

International Corporate Restructuring Summit 2015

NAMA - delivering on its mandate and much more

2nd October 2015 | Frank Daly, NAMA Chairman



NAMA mandate

Focused on completing its mandate successfully



Commitment to redeem a minimum of **80%** of NAMA Senior Debt by **end-2016** and **all Senior Debt** by **end-2018**.

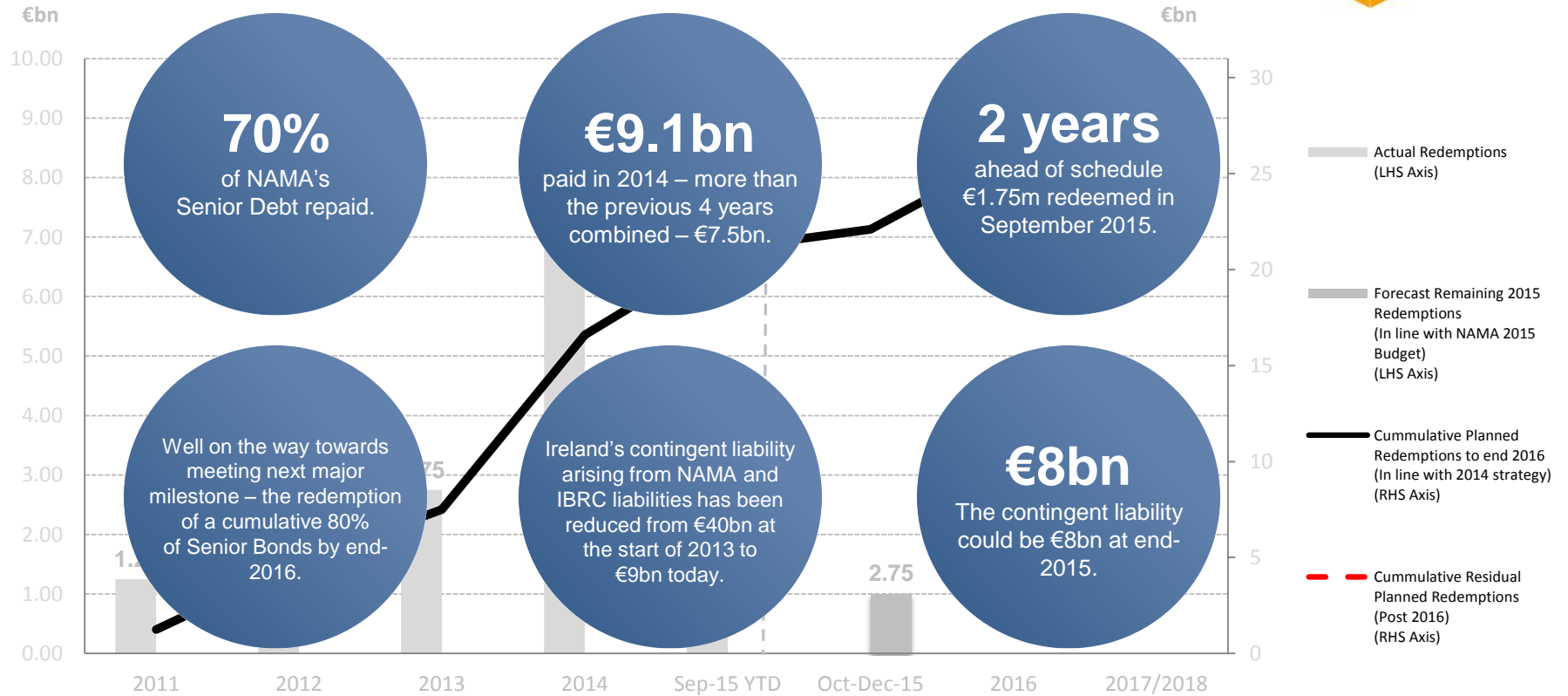


Facilitate the timely and coherent delivery of key Grade A office space, retail and residential space within the **Dublin Docklands' SDZ** and Dublin's Central Business District.



Maximise the delivery of residential **housing units** in **areas of most need**.

