



**National Asset  
Management Agency**

## 2013 Annual Report and Financial Statements

27<sup>th</sup> May 2014



**National Asset  
Management Agency**

NAMA Financial Review

# NAMA Key Financials

## Performance in 2013 and to May 2014

### Profitable

- Operating profit, before tax and impairment charges of **€1,198m** - increase of 45% on 2012.
- Profit for the year of **€211m**, NAMA's third successive year of profit.
- 2013 impairment charge of **€914m**.
- NAMA has net reserves at end-2013 of €810m (end-2012: €412m)

### Cash Generation

- At end-2013 NAMA held cash balances and liquid assets of **€4.4 billion**.
- From inception to end-2013 NAMA generated **€15.1 billion** in cash flows - **€4.5 billion** in 2013.
- **From inception to 23 May 2014 NAMA has generated gross cash flows of €18.6 billion (excl NARL).**

### Asset Sales

- From inception to end-2013, NAMA generated sales of €10.9 billion worth of loans, property and other assets held as security (10,000 individual properties).
- **Asset sales completed to date are €14.1 billion.**

# NAMA Key Financials

## Performance in 2013 and to May 2014

### Credit Advances (additional loans granted by NAMA)

- To end-2013, credit advances of **€2.5 billion** approved, including **€712m** in 2013.
- **Credit advances approved to end-April 2014 were over €2.9bn, of which €1.4bn relates to projects in ROI. €770m of the €1.4bn has already been drawn down.**
- **Investment in Dublin Docklands and addressing residential demand in key areas.**

### Credit decisions

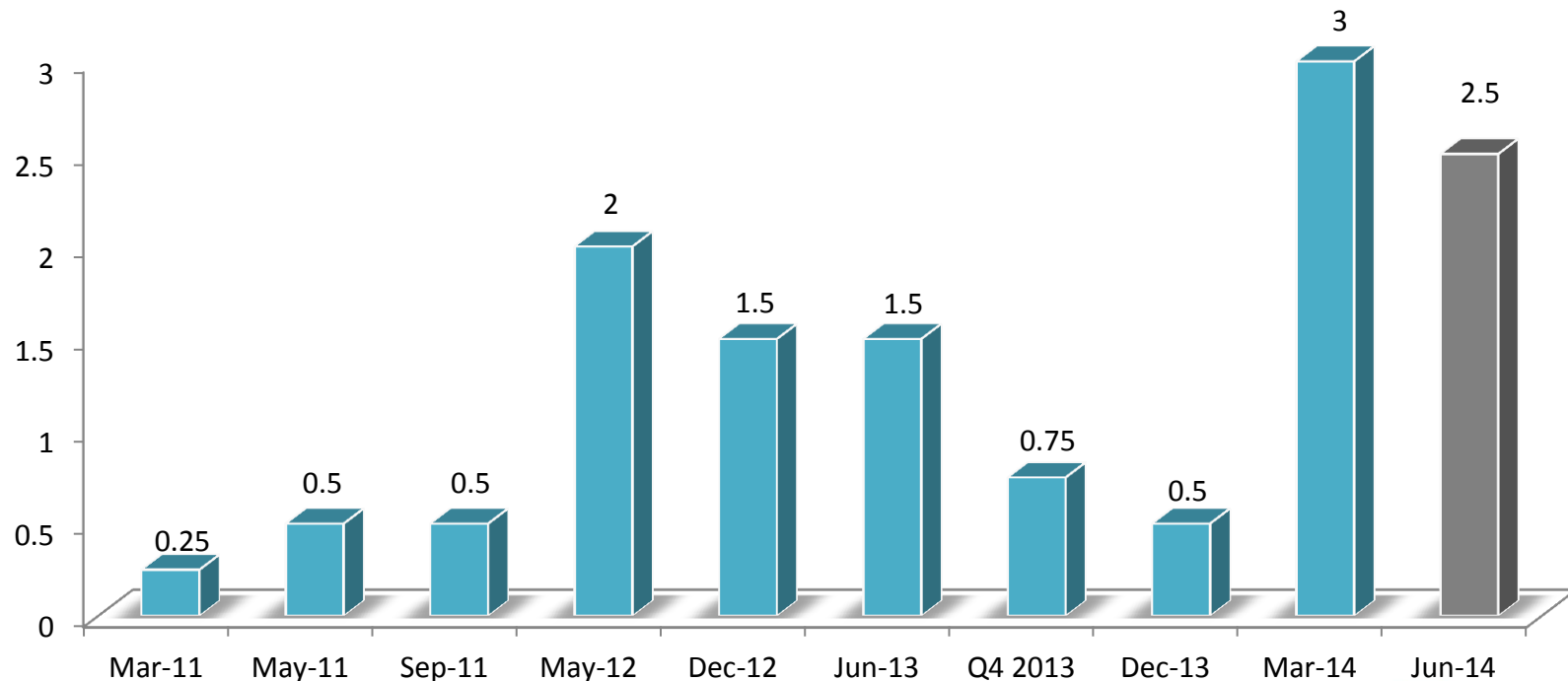
- From inception to end-2013, **39,686** credit decisions made, including **17,886** in 2013.
- Average turnaround time for credit decisions in 2013 less than 5 days.
- Approval rate was 95%.
- **46,716 decisions were made to end-April 2014.**

