

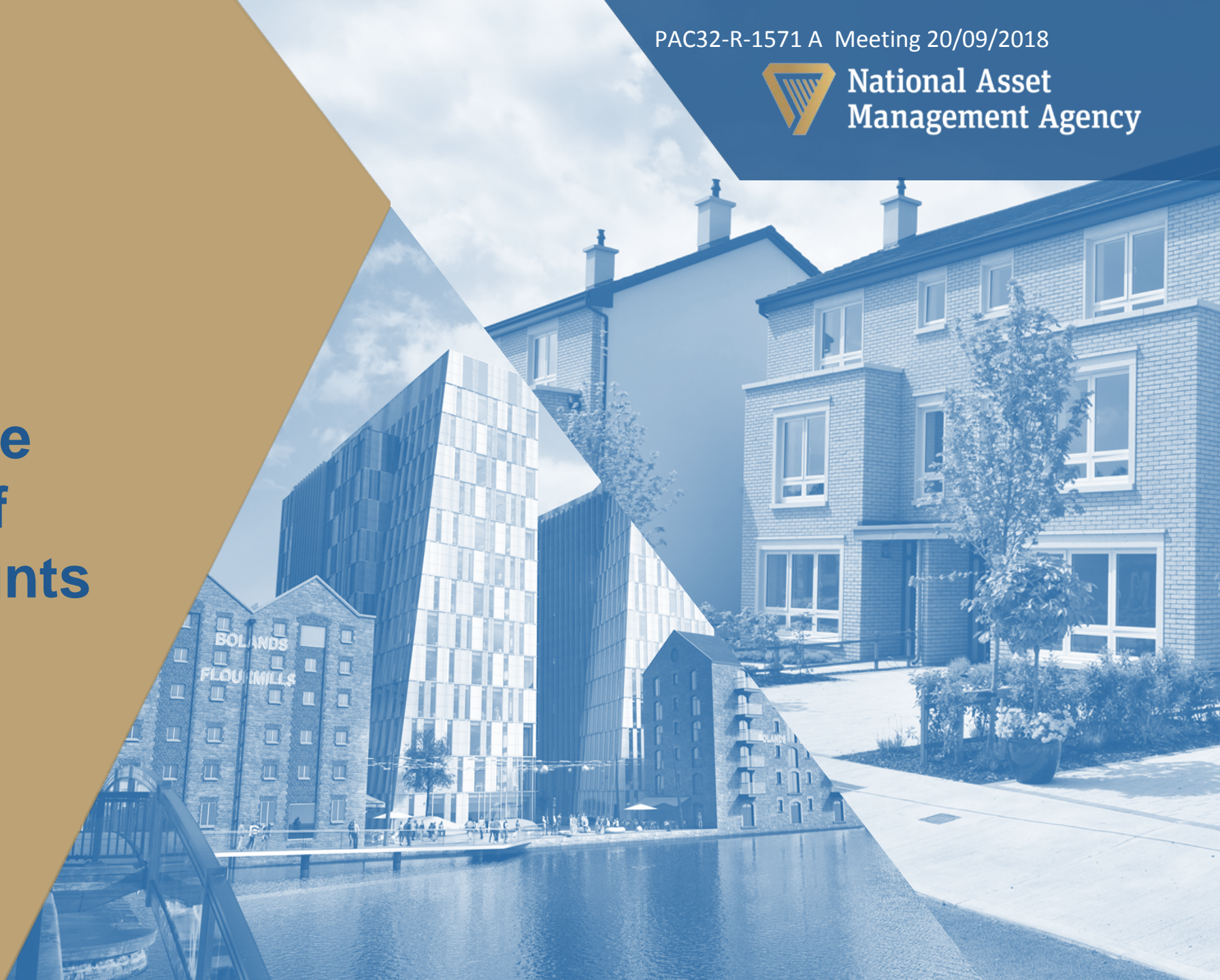


NAMA

Briefing to the Committee of Public Accounts

20 September 2018

www.nama.ie



NAMA KEY OBJECTIVES

Focused on Completing its Mandate Successfully



Debt Redemption

€30.2bn in Senior Debt **fully redeemed**.
Associated **contingent liability** of Irish State
has been **eliminated**.
In excess of **€500m** of subordinated debt
has also been redeemed.



