



**National Asset
Management Agency**

**NAMA QUARTERLY REPORT
and ACCOUNTS
(Section 55 NAMA Act 2009)
31 December 2023**

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28 March 2024

Mr. Michael McGrath T.D.,
 Minister for Finance,
 Department of Finance,
 Upper Merrion Street,
 Dublin 2.

Section 55 Quarterly Report and Accounts - NAMA Act 2009

Dear Minister,

Please find attached the Quarterly Report and Accounts for the fourth quarter of 2023 ('Q4 Report') which are submitted to you pursuant to Section 55 of the NAMA Act 2009 ('the Act'). In accordance with the Act, the Q4 Report deals with the National Asset Management Agency (NAMA) and the entities within the NAMA Group.

To assist in your review of the Q4 2023 Report, we also present for your information Financial Highlights and Key Performance Indicators for Full Year 2023, with Full Year 2022 information as a comparative.

Financial Highlights	Full year 2023 €m	Full year 2022 €m	Inception to 31 Dec 2023 €m
Total cash generated	319	492	47,714
Cash proceeds from property collateral and loan sales	271	404	41,109
Non-disposal cash receipts	48	88	6,605
Transfer of Surplus to the Exchequer	350	500	3,850
Cash and cash equivalents and Exchequer Notes	306	511	
Debtor loans measured at fair value through profit or loss	449	527	
Operating profit before tax	73	84	
Tax	(5)	(3)	
Profit for the period after tax	68	81	

NAMA is on target to conclude its work by the end of 2025 through a phased and orderly wind down. In this context the Board continues to monitor economic and financial developments and their impact on NAMA's financial position. From NAMA's perspective, the uncertain economic environment may impinge on asset values, defer asset/loan sale transactions, and delay debtor exits, all of which may impact the projected return to the Exchequer and the pace at which NAMA's portfolio is resolved. NAMA is currently taking commercial and operational steps to ensure the orderly dissolution of the Agency by end-2025. NAMA has also commenced engagement with the National Treasury Management Agency on the establishment of the resolution unit to manage residual NAMA activity from 2026. In tandem, preparations have commenced for the transfer of any residual assets and liabilities of IBRC (in special liquidation) to NAMA at end-2024.



Key Performance Indicators

1. Cash generation

Cash generation is a measure of the progress being made by NAMA in meeting its stated objectives. NAMA generates cash through disposals of secured assets and loans, and the receipt of non-disposal income.

NAMA generated €149m in cash in the quarter ended 31 December 2023 and generated a further €35m in cash in the period from 1 January 2024 to 22 March 2024, bringing cumulative cash generated since inception to €47.7bn. Cash and cash equivalent balances and Exchequer Notes held as at 31 December 2023 were €306m.

2. Trading position

NAMA recorded a profit after tax of €68m (subject to final accounting close processes) for the year ended 31 December 2023 (2022: €81m).

3. Transfer of Surplus to the Exchequer

NAMA completed a surplus payment of €350 million to the Exchequer on 21 December 2023. The Agency has now transferred a cumulative €4.25 billion cash to the Exchequer; €3.85 billion from its lifetime surplus and over €400 million in corporation tax payments. NAMA's continued strong performance has enabled the Board to revise upward the projected lifetime surplus from €4.5 billion to €4.8 billion. Accordingly, NAMA's lifetime contribution to the Exchequer, between the projected surplus of €4.8 billion and projected corporation tax payments, will be in the region of €5.2 billion.

4. Residential Delivery

NAMA works with its remaining debtors/receivers to facilitate delivery of new homes from approved funding, subject to commercial viability. Since 2014, NAMA has facilitated the delivery of 36,258 new homes. Of these, 14,269 were directly funded by NAMA either by advancing development funding to debtors and receivers or by facilitating development via licence agreement or joint venture. A further 21,989 have been delivered on former NAMA-secured sites which benefitted from asset management and/or funding prior to their sale or refinance by their debtor or receivers. In 2024, 51 residential units have been directly delivered by NAMA; a further 392 units are under construction or have funding approved for construction.

NAMA's focus is on the asset management of its remaining residential land portfolio, to both prepare sites for future development and to optimise realisable value in accordance with our commercial mandate. NAMA's remaining secured residential-zoned landbank is estimated to have the potential to deliver circa 14,280 new homes in the medium to long term:

- 3,140 units that have been granted planning permission and will be sold or refinanced by debtors;
- 4,200 units in the planning system (3,220 units with planning applications lodged or subject to judicial review and 980 units with planning applications being prepared);
- 6,740 units on long-term residential zoned land on which NAMA is funding pre-planning and feasibility work; and
- 200 units on unzoned land with long term residential development potential.

Most of these new 14,280 homes will not be delivered within NAMA's remaining lifetime so NAMA's objective is to maximise the number of sites that are ready for future development through the achievement of suitable planning



permissions and to asset manage sites with longer term development potential. It should be noted that the development of some of these sites is currently inhibited by one or more constraints including lack of commercial viability, inadequate infrastructure (roads, water, utilities, waste, etc.) or unsuitable planning permission.

5. Dublin Docklands

In 2014, the NAMA Board set an objective to facilitate the delivery of grade A office accommodation in the Dublin Docklands SDZ. NAMA originally held an interest in 75% of the developable land in the Dublin Docklands SDZ and was instrumental in driving and facilitating the development of the area. 99% of NAMA's original interests in the Docklands SDZ have now been completed or sold. The remaining 1% relates to NAMA's leasehold interest in a site where Waterways Ireland have the freehold interest. The projects in which NAMA originally had an interest will deliver over 4.2 million square feet of commercial space and 2,183 residential units.

6. Social housing

Up to December 2023, NAMA had identified 7,653 residential units as potentially suitable for social housing from its secured portfolio and offered these to local authorities/approved housing bodies. Many of these units were not required at the time, deemed unsuitable or unviable, subsequently became unavailable or are still under consideration. 2,997 social housing homes have been delivered or committed by NAMA (either directly or indirectly through receivers and borrowers), excluding those delivered under Part V arrangements on NAMA-funded residential developments.

We trust this Q4 Report meets the requirements of Section 55 of the Act and any specific direction or guidelines issued by you as Minister for Finance. If you have any queries in this regard, please do not hesitate to contact us.

Yours sincerely,

Aidan Williams
Chairman

Brendan
McDonagh

Digitally signed by
Brendan McDonagh
Date: 2024.03.28
09:08:10 Z

Brendan McDonagh
Chief Executive Officer



Unaudited Consolidated Accounts of the National Asset Management Agency

For the quarter ended 31 December 2023

National Asset Management Agency Group

Quarter to 31 December 2023

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Board and other information

Board

Aidan Williams (Chairman)
Brendan McDonagh, Chief Executive Officer NAMA¹
Frank O'Connor, Chief Executive Officer NTMA¹
Sinead Curry (non-executive)
Mari Hurley (non-executive)
Eileen Maher (non-executive)
Davina Saint (non-executive)
Charlotte Sheridan (non-executive)
Michael Wall (non-executive)

Office

Treasury Dock
North Wall Quay
Dublin 1
D01 A9T8

Principal Bankers

Central Bank of Ireland
North Wall Quay
Dublin 1
D01 F7X3

Citibank
North Wall Quay
Dublin 1
D01 T8Y1

Allied Irish Banks, p.l.c.
Baggot Street Lower
Dublin 2
D02 X342

¹ The Chief Executives of the NTMA and NAMA are ex-officio Board members of NAMA.

General information

The National Asset Management Agency (NAMA) was established by the Minister for Finance in November 2009. NAMA is a separate statutory body, with its own Board and Chief Executive Officer, and operates in accordance with the National Asset Management Agency Act 2009 (the Act).

Under Section 10 of the Act, NAMA's purposes are to contribute to the achievement of the purposes of the Act by:

- (a) acquiring bank assets from the Participating Institutions;
- (b) dealing expeditiously with the acquired assets;
- (c) protecting and enhancing the value of assets acquired by it in the interests of the State.

Group structure

In accordance with the Act and to achieve its objectives, the Agency has set up certain special purpose vehicles (SPVs). These are designated as NAMA Group entities within the meaning of Section 4 of the Act. The relationship between the NAMA Group entities is summarised in Chart 1.

Prior to its dissolution on 20 August 2023, NALHL (in Voluntary Liquidation) had been placed into liquidation by its members on 18 December 2014. As the liquidator had assumed the rights of the shareholder and controlled NALHL (in Voluntary Liquidation) it was not consolidated into the results of the NAMA Group.

