



## NAMA QUARTERLY REPORT

(Section 55 NAMA Act 2009)

30 June 2012

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**Gníomhaireacht Náisiúnta um Bhainistíocht Sócmhainní**  
**National Asset Management Agency**

21 September 2012

Mr. Michael Noonan T.D.,  
Minister for Finance,  
Department of Finance,  
Upper Merrion Street,  
Dublin 2.

**Section 55 Quarterly Report - NAMA Act 2009**

Dear Minister,

Please find attached the Quarterly Report for the second quarter of 2012 which is submitted to you pursuant to Section 55 of the NAMA Act 2009. The report covers the period from 1 April to 30 June 2012.

In accordance with the Act, the Report deals with the National Asset Management Agency (NAMA) and the entities within the NAMA Group. It is accompanied by the Unaudited Quarterly Accounts for the second quarter, which report in detail on the activities of the Agency and each NAMA Group entity. To assist in your review of the Quarterly Report and Accounts, we would draw your attention to the following matters:

- Net profit for Quarter 2 of 2012 was €89 million and €222 million year to date.
- While the Quarterly Report covers the period to 30 June 2012 it is important to note some of the milestones that have been reached since the Agency was established in December 2009. By end June 2012;
  - NAMA had generated €8.1 billion in cash receipts from borrowers since inception.
  - Working and development capital of €1.34 billion had been approved by NAMA to end June 2012 of which €863 million had been drawn.
  - NAMA completed the review of the final two Debtor Business Plans in the second quarter of 2012. During the review NAMA assessed close to 800 business plans.



- The Quarterly Report and Accounts for Quarter 2 represent NAMA's position as at 30 June 2012. At that date the amounts due to NAMA from debtor loans were €72.4 billion. The 'NAMA value' of this loan portfolio, being the accounting value, was €24.8 billion.
- By the 30 June 2012, National Asset Management Ltd (the Master SPV) had €26,981 million in NAMA Government Guaranteed Floating Rate Notes (senior debt) and €1,595 million in NAMA Callable Perpetual Subordinated Bonds. Since inception NAMA bonds have provided an injection of over €30 billion of liquidity into the Irish Banking system.
- The financial information presented in the Accounts shows items of income and expenditure for the quarter from 1 April 2012 to 30 June 2012. The Balance Sheets are presented as at 30 June 2012 and 31 March 2012. The Cash Flow Statement is presented for all cash movements from 1 January to 30 June 2012 and from 1 April to 30 June 2012.
- NAMA has generated significant cash flow since inception (March 2010) and this is illustrated in the table below.

	1 Apr to 30 Jun 2012	Inception to Jun 2012
	€m	€m
<b>Cash flow from operating activities</b>		
Receipts from borrowers	909	8,104
Advances to borrowers	(88)	(688)
Net cash (used in) derivatives	(96)	(33)
Payments to suppliers of services (Note 1)	(36)	(279)
Interest expense on debt securities & other funding costs	(8)	(624)
Interest received	4	23
IBRC repurchase agreement fee and other income	15	15
Amounts pledged as collateral with NTMA	(850)	(850)
<b>Net cash generated from operating activities</b>	<b>(149)</b>	<b>5,669</b>
Cash and cash equivalents at the beginning of the period	4,595	0
Redemption of senior debt securities	(2,000)	(3,250)
Cash placed as collateral with the NTMA	850	850
Net cash (used in) / provided by investing activities & impact of FX	(225)	(199)
<b>Total cash and cash equivalents held at the end of the period</b>	<b>3,070</b>	<b>3,070</b>

Note 1: 'Payment to suppliers of services' includes NAMA overhead costs reimbursable to the NTMA and due diligence costs relating to the acquisition of bank assets.

- The percentage of performing loans in the €72.4 billion NAMA loan portfolio at 30 June 2012 is 19% of par debt unchanged from 31 March 2012. The performance of the portfolio based on the acquisition value is 29% at 30 June 2012 which is also unchanged since 31 March 2012. It should be noted that as NAMA disposes of income generating assets the performance of the loan portfolio may deteriorate.



- Since inception, the carrying value of the loan portfolio has reduced from €31.5 billion to €24.8 billion (net of impairment of €2.88 billion). The table below details this movement;

	<u>€m</u>
<b>Loan Movements</b>	
Loans acquired (Note 1)	31,528
Valuation adjustments	(324)
Cash received (Note 1)	(7,917)
Funds advanced to borrowers	688
Interest income	2,202
Impairment charges	(2,880)
Profit on disposal of loans and surplus income	665
Foreign exchange movements	467
Other	379
<b>Closing loan balance at 30 June 2012</b>	<b>24,809</b>

Note 1: This table is based on movements in the loan balance since acquisition to the reporting date. It does not include the value of acquired borrower derivatives or cash received on performing borrower derivatives since inception.

- Being conscious of NAMA's ongoing cost of capital, it is the intention of the Board, in consultation with you as Minister for Finance, to redeem NAMA's senior debt on a regular basis from available cash balances.
- To date, NAMA has reduced its liabilities by almost €3.6 billion – comprised of some €3.25 billion of NAMA senior bonds which have been repaid by the Agency and €299m in advances repaid to the Minister for Finance.
- The Quarterly Report contains a number of 'Nil Returns'. It is anticipated that these returns will be populated with information as NAMA moves through its life cycle.

We trust the Quarterly Report and Accounts meet the requirements of Section 55 of the Act and any specific direction or guidelines issued by you as Minister for Finance. If you have any queries in this regard please do not hesitate to contact us.

Yours sincerely,

**Mr. Frank Daly,**  
Chairman

**Mr. Brendan McDonagh,**  
Chief Executive Officer

## **2. BOARD AND OTHER INFORMATION**

### **Board**

Frank Daly (Chairman)

Brendan McDonagh, Chief Executive NAMA

John Corrigan, Chief Executive NTMA

Eilish Finan

Brian McEnery

John Mulcahy (appointed 7 March 2012) (Head of Asset Management NAMA)

Steven Seelig

Willie Soffe

### **Registered Office**

Treasury Building

Grand Canal Street

Dublin 2

### **Bankers**

Central Bank of Ireland

Dame Street

Dublin 2

Citibank

IFSC

Dublin 1

### 3. INTRODUCTION AND GENERAL INFORMATION

#### Introduction and general information

The National Asset Management Agency (NAMA) was established by the Minister for Finance in November 2009. NAMA is a separate statutory body, with its own Board and Chief Executive, and operates in accordance with the National Asset Management Agency Act 2009 (the Act).

Under Section 10 of the Act, NAMA's purposes are to contribute to the achievement of the purposes of the Act by:

- (a) acquiring bank assets from the Participating Institutions;
- (b) dealing expeditiously with the acquired assets;
- (c) protecting and enhancing the value of assets acquired by it in the interests of the State.

The original Participating Institutions were: Allied Irish Banks, p.l.c. ('AIB'), Anglo Irish Bank Corporation Limited ('Anglo'), Bank of Ireland ('BOI'), Irish Nationwide Building Society ('INBS') and EBS Building Society ('EBS').

On 1 July 2011 AIB merged with EBS. On 1 July 2011 the business of INBS transferred to Anglo and on 14 October 2011 the latter's name was changed to Irish Bank Resolution Corporation ('IBRC').

#### Group structure

In accordance with the Act and to achieve its objectives, the Agency has set up certain special purpose vehicles (SPV). These are known as NAMA Group Entities. The relationship between the NAMA Group entities is summarised in Chart 1 on page 6. The SPVs established are as follows;

##### *National Asset Management Agency Investment Limited (NAMAIL)*

NAMAIL is the company through which private investors have invested in the Group. NAMA holds 49% of the shares of the company. The remaining 51% of the shares of the company are held by private investors.