Dublin Docklands SDZ

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



Residential Delivery

Subject to commercial viability,
facilitate the delivery of up to
20,000 residential units in
Ireland by end-2020

NAMA KEY FINANCIALS

2017 Performance

Profitable

€481m profit after tax
in 2017
(2016: €1.5 billion)

€13m impairment credit
in 2017
(2016: €282m)

€335m profit on disposal
of loans, property assets; and
surplus income
(2016: €1.1 billion)

Cash Generation

NAMA continues to generate significant cash through asset and loan disposal activity and non-disposal income. Some

€2.6 billion was generated in cash in 2017

Total cash generated from inception to date, in excess of
€42 billion

Asset Sales & Income

In 2017, NAMA realised proceeds of **€2.4 billion** from the sale of loans, property and other assets

Total sales proceeds from inception to 31 Dec 2017 was
€34.6 billion

Total non-disposal income was
€5.5 billion from inception to 31 Dec 2017

NAMA KEY FINANCIALS

Income Statement – 2017

	2017 €m	2016 €m
Interest income	250	371
Interest and similar expense	(4)	(83)
Net interest income	246	288
Fee income	3	27
Net profit on disposal of loans, property assets; and surplus income	335	1,110
Foreign exchange gain/(loss)	(6)	9
Derivatives loss	(1)	(3)
Administration and other expenses / income	(46)	(45)
Operating profit before impairment	531	1,386
Impairment credit / (charge)	13	282
Profit for before tax	544	1,667
Tax charge	(63)	(164)
Profit after tax	481	1,503