Senior Bond repayments 2 years ahead of schedule

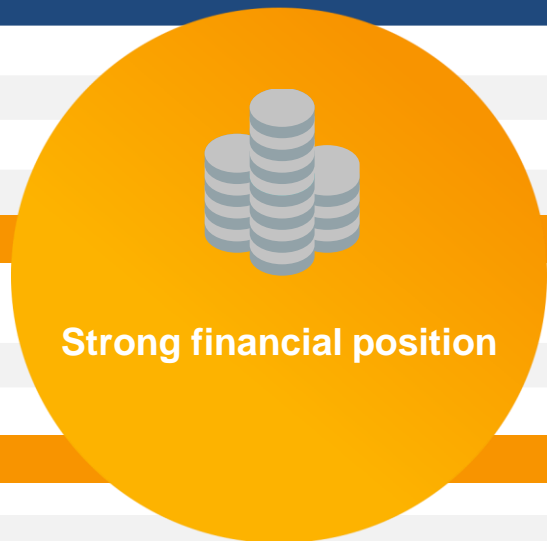


March 2015 YTD Income Statement

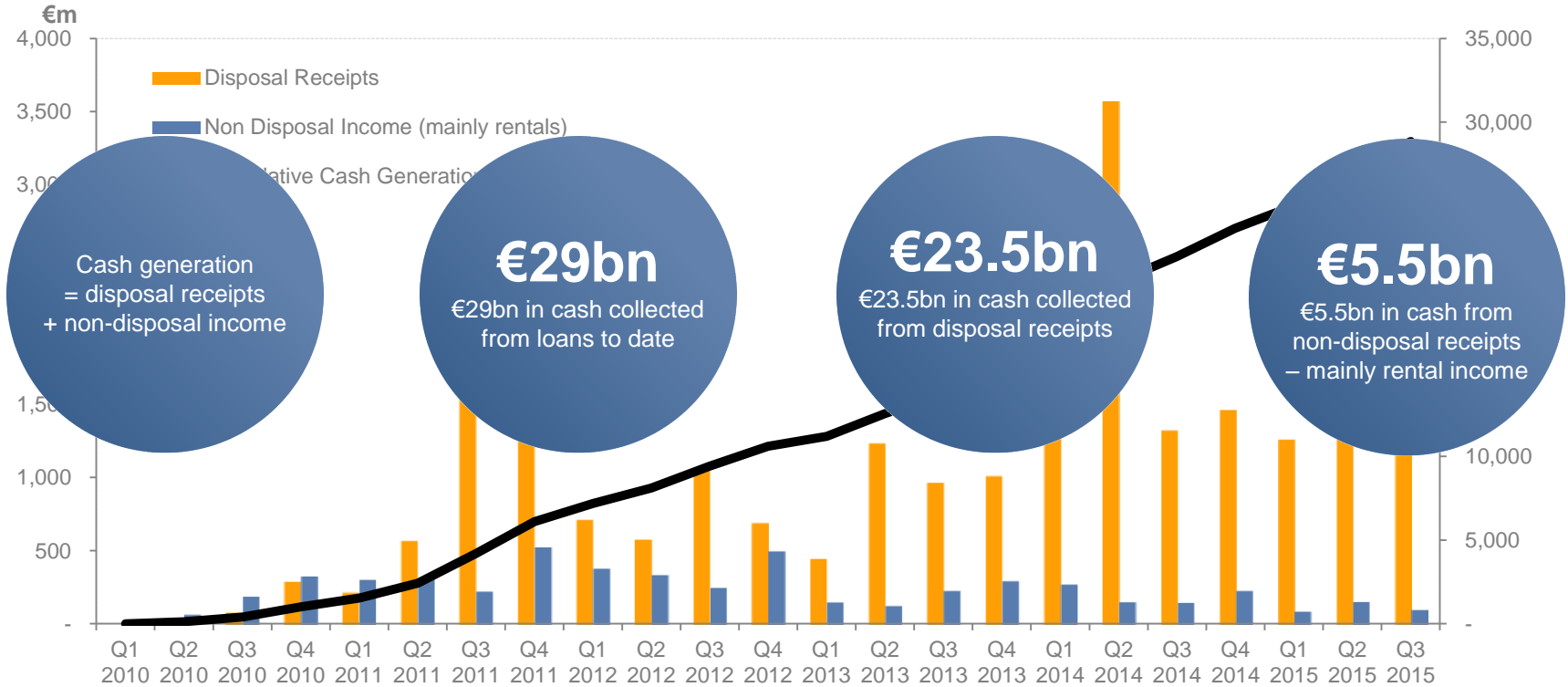
	March 2015 YTD	2014
	€m	€m
Interest and fee income	170	955
Interest expense	(65)	(313)
Net interest income	105	642
Net profit on disposal of loans, property assets; and surplus income	17	285
Foreign exchange	(3)	(22)
Derivatives	(1)	(159)
Administration and other income / (expenses)	(16)	(98)
Operating profit before impairment	102	648
Impairment credit/(charge)	-	(137)
Profit for the period before tax	102	511
Tax credit/(charge)	27	(53)
Profit for the period	129	458

