



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

**MINUTES OF MEETING OF THE
NATIONAL TREASURY MANAGEMENT AGENCY
HELD AT 2PM ON 26 March 2024
AT TREASURY DOCK, NORTH WALL QUAY, DUBLIN 1**

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

IN ATTENDANCE: Elaine Hudson, Agency Secretary
Frank O’Kelly, Associate Agency Secretariat
Susan O’Halloran, Chief Legal Officer (CLO)
Ian Black, Chief Financial and Operating Officer (CFOO)
Ray Mangan, Project Director, FIF/ICNF (Items 5 only)
Andrew O’Flanagan, Director, NDFA & NewERA (Item 6 only)
John Dillon, Deputy Director – Head of NewERA (Item 6 only)
Eavan Crehan, Corporate Finance Manager (Item 6 only)
Deirbhile Brennan, Deputy Director - Head of Compliance (Item 7.1 and 13.2 only)
Donna Ellanti, Head of Enterprise Risk (Item 7.1 only)
John O’Donovan, Deputy Director – ICT (Item 8 only)
Mark Treanor, Head of ICT Operations (Item 8 only)
Carol Ann McGough, Head of ICT Cyber Security and Networks (Item 8 only)
This has been redacted pursuant to Section 37(1) of the FOI Act 2014. (Item 8 only)
Oonagh Kelly, Chief People Officer (Item 9 only)
Dave McEvoy, Director, FDM (Item 10 only)
David Purdue, NTMA Chief Economist (Item 10 only)
Mary MacNamara, Deputy Director –Head of Portfolio Management (Item 11 only)
Deborah Meghen, Investment Director, ESG (Item 11 only)
Rebekah Brady, Deputy Director – Head of Investment (Item 11 and 12.2 only)
Sinead Flanagan, Senior Compliance Manager (Item 13.2 only)

1. NOTICE AND QUORUM

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

2. DECLARATIONS OF INTEREST

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

3. MINUTES AND MATTERS ARISING

The Chairperson noted that draft minutes of the meetings of 6 February and 19 February had been circulated to the members in advance of the meeting. **IT WAS RESOLVED** that the minutes be approved and that they be signed by the Chairperson.

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

4. CHIEF EXECUTIVE'S REPORT

The Chief Executive presented his Report highlighting a broad range of matters including, *inter alia*, the recently published Section 227 review of NAMA¹ and the NTMA's plans for preparing for the migration of residual NAMA activities (and records) post NAMA wind down at end 2025 to the proposed Resolution Unit, noting that an NTMA Tier 1 Project group would be assembled to consider the implications for the Agency across various workstreams and a more detailed update would be brought back to the Agency in Q2 2024. **This has been redacted pursuant to Section 30(1)(b) of the FOI Act 2014.**

The Agency reviewed the Report and discussed, amongst other things, recent developments and key considerations in relation to the procurement process for Higher Education PPP Bundle 2, and NewERA's role in the establishment of the Senior Posts Remuneration Committee.

5. FUTURE IRELAND FUND / INFRASTRUCTURE, CLIMATE AND NATURE FUND ("FIF/ICNF") (together the 'New Funds') UPDATE

The Project Director, FIF/ICNF briefed the Agency on progress across various workstreams in relation to the New Funds Project noting, *inter alia*, that the Bill had been approved by Cabinet and the legislative process was expected commence in April, with enactment expected by June/July 2024. He noted that momentum on the Project was building, with a significant amount of activity on all fronts. He added that resourcing had proved challenging particularly in relation to backfilling roles of staff assigned to the Project. In response to a question from the Agency, he noted that it remained to be seen whether staff assigned to the Project would transition to potential new roles in the New Funds or back to their former roles. **This has been redacted pursuant to Section 30(1)(b),(c) of the FOI Act 2014,** possible points of note that may arise as the draft legislation was considered at Committee Stage, the potential options under consideration in relation to the Global Custodian as part of the Interim Strategy, the management of project planning risks and the ongoing leveraging by NTMA of its Sovereign Wealth Fund networks across various workstreams.

¹ It was noted that the Chief Executive had previously noted, at its 6 February meeting, that he was an ex officio member of the NAMA Board.