NAMA has invested €49m in NAMAIL, receiving 4,900 A ordinary shares. The remaining €51m was invested in NAMAIL by private investors, each receiving an equal share of 5,100 B ordinary shares. Under the terms of a shareholders' agreement between NAMA, the private investors and NAMAIL, NAMA can exercise a veto over decisions taken by NAMAIL. As a result of this veto, the private investors' ability to control the financial and operating policies of the entity is restricted and NAMA has effective control of the company.

##### *National Asset Management Limited (NAML)*

NAML is responsible for issuing the Government guaranteed debt instruments, and the subordinated debt, which are used as consideration in acquiring loan assets from the Participating Institutions. The Government guaranteed debt securities issued by NAML are listed on the Irish Stock Exchange. Both the Government guaranteed debt instruments and the subordinated debt instruments are transferred to National Asset Management Group Services Limited (NAMGSL) and by it to National Asset Loan Management Limited (NALML). The latter uses these debt instruments as consideration for the loan assets acquired from the Participating Institutions.

NAML has five subsidiaries. These are referred to as the NAML Group or the Group:

##### *National Asset Management Group Services Limited (NAMGSL)*

NAMGSL acts as the holding company for its three subsidiaries, National Asset Loan Management Limited, National Asset Property Management Limited and National Asset Management Services Limited.

NAMGSL acquires the debt instruments issued by NAML under a profit participating loan (PPL) agreement, and in turn, makes these debt instruments available to NALML on similar terms.

NAMGSL is wholly owned by NAML.

##### *National Asset Loan Management Limited (NALML)*

The purpose of NALML is to acquire, hold, and manage the loan assets acquired from the Participating Institutions.

##### *National Asset Property Management Limited (NAPML)*

The purpose of NAPML is to take direct ownership of real property assets if and when required. During the year, certain land and development sites were acquired as consideration for guarantees held by NALML. At the reporting date these properties are held in NALML.

##### *National Asset Residential Property Services Limited (NARPSL)*

On 16 July 2012 NAMA established a new subsidiary National Asset Residential Property Services Limited (NARPSL). The Company is a wholly owned subsidiary of NAPML, and is established to acquire residential properties and to lease these properties to approved housing bodies for social housing purposes.

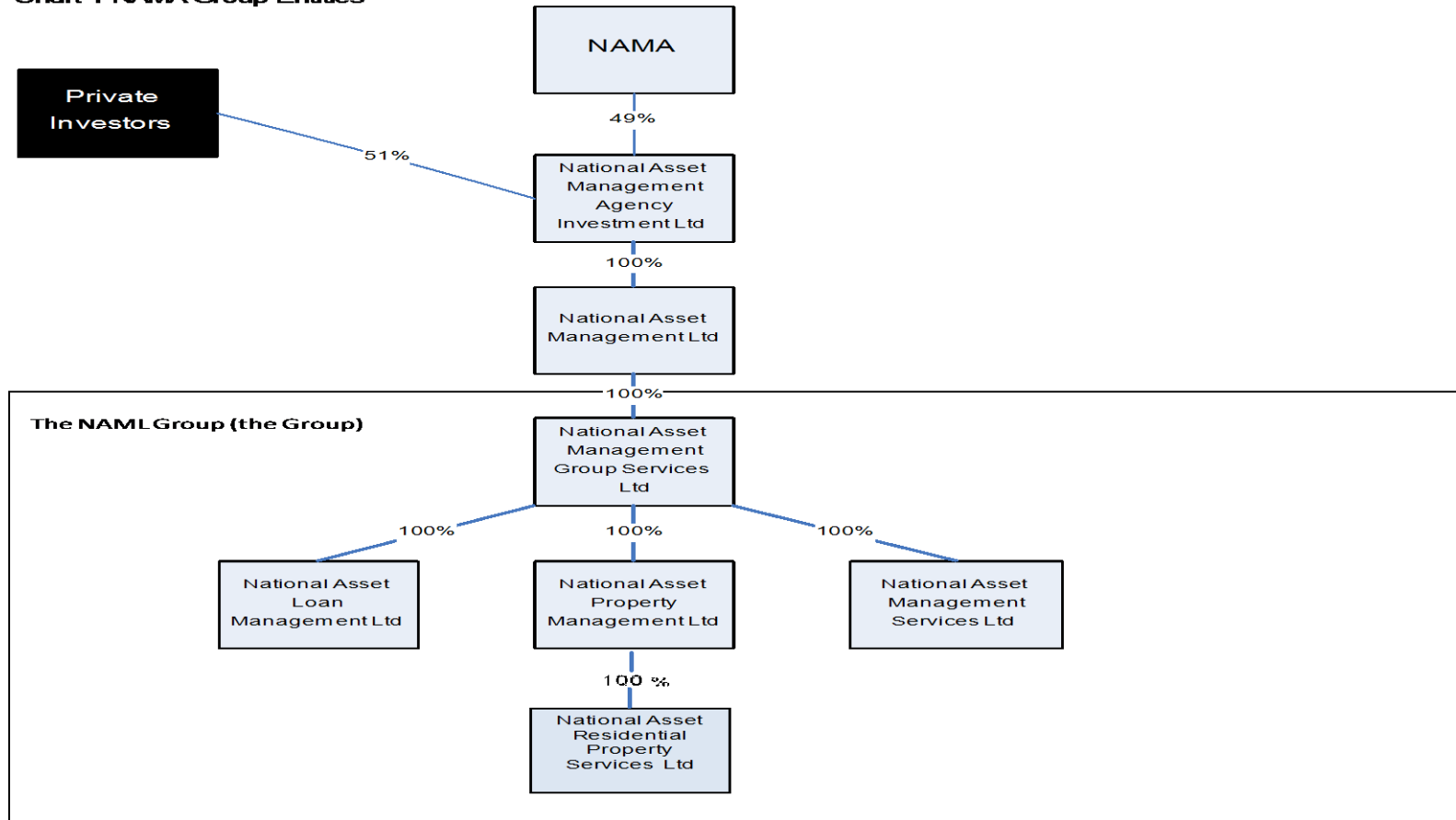
##### *National Asset Management Services Limited (NAMSL)*

NAMSL is a non-trading entity and has no activity at present.

The address of the registered office of each company is Treasury Building, Grand Canal Street, Dublin 2. Each company is incorporated and domiciled in the Republic of Ireland.

#### 4. SHAREHOLDING STRUCTURE

Chart 1 NAMA Group Entities



#### National Treasury Management Agency (NTMA)

The NTMA provides NAMA with business and support services, and will assign staff to NAMA as deemed necessary. NAMA reimburses the NTMA for the costs of staff and services provided



## 5. SECTION 55 (5) - GUIDELINES & DIRECTIONS ISSUED BY THE MINISTER OF FINANCE

### Compliance with Guidelines Issued by the Minister under Section 13 as at 30 June 2012

No guidelines issued

### Compliance with Directions Issued by the Minister under Section 14 as at 30 June 2012

- (1) 14th May 2010 - Direction (Ref 513/43/10) - Pricing of government guaranteed debt issued by NAMA.  
No such debt was issued by NAMA as at 30 June 2012.  
The Direction can be found in Appendix 2, page 31.
- (2) 22nd October 2010 - Expeditious Transfer of Eligible Assets.  
All transfers completed since 22 October 2011 have complied with this Direction.  
The Direction can be found in Appendix 3, page 32.
- (3) 11th May 2011 - Direction (Ref 513/43/10) - Amendment to Senior Notes Terms & Conditions  
All senior notes have been amended in accordance with this Direction.  
This direction can be found in Appendix 4, page 33
- (4) 7th March 2012 - NAMA Advisory Group  
A NAMA Advisory Group has been set up in accordance with this Direction  
This direction can be found in Appendix 4, page 34
- (5) 29th March 2012 - Irish Bank Resolution Corporation - Short Term Financing  
NAMA adopted all reasonable measures to facilitate the short-term financing of IBRC.  
This direction can be found in Appendix 4, page 36