The SPVs established are as follows:

National Asset Management Agency Investment D.A.C. (NAMAI)

NAMAI was incorporated on 27 January 2010. NAMAI is the company through which private investors had invested in the NAMA Group prior to their exit on 26 May 2020. From this date, NAMA held a 100% shareholding in NAMAI. During 2021, NAMAI advanced a loan to a project in which NAMA has an economic interest. On 29 June 2023, NAMA sold this loan as part of NAMA's process of disposing of its economic interest in the project.

National Asset Management D.A.C. (NAM)

NAM was incorporated on 27 January 2010. NAM was responsible for issuing the government guaranteed debt instruments and the subordinated debt, which were used as consideration in acquiring loan assets. The government guaranteed debt securities issued by NAM were listed on the Irish Stock Exchange prior to their full redemption in 2017. By March 2020, all the subordinated debt had been fully redeemed.

After NAM was incorporated, the government guaranteed debt instruments and the subordinated debt instruments were transferred to National Asset Management Group Services D.A.C. (NAMGS) and by NAMGS to National Asset Loan Management D.A.C. (NALM). The latter used these debt instruments as part consideration for the loan assets acquired from the Participating Institutions.

NAM had six subsidiaries during the quarter and at the reporting date.

NAMGS

NAMGS was incorporated on 27 January 2010. NAMGS acquired certain debt instruments issued by NAM under a profit participating loan (PPL) agreement, and in turn, made these debt instruments available to NALM on similar terms. NAMGS is wholly owned by NAM.

NAMGS acts as the holding company for its five subsidiaries as at the reporting date: NALM, National Asset JVA D.A.C. (NAJVA), National Asset Property Management D.A.C. (NAPM), National Asset North Quays D.A.C. (NANQ) and National Asset Residential Property Services D.A.C. (NARPS). On 3 April 2023, National Asset Management Services D.A.C. (NAMS) was officially struck off the Companies Register at NAMA's behest. NALHL was dissolved on 20 August 2023.

NAMGS recognised a 20% equity investment in Pembroke Ventures D.A.C. (PV) from 4 June 2021. On 29 June 2023, NAMGS sold its 20% equity investment in PV.

NALM

NALM was incorporated on 27 January 2010. The purpose of NALM is to acquire, hold, and manage the loan assets acquired from the Participating Institutions.

NALM has one subsidiary, NANQ.

NANQ

NANQ was incorporated on 8 April 2015. NANQ is a 100% wholly owned subsidiary of NALM and was established to hold the freehold lands acquired by NAMA at 72-80 North Wall Quay, Dublin 1 in February 2015 and to receive proceeds from a secure income stream from the lands in the form of a licence fee. The licence was granted to a third party for a period of six years to enable the development of the site for long-term commercial benefit. In addition to the secure income stream, a fixed percentage of rents and a percentage of sales proceeds of any completed development built on the lands was due to NANQ. This development is now complete. NANQ is dormant since 2 June 2023 when its remaining interests were disposed of. The future of NANQ is currently being considered by the Directors of NANQ.

NAJV A

On 4 July 2013, NAMA established a subsidiary, NAJV A. NAJV A is a wholly owned subsidiary of NAMGS. NAMA entered an arrangement with a consortium whereby a 20% interest in a limited partnership was acquired and NAJV A was established to facilitate this transaction. Since its incorporation, NAJV A has invested in other arrangements with third parties where it has taken a minority, non-controlling equity interest in an investee to facilitate the delivery of commercial and residential real estate.

NAPM

NAPM was incorporated on 27 January 2010. The purpose of NAPM is to take direct ownership of certain property assets if and when required.

NAPM had one subsidiary during the quarter and at the reporting date, NARPS. NALHL was dissolved on 20 August 2023 and ceased to be an NAPM subsidiary on that date.

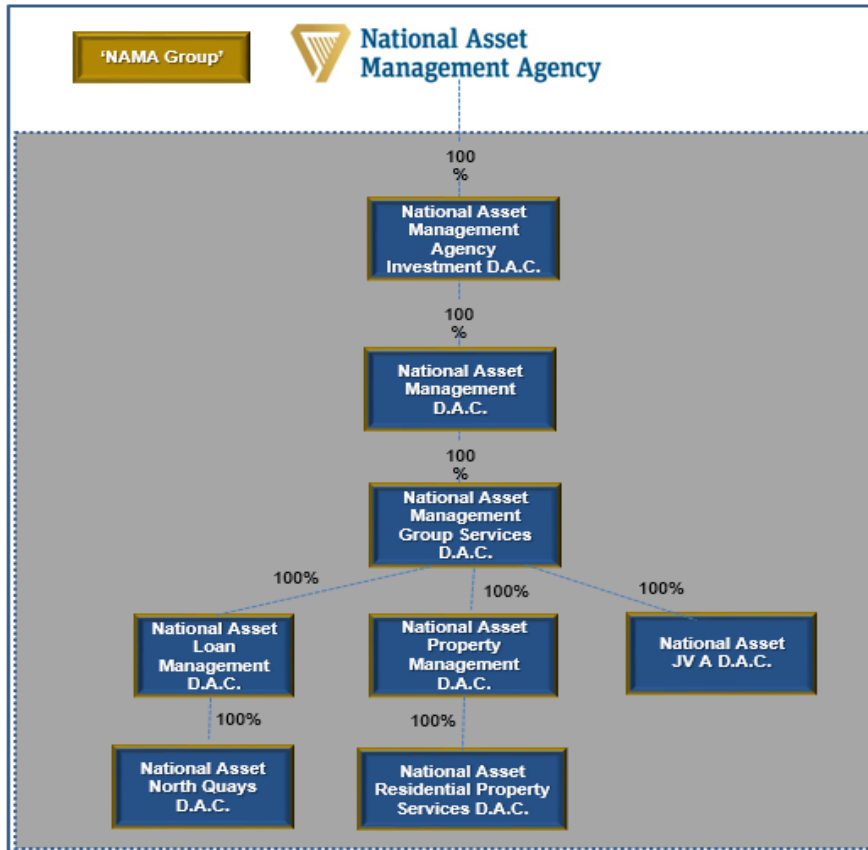
NARPS

On 18 July 2012 NAMA established a subsidiary NARPS. NARPS is a wholly owned subsidiary of NAPM and was established to acquire residential properties and to lease and ultimately sell these properties to approved housing bodies and/or local authorities for social housing purposes. In September 2019, the Minister for Finance issued a direction to NAMA to retain ownership of NARPS. Under the Government's housing strategy, "Housing for All", it is proposed that NARPS will transfer to the Land Development Agency ('LDA') from NAMA. As part of the agreed transfer process, the transfer will be at the NAMA valuation and will form part of the NAMA lifetime surplus contribution to the Irish State. At the reporting date, the proposed transfer has yet to complete. There is a requirement for appropriate legislative changes to the LDA Act to facilitate the proposed transfer from the Minister for Finance to the LDA. There is no impediment to NAMA transferring NARPS to the Minister for Finance, the first step in the agreed transfer process.

A total of 2,997 (2022: 2,872) residential properties were delivered to the social housing sector by NAMA debtors from inception to the reporting date, of which 2,799 (2022: 2,693) were completed and contracts on a further 198 (2022: 179) properties (for direct sale) were exchanged by the reporting date. Completed units delivered since inception include the direct sale of 1,338 (2022: 1,232) properties by NAMA debtors and receivers to various approved housing bodies and/or local authorities, the direct leasing of 89 (2022: 89) properties by NAMA debtors and receivers and the acquisition by NARPS of 1,372 (2022: 1,372) properties for lease to approved housing bodies. During the period no properties (2022:nil) were sold by NARPS and at the reporting date 1,366 of 1,372 acquired properties are held. These figures do not include those units delivered under Part V arrangements on residential developments funded by NAMA.

The address of the registered office of each company at the reporting date is Treasury Dock, North Wall Quay, Dublin 1. Each company is incorporated and domiciled in the Republic of Ireland.

Chart 1 NAMA Group entities as at 31 December 2023



Quarterly financial information

In accordance with Section 55 of the Act, NAMA is required every three months to report to the Minister on its activities and the activities of each NAMA Group entity, referred to in the Act as the 'quarterly report' or 'the accounts'. Section 55 of the Act sets out certain financial and other information to be provided in each quarterly report.

The financial statements present the consolidated results of the NAMA Group for the quarter ended 31 December 2023. For the purposes of these accounts, the 'NAMA Group' comprises the results of all entities presented in Chart 1.

The financial information for all entities is presented showing items of income and expenditure for the quarter from 1 October 2023 to 31 December 2023 and for the year ended 31 December 2023.

