

NICC Lunch P. Stewart NAMA Overview and NI Considerations

Minister Wilson, President of the Chamber, Ladies and Gentlemen: Thank you for your warm welcome today. I am delighted to meet with so many members of the Northern Ireland business community at a time when the contribution from this sector in terms of acumen, expertise, knowledge and know-how will have a crucial influence in shaping the future economy of Northern Ireland.

In September 2009, Minister for Finance Brian Lenihan and Minister of Finance and Personnel Sammy Wilson, agreed to the formation of an advisory committee on Northern Ireland as part of the structure for the governance of NAMA.

I am particularly honoured to chair this committee on Northern Ireland. As my name might suggest, my father's family came from Scottish settlers in the days of the plantation of Ulster and for some generations their home was in Stewartstown near Dungannon in County Tyrone.

Indeed I have a long history of economic involvement, one could say even economic dependence, with this city of Belfast. After the Second World War my father's sister moved to Belfast and early each December from my infancy up to my late teens, an envelope with the Belfast postmark would arrive at our house and inside would be a shiny, new 10-shilling note. Many a Christmas present was bought with those 10 shilling notes.

This same aunt later married Elliot Forde who was a Director of the Northern Bank for over twenty years, a member of this Chamber *and* a President of the Institute of Bankers and he was an honest, decent and principled leader in the Belfast business community.

On Wednesday last we had our first meeting of the Northern Ireland advisory committee of the National Asset Management Agency where two other such respected leaders of the Northern Ireland business community joined us. These are Frank Cusnahan and Brian Rowntree, who will be well known to many of you here today.

Frank Cushnahan has had a distinguished career in banking and public service and currently holds senior posts in the office of the Deputy First Minister and First Minister of Northern Ireland.

Brian Rowntree is Chairman of the Northern Ireland Housing Executive and he has held a number of previous senior public appointments within Northern Ireland and on a cross-border basis. Both Frank and Brian have been honoured by the British Government for their services in Northern Ireland.

I have no doubt but that Frank and Brian will present fairly and clearly to our committee the particular issues that we must consider in relation to Northern Ireland and what is more, I am sure that their combined wisdom and substantial and relevant experience will be most valuable to my colleagues and me on the committee as we seek to guide and direct the work of NAMA over the coming years.

The remainder of the committee will be made up by two fellow non-executive Directors of the Board of NAMA: Brian McEnery and Eilish Finan and by Ronnie Hanna who has recently joined the agency, as a senior executive, from Ulster Bank in Belfast.

At our first meeting of the advisory committee we have considered and discussed both the background and the objectives and aims of NAMA. The objectives are clearly set out in section 10 of the National Asset Management Agency Act and these include the words “to deal expeditiously with the assets acquired” (that is the bank loans) and “protecting or

otherwise enhancing the value of those assets”. We will discuss at committee the strategy to be engaged by the Agency in relation to such assets based in Northern Ireland taking into account the situation of the market and of the economy in Northern Ireland and the anticipated impact of our intended strategy. I do not believe that there will be a conflict between the aims and objectives of NAMA and the best interests of the Northern Irish economy, rather I believe that there will be a convergence and coincidence of interests. It will be in the interest of all of us that the underlying assets be disposed of in a phased and orderly manner and, where necessary, we will take whatever steps we consider necessary, and are within our power, to facilitate the return of an efficient market to the whole of this island. We at NAMA have no interest in either flooding any sector of the market with property assets or in hoarding assets, which would be equally damaging.

Going back to our objectives, we are directed by the legislation to deal with the acquired assets expeditiously and to protect and/or otherwise enhance the value of those assets “in the interests of the State”. As Brendan McDonagh has previously stated, NAMA, through its operations, aims to achieve the best possible return for the taxpayer. The citizens of our State are now paying a high price for the uncontrolled financial gluttony that took such a hold on our economy. We all in NAMA have a huge responsibility to our citizens to act honestly, diligently and independently in the discharge of our responsibilities. NAMA has a big part to play in fixing the broken financial system.

Let me state that I consider my position as a Director of NAMA the most important job of my life I am certain that I can speak for Brendan McDonagh and Frank Daly in saying that they take their respective responsibilities just as seriously. Through the legislation and the codes of practice established for the officers of NAMA, the highest operating standards are, and will continue to be followed. I have the utmost confidence that our management is totally committed and wholly competent to achieve the tasks that they have been set, while remaining mindful of the interests of the citizens and taxpayers

whose interests we seek to protect. Furthermore, I am fully satisfied as to the level of non-executive oversight afforded to my colleagues and me.

The lending lunacy that seems to have stretched to every corner of the 26 counties didn't stop at the border, and in fairness I think there might have been a certain flow from North to South as well as that from South to North. We have been well briefed both at committee level and by talking with people today of the difficulties this has also imposed upon the people of Northern Ireland.

At our first meeting of the committee two days ago and again with all of you today I have listened carefully and will continue to listen. As we further define our strategy and direction going forward, my fellow committee members and I will carefully consider in formulating our strategy and direction how it will impact upon Northern Ireland. And in Frank Cusnahan and Brian Rowntree we have two good men to remind us of the Northern Ireland- specific context, issues and possible resolutions.

I wish to thank you all for your time and your courtesy today. I hope to be invited back again when I expect to be able to elaborate on the progress achieved in relation to our general objectives and that in the course of pursuing these objectives I hope that we can say that we have also played our part in restoring some order to the property market in Northern Ireland.

We trust you will understand that at this early stage we have been rather general in our remarks and therefore are happy to answer, as best we can at this point, any Northern Ireland specific questions that you might wish to pose.

Finally, I cannot end without a big thank you to my Aunt Sally for those wonderful 10 bob notes.