



# NAMA QUARTERLY REPORT

(Section 55 NAMA Act 2009)

31 December 2011

## Contents

	<u>Page</u>
1 Letter from the Chairman & Chief Executive Officer	1-4
2 Board & Other Information	5
3 Introduction & General Information	6
4 Shareholding Structure	7
5 Section 55 (5) Guidelines & Directions issued by the Minister of Finance	8
6 Section 55 (6) (a) Number and Condition of Outstanding Loans	9
7 Section 55 (6) (b) Categorisation of Non-Performing as to the Degree of Default	10
8 Section 55 (6) (c) Number of loans being foreclosed or otherwise enforced	11
9 Section 55 (6) (d) Number of cases where liquidators and receivers have been appointed	12
10 Section 55 (6) (e) Number of legal proceedings commenced by NAMA and each NAMA Group Entity in the quarter	13
11 Section 55 (6) (f) Schedule of finance raised by NAMA and each NAMA Group Entity in the quarter	14
12 Section 55 (6) (g) Sums recovered from property sales in the quarter	15
13 Section 55 (6) (h) Other income from interest-bearing loans owned by NAMA and each NAMA Group Entity in the quarter	16
14 Section 55 (6) (i) Abridged Balance Sheet of NAMA and each NAMA Group Entity	17-20
15 Section 55 (6) (j) Schedule of Income and Expenditure of NAMA and each NAMA Group Entity	21-22
16 Section 55 (6) (k) Updated schedule of all information described in Section 54 (2) and (3):	
(i) Section 54 (2) Administration Fees and Expenses incurred by NAMA and each NAMA Group Entity	23
(ii) Section 54 (3) (a) List of Debt Securities Issued for the Purposes of the Act	24
(iii) Section 54 (3) (b) List of Debt Securities Issued to\Redeemed by Participating Institution	25
(iv) Section 54 (3) (c) Advances made to NAMA from the Central Fund	26
(v) Section 54 (3) (d) Advances made by NAMA and each NAMA Group Entity	27
(vi) Section 54 (3) (e) List of Asset Portfolios held by NAMA and each NAMA Group Entity	28-29
(vii) Section 54 (3) (f) List of Government Support Measures received by NAMA and each NAMA Group Entity	30
17 Appendices	31-34



**Gníomhaireacht Náisiúnta um Bhainistíocht Sócmhainní**  
**National Asset Management Agency**

31 March 2012

Mr. Michael Noonan T.D.,  
Minister for Finance,  
Department of Finance,  
Upper Merrion Street,  
Dublin 2.

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

Dear Minister,

Please find attached the Quarterly Report for the fourth quarter of 2011 which is submitted to you pursuant to Section 55 of the NAMA Act 2009. The report covers the period from 1 October to 31 December 2011.

In accordance with the Act, the Report deals with the National Asset Management Agency (NAMA) and the entities within the NAMA Group. It is accompanied by the Unaudited Quarterly Accounts for the fourth quarter, which report in detail on the activities of the Agency and each NAMA Group entity. To assist in your review of the Quarterly Report and Accounts, we would draw your attention to the following matters:

- NAMA is subject to IFRS accounting standards and, in its 31 December year-end audited financial statements, a final figure for impairment charges on loans and receivables will be included.
- For the purpose of the Section 55 Quarter 4 accounts, the Board has included an initial net impairment charge of €810 million resulting in cumulative impairment charges to date of €2.3 billion. Despite this, NAMA has recorded an overall net profit for 2011 of €200 million.
- Operating profit before the net impairment charge for Quarter 4 2011 was €484 million. For the full year it was €1.01 billion.
- Acting on your request to examine ways to get the property market moving again, NAMA is actively exploring avenues to stimulate activity in the commercial and residential markets.



- On the commercial side, the Board has agreed in principle to make vendor finance available to facilitate the sale of commercial property and a number of proposals involving vendor finance are currently being assessed.
  - On the residential mortgage proposal, NAMA has received your approval and that of the Central Bank for the pilot scheme. Final approval from the European Commission is expected imminently. The scheme, which will be operated with partner banks, will provide potential purchasers with a level of protection against housing values falling from current levels over the next five years.
  - By the end of this year we also intend to have launched at least one sub-investment fund or qualified investment fund (QIF). Sub funds, based on regional or sectoral portfolios, are a way to attract institutional investors such as pension funds and sovereign wealth funds to buy properties on a phased basis.
- While the Quarterly Report covers the period to 31 December 2011, it is important to note some of the milestones that have been reached since the Agency was established in December 2009
    - By 31 March 2012, we will have completed the Business Plan review of the major borrowers, representing coverage of close to 96% of the portfolio. The review of the remaining plans will complete by the end of April. NAMA's current focus is on dealing with all of our portfolio and debtors as expeditiously as possible in the interests of helping the economy.
    - We have approved €6.9 billion of asset sales from March 2010 to end December 2011 of which €3.9 billion had been received<sup>1</sup> at end December 2011.
    - Working and development capital of €975 million has been approved by NAMA to end December 2011 of which €720 million has been drawn.
    - The last major acquisition of eligible assets by NAMA completed in October 2011 when €1.7 billion transferred.
  - The Quarterly Report and Accounts for Quarter 4 represent NAMA's position as at 31 December 2011. At that date the amounts due to NAMA from debtor loans were €72.5 billion. The 'NAMA value' of this loan portfolio, being the accounting value, was €25.9 billion.
  - By the 31 December 2011, National Asset Management Ltd (the Master SPV) had issued €29,106 million in NAMA Government Guaranteed Floating Rate Notes (senior debt) and €1,601 million in NAMA Callable Perpetual Subordinated

<sup>1</sup> Some of the approved asset sales proceeds are shared with other non-NAMA banks and some approved sales are still subject to ongoing due diligence or other subsequent actions (e.g. enforcement, buyer not being able to access debt) which means they may not complete.



Bonds as consideration for eligible assets acquired from Allied Irish Banks (now merged with EBS Building Society), Bank of Ireland and Irish Bank Resolution Corporation (formerly Anglo Irish Bank and Irish Nationwide Building Society). At this time, NAMA payments to participating institutions represent an injection of over €30 billion of liquidity into the Irish Banking system.

- The financial information presented in the Accounts shows items of income and expenditure for the quarter from 1 October 2011 to 31 December 2011. The Balance Sheets are presented as at 31 December 2011 and 30 September 2011. The Cash Flow Statement is presented for all cash movements from 1 January to 31 December 2011 and from 1 October 2011 to 31 December 2011.
- NAMA has generated significant cash flow since inception (March 2010) and this is illustrated in the table;

	<u>1 Oct to Dec 2011</u>	<u>Inception to Dec 2011</u>
	<u>€m</u>	<u>€m</u>
<b>Cash flow from operating activities</b>		
Receipts from borrowers	1,856	6,084
Advances to borrowers	(67)	(543)
Derivative cash settlements	(28)	41
Payments to suppliers of services (Note 1)	(61)	(193)
Interest expense on debt securities & other funding costs	0	(360)
Interest received	11	16
<b>Net cash generated from operating activities</b>	<b>1,711</b>	<b>5,045</b>
Cash at the beginning of the period	1,896	0
Net debt repayment	0	(1,250)
Purchase of investment assets, other financing activities & impact of FX	(2,577)	(2,765)
<b>Cash at the end of the period</b>	<b>1,030</b>	<b>1,030</b>
Exchequer notes held at the end of the period	2,300	2,300
<b>Total cash and cash equivalents held at the end of the period</b>	<b>3,330</b>	<b>3,330</b>

Note 1: 'Payment to suppliers of services' includes NAMA overhead costs reimbursable to the NTMA and due diligence costs relating to the acquisition of bank assets.

