

National Asset Management Agency

Annual Report & Financial Statements **2016**



www.nama.ie

Annual Report Financial Statements 2016



NAMA 2016 Annual Report and Financial Statements

1 June 2017



NAMA Key Financial Indicators

2016



National Asset
Management Agency

Profit

€1.5bn



Senior Bond Redemptions

€5.5bn



Cash Generation

€5.4bn



Disposal Receipts

€5.0bn





NAMA Key Financials

Performance in 2016

Profitable

€1.5 billion profit after tax (2015: €1.8 billion).

€282m impairment credit (2015: €86m).

€1.1 billion profit on disposal of loans, property assets; and surplus income (2015: €1.6 billion).

Cash Generation

NAMA continues to generate significant cash through asset and loan disposal activity and non-disposal income. Some

€5.4 billion was generated in cash in 2016.

Total cash generated from inception to end-2016 was **€38.1 billion.**

Asset Sales & Income

For the year ended 2016, NAMA realised proceeds of **€5.0 billion** from the sale of loans, property and other assets.

Total sales proceeds from inception to end-2016 was **€32.2 billion.**

Total non-disposal income was **€5.4 billion** from inception to end-2016.



NAMA Key Financials

Performance in 2016 and to end-April 2017



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Senior Debt Redemptions

€5.5 billion redeemed in 2016.

€29.7 billion, over **98%** redeemed to date.

€500m of Senior Debt is currently outstanding.

NAMA is firmly on target, subject to prevailing market conditions, to **redeem all €30.2 billion by end-2017** thereby eliminating a significant liability to the State.

Development Funding

In line with its overriding commercial mandate, NAMA has approved substantial development funding for projects in Ireland. Of total capex to end-2016, 68% related to the residential sector across NAMA's entire portfolio.

NAMA may fund, subject to commercial viability, the delivery of **20,000** new residential properties by end-2020.



NAMA Key Financials

2016 Highlights

	Dec 2016 €m	Dec 2015 €m
Interest and fee income	398	614
Interest expense	(83)	(221)
Net interest income	315	393
Net profit on disposal of loans, property assets; and surplus income	1,110	1,587
Foreign exchange gain/(loss)	9	(14)
Derivatives loss	(3)	(134)
Administration and other expenses	(45)	(63)
Operating profit before impairment	1,386	1,769
Impairment credit / (charge)	282	86
Profit for the year before tax	1,667	1,854
Tax charge	(164)	(28)
Profit for the year	1,503	1,826



NAMA Key Financials

Financial Position 2016

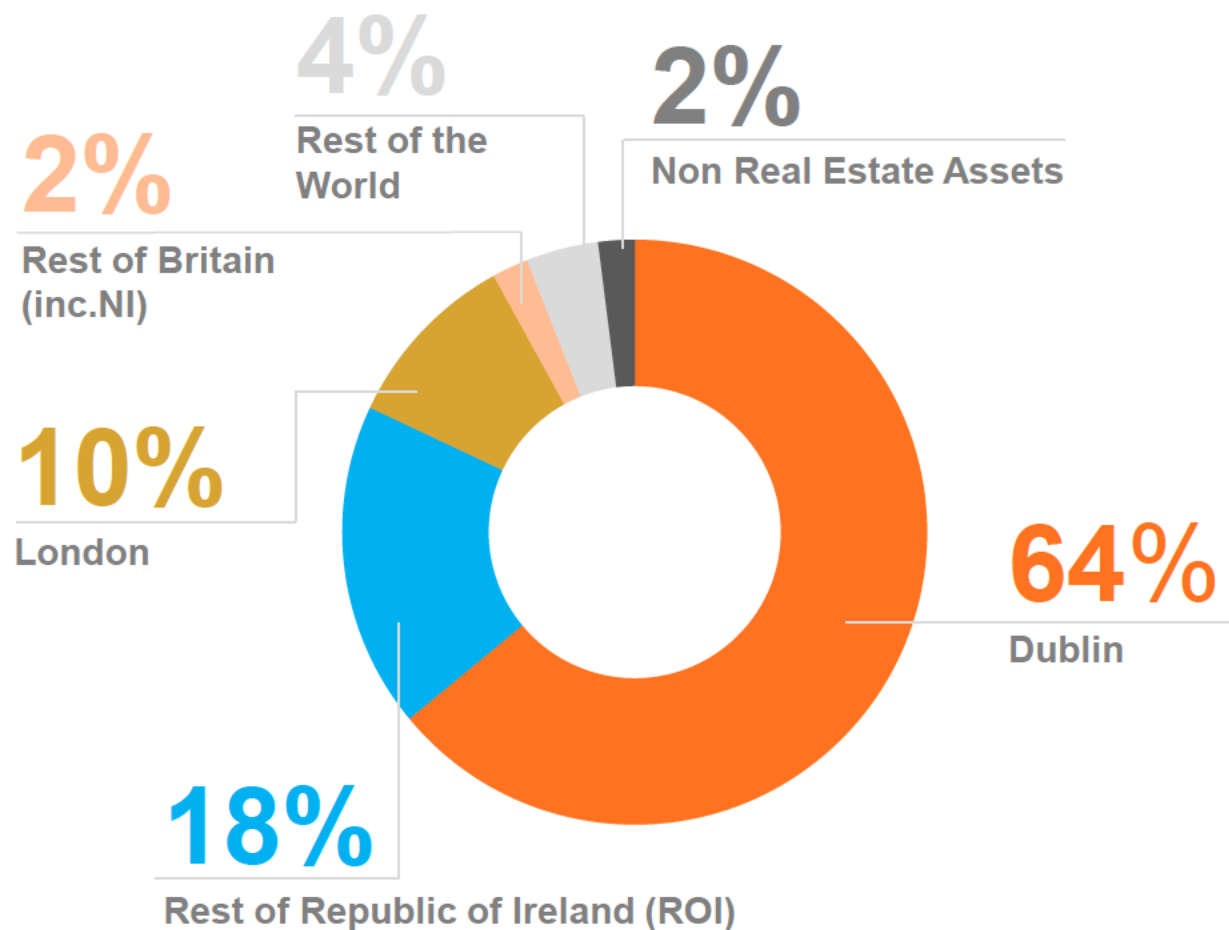
	Dec 2016 €m	Dec 2015 €m
Assets		
Cash and cash equivalents and liquid assets	2,165	3,402
Loans and receivables (net of Impairment*)	3,919	7,816
Other assets	1,252	348
Total assets	7,336	11,566
Liabilities and reserves		
Senior bonds in issue	2,590	8,090
Other liabilities	54	270
Total liabilities	2,644	8,360
Total equity and reserves (including €1.6bn sub debt)	4,692	3,206
Equity and liabilities	7,336	11,566

