

NAMA

Annual Report Summary

2018



National Asset
Management Agency



2018 PROFIT

€795m

NAMA made a profit of €795m in 2018; this represented a 65% increase on 2017 profit of €481m.



2018 CASH GENERATION

€3.27bn

NAMA generated cash of €3.27 billion in 2018, bringing total cash generated since inception to €44 billion.



PROJECTED SURPLUS

€4bn

NAMA's continued strong performance in terms of profitability has enabled the Board to revise its projected terminal surplus from €3.5 billion to €4 billion.

Chairman's Statement (Extract)

Frank Daly



As I review NAMA's very positive results for 2018, I think of how far we have come over the past ten years, particularly considering the enormity of the task that we faced when NAMA was established. At the time, I indicated that a key measure of success would be to shrink our balance sheet – then in excess of €30 billion – and to recoup at a minimum all of the expenditure incurred on acquiring the loans, the capital and current expenditure required to enhance their value and the costs of running the business. I am pleased to say, in this my final Annual Report statement, that all that is within sight of being achieved and that we have the added bonus, which did not appear likely in NAMA's early years, of being in a position to hand back a substantial surplus to the Exchequer.

Chief Executive's Statement (Extract)

Brendan McDonagh



I am pleased to report a strong set of results for NAMA for the 2018 financial year. Profit after tax was €795m, a substantial increase on the 2017 profit of €481m. Much of the profit realised in 2018 represents the outcome of years of slow, patient and intensive asset management and legal work carried out on the assets securing our loans. In many cases, it meant retaining and resolving compromised assets and investing in them so as to generate long-term gains. Most of our residual loan book is secured by assets from which we expect to generate additional value. In particular, many of these loans are secured by sites which have the potential to contribute to new housing and office supply but which can also increase the amount of debt that we can recover.

Key Financial Indicators 2018

Cash generation and profit in 2018 represent notable increases on 2017 figures. This is despite the reduced size of NAMA's loan portfolio and reflects, in part, the realisation of value enhancement work undertaken in relation to the portfolio in earlier years.



