Ireland's Report Card

March 4th 2013

An Roinn Airgeadais
Department of Finance

Contents

Executive Summary

Economic

- Successful ongoing implementation of EU/IMF Programme for Ireland:
  - All programme targets have consistently been met;
  - Strong implementation of the economic adjustment programme;
  - Full year growth in 2011 with continued growth expected in 2012 & forecast for 2013.
  - Three pillars to economic recovery:

Recapitalise and restructure the banking system	Restore order to public finances	Restore competitiveness and return economy to sustainable growth

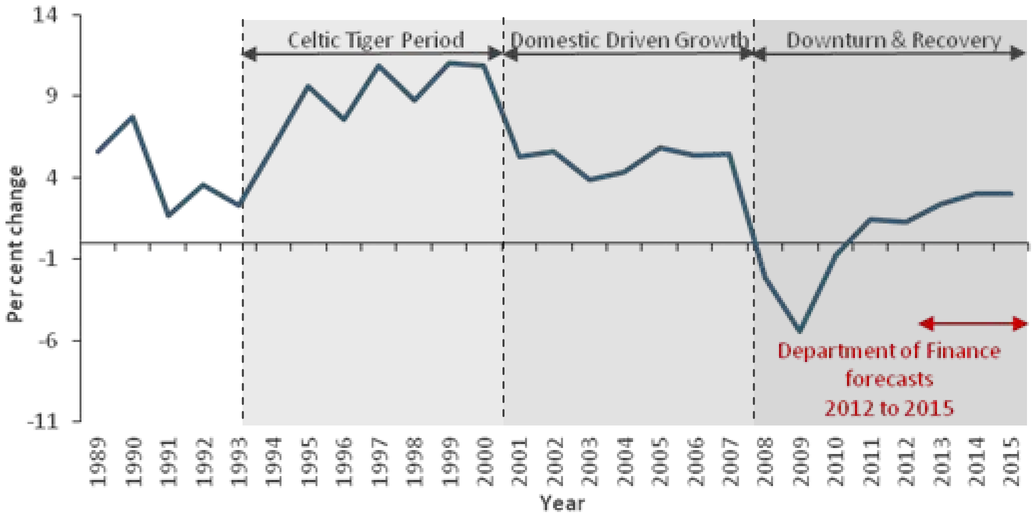
  - Focus on economic growth and recovery:
  - Improved competitiveness and productivity gains – steep fall in unit labour costs;
  - Continued success in attracting FDI to Ireland – Net job creation by IDA clients in 2012 represents highest level in a decade;
  - Exports driving economic recovery – GDP growth of 0.8% (y-o-y) in the first three quarters of 2012.

Banking

- Improvement in sentiment towards Irish banks:
  - Positive news in Q4 2012 and a good start to Q1 2013 with:
    - Promissory Note removed & IBRC liquidated;
    - the sale of Bank of Ireland CoCos & Irish Life; and
    - the return of AIB, Bank of Ireland & PTSB to the funding markets
    - deleveraging plans on track to achieve YE2013 targets
    - SME lending targets for pillar banks achieved in 2012 with €4 billion lending target set for 2013

Economic Recovery is Underway in Ireland

GDP - % Change

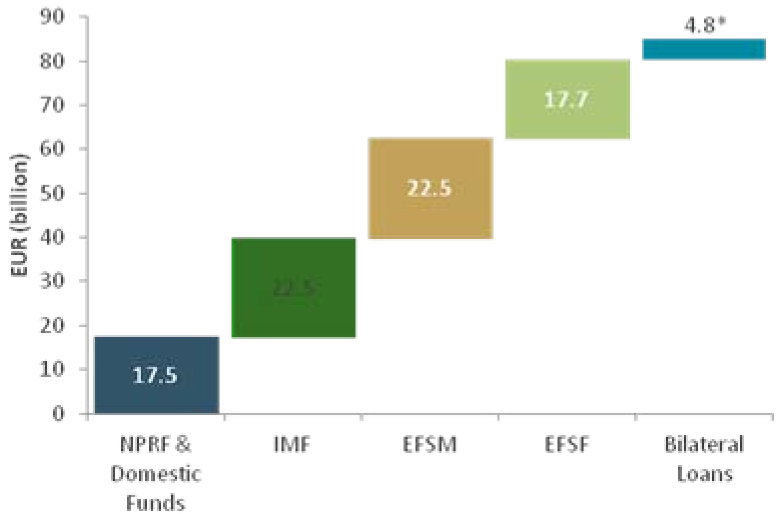


Following a period of domestically driven growth, Ireland was one of the first countries to be impacted by the crisis:
- Unwinding of domestic property bubble combined with international financial crisis;
- Peak-to-trough decline of 10.7% in real GDP (Q4 2007 to Q4 2009);
- Tax revenues fell by 30% between 2007 and 2009;
- Early and determined policy response with fiscal consolidation begun in 2008.

- EU/IMF Programme provides a stable platform to restructure economy and repair public finances;
- Imbalances that had built up the economy are being worked through with significant gains in competiveness and return to export-led growth;
- Credible multi-annual fiscal consolidation programme will bring deficit to under 3% of GDP by 2015;
- Externally focussed sectors are expanding, with exports estimated to have driven GDP growth of 0.9% in 2012 and with unemployment stabilising;
- Continued focus upon attractiveness as location for investment with pro-business regulatory regime and competitive corporate taxation.

Ireland's EU/IMF Programme

Programme Financing



** UK (€3.8bn), Denmark (€0.4bn), Sweden (€0.6bn)*

Programme Conditions

Four Pillars:

1)Restore Financial Sector Viability:

- Recapitalisation, downsizing, strengthening of supervisory system.

2)Putting Public Finances on a Sustainable Path:

- Reduce General Government deficit, public service number reductions, savings on social transfers, reduce capital spend.

3)Raising Growth Potential:

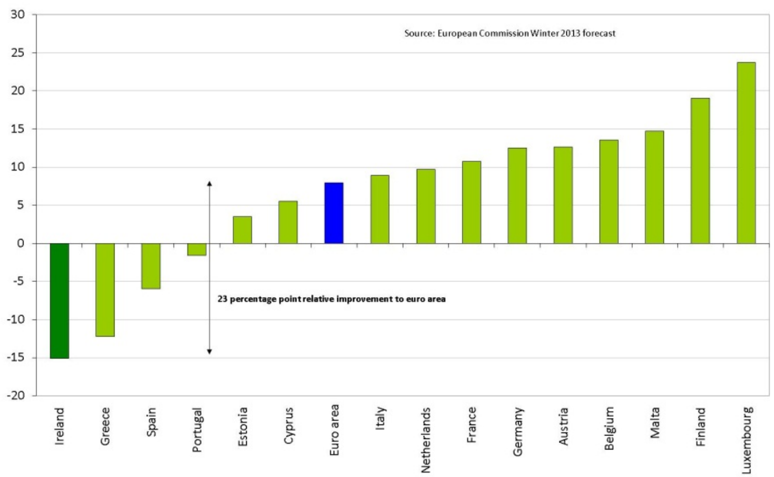
- Restore competitiveness, encourage exports, improve competition, labour market reform.

4)Return Ireland to financial market funding.

- €85 billion Programme of Financial Support entered into in November 2010 - €67.5bn of external financing, €17.5bn of own resources;
- Programme conditions are set out in the Programme documents between Ireland and Troika;
- Funding drawdowns conditional upon the achievement of agreed quarterly targets;
- Ireland has met all quarterly targets since the Programme's inception - ninth quarterly review completed in February 2013.

