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Committee for Finance and Personnel
Room 435
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28 October 2015

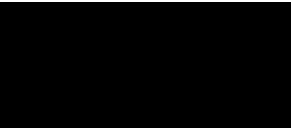
Dear Daithí

**REVIEW OF THE SALE OF THE NATIONAL ASSET MANAGEMENT AGENCY (NAMA)
PROPERTY LOAN PORTFOLIO IN NORTHERN IRELAND**

You wrote to me on 2 October 2015 to request “a copy of all documentation and records held by OFMDFM relating to NAMA operations in the North, including the Project Eagle sale”.

Following consultation with the National Crime Agency, I can now provide the Committee with the relevant documentation. I should point out that this does not include papers held by the Department of Finance & Personnel, as these have already been provided to the Committee.

Yours sincerely



MALCOLM McKIBBIN
HEAD OF CIVIL SERVICE

	Document	Date	Redaction
1	NSMC Papers.	Jul-Jun 2015	Throughout
2	Submission from OFMDFM Official regarding proposed legislation to create NAMA.	10/08/2009	Section 40(2) Data Protection (Personal Information)
3	Transcript of 'Good Morning Ulster' regarding NAMA.	16/09/2009	
4	Submission from DFP Official regarding part input for COR/1003/2009 - Private Members Motion: North/South Co-operation.	23/11/2009	
5	Oral AQ/1370/10 from Mr Raymond McCartney (SF-Foyle) regarding co-ordinated response on economic issues relating to NAMA.	2010	
6	Submission from OFMDFM Official regarding a proposed bi-lateral with Irish Government concerning NAMA.	18/08/2009	
7	Submission from OFMDFM Official seeking a meeting with NAMA representatives to discuss the treatment of Northern Ireland Assets.	02/02/2011	Section 40(2) Data Protection (Personal Information)
8	Letter from First Minister and deputy First Minister to Frank Daly requesting meeting.	8/02/2011	
9	Submission from OFMDFM Official briefing Ministers in advance of a meeting with NAMA representatives.	04/03/2011	Section 40(2) Data Protection (Personal Information)
10	Note of meeting NAMA.	07/03/2011	
11	Letter from First Minister to Brendan McDonagh, NAMA, regarding meeting with Patrick Kearney, PBN Holdings, Belfast.	24/05/2013	
12	E-mail from Dara O'Hagan regarding CBI Annual Lunch.	28/08/2013	
13	E-mail exchange between J Robinson and J Bell re Robinson: "Economic Prosperity and real peace in Northern Ireland are interdependent."	19/09/2013	

	Document	Date	Redaction
14	Note of meeting with Minister Noonan.	27/09/2013	
15	Letter from Bravo Strategies – Memorandum of Understanding Acquisition of the Northern Ireland Borrowers Connection Loan Book from NAMA.	Dec 2013	Section 43 Commercial Sensitive Information
16	Note of telephone conference call with Michael Noonan.	Jan 2014	
17	E-mail exchange between J Gardner and R Bullick regarding Confidential Memorandum.	17/01/2014	
18	E-mail from J Gardner to R Hanna regarding MOU.	17/01/2014 (Restored by IT Assist 29/07/ 2015)	
19	Confidential Memorandum.	Jan 2014	
20	Introduction to Cerberus.	Mar 2014	Section 43 Commercial Sensitive Information
21	Letter to Minister from Cerberus European Investments, LLC - Letter of investment and operational intentions regarding the acquisition of the Northern Ireland loan book from NAMA.	25/03/2014	Section 43 Commercial Sensitive Information
22	E-mail exchange between R Bullick and F Daly regarding Eagle.	04/04/2014	
23	E-mail from Kathy Murphy (Assistant to Dan Quayle) to Vincent Parker regarding request from Dan Quayle for a telephone call with the deputy First Minister.	21/04/2014	
24	FOI request for information relating to NAMA's Northern Ireland loan book.	08/05/2014	
25	FOI request for information created by the department in 2014 relating to Northern Ireland loan book.	04/06/2014	
26	Note from Colm Shannon regarding FOI Request.	05/06/2014	Section 40(2) Data Protection (Personal Information)

	Document	Date	Redaction
27	FOI 2014-0077: NAMA's Northern Ireland Loan Book.	26/08/2014	
28	E-mail from Gail McKibbin relating to scheduling of meeting with Dan Quayle.	26/08/2014	
29	Submission from OFMDFM Official concerning Cerberus First Time Buyer	12/08/2014	Section 40(2) Data Protection (Personal Information)
30	INV/506/2014 Meeting with former US Vice President Dan Quayle, Chairman of Cerberus Global Investments.	17/09/2014	Section 40(2) Data Protection (Personal Information)
31	FOI request for information covering any discussion of the Millmount development project and the decision by NAMA to release funds.	26/01/2015	
32	E-mail regarding meeting with First Minister and deputy First Minister and John Snow (Chairman of Cerebus).	10/03/2015	
33	Written AQ response to P McGlone MLA.	15/05/2015	
34	E-mail from Dara O'Hagan regarding request for update from officials on Cerebus Capital Management.	04/06/2015	
35	Written AQ responses to J Allister MLA.	11/06/2015 & 17/06/2015	Section 22 - Publication in future
36	Memo from Arlene Foster MLA to First Minister and deputy First Minister regarding information on Cerebus.	29/06/2015	
37	AQW 48229/11-15 from Mr David McNarry regarding discussions with NAMA/Cerberus.	July 2015	
38	AQW 48242/11-15 from Alex Attwood regarding detail of meetings held with Cerberus	July 2015	
39	AQW 48245/11-15 from Alex Attwood regarding meetings re the selling of the NI Loan Portfolio of NAMA since 1 Jan 2012.	07/07/2015	
40	Minutes of Executive Meeting.	07/07/2015	

	Document	Date	Redaction
41	E-mail exchange between Peter Robinson and J Robinson regarding Robinson Welcomes Sale of NAMA's Northern Ireland Portfolio	07/07/2015	
42	E-mail exchange between R Bullick and D Reid regarding NAMA call.	31/07/2015	
43	AQW 48243/11-15 from Alex Attwood to ask FM and dFM to detail meetings held with NI Advisory Panel with NAMA since 1 Jan 2012	11/08/2015	
44	FOI request for information created by the department in 2014 relating to Northern Ireland loan book.	26/08/2015	
45	E-mail exchange between Peter Robinson, J Robinson, P Tweed and R Bullick regarding draft statement.	23/09/2015	
46	Letter from Michael Noonan TD to Peter Robinson MLA and attached Department of Finance records.	30/09/2015	
47	First Minister Meetings.	20/10/2015	
48	Note from Andrew McCormick, Permanent Secretary, DETI, to Neill Jackson – document relating to the sale of NAMA NI.	13/10/2015	

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Plenary 6.07.09 – Steering Brief

Following opening remarks, the Taoiseach may raise:

- Economic Downturn
- Possible Impact of National Assets Management Agency (NAMA)
- Spatial Planning
- Feasibility Study on future collaborative work in health and social care and
- The North West gateway Initiative

The Taoiseach, Minister for Foreign Affairs and Minister for Finance may raise the withdrawal of the draft Paper on North South Bodies and Tourism Ireland Ltd issues, to express concern about the fact that Business Plans for the Bodies have not yet been agreed.

It is likely that the Finance Minister Brian Lenihan and the Tánaiste and Minister for Enterprise, Trade and Employment Mary Coughlan will contribute to the discussion on the Economic Downturn and NAMA. It is possible that the Taoiseach may propose that the two Finance Ministers meet to discuss NAMA and related issues. Minister Ritchie may also contribute to the discussion on NAMA.

NAMA

We are aware of your plans for a National Asset Management Agency. We believe that the work of NAMA could have implications for us and it would be helpful to have clarification on a number of points.

Some estimates put the value of NAMA assets at 80-90 billion euro. Have you any estimates of how much of the portfolio relates to assets located in Northern Ireland?

Have you any estimate of scale of impairment of the assets – particularly in Northern Ireland? How much of the loss carried within the NAMA portfolio relates to these assets?

The deputy First Minister also has a number of queries on this.

DEPUTY FIRST MINISTER

Earlier this year the First Minister and I established a Cross Sector Advisory Forum to continue our dialogue on economic matters with business, trade unions and voluntary and community stakeholders.

We convened the second meeting of this group on Tuesday (30 June) and discussed a wide range of issues including a discussion on banking matters. We heard from the four local banks about how they are managing EIB and other funds designed to inject cash into business.

We also touched on the establishment of the National Asset Management Agency.

Is it the intention for NAMA to move quickly to liquidate assets – or will it aim to “sit out” the recession and hold assets until property markets improve – thus minimising the loss?

How will NAMA prioritise its work programme and which assets will it aim to liquidate and clear first?

On what basis will NAMA decide which assets to liquidate? Can we be assured that there is no possibility that assets in the North will not be prioritised for liquidation first? (This could have a serious impact on our property market.)

We understand that NAMA will seek to recover as much of the “bad loans” as possible. This may lead them into seeking recovery from Directors and Companies operating in the North. Can we have any assurance that due account will be taken of the impact this pursuit of recovery will have on the health of such companies.

Plenary 6.7.09 – background briefing and questions for Ministers

NAMA Questions

1. Some estimates put the value of NAMA assets at 80-90 billion euro. Have you any estimates of how much of the portfolio relates to assets located the north/Northern Ireland?
2. Have you any estimate of scale of impairment of the assets – particularly in the north/Northern Ireland? How much of the loss carried within the NAMA portfolio relates to northern/ Northern Ireland assets?
3. Is it the intention for NAMA to move quickly to liquidate assets – or will it aim to “sit out” the recession and hold assets until property markets improve – thus minimising the loss?
4. How will NAMA prioritise its work programme? Which assets will it aim to liquidate and clear first?
5. On what basis will NAMA decide which assets to liquidate? Can we be assured that there is no possibility that assets in the North/ Northern Ireland will not be prioritised for liquidation first? (This could have a serious impact on our property market.)
6. NAMA will seek to recover as much of the “bad loans” as possible. This may lead them into seeking recovery from Directors and Companies operating in the north/Northern Ireland. Can we have any assurance that due account will be taken of the impact this pursuit of recovery will have on the health of companies in the north/Northern Ireland?

Background

National Asset Management Agency (NAMA)

- The Irish Government has announced plans for a National Asset Management Agency (NAMA), which will operate as an independent commercial entity under the aegis of the National Treasury Management Agency.
- It is intended that NAMA will be established (via the enacting of the National Asset Management Agency Act) by mid-2009. Questions such as a Board, Chairperson and CEO will be addressed in the legislation. NAMA will be staffed by professionals whose objectives will be to maximise returns and extract value from its acquired loan book.
- NAMA is not a toxic bank; rather it is an asset management company dealing with assets transferred from banks. It will not be taking deposits from the public, nor will it have a banking licence. NAMA will have loans on its books based on real physical assets (good and bad loans).

Applicable Assets

- The assets to be covered by NAMA include all loans in respect of the purchase of land for development and associated work in progress arrangements. Certain property investment loans will also be considered.
- Land and development loans outside of Ireland *will* be eligible for transfer to NAMA, subject to consideration of the legal issues involved. This is essential to ensure banks are effectively cleansed.

Pricing / Terms of Loans Transferred

- The loan books will be purchased by NAMA at an appropriate price. Each will be reviewed individually to ensure that banks are cleared of the identified riskiest loan portfolios. Pricing will depend upon an assessment of the loans' value and the risk being transferred to the State in line with European Commission guidance. The process is also subject to EU State Aid approval.
- Existing terms and conditions will remain in place. Individual loan terms will be reviewed by NAMA and the agency will have commercial independence in dealing with the loans acquired.
- With regards to developers whose loans are transferred to NAMA, like other loan holders, they will continue to be liable for their loan obligations. The loan counterparty merely changes from the relevant bank to NAMA.

Size / Funding of NAMA

- It is estimated that the size of NAMA will be in the region of €80-90 billion in assets (based on current book value, but to be transferred at an appropriate discount).
- The loans sold to NAMA will be paid either in Government Bonds or in Government guaranteed bonds issued by NAMA.
- NAMA will manage its loan portfolio over a period of years to ensure that the optimal value is obtained from the taxpayer and will endeavour to ensure all loan agreements are honoured in full. Where write-downs are made, this will reflect commercial reality and will be offset by other performing loans within the NAMA portfolio.
- When NAMA is wound up, the government will determine whether a profit or a loss has been made in its lifetime. Any profits will accrue to the State; any shortfall will be recovered by the application of a levy.

Rationale for NAMA

- The rationale for NAMA acquiring banks' debt is not that they are inherently worthless, but that they are amongst assets whose worth is harder to assess in the current constrained economic environment. Financial and capital markets are uncertain about the overall impact of such property loans on the sustainability of the affected financial institutions.
- The objective is to provide the banks with a clean bill of health, strengthen their balance sheets, reduce uncertainty regarding bad debts and, ultimately, to ensure the flow of credit.

Banks' Participation in NAMA

- Legislation will address the issue of a mandatory power to acquire assets from the banks, however, it is anticipated that banks will be anxious to participate.
- It has already been decided that there is a capital requirement in respect of AIB and Bank of Ireland. In the case of Bank of Ireland, this recapitalisation process has already been finalised (end March) and due diligence work is ongoing in respect of AIB.

Plenary 6.7.09 – background briefing

NATIONAL ASSETS MANAGEMENT AGENCY (NAMA)

Lines To Take

- The establishment of the National Asset Management Agency by the Irish Government to manage the bad loan portfolio of the Irish Banks is very

significant. Depending on how NAMA is to operate there could be implications for local business.

- There is a clear need to stay in contact with developments on this matter.

Background

- The Irish Government looks to be forcing the Irish banks (AIB and BOI) to realise their losses upfront. They have to transfer bad/impaired loans mostly in property, real estate, land, housing (possibly with personal guarantees of repayment) to NAMA at a discount (to be determined in legislation in July) and done through a swap of the assets/loans for Irish government bonds to go onto the Irish Banks balance sheets (probably with the face value for the bonds equal to the written down value of the loans).
- NAMA will manage this portfolio to maximise its value. According to the reports "borrowers will be required to meet their full obligations for repayment and there will be a hardening of the approach to these borrowers - taxpayers money is at stake".
- The implications of this relate to how NAMA manages the loan portfolio. It could manage the loans over a long period to attempt to recoup the face value with a profit for Irish taxpayers eventually. Or as it has paid a discount it could take some loss on the portfolio equal to the discount at maximum.
- Reports in the Irish Times on 27 May suggest that NAMA may apply a 10% discount on agreed loan prices.
- A harder approach would see NAMA attempting to liquidate all the property loans quickly, demanding upfront repayment as soon as possible and pursuing the assets of borrowers which were given as security where there is underpayment.
- Land and development loans outside of Ireland will be eligible for transfer to NAMA, subject to consideration of the legal issues involved.
- This has implications for property loans held by the Irish Banks in NI.
- It is intended that NAMA will be established (via the enacting of the National Asset Management Agency Act) by mid-2009. It is uncertain currently precisely how it will operate. Reports suggest that NAMA will take control of problem loans between six and eight weeks after the new body is established on a statutory footing, probably early autumn 2009.

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Institutional meeting 11.11.09 – Steering Brief

Banks

The initial shock of the crisis is past and the banking sector appears to have restored a fragile stability, albeit accompanied with a diminished regard. We are very keen to be kept informed about the various initiatives affecting local banks and the operational plans of NAMA are of particular interest and we are glad that our respective Finance Departments are staying in touch on this matter.

Institutional Meeting 11.11.09 Assembly Statement lines to take

NATIONAL ASSET MANAGEMENT AGENCY (NAMA)

LINES TO TAKE

- The Finance Minister had a very constructive meeting with his counterpart Minister Lenihan on the 8th September 2009 to discuss the impact of the National Asset Management Agency (NAMA) in this jurisdiction.
- The size of the portfolio of loans residing in NI is critical to the impact on the local economy. At that meeting Minister Lenihan indicated that there will be some €4.8 billion in loans here, transferring from participating banks into NAMA – much lower than the earlier estimates of circa €20 billion.
- However even €4.8 billion of local assets exposed has considerable implications for our economy (equivalent to approximately fifteen percent of the output of the entire economy).
- The key concern for us is that there is no 'firesale' of these assets. Such a sale would have a deflationary impact upon the local property market and the wider Northern Ireland economy.
- Minister Lenihan confirmed that it was in no-ones interests that this should happen.

