020 compared with 2019 is attributable to both mass action and non-mass action claims. In the case of non-mass action claims, the SCA made a greater number of legal costs payments in 2020 than it did in 2019.

The overall costs incurred in 2020 in resolving and managing ongoing claims of €404.7m were also significantly below the independent actuarial projection of €523.3m¹¹. In addition to sums paid out in awards and settlements being lower than projected, there were some timing factors involved here with the number of settlements in relation to certain mass action claims and catastrophic injury claims also being lower than anticipated. It should be noted that the amount paid out each year in relation to catastrophic injury payments is subject to considerable volatility depending on the number of settlements, given the very large size of individual awards/settlements, and whether awards/settlements are on a lump-sum, interim payment order or PPO basis.

Mass Action Claims

The SCA is managing a number of different mass actions against the State. Of the total 12,175 active claims at end-2020, 2,877 (23.6%) were in relation to mass actions. The majority of these claims (1,852) are lack of in-cell sanitation claims taken by current and former prisoners against the Irish Prison Service. The estimated outstanding liability associated with mass action claims at end-2020 was €388.1m, 9.6% of the total estimated outstanding liability of €4,032.3m.

¹¹ Each year the SCA's independent actuarial advisors make a projection of the cash amount likely to be required to settle and manage ongoing claims.

Business Review

State Claims Agency (continued)

A summary of the position in relation to particular mass action claims is set out below. Claims in relation to CervicalCheck are discussed separately.

Mass Action	Active End-2020	Active End-2019
GENERAL INDEMNITY SCHEME		
Historical Day School and Residential Institution Abuse	115	117
These are cases taken by persons who allege they were physically and/or sexually abused by persons whilst at school.		
Lack of In-Cell Sanitation	1,852	1,562
These are cases taken in 2014 and subsequently by prisoners (current and former) against the Irish Prison Service alleging, inter alia, breach of their constitutional rights due to lack of in-cell sanitation.		
The Supreme Court judgment in the lead case, Gary Simpson v the Governor of Mountjoy Prison & Others, was delivered on 14 November 2019. The case was originally heard in the High Court, which held that the State breached the plaintiff's constitutional right to privacy/dignity. No award of damages was made to the plaintiff, notwithstanding the Court finding in his favour on the privacy issue. The Supreme Court found that the plaintiff should be paid compensatory damages of €7,500. Arising from this judgment, the SCA has put in place a Scheme of Settlement under which offers of damages and measured legal costs are being made to qualifying claimants/plaintiffs.		
Lariam	191	216
These are cases taken by current and former members of the Defence Forces, alleging various physical and psychological symptoms, following their ingestion of Lariam, an anti-malarial prophylactic drug prescribed for their use whilst on duty in sub-Saharan Africa.		
Mother and Baby Homes	55	45
These claims arise from ex-residents of various mother and baby homes who are suing the Department of Education, Tusla, the HSE, the Department of Foreign Affairs and other non-State defendants as a result of their time spent in institutional care settings over various periods from the 1940s to the 1980s. They allege physical, verbal and emotional abuse and breaches of their constitutional rights for adoption or fostering and, also, that natural rights were affected due to allegedly false birth certificates being issued. Claims also arise from mothers allegedly being given the wrong child at birth, this having been established by DNA testing with the now adult child. Claims have also been received from persons who allege that the then Adoption Board was negligent in the oversight of various adoption societies which allegedly facilitated the illegal registration of their births.		
H1N1 Flu Vaccination	128	122
These are cases taken by mostly children plaintiffs primarily alleging the development of narcolepsy and cataplexy following vaccination against the H1N1 flu virus.		
Following the settlement of the second case, after mediation in November 2020, the SCA has established a Scheme of Settlement for the other claims on similar terms to those agreed in that case and in the lead case.		
Prison-Based TB (Cloverhill)	8	23
These are cases, arising from a TB outbreak in Cloverhill Prison in 2011, taken by current and former prisoners, prison officers and members of their families who tested positive for and/or contracted TB. The SCA reached an apportionment agreement with a medical defence organisation under which that organisation contributed 60% of the plaintiffs' settlements and costs in the majority of cases.		
Prison-Based TB (Shelton Abbey)	29	— ¹²
These are cases taken by current and former prisoners and prison officers in Shelton Abbey Prison and members of their families who tested positive for latent TB, subsequent to a delay in diagnosis of a suspected case of TB by Irish Prison Service medical staff in 2018.		

¹² These claims were grouped as a mass action in 2020. There were nine claims received in relation to TB at Shelton Abbey Prison during 2019.

Mass Action	Active End-2020	Active End-2019
Thalidomide These are cases taken by persons born with physical disabilities whose mothers had ingested the thalidomide preparation during pregnancy. In addition to cases being case-managed by a judge of the High Court, which are at discovery stage, there are also a number of cases being taken by persons not officially acknowledged by the Contergan Foundation, Germany as suffering from a thalidomide-related injury ¹³ .	37	36
CLINICAL INDEMNITY SCHEME		
Symphysiotomy These are cases taken by women who had a surgical, obstetrical procedure to widen their pelvis. A number of plaintiffs opted not to avail of the ex-gratia scheme established by the Government in 2014 to compensate women who were found to have undergone the procedure and three applications were received by the European Court of Human Rights (ECHR) for consideration. On 10 December 2020, the ECHR declared each of the three applications to be inadmissible.	35	35
Transvaginal Implants These cases arise in circumstances where women have had a mesh implant inserted to address urinary stress incontinence and allege personal injury as a result.	55	41

National Screening Services: Cervical Cancer Litigation

Resolution of the very tragic cases that have arisen in relation to the HSE's CervicalCheck screening service remained a focus of the SCA during 2020. These claims primarily relate to the reading of smear tests by the independent laboratories providing services to the HSE and to non-disclosure by the HSE of the results of a clinical audit of smear tests. The cases are complicated by the fact that there can be multiple defendants: the laboratories themselves regarding the reading of the smear tests, which are contractually obliged to provide an indemnity to the State in relation to the reading of the tests, the HSE (represented by the SCA) regarding the non-disclosure of the audit results and, on occasion, a third party such as a treating doctor. In these cases the SCA is committed to working with the laboratories and the third party to resolve the cases through mediation, to the greatest possible extent. In a small number of cases, the HSE is the defendant in relation to the reading of the smear test (where the test was read in a hospital laboratory).

The SCA had received notification of 234 claims against CervicalCheck at end-2020 (compared with 134 claims at end-2019). This includes 44 psychological injury claims from members of the families of the women concerned. These claims not only include claims arising from the internal audit carried out by CervicalCheck and from the Independent Expert Panel Review of Cervical Screening by the Royal College of Obstetrics and Gynaecology, but also include claims where the smear test was not subject to a review or audit. Twelve claims were concluded during 2020.

The total number of claims concluded as at end-2020 was 22. Of these 22 claims 19 claims were settled while one claim was the subject of a court judgment. The other two claims were not pursued. Mediation was offered in 17 of these claims and took place in 12.

The CervicalCheck Tribunal has been in operation since the beginning of December 2020, as an alternative system to the courts for claims arising from the internal audit carried out by CervicalCheck and from the Independent Expert Panel Review of Cervical Screening by the Royal College of Obstetrics and Gynaecology. It is a matter for the plaintiffs in each case as to whether they wish to bring claims to the Tribunal or whether they wish to pursue them through the courts. Plaintiffs who submit claims to the Tribunal retain a right of appeal to the High Court.

In June 2019, the Government established an ex-gratia compensatory scheme to expeditiously address the issue of non-disclosure of audit results to the original cohort of 221 women identified from the CervicalCheck internal audit as having discordance in their smear tests. An independent panel established to determine the amount to be paid by the scheme in respect of the non-disclosure of the audit results found that a sum of €20,000 should be paid in such cases. Where a member of this cohort takes a claim against the HSE, rather than availing of the ex-gratia compensatory scheme, the SCA also agrees payment of a sum of €20,000 in respect of the non-disclosure aspect of the claim.

¹³ The Contergan Foundation, which is established under German legislation, provides financial support to persons for thalidomide-related injury, following assessment of their disability as being attributable to thalidomide.

State Claims Agency (continued)

Risk Management

The SCA advises and assist State authorities on the management of risks in order to enhance the safety of employees, service users/patients and other third parties and minimise the incidence of claims. Responsibility for managing risk and setting risk management priorities remains in all cases a matter for the State authority concerned and the SCA's risk management role is an advisory one.

The SCA implements its risk mandate through two specialist risk units: the Clinical Risk Unit and the Enterprise Risk Unit. Both risk units' work programmes involve drawing on data analysis and evidence to identify emerging trends and issues in order to categorise and prioritise risk initiatives. This information is primarily obtained from data reported on the National Incident Management System (NIMS) - the end-to-end risk management tool developed by the SCA that allows the SCA and State authorities to manage incidents throughout the incident lifecycle - and from claims analysis.



Córas Náisiúnta um Bainistíocht Teagmhais
National Incident Management System

National Incident Management System

NIMS is a confidential, end-to-end risk management tool developed by the SCA that allows the SCA and State authorities to manage incidents throughout the incident lifecycle.

State authorities are required to use NIMS to fulfil their statutory requirement to report incidents to the SCA, and may also use the system for their own risk management purposes.

NIMS provides State authorities' risk managers and the SCA's own risk teams with complex adverse incident data analysis and reporting capabilities. This enables risk management and mitigation responses that will help to improve the safety of State employees, patients, and service users, and minimise the cost of claims against the State in the future.

The accurate reporting of incidents on NIMS is critical to the SCA's risk management function and the SCA works actively with State authorities on an ongoing basis to improve the level and quality of reporting.

COVID-19 related work was a risk management priority in 2020. The COVID-19 response necessitated a rapid updating of NIMS to specifically capture COVID-19 incidents, and its roll-out to COVID testing locations, community hubs and private hospitals. The SCA conducted ongoing analysis of COVID-19 incidents reported on NIMS and provided regular reporting to the HSE to inform risk management strategies. Based on its incident analysis and on queries received, the SCA issued a range of specific guidance documents (indemnity advices, risk advices and patient safety notifications) to State authorities, both healthcare and non-healthcare. These addressed recurring themes arising in incidents and queries in order to help organisations learn rapidly from the incidents reported. Other specific activities carried out as part of the State's response to COVID-19 included:

- working with the Department of Health on the provision of State indemnity to those private healthcare facilities and clinicians that provided facilities and additional professional medical services resources to the public health system during the first wave of the pandemic.
- advising the Department of Health on the provision of State indemnities to the manufacturers of six COVID-19 vaccines. The SCA also provided advice to the Government's Vaccine Taskforce on the provision of information to and the obtaining of informed consent from the public in relation to the COVID-19 vaccination programme.
- working closely with the Association of Community and Comprehensive Schools on guidelines for re-entering schools for examination assessment purposes and the reopening of schools in the new academic year. More generally, the SCA provided assistance to the Department of Education on the various guidelines provided to schools for re-opening. It also advised the Department of Education concerning the provision of a State indemnity to schools' boards of management, principals and teachers concerning the system of calculated grades that was operated for Leaving Certificate 2020.
- providing guidance to the Department of Public Expenditure and Reform on risk and indemnity issues associated with remote working across the public service.

In non-COVID related work, both risk units continued their incident surveillance activities to identify emerging trends and issues and provide advice and support to State authorities. The Enterprise Risk Unit published the second in its series of risk research reports: *Needlestick and Sharps - A 10-year review of incidents and claims across the health and social care sector (2010-2019)*. The Clinical Risk Unit published *A Review of Medication incidents reported by Irish Acute Hospitals (2017-2018)*. It also continued its work with the National Neonatal Encephalopathy Action Group which seeks to identify, learn from, and implement strategies to mitigate risk relating to avoidable incidents of neonatal encephalopathy - the brain injury which precedes the development of cerebral palsy - in those cases which are caused by birth injury. The Group was established in 2019 by the National Women and Infants Health Programme in partnership with the SCA and the Department of Health.

Risk Research Report 02: Needlestick And Sharps

The provision of valuable benchmarks, trend analysis and lessons learned from incidents and claims to State authorities has always been a core part of the SCA's risk management strategy.

During 2020, the SCA published *Risk Research Report 02: Needlestick and Sharps - A 10-year review of incidents and claims across the health and social care sector (2010-2019)*. The Report provides health and social care enterprises with up-to-date numbers and costs information on needlestick and sharps claims and incident trends in the health and social care sector. The Report recognises that many healthcare enterprises are managing this risk well, resulting in low numbers of claims. It also highlights a number of findings and recommendations for action by the HSE, at both a national and local level, to help promote a safer workplace and prevent future incidents that result in claims arising.

This Report is the second in a series of Risk Research Reports to be published by the SCA. The first such Report, *Risk Research Report 01: Slips, Trips and Falls - A 5-year review of incidents and claims across the State sector (2014-2018)*, was published in 2019.

Both Reports are available at www.stateclaims.ie.

Legal Costs Management

The SCA's Legal Costs Unit (LCU) deals with third-party legal costs of the State and State authorities as delegated to it, however such costs are incurred. This means that the LCU deals with third-party legal costs in relation to these State authorities, whether they arise in the course of the SCA's own claims management work or in respect of other legal costs incurred by the State authority concerned.

The level of legal costs paid to claimants' legal representatives is carefully examined and, wherever possible and by means of negotiations, the SCA seeks to achieve the maximum possible reduction in legal costs to be paid by the State. If the SCA cannot successfully agree the level of legal costs to be paid to claimants' legal representatives, the matter is determined by the Office of the Legal Costs Adjudicator, subject to a right of appeal to the High Court.

The Legal Costs Unit settled 1,006 bills of costs in 2020. The total amount claimed was €116.9m. These bills were settled for €68.6m – a reduction of 41% on the amount claimed.

Legal Cost Claims Settled 2020

	Number of Cost Claims Negotiated	Amount Claimed €m	Cost of Claims Agreed €m	Legal Cost Saving %
SCA Clinical	191	51.3	31.0	39.5
SCA General	114	8.3	5.5	34.0
Tribunals of Inquiry	30	15.4	7.0	54.5
Other*	671	41.9	25.1	40.2
Total	1,006	116.9	68.6	41.4

*Primarily third-party legal costs in non-personal injury cases referred to the SCA by the Office of the Chief State Solicitor or the HSE's Office of Legal Services.

Figures may not total due to rounding.

Insurance Compensation Fund (ICF)

Under the Insurance (Amendment) Act 2018, in the event of the liquidation of an insurance company requiring a draw on the ICF, the SCA makes applications to the High Court, on behalf of the liquidator¹⁴ to approve payments from the ICF, on completion of a due diligence examination of the relevant claims.

In respect of insurance companies authorised in an EU Member State other than Ireland, the SCA also distributes sums released from the ICF to claimants.

Applications to the President of the High Court for disbursements from the ICF were successfully made during 2020 in respect of Setanta Insurance Company Ltd (in liquidation), authorised in Malta, (€8.4m) and Enterprise Insurance Company plc (in liquidation), authorised in Gibraltar, (€1.4m).

Further application in respect of Setanta, Enterprise and Gable Insurance AG (in liquidation) authorised in Liechtenstein originally scheduled for November 2020 were deferred to January 2021 (in respect of Setanta and Gable) and February 2021 (in respect of Enterprise) due to the impact of COVID-19 Level 5 restrictions on the review and audit of the liquidators' claims documentation.

¹⁴ In the case of an insolvent insurer authorised in another EU Member State, the person who performs the equivalent functions to a liquidator in the Member State concerned.

Agency Members



Maeve Carton

CHAIRPERSON

Reappointed as a member for a 5 year term from 22 December 2017 and appointed as Chairperson from 1 January 2019

Maeve Carton is a former Director of CRH where she held a number of senior roles, including Group Transformation Director and Finance Director. Prior to joining CRH, she worked for a number of years as a chartered accountant in an international accountancy practice. Maeve is a director of the Institute of International and European Affairs (IIEA) and is a member of the Professional Standards Board of the Institute of Chartered Accountants in Ireland.



Rachael Ingle

AGENCY MEMBER

Appointed for a 5 year term from 22 December 2019

Rachael Ingle is CEO of Aon Solutions Ireland Limited, the Retirement & Investment business of Aon in Ireland. She is an actuary by profession and a member of Aon's global Executive Leadership Team and their newly formed Global Inclusive Leadership Council. Rachael is also a former Chairperson of the Irish Association of Pension Funds.



Gerardine Jones

AGENCY MEMBER

Appointed for a 5 year term from 8 March 2017

Gerardine Jones is a chartered accountant by profession. She is currently a Director of Sharpsburg Consultants Limited and also has a number of non-executive director roles. She was previously Deputy Chief Executive and Head of Risk at Cantor Fitzgerald Ireland, and Director of Listing at the Irish Stock Exchange.



Derek Moran

AGENCY MEMBER (ex officio)

Derek Moran is Secretary General of the Department of Finance and is responsible for economic, budgetary and fiscal, banking and financial services policy matters. He is a member of the Central Bank Commission, the Civil Service Management Board, the EU's High Level Group on Financing Sustainability Transition, an external member of the Exchequer Board of Scotland and a council member of the Foundation for Fiscal Studies. He has previously served on the National Economic and Social Council, National Statistics Board and the EU's Economic Policy and Tax Policy Committees.



Martin Murphy

AGENCY MEMBER

Reappointed for a 5 year term from 22 December 2018

Martin is a former Managing Director and Chairman of Hewlett Packard Enterprise Ireland, is currently Chairman of Ulster Bank and Chairman of Echelon Data Centres, a large and growing European focused digital platform. Martin also serves on the board of UCD Smurfit Business School. Martin is a Certified Bank Director (CBD), and holds a BA BAI (HONS) in Engineering and Mathematics and a MSc in Electronic Engineering from Trinity College Dublin.



Brian O'Kelly

AGENCY MEMBER

Appointed for a 5 year term from 17 June 2019

Dr. O'Kelly is Emeritus Professor of Finance at Dublin City University and Academic Director of the M.Sc. in Investment, Treasury and Banking. Brian has over 20 years' experience in the financial markets with AIB Capital Markets and Permanent TSB. He also provides consulting services to a number of banks.



Conor O'Kelly

AGENCY MEMBER (ex officio)

Conor O'Kelly was appointed Chief Executive of the NTMA in January 2015. He is the former Deputy Chairman of Investec Holdings (Ireland) Ltd. Prior to that he was Chief Executive of NCB Group and in 2003 successfully negotiated and led a management buyout of the firm, which was subsequently acquired by Investec Plc. Before joining NCB as Head of Fixed Income he had spent 11 years with Barclays Capital where he held senior management positions and worked in London, Tokyo and New York. He is a former director of the Irish Stock Exchange and a former member of the Trinity College Foundation Board. He is a graduate of Trinity College Dublin and holds a master's degree from Senshu University in Japan.



Robert Watt

AGENCY MEMBER (ex officio)

Robert Watt was an ex officio member of the Agency in his role as Secretary General of the Department of Public Expenditure and Reform with responsibility for public expenditure policy, capital spending and Public Private Partnerships and overall management and reform of the Irish public service. He was appointed as Secretary General of the Department of Health in 2021. He is an economist and has experience in both the public and private sector.



Susan Webb

AGENCY MEMBER

Reappointed for a 5 year term from 22 December 2018

Susan Webb is a former Managing Director of Pfizer's international treasury centre based in Dublin. She has acted as a director on a number of boards and is currently an independent non-executive director of Depfa Bank plc and Citco Fund Services (Ireland) Limited.

Agency Committee key

	Audit and Risk Committee	AC
	Investment Committee	IC
	Remuneration Committee	RC
	State Claims Agency (SCA) Strategy Committee	SC

Governance Statement and Agency Members' Report

The Agency (Board) has over-arching responsibility for all of the NTMA's functions (excluding the National Asset Management Agency (NAMA), the Strategic Banking Corporation of Ireland (SBCI) and Home Building Finance Ireland (HBFI) which have their own separate boards) under the *National Treasury Management Agency Acts, 1990 to 2014*. The Agency is accountable to the Minister for Finance. In the performance of its duties, the Agency focuses on providing strategic direction and oversight to the organisation and ensuring there are appropriate controls in place, while delegating operational matters to management. It seeks to support and challenge management in the achievement of the NTMA's goals and in fostering a corporate culture that will contribute to the delivery of these goals. The regular day-to-day management, control and direction of the NTMA are the responsibility of the Chief Executive and the senior management team must follow the broad strategic direction set by the Agency, and must ensure that all Agency members have a clear understanding of the key activities and decisions related to the NTMA and of any significant risks likely to arise. The Chief Executive acts as a direct liaison between the Agency and management of the NTMA.

Agency Responsibilities

The NTMA's functions are vested in the Agency, which may delegate functions to the Chief Executive. There is a formal schedule of matters reserved for decision by the Agency. This schedule includes approval of the following:

- Annual Report and Financial Statements;
- Risk Management Policy and Framework;
- Corporate Strategy and business unit and Corporate Function Goals (including annual targets);
- Operating budget;
- Remuneration of Chief Executive (after consultation with the Minister);
- Overall remuneration policy;
- Exchequer Funding Plan;
- ISIF Investment Strategy;
- ISIF Irish Portfolio investments above €150m (investment decisions of up to €150m are delegated to the Investment Committee);
- Key terms of contracts for professional and operating services and NTMA capital expenditure over €5m, with a limited number of exceptions; and
- National Surplus (Exceptional Contingencies) Reserve Fund ("Rainy Day Fund") Annual Investment Plan and any amendments.

The Agency is required by the *National Treasury Management Agency Acts, 1990 to 2014* and the *Dormant Accounts Acts, 2001 to 2012* to prepare financial statements in respect of its operations for each financial year. In preparing these financial statements, the Agency:

- selects suitable accounting policies and applies them consistently;
- makes judgments and estimates that are reasonable and prudent;
- prepares the financial statements on a going concern basis unless it is inappropriate to do so; and
- discloses and explains any material departure from applicable accounting standards.

The Agency is responsible for keeping in such form as may be approved by the Minister for Finance all proper and usual accounts of all monies received or expended by it and for maintaining accounting records which disclose, with reasonable accuracy at any time, the financial position of the Agency, its funds and the National Debt.

The Agency is responsible for approving the NTMA expenditure budget and corporate strategy, including Business Unit and Corporate Function Goals. Emerging out-turns against budget and goals are reviewed by the Agency during the year and at year-end.

The Agency is also responsible for safeguarding assets under its control and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Agency considers that the financial statements of the NTMA properly present the financial performance and the financial position of the NTMA as at 31 December 2020.

Agency Structure

The Agency consists of nine members. Six members, including the Chairperson, are appointed by the Minister for Finance. The Chief Executive of the NTMA and the Secretary Generals of the Departments of Finance and Public Expenditure and Reform are ex officio members of the Agency. The term of office of an appointed member is five years. Details of the current members and their appointment periods are set out on pages 60 to 61.

The Agency has established four committees to assist it in discharging its responsibilities, each with a formal Terms of Reference:

- Audit and Risk Committee;
- Investment Committee;
- Remuneration Committee; and
- State Claims Agency (SCA) Strategy Committee.

For further information on the Agency's Committees, see Committee Reports, pages 68 to 70.

The Agency undertook an internal self-assessment evaluation of its performance in respect of 2020. Arising from this process, the Agency has identified a small number of actions to be undertaken during 2021, including greater use of private sessions in advance of board meetings to provide opportunities for members to meet a broader cross section of the management team and the people reporting to them, and explore certain relevant topics in more detail and receive training as appropriate.

The Agency is supported in its functions by the Agency Secretary who also co-ordinates the operation of the various Agency Committees: each of the Committees is supported by the Agency Secretariat team.

Gender Balance in the Board Membership

As at 31 December 2020, the Board had four (44%) female and five (56%) male members, with no positions vacant.

The Board therefore meets the Government target of a minimum of 40% representation of each gender in the membership of State Boards.

The following measures are planned to maintain and support gender balance on this Board:

- The normal term of office of an appointed member is five years. An appointed member may not serve for more than two consecutive terms of office.
- Board vacancies are filled through the Public Appointments Service (PAS) process which takes into account the requirements set out in Section 4.4 of the Code of Practice for the Governance of State Bodies regarding diversity.

Key Personnel Changes

The Agency approved changes to the composition of its various Committees, including in respect of Committee Chairpersons in January 2020. The composition of the Committees is outlined in the Committee reports.

Julie O'Neill and Kerry McConnell were appointed to the SCA Strategy Committee for a three-year term with effect from 1 August 2020.

Governance and Corporate Information

Governance Statement and Agency Members' Report (continued)

Schedule of Attendance, Fees and Expenses

A schedule of attendance at Agency and Committee meetings is set out below including the fees and expenses received by each member in their capacity as an Agency or Committee member. Pending the appointment of Rachael Ingle and Brian O'Kelly to the Audit and Risk Committee by the Agency at its 28 January 2020 meeting, there were two appointed Audit and Risk Committee members in place for the Committee meeting on 21 January 2020. As a result of the impact of COVID-19, the Agency and its sub-Committee meetings were held via video conference for much of 2020.

	Agency	Investment Committee	Audit and Risk Committee	Remuneration Committee	SCA Strategy Committee	Fees 2020 €	Expenses 2020 €
Number of Meetings	11	23	8	3	5		
Agency Members							
Maeve Carton	11			3		45,000	
Rachael Ingle	11		7(p) ¹⁵	3		30,000	-
Gerardine Jones	11	4(p) ¹⁶	7(p) ¹⁵			30,000	-
Derek Moran	8				3	-	-
Martin Murphy	11	18(p) ¹⁷	1(p) ¹⁸	3	5	30,000	-
Brian O'Kelly	11		7(p) ¹⁵			30,000	-
Conor O'Kelly	11					-	-
Robert Watt	9			2		-	-
Susan Webb	11	23	8			30,000	-
Total						195,000	-
Other Members							
Richard Leonard		23				20,000	1,158
Mark Ryan		22(p)				20,000	-
Julie Sinnamon		21(p)				-	-
Sabaratnam Arulkumaran					5	12,500	115
Tom Beegan					5	12,500	108
Ciarán Breen					5	-	-
Donogh Crowley					5	12,500	-
David Moloney					5	-	-
Kerry McConnell					2(p) ¹⁹	5,185	-
Julie O'Neill					2(p) ¹⁹	5,185	-
Total						87,870	1,381

(p) refers to the number of meetings it was possible to attend.

The Minister for Finance determines the level of remuneration of appointed members of the Agency. The remuneration attached to the position of Chairperson is €45,000 per annum and the remuneration of other appointed members is €30,000 per annum. The ex officio members (Conor O'Kelly, Derek Moran and Robert Watt) do not receive any remuneration in respect of their membership of the Agency.

Remuneration of external members of the Investment Committee and State Claims Agency Strategy Committee is determined by the Agency with the consent of the Minister for Finance. External members of the Investment Committee receive remuneration of €20,000 per annum and external

members of the State Claims Agency Strategy Committee receive remuneration of €12,500 per annum. Julie Sinnamon and David Moloney, appointed to the Investment Committee and State Claims Agency Strategy Committee respectively, in their capacity as public servants, do not receive any remuneration in respect of their membership. Agency members and members of staff of the NTMA do not receive any additional remuneration in respect of membership of these committees.

¹⁵ Rachael Ingle, Gerardine Jones and Brian O'Kelly attended 7 meetings following their appointment to the Audit and Risk Committee with effect from 28 January 2020.

¹⁶ Gerardine Jones attended 4 meetings before she stepped down as a member of the Investment Committee in early 2020.

¹⁷ Martin Murphy attended 18 meetings following his appointment as an Investment Committee member on 28 January 2020.

¹⁸ Martin Murphy attended 1 meeting as he stepped down as a member of the Audit and Risk Committee on 28 January 2020.

¹⁹ Kerry McConnell and Julie O'Neill attended 2 meetings following their appointment as SCA Strategy Committee members with effect from 1 August 2020.

Employees and Remuneration

The NTMA executes its mandates through five business units: the Funding and Debt Management Unit, the Ireland Strategic Investment Fund Unit, the National Development Finance Agency, NewERA and the State Claims Agency. The NTMA's business units are supported by its corporate functions which provide services across Finance, Operations, Information Communications Technology, Risk, HR, Legal, Compliance, Communications and Internal Audit.

A number of NTMA employees are on secondment to the Department of Finance following the revocation of the delegation of banking system functions of the Minister for Finance to the NTMA from August 2011.

The NTMA assigns employees and provides business and support services and systems to NAMA, SBCI and HBFI. NAMA, SBCI and HBFI are independent entities with separate boards. NAMA, SBCI, and HBFI reimburse the NTMA on a cost recovery basis for these services (including employee costs).

Other than employees assigned to NAMA, SBCI and HBFI, the NTMA had 559²⁰ employees at end-2020. 174²¹ employees were assigned to NAMA, 28 employees were assigned to the SBCI and 27 employees were assigned to HBFI.

The NTMA's remuneration model is based on confidential, individually-negotiated employment contracts, with competitive, market-aligned remuneration. The typical remuneration package comprises a fixed base salary, pension entitlement and provision for discretionary performance-related pay. In a limited number of cases other allowances or benefits are paid.

The NTMA's objective is to ensure that its remuneration arrangements facilitate it in attracting, developing and retaining high performing and motivated employees, with appropriate skills and experience, so as to ensure that the NTMA can discharge fully its statutory functions in an effective and efficient manner, while complying with applicable law. It aims to operate a remuneration system which:

- allows the NTMA to compete effectively in the labour market and to recruit and retain high calibre employees;
- reflects the NTMA's objectives for good corporate governance;
- manages remuneration in an appropriate manner and encourages a high level of performance; and
- is consistent with and promotes sound and effective risk management.

The NTMA made no performance-related payments in 2021 in respect of 2020.

Employee Short-Term Benefits Breakdown

Employees' short-term benefits in excess of €50,000 in relation to services rendered during 2020 are categorised into the following bands:

Range	No of Employees
€50,001 to €75,000	126
€75,001 to €100,000	127
€100,001 to €125,000	54
€125,001 to €150,000	24
€150,001 to €175,000	27
€175,001 to €200,000	12
€200,001 to €225,000	7
€225,001 to €250,000	1
€250,001 to €275,000	0
€275,001 to €300,000	1
€300,001 to €325,000	0
€325,001 to €350,000	4
€350,001 to €375,000	0
€375,001 to €400,000	0
€400,001 to €425,000	0
€425,001 to €450,000	0
€450,001 to €475,000	0
€475,001 to €500,000	1

Note: For the purposes of this disclosure, short-term employee benefits in relation to services rendered during 2020 include salary, other taxable benefits paid to employees and other payments made on behalf of employees, but exclude employer's PRSI.

Disclosures Required by Code of Practice for the Governance of State Bodies (2016)

The Agency is responsible for ensuring that the NTMA has complied with the requirements (as adapted) of the Code of Practice for the Governance of State Bodies ("the Code"), as published by the Department of Public Expenditure and Reform in August 2016. The following disclosures are required by the Code:

Employee Short-Term Benefits Breakdown

See Employees and Remuneration section above.

Consultancy Costs

Consultancy costs incurred by the NTMA in the performance of its mandates are set out in the Financial Statements: NTMA Administration Account, SCA Financial Statements and ISIF Financial Statements.

Legal Costs and Settlements

For the purposes of the Code disclosure requirement, there was no relevant expenditure incurred in 2020.

20 On a whole time equivalent basis (rounded to nearest whole number).

21 On a whole time equivalent basis (rounded to nearest whole number).

Governance and Corporate Information

Governance Statement and Agency Members' Report (continued)

Travel and Subsistence Expenditure

Travel and subsistence expenditure is categorised as follows:

	2020 €000	2019 €000
Domestic		
Board/Committee	1	12
Employees	234	343
International		
Board/Committee	-	-
Employees	131	344
	366	699

Hospitality Expenditure

The Statement of Income and Expenditure and Other Comprehensive Income includes €67,482 (2019: €119,391) in respect of staff hospitality expenditure.

Statement of Compliance

The NTMA has complied in all material respects with the Code including the recent Annex on Gender Balance, Diversity and Inclusion (published in September 2020), as published by the Department of Public Expenditure and Reform with a number of specific adaptations/variations/non-applications which have been agreed with the Minister for Finance as summarised below. These adaptations primarily reflect the fact that the NTMA, the expenses of which are a charge on the Central Fund²², performs a range of market facing functions and was deliberately structured to have the operational flexibility to act commercially in performing these functions.

Approval of Contracts

The Code recommends that the Schedule of Matters Reserved for Decision by the Agency should specify clear quantitative thresholds for contracts above which Agency approval is required. It also recommends that "approval of terms of major contracts" be a reserved matter.

Given the range of the NTMA's business mandates and the fact that entry into financial contracts of significant value constitutes a core part of the NTMA's business activities, the NTMA has established separate criteria for approval of investments and entry into contracts depending on the business area as follows:

- The acquisition or disposal of ISIF investments from its Irish Portfolio is reserved to the Agency/Investment Committee. Investment decisions up to €150m are made by the statutory non-executive Investment Committee. Where a proposed investment is in excess of €150m, the decision is made by the Agency on the recommendation of the Investment Committee. In 2020, there was one such proposal approved by the Agency. Investments from ISIF's Global Portfolio which are within the terms of the Global Portfolio Strategy are delegated to management. Actions involving the acquisition or disposal of ISIF assets that are subject to Ministerial direction are delegated to management.
- Debt contracts are delegated to management – within the parameters of the Annual Exchequer Funding Plan which is a Reserved Matter.
- Approval to enter into new Public Private Partnership (PPP) contracts and any new contract to procure as agent for the Minister for Education any public investment project in relation to an educational facility is delegated to management. A Management Infrastructure Committee has been formed for the purposes of approving infrastructure projects. Projects reviewed by the Management Infrastructure Committee, and the outcome, are included as matters for noting by the Agency.
- Contracts for professional and operating services and NTMA capital expenditure which are not reserved to the Agency are delegated to management. Approval of the key terms of contracts for professional and/or operating services and NTMA capital expenditure entered into by the NTMA with an estimated value of €5m or greater, to be charged to the NTMA or ISIF expenditure budgets are reserved for the Agency, other than:
 - framework contracts²³;
 - contracts relating to the implementation of the ISIF Global Portfolio Strategy, as delegated to management; and
 - contracts in connection with the fund established for the recovery by the State from Apple of alleged State aid.

Delegated Authority Levels

The Code recommends that "Delegated Authority Levels" be a reserved matter. In view of the wide range of mandates carried out by the NTMA and the need to preserve flexibility with regard to the various delegated authorities in respect of these mandates, the setting of Delegated Authority Levels has been delegated to the Chief Executive. To ensure Agency oversight of delegated authorities, the NTMA's Consolidated Delegated Authorities are reviewed by the Audit and Risk Committee on an annual basis.

²² Other than expenses which are incurred in respect of the ISIF and the Rainy Day Fund which are funded from the respective Funds.

²³ The provision applies in respect of the estimated value of individual contracts awarded from framework panels.

Strategy

The Code sets out different requirements with regard to the preparation and adoption of a strategic plan for commercial and non-commercial State bodies. Commercial bodies should approve annual rolling five-year business plans while non-commercial bodies should adopt statements of strategy for a period of three to five years ahead.

The NTMA Corporate Strategy²⁴ covers a five-year horizon and comprises two parts:

Part 1: The NTMA Corporate Strategy; and

Part 2: Business Unit and Corporate Function Goals.

The NTMA Corporate Strategy is reviewed annually and updated on a rolling five-year basis. Part 1 is submitted to the Minister for Finance if there are any changes to the overarching goal and three enabling pillars set out therein. Part 2 is updated annually and submitted to the Minister for Finance for his/her views prior to finalisation.

The procedure for Ministerial consultation in determining and reviewing the ISIF Investment Strategy is set out in Section 40(3) of the *National Treasury Management Agency (Amendment) Act 2014*.

Non-Compliance with Statutory Obligations

In view of the wide range of relevant statutory obligations to which the NTMA is subject, the requirement that the Chairperson bring incidences of non-compliance with any statutory obligations to the attention of the Minister for Finance applies to material instances of non-compliance only.

Acquisition or Disposal of Assets etc.

The ISIF investment activities are managed in the context of the statutory framework for the making of ISIF investments as set out in the *National Treasury Management Agency (Amendment) Act 2014*, the ISIF Investment Strategy and the ISIF investment process. Those provisions of Section 8 of the Code dealing with the acquisition or disposal of assets, capital investment appraisal, establishment or acquisition of subsidiaries, participation in joint ventures and the acquisition of shares do not apply to the investment activities of the ISIF. Trading of Government bonds or other assets in the normal course of NTMA business operations is not regarded as falling within Section 8 of the Code.

ICT Circular

As provided for under Section 3 of the Department of Public Expenditure and Reform's Circular Q2/16 on Arrangements for Digital and ICT-related Expenditure in the Civil and Public Service, it has been agreed by the Department of Finance that the NTMA has been exempted from the approval framework for digital and ICT-related expenditure.

Public Spending Code

The Public Spending Code is not applicable to the NTMA as the NTMA is not engaged in capital projects (other than in respect of its ISIF and NDFA roles) or new current expenditure programmes. The NTMA's functions are set out in statute – either in primary legislation or delegated to the NTMA by Ministerial Order. The NTMA's operational budget relates to the staffing, systems, facilities and other costs associated with the performance of these functions. With regard to significant new expenditure items within its operational budget, the NTMA utilises the standard appraisal process as set out in section 2.1 of the Public Spending Code in its project appraisal process.

Remuneration

In complying with the Code's provisions in respect of remuneration, the NTMA has adopted the provisions applying to commercial State bodies, adapted in light of its particular governance and reporting structures and remuneration model. Consistent with this approach, the NTMA publishes details of employee short-term benefits in bands of €25,000.

Travel Circulars

The NTMA's travel policy is based on the Framework for a Travel Policy for State Bodies contained in the Code. Revenue approved civil service mileage rates (reflecting Circular 07/2017) are applied. The NTMA does not pay subsistence rates in respect of travel, but operates a vouched expense process for the re-imbursment of travel expenses and Department of Public Expenditure and Reform circulars and office notices regarding subsistence are, therefore, not applied.

Customer Charter

The NTMA does not generally provide services directly to the public. State Savings products are offered to personal savers by the NTMA through its agents, An Post. An Post has a customer charter which covers the services it provides to the public, including those services it provides on behalf of the NTMA. A separate customer charter has not been put in place for the NTMA.

²⁴ The NTMA Corporate Strategy is subject to review by the Agency and the Minister.

Committee Reports

Audit and Risk Committee Report

The Audit and Risk Committee assists the Agency in:

- the oversight of the quality and integrity of the financial statements, the review and monitoring of the effectiveness of the systems of internal control, the internal audit process and the compliance function, and the review and consideration of the outputs from the statutory auditor; and
- the oversight of the Agency's risk management framework including setting risk appetite, monitoring adherence to risk governance and ensuring risks are properly identified, assessed, managed and reported.

In addition, the Committee reviews and monitors the performance of the internal audit, compliance and risk management functions, which are managed on a day to day basis by the Head of Internal Audit, the Head of Compliance and the Head of Risk (Financial, Investment and Enterprise) respectively.

Under its Terms of Reference, the Committee is to comprise four members appointed by the Agency from among its members (excluding the Agency Chairperson).

The current members of the Committee are:

- Gerardine Jones (Chairperson)
- Rachael Ingle
- Brian O'Kelly
- Susan Webb

The Committee met formally on eight occasions in 2020. It also held an additional working session to review the financial statements.

Financial Reporting

The Committee reviewed the draft 2020 financial statements and recommended them to the Agency for approval. The review focused on the consistency of approaches across the financial statements, appropriate estimates and judgments, the clarity and completeness of disclosures in line with applicable accounting standards, and relevant provisions of the Code of Practice for the Governance of State Bodies (2016). The Committee also reviewed the Governance Statement and Agency Members' Report, and statements on risk management for inclusion in the Annual Report. As part of its review of the financial statements, the Committee met with representatives of the Office of the Comptroller and Auditor General (the statutory auditor) to discuss its Audit Findings Report.

Internal Control

The Committee reviewed the effectiveness of the system of internal control. It also reviewed the Statement on Internal Control to be included in the 2020 financial statements and recommended it to the Agency. The review was informed by a report from management in relation to the assertions contained in the Statement and the Committee's detailed work programme, including regular reports from Internal Audit, Risk, Compliance and the Data Protection Officer (DPO).

Internal Audit

The Committee received regular reports from the Head of Internal Audit (the Head of Internal Audit is supported by an external firm, currently KPMG). It reviewed the key findings from the individual internal audit reviews completed under the 2020 risk-based internal audit plan and monitored the implementation of audit recommendations. It approved the 2021 risk-based internal audit plan and updates to the Internal Audit Charter. The Committee also reviewed the effectiveness of the Internal Audit function.

In December 2020, the Committee approved the appointment of a new Head of Internal Audit. The Committee meets with the Head of Internal Audit without management at least annually.

Statutory Audit

The NTMA's statutory auditor is the Comptroller and Auditor General. The Committee reviewed the external audit plan, the key areas of focus and the audit terms of engagement. It also reviewed management's responses to the external auditor's findings arising from the audit of the 2020 financial statements. The Committee meets with the external auditor without management at least annually.

Risk

The Committee reviewed and recommended to the Agency updates to the Risk Management Policy and Framework and to the Risk Appetite Framework. It also approved updates to a number of specific risk policies as provided for under the Risk Management Policy and Framework. It monitored the NTMA's risk profile in relation to its defined risk appetites and approved updates to key risk indicators. It also approved the annual Risk Management Plan and Terms of Reference of the Enterprise Risk Management Committee.

The Committee reviewed the principal risks faced by the NTMA based on a strategic risk assessment prior to the review by the Agency. It also reviewed the principal risks of the underlying Business Unit risk registers and a report under the NTMA's stress testing framework.

The Committee reviewed regular reports from the NTMA's Risk function in relation to financial, investment and enterprise risks. It reviewed the effectiveness of the Risk function. The Committee reviewed a follow-up report on NTMA Risk Management which was conducted by an independent third party and considered, amongst other things, progress against the original enhancements recommended, the on-going relevance of same in the context of the current market and whether any re-prioritisation of those enhancements was required. The Committee noted the good progress against the original enhancements recommended and the next steps. Separately, an external review was initiated in respect of the NTMA Risk Management Policy and Framework, the Risk Appetite Framework and the Enterprise Risk Management Committee to ensure that the NTMA's risk management framework and key executive governance structures were in line with the Code of Practice for the Governance of State Bodies (the Code) and wider market practice.

The Committee carried out a number of other activities including consideration of a number of specific business matters from a risk perspective.

The Committee meets with the Head of Risk without management at least annually.

Compliance and Protected Disclosures

The Committee reviewed and approved updates to the Reporting of “Relevant Wrongdoing” and Protected Disclosures Policy and other compliance policies as provided for in the Compliance and DPO Framework. It monitored progress against the 2020 Compliance Plan. It also approved an interim combined 2021 Compliance and DPO Plan, and received regular reports from the Head of Compliance and DPO. The Committee reviewed the effectiveness of the Compliance function. The Committee meets with the Head of Compliance without management at least annually.

Other

The Committee reviewed its Terms of Reference and recommended a number of suggested amendments which were approved by the Agency. It conducted an annual self-assessment review in respect of 2020. The Committee members were satisfied that the Committee was working well and identified a small number of minor actions to be undertaken.

The Committee's priorities in respect of 2021 were approved as part of its Work Programme 2021.

Investment Committee Report

The Investment Committee is a statutory committee provided for by the *National Treasury Management Agency Act, 1990* (as amended).

The Committee assists the Agency in the control and management of the Ireland Strategic Investment Fund by making decisions about the acquisition and disposal of assets within such parameters as may be set by the Agency, advising the Agency on the investment strategy for the Fund and overseeing the implementation of the investment strategy.

The Committee is required to comprise of two appointed members of the Agency and not more than five persons who are not members of the Agency but who have acquired substantial relevant expertise and experience and who are appointed by the Agency with the consent of the Minister for Finance (external members). The Agency has decided that the Committee should have three external members.

The current members of the Committee are:

- Susan Webb, Chairperson (Agency member)
- Martin Murphy (Agency member)
- Richard Leonard (external member) *Company Director and former Partner, Grant Thornton Ireland*
- Mark Ryan (external member) *Company Director and former Managing Director, Accenture Ireland*
- Julie Sinnamon (external member) *CEO, Enterprise Ireland.*

The Committee met on 23 occasions in 2020. Its main activities consisted of reviewing and recommending the Pandemic Stabilisation and Recovery Fund (PSRF) Strategy to the Agency for approval, considering detailed investment proposals from ISIF management and the oversight and monitoring of the ISIF Portfolio. The volume and urgency

of PSRF investments required a greater number of Committee meetings in 2020 than was required in previous years.

Decisions on investment proposals for Irish Portfolio investments of up to €150m have been delegated to the Committee by the Agency. Where the Committee supports an investment proposal in excess of €150m, it makes a recommendation on the matter to the Agency. Matters considered at Committee meetings in 2020 include:

- Review and recommendation of the Investment Strategy in respect of the Pandemic Stabilisation and Recovery Fund, a new sub-fund of ISIF, to the Agency for approval.
- Review and recommendation of the ISIF Global Portfolio (Implementation) Strategy (GPS 2.0), to the Agency for approval.
- Review and recommendation of the ISIF Sustainability and Responsible Investment Strategy (S&RIS), to the Agency for approval.
- The Committee approved 26 investments across the regional, indigenous businesses, housing and climate change Priority Themes (ISIF 2.0 Strategy) and the Stabilisation and Recovery phases of the PSRF. Over €400m was committed by ISIF to 20 separate investments during 2020 (average investment size of €20m) – more details can be found on page 24.
- The Committee actively monitored the near-term PSRF investment pipeline in order to provide timely feedback to management on potential investment opportunities. The Committee also reviewed the PSRF investment declines and provided feedback on same.
- The Committee formally reviewed and monitored the ISIF's Irish Portfolio and the ISIF Global Portfolio Strategy on a quarterly basis; and the Portfolio Diversification Framework and the Sustainability and Responsible Investment Strategy on a semi-annual basis.
- Overall ISIF performance, deployment and activity were reviewed at each scheduled Committee meeting.

Information on the ISIF PSRF Strategy and the Fund's investments, performance and economic impact in 2020 is set out in the ISIF Section of this Report.

The Committee reviewed its Terms of Reference and recommended a number of minor amendments, primarily to reflect the activities of the PSRF, to the Agency for approval. It also conducted its annual self-assessment evaluation in respect of 2020. The Committee members were satisfied that the Committee was working well and agreed a number of minor enhancements to its processes.

The Committee's priorities in respect of 2021 were approved as part of its Work Programme 2021.

Remuneration Committee

The Remuneration Committee supports the Agency through the review and approval of the NTMA's overall remuneration policy, the review and the approval of any performance-related pay schemes operated by the NTMA and approval of the total annual payments to be made under any such schemes. It also makes recommendations to the Agency on the remuneration of the Chief Executive.

Governance and Corporate Information

Committee Reports (continued)

Under its Terms of Reference the Committee is to comprise four members appointed by the Agency from among its members including the Agency Chairperson.

Members of the Committee in 2020 were:

- Martin Murphy (Chairperson)
- Maeve Carton
- Rachael Ingle
- Robert Watt²⁵

The Committee met on three occasions in 2020. Matters considered at Committee meetings in 2020 included:

- The Committee reviewed the Remuneration assumptions in respect of 2021 and agreed, in light of prevailing circumstances, the 2020 PRP provision in the expenditure budget would not be used and that base salary awards in 2021 would take account of economic conditions.
- The Committee reviewed the Succession Planning arrangements in place in respect of senior management.
- The Committee reviewed the NTMA's Pension Scheme arrangements.
- Following the Agency's delegation to the Remuneration Committee of the authority to approve the appointment of up to two additional external members to the SCA Strategy Committee, the Committee reviewed and approved the appointment of two new members to the SCA Strategy Committee.
- The Committee reviewed its Terms of Reference and recommended minor amendments to the Agency.
- The Committee carried out its review of the Chief Executive's 2019 performance and recommended his 2020 Objectives to the Agency for approval.

SCA Strategy Committee Report

The State Claims Agency Strategy Committee assists the Agency in the performance of its State Claims Agency ("SCA") functions by providing advice and guidance on strategic, policy and certain operational issues. The Committee currently comprises nine members: two members of the Agency, the Director, SCA and six persons who are not members of the Agency but who have acquired substantial relevant expertise and experience and who are appointed by the Agency with the consent of the Minister for Finance (external members).

The current members of the Committee are:

- Martin Murphy, Chairperson (Agency member)²⁶
- Derek Moran (Agency member)
- Ciarán Breen (Director, SCA)
- Professor Sir Sabaratnam Arulkumaran (external member) *Professor Emeritus of Obstetrics and Gynaecology at St. George's University of London*
- Tom Beegan (external member) *Risk Consultant and former CEO of the Health and Safety Authority*
- Donogh Crowley (external member) *Former Partner, Arthur Cox Solicitors*

- Kerry McConnell (external member) *Chartered Accountant, former CFO RSA Insurance Ireland DAC, currently CFO IPL Global*
- David Moloney (external member) *Acting Secretary General (since January 2021), (previously Assistant Secretary), Department of Public Expenditure and Reform*
- Julie O'Neill (external member) *Former Executive Vice President, Alexion Pharmaceuticals Inc.*

In 2020, upon the recommendation of the SCA Strategy Committee, the Agency approved an amendment to the Committee's terms of reference to expand its membership from seven to nine members with the aim of adding additional skills identified by the Committee as relevant to its work and improving the composition of the Committee. Julie O'Neill and Kerry McConnell were appointed to the SCA Strategy Committee for a three-year term with effect from 1 August 2020. Martin Murphy was appointed as Chairperson of the Committee by the Agency at its 28 January meeting. The pre-existing SCA members of the Committee, including Derek Moran, were reappointed by the Agency at its July meeting.

The Committee met five times in 2020.

At each meeting, the Committee reviewed detailed reports from management on active claims, mass actions, sensitive claims, significant cases or judgments and other current issues. Other matters considered at Committee meetings included:

- The Committee reviewed the cash flow projections for the SCA's indemnity schemes from mid-2020 to year-end 2022, prepared by the SCA's actuaries, Lane Clark & Peacock.
- The Committee reviewed the SCA's response to COVID-19. It focused particularly on claims management and the provision of incident analysis and risk and indemnity advice to State authorities, as well as the implications of the pandemic for the SCA's claims portfolio.
- The Committee reviewed the legal strategy approach taken by the SCA in respect of a number of significant mass actions against the State.
- The Committee reviewed the SCA's clinical and enterprise risk management plans in respect of 2020 and progress against these plans.
- The Committee reviewed and recommended to the Agency the SCA component of the NTMA Budget and the SCA's business goals and Key Performance Indicators and monitored performance against same.
- The Committee received a number of external expert briefings to keep itself informed of recent developments and best practice in a number of areas.

It conducted a self-assessment review and a skills matrix questionnaire in respect of 2020 as part of its effectiveness assessment and arising from same, agreed a small number of actions the most notable of which is to undertake a Strategy workshop in late May 2021.

The Committee's priorities in respect of 2021 were approved as part of its Work Programme 2021.

²⁵ Following his recent appointment as Secretary General of the Department of Health, Robert Watt is no longer an ex officio member of the Agency nor a member of the Remuneration Committee.

²⁶ Appointed as Committee Chairperson with effect from 28 January 2020.

Risk Management

Overview

The NTMA considers that risk management is a fundamental element of corporate governance and is essential to achieving its strategic and operational goals. The NTMA is subject to the Code of Practice for the Governance of State Bodies (2016) ("the Code") which provides guidance for the application of good practice in corporate governance for both commercial and non-commercial State bodies. The NTMA maintains a formal risk management framework underpinned by a strong risk culture and tone from the top, which is overseen by the NTMA Board and various risk committees.

Framework, Policy and Appetite

The NTMA Board sets the Risk Management Policy and Framework and the Risk Appetite Framework. The Risk Management Policy and Framework defines the standards for risk management across the organisation. It includes the objectives, structures, governance, policies, responsibilities and processes that support the effective and integrated management of risk, consistent with the NTMA's risk appetite.

The NTMA has defined its risk appetite for its key risk categories within the Risk Appetite Framework. Risk exposures are monitored through the use of key risk indicators and limits as appropriate. The Risk Management Policy and Framework and Risk Appetite Framework are reviewed at least annually to ensure that they remain relevant and up to date.

Governance

The Audit and Risk Committee ("the ARC") assists the NTMA Board in the oversight of the Risk Management Framework including monitoring adherence to risk governance, risk appetite and ensuring risks are properly identified, assessed, managed and reported. An executive-level Enterprise Risk Management Committee ("ERMC") oversees the effective management of risk and compliance and monitors the organisation's overall risk profile and principal risk exposures. The NTMA's approach to risk management is based on the "three-lines-of-defence" model, set out below, and is designed to support the delivery of its mandates by proactively managing the risks that arise in the course of the NTMA pursuing its objectives.

THREE LINES OF DEFENCE MODEL



Governance and Corporate Information

Risk Management (continued)

Risk Assessment

Risk assessment processes are designed to ensure that material risks are identified, that the NTMA manages its risk within its agreed risk appetite, and that the management of risk is monitored within clearly defined and delineated roles and responsibilities.

Individual business units and corporate functions maintain risk registers in which their key risks and controls are recorded and responsibility for the operation of controls is assigned. These registers are reviewed twice yearly by the respective businesses units and corporate functions and the controls therein are attested by the control owners. The review:

- Identifies or re-confirms and classifies the risks to the business;
- Assesses the inherent and residual risk impact and likelihood;



- Identifies existing controls and assesses their effectiveness;
- Identifies proposed treatments and controls;
- Allocates owners for any agreed action plans; and
- Reports on the implementation of measures and controls to address the residual risks.

Business units present principal risks from their risk registers to the ERMC and/or the ARC at least annually.

Strategic Risks

The NTMA Board oversees a formal, top down assessment of its strategic/principal risks at least annually, the purpose of which is to identify and mitigate the key risks to the execution of NTMA mandates from an organisation-wide perspective and, in particular, to address any emerging risks as early as possible.

