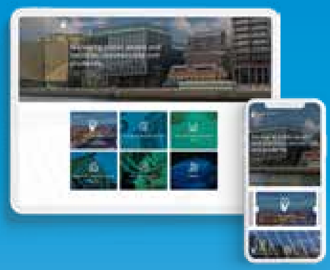
2021

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.



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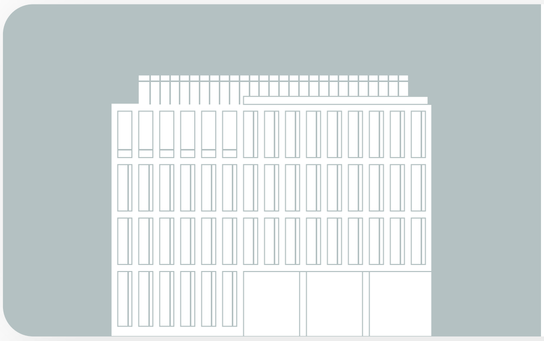

Funding and Debt Management

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.

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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.

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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.

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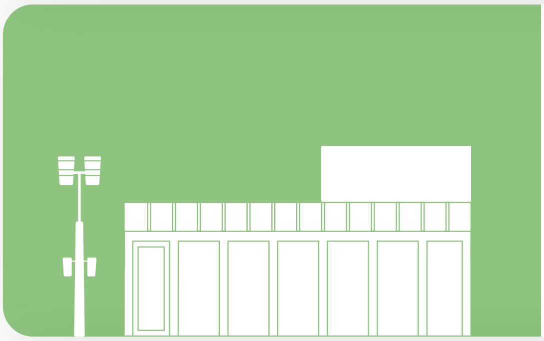

NewERA

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

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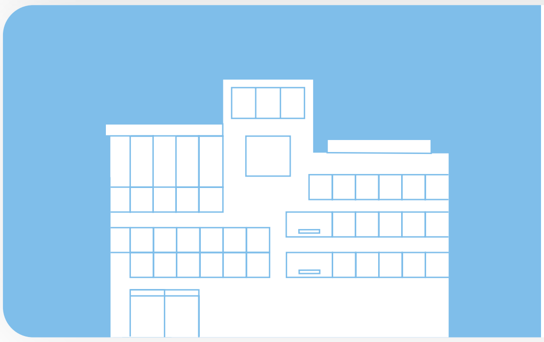

State Claims Agency

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.

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Long-Term Funding

€23bn

€19.3bn of benchmark bond issuance at a weighted average yield of 0.18% and a weighted average maturity of 14.4 years. €0.9bn in eight private placements with maturities ranging from 65 years to 100 years and a €0.1bn 30-year inflation linked bond. A €2.5bn EU SURE Programme loan and €0.2bn EIB loan added diversification to the portfolio.

Two New Bonds Issued via Syndication

€9bn

out of the €23bn long-term funding was raised from the sale of new 10 and 20-year bonds.

Bond	Nominal €bn	Yield	Maturity date
0% 2031	5.5	-0.257%	18/10/2031
0.55% 2041	3.5	0.585%	22/04/2041

Falling Interest Bill

€3.3bn

General Government interest costs dropped to €3.3bn in 2021, a level last seen in 2009 and almost 60% below the 2013 peak.They were down €0.5bn or 14% on 2020.

Investment Performance

>€900m

of investment gains in 2021, representing an investment return of +10.7% in the year. Just under €2.7bn accumulated returns since inception by end-2021, +4.5% per annum since inception.

Investing in Ireland

€15.0bn

the total commitment to Ireland including co-investment by private sector partners. ISIF commitments of €5.6bn across 166 investments have unlocked €9.4bn of co-investment commitments since inception.

Supporting COVID-Affected Businesses

€2bn

Pandemic Stabilisation and Recovery Fund (PSRF) was established to invest in medium and large-scale businesses in Ireland impacted by COVID-19. Since the start of the pandemic, ISIF has committed over €1bn including €670m across 25 investments in 2021.

Delivering Projects

€1.6bn

delivery of primarily social housing and education Public Private Partnership (PPP) and non-PPP infrastructure projects with an estimated capital value of €1.6bn.

Providing Financial Advice

€6.5bn

providing financial advice on PPP (procurement, construction and operations) and other infrastructure projects in different sectors including education, housing, transport, health and climate action with an estimated capital value of €6.5bn.

Social Housing PPPs

1,000

completion of construction on two social housing PPP bundles in 2021 delivering nearly 1,000 social homes in 14 sites across nine counties.

Commercial State Bodies

21

the number of commercial State bodies within the scope of NewERA's advisory mandate, including 18 designated bodies.

Advisory Mandate Activity

163

the number of Portfolio Company assignments on which NewERA provided financial analysis and, where appropriate, recommendations to Government Ministers (2020: 144).

Advice – Capital Expenditure, Debt Financing & Other Items

€6.8bn

of advisory assignments in relation to the Portfolio Companies, including €3.5bn of capital budgets and investments by the Portfolio Companies, €2.7bn of debt financing to fund their operations and capital investments and €0.6bn of other assignments such as joint ventures, acquisitions and disposals.

Estimated Outstanding Liability

€4.53bn

the State Claims Agency was managing 11,408 active claims with an estimated outstanding liability of €4.53bn at end-2021.

Settling Claims

59%

of claims resolved by the State Claims Agency in 2021 were resolved without court proceedings being served.

Reducing Legal Costs

40%

the State Claims Agency settled 1,040 bills of costs received from third parties for €60.5m – a reduction of 40% on the amount claimed.

Chairperson's Statement

One of the Agency's greatest strengths is the resilience, flexibility and adaptability of the organisation and its people.

Our society has seen marvellous progress in combating the worst effects of the COVID-19 pandemic and beginning the journey towards a resumption of our normal, everyday lives without the losses, fears and restrictions that were hallmarks of the past two years.

Our society has seen marvellous progress in combating the worst effects of the COVID-19 pandemic and beginning the journey towards a resumption of our normal, everyday lives without the losses, fears and restrictions that were hallmarks of the past two years. The Chief Executive describes in his report how the NTMA responded to these developments in 2021. This strong response to the pandemic has been overshadowed to date in 2022 by the dreadful human suffering and loss of life as a result of the invasion of Ukraine. As we look with horror at the events unfolding there, we are very conscious that there are and will be significant economic consequences but that, above all else, this is a grave humanitarian crisis.

Uncertainty, and the potential for disruption, are an unwelcome, but ever-present, part of our lives. In my time as Chairperson of the NTMA, it has become clear to me that one of the Agency's greatest strengths is the resilience, flexibility and adaptability of the organisation and its people. These qualities are valuable at the best of times, but their value is especially evident in the difficult times that we have collectively gone through in recent years.

Despite the immense challenges that have arisen from the pandemic and from the geopolitical shock that has accompanied the war in Ukraine, and the knowledge that there are many other risks and uncertainties that are capable of disrupting our lives, our society and our economy, I have great confidence in the Agency's ongoing ability to deal with these challenges and to continue carrying out its wide range of mandates on behalf of the State to the rigorously high standards that are expected of us.

In the 2020 Annual Report I paid tribute to the professionalism and dedication shown by people throughout the Agency as we worked together, often embracing new and unfamiliar ways of working, to ensure that the NTMA could continue to perform all the duties that have been entrusted to us.

I reiterate that praise today. I have been very encouraged by the determination and innovation displayed throughout all levels of the Agency, from senior management to those just starting out on their career journeys; and from market-facing roles to support functions. The Agency would be a poorer place without the exceptional diligence and commitment that is on display every day throughout the organisation – whether in our Treasury Dock headquarters or from remote locations.

Recognising this, the NTMA Board is a strong supporter of the many initiatives implemented by the management team to acknowledge the importance of our people and to find new ways to make it an even more attractive place to pursue a career.

Organisational Culture

Like all employers in the financial and risk sector, we operate in a highly competitive environment and we never lose sight of the fact that the high calibre of the people who work in the NTMA makes them very attractive to other employers.

We compete across many fronts: the ability to offer career progression, work-life balance, pay, and offering a challenging, satisfying work experience, are just some of these.

You will read elsewhere in this report details of a number of initiatives aimed at enhancing the experience of our people.

I am particularly excited about the work the organisation has done on implementing a true hybrid working model, which has evolved from a concept two years ago to a fully-developed set of real-world principles to govern the way we work. Chief among these is the principle of "Conscious Inclusion" which has been developed to ensure that everyone in the organisation acts on the basis that equality and inclusion are essential in everything we do. This principle builds on the wider work we have done on recognising the diversity within our workforce and harnessing that diversity for everyone's benefit.

A key highlight of the year was the introduction of our first-ever Inclusion and Diversity Strategy. This strategy has been underpinned by the appointment of our Equality Officer, supported by an Equality Committee with representatives drawn from throughout the organisation who advise on how best to deliver the strategy.

Another 2021 initiative, the establishment of our International and Multicultural Awareness Team (IMAT), will be crucial in improving the level of cultural integration that will be a feature of a workforce that is becoming increasingly diverse and the more diverse society in which we participate.

I am pleased to say we are making good progress in generating awareness of equality and inclusion: we learned from the NTMA's Employee Engagement Survey in late 2021 that approximately 82% of employees experience positive aspects of inclusion and diversity at the NTMA. 76% of employees responded favourably that the NTMA has created an environment where people of diverse backgrounds can succeed.

We fully recognise that these findings indicate room for further improvement but we are confident in the effectiveness of the measures we have implemented to date and, coupled with ongoing enhancements and refinements, we will keep building on the progress we have made.

Sustainability

While the people-related aspects of the NTMA's organisational evolution are a major area of focus for me as Chair and the wider Board, we also remain steadfast in our pursuit of greater sustainability throughout the NTMA – not just in how we conduct our business, but also in how we can influence market counterparties, our economy and our wider society.

2021 was a year in which we made a lot of progress on the sustainability front and continued the strong momentum generated in 2020.

Our Climate Strategy supports the delivery of Government climate action initiatives across all of our mandates and is the subject of ongoing enhancement to ensure we align as closely as possible with the Government's Climate Action Plan that was announced last year.

The NTMA is in a unique position to influence climate action through its wide range of mandates and market counterparties. We recognise that we are

> We are acutely aware that if we do not act with the urgency that the climate challenge demands, we cannot expect others to do so. In our view, there is no better way to demonstrate our support for the Government's climate action commitments than by leading from the front on this critically important issue.

exceptionally well placed to play a leadership role in sustainable finance and the wider sustainability agenda – as a borrower on behalf of the State, as an investor through the Ireland Strategic Investment Fund, as a financial advisor through NewERA, as a procurer and transaction advisor through the National Development Finance Agency, and through the specialist risk management advice that is provided by the State Claims Agency.

It is fitting that we have set ourselves a target of becoming a Net Zero emissions organisation by 2030 and we will rigorously monitor our progress in reaching this goal in full and on time.

We are acutely aware that if we do not act with the urgency that the climate challenge demands, we cannot expect others to do so. In our view, there is no better way to demonstrate our support for the Government's climate action commitments than by leading from the front on this critically important issue.

Leadership

I want to conclude my statement with some comments on the leadership of the NTMA as we prepare for the transition to a new Chief Executive. The nature of the Agency, with a wide range of complex and specialist mandates that require the careful management of highly-skilled people carrying out high-value activity on behalf of the State, places exceptional demands on its leadership.

Those entrusted with the responsibilities of leading the organisation carry a great burden and I want to express my gratitude, and that of the Board, for the leadership qualities that we see reflected in every task.

This year's Annual Report marks the last under the leadership of Conor O'Kelly, who will retire as Chief Executive on July 1 after seven years in the position.

On behalf of the Board and of all the NTMA's stakeholders, I would like to take this opportunity to thank Conor for his hard work, his vision, his enthusiasm and the great care he has brought to every aspect of his responsibilities. The NTMA has been very fortunate to have had the benefit of his considerable skills, most particularly over the past two years during which his wisdom and leadership ensured that the Agency exited the pandemic as a strong, united and energised organisation. Conor has presided over multiple long-lasting enhancements to the organisation, not least in cementing the new governance arrangements for the Agency that were enshrined in the Agency's amending legislation in 2014.

Conor leaves us with our very best wishes to him and to his family and our gratitude for carrying out his responsibilities to such a high standard.

My fellow Board members and I are delighted that Conor will be succeeded by Frank O'Connor, our current Director of Funding and Debt Management, who has served the NTMA so well since he joined the organisation some 12 years ago. We are particularly gratified that the work done by Conor to develop a strong leadership pipeline for the organisation has meant that the best candidate for this key role for the Agency was an internal one.

Frank brings an exceptional combination of strong financial markets experience, developed both in Ireland and internationally, and deep knowledge of the Agency and its wide range of specialist mandates. He has demonstrated excellent leadership skills as a member of the Agency's Executive Management Team and has been prominent in the development of the NTMA, with responsibilities including supporting Ireland's return to bond markets through extensive engagement with Ireland's overseas investor base and global rating agencies. He has also played an exemplary role in the management and oversight of the Ireland Apple Escrow Fund.

I am excited about Frank's vision for the Agency and I am confident that this vision, coupled with his strong execution and delivery capability, will be invaluable to the Agency in the years ahead.

My fellow Board members and I wish Frank every success.

Maeve Carton
Chairperson | May 2022

Chief Executive's Review

Providing a major stimulus to the economy in response to a significant shock.

The external environment in which we are all working has never been more testing. We have switched suddenly from a global pandemic to a war on the doorstep of the European Union and these events are impacting on all of our mandates in some shape or form.

We enter the post-pandemic phase with Ireland having increased its debt by over €30bn to fund the Government's speedy and effective response to support the economy and its citizens.

This was an unprecedented intervention, providing a major stimulus to the economy in response to a significant shock.

It is made possible by the ECB expanding its bond buying programme effectively to purchase sovereign bonds one-for-one, keeping interest rates low and thus limiting the long term burden of this increased debt. This extended and extraordinary period of accommodative ECB policy and low interest rates has allowed the NTMA to support Government policy and restructure and re-profile Ireland's debt.

We have used these unique circumstances to smoothen out the maturity profile and extend the debt such that we now have one of the longest average maturities in Europe. We have pre-funded future maturities to take advantage of these low rates and as a result we hold over €25bn in cash today. This is effectively insurance against future rate rises which means the impact of rising rates in the market will not be felt in Ireland until the latter half of the decade. Indeed, last year the interest bill fell to €3.3bn which was 14% below the previous year despite the higher levels of borrowing. The 2021 interest bill is almost 60% below its peak in 2013 and interestingly is less than twice what it was in the mid-1980s whereas revenue today is 10 times what it was then.

This extraordinary environment for sovereign debt managers has been referred to as a 'Goldilocks' period – neither too hot nor too cold. However, in the past six months it has become clear that the interest cycle is turning quickly. The story is now less about Goldilocks and more about the three bears - inflation, lower economic growth and rising interest rates.

The terrible humanitarian crisis in Ukraine referred to by the Chair in her statement is also affecting European economies and the outlook for growth. This deterioration in economic conditions combined with a rising interest rate cycle has rattled equity markets across the world. This will undoubtedly impact negatively on the Ireland Strategic Investment Fund returns in 2022, potentially reversing the trend of considerable gains made consistently by the fund in recent years.

Investment returns in 2021 were excellent with a 10.7% return on the €9.6bn Fund which brings total gains close to €2.7bn since inception. The average annual return on the portfolio is now running at 4.5% per annum; when benchmarked against the average cost of borrowing in 2021 of 0.18% and the average interest rate on Ireland's total stock of debt of 1.5%, this is very good business for the State.

In addition, ISIF's economic impact continues to grow with 25 separate new investments in 2021 - the equivalent of a new multi-million euro investment every two weeks. Details of these investments, which are diversified across the regions and many sectors of the economy, are set out on page 27. For me, the marquee transaction of the year was the investment of $50m (€42m) by the State in Stripe's March 2021 fundraising. This high-profile investment has helped cement a partnership for Ireland with one of the largest and most exciting next generation companies in the world.

NewERA's mandates continued to grow in 2021 with 11 transport and aviation companies designated by the Minister in February 2021, bringing the total number of designated companies to 18. The main focus of the year was again on companies most impacted by COVID-19, such as An Post, CIE, daa, IAA and Shannon Group. The team advised and assisted Government Departments and Ministers and have had a particularly busy year.

Climate was a particular focus, as the team developed a framework for Commercial State Bodies to address Climate Action objectives in conjunction with Department of Public Expenditure and Reform and the Department of Environment, Climate and Communications. NewERA will have a central role in coordinating this framework in the years ahead.

It was a landmark year for completions in the National Development Finance Agency with the construction phase in TU Dublin Grangegorman Campus completed in March, setting the stage for the return of students in September. In Social Housing PPP Bundle 1, 329 homes were completed and in Bundle 2 all 465 homes were completed. Building on the successful model of social housing PPPs, the Government's 'Housing for All' strategy notes it will increase the use of PPPs to deliver social housing.

The State Claims Agency team continued to play a critical role during the pandemic advising on vaccine indemnity, private hospital insurance and COVID incident management. Claims received (excluding mass actions) were 18% lower than pre-pandemic levels but the number of claims resolved (excluding mass actions) was slightly higher than 2020. Mediation continued to grow with 37% of claims settled by the clinical claims team involving a mediation process versus 25% in 2020.

The external environment in which we are all working has never been more testing. We have switched suddenly from a global pandemic to a war on the doorstep of the European Union and these events are impacting on all of our mandates in some shape or form.

Throughout these events, however, the team in the NTMA have remained focused on the task at hand without being distracted by events outside our control. Our Board and independent non-executive directors, but particularly our Chair have challenged us rigorously but always in a supportive and positive manner. We have been most fortunate to have had such oversight and expertise around the Board table.

As Chief Executive of the NTMA over the past seven years, I have had the pleasure and the privilege of working with people of outstanding calibre, at every level of the organisation, who consistently demonstrate the highest levels of commitment to the national interest and to the society, community and citizens that we are here to serve.

In this, my final Annual Report as Chief Executive, I want to say to each of them: I have witnessed your talent, your adaptability, your flexibility and your productivity first hand every day and I want to thank you for what you have done for me, for the NTMA and for the country. It has been my honour to serve as your Chief Executive.

I congratulate my successor, Frank O'Connor, on his appointment and I wish him and all my colleagues every success in the years to come.

Conor O'Kelly
Chief Executive | May 2022

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.

Long-Term Funding

Total Long-Term Funding in 2021

€23bn

€19.3bn of benchmark bond issuance at a weighted average yield of 0.18% and a weighted average maturity of 14.4 years. An additional €0.9bn was issued in eight fixed rate, long term private placements with maturities ranging from 65 years to 100 years and a €0.1bn 30-year inflation linked bond. A €2.5bn loan from the EU's SURE Programme and €0.2bn EIB loan added diversification to the portfolio and brought total long term-funding in 2021 to €23bn.

New 10 and 20-Year Bonds

€9bn

€9bn out of the €23bn long-term funding in 2021 was raised from the sale of two new bonds by syndication:

- In January, €5.5bn of a new 10-year benchmark bond, maturing in October 2031, at a negative yield of -0.257%.
- In April, €3.5bn of a new 20-year benchmark bond, maturing in April 2041, at a yield of 0.585%.

Average Maturity

10.9Yrs

The weighted average maturity of Ireland's €202.7bn medium and long-term debt portfolio is estimated at 10.9 years at end-2021, down marginally from 11.3 years at end-2020.

Interest Bill Continues to Decline

€3.3bn

General Government Interest

General Government interest costs continued to fall in 2021, to €3.3bn, from €3.8bn in 2020. This is almost 60% below the 2013 peak and is a level not seen since 2009. They were down €0.5bn or 14% on 2020.

3.4%

General Government Revenue

Falling interest cost coupled with strong revenue growth means interest as a percentage of General Government revenue was down to 3.4% in 2021 from 4.6% in 2020. This compares to almost 13% in 2013.

Gross National Debt at End-2021

Fixed Rate Treasury Bonds	**€147.1bn**
Floating Rate Bonds	**€5.5bn**
Amortising Bonds	**€0.4bn**
Inflation-Linked Bonds	**€1.1bn**
EU Loans	**€40.9bn**
SURE Programme	**€2.5bn**
Other Medium & Long-Term Debt	**€5.2bn**
State Savings	**€19.6bn**
Short-Term Paper	**€9.8bn**
Borrowing from Ministerial Funds	**€5.1bn**

Figures may not total due to rounding.

Irish Bond Market Review

The main influences on bond markets in 2021 were the ongoing COVID-19 pandemic, the re-emergence of inflation and the resulting response of central banks.

In the first week of January, the NTMA issued a new 10-year bond at a yield of -0.257%. This was the lowest ever yield on 10-year debt issued by the NTMA. This negative yield environment persisted throughout the early months of the year. Bond markets were strongly supported by central bank bond buying, as a significant new wave of COVID-19 infections brought the reintroduction of restrictions.

With additional borrowing required to fund spending and fiscal stimulus to curb the effects of the pandemic, the scale of sovereign bond issuance began to weigh on financial markets during the second quarter. Investors were also concerned by rising inflation that could be further heightened by the reopening of the economy after the easing of restrictions. Sovereign yields began to rise with the Irish 10-year yield reaching 0.32% in mid-May.

Markets stabilised during the summer months, as vaccine rollouts accelerated, and restrictions were lifted. However, COVID uncertainty continued as the Delta variant began to spread globally. Ireland's 10-year yield dropped back into negative territory, falling to -0.12% in August.

Inflation came sharply into focus for investors in the latter part of the year. Viewed initially as being transitory in nature, that view softened as year-end approached. The reaction of global central banks was keenly observed, from the decision to start tapering bond purchases to the pace of prospective interest rate hikes in the coming years. This was balanced by new variants of infections which led to further waves of COVID-19. However, the impact of these new cases was more limited as vaccines and boosters kept hospitalisation rates low and as a result there was less need for economic restrictions.

With the ECB continuing to buy large amounts of euro sovereign bonds throughout the year, there was no significant widening of credit spreads despite the economic uncertainty. The Irish 10-year spread to Germany widened from lows of 25bps in January to 42bps at year-end. This was in line with other comparable European countries and Ireland's spread to France and Belgium was steady throughout the year.

Quantitative Easing – Continued Support Through 2021

There were no major developments to the ECB's quantitative easing (QE) programme during 2021 after it was expanded in 2020 to counter the risks to euro area economies posed by the COVID-19 pandemic.

The €1.85trn Pandemic Emergency Purchase Programme (PEPP) continued to conduct purchases at a relatively steady pace during the year, with small fluctuations quarter-to-quarter reflecting prevailing economic conditions. Net purchases under the PEPP ended in March 2022. The reinvestment of maturing principal payments will continue until at least the end of 2024.

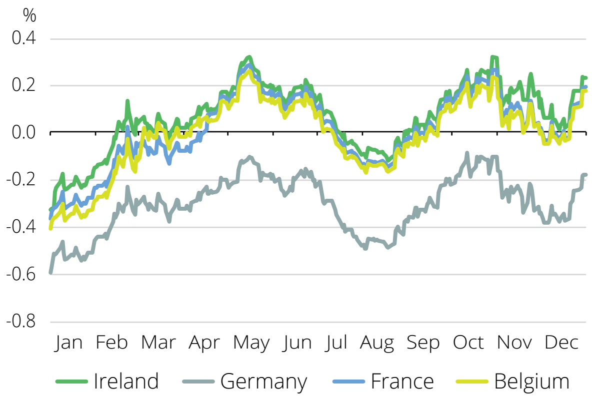
The long-running ECB Asset Purchase Programme (APP) conducted net purchases of €20bn a month during 2021 and in Q1 2022. To ease the ending of net purchases under the PEPP, the ECB announced in December 2021 a recalibration of monthly purchases under the APP to €40bn in Q2 2022, €30bn in Q3 2022 and €20bn from Q4 2022, or for as long as necessary. However, in March 2022 the ECB announced the acceleration of tapering of the APP. Monthly purchases under the APP for 2022 will now be €40bn in April, €30bn in May and €20bn in June. The rate of net purchases in Q3 will be data dependent. Reinvestments of maturing principal payments will continue for an extended period of time past the date when the ECB starts raising its key interest rates.

The ECB also said at its most recent Governing Council meeting in April 2022, that any adjustments to its key interest rates will take place some time after the end of net purchases under the APP and will be gradual.

During 2021, net purchases of Ireland's debt across the two programmes totalled approximately €17bn.

By end-2021 the cumulative net purchases of Irish bonds under the APP – introduced in 2015 – totalled €41bn and under the PEPP – introduced in 2020 – totalled approximately €24bn.

10-year sovereign bond yields in 2021



Funding Activity

Long-Term Funding

The NTMA's original bond funding range for 2021 was €16bn to €20bn. However, in July the Government published its Summer Economic Statement (SES) in which it forecast a higher deficit for 2021. With strong pre-funded cash balances, this did not require the original funding range to be increased but instead it was narrowed, to €18bn to €20bn for the year.

The NTMA ultimately completed €18.5bn nominal of benchmark bond issuance. A further €0.8bn was issued in the non-competitive bond auctions, bringing the total bond issuance to €19.3bn. This funding had a weighted average yield of 0.18% and a weighted average maturity of 14.4 years.

The NTMA raised almost €1bn in other long-term debt issued under its Euro Medium Term Note (EMTN) Programme. There were eight, fixed-rate private placements with long maturities ranging from 65 years to 100 years and one 30-year inflation linked bond.

This focus on long-term issuance, at low rates, was a continuation of the NTMA's strategy of recent years.

Additionally, in March, the NTMA drew down €2.5bn from the EU's SURE Programme in two tranches, €1.3bn 5-year and €1.2bn 25-year. This instrument was for temporary support to mitigate unemployment risks that arose because of the pandemic. Lastly, there was a €0.2bn European Investment Bank (EIB) loan. This brought total long-term nominal funding to €23bn.

€bn	Nominal	Cash
Syndications/auctions	18.5	19.4
Non-competitive auctions	0.8	0.9
1. Total Benchmark Bond Issuance	**19.3**	**20.3**
- Weighted average yield	*0.18%*	
- Weighted average maturity	*14.4 yrs*	
2. Private Placements	**0.9**	**0.9**
3. Inflation Linked Bond	**0.1**	**0.1**
4. EU SURE Programme	**2.5**	**2.5**
5. EIB Loan	**0.2**	**0.2**
Total Long-Term	**23.0**	**24.0**

As shown in the table, cash proceeds exceeded nominal issuance in 2021 by c. €1bn owing to the net premium on bonds issuance i.e. where bonds sold were trading above par.

The NTMA undertook two bond syndications in 2021, issuing new bonds maturing in 2031 and 2041.

The first syndication of the year was a new 10-year benchmark bond in January, with €5.5bn sold at a yield of -0.257%. This was the lowest ever yield on 10-year debt issued by the NTMA. The total order book was in excess of €40bn, from over 240 individual accounts. 93% was taken up by overseas investors with the largest distribution of 33% going to UK investors.

The second syndication of the year was a new 20-year benchmark, which took place in April. €3.5bn was issued at a yield of 0.585%. The order book exceeded €35bn from over 200 individual accounts. Strong overseas interest was again seen with 94% of investors from outside Ireland. The largest distribution of 21% went to Germany, followed by the UK at 15%.

Combined Investor Geographic Distribution

For two bond syndications in 2021

UK	**26%**
Ireland	**7%**
Nordics	**15%**
Germany	**14%**
France & Benelux	**12%**
Italy	**9%**
Other Europe	**11%**
US and other	**7%**

Figures may not total due to rounding.

The NTMA also held seven bond auctions during the year issuing a total of €10.3bn, including the non-competitive auctions. Eleven different bonds were sold, with maturities across the curve, from just under 5 years to almost 30 years. Continuing the trend from 2020, four of these auctions saw three different bonds being offered. Notably, the November auction offered the Irish Sovereign Green Bond (ISGB) for €0.75bn. This brought the total outstanding in the March 2031 ISGB to over €6.8bn.

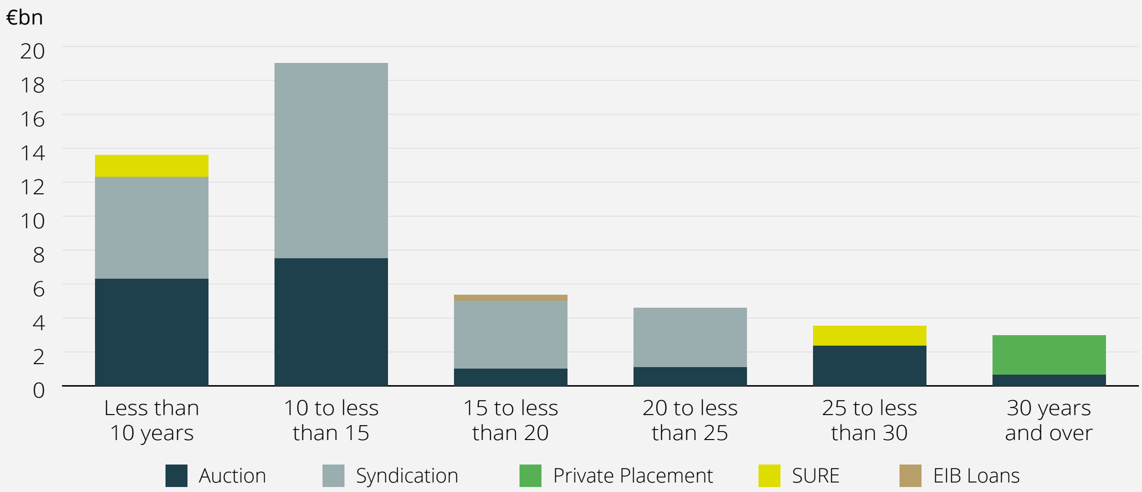
NTMA Bond Auctions 2021

Bond Name		Auction Size (€m)	Non-Competitive auction (€m)	Yield (%)	Bid-Cover Ratio
11 March					
0%	Treasury Bond 2031	1,050	97	0.013	1.83
1.5%	Treasury Bond 2050	450	8	0.667	1.58
13 May					
0%	Treasury Bond 2031	800	96	0.300	1.48
1.3%	Treasury Bond 2033	400	60	0.401	1.50
1.5%	Treasury Bond 2050	300	45	1.031	1.68
10 June					
1.1%	Treasury Bond 2029	600	90	-0.094	2.20
1.7%	Treasury Bond 2037	325	49	0.477	2.06
2%	Treasury Bond 2045	325	49	0.717	1.67
8 July					
1%	Treasury Bond 2026	450	0	-0.494	2.55
0%	Treasury Bond 2031	500	0	0.040	2.29
0.4%	Treasury Bond 2035	550	0	0.267	1.59
9 September					
0%	Treasury Bond 2031	700	0	0.020	2.43
0.55%	Treasury Bond 2041	550	83	0.550	2.11
14 October					
0%	Treasury Bond 2031	450	0	0.184	2.73
2%	Treasury Bond 2045	650	87	0.716	1.23
1.5%	Treasury Bond 2050	400	60	0.885	1.92
11 November					
0.9%	Treasury Bond 2028	350	11	-0.203	2.47
1.35%	Treasury Bond 2031	650	98	0.039	1.74

Funding Through the Pandemic

The COVID-19 pandemic that began in 2020 led to the introduction of large-scale fiscal supports from the Government to support the Irish economy. Much of this was funded through debt issuance by the NTMA with the focus on issuing long-term debt at low yields, supported by ECB policy. Across 2020 and 2021 the NTMA issued €44bn nominal in benchmark Government bonds (including non-competitive auctions). This was done at a weighted average yield of just below 0.2% and a weighted average maturity close to 13 years.

Long-term Pandemic Funding 2020/2021



There was also increased activity in private placements with very long-maturities. More than €2.3bn was issued across 2020 and 2021. This consisted of fifteen fixed rate notes with maturities ranging from 58 years to 100 years and yields ranging from 0.75% to 1.27%. There was also one 30-year inflation linked bond issued as a private placement in 2021. Additionally, Ireland, through the NTMA, borrowed €2.5bn from the EU's SURE Programme. The aim of this programme was to provide funding to help Member States mitigate the negative economic and social impacts of the pandemic. Lastly, there was €0.4bn of EIB loans drawn down over the two year period. This brought long-term borrowing to just over €49bn across 2020 and 2021.

Short term issuance also increased notably over the two years, particularly in the initial phase of the pandemic response. €53.5bn was issued in Treasury-Bills and Euro Commercial Paper; €36.9bn in 2020 and €16.6bn in 2021. This compares to €8.7bn in 2019. Much of this short-term issuance was subsequently termed out over the course of 2020 and 2021 given the attractiveness of longer-term rates and the ongoing strategy of issuing longer-term debt in the favourable rate environment.

Adding other funding sources such as State Savings (page 16) and reflecting large debt maturities, including two bonds in 2020, gross public debt at end-2021 was more than €30bn higher than it was at end-2019, pre-pandemic. Around two-thirds of this increase reflected the funding of the fiscal deficit while the remainder reflected an increase in cash balances. These increased to €27.5bn at end-2021, from €16.5bn at end-2019.

The NTMA has taken advantage of the favourable market conditions brought on by the ECB's asset purchase programmes to continue with its strategy of issuing long-term debt at low yields and pre-funding future liabilities. While gross public debt has increased by more than €30bn compared to its pre-pandemic level, the NTMA has flexibility with regards to issuance in the coming years given the relatively limited refinancing needs and large cash balances at its disposal.

Floating Rate Bond buybacks

A total of €2bn nominal of Floating Rate Bonds held by the Central Bank of Ireland were bought back and cancelled during 2021. These were replaced with medium to long-term fixed rate market funding. By end-2021, a total of €19.5bn of Floating Rate Bonds had been bought back and cancelled by the NTMA, leaving an outstanding balance of €5.5bn. This was 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

In 2021, the NTMA held monthly Treasury Bill auctions from January to November, each with an issuance size of €0.75bn. In total €8.25bn was issued at a weighted average yield of -0.6% and a weighted average life of almost six months. At year-end 2021, €3bn nominal of Treasury Bills were outstanding, down from €3.75bn at end-2020.

The NTMA issued €8.4bn from Ireland's Euro Commercial Paper (ECP) programme, a reduction from just over €29bn issued in 2020, but above 2019 levels of €6.7bn. The 2021 ECP issuance was at a weighted average, euro equivalent yield of -0.6% and a weighted average tenor of over five months. The balance of ECP outstanding at year-end was €1.9bn, down from €4.9bn at end-2020.

Short-term debt was also issued in the form of Exchequer Notes and Central Treasury Notes. Most of these notes are held by domestic public sector entities. The total outstanding at end-2021 was €4.9bn, compared to €5.4bn at end-2020.

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 2021, there were net inflows of €1.3bn into State Savings products reflecting the continued increase in savings across the Irish market as large parts of the economy were operating at reduced capacity for periods due to COVID-19 restrictions. At year end-2021, the total amount outstanding in fixed rate products and Prize Bonds was €19.6bn. When variable rate deposit accounts are included, this brings the year-end total outstanding to €24.1bn.

State Savings – Ongoing Transformation Programme

In 2021, State Savings Online was launched, a digital platform for customers. Customers can view their holdings and transactions online, view Prize Bond winnings and download statements. In addition, customers can choose to withdraw savings online direct to their bank account or reinvest in other State Savings products.

The launch of State Savings Online was a major milestone in the State Savings transformation as it continues its change programme. In recent years, a new State Savings website was introduced and the State Savings Customer Number (SSCN) was 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. Enhancements were also made to the way Prize Bond winnings were issued. Customers whose Prize Bonds are selected for prizes in the draw can either have prizes paid directly to their bank accounts or automatically reinvested into new Prize Bonds.

Future developments in State Savings will focus on the expansion of State Savings Online and the enhancement of the offline experience including discontinuing paper certificates and bonds and the expansion of customer payments by electronic funds transfer (EFT).

State Savings Products

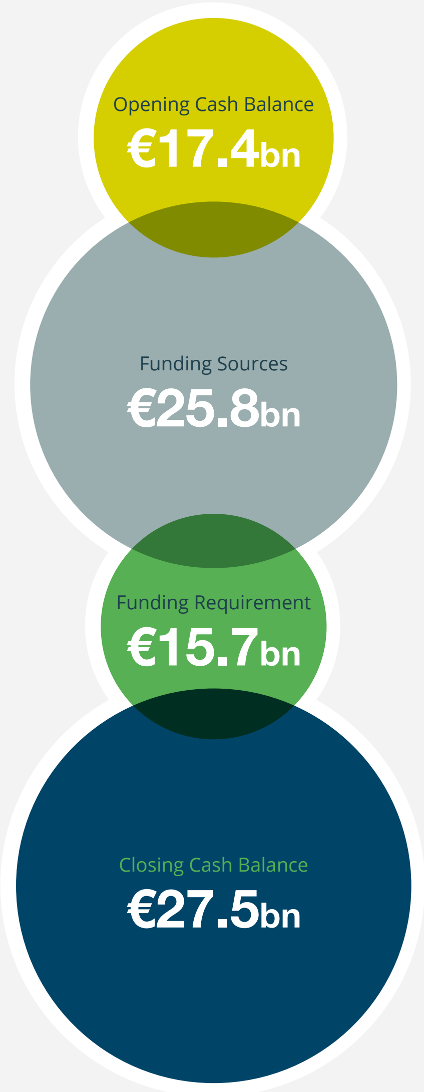
	Total Outstanding at End-2021 €m	**Net Inflow/ (Outflow) in 2021 €m**
Savings Bonds	2,383	(19)
4 Year Solidarity Bonds	1,466	240
10 Year Solidarity Bonds	4,722	390
Savings Certificates	6,087	(150)
Instalment Savings/Savings Stamps	545	15
Prize Bonds	4,440	339
Deposit Accounts	4,420	501
Total	**24,063**	**1,316**

Figures may not total due to rounding.

Exchequer Funding Sources and Requirements 2021

The Exchequer had cash balances of €27.5bn at year-end 2021. This was an increase of €10.1bn on the previous year-end. The end-2021 balance was higher than had been expected, due primarily to the lower than projected Exchequer Borrowing Requirement (EBR). The cash proceeds from long-term issuance (bonds, including non-competitive auctions, and private placements) totalled more than €21bn. Net State Savings inflows were €1.3bn, while other funding sources brought in €3.3bn, most of which was from the EU SURE Programme loans totalling €2.5bn.

This funding was applied to meet an EBR of €7.4bn, the redemption of the remaining UK bilateral loan totalling €0.5bn, as well as the purchase of €2bn nominal (€3.3bn cash price) of Floating Rate Bonds from the Central Bank of Ireland. There was also net short term paper outflows of €4.2bn.



Debt Profile and Debt Ratios

Net 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 Debt[1] at End-2021

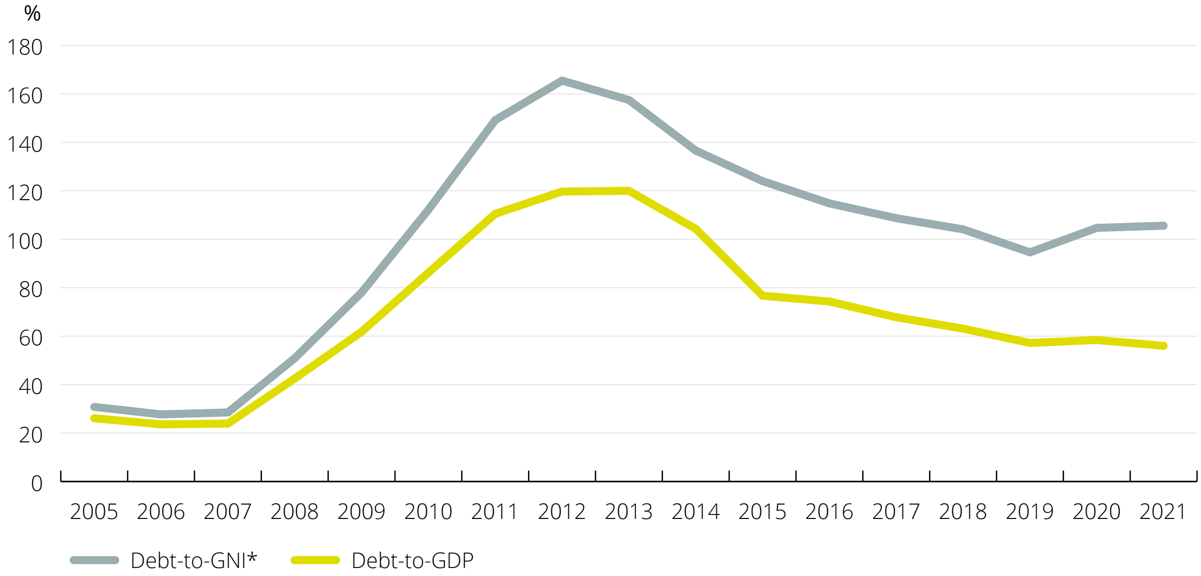
		€bn
Government Bonds		
Fixed Rate Treasury	*147.1*	
Floating Rate	*5.5*	
Amortising	*0.4*	
Inflation-Linked	*1.1*	
Total		154.1
EU Loans		40.9
SURE		2.5
Other Medium and Long-term Debt		5.2
State Savings Schemes*		19.6
Short-Term Paper		9.8
Borrowing from Ministerial Funds		5.1
Gross National Debt		**237.2**
Less Exchequer Cash		27.5
Less Other Financial Assets		1.7
Net National Debt		**208.0**
Gross National Debt		**237.2**
General Government Debt Adjustments		-1.3
General Government Debt		**235.9**

* 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 ways and means of funding short-term Exchequer requirements. Taking into account the POSB Deposits, total State Savings outstanding were €24.1bn at end-2021. 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 2005-2021



Source: NTMA and CSO

At 56%, Ireland's GGD/GDP ratio at end-2021 was less than half its peak level of 120% at end-2012 and end-2013. Following the slight increase in the ratio in 2020, last year it reverted to the downward trajectory evident for much of the last decade. This was despite the absolute level of gross debt increasing by c. €18bn last year and by c. €32bn since end-2019.

This growth is largely attributable to the borrowing required to fund the deficits 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 also shown strong growth, increasing by 13% in 2021. This is due in large part to the performance of the multinational sector which was largely unaffected by the pandemic - 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, growing by 17% in 2021 following a fall of 6% the previous year. Ireland's progressive income tax system and the buoyancy of corporate tax – aided by the multinational sector – have been notable features of the revenue system since the onset of the pandemic.

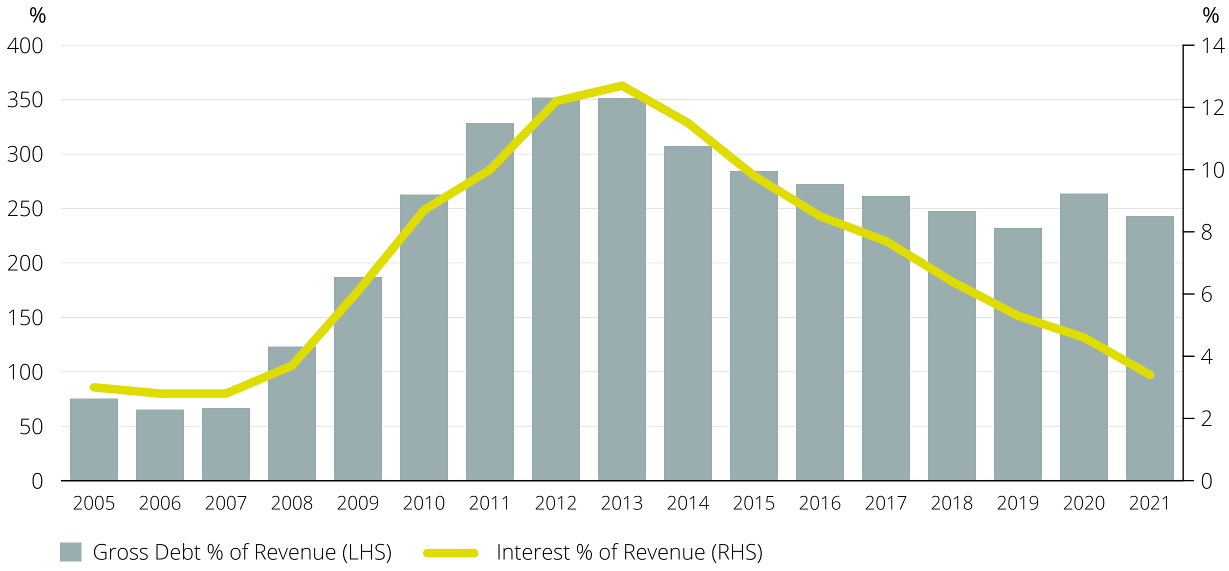
Of course, it is widely accepted that the debt to GDP ratio is a less reliable indicator of sustainability for Ireland. In that context, it is necessary to focus on other metrics to obtain a clearer picture of Ireland's debt burden.

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. Like the trend in the GGD/GDP ratio, the GGD/GNI* ratio had also declined sharply from a peak of 166% at end-2012 to 95% at end-2019. In 2020, that trend was reversed, and the ratio increased sharply to 105% at year-end. This reversal continued into 2021, with the ratio again increasing, albeit marginally, to reach 106% at year-end. This reflects the much more pronounced impact of the pandemic on the domestic economy.

Other important metrics looking at the burden of public debt include both debt and interest as a percentage of General Government revenue. At end-2021, the GGD/revenue ratio was at 243%, reducing twenty percentage points on the previous year end. While this is still above the end-2019 level of 232% it is far below the 2012 peak of 352%.

The General Government interest/revenue ratio continued its downward trend in 2021. It is discussed in more detail on page 20.

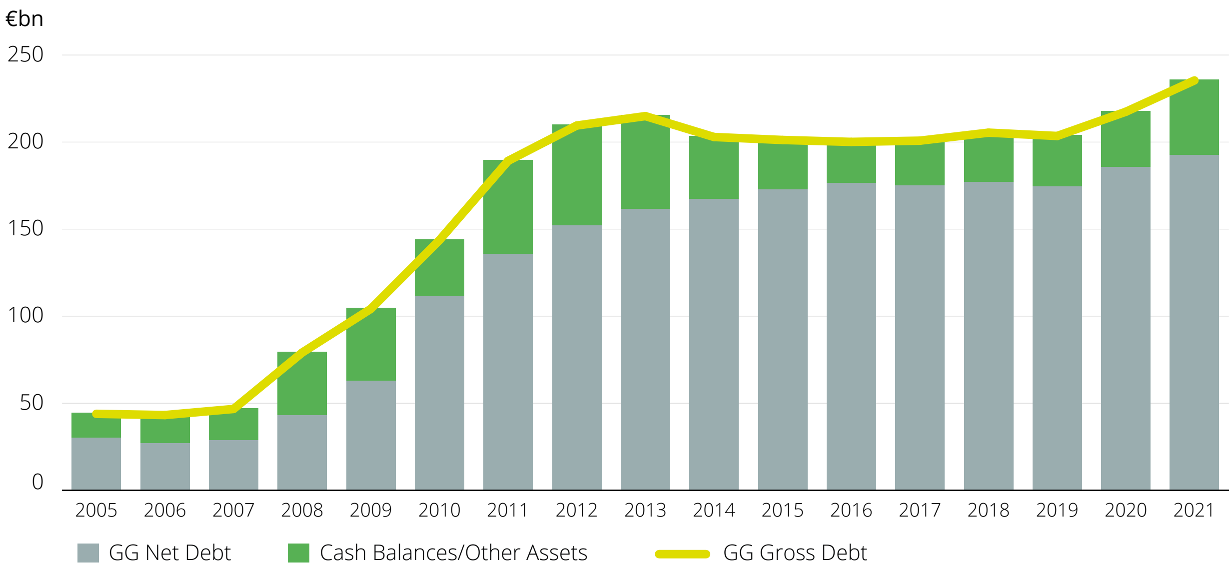
General Government Debt Metrics 2005-2021



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-2021, it stood at €193bn, giving General Government assets of some €43bn. The main asset netted off for the purpose of calculating Net Debt is the Exchequer cash balance; this was €27.5bn at end-2021. 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.

Gross and Net General Government Debt 2005-2021



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 and that trend continued in 2021. This is despite gross debt remaining relatively stable at around €200bn for much of the last decade; before increasing over the last two years, largely because of the pandemic, to reach €236bn.

In 2021, General Government interest expenditure fell to €3.3bn, from €3.8bn in 2020. The interest bill is back to a level last seen in 2009 – despite debt more than doubling in that time – and is almost 60% below the 2013 peak of €7.8bn.

