



**National Asset  
Management Agency**

**NAMA QUARTERLY REPORT  
and ACCOUNTS  
(Section 55 NAMA Act 2009)**

**30 September 2020**

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22 December 2020

Mr. Paschal Donohoe T.D.,  
Minister for Finance,  
Department of Finance,  
Upper Merrion Street,  
Dublin 2.

**Section 55 Quarterly Report and Accounts - NAMA Act 2009**

Dear Minister,

Please find attached the Quarterly Report and Accounts for the third quarter of 2020 ('Q3 2020 Section 55 Accounts') which are submitted to you pursuant to Section 55 of the NAMA Act 2009 ('the Act').

In accordance with the Act, the Report deals with the National Asset Management Agency (NAMA) and the entities within the NAMA Group.

To assist in your review of the Quarterly Report and Accounts, we also present for your information Financial Highlights and Key Performance Indicators for the period with full year 2019 information as comparatives. The Q3 2020 Section 55 Accounts have been prepared using information available to NAMA. There continues to be uncertainty to the extent of the impact that the Covid-19 pandemic will have on the markets that NAMA operates in. However, NAMA continues to make every effort to mitigate the financial and other impacts using measures under our control.

Financial Highlights	Year to Sept 2020 €m	Full year 2019 €m	Inception to 30 Sept 2020 €m
<b>Total cash generated</b>	<b>455</b>	<b>1,343</b>	<b>45,769</b>
<b>Cash proceeds from property collateral and loan sales</b>	<b>400</b>	<b>1,204</b>	<b>39,329</b>
<b>Non-disposal cash receipts from borrowers</b>	<b>55</b>	<b>139</b>	<b>6,400</b>
<b>Cash and cash equivalents and liquid assets balance at period end</b>	<b>925</b>	<b>3,879</b>	
<b>Debtor loans measured at fair value through profit or loss</b>	<b>1,039</b>	<b>1,227</b>	
<b>Senior bond redemptions</b>	<b>-</b>	<b>-</b>	<b>30,190</b>
<b>Subordinated Bonds redeemed (nominal)</b>	<b>1,064</b>	<b>-</b>	<b>1,593</b>
<b>Transfer of Surplus to the Exchequer</b>	<b>2,000</b>	<b>-</b>	<b>2,000</b>
<b>Purchase of Private Investors shareholding</b>	<b>56</b>	<b>-</b>	<b>56</b>
<b>Operating profit before tax</b>	<b>29</b>	<b>295</b>	
<b>Tax including impact of deferred tax credits</b>	<b>2</b>	<b>(30)</b>	
<b>Profit for the period after tax</b>	<b>31</b>	<b>265</b>	

## **Key Performance Indicators**

### **Cash generation**

NAMA has made material progress in the achievement of its objectives including exceeding its deleveraging targets to date. NAMA continues to generate significant cash through disposals of assets and loans and the receipt of non-disposal income. As at 30 September 2020, despite the impact of the Covid-19 pandemic, NAMA has generated cumulative cash in excess of €45.8bn since inception. Key cash generation indicators include:

- NAMA generated €0.1bn in cash in the quarter ended 30 September 2020, bringing total cash generated from inception to 30 September 2020 to €45.8bn.
- NAMA generated a further €0.3bn in cash in the period from 30 September to 18 December 2020, bringing cumulative cash generated to €46.1bn since inception.
- Cash, cash equivalent, collateral and liquid asset balances held at 30 September 2020 were €0.9bn.

### **Trading position**

NAMA recorded a profit after tax of €31m for the nine month period to 30 September 2020 (YTD Q3 2019: Profit after tax €60m). This follows a loss after tax of €9m for the six month period to 30 June 2020.

## **NAMA Strategic Objectives 2020**

### **1. Transfer of Surplus to the Exchequer**

NAMA completed the payment of €2bn to the Exchequer on 30 June 2020, representing the first transfer of NAMA's projected lifetime surplus of €4bn with further transfers to follow in 2021 and 2022, subject to market conditions.

### **2. Private Investor Exit**

In 2010 at the inception of NAMA, private investors invested €51m in the parent company of the NAMA Group (National Asset Management Agency Investment DAC ('NAMA I')) with NAMA investing a further €49m. On 26 May 2020, NAMA exercised its option to purchase the private investors' 51% shareholding in NAMA I for €56.1m. This payment eliminated NAMA's final outstanding external obligation to its investors other than the State and increases the State's stake in the NAMA Group entities from 49% to 100% and facilitated the commencement of the transfer of NAMA's terminal surplus to the Exchequer.

### **3. Subordinated Bonds**

At its inception NAMA issued subordinated debt of €1.593bn to Participating Institutions to acquire bank assets. NAMA repurchased €529m (nominal) of this debt in 2018. On 2 March 2020, one of NAMA's key objectives was achieved as the outstanding subordinated debt of €1.064bn was redeemed. NAMA has now fully repaid all €31.8bn Senior and Subordinated debt issued to acquire loans from the Participating Institutions.

### **4. Dublin Docklands SDZ**

One of the objectives set by the NAMA Board is to facilitate the delivery of grade A office accommodation in the Dublin Docklands SDZ where NAMA has continued to make significant progress in facilitating the delivery of commercial office space and residential units. On completion these projects will deliver 4.2 million square feet of commercial space and 2,183 residential units across 15 original NAMA-related sites. Less than 23% of NAMA's

interest in the Dublin Docklands remains under construction, with the other 77% contracted, completed or sold. While delivery of these projects has been impacted by the Covid-19 pandemic, every effort will be made to mitigate the impact using measures within NAMA's control.

## **5. Residential Delivery**

In total, NAMA has facilitated the delivery of in excess of 18,535 residential units to date since the start of 2014: some 12,358 units were delivered directly through NAMA funding and it is estimated that in excess of 6,177 units have been delivered on sites which have been sold by NAMA debtors and receivers or where the associated loans have been sold or refinanced. Another 6,494 units are either currently under construction or have secured planning permission. In addition, sites with a delivery capacity of over 7,846 units are either in the planning system, a planning application is in preparation or are subject to pre-planning consultations. NAMA is also funding pre-planning and feasibility work on other sites under the control of NAMA debtors and receivers which are estimated to have a delivery capacity of 8,496 units.

## **6. Poolbeg West SDZ**

In April 2019, the Planning Scheme for the Poolbeg West SDZ was formally adopted by An Bord Pleanála and facilitates a mechanism for the fast-tracking of planning applications for development. NAMA owns a development site located within the designated Poolbeg West SDZ which has the potential to provide up to 3,500 residential units (including 10% Part V and 15% social and affordable homes) and approximately 1 million sq. ft. of commercial development, as well as a school site and community and public open spaces.

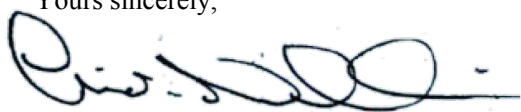
In July 2019, NAMA invited interested parties, through an open market process, to subscribe for a majority 80% shareholding in Pembroke Ventures DAC (PV), a NAMA group entity, which ultimately owns the development site. This process recently completed, with a consortium consisting of Ronan Group Real Estate, funds managed by Oaktree Capital Management, L.P. ("Oaktree") and Oaktree affiliate Lioncor Developments Limited, subscribing for the majority 80% shareholding in PV. Completion remains subject to competition approval, with the outcome of that application likely during the first half of 2021. NAMA is satisfied that this outcome has achieved the best financial return from this key site, while facilitating its future development potential.

## **7. Social housing**

Up to end-September 2020, NAMA had identified 7,094 residential units as potentially suitable for social housing. Demand was confirmed by local authorities for 2,770 units, of which 2,614 (94%) had been delivered or contracted by NAMA for social housing purposes at the end-September 2020. This is in excess of NAMA's social housing delivery target of 2,000. NAMA's reporting on social housing excludes any units delivered by way of Part V of the Planning and Development Act.

We trust the Quarterly Report and Accounts meet the requirements of Section 55 of the Act and any specific direction or guidelines issued by you as Minister for Finance. If you have any queries in this regard please do not hesitate to contact us.

Yours sincerely,



**Aidan Williams**  
Chairman



**Brendan McDonagh**  
Chief Executive Officer



**Unaudited Consolidated Accounts of the National Asset Management Agency**

**For the quarter ended 30 September 2020**

## **National Asset Management Agency Group**

### **Quarter to 30 September 2020**

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## **Board and other information**

### **Board**

Aidan Williams (Chairman)  
Brendan McDonagh, Chief Executive Officer NAMA<sup>1</sup>  
Conor O'Kelly, Chief Executive Officer NTMA<sup>1</sup>  
Oliver Ellingham (non-executive)  
Mari Hurley (non-executive)  
Eileen Maher (non-executive)  
Michael Wall (non-executive)

### **Office**

Treasury Dock  
North Wall Quay  
Dublin 1  
D01 A9T8

### **Principal Bankers**

Central Bank of Ireland  
North Wall Quay  
Dublin 1  
D01 F7X3

Citibank  
North Wall Quay  
Dublin 1  
D01 T8Y1

Allied Irish Banks, p.l.c.  
Baggot Street Lower  
Dublin 2  
D02 X342

<sup>1</sup> The Chief Executive of the NTMA and NAMA are ex-officio Board members of NAMA.



## General information

The National Asset Management Agency (NAMA) was established by the Minister for Finance in November 2009. NAMA is a separate statutory body, with its own Board and Chief Executive Officer, and operates in accordance with the National Asset Management Agency Act 2009 (the Act).

Under Section 10 of the Act, NAMA's purposes are to contribute to the achievement of the purposes of the Act by:

- (a) acquiring bank assets from the Participating Institutions;
- (b) dealing expeditiously with the acquired assets;
- (c) protecting and enhancing the value of assets acquired by it in the interests of the State.

## Group structure

In accordance with the Act and to achieve its objectives, the Agency has set up certain special purpose vehicles (SPVs). These are designated as NAMA Group entities within the meaning of Section 4 of the Act. The relationship between the NAMA Group entities is summarised in Chart 1.

On 18 December 2014, National Asset Leisure Holdings Limited (in Voluntary Liquidation) (NALHL) was placed into liquidation by its members. As the liquidator has assumed the rights of the shareholder and now controls NALHL and its subsidiaries, NALHL (in Voluntary Liquidation) and its subsidiaries, RLHC and RLHC II, are not consolidated into the results of the NAMA Group.

The SPVs established are as follows:

### *National Asset Management Agency Investment D.A.C. (NAMAI)*

NAMAI was incorporated on 27 January 2010. NAMAI is the company through which private investors had invested in the Group.

NAMA invested €49m in NAMAI, receiving 49m A ordinary shares. The remaining €51m was invested in NAMAI by private investors, each receiving an equal share of 51m B ordinary shares. Under the terms of a shareholders' agreement between NAMA and the private investors, NAMA could exercise a veto over decisions taken by NAMAI. As a result of this veto, the private investors' ability to control the financial and operating policies of the entity was restricted and NAMA had effective control of the company. By virtue of this control, NAMA consolidated NAMAI and its subsidiaries and the 51% external investment in NAMAI was reported as a non-controlling interest in the financial statements.

On 26 May 2020, NAMA exercised an option to purchase the private investors' 51% shareholding in NAMAI. From this date, NAMA held a 100% shareholding in NAMAI.

### *National Asset Management D.A.C. (NAM)*

NAM was incorporated on 27 January 2010. NAM is responsible for issuing the government guaranteed debt instruments and the subordinated debt, which were used as consideration in acquiring loan assets. The government guaranteed debt securities issued by NAM were listed on the Irish Stock Exchange prior to their full redemption. In March 2020, the subordinated debt was fully redeemed.

The government guaranteed debt instruments and the subordinated debt instruments, issued in respect of the original loan portfolio, were transferred to National Asset Management Group Services D.A.C. (NAMGS) and by NAMGS to National Asset Loan Management D.A.C. (NALM). The latter used these debt instruments as consideration for the loan assets acquired from the Participating Institutions.

NAM has fourteen subsidiaries. These are referred to as the NAM Group:

### *NAMGS*

NAMGS acts as the holding company for its thirteen subsidiaries: NALM, National Asset Management Services D.A.C. (NAMS), National Asset JVA D.A.C. (NAJVA), National Asset Property Management D.A.C. (NAPM), National Asset North Quays D.A.C. (NANQ), National Asset Residential Property Services D.A.C. (NARPS), National Asset Sarasota Limited Liability Company (NASLLC), Pembroke Ventures (PV), Pembroke Beach D.A.C. (PB), Pembroke West Homes D.A.C. (PWH), NALHL (in Voluntary Liquidation), RLHC and RLHC II.

NAMGS was incorporated on 27 January 2010. NAMGS acquired certain debt instruments issued by NAM under a profit participating loan (PPL) agreement, and in turn, made these debt instruments available to NALM on similar terms. NAMGS is wholly owned by NAM.

#### *PV*

On 19 July 2019, PV was acquired to hold NAMA's interest in Pembroke Beach D.A.C (PB) and Pembroke West Homes D.A.C. (PWH) which became subsidiaries of PV on 26 July 2019.

#### *PB*

On 5 April 2019, PB was established to hold land in Poolbeg West SDZ. PB was a 100% wholly owned subsidiary of NAMGS until 26 July 2019, when it became a 100% wholly owned subsidiary of PV.

#### *PWH*

On 5 April 2019, PWH was established to hold land in Poolbeg West SDZ. PWH was a 100% wholly owned subsidiary of NAMGS until 26 July 2019, when it became a 100% wholly owned subsidiary of PV.

#### *NALM*

NALM was incorporated on 27 January 2010. The purpose of NALM is to acquire, hold, and manage the loan assets acquired from the Participating Institutions.

NALM has one subsidiary, NANQ.