### Additional Security

- NAMA has obtained charges over additional security with an aggregate value of over **€800m**.
- This includes **€180m** of asset transfer reversals.

# Meeting bond repayment targets 2 years ahead of schedule

- June 2014: Intend to redeem a further **€2.5bn of Senior Bonds**.
- Cumulative Senior Bond Redemptions €13bn – over **43% of NAMA's Senior Bonds by end-June 2014**.
- Anticipated further €2bn redemptions in H2 2014 – cumulative redemptions of €15bn - 50% of senior debt.
- Paid **coupon of €84m on subordinated debt** for first time.
- NARL bond redemption of **€3.3bn** announced last week.
- NAMA intends to redeem a further €1.75bn NARL bonds this week. (This would bring repayments to €9.9bn out of the €12.9bn total. NAMA intends to fully repay NARL bonds by end-2014)



# NAMA Key Financials

## 2013 Income Statement

Summary Income Statement NAMA Group	2013 €m	2012 €m
Interest and fee income	1,335	1,387
Interest costs	(375)	(493)
<b>Net interest income</b>	<b>960</b>	<b>894</b>
Net profit on disposal of loans and property assets; and surplus income	505	188
Foreign exchange (loss)/gain	(89)	(99)
Derivatives (loss)/gain	(54)	(38)
Operating costs and other expenses	(124)	(119)
<b>Operating profit before impairment (↑ 45%)</b>	<b>1,198</b>	<b>826</b>
Impairment charge	(914)	(518)
<b>Profit for the year before tax</b>	<b>284</b>	<b>308</b>
Tax (charge)	(71)	(76)
Dividends	(2)	(4)
<b>Profit for the year</b>	<b>211</b>	<b>228</b>

# NAMA Key Financials

## Summary Balance Sheet 31 December 2013

Summary Balance Sheet	2013 €m	2012 €m
<b>Assets</b>		
Cash and cash equivalents and liquid assets	4,400	3,644
Loans and receivables - NAMA	19,598	22,776
Loans and receivables - NARL (IBRC SL)	11,716	-
Other assets	511	808
<b>Total assets</b>	<b>36,225</b>	<b>27,228</b>
<b>Liabilities and reserves</b>		
Senior Bonds in issue - NAMA	22,690	25,440
Senior Bonds in issue - NARL (IBRC SL)	11,928	-
Other liabilities	797	1,376
<b>Total liabilities</b>	<b>35,415</b>	<b>26,816</b>
<b>Total equity and reserves</b>	<b>810</b>	<b>412</b>
<b>Equity and Liabilities</b>	<b>36,225</b>	<b>27,228</b>

