



## 2012 END-OF-YEAR UPDATE

NAMA has generated **€10.5 billion in cash flows** since inception:

- ▶ €6.9 billion in asset disposals.
- ▶ Sales transactions completed in respect of over 3,900 individual properties.
- ▶ €1.5 billion worth of Irish assets currently on the market through debtors and receivers.
- ▶ €4.4 billion in cash generated in 2012, including €1.3 billion in recurring non-disposal income (€3.6 billion generated in non-disposal income to date).

### NAMA's **strong cash position**

- ▶ End-year cash and cash equivalent balances of €3.6 billion, after NAMA senior bond redemptions and other debt repayments totalling over €5 billion since inception.

NAMA **remains profitable**, despite a prudent impairment policy

- ▶ 2011: Net profit after tax of €247 million.
- ▶ 2012 (to end-June): Net profit after tax of €222 million (a detailed impairment review is being carried out in respect of the 2012 financial year and will be reflected in the full-year audited accounts (subject to audit by C&AG) that are expected to be published by mid-2013).

NAMA **firmly on target to achieve end-2013 and 2020 debt reduction milestones**

- ▶ Additional €3.5 billion of NAMA Senior Bonds redeemed in 2012.
- ▶ Cumulative NAMA Senior Bond redemptions of €4.75 billion to date (63% of end 2013 target of €7.5 billion).

NAMA's **€2 billion capital investment plan for Ireland**

- ▶ In May 2012, NAMA announced plans to invest at least €2 billion in Irish assets, in addition to the €500 million in advances for Irish assets approved prior to that date.
- ▶ This includes the completion of properties which are currently under development and the development of land in anticipation of future supply shortages and demand, particularly in the office sector.
- ▶ NAMA also established a dedicated Asset Management team whose brief includes the appraisal, financing and delivery of projects in Ireland and Britain.
- ▶ To date, NAMA has approved €1.7 billion in advances to debtors, of which over €1 billion has been drawn down.
- ▶ The timing of actual drawdowns in Ireland is dependent, for certain of the proposed projects, on resolution of planning matters and a number of infrastructural issues with various local authorities. This will enhance the commercial viability of these projects.

NAMA's **€2 billion Vendor Finance initiative**

- ▶ NAMA announced in May 2012 that it would make €2 billion in vendor finance available to prospective buyers of commercial assets controlled by its debtors and receivers. In the context of a commercial property market where transactions were estimated to aggregate only €200 million in 2011, NAMA's initiative represents a significant injection of liquidity. The first vendor finance transaction was completed during 2012 and a number of others are currently in the pipeline and nearing completion.



### **NAMA launches new deferred mortgage initiative**

- ▶ Following a pilot over the summer months, the NAMA 80:20 Deferred Payment Initiative was launched in October in respect of an initial 295 houses in 12 counties nationally. To date, sales have been agreed on over 100 of these properties with an aggregate value in excess of €18 million. The initiative will be extended on a phased basis during 2013 up to a maximum of 750 properties.

### **NAMA identifies close to 3,900 residential properties for social housing**

- ▶ NAMA has identified 3,879 residential properties controlled by its debtors and receivers as being available for social housing provision.
- ▶ The onus for determining the suitability of these units for social housing rests with the local authorities, which assess, in conjunction with the Housing Agency, the demand for identified houses and apartments.
- ▶ Demand has been confirmed by the local authorities for 1,484 of the properties that NAMA has made available and another 841 properties are being evaluated. The overall number of units potentially suitable, therefore, is 2,325.
- ▶ In order to expedite the allocation of suitable units to social housing, NAMA established a Special Purpose Vehicle in 2012 to acquire residential units from its debtors and receivers and to lease them directly to approved housing bodies.

### **NAMA approves €13.5 million in rent abatement for commercial tenants**

- ▶ To end-2012, NAMA had granted 212 applications for rent abatement with an aggregate annual value of €13.5 million.
- ▶ A further 56 applications are currently being reviewed.
- ▶ Only 8 of the 276 eligible applications received to date have been refused (97% approval rate by NAMA).

### **NAMA working closely with other public bodies**

- ▶ NAMA is working closely with a range of public bodies, including local authorities and the IDA, to support domestic economic activity and employment.

- ▶ NAMA's engagement with these bodies has helped facilitate a number of employment-intensive investments, including a €100 million investment by the Kerry Group at the Millennium Business Park in Naas.
- ▶ Through NAMA's on-going engagement with IDA, a number of large-scale lettings are expected to conclude in 2013.
- ▶ NAMA has engaged extensively with the Department of Education and Skills in relation to its requirements for school sites.

### **Over 17,000 individual credit decisions to date**

- ▶ NAMA has made over 17,000 individual credit decisions since inception, ranging from straightforward approvals for individual house sales through to highly complex and substantial applications.
- ▶ The average turnaround time for credit decisions within NAMA is currently less than 5 days (NAMA works to a target turnaround time of 7 days).

### **NAMA was involved in a number of high-profile court challenges in 2012, including:**

- ▶ The challenge by Treasury Holdings to the Agency's decision to appoint receivers to certain of its assets.
- ▶ The challenge in the English High Court to the Agency's decision to sell loans associated with the Maybourne Hotel Group.
- ▶ In May 2012, NAMA commenced proceedings against Treasury Holdings and its shareholders under Section 211 of the NAMA Act to reverse the TAIL transaction.
- ▶ Holtglen Limited was supported by NAMA in its Petition to the High Court to secure payment of sums due (€20.7m) pursuant to an Arbitration Award in 2011 and a High Court Order from March 2012. Payment was received in late December and the application subsequently withdrawn.
- ▶ It initiated a number of asset recovery proceedings in the US, Canada and other foreign jurisdictions.