The statement of financial position is presented as at 31 December 2023 and 30 September 2023. The cash flow statement for the NAMA Group is presented for all cash movements for the quarter from 1 October 2023 to 31 December 2023 and the year ended 31 December 2023.

The income statement and statement of financial position for each NAMA Group Entity are provided on pages 25 to 28.

Consolidated Income Statement
For the year from 1 January 2023 to 31 December 2023

		For the quarter from 1 Oct 2023 to 31 Dec 2023	For the year from 1 Jan 2023 to 31 Dec 2023
	Note	€'000	€'000
Net gains on debtor loans measured at FVTPL	3	36,593	86,776
Net gains on investment properties	4	975	624
Interest income	5	4,527	15,539
Interest and similar expense	6	-	(1)
Other income	7	2,738	14,980
Profit/(loss) on disposal and refinancing of loans	8	284	(9,623)
Profit on disposal of property assets	9	-	72
Total operating income		45,117	108,367
Administration expenses	10	(8,205)	(35,324)
Foreign exchange gains	11	55	153
Operating profit		36,967	73,196
Tax charge	12	(4,278)	(4,968)
Profit for the quarter/year		32,689	68,228

The accompanying notes 1 to 22 form an integral part of these accounts.

Consolidated Statement of Financial Position
As at 31 December 2023

	Note	31 Dec 2023 €'000	30 Sep 2023 €'000
Assets			
Cash and cash equivalents	13	305,501	83,943
Exchequer Notes	13	-	467,586
Debtor loans measured at FVTPL	14	449,207	511,183
Other assets	15	8,543	18,584
Investments in equity instruments	18	15,579	17,094
Inventories - trading properties	16	100	100
Investment properties	17	326,000	325,000
Total assets		1,104,930	1,423,490
Liabilities			
Other liabilities	20	23,806	24,806
Tax payable	21	431	524
Deferred tax	19	2,219	2,375
Total liabilities		26,456	27,705
Equity			
Retained earnings	22	1,078,474	1,395,785
Total equity		1,078,474	1,395,785
Total equity and liabilities		1,104,930	1,423,490

The accompanying notes 1 to 22 form an integral part of these accounts.

Consolidated Statement of Cash Flows
For the year from 1 January 2023 to 31 December 2023

	For the quarter from 1 Oct 2023 to 31 Dec 2023 €'000	For the year from 1 Jan 2023 to 31 Dec 2023 €'000
Cash flows from operating activities		
Debtor Loans		
Receipts from loans	142,860	301,105
Funds advanced to borrowers	(44,571)	(146,371)
Net cash provided by debtor loans	98,289	154,734
Foreign Currency Spots		
Cash inflow on foreign currency spots	2,768	13,543
Cash outflow on foreign currency spots	(2,771)	(13,540)
Net cash (used in)/provided by foreign currency spots	(3)	3
Other operating cashflows		
Payments to suppliers of services	(8,656)	(40,582)
Tax paid	(459)	(659)
Interest received on cash and cash equivalents	1,375	3,354
Funds received on disposal of properties	-	88
Rental income received	4,729	16,351
Transfer of surplus to the Exchequer	(350,000)	(350,000)
Net cash used in other operating activities	(353,011)	(371,448)
Net cash used in operating activities	(254,725)	(216,711)
Cash flows from investing activities		
Distributions received from equity instruments	110	433
Funds paid to acquire Exchequer Notes	-	(703,128)
Funds received on maturity of Exchequer notes	467,586	703,128
Interest received on Exchequer Notes	8,884	11,612
Net cash provided by investing activities	476,580	12,045
Cash flows from financing activities		
Payment of lease liabilities	(296)	(1,185)
Net cash used in financing activities	(296)	(1,185)
Cash and cash equivalents at the beginning of the quarter/year	83,943	511,318
Net cash used in operating activities	(254,725)	(216,711)
Net cash provided by investing activities	476,580	12,045
Net cash used in financing activities	(296)	(1,185)
Effects of exchange-rate changes on cash and cash equivalents	(1)	34
Cash and cash equivalents at the end of the reporting quarter/year	305,501	305,501

1 General Information

For the purposes of these accounts, the 'NAMA Group' comprises the parent entity NAMA (the Agency) and all entities shown in Chart 1 on page 9.

The address of the registered office of each company is Treasury Dock, North Wall Quay, Dublin 1. Each Company is incorporated and domiciled in the Republic of Ireland.

2 Summary of material accounting policies

2.1 Basis of preparation

The Group's consolidated accounts for the period to 31 December 2023 are presented in accordance with its accounting policies for the purposes of complying with the requirements of Section 55 of the Act.

The preparation of these accounts requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Group's accounting policies. Changes in assumptions may have a significant impact on the accounts in the period the assumptions change. Management believes that the underlying assumptions are appropriate and that the Group's accounts therefore present the financial position and results fairly. The Group's principal critical estimates and judgments include determining the fair value of financial instruments, the fair value of investment properties, the carrying value of trading properties and the assessment of control and significant influence in equity instruments.

2.2 Basis of measurement

The consolidated accounts were prepared under the historical cost convention, except for equity instruments, investment properties and debtor loans which were measured at fair value.

The consolidated accounts are presented in euro (or €), which is the Group's presentational currency. The figures shown in the consolidated accounts are stated in (€) thousands.

The consolidated statement of cash flows shows the changes in cash and cash equivalents arising during the period from operating activities, investing activities and financing activities. The cash flows from operating activities are determined using the direct method, whereby major classes of gross cash receipts and gross payments are disclosed.

Cash flows from investing and financing activities are reported on a gross basis. The Group's assignment of the cash flows to operating, investing and financing categories depends on the Group's business model.

In accordance with IAS 1, assets and liabilities are presented in order of liquidity.

2.3 Basis of consolidation

The consolidated financial statements of the Group comprise the financial statements of the parent entity, NAMA and its subsidiaries, with the exception of NALHL (in voluntary liquidation). Consolidation of subsidiaries ceases on the date that the parent loses control of the subsidiary. Income and expenses of a subsidiary are included in the consolidated financial statements until the date that control ceases. The financial statements of the subsidiaries used to prepare the consolidated financial statements were prepared as of the same reporting date as that of the parent.

The Group consolidates all entities which it controls. Control is considered to be achieved when the Group

- has power over the entity;
- is exposed to, or has rights to, variable returns from its involvement with the entity; and
- has the ability to use its power to affect its return.

Investments in subsidiaries are accounted for at cost less impairment. Accounting policies of the subsidiaries and the Agency are consistent with the Group's accounting policies.

Inter-group transactions and balances and gains on transactions between Group companies are eliminated. Inter-group losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred.

2.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

The consolidated financial statements are presented in euro, which is the Group's presentation currency.

(b) Transactions and balances

Transactions denominated, or that require settlement, in a foreign currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Monetary items denominated in foreign currency are translated using the closing rate as at the reporting date. Non-monetary items that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items measured at historical cost denominated in a foreign currency are translated using the exchange rate as at the date of initial recognition.

All foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated income statement.

All foreign exchange gains and losses recognised in the income statement are presented as a separate line item in the consolidated income statement.

2.5 Financial assets

Recognition and initial measurement

The Group recognises financial assets in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument. Financial assets are measured initially at fair value. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit & loss (FVTPL) are recognised immediately in profit or loss. Other than financial assets and financial liabilities at FVTPL, transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets, as appropriate, on initial recognition.

Classification and Subsequent Measurement

Subsequent to initial recognition, a financial asset is classified and subsequently measured at:

- (a) Amortised cost or
- (b) Fair value through other comprehensive income (FVOCI) or
- (c) Fair value through profit & loss (FVTPL).

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

At initial recognition, the Group may irrevocably designate an equity instrument as FVOCI unless it is held for trading. The election to designate an investment in equity instrument at FVOCI is made on an instrument-by-instrument basis. The Group has not designated any equity instrument as FVOCI.

Any financial asset that does not qualify for amortised cost measurement or measurement at FVOCI must be measured subsequent to initial recognition at FVTPL except if it is an investment in an equity instrument designated at FVOCI. The Group may irrevocably elect on initial recognition to designate a financial asset at FVTPL if the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise if the financial asset had been measured at amortised cost or FVOCI.

Contractual cash flows are solely payments of principal and interest assessment

For the purpose of the solely payments of principal and interest "SPPI" assessment, principal is the fair value of the financial asset at initial recognition. However, that principal amount may change over the life of the financial asset. Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as profit margin.

