

NAMA BOARD MINUTES

First Meeting of 2014: 12.30pm. to 1.00pm., 8th January 2014,

Treasury Building

BOARD ONLY

Attendance:

NAMA Board

Frank Daly, Chairman¹
Brendan McDonagh, CEO, NAMA
John Corrigan, CEO, NTMA
Oliver Ellingham¹
John Mulcahy
William Soffe¹
Brian McEnery¹

NAMA Executives

John Collison
Ronnie Hanna

Secretary

Elaine Hudson

On opening the meeting the Chairman welcomed the Board members to the first meeting of 2014 and the agenda was noted. It was noted that the meeting had been duly convened and that a quorum was present.

Issues Considered:

1. Disclosures of Interests

There were no disclosures made.

2. Board Private Session

The Board held a private session without the Executive present.

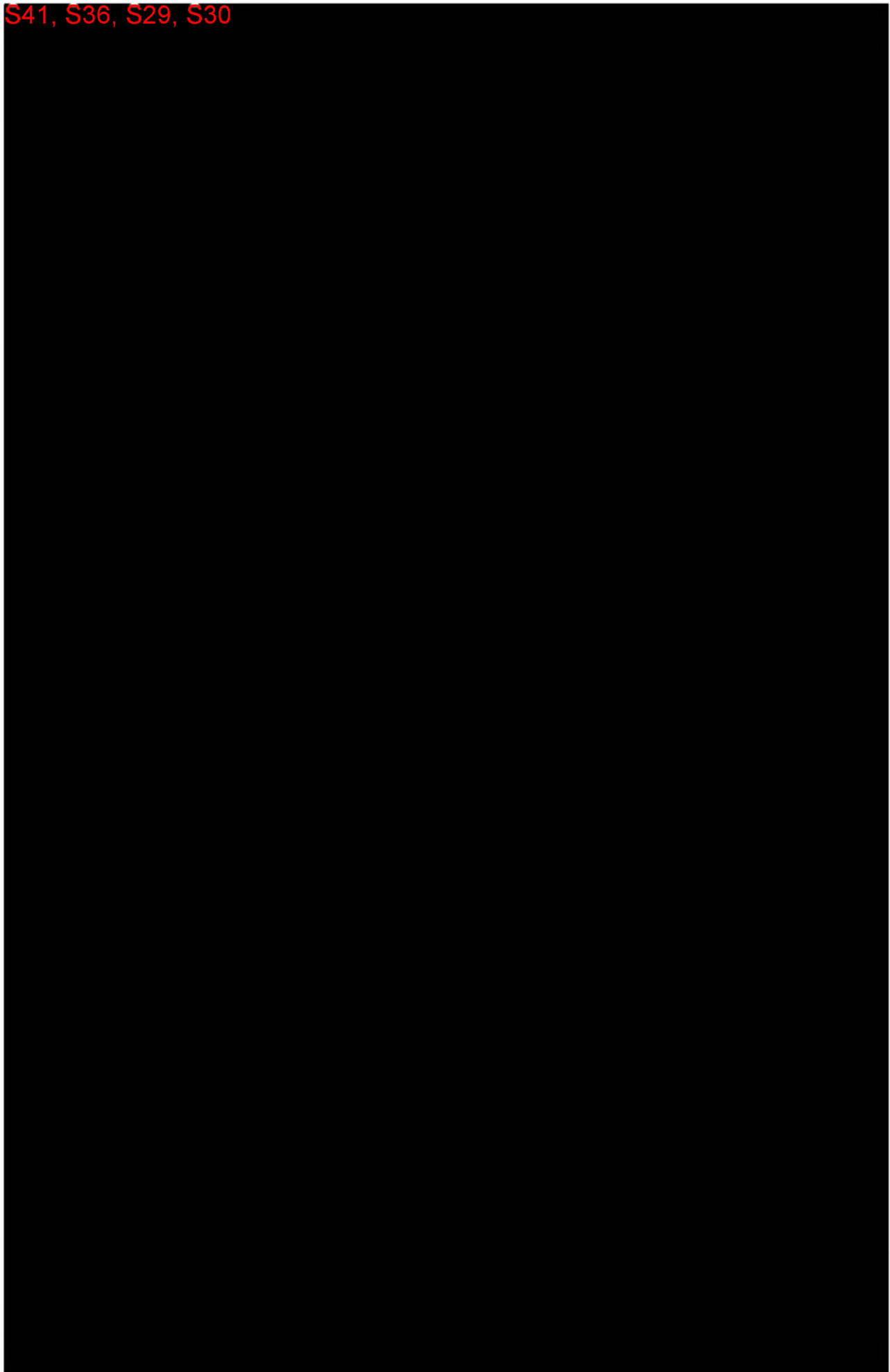
S41, S36, S29, S30



¹ By telephone in accordance with section 27 of the NAMA Act 2009

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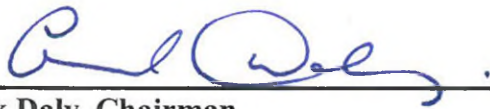
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3. AOB

There was no other business.

There being no further business the meeting concluded.



Frank Daly, Chairman

16th January 2014

NAMA BOARD MINUTES

Second Meeting of 2014: 2.00pm. to 6.00pm., 16th January 2014,

Treasury Building

Attendance:

NAMA Board

Frank Daly, Chairman
Brendan McDonagh, CEO, NAMA
John Corrigan, Chief Executive, NTMA
Oliver Ellingham
Brian McEnery
John Mulcahy
William Soffe

NAMA Executives (invited)

Mary Birmingham
John Collison
Ronnie Hanna
Dave McEvoy
Michael Moriarty
Seán Ó Faoláin
Aideen O'Reilly
Dónal Rooney

Other Invitees:

- Elaine Hudson, Secretary
- Suzanne Sweeney, Senior Divisional Manager (AR) – item 7 only
- David Johnson, Head of Audit & Risk – items 9-11 only
- Aidan O'Connell, Senior Asset Recovery Manager – item 12 only
- Donal Kellegher, Asset Recovery Manager – item 13 only

On opening the meeting the Chairman welcomed the Board members to the second meeting of 2014 and the agenda was noted. It was noted that the meeting had been duly convened and that a quorum was present.

Note: All Board papers referred to in the minutes were circulated prior to the meeting and presented to the Board as the basis for discussion and decision, where applicable.

Issues considered (in order of consideration):

1. Disclosure of Interests

Brian McEnergy disclosed a potential conflict of interest with respect to item 12 and declared that he would take no part in the discussion or decisions related to same.

There were no other disclosures made.

2. Board Private Session

The Board held a private session without the Executive present. A Board-only note on discussion during the session was prepared by the Secretary.

3. Consent Agenda Items

Matter for Board Approval

Board Papers: *Minutes of BM 24 – 12th December 2013; Board Only Appendix to Minutes of BM 24 – 12th December 2013; Board Only Minutes of BM 25 – 19th December 2013; Board Only Minutes of BM 1 – 8th January 2014; Minutes of Executive Meeting – 8th January 2014; Audit Committee Update to Board – period 1st November 2013 – 31st December 2013; Credit Committee Update to Board – period 1st October 2013 – 31st December 2013; Risk Management Committee Update to Board – period 1st September 2013 – 31st December 2013; CEO DA Compliance Statement – Q4 2013; NAMA Sealing Register Update and Media Evaluation – December 2013.*

The Board **approved** the consent agenda as presented and on the basis that there was no prior objection by members to the items listed for inclusion.

4. Matters Arising from Board Minutes

The Board noted the matters arising from the minutes of BM 24, as previously circulated by email on 9th January 2014 (and included in the Board pack).

The Board noted that an announcement was made in relation to the wind up of the DPI with effect from 31 May 2014.

In relation to **North Docks** a mini tender was being put in place in relation to seeking a legal advisor for property services and AM were liaising with NAMA Legal re advertising/openly marketing the site.

The Chairman advised that a verbal update on S41, S36 would be given under item 5 and that an update on NAMA's engagement with Certus would be provided under item 7.

5. Board approval of CC Recommendations

Board Papers: *N/A*

S41, S36

Matter for Information

The Head of Asset Recovery updated the Board on developments with S41, S36 since the Board's last meeting.

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6. Debtor Strategic Credit Reviews

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S41, S36, S29, S30



6(b) S41, S36

Matter for Board Approval

S31, S41, S36, S29, S30



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7. IBRC Integration

Matter for Board Approval

Board Paper: *IBRC Integration – Progress Report*

Suzanne Sweeney provided a detailed update presentation on the IBRC Integration Project, with respect to the Capita, Certus and Pepper projects in relation to the IBRC SL Portfolio.

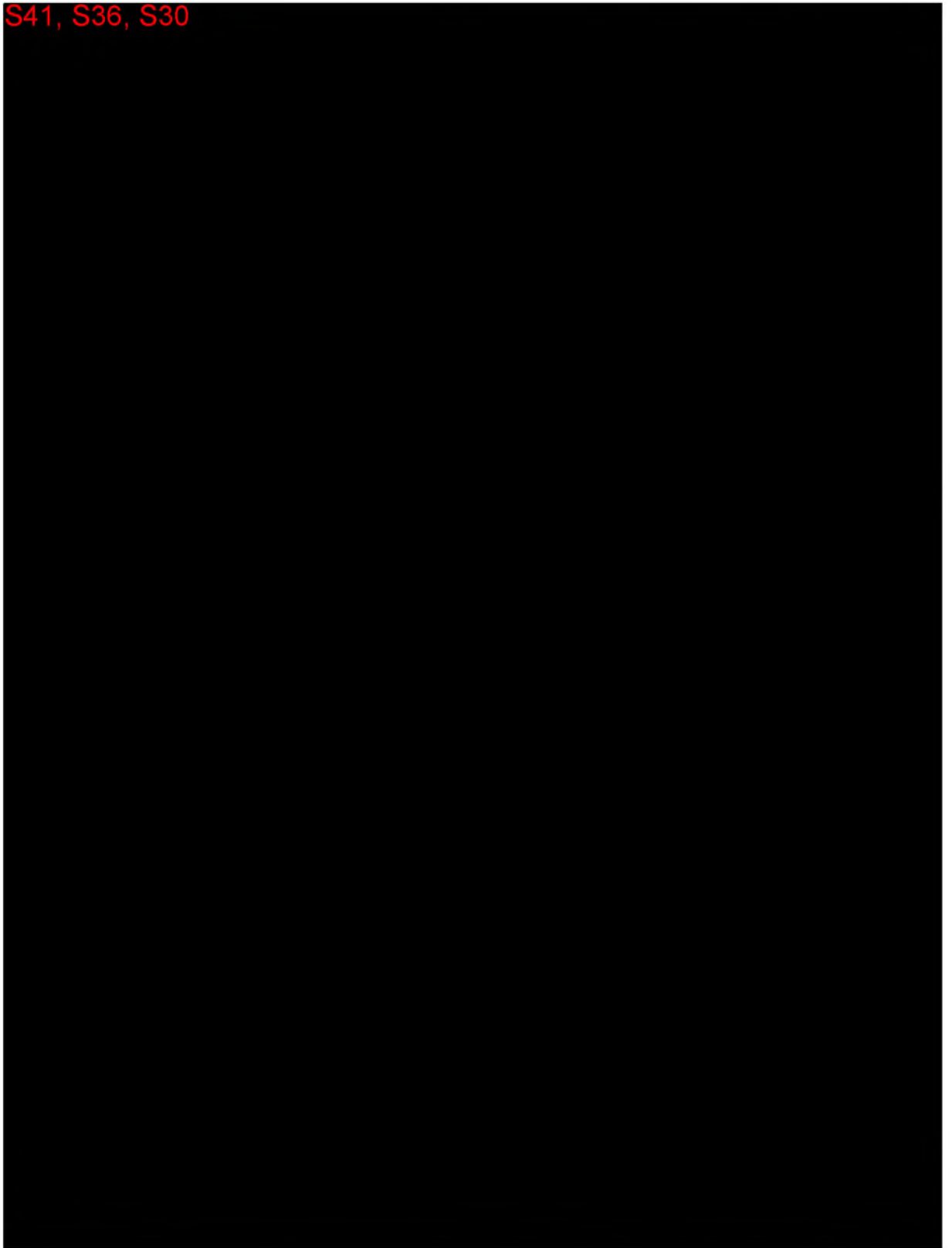
It was noted that the SL had confirmed they would retain the remaining 3 lots (par debt €500m) of the ‘Evergreen’ portfolio to the end of the liquidation process as it might be possible to market these loans again.

The Board noted that the SL expected to sell the majority of the lots of the ‘Sand’ portfolio (Residential Mortgages of €1.8bn - closing date 27th January) with c. €200m of performing PDH loans likely to transfer to NAMA.

An update was provided on the remaining commercial portfolio loan sales and based on the SL’s update it was estimated that c. €4bn to €6bn of par debt was expected to transfer to NAMA, consisting of 2,000 connections, the vast majority (c. 90%) with par debt of €5m or less. The Board noted the high volume, low value nature of the expected loan transfers.

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S41, S36



Following discussion, the Board **resolved** to approve the recommendations as presented in the paper:

- That the NAMA Project Integration Team continue to progress the open items from the December 2013 Board approved Project Plan (pages 3 to 6).

- That the project team (in conjunction with NAMA Legal) continue to work on resolving the main issues with the SL that were impacting loan/data transition to NAMA as detailed on pages 10 to 12
- Due to changed profile and reduced value of the IBRC loan book that was now expected to transfer to NAMA that a new tender be opened for the **NEW Commercial portfolio** as per the details **on page 20**.

The Chairman, on behalf of the Board, thanked Ms Sweeney for the work to date acknowledging the significant progress that had been made.

8 Treasury Update

Matter for Information

Board Paper: *Treasury Update*

The Board noted the contents of the paper as presented including the closing cash & cash equivalent balance of €3.2 billion. The Chairman advised that cash balances (including cost of carry considerations) would be discussed at the Strategy Away Day.

8a. NAMA Senior Note – Physical Settlement

Matter for Board Approval

Board Paper: *NAMA Senior Note Physical Settlement*

The Board noted the contents of the paper as presented. Following consideration, it **resolved** to approve the recommendations as presented in the paper as follows:

- Physically settle the NAMA senior notes issued (original NAMA) of €22.69 billion (current balance), on their maturity date of 3rd March 2014, into a new note maturing on the 2nd March 2015.
- Physically settle the NAMA senior notes issued to Central Bank (IBRC liquidation) of €11.928 billion (current balance), on their maturity date of 20th February 2014, into a new note maturing on the 20th February 2015.

- Authorise the CEO to take all the necessary steps to physically settle both programmes of senior notes with their respective note-holders.

8b. NAMA Senior Note Redemptions

Matter for Board Approval

Board Paper: *NAMA Senior Note Redemptions*

The Board noted the contents of the paper as presented. Following discussion the Board **resolved** to approve the recommendations as presented in the paper as follows:

- Approve on-going redemptions of NAMA “NARL” Senior Notes issued to Central Bank up to an aggregate amount of €5,000,000,000 by the 31st March 2014 at Par plus Accrued Interest, subject to National Asset Resolution Limited (NARL) having sufficient liquidity to meet its obligations.
- Notify the Minister of its decision, under Section 60 (2) (a) of the NAMA Act, and if there was no objection from the Minister, it was recommended that the Board authorise the CEO to take all the necessary steps to redeem the notes as outlined in (i) above.

9. Risk Management

9a. Risk Management Policy

Matter for Board Approval

Board Paper: *Enterprise Risk Policy – Annual Review*

The Board noted the contents of the paper as presented, and the changes proposed including further detail on the various Risk initiatives in place (Top-Down Risk Register, Risk Incident reporting and new references to Risk Appetite). Following consideration, and noting the prior review of the Risk Management Committee on 11th December 2013 and its recommendation for approval, the Board resolved to approve the NAMA Enterprise Risk Policy as presented.

9b. Risk Register – Bi-annual Review

Matter for Information

Board Paper: *Management Update on Risk Register and Full Risk Register*

The Board noted the contents of the paper as presented, including that (i) incident reports had been submitted to the Executive team and Risk Management Committee in November and December 2013 respectively, (ii) key risk indicators had been identified for each function and (iii) the IBRC liquidation project team had updated the RMC on the main projects risks in December 2013. **S29, S30**

The Board noted that one of the most important aspects of reviewing the Risk Register was to review the controls and mitigants in place and to ascertain whether further controls were required.

The Chairman of the Risk Management Committee noted that the RMC would compile a list of the top risks facing NAMA using both the Top Down and Bottom Up risk registers. He noted that while it might not be possible to mitigate some of these risks further, it was proposed to explore, where possible, the extent to which further mitigants/controls could be put in place to manage the risks. The RMC would revert to the Board with the Top risks in due course.

The Chairman acknowledged the significant progress in relation to the Risk Register and thanked David Johnson for his contribution to same.

10. Status of Audit Recommendations

Matter for Information

Board Paper: *Status of Audit Recommendations*

The Board noted the contents of the paper as presented, including the closing out of 71 audit points since the previous update to the Board on 11th October 2013 and that just 1 of the 2011 C&AG Management Letter's 76 audit points and 25 of the 2012 C&AG Management Letter's 75 audit points remained

open with four high items in relation to the latter due to be closed by June 2014. The Board noted further that five audits had been signed off since the last update and requested that the 2011 Audit point be dealt with by end Q1/2014.

11. Quality Assurance Summary Report 2013

Matter for Information

Board Paper: *NAMA Quality Assurance Summary Report*

The Board noted the contents of the paper as presented and the value and scope of the particular work of QA. The Board noted that, in addition to the Credit Quality Reviews, the QA team had conducted an additional compliance review on BOI, a number of reviews of key processes (Multi Banked Debtor Connections, Asset Sales and Rent Tracker and Insolvency) and contributed to the IBRC Integration Project.

On behalf of the Board, the Chairman commended David Johnson for the progress achieved and thanked him for the significant work involved.

12. Insolvency Team Update

Matter for Information

Board Paper: *NAMA Insolvency Team Update*

The Board noted the contents of the paper as presented, including the statistics relating to the level of enforcement in NAMA and PI/SP Managed cases and that performance issues in relation to the IPs were relatively low in the context of 361 appointments to date. The Board noted further that the insolvency team had reviewed its structures and resources, had issued guidance on various matters including examinership and had actively engaged with five separate audit processes in 2013 with no material issues found.

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It was noted further that the fees across the IP sector as a whole had fallen substantially, with current fee levels at a fraction of historic levels. The Board noted that the number of issues relating to IPs being referred to NAMA had fallen substantially, with the isolated cases being resolved satisfactorily with the relevant IPs. On behalf of the Board, the Chairman thanked Aidan O'Connell for his time and the progress achieved to date.

In accordance with his earlier disclosure, Brian McEnery absented himself from the meeting for this item.

13. Unfinished Housing Estates

Matter for Information

Board Paper: *Unfinished Housing Estates*

The Board noted the contents of the paper as presented, including the positive progress indicated by the results of the 2013 *National Housing Survey* and NAMA's exposure to unfinished estates standing at approximately 21% of all unfinished estates which the Board requested would be resolved by end 2014. The Board noted that details of expenditure to date on remedial works would be included in the next update in April 2014.

14. Legal Divisional Update

Matter for Information

Board Paper: *Quarterly Legal Division Briefing*

The Head of Legal provided a detailed presentation to the Board on the Division's outlook for 2014 and an overview of the Division's role in relation to management and control of documentation. The Board noted that NAMA Legal had developed an extensive library of legal precedents for Ireland and Northern Ireland which helped ensure consistency of approach. The Board noted further that, with no in-house securities management facility, title documents were held to NAMA's order in (PI) bank vaults and external solicitor's vaults.

The Board commended the Head of Legal on the excellent track record on litigation.

14a. Quarterly Litigation Report

Matter for Information

Board Paper: *Litigation Update*

In relation to the litigation update presented as a rolling register, the Board noted its contents and its further reflection of the achievements and contribution of the NAMA Legal team.

15. C&AG S226 Draft Report

Matter for Information

Board Paper: *Draft C&AG Section 226 Progress Report (Proposed NAMA response) & Draft C&AG National Asset Management Agency Progress Report 2010 - 2012*

S29, S30



Following considerable discussion, the Board **resolved** to approve the response proposed by the Executive to key points raised by the C&AG in his draft Section 226 Progress Report on NAMA.

16. MI Report

Matter for Information

Board Paper: *Abbreviated Monthly Management Information Report – 31st December 2013*

The Board noted the contents of the paper as presented, including the positive 2013 cash performance of €5.9 billion which, adjusted for the SL cash transfer of €1.4 billion, amounted to €4.5 billion in 2013 which exceeded the 2013 year end cash generation target by over 25%.

17. AOB

Strategy Away Day

The Board noted the Away Day on 5th February as an opportunity to focus on strategic issues on an Agenda that was not overly burdened.

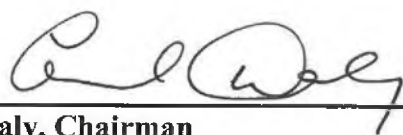
Committee Membership

On the recommendation of the Chairman, the Board **resolved** to reconstitute the Risk Management Committee with Oliver Ellingham continuing as Chairman and John Corrigan, Brendan McDonagh and Donal Rooney as members of same – the Chairman would assign new Board members shortly. Revised Terms of Reference reflecting the change of membership would be brought back to Board in March 2014 when it was expected that new Board members could be appointed to the Committee.

John Mulcahy and Eilish Finan Retirements

On the occasion of John Mulcahy's final Board meeting, the Chairman, on behalf of the Board, expressed his appreciation for the hugely significant contribution made by Mr Mulcahy as part of the Executive and the Board and wished him well in his retirement. The Chairman also noted that Eilish Finan had completed her term of office on 21 December and on behalf of the Board he thanked her for her very significant contribution since the Board was established and in particular her work as Chair of the Finance and Operating Committee and as a member of the Audit and Northern Ireland Committees.

There being no further business the meeting concluded.

A handwritten signature in black ink, appearing to read 'Frank Daly', is written above a horizontal line.

Frank Daly, Chairman

13th February 2014

NAMA BOARD MINUTES

Second Meeting of 2014: 2.00pm. to 5.00pm., 16th January 2014,
Treasury Building

Board-Only Appendix to Minutes

Items Considered:

Finance & Operating Committee (FOC) Chairmanship

Matter for Board Approval

Board Paper: N/A

The Chairman opened the session noting that a vacancy existed for the Chairmanship of the Finance and Operating Committee (FOC) following the conclusion of Eilish Finan's term on the Board on 21 December 2013. The Board noted that the next scheduled meeting of the FOC was due to take place on 4th February 2014. The Board noted further that it was not anticipated that any replacement Board Members¹ would be appointed within six to eight weeks. Rather than appoint an interim Chairman to the FOC, the Chairman proposed that a joint Audit and Finance and Operating Committee be held, which would be chaired by the Chairman of the Audit Committee. The Board **agreed** to this approach and the Chairman of the Audit Committee undertook to chair the committees jointly.

Board Evaluation Summary Report to PAC

Matter for Approval

Board Paper: N/A

The Chairman informed the Board that, at the Public Accounts Committee (PAC) meeting on 20th December 2013, Deputy Ross had requested a summary report of the Board's 2013 Evaluation Report be circulated to PAC members. The Chairman said that he had undertaken to consider circulation of same and noted that the PAC had

¹ Three vacancies would exist on the NAMA Board following John Mulcahy's resignation from the Board on 17th January 2014.

subsequently written to him formally requesting sight of a summary of the Board's 2013 Evaluation report. The Board noted that under Freedom of Information, it would be difficult to restrict access to a summary Board Evaluation Report. The Board noted further that the summary Evaluation Report requested was exclusively in respect of the Board itself and not the Committees. After careful consideration, the Board agreed that a summary report (i) outlining the Board Evaluation process in broad terms, (ii) providing a very high level summary of the relevant outcomes (without any detail or individual Board Member comments) and (iii) noting that the outcome had been satisfactory should be provided to the PAC.

The Board commended the Chairman and the Chief Executive on their robust defence of NAMA at their PAC appearance in December 2013.

Directors' & Officers' Liability Insurance²

Matter for Board Approval

Board Paper: *Directors' and Officers' Liability Insurance*

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Project Eagle³

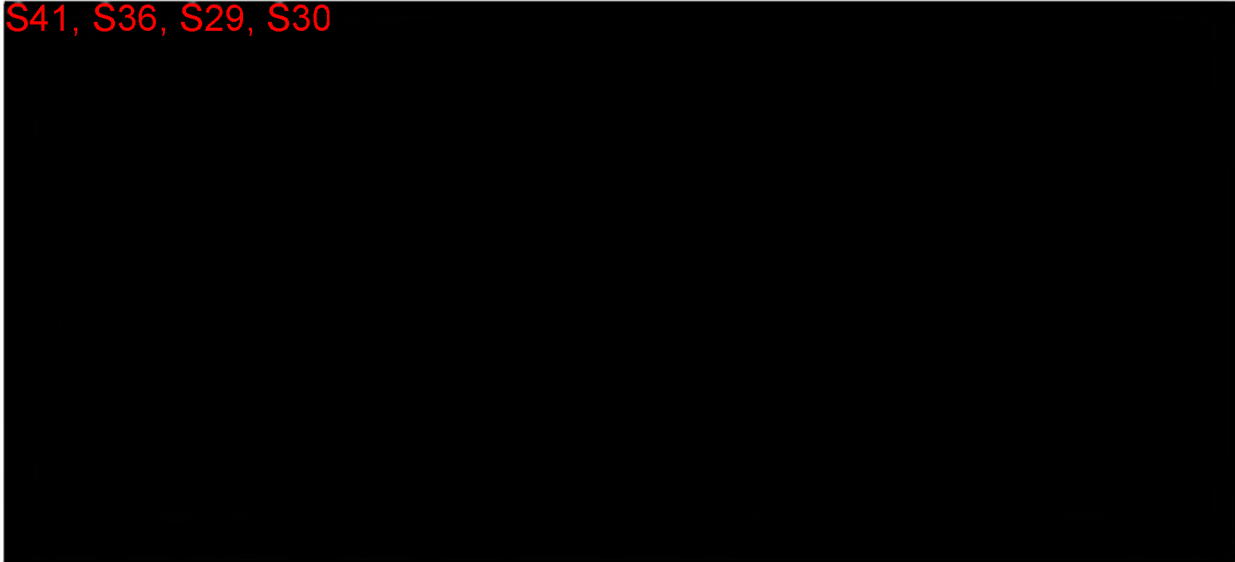
Matter for Board Approval

Board Paper: N/A

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There being no further business the private session concluded.

A handwritten signature in black ink, appearing to read 'Frank Daly', is written above a horizontal line.

Frank Daly, Chairman
13th February 2014

NAMA BOARD MINUTES

Third Meeting of 2014: 17.40pm. to 18.10pm., 3rd February 2014,

Treasury Building

Board Only Minutes

Attendance:

NAMA Board

Frank Daly¹
Brendan McDonagh
John Corrigan¹
Oliver Ellingham¹
Brian McEnery¹
Willie Soffe¹

Invited:

Ronnie Hanna
Aideen O'Reilly
Grellan Kelly
Alan Stewart

Secretary:

Elaine Hudson

On opening the meeting the Chairman welcomed the Board members to the third meeting of 2014 and the agenda was noted. It was noted that the meeting had been duly convened and that a quorum was present.

Issues Considered:

1. Disclosures of Interests

There were no disclosures made.

2. S36

Board Papers: N/A

S36, S41

¹ By telephone in accordance with section 27 of the NAMA Act 2009.

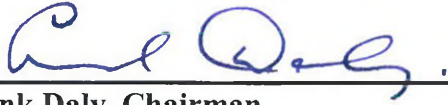
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3. AOB

There was no other business.

There being no further business the meeting concluded.



Frank Daly, Chairman

13th February 2014

NAMA BOARD STRATEGY AWAY DAY

Fourth Board meeting of 2014: 8.00am. to 4.30pm., 5th February 2014,
Herbert Park Hotel, Dublin 4

Attendance:

NAMA Board	NAMA Executives (invited)
Frank Daly, Chairman	Mary Birmingham
Brendan McDonagh, CEO, NAMA	John Collison
John Corrigan, Chief Executive, NTMA	Ronnie Hanna
Oliver Ellingham	Dave McEvoy
Brian McEnery	Michael Moriarty
Willie Soffe	Seán Ó Faoláin
	Aideen O'Reilly
	Donal Rooney

Other Invitees:

- Michael Noonan, Minister for Finance (Opening Item)
- Alice Charles, External Member, Planning Advisory Committee (Items 1&2)*
- Jim Kelly, External Member, Audit Committee (Items 1&2)*
- Brian Rowntree, External Member, NI Advisory Committee (Items 1&2)*
- Michael Wall, External Member, Planning Advisory Committee (Items 1&2)*
- John Fitzgerald, Research Professor, ESRI (Item 2 only)
- David Duffy, Senior Research Officer, ESRI (Item 2 only)
- Killian O'Flynn (Item 2 to 9 inclusive)
- Elaine Hudson, Secretary

Board Private Session

The Board held a private session with the Minister for Finance without the Executive or Secretary present.

Opening Session with Minister for Finance

The Executive joined the meeting for the Chief Executive's opening presentation. The Minister thanked the Chairman and the Board for the invitation to attend the Board's Strategy Away Day and expressed his appreciation for the significant progress achieved by NAMA to date. In the context of the Board reviewing its strategy, the Minister raised the following considerations:

(i) NAMA to consider how it could address the supply side problem in relation to 3 and 4 bedroom houses in Dublin

Citing increasing residential prices in Dublin arising from a supply side problem in relation to three bedroom family homes, the Minister requested NAMA to drive forward delivery of residential units to avoid the potential development of a property bubble. The Minister noted NAMA's plans to deliver 4,500 residential units.

(ii) NAMA to consider how it could address the supply side problem in relation to premium Office Accommodation (in Dublin between Canals)

Noting the significant interest in Ireland in terms of FDI and the impetus for growth and job creation, the Minister requested NAMA to consider how it could best address the supply side problem of premium office accommodation in Dublin city.

(iii) NAMA to provide advice on regional disparities

The Minister noted the disparity in market recovery between Dublin and regional areas and requested NAMA to advise whether in its view the disparity was merely a 'time lag' effect, with the regions expected to follow Dublin on an 18 month to 24 month horizon or whether in fact the disparity reflected the emergence of two distinct economies.

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(v) **NAMA to consider and advise Minister on disposal strategy from 2016**

Noting that NAMA was on target to redeem cumulatively €15 billion of Senior Bond Debt by end 2016, the Minister requested NAMA to consider its disposal strategy and advise him whether the remaining €15 billion should be placed on market as a single transaction in 2016 or to proceed with existing ‘tranching’ approach. The Minister requested NAMA to examine the issue and advise him in relation to same.

(vi) **NAMA to provide inventory of Green and Brown field sites & advise on a mechanism to control supply/demand of land**

Referring to the boom/bust nature of the Irish property market the Minister requested NAMA to consider

- (i) a strategic solution to this historic problem and;
- (ii) whether NAMA or an alternate State Development Agency could be charged with holding land and releasing/withdrawing it as appropriate to regulate the market (the Minister cited a precedent in Hong Kong).

The Minister also requested an inventory of NAMA’s green and brown field sites in Dublin.

The Minister recorded his appreciation to Board and Executive and outlined his personal and the Government’s strong support for NAMA. The Minister then left the meeting.

1. **General CEO Presentation**

The Board noted that the development of **Dublin Docklands (SDZ¹)** was of key national importance for the State and a priority for Government. The Board **agreed** that Government (Department of Public Expenditure and Reform (DPER), Department of Finance (DFIN) and Department of the Environment (DoE)) needed to drive development of the site and prioritise the removal of infrastructural impediments to development. The Board noted that as NAMA had significant assets

¹ Strategic Development Zone

(c. 12 hectares out of total 22 hectare site) in the SDZ, expediting development of the site was a key priority for the Board. It was noted that the Oral hearing for Dublin Docklands SDZ was scheduled for 25th February 2014. **S29, S30, S41, S36**

[Redacted]

S29, S30, S41, S36
[Redacted]

The Board and External Committee members discussed **infrastructural capacity** issues at length including the key question as to who would ultimately (i) drive and (ii) fund the building of key infrastructure, including water and sewerage, without which development was not possible.

S29, S30, S41, S36
[Redacted]

The NIAC External Committee member provided a succinct overview of the key challenges with implications for NAMA's portfolio in **Northern Ireland (NI)**. It was noted that there were some signs of economic recovery, albeit slow and painful. The Board noted that NI was a low wage economy with 73% of the population dependent on the public sector, the latter of which was a key player in the office space market. Analogous to RoI, there was (i) a significant demand for Grade A office space, however, unlike RoI, without evidence of upward price pressure (tenants were wanting more for less) and (ii) an oversupply of apartments. It was noted that NI was seeking to attract inward investment (via tax breaks) to Research and Development organisations and that progress was somewhat slow in this regard. There was also a drive to attract retailers back to towns and city centres.

2. Presentation from ESRI on research results

David Duffy and John Fitzgerald of ESRI presented an update to the Board and External Committee members on the individual research projects related to the residential housing market in Ireland focusing on (i) demographic and household formation trends with a view to exploring and refining the housing demand forecasts (ii) housing supply in local markets (based on census data) and (iii) the role of credit in the future housing market. The Board noted that Ireland's population was projected to reach 5.2 million by 2030 (average 20,000 increase per annum) with a concomitant increase in the number households from 1.65m in 2011 to 1.86m in 2020 underpinned by an expected growth of 25,000 new households per annum over the medium-term (decreasing to 19,000 per annum if higher than expected emigration and increasing to 31,900 if emigration is lower than expected). In terms of forecasting housing demand, the Board noted recent census data had indicated a change in tenure choice within the 25yr old – 40yr old cohort, who had moved out of home earlier (due to lower cost of renting) and were renting rather than purchasing their own homes. With an estimated '*pent up demand*' of 60,000 new homeowners, there were implications for NAMA in terms of scale and type of housing need.

In response to a question from the Board, the ESRI noted that it was difficult to gauge whether the ostensible change in tenure choice from purchasing to renting homes reflected a cultural change or financial factors (such as weak credit availability and/or falling house prices in the years immediately preceding the Census); or whether it represented a temporary or permanent change in market characteristics. The Board noted that ESRI would endeavour to introduce further granularity in terms of supply and demand in particular core urban areas, notwithstanding that the research was based primarily on Census data at county level. It was noted that spatial migration patterns indicated that the population would increase in the core urban areas and decrease in peripheral areas, mainly due to differing income and employment opportunities – with higher educational attainment in the 25 yr old to 40 yr cohort

(35% educated to third level), employment opportunities would be in core urban areas. It was noted further that the prospect of the 25yr – 40yr old cohort maintaining a rural lifestyle and urban job was unsustainable. In relation to ascertaining demand for housing in the 60+ age cohort (step down accommodation), the ESRI undertook to incorporate questions of preference in accommodation into the *'Tilda'* longitudinal study. The Board noted that ESRI would seek to ascertain whether there was any evidence of demand from purchasers of properties in counties immediately neighbouring Dublin and the wider Leinster region during the boom, seeking to return to Dublin. The Board noted that following the introduction of REITs to the Irish market and the emergence of professional landlords with economies of scale and well positioned branding, the younger, better educated cohort might choose to be long term renters if the product was right (as might the older 'empty nest' cohort, if the location was right) .

3. Presentations: NAMA capex plans

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4. Presentation – *Cash generation versus profit*

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6. Section 172 Update

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7. Presentation – *New Products, including REITs*

The Senior Divisional Manager (Strategy) made a presentation. The Board noted the various New Products initiatives arising from the '*New Products Group*' formed in Q4 2013 as circulated in the paper for the meeting. Following considerable discussion the Board **agreed** that initiatives 1 to 8 should be explored further with a view to reverting to Board with a full business proposal at a later Board meeting.

8. IBRC discussion

S36



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S29, S30



3 S36
4 S36



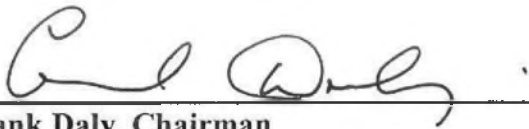
10. Closing Discussion & AOB

Over the course of the day, other aspects of NAMA strategy and its context were discussed, a summary of which follows below:

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There being no further business the meeting concluded.



Frank Daly, Chairman

13th February 2014

NAMA BOARD MINUTES

Fifth Meeting of 2014: 2.00pm. to 6.30pm., 13th February 2014, Treasury Building

Attendance:

NAMA Board

Frank Daly, Chairman
Brendan McDonagh, CEO, NAMA
John Corrigan, Chief Executive, NTMA¹
Oliver Ellingham
Brian McEnery
William Soffe

NAMA Executives (invited)

Mary Birmingham
John Collison
Ronnie Hanna
Dave McEvoy
Michael Moriarty
Seán Ó Faoláin
Aideen O'Reilly
Dónal Rooney

Other Invitees:

- Elaine Hudson, Secretary
- Rossa White, NTMA Chief Economist – item 5 only
- Eddie Casey, Economist – item 5 only
- Killian O'Flynn, Senior Divisional Manager (Strategy) – items 10 & 11
- Suzanne Sweeney, Senior Divisional Manager (AR) – item 12 only
- Martin W Whelan, Senior Divisional Manager (Communications), items 14 & 18 only

On opening the meeting the Chairman welcomed the Board members to the fifth meeting of 2014 and the agenda was noted. It was noted that the meeting had been duly convened and that a quorum was present.

Note: All Board papers referred to in the minutes were circulated prior to the meeting and presented to the Board as the basis for discussion and decision, where applicable.

¹ In attendance from Item 6b onwards, having previously advised the Chairman of his need to attend to urgent business as Chief Executive of the NTMA.

Issues considered (in order of consideration):

1. Disclosure of Interests

Brian McEnery disclosed a potential conflict of interest with respect to item 12(b) and declared that he would take no part in the discussion or decisions related to same.

There were no other disclosures made.

2. Board Private Session

The Board held a private session without the Executive present². A Board-only note on discussion during the session was prepared by the Secretary.

3. Consent Agenda Items

Matter for Board Approval

Board Papers: *Minutes of BM 2 – 16th January 2014; Board Only Appendix to Minutes of BM 2 – 16th January 2014; Board Only Minutes of BM 3 – 3rd February 2014; Minutes of BM 4 – 5th February 2014 (Board Strategy Away Day); Minutes of Executive Meeting – 31st January 2014; Northern Ireland Advisory Committee Update to Board – period 1st November 2013 – 29th January 2014; Planning Advisory Committee Update to Board – period November 2014 – January 2014; Media Evaluation – January 2014.*

The Board **approved** the consent agenda as presented and on the basis that there was no prior objection by members to the items listed for inclusion.

4. Matters Arising from Board Minutes

The Board noted the matters arising from the minutes of BM 2 and BM 4, as previously circulated by email on 9th January 2014 (included in the Board pack) and 11th February 2014 respectively. The Chairman advised that a detailed paper on the Mortgage Book operating model and in particular the role of the Credit Committee was tabled under Item 12a and that a verbal update on NAMA's meeting with the C&AG in relation to S226 report would be provided under AOB.

The Chairman thanked the Executive for the presentations at the Strategy Away Day and the excellent quality of the papers circulated in advance of the

² Some members of Executive attended for specific items.

day, noting that the day had been very constructive with a significant number of action items arising.

5. Presentation on the Irish Housing Market

Board Papers: *Housing Supply in Ireland*

Matter for Information

The NTMA Chief Economist and NTMA Economist gave a presentation to the Board which noted the key findings including that:

- (i) *Dublin county vacancy rates looked set to continue to decline* while other regions remained broadly unchanged (other regions were in “stagnation” with supply meeting or exceeding demand).
- (ii) *Underlying vacancy rates (i.e. excluding holiday homes) in Dublin had fallen as low as 3% by Q3 2013 with vacant stock expected to be fully eroded by Q1 2015* unless more vacant stock unexpectedly became available.
- (iii) There were indications that numbers of households were increasing at a faster pace than expected in Dublin (due to significant internal migration and greater than expected headship rates with rising divorce numbers and greater preferences for smaller households), with Dublin housing completions expected to fall short of anticipated demand (if household formation continued to rise at the same pace as recorded in the past two years).
- (iv) Any potential surge (latent supply) in repossessions and completions of unfinished legacy housing stocks (unrelated to the most recent housing starts) would serve to slow, but not halt, the erosion of vacant stock in Dublin.
- (v) *Wider analysis of price impacts suggested that price pressures would be largely weighted to the upside for the Dublin market*, with a slower pace of recovery still expected outside of Dublin.
- (vi) A significant percentage of mortgage arrears (c. 25%) appeared to be in “strategic default” as 75 per cent of cases included households where the head was currently employed: 40% were employed on a temporary contract with their current employer for less than two years or were recently unemployed (with 25% of non-arrears households in similar situations) and 65% had suffered income shocks (i.e. fall in nominal wages/overtime or hours of work within current job) (vs 54% of households with no arrears).

The Board noted that notwithstanding the dysfunctional mortgage credit market, the primary blockage was on the supply side. Noting the consistent message of a critical residential unit supply shortage in Dublin from the ERSI's presentation to the Board's Strategy Away Day, the Board requested that the Head of Strategy and Communications and Head of Asset Recovery extract the key impacts for NAMA from the research and revert to the Board in March 2014 with recommendations as to NAMA's role in addressing the supply shortage on a strategic basis.

The Chairman, on behalf of the Board, thanked Rossa White and Eddie Casey for their time and excellent presentation.

6. Board Approval of CC Recommendations

S41, S36, S29, S30



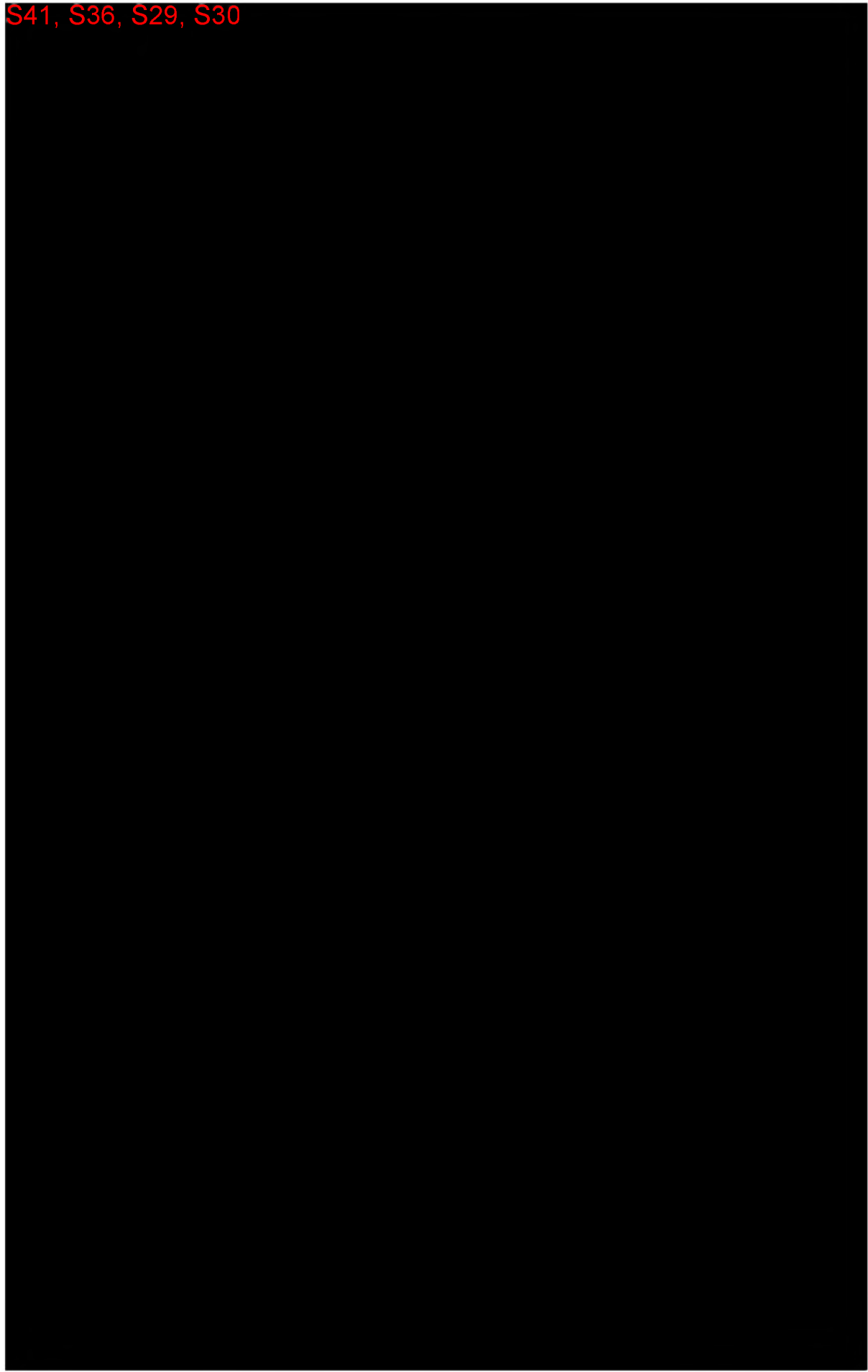
S41, S36, S29, S30



S41, S36, S29, S30



S41, S36, S29, S30



S41, S36, S29, S30



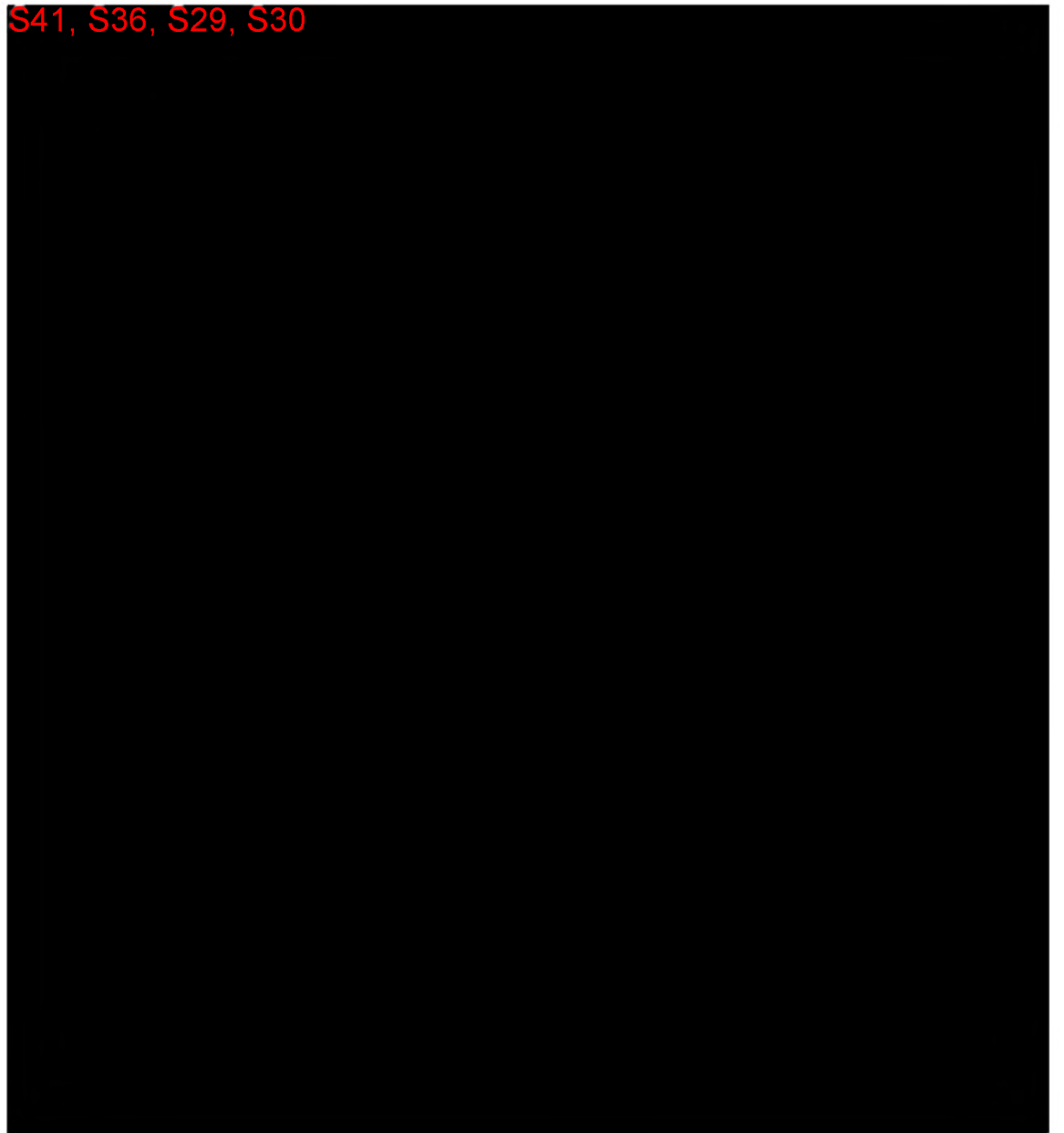
S41, S36, S29, S30



7. Debtor Strategic Credit Reviews

S41, S36, S29, S30





8. Asset Recovery Policy Framework Review

Matter for Board Approval

Board Paper: *Asset Recovery Policy Framework Review*

The Board noted the contents of the paper as presented, including the summary of the Asset Recovery Policies amended and approved since the last formal review in February 2013. The Board noted further that, in the context of providing a comprehensive suite of reference documents to Capita, as incoming Service Provider of IBRC assets, a full review of items issued since NAMA's inception had taken place, with each item reviewed, amended and approved internally by CEO and HoAR. It was noted that as part of Phase 2 of

the IBRC project (New Loan book being sold by SL) a panel of Asset Recovery Senior Divisional Managers (based on a process of dual sign off) had been sanctioned by CEO and Head of Asset Recovery to review each item of the suite of Asset Recovery Policies, Procedures and supporting documentation to the incoming Service Provider.

