



**National Asset
Management Agency**

2013 Annual Report and Financial Statements

27th May 2014



**National Asset
Management Agency**

NAMA Financial Review

NAMA Key Financials

Performance in 2013 and to May 2014

Profitable

- Operating profit, before tax and impairment charges of **€1,198m** - increase of 45% on 2012.
- Profit for the year of **€211m**, NAMA's third successive year of profit.
- 2013 impairment charge of **€914m**.
- NAMA has net reserves at end-2013 of €810m (end-2012: €412m)

Cash Generation

- At end-2013 NAMA held cash balances and liquid assets of **€4.4 billion**.
- From inception to end-2013 NAMA generated **€15.1 billion** in cash flows - **€4.5 billion** in 2013.
- **From inception to 23 May 2014 NAMA has generated gross cash flows of €18.6 billion (excl NARL).**

Asset Sales

- From inception to end-2013, NAMA generated sales of €10.9 billion worth of loans, property and other assets held as security (10,000 individual properties).
- **Asset sales completed to date are €14.1 billion.**

NAMA Key Financials

Performance in 2013 and to May 2014

Credit Advances (additional loans granted by NAMA)

- To end-2013, credit advances of **€2.5 billion** approved, including **€712m** in 2013.
- **Credit advances approved to end-April 2014 were over €2.9bn, of which €1.4bn relates to projects in ROI. €770m of the €1.4bn has already been drawn down.**
- **Investment in Dublin Docklands and addressing residential demand in key areas.**

Credit decisions

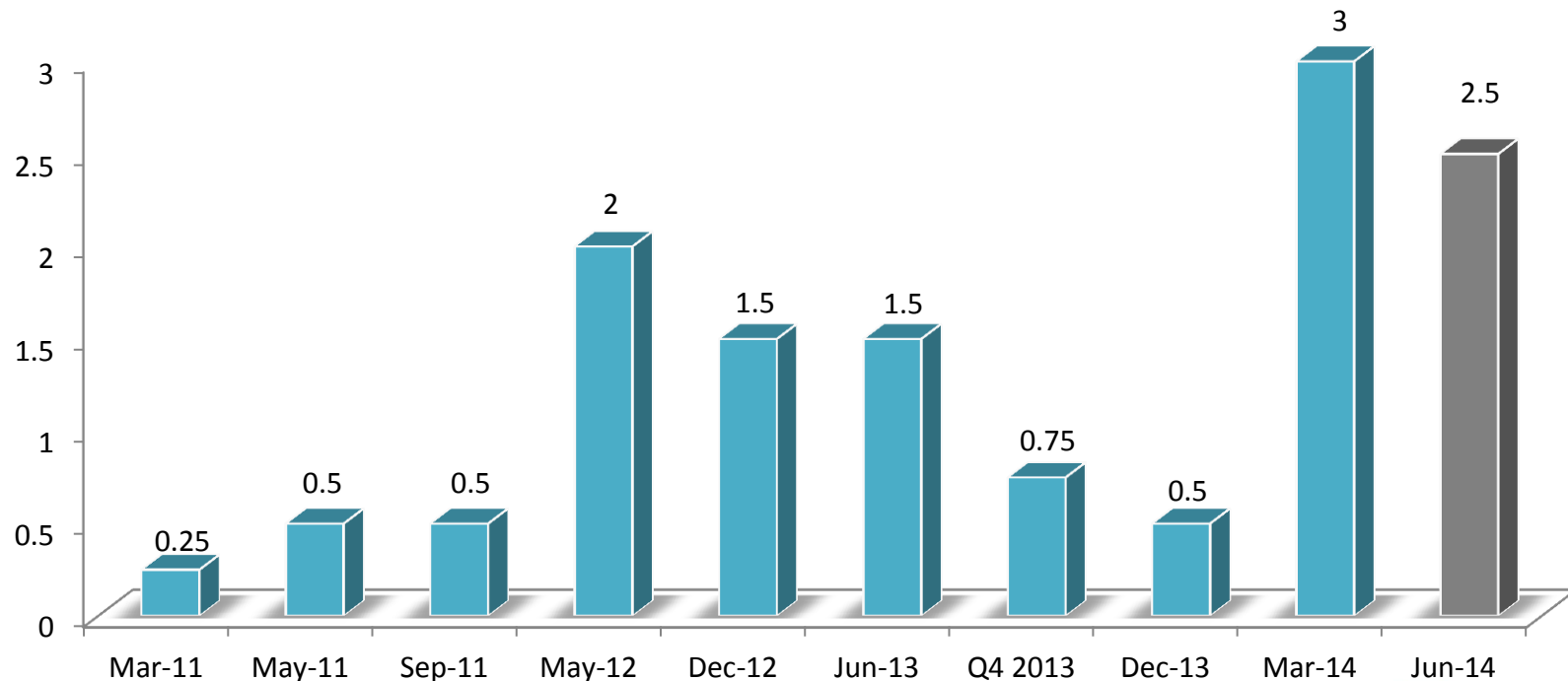
- From inception to end-2013, **39,686** credit decisions made, including **17,886** in 2013.
- Average turnaround time for credit decisions in 2013 less than 5 days.
- Approval rate was 95%.
- **46,716 decisions were made to end-April 2014.**