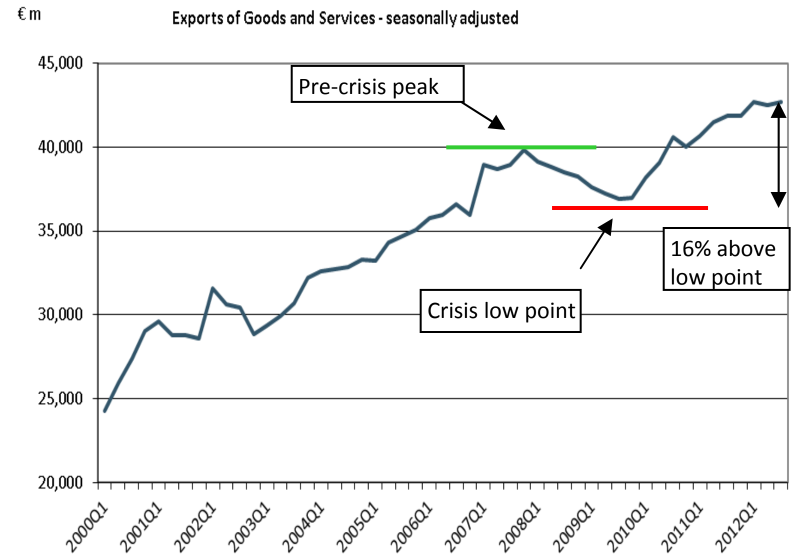
Cost competitiveness driving exports and employment

Unit labour costs



source : European Commission Winter Forecast, 2012

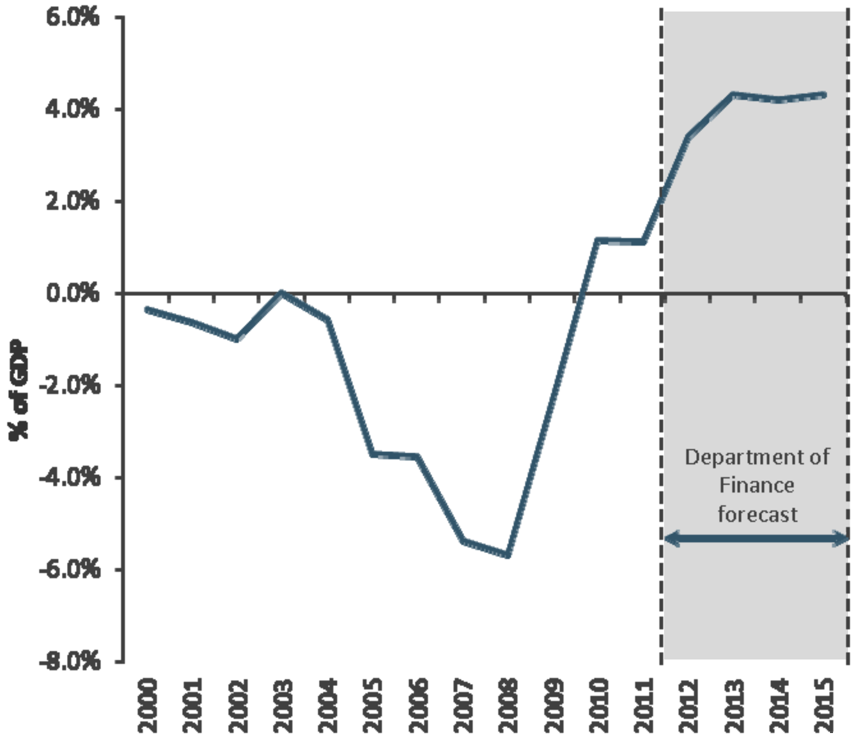
Export driven growth



- Unit labour costs forecast to improve by close to 23% relative to Euro area, 2008 to 2014 (Commission) – underlines the flexibility of the Irish workforce;
- Exports now above pre-crisis levels;
- Unemployment has maintained a downward trajectory in recent months, with the unemployment rate having fallen to 14.1% in February from 15.0% a year previous;
- Employment (seasonally-adjusted) increased over the last two quarters, with the exporting sectors driving the recovery.
- Government has an Action Plan for Jobs targeting a 100,000 increase in employment levels by 2016

Current Account surplus with strong growth fundamentals

Current Account as % of GDP



source : Department of Finance

Recovery in export-led growth through:

Very open economy

- Exports grew by 5% in 2011 and estimated to have been around 110% of GDP in 2012

High-tech export base

- One-third of Irish exports classified as high-tech

Well-educated workforce

- Proportion of 20-24 year olds educated to at least upper secondary - highest in EU-15

Favourable demographics

- Irish population relatively young, especially by European standards

Attractive location for investment

- IMD World Competitiveness Yearbook 2012 ranked Ireland first for:
  - Availability of skilled labour,
  - Flexibility of workforce,
  - Investment incentives.

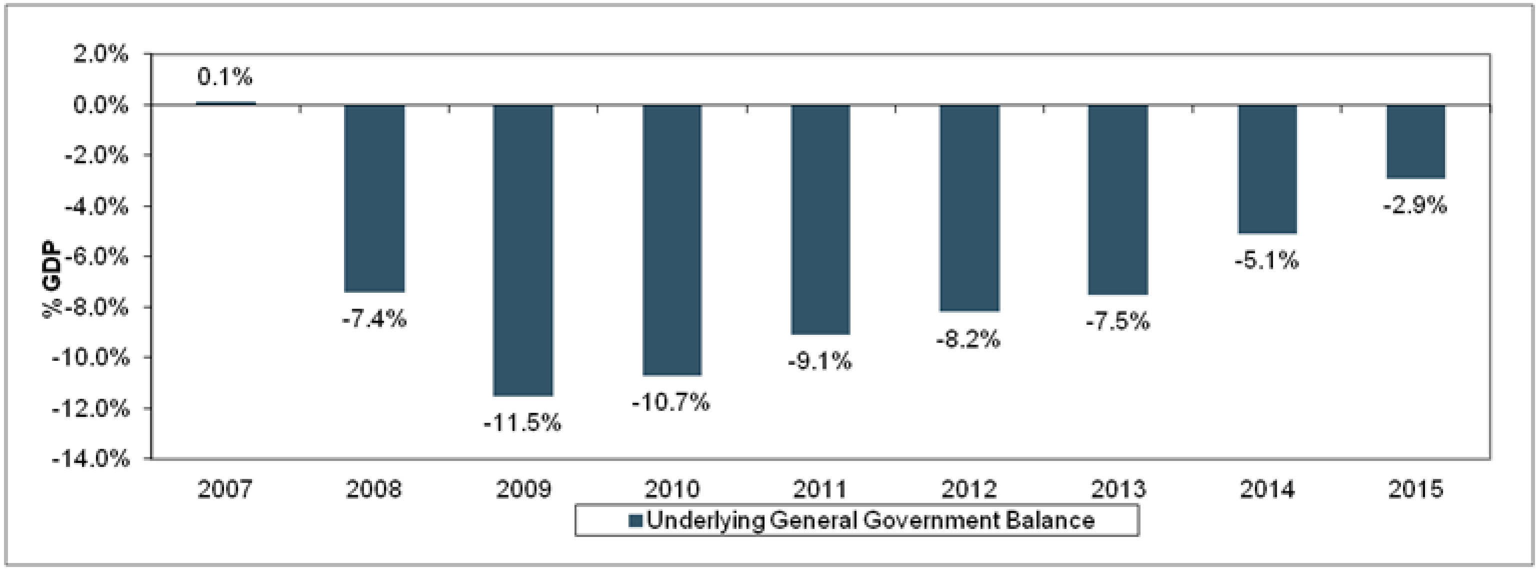
Credible medium-term consolidation framework adopted

Year	GGB limit permitted under EU-IMF Prog/ EDP (% GDP)	Projected GGB (% GDP)	Total Adjustment (€bn)	Source	Estimated Savings (€bn)
2013	-7.5%	-7.5%	3.5	Exp. Rev. Dividends	1.94 1.43 0.10
2014	-5.1%	-5.1%	3.1	Exp. Rev.	2.0 1.1
2015	-2.9%	-2.9%	2.0	Exp. Rev.	1.3 0.7

- 2011 *Medium-Term Fiscal Statement (MTFS)* set out a strategy to reduce deficit below 3% of GDP by 2015 as committed to by Government.
- *Budget 2013* introduced further consolidation measures of €3.5 billion in order to bring the 2013 deficit to 7.5% of GDP.
- The *MTFS* also set out the adjustments necessary to achieve our fiscal targets in 2014-2015, consolidation of approximately €5.1 billion.
- Government commitment to maintaining fiscal discipline in the future:
  - Fiscal Responsibility Bill published
  - Irish Fiscal Advisory Council established
  - Medium-Term Expenditure Framework adopted.