The Board noted that two thirds of the PI full suite of policies and procedures had been reviewed to date and that in November 2013 formal procedures had been put in place to document ‘variations’³ to implementation of the NAMA Governance Framework within the PIs which would be presented to the relevant PI Steering committees in Q1 2014.

Following consideration, the Board **resolved** to approve the revised Asset Recovery Policy Framework as presented.

9. Asset Management: Joint Ventures – Expressions of Interest

Matter for Board Approval

Board Paper: *Joint Ventures – Expressions of Interest*

The Board noted the contents of the paper as presented including the form of the proposed invitation to be published, the envisaged minimum potential investment of €20m in terms of completed value, the requirement for interested parties to demonstrate a net asset value of at least €~~S36~~ and to provide relevant background information (including potential for equity participation).

S41, S36



Following considerable discussion the Board **resolved** to approve the recommendation to publicly seek expressions of interest from the market to co-invest with NAMA in joint venture opportunities which NAMA may identify, with the objective of investing in NAMA secured assets.

³ Variations are defined as an instance where the PI is unable to implement certain aspect/s of the policy, procedure or guidance note for valid operational reasons and/or where an alternative arrangement is agreed between NAMA and the PI.

10. Sectoral Policies

10(a) Hotels (ROI)

Matter for Board Approval

Board Paper: *Sector Policy for ROI Hotels & Sector Policy for GB Hotels*

S41, S36



The Board noted that hotels in ROI and, to a lesser extent, in GB would be marketed in complementary groups to stimulate wider investor interest and maximise the potential sales price.

Following consideration, the Board **resolved** to approve the *Policy for Hotels in Ireland* and the *Policy for Hotels in Great Britain* as the frameworks within which individual asset strategies should be assessed.

11. New Product Development Procedure

Matter for Board Approval

Board Paper: *Procedure for New Product Development*

The Board noted the contents of the paper as presented and that the procedure had been developed in response to a recent review of product development by the internal audit function. The Board advised that the New Products Group might consider meeting more regularly than the quarterly meetings proposed and should consider external engagement with a view to keeping up with best available information.

The Board **resolved** to approve the procedure for New Product Development, incorporating the terms of reference for a New Product Group.

12. **IBRC Integration – Progress Report**

Matter for Board Approval

Board Paper: *IBRC Integration – Progress Report*

The Board received an update on the IBRC Integration Project, noting the progress with respect to Capita and the IBRC commercial and residential books respectively.

S41, S36, S29, S30



4 S36
5 S36



S41, S36, S29, S30



12(a) Mortgage Book Operating Model

Matter for Board Approval

Board Paper: *IBRC Residential Mortgage Book Operating Model*

The Board received an update on the Operating Model that NAMA would implement on the residential mortgage book acquired from IBRC SL. The Board noted that during the TSA period, it was expected that all credit decisions would have to be made by NAMA (sole discretion) using IBRC's existing committee structures to capitalise on case knowledge and expertise. ■

S30, S41, S36

Following consideration, and noting the prior review of the Credit Committee on 11th February 2014 and its recommendation of approval, the Board **resolved** to approve the proposed Residential Portfolio Operating Model and Delegated Authority Matrix as outlined in the paper.

12(b) NAMA Tender for panel of IBR service providers

Matter for Board Approval

Board Paper: *NAMA Tender for Panels of IBR Service Providers*

The Board noted the contents of the paper as presented, including the establishment of three panels of firms to provide NAMA with IBR and related services relating to the new IBRC exposures.

Following further discussion the Board **resolved** to approve the recommendation of the Evaluation Group to proceed with the appointment of the proposed firms for the provision of IBR and related services to NAMA.

In accordance with his earlier disclosure, Brian McEnery absented himself from the meeting for this item.

12(c) SME Code of Practice IBRC

Matter for Board Approval

Board Paper: *The Code of Conduct for Business Lending to Small and Medium Enterprises and its application to the Commercial Loan Book acquired from IBRC SL*

The Board received an update on the proposed approach to the application of the Code of Conduct of Business Lending to Small & Medium Enterprises (the “Code”) to the Commercial property loan book acquired from IBRC SL.

Taking in to consideration the key reasons outlined in the paper, including, *inter alia*, the need for NAMA to ensure consistency in debtor treatment through the application of the same policies and procedures as to its existing portfolio and the robust policies and procedures regarding debtor engagement that meet the majority of the Code’s requirements, the Board **resolved** to approve the recommendation that NAMA would not apply the Code of Conduct of Business Lending to Small & Medium Enterprises to the Commercial Portfolio acquired from IBRC SL as outlined in the paper.

13. Treasury (CFO):

13(a) Subordinated Bond Coupon

Matter for Board Approval

Board Paper: *NAMA Subordinated Bond – Coupon Payment*

The Board noted the contents of the paper as presented including that the previous three coupons due on the Subordinated bonds (March 2011, 2012 & 2013) had not been paid and discussed the criteria required for such a coupon payment to be made: namely that NAMA “*was achieving its objectives*”. In this regard the Board noted that NAMA was expected to be in a profitable position for 2013, with an anticipated profit before tax for 2013 of €400m and profit after tax of approx. €300m, notwithstanding a significant impairment charge of approx. €800m (subject to Board approval and audit).

Following consideration, and subject to all NAMA senior noteholders agreeing **S36** [REDACTED] *in writing* to rollover NAMA senior debt in March 2014 the Board **resolved** to approve the recommendations as presented in the paper as follows:

- (i) pay the subordinated bond coupon of € 83,855,520 due on the 1st March 2014 and notify the holders accordingly.
- (ii) pre-advise the decision to the Department of Finance.

13(b) Senior Bond Redemption

Matter for Board Approval

Board Paper: *NAMA Senior Note Redemption*

S41, S36, S29



Following consideration, and taking into account the strong current Cash and Qualifying liquid Asset (QLA) position of €3.3 billion at 31st January 2014, the imminent closing of substantial debtor transactions (c. 0.5 billion) and cost of carry considerations in holding excess cash balances in the current low interest rate environment, the Board **resolved** to approve the recommendations as presented in the paper as follows:

- (iii) Redeem up to €3,000,000,000 of “Existing” NAMA Senior Notes (€22.69 bn o/s) by the 31st March 2014, subject to all note-holders agreeing to physically settle their holding on the upcoming 3rd March 2014 senior note maturity.

- (iv) Notify the Minister of its decision, under Section 60 (2) (a) of the NAMA Act, and if there is no objection from the Minister, it was recommended that the Board authorise the CEO to take all the necessary steps to redeem the bonds as outlined in (i) above.

14. Records Management Policy

Matter for Board Approval

Board Paper: *Records Management Policy*

The Board noted the contents of the paper as presented and that due to delays at Oireachtas Committee Stage, the Freedom of Information Act, was unlikely to apply to NAMA until October/November 2014 (six months after Act was passed). It was noted that two FOI Managers, due to commence work in late February/early March 2014, would in the interim (i) undertake simulations of FOI searches in order to test the impact on systems and (ii) facilitate staff in terms of compliance with the Records Management Policy. The Board noted further that the period of retrospection that would apply to NTMA/NAMA would not be decided until after enactment of the Bill in April 2014 as advised by DPER.

The Board agreed that the NAMA and NTMA Records Management Policies should be aligned and that any anomalies should be brought back to the Board to resolve.

Following consideration, the Board **resolved** to approve the Records Management Policy incorporating the Records Retention Policy subject to any minor amendments arising from the alignment of the NTMA and NAMA Records Management Policies.

The Chairman, on behalf of the Board, thanked the Senior Divisional Manager (Communications) and the Head of Strategy and Communications for the significant progress made in relation to the Policy.

15. Annual Report to the EU Commission & Competition Authority

Matter for Board Approval

Board Paper: *Competition Report for EU Commission and Competition Authority of Ireland*

The Board noted the contents of the paper as presented including that (i) the report was in the same format as the previous year, (ii) none of NAMA's six

potentially distortive’ or ‘super’/ ‘extraordinary’ powers had been exercised (iii) 13 of the 28 other powers identified by the Commission had been exercised and (iv) no *new* powers had been exercised as set out in detail in the report.

Following consideration the Board **resolved** to approve the content of the 2013 report for submission to the EU Commission and the Competition Authority.

16. NTMA SLA – Annual review

Matter for Information

Board Paper: *NTMA Service Level Agreement – Annual Review; NTMA Service Provision to NAMA (clean and marked up versions)*

The Board noted the changes to the NTMA Service Level Agreement following its first annual review including, *inter alia*, (i) the new governance arrangement for the governance of NTMA corporate projects which might impact NAMA and (ii) the removal of the requirement for an annual review of the SLA by NAMA’s Finance and Operating Committee (FOC) and Board on the basis that no material changes were expected going forward and that in the event that there were material changes these would be presented to the FOC and Board as a matter of course.

17. MI Report

Matter for Information

Board Paper: *Monthly Management Information Report – 31st December 2013*

The Board noted the contents of the paper as presented, including the positive 2013 cash performance of €5.9 billion which, adjusted for the SL cash transfer of €1.4 billion, amounted to €4.5 billion in 2013 which significantly exceeded the 2013 year end cash generation target of €3.5 billion. The Board noted further the continued strong performance in January 2014 with cash generation in excess of €450 million for the month. The Board commended the excellent quality of the paper circulated for the meeting.

18. **Divisional Updates: Strategy and Communications**

Matter for Information

Board Paper: *Strategy and Communications Divisional Update*

The Head of Strategy and Communications provided a detailed presentation to the Board on the division's work and responsibilities, including the level of communications/engagement and initiatives. **S29, S30**

[REDACTED]

[REDACTED] A review of the 2012 Strategic Plan would be presented to Board at its March meeting.

In addition to the significant volume of communications activity (in terms of press releases, press statements, responses to phone calls and emails from the public/politicians/journalists and parliamentary questions etc) the Board commended the excellent quality of the communications function which had served to create a significantly more positive attitude to NAMA in the last 12 months. A review of Communications Strategy, as requested by the Board at its away day in response to recent coverage of NAMA issues, would be presented at the March meeting of the Board.

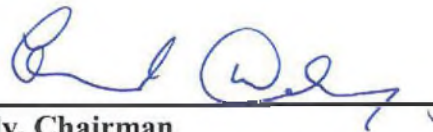
S30, S29

[REDACTED]

19. AOB

The Head of Strategy and Communications briefed the Board on the meeting held on 20 January 2014 with senior C&AG staff in relation to the draft S226 Report. It was noted that the C&AG indicated that they would incorporate the 2013 impairment figures in the report and that this would provide a more comprehensive and up-to-date view of NAMA's progress.

There being no further business the meeting concluded.



Frank Daly, Chairman
13th March 2014

NAMA BOARD MINUTES

Fifth Meeting of 2014: 2.00pm. to 6.30pm., 13th February 2014,

Treasury Building

Board-Only Appendix to Minutes

Items Considered:

External Committee members (Brian Rowntree and Michael Wall) end of Terms of Appointment

Matter for Board Approval

Board Paper: N/A

The Chairman opened the session noting that the second Terms of Appointment for Mr. Rowntree, External Committee Member on the Northern Ireland Advisory Committee and Mr. Wall, External Committee Member on the Planning Advisory Committee were due to expire on 15th April 2014. The Board noted that there were no restrictions under s33(3) on the number of terms of Advisory Committee reappointments unlike Board Members under s20(4). On the recommendation of the Chairman, the Board resolved to approve the re-appointment of Mr. Wall as a member of the Planning Advisory Committee for a further two years from 16th April 2014 subject to confirmation of his willingness to commit to a further term. The Board agreed to defer a decision in relation to Mr. Rowntree in the context of **S36**

S36

S31, S41, S29, S30

S31, S41, S29, S30



S41, S36, S29, S30



S41, S36, S29, S30

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S41, S36, S29, S30

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S41, S36, S29, S30

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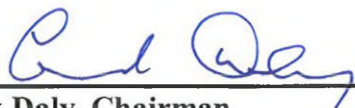
CEO 2013 Performance review

Matter for Information

Board Paper: *N/A*

The Board held a private session on this matter at the end of the meeting without the Executive or Secretary present

There being no further business the private session concluded.



Frank Daly, Chairman
13th March 2014

NAMA BOARD MINUTES

Sixth Meeting of 2014: 4pm. to 4.20pm., 28th February 2014,

Treasury Building

Board Only

Attendance:

NAMA Board

Frank Daly¹

Brendan McDonagh

John Corrigan¹

Oliver Ellingham¹

Brian McEnery¹

Willie Soffe¹

Invited:

Suzanne Sweeney

Secretary:

Elaine Hudson

On opening the meeting the Chairman welcomed the Board members to the sixth meeting of 2014 and the agenda was noted. It was noted that the meeting had been duly convened and that a quorum was present.

Issues Considered:

1. Disclosures of Interests

There were no disclosures made.

S41, S29, S30, S36

¹ By telephone in accordance with section 27 of the NAMA Act 2009.

S41, S36, S29, S30

S41, S36, S29, S30

3. AOB

There was no other business.

There being no further business the meeting concluded.



Frank Daly, Chairman
13th March 2014

NAMA BOARD MINUTES

Seventh Meeting of 2014: 10am. to 10.20am., 11th March 2014.

Treasury Building

Board Only

Attendance:

NAMA Board

Frank Daly¹
Brendan McDonagh
John Corrigan¹
Oliver Ellingham¹
Brian McEnergy¹
Willie Soffe

Invited:

Ronnie Hanna
Aideen O'Reilly
Alan Stewart

Secretary:

Elaine Hudson

On opening the meeting the Chairman welcomed the Board members to the seventh meeting of 2014 and the agenda was noted. It was noted that the meeting had been duly convened and that a quorum was present.

Issues Considered:

1. Disclosures of Interests

There were no disclosures made.

2. Project Eagle

Matter for Board Approval

Board Paper: *N/A*

¹ By telephone in accordance with section 27 of the NAMA Act 2009.

S41, S36, S29, S30



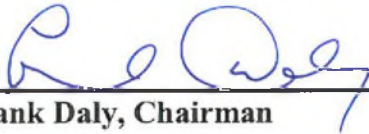
S41, S36, S29, S30



3. AOB

There was no other business.

There being no further business the meeting concluded.



Frank Daly, Chairman
13th March 2014

NAMA BOARD MINUTES

Eighth Meeting of 2014: 1.30pm. to 5.30pm., 13th March 2014, Treasury Building

Attendance:

NAMA Board

Frank Daly, Chairman
Brendan McDonagh, CEO, NAMA
John Corrigan, Chief Executive, NTMA
Oliver Ellingham
Brian McEnery¹
William Soffe

NAMA Executives (invited)

Mary Birmingham
John Collison
Dave McEvoy
Michael Moriarty
Seán Ó Faoláin
Aideen O'Reilly
Dónal Rooney

Other Invitees:

- Elaine Hudson, Secretary
- Killian O'Flynn, Senior Divisional Manager (Strategy) – items 8 & 9
- Jamie Bourke, Senior Divisional Manager (AR) – item 15 only
- Martin W Whelan, Senior Divisional Manager (Communications), item 19 only
- Ray Gordon, Gordon MRM Consultants, Item 19 only

Apologies:

- Ronnie Hanna (Executive)

On opening the meeting the Chairman welcomed the Board members to the eighth meeting of 2014 and the agenda was noted. It was noted that the meeting had been duly convened and that a quorum was present.

Note: All Board papers referred to in the minutes were circulated prior to the meeting and presented to the Board as the basis for discussion and decision, where applicable.

¹ By telephone in accordance with section 27 of the NAMA Act 2009 from 1.30pm to 2.30pm.

Issues considered (in order of consideration):

1. Disclosure of Interests

John Corrigan disclosed a potential conflict of interest with respect to item 13 and declared that he would take no part in the discussion or decisions related to same. Brian McEnery disclosed a potential conflict of interest in respect of Items 11(b), 12(a) and 12(b) and noted that he would not be taking part in the discussion or decisions related to same².

There were no other disclosures made.

7. Strategic Options

Matter for Board Approval

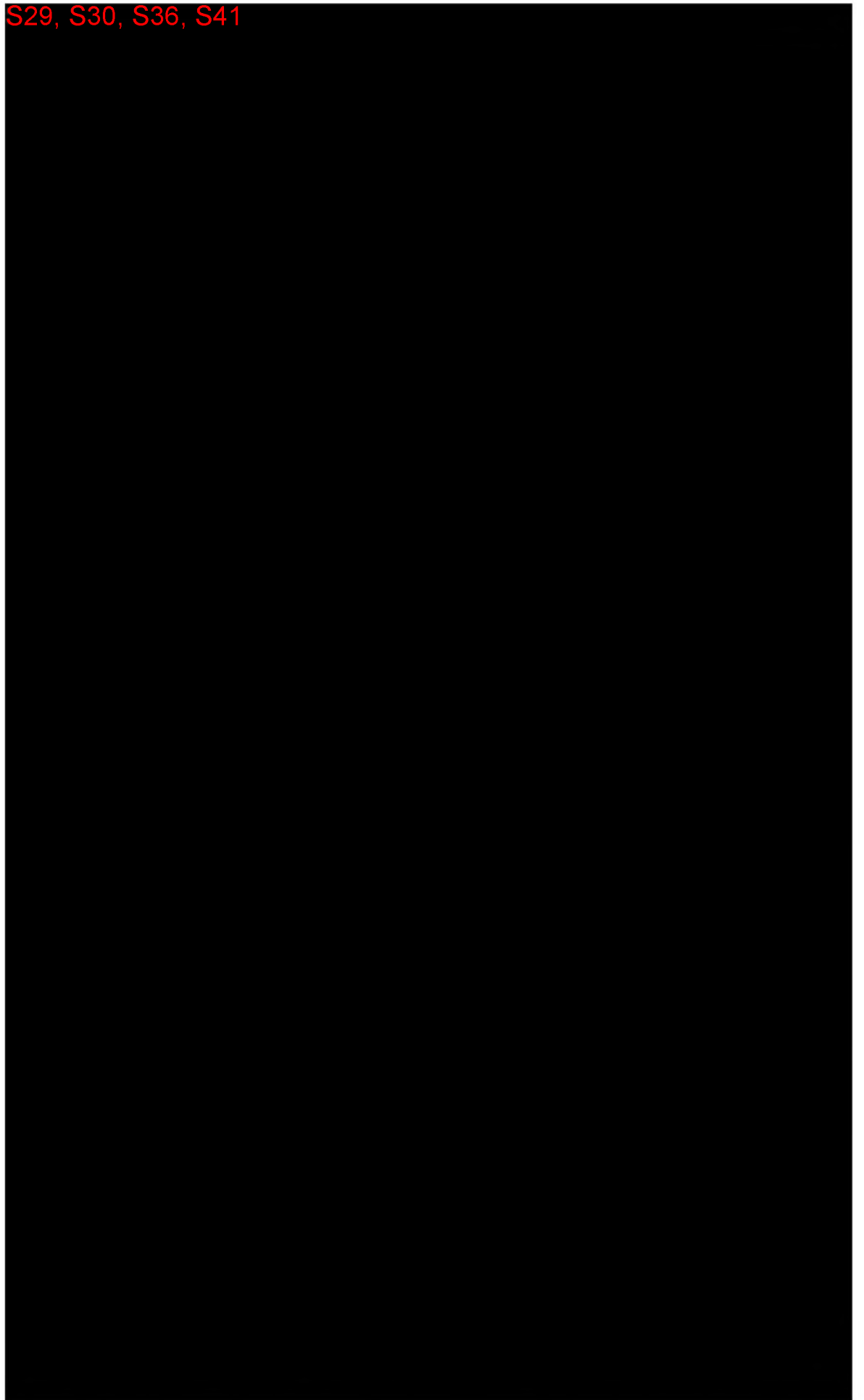
Board Paper: *Strategic Options*

S29, S30, S36, S41



² Brian McEnery participated for items 7, 10, 14(a), Board only session in relation to a specific aspect of Item 19 only which were expedited to the start of the meeting to facilitate his participation in same.

S29, S30, S36, S41



S29, S30, S36, S41



14(b). Dublin Development Land Inventory

Matter for Information

Board Paper: *Dublin Development Land Inventory*

S29, S30, S36, S41



The Chairman, on behalf of the Board commended HoAM and NAMA staff on the quality of the report and requested that NAMA extend the analysis to include other Major cities (Cork, Limerick, Galway) and the greater Dublin

area (Wicklow, Kildare and Meath) with the report to be tabled at the April Board meeting.

10. Section 172 Update

Matter for Board Approval

Board Paper: *Section 172(3) Policy Update*

S41, S29, S30, S36



17. Impairment – Bi-annual review (to end 2013)

Matter for Board Approval

Board Paper: *Impairment Bi-Annual Review (to end 2013)*

S41, S36, S29, S30



S41, S36, S29, S30

The Chairman, on behalf of the Board, commended the very significant work undertaken by the CFO and his team and AM and AR teams respectively and congratulated them on the excellent quality of the report submitted.

3. Consent Agenda Items

Matter for Board Approval

Board Papers: *Minutes of BM 5 – 13th February 2014; Board Only Appendix to Minutes of BM 5 – 13th February 2014; Board Only Minutes of BM 6 – 28th February 2014; Board Only Minutes of BM 7 – 11th March 2014; Minutes of Executive Meeting – 28th February 2014; Audit Committee Update to Board – period 1st January 2014 – 28th February 2014; Finance & Operating Committee Update to Board – period 1st December 2013 – 28th February 2014; Media Evaluation – February 2014.*

The Board **approved** the consent agenda as presented and on the basis that there was no prior objection by members to the items listed for inclusion.

4. Matters Arising from Board Minutes

The Board noted the matters arising from the minutes of BM 5, as previously circulated by email on 6th March (included in the Board pack). The Chairman advised that an update on the informal approach to **S36** was tabled under Item 19 and that a verbal update in relation to **S36, S41** would be given under Item 11.

5. Committee Terms of Reference – Annual Review

Matter for Board Approval

Board Papers: *Committee Terms of Reference – Annual Review including Terms of Reference – Audit Committee; Credit Committee; Finance & Operating Committee; Risk Management Committee; and Planning Advisory Committee.*

The Board noted the contents of the paper as presented including the proposed changes in respect of the Audit, Credit, Planning Advisory and Risk Management Committees' Terms of Reference (ToR). The Board noted that the agreed change to the Credit Committee Terms of Reference in respect of the addition of the second Deputy Head of Asset Recovery to the Committee was not a minor, non-material change as outlined in the cover paper circulated.

Following consideration, the Board **resolved** to approve the Committees' Terms of Reference as presented. The Board noted that it would conduct its annual review of the NI Advisory Committee ToR in May following Committee review.

6. Disposal & Granting of Access to On Balance Sheet Fixed Assets (Report)

Matter for Information

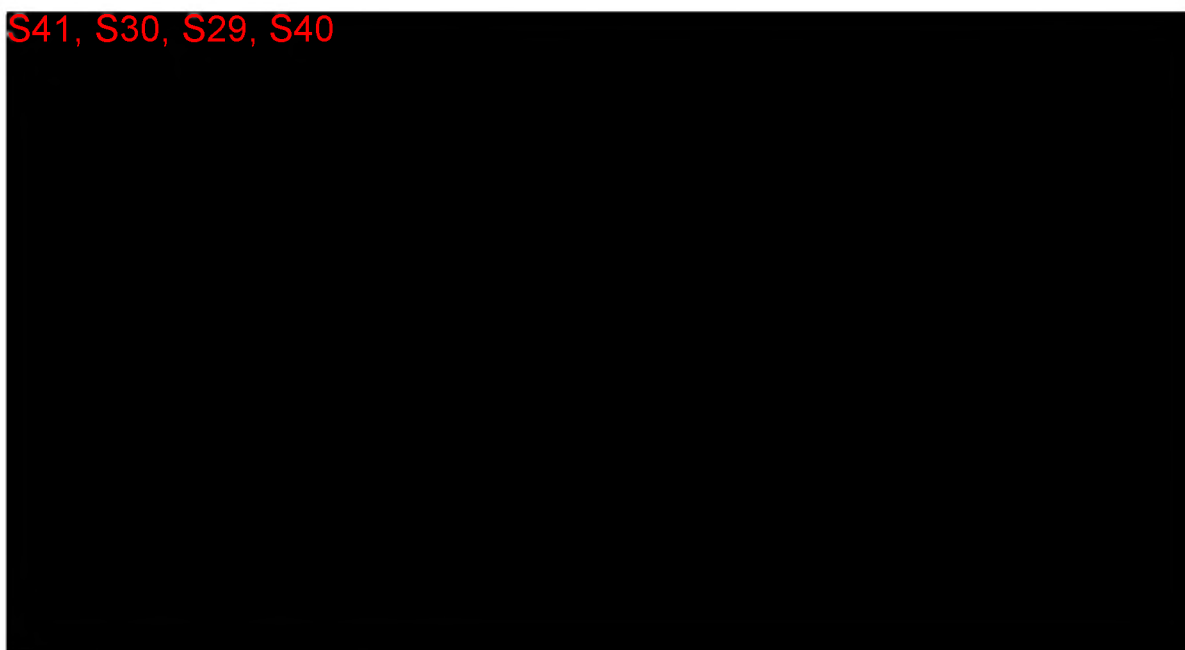
Board Paper: *Disposal and Granting of Access to On Balance Sheet Assets – Annual Report*

The Board noted the contents of the report as presented which had been prepared in accordance with the Policy on the Disposal of, and Granting of Access to, NAMA on Balance Sheet Fixed Assets approved by the Board in June 2013. The Board noted the listing of on Balance Sheet fixed asset disposals which had been completed in 2013. It was noted that that there were no transactions involving members of the NAMA Board, Committees, NAMA officers, NTMA staff or connected persons within the meaning of s172(3) of the NAMA Act and no exceptions to the policy.

7(a). Department of Finance information request re s227

Matter for Board Approval

Board Paper: *Department of Finance Information Request re Section 227*



8. Quarterly Strategy Update

Matter for Information

Board Paper: *Strategy Monitoring Programme – Quarterly Update*



. The Board noted further that the exceptionally strong performance of the Irish commercial market during the latter half of 2013 had increased the scale of what was currently achievable in terms of Irish asset disposals. In this context it was noted that the asset disposal and Senior Bond redemption targets set in the 2012 Strategic Plan were being reviewed by the Board and that future versions of the paper would be based on any revised strategy that might be agreed by the Board.

³ As of 28th February, NAMA is awaiting the 2nd draft version of the C&AG s226 report

9. Sectoral Policies

9(a) Offices (ROI)

Matter for Board Approval

Board Paper: *Sector Policy for ROI Offices*

The Board noted the contents of the paper as presented, that no material changes were proposed at this time, and that disposal rates were broadly in line with strategy. **S29, S30, S41**

S29, S30, S41

Following consideration, the Board **resolved** to approve the *Policy for Offices in Ireland* as the framework within which individual asset strategies should be assessed.

9(b) Offices (GB)

Matter for Board Approval

Board Paper: *Sector Policy for GB Offices*

The Board noted the contents of the paper as presented, that no material changes were proposed at this time, and that disposal rates were ahead of the Strategic Plan. **S29, S30, S41**

S29, S30, S41

Following consideration, the Board **resolved** to approve the *Policy for Offices in Great Britain* as the framework within which individual asset strategies should be assessed.

11. Board approval of CC recommendations

S41, S36, S29, S30



S41, S36, S29, S30



S41, S36, S29, S30



S41, S36, S29, S30

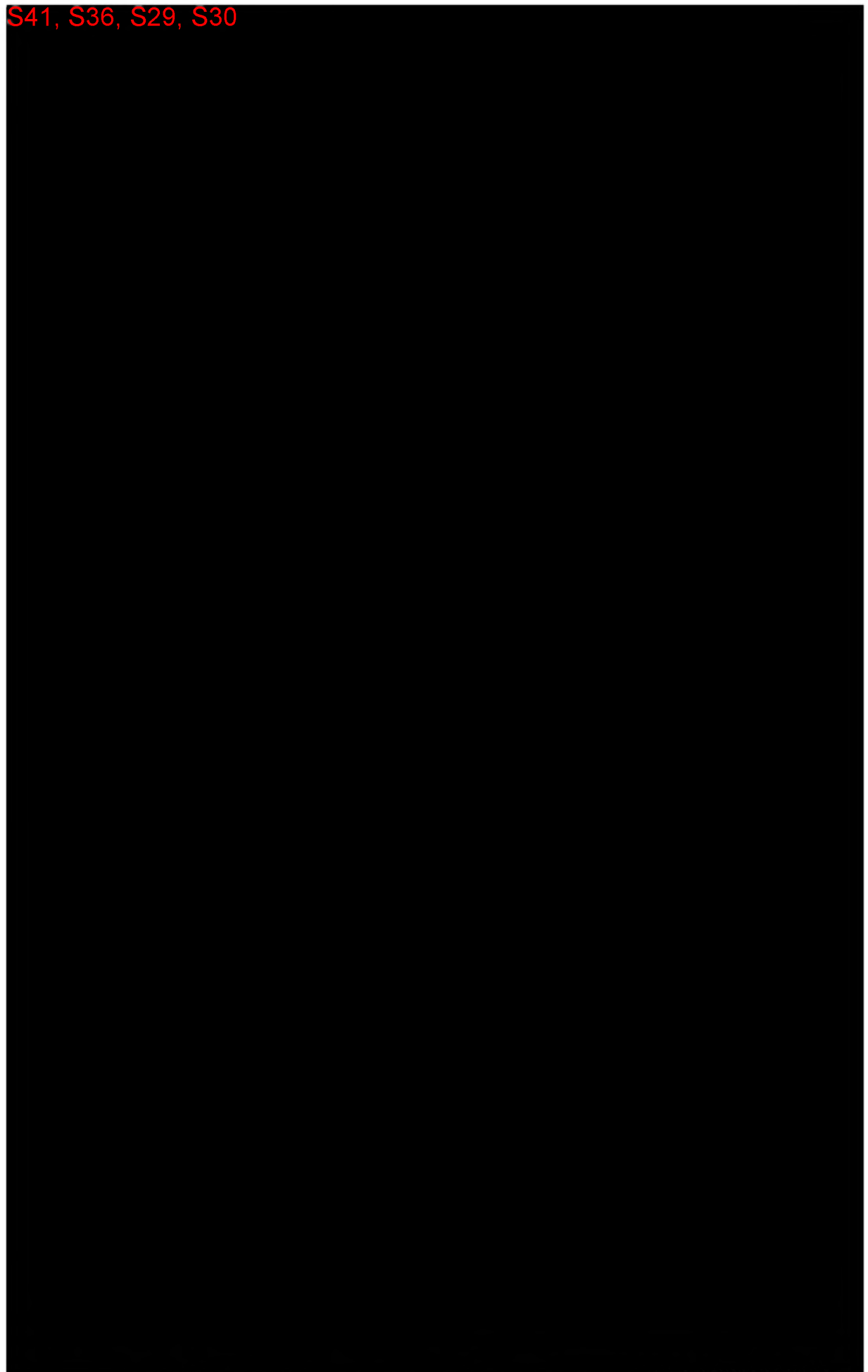


S41, S36, S29, S30



S41, S36, S29, S30





S41, S36, S29, S30

In accordance with his earlier disclosure, John Corrigan absented himself from the meeting for this item.

14. Asset Management Quarterly Progress Update

Matter for Information

Board Paper: Quarterly Projects Update – Asset Management

The Head of Asset Management presented the AM projects paper to the Board, which noted the handover of the S36, S41 from AR to AM and that four AM projects were linked to the outcome of Dublin Docklands SDZ. The Board noted the contents of the paper as presented.

14(a). Social Housing update (NARPS)

Matter for Board Approval

Board Paper: Social Housing – NARPS Rental Model

S41, S36, S29, S30

14(c). Dublin Docklands SDZ Update

Matter for Information

Board Paper: *Dublin Docklands SDZ Update*

The Board noted the contents of the paper as presented including the update in relation to the SDZ Oral Hearing and the direct evidence of NAMA's Head of Planning presented to the Oral Hearing on Friday 28th February. The Board noted that the Oral Hearing had brought a more positive understanding of the water supply and drainage capacity situation within the SDZ lands with Irish Water having effectively assumed control of same and stated in evidence that there were no immediate water supply/drainage impediments to future development in the SDZ area subject to ongoing investment planned taking place. It was noted that while Irish Water had confirmed that it would manage (and continue to improve) water and drainage supply and infrastructure in the SDZ in the immediate term, the issue in relation to the source of funding for this development had not been discussed at the Hearing.

The Chairman, on behalf of the Board, commended the quality of the paper and the work undertaken to date and congratulated NAMA's Planning team on an excellent job in relation the SDZ process in particular.

15. IBRC Integration Update

Matter for Board Approval

Board Paper: *IBRC Integration – Progress Report*

The Board noted the contents of the paper as presented including that there had been strong bidder interest in the '*Sand*' Portfolio⁴ (particularly in relation to non-performing assets) and the '*Stone*' Portfolio⁵ which were due to close on the 14th March and 21st March 2014 respectively and following which the Board would have a more definitive indication of the likely size of the residual IBRC asset transfer to NAMA.

⁴ IBRC Irish Residential Portfolio of Par Debt €1.8bn

⁵ IBRC Irish Commercial portfolio of Par Debt €9.3bn

15(a). IBRC Portfolio Valuation Approach

Matter for Board Approval

Board Paper: IBRC Integration – Portfolio Valuation Approach

The Board noted the contents of the paper as presented including the requirement, under International Financial Reporting Standards (IFRS), to account for the NEW Portfolio at *fair value* on acquisition from the legal transfer date. The Board noted that, having regard to the fair value requirements under IFRS 13, the profile of the NEW portfolio likely to be acquired and the time required to complete connection due diligence which could not commence until post loan sale closing date (Q4 of 2014), it was considered that a portfolio valuation approach was the best approach available to assess the fair value of the portfolio for the year end 31 December 2014. It was noted that NAMA's existing cashflow based analysis approach would apply thereafter for subsequent impairment assessment purposes i.e. 30 June 2015 onwards.

Following considerable discussion the Board **resolved** to:

- (i) Apply a total portfolio valuation approach for the purpose of arriving at a fair valuation of IBRC SL portfolio acquired for the NAMA Group 31 December 2014 Financial Statements.
- (ii) Approve the procurement of the necessary financial and technical accounting expertise to undertake the project noting that the NAMA IBRC project integration team in conjunction with the CFO would commence engagement with parties with sufficient expertise and experience to undertake this project.

The Board noted that the recommended approach and costs proposal would be brought back to the Board's May meeting following engagement with the relevant parties.

16. Treasury (CFO):

16(a). Update

Matter for Information

Board Paper: Treasury (CFO) Update

The Board noted the contents of the paper as presented.

16(b). NAMA Senior Note Redemptions

Matter for Board Approval

Board Paper: NAMA Senior Note Redemptions

Following discussion the Board **resolved** to approve the recommendations as presented in the paper as follows:

- (i) Approve on-going redemptions of NAMA "New" Senior Notes issued to Central Bank as payment for IBRC Floating charge up to an aggregate amount of **€7 billion** by the **30th June 2014** at Par plus Accrued Interest, subject to National Asset Resolution Limited (NARL) having sufficient liquidity to meet its obligations. This would result in cumulative redemptions of **€10.3 billion** of **€12.9 billion** issued in March 2013.

- (ii) Notify the Minister of its decision, under Section 60 (2) (a) of the NAMA Act, and if there was no objection from the Minister, it was recommended that the Board authorise the CEO to take all the necessary steps to redeem the notes as outlined in (i) above.

16(c). NAMAIL Private Investor Dividend

Matter for Board Approval

Board Paper:

The Board noted the contents of the paper and that if a dividend was to be declared, NAMA would have to provide its consent under the terms of the Shareholders' Agreement.

Following consideration and noting that a payment at 31st March 2013 would be in the region of €2.0m if coupon was 4% but now the coupon would likely be closer to 3%. The Board **resolved** to approve the recommendation as presented in the paper as follows:

- (i) Consent to the declaration and payment by National Asset Management Agency Investment Limited ("NAMAIL") to the Private Investors only of a dividend equal to the amount arrived at by applying the Ten Year Irish Government Bond Yield⁶ as at 3.00 pm on Monday 31st March 2014, capped at 4% (equivalent to €2.04m).
- (ii) Authorises the CEO to provide written consent from NAMA to NAMAIL to declare and pay such a dividend, in accordance with section 3.1.2(c) of the Shareholders Agreement made between NAMA, NAMAIL and the Private Investors.

18. Section 55 Report and Accounts – Q4/2013

Matter for Board Approval

Board Paper: Section 55 Quarterly Report Q4 2013

The Board noted the contents of the report and accounts, the operating profit before impairment of €1.2 billion and profit after impairment and tax of €211 million for 2013. The Board agreed that publication of Section 55 Quarterly

⁶ 10-year Interpolated Yield between Irish 18th March 2024 & Irish 18th March 2025 bonds – 3.18% as at 25th Feb 2014.

Report should coincide with the publication of NAMA's Annual Report as both contained first indication of NAMA's results for 2013.

Following consideration, and subject to some minor enhancements to the cover letter following review by the Finance & Operating Committee at its meeting on 12th March 2014, which otherwise recommended the report and accounts for approval, and subject to the material completion of the C&AG's audit of the impairment figure, the Board **resolved** to approve the submission of the Section 55 Report and Accounts for Q4 2013 to the Minister for Finance.

The Chairman thanked the CFO and his team for their considerable time and effort in relation to the report.

19. **Communications Strategy Review⁷**

Matter for Board Approval

S31, S29, S30



S31, S29, S30



20. MI Report

Matter for Information

Board Paper: *Monthly Management Information Report – 31st January 2013*

The Board noted the contents of the paper as presented, including the positive year to date 2014 cash performance of €1.1 billion. The Board noted that cash generation since inception was c. €20 billion.

20a. Operating Expenditure - Quarterly Outturn Report

Matter for Information

Board Paper: *Operating Expenditure – Quarterly Outturn Report*

The Board noted the contents of the paper as presented, including the total operating costs incurred of €116m for year ended 31 December 2013 which compared favourably to budgeted costs of €140m and re-forecasted budget costs (September 2013) of €125m. It was noted that the most significant positive variances achieved to budget were in primary servicer fees, legal, and IT costs, which accounted for €26m of a positive variance. This was offset by a negative variance to budget of €7m for IBRC integration costs as a result of the IBRC liquidation earlier this year which was not a known event when setting the 2013 cost budget.

21. Progress on Strategy Away Day Action items

Matter for Information

Board Paper: *NAMA 2014 Strategy Away Day Tracker*

The Board noted the contents of the paper as presented, including that nine of the 21 items actions arising from the Strategy Away Day were tabled for the present meeting, with the remaining 12 being tabled (grouped into three or four broad themes) for the April Board meeting.

22. AOB

S41, S36, S29, S30



2. Board Private Session

The Board held a private session without the Executive present. A Board-only note on discussion during the session was prepared by the Secretary.

There being no further business the meeting concluded.



Frank Daly, Chairman
10th April 2014

NAMA BOARD MINUTES

*Eighth Meeting of 2014: 1.30pm. to 6.30pm., 13th March 2014,
Treasury Building*

Board-Only Appendix to Minutes

Items Considered:

Project Eagle

Matter for Board Approval

Board Paper: *N/A*

S41, S36, S29, S30



S41, S36, S29, S30



S31, S41, S29, S30



FOC Chairmanship

Matter for Information

Board Paper: N/A

The Chairman advised that the existing vacancy for the Chairmanship of the Finance and Operating Committee (FOC) was not anticipated to be filled within the next number of weeks as it was unlikely that any replacement Board Members¹ would be appointed within that timeframe. It was noted that the next scheduled meeting of the FOC was due to take place on 2nd April 2014. The Chairman proposed that Willie Soffe act as interim chairman of the Finance and Operating Committee until a new Board member was appointed. The Board **agreed** to this approach and Willie Soffe undertook to chair the committee.

CEO 2014 Performance Objectives

Matter for Information

Board Paper: N/A

The Board noted that approval discussion of the Chief Executive's 2014 objectives would be tabled at the Board's April meeting.

NAMA Ministerial Advisory Group

Matter for Information

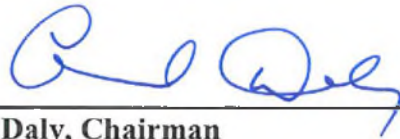
Board Paper: N/A

The Chairman advised that Michael Geoghegan had tendered his resignation from the NAMA Ministerial Advisory Group (MAG) but that confirmation of the acceptance of same by the Minister was as yet unforthcoming.

¹ Three vacancies would exist on the NAMA Board following John Mulcahy's resignation from the Board on 17th January 2014.

S29, S30, S36, S41

There being no further business the private session concluded.



Frank Daly, Chairman
10th April 2014

NAMA BOARD MINUTES

*Ninth Meeting of 2014: 6.05pm. to 6.15pm., 19th March 2014,
Treasury Building*

Board Only

Attendance:

NAMA Board

Frank Daly¹

Brendan McDonagh

Oliver Ellingham¹

Brian McEnergy¹

Invited:

Maurice Fitzgerald

Secretary:

Elaine Hudson

Apologies:

Willie Soffe

John Corrigan

On opening the meeting the Chairman welcomed the Board members to the ninth meeting of 2014 and the agenda was noted. It was noted that the meeting had been duly convened and that a quorum was present.

Issues Considered:

1. Disclosures of Interests

There were no disclosures made.

2.

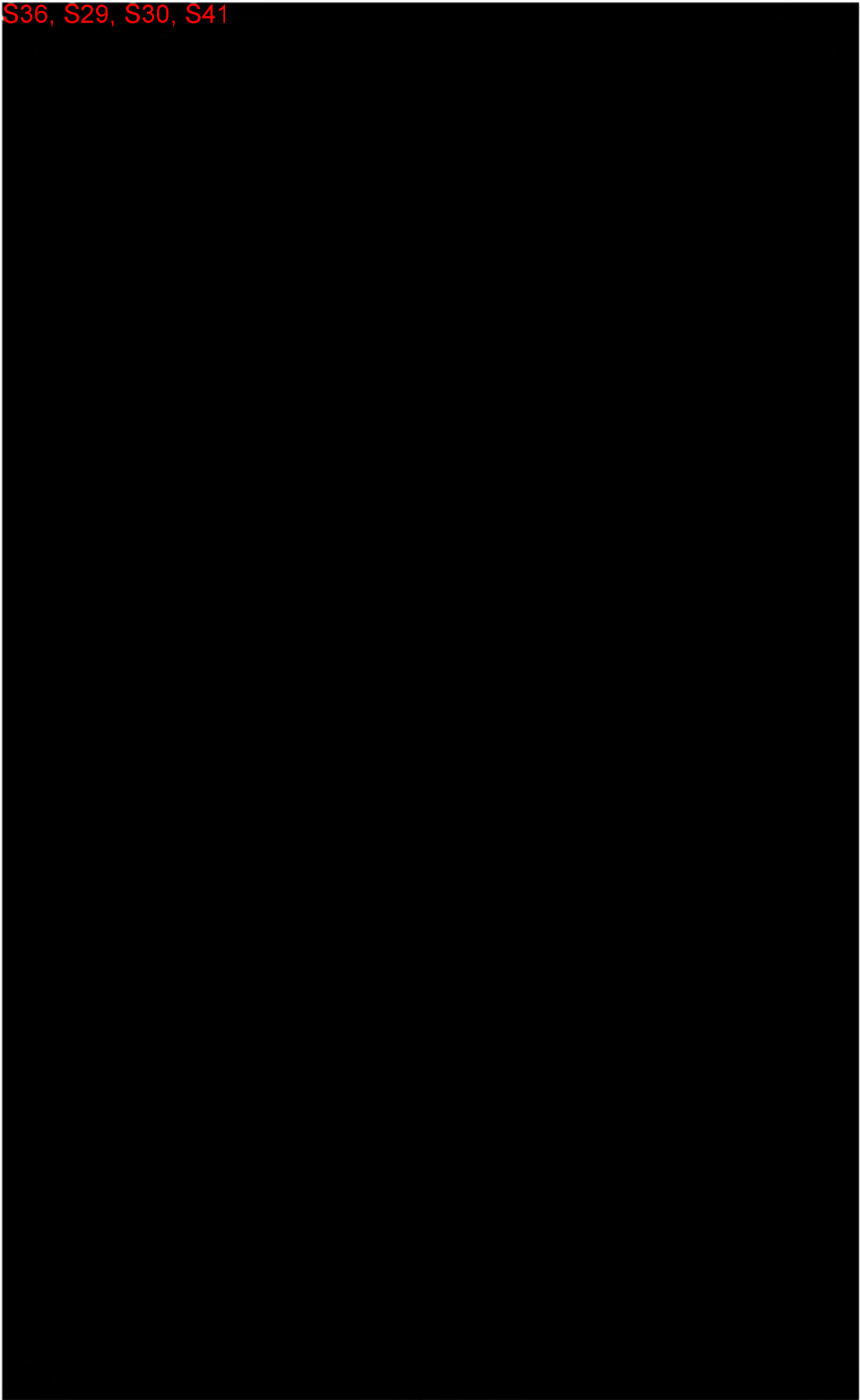
S36

Matter for Board Approval

S36

¹ By telephone in accordance with section 27 of the NAMA Act 2009.

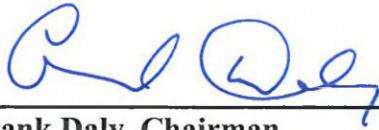
S36, S29, S30, S41



3. AOB

There was no other business.

There being no further business the meeting concluded.



Frank Daly, Chairman

10th April 2014

NAMA BOARD MINUTES

Tenth Meeting of 2014: 4pm. to 4.30pm., 3rd April 2014,

Treasury Building

Board Only

Attendance:

NAMA Board

Frank Daly¹

Brendan McDonagh

Oliver Ellingham¹

Brian McEnery¹

Willie Soffe¹

Invited:

John Collison

Aideen O'Reilly

Secretary:

Elaine Hudson

Apologies:

John Corrigan

On opening the meeting the Chairman welcomed the Board members to the tenth meeting of 2014 and the agenda was noted. It was noted that the meeting had been duly convened and that a quorum was present.

Issues Considered:

1. Disclosures of Interests

There were no disclosures made.

