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Annual report and financial statements 2022

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NAMA ANNUAL REPORT SUMMARY 2022



€81 million

2022 Profit After Tax



€3.9 billion

Exchequer Contribution to Date



Extract from Chief Executive's Statement

As the Agency progresses towards its wind-down at the end of 2025, we are concentrating on two overarching aims. The first is maximising value and delivery from our remaining portfolio. The second is the orderly resolution of our multiple workstreams. Each of our remaining strategic objectives is designed to meet these aims. In terms of our surplus, we expect to generate sufficient profits from our remaining portfolio to enable the transfer of an additional €1 billion to the State by the time we complete our work in 2025. This will bring our overall contribution to the taxpayer to close to €5 billion – a tremendous achievement for an Agency initially forecast by some to lose €10 billion. Our residential delivery programme continues at pace, with 600 units directly delivered by NAMA during 2022 and 460 currently under construction. While our capacity to fund new construction is limited at this late stage of our evolution, we will maximise the number of units with appropriate planning permissions so new development can be achieved even after NAMA has completed its mandates.

Brendan McDonagh

Chief Executive Officer



Extract from Chairman's Statement

The practical completion during the year of our final two Dublin Docklands construction projects – Bolands Quay and Exo – effectively brought our Dublin Docklands strategic objective to a successful conclusion. The NAMA Board first set the objective in 2014 to ensure the timely and coherent delivery of key Grade A office, retail, and residential space in the Dublin Docklands SDZ and Central Business District. At the time, NAMA, through its debtors and receivers, held an interest in 75% of the developable area within the SDZ, putting the Agency in a unique position to drive development. Over the following years, detailed asset management strategies were drawn up, planning applications lodged, private capital sourced, and NAMA funding committed where required. Today, 99% of NAMA's original interests in the area are construction complete or have been sold.

Aidan Williams

Chairman



29,710

Residential Units Delivered



99%

Dublin Docklands Complete or Sold



2022 Financial Highlights

Profit After Tax



€81 million

2022 profit after tax (2021: €195m)

