

Press Statement (2nd January 2015): NAMA End of Year Review for 2014

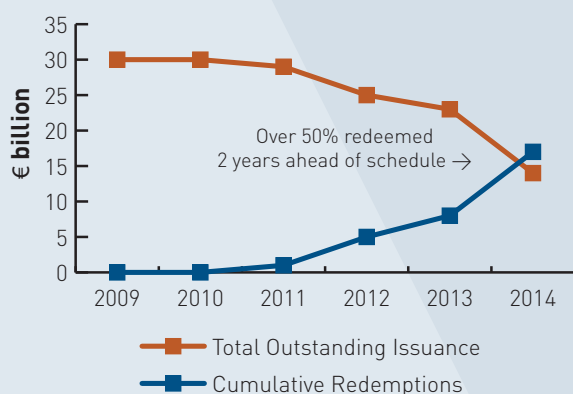
- ▶ NAMA has today issued an end-year summary of progress made in 2014, and since its inception, on a number of its key objectives and targets. Among the highlights is the redemption of €9.1 billion in senior debt during the year. This brings NAMA's cumulative redemption of senior bonds to €16.6 billion which is 55% of the €30.2 billion of senior debt originally issued to acquire loans from five financial institutions in 2010 and 2011.

Speaking about the end-year summary, NAMA Chairman, Mr Frank Daly and NAMA CEO, Mr Brendan McDonagh said: *"2014 was a tremendous year in terms of cashflow generation and accelerated debt paydown and in terms of NAMA making a significant contribution to the delivery of social housing, private housing and the Dublin Docklands SDZ and to employment preservation in trading businesses. We look forward with continued confidence to delivering on NAMA's challenging mandate in 2015"*.

SENIOR DEBT REDUCTION

- ▶ During the course of 2014, NAMA redeemed €9.1 billion of senior debt. This brings to €16.6 billion the amount of senior bonds redeemed since inception (55% of the €30.2 billion of senior debt originally issued). It means that NAMA has already exceeded the cumulative 50% (€15.1 billion) senior debt redemption target it originally set for the end of 2016 and it has done so two years ahead of schedule.

NAMA Bond Issuance & Redemption



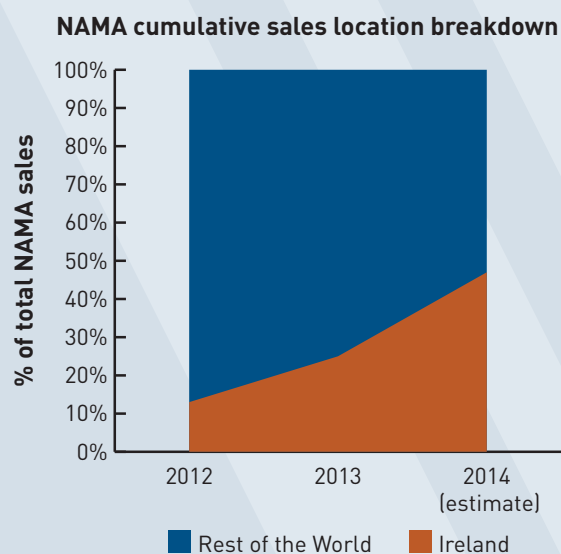
CASH GENERATION

- ▶ NAMA continues to generate significant cash through disposal activity and non-disposal income. Some €8.6 billion in cash was generated in 2014, including €7.8 billion from the proceeds of asset disposals. Total cash generated since inception has reached €23.7 billion (the first loan transfers took place in March 2010).
- ▶ Of the €23.7 billion, €18.7 billion relates to asset disposals and €5 billion to other income, mainly rental receipts from properties controlled by debtors and receivers.
- ▶ At end-2014, NAMA held cash and cash equivalent balances of €1.8 billion, after making NAMA senior bond redemptions and other debt repayments totalling €16.6 billion since inception.

ASSET SALES

- ▶ Since inception, NAMA has realised proceeds of €18.7 billion from the sale of loans and property and other assets held as security; €7.8 billion (42%) of this was realised in 2014.

Improved conditions in the Irish commercial market and an upsurge in investor interest in multi-asset property portfolios and in loan portfolios enabled NAMA to increase substantially the scale of disposal activity in 2014. The graph below illustrates the increasing importance of sales of Irish assets in the context of overall NAMA sales.



- ▶ The principal loan sales included Project Eagle (loans secured by assets controlled by Northern Ireland debtors), Project Tower (loans secured by investment and developments assets, mainly in Ireland, Britain and Germany), Project Holly and Project Spring (both of which were secured largely by commercial and development assets in Ireland).
- ▶ The main asset portfolio sales included a number of office portfolios in Dublin (Project Redwood and the Central Park complex), a Dublin residential portfolio (Project Orange) and two retail portfolios (Project Acorn and Project Parks).
- ▶ NAMA will continue to ensure that a strong flow of asset and loan portfolios will be offered to the market in Ireland, the UK and Europe during the course of 2015, assuming that current investor interest is sustained.