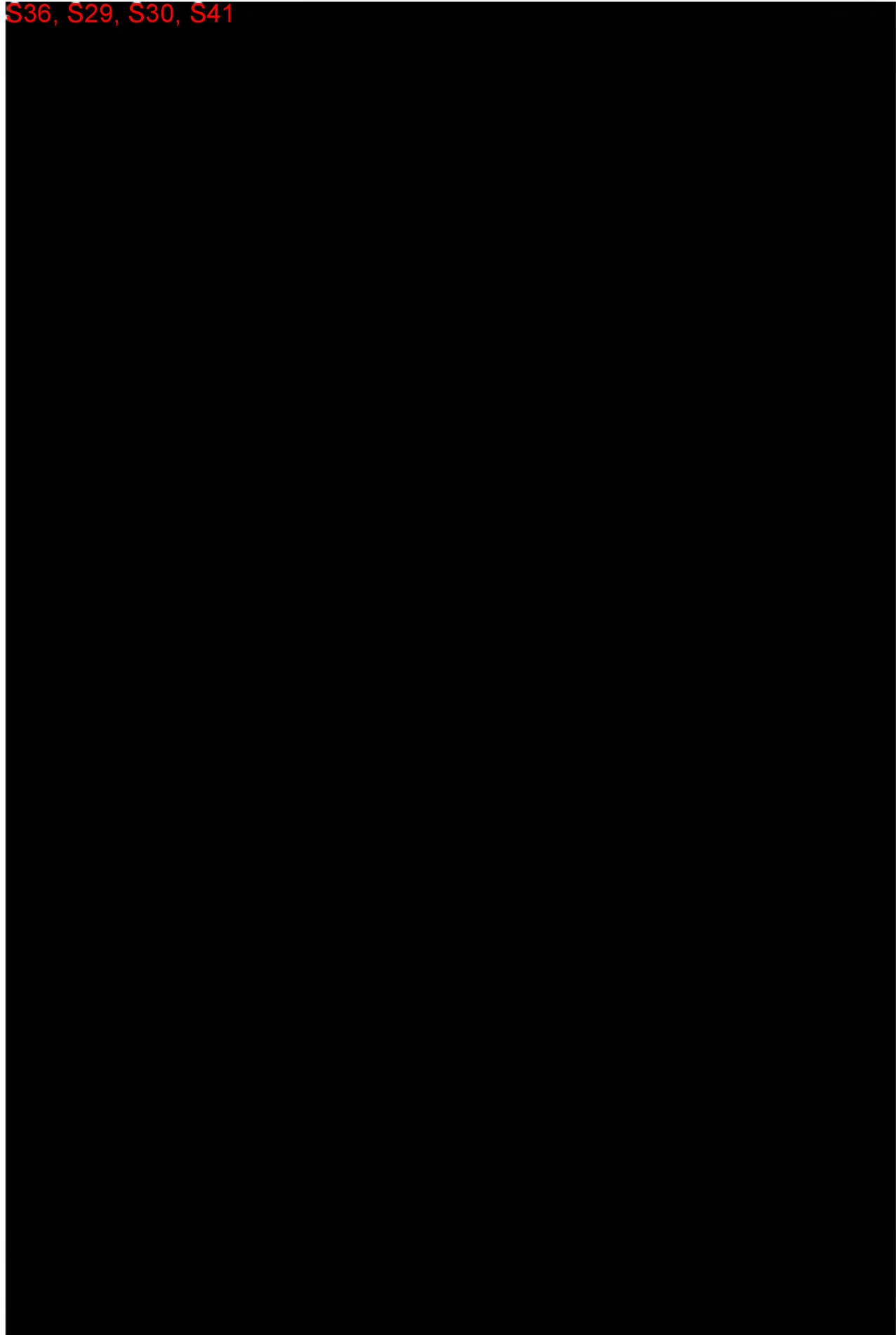
2. Project Eagle

Matter for Board Approval

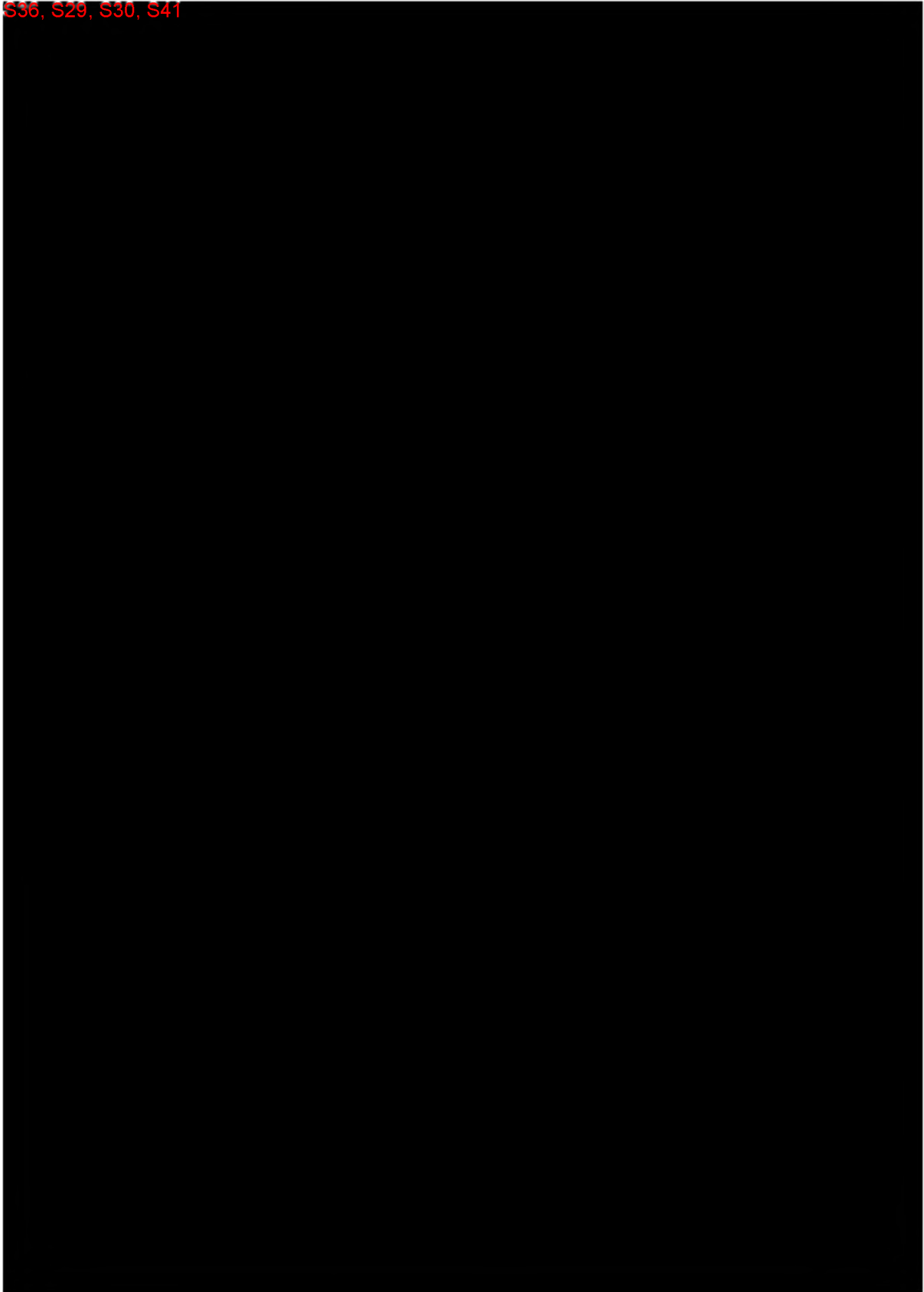
S36

¹ By telephone in accordance with section 27 of the NAMA Act 2009.

S36, S29, S30, S41



S41, S36, S29, S30

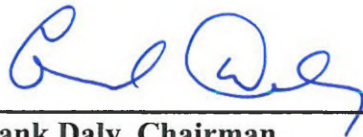


3. AOB

In relation to the draft response to S226 circulated to the Board on 31st March 2014, the Board confirmed that they were satisfied with the draft comments

and in particular with the three comments from Board in relation to rate of return.

There being no further business the meeting concluded.



Frank Daly, Chairman
10th April 2014

NAMA BOARD MINUTES

Eleventh Meeting of 2014: 2.00pm. to 5.30pm., 10th April 2014, Treasury Building

Attendance:

NAMA Board

Frank Daly, Chairman
Brendan McDonagh, CEO, NAMA
John Corrigan, Chief Executive, NTMA
Oliver Ellingham
Mari Hurley
Brian McEnery
William Soffe

NAMA Executives (invited)

Mary Birmingham
John Collison
Ronnie Hanna
Dave McEvoy
Michael Moriarty
Seán Ó Faoláin
Aideen O'Reilly
Dónal Rooney

Other Invitees:

- Elaine Hudson, Secretary
- Killian O'Flynn, Senior Divisional Manager (Strategy) – items 6d,6e,6f & 7
- Suzanne Sweeney, Senior Divisional Manager (AR) – item 12 only
- Martin W Whelan, Senior Divisional Manager (Communications), items 14 & 15 only
- David Johnson, Head of Audit & Risk, item 16 only
- Aidan O'Connell, Senior Asset Recovery Manager, item 17 only

On opening the meeting the Chairman welcomed the Board members to the eleventh meeting of 2014 and the agenda was noted. It was noted that the meeting had been duly convened and that a quorum was present.

Note: All Board papers referred to in the minutes were circulated prior to the meeting and presented to the Board as the basis for discussion and decision, where applicable.

Issues considered (in order of consideration):

1. Disclosure of Interests

Brian McEnery disclosed a potential conflict of interest with respect to item 17 and declared that he would take no part in the discussion or decisions related to same.

There were no other disclosures made.

2. Board Private Session

The Board held a private session without the Executive present. A Board-only note on discussion during the session was prepared by the Secretary.

3. Consent Agenda Items

Matter for Board Approval

Board Papers: *Minutes of BM 8 – 13th March 2014; Board Only Appendix to Minutes of BM 8 – 13th March 2014; Board Only Minutes of BM 9 – 19th March 2014; Minutes of BM 10 – 3rd April 2014; Minutes of Executive Meeting – 28th March 2014; Credit Committee Update to Board – period 1st January 2014 – 31st March 2014; Risk Management Committee Update to Board – period January 2014 – March 2014; Media Evaluation – March 2014, CEO Compliance Statement Quarter 1 2014.*

The Board **approved** the consent agenda as presented and on the basis that there was no prior objection by members to the items listed for inclusion.

4. Matters Arising from Board Minutes

The Board noted the matters arising from the minutes of BM 8, as previously circulated by email on 3rd April 2014 (included in the Board pack). The Board noted that further correspondence had been received in respect of **S41, S36** and agreed that, in accordance with Policy, while the Board would acknowledge correspondence, it would not engage in any further debate or correspondence with **S41, S36**

5. **Corporate Governance**

Board Papers: *Board & Committee Travel & Expenses Policy*

Matter for Approval

The Board noted the contents of the paper as presented including the proposed changes in respect of the Policy which were procedural in nature.

Following consideration, the Board **resolved** to approve the Board & Committee Member Travel & Expenses Policy as circulated.

6. **Strategy Away Day Residual Items**

S41, S36, S29, S30





6(a) Dublin Residential Update

Matter for Board Approval

Board Paper: *Dublin Residential Update*

The Head of Asset Management presented the paper to Board which noted the establishment of the Residential Delivery Team ('RDT'), the update on identified residential sites and the various options outlined to deliver development of 4,500 residential units in the Dublin area over the next three years. The Board also noted the procedural matters to assist delivery including contractual documentation and proposal to appoint project monitors.

In response to a question from the Board, it was noted that '*residential unit*' referred to both houses and apartments. In response to a further question from the Board it was noted that '*less commercially viable areas*' reflected the fact that, notwithstanding the fact that build costs were by and large similar irrespective of build location, sales prices were highly dependent on location. It was noted that the quantum of residential units in less commercially viable areas was difficult to gauge but that a proportion of Tier 2 sites would fall into this category.

In the context of the Board's consideration of land bank control mechanisms, as set out in the paper on Supply Control Mechanisms (Agenda item 6(f)), it was noted that there was no inconsistency between the commitment to deliver 4,500 residential units and the land bank control mechanism as Tier 1 sites would proceed as planned and the Tier 2 and Tier 3 sites were longer term initiatives.

In the context of limited building capacity (i.e. not many proven house builders were left), infrastructural deficits and unavoidable planning delays, the Board noted that NAMA faced a very serious challenge to deliver 4,500 residential units in three years. S41, S36, S40, S30

With a view to achieving delivery of 4,500 residential units and having considered sites available in the four Dublin local authorities, the Board requested that the analysis be extended to include the greater Dublin area and Mid-East Counties of Kildare, Meath, Wicklow and Louth. The Board agreed that the RDT brief should be extended to include sites with potential to deliver residential units to 'service Dublin' that have good transport links and to reinforce that delivery should be expedited to the greatest extent possible, without compromising on build quality.

S41, S36, S29, S30

6(b) Dublin Office Supply Overview

Matter for Board Approval

Board Paper: *How best to address the supply side problem of premium office accommodation in Dublin City*

The Board noted the contents of the paper as presented including that NAMA's existing portfolio of prime commercial space had contributed to a number of high profile lettings in 2013 and that NAMA continued to meet the demand for FDI with c. 340,000 sq.ft. of Grade A prime space available to rent in two key locations in Dublin's Central Business District S41, S36) and site sale S41, S36 to the IDA for a large FDI client.

The Head of Asset Recovery advised that, based on AR analysis, there were a very limited number of 'ready to go' sites and /or refurbishment opportunities which NAMA could consider funding directly. In this context, the Board noted that:

- (i) S41, S36, and S41, S36 sites were considered the most attractive for new development in the short term and;

- (ii) **S41, S36**, was considered the most attractive refurbishment opportunity, as it was a centrally located, large scale refurbishment project.

It was noted that NAMA's managed development sites in the Docklands were considered longer term opportunities and were likely to be developed by way of Joint Venture agreements with a view to NAMA participating in the upside on completion.

Following discussion, the Board **agreed** that development appraisal papers including design review should be brought forward by NAMA AR /AM in respect of **S41, S36** and **S41, S36** sites to assess whether these sites could be prioritised for development at June Board meeting.

6(c) Major City & Greater Dublin Development Land Inventory

Matter for Information

Board Paper: *Supplementary Development Land Inventory*

The Board noted the contents of the paper as presented including the extension of the Dublin Development Land Inventory analysis presented at the March Board to include development land in the other counties within the Greater Dublin Area i.e. Wicklow, Kildare and Meath and the cities of Cork, Limerick and Galway. **S41, S36, S29, S30**

[REDACTED]

6(d) ESRI Update

Matter for Information

Board Paper: *ESRI Residential Research Programme*

The Board noted the contents of the paper as presented including that the ESRI Residential Research Programme was progressing as expected, with three working papers due for publication by the end of June and a descriptive paper

on household composition to be published over the next few days in the ESRI Quarterly Economic Summary. It was noted that the research was expected to generate usable conclusions around the number of new households to be formed over the next five years, the nature of this demand in terms of property type and tenure, the level of new construction necessary to satisfy this demand and the expected influence of mortgage lending on the housing market. [REDACTED]

S29, S30 [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

The Board noted that there was no change from the conclusions presented by the ESRI at the Board's Strategy Away Day in terms of an on-going need for at least 25,000 new dwellings a year over the medium term.

S41, S29, S30 [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

6(e) New Products Initiatives Update

Matter for Information

Board Paper: *New Product Development*

The Board noted the contents of the paper as presented including the progress in relation to packaged sales, which were already being offered and were working effectively, and the announcement of NAMA's intention to deliver a regular flow of transactions. It was noted that the development platform concept had been advanced through expressions of interest for JVs (noting that 122 such expressions had been received and that the competition was being kept open for the time being) and the creation of a residential development team.

The Board requested that consideration by the New Products Group of a NAMA sponsored REIT, deferred at the Strategy Away Day, be re-assessed in light of future market developments and the outcome of Board assessment of Strategic Options.

6(f) Supply Control Mechanisms

Matter for Information

Board Paper: *Supply Control Mechanisms*

S41, S36, S29, S30



6(g) Disparity in Property Market Recovery between Dublin & Regional Areas

Matter for Board Approval

Board Paper: *Disparity in Property Market Recovery between Dublin & Regional Areas*

The Head of Strategy and Communications presented the paper to Board which noted that, in NAMA's view, following analysis of a range of indicators, it was likely that economic and property market disparity would continue to widen over the next two/three years between the Dublin² and Regional areas with the possible exception of Cork and Galway cities. The Board noted that the ESRI's preliminary analysis (as part of research commissioned by NAMA and the Irish Bankers Federation) supported this view, projecting household growth of 500,000 households by 2030, with a substantial proportion of this growth likely to be in Dublin and the Mid-East region.

The Board requested that the paper be amended to include an analysis of the UK experience (for instance, as outlined in a Bank of England report) of economic and property market divergence between major cities and regional areas. Following further discussion, the Board **agreed** to approve the conclusions reached in the paper and that it be forwarded to the Minister for Finance, subject to the aforementioned amendment.

The Board noted that, in the context of developments in the property market being heavily influenced by broader economic activity and trends (including regional employment patterns and internal migration trends), taking any view in relation to likely trends for economic activity in the various regions would require a broader and more detailed economic analysis to be undertaken by a body such as the ESRI. Accordingly, the Board **agreed** that NAMA would include in its cover letter to the Minister for Finance an offer to commission such analysis if so required.

² And to a lesser extent the Mid East (Kildare, Wicklow and Meath)

6(h) Update on other residual actions & tracker

Matter for Information

Board Paper: *Update on other Residual Strategy Away Day Actions & Action Tracker*

The Board noted the contents of the paper as presented, including that 5 of the 22 items actions arising from the Strategy Away Day were closed and 14 were tabled for the present meeting, with the remaining 3 items tabled for the Special Board meeting on 1st May. In response to a question from the Board in relation to Strategy Away Day Action no. 11, it was noted that while the Housing Supply Coordination Task Force for Dublin would oversee infrastructural capacity issues on the residential side, it was envisaged that commercial infrastructural capacity issues would be resolved as part of progress in relation to the SDZ.

7. Sectoral Policies

The Board noted the contents of the paper as presented including that progress to date had generally been consistent with the assumptions of the sector plans³ and noting that seven of the fourteen sectors scheduled for review in 2014 had already been reviewed. The Board welcomed the snap shot summary (appendix) of the policies for all other sectors covered by the programme.

7(a) Residential (ROI) 7(b) Residential (GB)

Matter for Board Approval

Board Papers: *Asset Strategy Programme; Sector Policy for Residential Property in Ireland & Sector Policy for Residential Property in Great Britain and*

The Board noted the contents of the papers as presented, and that no material changes to policy were proposed. In the context of improved market conditions (with potential interest from **S36** etc), the Board noted that NAMA should consider a packaged loan sale of significant residential blocks in the UK.

Following consideration, and noting the prior review by the Credit Committee on 1st April and its recommendation for approval, the Board **resolved** to

³ And where it had not, the current strategy remained appropriate and barriers to implementation were being overcome.

approve the *Policy for Residential Property in Ireland* and *Policy for Residential Property in Great Britain* as the frameworks within which individual asset strategies should be assessed.

7(c) Rest of World

Matter for Board Approval

Board Paper: *Sector Policy for Property outside Ireland and the UK ('Rest of World')*.

The Board noted the contents of the paper as presented and that no material changes were proposed. S41, S36, S29, S30

Following consideration, and noting the prior review by the Credit Committee on 1st April and its recommendation for approval, the Board **resolved** to approve the *Policy for Property outside Ireland and the UK ('Rest of World')* as the framework within which individual asset strategies should be assessed.

The Board commended the excellent work undertaken by the Senior Divisional Manager (Strategy) and thanked him and his team for all the hard work and, in the context of his resignation, wished him well in his future endeavours.

8. Principal Risks Overview

Matter for Board Approval

Board Paper: *NAMA Principal Risks*

The Chief Financial Officer presented the paper to Board which noted that the aim of the Principal Risks paper was to provide an overview of key risks facing NAMA and the control actions and mitigants to manage those risks. It was noted that, while there was significant work undertaken in relation to detailed, functional level risk registers, the principal risks paper, was an initiative to correct a potential 'gap'. In response to a question from the Board

it was noted that five key risks had emerged consensually following discussions rather than a premeditated effort to arrive at five key risks.

S41, S36, S29, S30

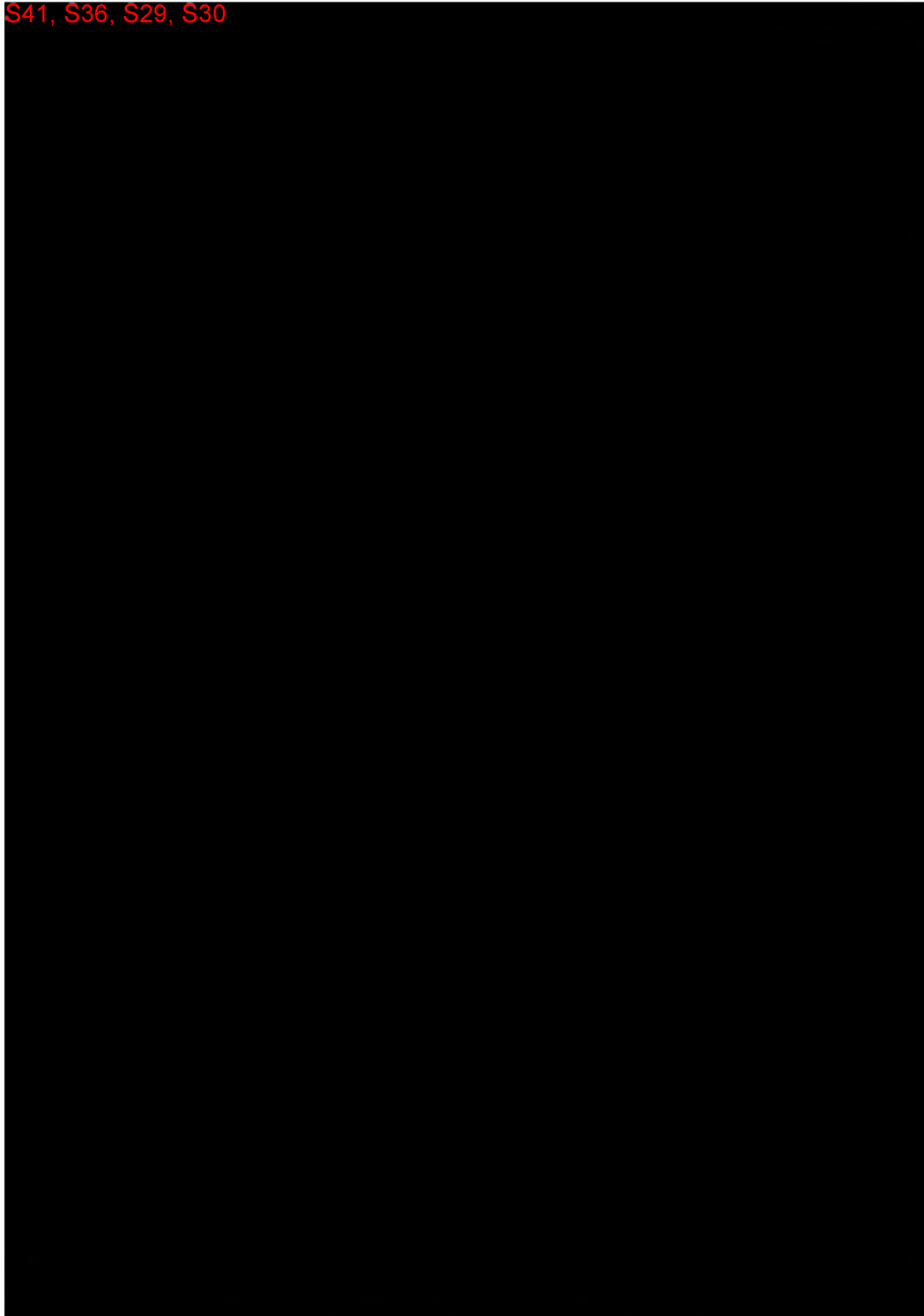


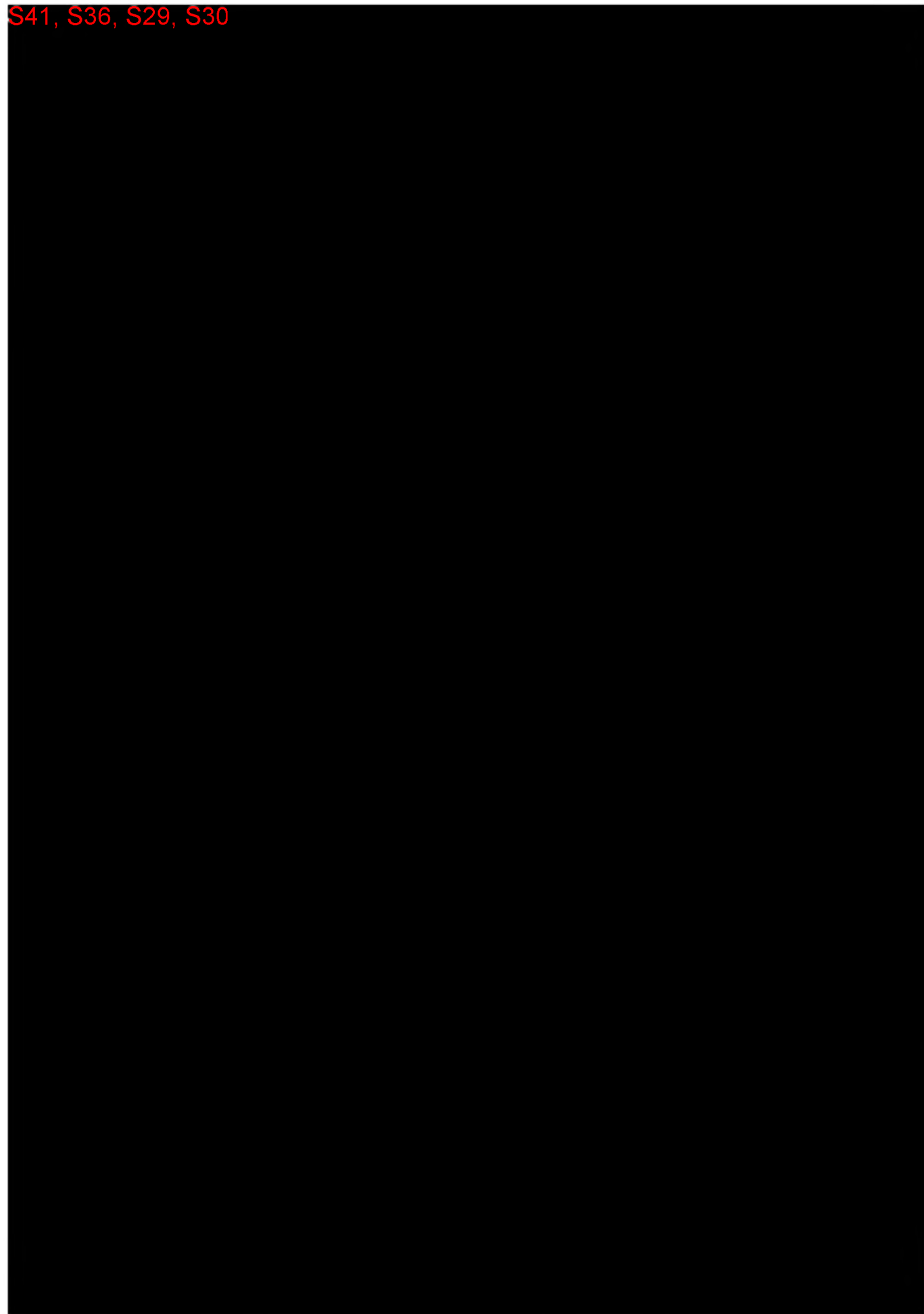
The Board **resolved** to approve the five 'principal risks' as presented in the paper, subject to the amendments noted above, and commended the excellent work undertaken by the Risk Management Committee in this regard.

9. Board Approval of CC recommendations

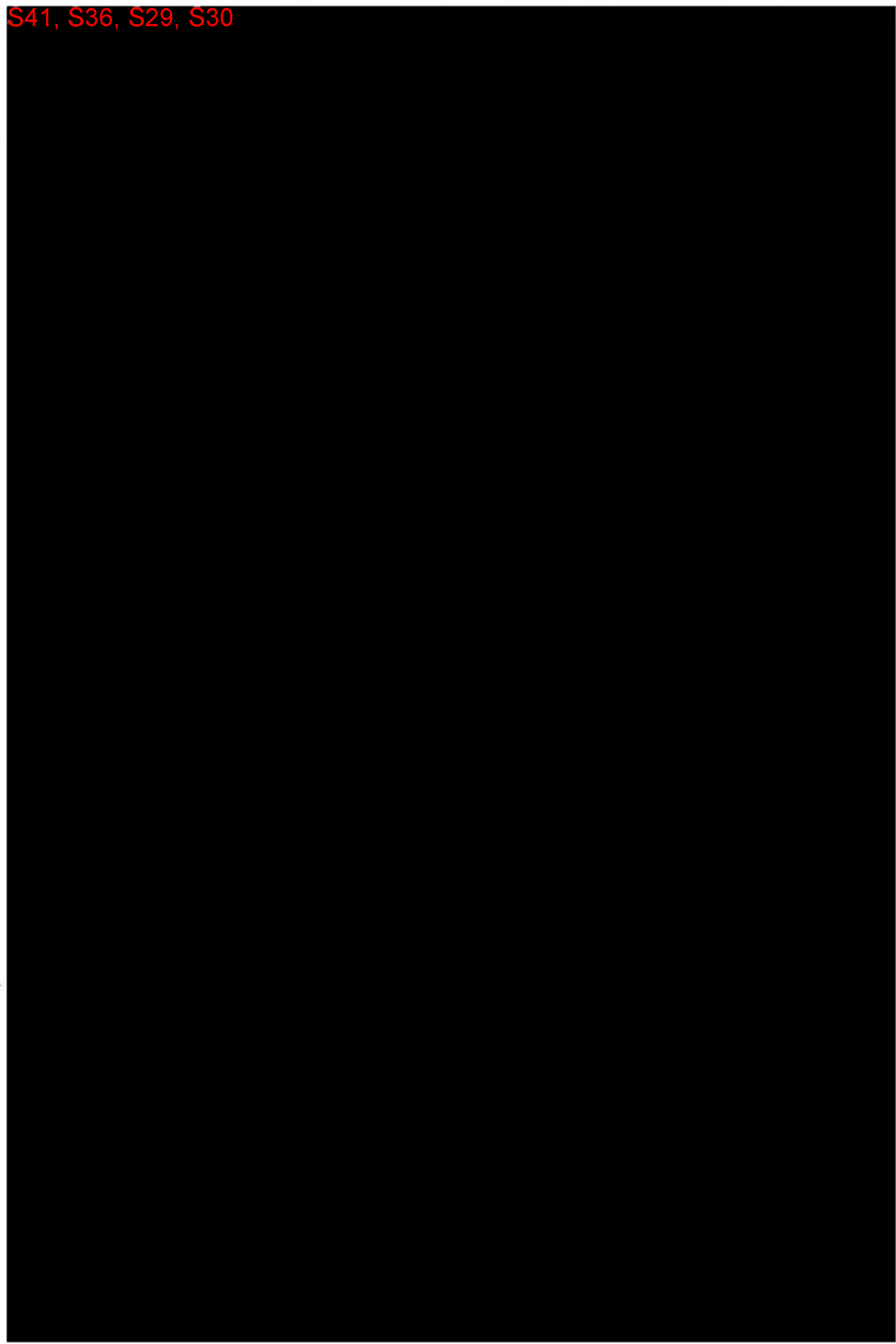
S41, S36, S29, S30

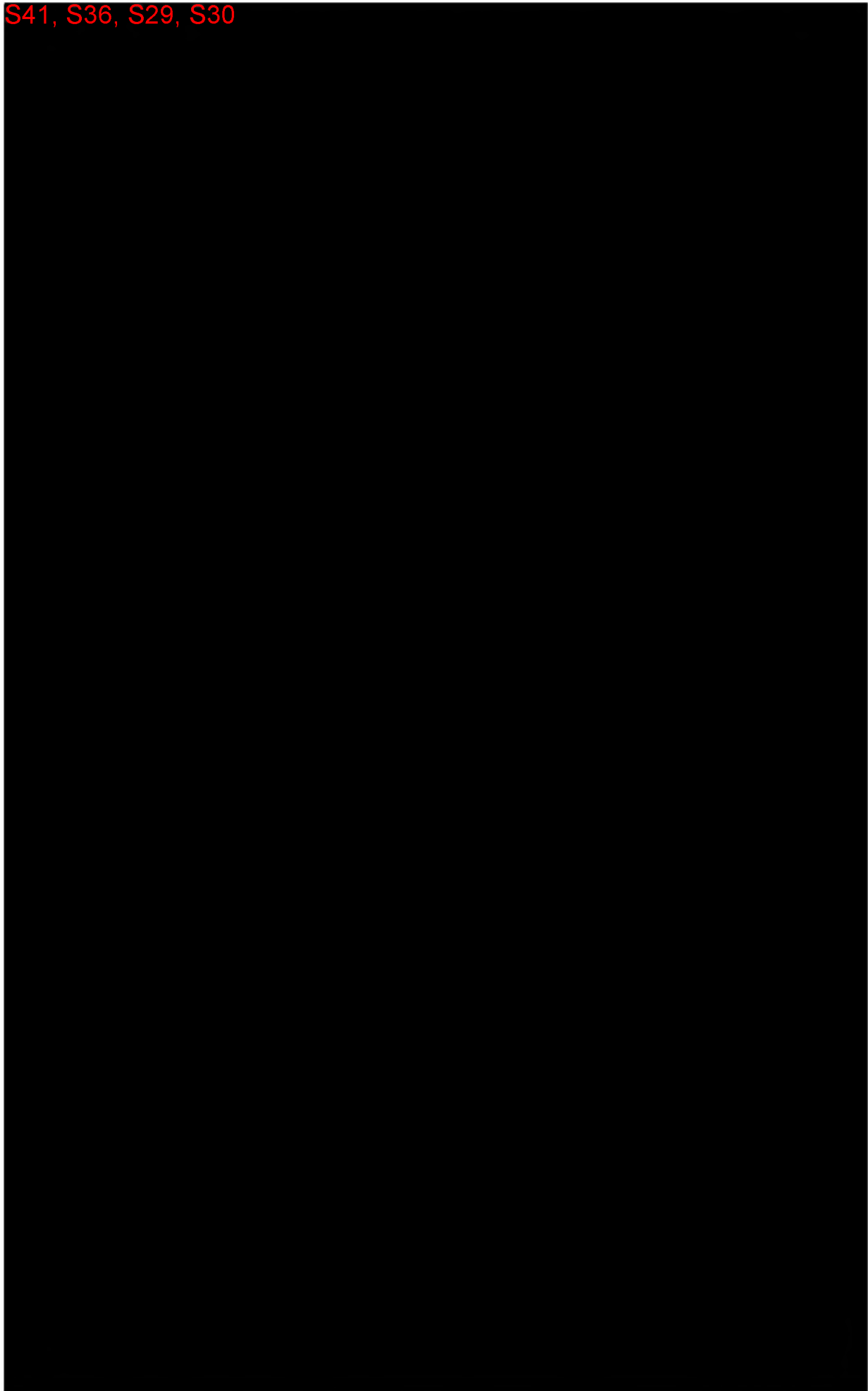


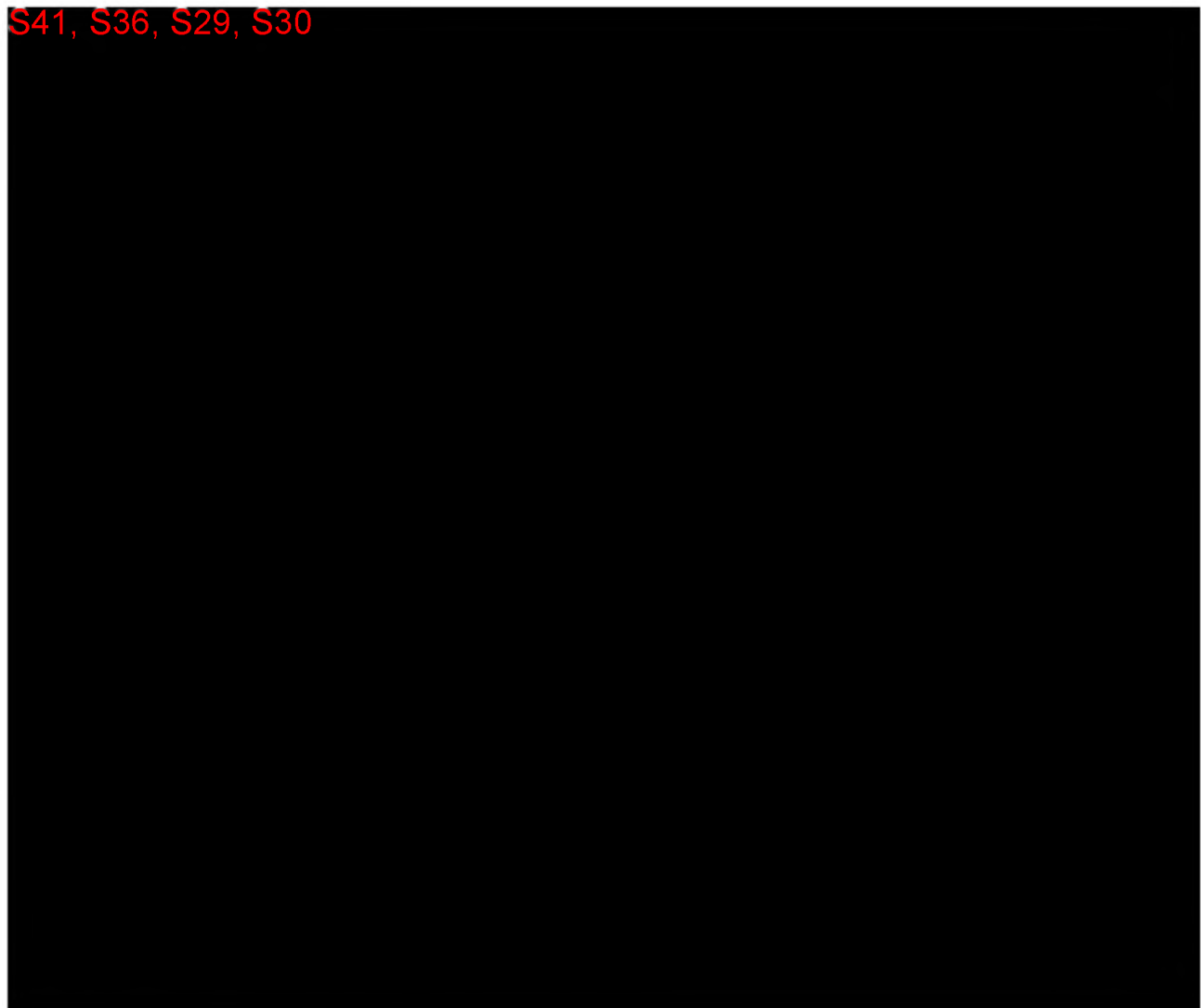




S41, S36, S29, S30







11. Internal Audit Tender Recommendation

Matter for Board Approval

Board Paper: *Internal Audit Tender Recommendation*

The Board noted the contents of the paper as presented. The Chairman of the Audit Committee advised that following interview PwC had emerged, based on a combination of factors, ahead of S36

Following consideration, and noting the Audit Committee's recommendation in favour of approval, the Board **resolved** to approve the appointment of PwC as NAMA Internal Auditor for a fixed fee of S36 per annum effective 1st May 2014 for a term of three years up to 30th April 2017⁶, subject to annual review and possible extension, at NAMA's sole discretion, until the time that NAMA ceases its operations.

⁶ Covering year ends 31 December 2014/15/16

12. IBRC Integration – Progress Report

Matter for Board Approval

Board Paper: *IBRC Integration – Progress Report*

S41, S36, S29, S30



The Chairman, on behalf of the Board, commended Suzanne Sweeney and Jamie Bourke and the IBRC Integration Project Team on the huge effort over a sustained period of time and noted that notwithstanding the outcome, Ms Sweeney and her team should be very proud of the excellent work undertaken and the huge effort involved.

13. Treasury (CFO): Qualifying Liquid Assets Update

Matter for Board Approval

Board Paper: *Qualifying Liquid Assets Update.*

Following consideration, and noting the prior review by the Risk Management Committee on 12th March 2014 and its recommendation for approval, the Board **resolved** to approve the recommendations as presented in the paper (as follows):

S41, S36, S29, S30



S41, S36, S29, S30

The Board was advised that the Minister had consented under s60 to redeem the NARL Bonds but for the full amount outstanding, removing the €7bn cap due to success of SL sales process.

14. CIF Contracts Submission

Matter for Board Approval

Board Paper: *CIF Contracts Submission*

The Board noted the contents of the paper as presented including that the RIAI standard form of contract was the most appropriate base form of contract for the majority of residential and commercial building projects typically funded by NAMA, acknowledgement that some projects (such as large scale infill projects) would require alternative contract forms, and that there was significant scope to eliminate unnecessary costs and reduce contract lead in time by making certain amendments and additions to the standard RIAI form (which were in line with industry norms).

Following consideration, the Board **resolved** to approve the policy outlined in this paper as it related to the proposed establishment of a greater level of standardisation in respect of construction contract documentation used for projects funded by NAMA and procured and delivered by NAMA debtors and receivers.

⁷ Head of Treasury (CFO) is a member of the NTMA CCRC.

S31, S29, S30



16. Quarterly Update on Audit Recommendations

Matter for Information

Board Paper: *Status of Audit Recommendations*

The Head of Audit & Risk presented the paper to the Board which noted that all issues related to the C&AG Management Letter 2011 were now closed following the closure of the final outstanding audit finding in March 2014

S29, S30

The Chairman of the Audit Committee advised that the Audit Committee should have a line of sight on the C&AG's interim Management Letter 2013 by 1st May 2014, including any matters of significance. S29, S30

17. Insolvency Quarterly Update

Matter for Information

Board Paper: *NAMA Insolvency Team Update*

S41, S36, S29, S30

In accordance with his earlier disclosure, Brian McEnery absented himself from the meeting for this item.

18. Unfinished Housing Estates – Quarterly Update

Matter for Information

Board Paper: *Unfinished Housing Estates*

The Board received a progress update on unfinished estates within the NAMA portfolio, noting the reduction in the number of NAMA's unfinished housing estates (in terms of the 2013 DOE Housing Survey published at end November 2013) from 335 to 222, progress in relation to remedial works (involving capex approvals of c. €3 million to date), and the engagement with the National Co-Ordination Committee and Local Authorities and usage of units for DPI/social housing purposes.

The Board noted that NAMA planned to avail of a Government targeted €10m Special Resolution Fund (SRF) to further assist in addressing the legacy of unfinished housing developments.

19. Bi-annual Report on Top Debtor Exposure

Matter for Information

Board Paper: *Bi-annual Top Debtor Exposure Report*

The Board received a progress update on debtor management and debt reduction performance in relation to the top 27 connections (by NAMA debt). It noted the progress in terms of portfolio deleveraging with €1.7 billion reduction in NAMA debt to €23 billion as at 28th February. The Board noted that five debtor connections had been removed from the report since October 2013 following material debt reduction while three new connections were included and captured as a result of the drop in minimum debt level for inclusion in the report (c. €187 million).

S41, S36, S29, S30



20. **Litigation Report**

Matter for Information

Board Paper: *Litigation Update*

The Board noted the litigation report as presented. The Board commended the Head of Legal and her team on the impressive track record achieved to date.

S31, S41, S29, S30



21. MI Report

Matter for Information

Board Paper: *Monthly Management Information Report – 28th February 2014*

The Board noted the contents of the paper as presented, including the strong cash generation performance to date of €1.9 billion on the existing book. The Board noted significant transactions which had closed year to date including Project Club and Project Platinum and that the disposal trend by location year to date highlighted that, for the first time, the majority of disposals were based in Ireland. **S41, S36, S29, S30**

[REDACTED]

22. Divisional Updates: Asset Recovery

Matter for Information

Board Paper: *Asset Recovery Division – Interim Progress Update – Q1 2014*

The Head of Asset Recovery presented his divisional update to the Board, highlighting that AR's achievements should be viewed in the context of significant input from NAMA Legal, Asset Management, Strategy & Communications and CFO respectively.

The Board noted the significant cash generation since inception and year to date, significant sales completed (Project Holly and Project Club), major sales underway (Projects Tower, Eagle, Drive and Spring) and the strong pipeline of sales in relation to office, residential, retail and hotel categories scheduled to launch in Q2 2014.

The Board noted the challenges ahead, including the changing nature of the residual portfolio (high volume, low value) and the increasingly significant challenge of staff motivation and retention in an improving market. In the context of the high volume, low value nature of the residual portfolio, the Board noted that bundling and loan sales would be increasingly important. The Board requested that a discussion on challenges in relation to NAMA's human capital should be tabled for the Board meeting on 1st May.

The Chairman, on behalf of the Board, commended the Head of Asset Recovery for the presentation and all involved for the outstanding performance and achievements year to date.

23. AOB

The Chairman of the Audit Committee invited Board members to attend an Audit Committee briefing (to be given by the Chairman of the Audit Committee Institute) which was being scheduled for an upcoming meeting (May/June) in order to address a 2013 Evaluation Action recommendation.

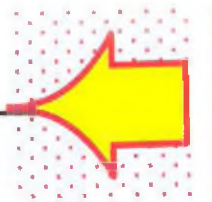
The Board noted that the Chairman, NAMA CEO and Senior Divisional Manager (Communications) had provided an update briefing to the Fine Gael Parliamentary Party earlier that week.

The Board noted that the PAC visit scheduled for Tuesday 15th April had been postponed by them.

There being no further business the meeting concluded.



Frank Daly, Chairman
14th May 2014



NAMA BOARD MINUTES

Eleventh Meeting of 2014: 2pm. to 5.30pm., 10th April 2014,

Treasury Building

Board-Only Appendix to Minutes

Items Considered:

Board Membership

The Chairman, on behalf of the Board, welcomed Mari Hurley to her first meeting of the Board of NAMA, having been appointed by the Minister on 8th April 2014 for a five year term. The Board noted that, in accordance with clause 3.5 of the Induction Policy, Willie Soffe had been nominated to act as a mentor to the new Board member and that induction training for Ms Hurley had been arranged for Tuesday 15th April 2014.

Committee Memberships

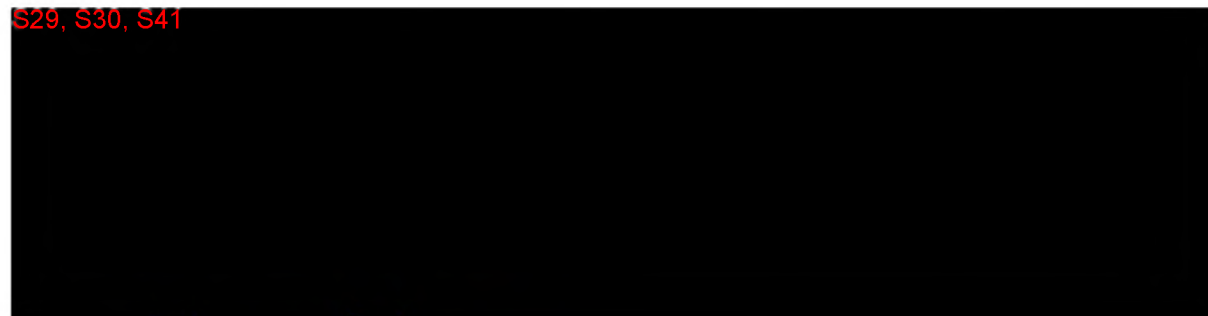
On the recommendation of the Chairman, the Board **resolved** to approve the following Committee appointments and/or amendments to Committee memberships:

- Willie Soffe to step down as interim Chairperson of the Finance & Operating Committee
- Mari Hurley appointed as Chairperson of the Finance & Operating Committee
- Mari Hurley appointed as a member of the Planning Advisory Committee
- Mari Hurley appointed as a member of the Risk Management Committee
- John Corrigan would step down as a member of the Planning Advisory Committee

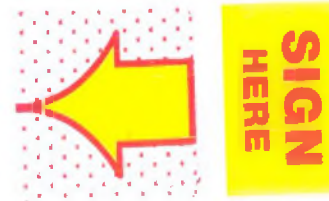
The Board noted that a vacancy remained on the Northern Ireland Advisory Committee. The Chairman advised that the second Term of Appointment for Mr. Rowntree, External Committee Member on the Committee was due to expire on 15th April 2014. On the recommendation of the Chairman, and having regard to implications of Project Eagle for the Committee, the Board **resolved** to approve the re-appointment of Mr. Rowntree as a member of the Northern Ireland Advisory Committee until the end of July 2014. The Board **agreed** to review Mr. Rowntree's

appointment at that stage. The Chairman undertook to advise the Minister of this re-
appointment.