NAMA KEY FINANCIALS

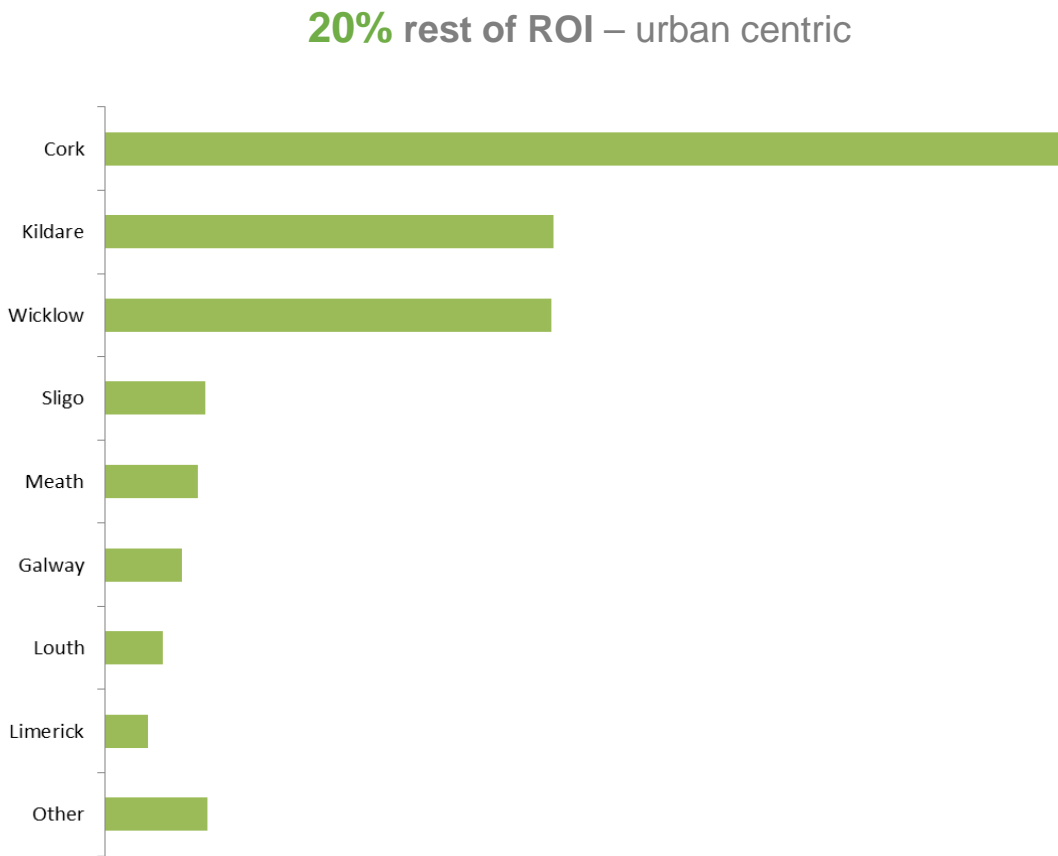
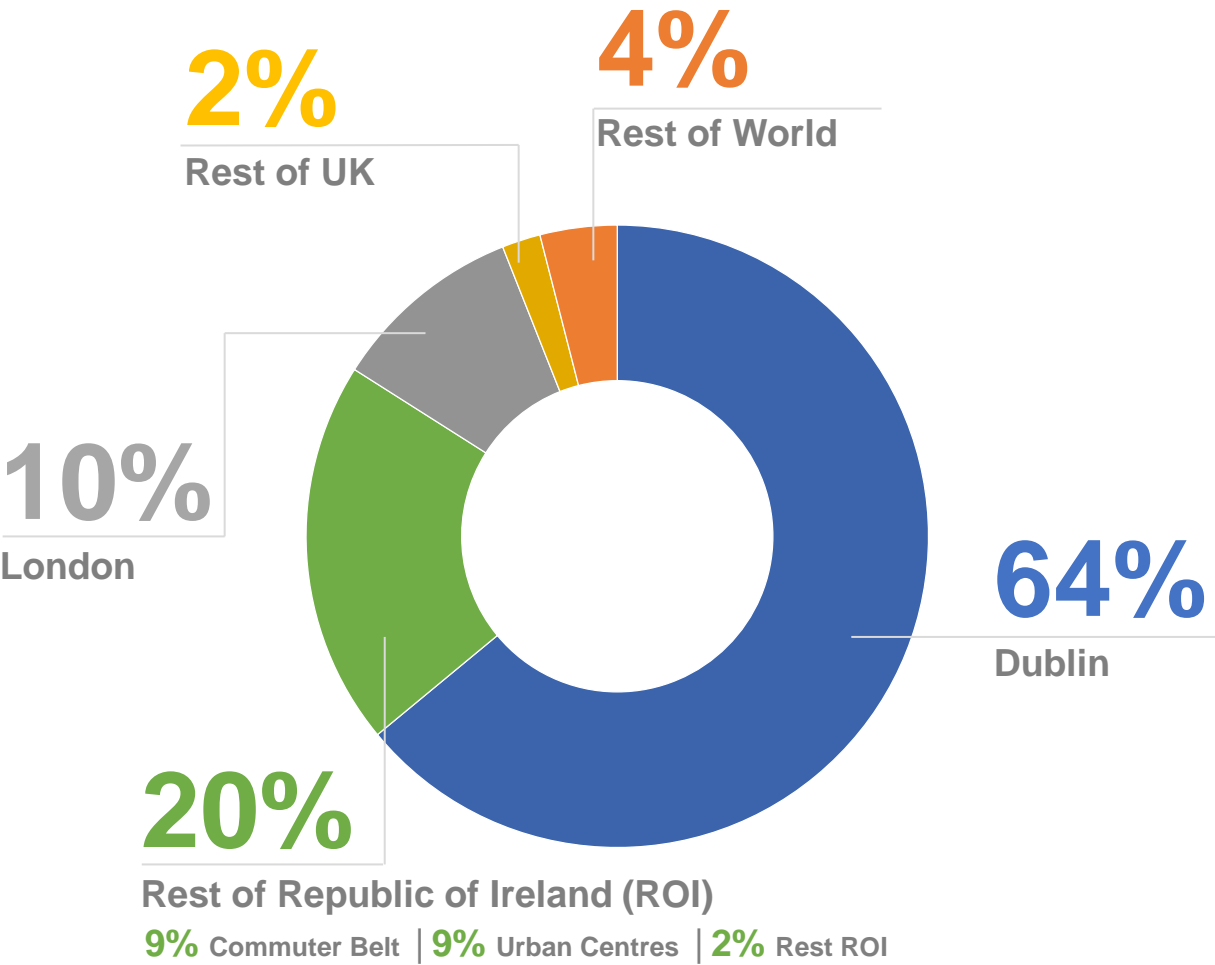
Financial Position – 31 Dec 2017