Risk	Description and Potential Impact	Mitigation
Economic, Social, Geopolitical, and Market Risk 	<p>The risk that extraneous risks such as extreme economic conditions, unforeseen or unpredictable geopolitical, social (including pandemics), environmental or regulatory events and market volatility could adversely impact the NTMA.</p> <p>Possible consequences include a deterioration of the fiscal position leading to increased funding requirements, difficulties in accessing funding or investment opportunities, deterioration of debt sustainability, increased debt service costs and re-financing risk, increased cost and/or delay of infrastructure delivery, unsatisfactory economic impact or sub-optimal investment returns.</p>	<p>Flexibility and diversity in the funding strategy, the funding plan and the investment strategy and portfolios, which can be amended as required through appropriate processes and governance channels;</p> <p>Funding plan and KPIs are approved and reviewed by the NTMA Board;</p> <p>Diversified ISIF Global and Irish Portfolios with ISIF strategy reviews undertaken in 2020;</p> <p>Active liquidity, market and credit risk management, governed by policies that are reviewed and approved annually with appropriate risk monitoring and reporting to risk governance committees;</p> <p>On-going monitoring and reporting of market and macro-economic trends, implications and key market risk indicators including horizon scanning and stress testing;</p> <p>Where specific risks are identified (e.g. Brexit, COVID-19) tailored action plans are put in place and monitored;</p> <p>Regular communication with ISIF Global Portfolio investment managers and Irish investees;</p> <p>Monitoring of NDFA project counterparty and macroeconomic risks.</p>

Risk	Description and Potential Impact	Mitigation
Investment Risk 	<p>The risk that actual investment performance deviates materially from the expected outcomes of relevant investment strategies.</p> <p>Possible consequences include:</p> <ul style="list-style-type: none"> (i) Financial losses or sub-optimal returns; and/or (ii) Unsatisfactory economic impact; and/or (iii) Reputational damage. 	<p>NTMA Board approved Pandemic Stabilisation and Recovery Fund ('PSRF') Strategy and ISIF Global Portfolio Strategy ('GPS') in place;</p> <p>All new ISIF Irish Portfolio investment proposals are subject to review by first and second line and NTMA governance committee reviews prior to Investment Committee/NTMA Board submission;</p> <p>All investments are governed by investment, liquidity, market and credit risk policies which are subject to regular reviews by the appropriate governance committee. This includes exchequer/ISIF investments, the Ireland-Apple Escrow Fund and all entities to whom treasury services are provided;</p> <p>Appropriate strategies, governance structures, policies and processes are capable of being adapted as required;</p> <p>On-going first and second line monitoring and reporting on the ISIF Irish and Global portfolios (including KRIs and RAG status reporting) to the relevant governance committees;</p> <p>Regular communications with Global Portfolio investment managers and existing investees on the Irish Portfolio.</p>
Liquidity Risk 	<p>The risk that, over a specific time horizon, the NTMA will have insufficient cash to meet its obligations as they fall due.</p> <p>Possible consequences include failure to access funding, the inability to fund the State and the inability to fund investments resulting in reputational damage and/or the NTMA being unable to achieve its objectives.</p>	<p>Funding plan and KPIs are approved and reviewed by the NTMA Board;</p> <p>NTMA Board approved ISIF Global Portfolio Strategy is in place and regularly monitored to ensure adequate liquidity;</p> <p>Flexibility and diversity in the funding strategy, the funding plan and the investment strategy and portfolios, which can be amended as required through appropriate processes and governance channels;</p> <p>Active management of the debt maturity profile;</p> <p>A Liquidity Risk Policy, which includes appropriate liquidity buffers, is in place;</p> <p>Stress testing (generic and multi-factor) is performed;</p> <p>Monitoring (including horizon scanning) and reporting of liquidity risk exposures is performed with appropriate escalation to Risk Committees.</p>

Governance and Corporate Information

Risk Management (continued)

Risk	Description and Potential Impact	Mitigation
Climate Risk 	<p>The risk that the NTMA fails to align to Government policy as required, and take the necessary actions to integrate climate action (as appropriate) into its business decisions in the context of delivering its mandates to Government and delivering an environmentally sustainable organisation in line with its Climate Strategy.</p> <p>Possible consequences are reputational damage and/or the NTMA being unable to achieve its objectives.</p>	<p>NTMA Climate Strategy and goals are in place, monitored and reported on;</p> <p>ISIF Climate Strategy in place, which seeks opportunities to allocate to low carbon strategies in the Irish Portfolio and assess and engage on investee transition risks (including emissions) across both the Irish and Global Portfolios;</p> <p>Active divestment and exclusion of fossil fuel assets from the ISIF Global Portfolio;</p> <p>Issuance of sovereign green bonds, where proceeds are allocated to Eligible Green Projects (as outlined in the National Development Plan 2018 – 2027) and which are expected to contribute to carbon emission reductions;</p> <p>NewERA actively work with the relevant departments in relation to actions assigned to relevant commercial state bodies and NewERA in the Government's Climate Action Plan;</p> <p>Various NTMA corporate initiatives including the Green Team and the Sustainability Group are in place;</p> <p>Any new projects being procured by the NDFA include green procurement initiatives.</p>
Cyber Security Risk 	<p>The risk of the NTMA or its third parties being the subject of a successful cyber-attack/social engineering attempt.</p> <p>Possible consequences include a failure to execute critical processes, leakage of sensitive information, data breach, system integrity issues, system outages or malware, which may lead to business disruption, financial loss and/or reputational damage.</p>	<p>Monitoring, testing and reporting of ICT traffic, information security, cyber threat landscape and expert external advice on emerging trends and cyber threats, including engagement with the National Cyber Security Centre;</p> <p>Regular ICT upgrades and patching of systems to ensure systems and security remain up-to-date;</p> <p>Cyber Security Framework in place based on the National Institute of Standards and Technology (NIST) Framework;</p> <p>ICT security requirements are incorporated and assessed as part of system/service procurement and selection. Third party cloud services are subject to an assessment and approval process;</p> <p>Third Party Risk Management policy in place, with supporting procedures and guidance covering ICT involvement in assessing the adequacy of third party information security measures;</p> <p>ICT Security Committee in place focusing on ICT security matters;</p> <p>End user ICT security policies in place with mandatory cyber security staff training, and regular cyber awareness communications via email and intranet;</p> <p>Annual simulated spear-phishing campaign and annual third party cyber security posture assessment tracking maturity and benchmarking the NTMA against the industry.</p>

Risk	Description and Potential Impact	Mitigation
Third Party Risk 	<p>The risk of failure by an NTMA third party service provider, counterparty, or stakeholder to successfully deliver on its contractual obligations or act in a manner consistent with the NTMA's expectations and/or requirements.</p> <p>Possible consequences include interruption to critical operations and/or financial loss and/or reputational damage.</p>	<p>Third Party Risk Management Policy in place, with supporting procedures and guidance. The policy requirements include criticality assessment, due diligence, risk assessment, written agreements, on-going monitoring, oversight and reporting of critical third party arrangements undertaken as required depending on the nature of the third party service/product;</p> <p>Dedicated procurement team and procedures in place for managing the tendering process for relevant third party services;</p> <p>Third party contracts approved by internal management and reviewed by legal advisers, where appropriate;</p> <p>Technical ICT advice provided as part of the tendering process for new technology services, where appropriate;</p> <p>Regular communications with third parties which is adapted in terms of the frequency and focus in response to the changing environment.</p>
Business Disruption and ICT Resiliency Risk 	<p>The risk of business disruption or inadequate resiliency due to technology failure (e.g. software, hardware or network issues), failure to appropriately upgrade/augment existing technology, a loss of critical services (e.g. utilities) or ineffective change management.</p> <p>Possible consequences include poor operational performance, fragmented collaboration services, financial loss, reputational damage and/or the NTMA being unable to achieve its objectives.</p>	<p>Alternative working arrangements available (including remote working capabilities) to cover various business disruption scenarios and alternative processes in place (or established) for key business processes/activities, including regular testing of the alternative processes;</p> <p>Regular ICT upgrades and patching of systems to ensure systems and security remain up-to-date;</p> <p>ICT Steering Committee in place to oversee strategic ICT projects and ICT architecture and an ICT Project Management Office ('PMO') in place, resourced with experienced project managers;</p> <p>Experienced ICT Service Desk Team, with an increasing focus on timely and clear communications;</p> <p>ICT Change Advisory Board ('CAB') in place with formal review of key risk assessments and approval of upcoming changes;</p> <p>An active business continuity management ('BCM') plan and programme, with regular testing of plans and scenarios including communication tools, and BCM training rolled out to all NTMA employees;</p> <p>Defined crisis management and incident response teams in place.</p>

Governance and Corporate Information

Risk Management (continued)

Risk	Description and Potential Impact	Mitigation
Process Risk 	<p>The risk that NTMA processes do not appropriately balance robustness with flexibility and as such are not sufficiently agile and adaptable to support a dynamic workplace or to respond to an evolving environment, circumstance, or mandate.</p> <p>Possible consequences include financial loss, business disruption and/or reputational damage.</p>	<p>Risk and control assessment processes help to ensure control measures are adequate and re-evaluated to address evolving risks;</p> <p>Alternative processes in place (or established) for critical business processes/activities, and regular testing of alternative processes;</p> <p>Appropriate operational risk and compliance policies are in place, supported by guidance documents, procedures and staff training;</p> <p>Various projects and initiatives on-going across the NTMA to increase process automation and flexibility to achieve efficiencies and enhanced effectiveness;</p> <p>Operational event reporting process in place with key actions identified and monitored. Events are subject to second line and risk committee review and challenge, and periodic trend analysis. Key Risk Indicators in place and reported to the relevant risk governance committee;</p> <p>Second line corporate functions available to support and challenge material process changes as required;</p> <p>Oversight committees in place with scope to react to changes in the environment or processes;</p> <p>Regular risk-based internal audits and external audits;</p> <p>Appropriate use of internal and external professional advice.</p>
People and Behavioural Risk 	<p>The risk of failure to recruit, retain and develop a sufficiently skilled, diverse, engaged, resilient and adaptable workforce and/or to maintain ethical and positive workplace behaviours in a manner consistent with relevant laws, regulations, policies, and expectations.</p> <p>Possible consequences include an adverse impact to the NTMA's ability to execute its mandates, financial loss, business disruption and/or reputational damage.</p>	<p>There is a three-year (2019-2021) HR Strategy in place;</p> <p>Continued investment in staff through a Learning and Development (L&D) programme with a focus on leadership and management skills, and regular staff communications;</p> <p>The NTMA operates a structured recruitment and selection process. Retention rates are monitored and reported and succession planning is undertaken;</p> <p>Measures focused on maintaining employee wellbeing and strong engagement in the remote working environment and regular staff engagement surveys and staff communications;</p> <p>Annual resources budgeting, performance reviews and L&D requirements processes in place;</p> <p>A range of HR and compliance policies and procedures help to ensure best practice in people management and ethical standards. Compliance training is provided to all employees;</p> <p>Key internal controls and anti-fraud measures are in place;</p> <p>Regular risk-based internal audits and external audits.</p>

Management Team



Conor O'Kelly

CHIEF EXECUTIVE



Ian Black

CHIEF FINANCIAL AND OPERATING OFFICER
(on temporary secondment to SBCI – Interim
SBCI Chief Executive Officer)



Ciarán Breen

DIRECTOR, STATE CLAIMS AGENCY



Sinéad Brennan

CHIEF PEOPLE OFFICER



Des Carville

HEAD OF BANKING
(on secondment to Department of Finance
since 2014)



Eugene O'Callaghan*

DIRECTOR, IRELAND STRATEGIC
INVESTMENT FUND**



Frank O'Connor

DIRECTOR, FUNDING AND DEBT
MANAGEMENT



Andrew O'Flanagan

DIRECTOR, NATIONAL DEVELOPMENT
FINANCE AGENCY AND NewERA



Susan O'Halloran

CHIEF LEGAL OFFICER

*Eugene O'Callaghan stepped down as Director, ISIF on 31 January 2021.

**Nick Ashmore (former SBCI Chief Executive) was appointed as Director, ISIF with effect from 15 February 2021.

Governance and Corporate Information

NTMA Culture and Values

The NTMA is guided by a strong culture and a common set of core values, which it relied upon throughout what was a turbulent year in 2020. The culture of the NTMA is based on the pillars of self-leadership, collaboration and encouragement of learning and development. The NTMA's values, as outlined below and developed in collaboration with employees were refreshed during 2020. They encapsulate what is personal to the organisation in terms of how work is done and reflects what is constantly valued by the NTMA. Perhaps most importantly the values set out how employees engage with each other and with NTMA stakeholders. During 2020, the values assisted employees in responding to the pandemic and ensured that there was a continued focus providing long term value for Ireland's citizens. Empowering employees and providing support internally and externally were critical components in the NTMA successfully executing on its mandates during 2020 and the values of the NTMA were never more important.

The values are:



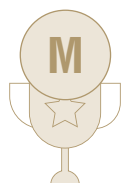
National Interest

The long term interest of Ireland's citizens is always at the centre of our deliberations and decisions. We are continuously learning and reflecting on our pursuit of individual and collective excellence in order to achieve the best results.



Thank You

We recognise the contribution of everyone's role in creating successful outcomes. We say 'thank you' a lot.



Model Behaviour

It's not only what we say but what we do that counts. We act as role models both internally and externally empowering and supporting each other, exhibiting honesty and humility.



Awareness of Self and Others

We embrace diversity of background and opinion. We believe that challenge and openness to different views leads to better results. We strive to be a trusted group of colleagues who work hard for each other and for the country.

Continuing to Foster an Inclusive and Diverse Workforce

During 2020, COVID-19 brought significant challenges and adversity to organisations and the people within them. Research indicates that it is having a disproportionately negative impact on women and on minority groups. It is widely recognised that inclusive cultures create an environment of resilience, collaboration, supportive networks and relationships and that these environments can be particularly beneficial when facing adversity such as that brought about by a global pandemic. In recognising the challenges of COVID-19 but also the positive impact that an inclusive and diverse culture can have on handling adversity, the NTMA invested even more in its inclusion and diversity agenda. In particular, the NTMA sought to invest in its leadership team by developing an inclusive leadership ethos, to support parents and those with caring responsibilities during the pandemic by offering flexibility and by offering additional supports for those with a disability. The NTMA also invested in additional networks and reached outside the NTMA for best practice regarding inclusion and diversity, some of which are outlined in the tables on pages 80 to 82. The NTMA intends to continue to focus on inclusion and diversity in the years ahead to ensure that the organisation is representative of our society and to ensure that the organisation is one where each person has a true sense of belonging.

The NTMA's work in this area reflects the Public Service Duty requirement set out in section 42 of the Irish Human Rights and Equality Commission Act 2014.

Gender pay gap figures

The gender pay gap analysis and profile is based on annual base pay effective 31 December 2020.

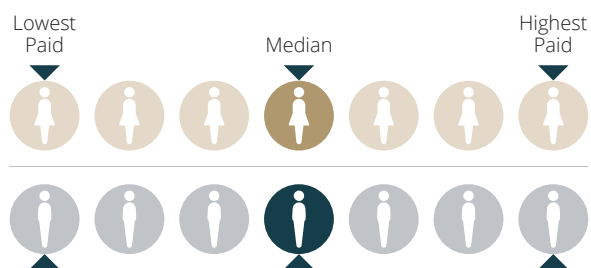
The table below illustrates that overall at median base pay there is a 20% pay gap in favour of male employees and at mean base pay there is a 23% pay gap in favour of male employees.

The overall mean gender pay gap for the NTMA has decreased by 1% to 23% from last year with the median pay gap increasing by 1%.

Gender Pay Gap	2019	2020
MEDIAN	19%	20%
MEAN	24%	23%

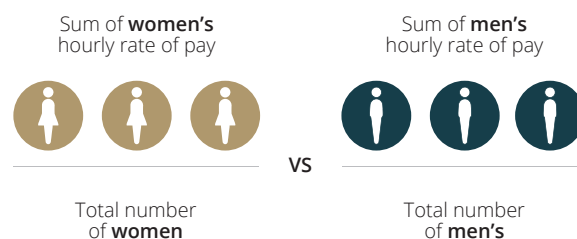
Distinguishing Between Median and Mean

Median Calculation



The median is the figure that falls in the middle of a range when the salary of all relevant employees are lined up from smallest to largest. The median gap is calculated based on the difference between the employee in the middle of the range of male salary and the middle employee in the range of female salaries.

Mean Calculation



The mean is calculated by adding up the salary of all relevant employees and dividing the figure by the number of employees.

The mean gender pay gap is calculated based on the difference between mean male pay and mean female pay.

Understanding the gap

The NTMA's gender pay gap continues to be influenced by the fact there are more men than women in senior roles across the organisation, and at the same time there are more women than men in less senior roles.

As at 31 December 2020, women made up 52% of the overall workforce with 33% of the NTMA Executive Management Team and 32% of the NTMA Senior Leadership Team being women.

This represents an approximately 70% male / 30% female female split at senior level while administration and support roles are represented by a 70% female / 30% male split.

Governance and Corporate Information

Addressing the gap

The NTMA is making some progress, although still slower than it would like, towards increasing the number of women in more senior, higher-paying positions. The NTMA remains absolutely committed to closing the gender pay gap, and is particularly encouraged by the noticeable and positive cultural change towards gender parity that is evident within the organisation.

The NTMA's Gender Balance Strategy agreed by the NTMA Board, Chief Executive and Executive Management Team continued to be implemented throughout 2020. The NTMA aims to have equality of gender at all levels in the NTMA with a culture of appreciation of gender differences in management and leadership styles.

The NTMA continues to review its approach and enhance it wherever possible. Over the past year, a wide range of activities have been undertaken to enhance the professional growth of employees and to improve the NTMA's ability to attract and develop employees in a way which allows it to achieve its gender balance goals.

Effective Activity	NTMA Approach
The Impact of COVID-19 on Women in the Workplace 	<ul style="list-style-type: none"> During the past year the NTMA was particularly mindful of the adverse impact COVID-19 was reporting to have on women in the workplace. An NTMA employee pulse survey focused on Inclusion and Diversity to understand if global trends and sentiments were reflected within the organisation. The data from that survey reported that there was little or no difference between genders in terms of considering reducing work hours, switching to a less demanding job, moving from a full to a part time role, taking a career break or leaving the workforce altogether.
Recruitment 	<ul style="list-style-type: none"> The NTMA actively work with recruitment partners to identify 30% representation of each gender for candidate shortlists. Recruitment advertisements are entered into a job description decoder which ensures gender neutral language. Fielding mixed interview panels.
Monitoring on Pay Promotion and Reward Processes 	<ul style="list-style-type: none"> Actively monitor promotion and reward processes to ensure the widest available pool of candidates is considered.
Flexibility 	<ul style="list-style-type: none"> The NTMA has a flexible working framework embedded within the culture of the organisation and complete flexibility was essential in order to support employees during 2020. 93% of NTMA employees said that they had the flexibility needed to manage both home and work commitments in an NTMA employee pulse survey.
Supporting Policies 	<ul style="list-style-type: none"> Encourage the uptake of paternity and family leave among new fathers and partners.
Networking Programmes 	<ul style="list-style-type: none"> The Gender Matters network focuses on the inclusion and development of women, through programmes like the My Story series and other initiatives that provide access to career and professional development tools.
Engaging Men 	<ul style="list-style-type: none"> The Gender Matters team expanded to include the representation of male colleagues and worked this year to engage men on the gender balance agenda. The NTMA celebrated International Men's Day in November with a series of online events.
External Partnerships 	<ul style="list-style-type: none"> 28 employees of both genders participated in 30% Club Ireland cross company mentoring programme. The NTMA expanded its partnership relationships to include the Professional Women's Network (PWN), The Executive Institute and Network Ireland.
Learning & Development 	<ul style="list-style-type: none"> Women from across the NTMA participated in several pilot female leadership programmes. The NTMA Thrive Programme has been developed to support new parents managing the transition of a significant phase in their life. The NTMA participated in 30% Club Deloitte Board Ready Programme.

Other Developments

The NTMA maintained a strong focus in 2020 on the influence and impact its business mandates have on external stakeholders.

Ireland Strategic Investment Fund

ISIF has developed a gender diversity action plan which sets a minimum target of 30% female representation on the boards of ISIF investee companies across the Irish Portfolio.

The ISIF action plan includes the following:

1. asking the question of every investee company on their current gender diversity;
2. asking them to join ISIF in committing to the minimum 30% target they have set;
3. asking for tangible plans to achieve the minimum 30% target; and
4. using ISIF influence as a shareholder and through their board representatives to ensure the target is met.

ISIF also seek regular and detailed information from each investee company on the percentage of women on its board, in its executive team and in its workforce as a whole.

NewERA

As set out in the annex to the Code of Practice for the Governance of State Bodies which deals with Gender, Balance, Diversity and Inclusion, the Government target is to achieve 40% representation of each gender in the membership of all State Boards.

NewERA is working in conjunction with the Public Appointments Service (PAS) to seek to improve gender diversity in relation to board appointments for commercial State bodies within its remit.

NewERA also monitors and reports on gender balance statistics for the bodies within its remit and this extends beyond the boards to also consider gender balance at the Chairperson and CEO levels as well as for the executive management teams of each body.



LGBT+

The NTMA LGBT+ initiative is now in the second year of a three year strategy. The strategy for 2020 was presented to and approved by the NTMA's Executive Management Team in early 2020. The initiative continues to focus on providing a formal footing to encourage conversations at all levels of the organisation on LGBT+ topics and to foster a supportive environment for current and future generations (Millennials, Gen Z etc.) of employees who may need guidance or support on LGBT+ related issues.

Effective Activity

NTMA Approach

Supporting Policies



- The NTMA developed the NTMA Gender Identity and Expression Policy and the NTMA Workplace Gender Transition Guidelines in collaboration with Transgender Equality Network Ireland (TENI).

External Partnerships



- The NTMA LGBT+ Committee Chair assumed the role of Chair for the Financial Services Inclusion Network's (FuSlon) Community Pillar.
- The LGBT+ Committee partnered with TENI.
- The NTMA continued its partnerships with BelongTo and ShoutOut.

LGBT+ Network & Allies



- ShoutOut the youth LGBT+ charity held workshops on the ABCs of LGBT+
- Workshops were provided to HR on Transitioning in the workplace in conjunction with Transgender Equality Network Ireland.
- ShoutOut provided training for parents and guardians on LGBT+ youth matters.
- Throughout what was a challenging year due to the COVID-19 environment, the LGBT+ Committee worked to maintain the momentum of the LGBT+ initiative, diversifying to host a range of virtual, entertaining and educational events. These events were supported and well attended by internal and external allies.

Governance and Corporate Information



Disability

The Disability Awareness Team (DAT) aims to make the NTMA an inclusive and supportive workplace, one that sees the ability in disability, and to ensure that the NTMA meets its statutory obligation to have employees with a disability comprise 3% of its workforce. Approximately 4% of the NTMA's workforce has a disability.

The DAT strategy focuses on three pillars: Awareness, Participation and Sustainability.

Over the past year the DAT has continued to undertake a range of activities focused on creating awareness within the organisation, building its internal and external networks to leverage best practice, increasing participation across the business units of the NTMA and also providing support to employees and managers.

Effective Activity	NTMA Approach
Recruitment 	<ul style="list-style-type: none"> The NTMA was awarded a WAM Leadership Award for promoting the employment of graduates with a disability in 2020. The NTMA partner with specialist recruiters and attend specialist recruitment fairs. The DAT work with business units to recruit roles for persons with a disability. All candidates recruited through DAT partners are assigned a Mentor from the DAT.
Communication 	<ul style="list-style-type: none"> The NTMA is committed to ensuring that its communications are accessible to everyone. DAT worked with NTMA Internal Communications to promote where possible the use of subtitles on internal videos.
External Partnerships 	<ul style="list-style-type: none"> The NTMA is actively partnering with other organisations that can assist in expanding and advancing its objectives. The NTMA continued its engagement with Down Syndrome Ireland, The National Council for the Blind of Ireland, AHEAD, Trinity College, Specialisterne. The NTMA is a founder member of the Companies Accessibility Network (CAN) with Bank of Ireland, Vodafone, DELL, ESB, RTÉ and Enterprise Rent A Car. To celebrate International Day of Persons with Disabilities the DAT, in collaboration with Down Syndrome Ireland, created a video featuring two NTMA employees.
The Impact of COVID-19 on Disability in the Workplace 	<ul style="list-style-type: none"> As has been identified through research, COVID-19 presented additional challenges for persons with a disability. The NTMA provided supports to ensure that those with a disability were supported during this time.

NTMA Climate Action and Sustainability

The NTMA elevated climate change as a strategic risk following a decision by the NTMA Board in November 2019, given its increasing importance across all its business mandates. The NTMA Climate Action Strategy 2020 – 2023 was formulated on foot of this decision and was approved by the NTMA's Executive Management Team in March 2020. Its purpose is to integrate climate action into the NTMA's business decisions in the context of delivering its mandates to Government.

An NTMA Sustainability Group was established to ensure delivery of its climate strategy while also facilitating cross unit collaboration and information-sharing. This group is chaired by the NTMA's Director of Funding and Debt Management and regularly reports on progress to the Executive Management Team and the NTMA Board.

The NTMA is supporting various actions contained in the Government's Climate Action Plan (CAP) 2019 across its funding, investment, corporate and project financial advisory services, and public infrastructure procurements. Climate Action is a key factor driving changes to the NTMA's business targets for 2021 and beyond. The NTMA has submitted actions for consideration as part of the Government's new Climate Action Plan 2021.

The NTMA also recognises the contribution it can make by reducing its organisational carbon footprint and supporting its employees in adopting a low carbon lifestyle through a range of sustainability-related initiatives. The NTMA's Climate Action strategy also commits the organisation to be environmentally sustainable and a Net Zero emissions organisation by 2030 in advance of the 2050 timeline set by Government.

The NTMA established an employee led Green Team to support the aim of the NTMA to be a recognised leader in sustainable workplace practices in Ireland. The NTMA Green Team consists of committed and engaged employees who undertake environmentally sustainable activities in addition to their other responsibilities.

In July 2019, the NTMA occupied Treasury Dock which is certified as BER A3, LEED Platinum and NZEB compliant. A key requirement of the NTMA's move to its new premises was to ensure that the new building was as environmentally sustainable as possible. The NTMA Green Team, established prior to the move, continues to assist in embedding new environmentally sustainable behaviours among all employees to ensure the NTMA maximise such opportunities afforded by the new premises.

Governance and Corporate Information

Energy Efficiency Report

In 2020 the NTMA operated solely from Treasury Dock, North Wall Quay, Dublin 1.

Treasury Dock has achieved LEED 2009 Platinum rating and BER A3 energy rating standards.

Electricity Consumption kWh

	2020	2019	Diff %	Notes
kWh	762,203	1,990,143	↓-61.7	1
kWh/m ²	57	94	↓-39	2
CO ₂ e tonnes	247.4	685.1	↓-64	3

Gas Consumption kWh

	2020	2019	Diff %	Notes
kWh	1,690,521	2,419,229	↓-30	1
kWh/m ²	127	114	↑+11	2
CO ₂ e tonnes	313.7	391.5	↓-20	4

Notes

1. The decrease in electricity and gas consumption was primarily due to the surrender of Treasury Building leases and no recorded energy consumption at those premises for 2020.
2. Treasury Dock 13,357m², 2019 figures also include the consumption from Treasury Building 7,920 m².
3. Scope 2 emissions (location based).
4. Scope 1 emissions (location based).

Financial Statements

Prepared by the National Treasury Management Agency in accordance with section 12 of the National Treasury Management Agency Act, 1990

Statement on Internal Control	86
National Debt of Ireland	89
National Treasury Management Agency – Administration Account	109
Post Office Savings Bank Fund	131
State Claims Agency	141
Dormant Accounts Fund	151
National Surplus (Exceptional Contingencies) Reserve Fund	163
Ireland Strategic Investment Fund	177

Financial Statements

Statement on Internal Control

Scope of Responsibility

On behalf of the National Treasury Management Agency ("the Agency") we acknowledge the Agency's responsibility for ensuring that an effective system of internal control is maintained and operated. This responsibility takes account of the requirements of the Code of Practice for the Governance of State Bodies (2016).

Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a tolerable level rather than to eliminate it. The system can therefore only provide reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded and that material errors or irregularities are either prevented or detected in a timely way.

The system of internal control, which accords with guidance issued by the Department of Public Expenditure and Reform has been in place in the Agency for the year ended 31 December 2020 and up to the date of approval of the financial statements.

Capacity to Handle Risk

The Agency has a formal risk management and governance framework in place, designed to support the proactive management of risk. The Agency's Risk Management Policy and Framework and Risk Appetite Framework, together set out its risk appetite, its risk management structures and processes and details the roles and responsibilities of staff in relation to risk. The Agency has ultimate oversight and accountability in relation to risk management and provides direction by approving the Risk Management Policy and Framework and the Risk Appetite Framework. Thereafter the Agency assures itself on an on-going basis that executive management is responding appropriately to risks and it is assisted in this regard by the Audit and Risk Committee (ARC), which monitors adherence to risk governance and risk appetite and ensures risks are properly identified, assessed, managed and reported.

In 2020, the ARC comprised four Agency members, with financial and audit expertise, one of whom is the Chair. The Committee met eight times in 2020.

An executive-level Enterprise Risk Management Committee ("ERMC") oversees the effective management of risk and compliance by reviewing and / or approving key risk frameworks and policies, monitoring the organisation's risks and controls and monitoring the overall risk profile and strategic risks.

The Risk Management Policy and Framework and Risk Appetite Framework which were updated in 2020 were published and communicated to all staff who are expected to comply with the requirements therein. The embedding of risk management was supported by a programme of risk training and awareness in the reporting period.

Risk and Control Framework

The Agency's Risk Management Policy and Framework, supported by the Risk Appetite Framework, provides the methodology and processes, by which key risks are identified, assessed, managed, monitored and reported and are supported by a suite of risk management policies.

Individual business units and corporate functions maintain risk registers in which their key risks and controls are recorded and responsibility for operation of the controls assigned. These registers are reviewed twice yearly by the respective business units and corporate functions and the controls therein are attested by the control owners. Risk registers were reviewed by the appropriate risk committees during the reporting period.

The ARC also conducted a review of the Agency's principal risks in the reporting period, based on a top-down risk assessments exercise conducted by the ERMC.

The Agency has an established control environment, as part of which:

- Authority and financial responsibilities are delegated by the Agency Chief Executive to Agency management and staff through the use of delegated authorities which define their authority and financial responsibilities to act on behalf of the Agency.
- It has developed policies and procedures in respect of the management of the key aspects of its activities. These policies and procedures are reviewed by their business owners and updated to align with business processes.
- It has an appropriate financial and budget management system, incorporating accounts payable controls as well as regular reporting of the Agency's costs and monitoring of costs against budget to the Executive Management Team.
- It has an established financial reporting framework to support its external and statutory reporting obligations in respect of its businesses.
- It has established systems, procedures and controls in place to manage and safeguard its business assets including property, equipment and vehicle assets.

- It takes all reasonable measures considered necessary to protect information and systems including the confidentiality, integrity and authenticity of the information stored on Agency systems and to minimise so far as practicable the risk of unauthorised access to information from both internal and external sources. This protection is achieved through the application of recognised standards, policies and controls.
- It has an established Cyber Security Framework to facilitate identification, assessment and management of the cyber risks that the Agency may be exposed to. Regular Staff Awareness Training on cyber risks is also in place for all Agency staff.
- It has a business continuity framework with a view to ensuring the Agency is able to manage disruptive scenarios, provide contingency premises, recover key systems and maintain as far as possible the continuity of critical operations, and resume normal business operations in a timely manner.

Some of the Agency's business processes in particular for the State Claims Agency payments continue to be manual. Management are in the process of automating the relevant business processes and have implemented enhanced controls and procedures during 2020 to reduce and mitigate this business risk.

Covid-19

As a result of the Covid-19 pandemic the NTMA moved to a predominantly remote-working environment during 2020 (in line with similar organisations and government guidelines), with related changes to processes and controls implemented and documented as required to facilitate this change. NTMA Business Units and Corporate Functions considered any material changes to the risk and control environment and to key business processes arising from the impact of Covid-19 as part of the semi-annual risk and control self-assessment process. The impact of Covid-19 and the remote working environment was also considered in the most recent NTMA Strategic Risk Assessment. Certain key processes which changed and / or were introduced as a result of the remote operating environment were reviewed by Internal Audit. The key internal controls, both existing and those introduced in response to the Covid-19 pandemic, continue to be effective.

On-going Monitoring and Review

The Agency has established processes for the on-going monitoring and review of the effectiveness of controls which are carried out through its three lines of defence model which includes:

- The first line, comprising the Agency's business units and corporate functions, owns the risks associated with business activities and are primarily responsible for managing those risks on a day-to-day basis. This includes implementing and monitoring adherence to the Agency's risk management policies and risk appetite, conducting risk and control self-assessments, managing operational events and implementing appropriate responses. They provide reports for the Agency's risk governance committees on their risks and controls and operational events.
- The second line comprises the Agency's Risk and Compliance functions and is independent of the first line management and operations. The Risk function oversees compliance with risk management policies across the Agency, provides independent review and challenge to the first line, and provides risk reports and information to the various risk governance committees. The Compliance function and Data Protection Officer promote compliance and personal data protection awareness through training, codes of conduct and relevant policies. They provide compliance and personal data protection support, advice and independent challenge to first line management and submit regular reports to the ERM and ARC.
- Internal Audit is a third line of defence, providing independent risk-based assurance to key stakeholders on the robustness of the Agency's governance, risk management system and the design and operating effectiveness of the internal control environment under a planned programme of work approved by the ARC. The internal auditor provides regular reporting to the ARC on the status of the internal control environment in the context of reviews undertaken and the status of internal audit issues raised previously.

Procurement

The Agency has an established Procurement Policy (published on its website) and a Procurement Procedure. The Agency's procurement practices are in accordance with the aforementioned documents. A corporate procurement plan, based on the template published in the Office of Government Procurement Policy framework document, is in place and is being implemented. The corporate procurement plan is updated annually.

The Agency's Procurement Procedure is consistent with the current Office of Government Procurement (OGP) guidelines. In certain instances it is deemed appropriate to obtain duly authorised exceptions from the Policy and Procedure (i.e. not run a competitive tender process) in respect of services, supplies or works valued above €5,000 (ex VAT) and below the EU thresholds e.g. for reasons of confidentiality, conflicts of interest, urgency, protection of intellectual property rights, sole source of supply etc.

The Agency is subject to EU Directive 2014/24/EU as implemented in Ireland by the European Union (Award of Public Authority Contracts) Regulations 2016 (the 'Regulations'), in respect of the procurement of services, supplies and works above certain value thresholds set by the EU. Where the Regulations do not apply – either because the value of the procurement is below the EU

Financial Statements

Statement on Internal Control (continued)

thresholds or falls outside of the Regulations – the Agency adopts a process (in accordance with its Procurement Policy and Procedure as outlined above) that is designed to achieve the best value for money. Exceptions to the Agency's Procurement Policy and Procedure are approved by senior management.

The use of exceptions under the Agency's Procurement Policy and Procurement Procedure does not amount to non-compliant procurement. For contracts that are valued above the EU thresholds, EU legislation applies, and the Regulations permit exceptions from a competitive EU tender process in very restricted circumstances.

During 2020, payments with a total value of €6.77m (ex VAT) (2019: €4.98m ex VAT) were made in respect of goods/services that were the subject of procurement exceptions approved in accordance with the Agency's Procurement Policy and Procurement Procedure. A breakdown of these exceptions is provided in the table below.

Category	Total (ex VAT) 2020 €m	Notes
Expert Witnesses	4.71	Note 1
e-Discovery	0.82	Note 2
Information Technology & Communications	0.79	Note 3
Facilities Management/Maintenance	0.25	
Professional Services	0.172	
Marketing Print & Stationery	0.028	

Note 1: Expert witnesses are witnesses engaged by the State Claims Agency ("SCA") to provide reports and give evidence in personal injury and property damage cases being managed by the SCA. Although they are engaged by the SCA, such witnesses are witnesses of the Court and their overriding duty is to provide truthful, independent and impartial expert evidence, within their field of expertise, to the Court. Expert witnesses can be divided into two broad categories: witnesses as to liability and causation (e.g. medical and engineer witnesses) and witnesses as to quantum and fact (e.g. actuarial witnesses). A management decision was taken by the SCA that the selection of expert witnesses as to causation and liability would not be competitively procured as it was considered that such a procurement process would be likely to give rise to an added level of litigation risk in relation to the independence of such witnesses. It should be noted that payments to expert witnesses are in respect of a large number of separate engagements, where the amount payable in the majority of individual cases is less than €5,000 (ex VAT).

Note 2: This relates to payments made to a service provider that was appointed by the SCA where, for reasons of extreme urgency, following an order for discovery, the time limits specified for a competitive procedure could not have been complied with in circumstances where the Court could have struck out the State's defence, for non-compliance with the Discovery Order. This arrangement relates to specific ongoing litigation being managed by the SCA that is at an advanced stage.

Note 3: This includes payments of €0.216m (27.56%) to sole providers of a service and a payment of €0.224m (28.4%) to a service provider where the services are required in order to comply with Ministerial Guidelines issued pursuant to Section 4(4) of the National Treasury Management Act 1990.

The Agency's Procurement Policy and Procurement Procedure are reviewed on an on-going basis and are updated as required.

Annual Review of Effectiveness

We confirm that the National Treasury Management Agency has procedures to monitor the effectiveness of its risk management and control procedures. The National Treasury Management Agency's monitoring and review of the effectiveness of the system of internal control is informed by the work of the internal and external auditors, the Audit and Risk Committee which oversees their work, and the senior management within the National Treasury Management Agency responsible for the development and maintenance of the internal financial control framework.

We confirm that the Agency conducted an annual review of the effectiveness of the internal controls for 2020.

No weaknesses in internal control were identified in relation to 2020 that require disclosure in the financial statements.

Maeve Carton, Chairperson
National Treasury Management Agency

Gerardine Jones, Chairperson, Audit & Risk Committee
National Treasury Management Agency

5 May 2021

Financial Statements of the National Debt of Ireland

For the year ended 31 December 2020

Report of the Comptroller and Auditor General	90
Service of National Debt	92
National Debt Statement	93
National Debt Cash Flow Statement	94
Statement of Movement in National Debt	95
Notes to the Financial Statements	96

Financial Statements



Ard Reachtair Cuntas agus Ciste Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

National Debt of Ireland

Opinion on the financial statements

I have audited the financial statements on the national debt of Ireland prepared by the National Treasury Management Agency (the Agency) for the year ended 31 December 2020 as required under the provisions of section 12 of the National Treasury Management Agency Act 1990 (as amended). The financial statements comprise the service of national debt, the national debt statement, the national debt cash flow statement, the statement of movement in national debt and the related notes.

In my opinion, the financial statements properly present

- the balance outstanding on the national debt at 31 December 2020, and
- the debt service cost for 2020.

Basis of opinion

I conducted my audit of the financial statements in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the Agency and have fulfilled my other ethical responsibilities in accordance with the standards.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Report on information other than the financial statements, and on other matters

The Agency has presented the financial statements together with certain other information in relation to the operation of the national debt. This comprises the Agency's annual report (including the governance statement and Agency members' report) and the statement on internal control. My responsibilities to report in relation to such information, and on certain other matters upon which I report by exception, are described in the appendix to this report.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

11 May 2021

Appendix to the report of the Comptroller and Auditor General

Responsibilities of the National Treasury Management Agency

As detailed in the governance statement and Agency members' report, the members are responsible for

- the preparation of financial statements in the form prescribed under section 12 of the National Treasury Management Agency Act 1990 (as amended)
- ensuring that the financial statements properly present the balance outstanding on the national debt at 31 December 2020 and the debt service cost for the year
- ensuring the regularity of transactions, and
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 12 of the National Treasury Management Agency Act 1990 (as amended) to audit the financial statements on the national debt of Ireland and to report thereon to the Houses of the Oireachtas.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.

- I evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Information other than the financial statements

My opinion on the financial statements does not cover the other information presented with those statements, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, I am required under the ISAs to read the other information presented and, in doing so, consider whether the other information is materially inconsistent with the financial statements or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

Reporting on other matters

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation. I report if I identify material matters relating to the manner in which public business has been conducted.

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I report if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

I also report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the financial statements to be readily and properly audited, or
- the financial statements are not in agreement with the accounting records.

Financial Statements

Service of National Debt

For the year ended 31 December 2020

	Note	2020 €m	2019 €m
Net Interest Paid on Gross National Debt	3	4,400	4,972
Net Interest Paid on Cash and Other Financial Assets	4	115	76
Fees and Operating Expenses	5	161	172
Total Debt Service Cost		4,676	5,220

The accompanying notes form an integral part of the financial statements.

On behalf of the Agency



Conor O'Kelly, Chief Executive
National Treasury Management Agency

5 May 2021



Maeve Carton, Chairperson
National Treasury Management Agency

National Debt Statement

As at 31 December 2020

	Note	2020 €m	2019 €m
Medium/Long Term Debt			
Irish Government Bonds	6	136,809	130,067
EU and UK Bilateral Loans	7	41,393	43,269
Other Medium/Long Term Loans	8	4,097	2,578
		182,299	175,914
Short Term Debt			
Short Term Paper	9	14,027	9,998
Borrowings from Ministerial Funds	10	4,328	3,018
		18,355	13,016
State Savings Schemes			
State Savings Products	11	18,828	17,800
Gross National Debt			
		219,482	206,730
Cash and Other Financial Assets	12	(19,200)	(18,536)
National Debt	13	200,282	188,194

The accompanying notes form an integral part of the financial statements.

On behalf of the Agency



Conor O'Kelly, Chief Executive
National Treasury Management Agency

5 May 2021



Maeve Carton, Chairperson
National Treasury Management Agency

Financial Statements

National Debt Cash Flow Statement

For the year ended 31 December 2020

	Note	2020 €m	2019 €m
Movement in Exchequer Balances:			
Balance at 1 January	12	16,502	15,338
Decrease in Other Financial Assets	12	196	220
Net Borrowing of Debt (see below)		12,981	297
		29,679	15,855
Exchequer (Deficit)/Surplus		(12,317)	647
Balance at 31 December	12	17,362	16,502
		2020 Net ⁽¹⁾ €m	2019 Net ⁽¹⁾ €m
Net Borrowing/(Repayment) of Debt:			
Medium/Long Term Debt			
Irish Government Bonds		6,926	(2,942)
EU and UK Bilateral Loans		(1,876)	(1,608)
Other Medium/Long Term Loans	8	1,508	335
Short Term Debt			
Short Term Paper		4,085	3,628
Borrowings from Ministerial Funds	10	1,310	423
State Savings Schemes			
State Savings Products	11	1,028	461
Net Borrowing of Debt		12,981	297

¹ The amounts represent the net borrowing or repayment of debt (inclusive of premiums and discounts paid at issue / repayment) together with the rollover of debt and related hedging transactions.

The accompanying notes form an integral part of the financial statements.

On behalf of the Agency



Conor O'Kelly, Chief Executive
National Treasury Management Agency

5 May 2021



Maeve Carton, Chairperson
National Treasury Management Agency

Statement of Movement in National Debt

For the year ended 31 December 2020

	Note	2020 €m	2019 €m
National Debt at 1 January	13	188,194	187,682
Increase in National Debt		12,088	512
National Debt at 31 December	13	200,282	188,194
Increase in National Debt represented by:			
Exchequer Deficit/(Surplus)		12,317	(647)
Effect of Foreign Exchange Rate Movements		(55)	(23)
Adjustment for Inflation Linked Bonds		(15)	8
Net Discount on Medium/Long Term Loans		10	-
Net Discount/(Premium) on Bond Issuances and Cancellations		(169)	1,174
		12,088	512

The accompanying notes form an integral part of the financial statements.

On behalf of the Agency



Conor O'Kelly, Chief Executive
National Treasury Management Agency

5 May 2021



Maeve Carton, Chairperson
National Treasury Management Agency

Financial Statements

Notes to the Financial Statements

1. Background

Under the National Treasury Management Agency Act, 1990, the National Treasury Management Agency (“the Agency”) performs borrowing and National Debt Management functions on behalf of the Minister for Finance. The Agency’s functions relate to the National Debt which is the net debt incurred by the Exchequer after taking account of cash and other financial assets.

The form of the financial statements of the National Debt has been approved by the Minister for Finance under section 12 of the National Treasury Management Agency Act, 1990 as amended.

The financial statements of the National Debt also include disclosure notes in relation to the National Loans Advance Interest Account, the National Loans (Winding Up) Account, the National Treasury Management Agency (Unclaimed Dividends) Account, the Deposit Monies Investment Account, the Surplus Public Expenditure Monies Account and the Account of Stock Accepted in Payment of Inheritance Tax and Death Duties. As these are operational accounts set up for specific purposes, the related cash balances are not included with the Exchequer account balance reported under Cash and Other Financial Assets in the National Debt Statement.

2. Basis of Preparation

The financial statements have been prepared for the year ended 31 December 2020, on a cash basis under the historical cost convention except where otherwise stated.

The National Debt Statement is a statement of the total amount of principal borrowed by Ireland not repaid at the end of the year, less cash and other financial assets available for redemption of those liabilities at the same date. The Minister for Finance under various statutes also guarantees borrowings by the State and other agencies. These guarantees are not included in these financial statements.

The presentation currency is euro. All amounts in the financial statements have been rounded to the nearest million unless otherwise indicated. Figures may not total due to rounding. Where used, ‘000’ or ‘k’ denotes thousand, and ‘m’ denotes million.

2.1 Receipts and Payments

Receipts and payments relating to the National Debt through the Exchequer Account, Foreign Currency Clearing Accounts and the Capital Services Redemption Account (“CSRA”) are recorded at the time the money is received or payment made.

2.2 Liability Valuation

Debt balances are recorded in the National Debt Statement at their redeemable par value. Where medium or long-term debt is issued or cancelled at a premium or discount to its redeemable par value, the total consideration is reported within the Exchequer balance on the National Debt. The premium or discount is then reflected through the Statement of Movement in National Debt. For liabilities where the redeemable par value is linked to inflation, the increase or reduction to the liability due to movements in inflation is accounted for through the Statement of Movement in National Debt.

2.3 Derivatives

Swap agreements and other financial instruments are entered into for hedging purposes as part of the process of managing the National Debt. The results of those hedging activities that are linked with specific borrowing transactions are recognised in accordance with the underlying transactions. The net funds flows arising on hedging activities that are not linked with specific borrowing transactions are included in debt service costs at the time the funds are received or payment made. Where swaps are terminated or converted into other swap instruments the net funds flows affect debt service in accordance with the terms of the revised instrument.

2.4 Foreign Currencies

Receipts and payments in foreign currencies are translated into euro at the rates of exchange prevailing at the date of the transaction. Liabilities and assets in foreign currencies are translated into euro at the rates of exchange ruling at the year end date.

3. Net Interest Paid on Gross National Debt

	2020 €m	2019 €m
Interest Paid on Medium/Long Term Debt		
Irish Government Bonds	3,179	3,717
EU and UK Bilateral Loans	817	869
Derivatives hedging Medium/Long Term Debt	99	166
Private Placements	35	35
European Investment Bank	18	18
Medium/Long Term Notes	12	8
Council of Europe Development Bank	1	1
	4,161	4,814
Interest (Received) / Paid on Short Term Debt		
Euro Commercial Paper	13	27
Exchequer Notes	(7)	(11)
Irish Treasury Bills	(18)	(9)
	(12)	7
Interest Paid on State Savings Schemes		
10 Year National Solidarity Bonds	127	12
Savings Certificates	75	70
Prizes in respect of Prize Bonds	19	18
4 Year National Solidarity Bonds	12	16
Savings Bonds	10	24
Instalment Savings	8	11
	251	151
Total Net Interest Paid on Gross National Debt	4,400	4,972

4. Net Interest Paid on Cash and Other Financial Assets

	2020 €m	2019 €m
Interest Paid on Cash Balances	126	87
Interest Received on Financial Assets	(11)	(11)
	115	76

Interest paid on cash balances represents the prevailing negative interest rates charged by the Central Bank of Ireland on cash balances held. The increase in costs are due to, on average, a higher Exchequer cash balance held in 2020.

Financial Statements

Notes to the Financial Statements (continued)

5. Fees and Operating Expenses

	2020 €m	2019 €m
EU and UK Bilateral Loans	34	36
Government Bonds and Other Expenses	28	21
Prize Bonds	13	12
Savings Certificates	9	9
10 Year National Solidarity Bonds	6	6
Savings Bonds	3	4
4 Year National Solidarity Bonds	2	2
Instalment Savings	1	1
	96	91
Agency Operating Expenses ²	65	81
	161	172

The fees on the National Debt principally include service fees on long-term loans, syndication fees on new bond issuance and An Post service fees in relation to State Savings products.

² Expenses incurred by the Agency in the performance of its functions are charged on and paid out of the Exchequer Account. Further details can be found in the financial statements of the NTMA Administration Account (Central Fund note).

6. Irish Government Bonds

	2020 €m	2019 €m
Fixed Rate Bonds	127,946	120,045
Floating Rate Bonds	7,534	8,534
Inflation Linked Bonds	912	927
Amortising Bonds	417	561
	136,809	130,067

Floating Rate Bonds – Settlement of IBRC Promissory Notes:

Following the liquidation of Irish Bank Resolution Corporation ("IBRC") on 7 February 2013, and the agreement between the Irish Government and the Central Bank of Ireland ("CBI") to replace the promissory notes provided to State-owned IBRC with long-term Government Bonds, the promissory notes were cancelled and replaced with eight new Floating Rate Bonds. A total amount of €25.03 billion was issued on 8 February 2013 to the CBI with maturities ranging from 25 to 40 years.

During 2020, the Agency bought back and cancelled €1.0 billion (2019: €3.0 billion) of the Floating Rate Bonds from the CBI at a premium of €0.65 billion (2019: €1.74 billion). The outstanding nominal balance of the Floating Rate Bonds therefore reduced to €7.53 billion at year end 2020 (2019: €8.53 billion).

Since year end 2020, the Agency bought and cancelled a further €1.0 billion of the Floating Rate Bonds.

Sovereign Green Bond:

In accordance with the Irish Sovereign Green Bond (ISGB) Framework, fixed rate bonds include €6.1 billion from Ireland's inaugural sovereign green bond issuance.

7. EU and UK Bilateral Loans

Ireland's EU/IMF programme provided for €67.5 billion in external support from the International Monetary Fund ("IMF"), the European Financial Stabilisation Mechanism ("EFSM"), the European Financial Stability Facility ("EFSF") and bilateral loans.

The liabilities outstanding under the Programme at end 2020, taking into account the effect of currency hedging transactions, are as follows:

Lender	2020 €m	Weighted Average Residual Maturity Years	2019 €m	Weighted Average Residual Maturity Years
European Financial Stability Facility	18,411	12.1 Years	18,411	13.1 Years
European Financial Stabilisation Mechanism	22,500	7.9 Years	22,500	8.9 Years
United Kingdom Treasury	482	0.2 Years	2,358	0.7 Years
Total	41,393		43,269	

An agreement was reached in 2013 to extend the EFSF and EFSM loans. In respect of the EFSM loans, the revised maturity dates are only determined as they reach their original maturity dates. As a result the average maturity of the EFSM loans reflects only the maturity extensions agreed to date.

8. Other Medium/Long Term Loans

	2020 €m	2019 €m
Medium/Long Term Notes	2,010	635
European Investment Bank	1,440	1,295
Private Placements	602	602
Council of Europe Development Bank	40	41
Other Medium/Long Term Loans	5	5
	4,097	2,578

9. Short Term Paper

The Agency issues short-term paper with maturities of up to one year to raise short-term funds. The proceeds are used to fund the Exchequer as bridging finance in the replacement of longer term debt, and for other liquidity management purposes. Borrowings may be in a range of currencies, but all non-euro borrowings are immediately swapped into euro.

	2020 €m	2019 €m
European Commercial Paper Programme	4,876	345
Exchequer Notes	4,761	7,339
Irish Treasury Bills	3,760	2,010
Central Treasury Notes	630	304
	14,027	9,998

Financial Statements

Notes to the Financial Statements (continued)

10. Borrowings from Ministerial Funds

The National Debt includes borrowings from other funds under the control of the Minister for Finance and are an alternative source of Exchequer funding and liquidity. The borrowings act as a sweep where available monies are transferred to the Exchequer Account and are repayable as required.

	2020 €m	2019 €m
Post Office Savings Bank Fund	2,605	2,140
Surplus Public Expenditure Monies Account (note 19)	1,723	878
	4,328	3,018

11. State Savings Schemes

	2020 €m	2019 €m
Savings Certificates	6,237	5,961
10 Year National Solidarity Bonds	4,332	3,946
Prize Bonds	4,101	3,653
Savings Bonds	2,402	2,466
4 Year National Solidarity Bonds	1,226	1,257
Instalment Savings	528	515
Savings Stamps	2	2
	18,828	17,800

Amounts shown in respect of Savings Certificates, Instalment Savings, Savings Bonds, Solidarity Bonds and Prize Bonds include €19 million (2019: €9 million) cash balances held by An Post, Permanent TSB and the Prize Bond Company. An Post and the Prize Bond Company act as registrars for the respective schemes. As the National Debt financial statements are prepared on a cash basis, the liabilities do not include the sum of €270 million (2019: €275 million), being the estimate of the amount of accrued interest at end 2020 in respect of Savings Bonds, Savings Certificates, 10 Year National Solidarity Bonds, 4 Year National Solidarity Bonds and Instalment Savings.

12. Cash and Other Financial Assets

	2020 €m	2019 €m
Cash Balances		
Exchequer Account and CSRA ³	17,362	16,502
Other Financial Assets		
Collateral Funding (note 14.2)	252	96
SBCI Medium Term Guaranteed Notes	-	25
Housing Finance Agency Guaranteed Notes	1,586	1,913
	1,838	2,034
	19,200	18,536

³ The Balance held in the CSRA was €216k (2019: €250k) at end December 2020. The Exchequer and CSRA accounts are held at the CBI.

Cash is placed as collateral with counterparties arising from the requirements under Credit Support Annexes in respect of certain derivative transactions. These balances, and access to the related cash collateral, change on a daily basis and are dependent on the market value of these derivatives (See Note 14).

The Housing Finance Agency guaranteed notes may not be readily realisable dependent on market conditions.

12. Cash and Other Financial Assets (continued)

12.1 Foreign Currency Clearing Accounts

The Agency maintains a number of foreign currency clearing accounts for the purpose of managing transactions in these currencies. The balance held in these accounts at end December 2020 was Nil (2019: Nil). The Agency held no other foreign currency cash balances.

The movement in the Foreign Currency accounts are further outlined below:

	Receipts €m	Payments €m	Net 2020 €m	Net 2019 €m
Balance at 1 January			NIL	NIL
Debt Service				
Medium/Long Term Loans				
Interest	39	(37)	2	5
Short Term Debt Interest	-	(19)	(19)	(29)
Fees and Expenses	-	(2)	(2)	(6)
Borrowing Activity				
Medium/Long Term Loans	1,912	(1,912)	-	-
Short Term Debt	42,737	(42,718)	19	29
Foreign Exchange Contracts	986	(986)	-	1
Balance at 31 December	45,674	(45,674)	NIL	NIL

13. Risk Management

13.1 Risk Management Framework

The Agency's responsibility for both the issuance of new debt and the repayment of maturing debt, together with the management of the interest rate and currency profile of the total debt portfolio, makes the management of risk a central and critical element of the Agency's business. The principal categories of risk arising from the Agency's National Debt activities are liquidity, market, counterparty credit and operational risk.

The Agency Risk Management Policy and Framework prescribes mandatory standards and definitions for risk management that apply to all parts of the Agency and across all risk categories. These standards are then implemented through the detailed policies and procedures that govern the management of individual risk categories and/or risk management processes.

The Agency Risk Management Framework is predicated on the three-lines-of-defence model and its organisational structure and risk committee structure are aligned in order to establish clear ownership and accountabilities for risk management.

As the first line of defence, the Agency's Business Units and Corporate Functions are primarily responsible for owning and managing risks on a day-to-day basis, taking into account the Agency's risk tolerance and appetite and in line with its policies, procedures, controls and limits.

The second line of defence, which includes the Agency's Risk, Compliance and other control functions, is independent of first line management and operations and its role is to challenge decisions that affect the organisation's exposure to risk and to provide comprehensive and understandable reporting on risk and compliance management issues.

The third line of defence includes the Internal Audit function which provides independent risk-based assurance to key stakeholders on the robustness of the Agency's governance, risk management system and the design and operating effectiveness of the internal control environment under a planned programme of work approved by the Audit and Risk Committee.

A number of Agency and management committees, including the Agency Audit and Risk Committee and Risk sub-committees, support the Agency in discharging its responsibilities in relation to risk management.

Financial Statements

Notes to the Financial Statements (continued)

13. Risk Management (continued)

13.1 Risk Management Framework (continued)

Agency Audit & Risk Committee (ARC)

The Audit and Risk Committee assists the Agency in:

- the oversight of the quality and integrity of the financial statements, the review and monitoring of the effectiveness of the systems of internal control, the internal audit process and the compliance function, and the review and consideration of the outputs from the statutory auditor; and
- the oversight of the Agency's risk management framework including setting risk appetite, monitoring adherence to risk governance and ensuring risks are properly identified, assessed, managed and reported.

In addition, the Committee reviews and monitors the performance of the internal audit, compliance and risk management functions, which are managed on a day to day basis by the Head of Internal Audit, the Head of Compliance and the Head of Risk (Financial, Investment and Enterprise) respectively, to assess their effectiveness.

Management Committees

Enterprise Risk Management Committee (ERMC)

The ERMC oversees the implementation of the Agency's overall risk appetite and senior management's establishment of appropriate systems (including policies, procedures and risk limits) to ensure enterprise risks are effectively identified, measured, monitored, controlled and reported.

Counterparty Credit Risk Committee (CCRC)

The CCRC oversees and advises the ERMC on counterparty credit risk. It formulates, implements and monitors compliance with the NTMA Counterparty Credit Risk Management Policy, including the consideration and recommendation, where appropriate, of any proposed changes and ensures that all appropriate actions are taken in respect of relevant policy or any breaches. It reports relevant counterparty credit risk exposures and details to the ERMC.

Market and Liquidity Risk Committee (MLRC)

The MLRC oversees and advises the ERMC on market and liquidity risk exposures. It formulates, implements and monitors compliance with the NTMA Market and Liquidity Risk Policies, including the consideration and recommendation, where appropriate, of any proposed changes and ensures that all appropriate actions are taken in respect of relevant policy or any breaches. It reports relevant market risk and liquidity risk exposures and details to the ERMC.

Operational Risk and Control Committee (ORCC)

The ORCC reviews and recommends to the ERMC for approval the operational risk policies. The ORCC monitors, reviews and challenges the Agency's operational risks and reports on operational risk management to the ERMC.

Products and Processes Committee (PPC)

The PPC reviews, challenges and recommends to the ERMC for approval proposals and risk assessments in respect of new products and processes, or material changes to existing products and processes.

Principal Risks

Liquidity Risk

A key objective of the Agency is to ensure that the Exchequer has sufficient cash to meet all obligations as they fall due. Ensuring that the Exchequer has sufficient liquidity is one of the Agency's most critical tasks. Liquidity risks related to the National Debt can arise either from domestic events or, given the high level of linkage between markets, from events outside Ireland. The Agency manages liquidity risk primarily by maintaining appropriate cash buffers, by limiting the amount of liabilities maturing in any particular period of time and by matching the timing and volume of market funding with the projected funding requirements. This is reinforced by the Agency's activities in maintaining a functioning primary dealer market, a well informed and diversified international investor base, with a presence in all major capital markets and a broad range of debt instruments which can be issued.

13. Risk Management (continued)

13.1 Risk Management Framework (continued)

Market Risk

Market risk is the risk of loss or increased costs resulting from changes in the value of assets and liabilities (including off-balance sheet assets and liabilities) due to fluctuations in risk factors such as interest rates, foreign exchange rates or other market prices. The Agency must have regard both to the short-term and long-term implications of its transactions given its task of managing not only the immediate fiscal debt service costs but also the present value of all future payments of principal and interest. The exposure to interest rate and currency risk is controlled by managing the interest rate and currency composition of the portfolio in accordance with the Agency's risk appetite. Specific limits are in place to control market risk; exposures against these limits are reported regularly to senior management. As conditions in financial markets change, the appropriate interest rate and currency profile of the portfolio is reassessed in line with periodic limit reviews. The Agency seeks to achieve the best trade-off between cost and risk over time and has in place a hedging programme to manage interest rate and exchange rate risks and to protect the Exchequer from potential volatility in future years. More information on the use of derivatives is set out in Derivatives (note 14).

Counterparty Credit Risk

Counterparty credit risk is the risk of financial loss arising from a financial market transaction as a result of a counterparty failing to fulfil its financial obligations under that transaction and with regard to the National Debt mainly arises from derivatives, deposits and foreign exchange transactions. The level of counterparty credit risk is managed in accordance with the Agency's risk appetite by dealing only with counterparties of high credit standing. Procedures provide for the approval of risk limits for all counterparties and exposures are reported daily to management. A review of all limits is undertaken periodically to take account of changes in the credit standing of counterparties or economic and political events. In order to mitigate the Exchequer's exposure to market counterparties while at the same time ensuring that Ireland has efficient market access for its hedging activities, the Agency may enter into credit support arrangements with the market participants with which it wishes to trade – this involves the receipt and posting of collateral to offset the market value of exposures. More information on the use of credit support arrangements is set out in Derivatives (note 14).

Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events which would affect the Agency's ability to execute its business strategy. Sub-categories of operational risk include people risk, governance risk, third party risk, business continuity management and legal and compliance risk. A risk management policy and framework is applicable to the Agency as a whole. The objective of this policy and framework is to ensure that operational risk is managed in an appropriate and integrated manner across the organisation. This policy and framework outlines the strategy, processes, risk criteria, controls and governance structures in place for managing operational risks within the Agency. The policy and framework also sets out the methodology for the risk and control self-assessment process which describes the process for adequate and timely identification, assessment, treatment, monitoring and reporting of the risks posed by the activities of the Agency.

The NTMA Business Continuity Management Group ensures an appropriate and consistent approach to business continuity management across the Agency and provides a supporting role in establishment, implementation, monitoring and improvement of business continuity management activities.

Financial Statements

Notes to the Financial Statements (continued)

13. Risk Management (continued)

13.2 National Debt – Currency Composition

The Agency hedges the foreign currency risk of the National Debt through the use of foreign exchange contracts and currency swaps. The currency composition of the National Debt, and related currency hedges, is as follows:

Currency	As at 31 December	
	2020 €m	2019 €m
Debt Instruments		
Euro	197,443	185,835
US Dollar	2,174	-
Pound Sterling	471	2,371
	200,088	188,206
Foreign Exchange and Swap Contracts		
Euro	2,845	2,359
US Dollar	(2,180)	-
Pound Sterling	(471)	(2,371)
	194	(12)
National Debt	200,282	188,194

13.3 National Debt – Maturity Profile

The residual maturity profile at year end of the Medium/Long Term Debt, taking into account the treasury management transactions entered into by the Agency, is as follows:

2020 €m	Due within 1 Year	Due between 1-5 Years	Due between 5-10 Years	Due over 10 Years	Total
Irish Government Bonds	279	38,436	53,665	44,429	136,809
EU and UK Bilateral Loans ⁴	3,483	5,200	10,270	22,440	41,393
Other Medium & Long Term Debt	8	328	849	2,912	4,097
Short Term Debt ⁵	17,090	1,265	-	-	18,355
State Savings ⁶	7,713	8,451	2,662	2	18,828
Cash & Other Financial Assets	(18,185)	-	(215)	(800)	(19,200)
National Debt	10,388	53,680	67,231	68,983	200,282

2019 €m	Due within 1 Year	Due between 1-5 Years	Due between 5-10 Years	Due over 10 Years	Total
Irish Government Bonds	17,169	27,055	38,718	47,125	130,067
EU and UK Bilateral Loans	1,876	6,282	10,770	24,341	43,269
Other Medium & Long Term Debt	6	228	844	1,500	2,578
Short Term Debt ⁵	11,751	1,265	-	-	13,016
State Savings ⁶	6,892	8,399	2,507	2	17,800
Cash & Other Financial Assets	(17,669)	(252)	(215)	(400)	(18,536)
National Debt	20,025	42,977	52,624	72,568	188,194

⁴ Amounts due within 1 year in respect of EU and UK Bilateral Loans include a €3bn EFSM loan which was refinanced subsequent to the year end in April 2021 and will now mature in April 2036. EFSM loans are subject to extension with a maximum original weighted average maturity of 19.5 years – see note 7.

⁵ Short Term Debt includes a portion of the borrowings from the Post Office Savings Bank Fund which is not considered repayable on demand and as such, is categorised in the maturity profile as payable in the period 1-5 years.

⁶ State Savings maturities are based on contracted maturity information provided by An Post for end 2020.

14. Derivatives

14.1 Derivatives

As part of its risk management strategy the Agency uses a combination of derivatives including interest rate swaps, currency swaps and foreign exchange contracts. The following table shows the nominal value and fair value, of the instruments related to the National Debt outstanding at year end. The fair value of each instrument is determined by using an appropriate rate of interest to discount all its future cashflows to their present value.

	31 December 2020		31 December 2019	
	Nominal €m	Fair Value €m	Nominal €m	Fair Value €m
Interest Rate Swaps	3,131	(51)	6,460	(150)
Currency Swaps and Foreign Exchange Contracts	2,845	(200)	2,371	5
	5,976	(251)	8,831	(145)

The Agency provides treasury services to the National Asset Management Agency ("NAMA") under section 52 and 235 of the National Asset Management Agency Act, 2009. Accordingly it may enter into derivative transactions with NAMA. Any such transactions are offset by matching transactions with market counterparties. As a result there is no net effect on the National Debt accounts. The nominal value of interest rate swaps transacted with NAMA outstanding at end 2020 was €Nil (2019: €Nil); the nominal value of currency swaps and foreign exchange rate contracts transacted with NAMA outstanding at end 2020 was €0.02 billion (2019: €0.02 billion).

The Agency also provides treasury services to IBRC (in liquidation) and accordingly may enter into derivative transactions with IBRC. Any such transactions are offset by matching transactions with market counterparties. As a result there is no net effect on the National Debt accounts. The nominal value of foreign exchange rate contracts transacted with IBRC outstanding at end 2020 was €0.11 billion (2019: €0.11 billion).

In order to mitigate the risks arising from derivative transactions, the Agency enters into credit support arrangements with its market counterparties. Derivative contracts are drawn up in accordance with Master Agreements of the International Swaps and Derivatives Association ("ISDA"). A Credit Support Annex ("CSA") is a legal document which may be attached to an ISDA Master Agreement to regulate credit support (in this case, cash collateral) for derivative transactions and it defines the circumstances under which counterparties are required to post collateral. Under the CSAs, the posting of cash constitutes an outright transfer of ownership. However, the transfer is subject to an obligation to return equivalent collateral in line with changes in market values or under certain circumstances such as a Termination Event or an Event of Default. The provider of collateral is entitled to deposit interest on cash balances posted.

14.2 Credit Support Account

The Agency established a Credit Support Account in the Central Bank of Ireland in 2010 to facilitate these transactions. Derivative contracts are valued daily. When collateral is required from a counterparty it is paid into the Credit Support Account. When the Agency is required to post collateral with a counterparty, it uses the funds in the Credit Support Account to fund the collateral payment. If there are insufficient funds in the Credit Support Account, the account is funded from the Exchequer.

	2020 €m	2019 €m
Balance at 1 January	-	-
Cash Collateral received from counterparties	1,509	1,067
Cash Collateral paid to counterparties	(1,665)	(551)
	(156)	516
Increase/(Decrease) in Exchequer Funding during the Year	156	(516)
Balance at 31 December	NIL	NIL
Note:	2020 €m	2019 €m
Exchequer Funding at 31 December	252	96
Net Collateral Posted to Counterparties at 31 December (note 12)	(252)	(96)

The Agency has entered into a Collateral Posting Agreement with NAMA. At end 2020, NAMA had posted collateral of €3m (2019: €25m) to the Agency as part of this agreement.

The Agency has also entered into a Collateral Posting Agreement with IBRC. At end 2020, IBRC had posted collateral of €10m (2019: €25m) to the Agency as part of this agreement.

Financial Statements

Notes to the Financial Statements (continued)

15. Capital Services Redemption Account (CSRA)

15.1 Background

The Capital Services Redemption Account ("CSRA") was established under section 22 of the Finance Act, 1950 as amended. The account is used for the purpose of settling transactions of a normal banking nature that the Agency may enter into in accordance with section 54(7) of the Finance Act, 1970.

Transactions of a normal banking nature include activities such as foreign exchange deals, swaps and interest on deposits which are related to debt servicing costs. Such amounts may be used to make payments and repayments in respect of normal banking transactions or towards defraying interest and expenses on the public debt.

Transactions of a normal banking nature include derivative transactions entered into by the Agency with the National Asset Management Agency ("NAMA") (in accordance with sections 52 and 235 of the National Asset Management Agency Act, 2009 and Statutory Instrument No. 203/2010) and the Irish Bank Resolution Corporation Limited (in Special Liquidation) ("IBRC") (in accordance with section 17(4) of the Irish Bank Resolution Corporation Act, 2013 and Statutory Instrument No. 57/2013) (see also note 14 above). Such transactions entered into with NAMA and IBRC are offset by matching transactions with market counterparties. As a result there is no net effect on the CSRA.

The balance in the CSRA is maintained by the Agency at a level which is subject to guidelines issued by the Minister for Finance under section 4(4) of the National Treasury Management Agency Act, 1990. Under ministerial guidelines the balance in the CSRA from year end 2015 and thereafter each year end was to be less than €1 million. To adhere to these guidelines, the Agency transfers excess funds from the CSRA to the Exchequer Account before year end.

15.2 Movement in the Account for the Year

	2020 €m	2019 €m
Balance at 1 January	-	-
Receipts		
Derivative Transactions	986	1,187
Interest on Cash and Other Financial Assets	12	13
	998	1,200
Payments		
Derivative Transactions	(986)	(1,187)
Interest on National Debt	(1)	(2)
Expenses on National Debt	-	-
Transfer to Exchequer Account	(11)	(11)
	(998)	(1,200)
Balance 31 December	-	-

15. Capital Services Redemption Account (CSRA) (continued)

15.3 Derivative Transactions undertaken for IBRC and NAMA

Receipts and payments in respect of derivative transactions undertaken in respect of IBRC and NAMA in the period are outlined below:

	Receipts €m	Payments €m	Net 2020 €m	Net 2019 €m
NAMA Related Derivatives	137	137	-	-
IBRC Related Derivatives	849	849	-	-
	986	986	-	-

16. National Loans Advance Interest Account

The Agency can cancel or issue amounts of existing Irish Government Bonds. The settlement amount for each bond transaction includes the accrued interest at that point in the coupon period. The interest paid is deposited in the National Loans Advance Interest Account until the full interest is due on the coupon date. On the coupon date, the interest is then used to offset the related servicing costs of the Exchequer.

Account of Receipts and Payments	2020 €m	2019 €m
Balance at 1 January	38	41
Accrued Interest Received on National Loans - Tranches and Auctions	27	44
Accrued Interest Paid on National Loans	(49)	(47)
Balance at 31 December - Cash with Central Bank of Ireland	16	38

17. National Loans (Winding Up) Account

When a National Loan, Stock or Government Bond is due for redemption, the full amount outstanding is payable to the holder. Amounts not claimed by the holder at the redemption date are transferred into this account by a payment from the Exchequer. Any future claims which are made in relation to these matured loans are therefore met from this account. This account also includes balances which were held by the Central Bank and the Department of Finance as Paying Agents in respect of uncashed redemption payments, and which were transferred to the Agency.

The balance on the account comprises principally historic amounts. Changes in the way in which bonds are held by investors and the processing of payments means unclaimed amounts rarely arise.

Account of Receipts and Payments	2020 €m	2019 €m
Balance at 1 January	3	3
Receipts from Central Bank Account	-	-
Payments to Central Bank Account	-	-
Balance at 31 December - Cash with Central Bank of Ireland	3	3

Financial Statements

Notes to the Financial Statements (continued)

18. National Treasury Management Agency (Unclaimed Dividends) Account

When interest is due on a bond liability, the full amount due is paid by the Agency to the Paying Agent who then issues it to the registered holder. The balance in the unclaimed dividends account represents unclaimed interest on matured loans, which has been returned to the Agency by the Paying Agent and has yet to be claimed by the registered holders. The Paying Agent maintains a cash float, on behalf of the Agency, which it uses to service claims as they arise during the year.

The balance on the account comprises principally historic amounts. Changes in the way in which bonds are held by investors and the processing of payments means unclaimed amounts rarely arise.

Account of Receipts and Payments	2020 €m	2019 €m
Balance at 1 January	3	3
Receipts/(Payments) of Unclaimed Interest	-	-
Balance at 31 December - Cash with Central Bank of Ireland	3	3

19. Surplus Public Expenditure Monies Account

The Surplus Public Expenditure Monies Account records the borrowings and repayments of surplus funds held in the Supply Account of the Paymaster General and forms part of the Borrowing from Ministerial Funds on the National Debt. The related cash receipts are included within the Exchequer Account balance on the National Debt (note 12).

Surplus Public Expenditure Monies Account	2020 €m	2019 €m
Balance at 1 January	878	537
Ways and Means Exchequer Receipts	8,273	12,793
Ways and Means Exchequer Payments	(7,428)	(12,452)
Balance at 31 December (note 10)	1,723	878

20. Account of Stock Accepted in Payment of Inheritance Tax and Death Duties

No stock was accepted in payment of inheritance tax and death duties during 2020 (2019: nil).

21. Events after the end of the reporting period

Note 6 details 2020 floating rate bond transactions which occurred after the end of the reporting period.

22. Approval of Financial Statements

The financial statements were approved by the Agency on 5 May 2021.

Financial Statements of the Administration Account

For the year ended 31 December 2020

Report of the Comptroller and Auditor General	110
Statement of Income and Expenditure and Other Comprehensive Income	112
Statement of Financial Position	113
Statement of Changes in Capital	114
Statement of Cash Flows	115
Notes to the Financial Statements	116



Ard Reachtair Cuntas agus Ciste Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

National Treasury Management Agency Administration Account

Opinion on the financial statements

I have audited the administration account of the National Treasury Management Agency (the Agency) for the year ended 31 December 2020 as required under the provisions of section 12 of the National Treasury Management Agency Act 1990 (as amended). The administration account comprises

- the statement of income and expenditure and other comprehensive income
- the statement of financial position
- the statement of changes in capital
- the statement of cash flows and
- the related notes, including a summary of significant accounting policies.

In my opinion, the administration account gives a true and fair view of the assets, liabilities and financial position of the Agency at 31 December 2020 and of its income and expenditure for 2020 in accordance with Financial Reporting Standard (FRS) 102 — *The Financial Reporting Standard applicable in the UK and the Republic of Ireland*.

Basis of opinion

I conducted my audit of the financial statements in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the Agency and have fulfilled my other ethical responsibilities in accordance with the standards.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Report on information other than the financial statements, and on other matters

The Agency has presented certain other information together with the financial statements. This comprises the Agency's annual report (including the governance statement and Agency members' report) and the statement on internal control. My responsibilities to report in relation to such information, and on certain other matters upon which I report by exception, are described in the appendix to this report.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

11 May 2021

Appendix to the report of the Comptroller and Auditor General

Responsibilities of the National Treasury Management Agency

As detailed in the governance statement and Agency members' report, the Agency members are responsible for

- the preparation of financial statements in the form prescribed under section 12 of the National Treasury Management Agency Act 1990 (as amended)
- ensuring that the financial statements give a true and fair view in accordance with FRS102
- ensuring the regularity of transactions
- assessing whether the use of the going concern basis of accounting is appropriate, and
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 12(2) of the National Treasury Management Agency Act 1990 (as amended) to audit the financial statements of the Agency and to report thereon to the Houses of the Oireachtas.

Separately, I am required by section 12(3) of the Act to report to Dáil Éireann with respect to the correctness of the sums brought to account by the Agency each year. My report under section 12(3) is presented to Dáil Éireann with my Report on the Accounts of the Public Services.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures.

- I conclude on the appropriateness of the use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Agency's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the Agency to cease to continue as a going concern.
- I evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Information other than the financial statements

My opinion on the financial statements does not cover the other information presented with those statements, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, I am required under the ISAs to read the other information presented and, in doing so, consider whether the other information is materially inconsistent with the financial statements or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

Reporting on other matters

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation. I report if I identify material matters relating to the manner in which public business has been conducted.

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I report if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

I also report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the financial statements to be readily and properly audited, or
- the financial statements are not in agreement with the accounting records.

Financial Statements

Statement of Income and Expenditure and Other Comprehensive Income

For the year ended 31 December 2020

	Note	2020 €000	2019 €000
Income			
Operating income	5	62,702	67,642
Central Fund income	6	54,685	80,722
Net deferred retirement benefit funding	8.2	5,005	3,229
		122,392	151,593
Expenditure			
Staff costs	7.2	(94,118)	(95,601)
Operating expenses	7.2	(30,747)	(37,226)
Net interest expense on defined benefit pension scheme	7.2	(1,000)	(953)
		(125,865)	(133,780)
Excess (expenditure)/income for the year		(3,473)	17,813
Transfer from/(to) capital account		3,473	(17,813)
Net income/(expenditure) for the year		-	-
Other Comprehensive Income			
For the year ended 31 December 2020		2020 €000	2019 €000
Net income/expenditure for the year		-	-
Actuarial loss recognised on retirement benefit obligations	9.9	(12,390)	(19,800)
Movement in deferred retirement benefit funding	8.3	12,390	19,800
Total comprehensive income for the year		-	-

The accompanying notes form an integral part of the financial statements.

On behalf of the Agency



Conor O'Kelly, Chief Executive
National Treasury Management Agency

5 May 2021



Maeve Carton, Chairperson
National Treasury Management Agency

Statement of Financial Position

As at 31 December 2020

	Note	2020 €000	2019 €000
Non-current assets			
Property, equipment and vehicles	10	28,960	32,065
Intangible assets	11	1,787	2,155
Receivables	12	431	308
		31,178	34,528
Current assets			
Receivables	13	19,490	22,065
Cash at bank		7,524	7,602
		27,014	29,667
Payables; amounts falling due within 1 year	14	(19,913)	(21,378)
Net current assets		7,101	8,289
Payables; amounts falling due after 1 year	15	(7,532)	(8,597)
Net assets before retirement benefits		30,747	34,220
Retirement Benefits			
Retirement benefit obligations	9.4	(87,496)	(70,101)
Deferred retirement benefit funding	9.4	87,496	70,101
		-	-
Net assets after retirement benefits		30,747	34,220
Representing:			
Capital account		30,747	34,220

The accompanying notes form an integral part of the financial statements.

On behalf of the Agency



Conor O'Kelly, Chief Executive
National Treasury Management Agency



Maeve Carton, Chairperson
National Treasury Management Agency

5 May 2021

Financial Statements

Statement of Changes in Capital

For the year ended 31 December 2020

	Note	Capital Account €000
Balance at 1 January 2019		16,401
Payment to acquire property, equipment and vehicles		20,183
Payment to acquire intangible asset		2,140
Amortisation of capital in the period		(4,104)
Disposal of property, equipment and vehicles		(400)
Balance at 31 December 2019		34,220
Payment to acquire property, equipment and vehicles	10	786
Payment to acquire intangible assets	11	447
Amortisation of capital in the period		(4,701)
Disposal of property, equipment and vehicles	10	(5)
Balance at 31 December 2020		30,747

The accompanying notes form an integral part of the financial statements.

On behalf of the Agency



Conor O'Kelly, Chief Executive
National Treasury Management Agency

5 May 2021



Maeve Carton, Chairperson
National Treasury Management Agency

Statement of Cash Flows

For the year ended 31 December 2020

	Note	2020 €000	2019 €000
Cash flows from operating activities			
Net income / expenditure		-	-
Depreciation of property, equipment and vehicles	10	3,886	4,030
Amortisation of intangible assets	11	815	746
Loss on disposal of property, equipment and vehicles		5	368
Decrease in receivables	12, 13	2,452	6,884
Decrease in payables	14	(1,053)	(2,035)
(Decrease)/increase in deferred income	14, 15	(693)	930
(Decrease)/increase in provision	16	(784)	169
Capital funding		1,233	22,323
Amortisation of capital funding		(4,706)	(4,504)
Net cash inflow from operating activities		1,155	28,911
Cash flows from investing activities			
Payments to acquire property, equipment and vehicles	10	(786)	(20,183)
Payments to acquire intangible assets	11	(447)	(2,140)
Proceeds from sale of property, equipment and vehicles		-	32
Net cash outflow from investing activities		(1,233)	(22,291)
(Decrease)/Increase in cash at bank		(78)	6,620
Cash at bank at 1 January		7,602	982
Cash at bank at 31 December		7,524	7,602

Financial Statements

Notes to the Financial Statements

1. Background

The National Treasury Management Agency (the “Agency”) is a state body established under the National Treasury Management Agency Act, 1990. The Agency provides asset and liability management services to Government. Its purpose is to manage public assets and liabilities commercially and prudently. The Agency operates across five separate business units; Funding and Debt Management, the State Claims Agency (“SCA”), NewERA, the Ireland Strategic Investment Fund (“ISIF”) and the National Development Finance Agency (“NDFA”). It also assigns staff and provides business and support services and systems to the National Asset Management Agency (“NAMA”), the Strategic Banking Corporation of Ireland (“SBCI”) and Home Building Finance Ireland (“HBFI”). NAMA, SBCI and HBFI are independent entities and have their own separate boards.

2. Basis of preparation

The financial statements have been prepared on an accruals basis under the historical cost convention in accordance with applicable legislation. The form of the financial statements has been approved by the Minister for Finance under section 12 of the National Treasury Management Agency Act, 1990 as amended.

The presentation currency is euro. All amounts in the financial statements have been rounded to the nearest thousand unless otherwise indicated. Where used, ‘000’ or ‘k’ denotes thousand, and ‘m’ denotes million.

3. Statement of compliance

The financial statements of the Agency have been prepared in compliance with applicable legislation and FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* issued by Financial Reporting Council in the UK.

4. Significant accounting policies

4.1. Going Concern

The financial position, financial performance and cash flows of the Agency are detailed in the financial statements. The Agency members have a reasonable expectation that the entity has adequate resources to continue in operational existence and discharge its mandate for the foreseeable future. Therefore the Agency continues to adopt the going concern basis of accounting in preparing the financial statements.

4.2. Operating income

The Agency is required to provide business and support services and systems, in addition to assigning staff to a number of related Government entities under prescribed legislation. The Agency adopts a cost recovery basis from these entities for the provision of staff and services. Operating income is recorded in the Statement of Income and Expenditure and Other Comprehensive Income.

4.3. Central Fund income

Central Fund income included in the Statement of Income and Expenditure and Other Comprehensive Income represents the amount necessary to meet the operating and administration costs incurred by the Agency. The amount is recognised in line with FRS 102 Section 24 Government Grants.

4.4. Expenditure

The costs and expenses incurred by the Agency in the performance of its functions are recognised in the Statement of Income and Expenditure and Other Comprehensive Income.

4.5. Property, equipment and vehicles

Property, equipment and vehicle assets are stated in the Statement of Financial Position at cost less accumulated depreciation. Depreciation is charged to the Statement of Income and Expenditure and Other Comprehensive Income on a straight line basis over the asset’s expected useful life.

At each reporting date, the Agency reviews the carrying amount of its property, equipment and vehicles as to whether there is any indication of impairment. Impairment losses are recognised if there are any indications that the carrying amount of an item is greater than the higher of value in use and fair value less costs to sell. Value in use is calculated by discounting the expected future cash flows obtainable as a result of the asset’s continued use, including those resulting from its ultimate disposal, at a market-based discount rate. This discount rate reflects the current market assessment of the time value of money and the risks specific to the asset for which future cash flow estimates have not been adjusted.

4. Significant accounting policies (continued)

4.5. Property, equipment and vehicles (continued)

A previously recognised impairment loss may be reversed in part or in full when there is an indication that the impairment loss may no longer exist or there has been a change in the estimates used to determine the assets recoverable amount. The carrying amount of the asset will only be increased up to the amount that it would have been had the original impairment not been recognised.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

4.6. Intangible assets

Expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred. Software is amortised in the Statement of Income and Expenditure and Other Comprehensive Income on a straight line basis over its estimated useful life, from the date on which it is available for use.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

At each reporting date, the Agency reviews the carrying amount of its software to determine whether there is any indication of impairment. If any such indication exists, these assets are subject to an impairment review.

The carrying value of the software is written down by the amount of any impairment and this loss is recognised in the Statement of Income and Expenditure and Other Comprehensive Income in the financial period in which it occurs. A previously recognised impairment loss may be reversed in part or in full when there is an indication that the impairment loss may no longer exist or there has been a change in the estimates used to determine the asset's recoverable amount. The carrying amount of the asset will only be increased up to the amount that it would have been had the original impairment not been recognised.

The impairment review is as detailed in 4.5 above.

4.7. Cash at bank

Cash at bank includes cash at bank and in hand. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

4.8. Leasing

Rentals under operating leases are charged on a straight line basis, net of incentives, over the lease term, to the Statement of Income and Expenditure and Other Comprehensive Income in line with FRS 102 Section 20 Leases. Up-front cash payments received from the lessor or lessee as part of lease or sublease are deferred and recognised over the lease term.

4.9. Retirement benefits

The Agency operates a defined benefit pension scheme, and for staff who are not in the scheme it makes contributions to Personal Retirement Savings Accounts ("PRSA") or individual retirement funds. Contributions are funded out of the Agency's Administration Account.

The defined benefit pension scheme costs are accounted for under FRS 102 Section 28 Employee Benefits. Pension scheme assets are measured at fair value. Pension scheme liabilities are measured on an actuarial basis using the projected unit credit method. An excess of scheme liabilities over scheme assets is presented in the Statement of Financial Position as a liability. Deferred pension funding represents the corresponding asset to be recovered in future periods from the Central Fund.

The defined benefit pension charge in the Statement of Income and Expenditure and Other Comprehensive Income comprises the current service cost and past service cost plus the net interest (note 9.5) cost on the scheme assets and liabilities.

Actuarial gains and losses arising from changes in actuarial assumptions and from experience gains and losses are recognised in Other Comprehensive Income for the year in which they occur and a corresponding adjustment is recognised in the amount recoverable from the Central Fund.

The cost of contributions by the Agency to PRSAs is recognised as a charge to the Statement of Income and Expenditure and Other Comprehensive Income in the financial year to which the employee service relates.

Financial Statements

Notes to the Financial Statements (continued)

4. Significant accounting policies (continued)

4.10. Capital account

The capital account represents receipts from the Central Fund which have been allocated for the purchase of property, equipment, vehicles and intangible assets. The receipts are amortised in line with depreciation and amortisation on the related assets.

4.11. Provisions

Provisions are recognised when the Agency has a present obligation (legal or constructive) as a result of a past event, it is probable that the Agency will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amounts recognised as provisions are the best estimates of the consideration required to settle the present obligation at the end of the reporting period.

4.12. Taxation

Under the Taxes Consolidation Act 1997, the Agency is exempt from Corporation Tax and Capital Gains Tax.

4.13. Key estimates and assumptions

The presentation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial position date and the amounts reported for income and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following estimates have had the most significant effect on amounts recognised in the financial statements.

Retirement Benefits (note 9)

The Agency has obligations to pay pension benefits to members of the defined benefit pension scheme. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and discount rates. Management estimates these factors in determining the net pension obligation in the statement of financial position. The assumptions reflect historical experience and current trends.

Provision (note 16)

The Agency makes provisions for legal and constructive obligations, which are known to be outstanding at the reporting date. Provisions require management's best estimates of the expected expenditure required to settle the obligation.

Useful life of assets and residual values

The charge in respect of periodic depreciation of property, equipment and vehicles (note 10) and periodic amortisation of intangible assets (note 11) is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Changing an asset's expected life or its residual value would result in a change in the depreciation or amortisation charge in the Statement of Income and Expenditure and Other Comprehensive Income.

The useful lives and residual values of the Agency's assets are determined by management and reviewed at least annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life.

5. Operating income

	Note	2020 €000	2019 €000
Recovery of expenses from NAMA		34,965	39,515
Recovery of expenses from ISIF	7.1	16,000	15,210
Recovery of expenses from SBCI	7.1	6,154	5,873
Recovery of expenses from HBFi	7.1	5,044	5,327
Asset covered securities income		186	216
Other income		353	1,501
		62,702	67,642

The Agency is required to provide business and support services and systems in addition to assigning staff to a number of functions under prescribed legislation as follows:

- To NAMA under sections 41 and 42 of the National Asset Management Agency Act 2009.
- To the SBCI under section 10 of the Strategic Banking Corporation of Ireland Act 2014.
- To HBFi under section 9 of the Home Building Finance Ireland Act 2018.

In addition, under section 48 of the National Treasury Management Agency (Amendment) Act 2014, the expenses of the Agency with regard to the ISIF are defrayed from the ISIF.

Asset covered securities are issued under the Asset Covered Securities Act, 2001 as amended by the Asset Covered Securities (Amendment) Act 2007. The Act (as amended) provides that in the event of a default by a bank registered as a designated mortgage credit institution or as a designated public credit institution under the Act (as amended), the Agency must in the following order, (i) attempt to secure an alternative service provider to manage the relevant asset pools, (ii) secure an appropriate body corporate to become the parent entity of the relevant pools or, (iii) manage the pools itself. In return, the Agency receives asset covered securities fee income based on the nominal amount of each asset covered bond in issue of the relevant institution.

Other income primarily comprises the recovery of professional fees and certain secondment and administrative fees. Under the direction issued to the Agency under Statutory Instrument (S.I.). No. 115 of 2010, the Minister for Finance delegated a number of banking system functions to the Agency. This delegation was revoked with effect from 5 August 2011 under S.I. No. 395 of 2011 and since then Agency staff involved in the provision of banking system functions have been seconded to the Department of Finance Shareholding and Financial Advisory Division. At the direction of the Minister, the related staff and professional advisor costs incurred continue to be met by the Agency. There were no professional advisor costs incurred in this regard during 2020 (recovered in 2019: €1.3m).

6. Central Fund income

The Central Fund operates on a receipts and payments basis whereas these financial statements have been prepared on an accruals basis. The following table sets out the reconciling items:

	Note	2020 €000	2019 €000
Opening balance at 1 January	13	(8,177)	(8,892)
Net amounts received from Central Fund		65,000	81,437
Closing balance at 31 December	14	(2,138)	8,177
Central Fund income		54,685	80,722

The total amount recognised as receivable from the Central Fund is:

	Note	2020 €000	2019 €000
(Payable to)/Receivable from the Central Fund	14, 13	(2,138)	8,177
Deferred retirement benefit funding	9.4	87,496	70,101
		85,358	78,278

Financial Statements

Notes to the Financial Statements (continued)

7. Agency costs

7.1. Expenses of the Agency for specified functions

	Note	2020 €000	2019 €000
State Claims Agency		28,126	28,457
Ireland Strategic Investment Fund	5	16,000	15,210
Funding and Debt Management		12,615	12,309
National Development Finance Agency		11,252	12,586
NewERA		5,812	6,007
		73,805	74,569
National Asset Management Agency		33,892	40,672
Strategic Banking Corporation of Ireland	5	6,154	5,873
Home Building Finance Ireland	5	5,044	5,327
Shareholding and Financial Advisory Division		1,777	3,865
		46,867	55,737
Net deferred retirement benefit funding	8.2	5,005	3,229
Other expenses ¹		188	245
		5,193	3,474
Total expenses		125,865	133,780

1 Other expenses reflect occupancy costs of office space allocated to non-Agency tenants.

7.2. Agency costs

	Note	2020 €000	2019 €000
Staff Costs			
Remuneration	7.3	78,116	80,555
Other staff costs ²		2,519	3,364
Defined benefit pension scheme current service charge	9.5	13,454	11,654
PRSA pension cost	7.4	29	28
		94,118	95,601
Operating expenses			
Other operating expenses ³		22,538	27,990
Professional fees		3,508	4,460
Depreciation	10	3,886	4,030
Amortisation	11	815	746
	7.5	30,747	37,226
Net interest expense on defined benefit pension scheme	9.5	1,000	953
Agency costs		125,865	133,780

2 Other staff costs include training, recruitment, temporary staff and secondment fees.

3 Other operating expenses include technology, occupancy and business service costs.

7. Agency costs (continued)

7.3. Remuneration

The following remuneration disclosures are required under *The Code of Practice for the Governance of State Bodies (2016)* ("the Code"):

Aggregate Employee Benefits

	NAMA €000	SBCI €000	HBFI €000	NTMA €000	2020 €000	2019 €000
Staff short-term benefits	18,118	2,503	2,606	45,864	69,091	70,607
Termination benefits	1,869	-	-	-	1,869	2,572
Pay Related Social Insurance	1,937	251	262	4,706	7,156	7,376
	21,924	2,754	2,868	50,570	78,116	80,555

The total number of whole time equivalent staff employed at 31 December 2020 was 787 (2019: 778).

Staff Short-Term Benefits

	NAMA €000	SBCI €000	HBFI €000	NTMA €000	2020 €000	2019 €000
Basic pay	18,003	2,452	2,569	45,078	68,102	66,942
Performance related pay	-	-	-	-	-	2,636
Allowances	115	51	37	786	989	1,029
	18,118	2,503	2,606	45,864	69,091	70,607

Key Management Personnel Compensation

	2020 €000	2019 €000
Agency and committee members' fees	283	259
Management remuneration	2,590	2,644
Performance related pay	-	200
Allowances	140	151
Health insurance	46	48
	3,059	3,302

Key management personnel in the NTMA consist of Agency and committee members as referred to in the Governance Statement, the Chief Executive and the Executive Management Team ("EMT"). The value of employee benefits for key management personnel is set out above (excluding Pay Related Social Insurance).

This does not include the value of retirement benefits earned in the period. The key management personnel (excluding the Agency members and the Chief Executive) are members of the NTMA pension scheme.

Chief Executive Salary and Benefits

The remuneration of the Chief Executive is determined in accordance with sections 6 (3) of the National Treasury Management Agency Act 1990 as amended.

Conor O'Kelly (Chief Executive)	2020 €000	2019 €000
Annual salary	480	480
Annual taxable benefits	4	5
Post-employment benefits	86	86
	570	571

The remuneration of the Chief Executive consists of basic remuneration and taxable benefits (health insurance). The Chief Executive did not receive a discretionary performance related payment in respect of 2020.

Financial Statements

Notes to the Financial Statements (continued)

7. Agency costs (continued)

7.3. Remuneration (continued)

Disclosures in respect of Agency staff excluding officers assigned to NAMA, SBCI and HBF1

Garden leave

One Agency staff member was placed on garden leave during 2020 with an attributable cost of approximately €3k (2019: two staff with an attributable 2019 cost of approximately €20k). This does not represent an incremental cost for the Agency but instead forms part of the overall Agency salary cost that would have been incurred regardless of the decision to place the relevant staff on garden leave. The decision on whether to place these staff members on garden leave was made on a case-by-case basis and included consideration, inter alia, of the person's role within the Agency and the person's new employer.

Disclosures in respect of officers assigned to NAMA

Voluntary redundancy scheme – NAMA

In 2020 twenty employees assigned to NAMA participated in a VRS (2019: thirty-two employees). Costs of €2.0m (2019: €2.8m) relating to the VRS have been recognised in 2020. Costs of €1.0m (2019: €1.4m) were attributable to statutory and other redundancy payments; €0.4m (2019: €0.6m) related to the "NAMA retention scheme"¹ and €0.6m (2019: €0.8m) for garden leave.

¹ The NAMA retention scheme only applies in circumstances where staff members are made redundant, have met all required performances standards, and have remained with NAMA for the period required to fulfil NAMA's statutory mandate.

Garden leave – NAMA

Twenty employees assigned to NAMA were placed on garden leave during 2020 (2019: Thirty-one). This does not represent an incremental cost for the Agency but instead forms part of the overall Agency salary cost that would have been incurred regardless of the decision to place the relevant staff on garden leave. The average period of garden leave under the VRS was three months (2019: three months). In addition to those accepted for the VRS, one employee (2019: two) was placed on garden leave during 2020. The period of garden leave for the staff member was three months (2019: one month). The decision on whether to place the staff member on garden leave was made on a case-by-case basis and included consideration, inter alia, of the person's role within the Agency and the person's new employer.

Costs incurred for officers assigned to NAMA are recovered and included within operating income (note 5).

7.4. Retirement benefits

Superannuation entitlements of staff are conferred under a defined benefit superannuation scheme established under section 8 of the National Treasury Management Agency Act, 1990. Contributions are transferred to an externally managed fund. The Agency contribution is determined on the advice of an independent actuary. Following an actuarial review in 2019, the Agency contribution was maintained at 14.2% of salary in respect of members of the Scheme. Contributions to the defined benefit scheme by the Agency for the year ended 31 December 2020 amounted to €9.4m (2019: €9.4m). Members of the scheme prior to 1 January 2010 receive benefits based on final salary. A new category of membership was created on 1 January 2010, with benefits based on career average salary for members of staff who had been previously provided with a PRSA and new members of staff from that date.

Liabilities arising under the defined benefit scheme are provided for under the above arrangements, except for entitlements arising in respect of the service of certain members of the Agency's staff recruited from other areas of the public sector. On 7 April 1997 the Minister for Finance designated the Agency as an approved organisation for the purposes of the Public Sector (Transfer of Service) Scheme. This designation provides for, inter alia, contributions to be paid out of the Exchequer, as and when benefits fall due for payment in the normal course, in respect of prior service of former public servants employed by the Agency. No provision has been made for funding the payment of such entitlements.

The Agency contributes to a retirement scheme on behalf of the Chief Executive (note 7.3). The Agency also contributed €29k (2019: €28k) to PRSAs for a number of employees who are not members of the defined benefit scheme in 2020.

7. Agency costs (continued)

7.5. Operating expenses

Total operating expenses of €30.7m (note 7.2) include technology costs, occupancy costs, business services costs and staff travel expenses.

Professional fees of €3.5m (note 7.2) include advisory fees and costs for 'business-as-usual' functions. Advisory fees of €1.6m that include the cost of external advice to management, and require disclosure under the Code, are analysed as follows:

	2020 €000	2019 €000
Legal	589	549
Tax and financial	176	1,586
Actuarial	560	359
Public relations and marketing	130	153
Pension and human resources	-	50
Facilities and other	179	117
Advisory fees included in Professional fees	1,634	2,814
Leasehold improvements advisory fees capitalised	-	730

Advisory fees above include €0.3m (2019: €0.6m) of fees reimbursed to the Agency by NAMA, SBCI, ISIF and HBFI.

8. Net deferred retirement benefit funding

8.1. Movement in deferred retirement benefit funding

	Note	2020 €000	2019 €000
Opening balance at 1 January		70,101	47,072
Net deferred retirement benefit funding through Income and Expenditure	8.2	5,005	3,229
Movement in deferred retirement benefit funding through Other Comprehensive Income	8.3	12,390	19,800
Closing balance at 31 December		87,496	70,101

8.2. Net deferred retirement benefit funding through Income and Expenditure

	Note	2020 €000	2019 €000
Charge arising from employee service in reporting period	9.5	13,837	11,654
Net interest expense	9.5	1,000	953
Employer contributions	9.7	(9,832)	(9,378)
Net deferred retirement benefit funding		5,005	3,229

8.3. Movement in deferred retirement benefit funding through Other Comprehensive Income

	Note	2020 €000	2019 €000
Movement in amounts recoverable in respect of current year actuarial loss	9.9	12,390	19,800

Financial Statements

Notes to the Financial Statements (continued)

9. Retirement benefits

9.1. Defined benefit pension scheme

Pension scheme assets are measured at fair value at the reporting date. Pension scheme liabilities are measured on an actuarial basis using the projected unit credit method. The valuation is determined by an independent actuary to assess the liabilities at the reporting date, as provided by the scheme administrator Mercer (Ireland) Limited. There have been no changes to the actuarial methods in the period. The key actuarial assumptions are set out in note 9.2.

9.2. Principal actuarial assumptions

The weighted average assumptions used to determine benefit obligations and pension cost were as follows:

	2020		2019	
	Benefit obligations %	Pension cost %	Benefit obligations %	Pension cost %
Discount rate	1.3	1.6	1.6	2.4
Rate of salary increase	2.5	2.5	2.5	2.75
Rate of price inflation	1.5	1.5	1.5	1.75
Rate of pension increase	1.5/2.5	1.5/2.5	1.5/2.5	1.75/2.75

The weighted average life expectancy for mortality tables used to determine benefit obligations were as follows:

	2020		2019	
	Female (Years)	Male (Years)	Female (Years)	Male (Years)
Life expectancy at age 60				
Future pensioners (current age 45)	31.6	29.6	31.5	29.5
Current pensioners (current age 60)	30.2	28.1	30.1	28.1
Life expectancy at age 65				
Future pensioners (current age 45)	27.2	25.3	27.1	25.1
Current pensioners (current age 65)	25.3	23.4	25.2	23.3

9.3. Plan assets

	2020		2019	
	€000	%	€000	%
Equities	91,990	42.4	87,065	45.7
Debt securities	58,684	27.0	59,937	31.5
Property	-	-	1,709	0.9
Alternatives	27,150	12.5	21,845	11.4
Infrastructure	8,512	3.9	8,145	4.3
Cash	30,761	14.2	11,804	6.2
Fair value of Plan assets	217,097	100.0	190,505	100.0

9. Retirement benefits (continued)

9.4. Scheme deficit – reconciliation of funded status to the Statement of Financial Position

	Note	2020 €000	2019 €000
Fair value of plan assets		217,097	190,505
Defined benefit obligation	9.6	(304,593)	(260,606)
Net defined benefit liability		(87,496)	(70,101)

	2020 €000	2019 €000
Amounts included in the Statement of Financial Position		
Retirement benefit obligations	(87,496)	(70,101)
Deferred retirement benefit funding	87,496	70,101

9.5. Cost relating to defined benefit plans

Amount recognised in the Statement of Income and Expenditure is as follows:

	2020 €000	2019 €000
Charge arising from NTMA employee service	13,454	11,654
Department of Public Expenditure and Reform contributions	383	-
Charge arising from employee service in reporting period	13,837	11,654
Interest expense on defined benefit obligations	4,151	4,839
Interest (income) on plan assets	(3,151)	(3,886)
Net interest expense	1,000	953

9.6. Change in defined benefit obligation

	2020 €000	2019 €000
Defined benefit obligation at 1 January	260,606	202,367
Charge arising from employee service in reporting period	13,837	11,654
Interest expense on defined benefit obligation	4,151	4,839
Net benefit payments	(2,311)	(1,450)
Participant contributions	5,680	5,653
Insurance premiums	(339)	(320)
Effect of changes in assumptions	22,521	28,776
Effect of experience adjustments	448	9,087
Defined benefit obligation at 31 December	304,593	260,606

Financial Statements

Notes to the Financial Statements (continued)

9. Retirement benefits (continued)

9.7. Change in fair value of plan assets

	2020 €000	2019 €000
Fair value of plan assets at 1 January	190,505	155,295
Interest income on Plan assets	3,151	3,886
Employer contributions	9,832	9,378
Participant contributions	5,680	5,653
Net benefit payments	(2,311)	(1,450)
Insurance premiums for risk benefits	(339)	(320)
Return on plan assets (excluding interest income)	10,579	18,063
Fair value of plan assets at 31 December	217,097	190,505

9.8. Actual return on scheme assets

	2020 €000	2019 €000
Interest income on Plan assets	3,151	3,886
Return on plan assets (excluding interest income)	10,579	18,063
Actual return on scheme assets	13,730	21,949

9.9. Actuarial loss on retirement benefit obligations

Remeasurements recognised in Other Comprehensive Income are as follows:

	2020 €000	2019 €000
Effect of changes in assumptions	(22,521)	(28,776)
Effect of experience adjustments	(448)	(9,087)
Return on plan assets (excluding interest income)	10,579	18,063
Remeasurements included in Other Comprehensive Income	(12,390)	(19,800)

10. Property, equipment and vehicles

	Leasehold improvements €000	Furniture, equipment and motor vehicles €000	Total €000
Cost:			
Balance at 1 January 2020	26,602	9,911	36,513
Additions at cost	-	786	786
Disposals	-	(26)	(26)
Balance at 31 December 2020	26,602	10,671	37,273
Accumulated Depreciation:			
Balance at 1 January 2020	(2,174)	(2,274)	(4,448)
Depreciation for the year	(1,711)	(2,175)	(3,886)
Disposals	-	21	21
Balance at 31 December 2020	(3,885)	(4,428)	(8,313)
Net Book Value at 31 December 2020	22,717	6,243	28,960

Net Book Value at 31 December 2019	24,428	7,637	32,065
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The estimated useful life of property, equipment and vehicles, by reference to which depreciation is calculated is as follows:

Leasehold improvements	up to 15 years
Furniture	5 years
Equipment and motor vehicles	3 to 5 years

Leasehold improvements relate to fit-out costs and professional fees in respect of office accommodation at Treasury Dock, North Wall Quay, Dublin 1. The property is leased under operating leases, as set out in note 17.

11. Intangible assets

	Computer software €000
Cost:	
Balance at 1 January 2020	3,374
Additions at cost	447
Balance at 31 December 2020	3,821
Accumulated Amortisation and Accumulated Impairment:	
Balance at 1 January 2020	(1,219)
Amortisation for the year	(815)
Balance at 31 December 2020	(2,034)
Net Book Value at 31 December 2020	1,787
Net Book Value at 31 December 2019	2,155

Third party software assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

The estimated useful life of intangible assets by reference to which amortisation is calculated is as follows:

Computer software	5 years
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Financial Statements

Notes to the Financial Statements (continued)

12. Receivables (Non-current)

	2020 €000	2019 €000
Prepayments	431	308

Prepayments classified as non-current primarily comprise of technology licences, support and maintenance.

13. Receivables (Current)

	2020 €000	2019 €000
Amounts receivable from NAMA	9,280	6,340
Amounts receivable from ISIF	2,546	2,394
Amounts receivable from SBCI	912	826
Amounts receivable from HBFI	732	763
Central Fund	-	8,177
Other receivables	564	1,434
Prepayments	5,456	2,131
	19,490	22,065

Other receivables primarily comprise of Asset Covered Securities income and income due from the Department of Public Expenditure and Reform.

14. Payables; amount falling due within 1 year

	Note	2020 €000	2019 €000
Trade and other payables		3,071	2,489
Central Fund		2,138	-
Accruals		12,231	16,004
Deferred income		2,473	2,101
Provision	16	-	784
		19,913	21,378

Accruals include rental charges of €4.9m (2019: €5.4m) and annual leave entitlements of €3.1m (2019: €1.7m) earned but not taken at the reporting date.

15. Payables; amount falling after 1 year

	2020 €000	2019 €000
Deferred income	7,532	8,597

Deferred income includes a lease incentive on rental payments office accommodation at 1 Treasury Dock, North Wall Quay, Dublin 1. The value of the lease incentive is recognised over the life of the lease. The treatment results in income of €7.5m credited to the Statement of Income and Expenditure on a straight-line basis over the period May 2018 to May 2033 when the lease expires.

Deferred income includes two advance rentals received on a sublease of office accommodation at Treasury Dock, North Wall Quay, Dublin 1. An amount of €8.2m will be credited to the Statement of Income and Expenditure on a straight-line basis over the period May 2018 to May 2022 and an amount of €0.2m will be credited to the Statement of Income and Expenditure on a straight-line basis over the period May 2019 to May 2024 when the subleases expire.

16. Provision

The provision relates to premises costs. Provision movement in the period is detailed as follows:

	Note	2020 €000	2019 €000
At 1 January		784	615
Charges		-	801
Reversals		(784)	(632)
At 31 December	14	-	784

On 21 February 2020 the Agency surrendered the leases, with the landlord's agreement, at Treasury Building, Grand Canal, Dublin 2 to a third party. An onerous lease provision of €0.8m incurred in 2019 reflecting the lease commitment was offset against a once off payment for surrender of the leases at Treasury Building in 2020.

17. Commitments

In May 2018 the Agency entered into lease agreement for office accommodation at 1 Treasury Dock, North Wall Quay, Dublin 1, until May 2043, with an option to terminate in 2033. The nominal future minimum rentals payable under non-cancellable operating lease are as follows:

	2020 €000	2019 €000
Within one year	8,648	10,489
In two to five years	34,731	41,956
Over five years	64,211	75,248
	107,590	127,693

18. Contingent liabilities

The Agency had no contingent liabilities at 31 December 2020.

19. Related parties

Minister for Finance

The Minister for Finance appoints six members of the Agency in accordance with section 3A of the National Treasury Management Agency Act, 1990, as amended.

Key Management Personnel

The Agency is governed by the Agency members, and the administration and business of the Agency is managed and controlled by the Chief Executive and the Executive Management Team. Fees paid to key management personnel are disclosed in note 7.

National Asset Management Agency

In accordance with sections 41 and 42 of the National Asset Management Agency Act 2009, the Agency provides business and support services and systems in addition to assigning staff to NAMA. The recovery of expenses from NAMA is detailed in note 5.

Strategic Banking Corporation of Ireland

In accordance with section 10 of the Strategic Banking Corporation of Ireland Act 2014, the Agency provides business and support services and systems in addition to assigning staff to the SBCI. The recovery of expenses from the SBCI is detailed in note 5.

Home Building Finance Ireland

In accordance with section 9 of the Home Building Finance Ireland Act 2018, the Agency provides business and support services and systems in addition to assigning staff to the HBFI. The recovery of expenses from HBFI is detailed in note 5.

Other Government controlled entities

Allied Irish Banks Plc is a related party as it is under the control of the Minister for Finance.

Financial Statements

Notes to the Financial Statements (continued)

20. National Development Finance Agency

The National Development Finance Agency in accordance with Part 4 of the National Treasury Management Agency (Amendment) Act 2014, performs financing and advisory functions in relation to specific public investment projects. The costs of these services were discharged by the NTMA and reimbursed by the State Authority to which the projects relate.

The NTMA acting as the NDFA incurred the following reimbursable costs:

	2020 €000	2019 €000
Professional fees	5,540	4,733
Legal fees	599	591
	6,139	5,324

The amount receivable from State Authorities at the reporting date is as follows:

	2020 €000	2019 €000
Department of Housing, Planning and Local Government	286	397
Department of Education and Skills	2,225	189
Grangegorman Development Agency	64	173
Health Service Executive	42	-
	2,617	759

Reimbursed funds are remitted to the Post Office Savings Bank Fund in accordance with section 30 of the NTMA (Amendment) Act 2014. At 31 December 2020, €2.0m (2019: €1.1m) is owing to the Post Office Savings Bank Fund.

The NTMA, acting as the NDFA, held cash at bank at 31 December 2020 amounting to €0.6m (2019: €1.0m).

The expenditure and reimbursement above is not included in the Statement of Income and Expenditure and Other Comprehensive Income or Statement of Financial Position on pages 112 and 113.

21. Events after the reporting period

No events requiring adjusting or disclosure in the financial statements occurred after the end of the reporting period.

22. Approval of financial statements

The financial statements were approved by the Agency on 5 May 2021.

Financial Statements of the

Post Office Savings Bank Fund

For the year ended 31 December 2020

Report of the Comptroller and Auditor General	132
Statement of Income and Expenditure and Retained Earnings	134
Statement of Financial Position	135
Notes to the Financial Statements	136

Financial Statements



Ard Reachtair Cuntas agus Ciste Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Post Office Savings Bank Fund

Opinion on the financial statements

I have audited the financial statements of the Post Office Savings Bank Fund (the Fund) prepared by the National Treasury Management Agency (the Agency) for the year ended 31 December 2020 as required under the provisions of section 12 of the National Treasury Management Agency Act 1990 (as amended). The financial statements comprise the statement of income and expenditure and retained earnings, the statement of financial position and the related notes.

In my opinion, the financial statements properly present

- the assets and liabilities of the Fund at 31 December 2020, and
- the transactions of the Fund for 2020.

Basis of opinion

I conducted my audit of the financial statements in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the Agency and have fulfilled my other ethical responsibilities in accordance with the standards.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Report on information other than the financial statements, and on other matters

The Agency has presented the financial statements together with certain other information in relation to the operation of the Fund. This comprises the Agency's annual report (including the governance statement and Agency members' report) and the statement on internal control. My responsibilities to report in relation to such information, and on certain other matters upon which I report by exception, are described in the appendix to this report.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

11 May 2021

Appendix to the report of the Comptroller and Auditor General

Responsibilities of the National Treasury Management Agency

As detailed in the governance statement and Agency members' report, the members are responsible for

- the preparation of financial statements in the form prescribed under section 12 of the National Treasury Management Agency Act 1990 (as amended)
- ensuring that the financial statements properly present the Fund's assets and liabilities at 31 December 2020 and the transactions in the year
- ensuring the regularity of transactions
- assessing whether the use of the going concern basis of accounting is appropriate, and
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 12 of the National Treasury Management Agency Act 1990 (as amended) to audit the financial statements of the Fund and to report thereon to the Houses of the Oireachtas.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.

- I evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures.
- I conclude on the appropriateness of the use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Information other than the financial statements

My opinion on the financial statements does not cover the other information presented with those statements, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, I am required under the ISAs to read the other information presented and, in doing so, consider whether the other information is materially inconsistent with the financial statements or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

Reporting on other matters

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation. I report if I identify material matters relating to the manner in which public business has been conducted.

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I report if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

I also report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the financial statements to be readily and properly audited, or
- the financial statements are not in agreement with the accounting records.

Financial Statements

Statement of Income and Expenditure and Retained Earnings

For the year ended 31 December 2020

	Note	2020 €000	2019 (restated) €000
Realised and Unrealised Gain on Investments	3	11,669	30,513
Interest and Similar Income	4	12,351	12,792
Interest and Similar Expense	5	(9,270)	(8,470)
Operating Expenses	6	(28,542)	(28,612)
(Deficit)/Surplus for the Year		(13,792)	6,223
Balance at 1 January:			
As Previously Reported		79,746	81,839
Prior Year Adjustment	2.4	5,828	(2,488)
As Restated		85,574	79,351
Balance at 31 December		71,782	85,574

The accompanying notes form an integral part of the financial statements.

On behalf of the Agency



Conor O'Kelly, Chief Executive
National Treasury Management Agency

5 May 2021



Maeve Carton, Chairperson
National Treasury Management Agency

Statement of Financial Position

As at 31 December 2020

	Note	2020 €000	2019 (restated) €000
Assets			
Cash with Central Bank of Ireland		832,325	813,945
Receivables	7	13,161	10,097
Central Treasury Loans		11,420	13,217
Investments	8	521,702	525,616
Advances	9	2,616,753	2,154,786
		3,995,361	3,517,661
Liabilities			
Post Office Savings Bank Deposits		3,918,568	3,419,708
Other Liabilities	10	5,011	12,379
Equity			
Retained Earnings		71,782	85,574
		3,995,361	3,517,661

The accompanying notes form an integral part of the financial statements.

On behalf of the Agency



Conor O'Kelly, Chief Executive
National Treasury Management Agency

5 May 2021



Maeve Carton, Chairperson
National Treasury Management Agency

Financial Statements

Notes to Financial Statements

1. Background

The Minister for Finance guarantees the repayment and servicing of monies invested by depositors in the Post Office Savings Bank. An Post remits the net proceeds to the National Treasury Management Agency (the Agency). The Post Office Savings Bank Fund ("Fund") does not form part of the Exchequer.

The proceeds from Post Office Savings Bank deposits are the Fund's primary source of funding. The Fund utilises these proceeds:

- to invest in Irish Government Bonds as part of a secondary bond trading portfolio;
- to undertake sale and repurchase (repo) transactions of Irish Government Bonds as an intermediary between the National Debt and other market counterparties;
- to advance surplus monies in the Fund to the Exchequer as Ways and Means advances;
- to provide short-term funding to the State Claims Agency (SCA) and the National Development Finance Agency (NDFA) for the purpose of funding their activities; and
- to provide Central Treasury loans to designated state bodies such as local authorities and other designated non-commercial state bodies in accordance with the National Treasury Management Agency (Amendment) Act 2000.

The Minister for Finance for the Exchequer may appropriate any accumulated surplus in the Fund after making appropriate provision to meet the liabilities to the depositors (Finance Act 1930, Section 19(1)).

2. Basis of Preparation

The financial statements have been prepared on an accruals basis under the historical cost convention with the exception of investments which are stated at fair value through profit and loss.

The presentation currency is euro. All amounts in the financial statements have been rounded to the nearest thousand unless otherwise indicated. Where used '000' or 'k' denotes thousand, and 'm' denotes million.

2.1 Investments

Investments are stated at fair value through profit and loss and represent a portfolio of Irish Government Bonds. Gains and losses on such assets are recognised in the profit and loss on an on-going basis. Premiums and discounts on acquisitions or disposal of bonds are not amortised to income due to the high turnover and liquidity within the portfolio.

The Fund recognises investments on trade date, being the date the Fund commits to purchasing the assets.

2.2 Loans and Advances

Loans and advances are recognised when cash is advanced to borrowers.

2.3 Sale and Repurchase Agreements

The Fund acts as an intermediary for sale and repurchase agreements between the National Debt and market counterparties. For each transaction, the National Debt issues new underlying stock which is cancelled on maturity. The related income or interest costs are reflected in the Fund's statement of income and expenditure and retained earnings.

2.4 Change in Accounting Policy and Prior-Year Adjustment

A change in the accounting policy has been made to state investments at their fair market value. Previously such investments were recognised at cost. The prior year balances have been restated and the impact of this change has been to increase the retained earnings by €5.8m at year end 2019.

The presentation of the statement of income and expenditure and retained earnings has been amended to provide a better reflection of the activities of the Fund and comparative numbers have been recategorised in accordance with the amended format.

2. Basis of Preparation (continued)

2.4 Change in Accounting Policy and Prior-Year Adjustment (continued)

The below table outlines in more detail the prior year adjustments and impact on the previously reported 31 December 2019 figures.

Statement of Income and Expenditure and Retained Earnings for the year ended 31 December 2019

	As previously reported €000	As restated €000	Adjustment €000	Explanation for adjustment
Investment Income	31,595	-	(31,595)	Amended presentation – recategorisation
Interest Paid and Payable	(5,076)	-	5,076	Amended presentation – recategorisation
Realised and Unrealised Gain on Investments	-	30,513	30,513	Amended presentation – recategorisation and addition of unrealised gains
Interest and Similar Income	-	12,792	12,792	Amended presentation – recategorisation
Interest and Similar Expense	-	(8,470)	(8,470)	Amended presentation – recategorisation
Subtotal of Changes	26,519	34,835	8,316	Addition of unrealised gains for year end 31 December 2019
(Deficit)/Surplus for the Year	(2,093)	6,223	8,316	Addition of unrealised gains for year end 31 December 2019

Statement of Financial Position as at 31 December 2019

	As previously reported €000	As restated €000	Adjustment €000	Explanation for adjustment
Receivables	9,116	10,097	981	Recategorisation of accrued interest expense
Investments	519,788	525,616	5,828	Investments restated to fair value from cost
Other Liabilities	(11,398)	(12,379)	(981)	Recategorisation of accrued interest expense
Subtotal of Changes	517,506	523,334	5,828	Investments restated to fair value from cost
Retained Reserves 31 December 2019	79,746	85,574	5,828	Addition of unrealised gain in the period
Retained Reserves 1 January 2019	81,839	79,351	(2,488)	Addition of unrealised loss in the period

3. Realised and Unrealised Gain on Investments

	2020 €000	2019 €000
Realised Gain on Investments	6,955	22,197
Unrealised Gain on Investments	4,714	8,316
	11,669	30,513

The gains on investment securities in 2020 reflected the continued compression in yields (bond price appreciation), across the Irish Government Bond yield curve, though to a lesser extent than 2019.