S29, S30, S41



Frank Daly, Chairman
14th May 2014



NAMA BOARD MINUTES

Twelfth Meeting of 2014: 12pm. to 12.20pm., 23rd April 2014,

Treasury Building

Board Only

Attendance:

NAMA Board

Frank Daly¹
Brendan McDonagh
John Corrigan
Oliver Ellingham¹
Brian McEnergy¹
Willie Soffe¹

Invited:

Michael Moriarty
Aideen O'Reilly
Maurice Fitzgerald

Secretary:

Elaine Hudson

Apologies

Mari Hurley²

On opening the meeting the Chairman welcomed the Board members to the twelfth meeting of 2014 and the agenda was noted. It was noted that the meeting had been duly convened and that a quorum was present.

Issues Considered:

1. Disclosures of Interests

Mari Hurley recused herself from the meeting due to a potential conflict of interest and declared that she would take no part in the meeting or decisions related to same.

There were no other disclosures made.

¹ By telephone in accordance with section 27 of the NAMA Act 2009.

² Mari Hurley recused herself (in advance) from the meeting due to a potential conflict of interest (see item 1 below).

2. **S36** [REDACTED]

Matter for Board Approval

PRIVILEGED – LEGAL ADVICE GENERATED IN CONTEMPLATION OF LITIGATION

Board Paper: **S36** [REDACTED]

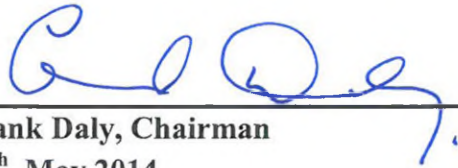
S31, S29, S30, S41, S36 [REDACTED]

S41, S29, S30, S36

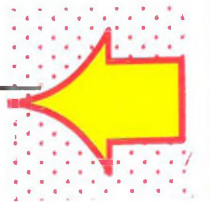
The Chairman, on behalf of the Board, commended the Deputy Head of Asset Recovery, Senior Divisional Manager, Head of Legal and all NAMA personnel involved in the work undertaken to date and the excellent bids achieved.

3. AOB

There being no further business the meeting concluded.



Frank Daly, Chairman
14th May 2014



NAMA BOARD MINUTES

Thirteenth Meeting of 2014: 2.00pm. to 4.30pm., 1st May 2014, Treasury Building

Attendance:

NAMA Board

Frank Daly, Chairman
Brendan McDonagh, CEO, NAMA
John Corrigan, Chief Executive, NTMA
Oliver Ellingham
Mari Hurley
Brian McEnery
William Soffe

NAMA Executives (invited)

Mary Birmingham
John Collison
Ronnie Hanna
Dave McEvoy
Michael Moriarty
Seán Ó Faoláin
Aideen O'Reilly
Dónal Rooney

Other Invitees:

- Elaine Hudson, Secretary
- **S36, S37** [REDACTED], part of item 2(a) only
- **S36, S37** [REDACTED], part of item 2(a) only
- **S36, S37** [REDACTED], part of item 2(a) only
- Sinéad Brennan, Head of HR, item 4 only (Board Private Session – refer to Board Only minutes)

On opening the meeting the Chairman welcomed the Board members to the thirteenth meeting of 2014 and the agenda was noted. It was noted that the meeting had been duly convened and that a quorum was present.

Note: All Board papers referred to in the minutes were circulated prior to the meeting and presented to the Board as the basis for discussion and decision, where applicable.

Issues considered (in order of consideration):

1. Disclosure of Interests

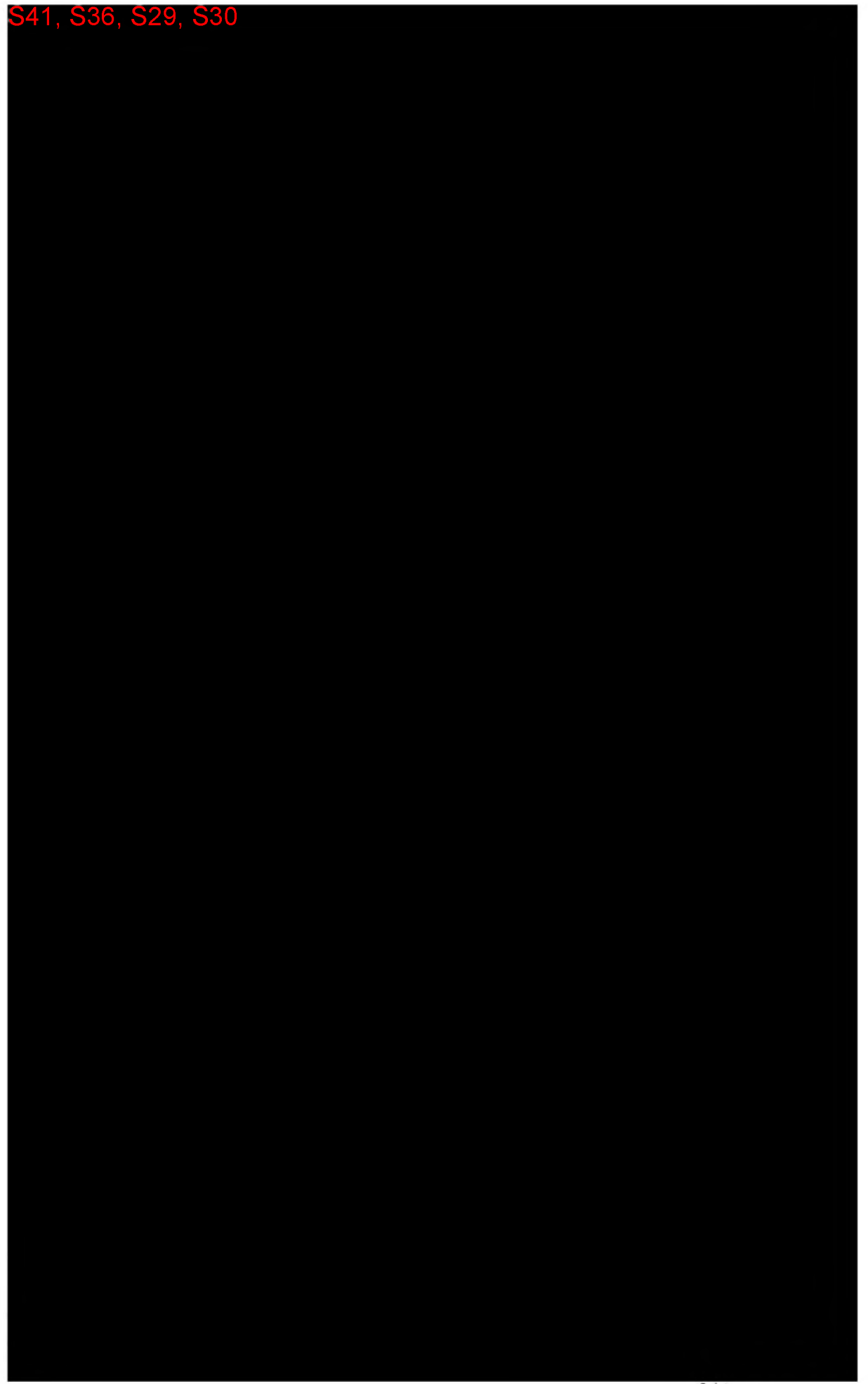
Mari Hurley disclosed a potential conflict of interest with respect to item 5 and declared that she would take no part in the discussion or decisions related to same.

There were no other disclosures made.

2. Strategic Options Reviews

S41, S36, S29, S30





S41, S36, S29, S30



2(b) Review of Social Benefits of NAMA

Matter for Board Approval

Board Paper: *NAMA Social and Economic Contribution*

The Head of Strategy & Communications presented a paper to Board which noted that NAMA's Social and Economic Contribution could be distilled into three distinct categories namely:

- (i) NAMA's primary contribution through its fulfilment of its purposes as set out in Section 10 of the Act;
- (ii) The various collateral (social and economic) benefits that derived from NAMA's commercial activity e.g. the economic benefit of its *development funding* (to address resi and commercial office supply shortages) and the economic and social benefits of the jobs that its funding created or preserved;
- (iii) NAMA's role as a public entity and the specific activities that it has pursued in that capacity e.g. co-operating with the IDA to identify *suitable properties for FDI* and working with Government bodies to significantly contribute to *social housing* requirements.

Following discussion the Board **agreed** that the following should be included as part of NAMA's Social and Economic contribution, ensuring that the opportunity cost savings to the State in relation to same were articulated.

- (iv) NAMA's *remediation role* in terms of addressing pre-existing fire safety, pyrite and asbestos issues (if NAMA didn't address these issues, the Government would be called on to);

-
- (v) *NAMA's operating platform itself*, as a key State owned Asset Management platform.

The Chairman commended the comprehensive and high quality nature of the paper.

Strategic Options Reviews - Conclusion

S41, S36, S29, S30



3. Annual Report & Financial Statements 2013

3(a) Annual Report 2013 – Draft Text

Matter for Board Approval

Board Paper: *NAMA Annual Report 2013 (Draft)*

The Head of Strategy & Communications presented the draft text of the *NAMA Annual Report 2013* to the Board, which commended the quality of the document. The Board reviewed the report and agreed some textual changes.⁸

Following consideration, and noting the prior review of the text by the Audit Committee on 1st May 2014 and its recommendation for approval, and subject to the changes as agreed (the final form of which was delegated to the Chairman, CEO and Head of Strategy & Communications), the Board **resolved** to approve the text of the *NAMA Annual Report 2013*.

3(b) Financial Statements 2013

Matter for Board Approval

Board Paper: *Financial Statements 2013 (cover sheet); and NAMA Board Report and Consolidated Financial Statements for the year ended 31 December 2013.*

⁸ The Chairman asked members to submit any residual minor textual suggestions directly to the Head of Strategy & Communications via email.

The CFO presented the draft *Financial Statements 2013* to the Board and advised that the C&AG had reviewed the financial statements, proposed no adjustments and had provided clearance to the Audit Committee; and the audit certificate would be made available upon physical signing of the financial statements by the Board.

Following its consideration and noting the Audit Committee's prior review and recommendation for approval, and subject to immaterial changes as agreed (the final form of which was delegated to the CEO and CFO), the Board **resolved** to approve NAMA's *Financial Statements 2013*.

The Chairman, on behalf of the Board, thanked the CFO and his team, and the Audit Committee, in bringing the task to a successful conclusion.

3(c). Statement of Internal Financial Control

Matter for Board Approval

Board Paper: *Statement of Internal Financial Control and Review of Effectiveness of the System of Internal Financial Control ("SIFC")*

The Board reviewed the effectiveness of the system of internal financial control based upon the contents of the paper as presented and assurances contained therein.

Following consideration, and noting the prior review of same by the Audit Committee and its recommendation to Board to approve the SIFC, the Board **resolved** to approve the SIFC and to authorise the Chairman of the Board and Chairman of the Audit Committee to sign the SIFC 2013 on the Board's behalf.

2(d). Chairman's s13.1 Report to the Minister

Matter for Board Approval

Board Paper: *Chairman's Section 13.1 Report to the Minister*

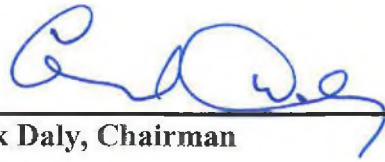
The Board noted the Chairman's obligation to submit a separate report to the Minister with the Annual Report, as required under section 13.1 of the Code of Practice for the Governance of State Bodies (2009). Following consideration the Board **resolved** to approve the section 13.1 Chairman's report as presented in the paper.

5. AOB

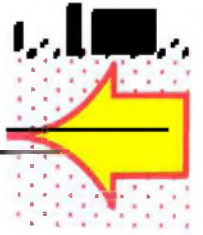
S31, S41, S36, S29, S30



In accordance with her earlier disclosure, Mari Hurley absented herself from the meeting for this item.



Frank Daly, Chairman
14th May 2014



NAMA BOARD MINUTES

Thirteenth Meeting of 2014: 2pm. to 4.30pm., 1st May 2014,
Treasury Building

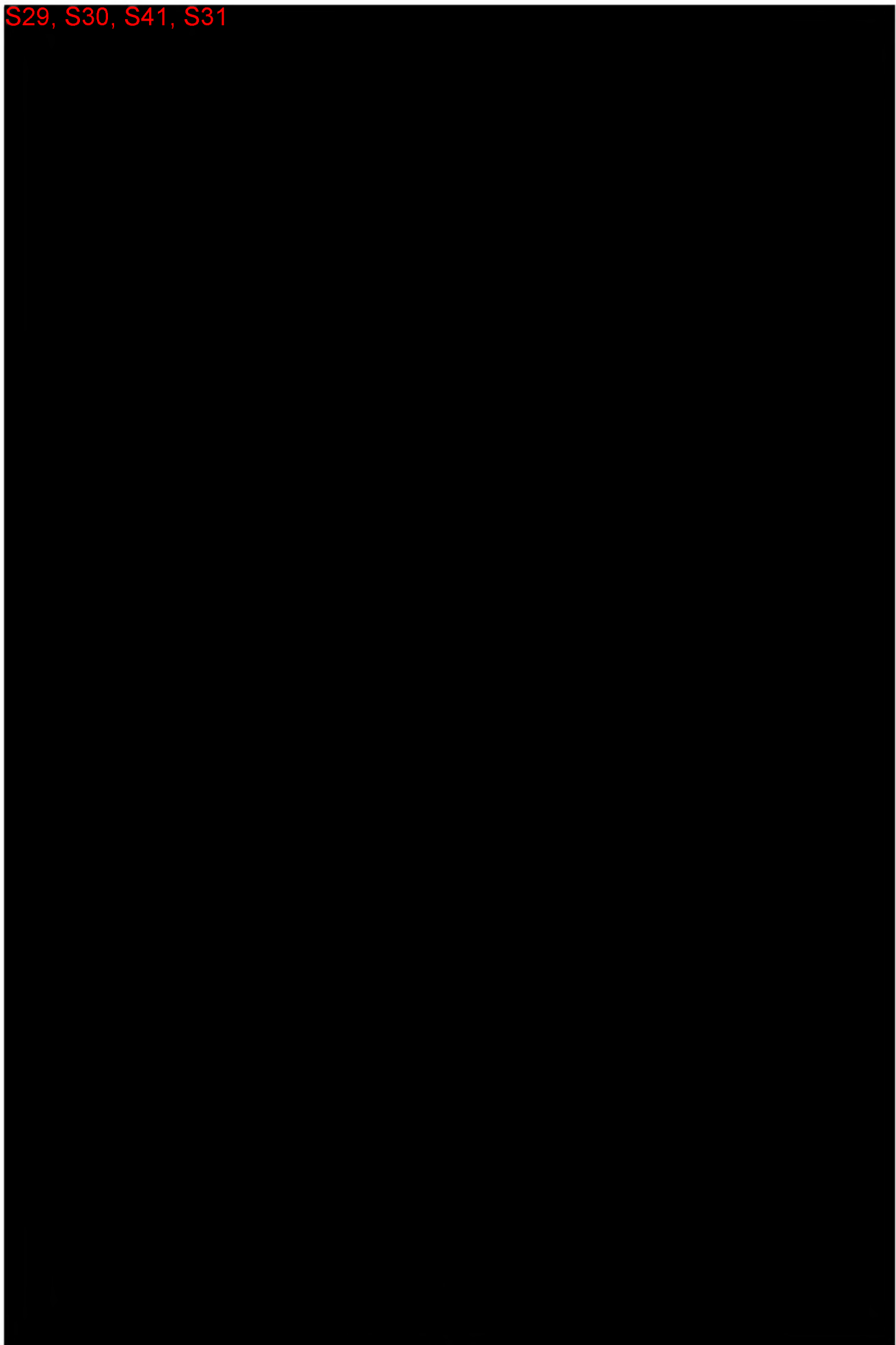
Board-Only Appendix to Minutes

Issues Considered:

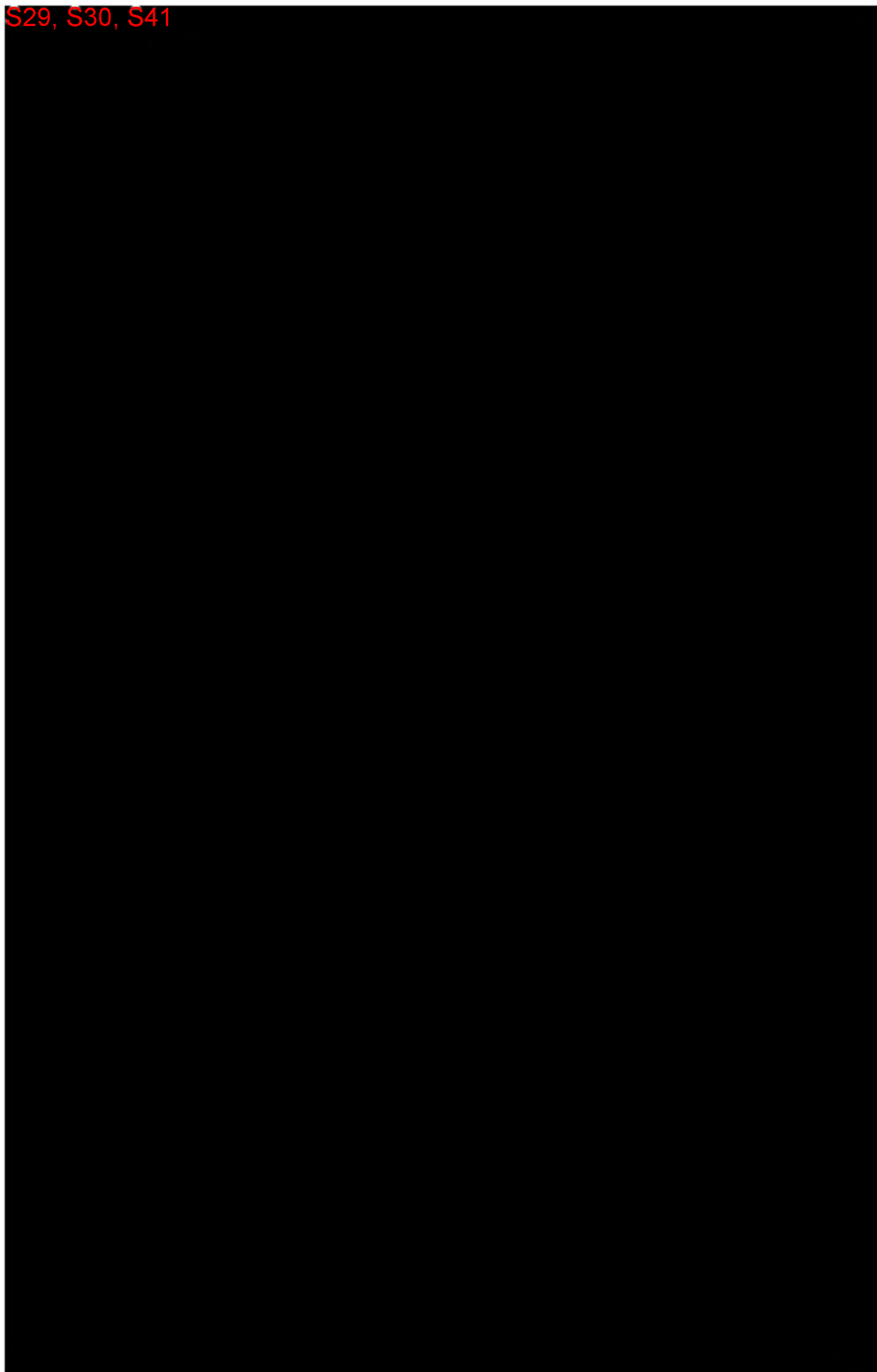
S29, S30, S41



S29, S30, S41, S31

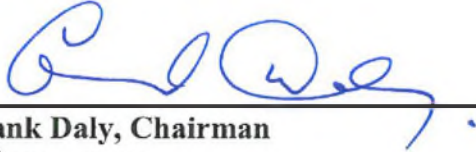


S29, S30, S41



S29, S30, S41

There being no further business the meeting concluded.



Frank Daly, Chairman

14th May 2014

NAMA BOARD MINUTES

**Fourteenth Meeting of 2014: 2.00pm. to 5.30pm., 14th May 2014, Treasury
Building**

Attendance:

NAMA Board

Frank Daly, Chairman
Brendan McDonagh, CEO, NAMA
John Corrigan, Chief Executive, NTMA
Oliver Ellingham
Mari Hurley
Brian McEnery
William Soffe

NAMA Executives (invited)

Mary Birmingham
John Collison
Ronnie Hanna
Dave McEvoy
Michael Moriarty
Seán Ó Faoláin
Aideen O'Reilly
Dónal Rooney

Other Invitees:

- Elaine Hudson, Secretary
- Sinéad Brennan, NTMA Head of HR, item 2 only (Board private session)
- Breda Macnamara, NTMA Head of Compliance, item 5(b) only
- John Coleman, Senior Divisional Manager (Strategy) – items 8 & 9
- Jamie Bourke, Senior Divisional Manager (AR) – item 13 only
- Martin W Whelan, Senior Divisional Manager (Communications), item 17 only

On opening the meeting the Chairman welcomed the Board members to the fourteenth meeting of 2014 and the agenda was noted. It was noted that the meeting had been duly convened and that a quorum was present.

Note: All Board papers referred to in the minutes were circulated prior to the meeting and presented to the Board as the basis for discussion and decision, where applicable.

Issues considered (in order of consideration):

1. Disclosure of Interests

There were no disclosures made.

2. Board Private Session

The Board held a private session without the Executive present¹. A Board-only note on discussion during the session was prepared by the Secretary.

3. Consent Agenda Items

Matter for Board Approval

Board Papers: *Minutes of BM 11 – 10th April 2014; Board Only Appendix to Minutes of BM 11 – 10th April 2014; Board Only Minutes of BM 12 – 23rd April 2014; Minutes of BM 13 – 1st May 2014; Board Only Appendix to Minutes of BM 13 – 1st May 2014; Minutes of Executive Meeting – 30th April 2014; Audit Committee Update to Board – period 1st March 2014 – 30th April 2014 & Media Evaluation – April 2014.*

The Board **approved** the consent agenda as presented and on the basis that there was no prior objection by members to the items listed for inclusion.

4. Matters Arising from Board Minutes

The Board noted the matters arising from the minutes of BM 11, as previously circulated by email on 8th May 2014 (included in the Board pack).

5. Section 35 Codes of Practice – Annual Review

5(a) Section 35 Codes of Conduct (excluding NAMA Officers)

Matter for Board Approval

Board Papers: *Section 35 Codes of Practice – Annual Review (Cover Paper); Code of Practice – Servicing Standards for Acquired Bank Assets; Code of Practice – Risk Management Including With Regard to Debtors; Code*

¹ NTMA Head of HR attended for a specific item.

of Practice – Disposal of Bank Assets; and Code of Practice on the Commercial Interests of Non-Participating Institutions.

The Board noted the contents of the papers as presented. The Board commented that the wording in the Codes in relation to the expected run off period of NAMA from the ‘present time’ should be amended to make clear that any estimated timelines in the Codes run from the date of original publication of the Codes in 2010².

Following consideration, and noting the prior review by the Finance & Operating Committee at its meeting on 7th May 2014 and its approval of same, the Board **resolved** to approve the four s35 Codes of Practice as presented subject to the aforementioned cosmetic change.

5(b) Section 35 Codes of Conduct of NAMA Officers

Matter for Board Approval

Board Paper: *Review of Code of Practice – Conduct of Officers of NAMA*

The Board noted the contents of the paper as presented, including the changes and rationale for same.

Following consideration, and noting the prior review by the Finance & Operating Committee at its meeting on 7th May 2014 and its recommendation of approval, the Board **resolved** to approve the NAMA Officers’ Code as presented in the paper.

The Board noted that the amended Code would be submitted to the Minister for Finance by the Secretary.

6. eBoard

Matter for Board Approval

Board Paper: *eBoard*

The Board noted the contents of the paper as presented including the update on the Executive’s pilot of *Boardpad* at its formal monthly meetings and at Committee meetings. The Board noted that the primary rationale for migrating to an electronic paper solution was information security. The Board

² NAMA Contacted DOF who confirmed this was a non-material amendment that did not require Ministerial approval and insertion of a clarification footnote in the code was sensible.

discussed some practical implications of a move to electronic Board papers including the legibility of detailed (spreadsheet-type) papers. A reservation was expressed in relation to (i) the haste with which the proposed solution was being implemented (ii) practical considerations relating to same. It was noted that Committee papers in hardcopy form would be available upon request.

Following discussion, the Board resolved to approve the roll out of the eBoard solution³ to the NAMA Board Committee meetings from June 2014, including provision of an iPad⁴ by NTMA IT where necessary. The Board noted that the roll-out of eBoard would be subject to review in November 2014 with a view to considering the full roll-out to Board meetings from January 2015.

7. Review of NAMA Strategy

Matter for Board Approval/Information

S41, S36

The Board noted the letter that had been sent, from the Chairman, on behalf of the Board, to the Minister setting out the Board's position in relation to NAMA's future strategic direction. It was noted that the Minister was reviewing the content of the letter and that it was hoped that an agreed position would be reached before the launch of the Annual Report 2013 on 27 May. The Board noted that that the Department of Finance had advised the Minister would publish the Section 227 Review of NAMA by end June 2014.

8. Land Supply Control Mechanisms (expanded paper)

Matter for Board Approval

Board Paper: *Supply Control Mechanisms*

The Board noted the contents of the paper as presented, principally the feasibility and effectiveness of the State using a land bank to regulate supply with the ultimate objective of reducing price volatility and noting also the other key issues affecting housing supply. The Board noted that the paper

³ electronic solution via a Boardpad app and iPads referred to as "eBoard"

⁴ Corporate iPads will be "locked down" and considerably more restrictive than personally owned iPad devices.

implied that options that might be feasible might not necessarily be effective and options that could be effective might not be feasible, either financially or legally. As regards a possible land bank, the Board noted that, notwithstanding the degree of control that the Hong Kong Government (via the Hong Kong State Land Bank) exerted on land supply, they had not succeeded in dampening significant property market price volatility.

The Board requested;

- (i) further elaboration on the Kenny Report to include reference to the minority report and;
- (ii) inclusion of a reference to the impact of *Certificates of Reasonable Value* in suppressing residential prices in Ireland in the 1970s and 1980s.

The Board requested confirmation that the analysis of lands under control of public authorities, which could be ceded to a State Land Agency, did not include designated open space, noting that in the case of Fingal County Council (cited in the paper as owning 50% of land owned by Local Authorities), **S41, S36** collectively comprised over 1000 acres of land which would never be zoned for development use.

Following lengthy discussion the Board **resolved** to approve the conclusions and recommendations outlined in the paper as follows:

- i. The Department of Finance and/or the Department for the Environment, Community and Local Government to carry out a standardised inventory of local authority and other public authority (e.g. OPW, HSE, etc) land holdings with a view to establishing the potential scale of any strategic land bank which would be comprised of such holdings.
- ii. If further consideration was to be given to the principle of a strategic land bank and if it was contemplated that the agency managing it should have CPO powers, the legal implications of granting CPO powers to such an agency and the precise extent of any such CPO powers should be assessed by the Attorney General's Office.

Following consideration, the Board **agreed** that

- i. the Development Land Inventory paper (updated to include Louth as per Agenda Item 10) should be included as part of the present paper (shown as acres) and

- ii. the paper should be completed in a timely fashion, including the aforementioned suggested amendments, with a view to being submitted to the Minister at the earliest opportunity.

9. Sectoral Policies

9(a) Retail (ROI) 9(b) Retail (GB)

Matter for Board Approval

Board Papers: *Sector Policies for ROI Retail & GB Retail (Cover paper); Sector Policy for Retail Property in Ireland and Sector Policy for Retail Property in Great Britain*

The Board noted the contents of the papers as presented, and that, while no material changes to policy were proposed, the policies would be kept under review in light of the Board's assessment of strategic options.

S41, S36, S29, S30

Following consideration, and noting the prior review by the Credit Committee at its meeting on 6th May 2014 and its recommendation of approval, the Board **resolved** to approve the *Policy for Retail Property in Ireland* and the *Policy for Retail Property in Great Britain* as the respective frameworks within which individual asset strategies should be assessed.

10. Updated Development Land Inventory including Louth

Matter for Information

Board Paper: *Supplementary Development Land Inventory*

The Board noted the contents of the paper as presented including the extension of the Dublin Development Land Inventory analysis (presented at the March & April Board meetings) to include development land in Louth. The Board requested that the analysis be presented in acres rather than hectares and, as agreed earlier in the meeting, the paper to be included as part of the Land Supply Control Mechanisms paper being submitted to the Minister.

11. North Wall Quay Update

Matter for Board Approval

S31, S41, S36, S29, S30



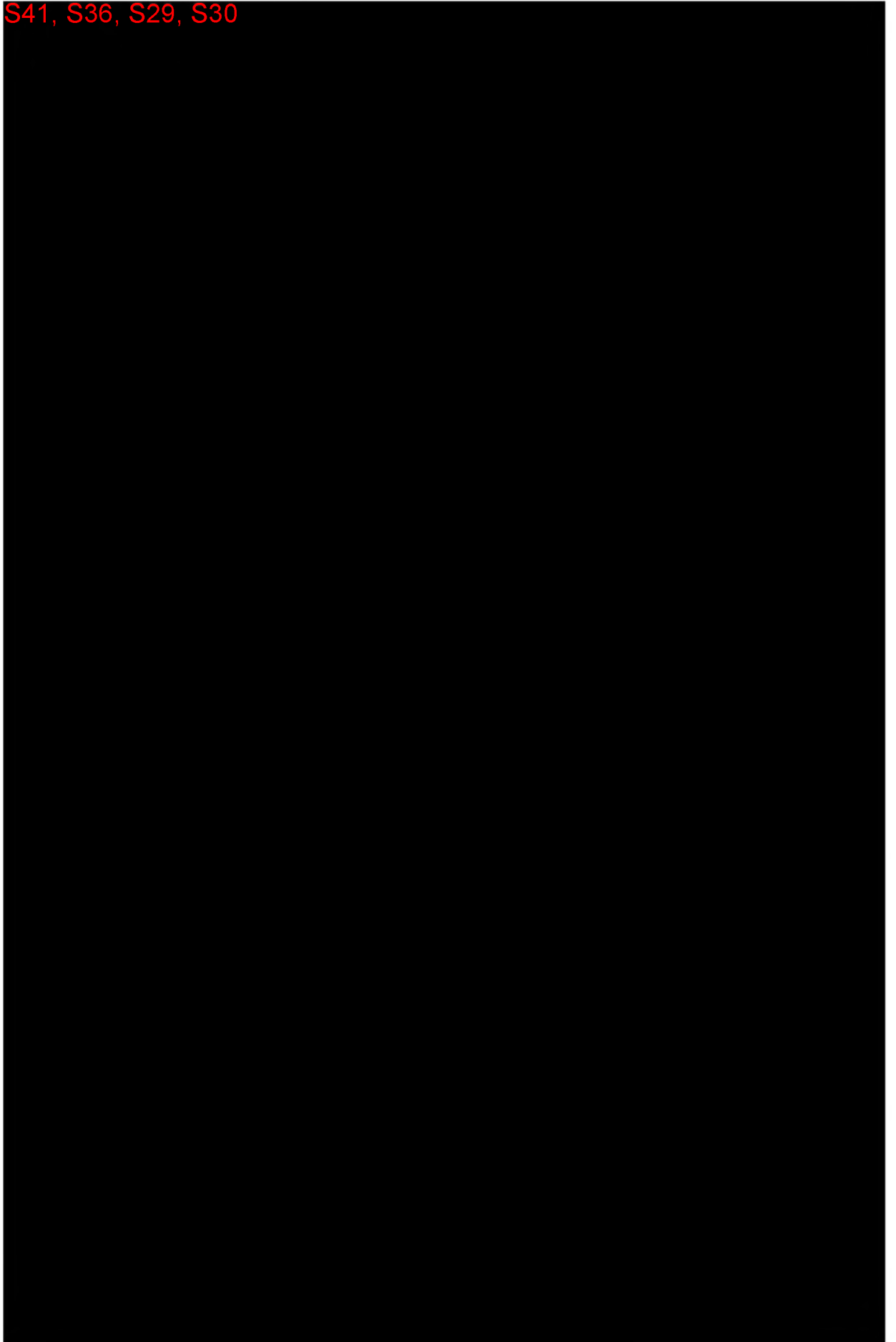
S31, S41, S36, S29, S30



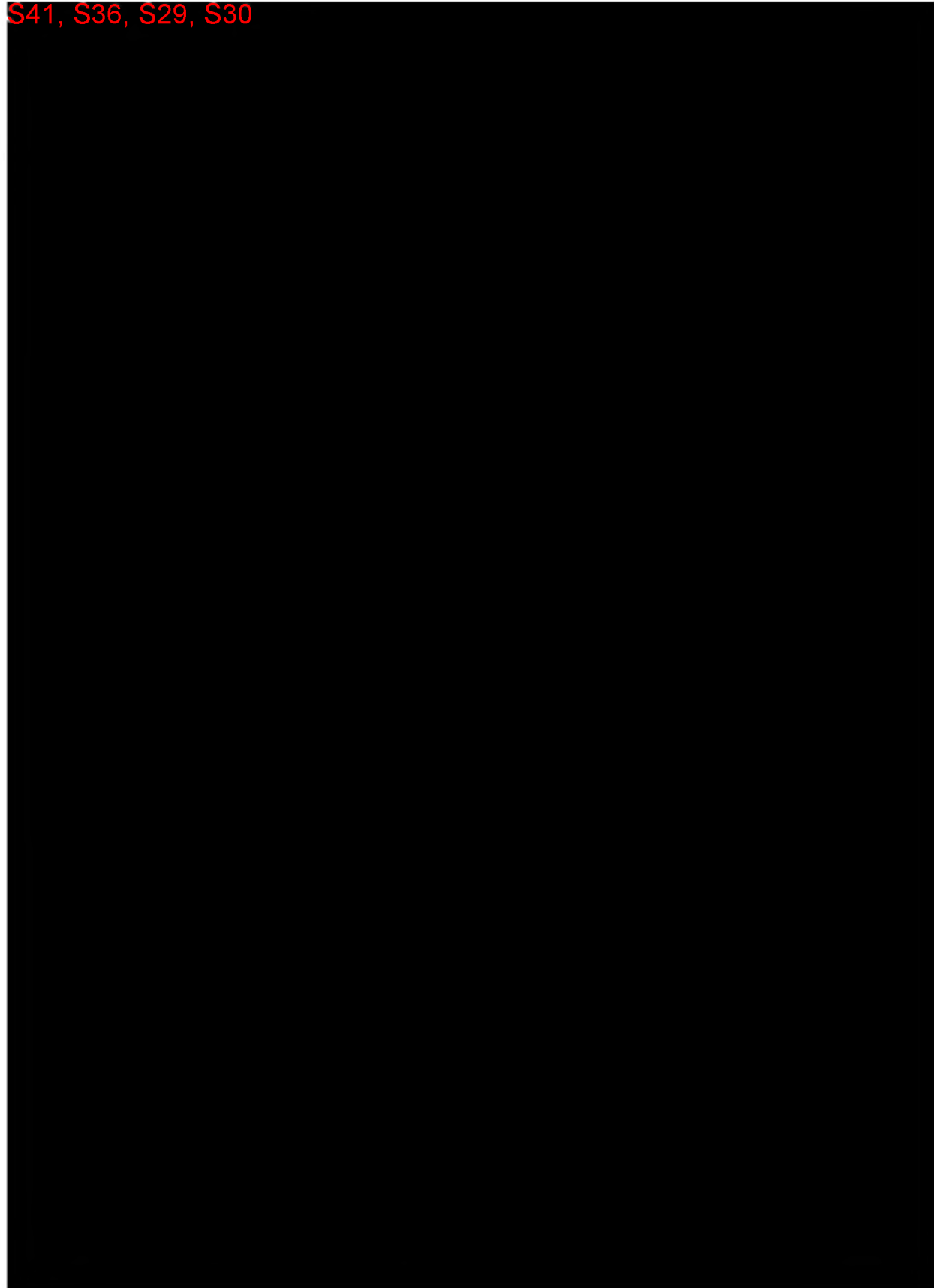
12. Debtor Strategic Credit Reviews

S41, S36, S29, S30



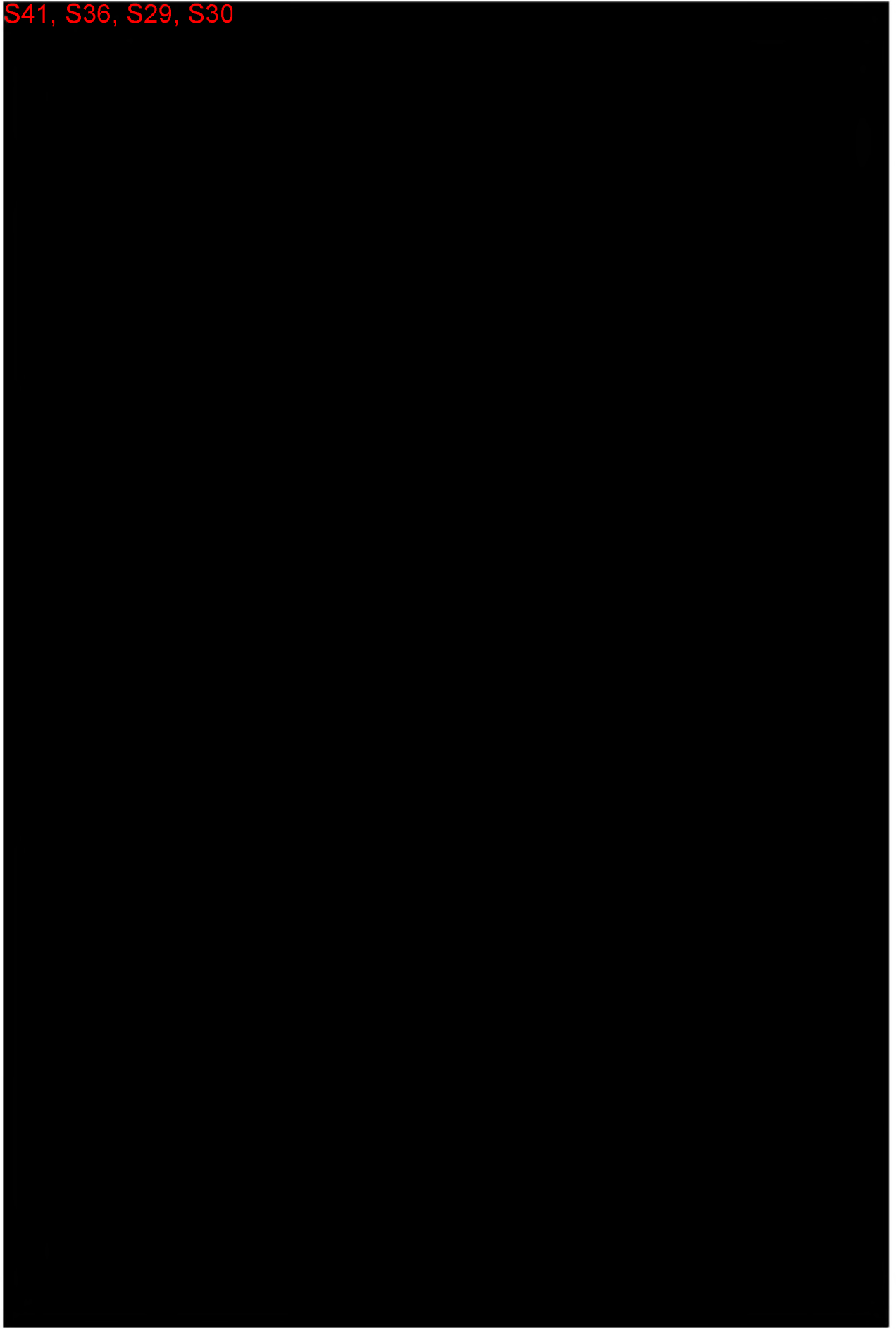


S41, S36, S29, S30



S41, S36, S29, S30





13. Bank of Ireland Portfolio Integration

Matter for Board Approval

S41, S36, S29, S30



14. Debtor Credit Grading Review

Matter for Information

Board Paper: *Debtor Credit Grading Review*

The Board noted the contents of the paper as presented, including that the distribution of the credit grading of NAMA managed debtor connections (based on their respective Debtor behaviour and debt recovery matrices) was deteriorating, reflecting the gradual pay down of the portfolio and continuing enforcement action against debtor connections. A similar deterioration in the distribution of the credit grading of the PI managed book was evident, reflecting a trend towards enforcement, both in terms of number of connections and debt value. The grading profile confirmed that PI/SP book was lower quality than the NAMA managed book.

15. Procurement Policy Review

Matter for Board Approval

Board Paper: *Procurement Policy Review*

The Board noted the contents of the paper as presented, including the changes highlighted and the rationale for same.

Following consideration, and noting the prior review by the Finance & Operating Committee on 7th May 2014 and its recommendation of approval, the Board **resolved** to approve the revised NAMA Procurement Policy.

16. Treasury (CFO) Update

16(a) Treasury (CFO) Update

Matter for Information

Board Paper: *Treasury (CFO) Update*

The Board noted the contents of the paper as presented, including the underpinning liquidity profile.

16(b) NARL Balance Sheet Policies

Matter for Board Approval

Board Paper: *NARL Balance Sheet Policies*

S41, S36, S29, S30



16(c) NAMA Senior Note Redemption

Matter for Board Approval

Board Paper: *NAMA Senior Note Redemption*

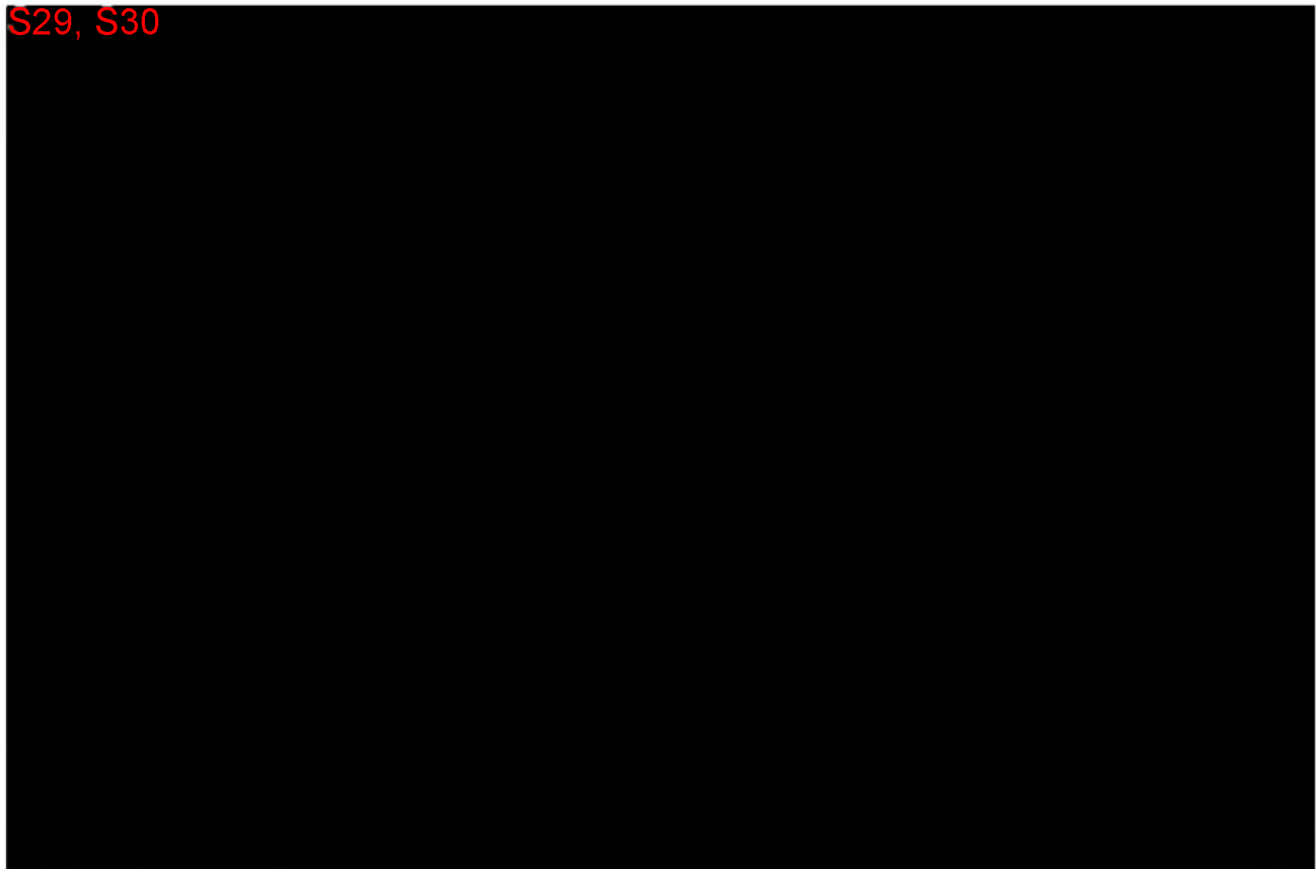
The Board noted the contents of the paper as presented, including the recommendation that, in view of NAMA's strong current cash position and the imminent closing of two substantial debtor transactions (Project Tower and Project Eagle) the Board consider a senior note redemption of up to €2.5 billion by 30th June 2014, which if approved would bring the cumulative redemption of NAMA senior notes since inception to €13.0 billion (43% of original issuance) and €5.5 billion year to date (73% of the €7.5 billion 2014 Senior Note redemption target).

Following discussion, the Board **resolved** to:

- (i) Redeem up to €2,500,000,000 of "Existing" NAMA Senior Notes (€19.69 bn o\s) by the 30th June 2014, subject to NAMA having sufficient liquidity to meet its obligations.

- (ii) Notify the Minister of its decision, under Section 60 (2) (a) of the NAMA Act, and if there was no objection from the Minister, it was recommended that the Board authorised the CEO to take all the necessary steps to redeem the bonds as outlined in (i) above.

The Board noted that NAMA should be in position to announce this on the day of Annual Report launch.



18. **Asset Disposal Policy**

Matter for Board Approval

Board Paper: *Asset Disposal Policy Revision*

The Board noted the contents of the paper as presented including the changes highlighted and the rationale for same. The Board noted further that the Policy had originally been approved by Board as a *Guidance Note on the Disposal of Real Estate Assets by NAMA Debtors and Insolvency Advisors* in July 2011, and following a number of iterations¹² was now being presented as a policy.

Following consideration, the Board **resolved** to approve the Asset Disposal Policy as presented.

¹² Including a decision by Board in **November 2012** to include a new requirement that all purchasers must provide a declaration that they were not NAMA Officers

19. MI Report

Matter for Information

Board Paper: *Monthly Management Information Report – 31st March 2014*

The Board noted the contents of the paper as presented, including the strong cash generation performance to date of €2.1 billion on the existing book. The Board noted further the significant cash generation anticipated on foot of headline transactions due to complete in Q2 2014 including S36 [REDACTED]

In response to a question from Board, it was noted that S36 [REDACTED] was likely to close on Friday 16th or Monday 19th May 2014. In relation to S36 [REDACTED]

[REDACTED] The Head of AR advised that it was anticipated that the sale would close in June 2014.

The Board noted the significant increase in ROI disposal transactions since inception (as per graph on page 16 of paper) and the increasingly high volume, low value nature of transactions which required considerably more time and effort to achieve the same level of results.

20. Divisional Updates: Asset Management

Matter for Information

Board Paper: *Asset Management Progress Update – 14th May 2014*

The Head of Asset Management delivered a comprehensive presentation to Board, outlining (i) the key achievements year to date (AM was on target to achieve Connection net cash target in excess of S36 [REDACTED] for 2014), (ii) the targets for 2014 (significant sales (c S36 [REDACTED]) were scheduled, and the development programme was on schedule) and (iii) challenges ahead (complexity and timing involved in planning process, infrastructural issues in Dublin Docklands, development delivery for residential units and Receiver/Debtor involvement etc).