Fiscal consolidation programme on track

Underlying General Government Balance as % of GDP*

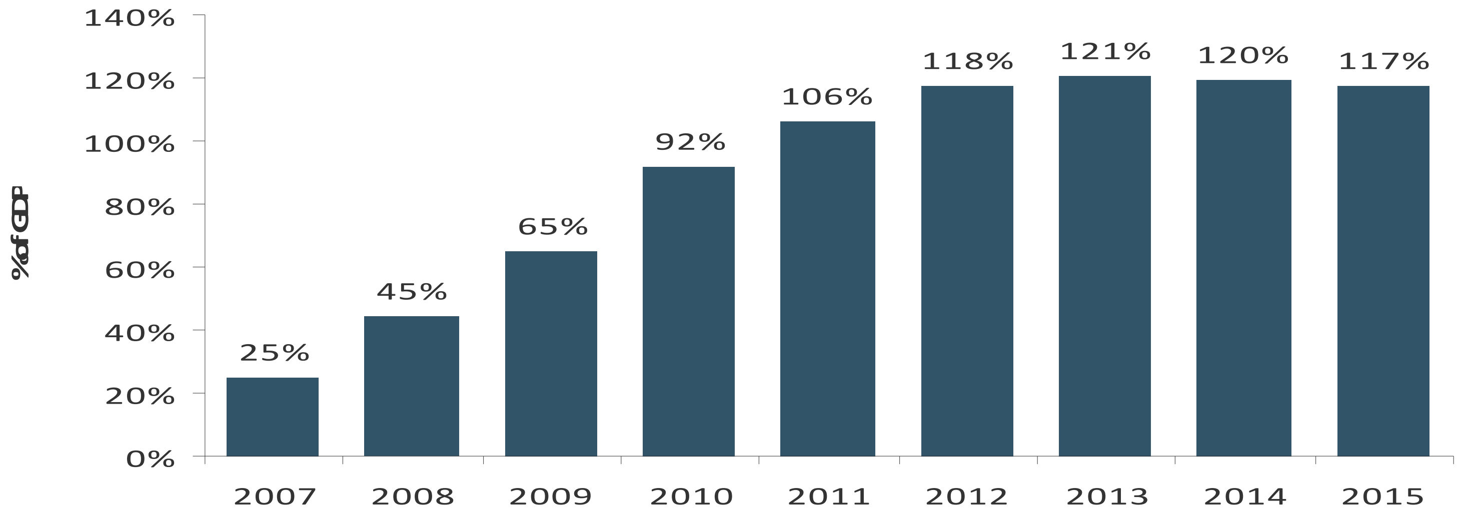


**excludes the cost of bank recapitalisation*
Source: Eurostat (2007-2011) and Department of Finance (Budget 2013 for 2012-2015)

- EU/IMF Programme's 2012 GGB limit of -8.6% of GDP looks set to be achieved and is likely to be under -8% (Budget 2013 forecast outturn -8.2%). The first official 2012 GGB estimate made by the CSO will be included in the Maastricht Returns at the end of March and published in mid to late April.
- All nine end-quarter Exchequer primary deficit and Central Government net debt targets set so far as part of EU/IMF Programme have been met.

Stabilisation in Ireland's debt level

General Government Debt 2007-2015



Source: Eurostat (2007-2011) and Department of Finance (Budget 2013 for 2012-2015)

- General Government (GG) debt-to-GDP ratio set to peak at 121% this year from 25% in 2007.
- Position is sustainable through continued pursuit of current economic & fiscal policies.
- Support for banking system has been a significant factor in sharp increase in debt ratio.
- Net debt position is stronger at approximately 106% of GDP at end-2012 (118% in gross terms).

Economy has returned to growth earlier than others

GDP Growth Forecasts

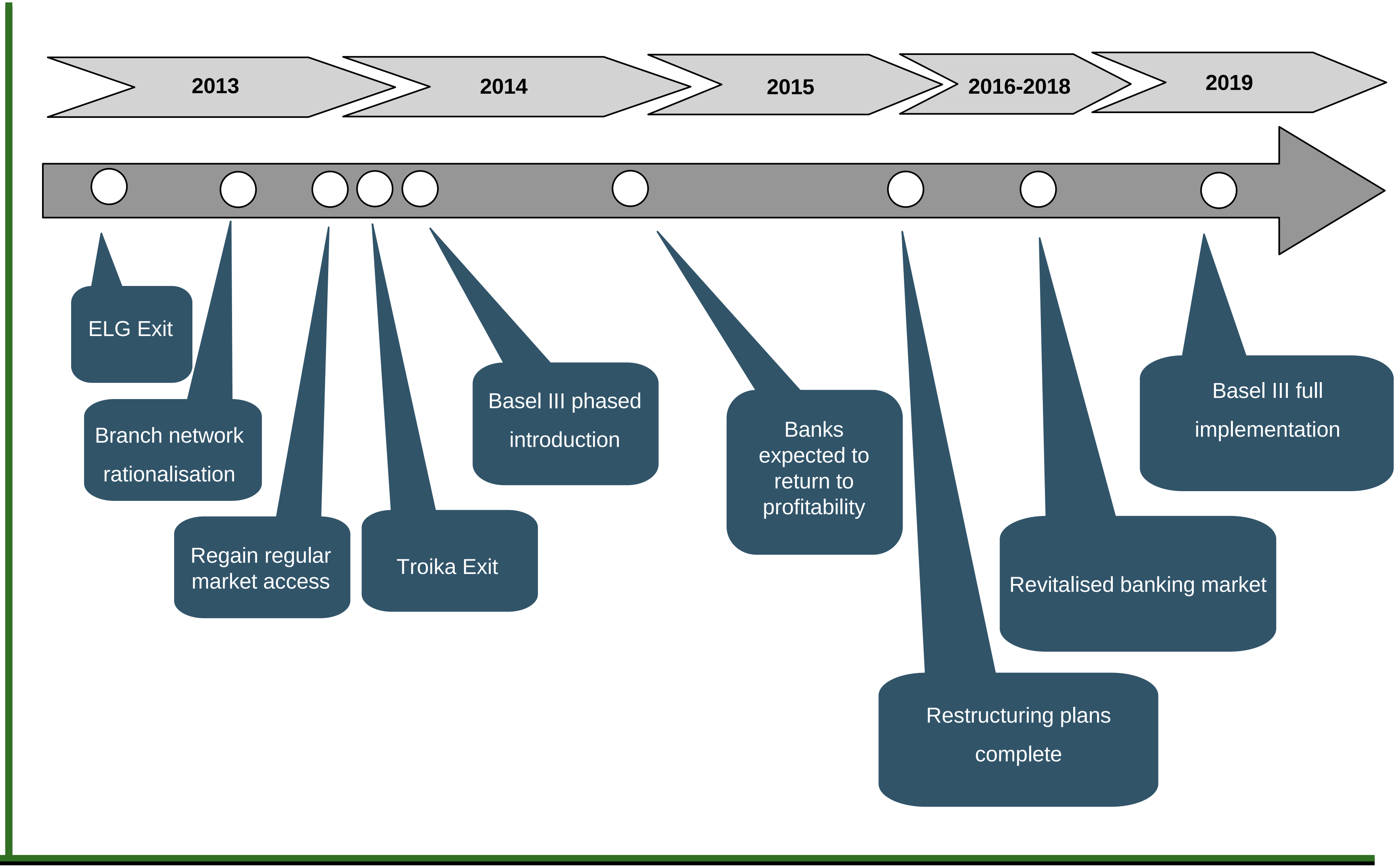
	Release date	2012	2013	Average 2014 – 2015
IMF	Dec 2012	0.4%	1.1%	2.5%
CBI	Jan 2013	0.7%	1.3%	
OECD	Nov 2012	0.5%	1.3%	
ESRI	Jan 2013	1.3%	1.3%	
Reuters Consensus	Dec 2012	0.8%	1.5 %	2.8%

