

Section 53 Annual Statement 2025

Section 53 of the National Asset Management Agency Act 2009 (“the Act”) requires NAMA to prepare and submit an Annual Statement to the Minister for Finance three months before the commencement of the financial year to which it relates. The Statement must specify:

- a) the proposed objectives of each NAMA group entity for the financial year concerned,
- b) the proposed nature and scope of activities to be undertaken,
- c) the proposed strategies and policies to be implemented, and
- d) the proposed application of resources.

The Act confers various powers and functions on NAMA to achieve its objectives. The Board has various statutory functions including ensuring that NAMA functions are performed effectively and efficiently, setting strategic objectives and targets, and ensuring that appropriate systems and procedures are in place to achieve these objectives and targets.

The following statement specifies the objectives, activities, strategies and resource allocation proposed by the Agency for 2025. As NAMA is scheduled to complete its operations on 31 December 2025, this will be the final statement prepared by the Agency in compliance with Section 53.

For the purpose of this Statement, NAMA and its group entities are considered as one.

A. Objectives

Section 10 (1) of the Act sets out NAMA's purposes, summarised as:

- a) acquiring eligible assets from participating institutions;
- b) dealing expeditiously with acquired assets; and
- c) protecting and enhancing the value of assets, in the interests of the State.

NAMA's statutory commercial mandate, based on Section 10 (2) of the Act, is to obtain the best achievable financial return for the State, having regard to the cost of acquiring and dealing with bank assets and its own cost of capital and other costs, and any other factor which NAMA considers relevant to the achievement of its purposes. In the context of this overarching statutory commercial mandate, the NAMA Board has adopted four key objectives, which are set out below:

- 1. The Board's primary commercial objective is to generate the largest surplus that can feasibly be achieved from the management and disposal of its remaining portfolio, subject to prevailing market conditions, by December 2025.**

Progress: NAMA completed the repayment of all its debt and equity obligations by May 2020¹. It is currently projected that NAMA's total contribution to the Exchequer will be €5.2 billion, comprised of the forecast lifetime surplus of €4.8 billion and €0.4 billion of corporation tax payments. By end-August 2024, €4.25 billion from NAMA's surplus had been transferred to the State, inclusive of tax payments made.

- 2. NAMA will focus on the intensive asset management of its remaining residential land portfolio, to both prepare sites for future development and to optimise realisable value in accordance with our commercial mandate. NAMA also aims to work with its remaining debtors/receivers to facilitate delivery of the**

¹ NAMA has redeemed all €31.8 billion of debt liabilities issued to acquire loans; €30.2 billion of this figure comprised Senior Debt which was redeemed in full by October 2017. By March 2020, NAMA had repaid €1.6 billion of subordinated debt, and, in May 2020, NAMA purchased, for €56m, the 51% private investor shareholding in NAMAI, thus becoming 100% owned by the Minister for Finance.

maximum number of new homes possible from approved funding, subject to commercial viability.

Progress: From 2014 to end-August 2024, NAMA has funded or facilitated the delivery of 39,377 new homes. Of these, **14,336 homes were funded** by NAMA. **25,041 homes were delivered** on sites for which NAMA had funded planning permission, enabling works, legal costs or holding costs before they were disposed of. So far in 2024, 118 residential units have been delivered and a further 324 units are under construction (of which circa 145 will complete in 2025). NAMA continues to maximise the number of sites that are shovel-ready for future development however achievement of appropriate planning remains a significant challenge. More detailed progress on this initiative are set out on pages 5-6.

- 3. NAMA will conclude its work no later than December 2025 following a phased and orderly wind down, having regard to the primacy of its Section 10 commercial mandate. NAMA aims to continue to meet all future commitments out of its own resources. NAMA will work in tandem with the NTMA and the Department of Finance to facilitate the transfer of any unfinished activity to the NTMA Resolution Unit by end-2025.**

Progress: NAMA's Transformation unit has progressed the initial phases of wind-down, through implementation of the wind-down strategy which was submitted to the Minister for Finance in November 2021. Prior to concluding its work at end-2025, NAMA will finalise the deleveraging of its remaining portfolio and ensure that any residual activity to be transferred to the NTMA Resolution Unit is minimised in so far as practicable. NAMA has regular engagement with the NTMA and the Department of Finance with regard to the establishment of the Resolution Unit. Detail on wind-down progress and related projects are set out on pages 6-7.