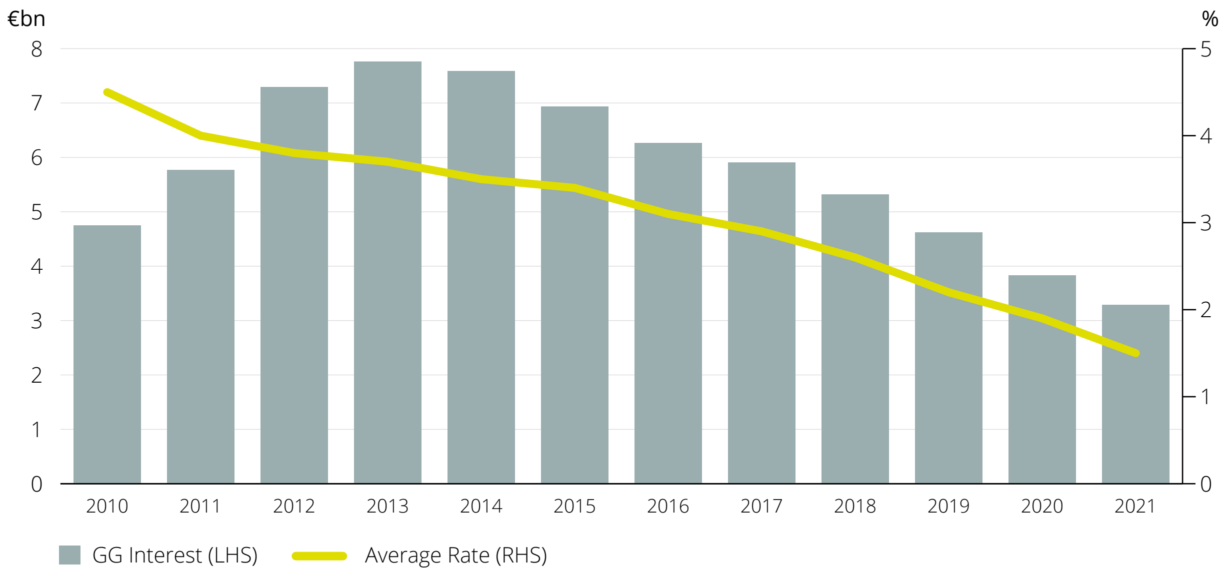
The compression of sovereign bond yields brought on by the ECB's QE Programmes is a significant factor behind the sharp reduction in the interest bill.

In 2021, a 10-year benchmark and a 20-year benchmark were added to the Irish bond curve with coupons of 0% and 0.55% respectively.

The average interest rate on the debt has also fallen significantly over the last decade, from 4% in 2011 to 1.5% in 2021.

In terms of resources required to fund the interest payments on public debt, the interest/General Government revenue ratio fell further in 2021, to 3.4% from 4.6% in 2020. By contrast, this ratio was almost 13% as recently as 2013.

General Government Interest and Average Rate 2010-2021



Source: NTMA and CSO

Irish Government Bond Market

Bond		Maturity Date	Outstanding End-2020 €m*	Outstanding End-2021 €m*	Change in 2021 €m*
0.8%	Treasury Bond 2022	15 March 2022	6,788	6,788	0
0.0%	Treasury Bond 2022	18 October 2022	5,040	5,040	0
3.9%	Treasury Bond 2023	20 March 2023	7,006	7,006	0
3.4%	Treasury Bond 2024	18 March 2024	8,031	8,031	0
5.4%	Treasury Bond 2025	13 March 2025	11,490	11,490	0
1.0%	Treasury Bond 2026	15 May 2026	11,189	11,639	450
0.2%	Treasury Bond 2027	15 May 2027	7,248	7,251	3
0.9%	Treasury Bond 2028	15 May 2028	8,097	8,458	361
1.1%	Treasury Bond 2029	15 May 2029	9,538	10,228	690
2.4%	Treasury Bond 2030	15 May 2030	9,409	9,409	0
0.2%	Treasury Bond 2030	18 October 2030	8,088	8,088	0
1.35%	Treasury Bond 2031	18 March 2031	6,101	6,848	747
0%	Treasury Bond 2031	18 October 2031		9,193	9,193
1.3%	Treasury Bond 2033	15 May 2033	4,625	5,085	460
0.4%	Treasury Bond 2035	15 May 2035	4,816	5,366	550
1.7%	Treasury Bond 2037	15 May 2037	5,763	6,137	374
0.55%	Treasury Bond 2041	22 April 2041		4,133	4,133
2.0%	Treasury Bond 2045	18 February 2045	8,596	9,707	1,111
1.5%	Treasury Bond 2050	15 May 2050	5,863	7,125	1,262

*excluding repos.
Figures may not total due to rounding.

At end-2021, Ireland's benchmark bond curve consisted of 19 fixed rate bonds with a range of maturities extending to 2050. The total outstanding balance stood at just over €147bn.

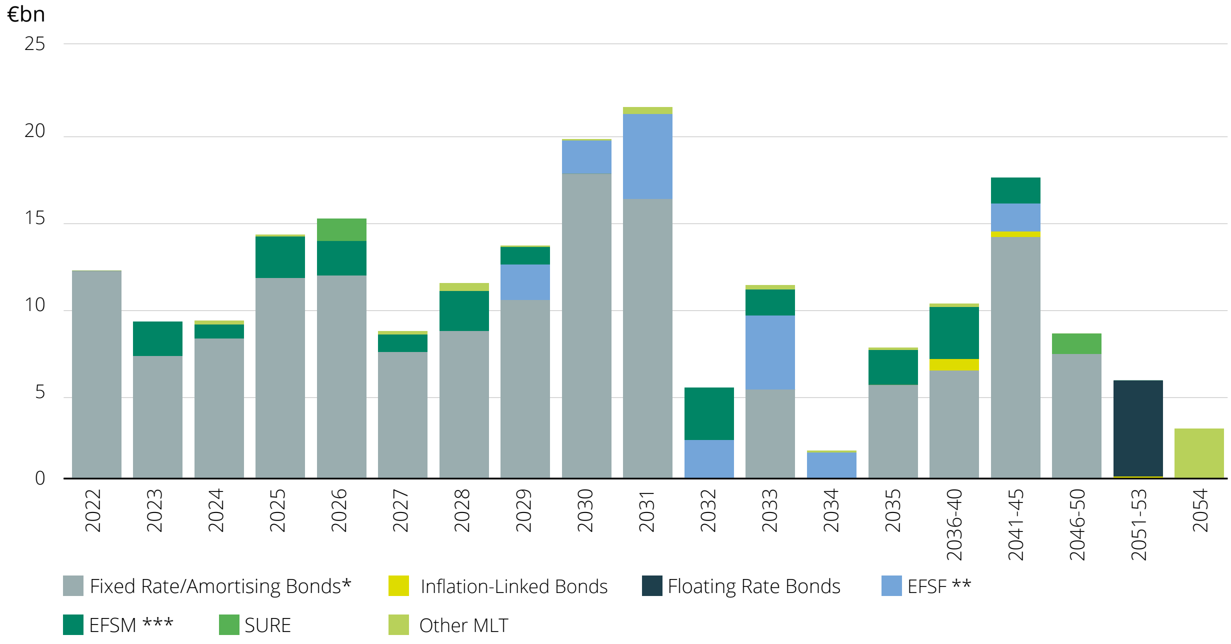
The Irish Government bond market has a strong primary dealer group, mainly consisting of international investment banks with a global reach. The 14 primary dealers have exclusive access to Irish Government bond auctions and are required to quote continuous buy and sell prices in Irish benchmark bonds.

Maturity Profile

The maturity profile of Ireland's €202.7bn medium-long term (MLT) debt portfolio, as at end-2021, is shown in the graph on page 22. The only maturity of note in 2021 was the final £0.4bn tranche of the UK bilateral loan, which was repaid in March. Four of the six EU-IMF Programme loan facilities have now been fully repaid. While there were no benchmark bond maturities in 2021, there are two in 2022. The first – in March – was for €6.8bn of the 0.8% 2022 bond. The second in October is for €5bn of the 0% 2022 bond.

Funding and Debt Management (continued)

Maturity Profile of Ireland's Medium & Long-Term Debt at End-2021



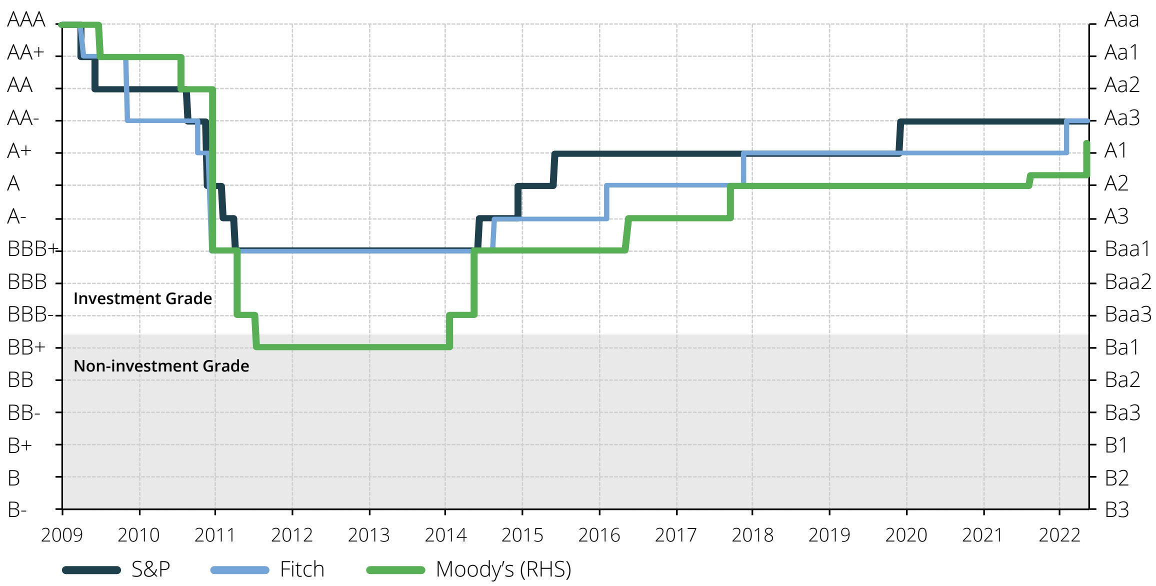
Source: NTMA

Notes:
*Reflects NTMA repo activity.
**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.

Credit Ratings

The ratings of the three main agencies remained stable during 2021. However Moody's upgraded the outlook on Ireland's rating to positive in August.

In early 2022, there were some positive movements in Ireland's credit ratings. In January, Fitch upgraded Ireland's rating by one notch to AA-, with a stable outlook. In May, Moody's also upgraded Ireland's rating by one notch, to A1, and maintained the positive outlook. Both upgrades were the first from the respective rating agencies since 2017. The Fitch upgrade returns Ireland to the AA rating category for the first time since 2010 while the new rating from Moody's is the highest since 2010. The graph below charts Ireland's historical ratings for the three main rating agencies.



DBRS Morningstar and R&I also upgraded Ireland's rating, to AA (low) and AA- respectively in the early months of 2022.

In their assessments, the rating agencies noted the resilience of the Irish economy, the strong revenue performance, and the improved debt sustainability metrics.

Ireland's Sovereign Credit Ratings – as at May 2022

Rating Agency	Long-Term rating	Short-Term rating	Outlook/ Trend
Standard & Poor's	AA-	A-1+	Stable
Moody's	A1	P-1	Positive
Fitch Ratings	AA-	F1+	Stable
DBRS Morningstar	AA (low)	R-1 (middle)	Stable
R&I	AA-	a-1+	Stable
KBRA	AA-	K1+	Stable
Scope Ratings	AA-	S-1+	Stable

Investor Relations

The NTMA's investor relations programme continued to evolve in 2021. 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 plan.

In light of the ongoing pandemic, the NTMA conducted all investor relations meetings in a virtual setting in 2021. "Virtual roadshows" took place with investors based in all major financial centres as well as secondary centres such as Spain, Portugal, Greece and Austria. The flexibility of virtual roadshows meant a larger number of meetings could take place, reaching new and current investors in the process.

Ireland Apple Escrow Fund

The NTMA continues to perform certain functions of the Minister for Finance in relation to the investment of the Ireland Apple Escrow Fund (the "Fund") in accordance with delegation orders made by the Minister and related Ministerial directions. An Investment Committee comprising an equal number of members appointed by the NTMA (as agent of the Minister) and by Apple Sales International Limited and Apple Operations Europe Limited, is responsible for investment oversight and for monitoring the performance of the investment managers and the escrow agent / custodian. The committee met on four occasions during 2021.

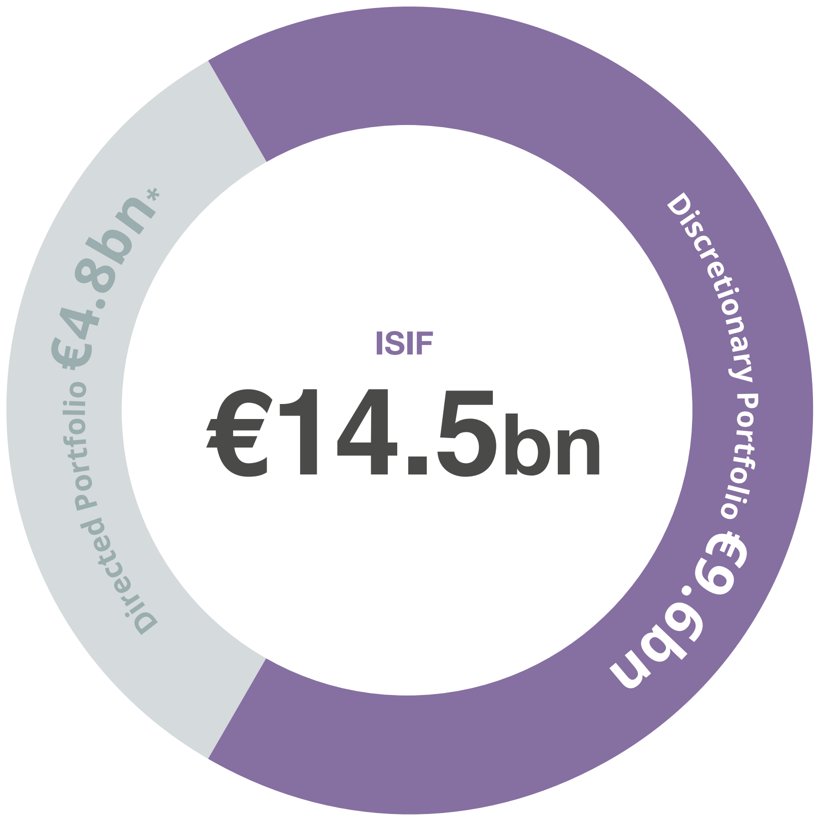
In accordance with Section 28 of the National Treasury Management Agency (Amendment) Act 2000 and at the direction of the Minister for Finance the NTMA is required to prepare and keep accounts for the Fund, which are subject to audit by the Comptroller and Auditor General. These accounts, which are submitted 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.

Further information on the background to, and establishment of, the Fund as well as information on the investment strategy for the Fund, can be found in the NTMA Annual Report 2020.

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.
Figures may not total due to rounding.

Economic Impact

37,322

Jobs supported to end-June 2021.

Investments

166

Commitments across multiple sectors, including 25 during 2021.

Financial Returns

+10.7%

ISIF investment returns of +10.7% in 2021 with accumulated returns at end-2021 of just under €2.7bn since inception including €940m in 2021.

Ireland Strategic Investment Fund (continued)

Overview

The Ireland Strategic Investment Fund (ISIF), controlled and managed by the National Treasury Management Agency (NTMA), is a €14.5bn fund. The ISIF is comprised of the Discretionary Portfolio (€9.6bn) and the Directed Portfolio (€4.8bn). 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. ISIF's 2019 Investment Strategy sets out its Priority Themes including Regional Development, Housing, Indigenous Businesses, Climate Change and sectors adversely affected by Brexit[2]. In May 2020 in response to the COVID-19 pandemic, 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. Given the protracted nature of the pandemic throughout 2021, ISIF continued to support the stabilisation and recovery efforts of businesses within key parts of the economy.

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 negatively impacted by the COVID-19 crisis, could return to viability and contribute to the recovery of the Irish economy. With the economy in recovery phase, ISIF continues to invest on a commercial basis to support and accelerate economic recovery and growth more widely, with a particular focus on Regional Development, Indigenous Businesses, Housing, Climate Change, Food and Agriculture and 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, 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 investment strategy or the Priority Themes.

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 ISIF's "double bottom line" mandate makes it one of the few sovereign funds globally which invests to support both 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 *(as defined in the National Treasury Management Agency (Amendment) Act 2014)*.

The Discretionary Portfolio includes €3.8bn of investments designed to have a domestic economic impact and €5.8bn in global investments designed to be low risk and that are highly liquid. The Discretionary Portfolio value has grown since inception from €7.1bn to €9.6bn, driven by investment gains of just under €2.7bn, 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) and net of transfers to other Government initiatives, including to the National Surplus (Exceptional Contingencies) Reserve Fund (Rainy Day Fund), of €1.7bn.

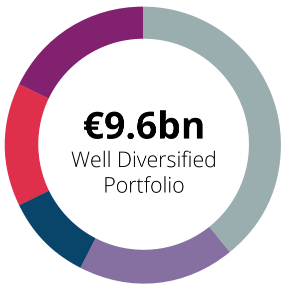
Performance

In 2021, the ISIF investment return was +10.7%. The Discretionary Portfolio benefited from strong equity markets in 2021, especially in the venture capital and private equity sectors. Since inception to end-2021, the ISIF has generated +4.5% per annum. ISIF's investment target is to exceed the five-year rolling cost of Government debt (2.9% at end-2021) over the long term.

At the end of June 2021, ISIF investments supported 37,322 jobs and the generation of €1.6bn turnover from Irish based companies and projects. Further details can be found on page 29.

Asset Allocation

ISIF Overview at End-2021



Equity	**€3.8bn**
Fixed Income	**€1.8bn**
Real Assets	**€1.0bn**
Absolute Return	**€1.4bn**
Cash and Equivalent	**€1.7bn**

Figures may not total due to rounding. Figures reflect the economic exposure of each asset class.

A total of €5.6bn has been committed to Ireland (€3.8bn invested) since the Fund's inception in December 2014. €670m was committed by ISIF to 25 separate investments during 2021 (average investment size of €27m), see table on page 27 for more details. 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.

Additionally, there is €5.8bn of assets globally invested of which just under €2.0bn is allocated to other Government priority initiatives (€1.25bn to Land Development Agency (LDA) and €0.73bn to Home Building Finance Ireland (HBFI)). The main

2 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.

objective of the global investments is to provide liquidity for Irish Portfolio investments as well as other directed or expected withdrawals (including in respect of HBFI and the LDA) and to earn an appropriate risk adjusted return that will assist ISIF's performance with a low risk appetite. A table of the global investment managers are outlined on page 28.

Irish Investments During 2021

Investment	Description of Investment	Approximate amount €m
GASL Holdings LLC	Debt facility to an existing ISIF investee that operates in the aircraft leasing industry in Ireland.	12
Stripe Inc.	A global technology company building economic infrastructure for the internet, dual-headquartered in San Francisco and Dublin.	42
Birch Corporate Credit DAC	DunPort loan fund investing flexible capital in COVID-19 pandemic impacted SMEs based in Ireland.	50
Beach Point Capital Fund II (BPC Ireland Lending II DAC)	Loan fund providing debt to growth stage Irish SMEs.	15
Fexco	Debt facility to support the ongoing operations and growth of a leading Irish payments and technology company.	20
Ocuco Limited	Debt facility to support provider of software to optical retailers and optical lens manufacturing labs.	15
AMCS (follow-on)	Follow-on investment in an existing investee that develops software for the waste, recycling and resource sectors.	3
Vectra AI Inc. (follow-on)	Follow-on investment in an existing investee that develops and sells enterprise cyber-security software.	3
Illumina Innovation Fund II, L.P.	Fund will support early-stage companies across the US and EU that are pioneering breakthroughs in life science tools, clinical diagnostics, therapeutics platforms, digital health, and other applications of genomics.	25
Lightstone Ventures Fund III, L.P.	Fund will invest in early stage, therapeutic-oriented companies in the US, EU and Asia, as well as opportunistic late-stage opportunities.	16
Oak Corporate Credit DAC	Loan fund providing debt to lower mid-market SMEs and medium sized corporates.	95
Scottish Equity Partners Fund VI (SEP VI LP)	Private equity investments in growth stage technology businesses in the UK, Ireland and Europe.	35
Just Climate	Climate fund managed by Generation targeting a range of high-impact, market-ready solutions which require catalytic capital.	
Activate Capital Partners	Late-stage venture capital / private equity investments in companies that enable energy transition, mobility technologies and digital transformation.	134 across 3 climate funds
SDCL Green Energy	Energy transition-focused fund that seeks to deploy development capital into projects in energy efficiency.	
Housing Infrastructure Services Company DAC (HISCo) (follow-on)	A revolving credit facility to HISCo, ISIF's 50:50 joint venture with Cork County Council supporting residential development.	20
SIF- Ascension I, L.P.	Fund of funds focusing on supporting the next generation of venture capital fund managers in the technology and life sciences sector.	13
ACT VI Venture Fund, L.P.	Fund focusing on investing in high potential technology companies located primarily in Ireland.	20
Polaris Innovation Fund II L.P.	Fund aims to accelerate the commercial and therapeutic potential of early-stage academic research, focusing on company creation and growth through an active investment model.	9
Seroba Life Sciences Fund IV L.P.	Dublin headquartered European venture capital firm – Fund IV will invest in early-stage Biotech and Medical device companies in Ireland, Western EU and the US.	20
Finance Ireland Agri Funding DAC (Milkflex II) (follow-on)	Investment to support existing borrower to increase loans provided for milk farmers under the flagship product.	61
Kilkenny Abbey Quarter Development Partnership (follow-on)	Funding to support the development of further phases of the Abbey Quarter scheme in Kilkenny.	3
Frontline EMEA Expansion Fund II LP	Venture capital focusing on sourcing high quality FDI into Ireland.	35
Harrison Street European Property Partners III	Real estate equity fund targeting student accommodation, life sciences and speciality residential.	25
Finistere Ventures Fund III L.P. *	Fund is focused on global early stage agri-tech investments.	16
Total		**670**

* Rollover commitment from Finistere Ireland Ag-Tech Fund
Figures may not total due to rounding.

Ireland Strategic Investment Fund (continued)

Global Investment Managers at End-2021

Manager	Mandate	Market Value €m	%
Goldman Sachs Asset Management	Multi-Asset	1,750	30
Irish Life Investment Managers	Multi-Asset	835	14
Amundi Asset Management	Fixed Income	140	2
Mackay Shields European Investment Management	Fixed Income	100	2
Acadian Asset Management	Equity	426	7
Generation Investment Management	Equity	375	6
Blackstone Alternative Asset Management	Absolute Return	261	4
Bridgewater Associates	Absolute Return	240	4
Global Real Estate Managers*	Real Estate	14	0
NTMA	Cash and Financial Assets	1,675	29
Total		**5,817**	**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.

Capital Allocation - 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 €400m to investments in the renewable energy, climate tech and forestry spaces. ISIF announced it is targeting €1bn in climate action-related investments over the next 5 years. Investments include:

Investment Name	Description
Gore Street Energy Storage Fund plc	£30m investment in Gore Street Energy Storage Fund plc, resulting in a 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	€55m investment alongside European Investment Bank in a Dasos-managed fund to support new investment in privately owned forests across Ireland.
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.
2021 Climate Investments	Approximately €134m in climate investments closed in 2021.
Just Climate	Climate fund managed by Generation targeting a range of high-impact, market-ready solutions which require catalytic capital.
Activate Capital Partners	Late-stage venture capital / private equity investments in companies that enable energy transition, mobility technologies and digital transformation.
SDCL Green Energy	Energy transition-focused fund that seeks to deploy development capital into projects in energy efficiency.

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. ISIF also considers sector specific metrics such as housing and climate.

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 2021 survey are outlined here.

ISIF Economic Impact As At June 2021

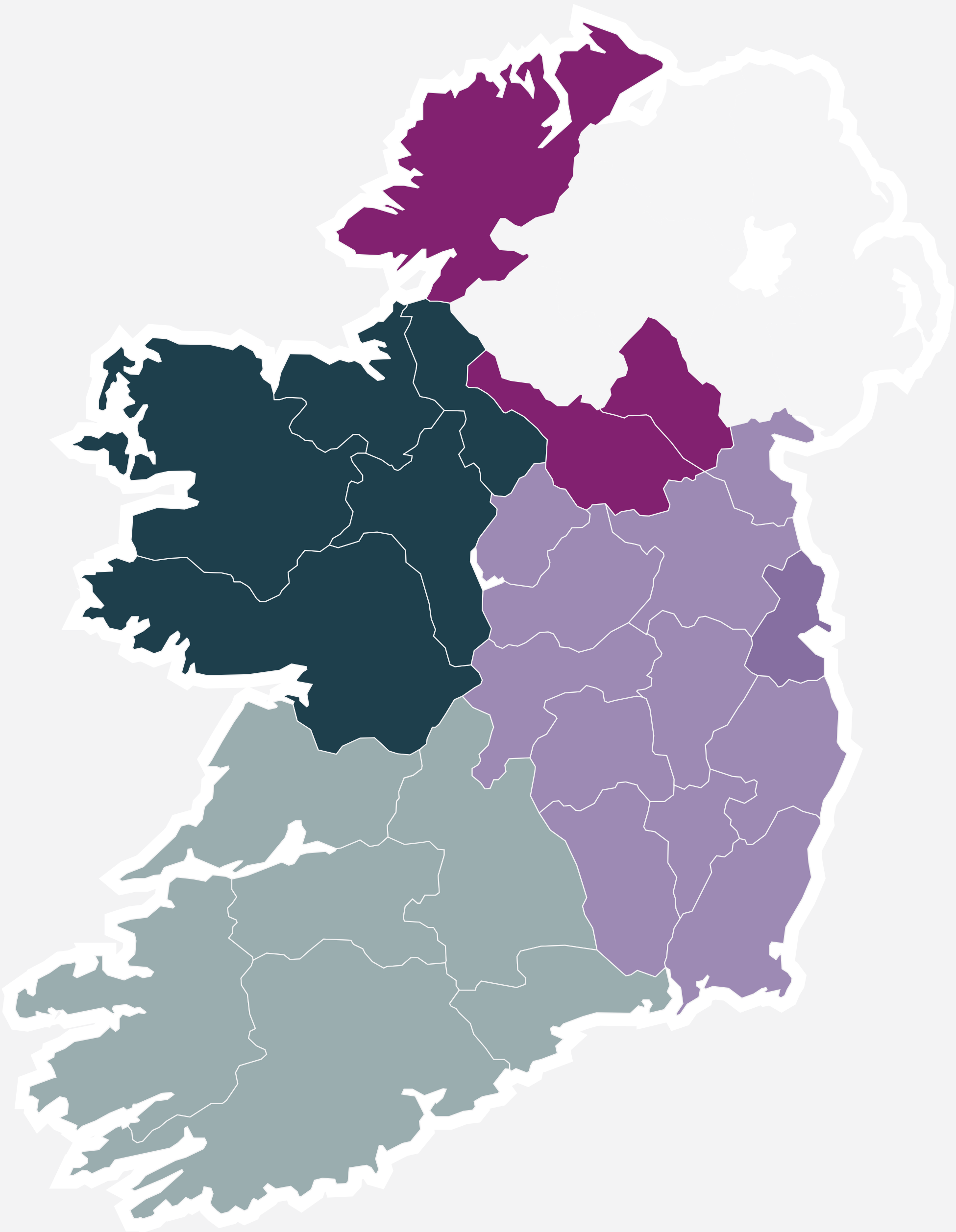
2,592
Irish based companies/projects
generated combined revenues of €1.56bn, 30% through exports.

€536m
Wages & Salaries
earned in the six months to June 2021.

37,322
Jobs
are supported, directly and indirectly, by ISIF investments.

€551m
Gross Value Added (GVA)
to the Irish economy for the six months to June 2021.

ISIF Regional Economic Impact H1 2021



	Ulster	Munster	Connacht	Leinster (Ex Dublin)	Dublin
Jobs	4%	17%	4%	18%	57%
ISIF Capital	2%	20%	6%	14%	58%
GVA	7%	27%	8%	26%	32%
*CSO Regional Split of GVA (2019)	3%	35%	3%	18%	41%

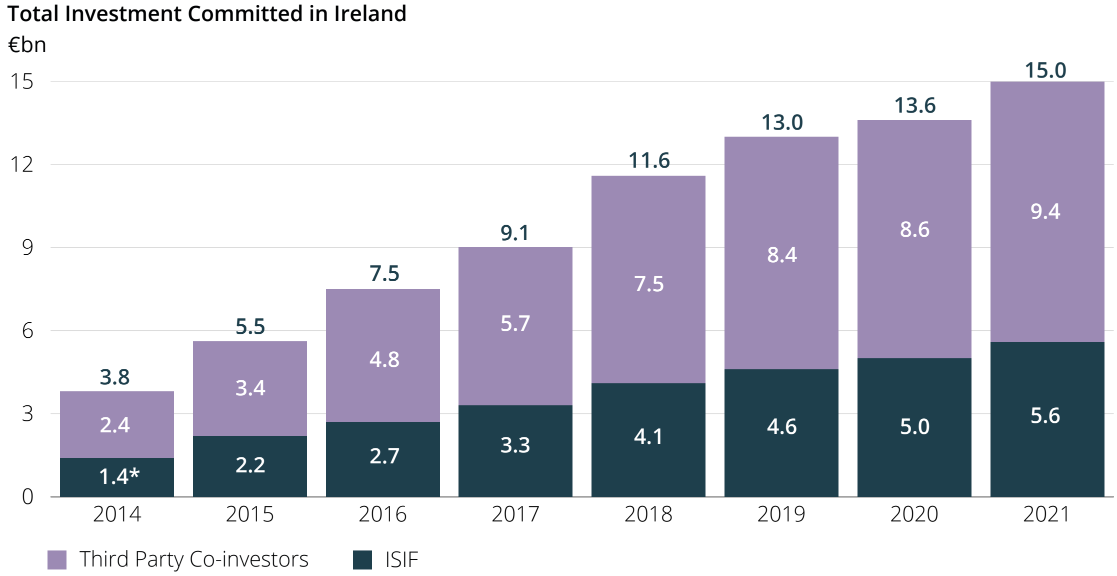
* Gross Value Added (GVA) is the enterprise or sector level measure of goods or services produced which, when aggregated across all enterprises and adjusted for taxes and subsidies, equals Gross Domestic Product (GDP).

Leveraging ISIF's Impact

Including third-party co-investor commitments, a total of €15.0bn had been committed to investment in Ireland arising from ISIF investments.

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 2021, ISIF exceeded this target with a co-investment rate of €1.7m alongside every €1m committed by ISIF.

ISIF Commitments To Ireland 2014-2021

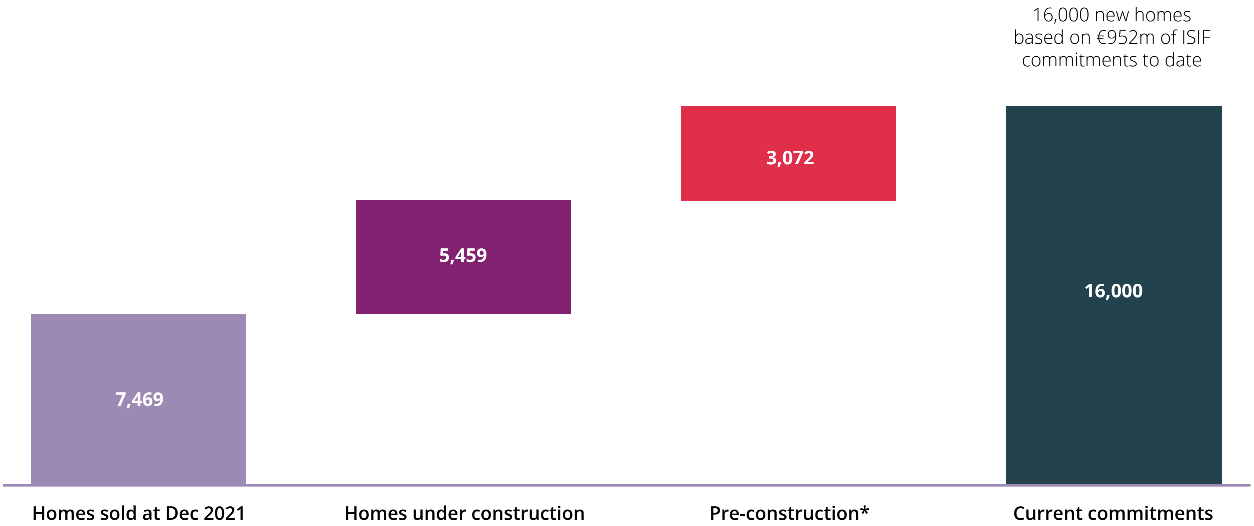


*Irish assets transferred in December 2014 from NPRF that were broadly consistent with ISIF mandate.

Figures may not total due to rounding.

Housing

ISIF committed €952m to residential housing targeting the delivery of 16,000 new homes. By end-2021, 7,469 homes sold with an additional 5,459 under construction.



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

Sustainability and Responsible Investment

ISIF is a universal owner, meaning its long-term returns are dependent on the economy's overall health, and therefore integrating Environmental, Social and Governance (ESG) factors are core to its investment approach. ESG consideration benefits ISIF not just through each individual investment, but also at an overall portfolio level, ultimately enhancing both the long-term value of the Fund and the reputation of NTMA in delivering on its mandate.

ISIF's overarching approach to Sustainability and Responsible Investment (S&RI) includes the following:

- ISIF is focused on ensuring that the whole portfolio, 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.
- ISIF seeks to engage with likeminded investors and organisations that share ISIF's ambition to deliver on ESG priorities. ISIF is a founding signatory to the Principles of Responsible Investment (PRI), supporter of CDP (formerly the Carbon Disclosure Project) and Climate Action 100+ and an endorser of the One Planet Sovereign Wealth Funds (OPSWF) initiative and the Santiago Principles.

Whole of Fund approach to Sustainability and Responsible Investment

The key tools that ISIF uses include: (1) divestment, (2) integrated analysis, (3) active ownership and (4) capital allocation. ISIF's aim is to implement ESG in a broadly consistent manner across its portfolios.

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 ESG factors, are best placed to achieve a sustainable competitive advantage and provide strong, long-term investment returns.
- To deliver long-term sustainable returns, ISIF needs to think long term.
- ESG risks vary between asset classes, sector and companies and we adapt our approach and strategy as appropriate. The different characteristics of the Irish investments and Global investments require varied ESG tools and approaches that take investment characteristics, time horizons, asset classes and liquidity profiles, together with the size, scale and maturity of investees into consideration.
- Investing with impact is key to ISIF's mandate and Climate Change is a critical issue for the Fund.

ISIF Climate Report

ISIF published its first-ever annual Climate Report in 2021, committing to support the long-term transition to Net Zero in Ireland before 2050 by driving substantial emissions reductions within the ISIF Portfolio and increasing ISIF's climate impact by 2030.

The Climate Report reflects the growing importance of climate action to ISIF and contains key metrics on carbon emissions from ISIF investments, building on ISIF's existing environmental disclosures, as well as details of ISIF's goals. The Climate Report demonstrates that ISIF is focused on ensuring that in both its Global and Irish investments, investee companies and third party managers are considering potential climate risks and opportunities as appropriate and that these are captured as a part of ISIF's decision making and portfolio management.

Directions from the Minister for Finance

The ISIF has allocated just under €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 LDA. The Land Development Agency Act 2021 was enacted in July 2021 and relevant provisions came into effect on 1 December 2021. On 10 March 2022, the Minister for Finance directed the NTMA to transfer €100m out of the assets of the ISIF to the LDA no later than 24 March 2022 for the purpose of discharging the Minister's liability arising as a result of the Minister for Housing, Local Government and Heritage's subscription and the Minister for Public Expenditure and Reform's subscription for shares in the LDA in accordance with Section 25(2) of the Land Development Act 2021.
- **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 HBFIL. Since the establishment of HBFI, €144m in total has been drawn down. Taking into account repayments of €10m by HBFIL, the outstanding loan as at end-2021 amounted to €134m.

Directed Portfolio

The Directed Portfolio – primarily public policy investments in AIB Group plc (AIB), Bank of Ireland Group plc (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.

On 23 June 2021 and 4 November 2021, the Minister for Finance directed the NTMA to facilitate the sale of part of the State's shareholding in Bank of Ireland, which is held as a directed investment within the ISIF, and to subsequently transfer the net cash proceeds of sale to the Exchequer. Net proceeds of €249m were transferred to the Exchequer on 10 November 2021 and the ISIF's directed shareholding in Bank of Ireland had been reduced from c.14% at 23 June 2021 to 8% by 31 December 2021.

On 21 December 2021, the Minister for Finance directed the NTMA to facilitate the sale of part of the State's shareholding in AIB, which is held as a directed investment within the ISIF, over a period of up to six months, and to subsequently transfer the net cash proceeds of sale to the Exchequer. The sale of shares commenced in early 2022.

At end-2021, the Directed Portfolio comprised:

i. Ordinary shares in AIB valued at the market price of €2.084 per share;

ii. Ordinary shares in Bank of Ireland valued at the market price of €4.986 per share;

iii. €249m in cash, including commitments of €165m to the SBCI; and

iv. €134m loan to HBFI.

The Directed Portfolio had a valuation of €4.8bn at end-2021. Its return in 2021 was +26%. Arising from the €20.7bn invested in AIB and Bank of Ireland, cash returns on investments to date have amounted to €11.0bn while investment valuations at end-2021 were €4.4bn, bringing the total amount (income and value) to €15.4bn.

Directed Portfolio at End-2021

	Cash Invested €bn	Cash Received €bn	End-2020 Value €bn	End-2021 Value €bn	Total (Income & Value) €bn	Shareholding at End-2021 %
Bank of Ireland	4.7	4.6	0.5	0.4	5.0	8
AIB	16.0	6.4	3.2	4.0	10.4	71
Total Bank Investments	20.7	11.0	3.7	4.4	15.4	
HBFI			0.0	0.1		
Cash and committments to SBCI			0.2	0.2		
Total Directed Portfolio			3.9	4.8		

Figures may not total due to rounding.

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. In this role, the NDFA is responsible for the procurement and construction of projects referred to it before handing the completed asset over to the relevant sponsoring Department/agency.

Delivering PPP and Non-PPP Infrastructure

Capital Value

€1.6bn

Delivery of primarily social housing and education PPP and non-PPP infrastructure projects with an estimated capital value of €1.6bn.

Social Housing

Procurement and delivery of three social housing PPP projects. During 2021, both Social Housing PPP Bundle 1 (534 homes) and Social Housing PPP Bundle 2 (465 homes) were completed. In total, these two projects provided nearly 1,000 social homes in 14 sites across nine counties. Pre-procurement activities continued in 2021 on Social Housing PPP Bundle 3, which will deliver c.480 homes across four counties. This bundle is expected to commence procurement in 2022. The NDFA is currently engaged with the Department of Housing, Local Government and Heritage and with local authorities in relation to further social housing bundles and eight sites to be procured in a fourth bundle (Bundle 4), which will provide c.780 homes within the Dublin City Council area have been approved by the Department of Housing.

Education

Procurement and delivery of three PPP educational projects and a programme of non-PPP Exchequer Funded educational projects. Construction on the landmark PPP facilities at the Technological University (TU) Dublin campus in Grangegorman was completed in March 2021. Elsewhere in the higher education sector, procurement progressed on a programme of 11 Higher Education facilities, in two bundles, across nine counties. Bundle 1 is at preferred tenderer stage and Bundle 2 is at competitive dialogue stage. Pre-procurement activities on a programme of Exchequer Funded schools are well advanced with procurement of the first bundle in the programme having commenced in March 2022.

Providing Financial Advice

Capital Value

€6.5bn

Providing financial advice on PPP (procurement, construction and operations) and non-PPP infrastructure projects in sectors including education, housing, transport, health and climate action with an estimated capital value of €6.5bn.

Education

Providing financial advice on a number of PPP and non-PPP education projects to the Department of Education, the Department of Further and Higher Education, Research, Innovation and Science and the following universities: National University of Ireland Galway, Dublin City University and University College Dublin.

Housing

Providing financial advice across a range of housing initiatives, including mixed tenure local authority developments and a pilot cost rental scheme, as well as on a number of social housing PPP projects to the Department of Housing, Local Government and Heritage.

Transport

Providing financial advice on a number of transport projects, in particular in the rail and road sectors (including Metrolink, which is at an early stage of development).

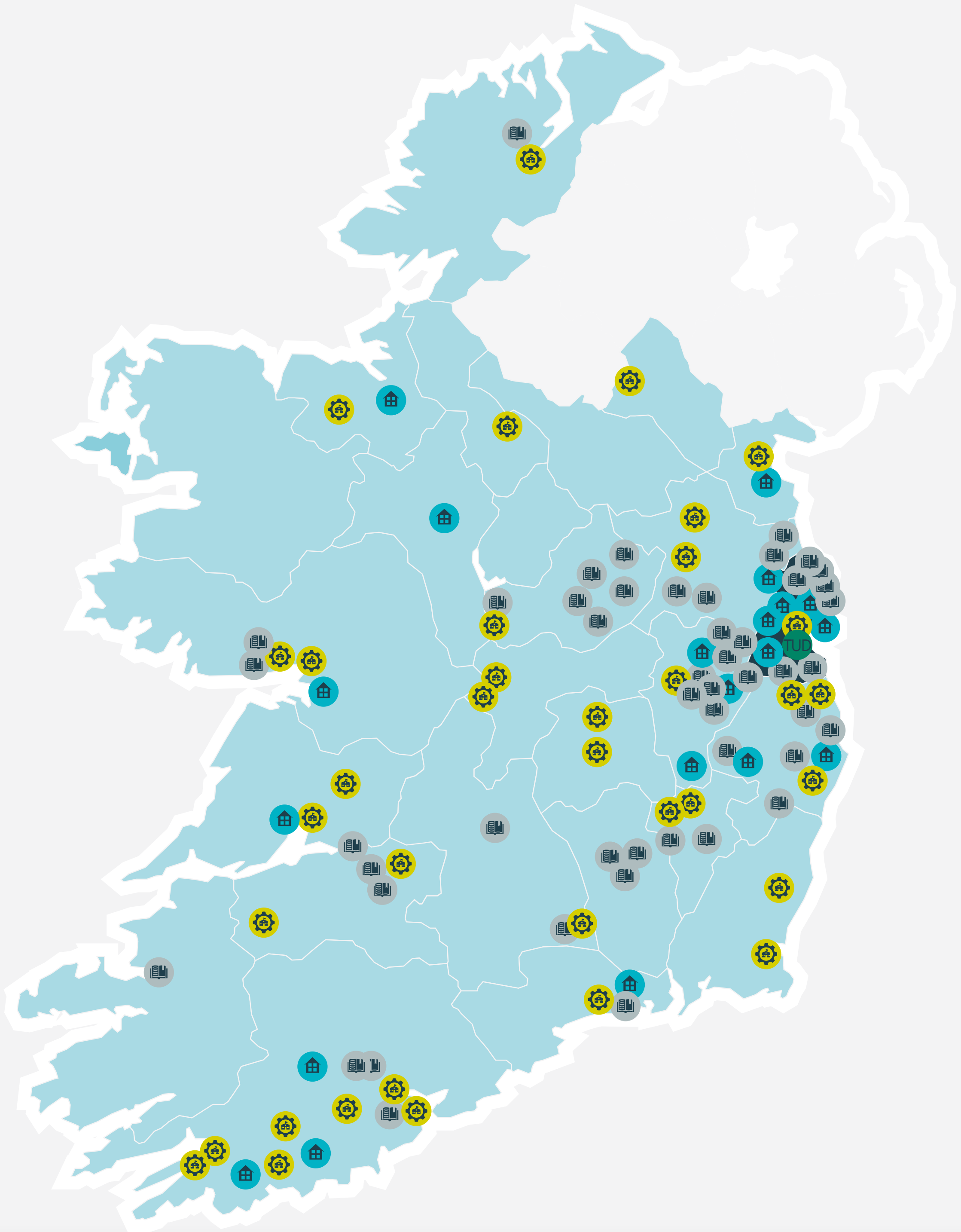
Health

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

Climate Action

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

NDFA Project Locations



Projects in pre-procurement/procurement/ construction by the NDFA in 2021

- Schools & Higher Education facilities
- Social Housing Bundles 1, 2 and 3
- TUD TU Dublin at Grangegorman

Operational PPPs under contract management by NDFA or where support services provided in 2021

- Operational facilities comprising 33 schools across all four provinces, the National Maritime College of Ireland, the Cork School of Music and the Convention Centre Dublin.

Note: Social Housing Bundle 1 and 2 and TU Dublin at Grangegorman are also now under contract management by the NDFA following construction completion.

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. The NDFA also provides financial advice to State authorities on some projects below this threshold. It procures and delivers PPP projects when engaged by State authorities and Exchequer Funded (non-PPP) projects on behalf of the Department of Education.

The NDFA supports sustainable procurement and the delivery of infrastructure under the Climate Action Plan by preparing green procurement plans. These plans detail climate action and sustainability initiatives being undertaken on projects, including appropriate formal environmental assessment, sustainability scoring in tender assessment and the use of digital technologies for the design, construction and operation of facilities to facilitate better resource efficiency.

Delivery Of PPP Projects

The procurement and delivery of PPP projects and of Exchequer Funded projects was a key focus of the NDFA's activities in 2021.

Progress on PPP Projects Being Procured by the NDFA at End-2021

Project	Description	Status
Social Housing PPP Programme – Bundle 1	Development of 534 social homes in Dublin, Kildare, Louth and Wicklow.	Completed. 329 homes were completed during 2021 (205 homes were previously completed in 2020).
Social Housing PPP Programme – Bundle 2	Development of 465 social homes in Clare, Cork, Galway, Kildare, Roscommon and Waterford.	Completed. All homes were completed during 2021.
Social Housing PPP Programme – Bundle 3	Development of c. 480 social homes in Dublin, Kildare, Sligo and Wicklow.	Planning processes are well advanced and prequalification is expected to commence in 2022.
TU Dublin at Grangegorman PPP	Development of two quad buildings at the 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.	A preferred tenderer was appointed in September 2021 and the project is expected to progress to financial close in 2022.
Higher Education PPP Programme - Bundle 2	Development of five higher education facilities, primarily focused on STEM, across five counties.	The project is currently at competitive dialogue stage.
Justice PPP	Development of a family court facility at Hammond Lane in Dublin 7 and two Garda stations at Clonmel and Macroom.	In pre-procurement. Preliminary business cases and a PPP suitability assessment for a combined justice PPP have been prepared.

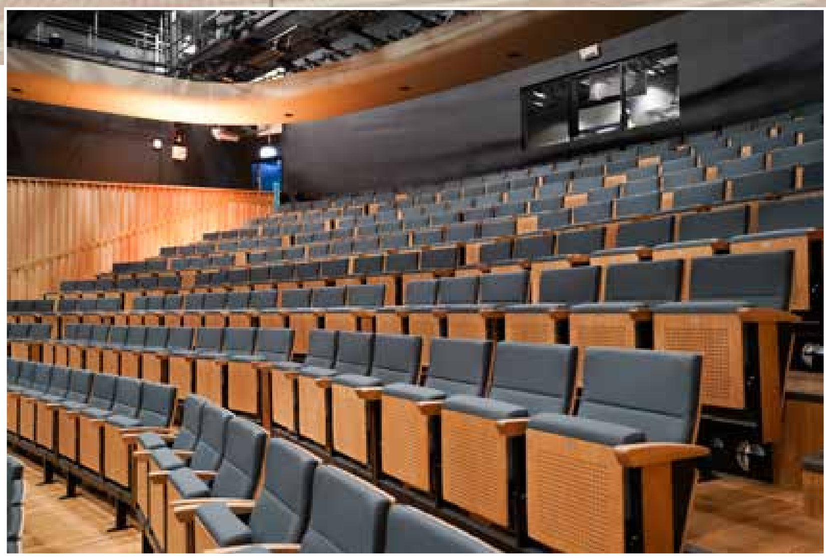
During 2021, the NDFA also took part in the Supporting Excellence Action Team (SEAT) which undertook to develop a road map for the implementation of the EY Report '*Supporting Excellence: Capital Project and Programme Delivery Capability Review*' published in March 2021 by the Department of Public Expenditure and Reform. The findings of the SEAT were set out in a report published with the National Development Plan in October 2021. A number of actions under this report have been assigned to the NDFA, including the completion of a pilot partnership model with the Department of Further and Higher Education, Research, Innovation and Science which aims to strengthen sectoral capability to deliver the National Development Plan. The NDFA is currently working with the Department of Further and Higher Education, Research, Innovation and Science on the implementation of this model.

2021 In Focus: Project Completions

2021 was a landmark year for PPP delivery in the NDFA in social housing and in education despite the ongoing challenges from COVID-19. Throughout the year the NDFA conducted monitoring of project sites to ensure that Government safety protocols were being adhered to.