- Minister Lenihan indicated that it would not be possible to expand the NAMA seven person board to include a specific representative from here.
- However, Minister Lenihan agreed that DFP could communicate directly to NAMA through an advisory committee, which would report directly to the Board. This advisory committee would be established under Section 32 1(A) of the revised draft legislation. Minister Lenihan agreed that the advisory committee working to the NAMA Board should have some form of direct line of communication to DFP on the management of Northern Ireland related assets.
- The two Ministers agreed to meet again once the NAMA legislation has been enacted. A key objective of this meeting will be to finalise the details with respect to DFP representation on the NAMA advisory committee.

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Plenary 14.12.09 – Steering Brief

On NAMA, I understand that Minister Sammy Wilson and Minister Lenihan have been working very constructively with one another.

I am aware that Minister Wilson has put forward some names of individuals that might represent our interests on the NAMA Advisory Council and that our officials have been working with officials in your Finance Department about the practicalities of that engagement. I welcome this and hope that this engagement will produce positive outcomes for us all.

DEPUTY FIRST MINISTER

It's good that we continue to have these discussions on economic and budgetary challenges within NSMC.

I too, welcome the co-operation between our Finance Ministers and departments on NAMA. This is the type of practical co-operation that we need.

Plenary 14.12.09 – Q&A briefing

NAMA

Lines to Take:

- The Finance Minister met with Brian Lenihan on 8th September and again in mid-November to discuss NAMA and related banking issues.
- At the first meeting Minister Lenihan indicated that the value of Northern Ireland based loans likely to be transferred to NAMA would total €4.8 billion – much lower than the earlier estimates of circa €20 billion. However, even €4.8 billion of local asset exposure has considerable implications for our economy.
- Minister Lenihan again provided an assurance that it was in no-one's interest to undertake a 'firesale' of Northern Ireland-based assets. The loans exposed had to be carefully managed.

- Minister Lenihan indicated that it would not be possible to expand the NAMA seven person Board to include a Northern Ireland-specific representative. However, Minister Lenihan indicated that DFP could communicate to NAMA through an advisory committee, which would report directly to the Board. Minister Lenihan agreed that the advisory committee working to the NAMA Board should have some form of direct line of communication to DFP on the management of the Northern Ireland related assets. DFP officials are currently liaising with their Dublin counterparts to finalise these arrangements. Officials from the two finance departments are also liaising closely on a range of banking issues.

Background:

Recent Meetings with Minister Lenihan

1. The Finance Minister first met with Minister Lenihan on 8 September 2009 to discuss NAMA. At this meeting, Minister Lenihan indicated that the value of Northern Ireland based loans likely to be transferred to NAMA would total €4.8 billion. Minister Lenihan also provided an assurance that it was in no-one's interest to undertake a 'firesale' of Northern Ireland-based assets. The loans exposed had to be carefully managed. This remains the case under the revised NAMA arrangements, which involves a Special Purpose Vehicle managing the NAMA assets. Minister Lenihan also indicated that it would not be possible to expand the NAMA seven person Board to include a Northern Ireland specific representative. However, he indicated that DFP could communicate directly to NAMA through an advisory committee.
2. The Finance Minister met Minister Lenihan again on 15 November to discuss further progress relating to NAMA. Following this meeting the Finance Minister wrote to Minister Lenihan, taking up the offer to put forward 3 names to represent Northern Ireland on the NAMA advisory committee (Mr Frank Cushnahan and [REDACTED] and Mr Richard Pengelly (Public Spending Director in DFP)). DFP officials met with his counterparts in Dublin on 3rd December to formalise this NAMA representation.

Eligible Institutions – Ulster Bank

3. On the 22nd November it was reported¹ that Royal Bank of Scotland's (RBS') chief executive, Stephen Hester, is expected to lodge an application to join NAMA through its Ulster Bank subsidiary. The report estimated that RBS will attempt to transfer £7 billion of toxic loans to NAMA. Such a move could generate some friction between the Dept. of Finance in Dublin and HM Treasury as it is believed that the two had reached a 'gentleman's agreement' that British banks would not apply to use NAMA as long as no Irish banks applied to the parallel UK programme (the Government Asset Protection Scheme). However, under EU rules, Ireland would be legally obliged to consider RBS's application to join NAMA.

Accountancy Treatment & NAMA Implementation

4. On the 20th October 2009 Minister Lenihan announced that he welcomed the preliminary decision of Eurostat (the Statistical Authority of the European Commission) that the operations of NAMA should be recorded outside the general government sector in the Irish National Accounts. Hence, the acquisition of the assets from the financial institutions by NAMA may be treated as off-balance sheet. This is important to the Republic of Ireland as the General Government Gross Debt to GDP ratio already exceeds the Maastricht Treaty's maximum for a country to be considered in a sustainable fiscal position (60 per cent). EU forecasts for Ireland show that without taking into account bank guarantees, bank recapitalisation or NAMA, General Government Gross Debt is estimated to be 61.2 per cent of Gross Domestic Produce (GDP) in 2009 and 79.7 per cent in 2010.
5. This statistical treatment is dependent on the establishment of certain entities which will be the legal holders of the NAMA assets (a Master Special Purpose Vehicle (SPV)), while NAMA will retain effective control and veto on decision making. The key feature that would allow the Irish Government to classify the NAMA assets as 'off balance' sheet is that the Master SPV would have a majority of private equity (51%), whilst the remainder would be owned by NAMA.

¹http://business.timesonline.co.uk/tol/business/industry_sectors/banking_and_finance/article6926921.ece

6. It is still unclear how the SPV will operate in practice. It appears that NAMA will retain responsibility for identifying and valuing the NAMA loans, but will delegate the purchase and management of these loans to the Master SPV. The SPV appears to then fund the purchase of the loan books from the participating financial institutions by issuing securities, most of which will be backed by a guarantee from the Irish Government. The subscribed capital of the Master SPV will be €100m. Although the SPV will have its own Board, NAMA will retain a veto over all decisions that may affect the interests of NAMA or the Irish Government.
7. It would appear that the private SPV equity investors will be entitled to an annual dividend linked to the performance of the Master SPV. They will only be repaid their capital if the Master SPV has made sufficient profit when winding up. The private investors could receive a further equity bonus of 10% of their capital investment if the Master SPV makes a profit. Any further profits and gains of the Master SPV would accrue to NAMA. This implementation plan obviously assumes that sufficient private investors are forthcoming to provide the private equity needed (€51 million). It is not clear at the moment that this is the case.

Plenary 14.12.09 Assembly Statement updated line

NATIONAL ASSETS MANAGEMENT AGENCY (NAMA)

Lines to Take

- Minister Wilson had hoped to meet Minister Lenihan at end-January to discuss the latest position in respect of NAMA. Unfortunately that meeting has been postponed. A rescheduled meeting is being sought by Minister Wilson in mid-February (but not yet confirmed).
- At this meeting the two ministers will review progress on the establishment of NAMA and the state of stability within the participating banks. Ministers will also discuss formalising Northern Ireland representation and latest estimates of local exposure to loans / debts transferring into NAMA.

- In the interim officials from both departments will continue to engage

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Plenary 5.7.10 Steering Brief

NAMA

FIRST MINISTER

We welcome the extensive engagement between Minister Wilson and Minister Lenihan over the last year on this issue. We are obviously concerned that the loans due to transfer from Northern Ireland will be carefully managed.

We are pleased to see the appointments of Brian Rowntree and Frank Cushnahan to the recently formed NAMA Northern Ireland Advisory Committee and we are confident that this committee will ensure that our interests are safeguarded once Northern Ireland-based loans begin transferring into NAMA during June 2010.

DEPUTY FIRST MINISTER

I too am pleased to see that we are well represented on the Advisory Committee and I also welcome Minister Lenihan's assurance, that it is in no-one's interest to undertake a 'firesale' of northern based assets. We are obviously concerned that the €4.8 billion worth of loans due to transfer will be carefully managed.

Plenary 5.7.10 background briefing

NAMA

DFP BRIEFING

- We also welcome the extensive engagement between Minister Wilson and Minister Lenihan over the last year on this issue. We are obviously concerned that the loans due to transfer from Northern will be carefully managed.
- We welcome the appointments of Mr Brian Rowntree and Mr Frank Cushnahan to the recently formed NAMA Northern Ireland Advisory Committee. We are confident that this committee will ensure that our interests are safeguarded once Northern Ireland-based loans begin transferring into NAMA during June 2010.
- Also welcome the assurance from Minister Lenihan that it is in no-one's interest to undertake a 'firesale' of Northern Ireland-based assets.

Background:

- The RoI Government paper includes a section on NAMA and its impact on Northern Ireland. This paper suggests that around 5% of the total loans transferring into NAMA will relate to assets located in Northern Ireland - at €4.1 billion, this is slightly less than previous €4.8 billion figure (the actual amount transferring from Northern Ireland will not be known until the full transfer has taken place). The RoI paper also confirmed that it has been agreed that NAMA will be kept under review at NSMC Plenary meetings and in bilateral meetings between Minister Wilson and Minister Lenihan.
- The first tranche of loans transferred into NAMA during April 2010. This involved loans worth a nominal value of €16bn with an average discount applied of nearly 50% - much higher than the 30% initially anticipated. In total it is estimated that

loans worth a nominal value of €81 billion will transfer into NAMA and the participating institutions are: Allied Irish Banks (€23bn), Anglo Irish bank (€36bn), Bank of Ireland (€12bn), Irish Nationwide Building Society (€9bn) and EBS Building Society (€1bn). Officials understand that the transfer of loans under Tranche 2 will take place during June 2010. It is anticipated that NAMA will begin to examine loans attributed to companies based in Northern Ireland during this phase.

- On 13th May 2010, NAMA announced the appointment to the NAMA Northern Ireland Advisory Committee of Mr Brian Rowntree and Mr Frank Cushnahan. Mr Rowntree and Mr Cushnahan will assist NAMA with their particular expertise and insight with respect to Northern Irish based assets. The latest meeting between Minister Wilson and Minister Lenihan took place on 19 February 2010. A further meeting is in the process of being arranged. Minister Wilson also met the Rol Minister of State, Dr Martin Mansergh, on 20 May 2010 where he raised the NAMA issue.

Plenary 5.7.10 Assembly Statement Briefing

NAMA
(Source: DFP)

Lines to take

- NAMA is a strategic issue in terms of its impact on local banks ability to lend, and potentially on the local property market.
- The Finance Minister continues to liaise closely with Brian Lenihan on this issue.
- Minister Wilson met the NAMA Northern Ireland Advisory committee on 23 August. This was the first of what will be regular meetings.
- We were assured again that assets would be carefully managed with no "fire sale".

- It was announced on 23rd August that Tranche 2 was completed. A total of €11.9bn was transferred under this stage. Tranche 2 saw the transfer of some €360m worth of loans based here.
- One benefit of NAMA is that it does give important liquidity to the banks through the securities it exchanges for the loans. Hopefully this will help them begin to lend.

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Plenary 21.1.11 Steering Brief

First Minister

I understand that Sammy Wilson and Brian Lenihan have recently had an opportunity to discuss this as well as issues relating to the banks and NAMA. I understand that there was a general agreement that if we could find some savings that might be unlocked by us working together then it was incumbent upon us to examine that potential. I'll bring the Finance Ministers in to speak on this in a moment.

Plenary 21.1.11 – Assembly Statement briefing

ECONOMY/BANKS/NAMA

- The main focus of discussion at Plenary was on the economic challenges in both jurisdictions and the related issues of the Banks and NAMA.
- We exchanged views on the potential for economic recovery and measures that we are taking to deal with the affects of the recession.
- We recognised that both economies are interconnected and expressed our hope that the EU/IMF and bi-lateral financial packages for Ireland will restore stability to the banking sector and enable it to meet the needs of business again.
- We emphasised that a strong economy in the South is in all our interests.
- The Taoiseach recognised that banking restructuring may have implications for us and was sympathetic to our concern that possible downsizing of the banks may lead to job losses.
- On NAMA he advised us that some £3.35 billion of Northern Ireland assets have now been acquired by NAMA.

- In a discussion about the implications of NAMA, we outlined concerns raised by companies here, in particular issues about employment and access to credit and difficulties in communication with NAMA.
- The Taoiseach advised us that a Northern Ireland based retired Banker had been appointed to review credit refusals to ensure that those seeking credit got a fair hearing. He suggested that the Executive should meet with NAMA to discuss these problems. We intend to act on this suggestion.
- The meeting recognised the important discussions on these matters that is being taken forward by the two Finance Ministers.
- There is clearly a need for us to maintain our discussions and co-operation with the Irish Government in these challenging times. No doubt we will have a further in-depth discussion at the next NSMC Plenary in June.

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Plenary 10.6.11 Steering brief Q&A document

NAMA

Lines to Take

- Now that all the original loans have been acquired, an estimated £3.35bn of NI based loans have been taken over by NAMA.
- NAMA has been asked to acquire a further €16 billion of loans by the IMF/EU. We understand these loans will be sub-€20m Land & Development loans of AIB and BOI. We are seeking confirmation on the value of the loans located locally as soon as possible.
- The Finance Minister raised the importance of local businesses and individuals being treated reasonably with both the previous Irish Finance Minister, Brian Lenihan, and NAMA's NI Advisory Committee. In particular, concerns were raised over the situation where NAMA assumes responsibility for viable businesses who have loans that are still performing.
- Minister Wilson may be meeting separately with Michael Noonan (Minister of Finance) and Brendan Howlin (Minister for Public Expenditure and Reform) in the margins of the Plenary to discuss banking and finance issues, including NAMA more fully.

Background

1. The National Asset Management Agency is a key part of the solution to the current banking difficulties in Ireland. NAMA is an asset management company that will acquire loans from participating institutions. It will manage these assets

(hold, dispose, develop or enhance them) with the aim of achieving the best possible return for the taxpayer on the acquired loans and on any underlying assets over a 7 - 10 year timeframe.

2. Taking these riskier loan classes off the balance sheets of the participating banks will make the banks safer and more secure for depositors and investors and free them to lend again. To acquire these loans, NAMA is not paying cash but will exchange Government Guaranteed Securities instead.
3. NAMA has now completed the acquisition of the original 11,000 loans from 850 debtors with a nominal value of some €71.2 billion. NAMA paid a consideration of €30.2 billion for these loans (a discount of 58%).
4. By the end of the initial acquisition process, there should be around €4 billion (£3.35 billion) of NI-based loans held by NAMA.
5. The conditions of the recent EU / IMF (and bilateral) loans packages for Ireland included provision for the work of NAMA to continue. Up to an extra €16bn of loans could be acquired by the agency. It is unclear at this stage the value of any additional NI-based loans.

Plenary 10.6.11 Assembly Statement Q&A

BANKS/NAMA

- At the Plenary we had a very useful exchange on issues relating to the Banks and NAMA.
- We highlighted our concerns about access to lending especially for our SMEs and the potential impact of bank re-structuring on jobs here.
- On NAMA, we raised concerns that decisions being taken do not damage our business interests. We pressed for more effective input for Northern Ireland. We highlighted the impact on trading companies who are servicing their loans when companies and loans are being taken in to NAMA. On the disposal of assets, we said that some developers, especially those who are close to assets which are in NAMA, are keen to get them but the decision making process is slow.

- Sammy Wilson met separately with Irish Government Finance Minister, Michael Noonan, and their Minister for Public Expenditure and Reform, Brendan Howlin, immediately after the Plenary to discuss these issues in more depth.
- I understand that officials from the two Finance departments will meet again to explore these issues further.

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Institutional 3 10.11 Steering Brief

NAMA

- You will be aware that Sammy Wilson met with your Finance Ministers, Michael Noonan and Brendan Howlin, in the margins of the June 2011 Plenary to discuss banking and finance issues, including NAMA.
- He also met with members of NAMA's Northern Ireland Advisory Committee on 27th June.
- I understand that officials from the two Finance Departments are to meet on 6 October to discuss this and other issues.
- We appreciate that the establishment of NAMA was a necessary step in the aftermath of the financial crisis to restore liquidity and confidence in the Irish financial system. NAMA has reduced uncertainty in relation to bad debts in the banking sector, allowing assets to be carefully managed in the medium to long run.
- We also appreciate the assurances that there would be no firesale of NI assets and that Northern Irish businesses and individuals would be treated reasonably.

- However, we have continuing concerns about how trading business are being dealt with within NAMA and reports that NAMA's response to some Business Plans have been slow causing undue difficulty. There is a danger that we lose activity and jobs that we don't need to lose.
- Now that all the original loans have been acquired, an estimated £3.35bn of Northern Ireland-based loans has been taken over by NAMA. This represents 5% of NAMA's total loan portfolio.
- Clearly the work of NAMA is going to have a significant impact in Northern Ireland for some years to come. We will need to monitor this situation closely and we welcome the continued engagement that we have had in the past.
- Sammy Wilson, has expressed our desire that Northern Ireland needs a full representative on the NAMA Board to raise and highlight our issues. Are we any closer to seeing that?