4. Interest and Similar Income

	2020 €000	2019 €000
Interest on Investments held	10,389	9,586
Interest on Repurchase Agreements	1,946	3,205
Other Income	16	1
	12,351	12,792

Financial Statements

Notes to the Financial Statements (continued)

5. Interest and Similar Expense

	2020 €000	2019 €000
Interest on Post Office Savings Bank Deposits	(5,471)	(5,076)
Interest on Cash Balances	(3,799)	(3,394)
	(9,270)	(8,470)

Interest on cash balances represent the prevailing negative interest rates charged by the Central Bank of Ireland on cash balances held.

6. Operating Expenses

	2020 €000	2019 €000
Service Fees	(28,542)	(28,612)
	(28,542)	(28,612)

Service fees are paid to An Post for their management and administration of depositor accounts.

7. Receivables

	2020 €000	2019 €000
Interest Receivable	5,817	7,494
Cash Balances held by An Post	7,344	2,603
	13,161	10,097

8. Investments

	2020 €000	2019 €000
Bonds		
At Nominal	450,146	454,624
At Cost	511,160	519,788
Fair Value as at 31 December	521,702	525,616

8. Investments (continued)

Schedule of Investment:

2020 Opening Fair Value €000	Treasury Bonds	2020 Purchases €000	2020 Sales €000	2020 Unrealised Gain/(Loss) €000	2020 Closing Fair Value €000
-	4.5% Treasury Bond 2020	39,596	(39,596)	-	-
4,881	0.8% Treasury Bond 2022	24,645	(24,073)	(8)	5,445
17,521	0.0% Treasury Bond 2022	35,468	(48,939)	23	4,073
26,960	3.9% Treasury Bond 2023	24,172	(39,931)	124	11,325
64,297	3.4% Treasury Bond 2024	73,159	(118,121)	415	19,750
63,274	5.4% Treasury Bond 2025	118,344	(113,441)	(351)	67,826
48,166	1.0% Treasury Bond 2026	104,934	(106,317)	602	47,385
-	0.2% Treasury Bond 2027	133,967	(75,161)	768	59,574
43,614	0.9% Treasury Bond 2028	150,025	(151,873)	507	42,273
39,280	1.1% Treasury Bond 2029	275,821	(268,019)	1,126	48,208
49,401	2.4% Treasury Bond 2030	160,021	(176,614)	123	32,931
-	0.2% Treasury Bond 2030	206,994	(174,435)	92	32,651
37,511	1.35% Treasury Bond 2031	124,652	(134,329)	(904)	26,930
19,718	1.3% Treasury Bond 2033	42,519	(32,594)	826	30,469
-	0.4% Treasury Bond 2035	59,932	(46,564)	567	13,935
34,239	1.7% Treasury Bond 2037	7,581	(20,406)	(523)	20,891
53,570	2.0% Treasury Bond 2045	41,846	(73,462)	(323)	21,631
23,184	1.5% Treasury Bond 2050	54,610	(43,039)	1,650	36,405
525,616		1,678,286	(1,686,914)	4,714	521,702

9. Advances

	2020 €000	2019 €000
Advances to the Exchequer	2,604,650	2,140,384
Advances to the State Claims Agency	10,117	13,317
Advances to the National Development Finance Agency	1,986	1,085
	2,616,753	2,154,786

Advances to the Exchequer represents funds that are mainly lent to the Exchequer as a ways and means of funding Exchequer requirements. No financing costs were charged by the Fund to the Exchequer, the State Claims Agency or the National Development Finance Agency.

10. Other Liabilities

	2020 €000	2019 €000
Trade Payables (Bonds)	-	10,122
Balance due under Sale and Repurchase Agreements	3,579	843
Accrued Interest on Cash Balances	967	981
Accrued DIRT	465	433
	5,011	12,379

The Fund reimburses An Post for DIRT it has paid to Revenue on applicable Post Office Savings Bank deposits.

Financial Statements

Notes to the Financial Statements (continued)

11. Events after the end of the reporting period

No events requiring adjusting or disclosure in the financial statements occurred after the end of the reporting period.

12. Approval of Financial Statements

The financial statements were approved by the Agency on 5 May 2021.

Financial Statements of the State Claims Agency

For the year ended 31 December 2020

Report of the Comptroller and Auditor General	142
Income Statement	144
Statement of Financial Position	145
Notes to the Financial Statements	146



Ard Reachtair Cuntas agus Ciste Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

State Claims Agency

Opinion on the financial statements

The National Treasury Management Agency (the Agency) is known as the State Claims Agency when managing claims on behalf of the State. I have audited the financial statements of the State Claims Agency for the year ended 31 December 2020 as required under the provisions of section 12 of the National Treasury Management Agency Act 1990 (as amended). The financial statements comprise the income statement, the statement of financial position and the related notes, including a summary of significant accounting policies.

In my opinion, the financial statements properly present

- the assets and liabilities of the State Claims Agency at 31 December 2020, and
- the transactions of the State Claims Agency for 2020.

Basis of opinion

I conducted my audit of the financial statements in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the Agency and have fulfilled my other ethical responsibilities in accordance with the standards.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Report on information other than the financial statements, and on other matters

The Agency has presented the financial statements together with certain other information in relation to the management of State claims. This comprises the Agency's annual report (including the governance statement and Agency members' report) and the statement on internal control. My responsibilities to report in relation to such information, and on certain other matters upon which I report by exception, are described in the appendix to this report.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

11 May 2021

Appendix to the report of the Comptroller and Auditor General

Responsibilities of the National Treasury Management Agency

As detailed in the governance statement and Agency members' report, the members are responsible for

- the preparation of financial statements in the form prescribed under section 12 of the National Treasury Management Agency Act 1990 (as amended)
- ensuring that the financial statements properly present the assets and liabilities of the State Claims Agency at 31 December 2020 and the transactions in the year
- ensuring the regularity of transactions
- assessing whether the use of the going concern basis of accounting is appropriate, and
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 12 of the National Treasury Management Agency Act 1990 (as amended) to audit the financial statements of the State Claims Agency and to report thereon to the Houses of the Oireachtas.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.

- I evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures.
- I conclude on the appropriateness of the use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the State Claims Agency's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the State Claims Agency to cease to continue as a going concern.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Information other than the financial statements

My opinion on the financial statements does not cover the other information presented with those statements, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, I am required under the ISAs to read the other information presented and, in doing so, consider whether the other information is materially inconsistent with the financial statements or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

Reporting on other matters

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation. I report if I identify material matters relating to the manner in which public business has been conducted.

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I report if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

I also report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the financial statements to be readily and properly audited, or
- the financial statements are not in agreement with the accounting records.

Financial Statements

Income Statement

For the year ended 31 December 2020

	Note	2020 €000	2019 €000
Income			
Income	4	430,012	431,389
Costs recovered on behalf of Delegated State Authorities	5	9,127	3,475
		439,139	434,864
Expenditure			
Awards and claim settlements	6	289,136	307,623
Expenses	7	140,876	123,766
Reimbursement of costs recovered on behalf of Delegated State Authorities	5	9,127	3,475
		439,139	434,864

The accompanying notes form an integral part of the financial statements.

On behalf of the Agency



Conor O'Kelly, Chief Executive
National Treasury Management Agency

5 May 2021



Maeve Carton, Chairperson
National Treasury Management Agency

Statement of Financial Position

As at 31 December 2020

	Note	2020 €000	2019 €000
Assets			
Cash at bank		3,268	3,738
Receivables	10	9,394	13,789
Investments	9	4,950	4,951
		17,612	22,478
Liabilities			
Scheme liabilities	9	(4,950)	(4,951)
Borrowings from Post Office Savings Bank Fund	11	(10,117)	(13,317)
Other liabilities	12	(2,545)	(4,210)
		(17,612)	(22,478)

The accompanying notes form an integral part of the financial statements.

On behalf of the Agency



Conor O'Kelly, Chief Executive
National Treasury Management Agency

5 May 2021



Maeve Carton, Chairperson
National Treasury Management Agency

Financial Statements

Notes to the Financial Statements

1. Background

Under the National Treasury Management Agency (Amendment) Act, 2000, the management of personal injury and property damage claims against the State and certain State Authorities ("Delegated State Authorities" or "DSAs") was delegated to the National Treasury Management Agency ("NTMA" or "the Agency"). The NTMA also provides related risk advisory services to DSAs. In addition, the National Treasury Management Agency (Amendment) Act 2014, provided for the delegation to the NTMA of the management of claims for legal costs, however so incurred. When performing these functions, the NTMA is known as the State Claims Agency ("SCA"). The SCA incurs expenditure in respect of awards, claim settlements and associated costs. The SCA recovers this expenditure from the Delegated State Authorities whose claims are managed by the SCA.

The NTMA (Amendment) Act 2000 was amended in 2017 to provide that the SCA would specify the minimum levels of indemnity for classes of medical practitioners. In 2018, it was further amended to provide that the SCA carry out certain functions in relation to an insolvent insurer regulated in another EU Member State and the Insurance Compensation Fund (ICF). This role includes the carrying out of due diligence on claims, the making of an application to the High Court for payment out of the ICF and the distribution, thereafter, to third parties of claim settlement monies.

2. Basis of preparation

The financial statements of the SCA relate to the management of claims on behalf of Delegated State Authorities whose claims are managed by the SCA and from whom the SCA recovers the amounts of any awards settlements and associated costs. The financial statements present the claim activities and report on the transactions processed via the SCA in the year and therefore no amounts are included for incurred but not reported (IBNR) liabilities. IBNR liabilities relate to claim-generating incidents that have occurred but have not been reported to the SCA.

The financial statement notes include a disclosure for the estimated liabilities for outstanding claims under management at the reporting date.

Transactions are recognised using the cash basis of accounting as adjusted for accruals for contracted third party service provider costs and the related cost recovery from the relevant Delegated State Authority.

The reporting currency is the euro which is denoted by the symbol €.

3. Significant accounting policies

3.1. Expenditure

Expenditure on awards, claim settlements and associated costs are recognised on receipt of a validated approval or the validated settlement of such expenditure.

3.2. Income

The SCA recovers the amounts of any awards, claim settlements and associated costs from Delegated State Authorities who are liable in respect of claims. Income is treated as receivable from Delegated State Authorities in line with the recognition of the related expenditure.

4. Income

	Note	2020 €000	2019 €000
Amounts receivable at 1 January from Delegated State Authorities	10	(13,770)	(8,841)
Received from Delegated State Authorities		434,408	426,460
Received from Scheme funds	9	1	-
Amounts receivable at 31 December	10	9,373	13,770
		430,012	431,389

Amounts receivable from Delegated State Authorities comprise reimbursements of any awards, claim settlements and associated costs incurred by the SCA on behalf of the Delegated State Authorities who are liable in respect of the underlying claims.

5. Costs recovered on behalf of Delegated State Authorities

	2020 €000	2019 €000
Costs recovered on behalf of Delegated State Authorities	9,127	3,475

In certain cases, whether by adjudication of the court or agreement with the third party /co-defendant, a specified percentage contribution in relation to a particular claim may be paid by a third party /co-defendant to the SCA. These amounts represent costs recovered by the SCA on behalf of the Delegated State Authorities, which are subsequently reimbursed to the relevant Authorities.

6. Awards and claim settlements

	2020 €000	2019 €000
Awards and claim settlements	289,136	307,623

Expenditure on awards is recognised on receipt of a validated approval or the validated settlement of such expenditure.

7. Expenses

	2020 €000	2019 €000
<i>Delegated authority expenses</i>		
Legal fees	38,262	34,850
Medical fees	7,608	6,117
Engineers' fees	326	478
Other fees ¹	2,974	3,518
	49,170	44,963
<i>Plaintiff expenses</i>		
Legal fees	91,699	78,782
Other expert fees	2	2
Travel expenses	3	16
	91,704	78,800
<i>Witness expenses</i>	2	3
Total other expenses	140,876	123,766

¹ Other fees include investigation and actuary fees.

Financial Statements

Notes to the Financial Statements (continued)

8. Remuneration and expenses (included in the administration expenses of the NTMA)

The administrative costs incurred by the NTMA in the performance of the SCA's functions amounted to €28.1m (2019: €28.5m). These costs are included in the administration expenses of the NTMA and are charged on the Central Fund. The NTMA does not seek reimbursement of these costs from Delegated State Authorities.

9. Investments / scheme liabilities

Special Obstetrics Indemnity Scheme

In 2008, the Minister for Health established the Special Obstetrics Indemnity Scheme (the "SOIS"). Under the SOIS, the Minister agreed to indemnify the Bon Secours and Mount Carmel Hospitals in respect of specified obstetric claims. The Government delegated the management of claims under the SOIS to the NTMA under S.I. No. 628/2007, National Treasury Management Agency (Delegation of Functions) (Amendment) Order, 2007. The named participating hospitals made contributions to the SOIS fund which is managed by the NTMA on behalf of the Minister for Health under section 29(2) of the National Treasury Management Agency (Amendment) Act, 2000.

The Minister for Health authorised the SCA to draw down amounts from the fund to reimburse the SCA under section 16(2) of the National Treasury Management Agency (Amendment) Act, 2000 for any amounts paid by the SCA on behalf of the participating hospitals.

The SOIS fund is invested in Exchequer Notes on behalf of the Department of Health. Income earned on the Scheme's investments is paid into the fund and is not recognised as income of the SCA.

Contributions to the fund were additional investments in the SOIS in the form of Short Term Paper Loans during the financial year.

	2020 €000	2019 €000
Balance at 1 January	4,951	4,620
Contributions to fund	-	331
Claim settlements and expenses	(1)	-
Balance at 31 December available for settlement of claims	4,950	4,951

10. Receivables

	Note	2020 €000	2019 €000
Receivable from Delegated State Authorities	4	9,373	13,770
Other Receivables		21	19
		9,394	13,789

11. Borrowings from the Post Office Savings Bank Fund

	2020 €000	2019 €000
Borrowings from the Post Office Savings Bank Fund	10,117	13,317

Under section 16 of the National Treasury Management Agency (Amendment) Act, 2000 the Minister for Finance may advance monies from the Post Office Savings Bank Fund (the "POSB Fund") to the SCA for payment of the amount of any costs, charges and expenses in respect of the services of professional and other expert advisers, the amount of any award or settlement to be paid to a claimant in respect of a delegated claim, and the amount of interest, if any, payable thereon. Funds are drawn from the POSB Fund as required during the year to cover the above costs incurred by the SCA on behalf of the Delegated State Authorities. The SCA then receives reimbursements from the Delegated State Authorities and repays the POSB Fund on a regular basis throughout the year. No financing costs are charged to the SCA in respect of these arrangements.

12. Other liabilities

	2020 €000	2019 €000
Payable in respect of expenses	197	1,132
Payable in respect of awards	1,647	2,604
Professional Services Withholding Tax	689	467
Amounts due to Delegated State Authorities	12	7
	2,545	4,210

13. Estimated liabilities of Delegated State Authorities

	2020 Number of claims	2019 Number of claims
At 1 January	11,580	10,658
New claims	3,628	3,516
Resolved claims	(3,221)	(2,704)
Other claims ¹	188	110
At 31 December ²	12,175	11,580

¹ Other claims include claims re-opened in the period, claims closed in the period and designated to a prior period.

² The number of active claims at 31 December 2020 includes 2,877 (2019: 2,472) mass action claims.

At 31 December 2020 the outstanding estimated liability of Delegated State Authorities in respect of claims under management by the SCA was €4,032m (2019: €3,633m), of which €3,031m (2019: €2,723m) was attributable to clinical claims and €1,001m (2019: €910m) to general claims. The estimated liability is calculated by reference to the ultimate cost of resolving each claim including all foreseeable costs such as settlement amounts, plaintiff legal costs and defence costs. The outstanding estimated liability is the total estimated liability less payments already made.

In respect of relevant active clinical claims at 31 December 2020, the SCA has based its estimated liability on a real rate of return of 1% (2019: 1%) on claims for the cost of future care and 1.5% (2019: 1.5%) for future pecuniary loss.

Financial Statements

Notes to the Financial Statements (continued)

14. Events after the reporting period

No events requiring adjusting or disclosure in the financial statements occurred after the end of the reporting period.

15. Approval of financial statements

The financial statements were approved by the Agency on 5 May 2021.

Financial Statements of the

Dormant Accounts Fund

For the year ended 31 December 2020

Report of the Comptroller and Auditor General	152
Investment and Disbursements Account	154
Reserve Account	155
Statement of Financial Position	156
Notes to the Financial Statements	157

Financial Statements



Ard Reachtair Cuntas agus Ciste Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Dormant Accounts Fund

Opinion on the financial statements

I have audited the financial statements of the Dormant Accounts Fund (the Fund) prepared by the National Treasury Management Agency (the Agency) for the year ended 31 December 2020 as required under the provisions of section 46 of the Dormant Accounts Act 2001. The financial statements comprise the investment and disbursements account, the reserve account, the statement of financial position and related notes.

In my opinion, the financial statements properly present

- the balance of the Fund at 31 December 2020, and
- the Fund transactions for 2020.

Basis of opinion

I conducted my audit of the financial statements in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the Agency and have fulfilled my other ethical responsibilities in accordance with the standards.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Report on information other than the financial statements, and on other matters

The Agency has presented the financial statements together with certain other information in relation to the operation of the Fund. This comprises the Agency's annual report (including the governance statement and Agency members' report) and the statement on internal control. My responsibilities to report in relation to such information, and on certain other matters upon which I report by exception, are described in the appendix to this report.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

11 May 2021

Appendix to the report of the Comptroller and Auditor General

Responsibilities of the National Treasury Management Agency

As detailed in the governance statement and Agency members' report, the members are responsible for

- the preparation of financial statements in the form prescribed under section 46 of the Dormant Accounts Act 2001
- ensuring that the financial statements properly present the Fund's affairs at year end and the transactions in the year
- ensuring the regularity of transactions
- assessing whether the use of the going concern basis of accounting is appropriate, and
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 46 of the Dormant Accounts Act 2001 to audit the financial statements of the Fund and to report thereon to the Houses of the Oireachtas.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures.

- I conclude on the appropriateness of the use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Information other than the financial statements

My opinion on the financial statements does not cover the other information presented with those statements, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, I am required under the ISAs to read the other information presented and, in doing so, consider whether the other information is materially inconsistent with the financial statements or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

Reporting on other matters

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation. I report if I identify material matters relating to the manner in which public business has been conducted.

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I report if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

I also report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the financial statements to be readily and properly audited, or
- the financial statements are not in agreement with the accounting records.

Financial Statements

Investment and Disbursements Account

For the year ended 31 December 2020

	Note	2020 €000	2019 €000
Moneys transferred to the Fund in respect of dormant accounts and unclaimed assurance policies	3	64,687	65,233
Amounts transferred to Reserve Account	4	(28,600)	(29,000)
Disbursements	5	(93,435)	(37,372)
Interest Expense	6	(39)	(57)
Movement for the year		(57,387)	(1,196)
Balance at 1 January		201,023	202,219
Balance at 31 December		143,636	201,023

The accompanying notes form an integral part of the financial statements.

On behalf of the Agency



Conor O'Kelly, Chief Executive
National Treasury Management Agency

5 May 2021



Maeve Carton, Chairperson
National Treasury Management Agency

Reserve Account

For the year ended 31 December 2020

	Note	2020 €000	2019 €000
Repayment of moneys transferred to the Fund	3	(21,541)	(22,608)
Interest on repayment of moneys transferred to the Fund	3	(163)	(145)
Transfer from Investment and Disbursements Account	4	28,600	29,000
Interest Expense	6	(29)	(47)
Operating Expenses	7	(90)	(84)
Movement for the year		6,777	6,116
Balance at 1 January		93,705	87,589
Balance at 31 December		100,482	93,705

The accompanying notes form an integral part of the financial statements.

On behalf of the Agency



Conor O'Kelly, Chief Executive
National Treasury Management Agency

5 May 2021



Maeve Carton, Chairperson
National Treasury Management Agency

Financial Statements

Statement of Financial Position

As at 31 December 2020

	Note	2020 €000	2019 €000
Assets			
Cash and Other Financial Assets	8	244,210	294,963
Liabilities			
Total Liabilities	9	(92)	(235)
Net Assets		244,118	294,728
Represented by:			
Investment and Disbursements Account		143,636	201,023
Reserve Account		100,482	93,705
		244,118	294,728

The accompanying notes form an integral part of the financial statements.

On behalf of the Agency



Conor O'Kelly, Chief Executive
National Treasury Management Agency

5 May 2021



Maeve Carton, Chairperson
National Treasury Management Agency

Notes to the Financial Statements

1. Background

The Dormant Accounts Act 2001 (as amended) provides for the transfer of dormant funds in banks, building societies and An Post and the transfer of moneys payable under unclaimed life assurance policies to the Dormant Accounts Fund, while guaranteeing a right of reclaim to those funds. It further provides for a scheme for the disbursement of funds for the purposes of programmes or projects to assist:

- (a) the personal and social development of persons who are economically or socially disadvantaged,
- (b) the educational development of persons who are educationally disadvantaged, or
- (c) persons with a disability (within the meaning of the Equal Status Act 2000).

The Dormant Accounts Fund consists of a Reserve Account from which reclaims and various expenses are paid and an Investment and Disbursements Account from which investments and disbursements are made.

The Agency is responsible, under sections 17 and 18 of the Dormant Accounts Act 2001 (as amended), for establishing, managing and controlling the Dormant Accounts Fund and has all powers (including the power to charge fees, payable from the Fund, in relation to the management and control of the Fund) that are necessary for or incidental to the performance of its functions. These functions include:

- the making of disbursements in accordance with the directions of the Minister for Public Expenditure and Reform.
- the maintenance of the Reserve Account.
- the defraying of the specified fees, costs and expenses incurred.
- the defraying of the remuneration, fees and expenses of the authorised inspectors.
- the repayment of moneys transferred to the Fund (note 10.1).
- the preparation of the annual investment plan, having regard to the disbursement plan and any direction from the Minister for Rural and Community Development¹.
- the investment of any moneys standing to the credit of the Fund that are not, for the time being, required for the purpose of meeting the liabilities of the Fund.
- the keeping of accounting records of all moneys received and expended by the Agency.
- the submitting of annual accounts to the Comptroller and Auditor General and the presentation of a copy of accounts so audited to the Minister for Rural and Community Development¹.
- the submitting of the annual report on the operation of the Fund to the Minister for Finance, and the presentation of a copy to the Minister for Rural and Community Development¹.

In accordance with the Dormant Accounts (Amendment) Act 2012, the Minister for Rural and Community Development¹ is responsible for the administration of the process by which the Government approves projects and programmes to which funds from the Dormant Accounts Fund can be disbursed. In accordance with this Act, a Disbursement Scheme 2020 – 2022 was approved by Government in July 2020 and a Dormant Accounts Action Plan for 2021 was published in November 2020, which details projects and programmes to which funds from the Dormant Accounts Fund may be allocated.

2. Basis of Preparation

The financial statements have been prepared for the year ended 31 December 2020. The financial statements are prepared on an accruals basis under the historical cost convention.

The NTMA is required under section 46(1) of the Dormant Accounts Act 2001 to keep all proper and usual accounts of all moneys received or expended by the Agency in relation to the Fund. In accordance with section 46(1) of the Dormant Accounts Act 2001, the financial statements have been prepared in a form specified by the Minister for Finance.

The presentation currency is euro. All amounts in the financial statements have been rounded to the nearest thousand unless otherwise indicated. Where used, '000' or 'k' denotes thousand, and 'm' denotes million.

¹ On 27 July 2017, Statutory Instrument 354 transferred functions previously executed by the Department of Arts Heritage, Regional, Rural and Gaeltacht Affairs in relation to the Dormant Accounts Fund, to the Department of Rural and Community Development. On 3 October 2017, Statutory Instrument 432 delegated the powers and duties of the Minister for Rural and Community Development in relation to the Dormant Accounts Fund to the Minister of State at the Department of Rural and Community Development.

Financial Statements

Notes to the Financial Statements (continued)

3. Cumulative amounts transferred and reclaimed in respect of dormant accounts and unclaimed assurance policies

Financial Institutions – Dormant Accounts

Institution	Opening Balance 01/01/2020 €000	Transferred €000	Reclaimed €000	Closing Balance 31/12/2020 €000	Interest Paid €000
ACC Loan Management DAC	5,375	-	(48)	5,327	-
Allied Irish Banks plc	98,930	6,919	(1,420)	104,429	(2)
Bank of America Europe Designated Activity Company	155	-	-	155	-
Bank of Ireland	108,471	9,379	(3,835)	114,015	(8)
Barclays Bank Ireland plc	344	-	-	344	-
BNP Paribas SA	143	-	-	143	-
Citibank Europe plc	29	-	-	29	-
Citco Bank	-	19	-	19	-
Danske Bank Plc	7,564	625	(171)	8,018	-
EAA Covered Bond Bank	122	-	-	122	-
EBS DAC	35,246	10,387	(3,598)	42,035	(34)
Investec Bank plc	2,048	-	(42)	2,006	-
Irish Bank Resolution Corporation Ltd (in special liquidation)	617	-	-	617	-
JP Morgan Bank (Ireland) plc	49	-	-	49	-
KBC Bank Ireland plc	786	6	(786)	6	(67)
Lloyds Bank	453	-	-	453	-
Permanent tsb plc	66,169	5,289	(1,679)	69,779	(9)
Pfizer International Bank	31	-	-	31	-
An Post - State Savings Products	87,545	3,124	(2,761)	87,908	(15)
An Post - Post Office Savings Bank	56,010	3,518	(986)	58,542	(26)
RBS NV	35	-	-	35	-
The Royal Bank of Scotland plc	420	-	-	420	-
Scotiabank (Ireland) DAC	93	-	-	93	-
Ulster Bank Ireland DAC	38,772	9,004	(726)	47,050	-
Total	509,407	48,270	(16,052)	541,625	(161)

3. Cumulative amounts transferred and reclaimed in respect of dormant accounts and unclaimed assurance policies (continued)

Assurance Companies – Unclaimed Assurance Policies

Institution	Opening Balance 01/01/2020 €000	Transferred €000	Reclaimed €000	Closing Balance 31/12/2020 €000	Interest paid €000
Specified Term Accounts:					
Ark Life Assurance Co. DAC	2,118	259	(176)	2,201	-
Aviva Life and Pensions UK Ltd	4,633	325	(36)	4,922	-
Equitable Life Assurance Society	53	-	-	53	-
Friends First Life Assurance Co. DAC	3,512	292	-	3,804	-
Harcourt Life (Ex Scottish Mutual Life)	97	-	-	97	-
Irish Life Assurance plc	12,305	2,626	(528)	14,403	-
New Ireland Assurance Co. DAC	1,213	200	(247)	1,166	-
Phoenix Life Ltd	7,542	1,156	(151)	8,547	-
The Royal London Mutual Insurance Society Ltd	10,141	608	(76)	10,673	-
St. James Place International plc	11	-	-	11	-
Scottish Legal Life	619	-	-	619	-
Standard Life International DAC	2,005	175	-	2,180	-
Sun Life Assurance Society plc	386	39	-	425	-
Zurich Life Assurance plc	4,293	1,408	(579)	5,122	-
No Specified Term Accounts:					
Acorn Life DAC	183	-	-	183	-
Ark Life Assurance Co. DAC	5,256	914	(839)	5,331	-
Aviva Life and Pensions UK Ltd	4,362	468	(94)	4,736	-
Equitable Life Assurance Society	22	-	-	22	-
Friends First Life Assurance Co. DAC	1,775	79	(52)	1,802	-
Harcourt Life DAC (ex Augura Life Ireland DAC)	145	2	(5)	142	-
Harcourt Life DAC (ex Scottish Mutual Life DAC)	642	-	-	642	-
Irish Life Assurance plc	9,814	2,379	(565)	11,628	-
New Ireland Assurance Co. DAC	15,577	547	(591)	15,533	-
Phoenix Life Ltd	2,212	136	(102)	2,246	-
The Royal London Mutual Insurance Society Ltd	15,593	934	(198)	16,329	-
St. James Place International plc	7	-	-	7	-
Scottish Legal Life	615	-	-	615	-
Standard Life International DAC	3,379	1,089	(394)	4,074	-
Sun Life Assurance Society plc	119	58	-	177	-
Zurich Life Assurance plc	5,672	2,517	(776)	7,413	-
TOTAL (UNCLAIMED POLICIES)	114,301	16,211	(5,409)	125,103	-
The Escheated Estate Fund	4,400	-	-	4,400	-
Accrued Reclaims	(206)	206	(80)	(80)	(2)
GRAND TOTAL	627,902	64,687	(21,541)	671,048	(163)

Figures may not total due to rounding.

Financial Statements

Notes to the Financial Statements (continued)

3. Cumulative amounts transferred and reclaimed in respect of dormant accounts and unclaimed assurance policies (continued)

The Fund does not recognise a liability in respect of Dormant moneys transferred to the Fund (note 10.1). Interest paid on dormant accounts reclaimed is in respect of the period from the transfer of the accounts to the Fund until their reclaim.

The amounts transferred to the Fund included accounts denominated in currencies other than euro. The effect of revaluing these accounts at the year end exchange rates would be to decrease the total amount transferred to the Fund and not yet reclaimed by €1,699,888 from €671,048,403 to €669,348,515.

4. Amounts transferred to the Reserve Account

Under section 17 (4) of the Dormant Accounts Act 2001 as amended, the Agency pays into the Reserve Account, from time to time, an amount determined by the Agency, with the approval of the Minister for Rural and Community Development given with the consent of the Minister for Finance, for the purposes of making repayments from the Fund and of defraying various fees, costs and expenses. An internal transfer from the Investment Account is made as required to maintain the balance in the Reserve Account at a currently approved 15 per cent of the total dormant funds received by the Fund and not yet reclaimed. The balance in the Reserve account may deviate from 15 per cent in the intervening period between the rebalancing dates.

5. Disbursements

The following disbursements were made from the Fund during the year:

	2020 €000	2019 €000
On Direction of the Minister for Public Expenditure and Reform:		
Department of Rural and Community Development	49,481	12,673
Department of Health	11,247	2,700
Department of Children, Equality, Disability, Integration and Youth	9,585	7,039
Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media	7,975	5,000
Department of Justice	6,598	4,873
Department of Social Protection	3,216	550
Department of Housing, Local Government and Heritage	3,000	3,000
Department of Defence	1,005	502
Department of Education	577	462
Department of Environment, Climate and Communications	551	373
Irish Prison Service	200	200
	93,435	37,372

6. Interest Expense

2020	Investment and Disbursements Account €000	Reserve Account €000	2020 €000
Cash at Central Bank	(39)	(29)	(68)
	(39)	(29)	(68)
2019	Investment and Disbursements Account €000	Reserve Account €000	2019 €000
Term Deposits	3	3	6
Cash at Central Bank	(60)	(50)	(110)
	(57)	(47)	(104)

The negative return on Central Bank deposits reflects the prevailing negative interest rates charged in respect of cash balances held on deposit.

7. Operating Expenses

	2020 €000	2019 €000
Fees of service provider (Pobal)	89	83
Bank Charges	1	1
	90	84

Pobal receives an annual service fee for its administration of certain projects in receipt of Dormant Accounts Fund disbursements. The fee is paid by the Department of Rural and Community Development and reimbursed from the Dormant Accounts Fund. Due to a process change where service fees for allocated projects are borne directly by the departments in receipt of Fund disbursements, it is not expected the Dormant Accounts Fund will be liable for this fee in 2021.

Expenses of the National Treasury Management Agency

Under section 45 (1)(c) of the Dormant Accounts Act 2001 as amended, the Agency is required to report on the costs and expenses incurred by the Agency in performing its function under the legislation. These are detailed below:

	2020 €000	2019 €000
General Administration ²	150	150

8. Cash and Other Financial Assets

	2020 €000	2019 €000
Cash at Central Bank	5,210	18,963
Term Deposits	239,000	276,000
	244,210	294,963

9. Total Liabilities

	2020 €000	2019 €000
Interest Payable on Cash Balances	(10)	(29)
Accrued Reclaims	(82)	(206)
	(92)	(235)

² This is an estimate, included in the Notes to the financial statements only, as the Agency has not charged these expenses to the Dormant Accounts Fund.

Financial Statements

Notes to the Financial Statements (continued)

10. Contingent Exchequer Liability

- 10.1** As a result of cumulative disbursements to date the net assets of the Fund are less than the dormant funds transferred and not yet reclaimed. This difference represents a contingent exchequer liability that would have to be met by the Central Fund in the event that all moneys transferred to the Dormant Accounts Fund were reclaimed.

At 31 December 2020 the contingent liability to the Exchequer is estimated at €427m (2019: €333m). The contingent exchequer liability is estimated as the difference between the net cash transferred into the Fund and not yet reclaimed and the net assets of the Fund. No provision or estimate is made for interest which may be payable on future reclaims for the period from the date of transfer to the date of reclaim. Further analysis of the contingent exchequer liability is provided in note 10.2.

Under section 17(7) of the Dormant Accounts Act 2001, whenever the moneys in the Investment and Disbursements Account are insufficient to meet the deficiency in the Reserve Account, a payment can be made out of the Central Fund into the Reserve Account of an amount not exceeding the deficiency. Any such moneys paid from the Central Fund are required to be repaid, as soon as practicable, from new moneys transferred into the Fund from the financial institutions after providing for any liabilities or contingent liabilities of the Fund.

10.2 Analysis of Contingent Exchequer Liability:

	1 January 2020 €000	Movement during the year €000	31 December 2020 €000
Net Assets of Fund	294,728	(50,610)	244,118
Dormant Funds Transferred not reclaimed	(627,902)	(43,146)	(671,048)
Contingent liability	(333,174)	(93,756)	(426,930)

10.3 The movement in the Contingent Exchequer Liability for the year is represented by:

	2020 €000	
Disbursements	(93,435)	Note 5
Interest on repayments of moneys transferred to the Fund	(163)	Note 3
Operating expenses	(90)	Note 7
Interest Expense	(68)	Note 6
Movement for the year	(93,756)	Note 10.2

11. Investment Return

Under section 45 (1)(b) of the Dormant Accounts Act 2001, the Agency is required to report to the Minister for Rural and Community Development the investment return achieved by the Fund in each financial year. The annualised return on the Fund for the year was -0.02% (2019: -0.03%).

12. Events after the end of the reporting period

No events requiring adjusting or disclosure in the financial statements occurred after the end of the reporting period.

13. Approval of Financial Statements

The financial statements were approved by the Agency on 5 May 2021.

Financial Statements of the

National Surplus (Exceptional Contingencies) Reserve Fund

For the year ended 31 December 2020

Fund and other information	164
Report of the Comptroller and Auditor General	165
Statement of Financial Position	167
Statement of Changes in Net Assets	168
Statement of Cash Flows	169
Notes to the Financial Statements	170

Financial Statements

Fund and Other Information

National Treasury Management Agency

(as delegate of the Minister for Finance in his capacity as manager and controller of the National Surplus (Exceptional Contingencies) Reserve Fund)

Treasury Dock
North Wall Quay
Dublin 1
D01 A9T8

Banker

Central Bank of Ireland
New Wapping Street
North Wall Quay
Dublin 1
D01 F7X3

Auditor

Comptroller and Auditor General
3A Mayor Street Upper
Dublin 1
D01 PF72



Ard Reachtair Cuntas agus Ciste Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

National Surplus (Exceptional Contingencies) Reserve Fund

Opinion on the financial statements

I have audited the financial statements of National Surplus (Exceptional Contingencies) Reserve Fund (the Fund) prepared by the National Treasury Management Agency (the Agency) for the year ended 31 December 2020 as required under the provisions of section 12 of the National Treasury Management Agency Act 1990 (as amended). The financial statements comprise

- the statement of financial position
- the statement of changes in net assets
- the statement of cash flows and
- the related notes, including a summary of significant accounting policies.

In my opinion, the financial statements give a true and fair view of the assets, liabilities and financial position of the Fund at 31 December 2020 and of the Fund transactions during the year in accordance with Financial Reporting Standard (FRS) 102 — *The Financial Reporting Standard applicable in the UK and the Republic of Ireland*.

Basis of opinion

I conducted my audit of the financial statements in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the Agency and have fulfilled my other ethical responsibilities in accordance with the standards.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Report on information other than the financial statements, and on other matters

The Agency has presented the financial statements together with certain other information in relation to the operation of the Fund. This comprises the Agency's annual report (including the governance statement and Agency members' report) and the statement on internal control. My responsibilities to report in relation to such information, and on certain other matters upon which I report by exception, are described in the appendix to this report.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

11 May 2021

Appendix to the report of the Comptroller and Auditor General

Responsibilities of the National Treasury Management Agency

As detailed in the governance statement and Agency members' report, the members are responsible for

- the preparation of financial statements in the form prescribed under section 28 of the National Treasury Management Agency Act 2000 (as amended)
- ensuring that the financial statements give a true and fair view in accordance with FRS102
- ensuring the regularity of transactions
- assessing whether the use of the going concern basis of accounting is appropriate, and
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 12 of the National Treasury Management Agency Act 1990 (as amended) to audit the financial statements of the Fund and to report thereon to the Houses of the Oireachtas.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures.

- I conclude on the appropriateness of the use of the going concern basis of accounting and, based on the audit evidence obtained, on whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Agency's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the Agency to cease to continue as a going concern.
- I evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Information other than the financial statements

My opinion on the financial statements does not cover the other information presented with those statements, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, I am required under the ISAs to read the other information presented and, in doing so, consider whether the other information is materially inconsistent with the financial statements or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

Reporting on other matters

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation. I report if I identify material matters relating to the manner in which public business has been conducted.

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I report if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

I also report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the financial statements to be readily and properly audited, or
- the financial statements are not in agreement with the accounting records.

Statement of Financial Position

As at 31 December 2020

	Note	2020 €m	2019 €m
Assets			
Current Assets			
Financial Assets at fair value through profit or loss	6	-	1,125
Cash and cash equivalents	7	-	375
Net Assets		-	1,500

The accompanying notes form an integral part of the financial statements.

On behalf of the Agency



Conor O'Kelly, Chief Executive
National Treasury Management Agency

5 May 2021



Maeve Carton, Chairperson
National Treasury Management Agency

Financial Statements

Statement of Changes in Net Assets

For the year ended 31 December 2020

	Note	Year ended 31 December 2020 €m	Period ended 31 December 2019 €m
Funds received from Ireland Strategic Investment Fund		-	1,500
Transfer to the Exchequer	8	(1,500)	-
(Decrease)/Increase in net assets		(1,500)	1,500
Net Assets at beginning of the year		1,500	-
Net Assets at end of year		-	1,500

The accompanying notes form an integral part of the financial statements.

On behalf of the Agency



Conor O'Kelly, Chief Executive
National Treasury Management Agency

5 May 2021



Maeve Carton, Chairperson
National Treasury Management Agency

Statement of Cash Flows

For the year ended 31 December 2020

	Year ended 31 December 2020 €m	Period ended 31 December 2019 €m
Cash flows from operating activities		
Purchase of Exchequer notes	(1,250)	(1,625)
Proceeds from sale and maturities of Exchequer notes	2,750	125
Net cash inflow/(outflow) in operating activities	1,500	(1,500)
Cash flows from financing activities		
Funds received from Ireland Strategic Investment Fund	-	1,500
Transfer to the Exchequer	(1,500)	-
Net cash (outflow)/inflow from financing activities	(1,500)	1,500
Net increase in cash and cash equivalents	-	-
Cash at 31 December	-	-

Notes to the Financial Statements

1. Background

The National Surplus (Exceptional Contingencies) Reserve Fund ("the Fund") was established on 31 October 2019 on the commencement of the National Surplus (Reserve Fund for Exceptional Contingencies) Act 2019 ("the NS(RFEC) Act 2019").

In directions issued by the Minister for Finance (the "Minister") on 7 November 2019 to the National Treasury Management Agency ("the Agency") ("the Directions"), the Minister directed the Agency:

- in accordance with the National Treasury Management Agency (Amendment) Act 2000 (Delegation of Investment Functions) Order 2019 (the Order) and Section 28(3) of the National Treasury Management Agency (Amendment) Act 2000 ("NTMA (Amendment) Act 2000") to, *inter alia*:
 - invest the Fund, subject to and in accordance with Section 8 of the NS(RFEC) Act 2019 and in a manner consistent with the investment guidelines appended to the Directions (as such guidelines may be amended or replaced from time to time) ("the Investment Guidelines");
 - prepare an annual investment plan in relation to the investment of the assets of the Fund and to submit a copy of the plan to the Department of Finance before the end of October each year (or as soon as reasonably practicable thereafter) and to notify the Department of Finance as soon as reasonably practicable following the making of any changes to the annual investment plan submitted in respect of any year;
- in accordance with Section 12 of the National Treasury Management Agency Act 1990 ("the NTMA Act 1990"), Section 4 of the NS(RFEC) Act 2019 and Section 28(5) of the NTMA (Amendment) Act 2000 to:
 - prepare and keep all proper and usual accounts in relation to the Fund, which shall be subject to audit by the Comptroller and Auditor General;
 - furnish the accounts in relation to the Fund to the Comptroller and Auditor General not later than 4 months after the end of the financial period to which they relate and to submit the accounts, as so audited, to the Minister as part of the Agency's annual report submitted pursuant to Section 13(1) of the NTMA Act 1990.
- in accordance with section 47A(2) of the National Treasury Management Agency (Amendment) Act 2014 and Section 5(1) of the NS(RFEC) Act 2019 to transfer assets of a value of €1,500 million to the Fund from the assets of the Ireland Strategic Investment Fund ("ISIF") by no later than 30 November 2019. Consequently, on 15 November 2019, €1,500 million was transferred to the Fund from the assets of the ISIF.

A resolution was passed by Dáil Éireann on 13 October 2020 approving the payment of moneys out of the Fund to the Exchequer's Central Fund to allow for public expenditure to remedy or mitigate the impact of the COVID-19 virus (the "Dáil Resolution").

In directions issued by the Minister to the Agency on 20 October 2020 (the "2020 Directions"), the Minister directed the Agency to, *inter alia*:

- pursuant to section 28(3) of the NTMA (Amendment) Act 2000, arising from the Dáil Resolution and in accordance with section 10 of the NS(RFEC) Act 2019, as soon as practicable to convert the assets standing to the credit of the Fund into cash and to transfer the balance to the Exchequer's Central Fund;
- pursuant to section 12 of the NTMA Act 1990, section 28 of the NTMA (Amendment) Act 2000, section 4 and section 8 of the NS(RFEC) Act 2019 and the Order, to, *inter alia*:
 - preserve an account in respect of the Fund in order to allow the Agency to manage any assets which may be transferred into the Fund in the future in accordance with the NS(RFEC) Act 2019;
 - incur only such expenses under section 11 of the NS(RFEC) Act 2019 (being external expenses and outlay) as may be agreed in advance by the Department of Finance.

On 28 October 2020, €1,500 million was transferred from the Fund to the Exchequer's Central Fund pursuant to the 2020 Directions.

The Fund is domiciled in Ireland. It is not traded in a public market nor does it file its financial statements with a securities commission or other regulatory organisation for the purpose of issuing any class of instruments in a public market.

The financial statements are presented in euro which is the Fund's functional and presentational currency.

2. Investment Objective

The investment Objective of the Fund is to preserve capital to the greatest extent possible subject to prevailing market conditions while ensuring the Fund has adequate liquidity at all times.

The Fund is invested in accordance with Section 8 of the NS(RFEC) Act 2019 and the Investment Guidelines agreed with the Minister and the Annual Investment Plan (as defined in the Directions) prepared by the Agency. In preparing each Annual Investment Plan, the Agency is permitted to have regard to its own risk management policies from time to time.

Any income and capital from maturing investments, as well as any inflows into the Fund will be re-invested in accordance with the Investment Guidelines and the Annual Investment Plan.

3. Basis of preparation

The financial statements have been prepared for year ended 31 December 2020. The comparative period is for the period from commencement 31 October 2019 to 31 December 2019. All amounts in the financial statements have been rounded to the nearest €m unless otherwise indicated. Where used, '€'000' or 'k' denotes thousand, 'm' denotes million and 'bn' denotes billion.

Statement of compliance

The financial statements have been prepared in compliance with applicable legislation, and with FRS 102 The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland issued by Financial Reporting Council in the UK for use in Ireland (March 2018).

4. Significant Accounting Policies

The significant accounting policies and estimation techniques adopted by the Fund are as follows:

4.1 Measurement convention

The financial statements are prepared on the historical cost basis modified by the inclusion of fair value of derivatives, investments and other financial instruments designated at fair value through profit or loss (FVTPL) on initial recognition.

4.2 Going concern

The financial position of the Fund, its cash flows and liquidity position are detailed in the financial statements. In addition, the notes to the financial statements set out the Fund's financial risk management objectives, details of its financial assets and financial liabilities and its exposures to market, credit and liquidity risk.

The Agency members have a reasonable expectation that the Fund has adequate resources to continue in operational existence for the foreseeable future. Therefore, the Fund continues to adopt the going concern basis of accounting in preparing the financial statements.

4.3 Cash and Cash equivalents

Cash and cash equivalents comprise short term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value. Cash and cash equivalents and Exchequer notes meeting the conditions to be a cash equivalent, are measured at fair value.

4.4 Recognition and measurement of financial assets and liabilities

The Fund recognises and measures its financial assets and financial liabilities in accordance with Section 11 and Section 12 of FRS 102. The Fund determines the classification of its financial instruments at initial recognition.

Fair value measurement

'Fair value' is the amount for which an asset could be exchanged, a liability settled or an equity instrument granted between knowledgeable willing parties in an arm's length transaction.

Financial assets and financial liabilities are initially recognised when the Fund becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities upon initial recognition are measured at transaction price.

Amortised cost measurement

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest rate method of any difference between the initial amount recognised and the maturity amount minus any reduction for impairment or uncollectability.

Financial Statements

Notes to the Financial Statements (continued)

4. Significant Accounting Policies (continued)

4.4 Recognition and measurement of financial assets and liabilities (continued)

Exchequer Notes

The Fund was invested in a portfolio of Exchequer notes with maturities between 1 and 12 months during 2020 and 2019. Exchequer note holdings with maturities of more than 3 months are categorised as financial assets at fair value through profit or loss and those with maturities of less than 3 months are categorised as cash and cash equivalents.

Subsequent to initial recognition at their transaction price these investments were measured at fair value with any changes in their value to be recognised in profit and loss.

Impairment

A financial asset not classified as a financial assets at fair value through profit or loss (FVTPL) is assessed at each reporting date to determine whether there is objective evidence of impairment. A financial asset or a group of financial assets is 'impaired' if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset and the loss event has had an impact on the estimated future cash flows of the asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes significant financial difficulty of the issuer or obligor, a breach of contract, default or delinquency in interest or principal payments, restructuring of the amount due on terms that the Fund would not otherwise consider, indications that a borrower will enter bankruptcy or other financial reorganisation or adverse changes in the payment status of the borrowers due to adverse national or local economic conditions or adverse change in industry conditions.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised. If an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, then the decrease in impairment loss is reversed through profit or loss.

4.5 Critical accounting estimates and judgements

The preparation of financial statements in conformity with FRS 102 requires the use of certain accounting estimates and judgements that management have made in applying the Fund's accounting policies and that have a significant effect on the amounts recognised in the financial statements.

The estimates and associated judgements are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily available from other sources. Actual results may differ from these estimates.

5. Financial Risks

The Agency is responsible for risk management of the Fund. In relation to the Fund, the Agency's responsibility is to implement directions from the Minister and to value relevant securities for the purpose of the Fund's financial statements.

The Agency Risk Management Policy and Framework prescribes mandatory standards and definitions for risk management that apply to all parts of the Agency and across all risk categories. These standards are then implemented through the detailed policies and procedures that govern the management of individual risk categories and/or risk management processes. The Agency Risk Management Framework is predicated on the three-lines-of-defence model and its organisational structure and risk committee structure are aligned in order to establish clear ownership and accountabilities for risk management.

As the first line of defence, the Agency's Business Units and Corporate Functions are primarily responsible for owning and managing risks on a day-to-day basis, taking into account the Agency's risk tolerance and appetite and in line with its policies, procedures, controls and limits.

The second line of defence, which includes the Agency's Risk, Compliance and other control functions, is independent of first line management and operations and its role is to challenge decisions that affect the organisation's exposure to risk and to provide comprehensive and understandable reporting on risks management issues.

The third line of defence includes the Internal Audit function which provides independent risk-based assurance to key stakeholders on the robustness of the Agency's governance, risk management system and the design and operating effectiveness of the internal control environment under a planned programme of work approved by the Audit and Risk Committee.

A number of Agency and management committees, including the Audit and Risk Committee and the Risk sub-committees, support the Agency in discharging its responsibilities in relation to risk management.

5. Financial Risks (continued)

Agency Committees:

Agency Audit & Risk Committee (ARC)

The Audit and Risk Committee assists the Agency in:

- the oversight of the quality and integrity of the financial statements, the review and monitoring of the effectiveness of the systems of internal control, the internal audit process and the compliance function, and the review and consideration of the outputs from the statutory auditor; and
- the oversight of the Agency's risk management framework including setting risk appetite, monitoring adherence to risk governance and ensuring risks are properly identified, assessed, managed and reported.

In addition, the Committee oversees the internal audit and risk management functions, which are managed on a day to day basis by the Head of Internal Audit and the Head of Risk (Financial, Investment and Enterprise) respectively.

Management Committees:

National Surplus (Exceptional Contingencies) Reserve Fund Oversight Committee (NSOC)

The NSOC oversees the Agency's investment of the Fund in accordance with the Order and any directions from the Minister. It reviews and recommends the Annual Investment Plan to the NTMA Chief Executive each year having regard to the Investment Guidelines and any specific direction that may be given from the Minister or Department. It reviews quarterly reports on the implementation of the Annual Investment Plan and monitors performance and compliance with the Annual Investment Plan and Investment Guidelines. It recommends where appropriate any amendments to the Annual Investment Plan or Investment Guidelines.

Enterprise Risk Management Committee (ERMC)

The ERMC oversees the implementation of the Agency's overall risk appetite and senior management's establishment of appropriate systems (including policies, procedures and risk limits) to ensure enterprise risks are effectively identified, measured, monitored, controlled and reported. It has a number of sub-committees to which it delegates functions.

Counterparty Credit Risk Committee (CCRC)

The CCRC oversees and advises the ERMC on current counterparty credit risk exposures. It formulates, implements and monitors compliance with the NTMA Counterparty Credit Risk Policy, including the consideration and recommendation, where appropriate, of any proposed changes and ensures that all appropriate actions are taken in respect of relevant policy or any breaches. It reports relevant counterparty credit risk exposures and details to the ERMC.

Market and Liquidity Risk Committee (MLRC)

The MLRC oversees and advises the ERMC on market and liquidity risk exposures. It formulates, implements and monitors compliance with the NTMA Market and Liquidity Risk Policies, including the consideration and recommendation, where appropriate, of any proposed changes and ensures that all appropriate actions are taken in respect of relevant policy or any breaches. It reports relevant market risk and liquidity risk exposures and details to the ERMC.

In pursuing its investment objectives, the Fund is exposed to a variety of financial risks: market risk (which can include price risk, interest rate risk and currency risk), liquidity risk and credit risk. The Agency is responsible for risk management of the Fund's financial performance. In relation to the Fund, the Agency's responsibility is to implement directions from the Minister and to value relevant securities for the purpose of the Fund's financial statements.

a) Market Risk

Market risk is the risk of loss or increased costs resulting from changes in the value of assets and liabilities (including off balance sheet assets and liabilities) due to fluctuations in risk factors such as interest rates, foreign exchange rates or other market prices. Sub-categories of market risk include interest rate risk, foreign exchange risk and market price risk.

b) Liquidity Risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous. The Fund's investment policy is designed to ensure adequate liquidity is maintained to meet liabilities in respect of the payment of fees and expenses, if and when they fall due.

Financial Statements

Notes to the Financial Statements (continued)

5. Financial Risks (continued)

Management Committees (continued):

Market and Liquidity Risk Committee (MLRC) (continued)

c) Credit Risk

Credit risk arises from the risk that a borrower or counterparty will fail to perform on an obligation leading to a loss of principal or financial reward.

d) Valuation of Financial Instruments

Under Amendments to FRS 102, Section 34, the Fund is required to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical unrestricted assets or liabilities;

Level 2 – Quoted prices in markets that are not active or financial instruments for which significant inputs are observable (including investments in investees that can generally be redeemed within three months of the measurement date at Net Asset Value), either directly or indirectly. This may include the valuer's assumptions in determining fair value measurement; and

Level 3 – Prices or valuations that require significant unobservable inputs (including investments in investee funds that are restricted from redemption for an uncertain or extended period of time from the measurement date and the valuer's assumptions in determining fair value measurement).

Valuation techniques may include net present value and discounted cash flow models, comparison with similar instruments for which observable market prices exist and other valuation models. Assumptions and inputs used in valuation techniques may include risk-free and benchmark interest rates, credit spreads and other premia used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity indices, earnings multiples and revenue multiples and expected price volatilities and correlations.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

The table below analyses financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy.

2020	Level 1 €m	Level 2 €m	Level 3 €m	Total €m
Exchequer Notes	-	-	-	-
2019	Level 1 €m	Level 2 €m	Level 3 €m	Total €m
Exchequer Notes	1,500	-	-	1,500

6. Financial assets at fair value through profit or loss

	2020 €m	2019 €m
Exchequer notes with a maturity greater than 3 months	-	1,125

7. Cash and cash equivalents

	2020 €m	2019 €m
Exchequer notes with a maturity less than or equal to 3 months	-	375

8. Transfer to the Exchequer

In accordance with the Ministerial Direction dated the 20 October 2020, €1,500 million was transferred from the Fund to the Exchequer on the 28 October 2020.

9. Management Expenses

In accordance with the Directions and Section 11 of the NS(RFEC) Act 2019, the Agency may incur only such external costs and outlay in the performance of its delegated functions to the Fund as may be agreed in advance by the Department of Finance. No such external costs or outlay were incurred by the Agency in 2019 or 2020.

10. Related Parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

Minister for Finance

Management and control of the Fund vests in the Minister pursuant to section 4(1) of the NS (RFEC) Act 2019.

National Treasury Management Agency

The Minister has delegated to the Agency certain of his functions in relation to the investment of the Fund in accordance with the Directions and the 2020 Directions as further outlined in Note 1.

10. Events after the reporting date

No events requiring an adjustment or disclosure in the financial statements occurred after the end of the reporting period.

11. Approval of Financial Statements

The financial statements were approved by the Agency on 5 May 2021.

Financial Statements of the

Ireland Strategic Investment Fund

For the year ended 31 December 2020

Fund and other information	178
Report of the Comptroller and Auditor General	179
Statement of Financial Position	181
Statement of Comprehensive Income	182
Statement of Changes in Net Assets	183
Statement of Cash Flows	184
Notes to the Financial Statements	185

Financial Statements

Fund and Other Information

Controller and Manager

National Treasury Management Agency
Treasury Dock
North Wall Quay
Dublin 1
D01 A9T8

Global Custodian (“Global Custodian”)

Bank of New York Mellon
240 Greenwich Street
Manhattan
New York
U.S.A.

BNY Mellon SA/NV
Rue Montoyer 46,
1000 Bruxelles,
Belgium

Bankers

Central Bank of Ireland
New Wapping Street
North Wall Quay
Dublin 1
D01 F7X3

Allied Irish Banks p.l.c.
1-4 Lower Baggot Street
Dublin 2
D02 X342

Auditor

Comptroller and Auditor General
3A Mayor Street Upper
Dublin 1
D01 PF72



Ard Reachtaire Cuntas agus Ciste Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Ireland Strategic Investment Fund

Opinion on the financial statements

I have audited the financial statements of the Ireland Strategic Investment Fund (the Fund) prepared by the National Treasury Management Agency (the Agency) for the year ended 31 December 2020 as required under the provisions of section 12 of the National Treasury Management Agency Act 1990 (as amended). The financial statements comprise

- the statement of financial position
- the statement of comprehensive income
- the statement of changes in net assets
- the statement of cash flows, and
- the related notes, including a summary of significant accounting policies.

In my opinion, the financial statements give a true and fair view of the assets, liabilities and financial position of the Fund at 31 December 2020 and of its income and expenditure for 2020 in accordance with Financial Reporting Standard (FRS) 102 — *The Financial Reporting Standard applicable in the UK and the Republic of Ireland*.

Basis of opinion

I conducted my audit of the financial statements in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the Agency and have fulfilled my other ethical responsibilities in accordance with the standards.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Report on information other than the financial statements, and on other matters

The Agency has presented the financial statements together with certain other information in relation to the operation of the Fund. This comprises the Agency's annual report (including the governance statement and Agency members' report) and the statement on internal control. My responsibilities to report in relation to such information, and on certain other matters upon which I report by exception, are described in the appendix to this report.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

11 May 2021

Appendix to the report of the Comptroller and Auditor General

Responsibilities of the National Treasury Management Agency

As detailed in the governance statement and Agency members' report, the members are responsible for

- the preparation of financial statements in the form prescribed under section 12 of the National Treasury Management Agency Act 1990 (as amended)
- ensuring that the financial statements give a true and fair view in accordance with FRS102
- ensuring the regularity of transactions
- assessing whether the use of the going concern basis of accounting is appropriate, and
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 12 of the National Treasury Management Agency Act 1990 (as amended) to audit the financial statements of the Fund and to report thereon to the Houses of the Oireachtas.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures.

