Presentation focus

- NAMA’s core objectives
- Development finance focus
- Wider economic and social contribution
- Construction 2020 vision
Core objective – reducing Ireland’s €30bn NAMA contingent liability

Moody’s upgrades Ireland’s credit rating by two notches to BBB+ (investment grade).
NAMA debt redemptions play a key part.

Ireland’s credit rating raised to A- noting “faster pace at which NAMA is paying down its debt”.
Achieving senior bond repayment ahead of schedule

NAMA Senior Bond Redemptions

- Actual Redemptions (LHS Axis)
- Forecast 2014 Redemptions (In line with 2014 strategy) (LHS Axis)
- Cumulative Planned Redemptions to end 2016 (In line with 2014 strategy) (RHS Axis)
- Cumulative Residual Planned Redemptions (Post 2016) (RHS Axis)

- 50% equiv to €15.1bn Senior Bonds Redeemed by end 2014
- 100% (€30.2bn) of Senior Bonds Redeemed
- 80% of Senior Bonds Redeemed by end 2016

Achieving senior bond repayment ahead of schedule

80% of Senior Bonds Redeemed by end 2016

50% equiv to €15.1bn Senior Bonds Redeemed by end 2014

100% (€30.2bn) of Senior Bonds Redeemed
% Breakdown of Irish portfolio 30/6/2014

- Longford: 0.1%
- Monaghan: 0.1%
- Leitrim: 0.1%
- Cavan: 0.2%
- Offaly: 0.2%
- Donegal: 0.2%
- Laois: 0.3%
- Kilkenny: 0.3%
- Roscommon: 0.4%
- Mayo: 0.5%
- Louth: 0.5%
- Tipperary: 0.5%
- Carlow: 0.5%
- Westmeath: 0.6%
- Waterford: 0.8%
- Sligo: 0.8%
- Clare: 0.9%
- Wexford: 1.0%
- Kerry: 1.1%
- Wicklow: 1.7%
- Limerick: 2.2%
- Meath: 2.4%
- Galway: 4.3%
- Kildare: 5.2%
- Cork: 9.9%
- Dublin: 65.0%
Potential €4bn in development funding in ROI

- €1bn already advanced; potential €3bn available for ROI
- Timely and coherent delivery of Grade A office space where demand exists and is commercially viable
- 4,500 new houses and apartments in the Dublin area over the period to 2016 (Construction 2020)
- Significant additional housing in the Greater Dublin area beyond 2016 – sites with planning potential for extra 20,000 homes (Construction 2020)
- Facilitating delivery of new homes elsewhere in the country in line with demand
Dublin Docklands SDZ – strategically important

- 75% of undeveloped land in the SDZ is security for NAMA Loans
- Detailed Business Plan prepared
- Initial strategies prepared for the 13 individual sites in which NAMA has an interest
- Sites ranked as either Tier 1 (planning/delivery strategy well advanced) or Tier 2 (detailed feasibility analysis underway)
Dublin Docklands SDZ – strategically important

- 4 sites sold into QIFs in which NAMA holds minority stakes
- 2 sites in Tier 1 category (Boland’s Mill, North Wall Quay)
- Exposure to potential 3.4m sq. ft. commercial space and 1,900 residential properties
- Willing to support infrastructure delivery on cost recovery basis
Residential development – where is it needed?

- NAMA-funded ESRI research into housing market

- Where will future housing be needed
CSO House Price Index – NAMA acquisition v today

CSO House Price Index Nov 2009 – Aug 2014

Source: CSO

Notes:
- Residential Property Price Index Base Jan 2005 = 100
- Chart includes houses only, i.e. apartments excluded
Feasibility remains marginal on most residential schemes

Development feasibility study – based on 3-bed semi-detached house in North Dublin and assumed profit on costs 15%
Residential development – Tiered approach

- **4,500 Tier 1** (SHOVEL READY)

- **25,000 Tier 2** (18 MTHS +)
  & **Tier 3** (24 - 48 MTHS)

Millers Glen | Swords, Dublin

Castlepark | Maynooth, Co. Kildare
Recovery in Irish property market

Volume of Irish Commercial Property Investment (Ex Loan Sales)

€ Million

Phased and orderly approach

Less than 5% (by value) of the Irish property portfolio securing NAMA loans had been sold by the end of 2012 (deliberate “hold” strategy)
Property portfolio sales – min. €250m every quarter

Platinum Portfolio | Office Portfolio

Acorn Portfolio | Shopping Centres

Orange Collection | Residential

Project Venue | Hotel Portfolio
Portfolio sales to be launched to the market in Q4 2014

✓ Two portfolios of **Dublin offices**, one of which will include 4-5 Grand Canal Square

✓ One **retail** portfolio, comprising five regional shopping centres

✓ One **residential investment** portfolio, comprising apartments in seven areas in Dublin

✓ One **hotels** portfolio, comprising regional hotels
Loan sales – major feature of market

- 22% of all closed European loan sales in H1 2014
- Ireland has a developed loans sales market
Facilitating Foreign Direct Investment (FDI)

Grand Canal Square, Dublin 2

Burlington Plaza, Dublin 4
Supporting Irish trading businesses

- 15,000 jobs supported in trading businesses linked to NAMA loans
- €20m in annual rent abatements
- €40m in long-term rent lease restructures
- Focus on job retention – Elverys (700 jobs), Powerscourt (300 jobs)
Social Housing delivery – almost 5,500 units

- Year End Target of **1,000 will be exceeded**
- Approx. €20m in capital expenditure funded by NAMA on delivering social housing units to date
NARPS projects

Before

The Tannery, Bandon, Co Cork
24 houses
Lease with NABCO

After

Balloyle, Co Dublin
20 apartments
Lease with Túath Housing

Woodfield House, Blarney, Co Cork
12 apartments
Lease with Túath Housing
Unfinished housing estates

- NAMA is funding the cost of remedial work on these estates – Cork, Galway, Kerry, Kilkenny, Limerick, Tipperary & Wexford
- Expenditure to date of €5M
- Emphasis on SITE RESOLUTION PLAN process in partnership with local authorities
Achieving Construction 2020 vision

- Need for strong, well-managed, well-funded construction companies CAPABLE OF WITHSTANDING downturns – access to equity

- Market that responds better to supply and demand signals – signals went haywire in the last decade

- Banks that fund development properly – with proper checks and balances

- Other sources of funding – private equity, international and domestic funds

- Planning and development system that responds appropriately

- NAMA €4bn funding one part of the solution – important role
CIF Annual Conference

01st October 2014 – CEO NAMA
www.nama.ie