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NAMA commences loan transfers from Participating Institutions

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30 March 2010 – The National Asset Management Agency (NAMA) will acquire over 1,200 individual loans with a nominal value of €16 billion for a consideration of €8.5 billion, representing an average discount of 47%. It completed the transfer of the initial tranche of loans from Irish Nationwide Building Society and EBS Building Society on 29th March. The Agency will transfer the first batch of loans from Bank of Ireland on Friday next, 2nd April and expects to complete the acquisition of the first tranche of loans from the two remaining participating institutions – Allied Irish Banks Plc and Anglo Irish Bank – by early April.

NAMA expects to complete the transfer of the remaining loans from all five institutions by the end of the year and no later than end February 2011, the deadline set by the EU Commission. In total, the Agency anticipates that it will purchase €81 billion of loans.

Details of the first tranche of loans acquired or about to be acquired by NAMA from each institution are set out below (figures are rounded):

<Participating Institution	Book value of loans acquired	Value of securities exchanged for loans	Discount	Discount
Allied Irish Banks Plc	€3.29 billion	€1.88 billion	€1.41 billion	43%
Anglo Irish Bank (latest estimates)	€10.0 billion	€5.0 billion	€5.0 billion	50%
Bank of Ireland	€1.93 billion	€1.26 billion	€670 million	35%
Irish Nationwide Building Society	€670 million	€280 million	€390 million	58%
EBS Building Society	€140 million	€90 million	€50 million	37%
Total	€16 billion	€8.5 billion	€7.5 billion	47%

The loans can also be analysed by geography and by type of underlying asset as follows:

Location	Value of securities exchanged for loans
Republic of Ireland	€4.9 billion

Location	Value of securities exchanged for loans
Northern Ireland	€0.0 billion
Britain	€3.2 billion
Other	€0.4 billion
Total	€8.5 billion

Type of underlying asset	Value of securities exchanged for loans
Investment property	€5.5 billion
Land (including development less than 30% completed)	€1.3 billion
Hotels	€0.8 billion
Development (greater than 30% completed)	€0.5 billion
Residential property for resale	€0.4 billion
Total	€8.5 billion

Speaking today, Frank Daly, Chairman of NAMA, said: "NAMA is a key element in resolving the difficulties of the Irish banking sector. Thanks to the considerable effort, dedication and skill of all involved in NAMA, the loan transfers have commenced within a month of EU approval. The Board of NAMA's guiding principle to date has been to safeguard the interests of taxpayers by taking a scrupulously objective view of the value of the underlying assets and the security attaching to each and every loan. We will remain resolutely focused on taxpayers' interests as our work continues in the months ahead."

Brendan McDonagh, Chief Executive of NAMA said: "Our sole focus at NAMA is to bring proper and disciplined management to these loans and borrowers with the aim of achieving the best possible return and to protect the interests of the taxpayer. We will assess each borrower's viability rigorously over the coming months as part of the business plan review process which will be a new start for all the parties involved. NAMA is willing to engage with an open mind to our acquired clients but I wish to reiterate that we require full disclosure of all material information and we will not waste time with borrowers who do not wish to cooperate."

McDonagh added that borrowers whose loans have been acquired by NAMA will be required to submit a comprehensive business plan in accordance with NAMA's template within 1 month outlining how they propose to honour their loan commitments. Where these plans are approved by NAMA, it will monitor the borrower's subsequent performance to ensure they adhere to the targets contained in the approved business plans. Where these plans are not approved or not received, NAMA will take whatever actions it considers necessary to protect the interests of the taxpayer.

Special Purpose Vehicle Investors

NAMA has secured a combined investment of €51m from three institutions (€17m each) for a 51% shareholding in National Asset Management Agency Investment Ltd, the NAMA Special Purpose Vehicle. The investors are Irish Life Assurance, New Ireland and major pension and institutional clients of AIB Investment Managers (AIBIM). NAMA will hold the remaining 49% but will have a veto over all decisions that are not in accordance with the objectives of NAMA as specified under the NAMA Act.

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