- 4. Subject to the primacy of its Section 10 commercial mandate but often complementing it, and within the context of a much-reduced secured portfolio, NAMA will seek to make a positive social and economic contribution across its remaining activities.**

Progress: Throughout its lifetime NAMA worked closely with Government departments, state agencies and local authorities, where possible, to identify properties that may have a

community, or social benefit. As is detailed on pages 7-8, in excess of 7,600 units have been identified as potentially suitable for social housing and offered to local authorities however the majority of these units were either not required or deemed unsuitable at the time of offer or subsequently became unavailable. In total, NAMA has delivered 2,957 homes for social housing to date. NAMA seeks to ensure its development activities have limited environmental impact.

B. Activities

During 2025, NAMA will finalise its asset management and deleveraging activities, consistent with its strategic objectives, to ensure its remaining assets are fully monetised by end-2025. NAMA is progressing its wind-down steps and is on track to conclude all its activities by end-December 2025. NAMA's operations will reduce consistent with the resolution of related commercial activities. NAMA will also manage any residual IBRC assets and liabilities transferred to the agency. NAMA will support the NTMA during 2025 to ensure that the resolution unit is established and suitably resourced in order to take on any residual NAMA activity from January 2026.

The successful completion of NAMA's activities will ensure that the remaining €950 million of the projected €5.2 billion surplus (including tax paid) is realised and delivered to the Exchequer, subject to prevailing market conditions.

1. Deleveraging Activities

NAMA's deleveraging activity is guided by the objective of maximising recovery from property-backed loans through working closely with debtors and receivers to enhance the value, and ultimately the disposal proceeds, of the underlying assets and, where appropriate, of the loans. The loans of some 43 debtors remain under the active management of NAMA. The majority of these debtors are expected to exit NAMA by end-2024 with the remainder exiting in 2025. Some debtor exit agreements will be subject to a monitoring period (typically two years) which will be managed by the resolution unit in the NTMA post-2025. Debtor exits will result in a correlated reduction in NAMA's residual loan portfolio and par debt. However, economic conditions beyond NAMA's control may defer asset/loan sale transactions, delaying

debtor exits and impacting the pace at which NAMA's portfolio reduces.

Proposed deleveraging activity excludes loans which are the subject of litigation or loans secured by assets with significant value uplift potential.

2. Residential Delivery Activities

NAMA has funded or facilitated the delivery of **39,377 new homes** since 2014. Of these, **14,336 homes** have been **delivered directly** by NAMA, either through the provision of funding directly to debtors and receivers or facilitating development via licence agreement or joint venture. A further **25,041 homes** have been **delivered indirectly** on sites for which NAMA had funded planning permission, legal costs, holding costs or enabling works but which were subsequently sold, or where the associated loans were subsequently sold or refinanced. NAMA's residential delivery programme has aimed to strike an appropriate balance between direct and indirect delivery, de-risking a portion of the programme and delivering significant numbers of new units without putting taxpayer capital at risk.

Currently, **324 homes** are under construction, the majority of which will be completed in 2024. All remaining residential development activity (c.145 units) will be completed during 2025.

NAMA is also asset managing key residential development sites in preparation for future sale and development. NAMA's secured landbank is estimated to have the potential to deliver circa 12,000 new homes in the medium to long term as set out in **Table 1** below. Most of these homes cannot be delivered within NAMA's remaining lifetime, however, NAMA's objective for 2025 is to ready as many of these sites as possible for future development through the achievement of appropriate planning applications. Most of these units can only be delivered when the necessary supporting infrastructure (roads, water, utilities, waste, etc.) is put in place by other parties and appropriate zoning and planning permission obtained.

Certain key sites with significant value-add potential and capacity for c.4,000 residential units have been acquired by NAMA. These sites will be managed by NAMA until such time that NAMA is directed by the Minister to transfer them to an appropriate state body. This transfer will happen during 2025 prior to NAMA concluding operations.

TABLE 1: Residential development potential of NAMA’s remaining portfolio

Planning Permission Granted	Planning Applications Lodged	Unzoned Land & Longer Term Sites
3,034 units	3,572 units	5,537 units
Units with planning permission granted and will be sold or refinanced by debtors/receivers	Units with planning applications lodged and under consideration by planning authorities	Longer term (post 2025) potential of land subject to Zoning, Local Area Plans or Urban Development Zones

3. Wind Down Activities

NAMA is currently progressing its wind-down steps and is on track to fully complete operations by end-December 2025. A dedicated Transformation Unit is driving and overseeing the phased and orderly wind-down of the Agency.