Institutional 3 10.11 Steering Brief background briefing

NAMA

Lines to take:

- Sammy Wilson met with Michael Noonan (Minister for Finance) and Brendan Howlin (Minister for Public Expenditure & Reform) in the margins of the June 2011 plenary to discuss banking and finance issues, including NAMA.
- He also met with members of NAMA's Northern Ireland Advisory Committee on 27th June.
- DFP and DoF Officials were to meet after the 10 June Plenary meeting but this has not yet taken place (scheduled for 6 October). Need this to happen urgently as the action points from the Plenary have not yet been followed up.
- Appreciate that the establishment of NAMA was a necessary step in the aftermath of the financial crisis to restore liquidity and confidence in the Irish financial system. NAMA has reduced uncertainty in relation to bad debts in the banking sector, allowing assets to be carefully managed in the medium to long run.

- Appreciate the assurances that there would be no firesale of NI assets and that Northern Irish businesses and individuals would be treated reasonably.
- But have continuing concerns about how trading business are being dealt with within NAMA and reports that NAMA's response to some Business Plans have been slow causing undue difficulty. Danger that we lose activity and jobs that we don't need to lose.
- Now that all the original loans have been acquired, an estimated £3.35bn of Northern Ireland-based loans has been taken over by NAMA. This represents 5% of NAMA's total loan portfolio.
- Clearly the work of NAMA is going to have a significant impact in Northern Ireland for some years to come. We will need to monitor this situation closely and welcome the continued engagement that we have had in the past.
- The Finance Minister has expressed our desire that Northern Ireland needs a full representative on the NAMA Board to raise and highlight our issues. Are we any closer to seeing that?

Background:

1. The National Asset Management Agency is a key part of the solution to the current banking difficulties in Ireland. NAMA is an asset management company that will acquire loans from participating institutions. It will manage these assets (hold, dispose, develop or enhance them) with the aim of achieving the best possible return for the taxpayer on the acquired loans and on any underlying assets over a 7 - 10 year timeframe.
2. At the meeting with Minister Noonan on 10 June the DFP Minister indicated that he had concerns about early involvement of NI representatives on the NAMA Advisory Committee in issues and asked that consideration perhaps given again to a full Board representative. Minister Noonan indicated that they experienced some difficulties at times with information. Referred to a recent agreement with NAMA that the NAMA Press Office would respond (within legislative framework) to queries from elected representatives. He agreed to expend this arrangement to MLAs from Northern Ireland.
3. The DFP Minister noted the particular issue of (unrelated) trading companies coming under NAMA control and difficulties they faced in accessing working capital. Minister Noonan indicated that this again a shared concern on which

pressing NAMA on need for considered approach. Ministers agreed that officials would share information and concerns on NAMA operations.

4. Arrangements to follow up on the request for a full Board representative, to extend the arrangement for MLA access, and for the sharing of concerns on NAMA operations were to have been followed up at a meeting at official level. Despite numerous DFP efforts this has not yet taken place. It is now scheduled for 6 October.
5. On the 9th September the Chief Executive of NAMA (Brendan McDonagh) made a statement to the Joint Committee on Finance, Public Expenditure and Reform in the Oireachtas where he outlined that the loan acquisitions have 'by and large' been completed apart from some €2.6 billion in loans which are the subject of consultation with the debtors involved. He also stated that to date NAMA had approved the sale of an estimated €4.6 billion in property assets held by debtors and that the proceeds are being used to pay down debts either to NAMA or to non NAMA banks which had co-lent on developments. €900m has also been approved in new money advances which will enable unfinished developments to be completed or enhance the value of assets. However, NAMA have also had to approve the appointment of receivers in 84 cases.

Institutional 3 10.11 Assembly Statement briefing

NAMA

- At the Institutional meeting we had useful exchange on issues relating to NAMA.
- We reminded the Tánaiste that Sammy Wilson met with the Irish Government Finance Ministers, Michael Noonan and Brendan Howlin, in the margins of the June 2011 Plenary to discuss banking and finance issues, including NAMA and that he also met with members of NAMA's Northern Ireland Advisory Committee on 27th June.
- We said that we appreciated the Irish Government's assurances that there would be no firesale of Northern assets and that our businesses and individuals would be treated reasonably.
- We raised our continuing concerns about how trading business are being dealt with within NAMA and reports that NAMA's response to some Business

Plans have been slow causing undue difficulty. We said there was a danger that we would lose activity and jobs that we don't need to lose.

- Clearly the work of NAMA is going to have a significant impact here for some years to come and we said that we will need to monitor this situation closely and we welcomed the continued engagement that we have had in the past.
- We raised concerns that our representatives on the NAMA Advisory Committee are being advised of decisions after they are taken. While we recognise that the Irish Government has an arms-length relationship with NAMA, we expressed our desire for full representation on the NAMA Board to raise and highlight our issues.
- The Tánaiste responded by saying that his government has an arms-length relationship with NAMA but he was open to looking at this and perhaps it could be worked through at official level.

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Plenary 18.11.11 Steering Brief

NAMA

We have discussed most of the detail around NAMA in the past. However I would like to re-emphasise a couple of points.

First, as we indicated to the Tánaiste at the recent Institutional meeting, we have continuing concerns about how trading businesses are being dealt with within NAMA and reports that NAMA's response to some Business Plans has been slow, causing undue difficulty and possible job losses.

Second, we have also expressed a desire that Northern Ireland needs a full representative on the NAMA Board to raise and highlight our issues. Considering Peter Stewart's resignation from the Board, would it be possible for this to be considered? In addition, we understand Frank Daly will temporarily chair the NI Advisory Committee – but what are the long term plans for this sub-committee?

Plenary 18.11.11 Assembly Statement Q&A

NAMA

- At the Plenary meeting we had a useful discussion on issues relating to NAMA.
- We again strongly pressed the Taoiseach for a dedicated Northern Ireland representative on the NAMA Board as while there is NI representation on the NAMA Advisory Board this is consulted only after decisions are made.

- Minister Noonan again acknowledged our request, but said that he could not give an immediate answer to this. He agreed to come consider the request and come back to Minister Wilson at another bi-lateral.
- We welcome the clear guidance from the Irish Government that there would be no 'fire sale' of NAMA assets.
- Minister Noonan also stated that NI assets in NAMA (about 5% of total) seemed to be more marketable than southern assets.
- He highlighted the direct access to NAMA that is now available to elected representatives in both jurisdictions in order to obtain specific advice i.e. direct telephone access and e-mail addresses.
- We highlighted to the Irish Government the importance of safeguarding jobs in good strong companies that have been affected by bad property loans and investments.

Minister Wilson advised the Irish Government that he was aware of a number of large Equity Funds expressing interest in investing in NI companies and releasing them from NAMA – he asked if NAMA was embracing all these opportunities. There was no specific response to this.

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Institutional 27.4.12 Steering Brief

NAMA

- We welcome the fact that your Minister of Finance (Minister Noonan) appointed a Northern Ireland representative – Denis Rooney – to the new NAMA advisory panel.
- We recognise that NAMA has now moved to its asset management phase, but with significant assets in Northern Ireland NAMA is going to have a major impact here for some years to come.
- We will continue to monitor this situation closely and welcome the engagement that we have had in the past and the new liaison arrangements established for Northern Ireland's MLAs and MPs to contact the Agency.
- At the Plenary meeting in November last year Minister Noonan agreed to give further consideration to our request for a representative on the NAMA Board. We are still keen that Northern Ireland should have a full Board Member to represent our interests at that level. Has there been any further progress on

this? I understand that Minister Wilson intends to discuss this further with Minister Noonan on the sidelines of a future NSMC meeting.

Institutional 27.4.12 Assembly Statement Q&A

NAMA

- During the meeting we discussed how our interests could be better reflected in NAMA decision making.
- We welcomed the Irish Government's appointment of Denis Rooney to the NAMA advisory panel. We restated our concerns that in some cases the Advisory Panel is asked for advice after decisions have been taken.
- We again pressed for a full representative on the NAMA Board. Eamon Gilmore advised that this is still under consideration. We understand that Minister Noonan is to discuss this with Minister Wilson.
- He also reaffirmed his Government's previous commitment that there would not be a 'firesale' of our assets in NAMA.

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Plenary 15.6.12 Steering Brief

NAMA

- We recognise that NAMA will continue to have a significant impact here for some years to come given its significant Northern Ireland assets.
- I understand that Minister Wilson is to meet the NAMA Chairman for an update on operational issues on 18 June.
- I know that Minister Howlin has put in place some new structures to recognise that NAMA is now in its asset management phase.
- We welcome the appointment of a NI representative – Denis Rooney - to the new NAMA Advisory Panel. As I have said before, most recently at the NSMC Institutional meeting we are keen to have a representative on the full NAMA board.
- I am aware that when Minister Howlin wrote to Sammy Wilson advising that the two Northern Ireland representatives on the NAMA Board's Advisory Committee were to be reappointed. At that time, he also indicated that he considered that the interests of Northern Ireland were well represented in NAMA and that he did not feel that an appointment to the NAMA Board was necessary.
- We are very disappointed at this decision on the full Board Member. Some 5% of NAMA's assets are in Northern Ireland. The role of the Advisory Panel remains only advisory. We still feel it would be beneficial for there to be a dedicated NI representative on the actual NAMA Board who could represent our interests at that level and who could help give effect to the views of the NAMA Board's NI Advisory Panel.
- We would ask that this is reconsidered. Sammy Wilson, who unfortunately cannot be here today, will follow this up with Minister Howlin bilaterally.
- We understand NAMA has launched a pilot 80/20 Deferred Payment initiative. We would be keen to be kept up-to-date on how successful this initiative becomes.

Plenary 15.6.12 Assembly Statement Q&A

NAMA

- We had a useful discussion with the Irish Government on NAMA and the Taoiseach assured us that there would be no fire sale of Northern Ireland assets from within NAMA.
- We recognised that NAMA will have a significant impact right across the Island, North and South, for many years to come.
- We welcomed the appointment of a Northern representative – Denis Rooney – to the NAMA Advisory Panel.
- We noted, however, that Minister Howlin did not feel that a full Northern representative on the NAMA Board was necessary.
- We said that we are very disappointed with this decision and asked that the the Irish Government reconsider it since it would be very beneficial form our position to have a representative on the NAMA Board. Sammy Wilson will discuss this further with Minister Howlin.
- We also noted that NAMA had launched a pilot Deferred Payment initiative and we aksed to be kept up-to-date on this.

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Plenary 2.11.12 Steering Brief

NAMA

- We recognise that NAMA will continue to have a significant impact here for some years to come given its significant Northern Ireland assets.
- Minister Wilson met the NAMA Chairman for an update on operational issues on 18 June and our officials have received other updates from NAMA Executives. I think it is important that we maintain this level of contact.
- We welcome the lending that is being made available to NI debtors to develop projects in Northern Ireland - NAMA has approved lending of over £100million to Northern Ireland debtors of which £60 million is for GB based projects.
- We appreciate that NAMA has indicated they would welcome more viable propositions from both its Northern Ireland debtors and from prospective purchasers of commercial real estate where NAMA can make vendor finance available.
- The new NAMA structures for its asset management phase have now been in place for some time. Are you content that they are working well?
- As we've said previously, we welcome that Minister Noonan appointed a NI representative (Denis Rooney) to his NAMA Advisory Panel. However we remain disappointed that there is still no full NI exclusive Board Member who could help give effect to the views of the NAMA Board's NI Advisory Panel. The role of the Advisory Panel remains only advisory.

Plenary 2.11.12 Assembly Statement Q&A

NAMA

- We had a useful discussion with the Irish Government on NAMA.
- NAMA will continue to have a significant impact here for some years to come given its significant Northern Ireland assets and it is important that we ensure we are kept up to date with what is happening.
- We noted that Minister Wilson met the NAMA Chairman for an update on operational issues on 18 June and our officials have received other updates from NAMA Executives and we all agreed that it is important that we maintain this level of contact.
- We welcomed the lending that is being made available to NI debtors to develop projects in Northern Ireland - NAMA has approved lending of over £100million to Northern Ireland debtors of which £60 million is for GB based projects.
- We were advised that NAMA has indicated they would welcome more viable propositions from both its Northern Ireland debtors and from prospective purchasers of commercial real estate where NAMA can make vendor finance available.
- We also welcomed that Minister Noonan appointed a NI representative (Denis Rooney) to his NAMA Advisory Panel and we again pressed for a full representative on the NAMA Board.

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Institutional 29.4.13

NAMA

- We are aware that the work of NAMA has now moved to the asset management stage.

- As we have highlighted before NAMA has a considerable portfolio in Northern Ireland and we have welcomed previous assurances that any disposal of these assets would be handled carefully.
- I am also pleased that NAMA is examining the potential for extending its 80/20 Deferred Payment Initiative to Northern Ireland. This is another measure, along with the Executive's Co-ownership Scheme that is designed to provide homebuyers with the confidence and a route to buy their own home. Any steps in this regard which can boost activity in the local property market are clearly to be welcomed.
- We are concerned at the news that NAMA has recently placed the Ramada Hotel In Portrush into administration. Clearly this is a difficult time for all involved including the staff and those in the local business community with links to the hotel. However, it is his hope that the administrator will find a way to keep the business going and to protect the economic activity that is associated with the hotel.

Institutional 29.4.13 Steering Brief Q&A

NAMA

- The DFP Minister met the NAMA Chairman for an update on the Agency's activity in Northern Ireland on 22 April.
- We recognise that NAMA has had a difficult job to do in restoring liquidity, stability and confidence in the Irish financial sector. But it is an added factor in Northern Ireland that we need to deal with.
- The Finance Minister previously sought and received assurances that there would be no firesale of NI assets and Northern Irish businesses/individuals would be treated reasonably. It Appears NAMA and the Irish Government have kept their word on this and the fears we once had in this regard have not materialised.

- On the contrary, I believe NAMA is playing a positive role in Northern Ireland. For example, in making £100m of lending available to Northern Ireland debtors to develop assets. The vendor finance NAMA offers to potential buyers of commercial property in Northern Ireland is also welcome – this should help stimulate investment and create jobs.
- We also welcomed NAMA's announcement on 16 April 2013 that it was to provide funding of £9 million to build a new 95-unit housing development in Millmount, Dundonald. This is a prime example of the Agency taking a longer term measured view of asset management.
- I am also pleased that NAMA is examining the potential for extending its 80/20 Deferred Payment Initiative to Northern Ireland. This is another measure, along with the Executive's Co-ownership Scheme that is designed to provide homebuyers with the confidence and a route to buy their own home. Any steps in this regard which can boost activity in the local property market are clearly to be welcomed.
- NAMA have indicated that two-thirds of their debtors have viable proposals. This is welcome and more than expected.
- We were concerned at the news that NAMA have recently placed the Ramada Hotel in Portrush into administration. Clearly this is a difficult time for all involved including the staff and those in the local business community with links to the hotel. However, it is his hope that the administrator will find a way to keep the business going and to protect the economic activity that is associated with the hotel.

Institutional 29.4.13 Assembly Statement Q&A

NAMA

- We had a useful discussion on NAMA at yesterday's meeting.

- We recognise that NAMA has had a difficult job to do in restoring liquidity, stability and confidence in the Irish financial sector. But it is an added factor in Northern Ireland that we need to deal with.
- The Finance Minister previously sought and received assurances that there would be no firesale of NI assets and Northern Irish businesses/individuals would be treated reasonably. It appears NAMA and the Irish Government have kept their word on this and the fears we once had in this regard have not materialised.
- On the contrary, I believe NAMA is playing a positive role in Northern Ireland. For example, in making £100m of lending available to Northern Ireland debtors to develop assets. The vendor finance NAMA offers to potential buyers of commercial property in Northern Ireland is also welcome – this should help stimulate investment and create jobs.
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- keep the business going and to protect the economic activity that is associated with the hotel.

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Plenary 5.7.13 Steering Brief

NAMA

- We recognise that NAMA will continue to have a significant impact for us in the years ahead, given its significant Northern Ireland assets.

- We are pleased with the approach that NAMA has taken to date and believe that NAMA is playing a very positive role in Northern Ireland.
- We are particularly pleased that the Agency's various schemes and initiatives – such as vendor finance and that the lending for debtors to develop assets – are available in Northern Ireland and we welcome the fact that NAMA is also examining how the 80:20 Deferred Payment Initiative might be extended to Northern Ireland.
- NAMAs recent announcement that it will release funding to enable the completion of 'Lanyon Plaza' and the 'Soloist Building' is particularly welcome. These buildings occupy prime locations in Belfast and it is in everyone's interest that they are completed and put to use.