- The percentage of performing loans in the €72.5 billion NAMA loan portfolio at 31 December 2011 is 20% of par debt compared to 21% at 30 September 2011. The performance of the Portfolio based on the acquisition value is 29% at 31 December 2011 which is unchanged since 30 September 2011. It should be noted that as NAMA disposes of income generating assets the performance of the loan portfolio may deteriorate.
- To date, NAMA has reduced its debts by almost €1.6 billion – comprised of some €1.25 billion of NAMA senior bonds which have been repaid by the Agency and advances repaid to the Minister for Finance.



- The Quarterly Report contains a number of 'Nil Returns'. It is anticipated that these returns will be populated with information as NAMA moves through its life cycle.

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,

**Mr. Frank Daly,**  
**Chairman**

**Mr. Brendan McDonagh,**  
**Chief Executive Officer**

## **2. BOARD AND OTHER INFORMATION**

### **Board**

Frank Daly (Chairman)  
Michael Connolly (resigned 25 November 2011)  
Eilish Finan  
Brian McEnery  
Steven Seelig  
Willie Soffe  
Peter Stewart (resigned 10 October 2011)  
John Mulcahy (appointed 7 March 2012)  
Brendan McDonagh, Chief Executive NAMA  
John Corrigan, Chief Executive NTMA

### **Registered Office**

Treasury Building  
Grand Canal Street  
Dublin 2

### **Bankers**

Central Bank of Ireland  
Dame Street  
Dublin 2

Citibank  
IFSC  
Dublin 1

### **Auditor**

Comptroller & Auditor General  
Dublin Castle  
Dublin 2

### 3. INTRODUCTION AND GENERAL INFORMATION

#### Introduction and 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, and operates in accordance with the NAMA Act 2009 ('the Act').

The main purpose of NAMA is to acquire assets in the form of property related loans from credit institutions which have been designated by the Minister for Finance as Participating Institutions under Section 67 of the Act. The Participating Institutions are: Allied Irish Banks, p.l.c. (AIB), Irish Bank Resolution Corporation (IBRC) (formerly Anglo Irish Bank Corporation Limited (Anglo) and Irish Nationwide Building Society (INBS)), Bank of Ireland (BOI) and EBS Building Society (EBS). On 1 July 2011 AIB completed the acquisition of EBS.

#### Group structure

In accordance with the Act and to achieve its objectives, the Agency has set up certain special purpose vehicles ('SPV'). These are known as NAMA Group Entities. The relationship between the NAMA Group entities is summarised in Chart 1 on page 7. The SPVs established are as follows;

##### *National Asset Management Agency Investment Limited (NAMAIL)*

NAMAIL is the company through which private investors have invested in the Group. NAMA holds 49% of the shares of the company. The remaining 51% of the shares of the company are held by private investors.

NAMA has invested €49m in NAMAIL, receiving 4,900 A ordinary shares. The remaining €51m was invested in NAMAIL by private investors, each receiving an equal share of 5,100 B ordinary shares. Under the terms of a shareholders' agreement between NAMA, the private investors and NAMAIL, NAMA can exercise a veto over decisions taken by NAMAIL. As a result of this veto, the private investors' ability to control the financial and operating policies of the entity is restricted and NAMA has effective control of the company.

##### *National Asset Management Limited (NAML)*

NAML is responsible for issuing the Government guaranteed debt instruments, and the subordinated debt, which are used as consideration in acquiring loan assets from the Participating Institutions. The Government guaranteed debt securities issued by NAML are listed on the Irish Stock Exchange (ISE). Both the Government guaranteed debt instruments and the subordinated debt instruments are transferred to National Asset Management Group Services Limited (NAMGS Ltd) and by it to National Asset Loan Management Limited (NALM Ltd). The latter uses these debt instruments as consideration for the loan assets acquired from the Participating Institutions.

NAML has four subsidiaries. These are referred to as the NAML Group or the Group:

##### *National Asset Management Group Services Limited (NAMGS Ltd)*

NAMGS Ltd acts as the holding company for its three subsidiaries, National Asset Loan Management Limited, National Asset Property Management Limited and National Asset Management Services Limited.

NAMGS Ltd acquires the debt instruments issued by NAML Ltd under a profit participating loan (PPL) agreement, and in turn, makes these debt instruments available to NALM on similar terms.

NAMGS Ltd is wholly owned by NAML.

##### *National Asset Loan Management Limited (NALM Ltd)*

The purpose of NALM Ltd is to acquire, hold, and manage the loan assets acquired from the Participating Institutions.

##### *National Asset Property Management Limited (NAPM Ltd)*

The purpose of NAPM Ltd is to take direct ownership of real property assets if and when required. During the year, certain land and development sites were acquired as consideration for guarantees held by NALM Ltd. At the reporting date these properties are held in NALM Ltd.

