

eDeposit Ireland

National Asset Management Agency, 2010 Annual Results – 28th July 2011

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National Asset Management Agency

2010 Annual Results – 28th July 2011

Progress Made to end July 2011

Successfully acquired €72.3 billion in loans relating to 850 debtors

Successfully injected €30.5 billion in liquid assets to five participating Irish banks

Paid down over €1 billion of NAMA debt in first year

Cash balances of €1.1 billion at end June 2011

Operating profit year one of €305m before impairment charge of €1,485m

€2.6 billion in cash generated by NAMA over first 15 months to 30/6/2011

Progress Made to end July 2011 (continued)

New organisation established from scratch

150 staff recruited with long standing experience in banking and property

Decisions made on debtor business plans relating to €36 billion of loans acquired – 50% of portfolio by par value

73 Receivers appointed and 33 declined

€3.9 billion in approved sales

20% Ireland and 80% outside Ireland

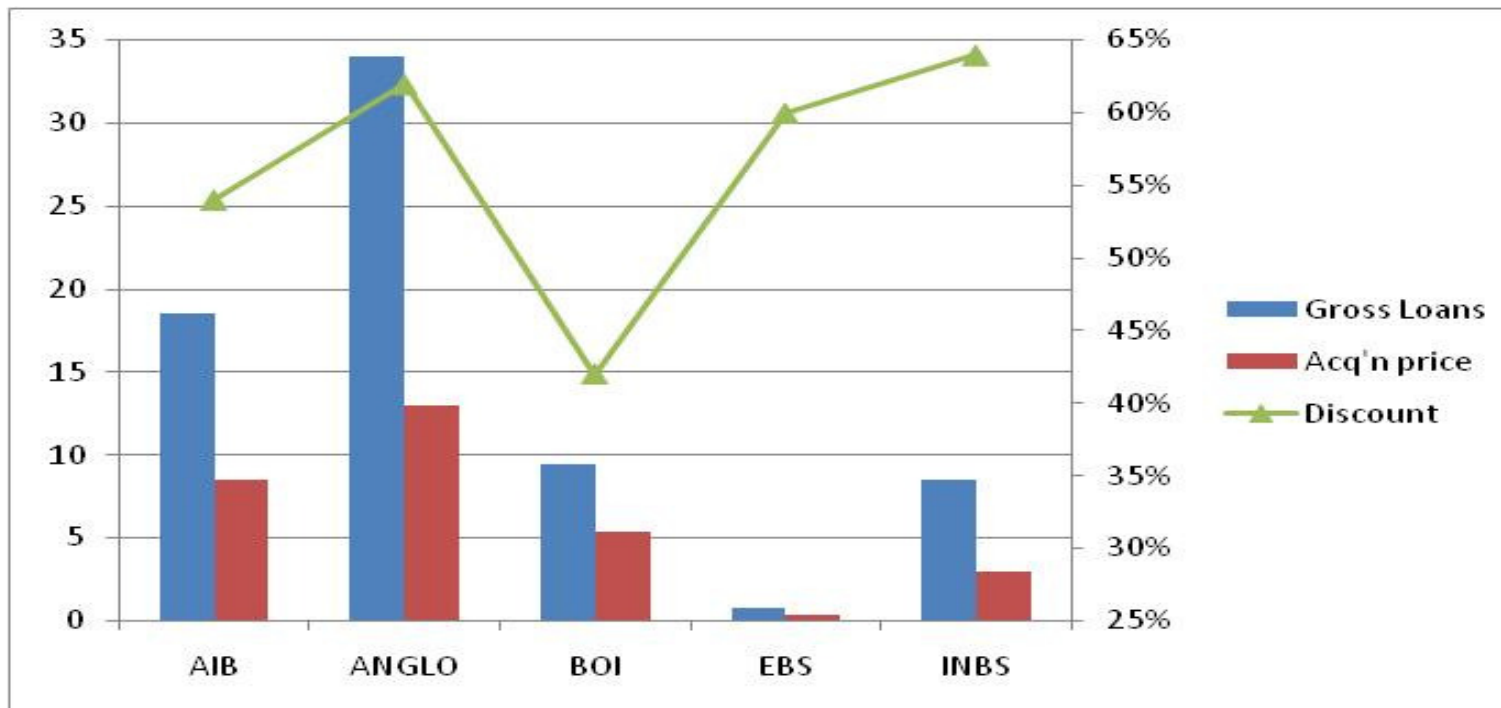
2,500 individual credit decisions made – including approving €900 million in development and working capital from 1 March 2010 to 30 June 2011