TU Dublin Campus at Grangegorman PPP

In March 2021, the Central Quad building on the TU Dublin Grangegorman campus was completed bringing the construction phase of these important buildings to a close. This followed the completion of the East Quad building in late 2020. Together, these buildings can accommodate 10,000 students and 700 staff. These new quad buildings were designed to provide modern and sustainable academic facilities and staff accommodation spaces using the latest construction methods and to align with the overall master plan for the Grangegorman campus. The NDFA was the procuring body acting for and on behalf of the Minister for Further and Higher Education, Research, Innovation and Science and was financial adviser for the project. It is now providing contract management services for the operational period.



The Central Quad & Performance Hall in the East Quad, TU Dublin Grangegorman Campus

Social Housing PPP Bundles 1 and 2

Social Housing PPP Bundles 1 and 2 reached construction completion in 2021 and delivered nearly 1,000 homes. The first 205 homes in Bundle 1 were delivered in 2020 with the remaining 329 homes delivered in 2021. All 465 homes in Bundle 2 were delivered in 2021.

All homes delivered in these projects achieved the **NZEB**[3] standard featuring air-tight construction and controlled ventilation for a comfortable living environment. **Lifetime Homes** considerations were also incorporated where practicable to ensure that homes can be readily adapted to meet changing tenant needs over time.

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


Social Housing Bundle 1, Kildare


Social Housing Bundle 2, Galway


Social Housing Bundle 1, Wicklow


Social Housing Bundle 2, Roscommon

Looking Forward: Social Housing PPP Bundles

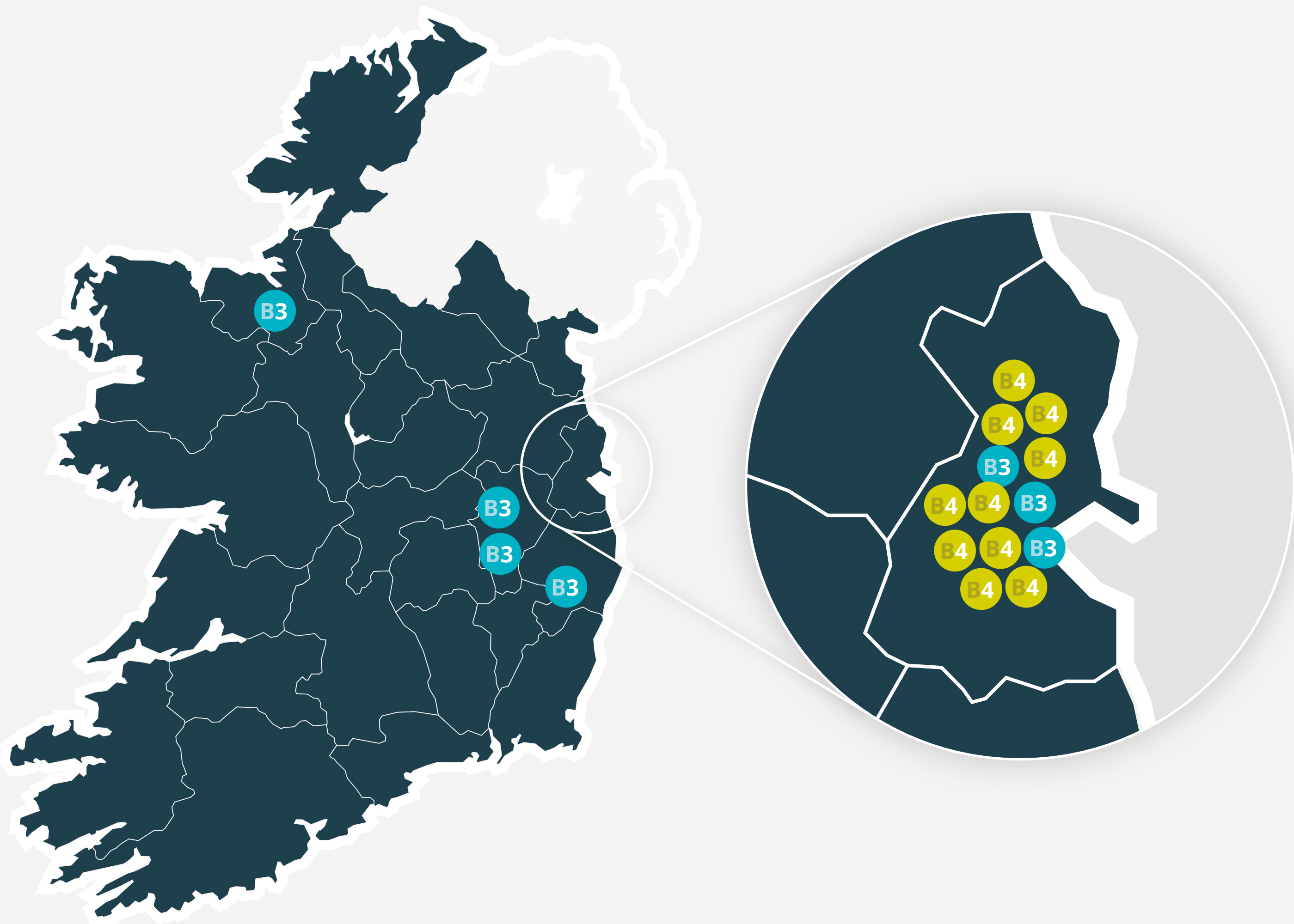
The NDFA has worked in close collaboration with the Department of Housing, Local Government and Heritage and multiple local authorities to progress the current Social Housing PPP Programme.

The Government's 'Housing for All' plan published in September 2021 noted: *"Building on the successful model of social housing PPPs introduced in recent years, which is delivering in the region of 1,500 social homes across three bundles nationally between 2020 and 2024, we will increase their use to deliver social housing. The PPP model provides a delivery structure whereby social housing homes remain in State ownership throughout. The PPPs will be focused in cities, in particular Dublin, to support the acceleration of delivery from current levels to the levels required under Housing for All. The PPPs will be delivered in partnership with the NDFA and experienced tenancy management service providers such as Approved Housing Bodies."*

The NDFA is currently engaged with the Department of Housing, Local Government and Heritage and with local authorities in relation to further social housing bundles and eight sites to be procured in a fourth bundle (Bundle 4) which will provide c.780 homes within the Dublin City Council area have been approved by the Department of Housing.

3 *Nearly Zero Energy Building.*

National Development Finance Agency (continued)



	B3 Social Housing PPP Bundle 3	B4 Social Housing PPP Bundle 4
Contract signing	Expected 2024	Expected late 2024
Expected delivery of Homes	2025	2026
Number of homes in bundle	c. 480	c. 780
Local authorities	Dublin City Council Kildare Co. Council Sligo Co. Council Wicklow Co. Council	Dublin City Council

Delivery of Non-PPP Procured Projects

During 2021, the NDFA continued pre-procurement activities on a second programme of 'design and build' schools projects (non-PPP) for procurement by the NDFA on behalf of the Department of Education. While the programme initially comprised 20 individual school buildings to be delivered in three bundles, it has been expanded by a further 17 schools, to be delivered in three subsequent bundles. 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

A programme of 20 individual school building projects in three project bundles (Project Nore, Project Boyne and Project Dargle) was referred to the NDFA for procurement by the Department of Education in December 2018. This followed on from the successful delivery of a non-PPP programme of 15 schools in three bundles completed in 2015. The NDFA is adopting a bundling strategy and a 'design and build' contracting approach which uses the NDFA's experience with the first programme completed in 2015. This benefits from synergies with the NDFA's experience of delivery of projects at scale via PPP.

The programme was expanded by a further 17 school projects to include three further bundles (Project Lee, Project Liffey and Project Shannon). The developments range from new builds to extensions/refurbishment projects for works at both primary and post primary level in 11 counties across Ireland and are expected to provide in excess of 24,000 pupil places. Frameworks of project management/design team consultants and quantity surveyors have been appointed for the programme.

A shortlist of design and build contractors has been selected and the tender process for the first bundle (Project Nore) commenced in March 2022, with construction expected to start later this year. Project Nore will provide six new schools and the extension and refurbishment of one existing school.

Pre-procurement activities progressed in 2021 on the second and third bundles, Project Boyne and Project Dargle, following the appointment of project management/design teams consultants and quantity surveyors, and scheme designs are currently in development in conjunction with the programme stakeholders.

During 2021, the NDFA engaged in site suitability assessments on potential sites for the remaining three bundles in the programme, with 17 schools now selected for Project Lee, Project Liffey and Project Shannon. The procurement of advisors for the fourth bundle, Project Lee commenced in Q2 2022.

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 2021, the NDFA provided advice to stakeholders across a range of sectors including education, housing, transport, health and climate action. Notable examples include:

Education: the NDFA provided financial advisory assistance to the Department of Education and to certain universities on the financial robustness of contractors in relation to a number of projects.

Housing: the NDFA advised a number of local authorities seeking to deliver mixed tenure developments on their lands. The NDFA is also advising on a pilot cost rental scheme.

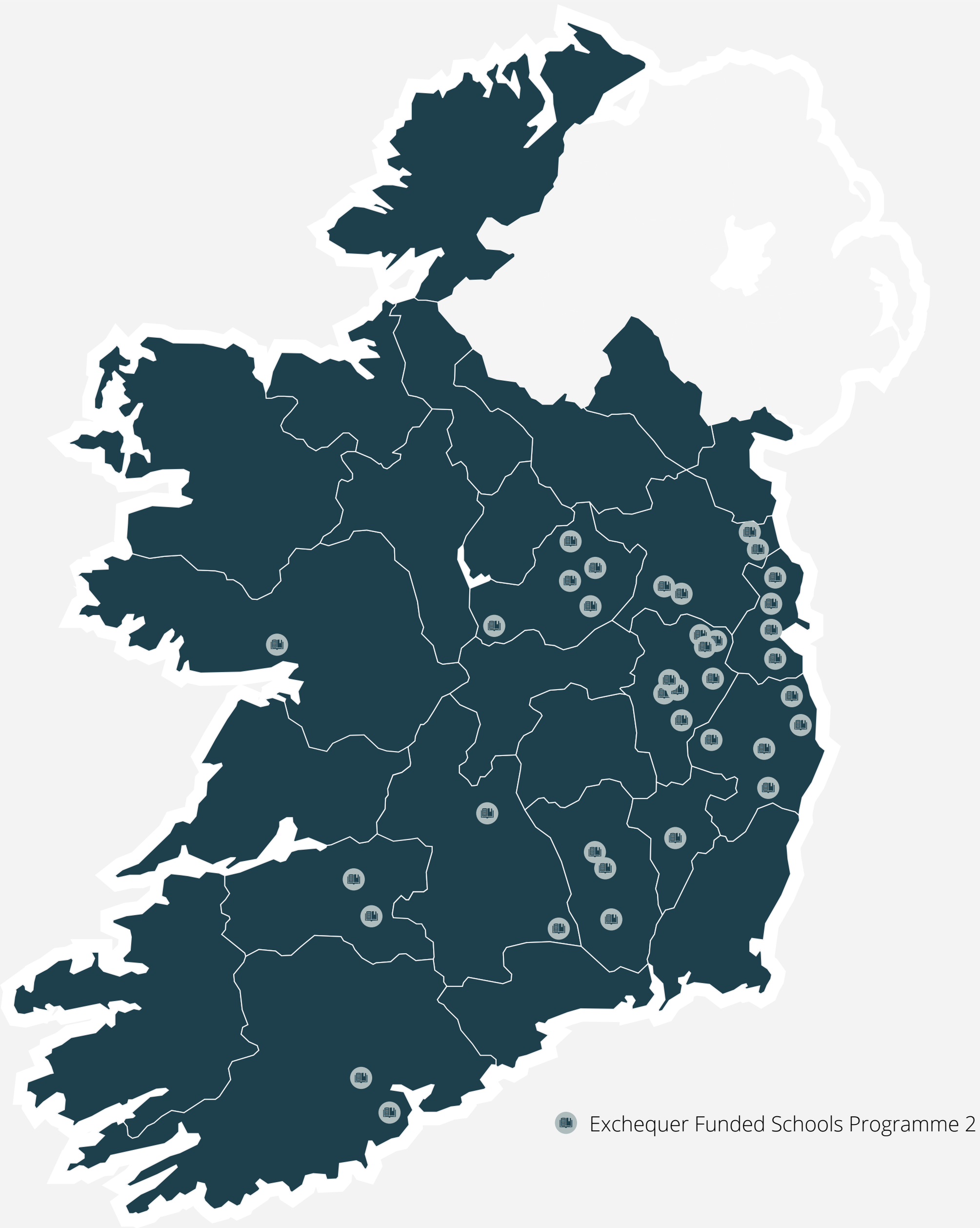
Transport: the NDFA advised Transport Infrastructure Ireland in relation to its public transport schemes, such as Metrolink, which is at an early stage of development, as well as certain roads schemes.

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.

Climate Action: the NDFA advised Dublin City Council in relation to its district heating scheme and has joined a steering group chaired by the Department of Environment, Climate and Communications to explore regulation, policy and funding structures for district heating. The NDFA advised Cork County Council on its Public Lighting Energy Efficiency Project – South West Region and Dublin City Council on its Public Lighting Upgrade. The NDFA also advised the Department of Environment, Climate and Communications on the selection of suitable projects for its Climate Action and Just Transition Funds.

During 2021, the NDFA joined the Major Projects Advisory Group (chaired by the Department of Public Expenditure and Reform), which is responsible for reviewing project proposals and external reviews for projects of scale (in excess of €100m) in advance of seeking Government approval to proceed. The NDFA also supported the Department of Public Expenditure and Reform in preparing financial analysis guidance for use in public sector project appraisal.

National Development Finance Agency (continued)



Progress on Selected Projects Where the NDFA Acted as Financial Advisor at End-2021

Project	Description	Status
Education	The NDFA is advising Dublin City University on a new STEM building, NUI Galway on provision of new student accommodation and UCD in relation to a number of large-scale capital expenditure projects.	The NDFA performed financial robustness evaluations in 2021.
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 a pilot cost rental scheme.	One of the largest mixed tenure schemes is Kilcarbery Grange which reached contract close in March 2021 and is now in construction.
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 by Transport Infrastructure Ireland is ongoing.
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 2022.
Climate Action	The NDFA is advising Dublin City Council on its district heating scheme.	Pre-procurement work by Dublin City Council is ongoing. The NDFA has prepared a financial and economic appraisal for the preliminary business case for the project.

Contract Management Services

The NDFA, at the request of the Department of Education, undertakes contract management of all operational PPP schools. This currently comprises six school PPP projects covering 33 educational facilities.

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, during the operational period, 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 charges or availability payments).

The NDFA provided contract management support to the Department of Housing, Local Government and Heritage for all sites in the Social Housing PPP Bundles 1 and 2 projects which were completed during 2020/2021. The NDFA provides PPP contract management support services for the Convention Centre, Dublin on behalf of the Office of Public Works. The NDFA continues to provide contract management support services to the Department of Further and Higher Education, Research, Innovation and Science for the Cork School of Music and the National Maritime College of Ireland PPP projects (both within MTU) and to TU Dublin for Grangegorman PPP.

In total the combined value of these projects under contract management by the NDFA at the end of 2021 was €1.2bn.

NewERA

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

Designated Companies

Overview

NewERA's core role is to provide financial and commercial advice to Government Ministers and Departments in relation to their shareholdings in 21 State-owned companies[4] across a range of sectors. Of these, 18 are designated to NewERA under its legislation whilst NewERA provides advice to the relevant Government Ministers and Departments on the other three companies by agreement. These companies are collectively referred to as the Portfolio or the Portfolio Companies.

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

Other Companies

IAA
Port of Cork
Shannon Foynes Port
shannon GROUP
Iarnród Éireann Irish Rail
Port of Waterford
daa
Uisce Éireann : Irish Water
LDA
Vhi Healthcare
RTÉ

Advisory Mandate Activity

€2.7bn
Debt Financing

€2.9bn
Capital Budgets and Commitments

€0.6bn
Capital Investment

€0.6bn
Joint ventures, acquisitions, disposals

NewERA (continued)

NewERA Advisory Functions

Financial performance, return on capital and dividend policy

Effective and efficient use of capital

Corporate Strategy

Capital and investment plans

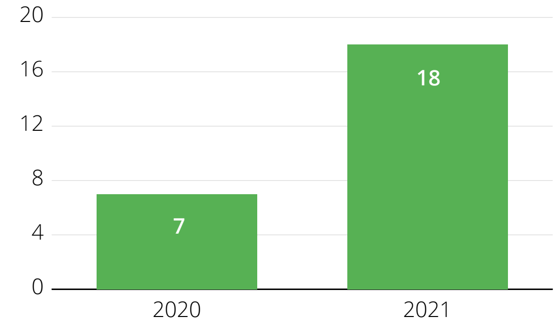
Acquisitions, disposals, reorganisations, restructurings

Board appointments and remuneration

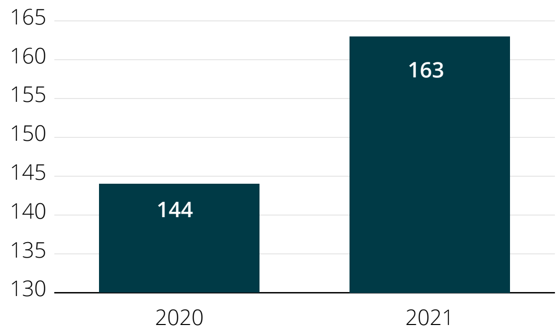
Growth in number of designated bodies and advisory assignments in 2021

2021 was a significant year in terms of additional commercial State bodies designated to NewERA. In February 2021, 11 aviation and transport companies were designated in addition to the seven previously designated. While NewERA was already providing financial and commercial advice to the relevant Ministers on these 11 commercial State bodies in recent years, their formal designation to NewERA's mandate has increased the scale and nature of NewERA's interactions with these bodies. In 2021, NewERA provided financial analysis and, where appropriate, recommendations to Government Ministers/Departments on 163 portfolio company assignments, an increase since 2020, reflecting the growth in its mandate during 2021.

Number of Designated Entities

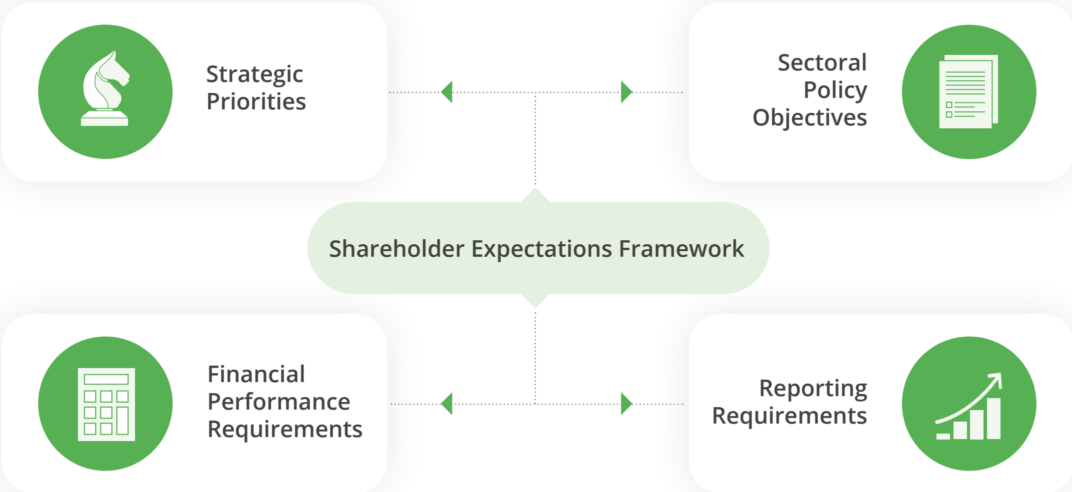


Number of Advisory Assignments



Active Ownership

Together with the relevant Government Ministers and Departments, NewERA's approach is to facilitate an enhanced level of active ownership by the State as shareholder in the Portfolio Companies. This approach has regard to the OECD Guidelines on the Corporate Governance of State-Owned Enterprises, which include recommendations to ensure that such entities are operated efficiently, transparently and in an accountable manner. One way in which this active ownership approach is achieved is via the Shareholder Expectations Framework, which communicates the Government's expectations, as shareholder, to the chairperson and board of each of the Designated Companies by way of letter from the relevant Government Ministers. The Shareholder Expectations Framework is in use across the commercial State sector and generally encompasses four key elements.



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 those operating in the aviation and transport sector (primarily CIÉ, daa, Irish Aviation Authority and Shannon Group), it was extremely challenging from the outset of the pandemic in 2020 and into 2021 due to the significant reduction in passenger and air traffic levels. An Post has also been materially impacted by COVID-19, with a reduction in retail transactions at post office counters due to reduced footfall.

A detailed view on the aggregated financial performance of the Portfolio was presented in NewERA's Annual Financial Review, published earlier this year. The financial highlights of the 2020 Annual Financial Review are set out below, alongside indicative aggregate financial information for the 2021 period.

FINANCIAL HIGHLIGHTS 2021[5] *(indicative)*	**FINANCIAL HIGHLIGHTS 2020**[6]
€1.2bn Increase in combined operating profit levels in 2021 with impact from COVID-19 lower relative to 2020.	**€0.7bn Operating Profit** A material reduction (-53%) in operating profit generated by the Portfolio Companies in 2020 relative to the prior period (€1.7bn) primarily as a result of reduced revenues due to the impact of COVID-19, particularly for those companies operating in aviation and public transport sectors.
€2.9bn An overall increase of 9% in capital spend in 2021, reflecting higher spend in the energy and public transport sectors.	**€2.7bn Gross Capital Expenditure** Capital spend in 2020 was broadly in line with the prior period (€2.68bn). Over 70% of 2020 investment levels relates to the energy sector companies and Irish Water, reflecting the scale of their respective regulated asset investment programmes.
€155m €155m of total dividends paid by the Portfolio Companies in 2021, €151m of that to the Exchequer. This is an increase of 14% on 2020, reflecting an increased level of normal dividends, with no special dividend payments in 2021.	**€136m Dividends** €136m of total dividends paid by the Portfolio Companies in 2020, €133m of that to the Exchequer. This represents a decrease of c.49% versus the prior period (€267m), which reflects the impact of COVID-19 but also a reduction in the level of special dividends. Special dividends are once off or exceptional items arising, for example, from proceeds relating to a disposal of assets.

5 *Collectively, the latest reported annual financial year ends for the Portfolio Companies (excluding LDA, RTÉ and VHI) span 2021 and, in one case, to March 2022. For simplicity, the financial highlights refer to the reporting period covering 2021/22 as 2021. The aggregate financial information is indicative as it includes financial information based on draft financial statements of the Portfolio Companies (excluding LDA, RTÉ and VHI) as at the date of publication of this document.*

6 *Collectively, the latest reported annual financial year ends for the Portfolio Companies (excluding LDA, RTÉ and VHI) span 2020 and, in one case, to March 2021. For simplicity, the financial highlights refer to the reporting period covering 2020/21 as 2020.*

NewERA (continued)

Advisory Mandate Activity

During 2021, NewERA provided detailed financial analysis and, where appropriate, recommendations to Government Ministers/Departments on a total of 163 submissions for Ministerial consideration and consent made by the Portfolio Companies including:

€2.7bn
Debt Financing

€2.9bn
Capital Budgets and Commitments

€0.6bn
Capital Investment

€0.6bn
Joint ventures, acquisitions, disposals

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:

- A bond tap issue by daa of €150m;
- IAA's €60m revolving credit facilities;
- Gas Networks Ireland's €300m revolving credit facility;
- ESB's 2021 funding requirements;
- A new €350m revolving credit facility between Irish Water and the NTMA, which facilitated the completion of the replacement of Irish Water's commercial borrowings with State funding.

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:

- A range of capital projects by Irish Water as it continued its significant ongoing investment programme, including a new wastewater treatment plant in Arklow and further phases of Irish Water's ongoing upgrade of the Ringsend wastewater treatment plant.
- Bord na Móna's investment of c.€100m in the development of a 75MW wind farm at Cloncreen, Co. Offaly.

NewERA also provided advice to Government Ministers and Departments in relation to a number of joint ventures, acquisitions and disposals throughout 2021, these included:

- The establishment of FuturEnergy Ireland, a 50:50 joint venture between Coillte and ESB. The aim of FuturEnergy Ireland is to materially help the country deliver on its green energy targets, achieving net zero emissions by 2050, as set out in the Government's Climate Action Plan and legislated for under the Climate Action and Low Carbon Development Acts 2015 to 2021. The Coillte-ESB joint venture is looking to actively drive Ireland's transition to a low carbon economy by developing 1GW of wind energy projects by 2030, enough to power more than 500,000 homes.
- The sale of ESB's shareholding in Tilbury Green Power, a 41.6MW biomass project located in the Port of Tilbury in the United Kingdom. ESB's divestment of its stake came as a result of a strategic review in relation to its existing investment portfolio.
- The financing of Phase 2 of the 83MW Oweninny Windfarm, a joint venture between ESB and Bord na Móna. This project represents an overall investment of €150m and it was financed with long term term debt from a consortium of banks including the European Investment Bank (EIB).
- Phase 2 of the SIRO fibre to the building joint venture project, including a €620m debt financing facility from external lenders including the EIB to fund its continued expansion.

Gender Representation

NewERA works closely with the Public Appointments Service and government departments in carrying out its advisory role with regard to appointments to the boards of the commercial State bodies designated to it, with the process for appointments to these boards governed by the Guidelines on Appointments to State Boards. As at the end of March 2022, the percentage of women on the boards of these State bodies was 29%, below the overall 40% target, with 9 of the boards having female representation of 30% or more. Increasing female representation remains a key focus in the context of meeting the Government policy target of 40% representation of women and of men on all State Boards and NewERA will continue to work closely with relevant stakeholders to seek to deliver on this.

as at 31 March 2022

40%	29%	5/17	9/17
Government target for representation of women and men on State boards.	The percentage of women on the boards of the Portfolio Companies as at the end of March 2022.	The number of Portfolio Company boards which meet/exceed the 40% target.	The number of Portfolio Company boards which have female representation of 30% or more.

Sustainability And Climate

NewERA has a key role to play in ensuring that the Portfolio Companies continue to prioritise the development and implementation of their sustainability strategies, and that sustainability continues to be an integral part of how the Portfolio Companies operate individually and collectively. 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.

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. 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. One of the key roles for NewERA as part of the Government's Climate Action Plan 2019 was to develop, in conjunction with Department of Environment, Climate and Communications and Department of Public Expenditure and Reform, *"a framework for the commercial semi-state Sector to address climate action objectives"*[7] *(the Climate Action Framework).*

Climate Action Framework

The Government's Climate Action Plan 2021 included an overview of the Climate Action Framework, which comprises a series of five commitments as follows:

COMMITMENT 1:
Governance of Climate Action Objectives
Climate action objectives will be integrated into strategic business planning and there will be oversight at board level, including reporting to the relevant Government Minister.

COMMITMENT 2:
Reduction Target and Emissions Measurement
Formal adoption, on an ongoing basis, of Government emission reduction targets for the public sector and the SEAI measurement methodology.

COMMITMENT 3:
Measuring and Valuing Emissions in Investment Appraisals
The value of emissions will be considered as part of the investment decision making process.

COMMITMENT 4:
Circular Economy and Green Procurement
The promotion of circular economy measures and green procurement.

COMMITMENT 5:
Climate-Related Disclosures in Financial Reporting
The identification of a climate-related financial disclosures framework that is relevant and appropriate to the company's activities and sector(s).

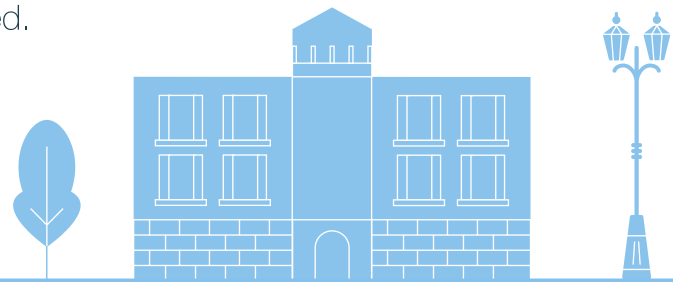
It is expected that ongoing monitoring of compliance by the commercial State bodies with the Climate Action Framework, which is expected to be operational during 2022, subject to Government approval, will be undertaken by various means, outlined below:

- The Shareholder Expectation Framework Letters;
- Reference to climate action objectives alongside overall company performance reports in annual reports;
- Publication of progress towards emission reduction targets;
- Evidence of carbon pricing used in appraisal of investments for which Ministerial consents are sought under statutory or Code requirements;
- Climate-related disclosures in financial reporting; and
- For the commercial State bodies within NewERA's remit, the Climate Action Framework will feature as a standing agenda item in quarterly meetings with their shareholding government departments and NewERA. In addition, it will also continue to be considered by NewERA as part of the Annual Financial Review and in the context of relevant advices to Ministers (e.g. corporate plans, capital investment proposals and annual reports).

7 *The commercial State sector consists of 22 commercial State bodies including the entities within NewERA's advisory remit.*

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

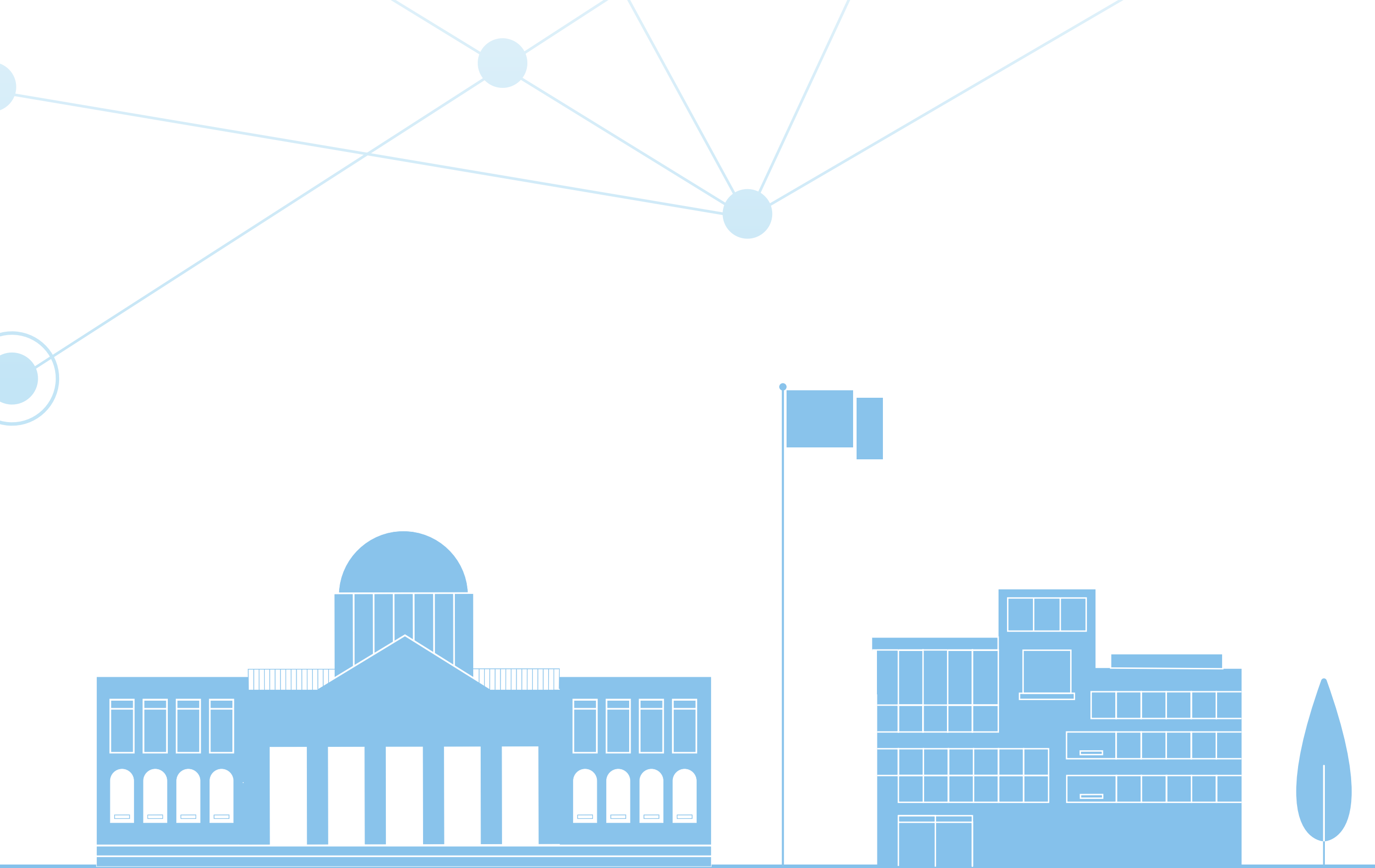
Clinical Indemnity Scheme

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.

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 was managing 11,408 claims at end-2021. The total estimated outstanding liability associated with the SCA's claims portfolio at end-2021 was €4,530m.

Claims Portfolio at End-2021

3,626
Clinical Claims

7,782
General Claims

11,408
Active Claims

=

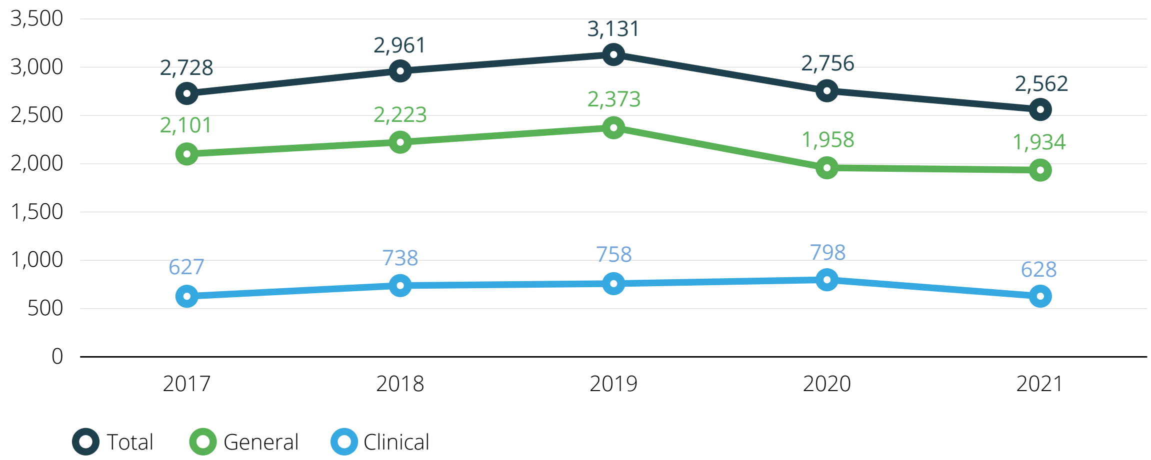
€4.53bn
Total Est. Outstanding Liability

€3.41bn
Clinical Claims – Est. Outstanding Liability

€1.12bn
General Claims – Est. Outstanding Liability

Although clinical claims comprised only 32% of the overall number of active claims at end-2021, they comprise 75% of the overall estimated outstanding liability. This is primarily due to the higher levels of settlements and awards associated with clinical negligence claims when compared with general claims and, in particular, the very high level of settlements in the resolution of infant cerebral palsy and other catastrophic injury claims.

Claims Received 2017-2021 (Excluding Mass Action Claims)



Claims Received and Resolved

The SCA received 3,145 claims and resolved 4,100 claims in 2021. Headline numbers with regard to active claims can be volatile and may be strongly influenced by the number of mass action claims received and resolved each year. In 2021, headline numbers were particularly affected by the Scheme of Settlement put in place to resolve the lack of in-cell sanitation mass action (further information on this Scheme of Settlement is set out in the Mass Actions section of this Report). The number of claims received each year excluding mass action claims gives a better indication of the overall trend.

The number of general claims (excluding mass actions) received annually increased from 2,101 in 2017 to 2,373 in 2019 before falling back to 1,958 in 2020 and remaining at similar levels in 2021. The fall in 2020 and 2021 is most likely due to a general decrease in activity in State authorities as a result of COVID-19 restrictions.

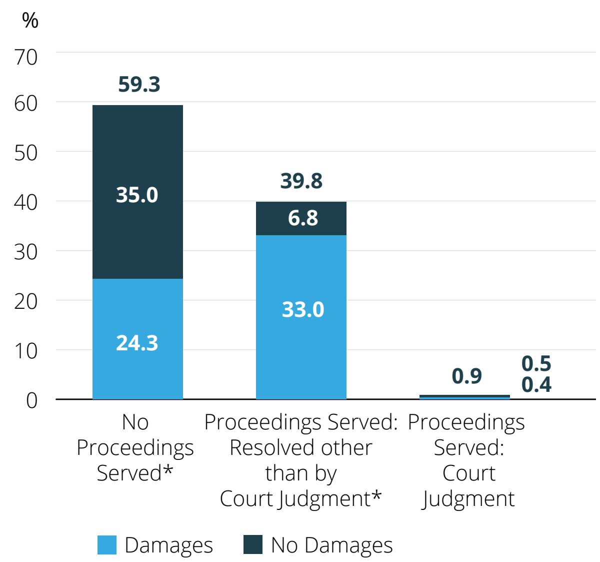
The number of clinical claims (excluding mass actions) received annually increased from 627 to 798 between 2017 and 2020 before falling back to 628 claims received in 2021. This may reflect less clinical activity in 2020 and 2021 due to COVID-19. Such a delayed impact is what would be expected, given the typically longer time between the occurrence of an incident and the making of a claim in clinical claims compared with general claims.

The ratio of claims resolved to claims received (excluding mass action claims) in 2021 was 1.03. While this performance was facilitated by the lower number of claims received compared with the period prior to the onset of the pandemic, it was also achieved despite the continued impact of COVID-19 restrictions on the operation of the courts. In these circumstances, as in 2020, the SCA worked closely with plaintiffs' legal representatives to continue to settle claims to the greatest extent possible outside of the formal court process.

Fifty-nine per cent of claims resolved by the SCA in 2021 were resolved without court proceedings being served, compared with 53% in 2020. The SCA paid damages in 58% of all cases resolved in 2021, compared with 65% in 2020. Just under 1% of cases resolved by the SCA in 2021 were the subject of a court judgment.

The SCA strongly favours mediation, where possible, as an alternative to the formal court process. Mediation is particularly suitable for complex clinical claims. Thirty-seven per cent of claims concluded by the clinical claims team in 2021 where damages were paid involved a mediation process[8], compared with 25% in 2020. Mediation also forms an integral part of the Scheme of Settlement put in place by the SCA to resolve H1N1 flu vaccination claims (for further information on this Scheme of Settlement see the Mass Actions section of this Report).

How Claims Resolved 2021



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

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.*

Mass Action Claims

The SCA is managing a number of different mass actions against the State. Of the total 11,408 active claims at end-2021, 2,016 (18%) were in relation to mass actions. Some 46% of these mass action claims are lack of in-cell sanitation claims taken by current and former prisoners against the Irish Prison Service.

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

Mass Action	Active End-2021	Active End-2020
General Indemnity Scheme		
HIN1 Flu Vaccination	137	128
These are cases taken by child and adult 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 established a Scheme of Settlement for the other claims on similar terms to those agreed in that case. Settlement of claims under the Scheme, through mediation in each case, progressed well through 2021 with 103 plaintiffs having entered into the Scheme by end-year. Twenty-eight claims were concluded in relation to apportionment of liability and quantum by end-2021 whilst 50 claims were settled in respect of apportionment of liability. The increase in active claims between end-2020 and end-2021 is due to the fact that a number of new claims were received during the year, while most claims concluded have yet to be finalised (damages have been agreed but costs may still be outstanding) and are thus still classified as active claims.		
Historical Day School and Residential Institution Abuse	99	115
These are cases taken by persons who allege they were physically and/or sexually abused by persons whilst at school or in residential institutions. In July 2021, the Government established a revised ex-gratia scheme for certain persons who had made day school sexual abuse claims against the State to implement the European Court of Human Rights Judgment in O'Keeffe v Ireland. Successful applicants will receive a payment of €84,000 plus costs, as agreed. The State Claims Agency is administering the Scheme.		
Lack of In-Cell Sanitation	934	1,852
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. The Scheme of Settlement made continued progress through 2021. As of end-2021, 2,764 claims associated with the Simpson case had been received and, of these, 66% had been settled, discontinued or otherwise concluded, while 34% remain open and ongoing.		
Lariam	158	191
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. There were 36 claims resolved in 2021, all of which were discontinued by the plaintiff.		

State Claims Agency (continued)

Mass Action	Active End-2021	Active End-2020
General Indemnity Scheme		
Mother and Baby Homes 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. In November 2021, the Government announced that it had agreed a Mother and Baby Institutions Payment Scheme to compensate former residents of mother and baby and county home institutions. The Scheme will require legislation to come into effect. Until it becomes operational, it is not clear how the Scheme will impact on the existing litigation.	136	55
Prison-Based TB (Shelton Abbey) 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.	27	29
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.[9]	37	37
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.	33	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.	61	55

National Screening Services: Cervical Cancer Litigation

The SCA had received notification of 340 claims against CervicalCheck at end-2021 (compared with 234 claims at end-2020). This includes 68 psychological injury claims from members of the families of the women concerned. The 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 parties 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).

9 *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.*

The claims include both those 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, and also claims where the smear test was not subject to a review or audit.

Forty-two claims were concluded during 2021. The total number of claims concluded as at end-2021 was 64.

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.

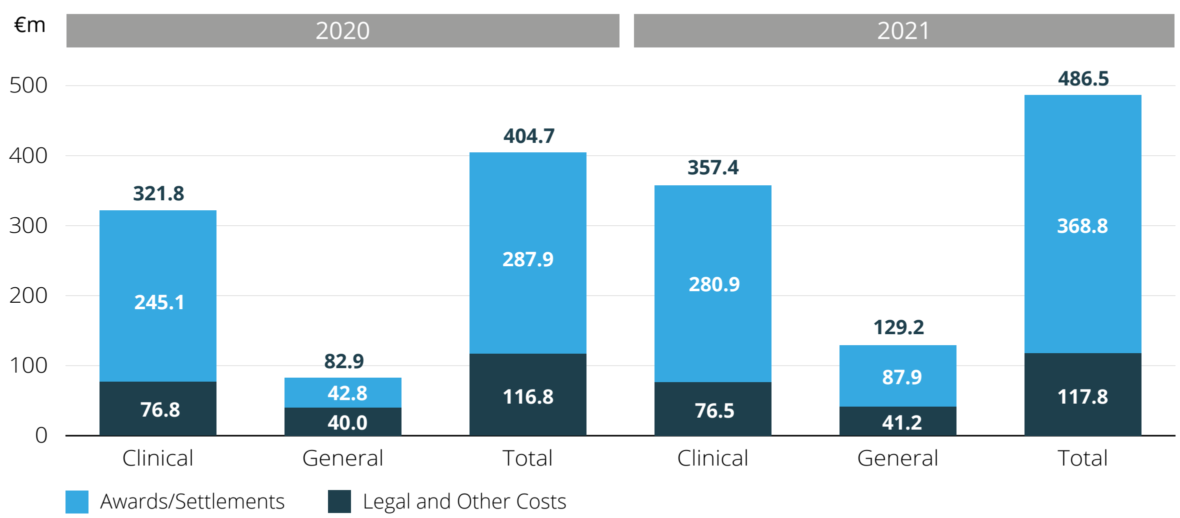
Cost of Claims

The costs incurred in 2021 in resolving and managing ongoing active claims were €486.5m, an increase of 20.2% on the 2020 out-turn of €404.7m.

Awards/settlements increased by €80.9m in 2021 compared with 2020 (€35.8m in respect of clinical claims and €45.1m in respect of general claims). The increase in clinical claims payments is due to settlements in catastrophic injury claims: in particular, there were a small number of very large lump-sum settlements during the year. The increase in general claims payments is primarily due to an increase in payments in mass action claims (mainly payments under the Scheme of Settlement in the H1N1 mass actions claims) with non-mass action payments also increasing – having fallen between 2019 and 2020.

Legal and other costs (including both the SCA's own costs and plaintiffs' costs) incurred in 2021 were at similar levels to those incurred in 2020 for both general and clinical claims.

Costs of Resolving and Managing Ongoing Active Claims



Figures may not total due to rounding.

Settlement of Catastrophic Injury Claims: Lump Sums, 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.

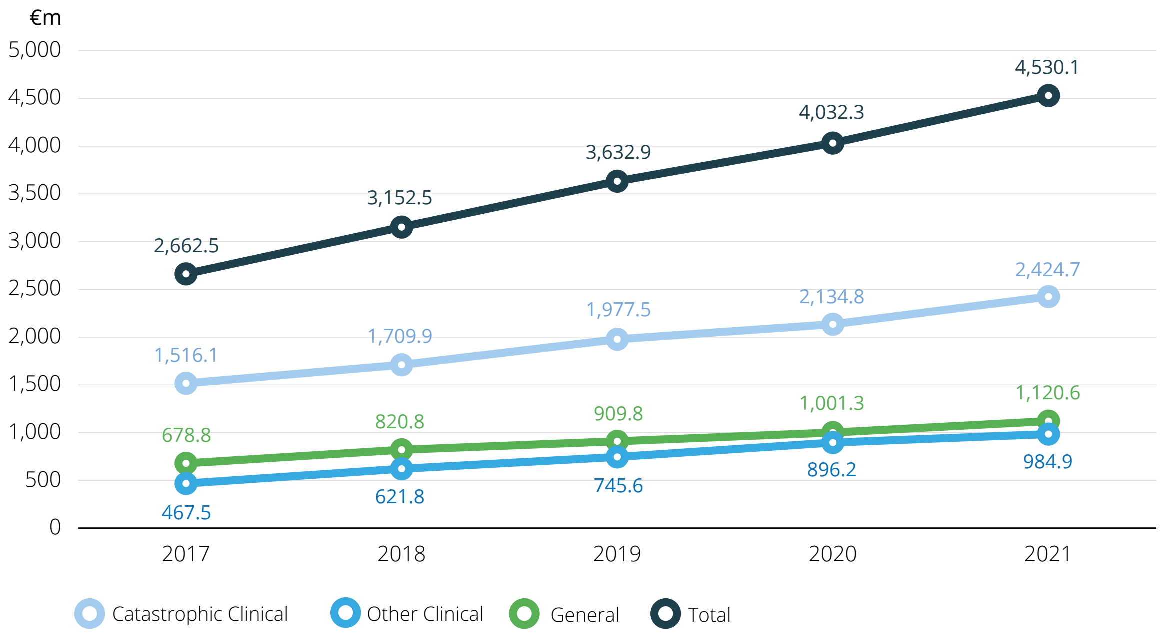
Statutory PPOs are provided for under Part 2 of the *Civil Liability (Amendment) Act 2017*, which commenced in October 2018. This empowers the courts, as an alternative to lump sum awards of damages, to make consensual and non-consensual PPOs to compensate injured victims in cases of catastrophic injury 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. No statutory PPOs were made in 2020 or 2021 (compared with six in 2019). The Department of Justice has reconvened the Working Group which it established to examine the technical aspects of PPOs prior to the passage of the enabling legislation, to consider an index or indices to be applied to annual adjustments of PPOs, taking account of the High Court finding, and to submit a recommended position to the Minister for Justice. The SCA is represented on the Working Group.

Estimated Outstanding Liability

The total estimated outstanding liability associated with the SCA's claims portfolio at end-2021 was €4,530m. As noted in previous Annual Reports, the estimated outstanding liability continues to increase significantly year on year.

Estimated Outstanding Liability 2017-2021



Figures may not total due to rounding.

While the number of active claims being managed by the SCA has increased by 15% over the last five years – from 9,956 at end-2017 to 11,408 at end-2021, the increase in the estimated outstanding liability over the same period is much higher at 70%. Although catastrophic injury claims, due to their high value, are the main driver behind this increase in volume terms; their percentage increase over the period (60%) is less than that of non-catastrophic clinical claims (92%). The estimated outstanding liability associated with general claims has risen by 47% over the period. In addition to the increase in claims numbers and general claims inflation, the increase in the estimated outstanding liability is primarily due to the following factors:

- the effect of the reduction of the Real Rate of Return (RRR) by the Court of Appeal Decision in Gill Russell v HSE[10] 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, and also increased accommodation and ongoing care costs;
- 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 special damages in claims;
- 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-2021, the health and social care sector[11] (€808.7m) comprised 72% 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, Lariam.

Personal Injury Guidelines

The Personal Injury Guidelines were adopted by the Judicial Council in March 2021 and commenced by the Minster for Justice in April. The Guidelines set out the levels of damages that may be awarded in personal injury actions and replace the Book of Quantum previously used by the Personal Injuries Assessment Board to determine compensation in claims. The Guidelines will also apply to the courts and where a court departs from the Guidelines, it will be required to state the reasons for such departure in giving its decision.

The Guidelines reduce award levels for most categories of personal injury. They deal with a wide range of injuries in terms of general damages, but do not affect special damages (e.g. ongoing medical or care expenses or compensation for loss of income).

The SCA has not yet taken the reduced levels of damages under the Guidelines into account in determining the estimated outstanding liability associated with its claims portfolio. It will review the matter as evidence emerges on how the Guidelines are being applied in practice by reference to levels of settlements and court awards.