# NAMA (excl. NARL) Key Financials

## Summary of cash flow from inception to end-2013

Cash flow generation	2013	2012	From
	NAMA Group (excl NARL) €m	NAMA Group (excl NARL) €m	inception to end 2013 (excl NARL) €m
<b>Opening cash balance</b>	<b>3,644</b>	<b>3,847</b>	<b>-</b>
<b>Inflows</b>			
Disposal receipts	3,672	3,041	10,870
Non disposal income	792	1,210	3,607
Other	16	254	607
<b>Total cash generated</b>	<b>4,480</b>	<b>4,505</b>	<b>15,084</b>
<b>Outflows</b>			
Foreign exchange and debt servicing	(560)	(745)	(1,681)
Advances to borrowers	(665)	(308)	(1,517)
Operating costs and other	(144)	(155)	(381)
<b>Total operational outflows</b>	<b>(1,369)</b>	<b>(1,208)</b>	<b>(3,579)</b>
<b>Net cash generated</b>	<b>3,111</b>	<b>3,297</b>	<b>11,505</b>
<b>Debt reduction</b>			
Senior Bond redemptions	(2,750)	(3,500)	(7,500)
<b>Closing cash, cash equivalents and liquid assets</b>	<b>4,005</b>	<b>3,644</b>	<b>4,005</b>