Distribution of larger debtors (par debt in excess of €100m) by size of nominal debt*

| Nominal Debt | Number of debtors | Average nominal debt per debtor €m | Total nominal debt in this category €m |
|----------------------------|-------------------|---------------------------------------|---|
| In excess of €2,000m | 3 | 2,784 | 8,352 |
| Between €1,000 and €2,000m | 9 | 1,564 | 14,077 |
| Between €500m and €999m | 17 | 666 | 11,322 |
| Between €250m and €499m | 28 | 358 | 10,023 |
| Between €100m and €249m | 78 | 160 | 12,483 |
| TOTAL | 135 | 417 | 56,257 |

*Includes only debtors whose loans have been acquired in full or in part

NAMA Acquisitions during 2010



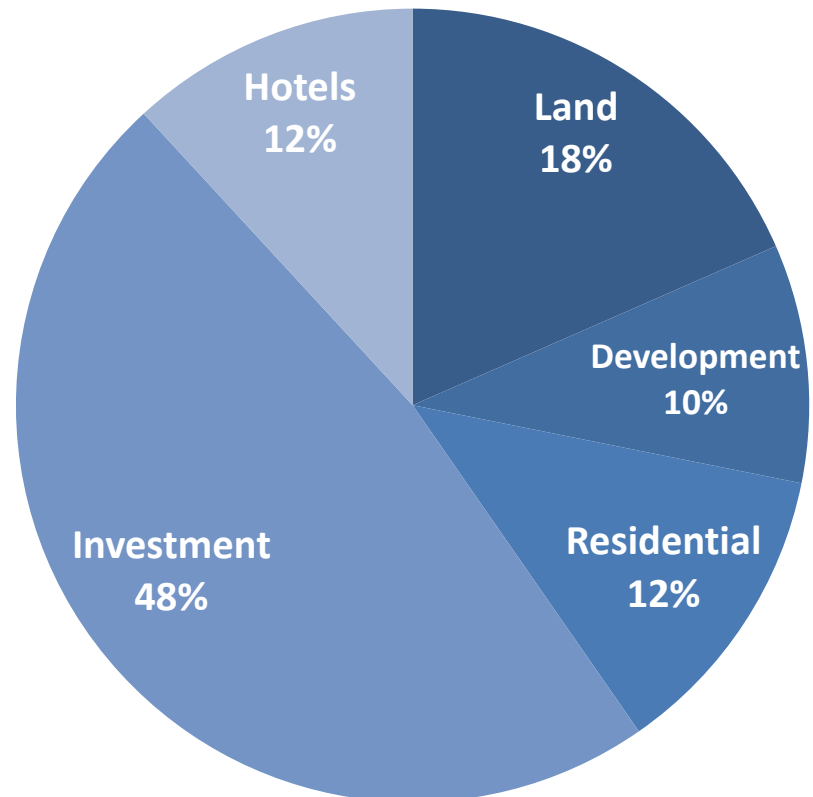
| <i>€ billion</i> | AIB | ANGLO | BOI | EBS | INBS | TOTAL |
|------------------|------|-------|-----|-----|------|-------|
| Gross Loans | 18.5 | 34 | 9.4 | 0.8 | 8.5 | 71.2 |
| Acq'n price | 8.5 | 13 | 5.4 | 0.3 | 3 | 30.2 |
| Discount | 54% | 62% | 42% | 60% | 64% | 58% |