* NAMA impairment at end-2016 – €1.56bn (2015 – €2.5bn)



NAMA Retains a Diverse Portfolio Interest – by value at 31/12/2016

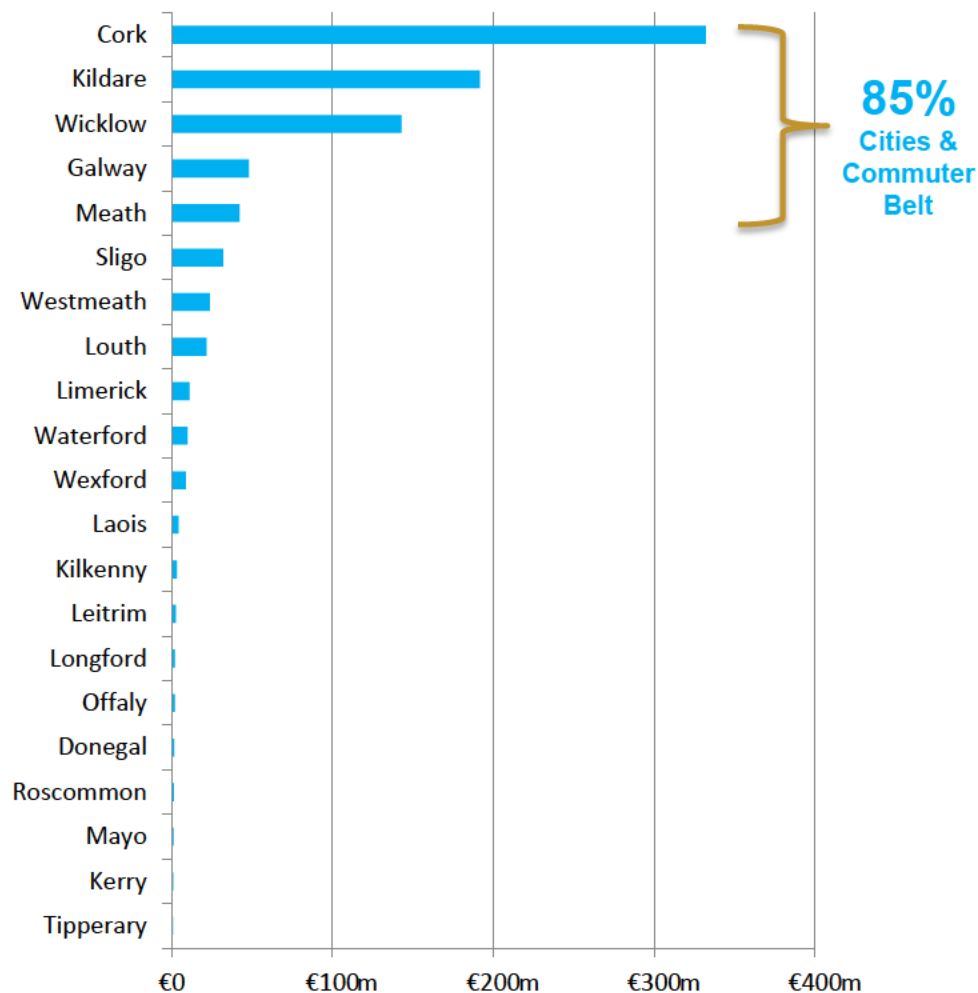
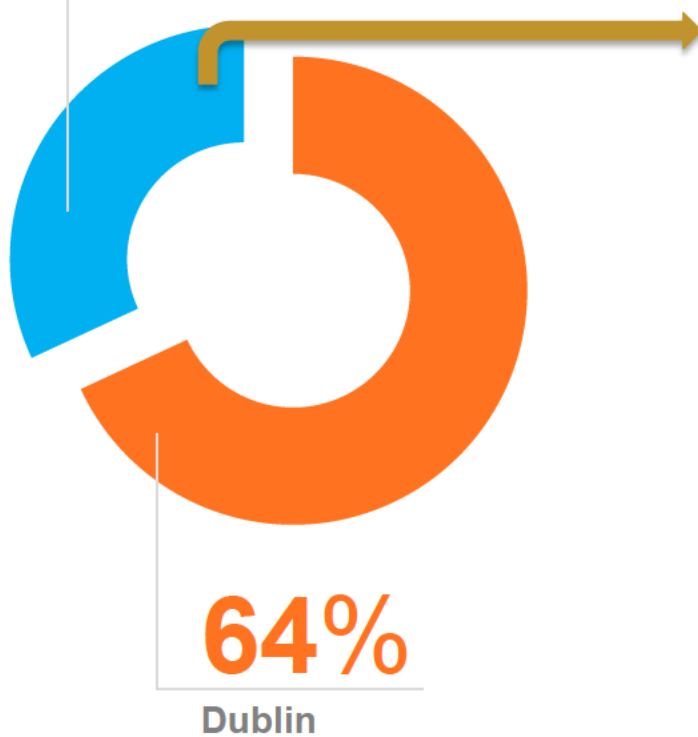
Geographical and Sectoral Diversity