Risk Management

The SCA advises and assists State authorities on the management of litigation 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.

10 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%.

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

State Claims Agency (continued)

NIMS

Córas Náisiúnta um Bainistíocht Teagmhais
National Incident Management System

National Incident Management System (NIMS)

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 remained a significant element of the SCA's risk and indemnity advisory activities through 2021. As in 2020, the SCA continued to monitor and analyse COVID-19 incidents reported on NIMS and share that analysis with the HSE. A mechanism was also established to enable the statutory reporting to the Health Products Regulatory Authority by the SCA of vaccine-related incidents reported on NIMS. More broadly, the SCA continued to support State authorities in their COVID-19 response including addressing queries on indemnity, insurance and risk management.

Other specific activities carried out as part of the State's response to COVID-19 included:

- during the period of the early 2021 surge event, the HSE entered into individual Service Level Agreements (SLAs) with designated private hospitals to provide additional healthcare capacity as required. The SCA was requested by the Department of Health and the HSE to assist the HSE lawyers, drawing up the SLAs, in relation to drafting and advising on the indemnity provisions, insurance arrangements and levels of insurance indemnity contained in the SLAs;
- advising the Department of Health on indemnity matters relating to the roll-out of the vaccine programme to the under-18s, the consent required from parents/guardians, and the mixing of different vaccines for second doses;
- working with the Departments of Health and Education to extend the benefits of the General Indemnity Scheme to Special Needs Assistants who were temporarily reassigned to the HSE to support children and young people with disabilities and their families in the community setting during the period when schools were closed.

The use of NIMS has been integral to the SCA's COVID-19 response in enabling the capture, reporting and analysing COVID-19 incident data in real time. During 2021, the vaccine rollout and the private hospital SLAs necessitated the prioritisation of the design and implementation of new solutions to deliver NIMS to the private hospitals and for the capture and recording of COVID-19 vaccine adverse reaction incidents.

More broadly, the SCA's enterprise management programme focuses on prioritising those State authorities and hazards most likely to lead to significant claims against the State. The programme is concentrated on audit and review of risk governance, provision of risk guidance, and client-specific initiatives. Close interaction with State authorities through education, training and client networks and events is an integral part of the programme. Specific activities in 2021 included:

- ongoing review of incidents and claims in order to identify opportunities for risk management enhancement, and follow-up with State authorities as required;
- indemnity, incident reporting and risk management guidance to the HSE and Tusla following the cyber-attack in May;
- advising the Department of Public Expenditure and Reform on risk and indemnity aspects of the Blended Working Policy Framework for Civil Service Organisations.

Work Positive[CI]

Work Positive[CI] is a free easy to use, confidential, psychosocial risk management process and is an initiative of the State Claims Agency, the Health and Safety Authority (HSA) and the Critical Incident Stress Management (CISM) Network Ireland. It provides feedback on workplace stress, employee psychological wellbeing and critical incident exposure in the workplace. It delivers structured guidance enabling organisations to develop an action plan to mitigate against these stressors.

During 2021, a number of State authorities, with the SCA's support, adopted and implemented or commenced implementation of the Work Positive[CI] framework. Additionally, in conjunction with the HSA and CISM Network Ireland, the SCA updated the Work Positive[CI] website to capture the impact of COVID-19 on work-related stress and critical incident stress in the workplace, specifically in the context of remote working. The impact of work-related stress and critical incident stress arising from the pandemic was the theme of the Enterprise Risk Network Conference 2021 hosted by the SCA, which was delivered remotely to some 170 attendees.

The SCA's clinical risk management programme focuses on working with clinicians, senior managers, risk managers and other personnel in health and social enterprises at national and local level to mitigate clinical risks and enhance patient safety. The programme places an emphasis on identification of trends and risks at national level and relevant risk mitigation; on health and social care enterprises and issues with the highest risk profile; and on measures which seek to bring about system-wide change. The delivery of education and training activities in relation to patient safety and clinical risk management forms a key part of the programme. Specific activities in 2021 included:

- ongoing systemic quarterly review and analysis of clinical incidents with appropriate follow-up actions on issues identified;
- engagement with the HSE at national level (senior clinicians and managers) and with Hospital Groups on lessons to be learned from the analysis of finalised clinical claims;
- ongoing work with the National Neonatal Encephalopathy Action Group (NNEAG) 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 continued. NNEAG was established in 2019 by the National Women and Infants Health Programme in partnership with the SCA and the Department of Health;
- delivery of a series of three webinars to replace the SCA National Quality, Patient Safety and Clinical Risk Conference, which could not proceed due to COVID-19 restrictions. The webinars examined the theme of implementing and sustaining change in the context of COVID-19. Topics considered included the rollout of Attend Anywhere, the HSE's telemedicine platform, how clinicians adapted to the challenges of the pandemic by transforming their practices to deliver care virtually, and how the response to the pandemic generated greater synergies between services through more integrated care.

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 liquidator[12] 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 2021 in respect of Setanta Insurance Company Ltd (in liquidation), authorised in Malta, (€8.3m), Enterprise Insurance Company plc (in liquidation), authorised in Gibraltar, (€1.2m) and Gable Insurance AG (in liquidation) authorised in Liechtenstein (€1.5m).

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 plaintiffs' 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 1,040 bills of costs in 2021. The total amount claimed was €100.5m. These bills were settled for €60.5m – a reduction of 40% on the amount claimed.

Legal Cost Claims Settled 2021

Bill of Costs Category	Number of Cost Claims Negotiated	Amount Claimed €m	Cost of Claims Agreed €m	Legal Cost Savings %
SCA Clinical	178	49.9	30.3	39.3
SCA General	128	10.7	7.2	32.7
Tribunals of Inquiry	12	6.5	3.2	51.0
Other*	722	33.4	19.9	40.6
Total	**1,040**	**100.5**	**60.5**	**39.8**

* 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.

12 *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.

John Hogan

AGENCY MEMBER (EX OFFICIO) - EX OFFICIO ROLE COMMENCED ON 8 JUNE 2021

John Hogan is Secretary General of the Department of Finance and is responsible for economic, budgetary and fiscal, banking and financial service policy matters. He previously served as Assistant Secretary General with responsibility for the Tax Policy Division in the Department of Finance, and as Assistant Secretary General with responsibility for Banking Policy in the Financial Services Division. Throughout his career, John has worked in a number of government departments and has served in the Permanent Representation of Ireland to the European Union.

Rachael Ingle

AGENCY MEMBER

Appointed for a 5 year term from 22 December 2019

Rachael Ingle is CEO of Aon in Ireland, Head of Nordics subregion and Head of Wealth Solutions EMEA. She is an actuary by profession and a member of Aon's global Executive Leadership Team, EMEA Leadership team and the Global Inclusive Leadership Council. Rachael is also a former Chairperson of the Irish Association of Pension Funds.

Gerardine Jones

AGENCY MEMBER

Reappointed as a member for a 5 year term from 8 March 2022

Gerardine Jones is a chartered accountant. 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.

David Moloney

AGENCY MEMBER (EX OFFICIO) - EX OFFICIO ROLE COMMENCED ON 24 AUGUST 2021

David Moloney is the Secretary General of the Department of Public Expenditure and Reform. Prior to this, he was head of the Labour Market and Enterprise Division of the Department, with responsibility for various expenditure areas including Social Protection, Housing, Enterprise and Agriculture and for the Irish Government Economic and Evaluation Service (IGEES).

Over the course of his career in the Civil Service, David has also served in the Department of the Taoiseach, the Department of Finance and the Department of Health.

Martin Murphy

AGENCY MEMBER

Reappointed for a 5 year term from 22 December 2018

Martin Murphy is a former Managing Director and Chairman of Hewlett Packard Enterprise Ireland, is currently Chairman of Ulster Bank and Chairman of Echelon Data Centres, an international data centre infrastructure developer with a focus on sustainability.

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.

**Agency Membership as at end-Dec 2021. Details on key personnel changes can be found on page 63.*

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.

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 Citco Fund Services (Ireland) Limited and Marriott International Funds Plc.

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 that 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. 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;
- Interests rates and purchase limits applicable to State Savings products and any material changes to same;
- 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 Annual Investment Plan[13] 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 judgements 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 2021.

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 71.

13 No investment plan was required in 2021 as there were no assets in the National Surplus (Exceptional Contingencies) Reserve Fund following the transfer of €1,500 million from that fund to the Exchequer on 28 October 2020 pursuant to directions issued by the Minister for Finance to the Agency on 20 October 2020.

The Agency conducts an annual evaluation of its own performance and that of its Committees. Having regard to Section 4.6 of the Code of Practice for the Governance of State Bodies, which requires an external evaluation to be carried out at least every three years, the Agency's evaluation in respect of 2021 (the Evaluation) was conducted by an external specialist board consultancy and advisory practice. The Evaluation commenced in late November 2021 and concluded in February 2022. This involved one-to-one interviews with Agency and Committee members to evaluate the effectiveness of the operation of the Agency and its Committees. Members completed a questionnaire and board documentation was reviewed by the external evaluator. Arising from this Evaluation, the Agency is progressing a number of enhancements for implementation during 2022.

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

Gender Balance in the Board Membership

As at 31 December 2021, 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 the 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

Frank O'Connor (Director, Funding and Debt Management) will become Chief Executive of the Agency with effect from 1 July 2022, following the expiry of Conor O'Kelly's term of appointment on 30 June 2022.

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.

John Hogan, Secretary General of the Department of Finance, became an ex-officio member of the Agency on 8 June 2021 upon his appointment to that role.

David Moloney, became an ex-officio member of the Agency on 24 August 2021 upon his appointment as Secretary General of the Department of Public Expenditure and Reform. Robert Watt[14] and Derek Moran's[15] ex officio membership of the Agency ceased on 19 April and 7 June 2021 respectively.

Gerardine Jones was re-appointed as a member of the Agency with effect from 8 March 2022.

14 Former Secretary General of the Department of Public Expenditure and Reform.
15 Former Secretary General of the Department of Finance.

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. As a result of the impact of COVID-19, the Agency and its sub-Committee meetings were held via video conference for much of 2021.

	Agency	Investment Committee	Audit and Risk Committee	Remuneration Committee	SCA Strategy Committee	Fees 2021 €	Expenses 2021 €
Number of Meetings	**11**	**15**	**9**	**4**	**6**		
Agency Members							
Maeve Carton	11			4		45,000	-
John Hogan	5/5(p)					-	-
Rachael Ingle	11		9	4		30,000	-
Gerardine Jones	11		9			30,000	-
David Moloney	4/4(p)				4	-	-
Derek Moran	4/6(p)				1/3(p)	-	-
Martin Murphy	11	15		4	6	30,000	-
Brian O'Kelly	11		9			30,000	
Conor O'Kelly	9/9(p)					-	3,437
Robert Watt	0/4(p)[16]			0/2(p)4		-	-
Susan Webb	11	15	9			30,000	-
Total						**195,000**	**-**
Other Members							
Richard Leonard		15				20,000	708
Mark Ryan		14				20,000	-
Julie Sinnamon		15				11,813	-
Sabaratnam Arulkumaran					6	12,500	-
Tom Beegan					5	12,500	127
Ciarán Breen					6	-	-
Donogh Crowley					6	12,500	-
Kerry McConnell					6	12,500	-
Julie O'Neill					6	12,500	-
Total						**114,313**	**4,272**

(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, John Hogan and David Moloney) 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, appointed to the Investment Committee, in her capacity as a public servant, did not receive any remuneration in respect of her Committee membership prior to her retirement from Enterprise Ireland at the end of May 2021. David Moloney, appointed to the State Claims Agency Strategy Committee, in his capacity as a public servant, did not receive any remuneration in respect of his Committee membership. Agency members and members of staff of the NTMA do not receive any additional remuneration in respect of membership of these committees.

16 *Robert Watt was seconded to the Department of Health in January 2021. Following his formal appointment as Secretary General of the Department of Health on 19 April 2021, Robert Watt ceased to be an ex officio member of the Agency and a member of the Remuneration Committee.*

Employees and Remuneration

The NTMA executes its mandates through five business units: Funding and Debt Management, Ireland Strategic Investment Fund, 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 and 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 574[17] employees at end-2021. 145[18] employees were assigned to NAMA, 32 employees were assigned to the SBCI and 31 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.

Discretionary performance-related payments are intended to reward exceptional performance having regard to the employee's own performance, the performance of the employee's area of responsibility, and the overall performance of the NTMA. Performance-related payments are made in accordance with parameters approved by the Agency's non-executive Remuneration Committee. The overall amount of performance related payments made in respect of any year is also subject to the approval of the Remuneration Committee.

The NTMA made performance-related payments to 231 employees in 2022 in respect of 2021. These payments, in aggregate, totalled €2,219,750 The highest individual payment was €35,000; the lowest individual payment was €1,250.

Employee Short-Term Benefits Breakdown

Employees' short-term benefits in excess of €50,000 in relation to services rendered during 2021 are categorised into the following bands:

Range	No of Employees
€50,001 to €75,000	142
€75,001 to €100,000	122
€100,001 to €125,000	53
€125,001 to €150,000	30
€150,001 to €175,000	24
€175,001 to €200,000	21
€200,001 to €225,000	5
€225,001 to €250,000	9
€250,001 to €275,000	1
€275,001 to €300,000	0
€300,001 to €325,000	0
€325,001 to €350,000	0
€350,001 to €375,000	1
€375,001 to €400,000	2
€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 2021 include salary, other taxable benefits paid to employees and other payments made on behalf of employees (including performance related payments), 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 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.

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

Legal Costs and Settlements

For the purposes of the Code disclosure requirement, there was no relevant expenditure incurred in 2021.

Travel and Subsistence Expenditure

Travel and subsistence expenditure is categorised as follows:

	2021 €000	2020 €000
Domestic		
Board/Committee	1	1
Employees	140	234
International		
Board/Committee	-	-
Employees	8	131
	149	**366**

Hospitality Expenditure

The Statement of Income and Expenditure and Other Comprehensive Income includes €45,716 (2020: €67,482) in respect of staff hospitality expenditure.

Statement of Compliance

The NTMA has complied in all material respects with the Code of Practice for the Governance of State Bodies 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 Fund[19], 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 2021, there were three such proposals approved by the Agency (two investment proposals and one realisation proposal). 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 contracts[20];
  - 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.

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.

19 Other than expenses which are incurred in respect of the ISIF and the Rainy Day Fund which are funded from the respective Funds.
20 The provision applies in respect of the estimated value of individual contracts awarded from framework panels.

The NTMA Corporate Strategy[21] 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 Department of Public Expenditure and Reform's Circular 14/2021 (which superseded Circular 02/2016) 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 are 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-imbursement of travel expenses and Department of Public Expenditure and Reform circulars and office notices regarding subsistence are, therefore, not applied.

Terms of Appointment

Under Schedule A of the *National Treasury Management Agency Act 1990*, the term of office of an appointed member of the Agency, other than an initial appointed member, is five years. All current Agency members have been appointed for five-year terms. An appointed member whose term of office expires by the passage of time is eligible for re-appointment as an appointed member subject to not serving for more than two consecutive terms.

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 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.

21 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, 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 and Chief Executive).

The current members of the Committee are:

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

The Committee met formally on nine occasions in 2021. It also held two separate additional working sessions to review the financial statements and operational Key Risk Indicators respectively.

Financial Reporting

The Committee reviewed the draft 2021 financial statements and recommended them to the Agency for approval. The review focused on the consistency of approach across the financial statements, appropriate estimates and judgements, 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 2021 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 2021 risk-based internal audit plan and monitored the implementation of audit recommendations. It approved the 2022 risk-based internal audit plan and the Internal Audit Charter. The Committee also reviewed the effectiveness of the Internal Audit function.

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 2021 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 (KRIs). 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 key findings and recommendations arising from an independent, external review of the (i) Risk Management Policy and Framework (RMPF) and Risk Appetite Framework (RAF); and (ii) Enterprise Risk Management Committee. The Committee noted the findings of the report and a number of recommended enhancements, noting that the report concluded 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 and wider market practice.

The Committee carried out a number of other activities including consideration of a number of specific business issues from a risk perspective, including the risks arising from the geo-political situation in Ukraine, a review of the status of the Cyber Security of the NTMA, and a review of third party arrangements where a cyber-attack on that third party could materially impact the NTMA.

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

Compliance

The Committee received regular reports from the Head of Compliance and Data Protection Officer (DPO) in relation to key compliance and data protection activities and monitoring activities. The Committee reviewed and approved the Financial Crime Risk Policy and updates to other compliance policies as provided for in the Compliance and DPO Framework.

The Committee reviewed a report on the Compliance and DPO Framework and on the service model of the NTMA's Compliance Unit conducted by an independent third party. The Committee also reviewed and approved the updated Compliance and DPO Framework which reflected the enhancements arising from the third party review. The Committee monitored progress against the 2021 Compliance Plan and approved the 2022 Compliance and DPO Plan. 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 minor amendments which were approved by the Agency. As part of the Agency's 2021 performance evaluation conducted by an external specialist board consultancy and advisory practice, Committee members were interviewed and provided feedback in relation to the operation of the Committee. The report furnished to the Agency confirmed that the Committee was working well and operating effectively.

The Committee's priorities in respect of 2022 were agreed as part of its Work Programme 2022.

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 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) *Company Director and former CEO, Enterprise Ireland.*

The Committee met on 15 occasions in 2021. Its main activities consisted of considering detailed investment proposals (including disposal of investments) from ISIF management and overseeing and monitoring the ISIF Irish Portfolio.

Decisions on investment proposals for ISIF 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 2021 included:

- Review of the ISIF's Investment Strategy including an outline of proposed changes in the management and resourcing of the ISIF.
- The Committee approved 32 new investments, comprising cumulative capital of c. €1bn, across the Stabilisation and Recovery phases of the Pandemic Stabilisation and Recovery Fund (PSRF), a sub-fund within the ISIF. €670m was committed by ISIF to 25 separate investments during 2021 (average investment size of €27m) – more details can be found on page 27.
- Climate was a significant area of focus for the Committee in 2021, noting the ISIF's ambition to target €1bn in Climate Action projects over the next five years. To this end, the Committee approved a number of Climate related investments over the course of the year. The Committee also reviewed the ISIF's first annual Climate Report following a commitment to same in the ISIF's Sustainability and Responsible Investment Strategy.
- The Committee approved the extension of the ISIF's Exclusion Policy to incorporate the exclusion of direct investment in companies that have been verified as involved in the manufacture and testing of nuclear weapons or critical component parts of such weapons.
- The Committee actively monitored the near-term PSRF investment pipeline in order to provide timely feedback to ISIF management on potential investment opportunities. The Committee also reviewed the PSRF decline process and investment declines.
- The Committee reviewed the ISIF's investment realisation process, including key considerations and typical areas of focus.
- 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 Sustainability and Responsible Investment Strategy on a semi-annual basis.
- Overall ISIF investment performances, capital deployment and activity were reviewed at each scheduled Committee meeting. These reviews included assessment of annual and semi-annual Economic Impact results, an update on the ISIF Irish Portfolio's quoted equities exposure and an overview of the ISIF's housing investment programme and wider market conditions.

- The Committee received a number of external expert briefings to keep itself informed of recent developments and best practice in a number of relevant areas.

Information on the ISIF PSRF Strategy and the Fund's investments, performance and Economic Impact in 2021 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 importance of Climate Change considerations in the Committee's assessment of ISIF investment proposals, to the Agency for approval. As part of the Agency's 2021 performance evaluation conducted by an external specialist board consultancy and advisory practice, Committee members were interviewed and provided feedback in relation to the operation of the Committee. The report furnished to the Agency confirmed that the Committee was working well and operating effectively.

The Committee's priorities in respect of 2022 were approved as part of its Work Programme 2022.

Remuneration Committee Report

The Remuneration Committee supports the Agency through the review and approval of the NTMA's overall remuneration policy, the review and 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 and other key terms of the Chief Executive.

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

Members of the Committee in 2021 were:

- Martin Murphy (Chairperson)
- Maeve Carton
- Rachael Ingle
- Robert Watt (to 19 April 2021)[22]

There are currently three members of the Committee.

The Committee met on four occasions in 2021. Matters considered at Committee meetings in 2021 included:

- The Committee reviewed the aggregate value of 2021 base salary awards which, taking account of prevailing economic conditions, were limited in scope and amount.
- The Committee reviewed the Remuneration assumptions in respect of 2022.
- The Committee undertook its biennial review of, and approved the updated NTMA Remuneration Policy.
- The Committee, having considered the Chief Executive recruitment process, made a recommendation to the Agency on the remuneration and proposed terms and conditions of the incoming Chief Executive.
- The Committee reviewed the Succession Planning arrangements in place in respect of senior management.
- The Committee reviewed the NTMA's Pension Scheme arrangements.
- 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 2020 performance and recommended his 2021 Objectives to the Agency for approval.

The Committee also conducted its self-assessment evaluation in respect of 2019/2020 in early 2021. The Committee members were satisfied that the Committee was working well and agreed a small number of enhancements to its processes. As part of the Agency's 2021 performance evaluation conducted by an external specialist board consultancy and advisory practice between November 2021 and February 2022, Committee members were interviewed and provided feedback in relation to the operation of the Committee. The report furnished to the Agency confirmed that the Committee was working well and operating effectively.

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 eight members: two members of the Agency, the Director, SCA and 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). There is currently one vacancy on the State Claims Agency Strategy Committee arising from Derek Moran's retirement as Secretary General of the Department of Finance and resultant cessation of his (ex officio) membership of the Agency.

Members of the Committee in 2021 were:

- Martin Murphy, Chairperson (Agency member)[23]
- Derek Moran (Agency member)[24]
- David Moloney (Agency member) *Secretary General Department of Public Expenditure and Reform*
- Ciarán Breen (Director, SCA)
- Professor Sir Sabaratnam Arulkumaran (external member) *Professor Emeritus of Obstetrics and Gynaecology at St. George's University of London*

22 *Following his formal appointment as Secretary General of the Department of Health in April 2021, Robert Watt ceased to be an ex officio member of the Agency and a member of the Remuneration Committee.*
23 *Appointed as Committee Chairperson with effect from 28 January 2020.*
24 *Following the cessation of his term of appointment as Secretary General of the Department of Finance, Derek Moran is no longer an ex officio member of the Agency.*

- Tom Beegan (external member) *Risk Consultant and former CEO of the Health and Safety Authority*
- Donogh Crowley (external member) *Solicitor, Former Partner Arthur Cox*
- Kerry McConnell (external member) *Chartered Accountant, former CFO RSA Insurance Ireland DAC, currently CFO IPL Global*
- Julie O'Neill (external member) *Independent Non-Executive Director, Former Executive Vice President, Alexion Pharmaceuticals Inc.*

The Committee met formally six times in 2021.

At each scheduled 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-2021 to year-end 2023, 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 reporting and risk and indemnity advice to the Department of Health, HSE and other State authorities.
- 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 2021 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.

Further to an action arising from the Committee's self-assessment review in respect of 2020, an externally facilitated Strategy Workshop was held in May 2021.

As part of the Agency's 2021 performance evaluation conducted by an external specialist board consultancy and advisory practice, Committee members were interviewed and provided feedback in relation to the operation of the Committee. The report furnished to the Agency confirmed that the Committee was working well and operating effectively, with a small number of enhancements for implementation during the year.

The Committee's priorities in respect of 2022 were set out as part of its Work Programme 2022.

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

FIRST LINE

Business Areas

- Ownership and primary responsibility for identifying, measuring, monitoring, controlling and reporting risks on a day to day basis
- Ensure business activities are within the NTMA's risk appetite and compliant with risk management policies

SECOND LINE

Risk Management and Compliance

- Provide independent oversight, review and challenge to the first line of defence
- Independently facilitate and monitor the implementation of effective risk management and compliance practices
- Provide comprehensive and understandable information on risk and compliance matters
- Responsible for risk and compliance policy development, limits and controls
- Provide training, tools and advice to support policy compliance

Internal Audit

Provides independent, reasonable, risk based assurance on the robustness of the risk management system, governance and the design and operating effectiveness of the internal control environment

THIRD LINE

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 business 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
Macro, Financial and Market Risk	The risk that extraneous risks such as adverse macro-economic conditions, unpredictable geopolitical or regulatory developments and/or market volatility could negatively impact the NTMA's ability to achieve its objectives. 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.	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; The current debt profile reduces exposure to volatility in funding costs in the short to medium term; Funding plan and KPIs are approved and reviewed by the NTMA Board; Diversified ISIF Global and Irish Portfolios; 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; On-going monitoring and reporting of market and macro-economic trends, implications and key market risk indicators including horizon scanning and stress testing; Where specific risks are identified (e.g. Ukraine crisis, Brexit, COVID-19), tailored action plans are put in place and monitored; NDFA monitoring project counterparty and macroeconomic risks, increased communication with project stakeholders.

Risk Management (continued)

Risk	Description and Potential Impact	Mitigation
Investment Risk	The risk that actual investment performance deviates materially from the expected outcomes of relevant investment strategies. Possible consequences include: i. Financial losses or sub-optimal returns; and/or ii. Unsatisfactory economic impact; and/or iii. Reputational damage.	NTMA Board approved ISIF investment strategies for Global and Irish Portfolios in place; 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; 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; Appropriate strategies, governance structures, policies and processes are capable of being adapted as required, facilitated through: • The ability to re-prioritise and re-direct resources • use of various sources of expertise (staff, external secondees, advisors) and • the availability and agility of key governance committees; 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; Regular communications with Global Portfolio investment managers and existing investees on the Irish Portfolio.
Liquidity Risk	The risk that, over a specific time horizon, the NTMA will have insufficient cash to meet its obligations as they fall due. 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.	Outturn of the 2021 Exchequer Borrowing Requirement (EBR) led to stronger than expected opening cash balances in 2022; Funding plan and KPIs are approved and reviewed by the NTMA Board; NTMA Board approved ISIF Global Portfolio Strategy is in place and regularly monitored to ensure adequate liquidity; 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; Active management of the debt maturity profile; A Liquidity Risk Policy, which includes appropriate liquidity buffers, is in place; Regular stress testing of portfolios to model resilience in adverse scenarios; Monitoring (including horizon scanning) and reporting of liquidity risk exposures is performed with appropriate escalation to Risk Committees.

Risk	Description and Potential Impact	Mitigation
NTMA Climate Risk	The risk that the NTMA fails to 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. Possible consequences are reputational damage and/or the NTMA being unable to achieve its objectives.	NTMA Climate Strategy, informed by the Government's Climate Action Plan, in place, monitored and reported on; ISIF Climate and Sustainable & Responsible Investment Strategies in place, which seek opportunities to invest in climate positive investments, integrate climate action across all investments, and assess and engage on investee transition risks (including emissions) across both the Irish and Global Portfolios; Active divestment and exclusion of fossil fuel assets from the ISIF Global Portfolio; Issuance of sovereign green bonds, where proceeds are allocated to eligible green projects as outlined in the National Development Plan which are expected to contribute to carbon emission reductions; NewERA actively work with the relevant government departments in relation to actions assigned to relevant commercial state bodies and NewERA in the Government's Climate Action Plan; Various NTMA corporate initiatives including the Green Team and the Sustainability Group are in place; Any new projects being procured by the NDFA include green procurement initiatives.
Cyber Security Risk	The risk of the NTMA or its third parties being the subject of a successful cyber-attack/social engineering attempt. 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.	Monitoring, testing and reporting of ICT traffic, ICT security, cyber threat landscape and expert external advice on emerging trends and cyber threats including engagement with the National Cyber Security Centre, industry peers and the Financial Stability Group; Regular ICT upgrades and patching of systems to ensure systems and security remain up-to-date; Cyber Security Framework in place based on the National Institute of Standards and Technology ('NIST') Framework; 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; Third Party Risk policy in place, with supporting procedures and guidance covering ICT involvement in assessing the adequacy of third party information security measures; ICT Security Committee in place focusing on ICT security matters; End user ICT security policies in place with mandatory cyber security staff training, and regular cyber awareness communications via email and intranet; Frequent simulated phishing campaigns and annual third party cyber security posture assessment tracking maturity and benchmarking the NTMA against the industry; Regular audits and external reviews of cyber security.

Risk	Description and Potential Impact	Mitigation
Third Party Risk	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. Possible consequences include interruption to critical operations and/or financial loss and/or reputational damage.	Third Party Risk 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; Dedicated procurement team and procedures in place for managing the tendering process for relevant third party services; Third party contracts approved by internal management and reviewed by legal advisers, where appropriate; Technical ICT advice provided as part of the tendering process for new technology services, where appropriate; Regular communications with third parties which is adapted in terms of the frequency and focus in response to the risk profile of the third party; Third party service oversight subject to periodic internal audit review; Attestation required from units/functions by ICT to ensure appropriate visibility and oversight of systems in use.
Business Disruption and ICT Resiliency Risk	The risk of business disruption or inadequate resilience 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. Possible consequences include poor operational performance, fragmented collaboration services, financial loss, reputational damage and/or the NTMA being unable to achieve its objectives.	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; Regular ICT upgrades and patching of systems to ensure systems and security remain up-to-date; 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; Experienced ICT Service Desk Team, with an increasing focus on timely and clear communications; ICT Change Advisory Board ('CAB') in place with formal review of key risk assessments and approval of upcoming changes; Contingency planning: alternative processes in place for key business processes/activities, and regular testing of alternative processes; 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; Defined crisis management and incident response teams in place; Use of certain cloud-based systems with simplified Software Development Life Cycles and more efficient access to upgrades.

Risk	Description and Potential Impact	Mitigation
Process Risk	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. Possible consequences include financial loss, business disruption and/or reputational damage.	Risk and control assessment processes help to ensure control measures are adequate and re-evaluated to address evolving risks; Alternative processes in place (or established) for critical business processes/activities, and regular testing of alternative processes; Appropriate operational risk and compliance policies are in place, supported by guidance documents, procedures and staff training; Various projects and initiatives on-going across the NTMA to increase process automation and flexibility to achieve efficiencies and enhanced effectiveness; 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; Second Line corporate functions available to support and challenge material process changes as required; Oversight committees in place with scope to react to changes in the environment or processes; Regular risk-based internal audits and external audits, and resolution of agreed audit actions; Appropriate use of internal and external professional advice; Enterprise Risk Management system in place supporting risk and control assessments, operational event reporting and KRIs; Automation, control and monitoring of payment processes.
People and Behavioural Risk	The risk of failure to (i) recruit, retain and develop a sufficiently skilled, diverse, engaged, resilient and adaptable workforce and/or (ii) to maintain ethical and positive workplace behaviours in a manner consistent with relevant laws, regulations, policies, and expectations. Possible consequences include an adverse impact to the NTMA's ability to execute its mandates, financial loss, business disruption and/or reputational damage.	A HR Strategy is in place and is regularly revised; Continued investment in staff through a Learning and Development (L&D) programme with a focus on leadership and management skills, and regular staff communications; The NTMA operates a structured recruitment and selection process; Retention rates are monitored and reported and succession planning is undertaken; Measures focused on maintaining employee wellbeing and strong engagement in the hybrid working environment and regular staff engagement surveys and staff communications; Annual resources budgeting, performance reviews and L&D requirements processes in place; Compliance training, communication and advice provided to all employees to support and maintain a positive culture of Compliance; A range of HR and Compliance policies, codes and procedures help to ensure best practice in people management and ethical standards; Key internal controls and anti-fraud measures are in place; Regular risk-based internal audits, external audits and Second Line monitoring.

Management Team

Conor O'Kelly

CHIEF EXECUTIVE

Nick Ashmore[25]

DIRECTOR, IRELAND STRATEGIC INVESTMENT FUND

Ian Black

CHIEF FINANCIAL AND OPERATING OFFICER[26]

Ciarán Breen

DIRECTOR, STATE CLAIMS AGENCY

Sinéad Brennan

CHIEF PEOPLE OFFICER

Des Carville

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

Frank O'Connor

DIRECTOR, FUNDING AND DEBT MANAGEMENT[27]

Andrew O'Flanagan

DIRECTOR, NATIONAL DEVELOPMENT FINANCE AGENCY AND NewERA

Susan O'Halloran

CHIEF LEGAL OFFICER

25 *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.*
26 *Ian Black was temporarily seconded to SBCI as Interim SBCI Chief Executive Officer from February 2021 to end August 2021. Interim arrangements were put in place in NTMA and overseen by the Chief Executive.*
27 *Frank O'Connor (Director, Funding and Debt Management) will become Chief Executive of the Agency with effect from 1 July 2022, following the expiry of Conor O'Kelly's term of appointment on 30 June 2022.*

* *Management Team as presented at end-Dec 2021.*

Inclusion and Diversity

Continuing to Foster an Inclusive and Diverse Workforce

In 2021, the NTMA developed its first comprehensive Inclusion and Diversity Strategy. The purpose of the strategy is to embed inclusion and diversity holistically throughout the organisation. The three-year strategy demonstrates the importance of inclusion and diversity in the organisation.

The NTMA recognises that organisations that are diverse, inclusive and foster a sense of belonging are more innovative, creative and make better business decisions.

2021 was also another year of living with and through COVID-19 with many underrepresented groups being disproportionately impacted[28] [29] as the pandemic continued.

Throughout 2021 and despite the challenges presented by the pandemic, the NTMA continued to invest in its inclusion and diversity agenda. Its focus was to support, advocate, and fulfil the commitments made to drive progress across a number of key inclusion and diversity pillars.

An Equality Officer and an Equality Committee was established to enhance the governance structure of its Inclusion and Diversity Strategy. The NTMA Equality Committee comprises of all the Executive Sponsors of the NTMA Employee Resource Groups (Gender Matters, Disability Awareness Team, LGBT+ and the International and Multicultural Awareness Team (IMAT)) and acts in an advisory capacity to support the delivery of the NTMA Inclusion and Diversity Strategy.

The NTMA continued to invest in additional networks and reached outside the organisation for best practice advice regarding inclusion and diversity. The NTMA was awarded the 'Bronze' accreditation by Investors in Diversity, Ireland's only Inclusion and Diversity performance accreditation. The Investor's in Diversity framework guides and supports organisations on their journey of continuous improvement with inclusion and diversity.

While measuring the level of workplace inclusion can be challenging, statements from the NTMA's Employee Engagement Survey, conducted in Q4 2021, indicate that approximately 82% of employees experience positive aspects of inclusion and diversity at the NTMA, and 76% of employees responded favourably that the NTMA has created an environment where people of diverse backgrounds can succeed.

The development of the NTMA's hybrid working model was also a key focus throughout 2021. The NTMA's vision is to create a working environment that is purposeful, flexible and digital, that will successfully deliver on the NTMA mandates for the benefit of stakeholders and employees. The hybrid working model is guided by a set of six principles which were co-created with and by NTMA employees. One of the six hybrid working principles is 'Conscious Inclusion', which has been developed to ensure that equality and inclusion is viewed as essential as we navigate and shape the future of the organisation.

The NTMA will continue to focus on inclusion and diversity in the years ahead so that the organisation is reflective of 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.

28 *Women in the Workplace | McKinsey.*
29 *IHREC Submission: The Impact of COVID-19 on People with Disabilities.*

Inclusion and Diversity (I&D) Journey

The NTMA's inclusion and diversity programme is led voluntarily by communities of employees (Employee Resource Groups) who work together to drive forward progress.

2016

Disability Awareness Team established (DAT)

First employee network established (Gender)

2017

LGBT+ Committee established

2018

Publication of Gender pay gap

2019

I&D incorporated into NTMA Corporate Strategy

Commenced monitoring I&D indicators in the NTMA Employee Engagement Survey

2020

Appointment of NTMA I&D Manager

2021

NTMA Equality Committee established

NTMA I&D Strategy developed

Appointment of NTMA Equality Officer

International and Multicultural Awareness Team established

DAT rebrand to Disability Advocacy Team

NTMA awarded 'Investors In Diversity' Bronze Award

68 I&D Employee Resource Group members

16 external I&D partnerships

Gender Matters

Gender Pay Gap Figures

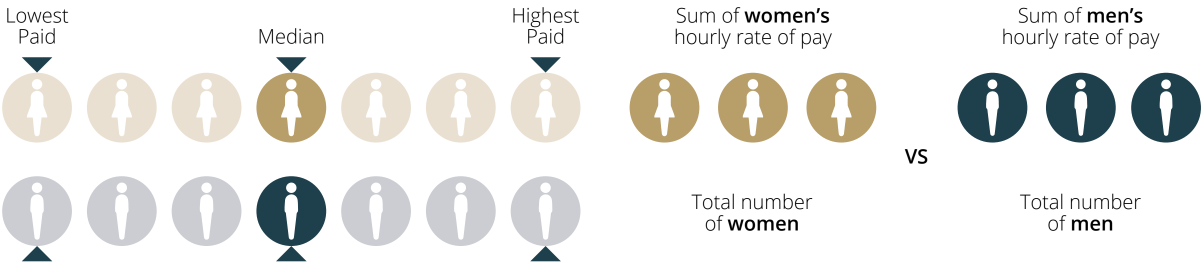
The gender pay gap analysis and profile is based on annual base pay effective 31 December 2021. The table below illustrates that overall at medium base pay there is a 19% pay gap in favour of male employees and at mean base pay there is a 24% pay gap in favour of male employees.

The overall median gender pay gap for the NTMA has decreased by 1% to 19% from last year with the mean pay gap increasing by 1%.

Gender Pay Gap	2020	2021
Median	20%	19%
Mean	23%	24%

Distinguishing Between Median and Mean

Median Calculation | **Mean 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.

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.

Gender Pay Gap Reporting Explained

It is important to note that this is different to the issue of equal pay – namely the legal requirement to pay men and women the same for equal work – which is governed by the Employment Equality Act.s

The gender pay gap refers to the difference between what is earned, on average by women and men, based on average hourly earnings of all NTMA employees – not just people doing the same job or at the same level or working pattern.

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 2021, women made up 53% of the overall workforce with 22% of the NTMA Executive Management Team (EMT) and 30% of the NTMA Senior Leadership Team (SLT) being women. Due to the small numbers in the Executive Management Team and the Senior Leadership Team, any change to the structure of the Team or movement across the Agency can have a relatively significant impact in percentage changes overall.

At senior level there is approximately a 70% male / 30% female split while administration and support roles are represented by a 70% female / 30% male split.

Addressing the Gap

Whilst the NTMA is making improvements, progress is slow when it comes to increasing the number of women in more senior, higher-paid positions. The NTMA continue to strengthen and develop the culture of inclusion and diversity, not just at the top of the organisation but throughout the Agency through awareness, education, leadership and action. The NTMA remains 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 2021. While it is challenging to achieve gender parity at all levels and it will take time, the NTMA aims to have equality of gender at all levels with a culture of appreciation of gender differences in management and leadership styles.

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.

Inclusion and Diversity (continued)

Effective Activity	NTMA Approach
Recruitment	• Actively work with recruitment partners to try and identify at least 30% representation of each gender for interviews. • Recruitment advertisements are entered into a job description decoder which ensures gender neutral language. • Fielding mixed interview panels.
Reporting	• Regular reporting of recruitment statistics to the NTMA Executive Management Team.
Monitoring on Pay Promotion and Reward Processes	• Actively monitor promotion and reward processes to ensure that the widest available pool of candidates is considered.
Flexibility	• The NTMA operates a hybrid working model which aims to provide flexibility to the greatest extent possible. • In the NTMA's 2021 Employee Engagement Survey, 92% of NTMA employees said that they had the flexibility needed to be effective and productive.
Supporting Policies	• Encourage the uptake of paternity and family leave among new fathers and partners.
Engaging Men	• The NTMA celebrated International Men's Day in November with a series of online events.
External Partnerships	• 24 employees of both genders participated in 30% Club Ireland cross company mentoring programme. • The NTMA expanded its partnership relationships to include the Open Doors Initiative and continues to partner with Professional Women's Network (PWN), The Executive Institute, Network Ireland and the 30% Club Ireland. • The NTMA partnered with the 30% Club Ireland to support 'A Career Less Ordinary', an Ireland for Finance project.
Learning & Development	• Women from across the Agency participated in several 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 the 30% Club Deloitte Board Ready Programme.

Other Developments

The NTMA continued to maintain a strong focus in 2021 on the influence and impact our business mandates have on external stakeholders.

Ireland Strategic Investment Fund (ISIF)

The gender diversity action plan, which sets a minimum target of 30% female representation on the boards of ISIF investee companies across the Irish Portfolio, continued to make progress. In 2021, ISIF's internal director nominations increased from 0% to 33% female. While there is still room for improvement, progress in this and other areas is expected to continue in 2022.

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 relevant stakeholders to seek to improve gender diversity in relation to board appointments for commercial State bodies within its remit.

NewERA also reports on gender balance statistics 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.

Disability Advocacy Team (DAT)

During 2021, the DAT was renamed the Disability Advocacy Team (previously the Disability Awareness Team) to recognise the move from awareness to advocacy on behalf of those with a disability. The DAT aims to make the NTMA an inclusive and supportive workplace that embraces disabilities, and to assist the NTMA to meet its statutory obligation to have employees with a disability comprise at least 3% of its workforce. The most recent return to the National Disability Authority (NDA) in December 2021 reported that 4.1% of the NTMA's workforce has a disclosed disability. 2021 also saw a strategic review of the DAT's mission, aims and objectives. DAT's revised strategy focuses on the pillars of Awareness, Engagement and Progression with an overarching Communications pillar. The new strategy was launched over a week of events to coincide with the International Day of Persons with a Disability on 3 December 2021 and included an event hosted by the NTMA Chief Executive.

Over the past year the DAT has continued to undertake advocacy within the organisation for employees with a disability, particularly in the area of accessible communications, building internal and external networks to leverage best practice, increasing participation across the business units of the NTMA and providing support to employees and managers.

Effective Activity	NTMA Approach
Recruitment	• The NTMA was awarded a Willing Able Mentoring (WAM) Leadership Award for promoting the employment of graduates with a disability in 2021. • The DAT works actively with business units to identify possible roles for persons with a disability. • The DAT worked with by AHEAD and the Trinity Centre for People with Intellectual Disability to recruit employees for its Graduate and Internship programme. • All candidates recruited through DAT partners are assigned a mentor from the DAT.
Communication & Events	• The DAT hosted various events throughout 2021 to celebrate achievements and raise awareness across the organisation. • The DAT in partnership with ICT have been active in supporting employees with a disability in the remote working environment by promoting accessible technology features, such as captioning on Zoom.
External Partnerships	• The DAT is actively partnering with other organisations that can assist in expanding and advancing its objectives. The DAT continued its engagement in 2021 with AHEAD, TCPID, Specialisterne Ireland, the Blue Diamond Theatre Group, the National Council for the Blind of Ireland and Down Syndrome Ireland. • 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 and continues to strengthen and leverage these relationships.
The Impact of COVID-19 on Disability in the Workplace	• COVID-19 has presented additional challenges for persons with a disability[30]. DAT mentors engaged regularly with employees recruited through DAT partners to provide additional support, especially for those who due to health reasons could not attend the workplace.

30 *IHREC Submission: The Impact of COVID-19 on People with Disabilities.*

LGBT+

The NTMA LGBT+ initiative is now into its second three-year strategy. It continues to provide opportunities for education while raising awareness and encouraging conversations on LGBT+ topics at all levels in the organisation. During 2021, faced with the challenges of the pandemic, the LGBT+ Committee worked to leverage hybrid capabilities to connect with external partners, ensuring that an awareness of LGBT+ issues and opportunities remained prevalent at all levels across the NTMA.

The LGBT+ Committee has developed a supporting infrastructure in terms of an overarching strategy, annual targets and deliverables and access to corporate resources.

Effective Activity	NTMA Approach
Pride 2021	Pride month in June is the focal point in the LGBT+ calendar. Pride 2021 saw a significant number of events including, the illumination of Treasury Dock in Rainbow colours, and the production of a Pride video. Throughout June, NTMA employees participated in charity events such as an online quiz, and a (virtual) 5km Fun Run. An LGBT+ history podcast was produced with the National Museum of Ireland, and an online discussion was hosted by the Chief Executive with a panel of guests from the LGBT+ sporting world. This event explored LGBT+ challenges and opportunities in sport. A total of €2,500 was raised for LGBT+ charities through the committee's various Pride month events.
Training & Awareness	Following the publication of the NTMA's Gender Identity and Expression Policy and Workplace Gender Transition Guidelines, the LGBT+ Committee provided training and awareness sessions for employees and bespoke sessions for the HR Team. These sessions focused on developing an awareness of trans related issues and on the development of an increasingly supportive environment.
Supporting Commitments	The LGBT+ Committee supports the NTMA as a public sector body ensuring that it meets its obligations as contained in the National LGBTI+ Inclusion Strategy and the Public Sector Equality and Human Rights Duty, published by the Department of Justice.

Growing and Investing in Internal Communities

International and Multicultural Awareness Team (IMAT)

IMAT is a new initiative under the NTMA's inclusion and diversity programme. Its aim is to highlight and improve cultural integration in an increasingly diverse workforce. One of the key objectives is to raise awareness and leverage the power of cultural and ethnic diversity among the NTMA workforce and community. IMAT believe that to enable employees to deliver on the NTMA's mandates and strategic goals, it is important to reflect the diversity of the society within which we operate, live and work.

Sustainability and Climate Action

Climate Action Strategy

NTMA plays an important role in supporting Government meeting its climate objectives acting as a conduit between public and private sector. The Climate Action Plan Annex of Actions[31] sees the NTMA acting as lead or a key stakeholder on a range of issues such as green bonds, a climate action framework, mobilising private finance, forestry and mitigating carbon in the agri food sector.

The NTMA Climate Strategy supports the delivery of Government climate action initiatives through its mandates, builds on its leadership role in sustainable finance, and targets being a Net Zero emissions organisation by 2030.

The most recently revised *NTMA Climate Action Strategy 2022-2024*, reviews NTMA's progress to-date in the context of climate goals and actions as set out in the original NTMA Climate Action Strategy and has been updated to ensure alignment with the Government's Climate Action Plan 2021.

NTMA's climate goals comprise external and internal targets and deliverables to be achieved through its business mandates and its business processes and systems. The four goals reflect the work currently underway with targets set to further enhance the NTMA's actions to support Government's climate action commitments. The goals also commit the NTMA to be environmentally sustainable and a Net Zero emissions organisation in advance of the 2050 Government timeline, reflecting the **NEED** to act now.

NetZero	**E**mbed	**E**ngage	**D**isclose

Climate Oversight

The oversight and monitoring of the NTMA's Climate Action Strategy is a priority for the NTMA's Board and Executive Management Team (EMT). The Chief Financial and Operating Officer (CFOO) is responsible for the co-ordination of combined climate action effort across the NTMA. In January 2022, the NTMA appointed a Senior Business Manager – Sustainability reporting directly to the NTMA CFOO. A key aspect of the role is to enable the NTMA to build its leadership role in sustainable finance, to ensure the integration of climate action into the NTMA's business decision-making and oversee the implementation of the NTMA Climate Action Strategy.

The NTMA Sustainability Group supports delivery of the NTMA Climate Action Strategy while also facilitating cross unit collaboration and information sharing with respect to climate-related activities. The group is chaired by the CFOO who is responsible for regular reporting to the NTMA Board and EMT. The Sustainability Group is responsible for the delivery of specific targets contained in the NTMA's Climate Action Strategy.

The focus of the Sustainability Group is on climate related matters within the NTMA business mandates and in its business processes. These include such matters as developments in Ireland's sovereign green bonds, investment policies, infrastructure developments, and climate-related financial advice to government departments including in relation to State owned entities. Representatives from the corporate functions ensure co-ordination, support and oversight of climate action matters across the organisation.

The NTMA has also 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 Green Team assists in embedding new environmentally sustainable behaviours among all employees. The Team consists of committed and engaged employees who undertake environmentally sustainable initiatives in addition to their other responsibilities. The NTMA 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.

Climate Risk Management

The NTMA views Climate Risk as *the risk that the NTMA fails to 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.*

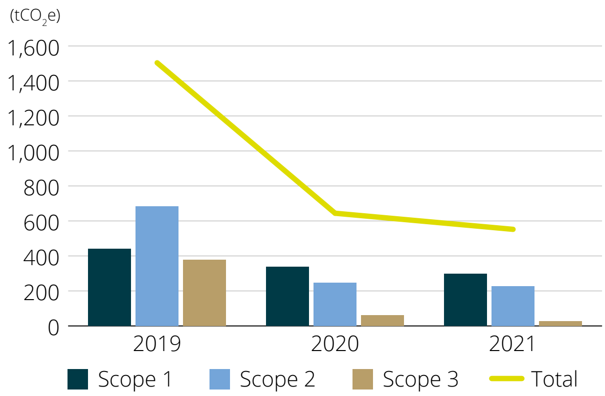
The elevation of Climate Risk as a strategic risk, as agreed by the Board, underscores the importance the NTMA has already placed on the topic of climate action and the environment and its importance to all key stakeholders. This ensures climate remains a strategic priority. The Board expects the organisation to demonstrably factor in Climate Risk to all of its decision making.