	31/12/2017 €m	31/12/2016 €m
Assets		
Cash and cash equivalents and liquid assets	1,254	2,165
Loans and receivables (net of impairment)	3,194	3,935
Other assets	664	1,236
Total assets	5,112	7,336
Liabilities and reserves		
Senior bonds in issue	-	2,590
Other liabilities	33	54
Total liabilities	33	2,644
Total equity and reserves (including €1.6bn sub debt)	5,079	4,692
Equity, reserves and liabilities	5,112	7,336

Note: IFRS9 Transition – reserves plus €129m post-tax

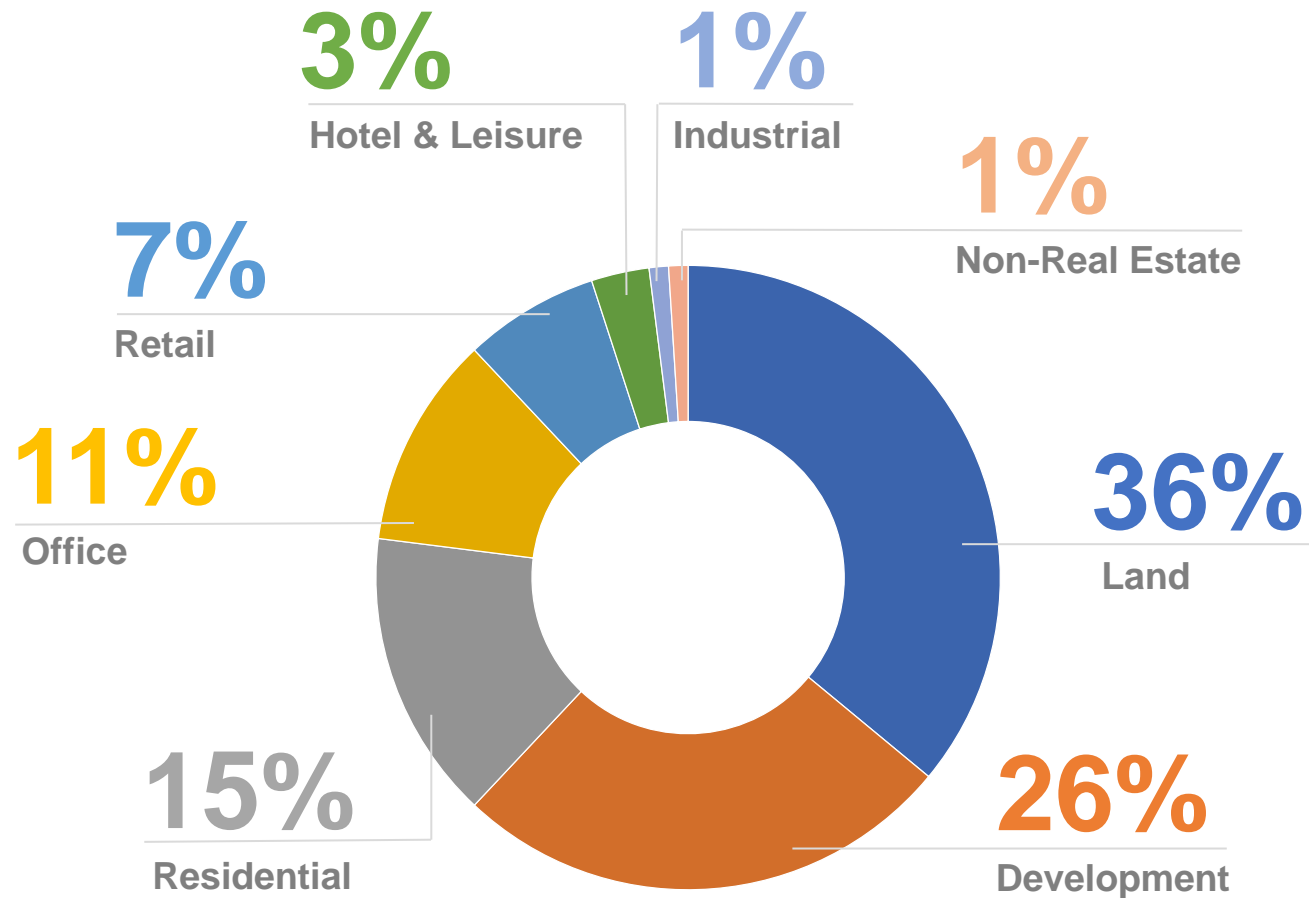
RESIDUAL PORTFOLIO

Geographical diversity of assets securing loans at 31 Dec 2017



RESIDUAL PORTFOLIO

Sectoral diversity of assets securing loans at 31 Dec 2017



ACHIEVING STRATEGIC OBJECTIVES

Residential Delivery – Progress from Jan 2014 to August 2018

Subject to **commercial viability**, NAMA will facilitate the delivery of up to **20,000 residential units** in Ireland, primarily in the Greater Dublin Area, by end-2020.



7,880 units
completed



3,800 units
under construction or
funding approved



7,200 units with planning
permission but not yet
under construction

Completed, under construction or ready to go

18,880 units



Planning applications for
400 units lodged



Planning applications for **7,600 units**
to be lodged within 12 months

In the planning system

8,000 units