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Plenary 8.11.13 Steering brief

NAMA

- We have talked about the role of NAMA several times at these meetings. We are pleased with the approach that NAMA has taken to date in Northern Ireland and I think the engagement arrangements in place between the Finance Minister and the NAMA Chairman are particularly useful.
- We would see the priority now as sensible management of the assets and that they are released at a suitable time without having a negative impact on the market which is beginning to show the first signs of recovery.
- I welcome NAMA's positive role in Northern Ireland in terms of making lending available to Northern Ireland debtors to develop assets.
- The vendor finance NAMA offers to potential commercial property buyers in Northern Ireland is also welcome. This should help stimulate investment and create jobs. I know that Minister Foster through Invest NI is helping to promote this.

- The Finance Minister is also pleased that NAMA is examining the potential for extending its 80/20 Deferred Payment Initiative to Northern Ireland. This is another measure, along with the Executive's Co-ownership Scheme that is designed to provide homebuyers with the confidence and a route to buy their own home. Any steps in this regard which can boost activity in the local property market are clearly to be welcomed.

Plenary 8.11.13 Steering brief Q&A

NAMA

- The Finance Minister met with the NAMA Chairman and his colleagues in early October as part of their normal engagement arrangements.
- It is vital that NAMA assets are managed appropriately. Previous assurances were sought and received that there would be no firesale of Northern Ireland assets and Northern Ireland businesses/individuals would be treated reasonably.
- The priority now is sensible management of the assets and that we ensure that they are released at a suitable time without having a negative impact on the market that is beginning to show some first signs of recovery here.
- The Agency's 2012 annual report [30 May 2013] indicated that NAMA had approved £86.6m in asset sales in NI from inception to end March 2013.
- We do recognise NAMA's positive role in Northern Ireland in terms of making £123m (to end March 2013) of lending available to Northern Ireland debtors to develop assets.
- The vendor finance NAMA offers to potential commercial property buyers in Northern Ireland is also welcome. This should help stimulate investment and create jobs.

- The Finance Minister is also pleased that NAMA is examining the potential for extending its 80/20 Deferred Payment Initiative to Northern Ireland. This is another measure, along with the Executive's Co-ownership Scheme that is designed to provide homebuyers with the confidence and a route to buy their own home. Any steps in this regard which can boost activity in the local property market are clearly to be welcomed.
- NAMA is not the only big player in the property market locally, the banks also have a key role in this regard.

Plenary 8.11.13 Assembly Statement Q&A

NAMA

- We had a useful discussion on NAMA and its role in supporting the economic recovery across the island.
- The Finance Minister met with the NAMA Chairman and his colleagues in early October as part of their normal engagement arrangements.
- It is vital that NAMA assets are managed appropriately. Previous assurances were sought and received that there would be no firesale of Northern Ireland assets and Northern Ireland businesses/individuals would be treated reasonably.
- The priority now is sensible management of the assets and that we ensure that they are released at a suitable time without having a negative impact on the market that is beginning to show some first signs of recovery here.
- The Agency's 2012 annual report indicated that NAMA had approved £86.6m in asset sales in NI from inception to end March 2013.

- We do recognise NAMA's positive role in Northern Ireland in terms of making £123m of lending available to Northern Ireland debtors to develop assets.
- The vendor finance NAMA offers to potential commercial property buyers in Northern Ireland is also welcome. This should help stimulate investment and create jobs.
- We are also pleased that NAMA is examining the potential for extending its 80/20 Deferred Payment Initiative to Northern Ireland. This is another measure, along with the Executive's Co-ownership Scheme that is designed to provide homebuyers with the confidence and a route to buy their own home. Any steps in this regard which can boost activity in the local property market are clearly to be welcomed.
- It is also important to remember that NAMA is not the only big player in the property market locally, the banks also have a key role in this regard.

Institutional 10.1.14 Steering Brief

NAMA

- We welcome the ongoing engagement between the Finance Minister and the NAMA Chairman and his colleagues. It is important that NAMA continues to play a positive role in how it attempts to manage assets.
- The priority now is sensible management of the assets and that we ensure that they are released at a suitable time without having a negative impact on the market.
- Some of the initiatives by NAMA to make lending available to develop assets have been positive. In particular the vendor finance offered to commercial

property buyers in Northern Ireland should help take viable assets out of NAMA more quickly which will stimulate investment and create jobs.

- Looking forward, if the economy continues to recover hopefully NAMA will cease to exist in a few years.

Institutional 10.1.14 Assembly Statement Q&A

NAMA

- We welcome the ongoing engagement between the Finance Minister and the NAMA Chairman and his colleagues. It is important that NAMA continues to play a positive role in how it attempts to manage assets.
- The priority now is sensible management of the assets and that we ensure that they are released at a suitable time without having a negative impact on the market.
- Some of the initiatives by NAMA to make lending available to develop assets have been positive. In particular the vendor finance offered to commercial property buyers here should help take viable assets out of NAMA more quickly which will stimulate investment and create jobs.
- Looking forward, if the economy continues to recover hopefully NAMA will cease to exist in a few years.

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Plenary 5 July 2014 Steering Brief (CANCELLED MEETING)

NAMA

- We have talked about the role of NAMA several times at these meetings.
- Thankfully our property market and wider economy are now recovering and we believe the sale of NAMA's NI portfolio to Cerberus is both a timely and positive development. Cerberus is an investor with global experience of improving the assets it acquires and also has the ability to invest in those assets. We feel the prospect of utilising the assets in the NI portfolio to help grow our economy is greatly enhanced.
- I have already spoken to former United States Vice President Dan Quayle of Cerberus Capital Management, who has offered to send a team to Belfast to discuss the way forward and we look forward to these discussions.

Plenary 3.10.14 Steering Brief

NAMA

- We have talked about the role of NAMA several times at these meetings.
- Thankfully our property market and wider economy are now recovering and we believe the sale of NAMA's NI portfolio to Cerberus is both a timely and positive development. Cerberus is an investor with global experience of improving the assets it acquires and also has the ability to invest in those assets. We feel the prospect of utilising the assets in the NI portfolio to help grow our economy is greatly enhanced.

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Plenary 5.12.14 Steering Brief

Nothing

Institutional 25.2.15

Nothing

Plenary 5.6.15

Nothing

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DATE: 10 AUGUST 2009

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**TO: PS/FIRST MINISTER
PS/DEPUTY FIRST MINISTER**

NATIONAL ASSET MANAGEMENT AGENCY (NAMA)

Objective: To provide advice and draft reply.

Issue: The Irish Minister for Finance, Mr Brian Lenihan, TD published the draft text of proposed legislation for the National Asset Management Agency (NAMA) on Thursday 30 July 2009. The deputy First Minister requested an assessment of the proposals.

Timescale: Immediate.

Press Office Advice: This issue has already attracted significant media interest in the wake of the recent NSMC plenary meeting at Farnleigh.

FOI Implications: The contents of this submission are likely to be fully disclosable.

Financial Implications: None.

Legislative Implications: None.

Executive Referral: None.

Recommendation: Ministers are asked to note the attached paper on the NAMA.

A. BACKGROUND

1. The Minister for Finance, Mr Brian Lenihan, TD published the draft text of proposed legislation for the National Asset Management Agency (NAMA) on Thursday 30 July 2009. NAMA is being established on a statutory basis to deal with the negative impact on the Irish economy resulting from deficiencies in the asset quality in the Irish banking system (namely bad land, property development loans). The deputy First Minister requested an assessment of the proposals. The attached paper (see Annex A) sets out main issues in detail.
2. A summary of some of the key issues and a discussion of the implications is below.

B. KEY ISSUES

Working across Jurisdictions

3. NAMA will be working across jurisdictions as the total amount of bad loan capital does not just relate to the Republic of Ireland (although the bulk of the lending is in the Republic). It is believed that a sizeable slice of between €25-30 billion of the €80 billion of the loans is secured against projects in Britain, mainly round London. A smaller fraction thought to be between €5-6 billion is loaned out to development projects across the Belfast Region (Source: Irish News Special Supplement).
4. To give some indication, bad loan capital looks to be around a fifth of NI's total Gross Value Added (GVA) in 2007 compared to just over a tenth of London's (It is only 2.5% of the GVA of England in total). While a smaller loan portfolio rests with NI, the impact on the local economy may be a lot greater.
5. By comparison, the bad loan portfolio located in the Republic (assuming the remainder rests there) looks to be around one quarter of Irish GDP so the extent of the potential adverse impact locally looks almost to be on a par with the extent of the problem in the Republic.

Limitation of Power to Grant Injunctive Relief

6. The main vehicle for enforcing NAMA's legal powers is through the Irish High Court. Where injunctive relief is sought on an interim or interlocutory basis to prevent NAMA or any other party from taking any action, the High Court shall have regard to the public interest in determining whether to grant relief. Unless the Court is satisfied that not granting injunctive relief would give rise to an injustice, the Court shall not grant such relief where a remedy in damages would be available.
7. In short, any injunction sought by a borrower/developer to stop NAMA therefore will be granted only where the Court is of the opinion that an injustice would be viewed to occur (probably most unlikely). NAMA therefore appears to have quite substantial and wide ranging legal powers.

Receivers / Vesting Orders

8. These wide ranging legal powers also extend to give NAMA the ability to pursue bad loans aggressively if it wishes and to seize property and assets from developers. NAMA will be empowered to appoint a statutory receiver to enforce the security on a property. According to the legislation, these receivers will have the powers, rights and obligations of receivers appointed under the Companies Act to enforce the security on a property (ie pursue all collateral on loans).
9. NAMA will also be empowered to apply to the Irish High Court for special vesting orders under which it would acquire legal title to a property. Where the High Court makes such a vesting order, it will also make an order for possession of the land concerned in favour of NAMA.
10. The vesting powers allow the agency to pursue any asset of a developer who is showing no sign of co-operating with its work. In respect of principal private residences, if they are part of a security over a loan that is not being re-paid, these can be transferred to NAMA under other sections of the legislation. The Minister for Finance has also said "bank shares and

racehorses" could also be targeted where private assets have been used as security (e.g. under private loan guarantees).

Compulsory Purchase

11. NAMA will also be empowered to apply to acquire compulsorily land that is considered necessary because the sale or the development of the land it acquires through its ordinary work would be "materially impeded" if the land concerned was not acquired.

NAMA Discount

12. NAMA will pay for the bad loans at a discounted price. At present the discounted valuation on the property loans to be taken over by the NAMA will not be announced until 16 September, when the Dáil begins debating the Bill to establish the agency. The bill has been criticised by the opposition for the lack of detail in the bill for the State to take over land and bad property loans from the banks.

C. IMPLICATIONS

13. The cross jurisdictional implications are significant. It appears unclear how this would work in practice with legal action occurring through the Irish High Court on parties resident in NI and in GB. The question as to how (or the extent to which) these powers can operate and are enforced across jurisdictions is a legal issue which the Economic Policy Unit is not in a position to answer.
14. However the reports on the draft NAMA legislation all highlight that presently the proposals are silent on how to deal with developers. The key missing element is the discount to be applied to bad loans, and the absence of more definitive statements on the length of time NAMA will operate.
15. On the discount, the Irish Government appears to be walking a sort of tightrope between not offering too high a discount thereby damaging the

liquidity of the Irish Banking system and not offering too low a discount with Irish tax payers paying for the losses which result.

16. From the viewpoint of local developers, the size of the discount looks key in determining how fast and hard NAMA pursues bad loans in NI (and elsewhere). Too low a discount may mean that NAMA will aggressively pursue local assets to minimise the loss to taxpayers. A higher discount would mean that the breakeven may occur with less recourse to local assets. We will not know until September.

17. The lifespan of NAMA looks to be at least 5 years (period of first review of operations). From the local business point of view the longer the life of the agency the more advantageous in terms of the property based assets and collateral of borrowers which should gain more as the market recovers over a longer time frame.

18. In summary a long life and large discount look to be more advantageous for local property developers.

D. RECOMMENDATION

19. Ministers are asked to note the advice and implications above and attached paper on the NAMA (see Annex A).

[SIGNED]

BOBBY CLULOW

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NATIONAL ASSET MANAGEMENT AGENCY (NAMA)

Introduction

The Minister for Finance, Mr Brian Lenihan, TD, published the draft text of proposed legislation for the National Asset Management Agency (NAMA) on Thursday 30 July. NAMA is being established on a statutory basis to deal with the negative impact on the economy resulting from deficiencies in the asset quality in the banking system

Minister Lenihan stated:

"The Irish financial system has been greatly challenged by the very significant downturn in the global and domestic economy, by events in the international financial markets, and by the excessive lending during the property boom here. These issues are so serious that they require concerted, determined and ambitious action by the Government to ensure the protection of our economy and the welfare of our people. We must address the health and stability of our banking system – to ensure that the credit required by the economy is provided and that people's savings are protected."

The legislation runs to 136 pages and 200 sections, and is thought to be one of the most complex legal documents ever produced by the Irish Government. The scale of the task is very significant, NAMA should hold more assets (around €90 billion book value) than any publicly quoted property company in the world, on a larger scale than large financial institutions such as GE Capital Real Estate and Morgan Stanley Real Estate, which own assets of \$85 billion (€60 billion) and \$70 billion (€48 billion) respectively (Source Irish Times).

Purpose of the Act

The purpose of the Act is to address the serious threat to the economy and to the stability of credit institutions in the Republic of Ireland and the need to maintain and stabilise the financial system. The Act addresses numerous compelling needs of the Republic of Ireland including the need to:

- (i) resolve the financial crisis and achieve a recovery in the economy;
- (ii) protect the Irish Government's interest in respect of the deposit guarantees issued under the Credit Institutions (Financial Support) Act 2008;
- (iii) protect the interests of Irish taxpayers;
- (iv) facilitate restructuring of credit institutions of systemic importance to the economy;
- (v) remove uncertainty about the valuation and location of certain assets of credit institutions of systemic importance to the economy;
- (vi) restore confidence in the banking sector;
- (vii) facilitate the availability of credit in the financial markets of the Republic of Ireland; and
- (viii) resolve in an expeditious and efficient manner the problems created by the financial crisis.

The draft legislation fails to outline the expected lifespan of the agency; however, the proposals do say that there will be a review of the operation on NAMA in five years time. As regards unwinding of the asset position, Irish officials have been reported as saying it may take ten years as values will not recover until life returns to the market.

Functions of NAMA

In order to achieve its purposes, NAMA shall perform the following functions:

- (a) acquire eligible bank assets from participating institutions;
- (b) hold, manage and realise assets (including the collection of interest, principal and capital due, the taking or taking over of collateral where necessary and the provision of funds where appropriate);
- (c) perform such other functions, related to the management or realisation of bank assets that it has acquired, as are directed by the Minister;
- (d) take all steps necessary or expedient to protect, enhance or realise the value of bank assets that it has acquired, including—
 - (i) the disposition of loans or portfolios of loans to the market for the best achievable price,

- (ii) the securitisation or refinancing of portfolios of loans thereby refinancing all or parts of the acquired portfolio and redeeming some or all of the Government securities or Government guaranteed securities, and
- (iii) holding, realising and disposing of security;
- (e) repay any sums that it borrows;
- (f) perform such other activities as are required by or under this Act.

NAMA may elect to replace a participating bank or building society in proceedings taken in respect of assets that transfer to NAMA which were initiated before July 30. Any legal actions taken after that date NAMA would be liable only to pay any compensation in monetary terms.

Working of NAMA

There are a number of steps involved in the working of NAMA.

Step 1

NAMA will buy loans from the participating banks at a significant discount – these loans will be from the riskiest part of the bank portfolios, the land and development loans, as well as certain associated loans.

This will take these riskier loan classes away from the balance sheets of the banks concerned and make the banks safer and more secure for depositors and investors.

Step 2

NAMA will pay the banks concerned for these loans. It will do so on the basis of valuations carried out by experts and in accordance with pre-defined valuation methodology. The banks' book value of the loans will not be a factor and the banks will have to recognise a loss on their books at the time of the transfer for the difference between the book value and the amount paid by NAMA.

The payment for the loans will be in the form of Government securities and/or guaranteed securities, (further information on the principles of the valuation methodology are set out below). The Minister of Finance will be making

detailed regulations based on these principles. The valuation methodology along with all other State aid aspects of the NAMA Initiative will be subject to approval of the EU commission.

This method of payment will ease pressures on the banks arising from the tighter liquidity conditions that have prevailed for the past year or so, giving banks access to cash or near-cash assets in place of the much less liquid property loan assets they had before. It is hoped this will make for more stable and secure financial institutions, better able to lend and support the Republic of Ireland's economy.

Step 3

NAMA will manage these loans, either directly or indirectly, so as to obtain the best achievable return from them. In the meanwhile, it will collect interest due and pursue debts so as to ensure its own income stream and to recoup the Government investment over time.