Key Observations

- Economy returned to growth in 2011, with real GDP expanding by 0.8% (y-o-y) in the first three quarters of 2012%
- Real growth of 0.9% expected in 2012
- Gradual strengthening of recovery in subsequent years – average growth of close to 2¾% per annum over medium term
- Weaker external economy incorporated in most recent forecasts

% change in GDP (IMF staff estimates)	2008	2009	2010	2011	2012F	2013F
France	-0.1	-3.1	1.7	1.7	0.1	0.4
Germany	0.8	-5.1	4.0	3.1	0.9	0.9
Greece	-0.2	-3.3	-3.5	-6.9	-6.0	-4.0
Ireland	-2.1	-5.5	-0.8	1.4	0.4	1.1
Italy	-1.2	-5.5	1.8	0.4	-2.3	-0.7
Portugal	0.0	-2.9	1.4	-1.7	-3.0	-1.0
Spain	0.9	-3.7	-0.3	0.4	-1.5	-1.3

Irish Banking Key Milestones to Recovery



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Turning point on the horizon?

Main observations

- Margins at all banks expected to rise in Q1 2013
- Deposit balances have risen significantly in the past year (+€9bn), with a reduction in Central Bank liquidity dependence (borrowings by AIB/BOI/PTSB from the ECB declined 28% y-o-y to €48.1bn at end of January 2013)
- Easing in deposit rates evident across Irish market - partially reflecting bank re-pricing strategies and benefit from move away from Loan to Deposit Ratio (LDR) targets
- Banks determined to address cost bases (early retirement and voluntary severance schemes introduced; commencement of branch closures)
- Substantial element of the deleveraging complete (c.78% of target complete as at November 2012)
- Official house price indices showing a stabilisation in asset values in recent months
- The reduction in sovereign yields is encouraging for future Irish bank issuance

Progress made in 2012

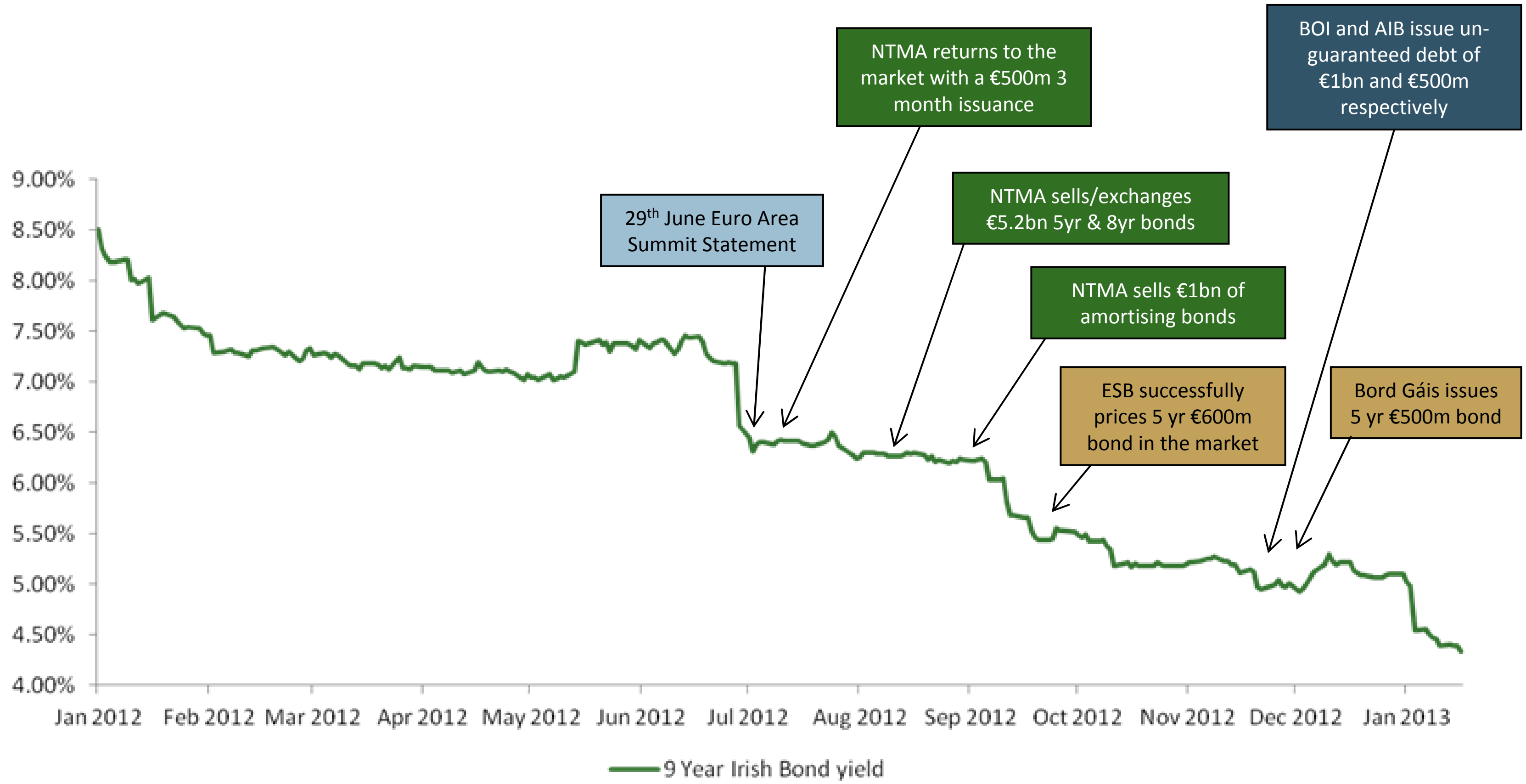
Banking priorities achieved in 2012….more to do in 2013

1	Mortgage Arrears Solutions….design complete….rollout underway	✓
2	Resolution of Irish Life and Permanent	✓
3	Addressing with EU/IMF the funding position, role and status of IBRC and certain other non-core portfolios	ON-GOING
4	Ensuring deleveraging continues in line with revised parameters	✓
5	Continued restoration of the banks to viability	ON-GOING
6	Delivery of cost reduction plans including redundancy programmes	✓
7	Finalisation of State Governance for bank shareholding and continued focus on improving standards of governance and management at the banks	✓
8	Further enhancements to banking sector financial stability monitoring framework	✓

Key objectives for 2013

- Resolution of the IBRC Promissory Notes - *Completed*
- Disengage from ELG scheme at the appropriate time – *Completed – Ending 28th March 2013*
- Continued restoration of the banks to viability
  - notably monitoring the implementation of the Restructuring Plans for AIB and PTSB
  - continued focus on expansion of net interest margin
  - implementation of cost reduction plans
- Mortgage Arrears Solutions developed in 2012 to be implemented at pace in 2013 based on Central Bank targets– in parallel with the personal insolvency regime
- Fulfilment of YE2013 deleveraging commitments under the Financial Measures Programme
- Continued reduction of reliance on extraordinary funding support
- Review opportunities for the exit of State investments in the Covered Banks
- Ensure the credit targets – SME and mortgages – are met
- Delivery of 29th June Commitments to separate Banks & Sovereign.