- I conclude on the appropriateness of the use of the going concern basis of accounting and, based on the audit evidence obtained, on whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Agency's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the Agency to cease to continue as a going concern.
- I evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Information other than the financial statements

My opinion on the financial statements does not cover the other information presented with those statements, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, I am required under the ISAs to read the other information presented and, in doing so, consider whether the other information is materially inconsistent with the financial statements or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

Reporting on other matters

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation. I report if I identify material matters relating to the manner in which public business has been conducted.

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I report if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

I also report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the financial statements to be readily and properly audited, or
- the financial statements are not in agreement with the accounting records.

Statement of Financial Position

As at 31 December 2020

	Note	Discretionary Portfolio		Directed Portfolio		Total	
		2020 €m	2019 €m	2020 €m	2019 €m	2020 €m	2019 €m
Assets							
Investments	7, 8	6,812	6,632	3,733	6,726	10,545	13,358
Loans and receivables	7, 8	683	451	37	7	720	458
Trade and other receivables	9	20	62	-	-	20	62
Cash and cash equivalents	12	1,329	999	165	215	1,494	1,214
Total assets		8,844	8,144	3,935	6,948	12,779	15,092
Liabilities							
Derivatives	7	(16)	(9)	-	-	(16)	(9)
Balance due to brokers	7	(10)	(3)	-	-	(10)	(3)
Other liabilities	10	(16)	(13)	-	-	(16)	(13)
Total liabilities		(42)	(25)	-	-	(42)	(25)
Net assets of the Fund at year end		8,802	8,119	3,935	6,948	12,737	15,067

The accompanying notes form an integral part of the financial statements.

On behalf of the Agency



Conor O'Kelly, Chief Executive
National Treasury Management Agency

5 May 2021



Maeve Carton, Chairperson
National Treasury Management Agency

Financial Statements

Statement of Comprehensive Income

For the year ended 31 December 2020

	Note	Discretionary Portfolio		Directed Portfolio		Total	
		2020 €m	2019 €m	2020 €m	2019 €m	2020 €m	2019 €m
Income							
Interest income	4	39	85	-	-	39	85
Dividend income	4	32	14	-	352	32	366
Private equity, property and other income	4	46	38	-	-	46	38
Net gains/(losses) on financial assets and liabilities at fair value through profit or loss		626	345	(2,993)	(1,060)	(2,367)	(715)
Net investment income/(loss)		743	482	(2,993)	(708)	(2,250)	(226)
Expenses							
Operating expenses	5	(30)	(33)	-	-	(30)	(33)
Profit/(Loss) for the financial year before tax		713	449	(2,993)	(708)	(2,280)	(259)
Taxation	6	-	-	-	-	-	-
Profit/(Loss) for the financial year		713	449	(2,993)	(708)	(2,280)	(259)

The accompanying notes form an integral part of the financial statements.

On behalf of the Agency



Conor O'Kelly, Chief Executive
National Treasury Management Agency

5 May 2021



Maeve Carton, Chairperson
National Treasury Management Agency

Statement of Changes in Net Assets

For the year ended 31 December 2020

	Note	Discretionary Portfolio		Directed Portfolio		Total	
		2020 €m	2019 €m	2020 €m	2019 €m	2020 €m	2019 €m
Profit/ (Loss) for the year		713	449	(2,993)	(708)	(2,280)	(259)
Transfers to the Minister	11	-	(1,500)	(50)	-	(50)	(1,500)
Assets transferred between portfolios	11	(30)	345	30	(345)	-	-
Increase/(Decrease) in net assets		683	(706)	(3,013)	(1,053)	(2,330)	(1,759)
Net assets at beginning of year		8,119	8,825	6,948	8,001	15,067	16,826
Net assets at end of year		8,802	8,119	3,935	6,948	12,737	15,067

The accompanying notes form an integral part of the financial statements.

On behalf of the Agency



Conor O'Kelly, Chief Executive
National Treasury Management Agency

5 May 2021



Maeve Carton, Chairperson
National Treasury Management Agency

Financial Statements

Statement of Cash Flows

For the year ended 31 December 2020

		Discretionary Portfolio		Directed Portfolio		Total	
	Note	2020 €m	2019 €m	2020 €m	2019 €m	2020 €m	2019 €m
Cash flows from operating activities							
Interest received		54	89	-	-	54	89
Tax reclaims received	6	1	-	-	-	1	-
Dividends received	4	32	14	-	352	32	366
Other income received		20	35	-	-	20	35
Proceeds from sale of investments		5,537	8,728	10	-	5,547	8,728
Purchase of investments		(5,456)	(6,941)	(40)	(7)	(5,496)	(6,948)
Cash collateral received		530	203	-	-	530	203
Cash collateral paid		(523)	(200)	-	-	(523)	(200)
Operating expenses paid	5	(33)	(34)	-	-	(33)	(34)
Effect of exchange rate fluctuations		203	(191)	-	-	203	(191)
Net cash from operating activities		365	1,703	(30)	345	335	2,048
Cash flows from financing activities							
Transfer between portfolios	11	(30)	345	30	(345)	-	-
Transfer to the Minister	11	-	(1,500)	(50)	-	(50)	(1,500)
Net cash from financing activities		(30)	(1,155)	(20)	(345)	(50)	(1,500)
Net increase in cash and cash equivalents		335	548	(50)	-	285	548
Opening cash and cash equivalents		999	452	215	215	1,214	667
Effect of exchange rate fluctuations on cash and cash equivalents		(5)	(1)	-	-	(5)	(1)
Closing cash and cash equivalents		1,329	999	165	215	1,494	1,214

Notes to the Financial Statements

1. Background

The Ireland Strategic Investment Fund ("ISIF" or "the Fund") was established on 22 December 2014 on the commencement of Part 6 of the National Treasury Management Agency (Amendment) Act 2014 ("NTMA Act 2014"). The National Treasury Management Agency (the "Agency" or the "Manager") is the controller and manager of the Fund. Section 39(1) of the NTMA Act 2014 requires the Agency to hold and invest the assets of the Fund (other than the Directed Investments outlined below) on a commercial basis in a manner designed to support economic activity and employment in the State.

Sections 42, 42A, 43 and 47(4) of the NTMA Act 2014 enable the Minister for Finance to give directions to the Agency in relation to certain investments. Section 47A(2) of the NTMA Act 2014 also enables the Minister for Finance to give directions to the Agency in relation to the transfer of assets from the Fund to certain other funds. Investments held as a result of Ministerial directions are referred to in these financial statements as "Directed Investments". The holding and management of the Directed Investments, the exercise by the Agency of voting and other rights attaching to the Directed Investments and the disposal by the Agency of the Directed Investments must be conducted in accordance with directions given by the Minister for Finance. Any interest or other income received in respect of deposits and/or securities held in the Fund's portfolio of Directed Investments (the "Directed Portfolio") are held or invested by the Agency in line with Ministerial direction.

Ownership of the Fund is vested in the Minister for Finance and it is domiciled in Ireland. It is not traded in a public market nor does it file its financial statements with a securities commission or other regulatory organisation for the purpose of issuing any class of instruments in a public market.

The financial statements are presented in euro which is the Fund's functional and presentational currency.

2. Basis of preparation

The financial statements have been prepared for the year ended 31 December 2020. The comparative period is the year ended 31 December 2019. All amounts in the financial statements have been rounded to the nearest €m unless otherwise indicated. Where used, '€000' or 'k' denotes thousand, 'm' denotes million and 'bn' denotes billion.

The financial statements have been prepared pursuant to Section 12 of the National Treasury Management Agency Act 1990 (as amended) (the "NTMA Act 1990") in a format approved by the Minister for Finance.

On the commencement of Part 6 of the NTMA Act 2014, the assets and liabilities of the National Pensions Reserve Fund ("NPRF") became the assets and liabilities of the Fund (subject to the provisions of Schedule 4 of the NTMA Act 2014 in the case of certain foreign assets and foreign liabilities). ISIF is the beneficial owner of these foreign assets but the legal transfer of foreign assets must be done in conjunction with the relevant counterparty. The process is largely complete but a small number of foreign assets have not legally transferred from the NPRF to the Fund as at 31 December 2020. These assets (held by the NPRF Commission acting through the Agency) were previously derecognised by the NPRF Commission and are recognised and presented within the Fund's financial statements for the year ending 31 December 2020, in line with Financial Reporting Standards ("FRS").

Notwithstanding the Fund's significant holdings in the equity of Allied Irish Banks p.l.c. ("AIB") as part of its Directed Investments, the Agency (as manager and controller of the Fund) does not have the ability to exercise control, dominant influence or significant influence over AIB as the Minister has reserved the voting control in the shares to his direction alone. Therefore, the Agency does not consolidate the results and the financial position of AIB into the financial statements of the Fund.

Statement of compliance

The financial statements have been prepared in compliance with applicable legislation, and with FRS 102 *The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland* issued by Financial Reporting Council in the UK as promulgated by Chartered Accountants Ireland.

3. Significant accounting policies

3.1 Measurement convention

The financial statements are prepared on the historical cost basis modified by the inclusion at fair value of derivatives, investments and other financial instruments designated at fair value through profit or loss on initial recognition.

3.2 Going concern

The financial position of the Fund, its cash flows and liquidity position are detailed in the financial statements. In addition, the notes to the financial statements set out the Fund's financial risk management objectives, details of its financial assets and financial liabilities and its exposures to market, credit and liquidity risk.

Financial Statements

Notes to the Financial Statements (continued)

3. Significant accounting policies (continued)

3.2 Going concern (continued)

The Agency members have a reasonable expectation that the Fund has adequate resources to continue in operational existence for the foreseeable future. Therefore, the Fund continues to adopt the going concern basis of accounting in preparing the financial statements.

3.3 Critical accounting estimates and judgements

The preparation of financial statements in conformity with FRS 102 requires the use of certain accounting estimates and judgements that management have made in applying the Fund's accounting policies and that have a significant effect on the amounts recognised in the financial statements.

The estimates and associated judgements are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily available from other sources. Actual results may differ from these estimates.

Key sources of estimation uncertainty

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities include the fair value measurement of financial assets with significant unobservable inputs.

Critical accounting judgements in applying accounting policies

The Fund was not required to make any critical judgements when applying its accounting policies.

3.4 Foreign currency translation and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the reporting date.

Foreign exchange gains and losses arising from translation of cash and cash equivalents are included in net gains/losses on financial assets and liabilities at fair value through profit or loss in the Statement of Comprehensive Income.

Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the Statement of Comprehensive Income.

3.5 Interest

Interest income and expense are recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts, without consideration of future credit losses, over the expected life of the financial instrument or through to the next market based re-pricing date to the net carrying amount of the financial instrument on initial recognition.

3.6 Dividend income

Dividend income is recognised on the date on which the right to receive payment is established.

3.7 Private equity, property and other income

Private equity, property and other income are recognised on an accruals basis.

3.8 Net gain/(loss) on financial assets and liabilities at fair value through profit or loss (FVTPL)

Net gain/(loss) from financial instruments at FVTPL includes realised and unrealised fair value changes and foreign exchange differences.

3.9 Fees and charges, and other expenses

Other than finance costs recognised over the term of the debt using the effective interest rate method, fees, charges and other expenses are recognised on an accruals basis.

3. Significant accounting policies (continued)

3.10 Cash and cash equivalents

Cash and cash equivalents comprise short term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value. Cash and cash equivalents and treasury bills, meeting the conditions to be a cash equivalent, are measured at fair value.

3.11 Recognition and measurement of financial assets and liabilities

The Fund recognises and measures its financial assets and financial liabilities in accordance with Section 11 and Section 12 of FRS 102. The Fund determines the classification of its financial instruments at initial recognition.

Fair value measurement

'Fair value' is the amount for which an asset could be exchanged, a liability settled or an equity instrument granted between knowledgeable willing parties in an arm's length transaction.

Financial assets and financial liabilities are initially recognised when the Fund becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities upon initial recognition are measured at transaction price.

Amortised cost measurement

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest rate method of any difference between the initial amount recognised and the maturity amount minus any reduction for impairment or uncollectability.

Impairment

A financial asset not classified at FVTPL is assessed at each reporting date to determine whether there is objective evidence of impairment. A financial asset or a group of financial assets is 'impaired' if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset and the loss event has had an impact on the estimated future cash flows of the asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes significant financial difficulty of the issuer or obligor, a breach of contract, default or delinquency in interest or principal payments, restructuring of the amount due on terms that the Fund would not otherwise consider, indications that a borrower will enter bankruptcy or other financial reorganisation or adverse changes in the payment status of the borrowers due to adverse national or local economic conditions or adverse change in industry conditions.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised. If an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, then the decrease in impairment loss is reversed through profit or loss.

3.12 Financial assets and liabilities

The significant accounting policies for the Fund's financial assets and liabilities by investment type are outlined below.

Basic financial assets and liabilities

Quoted equities, debt instruments and investment funds

Investments are measured at fair value, which is the unadjusted bid market value on the primary exchange or market where the investment is quoted.

Direct private equity, convertible preference shares, convertible loans and unquoted equities

Investments in preference and ordinary shares are measured initially at transaction price less attributable transaction costs. Subsequent to initial recognition, investments that can be measured reliably are measured at fair value with changes in their fair value recognised in profit or loss. The Fund engages an external valuation advisor to gain assurance that the carrying values of such investments are appropriate at year end.

Where it is deemed that fair value cannot be measured reliably, such investments are measured at cost less impairment. A reliable measure of fair value for a number of holdings is not available and these holdings are valued at cost less impairment.

Financial Statements

Notes to the Financial Statements (continued)

3. Significant accounting policies (continued)

3.12 Financial assets and liabilities (continued)

Basic financial assets and liabilities (continued)

Loans and receivables

Loans and receivables subsequent to initial recognition are measured at amortised cost using the effective interest rate method. Basic debt instruments (that are non-interest bearing), which are payable or receivable within one year, are measured at the undiscounted amount of the cash or other consideration expected to be paid or received (i.e. net of impairment) unless the arrangement constitutes, in effect, a financing transaction. If the arrangement constitutes a financing transaction, the Fund measures the debt instrument at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Unquoted investment funds (property, private equity, forestry, energy, infrastructure and pooled)

The estimated fair value for unquoted investments in property, private equity, forestry, energy, infrastructure and unquoted pooled funds for which there is not an active market is based on the latest valuation placed on the fund or partnership by the external manager of that fund or partnership in the audited financial statements. Where audited financial statements are not available, e.g. in circumstances where the fund or partnership's year end does not coincide with that of the Fund, the latest available valuation from unaudited financial statements is used.

The valuations of these investments are determined by external managers using accepted industry valuation methods and guidelines published by relevant industry bodies. Such valuation methodologies used by external managers may include considerations such as earnings multiples of comparable publicly traded companies, discounted cash flows, third party transactions or events which suggest material impairment or improvement in the fair value of the investment. In the first year of ownership, cost is usually considered to be an appropriate estimate of the fair value for these investments unless there is an indication of impairment in value.

A range of possible values can exist for these investments and estimated fair values may differ from the values that would have been used had there been an active market value for such investments.

The Agency uses external managers' valuations to determine the fair value of an investment in line with its valuation process as overseen by the Valuation Committee.

Other receivables and payables and amounts due to/(from) third parties

Other receivables are recognised initially at transaction price less attributable transaction costs. Other payables are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest rate method, less impairment in the case of trade receivables.

Receivables and payables under sale and repurchase agreements and securities borrowed

When the Fund purchases a financial asset and simultaneously enters into an agreement to resell the same or a substantially similar asset at a fixed price on a future date (reverse sale and repurchase agreement), the arrangement is accounted for as a basic debt instrument at amortised cost and is recognised in the Statement of Financial Position as a receivable from a reverse sale and repurchase agreement and the underlying asset is not recognised in the Fund's financial statements.

Financial instruments not considered to be basic financial instruments (other financial instruments)

Other financial instruments that do not meet the definition of basic financial instruments are recognised initially at fair value. Subsequent to initial recognition, such financial instruments are measured at fair value with changes recognised in profit or loss, except investments in instruments that are not publicly traded and where fair value cannot otherwise be measured reliably which are measured at cost less impairment.

Derivative financial instruments

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

3. Significant accounting policies (continued)

3.12 Financial assets and liabilities (continued)

Basic financial assets and liabilities (continued)

Unquoted debt instruments

Unquoted debt instruments are recognised at their fair value. The Fund uses an external valuation advisor, where required, to gain assurance that the carrying values of such investments are appropriate at year end. Where it is deemed that fair value cannot be measured reliably, such investments are measured at cost less impairment. A reliable measure of fair value for a number of debt instruments is not available and these debt instruments are valued at cost less impairment.

The Agency has established procedures to periodically review the valuation of investments. Based on its judgement, and relevant information available to it, the Agency may in certain circumstances determine that an adjustment to the external source's valuation is appropriate in recording an investment's fair value.

The Fund has a Valuation Committee in place (Note 15.7(ii)). During the year, the membership of the Valuation Committee comprised of the Chief Financial and Operating Officer, the Head of Risk, the Senior Risk Manager, the Director of ISIF and other senior Agency and ISIF management personnel. The Valuation Committee assists the Agency in the determination of the valuation of investments of the Fund by:

- reviewing the periodic investment valuations and valuation basis for the assets of the Fund in accordance with the accounting framework as adopted by the Fund;
- approving the asset valuations for inclusion in the annual financial statements of the Fund; and
- supporting the NTMA Audit and Risk Committee with their review and approval of the Fund financial statements.

3.13 Derecognition of financial assets and liabilities

The Fund derecognises a financial asset when:

- the contractual rights to the cash flows from the asset are settled or expired;
- it expires, or the Fund transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- despite retaining some significant risk and rewards of ownership, the Fund has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the Fund derecognises the asset and recognises separately any rights and obligations retained or created in the transfer.

On derecognition of a financial asset, the carrying amount of the transferred asset is allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised are recognised in profit or loss in the year of the transfer.

If a transfer does not result in derecognition because the Fund has retained significant risks and rewards of ownership of the transferred asset, the Fund continues to recognise the transferred asset in its entirety and recognises a financial liability for the consideration received. Other than when the conditions for offset are met (see Note 3.14), the asset and liability are not offset. In subsequent periods, the Fund recognises any income on the transferred asset and any expense incurred on the financial liability.

The Fund derecognises a financial liability when its contractual obligations are discharged, cancelled or expired. The Fund recognises in profit or loss any difference between the carrying amount of the financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed.

3.14 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the Statement of Financial Position when, and only when, the Fund has a legally enforceable and current right to offset the recognised amounts and it intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis for gains and losses from financial instruments at FVTPL and foreign exchange gains and losses

Financial Statements

Notes to the Financial Statements (continued)

3. Significant accounting policies (continued)

3.15 Investment rebates

Investment rebates are generally recognised on an accruals basis at the point that the Fund becomes aware that it is entitled to a rebate from an investment manager. In instances when the Fund has not been given prior knowledge of a rebate, the rebate is recognised on receipt.

3.16 Collateral

Cash placed as collateral is recognised in the Statement of Financial Position as Balances due from brokers. These amounts represent margin accounts, cash collateral for borrowed securities and derivatives and sales transactions awaiting settlement. Collateral placed with the Fund is recognised in Balances due to brokers in the financial liabilities of the Statement of Financial Position.

4. Income

4.1 Discretionary Portfolio

	2020 €m	2019 €m
Interest income	39	85
Property fund income	20	14
Dividend income	32	14
Private equity income	19	20
Other income (see note 6)	7	4
	117	137

Other income includes investment rebates of €2.0m (2019: €1.8m), class action income of €2.8m (2019: €1.2m) and withholding tax refund €1.1m (see note 6).

4.2 Directed Portfolio

	2020 €m	2019 €m
Dividend income	-	352

There were no dividend payments made for the year ended 31 December 2020. In the prior year, on 3 May 2019, the Fund received a dividend payment of €328m from AIB. On 10 June 2019, the Fund received a dividend payment of €24m from BOI.

5. Operating expenses

The amounts required to cover the investment management and operating costs of the Fund are as follows:

5.1 Discretionary Portfolio – fees and expenses

	2020 €m	2019 €m
NTMA recharge	16	15
Investment managers' fees	8	11
Legal fees	1	2
Global Custodian fees	1	1
Systems and services	1	1
Tax fees	1	1
Other fees	2	2
	30	33

Under Section 48 of the NTMA Act 2014, the expenses of the Agency in the performance of its functions relating to the Fund are required to be defrayed from the Fund. These amounted to €16.0m in 2020 (2019: €15.2m).

5. Operating expenses (continued)

5.2 Advisory fees

In line with the requirements of the Code of Practice for the Governance of State Bodies 2016 ("the Code"), advisory fees incurred by the Fund during the year are disclosed below.

	2020 €m	2019 €m
Legal	1	2
Financial and tax advisory	2	1
	3	3

These costs are included in Note 5.1 (Discretionary Portfolio - fees and expenses) and are inclusive of any advisory fees recharged through the NTMA.

6. Taxation

The income and profits of the Fund are exempt from Irish Corporation Tax in accordance with Section 230(1) and 230 (1A) of the Taxes Consolidation Act, 1997 as amended. The Fund may, however, be liable for taxes in overseas jurisdictions.

Dividends and interest may be subject to irrecoverable foreign withholding taxes imposed by the country from which the investment income is received. Distributions of income and gains received by the Fund from its property and private equity fund investments may also be subject to foreign withholding taxes. The Fund may also be subject to additional foreign taxes payable on certain property and private equity investments annually, based on their asset values at the reporting date.

	2020 €m	2019 €m
Withholding tax reclaim	1	-

The Fund received €1.1m (2019: €0.1m) withholding tax reclaims in relation to tax reclaims submitted to the year ended 31 December 2020. This is included in other income in note 4 above.

7. Discretionary Financial assets and liabilities

7.1 Fund structure and transition

The ISIF is comprised of the Discretionary Portfolio and the Directed Portfolio. The ISIF has a "double bottom line" mandate to hold and invest the Discretionary Portfolio on a commercial basis in a manner designed to support economic activity and employment in Ireland. In December 2014, the assets of the NPRF transferred to the Ireland Strategic Investment Fund. The NPRF Discretionary Portfolio was made available to the ISIF to enable it to make investments that meet this mandate.

The Fund's Discretionary Portfolio is comprised of the Irish Portfolio and the Global Portfolio. The Global Portfolio as a conservatively managed and liquid portfolio that will provide cash to fund investment opportunities in Ireland as they develop.

In July 2018, the Minister for Finance announced that the ISIF would focus on priority themes that will support Project Ireland 2040 - regional development, housing, indigenous industry, climate change and sectors adversely affected by Brexit.

In May 2020, the Minister for Finance instructed the ISIF to make a €2bn fund available, known as the Pandemic Stabilisation and Recovery Fund (PSRF). The PSRF is a sub-portfolio of the Fund's Irish Portfolio. It seeks to support (on commercial terms) medium and large enterprises affected by Covid-19 in Ireland, with a focus on enterprises employing more than 250 employees or with annual turnover in excess of €50m. The Fund considers investments in enterprises below these levels if they are assessed to be of substantial scale and of significant importance at national or regional level. The Fund also continues to engage with and support its existing portfolio of investments. As the economy transitions from a stabilisation phase to a recovery phase, the Fund's particular focus is expected to return to the priority themes of regional development, housing, indigenous industry, climate change and sectors adversely affected by Brexit.

Financial Statements

Notes to the Financial Statements (continued)

7. Discretionary Financial assets and liabilities (continued)

7.2 Discretionary Portfolio valuation

The total Discretionary Portfolio at 31 December 2020 amounts to €8.8bn (2019: €8.1bn). The composition of the Discretionary Portfolio by investment type is as follows:

Investments at FVTPL ¹	Note	2020 €m	2019 €m
Quoted equities		577	610
Direct private equity		273	266
Quoted debt instruments		1,204	1,359
Unquoted debt instruments		112	88
Property fund investments		158	172
Private equity fund investments		1,524	1,057
Forestry investments		66	59
Energy investments		30	34
Infrastructure investments		297	270
Quoted investment funds		1,351	1,633
Unquoted investment funds		1,107	988
Convertible preference shares		57	43
		6,756	6,579
Loans and receivables at amortised cost			
Other debt		683	451
Derivative assets at FVTPL¹			
Equity options		2	1
Futures contracts	13.1	7	17
Foreign exchange contracts	13.1	47	35
		56	53
Derivative liabilities at FVTPL			
Swaps		(1)	-
Equity options		(15)	(9)
		(16)	(9)
Cash and cash equivalents			
Cash		1,329	988
Treasury bills		-	11
	12	1,329	999
Trade and other receivables	9	20	62
Balance due to brokers		(10)	(3)
Other liabilities	10	(16)	(13)
Total discretionary net assets		8,802	8,119

¹ Investments at FVTPL and Derivative assets at FVTPL represent Investments in the Statement of Financial Position.

7. Discretionary financial assets and liabilities (continued)

7.3 Irish Portfolio valuation

At 31 December 2020, €3.4bn (2019: €2.7bn) is invested in the Irish Portfolio with the remaining €5.4bn (2019: €5.4bn) invested in the Global Portfolio. The breakdown of the Irish Portfolio by investment type is as follows:

	2020 €m	2019 €m
Investments at FVTPL		
Private equity fund investments	1,524	1,056
Infrastructure investments	297	270
Quoted equities	158	208
Property fund investments	153	155
Direct private equity	273	266
Unquoted debt instruments	112	88
Convertible preference shares	57	43
Forestry investments	66	59
Quoted debt instruments	82	36
Energy investments	30	34
	2,752	2,215
Loans and receivables at amortised cost		
Other debt	683	451
Cash and cash equivalents	5	10
Trade and other receivables	6	2
Total Irish Portfolio valuation	3,446	2,678

Impact of Covid-19 on valuations

Given the significant challenges that are present in the current environment with determining valuations estimates in the midst of the global pandemic, certain investment valuation inputs for Direct private equity and Unquoted debt instruments are more reliant on unobservable information and forward-looking assumptions.

8. Directed Portfolio

The Agency holds a portfolio of Directed Investments which is subject to directions given by the Minister for Finance pursuant to Sections 42, 42A, 43 and 47(4) of the NTMA Act 2014. The holding and management of the portfolio of Directed Investments, the exercise by the Agency of voting and other rights attaching to the Directed Investments and the disposal by the Agency of the Directed Investments must be conducted in accordance with directions given by the Minister for Finance.

Financial Statements

Notes to the Financial Statements (continued)

8. Directed Portfolio (continued)

8.1 Directed portfolio valuation

	2020 Unit Millions	2019 Unit Millions	Valuation € 2020 Per Unit	Valuation € 2019 Per Unit	2020 €m	2019 €m
Bank of Ireland (BoI)						
Ordinary Shares ¹	150	150	3.296	4.882	494	734
Allied Irish Banks (AIB)						
Ordinary Shares ²	1,930	1,930	1.678	3.104	3,239	5,992
Total directed investments assets					3,733	6,726
HBFI Loan					37	7
Cash (Note 12, 14.3)					165	215
Total directed investments					3,935	6,948

¹ The value of BOI ordinary shares is based on the quoted bid price. The Fund's percentage shareholding of 13.95% remains the same as at 31 December 2019. Considering the volume of holding in these shares, if traded in a small number of large trades, there could be an impact on the quoted bid price.

² The value of AIB ordinary shares is based on the quoted bid price. The Fund's percentage shareholding of 71.12% remains the same as at 31 December 2019. Considering the volume of holding in these shares, if traded in a small number of large trades, there could be an impact on the quoted bid price.

8.2 Directed investment valuation movement

	2020 €m	2019 €m
Bank of Ireland		
Opening valuation	734	733
Investment (loss)/gain during the year	(240)	1
Closing Valuation	494	734
Allied Irish Banks		
Opening valuation	5,992	7,054
Investment (loss) during the year	(2,753)	(1,062)
Closing Valuation	3,239	5,992

9. Trade and other receivables

	2020 €m	2019 €m
Interest receivable	16	16
Dividend receivable	2	2
Tax reclaims recoverable	1	1
Amounts receivable for securities sold	1	43
	20	62

10. Other liabilities

	2020 €m	2019 €m
Amounts payable for securities purchased	8	4
Other accrued expenses	8	9
	16	13

11. Transfers

11.1 Transfers to the Exchequer/Minister

	2020 €m	2019 €m
Transfer to the Minister from Discretionary Portfolio	-	1,500

In October 2020, a loan of €50m was advanced from the Directed Portfolio of the Fund to the Strategic Banking Corporation of Ireland ("SBCI"), which was immediately converted to equity in SBCI pursuant to Section 11(7)(a) of the Strategic Banking Corporation of Ireland Act 2014 (as amended) (the "SBCI Act 2014"). The shares issued by SBCI are held directly by the Minister for Finance and not by the Fund. (See note 14.3)

In 2019, the Agency was directed by the Minister for Finance to transfer assets with a value of €1.5bn from the Fund to the National Surplus (Exceptional Contingencies) Reserve Fund.

11.2 Transfers between Discretionary and Directed Portfolios

	2020 €m	2019 €m
Net transfer (to)/from Directed to Discretionary portfolio	(30)	345

Funds of €30m (2019: €7m) were transferred from the Discretionary Portfolio to the Directed Portfolio to fund the provision of loans to Home Building Finance Ireland ("HBFI").

In 2019 dividend payments of €328m and €24m which the Fund received from AIB on the 3 May 2019 and BOI on the 10 June 2019 respectively were transferred from the Directed Portfolio to the Discretionary Portfolio on receipt; in accordance with the applicable Ministerial direction that cash proceeds from the Directed Investments shall form part of the Discretionary Portfolio.

12. Cash and cash equivalents

	2020 €m	2019 €m
Discretionary Portfolio		
Cash	302	769
Cash equivalent	1,027	219
Treasury Bills	-	11
	1,329	999
Directed Portfolio		
Cash	165	215

Cash equivalents includes Exchequer notes and short-term funds maturing within 90 days.

Financial Statements

Notes to the Financial Statements (continued)

13. Commitments

13.1 Foreign currency and futures commitments

The notional principal and unrealised gain of currency derivative contracts entered into by the Manager and investment managers on behalf of the Fund (excluding Directed Investments) was:

	31 December 2020 Notional Principal €m	31 December 2020 Unrealised gain €m	31 December 2019 Notional Principal €m	31 December 2019 Unrealised gain €m
NTMA				
Foreign exchange contracts	2,049	19	1,953	22
Investment Managers				
Foreign exchange contracts	1,463	28	1,862	13
Futures contracts	399	7	219	17
		54		52

Foreign exchange contracts

The Fund (excluding Directed Investments) follows a policy of hedging its foreign currency risk, using forward foreign exchange contracts and cross currency swaps. The Fund's investment managers are not required to hedge currency exposure. They are permitted to carry out spot and foreign exchange contracts in order to satisfy the settlement of securities transactions, and to manage their portfolios as agreed with the Fund. The notional value represents the total contracted foreign exchange contracts outstanding at the year end. See note 15.2 ii).

Financial futures

The Fund's investment managers are permitted to execute futures contracts as agreed with the Fund.

13.2 Uncalled investment commitments

The Fund (excluding Directed Investments) has entered into commitments related to the funding of investments. These commitments are generally payable on demand based on the funding needs of the investment subject to the terms and conditions of each agreement. As at 31 December 2020, the Fund's outstanding commitments totalled €1.1bn (2019: €1.3bn). The Fund has entered into commitments in respect of certain types of investments as outlined below.

	Time-frame of commitment Years	2020 €m	2019 €m
Total unquoted investments	0-9	763	800
Total loans and receivables	0-8	343	470
Total uncalled commitments		1,106	1,270

Funding of Commitment

The Agency seeks to manage the Fund (excluding Directed Investments) to ensure that it will always have sufficient liquidity, without omitting attractive investment opportunities, to fund its commitments as they are called.

The NTMA Liquidity Risk Management Policy is applicable to the Fund. This policy sets out the minimum acceptable standards to be adhered to by those responsible for treasury transactions which give rise to liquidity risk within the NTMA. The Fund is not subject to externally imposed capital requirements and as at 31 December 2020.

14. Related Parties

14.1 Minister for Finance

Ownership of the Fund vests in the Minister for Finance pursuant to Section 38(3) of the NTMA Act 2014. Under Section 46(1) and 46(2) of the NTMA Act 2014, the Minister for Finance may make payments into the Fund from the Central Fund with the approval of a resolution passed by both Houses of the Oireachtas. Transactions between the Fund and the Minister for Finance during the year are detailed in Note 11.

14.2 National Treasury Management Agency

The Fund is controlled and managed by the Agency pursuant to Section 41(1) of the NTMA Act 2014.

The NTMA Investment Committee (“the Investment Committee”) is a statutory committee provided for by the NTMA Act 1990. The Investment Committee assists the Agency in the control and management of the Fund (excluding Directed Investments) by making decisions about the acquisition and disposal of Fund assets in accordance with the provisions of Part 6 of the NTMA Act 2014 and the investment strategy prepared under it and within any such parameters as may be set by the Agency, advising the Agency on the investment strategy for the Fund and overseeing the implementation of the investment strategy. The Agency has delegated authority to the Investment Committee to make decisions on the investment and disposal of Fund assets, subject to no individual investment being greater than €150m. Proposed investments in excess of €150m are recommended by the Investment Committee to the Agency for decision where the Investment Committee is supportive of the proposed investment.

The Investment Committee is required to comprise of two appointed members of the Agency and not more than five persons who are not members of the Agency but who have acquired substantial relevant expertise and experience and who are appointed by the Agency with the consent of the Minister for Finance.

Under Section 48 of the NTMA Act 2014, the expenses of the Agency are defrayed from the Fund. For the year ended 31 December 2020, these expenses were €16.0m (2019: €15.2m).

Key management personnel

The Fund is controlled and managed by the Agency. The key management personnel and their compensation are disclosed in the Agency's Administration Account Financial Statements.

14.3 Strategic Banking Corporation of Ireland

The Fund and the Strategic Banking Corporation of Ireland (the “SBCI”) are both under the control of the Minister for Finance. As part of the Directed Investments, under the direction of the Minister for Finance, the Fund provided a loan facility of €240m to the SBCI in 2015. In 2016, €25m of this facility was drawn down. During 2017, the €25m loan from the Fund to the SBCI was converted to shares of €1.00 each in the capital of the SBCI pursuant to Section 11(7)(a) of the SBCI Act 2014. These shares are held directly by the Minister and not by the Fund. In October 2020, the Minister for Finance subscribed for additional shares in the capital of the SBCI. The Minister's subscription was paid for by the immediate conversion to equity, in accordance with Section 11(7)(a) of the SBCI Act 2014, of a €50m loan advanced by the Fund to the SBCI on 15 October 2020 using cash held in the Directed Portfolio. The shares issued by the SBCI are held directly by the Minister and not by the Fund. At 31 December 2020, the Fund's outstanding commitment to the SBCI under the loan facility is €165m (2019: €215m) and this is held within the Directed Investments cash balance (see Note 12).

14.4 Other Government controlled entities

The Central Bank of Ireland and Allied Irish Banks plc are related parties of the Fund as both are under the control of the Minister for Finance. Cash held by the Fund at the Central Bank of Ireland is disclosed in Note 12. The Fund's investment in AIB is disclosed in Note 8.

Financial Statements

Notes to the Financial Statements (continued)

15. Financial risk management – Discretionary Portfolio

The Agency is responsible for risk management of the Discretionary Portfolio. In relation to the Directed Portfolio, the Agency's responsibility is to implement directions from the Minister for Finance and to value relevant securities for the purpose of the Fund's financial statements. As such, references to the Fund in this note refer to the Discretionary Portfolio. The base currency of the Fund is euro. The measured returns and monitored portfolio risks are aggregated in euro.

In the ordinary course of its activities, the Agency actively manages a variety of risks including investment risk, market risk, credit risk, liquidity risk and operational risk.

The Agency Risk Management Policy and Framework prescribes mandatory standards and definitions for risk management that apply to all parts of the Agency and across all risk categories. These standards are then implemented through the detailed policies and procedures that govern the management of individual risk categories and/or risk management processes.

The Agency Risk Management Framework is predicated on the three-lines-of-defence model and its organisational structure and risk committee structure are aligned in order to establish clear ownership and accountabilities for risk management.

As the first line of defence, the Agency's Business Units and Corporate Functions are primarily responsible for owning and managing risks on a day-to-day basis, taking into account the Agency's risk tolerance and appetite and in line with its policies, procedures, controls and limits.

The second line of defence, which includes the Agency's Risk, Compliance and other control functions, is independent of first line management and operations and its role is to challenge decisions that affect the organisation's exposure to risk and to provide comprehensive and understandable reporting on risk and compliance management issues.

The third line of defence comprises the Internal Audit function which provides independent risk based assurance to key stakeholders on the robustness of the Agency's governance, risk management system and the design and operating effectiveness of the internal control environment under a planned programme of work approved by the Audit and Risk Committee.

A number of Agency and management committees, including the Audit and Risk Committee and the Risk sub-committees, support the Agency in discharging its responsibilities in relation to risk management.

Agency Committees:

NTMA Investment Committee

The NTMA Investment Committee comprises non-executive members and is responsible for overseeing the implementation of the Fund's investment strategy. The role of the Investment Committee is described in Note 14.2.

Agency Audit & Risk Committee (ARC)

The ARC comprises members of the Agency Board and assists the Agency Board in:

- the oversight of the quality and integrity of the financial statements, the review and monitoring of the effectiveness of the systems of internal control, the internal audit process and the compliance function, and the review and consideration of the outputs from the statutory auditor; and
- the oversight of the Agency's risk management framework including setting risk appetite, monitoring adherence to risk governance and ensuring risks are properly identified, assessed, managed and reported.

In addition, the Committee reviews and monitors the performance of the internal audit, compliance and risk management functions, which are managed on a day to day basis by the Head of Internal Audit, the Head of Compliance and the Head of Risk (Financial, Investment and Enterprise) respectively, to assess their effectiveness.

Management Committees:

PSRF Clearing Committee

The PSRF Clearing Committee oversees the governance of the overall PSRF investment process and, through independent challenge and perspective, provides additional assurance for the NTMA Investment Committee and recommends investment decisions regarding the PSRF. Its responsibilities include making recommendations on the PSRF strategy to the Investment Committee for recommendation to the Agency for approval in accordance with Part 6 of the NTMA Act 2014. It also provides oversight of implementation of the PSRF strategy, and reviews and makes recommendations to the Investment Committee on the investment of Fund assets (including disposals) where such investment is within the terms of the PSRF strategy. It comprises up to five members, including the NTMA Chief Executive, the Chief Legal Officer of the NTMA and three representatives from the ISIF Portfolio Management Committee. The NTMA Head of Risk attends meetings of the PSRF Clearing Committee as an observer.

15. Financial risk management – Discretionary Portfolio (continued)

Management Committees (continued):

Portfolio Management Committee (PMC)

The first line of defence includes the PMC which comprises senior members of the Fund investment team. The core functions of the PMC are to consider and make investment recommendations to the PSRF Clearing Committee and/or NTMA Investment Committee and provide management oversight of the Fund's investments. The Fund's internal investment process seeks to ensure all investment opportunities are thoroughly evaluated in terms of commerciality, capacity to generate a suitable economic impact and appropriateness in the context of the overall Fund.

Enterprise Risk Management Committee (ERMC)

The ERMC oversees the implementation of the Agency's overall risk appetite and senior management's establishment of appropriate systems (including policies, procedures and risk limits) to ensure enterprise risks are effectively identified, measured, monitored, controlled and reported.

Counterparty Credit Risk Committee (CCRC)

The CCRC oversees and advises the ERMC on current counterparty credit risk exposures. It formulates, implements and monitors compliance with the NTMA Counterparty Credit Risk Policy, including the consideration and recommendation, where appropriate, of any proposed changes and ensures that all appropriate actions are taken in respect of relevant policy or any breaches. It reports relevant counterparty credit risk exposures and details to the ERMC.

Market and Liquidity Risk Committee (MLRC)

The MLRC oversees and advises the ERMC on market and liquidity risk exposures. It formulates, implements and monitors compliance with the NTMA Market and Liquidity Risk Policies, including the consideration and recommendation, where appropriate, of any proposed changes and ensures that all appropriate actions are taken in respect of relevant policy or any breaches. It reports relevant market risk and liquidity risk exposures and details to the ERMC.

Operational Risk and Control Committee (ORCC)

The ORCC reviews and recommends to the ERMC for approval the operational risk policies. The ORCC monitors, reviews and challenges the Agency's operational risks and reports on operational risk management to the ERMC.

Products and Processes Committee (PPC)

The PPC reviews, challenges and recommends to the ERMC for approval proposals and risk assessments in respect of new products and processes, or material changes to existing products and processes.

Nominations Committee

The nominations committee approves and oversees nominations of Directors and observers to the board of ISIF investee companies.

15.1 Investment risk

Investment risk is the risk that actual investment performance deviates from relevant strategies. The Agency has an open appetite for investment risk where it is willing to consider all potential delivery options and choose the one that is most likely to result in successful delivery while also providing an acceptable level of risk-adjusted reward.

Any deviations from relevant investment mandates could result in sub-optimal investment returns or actual capital losses on original outlays. It is therefore vital the on-going management of investment risk is fully integrated into the activities and objectives of the Fund. While investment risk may arise from insufficiently robust internal assessment or monitoring processes, it can also arise from a variety of external sources such as adverse macro-economic or market developments, regulatory shocks, underperformance of individual investments or fraud. The NTMA Investment Risk Policy addresses all of the above issues and has been adopted in respect of the Fund.

Investment Risk includes the following sub-categories:

- Investment process risk: risk of incurring sub-optimal returns or capital losses due to insufficiently robust assessment or approval processes of investment proposals or subsequent monitoring of transactions;
- Economic impact risk: risk that the economic impact objectives of any relevant investment strategy are not achieved;
- Permanent capital loss risk: risk that the ISIF loses all influence over a particular investment, or that there are illiquid markets at the time of exit, resulting in a full capital loss in relation to that commitment; and
- Portfolio concentration risk: risk of portfolio concentration arising from the pursuit of a particular investment strategy. Portfolio over concentration could take many facets, including economic or industry sector, geography, counterparty etc.

The NTMA Investment Risk Policy is applicable to the Fund.

Financial Statements

Notes to the Financial Statements (continued)

15. Financial risk management – Discretionary Portfolio (continued)

15.2 Market risk

Market risk is the risk of loss or increased costs resulting from changes in the value of assets and liabilities (including off balance sheet assets and liabilities) due to fluctuations in risk factors such as interest rates, foreign exchange rates or other market prices. Sub-categories of market risk include interest rate risk, foreign exchange risk and market price risk.

The Fund has adopted a Global Portfolio Transition Strategy, which is designed to provide adequate liquidity to allow the Fund's transition into an Irish focused portfolio in line with the ISIF's mandate.

The Agency Market Risk Management Policy is applicable to the "Global Portfolio Transition Strategy". This Policy sets out the minimum acceptable standards to be adhered to by those responsible for treasury transactions which give rise to market risk within the Global Portfolio Transition Strategy.

The Fund uses derivatives to manage its exposure to foreign currency, interest rate and other price risks. The instruments used include interest rate swaps, forward contracts, futures and options. The Fund does not apply hedge accounting.

i) Interest rate risk

Interest rate risk is the risk that movements in interest rates may adversely impact the value of an underlying financial instrument or may impact the cash flows of the Fund.

Interest rate exposure

The following table details the value as at 31 December 2020 of fixed interest bearing securities in the Discretionary Portfolio exposed to the risk fair value may change consequent to a change in interest rates:

	2020 €m	2019 €m
Fixed interest bearing securities		
Maturing within one year	210	210
Maturing between two and five years	1,408	1,284
Maturing after five years	217	321
Total fixed interest bearing securities	1,835	1,815

This table reflects the portion of financial securities exposed to the risk that fair value may change as a result of changes in interest rates. For disclosure purposes, fixed interest bearing assets are included in exposures to both price and interest rate risk. The table does not reflect any potential exposure to changes in interest rates relating to investments held in investment funds.

In addition to the interest bearing securities detailed in the table above, the Fund holds investment cash including cash and cash equivalents of €1.1bn (2019: €1.0bn) (Note 12) and liquid funds of €0.2bn (2019: €0.2bn). These assets are interest bearing and the future cash flows from these assets will fluctuate with changes in market interest rates.

Sensitivity analysis

The sensitivity analysis below reflects how net assets would have been affected by changes in the relevant risk variable that were reasonably possible at the reporting date. Management has determined that a fluctuation in interest rates of 50 basis points is reasonably possible, considering the economic environment in which the Fund operates.

The table below sets out the effect on the Fund's fixed interest bearing securities of an increase of 50 basis points in interest rates at 31 December. A reduction in interest rates of the same amount would have resulted in an equal but opposite effect to the amounts shown. The impact results primarily from the decrease in the fair value of fixed rate securities. This analysis assumes a linear interest rate curve and that all other variables remain constant.

	2020	2019
Effect on Discretionary Portfolio net assets		
€m Reduction	(9)	(9)
% reduction	(0.11%)	(0.11%)

15. Financial risk management – Discretionary Portfolio (continued)

15.2 Market risk (continued)

ii) Foreign exchange risk

Foreign exchange risk is the risk that movements in exchange rates affect the underlying value of assets, liabilities and derivative instruments that are denominated in a currency other than euro. The present value of future cash flows will fluctuate with changes in exchange rates which can also impact future cashflows.

The Fund has outstanding commitments in respect of property and private equity investments of USD 173m at 31 December 2020 (2019: USD 103m).

Foreign exchange risk management

The Fund seeks to manage its foreign currency risk using forward foreign exchange contracts and cross currency swaps. The profit/loss on these forward foreign exchange contracts and cross currency swaps offsets the change in the value of the Fund's non-euro investments due to exchange rate movements.

Foreign exchange risk exposure

The following table details the asset value in the Discretionary Portfolio exposed to currency risk both before and after the impact of the currency hedge. In relation to holdings in investment funds, it details the base currency of the relevant fund. When appropriate, the Agency manages the exposure generated by the underlying investments of a fund in addition to its base currency.

	Local currency 2020 m	Base currency 2020 €m	Net exposure after hedging 2020 €m
US dollar	3,762	3,066	135
Singapore dollar	2	1	1
South Korean won	-	-	-
New Zealand dollar	2	1	(2)
Israeli shekel	-	-	(3)
Norwegian krone	3	-	(3)
Hong Kong dollar	35	4	(3)
Australian dollar	8	5	(5)
Swedish krona	25	3	(7)
Japanese yen	1,657	13	(31)
Danish krone	44	6	(2)
Canadian dollar	9	6	(9)
Swiss franc	5	5	(17)
British pound	224	249	(7)

Financial Statements

Notes to the Financial Statements (continued)

15. Financial risk management – Discretionary Portfolio (continued)

15.2 Market risk (continued)

ii) Foreign exchange risk (continued)

	Local currency 2019 €m	Base currency 2019 €m	Net exposure after hedging 2019 €m
US dollar	3,307	2,944	111
Singapore dollar	2	1	1
South Korean won	-	-	-
New Zealand dollar	-	-	(7)
Israeli shekel	1	-	(8)
Norwegian krone	5	-	(8)
Hong Kong dollar	36	4	(4)
Australian dollar	7	4	(5)
Swedish krona	35	3	(6)
Japanese yen	1,805	15	(38)
Danish krone	84	11	(6)
Canadian dollar	12	8	(11)
Swiss franc	6	5	(21)
British pound	230	271	(15)

Sensitivity analysis

The table below sets out the effect on the net assets of a reasonably possible weakening of the US dollar against the euro by 5% at 31 December.

Effect on Discretionary Portfolio net assets	2020	2019
€m Reduction	(7)	(6)
% reduction	(0.08%)	(0.06%)

A strengthening of the US dollar against the euro would have resulted in an equal but opposite effect to the amounts shown above.

15. Financial risk management – Discretionary Portfolio (continued)

15.2 Market risk (continued)

iii) Market price risk

Market price risk is the risk resulting from a change in the value of investments due to changes in the prices of securities unrelated to interest rate or exchange rate changes, such as equities and commodities.

Market price risk exposure

The asset value in the Discretionary Portfolio exposed to market price risk at 31 December is the value of financial investments as detailed in the following table:

	2020 €m	2019 €m
Exposure to market price risk		
Quoted investment funds	1,351	1,633
Quoted equities	577	610
Quoted debt instruments	1,204	1,359
Direct private equity	273	266
Unquoted investment funds	1,107	988
Unquoted debt instruments	112	88
Convertible preference shares	57	43
Property fund investments	158	172
Private equity fund investments	1,524	1,057
Infrastructure investments	297	270
Forestry investments	66	59
Energy investments	30	34
Derivative instrument assets	56	53
Financial assets at FVTPL	6,812	6,632
Treasury bills	-	11
Derivative instrument liabilities	(16)	(9)
Total exposed to market price risk	6,796	6,634
Not exposed to market price risk		
Deposits and cash	1,329	988
Loans and receivables	683	451
Total not exposed to market price risk	2,012	1,439
Total Discretionary Portfolio financial assets and liabilities	8,808	8,073

Market price risk management

The Agency monitors the market price risk inherent in the investment portfolio by ensuring full and timely access to relevant information from the Fund's Investment Managers. The Agency meets Investment Managers regularly and at each meeting reviews relevant investment performances. A geographical analysis of the Fund's Discretionary Portfolio exposed to market price risk is shown below. Investments are shown based on their relevant country of incorporation.

	2020 €m	2019 €m
Analysis by geographical classification		
Europe excluding Ireland	2,860	3,021
North America	1,711	1,458
Ireland	1,526	1,354
Emerging markets	657	631
Asia pacific	42	170
Total	6,796	6,634

* This analysis excludes loans and receivables, deposits and cash.

Financial Statements

Notes to the Financial Statements (continued)

15. Financial risk management – Discretionary Portfolio (continued)

15.2 Market risk (continued)

iii) Market price risk (continued)

Analysis by investment type

The following table sets out the concentration of the Discretionary Portfolio's financial assets and liabilities of the Fund exposed to market price risk by instrument type as at the reporting date.

	2020 €m	2019 €m
Equity and managed fund investments		
Exchange traded equity investments	577	610
Unlisted equity investments	2,286	1,636
Direct private equity	146	266
Unquoted investment funds	1,107	988
Quoted open ended investment funds	760	1,083
Total equity and managed fund investments	4,876	4,583
Debt securities		
Exchange traded debt securities	1,203	1,359
Other debt securities	87	88
Quoted open ended investment funds	590	550
Total debt securities	1,880	1,997
Treasury bills	-	11
Total investment assets	6,756	6,591
Derivative assets		
Listed equity index options	2	1
Futures contracts	7	17
Foreign currency forward contracts	47	35
Total derivative assets	56	53
Derivative liabilities		
Unlisted equity options	(15)	(9)
Credit default swaps	-	(1)
Equity index swaps	(1)	-
Total derivative liabilities	(16)	(10)
Total	6,796	6,634

Sensitivity analysis

The table below sets out the effect on the net assets of the Discretionary Portfolio of a reasonably possible weakening in market prices of 5% at 31 December. The estimates are made on an individual investment basis. The analysis assumes that all other variables, in particular interest and foreign currency rates, remain constant.

Effect on Discretionary Portfolio net assets	2020	2019
€m Reduction	(325)	(332)
% reduction	(3.7%)	(4.1%)

A 5% strengthening in market prices would result in an equal but opposite effect to the amounts shown above.

15. Financial risk management – Discretionary Portfolio (continued)

15.3 Credit risk

Credit risk arises from the risk that a borrower or counterparty will fail to perform on an obligation leading to a loss of principal or financial reward.

The Agency Counterparty Credit Risk Management Policy is applicable to the Global Portfolio Transition Strategy. This Policy sets out the minimum acceptable standards to be adhered to by those responsible for treasury transactions which give rise to credit risk within the Global Portfolio Transition Strategy.

The main direct credit risk to which the Fund is exposed arises from the Fund's investments in debt securities. The Fund is also subject to counterparty credit risk on cash and cash equivalents, balances due from brokers, trading derivative products, trade and other receivables and loans and receivables.

Credit risk management

In managing credit risk the Agency seeks to minimise the impact of credit default on the Fund's financial assets. The Fund aims to mitigate its credit risk exposure by monitoring the size of its credit exposure to, and the creditworthiness of, counterparties. Counterparties are selected based on their overall suitability, financial strength, regulatory environment and specific circumstances.

To control the exposure to the Fund in the event of default, investments are made across a variety of industry sectors and issuers to reduce credit risk concentrations.

The Fund's Global Custodian holds the Fund's securities in segregated accounts, where required, minimising the risk of loss of the securities held by the Global Custodian. In the event of the Global Custodian's failure, the ability of the Fund to transfer the securities might be temporarily impaired. The Fund's Global Custodian is a member of a major securities exchange and at 31 December 2020, held a long-term Moody's credit rating of Aa1 (2019:Aa1). The Agency monitors the credit rating and Service Organisation Control (SOC 1) reporting of its Global Custodian on a regular basis.

At 31 December 2020, cash held at the Central Bank of Ireland was €302m (2019: €769m) and with the Global Custodian was €239m (2019: €219m).

The exposure to credit risk in the Discretionary Portfolio at 31 December 2020 is the carrying value of the financial securities as set out below.

	Reference	2020 €m	2019 €m
Cash and cash equivalents (Note 12)	(i)	1,329	999
Debt securities	(ii)	1,316	1,447
Loans and receivables	(iii)	683	451
Trade and other receivables	(iv)	4	62
Derivative assets	(v)	56	53
Total		3,388	3,012

i) Cash and cash equivalents

The Fund's cash and cash equivalents are held mainly with the Central Bank of Ireland and the Global Custodian, which are respectively rated AAA (2019: AAA) and Aa1 (LT Deposit Rating) (2019: Aa1). Cash equivalents includes Exchequer notes and short-term funds maturing within 90 days.

Financial Statements

Notes to the Financial Statements (continued)

15. Financial risk management – Discretionary Portfolio (continued)

15.3 Credit risk (continued)

Credit risk management (continued)

ii) Debt securities

At 31 December, the Fund had invested in debt securities issued by entities with the following external credit rating*:

External rating	2020 €m	2019 €m	2020 %	2019 %
Aa1 to Aa3/AAA to AA	132	142	10%	10%
A1 to A3/A+ to A-	375	527	28%	36%
Baa1 to Baa3/BBB+ to BBB-	416	525	31%	36%
Ba1 to Ba3/B+ to BB-	101	106	8%	8%
B1 to B3/B+ to B-	93	88	8%	6%
Caa1 to Caa3/CCC+ to CCC-	4	5	-%	-%
No external rating	195	54	15%	4%
	1,316	1,447	100%	100%

* Where Moody's credit rating is not available Standard and Poor's rating is used.

iii) Loans and receivables

Rating	2020 €m	2019 €m	2020 %	2019 %
No external rating	683	451	100%	100%

The credit risk of loans and receivables is reviewed as part of the impairment review process. No impairment was required after review.

iv) Trade and other receivables

Primarily comprises accrued interest on fixed income securities and amounts receivable for securities sold.

v) Derivatives

The table below outlines an analysis of derivative assets outstanding at 31 December:

2020	Fair value €m	Gross notional amount €m
Exchange traded	8	399
OTC – other bilateral	48	3,512
Total	56	3,911
2019	Fair value €m	Gross notional amount €m
Exchange traded	18	219
OTC – other bilateral	35	3,815
	53	4,034

15. Financial risk management – Discretionary Portfolio (continued)

15.3 Credit risk (continued)

Collateral and other credit enhancements and their financial effect

The Fund mitigates the credit risk of derivatives by entering into master netting agreements and holding collateral in the form of cash and marketable securities.

Derivatives

Derivative transactions are either transacted on an exchange (through a broker) or entered into under International Derivatives Swaps and Dealers Association (ISDA) master netting agreements. Under ISDA master netting agreements in certain circumstances, e.g. when a credit event such as a default occurs, all outstanding transactions under the agreement are terminated, the termination value is assessed and only a single net amount is due or payable in settlement of all transactions.

Derivative financial instruments generating counterparty credit risk arise from the Fund's forward foreign exchange contracts and cross currency swap contracts. The Fund's forward foreign exchange contracts and cross currency swaps were entered into only with approved counterparties within defined limits. In order to mitigate the credit risks arising from derivative transactions, the Fund enters into Credit Support Annexes (CSA) with its market counterparties. CSAs require the posting of collateral by counterparties in specified circumstances.

The Fund's activities may give rise to settlement risk, which is the risk that on a settlement date a counterparty fails to pay the Fund the agreed terms of a transaction. For the majority of transactions, the Fund mitigates this risk by conducting settlements through a broker to ensure that a trade is settled only when both parties have fulfilled their contractual settlement obligations.

Forward foreign exchange contracts and cross currency swaps are settled through Continuous Linked Settlement (CLS) where trades are pre-matched ahead of settlement date limiting the risk of settlement failure.

15.4 Liquidity risk

Liquidity risk is the possibility that over a specific time horizon, the Fund will have insufficient cash to meet its obligations as they fall due. Sub-categories of liquidity risk include funding liquidity risk, refinancing risk, maturity concentration risk and market liquidity risk.

The Fund's policy in managing liquidity is to ensure, as far as possible, it will always have sufficient liquidity under both normal and stressed conditions without incurring unacceptable losses or risking damage to the Fund's reputation.

The Agency Liquidity Risk Management Policy is applicable to the Fund. This Policy sets out the minimum acceptable standards to be adhered to by those responsible for treasury transactions which give rise to liquidity risk within the Agency.