Additional Security

- NAMA has obtained charges over additional security with an aggregate value of over **€800m**.
- This includes **€180m** of asset transfer reversals.

Meeting bond repayment targets 2 years ahead of schedule

- June 2014: Intend to redeem a further **€2.5bn of Senior Bonds**.
- Cumulative Senior Bond Redemptions €13bn – over **43% of NAMA's Senior Bonds by end-June 2014**.
- Anticipated further €2bn redemptions in H2 2014 – cumulative redemptions of €15bn - 50% of senior debt.
- Paid **coupon of €84m on subordinated debt** for first time.
- NARL bond redemption of **€3.3bn** announced last week.
- NAMA intends to redeem a further €1.75bn NARL bonds this week. (This would bring repayments to €9.9bn out of the €12.9bn total. NAMA intends to fully repay NARL bonds by end-2014)



NAMA Key Financials

2013 Income Statement

Summary Income Statement NAMA Group	2013 €m	2012 €m
Interest and fee income	1,335	1,387
Interest costs	(375)	(493)
Net interest income	960	894
Net profit on disposal of loans and property assets; and surplus income	505	188
Foreign exchange (loss)/gain	(89)	(99)
Derivatives (loss)/gain	(54)	(38)
Operating costs and other expenses	(124)	(119)
Operating profit before impairment (↑ 45%)	1,198	826
Impairment charge	(914)	(518)
Profit for the year before tax	284	308
Tax (charge)	(71)	(76)
Dividends	(2)	(4)
Profit for the year	211	228

NAMA Key Financials

Summary Balance Sheet 31 December 2013

Summary Balance Sheet	2013 €m	2012 €m
Assets		
Cash and cash equivalents and liquid assets	4,400	3,644
Loans and receivables - NAMA	19,598	22,776
Loans and receivables - NARL (IBRC SL)	11,716	-
Other assets	511	808
Total assets	36,225	27,228
Liabilities and reserves		
Senior Bonds in issue - NAMA	22,690	25,440
Senior Bonds in issue - NARL (IBRC SL)	11,928	-
Other liabilities	797	1,376
Total liabilities	35,415	26,816
Total equity and reserves	810	412
Equity and Liabilities	36,225	27,228

NAMA (excl. NARL) Key Financials

Summary of cash flow from inception to end-2013

Cash flow generation	2013	2012	From
	NAMA Group (excl NARL) €m	NAMA Group (excl NARL) €m	inception to end 2013 (excl NARL) €m
Opening cash balance	3,644	3,847	-
Inflows			
Disposal receipts	3,672	3,041	10,870
Non disposal income	792	1,210	3,607
Other	16	254	607
Total cash generated	4,480	4,505	15,084
Outflows			
Foreign exchange and debt servicing	(560)	(745)	(1,681)
Advances to borrowers	(665)	(308)	(1,517)
Operating costs and other	(144)	(155)	(381)
Total operational outflows	(1,369)	(1,208)	(3,579)
Net cash generated	3,111	3,297	11,505
Debt reduction			
Senior Bond redemptions	(2,750)	(3,500)	(7,500)
Closing cash, cash equivalents and liquid assets	4,005	3,644	4,005