Remaining portfolio

18%

Rest of ROI



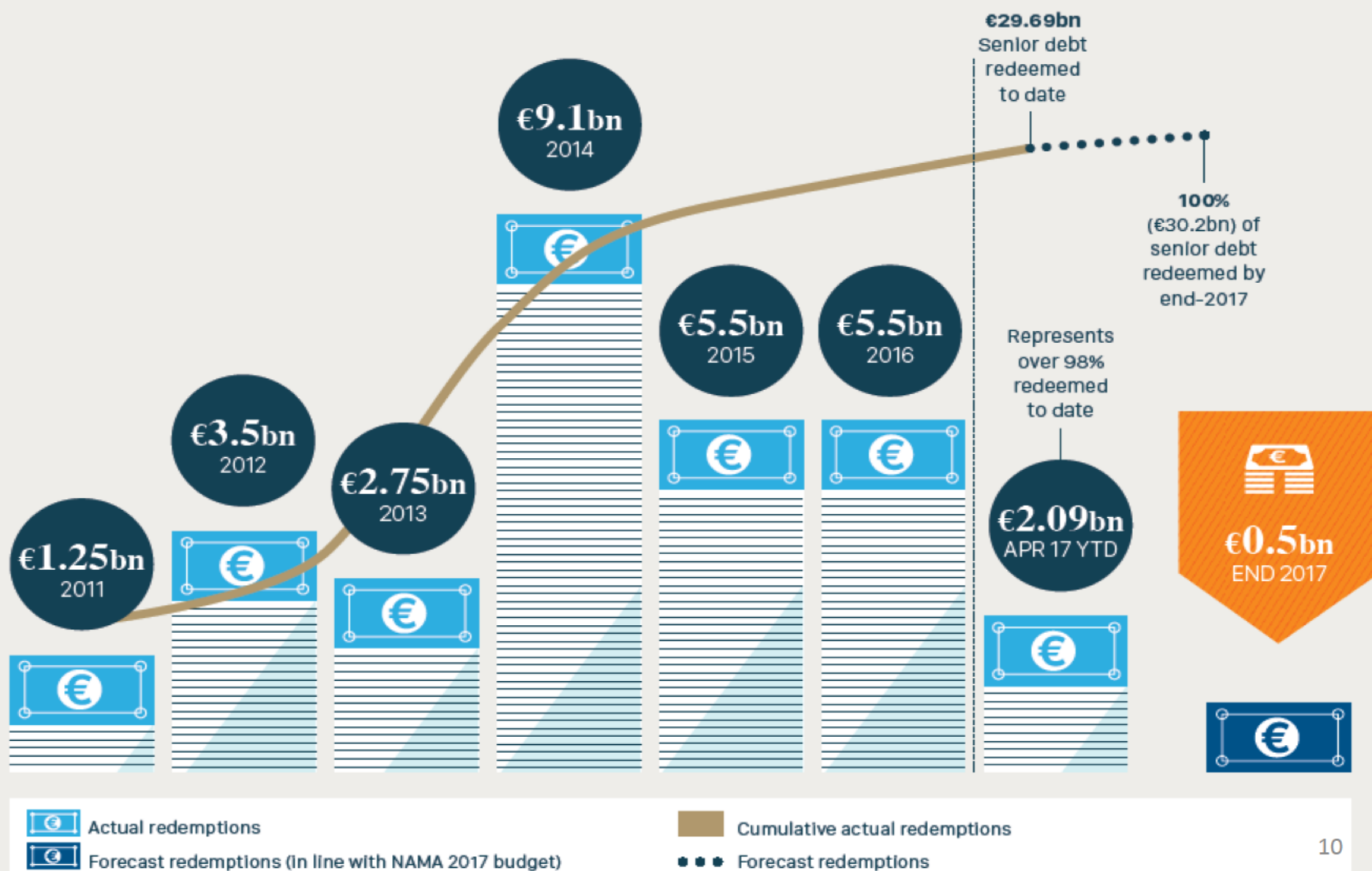


NAMA

Senior Debt Repayments



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Paying back Debt

Less than 2% of Original €30.2bn Outstanding



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€500m NAMA Senior Debt

DEBT ISSUED 2010 – 2012

- AIB €8.6bn
- BOI €5.3bn
- Anglo €12.7bn
- INBS €3.2bn
- EBS €0.4bn
- PTSB Nil

€30.2 billion

NAMA REPAID 2010 – 2017

Debt repaid through:

- Sales of Assets by NAMA Debtors & Receivers;
- Non-Disposal Income;
- NAMA Loan Sales

€29.7 billion

BALANCE 31/05/2017

Current **Senior Debt** balance:

- AIB €360m
- BOI €90m
- PTSB €50m

€500m

The background image shows a tall, modern brick building with a grid-like window pattern, situated in an urban waterfront area. In the foreground, there is a body of water with several sailboats and a small park area with trees. A large, light brown, curved shape is in the bottom left corner, and a white curved line arches over the water. The sky is blue with scattered white clouds.

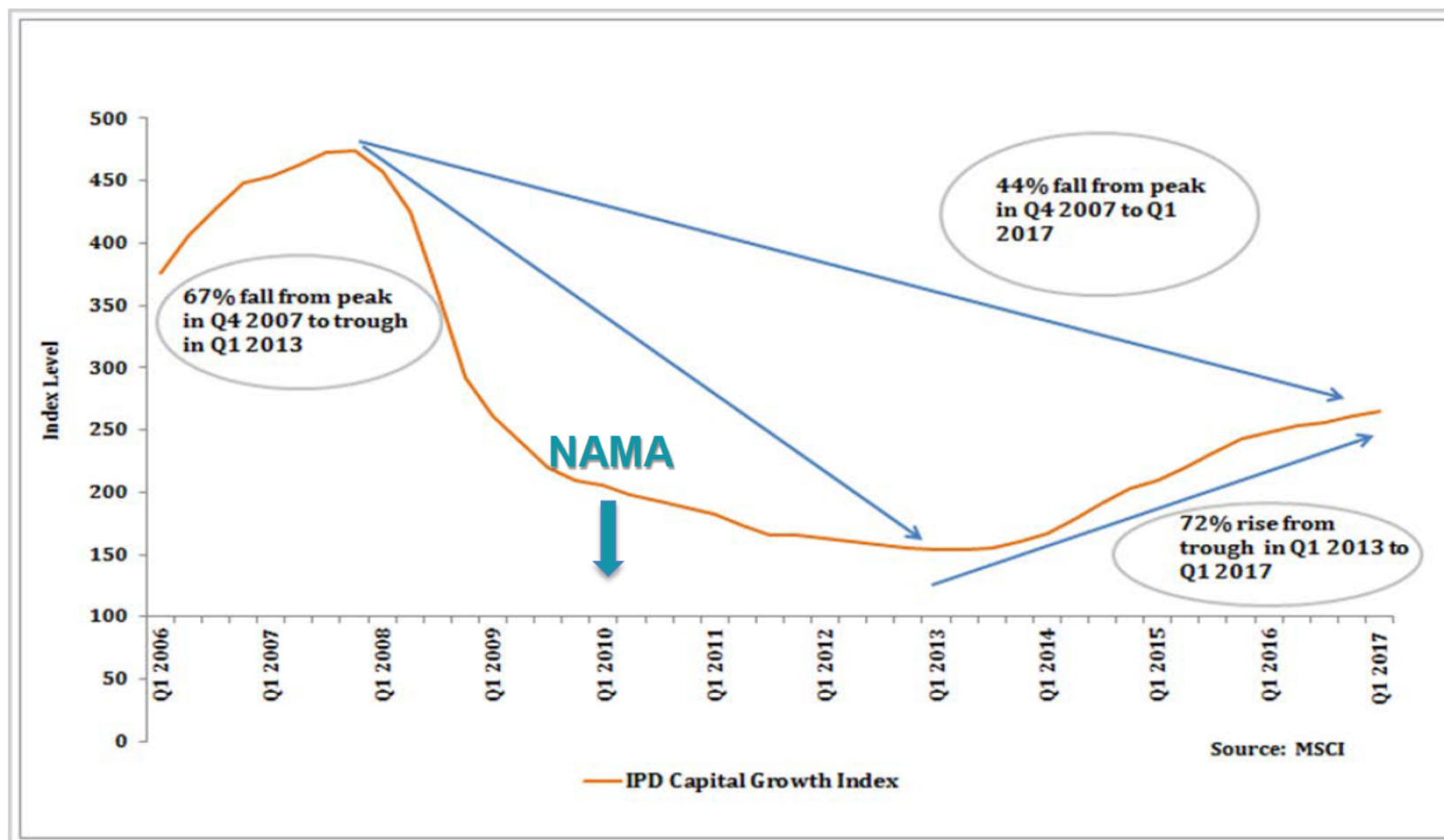
Dublin Docklands SDZ

Achieving our Key Strategic Objectives

NAMA facilitates the delivery of Grade A office accommodation in the Dublin Docklands SDZ; it contributes, not only in terms of project funding, if required, but also in bringing coherence, direction and drive to the delivery process.