NAMA Portfolio Structure 31/12/2010 - Audited

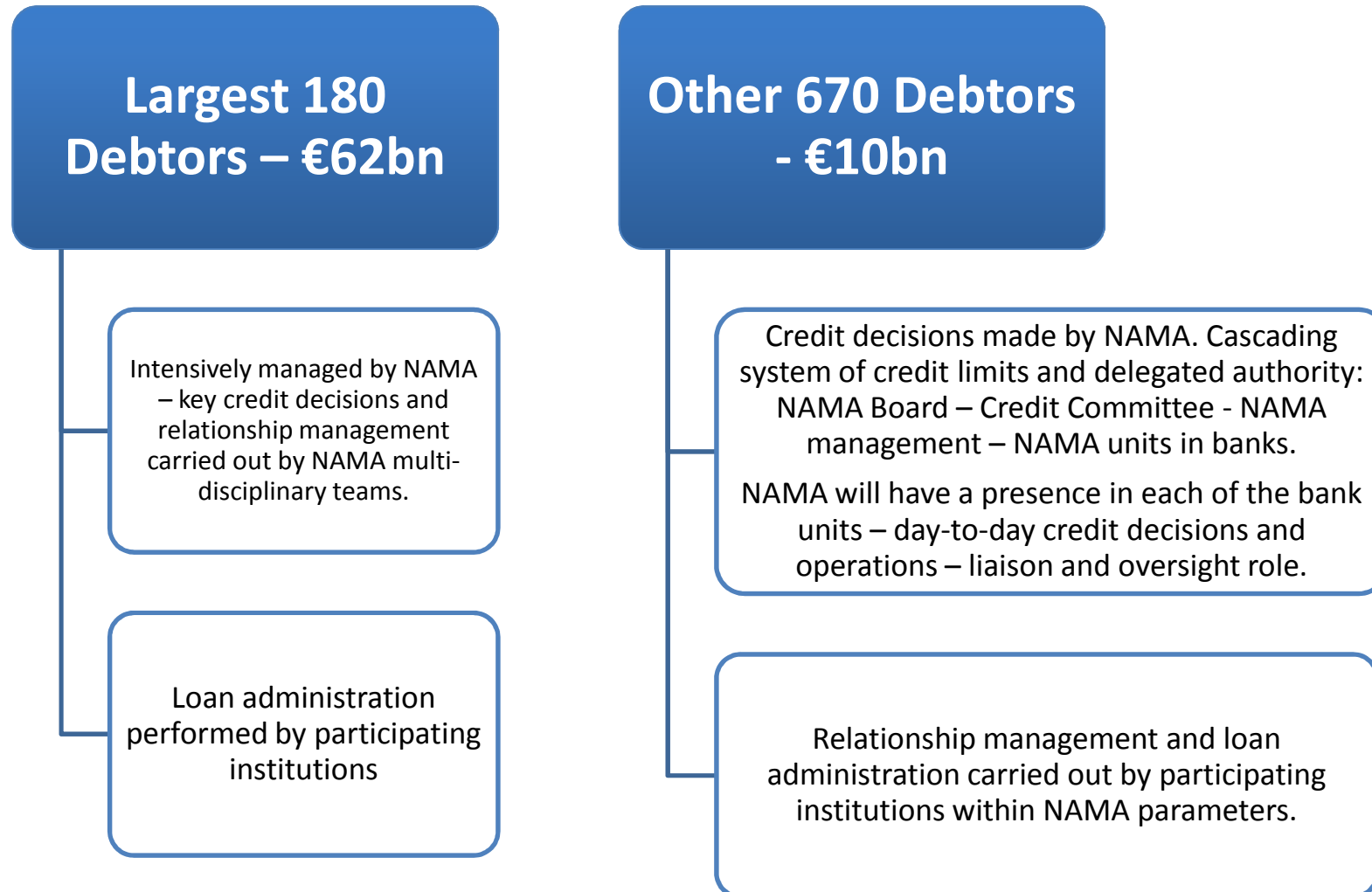
| Jurisdiction | Total Assets € bn | Land and Development (L&D) € bn | Percent of Total (L&D) | Investment (Inv) €bn | Percent of Total (Inv) |
|----------------------|----------------------|------------------------------------|------------------------------|-------------------------|------------------------------|
| Ireland (61%) | 17.9 | 8.2 | | 9.7 | |
| UK and NI (32%) | 9.4 | 3.2 | | 6.2 | |
| USA & Europe (7%) | 2.1 | 0.6 | | 1.5 | |
| Total | 29.4 | 12.0 | 41% | 17.4 | 59% |