Metrics and Targets

The NTMA began its Net Zero journey in 2020 by measuring its carbon footprint. This included measuring Scope 1,2[32] and core upstream Scope 3[33] emissions most relevant to NTMA operations for 2019 onwards.

2019 was a unique year for NTMA, in that it occupied two buildings for a short time as it transitioned from Treasury Building to it new location in Treasury Dock, which is certified as BER A3, LEED Platinum and NZEB compliant. As a result, the organisational footprint peaked during this year (c. 1500 tCO_2e)[34].

NTMA Total Emissions, including Scope categories



The NTMA has made significant progress and is currently on track to be a Net Zero organisation by 2030[34]. This is mainly due to the move to a new energy efficient building together with the impact of the pandemic and much reduced business travel which is anticipated to normalise at a lower level going forward.

31 *https://www.gov.ie/en/publication/6223e-climate-action-plan-2021/*

32 *GHG are categorised into three groups or 'Scopes' by the GHG Protocol. Scope 1 covers direct emissions from sources owned or controlled by the reporting entity (e.g. natural gas). Scope 2 covers indirect emissions from the generation of purchased electricity, heat or steam consumed by the reporting entity.*

33 *Scope 3 emissions are other indirect emission that occur in the reporting entities value change. For the NTMA the most material (and measurable) Scope 3 emissions are upstream and relate to business travel, water use and waste generation.*

34 *Emissions data is presented on a location basis and are calculated using a third party sustainability software solutions service.*

Energy Efficiency Report

Environmental Performance

Treasury Dock, North Wall Quay, Dublin 1 has achieved LEED 2009 Platinum and BER A3 energy rating standards.

1. Energy Efficiency

Electricity

Annual Consumption

	2021	2020	Diff (%)	Notes
kWh	702,815	762,203	▼-7.8	
kWh/m²	53	57	▼-7.8	1
CO_2e tonnes	228.1	247.4	▼-7.8	2

Gas

Annual Consumption

	2021	2020	Diff (%)	Notes
kWh	1,627,359	1,690,521	▼-3.7	
kWh/m²	122	127	▼-3.7	1
CO_2e tonnes	296.9	313.7	▼-4.9	3

Energy Efficiency

Display Energy Certificate

	2021	2020	Diff	Notes
Energy performance based on actual building energy consumption in terms of kWh/m²/yr	C1 (≥50kgCO_2)	C2 (≥58.5kgCO_2)	▲	4

Notes

1. Treasury Dock 13,357m² net demised area.
2. Scope 2 emissions (location based). NTMA purchased electricity under a green electricity price plan in both 2020 and 2021.
3. Scope 1 emissions (location based).
4. Treasury Dock 17,980m² useful gross floor area.

2. Waste Management

Annual Waste (kgs)

	2021	2020	Diff %	Notes
General	6,411	10,798	▼-40.6	
Recycling	2,548	6,388	▼-60.1	
Composting	2,607	8,306	▼-68.6	
Confidential Shredding	3,304	3,566	▼-7.4	
Total	**14,870**	**29,058**	**▼-48.8**	

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

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 2021 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 2021, the ARC comprised four Agency members, with financial and audit expertise, one of whom is the Chair. The Committee met formally nine times in 2021.

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 2021 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 assessment exercise conducted by the ERMC which was supported by a bottom-up exercise by the business units and corporate functions.

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 established third party risk policy and procedures to assess and manage risks posed by third parties including the monitoring and oversight of critical third party service providers.
- 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. A very small number of payments (less than 0.1% in value and number) were erroneous. All such payments were fully recovered and no net losses have arisen. While enhanced controls and procedures were introduced to mitigate this business risk in 2020 and 2021, Management continue to focus on further enhancements to relevant controls and procedures

Covid-19

As a result of the Covid-19 pandemic the NTMA continued operating within a predominantly remote-working environment during 2021 (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 have continued to consider 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 2021 NTMA Strategic Risk Assessment. 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 ERMC 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 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.

Statement on Internal Control (continued)

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 2021, payments with a total value of €6.15m (ex VAT) (2020: €6.77m (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) 2021 €m	Notes
Expert Witnesses	4.99	Note 1
Information Technology & Communications	0.45	Note 2
Professional Services	0.34	Note 3
e-Discovery	0.20	Note 4
Facilities Management/Maintenance	0.17	

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. A panel of two service providers was procured in 2021 for the provision of actuarial expert witness services, with the procurement of other categories of witness as to quantum planned for 2022. 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 includes payments of €0.273m (60.6% of category total) to sole providers of a service and payments of €0.154m (34.2% of category total) to service providers where the services are required in order to comply with Ministerial Guidelines issued pursuant to Section 4(4) of the National Treasury Management Agency Act 1990.

Note 3: This includes payments of €0.125m (36.7% of category total) to sole providers of a service, and payments of €0.217m (63.7% of category total) to three advisors for specialist services, including non-EU legal advisory services, relating to a number of commercially sensitive and/or time sensitive transactions.

Note 4: 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.

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 2021.

No weaknesses in internal control were identified in relation to 2021 that require disclosure in the financial statements.

Maeve Carton, Chairperson
National Treasury Management Agency

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

3 May 2022

Financial Statements of the

National Debt of Ireland

For the year ended 31 December 2021

Ard Reachtaire 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 2021 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 2021, and
- the debt service cost for 2021.

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 Mc Carthy.

Seamus McCarthy
Comptroller and Auditor General

16 May 2022

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 annual 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 2021 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.

I 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.

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.

Service of National Debt

For the year ended 31 December 2021

	Note	2021 €m	2020 €m
Net Interest Paid on Gross National Debt	3	3,482	4,400
Net Interest Paid on Cash and Other Financial Assets	4	112	115
Fees and Operating Expenses	5	151	161
Total Debt Service Cost		**3,745**	**4,676**

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

3 May 2022

National Debt Statement

As at 31 December 2021

	Note	2021 €m	2020 €m
Medium/Long Term Debt			
Irish Government Bonds	6	154,105	136,809
EU and UK Bilateral Loans	7	40,911	41,393
Other Medium/Long Term Loans	8	7,653	4,097
		202,669	182,299
Short Term Debt			
Short Term Paper	9	9,766	14,027
Borrowings from Ministerial Funds	10	5,099	4,328
		14,865	18,355
State Savings Schemes			
State Savings Products	11	19,643	18,828
Gross National Debt		**237,177**	**219,482**
Cash at Central Bank of Ireland	12.1	(27,474)	(17,362)
Other Financial Assets	12.2	(1,675)	(1,838)
Net National Debt	**13**	**208,028**	**200,282**

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

3 May 2022

National Debt Cash Flow Statement

For the year ended 31 December 2021

	Note	2021 €m	2020 €m
Movement in Exchequer Balances:			
Balance at 1 January	12.1	17,362	16,502
Decrease in Other Financial Assets	12.2	163	196
Net Borrowing of Debt (see below)		17,321	12,981
		34,846	29,679
Exchequer Deficit		(7,372)	(12,317)
Balance at 31 December	12.1	**27,474**	**17,362**

	Note	2021 Net[1] €m	2020 Net[1] €m
Net Borrowing of Debt:			
Medium/Long Term Debt			
Irish Government Bonds	6	16,902	6,926
EU and UK Bilateral Loans	7	(505)	(1,876)
Other Medium/Long Term Loans	8	3,573	1,508
Short Term Debt			
Short Term Paper	9	(4,235)	4,085
Borrowings from Ministerial Funds	10	771	1,310
State Savings Schemes			
State Savings Products	11	815	1,028
Net Borrowing of Debt		**17,321**	**12,981**

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. As a result, the movements of outstanding balances in notes 6 to 9 may not agree to the net borrowing of debt outlined above.*

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

3 May 2022

Statement of Movement in Net National Debt

For the year ended 31 December 2021

	Note	2021 €m	2020 €m
Net National Debt at 1 January	13	200,282	188,194
Increase in Net National Debt		7,746	12,088
Net National Debt at 31 December	13	**208,028**	**200,282**
Increase in Net National Debt represented by:			
Exchequer Deficit		7,372	12,317
Effect of Foreign Exchange Rate Movements		(26)	(55)
Adjustment for Inflation Linked Bonds		51	(15)
Net Discount on Medium/Long Term Loans		6	10
Net Premium on Bond Issuances and Gain/Loss on Cancellations		343	(169)
		7,746	**12,088**

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

3 May 2022

Notes to the Financial Statements

1. Background

Under the National Treasury Management Agency Act, 1990, ("the Act"), the National Treasury Management Agency ("the Agency") performs borrowing and National Debt Management functions on behalf of the Minister for Finance.

National Debt is defined by section 1 of the Act as the debt outstanding for the time being of the Exchequer. For the purpose of the financial statements, this is Gross National Debt and Net National Debt is presented as 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 (notes 14.2, 16 and 17) in relation to the Credit Support Annex (CSA) Collateral Account, the National Loans Advance Interest Account, the National Loans (Winding Up) Account, the National Treasury Management Agency (Unclaimed Dividends) Account and the Surplus Public Expenditure Monies Account. As these are operational accounts at the Central Bank of Ireland, set up for specific purposes outside of the Exchequer Account, the related cash balances are not included with the Cash at Central Bank of Ireland on the National Debt Statement.

2. Basis of Preparation

The financial statements have been prepared for the year ended 31 December 2021, 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 (Gross National Debt), less cash and other financial assets available for redemption of those liabilities at the same date (Net National Debt). 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 on 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 Net 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 Net 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

	2021 €m	2020 €m
Interest Paid on Medium/Long Term Debt		
Irish Government Bonds	2,446	3,179
EU and UK Bilateral Loans	764	817
Derivatives hedging Medium/Long Term Debt	38	99
Schuldscheine Loans	35	35
Medium/Long Term Notes	24	12
European Investment Bank	18	18
Council of Europe Development Bank	1	1
	3,326	4,161
Interest (Received)/Paid on Short Term Debt		
Irish Treasury Bills	(25)	(18)
Euro Commercial Paper	(4)	13
Exchequer Notes	(1)	(7)
	(30)	(12)
Interest Paid on State Savings Schemes		
Savings Certificates	83	75
10 Year National Solidarity Bonds	68	127
Prizes in respect of Prize Bonds	16	19
Savings Bonds	10	10
Instalment Savings	5	8
4 Year National Solidarity Bonds	4	12
	186	251
Total Net Interest Paid on Gross National Debt	**3,482**	**4,400**

4. Net Interest Paid on Cash and Other Financial Assets

	2021 €m	2020 €m
Interest Paid on Cash at Central Bank of Ireland	122	126
Interest Received on Other Financial Assets	(10)	(11)
	112	**115**

Interest paid on cash balances represents the prevailing negative interest rates charged by the Central Bank of Ireland on cash balances held.

5. Fees and Operating Expenses

	2021 €m	2020 €m
EU and UK Bilateral Loans	39	34
Government Bonds and Other Expenses	23	28
Prize Bonds	13	13
Savings Certificates	9	9
10 Year National Solidarity Bonds	6	6
Savings Bonds	3	3
4 Year National Solidarity Bonds	2	2
Instalment Savings	1	1
	96	**96**
Agency Operating Expenses[2]	55	65
	151	**161**

The fees on the Gross National Debt principally include service fees on long-term loans (includes recurring facility fees along with one off transaction fees that reimburse any operational costs of the lender), 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

	2021 €m	2020 €m
Fixed Rate Bonds	147,111	127,946
Floating Rate Bonds	5,534	7,534
Inflation Linked Bonds	1,063	912
Amortising Bonds	397	417
	154,105	**136,809**

Sovereign Green Bond:

Included within fixed rate bonds is €6.9 billion from Ireland's inaugural sovereign green bond issuance in accordance with the Irish Sovereign Green Bond (ISGB) Framework. This includes a further €0.8 billion of new issuance under the framework in 2021.

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 2021, the Agency bought back and cancelled €2.0 billion (2020: €1.0 billion) of the Floating Rate Bonds from the CBI at a premium of €1.27 billion (2020: €0.65 billion). The outstanding nominal balance of the Floating Rate Bonds therefore reduced to €5.53 billion at year-end 2021 (2020: €7.53 billion).

Since year-end 2021, the Agency bought and cancelled a further €1.0 billion of the Floating Rate Bonds.

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, taking into account the effect of currency hedging transactions, are as follows:

Lender	2021 €m	Weighted Average Residual Maturity Years	2020 €m	Weighted Average Residual Maturity Years
European Financial Stability Facility	18,411	11.1 Years	18,411	12.1 Years
European Financial Stabilisation Mechanism	22,500	8.9 Years	22,500	7.9 Years
United Kingdom Treasury	-	-	482	0.2 Years
Total	**40,911**		**41,393**	

In March 2021, the final £0.4 billion tranche of the UK Bilateral Loan was repaid.

An agreement was reached in 2013 to extend the term/maturity of EFSF and EFSM loans. In respect of the EFSM loans, the revised maturity dates are only determined as they approach their original maturity dates. The weighted average residual maturity of the EFSM loan reflects the maturity extensions agreed to date. The EFSM loan includes €3 billion that was extended in 2021 to a revised maturity date of 2036.

8. Other Medium/Long Term Loans

	2021 €m	2020 €m
Medium/Long Term Notes	2,871	2,010
EU SURE Loan	2,473	-
European Investment Bank	1,665	1,440
Schuldscheine Loans	602	602
Council of Europe Development Bank	37	40
Other Medium/Long Term Loans	5	5
	7,653	**4,097**

In March 2021, a €2.5 billion loan was drawn down from the European Commission for funding under the Support to mitigate Unemployment Risks in an Emergency (SURE). The SURE loan is intended to support Member States in dealing with the employment impact of the COVID-19 pandemic.

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.

	2021 €m	2020 €m
Exchequer Notes	3,916	4,761
Irish Treasury Bills	3,009	3,760
European Commercial Paper Programme	1,857	4,876
Central Treasury Notes	984	630
	9,766	**14,027**

10. Borrowings from Ministerial Funds

The Gross 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.

	2021 €m	2020 €m
Post Office Savings Bank Fund	3,075	2,605
Surplus Public Expenditure Monies Account (note 17)	2,024	1,723
	5,099	**4,328**

11. State Savings Schemes

	2021 €m	2020 €m
Savings Certificates	6,087	6,237
10 Year National Solidarity Bonds	4,722	4,332
Prize Bonds	4,440	4,101
Savings Bonds	2,383	2,402
4 Year National Solidarity Bonds	1,466	1,226
Instalment Savings	543	528
Savings Stamps	2	2
	19,643	**18,828**

Amounts shown in respect of Savings Certificates, Instalment Savings, Savings Bonds, Solidarity Bonds and Prize Bonds include €1 million (2020: €19 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 €284 million (2020: €270 million), being the estimate of the amount of accrued interest at year-end 2021 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

12.1 Cash at Central Bank of Ireland

	2021 €m	2020 €m
Exchequer Account and CSRA[3]	27,474	17,362

3 The Balance held in the CSRA was €216k at year-end 2021 (2020: €216k). The Exchequer and CSRA (note 15) accounts are held at the CBI.

12.2 Other Financial Assets

	2021 €m	2020 €m
Collateral Funding (note 14.2)	-	252
Housing Finance Agency Guaranteed Notes	1,665	1,586
SBCI Guaranteed Notes	10	-
	1,675	**1,838**

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 14.2).

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

12. Cash and Other Financial Assets (continued)

12.3 Foreign Currency Clearing Accounts

The Agency maintains several foreign currency clearing accounts for the purpose of managing transactions in non-euro currencies. Receipts and payments in foreign currencies are translated into euro at the rates of exchange prevailing at the date of the transaction using swap agreements and other financial instruments (note 2.4).

In 2021, €16.1 billion (2020: €45.7 billion) of receipts and payments were processed through the foreign currency clearing accounts. The cashflows predominantly related to short-term debt activities in non-euro currencies.

The balance held in these accounts at end December 2021 was Nil (2020: Nil). The Agency held no other foreign currency cash balances.

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.

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

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.

13. Risk Management (continued)

13.1 Risk Management Framework (continued)

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 Polices, 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 reviews proposals and risk assessments in respect of new treasury products and processes, or material changes to existing products and processes. The MLRC also 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.

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.

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).

13. Risk Management (continued)

13.1 Risk Management Framework (continued)

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 and behavioural risk, process risk, change and project risk, information technology, data and cyber security risk, governance risk, third party risk, business disruption risk, fraud risk and also 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.

13.2 Net National Debt – Currency Composition

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

Currency	As at 31 December	
	2021 €m	2020 €m
Debt Instruments		
Euro	206,171	197,443
US Dollar	1,894	2,174
AUS Dollar	73	-
Pound Sterling	-	471
	208,138	**200,088**
Foreign Exchange and Swap Contracts		
Euro	1,861	2,845
US Dollar	(1,898)	(2,180)
AUS Dollar	(73)	-
Pound Sterling	-	(471)
	(110)	**194**
Net National Debt	**208,028**	**200,282**

13. Risk Management (continued)

13.3 Net 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:

2021 €m	Due within 1 Year	Due between 1-5 Years	Due between 5-10 Years	Due over 10 Years	Total
Irish Government Bonds	11,937	38,251	59,568	44,349	154,105
EU and UK Bilateral Loans	-	7,200	13,170	20,541	40,911
Other Medium & Long Term Debt	8	1,600	1,249	4,796	7,653
Short Term Debt[4]	13,600	1,265	-	-	14,865
State Savings[5]	7,718	9,233	2,690	2	19,643
Gross National Debt	33,263	57,549	76,677	69,688	237,177
Cash at Central Bank of Ireland	(27,474)	-	-	-	(27,474)
Other Financial Assets	-	(85)	(140)	(1,450)	(1,675)
Cash and Other Financial Assets	(27,474)	(85)	(140)	(1,450)	(29,149)
Net National Debt	5,789	57,464	76,537	68,238	**208,028**

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	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[4]	17,090	1,265	-	-	18,355
State Savings[5]	7,713	8,451	2,662	2	18,828
Gross National Debt	28,573	53,680	67,446	69,783	219,482
Cash at Central Bank of Ireland	(17,362)	-			(17,362)
Other Financial Assets	(823)	-	(215)	(800)	(1,838)
Cash and Other Financial Assets	(18,185)	-	(215)	(800)	(19,200)
Net National Debt	10,388	53,680	67,231	68,983	**200,282**

4 A portion of the borrowings from the Post Office Savings Bank Fund (Borrowings from Ministerial Funds) is not considered repayable on demand and as such, is categorised in the maturity profile as repayable in the period 1-5 years.

5 State Savings maturities are based on contracted maturity information provided by An Post for year-end 2021.

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 Gross 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.

	2021		2020	
	Nominal €m	Fair Value €m	Nominal €m	Fair Value €m
Interest Rate Swaps	472	(12)	3,131	(51)
Currency Swaps and Foreign Exchange Contracts	1,971	102	2,845	(200)
	2,443	**90**	**5,976**	**(251)**

14. Derivatives (continued)

14.1 Derivatives (continued)

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 currency swaps and foreign exchange rate contracts transacted with NAMA outstanding at year-end 2021 was €Nil (2020: €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 year-end 2021 was €0.09 billion (2020: €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.

	2021 €m	2020 €m
Balance at 1 January	-	-
Cash Collateral received from counterparties	648	1,509
Cash Collateral paid to counterparties	(300)	(1,665)
	348	(156)
Net Exchequer Funding during the Year	(252)	156
Balance at 31 December	**96**	**-**

Note:	2021 €m	2020 €m
Exchequer Funding at 31 December (note 12)	-	252
Net Collateral Posted to Counterparties at 31 December	-	(252)

The collateral account at the CBI had a surplus balance of €96m at year end. This surplus mirrors the positive net position of derivatives reported as part of the National Debt Statement at year-end 2021. Under the cash basis of accounting, cash collateral received and any related payables do not form part of the National Debt Statement.

The Agency has entered into a Collateral Posting Agreement with NAMA. At year-end 2021, NAMA had posted collateral of €Nil (2020: €3 million) to the Agency as part of this agreement.

The Agency has also entered into a Collateral Posting Agreement with IBRC. At year-end 2021, IBRC had posted collateral of €13 million (2020: €10 million) to the Agency as part of this agreement.

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

	2021 €m	2020 €m
Balance at 1 January	-	-
Receipts		
Derivative Transactions	608	986
Interest on Cash and Other Financial Assets	10	12
	618	998
Payments		
Derivative Transactions	(608)	(986)
Interest on Net National Debt	(1)	(1)
Transfer to Exchequer Account	(9)	(11)
	(618)	(998)
Balance 31 December	**-**	**-**

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 2021 €m	Net 2020 €m
NAMA Related Derivatives	48	(48)	-	-
IBRC Related Derivatives	560	(560)	-	-
	608	**(608)**	**-**	**-**

16. Bond Operating Accounts

Receipts and payments on cash accounts held by the Agency at the CBI which support bond related operations and activities are presented below.

2021	National Loans Advance Interest Account €m	National Loans (Winding Up) Account €m	Unclaimed Dividends Account €m
Balance at 1 January	16	3	3
Receipts	36	-	-
Payments	(22)	-	-
Balance at 31 December	30	3	3

2020	National Loans Advance Interest Account €m	National Loans (Winding Up) Account €m	Unclaimed Dividends Account €m
Balance at 1 January	38	3	3
Receipts	27	-	-
Payments	(49)	-	-
Balance at 31 December	16	3	3

The National Loans Advance Interest Account represents accrued interest received on bond issuance during the year. Such monies are deposited to this account until the next bond coupon date, when the accrued interest is then used to offset the related servicing costs of the Exchequer.

The National Loans (Winding up) Account and the Unclaimed Dividends Account represent unclaimed principal and interest amounts respectively on matured bonds, which have been returned to the Agency and have yet to be claimed by the registered holders. Changes in the way in which bonds are held by investors and the processing of payments means unclaimed amounts rarely arise and as a result amounts held on these accounts comprise principally of historic amounts.

17. 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 Net National Debt (note 12).

Surplus Public Expenditure Monies Account	2021 €m	2020 €m
Balance at 1 January	1,723	878
Receipts	20,581	8,273
Payments	(20,280)	(7,428)
Balance at 31 December (note 10)	**2,024**	**1,723**

18. Events after the end of the reporting period

The outbreak of the war in Ukraine on 24 February 2022 has impacted global financial markets including government bond yields. As neither the duration nor the scope of the impact can be predicted, the overall financial and fiscal impact cannot be estimated at this time.

The buy-back and cancellation of floating rate bonds after the end of the reporting period are detailed in Note 6.

19. Approval of Financial Statements

The financial statements were approved by the Agency on 3 May 2022.

Financial Statements of the

Administration Account

For the year ended 31 December 2021

Ard Reachtaire 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 2021 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 2021 and of its income and expenditure for 2021 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.

Seamus McCarthy
Comptroller and Auditor General

16 May 2022

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 annual 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.

I 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.

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.

Statement of Income and Expenditure and Other Comprehensive Income

For the year ended 31 December 2021

	Note	2021 €000	2020 €000
Income			
Operating income	5	62,533	62,702
Central Fund income	6	55,181	54,685
Net deferred retirement benefit funding	8.2	6,901	5,005
		124,615	122,392
Expenditure			
Staff costs	7.2	(98,558)	(94,118)
Operating expenses	7.2	(28,970)	(30,747)
Net interest expense on defined benefit pension scheme	7.2	(1,040)	(1,000)
		(128,568)	(125,865)
Excess of expenditure over income for the year		(3,953)	(3,473)
Transfer from/(to) capital account		3,953	3,473
Net income/(expenditure)for the year		-	-

Other Comprehensive Income **For the year ended 31 December 2021**		2021 €000	2020 €000
Net income for the year		-	-
Actuarial loss recognised on retirement benefit obligations	9.9	(11,774)	(12,390)
Movement in deferred retirement benefit funding	8.3	11,774	12,390
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

Maeve Carton, Chairperson
National Treasury Management Agency

3 May 2022

Statement of Financial Position

As at 31 December 2021

	Note	2021 €000	2020 €000
Non-current assets			
Property, equipment and vehicles	10	25,318	28,960
Intangible assets	11	1,476	1,787
Receivables	12	1,167	431
		27,961	**31,178**
Current assets			
Receivables	13	18,943	19,490
Cash at bank		7,248	7,524
		26,191	27,014
Payables; amounts falling due within 1 year	14	(22,098)	(19,913)
Net current assets		**4,093**	**7,101**
Payables; amounts falling due after 1 year	15	(5,260)	(7,532)
Net assets before retirement benefits		**26,794**	**30,747**
Retirement Benefits			
Retirement benefit obligations	9.4	(106,171)	(87,496)
Deferred retirement benefit funding	9.4	106,171	87,496
		-	-
Net assets after retirement benefits		**26,794**	**30,747**
Representing:			
Capital account		**26,794**	**30,747**

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

Conor O'Kelly, Chief Executive
National Treasury Management Agency

Maeve Carton, Chairperson
National Treasury Management Agency

3 May 2022

Statement of Changes in Capital

For the year ended 31 December 2021

	Note	Capital Account €000
Balance at 1 January 2020		**34,220**
Payment to acquire property, equipment and vehicles		786
Payment to acquire intangible asset		447
Amortisation of capital in the period		(4,701)
Disposal of property, equipment and vehicles		(5)
Balance at 31 December 2020		**30,747**
Payment to acquire property, equipment and vehicles	10	415
Payment to acquire intangible assets	11	560
Depreciation of property, equipment and vehicles	10	(4,057)
Amortisation of intangible assets	11	(871)
Balance at 31 December 2021		**26,794**

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

3 May 2022

Statement of Cash Flows

For the year ended 31 December 2021

	Note	2021 €000	2020 €000
Cash flows from operating activities			
Net income		-	-
Depreciation of property, equipment and vehicles	10	4,057	3,886
Amortisation of intangible assets	11	871	815
Loss on disposal of property, equipment and vehicles		-	5
(Increase)/decrease in receivables	12, 13	(189)	2,452
Increase/(decrease) in payables	14	3,064	(1,053)
(Decrease) in deferred income	14, 15	(3,151)	(693)
(Decrease) in provision	16	-	(784)
Capital funding		975	1,233
Amortisation of capital funding		(4,928)	(4,706)
Net cash inflow from operating activities		**699**	**1,155**
Cash flows from investing activities			
Payments to acquire property, equipment and vehicles	10	(415)	(786)
Payments to acquire intangible assets	11	(560)	(447)
Net cash outflow from investing activities		**(975)**	**(1,233)**
(Decrease) in cash at bank		(276)	(78)
Cash at bank at 1 January		7,524	7,602
Cash at bank at 31 December		**7,248**	**7,524**

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. 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. Significant accounting policies (continued)

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. There are no finance leases held by the Agency.

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.

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. Significant accounting policies (continued)

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.

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	2021 €000	2020 €000
Recovery of expenses from NAMA		32,238	34,965
Recovery of expenses from ISIF	7.1	17,226	16,000
Recovery of expenses from SBCI	7.1	6,535	6,154
Recovery of expenses from HBFI	7.1	6,038	5,044
Asset covered securities income		176	186
Other income		320	353
		62,533	**62,702**

5. Operating income (continued)

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 2021 (incurred and recovered in 2020: Nil).

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	2021 €000	2020 €000
Opening balance at 1 January	14	2,138	(8,177)
Net amounts received from Central Fund		54,700	65,000
Closing balance at 31 December	14	(1,657)	(2,138)
Central Fund income		**55,181**	**54,685**

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

	Note	2021 €000	2020 €000
(Payable to) from the Central Fund	14	(1,657)	(2,138)
Deferred retirement benefit funding	9.4	106,171	87,496
		104,514	**85,358**

7. Agency costs

7.1. Expenses of the Agency for specified functions

	Note	2021 €000	2020 €000
State Claims Agency		29,192	28,126
Ireland Strategic Investment Fund	5	17,226	16,000
Funding and Debt Management		12,395	12,615
National Development Finance Agency		11,626	11,252
NewERA		6,084	5,812
		76,523	**73,805**
National Asset Management Agency		30,214	33,892
Strategic Banking Corporation of Ireland	5	6,535	6,154
Home Building Finance Ireland	5	6,038	5,044
Shareholding and Financial Advisory Division		2,171	1,777
		44,958	46,867
Net deferred retirement benefit funding	8.2	6,901	5,005
Other expenses[1]		186	188
		7,087	**5,193**
Total expenses		**128,568**	**125,865**

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

7.2. Agency costs

	Note	2021 €000	2020 €000
Staff Costs			
Remuneration	7.3	80,856	78,116
Other staff costs[2]		2,408	2,519
Defined benefit pension scheme current service charge	9.5	15,265	13,454
PRSA pension cost	7.4	29	29
		98,558	94,118
Operating expenses			
Other operating expenses[3]		20,700	22,538
Professional fees		3,342	3,508
Depreciation	10	4,057	3,886
Amortisation	11	871	815
	7.5	28,970	30,747
Net interest expense on defined benefit pension scheme	9.5	1,040	1,000
Agency costs		**128,568**	**125,865**

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	2021 €000	2020 €000
Staff short-term benefits	15,430	2,576	3,187	48,655	69,848	69,091
Termination benefits	3,459	-	-	-	3,459	1,869
Pay Related Social Insurance	1,789	273	334	5,153	7,549	7,156
	20,678	**2,849**	**3,521**	**53,808**	**80,856**	**78,116**

The total number of whole time equivalent staff employed at 31 December 2021 was 781 (2020: 787).

Staff Short-Term Benefits

	NAMA €000	SBCI €000	HBFI €000	NTMA €000	2021 €000	2020 €000
Basic pay	14,958	2,435	3,077	45,670	66,140	68,102
Performance related pay	371	85	55	2,220	2,731	-
Allowances	101	56	55	765	977	989
	15,430	**2,576**	**3,187**	**48,655**	**69,848**	**69,091**

Key Management Personnel Compensation

	2021 €000	2020 €000
Agency and committee members' fees	310	283
Management remuneration	2,408	2,590
Performance related pay	195	-
Allowances	124	140
Health insurance	45	46
	3,082	**3,059**

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 section 6 (3) of the National Treasury Management Agency Act 1990 as amended.

Conor O'Kelly (Chief Executive)	2021 €000	2020 €000
Annual salary	480	480
Annual taxable benefits	4	4
Post-employment benefits	86	86
	570	**570**

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 2021.

7. Agency costs (continued)

7.3. Remuneration (continued)

Disclosures in respect of Agency staff excluding officers assigned to NAMA, SBCI and HBFI

Garden leave

Three Agency staff members were placed on garden leave during 2021 with an attributable cost of approximately €24k (2020: one staff member with an attributable 2020 cost of approximately €3k). 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 2021 thirty-three employees assigned to NAMA participated in a VRS (2020: twenty employees). Costs of €3.8m (2020: €2.0m) relating to the VRS have been recognised in 2021. Costs of €2.1m (2020: €1.0m) were attributable to statutory and other redundancy payments; €0.6m (2020: €0.4m) related to the "NAMA retention scheme"[1] and €1.0m (2020: €0.6m) 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

Thirty-three employees assigned to NAMA were placed on garden leave during 2021 (2020: Twenty). 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 (2020: three months). In addition to those accepted for the VRS, two employees (2020: one) were placed on garden leave during 2021. The average period of garden leave for these staff members was one months (2020: three months). 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.

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 2021 amounted to €9.6m (2020: €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 (2020: €29k) to PRSAs for a number of employees who are not members of the defined benefit scheme in 2021.

7. Agency costs (continued)

7.5. Operating expenses

Total operating expenses of €28.9m (note 7.2) include technology costs, occupancy costs, business services costs and staff travel expenses.

Professional fees of €3.3m (note 7.2) include advisory fees and costs for 'business-as-usual' functions. Advisory fees of €1.8m that include the cost of external advice, and require disclosure under the Code, are analysed as follows:

	2021 €000	2020 €000
Legal	199	589
Tax and financial	734	176
Actuarial	578	560
Public relations and marketing	134	130
Pension and human resources	102	-
Facilities and other	84	179
Advisory fees included in Professional fees	**1,831**	**1,634**

Advisory fees above include €0.2m (2020: €0.3m) 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	2021 €000	2020 €000
Opening balance at 1 January		87,496	70,101
Net deferred retirement benefit funding through Income and Expenditure	8.2	6,901	5,005
Movement in deferred retirement benefit funding through Other Comprehensive Income	8.3	11,774	12,390
Closing balance at 31 December		**106,171**	**87,496**

8.2. Net deferred retirement benefit funding through Income and Expenditure

	Note	2021 €000	2020 €000
Charge arising from employee service in reporting period	9.5	15,393	13,837
Net interest expense	9.5	1,040	1,000
Employer contributions	9.7	(9,532)	(9,832)
Net deferred retirement benefit funding		**6,901**	**5,005**

8.3. Movement in deferred retirement benefit funding through Other Comprehensive Income

	Note	2021 €000	2020 €000
Movement in amounts recoverable in respect of current year actuarial loss	9.9	**11,774**	**12,390**

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. A triennial valuation review will be completed in 2022. 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:

	2021		2020	
	Benefit obligations %	**Pension cost %**	**Benefit obligations %**	**Pension cost %**
Discount rate	1.6	1.6	1.3	1.6
Rate of salary increase	3.2	3.2	2.5	2.5
Rate of price inflation	2.2	2.2	1.5	1.5
Rate of pension increase	2.2/3.2	2.2/3.2	1.5/2.5	1.5/2.5

The weighted average life expectancy for mortality tables used to determine benefit obligations were as follows:

	2021		2020	
	Female (Years)	**Male (Years)**	**Female (Years)**	**Male (Years)**
Life expectancy at age 60				
Future pensioners (current age 45)	31.4	29.4	31.6	29.6
Current pensioners (current age 60)	30.0	28.1	30.2	28.1
Life expectancy at age 65				
Future pensioners (current age 45)	26.9	25.0	27.2	25.3
Current pensioners (current age 65)	25.1	23.3	25.3	23.4

9.3. Plan assets

	2021		2020	
	€000	**%**	**€000**	**%**
Equities	106,616	42.5	91,990	42.4
Debt securities	59,676	23.8	58,684	27.0
Alternatives	33,076	13.2	27,150	12.5
Infrastructure	9,720	3.9	8,512	3.9
Cash	41,861	16.7	30,761	14.2
Fair value of Plan assets	**250,949**	**100.0**	**217,097**	**100.0**

9. Retirement benefits (continued)

9.4. Scheme deficit – reconciliation of funded status to the Statement of Financial Position

	Note	2021 €000	2020 €000
Fair value of plan assets		250,949	217,097
Defined benefit obligation	9.6	(357,120)	(304,593)
Net defined benefit liability		**(106,171)**	**(87,496)**

Amounts included in the Statement of Financial Position	2021 €000	2020 €000
Retirement benefit obligations	(106,171)	(87,496)
Deferred retirement benefit funding	106,171	87,496

9.5. Cost relating to defined benefit plans

Amount recognised in the Statement of Income and Expenditure is as follows:

	2021 €000	2020 €000
Charge arising from NTMA employee service	15,265	13,454
Department of Public Expenditure and Reform contributions	128	383
Charge arising from employee service in reporting period	**15,393**	**13,837**
Interest expense on defined benefit obligations	3,933	4,151
Interest (income) on plan assets	(2,893)	(3,151)
Net interest expense	**1,040**	**1,000**

9.6. Change in defined benefit obligation

	2021 €000	2020 €000
Defined benefit obligation at 1 January	304,593	260,606
Charge arising from employee service in reporting period	15,393	13,837
Interest expense on defined benefit obligation	3,933	4,151
Net benefit payments	(4,066)	(2,311)
Participant contributions	5,686	5,680
Insurance premiums	(331)	(339)
Effect of changes in assumptions	29,941	22,521
Effect of experience adjustments	1,971	448
Defined benefit obligation at 31 December	**357,120**	**304,593**

9. Retirement benefits (continued)

9.7. Change in fair value of plan assets

	2021 €000	2020 €000
Fair value of plan assets at 1 January	217,097	190,505
Interest income on Plan assets	2,893	3,151
Employer contributions	9,532	9,832
Participant contributions	5,686	5,680
Net benefit payments	(4,066)	(2,311)
Insurance premiums for risk benefits	(331)	(339)
Return on plan assets (excluding interest income)	20,138	10,579
Fair value of plan assets at 31 December	**250,949**	**217,097**

9.8. Actual return on scheme assets

	2021 €000	2020 €000
Interest income on Plan assets	2,893	3,151
Return on plan assets (excluding interest income)	20,138	10,579
Actual return on scheme assets	**23,031**	**13,730**

9.9. Actuarial loss on retirement benefit obligations

Remeasurements recognised in Other Comprehensive Income are as follows:

	2021 €000	2020 €000
Effect of changes in assumptions	(29,941)	(22,521)
Effect of experience adjustments	(1,971)	(448)
Return on plan assets (excluding interest income)	20,138	10,579
Remeasurements included in Other Comprehensive Income	**(11,774)**	**(12,390)**

10. Property, equipment and vehicles

	Leasehold improvements €000	Furniture, equipment and motor vehicles €000	Total €000
Cost:			
Balance at 1 January 2021	26,602	10,671	37,273
Additions at cost	60	355	415
Disposals	-	-	-
Balance at 31 December 2021	**26,662**	**11,026**	**37,688**
Accumulated Depreciation:			
Balance at 1 January 2021	(3,885)	(4,428)	(8,313)
Depreciation for the year	(1,900)	(2,157)	(4,057)
Disposals	-	-	-
Balance at 31 December 2021	**(5,785)**	**(6,585)**	**(12,370)**
Net Book Value at 31 December 2021	**20,877**	**4,441**	**25,318**
Net Book Value at 31 December 2020	**22,717**	**6,243**	**28,960**

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 2021	3,821
Additions at cost	560
Balance at 31 December 2021	**4,381**
Accumulated Amortisation and Accumulated Impairment:	
Balance at 1 January 2021	(2,034)
Amortisation for the year	(871)
Balance at 31 December 2021	**(2,905)**
Net Book Value at 31 December 2021	**1,476**
Net Book Value at 31 December 2020	**1,787**

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

12. Receivables (Non-current)

	2021 €000	2020 €000
Prepayments	**1,167**	**431**

Prepayments classified as non-current primarily comprise of technology licences, support and maintenance.

13. Receivables (Current)

	2021 €000	2020 €000
Amounts receivable from NAMA	10,147	9,280
Amounts receivable from ISIF	2,959	2,546
Amounts receivable from SBCI	1,089	912
Amounts receivable from HBFI	950	732
Other receivables	174	564
Prepayments	3,624	5,456
	18,943	**19,490**

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

	2021 €000	2020 €000
Trade and other payables	2,931	3,071
Central Fund	1,657	2,138
Accruals	15,916	12,231
Deferred income	1,594	2,473
	22,098	**19,913**

Accruals include rental charges of €4.5m (2020: €4.9m) and annual leave entitlements of €2.5m (2020: €3.1m) earned but not taken at the reporting date.

15. Payables; amount falling after 1 year

	2021 €000	2020 €000
Deferred income	**5,260**	**7,532**

Deferred income includes a lease incentive on rental payments of 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 termination option arises.

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:

	2021 €000	2020 €000
At 1 January	-	784
Charges	-	-
Reversals	-	(784)
At 31 December	**-**	**-**

On 25 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 agreements 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:

	2021 €000	2020 €000
Within one year	8,683	8,648
In two to five years	34,731	34,731
Over five years	55,528	64,211
	98,942	**107,590**

18. Contingent liabilities

The Agency had no contingent liabilities at 31 December 2021.

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 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.

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:

	2021 €000	2020 €000
Professional fees	10,370	5,540
Legal fees	545	599
	10,915	**6,139**

The amount receivable from State Authorities at the reporting date is as follows:

	2021 €000	2020 €000
Department of Housing, Local Government and Heritage	595	286
Department of Education	2,471	2,225
Grangegorman Development Agency	-	64
Health Service Executive	-	42
	3,066	**2,617**

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 2021, €2.5m (2020: €2.0m) is owing to the Post Office Savings Bank Fund.

The NTMA, acting as the NDFA, held cash at bank at 31 December 2021 amounting to €2.4m (2020: €0.6m).

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 3 May 2022.

Financial Statements of the

Post Office Savings Bank Fund

For the year ended 31 December 2021

Ard Reachtaire 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 2021 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 2021, and
- the transactions of the Fund for 2021.

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

Seamus McCarthy
Comptroller and Auditor General

16 May 2022

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 annual 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 2021 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.

I 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.

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.

Statement of Income and Expenditure and Retained Earnings

For the year ended 31 December 2021

	Note	2021 €000	2020 €000
Interest and Similar Income	3	2,356	1,962
Net (Loss)/Gain on Investments at Fair Value	4	(24,522)	22,058
Interest Expense	5	(6,045)	(9,270)
Operating Expenses	6	(28,721)	(28,542)
Loss for the Year		**(56,932)**	**(13,792)**
Balance at 1 January		71,782	85,574
Balance at 31 December		**14,850**	**71,782**

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

3 May 2022

Statement of Financial Position

As at 31 December 2021

	Note	2021 €000	2020 €000
Assets			
Cash with Central Bank of Ireland		810,180	832,325
Receivables	7	11,857	13,161
Central Treasury Loans		8,547	11,420
Investments	8	522,159	521,702
Advances	9	3,084,671	2,616,753
		4,437,414	**3,995,361**
Liabilities			
Post Office Savings Bank Deposits		4,420,416	3,918,568
Other Liabilities	10	2,148	5,011
Equity			
Retained Earnings		14,850	71,782
		4,437,414	**3,995,361**

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

3 May 2022

Notes to the Financial Statements

1. Background

The Minister for Finance ("the Minister") guarantees the repayment and servicing of moneys 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 and is reported separately to the National Debt of Ireland.

The proceeds from Post Office Savings Bank deposits are the Fund's primary source of funding. These proceeds are utilised:

- 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 NTMA 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 bodies such as local authorities and other non-commercial state bodies in accordance with the National Treasury Management Agency (Amendment) Act 2000.

The Minister may appropriate for the Exchequer any accumulated surplus remaining in the Fund after making appropriate provision to meet the liabilities of the Fund, provided that at least 10% of such surplus amount is also retained in the Fund (Finance Act 1930, Section 19(1)). Under guidelines issued by the Minister to the Agency the reserves in the Fund are not permitted to go below €5m. The payment of Ways and Means interest on balances advanced to the Exchequer is made to the extent necessary to prevent this.

2. Basis of Preparation

The financial statements have been prepared on an accruals basis under the historical cost convention except for investments which are stated at fair value through profit or 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.

The presentation of *Interest on Investments held* within the Statement of Income and Expenditure and Retained Earnings has been amended in 2021. *Interest on Investments held* is now presented within Net (Loss)/Gain on Investments at Fair Value. Previously such interest was presented within Interest and Similar Income. The amended presentation and subsequent change to the order of the presented notes, is intended to improve the presentation of the performance of such investments within the financial statements. The 2020 comparatives have been updated in accordance with this revised presentation.

2.1 Investments

Investments are stated at fair value through profit or loss and represent a portfolio of Irish Government Bonds. Gains and losses on such assets are recognised in the profit or loss on an on-going basis. The Fund uses a weighted average cost basis for calculating gains and losses.

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. The stock sold as part of the sale and repurchase agreements are Irish Government Bonds. 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.

3. Interest and Similar Income

	2021 €000	2020 €000
Interest on Sale and Repurchase Agreements	2,213	1,946
Other Income	143	16
	2,356	**1,962**

4. Net (Loss)/Gain on Investments at Fair Value

	2021 €000	2020 €000
Realised (Loss)/Gain on Investments	(11,268)	6,955
Unrealised (Loss)/Gain on Investments	(19,445)	4,714
Interest on Investments held	6,191	10,389
	(24,522)	**22,058**

The loss on investment securities in 2021 reflected increased yields across the Irish Government Bond (IGB) yield curve which resulted in a depreciation of bond prices. This was in contrast to 2020, when bond price appreciation resulted in yields declining across the IGB yield curve.

5. Interest Expense

	2021 €000	2020 €000
Interest on Post Office Savings Bank Deposits	(2,358)	(5,471)
Interest on Cash Balances	(3,687)	(3,799)
	(6,045)	**(9,270)**

Interest on cash balances represent the prevailing negative interest rates charged by the Central Bank of Ireland on cash balances held.

6. Operating Expenses

	2021 €000	2020 €000
Service Fees	**(28,721)**	**(28,542)**

Service fees are paid to An Post for their management and administration of depositor accounts.

7. Receivables

	2021 €000	2020 €000
Interest Receivable	4,881	5,817
Cash Balances held by An Post	6,976	7,344
	11,857	**13,161**

8. Investments

Bonds	2021 €000	2020 €000
At Nominal	482,665	450,146
At Cost	531,062	511,160
Fair Value as at 31 December	**522,159**	**521,702**

8. Investments (continued)

Schedule of Investment 2021

2021 Opening Fair Value €000	Treasury Bonds	2021 Purchases €000	2021 Sales Proceeds €000	2021 Movement in Unrealised (Loss)/Gain €000	2021 Closing Fair Value €000
5,445	0.8% Treasury Bond 2022	-	(5,475)	30	-
4,073	0.0% Treasury Bond 2022	10,058	(14,133)	2	-
11,325	3.9% Treasury Bond 2023	10,611	(22,152)	216	-
19,750	3.4% Treasury Bond 2024	53,182	(56,813)	200	16,319
67,826	5.4% Treasury Bond 2025	343,090	(361,922)	902	49,896
47,385	1.0% Treasury Bond 2026	187,557	(186,406)	(891)	47,645
59,574	0.2% Treasury Bond 2027	98,283	(120,998)	(1,140)	35,719
42,273	0.9% Treasury Bond 2028	119,203	(132,082)	(650)	28,744
48,208	1.1% Treasury Bond 2029	203,056	(212,651)	(1,119)	37,494
32,931	2.4% Treasury Bond 2030	78,777	(105,327)	(398)	5,983
32,651	0.2% Treasury Bond 2030	179,775	(129,518)	(1,300)	81,608
26,930	1.35% Treasury Bond 2031	98,067	(112,510)	(238)	12,249
-	0.0% Treasury Bond 2031	427,424	(401,822)	(249)	25,353
30,469	1.3% Treasury Bond 2033	49,098	(50,933)	(2,152)	26,482
13,935	0.4% Treasury Bond 2035	98,649	(84,820)	(1,167)	26,597
20,891	1.7% Treasury Bond 2037	35,972	(26,715)	(3,238)	26,910
-	0.55% Treasury Bond 2041	70,330	(50,519)	(347)	19,464
21,631	2.0% Treasury Bond 2045	108,133	(77,889)	(3,089)	48,786
36,405	1.5% Treasury Bond 2050	13,107	(11,785)	(4,817)	32,910
521,702		**2,184,372**	**(2,164,470)**	**(19,445)**	**522,159**

9. Advances

	2021 €000	2020 €000
Advances to the Exchequer	3,074,968	2,604,650
Advances to the State Claims Agency	7,217	10,117
Advances to the National Development Finance Agency	2,486	1,986
	3,084,671	**2,616,753**

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 in 2021 by the Fund to the Exchequer, the State Claims Agency or the National Development Finance Agency.

10. Other Liabilities

	2021 €000	2020 €000
Balance due under Sale and Repurchase Agreements	991	3,579
Accrued Interest on Cash Balances	902	967
Accrued Interest on Post Office Savings Bank Deposits	255	465
	2,148	**5,011**

11. Commitments

In July 2021, the Minister for Finance issued a direction to the National Treasury Management Agency, to enter into a revolving 5-year credit facility to provide funding to Irish Water. The credit facility has been provided to Irish Water under the National Treasury Management Agency (Amendment) Act 2000 which allows for the provision of central treasury services (including the advance of moneys from the Fund) to designated bodies such as local authorities and other non-commercial state bodies. The facility commitment totalled €350m.

At 31 December 2021, no drawdown of funds had occurred under the facility.

12. Events after the end of the reporting period

The outbreak of the war in Ukraine on 24 February 2022 has impacted global financial markets including government bond yields. As neither the duration nor the scope of the impact can be predicted, the overall financial impact cannot be estimated at this time.

13. Approval of Financial Statements

The financial statements were approved by the Agency on 3 May 2022.

Financial Statements of the

State Claims Agency

For the year ended 31 December 2021

Ard Reachtaire 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 2021 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 2021, and
- the transactions of the State Claims Agency for 2021.

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.

Erroneous payments

The statement on internal control discloses that the Agency made a number of erroneous payments in 2021 to service providers providing services to the State Claims Agency. The Agency has stated that some of the business processes used in making such payments continue to be manual, and that this resulted in a small number of payment errors. The payees returned the full value of the erroneous payments, and no net financial loss was sustained by the Agency. The disclosure notes the Agency has enhanced its controls and procedures to mitigate this business risk.

Seamus McCarthy.

Seamus McCarthy
Comptroller and Auditor General

16 May 2022

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 annual 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 2021 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.

I 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.

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.