The commercial and operational steps being undertaken to implement the wind-down are outlined in Table 2.

TABLE 2: Wind-down steps

Commercial	Operational
<ul style="list-style-type: none"> - Complete deleveraging of loan portfolio and implement debtor exit strategies. - Resolve residual par debt following settlement of debtor obligations. - Provide committed funding to debtors and receivers to enable completion of final residential units (c.145 in 2025). - Manage lodged planning applications for residential sites which will be sold and privately developed. - Asset manage residential sites with longer-term development potential. - Resolve NAMA’s remaining equity interests in the Dublin Docklands SDZ. 	<ul style="list-style-type: none"> - Continue implementation of data and records management projects in line with approved policy. - Consolidate and scale-down business units within NAMA. - Progress the wind-down roadmap for IT infrastructure. - Dissolve SPV structure and exit group entities post disposal of related assets. - Exit primary loan servicer. - Engage with the Department of Finance as draft legislation to dissolve NAMA progresses through the Oireachtas.

<ul style="list-style-type: none"> - Manage and resolve outstanding litigation - currently c10 active cases. - Progress transfer of the NARPS social housing portfolio to the Land Development Agency when legislation allows. 	<ul style="list-style-type: none"> - Engage with IBRC and the Department of Finance to progress transfer of residual IBRC assets to NAMA. - Work with NTMA to ensure effective establishment and resourcing for the Resolution Unit.
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Transfer of Residual Activities of Special Liquidator IBRC

Subject to legislation being enacted, the Minister for Finance announced he will transfer some residual assets and unresolved litigation of the Special Liquidator IBRC to NAMA in early 2025. These activities have to be managed by NAMA during 2025. Any unresolved issues will transfer to NTMA Resolution Unit.

NTMA Resolution Unit

It was recommended by the Minister for Finance that a Resolution Unit is established in the NTMA to manage any residual NAMA activity post 2025. NAMA is working in tandem with the NTMA and the Department of Finance in preparation for any unfinished activity to transfer to the NTMA Resolution Unit by end-2025.

Unfinished activity will be kept to a minimum and is likely to comprise compromised assets, unresolved litigation, or assets with value for the State. The existence of such complex assets after a workout vehicle has concluded operations is to be expected and is typical of international experience.

4. Social Contribution Activities

A major objective of the Board through NAMA’s lifetime has been to conduct the Agency’s commercial activities in a way that contributes to and complements the social and economic development of the State. NAMA has worked closely with Government departments, state agencies and local authorities to identify properties that may have a community, economic or social benefit, most notably, through the provision of social housing from housing stock within NAMA’s control. Over NAMA’s lifetime, in excess of 7,600 units have been identified as potentially suitable for social housing and offered to local authorities. Many of these units were not required or deemed unsuitable by local authorities at the time, or subsequently became unavailable as NAMA deleveraged its secured portfolio.

To date, **2,957** homes for social housing have been delivered or committed by NAMA. This figure includes 132 units currently under construction which will be provided for social housing when complete. 1,366 of NAMA's total social housing delivery has been via the NARPS social housing vehicle. This portfolio will be retained by the State and transferred to the Land Development Agency when legislation allows. NAMA social housing delivery figures exclude units delivered by way of Part V of the Planning and Development Act on NAMA-secured development sites.

NAMA, in conjunction with the NTMA, has adopted the Government's Climate Action Plan and seeks to ensure that its business and operational activities are conducted in the context of their impact on the environment.

To support the Government's sustainable development goals, NAMA seeks to facilitate the delivery of high-density mixed-use commercial and residential development in areas of high demand with existing public transport and community services. Such compact development is necessary to achieve the correct balance of social, economic and physical infrastructure that allows communities to thrive. This in turn reduces carbon footprint and encourages active modes of travel, such as walking and cycling.

NAMA also provides funding for high standards of landscaping on its residential developments. This includes quality walking and cycling infrastructure, public amenities such as playgrounds, sports pitches and green areas, as well as the planting of native Irish tree species and other pollinator friendly plants.

In accordance with planning requirements, commercial and residential development in which NAMA is involved is consistent with the highest standards of sustainable design and development. New homes constructed on NAMA-funded residential developments achieve A3 Energy ratings as a minimum with some meeting Nearly Zero Energy Buildings (nZEB) standards and commercial developments in the Dublin Docklands have all achieved Gold or Platinum LEED certification.