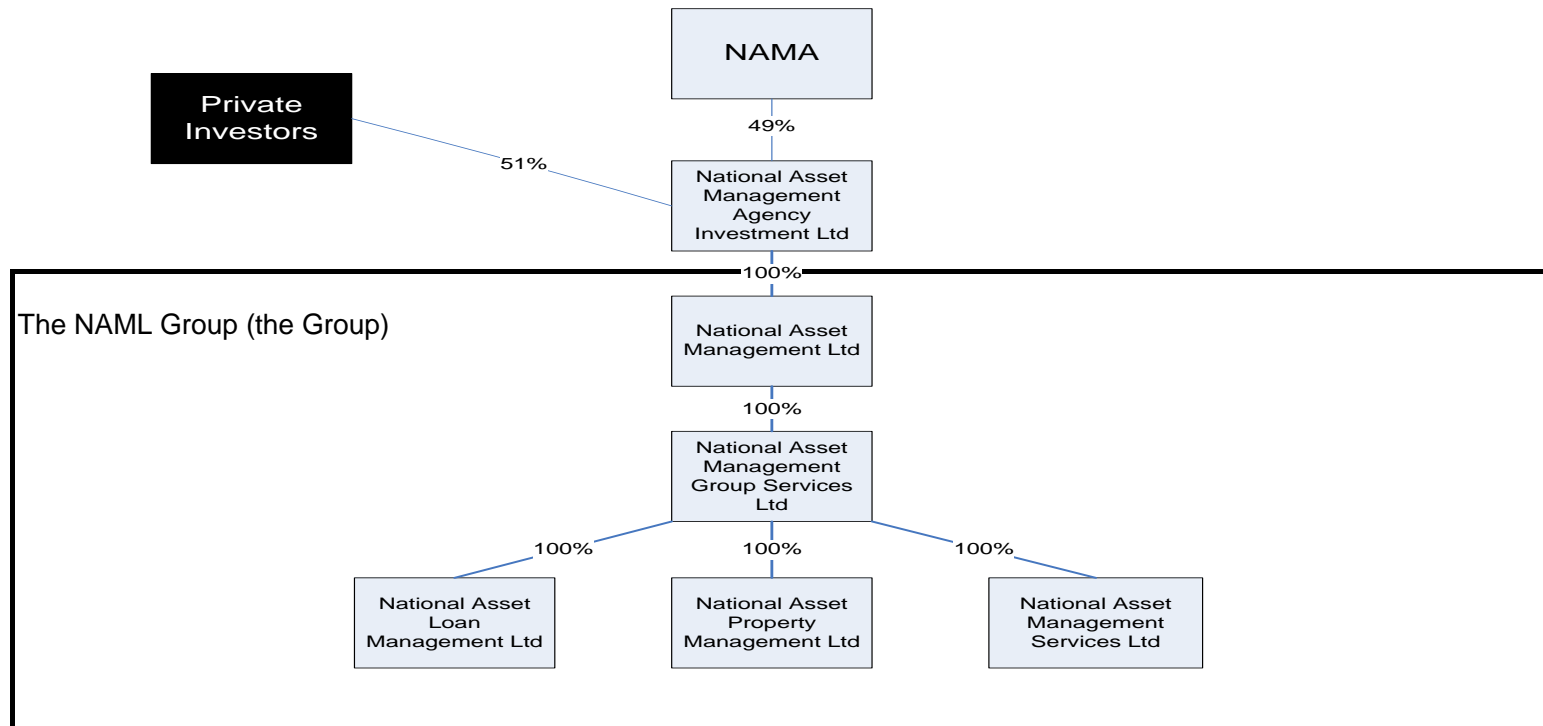
##### *National Asset Management Services Limited (NAMS Ltd)*

NAMS Ltd is a non-trading entity and has no activity at present. During 2011 all accounts of NAMS were transferred to their beneficial owner, NALM Ltd.

The address of the registered office of each company is Treasury Building, Grand Canal Street, Dublin 2. Each company is incorporated and domiciled in the Republic of Ireland.



#### 4. SHAREHOLDING STRUCTURE



#### National Treasury Management Agency (NTMA)

The NTMA provides NAMA with business and support services, and will assign staff to NAMA as deemed necessary. NAMA reimburses the NTMA for the costs of staff and services provided

## 5. SECTION 55 (5) - GUIDELINES & DIRECTIONS ISSUED BY THE MINISTER OF FINANCE

### Compliance with Guidelines Issued by the Minister under Section 13 as at 31 December 2011

No guidelines issued

### Compliance with Directions Issued by the Minister under Section 14 as at 31 December 2011

- (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 30th June 2011.  
The Direction can be found in Appendix 2, page 32.
- (2) 22nd October 2010 - Expeditious Transfer of Eligible Assets.  
All transfers completed from 22 October to 6th June 2011 have complied with this Direction.  
The Direction can be found in Appendix 3, page 33.
- (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.  
This direction can be found in Appendix 4, page 34

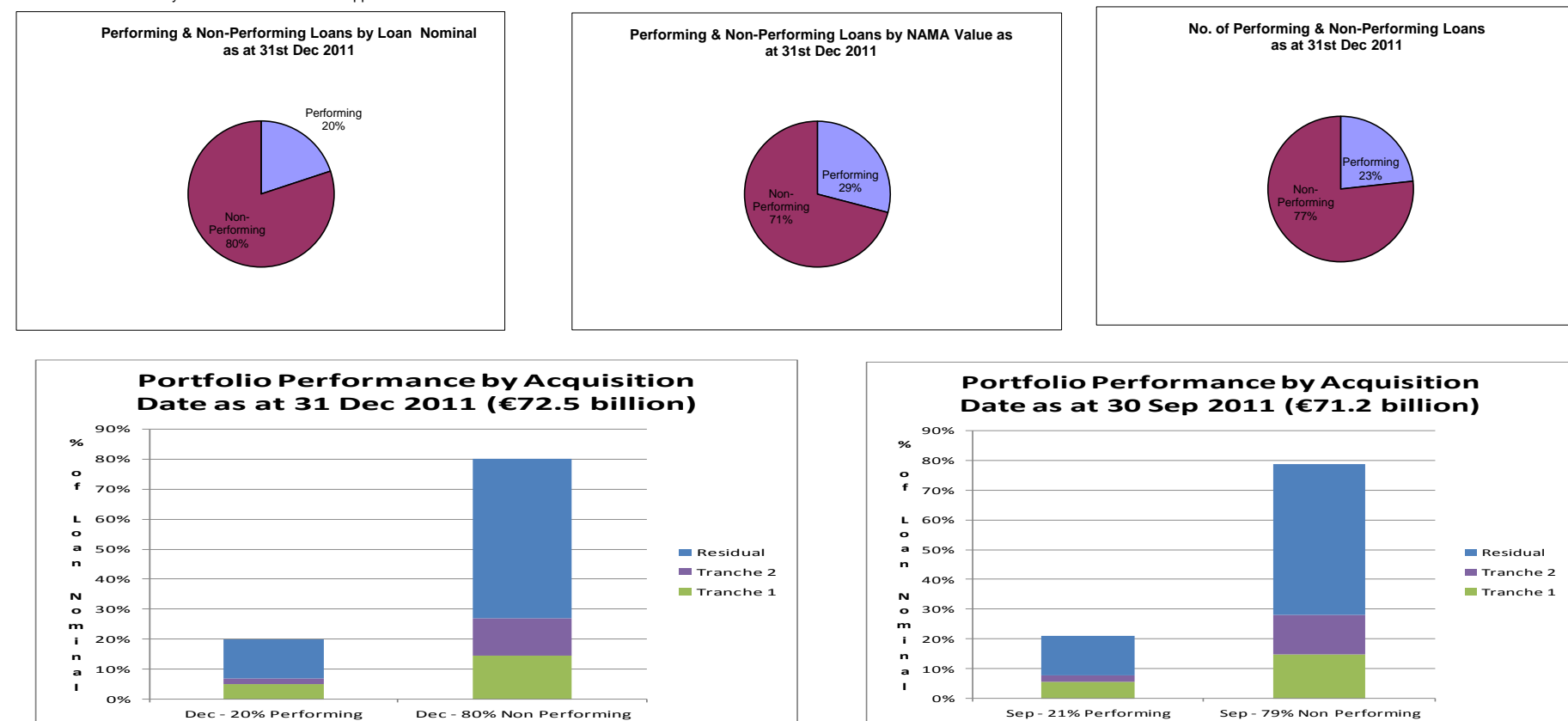
## 6. SECTION 55 (6) (A) - NUMBER AND CONDITION OF OUTSTANDING LOANS

Outstanding loans as at 31 December 2011

Classification	Number	Loan Nominal €m	NAMA Value less Impairment €m
Performing	2,868	14,458	7,528
Non-Performing	9,453	58,064	18,379
<b>Total</b>	<b>12,321</b>	<b>72,522</b>	<b>25,906</b>

Note: As Debtor Business Plans are agreed their loans will be restructured to reflect the provisions of the memorandum of understanding. Consequently, the performance profile of NAMA's loan book will shift as Debtors begin to be measured against the restructured loans. The restructuring of loans will not reduce the amount owed to NAMA.