The Fund's investments in listed securities are considered to be readily realisable because they are traded on major stock exchanges.

The Fund's financial assets include unlisted equity investments, which are generally illiquid. In addition, the Fund holds investments in unlisted investment funds, which may be subject to redemption restrictions. As a result, the Fund may not be able to liquidate some of its investments in these instruments in due time to meet its liquidity requirements.

At 31 December 2020, 51% (2019: 57%) of the Fund was invested in readily realisable assets.

Financial Statements

Notes to the Financial Statements (continued)

15. Financial risk management – Discretionary Portfolio (continued)

15.5 Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events which would affect the Fund's ability to execute its business strategy. Sub-categories of operational risk include people risk, governance risk, third party risk, business continuity management and legal and compliance risk.

An Operational Risk Management and Risk and Control Self-Assessment Framework is applicable to the Agency as a whole. The objective of this Framework is to ensure that operational risk is managed in an appropriate and integrated manner across the organisation. This Framework outlines the strategy, processes, risk criteria, controls and governance structures in place for managing operational risks within the Agency.

The Framework also sets out the methodology for the Risk and Control Self-Assessment process which describes the process for adequate and timely identification, assessment, treatment, monitoring and reporting of the risks posed by the activities of the Agency.

The NTMA Business Continuity Management Group is a sub-group of the Operational Risk and Control Committee. The role of this group is to ensure an appropriate and consistent approach to business continuity management across the Agency and providing a supporting role in establishment, implementation, monitoring and improvement of business continuity management activities.

The assessment of the adequacy of the controls and processes in place at the Fund's service providers with respect to operational risk is carried out via regular discussions with the relevant service providers and a review of the service providers' SOC 1 reports on internal controls, if any are available. The findings documented in the SOC 1 report on the Global Custodian's internal controls are reviewed quarterly.

15.6 Capital management

The Fund is not subject to externally imposed capital requirements.

15.7 Fair values of financial instruments

i) Valuation models

The fair values of financial assets and financial liabilities that are traded in active markets that the Fund can access at the measurement date are obtained directly from an exchange on which the instruments are traded. For all other financial instruments, the Fund determines fair values using other valuation techniques.

For financial instruments that trade infrequently and have little price transparency, fair value is less objective and requires varying degrees of judgement depending on liquidity, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

The fair value measurements are categorised on the basis of the lowest level input that is significant to the fair value measurement in its entirety:

- Level 1: The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date;
- Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments, quoted prices for identical or similar instruments in markets that are considered less than active or other valuation techniques in which all significant inputs are directly or indirectly observable from market data; and
- Level 3: Inputs that are unobservable (i.e. for which market data is unavailable). This category includes all instruments for which the valuation technique includes inputs not based on observable data. This category includes instruments that are valued based on quoted prices for instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Valuation techniques may include net present value and discounted cash flow models, comparison with similar instruments for which observable market prices exist and other valuation models. Assumptions and inputs used in valuation techniques may include risk-free and benchmark interest rates, credit spreads and other premia used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity indices, earnings multiples and revenue multiples and expected price volatilities and correlations.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

15. Financial risk management – Discretionary Portfolio (continued)

15.7 Fair values of financial instruments (continued)

i) Valuation models (continued)

The Fund uses widely recognised valuation models for determining the fair value of common and simple financial instruments that use mainly observable market data and require little management judgement and estimation. Observable prices and model inputs are usually available in the financial markets for listed debt and equity securities, exchange traded derivatives and simple OTC derivatives. The availability of observable market prices and model inputs reduces the need for management judgement and estimation and reduces the uncertainty associated with the determination of fair values. The availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

ii) Valuation framework

The Fund has a management control framework for the measurement of fair values. The valuation process is overseen by the Valuation Committee (“the Committee”), a management committee responsible for developing the Fund's valuation processes and procedures, conducting periodic reviews of those procedures and evaluating their consistent application. During the year, the Committee comprised of the Chief Financial and Operating Officer, the Head of Risk, the Senior Risk Manager, the Director of ISIF and other senior Agency and ISIF management personnel. The Valuation Committee assists the Agency in the determination of the valuation of investments of the Fund. An external firm has been appointed by the NTMA to provide valuation services related to selected Fund investments.

The valuation process and procedures are defined depending on the instrument type. Where third party information is used to measure fair value, reviews are undertaken and documented to support the resulting valuations. This includes:

- verifying that the broker or pricing service is approved by the Fund for use in pricing the relevant type of financial instrument;
- understanding how the fair value has been arrived at and the extent to which it represents actual market transactions;
- when prices for similar instruments are used to measure fair value, understanding how these prices have been adjusted to reflect the characteristics of the instrument subject to measurement; and
- if a number of quotes for the same financial instrument have been obtained, reviewing how fair value has been determined using those quotes.

In addition, an external independent review is conducted of the existence and valuation of the investment positions included in both the ISIF Discretionary and Directed Portfolio as at 31 December 2020. The table below analyses financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy. The amounts are based on the values recognised in the Statement of Financial Position. All fair value measurements below are recurring.

Financial Statements

Notes to the Financial Statements (continued)

15. Financial risk management – Discretionary Portfolio (continued)

15.7 Fair values of financial instruments (continued)

ii) Valuation framework (continued)

2020	Level 1 €m	Level 2 €m	Level 3 €m	Total €m
i) Equities and managed funds				
Quoted equities	577	-	-	577
Direct private equity	-	-	273	273
Quoted investment funds	1,351	-	-	1,351
Unquoted investment funds	-	783	324	1,107
Convertible preference shares	-	-	57	57
ii) Debt securities				
Unlisted debt securities	-	-	112	112
Listed debt securities	1,204	-	-	1,204
iii) Limited partnerships/trusts				
Property fund investments	-	-	158	158
Private equity fund investments	-	-	1,524	1,524
Forestry investments	-	-	66	66
Energy investments	-	-	30	30
Infrastructure investments	-	-	297	297
iv) Derivatives financial assets				
Foreign exchange contracts	-	47	-	47
Equity Options	-	2	-	2
Futures contracts	7	-	-	7
	3,139	832	2,841	6,812
v) Derivatives financial liabilities				
Equity Options	-	(15)	-	(15)
Interest rate swaps	(1)	-	-	(1)
	(1)	(15)	-	(16)
Treasury bills	-	-	-	-
Total	3,138	817	2,841	6,796

15. Financial risk management – Discretionary Portfolio (continued)

15.7 Fair values of financial instruments (continued)

ii) Valuation framework (continued)

2019	Level 1 €m	Level 2 €m	Level 3 €m	Total €m
i) Equities and managed funds				
Quoted equities	610	-	-	610
Direct private equity	-	-	266	266
Quoted investment funds	1,633	-	-	1,633
Unquoted investment funds	-	629	359	988
Convertible preference shares	-	-	43	43
ii) Debt securities				
Unlisted debt securities	-	-	88	88
Listed debt securities	1,359	-	-	1,359
iii) Limited partnerships/trusts				
Property fund investments	-	-	172	172
Private equity fund investments	-	-	1,057	1,057
Forestry investments	-	-	59	59
Energy investments	-	-	34	34
Infrastructure investments	-	-	270	270
iv) Derivatives financial assets				
Equity Options	1	-	-	1
Foreign exchange contracts	-	35	-	35
Futures contracts	17	-	-	17
	3,620	664	2,348	6,632
v) Derivatives financial liabilities				
Equity index swaps	-	-	-	-
Interest rate swaps	-	-	-	-
Credit default swaps	-	-	-	-
OTC Options	-	(9)	-	(9)
	-	(9)	-	(9)
Treasury bills	11	-	-	11
Total	3,631	655	2,348	6,634

Financial Statements

Notes to the Financial Statements (continued)

15. Financial risk management – Discretionary Portfolio (continued)

15.7 Fair values of financial instruments (continued)

ii) Valuation framework (continued)

The following table shows a reconciliation from the opening balances to the closing balances for fair value measurements in Level 3 of the fair value hierarchy:

	2020 €m	2019 €m
Balance at 1 January	2,348	1,912
Transfers into Level 3	-	-
Total gains or losses recognised in profit or loss	389	164
Purchases	234	414
Sales	(130)	(142)
Balance at 31 December	2,841	2,348

16. Financial risk management - Directed Portfolio

16.1 Fair values of financial instruments

i) Valuation framework

All investments and disposals relating to the Directed Portfolio are made at the direction of the Minister for Finance. The Agency's responsibilities regarding the Directed Portfolio include the implementation of directions from the Minister and the valuation of relevant securities for the purpose of the Fund's financial statements.

The Fund's ordinary shareholding in AIB and Bank of Ireland was valued at its relevant quoted market price at 31 December 2020.

The Fund's Global Custodian holds the Fund's investments in Bank of Ireland and AIB in segregated accounts. In the event of the Global Custodian's failure, the ability of the Fund to transfer these securities might be temporarily impaired. The Global Custodian is a member of a major securities exchange and at 31 December 2020 held a long-term Moody's credit rating of Aa1 (2019: Aa1). The credit rating of the Fund's Global Custodian is monitored on a regular basis and the findings documented in the SOC 1 report on the Global Custodian's internal controls are reviewed on a quarterly basis.

The table below analyses financial instruments at fair value at the reporting date by the level in the fair value hierarchy. The amounts are based on the values recognised in the Statement of Financial Position. All fair value measurements below are recurring.

	Level 1 Total	
2020	2020 €m	2019 €m
Allied Irish Banks	3,239	5,992
Bank of Ireland	494	734
	3,733	6,726

16. Financial risk management - Directed Portfolio (continued)

16.1 Fair values of financial instruments (continued)

i) Valuation framework (continued)

Market price risk exposure

The cumulative Directed Portfolio asset value exposed to market price risk at 31 December 2020 comprises the value of investments as detailed in the following table:

	2020 €m	2019 €m
Exposure to market price risk		
Allied Irish Banks	3,239	5,992
Bank of Ireland	494	734
	3,733	6,726
Not exposed to market price risk		
Cash	165	215
HBFI Loan	37	7
	202	222
Total Directed Investments	3,935	6,948

17. Contingent liabilities

The NTMA Act 2014 provides for the transfer of the liabilities of the National Pensions Reserve Fund Commission (the "Commission") to the NTMA (as controller and manager of the ISIF) on and after the date of constitution of the ISIF, and states that the NTMA (as controller and manager of the ISIF) is responsible for discharging the obligations of the Commission under any such liability. In this regard, litigation is on-going in New York in respect of the 2007 leveraged buy-out of the Tribune Company. The litigation, which consists of a federal law action and a number of related state law actions, involves more than 4,000 shareholders of the Tribune Company, including the Commission.

The federal law action against the shareholder defendants, including the Commission, was dismissed by a United States District Court in January 2017. In April 2019, the District Court denied the plaintiffs motion to amend the complaint to assert a further count against shareholder defendants. In July 2019, the plaintiff appealed these District Court rulings to the Second Circuit. The briefing before the Second Circuit is complete, and the Second Circuit heard oral argument in August 2020. The Court has not yet issued its decision. The related state law claims were dismissed by a United States District Court in September 2013. The Second Circuit has twice affirmed the dismissal of the state law claims, once in March 2016 and again in December 2019. The plaintiffs have asked the U.S. Supreme Court to review the latest dismissal, and that request is currently pending.

As of the reporting date, no provision has been recognised in these financial statements as the possibility of an outflow of resources cannot be reliably determined and it is not practicable to estimate the financial effect, if any, should the appeal of the federal law action succeed.

18. Comparative Information

Certain comparative information has been reclassified for consistency with the current year disclosures.

19. Events after the reporting date

No events requiring adjusting or disclosure in the financial statements occurred after the end of the period.

Financial Statements

Notes to the Financial Statements (continued)

20. Approval of financial statements

The financial statements were approved by the Agency on 5 May 2021.

Portfolio of Investments Ireland Strategic Investment Fund

31 December 2020

Portfolio of Investments – ISIF

IRISH PORTFOLIO

	Commitment and follow on Year	Investment	Commitment €m	Description
ISIF / PSRF	2020	Greystones Media Campus Ltd	7	Equity investment to fund development of a state-of-the-art film and television studio campus in Co. Wicklow.
	2020	Xant, Inc.	2	Follow-on investment in Xant, a sales acceleration technology firm.
	2020	Swrve Mobile, Inc.	2	Follow-on investment in Swrve, a mobile marketing automation software platform.
	2020	Frontline EMEA Expansion Fund L.P.	4	Follow-on investment in Frontline EMEA, a fund focusing on highly rated North American software companies that target markets in Europe and the Middle East.
	2020	Insight Partners (Cayman) XI, L.P.	9	Specialist private equity firm that invests in growth-stage technology, software and internet businesses.
	2020	Foundry Innovation & Research 1 Limited (FIRE1)	8	Equity investment to enable FIRE1 to broaden and expand its solution to help patients living with heart failure.
	2020	Development Capital Fund II L.P.	20	Private equity firm that provides development and growth capital to Irish SMEs which have significant growth opportunities, primarily in export markets.
	2020	Urban Volt Limited	5	Leading provider of Lighting-as-a-Service and energy efficiency solutions.
	2020	Melior Equity Partners II SCSp	26	Private equity firm focused on investing in high potential Irish businesses.
	2020	Shamrock Renewable Products Limited	11	Financing for manufacturer of sustainable heating fuel products.
	2020	Irish Whiskey Growth Fund	15	Fund established exclusively to provide capital to Irish whiskey distilleries by way of stock-finance or direct stock-purchasing, supporting the growth of the Irish whiskey sector.
	2020	Finance Ireland	17	Specialist lender providing capital to areas not well served by the traditional banking market.
	2020	Harcourt Venture Fund L.P.	0.1	Follow-on investment.
	2020	DAA Finance plc	40	Participation in DAA bond issuance.
	2020	StayCity Investments Holdings Limited	30	Investment to support ongoing operations and future growth of the leading Irish aparthotel company.
	2020	Motive Capital Fund II-B, L.P.	25	Specialist private equity firm focused on growth equity and buyout investments in financial technology (FinTech) businesses.
	2020	MilkFlex II Accordion (follow-on)	16	Increased commitment to MilkFlex II (Finance Ireland Agri Funding DAC), an agri-loan provider, to fund continued demand for loans from farmers.
	2020	Aer Lingus Limited	150	Debt facility to support the liquidity needs of the business
	2020	Frontline Ventures Fund III L.P.	15	Venture capital fund targeted at high potential early-stage software businesses primarily in Ireland and the UK, and selectively in Western Europe.
	2020	Renatus Capital Partners II L.P.	7	Private equity firm that provides growth funding to ambitious Irish SMEs.
PSRF Total			407	
Housing	2016	Majulah ICAV	25	Investment in a fund investing and developing office buildings primarily in regional areas.
	2016/2019	Kilkenny Regeneration	13	Joint venture to regenerate the Smithwicks Brewery site in Kilkenny into a regional business/education hub.
	2017	Shannon Airport Authority	14	Fully fund the resurfacing of the runway at Shannon Airport.
	2017	Port of Cork	18	Flexible junior debt supporting the relocation of Port of Cork to Ringaskiddy alongside senior debt providers.
	2017/2018	Nautilus Data Technologies	7	Aims to construct a new generation of leading edge data centres in Ireland.
	2019	Quadrant Real Estate Advisor Fund II	35	Senior stretch financing for the development of large prime office blocks in Cork city supporting regional development.
	2019	Shannon Hangar	12	Long-term, non-recourse funding for the development of an aircraft hangar at Shannon Airport.
	Regional Development Total			124
	2015/2018	Activate Capital	500	Senior debt commitment to a residential development lending platform alongside the global investment fund KKR.
	2015	DCU	54	Cornerstone investor supporting the commercial funding of DCU's Campus Development Program.
	2016	Ardstone	30	Residential housing fund in which ISIF is a cornerstone investor focused on delivering over 1,500 homes.
	2017	Cherrywood	52	Enabling infrastructure works necessary to unlock residential housing in Cherrywood SDZ.
	2017	Man Aalto	25	Residential debt fund with the potential to deliver 400 homes.
	2018	Avestus Capital Partners	25	Investment in a private rental sector platform.
	2018	Urbeo Residential Fund/DAD Property Fund	60	Investment in build to rent residential platform.
	2019	ILIM PRS	140	Fund's objective is to assemble a portfolio of high quality residential assets to rent primarily through forward purchasing and funding.
	2019	HISCo	2	Commercial joint venture company with Cork County Council to provide an infrastructure "design-build-finance" service on housing sites of scale.
	2019	Pearl Residential Equity Fund	10	Residential equity fund providing capital to small and mid-scale developers to facilitate the build-out of residential units in Ireland.
	2019	Bartra Shared Living	8	Equity funding to Bartra to develop shared-living sites in Dublin.
Housing Total			905	

	Commitment and follow on Year	Investment	Commitment €m	Description
Direct Investments	2015	Malin	50	Irish listed plc focused on fast growing segments in the life sciences industry.
	2015/2018/2019	Swrve Mobile Inc	20	Global leader in high-growth sector of in-app mobile marketing founded in Dublin.
	2015/2018	AMCS	46	Successful domestic company which develops and sells technology for environmental management.
	2016/2018	Finance Ireland	45	Equity investment in non-bank lender providing SME leasing, commercial mortgages, agri finance and auto finance.
	2017	Panelto Foods	14	Large indigenous prepared consumer food company producing artisanal breads.
	2017	Cubic Telecom	10	Irish connectivity/software company that provides on-demand global connectivity for devices/vehicles via local mobile networks.
	2018	Mainstay Medical	10	Investment in a medtech company to support the development and commercialisation of its product which targets lower back pain.
	2018	Barings Aviation	50	Investment in a full life cycle aircraft lessor focused on acquiring mid-life Airbus and Boeing narrow body aircraft.
	2016/2018	Genuity Science	66	Commitment to an investment programme making Ireland a global hub for genomics.
	2019	BG Top Ltd	11	Investment in Indigenous business selling Frozen Fish and vegetables under Green Isle and Donegal Catch Brands.
	2019	ATA	15	Investment in precision-engineering business to scale its domestic and international operations via the acquisition of Karnasch
	2019	West Cork Distillers	15	Equity investment into West Cork Distillers to finance the expansion of its distillery and to support growth of its products in international markets.
	2019	Greystone Media Campus	1	Equity investment into development company seeking to develop a state of the art media campus in Ireland.
Indirect Investments	2016	Milkflex Agri Loan Fund	44	Fund that offers flexible, competitively priced loans to Glanbia dairy farmers with loan repayments linked to milk price.
	2016	Receivables Purchases Facility Programme (RPPF)	2	Investment facilitating the creation of farmer receivables programme in the dairy sector.
	2018	Irish Whiskey Growth Fund	10	Provides debt finance to growth-stage whiskey companies secured on their whiskey stock.
	2018/2019	Milkflex II	44	National rollout of the MilkFlex loan product to farmers supplying dairy co-ops across Ireland.
	pre 2011	Atlantic Bridge Fund II	10	Fund concentrated on growth and expansion stage equity investments.
	pre 2011	Delta III	23	Local venture capital firm which targets investments primarily in the ICT sector.
	pre 2011	Draper Fisher Jurvetson Fund X	10	Fund that invests in technology, life science and clean-tech sectors.
	pre 2011	Fountain I	15	Irish life science venture capital firm focused on early stage pharmaceutical and medical device companies.
	pre 2011	Harcourt Venture Fund L.P.	18	Fund to investment in early stage ICT companies with significant growth potential in Ireland.
	pre 2011	Polaris VI	36	Global venture capital fund actively investing in Ireland focused on technology and healthcare.
	pre 2011	Seroba Kernel II	15	Irish venture capital fund focused on early stage medical devices and therapeutic technologies.
	2011	Sofinnova Venture Partners VIII	9	Fund focused on late-stage drug development.
	2012	Highland Technology Europe	10	Growth equity fund that invests in rapidly growing internet, mobile and software companies.
	2012	SVB Capital Strategic Investors Fund V	20	Commitment to a global venture capital fund of funds building on strategic partnership with SVB.
	2012	Carlyle Cardinal	125	Private equity fund targeting growth and lower mid-market buy-out transactions in Ireland.
	2013	Bluebay Notes	200	Credit fund making loans to medium/large Irish SMEs.
	2013	China Ireland Growth Technology Fund	36	Venture capital fund that targets growth stage Irish companies with a strategic ambition to access the Chinese market or Chinese companies seeking access to the EU market by locating in Ireland.
	2013	Lightstone Ventures I	10	Specialist US-based venture capital fund focused on medical devices and biopharmaceuticals.
	2013	Strategic Investors Fund VI	19	Commitment to a global venture capital fund of funds building on strategic partnership with SVB.
	2014	Arch VIII	20	Fund investing in transformative, disruptive, technology driven companies in life and physical sciences.
	2014	Atlantic Bridge Fund III	20	Fund concentrated on growth and expansion stage equity investments.
	2014	Fountain II	15	Irish life science venture capital firm focused on early stage pharmaceutical and medical device companies.
	2014	Polaris VII	40	Global venture capital fund actively investing in Ireland focused on technology and healthcare.
	2015	Frontline Ventures I	11	Early stage fund that invests in highly innovative early stage information technology companies.
	2015	Highland Europe Technology Growth Fund II	10	Growth equity fund that invests in rapidly growing internet, mobile and software companies.
	2016	Draper Esprit	53	Listed venture capital fund making diversified investments in private high growth technology companies.
	2016	Silicon Valley Bank VIII	44	Commitment to a global venture capital fund of funds building on strategic partnership with SVB.
	2016	Seroba Life Sciences Fund III	15	Irish venture capital fund focused on early stage medical devices and therapeutic technologies.
	2016	ACT V	20	Primarily Irish focused venture capital fund investing in growing ICT companies in Ireland.
	2016	Scottish Equity Partners	16	Fund that will invest in growth and later stage technology, energy and healthcare companies.
	2016	Polaris VIII	24	Global venture capital fund actively investing in Ireland focused on technology and healthcare.

Portfolio of Investments – ISIF

IRISH PORTFOLIO (CONTINUED)

	Commitment and follow on Year	Investment	Commitment €m	Description
Indirect Investments	2016	Frontline Ventures II	15	Early stage fund that will invest in seed stage/series A rounds in highly innovative technology companies.
	2016	Causeway Capital	15	Private equity fund that will invest in established growing SMEs in Ireland and the UK.
	2016/2018	Beach Point Capital/BMS	30	Non-bank lender providing growth loans to Irish SMEs.
	2017	Muzinich Pan European Debt Fund I	45	Non-bank lender that provides growth capital to Irish SMEs and corporates.
	2017	Insight Fund X	85	Growth stage private equity fund that will target software opportunities in Ireland and globally.
	2017	Business Growth Fund	125	Large growth capital fund dedicated to Irish SMEs.
	2017	Motive Partners	25	Specialist financial technology focused private equity fund providing growth equity to FinTech businesses.
	2017	Arch IX Overage Fund	21	Invests in transformative, industry disruptive, technology driven companies in life and physical sciences.
	2017	Finistere Ventures Fund II	20	Partnership between ISIF and Finistere investing in start-up and early stage AgTech companies in Ireland.
	2017	Finistere Ireland Ag-Tech Fund	20	Partnership between ISIF and Finistere investing in start-up and early stage AgTech companies in Ireland.
	2017	Lightstone Ventures II	21	Specialist US-based venture capital fund focused on medical devices and biopharmaceuticals.
	2017	Illumina Ventures	21	Invests in transformative, industry disruptive, technology driven companies in life and physical sciences.
	2018	China Ireland Growth Technology Fund II	75	Fund focused on high-growth companies seeking access to Irish and Chinese markets.
	2018/2019	Frontline EMEA Expansion Fund	13	Expansion stage venture capital fund targeting North American software companies entering the EMEA marketplace.
	2018	Treo Ventures I	22	Venture capital partnership that will focus on early and later stage neuromodulation and connected health opportunities in the US and Ireland.
	2018	Dunport	95	Fund providing a mix of unitranche, senior and mezzanine debt to medium/large Irish SMEs and mid-sized corporates.
	2019	Fountain Healthcare Partners III	20	Venture fund providing risk capital and expertise to entrepreneurs developing life sciences companies.
	2019	Beechbrook	20	SME lending fund providing growth capital to regional Irish businesses.
	2019	Atlantic Bridge IV Fund	20	Venture fund focused on investing primarily at the expansion capital and growth equity stages in companies that have started to scale.
	2019	MML	20	Growth capital private equity fund that will support indigenous SMEs to grow domestically and internationally.
	2019	Strategic Investors Fund X	23	Commitment to a global venture capital fund of funds building on strategic partnership with SVB.
	2019	Guinness Enterprise Centre	7	Loan to finance the upgrade and expansion of the Guinness Enterprise Centre.
Indigenous Businesses Total			2,055	
Climate Change	pre 2011	AIBIM 1ST Forestry Fund	20	Investment in a portfolio of forestry assets across Ireland.
	2014	Covanta Poolbeg Project	44	Thermal waste treatment plant.
	2016	NTR	35	Equity investment fund in construction ready onshore wind farms.
	2016	Dasos	55	Fund investing in new and semi-mature forests across Ireland underpinning the sector.
	2017	Greencoat Renewables	76	Cornerstone investor in IPO for renewable energy investor seeking to capitalise Irish wind energy market.
	2018	Power Capital	35	Specialist in developing large scale photovoltaic solar farms.
	2018	Aurora	50	Fund targeting the build out of new renewable energy generation in Ireland.
	2019	Gore Street Energy Storage Fund Plc	34	Financing the build out of energy storage infrastructure in Ireland to support the growth in renewables.
Climate Change Total			349	
National Initiatives	2015	Irish Water Refinancing Facility	300	Loan facilities of €450m representing a refinancing of the existing €300m National Pension Reserve Fund facility and an additional €150m loan facility.
	2015	Irish Water	150	Loan facilities of €450m representing a refinancing of the existing €300m National Pension Reserve Fund facility and an additional €150m loan facility.
National Initiatives Total			450	
Connectivity	2016	Aqua Comms	25	Irish developer of fibre-optic infrastructure including a transatlantic and Anglo-Irish connectivity network.
	2016	Dublin Airport Authority	35	Supporting delivery of daa's medium and long term goals notably the planned new runway for Dublin.
Connectivity Total			60	
Legacy Asset under ISIF 1.0	2011	Irish Infrastructure Fund	250	Portfolio of Irish infrastructure assets.
	2013	WestSummit Global Technology Fund	36	Investment in a global growth stage technology fund.
	2014	WLR Cardinal CRE Mezzanine Fund	75	Mezzanine finance fund targeting commercial real estate opportunities.
	2015	Leeds Equity Partners Fund	92	Cornerstone investment in a leading global investor in the education/knowledge industries.
	2015	Quadrant	50	Development finance vehicle lending to facilitate the development of high quality offices in Ireland.
	2016	Reverence Capital Partners	50	Financial service sector focussed global equity fund.
	2017	Xant, Inc.	24	Industry leading predictive sales acceleration platform growing its presence in Ireland.
	2017	Kaseya	20	Foremost supplier of complete IT management solutions for managed service providers and mid-sized companies.
	2018/2019	Vectra Networks	10	Investment in a successful artificial intelligence cybersecurity company expanding their presence in Ireland.
Legacy Asset under ISIF 1.0 Total			607	

The list outlines all commitments executed since the Fund's inception; comprising current commitments as well as commitments which are partially or fully repaid, matured, expired or terminated.

DISCRETIONARY INVESTMENTS

QUOTED EQUITIES

EUROPE		
Austria		
Holding	Security Description	Value €m
763	Erste Group Bank	0.02
4,965	Immofinanz	0.08
1,584	Raiffeisen Bank International	0.03
1,975	Voestalpine	0.06
		0.19
% of Total Investments		0.00%

Belgium		
Holding	Security Description	Value €m
974	Ageas	0.04
31,693	Anheuser-Busch	1.81
960	Colruyt	0.05
141	Elia Group	0.01
190	Groupe Bruxelles Lambert	0.02
75	Sofina	0.02
260	Solvay	0.03
783	UCB	0.07
8,918	Warehouses De Pauw	0.25
		2.29
% of Total Investments		0.02%

Denmark		
Holding	Security Description	Value €m
387	Ambu	0.01
61	AP Moller - Maersk	0.11
63	AP Moller - Maersk	0.11
315	Carlsberg	0.04
163	CHR Hansen Holding	0.01
617	Coloplast	0.08
2,091	Danske Bank	0.03
232	DSV Panalpina	0.03
120	Genmab	0.04
189	Gn Store Nord	0.01
1,291	H Lundbeck	0.04
2,923	Novo Nordisk	0.17
509	Novozymes	0.02
1,444	Orsted	0.24
2,156	Pandora	0.20
55	Rockwool International	0.02
575	Tryg	0.01
184	Vestas Wind Systems	0.04
		1.21
% of Total Investments		0.01%

Finland		
Holding	Security Description	Value €m
455	Elisa	0.02
600	Fortrum	0.01
1,142	Kesko Oyj	0.02
15,781	Kone	1.05
211,119	Nokia	0.67
1,928	Nordea Bank	0.01
2,493	Orion	0.09

Finland (continued)		
2,633	Stora Enso	0.04
547	UPM-Kymmene	0.02
		1.94
% of Total Investments		0.02%

France		
Holding	Security Description	Value €m
307	Accor	0.01
1,152	Aéroports De Paris	0.12
18,355	Air Liquide	2.46
21,791	Airbus	1.96
352	Alstom	0.02
223	Amundi	0.01
148	Arkema	0.01
2,191	Atos	0.16
80,076	Axa	1.56
667	Biomerieux	0.08
44,753	BNP Paribas	1.93
18,476	Bolloré	0.06
1,153	Bouygues	0.04
532	Bureau Veritas	0.01
597	Capgemini	0.08
4,784	Carrefour	0.07
1,664	Cie De Saint-Gobain	0.06
122	Cie Generale Des Etablissement	0.01
2,521	CNP Assurances	0.03
3,122	Credit Agricole	0.03
25,875	Danone	1.39
119	Dassault Systems	0.02
565	Edenred	0.03
972	Eiffage	0.08
658	Electricite De France	0.01
75,405	Engie	0.94
11,478	Essilorluxottica	1.46
3,387	Gecina	0.43
683	Getlink	0.01
211	Hermes International	0.19
132	Iliad	0.02
2,015	Ipsen	0.14
2,926	Kering	1.74
10,529	Klepierre	0.19
3,006	La Francaise Des Jeux Saem	0.11
656	Legrand	0.05
9,911	L'Oreal	3.08
10,449	Lvmh Moet Hennessy Louis Vuitt	5.34
9,481	Natixis	0.03
106	Orpea	0.01
2,501	Orange	0.02
7,696	Pernod Ricard	1.21
1,445	Publicis Groupe	0.06
94	Remy Cointreau	0.01
13,368	Safran	1.55
44,457	Sanofi	3.50
450	Sartorius Stedim Biotech	0.13
22,063	Schneider Electric	2.61

France (continued)		
446	SEB	0.07
4,653	Suez	0.08
76	Teleperformance	0.02
117	Thales	0.01
389	Ubisoft Entertainment	0.03
14,699	Veolia Environnement	0.29
39,329	Vinci	3.20
33,388	Vivendi	0.88
124	Wendel	0.01
157	Worldline	0.01
		37.68
% of Total Investments		0.30%

Germany		
Holding	Security Description	Value €m
7,620	Adidas	2.27
16,137	Allianz	3.24
22,819	Alstria Office Reit	0.34
34,864	BASF	2.25
38,623	Bayer	1.86
12,160	Bayerische Motoren Werke	0.88
92	Bechtle	0.02
575	Beiersdorf	0.05
1,555	Brenntag	0.10
174	Carl Zeiss Meditec	0.02
2,123	Commerzbank	0.01
215	Covestro	0.01
32,510	Daimler	1.88
206	Delivery Hero	0.03
1,371	Deutsche Bank	0.01
7,402	Deutsche Boerse	1.03
41,033	Deutsche Post	1.67
127,447	Deutsche Telekom	1.91
4,524	Deutsche Wohnen	0.20
3,605	E.ON	0.03
890	Frenius Medical Care	0.06
1,779	Frenius & Co	0.07
840	Fuchs Petrolub	0.04
493	Gea group	0.01
321	Hannover Rueck	0.04
712	Heidelbergcement	0.04
1,574	Hellofresh Se	0.10
295	Henkel & Co	0.03
246	Henkel & Co	0.02
383	Hochtief	0.03
862	Infineon Technologies	0.03
5,729	Instone Real Estate Group	0.12
215	Kion Group	0.02
794	Knorr-Bremse	0.09
299	Lanxess	0.02
205	Leg Immobilien	0.03
612	Merck Kgaa	0.09
5,441	Muenchener Rueckversicherungs	1.32
703	Nemetschek	0.04
1,335	Puma	0.12

Portfolio of Investments – ISIF

QUOTED EQUITIES (CONTINUED)

Germany (continued)		
47	Rational	0.04
42,170	SAP	4.52
62	Sartorius	0.02
591	Scout24	0.04
28,864	Siemens	3.39
417	Siemens Energy	0.01
365	Siemens Healthineers	0.02
314	Symrise	0.03
382	Teamviewer	0.02
3,947	Telefonica Deutschland Holding	0.01
3,046	Uniper	0.09
550	United Internet	0.02
7,040	Volkswagen	1.07
100	Volkswagen	0.02
38,205	Vonovia	2.27
1,913	Zalando	0.17
		31.84
% of Total Investments		0.25%

Guernsey Channel Islands		
Holding	Security Description	Value €m
		0.00
% of Total Investments		0.00%

Ireland		
Holding	Security Description	Value €m
11,381	Accenture	2.42
12,092	AIB Plc	0.02
851	Allegion	0.08
1,597	Aon Plc	0.27
92,977	Bank Of Ireland	0.31
30,413	CRH	1.03
722	CRH	0.02
39,041	Dalata Hotel Group	0.15
144	DCC	0.01
2,285	Eaton	0.22
1,992	Experian	0.06
77	Flutter Entertainment	0.01
5,991	Flutter Entertainment	1.00
19,000,000	Greencoat Renewables	22.14
546	Horizon Therapeutics	0.03
775	James Hardie Industries	0.02
903	Jazz Pharmaceuticals	0.12
3,525	Johnson Controls International	0.13
169	Kerry Group	0.02
149	Kingspan Group	0.01
135	Kingspan Group	0.01
2,862	Linde	0.61
5,000,000	Malin	19.00
5,141	Medtronic	0.49
92,941	National Toll Road Eur0.00125 (Post Red)	0.01
861	Pentair	0.04
3,549	Perrigo	0.13
1,296	Seagate Technology	0.07
540	Steris	0.08

Ireland (continued)		
1,127	Trane Technologies	0.13
793,776	Waterford Wedgewood Uts	0.00
728	Willis Towers Watson	0.12
		48.78
% of Total Investments		0.38%

Isle of Man		
Holding	Security Description	Value €m
4,074	Entain	0.05
		0.05

Italy		
Holding	Security Description	Value €m
499	Amplifon	0.02
3,999	Assicurazioni Generali	0.06
25,227	Atlantia	0.37
1,826	Davide Campari-Milano	0.02
458	Diasorin	0.08
76,964	Enav	0.28
319,792	Enel	2.65
374	Ferrari	0.07
359,428	Goldman Sachs Ins Bank Loanport 100Cis Usd	54.73
23,865	Infrastrutture Wireless Italia	0.24
707,190	Intesa Sanpaolo	1.35
2,245	Mediobanca Banca Di Credito Fi	0.02
2,277	Moncler	0.11
970	Nexi	0.02
4,511	Poste Italiane	0.04
1,294	Prysmian	0.04
1,028	Recordati	0.05
11,583	Snam	0.05
53,959	Telecom Italia	0.02
54,886	Telecom Italia	0.02
76,034	Terna Rete Elettrica Nazionale	0.48
		60.69
% of Total Investments		0.48%

Jersey C I		
Holding	Security Description	Value €m
6,575	Amcor	0.06
1,124	Aptiv	0.12
977	Novocure	0.14
		0.32
% of Total Investments		0.00%

Luxembourg		
Holding	Security Description	Value €m
4,225	Arcelormittal	0.08
2,880	Aroundtown	0.02
302	Eurofins Scientific	0.02
3,134	SES	0.02
9,446	Tenaris	0.06
		0.13
% of Total Investments		0.00%

Netherlands		
Holding	Security Description	Value €m
1,075	Adyen	2.05
8,220	Aegon	0.03
684	Akzo Nobel	0.06
76	Argenx	0.02
16,386	ASML Holding	6.51
259	Heineken Holding	0.02
275	Heineken	0.03
149,567	ING Groep	1.14
259	JDE Peet's	0.01
172	Just Eat Takeaway.Com	0.02
45,452	Koninklijke Ahold Delhaize	1.05
8,270	Koninklijke DSM	1.16
6,065	Koninklijke Kpn	0.02
35,892	Koninklijke Philips	1.57
448	Koninklijke Vopak	0.02
1,372	NN Group	0.05
943	NXP Semiconductors	0.12
17,196	Prosus	1.52
556	Qiagen	0.02
2,289	Randstad	0.12
71,429	SNS Reaal Groep Eur1.63	0.06
1,220	Wolters Kluwer	0.08
		15.68
% of Total Investments		0.12%

Norway		
Holding	Security Description	Value €m
800	Adevinta	0.01
688	DNB	0.01
2,398	Gjensidige Forsikring	0.04
640	Mowi	0.01
16,312	Norsk Hydro	0.06
3,378	Orkla	0.03
2,416	Schibsted	0.07
487	Schibsted	0.02
1,512	Telenor	0.02
438	Yara International	0.01
		0.29
% of Total Investments		0.00%

Portugal		
Holding	Security Description	Value €m
12,422	EDP - Energias De Portugal	0.06
4,573	Jeronimo Martins SGPS	0.06
		0.13
% of Total Investments		0.00%

Spain		
Holding	Security Description	Value €m
5,135	ACS Actividades De Construccio	0.14
3,356	Aena Sme	0.48
16,866	Amadeus It Group	1.00
472,025	Banco Bilbao Vizcaya Argentari	1.90
651,397	Banco Santander	1.65

Spain (continued)		
20,404	Cellnex Telecom	1.00
1,217	Enagas	0.02
1,891	Endesea	0.04
938	Ferrovial	0.02
769	Grifols	0.02
226,813	Iberdrola	2.65
45,615	Industria De Diseno Textil	1.19
2,662	Let's Gowex	0.02
26,679	Merlin Properties Socimi	0.21
910	Naturgy Energy Group	0.02
1,102	Red Electrica	0.02
1,023	Siemens Gamesa Renewable Energy	0.03
6,627	Telefonica	0.02
		10.45
% of Total Investments		0.08%

Sweden		
Holding	Security Description	Value €m
1,602	Assa Ioy	0.03
792	Atlas Copco	0.03
416	Atlas Copco	0.02
304	Boliden	0.01
19,237	Castellum	0.40
438	Electrolux	0.01
1,637	Epiroc	0.02
1,223	Epiroc	0.02
958	EQT	0.02
1,401	Essity	0.04
1,413	Evolution Gaming Group	0.12
5,840	Hennes & Mauritz	0.10
14,671	Hexagon	1.10
5,071	Husqvarna	0.05
1,202	ICA Gruppen	0.05
737	Industrivarden	0.02
323	Industrivarden	0.01
877	Investment Latour	0.02
925	Investor	0.06
921	Kinnevik	0.04
735	L E Lundbergforetagen	0.03
717	Nibe Industrier	0.02
647	Sandvik	0.01
2,835	Securitas	0.04
1,037	Skandinaviska Enskilda Banken	0.01
4,086	Skanska	0.09
1,410	SKF	0.03
1,672	Svenska Cellulosa	0.02
1,649	Svenska Handelsbanken	0.01
1,371	Swedbank	0.02
1,390	Tele2	0.02
3,226	Telefonaktiebolaget Lm Ericsson	0.03
8,225	Telia	0.03
1,200	Volvo	0.02
		2.54
% of Total Investments		0.02%

Switzerland		
Holding	Security Description	Value €m
2,053	ABB	0.05
302	Adecco	0.02
293	Alcon	0.02
238	Baloise Holding	0.03
320	Banque Cantonale Vaudoise	0.03
12	Barry Callebaut	0.02
2	Chocoladefabriken Lindt & Spru	0.02
1,985	Chubb	0.25
368	Cie Financiere Richemont	0.03
684	Clariant	0.01
803	Coca-Cola Hbc	0.02
5,000	Credit Suisse	0.05
47	Ems-Chemie Holding	0.04
816	Garmin	0.08
75	Geberit	0.04
17	Givaudan	0.06
23,646	Glencore	0.06
665	Kuehne + Nel International	0.12
1,073	Lafargeholcim	0.05
845	Logitech International	0.07
110	Lonza	0.06
13,662	Nestle	1.32
2,481	Novartis	0.19
88	Partners Group Holding	0.08
1,215	Roche Holding	0.35
57	Schindler Holding	0.01
60	Schindler Holding	0.01
44	SGS	0.11
181	Sika	0.04
223	Sonova Holding	0.05
1,982	Stmicroelectronics	0.06
61	Straumann Holding	0.06
126	Swatch	0.03
662	Swatch	0.03
115	Swiss Life Holding	0.04
230	Swiss Prime Site	0.02
151	Swiss Re	0.01
83	Swisscom	0.04
1,541	Te Connectivity	0.15
136,488	UBS	1.58
200,000	UBS	0.17
200	Zurich Insurance	0.07
		5.54
% of Total Investments		0.04%

United Kingdom		
Holding	Security Description	Value €m
4,426	Admiral	0.14
388	Ashtead	0.01
3,550	Associated British Foods	0.09
18,190	Astrazeneca	1.48
18,792	Auto Trader	0.12
431	Aveva	0.02
11,137	Aviva	0.04

United Kingdom (continued)		
3,465	Bae Systems	0.02
8,362	Barclays	0.01
1,539	Berkeley Holdings	0.08
16,238	Big Yellow	0.20
8,214	BT	0.01
1,307	Bunzl	0.04
4,735	Burberry	0.09
86,852	Capital & Counties Properties	0.14
1,669	Coca-Cola European Partners	0.07
39,451	Compass	0.60
567	Croda International	0.04
9,867	Cushman & Wakefield	0.12
4,562	Derwent London	0.16
1,170	Diageo	0.04
4,410	Direct Line Insurance	0.02
14,004,502	Draper Esprit	102.50
19,669	Ferguson	1.94
10,338	Glaxosmithkline	0.15
11,730,910	Gore Street Energy Storage	13.57
1,992	Halma	0.05
4,297	Hargreaves Lansdown	0.07
9,017	HSBC Holdings	0.04
2,208	Informa	0.01
27,773	Intercontinental Hotels	1.45
266	Intertek	0.02
27,174	J Sainsbury	0.07
12,186	JD Sports Fashion	0.12
475	Johnson Matthey	0.01
10,065	Kingfisher	0.03
16,403	Legal & General	0.05
4,723	Liberty Global	0.09
5,135	Liberty Global	0.10
19,677	Linde	4.17
520	London Stock Exchange	0.05
24,069	M&G	0.05
29,000	Melrose Industries	0.06
672	Mondi	0.01
127,537	National Grid	1.23
650	Next	0.05
1,270	Nielsen Holdings	0.02
107,752	Ntr Wind 1 Lp Gbp Management	0.00
1,869	Ocado	0.05
3,161	Pearson	0.02
384	Persimmon	0.01
1,046	Phoenix Holdings	0.01
17,652	Reckitt Benckiser	1.28
3,657	Relx	0.07
191,564	Rentokil Initial	1.09
1,039	Rio Tinto	0.06
392	Royalty Pharma	0.02
2,652	RSA Insurance	0.02
11,543	Sage Group	0.07
334	Schroders	0.01
49,443	Segro	0.52
1,078	Sensata Technologies Holding	0.05

Portfolio of Investments – ISIF

QUOTED EQUITIES (CONTINUED)

United Kingdom (continued)		
13,415	Severn Trent	0.34
3,859	Smith & Nephew	0.06
197	Spirax-Sarco Engineering	0.02
2,278	SSE	0.04
1,471	St James's Place	0.02
5,769	Standard Chartered	0.03
1,372	Technipfmc	0.01
19,766	Tesco	0.05
192,687	Tritax Eurobox	0.21
3,349	Unilever	0.16
26,546	Unite Group	0.31
2,017	United Utilities	0.02
42,209	Vodafone	0.06
12,093	WM Morrison Supermarkets	0.02
2,706	WPP	0.02
		134.14
% of Total Investments		1.05%
Total European Quoted Equities		353.88
% of Total Investments		2.78%

NORTH AMERICA		
Canada		
Holding	Security Description	Value €m
514	Agnico Eagle Mines	0.03
1,808	Algonquin Power & Util	0.02
2,816	Alimentation Couche-Tard	0.08
7,666	Allied Properties Reitunit	0.18
696	Altagas	0.01
5,586	B2Gold	0.03
809	Bank Of Montreal	0.05
1,741	Bank Of Nova Scotia	0.08
1,720	Barrick Gold	0.03
492	BCE	0.02
348	Brookfield Asset Mgmt	0.01
1,472	Cameco	0.02
7,840	Canadian Apartment Properties	0.25
606	Canadian Imperial Bk Of Comm	0.04
664	Canadian National Railway	0.06
179	Canadian Pacific Railway	0.05
627	Canadian Tire	0.07
480	Canadian Utilities	0.01
348	Canopy Growth	0.01
227	Ccl Industries	0.01
1,231	CGI	0.08
14,382	Chartwell Retirement Residencetrust Unit	0.10
5,505	CI Financial	0.06
163	Constellation Software	0.17
1,193	Dollarama	0.04
467	Emera	0.02
5,007	Empire	0.11
67,736	Enbridge	1.76
50	Fairfax Financial Holdings	0.01
147	Firstservice	0.02
9,996	Fortis	0.33

Canada (continued)		
394	Franco-Nevada	0.04
733	Gfl Environmental	0.02
1,874	Great West Lifeco	0.04
2,476	Hydro One Limited	0.05
1,151	IA Financial	0.04
808	Igm Financial	0.02
288	Intact Financial	0.03
5,459	Kinross Gold	0.03
783	Kirkland Lake Gold	0.03
2,679	Loblaw Companies	0.11
414	Magna Intl	0.02
4,272	Manulife Financial	0.06
1,192	Metro	0.04
962	National Bank Of Canada	0.04
1,166	Northland Power	0.03
1,224	Nutrien	0.05
598	Open Text oration	0.02
527	Pan American Silver	0.01
1,820	Parkland	0.05
4,055	Power Canada	0.08
1,092	Quebecor cl B Sub-Vtg	0.02
495	Ritchie Bros Auctioneers	0.03
320	Rogers Communications	0.01
1,896	Royal Bank Of Canada	0.13
475	Saputo	0.01
759	Shaw Communications	0.01
121	Shopify	0.11
540	Ssr Mining	0.01
22,485	Summit Industrial Income Reittrust Unit	0.20
1,103	Sun Life Financial	0.04
1,119	Telus	0.02
601	Thomson Reuters new	0.04
230	Tmx Group	0.02
303	Topicus.Com	0.01
467	Toromont Industries	0.03
1,534	Toronto Dominion Banknew	0.07
1,900	Waste Connections	0.16
1,237	Weston (George)	0.08
1,070	Wheaton Precious Metals	0.04
2,609	WSP Global	0.20
3,893	Yamana Gold	0.02
		5.79
% of Total Investments		0.05%

United States		
Holding	Security Description	Value €m
196	10X Genomics	0.02
2,392	3M	0.34
860	A O Smith	0.04
7,625	Abbott Laboratories	0.68
9,125	Abbvie	0.80
665	Abiomed	0.18
3,755	Activision Blizzard	0.28
2,409	Adobe	0.98

United States (continued)		
834	Advance Auto Parts	0.11
6,955	Advanced Micro Devices	0.52
3,464	Aflac	0.13
1,645	Agilent Technologies	0.16
2,069	Agnc Investment	0.03
1,071	Air Products & Chemicals	0.24
1,282	Akamai Technologies	0.11
435	Alaska Air	0.02
567	Albemarle	0.07
4,591	Alexandria Real Estate Equitie	0.67
2,000	Alexion Pharmaceuticals	0.25
616	Align Technology	0.27
22	Alleghany	0.01
1,851	Allstate	0.17
2,703	Ally Financial	0.08
325	Alnylam Pharmaceuticals	0.03
3,445	Alphabet -Cl A	4.92
1,444	Alphabet -Cl C	2.06
2,155	Amazon.Com	5.72
45	Amerco	0.02
2,072	American Airlines	0.03
3,211	American Express	0.32
2,898	American International	0.09
23,673	American Tower	4.33
7,679	American Water Works	0.96
10,319	Americold Realty Trust	0.31
1,111	Ameriprise Financial	0.18
1,325	Amerisourcebergen	0.11
1,189	Ametek	0.12
2,746	Amgen	0.51
1,512	Amphenol	0.16
1,622	Analog Devices	0.20
483	Ansys	0.14
1,342	Anthem	0.35
82,904	Apple	8.96
5,372	Applied Materials	0.38
3,589	Aramark	0.11
2,564	Archer-Daniels-Midland	0.11
331	Arista Networks	0.08
1,845	Arrow Electronics	0.15
519	Assurant	0.06
35,292	AT&T	0.83
7,429	Atmos Energy	0.58
1,494	Autodesk	0.37
123	Autoliv	0.01
1,848	Automatic Data Processing	0.27
240	Autozone	0.23
252	Avalara	0.03
3,563	Avalonbay Communities	0.47
536	Avery Dennison	0.07
5,917	Baker Hughes	0.10
17,484	Ball	1.33
36,249	Bank Of America	0.90
4,706	Bank Of New York Mellon	0.16
1,098	Bausch Health Cos	0.02

United States (continued)		
2,620	Baxter International	0.17
1,262	Becton Dickinson And Co	0.26
7,766	Berkshire Hathaway	1.47
3,183	Best Buy	0.26
1,265	Biogen	0.25
420	Biomarin Pharmaceutical	0.03
150	Bio-Rad Laboratories	0.07
998	Black Knight	0.07
613	Blackrock	0.36
1,245	Blackstone	0.07
1,900	Boeing	0.33
226	Booking Holdings	0.41
1,439	Booz Allen Hamilton Holding	0.10
2,798	Borgwarner	0.09
2,383	Boston Properties	0.18
75,777	Boston Scientific	2.22
12,111	Bristol-Myers Squibb	0.61
1,934	Broadcom	0.69
763	Broadridge Financial Solutions	0.10
190	Brookfield Renewable	0.01
1,348	Brown & Brown	0.05
1,629	Brown-Forman	0.11
6,999	Burlington Stores	1.49
21	Cable One	0.04
3,425	Cadence Design Systems	0.38
7,173	Camden Property Trust	0.58
1,488	Campbell Soup	0.06
1,539	Capital One Financial	0.12
2,606	Cardinal Health	0.11
995	Carmax	0.08
4,506	Carrier Global	0.14
80	Carvana	0.02
901	Catalent	0.08
2,310	Caterpillar	0.34
621	Cboe Global Markets	0.05
4,064	CBRE	0.21
1,037	CDW	0.11
513	Celanese	0.05
3,810	Centene	0.19
14,743	Centerpoint Energy	0.26
13,741	Centurylink	0.11
312	Ceridian Hcm Holding	0.03
3,100	Cerner	0.20
1,625	CF Industries Holdings	0.05
2,195	Ch Robinson Worldwide	0.17
6,381	Charles Schwa	0.28
696	Charter Communications	0.38
61,670	Cheniere Energy	3.02
387	Chewy	0.03
145	Chipotle Mexican Grill	0.16
1,438	Church & Dwight	0.10
2,049	Cigna	0.35
678	Cinnati Financial	0.05
672	Cintas	0.19
19,495	Cisco Systems	0.71

United States (continued)		
10,174	Citigroup	0.51
2,864	Citizens Financial Group	0.08
1,795	Citrix Systems	0.19
457	Cloudflare	0.03
1,233	Clorox	0.20
1,368	CME Group	0.20
7,552	CMS Energy	0.38
16,645	Coca-Cola	0.74
264	Cognex	0.02
4,647	Cognizant Technology Solutions	0.31
5,885	Colgate-Palmolive	0.41
21,556	Comcast	0.92
506	Comerica	0.02
4,461	Conagra Brands	0.13
5,986	Consolidated Edison	0.35
703	Constellation Brands	0.13
286	Cooper	0.08
1,292	Copart	0.13
2,257	Coresite Realty	0.23
3,559	Corning	0.10
3,045	Corteva	0.10
67	Costar Group	0.05
4,911	Costco Wholesale	1.51
113	Coupa Software	0.03
6,208	Cousins Properties	0.17
280	Crowdstrike Holdings	0.05
12,543	Crown Castle International	1.63
697	Crown Holdings	0.06
3,291	CSX	0.24
14,503	Cubsmart	0.40
1,044	Cummins	0.19
7,493	CVS Health	0.42
9,388	Cyrusone	0.56
2,840	Danaher	0.51
458	Darden Restaurants	0.04
360	Datadog	0.03
1,342	Davita	0.13
1,453	Deere & Co	0.32
1,470	Dell Technologies	0.09
2,145	Delta Air Lines	0.07
26,719	Denali Therapeutics	1.82
1,394	Dentsply Sirona	0.06
477	Dexcom	0.14
4,453	Digital Realty Trust	0.51
2,027	Discover Financial Services	0.15
4,917	Discovery	0.12
6,083	Discovery	0.13
933	Dish Network	0.02
429	DocuSign	0.08
1,459	Dollar General	0.25
1,925	Dollar Tree	0.17
3,782	Dominion Energy	0.23
617	Domino's Pizza	0.19
657	Dover	0.07
3,397	DOW	0.15

United States (continued)		
1,748	Dr Horton	0.10
191	Draftkings	0.01
5,915	Dropbox	0.11
800	DTE Energy	0.08
2,475	Duke Energy	0.18
16,386	Duke Realty	0.53
2,705	Dupont De Nemours	0.16
847	DXC Technology	0.02
660	Dynatrace	0.02
3,137	Eastgroup Properties	0.35
1,225	Eastman Chemical	0.10
6,057	Ebay	0.25
1,189	Ecolab	0.21
12,856	Edison International	0.66
3,920	Edwards Lifesciences	0.29
63,208	Elanco Animal Health	1.58
1,599	Electronic Arts	0.19
4,241	Eli Lilly & Co	0.58
2,793	Emerson Electric	0.18
265	Enphase Energy	0.04
857	Entergy	0.07
226	Epam Systems	0.07
707	Equifax	0.11
1,037	Equinix	0.60
7,017	Equity Lifestyle Properties	0.36
9,941	Equity Residential	0.48
407	Erie Indemnity	0.08
289	Essential Utilities	0.01
2,792	Essex Property Trust	0.54
1,706	Estee Lauder	0.37
842	Etsy	0.12
14,628	Eversource Energy	1.03
83	Exact Sciences	0.01
4,577	Exelon	0.16
772	Expedia Group	0.08
1,168	Expeditors International	0.09
4,222	Extra Space Storage	0.40
884	F5 Networks	0.13
11,994	Facebook	2.67
448	Factset Research Systems	0.12
246	Fair Isaac	0.10
5,637	Fastenal	0.22
3,783	Federal Realty Investment Trust	0.26
1,068	Fedex	0.23
1,065	Fidelity National Financial	0.03
19,417	Fidelity National Information	2.24
3,922	Fifth Third Bancorp	0.09
764	First Republic Bank	0.09
3,707	Fiserv	0.34
693	Fleetcor Technologies	0.15
519	Flir Systems	0.02
484	Flowserve	0.01
660	FMC	0.06
29,033	Ford Motor	0.21
1,353	Fortinet	0.16

Portfolio of Investments – ISIF

QUOTED EQUITIES (CONTINUED)