Summary Balance Sheet 31 March 2015

Summary Balance Sheet	March 2015	Dec 2014
	€m	€m
Assets		
Cash and cash equivalents and liquid assets	1,817	1,849
Loans and receivables (net of Impairment)	12,528	13,360
Other assets	420	363
Total assets	14,765	15,572
Liabilities and reserves		
Senior bonds in issue	12,590	13,590
Other liabilities	863	744
Total liabilities	13,453	14,334
Total equity and reserves	1,312	1,238
Equity and Liabilities	14,765	15,572



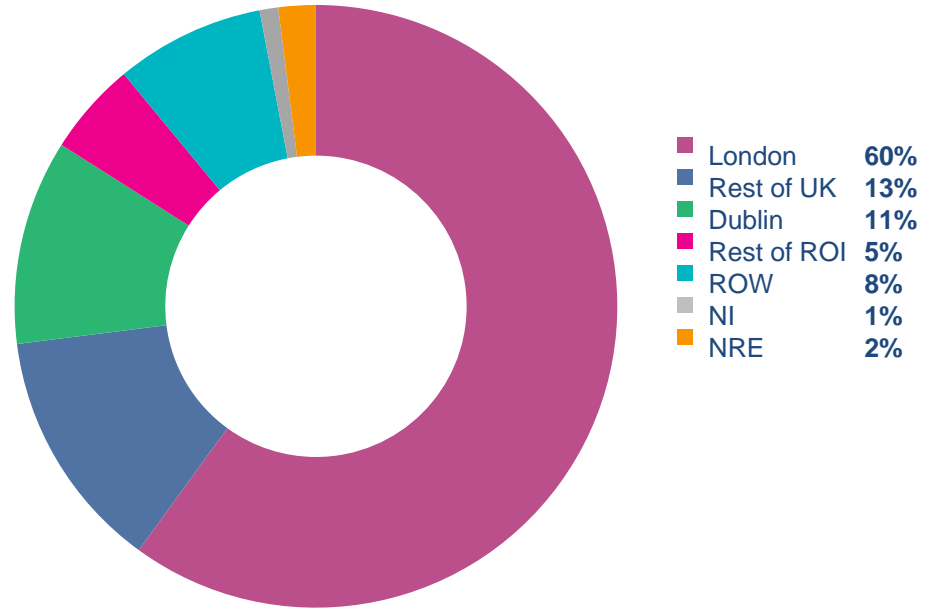
Success built on strong cash generation - €29bn



Asset disposals

Disposals by location | 2010 - 2013

- Strategic focus on **UK disposals** during 2010 – 2013.
- **73%:** London assets accounted for **60%** of total NAMA sales proceeds, with assets in the rest of Britain accounting for a further **13%**.
- **16%:** Irish assets, by contrast, accounted for just **16%** of total sales proceeds in the same period.
- By end-2012 NAMA had sold less than €1bn in Ireland – **deliberate action by NAMA.**

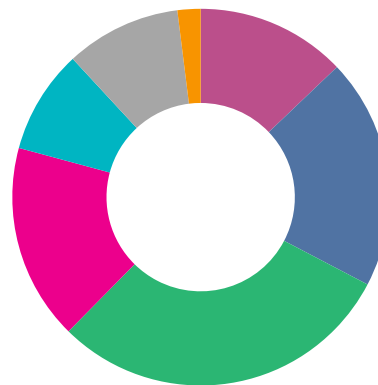


Asset disposals

Disposals by location | 2014 & 2015

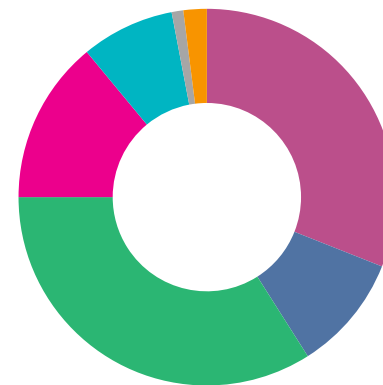
- Improving market conditions, increased institutional investor appetite - NAMA took **strategic decision** to steadily increase the volume of available supply from 2013 onwards.
- Step change seen in total NAMA sales proceeds: **€7.8bn in 2014 - increase of €4.1 bn on 2013.**
- Of the €7.8bn, **47% or €3.7bn generated from the sale of Irish properties and loans** compared to total Irish disposal receipts to end-2013 of just over €1.8 bn.
- Cumulative Irish sales now over **€7.5bn.**