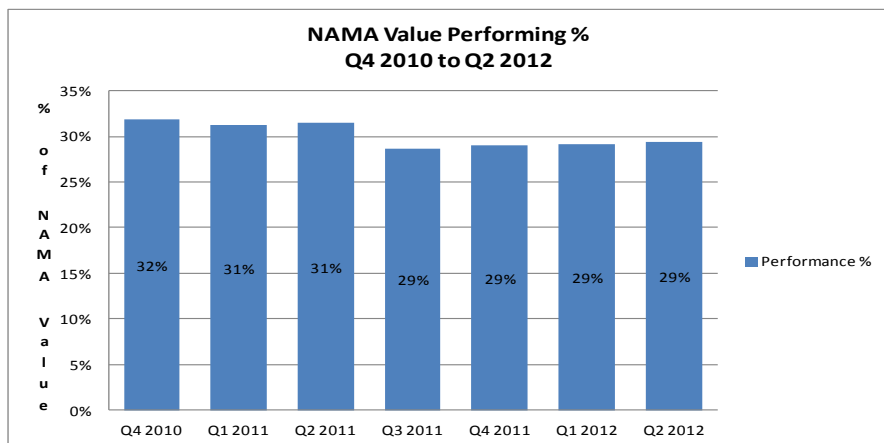
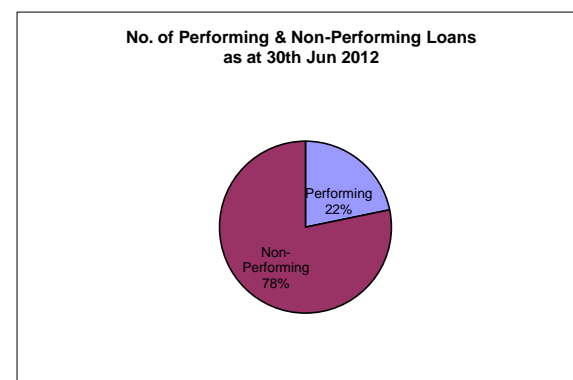
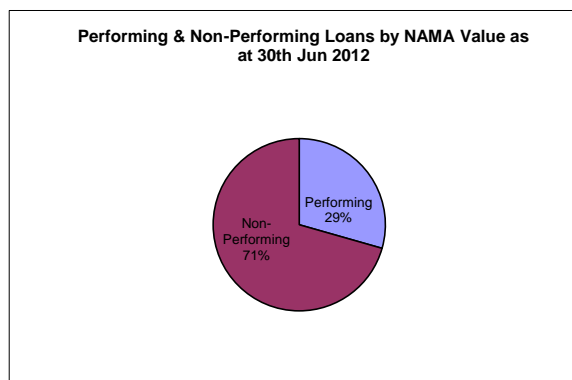
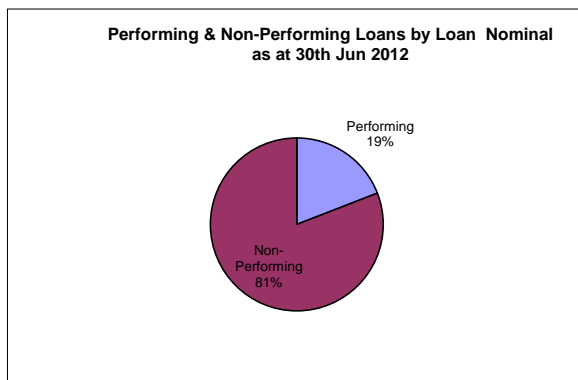
6. SECTION 55 (6) (A) - NUMBER AND CONDITION OF OUTSTANDING LOANS

Outstanding loans as at 30 June 2012

Classification	Number	Loan Nominal (Par Debt) €m	NAMA Value less Impairment* €m
Performing	2,668	13,840	7,298
Non-Performing	9,589	58,576	17,512
<b>Total</b>	<b>12,257</b>	<b>72,416</b>	<b>24,809</b>

Note: The cumulative impairment recognised to 30th June 2012 was €2,880 million

A measure of loan performance is the Loan Payment Status. The Loan Payment Status is a measurement of loan performance based on cash receipts with regard to the contractual obligations of the legacy loan facility. The definition of Loan Payment Status is detailed in Appendix 1.



One of NAMA's key objectives is to manage its assets so as to optimise, and capture for debt servicing purposes, their income producing potential (e.g. rental income). The capturing of such income was not a common feature prior to NAMA's acquisition of the loans and NAMA has undertaken significant steps to design and implement new structures so as to achieve this objective.

NAMA measures its performance on the extent to which it captures such income on an on-going basis and not wholly on the extent to which a debtor is in compliance with the terms of its legacy loan facility arrangements which predated NAMA.

At 30 June 2012, NAMA has generated cash receipts of €8.1 billion since inception, of which €5.2 billion relates to disposal activity and €2.9 billion relates to non-disposal activity. This capturing of this €2.9 billion is an important measure of NAMA's performance.

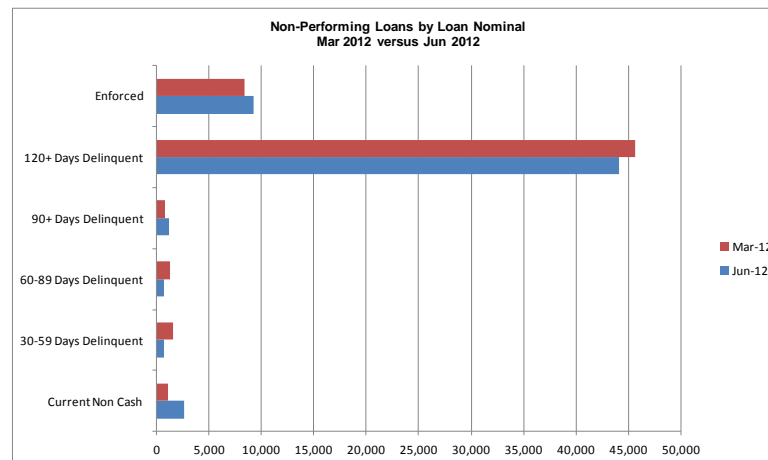
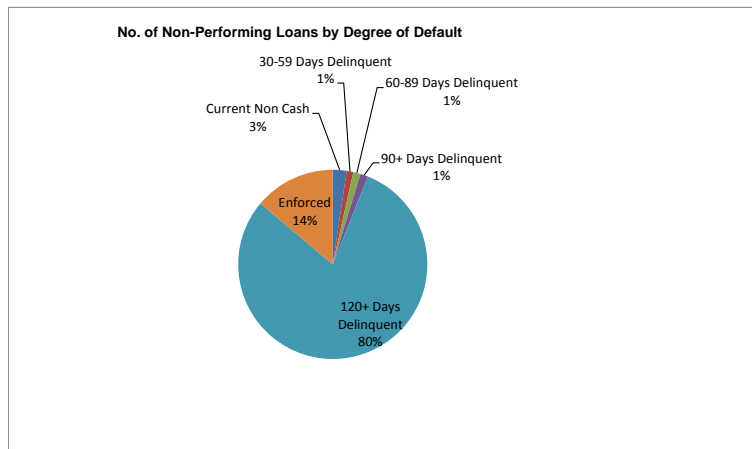
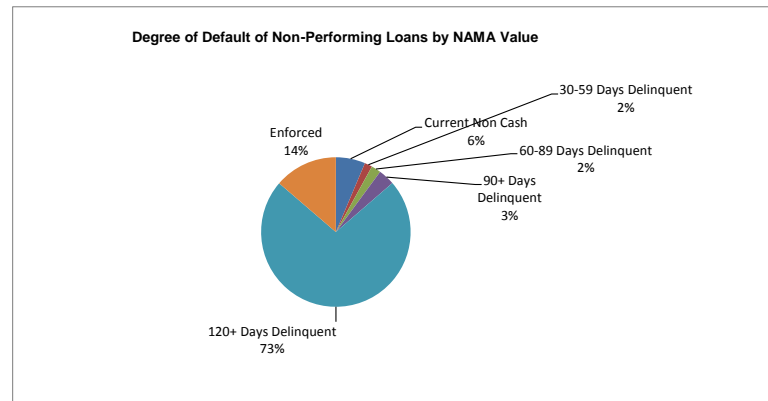
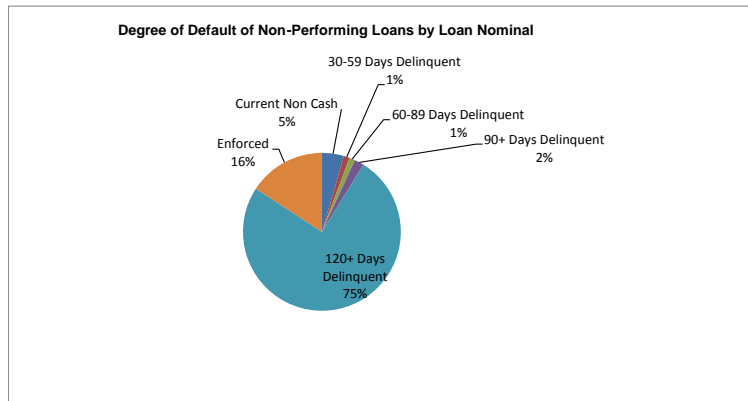
**7. SECTION 55 (6) (B) - CATEGORISATION OF NON-PERFORMING AS TO THE DEGREE OF DEFAULT**