NAMA originally held an interest in 75% of the 22 hectares of developable land in the Dublin Docklands Strategic Development Zone (SDZ). The Agency was vital in driving and facilitating the development of the Docklands area which is a prime example of energy efficient compact urban development. The SDZ model is an exemplar of a plan led approach, and the delivery methodology developed by NAMA has been key to its implementation.

C. Strategies

NAMA's principal strategies have involved intensive asset management of its loan portfolios and working closely with debtors/receivers and other investment partners to judiciously invest in and manage assets to maximise cashflow. It is intended that remaining loans will be fully deleveraged and monetised during 2025. Only committed development funding for remaining residential projects (c.145 units) will be drawdown during 2025.

NAMA has successfully exploited the strong performances of the markets in which it operates over the past decade. Strategic loan and asset disposals enabled NAMA to significantly reduce its loan portfolio while generating substantial levels of cash. From inception to end-August 2024, NAMA had generated cumulative cash of **€47.9 billion** from its loan portfolio. This comprised **€41.3 billion** in asset disposal proceeds and loan redemptions and **€6.6 billion** from other income, principally rental income from property assets controlled by debtors and receivers. NAMA's loan portfolio is projected to be of the order of €0.1 billion by end-2024 assuming scheduled debtor exits occur as planned.

In tandem with concluding its deleveraging and asset management strategies, NAMA's key strategy for 2025 is to effect the wind-down of the organisation and to work with the NTMA to ensure that the Resolution Unit is effectively established and resourced in order to enable the smooth transfer of residual activity.

Successful implementation of these strategies will ensure that the remaining €950 million of NAMA's projected €5.2 billion surplus (including corporation tax paid) can be transferred to the Exchequer.

D. Resource Allocation

Table 3 below presents the main components of NAMA’s projected 2025 Budget:

TABLE 3: Projected 2025 Budget

	Baseline Budget (2021) (€m)	2025 Draft Budget (€m)
NAMA Direct Costs		
Primary Servicer/Master Servicer fees	8	3
Reimbursement to NTMA as service provider	34	16
Legal fees	4	1
Asset Recovery/Asset Management	4	2
Finance, communication, technology and other administration costs	16	12
Total - Direct Operating Costs	66	34
Forecast reduction in baseline operating costs in 2025		-49%

The principal element of NAMA’s projected 2025 Budget is the reimbursement to the NTMA for the cost – a projected €16m – of providing staff and other services, including HR, IT, office, and business services. Redundancy costs for 2025 were accrued for in the 2024 budget.

As NAMA progresses its wind-down, operating costs have reduced accordingly, reducing by half from baseline. Finance, communication, technology and other administration costs for 2025 includes insurance tail costs for the portfolio which would not have been required in previous years. While the 2025 budget pertains to NAMA’s final year of operation, there is an element of the cost base that does not reduce in line with the remaining portfolio or with how advanced the wind-down is. Accordingly, there are some costs that cannot conclude until the dissolution of the Agency.

The Budget provides for a staff headcount of 80 at the start of 2025 noting that staff numbers will reduce to zero via scheduled redundancies over the course of 2025. The retention of key staff remains challenging as NAMA nears dissolution and staff seek more secure employment elsewhere. It is crucial that NAMA retains sufficient staff with the requisite skillset to ensure the Agency can successfully achieve its strategic objectives and deliver the projected surplus. The voluntary redundancy programme has been key in this regard.

Excluding the Executive team, the proposed headcount in January 2025 will be distributed across the four NAMA divisions as follows:

TABLE 4: Projected staffing of NAMA by business divisions as at January 2025

Division	Responsibilities
Chief Commercial Officer (36 staff)	Responsible for all aspects of NAMA’s deleveraging and residential development activities, as well as managing NAMA’s remaining property and equity investments, and social housing delivery.
Transformation, Strategy & Communications (4 staff)	Responsible for the implementation of NAMA’s wind down strategy as the Agency progresses towards dissolution. Coordination of all communications, public affairs, Freedom of Information, media and publications activity including NAMA’s engagement with the Oireachtas and Board Secretary function.
Legal (12 staff)	Responsible for the provision of legal advice to the Board, CEO, and business divisions on the wide spectrum of legal issues affecting the Agency including NAMA’s regulatory and compliance obligations, procurement, GDPR and the management of litigation.
CFO (22 staff)	Responsible for managing the organisation’s financial and operational requirements incorporating a wide range of business functions including Finance, Operations, Systems, Tax, Audit and Risk.