Income Statement
For the year ended 31 December 2021

	Note	2021 €000	2020 €000
Income			
Income	4	513,000	430,012
Costs recovered on behalf of Delegated State Authorities	5	4,547	9,127
		517,547	**439,139**
Expenditure			
Awards and claim settlements	6	370,986	289,136
Expenses	7	142,014	140,876
Reimbursement of costs recovered on behalf of Delegated State Authorities	5	4,547	9,127
		517,547	**439,139**

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

3 May 2022

Statement of Financial Position

As at 31 December 2021

	Note	2021 €000	2020 €000
Assets			
Cash at bank		2,701	3,268
Receivables	10	9,856	9,394
Investments	9	4,947	4,950
		17,504	**17,612**
Liabilities			
Scheme liabilities	9	(4,947)	(4,950)
Borrowings from Post Office Savings Bank Fund	11	(7,217)	(10,117)
Other liabilities	12	(5,340)	(2,545)
		(17,504)	**(17,612)**

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

3 May 2022

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) estimates. IBNR estimates 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. No amount is included for IBNR estimates.

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	2021 €000	2020 €000
Amounts receivable at 1 January from Delegated State Authorities	10	(9,373)	(13,770)
Received from Delegated State Authorities		512,530	434,408
Received from Scheme funds	9	3	1
Amounts receivable at 31 December	10	9,840	9,373
		513,000	**430,012**

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

	2021 €000	2020 €000
Costs recovered on behalf of Delegated State Authorities	**4,547**	**9,127**

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

	2021 €000	2020 €000
Awards and claim settlements	**370,986**	**289,136**

Expenditure on awards is recognised on receipt of a validated approval or the validated settlement of such expenditure.

7. Expenses

	2021 €000	2020 €000
Delegated authority expenses		
Legal fees	40,098	38,262
Medical fees	8,156	7,608
Engineers' fees	334	326
Other fees[1]	3,044	2,974
	51,632	49,170
Plaintiff expenses		
Legal fees	90,378	91,699
Other expert fees	3	2
Travel expenses	-	3
	90,381	**91,704**
Witness expenses	1	2
Total other expenses	**142,014**	**140,876**

1 Other fees include investigation and actuary fees.

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 €29.2m (2020: €28.1m). 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.

	2021 €000	2020 €000
Balance at 1 January	4,950	4,951
Claim settlements and expenses	(3)	(1)
Balance at 31 December available for settlement of claims	**4,947**	**4,950**

10. Receivables

	Note	2021 €000	2020 €000
Receivable from Delegated State Authorities	4	9,840	9,373
Other Receivables		16	21
		9,856	**9,394**

11. Borrowings from the Post Office Savings Bank Fund

	2021 €000	2020 €000
Borrowings from the Post Office Savings Bank Fund	**7,217**	**10,117**

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

	2021 €000	2020 €000
Payable in respect of expenses	54	197
Payable in respect of awards	4,256	1,647
Professional Services Withholding Tax	671	689
Amounts due to Delegated State Authorities	359	12
	5,340	**2,545**

Payable in respect of awards includes amounts for awards authorised for settlement in December 2021 and paid to claimants in January 2022.

13. Estimated liabilities of Delegated State Authorities

	2021 Number of claims	2020 Number of claims
At 1 January	12,175	11,580
New claims	3,145	3,628
Resolved claims	(4,100)	(3,221)
Other claims[1]	188	188
At 31 December[2]	**11,408**	**12,175**

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 2021 includes 2,016 (2020: 2,877) mass action claims.

At 31 December 2021 the outstanding estimated liability of Delegated State Authorities in respect of claims under management by the SCA was €4,530m (2020: €4,032m), of which €3,409m (2020: €3,031m) was attributable to clinical claims and €1,121m (2020: €1,001m) 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. The estimated liability does not include amounts for outstanding incurred but not reported (IBNR) estimates.

In respect of relevant active clinical claims at 31 December 2021, the SCA has based its estimated liability on a real rate of return of 1% (2020: 1%) on claims for the cost of future care and 1.5% (2020: 1.5%) for future pecuniary loss.

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 3 May 2022.

Financial Statements of the

Dormant Accounts Fund

For the year ended 31 December 2021

Ard Reachtaire 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 2021 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 2021, and
- the Fund transactions for 2021.

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.

Seamus McCarthy
Comptroller and Auditor General

16 May 2022

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 annual 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.

I 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.

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.

Investment and Disbursements Account

For the year ended 31 December 2021

	Note	2021 €000	2020 €000
Moneys transferred to the Fund in respect of dormant accounts and unclaimed assurance policies	3	61,607	64,687
Amounts transferred to Reserve Account	4	(29,206)	(28,600)
Disbursements	5	(51,695)	(93,435)
Interest Expense	6	(12)	(39)
Movement for the year		(19,306)	(57,387)
Balance at 1 January		143,636	201,023
Balance at 31 December		**124,330**	**143,636**

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

3 May 2022

Reserve Account
For the year ended 31 December 2021

	Note	2021 €000	2020 €000
Repayment of moneys transferred to the Fund	3	(22,848)	(21,541)
Interest on repayment of moneys transferred to the Fund	3	(146)	(163)
Transfer from Investment and Disbursements Account	4	29,206	28,600
Interest Expense	6	(8)	(29)
Operating Expenses	7	(1)	(90)
Movement for the year		6,203	6,777
Balance at 1 January		100,482	93,705
Balance at 31 December		**106,685**	**100,482**

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

3 May 2022

Statement of Financial Position

As at 31 December 2021

	Note	2021 €000	2020 €000
Assets			
Cash and Other Financial Assets	8	231,055	244,210
Liabilities			
Total Liabilities	9	(40)	(92)
Net Assets		**231,015**	**244,118**
Represented by:			
Investment and Disbursements Account		124,330	143,636
Reserve Account		106,685	100,482
		231,015	**244,118**

On behalf of the Agency

Conor O'Kelly, Chief Executive
National Treasury Management Agency

Maeve Carton, Chairperson
National Treasury Management Agency

3 May 2022

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 Dormants Account 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 Development[1].
- 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 Development[1].
- 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 Development[1].

In accordance with the Dormant Accounts (Amendment) Act 2012, the Minister for Rural and Community Development[1] 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 2022 was published in November 2021, 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 2021. 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.*

3. Cumulative amounts transferred and reclaimed in respect of dormant accounts and unclaimed assurance policies

Financial Institutions – Dormant Accounts

Institution	Opening Balance 01/01/2021 €000	Transferred €000	Reclaimed €000	Closing Balance 31/12/2021 €000	Interest Paid €000
ACC Loan Management DAC	5,327	-	(10)	5,317	-
Allied Irish Banks plc	104,429	12,536	(3,718)	113,247	(7)
Bank of America Europe DAC	155	32	-	187	-
Bank of Ireland	114,015	9,354	(3,290)	120,079	(4)
Barclays Bank Ireland plc	344	-	-	344	-
BNP Paribas SA	143	-	-	143	-
Citibank Europe plc	29	-	-	29	-
Citco Bank	19	20	-	39	-
Danske Bank Plc	8,018	204	(76)	8,146	-
EAA Covered Bond Bank	122	-	-	122	-
EBS DAC	42,035	7,188	(4,341)	44,883	(53)
Investec Bank plc	2,005	-	-	2,005	-
Irish Bank Resolution Corporation Ltd (in special liquidation)	617	-	-	617	-
JP Morgan Bank (Ireland) plc	49	-	-	49	-
KBC Bank Ireland plc	7	23	(20)	10	-
Lloyds Bank	453	-	-	453	-
Permanent tsb plc	69,779	3,415	(1,684)	71,510	(2)
Pfizer International Bank	31	-	-	31	-
An Post - State Savings Products	87,908	3,222	(2,703)	88,427	(8)
An Post - Post Office Savings Bank	58,542	3,853	(1,489)	60,905	(71)
RBS NV	35	-	-	35	-
The Royal Bank of Scotland plc	420	-	-	420	-
Rabo Bank Ireland DAC	-	10	-	10	-
Scotiabank (Ireland) DAC	93	-	-	93	-
Ulster Bank Ireland DAC	47,050	3,426	(1,132)	49,344	-
Total	**541,625**	**43,283**	**(18,463)**	**566,445**	**(145)**

3. Cumulative amounts transferred and reclaimed in respect of dormant accounts and unclaimed assurance policies (continued)

Assurance Companies – Unclaimed Assurance Policies

Institution	Opening Balance 01/01/2021 €000	Transferred €000	Reclaimed €000	Closing Balance 31/12/2021 €000	Interest paid €000
Specified Term Accounts:					
Ark Life Assurance Co. DAC	2,201	255	(177)	2,279	-
Aviva Life and Pensions UK Ltd	4,922	749	(244)	5,427	-
Equitable Life Assurance Society	53	-	-	53	-
Friends First Life Assurance Co. DAC[2]	3,781	1,990	(56)	5,715	-
Irish Life Assurance plc	14,403	2,066	(407)	16,062	-
New Ireland Assurance Co. DAC	1,166	153	-	1,319	-
Phoenix Life Ltd[2]	8,776	476	(504)	8,748	-
The Royal London Mutual Insurance Society Ltd	10,673	301	(19)	10,955	-
St. James Place International plc	11	-	-	11	-
Scottish Legal Life	619	-	-	619	-
Standard Life International DAC	2,180	1,120	-	3,300	-
Sun Life Assurance Society plc	425	16	-	441	-
Utmost PanEurope DAC (ex Harcourt Life DAC) (Ex Scottish Mutual Life)	97	7	-	104	-
Zurich Life Assurance plc[2]	5,059	1,257	(246)	6,070	-
No Specified Term Accounts:					
Acorn Life DAC	184	-	-	184	-
Ark Life Assurance Co. DAC	5,331	544	(385)	5,490	-
Aviva Life and Pensions UK Ltd	4,736	1,371	(53)	6,054	-
Equitable Life Assurance Society	22	-	-	22	-
Friends First Life Assurance Co. DAC[2]	1,826	1,419	(55)	3,190	-
Irish Life Assurance plc	11,628	1,418	(497)	12,549	-
New Ireland Assurance Co. DAC	15,533	1,902	(196)	17,239	-
Phoenix Life Ltd[2]	2,017	18	(91)	1,944	-
The Royal London Mutual Insurance Society Ltd	16,329	1,223	(153)	17,399	-
St. James Place International plc	7	-	-	7	-
Scottish Legal Life	615	-	-	615	-
Standard Life International DAC	4,074	1,040	(801)	4,313	-
Sun Life Assurance Society plc	177	17	(1)	193	-
Utmost PanEurope DAC (ex Harcourt Life DAC) DAC (ex Augura Life Ireland DAC)[2]	161	11	-	172	-
Utmost PanEurope DAC (ex Harcourt Life DAC) (ex Scottish Mutual Life DAC)[2]	623	-	(91)	532	-
Zurich Life Assurance plc[2]	7,475	971	(453)	7,993	-
TOTAL (UNCLAIMED POLICIES)	**125,103**	**18,324**	**(4,428)**	**138,999**	**-**
The Escheated Estate Fund	4,400	-	-	4,400	-
Accrued Reclaims	(80)	-	43	(37)	(1)
GRAND TOTAL	**671,048**	**61,607**	**(22,848)**	**709,807**	**(146)**

Figures may not total due to rounding.

2 *Upon receipt of institution instructions, opening balances were amended to reflect reallocation between specified and no specified term accounts. The Grand Total opening balance remains unchanged.*

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 monies 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 €392,497 from €709,807,369 to €709,414,872.

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:

	2021 €000	2020 €000
On Direction of the Minister for Public Expenditure and Reform:		
Department of Justice	12,355	6,598
Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media	10,000	7,975
Department of Children, Equality, Disability, Integration and Youth	9,250	9,585
Department of Rural and Community Development	8,860	49,481
Department of Social Protection	5,000	3,216
Department of Housing, Local Government and Heritage	3,000	3,000
Department of Education	1,108	577
Department of Defence	942	1,005
Department of Health	350	11,247
Department of Further and Higher Education, Research, Innovation and Science	300	-
Irish Prison Service	274	200
Department of Environment, Climate and Communications	256	551
	51,695	**93,435**

6. Interest Expense

2021	**Investment and Disbursements Account €000**	**Reserve Account €000**	**2021 €000**
Cash at Central Bank	**(12)**	**(8)**	**(20)**

2020	**Investment and Disbursements Account €000**	**Reserve Account €000**	**2020 €000**
Cash at Central Bank	**(39)**	**(29)**	**(68)**

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

	2021 €000	2020 €000
Fees of service provider (Pobal)	-	89
Bank Charges	1	1
	1	**90**

Pobal received an annual service fee for its administration of certain projects in receipt of Dormant Accounts Fund disbursements. The fee was 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, the Dormant Accounts Fund was no longer liable for this fee from 2020 onwards.

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:

	2021 €000	2020 €000
General Administration[3]	**175**	**150**

8. Cash and Other Financial Assets

	2021 €000	2020 €000
Cash at Central Bank	1,055	5,210
Term Deposits	230,000	239,000
	231,055	**244,210**

9. Total Liabilities

	2021 €000	2020 €000
Interest Payable on Cash Balances	(3)	(10)
Accrued Reclaims	(37)	(82)
	(40)	**(92)**

3 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.

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 2021 the contingent liability to the Exchequer is estimated at €479m (2020: €427m). 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 2021 €000	Movement during the year €000	31 December 2021 €000
Net Assets of Fund	244,118	(13,103)	231,015
Dormant Funds Transferred not reclaimed	(671,048)	(38,759)	(709,807)
Contingent liability	**(426,930)**	**(51,862)**	**(478,792)**

10.3 The movement in the Contingent Exchequer Liability for the year is represented by:

	2021 €000	
Disbursements	51,695	Note 5
Interest on repayments of moneys transferred to the Fund	146	Note 3
Operating expenses	1	Note 7
Interest Expense	20	Note 6
Movement for the year	**51,862**	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 -0.01% (2020: -0.02%).

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 3 May 2022.

Financial Statements of the

National Surplus (Exceptional Contingencies) Reserve Fund

For the year ended 31 December 2021

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 Reachtaire 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 2021 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 2021 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.

Seamus McCarthy
Comptroller and Auditor General

16 May 2022

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 annual 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.

I 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.

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.

Statement of Financial Position

As at 31 December 2021

	Note	2021 €m	2020 €m
Assets			
Current Assets			
Financial Assets at Fair value through profit or loss		-	-
Cash and cash equivalents		-	-
Net Assets		**-**	**-**

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

3 May 2022

Statement of Changes in Net Assets

For the year ended 31 December 2021

	Note	Year ended 31 December 2021 €m	Year ended 31 December 2020 €m
Funds received from Ireland Strategic Investment Fund		-	-
Transfer to the Exchequer	4	-	(1,500)
(Decrease)/Increase in net assets		**-**	**(1,500)**
Net Assets at beginning of the year		-	1,500
Net Assets at end of 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

Maeve Carton, Chairperson
National Treasury Management Agency

3 May 2022

Statement of Cash Flows

For the year ended 31 December 2021

	Year ended 31 December 2021 €m	Year ended 31 December 2020 €m
Cash flows from operating activities		
Purchase of Exchequer notes	-	(1,250)
Proceeds from sale and maturities of Exchequer notes	-	2,750
Net cash inflow/(outflow) in operating activities	**-**	**1,500**
Cash flows from financing activities		
Funds received from Ireland Strategic Investment Fund	-	-
Transfer to the Exchequer	-	(1,500)
Net cash (outflow)/inflow from financing activities	**-**	**(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 Eireann 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 NS(RFEC) Act 2019 prescribes an annual payment by the Minister to the Fund of €500m per annum from 2019 to 2023. Under Section 6(1) of the NS(RFEC) Act 2019, the Minister may propose a Dáil Resolution not to pay the €500m if satisfied, by reason of the existence of exceptional circumstances, that making the payment would place an undue burden on the public finances. The annual contribution did not take place in 2019,2020 or 2021, owing to the exceptional circumstances posed by Brexit and the COVID -19 pandemic.

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. Basis of preparation

The financial statements have been prepared for year ended 31 December 2021. 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).

3. Significant Accounting Policies

The significant accounting policies and estimation techniques adopted by the Fund are as follows:

3.1 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.

3.2 Going concern

The financial position of the Fund, its cash flows and liquidity position are detailed in the financial statements

It is anticipated that future prescribed contributions may be made to the Fund in accordance with the NS(RFEC) Act 2019 and the Fund is being maintained for that purpose, Pending the recommencement of these contributions, the Fund currently has no assets and no ongoing income or expenditure, as a result 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.

4. 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.

5. 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 2021 or 2020.

6. 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.

7. Events after the reporting date

No events requiring an adjustment or disclosure in the financial statements occurred after the end of the reporting period.

8. Approval of Financial Statements

The financial statements were approved by the Agency on 3 May 2022.

Financial Statements of the

Ireland Strategic Investment Fund

For the year ended 31 December 2021

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 2021 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 2021 and of its income and expenditure for 2021 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.

Seamus McCarthy
Comptroller and Auditor General

16 May 2022

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 annual 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.

I 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.

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.

Statement of Financial Position

As at 31 December 2021

	Note	Discretionary Portfolio		Directed Portfolio		Total	
		2021 €m	**2020 €m**	**2021 €m**	**2020 €m**	**2021 €m**	**2020 €m**
Assets							
Investments	7, 8	6,721	6,812	4,439	3,733	11,160	10,545
Loans and receivables	7, 8	684	683	200	37	884	720
Trade and other receivables	9	24	20	4	-	28	20
Balance due from brokers	7	34	-	-	-	34	-
Cash and cash equivalents	12	2,233	1,329	180	165	2,413	1,494
Total assets		**9,696**	**8,844**	**4,823**	**3,935**	**14,519**	**12,779**
Liabilities							
Derivatives		(38)	(16)	-	-	(38)	(16)
Balance due to brokers	7	-	(10)	-	-	-	(10)
Other liabilities	7	(11)	(16)	-	-	(11)	(16)
Total liabilities	**10**	**(49)**	**(42)**	**-**	**-**	**(49)**	**(42)**
Net assets of the Fund at year end		**9,647**	**8,802**	**4,823**	**3,935**	**14,470**	**12,737**

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

3 May 2022

Statement of Comprehensive Income

For the year ended 31 December 2021

		Discretionary Portfolio		Directed Portfolio		Total	
	Note	2021 €m	2020 €m	2021 €m	2020 €m	2021 €m	2020 €m
Income							
Interest income	4	25	39	2	-	27	39
Dividend income	4	32	32	-	-	32	32
Private equity, property and other income	4	39	46	-	-	39	46
Net gains/(losses) on financial assets and liabilities at fair value through profit or loss		876	626	1,040	(2,993)	1,916	(2,367)
Net investment income/(loss)		**972**	**743**	**1,042**	**(2,993)**	**2,014**	**(2,250)**
Expenses							
Operating expenses	5	(32)	(30)	-	-	(32)	(30)
Profit/(Loss) for the financial year before tax		**940**	**713**	**1,042**	**(2,993)**	**1,982**	**(2,280)**
Taxation		**-**	**-**	**-**	**-**	**-**	**-**
Profit/(Loss) for the financial year		**940**	**713**	**1,042**	**(2,993)**	**1,982**	**(2,280)**

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

3 May 2022

Statement of Changes in Net Assets

For the year ended 31 December 2021

		Discretionary Portfolio		Directed Portfolio		Total	
	Note	2021 €m	2020 €m	2021 €m	2020 €m	2021 €m	2020 €m
Profit/(Loss) for the year	11	940	713	1,042	(2,993)	1,982	(2,280)
Transfers to the Exchequer	11	-	-	(249)	(50)	(249)	(50)
Assets transferred between portfolios		(95)	(30)	95	30	-	-
Increase/(Decrease) in net assets		**845**	**683**	**888**	**(3,013)**	**1,733**	**(2,330)**
Net assets at beginning of year		8,802	8,119	3,935	6,948	12,737	15,067
Net assets at end of year		**9,647**	**8,802**	**4,823**	**3,935**	**14,470**	**12,737**

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

3 May 2022

Statement of Cash Flows

For the year ended 31 December 2021

	Note	Discretionary Portfolio 2021 €m	Discretionary Portfolio 2020 €m	Directed Portfolio 2021 €m	Directed Portfolio 2020 €m	Total 2021 €m	Total 2020 €m
Cash flows from operating activities							
Interest received		39	54	-	-	39	54
Tax reclaims received	6	-	1	-	-	-	1
Dividends received	4	26	32	-	-	26	32
Other income received		22	20	-	-	22	20
Proceeds from sale of investments		4,993	5,537	591	10	5,584	5,547
Purchase of investments		(3,777)	(5,456)	(422)	(40)	(4,199)	(5,496)
Cash collateral received		541	530	-	-	541	530
Cash collateral paid		(586)	(523)	-	-	(586)	(523)
Operating expenses paid	5	(30)	(33)	-	-	(30)	(33)
Effect of exchange rate fluctuations		(232)	203	-	-	(232)	203
Net cash from operating activities		**996**	**365**	**169**	**(30)**	**1,165**	**335**
Cash flows from financing activities							
Transfer between portfolios	11	(95)	(30)	95	30	-	-
Transfer to the Exchequer	11	-	-	(249)	(50)	(249)	(50)
Net cash from financing activities		**(95)**	**(30)**	**(154)**	**(20)**	**(249)**	**(50)**
Net increase in cash and cash equivalents		901	335	15	(50)	916	285
Opening cash and cash equivalents		1,329	999	165	215	1,494	1,214
Effect of exchange rate fluctuations on cash and cash equivalents		3	(5)	-	-	3	(5)
Closing cash and cash equivalents		**2,233**	**1,329**	**180**	**165**	**2,413**	**1,494**

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") 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, 42B, 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 2021. The comparative period is the year ended 31 December 2020. 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 was complete at 31 December 2021.

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 controller and manager 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.

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. Significant accounting policies (continued)

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 gains and losses arising from movements in foreign exchange.

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.

3.10 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. Significant accounting policies (continued)

3.11 Recognition and measurement of financial assets and liabilities

The Fund recognises and measures its financial assets and financial liabilities in accordance with the recognition, measurement presentation and disclosure provisions of 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.

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.

3. Significant accounting policies (continued)

3.12 Financial assets and liabilities (continued)

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.

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. Significant accounting policies (continued)

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.

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

	2021 €m	2020 €m
Interest income	25	39
Property fund income	21	20
Dividend income	32	32
Private equity income	14	19
Other income	4	7
	96	**117**

Other income includes investment rebates of €2.0m (2020: €2.0m) and corporate action income of €1.4m (2020: €0.4m) and class action income of €0.03m (2020: €2.8m).

4.2 Directed Portfolio

	2021 €m	2020 €m
Interest income	2	-

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

	2021 €m	2020 €m
NTMA recharge	17	16
Investment managers' fees	9	8
Advisory fees	5	1
Global Custodian fees	-	1
Systems and services	1	1
Tax fees	-	1
Other fees	-	2
	32	**30**

Under Section 48 of the NTMA Act 2014, the expenses of the Agency (NTMA recharges) in the performance of its functions relating to the Fund are required to be defrayed from the Fund. These amounted to €17.2m in 2021 (2020: €16.0m).

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.

	2021 €m	2020 €m
Legal	3	1
Financial and tax advisory	2	2
	5	**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.

	2021 €m	2020 €m
Withholding tax reclaims	1	1

The Fund received a withholding tax reclaims in 2021 of €0.7m (2020: €1.1m). 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.

7. Discretionary Financial assets and liabilities (continued)

7.2 Discretionary Portfolio valuation

The total Discretionary Portfolio at 31 December 2021 amounts to €9.6bn (2020: €8.8bn). The composition of the Discretionary Portfolio by investment type is as follows:

Investments at FVTPL[1]	**Note**	**2021 €m**	**2020 €m**
Quoted equities		799	577
Direct private equity		396	273
Quoted debt instruments		291	1,204
Unquoted debt instruments		46	53
Property fund investments		146	158
Private equity fund investments		1,787	1,583
Forestry investments		78	66
Energy investments		35	30
Infrastructure investments		318	297
Quoted investment funds		1,604	1,351
Unquoted investment funds		1,180	1,107
Convertible preference shares		23	57
		6,703	**6,756**
Loans and receivables at amortised cost			
Other debt		**684**	**683**
Derivative assets at FVTPL[1]			
Equity options		3	2
Foreign exchange contracts		-	7
Futures contracts	13.1	15	47
		18	**56**
Derivative liabilities at FVTPL			
Swaps		-	(1)
Foreign exchange contracts	13.1	(38)	-
Equity options		-	(15)
		(38)	**(16)**
Cash and cash equivalents			
Cash		2,228	1,329
Treasury bills		5	-
	12	**2,233**	**1,329**
Trade and other receivables	9	24	20
Balance due from/(due to) brokers		34	(10)
Other liabilities	10	(11)	(16)
Total discretionary net assets		**9,647**	**8,802**

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 2021, €3.8bn (2020: €3.4bn) is invested in the Irish Portfolio with the remaining €5.8bn (2020: €5.4bn) invested in the Global Portfolio. The breakdown of the Irish Portfolio by investment type is as follows:

Investments at FVTPL	2021 €m	2020 €m
Private equity fund investments	1,787	1,582
Infrastructure investments	318	297
Quoted equities	236	158
Property fund investments	141	153
Direct private equity	396	273
Unquoted debt instruments	46	54
Convertible preference shares	24	57
Forestry investments	78	66
Quoted debt instruments	79	82
Energy investments	35	30
	3,140	**2,752**
Loans and receivables at amortised cost		
Other debt	**684**	**683**
Cash and cash equivalents	4	5
Trade and other receivables	6	6
Total Irish Portfolio valuation	**3,834**	**3,446**

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, 42B, 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.

8. Directed Portfolio (continued)

8.1 Directed portfolio valuation

	2021 Unit Millions	2020 Unit Millions	Valuation € 2021 Per Unit	Valuation € 2020 Per Unit	2021 €m	2020 €m
Bank of Ireland (BoI)						
Ordinary Shares[1]	83	150	4.986	3.296	**416**	**494**
Allied Irish Banks (AIB)						
Ordinary Shares[2]	1,930	1,930	2.084	1.678	**4,023**	**3,239**
Total directed investments assets					**4,439**	**3,733**
HBFI Loan					125	37
Irish Exchequer Note					75	-
Cash (Note 12, 14.3)					180	165
Receivables for investments sold					4	-
Total					**4,823**	**3,935**

1 *The value of BOI ordinary shares is based on the quoted bid price. A disposal of 67m shares occurred during the year. The Fund's percentage shareholding of 7.81% as at 31 December 2021 has decreased from 13.95% as at 31 December 2020 accordingly. 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 2020. 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

Bank of Ireland	2021 €m	2020 €m
Opening valuation	494	734
Disposal of shares	(334)	-
Investment gain/(loss) during the year	256	(240)
Closing Valuation	**416**	**494**
Allied Irish Banks		
Opening valuation	3,239	5,992
Investment gain/(loss) during the year	784	(2,753)
Closing Valuation	**4,023**	**3,239**

9. Trade and other receivables

9.1 Discretionary Portfolio

	2021 €m	2020 €m
Interest receivable	8	16
Dividend receivable	-	2
Tax reclaims recoverable	1	1
Amounts receivable for securities sold	15	1
	24	**20**

9. Trade and other receivables (continued)

9.2 Directed Portfolio

	2021 €m	2020 €m
Amounts receivable for securities sold	**4**	-

10. Other liabilities

	2021 €m	2020 €m
Amounts payable for securities purchased	2	8
Other accrued expenses	9	8
	11	**16**

Other accrued expenses include investment manager fees of €3.3m (2020: €2.5m) and NTMA recharges of €2.9m (2020: €2.6m).

11. Transfers

11.1 Transfers to the Exchequer/Minister

	2021 €m	2020 €m
Transfer to the Exchequer from Directed Portfolio	**249**	-

In 2021, €249m was transferred from the directed portfolio of the Fund to the Exchequer as directed by the Minister for Finance. In October 2020, a loan of €50m was advanced from the Directed Portfolio of the Fund to 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.

11.2 Transfers between Discretionary and Directed Portfolios

	2021 €m	2020 €m
Net transfer to Directed from Discretionary portfolio	**(95)**	**(30)**

Funds of €95m (2020: €30m) were transferred from the Discretionary Portfolio to the Directed Portfolio to fund the provision of loans to Home Building Finance Ireland ("HBFI").

12. Cash and cash equivalents

Discretionary Portfolio	2021 €m	2020 €m
Cash	1,675	302
Cash equivalent	553	1,027
Treasury Bills	5	-
	2,233	**1,329**

Directed Portfolio		
Cash	**180**	**165**

Cash equivalents includes Exchequer notes and short-term funds maturing within 90 days.

13. Commitments

13.1 Foreign currency and futures commitments

The notional principal and unrealised (loss)/gain of currency derivative contracts entered into by the Agency and investment managers on behalf of the Fund (excluding Directed Investments) was:

NTMA	31 December 2021 Notional Principal €m	31 December 2021 Unrealised gain/(loss) €m	31 December 2020 Notional Principal €m	31 December 2020 Unrealised gain €m
Foreign exchange contracts	2,676	(35)	2,049	19
Investment Managers				
Foreign exchange contracts	1,419	(3)	1,463	28
Futures contracts	672	15	399	7
		(23)		**54**

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).

Futures contracts

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 2021, the Fund's outstanding commitments totalled €1.5bn (2020: €1.1bn). The Fund has entered into commitments in respect of certain types of investments as outlined below.

	Time-frame of commitment Years	2021 €m	2020 €m
Total unquoted investments	0-9	1,189	763
Total loans and receivables	0-8	342	343
Total uncalled commitments		**1,531**	**1,106**

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 as at 31 December 2021.

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 2021, these expenses were €17.2m (2020: €16.0m).

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 2021, there is currently a nil balance on the SBCI loan facility (2020: €Nil), and the committed funding available under that facility is €165m.

14.4 Home Building Finance Ireland

The Fund and Home Building Finance Ireland ("HBFI") 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 €730m to HBFI in 2019. At 31 December 2021 the balance outstanding was €125m (2020: €37m). The loan operates as a revolving loan facility with a maturity date of 16 May 2029.

14.5 Other Government controlled entities

Allied Irish Bank Plc ("AIB") is a related party of the Fund and under the control of the Minister for Finance. The Fund's investment in AIB is disclosed in Note 8.

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 Polices, 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 reviews proposals and risk assessments in respect of new treasury products and processes, or material changes to existing products and processes. 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.

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.

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 Implementation 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 Implementation 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 Implementation 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 2021 of fixed interest bearing securities in the Discretionary Portfolio exposed to the risk fair value may change consequent to a change in interest rates:

Fixed interest bearing securities	2021 €m	2020 €m
Maturing within one year	82	210
Maturing between two and five years	787	1,408
Maturing after five years	345	217
Total fixed interest bearing securities	**1,214**	**1,835**

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 €0.6bn (2020: €1.0bn) (Note 12) and liquid funds of €0.6bn (2020: €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.

Effect on Discretionary Portfolio net assets	2021	2020
€m Reduction	(6)	(9)
% reduction	(0.06%)	(0.11%)

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 250m at 31 December 2021 (2020: USD 173m).

15. Financial risk management – Discretionary Portfolio (continued)

15.2 Market risk (continued)

ii) Foreign exchange risk (continued)

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 2021 €m	Base currency 2021 €m	Net exposure after hedging 2021 €m
US dollar	4,381	3,889	148
British pound	213	254	10
Australian dollar	8	5	1
Singapore dollar	2	1	1
New Zealand dollar	1	1	-
Thai baht	3	-	-
Norwegian krone	3	1	(2)
Swedish krona	45	4	(2)
Israeli shekel	1	-	(6)
Canadian dollar	11	8	(10)
Swiss franc	10	9	(14)
Hong Kong dollar	34	4	(20)
Danish krone	10	1	(21)
Japanese yen	2,396	19	(26)

15. Financial risk management – Discretionary Portfolio (continued)

15.2 Market risk (continued)

ii) Foreign exchange risk (continued)

	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)

iii) Foreign exchange risk

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	2021	2020
€m Reduction	(7)	(7)
% reduction	(0.08%)	(0.08%)

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:

Exposure to market price risk	2021 €m	2020 €m
Quoted investment funds	1,604	1,351
Quoted equities	799	577
Quoted debt instruments	291	1,204
Direct private equity	396	273
Unquoted investment funds	1,180	1,107
Unquoted debt instruments	46	53
Convertible preference shares	23	57
Property fund investments	146	158
Private equity fund investments	1,787	1,583
Infrastructure investments	318	297
Forestry investments	78	66
Energy investments	35	30
Derivative instrument assets	18	56
Financial assets at FVTPL	**6,721**	**6,812**
Treasury bills	5	-
Derivative instrument liabilities	(38)	(16)
Total exposed to market price risk	**6,688**	**6,796**
Not exposed to market price risk		
Deposits and cash	2,228	1,329
Loans and receivables	684	683
Trade and Other receivables	**24**	**20**
Balance due from/(to) brokers	**34**	**(10)**
Other liabilities	**(11)**	**(16)**
Total not exposed to market price risk	**2,959**	**2,006**
Total Discretionary Portfolio financial assets and liabilities	**9,647**	**8,802**

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.

15. Financial risk management – Discretionary Portfolio (continued)

15.2 Market risk (continued)

iii) Market price risk (continued)

Analysis by geographical classification	2021 €m	2020 €m
Europe excluding Ireland	2,514	2,860
North America	1,562	1,711
Ireland	1,690	1,526
Emerging markets	884	657
Asia pacific	38	42
Total	**6,688**	**6,796**

This analysis excludes loans and receivables, deposits and cash.

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.

Equity and managed fund investments	2021 €m	2020 €m
Exchange traded equity investments	799	577
Unlisted equity investments	2,364	2,286
Direct private equity	396	146
Unquoted investment funds	1,180	1,107
Quoted open ended investment funds	1,009	760
Total equity and managed fund investments	**5,748**	**4,876**
Debt securities		
Exchange traded debt securities	291	1,203
Other debt securities	69	87
Quoted open ended investment funds	595	590
Total debt securities	**955**	**1,880**
Treasury bills	5	-
Total investment assets	**6,708**	**6,756**
Derivative assets		
Equity options	3	2
Futures contracts	15	7
Foreign currency forward contracts	-	47
Total derivative assets	**18**	**56**
Derivative liabilities		
Foreign currency forward contracts	(38)	-
Equity options	-	(15)
Equity index swaps	-	(1)
Total derivative liabilities	**(38)**	**(16)**
Total	**6,688**	**6,796**

15. Financial risk management – Discretionary Portfolio (continued)

15.2 Market risk (continued)

iii) Market price risk (continued)

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	2021	2020
€m Reduction	(334)	(325)
% reduction	(3.5%)	(3.7%)

A 5% strengthening in market prices would result in an equal but opposite effect to the amounts shown above.

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 Implementation 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 Implementation 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 2021, held a long-term Moody's credit rating of Aa1 (2020: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 2021, cash held at the Central Bank of Ireland was €1,673m (2020: €302m) and with the Global Custodian was €549m (2020: €239m).

The exposure to credit risk in the Discretionary Portfolio at 31 December 2021 is the carrying value of the financial securities as set out below.

	Reference	2021 €m	2020 €m
Cash and cash equivalents (Note 12)	(i)	2,233	1,329
Debt securities	(ii)	360	1,314
Loans and receivables	(iii)	684	683
Trade and other receivables	(iv)	58	20
Derivative assets	(v)	18	56
Total		**3,353**	**3,401**

15. Financial risk management – Discretionary Portfolio (continued)

15.3 Credit risk (continued)

Credit risk management (continued)

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 (2020: AAA) and Aa1 (LT Deposit Rating) (2020: Aa1). Cash equivalents includes Exchequer notes and short-term funds maturing within 90 days.

ii) Debt securities

At 31 December, the Fund had invested in debt securities issued by entities with the following external credit rating*:

External rating	2021 €m	2020 €m	2021 %	2020 %
Aa1 to Aa3/AAA to AA	-	132	-%	10%
A1 to A3/A+ to A-	79	375	22%	28%
Baa1 to Baa3/BBB+ to BBB-	17	416	5%	31%
Ba1 to Ba3/B+ to BB-	149	101	41%	8%
B1 to B3/B+ to B-	38	93	11%	8%
Caa1 to Caa3/CCC+ to CCC-	-	4	-%	-%
No external rating	77	193	21%	15%
	360	**1,314**	**100%**	**100%**

** Where Moody's credit rating is not available Standard and Poor's rating is used.*

iii) Loans and receivables

Rating	2021 €m	2020 €m	2021 %	2020 %
No external rating	684	683	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:

2021	Fair value €m	Gross notional amount €m
Exchange traded	15	694
OTC – other bilateral	3	1,237
Total	**18**	**1,931**

2020	Fair value €m	Gross notional amount €m
Exchange traded	8	399
OTC – other bilateral	48	3,512
Total	**56**	**3,911**

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.

15. Financial risk management – Discretionary Portfolio (continued)

15.3 Credit risk (continued)

Credit risk management (continued)

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 2021, 51% (2020: 51%) of the Fund was invested in readily realisable assets.

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 and behavioural risk, process risk; change and project risk; information technology, data and cyber security risk; governance risk; third party risk; business disruption risk; fraud risk; 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.

15. Financial risk management – Discretionary Portfolio (continued)

15.5 Operational risk (continued)

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.

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 Finance, 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.

15. Financial risk management – Discretionary Portfolio (continued)

15.7 Fair values of financial instruments (continued)

ii) Valuation framework (continued)

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 2021.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.

2021	Level 1 €m	Level 2 €m	Level 3 €m	Total €m
i) Equities and managed funds				
Quoted equities	799	-	-	**799**
Direct private equity	-	-	396	**396**
Quoted investment funds	1,604	-	-	**1,604**
Unquoted investment funds	-	819	361	**1,180**
Convertible preference shares	-	-	23	**23**
ii) Debt securities				
Unlisted debt securities	-	-	46	**46**
Listed debt securities	291	-	-	**291**
iii) Limited partnerships/trusts				
Property fund investments	-	-	146	**146**
Private equity fund investments	-	-	1,787	**1,787**
Forestry investments	-	-	78	**78**
Energy investments	-	-	35	**35**
Infrastructure investments	-	-	318	**318**
iv) Derivatives financial assets				
Equity options	3	-	-	**3**
Futures contracts	15	-	-	**15**
	2,712	**819**	**3,190**	**6,721**
v) Derivatives financial liabilities				
Foreign exchange contracts	-	(38)	-	**(38)**
	2,712	**781**	**3,190**	**6,683**
Treasury bills	5	-	-	**5**
Total	**2,717**	**781**	**3,190**	**6,688**

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				
Equity Options	-	47	-	**47**
Foreign exchange contracts	-	2	-	**2**
Futures contracts	7	-	-	**7**
	3,139	**832**	**2,841**	**6,812**
v) Derivatives financial liabilities				
Equity index swaps	-	(15)	-	**(15)**
Interest rate swaps	(1)	-	-	**(1)**
	(1)	(15)	-	**(16)**
Treasury bills	-	-	-	**-**
Total	**3,138**	**817**	**2,841**	**6,796**

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:

	2021 €m	2020 €m
Balance at 1 January	2,841	2,348
Total gains or losses recognised in profit or loss	518	389
Purchases	475	234
Sales	(644)	(130)
Balance at 31 December	**3,190**	**2,841**

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 2021.

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 2021 held a long-term Moody's credit rating of Aa1 (2020: 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	
2021	**2021 €m**	**2020 €m**
Allied Irish Banks	4,023	3,239
Bank of Ireland	416	494
	4,439	**3,733**

Market price risk exposure

The cumulative Directed Portfolio asset value exposed to market price risk at 31 December 2021 comprises the value of investments as detailed in the following table:

	2021 €m	**2020 €m**
Exposure to market price risk		
Allied Irish Banks	4,023	3,239
Bank of Ireland	416	494
	4,439	**3,733**
Not exposed to market price risk		
Cash	180	165
Receivables for investments sold	4	-
Irish Exchequer Note	75	-
HBFI Loan	125	37
	384	**202**
Total Directed Investments	**4,823**	**3,935**

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 had been on-going in New York in respect of the 2007 leveraged buy-out of the Tribune Company and has now fully concluded. The litigation, which consisted of a federal law action and a number of related state law actions, involved 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. The related state law claims were dismissed by a United States District Court in September 2013. After a series of appeals of both the federal and state claims, the plaintiffs' avenues for review are now exhausted, and the dismissals of all claims are final. Accordingly, as of the reporting date, no provision has been recognised in these financial statements.

18. Comparative Information

Certain comparative information has been reclassified for consistency with the current year disclosures.

19. Events after the reporting date

The outbreak of the war in Ukraine on 24 February 2022 has impacted global financial markets which in turn has adversely affected the net assets of the fund. As neither the duration nor the scope of the impact can be predicted, the overall financial impact cannot be estimated at this time.

20. Approval of financial statements

The financial statements were approved by the Agency on 3 May 2022.

Portfolio of Investments Ireland Strategic Investment Fund

31 December 2021

Irish Portfolio

	Commitment and follow on Year	Project/Fund	Commitment €m	Description
ISIF/PSRF	2021	ACT VI Venture Fund, L.P.	20	Fund focusing on investing in high potential technology companies located primarily in Ireland.
	2021	AMCS (follow-on)	3	Follow on investment in an existing investee that develops software for the waste, recycling and resource sectors.
	2021	Beach Point Capital Fund II (BPC Ireland Lending II DAC)	15	Loan fund providing debt to growth stage Irish SMEs.
	2021	Birch Corporate Credit DAC	50	DunPort loan fund investing flexible capital in COVID-19 pandemic impacted SMEs based in Ireland.
	2021	Climate Investments	134	Commitments to Climate Investment Funds closed in 2021.
	2021	Fexco	20	Debt facility to support the ongoing operations and growth of a leading Irish payments and technology company.
	2021	Finance Ireland Agri Funding DAC (Milkflex II) (follow-on)	61	Investment to support existing borrower to increase loans provided for milk farmers under the flagship product.
	2021	Frontline EMEA Expansion Fund II LP	35	Venture capital focusing on sourcing high quality FDI into Ireland.
	2021	GASL Holdings LLC	12	Debt facility to an existing ISIF investee that operates in the aircraft leasing industry in Ireland.
	2021	Harrison Street European Property Partners III	25	Real estate equity fund targeting student accommodation, life sciences and speciality residential.
	2021	Housing Infrastructure Services Company DAC (HISCo) (follow-on)	20	A revolving credit facility to HISCo, ISIF's 50:50 joint venture with Cork County Council supporting residential development.
	2021	Illumina Innovation Fund II, L.P.	25	Fund will support early-stage companies across the US and EU that are pioneering breakthroughs in life science tools, clinical diagnostics, therapeutics platforms, digital health, and other applications of genomics.
	2021	Kilkenny Abbey Quarter Development Partnership (follow-on)	3	Funding to support the development of further phases of the Abbey Quarter scheme in Kilkenny.
	2021	Lightstone Ventures Fund III, L.P.	16	Fund will invest in early stage, therapeutic-oriented companies in the US, EU and Asia, as well as opportunistic late-stage opportunities.
	2021	Oak Corporate Credit DAC	95	Loan fund providing debt to lower mid-market SMEs and medium sized corporates.
	2021	Ocuco Limited	15	Debt facility to support provider of software to optical retailers and optical lens manufacturing labs.
	2021	Polaris Innovation Fund II L.P.	9	Fund aims to accelerate the commercial and therapeutic potential of early-stage academic research, focusing on company creation and growth through an active investment model.
	2021	Scottish Equity Partners Fund VI (SEP VI LP)	35	Private equity investments in growth stage technology businesses in the UK, Ireland and Europe.
	2021	Seroba Life Sciences Fund IV L.P.	20	Dublin headquartered European venture capital firm -Fund IV will invest in early-stage Biotech and Medical device companies in Ireland, Western EU and the US.
	2021	SIF- Ascension I, L.P.	13	Fund of funds focusing on supporting the next generation of venture capital fund managers in the technology and life sciences sector.
	2021	Stripe Inc.	42	A global technology company building economic infrastructure for the internet, dual-headquartered in San Francisco and Dublin.
	2021	Vectra AI Inc. (follow-on)	3	Follow on investment in an existing investee that develops and sells enterprise cyber-security software.
	2020	Aer Lingus Limited	150	Debt facility to support the liquidity needs of the business.
	2020	DAA Finance plc	40	Participation in DAA bond issuance.
	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	Finance Ireland	17	Specialist lender providing capital to areas not well served by the traditional banking market.
	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	Frontline EMEA Expansion Fund L.P.	4	Follow-on investment in Frontline EMEA, a fund focusing on highly rated North American software companies that targeting markets in Europe and the Middle East.
	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	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	Harcourt Venture Fund L.P.	0	Follow-on investment.
	2020	Insight Partners (Cayman) XI, L.P.	9	Specialist private equity firm that invests in growth-stage technology, software and internet businesses.
	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	Melior Equity Partners II SCSp	26	Private equity firm focused on investing in high potential Irish businesses.
	2020	MilkFlex II Accordion Facility (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	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	Renatus Capital Partners II L.P.	7	Private equity firm that provides growth funding to ambitious Irish SMEs.
	2020	Shamrock Renewables Products Limited	11	Financing for manufacturer of sustainable heating fuel products.
	2020	StayCity Investments Holdings Limited	30	Investment to support ongoing operations and future growth of the leading Irish aparthotel company.
	2020	Swrve Mobile Inc	2	Follow-on investment in Swrve, a mobile marketing automation software platform.
	2020	Urban Volt Limited	5	Leading provider of Lighting-as-a-Service and energy efficiency solutions.
	2020	Xant, Inc.	2	Follow-on investment in Xant, a sales acceleration technology firm.
		PSRF Total	**1,079**	

	Commitment and follow on Year	Project/Fund	Commitment €m	Description
Housing	2016	Majulah ICAV	25	Investment in a fund investing and developing office buildings primarily in regional areas.
	2016/2019	Kilkenny Abbey Quarter Development	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 €233 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 of €75m with the potential to deliver 400 homes.
	2018	Herbert Park ICAV	25	Investment in a private rental sector platform.
	2018	Urbeo Residential Fund/DAD Property Fund	60	Investment in build to rent residential platform.
	2019	Irish Residential Property Fund	140	Fund's objective is to assumble a portfolio of high quality residential assets to rent primarily through forward purchasing and funding.
	2019	Housing Infrastructure Services Company DAC (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 Property (Eblana) Limited	8	Equity funding to Bartra to develop shared-living sites in Dublin.
		Housing Total	**905**	
Direct Investments	2015	Malin Corporation PLC	50	Irish listed plc focused on fast growing segments in the life sciences industry.
	2015/2018/2019	Passiflora Holdings Inc	20	Global leader in high-growth sector of in-app mobile marketing founded in Dublin.
	2015/2018	Advanced Manufacturing Control Systems Limited	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 Unlimited Company	14	Large indigenous prepared consumer food company producing artisnal breads.
	2017	Cubic Telecom Limited	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	Emerald Asset Fund	50	Investment in a full life cycle aircraft lessor focused on acquiring mid-life Airbus and Boeing narrow body aircraft.
	2016/2018	WuXi-NextCODE/GMI	66	Commitment to an investment programme making Ireland a global hub for genomics.
	2019	Blue Giant Intermediate Ltd	11	Investment in Indigenous business selling Frozen Fish and vegetables under Green Isle and Donegal Catch Brands.
	2019	Rub Edibrac Ireland Limited	15	Investment in precision-engineering business to scale its domestic and international operations via the acquisition of Karnasch.
	2019	West Cork Distillers Limited	15	Equity intestment into West Cork Distillers to finance the expansion of its distillery and to support growth of its products in international markets.
	2019	Greystones Media Campus Ltd	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 (RPFP)	2	Investment facilitating the creation of €40m farmer receivables programme in the dairy sector.
	2018	IWSG Limited	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 19 dairy co-ops across Ireland.
	pre 2011	Atlantic Bridge Fund II	10	€75m fund concentrated on growth and expansion stage equity investments.
	pre 2011	Delta Equity Fund III, LP	23	Local venture capital firm which targets investments primarily in the ICT sector.
	pre 2011	Draper Fisher Jurvetson Fund X, LP	10	$400m fund that invests in technology, life science and clean-tech sectors.
	pre 2011	Fountain Healthcare Partners Fund I, LP	15	Irish life science venture capital firm focused on early stage pharmaceutical and medical device companies.
	pre 2011	Harcourt Venture Fund L.P.	18	€75m fund to investment in early stage ICT companies with significant growth potential in Ireland.
	pre 2011	Polaris Venture Partners VI, LP	36	Global venture capital fund of $367m actively investing in Ireland focused on technology and healthcare.
	pre 2011	Seroba Kernel II	15	Irish venture capital fund of €75m focused on early stage medical devices and therapeutic technologies.
	2011	Sofinnova Venture Partners VIII, LP	9	Fund of $400m focused on late-stage drug development.
	2012	Highland Technology Europe	10	Growth equity fund of €246m that invests in rapidly growing internet, mobile and software companies.
	2012	SVB Strategic Investors Fund V, LP	20	Commitment to a global venture capital fund of funds building on strategic partnership with SVB.
	2012	Carlyle Cardinal Ireland Fund	125	€292m private equity fund targeting growth and lower mid-market buy-out transactions in Ireland.
	2013	Bluebay Notes	200	€450m credit fund making loans of between €5m and €45m 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 of $172m 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 Venture Fund VIII, LP	20	Fund investing in transformative, disruptive, technology driven companies in life and physical sciences.
	2014	Atlantic Bridge Fund III	20	€211m fund concentrated on growth and expansion stage equity investments.
	2014	Fountain Healthcare Partners Fund II,LP	15	Irish life science venture capital firm focused on early stage pharmaceutical and medical device companies.
	2014	Polaris Partners VII, LP	40	Global venture capital fund of $436m actively investing in Ireland focused on technology and healthcare.