Categorisation of non performing loans in accordance with the Loan Payment Status as at 30 June 2012

Loan Payment Status	Degree of Default	Number	Loan Nominal €m	NAMA Value less Impairment €m
9	Current Non Cash	226	2,634	1,113
1	30-59 Days Delinquent	109	697	290
2	60-89 Days Delinquent	119	689	364
3	90+ Days Delinquent	128	1,152	621
4	120+ Days Delinquent	7,678	44,157	12,723
7 & 8	Enforced	1,329	9,247	2,400
	<b>Total</b>	<b>9,589</b>	<b>58,576</b>	<b>17,512</b>

A measure of loan performance is the Loan Payment Status. The Loan Payment Status is a measurement of loan performance based on cash receipts with regard to the contractual obligations of the legacy loan facility. The definition of Loan Payment Status is detailed in Appendix 1.

An analysis of the non-performing profile of the loan book indicates significant volume in the '120+ Days Delinquent' classifications. NAMA is addressing this issue in part by insisting, as part of any ongoing consensual support provided by NAMA to the debtor, that all income produced by the underlying secured assets is paid to NAMA. The extent to which debtors do not comply with this, and other key milestones set by NAMA, will determine whether these delinquent loans will be enforced. In some cases, the delinquent loans may be re-financed on new terms set by NAMA. The sole driver of NAMA's decisions in this regard is the maximisation of the return to the taxpayer.



## 8. SECTION 55 (6) (C) - NUMBER OF LOANS BEING FORECLOSED OR OTHERWISE ENFORCED

Number of loans foreclosed in the quarter to 30 June 2012

Classification	Number	Loan Nominal €m	NAMA Value €m
Enforced	134	469	148

Note: Section 55 6 (B) on page 9 contains a category of default called 'Enforced' where 1,329 loans have been classified. This includes enforcements that were instigated by the Participating Institutions prior to transfer of the loans to NAMA. This section deals with the number of loans being enforced by NAMA.

**9. SECTION 55 (6) (D) - NUMBER OF CASES WHERE LIQUIDATORS AND RECEIVERS HAVE BEEN APPOINTED**

Number of cases where receivers and liquidators have been appointed in the quarter to 30 June 2012

<b>Classification</b>	<b>Number</b>	<b>Loan Nominal €m</b>	<b>NAMA Value €m</b>
Liquidators	-	-	-
Receivers	134	469	148
<b>Total</b>	<b>134</b>	<b>469</b>	<b>148</b>

**10. SECTION 55 (6) (E) - NUMBER OF LEGAL PROCEEDINGS COMMENCED BY NAMA AND EACH NAMA GROUP ENTITY IN THE QUARTER**

List of all legal proceedings (except any proceeding in relation to which a rule of law prohibits publication)

Proceeding	Title	Parties to the proceeding	Relief sought by NAMA or the NAMA group entity
(i)	2012 1475S	NALM v. Denis McMahon, Paul O'Brien and Seamus Downes	Judgment against the first named Defendant in the amount of €2,346,526.91 Judgment against the Defendants, jointly and severally, in the amount of €1,618,770.45
(ii)	High Court 2012 1474S	NALM v. Paul O'Brien, Joseph McNamara, James McNamara and Gerard McNamara	Judgment against the Defendants, jointly and severally, in the amount of €2,899,631.10
(iii)	High Court 2012 1473S	NALM v. Greenband Investments, John Costello, John Hegarty, Paul O'Brien and MKI Property Investments	Judgment against the First and Second Named Defendants, jointly and severally, in the amount of €2,338,086.48 Judgment against the Second and Third Named Defendants, jointly and severally, in the sum of €21,296,143.34 Judgment against the Fourth Named Defendant in the sum of €21,393,283.88 Judgment against the Fifth Named Defendant in the sum of €21,393,283.88
(iv)	High Court 2012 1451S	NALM v. Ger & Majella O'Rourke	Judgment of €436,323
(v)	High Court 2012 4137P	NALM v. Ger & Majella O'Rourke, Sean O'Sullivan, Owen Markham, David Scott	Order to set aside asset transfer of PDH
(vi)	High Court 2012/3759P	NALM v. Thomas O'Reilly (as personal representative of the Estate of Anthony McHugh (deceased)), John Staunton, James Staunton, Patrick Staunton, Peter Staunton, Ita Staunton and Joan Rowland	Judgment and recovery of secured property
(vii)	Longford District Court/2012	NAMA v. Minister for Public Expenditure and Reform	Order for entry and maintenance to part of Glenn Riada estate, Longford under S141, NAMA Act
(viii)	High Court 2012/4092P	NAMA and NALM v. Richard Barrett, John Ronan and Treasury Holdings	Application to set aside the transfer of shares from Treasury Holdings.
(ix)	High Court (London) (Chancery Division) HC12EO2566	Bruce Mackay and Graham Bushby v. (i) Ashwood Enterprises Limited, (ii) Thomas McFeely, (iii) Conal Derek McFeely, (iv) Noel McFeely, (v) Ciaran McFeely, and (vi) Steve Evans	Mackay & Bushby acting as court appointed receivers sought (successfully) various orders against the defendants relating to the 'Athena' building in Stratford, London

11. SECTION 55 (6) (F) - SCHEDULE OF FINANCE RAISED BY NAMA AND EACH NAMA GROUP ENTITY IN THE QUARTER

Schedule of finances raised by NAMA & each NAMA group entity in the quarter to 30 June 2012

Description	Date	€m
None		Nil

## 12. SECTION 55 (6) (G) - SUMS RECOVERED FROM PROPERTY SALES IN THE QUARTER

Amount of money recovered by sale of property up to 30 June 2012

Description	Date	€m
None	None	Nil
<b>Total</b>		<b>Nil</b>

National Asset Loan Management Limited holds €7.228 million in property assets acquired in settlement of guarantees. NAMA or it's group entities did not dispose of property assets in the quarter.

At 30.06.2012, NAMA had received amounts in the order of €4.15 billion relating to the disposal of Debtor owned properties.