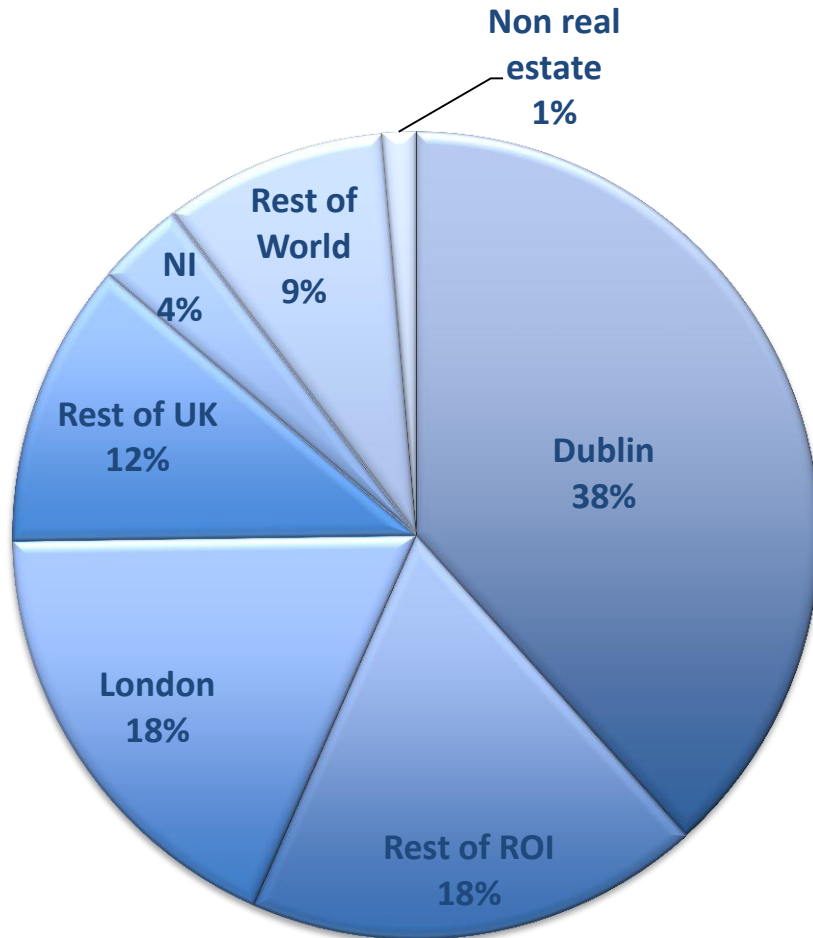


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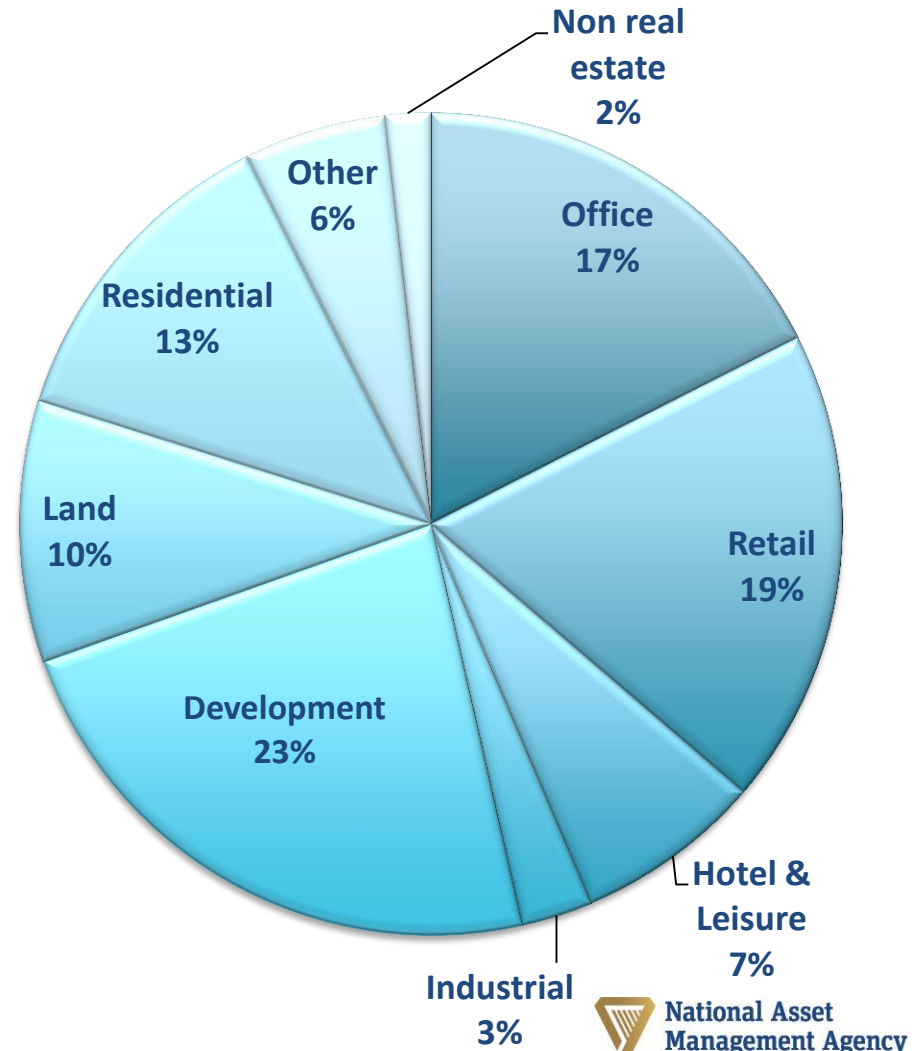
NAMA Portfolio