The measure of 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 loan facility. The definition of Loan Payment Status is detailed in Appendix 1.



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

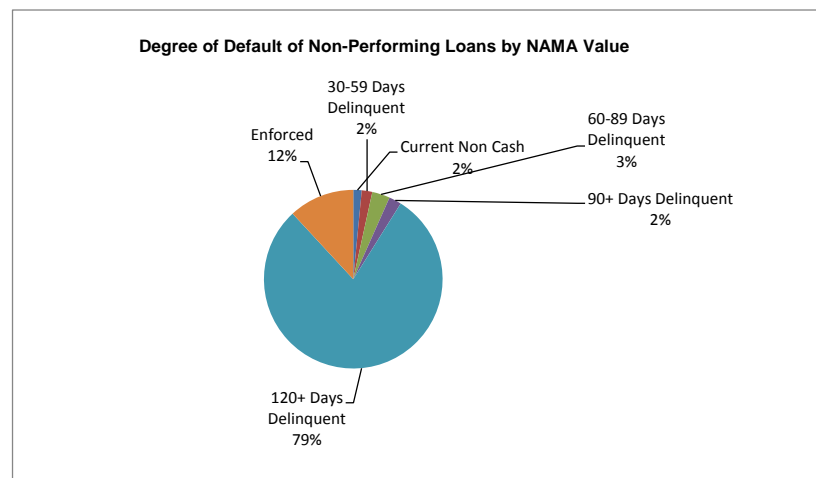
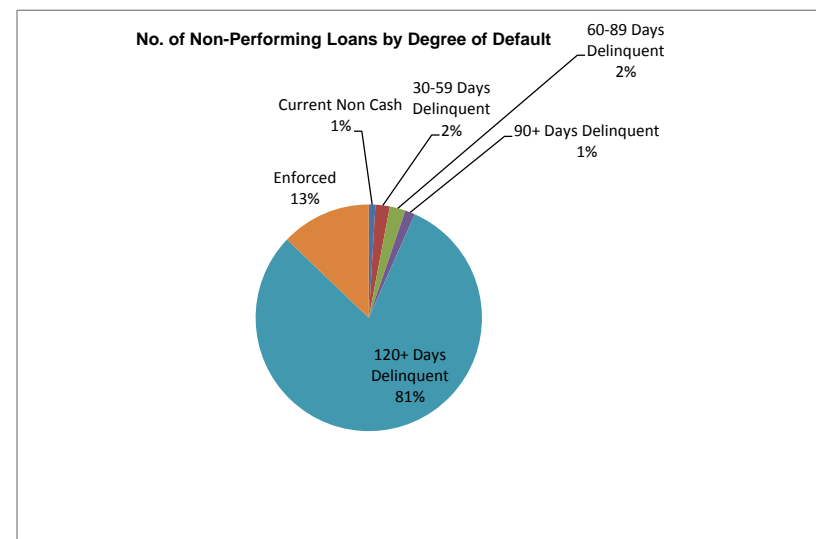
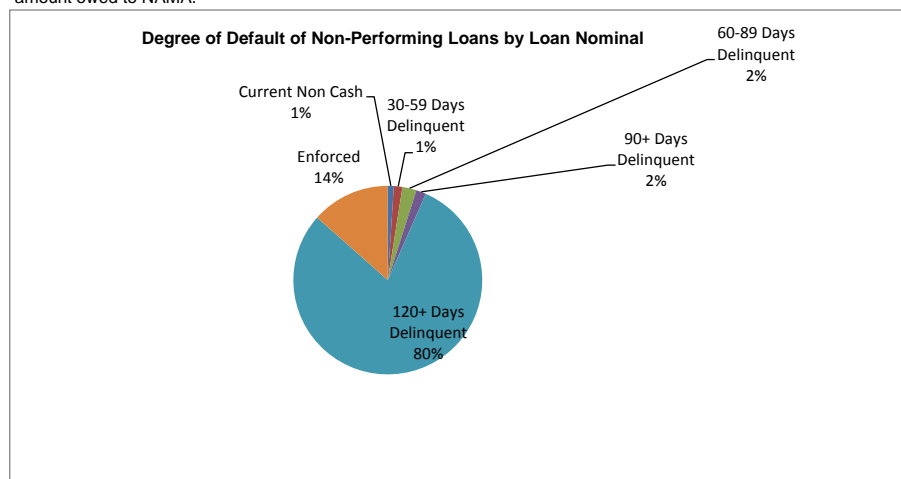
Categorisation of non performing loans in accordance with the Loan Payment Status as at 31 December 2011

Loan Payment Status	Degree of Default	Number	Loan Nominal €m	NAMA Value less Impairment €m
9	Current Non Cash	89	594	279
1	30-59 Days Delinquent	193	853	351
2	60-89 Days Delinquent	213	1,402	593
3	90+ Days Delinquent	134	993	415
4	120+ Days Delinquent	7,609	46,400	14,556
7 & 8	Enforced	1,215	7,822	2,184
	<b>Total</b>	<b>9,453</b>	<b>58,064</b>	<b>18,379</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 the course of the Debtor Business Plan process. The outcome of NAMA's deliberations on the viability of a Borrowers business plan will determine whether these delinquent loans will be enforced or 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 measure of 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 loan facility. The definition of Loan Payment Status is detailed in Appendix 1.

Note: As Debtor Business Plans are agreed their loans will be restructured to reflect the provisions of the memorandum of understanding. Consequently, the performance profile of NAMA's loan book will shift as Debtors begin to be measured against the restructured loans. The restructuring of loans will not reduce the amount owed to NAMA.



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

Number of loans foreclosed in the quarter to 31 December 2011

Classification	Number	Loan Nominal €m	NAMA Value €m
Enforced	194	782	291

Note: Section 55 6 (B) on page 10 contains a category of default called 'Enforced' where 1,215 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.