The Board noted that sales risk in London was largely mitigated through pre sales and that significant construction was underway on Dublin sites, with planning strategy adding significant value.

In response to a request from Board for a regular progress report in relation to delivery of 4,500 residential units, it was noted that the new Senior Divisional Manager for the Asset Recovery residential delivery team would be formulating a business plan which would provide visibility on construction progress.

The Chairman, on behalf of the Board, commended the Head of Asset Management for the presentation and all involved for the excellent performance and achievements year to date.

21. AOB

Property Industry Ireland meeting

The NAMA CEO advised that NAMA had held a constructive meeting with Property Industry Ireland.

Irish Water

The NAMA CEO advised that NAMA¹³ had a constructive meeting with the CEO of Irish Water to discuss key infrastructural deficit issues in the context of the immediate requirement in the Docklands SDZ and NAMA's commitment to deliver 4,500 residential units. The Board noted that it had been indicated that NAMA and/or ISIF would be called upon to contribute financially to the costs of the infrastructure. It was noted that NAMA's funding of the N2/N3 link road was analogous in so far as the infrastructure was a key prerequisite for 'unlocking' value (and providing necessary access) to the surrounding land. Irish Water are to revert with a proposal.

ESRI

The Board noted that the ESRI research, commissioned jointly by NAMA and the Irish Banking Federation, was expected to be completed by end June 2014. The NAMA CEO advised that he had discussed (with Mark Fitzgerald of Sherry Fitzgerald/David Duffy of ESRI) the possibility of hosting a seminar, aimed at key decision makers (Local Authority County Managers and Heads of Planning, Irish Water, Department of the Environment etc) to launch the study.

There being no further business the meeting concluded.



Frank Daly, Chairman

12th June 2014

¹³ Willie Soffe, NAMA CEO, Head of Asset Management and Deputy Head of Asset Recovery (Mr Collison)

NAMA BOARD MINUTES

Fourteenth Meeting of 2014: 2pm. to 4.45pm., 14th May 2014.

Treasury Building

Board-Only Appendix to Minutes

Items Considered:

Board & Committee Evaluation 2013 – Update on Action Plan

Board Paper: *Board & Committee Evaluation 2013 – Action Plan*

Matter for Information

The Board noted the contents of the paper as presented and progress achieved since its meeting on 10th October 2013 including that all agreed actions (for Board and Committees) had been closed out with the exception of the Board agreed action to discuss succession planning in Q4 2013. The Board noted that succession planning would be tabled for a Q4 2014 Board meeting, following prior consideration of the matter by the NTMA Remuneration Committee.

Board Evaluation 2014

Board Paper: *N/A*

Matter for Information

The Board provisionally discussed the 2014 evaluation noting that a decision had to be made in relation to whether the evaluation process would be overseen internally (by the Secretary in conjunction with the Chairman) or utilising an external evaluator. The Chairman advised that details of the evaluation process for 2014 would be tabled for the Board's June meeting.

Finance & Operating Committee meeting schedule

Board Paper: *N/A*

Matter for Information

The Chairperson of the Finance & Operating Committee advised that the Committee had agreed at its 7th May meeting to reduce the frequency of meetings from monthly to five core meetings per year scheduled primarily around s55 reporting obligations and annual audit requirements. The Board noted that a revised work programme for the Committee would be reviewed at its June meeting. It was noted that the Terms of Reference, which provided that the Committee would meet monthly or “at such other times as the Chairperson considers necessary or appropriate”, would be amended in due course.

Ministerial Advisory Group (MAG) update

Board Paper: *N/A*

Matter for Information

The Chairman informed the Board that Mr Michael Geoghegan, who had previously tendered his resignation from the MAG to the Minister for Finance, met with the Minister ten days ago to discuss same. The Chairman advised

S29, S30, S36, S41



Review of NAMA Strategy

Board Paper: *N/A*

Matter for Information

The Chairman advised that the letter in relation to NAMA’s Strategy Review had been sent to the Minister for Finance on behalf of the Board. The Chairman noted that, notwithstanding the anticipated publication of the Department of Finance’s S227 report at end June 2014, having regard to the C&AG publication of their S226 Review on 22nd May, the publication of the NAMA Annual Report on 27th May and NAMA’s appearance before the Public Accounts Committee on 29th May, it had been indicated that the Minister would endeavour to provide a substantive view in relation to

NAMA's future role at the launch of NAMA's Annual Report. It was noted that the Government's Construction Strategy report, published earlier that day, had indicated a role for NAMA over the next three to four years.

S36, S29, S30, S31, S41

Board Paper: *N/A*

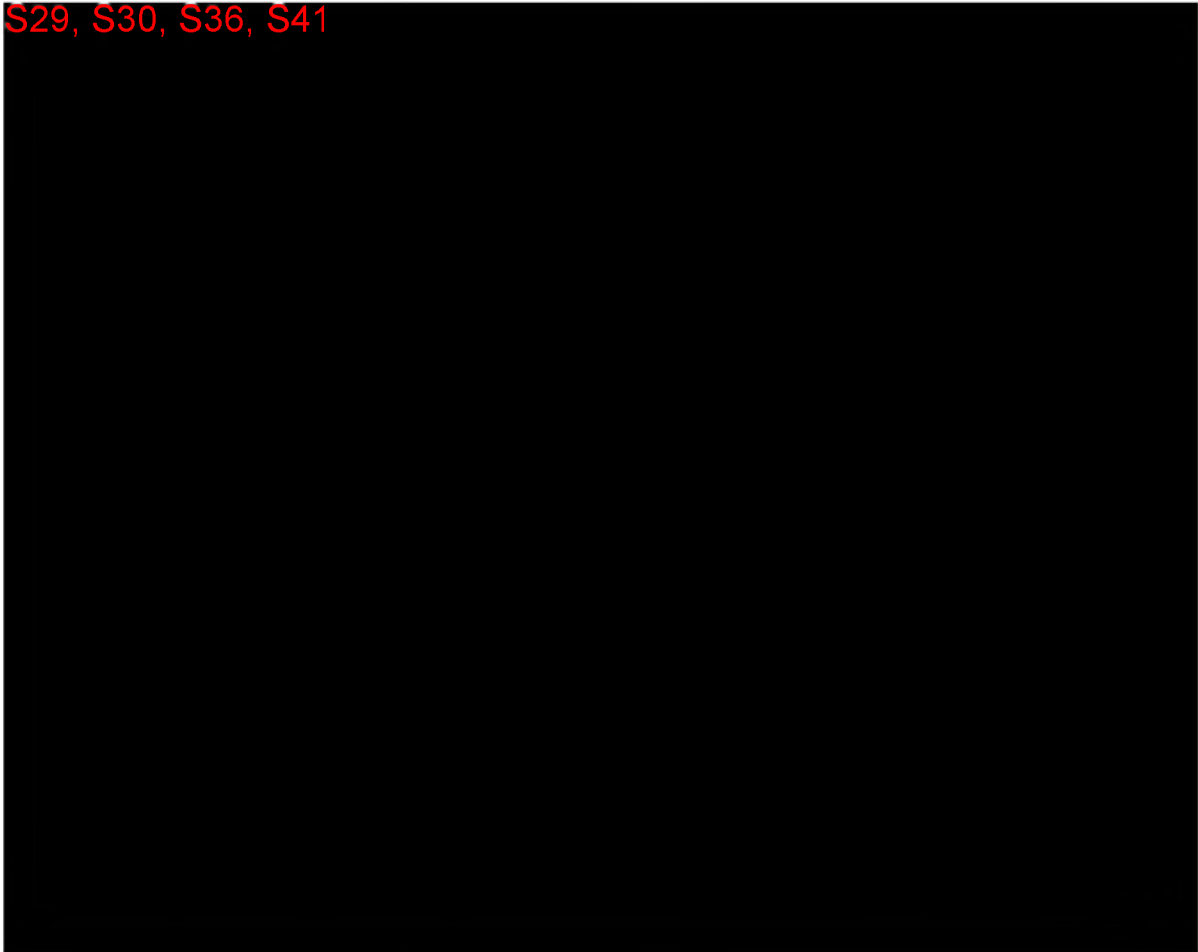
Matter for Decision

S31, S36, S41, S29, S30

S29, S30, S41

S29, S30, S36, S41

S29, S30, S36, S41



A handwritten signature in blue ink, appearing to read 'Frank Daly', positioned above a horizontal line.

Frank Daly, Chairman

12th June 2014



NAMA BOARD MINUTES

Fifteenth Meeting of 2014: 2.00pm. to 5.00pm., 12th June 2014, Treasury Building

Attendance:

NAMA Board

Frank Daly, Chairman
Brendan McDonagh, CEO, NAMA
John Corrigan, Chief Executive, NTMA
Oliver Ellingham
Mari Hurley
Brian McEnery¹
William Soffe

NAMA Executives (invited)

Mary Birmingham
John Collison
Ronnie Hanna
Dave McEvoy
Michael Moriarty
Seán Ó Faoláin
Aideen O'Reilly
Dónal Rooney

Other Invitees:

- Elaine Hudson, Secretary
- Sinéad Brennan, NTMA Head of HR, item 2 only (Board private session)

On opening the meeting the Chairman welcomed the Board members to the fifteenth meeting of 2014 and the agenda was noted. It was noted that the meeting had been duly convened and that a quorum was present.

Note: All Board papers referred to in the minutes were circulated prior to the meeting and presented to the Board as the basis for discussion and decision, where applicable.

Issues considered (in order of consideration):

1. Disclosure of Interests

Mari Hurley disclosed a potential conflict of interest with respect to items 9(a) and 13(a) and declared that she would take no part in the discussion or

¹ By telephone in accordance with section 27 of the NAMA Act 2009

decisions related to same. Brian McEnery disclosed a potential conflict of interest in respect of Item 6(a) and noted that he would not be taking part in the discussion or decisions related to same.

2. Board Private Session

The Board held a private session without the Executive present. A Board-only note on discussion during the session was prepared by the Secretary.

3. Consent Agenda Items

Matter for Board Approval

Board Papers: *Minutes of BM 14 – 14th May 2014; Board Only Appendix to Minutes of BM 14 – 14th May 2014; Mark Up Extract Board Only Appendix to Minutes of BM 14 – 14th May 2014; Minutes of Executive Meeting – 30th May 2014; Finance & Operating Committee Update to Board – period 1st March 2014 – 31st May 2014; Planning Advisory Committee Update to Board – February 2014 to April 2014; Media Evaluation – May 2014 and Board Work Programme 2014 – Progress Update.*

The Board **approved** the consent agenda as presented and on the basis that there was no prior objection by members to the items listed for inclusion.

4. Matters Arising from Board Minutes

The Board noted the matters arising from the minutes of BM 14, as previously circulated by email on 5th June 2014 (included in the Board pack).

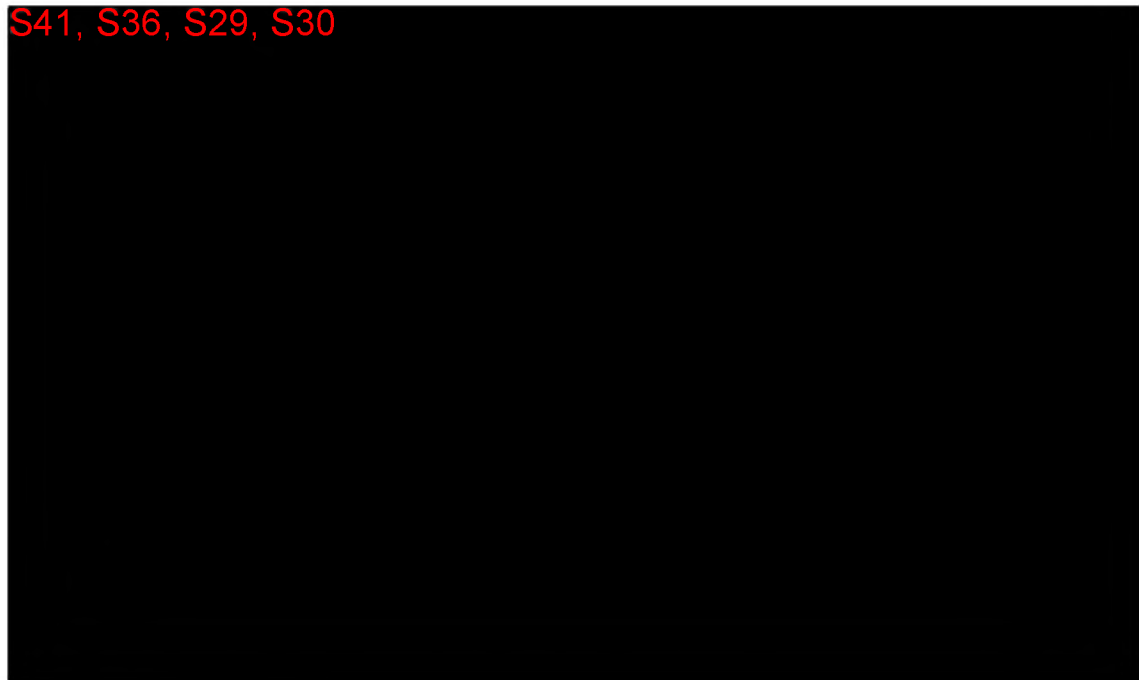
5. Sectoral Policies

5(a) Development (ROI)

Matter for Board Approval

Board Papers: *Sector Policies for ROI Development Land & GB Development Land (Cover paper); Sector Policy for Development Land in Ireland*

S41, S36, S29, S30



Following consideration, and noting the prior review by the Credit Committee at its meeting on 3rd June 2014 and its recommendation of approval, the Board **resolved** to approve the *Policy for Development Land in Ireland* as the framework within which individual asset strategies should be assessed.

5(b). Development (GB)

Matter for Board Approval

Board Papers: *Sector Policies for ROI Development Land & GB Development Land (Cover paper); Sector Policy for Development Land in Great Britain*

The Board noted the contents of the papers as presented, and that no material changes were proposed. S41, S36, S29, S30



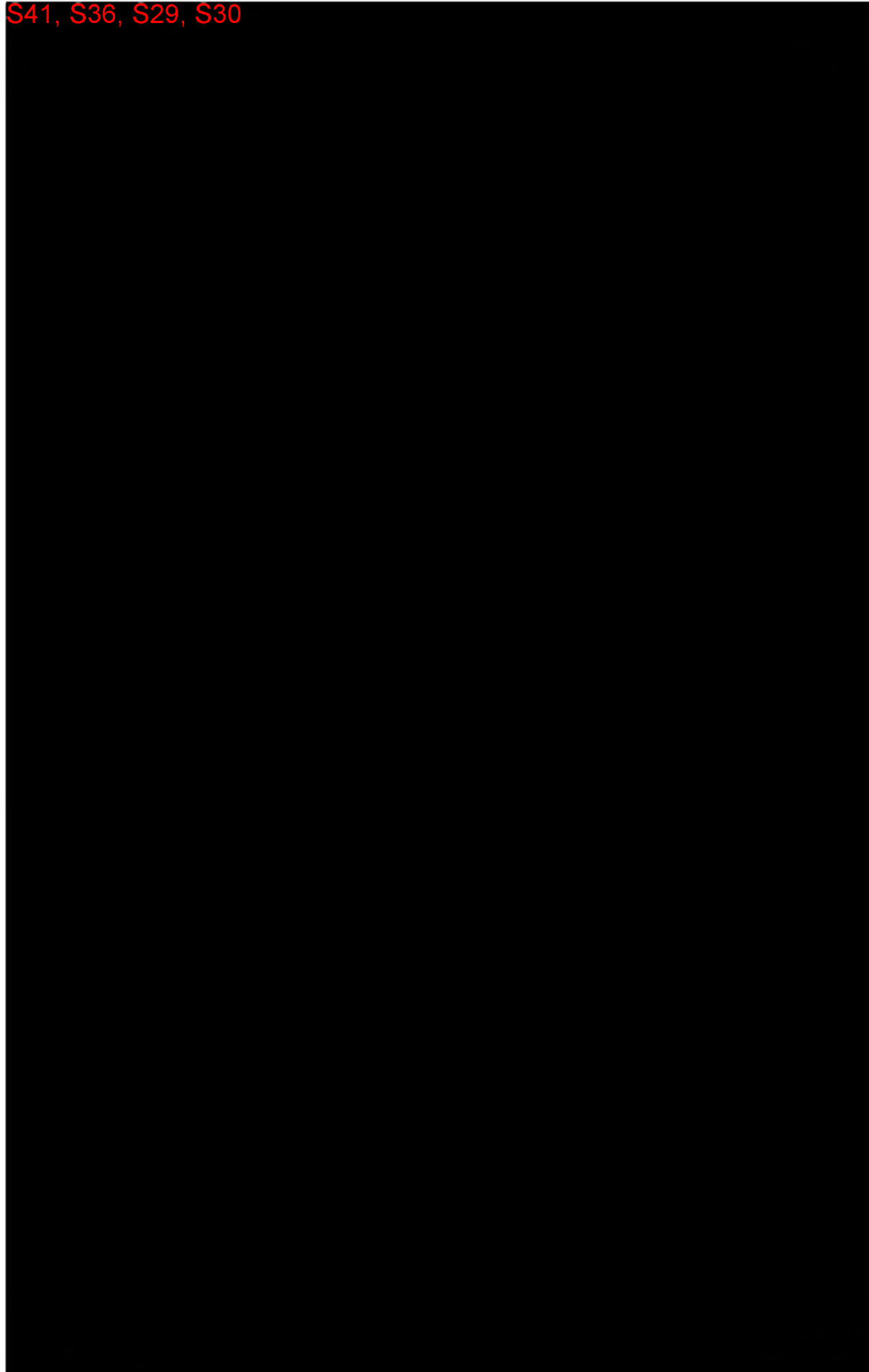
Following consideration, and noting the prior review by the Credit Committee at its meeting on 3rd June 2014 and its recommendation of approval, the Board **resolved** to approve the *Policy for Development Land in Great Britain* as the framework within which individual asset strategies should be assessed.

6. Credit Request

S41, S36, S29, S30



S41, S36, S29, S30

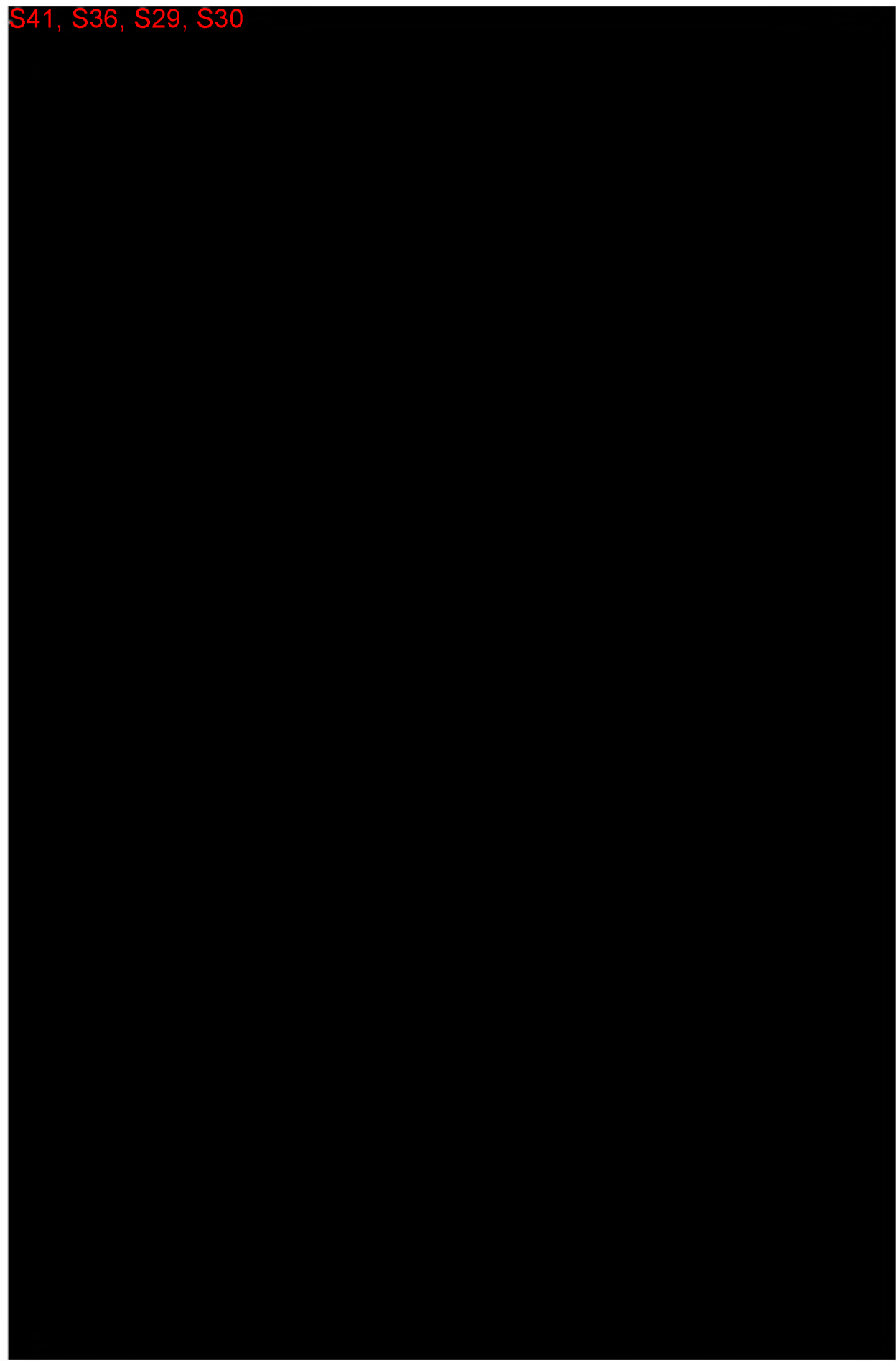


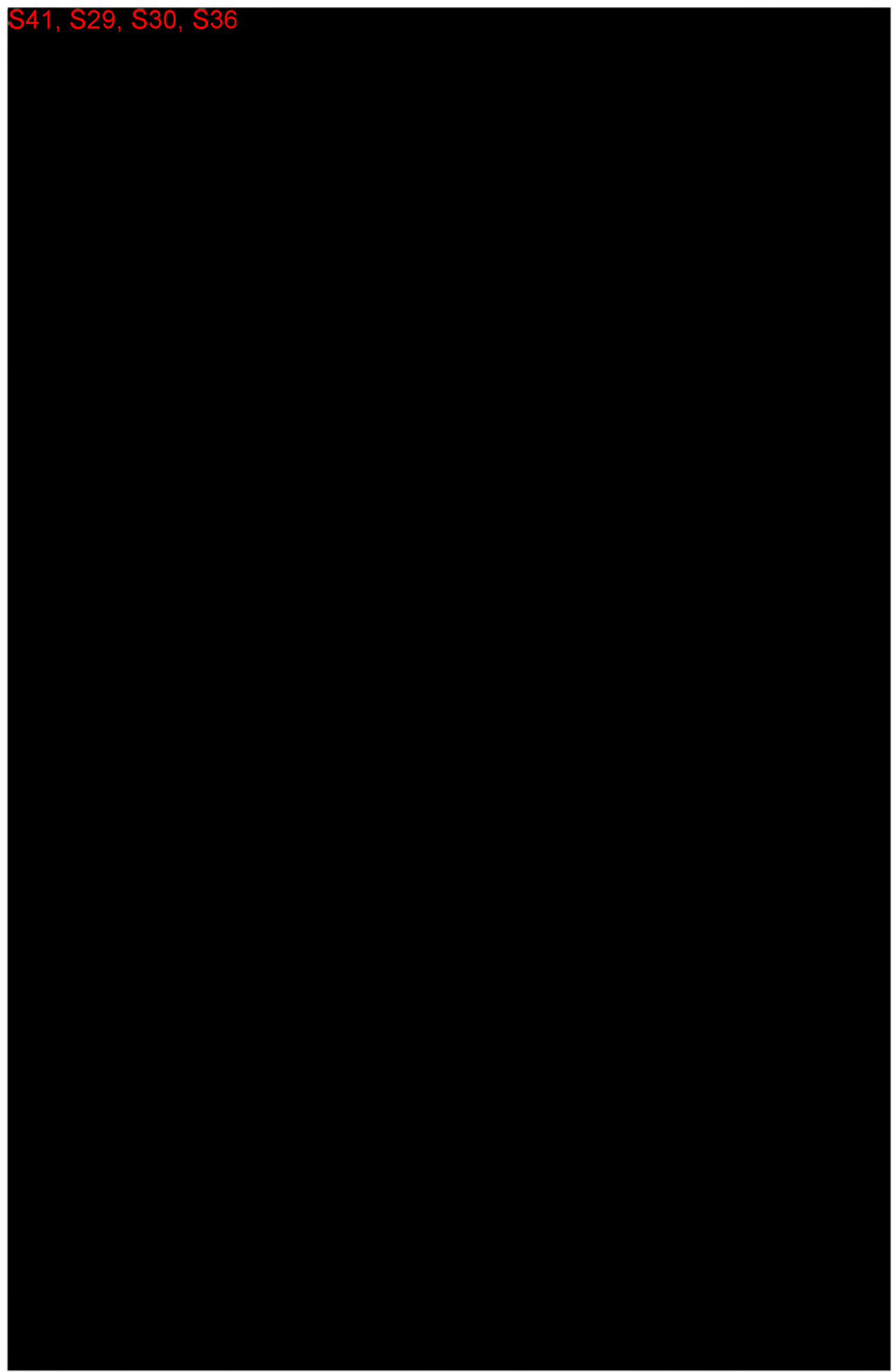
In accordance with his earlier disclosure, Brian McEnery absented himself from the meeting for this item.

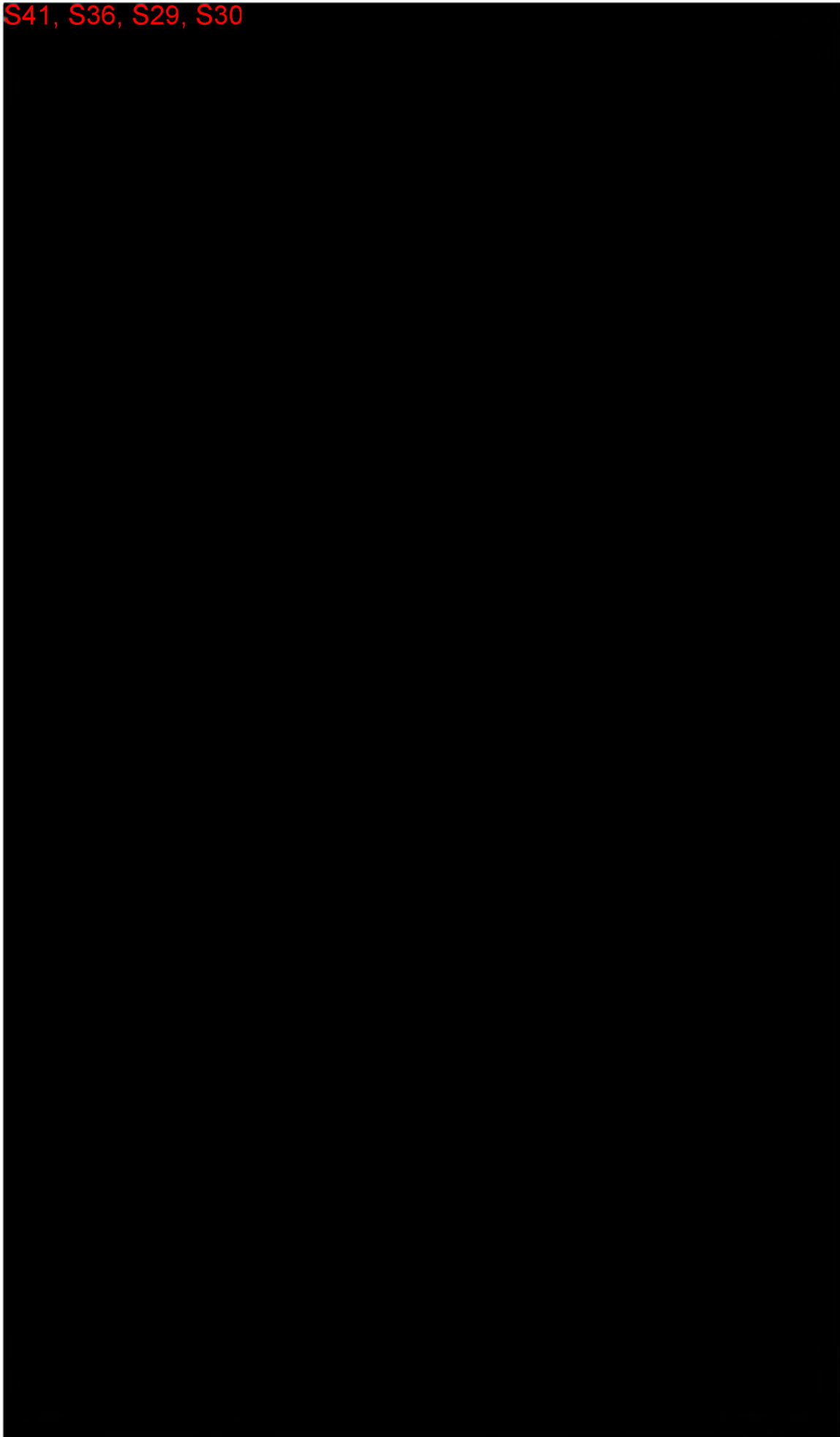
7. Debtor Strategic Credit Reviews

S41, S36, S29, S30









S41, S36, S29, S30



8. Asset Management

8(a) Quarterly Projects Updates

Matter for Information

Board Paper: *Quarterly Projects Update – Asset Management*

The Board noted the contents of the paper as presented by the Head of Asset Management (HoAM). The Board noted the significance for NAMA of An Bord Pleanála's approval of the SDZ Planning Scheme on 16th May 2014 as a framework within which a number of significant Irish projects would progress. HoAM briefed the Board on progress in relation some specific projects such as the North Docks tender process (Project Wave) where the tender for leasehold was issued on Wednesday, 4th June 2014, with first round bids due on 1st August. The Board noted the updates in relation to planning strategy on other sites, progress in relation to NAMA's QIF partners & NAMA's UK development sites.

9. Dublin Office Supply Overview

S36, S41

Matter for Board Approval

Board Paper: *How best to address the supply side problem of premium office accommodation in Dublin City*

S41, S36, S29, S30

Following discussion and noting the prior review by the Credit Committee on 3rd June and its recommendation for approval of same, the Board **resolved** to approve the requests set out in the paper (as set out below):

S41, S36, S29, S30



In accordance with her earlier disclosure, Mari Hurley absented herself from the meeting for this item.

10. Residential Delivery Team Progress Update

Matter for Information

Board Paper: Residential Delivery Update

The Board noted the contents of the paper as presented, including that the new internal cross-functional Residential Delivery Team (RDT) had been established and resourced to drive the delivery of Dublin residential units and also the top 25 House Building connections from both the NAMA managed & PI/SP portfolio had been re-assigned to a single focused team within Asset Recovery. The Board noted that this approach would facilitate a consistent approach to dealing with the issues in delivering residential units in Dublin.

S41, S36, S29, S30



S41, S36, S29, S30

HoAM advised the Board that the tiered categorisation of sites was subject to change and remained fluid, due to sites potentially being included in future loan portfolio sales⁴, not being viable, infrastructure constraints or planning impediments. The Board noted that the Business Plan for the RDT was tabled for the July Board meeting. The Board requested that a composite one page document be brought back to Board (on a regular basis) outlining NAMA's residential delivery capacity (in terms of number of residential units) across the Residential Delivery Team, the SDZ and Social Housing.

S41, S36, S29, S30

11. Treasury (CFO)

11(a) Balance Sheet Policies – Annual Review

Matter for Board Approval

Board Paper: *Balance Sheet Policies – Annual Review*

The Board noted the contents of the paper as presented, including the proposed minor change to the Liquidity Policy and the rationale for same. The Board noted further that no amendments were proposed to the Foreign Exchange or Interest Rate Policies.

Following consideration, the Board resolved to approve the reference to 'NAMA operating accounts' under the Counterparty Limits section of the *Liquidity Policy* as a collective term to include S36 and S36 operating accounts.

S41, S36

11(b) NAMA Senior Note Re-Profiling Update

Matter for Board Approval

Board Paper: *NAMA Senior Note Re-Profiling Update*

S41, S36, S29, S30



12. Section 55 Report – Q1 2014

Matter for Board Approval

Board Paper: *Section 55 Quarterly Report Q1 2014*

The Board noted the contents of the paper as presented, including the profit for the period of €190 million, the reference to the coupon payment on NAMA subordinated debt and the update in relation to NARL cash movements.

Following consideration, and noting the prior review by the Finance & Operating Committee at its meeting on 4th June 2014 and its recommendation of approval, and subject to one minor change⁶, the Board **resolved** to approve the Section 55 Quarterly Report for Q1 2014. The Board noted that the letter should be withheld until the additional Senior Bond redemption of €2.5 billion (as outlined in the letter) had occurred (scheduled for 25th June 2014).

S36



⁶ In light of the payment of the coupon on NAMA subordinated debt on 1st March (for first time), it was recommended to include some further context of the significance of the payment.

13. Irish Water

13(a) Funding Options for SDZ

Matter for Board Approval

S41, S36, S29, S30



In accordance with her earlier disclosure, Mari Hurley absented herself from the meeting for this item.

13(b) DDDA Proposal

Matter for Board Approval

Board Paper: *Dublin Docklands Development Authority Proposal*

S41, S36, S29, S30



14. MI Report

Matter for Information

Board Paper: *Monthly Management Information Report – 30th April 2014*

The Board noted the contents of the paper as presented, including the strong cash generation year to date of €2.2 billion to end April, €3.5 billion to end May and, S36 €5 billion by end June 2014 and the H2 2014 pipeline remained strong with a further €0.5 billion projected loan portfolio sales.

The CFO highlighted the acceleration in cash generation year to date (displayed graphically on page 15 of the MI Report) with each month creating a new record for cash generation versus prior year comparators since inception. The Board noted the increasing trend in ROI disposals since inception. The Board noted the summary description of the Projected Loan/Portfolio Sales as outlined on page 27 of the report.

14(a) Operating Expenditure – Quarterly Outturn Report

Matter for Information

Board Paper: *Operating Expenditure – Quarterly Outturn Report*

The Board noted the paper as presented including that actual costs for Q1 2014 (of €34m) were in line with budget, with surpluses against budget for primary services fees and legal costs being offset by costs arising from loan sales.

15. AOB

15(a) ESRI Update

Matter for Information

Board Paper: *ESRI Residential Research Programme*

The Head of Strategy and Communications (HoS&C) provided a brief overview of the ESRI draft reports to Board. The Board noted that ERSI projections of housing demand across Ireland estimated that 54,000 units were required in Dublin and an additional 23,000 units were required in the surrounding counties in the period to 2021. The Board noted further that NAMA-controlled Tier 1 and Tier 2 sites could provide 40% of the estimated residential requirement in Dublin. HoS&C advised that the projections indicated a clear divergence between Dublin/contiguous counties and the rest of the country, with estimated demand heavily concentrated in the former. The Board noted that the housing demand projections for Limerick, Cork and Galway cities respectively were significantly less than anticipated.

It was noted that the ESRI reports were due to be finalised by end June 2014 and that NAMA planned to host an event to launch the reports with key stakeholders (local authority county/city managers, heads of planning etc.) in September 2014. In response to a question from the Board it was noted that the Department of Finance was represented on the ESRI Research Programme Consultation Group along with NAMA, IBF and Department of the Environment representatives.

S41, S36, S29, S30



15(c) Project Eagle

Matter for Information

Board Paper: N/A

S41, S36, S29, S30



S41, S36, S29, S30



S41, S36, S29, S30



15(e) IBRC IT & Data Migration

Matter for Information


Board Paper: N/A

The Board noted that significant progress had been made over the weekend of 7th/8th June involving extensive IT and data migration as part of the final migration of NAMA's existing IBRC portfolio to Capita (€41 bn par debt). The Chairman, on behalf of the Board, commended the significant achievement and expressed his gratitude to all the staff involved.

S41, S36, S29, S30



There being no further business the meeting concluded.



Frank Daly, Chairman
17th July 2014

NAMA BOARD MINUTES

Fifteenth Meeting of 2014: 2pm. to 5pm., 12th June 2014,

Treasury Building

Board-Only Appendix to Minutes

Items Considered:

Quarterly HR Update

Board Paper: *HR Quarterly Update*

Matter for Information

The Chairman advised that the Quarterly HR Update was the first of such updates to be provided in response to a request from Board in late 2013. The Chairman commented that the Board should be cognisant of the background to the briefing: namely that there was as yet no clarity in relation to NAMA's future strategic direction pending the conclusion of the Minister's review and that the **S29, S30, S41**

S29, S30, S40

The Board agreed that the outcome of the Minister's S227 Review of NAMA, which would provide clarity/certainty in relation to the future strategic direction of NAMA, was needed urgently.

Sinead Brennan entered the meeting

S29, S30, S41

S29, S30, S41

Board Evaluation 2014

Board Paper: N/A

Matter for Board Approval

The Board discussed the 2014 evaluation process and the merits and demerits of an in house evaluation (by the Secretary in conjunction with the Chairman) versus an externally facilitated evaluation.

Following due consideration the Board **agreed** that the Secretary (in conjunction with the Chairman) would oversee the 2014 Board and Committee evaluation process, and that draft evaluation forms would be circulated to members for comment with a view to issuing forms in early July 2014 and reviewing reports in September/October 2014.

Annual Report 2013 and PAC Appearance

Board Paper: N/A

Matter for Information

The Board noted the successful launch of the NAMA Annual Report 2013 on 27th May 2014 and the Chairman and CEO's appearance at the Public Accounts Committee on 29th May 2014 and commended all staff involved for their hard work and effort in relation to same.

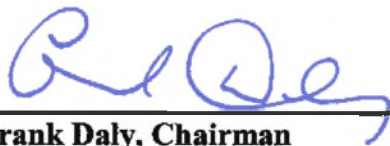
S37

Board Paper: N/A

Matter for Information

S37

There being no further business the private session concluded.



Frank Daly, Chairman
17th July 2014

NAMA BOARD MINUTES

Sixteenth Meeting of 2014: 2.00pm. to 6.30pm., 17th July 2014, Treasury Building

Attendance:

NAMA Board

Frank Daly, Chairman
Brendan McDonagh, CEO, NAMA
John Corrigan, Chief Executive, NTMA
Oliver Ellingham
Mari Hurley
Brian McEnery
William Soffe

NAMA Executives (invited)

John Collison
Ronnie Hanna
Dave McEvoy
Michael Moriarty
Seán Ó Faoláin
Aideen O'Reilly
Dónal Rooney

Other Invitees:

- Elaine Hudson, Secretary
- Marie Hunt, CBRE, item 5(a) only
- John Coleman, Senior Divisional Manager, items 5(a) to 6(b) only
- Chris McGarry, Head of Planning, item 7(b) only
- Jonathan Milligan, Senior Divisional Manager, item 13 only
- Ray Mangan, Senior Manager Asset Recovery, item 13 only
- Michael Phelan, Senior Manager Asset Recovery, item 16 only

Apologies:

- Mary Birmingham (Executive)

On opening the meeting the Chairman welcomed the Board members to the sixteenth meeting of 2014 and the agenda was noted. It was noted that the meeting had been duly convened and that a quorum was present.

Note: All Board papers referred to in the minutes were circulated prior to the meeting and presented to the Board as the basis for discussion and decision, where applicable.

Issues considered (in order of consideration):

1. Disclosure of Interests

Brian McEnery disclosed a potential conflict of interest in respect of Items 7(a) and 16 and noted that he would not be taking part in the discussion or decisions related to same.

2. Board Private Session

The Board held a private session without the Executive present. A Board-only note on discussion during the session was prepared by the Secretary.

3. Consent Agenda Items

Matter for Board Approval

Board Papers: *Minutes of BM 15 – 12th June 2014; Board Only Appendix to Minutes of BM 15 – 12th June 2014; Mark Up Extract Board Minutes of BM 15 – 12th June 2014; Minutes of Executive Meeting – 26th June 2014; Audit Committee Update to Board – period 1st May 2014 – 30th June 2014; Credit Committee Update to Board – 1st April 2014 to 30th June 2014; Risk Management Committee Update to Board – April 2014 to June 2014; Media Evaluation – June 2014; NAMA Sealing Register Update and CEO DA Compliance Statement – Q2 2014.*

S41, S36, S29, S30



The Board **approved** the consent agenda as presented and on the basis that there was no prior objection by members to the items listed for inclusion.

4. Matters Arising from Board Minutes

The Board noted the matters arising from the minutes of BM 15, as previously circulated by email on 10th July 2014 (included in the Board pack).

5. Quarterly Strategy Update

5(a) Irish Property Market Presentation

Matter for Information

Board Paper: *Presentation slides - CBRE*

The Board received a detailed presentation from Marie Hunt of CBRE on the performance and outlook for the constituent sectors of the Irish property market. The presentation was followed by Q&A which focused on Grade A office supply, sustainability of international investor interest in the Irish market and trends in funding/financing arrangements.

The Chairman, on behalf of the Board, thanked Ms. Hunt for the comprehensive presentation.

5(b). Quarterly Strategy Monitoring Report

Matter for Information

Board Paper: *Strategy Monitoring Programme – Quarterly Update*

The Head of Strategy & Communications (HoS&C) presented the paper to Board, which noted that the strategy monitoring report had transitioned to referencing the revised Strategy adopted by the Board at its 1 May 2014 meeting. HoS&C highlighted the significant level of sales activity required to meet the challenging debt redemption targets. The Board noted that all Great Britain and Rest of World assets were scheduled to be sold by the end of

2016¹. The Board noted further that sales activity projections were highly contingent on the continuation of international investor demand for Irish assets and a benign macroeconomic environment.

5(c). Review of NAMA Strategy

Matter for Board Approval

Board Paper: *Review of NAMA Strategy*

S41, S36, S29, S30



5(d). Credit Availability in the Irish Property/Loan Sale Market

Matter for Information

Board Paper: *Credit Availability in the Irish Property/Loan Sale Market*

The Board noted the contents of the paper as presented including the heavy reliance by NAMA on US investors for big ticket deals in the year to date (a trend that was mirrored across Europe) and the concomitant risk of same. The Board discussed the importance of NAMA's sales pipeline visibility (commitment to bring €250 million of sales transactions to market each quarter) as key in attracting investors. The Board noted that prior concerns in relation to the 'tail' of the Portfolio were mitigated somewhat as, subject to the continuation of current market conditions, the tail might be capable of being bundled for disposal and securing finance. The Board welcomed Bank of Ireland's emerging participation in the larger transaction market.

The Chairman, on behalf of the Board, commended the quality of the paper.

6. Sectoral Strategies

6(a). ROI Industrial

Matter for Board Approval

Board Papers: *Policies for Industrial Property in Ireland and Great Britain (cover paper); and Policy for Industrial Property in Ireland*

The Board noted the contents of the papers as presented, and that no material change to policy was proposed. The Board noted the recommendation to explore potential sales to existing tenants and to expedite sales of Grade A properties in prime locations given current demand. It was noted that while the sector did not lend itself to larger portfolio sales (due to relatively limited investor interest), market appetite for bundled industrial packages could be tested.

Following consideration, and noting the prior review by the Credit Committee at its meeting on 8th July 2014 and its recommendation of approval, the Board **resolved** to approve the *Policy for Industrial Property in Ireland* as the framework within which individual asset strategies should be assessed.

6(b). GB Industrial

Matter for Board Approval

Board Papers: *Policies for Industrial Property in Ireland and Great Britain (cover paper); and Policy for Industrial Property in Great Britain*

The Board noted the contents of the papers as presented, and that no material change to policy was proposed. The Board noted that the GB industrial sector was outperforming its Irish counterpart on the basis of strong investor demand being fuelled by a shortage of supply in prime sectors and markets, resulting in yield compression and increased capital values.

S41, S36, S29, S30

Following consideration, and noting the prior review by the Credit Committee at its meeting on 8th July 2014 and its recommendation of approval, the Board **resolved** to approve the *Policy for Investment Property in Great Britain* as the framework within which individual asset strategies should be assessed.

7. Credit Request

S41, S36, S29, S30



In accordance with his earlier disclosure, Brian McEnery absented himself from the meeting for this item.

7(a) Docklands SDZ – Liffey Bridge Proposal

Matter for Board Approval

Board Paper: *Docklands SDZ – Liffey Bridge Proposal*

S41, S36, S29, S30



S41, S36, S29, S30



8. Debtor Strategic Credit Reviews

S41, S36, S29, S30



9. Portfolio Sales Update

Matter for Information

Board Paper: *Loan & Asset Portfolio Sales Update*

The Board noted the contents of the paper as presented including that details of Asset Portfolio and Loan Sales ‘completed’, ‘on the market’ and ‘under preparation and planned to be sold’ respectively provided visibility on the enormous amount of work being undertaken across NAMA and the significant progress being made. Furthermore, NAMA’s commitment to bring €250m of assets to market each quarter was evident in the pipeline of sales (which exceeded this commitment). S41, S36, S29, S30

[Redacted content]

⁸ Most recently approved by the Board at its 14th May 2014 meeting

HoAR undertook to provide a quarterly Loan & Asset Portfolio Sales update report to Board.

10. Residential Delivery Team Business Plan

Matter for Board Approval

Board Paper: *Residential Delivery Team Business Plan*

The HoAR presented the Residential Delivery Business Plan to Board which noted the targets, proposed delivery mechanism, organisation structure and funding requirements to achieve the delivery of 4,500 new residential units to service the Greater Dublin area by end 2016. The Board noted that, in the context of the significant erosion of construction expertise and delivery platform capacity post the boom, delivery of NAMA's residential commitment would be extremely challenging and should not be underestimated (achievement of the target required construction of c.500 units per quarter).

The Board noted that the challenge was exacerbated by significant external risks/issues including inevitable planning delays, infrastructural impediments, developer fatigue in addition to uncertainty in relation to Part V of the Planning Acts and inconsistencies in the application of levies⁹ across Local Authorities. In light of the significant reputational risk involved for NAMA, the Board agreed that it was imperative that NAMA ensure the highest quality and most stringent construction standards (including minimum apartment size requirements¹⁰) were adhered to and that intense monitoring in this regard across the entire project, while acknowledging the significance of the undertaking, would be critical.

S41, S36, S29, S30
[Redacted text block]

⁹ In this context the Board noted that levies had the potential to undermine the viability of construction projects in certain locations citing the €60k levy per unit in DunLaoghaire Rathdown County Council as a case in point.

¹⁰ Noting that a limited number of Tier 1 properties had been permissioned prior to revised minimum size requirements.

Following discussion and noting the prior review by the Credit Committee on 8th July and its recommendation for approval of same, the Board resolved to approve the requests set out in the paper (as set out below):

1. Approval of the Residential Delivery Business Plan;
2. Approval of the proposed targets and reporting structure as outlined pages 26 & 27 of the Business Plan;
3. Approval to commence Action Steps as outlined on pages 32 & 33 of the Business Plan.

The Board commended the excellent quality of the paper.

S41, S36, S29, S30



S41, S36, S29, S30



13. Participating Institution (PI) – Service Provider (SP) Portfolio Update

Matter for Information

Board Paper: *PI & Service Provider Managed Portfolio Update*

S41, S36, S29, S30



The Chairman, on behalf of the Board, commended the significant progress being made across the PI-SP portfolio.

14. Treasury (CFO):

14(a) Treasury Update

Matter for Information

Board Paper: Treasury Update

The Board noted the contents of the paper as presented including the requirement to terminate some existing interest rate hedges in the context of the Board's revised strategy and accelerated rate of bond redemptions. The Board noted further that €2.5 billion of 'NALML' Senior Notes and €7.6 billion of 'NARL' Senior Notes were redeemed over the course of May and June 2014.

¹² Mr Milligan

14(b) NAMA Senior Note Redemption

Matter for Board Approval

Board Paper: *NAMA Senior Note Redemption*

The Board noted the contents of the paper as presented.

Following consideration, the Board **resolved** to approve the recommendation as set out in the paper (as follows), *subject* to an undertaking from the Executive to notify the Board (by email) as redemptions occurred.