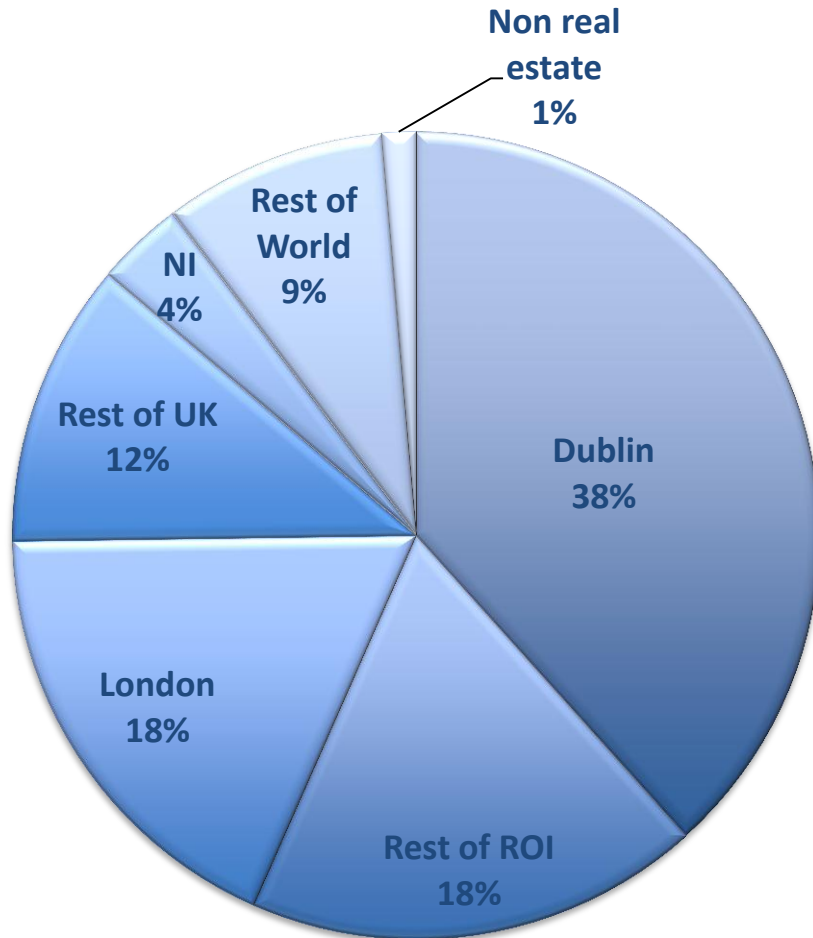


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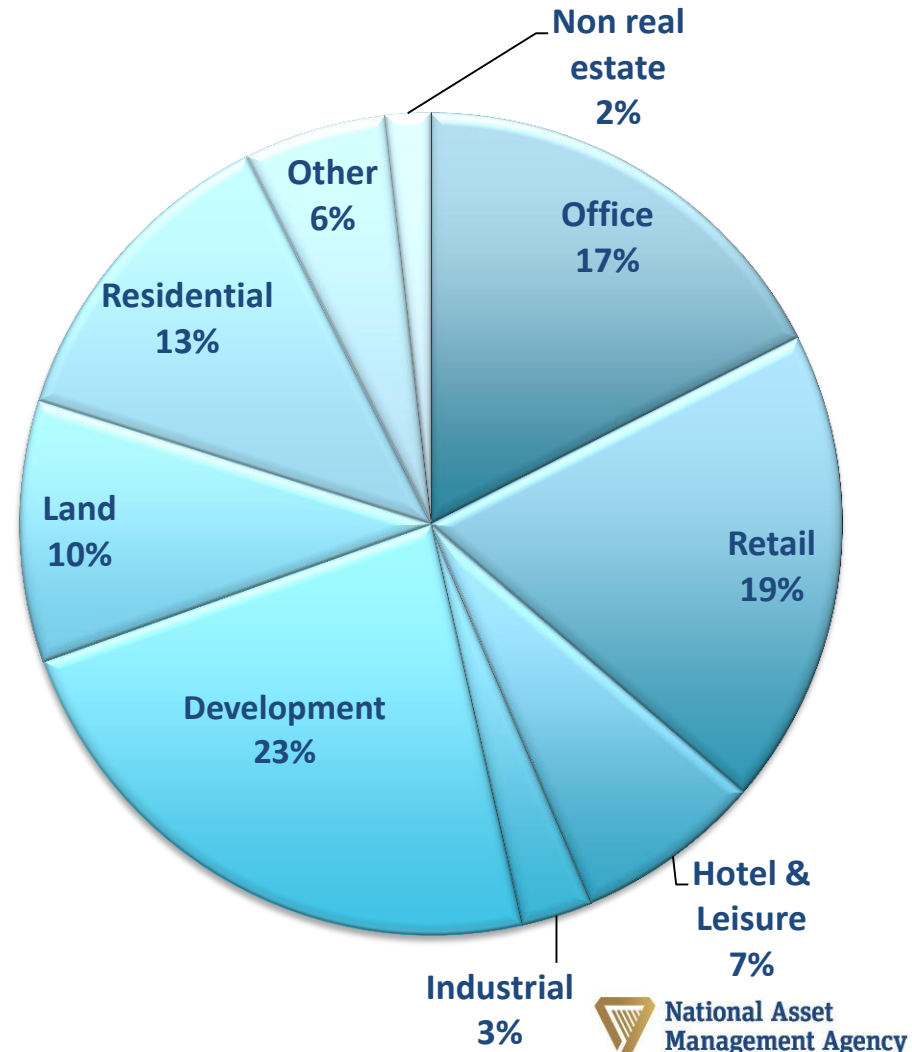
NAMA Portfolio