Business Model Assessment

The Group determines the business models at a level that reflects how groups of financial assets are managed to achieve a particular business objective. The Group's business models determine whether cash flows will result from collecting contractual cash flows, selling financial assets or both. The Group considers the following information when making the business model assessment:

- how the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel; and
- the risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way in which those risks are managed.

At initial recognition of a financial asset, the Group determines whether newly recognised financial assets are part of an existing business model or whether they reflect the commencement of a new business model. The Group reassesses its business models each reporting period to determine whether the business models have changed since the preceding period.

(a) Amortised Cost

The Group has classified and measured cash and cash equivalents, Exchequer Notes and other assets at amortised cost less any expected credit loss allowance.

(b) Fair value through profit & loss (FVTPL)

The Group has classified and measured debtor loans at FVTPL on the basis that they are held to realise associated collateral value through on going disposal of loans, property and collateral and where collecting contractual cashflows is incidental. These assets are measured at fair value, with any gains/losses arising on re-measurement recognised in the income statement. Fair value is determined in the manner described in Note 2.20.

Other financial instruments that are classified and measured at FVTPL include equity instruments.

Equity Instruments

An equity instrument is any contract that results in a residual interest in the assets of an entity after deducting all of its liabilities. An equity instrument has no contractual obligation to deliver cash or another financial asset.

Equity instruments are measured at FVTPL. The fair value of these equity instruments is measured based on valuation techniques which consider the value of the Group's claim to the underlying assets of the entity. Changes in fair value are recognised in the income statement as part of other income/(expenses). Equity instruments are separately disclosed in the statement of financial position. Distributions from equity instruments are recognised in the income statements as part of other income/(expenses) at the date they are declared and approved for payment.

2.6 Financial liabilities

The Group recognises financial liabilities in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are measured initially at fair value. The Group classifies and subsequently measures its financial liabilities at amortised cost with any difference between the proceeds net of transaction costs and the redemption value recognised in the income statement using the effective interest method.

Where financial liabilities are classified as FVTPL, gains and losses arising from subsequent changes in fair value are recognised directly in the income statement.

2.7 De-recognition of financial assets and financial liabilities

Financial assets are derecognised when the contractual rights to receive the cash flows from these assets have ceased to exist or the assets have been transferred and substantially all the risks and rewards of ownership of the assets have also been transferred. Financial liabilities are derecognised when they have been redeemed or otherwise extinguished.

2.8 Fair value gains/(losses) on debtor loans at fair value through profit and loss (FVTPL)

Fair value gains/(losses) on debtor loans at FVTPL includes all gains and losses from changes in the fair value of debtor loans at FVTPL. The Group has elected to present the full fair value movement in this line, including the impact of net cash collections in the period.

2.9 Interest income and interest expense

Interest income and interest expense for all interest-bearing financial instruments other than debtor loans at FVTPL are recognised as interest income and interest expense in the income statement using the effective interest (EIR) method.

The EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of a financial asset or the amortised cost of the financial liability.

When calculating the effective interest rate for financial instruments other than impaired assets, the Group estimates future cash flows considering all contractual terms of the financial instrument, but not expected credit losses. For purchased or originated impaired financial assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows including expected credit losses.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the financial asset except for impaired financial assets or to the amortised cost of the financial liability. For financial assets that have become impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer impaired, then the calculation of interest income reverts to the gross basis. For financial assets that were impaired on initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the amortised cost of the asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

2.10 Profit/(loss) on the disposal and refinancing of loans

Profits and losses on the disposal and refinancing of loans are calculated as the difference between the carrying value of the loans and the contractual sales price at the date of sale, less related loan sale costs. The contractual sales price includes any deferred consideration where NAMA has the contractual right to receive any deferred cash flow. Profits and losses on the disposal and refinancing of loans are recognised in the income statement when the transaction occurs. In a small number of instances, when an individual loan account is sold, the profit/loss on disposal is only recognised when the entire connection/loan pack related to that account is sold.

2.11 Impairment of financial assets

The Group assesses, on a regular basis, the impairment of financial assets measured at amortised cost on an expected credit loss (ECL) basis. The measurement of ECL is based on a three-stage approach:

Stage 1: where financial instruments have not had a significant increase in credit risk since initial recognition, a provision for 12-month ECL is recognised, being the ECL that result from default events that are possible within 12 months of the reporting date;

Stage 2: where financial instruments have had a significant increase in credit risk since initial recognition but does not have objective evidence of impairment, a lifetime ECL is recognised, being the ECL that result from all possible default events possible over the lifetime of the financial asset;

Stage 3: where financial assets show objective evidence of impairment, a lifetime ECL is recognised.

There are a variety of approaches that could be used to assess whether the credit risk on a financial instrument has increased significantly since initial recognition. In some cases, detailed quantitative information about the probability of default of a financial instrument or formal credit rating will be available which is used to compare changes in credit risk. The Group monitors financial assets that are subject to impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition on a regular basis.

The measurement of the loss allowance is based on the present value of the applicable financial assets expected cash flows using the financial asset's effective interest rate.

2.12 Impairment of non-financial assets

The carrying amount of the Group's non-financial assets is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell.

In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. An impairment loss is recognised in the income statement if the carrying amount exceeds its recoverable amount.

2.13 Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash equivalents include Short-Term Exchequer Notes held through the NTMA where time to maturity on the date of acquisition is three months or less.

2.14 Inventories - trading properties

Trading properties include property assets which are held for resale in accordance with IAS 2 Inventories. They are recognised initially on the statement of financial position at the point at which the purchase contract has been signed with the vendor. Subsequent to initial recognition, trading properties are stated at the lower of cost and net realisable value. Costs are determined on the basis of specific identification of individual costs relating to each asset. Net realisable value ('NRV') represents the estimated selling price for properties less all estimated costs of completion and costs necessary to make the sale. Revisions to the carrying value of trading properties are recognised in the income statement.

Profits and losses on the disposal of trading properties are recognised in the income statement when the transaction occurs.

2.15 Investment Properties

Investment properties are initially measured at cost at the point at which the contract has been signed and subsequently at fair value with any change recognised in the income statement. Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount) is recognised in the income statement when the transaction occurs. Rental income from investment properties is recognised in the income statement.

2.16 Taxation

Tax comprises current and deferred tax. Tax is recognised in the income statement..

(a) Current tax

Current tax is the expected tax payable on the taxable income for the financial year using tax rates enacted or substantively enacted at the reporting date and any adjustment to tax payable in respect of previous years.

Current tax payable on profits, based on the applicable tax law in the relevant jurisdiction, is recognised as an expense in the period in which the profits arise.

The tax effects of current tax losses available for carry forward are recognised as an asset when it is probable that future taxable profits will be available against which these losses are utilised.

An entity shall offset current tax assets and current tax liabilities if, and only if, the entity has a legally enforceable right to set off the recognised amounts: and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(b) Deferred tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantially enacted by the date of the statement of financial position and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised when it is probable that future taxable profit will be available against which these temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax liabilities and when the deferred tax assets and liabilities relate to taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

The Group assesses, on an annual basis only, the deferred tax relating to unutilised tax losses.

2.17 Provisions, contingent assets and liabilities

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period.

Contingent liabilities

A contingent liability is a possible obligation depending on whether some uncertain future events occurs, or a present obligation but payment is not probable, or the amount cannot be measured reliably. Contingent liabilities are not recognised by the Group but are disclosed unless the probability of their occurrence is remote.

Contingent assets

Contingent assets are not recognised by the Group but are disclosed where an inflow of economic benefits is probable. If the realisation of income becomes virtually certain then the related asset is recognised.

Contingent assets and liabilities are assessed continually to ensure that they are appropriately reflected in the financial statements.

2.18 Exchequer Notes

Exchequer Notes are liquid, interest bearing notes held through the NTMA where time to maturity on date of acquisition is greater than three months. Exchequer Notes are recognised in the statement of financial position. Any interest payable or receivable on Exchequer Notes is recorded in interest expense or interest income respectively.

2.19 Leases

As lessee

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. If this arises, the Group recognises a right of use asset and a lease liability at the lease commencement date.

The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any lease incentives received. The right of use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease. The right of use asset is assessed for impairment if there are indicators of impairment and if any is reduced. The right of use asset may be adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate. Lease interest expense is recognised on the lease liability. The lease liability is remeasured when there is a change in future lease payments. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right of use asset.

As lessor

Properties acquired by NARPS for the purposes of social housing are investment properties and are accounted for in line with IAS 40. Rental income arising from operating leases on investment properties is accounted for on a straight line basis over the lease term.