Disposals by location 2014



London	13%
Rest of UK	20%
Dublin	30%
Rest of ROI	17%
ROW	9%
Northern Ireland	10%
NRE	1%

Disposals by location 2015 YTD



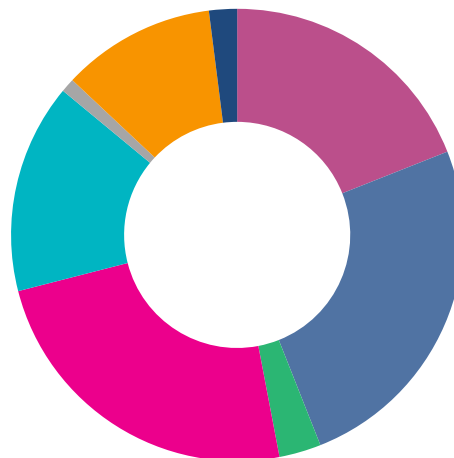
London	31%
Rest of UK	10%
Dublin	34%
Rest of ROI	14%
ROW	10%
Northern Ireland	0%
NRE	1%

Asset disposals

Disposals by sector

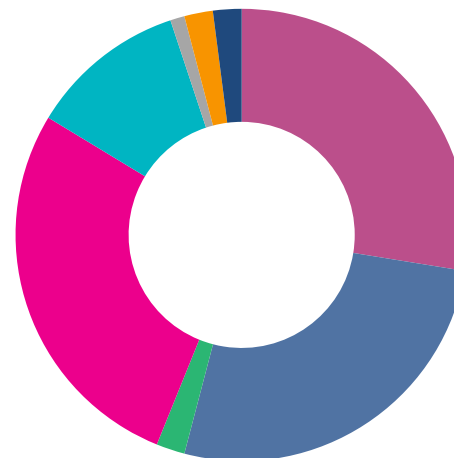
- The breakdown of NAMA's portfolio by sector underlines the diversity of the portfolio with four sectors (residential, office, land & development and retail) each accounting for more than **15% of total proceeds to date.**

Disposals by sector since inception



Land & Development	19%
Office	25%
Other	3%
Residential	24%
Retail	15%
NRE	1%
Hotel & Leisure	11%
Industrial	2%

Disposals by sector 2015 YTD



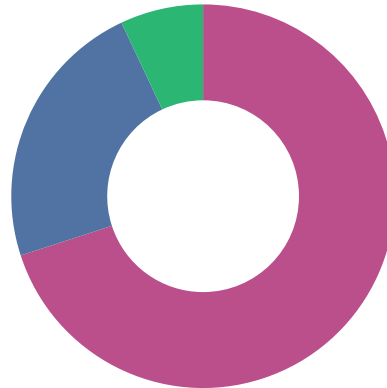
Land & Development	27%
Office	26%
Other	2%
Residential	27%
Retail	11%
NRE	1%
Hotel & Leisure	4%
Industrial	2%

Asset disposals

Disposals by transaction type - loan & portfolio sales

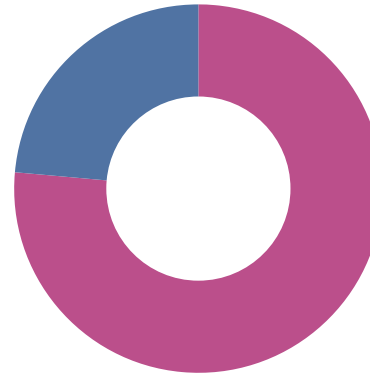
- Upsurge in institutional investor interest in multi-asset property portfolios and loan portfolios.
- Property portfolio and loan portfolio sales an increasingly important part of NAMA's sales mix.
- Accounted for **59% of total sales in 2014**.

Disposals by transaction type since inception



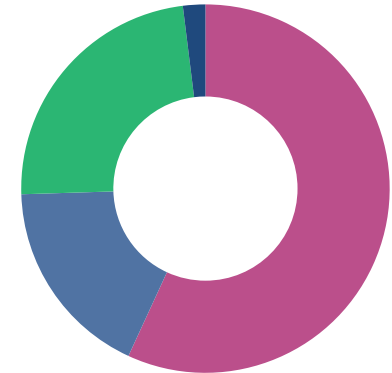
Asset Sale	70%
Loan Sale	23%
Portfolio Sale	7%