NAMA retains diverse portfolio interests by geography and asset class (31/12/2013)

Geographic Breakdown

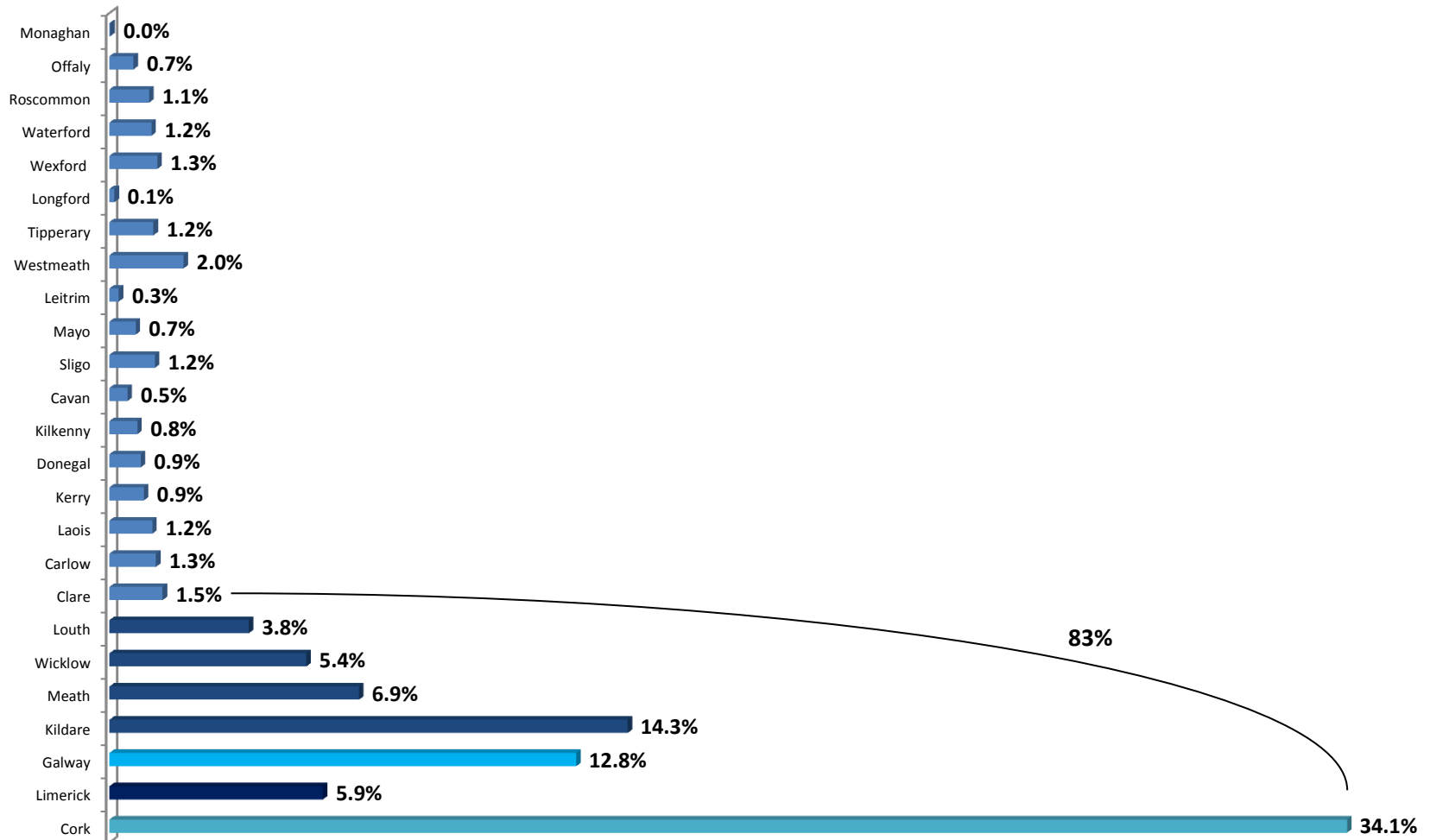