2.20 Determination of fair value

The Group measures fair values in accordance with IFRS 13 which defines fair value as the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date in the principal market, or in its absence, the most advantageous market to which the Group has access at that date, regardless of whether that price is directly observable or estimated using another valuation technique.

Financial instruments are initially recognised at fair value and, with the exception of financial assets at fair value through profit or loss, the initial carrying amount is adjusted for direct and incremental transaction costs. In the normal course of business, the fair value on initial recognition is the transaction price (fair value of consideration given or received).

Subsequent to initial recognition, fair values are determined using valuation techniques. These valuation techniques seek to maximise the use of publically available relevant observable inputs and minimise the use of unobservable inputs. The valuation techniques used incorporate the factors that management believe market participants would take into account in pricing a transaction. Valuation techniques may include the use of recent orderly transactions between market participants, reference to other similar instruments, option pricing models, discounted cash flow analysis and other valuation techniques commonly used by market participants.

Valuation techniques

In the case of debtor loans measured at FVTPL, the fair value of these instruments is determined with input from management and using internally generated valuation models based on selected comparable market data points. The majority of the significant inputs into these models are not readily observable in the market and the inputs are therefore derived from market prices for similar assets or estimated based on certain assumptions. The determination of key inputs used such as the expected future cash flows on the financial asset, stratification of portfolio and the appropriate discount rates applicable require management judgement and estimation. The expected future cash flows represent NAMA's best estimate of expected future cash flows include the disposal of property collateral and other non-disposal related cash flows (such as rental income).

The valuation methodology for debtor loans at FVTPL is to estimate the expected cash flows to be generated by the financial asset and then discount these values back to a present value. The assumptions involved in these valuation techniques include:

- determining suitable stratifications for the portfolio for assets with similar risk characteristics;
- the likelihood and expected timing of future cash flows; and
- selecting an appropriate discount rate for the financial asset or group of financial assets, based on management's assessment of the characteristics of the instrument and relevant market information.

In the case of investment properties, the fair value of these properties is determined by an external, independent property valuer on a regular basis. Outputs from valuers can be subject to management judgement. The valuer utilises the investment method of valuation using the discounted cash flow technique which can include assumptions for the likelihood of purchase options being exercised, exit yields and expected rent cash flows.

The valuation methodology is to calculate the expected cash flows under the terms of each specific contract and then discount these values back to a present value. The assumptions involved in these valuation techniques include:

- the likelihood and expected timing of future cash flows of the instrument. These cash flows are generally governed by the terms of the instrument, although management judgement may be required when the ability of the counterparty to service the instrument in accordance with the contractual terms is in doubt. In addition, future cash flows may also be sensitive to the occurrence of future events, including changes in market rates; and
- selecting an appropriate discount rate for the instrument, based on the interest rate yield curves including the determination of an appropriate spread for the instrument over the risk-free rate. The spread is adjusted to take into account the specific credit risk profile of the exposure.

Adjustments to the calculation of the present value of future cash flows are based on factors that management believe market participants would take into account in pricing the financial instrument.

Certain other financial instruments (both assets and liabilities) may be valued on the basis of valuation techniques that feature one or more significant inputs that are not observable in the market. When applying a valuation technique with unobservable data, estimates are made to reflect uncertainties in fair values resulting from a lack of market data. For these instruments, the fair value measurement is less reliable. Valuations based on non-observable data are inherently uncertain because there is little or no current market data available from which to determine the price at which an orderly transaction between market participants would occur under current market conditions.

The calculation of fair value for any financial instrument may require adjustment of the valuation technique output to reflect the cost of credit risk, if market participants would include one, where these are not embedded in underlying valuation techniques.

3. Net gains on debtor loans measured at FVTPL

	For the quarter from 1 Oct 2023 to 31 Dec 2023	For the year from 1 Jan 2023 to 31 Dec 2023
Fair value movements on debtor loans (note 14)	€'000 36,593	€'000 86,776

4. Net gains on investment properties

	For the quarter from 1 Oct 2023 to 31 Dec 2023	For the year from 1 Jan 2023 to 31 Dec 2023
Fair value movement on investment properties	€'000 975	€'000 624

5. Interest income

	For the quarter from 1 Oct 2023 to 31 Dec 2023	For the year from 1 Jan 2023 to 31 Dec 2023
Interest on cash and cash equivalents and Exchequer Notes	€'000 4,527	€'000 15,539

6. Interest and similar expense

	For the quarter from 1 Oct 2023 to 31 Dec 2023	For the year from 1 Jan 2023 to 31 Dec 2023
Lease interest expense	€'000 -	€'000 (1)

7. Other income

	For the quarter from 1 Oct 2023 to 31 Dec 2023	For the year from 1 Jan 2023 to 31 Dec 2023
Distributions from equity investments measured at FVTPL	€'000 110	€'000 433
Fair value movements on equity instruments measured at FVTPL	(1,508)	(1,468)
Lease rental income	4,261	16,494
Other expenses	(125)	(479)
Total other income	2,738	14,980

Lease rental income is earned from the lease of residential properties to approved housing bodies for social housing purposes.

8. Profit/(loss) on disposal and refinancing of loans

	For the quarter from 1 Oct 2023 to 31 Dec 2023	For the year from 1 Jan 2023 to 31 Dec 2023
Net profit/(loss) on disposal and refinancing of loans	€'000 284	€'000 (9,623)

9. Profit on disposal of property assets

	For the quarter from 1 Oct 2023 to 31 Dec 2023	For the year from 1 Jan 2023 to 31 Dec 2023
Net profit on disposal of property assets	€'000 -	€'000 72

10. Administration expenses

	For the quarter from 1 Oct 2023 to 31 Dec 2023	For the year from 1 Jan 2023 to 31 Dec 2023
	€'000	€'000
Costs reimbursable to the NTMA	5,467	21,241
Primary servicer fees	626	2,911
Finance, communication and technology costs	808	4,211
Legal fees	22	682
Portfolio management fees	386	2,180
Rent and occupancy costs	333	1,846
Master servicer fees	236	938
Internal audit fees	127	511
External audit remuneration	140	558
Board and Committee fees and expenses	60	246
Total administration expenses	8,205	35,324

Under Section 42 (4) of the Act, the Agency shall reimburse the NTMA for the costs incurred by the NTMA as a consequence of its assignment of staff to the NAMA Group Entities. See 10.1 below for further breakdown of such costs.

NAMA Board and Advisory Committee fees are paid to Board members and external members of Committees. Brendan McDonagh (CEO, NAMA) and Frank O'Connor (CEO, NTMA) receive no payment as members of the NAMA Board.

10.1 Costs reimbursable to the NTMA

	For the quarter from 1 Oct 2023 to 31 Dec 2023	For the year from 1 Jan 2023 to 31 Dec 2023
	€'000	€'000
Staff costs	4,285	16,134
Overheads and shared service costs	1,182	5,107
Total	5,467	21,241

11. Foreign exchange gains

	For the quarter from 1 Oct 2023 to 31 Dec 2023	For the year from 1 Jan 2023 to 31 Dec 2023
	€'000	€'000
Foreign exchange gains on debtor loans at FVTPL (note 14)	59	116
Realised foreign exchange (losses)/gains on spots	(3)	3
Foreign exchange (losses)/gains on cash	(1)	34
Total foreign exchange gains	55	153

12. Tax charge

	For the quarter from 1 Oct 2023 to 31 Dec 2023	For the year from 1 Jan 2023 to 31 Dec 2023
	€'000	€'000
Current tax charge		
Corporation tax	(4,434)	(4,886)
Deferred tax charge		
On fair value on equity instruments and other adjustments (note 19)	156	(82)
Total taxation charge	(4,278)	(4,968)

13. Cash, cash equivalents and Exchequer Notes

	31 Dec 2023 €'000	30 Sep 2023 €'000
Balances with the Central Bank of Ireland	289,163	69,371
Balances with other banks	16,338	14,572
Total cash and cash equivalents	305,501	83,943
Exchequer Notes	-	467,586
Total cash, cash equivalents and Exchequer Notes	305,501	551,529

Balances with other banks comprise balances held with Citibank and AIB.

Exchequer Notes are interest bearing notes held with the NTMA with maturities on the date of acquisition greater than three months.

No expected credit loss has been recognised on cash and cash equivalents.

