



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

**MINUTES OF MEETING OF THE
NATIONAL TREASURY MANAGEMENT AGENCY
HELD AT 12PM ON 29 August 2023 AT
TREASURY DOCK, NORTH WALL QUAY, DUBLIN 1
VIA VIDEO CONFERENCE**

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

APOLOGIES: Brian O’Kelly

IN ATTENDANCE: Elaine Hudson, Agency Secretary
Susan O’Halloran, Chief Legal Officer (CLO)
Dave McEvoy, Director FDM (Item 3)
Murray McCarter, Head of Retail Debt (Item 3)

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.

This has been redacted pursuant to Section 37(1) of the FOI Act 2014.

3. State Savings Interest Rate Review

It was noted at the outset that this Agenda item was highly confidential and commercially sensitive

The Director, FDM, and Head of Retail Debt briefed the Agency on the wider market environment developments since the last rate increase approval by the Agency in February 2023, covering the key strategic considerations and the rationale for the proposed changes to State Savings interest rates.

The Agency questioned the presenters on various aspects of the proposals, **This has been redacted pursuant to Section 30(1)(b) of the FOI Act 2014.**

In discussing the proposed State Savings interest rates changes, the Agency queried the overarching objective of the proposed changes and the rationale for the focus/product mix of the proposed changes. The FDM representatives noted the importance of State Savings and preserving/maintaining this important source of diversified and domestic funding over the medium to long term. They also noted the importance of State Savings rates being updated to reflect wider ECB interest rate changes (i.e. passing on rate increases to customers). The Agency noted it was proposed to monitor savers' behaviour and changes in the savings market, with State Savings interest rates to be kept under review.

In terms of the product focus for the proposed rate changes, the FDM team noted, inter alia, the aim to maintain a balanced portfolio of funds across on call deposits, Prize Bonds and fixed rate products. Furthermore, having regard to the interest rate changes approved by the Agency at its February 2023 meeting, the proposed changes were across the entire product range with the exception of the 4 - year product which was being closed. They added that the proposed changes to Prize Bonds and POSB deposit accounts represented the first proposed changes in 15 years.

Following further discussion, noting the rationale for the proposed changes as outlined and on the basis that the recommended changes appeared reasonable, the Agency **resolved to approve** the increase in State Savings interest rates. i.e. 10-year National Solidarity Bonds increase from 16% to 22% total return, the 6-year Instalment Savings increase from 5.5% to 10% total return, the 5-year Savings Certificates increase from 5% to 9% total return, the 3-year Savings Bonds increase from 1% to 4%, the variable percentage rate used to calculate the Prize Bond prize fund increase from 0.35% to 1% and the variable rate on POSB Deposit Accounts increase from 0.05% to 0.75%.

The Agency also **resolved to approve** the closure of the current issue of the 4-year National Solidarity Bonds.

Following approval, the Agency noted that management would seek Ministerial approval for the proposed changes, and if approved, would (i) publicly announce the changes (ii) produce the associated Statutory Instruments to give effect to the changes to the 5-year Savings Certificates and the POSB Deposit Accounts, and (iii) work with the Agents (An Post and the Prize Bond Company) to implement the changes to take effect on Sunday 1 October 2023, subject to operational readiness.

4. AOB

The Chief Executive provided a brief update on the NTMA's ongoing engagement with the Department of Finance on potential strategic options in relation to the growing exchequer surplus including, inter alia, the possible creation of a long-term savings fund and options for debt reduction. He noted that a project oversight group had been established comprising senior representatives from ISIF, FDM, Risk and Legal.

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

Susan Webb

Agency Chairperson

26 September 2023