# NAMA retains diverse portfolio interests by geography and asset class (31/12/2013)

## Geographic Breakdown

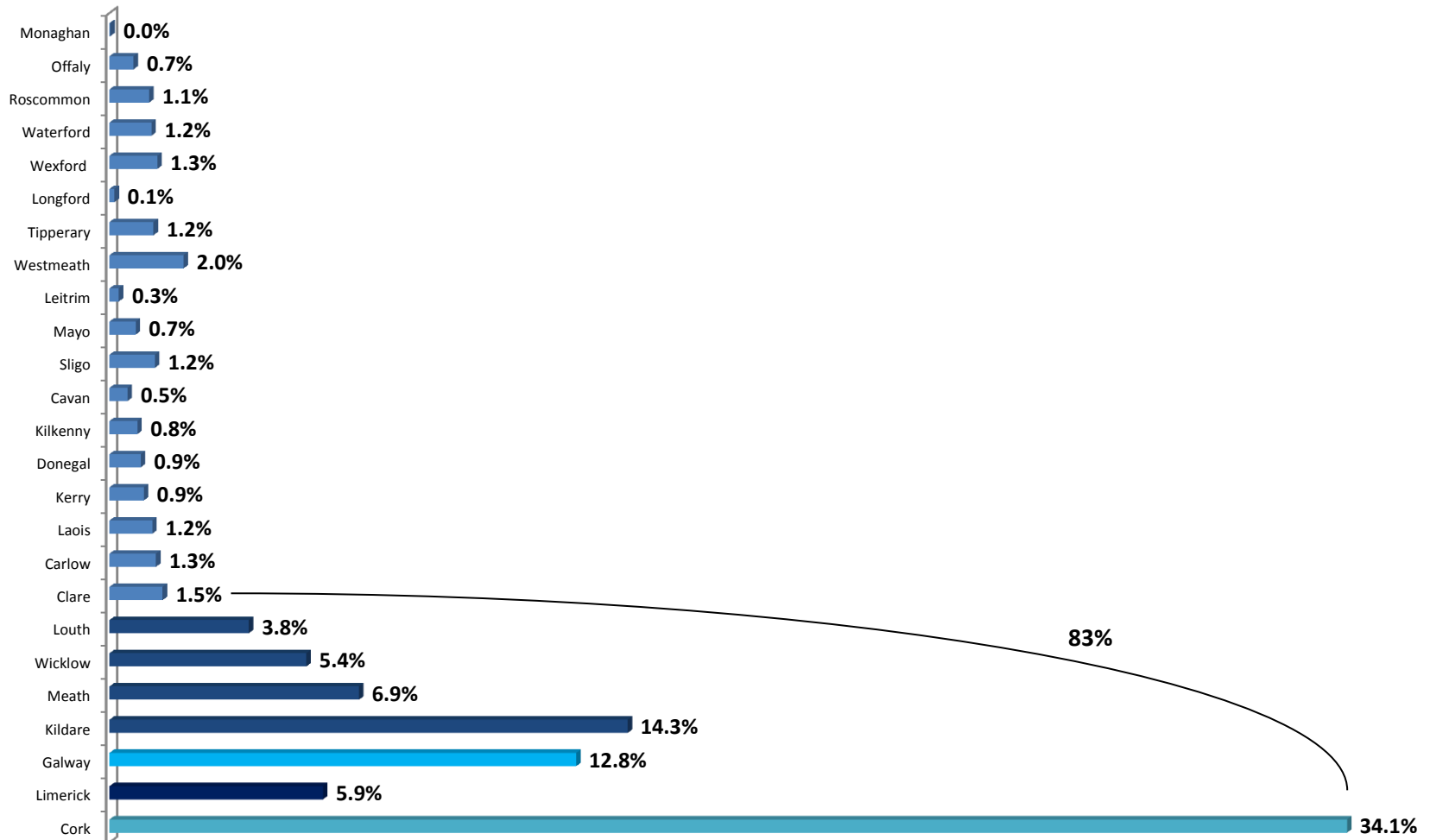