Cash Generation



€492 million

Total cash generated during 2022

€47.4 billion

Cumulative cash generated from inception to end-2022

Disposal Receipts



€404 million

2022 disposal receipts

€40.8 billion

Cumulative disposal receipts since inception

Loan & Asset Portfolio



€527 million

Fair value of NAMA's loan portfolio at end-2022

€342 million

Property and investment assets at end-2022

Surplus Transfers



€500 million

Cash transferred to the Exchequer during 2022

€3.5 billion

Cash transferred to the Exchequer to date

Lifetime Exchequer Contribution



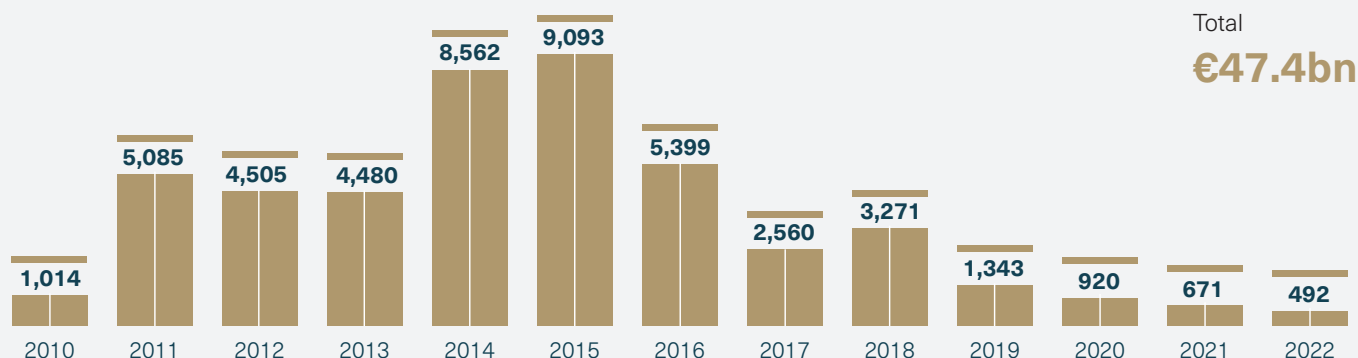
€4.5 billion

NAMA's projected lifetime surplus

€422 million

Corporation tax paid to date

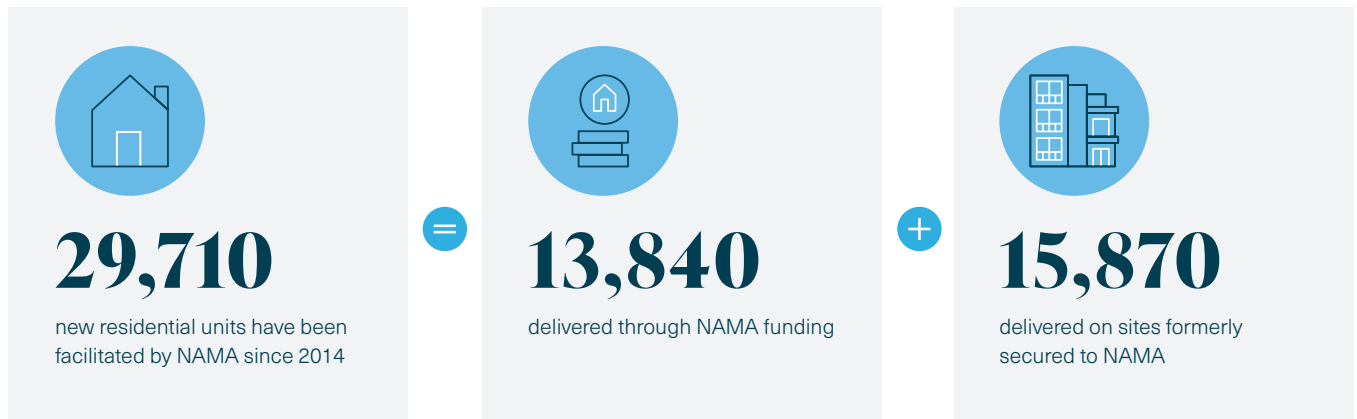
Cash Generation €m



Cash is primarily generated through asset and loan disposals. The cumulative value of loans and assets sold to end-2022 was €40.8 billion. A further €6.6 billion has been generated from non-disposal income, mainly comprising rental income from secured properties and proceeds from the refinancing of loans.