Pre-planning work for
10,200 units underway



Feasibility and pre-planning on
long-term sites for **4,600 units**

Pre-planning and feasibility

14,800 units

ACHIEVING STRATEGIC OBJECTIVES

Residential Delivery Programme – Methods of Delivery

- Funding to debtors and receivers is provided on a **commercial basis** and is entirely consistent with NAMA's commercial obligation under Section 10 of the NAMA Act to optimise the value of its assets
- **NAMA works with existing debtors** who are willing to co-operate with NAMA and who have a proven track record of competence which enables them to commit to credible delivery targets on **commercially viable projects**
- **NAMA provides funding to receivers seeking to maximise the return** on assets under their control



- As an alternative to providing funding, NAMA approves the sale of sites under **licence agreements**
- As part of negotiated arrangements with certain debtors, NAMA may enter into **joint ventures** with other credible, well-capitalised platforms to develop sites
- NAMA seeks to **maximise the number of residential sites that are ready for development**, i.e. by attaining suitable planning permission

ACHIEVING STRATEGIC OBJECTIVES

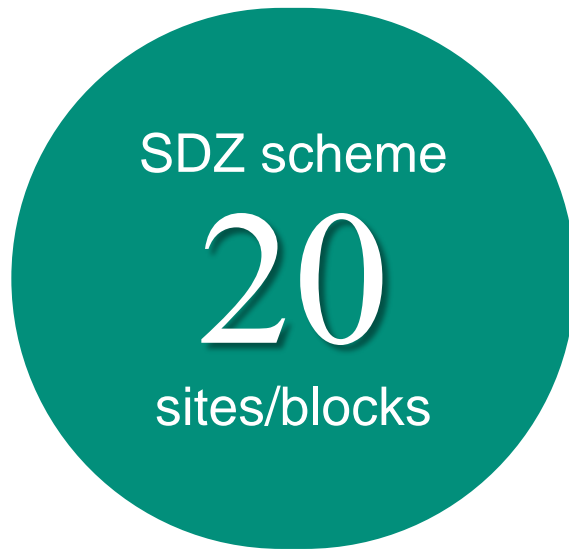
Examples of residential units funded by NAMA