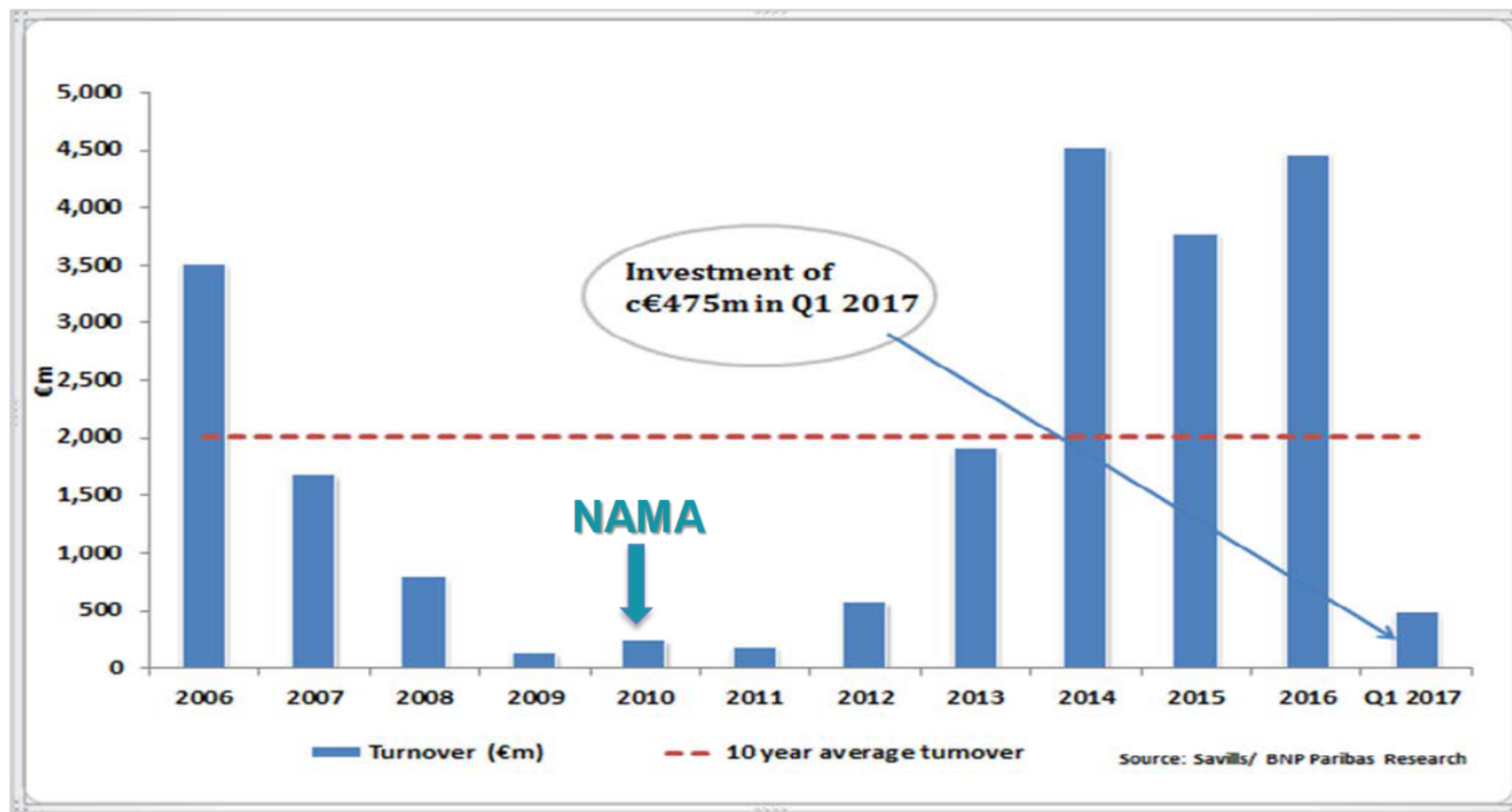
Irish Commercial Property Prices

2006 – Q1 2017 – 44% below Q4/2007



Commercial Property Transaction Values

2006 – Q1 2017 – Average €2bn p.a. over 10 years



In 2016, investment in Irish commercial real estate (CRE) totalled €4.5 billion. Key transactions included the sale of Blanchardstown Shopping Centres (c.€950m) and Liffey Valley Shopping Centre (c.€630m).



Achieving Strategic Objectives

Dublin Docklands SDZ

	Pre-planning 760,000 sq.ft. Commercial 860 Residential Units	10-12 Hanover Quay Mayor St. (Block 3) North Wall Quay (Block 5) Waterways Ireland (Block 19)
	Planning submitted/granted 756,000 sq.ft. Commercial 350 Residential Units	Dublin Landings (Residential) 76 Sir John Rogerson's Quay Wintertide Exo Building
	Construction commenced 1.8m sq.ft. Commercial 230 Residential Units	Bolands Quay Capital Dock City Quay* 5 Hanover Quay (Commercial) New Road Dublin Landings (Commercial)
	Construction completed 47,500 sq.ft. Commercial	8 Hanover Quay
	Sites sold 650,000 sq.ft. Commercial 650 Residential Units	Spencer Dock 5 Hanover Quay (Residential) Wintertide

* Outside Docklands SDZ area.