Irish Portfolio (continued)

	Commitment and follow on Year	Project/Fund	Commitment €m	Description
Indirect Investments	2015	Frontline Ventures I	11	€50m early stage fund that invests in highly innovative early stage information technology companies.
	2015	Highland Europe Technology Growth Fund II	10	Growth equity fund of €330m that invests in rapidly growing internet, mobile and software companies.
	2016	Molten Ventures Plc	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 of €100m focused on early stage medical devices and therapeutic technologies.
	2016	Act Venture Fund V	20	Primarily Irish focused venture capital fund of €63m investing in growing ICT companies in Ireland.
	2016	Scottish Equity Partners Fund V (SEP V LP)	16	€292m fund that will invest in growth and later stage technology, energy and healthcare companies.
	2016	Polaris Venture Partners VIII, LP	24	Global venture capital fund actively investing in Ireland focused on technology and healthcare.
	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 Partners I	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 Partners (Cayman) X, LP	85	$5.5 billion growth stage private equity fund that will target software opportunities in Ireland and globally.
	2017	BGF Ireland IA LP	125	Largest ever growth capital fund dedicated to Irish SMEs with €250m to invest.
	2017	Motive Capital Fund I-B	25	Specialist financial technology focused private equity fund providing growth equity to FinTech businesses.
	2017	ARCH Venture Fund IX Overage, LP	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 of $250m 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	Commitment to a global venture capital fund of funds building on strategic partnership with SVB.
	2018	Elm Corporate Credit DAC	95	Fund providing a mix of unitranche, senior and mezzanine debt to medium/large Irish SMEs and mid-sized corporates.
	2019	Fountain Healthcare Partners Fund III,LP	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 Growth Capital Partners Ireland Fund II LP	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 Guiness Enterprise Centre.
		Indigenous Businesses Total	**2,055**	
Climate Change	pre 2011	Ist Forestry Fund	20	Investment in a portfolio of forestry assets across Ireland.
	2014	Dublin Waste to Energy Ltd	44	Thermal waste treatment plant handling 600,000 tonnes of waste producing 60 megawatts of electricity.
	2016	NTR Wind LP	35	Equity investment fund in construction ready onshore wind farms.
	2016	Dasos Foraois Management Limited	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	Temporis Aurora LP	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 Trust	250	Portfolio of Irish infrastructure assets.
	2013	WestSummit Global Technology Fund, LP	36	Investment in a $225m 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 Opportunities Fund I (Cayman) LP	50	Financial service sector focussed global equity fund of $421m.
	2017	Xant, Inc.	24	Industry leading predictive sales acceleration platform growing its presence in Ireland.
	2017	Kaseya	20	Foremost supplier of compete IT management solutions for managed service providers and mid-sized companies.
	2018/2019	Vectra AI, Inc	10	Investment in a successful artificial intelligence cybersecurity company expanding their presence in Ireland.
		Legacy Asset under ISIF 1.0 Total	**607**	

Discretionary Investments Quoted Equities

EUROPE

Austria

Holding	Security Description	Value €m
763	Erste Group Bank	0.03
4,965	Immofinanz	0.11
2,487	Raiffeisen Bank International	0.06
366	Verbund AG	0.04
3,506	Voestalpine	0.11
		0.36
	% of Total Investments	**0.00%**

Belgium

Holding	Security Description	Value €m
974	Ageas	0.04
36,228	Anheuser-Busch	1.93
960	Colruyt	0.04
121	Elia Group	0.01
257	Groupe Bruxelles Lambert	0.03
179	KBC Group N.V.	0.01
122	Sofina	0.05
260	Solvay	0.03
783	UCB	0.08
6,277	Warehouses De Pauw	0.21
		2.42
	% of Total Investments	**0.02%**

Denmark

Holding	Security Description	Value €m
50	AP Moller – Maersk	0.16
56	AP Moller – Maersk	0.16
189	Carlsberg	0.03
242	CHR Hansen Holding	0.02
617	Coloplast	0.10
2,091	Danske Bank	0.03
320	Demant	0.01
471	DSV Panalpina	0.10
47	Genmab	0.02
232	Gn Store Nord	0.01
3,378	Novo Nordisk	0.34
708	Novozymes	0.05
2,059	Orsted	0.23
748	Pandora	0.08
71	Rockwool International	0.03
1,142	Tryg	0.02
		1.39
	% of Total Investments	**0.01%**

Finland

Holding	Security Description	Value €m
820	Elisa	0.04
854	Fortrum	0.02
2,473	Kesko Oyj	0.07
16,103	Kone	1.02
18,513	Nokia	0.10
5,045	Nordea Bank	0.05
3,970	Orion	0.14

Finland (continued)

Holding	Security Description	Value €m
477	Sampo	0.02
767	Stora Enso	0.01
719	UPM-Kymmene	0.02
		1.52
	% of Total Investments	**0.01%**

France

Holding	Security Description	Value €m
2,166	Aeroports De Paris	0.25
18,869	Air Liquide	2.89
223	Amundi	0.02
202	Arkema	0.03
82,866	Axa	2.17
893	Biomerieux	0.11
46,511	BNP Paribas	2.82
25,213	Bollore	0.12
566	Bouygues	0.02
1,417	Bureau Veritas	0.04
629	Capgemini	0.14
5,521	Carrefour	0.09
1,792	Cie De Saint-Gobain	0.11
337	Cie Generale des Etablissement	0.05
2,521	CNP Assurances	0.05
3,122	Credit Agricole	0.04
26,352	Danone	1.44
1,163	Dassault Systemes	0.06
330	Edenred	0.01
1,183	Eiffage	0.11
36,111	Engie	0.47
12,174	Essiloruxottica	2.28
282	Eurazeo	0.02
3,363	Gecina	0.41
1,522	Hermes International	2.34
3,220	Ipsen	0.26
2,951	Kering	2.08
8,897	Klepierre	0.19
3,300	La Francaise des Jeux Saem	0.13
517	Legrand	0.05
10,190	L'Oreal	4.25
10,763	Lvmh Moet Hennessy Louis Vuitt	7.82
5,088	Orange	0.05
161	Orpea	0.01
8,292	Pernod Ricard	1.75
1,869	Publicis Groupe	0.11
190	Remy Cointreau	0.04
1,134	Renault South Africa	0.03
46,277	Sanofi	4.10
144	Sartorius Stedim Biotech	0.07
22,861	Schneider Electric	3.94
864	SEB	0.12
1,622	Societe Generale Group	0.05
4,653	Suez	0.09
128	Teleperformance	0.05
389	Ubisoft Entertainment	0.02
751	Valeo	0.02

France (continued)

Holding	Security Description	Value €m
6,529	Veolia Environnement	0.21
41,848	Vinci	3.89
187	Wendel	0.02
		45.43
	% of Total Investments	**0.32%**

Germany

Holding	Security Description	Value €m
7,827	Adidas	1.98
16,584	Allianz	3.44
36,451	BASF	2.25
38,908	Bayer	1.83
13,369	Bayerische Motoren Werke	1.19
839	Bayerische Motoren Werke AG	0.06
195	Bechtle	0.01
510	Beiersdorf	0.05
883	Brenntag	0.07
174	Carl Zeiss Meditec	0.03
990	Covestro	0.05
34,587	Daimler	2.34
930	Daimler Truck	0.03
5,857	Deutsche Bank	0.06
7,603	Deutsche Boerse	1.12
42,603	Deutsche Post	2.40
140,983	Deutsche Telekom	2.29
3,639	E.On	0.04
711	Evonik Industries	0.02
1,929	Frenius & Co	0.07
1,522	Frenius Medical Care	0.09
840	Fuchs Petrolub	0.03
956	Gea group	0.05
321	Hannover Rueck	0.05
1,168	Heidelbergcement	0.07
2,106	Hellofresh Se	0.15
295	Henkel & Co	0.02
326	Henkel & Co	0.02
50,967	Infineon Technologies	2.07
6,951	Instone Real Estate Group	0.12
313	Knorr-Bremse	0.03
205	Leg Immobilien	0.03
532	Merck Kgaa	0.12
5,623	Muenchener Rueckversicherungs	1.46
1,626	Nemetschek	0.18
257	Porche Automobil Holding SE	0.02
1,166	Puma	0.12
60	Rational	0.05
43,731	SAP	5.46
89	Sartorius	0.05
251	Scout24	0.02
29,684	Siemens	4.53
1,756	Siemens Energy	0.04
857	Siemens Healthineers	0.06
270	Symrise	0.04
5,978	Telefonica Deutschland Holding	0.01
2,012	Uniper	0.08

Quoted Equities (continued)

Germany (continued)		
853	United Internet	0.03
7,451	Volkswen	1.32
122	Volkswen	0.03
56,024	Vonovia	2.71
1,508	Zalando	0.11
		38.53
	% of Total Investments	**0.27%**

Ireland		
Holding	**Security Description**	**Value €m**
11,543	Accenture	4.22
12,092	AIB Group Plc	0.03
799	Allegion	0.09
1,720	Aon Plc	0.46
92,977	Bank of Ireland	0.46
30,983	CRH	1.44
1,342	CRH	0.06
34,451	Dalata Hotel Group	0.13
882	DCC	0.06
2,049	Eaton	0.31
889	Experian	0.04
6,824	Flutter Entertainment	0.95
19,000,000	Greencoat Renewables	21.28
135	Horizon Therapeutics	0.01
1,626	James Hardie Industries	0.06
1,366	Jazz Pharmaceuticals	0.15
4,775	Johnson Controls International	0.34
169	Kerry Group	0.02
284	Kingspan Group	0.03
2,761	Linde	0.84
3,849,824	Malin	25.79
5,572	Medtronic	0.51
92,941	National Toll Road	0.01
1,364	Pentair	0.09
1,833	Seagate Technology Holdings	0.18
587	Steris	0.13
1,235	Trane Technologies	0.22
793,776	Waterford Wedgewood Uts	0.00
599	Willis Towers Watson	0.13
		58.05
	% of Total Investments	**0.40%**

Italy		
Holding	**Security Description**	**Value €m**
671	Amplifon	0.03
3,999	Assicurazioni Generali	0.07
16,598	Atlantia	0.29
2,321	Davide Campari-Milano	0.03
320	Diasorin	0.05
63,661	Enav	0.25
362,309	Enel	2.55
374	Ferrari	0.09
1,427	FineCoBank	0.02
359,428	Goldman Sachs Ins Bank Loanport 'lo'Cls	62.19
1,578	Infrastrutture Wireless Italia	0.02
742,002	Intesa Sanpaolo	1.69

Italy (continued)		
2,245	Mediobanca Banca Di Credito Fi	0.02
1,457	Moncler	0.09
4,511	Poste Italiane	0.05
1,111	Prysmian	0.04
1,146	Recordati	0.06
7,940	Snam	0.04
4,097	Terna Rete Elettrica Nazionale	0.03
		67.62
	% of Total Investments	**0.47%**

Jersey C I		
Holding	**Security Description**	**Value €m**
7,872	Amcor	0.08
1,137	Aptiv	0.17
195	Novocure	0.01
		0.26
	% of Total Investments	**0.00%**

Luxembourg		
Holding	**Security Description**	**Value €m**
4,225	Arcelormittal	0.12
1,031	Eurofins Scientific	0.11
3,193	Tenaris	0.03
		0.26
	% of Total Investments	**0.00%**

Netherlands		
Holding	**Security Description**	**Value €m**
1,023	ABN AMRO	0.01
1,097	Adyen	2.54
5,833	Aegon	0.03
370	Akzo Nobel	0.04
143	ASM International	0.06
16,673	ASML Holding	11.78
7,814	CTP	0.14
145	Euronext	0.01
275	Heineken	0.03
1,500	Heineken Holding	0.12
250	IMCD	0.05
156,528	ING Groep	1.92
2,460	JDE Peet's	0.07
50,362	Koninklijke Ahold Delhaize	1.52
9,986	Koninklijke DSM	1.98
11,660	Koninklijke Kpn	0.03
37,207	Koninklijke Philips	1.22
1,505	NN Group	0.07
1,723	NXP Semiconductors	0.35
34,033	Prosus	2.50
1,225	Qiagen	0.06
1,977	Randstad	0.12
71,429	SNS Reaal Groep	0.06
92,516	Stellantis	1.54
772	Universal Music Group	0.02
1,220	Wolters Kluwer	0.12
		26.38
	% of Total Investments	**0.18%**

Norway		
Holding	**Security Description**	**Value €m**
1,671	DNB	0.03
2,112	Gjensidige Forsikring	0.05
1,257	Mowi	0.03
6,245	Norsk Hydro	0.04
3,378	Orkla	0.03
1,512	Telenor	0.02
711	Yara International	0.03
		0.23
	% of Total Investments	**0.00%**

Portugal		
Holding	**Security Description**	**Value €m**
7,846	Jeronimo Martins SGPS	0.16
		0.16
	% of Total Investments	**0.00%**

Spain		
Holding	**Security Description**	**Value €m**
4,022	ACS Actividades De Construccio	0.09
3,391	Aena Sme	0.47
926,506	Banco Bilbao Vizcaya Argentari	4.86
696,277	Banco Santander	2.05
12,916	Caixabank	0.03
26,391	Cellnex Telecom	1.35
1,217	Enagas	0.02
1,306	Endesea	0.03
646	Ferrovial	0.02
4,897	Grifols	0.08
257,063	Iberdrola	2.67
47,055	Industria de Diseno Textil	1.34
2,662	Let's Gowex	0.02
22,542	Merlin Properties Socimi	0.22
690	Naturgy Energy Group	0.02
2,149	Red Electrica	0.04
6,627	Telefonica	0.03
		13.35
	% of Total Investments	**0.09%**

Sweden		
Holding	**Security Description**	**Value €m**
558	Alfa Laval	0.02
670	Assa loy	0.02
688	Atlas Copco	0.04
416	Atlas Copco	0.02
609	Boliden	0.02
17,348	Castellum	0.41
2,525	Electrolux	0.05
1,637	Epiroc	0.04
1,223	Epiroc	0.02
1,353	EQT	0.07
822	Essity	0.02
295	Evolution Gaming Group	0.04
194	Fastighets	0.01
694	Getinge	0.03
5,840	Hennes & Mauritz	0.10

Sweden (continued)		
193,877	Hexagon	2.71
888	Husqvarna	0.01
737	Industrivarden	0.02
864	Industrivarden	0.02
1,131	Investment Latour	0.04
1,206	Investor	0.03
4,319	Investor	0.10
1,262	Kinnevik	0.04
293	L E Lundbergforetagen	0.01
1,028	Lifco	0.03
3,536	Nibe Industrier	0.05
727	Sagax	0.02
647	Sandvik	0.02
2,835	Securitas	0.03
3,592	Skandinaviska Enskilda Banken	0.04
4,086	Skanska	0.09
896	Svenska Cellulosa	0.01
1,649	Svenska Handelsbanken	0.02
1,371	Swedbank	0.02
1,390	Tele2	0.02
3,226	Telefonaktiebolaget Lm Ericsso	0.03
6,478	Telia	0.02
901	Volvo	0.02
		4.33
	% of Total Investments	**0.03%**

Switzerland		
Holding	**Security Description**	**Value €m**
2,257	ABB	0.08
293	Alcon	0.02
39	Bachem Holding	0.03
238	Baloise Holding	0.03
15	Barry Callebaut	0.03
2	Chocoladefabriken Lindt & Spru	0.02
2,044	Chubb	0.35
417	Cie Financiere Richemont	0.06
1,004	Coca-Cola Hbc	0.03
68	Ems-Chemie Holding	0.07
1,037	Garmin	0.12
85	Geberit	0.06
17	Givaudan	0.08
24,805	Glencore	0.11
619	Kuehne + Nel International	0.18
1,640	Lafargeholcim	0.07
1,303	Logitech International	0.10
97	Lonza	0.07
17,961	Nestle	2.22
2,560	Novartis	0.20
93	Partners Group Holding	0.14
1,252	Roche Holding	0.46
313	Roche Holding	0.12
102	Schindler Holding	0.02
60	Schindler Holding	0.01
55	SGS	0.16
252	Sika	0.09

Switzerland (continued)		
91	Sonova Holding	0.03
1,982	Stmicroelectronics	0.09
61	Straumann Holding	0.11
126	Swatch	0.03
1,048	Swatch	0.05
115	Swiss Life Holding	0.06
306	Swiss Prime Site	0.03
228	Swiss Re	0.02
83	Swisscom	0.04
1,586	Te Connectivity	0.23
163,474	UBS	2.60
86	VAT Group	0.04
302	Vifor Pharma	0.05
184	Zurich Insurance	0.07
		8.39
	% of Total Investments	**0.06%**

United Kingdom		
Holding	**Security Description**	**Value €m**
4,689	Admiral	0.18
996	Ashtead	0.07
2,063	Associated British Foods	0.05
34,169	Astrazeneca	3.53
23,718	Auto Trader	0.21
12,423	Aviva	0.06
24,982	Barclays	0.06
13,724	Big Yellow	0.28
8,214	BT	0.02
988	Bunzl	0.03
4,735	Burberry	0.10
73,399	Capital & Counties Properties	0.15
966	Coca-Cola European Partners	0.05
91,761	Compass	1.80
641	Croda International	0.08
3,855	Derwent London	0.16
2,664	Diageo	0.13
14,004,502	Draper Esprit	169.33
20,197	Ferguson	3.15
8,713	Glaxosmithkline	0.17
11,730,910	Gore Street Energy Storage	16.47
997	Halma	0.04
7,621	Hargreaves Lansdown	0.12
14,131	HSBC Holdings	0.08
39,801	Intercontinental Hotels	2.26
266	Intertek	0.02
41,565	J Sainsbury	0.14
2,207	Johnson Matthey	0.05
23,043	Kingfisher	0.09
16,403	Legal & General	0.06
6,001	Liberty Global	0.15
5,899	Liberty Global	0.15
19,922	Linde	6.08
924	Mondi	0.02
144,492	National Grid	1.82
650	Next	0.06

United Kingdom (continued)		
1,270	Nielsen Holdings	0.02
3,161	Pearson	0.02
2,618	Phoenix Holdings	0.02
37,946	Reckitt Benckiser	2.86
3,892	Relx	0.11
347,966	Rentokil Initial	2.42
1,893	Rio Tinto	0.11
1,431	Royalty Pharma	0.05
13,018	Sage Group	0.13
334	Schroders	0.01
37,072	Segro	0.63
1,198	Sensata Technologies Holding	0.07
1,047	Severn Trent	0.04
1,787	Smith & Nephew	0.03
232	Spirax-Sarco Engineering	0.04
1,013	SSE	0.02
1,823	St James's Place	0.04
5,769	Standard Chartered	0.03
1,478	Unilever	0.07
27,535	Unite Group	0.36
2,017	United Utilities	0.03
42,209	Vodafone	0.06
6,252	WPP	0.08
7,975	CNH Industrial	0.14
8,948	Barratts Developments	0.08
121,992	Llyods Banking Group	0.07
17,501	Taylor Wimpey	0.04
819	3I Group	0.01
7,190	Natwest Group	0.02
14,873	Abrdn	0.04
15,604	Tesco	0.05
270	Berkeley Holdings	0.02
58,513	JD Sports Fashion	0.15
37,029	Melrose Industries	0.07
60,792	Londonmetric Property	0.20
251,746	Tritax Eurobox	0.35
254,124	Life Science	0.30
3,759	Entain	0.08
		216.08
	% of Total Investments	**1.50%**
Total European Quoted Equities		**484.74**
% of Total Investments		**3.36%**

NORTH AMERICA

Canada		
Holding	**Security Description**	**Value €m**
1,229	Algonquin Power & Utilities	0.02
2,816	Alimentation Couche-Tard	0.10
1,817	Altagas	0.03
949	Bank of Montreal	0.09
1,857	Bank of Nova Scotia	0.12
1,720	Barrick Gold	0.03
636	BCE	0.03
6,404	Boralex	0.15
8,582	Canadian Apartment Properties	0.36

Quoted Equities (continued)

Canada (continued)		
944	Canadian Imperial Bank of Commerce	0.10
392	Canadian National Railway	0.04
675	Canadian Pacific Railway	0.04
299	Canadian Pacific Railway	0.02
627	Canadian Tire	0.08
986	Canadian Utilities	0.03
447	CCL Industries	0.02
1,324	CGI	0.10
25,967	Chartwell Retirement Residencetrust Unit	0.21
156	Constellation Software	0.25
1,980	Dollarama	0.09
624	Emera	0.03
6,922	Empire	0.19
57,395	Enbridge	1.97
201	Fairfax Financial Holdings	0.09
414	Firstservice	0.07
2,641	Fisrt Quantum Materials	0.06
8,316	Fortis	0.35
598	GFL Environmental	0.02
419	Gildan Activewear	0.02
3,214	Granite	0.24
2,773	Great West Lifeco	0.07
1,281	Hydro One Limited	0.03
1,278	IA Financial	0.06
999	IGM Financial	0.03
288	Intact Financial	0.03
3,633	Ivanhoe Mines	0.03
16,212	Keyera	0.32
8,255	Kinross Gold	0.04
3,685	Loblaw Companies	0.26
3,798	Lundin Mining	0.03
818	Magna International	0.06
4,637	Manulife Financial	0.08
1,335	Metro	0.06
962	National Bank of Canada	0.06
13,840	Northland Power	0.36
793	Nutrien	0.05
196	Onex Corp	0.01
598	Open Text oration	0.02
1,820	Parkland	0.04
4,055	Power Canada	0.12
1,092	Quebecor cl B Sub-Vtg	0.02
845	Real Estate	0.01
201	Ritchie Bros Auctioneers	0.01
1,896	Royal Bank of Canada	0.18
734	Saputo	0.01
59	Shopify	0.07
10,770	Summit Industrial Income Reittrust Unit	0.18
1,103	Sun Life Financial	0.05
1,436	Telus	0.03
139	TFI International	0.01
328	Thomson Reuters new	0.03
331	TMX Group	0.03
343	Toromont Industries	0.03
2,399	Toronto Dominion Banknew	0.16
772	Waste Connections	0.09
1,907	West Fraser Timber Co.	0.16
1,571	Weston (George)	0.16
1,628	WSP Global	0.21
		8.17
	% of Total Investments	**0.06%**

United States		
Holding	**Security Description**	**Value €m**
173	10X Genomics	0.02
2,815	3M	0.44
1,297	A O Smith	0.10
8,996	Abbott Laboratories	1.12
9,450	Abbvie	1.13
616	Abiomed	0.20
4,182	Activision Blizzard	0.25
2,477	Adobe	1.24
935	Advance Auto Parts	0.20
7,263	Advanced Micro Devices	0.92
3,550	Aflac	0.18
1,728	Agilent Technologies	0.24
7,334	Agnc Investment	0.10
957	Air Products & Chemicals	0.26
1,743	Akamai Technologies	0.18
435	Alaska Air	0.02
631	Albemarle	0.13
51,432	Alector	0.94
5,138	Alexandria Real Estate Equitie	1.01
470	Align Technology	0.27
75	Alleghany	0.04
2,288	Allstate	0.24
2,839	Ally Financial	0.12
81	Alnylam Pharmaceuticals	0.01
3,096	Alphabet -Cl A	7.92
1,533	Alphabet -Cl C	3.92
2,367	Amazon.Com	6.97
1,570	AMC Entertainment	0.04
126	Amerco	0.08
2,327	American Airlines	0.04
3,213	American Express	0.46
409	American Financial Group	0.05
4,344	American International	0.22
29,500	American Tower	7.62
7,668	American Water Works	1.28
16,323	Americold Realty Trust	0.47
832	Ameriprise Financial	0.22
1,375	Amerisourcebergen	0.16
2,552	Amgen	0.51
2,964	Amphenol	0.23
2,590	Analog Devices	0.40
10,503	Annaly Capital Management	0.07
415	Ansys	0.15
1,405	Anthem	0.58

United States (continued)		
1,912	Apollo Global Management	0.12
85,589	Apple	13.42
5,424	Applied Materials	0.75
3,774	Aramark	0.12
4,199	Archer-Daniels-Midland	0.25
1,400	Arista Networks	0.18
1,904	Arrow Electronics	0.23
497	Asana	0.03
519	Assurant	0.07
37,199	AT&T	0.81
7,088	Atmos Energy	0.66
1,492	Autodesk	0.37
2,163	Automatic Data Processing	0.47
260	Autozone	0.48
4,985	Avalonbay Communities	1.11
1,102	Avantor	0.04
538	Avery Dennison	0.10
6,236	Baker Hughes	0.13
33,718	Ball	2.86
36,104	Bank of America	1.42
5,632	Bank of New York Mellon	0.29
4,405	Bath & Body Works	0.27
558	Bausch Health Cos	0.01
2,589	Baxter International	0.20
1,289	Becton Dickinson and Co	0.29
461	Bentley	0.02
9,288	Berkshire Hathaway	2.45
3,694	Best Buy	0.33
1,290	Biogen	0.27
251	Biomarin Pharmaceutical	0.02
210	Bio-Rad Laboratories	0.14
223	Bio-Techne	0.10
1,287	Black Knight	0.09
634	Blackrock	0.51
2,289	Blackstone	0.26
187	Booking Holdings	0.40
2,896	Borgwarner	0.12
3,886	Boston Properties	0.40
94,334	Boston Scientific	3.54
13,142	Bristol-Myers Squibb	0.72
2,045	Broadcom	1.20
763	Broadridge Financial Solutions	0.12
1,823	Brown & Brown	0.11
1,538	Brown-Forman	0.10
10,594	Burlington Stores	2.73
21	Cable One	0.03
2,476	Cadence Design Systems	0.41
1,160	Caesares Entertainment	0.10
4,697	Camden Property Trust	0.74
2,376	Campbell Soup	0.09
2,809	Capital One Financial	0.36
2,760	Cardinal Health	0.13
3,637	Carlyle	0.18
771	Carmax	0.09
4,838	Carrier Global	0.23

United States (continued)		
50	Carvana	0.01
847	Catalent	0.10
2,640	Caterpillar	0.48
783	CBOE Global Markets	0.09
4,051	CBRE	0.39
1,007	CDW	0.18
649	Celanese	0.10
4,985	Centene	0.36
26,170	Centerpoint Energy	0.64
691	Ceridian Hcm Holding	0.06
3,298	Cerner	0.27
1,760	CF Industries Holdings	0.11
1,481	Ch Robinson Worldwide	0.14
399	Charles River Laboratories	0.13
7,079	Charles Schwa	0.53
650	Charter Communications	0.37
22,448	Cheniere Energy	2.01
1,569	Chewy	0.08
125	Chipotle Mexican Grill	0.19
1,786	Church & Dwight	0.16
2,194	Cigna	0.44
1,011	Cinnati Financial	0.10
607	Cintas	0.24
21,062	Cisco Systems	1.18
10,677	Citigroup	0.57
3,035	Citizens Financial Group	0.13
2,163	Citrix Systems	0.18
1,345	Clorox	0.21
641	Cloudflare	0.07
1,556	CME Group	0.31
9,071	CMS Energy	0.52
17,142	Coca-Cola	0.90
454	Cognex	0.03
5,186	Cognizant Technology Solutions	0.41
302	Coinbase	0.07
6,656	Colgate-Palmolive	0.50
22,625	Comcast	1.01
491	Comerica	0.04
5,169	Conagra Brands	0.16
5,683	Consolidated Edison	0.43
790	Constellation Brands	0.18
289	Cooper	0.11
1,012	Copart	0.14
4,244	Corning	0.14
4,916	Corteva	0.21
370	Costar Group	0.03
7,181	Costco Wholesale	3.60
8,491	Cousins Properties	0.30
283	Crowdstrike Holdings	0.05
11,778	Crown Castle International	2.17
462	Crown Holdings	0.05
9,925	CSX	0.33
11,271	Cubesmart	0.57
1,059	Cummins	0.20
8,645	CVS Health	0.79

United States (continued)		
3,223	Danaher	0.94
1,563	Darden Restaurants	0.21
276	Datadog	0.04
1,342	Davita	0.13
1,525	Deere & Co	0.46
2,837	Dell Technologies	0.14
2,211	Delta Air Lines	0.08
1,381	Dentsply Sirona	0.07
487	Dexcom	0.23
5,079	Digital Realty Trust	0.79
2,138	Discover Financial Services	0.22
4,082	Discovery	0.08
6,278	Discovery	0.13
908	Dish Network	0.03
536	Docusign	0.07
1,788	Dollar General	0.37
2,118	Dollar Tree	0.26
3,492	Dominion Energy	0.24
742	Domino’s Pizza	0.37
977	Dover	0.16
3,752	DOW	0.19
1,472	Dr Horton	0.14
8,091	Dropbox	0.18
1,122	DTE Energy	0.12
2,705	Duke Energy	0.25
14,703	Duke Realty	0.85
2,775	Dupont De Nemours	0.20
847	DXC Technology	0.02
227	Dynatrace	0.01
2,652	Eastgroup Properties	0.53
1,220	Eastman Chemical	0.13
5,006	Ebay	0.29
1,126	Ecolab	0.23
9,858	Edison International	0.59
3,985	Edwards Lifesciences	0.46
85,114	Elanco Animal Health	2.13
1,496	Electronic Arts	0.17
4,483	Eli Lilly & Co	1.09
2,986	Emerson Electric	0.25
587	Enphase Energy	0.09
94	Entegris	0.01
964	Entergy	0.10
376	Epam Systems	0.22
632	Equifax	0.16
2,497	Equinix	1.86
7,838	Equity Lifestyle Properties	0.61
5,211	Equity Residential	0.42
189	Erie Indemnity	0.03
590	Essential Utilities	0.03
2,468	Essex Property Trust	0.77
1,695	Estee Lauder	0.55
1,036	Etsy	0.20
9,113	Eversource Energy	0.73
5,167	Exelon	0.26
1,943	Expedia Group	0.31

United States (continued)		
1,301	Expeditors International	0.15
1,105	Extra Space Storage	0.22
674	F5 Networks	0.15
12,926	Facebook	3.84
581	Factset Research Systems	0.25
397	Fair Isaac	0.15
6,019	Fastenal	0.34
3,325	Federal Realty Investment Trust	0.40
1,731	Fedex	0.40
1,213	Fidelity National Financial	0.06
34,379	Fidelity National Information	3.31
4,177	Fifth Third Bancorp	0.16
983	First Republic Bank	0.18
4,390	Fiserv	0.40
725	Fleetcor Technologies	0.14
662	FMC	0.06
31,044	Ford Motor	0.57
991	Fortinet	0.31
1,211	Fortune Brands Home & Security	0.11
4,650	Fox	0.15
4,228	Fox	0.13
2,475	Franklin Resources	0.07
7,758	Freeport-Mcmoran	0.29
754	Gap	0.01
1,069	Gartner	0.32
381	Generac Holdings	0.12
4,936	General Electric	0.41
3,894	General Mills	0.23
5,936	General Motors	0.31
2,177	Genuine Parts	0.27
7,284	Gilead Sciences	0.47
2,450	Global Payments	0.29
601	Globe Life	0.05
1,926	Godaddy	0.14
1,180	Goldman Sachs	0.40
361	Guidewire Software	0.04
6,244	Halliburton	0.13
2,482	Hartford Financial Services	0.15
720	Hasbro	0.06
1,240	HCA Healthcare	0.28
18,941	Healthpeak Properties	0.60
114	Heico	0.01
2,261	Henry Schein	0.15
1,401	Hershey	0.24
15,893	Hewlett Packard Enterprise	0.22
1,147	Highwoods Properties	0.05
1,253	Hilton Worldwide Holdings	0.17
2,147	Hologic	0.15
5,932	Home Depot	2.17
1,943	Hormel Foods	0.08
29,264	Host Hotels & Resorts	0.45
1,451	Howmet Aerospace	0.04
8,608	HP	0.29
162	Hubspot	0.09
6,844	Hudson Pacific Properties	0.15

Quoted Equities (continued)

United States (continued)		
633	Humana	0.26
6,514	Huntington Bancshares	0.09
164	IAC	0.02
455	Idex	0.09
778	Idexx Laboratories	0.45
1,509	Illinois Tool Works	0.33
617	Illumina	0.21
3,340	Incyte	0.22
2,641	Ingersoll Rand	0.14
52	Insulet	0.01
24,483	Intel	1.11
2,759	Intercontinental Exchange	0.33
6,238	International Business Machine	0.74
1,003	International Flavors & Fragra	0.13
3,549	International Paper	0.15
5,906	Interpublic Group of Cos	0.20
4,537	Intuit	2.58
1,585	Intuitive Surgical	0.50
20,997	Invitation Homes	0.84
257	IPG Photonics	0.04
1,126	Iqvia Holdings	0.28
2,394	Iron Mountain	0.11
1,582	J M Smucker	0.19
583	Jack Henry & Associates	0.09
655	JB Hunt Transport Services	0.12
14,016	Johnson & Johnson	2.12
15,977	JP Morgan Chase & Co	2.23
3,966	Juniper Networks	0.13
1,676	Kellogg	0.10
2,408	Keurig Dr Pepper	0.08
5,691	Key	0.12
1,301	Keysight Technologies	0.24
2,530	Kilroy Realty	0.15
2,011	Kimberly-Clark	0.25
2,131	Kimco Realty	0.05
84,032	Kinder Morgan	1.18
1,907	KKR & Co	0.13
843	KLA	0.32
4,202	Knight-Swift Transportation	0.23
8,025	Kraft Heinz	0.25
11,400	Kroger	0.46
1	Kyndryl	0.00
897	Laboratory of America	0.25
773	Lam Research	0.49
516	Lamb Weston Holdings	0.03
1,138	Las Vegas Sands	0.04
302	Lear	0.05
2,490	Lennar	0.26
570	Lennox International	0.16
305	Liberty Broadband	0.04
328	Liberty Broadband	0.05
1,171	Liberty Media -Liberty For	0.07
3,328	Liberty Media -Liberty Sir	0.15
3,669	Liberty Media -Liberty Sir	0.16
722	Live Nation Entertainment	0.08

United States (continued)		
4,930	LKQ	0.26
1,420	Loews	0.07
1,246	Loln National	0.08
4,649	Lowe's Cos	1.06
990	Lucid Motors	0.03
604	Lululemon Athletica	0.21
15,939	Lumen Technologies	0.18
718	M&T Bank	0.10
31	Markel	0.03
242	Marketaxess Holdings	0.09
1,095	Marriott International	0.16
27,686	Marsh & Mclennan Cos	4.25
4,991	Martin Marietta Materials	1.94
513	Marvell Technology	0.04
3,429	Masco	0.21
393	Masimo	0.10
4,162	Mastercard	1.32
1,454	Match Group	0.17
1,479	Mccormick & Co	0.13
3,500	Mcdonald'S	0.83
1,148	McKesson	0.25
1,288	Medical Properties Trust	0.03
55	Mercadolibre	0.07
12,287	Merck & Co	0.83
4,511	Metlife	0.25
250	Mettler-Toledo International	0.37
4,258	MGM Growth Properties	0.15
2,082	Mgm Resorts International	0.08
3,396	Microchip Technology	0.26
6,408	Micron Technology	0.53
40,088	Microsoft	11.90
874	Mid-America Apartment Communit	0.18
1,832	Moderna	0.41
997	Mohawk Industries	0.16
430	Molina Healthcare	0.12
4,738	Molson Coors Beverage	0.19
6,398	Mondelez International	0.37
34	Mongodb	0.02
382	Monolithic Power Systems	0.17
2,283	Monster Beverage	0.19
1,418	Moody's	0.49
8,083	Morgan Stanley	0.70
4,870	Mosaic	0.17
1,002	Motorola Solutions	0.24
436	MSCI	0.24
889	Nasdaq	0.16
2,573	Netapp	0.21
1,972	Netflix	1.05
4,941	Newell Brands	0.10
3,570	Newmont	0.20
7,862	News	0.15
400	News	0.01
15,093	Nextera Energy	1.24
3,824	Nextera Energy	0.28
18,602	Nike	2.74

United States (continued)		
2,544	Nisource	0.06
117	Nordson	0.03
1,174	Norfolk Southern	0.31
24,188	Northern Trust	2.55
6,586	Nortonlifelock	0.15
2,324	Nucor	0.23
19,643	Nvidia	5.10
27	NVR	0.14
87	Okta	0.02
642	Old Dominion Freight Line	0.20
2,441	Omnicom Group	0.16
3,286	On Semiconductor	0.20
8,353	Oracle	0.64
622	O'Reilly Automotive	0.39
876	Organon & Co	0.02
243	Orion office	0.00
2,380	Otis Worldwide	0.18
1,760	Owens Corning	0.14
1,640	Paccar	0.13
510	Packaging of America	0.06
1,134	Palantir	0.02
224	Palo Alto Networks	0.11
766	Parker-Hannifin	0.22
1,962	Paychex	0.24
231	Paycom Software	0.08
4,861	Paypal Holdings	0.81
353	Peloton Interactive	0.01
512	Penn National Gaming	0.02
1,551	People's United Financial Inc	0.02
7,318	Pepsico	1.12
1,317	Perkinelmer	0.23
29,423	Pfizer	1.53
2,156	PG&E	0.02
393	Pinnacle West Capital	0.02
3,134	Pinterest	0.10
2,068	PNC Financial Services	0.37
639	Pool	0.32
1,266	PPG Industries	0.19
1,728	Principal Financial Group	0.11
35,653	Procter & Gamble	5.15
2,774	Progressive	0.25
14,112	Prologis	2.10
2,317	Prudential Financial	0.22
613	PTC	0.07
2,344	Public Service Enterprise	0.14
4,860	Public Storage	1.61
2,951	Pultegroup	0.15
227	PVH	0.02
1,486	Qorvo	0.21
6,292	Qualcomm	1.02
466	Quanta Services	0.05
187	Ralph Lauren	0.02
1,267	Raymond James Financial	0.11
5,767	Realty Income	0.36
7,575	Regency Centers	0.50

United States (continued)		
576	Regeneron Pharmaceuticals	0.32
6,213	Regions Financial	0.12
1,439	Republic Services	0.18
1,120	Resmed	0.26
512	Ringcentral	0.08
27,134	RLJ Lodging Trust	0.33
3,257	Robert Half International	0.32
1,115	Robinhood Markets	0.02
663	Rockwell Automation	0.20
98	Roku	0.02
6,863	Rollins	0.21
480	Roper Technologies	0.21
1,864	Ross Stores	0.19
569	RPM International	0.05
4,414	Ryman Hospitality Properties	0.36
5,824	S&P Global	2.43
4,461	Salesforce.Com	1.00
3,716	SBA Communications	1.28
133	Seagen	0.02
885	Sealed Air	0.05
1,095	SEI Investments	0.06
8,737	Sempra Energy	1.02
1,047	Servicenow	0.60
1,564	Sherwin-Williams	0.49
399	Signature Bank New York	0.11
8,425	Simon Property Group	1.19
17,200	Sirius XM Holdings	0.10
10,727	SITE Centers	0.15
1,137	Skyworks Solutions	0.16
529	Snap	0.02
614	Snap-On	0.12
89	Snowflake	0.03
1,712	Sofl Technologies	0.02
185	Solaredge Technologies	0.05
4,838	Southern	0.29
2,045	Southwest Airlines	0.08
208	Splunk	0.02
234	Square	0.03
3,417	SS&C Technologies Holdings	0.25
1,109	Stanley Black & Decker	0.18
5,087	Starbucks	0.53
2,295	State Street	0.19
713	Steel Dynamics	0.04
5,901	Store Capital	0.18
1,471	Stryker	0.35
1,306	Sun Communities	0.24
332	SVB Financial Group	0.20
2	Svlvamo	0.00
5,559	Synchrony Financial	0.23
784	Synopsys	0.26
3,651	Sysco	0.25
1,790	T Rowe Price	0.31
698	Take-Two Interactive Software	0.11
967	Tapestry	0.03
3,889	Target	0.79

United States (continued)		
263	Teledyne Technologies	0.10
236	Teleflex	0.07
2,205	Teradyne	0.32
2,610	Terreno Realty	0.20
3,841	Tesla	3.58
5,160	Texas Instruments	0.86
1,998	Thermo Fisher Scientific	1.18
6,432	TJX	0.43
2,633	T-Mobile US	0.27
1,501	Tractor Supply	0.32
667	Trade Desk	0.05
585	Tradeweb Markets	0.05
183	Transdigm	0.10
224	Transunion	0.02
1,270	Travelers	0.18
1,439	Trimble	0.11
5,884	Truist Financial	0.30
84	Twilio	0.02
3,258	Twitter	0.12
268	Tyler Technologies	0.13
3,664	Tyson Foods	0.28
2,287	UDR	0.12
5,637	UGI	0.23
665	Ulta Beauty	0.24
718	Under Armour	0.01
757	Under Armour	0.01
2,736	Union Pacific	0.61
1,136	United Airlines Holdings	0.04
3,412	United Parcel Service	0.65
448	United Rentals	0.13
5,026	Unitedhealth Group	2.23
113	Unity Software	0.01
556	Universal Health Services	0.06
141	Upstart	0.02
6,349	US Ban	0.31
65	Vail Resorts	0.02
144	Veeva Systems	0.03
12,462	Ventas	0.56
1,347	Verisign	0.30
773	Verisk Analytics	0.16
19,903	Verizon Communications	0.91
1,744	Vertex Pharmaceuticals	0.34
2,428	VF	0.16
4,261	Viacomcbs	0.11
23,162	Viatris	0.28
1,241	Vici Properties	0.03
7,581	Visa	1.45
2,317	Vmware	0.24
1,270	Vornado Realty Trust	0.05
782	Vulcan Materials	0.14
936	W R Berkley	0.07
5,949	Walgreens Boots Alliance	0.27
8,808	Walmart	1.13
22,143	Walt Disney	3.03
2,154	Waste Management	0.32

United States (continued)		
865	Waters	0.28
800	Wayfair	0.13
7,043	Wec Energy	0.60
20,443	Wells Fargo	0.87
8,259	Welltower	0.63
571	West Pharmaceutical Services	0.24
1,494	Western Digital	0.09
7,910	Western Union	0.12
2,043	Westinghouse Air Brake Technol	0.17
4,001	Westrock	0.16
6,313	WeWork	0.05
8,392	Weyerhaeuser	0.31
785	Whirlpool	0.16
62,866	Williams	1.44
297	Workday	0.07
460	WP Carey	0.03
580	WW Grainger	0.27
360	Wynn Resorts	0.03
2,502	Xcel Energy	0.15
122	Rivian	0.01
1,215	Xilinx	0.23
1,088	Xylem	0.12
2,562	Yum! Brands	0.31
411	Zebra Technologies	0.22
444	Zendesk	0.04
946	Zimmer Biomet Holdings	0.11
594	Zions Ban	0.03
2,511	Zoetis	0.54
322	Zoom Video Communications	0.05
272	Zscaler	0.08
		273.66
	% of Total Investments	**1.90%**
Total North American Quoted Equities		**281.83**
% of Total Investments		**1.95%**

ASIA PACIFIC

Australia		
Holding	**Security Description**	**Value €m**
772	Aristocrat Leisure	0.02
525	ASX	0.03
19,781	Ausnet Services	0.03
5,953	Australia & New Zealand Banking	0.10
7,761	Bluescope Steel	0.10
2,759	Brambles	0.02
563	Cochlear	0.08
10,199	Coles	0.12
2,107	Commonwealth Bank of Australia	0.14
1,736	Computershare	0.02
432	CSL	0.08
2,123	Dexus	0.02
317	Domino's Pizza	0.02
5,860	Endeavour Group	0.03
9,578	Fortescue Metals	0.12
20,158	Goodman	0.34
3,956	GPT Group	0.01

Quoted Equities (continued)

Australia (continued)		
565	IDP Global	0.01
91,111	Ingenia Communities	0.36
705	Macquarie	0.09
651	Magellan Financial	0.01
13,214	Medibank Pvt	0.03
4,702	National Australia Bank	0.09
1,505	Newcrest Mining	0.02
63,818	Nextdc	0.52
268,837	Prime Infra Grp-Prime Aetdholdings	0.00
1,770	QBE Insurance	0.01
477	Ramsay Health Care	0.02
744	Rea	0.08
1,637	Reece	0.03
1,349	Rio Tinto	0.09
108,988	Scentre	0.22
1,898	Seek	0.04
2,111	Sonic Healthcare	0.06
6,436	Stockland	0.02
6,693	Sun	0.05
12,103	Tabcorp	0.04
25,731	Telstra	0.07
106,030	Transurban	0.94
1,723	Treasury Wine Estates	0.01
4,269	Wesfarmers	0.16
5,811	Westpac Banking	0.08
5,627	Woolworths	0.14
		4.48
	% of Total Investments	**0.03%**

Hong Kong		
Holding	**Security Description**	**Value €m**
9,363	Aia	0.08
37,275	BOC Hong Kong Holdings	0.11
15,308	Chow Tai Fook Jewellery	0.02
45,658	CK Asset Holdings	0.25
8,811	CK Hutchison Holdings	0.05
6,094	CK Infrastructure Holdings	0.03
70,000	ESR Cayman	0.21
136,000	Guangdong Investment	0.15
863,100	Hanergy Thin Film Power	0.36
1,116	Hang Seng Bank	0.02
4,533	Henderson Land Development	0.02
18,165	HKT Trust & HKT	0.02
202,897	Hong Kong & China Gas	0.28
3,732	Hong Kong Exchanges & Clearing	0.19
42,422	Hongkong Land Holdings	0.19
534	Jardine Matheson Holdings	0.03
192,000	Kunlun Energy	0.16
41,004	Link Reit	0.32
3,091	MTR	0.01
3,906	New World Development	0.01
240,000	Shangri-La Asia	0.18
14,745	Sino Land Co	0.02
5,366	SITC International	0.02
2,408	Sun Hung Kai Properties	0.03

Hong Kong (continued)		
12,002	Swire Pacific	0.06
103,918	Swire Properties	0.23
6,751	Techtronic Industries	0.12
116,144	WH	0.06
5,384	Xinyi Glass Holdings	0.01
		3.25
	% of Total Investments	**0.02%**

Thailand		
Holding	**Security Description**	**Value €m**
128,500	Airports of Thailand	0.09
		0.09
	% of Total Investments	**0.00%**

Japan		
Holding	**Security Description**	**Value €m**
475	Advantest	0.04
2,075	Aeon	0.04
616	AGC Inc	0.03
697	Aisin	0.02
1,534	Ajinomoto	0.04
951	Asahi Group Holdings	0.03
777	Asahi Intecc	0.01
4,960	Astellas Pharma	0.07
302	Azbil	0.01
172	Bandai Nam Holdings	0.01
309	Benefit One	0.01
823	Bridgestone	0.03
2,165	Brother Industries	0.04
1,452	Canon	0.03
2,998	Capcom	0.06
3,461	Chubu Electric Power	0.03
782	Chugai Pharmaceutical	0.02
87	Cosmos Pharmaceutical	0.01
6,774	Cyberagent	0.10
1,015	Dai-Ichi Life Holdings	0.02
549	Daiichi Sankyo	0.01
779	Daito Trust Construction	0.08
503	Daiwa House	0.01
15	Daiwa House	0.04
4,792	Daiwa Securities	0.02
485	Denso Corp	0.04
1,510	Dentsu Group Inc	0.05
60	Disco	0.02
608	Eisai	0.03
33	Fast Retailing	0.02
596	Fuji Electric	0.03
1,035	Fujifilm Holdings	0.07
556	Fujitsu	0.08
277	GLP	0.42
1,481	Hakuhodo Dy Holdings	0.02
241	Hamamatsu Photonics Kk	0.01
4,087	Hino Motors	0.03
162	Hirose Electric	0.02
1,802	Hitachi	0.09