6. NewERA BUSINESS UNIT UPDATE

The NewERA representatives presented an annual business unit update to the Agency providing, *inter alia*, an overview of the NewERA team, a high-level review of key activities in 2023 and the financial performance of the portfolio of commercial State companies in NewERA's remit, an update on the recent growth in NewERA's mandate and a summary of key challenges and opportunities. In this latter regard, they noted that climate action and the energy transition continued to be a key theme. They advised that 26 companies had now adopted the Climate Action Framework (as developed by NewERA in conjunction with Government Departments) with progress against same now being monitored by NewERA. **This has been redacted pursuant to Section 30(1)(b) of the FOI Act 2014** and noted the recently constituted Senior Posts Remuneration Committee in relation to CEO remuneration in the commercial State sector.

The Agency noted the update and discussed various aspects of same including, amongst other things, the growth in NewERA's mandate, potentially heightened focus on the work of NewERA given recent designations of more high-profile companies, **This has been redacted pursuant to Section 30(1)(b) of the FOI Act 2014** and in attracting high calibre candidates to boards of commercial State bodies. The Agency also noted the NewERA team's high employee engagement scores from the recent employee survey undertaken and the importance of and measures through which the quality of NewERA's reporting was maintained.

7. Risk Management: Strategic Risk Assessment ("SRA")

The Head of Enterprise Risk and Interim Head of Risk presented the Strategic Risk Assessment (SRA) outlining the key changes proposed since it was last presented to the Agency in March 2023 including the proposed change to the residual risk rating of the 'NTMA Sustainability and Climate Risk' and expansion of the 'Process and Change Risk' and the rationale for same. The Audit and Risk Committee Chairperson noted that the Committee, at its 19 March meeting, had reviewed the SRA with no material amendments proposed, noting the Committee concluded it was satisfied the Strategic Risk Assessment as presented was reasonable.

The Agency reviewed the principal risks and mitigants as set out in the SRA **This has been redacted pursuant to Section 30(1)(b) of the FOI Act 2014**. The Head of Enterprise Risk noted that the ratings reflected the residual impact and likelihood ratings post controls and mitigations. The Agency also discussed the ratings in respect of certain strategic risks including, amongst other 'People and Behaviour Risk' **This has been redacted pursuant to Section 30(1)(b) of the FOI Act 2014**; 'Cyber and Technology Risk' and 'Third Party Risk' **This has been redacted pursuant to Section 30(1)(b) of the FOI Act 2014**. Following discussion, the Agency agreed it was satisfied for the principal risks and mitigants as set out in the SRA to be reflected in the NTMA Annual Report 2023.

8. ICT CYBER SECURITY UPDATE

The Head of ICT Cyber Security & Networks briefed the Agency on the NTMA's approach to the management of cyber security risks and key activities undertaken to date by the Cyber Security and Network team to address same. **This has been redacted pursuant to Section 32(1)(c) of the FOI Act 2014**.

9. NTMA EQUITY, DIVERSITY AND INCLUSION STRATEGY 2024 – 2028

The Chief People Officer presented the NTMA's recently rebranded Equity, Diversity and Inclusion (ED&I) Strategy which had been approved by the NTMA Equality Committee and reviewed and considered by the EMT in January 2024. She outlined, amongst other things, the alignment of the Strategy with the NTMA Corporate Strategy (under the Sustainable Strategic Pillar), the key strategic areas of focus (including the introduction of 'active allyship' as new key strategic area of focus) and associated action plans. The Agency discussed, *inter alia*, the interplay between the Sustainable Strategic Pillar and the ED&I strategy and ostensible measures/metrics of success. The Agency noted the significant progress made to date in respect of ED&I initiatives and noted that it was proposed to include annual ED&I updates on the Remuneration Committee's work programme going forward, for onward reporting to the Agency.