**13. SECTION 55 (6) (H) - OTHER INCOME FROM INTEREST-BEARING LOANS OWNED BY NAMA AND EACH NAMA GROUP ENTITY IN THE QUARTER**

**Other income from interest bearing loans up to 30 June 2012**

Description	Date	€m
National Asset Management Agency (NAMA)	N/A	Nil
National Asset Management Agency Investment Limited	N/A	Nil
National Asset Management Limited (Master SPV - Consolidated) - NOTE 1	1 April - 30 June 2012	1

**NOTE 1 - Breakdown of Consolidated Master SPV by NAMA Group Entity**

Description	Date	€m
National Asset Loan Management Limited	1 April - 30 June 2012	1
National Asset Property Management Limited	N/A	Nil
National Asset Management Services Limited	N/A	Nil
National Asset Management Group Services Limited	N/A	Nil
National Asset Management Limited	N/A	Nil

14. SECTION 55 (6) (I) - ABRIDGED BALANCE SHEET OF NAMA AND EACH NAMA GROUP ENTITY

Abridged Balance Sheet as at 30 June 2012

<b>National Asset Management Agency (NAMA)</b>		<b>€'000</b>
<b>Assets</b>		
Cash		265
Other receivables		6,465
Property, plant and equipment		814
Investments		49,000
<b>Total assets</b>		<b>56,544</b>
<b>Liabilities</b>		
Interest Bearing Loans		53,114
Other liabilities		5,909
<b>Total liabilities</b>		<b>59,023</b>
<b>Net liabilities</b>		<b>(2,479)</b>

<b>National Asset Management Agency Investment Limited</b>		<b>€'000</b>
<b>Assets</b>		
Investment in subsidiary		0
Loans receivable from group entity		118,925
<b>Total assets</b>		<b>118,925</b>
<b>Liabilities</b>		
Amounts due to group entities		10,632
Current tax liability		197
		<b>10,829</b>
<b>Equity</b>		
Share Capital		10,000
Share premium		90,000
Retained earnings		8,096
<b>Total equity and liabilities</b>		<b>118,925</b>

<b>National Asset Management Limited (Master SPV - Consolidated) - NOTE 1</b>		<b>€'000</b>
<b>Assets</b>		
Cash and cash equivalents		2,220,378
Cash placed as collateral with the NTMA		850,000
Financial assets available for sale		255,765
Receivable from Participating Institutions		137,587
Derivative financial instruments		378,548
Loans and receivables		24,809,407
Other assets		92,956
Trading properties		7,228
Deferred tax asset		292,123
<b>Total assets</b>		<b>29,043,992</b>
<b>Liabilities</b>		
Payable to Participating Institutions		38,265
Derivative financial instruments		1,088,284
Debt Securities in Issue		26,981,000
Other liabilities		426,784
<b>Total liabilities</b>		<b>28,534,333</b>
<b>Equity</b>		
Share Capital		0
Other equity instruments		1,595,000
Retained earnings		(718,890)
Other reserves		(366,451)
<b>Total equity and liabilities</b>		<b>29,043,992</b>

Note: Share Capital in National Asset Management Limited (Master SPV - Consolidated) is €100

14. SECTION 55 (6) (I) - CONTINUED

**NOTE 1 - Breakdown of Consolidated Master SPV by NAMA Group Entity**

<b>National Asset Loan Management Limited</b>		<b>€'000</b>
<b>Assets</b>		
Cash		2,220,378
Cash placed as collateral with the NTMA		850,000
Financial assets available for sale		255,765
Receivable from Participating Institutions		137,587
Derivative financial instruments		378,548
Loans and receivables		24,809,407
Deferred tax asset		177,407
Other assets		707,036
Trading properties		7,228
<b>Total assets</b>		<b>29,543,356</b>
<b>Liabilities</b>		
Payable to participating institutions		38,265
Derivative financial instruments		1,088,284
Other liabilities		29,158,001
<b>Total liabilities</b>		<b>30,284,550</b>
<b>Equity</b>		
Share Capital		-
Subordinated equity instrument		-
Retained earnings		(318,047)
Other reserves		(423,147)
<b>Total equity and liabilities</b>		<b>29,543,356</b>

<b>National Asset Property Management Limited</b>		
<b>Assets</b>		Nil
<b>Total assets</b>		<b>Nil</b>
<b>Liabilities</b>		Nil
<b>Total liabilities</b>		<b>Nil</b>
<b>Equity</b>		Nil
<b>Total equity and liabilities</b>		<b>Nil</b>

Note: Share Capital in the National Asset Management Limited (Master SPV - Consolidated) subsidiaries is €100

#### 14. SECTION 55 (6) (I) - CONTINUED

National Asset Management Services Limited		€'000
<b>Assets</b>		
Cash		-
Financial assets available for sale		-
Receivable from Participating Institutions		-
Derivative financial instruments		-
Loans and receivables		-
Other assets		-
<b>Total assets</b>		<b>0</b>
<b>Liabilities</b>		
Amounts due to participating institutions		-
Derivative financial instruments		-
Debt Securities in Issue		-
Other liabilities		-
<b>Total liabilities</b>		<b>0</b>
<b>Equity</b>		
Share Capital		-
Subordinated equity instrument		-
Retained earnings		-
<b>Total equity and liabilities</b>		<b>0</b>

National Asset Management Group Services Limited		€'000
<b>Assets</b>		
Cash		-
Financial assets available for sale		-
Receivable from Participating Institutions		-
Derivative financial instruments		-
Loans and receivables		-
Other assets		28,867,691
<b>Total assets</b>		<b>28,867,691</b>
<b>Liabilities</b>		
Amounts due to participating institutions		-
Derivative financial instruments		-
Debt Securities in Issue		-
Other liabilities		28,867,690
<b>Total liabilities</b>		<b>28,867,690</b>
<b>Equity</b>		
Share Capital		-
Subordinated equity instrument		-
Retained earnings		1
<b>Total equity and liabilities</b>		<b>28,867,691</b>

Note: Share Capital in the National Asset Management Limited (Master SPV - Consolidated) subsidiaries is €100

14. SECTION 55 (6) (I) - CONTINUED

National Asset Management Limited	€'000
<b>Assets</b>	
Cash	-
Financial assets available for sale	-
Receivable from Participating Institutions	-
Derivative financial instruments	-
Deferred tax asset	114,716
Loans and receivables	-
Other assets	28,967,590
<b>Total assets</b>	<b>29,082,306</b>
<b>Liabilities</b>	
Amounts due to participating institutions	-
Derivative financial instruments	-
Debt Securities in Issue	26,981,000
Other liabilities	850,454
<b>Total liabilities</b>	<b>27,831,454</b>
<b>Equity</b>	
Share Capital	-
Other equity instrument	1,595,000
Retained earnings	(344,148)
<b>Total equity and liabilities</b>	<b>29,082,306</b>

Note: Share Capital in the National Asset Management Limited (Master SPV - Consolidated) subsidiaries is €100

15. SECTION 55 (6) (J) - SCHEDULE OF INCOME AND EXPENDITURE OF NAMA AND EACH NAMA GROUP ENTITY

Income and Expenditure Statement from the 1st April to 30 June 2012

National Asset Management Agency (NAMA)	€'000
<b>Income</b>	
Interest Income	0
Costs reimbursed from NAML Group	7,639
Other income	384
	8,023
<b>Expenditure</b>	
Costs reimbursable to the NTMA	7,639
NAMA Board and Advisory Committee Fees and Board expenses	127
Rent Expense	192
Interest expense on inter-group loan	190
	8,148
<b>Net expense for period</b>	(125)

National Asset Management Agency Investment Limited	€'000
<b>Income</b>	
Interest income earned on inter-group loan	1,767
	1,767
<b>Expenditure</b>	
Tax expense	(221)
Dividend paid	0
Reserves brought forward	6,550
<b>Retained earnings after payment of dividend at 30 June 2012</b>	8,096