United States (continued)			United States (continued)			United States (continued)		
1,412	Fortive	0.08	5,011	International Business Machine	0.51	592	M&T Bank	0.06
1,275	Fortune Brands Home & Security	0.09	512	International Flavors & Fragra	0.05	14	Markel	0.01
4,650	Fox	0.11	2,826	International Paper	0.11	358	Marketaxess Holdings	0.17
3,910	Fox	0.09	5,427	Interpublic Group Of Cos	0.10	1,627	Marriott International	0.17
2,475	Franklin Resources	0.05	8,172	Intuit	2.53	23,561	Marsh & McLennan Cos	2.25
6,092	Freeport-Mcmoran	0.13	514	Intuitive Surgical	0.34	7,877	Martin Marietta Materials	1.82
754	Gap	0.01	21,169	Invitation Homes	0.51	2,972	Masco	0.13
1,071	Gartner	0.14	447	Ionis Pharmaceuticals	0.02	402	Masimo	0.09
162	Generac Holdings	0.03	257	Ipg Photonics	0.05	4,089	Mastercard	1.19
348	General Dynamics	0.04	906	Iqvia Holdings	0.13	1,870	Match Group	0.23
43,766	General Electric	0.38	1,549	Iron Mountain	0.04	1,794	Maxim Integrated Products	0.13
3,831	General Mills	0.18	1,523	J M Smucker	0.14	1,370	Mccormick & Co	0.11
4,893	General Motors	0.17	582	Jack Henry & Associates	0.08	3,158	Mcdonald'S	0.55
1,280	Genuine Parts	0.10	1,068	Jacobs Engineering Group	0.09	1,131	Mckesson	0.16
6,967	Gilead Sciences	0.33	505	Jb Hunt Transport Services	0.06	1,667	Medical Properties Trust	0.03
1,570	Global Payments	0.28	12,921	Johnson & Johnson	1.66	51	Mercadolibre	0.07
601	Globe Life	0.05	15,119	Jpmorgan Chase & Co	1.56	11,905	Merck & Co	0.79
664	Godaddy	0.04	4,006	Juniper Networks	0.07	4,530	Metlife	0.17
1,158	Goldman Sachs	0.25	548	Kansas City Southern	0.09	273	Mettler-Toledo International	0.25
298	Guidewire Software	0.03	1,662	Kellogg	0.08	1,854	Mgm Resorts International	0.05
7,447	Halliburton	0.11	1,472	Keurig Dr Pepper	0.04	1,652	Microchip Technology	0.19
1,328	Hanesbrands	0.02	4,691	Key	0.06	6,663	Micron Technology	0.41
2,462	Hartford Financial Services	0.10	1,171	Keysight Technologies	0.13	37,598	Microsoft	6.81
592	Hasbro	0.05	3,804	Kilroy Realty	0.18	845	Mid-America Apartment Community	0.09
1,136	HCA Healthcare	0.15	2,183	Kimberly-Clark	0.24	450	Moderna	0.04
7,431	Healthcare Realty Trust	0.18	1,546	Kimco Realty	0.02	997	Mohawk Industries	0.11
19,409	Healthpeak Properties	0.48	106,745	Kinder Morgan	1.19	347	Molina Healthcare	0.06
1,971	Henry Schein	0.11	282	Kkr & Co	0.01	4,585	Molson Coors Beverage	0.17
1,263	Hershey	0.16	846	KLA	0.18	6,251	Mondelez International	0.30
9,550	Hewlett Packard Enterprise	0.09	1,567	Knight-Swift Transportation	0.05	101	Mongoddb	0.03
5,171	Highwoods Properties	0.17	5,769	Kraft Heinz	0.16	120	Monolithic Power Systems	0.04
1,885	Hilton Worldwide Holdings	0.17	10,528	Kroger	0.27	2,928	Monster Beverage	0.22
1,616	Hologic	0.10	33,399	Kura Oncology	0.89	1,402	Moody's	0.33
5,611	Home Depot	1.21	785	L Brands	0.02	7,063	Morgan Stanley	0.39
16,088	Homology Medicines	0.15	683	Laboratory Of America	0.11	4,833	Mosaic	0.09
2,699	Honeywell International	0.47	684	Lam Research	0.26	871	Motorola Solutions	0.12
1,822	Hormel Foods	0.07	777	Lamb Weston Holdings	0.05	464	MSCI	0.17
25,330	Host Hotels & Resorts	0.30	1,358	Las Vegas Sands	0.07	648	Nasdaq	0.07
1,284	Howmet Aerospace	0.03	258	Lear	0.03	1,394	National Oilwell Varco	0.02
9,485	HP	0.19	446	Leggett & Platt	0.02	2,058	Netapp	0.11
105	Hubspot	0.03	2,594	Leidos Holdings	0.22	1,883	Netflix	0.83
8,589	Hudson Pacific Properties	0.17	2,320	Lennar	0.14	233	Neurocrine Biosciences	0.02
782	Humana	0.26	293	Lennox International	0.07	3,949	Newell Brands	0.07
5,313	Huntington Bancshares	0.05	305	Liberty Broadband	0.04	3,851	Newmont	0.19
735	Huntington Ingalls Industries	0.10	368	Liberty Broadband	0.05	5,673	News	0.08
164	Iac/Interactive	0.03	482	Liberty Media -Liberty For	0.02	400	News	0.01
425	Idex	0.07	2,754	Liberty Media -Liberty Sir	0.10	12,880	Nextera Energy	0.81
959	Idexx Laboratories	0.39	2,818	Liberty Media -Liberty Sir	0.10	25,814	Nike	2.98
1,479	Illinois Tool Works	0.25	4,208	Life Storage	0.41	2,042	Nisource	0.04
675	Illumina	0.20	1,266	LoIn National	0.05	86	Nordson	0.01
2,148	Incyte	0.15	739	Live Nation Entertainment	0.04	962	Norfolk Southern	0.19
1,509	Ingersoll Rand	0.06	4,812	LKQ	0.14	20,459	Northern Trust	1.55
300	Insulet	0.06	785	Loews	0.03	8,644	Nortonlifelock	0.15
23,056	Intel	0.94	4,499	Lowe's Cos	0.59	2,209	Nucor	0.10
2,670	Intercontinental Exchange	0.25	720	Lululemon Athletica	0.20	2,848	Nvidia	1.21

United States (continued)		
27	NVR	0.09
241	Okta	0.05
637	Old Dominion Freight Line	0.10
2,344	Omnicom Group	0.12
4,432	On Semiconductor	0.12
9,487	Oracle	0.50
541	O'Reilly Automotive	0.20
1,899	Otis Worldwide	0.10
1,614	Owens Corning	0.10
1,536	Paccar	0.11
471	Packaging Of America	0.05
233	Palo Alto Networks	0.07
708	Parker-Hannifin	0.16
1,865	Paychex	0.14
307	Paycom Software	0.11
4,933	Paypal Holdings	0.94
10,580	Pebblebrook Hotel Trust	0.16
297	Peloton Interactive	0.04
1,653	People'S United Financial	0.02
6,981	Pepsico	0.84
830	Perkinelmer	0.10
24,605	Pfizer	0.74
633	Pinnacle West Capital	0.04
498	Pinterest	0.03
1,847	Pnc Financial Services	0.22
572	Pool	0.17
473	Ppd	0.01
980	Ppg Industries	0.12
1,728	Prisal Financial	0.07
30,764	Procter & Gamble	3.48
3,368	Progressive	0.27
15,869	Prologis	1.29
1,331	Prudential Financial	0.08
360	PTC	0.04
4,781	Public Service Enterprise	0.23
1,528	Public Storage	0.29
2,819	Pultegroup	0.10
227	PVH	0.02
1,291	Qorvo	0.17
5,690	Qualcomm	0.71
466	Quanta Services	0.03
193	Ralph Lauren	0.02
798	Raymond James Financial	0.06
6,093	Realty ome	0.31
9,124	Regency Centers	0.34
509	Regeneron Pharmaceuticals	0.20
5,767	Regions Financial	0.08
318	Reinsurance Group Of America	0.03
1,067	Republic Services	0.08
876	Resmed	0.15
512	Ringcentral	0.16
18,373	RLJ Lodging Trust	0.21
3,357	Robert Half International	0.17
748	Rockwell Automation	0.15
497	Roku	0.13

United States (continued)		
5,135	Rollins	0.16
469	Roper Technologies	0.16
1,828	Ross Stores	0.18
553	Rpm International	0.04
3,684	Ryman Hospitality Properties	0.20
5,034	S&P Global	1.35
4,006	Salesforce.Com	0.73
144	Sarepta Therapeutics	0.02
5,710	SBA Communications	1.31
526	Seagen	0.08
885	Sealed Air	0.03
987	Sei Investments	0.05
11,014	Sempra Energy	1.14
1,189	Servicenow	0.53
450	Sherwin-Williams	0.27
10,428	Simon Property	0.72
5,916	Sirius Xm Holdings	0.03
925	Skyworks Solutions	0.12
288	Sl Green Realty	0.01
620	Slack Technologies	0.02
1,648	Snap	0.07
524	Snap-On	0.07
342	Snowflake	0.08
122	Solaredge Technologies	0.03
4,054	Southern	0.20
1,985	Southwest Airlines	0.08
269	Splunk	0.04
427	Square	0.08
1,958	Ss&C Technologies Holdings	0.12
678	Stanley Black & Decker	0.10
4,561	Starbucks	0.40
1,935	State Street	0.11
49,971	Stearns Hldg Llc Class B	0.04
4,786	Store Capital	0.13
1,524	Stryker	0.30
3,339	Sun Communities	0.41
469	Sunrun	0.03
232	SVB Financial	0.07
5,503	Synchrony Financial	0.16
1,135	Synopsys	0.24
4,055	Sysco	0.25
1,532	T Rowe Price	0.19
703	Take-Two Interactive Software	0.12
1,006	Tapestry	0.03
3,596	Target	0.52
143	Teladoc Health	0.02
277	Teledyne Technologies	0.09
233	Teleflex	0.08
1,998	Teradyne	0.20
3,088	Terreno Realty	0.15
3,163	Tesla	1.82
5,039	Texas Instruments	0.67
1,736	Thermo Fisher Scientific	0.66
809	Tiffany & Co	0.09
6,119	TJX	0.34

United States (continued)		
2,724	T-Mobile US	0.30
1,432	Tractor Supply	0.16
62	Trade Desk	0.04
425	Tradeweb Markets	0.02
183	Transdigm	0.09
224	Transunion	0.02
1,244	Travelers	0.14
471	Trimble	0.03
5,287	Truist Financial	0.21
173	Twilio	0.05
3,753	Twitter	0.17
317	Tyler Technologies	0.11
2,788	Tyson Foods	0.15
605	Uber Technologies	0.03
1,433	UDR	0.04
2,852	UGI	0.08
591	Ultra Beauty	0.14
718	Under Armour	0.01
757	Under Armour	0.01
2,829	Union Pacific	0.48
985	United Airlines Holdings	0.03
3,065	United Parcel Service	0.42
824	United Rentals	0.16
4,756	Unitedhealth Group	1.36
904	Universal Health Services	0.10
763	Unum Group	0.01
11,291	Urban Edge Properties	0.12
5,701	US Ban	0.22
65	Vail Resorts	0.01
451	Varian Medical Systems	0.06
250	Veeva Systems	0.06
14,766	Ventas	0.59
995	Verisign	0.18
806	Verisk Analytics	0.14
19,283	Verizon Communications	0.92
1,510	Vertex Pharmaceuticals	0.29
2,485	VF	0.17
5,012	Viacomcbs	0.15
5,898	Viatis	0.09
792	Vici Properties	0.02
7,529	Visa	1.34
670	Vmware	0.08
541	Vontier	0.01
5,306	Vornado Realty Trust	0.16
1,208	Voya Financial	0.06
568	Vulcan Materials	0.07
765	W R Berkley	0.04
5,724	Walgreens Boots Alliance	0.19
8,058	Walmart	0.95
19,642	Walt Disney	2.90
1,647	Waste Management	0.16
680	Waters	0.14
781	Wayfair	0.14
3,220	Wec Energy	0.24
17,840	Wells Fargo	0.44

Portfolio of Investments – ISIF

QUOTED EQUITIES (CONTINUED)

United States (continued)		
13,631	Welltower	0.72
527	West Pharmaceutical Services	0.12
1,399	Western Digital	0.06
6,372	Western Union	0.11
1,434	Westinghouse Air Brake Technol	0.09
3,077	Westrock	0.11
2,510	Weyerhaeuser	0.07
440	Whirlpool	0.06
58,725	Williams	0.96
300	Workday	0.06
2,163	WP Carey	0.12
560	WW Grainger	0.19
343	Wynn Resorts	0.03
2,952	Xcel Energy	0.16
610	Xerox Holdings	0.01
1,409	Xilinx	0.16
1,223	Xpo Logistics	0.12
825	Xylem	0.07
2,582	Yum! Brands	0.23
486	Zebra Technologies	0.15
288	Zendesk	0.03
272	Zillow	0.03
299	Zillow	0.03
866	Zimmer Biomet Holdings	0.11
614	Zions Ban	0.02
2,430	Zoetis	0.33
211	Zoom Video Communications	0.06
225	Zscaler	0.04
		191.84
% of Total Investments		1.51%
Total North American Quoted Equities		197.63
% of Total Investments		1.55%

ASIA PACIFIC

Australia		
Holding	Security Description	Value €m
462	Afterpay	0.03
52,035	APA	0.32
542	Aristocrat Leisure	0.01
525	ASX	0.02
4,225	Aurizon Holdings	0.01
19,781	Ausnet Services	0.02
4,218	Australia & New Zealand Banking	0.06
7,761	Bluescope Steel	0.09
2,759	Brambles	0.02
3,098	Cimic	0.05
1,534	Coca-Cola Amatil	0.01
607	Cochlear	0.07
9,224	Coles	0.11
1,507	Commonwealth Bank Of Australia	0.08
1,023	Computershare	0.01
1,410	Crown Resorts	0.01
432	CSL	0.08
2,123	Dexus	0.01
4,374	Evolution Mining	0.01

Australia (continued)		
6,526	Fortescue Metals	0.10
36,085	Goodman	0.43
141,427	Ingenia Communities	0.44
5,320	Insurance Australia	0.02
318	Macquarie	0.03
2,229	Magellan Financial	0.08
7,287	Medibank Pvt	0.01
89,714	Mirvac	0.15
3,250	National Australia Bank	0.05
1,505	Newcrest Mining	0.02
33,445	Nextdc	0.26
1,784	Northern Star Resources	0.01
1,368	Orica	0.01
268,837	Prime Infra Grp-Prime Aetdholdings	0.00
216	Ramsay Health Care	0.01
558	Rea	0.05
508	Rio Tinto	0.04
989	Seek	0.02
1,585	Sonic Healthcare	0.03
6,698	Stockland	0.02
4,237	Sun	0.03
10,681	Telstra	0.02
114,162	Transurban	0.98
3,274	Wesfarmers	0.10
3,920	Westpac Banking	0.05
5,649	Woolworths	0.14
		4.10
% of Total Investments		0.03%

Hong Kong

Holding	Security Description	Value €m
9,524	Aia	0.10
928	ASM Pacific Technology	0.01
5,058	Bank Of East Asia	0.01
17,418	Boc Hong Kong Holdings	0.04
69,110	CK Asset Holdings	0.29
6,133	CK Hutchison Holdings	0.03
2,149	CK Infrastructure Holdings	0.01
3,325	Esr Cayman	0.01
100,000	Guangdong Investment	0.15
863,100	Hanergy Thin Film Power	0.33
9,740	Hang Lung Properties	0.02
715	Hang Seng Bank	0.01
3,067	Henderson Land Development	0.01
21,185	HKT Trust & HKT	0.02
175,189	Hong Kong & China Gas	0.21
2,426	Hong Kong Exchanges & Clearing	0.11
2,461	Hongkong Land Holdings	0.01
404	Jardine Matheson Holdings	0.02
1,231	Jardine Strategic Holdings	0.02
224,000	Kunlun Energy	0.16
78,513	Link Reit	0.58
1,965	MTR	0.01
75,141	PCCW	0.04
626,000	Shangri-La Asia	0.45

Hong Kong (continued)		
14,745	Sino Land Co	0.02
999	Sun Hung Kai Properties	0.01
4,030	Swire Pacific	0.02
146,883	Swire Properties	0.35
5,477	Techtronic Industries	0.06
16,381	WH	0.01
8,924	Xinyi Glass Holdings	0.02
		3.14
% of Total Investments		0.02%

Japan

Holding	Security Description	Value €m
237	Abc-Mart	0.01
1,008	Advantest	0.06
2,075	Aeon	0.06
607	Air Water	0.01
1,534	Ajinomoto	0.03
793	Asahi Group Holdings	0.03
777	Asahi Intecc	0.02
4,508	Astellas Pharma	0.06
669	Azbil	0.03
705	Bandai Nam Holdings	0.05
200	Bank Of Kyoto	0.01
663	Bridgestone	0.02
2,165	Brother Industries	0.04
1,777	Calbee	0.04
804	Canon	0.01
990	Chugai Pharmaceutical	0.04
889	Coca Cola Bottlers Japan Holdings	0.01
533	Capcom	0.03
1,764	Chiba Bank	0.01
1,363	Chubu Electric Power	0.01
97	Comforia Residential Reit	0.23
168	Cosmos Pharmaceutical	0.02
1,985	Cyberagent	0.11
243	Daifuku	0.02
618	Dai Nippon Printing	0.01
1,015	Dai-ichi Life Holdings	0.01
1,266	Daiichi Sankyo	0.04
254	Daikin Industries	0.05
720	Daito Trust Construction	0.05
2,300	Daiwa Securities	0.01
302	Denso	0.01
1,510	Dentsu Group Inc	0.04
39	Disco	0.01
241	East Japan Railway	0.01
608	Eisai	0.04
144	Esn Japan Reit Investment	0.14
122	Fanuc	0.02
135	Fast Retailing	0.10
1,035	Fujifilm Holdings	0.04
371	Fujitsu	0.04
616	Fukuoka Financial	0.01
138	Gmo Payment Gateway	0.02
1,481	Hakuhodo Dy Holdings	0.02

Japan (continued)		
354	Hamamatsu Photonics Kk	0.02
251	Harmonic Drive Systems	0.02
344	Hankyu Hanshin Holdings	0.01
123	Hirose Electric	0.02
191	Hisamitsu Pharmaceutical	0.01
1,802	Hitachi	0.06
2,806	Honda Motor	0.06
141	Hoshizaki	0.01
14,515	Hoya	1.64
427	Ibiden	0.02
1,598	Iida Group Holdings	0.03
1,333	Ito En	0.07
3,651	Itochu	0.09
562	Itochu Techno-Solutions	0.02
1,245	Japan Exchange	0.03
2,333	Japan Post Bank	0.02
5,761	Japan Post Holdings	0.04
994	Japan Post Insurance	0.02
618	JSR	0.01
761	Kajima	0.01
3,462	Kakaku.m	0.08
1,093	Kansai Electric Power	0.01
657	Kansai Paint	0.02
398	Kao	0.03
4,465	Kddi	0.11
334	Keihan Holdings	0.01
715	Keikyu	0.01
141	Keio	0.01
2,772	Keyence	1.27
426	Kikkoman	0.02
459	Kirin Holdings	0.01
99	Kobayashi Pharmaceutical	0.01
576	Kobe Bussan	0.01
376	Koei Tecmo Holdings	0.02
411	Komatsu	0.01
491	Kose	0.07
576	Kubota	0.01
241	Kyocera	0.01
9,500	Kyoritsu Maintenance	0.29
427	Kyowa Kirin	0.01
1,448	Kyushu Electric Power	0.01
188	Lasertec	0.02
621	Lawson	0.02
329	Line	0.01
1,011	Lion	0.02
2,656	Lixil Group	0.05
493	M3	0.04
202	Makita	0.01
6,226	Marubeni	0.03
570	Mcdonald's Holdings Japan	0.02
1,121	Medipal Holdings	0.02
412	Meiji Holdings	0.02
521	Mercari Inc	0.02
1,621	Misumi Group	0.04
6,359	Mitsubishi Chemical Holdings	0.03
2,492	Mitsubishi	0.05

Japan (continued)		
934	Mitsubishi Electric	0.01
41,200	Mitsubishi Estate	0.54
549	Mitsubishi Gas Chemical	0.01
511	Mitsubishi Heavy Industries	0.01
13,465	Mitsubishi UFJ Financial	0.05
3,236	Mitsubishi UFJ Lease & Finance	0.01
3,124	Mitsui & Co	0.05
856	Mitsui Chemicals	0.02
109	Mitsui Fudosan Logistics Park	0.45
381	Miura	0.02
2,337	Mizuho Financial	0.02
2,230	Monotaro	0.09
1,297	MS&AS Insurance	0.03
598	Murata Manufacturing	0.04
242	Nabtes	0.01
560	Nagoya Railroad	0.01
938	Nec	0.04
1,983	Nexon	0.05
432	NH Foods	0.02
16,038	Nidec	1.65
286	Nihon M&A Center	0.02
147	Nintendo	0.08
158	Nippon Express	0.01
556	Nippon Paint Holdings	0.05
47	Nippon Prologis Reit	0.12
7,236	Nippon Telegraph & Telephone	0.15
167	Nissan Chemical	0.01
615	Nisshin Seifun	0.01
195	Nissin Foods Holdings	0.01
390	Nitori Holdings	0.07
367	Nitto Denko	0.03
2,710	Nomura Holdings	0.01
634	Nomura Research Institute	0.02
3,048	Ntt Data	0.03
3,217	Obayashi	0.02
108	Obic	0.02
510	Odakyu Electric Railway	0.01
4,637	Oji Holdings	0.02
5,585	Olympus	0.10
287	Omron	0.02
752	Ono Pharmaceutical	0.02
129	Oracle Japan	0.01
124	Oriental Land Japan	0.02
2,524	Orix	0.03
2,036	Osaka Gas	0.03
352	Otsuka	0.02
1,102	Otsuka Holdings	0.04
603	Pan Pacific International	0.01
1,396	Panasonic	0.01
3,172	Persol Holdings	0.05
1,049	Pigeon	0.04
3,599	Pola Orbis Holdings	0.06
3,081	Rakuten	0.02
3,228	Recruit Holdings	0.11
4,915	Renesas Electronics	0.04
6,701	Resona Holdings	0.02

Japan (continued)		
1,885	Rih	0.01
188	Rinnai	0.02
3,404	Ryohin Keikaku	0.06
170	Sankei Real Estate	0.13
275	Sem	0.02
675	Santen Pharmaceutical	0.01
369	SBI Holdings	0.01
168	Scsk	0.01
1,003	Sega Sammy Holdings	0.01
688	Sekisui Chemical	0.01
4,429	Sekisui House	0.07
1,363	Seven & I Holdings	0.04
694	Sg Holdings	0.02
278	Shimadzu	0.01
115	Shimamura	0.01
87	Shimano Inc	0.02
1,527	Shimizu	0.01
267	Shin-Etsu Chemical	0.04
218	Shionogi &	0.01
1,361	Shiseido	0.08
1,887	Shizuoka Bank	0.01
58	Smc /Japan	0.03
1,081	Softbank	0.07
1,969	Softbank	0.02
193	Sohgo Security Services	0.01
260	Sompo Holdings	0.01
1,332	Sony	0.11
356	Square Enix Holdings	0.02
737	Stanley Electric	0.02
3,390	Sumitomo	0.04
4,305	Sumitomo Dainippon Pharma	0.05
2,588	Sumitomo Electric Industries	0.03
273	Sumitomo Metal Mining	0.01
1,767	Sumitomo Mitsui Financial	0.04
920	Sumitomo Mitsui Trust Holdings	0.02
13,900	Sumitomo Realty & Development	0.35
1,289	Sundrug	0.04
1,059	Suntory Beverage & Food	0.03
262	Suzuken /Aichi Japan	0.01
316	Sysmex	0.03
546	Taiheiyō Cement	0.01
283	Taisei	0.01
769	Taisho Pharmaceutical Holdings	0.04
1,772	Takeda Pharmaceutical	0.05
125	TDK	0.02
1,355	Teijin	0.02
475	Terumo	0.02
503	Tis Inc	0.01
382	Tobu Railway	0.01
414	Toho /Tokyo	0.01
397	Toho Gas	0.02
1,891	Tohoku Electric Power	0.01
632	Tokio Marine Holdings	0.03
116	Tokyo Electron	0.04
16,442	Tokyo Gas	0.31
861	Tokyu	0.01

Portfolio of Investments – ISIF

QUOTED EQUITIES (CONTINUED)

Japan (continued)		
799	Toppan Printing	0.01
2,592	Toray Industries	0.01
177	Toto	0.01
480	Toyo Suisan Kaisha	0.02
1,009	Toyoda Gosei	0.02
225	Toyota Industries	0.01
1,080	Toyota Motor	0.07
1,083	Toyota Tsusho	0.04
184	Trend Micro /Japan	0.01
464	Tsuruha Holdings	0.05
651	Unicharm	0.03
309	United Urban Investment	0.31
720	USS	0.01
2,416	Welcia Holdings	0.07
210	Yakult Honsha	0.01
10,321	Yamada Denki	0.04
1,124	Yamato Holdings	0.02
4,273	Yamazaki Baking	0.06
5,156	Z Holdings	0.03
3,704	Zozo	0.07
		13.74
% of Total Investments		0.11%

New Zealand		
Holding	Security Description	Value €m
1,643	Fisher & Paykel Healthcare	0.03
8,369	Mercury	0.03
10,291	Meridian Energy	0.04
1,838	Ryman Healthcare	0.02
6,416	Spark New Zealand	0.02
308	Xero	0.03
		0.17
% of Total Investments		0.00%

Singapore		
Holding	Security Description	Value €m
15,864	Ascendas Real Estate Investment	0.03
71,072	Capitaland	0.14
3,680	DBS	0.06
2,646	Keppel	0.01
104,400	Keppel Dc Reit	0.18
199,050	Mapletree Logistics Trust	0.25
9,178	Oversea-Chinese Banking	0.06
17,269	Singapore Exchange	0.10
3,476	Singapore Technologies Engineering	0.01
8,012	Singapore Telecommunications	0.01
3,549	United Overseas Bank	0.05
2,126	UOL	0.01
964	Venture	0.01
31,523	Wilmar International	0.09
		1.00
% of Total Investments		0.01%
Total Asia Pacific Quoted Equities		22.16
% of Total Investments		0.17%

EMERGING MARKETS		
Bermuda		
Holding	Security Description	Value €m
1,467	Arch Capital	0.04
1,427	Athene	0.05
382	Bunge	0.02
290	Everest	0.06
1,990	Ihs Markit	0.15
7,357	Invesco	0.10
1,209	Marvell Technology	0.05
1,128	Norwegian Cruise Line	0.02
130	Renaissancere	0.02
		0.51
% of Total Investments		0.00%

Cayman Islands		
Holding	Security Description	Value €m
991	Gds Holdings Ltdadr	0.08
		0.08
% of Total Investments		0.00%

Chile		
Holding	Security Description	Value €m
1,037	Antofagasta	0.02
		0.02
% of Total Investments		0.00%

China		
Holding	Security Description	Value €m
286,000	China Hongxing Sports	0.02
262,000	China Milk Products	0.00
1,886,000	China Tower Corp hk/00788	0.23
16,100	Enn Energy Holdings hk/02688	0.19
122,000	Jiangsu Expressway	0.11
		0.55
% of Total Investments		0.00%

Curacao		
Holding	Security Description	Value €m
6,772	Schlumberger	0.12
		0.12
% of Total Investments		0.00%

Israel		
Holding	Security Description	Value €m
171	Azrieli	0.01
2,564	Bank Hapoalim Bm	0.01
2,628	Bank Leumi Le-Israel Bm	0.01
113	Check Point Software Technology	0.01
5,331	Israel Discount Bank	0.02
1,361	Mizrahi Tefahot Bank	0.03
133	Nice	0.03
18,372	Teva Pharmaceutical Industriesadr	0.14
224	Wix.Com	0.05
		0.31
% of Total Investments		0.00%

Liberia		
Holding	Security Description	Value €m
626	Royal Caribbean Cruises	0.04
		0.04
% of Total Investments		0.00%

Panama		
Holding	Security Description	Value €m
2,502	Carnival	0.04
		0.04
% of Total Investments		0.00%

South Korea		
Holding	Security Description	Value €m
3,227	Forhuman Co Krw500	0.00
		0.00
% of Total Investments		0.00%

Taiwan		
Holding	Security Description	Value €m
18,543	Taiwan Semiconductor Manufacture	1.65
		1.65
% of Total Investments		0.01%
Total Emerging Markets Quoted Equities		3.31
% of Total Investments		0.03%
Total Quoted Securities - Equities		576.98
% of Total Investments		4.53%

QUOTED DEBT INSTRUMENTS

EUROPE		
Austria		
Nominal	Security Description	Value €m
400,000	Bawag Group Ag Regsvar Rt 03/26/2029	0.40
200,000	Erste Group Bank Ag Regsvar Rt 09/08/2031	0.21
300,000	Erste Group Bank Ag Regs0.050% 09/16/2025	0.30
100,000	Raiffeisen Bank Internati Regs0.250% 01/22/2025	0.10
		1.02
% of Total Investments		0.01%

Belgium		
Nominal	Security Description	Value €m
600,000	Ageas Sa/Nv Regs	0.64
100,000	Ageas Sa/Nv Regs	0.10
110,000	Anheuser-Busch Inbev Sa/N Regs1.125% 07/01/2027	0.12
800,000	Anheuser-Busch Inbev Sa/N Regs1.500% 03/17/2025	0.85
100,000	Anheuser-Busch Inbev Sa/N Regs3.700% 04/02/2040	0.14
1,900,000	Argenta Spaarbank Nv Regs1.000% 02/06/2024	2.16
1,400,000	Argenta Spaarbank Nv Regs1.000% 02/06/2024	1.45
200,000	Argenta Spaarbank Nv Regs1.000% 10/13/2026	0.20
400,000	Belfius Bank Sa Regs0.625% 08/30/2023	0.41
200,000	Belfius Bank Sa Regs0.625% 10/14/2021	0.20
500,000	Elia Transmission Belgium Regs1.375% 01/14/2026	0.53
225,000	Euroclear Bank Sa Regs0.125% 07/07/2025	0.23
885,000	European Stability Mechan Regs0.100% 07/31/2023	0.90
1,210,774	European Stability Mechan Regs0.000% 01/17/2022	1.22
7,300,000	Kbc Group Nv Regs0.750% 10/18/2023	7.48
500,000	Kbc Group Nv Regs1.125% 01/25/2024	0.52
600,000	Kbc Group Nv Regsvar Rt 09/18/2029	0.62
800,000	Kbc Group Nv Regsvar Rt 11/24/2022	0.81
700,000	Kbc Group Nv Regsvar Rt 09/10/2026	0.70
		19.29
% of Total Investments		0.15%

Denmark		
Nominal	Security Description	Value €m
375,000	Danske Bank A/S Regs0.250% 11/28/2022	0.38
936,000	Danske Bank A/S Regsvar Rt 09/12/2023 Dd 06/12/18	0.76
383,000	Danske Bank A/S Regsvar Rt 05/24/2023	0.39
6,379,361	Nordea Kredit Realkreditakties 0.500% 10/01/2050	0.84
19,531,562	Nykredit Realkredit A/S Regs1.000% 01/01/2021	2.62

Denmark (continued)		
3,514,162	Nykredit Realkredit As Regs1.000% 10/01/2040	0.49
5,196,337	Realkredit Danmark A/S Regs0.500% 10/01/2050	0.69
		6.18
% of Total Investments		0.05%

Estonia		
Nominal	Security Description	Value €m
188,000	Elering As Regs0.875% 05/03/2023	0.19
		0.19
% of Total Investments		0.00%

Finland		
Nominal	Security Description	Value €m
1,725,000	Fortum Oyj Regs0.875% 02/27/2023	1.76
3,163,000	Nordea Bank Abp Regs0.300% 06/30/2022	3.19
5,100,000	Nordea Bank Abp Regs0.875% 06/26/2023	5.24
808,000	Op Corporate Bank Plc Regs0.375% 08/29/2023	0.82
950,000	Op Corporate Bank Plc Regs1.000% 05/22/2025	1.00
527,000	Op Corporate Bank Plc Regs0.500% 08/12/2025	0.54
200,000	Op Corporate Bank Plc Regs0.100% 11/16/2027	0.20
575,000	Op Corporate Bank Plc Regsvar Rt 06/09/2030	0.60
		13.34
% of Total Investments		0.10%

France		
Nominal	Security Description	Value €m
1,145,000	Altice France Sa/France Regs2.500% 01/15/2025	1.12
3,000,000	Aprr Sa Regs1.875% 01/15/2025	3.24
2,600,000	Autoroutes Du Sud De La France5.625% 07/04/2022	2.83
300,000	Banque Federative Du Cred Regs0.100% 10/08/2027	0.30
500,000	Banque Federative Du Cred Regs0.125% 02/05/2024	0.51
800,000	Banque Federative Du Cred Regs0.375% 01/13/2022	0.81
1,100,000	Banque Federative Du Cred Regs0.500% 11/16/2022	1.12
300,000	Banque Federative Du Cred Regs0.750% 06/15/2023	0.31
1,900,000	Banque Federative Du Cred Regs1.875% 12/13/2022	2.18
8,200,000	BNP Paribas Sa 144A3.800% 01/10/2024 Dd 01/10/17	7.28
300,000	BNP Paribas Sa Regs0.625% 12/03/2032	0.30
1,200,000	BNP Paribas Sa Regs1.125% 10/10/2023	1.24
550,000	BNP Paribas Sa Regs1.125% 11/22/2023	0.57
400,000	BNP Paribas Sa Regsvar Rt 01/15/2032	0.41
500,000	BNP Paribas Sa Regsvar Rt 07/15/2025	0.51

France (continued)		
600,000	BPCE Sa Regs0.125% 12/04/2024	0.61
600,000	BPCE Sa Regs0.375% 10/05/2023	0.61
800,000	BPCE Sa Regs0.625% 09/26/2023	0.82
1,000,000	BPCE Sa Regs1.000% 07/15/2024	1.04
6,500,000	BPCE Sa Regs1.125% 01/18/2023	6.67
1,495,000	BPCE Sa2.750% 12/02/2021 Dd 12/02/16	1.24
200,000	Caisse Centrale Du Credit Regs0.125% 03/01/2021	0.20
300,000	Capgemini Se Regs0.625% 06/23/2025	0.31
500,000	Capgemini Se Regs1.000% 10/18/2024	0.52
1,300,000	Capgemini Se Regs2.500% 07/01/2023	1.38
200,000	Cie De Saint-Gobain Regs0.625% 03/15/2024	0.20
1,400,000	Cie De Saint-Gobain Regs0.875% 09/21/2023	1.44
2,500,000	Cie Generale Des Etabliss Regs0.875% 09/03/2025	2.62
2,800,000	Coentreprise De Transport Regs0.875% 09/29/2024	2.90
840,000	Constellium Se 144A5.750% 05/15/2024 Dd 05/07/14	0.70
200,000	Credit Agricole Assurance Regsvar Rt 09/27/2048	0.25
8,450,000	Credit Agricole Sa/London 144A3.250% 10/04/2024 Dd 10/04/17	7.47
2,400,000	Credit Agricole Sa/London Regs1.375% 05/03/2027	2.61
300,000	Credit Agricole Assurance Regs2.000% 07/17/2030	0.34
300,000	Credit Agricole Assurance Regs2.000% 07/17/2030	0.32
300,000	Credit Mutuel Arkea Sa Regs0.875% 05/07/2027	0.32
1,200,000	Credit Mutuel Arkea Sa Regs1.375% 01/17/2025	1.27
3,000,000	Engie Sa Regs0.375% 02/28/2023	3.03
400,000	Crown European Holdings S Regs2.875% 02/01/2026	0.43
100,000	Elis Sa Regs1.625% 04/03/2028	0.10
100,000	Elis Sa Regs1.750% 04/11/2024	0.10
600,000	Engie Sa Regs0.875% 09/19/2025	0.63
300,000	Engie Sa Regs1.375% 03/27/2025	0.32
200,000	Firmenich Productions Par Regs1.750% 04/30/2030	0.22
400,000	Gecina Sa Regsvar Rt 06/30/2022	0.40
300,000	Hsbc France Sa Regs0.200% 09/04/2021	0.30
500,000	Hsbc France Sa Regs0.250% 05/17/2024	0.51
500,000	Hsbc France Sa Regs0.600% 03/20/2023	0.51
400,000	La Poste Sa Regs1.375% 04/21/2032	0.44
4,900,000	Legrand Sa Regs0.500% 10/09/2023	4.99

Portfolio of Investments – ISIF

QUOTED DEBT INSTRUMENTS (CONTINUED)

France (continued)		
800,000	Loxam Sas Regs3.250% 01/14/2025	0.80
1,500,000	Lvmh Moet Hennessy Louis Regs0.750% 05/26/2024	1.55
200,000	Orange Sa Regs0.500% 09/04/2032	0.20
800,000	Orange Sa Regs1.000% 05/12/2025	0.84
1,100,000	Orange Sa Regs1.000% 09/12/2025	1.16
1,200,000	Orange Sa1.125% 07/15/2024	1.25
150,000	Psa Banque France Sa Regs0.500% 04/12/2022	0.15
1,500,000	Rci Banque Sa Regs1.000% 05/17/2023	1.52
200,000	Rci Banque Sa Regs1.625% 04/11/2025	0.21
1,075,000	Rci Banque Sa Regs1.625% 05/26/2026	1.13
1,200,000	Renault Sa Regs1.250% 06/24/2025	1.17
2,000,000	Sanofi Regs1.125% 03/10/2022	2.03
100,000	Schneider Electric Se Regs0.000% 06/12/2023	0.10
300,000	Seb Sa Regs1.375% 06/16/2025	0.31
300,000	Societe Generale Sa Regs0.000% 05/27/2022	0.30
600,000	Societe Generale Sa Regs0.250% 01/18/2022	0.60
4,700,000	Societe Generale Sa Regs1.000% 04/01/2022	4.77
1,300,000	Societe Generale Sa Regs1.125% 01/23/2025	1.35
600,000	Societe Generale Sa Regs1.250% 02/15/2024	0.62
800,000	Societe Generale Sa Regsvar Rt 04/01/2022	0.81
3,600,000	Societe Generale Sa Regsvar Rt 09/16/2026	3.66
200,000	Societe Generale Sa Regsvar Rt 12/31/2049	0.20
100,000	Societe Generale Sa Regsvar Rt 09/22/2028	0.10
400,000	Societe Generale Savar Rt 11/24/2030	0.40
700,000	Suez Regs2.750% 10/09/2023	0.76
100,000	Suez Regsvar Rt 12/31/2049	0.10
300,000	Suez Regsvar Rt 12/31/2049	0.31
1,000,000	Teleperformance Regs1.500% 04/03/2024	1.04
800,000	Thales Sa Regs0.000% 03/26/2026	0.80
2,800,000	Thales Sa Regs0.750% 06/07/2023	2.85
2,800,000	Valeo Sa Regs0.625% 01/11/2023	2.81
400,000	Veolia Environnement Sa Regs0.672% 03/30/2022	0.40
1,300,000	Veolia Environnement Sa Regs0.892% 01/14/2024	1.34
200,000	Veolia Environnement Sa Regs0.800% 01/15/2032	0.21
400,000	Veolia Environnement Sa Regsvar Rt 12/31/2049	0.41
1,500,000	Vinci Sa Regs1.000% 09/26/2025	1.59
		106.37
% of Total Investments		0.84%

Germany		
Nominal	Security Description	Value €m
300,000	Allianz Se Regsvar Rt 07/08/2050	0.33
4,700,000	Allianz Se Regsvar Rt 10/17/2042	5.16
2,400,000	Bertelsmann Se & Co Kgaa Regs1.250% 09/29/2025	2.55
200,000	Bertelsmann Se & Co Kgaa Regsvar Rt 04/23/2075	0.21
4,043,536	Bundesschatzanweisungen Regs0.000% 03/12/2021	4.05
6,700,000	Bundesschatzanweisungen Regs0.000% 09/16/2022	6.78
2,424,000	Commerzbank Ag 144A8.125% 09/19/2023 Dd 09/19/13	2.31
1,311,000	Commerzbank Ag Regs0.500% 08/28/2023	1.33
300,000	Commerzbank Ag Regs1.000% 03/04/2026	0.31
325,000	Deutsche Bahn Finance Gmb Regs0.875% 06/23/2039	0.35
1,100,000	Deutsche Bank Ag Regs1.250% 09/08/2021	1.11
4,800,000	Deutsche Bank Ag/New York Ny3.700% 05/30/2024 Dd 05/30/18	4.21
400,000	Deutsche Pfandbriefbank A Regs0.125% 09/05/2024	0.40
800,000	Deutsche Pfandbriefbank A Regs0.750% 02/07/2023	0.81
750,000	Deutsche Telekom Ag Regs0.875% 03/25/2026	0.79
379,000	Deutsche Telekom Ag Regs1.750% 03/25/2031	0.44
344,000	Dz Hyp Ag Regs0.010% 01/29/2024	0.35
1,100,000	Eurogrid Gmbh Regs1.625% 11/03/2023	1.15
1,200,000	Eurogrid Gmbh Regs1.875% 06/10/2025	1.30
300,000	Fresenius Se & Co Kgaa Regs1.875% 02/15/2025	0.32
200,000	Heidelbergcement Ag Regs2.250% 06/03/2024	0.21
300,000	Kion Group Ag Regs1.625% 09/24/2025	0.31
200,000	Landesbank Baden-Wuerttem Regs2.200% 05/09/2029	0.21
200,000	Landesbank Baden-Wuerttem Regs2.875% 09/28/2026	0.22
400,000	Landesbank Baden-Wuerttem Regsvar Rt 05/27/2026	0.40
400,000	Merck Financial Services Regs0.005% 12/15/2023	0.40
300,000	Merck Financial Services Regs0.125% 07/16/2025	0.30
100,000	Merck Kgaa Regsvar Rt 06/25/2079	0.10
700,000	Volkswagen Bank Gmbh Regs1.250% 06/10/2024	0.72
1,600,000	Volkswagen Bank Gmbh Regs1.875% 01/31/2024	1.68
3,400,000	Volkswagen Financial Serv Regs0.875% 04/12/2023	3.46
1,093,000	Volkswagen Financial Serv Regs1.375% 10/16/2023	1.13
228,000	Volkswagen Financial Serv Regs1.500% 10/01/2024	0.24
320,000	Volkswagen Leasing Gmbh Regs1.000% 02/16/2023	0.33

Germany (continued)		
200,000	Zf Finance Gmbh Regs2.750% 05/25/2027	0.20
		44.19
% of Total Investments		0.35%

Greece		
Nominal	Security Description	Value €m
75,000	Hellenic Republic Governm 144A1.875% 02/04/2035	0.08
		0.08
% of Total Investments		0.00%

Guernsey Channel Islands		
Nominal	Security Description	Value €m
4,700,000	Credit Suisse Group Fundi Regs1.250% 04/14/2022	4.79
		4.79
% of Total Investments		0.04%

Ireland		
Nominal	Security Description	Value €m
551,000	Abbott Ireland Financing Regs0.100% 11/19/2024	0.56
700,000	Aquarius & Investments Pl Regsvar Rt 10/02/2043	0.78
500,000	Cloverie Plc For Swiss Re Regsvar Rt 09/01/2042	0.55
450,000	Crh Smw Finance Dac Regs1.250% 11/05/2026	0.48
35,000,000	Daa Finance Plc Regs1.554% 06/07/2028	38.10
40,000,000	Daa Finance Plc Regs1.601% 11/05/2032	43.62
324,000	Eaton Capital Unlimited C Regs0.021% 05/14/2021	0.32
519,000	Fresenius Finance Ireland Regs0.875% 01/31/2022	0.52
1,000,000	Fresenius Finance Ireland Regs1.500% 01/30/2024	1.04
479,000	Gas Networks Ireland Regs0.125% 12/04/2024	0.48
2,004,000	Smurfit Kappa Acquisition Regs2.875% 01/15/2026	2.21
300,000	Zurich Finance Ireland De Regsvar Rt 09/17/2050	0.32
		88.99
% of Total Investments		0.70%

Italy		
Nominal	Security Description	Value €m
700,000	2l Rete Gas Spa Regs2.195% 09/11/2025	0.76
1,000,000	Assicurazioni Generali Sp Regsvar Rt 07/10/2042	1.15
1,935,000	Buzzi Unicem Spa Regs2.125% 04/28/2023	2.02
200,000	Enel Spa Regsvar Rt 12/31/2049	0.22
100,000	Fca Bank Spa/Ireland Regs1.000% 02/21/2022	0.10
450,000	Fca Bank Spa/Ireland Regs1.250% 06/21/2022	0.46
225,000	Intesa Sanpaolo Spa Regs0.750% 12/04/2024	0.23

Italy (continued)		
625,000	Intesa Sanpaolo Spa Regs1.000% 11/19/2026	0.65
1,200,000	Intesa Sanpaolo Spa Regs1.375% 01/18/2024	1.25
675,000	Intesa Sanpaolo Spa Regs2.925% 10/14/2030	0.71
123,000	Italy Buoni Poliennali De 144A1.700% 09/01/2051	0.13
120,000	Italy Buoni Poliennali De 144A1.800% 03/01/2041	0.13
175,000	Mediobanca Banca Di Credi Regs1.000% 09/08/2027	0.18
470,000	Mediobanca Banca Di Credi Regs1.625% 01/07/2025	0.50
425,000	Snam Spa Regs1.250% 08/28/2025	0.45
250,000	Unicredit Spa Regs1.800% 01/20/2030	0.26
395,000	Unicredit Spa Regs6.572% 01/14/2022	0.34
600,000	Unicredit Spa Regs6.950% 10/31/2022	0.67
350,000	Unicredit Spa Regs var Rt 02/20/2029	0.38
120,000	Unicredit Spa Regs var Rt 01/03/2027	0.12
200,000	Unicredit Spa Regs var Rt 01/15/2032	0.20
300,000	Unicredit Spa Regs var Rt 06/25/2025	0.31
		11.23
% of Total Investments		0.09%

Jersey Channel Islands		
Nominal	Security Description	Value €m
4,700,000	Glencore Finance Europe L Regsstep 04/03/2022	5.58
5,800,000	Heathrow Funding Ltd Regs1.875% 05/23/2024	5.95
		11.53
% of Total Investments		0.09%

Luxembourg		
Nominal	Security Description	Value €m
6,400,000	Ado Properties Sa Regs1.500% 07/26/2024	6.28
456,000	Becton Dickinson Euro Finance0.632% 06/04/2023	0.46
2,550,000	Blackstone Property Partn Regs2.200% 07/24/2025	2.73
2,300,000	Cnh Industrial Finance Eu Regs1.375% 05/23/2022	2.34
6,000,000	Dh Europe Finance Sarl1.200% 06/30/2027	6.41
1,996,000	European Financial Stabil Regs0.000% 04/19/2024	2.04
1,290,000	Gestamp Funding Luxembour Regs3.500% 05/15/2023	1.29
1,600,000	Heidelbergcement Finance Regs1.125% 12/01/2027	1.69
232,000	Heidelbergcement Finance Regs1.500% 06/14/2027	0.25
431,000	Heidelbergcement Finance Regs1.625% 04/07/2026	0.46
1,000,000	Holcim Finance Luxembourg Regs1.375% 05/26/2023	1.03

Luxembourg (continued)		
200,000	Holcim Finance Luxembourg Regs3.000% 01/22/2024	0.22
935,000	Intelsat Jackson Holdings 144A8.000% 02/15/2024 Dd 03/29/16	0.78
5,431,000	John Deere Cash Managemen Regs0.500% 09/15/2023	5.56
3,050,000	Logicor Financing Sarl Regs1.500% 11/14/2022	3.12
175,000	Medtronic Global Holdings Sca0.000% 10/15/2025	0.18
470,000	Medtronic Global Holdings Sca0.000% 12/02/2022	0.47
200,000	Medtronic Global Holdings Sca0.250% 07/02/2025	0.20
416,000	Medtronic Global Holdings Sca0.375% 03/07/2023	0.42
150,000	Medtronic Global Holdings Sca1.125% 03/07/2027	0.16
3,500,000	Novartis Finance Sa Regs0.500% 08/14/2023	3.57
1,000,000	Richemont International H Regs1.000% 03/26/2026	1.06
5,634,000	Ses Sa 144A3.600% 04/04/2023 Dd 04/04/13	4.84
566,000	Ses Sa Regsvar Rt 12/31/2049	0.58
2,550,000	Simon International Finan Regs1.375% 11/18/2022	2.61
		48.76
% of Total Investments		0.38%

Netherlands		
Nominal	Security Description	Value €m
1,450,000	Abn Amro Bank Nv Regs0.250% 12/03/2021	1.46
450,000	Abn Amro Bank Nv Regs0.500% 07/17/2023	0.46
240,000	Abn Amro Bank Nv Regs0.625% 05/31/2022	0.24
450,000	Abn Amro Bank Nv Regs0.875% 01/15/2024	0.46
269,000	Abn Amro Bank Nv Regs5.000% 02/09/2022	0.28
200,000	Aegon Bank Nv Regs0.010% 11/16/2057	0.20
7,000,000	Airbus Finance Bv Regs2.375% 04/02/2024	7.50
425,000	Asml Holding Nv Regs0.625% 05/07/2029	0.45
686,078	Atotech 1/17 Cov-Lite Tlb1	0.56
1,075,000	Axalta Coating Systems Du Regs3.750% 01/15/2025	1.09
400,000	Bayer Capital Corp Bv Regs0.625% 12/15/2022	0.41
4,500,000	Bayer Capital Corp Bv Regs1.500% 06/26/2026	4.81
600,000	Bayer Capital Corp Bv Regsvar Rt 06/26/2022	0.60
371,000	BMW Finance Nv Regs0.000% 03/24/2023	0.37
1,043,000	BMW Finance Nv Regs0.500% 11/22/2022	1.06
4,750,000	BMW Finance Nv Regs0.625% 10/06/2023	4.85
600,000	BMW Finance Nv Regs1.000% 01/21/2025	0.63
4,450,000	BMW Finance Nv Regs2.375% 01/24/2023	4.69

Netherlands (continued)		
5,908,000	Bunge Finance Europe Bv1.850% 06/16/2023	6.08
6,050,000	Cooperatieve Rabobank Ua Regs4.875% 01/10/2023	7.35
400,000	Cooperatieve Rabobank Ua Regsvar Rt 05/26/2026	0.40
400,000	Crh Funding Bv Regs1.875% 01/09/2024	0.42
2,250,000	Daimler International Fin Regs0.200% 09/13/2021	2.26
4,217,000	Daimler International Fin Regs0.250% 08/09/2021	4.23
1,400,000	Daimler International Fin Regs0.625% 02/27/2023	1.42
1,100,000	Daimler International Fin Regs0.750% 05/11/2023	1.12
1,260,000	Daimler International Fin Regs1.375% 06/26/2026	1.34
200,000	De Volksbank Nv Regs0.010% 09/16/2024	0.20
1,300,000	De Volksbank Nv Regs0.750% 06/25/2023	1.33
600,000	De Volksbank Nv Regsvar Rt 10/22/2030	0.63
243,000	Deutsche Telekom Internat Regs0.625% 12/01/2022	0.25
1,400,000	Deutsche Telekom Internat Regs0.625% 12/13/2024	1.45
1,250,000	Deutsche Telekom Internat Regs1.375% 12/01/2025	1.34
545,000	Diversey 9/17 (Usd) Cov-Lt TI	0.44
700,000	Edp Finance Bv Regs1.125% 02/12/2024	0.72
474,000	Edp Finance Bv Regs2.625% 01/18/2022	0.49
1,772,000	Edp Finance Bv Regs8.625% 01/04/2024	2.43
200,000	Elm Bv For Firmenich Inte Regsvar Rt 12/31/2049	0.22
1,075,000	Enel Finance Internationa Regs1.500% 07/21/2025	1.15
300,000	Enel Finance Internationa Regs1.966% 01/27/2025	0.32
405,000	Ferrari Nv Regs0.250% 01/16/2021	0.41
1,490,000	Fiat Chrysler Automobiles Regs3.750% 03/29/2024	1.63
125,000	Heineken Nv Regs2.250% 03/30/2030	0.15
384,000	Heineken Nv Regs3.500% 03/19/2024	0.43
200,000	Iberdrola International B Regsvar Rt 12/31/2049	0.21
400,000	Iberdrola International B Regsvar Rt 12/31/2049	0.41
6,400,000	Ing Groep Nv Regs1.000% 09/20/2023	6.60
1,500,000	Ing Groep Nv Regsvar Rt 02/15/2029	1.59
600,000	Ing Groep Nv Regsvar Rt 02/18/2029	0.60
400,000	Ing Groep Nv Regsvar Rt 05/26/2031	0.43
1,700,000	Jab Holdings Bv Regs1.250% 05/22/2024	1.77
5,700,000	Jab Holdings Bv Regs2.125% 09/16/2022	5.93
350,000	Koninklijke Dsm Nv Regs0.250% 06/23/2028	0.36

QUOTED DEBT INSTRUMENTS (CONTINUED)

NTMA Annual Report 2020

Switzerland		
Nominal	Security Description	Value €m
1,179,000	Credit Suisse Ag 144A6.500% 08/08/2023 Dd 08/08/13	1.08
200,000	Credit Suisse Ag/London Regs1.000% 06/07/2023	0.21
1,398,000	Credit Suisse Group Ag Regs2.750% 08/08/2025	1.70
175,000	Credit Suisse Group Ag Regsvar Rt 06/24/2027	0.18
383,000	Credit Suisse Group Ag Regsvar Rt 01/14/2028	0.39
100,000	Credit Suisse Group Ag Regsvar Rt 04/02/2026	0.11
2,125,000	Ubs Ag Regsvar Rt 02/12/2026	2.13
2,082,000	Ubs Ag/London Regs0.125% 11/05/2021	2.09
431,000	Ubs Ag/London Regs0.250% 01/10/2022	0.43
400,000	Ubs Ag/London Regs0.625% 01/23/2023	0.41
550,000	Ubs Ag/London Regs0.750% 04/21/2023	0.56
326,000	Ubs Ag/London Regsvar Rt 04/23/2021	0.33
		9.62
% of Total Investments		0.08%

United Kingdom		
Nominal	Security Description	Value €m
2,800,000	Anglian Water Services Fi Regs2.625% 06/15/2027	3.30
3,550,000	Anglian Water Services Fi Regs4.500% 02/22/2026	4.53
6,350,000	Annington Funding Plc Regs1.650% 07/12/2024	6.66
700,000	Astrazeneca Plc2.375% 06/12/2022	0.59
1,800,000	Aviva Plc Regsvar Rt 06/03/2041	2.05
1,377,000	Barclays Bank Plc 144A10.179% 06/12/2021 Dd 06/12/09	1.17
5,200,000	Barclays Plc Regs3.250% 02/12/2027	6.43
400,000	Barclays Plc Regsvar Rt 06/09/2025	0.41
2,000,000	British Telecommunication Regs0.500% 06/23/2022	2.02
1,281,000	British Telecommunication Regs0.625% 03/10/2021	1.28
1,741,000	British Telecommunication Regs0.875% 09/26/2023	1.78
800,000	British Telecommunication Regs1.000% 11/21/2024	0.83
700,000	Bupa Finance Plc Regs5.000% 04/25/2023	0.85
100,000	Cadent Finance Plc Regs0.750% 03/11/2032	0.10
400,000	Centrica Plc Regsvar Rt 04/10/2076	0.40
300,000	Chanel Ceres Plc Regs0.500% 07/31/2026	0.30
500,000	Chanel Ceres Plc Regs1.000% 07/31/2031	0.51
440,000	Channel Link Enterprises Regsvar Rt 06/30/2050	0.44
1,950,000	Coventry Building Society Regs5.875% 09/28/2022	2.37

United Kingdom (continued)		
567,000	Diageo Finance Plc Regs0.125% 10/12/2023	0.57
358,000	Diageo Finance Plc Regs0.250% 10/22/2021	0.36
850,000	Diageo Finance Plc Regs1.000% 04/22/2025	0.89
250,000	Diageo Finance Plc Regs2.500% 03/27/2032	0.31
650,000	Eg Global Finance Plc Regs3.625% 02/07/2024	0.64
378,000	Glaxosmithkline Capital P Regs0.000% 09/23/2023	0.38
600,000	Glaxosmithkline Capital P Regs1.250% 05/21/2026	0.64
2,800,000	Hammerson Plc Regs1.750% 03/15/2023	2.68
3,179,000	Hammerson Plc6.000% 02/23/2026	3.76
5,500,000	Hsbc Holdings Plc Regs6.500% 05/20/2024	7.29
110,000	Hsbc Holdings Plc Regsvar Rt 09/27/2022	0.11
375,000	Hsbc Holdings Plc Regsvar Rt 11/13/2026	0.38
150,000	Hsbc Holdings Plc Regsvar Rt 11/13/2031	0.16
420,000	Hsbc Holdings Plcvar Rt 05/18/2024 Dd 05/18/18	0.34
540,000	Hsbc Holdings Plcvar Rt 06/27/2023	0.61
200,000	Informa Plc Regs1.250% 04/22/2028	0.20
1,750,000	Liberty Living Finance Pl Regs2.625% 11/28/2024	2.05
4,550,000	Lloyds Bank Plc Regs7.500% 04/15/2024	6.19
1,500,000	Lloyds Bank Plc6.375% 01/21/2021	1.23
1,050,000	Lloyds Banking Group Plc Regs2.250% 10/16/2024	1.22
1,000,000	Lloyds Banking Group Plc3.100% 07/06/2021 Dd 07/06/16	0.83
1,500,000	Mondi Finance Plc Regs1.500% 04/15/2024	1.57
3,647,000	Motability Operations Gro Regs0.875% 03/14/2025	3.81
600,000	Motability Operations Gro Regs1.625% 06/09/2023	0.63
2,923,000	Natwest Group Plc Regsvar Rt 03/08/2023	2.99
625,000	Natwest Markets Plc Regs1.125% 06/14/2023	0.64
5,000,000	Next Group Plc Regs5.375% 10/26/2021	5.76
383,000	Ote Plc Regs0.875% 09/24/2026	0.40
1,500,000	Royalty Pharma Plc 144A0.750% 09/02/2023 Dd 09/02/20	1.23
267,000	Santander Uk Group Holdin Regs1.125% 09/08/2023	0.27
300,000	Santander Uk Group Holdin Regs3.625% 01/14/2026	0.37
4,000,000	Santander Uk Group Holdings Pl2.875% 08/05/2021 Dd 08/05/16	3.31
605,000	Santander Uk Plc 144A5.000% 11/07/2023 Dd 11/07/13	0.54
680,000	Santander Uk Plc Regs0.250% 04/21/2022	0.69

United Kingdom (continued)		
175,000	Santander Uk Plc0.100% 05/12/2024	0.18
2,948,000	Severn Trent Utilities Fi Regs1.625% 12/04/2022	3.36
5,307,000	Sky Ltd Regs1.500% 09/15/2021	5.37
949,000	Sky Ltd Regs1.875% 11/24/2023	1.01
2,700,000	Sky Ltd Regs2.250% 11/17/2025	3.01
2,650,000	Sky Ltd Regs2.500% 09/15/2026	3.03
300,000	Sse Plc Regs1.250% 04/16/2025	0.32
1,257,000	Sse Plc Regs1.375% 09/04/2027	1.36
1,720,000	Sse Plc Regs1.750% 09/08/2023	1.81
100,000	Sse Plc Regsvar Rt 12/31/2049	0.10
4,600,000	Swiss Re Finance Uk Plc Regs1.375% 05/27/2023	4.77
100,000	Swiss Re Finance Uk Plc Regsvar Rt 06/04/2052	0.11
175,000	Tesco Corporate Treasury Regs2.750% 04/27/2030	0.22
1,000,000	Vodafone Group Plc3.750% 01/16/2024 Dd 05/30/18	0.89
3,534,000	Yorkshire Building Societ Regs0.875% 03/20/2023	3.61
2,800,000	Yorkshire Building Societ Regs1.250% 03/17/2022	2.85
		121.04
% of Total Investments		0.95%
Total European Quoted Debt		684.65
% of Total Investments		5.38%