2018 PROFIT

€795m

2017: €481 million



2018 CASH GENERATION

€3.27bn

2017: €2.56 billion



2018 SUBORDINATED BOND REDEMPTIONS

€529m

2017: Zero



2018 DISPOSAL RECEIPTS

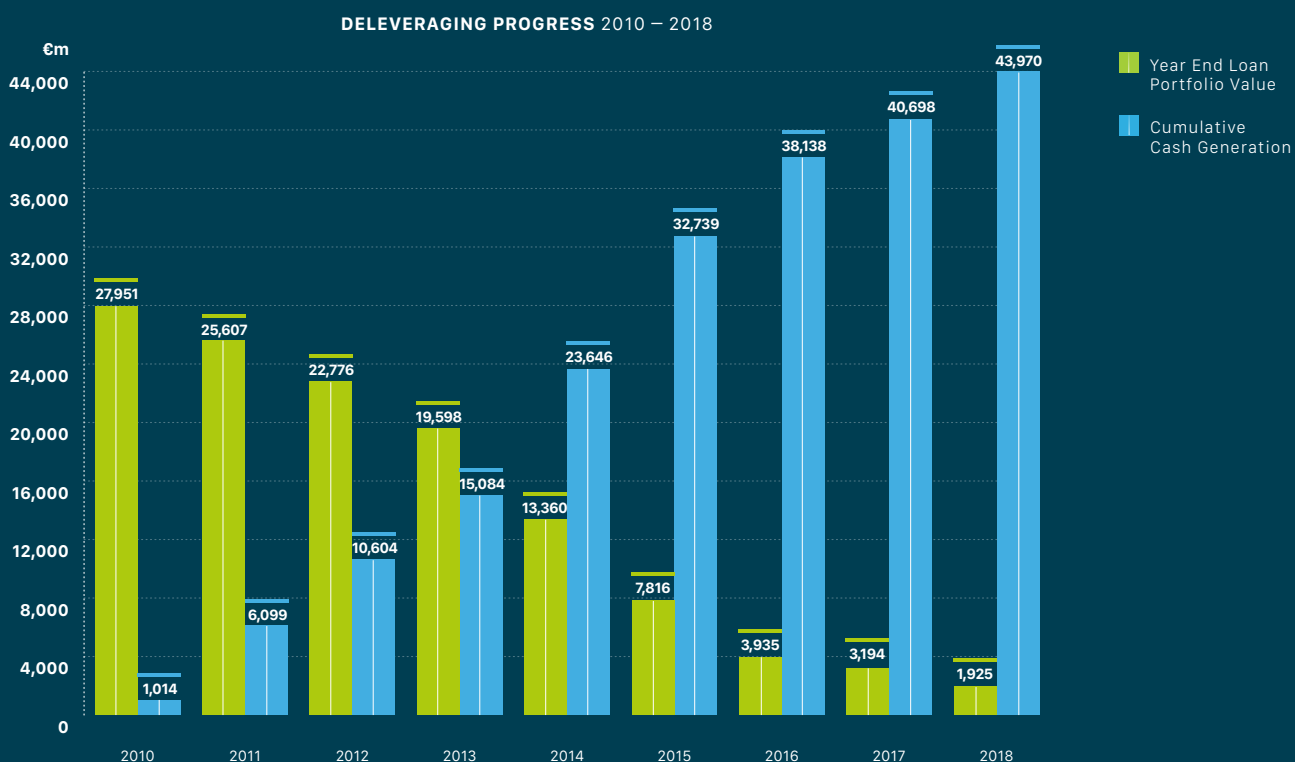
€3.14bn

2017: €2.43 billion

Key Business Highlights 2018

DISPOSALS AND CASH GENERATION

Cash generation is a critical measure of the progress being made by NAMA in meeting its stated objectives. By end-2018, NAMA had generated a cumulative €44 billion in cash, principally through asset and loan sales.



RESIDENTIAL DELIVERY

Major progress has been made with a view to maximising residential delivery on sites secured to NAMA: including units which are completed or under construction, some 26,600 units are potentially deliverable from sites controlled by NAMA debtors and receivers. These include sites where planning has been granted, lodged or about to be lodged but exclude sites that have been sold, contracted for sale, or are on the market for sale.

RESIDENTIAL DELIVERY STATUS AT END-MARCH 2019



9,759

Since 2014, NAMA has funded the construction of 9,759 new residential units in Ireland on residential sites securing its loan portfolio.



3,000

An additional 3,000 units are under construction or have funding approved for construction in active residential developments controlled by NAMA debtors and receivers.



4,300

NAMA holds security over residential development land on which planning permission has been granted for an additional 4,300 units.