Strong fund raising momentum as Irish bond yields decline

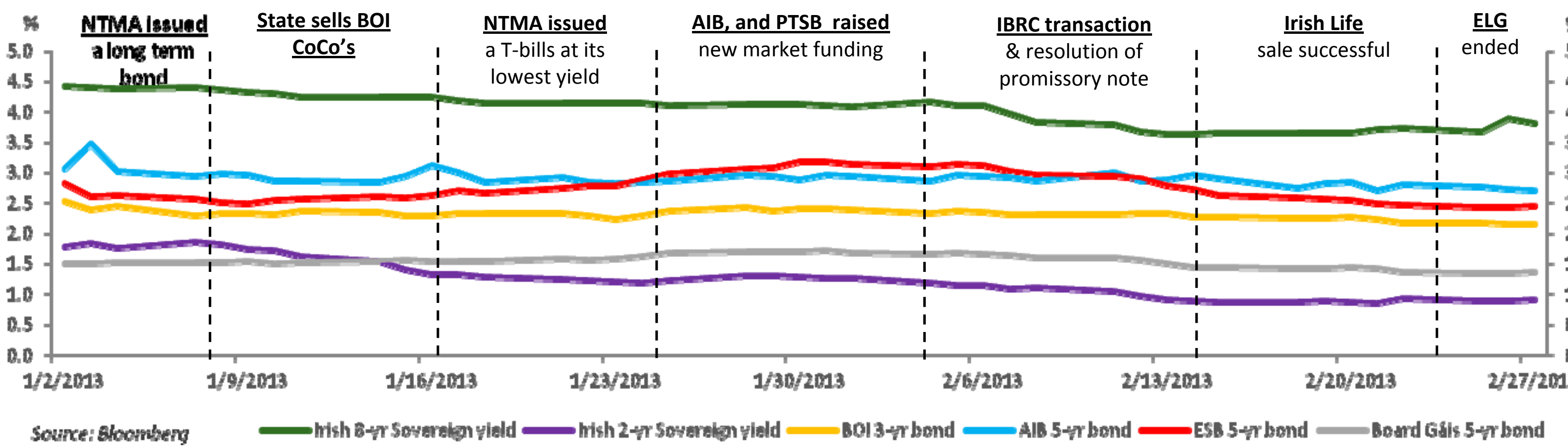


Source : Bloomberg

- The second half of 2012 has seen an increased appetite for Irish debt as investors return to purchase Irish semi-state and bank issuance
- Positive investor sentiment towards the Irish economy has continued to drive sovereign yields lower

New Opportunities 2013

Momentum sustained in Q1 2013



Q1 2013 achievements

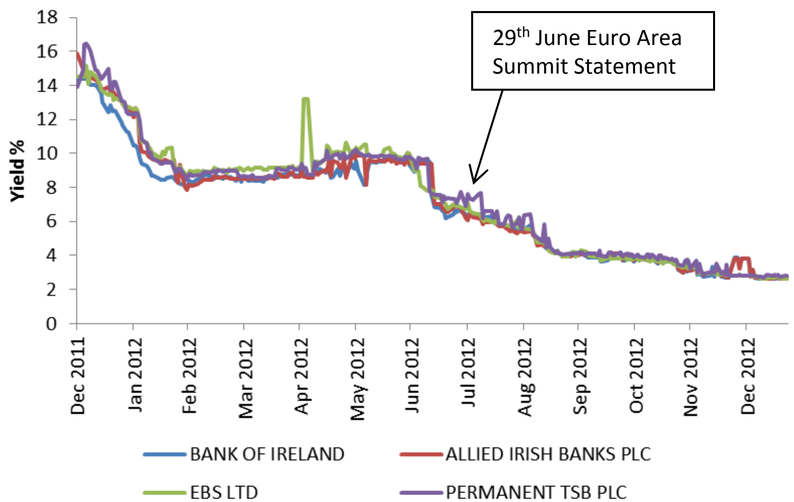
- NTMA entered the long term bond market on 8 January– issuing €2.5 billion at a yield of 3.316%, representing over 25% of the NTMA's 2013 funding target.
- On 9 January the State sold its investment in its €1bn Contingent Capital Notes issued by BOI, for a small profit.
- NTMA also issued a €500 million 3-month T-bill sold on 17 January at a yield of 0.2%, the lowest yield recorded since March 2009. On 21 February the yield was slightly higher, 0.24%.
- On 22 January AIB raised €500million in covered bonds at a spread of 185bps above mid-swaps, now trading at 170bps.
- In the first 2 months of 2013, Permanent TSB has raised €1 billion in market funding at competitive levels.
- IBRC liquidated and new promissory note arrangements put in place.
- Irish Life sale successfully completed for €1.3 billion
- Ending of the Bank Guarantee (ELG) announced

Banks return to the market

- Bank of Ireland issued a €1 billion 3 year un-guaranteed covered bond in November 2012. The transaction was Bank of Ireland's first public issuance since October 2010 and 2.5x oversubscribed demonstrated strong demand from international investors

- AIB also returned to the market issuing an unguaranteed 3 year €500 million covered bond in November 2012 and an unguaranteed 3.5 year €500 million covered bond in January 2013. Both books were oversubscribed, with strong international interest
- Permanent TSB have also returned to international debt markets, raising a combined €1bn in two private funding deals using a mix of both Irish and UK collateral. Both deals have been completed at competitive levels.

Improvement in bank debt yields



Source : Bloomberg

- Both Bank of Ireland, AIB and PTSB have seen a large improvement in debt issuance yields over the past 12 months reflecting the positive investor sentiment towards Ireland and the banks

Successful sale of Bank of Ireland Contingent Capital

State reduces investment in BoI

- Following PCAR 2011 the State invested €1 billion in Bank of Ireland in the form of Contingent Capital Notes in July 2011
- On 9th January 2013 the State sold this investment at a small profit

State's remaining investments in BoI

Investment	€bn	% Holding
Ordinary Shares	€1.74	15.10%
Preference Shares	€1.84	

- Nearly 200 international institutional investors participated in the sale which was 4.8 times oversubscribed
- This transaction begins the path to normalisation of Bank of Ireland's capital structure and allows for the return of capital to the State

Sale of Irish Life

State agrees the sale of Irish Life, taxpayer investment returned in full

- The State acquired a 100% interest in Irish Life on 29 June 2012 for €1.3 billion

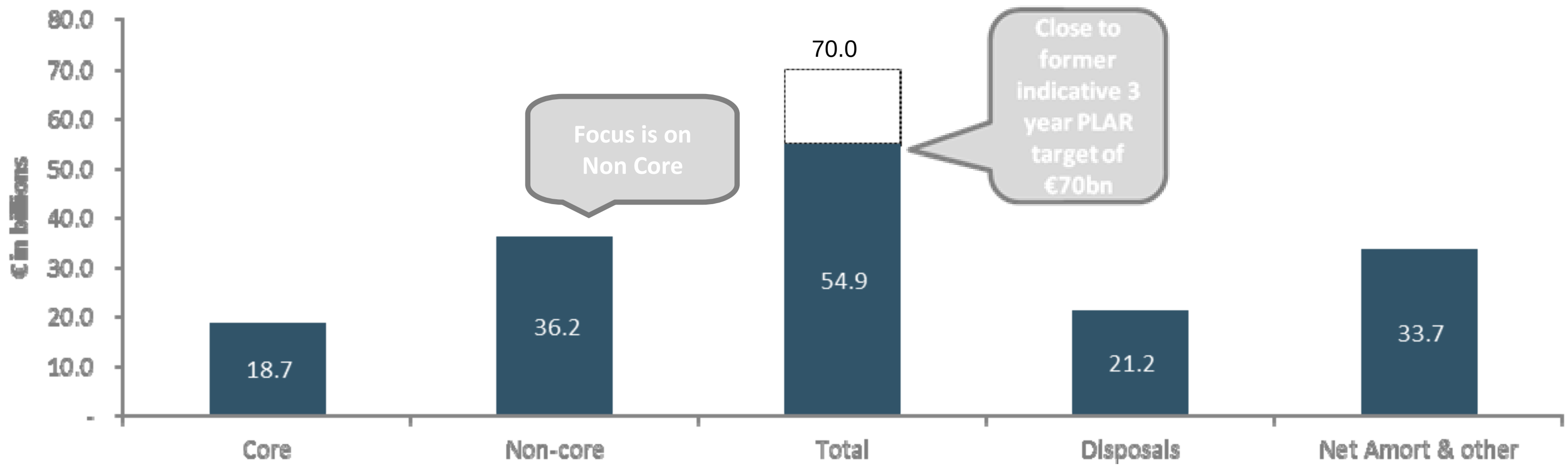
- On 19 February 2013 the State announced an agreement to sell Irish Life to Great-West Lifeco for €1.3 billion plus a €40 million dividend to be received prior to completion