NORTH AMERICA		
Canada		
Nominal	Security Description	Value €m
561,000	1011778 Bc Ulc / New Red 144A4.250% 05/15/2024 Dd 05/17/17	0.47
1,700,000	Alimentation Couche-Tard 144A2.700% 07/26/2022 Dd 07/26/17	1.43
750,000	Ats Automation Tooling Sy 144A6.500% 06/15/2023 Dd 06/17/15	0.62
1,650,000	Bausch Health Cos Inc 144A7.000% 03/15/2024 Dd 03/21/17	1.38
750,000	Clarios Global Lp 144A6.750% 05/15/2025 Dd 05/20/20	0.66
1,260,000	Gfl Environmental 12/20 TI	1.03
1,260,000	Gfl Environmental 5/18Cov-Lite Tlb	1.03
515,000	Quebecor Media Inc5.750% 01/15/2023 Dd 12/15/12	0.45
386,000	Toronto Dominion Bank0.000% 09-Feb-2024 Covered	0.39
671,000	Toronto Dominion Bk0.375% 12-Jan-2021 Emtn	0.67
525,000	Toronto-Dominion Bank0.625% 20-Jul-2023	0.54
1,445,000	Videotron Ltd5.000% 07/15/2022 Dd 07/15/12	1.24
		9.91
% of Total Investments		0.08%

Portfolio of Investments – ISIF

QUOTED DEBT INSTRUMENTS (CONTINUED)

United States			United States (continued)			United States (continued)		
Nominal	Security Description	Value €m						
2,600,000	Abbvie Inc3.800% 03/15/2025 Dd 09/15/20	2.36	4,800,000	Bank Of America Corp Regs6.125% 09/15/2021	5.56	1,200,000	Citigroup Incvar Rt 07/24/2023 Dd 07/24/17	1.02
735,000	Acadia Healthcare Co Inc5.625% 02/15/2023 Dd 08/15/15	0.60	433,000	Bank Of America Corp Regsvar Rt 02/07/2022	0.43	965,000	Citycenter 4/17 Cov-Lite Tlb	0.77
900,000	Adt Security Corp/The3.500% 07/15/2022 Dd 01/15/13	0.75	525,000	Bank Of America Corp Regsvar Rt 10/26/2031	0.54	450,000	Coca-Cola Co/The0.375% 03/15/2033	0.45
1,000,000	Adt Security Corp/The4.125% 06/15/2023 Dd 01/14/13	0.87	1,000,000	Bank Of America Corp4.125% 01/22/2024 Dd 01/21/14	0.90	1,230,000	Commscope Inc 144A5.500% 03/01/2024 Dd 02/19/19	1.03
500,000	Air Lease Corp2.500% 03/01/2021 Dd 01/16/18	0.41	1,635,000	Bank Of America Corp5.000% 05/13/2021 Dd 05/13/11	1.36	1,104,000	Compass Minerals Internat 144A4.875% 07/15/2024 Dd 06/23/14	0.93
3,323,000	Air Lease Corp3.375% 06/01/2021 Dd 04/11/16	2.74	4,949,000	Becton Dickinson And Co1.401% 05/24/2023	5.10	630,860	Continental Airlines 2012-1 Cl4.150% 10/11/2025 Dd 03/22/12	0.52
451,375	Air Methods 4/17 Cov-Lite Tlb	0.35	1,000,000	Becton Dickinson And Co3.363% 06/06/2024 Dd 06/06/17	0.89	1,379,932	Cpg International 5/170.000% 05/03/2024 Dd 04/27/17	1.12
225,000	Air Products And Chemicals Inc0.800% 05/05/2032	0.24	1,300,000	Becton Dickinson And Co3.875% 05/15/2024 Dd 11/15/14	1.16	1,975,000	Crown Americas Llc / Crown Ame4.500% 01/15/2023 Dd 07/15/13	1.70
4,504,000	Albemarle Corp Regs1.875% 12/08/2021	4.58	1,124,000	Berry Global Inc5.125% 07/15/2023 Dd 06/05/15	0.93	1,416,000	Crown Castle International Cor3.150% 07/15/2023 Dd 01/16/18	1.23
2,100,000	Albertsons Cos Inc / Safe 144A3.500% 02/15/2023 Dd 02/05/20	1.75	1,236,970	Berry Plastics 10/19 Cov-Litetlx	1.00	4,912,000	Crown Castle International Cor5.250% 01/15/2023 Dd 10/15/12	4.38
620,000	Allegheny Technologies Incvar Rt 08/15/2023 Dd 07/12/13	0.55	1,100,670	Bj'S Wholesale Club 1/170.000% 02/03/2024 Dd 01/17/17	0.90	1,220,000	Csc Holdings Llc5.250% 06/01/2024 Dd 05/23/14	1.08
610,000	Ally Financial Inc3.875% 05/21/2024 Dd 05/21/19	0.54	810,000	Boxer Parent Co Inc 144A7.125% 10/02/2025 Dd 06/01/20	0.72	273,000	Cvs Health Corp3.700% 03/09/2023 Dd 03/09/18	0.24
230,000	Ally Financial Inc4.625% 05/19/2022 Dd 05/19/15	0.20	1,773,984	Boyd Gaming 3/17 Cov-Lite Tlb	1.43	2,900,000	Daimler Finance North Ame 144A2.000% 07/06/2021 Dd 07/06/16	2.38
732,707	American Axle 3/17 Cov-Litetlb	0.59	2,700,000	Broadcom Corp / Broadcom Cayma3.625% 01/15/2024 Dd 01/15/18	2.38	925,000	Dcp Midstream Operating Lp3.875% 03/15/2023 Dd 03/14/13	0.78
8,300,000	American Honda Finance Corp0.750% 01/17/2024	8.51	704,056	Broadcom Corp / Broadcom Cayma3.625% 01/15/2024 Dd 01/15/19	0.55	1,289,000	Dell International Llc / 144A5.450% 06/15/2023 Dd 06/01/16	1.16
1,050,000	American International Group I1.500% 06/08/2023	1.09	1,000,000	Caesars Entertainment Inc 144A6.250% 07/01/2025 Dd 07/06/20	0.87	2,912,000	Dell International Llc / 144A5.875% 06/15/2021 Dd 06/22/16	2.38
2,200,000	American International Group I1.875% 06/21/2027	2.42	5,300,000	Capital One Financial Corp3.200% 02/05/2025 Dd 02/05/15	4.71	967,000	Dell International Llc / 144A7.125% 06/15/2024 Dd 06/22/16	0.82
300,000	American Tower Corp1.000% 01/15/2032	0.31	2,500,000	Cargill Inc Regs2.500% 02/15/2023	2.65	933,046	Diamond Resorts 6/18 Cov-Litetlb	0.72
277,000	American Tower Corp4.700% 03/15/2022 Dd 03/12/12	0.24	971,000	Cedar Fair Lp / Canada'S Wonde5.375% 06/01/2024 Dd 12/01/14	0.79	730,000	Diebold Nixdorf Inc 144A9.375% 07/15/2025 Dd 07/20/20	0.67
4,924,000	American Tower Corp5.000% 02/15/2024 Dd 08/19/13	4.54	500,000	Celanese Us Holdings Llc3.500% 05/08/2024 Dd 05/08/19	0.44	2,000,000	Digital Euro Finco Llc Regs2.625% 04/15/2024	2.16
2,000,000	Apple Inc1.375% 01/17/2024	2.10	1,145,000	Celanese Us Holdings Llc5.875% 06/15/2021 Dd 05/06/11	0.95	3,000,000	Discover Bank3.200% 08/09/2021 Dd 08/07/14	2.48
1,500,000	Apple Inc2.000% 09/17/2027	1.71	2,375,000	Cf Industries Inc3.450% 06/01/2023 Dd 05/23/13	2.02	3,400,000	Discover Financial Services3.850% 11/21/2022 Dd 11/21/12	2.95
1,001,000	Aptiv Corp4.150% 03/15/2024 Dd 03/03/14	0.90	2,815,000	Charter Communications Operati4.500% 02/01/2024 Dd 07/03/18	2.54	1,510,000	Dish Dbs Corp5.875% 07/15/2022 Dd 05/16/12	1.29
1,047,308	Arby'S/Inspire Brands 1/20 Cov-Lite Tlb	0.85	275,000	Chubb Ina Holdings Inc0.300% 12/15/2024	0.28	600,000	Diversified Healthcare Trust4.750% 05/01/2024 Dd 04/28/14	0.50
1,500,000	Archer-Daniels-Midland Co1.750% 06/23/2023	1.58	1,101,000	Cinemark Usa Inc4.875% 06/01/2023 Dd 05/24/13	0.85	560,000	Diversified Healthcare Trust9.750% 06/15/2025 Dd 06/02/20	0.52
2,000,000	Ares Capital Corp4.200% 06/10/2024 Dd 06/10/19	1.76	1,500,000	Cit Group Inc4.125% 03/09/2021 Dd 03/09/18	1.23	2,000,000	Ecolab Inc1.000% 01/15/2024	2.06
1,266,784	Asurion 2/18 Cov-Lite Tlb0.000% 11/03/2023 Dd 02/20/18	1.02	460,000	Cit Group Inc4.750% 02/16/2024 Dd 08/17/18	0.41	500,000	Elanco Animal Health Incvar Rt 08/27/2021 Dd 02/27/19	0.42
1,000,000	At&T Inc1.050% 09/05/2023	1.03	220,000	Cit Group Inc5.000% 08/01/2023 Dd 08/01/13	0.20	1,575,000	Elanco Animal Health Incvar Rt 08/28/2023 Dd 02/28/19	1.40
400,000	At&T Inc1.800% 09/05/2026	0.44	200,000	Citigroup Inc Regs0.500% 01/29/2022	0.20	1,500,000	Emera Us Finance Lp2.700% 06/15/2021 Dd 12/15/16	1.23
350,000	At&T Inc2.400% 03/15/2024	0.38	7,400,000	Citigroup Inc Regs0.750% 10/26/2023	7.58	1,500,000	Energy Transfer Operating Lp4.250% 03/15/2023 Dd 03/15/19	1.30
300,000	At&T Inc2.600% 05/19/2038	0.36	255,000	Citigroup Inc Regs1.375% 10/27/2021	0.26			
1,400,000	At&T Inc2.650% 12/17/2021	1.43	1,590,000	Citigroup Inc3.500% 05/15/2023 Dd 05/14/13	1.39			
1,105,000	At&T Inc4.450% 04/01/2024 Dd 10/01/15	1.01	899,000	Citigroup Incvar Rt 06/01/2024 Dd 05/22/18	0.74			
1,650,000	At&T Incvar Rt 06/12/2024 Dd 08/22/18	1.38						
2,450,000	Athene Global Funding Regs1.125% 09/02/2025	2.53						
2,010,000	Ball Corp4.000% 11/15/2023 Dd 05/16/13	1.74						
1,108,000	Ball Corp5.000% 03/15/2022 Dd 03/09/12	0.94						

United States (continued)		
735,000	Energy Transfer Operating Lp4.650% 06/01/2021 Dd 05/12/11	0.60
4,800,000	Energy Transfer Operating Lp4.900% 02/01/2024 Dd 09/19/13	4.28
4,500,000	Epr Properties4.500% 06/01/2027 Dd 05/23/17	3.67
350,000	Fedex Corp0.700% 05/13/2022	0.35
700,000	Fedex Corp1.000% 01/11/2023	0.71
275,000	Fidelity National Information0.625% 12/03/2025	0.28
867,000	Fidelity National Information0.750% 05/21/2023	0.88
281,000	Fidelity National Information1.100% 07/15/2024	0.29
2,200,000	Fidelity National Information1.500% 05/21/2027	2.37
1,000,000	Fifth Third Bancorp2.600% 06/15/2022 Dd 06/15/17	0.84
284,288	Filtration Group 10/20 Increme	0.23
5,555,000	Fiserv Inc0.375% 07/01/2023	5.62
100,000	Fiserv Inc1.125% 07/01/2027	0.11
1,000,000	Ford Motor Credit Co Llc3.096% 05/04/2023 Dd 05/04/16	0.82
1,185,000	Ford Motor Credit Co Llc5.584% 03/18/2024 Dd 03/18/19	1.04
897,710	Forest City 11/19 Tlb	0.70
1,680,000	Freeport-Mcmoran Inc3.875% 03/15/2023 Dd 09/15/13	1.43
1,000,000	Fresenius Medical Care Us 144A5.750% 02/15/2021 Dd 02/03/11	0.82
500,000	Gap Inc/The 144A8.375% 05/15/2023 Dd 05/07/20	0.46
703,577	Gates Global 11/17 (Usd) Cov-Lite Tlb	0.57
4,765,000	General Electric Co0.375% 05/17/2022	4.79
4,260,000	General Electric Co0.875% 05/17/2025	4.38
2,550,000	General Mills Inc3.200% 04/16/2021 Dd 04/17/18	2.09
5,338,000	General Motors Co4.875% 10/02/2023 Dd 04/02/14	4.83
700,000	General Motors Financial Co In3.950% 04/13/2024 Dd 04/13/17	0.62
1,075,000	General Motors Financial Regs2.200% 04/01/2024	1.14
1,985,000	Glp Capital Lp / Glp Financing5.375% 11/01/2023 Dd 05/01/14	1.77
1,348,348	Golden Nugget/Landrys 9/17Incremental Cov-Lite Tlb	1.06
180,000	Goldman Sachs Group Inc/T Regs0.125% 08/19/2024	0.18
120,000	Goldman Sachs Group Inc/T Regs2.875% 06/03/2026	0.14
150,000	Goldman Sachs Group Inc/T Regs3.375% 03/27/2025	0.17
800,000	Goldman Sachs Group Inc/T Regsvar Rt 04/21/2023	0.80
204,000	Goldman Sachs Group Inc/T Regsvar Rt 09/09/2022	0.20
680,000	Goldman Sachs Group Inc/ Thevar Rt 05/15/2026 Dd 05/17/18	0.56

United States (continued)		
2,430,000	Graphic Packaging International4.875% 11/15/2022 Dd 11/06/14	2.07
2,000,000	Gray Television 2/17 Tlb	1.62
840,000	Great Lakes Dredge & Dock Corp8.000% 05/15/2022 Dd 05/24/17	0.70
2,900,000	Halliburton Co3.250% 11/15/2021 Dd 11/14/11	2.40
1,622,000	Hanesbrands Inc 144A4.625% 05/15/2024 Dd 05/06/16	1.38
120,000	Hca Inc5.000% 03/15/2024 Dd 03/17/14	0.11
1,980,000	Hca Inc5.875% 05/01/2023 Dd 10/23/12	1.77
3,150,000	Healthpeak Properties Inc3.400% 02/01/2025 Dd 01/21/15	2.84
1,078,000	Host Hotels & Resorts Lp3.750% 10/15/2023 Dd 03/28/13	0.93
751,206	Hub International 10/19 Increm	0.61
600,000	Hughes Satellite Systems Corp7.625% 06/15/2021 Dd 12/15/11	0.50
1,048,000	Hyatt Hotels Corp3.375% 07/15/2023 Dd 05/10/13	0.90
4,201,000	Hyundai Capital America 144A3.000% 03/18/2021 Dd 03/18/16	3.44
1,083,000	International Business Machine0.375% 01/31/2023	1.10
2,500,000	International Business Machine0.875% 01/31/2025	2.61
273,000	International Business Machine1.250% 01/29/2027	0.29
1,000,000	International Business Machine3.300% 05/15/2026	0.92
225,000	International Flavors & Fragra0.500% 09/25/2021	0.23
450,000	International Flavors & Fragra1.750% 03/14/2024	0.47
392,000	International Flavors & Fragra1.800% 09/25/2026	0.42
1,265,000	Istar Inc4.750% 10/01/2024 Dd 09/16/19	1.04
390,000	Jpmorgan Chase & Co Regs1.500% 10/26/2022	0.40
400,000	Jpmorgan Chase & Co Regsvar Rt 03/11/2027	0.42
1,025,000	Kinder Morgan Energy Partners5.000% 10/01/2021 Dd 09/20/11	0.85
1,025,000	Kinder Morgan Inc/De3.150% 01/15/2023 Dd 08/10/17	0.88
2,650,000	Kraft Heinz Foods Co Regs1.500% 05/24/2024	2.72
795,000	Kraton Polymers Llc / Kra 144A4.250% 12/15/2025 Dd 12/21/20	0.66
1,000,000	L Brands Inc5.625% 10/15/2023 Dd 10/16/13	0.88
1,300,000	Ladder Capital Finance Ho 144A5.250% 03/15/2022 Dd 03/16/17	1.06
6,150,000	Lafargeholcim Finance Us 144A3.500% 09/22/2026 Dd 09/22/16	5.51
1,240,000	Lennar Corp4.500% 04/30/2024 Dd 04/28/17	1.12
1,845,000	Level 3 Financing Inc5.375% 01/15/2024 Dd 01/15/16	1.52

United States (continued)		
1,284,000	Levi Strauss & Co3.375% 03/15/2027	1.33
448,750	Lions Gate 3/18 Tla0.000% 03/20/2023 Dd 03/02/18	0.36
675,000	Lions Gate Capital Holdin 144A6.375% 02/01/2024 Dd 02/04/19	0.56
1,215,000	Lpl Holdings Inc 144A5.750% 09/15/2025 Dd 03/10/17	1.02
1,230,000	Lumen Technologies Inc6.750% 12/01/2023 Dd 11/27/13	1.12
1,000,000	Marriott International Inc/ Md3.125% 02/15/2023 Dd 08/15/16	0.84
1,180,000	Mattel Inc 144A6.750% 12/31/2025 Dd 12/20/17	1.01
500,000	Mattel Inc3.150% 03/15/2023 Dd 03/07/13	0.41
610,000	Mauser Packaging Solution 144A5.500% 04/15/2024 Dd 04/03/17	0.51
1,000,000	Mcdonald'S Corp Regs0.900% 06/15/2026	1.05
200,000	Mcdonald'S Corp Regs1.000% 11/15/2023	0.21
1,500,000	Mcdonald'S Corp Regs2.375% 11/27/2024	1.65
1,200,000	Mercer International Inc6.500% 02/01/2024 Dd 08/01/17	0.99
3,500,000	Merck & Co Inc1.875% 10/15/2026	3.89
500,000	Meredith 2/20 Cov-Lite TI	0.40
725,000	Meredith Corp 144A6.500% 07/01/2025 Dd 06/29/20	0.63
6,500,000	Metropolitan Life Global Regs2.375% 01/11/2023	6.85
795,000	Mgm Growth Properties Operatin5.625% 05/01/2024 Dd 11/01/16	0.70
500,000	Mgm Resorts International6.000% 03/15/2023 Dd 11/25/14	0.44
300,000	Mms Usa Investments Inc Regs1.250% 06/13/2028	0.31
100,000	Mms Usa Investments Inc Regs1.750% 06/13/2031	0.11
1,750,000	Molina Healthcare Incvar Rt 11/15/2022 Dd 05/15/16	1.51
1,350,000	Mondelez International Inc1.000% 03/07/2022	1.37
1,150,000	Morgan Stanley1.750% 01/30/2025	1.23
2,900,000	Morgan Stanley1.875% 03/30/2023	3.03
2,700,000	Morgan Stanley4.100% 05/22/2023 Dd 05/21/13	2.39
725,000	Morgan Stanleyvar Rt 01/27/2022	0.73
364,000	Morgan Stanleyvar Rt 07/26/2024	0.37
935,000	Morgan Stanleyvar Rt 11/08/2022	0.94
1,295,756	Multiplan 6/16 Cov-Lite TI	1.05
2,000,000	Mylan Inc 144A3.125% 01/15/2023 Dd 12/21/12	1.71
1,100,000	National Grid North Ameri Regs0.750% 08/08/2023	1.12
862,782	Navistar International 11/17Cov-Lite Tlb	0.70

QUOTED DEBT INSTRUMENTS (CONTINUED)

NTMA Annual Report 2020

Australia (continued)		
10,200,000	Sgsp Australia Assets Pty Regsstep 04/09/2023	8.74
7,950,000	Toyota Finance Australia Regs0.500% 04/06/2023	8.08
2,600,000	Westpac Banking Corp Regs0.375% 03/05/2023	2.64
700,000	Westpac Banking Corp Regs0.750% 10/17/2023	0.72
		52.18
% of Total Investments		0.41%

Hong Kong		
Nominal	Security Description	Value €m
1,095,000	Aia Group Ltd 144A3.200% 03/11/2025 Dd 03/11/15	0.96
		0.96
% of Total Investments		0.01%

Japan		
Nominal	Security Description	Value €m
654,000	Asahi Group Holdings Ltd Regs0.321% 09/19/2021	0.66
2,004,000	Mitsubishi Ufj Financial Group2.950% 03/01/2021	1.64
6,300,000	Mitsubishi Ufj Financial Regs0.980% 10/09/2023	6.50
1,550,000	Mizuho Financial Group In Regs0.523% 06/10/2024	1.58
4,700,000	Mizuho Financial Group In Regs1.020% 10/11/2023	4.84
3,200,000	Nidec Corp Regs0.487% 09/27/2021	3.21
425,000	Takeda Pharmaceutical Co Ltd2.000% 07/09/2040	0.48
4,600,000	Takeda Pharmaceutical Co Regs1.125% 11/21/2022	4.71
		23.60
% of Total Investments		0.19%

New Zealand		
Nominal	Security Description	Value €m
2,083,000	Chorus Ltd Regs1.125% 10/18/2023	2.15
200,000	Chorus Ltd Regs0.875% 12/05/2026	0.21
690,000	New Zealand Government Bond1.750% 05/15/2041	0.40
850,000	New Zealand Government Bond0.250% 05/15/2028	0.48
		3.24
% of Total Investments		0.03%

Singapore		
Nominal	Security Description	Value €m
500,000	Dbx Group Holdings Ltd Regsvar Rt 04/11/2028	0.51
		0.51
% of Total Investments		0.00%
Total Asia Pacific Quoted Debt		80.49
% of Total Investments		0.63%

EMERGING MARKETS		
Bermuda		
Nominal	Security Description	Value €m
2,650,000	Bacardi Ltd Regs2.750% 07/03/2023	2.78
595,000	Hiscox Ltd Regs2.000% 12/14/2022	0.68
1,100,000	Ihs Markit Ltd3.625% 05/01/2024 Dd 04/08/19	0.98
		4.43
% of Total Investments		0.03%

Cayman Islands		
Nominal	Security Description	Value €m
1,800,000	Ck Hutchison Finance 16 L Regs1.250% 04/06/2023	1.85
2,750,000	Ck Hutchison Internationa 144A2.750% 03/29/2023 Dd 09/29/17	2.34
2,836,000	Southern Water Services F Regs6.640% 03/31/2026	4.00
		8.18
% of Total Investments		0.06%

China		
Nominal	Security Description	Value €m
825,000	China Government Internat Regs0.625% 11/25/2035	0.82
		0.82
% of Total Investments		0.01%

Curacao		
Nominal	Security Description	Value €m
300,000	Teva Pharmaceutical Finance Co3.650% 11/10/2021 Dd 11/10/11	0.25
		0.25
% of Total Investments		0.00%

Mexico		
Nominal	Security Description	Value €m
2,500,000	America Movil SAB De Cv3.000% 07/12/2021	2.54
		2.54
% of Total Investments		0.02%

Poland		
Nominal	Security Description	Value €m
1,100,000	Canpack Sa / Eastern Pa L 144A3.125% 11/01/2025 Dd 10/26/20	0.90
256,000	Santander Bank Polska Sa Regs0.750% 09/20/2021	0.26
		1.16
% of Total Investments		0.01%
Total Emerging Markets Quoted Debt		17.39
% of Total Investments		0.14%
Total Quoted Debt Instruments		1,203.63
% of Total Investments		9.45%

Portfolio of Investments – ISIF

DIRECT PRIVATE EQUITY

Cost €m	Security Description	Value €m
46.00	Advanced Manufacturing Control Systems	Note 1
5.89	ATA Tools	Note 1
1.84	Bartra Jv Direct Equity	Note 1
10.00	Cubic Telecom Limited	Note 1
45.00	Finance Ireland	Note 1
7.50	FIRE1 (Foundry Innovation & Research 1 Limited)	Note 1
0.68	Greystones Media Campus	Note 1
0.30	HISCO	Note 1
16.96	Kaseya Luxembourg Holdings SCA	Note 1
1.60	Kilkenny Regeneration	Note 1
10.00	Mainstay Medical Holdings	Note 1
2.84	Nautilus Data Technologies	Note 1
6.89	Project Salt - BG Top Ltd	Note 1
10.00	Staycity Investments Holdings Limited	Note 1
25.00	Swrve Series 1	Note 1
1.54	Swrve Series 2A	Note 1
5.00	Urban Volt	Note 1
9.60	Vectra Networks Inc	Note 1
15.00	West Cork Distillers Ltd	Note 1
68.27	Genuity Science	Note 1
1.79	Xant Inc	Note 1
Total Direct Private Equity		273.00
% of Total Investments		2.14%

UNQUOTED DEBT INSTRUMENTS

Commitment €m	Security Description	Value €m
30.00	BPC Ireland	Note 1
35.00	Capital Stage AG	Note 1
9.50	Elm Corporate Credit Dac Subordinated Loan	Note 1
17.00	Finance Ireland Limited	Note 1
25.00	Man Alto	Note 1
3.34	Milkflex Facility B1	Note 1
0.36	Milkflex Facility B2	Note 1
50.00	Quadrant	Note 1
35.00	Quadrant Property Income Euro Fund B	Note 1
Total Unquoted Debt Instruments		112.54
% of Total Investments		0.88%

PROPERTY INVESTMENTS

Commitment €m	Security Description	Value €m
30.00	Ardstone Residential Partners Fund ICAV	25.78
15.00	FDV-Venture	0.04
25.00	Herbert Park (Avestus)	4.00
140.00	ILIM Property Fund ICAV	48.99
25.00	Majulah ICAV	28.00
48.96	Morgan Stanley Real Estate Intl	2.03
44.51	Preco III (UK) L.P.	0.44
0.16	Rockspring Peripheral Europe	0.01
44.51	Silverpeak Real Estate Partners II	1.29
75.00	Tishman Speyer European Real Estate Venture VI	0.64
52.11	Tishman Speyer Real Estate Fund Property Fund	0.48
7.50	Urbeo Residential Fund	2.63
75.00	WLR Cardinal Mezzanine Fund	43.54
Total Property Investments		157.89
% of Total Investments		1.24%

PRIVATE EQUITY INVESTMENTS

Commitment €m	Security Description	Value €m
0.26	Act 2001 - BIAM Venture Capital	0.04
20.00	Act V Venture Capital Fund	9.94
21.00	Arch Venture Fund IX Overage	61.65
19.80	Arch Venture Fund VIII	89.16
10.00	Atlantic Bridge II	4.15
20.00	Atlantic Bridge III	21.68
20.00	Atlantic Bridge IV	7.27
20.00	Beechbrook Capital	8.25
125.00	Business Growth Fund (BGF) Ireland	17.66
125.00	Carlyle Cardinal Ireland	44.92
15.00	Causeway Capital Partners	15.38
75.00	China Ireland Growth Technology Fund II	35.37
44.51	China Ireland Growth Technology Fund	39.41
0.56	Delta Equity Fund II (UCC)	0.11
23.00	Delta Equity Fund III	12.51
0.15	Delta Equity Fund No.2 (FAS)	0.03
0.09	Delta I	0.02
20.00	Development Capital Fund II	0.00
10.20	Draper Fisher Jurveston	8.83
50.00	Emerald Asset Fund	38.64
20.10	Finistere Ireland Ag-Tech Fund	1.28
19.16	Finistere Ventures II	20.30
20.00	Fountain Healthcare III	1.25
15.00	Fountain Healthcare Partners Fund I	2.06
15.00	Fountain Healthcare Partners Fund II	10.95
0.62	Fountain Healthcare Partners Top Up Fund	0.40
19.16	Frontline EMEA Expansion Fund	4.16
10.00	Frontline Venture Fund I	13.05
15.00	Frontline Ventures Fund II	16.56
15.00	Frontline Ventures Fund III	2.20
10.00	Highland Europe Technology Growth II	16.56
10.00	Highland Europe Technology Growth	14.86
21.18	Illumina Innovation Fund I	22.07
9.28	Insight Partners (Cayman) XI	5.01
84.55	Insight Venture Partners Fund	155.45
10.00	Irish Whiskey Growth Fund	1.33
92.03	Leeds Equity Partners Fund VI	88.86
21.04	Lightstone Ventures II	21.71
10.00	Lightstone Ventures	19.49
26.00	Melior Equity Partners II SCSP	0.09
20.00	MML Growth Capital Partnersireland li Lp	5.24
24.45	Motive Capital Fund I-B	23.01
24.45	Motive Capital Fund II-B	0.00
45.00	Muzinich Pan-European Private Debt I	35.01
44.51	OCM Opportunities Fund VII B	0.08
10.00	Pearl Residential Equity Fund LP	0.75
40.75	Polaris Partners VII	69.90
23.58	Polaris Partners VIII	19.67
40.75	Polaris Venture Partners VI	58.80
7.00	Renatus Capital Partners II LP	1.22
50.25	Reverence Capital Partners Opportunities Fund I	86.57
16.08	Scottish Equity Partners V	12.65
15.00	Seroba Kernel Life Sciences Fund II	2.68
1.80	Seroba Life Sciences Co-Investment Fund II	1.95
15.00	Seroba Life Sciences Fund III	7.39
8.89	Sofinnova Venture Partners VIII	3.51
21.63	Strategic Healthcare Investment Partners I	6.04
20.37	Strategic Investors Fund V	42.94
20.37	Strategic Investors Fund VI	36.53
44.38	Strategic Investors Fund VIII	40.22
20.37	Strategic Investors Fund X	2.16
18.00	The Harcourt Venture Fund	4.80
40.75	Westsummit Global Technology Fund	230.57
Total Private Equity Investments		1,523.81
% of Total Investments		11.92%

Portfolio of Investments – ISIF

FORESTRY INVESTMENTS

Commitment €m	Security Description	Value €m
20.00	AIBIM 1St Forestry Fund	36.09
55.00	Forais (Dasos)	29.37
0.14	ILIM IFUT - Irish Forestry Unit Trust	0.17
Total Forestry Investments		65.63
% of Total Investments		0.52%

ENERGY INVESTMENTS

Commitment €m	Security Description	Value €m
35.00	NTR Wind	28.51
50.00	Temporis Aurora LP	1.89
Total Energy Investments		30.40
% of Total Investments		0.24%

INFRASTRUCTURE INVESTMENTS

Commitment €m	Security Description	Value €m
250.00	Irish Infrastructure Trust	297.11
Total Infrastructure Investments		297.11
% of Total Investments		2.33%

QUOTED INVESTMENT FUNDS

Nominal	Security Description	Value €m
13	Amundi 12-24 Months	138.56
7	Amundi 6 Months	65.69
9,700,721	GS Alternative Trend Io Acc	89.17
3,201,762	GS Emerging Markets	37.52
1,515,786	GS Emerging Markets Debt USD	18.75
3,150,833	GS Emerging Markets Equity USD	51.59
10,344,200	GS Global Credit High Yield	133.95
2,932,059	GS Global High Yield EU	62.01
11,222,912	GS Global Fixed Income USD	133.90
1,442,793	GS Tactical Tilt Portfolio USD	179.61
1,197,540	GS Alternative Risk	107.74
19,797,673	RIC Acadian	332.19
Total Quoted Investment Funds		1,350.69
% of Total Investments		10.60%

UNQUOTED INVESTMENT FUNDS

Nominal	Security Description	Value €m
223,549	Blackstone Class A	199.91
25,614	Blackstone Class B	24.89
223,555	Bridgewater Pure Alpha Major Markets Fund III	229.50
526,735	Generation IM Global Equity Fund	289.69
2,335,407	ISIF Absolute Alpha Fund	263.19
100,000,000	McKay Shields Opportunities Fund	99.50
Total Unquoted Investment Funds		1,106.67
% of Total Investments		8.69%

CONVERTIBLE PREFERENCE SHARES AND CONVERTIBLE LOAN

Commitment €m	Security Description	Value €m
20.37	Aquacomms	Note 1
15.00	ATA Preference Shares	Note 1
25.52	Xant Inc	Note 1
4.65	Vectra Series E Convertible Preference Stock	Note 1
Total Convertible Preference Shares and Convertible Loan		56.91
% of Total Investments		0.45%

UNREALISED GAIN ON EQUITY OPTIONS

Nominal	Security Description	Value €m
(1,327)	Euro Stoxx 50 P Indexcall Dec 23 4800.000 Ed 121523	(0.48)
(624)	Euro Stoxx 50 P Indexcall Dec 21 4300.000 Ed 121721	(0.11)
624	Euro Stoxx 50 Pr Index Sx5Eput Dec 21 2400.000 Ed 121721	0.32
1,327	Euro Stoxx 50 Pr Index Sx5Eput Dec 23 2200.000 Ed 121523	1.77
Total Unrealised Gain on Equity Options		1.50
% of Total Investments		0.01%

UNREALISED GAIN ON FOREIGN EXCHANGE CONTRACTS

Security Description	Value €m
Unrealised Gain on Foreign Exchange Contracts	47.70
Total Unrealised Gain on Foreign Exchange Contracts	47.70
% of Total Investments	0.37%

UNREALISED GAIN ON FUTURES CONTRACTS

Security Description	Value €m
Note 2 Unrealised Gain on Future Contracts	6.87
Total Unrealised Gain on Futures Contracts	6.87
% of Total Investments	0.05%

OTHER DERIVATIVE INSTRUMENTS

UNREALISED LOSS ON CREDIT DEFAULT SWAPS

Nominal	Security Description	Value €m
(1,300,000.00)	Ccp_Cdx_Bp UI Itraxx_Europe_Cpay 500Bps 2025 Dec 20	(0.16)
1,300,000.00	Ccp_Cdx_Bp UI Itraxx_Europe_Cpay 500Bps 2025 Dec 20	0.00
Total Unrealised Loss on Credit Default Swaps		(0.16)
% of Total Investments		0.00%
Total Investments at fair value through profit and loss		6,811.17
% of Total Investments		53.43%

LOANS AND RECEIVABLES

OTHER DEBT

Commitment €m	Security Description	Value €m
109.00	Activate DAC III Facility	Note 1
341.00	Activate Loans	Note 1
150.00	Aer Lingus Limited	Note 1
3.20	Aquacomms Loan	Note 1
5.98	Bartra JV Loan	Note 1
4.50	Blue Giant Intermediate Ltd	Note 1
24.00	DCU Loan	Note 1

Portfolio of Investments – ISIF

LOANS AND RECEIVABLES (CONTINUED)

OTHER DEBT (CONTINUED)

Commitment €m	Security Description	Value €m
9.68	Deutsche Immobilien Chancen	Note 1
39.40	Dublin Waste To Energy Loan	Note 1
95.00	Elm Corporate Credit Loan	Note 1
7.00	Guinness Enterprise Centre	Note 1
5.00	Irish Whiskey Fund Sr Tranche	Note 1
11.75	Kilkenny Abbey Quarter	Note 1
44.44	Milkflex II Senior Loan Note	Note 1
29.50	Milkflex Senior Facility Loan Note	Note 1
14.00	Panelto Loan	Note 1
14.30	Shannon Airport Authority	Note 1
11.73	Shannon Hangar	Note 1
42.50	Urbeo Loan Facility	Note 1
Total Other Debt		682.87
% of Total Investments		5.36%
Total Loans and Receivables		682.87
% of Total Investments		5.36%

FINANCIAL LIABILITIES

UNREALISED LOSS ON EQUITY INDEX SWAPS

Nominal	Security Description	Value €m
(1)	Nikkei Average Index(225)Put Mar 21 25750.000 Ed 031221	(0.00)
(6)	Nikkei 225 (Otc)Call Feb 21 28000.000 Ed021221	(0.02)
(5)	Nikkei 225 (Otc)Call Jan 21 24500.00 Ed 010821	(0.12)
(7)	Nikkei 225 (Otc)Call Jan 21 24750.000 Ed010821	(0.15)
(5)	Nikkei 225 (Otc)Put Jan 21 22500.000 Ed 010821	(0.00)
(1)	Nikkei 225 Index Nkycall Feb 21 26750.000 Ed 02122	(0.01)
(2)	Nikkei 225 Index Nkycall Feb 21 27250.000 Ed 02122	(0.01)
(8)	Nikkei 225 Index Nkycall Feb 21 27875.000 Ed 02122	(0.03)
(4)	Nikkei 225 Index Nkycall Jan 21 24875.000 Ed 01082	(0.08)
(6)	Nikkei 225 Index Nkycall Jan 21 26500.000 Ed 01082	(0.05)
(5)	Nikkei 225 Index Nkycall Jan 21 26875.000 Ed 01082	(0.03)
(3)	Nikkei 225 Index Nkycall Jan 21 27375.000 Ed 01082	(0.01)
(1)	Nikkei 225 Index Nkycall Feb 21 24500.000 Ed 021221	(0.00)
(2)	Nikkei 225 Index Nkycall Feb 21 24750.000 Ed 021221	(0.00)
(3)	Nikkei 225 Index Nkycall Feb 21 25250.000 Ed 021221	(0.00)
(11)	Nikkei 225 Index Nkycall Jan 21 22750.000 Ed 010821	(0.00)
(6)	Nikkei 225 Index Nkycall Jan 21 24625.000 Ed 010821	(0.00)
(5)	Nikkei 225 Index Nkycall Jan 21 25000.000 Ed 010821	(0.00)
(3)	Nikkei 225 Index Nkycall Jan 21 25500.000 Ed 010821	(0.00)
(4)	Nikkei 225Call Feb 21 27500.000 Ed 02/12/21	(0.02)
(5)	Nikkei 225Call Feb 21 28250.00 Ed 02/12/	(0.01)
(1)	Nikkei 225Call Jan 21 27750 Ed 01/08/21	(0.00)
(3)	Nikkei 225Call Mar 21 27875.000 Ed 03/12/21	(0.02)
(4)	Nikkei 225Put Feb 21 25750.000 Ed 021221	(0.01)
(16)	Nikkei 225Put Feb 21 25875.00 Ed 021221	(0.03)
(1)	Nikkei 225Put Jan 21 26125.00 Ed 010821	(0.00)
(3)	Nikkei 225Put Mar 21 25500.000 Ed 031221	(0.01)
(1)	Nikkei Average Index(225)Call Mar 21 28125.000 Ed031221	(0.00)
Total Unrealised Loss on Equity Index Swaps		(0.61)
% of Total Investments		0.00%

UNREALISED LOSS ON OTC OPTIONS

Nominal	Security Description	Value €m
(29)	Dj Euro Stoxx 50 Pr Sx5E (Otc)Put Jan 21 3025.000 Ed 011521	(0.00)
(2)	Euro Stoxx 50 P Indexcall Jan 21 3650.000 Ed 011521	(0.00)
(2)	Euro Stoxx 50 P Indexput Jan 21 3475.000 Ed 011521	(0.00)
(45)	Euro Stoxx 50 P Indexcall Feb 21 3700.000 Ed 021921	(0.02)
(45)	Euro Stoxx 50 P Indexput Feb 21 3425.000 Ed 021921	(0.03)
(37)	Euro Stoxx 50 P Index (Otc)Put Feb 21 3400.000 Ed 021921	(0.02)
(44)	Euro Stoxx 50 P Indexcall Feb 21 3650.000 Ed 021921	(0.02)
(35)	Euro Stoxx 50 P Indexcall Feb 21 3725.000 Ed 021921	(0.01)
(12)	Euro Stoxx 50 P Indexcall Mar 21 3750.00 Ed 031921	(0.00)
(33)	Euro Stoxx 50 P Index (Otc)Put Jan 21 3425.000 Ed 011521	(0.01)
(44)	Euro Stoxx 50 P Indexput Feb 21 3350.000 Ed 021921	(0.02)
(35)	Euro Stoxx 50 P Indexput Feb 21 3450.000 Ed 021921	(0.02)
(5)	Sx5E Stoxx 50 P Indexput Mar 21 3325.000 Ed 031921	(0.00)
(12)	Euro Stoxx 50 P Indexput Mar 21 3425.000 Ed 031921	(0.01)
(5)	Euro Stoxx 50 P Indexcall Mar 21 3675.000 Ed 031921	(0.00)
(39)	Euro Stoxx 50 Pr Index Sx5Ecall Jan 21 3350.000 Ed 011521	(0.09)
(21)	Euro Stoxx 50 Pr Index Sx5Ecall Jan 21 3150.000 Ed 011521	(0.09)
(42)	Euro Stoxx 50 Pr Index Sx5Ecall Jan 21 3575.000 Ed 011521	(0.02)
(42)	Euro Stoxx 50 Pr Index Sx5Ecall Jan 21 3600.000 Ed 011521	(0.01)
(66)	Euro Stoxx 50 Pr Index Sx5Ecall Jan 21 3625.000 Ed 011521	(0.02)
(6)	Euro Stoxx 50 Pr Index Sx5Ecall Feb 21 3625.000 Ed 021921	(0.00)
(79)	Euro Stoxx 50 Pr Index Sx5Ecall Feb 21 3675.000 Ed 021921	(0.03)
(706)	Euro Stoxx 50 Pr Index Sx5Ecall Mar 21 3850.000 Ed 031921	(0.13)
(6)	Euro Stoxx 50 Pr Index Sx5Eput Feb 21 3300.000 Ed 021921	(0.00)
(43)	Euro Stoxx 50 Pr Index Sx5Eput Feb 21 3375.000 Ed 021921	(0.02)
(21)	Euro Stoxx 50 Pr Index Sx5Eput Jan 21 2725.000 Ed 011521	(0.00)
(10)	Euro Stoxx 50 Pr Index Sx5Eput Jan 21 2975.000 Ed 011521	(0.00)
(42)	Euro Stoxx 50 Pr Index Sx5Eput Jan 21 3275.000 Ed 011521	(0.00)
(42)	Euro Stoxx 50 Pr Index Sx5Eput Jan 21 3325.000 Ed 011521	(0.01)
(33)	Euro Stoxx 50 Pr Index Sx5Eput Jan 21 3400.000 Ed 011521	(0.01)
(706)	Euro Stoxx 50 Pr Index Sx5Eput Mar 21 2825.000 Ed 031921	(0.12)
(2)	Ftse 100 Index (Otc)Call Jan 21 6025.00 Ed 1/15/21	(0.01)
(6)	Ftse 100 Index (Otc)Call Jan 21 6125.000 Ed 011521	(0.02)
(15)	Ftse 100 Index (Otc)Call Jan 21 6575.000 Ed 011521	(0.01)
(9)	Ftse 100 Index (Otc)Call Jan 21 6550.000 Ed 011521	(0.01)
(4)	Ftse 100 Index (Otc)Call Jan 21 6700.000 Ed 011521	(0.00)
(4)	Ftse 100 Index (Otc)Call Feb 21 6625.000 Ed 021921	(0.00)
(7)	Ftse 100 Index (Otc)Call Feb 21 6875.000 Ed 021921	(0.00)
(9)	Ftse 100 Index (Otc)Call Feb 21 6825.00 Ed 021921	(0.00)
(14)	Ftse 100 Index (Otc)Call Feb 21 6775.00 Ed 021921	(0.01)
(1)	Ftse 100 Index (Otc)Call Mar 21 6800.000 Ed 031921	(0.00)
(2)	Ftse 100 Index (Otc)Put Jan 21 5375.000 Ed 1/15/21	(0.00)
(6)	Ftse 100 Index (Otc)Put Jan 21 5575.000 Ed 011521	(0.00)
(9)	Ftse 100 Index (Otc)Put Jan 21 6100.000 Ed 011521	(0.00)
(9)	Ftse 100 Index (Otc)Put Jan 21 6050.000 Ed 011521	(0.00)
(4)	Ftse 100 Index (Otc)Put Jan 21 6300.00 Ed 01/15/21	(0.00)
(7)	Ftse 100 Index (Otc)Put Jan 21 6150.000 Ed 011521	(0.00)
(1)	Ftse 100 Index (Otc)Put Feb 21 6025.000 Ed 021921	(0.00)
(3)	Ftse 100 Index (Otc)Put Feb 21 6075.000 Ed 021921	(0.00)
(5)	Ftse 100 Index (Otc)Put Feb 21 6225.00 Ed 02/19/21	(0.01)
(7)	Ftse 100 Index (Otc)Put Feb 21 6350.000 Ed 021921	(0.01)
(9)	Ftse 100 Index (Otc)Put Feb 21 6325.00 Ed 02/19/21	(0.01)
(8)	Ftse 100 Index (Otc)Put Feb 21 6275.000 Ed 021921	(0.01)
(1)	Ftse 100 Index (Ukx)Put Mar 21 6175.000 Ed 031921	(0.00)
(2)	Ftse 100 Index (Otc)Call Jan 21 6800.000 Ed 011521	(0.00)
(2)	Ftse 100 Index (Otc)Put Jan 21 6425.000 Ed 011521	(0.00)

Portfolio of Investments – ISIF

FINANCIAL LIABILITIES (CONTINUED) UNREALISED LOSS ON OTC OPTIONS (CONTINUED)

Nominal	Security Description	Value €m
(4)	Ftse 100 Index Ukxcall Jan 21 5850.000 Ed 011521	(0.03)
(4)	Ftse 100 Index Ukxput Jan 21 5125.000 Ed 011521	(0.00)
64	S & P 500 Index (Spx) Otcput Dec 21 1950.000 Ed 121721	0.12
64	S & P 500 Index (Spx) Otcput Dec 22 1875.000 Ed 121622	0.26
147	S & P 500 Index (Spx) Otcput Dec 23 1825.000 Ed 121523	0.99
(64)	S & P 500 Index (Otc)Call Dec 21 3250.000 Ed 121721	(3.18)
(64)	S & P 500 Index (Otc)Call Dec 22 3450.000 Ed 121622	(2.84)
(147)	S & P 500 Index (Otc)Call Dec 23 3650.000 Ed 121523	(6.02)
(1)	S & P 500 Index (Spx)Call Jan 21 3590.000 Ed 012921	(0.02)
(30)	S & P 500 Index (Spx)Call Jan 21 3800.000 Ed 010621	(0.02)
(24)	S & P 500 Index (Spx)Call Jan 21 3830.000 Ed 012921	(0.07)
(30)	S & P 500 Index (Spx)Call Jan 21 3800.000 Ed 011321	(0.06)
(30)	S & P 500 Index (Spx)Call Jan 21 3790.000 Ed 012021	(0.09)
(24)	S & P 500 Index (Spx)Call Jan 21 3835.000 Ed 012921	(0.06)
(30)	S & P 500 Index (Spx)Call Jan 21 3825.000 Ed 012721	(0.08)
(13)	S & P 500 Index (Spx)Call Feb 21 3880.000 Ed 022621	(0.05)
(5)	S & P 500 Index (Spx)Call Feb 21 3865.000 Ed 022621	(0.02)
(8)	S & P 500 Index (Spx)Call Feb 21 3855.000 Ed 022621	(0.04)
(3)	S & P 500 Index (Spx)Put Feb 21 3555.000 Ed 022621	(0.01)
(5)	S & P 500 Index (Spx)Put Feb 21 3545.000 Ed 022621	(0.02)
(8)	S & P 500 Index (Spx)Put Feb 21 3540.000 Ed 022621	(0.04)
(9)	S & P 500 Index (Spx)Put Feb 21 3590.000 Ed 022621	(0.05)
(5)	S & P 500 Index (Spx)Put Jan 21 3470.000 Ed 012921	(0.01)
(6)	S & P 500 Index (Spx)Put Jan 21 3590.000 Ed 012921	(0.02)
(30)	S & P 500 Index (Spx)Put Jan 21 3625.000 Ed 010621	(0.01)
(30)	S & P 500 Index (Spx)Put Jan 21 3610.000 Ed 011321	(0.04)
(4)	S & P 500 Index (Spx)Put Jan 21 3580.000 Ed 012921	(0.01)
(30)	S & P 500 Index (Spx)Put Jan 21 3590.000 Ed 012021	(0.05)
(1)	S & P 500 Index (Spx)Put Jan 21 3575.000 Ed 012921	(0.00)
(30)	S & P 500 Index (Spx)Put Jan 21 3640.000 Ed 012721	(0.10)
(24)	S & P 500 Index (Spx)Put Jan 21 3630.000 Ed 012921	(0.08)
(24)	S & P 500 Index (Spx)Put Jan 21 3650.000 Ed 012921	(0.09)
(24)	S & P 500 Index (Spx)Put Jan 21 3645.000 Ed 012921	(0.09)
(24)	S & P 500 Index (Spx)Put Jan 21 3635.000 Ed 012921	(0.08)
(24)	S & P 500 Index (Spx)Put Jan 21 3640.000 Ed 012921	(0.08)
(1)	S&P 500 Index Spxput Feb 21 3510.000 Ed 022621	(0.00)
(1)	S&P 500 Index Spxput Jan 21 3170.000 Ed 012921	(0.00)
(1)	S&P 500 Index Spxcall Feb 21 3850.000 Ed 022621	(0.00)
(123)	S&P 500 Index Spxput Mar 21 2900.000 Ed 033121	(0.18)
(3)	S&P 500 Index Spxput Jan 21 3395.000 Ed 012921	(0.00)
(7)	S&P 500 Index Spxput Jan 21 3505.000 Ed 012921	(0.01)
(8)	S&P 500 Index Spxput Jan 21 3540.000 Ed 012921	(0.02)
(123)	S&P 500 Index Spxcall Mar 21 3750.000 Ed 033121	(1.41)
(7)	S&P 500 Index Spxcall Jan 21 3800.000 Ed 012921	(0.03)
(28)	S&P 500 Index Spxcall Jan 21 3825.000 Ed 012921	(0.08)
(3)	S&P 500 Index Spxcall Jan 21 3745.000 Ed 012921	(0.02)
(8)	S&P 500 Index Spxcall Jan 21 3820.000 Ed 012921	(0.03)
(5)	S&P 500 Index Spxcall Jan 21 3790.000 Ed 012921	(0.02)
(30)	S&P 500 Index Spxcall Jan 21 3840.000 Ed 012921	(0.07)
(1)	S&P 500 Index Spxcall Jan 21 3810.000 Ed 012921	(0.00)
(24)	S&P 500 Index Spxcall Jan 21 3845.000 Ed 012921	(0.06)
118	S & P 500 Emini Index Fut (Cmeexp Mar 21	(0.14)
Total Unrealised Loss on OTC Options		(14.96)
% of Total Investments		-0.12%

UNREALISED LOSS ON INTEREST RATE SWAPS

Nominal	Security Description	Value €m
10,000,000	Ccp_lrs. P Eur-Euribor-Reutersrec 0.25% 2029 Jun 18	0.00
(10,000,000)	Ccp_lrs._P Eur-Euribor-Reutersrec 0.25% 2029 Jun 18	(0.52)
(2,000,000)	Ccp_lrs._R Eur-Euribor-Reuterspay 0.18% 2029 Jul 01	(0.09)
2,000,000	Ccp_lrs. R Eur-Euribor-Reuterspay 0.18% 2029 Jul 01	0.00
(390,000)	Ccp_lrs._R Eur-Euribor-Reuterspay -0.21% 2024 Jan 23	(0.00)
390,000	Ccp_lrs. R Eur-Euribor-Reuterspay -0.21% 2024 Jan 23	0.00
(3,500,000)	Ccp_lrs._R Eur-Euribor-Reuterspay -0.14% 2030 Jun 23	(0.05)
3,500,000	Ccp_lrs. R Eur-Euribor-Reuterspay -0.14% 2030 Jun 23	0.00
Total Unrealised Loss on Interest Rate Swaps		(0.66)
% of Total Investments		-0.01%
Total Unrealised Loss on Swaps		(1.27)
% of Total Investments		-0.01%
Total Financial Liabilities		(16.23)
% of Total Investments		-0.12%

CASH DEPOSITS AND OTHER CASH INVESTMENTS

DEPOSITS AND CASH

Security Description	Value €m
Dairygold RPPF	Note 1
Euro	1,135.30
US Dollar	190.23
Other Currencies	0.06
Sterling	1.19
Japanese Yen	(0.02)
Total Deposits and cash	1,328.75
% of Total Investments	10.43%
Total Discretionary Investments	8,807.58
% of Total Investments	69.10%

DIRECTED INVESTMENTS

Nominal	Security Description	Value €m
1,930,424,451	Allied Irish Banks	3,237.32
150,410,768	Bank of Ireland	495.75
37,033,553	HBFI Facility	37.03
Total Directed Investments		3,770.11
% of Total Investments		29.60%

CASH

Nominal	Security Description	Value €m
	Euro	165.06
Total Cash		165.06
% of Total Investments		1.30%
Total Directed Investments		3,935.17
% of Total Investments		30.90%
Total Investments		12,742.75
% of Total Investments		100.00%

Portfolio of Investments – ISIF

Note 1: The market value has not been disclosed as this is commercially sensitive information.

Note 2: Futures 31 December 2020

18	3Mo Euro Euribor Future (Icf)Exp Dec 21	0.06
7	3Mo Euro Euribor Future (Icf)Exp Dec 22	0.03
25	3Mo Euro Euribor Future (Icf)Exp Jun 21	0.06
14	3Mo Euro Euribor Future (Icf)Exp Jun 22	0.05
34	3Mo Euro Euribor Future (Icf)Exp Mar 21	0.08
14	3Mo Euro Euribor Future (Icf)Exp Mar 22	0.04
7	3Mo Euro Euribor Future (Icf)Exp Sep 21	0.02
14	3Mo Euro Euribor Future (Icf)Exp Sep 22	0.06
485	90Day Euro\$ Fut (Cme)Jun 21 Call Jun 21 098.250 Ed 061421	1.57
(11)	90Day Euro\$ Future (Cme)Exp Dec 21	(0.06)
(1)	90Day Euro\$ Future (Cme)Exp Dec 22	(0.01)
(16)	90Day Euro\$ Future (Cme)Exp Jun 21	(0.09)
(9)	90Day Euro\$ Future (Cme)Exp Jun 22	(0.05)
(30)	90Day Euro\$ Future (Cme)Exp Mar 21	(0.17)
(8)	90Day Euro\$ Future (Cme)Exp Mar 22	(0.05)
(2)	90Day Euro\$ Future (Cme)Exp Sep 21	(0.01)
(9)	90Day Euro\$ Future (Cme)Exp Sep 22	(0.05)
538	90Day Euro\$ Future Mar 21 Call Mar 21 098.250 Ed 031521	1.73
474	90Day Euro\$ Future Sep 21 Call Sep 21 098.250 Ed 091321	1.53
(12)	90Day Sterling Future (Icf)Exp Dec 21	(0.03)
(18)	90Day Sterling Future (Icf)Exp Jun 21	(0.03)
(10)	90Day Sterling Future (Icf)Exp Jun 22	(0.02)
(14)	90Day Sterling Future (Icf)Exp Mar 21	(0.02)
(12)	90Day Sterling Future (Icf)Exp Mar 22	(0.02)
(13)	90Day Sterling Future (Icf)Exp Sep 21	(0.03)
(9)	90Day Sterling Future (Icf)Exp Sep 22	(0.02)
(1)	Amsterdam Index Future (Eoe)Exp Jan 21	(0.00)
(4)	Cac40 10 Euro Future (Eop)Exp Jan 21	(0.00)
(1)	Dax Index Future (Eux)Exp Mar 21	(0.01)
2,123	Euro Fx Curr Future (Cme)Exp Mar 21	2.13
80	Euro Stoxx 50 Future (Eux)Exp Mar 21	0.03
(234)	Euro-Bobl Future (Eux)Exp Mar 21	(0.00)
(234)	Euro-Bobl Future (Eux)Exp Mar 21	(0.00)
(13)	Euro-Bund Future (Eux)Exp Mar 21	0.01
(13)	Euro-Buxl 30Y Bnd Future (Eux)Exp Mar 21	(0.02)
10	Euro-Oat Future (Eux)Exp Mar 21	0.01
24	Euro-Schatz Future (Eux)Exp Mar 21	(0.00)
(4)	Ftse 100 Index Future (Icf)Exp Mar 21	0.00
(1)	Ftse/Mib Index Future (Mil)Exp Mar 21	(0.00)
(1)	Ibex 35 Index Future (Mfm)Exp Jan 21	0.00
(6)	Long Gilt Future (Icf)Exp Mar 21	(0.01)
(128)	Msci Emgmt Future (Nyf)Exp Mar 21	(0.21)
(1)	Msci Singapore Index Fut (Sgx)Exp Jan 21	0.00
(5)	Omx30 Index Fut (Sse)Exp Jan 21	0.00
118	S & P 500 Emini Index Fut (Cme)Exp Mar 21	0.26
(2)	S&P/Tsx 60 Index Future (Mse)Exp Mar 21	(0.00)
(2)	Spi 200 Index Future (Sfe)Exp Mar 21	0.00
(3)	Swiss Mkt Ix Future (Eux)Exp Mar 21	(0.01)
(4)	Topix Index Future (Ose)Exp Mar 21	(0.01)
1,268	Us 10Yr Note Future (Cbt)Exp Mar 21	0.01
1,268	Us 10Yr Note Future (Cbt)Exp Mar 21	0.01
2	Us 10Yr Ultra Future (Cbt)Exp Mar 21	(0.00)
23	Us 2Yr Treas Nts Fut (Cbt)Exp Mar 21	0.00
(3)	Us 5Yr Note Future (Cbt)Exp Mar 21	(0.00)
(1)	Us Long Bond Future (Cbt)Exp Mar 21	0.00
1	Us Ultra Bond Future (Cbt)Exp Mar 21	(0.00)
		6.73

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