## Sector Breakdown



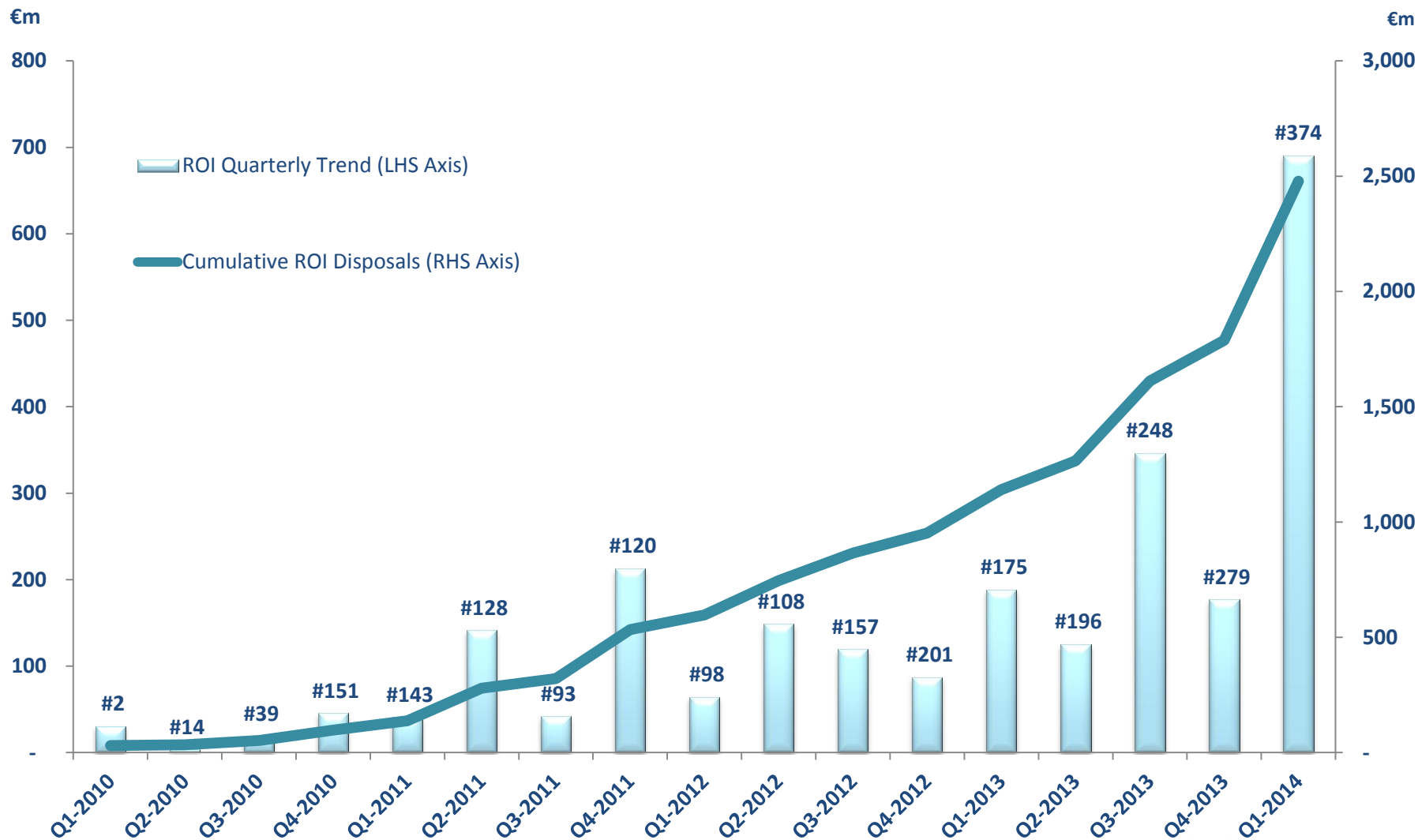
# NAMA contributing to revival of property market across Ireland – Urban centric