UK disposals by transaction type since inception



Asset Sale	81%
Loan Sale	19%

ROI disposals by transaction type since inception



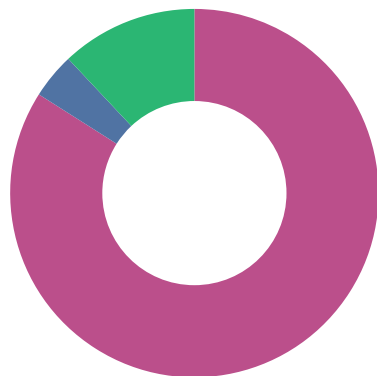
Asset Sale	58%
Loan Sale	18%
Portfolio Sale	24%

Asset disposals

Disposals by transaction type - individual sales

- The sale of individual properties an important part of NAMA's overall sales activity.
- From inception NAMA has overseen over **9,765 individual disposal transactions** involving over **40,000 individual property units**.
- YTD individual asset sales have accounted for **84% of transactions in ROI**.

ROI disposals by transaction type 2015 YTD



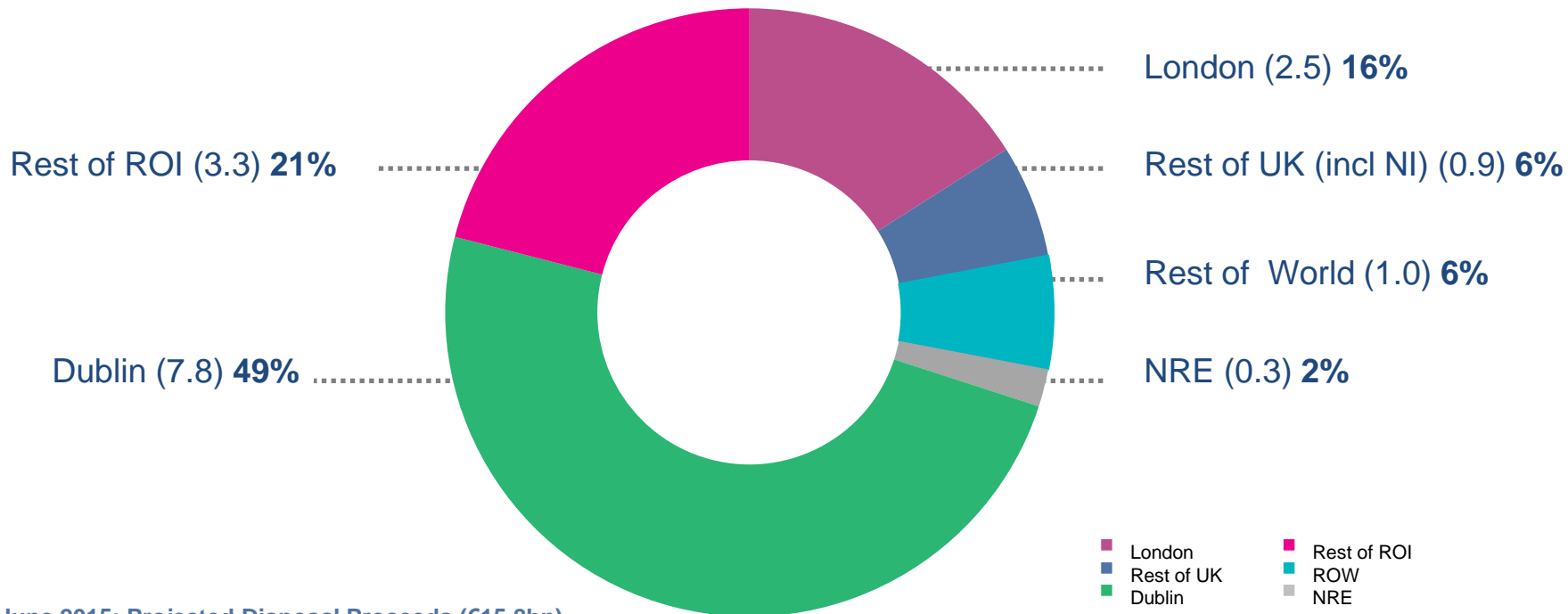
■ Asset Sale **84%**
■ Loan Sale **4%**
■ Portfolio Sale **12%**

Transactions and property unit disposals

	Transactions	No. of Units
2010	391	583
2011	1,167	2,707
2012	1,216	4,373
2013	1,859	5,172
2014	2,820	17,913
2015 YTD	2,312	9,441
Total	9,765	40,189

NAMA's remaining portfolio

Geographical and sectoral diversity



30 June 2015: Projected Disposal Proceeds (€15.8bn)

NAMA's sales strategy

Key principles

- NAMA's policy is that the sale of all loans and properties by debtors and receivers should be **openly marketed** to ensure that the best price available in the market is achieved in accordance with Section 10 of the NAMA Act.
- The marketing strategy for any given asset is determined by a range of factors, including asset class, size, value and location.
- Sales are managed by suitably **qualified, professional selling agents** with a duty of care to NAMA.
- NAMA requires proof that an **open, transparent and competitive sales process** has been undertaken before it, as the secured lender, will approve the sale and the release of its security.
- NAMA's objective in all sales is to **ensure that the best possible price is achieved for taxpayers.**



NAMA mandate

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Facilitate the timely and coherent delivery of key Grade A office space, retail and residential space within the **Dublin Docklands' SDZ** and Dublin's Central Business District.