2022 Business Highlights

Residential Delivery Progress to end-March 2023

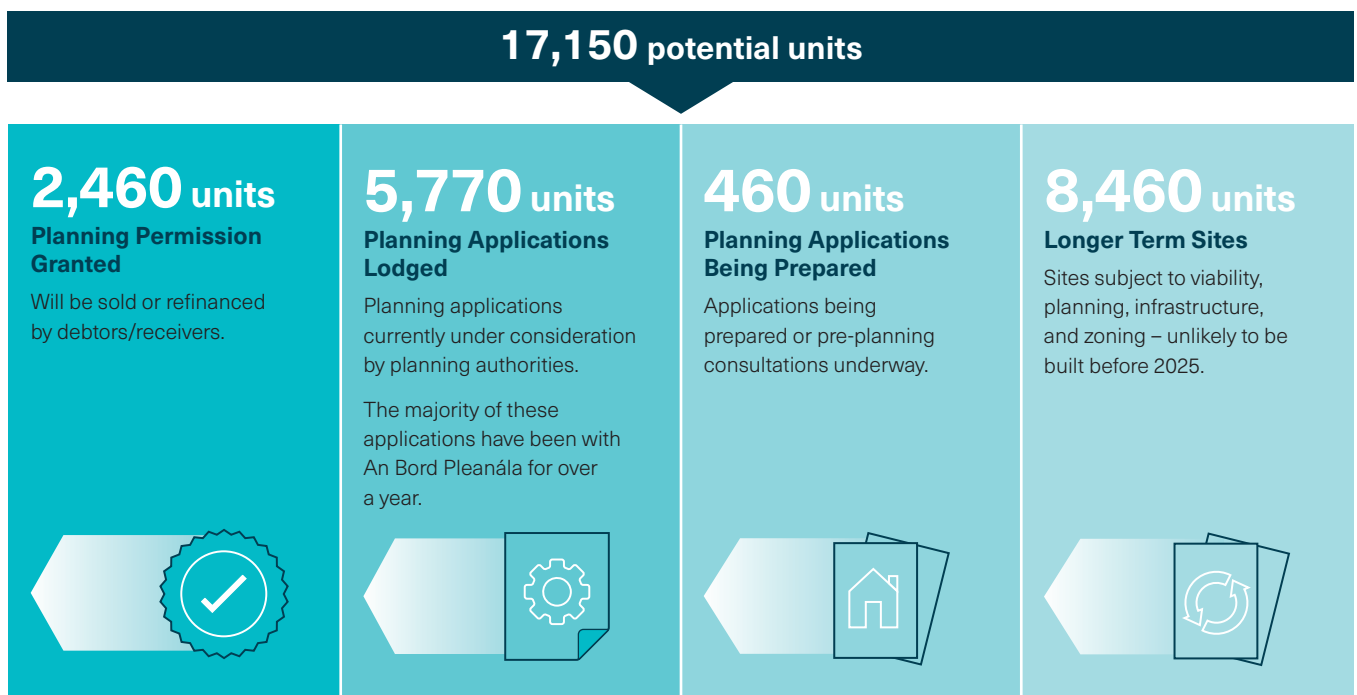


Residential Delivery Pipeline at end-March 2023



Residential Zoned Landbank at end-March 2023

A key part of NAMA's residential delivery programme is the preparation of secured sites for future housing development. NAMA aims to add value to existing sites through the funding of planning applications and pre-planning feasibility assessments.



Dublin Docklands Strategic Development Zone

NAMA has been instrumental in driving and facilitating the development of the Dublin Docklands area. The SDZ model is an exemplar of a plan led approach, and the delivery methodology developed by NAMA has been key to its implementation.



99%

Construction Completed or Sold

4.16m sq. ft. commercial space and 2,033 residential units of NAMA's original interest is construction complete or sold



1%

Relates to Site

in which NAMA has a leasehold interest

NAMA's Contribution to the Dublin Docklands



Environmental, Social & Governance

In the context of its overriding commercial mandate, NAMA seeks to manage its portfolio in Ireland in a manner that complements the objectives of other public bodies including government departments, state agencies and local authorities. NAMA is fully committed to contributing to the achievement of sustainability goals and climate resilience through its remaining activities.

Social Housing



2,862

Homes Delivered

by NAMA for social housing, excluding those delivered under Part V arrangements on NAMA-funded residential developments



7,600+

Units Offered

Over NAMA's lifetime, in excess of 7,600 units were identified as potentially suitable for social housing and offered to local authorities



Sustainable Development

NAMA facilitates commercial and residential development which is consistent with the highest standards of sustainable and energy efficient design and development.

- All NAMA-related commercial developments in the Dublin Docklands have achieved platinum or gold LEED certification.
- New homes constructed on NAMA-funded residential developments achieve A3 Building Energy Ratings (BER) as a minimum.
- Delivery of high-density mixed-use commercial and residential development in areas of high demand with existing public transport and community services.



Climate Action Mandate

Each public sector body is required to implement the Climate Action Plan 2023 which envisages the public sector leading by example on climate action.

NAMA's sustainability initiatives include:

- Establishment of a Green Committee to promote climate awareness and sustainability initiatives, as well as providing education and learning opportunities for staff.
- Digitisation of all invoice and credit approval processes since 2020.
- Replacement of bleached printer paper with non-bleached recycled paper.
- Reducing the number of IT systems and the energy consumption of NAMA servers.
- Incorporation of appropriate social and environmental criteria in NAMA procurement processes.
- The NAMA offices are located at Treasury Dock, which is certified as BER A3, LEED Platinum and nZEB.
- Precedence given to active modes of commuting to the office and any company vehicles procured are required to be electric or hybrid.

NAMA Wind-Down

In line with the EU Commission approval, NAMA aims to conclude its work no later than end-December 2025, subject to prevailing market conditions. In this context, the Board submitted a Strategic Plan for the orderly wind-down of the Agency to the Minister in November 2021.

NAMA is currently taking a number of commercial and operational steps to implement the wind-down.



Commercial

- Completing deleveraging of remaining loan portfolio.
- Providing committed funding for commercially viable residential development.
- Maximising the number of residential sites that are ready for future development through achievement of suitable planning permissions.
- Resolving NAMA's remaining equity interests in Dublin Docklands SDZ.
- Progressing transfer of the NARPS social housing portfolio to the Land Development Agency.



Operational

- Transformation unit established to oversee the phased and orderly wind-down of the business.
- Consolidating business units within NAMA.
- Progressing the resolution of residual par debt following disposal of related assets.
- Planning for the management of data and records.
- Progressing the dissolution/exit of group entities post disposal of related assets.

In line with the experience of workout vehicles in other jurisdictions, final resolution of NAMA may take several years after completion of primary deleveraging, owing to unresolved litigation or remaining assets with significant value uplift potential.