Sector Breakdown



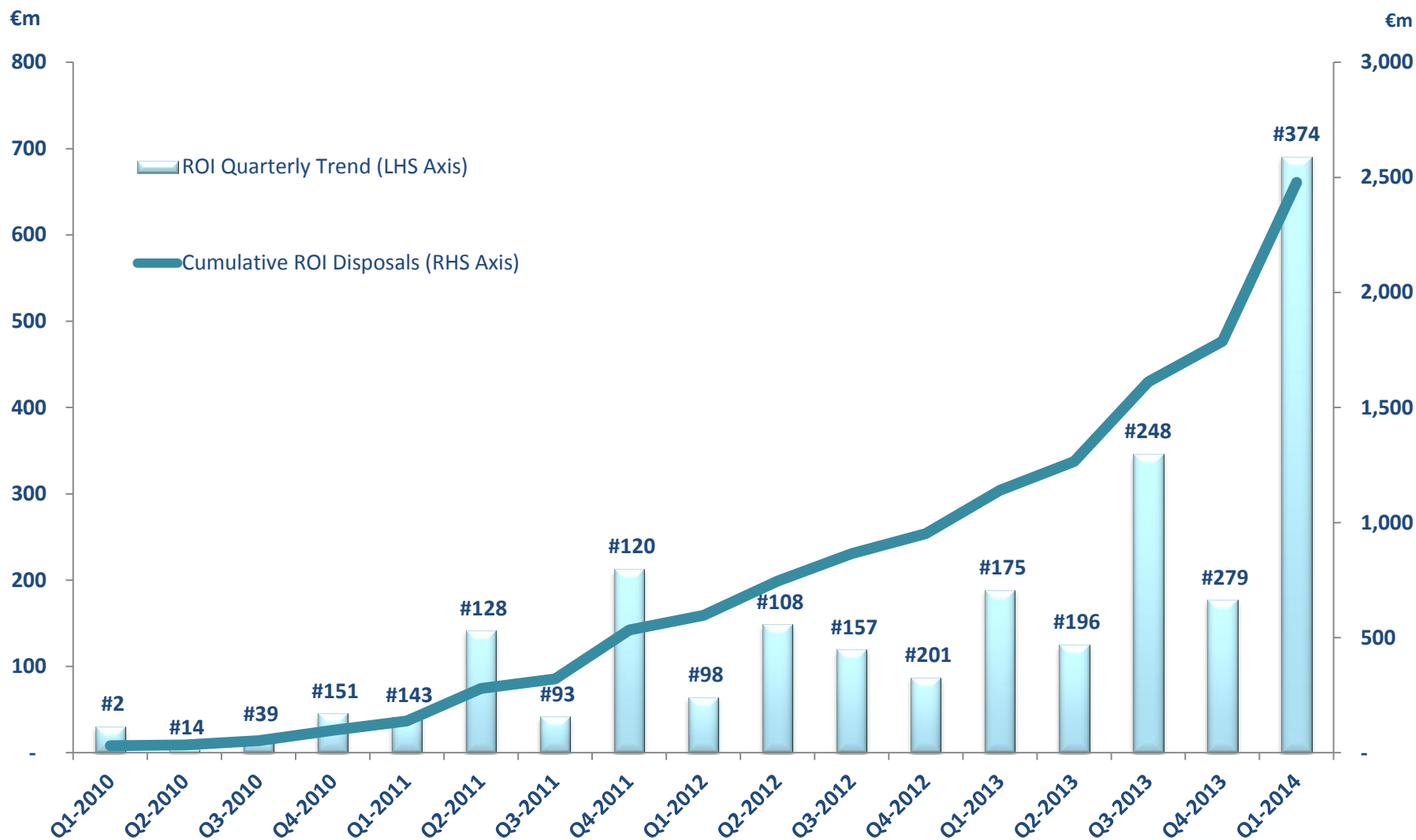
NAMA contributing to revival of property market across Ireland – Urban centric