| Country | Ex UK\Ireland €bn |
|---|----------------------|
| Germany | |
| USA | |
| Portugal | |
| France | |
| Czech Republic | |
| Belgium | |
| Spain | |
| Poland/Hungary/Malta/Italy/South Africa | |
| Total Non UK & Ireland | €2.1bn |

Sector Concentration by assigned CMV (Tranches 1-4) - €47 bn nominal\ €21.4 bn NAMA debt – fully due diligenced



Debtor Engagement





National Asset Management Agency

2010 Financial Results

Income Statement

| | | Audited 2010 €m |
|---|--|--------------------|
| Interest income | | 525 |
| Interest expense | | (179) |
| Net interest income | | 346 |
| | | |
| Derivatives MTM movement | | (17) |
| Administration expenses | | (46) |
| Foreign exchange (losses)/ gains | | 22 |
| Operating profit before Impairment | | 305 |
| Impairment charge | | (1,485) |

Balance Sheet



| Assets | | Audited 2010 €m | |
|-------------------------------|--|--------------------|-------------------|
| Cash | | 837 | |
| Investments | | - | |
| Derivative Assets | | 499 | |
| Loans and receivables | | 27,951 | Net of impairment |
| Other | | 368 | |
| Total Assets | | 29,655 | |
| Liabilities | | | |
| Derivative Liabilities | | 174 | |
| Debt (NAMA Senior Bonds) | | 28,650 | |
| Other | | 427 | |
| Total Liabilities | | 29,255 | |
| Equity | | | |
| NAMA Subordinated bonds | | 1,507 | |
| Retained Reserves/(Losses) | | (1,180) | |
| Derivative gains/(losses) | | 77 | |
| Equity and Liabilities | | 29,655 | |

Cash Flow Statement 2010

| | | Audited 2010 €m |
|--|--|--------------------|
| Receipts from borrowers | | 1,014 |
| Funds advanced to borrowers post acquisition | | (240) |
| Derivative cashflow | | 46 |
| Payments to suppliers of services | | (49) |
| Interest paid | | (31) |
| | | 740 |
| Funding / Borrowing | | 350 |
| Repayment of loans to Minister for Finance | | (250) |
| Repayment of senior bonds | | - |
| Other | | (3) |
| Total cash at end of 2010 | | 837 |

NAMA - Strategy

- NAMA will provide equity capital and credit facilities where appropriate. New money is a scarce resource – advanced only where it makes commercial sense and either protects or enhances NAMA's financial position.
- NAMA will support development to realise full value of asset - **€900m** of working and development capital approved advances from 1 March 2010 to 30 June 2011.

Asset disposal – orderly and phased;

No fire sales but no speculative hoarding either;

NAMA and Debtor debt reduction targets as per table.

Government & Troika target is for NAMA to generate **€7.5 bn of cash by end 2013 – 25% debt repayment**

| Year | % to be Repaid |
|-------------|----------------|
| 2013 | 25% |
| 2015 | 40% |
| 2017 | 80% |
| 2018 | 90% |
| 2019 | 100% |

NAMA Cashflows

NAMA is self financing:

NAMA has generated cash of **€2.6 billion** in 15 months to 30 June 2011. NAMA has used this cash as follows:

| | |
|-----------------------------|---|
| Repay Debt & interest | €1.0 bn (€750M Senior Bonds redeemed by 30/6/2011) |
| Working\Development Capital | €0.4 bn (Cash drawn down) |
| Operating Expenses | €0.1 bn (1/3 rd of this is paid to banks for their 500 staff employed who administer the loans for NAMA) |

NAMA maintains cash balances of €1.1 billion at end June 2011 – important for ensuring that no fire sales occur at poor prices that will cost the taxpayer and also NAMA has to maintain cash on hand for working \development capital for protecting and\or enhancing NAMA assets.