**9. 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 31 December 2011

<b>Classification</b>	<b>Number</b>	<b>Loan Nominal €m</b>	<b>NAMA Value €m</b>
Liquidators			
Receivers	194	782	291
<b>Total</b>	<b>194</b>	<b>782</b>	<b>291</b>

**10. SECTION 55 (6) (E) - NUMBER OF 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 2011 No. 357mca	NAMA v Commissioner for Environmental Information	Appeal against information commissioners' decision that NAMA is a public body subject to the European Communities (Access to Information on the Environment) Regulations, 2007
(ii)	N/A	IN THE MATTER OF REO (POWERSTATION) LIMITED REO (88 KIRTLING ST) LIMITED REO (8 BROOKS COURT) LIMITED REO (SITE ASSEMBLY) LIMITED AND IN THE MATTER OF THE INSOLVENCY ACT 1986	NALM is a party to a syndicated facility with Lloyds being the Security Agent and Trustee. BoI are the legal owners of the loan and therefore NAMA are not a party to the proceedings. This is an ex parte application to appoint E&Y as administrators
(iii)	High Court of Justice 2011 FJ 412/11	NALM v Raymond Grehan	(i) Recognition of NALM Irish Judgment, (ii) Injunction to preserve defendant's interest in the property and provide information, and (iii) order per CPR PART 71 compelling Defendant to provide information.
(iv)	Toronto Superior Court (Commercial List) CV-11-9481-00CL	NALM v (i) Raymond Grehan and (ii) 2295661 Ontario Inc.	Certificate of pending litigation (further relief to be sought in due course)
(v)	The Supreme Court of the State of New York. 113704 - 2011	NALM v Raymond Grehan	Recognition of Irish judgment & attachment to Grehan's property
(vi)	High Court 2011 No. 5119 S	NALM v Sean Dunne	Judgment

**11. SECTION 55 (6) (F) - SCHEDULE OF FINANCE RAISED BY NAMA AND EACH NAMA GROUP ENTITY IN THE QUARTER**

**Schedule of finances raised by NAMA & each NAMA group entity in the quarter to 31 December 2011**

Description	Date	€m
None		Nil



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

Amount of money recovered by sale of property up to 31 December 2011

Description	Date	€m
None	None	Nil
<b>Total</b>		<b>Nil</b>

National Asset Loan Management Limited holds €6.02 million in property assets acquired in settlement of guarantees.  
NAMA or it's group entities did not dispose of property assets in the quarter.

### 13. 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 up to 31 December 2011

Description	Date	€m
National Asset Management Agency (NAMA)	N/A	Nil
National Asset Management Agency Investment Limited	N/A	Nil
National Asset Management Limited (Master SPV - Consolidated) - NOTE 1	1 October - 31 December 2011	1

#### NOTE 1 - Breakdown of Consolidated Master SPV by NAMA Group Entity

Description	Date	€m
National Asset Loan Management Limited	1 October - 31 December 2011	1
National Asset Property Management Limited	N/A	Nil
National Asset Management Services Limited	N/A	Nil
National Asset Management Group Services Limited	N/A	Nil
National Asset Management Limited	N/A	Nil

#### 14. SECTION 55 (6) (I) - ABRIDGED BALANCE SHEET OF NAMA AND EACH NAMA GROUP ENTITY

##### Abridged Balance Sheet as at 31 December 2011

<b>National Asset Management Agency (NAMA)</b>		<b>€'000</b>
<b>Assets</b>		
Investment in subsidiary		49,000
Cash		1,623
Other receivables		2,320
Property, plant and equipment		904
<b>Total assets</b>		<b>53,847</b>
<b>Liabilities</b>		
Intergroup payables		54,065
Other liabilities		1,571
<b>Total liabilities</b>		<b>55,636</b>
<b>Net liabilities</b>		<b>(1,789)</b>

<b>National Asset Management Agency Investment Limited</b>		<b>€'000</b>
<b>Assets</b>		
Investment in subsidiary		-
Intra-group receivables		115,390
<b>Total assets</b>		<b>115,390</b>
<b>Liabilities</b>		
Intra-group payables		6,775
Current tax liability		155
		<b>6,930</b>
<b>Equity</b>		
Share Capital		10,000
Share premium		90,000
Retained earnings		8,460
<b>Total equity and liabilities</b>		<b>115,390</b>

<b>National Asset Management Limited (Master SPV - Consolidated) - NOTE 1</b>		<b>€'000</b>
<b>Assets</b>		
Cash and cash equivalents		3,330,370
Financial assets available for sale		499,747
Receivable from Participating Institutions		288,484
Derivative financial instruments		448,539
Loans and receivables		25,906,462
Other assets		100,288
Trading properties		6,020
<b>Total assets</b>		<b>30,579,910</b>
<b>Liabilities</b>		
Payable to Participating Institution		28,653
Derivative financial instruments		728,725
Debt Securities in Issue		29,106,000
Other liabilities		358,256
<b>Total liabilities</b>		<b>30,221,634</b>
<b>Equity</b>		
Share Capital		-
Subordinated equity instrument		1,601,000
Retained earnings		(981,699)
Other reserves		(261,025)
<b>Total equity and liabilities</b>		<b>30,579,910</b>

Note: Share Capital in National Asset Management Limited (Master SPV - Consolidated) is €100

#### 14. SECTION 55 (6) (I) - CONTINUED

##### NOTE 1 - Breakdown of Consolidated Master SPV by NAMA Group Entity

<b>National Asset Loan Management Limited</b>		<b>€'000</b>
<b>Assets</b>		
Cash and cash equivalents		3,330,370
Financial assets available for sale		499,747
Receivable from Participating Institutions		288,484
Derivative financial instruments		448,539
Loans and receivables		25,906,462
Other assets		453,102
Trading properties		6,020
<b>Total assets</b>		<b>30,932,724</b>
<b>Liabilities</b>		
Amounts due to participating institutions		(28,653)
Derivative financial instruments		(728,725)
Other liabilities		(30,880,468)
<b>Total liabilities</b>		<b>(31,637,846)</b>
<b>Equity</b>		
Share Capital		-
Subordinated equity instrument		-
Retained earnings		(444,097)
Other reserves		(261,025)
<b>Total equity and liabilities</b>		<b>(30,932,724)</b>

<b>National Asset Property Management Limited</b>		
<b>Assets</b>		
<b>Total assets</b>		<b>Nil</b>
<b>Liabilities</b>		
<b>Total liabilities</b>		<b>Nil</b>
<b>Equity</b>		
<b>Total equity and liabilities</b>		<b>Nil</b>

Note: Share Capital in the National Asset Management Limited (Master SPV - Consolidated) subsidiaries is €100

#### 14. SECTION 55 (6) (I) - CONTINUED

National Asset Management Services Limited		€'000
<b>Assets</b>		
Cash		-
Financial assets available for sale		-
Receivable from Participating Institutions		-
Derivative financial instruments		-
Loans and receivables		-
Other assets		-
<b>Total assets</b>		<b>0</b>
<b>Liabilities</b>		
Amounts due to participating institutions		-
Derivative financial instruments		-
Debt Securities in Issue		-
Other liabilities		-
<b>Total liabilities</b>		<b>0</b>
<b>Equity</b>		
Share Capital		-
Subordinated equity instrument		-
Retained earnings		-
<b>Total equity and liabilities</b>		<b>0</b>

National Asset Management Group Services Limited		€'000
<b>Assets</b>		
Cash		-
Financial assets available for sale		-
Receivable from Participating Institutions		-
Derivative financial instruments		-
Loans and receivables		-
Other assets		30,707,000
<b>Total assets</b>		<b>30,707,000</b>
<b>Liabilities</b>		
Amounts due to participating institutions		-
Derivative financial instruments		-
Debt Securities in Issue		-
Other liabilities		(30,707,000)
<b>Total liabilities</b>		<b>(30,707,000)</b>
<b>Equity</b>		
Share Capital		-
Subordinated equity instrument		-
Retained earnings		-
<b>Total equity and liabilities</b>		<b>(30,707,000)</b>