ROI County Breakdown 31/12/13 (ex-Dublin)



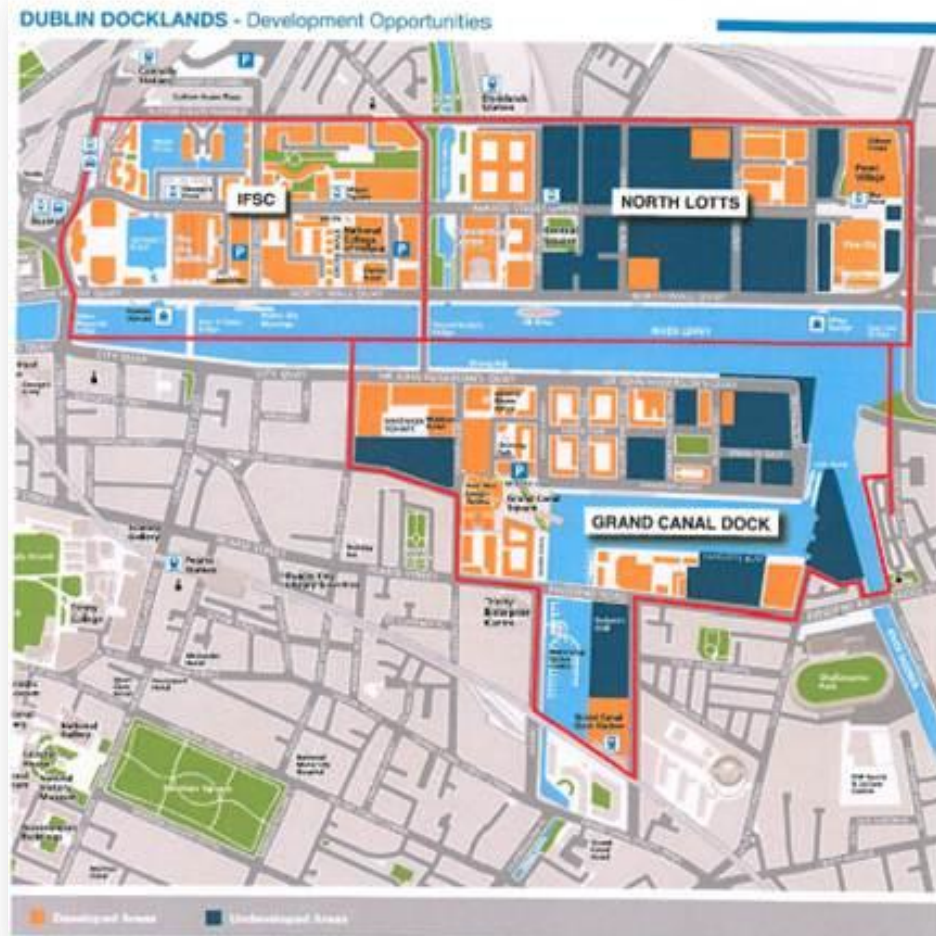
ROI disposal trend since inception

(€1.6bn at end-2013, €2.5bn by 31/3/14)



Dublin Docklands

- NAMA welcomes approval by An Bord Pleanála.
- SDZ envisages:
 - 3.5m sq.ft. commercial office space
 - 2,600 residential units
 - Remaining sites (22 hectares) are roughly equivalent in scale to the entire Custom House Docks/IFSC area (24 hectares)
- NAMA has an interest in over 70% of the 22 hectares available for development.
- NAMA mechanisms for development:
 - Debtors
 - Receivers
 - Joint Ventures