DUBLIN DOCKLANDS SDZ

▶ The North Lotts and Grand Canal Docks area of the Dublin Docklands was designated as a Strategic Development Zone (SDZ) in December 2012 by the Minister for the Environment, Community and Local Government. Following adoption of the Docklands SDZ Scheme in May 2014, NAMA has intensified its preparatory work in relation to the development land within the SDZ in which it holds an interest: this comprises 75% of the 22 hectares of developable land in the Docklands SDZ area. From the initial appraisal exercise conducted by NAMA, it is estimated that up to 3.4m sq ft of commercial space and 1,848 apartments could potentially be delivered if all the sites in which NAMA has an interest were to be fully commercially developed over the next five to seven years.

▶ NAMA is involved in a number of initiatives which have been announced over recent weeks:

- ▶ It will provide funding for the planning application to Dublin City Council for the development of the landmark Boland's Mill site in Dublin's south Docklands. The planning application submitted by the site's receivers includes proposed office, residential, cultural and retail development, totalling almost 400,000 sq. ft.
- ▶ NAMA is a minority shareholder in a fund – the South Docks Fund - which has recently submitted a planning application to Dublin City Council for the development of over 450,000 sq. ft. of office and residential accommodation at 5 Hanover Quay and 76 Sir John Rogerson's Quay in the Docklands. Subject to planning approval, construction is likely to begin during the first quarter of 2015 and the new developments are expected to accommodate up to 2,400 workers and 158 apartments.

- NAMA is also a shareholder in another fund - the City Development Fund - which will begin the construction of a new building, comprising 50,000 sq. ft. of office space, at 6-8 Hanover Quay. When completed, the building will accommodate 300 staff in the European headquarters of a major U.S.-based corporation.

- NAMA announced on 17 December that Oxley Holdings Limited is its preferred bidder for a key site located at 72-80 North Wall Quay. Subject to completion of the transaction, Oxley will acquire a long leasehold interest with the right to develop, manage and realise the site. NAMA will retain the freehold interest and will receive a secure income stream in addition to a percentage of any future sales proceeds. Oxley's proposal comprises the development of more than 645,000 sq. ft. of Grade A office space, with capacity for up to 5,500 employees, and the delivery of over 200 apartments. The planning application is likely to be submitted in early 2015 and, subject to this, it is envisaged that construction will begin in late 2015/early 2016.

RESIDENTIAL DELIVERY

- ▶ As part of its contribution to address emerging residential supply shortages in the Greater Dublin area, NAMA established a dedicated Residential Delivery team in April 2014. The team is driving delivery of NAMA's commitment to facilitate the completion of 4,500 new residential units in the period to the end of 2016 and to assess the scope for delivery of additional units thereafter. The end-2014 delivery target of 1,000 units has been exceeded; it is expected that another 1,500 residential units will be delivered in 2015 with the residual to be delivered in 2016.

FUNDING

- ▶ To date, NAMA has approved a total of €3.2 billion in advances to debtors and receivers. This includes €1.6 billion in approved funding for the completion of construction projects currently in progress in Ireland and to develop new projects to meet prospective supply shortages in certain sectors. Close to €1 billion of this has already been drawn down. NAMA is prepared to advance additional funding for commercially viable Irish projects, including the Dublin Docklands and residential development programmes mentioned above.

SOCIAL HOUSING

- ▶ NAMA is working closely with the Department of the Environment, Community and Local Government and the Housing Agency (which have responsibility for the provision of social housing) to facilitate local authorities and housing bodies to purchase and lease properties for social housing. A Special Purpose Vehicle (NARPS) established by NAMA to expedite social housing delivery acquires residential units from NAMA debtors and receivers and leases them directly to approved housing bodies.
 - ▶ By end-2014, over 1,000 units were delivered under this initiative and NAMA expects, on the assumption that local authorities and approved housing bodies confirm their intention to buy or lease the properties, that a further 1,000 units will be taken up by local authorities and housing bodies over the next year.
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▶ To date, NAMA has identified over 5,700 residential properties as being available and potentially suitable for social housing. Of these, demand has been confirmed by the Housing Agency on behalf of local authorities for just over 2,200 properties and a further 187 are currently being evaluated.

▶ NAMA made just over 1,900 houses and apartments available in Dublin for social housing, of which 742 have been taken up for social housing. A breakdown for the four Dublin local authorities is set out below.

Local Authority	Made available by NAMA	Demand confirmed by Local Authority	Delivered to Date
DCC	813	417	328
DLRCC	321	130	93
Fingal	231	80	44
SDCC	575	115	48
	1940	742	513

EMPLOYMENT PRESERVATION

▶ NAMA played a major part in facilitating the examinership of trading businesses during 2014, resulting in safeguarding close to 1,000 jobs in Ireland.

Contact NAMA

To raise any query with NAMA please email the Agency at INFO@NAMA.ie



National Asset Management Agency