14. Debtor loans measured at FVTPL

	For the quarter from 1 Oct 2023 to 31 Dec 2023 €'000	For the year from 1 Jan 2023 to 31 Dec 2023 €'000
At the beginning of the period	511,183	526,602
<u>Movements in period:</u>		
Receipts on debtor loans measured at FVTPL	(143,497)	(301,743)
Advanced to borrowers	44,571	146,371
FX gains on debtor loans measured at FVTPL (note 11)	59	116
Other movements on debtor loans measured at FVTPL	14	442
Profit/(loss) on disposal and refinancing of loans measured at FVTPL	284	(9,357)
Fair value gains on debtor loans at FVTPL (note 3)	36,593	86,776
Total debtor loans measured at FVTPL	449,207	449,207

15. Other assets

	31 Dec 2023 €'000	30 Sep 2023 €'000
Interest receivable on cash and cash equivalents and Exchequer Notes	840	6,571
Tax receivable	2,217	5,820
Right of Use Assets	2,576	2,898
Other assets	2,910	3,295
Total other assets	8,543	18,584

16. Inventories - trading properties

	31 Dec 2023 €'000	30 Sep 2023 €'000
Inventories - trading properties	100	100

The Group acquires trading properties either in settlement of debt or where the asset is deemed to be of strategic importance to the Group objectives. Trading properties are recognised in accordance with accounting policy 2.14. The trading properties at the reporting date are carried at cost of €100k.

17. Investment properties

	31 Dec 2023 €'000	30 Sep 2023 €'000
Investment properties	326,000	325,000

In September 2019, the Minister for Finance issued a direction to NAMA to retain ownership of NARPS. Under the Government's housing strategy, "Housing for All", it is proposed that NARPS will transfer to the Land Development Agency ('LDA') from NAMA. As part of the agreed transfer process, the transfer will be at the NAMA valuation and will form part of the NAMA lifetime surplus contribution to the Irish State. At the reporting date, the proposed transfer has yet to complete. There is a requirement for appropriate legislative changes to the LDA Act to facilitate the proposed transfer from the Minister for Finance to the LDA. There is no impediment to NAMA transferring NARPS to the Minister for Finance, the first step in the agreed transfer process.

18. Investments in equity instruments

	31 Dec 2023 €'000	30 Sep 2023 €'000
Investments in equity instruments measured at fair value	15,579	17,094

The Group may invest in equity instruments to maximise value and to facilitate the effective delivery of commercial or residential developments.

19. Deferred tax

	Deferred tax		Total
	Assets €'000	(Liabilities) €'000	€'000
Balance at 1 Jan 2023	481	(2,618)	(2,137)
Movement in the period	(148)	66	(82)
Balance at 31 Dec 2023	333	(2,552)	(2,219)

	For the quarter from 1 Oct 2023 to 31 Dec 2023 €'000	For the year from 1 Jan 2023 to 31 Dec 2023 €'000
Movement recognised in the income statement (note 12)	156	(82)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes relate to the same fiscal authority.

20. Other liabilities

	31 Dec 2023 €'000	30 Sep 2023 €'000
Accrued expenses	20,072	21,551
VAT payable	683	193
Other liabilities	385	396
Lease Liabilities	2,666	2,666
Total other liabilities	23,806	24,806

21. Tax payable

	31 Dec 2023 €'000	30 Sep 2023 €'000
Professional services withholding tax and other taxes payable	431	524

22. Retained earnings

	For the quarter from 1 Oct 2023 to 31 Dec 2023 €'000	For the year from 1 Jan 2023 to 31 Dec 2023 €'000
At the beginning of the period/year	1,395,785	1,360,246
Profit for the period/year	32,689	68,228
Transfer of surplus to the Exchequer	(350,000)	(350,000)
At the end of the period/year	1,078,474	1,078,474

NAMA Group												
Section 55 (6) (j): Income Statement by NAMA group entity												
For the year from 1 January 2023 to 31 December 2023												
	National Asset Loan Management	National Asset North Quays	National Asset JVA	National Asset Property Management	National Asset Residential Property Services	National Asset Management Services	National Asset Management Group Services	National Asset Management	National Asset Management Agency Investment	NAMA	Consolidation Adjustments	NAMA Group Consolidated Total
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Net gains/(losses) on debtor loans measured at FVTPL	103,620	-	(16,844)	-	-	-	-	-	-	-	-	86,776
Net losses on intergroup loan at FVTPL	-	-	-	-	-	-	(31,029)	-	-	-	31,029	-
Net losses on investment properties	-	-	-	-	624	-	-	-	-	-	-	624
Interest income	32,008	7	4	29	-	-	53,238	153,400	2,678	152,723	(378,548)	15,539
Other income/(expense)	(479)	-	(1,365)	323	16,494	-	100,007	-	-	21,241	(121,241)	14,980
Profit/(loss) on disposal and refinancing of loans	(12,987)	-	-	-	-	-	-	-	3,364	-	-	(9,623)
Profit on disposal of property assets	-	72	-	-	-	-	-	-	-	-	-	72
Interest and similar expense	(49,817)	(78)	(3,989)	-	(16,243)	-	(153,243)	(153,400)	-	(1,779)	378,548	(1)
Total operating income/(expenses)	72,345	1	(22,194)	352	875	-	(31,027)	-	6,042	172,185	(90,212)	108,367
Administration expenses	(34,407)	7	(7)	(431)	(240)	-	-	-	-	(21,487)	21,241	(35,324)
Foreign exchange gains	153	-	-	-	-	-	-	-	-	-	-	153
Operating profit/(loss)	38,091	8	(22,201)	(79)	635	-	(31,027)	-	6,042	150,698	(68,971)	73,196
Impairment charge	(3,832)	-	-	-	-	-	-	-	-	-	3,832	-
Profit/(loss) after impairment	34,259	8	(22,201)	(79)	635	-	(31,027)	-	6,042	150,698	(65,139)	73,196
Tax charge	(4,299)	(3)	(95)	-	(2)	-	-	-	(569)	-	-	(4,968)
Profit/(loss) for the year	29,960	5	(22,296)	(79)	633	-	(31,027)	-	5,473	150,698	(65,139)	68,228

NAMA Group											
Section 55 (6) (j): Income Statement by NAMA group entity											
For the quarter from 1 October 2023 to 31 December 2023											
	National Asset Loan Management	National Asset North Quays	National Asset JVA	National Asset Property Management	National Asset Residential Property Services	National Asset Management Group Services	National Asset Management	National Asset Management Agency Investment	NAMA	Consolidation Adjustments	NAMA Group Consolidated Total
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Net gains/(losses) on debtor loans measured at FVTPL	39,952	-	(3,359)	-	-	-	-	-	-	-	36,593
Net losses on intergroup loan at FVTPL	-	-	-	-	-	(31,029)	-	-	-	31,029	-
Net gains on investment properties	-	-	-	-	975	-	-	-	-	-	975
Interest income	21,609	3	-	11	-	15,778	26,681	870	26,161	(86,586)	4,527
Other income/(expenses)	(125)	-	(1,405)	-	4,261	7	-	-	5,467	(5,467)	2,738
Profit on disposal and refinancing of loans	284	-	-	-	-	-	-	-	-	-	284
Interest and similar expense	(13,675)	(78)	(3,510)	-	(16,243)	(26,633)	(25,987)	-	(460)	86,586	-
Total operating income/(expenses)	48,045	(75)	(8,274)	11	(11,007)	(41,877)	694	870	31,168	25,562	45,117
Administration expenses	(8,190)	-	5	72	(32)	-	-	-	(5,527)	5,467	(8,205)
Foreign exchange gains	55	-	-	-	-	-	-	-	-	-	55
Operating profit/(loss)	39,910	(75)	(8,269)	83	(11,039)	(41,877)	694	870	25,641	31,029	36,967
Impairment charge	(3,832)	-	-	-	-	-	-	-	-	3,832	-
Profit/(loss) after impairment	36,078	(75)	(8,269)	83	(11,039)	(41,877)	694	870	25,641	34,861	36,967
Tax credit/(charge)	(4,299)	(3)	143	-	(2)	-	-	(117)	-	-	(4,278)
Profit/(loss) for the quarter	31,779	(78)	(8,126)	83	(11,041)	(41,877)	694	753	25,641	34,861	32,689

NAMA Group

Section 55 (6) (i): Statement of Financial Position by NAMA group entity as at 31 December 2023