Maximise the delivery of residential **housing units** in **areas of most need**.

The Dublin Docklands SDZ

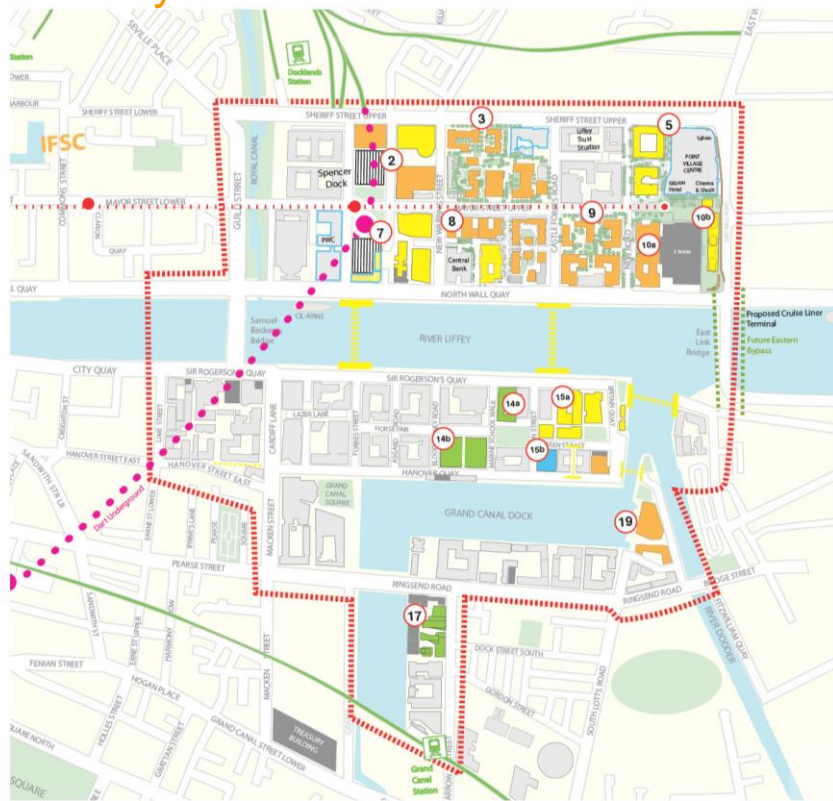
Delivery of office accommodation a core objective for NAMA

- NAMA has an interest in 14 sites within the 20 development blocks identified in the SDZ and has developed detailed strategies for these sites.
- NAMA has an exposure to 16.74 hectares (41.25 acres) - 75% of the 22 hectares of the developable land.
- Sites have been ranked either as Tier 1 or Tier 2 based on their strategic nature and deliverability.
- Delivery options are determined on a case by case basis:
 - NAMA Funding
 - JV structures
 - De-risking mechanisms
- Estimate that up to 3.8m sq. ft. of commercial space and 2,000 apartments could be delivered in all sites.



The Dublin Docklands SDZ

NAMA activity overview



- PROPOSED PUBLIC TRANSPORT BRIDGE
- PROPOSED PEDESTRIAN BRIDGE
- PROPOSED DART UNDERGROUND CONNECTION
- DART & RAIL LINES
- SDZ BOUNDARY
- NAMA Related
- CIVIC/PUBLIC SPACES
- NAMA Related - Pre Planning
- NAMA Related - Planning lodged
- NAMA Related - Planning Granted
- NAMA Related - Construction Commenced
- EXISTING BUILDINGS
- EXISTING PROTECTED STRUCTURE
- Reserved for Interconnector
- LUAS LINES
- LUAS STOPS
- AIRPORT BUS & COACH STOPS