10. MARKET UPDATE

The FDM representatives presented the market report to the Agency. The Chief Economist provided a brief overview of the outlook for the Irish economy, noting amongst other things, Ireland's Modified Domestic Demand (MDD) growth of 0.5% for 2023 was well below the 2.2% growth rate set out in the Budget 2024 forecasts, however with employment and consumption data holding up very well there was comfort that growth in 2024 could be c. 2%. He noted that the Economy was likely to benefit from the tailwind of easier monetary policy in the second half of the year. The Director, Funding and Debt Management gave a brief market overview and outlined the 2024 funding activity undertaken since the last Agency meeting. **This has been redacted pursuant to Section 40(1)(a) as it applies to 40(2)(d) of the FOI Act 2014.**

The Agency discussed the update. In response to a question from the Agency, the Director, FDM outlined the implications for interest rate spreads between its key interest rates (MLF, MRO and Depo) of changes to the ECB's Operational Framework arising from its Monetary Policy Framework Review. The Director, FDM undertook to draft a short briefing note on the matter for circulation to the Agency **[Action]**. The Agency questioned the FDM team on various other aspects of the report including, amongst other things, the details of the ECB's proposed creation of a structural portfolio of bond securities (to meet the liquidity needs of the financial system as the ECB rolled-down their balance sheet and reduced the level of excess liquidity in the euro system) and the potential impact of recent political changes for Ireland's credit rating outlook. In response to a question from the Agency, it was noted that Italian spreads over German Sovereign bonds had compressed considerably, with Italian retail investor participation returning to pre-crisis levels.

11. ISIF GLOBAL PORTFOLIO INVESTMENTS UPDATE

This has been redacted in part pursuant to Schedule 1 Part 1 (x)(ii) of the FOI Act 2014.

After further discussion, the Agency **agreed** to reconvene at a separate meeting in early course to consider and discuss the matter further and agreed that when reconvening it would be important that the role of the Agency and the specific question being put to the Agency be clearly stated.

12. COMMITTEE REPORTS

12.1. *Audit and Risk Committee*

The Audit and Risk Committee Chairperson, Gerardine Jones, presented the Report of the Committee meeting held on 21 March 2024. She noted, *inter alia*, that the ISIF's presentation to the Committee

on its approach to internal due diligence and monitoring had provided a very useful insight into the ISIF's wider investment assessment and portfolio management processes. **This has been redacted pursuant to Section 30(1)(b) of the FOI Act 2014.**

12.2. Investment Committee

The Investment Committee Chairperson, Fiona Ross, presented the report of Committee meetings held on 26 February and 25 March respectively. The Agency noted, *inter alia*, the brief overview of the transactions approved by the Committee. **This has been redacted in part pursuant to Schedule 1 Part 1 (x)(ii) of the FOI Act 2014.**

12.3. Remuneration Committee

The Remuneration Committee Chairperson, John McCormick, presented the reports of the Committee meetings held on 26 February and 25 March respectively. **This has been redacted pursuant to Section 30(1)(b) of the FOI Act 2014.** The Committee also considered an update on the NTMA's Gender Pay Gap and ongoing and planned activities to address same.

The Committee Chairperson advised that the Committee agreed, at its March meeting, to recommend proposed amendments proposed to the Committee's terms of reference and he outlined the rationale for same. On the recommendation of the Remuneration Committee, **IT WAS RESOLVED** that the updated Remuneration Committee Terms of Reference be approved as presented.

13. GOVERNANCE ITEMS

13.1. Delegated Matters Notifiable to the Agency

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

13.2. Personal Account Transaction Policy for Agency and Committee Members

This has been redacted pursuant to Section 30(1)(b) of the FOI Act 2014.

The Head of Compliance and Senior Compliance Manager presented the updated Personal Account (PA) Transaction Policy for Agency & Committee members to the Agency for approval. The Agency discussed the proposed revisions to the Policy (including, *inter alia*, **This has been redacted pursuant to Section 30(1)(b) of the FOI Act 2014.** It was agreed that approval of the proposed wording of the amendment would be delegated to the Chairperson and, once agreed and subject to the agreement of the Audit & Risk Committee, would also be reflected in the Staff Policy to ensure consistency of approach. **[Action].**

Following due consideration, subject to the aforementioned amendment, **IT WAS RESOLVED** that the updated Personal Account Transaction Policy for Agency and Committee Members, as presented to the Agency, be approved.

14. AOB

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

15 & 16 - Agency Private & Non-Executive Sessions

The Agency convened in Private and subsequently Non-Executive session. These items were minuted separately.

Rachael Ingle
Agency Chairperson
30 April 2024