	National Asset Loan Management	National Asset North Quays	National Asset JVA	National Asset Property Management	National Asset Residential Property Services	National Asset Management Group Services	National Asset Management	National Asset Management Agency Investment	NAMA	Consolidation Adjustments	NAMA Group Consolidated Total
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Assets											
Cash and cash equivalents	286,007	344	117	1,177	2,817	1	5,106	7,903	2,029	-	305,501
Exchequer Notes	-	-	-	-	-	-	-	-	-	-	-
Debtor loans measured at FVTPL	448,229	-	978	-	-	-	-	-	-	-	449,207
Other assets	305,106	3	1	11	1,561	808,601	834,650	99,476	166,212	(2,207,078)	8,543
Investments in equity instruments	-	-	15,579	-	-	-	-	-	105,696	(105,696)	15,579
Inventories - trading properties	-	-	-	100	-	-	-	-	-	-	100
Investment properties	-	-	-	-	326,000	-	-	-	-	-	326,000
Deferred tax	11	-	-	-	-	-	-	-	-	(11)	-
Total assets	1,039,353	347	16,675	1,288	330,378	808,602	839,756	107,379	273,937	(2,312,785)	1,104,930
Liabilities											
Other liabilities	830,059	408	41,435	561	292,547	834,619	260,689	-	5,005	(2,241,517)	23,806
Tax payable	431	3	-	-	-	-	-	515	-	(518)	431
Deferred tax	-	-	2,230	-	-	-	-	-	-	(11)	2,219
Total liabilities	830,490	411	43,665	561	292,547	834,619	260,689	515	5,005	(2,242,046)	26,456
Equity											
Share capital	-	-	-	-	-	-	-	10,000	-	(10,000)	-
Share premium	-	-	-	-	-	-	-	90,000	-	(90,000)	-
Retained earnings/(losses)	208,863	(64)	(26,990)	727	37,831	(26,017)	579,067	6,864	268,932	29,261	1,078,474
Total equity and reserves	208,863	(64)	(26,990)	727	37,831	(26,017)	579,067	106,864	268,932	(70,739)	1,078,474
Total equity & liabilities	1,039,353	347	16,675	1,288	330,378	808,602	839,756	107,379	273,937	(2,312,785)	1,104,930

NAMA Group

Section 55 (6) (i): Statement of Financial Position by NAMA group entity as at 30 September 2023

	National Asset Loan Management	National Asset North Quays	National Asset JVA	National Asset Property Management	National Asset Residential Property Services	National Asset Management Group Services	National Asset Management	National Asset Management Agency Investment	NAMA	Consolidation Adjustments	NAMA Group Consolidated Total
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Assets											
Cash and cash equivalents	67,091	308	7	1,164	2,302	1	5,025	7,950	95	-	83,943
Exchequer Notes	340,586	-	-	-	-	-	-	-	127,000	-	467,586
Debtor loans measured at FVTPL	506,846	-	4,337	-	-	-	-	-	-	-	511,183
Other assets	369,921	36	-	16	2,200	1,104,553	1,088,550	98,607	430,268	(3,075,567)	18,584
Investments in equity instruments	-	-	17,094	-	-	-	-	-	105,696	(105,696)	17,094
Inventories - trading properties	-	-	-	100	-	-	-	-	-	-	100
Investment properties	-	-	-	-	325,000	-	-	-	-	-	325,000
Total assets	1,284,444	344	21,438	1,280	329,502	1,104,554	1,093,575	106,557	663,059	(3,181,263)	1,423,490
Liabilities											
Other liabilities	1,106,834	330	37,928	636	280,628	1,088,694	515,059	-	69,768	(3,075,071)	24,806
Tax payable	524	-	-	-	2	-	143	445	-	(590)	524
Deferred tax	2	-	2,373	-	-	-	-	-	-	-	2,375
Total liabilities	1,107,360	330	40,301	636	280,630	1,088,694	515,202	445	69,768	(3,075,661)	27,705
Equity											
Share capital	-	-	-	-	-	-	-	10,000	-	(10,000)	-
Share premium	-	-	-	-	-	-	-	90,000	-	(90,000)	-
Retained earnings/(losses)	177,084	14	(18,863)	644	48,872	15,860	578,373	6,112	593,291	(5,602)	1,395,785
Total equity and reserves	177,084	14	(18,863)	644	48,872	15,860	578,373	106,112	593,291	(105,602)	1,395,785
Total equity & liabilities	1,284,444	344	21,438	1,280	329,502	1,104,554	1,093,575	106,557	663,059	(3,181,263)	1,423,490

Supplementary information required under Section 54 of the Act

In accordance with the requirements of Section 54 (2) and (3) and Section 55 (6) (k) of the NAMA Act 2009 the following additional information is provided, in respect of NAMA and each of its Group entities for the quarter.

3 (i) SECTION 54 (2) - ADMINISTRATION FEES AND EXPENSES INCURRED BY NAMA AND EACH NAMA GROUP ENTITY

Administration Expenses by NAMA group entity										
For the quarter from 1 October 2023 to 31 December 2023										
	NALM	NANQ	NAJVA	NAPM	NAMS*	NAMGS	NAM	NARPS	NAMA	NAMA Group Consolidated Total
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Costs reimbursable to the NTMA	5,467	-	-	-	-	-	-	-	-	5,467
Primary Servicer fees	626	-	-	-	-	-	-	-	-	626
Master servicer fees	236	-	-	-	-	-	-	-	-	236
Portfolio management fees	432	-	(6)	(72)	-	-	-	32	-	386
Finance, communication and technology costs	808	-	-	-	-	-	-	-	-	808
Legal fees	21	-	1	-	-	-	-	-	-	22
Rent and occupancy costs	333	-	-	-	-	-	-	-	-	333
Internal audit fees	127	-	-	-	-	-	-	-	-	127
Board and Committee fees and expenses	-	-	-	-	-	-	-	-	60	60
External audit remuneration	140	-	-	-	-	-	-	-	-	140
	8,190	-	(5)	(72)	-	-	-	32	60	8,205

* On 3 April 2023 NAMS was officially struck off the Companies Register

Administration Expenses by NAMA group entity										
For the year from 1 January 2023 to 31 December 2023										
	NALM	NANQ	NAJVA	NAPM	NAMS	NAMGS	NAM	NARPS	NAMA	NAMA Group Consolidated Total
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Costs reimbursable to the NTMA	21,241	-	-	-	-	-	-	-	-	21,241
Primary Servicer fees	2,911	-	-	-	-	-	-	-	-	2,911
Master servicer fees	938	-	-	-	-	-	-	-	-	938
Portfolio management fees	1,544	(2)	6	431	-	-	-	201	-	2,180
Finance, communication and technology costs	4,211	-	-	-	-	-	-	-	-	4,211
Legal fees	647	(5)	1	-	-	-	-	39	-	682
Rent and occupancy costs	1,846	-	-	-	-	-	-	-	-	1,846
Internal audit fees	511	-	-	-	-	-	-	-	-	511
Board and Committee fees and expenses	-	-	-	-	-	-	-	-	246	246
External audit remuneration	558	-	-	-	-	-	-	-	-	558
	34,407	(7)	7	431	-	-	-	240	246	35,324

3 (ii) SECTION 54 (3) (A) - DEBT SECURITIES ISSUED FOR THE PURPOSES OF THE ACT

There was no debt in issue during the period. All bonds issued were fully redeemed by the start of the quarter.

3 (iii) SECTION 54 (3) (B) - DEBT SECURITIES ISSUED AND REDEEMED IN THE PERIOD

Government guaranteed senior debt securities

There were no Senior bonds issued or redeemed in the period. All Senior bonds were redeemed by the start of the quarter.

Subordinated debt securities held

There were no Subordinated bonds issued or redeemed in the period. All Subordinated bonds were redeemed by the start of the quarter.

3 (iv) SECTION 54 (3) (C) - ADVANCES TO NAMA FROM THE CENTRAL FUND

There were no advances to NAMA from the Central Fund in the quarter.

3 (v) SECTION 54 (3) (D) - ADVANCES MADE BY NAMA TO DEBTORS IN THE QUARTER

	For the quarter from 1 Oct 2023 to 31 Dec 2023 €'000
BCMGlobal ASI	281
AIB	44,290
Total	44,571

3 (vi) SECTION 54 (3) (E) - ASSET PORTFOLIOS HELD BY NAMA AND EACH NAMA GROUP ENTITY

The assets held by NAMA and each NAMA Group entity are set out below. The assets include intergroup assets and liabilities and intergroup profit participating loans between NAMA Group entities.