- The deal is historic as it is the first time that a company which the State acquired during the financial crisis is fully returned to private ownership

- It also represents a vote of confidence in the Irish economy by a major international financial services company

Deleveraging – continued progress

Bank deleveraging - Dec-10 to Nov 2012



Note: Tables may contain rounding errors

Main observations

- Total deleveraging of €54.9bn at AIB, BOI and PTSB representing 78% of the 3 year PLAR target - €18.8bn achieved YTD November 2012
- **AIB** – disposals are ahead of plan and the programme is nearing completion with the remaining deleveraging required to reach their target to be achieved through loan work-out and amortisation
- **BOI** -has completed it's disposal plan and the remaining deleveraging is on target and is forecast to be achieved through rundown of non-core loan books
- **PTSB's**- deleveraging programme has been postponed pending the outcome of it's EC Restructuring Plan

SME Lending – Targets & Ongoing Initiatives

- Government has imposed a combined lending target of €21 billion on each of the two pillar banks for the 3 calendar years 2011 – 2013. Target of €4bn each in 2013. The Head of the CRO stated in his recent 10th quarterly report that approximately €2.5bn of the sanctioned lending by the pillar banks in 2012 was new lending. It is estimated that an additional €2.5bn of non bank finance is available to support the SME sector through various non-bank funding schemes, some of which are set out below
- The **SME State Bodies Group (SBG)**, chaired by the Department of Finance and consisting of representatives of Departments and agencies with a focus on the SME sector, has the primary function of facilitating the coordination of policy formulation and implementation across the relevant Government Departments and Agencies. The group drafted the "Access to Finance" chapter in the 2013 Action Plan for Jobs

- The SBG will continue in 2013 to engage intensively in proactively addressing issues associated with SME funding and financing in conjunction with the relevant stakeholders through the **SME Funding Consultation Committee**

- The Department of Finance is actively developing programmes with the support of the **European Investment Bank and the European Investment Fund** in order to ensure best use of EIB resources for the benefit of SMEs in the broader economy

- **The Budget 2013 commitment of €175 million** under the Seed and Venture Capital Scheme 2013-2018 will leverage a **further €525 million** from the private sector, for investment in high potential start-up and scaling companies

SME Lending – Ongoing Initiatives

- **Innovation Fund Ireland is a €500 million Irish Government initiative** designed to attract leading international venture capital fund managers to Ireland

- The SBG is currently compiling a comprehensive **database of financial supports** available to SMEs which will be published. This will have the twofold effect of consolidating all the SME supports in one place as well as aiding the identification of lacunae in the funding structure

- The **NPRF** have introduced three funds:

- SME Equity Fund. A lower mid-market private equity fund
- SME Turnaround Fund. Aimed at businesses on the point of bankruptcy.
- SME Credit Fund Lending €5m to €50m per borrower. Funding growth.

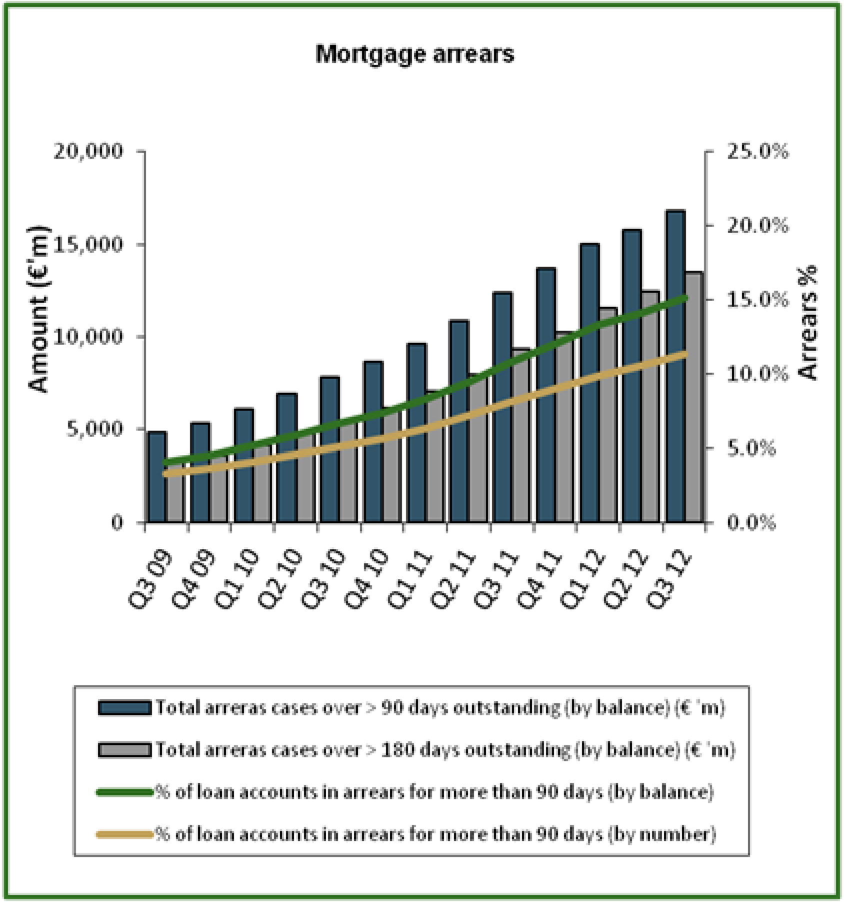
- The **Microfinance Loan Fund** provides loans of up to €25k to microenterprises with commercially viable proposals that do not meet the conventional risk criteria applied by banks

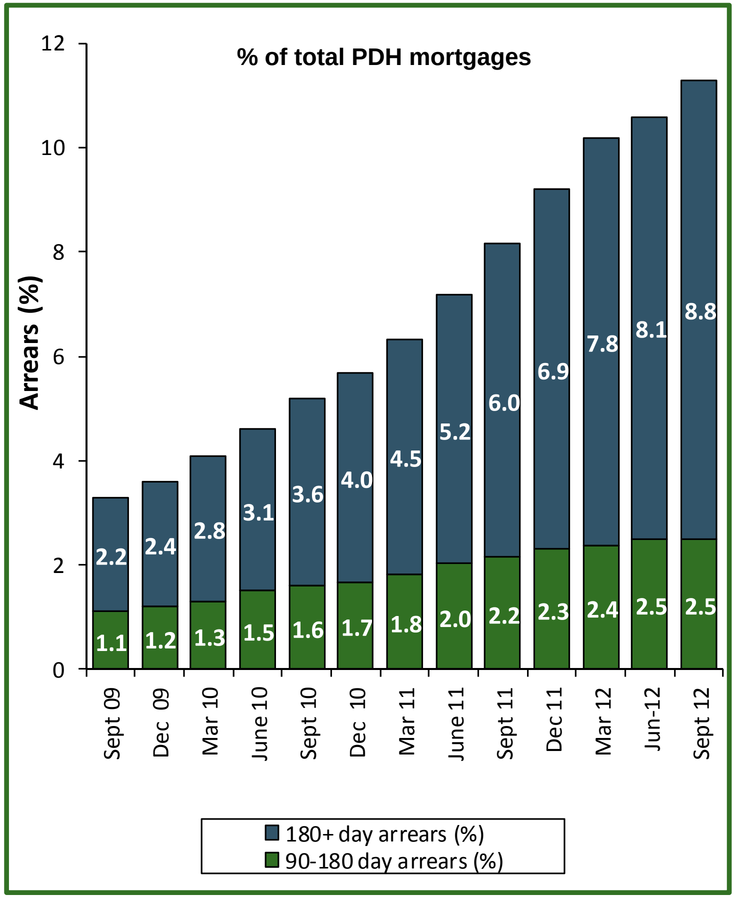
- The **temporary partial credit guarantee scheme** addresses two distinct barriers to lending- inadequacy of collateral and inadequacy of understanding of the sector concerned. It can support credit of up to €150 million per annum.