Note: Share Capital in the National Asset Management Limited (Master SPV - Consolidated) subsidiaries is €100

#### 14. SECTION 55 (6) (I) - CONTINUED

<b>National Asset Management Limited</b>		<b>€'000</b>
<b>Assets</b>		
Cash		-
Financial assets available for sale		-
Receivable from Participating Institutions		-
Derivative financial instruments		-
Loans and receivables		-
Other assets		30,806,900
<b>Total assets</b>		<b>30,806,900</b>
<b>Liabilities</b>		
Amounts due to participating institutions		-
Derivative financial instruments		-
Debt Securities in Issue		(29,106,000)
Other liabilities		(637,502)
<b>Total liabilities</b>		<b>(29,743,502)</b>
<b>Equity</b>		
Share Capital		-
Subordinated equity instrument		1,601,000
Retained earnings		(537,602)
<b>Total equity and liabilities</b>		<b>(30,806,900)</b>

Note: Share Capital in the National Asset Management Limited (Master SPV - Consolidated) subsidiaries is €100

# 15. SECTION 55 (6) (J) - SCHEDULE OF INCOME AND EXPENDITURE OF NAMA AND EACH NAMA GROUP ENTITY

Income and expenditure Statement from the 1st October to 31 December 2011

National Asset Management Agency (NAMA)		€'000
<b>Income</b>		
Interest Income		3
Costs reimbursed from NAML Group		8,601
		8,604
<b>Expenditure</b>		
Costs reimbursable to the NTMA		8,393
NAMA Board and Advisory Committee Fees		124
Depreciation charge		86
Rent Expense		122
Interest paid on advances from the Central Fund		0
Interest payable on inter-group loan		267
		8,992
<b>Net Profit(Loss)</b>		<b>(388)</b>

National Asset Management Agency Investment Limited		€'000
<b>Income</b>		
Interest income earned on inter-group loan		3,018
		3,018
<b>Expenditure</b>		
Tax expense		(377)
Dividend paid		0
<b>Retained earnings after payment of dividend at 31 December 2011</b>		<b>2,641</b>

National Asset Management Limited (Master SPV - Consolidated) - NOTE 1		€'000
<b>Income</b>		
Interest on loans and receivables		364,883
Interest on cash balances and cash equivalents		5,206
Interest on available for sale financial assets		9,364
Interest on derivative financial instruments		32,091
Fee Income		1,180
Interest on inter group loans		267
Realised gains on loans and receivables		173,288
Fair value gains on acquired derivatives		40,923
Hedge ineffectiveness adjustment		15,908
FX gains on loan and receivables		314,474
		957,584
<b>Expenditure</b>		
Interest on debt securities in issue		(128,700)
Interest on Interest bearing loans and borrowings		(3,018)
Interest on derivatives where hedge accounting is applied		(5,088)
Interest on other derivative financial instruments		(6,817)
Costs reimbursable to the NTMA		(8,287)
Master Servicer Fees		(768)
Primary Servicer Fees		(10,294)
Legal fees		(1,930)
Accounting, audit and tax		(879)
Portfolio management fees		(4,757)
Due diligence costs		(4,538)
IT Costs		(530)
Rent and occupancy costs		(167)
Derivative valuation costs		(8)
Fair value (losses) on other derivatives		(24,278)
Valuation adjustment on due diligence completion		(388)
Foreign exchange (losses) on derivative financial instruments		(270,726)
Other foreign exchange losses		(2,254)
		(473,427)
Unrealised impairment provision		(810,000)
<b>Net Profit(Loss)</b>		<b>(325,843)</b>

15. SECTION 55 (6) (J) - CONTINUED

**NOTE 1 - Breakdown of Consolidated Master SPV by NAMA Group Entity**

<b>National Asset Loan Management Limited</b>	<b>€'000</b>
<b>Income</b>	
Interest on loans and receivables	364,883
Interest on cash balances and cash equivalents	5,206
Interest on available for sale financial assets	9,364
Interest on derivative financial instruments	32,091
Fee Income	1,180
Interest on inter group loans	267
Realised gains on loans and receiveables	173,288
Fair value gains on acquired derivatives	40,923
Hedge ineffectiveness adjustment	15,908
FX gains on loan and receivables	314,474
	<b>957,584</b>
<b>Expenditure</b>	
Interest on derivatives where hedge accounting is applied	(5,088)
Interest on other derivative financial instruments	(6,817)
Costs reimbursable to the NTMA	(8,287)
Master Servicer Fees	(768)
Primary Servicer Fees	(10,294)
Legal fees	(1,930)
Accounting, audit and tax	(879)
Portfolio management fees	(4,757)
Due diligence costs	(4,538)
IT Costs	(530)
Rent and occupancy costs	(167)
Derivative valuation costs	(8)
Fair value (losses) on other derivatives	(24,278)
Valuation adjustment on due diligence completion	(388)
Foreign exchange (losses) on derivative financial instruments	(270,726)
Other foreign exchange losses	(2,254)
	<b>(341,709)</b>
Unrealised impairment provision	<b>(810,000)</b>
<b>Net Profit(Loss)</b>	<b>(194,125)</b>
<b>National Asset Property Management Limited</b>	<b>€'000</b>
<b>None</b>	<b>Nil</b>
<b>National Asset Management Services Limited</b>	<b>€'000</b>
<b>None</b>	<b>Nil</b>
<b>National Asset Management Group Services Limited</b>	<b>€'000</b>
<b>None</b>	<b>Nil</b>
<b>National Asset Management Limited</b>	<b>€'000</b>
<b>Income</b>	<b>Nil</b>
<b>Expenditure</b>	
Interest on debt securities in issue	(128,700)
Interest on Interest bearing loans and borrowings	(3,018)
<b>Net Profit(Loss)</b>	<b>(131,718)</b>



# 16. UPDATED SCHEDULE OF ALL INFORMATION DESCRIBED IN SECTION 54 (2) AND (3)

## (i) Section 54 (2) - Administration Fees and Expenses incurred by NAMA and each NAMA Group Entity

Administration fees & expenses period from 1st January 2011 to 31 December 2011

National Asset Management Agency (NAMA)		€'000
<b>Administration Fees &amp; Expenses:</b>		
Costs reimbursable to the NTMA		26,668
NAMA Board and Advisory Committee Fees		558
Depreciation charge		86
Rent Expense		770
		<u>28,082</u>

National Asset Management Agency Investment Limited		€'000
<b>Administration Fees &amp; Expenses</b>		Nil

National Asset Management Limited (Master SPV - Consolidated) - NOTE 1		€'000
<b>Administration Fees &amp; Expenses:</b>		
Costs reimbursable to the NTMA		26,668
Master Servicer Fees		3,098
Primary Servicer Fees		56,782
Legal fees		9,413
Accounting, audit and tax		2,142
Portfolio management fees		15,902
Due diligence costs		4,538
IT Costs		1,161
Rent and occupancy costs		979
Derivative valuation costs		680
		<u>121,363</u>