No. units = site capacity

ACHIEVING STRATEGIC OBJECTIVES

Dublin Docklands SDZ Scheme Approved by ABP in May 2014



The SDZ plan divided the North Lotts and Grand Canal Docks area into **20 development blocks** over 54 acres.



NAMA held an interest in **15 sites** – equating to 75% of the developable area – and developed **detailed delivery strategies** for each site.

In order to facilitate the timely delivery of key office, retail and residential space within the SDZ, NAMA set up a **dedicated Docklands SDZ team** to work closely with all parties to the SDZ scheme, including receivers, investment partners and DCC.

ACHIEVING STRATEGIC OBJECTIVES

NAMA currently has an interest in 11 active SDZ sites

2.56m sq. ft. commercial space
and 602 residential units

75%
under construction

Bolands Quay
Capital Dock
Dublin Landings
5 Hanover Quay (Commercial)

76 Sir John Rogerson's Quay
Wintertide – Block 10a
Exo Building
City Quay*



* Outside Docklands SDZ area

0.88m sq. ft. commercial space
and 780 residential units

25%
Planning granted

Mayor St – Block 3
North Wall Quay – Block 9
10-12 Hanover Quay



ACHIEVING STRATEGIC OBJECTIVES

NAMA contribution to the Dublin Docklands SDZ



Brought **coherence, direction and drive** to the regeneration and development of the Docklands area.



The **transformation** of a kilometre of **derelict waterfront sites** on the North Docks – extending from the Conference Centre to 3 Arena.