	31 Dec 2023 €'000
National Asset Management Agency	
Investment in NAMA1	105,696
Cash and cash equivalents	2,029
Interest receivable on loan to NAM	161,219
Receivable from NALM	4,990
Other assets	3
Total	273,937

	31 Dec 2023 €'000
National Asset Management Agency Investment	
Receivable from NAM	96,681
Receivable from NAM - accrued interest	2,789
Cash and cash equivalents	7,903
Other assets	6
Total	107,379

	31 Dec 2023 €'000
National Asset Management	
Cash and cash equivalents	5,106
PPL receivable from NAMGS	808,110
PPL interest receivable	26,290
Other assets	250
Total	839,756

	31 Dec 2023 €'000
National Asset Management Group Services	
Cash and cash equivalents	1
Loan receivable from NALM	806,845
Loan interest receivable from NALM	762
PPL receivable from NAJVA	994
Total	808,602

3 (vi) SECTION 54 (3) (E) - ASSET PORTFOLIOS HELD BY NAMA AND EACH NAMA GROUP ENTITY - CONTINUED

31 Dec 2023	
National Asset Loan Management	€'000
Cash and cash equivalents	286,007
Debtor loans measured at FVTPL	448,229
Other assets	7,235
Inter-group receivable	297,871
Deferred tax asset	11
Total	1,039,353

31 Dec 2023	
National Asset North Quays	€'000
Cash and cash equivalents	344
Other assets	3
Total	347

31 Dec 2023	
National Asset JV A	€'000
Investments in equity instruments	15,579
Cash and cash equivalents	117
Debtor loans measured at FVTPL	978
Other assets	1
Total	16,675

31 Dec 2023	
National Asset Property Management	€'000
Cash and cash equivalents	1,177
Other assets	11
Inventories - trading properties	100
Total	1,288

31 Dec 2023	
National Asset Residential Property Services	€'000
Cash and cash equivalents	2,817
Other assets	1,561
Investment properties	326,000
Total	330,378

3 (vii) SECTION 54 (3) (F) - GOVERNMENT SUPPORT MEASURES INCLUDING GUARANTEES, RECEIVED BY NAMA AND EACH NAMA GROUP ENTITY

In March 2010, the Minister for Finance guaranteed senior debt securities issued by NAMA. All these government guaranteed senior debt securities were fully redeemed by 2017. Since that date, there has been no government support measures including guarantees received by NAMA or any NAMA Group entity.

Supplementary information required under Section 55 of the NAMA Act 2009

In accordance with Section 55 of the Act, the following additional information is provided in respect of NAMA and each of its Group entities:

4 (i) SECTION 55 (5) - GUIDELINES & DIRECTIONS ISSUED BY THE MINISTER FOR FINANCE

Compliance with Guidelines Issued by the Minister under Section 13 (NAMA Act 2009) as at 31 December 2023

No guidelines issued

Compliance with Directions Issued by the Minister under Section 14 (NAMA Act 2009) as at 31 December 2023

- (1) 14th May 2010 - Direction (Ref 513/43/10) - Pricing of government guaranteed debt issued by NAMA.
No such debt was issued by NAMA as at the reporting date.
- (2) 22nd October 2010 - Expeditious Transfer of Eligible Assets.
All transfers completed since 22 October 2011 have complied with this Direction.
- (3) 11th May 2011 - Direction (Ref 513/43/10) - Amendment to Senior Notes Terms & Conditions
All senior notes have been amended in accordance with this Direction.
- (4) 7th March 2012 - NAMA Advisory Group.
A NAMA Advisory Group has been set up in accordance with this Direction.
- (5) 29th March 2012 - Irish Bank Resolution Corporation - Short Term Financing.
NAMA adopted all reasonable measures to facilitate the short-term financing of IBRC.
- (6) 31st July 2015 - Direction (513/43/10) - Effect of a potential negative interest rates on the NAMA Senior Note Programme.
Pursuant to a direction issued by the Minister on 31 July 2015, on 28 January 2016 NAM D.A.C. and Citibank executed documentation to floor the coupon rate on the senior notes in issue at zero if the 6 month Euribor rate is negative.
This resulted in €4.7bn of cashflow hedge relationships being derecognised on this date.
- (7) 28th September 2019 - Direction to NAMA pursuant to Section 14 (2) of the NAMA Act 2009 regarding NARPS.
NAMA to retain ownership of NARPS and for NARPS to continue its trading activity, subject to compliance with applicable company laws.

Compliance with Directions Issued by the Minister under Section 13 (IBRC Act 2013) as at 31 December 2023

- (1) 7th February 2013 - Irish Bank Resolution Corporation - Deed of Assignment and Transfer
NAMA complied with this direction.
- (2) 7th February 2013 - Irish Bank Resolution Corporation - Bid for Assets of IBRC
NAMA adopted all reasonable measures to bid for the assets of IBRC.
- (3) 7th February 2013 - Irish Bank Resolution Corporation - Short-term facility to the Special Liquidators
NAMA adopted all reasonable measures to provide short-term facility to the Special Liquidators of IBRC.
- (4) 20th February 2013 - Irish Bank Resolution Corporation - Deed of Assignment and Transfer
NAMA complied with this direction.

4 (ii) SECTION 55 (6) (A) - NUMBER AND CONDITION OF OUTSTANDING LOANS

Classification	Number of loans	% of loans
Performing	163	13%
Non-Performing	1,108	87%
Total	1,271	100%

4 (iii) SECTION 55 (6) (B) - CATEGORISATION OF NON-PERFORMING LOANS AS TO THE DEGREE OF DEFAULT

A measure of loan performance is the Loan Payment Status. The Loan Payment Status is a measurement of loan performance based on cash receipts with regard to the contractual obligations of the legacy loan facility. The degree of default measurement is based on the current performance of the original PAR debt acquired by NAMA from the participating institutions.

Categorisation of non performing loans in accordance with the Loan Payment Status as at 31 December 2023

Loan Payment Status	Degree of Default	Comment	Number of loans	% of loans
9	Current Non Cash	Accounts not in arrears because arrears are capitalised or accounts has a zero interest rate applying	164	15%
1	30-59 Days Delinquent	Accounts in arrears where the amounts due are between 30 and 59 days outstanding	0	0%
2	60-89 Days Delinquent	Accounts in arrears where the amounts due are between 60 and 89 days outstanding	2	0%
3	90+ Days Delinquent	Accounts in arrears where the amounts due are between 90 and 119 days outstanding	12	0%
4	120+ Days Delinquent	Accounts in arrears where the amounts due are 120 days or more outstanding	756	69%
7 & 8	Enforced	Accounts subject to enforcement	174	16%
Total			1,108	100%

An analysis of the non-performing component of the loan book indicates significant volume in the '120+ Days Delinquent' classifications. NAMA is addressing this issue in part by insisting, as part of any ongoing consensual support provided by NAMA to the debtor, that all income produced by the underlying secured assets is paid to NAMA. The extent to which debtors do not comply with this, and other key milestones set by NAMA, will determine whether these delinquent loans will be enforced. In some cases, the delinquent loans may be re-financed on new terms set by NAMA. The sole driver of NAMA's decisions in this regard is the maximisation of the return to the taxpayer. The degree of default measurement is based on the default of the original PAR debt acquired by NAMA from the participating institutions.

4 (iv) SECTION 55 (6) (C) - NUMBER OF LOANS BEING FORECLOSED OR OTHERWISE ENFORCED

Number of loans foreclosed in the quarter to 31 December 2023

There were no loans foreclosed in the quarter to 31 December 2023

4 (v) SECTION 55 (6) (D) - NUMBER OF CASES WHERE LIQUIDATORS AND RECEIVERS HAVE BEEN APPOINTED

Number of cases where receivers and liquidators have been appointed in the quarter to 31 December 2023

There were no receivers or liquidators appointed in the quarter to 31 December 2023.

4 (vi) SECTION 55 (6) (E) - LEGAL PROCEEDINGS COMMENCED BY NAMA AND EACH NAMA GROUP ENTITY IN THE QUARTER

List of all legal proceedings (except any proceeding in relation to which a rule of law prohibits publication)

There were no legal proceedings commenced by NAMA or a NAMA group entity in the quarter to 31 December 2023.

4 (vii) SECTION 55 (6) (F) - SCHEDULE OF FINANCE RAISED BY NAMA AND EACH NAMA GROUP ENTITY IN THE QUARTER

Schedule of finances raised by NAMA and each NAMA group entity in the quarter to 31 December 2023

There was no finances raised by NAMA or a NAMA group entity in the quarter to 31 December 2023.

4 (viii) SECTION 55 (6) (G) - SUMS RECOVERED FROM PROPERTY SALES IN THE QUARTER

Amount of money recovered by sale of property in the quarter to 31 December 2023

No money was recovered by the sale of property in the quarter to 31 December 2023.

4 (ix) SECTION 55 (6) (H) - OTHER INCOME FROM INTEREST-BEARING LOANS OWNED BY NAMA AND EACH NAMA GROUP ENTITY IN THE QUARTER

Other income from interest bearing loans in the quarter to 31 December 2023

No fee income was earned on interest bearing loans in the quarter to 31 December 2023.