#### *NANQ*

On 8 April 2015, NANQ was established. NANQ is a 100% wholly owned subsidiary of NALM and was established to hold the freehold lands acquired by NAMA at 72-80 North Wall Quay, Dublin 1 in February 2015 and to receive proceeds from a secure income stream from such lands in the form of a licence fee, a fixed percentage of rent or a percentage of sales proceeds of any completed development to be built on the lands.

NANQ previously had one subsidiary, North Wall Plaza Management Company (NWPMC). NWPMC ceased to be a NAMA Group Entity with effect from 24 May 2018 following the transfer of NANQ's controlling share to a third party.

#### *NAMS*

NAMS was incorporated on 27 January 2010. Previously a non-trading entity, NAMS acquired a 20% shareholding in a general partnership associated with the NAJVA investment during 2013.

#### *NAJVA*

On 4 July 2013, NAJVA was established. NAJVA is a wholly owned subsidiary of NAMGS. NAMA entered an arrangement with a consortium whereby a 20% interest in a limited partnership was acquired, and NAJVA was established to facilitate this transaction. Since its incorporation, NAJVA has invested in other arrangements with third parties where it has taken a minority non-controlling interest in an investee to facilitate the delivery of commercial and residential real estate property.

#### *NAPM*

NAPM was incorporated on 27 January 2010. The purpose of NAPM is to take direct ownership of property assets if and when required.

NAPM has five subsidiaries; NARPS, NASLLC, NALHL (in Voluntary Liquidation), RLHC and RLHC II.

#### *NARPS*

On 18 July 2012, NAMA established a subsidiary, National Asset Residential Property Services. NARPS is a wholly owned subsidiary of NAPM, and was established to acquire residential properties and to lease and ultimately sell these properties to approved housing bodies for social housing purposes.

2,614 residential properties were delivered to the social housing sector by NAMA debtors from inception to 30 September 2020. This includes the direct sale of 1,119 properties by NAMA debtors and receivers to various approved housing bodies, the direct leasing of 89 properties by NAMA debtors and receivers and the acquisition by NARPS of 1,372 properties for lease to approved housing bodies and/or local authorities. In addition, contracts were exchanged on a further 34 properties (for both direct sale and through NARPS) at the reporting date.

#### *NASLLC*

On 1 August 2013, NAMA established a US subsidiary, National Asset Sarasota Limited Liability Company (NASLLC). NASLLC is a wholly owned subsidiary of NAPM, and was established to acquire any property assets located in the US, if and when required.

*NALHL (in Voluntary Liquidation)*

On 10 January 2014, NAMA established a subsidiary, NALHL. NALHL (in Voluntary Liquidation) is a wholly owned subsidiary of NAPM and was established to acquire 100% of the share capital of two Portuguese entities, RLHC and RLHC II.

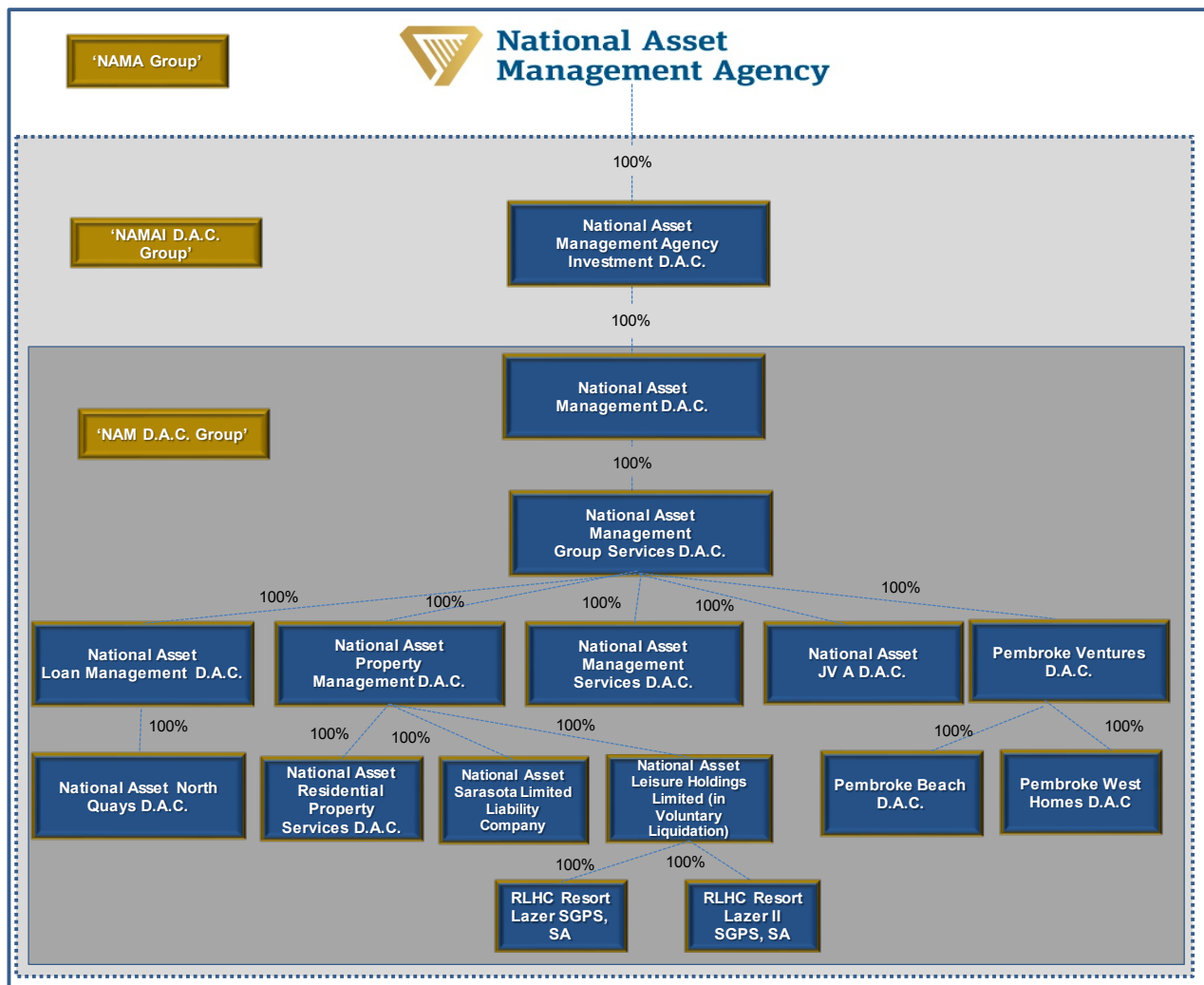
The establishment of these entities was required to facilitate the legal restructure of a number of entities with Portuguese property assets. Following the completion of the legal restructure, NALHL (in Voluntary Liquidation) was placed into voluntary liquidation on 18 December 2014. The control of NALHL (in Voluntary Liquidation) is with the liquidator who will realise the assets of NALHL (in Voluntary Liquidation).

*RLHC Resort Lazer SGPS, S.A. (RLHC), RLHC Resort Lazer II SGPS, S.A. (RLHC II)*

On 5 February 2014, NAMA established two subsidiaries, RLHC Resort Lazer SGPS, S.A. (RLHC) and RLHC Resort Lazer II SGPS, S.A. (RLHC II). RLHC and RLHC II are wholly owned subsidiaries of NALHL (in Voluntary Liquidation) and acquired 90% and 10% respectively of the share capital of a number of Portuguese entities, following the legal restructure of the debt owed by these entities.

With the exception of RLHC and RLHC II, the address of the registered office of each company is Treasury Dock, North Wall Quay, Dublin 1. Each Company is incorporated and domiciled in the Republic of Ireland, except for NASLLC which is incorporated and domiciled in the US, and RLHC and RLHC II which are incorporated and domiciled in Portugal. The address of the registered office of RLHC and RLHC II is Rua Garrett, no. 64, 1200-204 Lisbon, Portugal.

**Chart 1 NAMA Group entities as at 30 September 2020**



### Quarterly financial information

In accordance with Section 55 of the Act, NAMA is required every three months to report to the Minister on its activities and the activities of each NAMA Group entity, referred to in the Act as the 'quarterly report' or 'the accounts'. Section 55 of the Act sets out certain financial and other information to be provided in each quarterly report.

The financial statements present the consolidated results of the NAMA Group for the quarter ended 30 September 2020. For the purposes of these accounts, the 'NAMA Group' comprises the results of all entities presented in Chart 1, excluding those in liquidation.

The financial information for all entities is presented showing items of income and expenditure for the quarter from 1 July 2020 to 30 September 2020 and for the year to date.

The statement of financial position is presented as at 30 September 2020 and 30 June 2020. The cash flow statement for the NAMA Group is presented for all cash movements for the quarter from 1 July 2020 to 30 September 2020 and the year to date.

The income statement and statement of financial position for each NAMA Group Entity are provided on pages 30 to 33.

**Consolidated Income Statement**  
**For the quarter from 1 July 2020 to 30 September 2020**

		<b>For the quarter from 1 Jul 2020 to 30 Sep 2020</b>	<b>For the period from 1 Jan 2020 to 30 Sep 2020</b>
	<b>Note</b>	<b>€'000</b>	<b>€'000</b>
Net gains on debtor loans measured at FVTPL	3	40,884	42,088
Net losses on investment properties	4	-	(1,120)
Fee income	5	1,821	1,971
Interest and similar expense	6	(274)	(7,352)
Other income	7	3,735	4,858
Profit on disposal and refinancing of loans	8	8,720	8,746
Profit on disposal of property assets	9	2,468	24,548
<b>Total operating income</b>		<b>57,354</b>	<b>73,739</b>
Administration expenses	10	(12,626)	(44,409)
Foreign exchange gains/(losses)	11	57	(58)
<b>Operating profit</b>		<b>44,785</b>	<b>29,272</b>
Tax (charge)/credit	12	(4,170)	2,128
<b>Profit for the period</b>		<b>40,615</b>	<b>31,400</b>

The accompanying notes 1 to 26 form an integral part of these accounts.

**Consolidated Statement of Financial Position**  
**As at 30 September 2020**

	Note	30 Sep 2020 €'000	30 Jun 2020 €'000
<b>Assets</b>			
Cash and cash equivalents	13	133,802	310,617
Cash placed as collateral with the NTMA	13	25,000	25,000
Exchequer Notes	13	525,000	300,000
Government bonds	14	241,560	241,909
Derivative financial instruments	15	125	475
Debtor loans measured at FVTPL	16	1,038,603	1,047,160
Other assets	17	23,187	28,489
Investments in equity instruments	20	17,550	14,368
Inventories - trading properties	18	166,353	166,852
Investment properties	19	285,070	285,070
<b>Total assets</b>		<b>2,456,250</b>	<b>2,419,940</b>
<b>Liabilities</b>			
Derivative financial instruments	18	18	-
Other liabilities	22	21,627	24,425
Tax payable	23	625	727
Deferred tax	21	12,655	13,087
<b>Total liabilities</b>		<b>34,925</b>	<b>38,239</b>
<b>Equity</b>			
Retained earnings	25	2,422,980	2,382,369
Other reserves	24	(1,655)	(668)
<b>Equity and reserves attributable to owners of the Group</b>		<b>2,421,325</b>	<b>2,381,701</b>
Non-controlling interests	26	-	-
<b>Total equity and reserves</b>		<b>2,421,325</b>	<b>2,381,701</b>
<b>Total equity, reserves and liabilities</b>		<b>2,456,250</b>	<b>2,419,940</b>

The accompanying notes 1 to 26 form an integral part of these accounts.

**Consolidated Statement of Cash Flows**  
**For the quarter from 1 July 2020 to 30 September 2020**

	For the quarter from 1 Jul 2020 to 30 Sep 2020 €'000	For the period from 1 Jan 2020 to 30 Sep 2020 €'000
<b>Cash flow from operating activities</b>		
<b>Debtor Loans</b>		
Receipts from loans	118,597	412,606
Fee income	1,821	1,971
Funds advanced to borrowers	(65,878)	(177,224)
<b>Net cash provided by debtor loans</b>	<b>54,540</b>	<b>237,353</b>
<b>Derivatives</b>		
Cash inflow on foreign currency derivatives	15,333	59,117
Cash outflow on foreign currency derivatives	(14,713)	(58,376)
<b>Net cash provided by derivatives</b>	<b>620</b>	<b>741</b>
<b>Other operating cashflows</b>		
Payments to suppliers of services	(15,751)	(48,143)
Interest paid on cash, cash equivalents and exchequer notes	(5)	(7,256)
Dividend paid on B ordinary shares	-	(34)
Coupon paid on subordinated debt issued	-	(56,009)
Funds paid to acquire properties	(1,147)	(1,202)
Funds received on disposal of properties	4,238	29,794
Rental income received	3,201	9,371
Transfer of surplus to the Exchequer	-	(2,000,000)
<b>Net cash used in other operating activities</b>	<b>(9,464)</b>	<b>(2,073,479)</b>
<b>Net cash provided by/(used in) operating activities</b>	<b>45,696</b>	<b>(1,835,385)</b>
<b>Cash flow from investing activities</b>		
Disposal of investments in equity instruments	2,496	2,496
Interest received on government bonds	-	4,275
Funds received on maturity of government bonds	-	95,000
Distributions received from equity instruments	-	788
Funds paid to acquire exchequer notes	(300,000)	(2,360,000)
Funds received on maturity of exchequer notes	75,000	1,835,000
<b>Net cash used in investing activities</b>	<b>(222,504)</b>	<b>(422,441)</b>
<b>Cash flow from financing activities</b>		
Private Investor Share Purchase	-	(56,100)
Redemption of subordinated debt	-	(1,064,000)
Payment of lease liabilities	-	(475)
<b>Net cash used in financing activities</b>	<b>-</b>	<b>(1,120,575)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>310,617</b>	<b>3,512,314</b>
Net cash provided by/(used in) operating activities	45,696	(1,835,385)
Net cash used in investing activities	(222,504)	(422,441)
Net cash used in financing activities	-	(1,120,575)
Effects of exchange-rate changes on cash and cash equivalents	(7)	(111)
<b>Cash and cash equivalents at 30 Sept 2020</b>	<b>133,802</b>	<b>133,802</b>
<b>Financial assets and cash collateral</b>		
Amounts pledged as collateral with NTMA	25,000	25,000
Government Bonds	241,560	241,560
Exchequer Notes	525,000	525,000
<b>Total held at 30 Sept 2020</b>	<b>925,362</b>	<b>925,362</b>

## **1 General Information**

For the purposes of these accounts, the 'NAMA Group' comprises the parent entity NAMA (the Agency) and all entities shown in Chart 1 on page 10. On 26 May 2020, NAMA exercised its option to purchase the private investors' 51% shareholding in NAMA I and as at the reporting date, the Agency owns 100% of the shares in NAMA I.