- The Credit Review Office has upheld the credit appeal in 56% of cases to date. The upheld appeals have resulted in **€13m credit** being made available to SMEs and farms, protecting **1,102 jobs**.

The Mortgage Arrears Picture *

End Quarter 3 2012 – Arrears (PDH)

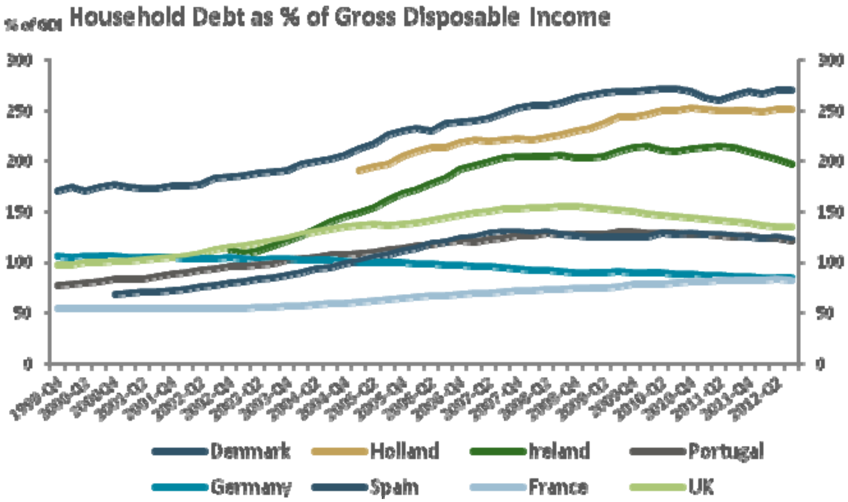




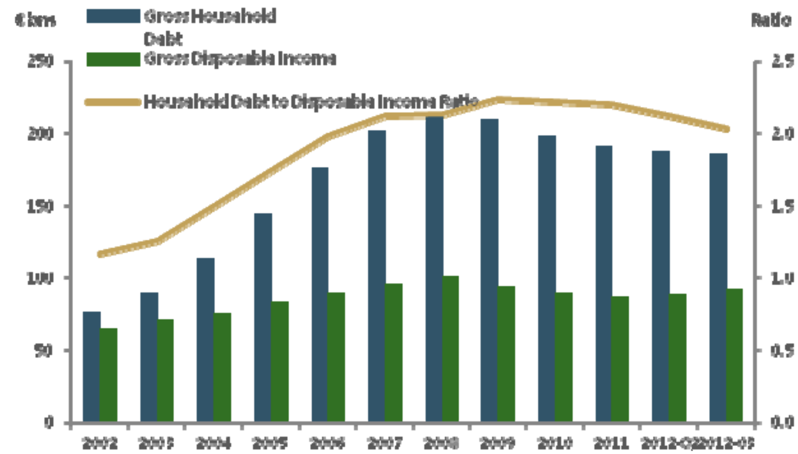
* Source: Residential Mortgage Arrears and Repossession Statistics. Q3 2012. Central Bank of Ireland

Irish household debt is high, but is on a downward trajectory

Households gross debt to disposable income ratios



Source of Data: ECB, analysis Department of Finance.



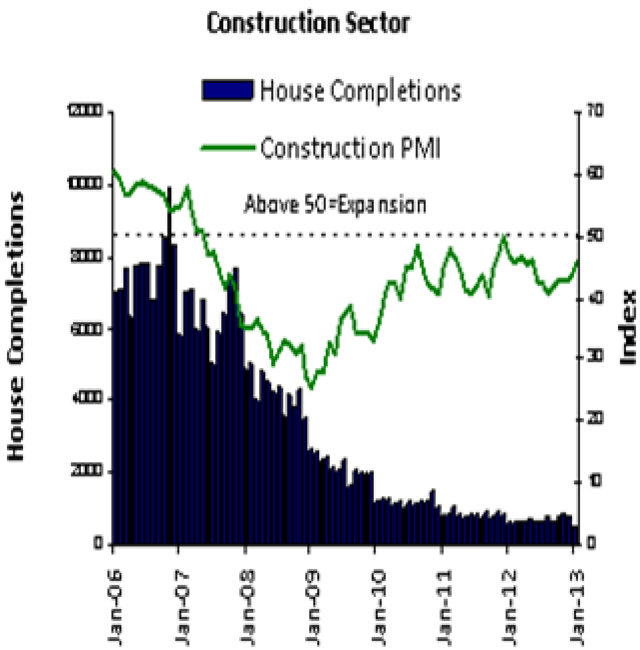
Source of Data: Central Bank of Ireland, analysis Department of Finance.

Irelands Debt Ratios Relative to Peers

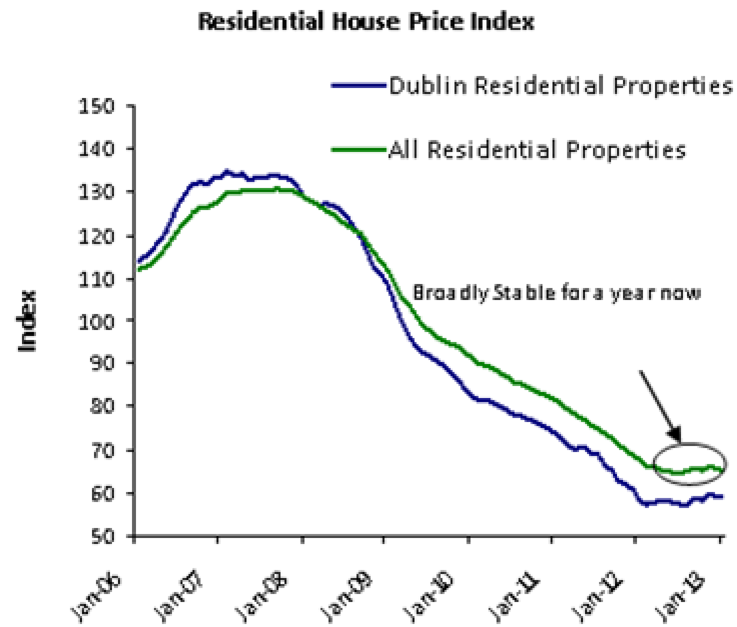
- Ireland's debt ratio is high relative to selected European peers, but is on a downward trajectory.
- Household debt peaked at €214 billion in 2008, but has since declined by €28 billion to €186 billion
- Disposable incomes also peaked in 2008 at €100 billion and troughed in 2011 at €87 billion. Since 2011, disposable incomes have increased by €4 billion to €91 billion
- Irish household debt-to-gross disposable income (GDI) peaked in Q4 of 2009 at 224.6%. Since peak household debt has been decreasing at a steady pace, to its current level of 203.8% of debt-to-GDI in Q3 2012.
- The downward trend in household debt to disposable income is driven by continued deleveraging and modest growth in disposable incomes