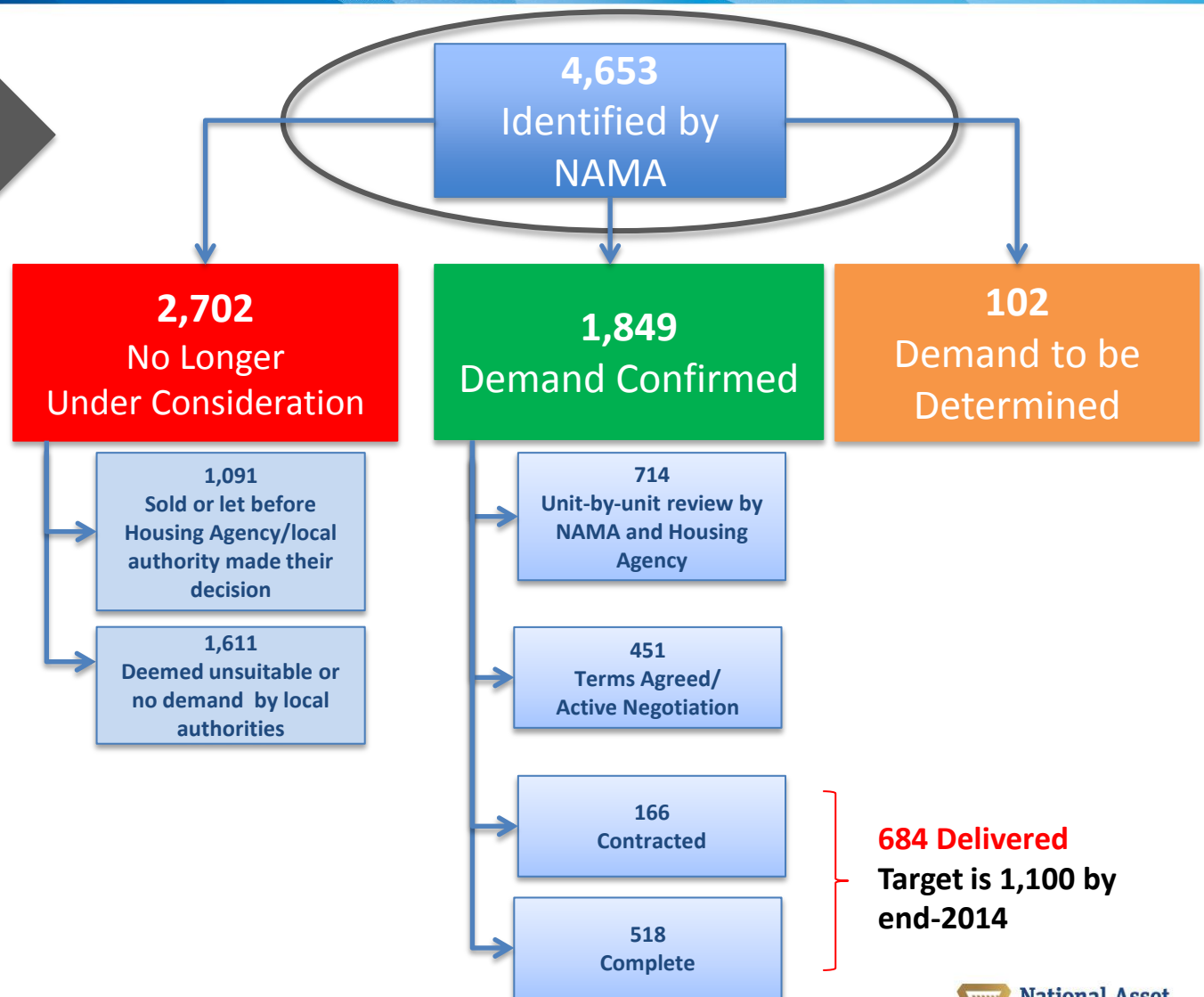


SDZ - Map of Developable Area

Social and economic contribution

Social housing

Position in relation to houses identified by NAMA for social housing



Summary

- ✓ Reducing State's contingent liability at an accelerated pace by meeting Senior Debt redemption targets ahead of schedule. Target redemption of 50% by end-2014 – equivalent to €15bn.
- ✓ Total cash flows in excess of €18.6bn (excl NARL\SL IBRC) have been generated, €4.4bn of cash and liquid assets on hand at end-2013.
- ✓ NAMA continues to generate operating profits after impairment charges, despite unfavourable market movements. NAMA has reserves of €800m at end-2013.
- ✓ Focus on maximising income and managing Debtors, Receivers and Assets to enhance value.
- ✓ Irish property market is undergoing robust recovery with strong international interest at reasonable price levels.
- ✓ NAMA fully committed to delivering commercial property in Dublin Docklands and addressing residential demand in key areas.
- ✓ Ireland and NAMA are delivering.



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