With the exception of RLHC and RLHC II, the address of the registered office of each company is Treasury Dock, North Wall Quay, Dublin 1. Each Company is incorporated and domiciled in the Republic of Ireland, except for NASLLC which is incorporated and domiciled in the US, and RLHC and RLHC II which are incorporated and domiciled in Portugal. The address of the registered office of RLHC and RLHC II is Rua Garrett, n.º 64, 1200-204 Lisbon, Portugal.

## **2 Summary of significant accounting policies**

### **2.1 Basis of preparation**

The Group's consolidated accounts for the year to 30 September 2020 are presented in accordance with its accounting policies for the purposes of complying with the requirements of Section 55 of the Act.

The preparation of these accounts requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Group's accounting policies. Changes in assumptions may have a significant impact on the accounts in the period the assumptions change. Management believes that the underlying assumptions are appropriate and that the Group's accounts therefore present the financial position and results fairly. The Group's principal critical estimates and judgments include determining the fair value of financial instruments, the fair value of investment properties, the carrying value of trading properties and the assessment of control and significant influence in equity investments.

### **2.2 Basis of measurement**

The consolidated accounts were prepared under the historical cost convention, except for derivative financial instruments, equity instruments, government bonds, investment properties and debtor loans which were measured at fair value.

The consolidated accounts are presented in euro (or €), which is the Group's presentational currency. The figures shown in the consolidated accounts are stated in (€) thousands.

The consolidated statement of cash flows shows the changes in cash and cash equivalents arising during the period from operating activities, investing activities and financing activities. The cash flows from operating activities are determined using the direct method, whereby major classes of gross cash receipts and gross payments are disclosed.

Cash flows from investing and financing activities are reported on a gross basis. The Group's assignment of the cash flows to operating, investing and financing categories depends on the Group's business model.

In accordance with IAS 1, assets and liabilities are presented in order of liquidity.

### **2.3 Basis of consolidation**

The consolidated financial statements of the Group comprise the financial statements of the parent entity, NAMA and its subsidiaries, with the exception of NALHL (in voluntary liquidation), RLHC and RLHC II. The financial statements of the subsidiaries used to prepare the consolidated financial statements were prepared as of the same reporting date as that of the parent.

The Group consolidates all entities which it controls. Control is considered to be achieved when the Group

- has power over the entity;
- is exposed to, or has rights to, variable returns from its involvement with the entity; and
- has the ability to use its power to affect its return.

Investments in subsidiaries are accounted for at cost less impairment. Accounting policies of the subsidiaries and the Agency are consistent with the Group's accounting policies.



Inter-group transactions and balances and gains on transactions between Group companies are eliminated. Inter-group losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred.

## **2.4 Foreign currency translation**

### *(a) Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

The consolidated financial statements are presented in euro, which is the Group's presentation currency.

### *(b) Transactions and balances*

Transactions denominated, or that require settlement, in a foreign currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Monetary items denominated in foreign currency are translated using the closing rate as at the reporting date. Non-monetary items that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items measured at historical cost denominated in a foreign currency are translated using the exchange rate as at the date of initial recognition.

All foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated income statement.

All foreign exchange gains and losses recognised in the income statement are presented as a separate line item in the consolidated income statement.

## **2.5 Financial assets**

### *Recognition and initial measurement*

The Group recognises financial assets in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument. Financial assets are measured initially at fair value. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit & loss (FVTPL) are recognised immediately in profit or loss. Other than financial assets and financial liabilities at FVTPL, transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets, as appropriate, on initial recognition.

### *Classification and Subsequent Measurement*

Subsequent to initial recognition, a financial asset is classified and subsequently measured at:

- (a) Amortised cost
- (b) Fair value through other comprehensive income (FVOCI)
- (c) Fair value through profit & loss (FVTPL).

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

At initial recognition, the Group may irrevocably designate an equity instrument as FVOC unless it is held for trading. The election to designate an investment in equity instrument at FVOCI is made on an instrument-by instrument basis. The Group has not designated any equity instrument as FVOCI.

Any financial asset that does not qualify for amortised cost measurement or measurement at FVOCI must be measured subsequent to initial recognition at FVTPL except if it is an investment in an equity instrument designated at FVOCI. The Group may irrevocably elect on initial recognition to designate a financial asset at FVTPL if the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise if the financial asset had been measured at amortised cost or FVOCI or recognising the gains and losses on them on different bases.

#### Contractual cash flows are solely payments of principal and interest assessment

For the purpose of the solely payments of principal and interest “SPPI” assessment, principal is the fair value of the financial asset at initial recognition. However, that principal amount may change over the life of the financial asset. Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as profit margin.

#### Business Model Assessment

The Group determines the business models at a level that reflects how groups of financial assets are managed to achieve a particular business objective. The Group's business models determine whether cash flows will result from collecting contractual cash flows, selling financial assets or both. The Group considers the following information when making the business model assessment:

- how the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel; and
- the risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way in which those risks are managed.

At initial recognition of a financial asset, the Group determines whether newly recognised financial assets are part of an existing business model or whether they reflect the commencement of a new business model. The Group reassesses its business models each reporting period to determine whether the business models have changed since the preceding period.

#### (a) Amortised Cost

The Group has classified and measured cash and cash equivalents, cash placed as collateral, Exchequer Notes and other assets at amortised cost less any expected credit loss allowance.

#### (b) Fair value through other comprehensive income (FVOCI)

The Group's portfolio of Irish government bonds is classified and measured at FVOCI. Fair value is determined in the manner described in note 2.26. These bonds were acquired for liquidity purposes. They are intended to be held for an indefinite period of time and may be sold in response to needs for liquidity or changes in interest rates or exchange rates.

Changes in the fair value of financial assets at FVOCI are recognised in other comprehensive income within the other reserve. When a financial asset at FVOCI is derecognised, the cumulative gain/loss previously recognised in Other Comprehensive Income is reclassified from equity to profit or loss. Financial assets at FVOCI must be assessed for impairment with any expected credit losses being recognised in the income statement. Interest is recognised using the effective interest method.

#### (c) Fair value through profit & loss (FVTPL)

Due to their cash flow characteristics and the business model for managing the asset, the Group has classified and measured debtor loans at FVTPL. These assets are measured at fair value, with any gains/losses arising on re-measurement recognised in the income statement. Fair value is determined in the manner described in note 2.26.

Other financial instruments that are classified and measured at FVTPL include derivative and equity investments.

#### Derivatives

Interest income and expense arising on derivatives (other than on currency derivatives) are included in gains and losses on derivative financial instruments in the consolidated income statement. Fair value gains and losses on derivatives are included in gains and losses on derivative financial instruments in the income statement or as part of foreign exchange gains and losses where they relate to currency derivatives. Interest on currency derivatives is recognised as part of fair value gains and losses on currency derivatives.

#### Equity Instruments

An equity instrument is any contract that results in a residual interest in the assets of an entity after deducting all of its liabilities. An equity instrument has no contractual obligation to deliver cash or another financial asset.

Equity instruments are measured at FVTPL. The fair value of equity instruments is measured based on the net asset value of the entity at the reporting date. Changes in fair value are recognised in the income statement as part of other income/(expenses). Equity instruments are separately disclosed in the statement of financial position.

## **2.6 Financial liabilities**

The Group recognises financial liabilities in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are measured initially at fair value. The Group classifies and subsequently measures its financial liabilities at amortised cost with the exception of derivatives classed as FVTPL, with any difference between the proceeds net of transaction costs and the redemption value recognised in the income statement using the effective interest method.

Where financial liabilities are classified as FVTPL, gains and losses arising from subsequent changes in fair value are recognised directly in the income statement.

## **2.7 De-recognition of financial assets and financial liabilities**

Financial assets are derecognised when the contractual rights to receive the cash flows from these assets have ceased to exist or the assets have been transferred and substantially all the risks and rewards of ownership of the assets have also been transferred. Financial liabilities are derecognised when they have been redeemed or otherwise extinguished.

## **2.8 Fair value gains/(losses) on debtor loans at fair value through profit and loss (FVTPL)**

Fair value gains/ (losses) on debtor loans at FVTPL includes all gains and losses from changes in the fair value of debtor loans at FVTPL. The Group has elected to present the full fair value movement in this line, including the impact of net cash collections in the period.

## **2.9 Interest income and interest expense**

Interest income and interest expense for all interest-bearing financial instruments other than debtor loans at FVTPL are recognised as interest income and interest expense in the income statement using the effective interest (EIR) method.

The EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of a financial asset or the amortised cost of the financial liability.

When calculating the effective interest rate for financial instruments other than impaired assets, the Group estimates future cash flows considering all contractual terms of the financial instrument, but not expected credit losses. For purchased or originated impaired financial assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows including expected credit losses.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the financial asset except for impaired financial assets or to the amortised cost of the financial liability. For financial assets that have become impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer impaired, then the calculation of interest income reverts to the gross basis. For financial assets that were impaired on initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the amortised cost of the asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

## **2.10 Fee income**

Fee income is income associated with debtor connections that is not considered as a reduction in the debt obligations of the debtor. Fee income is recognised in the income statement.

## **2.11 Profit / (loss) on the disposal of loans**

Profits and losses on the disposal of loans are calculated as the difference between the carrying value of the loans and the contractual sales price at the date of sale, less related loan sale costs. The contractual sales price includes any deferred consideration where NAMA has the contractual right to receive any deferred cash flow. Profits and losses on the disposal of loans are recognised in the income statement when the transaction occurs. In a small number of instances, when an individual loan account is sold, the profit/loss on disposal is only recognised when the entire connection/loan pack related to that account is sold.

## **2.12 Impairment of financial assets**

The Group assesses, on a regular basis, the impairment of financial assets measured at amortised cost and at FVOCI on an expected credit loss (ECL) basis. The measurement of ECL is based on a three-stage approach:

*Stage 1*: where financial instruments have not had a significant increase in credit risk since initial recognition, a provision for 12-month ECL is recognised, being the ECL that result from default events that are possible within 12 months of the reporting date;

*Stage 2*: where financial instruments have had a significant increase in credit risk since initial recognition but does not have objective evidence of impairment, a lifetime ECL is recognised, being the ECL that result from all possible default events possible over the lifetime of the financial asset;

*Stage 3*: where financial assets show objective evidence of impairment, a lifetime ECL is recognised.

There are a variety of approaches that could be used to assess whether the credit risk on a financial instrument has increased significantly since initial recognition. In some cases, detailed quantitative information about the probability of default of a financial instrument or formal credit rating will be available which is used to compare changes in credit risk. The Group monitors financial assets that are subject to impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition on a regular basis.

The measurement of the loss allowance is based on the present value of the applicable financial assets expected cash flows using the financial asset's effective interest rate.

The general approach for recognising and measuring a loss allowance is the same for financial instruments measured at amortised cost and those instruments that are measured at FVOCI. However, unlike amortised cost, the loss allowance on instruments at FVOCI are recognised in other comprehensive income and do not reduce the carrying amount of the financial asset in the statement of financial position.

## **2.13 Impairment of non-financial assets**

The carrying amount of the Group's non-financial assets is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell.

In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. An impairment loss is recognised in the income statement if the carrying amount exceeds its recoverable amount.

## **2.14 Cash and cash equivalents**

Cash comprises cash on hand and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash equivalents include Short-Term Exchequer Notes held through the NTMA where time to maturity on the date of acquisition is three months or less.

## **2.15 Derivative financial instruments**

Derivatives, such as cross-currency swaps and foreign exchange swaps are used for hedging purposes as part of the Group's risk management strategy. The Group does not enter into derivatives for proprietary trading purposes.

The Group's policy is to hedge its foreign currency exposure through the use of currency derivatives.

All derivatives are accounted for at fair value through profit or loss.

Derivatives at fair value through profit or loss are initially recognised at fair value on the date on which a derivative contract is entered into or acquired and are subsequently re-measured at fair value.

The fair value of derivatives is determined using a mark to market valuation technique based on independent valuations obtained using observable market inputs such as yield curves, par interest and foreign exchange rates.

The assumptions involved in these valuation techniques include the likelihood and expected timing of future cash flows of the instrument. These cash flows are generally governed by the terms of the instrument, although management judgment is required when the ability of the counterparty to service the instrument in accordance with the contractual terms is in doubt.

Derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

Fair value gains or losses on derivatives are recognised in the income statement. Gains and losses on currency swaps are recognised in profit or loss as part of foreign exchange gains and losses.