- 2 Spencer Dock
- 3 Mayor St / Castleforbes St
- 5 Mayor St / Sheriff St
- 7 Spencer Dock
- 8 North Wall Quay "Project Wave"
- 9 North Wall Quay (formerly known as the Tile Style and Crosbie's Yard Sites)
- 10a Wintertide and Point Village
- 10b The Spine
- 14a 76 Sir John Rogerson's Quay
- 14b 5-6 Hanover Quay
- 15a Capital Dock / 1-4 Hanover / Britain Quay
- 15b AirBnb
- 17 Bolands Mills
- 19 Waterways Ireland

The Dublin Docklands SDZ

Key achievements to date

1. Planning

- **Planning consent for commercial space and residential units across four sites:**
 - Boland's Mill.
 - 5 Hanover Quay.
 - 76 Sir John Rogerson's Quay.
 - 8 Hanover Quay.
- **Planning submitted for gross commercial space, residential units and a hotel across six sites:**
 - Capital Docks.
 - City Quay.
 - Spencer Dock.
 - Project Wave.
 - Exo Building, Point Village.
 - Block 5, Mayor Street.

2. QIAIF Structures

- 16.5% investment in the South Docks Fund (5 Hanover Quay/76 Sir John Rogerson's Quay).
- 47.75% investment in City Development Fund (8 Hanover Quay/13-18 City Quay).
- 15% investment in the Kennedy Wilson Real Estate Fund VIII (Capital Docks).

3. Construction

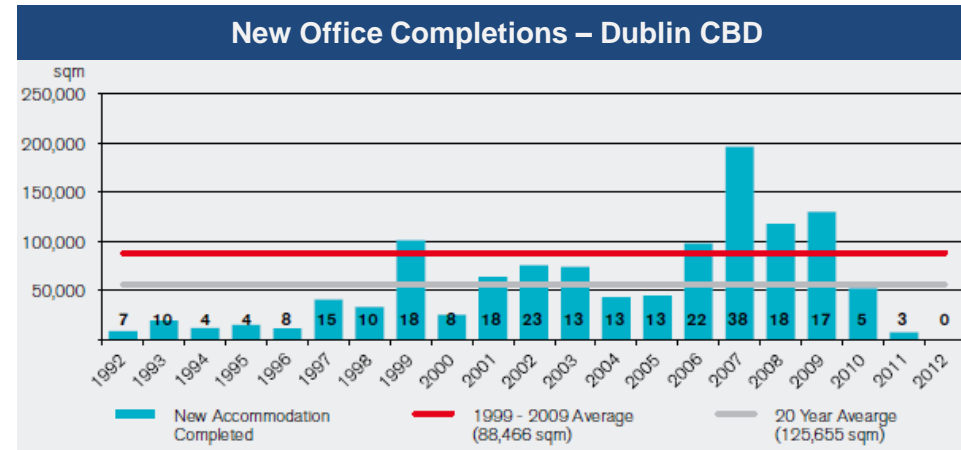
- Development works have commenced at 8 Hanover Quay (Air BnB Pre-let) – scheduled for completion in March 2016.



The Dublin office market

An eye to the future

- Dublin office supply is highly cyclical.
- We tend to supply either a lot - or else very little!
- Lack of reliable data a key factor in market failure.
- For instance, nobody can accurately state Dublin's net capacity to absorb office supply.
- NAMA is in the early stages of establishing, in partnership with the CSO and other parties, a *Commercial Property Statistical System*.
- NAMA's Aim: To produce reliable commercial real estate data, on a permanent basis, to facilitate better planning, development, lending and investment decisions – for the benefit of the market as a whole.



(Source: Lisney)

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NAMA residential delivery



NAMA is making a very substantial contribution to housing supply. Last year alone, NAMA funded the delivery of **40%** of all new housing in Dublin.



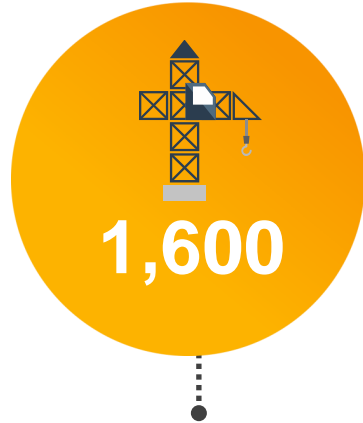
NAMA is firmly on track to meet its target of funding the delivery of **4,500** new homes in the Dublin area by the end-2016.



Since 2014, NAMA has funded the delivery of more than **1,700** new housing units across **39** sites in the Dublin area.

	2014	2015 YTD	2015	2016
Cumulative Target	1,000	1,750	2,500	4,500
Cumulative Units Delivered	1,349 <i>Target exceeded</i>	1,841 <i>Ahead of target</i>	2,504	5,000

NAMA residential delivery



Construction currently underway on more than **1,600** new units across **40** NAMA sites in the Dublin area which will be delivered by end-2016.