- (i) Approve on-going redemptions of NAMA “Existing” Senior Notes (€17.19 bn o/s) up to an aggregate amount of €2,100,000,000 by the 31st December 2014 at Par plus Accrued Interest, subject to NAMA having sufficient liquidity to meet its obligations.
- (ii) Notify the Minister of its decision, under Section 60 (2) (a) of the NAMA Act, and if there is no objection from the Minister, it is recommended that the Board authorise the CEO to take all the necessary steps to redeem the bonds as outlined in (i) above.

15. UUJ Research Update

Matter for Board Approval

Board Paper: *Revised University of Ulster Research Proposal – Phase II*

The HoAR presented the paper to Board which noted that arising from the Project Eagle loan sale, on a recommendation from the Northern Ireland Advisory Committee, it was proposed to revise the scope of the Phase II research project (commissioned from the University of Ulster) away from micro analysis of the NAMA NI land development portfolio to focus on the strategic messages and policy implications pertaining to the residential land development model within Northern Ireland. The Board noted that it was proposed that the final report be presented to the Office of the First and Deputy First Minister for Northern Ireland respectively.

Following consideration and noting the prior review by the Northern Ireland Advisory Committee¹³ and its recommendation for approval of same, the Board **resolved** to approve the revised scope for the Stage II deliverable of the

¹³ incorporateally

research commissioned from the University of Ulster into Northern Ireland Residential Development Landholdings arising from the Project Eagle portfolio disposal as presented in the paper.

16. Insolvency Team Update

Matter for Information

Board Paper: *NAMA Insolvency Team Update*

The Board noted the contents of the paper as presented.

In accordance with his earlier disclosure, Brian McEnery absented himself from the meeting for this item.

17. Quarterly Update on Unfinished Housing

Matter for Information

Board Paper: *Unfinished Housing Estates*

The Board noted the contents of the paper as presented, including the continued progress resolving NAMA's Unfinished Housing Estates¹⁴, which had reduced considerably from 335 in November 2013 to 235 at present. In the context of 105 estates earmarked for disposal 'as is', the Board noted that the Planning Advisory Committee had requested that;

- (i) Site Resolution Plans be put in place for estates if they were not sold by a specific target date (to be agreed) and;
- (ii) a geographical breakdown of residual estates (235 estates) by county and numbers.
- (iii) In addition a Red/ Amber/ Green rating system of residual estates, denoting the relative complexity of assets, would also be presented as part of the report to Board (and Planning Advisory Committee) as a matter of course going forward.

¹⁴ Attributable to NAMA Debtors

18. Divisional Briefings

18(a) Legal Divisional Update

Board Paper: Legal Divisional Update & Litigation Report

The Head of Legal (HoL) provided a detailed presentation to Board on the current workload of her Division, specifically the role of NAMA legal in the sales process for asset and loan sales. HoL provided an overview of the pre and post market launch process and lessons learned from recent sales of problematic assets. The Board noted that advance preparation was key to realising maximum value and that there was reputational risk to NAMA from conducting poorly managed or protracted sales processes. In response to a question from the Board, HoL said that attracting additional suitably qualified *senior* legal resources was a very significant challenge as NAMA could not offer security of tenure and was currently targeting solicitors who would be interested in short term projects.

In relation to the litigation update and register, the Board noted its contents and its further reflection of the achievements and contribution of the NAMA Legal team which were commended.

18(b) CFO Divisional Update

Board Papers: CFO Divisional Update & MI Report – 31st May 2014

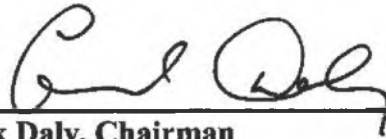
The CFO provided a comprehensive presentation to the Board on the work of his Division, including its significant and increasingly important role in providing transaction support services (providing three distinct case examples of the Division added value). The Board noted that the CFO Division was comprised of a large and diverse range of functions including 25 individual specialist niche areas and skillsets. The CFO advised that maintaining an adequate staffing capability across a large number of specialist niche areas was a significant challenge.

S41, S36, S30, S29

The Board noted the latest *MI Report*, which illustrated that NAMA was on target to achieve its forecast cash generation target of €6.8 billion.

19. AOB

There being no further business the meeting concluded.

A handwritten signature in black ink, appearing to read 'Frank Daly', is positioned above a horizontal line.

Frank Daly, Chairman
11th September 2014

NAMA BOARD MINUTES

Sixteenth Meeting of 2014: 2pm. to 6.30pm., 17th July 2014.

Treasury Building

Board-Only Appendix to Minutes

Items Considered:

Section 227 Review

Board Paper: N/A

Matter for Board Approval/Information

The Chairman advised that the publication by the Minister for Finance of the Section 227 Review of NAMA on 16th July 2014 had brought much needed clarity in relation NAMA's further strategic direction and had eliminated much of the uncertainty surrounding the Agency. The Review reaffirmed the Board's primary strategic objective to redeem a minimum of 80% of NAMA senior debt by end 2016, with the expectation that NAMA would redeem the balance (including NAMA subordinated debt) by end-2017 or mid-2018. The Board noted that the S227 review prioritised two ancillary strategic objectives namely the delivery of Grade A office accommodation in the Dublin Docklands SDZ and provision of residential housing for Dublin and surrounding counties. The Board noted further that the criticality of NAMA retaining its staff expertise and operational capability to the achievement of its objectives had been publically recognised.

S29, S30, S41

Board Evaluation 2014

Board Paper: *N/A*

Matter for Information

The Chairman reminded Board members that the deadline for submission of Board and Committee Evaluation questionnaires to Board Secretary was close of business today Thursday 17th July 2014.

Northern Ireland Committee membership

Board Paper: *N/A*

Matter for Board Approval

The Chairman advised that following the Board's approval (at its April 2014 meeting) to extend Mr Rowntree's appointment as a member of the Northern Ireland Advisory Committee until the end of July 2014 and agreement to review his appointment at that stage, and having regard to the next scheduled meeting of the Committee on 8th September 2014, it was proposed to extend his appointment further to end September 2014. Accordingly the Board **resolved** to approve the extension of Mr Rowntree as a member of the Committee until the end of September 2014. The Secretary undertook to prepare the necessary correspondence.

Following further discussion, and on the recommendation of the Chairman by agreement with the Minister, and having regard to implications of Project Eagle for the Committee, the Board **resolved** to dissolve the Northern Ireland Advisory Committee following its 8th September 2014 Committee meeting.

Board Strategy meeting

Board Paper: N/A

Matter for Board Approval

In light of NAMA's key ancillary strategic objectives to ensure the timely delivery of (i) Grade A office space within the Dublin Docklands SDZ and (ii) residential housing in Dublin and surrounding counties, the Chairman proposed a special half day Board Strategy meeting to focus on strategic issues (following consideration by the Board of Dublin Residential Business Plan at July Board meeting, Docklands SDZ Strategy paper at the September Board meeting and attendance by the Board (optional) at the National Housing Conference on 11th September (see below)). Following brief discussion, the Board **agreed** to convene a special Strategy meeting after the September Board meeting at a date to be agreed. The Secretary would liaise with Board members to find a suitable date for the diary.

National Housing Conference

Board Paper: N/A

Matter for Information

The Chairman advised that Board members were welcome to attend a National Housing Conference for key State Stakeholders which was being hosted by NAMA and scheduled for the morning of 11th September 2014 at the National Conference Centre (same date as September Board meeting) to launch the ESRI study (which was co-funded by NAMA and the Irish Banking Federation).

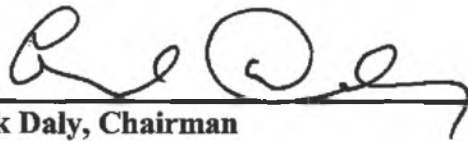
CEO Objectives 2014

Board Paper: N/A

Matter for Board Approval

The Board discussed and agreed the CEO's objectives for 2014. The Chairman and NTMA Chief Executive would convey the outcome of the discussion to the CEO.

There being no further business the private session concluded.

A handwritten signature in black ink, appearing to read 'Frank Daly', is written over a horizontal line.

Frank Daly, Chairman
11th September 2014



NAMA BOARD MINUTES

Seventeenth Meeting of 2014: 1.45pm. to 5.00pm., 11th September 2014, Treasury

Building

Attendance:

NAMA Board

Frank Daly, Chairman
Brendan McDonagh, CEO, NAMA
John Corrigan, Chief Executive, NTMA
Oliver Ellingham
Brian McEnery
William Soffe

NAMA Executives (invited)

Mary Birmingham
John Collison
Ronnie Hanna
Dave McEvoy
Michael Moriarty
Seán Ó Faoláin
Dónal Rooney

Other Invitees:

- Elaine Hudson, Secretary
- Sinéad Brennan, Head of HR, item 2 only
- Jeanette Crowley, Procurement Solicitor, item 6 only
- Brendan Smyth, Solicitor, item 6 only
- Jamie Bourke, Senior Manager, item 11 only
- John Coleman, Senior Divisional Manager, items 12 & 13 only
- David Johnson, Head of Audit & Risk, items 18 & 19 only
- Alan Stewart, Solicitor, item 20 only
- Deirdre McCabe, Solicitor, item 20 only

Apologies:

- Mari Hurley
- Aideen O'Reilly (Executive)

On opening the meeting the Chairman welcomed the Board members to the seventeenth meeting of 2014 and the agenda was noted. It was noted that the meeting had been duly convened and that a quorum was present.

Note: All Board papers referred to in the minutes were circulated prior to the meeting and presented to the Board as the basis for discussion and decision, where applicable.

Issues considered (in order of consideration):

1. Disclosure of Interests

There were no disclosures made.

2. Board Private Session

The Board held a private session without the Executive present. A Board-only note on discussion during the session was prepared by the Secretary.

3. Consent Agenda Items

Matter for Board Approval

Board Papers: *Minutes of BM 16 – 17th July 2014; Board Only Appendix to Minutes of BM 16 – 17th July 2014; Minutes of Executive Meeting – 29th August 2014; Audit Committee Update to Board – period 1st July 2014 – 31st August 2014; Finance & Operating Committee Update to Board – 1st June 2014 to 31st August 2014; Media Evaluation – July & August 2014.*

The Board **approved** the consent agenda as presented and on the basis that there was no prior objection by members to the items listed for inclusion.

4. Matters Arising from Board Minutes

The Board noted the matters arising from the minutes of BM 16, as previously circulated in the Board pack.

5. Asset Management - Quarterly Projects Update

Matter for Information

Board Paper: *Quarterly Projects Update – Asset Management*

The Head of Asset Management (HoAM) presented the paper to Board, which noted the progress in relation to key Dublin projects including **S41, S36**

[REDACTED]. The Board noted that Asset Management had undertaken site visits to all active developments in the UK and that despite extensive construction works, there were no significant programme or budgetary issues.

A query was raised on capturing the surplus on the **S31, S36** HoAR agreed to revert separately to Board with an update.

6. Dublin Dockland SDZ Strategy/Business Plan

Matter for Board Approval

Board Papers: *Docklands Business Plan (cover sheet); North Lotts and Grand Canal Dock Strategic Development Zone September 2014 Business Plan.*

The HoAM presented the Docklands SDZ Business Plan to Board which noted proposed delivery options, infrastructural issues, funding requirements and individual strategies for the 13 NAMA controlled sites within the SDZ (including target construction commencement dates for same). Four sites were already in QIFs where NAMA had a minority interest. Eight of the nine other sites were under control of receivers with ninth site held on Balance Sheet by NAMA (part of DDDA settlement). The Board noted three key issues related to planning, procurement and infrastructure and that achievement of target “shovel ready” construction start dates from early 2016 would require no significant setbacks in relation to any of these issues.

S31, S41, S36, S30, S29

Following discussion and noting the prior review by the Credit Committee on 2nd September 2014 and its recommendation for approval of same, the Board **resolved** to approve the requests set out in the paper (as set out below):

1. Approval of the Docklands Business Plan as presented.
2. Approval of the Next Steps outlined on Page 36 of the Business Plan

3. S41, S36
[Redacted]
[Redacted]
[Redacted].

The Board commended the excellent quality of the paper, noting the coherence of the plan and the appropriate pace of the proposed implementation of same.

7. Credit Request

S41, S36, S29, S30
[Redacted]

8. Dublin Residential Update

Matter for Information

Board Paper: Residential Delivery Update

The Head of Asset Recovery (HoAR) presented the first monthly progress update to Board, which noted the continued good progress in relation to 90 day and 180 day action plans with all milestones ahead of target. **S29**

S41, S36, S29, S30



S41, S36, S29, S30



S41, S36, S29, S30



10. Semi Annual Impairment Report

Matter for Board Approval

Board Paper: *Semi Annual Impairment Report*

The CFO presented the Semi Annual Impairment Report to Board which noted the positive impairment trajectory arising from a considerable improvement in NAMA managed cashflows. The Board noted that the impairment exercise formed a critical part of NAMA's comprehensive forecasting analysis with the expected cash flows for all debtors being assessed on an asset by asset basis across NAMA's entire loan portfolio (including individual cashflows of PI/SP managed debtors).

S41, S36, S29, S30



Following discussion and noting the prior review by the Credit Committee on 2nd September and Finance and Operating Committee on 3rd September and their recommendation for approval of same, the Board **resolved** to approve the paper including:

- (i) the half year impairment charge of €57m for inclusion in the 30th June 2014 Section 55 Quarterly Accounts, bringing the cumulative impairment provision to €3,571m as at 30th June 2014 and
- (ii) the impairment provisions for the four specific debtor cases under Board DA as set out on page 44 of the paper.

11. BOI Primary & Special Servicing Integration Update

Matter for Board Approval

Board Paper: *Bank of Ireland Portfolio Integration*

Jamie Bourke provided a detailed update presentation on the BoI Integration Project to Board which noted the good progress in relation to Phase I ‘Interim Operating Model’ which was on track for completion on 22nd September 2014. In relation to Phase II ‘Target Operating Model’, the Board noted that following recent escalation within Bank of Ireland, further dedicated specialist resources (relevant subject matter experts) had been assigned to the project at BoI and that in view of delays experienced to date, a revised project deadline for full migration of 20th February 2015 had been agreed by all parties concerned (NAMA, BoI, Capita) as it permitted all organisations to avoid a 31/12/2014 year end implementation risk.

S36, S29, S30



The Board noted that a detailed Project budget would be brought to the Board’s October meeting.

Following consideration the Board **resolved** to approve the recommendations as presented in the paper as follows:

- (i) Approval for the NAMA Project Integration Team to continue to progress the open items of the May 2014 Board approved Project Plan
- (ii) Delegated Authority to agree the servicing contract with Capita and Exit Plan with BOI jointly to the NAMA CEO and NAMA CFO

- (iii) Approval to formally engage with BOI on retaining the residential mortgage portfolio (180 cases) on BOI MAS system under a new commercial agreement as it was not efficient to set-up a new mortgage system in Capita.

12. Major Loan and Asset Portfolio Sales

Matter for Information

Board Paper: *Review of Major Loan and Asset Portfolio Sales*

S41, S36, S29, S30



The Chairman, on behalf of the Board, commended the excellent quality of the paper and expressed his appreciation to all involved for the effort and analysis involved.

13. New Products Initiatives Update

Matter for Board Approval

Board Paper: *New Products Initiatives Update*

The Board noted the contents of the paper as presented including the update on the eight key initiatives presented to the Board in April 2014, the bulk of which were currently being implemented or were no longer required given NAMA's accelerated disposal schedule and improved investor interest in Irish assets.

The Board **agreed** that, in the context of a significantly improved market environment, NAMA's accelerated disposal schedule and the emergence of a number of REITs into the market over the last year, that the case for a NAMA sponsored REIT was weakened but would be kept under review.

The SDM (Strategy) advised that the New Products Group was exploring the feasibility of NAMA providing infrastructure finance, on a commercial basis, to unlock otherwise viable land and development assets (NAMA sites) by resolving infrastructural issues, currently unresolved due to lack of funding. The Board noted that a proposal may revert to Board in due course in this regard, depending on the outcome of this exercise which was ongoing.

13(b) Allsop Auction Update

Matter for Information

Board Paper: *N/A*

The HoAR advised that a trial auction process with KPMG (NAMA appointed Receiver) using the Allsop auction platform was scheduled to take place in October 2014. The Board noted that the auction would be monitored by NAMA to ensure that the release of properties to the market was controlled and to inform NAMA's approach to auctions (in light of experience from the pilot).

14. Treasury (CFO):

14(a) Treasury Update

Matter for Information

Board Paper: *Treasury (CFO) Update*

The Board noted the contents of the paper as presented including that, in the context of revised redemption targets of 80% of senior bonds by end 2016 (s227 review), balance sheet hedges maturing in 2019/2020 were terminated to ensure that no hedges matured beyond 2018 in line with Board strategy.

S36, S29, S30



15. Section 55 Quarterly Report & Accounts – Q2 2014

Matter for Board Approval

Board Paper: *Section 55 Quarterly Report Q2 2014*

The CFO presented the paper to Board which noted that the profit of €102 million for H1 2014.

Following consideration and noting the prior review by the Finance and Operating Committee on 3rd September and its recommendation for approval of same, the Board **resolved** to approve the Section 55 Quarterly Report for Q2 2014.

The Board noted that the Report would be submitted to the Minister for Finance towards the end of September.

16. Section 53 Annual Statement

Matter for Board Approval

Board Paper: *Section 53 Annual Statement 2015*

The Board noted the contents of the paper as presented.

The Board agreed a number of revisions, including that the reference to delivery of 1,100 resi units in 2014 be amended to refer to the target resi delivery of 1,000 units. The Board requested that the language in relation to the Docklands SDZ be further reviewed. The Board noted that NAMA's five key objectives would be reviewed at a later Board meeting, most likely at the Board's scheduled Strategy meeting in March 2015.

Following consideration, and noting the prior review by the Finance & Operating Committee on 3rd September 2014 and its recommendation of approval, and subject to the aforementioned changes, the Board **resolved** to approve the text of the Section 53 Annual Statement 2015 subject to the wording about residential and SDZ delivery being checked with NAMA Legal in the context of its procurement legal advice to Board.

The Board noted that the Statement would be submitted to the Minister for Finance towards the end of September.

17. Disposal of Assets on Balance Sheet Report (exceptions only)

Matter for Information

Board Paper: *Disposal of Assets on Balance Sheet Report (exceptions only)*

The Board noted the contents of the paper as presented, including one on-balance sheet fixed asset disposal involving the sale of a painting by public auction in New York for \$80k in March 2014. The Board noted that there were no exceptions to the Policy during the period⁴.

⁴ H1 2014

18. Risk Register – Bi-Annual Review

Matter for Information

Board Paper: *Management Update on Risk Register; NAMA Risk and Control Self Assessment (Risk Register);*

S41, S36, S29, S30



19. Status of Audit Recommendations

Matter for Information

Board Paper: *Status of Audit Recommendations*

The Head of Audit & Risk presented the paper to Board, which noted that following an interregnum period during which PwC had consulted extensively across NAMA, the revised audit plan had been approved by the Audit Committee (July 2014) and PwC had commenced their audit fieldwork with a number of audits progressing. The HoA&R advised that the transition of Internal Auditors had been very smooth. The Board noted that good progress had been made in closing out previously open audit points over the summer months, with only two overdue ‘medium’ priority audit points.

The Board noted that the Audit Committee had reviewed the C&AG’s 2013 Management Letter, which contained no high findings. It was noted that, of

the four open audit points from the 2012 Management Letter, three 'medium' rated audit points were scheduled to be closed by end September and one low rated audit point would be closed in due course.

S31, S41, S36, S29, S30

21. MI Report

Matter for Information

Board Paper: *Monthly Management Information Report – 31st July 2014*

The Board noted the contents of the paper as presented, including the exceptionally strong cash generation year to date of €6.3 billion which was likely to exceed the budgeted 2014 target of €6.8 billion by mid October 2014.

S36, S41

21(a) Operating Budget Outturn – Q2 2014

Matter for Information

Board Paper: *Operating Expenditure – Quarterly Outturn Report*

The Board noted the contents of the paper as presented, including the positive H1 outturn of €63 million against €69 million budgeted⁶, and forecast year end outturn of €133 million against €137 million budgeted.

22. Recruitment Update

Matter for Board Approval

Board Paper: *NAMA Recruitment Update and Recommendation for Approval of Revised Total Headcount*

The Board noted the contents of the paper as presented, including the rationale for the revised headcount.

Following consideration, and noting the prior review by the Finance & Operating Committee on 3rd September 2014 and its recommendation of approval, the Board **resolved** to approve revised total headcount of 382 with an ongoing 6 monthly review by Board.

23. Divisional Briefing – Strategy & Communications

Matter for Information

Board Paper: *Strategy and Communications Divisional Update presentation*

The Head of Strategy and Communications provided a detailed presentation to the Board on the division's work and responsibilities. In relation to the Strategy function, the Board noted that considerable work had been undertaken in the year to date pertaining to the Section 226 and Section 227 reviews, in addition to the Board's own review of its strategic options in May 2014. The Strategy function circulated to Board a significant amount of strategic analysis including quarterly updates, sectoral policy reviews and other market and investor review papers as required.

⁶ driven by savings in Primary Servicer fees, legal and asset recovery costs which were offset by IBRC integration project costs

S29, S30

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] In relation to FOI preparation, it was noted that two senior FOI managers, with extensive prior experience, were undertaking data search simulations and had undertaken re-briefings of all staff in recent months. The Board noted that the FOI Bill was expected to be enacted over the coming weeks.

The Board commended the excellent quality of both the Strategy and Communications functions.

24. AOB

24(a) NARPS Part V Proposal

Matter for Board Approval

Board Paper: *National Asset Residential Services (NARPS) – Proposal to deal with Part V Provision*

The Board noted the contents of the paper as presented, including the rationale for using NARPS as a mechanism to meet future Part V requirements on NAMA-funded developments, which would confer significant cashflow benefit for the State and provide NAMA debtors and Receivers with planning certainty in respect of compliance with Part V. The Board noted that the proposal represented an extension of a funding mechanism currently in place with Approved Housing Bodies and Local Authorities. The Board agreed that the proposal would be strictly limited to NAMA sites.

Following consideration, and noting its prior review by the Credit Committee and recommendation of same⁷ at its meeting on 9th September 2014 the Board **resolved** to approve the acquisition of new Part V units on NAMA-related developments through the mechanism of NARPS at a consideration in line with relevant Part V legislation and to lease the units back to the relevant Local Authority/Approved Housing Body.

⁷ Subject to amending wording of recommendation to ensure only *non-material* variations were delegated to CEO & HoAM.

24(b) Monthly Meeting Schedule 2015

Matter for Information

Board Paper: *Monthly Meeting Schedule 2015*

The Board noted the proposed monthly meeting schedule for 2015.

24(c) Northern Ireland Advisory Committee

Matter for Information

Board Paper: *N/A*

The Chairman noted that following the final meeting of the Northern Ireland Advisory Committee on 8th September 2014, that he wished to formally record, on behalf of the Board, his appreciation to all involved (but particularly to the Head of Asset Recovery and Senior Divisional Manager) for the significant work involved over the last five years.

24(d) Labour Party Parliamentary Conference

Matter for Information

Board Paper: *N/A*

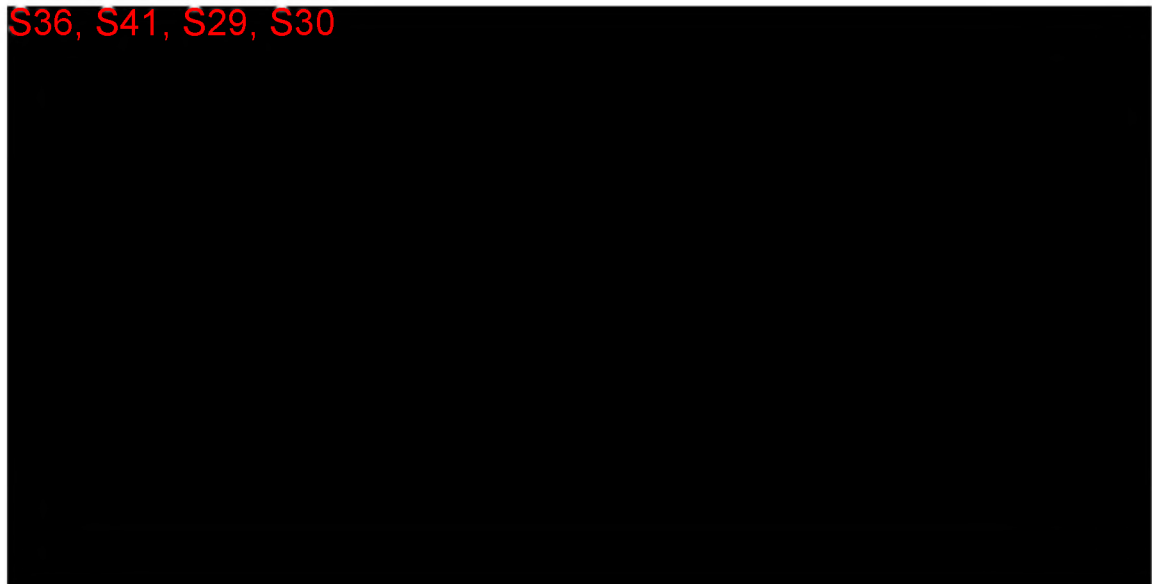
The Chairman advised that he was scheduled to present at the Labour Party Parliamentary Conference on NAMA and resi delivery on Monday 15th September 2014 in Wexford.

24(e) National Housing Conference

Matter for Information

Board Paper: *N/A*

The Chairman commended the National Housing Conference earlier in the day and, on behalf of the Board, formally recorded his appreciation to all involved (the NAMA Communications Function in particular) for the significant work involved.



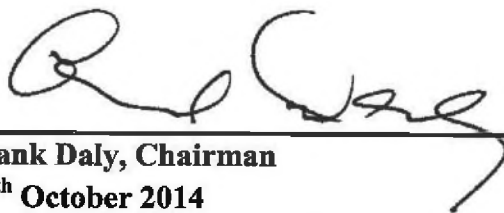
24(g) Board Special Strategy Session

Matter for Information

Board Paper: N/A

The Board agreed that the proposed half day Strategy Session on 19th September be cancelled with an elongated Strategy session at the Board's scheduled 16th October meeting instead.

There being no further business the meeting concluded.



Frank Daly, Chairman
16th October 2014

NAMA BOARD MINUTES

Seventeenth Meeting of 2014: 1.45pm. to 5pm.. 11th September 2014.

Treasury Building

Board-Only Appendix to Minutes

Items Considered:

S37

Board Paper: N/A

Matter for Information

S37

Sinead Brennan entered the meeting

Quarterly HR Update

Board Paper: *HR Quarterly Update*

Matter for Information

The Board noted that the continued upward trend in staff turnover (at c. 9% turnover year to date – 35 leavers) underscored the criticality of implementing a retention scheme as a matter of urgency. The Board noted further that 2014 mid-year reviews were substantially complete and the significant participation by NAMA employees in learning and development courses (both internally and externally hosted).

In response to a question from the Board, it was noted that most of the confirmed new starters were graduates on short term contracts which facilitated internal promotion opportunities following the departure of more senior staff. In response to a further question from the Board it was noted that

some relatively senior specialist positions were proving difficult to fill (e.g. commercial property solicitors, property specialists) and highlighted the tighter and much improved employment market conditions in which NAMA was operating.

S29, S30, S31, S41



S29, S30, S41



Sinead Brennan left the meeting

Planning Advisory Committee External Member Re-appointment

Board Paper: N/A

Matter for Board Approval

The Chairman advised that the second Terms of Appointment for Ms. Alice Charles, External Committee Member on the Planning Advisory Committee was due to expire on 27th October 2014. The Board noted that there were no restrictions under s33(3) on the number of terms of Advisory Committee reappointments unlike Board Members under s20(4). On the recommendation of the Chairman of the Planning Advisory Committee, the Board resolved to approve the re-appointment of Mr. Charles as a member of the Planning Advisory Committee for a further two years from 27th October 2014 subject to confirmation of her willingness to commit to a further term and on the

S37

There being no further business the private session concluded.



Frank Daly, Chairman
16th October 2014

NAMA BOARD MINUTES

Eighteenth Meeting of 2014: 12.45pm. to 1.05pm.. 1st October 2014.

Treasury Building

BOARD ONLY

Attendance:

NAMA Board

Frank Daly, Chairman¹

Brendan McDonagh, CEO, NAMA

John Corrigan, CEO, NTMA

Oliver Ellingham¹

Mari Hurley¹

William Soffe¹

Brian McEnery¹

On opening the meeting the Chairman welcomed the Board members to the eighteenth meeting of 2014 and the agenda was noted. It was noted that the meeting had been duly convened and that a quorum was present.

Issues Considered:

1. Disclosures of Interests

There were no disclosures made.

2. Board Private Session

Board Paper: *N/A*

The Board held a private session without the Executive or Secretary present. The Chairman advised the Board that the Head of Asset Recovery, Mr Ronnie

¹ By telephone in accordance with section 27 of the NAMA Act 2009

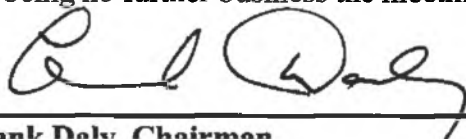
Hanna, had tendered his resignation on the evening of 30th September 2014. The Board noted the enormous contribution that Mr Hanna had made to the success of NAMA since his appointment in March 2010, initially as Head of Credit and Risk and more recently as Head of Asset Recovery. The Board expressed their gratitude to Mr Hanna for the great dynamism, commitment, professionalism and integrity he had brought to the role.

Following considerable discussion, the Board resolved to approve the Deputy Head of Asset Recovery, Mr Michael Moriarty as the new Head of Asset Recovery.

3. AOB

There was no other business.

There being no further business the meeting concluded.



Frank Daly, Chairman
16th October 2014

NAMA BOARD MINUTES

Nineteenth Meeting of 2014: 1.00pm. to 5.30pm.. 16th October 2014, Treasury

Building

Attendance:

NAMA Board

Frank Daly, Chairman
Brendan McDonagh, CEO, NAMA
John Corrigan, Chief Executive, NTMA
Oliver Ellingham
Mari Hurley
Brian McEnergy¹
William Soffe

NAMA Executives (invited)

Mary Birmingham
Ronnie Hanna
Michael Moriarty
Seán Ó Faoláin
Aideen O'Reilly
Dónal Rooney

Other Invitees:

- Elaine Hudson, Secretary
- Sinéad Brennan, Head of HR, item 2 only
- Breda Macnamara, NTMA Head of Compliance, item 5(b) only
- Aishling Synnott, Head of Treasury, item 6 only
- John Coleman, Senior Divisional Manager (Strategy), item 7 only
- Suzanne Sweeney, Senior Divisional Manager (AR), item 9 only
- Jamie Bourke, Senior Manager, item 13 only
- Aidan O'Connell, Senior Asset Recovery Manager, item 15 only

Apologies:

- John Collison (Executive)

On opening the meeting the Chairman welcomed the Board members to the nineteenth meeting of 2014 and the agenda was noted. It was noted that the meeting had been duly convened and that a quorum was present.

¹ By telephone in accordance with section 27 of the NAMA Act 2009 – present for all items except items 15 (declared interest) 18, 19, 20(b) to 20(e) inclusive and 2(c).

Note: All Board papers referred to in the minutes were circulated prior to the meeting and presented to the Board as the basis for discussion and decision, where applicable.

Issues considered (in order of consideration):

1. Disclosure of Interests

Brian McEnery disclosed a potential conflict of interest with respect to item 15 and declared that he would take no part in the discussion related to same.

Mari Hurley disclosed a potential conflict of interest with respect to item 2(c) and declared that she would take no part in the discussion related to same.

There were no other disclosures made.

2. Board Private Session

The Board held a private session without the Executive present. A Board-only note on discussion during the session was prepared by the Secretary.

3. Consent Agenda Items

Matter for Board Approval

Board Papers: *Minutes of BM 17 – 11th September 2014; Board Only Appendix to Minutes of BM 17 – 11th September 2014; Mark Up Extract Minutes of BM 17 – 11th September 2014; Minutes of BM 18 (Board Only) – 1st October 2014; Minutes of Executive Meeting – 3rd October 2014; Credit Committee Update to Board – period 1st July 2014 – 30th September 2014; Risk Management Committee Update to Board – 1st July 2014 to 30th September 2014; CEO DA Compliance Statement – Q3 2014 and Media Evaluation – September 2014.*

The Board **approved** the consent agenda as presented and on the basis that there was no prior objection by members to the items listed for inclusion.

4. Matters Arising from Board Minutes

The Board noted the matters arising from the minutes of BM 17, as previously circulated in the Board pack.

5. Governance

5(a) NAMA Internal Audit Charter

Matter for Board Approval

Board Paper: *NAMA Internal Audit Charter*

The Board noted the contents of the paper as presented, including the minor update changes proposed. Following discussion, the Board requested that the NAMA CEO be reinstated (i.e. rejection of proposed deletion) as a recipient of final audit reports.

Following consideration and noting the prior review by the Audit Committee at its meeting on 10th September 2014 and its recommendation of approval, the Board **resolved** to approve the amended Internal Audit Charter as presented, subject to the aforementioned change.

5(b) Personal Account Transactions Policy

Matter for Board Approval

Board Papers: *Review of NAMA Board & Committees Personal Account Transaction Policy*

The Board noted the contents of the paper as presented, including the proposed update to the prohibited securities list², the aggregate market weight of same and addition of a specific reference to the obligation under section 202 of the NAMA Act not to use confidential information for personal gain.

Following consideration, the Board **resolved** to approve the NAMA Board & Committees Personal Account Transaction Policy as presented (including the changes indicated in the paper).

6. Derivatives Presentation

Matter for Information

Board Paper: *Treasury (CFO) Derivatives Presentation*

The Board received a detailed presentation from Ms Aisling Synnott, recently appointed Head of Treasury, outlining how derivatives affected NAMA's P&L and Balance Sheet.

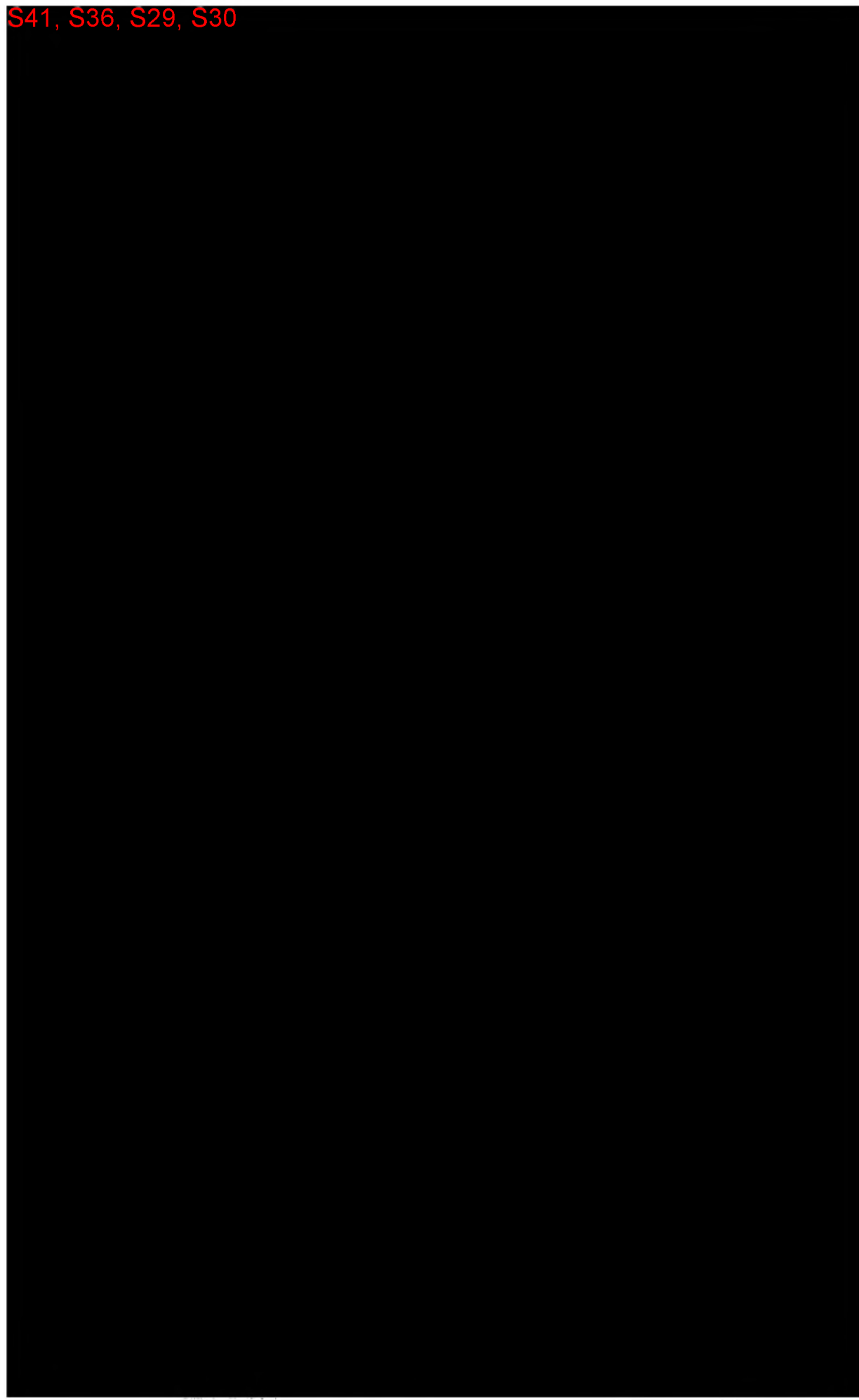
The Chairman, on behalf of the Board, thanked Ms. Synnott for the comprehensive presentation and wished her every success in her new role.

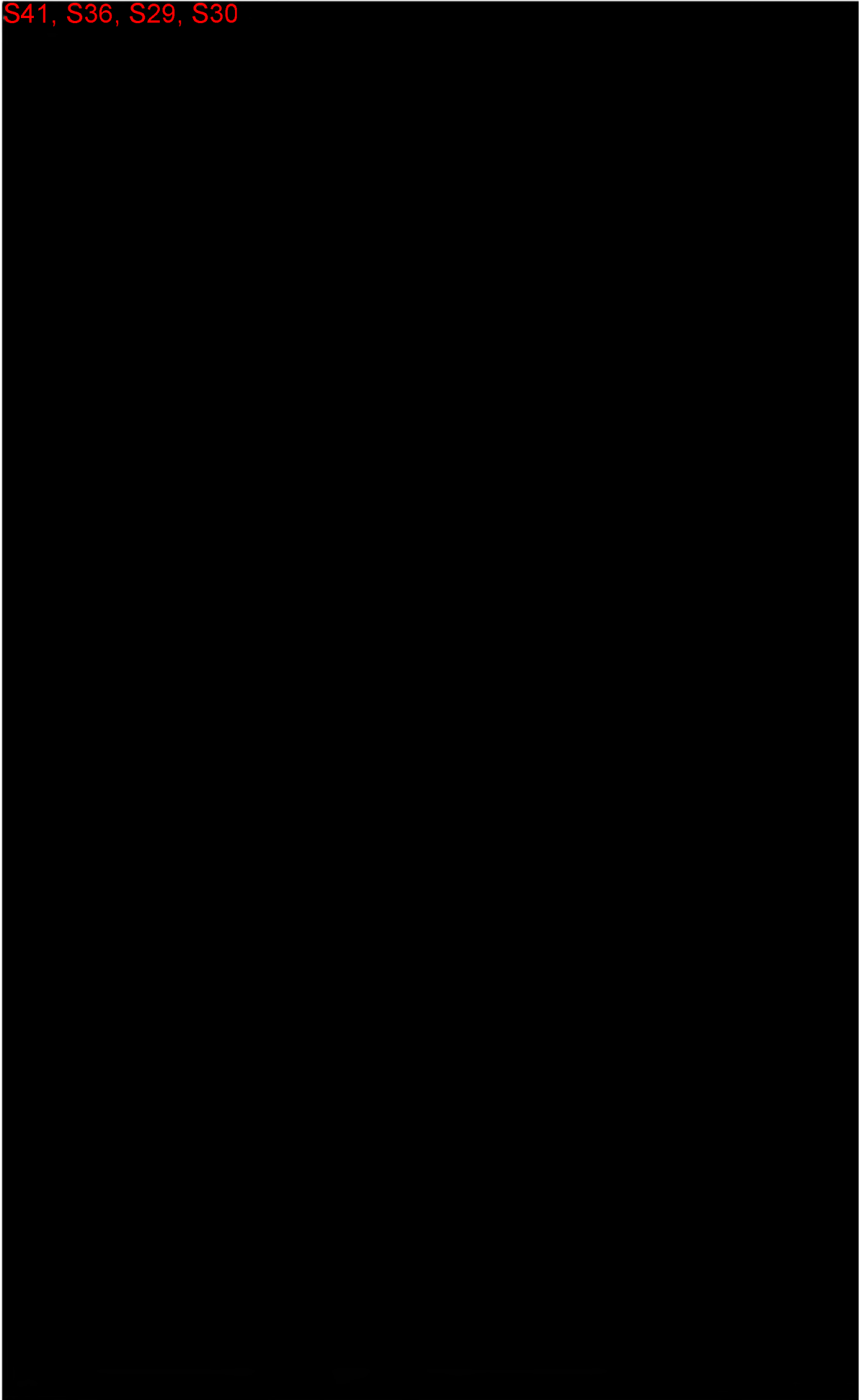
7. NAMA Portfolio After 2014 – Consideration of Options

Matter for Board Approval

S41, S36, S29, S30







S41, S36, S29, S30



On behalf of the Board, the Chairman thanked the HoS&C, SDM (Strategy) and the Executive for the paper which contained strong views and was evidently useful in provoking a discussion of the risks surrounding the current strategy.

S41, S36, S29, S30



9. **Bi Annual Report on Top Debtor Exposure**

Matter for Information

Board Paper: *Bi Annual Top Debtor Exposure Report*

The Board received a progress update on debtor management and debt reduction performance in relation to the top 28 connections (by NAMA debt) report representing 50% of NAMA debt. The Board noted that the main changes included the removal of five debtor connections (predominantly arising from the Project Eagle transaction) and inclusion of three new connections. It was noted that the threshold level for inclusion in the report was c. €140 million.

The Board noted that eight of the Top Connections would disappear from the report in 2015 following the expected completion of various proposed loan and portfolio sales.

10. Residential Delivery Update

Matter for Information

Board Paper: Residential Delivery Update

The Board noted the contents of the paper as presented including significant progress with c. 886 units delivered to date and the RDT⁸ on target to achieve its 180 day action plan with anticipated delivery of c. 1,200 units by end 2014 (versus target of 1,000). It was noted that the 270 and 360 day business plans were being devised and would be brought to the December Board meeting.

S41, S36, S29, S30



11. Quarterly Loan & Portfolio Sales Update

Matter for Information

Board Paper: Loan & Asset Portfolio Sales Update

The Deputy Head of Asset Recovery (DHoAR) presented the paper to Board which noted the enormous amount of work being undertaken across NAMA, the significant progress being made and the strong loan and asset portfolio pipeline.

S41, S36, S29, S30



⁸ Residential Delivery Team

⁹ c. S36

S41, S36, S29, S30

In relation to planned portfolio sales, the Board noted that *Project Plum* (residential portfolio and successor to Project Orange initial residential portfolio) would involve significant due diligence and preparatory work.

S29, S30

12. CEO Delegated Authority Policy – Annual Review

Matter for Board Approval

Board Paper: *Delegation and Reservation of Functions Annual Review*

The Head of Legal presented the paper to Board, which noted the contents and the changes proposed by way of updates to the referenced policies and rationale for same.

Following discussion the Board **resolved** to approve the *Delegation and Reservation of Functions and Powers of the Board of NAMA* as presented.

13. Project Bank Update

Matter for Board Approval

Board Paper: *Bank of Ireland Portfolio Integration*

Jamie Bourke provided a detailed update presentation on the BoI Integration Project to Board which noted the good progress achieved to date and that the project was on target to meet 22nd February 2015 migration deadline.

Following consideration the Board **resolved** to approve the recommendations as presented in the paper as follows:

- (i) To Approve continuation to progress the open items of the September 2014 Board approved Project Plan as detailed in Appendix 1 of paper;

14. Annual Procurement Plan

Matter for Board Approval

Board Paper: 2015 NAMA Procurement Plan

The Board noted the contents of the paper as presented, including the planned procurement for 2015 and the update on 2014 procurement.

Following consideration, and noting the prior review by the Finance & Operating Committee on 3rd September 2014 and its recommendation of approval, the Board **resolved** to approve the recommendation as presented in the paper (as follows):

to approve the NAMA Procurement Plan for 2015, the primary objectives of which are to procure services that facilitate effective and efficient business operations, to select service providers in accordance with the NAMA Procurement Policy (previously approved by Board) and to avoid any conflicts of interest in procurement activities.

16. Quarterly Update on Unfinished Housing

Matter for Information

Board Paper: Quarterly Update on Unfinished Housing

The Board noted the contents of the paper as presented, including the positive progress made on estates within the NAMA managed book, many of which were in Receivership. The Deputy Head of Asset Recovery (DHoAR) advised that Site Resolution Plans were key and would be the basis by which progress would be tracked on a monthly basis to completion. Referring to the distribution of Unfinished Housing Estates, the Board noted that AR would be focussing on remediating works in Cork (c. 20% of total), Kerry and Galway.

In response to a question from the Board it was noted that the total expenditure on remediation works was c. €6 million to €7 million, a proportion of which would be allocated to the NAMA Social Housing budget.

S31, S41, S29, S30

15. Insolvency Team Update

Matter for Information

Board Paper: *NAMA Insolvency Team Update*

The Board noted the contents of the paper as presented, including progress in relation to the on-going IP performance review meetings and the escalation of IP underperformance issues, with two of three such cases having been resolved and the final case (relating to S36) under active resolution. It was noted further that the Insolvency Team were actively increasing the level of discharges which would result in reduction in IP fees in due course.

In accordance with his earlier disclosure, Brian McEnery absented himself from the meeting for this item.

18. MI Report

Matter for Information

Board Paper: *Monthly Management Information Report – 31st August 2014*

The Board noted the contents of the paper as presented, including exceptionally strong cash generation performance to date which was ahead of the full year target.

In response to a question from the Board it was noted that as part of incremental Senior Bond redemptions previously approved by Board, it was proposed to utilise the existing cash balance to undertake further redemptions bringing cumulative Senior Bond redemptions to 50% on 22nd October 2014. A further proposal in this regard would be brought to the November Board meeting.

19. **Divisional Briefing – Asset Recovery**

Matter for Information

Board Paper: *Asset Recovery Division Board Update*

The Head of Asset Recovery presented his divisional update to the Board, highlighting that AR's achievements should be viewed in the context of significant input from NAMA Legal, Asset Management, Strategy & Communications and CFO respectively.

The Board noted the significant cash generation year to date (€7.1 billion, which had already exceeded the original cash generation target for 2014) and since inception (c. €22 billion), significant asset sales (S41) and loan sales (S41) completed, major sales under preparation (S41) and the strong pipeline of bundled sales in relation to office, residential, retail and hotel categories scheduled to launch in H1 2015.

(S41, S36, S29, S30)

[Redacted content]

HoAR advised that AR had always been flexible to changing demands within NAMA (as evidenced by evolving team structures such as establishment of RDT team) and noted that progress achieved was down to the hard work and dedication of all of the AR team. The Board noted significant progress in terms of the Residential Delivery team and the Insolvency Teams participation in the Allsops auction as evidence of this flexible approach.

The Chairman, on behalf of the Board, commended the Head of Asset Recovery for the presentation and all involved for the outstanding performance and achievements year to date.

20. AOB

20(a) Head of Asset Recovery Resignation & New Appointment

On the occasion of the final Board meeting attendance for Mr Hanna, the Chairman, on behalf of the Board, expressed his personal appreciation for the enormous contribution made by Mr Hanna since the inception of NAMA to the significant progress achieved to date. The Board commended Mr Hanna for his pivotal role in the successful conclusion of key transactions and his commitment and support of the Northern Ireland Advisory Committee. The Chairman advised that Mr Hanna was a huge loss to NAMA, not only for his hard work and determination but for his integrity and ability to galvanise the team around him to the achievement of extremely challenging targets.