### **2.16 Inventories - trading properties**

Trading properties include property assets which are held for resale in accordance with IAS 2 Inventories. They are recognised initially on the statement of financial position at the point at which the purchase contract has been signed with the vendor. Subsequent to initial recognition, trading properties are stated at the lower of cost and net realisable value. Costs are determined on the basis of specific identification of individual costs relating to each asset. Net realisable value ('NRV') represents the estimated selling price for properties less all estimated costs of completion and costs necessary to make the sale. Revisions to the carrying value of trading properties are recognised in the income statement.

Profits and losses on the disposal of trading properties are recognised in the income statement when the transaction occurs.

### **2.17 Investment Properties**

Investment properties are initially measured at cost and subsequently at fair value with any change recognised in the income statement. Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount) is recognised in the income statement when the transaction occurs. Rental income from investment properties is recognised in the income statement.

### **2.18 Taxation**

Income tax comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised in other comprehensive income, in which case it is recognised in other comprehensive income.

#### **(a) Current income tax**

Current income tax is the expected tax payable on the taxable income for the financial year using tax rates enacted or substantively enacted at the reporting date and any adjustment to tax payable in respect of previous years.

Current income tax payable on profits, based on the applicable tax law in the relevant jurisdiction, is recognised as an expense in the period in which the profits arise.

The tax effects of current income tax losses available for carry forward are recognised as an asset when it is probable that future taxable profits will be available against which these losses are utilised.

An entity shall offset current tax assets and current tax liabilities if, and only if, the entity: has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### **(b) Deferred income tax**

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates (and tax laws) that have been enacted or substantially enacted by the date of the statement of financial position and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised when it is probable that future taxable profit will be available against which these temporary differences can be utilised.

Deferred income tax related to FVOCI reserves is recognised in equity and subsequently in the consolidated income statement together with the associated gain or loss.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

The Group assesses, on an annual basis only, the deferred tax relating to unutilised tax losses.

## **2.19 Provisions, contingent assets and liabilities**

### *Provisions*

Provisions for legal claims are recognised when the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated.

### *Contingent liabilities*

Contingent liabilities are not recognised by the Group but are disclosed unless the probability of their occurrence is remote.

### *Contingent assets*

Contingent assets are not recognised by the Group but are disclosed where an inflow of economic benefits is probable. If the realisation of income becomes virtually certain then the related asset is recognised.

Contingent assets and liabilities are assessed continually to ensure that they are appropriately reflected in the financial statements.

## **2.20 Debt and equity instruments**

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual terms of the instruments. Instruments which do not carry a contractual obligation to deliver cash or another financial asset to another entity are classified as equity and are presented in equity. The coupon payments on these instruments are recognised directly in equity. The subordinated bonds issued by the Group contain a discretionary coupon and have no obligation to deliver cash and are therefore classified as equity instruments.

## **2.21 Share capital**

### *(a) Dividends on ordinary shares*

Dividends on ordinary shares are recognised in equity in the year in which they are approved by the Group's shareholders.

### *(b) Coupon on other equity*

Coupon payments on subordinated bonds that are classified as equity are reflected directly in equity when they are declared.

## **2.22 Cash placed as collateral with the NTMA**

The Group is required to post cash collateral with the NTMA under a collateral posting agreement (CPA) agreed between the NTMA and NAMA. The NTMA is the counterparty to all NAMA derivatives. The NTMA require cash to be placed with it as collateral to reduce the exposure it has to the Group with regard to its derivative positions. The amount of collateral required depends on an assessment of the credit risk by the NTMA.

Cash placed as collateral is recognised in the statement of financial position. Any interest payable or receivable arising on the amount placed as collateral is recorded in interest expense or interest income respectively.

## **2.23 Exchequer Notes**

Exchequer Notes are interest bearing notes held through the NTMA where time to maturity on date of acquisition is greater than three months. Exchequer notes are recognised in the statement of financial position. Any interest payable or receivable on Exchequer notes is recorded in interest expense or interest income respectively.

## **2.24 Leases**

### *As lessee*

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. If this arises, the Group recognises a right of use asset and a lease liability at the lease commencement date.

The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any lease incentives received. The right of use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate. Lease interest expense is recognised on the lease liability. The lease liability is remeasured when there is a change in future lease payments. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right of use asset.

### *As lessor*

Properties acquired by NARPS for the purposes of social housing were recognised as inventories in accordance with IAS 2 until 28 September 2019. On this date, the properties transferred to investment properties and subsequently are accounted for in line with IAS 40. Rental income arising from operating leases on investment properties is accounted for on a straight line basis over the lease term.

## **2.25 Non-controlling interests in subsidiaries**

Non-controlling interests in subsidiaries comprise ordinary share capital and/or other equity in subsidiaries not attributable directly or indirectly to the parent entity.

Profits which may arise in any period may be allocated to the non-controlling interest in accordance with maximum investment return which may be paid to the external investors. Losses arising in any period are allocated to the non-controlling interest only up to the value of the non-controlling interest in the Group, as NAMA takes substantially all the economic benefits and risks of the Group.

On 26 May 2020, NAMA exercised an option to purchase the private investors' 51% shareholding in NAMA1. From this date, there were no non-controlling interests in subsidiaries.

## **2.26 Determination of fair value**

The Group measures fair values in accordance with IFRS 13 which defines fair value as the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date in the principal market, or in its absence, the most advantageous market to which the Group has access at that date, regardless of whether that price is directly observable or estimated using another valuation technique.

Financial instruments are initially recognised at fair value and, with the exception of financial assets at fair value through profit or loss, the initial carrying amount is adjusted for direct and incremental transaction costs. In the normal course of business, the fair value on initial recognition is the transaction price (fair value of consideration given or received).

Subsequent to initial recognition, fair values are determined using valuation techniques. These valuation techniques seek to maximise the use of publically available relevant observable inputs and minimise the use of unobservable inputs. The valuation techniques used incorporate the factors that management believe market participants would take into account in pricing a transaction. Valuation techniques may include the use of recent orderly transactions between market participants, reference to other similar instruments, option pricing models, discounted cash flow analysis and other valuation techniques commonly used by market participants.

## *Valuation techniques*

In the case of debtor loans measured at FVTPL, the fair value of these instruments is determined with input from management and using internally generated valuation models based on selected comparable market data points. The majority of the significant inputs into these models are not readily observable in the market and the inputs are therefore derived from market prices for similar assets or estimated based on certain assumptions. The determination of key inputs used such as the expected future cash flows on the financial asset, stratification of portfolio and the appropriate discount rates applicable require management judgement and estimation. The expected future cash flows represent NAMA's best estimate of expected future cash flows include the disposal of property collateral and other non-disposal related cash flows (such as rental income).

The valuation methodology for debtor loans at FVTPL is to estimate the expected cash flows to be generated by the financial asset and then discount these values back to a present value. The assumptions involved in these valuation techniques include:

- determining suitable stratifications for the portfolio for assets with similar risk characteristics;
- the likelihood and expected timing of future cash flows; and
- selecting an appropriate discount rate for the financial asset or group of financial assets, based on management's assessment of the characteristics of the instrument and relevant market information.

In the case of investment properties, the fair value of these properties is determined by an external, independent property valuer on a regular basis. Outputs from valuers can be subject to management judgement. The valuer utilises the investment method of valuation using the discounted cash flow technique which can include assumptions for the likelihood of purchase options being exercised, exit yields and expected rent cash flows.

In the case of over-the-counter derivatives, fair value is calculated using valuation techniques. Fair value may be estimated using quoted market prices for similar instruments, adjusted for differences between the quoted instrument and the instrument being valued. Where the fair value is calculated using discounted cash flow analysis, the methodology is to use, to the extent possible, market data that is either directly observable or is implied from instrument prices, such as interest rate yield curves, equities and commodities prices, credit spreads, option volatilities and currency rates.

The valuation methodology is to calculate the expected cash flows under the terms of each specific contract and then discount these values back to a present value. The assumptions involved in these valuation techniques include:

- the likelihood and expected timing of future cash flows of the instrument. These cash flows are generally governed by the terms of the instrument, although management judgement may be required when the ability of the counterparty to service the instrument in accordance with the contractual terms is in doubt. In addition, future cash flows may also be sensitive to the occurrence of future events, including changes in market rates; and
- selecting an appropriate discount rate for the instrument, based on the interest rate yield curves including the determination of an appropriate spread for the instrument over the risk-free rate. The spread is adjusted to take into account the specific credit risk profile of the exposure.

Adjustments to the calculation of the present value of future cash flows are based on factors that management believe market participants would take into account in pricing the financial instrument.

Certain other financial instruments (both assets and liabilities) may be valued on the basis of valuation techniques that feature one or more significant inputs that are not observable in the market. When applying a valuation technique with unobservable data, estimates are made to reflect uncertainties in fair values resulting from a lack of market data. For these instruments, the fair value measurement is less reliable. Valuations based on non-observable data are inherently uncertain because there is little or no current market data available from which to determine the price at which an orderly transaction between market participants would occur under current market conditions.

The calculation of fair value for any financial instrument may require adjustment of the valuation technique output to reflect the cost of credit risk, if market participants would include one, where these are not embedded in underlying valuation techniques.



### 3. Net gains on debtor loans measured at FVTPL

	For the quarter from 1 Jul 2020 to 30 Sep 2020	For the period from 1 Jan 2020 to 30 Sep 2020
	€'000	€'000
Fair value movements on debtor loans (note 16)	40,884	42,088

### 4. Net losses on investment properties

	For the quarter from 1 Jul 2020 to 30 Sep 2020	For the period from 1 Jan 2020 to 30 Sep 2020
	€'000	€'000
Fair value movement on investment properties	-	(1,120)

### 5. Fee income

	For the quarter from 1 Jul 2020 to 30 Sep 2020	For the period from 1 Jan 2020 to 30 Sep 2020
	€'000	€'000
Fee Income from debtor loans	1,821	1,971

Fee income from debtor loans can include arrangement fees, restructuring fees, exit fees, performance fees and transaction fees from loan sales.

### 6. Interest and similar expense

	For the quarter from 1 Jul 2020 to 30 Sep 2020	For the period from 1 Jan 2020 to 30 Sep 2020
	€'000	€'000
Negative interest expense on cash, cash equivalents and exchequer notes	(266)	(7,296)
Interest on Irish government bonds	6	(6)
Lease interest expense	(15)	(54)
Interest on cash and cash equivalents	1	4
<b>Total interest and similar expense</b>	<b>(274)</b>	<b>(7,352)</b>

Interest in government bonds comprises interest on government bonds held for liquidity purposes, recognised using the EIR method. As the bonds were purchased above par interest is negative.

### 7. Other income

	For the quarter from 1 Jul 2020 to 30 Sep 2020	For the period from 1 Jan 2020 to 30 Sep 2020
	€'000	€'000
Distributions from equity investments measured at FVTPL	-	788
Fair value movements on equity instruments measured at FVTPL	(18)	(5,628)
Lease rental income	3,210	9,523
Revaluation of trading properties	411	(98)
Other income	132	273
<b>Total other income</b>	<b>3,735</b>	<b>4,858</b>

Lease rental income is earned from the lease of residential properties to approved housing bodies for social housing purposes.

### 8. Profit on disposal and refinancing of loans

	For the quarter from 1 Jul 2020 to 30 Sep 2020	For the period from 1 Jan 2020 to 30 Sep 2020
	€'000	€'000
Net profit on disposal and refinancing of loans	8,720	8,746

## 9. Profit on disposal of property assets

	For the quarter from 1 Jul 2020 to 30 Sep 2020 €'000	For the period from 1 Jan 2020 to 30 Sep 2020 €'000
Profit on disposal of property assets	2,468	24,548

## 10. Administration expenses

	For the quarter from 1 Jul 2020 to 30 Sep 2020 €'000	For the period from 1 Jan 2020 to 30 Sep 2020 €'000
Costs reimbursable to the NTMA	7,078	22,883
Primary servicer fees	1,709	5,227
Finance, communication and technology costs	1,026	3,325
Legal fees	(21)	4,869
Portfolio management fees	994	2,735
Rent and occupancy costs	1,030	2,962
Master servicer fees	368	1,106
Internal audit fees	150	467
External audit remuneration	222	625
Board and Committee fees and expenses	70	210
<b>Total administration expenses</b>	<b>12,626</b>	<b>44,409</b>

Under Section 42 (4) of the Act, the Agency shall reimburse the NTMA for the costs incurred by the NTMA as a consequence of its assignment of staff to the NAMA Group Entities. See 10.1 below for further breakdown of such costs.

NAMA Board and Advisory Committee fees are paid to Board members and external members of Committees. Brendan McDonagh (CEO, NAMA) and Conor O'Kelly (CEO, NTMA) receive no payment as members of the NAMA Board.

### 10.1 Costs reimbursable to the NTMA

	For the quarter from 1 Jul 2020 to 30 Sep 2020 €'000	For the period from 1 Jan 2020 to 30 Jun 2020 €'000
Staff costs	5,382	17,269
Overheads and shared service costs	1,696	5,614
<b>Total</b>	<b>7,078</b>	<b>22,883</b>

## 11. Foreign exchange losses

	For the quarter from 1 Jul 2020 to 30 Sep 2020 €'000	For the period from 1 Jan 2020 to 30 Jun 2020 €'000
Foreign exchange losses on debtor loans at FVTPL (note 16)	(176)	(577)
Unrealised foreign exchange losses on derivative financial instruments	(368)	(101)
Realised foreign exchange gains on derivative financial instruments	620	741
Foreign exchange losses on cash	(7)	(111)
Other foreign exchange losses	(12)	(10)
<b>Total foreign exchange gains/(losses)</b>	<b>57</b>	<b>(58)</b>

Foreign exchange translation gains and losses on debtor loans arise on the revaluation of foreign currency denominated debtor loans. Foreign currency translation amounts are recognised in accordance with accounting policy 2.4.

Gains and losses on foreign exchange derivatives arise from market movements that affect the value of the derivatives at the reporting date.

