



ABOUT NAMA

NAMA was established as part of Ireland's response to the banking and property crisis that combined to destabilise the country's finances and economy from the latter part of 2008. Announced in the April 2009 Supplementary Budget, NAMA was given the objective of *'cleansing and repairing the banks' balance sheets'* as a *'fundamental'* first step in achieving a sustained recovery in the Irish economy and its banking system. At its inception, NAMA was set two primary and interrelated tasks:

- ▶ Acquiring land and development and associated loans from five financial institutions (Participating Institutions) so as to remove this systemic risk to the Irish banking system.
- ▶ Obtaining the best achievable financial return to the State from these acquired loans.



PROGRESS

THE FIRST STEPS

NAMA has completed the first critical phase of its work – the valuation and transfer of loans with a face value of €74 billion. This valuation was in line with the valuation methodology approved by the EU Commission in February 2010.

In the process, NAMA has successfully injected nearly €32 billion into the Participating Institutions and has helped to ameliorate uncertainty over the quality of the property loan portfolios of the institutions.

NAMA manages its loan portfolios with a dedicated team of just 200 people with specialist skills and experience in property, banking, finance, law and related disciplines.

NAMA also supports the employment of some 500 staff within the five institutions who manage, on the Agency's behalf, the smaller debtor exposures comprising some €13 billion of the overall €74 billion of loans.

DEBTORS

On transfer to NAMA, debtors were required to submit detailed business plans setting out how they proposed to repay their loans. By March 2012, NAMA had completed the assessment of 98% of debtor business plans (by reference to the €32 billion paid for the loans).

In about two-thirds of cases, NAMA is working constructively with debtors because this makes the best commercial sense. For these debtors this may mean one or more of the following:

- ▶ a phased sale of properties to support debt repayments;

- ▶ assignment of rental incomes to NAMA;
- ▶ the granting of charges over unencumbered assets; and
- ▶ a reversal of asset transfers to relatives and others in cases where these have occurred.

It also means a significant readjustment in terms of lifestyle for debtors.

Where debtors are unwilling to work to NAMA's expectations, the Agency must reluctantly consider all available options, including enforcement, to protect the position of taxpayers. By March 2012, NAMA had taken enforcement action in relation to about 200 debtors.

NAMA publishes and updates each month a listing of all properties that are subject to enforcement. This is available at www.nama.ie.

NAMA ACQUIRED LOANS

Most of the loans acquired by NAMA from the Participating Institutions are secured on property. NAMA's interest in this property and in the other assets underlying its loan portfolio is, generally speaking, that of a lender holding security for its loan rather than that of an owner. Individuals and groups who have an interest in a property that is related to a NAMA loan, are encouraged to make contact with the owner of the property. They may also copy their interest to NAMA, using the contact details provided in this leaflet, and the Agency will work to facilitate engagement between interested parties and its debtors/receivers/sales agents. It should be noted that, while NAMA is prohibited, by the legislation that established it and by the normal rules of banking confidentiality, from disclosing the identity of debtors or details of their properties, the Agency ensures that debtors are aware of any potential purchaser interest in their properties. This interest may often be aligned to the asset strategy identified by NAMA through the business plan process.



ASSET SALES AND PROJECT FUNDING

As part of the overall NAMA process, the Agency had approved the sale of assets in excess of €8 billion by March 2012.

Between its first loan acquisitions in March 2010 and March 2012, NAMA had generated almost €7 billion in cash flow from debtors.

By the end of 2011, NAMA had been granted additional security over assets valued at €221 million and reversed asset transfers to relatives of €160 million – this totals €380m. NAMA expects that at the completion of its work in these areas it will have secured a total of €500 million in additional security for the taxpayer.

By March 2012, NAMA had approved over half a billion euro in working and development capital to preserve, enhance and complete projects in Ireland.

NAMA is also funding directly **10,000 jobs** in small and medium enterprises which, in turn, supports other jobs within local communities.

NAMA is firmly on target to meet its debt reduction targets, including the target of repaying €7.5 billion in debt by the end of 2013.

SOCIAL AND ECONOMIC DEVELOPMENT

NAMA's ultimate social and economic contribution will be measured by its success in recouping the maximum amounts possible from its loans and underlying security. Within the context of this overriding commercial remit, NAMA is at all times conscious of the broader contribution that it can make to the social and economic life of the country.