4.2m sq. ft. of commercial space accommodating up to **20,000 workers**

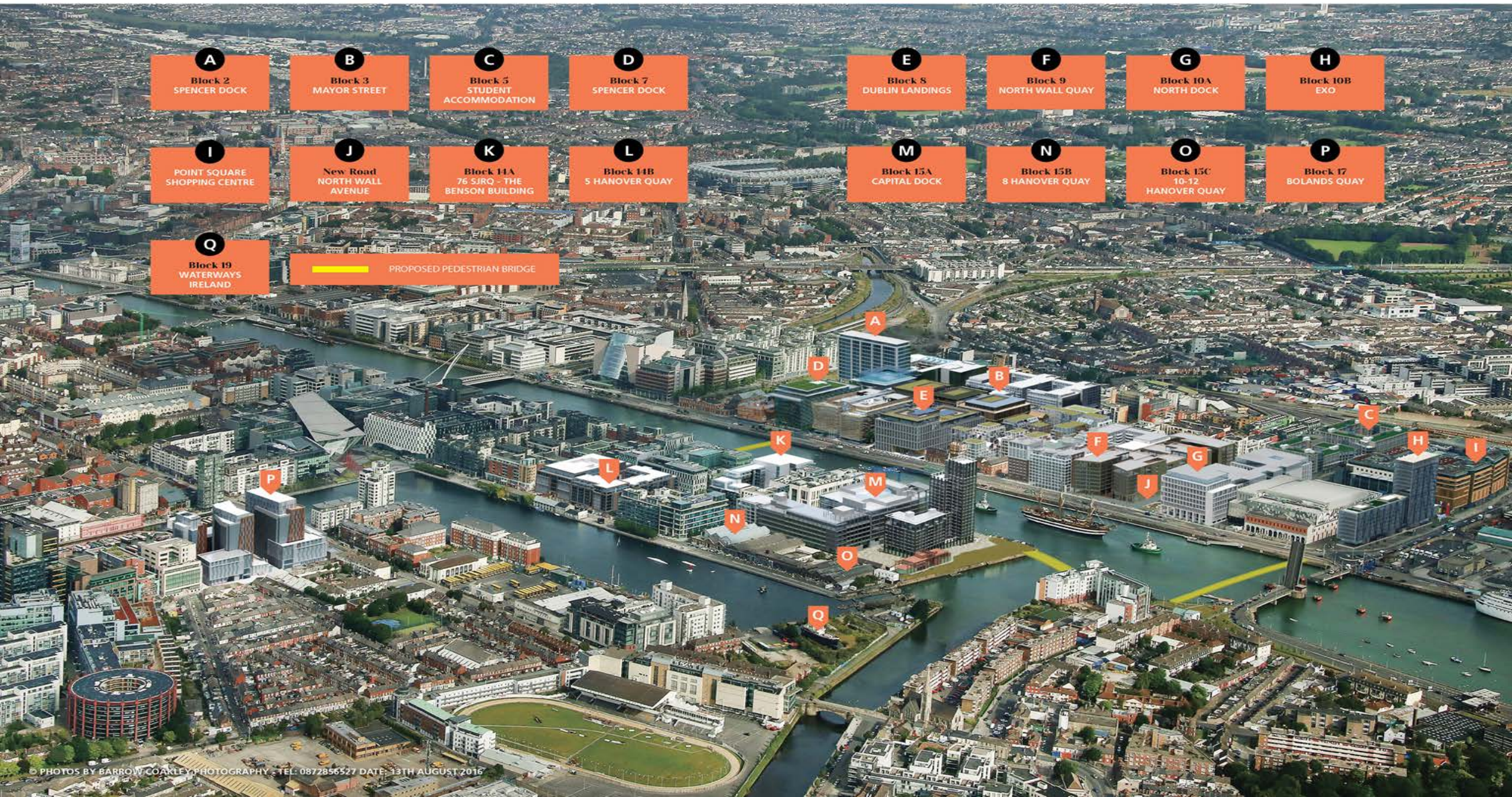


2,200 residential units providing homes for up to **5,000 people**



The construction of a **New Road** connecting Sheriff Street Upper and North Wall Quay.

NAMA contribution to the Dublin Docklands SDZ – 2020+



ACHIEVING STRATEGIC OBJECTIVES

Poolbeg West SDZ

- ❖ One of the few large, centrally located, development opportunities in Dublin City
- ❖ Up to **3,500 residential units** and **860,000 sq. ft. of commercial** development as well as school sites and community space
- ❖ SDZ plan approved by DCC in October 2017
- ❖ Final ABP adoption of Poolbeg planning scheme expected to occur in Q4 2018.



SOCIAL HOUSING

Progress to June 2018



Homes for 8,000+ people

2,474 homes have been delivered by NAMA for social housing to end-June 2018, providing housing for over 8,000 people.



6,984 units offered

NAMA has offered 6,984 residential units for social housing purposes. Demand was confirmed by local authorities for 2,717 properties.



€350m+ invested

NAMA has invested or committed approximately €350m to remediate and complete properties and to purchase houses and apartments through its special vehicle for acquiring social housing, NARPS.