### NOTE 1 - Breakdown of Consolidated Master SPV by NAMA Group Entity

National Asset Loan Management Limited		€'000
<b>Administration Fees &amp; Expenses:</b>		
Costs reimbursable to the NTMA		26,668
Master Servicer Fees		3,098
Primary Servicer Fees		56,782
Legal fees		9,413
Accounting, audit and tax		2,142
Portfolio management fees		15,902
Due diligence costs		4,538
IT Costs		1,161
Rent and occupancy costs		979
Derivative valuation costs		680
		<u>121,363</u>

National Asset Property Management Limited		€'000
<b>Administration Fees &amp; Expenses</b>		Nil

National Asset Management Services Limited		€'000
<b>Administration Fees &amp; Expenses</b>		Nil

National Asset Management Group Services Limited		€'000
<b>Administration Fees &amp; Expenses</b>		Nil

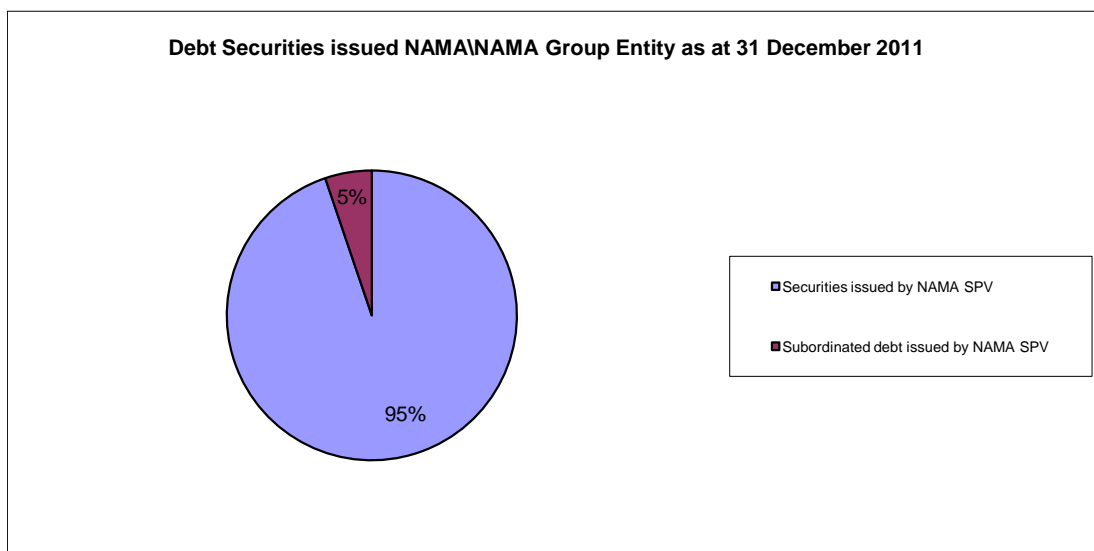
National Asset Management Limited		€'000
<b>Administration Fees &amp; Expenses</b>		Nil

--	--	--

**(ii) Section 54 (3) (a) - List of Debt Securities Issued for the Purposes of the Act**

**List of debt securities issued by NAMA or a NAMA Group Entity at 31 December 2011**

Description	€m
Securities issued by NAMA SPV	29,106
Subordinated debt issued by NAMA SPV	1,601
<b>Total</b>	<b>30,707</b>



**(iii) Section 54 (3) (b) - List of Debt Securities Issued to Redeemed by Participating Institution**

List of debt securities issued by NAMA or a NAMA Group Entity per participating institution at 31 December 2011

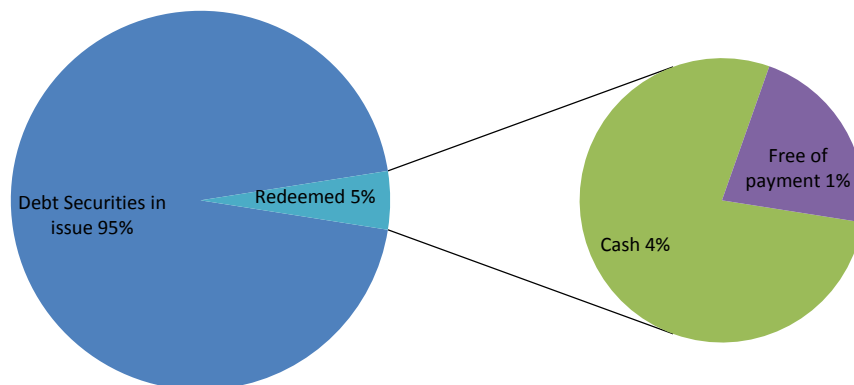
Participating Institution bonds originally issued to:	Issued €m
AIB	9,288
BOI	5,666
IBRC (Anglo)*	13,545
IBRC (INBS)*	3,424
EBS	388
Total Debt Securities issued	<b>32,311</b>
Redeemed for cash	(1,250)
Repurchased free of payment	(354)
<b>Debt Securities in issue</b>	<b>30,707</b>

The table above details the participating institutions that were originally issued with NAMA securities as consideration for eligible assets acquired under the NAMA Act 2009. It does not reflect the transfer in February 2011 of NAMA senior bonds from IBRC (Anglo) and IBRC (INBS) to AIB and Irish Life & Permanent respectively, made under part 5 of the Credit Institutions (Stabilisation) Act 2010 by the previous Minister for Finance or any other transfer of ownership since issuance.

Bonds repurchased free of payment reflects NAMA's clawback of the original acquisition price paid following the completion of the due diligence exercise.

Note that the Participating Institutions formerly known as Anglo Irish Bank (Anglo) and Irish Nationwide Building Society (INBS) have merged into one entity. On the 14th of October 2011, the merged entity was renamed the Irish Bank Resolution Corporation (IBRC). From a NAMA/PI operating model perspective however, the Anglo/INBS activities will not be fully integrated under IBRC until April 2012.

**Debt Securities issued by NAMA\NAMA Group as at 31st December 2011**



*(iv) Section 54 (3) (c) - Advances made to NAMA from the Central Fund*

Advances made to NAMA from the Central Fund until 31 December 2011

Description	Date	€m
None		Nil
Total		Nil

(v) Section 54 (3) (d) - Advances made by NAMA and each NAMA Group Entity

Advances made by NAMA and each NAMA group entity at 31 December 2011

National Asset Management Agency (NAMA)	Date	€m
<b>Advances:</b>		
Receivable from Group entity for rent paid	1 October - 31 December 2011	1
		1

National Asset Management Agency Investment Limited	Date	€m
<b>Advances:</b>		
Loan receivable from NAML	31 March 2010	100
Total		100

National Asset Management Limited (Master SPV - Consolidated) - NOTE 1	Date	€m
<b>Advances:</b>		
Loans and receivables	N/A	25,906
Total		25,906

**NOTE 1 - Breakdown of Consolidated Master SPV by NAMA Group Entity**

National Asset Loan Management Limited	Date	€m
<b>Advances:</b>		
Loans and receivables	N/A	25,906
Total		25,906