Achieving Strategic Objectives

Examples of Dublin Docklands SDZ Projects



Exo Building



**City Development Fund
- 8 Hanover Quay**



**City Development Fund
- 13-18 City Quay**



Dublin Landings



Bolands Quay



**South Docks Fund
- 5 Hanover Quay**



Capital Dock



Wintertide - Block 5

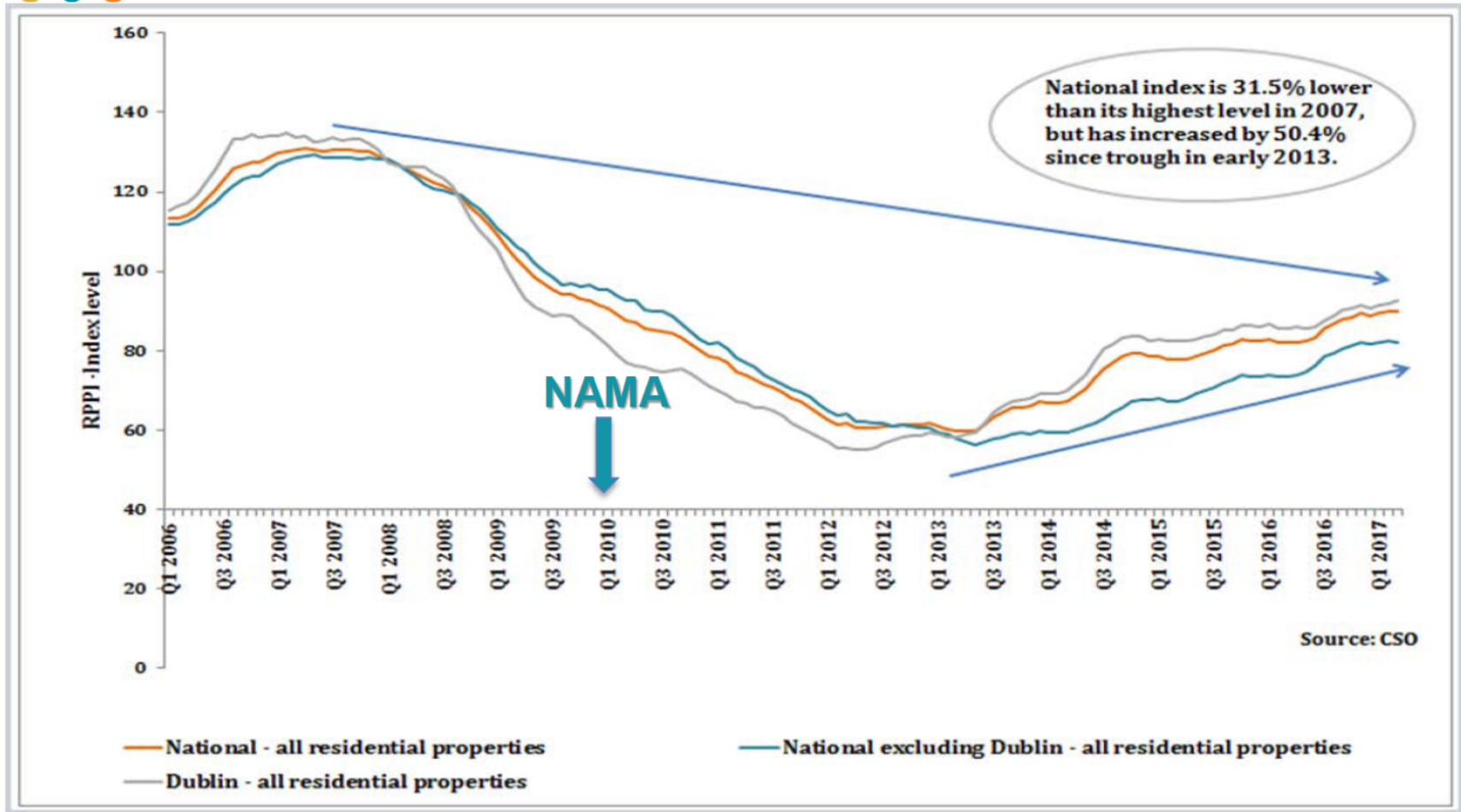
Residential Delivery

Achieving our Key Strategic Objectives

NAMA aims to facilitate the completion of 20,000 new residential units, principally in the Dublin area, in the period to end-2020 and, through intensive asset management of residential sites, aims also to maximise the number of sites that are ready for development.

Residential Property Price Index

2006 – Q1 2017 – still 31.5% below 2007 peak



The fall from 2007 peak to lowest point in 2013 was **54%** nationally and **59%** in Dublin.

In the 12 month period to March 2017, residential property prices at national level increased by 9.6%



Achieving Strategic Objectives

Residential Delivery to end-March 2017



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Units	Greater Dublin Area	Total Ireland
Completed (across 83 developments) since start 2014	4,057	4,840
Under construction (across 45 sites)/Funding approved for construction	2,754	3,178
Planning permission granted	6,615	7,475
Planning applications lodged	2,301	3,608
Planning applications to be lodged within 12 months	5,605	6,905
TOTAL		26,006

26,006
units

Major progress has been made with a view to maximising residential delivery on sites controlled by NAMA debtors and receivers: some **26,006** units are potentially deliverable from sites that are completed or under construction or where planning has been granted, lodged or about to be lodged.