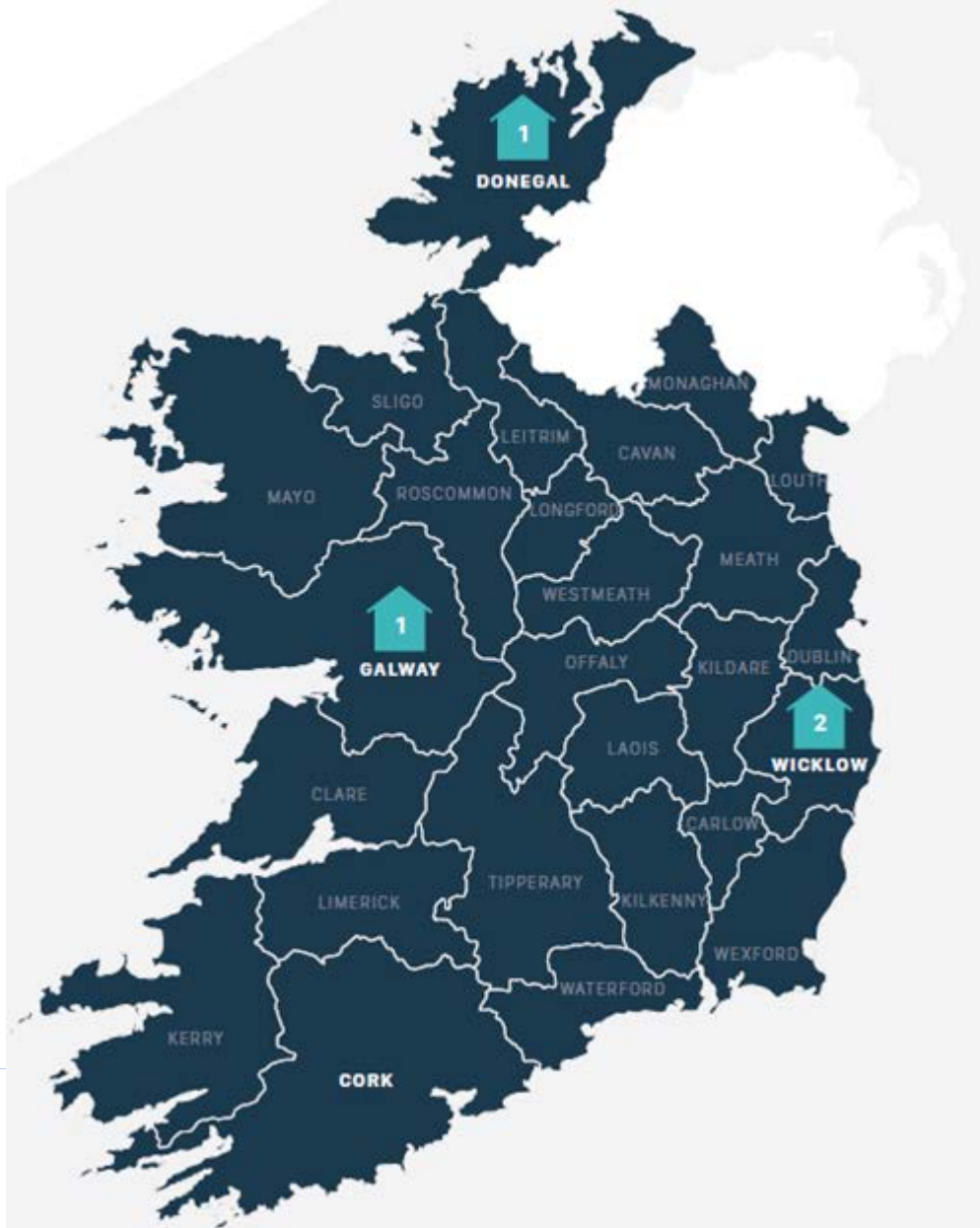
Social Housing Delivery

2,474 properties delivered for social housing



UNFINISHED HOUSING ESTATES (UFHEs)

2010 to August 2018



335 UFHEs in 2010

In 2010, NAMA had exposure to 335 unfinished housing estates across its secured portfolio.

4 remaining UFHEs

By August 2018, NAMA's exposure had reduced to just four unfinished housing estates across three counties.

Strategies in place

Resolution strategies are in place for each of the four remaining UFHEs.

NAMA – LOOKING FORWARD

Subject to Prevailing Market Conditions



PROFITABLE

Continue to achieve best value for assets and deliver terminal surplus of up to **€3.5bn**



DEBT REDEMPTION

Redeem Subordinated Debt by 2020.
€1.06bn remained at August 2018



COMMERCIAL DEVELOPMENT

Drive & fund development of the Docklands SDZ area



RESIDENTIAL FUNDING

Facilitate delivery of up to 20,000 residential units by 2020



National Asset
Management Agency

NAMA

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