Mr Hanna complimented the NAMA team, wished Michael Moriarty every success in his new role as Head of asset Recovery and thanked the Chairman and the Board for the kind words and expressed his appreciation for the opportunity to be part of NAMA's achievements to date, which had attained international recognition in certain quarters.

The Chairman, on behalf of the Board, wished Mr Moriarty, current Deputy Head of Asset Recovery, success in his new role as Head of Asset Recovery and also conveyed his appreciation to Mr McEvoy, former Head of Treasury, for his contribution to NAMA's achievements to date and congratulations on his new role.

20(b) Joint Oireachtas Finance Committee

The Chairman advised that both he and the NAMA CEO were scheduled to appear before the Joint Oireachtas Finance Committee on Wednesday 22nd October 2014.

S41, S36, S29, S30

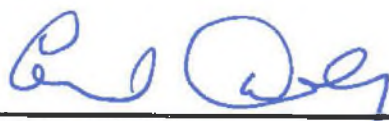
20(d) Chairman Re-appointment

The Chairman advised that his initial Term of Appointment was due to expire on 21st December 2014 and that the Minister for Finance had requested that he accept re-appointment for a second Term of Appointment as a Director and Chairman. The Board noted the Chairman's re-appointment for a period of five years to 21st December 2019 and congratulated him on same.

S41, S36, S29, S30



There being no further business the meeting concluded.



Frank Daly, Chairman
13th November 2014

NAMA BOARD MINUTES

Nineteenth Meeting of 2014: 1.00pm. to 5.30pm., 16th October 2014,
Treasury Building

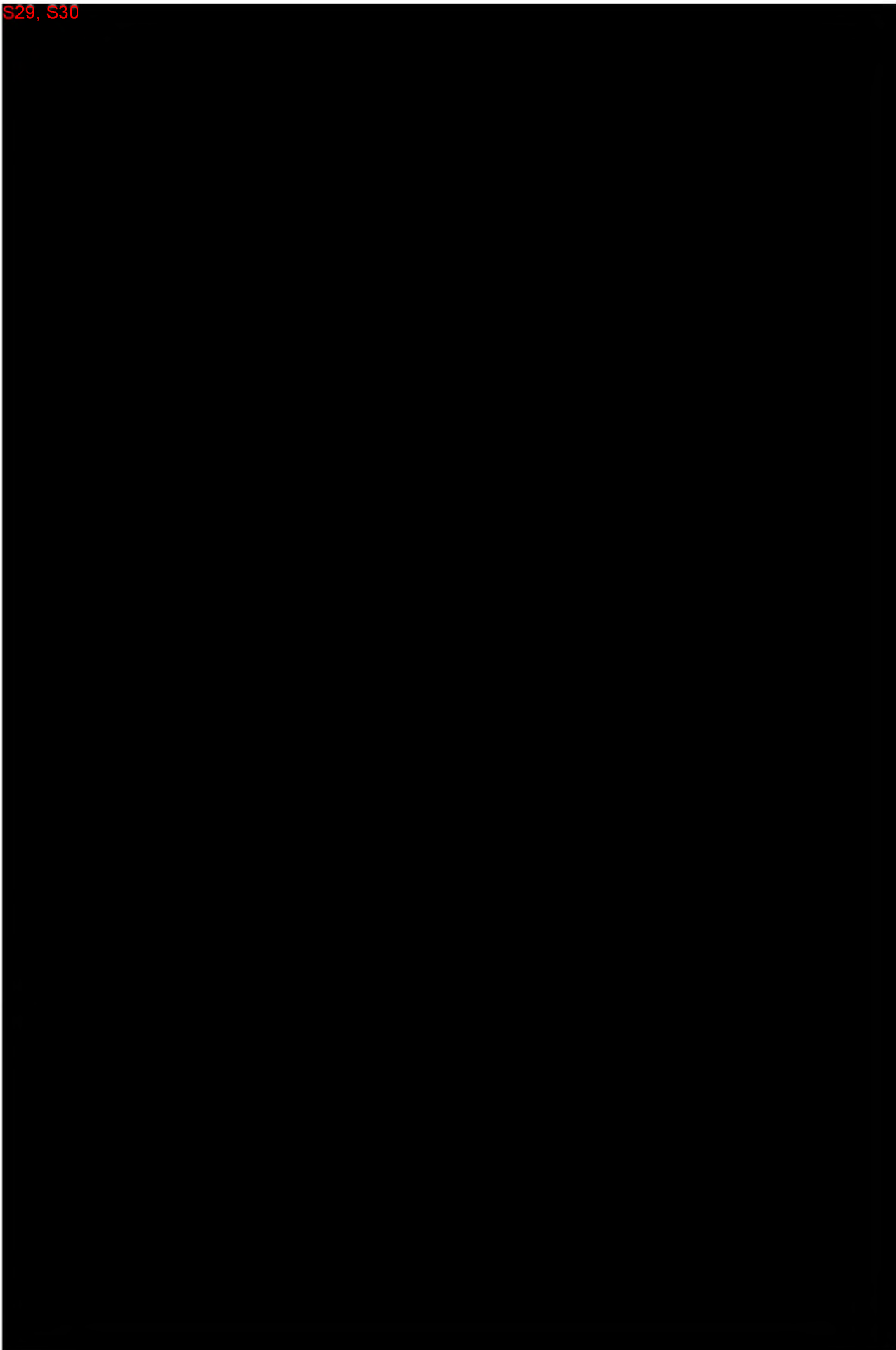
BOARD ONLY

Issues Considered:

2(a) Board & Committee Evaluation 2014

S29, S30



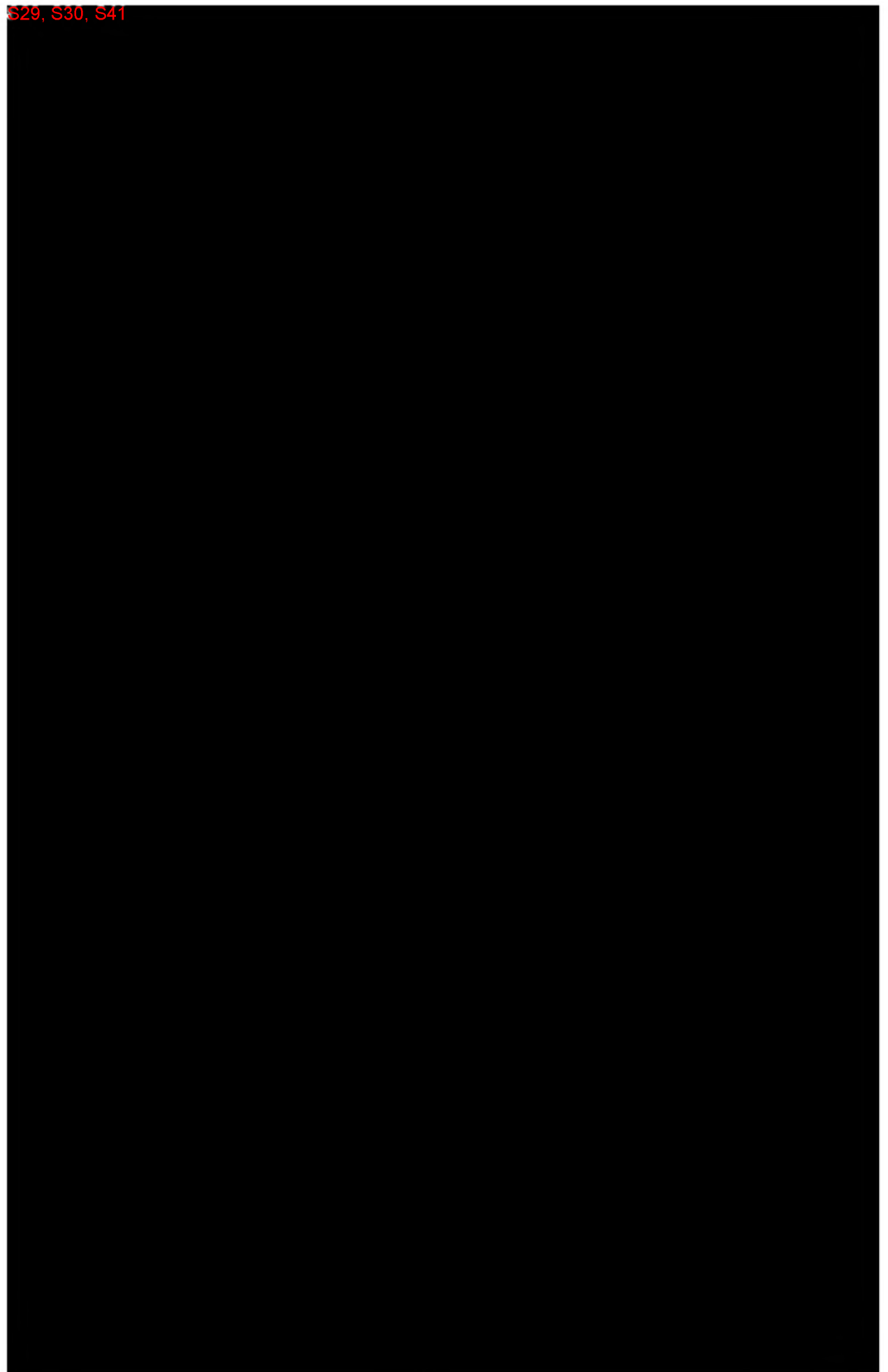


S29, S30



S29, S30, S41





S29, S30, S41



2(d) NAMA Consideration of Options

Matter for Information

Board Paper: *NAMA Portfolio after 2014 – Consideration of Options*

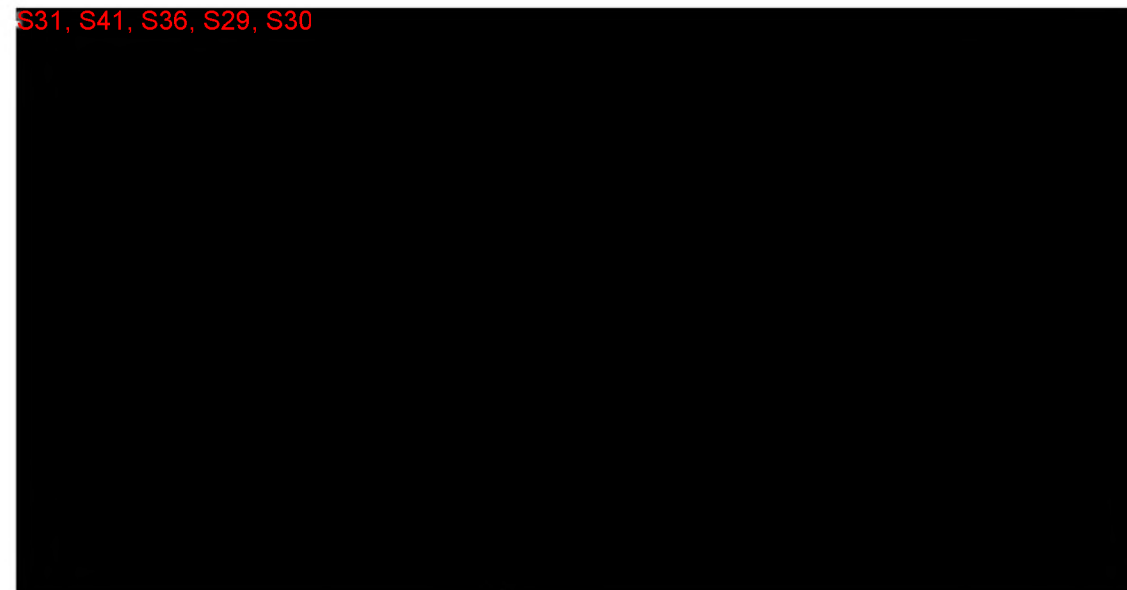
S36, S41, S29, S30



S36, S41, S29, S30



2(c) S31, S41, S36, S29, S30



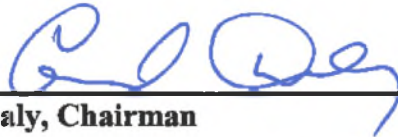
In accordance with her earlier disclosure, Mari Hurley absented herself from the meeting for this item.

20. AOB

The Board held a private session at the end of the Board meeting without the Executive, Secretary or NAMA Chief Executive present.

There was no other business.

There being no further business the meeting concluded.

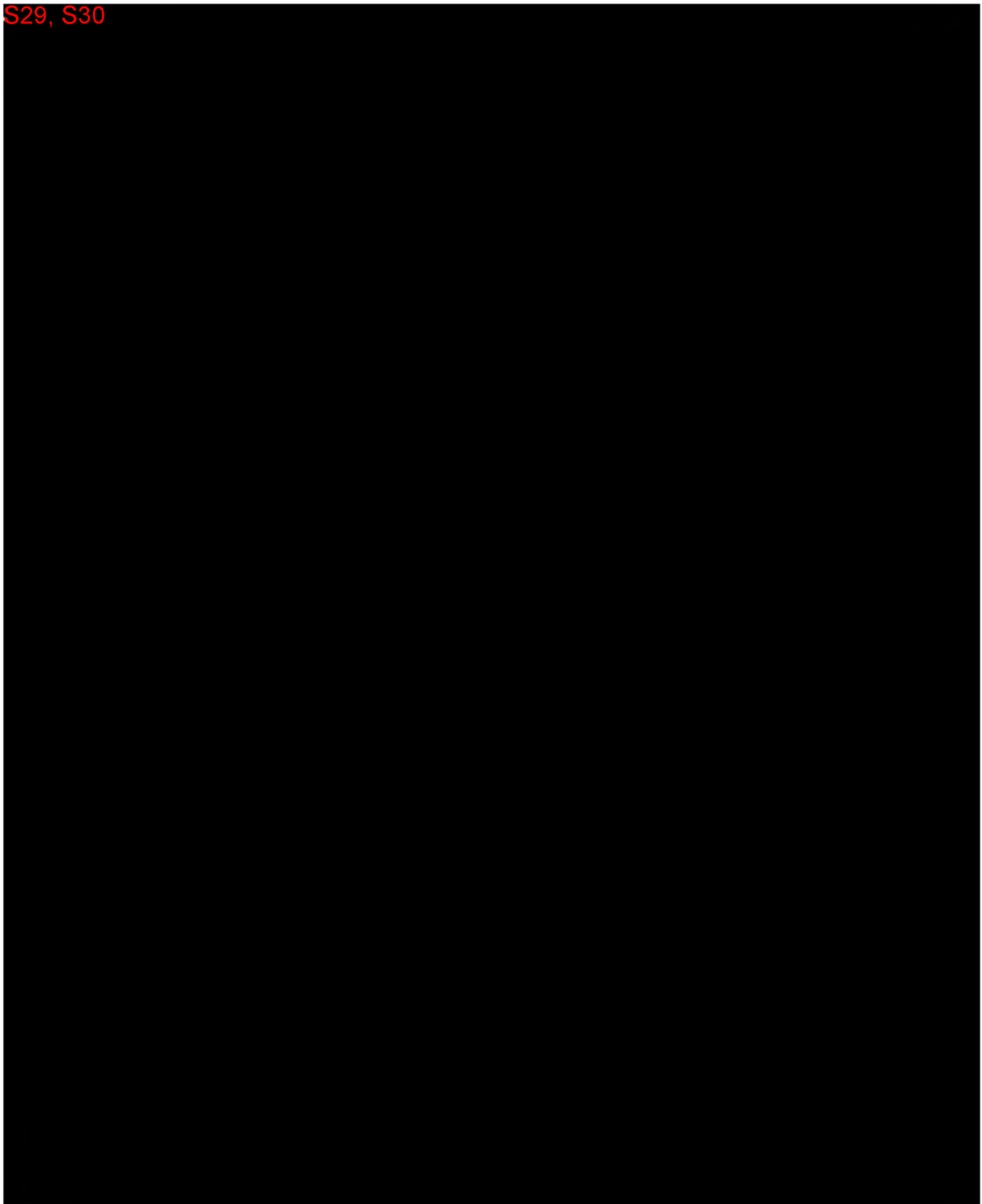


Frank Daly, Chairman
13th November 2014

Appendix 1 – Evaluation Actions 2014

S29, S30





NAMA BOARD MINUTES

Twentieth Meeting of 2014: 11.30am. to 11.50am., 29th October 2014.

Treasury Building

BOARD ONLY

Attendance:

NAMA Board

Frank Daly, Chairman¹
Brendan McDonagh, CEO, NAMA
John Corrigan, CEO, NTMA
Oliver Ellingham¹
Mari Hurley¹
William Soffe¹

Invited:

Michael Moriarty (item 3 only)
Sinéad Brennan (item 2 only)

Secretary:

Elaine Hudson

Apologies:

Brian McEnery

On opening the meeting the Chairman welcomed the Board members to the twentieth meeting of 2014 and the agenda was noted. It was noted that the meeting had been duly convened and that a quorum was present.

Issues Considered:

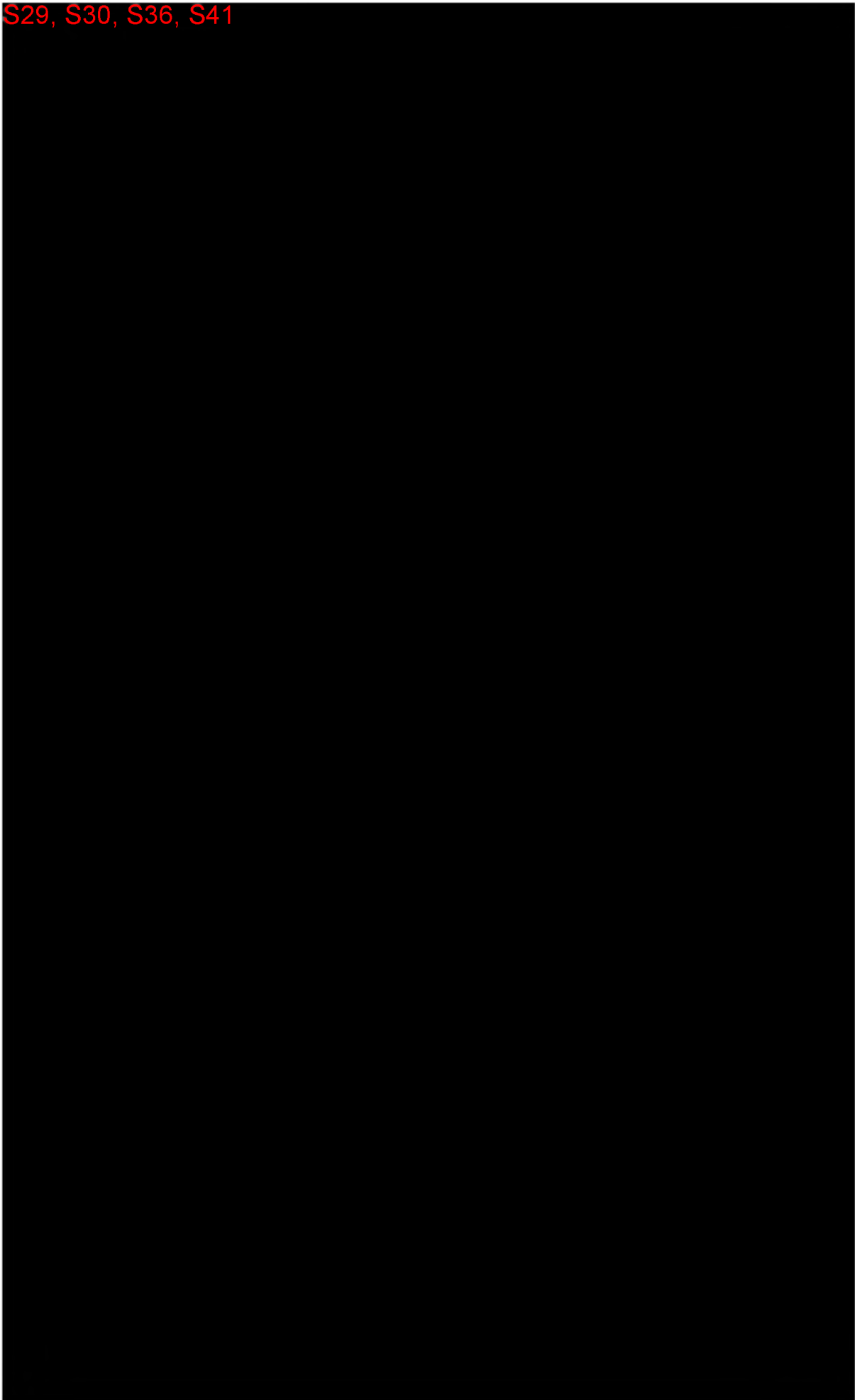
(Presented in order of consideration)

1. Disclosures of Interests

There were no disclosures made.

¹ By telephone in accordance with section 27 of the NAMA Act 2009

S29, S30, S36, S41



S29, S30, S36, S41



S29, S30, S41



4. AOB

There was no other business.

There being no further business the meeting concluded.



Frank Daly, Chairman
13th November 2014

NAMA BOARD MINUTES

Twenty first Meeting of 2014: 2.00pm. to 5.30pm., 13th November 2014, Treasury

Building

Attendance:

NAMA Board

Frank Daly, Chairman
Brendan McDonagh, CEO, NAMA
John Corrigan, Chief Executive, NTMA
Oliver Ellingham
Mari Hurley
Brian McEnery¹
William Soffe

NAMA Executives (invited)

Mary Birmingham
Michael Moriarty
Seán Ó Faoláin
Aideen O'Reilly
Dónal Rooney

Other Invitees:

- Elaine Hudson, Secretary
- Sinéad Brennan, Head of HR, item 2(a) only
- Breda Macnamara, NTMA Head of Compliance, items 5(a) & 5(b) only
- Philip Bowler, Compliance Officer, items 5(a) & 5(b) only
- John Coleman, Senior Divisional Manager (Strategy), item 6 only
- Aishling Synnott, Head of Treasury, item 11 only

Apologies:

- John Collison (Executive)
- Jonathan Milligan (Executive)

On opening the meeting the Chairman welcomed the Board members to the twenty first meeting of 2014 and the agenda was noted. It was noted that the meeting had been duly convened and that a quorum was present.

¹ By telephone in accordance with section 27 of the NAMA Act 2009

The Chairman advised that Jonathan Milligan, recently appointed Deputy Head of Asset Recovery, was unable to attend his first Board meeting as a member of the Executive due to a conflicting engagement.

Note: All Board papers referred to in the minutes were circulated prior to the meeting and presented to the Board as the basis for discussion and decision, where applicable.

Issues considered (in order of consideration):

1. Disclosure of Interests

Mari Hurley disclosed a potential conflict of interest with respect to item 2(b) and declared that she would take no part in the discussion related to same.

Mary Birmingham disclosed a potential conflict of interest with respect to item 7(c) and declared that she would take no part in the discussion related to same.

Brian McEnery disclosed a potential conflict of interest with respect to items 8(a) and 8(b) and declared that he would take no part in the discussion related to same.

There were no other disclosures made.

2. Board Private Session

The Board held a private session without the Executive present. A Board-only note on discussion during the session was prepared by the Secretary.

3. Consent Agenda Items

Matter for Board Approval

Board Papers: *Minutes of BM 19 – 16th October 2014; Board Only Appendix to Minutes of BM 19 – 16th October 2014; Mark Up Extract Minutes of BM 19 – 16th October 2014; Board Only Minutes BM 20 – 29th October 2014; Minutes of Executive Meeting – 3rd November 2014; Audit Committee Update to Board – period 1st September 2014 – 31st October 2014; Planning Advisory Committee Update to Board – period May 2014 – October 2014; Northern Ireland Advisory Committee Update to Board – period 29th January 2014 – 8th September 2014 and Media Evaluation – October 2014.*

The Board **approved** the consent agenda as presented and on the basis that there was no prior objection by members to the items listed for inclusion.

4. **Matters Arising from Board Minutes**

The Board noted the matters arising from the minutes of BM 19, as previously circulated in the Board pack. **S41, S36**

5. **Corporate Governance**

5(a) Protected Disclosures Policy

Matter for Board Approval

Board Paper: *Reporting of 'relevant wrong doing' and Protected Disclosures Policy (formerly Good Faith Reporting Policy)*

The Board noted the contents of the paper as presented, including the significant changes proposed in order to bring the Policy in line with the Protected Disclosures Act 2014. The NTMA Head of Compliance (HoC) advised that the Policy as presented was essentially an interim Policy which would be brought back to the Board (Q1 2015) with further changes to reflect;

- (i) Guidance notes from the Department of Public Expenditure and Reform (DPER) in relation to implementation of the legislation and,
- (ii) changes to the governance structure in NTMA.

The Board noted that the Policy was approved by the NTMA Senior Management Group at its 3rd November meeting.

Following consideration the Board **resolved** to approve the Protected Disclosures Policy as presented, noting that the queries raised in respect of former employees, Board members and expansion of the list of relevant wrongdoings would be considered by the NTMA Compliance unit in the light of the DPER guidance notes and these would be addressed in the next iteration of the Policy when presented.

² Of 16th October Board minutes (BM 19)

5(b) AML & Counter Terrorist Financing Policy

Matter for Board Approval

Board Papers: *Review of NAMA Anti-Money Laundering/Counter Terrorist Financing (“AML/CTF”) Policy and Risk Assessment Approach*

The Board noted the contents of the paper as presented.

Following consideration, and noting the prior review by the Executive at their 30th April 2014 meeting and recommendation of same, the Board **resolved** to approve the NAMA Anti-Money Laundering/Counter Terrorist Financing (“AML/CTF”) Policy and Risk Assessment Approach.

5(c) Code of Conduct – Board & Committee Members

Matter for Board Approval

Board Papers: *Code of Conduct for members of the NAMA Board and its Committees;*

The Board noted the contents of the paper as presented, including the relatively minor, non-material changes proposed (primarily updating of reference dates (e.g. date of latest annual review)).

Following discussion the Board **resolved** to approve the Code of Conduct for Board & Committee Members as presented (including the changes proposed and indicated therein).

5(d) Board Standing Orders

Matter for Board Approval

Board Papers: *Standing Orders – Board of NAMA;*

The Board noted the contents of the paper as presented, including the relatively minor changes proposed relating to amendments to the formal Committee reporting rota and inclusion of references to eBoard³.

³ electronic Board and Committee paper distribution solution via a ‘Boardpad app’ and iPads collectively referred to as “eBoard”

Following discussion the Board **resolved** to approve the Standing Orders for the Board of NAMA.

5(e) Section 2.6 Post Resignation/Retirement Policy

Matter for Board Approval

Board Papers: *Policy for post-retirement/resignation employment, appointments or consultancy by former members of the Board of NAMA and Board Committees of NAMA;*

The Board noted the contents of the paper as presented, including the proposal to extend the Policy to apply to external (non Board) Committee members in a modified form (c 3 months). The Board noted that all external members had confirmed that the proposed changes were sensible and had no objections to same.

Following discussion the Board **resolved** to approve the Policy for post-retirement/resignation employment, appointments or consultancy by former members of the Board of NAMA and Board Committees of NAMA.

5(f) Board Travel & Expenses Policy

Matter for Board Approval

Board Papers: *Travel & Expenses Policy for Members of the Board and Committees of NAMA;*

The Board noted the contents of the paper as presented, including the relatively minor changes proposed relating to the inclusion of a reference to taxation and some clarification in relation to the authorisation of expenses for ex officio Board members.

Following discussion the Board **resolved** to approve the Travel & Expenses Policy for Members of the Board and Committees of NAMA.

5(g) Confidentiality & Legal Privilege Policy

Matters for Board Approval

Board Papers: *Confidentiality & Legal Privilege Policy*

The Board noted the contents of the paper as presented, including the relatively minor, non-material changes proposed (primarily updating of reference dates (e.g. date of latest annual review)).

Following discussion the Board **resolved** to approve the Confidentiality & Legal Privilege Policy.

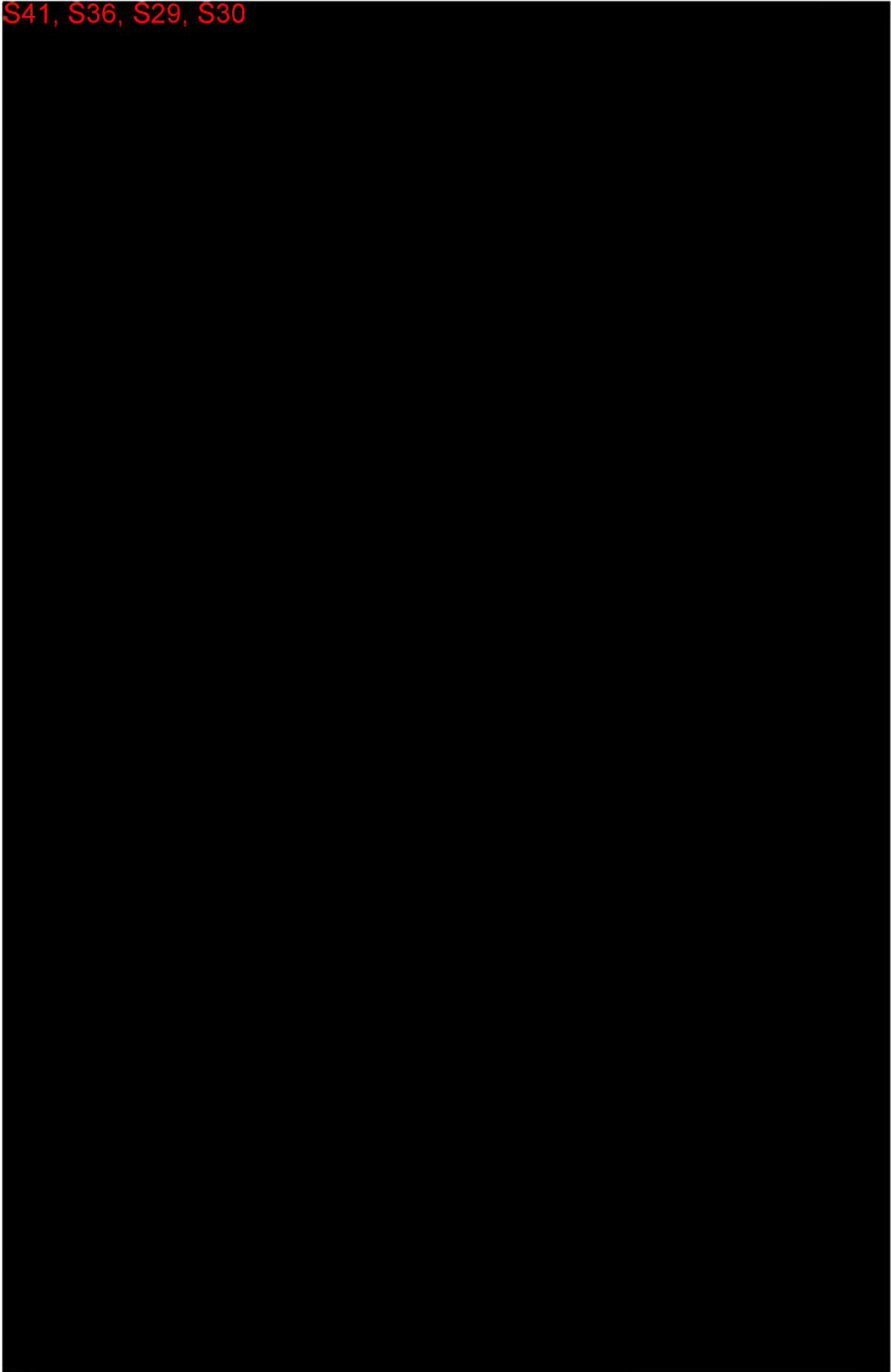
6. Consideration of Strategic Options - expanded

Matter for Board Approval

Board Paper: *Consideration of Strategic Options - Expanded*

S41, S36, S29, S30





7. Credit Requests

S41, S36, S29, S30



S41, S36, S29, S30



S41, S36, S29, S30



S41, S36, S29, S30



S41, S36, S29, S30



S41, S36, S29, S30

In accordance with her earlier disclosure, Mary Birmingham, Head of Asset Management absented herself from the meeting for this item.

S41, S36, S29, S30

8. Debtor Strategic Credit Reviews

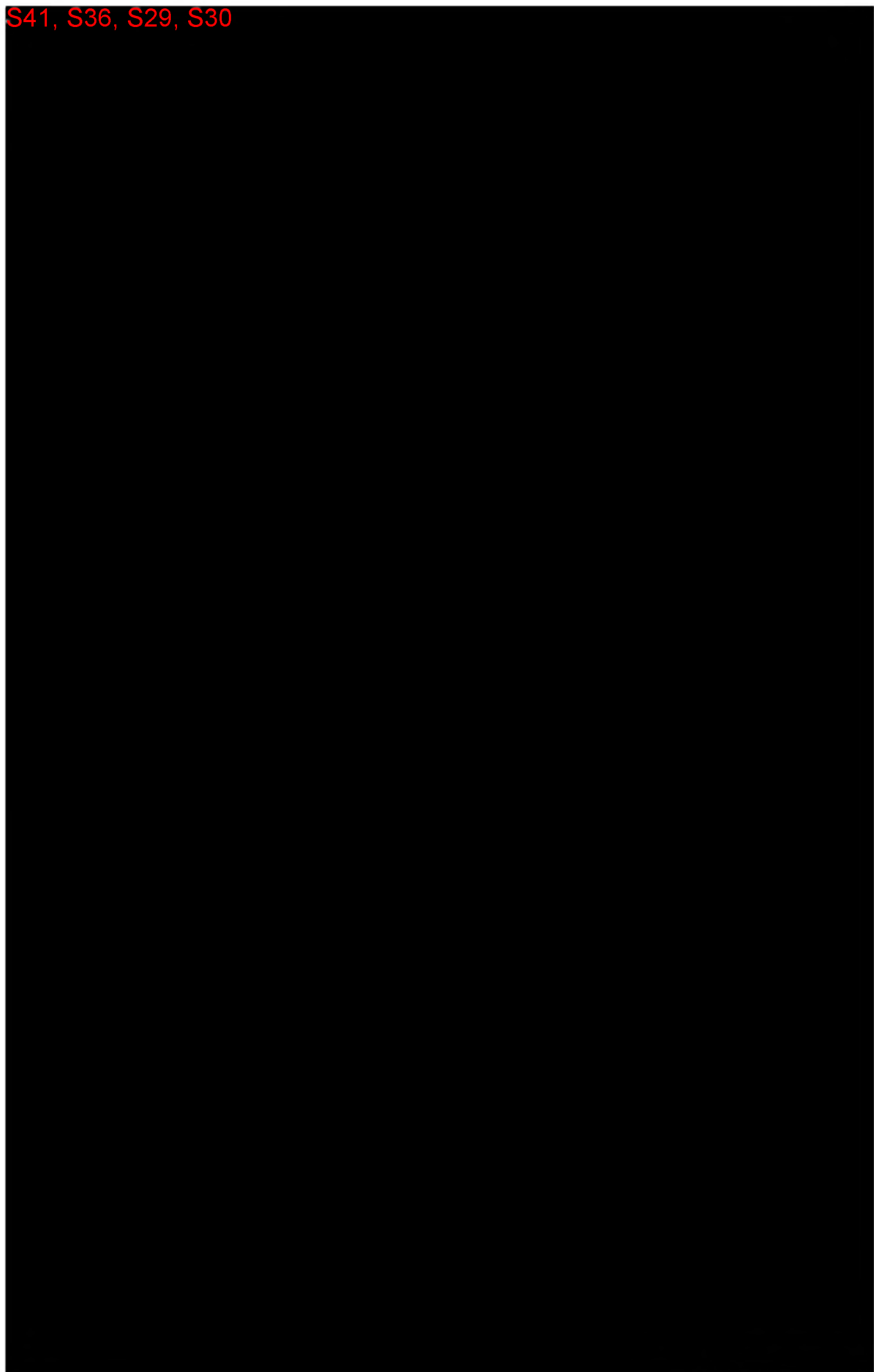
S41, S36, S29, S30



In accordance with his earlier disclosure, Brian McEnery absented himself from the meeting for this item.

S41, S36





9. Docklands SDZ Update

Matter for Information

Board Paper: *Docklands Delivery Update*

The Head of Asset Management (HoAM) provided an update to Board on progress in relation to the Docklands SDZ Business Plan as approved by the Board in September 2014, noting that the report was the first monthly update

of same, that a specialist Docklands Team had been established within Asset Management (AM) and that all relevant sites had transferred from Asset Recovery (AR) to AM. The Board noted that the majority of the 14 sites were at the pre planning stage and were on target to be ‘shovel ready’ by the beginning of 2016. HoAM highlighted progress on two Tier 1 sites:

- (i) the S36, S41 where a planning application was due for submission by end November 2014 and the Receiver was undertaking a tender process for preliminary enabling works and,
- (ii) S41, S36 where a tender process in relation to Block 8 was underway and it was planned to revert to the Board’s December meeting with a recommendation following the evaluation of phase 2 of the process.

The Board noted that the significant input by the NAMA team in relation to the S41, S36 planning application process and that the Planning Team and wider AM Team had worked closely with the Receiver throughout the detailed pre- planning consultation with Dublin City Council (DCC) both as Development Agency and Planning Authority and had developed a strong working relationship with DCC accordingly.

The Chairman, on behalf of the Board, commended the excellent quality of the report, including the market analysis and requested that, going forward, a map of the Docklands, cross referencing to the NAMA Docklands sites be included as a matter of course.

10. Residential Delivery Update

Matter for Information

Board Paper: Residential Delivery Update

The Board noted the contents of the paper as presented including significant progress with c. 1,077 units delivered to date and the RDT⁹ substantially on target to achieve its 180 day action plan. The Board noted the variations in the numbers of sites and residential units since last update across the various Tiered categories and the reasons for same which demonstrated good churn and interrogation of data in relation to the sites.

⁹ Residential Delivery Team

HoAR advised of significant progress in relation to social housing with 942 units delivered to date and a strong pipeline of pending transactions versus a target delivery of 1,000 units by end 2014.

11. Treasury (CFO)

11(a) Treasury (CFO) Update

Matter for Information

Board Paper: Treasury (CFO) Update

The Board noted the contents of the paper as presented including that €2.5 billion of balance sheet hedges maturing in 2017/2018 were terminated at a cost of €77 million in Quarter 3 to take account of s227 outcome. It was noted that this cost would be reflected in the Q3 2014 Income Statement.

Head of Treasury (HoT) advised that €600 million of NALML senior bonds were redeemed on 22nd October 2014, bringing total redemptions to date of €15.1 billion or 50% of total Senior Note redemption target. The Board noted that the final €134 million of €12.9 billion senior notes issued in relation to the NARL portfolio were also redeemed on 22nd October 2014.

S41, S36, S29, S30

11(b) Senior Note Redemption

Matter for Board Approval

Board Paper: NAMA Senior Note Redemption

The Board noted the contents of the paper as presented and noted that in the context of significant cash balances (c. €2.4 billion) and a significant cost of carry it made sense to redeem as much as possible, preferably prior to year end. HoT advised that a €2 billion redemption would bring the cumulative redemption of NAMA senior notes to €17.1 billion, representing 57% of the original €30.2 billion senior note issuance.

Following consideration, the Board **resolved** to approve the recommendation as presented in the paper as follows:

- (i) Approve on-going redemptions of NAMA “Existing” Senior Notes (€15.09bn outstanding) up to an aggregate amount of €2,000,000,000 by 30th January 2015 at par plus accrued interest, subject to NAMA having sufficient liquidity to meet its obligations.
- (ii) Notify the Minister of its decision, under Section 60 (2) (a) of the NAMA Act, and if there is no objection from the Minister, it is recommended that the Board authorise the CEO to take all the necessary steps to redeem the bonds as outlined in (i) above.

11(c) Liquidity and FX Strategy Review

Matter for Board Approval

Board Paper: *Liquidity and FX Strategy Update*

The Board noted the contents of the paper as presented and that the RMC had requested an updated liquidity Policy be presented to the March 2015 meeting reviewing the minimum liquidity buffer (when further clarity would be available in relation to the likely drawdowns regarding the Docklands SDZ projects).

Following consideration, and noting the prior review by the Risk Management Committee on 12th November 2014 and its recommendation of approval, the Board **resolved** to approve the recommendations as presented in the paper (as follows):

S41, S36, S29, S30



S41, S36, S29, S30

11(d) Balance Sheet Hedging Strategy Review

Matter for Board Approval

Board Paper: *Balance Sheet Hedging Strategy Update*

S41, S36, S29, S30

The Board requested HoT to revert with a revised paper to the Board's December meeting with updated scenarios to reflect the earlier decision that the 80% redemption level should be viewed as a minimum target, not a limit, and that every effort should be made to accelerate sales in a managed and orderly way to take advantage of the current strong demand for Irish property and loan assets.

12. Quality Assurance Policy

Matter for Board Approval

Board Paper: *NAMA Quality Assurance Policy*

The CFO presented the paper to Board, which noted the contents and that no changes were proposed by way of updates to the Policy.

Following consideration, the Board **resolved** to approve the NAMA Quality Assurance Policy as presented in the paper.

13. MI Report

Matter for Information

Board Paper: *Monthly Management Information Report – 30th September 2014*

The Board noted the contents of the paper as presented, including exceptionally strong cash generation performance year to date (€7.5 billion) which was ahead of the full year target.

The CFO advised that key individual Debtor Performance year to date (pgs 21 to 24 of the report) demonstrated that substantially all targets were achieved across all debtor connections. This demonstrated that the initial projections were sensible, underscoring the robustness of the forecasting process.

The Board noted that the disposal trend by location (pg 36) highlighted the strong performance of the Irish portfolio generating c. 43% of disposal proceeds year to date (versus c. €900m in 2013).

14. Divisional Briefing Asset Management

Matter for Information

Board Paper: *Asset Management Presentation to NAMA Board*

The Head of Asset Management presented her divisional update to the Board, highlighting that AM's achievements including strong progress in relation to the Irish (non Docklands) and UK Sites and that AM was on target to deliver significant results in terms of gross cash generated of c. S36 and contracted sales in excess of c. S36 for 2014. HoAM advised that there was significant preparation underway to deliver 2015 targets.

HoAM advised that the AM Team had been expanded and restructured to take on the Dublin Docklands SDZ initiative. The Board noted NAMA Planning Team's leading role throughout the SDZ approval process and their monitoring of all planning aspects of individual site strategies. The Board noted that the single biggest challenge facing Asset Management was the retention of its skilled and specialist team.

The Board commented on the S41, 236, which was nearing completion and was a very useful case study noting S36 received, full repayment of PAR debt and instigation of profit share

arrangement. The Board noted that it was a very successful project which had been substantially de-risked.

The Chairman, on behalf of the Board, commended the Head of Asset Management for the presentation and all involved for the excellent performance and achievements year to date.

15. AOB

15(a) Freedom of Information Update

Matter for Information

Board Paper: N/A

The Head of Strategy and Communications (HoS&C) provided a verbal update in relation to the status of the application of the Freedom of Information (FoI) Act 2014 to NAMA. HoS&C advised that the Act was enacted on 14th October 2014 and on that basis would be effective from 14th April 2015 from which time NAMA would be obliged to process FoI requests. [REDACTED]

S29, S30
[REDACTED]

The Board noted that as application fees for submitting FOI requests had been abolished and in the absence of any other deterrents, the volume of FOI requests to NAMA was expected to be very high. HoS&C advised that HR was in the process of hiring two more FOI specialists to assist with the ongoing volume of requests. In addition, others would have to be recruited on a part-time basis to deal with the expected initial surge of requests. [REDACTED]

S29, S30
[REDACTED]

Following further discussion, the Board requested a briefing in relation to FoI at its January Board meeting.

15(b) Project Bank Update

Matter for Information

Board Paper: N/A

The NAMA CEO advised that all stakeholders were co-operating at present and the project remained on target to complete on 22nd February 2015.

15(c) December Dinner

Matter for Information

Board Paper: N/A

The Chairman advised the Board that he wished to have a Board/Executive dinner in December, on the evening of the Board's meeting of 11th December 2014 with final arrangements to be confirmed in due course.

S41, S36, S29, S30



15(e) Principal Risks Update

Matter for Information

Board Paper: N/A

The Chairman of the Risk Management Committee (RMC) presented an updated Principal Risks paper to Board following a review by the RMC at its

12th November meeting. The Board noted the key changes included (i) an increase in the impact and probability ratings to 5 (maximum) in relation to the NAMA Staff Retention issue and the addition of a new risk relating to failure to deliver on its Residential Delivery or Dublin Docklands SDZ initiatives. The Board agreed with the changes as outlined.

15(f) John Corrigan Retirement & Resignation from Board of NAMA

Matter for Information

Board Paper: *N/A*

On the occasion of John Corrigan's final Board meeting, the Chairman, on behalf of the Board, expressed his appreciation for the hugely significant contribution made by Mr Corrigan as NTMA CEO and an ex officio member of the Board. The Chairman thanked Mr Corrigan for his insight, good sense and balance as a Board member and for his support in terms of resources and facilities as NTMA CEO and noting that he would be greatly missed, wished him well in his retirement.

Mr Corrigan thanked the Chairman for his kind words and advised that he had greatly enjoyed his time on the Board on an ex officio basis. He wished the Board every success in its future endeavours.

15(g) SL Update

Matter for Information

Board Paper: *N/A*

S31, S41, S36, S29, S30



15(h) Dublin Docklands Guided Tour

Matter for Information

Board Paper: *N/A*

The Chairman advised that, on request from the Minister for Finance, NAMA had invited **S37** and colleague in addition to Junior Minister Harris to a guided tour of Dublin Docklands on Tuesday 18th November. This would be preceded by a presentation by the Head of Asset Management at NAMA's offices¹⁰.

There being no further business the meeting concluded.



Frank Daly, Chairman
11th December 2014

S36, S40

NAMA BOARD MINUTES

Twenty First Meeting of 2014: 2pm. to 5.30pm on 13th November 2014.

Treasury Building

Board-Only Appendix to Minutes

Issues Considered:

S31, S41, S29, S30, S36



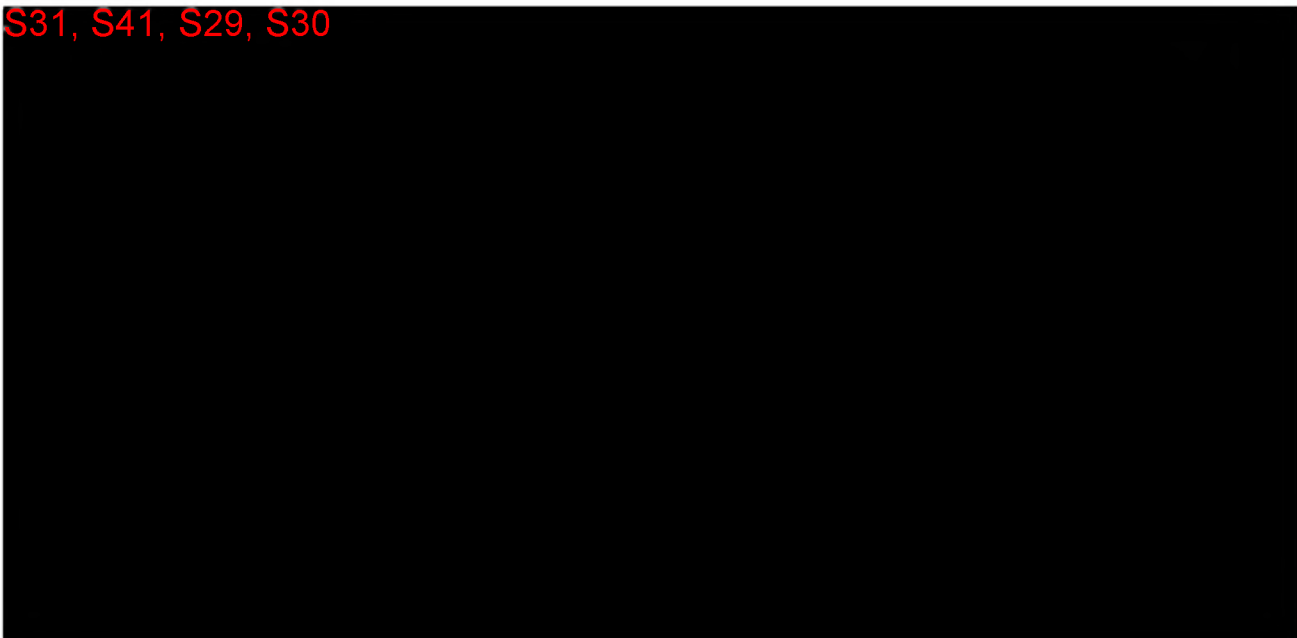
S29, S30, S36, S41

S29, S30, S36, S41



S31, S41, S29, S30





2(d) Consideration of Strategic Options - expanded

Matter for Board Approval

Board Paper: *Consideration of Strategic Options - expanded*

The Board noted that consideration of the expanded Strategic Options paper, as part of ordinary business, should be on the basis that clarity in relation to addressing NAMA's significant staffing issue was still outstanding and that the foregoing deliberations under Agenda item 2(a) were highly confidential.