Credit Decisions and Payment Activity (to end June 2011)



| Approved Asset Sales (€m) | Total |
|-----------------------------------|-----------------|
| 2010 | 1.9 bn |
| 2011 YTD | 2.0 bn |
| Total Asset Sales Approved | € 3.9 bn |

| Approved Credit Advances (€m) | | | Total |
|---------------------------------------|--|--|-----------------|
| 2010 | | | 0.5 bn |
| 2011 YTD | | | 0.4 bn |
| Total Credit Advances Approved | | | € 0.9 bn |

| Insolvency Appointments (number) | Approved | Declined | Total |
|---|-----------------|-----------------|--------------|
| 2010 | 30 | 21 | 51 |
| 2011 YTD | 43 | 12 | 55 |
| Total Appointments Proposed | 73 | 33 | 106 |

Receivership website launched today on www.nama.ie

Lists all properties in Receivership\administration as at 30 June 2011

Details of 847 properties and receivers\administrators

68% ROI

9% NI

23% UK



National Asset Management Agency

Appendices

Income Statement - Notes

| Interest Income | | Audited 2010 €m |
|----------------------------|--|----------------------------|
| Loans to customers | | 448 |
| Derivative interest income | | 75 |
| Bank and other interest | | 2 |
| Total | | 525 |

| Interest Expense | | Audited 2010 €m |
|-----------------------------------|--|----------------------------|
| Bond interest | | 99 |
| Derivative interest expense | | 35 |
| Hedge Derivative interest expense | | 44 |
| Loans and borrowings | | 1 |
| Total | | 179 |

Income Statement - Notes

| Gains/ (Losses) on derivatives | | Audited 2010 €m |
|--|--|--------------------|
| MTM Gain/(loss) on derivatives to hedge | | (48) |
| MTM (Loss)/Gain on acquired borrower derivatives | | 31 |
| Total | | (17) |

Income Statement - Notes

| Administration expenses (Note 8 page 79) | | Audited 2010 €m |
|--|--|--------------------|
| NTMA Reimbursed Costs | | 15 |
| Fees paid to Participating Institutions and Capita to administer the loans | | 15 |
| Legal and tax fees | | 4 |
| Finance advisory fees | | 5.2 |
| Audit fees | | 1.2 |
| Board & Committee fees | | 0.6 |
| Portfolio fees | | 5 |
| Total | | 46 |

Breakdown of Loans and Receivables

| | Anglo €m | AIB €m | BOI €m | EBS €m | INBS €m | Total €m |
|------------------------------------|-------------|-----------|-----------|-----------|------------|---------------|
| Loans acquired in 2010 | 12,732 | 8,374 | 5,377 | 331 | 3,042 | 29,856 |
| Loan movement in 2010 | | | | | | (1,905) |
| Balance at 31 December 2010 | | | | | | 27,951 |
| | | | | | | |

Breakdown of Bonds issued by PI – 31/12/2010

| | Anglo €m | AIB €m | BOI €m | EBS €m | INBS €m | Total €m |
|---|-------------|-----------|-----------|-----------|------------|---------------|
| Total | 12,920 | 8,459 | 5,404 | 331 | 3,043 | 30,157 |
| Total senior and subordinated bonds in issue | | | | | | 30,157 |
| <i>Breakdown as follows:</i> | | | | | | |
| Senior bonds (NAMA repaid €250m on 2 March 2011) | | | | | | 28,650 |
| Subordinated bonds | | | | | | 1,507 |
| Balance at 31 December 2010 | | | | | | 30,157 |