Following the transfer of assets from the Participating Institutions, the Group entered into currency derivative contracts to reduce its exposure to exchange rate fluctuations arising on foreign currency denominated debtor loans. The gain or loss on derivative products comprises both realised and unrealised gains and losses. Realised and unrealised gains and losses are recognised in accordance with accounting policy 2.15. Currency derivatives are explained in more detail in Note 15.

## 12. Tax (charge)/credit

	For the quarter from 1 Jul 2020 to 30 Sep 2020	For the period from 1 Jan 2020 to 30 Jun 2020
	€'000	€'000
<b>Current tax charge</b>		
Corporation tax	(5,235)	(2,457)
<b>Deferred tax (charge)/credit</b>		
On fair value gains on equity instruments (note 21)	5	1,407
On IFRS 9 transitional adjustments (note 21)	1,060	3,178
	<b>1,065</b>	<b>4,585</b>
<b>Total taxation (charge)/credit</b>	<b>(4,170)</b>	<b>2,128</b>

### 13. Cash, cash equivalents, collateral and Exchequer Notes

	30 Sep 2020 €'000	30 Jun 2020 €'000
Balances with the Central Bank of Ireland	119,795	144,910
Balances with other banks	14,007	15,707
Short Term Exchequer Notes	-	150,000
<b>Total cash and cash equivalents</b>	<b>133,802</b>	<b>310,617</b>
Exchequer Notes	525,000	300,000
Cash placed as collateral with the NTMA	25,000	25,000
<b>Total cash, cash equivalents, collateral and Exchequer Notes</b>	<b>683,802</b>	<b>635,617</b>

Balances with other banks comprise balances held with Citibank, AIB and BCP.

NAMA is required to post cash collateral with the NTMA under a collateral posting agreement (CPA) (as amended) entered into in 2012. The NTMA is the counterparty to all NAMA derivatives. The NTMA require cash to be placed with it as collateral to reduce the exposure it has to NAMA with regard to its derivative positions. At 30 September 2020, NAMA's derivative liability exposure was €18k (Q2 2020: €Nil) as set out in Note 15.

Short term Exchequer Notes are interest bearing notes held through the NTMA with maturities of less than then three months on the date of acquisition. These short term Exchequer Notes are classified as cash and cash equivalents.

Exchequer Notes are interest bearing notes held through the NTMA with maturities ranging from four to twelve months on the date of acquisition.

No expected credit loss has been recognised on cash and cash equivalents, collateral or Exchequer Notes.

### 14. Government bonds

	30 Sep 2020 €'000	30 Jun 2020 €'000
Opening balance	241,909	341,101
Amortisation of premium on purchase	6	2
Cash receipts	-	(99,275)
Net changes in fair value	(355)	81
<b>Total government bonds</b>	<b>241,560</b>	<b>241,909</b>

No expected credit loss has been recognised on government bonds.

### 15. Derivative financial instruments

	30 Sep 2020 €'000	30 Jun 2020 €'000
<i>Derivative assets at fair value through profit or loss</i>		
Foreign currency derivatives	125	475
<b>Total derivative assets</b>	<b>125</b>	<b>475</b>
<i>Derivative liabilities at fair value through profit or loss</i>		
Foreign currency derivatives	(18)	-
<b>Total derivative liabilities</b>	<b>(18)</b>	<b>-</b>

### 16. Debtor loans measured at FVTPL

	For the quarter from 1 Jul 2020 to 30 Sep 2020 €'000	For the period from 1 Jan 2020 to 30 Sep 2020 €'000
<b>At the beginning of the period</b>	<b>1,047,160</b>	<b>1,227,167</b>
<u>Movements in period:</u>		
Receipts on debtor loans	(118,685)	(412,787)
Advanced to borrowers	65,878	177,224
FX losses on debtor loans (note 11)	(176)	(577)
Profit on disposal and refinancing of loans	8,721	8,747
Other movements	(5,179)	(3,259)
Fair value gains on debtor loans at FVTPL (note 3)	40,884	42,088
<b>Total debtor loans measured at FVTPL</b>	<b>1,038,603</b>	<b>1,038,603</b>

## 17. Other assets

		30 Sep 2020 €'000	30 Jun 2020 €'000
Tax receivable	Tax prepaid	14,683	19,786
Right of Use Assets		4,372	5,061
Other assets	Deferred Consideration - EUR	4,132	3,642
<b>Total other assets</b>		<b>23,187</b>	<b>28,489</b>

## 18. Inventories - trading properties

	30 Sep 2020 €'000	30 Jun 2020 €'000
Inventories - trading properties	166,353	166,852

The Group acquires trading properties either in settlement of debt or where the asset is deemed to be of strategic importance to the Group objectives. Trading properties are recognised in accordance with accounting policy 2.16.

## 19. Investment properties

	30 Sep 2020 €'000	30 Jun 2020 €'000
Investment properties	285,070	285,070

In September 2019, the Minister for Finance issued a direction to NAMA to retain ownership of NARPS. NARPS is to remain in State ownership and the value attributable may form part of any potential transfer of assets as part of the surplus transfer. Investment properties are valued at fair value.

## 20. Investments in equity instruments

	30 Sep 2020 €'000	30 Jun 2020 €'000
Investments in equity instruments measured at fair value	17,550	14,368

The Group may invest in equity instruments to maximise value and to facilitate the effective delivery of commercial or residential developments. The movement in the value of investments in equity instruments is a combination of fair value movements, acquisitions and disposals.

## 21. Deferred tax

	Deferred tax on equity instruments & govt. bonds		Deferred tax on IFRS 9 transition adjustment	Total
	Assets €'000	(Liabilities) €'000	(Liabilities) €'000	€'000
Balance at 1 Jan 2020	1,276	(4,838)	(12,713)	(16,275)
Amortisation of transition adjustment	-	-	3,178	3,178
Movement in the period	-	442	-	442
<b>Balance at 30 Sep 2020</b>	<b>1,276</b>	<b>(4,396)</b>	<b>(9,535)</b>	<b>(12,655)</b>

	For the quarter from 1 Jul 2020 to 30 Sep 2020 €'000	For the period from 1 Jan 2020 to 30 Sep 2020 €'000
Movement recognised in the income statement (note 12)	5	1,407
Movement recognised in reserves (note 24)	(632)	(965)
<u>Movement recognised on IFRS 9 transitional adjustment:</u>		
Amortisation through income statement (note 12)	1,060	3,178
<b>Net movement in deferred tax</b>	<b>433</b>	<b>3,620</b>

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes relate to the same fiscal authority.

A deferred tax liability has been recognised on the fair value adjustment to retained earnings following the Group's adoption of IFRS 9. This liability will be recognised as a charge to the income statement over a five year period following initial adoption.

## 22. Other liabilities

	30 Sep 2020	30 Jun 2020
	€'000	€'000
Interest payable on cash and cash equivalents	491	298
Accrued expenses	15,912	18,707
VAT payable	140	256
Other liabilities	1,052	1,148
Lease Liabilities	4,032	4,016
<b>Total other liabilities</b>	<b>21,627</b>	<b>24,425</b>

Interest is payable on cash and cash equivalents as a result of negative Euribor interest rates.

## 23. Tax payable

	30 Sep 2020	30 Jun 2020
	€'000	€'000
Professional services withholding tax and other taxes payable	625	727

## 24. Other reserves

	For the quarter from 1 Jul 2020 to 30 Sep 2020	For the period from 1 Jan 2020 to 30 Sep 2020
	€'000	€'000
At the beginning of the period	(668)	521
Net changes in fair value	(355)	(1,211)
Deferred tax recognised in other reserves (note 21)	(632)	(965)
<b>Total other reserves at end of period</b>	<b>(1,655)</b>	<b>(1,655)</b>

Other reserves consists of fair value movements on financial assets measured at FVOCI. These include Irish government bonds.

## 25. Retained earnings

	For the quarter from 1 Jul 2020 to 30 Sep 2020	For the period from 1 Jan 2020 to 30 Sep 2020
	€'000	€'000
At the beginning of the period	2,382,369	4,453,366
Profit for the period	40,615	31,400
Dividend paid on B ordinary shares	-	(34)
Coupon paid on subordinated bonds	-	(56,009)
Transfer of surplus to the Exchequer	-	(2,000,000)
Capped return paid to private investors	-	(5,100)
Transaction costs (including stamp duty)	(4)	(643)
<b>At the end of the period</b>	<b>2,422,980</b>	<b>2,422,980</b>

In February 2020, the Board of NAMA resolved that it was appropriate, in the context of NAMA's overall aggregate financial performance and objectives, that the annual coupon on the subordinated bonds of €56.01m due on 1 March 2020 be paid. The subordinated bonds were classified as equity in the statement of financial position, and related payments thereon are classified as coupon payments. On 1 March 2020, NAMA called the subordinated bonds on their first call date and all the remaining bonds of €1.064bn were fully repaid on 2 March 2020.

On 27 March 2020, the Board of NAMA ("the Company") declared and approved a dividend payment based on the ten year Irish government bond yield as at 31 March 2020. The dividend was paid to the holders of B ordinary shares of NAMA only, the private investors, who held a 51% ownership in the Company at that date. No dividends were paid to the A ordinary shareholders, NAMA the Agency, which had a 49% ownership in the Company. The dividend payment was €0.00067 per share amounting to €0.034m.

On 26 May 2020, NAMA exercised its option to purchase the private investors' 51% shareholding in NAMA for €56.1m. The consideration for the exercise of the option was fixed at 110% of the Private Investor's share capital and the amount of consideration paid included a capped return of €5.1m.

Transaction costs of €643k including stamp duty were incurred on the purchase of the private investors shareholding and the redemption of the subordinated bonds. In line with IAS 32, these costs are deducted from equity as they are incremental costs directly attributable to the transactions.

On 30 June 2020, NAMA completed the payment of €2bn to the Exchequer representing the first transfer of NAMA's projected lifetime surplus.

## **26. Non-controlling interests**

NAMAI has €100m in share capital, of which NAMA had invested €49m, receiving 49 million A ordinary shares, and the remaining €51m was invested in NAMAI by private investors, each receiving an equal share of 51 million B ordinary shares. Under the terms of a shareholders' agreement between NAMA and the private investors, NAMA could exercise a veto over decisions taken by NAMAI. As a result of this veto, the private investors' ability to control the financial and operating policies of the entity was restricted and NAMA had effective control of the company. On 26 May 2020, NAMA exercised its option to purchase the private investors' 51% shareholding in NAMAI for €56.1m being €51m of their investment plus a capped return of 10%. This payment increases NAMA's interest in the NAMA Group entities from 49% to 100%.

NAMA Group																
Section 55 (6) (j): Income Statement by NAMA group entity																
For the year from 1 January 2020 to 30 September 2020																
	National Asset Loan Management	National Asset North Quays	National Asset JVA	National Asset Property Management	National Asset Sarasota LLC	National Asset Residential Property Services	National Asset Management Services	Pembroke Ventures	Pembroke Beach	Pembroke West Homes	National Asset Management Group Services	National Asset Management	National Asset Management Agency Investment	NAMA	Consolidation Adjustments	NAMA Group Consolidated Total
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Net gains on debtor loans measured at FVTPL	41,024	73	991	-	-	-	-	-	-	-	-	-	-	-	-	42,088
Net losses on investment properties	-	-	-	-	-	(1,120)	-	-	-	-	-	-	-	-	-	(1,120)
Interest income	10,571	-	-	-	-	-	-	-	-	-	37,626	-	190	-	(48,387)	-
Other income/(expense)	966	-	(5,523)	-	(107)	9,523	-	-	19	-	-	-	-	23,109	(23,129)	4,858
Profit on disposal and refinancing of loans	8,746	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,746
Profit on disposal of property assets	-	24,548	-	-	-	-	-	-	-	-	-	-	-	-	-	24,548
Fee income	1,971	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,971
Interest and similar expense	(44,903)	(189)	(471)	(1)	(23)	(17)	-	-	(8,954)	(1,122)	-	(190)	-	130	48,388	(7,352)
Total operating (expenses)/income	18,374	24,432	(5,003)	(1)	(130)	8,386	-	-	(8,935)	(1,122)	37,626	(190)	190	23,239	(23,128)	73,739
Administration expenses	(43,414)	(58)	(24)	(17)	(93)	(298)	-	-	(297)	(19)	-	-	-	(23,318)	23,128	(44,409)
Foreign exchange losses	(165)	-	-	-	107	-	-	-	-	-	-	-	-	-	-	(58)
Operating profit/(loss)	(25,205)	24,374	(5,027)	(18)	(116)	8,088	-	-	(9,232)	(1,141)	37,626	(190)	190	(79)	-	29,272
Tax credit/(charge)	577	-	1,381	-	-	218	-	-	-	-	-	-	(48)	-	-	2,128
(Loss)/profit for the period	(24,628)	24,374	(3,646)	(18)	(116)	8,306	-	-	(9,232)	(1,141)	37,626	(190)	142	(79)	-	31,400