4. AOB

There was no other business.

There being no further business the meeting concluded.

Frank Daly, Chairman

11th December 2014

NAMA BOARD MINUTES

Twenty Second Meeting of 2014: 5 pm. to 5.15 pm., 20th November 2014.

Treasury Building

BOARD ONLY

Attendance:

Frank Daly, Chairman¹
Brendan McDonagh, CEO NAMA
John Corrigan, CEO NTMA¹
Oliver Ellingham¹
Mari Hurley¹
Brian McEnery¹
William Soffe¹

Invited

Sinéad Brennan (item 2 only)

Secretary:

Elaine Hudson

On opening the meeting the Chairman welcomed the Board members to the twenty second meeting of 2014 and the agenda was noted. It was noted that the meeting had been duly convened and that a quorum was present.

Issues Considered:

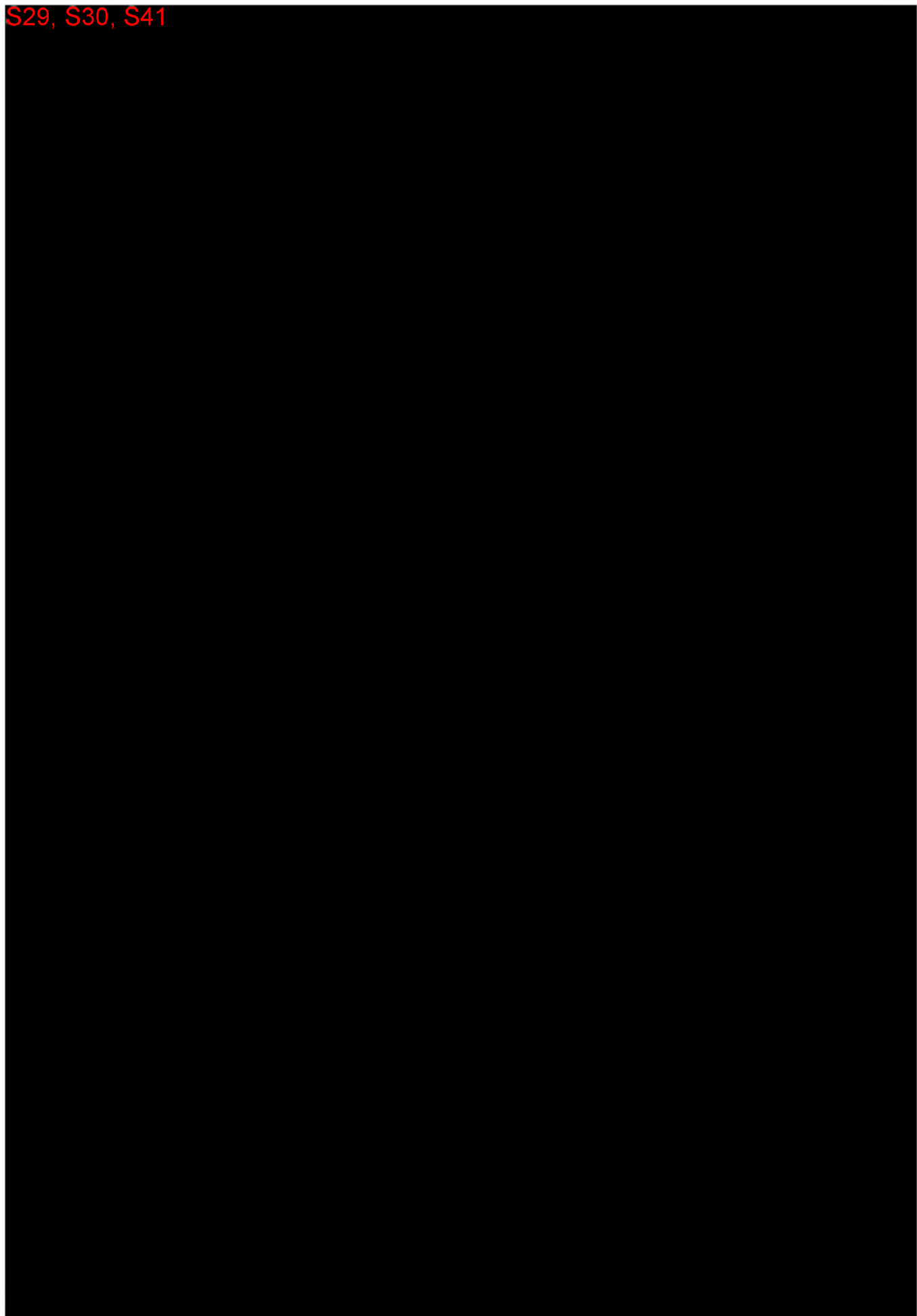
(Presented in order of consideration)

1. Disclosures of Interests

There were no disclosures made.

¹ By telephone in accordance with section 27 of the NAMA Act 2009

S29, S30, S41

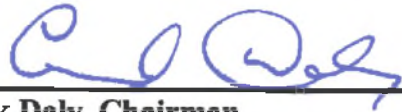


In concluding the meeting, the Chairman acknowledged the short notice of the meeting and expressed his appreciation for the full participation by all Board members at such short notice.

3. AOB

There was no other business.

There being no further business the meeting concluded.



Frank Daly, Chairman
11th December 2014

NAMA BOARD MINUTES

**Twenty third Meeting of 2014: 2.30pm. to 6.45pm., 11th December 2014, Treasury
Building**

Attendance:

NAMA Board

Frank Daly, Chairman
Brendan Mc Donagh, CEO NAMA
Oliver Ellingham
Mari Hurley
Brian McEnery
William Soffe

NAMA Executives (invited)

Mary Birmingham
John Collison
Jonathan Milligan
Michael Moriarty
Seán Ó Faoláin
Aideen O'Reilly
Dónal Rooney

Other Invitees:

- Elaine Hudson, Secretary
- Andy Harkness, Director of Audit, C&AG item 5 only
- Tom Malone, Senior Audit Manager, C&AG item 5 only
- Jeanette Crowley, Procurement Solicitor, NAMA Legal, item 7(b) only
- Jamie Bourke, Senior Divisional Manager, item 13 only
- Aisling Synnott, Head of Treasury, item 15 only
- David Johnson, Head of Audit & Risk, item 17 only
- Alan Stewart, Senior Divisional Solicitor, item 20(a) only
- Sinéad Brennan, Head of HR, item 21(a) and 21(b) only

Apologies:

- John Corrigan (Board member)

On opening the meeting the Chairman welcomed the Board members to the twenty third meeting of 2014 and the agenda was noted. It was noted that the meeting had been duly convened and that a quorum was present.

The Chairman welcomed John Collison, Deputy Head of Asset Recovery, back from the Eisenhower Fellowship in USA and on the occasion of his first attendance at Board as a member of the Executive Committee, welcomed recently appointed Deputy Head of Asset Recovery Jonathan Milligan to the meeting and congratulated him on his new role.

Note: All Board papers referred to in the minutes were circulated prior to the meeting and presented to the Board as the basis for discussion and decision, where applicable.

Issues considered (in order of consideration):

1. Disclosure of Interests

There were no disclosures made.

2. Consent Agenda Items

Matter for Board Approval

Board Papers: *Minutes of BM 21 – 13th November 2014; Board Only Appendix to Minutes of BM 21– 13th November 2014; Mark Up Extract Minutes of BM 21 – 13th November 2014; Board Only Minutes BM 22 – 20th November 2014; Minutes of Executive Meeting – 28th November 2014; Finance and Operating Committee update to Board – 1st September 2014 to 30 November 2014 and Media Evaluation – November 2014.*

The Board **approved** the consent agenda as presented and on the basis that there was no prior objection by members to the items listed for inclusion.

3. Matters Arising from Board Minutes

The Board noted the matters arising from the minutes of BM 21, as previously circulated in the Board pack.

S29, S30

4. Corporate Governance

4(a) Corporate Governance File

Matter for Board Approval

Board Paper: *Corporate Governance Cover paper, NAMA Board Governance File; Appendix 4: Conflicts of Interest & Disclosure of Interests; Appendix 5: Inside Information & Market Abuse Regulations*

The Board noted the contents of the paper as presented and the non-material (update-type) changes proposed. The Board noted further the updates to Appendices 4 and 5 of the Governance file, as amended by NTMA Compliance as part of their biennial review, which were included for information (in marked up form) in the papers. Following consideration, the Board **resolved** to approve the Board Governance File as presented, including the changes indicated therein. The Board noted that the Governance File would be uploaded to Reading Room on Boardpad with hardcopies available on request from Board Secretary.

4(b) Training & Development Policy

Matter for Board Approval

Board Papers: *Corporate Governance cover paper & Training & Development Policy for Members of the Board and Committees of NAMA*

The Board noted the contents of the paper, the de minimus change¹ proposed and the rationale for same. Following consideration, it **resolved** to approve the *Training & Development Policy for Members of the Board and Committees* as presented.

Following further discussion, the Board **resolved** to approve bi-annual presentations to Board from external guest speakers to ensure the Board was kept abreast of best practice in Corporate Governance.

¹ Removal of reference to Northern Ireland Advisory Committee from section 2.3 following dissolution of that Committee on 8th September 2014.

4(c) Board Annual Workplan 2015

Matter for Board Approval

Board Papers: *Corporate Governance cover paper; NAMA Board Workplan 2015; and NAMA Board Workplan 2014 (outturn)*

The Board noted the outturn for the Board's workplan 2014 which would be fully completed following the meeting. The Board noted the proposed workplan for 2015 and the changes versus the workplan for 2014 and the rationale for same.

Following consideration, the Board **resolved** to approve the *NAMA Board Workplan 2015* as presented.

5. C&AG Management Letter 2013

Matter for Information

Board Paper: *C&AG Management Letter 2013*

This item was taken in private session.

6. Strategy Monitoring Programme – Quarterly Report

Matter for Information

Board Paper: *Quarterly Strategy Update*

The Head of Strategy & Communications (HoS&C) presented the paper to the Board, which noted its contents, including the observation that 2014 had been a remarkable year for assets sales and debt redemptions, and which, for reasons which were well rehearsed (including, *inter alia*, increasing granularity of asset profile, and continuing loss of staff expertise), would be extremely difficult to replicate in 2015.

S41, S36, S29, S30

S41, S36, S29, S30

The Board noted that data from the end-2014 impairment exercise would feed into a comprehensive review of the Board's Strategic Plan in March 2015 and would be presented at the Board's Strategy Away Day on 13th March 2015. The Board noted the schedule for sectoral asset strategies which would be submitted to Board during the first half of 2015.

On behalf of the Board, the Chairman thanked the HoS&C, SDM (Strategy) and the Executive for the significant work undertaken in relation to the paper.

7. Asset Management

7(a) Quarterly Projects Update

Matter for Information

Board Paper: *Quarterly Projects Update – Asset Management*

The Head of Asset Management (HoAM) presented the paper to Board which noted good progress in relation to key Irish and UK projects. [REDACTED]

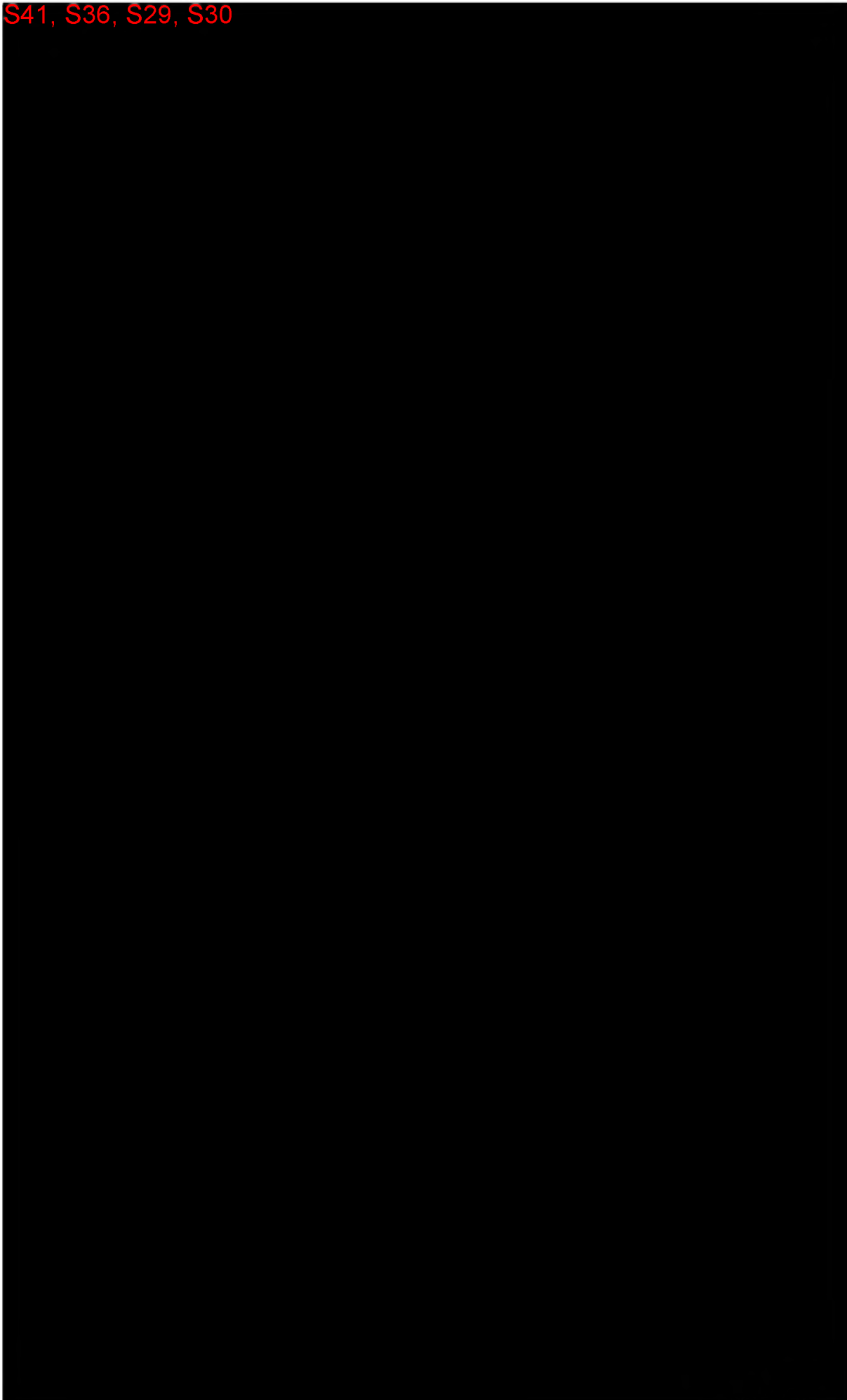
S41, S36, S29, S30

Referring to progress on Social Housing, HoAM advised that 1,024 units had been delivered year to date and, following the anticipated completion of further transactions, was expected to reach 1,078 (exceeding the 1,000 target for 2014) by year end.

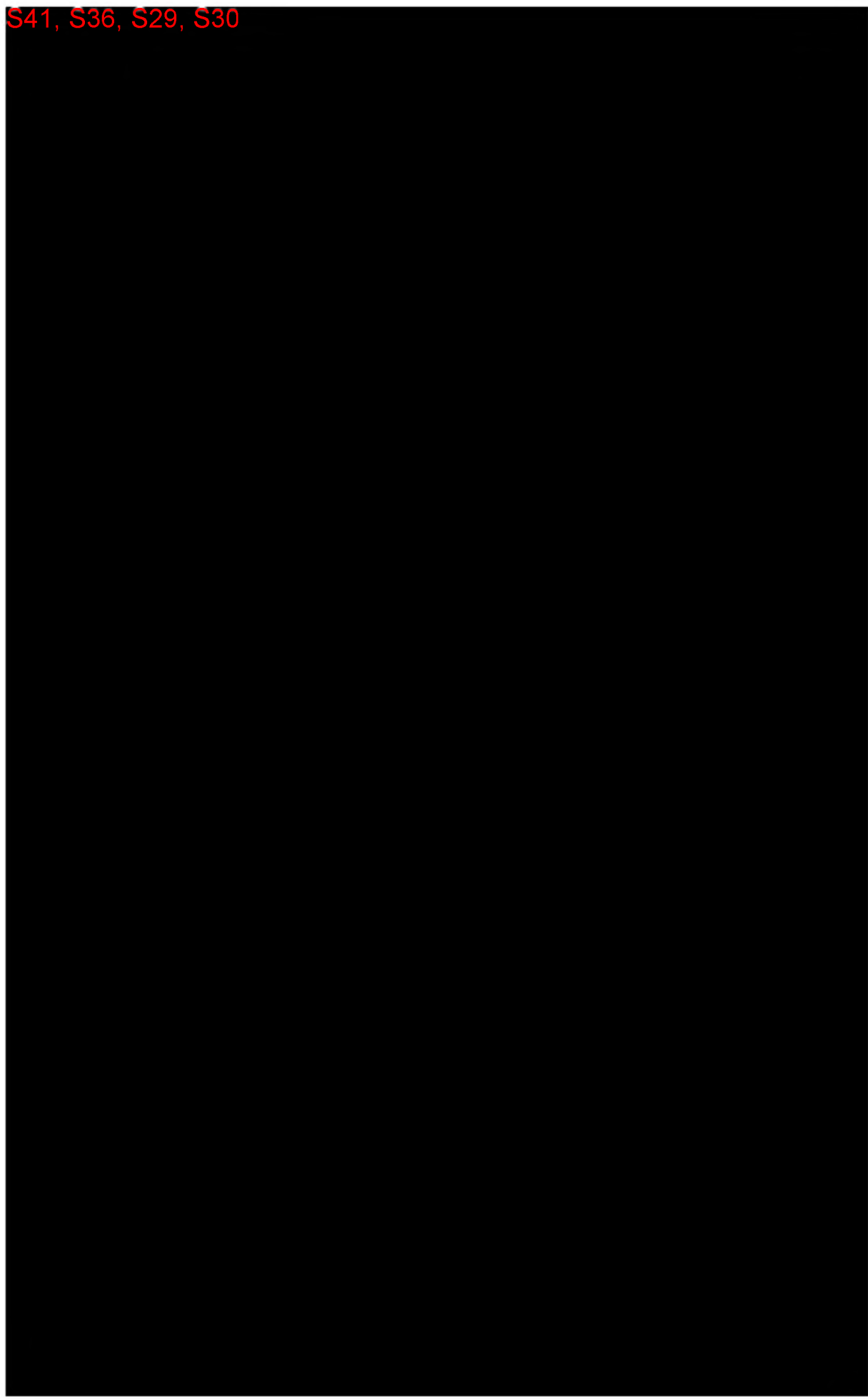
S41, S36, S29, S30

S41, S36, S29, S30

S41, S36, S29, S30



S41, S36, S29, S30



S41, S36, S29, S30



S31, S41, S36, S29, S30



S31, S41, S29, S30

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S41, S36, S29, S30

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8. Board Approval of Credit Committee Recommendation

S41, S36, S29, S30

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S41, S36, S29, S30



S41, S36, S29, S30



S41, S36, S29, S30

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9. Debtor Strategic Reviews

S41, S36, S29, S30

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S41, S36, S29, S30



S41, S36, S29, S30

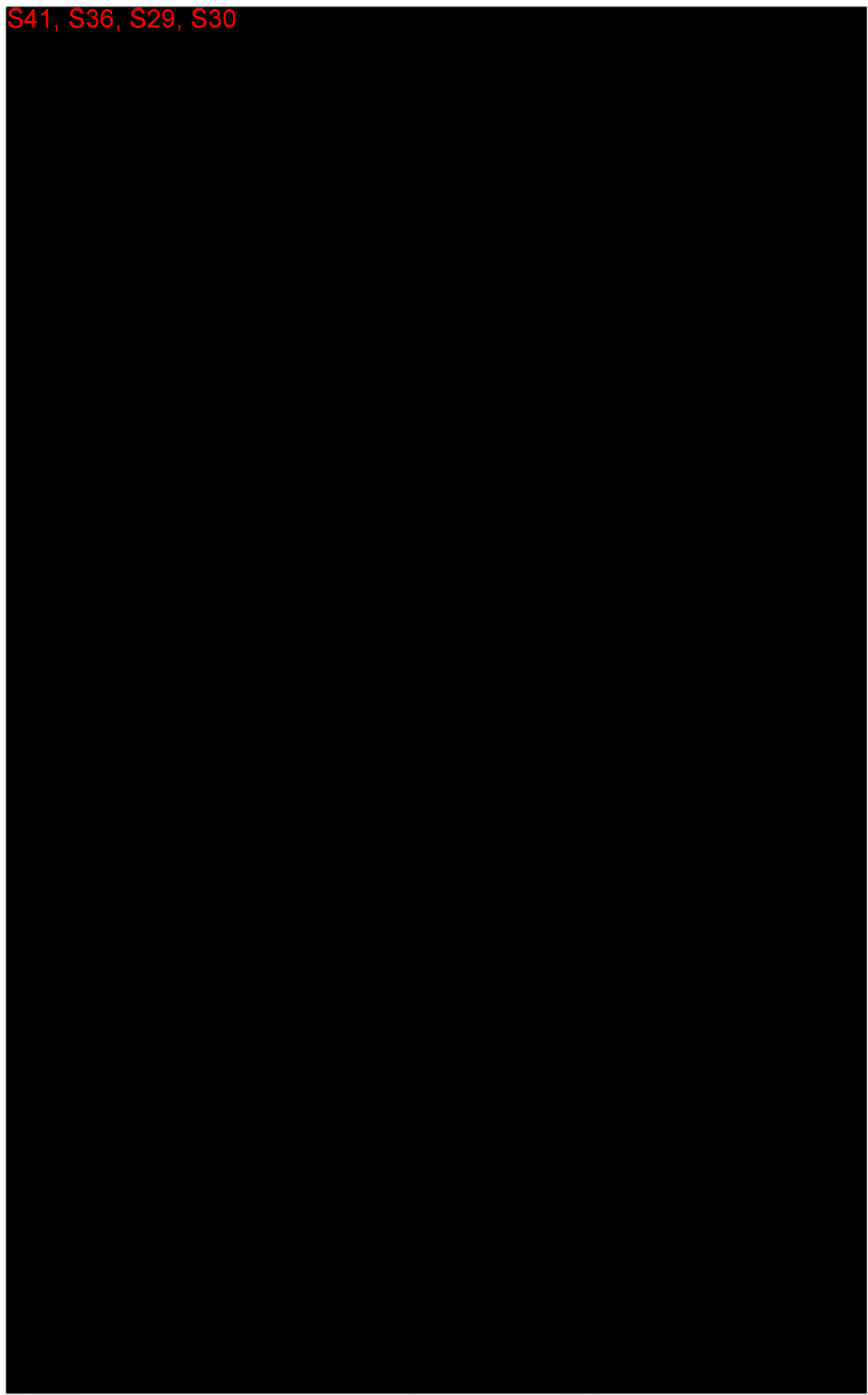


S41, S36, S29, S30

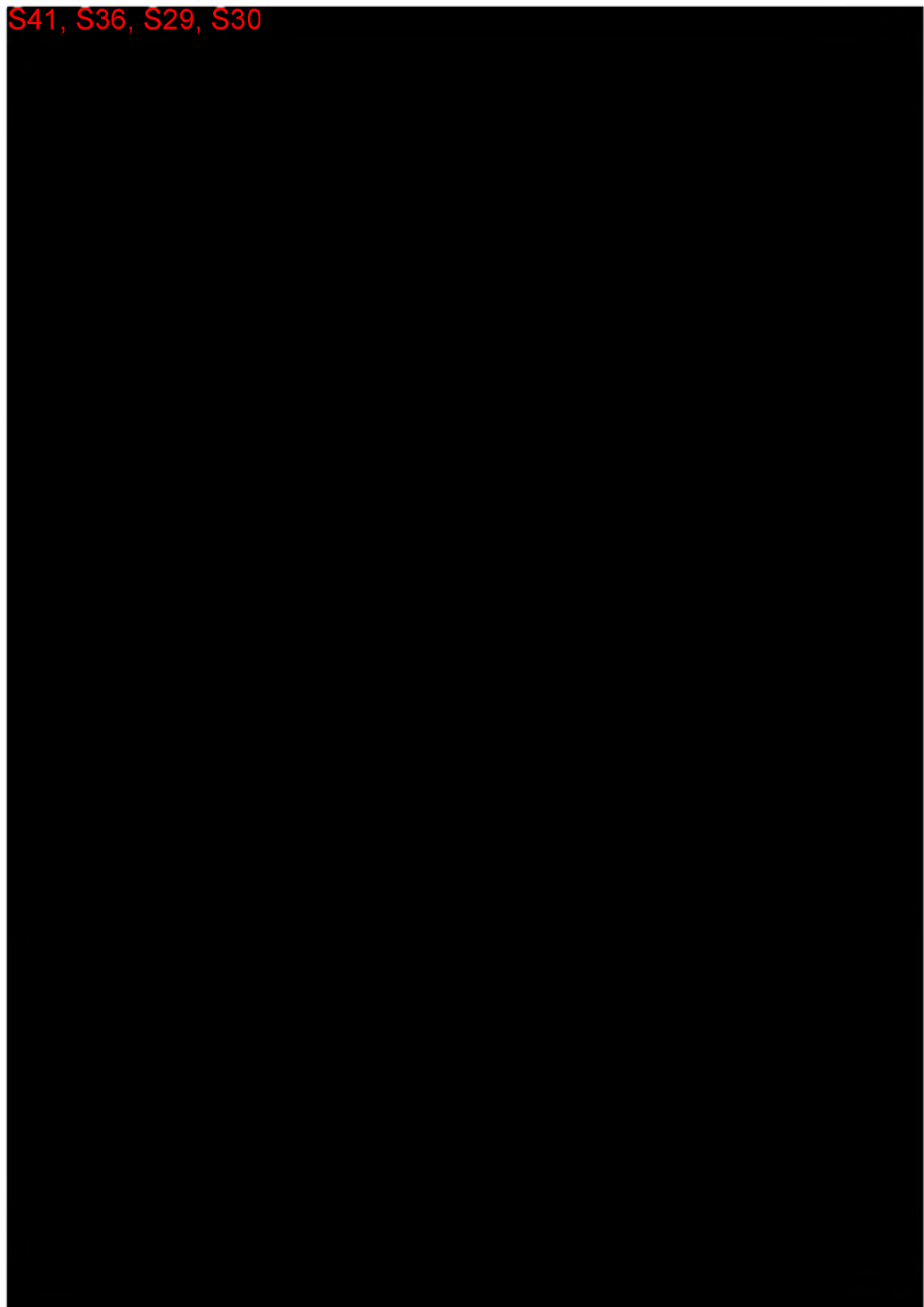


S41, S36, S29, S30





S41, S36, S29, S30



10. Docklands SDZ Update

Matter for Information

Board Paper: Docklands Delivery Update

The Head of Asset Management (HoAM) provided an update to Board on progress in relation to the Docklands SDZ Business Plan which noted good momentum including;

- (i) the lodgement of the S36, S41 [REDACTED] planning application to Dublin City Council (DCC) and the near completion of a tender process ¹⁰(by the Receiver) for preliminary enabling works on the site;
- (ii) Planning applications for two S36, S41 [REDACTED] S36, S41 [REDACTED] were in preparation for submission of planning permission (to DCC) prior to year end;
- (iii) Terms had been agreed for a lease to S36, S41 [REDACTED] in respect of S41, S36 [REDACTED];
- (iv) documentation completed in relation to the S41, S36 [REDACTED] and;
- (v) submission to Board of preferred bidder in relation to Phase 2 bids of S41, S36 [REDACTED] Tender process.

The Board commended the progress to date and commented that the map, as requested by the Board at its 13th November update, was very useful for providing context in relation to sites.

11. Residential Delivery Update

Matter for Information

Board Paper: Residential Delivery Update

The Deputy Head of Asset Recovery (DHoAR)¹¹ provided an update to Board on progress in relation to the Residential Business Plan¹² which noted significant progress with c. 1,192 units delivered to date. The Board noted the Tiered Categorisation of sites (particularly between Tier 1 and Tier 2) remained very fluid, S36 [REDACTED]

S36 [REDACTED]

¹¹ Mr John Collison

¹² Approved by Board 17th July 2014

The Board noted that while good progress had been made in relation to obtaining requisite planning permissions, there were several Tier 1 sites with viable planning permission where construction had not yet commenced. In response to a question from the Board, it was noted that the new Planning Bill was unlikely to provide an impetus for Debtors to increase development capacity at pace (i.e. it was not envisaged that it could be used as a 'stick' to encourage Debtor co-operation) and that proposed changes indicated by the Central Bank in relation to mortgage application rules were likely to create a further challenge.

DHoAR advised of significant progress in relation to private housing with 1,192 units delivered to date and a pipeline of pending transactions to achieve a projected year end delivery of 1,250 versus a target delivery of 1,000 units for 2014. Significant progress has also been made in relation to social housing with 1,024 units now delivered against a 2014 target of 1,000 units.

11(a) NAMA Facilities to assist with Homelessness

Matter for Board Approval

Board Paper: *N/A*

The Deputy Head of Asset Recovery¹³ provided an update to Board in relation to recent discussions (initiated by NAMA) with the Department of the Environment, Community and Local Government (DOECLG) for NAMA to provide potential facilities to assist with the homelessness crisis in Dublin. In this regard, and following a review of potential suitable facilities, NAMA

¹³ Mr John Collison

offered four Dublin based office buildings and a hotel in Tallaght as facilities which could provide necessary emergency short term accommodation. It was noted that all buildings would require modification for this purpose with some necessary fire and safety remediation likely to be required. DHoAR advised that Dublin City Council (DCC) and DOECLG had rejected the offer of office accommodation but were interested in exploring use of the hotel in Tallaght, which was in Receivership with Deloitte with a sales price of S36S36 and an estimated S36 of remediation and modification funding required.

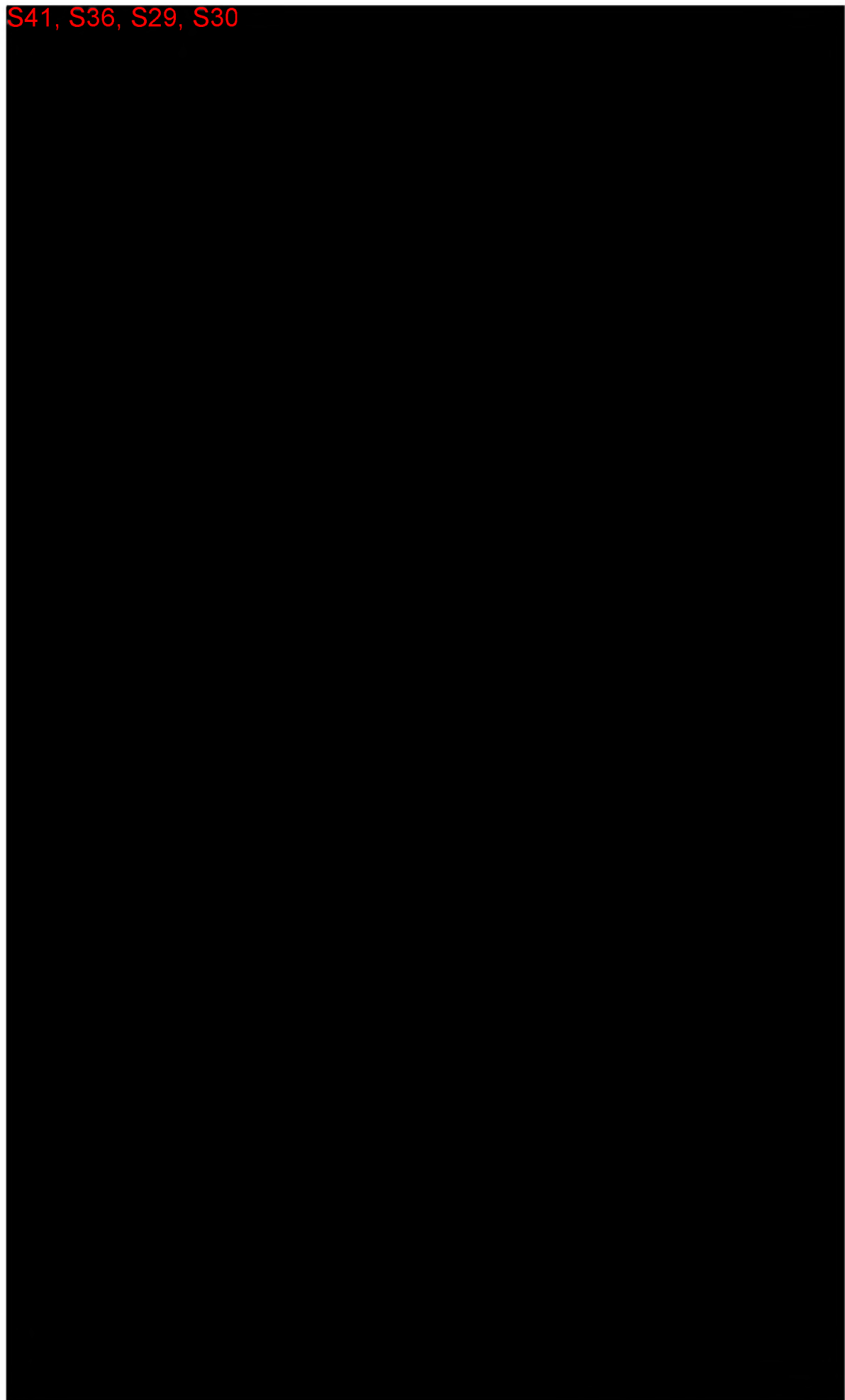
S36, S29, S30

12. NAMA Rate of Return Benchmark

Matter for Board Approval

Board Paper: *NAMA Rate of Return Benchmark*

S29, S30, S36, S41



S41, S36, S29, S30

13. Project Bank Update

Matter for Information

Board Paper: *Bank of Ireland Portfolio Integration*

The Board noted the paper as presented, including that the project was on track with no major concerns to the timelines (22nd February 2015), scope or cost to note. The Senior Divisional Manager (SDM) advised against complacency noting that (i) the project was immensely complex, involving significant personnel resources from Bank of Ireland and Capita and (ii) significant challenges could emerge during the complex data migration phase, with the potential to highlight issues not seen to date. The Board noted that the commercial agreement with BOI regarding servicing of the NAMA acquired BOI mortgage book was almost finalised.

S36, S29, S30

The Chairman, on behalf of the Board commended SDM and his team for the significant progress achieved to date.

14. NAMA 2015 Budget

Matter for Board Approval

Board Paper: *NAMA 2015 Budget*

S41, S36, S29, S30

S41, S36, S29, S30

Following consideration, and noting the prior review by the Finance & Operating Committee on 3rd December 2014 and its recommendation of approval, the Board **resolved** to approve the NAMA 2015 operating budget as presented.

15. Treasury (CFO)

15(a) Balance Sheet Hedging Strategy Review

Matter for Board Approval

Board Paper: *Balance Sheet Hedging Strategy Update*

S41, S36, S29, S30

16. Section 55 Quarterly Report & Accounts Q3 2014

Matter for Board Approval

Board Paper: *Section 55 Quarterly Report – Q3 2014 & Mark-Up Cover Letter to the Minister for Finance (post FOC Review)*

The CFO presented the paper to the Board, noting that it was a benign period in terms of accounting results. The CFO highlighted a new disclosure note (note 6) on page 25 of the Accounts, which provided an analysis of NAMA's overall property and loan sale profit/loss components to date of report in one table for ease of reference, and which referenced utilisation of impairment provisions. The Board noted that the information provided in this note was fully aligned with NAMA's accounting policies.

The Board discussed the mark-up cover letter, following Finance & Operating Committee review on 3rd December 2014, noting the request by the Committee to change the wording in relation to termination of swaps and agreed further enhancements to the S55 Report including providing more prominence to the footnote on page 46 of the Accounts and replacing the table title (in bold) with same.

Following consideration, and noting the prior review by the Finance & Operating Committee on 3rd December 2014 and its recommendation of approval, and subject to the above changes to the cover letter, the Board **resolved** to approve the Section 55 Quarterly Report and Accounts for Q3 2014 as presented.

17. Status of Audit Recommendations

Matter for Information

Board Paper: *Status of Audit Recommendations*

The Head of Audit & Risk (HoA&R) presented the paper to Board, which noted that one low and one medium audit point had been closed since circulation of the paper. HoA&R advised that the Internal Auditor, PwC, had hit the ground running with an intense programme of Audit activity across NAMA and reported solid progress in closing out audit items on a timely basis. **S29, S30, S36**

[REDACTED]

The Board noted that engagement with the C&AG was positive, with meetings taking place every fortnight to assess progress in meeting data requests. HoA&R advised that there was generally good co-operation across NAMA with the heavy audit programme, notwithstanding strains arising in certain quarters from staff turnover.

The Chairman, on behalf of the Board, commended the HoA&R and his team on the significant progress and the continuous improvement year on year.

18. MI Report

Matter for Information

Board Paper: *Monthly Management Information Report – 31st October 2014*

The Board noted the contents of the paper as presented, including exceptionally strong cash generation performance year to date¹⁷ (€8.1 billion) which had almost reached the full year (reforecast) target of €8.2 billion.

The CFO advised that trends in New Lending year on year (pg 46 of the report) indicated that in 2014, every month was ahead of its prior year comparators since the inception of NAMA.

18(a) Operating Expenditure – Quarterly outturn report

Matter for Information

Board Paper: *Operating Expenditure – Quarterly outturn report*

The Board noted the contents of the paper as presented, including the positive year to date (to end September 2014) outturn of €97 million against €103 million budgeted¹⁸, and forecast year end outturn of €132 million against €137 million budgeted.

¹⁷ To 5th December 2014

¹⁸ Driven by savings in Primary Servicer fees, legal and asset recovery costs which were offset by IBRC and Project Bank integration project costs and occupancy costs (extra space on 1st floor).

19. Divisional Briefing CFO

Matter for Information

Board Paper: CFO Divisional Update

The CFO provided a comprehensive presentation to the Board on the work of his Division, including its dual role of providing (i) stewardship and financial control support and (ii) acting as a specialist business partner which added value and supported loan and portfolio sale transactions (providing a number of specific case examples of the Division added value including balance sheet transactions **S41, S36**

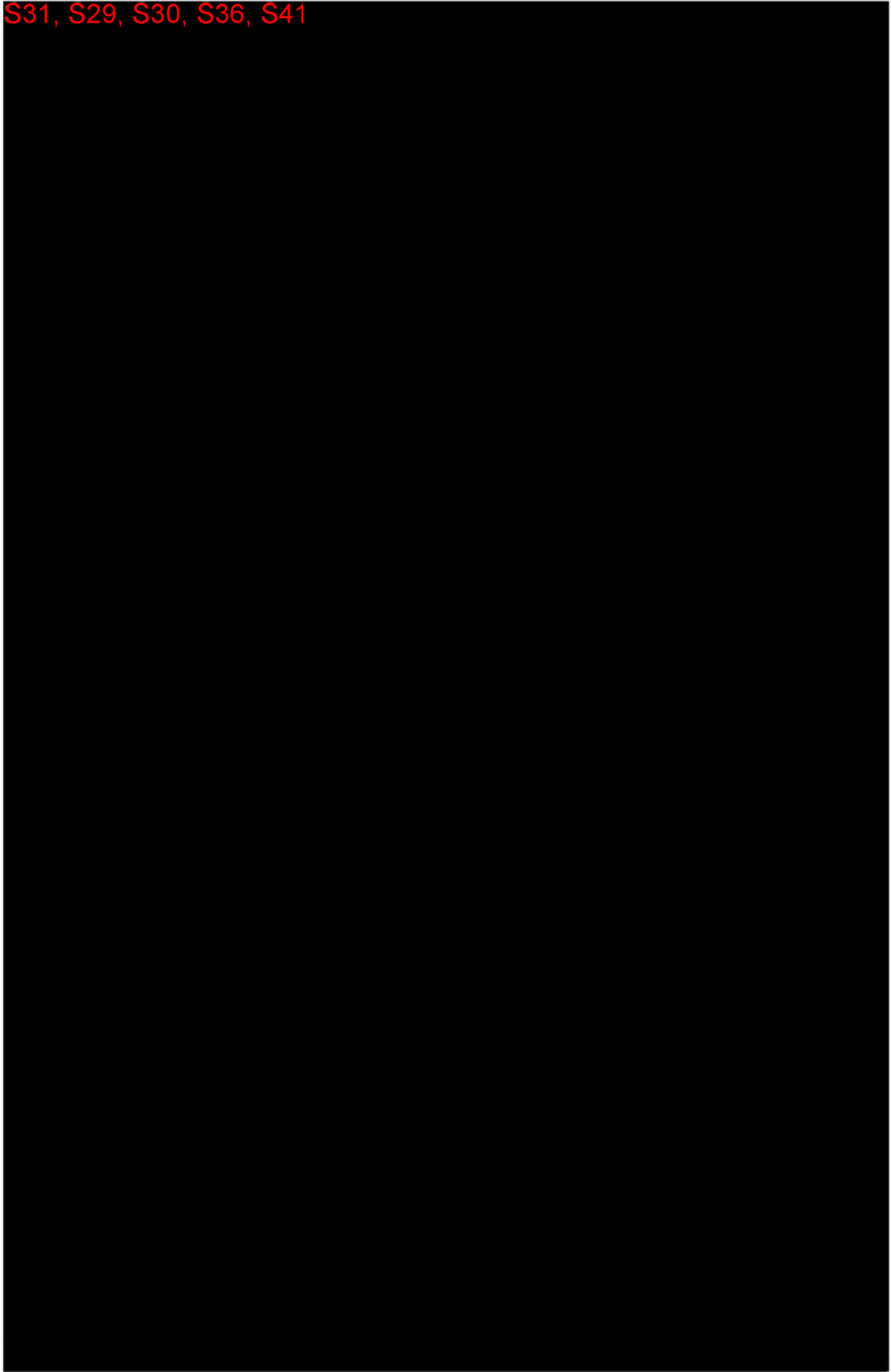
[REDACTED] The Board noted that the CFO Division was comprised of a large and diverse range of functions including approx. 25 individual specialist niche areas and skillsets.

In response to a question from the Board, the CFO advised that the relatively recent reorganisation of the unit had provided some insulation from the staff turnover experienced in other business units across NAMA but that increased staff turnover in the CFO Division was anticipated in 2015. The Board noted that there was significant 'key man' risk in the areas of tax, finance, systems and operations.

The Chairman, on behalf of the Board, commended the CFO for the presentation and all involved for the excellent performance and achievements year to date.

20. AOB

S31, S36, S29, S30, S41



20(b) 2014 Performance

Matter for Information

Board Paper: *N/A*

On the occasion of the last Board meeting of the year, the Chairman, on behalf of the Board, expressed his appreciation to the NAMA CEO and Executive team and all staff on the enormous effort involved in 2014 and commended all involved for the remarkable achievements over the period.

20(c) eBoard

Matter for Information

Board Paper: *N/A*

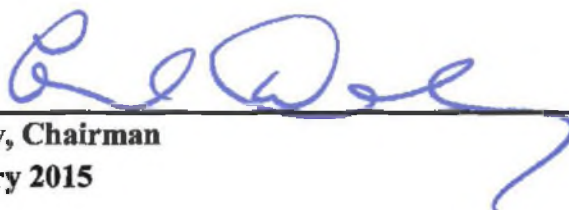
In the context of Board papers being circulated via eBoard and in hardcopy, the Chairman requested Board members and the Executive to actively consider whether the Board should migrate to eBoard exclusively (with the exception of A3 appendices which would continue to be circulated in hardcopy). The Board agreed to discuss at the Strategy meeting in March 2015.

21. Board Private Session

The Board held a private session without the Executive present. A Board-only note on discussion during the session was prepared by the Secretary.

There being no further business the meeting concluded.

Frank Daly, Chairman
15th January 2015



NAMA BOARD MINUTES

Twenty Third Meeting of 2014: 2.30pm. to 6.45pm on 11th December 2014.

Treasury Building

Board-Only Appendix to Minutes

Issues Considered:

5. C&AG Management Letter 2013

Matter for Information

Board Paper: *C&AG Management Letter 2013*

Mr. Harkness and Mr Malone of the Office of the C&AG briefed the Board on the progress of the external auditor's work, with the Board noting the following:

- The Management Letter 2013 had raised no 'high' audit points and that a significant number of the 'medium' and 'low' rated audit points were recurring items, many of which were now deemed complete or were in the process of being resolved by NAMA management.
- The 2014 audit was progressing satisfactorily.

In response to a question from the Board Mr. Harkness advised that no material issues had emerged from testing to date in the current audit¹ and assured the Board that he and his team would raise any such issues with the Executives (in the first instance) and the Audit Committee and/or Board if deemed appropriate at the earliest opportunity. Mr Harkness advised that, notwithstanding the challenges of a very tight timeline, there had been a constant and consistent improvement year on year and a good working relationship with the Audit Committee. He confirmed to the Board that a good working relationship existed between the C&AG team and the internal auditor, PwC and NAMA management.

¹ 2014 Audit

The Chairman of the Audit Committee advised that the interaction between the C&AG team and the Audit Committee was very positive. He advised that a top priority for the Audit Committee was to address audit points denoted as '*medium immediate action required*'. He echoed the challenges involved in meeting the very tight timetable, noting that the C&AG team had advised the Audit Committee (at its 10th December 2014 meeting) that they had experienced delays in 'walk through' testing of Asset Recovery as a direct result of significant staff turnover.

S29, S30



The Chairman, on behalf of the Board, thanked Mr Harkness and his team for their co-operation and commended the continuous improvement despite challenging timelines.

Sinead Brennan entered the meeting

21 (a) Quarterly HR Update

Matter for Information

Board Paper: *Quarterly HR Update – 11th December 2014*

The Board noted the continued upward trend in staff turnover from 9% at the last update to 16%³ to date. NTMA Head of HR (HoHR) advised that cumulative staff departures would reach 119 by early January 2015 and would likely increase significantly in the first half of 2015, noting that exit interviews indicated that employees were leaving for attractive market opportunities and permanent roles.

The Board noted that 2014 mid-year reviews were complete and the significant participation by NAMA employees in learning and development courses (both internally and externally hosted) was to be encouraged.

² advising that a proposal in this regard was tabled under Agenda item 12 of Board's Ordinary business session at 11th December 2014 meeting

³ Projected turnover based on resignations, internal transfers, retirees received ytd/headcount including resignations, internal transfers, retirees received ytd and starters confirmed to year end.

S30

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S29, S30, S41

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21 (c) NTMA Chief Executive Appointment and Ex Officio Director

Matter for Board Approval

Board Paper: N/A

The Chairman advised that Conor O’Kelly, recently appointed as NTMA Chief Executive with effect from 5th January 2015, would attend the 15th January 2015 Board meeting in his capacity as *ex officio* Board member. The Board noted that, in accordance with clause 3.5 of the Induction Policy, Brian McEnery had been nominated to act as a mentor to the new Board member and that induction training for Mr O’Kelly would be arranged in early January 2015.

21 (d) Committee Membership

Matter for Information

Board Paper: *N/A*

On the recommendation of the Chairman, the Board **resolved** to approve the following Committee appointments and/or amendments to Committee memberships:

- Brian McEnery to step down as a member of the Credit Committee;
- Mari Hurley appointed as a member of the Credit Committee

20. AOB

In the context of an exceptionally strong performance in 2014, the NAMA CEO expressed his appreciation to the Board for their support throughout the year, and for making themselves available, often at very short notice, for Board meetings as required.

The Chairman expressed his appreciation for the NAMA CEO and his team and Board Secretary for the excellent achievements in 2014 and for the strong leadership to achieve same.

There was no other business.

There being no further business the meeting concluded.



Frank Daly, Chairman
15th January 2015