National Asset Property Management Limited	Date	€m
<b>Advances</b>	N/A	Nil

National Asset Management Services Limited	Date	€m
<b>Advances</b>	N/A	Nil

National Asset Management Group Services Limited	Date	€m
<b>Advances</b>	N/A	Nil

National Asset Management Limited	Date	€m
<b>Advances</b>	N/A	Nil

(vi) Section 54 (3) (e) - List of Asset Portfolios held by NAMA and each NAMA Group Entity

List of asset portfolios held by NAMA and each NAMA group entity as at 31 December 2011

Entity	Description	€m
<b>National Asset Management Agency (NAMA)</b>	Investments - 49,000,000 ordinary A shares in National Asset Management Agency Investment Limited	49.0
	Cash	1.6
	Other Receivables - costs reimbursable from NAML	1.0
	Receivable from Group entity for rent paid	1.0
	Prepayment for rent for Q1 2012	0.2
	Other receivables	0.1
	Property, plant and equipment	0.9
	Total	53.8

Entity	Description	€m
<b>National Asset Management Agency Investment Limited</b>	Loan receivable from NAML	99.9
	Accrued interest on inter-group loan	15.5
	Total	115.4

Entity	Description	€m
<b>National Asset Management Limited (Master SPV - Consolidated) - NOTE 1</b>	Cash and cash equivalents	3,330.4
	Receivable from Participating Institutions	288.5
	Derivative financial instruments	448.5
	Financial assets available for sale	499.7
	Loans and receivables	25,906.5
	Other assets	100.3
	Trading properties	6.0
	Total	30,579.9

(vi) Section 54 (3) (e) - CONTINUED

**NOTE 1 - Breakdown of Consolidated Master SPV by NAMA Group Entity**

Entity	Description	€m
National Asset Loan Management Limited	Cash and cash equivalents	3,330.4
	Receivable from Participating Institutions	288.5
	Derivative financial instruments	448.5
	Financial assets available for sale	499.7
	Loans and receivables	25,906.5
	Other assets	453.1
	Trading properties	6.0
	Total	30,932.7

Entity	Description	€m
National Asset Property Management Limited		Nil

Entity	Description	€m
National Asset Management Services Limited		
	Other Assets	
	Total	0.0

Entity	Description	€m
National Asset Management Group Services Limited		
	Other Assets	30,707.0
	Total	30,707.0

Entity	Description	€m
National Asset Management Limited		
	Other Assets	30,806.9
	Total	30,806.9

*(vii) Section 54 (3) (f) - List of Government Support Measures received by NAMA and each NAMA Group Entity*

Government support measures received by NAMA & NAMA Group Entity as at 31 December 2011

Entity	Description	Amount Issued €m
National Asset Management Agency (NAMA)	None	Nil
National Asset Management Agency Investment Limited	None	Nil
National Asset Loan Management Limited	None	Nil
National Asset Property Management Limited	None	Nil
National Asset Management Services Limited	None	Nil
National Asset Management Group Services Limited	None	Nil
National Asset Management Limited	On the 26th of March 2010, the Minister of 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	29,106
<b>Total</b>		<b>29,106</b>



# 17. APPENDIX 1 - Definition of Loan Payment Status

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 capitalized 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

## 17. APPENDIX 2 - Ministerial Direction - Pricing of government guaranteed debt issued by NAMA



An Roinn Airgeadais  
Department of Finance

Our Reference: 513/43/10

Sráid Mhuirfean Uacht,  
Baile Átha Cliath 2,  
Éire.

Upper Merrion Street,  
Dublin 2,  
Ireland.

Teileafón / Telephone: 353-1 676 7571  
Facsimhír / Facsimile: 353-1 678 9936  
Glao Áitiúil / LoCall: 1890 66 10 10  
<http://www.irlgov.ie/finance>

National Asset Management Agency  
Treasury Building  
Grand Canal Street  
Dublin 2

14 May, 2010

### Directions to the National Asset Management Agency pursuant to Section 14 of the National Asset Management Agency Act 2009

This direction is issued pursuant to Section 14 of the National Asset Management Agency Act 2009 in order to achieve the purpose of that Act.

I hereby direct that all short-term government guaranteed debt issued by NAMA or a NAMA group entity up to 1 year maturity should not exceed the pricing of equivalent government guaranteed issuance of the Housing Finance Agency.

I also direct that for government guaranteed NAMA debt issuance (including issuance by a NAMA group entity) with duration of greater than 1 year, the margin over Irish Government Bonds of equivalent maturity, listed on the Irish Stock Exchange will not exceed 20 basis points. This is intended to reflect the normalised spread between the yield on Irish Government bonds and that required for government guaranteed paper of similar duration.

Yours faithfully

  
Brian Lenihan TD

Minister for Finance



Páipéir 100% Athchurnáilte  
Printed on 100% recycled paper

NATIONAL ASSET MANAGEMENT AGENCY ACT 2009

Direction under section 14

I, BRIAN LENIHAN, Minister for Finance, in exercise of the power conferred on me by section 14(1) of the National Asset Management Agency Act 2009 (No. 34 of 2009) ("the Act"), direct the National Asset Management Agency, having regard to the immediate and urgent necessity of completing acquisitions of eligible assets from participating institutions to that Agency in order to achieve the purposes specified in section 2 of the Act, to complete those acquisitions as expeditiously as possible, in accordance with Part 6 of the Act.

In my opinion this Direction is necessary to achieve the purposes of the Act.

22 October 2010.

  
BRIAN LENIHAN,  
Minister for Finance



**An Roinn Airgeadais  
Department of Finance**

Sráid Mhuirfean Uacht,  
Baile Átha Cliath 2,  
Éire.

Upper Merrion Street,  
Dublin 2,  
Ireland.

Teileafón / Telephone: 353-1 676 7571  
Facsimhír / Facsimile: 353-1 678 9936  
Glao Áitiúil / LoCall: 1890 66 10 10  
<http://www.finance.gov.ie>

Our Reference: 513/43/10

National Asset Management Agency  
Treasury Building  
Grand Canal Street  
Dublin 2

11 May, 2011

**Direction to the National Asset Management Agency pursuant to Section 14 of the National Asset Management Agency Act 2009**

This direction is issued pursuant to Section 14 of the National Asset Management Agency Act 2009 (the "Act") in order to achieve the purposes of that Act.

I hereby direct that the terms and conditions of the National Asset Management Limited Senior Notes guaranteed by the Minister for Finance issued under section 48 of the Act (the "Notes") to provide 95% of the total acquisition value of eligible bank assets acquired from participating institutions in accordance with the Act (including those Notes maturing 1<sup>st</sup> March 2012), be amended, as appropriate:

- (i) to remove the Extension Option; and
- (ii) to remove the option of the Issuer to physically settle all or some only of the Notes at maturity.

The change in the terms and conditions of the Notes (including those issued and maturing on 1<sup>st</sup> March 2012) is necessary to retain the current valuation of the Notes as 1 year instruments to support the stability of those credit institutions that hold the Notes.

This Direction is necessary for the purposes of the Act in Section 2.

Yours faithfully

Michael Noonan TD

Minister for Finance



Páipéir 100% Athchórsáilte  
Printed on 100% recycled paper