NAMA Group																
Section 55 (6) (j): Income Statement by NAMA group entity																
For the quarter from 1 July 2020 to 30 Sept 2020																
	National Asset Loan Management	National Asset North Quays	National Asset JVA	National Asset Property Management	National Asset Sarasota LLC	National Asset Residential Property Services	National Asset Management Services	Pembroke Ventures	Pembroke Beach	Pembroke West Homes	National Asset Management Group Services	National Asset Management	National Asset Management Agency Investment	NAMA	Consolidation Adjustments	NAMA Group Consolidated Total
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Net gains on debtor loans measured at FVTPL	40,212	49	623	-	-	-	-	-	-	-	-	-	-	-	-	40,884
Net losses on investment properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Income	3,525	-	-	-	-	-	-	-	-	-	12,633	-	64	-	(16,222)	-
Other income/(expenses)	123	-	1	-	402	3,210	-	-	1	-	-	-	-	7,303	(7,305)	3,735
Profit on disposal and refinancing of loans	8,720	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,720
Profit on disposal of property assets	-	2,468	-	-	-	-	-	-	-	-	-	-	-	-	-	2,468
Fee Income	1,821	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,821
Interest and similar expense	(12,891)	(42)	(142)	(1)	(3)	(17)	-	-	(3,006)	(377)	-	(64)	-	46	16,223	(274)
<b>Total operating income/(expense)</b>	<b>41,510</b>	<b>2,475</b>	<b>482</b>	<b>(1)</b>	<b>399</b>	<b>3,193</b>	<b>-</b>	<b>-</b>	<b>(3,005)</b>	<b>(377)</b>	<b>12,633</b>	<b>(64)</b>	<b>64</b>	<b>7,349</b>	<b>(7,304)</b>	<b>57,354</b>
Administration expenses	(12,368)	(47)	(9)	(10)	5	(101)	-	-	(28)	-	-	-	-	(7,373)	7,305	(12,626)
Foreign exchange (losses)/gains	(54)	-	-	-	111	-	-	-	-	-	-	-	-	-	-	57
<b>Operating profit/(loss)</b>	<b>29,088</b>	<b>2,428</b>	<b>473</b>	<b>(11)</b>	<b>515</b>	<b>3,092</b>	<b>-</b>	<b>-</b>	<b>(3,033)</b>	<b>(377)</b>	<b>12,633</b>	<b>(64)</b>	<b>64</b>	<b>(24)</b>	<b>-</b>	<b>44,785</b>
Tax charge	(4,154)	-	-	-	-	-	-	-	-	-	-	-	(16)	-	-	(4,170)
<b>Profit/(loss) for the quarter</b>	<b>24,934</b>	<b>2,428</b>	<b>473</b>	<b>(11)</b>	<b>515</b>	<b>3,092</b>	<b>-</b>	<b>-</b>	<b>(3,033)</b>	<b>(377)</b>	<b>12,633</b>	<b>(64)</b>	<b>48</b>	<b>(24)</b>	<b>-</b>	<b>40,615</b>

NAMA Group																
Section 55 (6) (i): Statement of Financial Position by NAMA group entity as at 30 September 2020																
	National Asset Loan Management	National Asset North Quays	National Asset JVA	National Asset Property Management	National Asset Sarasota LLC	National Asset Residential Property Services	National Asset Management Services	Pembroke Ventures	Pembroke Beach	Pembroke West Homes	National Asset Management Group Services	National Asset Management	National Asset Management Agency Investment	NAMA	Consolidation Adjustments	NAMA Group Consolidated Total
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
<b>Assets</b>																
Cash and cash equivalents	111,040	19,519	269	64	-	2,228	-	-	-	-	210	-	250	222	-	133,802
Cash placed as collateral with the NTMA	25,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	25,000
Exchequer Notes	525,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	525,000
Irish government bonds	241,560	-	-	-	-	-	-	-	-	-	-	-	-	-	-	241,560
Derivative financial instruments	125	-	-	-	-	-	-	-	-	-	-	-	-	-	-	125
Debtor loans measured at FVTPL	1,020,947	27	17,629	-	-	-	-	-	-	-	-	-	-	-	-	1,038,603
Other assets	548,951	-	-	100	-	1,197	-	-	40	2	1,331,382	1,293,665	104,125	1,491,910	(4,748,185)	23,187
Investments in equity instruments	5,276	-	12,274	-	-	-	-	-	-	-	-	-	-	105,696	(105,696)	17,550
Inventories - trading properties	64	5,493	-	100	823	-	-	-	142,079	17,794	-	-	-	-	-	166,353
Investment properties	-	-	-	-	-	285,070	-	-	-	-	-	-	-	-	-	285,070
<b>Total assets</b>	<b>2,477,963</b>	<b>25,039</b>	<b>30,172</b>	<b>264</b>	<b>823</b>	<b>288,495</b>	<b>-</b>	<b>-</b>	<b>142,119</b>	<b>17,796</b>	<b>1,331,592</b>	<b>1,293,665</b>	<b>104,375</b>	<b>1,597,828</b>	<b>(4,853,881)</b>	<b>2,456,250</b>
<b>Liabilities</b>																
Other liabilities	1,336,690	9,967	27,083	6,579	2,859	280,821	-	6	157,428	19,710	1,293,959	1,584,010	-	67,319	(4,764,803)	21,627
Tax payable	(12,333)	56	-	(65)	-	208	-	-	-	-	-	(1,971)	48	-	14,682	625
Deferred tax	11,829	-	826	-	-	-	-	-	-	-	-	-	-	-	-	12,655
<b>Total liabilities</b>	<b>1,336,204</b>	<b>10,023</b>	<b>27,909</b>	<b>6,514</b>	<b>2,859</b>	<b>281,029</b>	<b>-</b>	<b>6</b>	<b>157,428</b>	<b>19,710</b>	<b>1,293,959</b>	<b>1,582,039</b>	<b>48</b>	<b>67,319</b>	<b>(4,750,121)</b>	<b>34,925</b>
<b>Equity</b>																
Share capital	-	-	-	-	6,332	-	-	-	-	-	-	-	10,000	-	(16,332)	-
Share premium	-	-	-	-	-	-	-	-	-	-	-	-	90,000	-	(90,000)	-
Retained earnings	1,143,414	15,016	2,263	(6,250)	(8,368)	7,466	-	(6)	(15,309)	(1,914)	37,633	(288,374)	4,327	1,530,509	2,572	2,422,980
Other reserves	(1,655)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,655)
<b>Total equity and reserves</b>	<b>1,141,759</b>	<b>15,016</b>	<b>2,263</b>	<b>(6,250)</b>	<b>(2,036)</b>	<b>7,466</b>	<b>-</b>	<b>(6)</b>	<b>(15,309)</b>	<b>(1,914)</b>	<b>37,633</b>	<b>(288,374)</b>	<b>104,327</b>	<b>1,530,509</b>	<b>(103,760)</b>	<b>2,421,325</b>
<b>Total equity &amp; liabilities</b>	<b>2,477,963</b>	<b>25,039</b>	<b>30,172</b>	<b>264</b>	<b>823</b>	<b>288,495</b>	<b>-</b>	<b>-</b>	<b>142,119</b>	<b>17,796</b>	<b>1,331,592</b>	<b>1,293,665</b>	<b>104,375</b>	<b>1,597,828</b>	<b>(4,853,881)</b>	<b>2,456,250</b>

NAMA Group																
Section 55 (6) (i): Statement of Financial Position by NAMA group entity as at 30 June 2020																
	National Asset Loan Management	National Asset North Quays	National Asset JVA	National Asset Property Management	National Asset Sarasota LLC	National Asset Residential Property Services	National Asset Management Services	Pembroke Ventures	Pembroke Beach	Pembroke West Homes	National Asset Management Group Services	National Asset Management	National Asset Management Agency Investment	NAMA	Consolidation Adjustments	NAMA Group Consolidated Total
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
<b>Assets</b>																
Cash and cash equivalents	240,527	60,893	270	175	-	8,236	-	-	-	-	-	-	251	265	-	310,617
Cash placed as collateral with the NTMA	25,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	25,000
Exchequer Notes	300,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	300,000
Irish government bonds	241,909	-	-	-	-	-	-	-	-	-	-	-	-	-	-	241,909
Derivative financial instruments	475	-	-	-	-	-	-	-	-	-	-	-	-	-	-	475
Debtor loans measured at FVTPL	1,025,348	66	21,746	-	-	-	-	-	-	-	-	-	-	-	-	1,047,160
Other assets	601,969	-	-	100	-	1,174	-	-	59	3	1,319,677	1,293,842	104,189	1,493,900	(4,786,424)	28,489
Investments in equity instruments	5,295	-	9,073	-	-	-	-	-	-	-	-	-	-	105,696	(105,696)	14,368
Inventories - trading properties	55	6,470	-	100	375	-	-	-	142,059	17,793	-	-	-	-	-	166,852
Investment properties	-	-	-	-	-	285,070	-	-	-	-	-	-	-	-	-	285,070
<b>Total assets</b>	<b>2,440,578</b>	<b>67,429</b>	<b>31,089</b>	<b>375</b>	<b>375</b>	<b>294,480</b>	<b>-</b>	<b>-</b>	<b>142,118</b>	<b>17,796</b>	<b>1,319,677</b>	<b>1,293,842</b>	<b>104,440</b>	<b>1,599,861</b>	<b>(4,892,120)</b>	<b>2,419,940</b>
<b>Liabilities</b>																
Other liabilities	1,327,825	54,785	28,473	6,679	2,926	289,898	-	6	154,394	19,332	1,294,677	1,584,122	128	69,328	(4,808,148)	24,425
Tax payable	(17,318)	56	-	(65)	-	208	-	-	-	-	-	(1,971)	32	-	19,785	727
Deferred tax	12,261	-	826	-	-	-	-	-	-	-	-	-	-	-	-	13,087
<b>Total liabilities</b>	<b>1,322,768</b>	<b>54,841</b>	<b>29,299</b>	<b>6,614</b>	<b>2,926</b>	<b>290,106</b>	<b>-</b>	<b>6</b>	<b>154,394</b>	<b>19,332</b>	<b>1,294,677</b>	<b>1,582,151</b>	<b>160</b>	<b>69,328</b>	<b>(4,788,363)</b>	<b>38,239</b>
<b>Equity</b>																
Share capital	-	-	-	-	6,332	-	-	-	-	-	-	-	10,000	-	(16,332)	-
Share premium	-	-	-	-	-	-	-	-	-	-	-	-	90,000	-	(90,000)	-
Retained earnings	1,118,478	12,588	1,790	(6,239)	(8,883)	4,374	-	(6)	(12,276)	(1,536)	25,000	(288,309)	4,280	1,530,533	2,575	2,382,369
Other reserves	(668)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(668)
<b>Total equity and reserves</b>	<b>1,117,810</b>	<b>12,588</b>	<b>1,790</b>	<b>(6,239)</b>	<b>(2,551)</b>	<b>4,374</b>	<b>-</b>	<b>(6)</b>	<b>(12,276)</b>	<b>(1,536)</b>	<b>25,000</b>	<b>(288,309)</b>	<b>104,280</b>	<b>1,530,533</b>	<b>(103,757)</b>	<b>2,381,701</b>
<b>Total equity &amp; liabilities</b>	<b>2,440,578</b>	<b>67,429</b>	<b>31,089</b>	<b>375</b>	<b>375</b>	<b>294,480</b>	<b>-</b>	<b>-</b>	<b>142,118</b>	<b>17,796</b>	<b>1,319,677</b>	<b>1,293,842</b>	<b>104,440</b>	<b>1,599,861</b>	<b>(4,892,120)</b>	<b>2,419,940</b>

**Supplementary information required under Section 54 of the Act**

In accordance with the requirements of Section 54 (2) and (3) and Section 55 (6) (k) of the NAMA Act 2009 the following additional information is provided, in respect of NAMA and each of its Group entities for the quarter.

**3 (i) SECTION 54 (2) - ADMINISTRATION FEES AND EXPENSES INCURRED BY NAMA AND EACH NAMA GROUP ENTITY**

Administration Expenses by NAMA group entity														
For the quarter from 1 July 2020 to 30 September 2020														
	NALM	NANQ	NAJVA	NAPM	NAMSL	NAMGS	PV	PB	PWH	NAM	NASLLC	NARPS	NAMA	NAMA Group Consolidated Total
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Costs reimbursable to the NTMA	7,078	-	-	-	-	-	-	-	-	-	-	-	-	7,078
Primary Servicer fees	1,709	-	-	-	-	-	-	-	-	-	-	-	-	1,709
Master servicer fees	368	-	-	-	-	-	-	-	-	-	-	-	-	368
Portfolio management fees	848	2	11	6	-	-	-	27	-	-	(1)	101	-	994
Finance, communication and technology costs	981	45	(2)	4	-	-	-	-	-	-	9	(10)	-	1,026
Legal fees	(18)	-	-	-	-	-	-	-	-	-	(13)	10	-	(21)
Rent and occupancy costs	1,030	-	-	-	-	-	-	-	-	-	-	-	-	1,030
Internal audit fees	150	-	-	-	-	-	-	-	-	-	-	-	-	150
Board and Committee fees and expenses	-	-	-	-	-	-	-	-	-	-	-	-	70	70
External audit remuneration	222	-	-	-	-	-	-	-	-	-	-	-	-	222
	<b>12,367</b>	<b>47</b>	<b>9</b>	<b>10</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27</b>	<b>-</b>	<b>-</b>	<b>(5)</b>	<b>101</b>	<b>70</b>	<b>12,626</b>

Administration Expenses by NAMA group entity														
For the year from 1 January 2020 to 30 September 2020														
	NALM	NANQ	NAJVA	NAPM	NAMSL	NAMGS	PV	PB	PWH	NAML	NASLLC	NARPS	NAMA	NAMA Group Consolidated Total
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Costs reimbursable to the NTMA	22,883	-	-	-	-	-	-	-	-	-	-	-	-	22,883
Primary Servicer fees	5,227	-	-	-	-	-	-	-	-	-	-	-	-	5,227
Master servicer fees	1,106	-	-	-	-	-	-	-	-	-	-	-	-	1,106
Portfolio management fees	2,074	35	24	7	-	-	-	296	-	-	33	266	-	2,735
Finance, communication and technology costs	3,380	(86)	-	10	-	-	-	-	-	-	5	17	-	3,325
Legal fees	4,690	109	-	-	-	-	-	-	-	-	55	15	-	4,869
Rent and occupancy costs	2,962	-	-	-	-	-	-	-	-	-	-	-	-	2,962
Internal audit fees	467	-	-	-	-	-	-	-	-	-	-	-	-	467
Board and Committee fees and expenses	-	-	-	-	-	-	-	-	-	-	-	-	210	210
External audit remuneration	625	-	-	-	-	-	-	-	-	-	-	-	-	625
	<b>43,413</b>	<b>58</b>	<b>24</b>	<b>17</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>296</b>	<b>-</b>	<b>-</b>	<b>93</b>	<b>298</b>	<b>210</b>	<b>44,409</b>

**3 (ii) SECTION 54 (3) (A) - DEBT SECURITIES ISSUED FOR THE PURPOSES OF THE ACT**

There was no debt in issue during the period. All bonds issued were fully redeemed by the start of Q3 2020.

