



Gníomhaireacht Náisiúnta um Bhainistíocht Sócmhainní  
National Asset Management Agency



19 October 2011

Ms. Eimear Lavelle,  
Committee Secretariat,  
Committee of Public Accounts,  
Leinster House,  
Dublin 2.

Dear Ms. Lavelle

In accordance with your request, please find enclosed the latest expenditure figures for NAMA and its Group entities to 30<sup>th</sup> September 2011, together with an estimated out-turn for 2011.

Please let me know should you require any further information.

Yours sincerely,

**Brendan McDonagh**  
Chief Executive Officer

# NAMA

## 2011 Expenditure and projected outturn

		Actual expenses incurred to 30 September 2011 €m	Forecast Outturn to 31 December 2011 €m
<b>Administration Expenses</b>			
Primary Servicer/Master Servicer Fees	1	55.2	73.0
Costs reimbursable to the NTMA	2	18.4	27.0
Portfolio management fees	3	9.8	15.2
Legal fees	4	7.5	10.0
Audit & Internal Audit fees	5	2.2	2.4
IT & MIS costs	6	0.6	1.9
Rent	7	0.5	1.2
NAMA Board & Committee Fees	8	0.5	0.6
Property valuation costs	-	0.5	0.7
Treasury costs	-	0.4	0.5
Insurance	-	0.2	0.4
Office overhead	-	0.2	0.3
Total		<b>96.0</b>	<b>133.2</b>

### Notes

#### **1. Master and Primary Servicer fees**

Master and Primary Servicer fees comprise fees paid to the Master Servicer (Capita Asset Management Limited) and fees paid to each Participating Institution, the Primary Servicers for the servicing of eligible bank assets. Capita Asset Management provides book keeping and data management services to NAMA. The Participating Institutions administer the loans and receivables that were originated within each Participating Institution. Participating Institutions are reimbursed based on the lower of 10 basis points of the nominal loan balances administered or the actual costs incurred.

#### **2. Costs reimbursable to NTMA**

Under Section 42 (4) of the NAMA Act 2009, NAMA is required to reimburse the NTMA for the costs incurred by the NTMA in consequence of its assigning staff and providing services to NAMA.

The costs reimbursable to the NTMA are principally in respect of the cost of NAMA staff and shared services provided by the NTMA to NAMA, including IT, HR and Finance.

NAMA has no employees. All personnel are employed by the NTMA and the salary cost of staff who are engaged full time in the NAMA business are recharged to NAMA by the NTMA. The number of employees of the NTMA, directly engaged in NAMA ('NAMA Officers') at 30th September was 180 (31 December 2010: 104).

#### **3. Portfolio Management Fees**

Portfolio management fees principally relate to fees incurred for the review of debtor business plans.

#### **4. Legal fees**

Legal fees are paid to professional service firms in respect of legal advice.

#### **5. Audit & Internal audit fees**

NAMA have engaged the services of an external audit firm (Deloitte) to perform the role of internal audit for NAMA. The Comptroller & Auditor General is NAMA's external auditor.

#### **6. IT & MIS Costs**

Costs incurred include costs incurred by NAMA during 2011 in the implementation of a Portfolio Management System and the development of a Document Management System.

## NAMA

### 2011 Expenditure and projected outturn

**7. Rent**

Rent represents the Agency's lease of its current office premises.

**8. NAMA Board & Committee fees**

These represent the remuneration and expenses of the NAMA Board together with external members of NAMA Advisory Committees.