National Asset Management Limited (Master SPV - Consolidated) - NOTE 1	€'000
<b>Income</b>	
Interest on loans and receivables	295,763
Interest on derivative financial instruments	18,757
Interest on cash balances and cash equivalents	2,643
Interest on financial assets held as available for sale	826
Interest on inter group loans	190
Fee Income on IBRC repurchase agreement	14,628
Fee Income	712
Profit on disposal of loans	103,164
Fair value gains on acquired derivatives	18,773
Hedge ineffectiveness adjustment	1,717
FX gains on loan and receivables	287,107
Other foreign exchange gains	3,118
	747,398
<b>Expenditure</b>	
Interest on debt securities in issue	93,816
Interest on other derivative financial instruments	7,051
Interest on interest bearing loans and borrowings	1,767
Interest on derivatives where hedge accounting is applied	20,294
Interest expense on borrower overdraft accounts	28
Fair value loss on other derivatives	25,818
Costs reimbursable to the NTMA	7,639
Primary servicer fees	15,572
Master servicer fees	779
Legal fees	887
Portfolio management fees	1,335
Accounting, audit and tax	561
Rent and occupancy costs	248
Derivative valuation costs	114
IT Costs	566
Other administrative expenses	710
Realised FX loss on derivative financial instruments	93,180
Unrealised FX loss on derivative financial instruments	185,029
Impairment charges on loans and receivables	128,615
Tax charge	74,098
	658,107
<b>Profit for the period after tax</b>	89,291

15. SECTION 55 (6) (J) - CONTINUED

**NOTE 1 - Breakdown of Consolidated Master SPV by NAMA Group Entity**

<b>National Asset Loan Management Limited</b>		<b>€'000</b>
<b>Income</b>		
Interest on loans and receivables		295,763
Interest on derivative financial instruments		18,757
Interest on cash balances and cash equivalents		2,643
Interest on financial assets held as available for sale		826
Interest on inter group loans		190
Fee Income on IBRC repurchase agreement		14,628
Fee Income		712
Profit on disposal of loans		103,164
Fair value gains on acquired derivatives		18,773
Hedge ineffectiveness adjustment		1,717
FX gains on loan and receivables		287,107
Other foreign exchange gains		3,118
Tax credit/(expense)		2,282
		749,680
<b>Expenditure</b>		
Interest on other derivative financial instruments		7,051
Interest on derivatives where hedge accounting is applied		20,294
Interest expense on borrower overdraft accounts		28
Interest expense on profit participating loan		291,690
Fair value loss on other derivatives		25,818
Costs reimbursable to the NTMA		7,639
Primary servicer fees		15,572
Master servicer fees		779
Legal fees		887
Portfolio management fees		1,335
Accounting, audit and tax		561
Rent and occupancy costs		248
Derivative valuation costs		114
IT Costs		566
Other administrative expenses		710
Realised FX loss on derivative financial instruments		93,180
Unrealised FX loss on derivative financial instruments		185,029
Impairment charges on loans and receivables		128,615
		780,116
<b>Profit/(loss) for the period</b>		<b>(30,437)</b>
<b>National Asset Property Management Limited</b>		<b>€'000</b>
<b>None</b>		Nil
<b>National Asset Management Services Limited</b>		<b>€'000</b>
<b>None</b>		Nil
<b>National Asset Management Group Services Limited</b>		<b>€'000</b>
<b>Income</b>		
Interest income on profit participating loan		291,691
<b>Expenditure</b>		
Interest expense on profit participating loan		291,690
<b>Net Profit/(Loss)</b>		<b>1</b>
<b>National Asset Management Limited</b>		<b>€'000</b>
<b>Income</b>		
Interest income on profit participating loan		291,690
<b>Expenditure</b>		
Interest on debt securities in issue		93,816
Interest on Interest bearing loans and borrowings		1,767
Tax credit/(expense)		19,684
		115,267
<b>Net Profit/(Loss)</b>		<b>176,423</b>

16. UPDATED SCHEDULE OF ALL INFORMATION DESCRIBED IN SECTION 54 (2) AND (3)

(i) Section 54 (2) - Administration Fees and Expenses incurred by NAMA and each NAMA Group Entity

Administration fees & expenses period from 1 January 2012 to 30 June 2012

National Asset Management Agency (NAMA)	€'000
<b>Administration Fees &amp; Expenses:</b>	
Costs reimbursable to the NTMA	15,458
NAMA Board and Advisory Committee Fees and Board expenses	236
Rent Expense	384
	16,078

National Asset Management Agency Investment Limited	€'000
<b>Administration Fees &amp; Expenses</b>	Nil

National Asset Management Limited (Master SPV - Consolidated) - NOTE 1	€'000
<b>Administration Fees &amp; Expenses:</b>	
Costs reimbursable to the NTMA	15,458
Primary Servicer Fees	30,156
Master Servicer Fees	1,546
Legal fees	910
Portfolio management fees	1,692
Accounting, audit and tax	1,123
Rent and occupancy costs	503
Derivative valuation costs and rating agency fees	151
IT Costs	570
Other administrative expenses	1,027
	53,136

**NOTE 1 - Breakdown of Consolidated Master SPV by NAMA Group Entity**

National Asset Loan Management Limited	€'000
<b>Administration Fees &amp; Expenses:</b>	
Costs reimbursable to the NTMA	15,458
Primary Servicer Fees	30,156
Master Servicer Fees	1,546
Legal fees	910
Portfolio management fees	1,692
Accounting, audit and tax	1,123
Rent and occupancy costs	503
Derivative valuation costs and rating agency fees	151
IT Costs	570
Other administrative expenses	1,027
	53,136

National Asset Property Management Limited	€'000
<b>Administration Fees &amp; Expenses</b>	Nil

National Asset Management Services Limited	€'000
<b>Administration Fees &amp; Expenses</b>	Nil

National Asset Management Group Services Limited	€'000
<b>Administration Fees &amp; Expenses</b>	Nil

National Asset Management Limited	€'000
<b>Administration Fees &amp; Expenses</b>	Nil

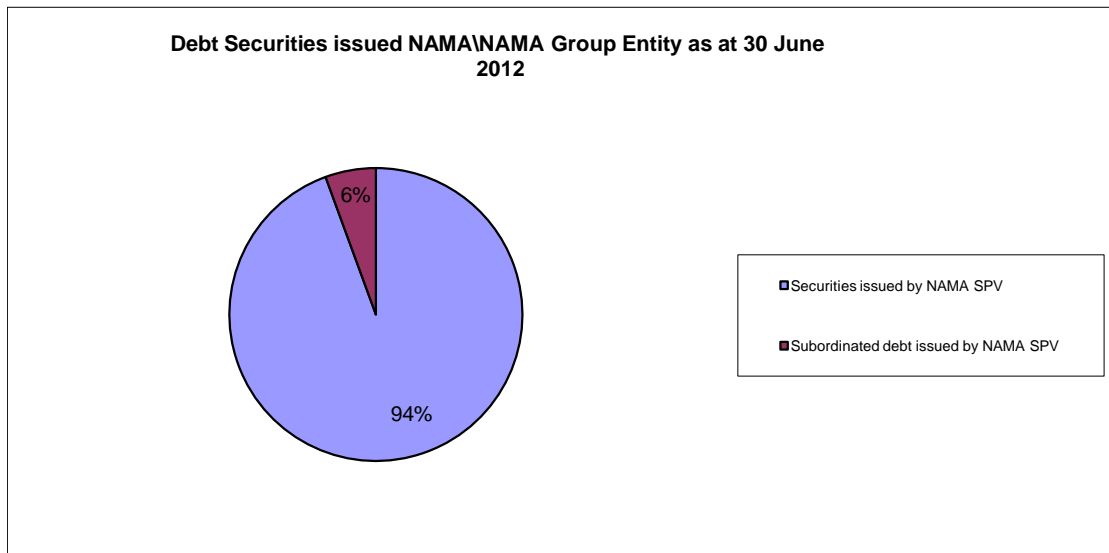
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**(ii) Section 54 (3) (a) - List of Debt Securities Issued for the Purposes of the Act**

**List of debt securities issued by NAMA or a NAMA Group Entity at 30 June 2012**

Description	€m
Securities issued by NAMA SPV	26,981
Subordinated debt issued by NAMA SPV	1,595
<b>Total</b>	<b>28,576</b>



Note: NAMA issued senior and subordinated debt to the participating institutions as consideration for the acquisition of eligible bank assets. 95% of the acquisition value was settled through the issuance of senior government guaranteed debt and 5% in the form of subordinated debt. To date, NAMA has redeemed senior debt of €3.25 billion, as a consequence of which, senior debt now accounts for 94% of the total debt in issue at 30 June 2012.