NAMA in effect puts itself in the place of the bank that originated the loan, and will have all the same rights to pursue debts, where necessary. The rights of borrowers who continue to meet their contractual obligations are fully protected.

What NAMA will look like

It is intended that NAMA will be a separate body with its own Board appointed by the Irish Minister for Finance, with staffing resources and management services provided by the National Treasury Management Agency (NTMA). It will have all necessary commercial powers of a financial asset management company to establish subsidiaries, to operate through agents, to buy and sell assets, to manage loans and work with borrowers, and to take full and determined action in relation to debts owed.

NAMA itself will maintain a streamlined organisational structure and will outsource work as appropriate. However, it will have complete control of the assets and will make all the major decisions in regard to them.

Assets to be transferred

It is estimated that the level of assets which will have to transfer is potentially in the range of €80bn to €90bn in assets (based on current book value, but to be transferred at an appropriate discount) - indicated in the Republic of Ireland Supplementary Budget in April.

The draft proposals for legislation published in July, primarily outline the mechanics of how NAMA will operate. The toxic assets will be valued, loan by loan, through an assessment of when the loan was made and the percentage of the property's value represented by the loan. NAMA will then consider the assets current value based on the value of the property backing the loan.

The Minister for Finance will be in a position to announce what the overall figure to be paid will be when the Bill comes before the Dáil on September 16.

Eligible Loan Assets

Eligible assets for transfer to NAMA will include the land and development books and associated loans. Associated loans will be those loans which are not in the land and development category but which are held by individuals/companies that also have land and development exposures or the borrower may be a systemic risk to the financial system. Associated loans will take account of cross collateralisation and other associated loan exposures of borrowers.

Minister Lenihan said that of the loans being transferred, assets with a book value of €30 billion related to "pure land", €30 billion were backing work-in-progress projects (which could be everything from where just the foundations have been laid, to developments that are almost complete); and the remaining €30 billion relates to loans that were secured on commercial investments provided as collateral for the development of loans. More than half of all loans being acquired by NAMA are performing, this means they are generating some interest payments, the remainder are "bad".

NAMA Interim chief Brendan Mc Donagh stated that the income stream from loan assets transferred into the new agency will be sufficient to meet interest payments on bonds issued to participating banks and building societies to buy their loan assets.

The first assets to be transferred to NAMA will include the most toxic as they will relate to the top 50 biggest developers whose loans currently have an estimated book value of €30 billion. These borrowers are the most exposed.

Valuation

Valuations by NAMA will be consistent with EU Commission guidelines and will be based on the current market value of the underlying collateral, adjusted to reflect a longer term economic value which the underlying asset could reasonably be expected to attain.

The Minister for Finance may make regulations providing for adjustment factors to be taken into account in determining the long-term economic value of a bank assets and the property comprised in the security for a credit facility that is a bank asset.

The toxic assets will be valued loan by loan through an assessment of when the loan was made and the percentage of the property's value represented by the loan. Some of the assets will be valued at their current market value or over this value at a long term economic value. This will be based on factors such as demographics, demand and supply and future economic growth. Some of the land backing loans will increase over time because there is no current market for certain property and these will be valued on a long term economic basis. Presumably the discount would be offered on a loan by loan basis but it is not clear currently how this would work or whether a more aggregated average discount would apply to classes or the aggregate of loans. More detail may be published in September.

This is essentially a hope value and follows EU guidelines on the valuation of toxic assets, giving the Irish Government flexibility. This also avoids assigning a depressed firesale price, which could lead to heavy capital injections into the banks to make up the shortfall caused by severe losses on loans.

Detailed regulations on how the long term economic value is to be calculated are being drawn up by the Minister and will be published in September.

The discount that banks will pay the taxpayer for taking over their impaired assets is a tough decision. If the discount is too big, the banks will need to come to the government for more taxpayer's cash to fill the accounting black holes. However, if the discount is too small the Irish taxpayer may lose out and private investors will gain when the banks recover in future years. The discount has not yet been agreed, however it has been reported that there is growing evidence that when it is agreed it may be much larger than the 20 per cent average many analysts assumed. (Source: Irish News Special Supplement)

The full impact on the capital of the banks will not be known until June 2010 when 10,000 loans have been valued individually and moved across to NAMA according to the interim managing director, Brendan McDonagh.

Institutions may seek an opportunity to review the price paid, and any review will be carried out by a valuation panel which will report to the Minister. But NAMA will not be required to take any asset and if appropriate it can refuse to take assets.

Working across Jurisdictions

NAMA will be working across jurisdictions as the total amount of loan capital is not just in the Republic of Ireland (although the bulk of the lending is in the Republic). It is believed that a sizeable slice of between €25-30 billion of the €80 billion of the loans is secured against projects in Britain, mainly round London. A small fraction thought to be between €5-6 billion is loaned out to development projects across the Belfast Region (Source: Irish News Special

Supplement). Even so the impact locally may be greater as "bad" loan value is equivalent to around a fifth of Northern Ireland's total Gross Value Added (GVA) in 2007 compared to just over a tenth of London's.

Limitation of Power to Grant Injunctive Relief

Where injunctive relief is sought on an interim or interlocutory basis to prevent NAMA or any other party from taking any action, the High Court shall have regard to the public interest in determining whether to grant relief. Unless the Court is satisfied that not granting injunctive relief would give rise to an injustice, the Court shall not grant such relief where a remedy in damages would be available.

The legislation also restricts the right of appeal to the Supreme Court over a High Court determination on an application for leave to appeal for judicial review.

Receivers / Vesting Orders

NAMA will be empowered to appoint a statutory receiver to enforce the security on a property. According to the legislation, these receivers will have the powers, rights and obligations of receivers appointed under the Companies Act. Receivers would not be displaced by the appointment of a liquidator or an examiner to a company whose assets or part of them is under their control.

NAMA will also be empowered to apply to the High Court for special vesting orders under which it would acquire legal title to a property. Where the High Court makes such a vesting order, it will also make an order for possession of the land concerned in favour of NAMA.

The vesting powers allow the agency to pursue any asset of a developer who is showing no sign of co-operating with its work. An exception would be a family home, where the home has not previously been detailed as security for a loan which has come under NAMA's auspices.

However, in respect of principal private residences, if they are part of a security over a loan that is not being re-paid, these can be transferred to NAMA under other sections of the legislation. The Minister for Finance has also said "bank shares and racehorses" could also be targeted.

NAMA can also limit a landowner's right over their property in certain circumstances. Under the provision, a landowner who has assets under NAMA and other assets which do not, cannot dispose of the unaffected assets without telling NAMA if this would affect the value of the NAMA land.

The vesting order will not allow the debtor to walk away from the loan, the debt will remain due but in the meantime NAMA will be able to develop the property in question to enhance the return to the tax payer, thereby avoiding a fire-sale.

Compulsory Purchase

NAMA will also be empowered to apply to acquire compulsorily land that is considered necessary because the sale or the development of the land it acquires through its ordinary work would be "materially impeded" if the land concerned was not acquired. It will also be open to NAMA to apply for a compulsory purchase order if, in its opinion, the acquisition of the land or relevant right is necessary to achieve the scale and type of development that is most advantageous to the land it acquires from banks. If the High Court is satisfied that there would be a serious risk of injustice, the order will not be made.

Tax Liabilities

The Minister for Finance raised the prospect that banks and building societies participating in NAMA will not be able to set off their loan losses against their tax bills. The issue of the set-off of tax by the banks against the losses will be addressed by the Minister in the publication of the NAMA Bill in September. Each of the institutions participating in NAMA is likely in the next year to incur large loan losses as a result of their involvement in the project. Therefore existing legal provisions allowing for the set-off of such losses against their tax liabilities has the potential to significantly curtail the exposure to tax on the

future profits made by banks and building societies that participate in NAMA. The Finance Minister is making a clear signal that Government does not want any institution to benefit from its participation by minimising its tax exposure whenever profits return. (Source Irish Times, 31 July)

Broader Implications for the Banking Sector

The Minister for Finance noted that it is clear that an intervention of this scale in the banking market is bound to have considerable implications both for the institutions individually and for the broader structure of the banking system. The Minister stated that these implications are being considered and may, include implications for capital requirements. These matters will form part of the broader context in which the NAMA legislation will be discussed and debated in September.

Principal features of the draft Bill

The principal features of the draft Bill include:

- NAMA will buy the appropriate assets of the participating institutions. The price will not be the book value of the loans but will include an appropriate write down which the participating institutions will have to reflect in their books.
- NAMA will purchase the assets through the issue to the banks of Government securities and/or guaranteed securities issued by NAMA. The replacing of property related loans with Government bonds will strengthen the balance sheets of the banks and this will increase their capacity to access liquidity in the financial markets and, if necessary, through Euro system liquidity operations.
- The methodology recognises that the current market for property backed loans and the underlying assets are very illiquid and will not require the banks to accept 'fire-sale' values. But nor will it be guided in its pricing by the property prices and expectations regarding property prices that underpinned the original lending decision. It will aim to set a reasonable price having regard to a longer term perspective on the

property market. The valuation methodology and indeed the scheme as a whole will require EU State Aid approval.

- NAMA will set the price it is prepared to pay for assets.
- In acquiring loans, NAMA will have all necessary powers to carry out full due diligence and acquire all necessary information.
- Participating Institutions are obliged to act in good faith and comply with appropriate directions from NAMA.
- NAMA will have all the powers necessary to purchase, hold, and dispose of assets and if necessary complete developments with a view to achieving an optimum return to the State.
- NAMA will be accountable to the Oireachtas in the usual manner. The agency will report to the Minister for Finance and reports will be laid before the Oireachtas. NAMA accounts will be subject to audit by the Irish Comptroller and Auditor General.
- Various legislative exemptions and variances have been provided to enable NAMA to complete its work as efficiently as possible.
- To deal with the danger that persons might seek to impede NAMA's operations in particular ways NAMA has been provided with very limited powers to obtain property or interests compulsorily.
- Where litigation arises in respect of NAMA's operations, provisions have been made to ensure this does not unduly obstruct NAMA's efficient operations and such litigation proceeds without delay.
- NAMA will be provided with powers necessary to enforce the security on loans, including the appointment of statutory receivers and to be vested with ownership of the underlying asset where appropriate.
- The issue of the set off of tax by the banks against losses and details on the discount on bad loans (also how this will operate) will be addressed by the Irish Minister for Finance in the publication of the Bill in September.

Next Steps

The legislation will be brought to the Oireachtas in September with a view to ensuring a proper debate and an expeditious passage of the legislation. In

the interim, close collaboration should continue between the Irish Government with the European Commission in relation to State Aid approval. Consultations will also be undertaken with the European Central Bank.

At a practical level, preparations will continue in relation to preparing the organisational and legal structure of NAMA, and ensuring that all the necessary steps are taken for the commencement of asset transfers later this year. It is intended that assets will transfer in tranches, starting with the loans of the largest borrowers.

3

McCusker, Bernie

From: McCusker, Bernie [Bernie.McCusker@ofmdfmni.gov.uk]
Sent: 05 October 2015 14:40
Subject: FW: NAMA, GMU, 16.9.09

From: Muldoon, Marie
Sent: 16 September 2009 15:24
To: Tierney, Seamus
Subject: NAMA, GMU, 16.9.09

Seamus,

A pologies for the delay, please find below the transcript from GMU this morninh re NAMA.

Regards,

Marie Muldoon

OFMDFM Press Office
ED.12 Stormont Castle
Stormont
Belfast BT4 3TT

Tel: 028 9037 8201
Fax: 028 9037 8225

Programme	GMU
Date & Time	16.9.09 (7.35)
Subject	NAMA
Prepared By	Typist: Donna Morris MMU GI/PC

KAREN PATTERSON

A piece of legislation is going through the Dail that could affect the value of homes here in Northern Ireland. The Bill is setting up an agency called NAMA the National Assets Management Agency funded by the Irish taxpayer, it will buy up to 90 billion Euro worth of good and bad loans from the Republic's banks and then release those assets back into the marketplace when the property market starts to improve.

MARK CARRUTHERS

As Shane Harrison now reports NAMA will also be responsible for up to £5bn of assets here. Executive ministers have been lobbying the Republic's government against a fire sale because of the implications for property prices here.

SHANE HARRISON

The sounds of cars driving past an unfinished housing estate protected by fencing just outside Dundalk, a symbol to many of the sudden death of the Celtic Tiger. Property was at the heart of the Republic's economic boom and now it is bust. Banks lent huge amounts to developers but their assets, their houses and lands have now lost value and the banks are in trouble, lending less and less money. So business is suffering. Simon Carswell, the financial correspondent of the Irish Times, says the hope now is that NAMA will encourage the banks to resume lending.

SIMON CARSWELL

Under NAMA the government will buy loans with the book value of about 90 billion on the books for the banks and those loans will be bought at a discount and some of those loans would have been provided for unfinished housing estates for large commercial properties. What NAMA will do over a period between seven and ten years is it will sit on all those assets, manage them, develop the uncompleted houses and sell them over a period of time so that it can recoup its money.

SHANE HARRISON

Dublin street theatre that suggest NAMA is a taxpayers bailout to the banks and the property developers that could saddle future Irish generations with long-term debt. Not so says the government. The property developers are the big losers and the banks will have to share the financial risk. It is estimated that NAMA may end up controlling up to £5bn worth of property in Northern Ireland, something that could have huge implications for the price of homes and development land. How NAMA handles that portfolio worries both DUP and Sinn Fein ministers who both want a say in how the agency deals with its toxic asset problem north of the border. Gerry Kelly and Sammy Wilson have both been in Dublin recently for a meeting with the Irish Finance Minister Brian Lenihan.

SAMMY WILSON

There are going to be implications for property and property prices in Northern Ireland. How it is handled of course will have an impact as well and if there is an attempt to realise some of those assets and the money from them very quickly so flooding the market then of course it could have dramatic short term effects on the market and that is something which I am sure the Finance Minister here will want to avoid.

GERRY KELLY

Everyone should be worried but we are in government, we are competent in trying to deal with this, it takes an all island approach, that is what the North/South Ministerial Council is all about. Sinn Fein pushed for the Finance Ministers to meet. I am glad that they have met so watch this space. But it needs an all island approach to this, if ever there was an argument for it then the situation we are in at the moment argues that most forcefully.

SHANE HARRISON

A fire sale of Northern Ireland property is unlikely. It wouldn't make commercial sense. Equally unlikely is Dublin allowing Belfast to have a direct input into NAMA's decisions. But that is not to say the Republic's authorities won't be mindful of concerns north of the border.

MARK CARRUTHERS

Listening to that Sinn Fein's Economy spokesperson Mitchel McLaughlin who has submitted an Assembly motion calling for an all Ireland economic summit to find alternatives to NAMA. Is it your view first of all then that NAMA in itself is frankly not enough?

MITCHEL MCLAUGHLIN

Well my party are very, very critical of NAMA, we think it is straightforwardly a bail out for the banks and the taxpayer will pick up that bill and that is a situation that applies to the banks, it wouldn't apply to you or I, let me say if we found ourselves in similar difficulty. Our motion will actually address, not the question of what legislation is passed in Dublin because the Assembly has no power or authority over that, but on the assumption that the government will succeed eventually in getting this legislation through then we want, through the North/South Ministerial Council an all Ireland approach so that we minimise the negative impact on the economy here in the North.

MARK CARRUTHERS

You have already got that, ironically you have got a DUP Finance Minister up at Stormont in Sammy Wilson saying look I have actually had very useful conversations already with the Finance Minister in the South, Brian Lenihan and I am quite content with the approach that we have agreed on at this stage. Why do you want more?

MITCHEL MCLAUGHLIN

I would be surprised if Sammy Wilson is in a position to say that he is quite content. I think that there is.....

MARK CARRUTHERS

Well he is not jumping up and down about it that is for sure.

MITCHEL MCLAUGHLIN

Well perhaps it is a bit ironic that Sammy has to engage himself in an all Ireland approach to this issue and I can understand perhaps the reticence that he has about broadcasting that. But the reality is that he is dealing with a Finance Minister whose view of the patriotic duty of shoppers in the 26 counties is that they shouldn't travel up North to use the shopping facilities here. So I think that we do have to have a joined up approach and it has to be formal. It has to be one that is based on agreement that there will be no collateral damage because there is quite significant damage done already to the northern economy. The Irish Government is obviously responding to the fact that their projected revenues have fallen through the floor. They are going to go for a fire sale. It is quite evident that these assets are going to be sold off at a discounted value to achieve some flow of revenue for

MARK CARRUTHERS

There is no indication that that is going to happen in Northern Ireland. You need to be very careful here don't you that it doesn't look like you are just scoring cheap political points? You have had a pop there at Brian Lenihan and at Sammy Wilson, both of whom say they are actually getting on with the matter quite successfully and they are going to keep it under review and the way to deal with it is through the mechanism that exists for the North/South Ministerial arrangement.