**3 (iii) SECTION 54 (3) (B) - DEBT SECURITIES ISSUED AND REDEEMED IN THE PERIOD****Government guaranteed senior debt securities**

There were no Senior bonds issued or redeemed in the period. All Senior bonds were redeemed by the start of the Q3 2020.

**Subordinated debt securities held**

There were no Subordinated bonds issued or redeemed in the period. All Subordinated bonds were redeemed by the start of Q3 2020.

**3 (iv) SECTION 54 (3) (C) - ADVANCES TO NAMA FROM THE CENTRAL FUND**

There were no advances to NAMA from the Central Fund in the quarter.

**3 (v) SECTION 54 (3) (D) - ADVANCES MADE BY NAMA TO DEBTORS IN THE QUARTER**

Participating Institutions and Primary Servicer	For the quarter from 1 Jul 2020 to 30 Sep 2020 €'000
Link Asset Services	1,023
AIB	63,899
<b>Total</b>	<b>64,922</b>

**3 (vi) SECTION 54 (3) (E) - ASSET PORTFOLIOS HELD BY NAMA AND EACH NAMA GROUP ENTITY**

The assets held by NAMA and each NAMA Group entity are set out below. The assets include intergroup assets and liabilities and intergroup profit participating loans between NAMA Group entities.

National Asset Management Agency	30 Sep 2020 €'000
Investment in NAMA I	105,696
Cash and cash equivalents	222
Interest receivable on loan to NAM	1,479,893
Receivable from NALM	12,017
<b>Total</b>	<b>1,597,828</b>

National Asset Management Agency Investment	30 Sep 2020 €'000
Receivable from NAM	99,900
Receivable from NAM - accrued interest	4,219
Cash and cash equivalents	250
Other assets	6
<b>Total</b>	<b>104,375</b>

National Asset Management	30 Sep 2020 €'000
PPL receivable from NAMGS	994,969
PPL interest receivable	298,696
<b>Total</b>	<b>1,293,665</b>

National Asset Management Group Services	30 Sep 2020 €'000
Cash and cash equivalents	210
Loan receivable from NALM	1,002,399
Loan interest receivable from NALM	307,093
PPL receivable from NAJVA	5,524
PPL interest receivable from NAJVA	15,353
Other assets	1,013
<b>Total</b>	<b>1,331,592</b>

Pembroke Beach	30 Sep 2020 €'000
Inter-group receivable	19
Other assets	21
Inventories - trading properties	142,079
<b>Total</b>	<b>142,119</b>

3 (vi) SECTION 54 (3) (E) - ASSET PORTFOLIOS HELD BY NAMA AND EACH NAMA GROUP ENTITY - CONTINUED

	30 Sep 2020
<b>Pembroke West Homes</b>	<b>€'000</b>
Inventories - trading properties	17,794
Other assets	2
<b>Total</b>	<b>17,796</b>

	30 Sep 2020
<b>National Asset Loan Management</b>	<b>€'000</b>
Investments in equity instruments	5,276
Cash and cash equivalents	111,040
Cash placed as collateral with the NTMA	25,000
Exchequer Notes	525,000
Government bonds	241,560
Derivative financial instruments	125
Debtor loans measured at FVTPL	1,020,947
Other assets	6,186
Inter-group receivable	542,765
Inventories - trading properties	64
<b>Total</b>	<b>2,477,963</b>

	30 Sep 2020
<b>National Asset North Quays</b>	<b>€'000</b>
Cash and cash equivalents	19,519
Debtor loans measured at fair value through profit or loss	27
Inventories - trading properties	5,493
<b>Total</b>	<b>25,039</b>

	30 Sep 2020
<b>National Asset JV A</b>	<b>€'000</b>
Investments in equity instruments	12,274
Cash and cash equivalents	269
Debtor loans measured at fair value through profit or loss	17,629
<b>Total</b>	<b>30,172</b>

	30 Sep 2020
<b>National Asset Sarasota LLC</b>	<b>€'000</b>
Inventories - trading properties	823
<b>Total</b>	<b>823</b>

	30 Sep 2020
<b>National Asset Property Management</b>	<b>€'000</b>
Cash and cash equivalents	64
Inter-group receivable	100
Inventories - trading properties	100
<b>Total</b>	<b>264</b>

	30 Sep 2020
<b>National Asset Residential Property Services</b>	<b>€'000</b>
Cash and cash equivalents	2,228
Other assets	1,197
Investment properties	285,070
<b>Total</b>	<b>288,495</b>

	30 Sep 2020
<b>National Asset Leisure Holdings Limited (in Voluntary Liquidation)</b>	<b>€'000</b>
Investment in subsidiaries <sup>1</sup>	1,763

3 (vii) SECTION 54 (3) (F) - GOVERNMENT SUPPORT MEASURES INCLUDING GUARANTEES, RECEIVED BY NAMA AND EACH NAMA GROUP ENTITY

Entity	Description	Amount in issue at 30 Sep 2020 €'000
<b>National Asset Management D.A.C.</b>	On 26 March 2010, the Minister for Finance guaranteed Senior Notes issued by NAMA as provided for under Section 48 of the NAMA Act 2010. The maximum aggregate principal amount of Senior Notes to be issued at any one time is €51,300,000,000.	Nil

<sup>1</sup> This amount represents the investment of NALHL in RLHC I and RLHC II. The amount is as per 31 December 2019 final audited results.

## Supplementary information required under Section 55 of the NAMA Act 2009

In accordance with Section 55 of the Act, the following additional information is provided in respect of NAMA and each of its Group entities:

### 4 (i) SECTION 55 (5) - GUIDELINES & DIRECTIONS ISSUED BY THE MINISTER FOR FINANCE

#### Compliance with Guidelines Issued by the Minister under Section 13 (NAMA Act 2009) as at 30 September 2020

No guidelines issued

#### Compliance with Directions Issued by the Minister under Section 14 (NAMA Act 2009) as at 30 September 2020

- (1) 14th May 2010 - Direction (Ref 513/43/10) - Pricing of government guaranteed debt issued by NAMA.  
No such debt was issued by NAMA as at 30 September 2019
- (2) 22nd October 2010 - Expeditious Transfer of Eligible Assets.  
All transfers completed since 22 October 2011 have complied with this Direction.
- (3) 11th May 2011 - Direction (Ref 513/43/10) - Amendment to Senior Notes Terms & Conditions  
All senior notes have been amended in accordance with this Direction.
- (4) 7th March 2012 - NAMA Advisory Group.  
A NAMA Advisory Group has been set up in accordance with this Direction.
- (5) 29th March 2012 - Irish Bank Resolution Corporation - Short Term Financing.  
NAMA adopted all reasonable measures to facilitate the short-term financing of IBRC.
- (6) 31st July 2015 - Direction (513/43/10) - Effect of a potential negative interest rates on the NAMA Senior Note Programme.  
Pursuant to a direction issued by the Minister on 31 July 2015, on 28 January 2016 NAM D.A.C. and Citibank executed documentation to floor the coupon rate on the senior notes in issue at zero if the 6 month Euribor rate is negative.  
This resulted in €4.7bn of cashflow hedge relationships being derecognised on this date.
- (7) 28th September 2019 - Direction to NAMA pursuant to Section 14 (2) of the NAMA Act 2009 regarding NARPS.  
NAMA to retain ownership of NARPS and for NARPS to continue its trading activity, subject to compliance with applicable company laws.

#### Compliance with Directions Issued by the Minister under Section 13 (IBRC Act 2013) as at 30 September 2020

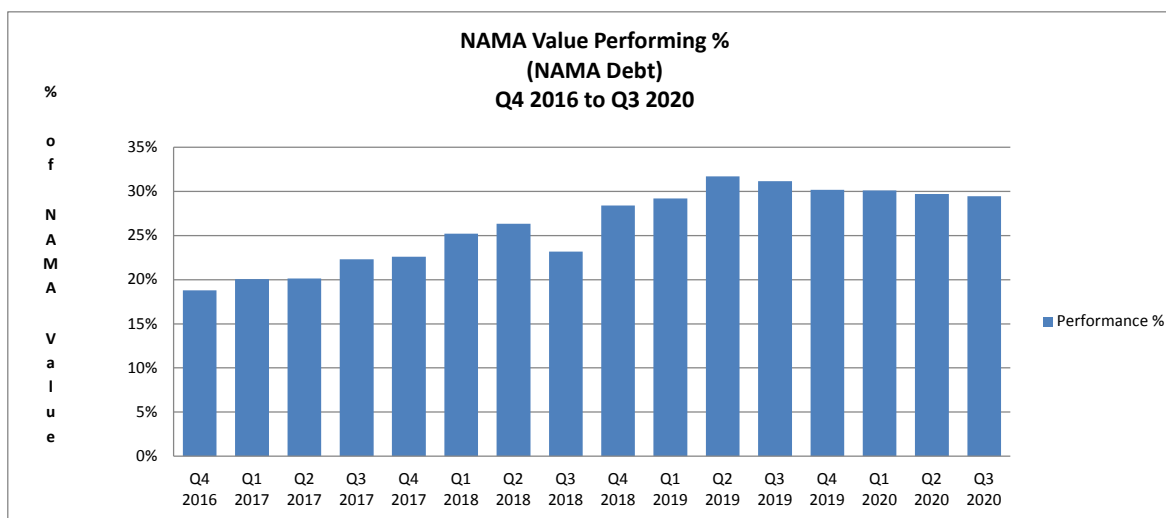
- (1) 7th February 2013 - Irish Bank Resolution Corporation - Deed of Assignment and Transfer  
NAMA complied with this direction.
- (2) 7th February 2013 - Irish Bank Resolution Corporation - Bid for Assets of IBRC  
NAMA adopted all reasonable measures to bid for the assets of IBRC.
- (3) 7th February 2013 - Irish Bank Resolution Corporation - Short-term facility to the Special Liquidators  
NAMA adopted all reasonable measures to provide short-term facility to the Special Liquidators of IBRC.
- (4) 20th February 2013 - Irish Bank Resolution Corporation - Deed of Assignment and Transfer  
NAMA complied with this direction.

#### 4 (ii) SECTION 55 (6) (A) - NUMBER AND CONDITION OF OUTSTANDING LOANS

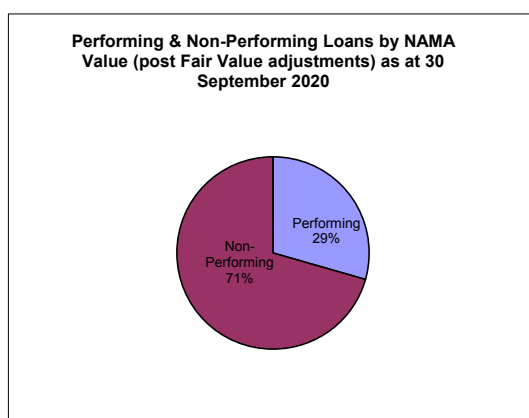
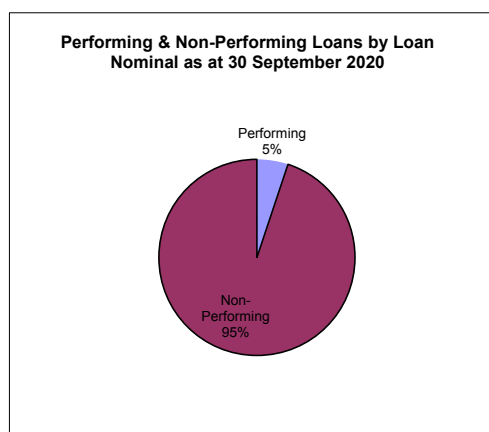
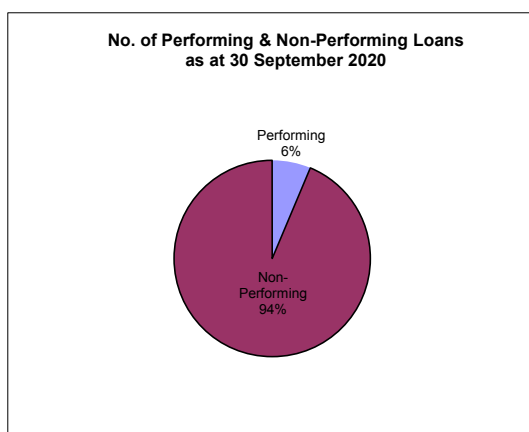
##### Legacy loan facility loan performance metric

Classification	Number	Loan Nominal €m	NAMA Value (post Fair Value adjustments) €m
Performing	250	1,018	306
Non-Performing	3,684	20,998	733
<b>Total</b>	<b>3,934</b>	<b>22,016</b>	<b>1,039</b>

A measure of loan performance is the Loan Payment Status. The Loan Payment Status is a measurement of loan performance based on cash receipts with regard to the contractual obligations of the legacy loan facility. With effect from January 1 2018, all loans have moved from being measured at amortised cost to fair value models. The degree of default measurement is based on the default of the original PAR debt acquired by NAMA from the participating institutions.