20,000+
units

Sites with a delivery capacity of another 20,000+ units are at the pre-planning or feasibility stages - these sites are either not commercially viable at current sales prices and/or have specific infrastructural requirements such as roads, water or sewerage that will need to be addressed by local authorities and other State bodies before a planning application can be lodged.



Achieving Strategic Objectives

Units Delivered to end-March 2017



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Total Completed since 2014 to end-March 2017	
Dublin City Council	576
Dun Laoghaire-Rathdown County Council	1,066
Fingal County Council	868
South Dublin County Council	1,040
Sub-Total Dublin	3,550
Meath County Council	111
Kildare County Council	254
Wicklow County Council	142
Total Greater Dublin Area (GDA)	4,057
Cork	461
Galway	110
Rest of Ireland	212
Outside of GDA	783
TOTAL	4,840



Development Land

Sites Sold by NAMA Debtors and Receivers



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**50,043
units**

3,220 delivered/
under construction

NAMA has always sought to ensure that there is an adequate supply of development land available to the market. Since 2011, NAMA debtors and receivers have sold sites with the potential to deliver over 50,000 residential units. It is estimated that some 1,116 units have been delivered to date on these sites and that an additional 2,104 units are under construction. The total of 3,220 units delivered or under construction on these sites represents 6% of the sites' delivery capacity.

Potential delivery capacity (number of residential units) of sites in which NAMA or its debtors/receivers have sold their interests from 2011 to date

	2011	2012	2013	2014	2015	2016	2017	Total
Potential delivery capacity (number of residential units) on sites	1,022	2,677	2,455	6,445	22,875	8,149	6,420	50,043
Number of units completed or under construction				39	1,125	689	1,367	3,220

It may be noted that development of some of the sites may be currently inhibited by one or more constraints relating to commercial viability, infrastructure or suitable planning permission.



Achieving Strategic Objectives

Example of Housing Delivery



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Reilean

Roscam, Co. Galway - Block 4



Cualanor

Dun Laoghaire, Co. Dublin -
Phase IIA - Roseland



Terenure Gate

Terenure, Dublin 6



Silken Park Avenue

Saggart, Co. Dublin - Phase 2



Honeypark

Dun Laoghaire, Co. Dublin -
Phase 1F/Block 8 Neptune



Social Housing Delivery

End-2016



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6,941

By end-2016, NAMA had offered 6,941 residential properties for social housing purposes. Demand was confirmed by local authorities for 2,748 properties.



2,378

2,378 homes were delivered for social housing by end-2016.



€300m+

NAMA has invested or committed over €107m to remediate and complete properties for housing and invested over €200m to purchase houses and apartments through its special vehicle for acquiring social housing units, NARPS.