MITCHEL MCLAUGHLIN

I have criticised Brian Lenihan and I think quite justifiably. I have actually praised and recognised that Sammy Wilson has been active on this issue. I am seeking to strengthen muscle to the agreements that appear to have been given the private assurance that appear to have been given Brian Lenaghan. I am pointing to the record of the southern government in these circumstances and I do believe that this is ill-thought out legislation and I think they have not in terms of approaching this issue they have not considered the possible implications. So Martin McGuinness first drew attention to it at a North South Ministerial meeting and Sammy Wilson has followed through on that and I believe in fact it is my view that it needs all of the MLAs to get in behind the argument that whatever responses the Irish Government come up with and we wish to see the economy recovering on the island but we want to see an island wide approach of this issue.

MARK CARRUTHERS

Ironically you have got more confidence in a DUP Finance Minister from the North than you do in a Fianna Fail Finance Minister from the South, is that right?

MITCHEL MCLAUGHLIN

I believe that the track record of the Irish Government on the economy and on their response to the economic downturn has been partitionist and we have pointed that out, we have criticised that. I believe that NAMA, there is the old adage about the emergency legislation. This is ill thought out legislation and the taxpayer in the 26 counties will be paying for these mistakes for a long time to come. The collateral damage that this could do to our economy is in fact a common cause across all the parties in my view and I would hope that we would all join together and this isn't point scoring, it is a matter of all of the parties in a commonsense basis agreeing that we have common reasons why we should work together to attempt to protect the economy which is very vulnerable and very weak and we are attempting to rebuild that in the most difficult circumstances.

MARK CARRUTHERS

The total amount of money there that was mentioned in Shane Harrison's report was something like 90 billion Euro but the amount in Northern Ireland is something like £5bn worth of assets. Do you agree that there is unlikely to be a fire sale by NAMA under the circumstances that really doesn't make an awful lot of sense. It has got a huge problem on its own doorstep, dealing with Northern Ireland has got to be fairly low priority in actual fact?

MITCHEL MCLAUGHLIN

That in fact might be the source of the problems that could emerge that the economy in the North is of such a low priority in Dublin. But £5bn of assets, particularly if there was a fire sale then that type of property holding or land banks landing on the market would just kind of drive the market through the floor.....

MARK CARRUTHERS

Do you think it would actually happen because we heard there from a lot of contributors in that report which preceded our discussion that that is extremely unlikely in fact?

MITCHEL MCLAUGHLIN

Where is the source of that confidence. NAMA's set up precisely for the purpose of taking those toxic loans including the £5bn of toxic debt in the North off the hands of the banks, that is what NAMA is constructed for, it is what it is intended to do. Now why would they ignore the very significant sum of 5bn Euro in the North of Ireland?

MARK CARRUTHERS

I suppose the point is that selling it in the short term in a fire sale would realise a much reduced amount to what they might receive in to the kitty if they held off and didn't indulge in a fire sale, that is it, it is very basic economic is it not?

MITCHEL MCLAUGHLIN

Okay well then what were they going to do with the 90 billion, are they going to sit back and say well we will not sell the land assets we will hold onto these properties until the economy picks up? The purpose of NAMA is.....

MARK CARRUTHERS

Well it is the National Asset Management Agency, not the National Asset Sale Agency.

MITCHEL MCLAUGHLIN

They are given powers to actually ignore or to set aside the independent valuation of the property that they would be adopting. So they can actually set their own price for disposal.

MARK CARRUTHERS

You have called for this all Ireland economic summit, do you think that a lot of your colleagues, your 107 colleagues up at Stormont want to get into the nitty gritty of debating this on the floor of the Assembly?

MITCHEL MCLAUGHLIN

Well I do think that they want to give expression to what is I detect a common concern and they do want the North/South Ministerial Council mechanism to be used so that they have formal assurances, not private assurances on this very, very serious matter.

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Central Finance Group SPD

Room P7 Rathgael House
Balloo Road, Bangor BT19 7NA



Department of
**Finance and
Personnel**

Tel No: 02891 858151 (68151)
Fax No: 02891 858262 (68262)
email: michael.brennan@dfpni.gov.uk

FROM: MICHAEL BRENNAN

Copy Distribution List Below

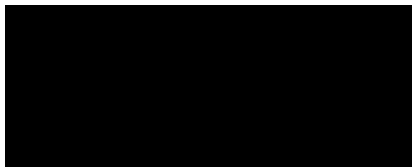
DATE: 23 NOVEMBER 2009

TO:

1. Graham Craig, Special Adviser (Noted GC)
2. Sammy Wilson MP MLA (Agreed SW)
3. OFMDFM

**PART INPUT – COR/1003/2009: PRIVATE MEMBER'S MOTION:
NORTH/SOUTH CO-OPERATION**

Please see attached part input (Annex A) from SPD for clearance by the Minister. This includes lines to take and background briefing on: Corporation Tax; and the National Assets Management Agency (NAMA).



MICHAEL BRENNAN

Copy Distribution List:

Stephen Peover
Richard Pengelly
Peter Jakobsen
William Dickson
Michelle McGoldrick
Patrick McKeown
Siobhan Tweedie

TOPIC: NATIONAL ASSETS MANAGEMENT AGENCY (NAMA)

Lines to Take:

- The Finance Minister first met with his Dublin counterpart Brian Lenihan in September 2009 to discuss NAMA. At this meeting, Minister Lenihan indicated that the value of Northern Ireland based loans likely to be transferred to NAMA would total €4.8 billion – much lower than the earlier estimates of circa €20 billion. However, even €4.8 billion of local asset exposure has considerable implications for our economy.
- Minister Lenihan provided an assurance that it was in no-one's interest to undertake a 'firesale' of Northern Ireland-based assets. The loans exposed had to be carefully managed. This remains the case under the revised NAMA arrangements, which involves a Special Purpose Vehicle managing the NAMA assets.
- Minister Lenihan also indicated that it would not be possible to expand the NAMA seven person Board to include a Northern Ireland specific representative. However, he indicated that DFP could communicate directly to NAMA through an advisory committee.
- The two Finance Ministers recently met again to discuss further progress relating to NAMA. Following this meeting the Finance Minister wrote to Minister Lenihan, taking up the offer to put forward 2/3 names to represent Northern Ireland on the NAMA advisory committee. The two ministers also discussed the latest developments in the banking sector on the island.

Background Note – Recent NAMA Developments:

Legislative Process

1. On the 12th November the NAMA legislation passed all stages in the Dáil and Seanad.

Eligible Institutions – Ulster Bank

2. On the 22nd November it was reported¹ that Royal Bank of Scotland's (RBS') chief executive, Stephen Hester, is expected to lodge an application to join NAMA through its Ulster Bank subsidiary. The report estimated that RBS will attempt to transfer £7 billion of toxic loans to NAMA. Such a move could generate some friction between the Dept. of Finance in Dublin and HM Treasury as it is believed that the two had reached a 'gentleman's agreement' that British banks would not apply to use NAMA as long as no Irish banks applied to the parallel UK programme, (the Government Asset Protection Scheme). However,

¹http://business.timesonline.co.uk/tol/business/industry_sectors/banking_and_finance/article6926921.ece

Under EU rules, Ireland would be legally obliged to consider RBS's application to join NAMA.

Accountancy Treatment & NAMA Implementation

3. On the 20th October 2009 Minister Lenihan announced that he welcomed the preliminary decision of Eurostat (the Statistical Authority of the European Commission) that the operations of NAMA should be recorded outside the general government sector in the Irish National Accounts. Hence, the acquisition of the assets from the financial institutions by NAMA may be treated as off-balance sheet. This is important to the Republic of Ireland as the General Government Gross Debt to GDP ratio already exceeds the Maastricht Treaty's maximum for a country to be considered in a sustainable fiscal position (60 per cent). EU forecasts for Ireland show that without taking into account bank guarantees, bank recapitalisation or NAMA, General Government Gross Debt is estimated to be 61.2 per cent of Gross Domestic Produce (GDP) in 2009 and 79.7 per cent in 2010.
4. This statistical treatment is dependent on the establishment of certain entities which will be the legal holders of the NAMA assets (a Master Special Purpose Vehicle (SPV)), while NAMA will retain effective control and veto on decision making. The key feature that would allow the Irish Government to classify the NAMA assets as 'off balance' sheet is that the Master SPV would have a majority of private equity (51%), whilst the remainder would be owned by NAMA.
5. It is still unclear how the SPV will operate in practice. It appears that NAMA will retain responsibility for identifying and valuing the NAMA loans, but will delegate the purchase and management of these loans to the Master SPV. The SPV appears to then fund the purchase of the loan books from the participating financial institutions by issuing securities, most of which will be backed by a guarantee from the Irish Government. The subscribed capital of the Master SPV will be €100m. Although the SPV will have its own Board, NAMA will retain a veto over all decisions that may affect the interests of NAMA or the Irish Government.
6. It would appear that the private SPV equity investors will be entitled to an annual dividend linked to the performance of the Master SPV. They will only be repaid their capital if the Master SPV has made sufficient profit when winding up. The private investors could receive a further equity bonus of 10% of their capital investment if the Master SPV makes a profit. Any further profits and gains of the Master SPV would accrue to NAMA. This implementation plan obviously assumes that sufficient private investors are forthcoming to provide the private equity needed (€51 million). It is not clear at the moment that this is the case.

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Main body of the document containing multiple paragraphs of text, likely a report or letter. The text is extremely faint and mostly illegible.

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AQO Search Result

AQO 1370/10

Note (R) indicates a registered declaration of interest

Ref No	Member	Question	Tabled	Answered
AQO 1370/10	Mr Raymond McCartney (SF - Foyle)	<p>To ask the First Minister and deputy First Minister what action has been taken in conjunction with the Irish Government to provide a co-ordinated response on economic issues relating to the National Asset Management Agency, the Quinn Group and the Anglo Irish/First Trust Bank.</p> <p>- Hide Answer</p> <p>OFMDFM maintains regular bi-lateral contact with the Taoiseach's office on economic matters with issues relating to the National Asset Management Agency (NAMA), the Quinn Group and the Allied Irish/First Trust Bank all under discussion.</p> <p>Where appropriate, economic issues have also been raised at the North South Ministerial Council and the British Irish Council, with Irish Government Ministers contributing to the discussion.</p> <p>At its plenary meetings in July 2009 and December 2009, the North South Ministerial Council (NSMC) discussed the economic challenges facing both jurisdictions, respective responses to dealing with the downturn and its impact, particularly on the banking sectors, and with an exchange of views on respective measures being implemented to promote growth and protect employment.</p> <p>The Finance Minister, Sammy Wilson, closely monitors developments on NAMA and has met</p>		

with Brian Lenihan many times over the last year on this matter. Minister Lenihan has repeatedly provided an assurance that it is in no-one's interest to undertake a 'firesale' of assets here. Most recently, Minister Sammy Wilson has also met with Minister Mansergh on 20 May 2010. A key outcome of these discussions has been the establishment of a NAMA Northern Ireland Advisory Committee on which we have two representatives.

Whilst the Executive cannot interfere directly in the commercial decisions of our local or indeed ROI banks, Minister Sammy Wilson also took the opportunity, during these discussions, to raise the potential economic implications concerning the sale by the Allied Irish Bank of the First Trust Bank. He raised concern over the potential negative impacts on jobs and the wider local economy associated with AIB's decision. He also intends to discuss this issue with Minister Lenihan when they next meet. We are keen that the impact on the local economy is considered as decisions are taken.

At the meeting with Minister Mansergh on 20 May, Minister Wilson also welcomed the joint Invest NI/Enterprise Ireland consideration of INTERREG funding as a positive way of helping those affected by the Quinn Insurance situation. Following the appointment of joint administrators to Quinn Insurance in March 2010, we promptly wrote to the Taoiseach and the Prime Minister asking for help to expedite a positive resolution. On 29 April 2010, the Irish Regulator announced the re-opening of UK motor business on a limited basis. In response to the company administrator's announcement of job losses, the Ministers for Enterprise, Trade and Investment and Employment and Learning appointed Mr Leslie Ross on 12 May 2010 to help co-ordinate the inter-agency approach to Quinn Insurance for

those facing redundancy in Fermanagh. Mr Ross is working closely with his counterpart in the Republic of Ireland, Mr Dan Flinter, to help minimise the impact of the planned redundancies in both jurisdictions, and has chaired a meeting with all key agencies involved.

Every effort is being made by Invest NI, the company administrators, the senior management team and the Quinn Group to ensure investment and employment is maintained in the Fermanagh and surrounding area.

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HEAD OF ECONOMIC POLICY UNIT

Damian Prince
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Deputy First Minister**

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FROM: DAMIAN PRINCE
DATE: 18 AUGUST 2009

Copy Distribution List below

TO: PS/FIRST MINISTER
PS/DEPUTY FIRST MINISTER

NATIONAL ASSETS MANAGEMENT AGENCY (NAMA)

Objective:	To consider OFMDFM attendance at a bi-lateral meeting between the Department of Finance & Personnel and the Department of Finance in Dublin regarding NAMA.
Issue:	The Department of Finance & Personnel and the Department of Finance in Dublin have already been in touch regarding NAMA and are now planning to have a bi-lateral meeting.
Timescale:	Immediate – The meeting is currently planned for the 8 September.
Press Office Advice:	This issue has already attracted significant media interest in the wake of the recent NSMC plenary meeting at Farmleigh.
Financial Implications:	N/A.
Legislative Implications:	N/A.
Executive Referral:	N/A.
Recommendation:	The First Minister and deputy First Minister are asked to indicate if they wish OFMDFM officials to attend the bi-lateral meeting.



Background

1. The National Asset Management Agency (NAMA) will deal with the negative impact on the Irish economy resulting from deficiencies in the asset quality in the Irish banking system (namely bad land, property development loans). (Annex A is a copy of a briefing paper previously submitted.)
2. Subsequent to the NSMC plenary meeting on 6th July – where NAMA was discussed - The Department of Finance & Personnel and the Department of Finance in Dublin have been in touch regarding NAMA and are now planning to have a bi-lateral meeting.

Raccommodation

3. The First Minister and deputy First Minister are asked to indicate if they wish OFMDFM officials to attend the bi-lateral meeting. In this event we will contact colleagues in DFP to co-ordinate representation.

[SIGNED]

DAMIAN PRINCE

Copy Distribution

in addition info requested from DFP
for NSMC Statement Q+A 6 Feb 10

ANNEX A

SUBJECT: NATIONAL ASSET MANAGEMENT AGENCY

OFMDFM requested clarification on two points:

- Does the NAMA legislation specify any role for the NI Executive?
 - If not, can we have clarification on how the 'advisory panel' which will have 'some form of direct communication to DFP on the NI assets' will operate
- 1 The revised draft National Asset Management Agency Bill 2009 published on 10th September 2009 does not specify a role of the NI Executive. It does not specify a role for any of the other jurisdictions with significant asset exposure (UK, US or EU).
 - 2 At the Finance Minister bilateral convened on the 8th September 2009, Minister Lenihan indicated that it would not be possible to expand the NAMA seven person Board to include a Northern Ireland – specific representative. Minister Lenihan did indicate that DFP could communicate directly to NAMA through a position on an advisory committee which would report directly to the Board. This advisory board would be established under Section 32 1(A) of the revised draft legislation.
 - 3 The two finance Ministers agreed to pursue this issue further once the draft legislation had concluded its approval process through the Dail.

NATIONAL ASSETS MANAGEMENT AGENCY (NAMA)

Lines to Take

- Minister Wilson had hoped to meet Minister Lenihan at end-January to discuss the latest position in respect of NAMA. Unfortunately that meeting has been postponed. A rescheduled meeting is being sought by Minister Wilson in mid-February (but not yet confirmed).
- At this meeting the two ministers will review progress on the establishment of NAMA and the state of stability within the participating banks. Ministers will also discuss formalising Northern Ireland representation and latest estimates of local exposure to loans / debts transferring into NAMA.
- In the interim officials from both departments will continue to engage

* additional lines on NAMA ^{received} requested.
To be associated with ^{NSMC} Statement to The
Assembly Q+A Brief.

7

POLICY SECRETARIAT
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BELFAST
BT4 3SL



Office of the
**First Minister and
Deputy First Minister**
www.dma.gov.uk

Tel: 028 905 28204 Fax: 028 905 22262

FROM: DAVID CRAIG

DATE: 2 FEBRUARY 2011 Copy Distribution List below

**TO: PS/FIRST MINISTER
PS/DEPUTY FIRST MINISTER**

**INV/49/2010 – MEETING WITH NATIONAL ASSET MANAGEMENT
AGENCY (NAMA)**

Objective: To provide briefing.