3,700

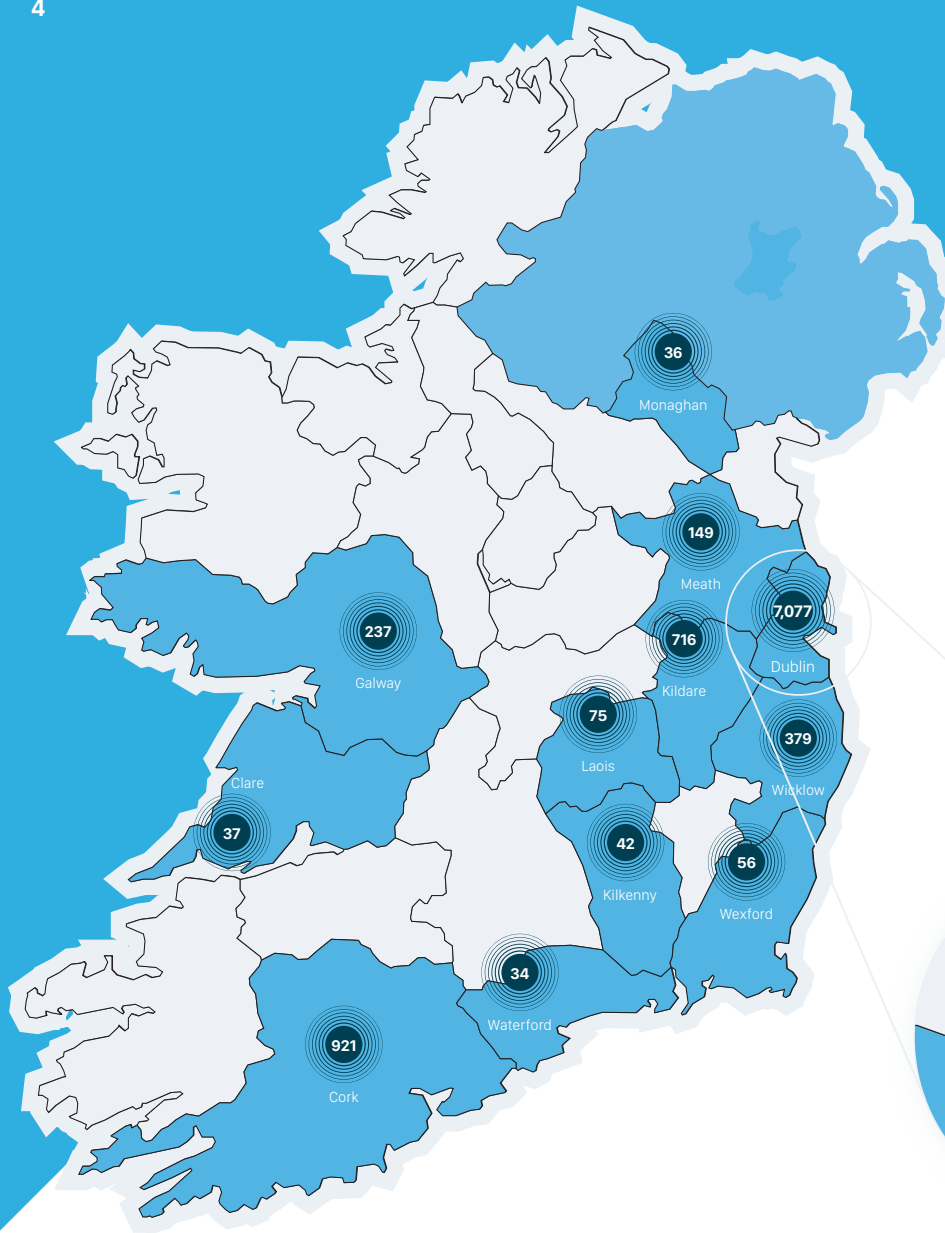
Over 3,700 residential units have been delivered on sites previously secured to NAMA for which NAMA had funded planning permission, enabling works, legal costs or holding costs.



13,400

The overall total number of residential units directly and indirectly facilitated and delivered by NAMA is over 13,400.

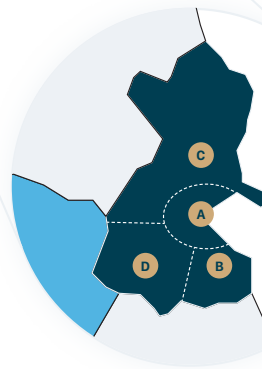
Note: By end-May 2019, NAMA had directly funded 10,024 residential units with an additional 4,000 units delivered on sites for which NAMA had funded planning permission, enabling works, legal costs or holding costs.



9,759 NAMA-funded residential units nationally at end-March 2019.

BREAKDOWN ACROSS FOUR DUBLIN LOCAL AUTHORITY AREAS

A	Dublin City Council	1,253
B	Dun Laoghaire-Rathdown County Council	2,695
C	Fingal County Council	1,578
D	South Dublin County Council	1,551
Total Dublin		7,077



EXAMPLES OF RESIDENTIAL PROJECTS

Completed

Phase I, Bishops Gate

Kilternan, Dublin 18



Under Construction

Rathborne Park and Royal Canal Park

Ashtown, Dublin 15



DUBLIN DOCKLANDS SDZ

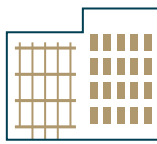
NAMA originally held an interest in 15 of the 20 SDZ blocks equating to 75% of the developable area. When complete, it is estimated that the Docklands SDZ area will accommodate in excess of 20,000 office workers and homes for over 5,000 people, regenerating and transforming this important part of Dublin City.