**(iii) Section 54 (3) (b) - List of Debt Securities Issued to/Redeemed by Participating Institution**

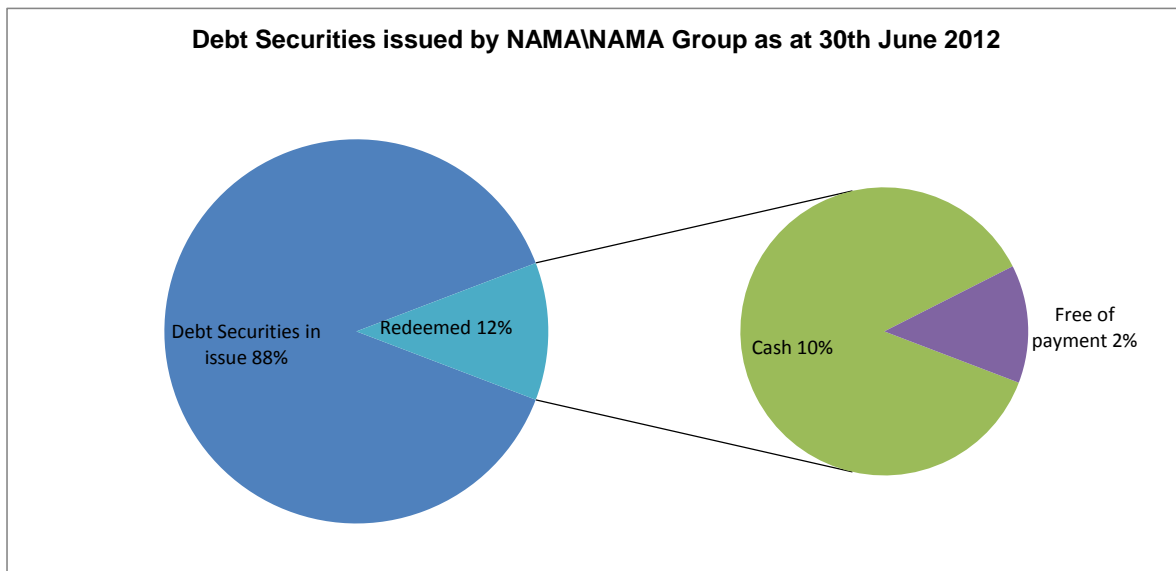
List of debt securities issued by NAMA or a NAMA Group Entity per participating institution at 30 June 2012

Participating Institution bonds originally issued to:	Issued €m
AIB	9,288
BOI	5,678
IBRC (Anglo)*	13,545
IBRC (INBS)*	3,424
EBS	388
Total Debt Securities issued	<b>32,323</b>
Redeemed for cash	(3,250)
Repurchased free of payment	(497)
<b>Debt Securities in issue</b>	<b>28,576</b>

The table above details the participating institutions that were originally issued with NAMA securities as consideration for eligible assets acquired under the NAMA Act 2009. It does not reflect the transfer in February 2011 of NAMA senior bonds from IBRC (Anglo) and IBRC (INBS) to AIB and Irish Life & Permanent respectively, made under part 5 of the Credit Institutions (Stabilisation) Act 2010 by the previous Minister for Finance or any other transfer of ownership since issuance.

Bonds repurchased free of payment reflects NAMA's clawback of the original acquisition price paid following the completion of the due diligence exercise.

\* Note that the Participating Institutions formerly known as Anglo Irish Bank (Anglo) and Irish Nationwide Building Society (INBS) have merged into one entity. On the 14th of October 2011, the merged entity was renamed the Irish Bank Resolution Corporation (IBRC).



*(iv) Section 54 (3) (c) - Advances made to NAMA from the Central Fund*

Advances made to NAMA from the Central Fund until 30 June 2012

Description	Date	€m
None		Nil
<b>Total</b>		<b>Nil</b>

(v) Section 54 (3) (d) - Advances made by NAMA and each NAMA Group Entity

Advances made by NAMA and each NAMA group entity at 30 June 2012

<b>National Asset Management Agency (NAMA)</b>	<b>Date</b>	<b>€m</b>
<b>Advances:</b>		
Other receivables	1 January - 30 June 2012	0
		<u>0</u>

<b>National Asset Management Agency Investment Limited</b>	<b>Date</b>	<b>€m</b>
<b>Advances:</b>		
Loan receivable from NAML	31 March 2010	100
Total		<u>100</u>

<b>National Asset Management Limited (Master SPV - Consolidated) - NOTE 1</b>	<b>Date</b>	<b>€m</b>
<b>Advances:</b>		
Loans and receivables	N/A	24,809
Total		<u>24,809</u>

**NOTE 1 - Breakdown of Consolidated Master SPV by NAMA Group Entity**

<b>National Asset Loan Management Limited</b>	<b>Date</b>	<b>€m</b>
<b>Advances:</b>		
Loans and receivables	N/A	24,809
Total		<u>24,809</u>

<b>National Asset Property Management Limited</b>	<b>Date</b>	<b>€m</b>
<b>Advances</b>	N/A	Nil

<b>National Asset Management Services Limited</b>	<b>Date</b>	<b>€m</b>
<b>Advances</b>	N/A	Nil

<b>National Asset Management Group Services Limited</b>	<b>Date</b>	<b>€m</b>
<b>Advances</b>	N/A	Nil

<b>National Asset Management Limited</b>	<b>Date</b>	<b>€m</b>
<b>Advances</b>	N/A	Nil

(vi) Section 54 (3) (e) - List of Asset Portfolios held by NAMA and each NAMA Group Entity

List of asset portfolios held by NAMA and each NAMA group entity as at 30 June 2012

Entity	Description	€m
<b>National Asset Management Agency (NAMA)</b>	Investments - 49,000,000 ordinary A shares in National Asset Management Agency Investment Limited	49.0
	Cash	0.3
	Costs reimbursable from NAML	6.1
	Other receivables	0.4
	Property, plant and equipment	0.8
	Total	56.5

Entity	Description	€m
<b>National Asset Management Agency Investment Limited</b>	Investment in NAML	0.0
	Loan receivable from NAML	99.9
	Accrued interest on inter-group loan	19.0
	Total	118.9

Entity	Description	€m
<b>National Asset Management Limited (Master SPV - Consolidated) - NOTE 1</b>	Cash and cash equivalents	2,220.4
	Cash placed as collateral with the NTMA	850.0
	Receivable from Participating Institutions	137.6
	Derivative financial instruments	378.5
	Financial assets available for sale	255.8
	Loans and receivables	24,809.4
	Other assets	93.0
	Trading properties	7.2
	Deferred tax asset	292.1
	Total	29,044.0

(vi) Section 54 (3) (e) - CONTINUED

**NOTE 1 - Breakdown of Consolidated Master SPV by NAMA Group Entity**

<b>Entity</b>	<b>Description</b>	<b>€m</b>
<b>National Asset Loan Management Limited</b>		
	Cash and cash equivalents	2,220.4
	Cash placed as collateral with the NTMA	850.0
	Receivables from Participating Institutions	137.6
	Derivative financial instruments	378.5
	Financial assets available for sale	255.8
	Loans and receivables	24,809.4
	Other assets	707.0
	Trading properties	7.2
	Deferred tax asset	177.4
	<b>Total</b>	<b>29,543.4</b>

<b>Entity</b>	<b>Description</b>	<b>€m</b>
<b>National Asset Property Management Limited</b>		Nil

<b>Entity</b>	<b>Description</b>	<b>€m</b>
<b>National Asset Management Services Limited</b>		
	Other Assets	Nil
	<b>Total</b>	<b>Nil</b>