\* 2018 - 2020 analysis prepared based on fair value as opposed to amortised cost following adoption of IFRS 9.



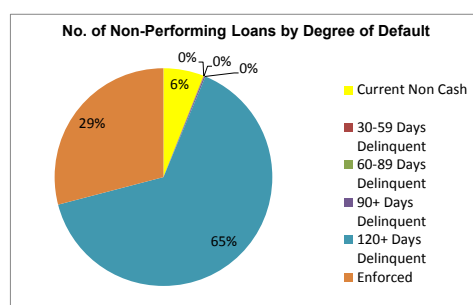
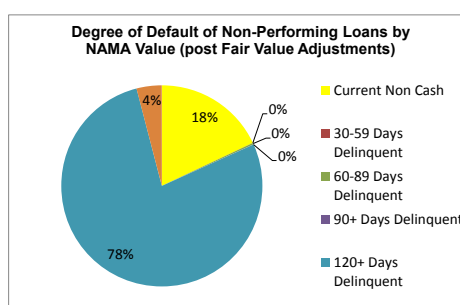
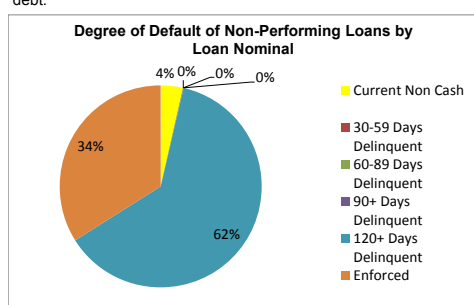


#### 4 (iii) SECTION 55 (6) (B) - CATEGORISATION OF NON-PERFORMING AS TO THE DEGREE OF DEFAULT

Categorisation of non performing loans in accordance with the Loan Payment Status as at 30 September 2020

Loan Payment Status	Degree of Default	Number	Loan Nominal €m	NAMA Value (post Fair Value Adjustments) €m
9	Current Non Cash	221	752	132
1	30-59 Days Delinquent	2	-	-
2	60-89 Days Delinquent	2	6	1
3	90+ Days Delinquent	7	2	-
4	120+ Days Delinquent	2,381	13,074	570
7 & 8	Enforced	1,071	7,164	30
	<b>Total</b>	<b>3,684</b>	<b>20,998</b>	<b>733</b>

An analysis of the non-performing profile of the loan book indicates significant volume in the '120+ Days Delinquent' classifications. NAMA is addressing this issue in part by insisting, as part of any ongoing consensual support provided by NAMA to the debtor, that all income produced by the underlying secured assets is paid to NAMA. The extent to which debtors do not comply with this, and other key milestones set by NAMA, will determine whether these delinquent loans will be enforced. In some cases, the delinquent loans may be re-financed on new terms set by NAMA. The sole driver of NAMA's decisions in this regard is the maximisation of the return to the taxpayer. The degree of default measurement is based on the default of the original PAR debt acquired by NAMA from the participating institutions. NAMA value is provided for information purposes and is not measured for degree of default under the same terms as the PAR debt.



CodeID	CultureValue	Description	Comment
0	Current Cash	Performing	Accounts not in arrears due to cash receipts or where the arrears are outstanding less than 30 days. It includes matured loans that are still producing cash in accordance with their contractual terms
9	Current Non Cash	Non Performing	Accounts not in arrears because arrears are capitalised or account has a zero interest rate applying
1	30-59 Days Delinquent	Non Performing	Accounts in arrears where the amounts due are between 30 and 59 days outstanding
2	60-89 Days Delinquent	Non Performing	Accounts in arrears where the amounts due are between 60 and 89 days outstanding
3	90+ Days Delinquent	Non Performing	Accounts in arrears where the amounts due are between 90 and 119 days outstanding
4	120+ Days Delinquent	Non Performing	Accounts in arrears where the amounts due are 120 days or more outstanding
7 & 8	Enforced	Non Performing	Accounts subject to enforcement

#### 4 (iv) SECTION 55 (6) (C) - NUMBER OF LOANS BEING FORECLOSED OR OTHERWISE ENFORCED

Number of loans foreclosed in the quarter to 30 September 2020

Classification	Number	Loan Nominal €m	NAMA Value €m
Enforced	1	2	-

Note: Section 55 6 (B) contains a category of default called 'Enforced' where 1,071 loans have been classified. This includes enforcements that were instigated by the Participating Institutions prior to transfer of the loans to NAMA. This section deals with the number of loans being enforced by NAMA only.

#### 4 (v) SECTION 55 (6) (D) - NUMBER OF CASES WHERE LIQUIDATORS AND RECEIVERS HAVE BEEN APPOINTED

Number of cases where receivers and liquidators have been appointed in the quarter to 30 September 2020

Classification	Number	Loan Nominal €m	NAMA Value €m
Liquidators	0	0	0
Receivers	1	2	0
<b>Total</b>	<b>1</b>	<b>2</b>	<b>0</b>

#### 4 (vi) SECTION 55 (6) (E) - LEGAL PROCEEDINGS COMMENCED BY NAMA AND EACH NAMA GROUP ENTITY IN THE QUARTER

List of all legal proceedings (except any proceeding in relation to which a rule of law prohibits publication)

Proceeding	Title	Parties to the proceeding	Relief sought by NAMA or the NAMA group entity
(i)	High Court Record No. 2020/192S	National Asset Loan Management DAC v Mary Hennessy	Summary judgment

#### 4 (vii) SECTION 55 (6) (F) - SCHEDULE OF FINANCE RAISED BY NAMA AND EACH NAMA GROUP ENTITY IN THE QUARTER

Schedule of finances raised by NAMA and each NAMA group entity in the quarter to 30 September 2020

There was no finances raised by NAMA or a NAMA group entity in the quarter to 30 September 2020.

#### 4 (viii) SECTION 55 (6) (G) - SUMS RECOVERED FROM PROPERTY SALES IN THE QUARTER

Amount of money recovered by sale of property in the quarter to 30 September 2020

Description	€m
Sale of property	4.2

#### 4 (ix) SECTION 55 (6) (H) - OTHER INCOME FROM INTEREST-BEARING LOANS OWNED BY NAMA AND EACH NAMA GROUP ENTITY IN THE QUARTER

Other income from interest bearing loans in the quarter to 30 September 2020

Description	Date	€m
Fee income	Sep-20	1.8

**5 - National Asset Management Agency Investment D.A.C. Company only  
accounts**

**For the quarter ended 30 September 2020**

**NAMAI D.A.C. (company only)**  
**Income Statement**  
**For the quarter from 1 July 2020 to 30 September 2020**

		<b>For the quarter from 1 Jul 2020 to 30 Sep 2020 €'000</b>	<b>For the period from 1 Jan 2020 to 30 Sep 2020 €'000</b>
	<b>Note</b>		
Net interest income	3	64	190
<b>Operating profit before tax</b>		<b>64</b>	<b>190</b>
Tax charge	4	(16)	(48)
<b>Profit for the period</b>		<b>48</b>	<b>142</b>

The accompanying notes 1 to 11 form an integral part of these accounts.

**NAMAI D.A.C. (company only)**  
**Statement of Financial Position**  
**As at 30 September 2020**

		<b>30 Sept 2020</b>	<b>30 June 2020</b>
	<b>Note</b>	<b>€'000</b>	<b>€'000</b>
<b>Assets</b>			
Cash and Cash Equivalents	6	250	251
Other Assets	7	104,125	104,189
<b>Total assets</b>		<b>104,375</b>	<b>104,440</b>
<b>Liabilities</b>			
Amounts due to group entity	8	-	128
Current tax liability	9	48	32
<b>Total liabilities</b>		<b>48</b>	<b>160</b>
<b>Equity</b>			
Share capital	10	10,000	10,000
Share premium	10	90,000	90,000
Retained earnings	11	4,327	4,280
<b>Total equity</b>		<b>104,327</b>	<b>104,280</b>
<b>Total equity and liabilities</b>		<b>104,375</b>	<b>104,440</b>

The accompanying notes 1 to 11 form an integral part of these accounts.

## **1 General Information**

The proposed creation of the National Asset Management Agency ('NAMA') was announced in the Minister for Finance's Supplementary Budget on 7 April 2009 and the National Asset Management Agency Act 2009, (the 'Act') was passed in November 2009.

National Asset Management Agency Investment D.A.C. (NAMA I) was established on 27 January 2010 to facilitate the participation of private investors in NAMA. It is the ultimate parent company for the NAMA group entities. On 29 March 2010, NAMA and private investors subscribed a total of €100 million for A and B shares in the Company.

The Agency owned 49% of the Company and the remaining 51% of the shares in the Company were held by private investors. On 26 May 2020, the Agency purchased the 51% of the shares held by the private investors.

The Agency may exercise a veto power in respect of decisions of the Company relating to the interests or objectives of NAMA or the State or any action which may adversely affect the financial interests of NAMA or the State.

The address of the registered office of the Company is Treasury Dock, North Wall Quay, Dublin 1. The Company is incorporated and domiciled in the Republic of Ireland.

## **2 Summary of significant accounting policies**

### **2.1 Basis of preparation**

The Company's accounts for the quarter to 30 September 2020 have been prepared in accordance with its accounting policies, for the purposes of complying with the requirements of Section 55 of the Act.

The accounts are for the Company only, and they have been prepared on a non-consolidated basis.

### **2.2 Basis of measurement**

The financial statements have been prepared under the historical cost convention.

The accounts are presented in euro (or €), which is the Company's functional and presentational currency. The figures shown in the accounts are stated in € thousands.

### **2.3 Inter-group receivables**

Inter-group receivables are initially recognised at fair value. Inter-group receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Inter-group receivables are subsequently held at amortised cost.

### **2.4 Inter-group payables**

The Company carries all inter-group payables at amortised cost.

### **2.5 De-recognition of financial assets and financial liabilities**

Financial assets are derecognised when the contractual rights to receive the cash flows from these assets have ceased to exist or the assets have been transferred and substantially all the risks and rewards of ownership of the assets have also been transferred. Financial liabilities are derecognised when they have been redeemed or otherwise extinguished.

### **2.6 Taxation**

#### *Current income tax*

Income tax payable on profits, based on the applicable tax law in the relevant jurisdiction, is recognised as an expense in the period in which the profits arise.

The tax effects of current income tax losses available for carry forward are recognised as an asset when it is probable that future taxable profits will be available against which these losses are utilised.

## 2.7 Share capital

### Dividends on ordinary shares

Dividends on ordinary shares are recognised in equity in the period in which they are approved and paid by the Company's Board.

### 3 Interest income

	For the quarter from 1 Jul 2020 to 30 Sep 2020 €'000	For the period from 1 Jan 2020 to 30 Sep 2020 €'000
Interest receivable on inter-group loan	64	190

On 1 April 2010, the Company provided a loan of €99.9m to National Asset Management (NAM). The interest rate on the loan was reset to 0.25% on 1 July 2012.

### 4 Tax charge

	For the quarter from 1 Jul 2020 to 30 Sep 2020 €'000	For the period from 1 Jan 2020 to 30 Sep 2020 €'000
Profit before tax	64	190
Tax charge for the period	(16)	(48)

### 5 Investment in subsidiaries

NAMAI holds 100 €1.00 ordinary shares in NAM representing 100% of the issued share capital.

### 6 Cash and cash equivalents

	30 Sep 2020 €'000	30 Jun 2020 €'000
Balance at bank	250	251

### 7 Other Assets

	30 Sep 2020 €'000	30 Jun 2020 €'000
Loan receivable from NAM	99,900	99,900
Accrued interest on receivable from NAM	4,219	4,283
Other assets	6	6
<b>Total other assets</b>	<b>104,125</b>	<b>104,189</b>

NAMAI issued a loan of €99.9m to NAM at an interest rate to be reviewed quarterly. This rate was set at 0.25% from 1 July 2012.

### 8 Amounts due to group entity

	30 Sep 2020 €'000	30 Jun 2020 €'000
Amounts due to NALM	-	128

<b>9 Current tax liability</b>	<b>30 Sep 2020</b>	<b>30 Jun 2020</b>
	<b>€'000</b>	<b>€'000</b>
Tax payable	<b>48</b>	<b>32</b>

## 10 Share capital and share premium

	<b>Number</b>	<b>€'000</b>
At 31 September 2020		
<u>Authorised:</u>		
A Ordinary shares of € 0.10 each	49,000,000	4,900
B Ordinary shares of € 0.10 each	51,000,000	5,100
<u>Issued and fully paid during the period:</u>		
A Ordinary shares of € 0.10 each	49,000,000	4,900
B Ordinary shares of € 0.10 each	51,000,000	5,100
Share premium A Ordinary Shares	-	44,100
Share premium B Ordinary Shares	-	45,900
	<b>100,000,000</b>	<b>100,000</b>

A Ordinary shares are held by NAMA. B Ordinary shares were held by private investors. On 26 May 2020, NAMA exercised its option to purchase the private investors' 51% shareholding in NAMA.

## 11 Retained earnings

	<b>For the quarter from 1 Jul 2020 to 30 Sep 2020</b>	<b>For the period from 1 Jan 2020 to 30 Sep 2020</b>
	<b>€'000</b>	<b>€'000</b>
Retained earnings at beginning of period	4,280	4,219
Profit for the period	48	142
Dividend paid	-	(34)
<b>Retained earnings at end of period</b>	<b>4,327</b>	<b>4,327</b>

On 27 March 2020, the Board of NAMA declared and approved a dividend payment based on the ten year Irish government bond yield as at 31 March 2020. The dividend was paid to the holders of B ordinary shares of NAMA only, the private investors, who held a 51% ownership in the Company at that date. No dividends were paid to the A ordinary shareholders, NAMA the Agency, which had a 49% ownership in the Company. The dividend payment was €0.00067 per share amounting to €0.034m.