## ROI County Breakdown 31/12/13 (ex-Dublin)



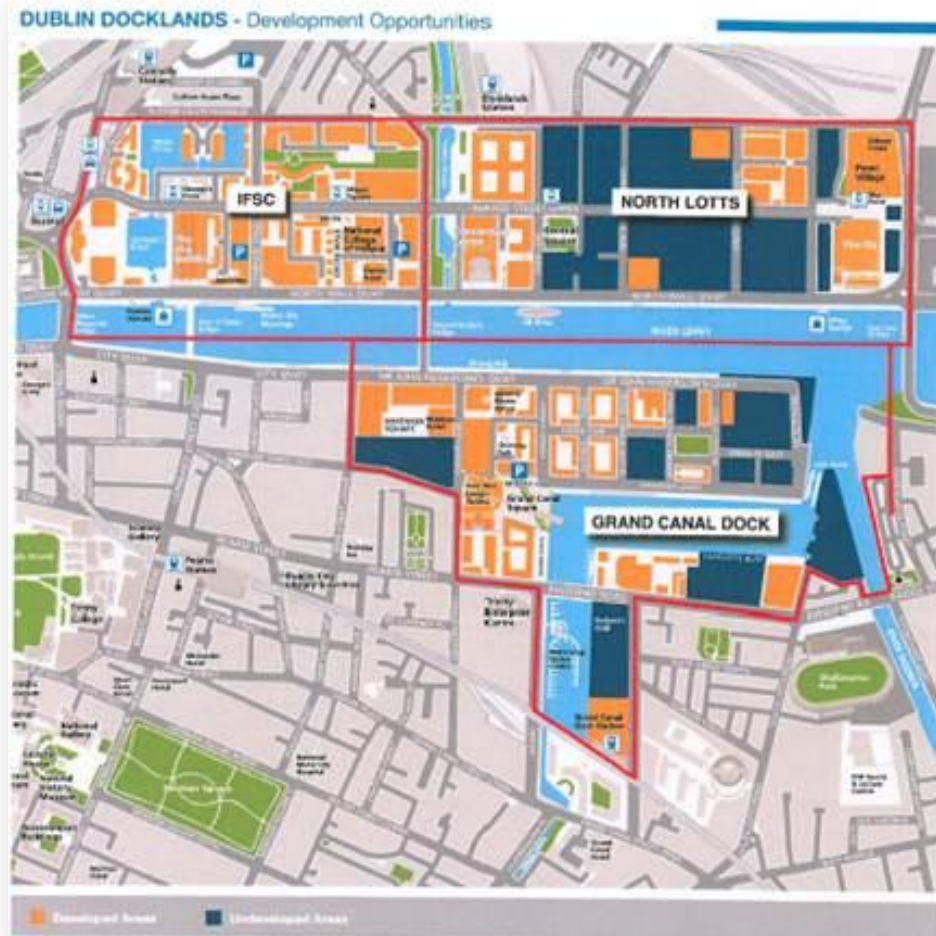
# ROI disposal trend since inception

(€1.6bn at end-2013, €2.5bn by 31/3/14)



# Dublin Docklands

- NAMA welcomes approval by An Bord Pleanála.
- SDZ envisages:
  - 3.5m sq.ft. commercial office space
  - 2,600 residential units
  - Remaining sites (22 hectares) are roughly equivalent in scale to the entire Custom House Docks/IFSC area (24 hectares)
- NAMA has an interest in over 70% of the 22 hectares available for development.
- NAMA mechanisms for development:
  - Debtors
  - Receivers
  - Joint Ventures