DUBLIN DOCKLANDS SDZ STATUS AT END-MARCH 2019



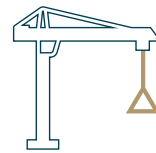
4.2m sq. ft.

Strategies have been agreed and are being implemented for 100% of Dublin Docklands SDZ sites in which NAMA originally had an interest. These sites will ultimately deliver 4.2m sq. ft. of commercial space and some 2,200 residential units.



1.14m sq. ft.

To date, NAMA has facilitated the construction of 1.14m sq. ft. of commercial space (mainly Grade A offices) and 190 apartments.



1.46m sq. ft.

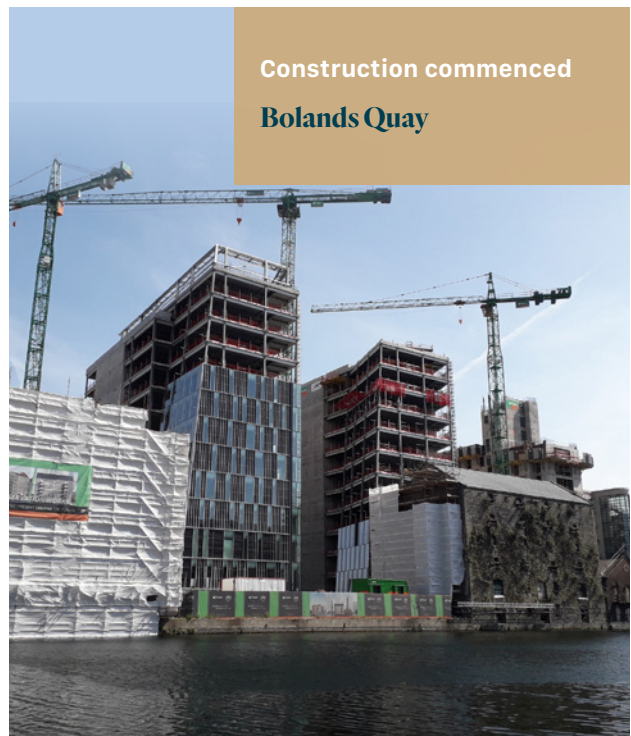
The remaining sites in which NAMA retains an interest are currently under construction with expected completion of 1.46m sq. ft. and 416 residential units in phases during 2019, 2020 and 2021.

ACTIVE NAMA PROJECTS:

Construction complete
5 Hanover Quay



Construction commenced
Bolands Quay



SOCIAL AND ECONOMIC CONTRIBUTION

NAMA seeks to manage its portfolio in Ireland in a manner that complements the objectives of other public bodies including Government departments, State agencies and local authorities. This has been particularly evident in the area of social housing and in the resolution of unfinished housing estates.

SOCIAL HOUSING STATUS AT END-MARCH 2019



2,544

2,544 residential properties have been delivered by NAMA for social housing, providing much-needed homes for thousands of families.



7,050

In total, NAMA has offered 7,050 houses and apartments in its secured portfolio to local authorities for social housing purposes. Demand has been confirmed by local authorities for 2,729 of these properties.



€350m

NAMA has invested or committed €350m as part of its social housing programme. These funds have been used to remediate and complete properties and estates and also to purchase houses and apartments for social housing use.

UNFINISHED HOUSING ESTATES

All 335 unfinished housing estates, to which NAMA had an exposure in 2010, have been resolved or have active resolution strategies in place. Some of these estates were remediated as part of NAMA's social housing programme.

POOLBEG WEST SDZ

The Poolbeg West SDZ Planning Scheme was formally adopted by An Bord Pleanála in April 2019. The SDZ encompasses land located to the east of Dublin's South Docks. The sites secured to NAMA within the SDZ area (shaded in blue) have the potential to deliver up to **3,500 residential units** (including 10% Part V social housing and 15% social and affordable housing) and up to **1m sq. ft. of commercial development** as well as **school sites and community space**. NAMA is currently assessing how best to implement the delivery strategy for the site with a view to ensuring housing delivery as soon as practicable.