Property Market

House completions down 90% from the peak *



Residential House Price Index **



* Source: Department of the Environment, Community and Local Government: ** Source: CSO Residential Property Price Index

Property Initiatives

- Relatively strong interest in NAMA’s 80:20 Deferred Payment Initiative.
  - End December 2012 over 100 properties sale agreed with a value >€18m
- Property Price Register has brought new transparency to the housing market
- Extension of mortgage interest relief to first time buyers ended 2012
- Budget 2013 announcement of a tax framework for REIT companies – facilitates the attraction of new sources of capital to the Irish property market
- Limited but targeted use of tax instruments to support market regeneration
- Action Plan for Jobs 2013 – Supporting jobs action in the property area
  - Better cross-Government co-ordination led by Department of Finance
  - Targeted and task centric engagement with key stakeholders
  - Priority work streams to be advanced

Bank Of Ireland – continues to lead sector recovery

- Market reaction to 2012 results was positive
- Underlying loss lower with bad debt charge down 11% y/y
- Good momentum in H2 with margin up and costs down
- Capital ratio better than most forecasts

- Balance sheet in good shape
- PLAR disposals completed at far better haircuts than assumed
- Deposits were up 6% in 2012
- LDR reached 123%, effectively the end 2013 PLAR target
- ECB exposure at more normal levels
- Issued covered bonds, lower tier 2 and investors acquired State Coco

- 2013 will be about driving the p&l
- ELG withdrawal will provide a huge boost and deposit rates coming down
- Margins assumed to be well up in H2 2012 versus H1
- Further cost reductions planned with bank engaging unions on pension deficits
- Pace of arrears formation slowing

AIB – significant progress in 2012

- New CEO completed his first year at the bank
- Driving a major reorganisation
- Aim is to return bank to strength and profitability allowing State exit

- Balance sheet significantly delevered
- Non core deleveraging of €17bn achieved to Oct 2012 (83% of target)
- LDR below 120% (FMP target was 122.5%).
- Re-entry to debt markets (Irish ACS)

- Net interest margins have stabilised and ELG will provide a huge boost
- SME lending target of €3.5bn significantly exceeded in 2012
- Mortgage approvals rose over 60% (y-o-y) to €1.5bn (2013 target of €2bn)

- Cost restructuring underway
- 50 branches closed,
- 2,500 staff departing and significant changes to benefits

- Working through legacy loan issues
- Mortgage arrears rising at a much slower pace
- Now processing 2,000 stressed mortgages cases a month

PTSB – restructuring began in 2012 - progress on key deliverables

- Governance
  - New CEO appointed February 2012
  - Full Exco in place by end of 2012…4 new to PTSB

- Strategy
  - Agreed strategy in April 2012, full Restructuring Plan submitted June 2012
  - BU level strategy continues to be developed i.e. RIP strategy, mortgage strategy etc.

- Separation
  - Legal separation when State acquired Irish Life for €1.3bn in June 2012, completed 2011 PCAR
  - Operational separation almost complete

- Restructuring
  - AMU established – employing c. 240
  - 16 branches closed (c.17% of network), VSS for c.200 employees (c.10% of workforce) underway
  - Sale of PTSB Finance
  - CRE outsourcing to Certus in progress…Springboard outsourcing to HML completed

- Financials
  - Largely on track
  - Focus for 2013 will be on RIP arrears strategy, MARS treatment implementation etc.

Governance Structures – Significant Changes

Only one Board member in situ at 30th September 2008 continues to serve on an Irish covered bank Board. The Central Bank recently concluded that it has no reason to suspect the fitness and probity of this individual

- The chart below summarises the Board appointments at the covered banks since September 2008

Bank	Role	Pre - September 2008 (Bank guarantee)	October 2008 - March 2011	Post - March 2011 (Minister - Banks to renew their Boards)
Bank of Ireland	Governor			✓
	Chief Executive	✓		
	Executive Director			✓
	Non-Exec Directors		✓ ✓ ✓	✓ ✓ ✓ ✓ ✓ ✓
AIB	Chairman *		✓	
	Chief Executive			✓
	Executive Director			✓
	Non-Exec Directors		✓ ✓ ✓ ✓	✓ ✓ ✓ ✓
permanent tsb	Chairman			✓
	Chief Executive			✓
	Executive Director			✓
	Non-Exec Directors		✓ ✓ ✓ ✓	✓ ✓ ✓
IBRC	Chairman		✓	
	Chief Executive		✓	
	Non-Exec Directors		✓ ✓ ✓ ✓	✓ ✓ ✓ ✓

Governance Structures – Management Change

- There has been a complete overhaul in the senior management within the covered banks following the banking crisis that took place in 2008
- The chart below clearly illustrates the senior executive now in place at the banks with the majority of appointments having taken place in 2011 and 2012

		2009	2010	2011	2012
Bank of Ireland	Chief Executive	✓			
	Executives*	✓✓	✓✓	✓	✓✓✓
AIB	Chief Executive			✓	
	Executives		✓	✓✓✓✓	✓✓✓✓✓✓
permanent tsb	Chief Executive				✓
	Executives				✓✓✓✓✓✓✓✓✓✓✓
IBRC	Chief Executive	✓			
	Executives**	✓	✓✓✓✓	✓	✓✓✓

* Bank Of Ireland announced the appointment of a new executive expected to commence the role in Q1 2013

** One of the IBRC executives appointed in 2012 is on an acting basis

NAMA-Key objectives set by the Board

- Over the projected ten-year life of NAMA, redeem, at minimum, the Senior Bonds issued as consideration for loans in addition to recovery of carrying costs and working and development capital expenditure advanced to debtors

- Consistent with the first objective, generate transactions that contribute to a renewal of sustainable activity in the property market in Ireland

- Meet its commercial objective (as at 1 above) over the shortest possible time span, having regard to market conditions and to optimising the realised value of it's assets. Meet all of its future commitments out of its own resources

- Consistent with the first objective, contribute to the social and economic development of the State

- Manage assets intensively and invest in them so as to optimise their income-producing potential and disposal value

NAMA - 2012 End-of-year update

- NAMA paid €31.8bn to acquire 12,000 loans to 800 debtor groups. The PAR debt was €74bn, equating to a discount of 57%. These loans were secured by more than 10,000 properties containing more than 56,000 saleable units

- NAMA has generated €10.5bn in cash flows since inception
  - €6.9bn in asset disposals
  - Sales transactions completed in respect of over 3,900 individual properties
  - €4.4bn in cash generated in 2012, including €1.3bn in recurring non-disposal income (€3.6bn generated in non-disposal income to date)

- NAMA's strong cash position
  - End-year cash and cash equivalent balances of €3.6bn, after NAMA senior bond redemptions and other debt repayments totaling over €5bn since inception

- NAMA remains profitable, despite a prudent impairment policy
  - 2012 (to end-June): Net profit after tax of €222m

- NAMA firmly on target to achieve end-2013 and 2020 debt reduction milestones
  - Additional €3.5bn of NAMA Senior Bonds redeemed in 2012
  - Cumulative NAMA Senior Bond redemptions of €4.75bn to date (63% of end 2013 target of €7.5bn)

NAMA – Key Strategic Initiatives

- **Capital Investment Plan**
  - In May 2012, NAMA announced plans to invest at least €2bn in Irish assets, in addition to the €500m in advances for Irish assets approved prior to that date
- **Vendor Finance Initiative**
  - NAMA announced in May 2012 that it would make €2bn in vendor finance available to prospective buyers of commercial assets controlled by its debtors and receivers
- **Deferred Mortgage Initiative**
  - The NAMA 80:20 Deferred Payment Initiative was launched in October in respect of an initial 295 houses in 12 counties nationally
- **Social Housing Initiative**
  - NAMA has identified 3,879 residential properties controlled by its debtors and receivers as being available for social housing provision

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