Japan (continued)		
2,563	Hitachi Metals	0.04
2,806	Honda Motor	0.07
17,415	Hoya	2.28
214	Hulic	0.28
427	Ibiden	0.02
2,864	Iida Group Holdings	0.06
1,177	Isuzu Motors	0.01
1,763	Ito En	0.08
3,651	Itochu Corp	0.10
562	Itochu Techno-Solutions	0.02
288	Japan Metropolitan	0.22
2,333	Japan Post Bank	0.02
5,761	Japan Post Holdings	0.04
1,873	Japan Post Insurance	0.03
6	Japan Real Estate Investment	0.03
1,215	JFE Holdings	0.01
822	JSR	0.03
1,633	Kajima	0.02
1,133	Kakaku.m	0.03
1,661	Kansai Electric Power	0.01
657	Kansai Paint	0.01
537	Kao Corp	0.02
4,465	KDDI Corp	0.12
23,900	Keihanshin Building	0.29
53	Kendix Retail	0.12
4,272	Keyence	2.37
487	Kikkoman	0.04
1,139	Kirin Holdings	0.02
270	Kobayashi Pharmaceutical	0.02
1,627	Komatsu	0.03
263	Konami	0.01
699	Kose	0.07
979	Kurita Water Industries	0.04
1,087	Kyowa Kirin	0.03
242	Lasertec	0.07
1,286	Lawson	0.05
1,011	Lion	0.01
2,405	Lixil Group	0.06
265	M3	0.01
7,029	Marubeni	0.06
3,407	Mazda Motor	0.02
734	Mcdonald's Holdings Japan	0.03
2,920	Medipal Holdings	0.05
412	Meiji Holdings	0.02
2,008	Misumi Group	0.07
2,738	Mitsubishi	0.08
7,215	Mitsubishi Chemical Holdings	0.05
3,621	Mitsubishi Electric	0.04
24,954	Mitsubishi Estate	0.31
19,952	Mitsubishi UFJ Financial	0.10
3,236	Mitsubishi UFJ Lease & Finance	0.01
3,757	Mitsui & Co	0.08
579	Mitsui Chemicals	0.01
19,600	Mitsui Fudosan	0.34
2,855	Mizuho Financial	0.03

Japan (continued)		
4,460	Monotaro	0.07
747	MS&AS Insurance	0.02
461	Murata Manufacturing	0.03
2,100	NEC Corp	0.09
23,068	Nidec	2.39
476	Nihon M&A Center	0.01
58	Nintendo	0.02
6	Nippon Building Fund	0.03
406	Nippon Express	0.02
12	Nippon Prologis Reit	0.04
689	Nippon Sanso	0.01
950	Nippon Steel	0.01
7,508	Nippon Telegraph & Telephone	0.18
1,390	Nippon Yusen	0.09
1,490	Nisshin Seifun	0.02
288	Nissin Foods Holdings	0.02
273	Nitori Holdings	0.04
181	Nitto Denko	0.01
24	Nomura Real Estate Master Fund	0.03
634	Nomura Research Institute	0.02
3,048	NTT Data Corp	0.06
4,637	Oji Holdings	0.02
3,374	Olympus	0.07
221	Omron	0.02
1,148	Ono Pharmaceutical	0.03
3,598	Open House Group	0.17
203	Oriental Land Japan	0.03
2,524	Orix	0.05
22	Orix	0.03
2,036	Osaka Gas	0.03
352	Otsuka	0.01
1,102	Otsuka Holdings	0.04
881	Pan Pacific International	0.01
7,185	Panasonic	0.07
4,767	Persol Holdings	0.12
4,580	Pola Orbis Holdings	0.07
3,081	Rakuten	0.03
3,485	Recruit Holdings	0.19
4,915	Renesas Electronics	0.05
6,701	Resona Holdings	0.02
7,045	Ricoh	0.06
246	Rinnai	0.02
3,404	Ryohin Keikaku	0.05
303	Sankei Real Estate	0.28
1,099	Santen Pharmaceutical	0.01
855	SBI Holdings	0.02
2,727	Seiko Epson	0.04
4,103	Sekisui House	0.08
275	Secom	0.02
1,363	Seven & I Holdings	0.05
1,515	Sharp	0.02
719	Shimadzu	0.03
170	Shimano Inc	0.04
419	Shin-Etsu Chemical	0.06
440	Shionogi & Co	0.03

Japan (continued)		
2,180	Shiseido	0.11
28	SMC Corp	0.02
368	Softbank	0.02
4,743	Softbank	0.05
465	Sohgo Security Services	0.02
665	Sompo Holdings	0.02
1,372	Sony	0.15
597	Square Enix Holdings	0.03
1,273	Subaru	0.02
1,072	Sumco	0.02
3,916	Sumitomo	0.05
11,666	Sumitomo Cehmical	0.05
4,305	Sumitomo Dainippon Pharma	0.04
2,081	Sumitomo Electric Industries	0.02
2,258	Sumitomo Mitsui Financial	0.07
920	Sumitomo Mitsui Trust Holdings	0.03
1,059	Suntory Beverage & Food	0.03
244	Sysmex	0.03
2,858	T&D	0.03
769	Taisho Pharmaceutical Holdings	0.03
2,262	Takeda Pharmaceutical	0.05
475	Terumo	0.02
1,103	Tis Inc	0.03
414	Toho /Tokyo	0.02
632	Tokio Marine Holdings	0.03
322	Tokyo Century	0.01
269	Tokyo Electron	0.14
1,635	Tokyo Gas	0.03
2,592	Toray Industries	0.01
1,280	Tosoh	0.02
280	Toto	0.01
480	Toyo Suisan Kaisha	0.02
327	Toyota Industries	0.02
10,793	Toyota Motor	0.17
593	Toyota Tsusho	0.02
506	Trend Micro /Japan	0.02
861	Tsuruha Holdings	0.07
490	Unicharm	0.02
264	United Urban Investment	0.27
3,340	Welcia Holdings	0.09
593	Yamaha Motor	0.01
2,894	Yamato Holdings	0.06
3,704	Zozo	0.10
		17.00
	% of Total Investments	**0.12%**

New Zealand		
Holding	**Security Description**	**Value €m**
1,332	Fisher & Paykel Healthcare	0.03
8,740	Spark New Zealand	0.02
134	Xero	0.01
		0.06
	% of Total Investments	**0.00%**

Singapore		
Holding	**Security Description**	**Value €m**
144,600	Ascendas Real Estate Investment	0.28
9,357	CapitaLand Integrated Commercial Trust	0.01
4,005	DBS	0.09
298,700	Lendlease Global Commercial	0.17
22,539	Mapletree Logistics Trust	0.03
17,540	Oversea-Chinese Banking	0.13
19,897	Singapore Exchange	0.12
5,785	Singapore Technologies Engineering	0.01
4,952	United Overseas Bank	0.09
5,580	UOL	0.03
		0.96
	% of Total Investments	**0.01%**
Total Asia Pacific Quoted Equities		**25.84**
% of Total Investments		**0.18%**

EMERGING MARKETS

Bermuda		
Holding	**Security Description**	**Value €m**
1,467	Arch Capital Group	0.06
1,427	Athene Holdings	0.10
926	Bunge	0.08
315	Everest	0.08
2,183	IHS Markit	0.26
7,357	Invesco	0.15
1,287	Norwegian Cruise Line Holdings	0.02
		0.74
	% of Total Investments	**0.01%**

Cayman Islands		
Holding	**Security Description**	**Value €m**
2,939	GDS Holdings Ltd	0.12
110	Sea	0.02
		0.14
	% of Total Investments	**0.00%**

Chile		
Holding	**Security Description**	**Value €m**
1,062	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
30,100	ENN Energy Holdings	0.50
188,000	Jiangsu Expressway	0.17
352,900	CIFI	0.19
		0.88
	% of Total Investments	**0.01%**

Quoted Equities (continued)

Curacao		
Holding	**Security Description**	**Value €m**
6,915	Schlumberger	0.18
		0.18
	% of Total Investments	**0.00%**

Israel		
Holding	**Security Description**	**Value €m**
159	Azrieli	0.01
2,564	Bank Hapoalim Bm	0.02
4,865	Bank Leumi Le-Israel Bm	0.05
4,745	ICL Group	0.04
358	InMode	0.02
5,331	Israel Discount Bank	0.03
1,361	Mizrahi Tefahot Bank	0.05
3,176	Monday.com	0.87
11,637	Teva Pharmaceutical Industries	0.08
96	WIX.Com	0.01
		1.19
	% of Total Investments	**0.01%**

Liberia		
Holding	**Security Description**	**Value €m**
758	Royal Caribbean Cruises	0.05
		0.05
	% of Total Investments	**0.00%**

Panama		
Holding	**Security Description**	**Value €m**
2,766	Carnival	0.05
		0.05
	% 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**
30,224	Taiwan Semiconductor Manufacture	3.21
		3.21
	% of Total Investments	**0.02%**
Total Emerging Markets Quoted Equities		**6.46**
% of Total Investments		**0.04%**
Total Quoted Securities – Equities		**798.87**
% of Total Investments		**5.54%**

Quoted Debt Instruments

EUROPE

France

Nominal	Security Description	Value €m
500,000	Crown European Holdings	0.53
1,200,000	Renault	1.18
210,000	Faurecia	0.22
2,000,000	Electricite De France	2.07
		3.99
	% of Total Investments	**0.03%**

Germany

Nominal	Security Description	Value €m
1,000,000	ZF Finance GMBH	1.00
3,310,000	Novelis Sheet Ingot GMBH	3.40
		4.40
	% of Total Investments	**0.03%**

Ireland

Nominal	Security Description	Value €m
35,000,000	Daa Finance Plc Regs1.554% 06/07/2028	36.86
40,000,000	Daa Finance Plc Regs1.601% 11/05/2032	42.38
3,000,000	Eircom Finance DAC	2.94
2,502,515	Grifols	2.18
1,535,000	Jazz Securities DAC	1.40
1,010,000	SMURFIT KAPPA Acquisition	1.08
1,100,000	SMURFIT KAPPA Treasury	1.19
		88.04
	% of Total Investments	**0.61%**

Italy

Nominal	Security Description	Value €m
1,530,000	Telecom Italia	1.57
		1.57
	% of Total Investments	**0.01%**

Luxembourg

Nominal	Security Description	Value €m
871,157	ICON	0.77
1,401,552	ORTHO-Clinical	1.24
800,000	Telenet Finance Luxembourg	0.82
		2.82
	% of Total Investments	**0.02%**

Netherlands

Nominal	Security Description	Value €m
1,825,000	Akzonobel Specialty Chemicals	1.80
1,405,278	Akzonobel Specialty Chemicals	1.24
1,075,000	Axalta Coating Systems Du Regs3.750% 01/15/2025	1.08
1,190,000	Fiat Chrysler Automobiles Regs3.750% 03/29/2024	1.28
600,000	Sensata Technologies Bv	0.58
1,300,000	Sensata Technologies Bv 144A4.875% 10/15/2023 Dd 04/17/13	1.21
1,125,000	Teva Pharmaceutical Finance	1.11

Netherlands (continued)

Nominal	Security Description	Value €m
1,090,000	Teva Pharmaceutical Finance	0.94
500,000	Teva Pharmaceutical Finance Ne3.250% 04/15/2022	0.50
925,000	Teva Pharmaceutical Finance Ne6.000% 04/15/2024 Dd 03/14/18	0.86
500,000	Zf Europe Finance Bv Regs1.250% 10/23/2023	0.50
1,700,000	Ziggo	1.69
		12.79
	% of Total Investments	**0.09%**

Spain

Nominal	Security Description	Value €m
3,220,000	Via Celere Desarrollos	3.31
		3.31
	% of Total Investments	**0.02%**

Sweden

Nominal	Security Description	Value €m
1,000,000	Volvo Car Ab Regs 2.125% 04/02/2024	1.03
		1.03
	% of Total Investments	**0.01%**
Total European Quoted Debt		**117.95**
% of Total Investments		**0.82%**

NORTH AMERICA

Canada

Nominal	Security Description	Value €m
419,000	Bausch Health Companies	0.38
1,850,000	GFL Environmental	1.65
172,990	GFL Environmental 12/20 Tl	0.15
310,000	Masonite International	0.29
1,500,000	Masonite International	1.31
510,000	Mattamy	0.46
2,340,000	New Red Finance	2.09
1,250,000	Nova Chemicals	1.16
515,000	Quebecor Media Inc 5.750% 01/15/2023 Dd 12/15/12	0.47
1,146,540	Valeant	1.01
		8.96
	% of Total Investments	**0.06%**

United States

Nominal	Security Description	Value €m
270,000	180 Medical	0.24
1,460,000	ADT Security	1.27
2,000,000	Albertsons Cos Inc/Safe	1.80
2,100,000	Albertsons Cos Inc/Safe 144A3.500% 02/15/2023 Dd 02/05/20	1.89
320,000	Allison Transmission	0.29
1,160,000	Ally Financial Inc	1.16
230,000	Ally Financial Inc4.625% 05/19/2022 Dd 05/19/15	0.21
571,987	American Axle 3/17 Cov-Litetlb	0.50
430,000	American Builders & Contractors supply	0.39

United States (continued)

Nominal	Security Description	Value €m
310,000	Amsted Industries	0.28
3,354,650	Apollo Commercial Real Estate Finance	2.94
710,000	Ardagh Metal Packaging	0.70
2,000,000	Ares Capital Corp4.200% 06/10/2024 Dd 06/10/19	1.86
1,836,090	Asurion	1.61
1,676,560	Asurion 2/18 Cov-Lite Tlb0.000% 11/03/2023 Dd 02/20/18	1.48
310,000	Avient Corporation	0.29
2,010,000	Ball Corp 4.000% 11/15/2023 Dd 05/16/13	1.85
750,000	Bath & Body Works	0.82
565,000	Bath & Body Works	0.56
3,600,000	Belden	3.66
963,415	BJ's Wholesale Club 1/170.000% 02/03/2024 Dd 01/17/17	0.85
760,000	Blackstone Mortgage Trust	0.67
1,600,000	Block	1.45
680,000	Boise Cascade	0.63
3,762,544	Boyd Gaming 3/17 Cov-Lite Tlb	3.32
455,000	Builders Firstsource	0.42
1,303,177	Cablevision Systems	1.13
3,650,361	CBS Radio	3.18
620,000	CCO Holdings	0.59
1,000,000	CCO Holdings	0.87
1,583,000	CF Industries Inc 3.450% 06/01/2023 Dd 05/23/13	1.44
2,815,000	Charter Communications Operation 4.500% 02/01/2024 Dd 07/03/18	2.64
297,674	Cinemark USA	0.25
460,000	CIT Group Inc 4.750% 02/16/2024 Dd 08/17/18	0.43
2,450,000	Clean Harbors	2.29
1,250,000	Commscope	1.10
2,570,279	Commscope	2.24
1,379,932	CPG International 5/170.000% 05/03/2024 Dd 04/27/17	1.22
655,000	DISH DBS corporation	0.58
744,361	Dun & Bradstreet	0.65
1,984,550	Elanco Animal Health	1.73
1,575,000	Elanco Animal Health Incvar Rt 08/28/2023 Dd 02/28/19	1.48
1,000,000	Ford Moto Credit	0.93
550,000	Ford Motor Co.	0.50
1,000,000	Ford Motor Credit Co Llc3.096% 05/04/2023 Dd 05/04/16	0.90
1,185,000	Ford Motor Credit Co Llc5.584% 03/18/2024 Dd 03/18/19	1.13
1,000,000	Gartner	0.90
1,985,000	GLP Capital Lp/GLP Financing 5.375% 11/01/2023 Dd 05/01/14	1.86
1,800,000	Graphic Packaging International	1.83
430,000	Graphic Packaging International	0.38
2,000,000	Gray Television 2/17 Tlb	1.76
1,622,000	Hanesbrands Inc 144A4.625% 05/15/2024 Dd 05/06/16	1.50
310,000	HCA	0.30
1,980,000	HCA Inc 5.875% 05/01/2023 Dd 10/23/12	1.85

Quoted Debt Instruments (continued)

United States (continued)		
1,995,000	HD Supply waterworks	1.75
217,049	Icon/PRA Health	0.19
1,600,000	Imola Merger	1.45
337,371	Iron Mountain	0.29
2,810,000	ISTAR	2.57
1,265,000	ISTAR Inc 4.750% 10/01/2024 Dd 09/16/19	1.16
1,500,000	JELD-WEN	1.33
2,460,000	JELD-WEN	2.23
270,000	JELD-WEN	0.25
1,000,000	Kraft Heinz Foods Co	1.09
2,650,000	Kraft Heinz Foods Co 1.500% 05/24/2024	2.72
3,940,000	Kraton Polymers LLC/Kra 144A4.250% 12/15/2025 Dd 12/21/20	3.60
1,570,000	Ladder Capital Finance	1.42
610,000	Lamb Weston Holdings	0.58
390,000	Lamb Weston Holdings	0.35
1,375,000	Level 3 Financing	1.15
680,000	Levi Strauss & Co	0.61
407,000	Lions Gate	0.36
2,295,000	LPL Holdings	2.07
1,160,000	Lumen Technologies Inc6.750% 12/01/2023 Dd 11/27/13	1.11
1,000,000	Marriott International Inc/ Md3.125% 02/15/2023 Dd 08/15/16	0.90
645,000	Match Group	0.59
825,000	Match Group	0.71
650,000	Mattel	0.59
500,000	Mattel Inc 3.150% 03/15/2023 Dd 03/07/13	0.45
320,000	Mercer International	0.29
795,000	MGM Growth Properties Operating 5.625% 05/01/2024 Dd 11/01/16	0.75
500,000	MGM Resorts International 6.000% 03/15/2023 Dd 11/25/14	0.46
1,750,000	Molina Healthcare	1.55
650,000	MSCI	0.59
930,000	Netflix	1.12
2,030,000	Netflix Inc 5.750% 03/01/2024 Dd 02/19/14	1.95
2,040,000	Newell Brands Incvar Rt 04/01/2023 Dd 03/30/16	1.86
1,395,587	Nexstar Broadcasting 10/18Cov-Lite Tlb3	1.23
1,000,000	Nielsen Finance	0.87
1,014,000	Omega Healthcare Investors Inc 4.950% 04/01/2024 Dd 10/01/14	0.96
1,580,000	Organon & Co	1.59
1,250,000	Pennymac Financial Services 144A5.375% 10/15/2025 Dd 09/29/20	1.13
2,700,000	Pennymac Financial Services	2.29
320,000	PetSmart	0.29
2,971,065	Plantronics	2.56
1,280,000	Polyone Corp5.250% 03/15/2023 Dd 09/15/13	1.18
340,000	Prime Security Services	0.29

United States (continued)		
340,000	Quikrete	0.30
327,151	Reynolds Group	0.29
2,612,950	Sabre	2.25
930,000	Sabre GLBL	0.86
680,000	Service Corporation International	0.59
1,000,000	Service Properties Trust 4.500% 06/15/2023 Dd 06/06/13	0.88
1,660,000	Service Properties Trust 4.650% 03/15/2024 Dd 03/12/14	1.45
860,000	Silgan Holdings	0.85
337,411	Sinclair Television	0.29
815,286	Sinclair Television 12/16 Tlb2	0.71
2,655,000	Sirius XM Radio	2.36
3,235,000	Sirius XM Radio	2.80
3,020,000	Six Flags	2.61
585,000	Six Flags Theme Parks Inc 144A7.000% 07/01/2025 Dd 04/22/20	0.55
674,900	Spectrum Brands	0.59
2,130,000	Springleaf Finance Corp 6.125% 03/15/2024 Dd 02/22/19	1.99
1,840,000	Sprint Corp 7.125% 06/15/2024 Dd 06/15/14	1.82
333,277	SS&C Technologies	0.29
275,000	Starwood Property Trust	0.25
1,366,667	Sylvamo	1.21
1,735,000	Taylor Morrison Communities 144A5.625% 03/01/2024 Dd 03/05/14	1.63
655,000	Tenneco	0.57
320,000	Terex	0.29
2,500,000	T-Mobile USA	2.18
814,610	Transdigm 2/20 Cov-Lite Tlf	0.71
960,000	Tri Pointe Group Inc/Tri Poi5.875% 06/15/2024 Dd 06/15/15	0.92
2,350,000	Tripadvisor Inc 144A7.000% 07/15/2025 Dd 07/09/20	2.19
750,000	TTM Technologies	0.66
1,200,000	Twilio	1.07
3,000,000	United Rentals North America	2.69
660,000	Victoria's Secret & Co	0.60
1,380,000	Virgin Media	1.21
1,202,288	VNU 4/17 Cov-Lite Tlb4	1.06
320,000	Weekley Homes LLC	0.29
2,465,000	Wesco Distribution Inc 144A7.125% 06/15/2025 Dd 06/12/20	2.31
300,000	WMG Acquisition Corp	0.31
1,000,000	Travel + Leisure Covar 04/01/2024 DD 03/21/17	0.94
1,440,000	Wynn Las Vegas Llc/Wynn 144A4.250% 05/30/2023 Dd 05/22/13	1.28
675,000	YUM! Brands	0.59
		161.73
	% of Total Investments	**1.12%**
Total North American Quoted Debt		**170.69**
% of Total Investments		**1.18%**

EMERGING MARKETS		
Bermuda		
Nominal	**Security Description**	**Value €m**
1,100,000	Ihs Markit Ltd3.625% 05/01/2024 Dd 04/08/19	1.02
		1.02
	% of Total Investments	**0.01%**

Poland		
Nominal	**Security Description**	**Value €m**
700,000	CANPACK SA/CANPACK US L REGS	0.70
915,000	CANPACK SA/CANPACK US L 144A	0.79
		1.49
	% of Total Investments	**0.01%**
Total Emerging Markets Quoted Debt		**2.51**
% of Total Investments		**0.02%**
Total Quoted Debt Instruments		**291.16**
% of Total Investments		**2.02%**

Direct Private Equity

Cost €m	Security Description	Value €m
49.10	Advanced Manufacturing Control Systems Ltd	Note 1
5.89	Rub Edibrac Ireland Limited	Note 1
1.84	Bartra Property (Eblana) Limited	Note 1
10.00	Cubic Telecom Ltd	Note 1
45.00	Finance Ireland	Note 1
7.50	FIRE1 (Foundry Innovation & Research 1 Limited)	Note 1
68.27	GS Holdings Group, Inc	Note 1
0.68	Greystones Media Campus Ltd	Note 1
0.45	Housing Infrastructure Services Company	Note 1
16.96	Kaseya Luxembourg Holdings SCA	Note 1
2.50	Kilkenny Abbey Quarter Development	Note 1
10.00	Mainstay Medical	Note 1
7.27	Nautilus Data Technologies	Note 1
2.50	Passiflora Holdings Inc	Note 1
6.89	BG TopCo Limited	Note 1
10.00	Staycity Investment Holdings Limited	Note 1
42.04	Stripe, Inc.	Note 1
5.00	Urban Volt Limited	Note 1
9.60	Vectra AI, Inc	Note 1
15.00	West Cork Distillers Ltd.	Note 1
Total Direct Private Equity		**395.94**
% of Total Investments		**2.75%**

Unquoted Debt Instruments

Commitment €m	Security Description	Value €m
30.00	BPC Ireland Lending DAC	Note 1
15.00	BPC Ireland Lending II DAC	Note 1
95.00	Elm Corporate Credit DAC	Note 1
45.00	Muzinich Pan European Private Debt Fund I	Note 1
29.05	Milkflex Fund No.1 DAC	Note 1
35.00	Quadrant Real Estate Financing Ltd	Note 1
Total Unquoted Debt Instruments		**55.59**
% of Total Investments		**0.39%**

Property Investments

Commitment €m	Security Description	Value €m
30.00	Ardstone Residential Partners Fund ICAV	12.04
15.00	FDV-Venture	0.02
25.00	Herbert Park ICAV	12.29
140.00	Irish Residential Property Fund	49.35
25.00	Majulah ICAV	28.50
48.56	Morgan Stanley Real Estate Intl	1.95
0.16	Rockspring Peripheral Europe	0.01
44.15	Silverpeak Real Estate Partners II	1.45
75.00	Tishman Speyer European Real Estate Venture VI	0.10
51.69	Tishman Speyer Real Estate Venture VI	0.52
50.00	Urbeo Residential Limited	9.74
75.00	WLR Mezzanine Fund LP	29.84
Total Property Investments		**145.80**
% of Total Investments		**1.01%**

Private Equity Investments

Commitment €m	Security Description	Value €m
0.26	Act 2001 - BIAM Venture Capital	0.04
20.00	Act Venture Fund V	12.56
20.00	Act VI Venture Capital Fund LP	0.23
22.07	ARCH Venture Fund IX Overage, LP	71.64
24.23	ARCH Venture Fund VIII LP	38.63
10.00	Atlantic Bridge Fund II LP	1.93
20.00	Atlantic Bridge Fund III LP	36.34
20.00	Atlantic Bridge Fund IV LP	12.53
20.00	Beechbrook Capital LLP	9.36
110.00	BGF Ireland 1A LP	27.95
125.00	Carlyle Cardinal Ireland	21.13
15.00	Causeway Capital Partners I LP	14.67
75.00	China Ireland Growth Technology Fund II LP	62.50
44.15	China Ireland Growth Technology Fund LP	41.45
67.66	Climate Investments	3.75
0.56	Delta Equity Fund II (UCC)	0.02
23.00	Delta Equity Fund III LP	11.63
0.15	Delta Equity Fund No.2 (FAS)	0.00
0.09	Delta I	0.01
20.00	Development Capital Fund II	4.79
10.20	Draper Fisher Jurvetson Fund X LP	11.82
50.77	Emerald Asset Fund	43.64
1.55	Finistere Ventures II - IAF asset pool	1.53
18.81	Finistere Ventures II LP	19.11
17.13	Finistere Ventures III, L.P.	6.60
20.00	Fountain Healthcare Partners III,LP	6.21
0.62	Fountain Healthcare Partners Fund I Annex, LP	0.44
15.00	Fountain Healthcare Partners Fund I LP	2.16
15.00	Fountain Healthcare Partners Fund II LP	11.14
35.32	Frontline EMEA Expansion Fund II, L.P.	0.00
17.66	Frontline Expansion Fund	21.45
11.00	Frontline Venture Fund I LP	10.46
15.00	Frontline Ventures Fund II LP	30.31
15.00	Frontline Ventures III, L.P.	7.19
10.00	Highland Europe Technology Growth Fund I LP	16.34
10.00	Highland Europe Technology Growth II	20.13
22.07	Illumina Innovation Fund I	28.63
26.49	Illumina Innovation Fund II	7.36
8.83	Insight Partners Fund XI	15.88
88.29	Insight Venture Partners Fund X	239.63
23.00	IWSG Limited	11.51
88.29	Leeds Equity Partners Fund VI	129.15
16.78	Lightstone Ventures Fund III	0.90
11.34	Lightstone Ventures I LP	20.10
22.07	Lightstone Ventures II LP	25.23
26.00	Melior Equity Partners II SCSp	2.57
20.00	MML Growth Capital Partners Ireland Fund II LP	8.97
26.05	Motive Capital Fund I-B LP	18.45
26.49	Motive Capital Fund II-B, LP	9.62
45.00	Muzinich Pan European Private Debt Fund I	39.76
44.15	OCM Opportunities Fund VIIB	0.04
10.00	Pearl Residential Equity Fund LP	6.15
8.83	Polaris Innovation Fund II, L.P	0.83
44.15	Polaris Partners VII LP	75.63
22.07	Polaris Partners VIII LP	31.31

44.15	Polaris Venture Partners VI LP	56.95
7.00	Renatus Capital Partners II Limited Partnership	3.62
49.44	Reverence Capital Partners Opportunities Fund I (Cayman) LP	105.52
11.48	SEP V	19.88
1.80	Seroba Co-Inv Fund II LP	3.67
15.00	Seroba Life Sciences Fund II LP	4.71
15.00	Seroba Life Sciences Fund III LP	7.97
20.00	Seroba Life Sciences Fund IV LP	0.00
13.24	SIF-Ascension I, L.P.	0.77
11.04	Sofinnova Venture Partners VIII LP	3.13
22.07	SVB Strategic Investors Fund V LP	50.40
22.07	SVB Strategic Investors Fund VI LP	60.77
30.90	SVB Strategic Investors Fund VIII LP	66.77
22.07	SVB Strategic Investors X LP	10.30
18.09	The Harcourt Venture Fund Limited Partnership	4.45
46.11	The WestSummit Global Technology Fund LP	114.84
22.07	Treo Ventures I, L.P.	11.55
Total Private Equity Investments		**1,776.71**
% of Total Investments		**12.32%**

Forestry Investments

Commitment €m	Security Description	Value €m
20.00	1st Forestry Fund	36.09
55.00	Dasos Foraois Management Limited	41.93
0.14	Irish Forestry Unit Trust	0.17
Total Forestry Investments		**78.19**
% of Total Investments		**0.54%**

Energy Investments

Commitment €m	Security Description	Value €m
	NTR Wind LP EUR	7.26
32.75	NTR Wind LP GBP	22.86
50.00	Temporis Aurora LP	5.24
Total Energy Investments		**35.36**
% of Total Investments		**0.25%**

Infrastructure Investments

Commitment €m	Security Description	Value €m
250.00	Irish Infrastructure Trust	318.40
Total Infrastructure Investments		**318.40**
% of Total Investments		**2.21%**

Quoted Investment Funds

Nominal	Security Description	Value €m
13	Amundi 12-24 Months	139.53
68,819	High Yield flat rate	8.66
12,795,640	GS Alternative Trend Io Acc	130.15
3,822,778	GS Emerging Markets	43.50
1,061,782	GS Emerging Markets Debt USD	13.14
2,303,232	GS Emerging Markets Equity USD	40.24
8,671,467	GS Global Credit High Yield	120.97
3,202,071	GS Global High Yield EU	70.16
15,748,341	GS Global Fixed Income USD	199.39
1,782,207	GS Tactical Tilt Portfolio USD	261.82
1,711,979	GS Alternative Risk	150.26
19,902,097	RIC Acadian	426.12
Total Quoted Investment Funds		**1,603.96**
% of Total Investments		**11.12%**

Unquoted Investment Funds

Nominal	Security Description	Value €m
213,358	Blackstone Class A	219.58
34,679	Blackstone Class B	41.70
223,555	Bridgewater Pure Alpha Major Markets Fund III	240.35
518,011	Generation IM Global Equity Fund	375.20
1,611,598	ISIF Absolute Alpha Fund	202.67
93,333,333	McKay Shields Opportunities Fund	100.13
Total Unquoted Investment Funds		**1,179.65**
% of Total Investments		**8.18%**

Convertible Preference Shares and Convertible Loan

Commitment €m	Security Description	Value €m
15.00	Rub Edibrac Ireland Limited	Note 1
20.00	Staycity Investment Holdings Limited	Note 1
18.50	Vectra AI, Inc	Note 1
Total Convertible Preference Shares and Convertible Loan		**23.57**
% of Total Investments		**0.16%**
Total Investments at fair value through profit and loss		**6,703.18**
		46.49%

Loans and Receivables

Other Debt

Commitment €m	Security Description	Value €m
175.38	Activate Capital	Note 1
224.62	Activate Investments Three DAC	Note 1
150.00	Aer Lingus Limited	Note 1
5.82	Bartra Property (Eblana) Limited	Note 1
1.37	BG intermediate Limited	Note 1
9.68	Deutsche Immobilien Chancen	Note 1
24.00	Dublin City University (DCU)	Note 1
44.00	Dublin Waste to Energy Ltd	Note 1
95.00	Elm Corporate Credit DAC	Note 1
20.00	Fexco Unlimited Company	Note 1
121.00	Finance Ireland Agri Facility DAC	Note 1
6.63	Greystones Media Campus Ltd	Note 1
7.00	Guinness Enterprise Centre	Note 1
2.00	IWSG Limited	Note 1
13.85	Kilkenny Abbey Quarter Development	Note 1
29.05	Milkflex Fund No.1 DAC	Note 1
15.00	Ocuco Limited	Note 1
14.00	Panelto Foods Unlimited Company	Note 1
18.00	Port of Cork	Note 1
10.50	Shamrock Renewable Products Limited	Note 1
26.03	Shannon Airport Authority	Note 1
42.50	Urbeo Residential Limited	Note 1
Total Other Debt		**683.74**
% of Total Investments		**4.74%**
Total Loans and Receivables		**683.74**
% of Total Investments		**4.74%**

Derivatives

Unrealised Loss on Foreign Exchange Contracts

	Security Description	Value €m
	Unrealised Loss on Foreign Exchange Contracts	(38.03)
Total Unrealised Loss on Foreign Exchange Contracts		**(38.03)**
% of Total Investments		**(0.26%)**

Unrealised Gain on Futures Contracts

	Security Description	Value €m
Note 2	Unrealised Gain on Future Contracts	15.40
Total Unrealised Gain on Futures Contracts		**15.40**
% of Total Investments		**0.11%**

Unrealised Loss on Equity Index Swaps

Nominal	Security Description	Value €m
(2)	Nikkei 225 Call Feb 22 30750.00 ED 021022	(0.00)
(8)	Nikkei 225 Call Jan 22 30375.000 ED011422	(0.00)
(4)	Nikkei 225 Index Nky Call Feb 22 29375.000 ED 02102	(0.01)
(4)	Nikkei 225 Index Nky Call Feb 22 29500.000 ED 02102	(0.01)
(3)	Nikkei 225 Index Nky Call Feb 22 29625.000 ED 02102	(0.01)
(5)	Nikkei 225 Index Nky Call Feb 22 30125.000 ED 02102	(0.01)
(1)	Nikkei 225 Index Nky Call Feb 22 31250.000 ED 02102	(0.00)
(1)	Nikkei 225 Index Nky Call Jan 22 29000.000 ED 01142	(0.00)
(1)	Nikkei 225 Index Nky Call Jan 22 29625.000 ED 01142	(0.00)
(3)	Nikkei 225 Index Nky Call Jan 22 30500.000 ED 01142	(0.00)
(2)	Nikkei 225 Index Nky Call Jan 22 30750.000 ED 01142	(0.00)
(8)	Nikkei 225 Index Nky Call Jan 22 30875.000 ED 01142	(0.00)
(3)	Nikkei 225 Index Nky Call Mar 22 29875.000 ED 03112	(0.01)
(4)	Nikkei 225 Index Nky Put Feb 22 26500.000 ED 021022	(0.01)
(4)	Nikkei 225 Index Nky Put Feb 22 27375.000 ED 021022	(0.01)
(3)	Nikkei 225 Index Nky Put Feb 22 27500.000 ED 021022	(0.01)
(5)	Nikkei 225 Index Nky Put Feb 22 27625.000 ED 021022	(0.01)
(1)	Nikkei 225 Index Nky Put Feb 22 28625.000 ED 021022	(0.00)
(2)	Nikkei 225 Index Nky Put Jan 22 26750.000 ED 011422	(0.00)
(3)	Nikkei 225 Index Nky Put Jan 22 28000.000 ED 011422	(0.00)
(7)	Nikkei 225 Index Nky Put Jan 22 28125.000 ED 011422	(0.01)
(4)	Nikkei 225 Index Nky Put Jan 22 28500.000 ED 011422	(0.01)
(4)	Nikkei 225 Index Nky Put Jan 22 28750.000 ED 011422	(0.01)
(1)	Nikkei 225 Index Nky Put Mar 22 27125.000 ED 031122	(0.00)
(2)	Nikkei 225 Index Nky Put Mar 22 27250.000 ED 031122	(0.01)
(2)	Nikkei 225 Put Feb 22 28250.00 ED 021022	(0.01)
(3)	Nikkei 225 Put Jan 22 28375.00 ED 011422	(0.01)
Total Unrealised Loss on Equity Index Swaps		**(0.14)**
% of Total Investments		**(0.00%)**

Unrealised Gain on Interest Rate Swaps

Nominal	Security Description	Value €m
61,900,000	IRS R 1.58% P US0003M	0.84
(61,900,000)	IRS R 2.14% P US0003M	(0.27)
(29,500,000)	IRS R 1.73% P US0003M	(0.45)
29,500,000	IRS R 1.49% P US0003M	0.34
Total Unrealised Gain on Interest Rate Swaps		**0.46**
% of Total Investments		**0.00%**
Total Unrealised Gain on Swaps		**0.32**
% of Total Investments		**0.00%**

Unrealised Gain on OTC Options

Nominal	Security Description	Value €m
76,166,000	CAD/USD Spot Option 2022 Call Nov 22 001.335 Ed 110922	0.67
(18)	Euro Stoxx 50 Pr Index Sx5E Call Feb 22 4325.000 Ed 021822	(0.01)
(70)	Euro Stoxx 50 Pr Index Sx5E Call Feb 22 4350.000 Ed 021822	(0.05)
(27)	Euro Stoxx 50 Pr Index Sx5E Call Feb 22 4375.000 Ed 021822	(0.01)
(27)	Euro Stoxx 50 Pr Index Sx5E Call Feb 22 4425.000 Ed 021822	(0.01)
(6)	Euro Stoxx 50 Pr Index Sx5E Call Feb 22 4475.000 Ed 021822	(0.00)
(22)	Euro Stoxx 50 Pr Index Sx5E Call Jan 22 4275.000 Ed 012122	(0.02)
(7)	Euro Stoxx 50 Pr Index Sx5E Call Jan 22 4325.000 Ed 012122	(0.00)
(12)	Euro Stoxx 50 Pr Index Sx5E Call Jan 22 4350.000 Ed 012122	(0.00)
(12)	Euro Stoxx 50 Pr Index Sx5E Call Jan 22 4400.000 Ed 012122	(0.00)
(34)	Euro Stoxx 50 Pr Index Sx5E Call Jan 22 4425.000 Ed 012122	(0.00)
(18)	Euro Stoxx 50 Pr Index Sx5E Call Jan 22 4475.000 Ed 012122	(0.00)
(26)	Euro Stoxx 50 Pr Index Sx5E Call Jan 22 4500.000 Ed 012122	(0.00)
(35)	Euro Stoxx 50 Pr Index Sx5E Call Jan 22 4525.000 Ed 012122	(0.00)
(6)	Euro Stoxx 50 Pr Index Sx5E Call Mar 22 4400.000 Ed 031822	(0.00)
(12)	Euro Stoxx 50 Pr Index Sx5E Call Mar 22 4450.000 Ed 031822	(0.01)
(18)	Euro Stoxx 50 Pr Index Sx5E Put Feb 22 3875.000 Ed 021822	(0.00)
(64)	Euro Stoxx 50 Pr Index Sx5E Put Feb 22 4025.000 Ed 021822	(0.03)
(33)	Euro Stoxx 50 Pr Index Sx5E Put Feb 22 4050.000 Ed 021822	(0.01)
(6)	Euro Stoxx 50 Pr Index Sx5E Put Feb 22 4125.000 Ed 021822	(0.00)
(27)	Euro Stoxx 50 Pr Index Sx5E Put Feb 22 4150.000 Ed 021822	(0.02)
(22)	Euro Stoxx 50 Pr Index Sx5E Put Jan 22 3925.000 Ed 012122	(0.00)
(5)	Euro Stoxx 50 Pr Index Sx5E Put Jan 22 4000.000 Ed 012122	(0.00)
(25)	Euro Stoxx 50 Pr Index Sx5E Put Jan 22 4075.000 Ed 012122	(0.00)
(34)	Euro Stoxx 50 Pr Index Sx5E Put Jan 22 4150.000 Ed 012122	(0.01)
(18)	Euro Stoxx 50 Pr Index Sx5E Put Jan 22 4200.000 Ed 012122	(0.01)
(26)	Euro Stoxx 50 Pr Index Sx5E Put Jan 22 4225.000 Ed 012122	(0.01)
(35)	Euro Stoxx 50 Pr Index Sx5E Put Jan 22 4250.000 Ed 012122	(0.02)
(6)	Euro Stoxx 50 Pr Index Sx5E Put Mar 22 4025.000 Ed 031822	(0.00)
(12)	Euro Stoxx 50 Pr Index Sx5E Put Mar 22 4125.000 Ed 031822	(0.01)
(8)	Ftse 100 Index (Otc) Call Feb 22 7500.000 Ed 021022	(0.01)
(8)	Ftse 100 Index (Otc) Put Feb 22 7025.000 Ed 021822	(0.00)
(8)	Ftse 100 Index (Ukx) Otc Call Feb 22 7575.000 Ed 021822	(0.00)
(7)	Ftse 100 Index (Ukx) Otc Put Jan 22 7125.000 Ed 012122	(0.00)
(6)	Ftse 100 Index Otc Call Feb 22 7600.000 Ed 021822	(0.00)
(7)	Ftse 100 Index Otc Put Feb 22 7075.000 Ed 021822	(0.00)
(2)	Ftse 100 Index Otc Put Jan 22 7150.000 Ed 012122	(0.00)
(4)	Ftse 100 Index Ukx Call Feb 22 7450.000 Ed 021822	(0.00)
(5)	Ftse 100 Index Ukx Call Jan 22 7375.000 Ed 012122	(0.00)
(2)	Ftse 100 Index Ukx Call Jan 22 7425.000 Ed 012122	(0.00)
(8)	Ftse 100 Index Ukx Call Jan 22 7475.000 Ed 012122	(0.00)
(16)	Ftse 100 Index Ukx Call Jan 22 7500.000 Ed 012122	(0.00)
(6)	Ftse 100 Index Ukx Call Jan 22 7600.000 Ed 012122	(0.00)
(2)	Ftse 100 Index Ukx Call Mar 22 7600.000 Ed 031822	(0.00)
(4)	Ftse 100 Index Ukx Put Feb 22 6825.000 Ed 021822	(0.00)
(7)	Ftse 100 Index Ukx Put Feb 22 7200.000 Ed 021822	(0.01)
(5)	Ftse 100 Index Ukx Put Jan 22 6875.000 Ed 012122	(0.00)
(1)	Ftse 100 Index Ukx Put Jan 22 6950.000 Ed 012122	(0.00)
(2)	Ftse 100 Index Ukx Put Jan 22 7025.000 Ed 012122	(0.00)
(8)	Ftse 100 Index Ukx Put Jan 22 7050.000 Ed 012122	(0.00)
(4)	Ftse 100 Index Ukx Put Jan 22 7075.000 Ed 012122	(0.00)
(6)	Ftse 100 Index Ukx Put Jan 22 7175.000 Ed 012122	(0.00)
(2)	Ftse 100 Index Ukx Put Mar 22 7100.000 Ed 031822	(0.00)
7,047,218,000	KRW/JPY Spot Option 2022 Call Nov 22 011.6337 Ed 111122	0.57
(11)	S&P 500 Index Spx Call Feb 22 4830.000 Ed 022822	(0.07)

Unrealised Gain on OTC Options (continued)

(2)	S&P 500 Index Spx Call Feb 22 4895.000 Ed 022822	(0.01)
(8)	S&P 500 Index Spx Call Feb 22 4940.000 Ed 022822	(0.02)
(25)	S&P 500 Index Spx Call Jan 22 4750.000 Ed 011222	(0.11)
(25)	S&P 500 Index Spx Call Jan 22 4750.000 Ed 011922	(0.14)
(7)	S&P 500 Index Spx Call Jan 22 4760.000 Ed 013122	(0.05)
(5)	S&P 500 Index Spx Call Jan 22 4785.000 Ed 013122	(0.03)
(25)	S&P 500 Index Spx Call Jan 22 4800.000 Ed 010522	(0.02)
(5)	S&P 500 Index Spx Call Jan 22 4850.000 Ed 013122	(0.01)
(6)	S&P 500 Index Spx Call Jan 22 4860.000 Ed 013122	(0.01)
(22)	S&P 500 Index Spx Call Jan 22 4865.000 Ed 013122	(0.05)
(24)	S&P 500 Index Spx Call Jan 22 4870.000 Ed 013122	(0.05)
(24)	S&P 500 Index Spx Call Jan 22 4875.000 Ed 012622	(0.03)
(20)	S&P 500 Index Spx Call Jan 22 4875.000 Ed 013122	(0.04)
(20)	S&P 500 Index Spx Call Jan 22 4880.000 Ed 013122	(0.03)
(20)	S&P 500 Index Spx Call Jan 22 4885.000 Ed 013122	(0.03)
(4)	S&P 500 Index Spx Put Feb 22 4450.000 Ed 022822	(0.01)
(6)	S&P 500 Index Spx Put Feb 22 4470.000 Ed 022822	(0.02)
(2)	S&P 500 Index Spx Put Feb 22 4500.000 Ed 022822	(0.01)
(8)	S&P 500 Index Spx Put Feb 22 4650.000 Ed 022822	(0.05)
(7)	S&P 500 Index Spx Put Jan 22 4380.000 Ed 013122	(0.01)
(3)	S&P 500 Index Spx Put Jan 22 4490.000 Ed 013122	(0.01)
(2)	S&P 500 Index Spx Put Jan 22 4515.000 Ed 013122	(0.00)
(25)	S&P 500 Index Spx Put Jan 22 4525.000 Ed 011222	(0.01)
(2)	S&P 500 Index Spx Put Jan 22 4530.000 Ed 013122	(0.00)
(5)	S&P 500 Index Spx Put Jan 22 4535.000 Ed 013122	(0.01)
(25)	S&P 500 Index Spx Put Jan 22 4540.000 Ed 011922	(0.02)
(6)	S&P 500 Index Spx Put Jan 22 4540.000 Ed 013122	(0.01)
(4)	S&P 500 Index Spx Put Jan 22 4555.000 Ed 013122	(0.01)
(25)	S&P 500 Index Spx Put Jan 22 4580.000 Ed 010522	(0.00)
(20)	S&P 500 Index Spx Put Jan 22 4680.000 Ed 013122	(0.08)
(20)	S&P 500 Index Spx Put Jan 22 4685.000 Ed 013122	(0.08)
(20)	S&P 500 Index Spx Put Jan 22 4690.000 Ed 013122	(0.08)
(20)	S&P 500 Index Spx Put Jan 22 4695.000 Ed 013122	(0.08)
(24)	S&P 500 Index Spx Put Jan 22 4700.000 Ed 012622	(0.09)
(20)	S&P 500 Index Spx Put Jan 22 4700.000 Ed 013122	(0.08)
78,534,000	SEK/CHF Spot Option 2022 Call Nov 22 010.177 Ed 111022	1.53
32,145,000	USD/AUD Spot Option 2022 Put Nov 22 000.6723 Ed 111422	0.24
66,223,000	USD/NZD Spot Option 2022 Put Nov 22 000.6358 Ed 111122	0.58
Total Unrealised Gain on OTC Options		**1.90**
% of Total Investments		**0.01%**
Total Derivatives at Fair Value through Profit and Loss		**(20.41)**
% of Total Investments		**(0.14%)**

Cash Deposits and Other Cash Investments

Deposits and Cash

	Security Description	Value €m
	Dairygold RPFP	Note1
	Euro	1,836.98
	GBP	1.43
	Japanese Yen	0.93
	Other Currencies	0.06
	US Dollar	386.07
Total Deposits and cash		**2,227.47**
% of Total Investments		**15.45%**

Treasury Bills

Nominal	Security Description	Value €m
1,000,000	U S Treasury Bill	0.88
5,000,000	U S Treasury Bill	4.41
Total Treasury Bills		**5.30**
% of Total Investments		**0.04%**
Total Cash Deposits and Other Cash Investments		**2,232.77**
% of Total Investments		**15.49%**
Total Discretionary Investments		**9,599.28**
% of Total Investments		**66.58%**

Directed Investments

Nominal	Security Description	Value €m
1,930,424,451	Allied Irish Banks	4,023.00
83,438,578	Bank of Ireland	416.02
Total Directed Investments		**4,439.03**
% of Total Investments		**30.79%**

Cash

Nominal	Security Description	Value €m
	Euro	180.09
Total Cash		**180.09**
% of Total Investments		**1.25%**

Loans and Receivables

Nominal	Security Description	Value €m
70,687,685	HBFI Facility A	70.69
54,044,847	HBFI Facility B	54.04
75,000,000	Irish Exchequer note	75.00
Total loans and receivables		**199.73**
% of Total Investments		**1.39%**
Total Directed Investments		**4,818.85**
% of Total Investments		**33.42%**
Total Investments		**14,418.14**
% of Total Investments		**100.00%**

Note 1: The market value has not been disclosed as this is commercially sensitive information.

Note 2: Futures 31 December 2021

735	90 Day Euro$ Future Dec 22	0.60
724	90Day Euro$ Fut (Cme) Jun 23	1.61
1,150	90Day Euro$ Fut (Cme) Mar 23	2.80
266	90Day Euro$ Future Dec 22	0.58
539	90Day Euro$ Future Jun 22	0.51
759	90Day Euro$ Future Sep 22	0.51
276	90Day Euro$ Future Sep 22	0.59
1,945	Euro Fx Curr Future (Cme) Exp Mar 22	1.60
1,932	Euro Stoxx 50 Future (Eux) Exp Mar 22	1.38
3,152	Imm Euro$ Fut Dec 22	1.57
52	MSCI Emgmkt Future (Nyf) Exp Mar 22	0.01
352	S&P 500 Emini Fut (Cme) Exp Mar 22	0.80
2,416	US 10Yr Note Future (Cbt) Exp Mar 22	2.45
29	US 10Yr Ultra Future (Cbt) Exp Mar 22	0.06
34	US 5Yr Note Future (Cbt) Exp Mar 22	0.02
25	US Ultra Bond Future (Cbt) Exp Mar 22	0.09
(105)	Wti Crude Fut (Ice) Dec 22	(0.23)
(105)	Wti Crude Fut (Ice) Jun 22	(0.37)
105	Wti Crude Fut (Ice) Jun 22	0.83
		15.40

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