



Mr Ted McEnery
Clerk to the Committee of Public Accounts
Leinster House
Dublin 2

27 December 2011

Dear Mr McEnery

Re: Committee of Public Accounts ('Committee') and National Asset Management Agency ('NAMA')

Reference is made to the previous exchange of correspondence in this matter. In particular, reference is made to the Committee's letters of 24 November and 17 December 2010 and responses from the Central Bank dated 6 December and 17 December 2010.

As you may be aware, the Central Bank contacted NAMA in early December 2010 in relation to statements made to the Committee by Mr Brendan McDongah (Chief Executive, NAMA) and Mr Frank Daly (Chairman, NAMA). Following an initial exchange of correspondence with NAMA, the Central Bank (Peter Oakes, Director of Enforcement) wrote to NAMA (Brendan McDongah, Chief Executive) on 12 January specifically requesting it forward examples of loans, valuations and calculation methodologies, together with any other relevant information, which NAMA or its management believe support a general allegation of wrongdoing by a participating institution.

On 17 January 2011, following the sitting of the Committee on 13 January, NAMA wrote to the Central Bank attaching certain correspondence both in response to my previous letter and NAMA's commitment to the Committee. NAMA's letter of 17 January concluded with the following "*For the avoidance of doubt, I provide this information on a without prejudice basis to assist you with your enquiries and I have not made – nor should this be construed as being – an allegation (general or otherwise) of any wrongdoing by any participating institution.*".

A team from the Central Bank's senior executive and management undertook a review based on the correspondence, other material and made further enquiries as necessary to determine whether a formal investigation into the matters raised should be opened vis-à-vis the laws and regulations within the Central Bank's remit. The Central Bank also took note of an exchange of correspondence between Michael McGrath T.D. and the Central Bank on the matter. The Central Bank also exchanged correspondence with the Office of the Director of Corporate Enforcement and An Garda Síochána during the review.



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem

Tel: +353 1 224 6000 Fax: +353 1 671 6561

Cúirt Uíbh Eachach, Bloc D, Bóthar Fhearchair,
Baile Átha Cliath 2, Éire.

10, Upper O'Connell Street, Harcourt Road, Dublin 2, Ireland.

www.centralbank.ie

As part of the review, the Central Bank attended a meeting at NAMA's office with members of the senior executive of NAMA to discuss the correspondence received and also NAMA's comments before the Committee. The Central Bank also met with senior officers of An Garda Síochána as part of the review.

Based on our enquiries and an analysis of the information available to the Central Bank during the course of the review, the Central Bank is of the view that this matter does not warrant further regulatory action.

Yours sincerely



Peter Oakes
Director of Enforcement
Central Bank of Ireland