Unfinished Housing Estates

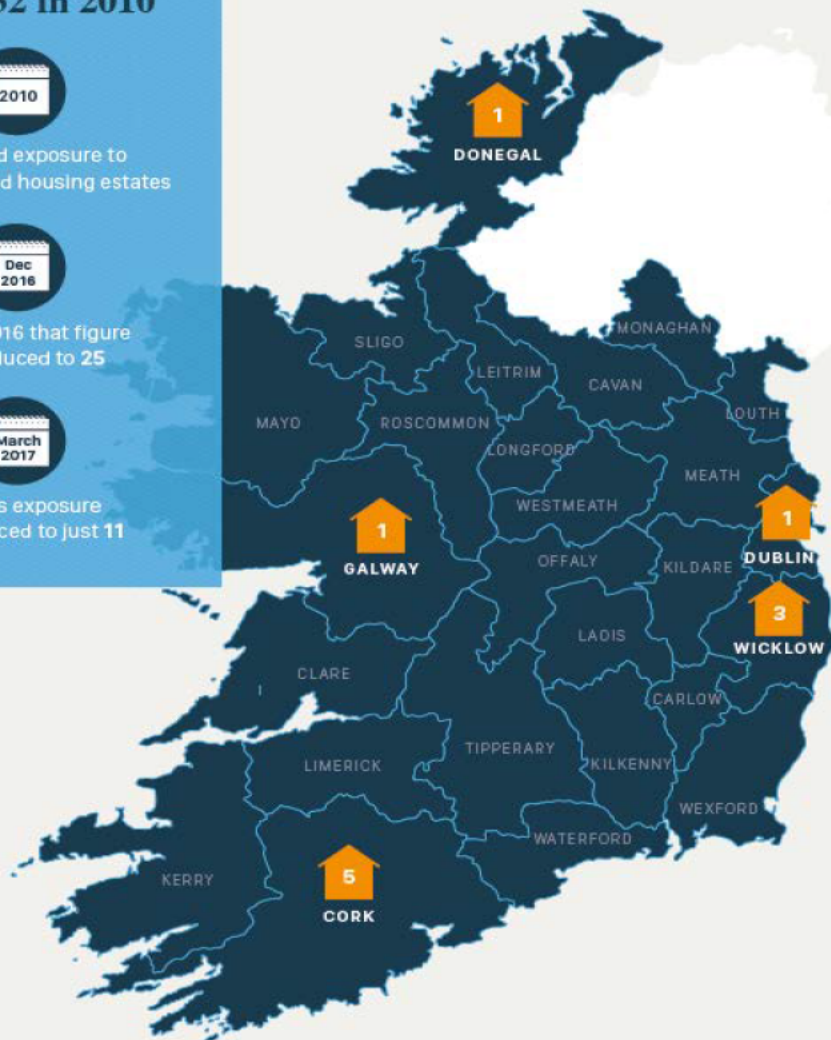
11 Remaining to Date from 332 in 2010

**11 remaining
from 332 in 2010**


2010
NAMA had exposure to
332 unfinished housing estates


Dec
2016
By end-2016 that figure
had reduced to 25


March
2017
NAMA's exposure
has reduced to just 11

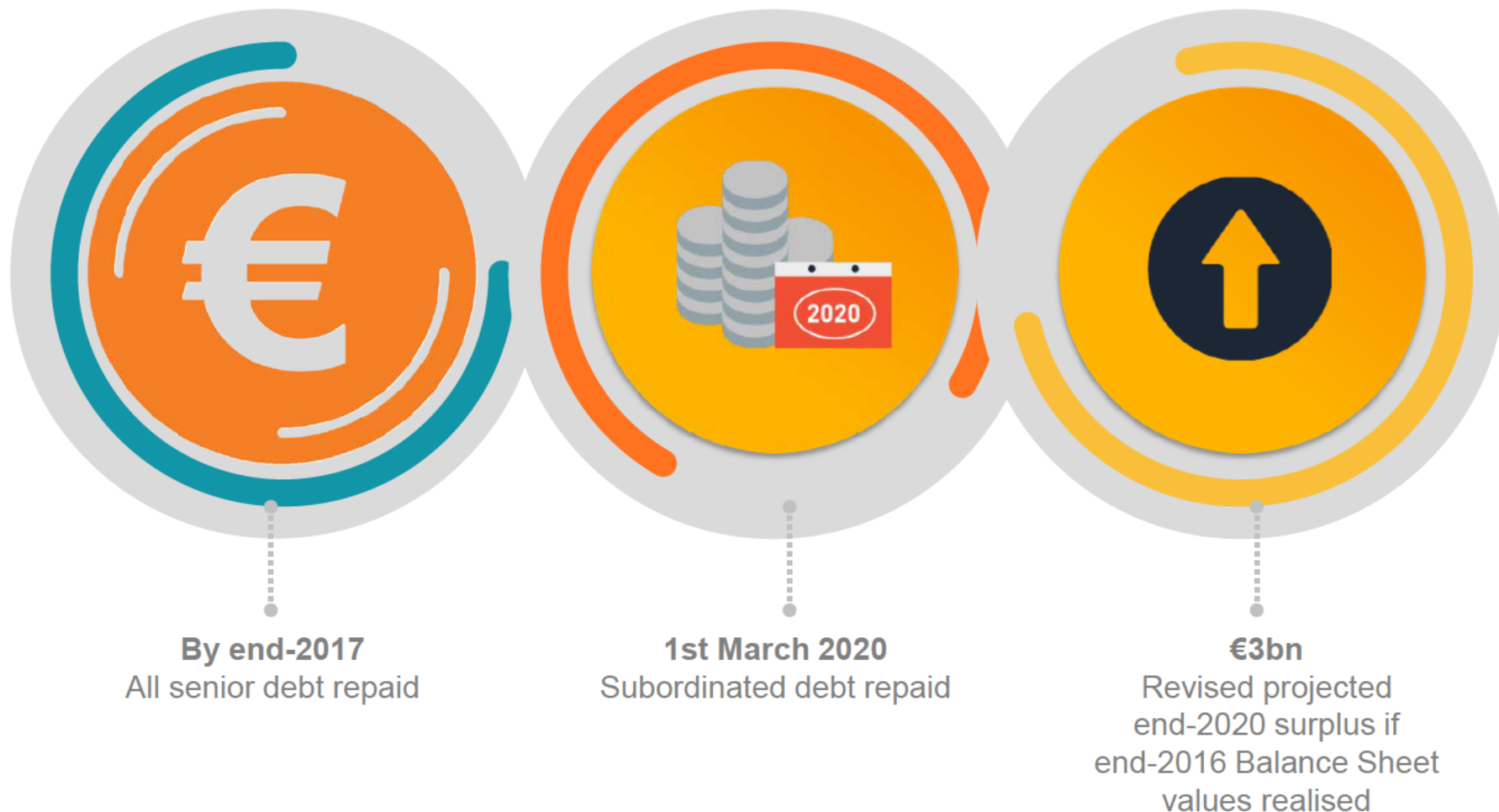


NAMA has
played its part in
resolving this very
difficult problem
it inherited in
2010



NAMA – Looking Forward

Subject to Current Market Conditions Prevailing





PROFITABLE

On target to deliver
a terminal surplus
(currently estimated at
€3bn)



DEBT REDEMPTION

On target to redeem all
€30.2bn senior debt
by end-2017 and the
subordinated debt by 2020



Driving and Funding **RESIDENTIAL FUNDING**

Target of facilitating
20,000 residential units
by 2020



Driving and Funding **COMMERCIAL DEVELOPMENT**

The Docklands SDZ area

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