Issue: The First Minister and deputy First Minister are seeking a meeting with representatives of NAMA.

Timescale: Normal

Press Office Advice: NAMA remains high on the news agenda. Press Office will liaise with Spads regarding any media handling when a date for a meeting has been confirmed.

FOI Implications: The contents of this submission are likely to be fully disclosable.

Financial Implications: None

Legislative Implications: None.

Executive Referral: None.

Recommendation: That you note the:

- background information in the submission
- email regarding the meeting at Annex A; and
- draft letter at Annex B


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**Peter King
Timothy Johnston
Michelle Rouse
Dara O'Hagan
Paul Kavanagh
Claran Quinn
Richard O'Flaherty
Leona Edgar
Jeremy Gardner
Brian McAvoy
Gillian McKeown
Damian Prince
James McAleer
David Craig**



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ANNEX B

**Frank Daly, Chairman
National Asset Management Agency (NAMA)
Treasury Building,
Grand Canal Street,
Dublin 2,
Ireland**

Dear

We are writing, as suggested by the Taoiseach at a recent North South Ministerial Council meeting, to request a meeting with you and other NAMA Board and Executive colleagues as you consider appropriate to update us on the work of NAMA and to discuss its potential impact here.

NAMA's work is a strategically important issue here and we already know that some £3.35bn of loans secured on NI assets will come under NAMA's remit. We also understand that this is expected to rise following the extension of NAMA's role following the EU / IMF / bilateral assistance packages. We are keen to explore with you how these assets will be managed in the future and the role of NAMA's Northern Ireland Advisory Committee in that process. We have a particular concern where we have been made aware of situations where NAMA has assumed responsibility for performing loans and associated (non-property related) trading companies who are then experiencing difficulties because of a lack of access to working capital. The Minister for Finance and Personnel has already raised this particular issue with the Irish Finance Minister and he agreed to investigate.

We hope that a meeting can be arranged as soon as possible and if you agree our office will contact you to make the necessary arrangements. The Minister for Finance and Personnel, Mr Sammy Wilson MP MLA who leads on these issues would also attend.

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Stormont Castle
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BT4 3TT

TEL: 028 9037 8168
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e-mail: ps.ministers@ofmdfmi.gov.uk

Our Ref: INV/49/11

Mr Frank Daly
Chairman
National Asset Management Agency (NAMA)
Treasury Building
Grand Canal Street
DUBLIN 2
Ireland

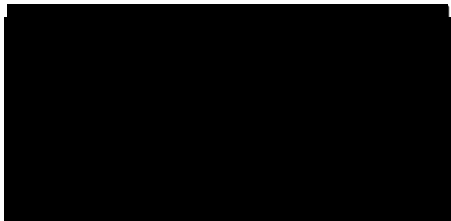
8 February 2011

We are writing, as suggested by the Taoiseach at a recent North South Ministerial Council meeting, to request a meeting with you and other NAMA Board and Executive colleagues as you consider appropriate to update us on the work of NAMA and to discuss its potential impact here.

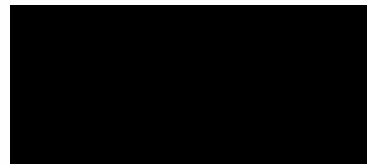
NAMA's work is a strategically important issue here and we already know that some £3.35bn of loans secured on NI assets will come under NAMA's remit.

We hope that a meeting can be arranged as soon as possible and if you agree our office will contact you to make the necessary arrangements. The Minister of Finance and Personnel, Mr Sammy Wilson MP MLA who leads on these issues, would also attend.

We look forward to meeting with you.



RT HON PETER D ROBINSON MLA
First Minister



MARTIN MCGUINNESS MP MLA
deputy First Minister

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9

POLICY SECRETARIAT

DAVID CRAIG

Room E3.23

Castle Buildings

Stormont Estate

BELFAST BT4 3SL

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Office of the

**First Minister and
Deputy First Minister**

FROM: DAVID A CRAIG

DATE: 4 MARCH 2011

Copy Distribution List below

**TO: PS/FIRST MINISTER
PS/DEPUTY FIRST MINISTER**

**INV/49/2011 – FIRST MINISTER AND DEPUTY FIRST MINISTER MEETING
WITH THE NATIONAL ASSET MANAGEMENT AGENCY (NAMA)
REPRESENTATIVES**

Objective:	To provide briefing.
Issue:	The First Minister and deputy First Minister are meeting representatives of NAMA on Monday 7 March 2011.
Timescale:	Urgent - the meeting will commence at 16.00 hrs on 7 March.
Press Office Advice:	NAMA remains high on the news agenda. This meeting will be of interest to the media and Press Office will liaise with Spads regarding potential media handling issues.
FOI Implications:	Disclosable in due course.
Financial Implications:	Not applicable.
Legislative Implications:	None.
Executive Referral:	None.

Recommendation:

That the First Minister and deputy First Minister note:

- I. Agenda at Annex A;**
- II. Lines to Take and Background at Annex B; and**
- III. Pen Pictures at Annex C.**

Detail

The First Minister and deputy First Minister are meeting representatives of NAMA at 16.00 hrs on Monday 7 March 2011 in the deputy First Minister's office in Parliament Buildings to discuss the treatment by the Agency of assets here. Minister for DFP, Mr Sammy Wilson, will also be attending the meeting.

- 2. The meeting will be preceded by a pre-brief at 15.45 hrs.
- 3. Minister for DFP, Mr Sammy Wilson, Richard Pengally, DFP, and Bobby Clulow, OFMDFM will be in attendance at both the pre-brief and the meeting.

Background:

- 4. The First Minister and deputy First Minister requested this meeting with NAMA representatives following a suggestion to them by the Taoiseach at a recent North South Ministerial Council meeting, in order to provide an up-date on the work of NAMA and to discuss its potential impact here.
- 5. The main issues of concern are that the substantial sum of £3.5bn of loans secured on NI assets will come under NAMA's remit, and that this is expected to rise following the extension of NAMA's role following the EU/IMF bilateral assistance packages. Ministers have indicated to NAMA that they are keen to explore at the meeting how these NI-based assets will be managed in the future and the role of NAMA's NI Advisory Committee in that process. In particular, attention has been drawn to NAMA of Ministers' concerns where NAMA has assumed responsibility for performing loans and associated (non-property related) trading companies who are then experiencing difficulties because of a lack of access to working capital, the

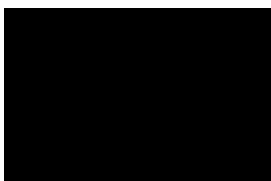
latter of which has already been raised by the DFP Minister with his counterpart in the RoI (Minister for Finance). (My submission of 2 February 2011 refers – INV 77 2011.)

6. DFP has provided the full briefing for the meeting. DFP Minister leads on issues concerning NAMA.

Recommendation:

7. That Ministers note:

- I. Agenda at Annex A;
- II. Lines to Take and Background at Annex B; and
- III. Pen Pictures at Annex C.



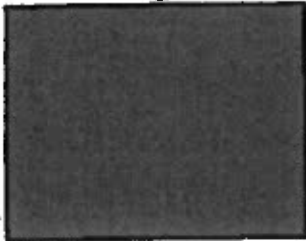
DAVID A CRAIG
POLICY SECRETARIAT
☎ 905 28204

(Policy Lead/Input: DFP)

Copy Distribution

PS/Junior Ministers
PS/DFP Minister
Tim Losty
Stephen Grimson
Linda MacHugh
Anne Martin
Richard Bullick
Emma Little
Peter King

Timothy Johnston
Michelle Rouse
Dara O'Hagan
Paul Kavanagh
Claran Quinn
Richard Pengally, DFP
Colin Jack
Damian Prince
Richard O'Flaherty
Jeremy Gardner
Brian McAvoy
Stephen Donnelly
Bobby Clulow
David Craig



ANNEX A

AGENDA

- 1. Welcome and Introduction**
- 2. Firesale**
- 3. Role of NI Advisory Committee**
- 4. Concerns for Trading Companies**
- 5. NAMA NI Assets**
- 6. AOB**

ANNEX B

PART INPUT FOR OFMDFM ON NAMA (SOURCE: DFP)

Lines to take:

Introduction

- Thank you for coming to Belfast.
- Would like to discuss NI-Based assets (including in particular circumstances when companies that are trading are involved), the role of the NI Advisory Group, and to confirm the value of loans based on NI assets that NAMA expects to assume responsibility for.
- Know that you have met the DFP Minister before (last August). More recently the DFP Minister discussed NAMA when he last met with his ROI counterpart (Brian Lenihan) on 13th January. This meeting arose out of an NSMC plenary discussion with Brian Cowan.

Avoid Firesale

- Have always been reassured by Minister Lenihan the need to avoid a "firesale" of NI-based assets and that this was not in anyone's interest. Always worth reiterating this.
- At last August meeting it was agreed that it would be helpful to have a degree of coordination on efforts to realise assets. Hope that this commitment can continue and would welcome your view on when some first practical steps on this might be taken and how it should happen. Through the NI Advisory Panel?

Role of NI Advisory Committee

- Important for us that the NI Members on the NAMA Advisory Committee be involved in decision making at the earliest possible stage. Minister Lenihan gave us this commitment. How do you see that working? Is it operating well?

Concerns for Trading Companies

- The DFP Minister had been told of examples where concerns existed that NAMA could be taking a more stringent approach towards the disposal of assets owned by debtors. DFP Minister particularly asked Brian Lenihan to clarify a number of issues relating to the management of loans in NAMA, particularly when loans are still performing and companies trading. Is it possible that in such situations the trading company's operations could be jeopardised and the ability to service the loan lost? This would be a big concern for us.

Value NAMA NI Assets

- We still have very little information on the NI assets held by NAMA. Mr Ronnie Hanna, speaking at NI Housing Sector Conference in Belfast on 23rd February, outlined the geographical location of the NI portfolio.
- Now that all the original loans have been acquired, understand there is an estimated £3.35bn of NI-based loans that has been taken over by NAMA.
- Also that NAMA has been asked to acquire a further €16 billion of loans by the IMF / EU. We understand these loans will be sub €20m Land & Development loans of AIB and BOI. We would like confirmation on the value of these loans located in NI as soon as possible.

Background:

1. The Finance Minister discussed a number of banking issues with Brian Lenihan at the last bi-lateral meeting on 13th January 2011. The Finance Minister raised concerns regarding NAMA, including the impact of the loans management process, the approach taken by NAMA with regards to assets and the need to avoid a 'firesale' here.
2. By the end of the initial acquisition process, there should be around €4 billion (£3.35 billion) of NI-based loans held by NAMA. The conditions of the recent EU/IMF (and bilateral) loans packages for Ireland included provision for

the work of NAMA to continue. Up to an extra €16bn of loans could be acquired by the agency.

3. NAMA has now completed the acquisition of the original 11,000 loans from 850 debtors with a nominal value of some €71.2 billion. NAMA paid a consideration of €30.2 billion for these loans (a discount of 58%). These figures do not count the additional (up to) €16 billion (nominal value) of loans as requested by the IMF/EU, of which there is likely to be further NI-based loans acquired by the agency.

4. NAMA has now completed the review of the business plans for the top 30 developers (who have had a combined €27 billion transferred to the agency). Between March and December 2010, NAMA approved the sale of €1.6 billion in property assets held by borrowers.

5. Regarding NAMA's profitability, accounts for Q2 2010 suggest a €6 million profit was made during the quarter. The July 2010 Business Plan predicted a long term profit for the Irish taxpayer of €1 billion.

6. There have been concerns/accusations that NAMA was beginning to take a more stringent approach towards assets related to borrowers, including in situations where the loans were still performing and where related companies were still trading in order to service the loans. The DFP Minister raised this particular issue with the Minister of Finance on 13 January and he agreed to investigate. However, on giving the opening statement to the Irish Committee on Public Accounts on 18th November 2010, NAMA Chief Executive Brendan McDonagh stated, *"Borrowers who continue to meet their contractual obligations have nothing to fear from us..."*

7. On 17th February NAMA announced three significant developments:

- a. The NAMA Board has agreed to repay €250 million of Senior Securities (NAMA bonds) in the coming weeks. This is the first such

payment and comes ahead of schedule.

- b. The NAMA Board authorised the repayment of €49 million to the Rol Minister for Finance. The loan was originally used to set up the special purpose vehicle. This repayment also comes ahead of schedule.
- c. NAMA had completed its first major deal with the sale of a Montevetro office building in Dublin to Google. NAMA have confirmed that it recovered in excess of the combined amount for its outlay on the project.

8. On 23rd February Mr Ronnie Hanna (NAMA's Head of Credit and Risk) gave a speech at the NI Housing Sector Conference in Belfast. Mr Hanna outlined some details on NAMA's approach in NI, including the following:

- a. NAMA will assist in the stabilisation of the property market here by providing liquidity and being able to take a longer term approach where necessary.
- b. NAMA's timeframe is to manage and realise loans (and the property held as collateral) over a 7 to 10 year time period.
- c. NAMA will work with debtors where it makes commercial sense, but will expect full co-operation and full disclosure from debtors.
- d. NAMA has acquired £3.35 million (nominal value) worth of NI-based loans from a total of 180 debtors. This figure represents 5% of NAMA's total portfolio.
- e. Of the NI portfolio, £2 billion is undeveloped land, £1 billion is in investment properties and £350 million is property & land under

development.

- f. Regarding the geographical location of the NI portfolio; just under one-third is located in Belfast, 21% is in County Down, 19% in County Antrim, 8% in County Londonderry, 7% in County Tyrone, 7% in County Armagh, 4% in County Fermanagh and 2% in the city of Derry.

ANNEX C

PEN PORTRAITS

Mr Frank Daly – Chairman – Board of National Asset Management Agency (NAMA)

Frank Daly was appointed Chairman of The National Asset Management Agency (NAMA) by the Minister of Finance on 21st December 2009

Prior to that Frank had been nominated by the Minister of Finance to the panel of Public Interest Directors under the Banks Guarantee Scheme and was appointed a Director of Anglo Irish Bank in December 2008. He resigned from this post on 21st December 2009, the day of his new appointment to NAMA. In March 2008 Frank was appointed Chairman of the Commission on Taxation which was set up to review the structure, efficiency of the Irish Taxation System and which reported in September 2009.

Frank retired as Chairman of the Revenue Commissioners in March 2008 having been Chairman since 2002, a Commissioner since 1996 and Accountant General of Revenue and Head of Strategic and Business Planning since 1993. He had joined Revenue in 1963.

Frank was born in Abbeyside, Co Waterford and educated at Dungarvan C.B.S., University College, Dublin and Dublin Institute of Technology. He holds a BComm. Degree and a Diploma in European Community Law.

Brendan McDonagh – Chief Executive – National Asset Management Agency (NAMA)

Brendan McDonagh has recently been appointed Chief Executive Officer of the National Asset Management Agency (NAMA). Prior to that, he was Director Finance, Technology & Risk (2002 - 2009) He also held the post of Financial Controller (1998 - 2002) of the NTMA. He joined the NTMA in 1994, having previously worked for a number of years with the ESB in a number of areas including accounting, internal audit and treasury. During his time in the ESB, he worked on secondment from the ESB to the NTMA in its initial years.

Originally from Killorglin, County Kerry, Mr McDonagh holds a Bachelors Degree in Business Management from Trinity College, Dublin and is also a Chartered Management Accountant.

Ronnie Hanna – Head of Credit and Risk, National Asset Management Agency (NAMA)

Ronnie Hanna is the Head of Credit and Risk for the National Asset Management Agency based in Dublin and a member its Northern Ireland Advisory Committee.

Ronnie joined the National Asset Management Agency after 30 years with Ulster Bank Group where latterly he was Head of Global Restructuring in Northern Ireland and was previously Head of Credit Risk for Northern Ireland. A graduate of Queen's University, Ronnie is a Fellow of the Institute of Bankers and a member of the Institute of Directors. He is also a Council member of the Prince's Trust in Northern Ireland and a Board member of Disability Action.

Peter Stewart – NAMA NI Advisory Committee Member

Peter Stewart was educated at Drogheda Grammar School & Trinity College Dublin. He received his training as a chartered accountant with SKC (now KPMG).

After spending five years abroad with a multinational agri-industry group, he returned to Ireland and took up the position of CFO of a Top 100 Irish Company engaged in energy trading and with substantial overseas interests.

In 1988 he set up his own financial consultancy and subsequently O'Donovan Stewart and Company, Chartered Accountants and other niche financial advisory and management services providers. He has served as a Director of a broad range of companies and his experience gives him a detailed knowledge and understanding of the various aspects of financial management.

Peter is a Fellow of the Institute of Chartered Accountants in Ireland and a Member of the Irish Association of Corporate Treasurers.