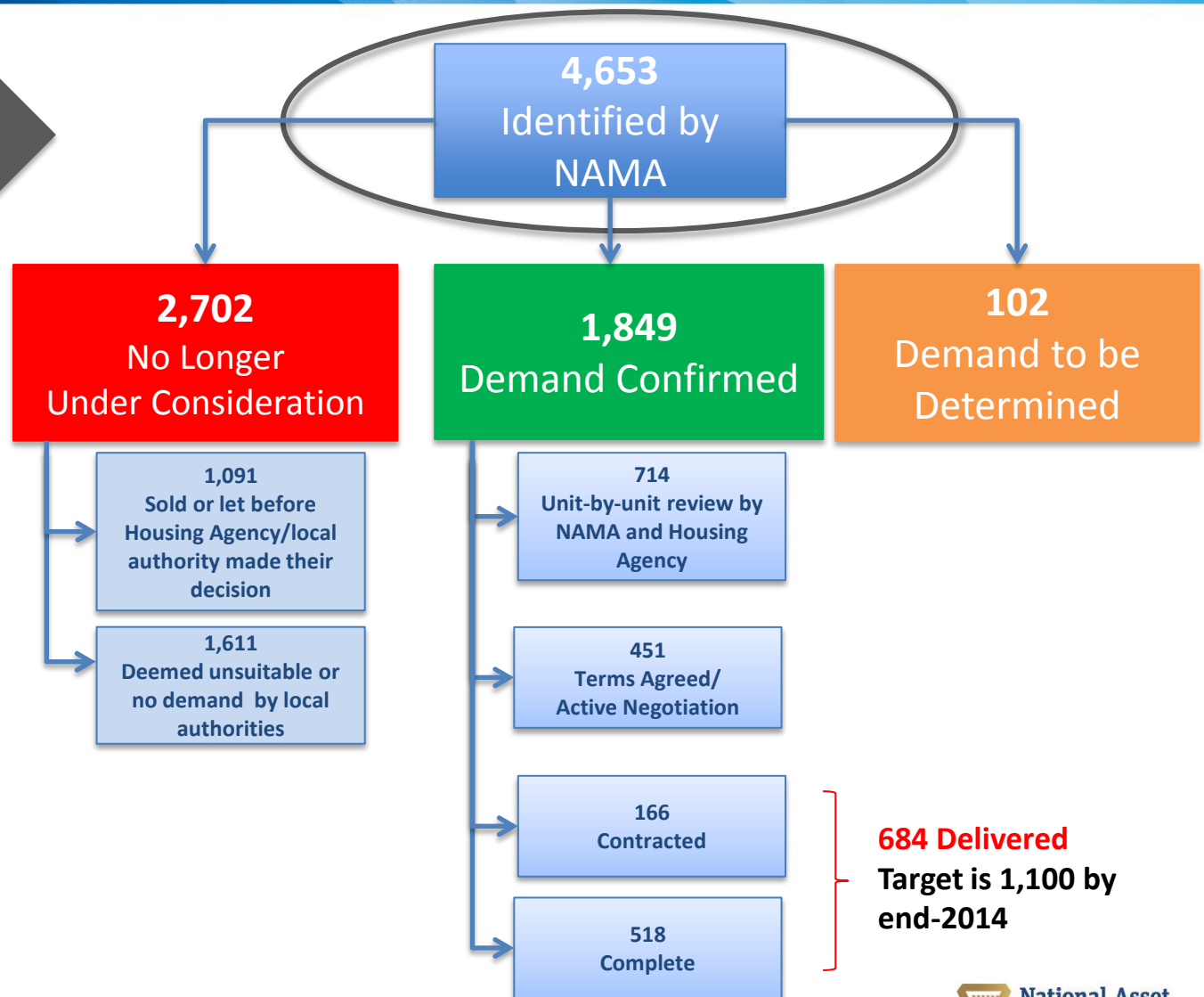


*SDZ - Map of Developable Area*

# Social and economic contribution

## Social housing

Position in relation to houses identified by NAMA for social housing



# Summary

- ✓ Reducing State's contingent liability at an accelerated pace by meeting Senior Debt redemption targets ahead of schedule. Target redemption of 50% by end-2014 – equivalent to €15bn.
- ✓ Total cash flows in excess of €18.6bn (excl NARL\SL IBRC) have been generated, €4.4bn of cash and liquid assets on hand at end-2013.
- ✓ NAMA continues to generate operating profits after impairment charges, despite unfavourable market movements. NAMA has reserves of €800m at end-2013.
- ✓ Focus on maximising income and managing Debtors, Receivers and Assets to enhance value.
- ✓ Irish property market is undergoing robust recovery with strong international interest at reasonable price levels.
- ✓ NAMA fully committed to delivering commercial property in Dublin Docklands and addressing residential demand in key areas.
- ✓ Ireland and NAMA are delivering.



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