Planning approval in place for a further **1,400** units which will be delivered by end-2016 – construction on most will have commenced by the end of this year.

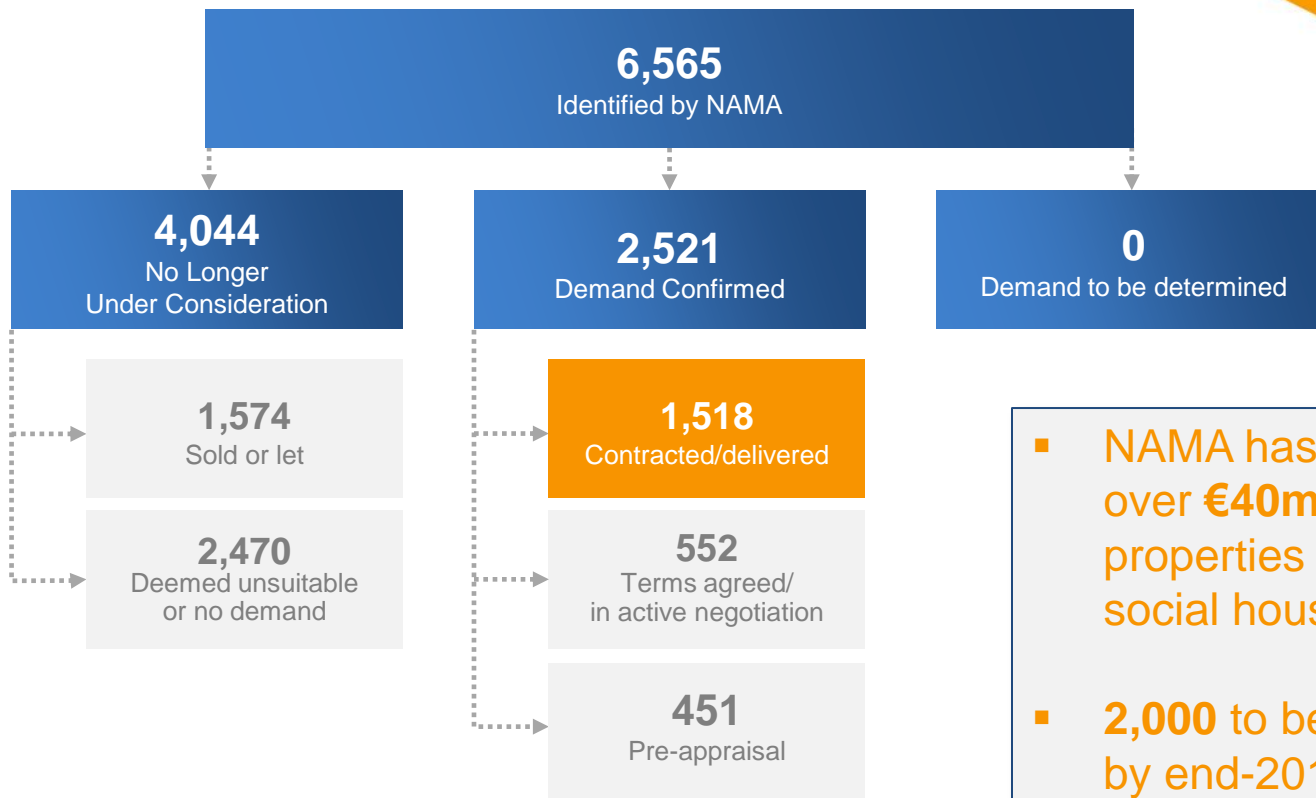


In addition to the **4,500** units targeted for delivery by end-2016, NAMA is also working with local authorities, developers and receivers to secure planning permission and remove obstacles to development for sites which can deliver **more than 20,000 units in the Greater Dublin area in the period after 2016.**



NAMA does not hoard residential development sites. In the Greater Dublin area (Dublin, Louth, Meath, Kildare and Wicklow), it has sold **69** residential zoned sites over the past 18 months – these have **potential to deliver over 11,000 units.**

Social housing delivery



- NAMA has invested over **€40m** to make properties ready for social housing.
- **2,000** to be delivered by end-2015.

Key messages



PROFITABLE
Four years in a row



**ON TARGET TO REDEEM
80% SENIOR BOND
DEBT**
by end-2016



**DRIVING HOUSING
DELIVERY**
4,500 new homes by
end-2016



**DRIVING SDZ
DEVELOPMENT**

Questions