<b>Entity</b>	<b>Description</b>	<b>€m</b>
<b>National Asset Management Group Services Limited</b>		
	Other Assets	28,867.7
	<b>Total</b>	<b>28,867.7</b>

<b>Entity</b>	<b>Description</b>	<b>€m</b>
<b>National Asset Management Limited</b>		
	Other Assets	28,967.6
	Deferred tax asset	114.7
	<b>Total</b>	<b>29,082.3</b>

(vii) Section 54 (3) (f) - List of Government Support Measures received by NAMA and each NAMA Group Entity

Government support measures received by NAMA & NAMA Group Entity as at 30 June 2012

Entity	Description	Amount Issued €m
National Asset Management Agency (NAMA)	None	Nil
National Asset Management Agency Investment Limited	None	Nil
National Asset Loan Management Limited	None	Nil
National Asset Property Management Limited	None	Nil
National Asset Management Services Limited	None	Nil
National Asset Management Group Services Limited	None	Nil
National Asset Management Limited	On the 26th of March 2010, the Minister of Finance guaranteed Senior Notes issued by NAMA as provided for under Section 48 of the NAMA Act 2010. The maximum aggregate principal amount of Senior Notes to be issued at any one time is €51,300,000,000	26,981
<b>Total</b>		<b>26,981</b>

17. APPENDIX 1 - Definition of Loan Payment Status

CodeID	CultureValue	Description	Comment
0	Current Cash	Performing	Accounts not in arrears due to cash receipts or where the arrears are outstanding less than 30 days. It includes matured loans that are still producing cash in accordance with their contractual terms
9	Current Non Cash	Non Performing	Accounts not in arrears because arrears are capitalized or account has a zero interest rate applying.
1	30-59 Days Delinquent	Non Performing	Accounts in arrears where the amounts due are between 30 and 59 days outstanding
2	60-89 Days Delinquent	Non Performing	Accounts in arrears where the amounts due are between 60 and 89 days outstanding
3	90+ Days Delinquent	Non Performing	Accounts in arrears where the amounts due are between 90 and 119 days outstanding
4	120+ Days Delinquent	Non Performing	Accounts in arrears where the amounts due are 120 days or more outstanding
7 & 8	Enforced	Non Performing	Accounts subject to enforcement



## 17. APPENDIX 2 - Ministerial Direction - Pricing of government guaranteed debt issued by NAMA



An Roinn Airgeadais  
Department of Finance

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Our Reference: 513/43/10

National Asset Management Agency  
Treasury Building  
Grand Canal Street  
Dublin 2

14 May, 2010

### Directions to the National Asset Management Agency pursuant to Section 14 of the National Asset Management Agency Act 2009

This direction is issued pursuant to Section 14 of the National Asset Management Agency Act 2009 in order to achieve the purpose of that Act.

I hereby direct that all short-term government guaranteed debt issued by NAMA or a NAMA group entity up to 1 year maturity should not exceed the pricing of equivalent government guaranteed issuance of the Housing Finance Agency.

I also direct that for government guaranteed NAMA debt issuance (including issuance by a NAMA group entity) with duration of greater than 1 year, the margin over Irish Government Bonds of equivalent maturity, listed on the Irish Stock Exchange will not exceed 20 basis points. This is intended to reflect the normalised spread between the yield on Irish Government bonds and that required for government guaranteed paper of similar duration.

Yours faithfully

  
Brian Lenihan TD

Minister for Finance



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NATIONAL ASSET MANAGEMENT AGENCY ACT 2009

Direction under section 14

I, BRIAN LENIHAN, Minister for Finance, in exercise of the power conferred on me by section 14(1) of the National Asset Management Agency Act 2009 (No. 34 of 2009) ("the Act"), direct the National Asset Management Agency, having regard to the immediate and urgent necessity of completing acquisitions of eligible assets from participating institutions to that Agency in order to achieve the purposes specified in section 2 of the Act, to complete those acquisitions as expeditiously as possible, in accordance with Part 6 of the Act.

In my opinion this Direction is necessary to achieve the purposes of the Act.

22 October 2010.

  
BRIAN LENIHAN,  
Minister for Finance



**An Roinn Airgeadais  
Department of Finance**

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<http://www.finance.gov.ie>

Our Reference: 513/43/10

National Asset Management Agency  
Treasury Building  
Grand Canal Street  
Dublin 2

ii May, 2011

**Direction to the National Asset Management Agency pursuant to Section 14 of the National Asset Management Agency Act 2009**

This direction is issued pursuant to Section 14 of the National Asset Management Agency Act 2009 (the "Act") in order to achieve the purposes of that Act.

I hereby direct that the terms and conditions of the National Asset Management Limited Senior Notes guaranteed by the Minister for Finance issued under section 48 of the Act (the "Notes") to provide 95% of the total acquisition value of eligible bank assets acquired from participating institutions in accordance with the Act (including those Notes maturing 1<sup>st</sup> March 2012), be amended, as appropriate:

- (i) to remove the Extension Option; and
- (ii) to remove the option of the Issuer to physically settle all or some only of the Notes at maturity.

The change in the terms and conditions of the Notes (including those issued and maturing on 1<sup>st</sup> March 2012) is necessary to retain the current valuation of the Notes as 1 year instruments to support the stability of those credit institutions that hold the Notes.

This Direction is necessary for the purposes of the Act in Section 2.

Yours faithfully

Michael Noonan TD

Minister for Finance



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### Section 14 Direction Order

Mr Frank Daly  
Chairman  
National Asset Management Agency  
Treasury Building  
Grand Canal Street  
Dublin 2

7 March, 2012

#### **Direction to the National Asset Management Agency pursuant to Section 14 of the National Asset Management Agency Act 2009**

This direction is issued pursuant to Section 14 of the National Asset Management Agency Act 2009 (the "Act") in order that NAMA should achieve the purposes specified in Section 2 – including section 2(b) (ii) to resolve the problems created by the financial crisis in an expeditious and efficient manner and achieve a recovery in the economy; section 2(b) (iv) to protect the interest of tax payers and section 2(b) (viii) to contribute to the social and economic development of the State

I hereby direct that the Board of NAMA adopt all reasonable measures to facilitate the operation of a NAMA Advisory Group, which I am establishing to deal with the following matters:

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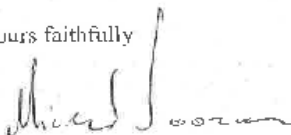
1. Advise the Minister on NAMA's strategy as proposed by the Board of NAMA.
2. Advise the Minister regarding appointments to the NAMA Board so that membership continues to reflect the expertise and experience provided for in section 19(2) of the Act.
3. Advise the Minister on the remuneration of the senior executives of NAMA
4. To advise the Minister on other matters as he considers appropriate

The advisory group will not have decision making powers under the Act.

I also direct that NAMA provide access to papers and information required by the Advisory Group with the exception of specific client information, to understand NAMA business strategy.

This Direction is necessary for the purposes of the Act in Section 2.

Yours faithfully



Michael Noonan TD  
Minister for Finance



**An Roinn Airgeadais**  
**Department of Finance**

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Mr Brendan McDonagh  
Chief Executive Officer  
National Asset Management Agency  
Treasury Building  
Grand Canal Street,  
Dublin 2

29 March 2012

**Direction to the National Asset Management Agency  
pursuant to Section 14 of the National Asset Management Agency Act 2009**

This direction is issued pursuant to Section 14 of the National Asset Management Agency Act 2009 (the "Act") in order to achieve the purposes of the Act.

I hereby direct that the Board of NAMA adopt all reasonable measures to facilitate the short-term financing, in the amount of circa Euro 3.060 billion, of Irish Bank Resolution Corporation Limited, by entering a transaction on appropriate commercial terms, collateralised by an appropriate Irish Government bond, under section 12(2)(r), with a maximum duration of 90 days.

This Direction is necessary for the achievement of the purposes of the Act set out in Section 2.

Yours faithfully

Michael Noonan TD  
Minister for Finance

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