- ▶ In December 2011, NAMA identified

2,000 residential units as being available and potentially suitable for social housing provision, representing one of the largest single housing allocations in the history of the State. Local authorities are working through the Housing Agency to establish the suitability of these properties for social housing provision in their areas.

- ▶ NAMA is working to remediate public safety issues on the unfinished housing estates which fall within its remit.
- ▶ NAMA is working, through its debtors and receivers, with public bodies, community and voluntary organisations, and sporting clubs in the delivery of land and buildings for their purposes, including schools, health care facilities, parks and sports facilities.

NAMA is introducing a number of innovative measures (for example,

vendor finance and Qualifying Investor Funds) aimed at attracting international investment into Ireland's commercial property markets at a time when this is crucial for economic and employment recovery.

NAMA facilitates rent abatements in the case of tenants qualifying under the Agency's **Guidance Note on Upward Only Commercial Leases**. The initiative is designed to facilitate commercially viable businesses that experience particular short-term difficulties linked to the wider economic environment.

NAMA has introduced an initiative which will facilitate house purchase by first time buyers and others (80/20 Deferred Payment Initiative).

NAMA is working with all State Agencies to support the national job creation drive.

PROPERTIES UNDERLYING NAMA'S LOANS

The table below provides a breakdown, by region and by asset type, of the property securing NAMA loans

€bn	Ireland	(Dublin)	Northern Ireland	Britain	Rest of the World	Total	% of NAMA
Office	2.66	2.44	0.22	2.1	0.27	5.25	16.5
Retail	2.91	1.51	0.22	1.16	0.15	4.43	13.9
Other Investment	2.41	1.30	0.34	1.23	0.50	4.48	14.1
Total Investment	7.98	5.25	0.77	4.48	0.92	4.48	44.5
Residential	3.7	2.31	0.13	1.29	0.16	5.27	16.6
Hotels	0.93	0.56	0.01	1.81	0.28	3.04	9.6
Total Completed	12.61	8.02	0.92	7.58	1.36	22.47	70.7
Development	1.13	0.52	0.06	1.33	0.33	2.85	9.0
Land	4.17	2.42	0.28	1.85	0.16	6.46	20.3
Total L&D	5.3	2.94	0.34	3.18	0.48	9.31	29.3
Grand Total	17.92	10.96	1.26	10.76	1.84	31.78	100
% of NAMA Portfolio	56.4	34.50	4.0	33.9	5.8	100	

Some key points in relation to the property include:

- Over 70% of properties are completed and of these nearly 80% relate to commercial properties in the main urban centres of Ireland and Britain.
- 56% of the property is located in Ireland; 34% in Britain, 4% in Northern Ireland and 6% in locations outside of these jurisdictions.
- Only 12% of NAMA's portfolio is secured by Irish residential property, representing less than 1% of the total housing stock in Ireland.

- In relation to unfinished estates, only 12%, of Category 4 estates are controlled by NAMA debtors or receivers. Only 10% of Category 3 estates are linked to NAMA debtors.
- There are over 900 hotels in Ireland; NAMA has exposure to 121 of them.
- There are over 400 golf courses in Ireland; NAMA has exposure to 20 of them.

NAMA'S KEY PRINCIPLES

NAMA's primary objective is to maximise, for the benefit of the taxpayer, the return on its acquired loans. Where it considers that this is best achieved by working with debtors, it does so; however, regrettably, this is not always feasible and, in a minority of cases, the Agency has no option but to enforce.

NAMA neither hoards property nor does it engage in fire sales. NAMA adopts a strategic and phased approach informed by its view of the markets in which it operates.

NAMA is committed to supporting the national imperative of economic and employment recovery and in supporting the achievement of wider social policy objectives.

NAMA engages constructively with all stakeholders and seeks to ensure maximum possible transparency and disclosure as to its work.

NAMA aims to be efficient and agile in carrying out its business: by March 2012, it had made over 7,400 individual credit decisions since its inception. The average turnaround time on credit decisions is 6 days (it works to a target of 7 days).

HOW TO CONTACT NAMA

Individuals, community groups, sporting organisations and others with an interest in talking to NAMA about land and properties that may be suitable for their purposes should contact info@nama.ie or telephone 00 353 1 6640800.

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