Frank Cushnahan – NAMA NI Advisory Committee Member

Frank Cushnahan during a career spanning circa 35 years was Managing Director of Chase and Bank of Ireland NI; Managing Director of Western Trust and Savings Ltd (a wholly owned Subsidiary of ManuLife Group Financial ("AAA" Rated) Canada; and Deputy Managing Director TSB NI (1983-1988) prior to and post the TSB Group flotation period.

Frank has held many Non Executive and Executive Board positions over a number of years within both the Public and Private sectors and undertaken

**NOTE OF THE MEETING
NATIONAL ASSETS MANAGEMENT AGENCY
7 MARCH 2011, 4.00PM, ROOM 144, PARLIAMENT BUILDINGS**

ATTENDEES:

**Peter Robinson, First Minister
Martin McGuinness, deputy First Minister
Sammy Wilson, DFP Minister
Frank Daly, Chairman, Board of NAMA
Brendan McDonagh, Chief Executive of NAMA
Ronnie Hanna, Head of Credit and Risk of NAMA
Peter Stewart, NAMA NI Advisory Committee Member
Frank Cushnahan, NAMA NI Advisory Committee Member
Brian Rowntree, NAMA NI Advisory Committee Member
Dara O'Hagan, OFMDFM
Richard Bullick, OFMDFM
Richard Pengelly, DFP
Bobby Clulow, OFMDFM
Brenda Mullan, OFMDFM**

[Introduction]

The First Minister welcomed the representatives of NAMA and the members of the NI Advisory Committee and told attendees that up to now, both the deputy First Minister and himself have been receiving updates on NAMA from Minister Wilson. The First Minister said that Ministers appreciate the assurances that there will be no firesale of NI assets, as such an action would destabilise the economy.

[Update on NI Position]

Frank Daly told Ministers that there is a total value of £3.35 billion worth of NI assets in NAMA and 180 NI debtors which makes up 5% of the total NAMA portfolio. Of the £3.35 billion, £2 billion has yet to be acquired by NAMA. The purpose of NAMA is to hold, manage and realise the value of assets.

The timeframe of NAMA is 7 to 10 years, during which time NAMA proposes to hold assets to get the best value it can for them. Frank noted that in the Irish Economy there is pressure to get instant results but assured Ministers that there will be no firesale here. NAMA is aware of the budgetary position in NI and is working with the NI Advisory Committee to benefit the NI economy.

The First Minister noted that the NI property market has been hit very badly and there may be indications that the market is close to the bottom. The Executive proposes to dispose of surplus assets and was looking at a shorter timeframe of 4 years in line with the CSR. This is something we have to manage very carefully.

Minister Wilson raised several issues which he asked NAMA to respond to, including: the role of the NI Advisory Committee and timing of engagement with members; the proposed 25% recouping of assets in the first year; the inclusion of trading companies' loans; the lack of public knowledge about NAMA; and business opportunities that NAMA presents to the local economy.

[Engagement with NI Advisory Committee]

Frank Daly noted that there is a practical difficulty as NAMA have to work within strict confidentiality legislation. The legislation prevents NAMA to share information about individual cases and NAMA try to deal with this by providing aggregated/strategic/anonymous information to NI members. Frank assured Ministers that there is no lack of trust; the Act is specific in respect of individual debtors so it would not be possible to talk about individual cases because of the entitlements of confidentiality to debtors, but stated that the views of the NI Advisory Committee are valued.

Frank Cushnahan told Ministers that the matter has been raised with the Board of NAMA and he considers the NI Advisory Committee as having a limited role and it raises the question of how they will work within the legislation.

Peter Stewart noted that the NI Advisory Committee met the previous week and indicated that a sufficient interchange of information is essential for the work of the Committee.

Frank Daly noted that Ministers had put across a very strong case and this would be reflected to the NAMA Board when they were due to meet that week in the hope to get results without conflicting legislation.

Brian Rowntree indicated that there is a structural issue for the NI Advisory Committee and that it is hard to advise, as outside of the Board process, as discussions at the Board are broad ranging.

Minister Wilson noted that NAMA should seek to be inventive in their engagement with the NI Advisory Board within the legislation. Frank Daly agreed and indicated that the reality is that NAMA is only now looking at individual cases so it may be premature to say that the NI Committee has not been involved in decisions and this may be less of a real problem in the future.

[Recouping 25% of loans in NAMA]

Frank Daly told Ministers that the target is to recoup 25% of loans by the end of 2013 and that NAMA is not adopting a geographical-specific element to this but looking at the totality of the NAMA portfolio. There are better markets to do this in the UK, Ronnie Hanna indicated that 75% of sales to date have taken place in South East England.

[Trading companies]

Frank Daly noted that in deciding to acquire an asset, NAMA looks at the companies total exposure. Brendan McDonagh stated that NAMA use a mixture of mandates with debtors and that it is easier if the debtor is realistic about the situation. Peter Stewart also noted that a key criteria in dealing with trading companies is to look at the incidence of the land and development loans to overall debt.

Brendan McDonagh told Ministers that NAMA takes a pragmatic view about engaging with trading companies and has no desire to acquire healthy trading companies. NAMA maintain good relationships with companies and generally come to mutual agreements to try to get them out of NAMA supervision as soon as possible.

[Business Opportunities]

Brendan McDonagh noted that companies can come to NAMA with business plans for investments, an example of which is Google recently buying an office building which was held as an asset in NAMA. NAMA has to date built good working relationships with its debtors and it is important to convey this message publically.

Frank Daly told Ministers that no decisions have been delayed or left outstanding in NAMA. Any delays incurred have been with the banks and NAMA propose to begin engaging directly with companies / debtors to streamline the process. The decision timeline with NAMA is 7 to 10 days.

Frank Daly indicated that there has only been 1 business plan through the process for NI but they expect a lot to come forward. The message NAMA want to encourage people to come to them with a proper plan, not piecemeal information.

Remaining NI Assets to Transfer

Brian Rowntree noted that the NAMA portfolio is mainly land and we are unlikely to see land as cheap again so we need to find a strategic way to get working capital to its maximum value. Brian informed the Ministers about a study that the University of Ulster is undertaking which looks at where the key opportunity sites in NI exist. Minister Wilson suggested that the £500 million worth of assets for Executive disposal could be included in the University's investigation. DFP are going to follow up on this.

[IMF/EU Bailout Requirements]

In relation to the further €16 billion of loans that NAMA has been asked to acquire by the IMF/EU, Brendan McDonagh indicated that the NI share could be €2.5 to €3 billion. However, NAMA is reluctant to take on these loans, which equate to 20,000 loans and 60,000 individual debtors.

[Future engagement with NAMA]

Minister Wilson noted that NAMA is a vehicle to deal with the issues that led to the recession such as the downturn in the property market. It is useful to have the NI Advisory Committee mechanism and we must ensure that there is a strong input from NI. NAMA needs to find a way to show the positive opportunities that it does offer businesses, because NAMA may be viewed negatively if seen to cause huge uncertainties for companies.

Frank Daly noted that NAMA will explore new opportunities to get a positive message out and that this will be easier when there are concrete examples to draw on. There is no specific proportion of working capital earmarked for NI and investment decisions will depend on the proposals received. Frank noted that it is useful to continue dialogue with Ministers.

BRENDA MULLAN

29 MARCH 2011



Office of the
**First Minister and
Deputy First Minister**

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e-mail: david.mcCreedy@ofmdf.mn.gov.uk

Mr Brendan McDonagh CEO
National Asset Management Agency
Treasury Building
Grand Canal Street
DUBLIN 2

24 May 2013

MEETING WITH MR PATRICK KEARNEY, PBN HOLDINGS BELFAST, ADELAIDE STREET, HAWTHORN BUSINESS PARK, BELFAST, BT12 6SJ

I am writing to you in your position as CEO of the National Asset Management Agency following my meeting with Mr Kearney on 17 May 2013 in relation to his current position within NAMA.

I understand that Mr Kearney had a meeting with members of your Agency on 3 May 2013 in Dublin at his own request to ascertain the direction and position of his company. As a result of this meeting Mr Kearney now feels that he needs clarification on a number of key areas in order to arrive at a decision to move forward.

I am sure that you are aware of the input and contribution to the Northern Ireland economy that Mr Kearney has made over the last 45 years. For the reasons Mr Kearney outlined to me I would suggest it would be appropriate for him to meet directly with you in order to move both NAMA and PBN forward and come to a satisfactory conclusion.

I would like to take this opportunity to thank you in advance for your personal attention to this matter.

Yours sincerely

RT HON PETER D ROBINSON MLA
First Minister

THE UNIVERSITY OF CHICAGO

DEPARTMENT OF CHEMISTRY

LABORATORY OF PHYSICAL CHEMISTRY

CHICAGO, ILLINOIS

RECEIVED

APRIL 10, 1954

FROM

DR. J. H. DILLON

TO

12

Dickson, Anne

From: O'Hagan, Dara
Sent: 28 August 2013 10:05
To: McKibbin, Gail; Dickson, Anne
Cc: Parker, Vincent
Subject: Fw: CBI Annual Lunch - 27 September

This was sent from my Blackberry Device.

From: Nigel Smyth [mailto:Nigel.Smyth@cbi.org.uk]
Sent: Wednesday, August 28, 2013 09:58 AM
To: Bullick, Richard; O'Hagan, Dara
Subject: CBI Annual Lunch - 27 September

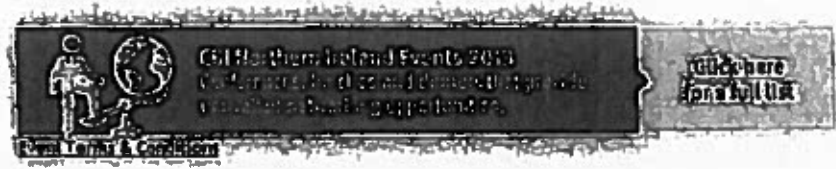
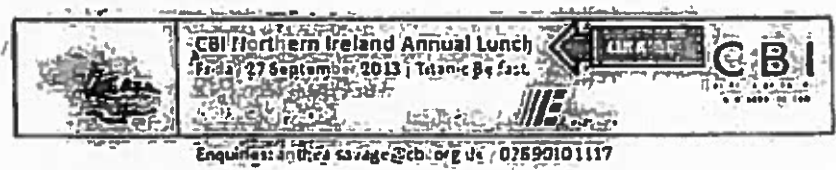
Richard/Dara

The CBI Northern Ireland Annual Lunch is being held on Friday 27 September at Titanic Belfast. Our guest speaker is the Irish Finance Minister, Michael Noonan TD. We have invited our new Finance Minister, Simon Hamilton, to join us at the lunch and meet with his counterpart.

However I'd be delighted to extend an invitation to other ministers, or indeed yourselves or colleagues if you wished to join us for the lunch and to hear the minister's keynote address.

Regards

Nigel Smyth
Director, CBI Northern Ireland
CBI Northern Ireland
2nd Floor, Hamilton House
3 Joy Street
Belfast BT2 8LE
Tel: 028 9010 1100
www.cbi.org.uk/ni



*

1. The first part of the document is a letter from the President of the United States to the Congress, dated January 1, 1861.

2. The second part is a report from the Secretary of the Interior, dated January 1, 1861.

3. The third part is a report from the Secretary of the Treasury, dated January 1, 1861.

4. The fourth part is a report from the Secretary of the War, dated January 1, 1861.

5. The fifth part is a report from the Secretary of the Navy, dated January 1, 1861.

6. The sixth part is a report from the Secretary of the State, dated January 1, 1861.

7. The seventh part is a report from the Secretary of the War, dated January 1, 1861.

8. The eighth part is a report from the Secretary of the Navy, dated January 1, 1861.

9. The ninth part is a report from the Secretary of the State, dated January 1, 1861.

10. The tenth part is a report from the Secretary of the War, dated January 1, 1861.

11. The eleventh part is a report from the Secretary of the Navy, dated January 1, 1861.

12. The twelfth part is a report from the Secretary of the State, dated January 1, 1861.

13. The thirteenth part is a report from the Secretary of the War, dated January 1, 1861.

13

From: John Robinson
Sent: 19 September 2013 22:24
To: Jonathan Bell
Subject: Fwd: Re-issue: Robinson: "Economic prosperity and real peace in Northern Ireland are interdependent."

Robinson: "Economic prosperity and real peace in Northern Ireland are interdependent."

Embargoed until 8pm on 19 September 2013

Speaking tonight (Thursday) at an East Belfast DUP event the First Minister Rt. Hon. Peter Robinson MLA said,

Economic prosperity can help address the political challenges that we face.

Economic prosperity and real peace in Northern Ireland are interdependent. And in the next few months the political parties in Northern Ireland will face real challenges and choices in the Haass process. Equally important, we must forge ahead as an Executive to help grow the Northern Ireland economy and ensure that everyone can benefit from prosperity.

Over the last few years the Executive has taken action to limit the damage done by the global recession and to prepare for the onset of economic recovery.

We have maintained employment in the public sector, despite a squeeze on budgets, by opting for public sector pay restraint rather than job losses.

We have kept down the burden from local taxes on householders by not introducing water charges and by freezing Rates in real terms.

We have helped small businesses by extending the Small Business Rate Relief scheme.

We have reformed Planning laws to speed up decisions and are introducing radical measures from introducing new fast tracked planning zones to taking action on Judicial Reviews.

We have taken the decision to keep more of our young people in Education by freezing student fees in Northern Ireland universities.

We have developed the tourism product and quality of life in Northern Ireland with projects such as Titanic Belfast, the Giant's Causeway Visitor Centre, The MAC and the New Lyric and we are making a major investment in sports infrastructure.

We have introduced skills programmes to ensure that we can provide the Northern Ireland labour force with the qualifications that businesses need. Even during the difficult last few years we have done exceptionally well at attracting Foreign Direct Investment and I have lost no time in getting our message to the major world markets including the new emerging economies.

Northern Ireland is one of the few regions of the UK that attracts foreign direct investment disproportionate to its share of population and as The Economist magazine reported last month Northern Ireland has recorded its highest tally of investment projects in more than a decade.

Meanwhile the UKTI report on Foreign Direct Investment recorded a 41 % increase in 2012-13 over the previous year.

With firm foundations laid, now is the time to take advantage of the opportunities that lie ahead.

In recent weeks there have been the first real signs of a turnaround in our economy.

August's Ulster Bank Purchasing Managers' Index indicated a six year high in the growth of business activity in Northern Ireland.

There has also been good news on the employment front with a fall of 2,700 in the claimant count in the last seven months. Unemployment is down by 1.2% over the year and at 6.9% we are below the UK average of 7.7%. As importantly, the number of employee jobs has increased in each of the last five quarters almost half of this achieved in the last recorded quarter.

With a decision on the possible devolution of Corporation Tax setting powers still over a year away, we cannot afford to sit back and wait in the hope that the recovery is sustained. This part of the United Kingdom faces unique

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DEPARTMENT OF THE HISTORY OF ARTS

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challenges and these are even more pronounced in the present financial climate.

We are faced with a triple whammy of obstacles to a real take off in the economy. The impact of NAMA in Northern Ireland, our marginalisation in terms of banking and the drag on assets caught up by the PMS unwinding process, all combine to impede growth.

Government can play its part to try to stimulate the economy through public expenditure, but it is the willingness of banks to lend on realistic terms that will be the real economic driver. In the last few years there may have been a lack of demand due to low levels of confidence in the economy, but the recent economic news suggests that we have turned this corner. It is therefore critical that local business has the opportunity to take advantage of this changed environment. The economic pact with the UK Government promised to address the particular banking needs of Northern Ireland and I hope we will see the fruits of this very shortly.

But if we ever needed a lesson about the interdependence and interconnection of economies then the experience of the economic crash in the Republic has been instructive. The creation of NAMA and its implications for Northern Ireland have been far reaching. Sammy Wilson as Finance Minister established a very good working relationship with NAMA which has helped on a number of occasions to protect jobs and investment.

However holding on to assets to realise their value in their long term does little to boost our economy right now. If these assets could be liberated then there is no doubt that they could play a major role in creating jobs in the construction sector and getting our economy moving.

Indeed, starting to free up the PMS assets would also have a major impact on those with the ability to invest.

If we can make progress on these issues in the months ahead I can see no good reason why Northern Ireland cannot return to a long term recovery that not only serves the needs of the economy, but more importantly allows us to embed the political progress that has been made."

See attached note of meeting between First Minister Peter Robinson, Simon Hamilton and Minister Noonan on 27 September 2013, taken by Jeremy Gardner Principal Private Secretary to the First Minister

Meeting with Minister Noonan

The First Minister expressed his appreciation at the way in which NAMA has dealt with the Northern Ireland portfolio. The Minister however went on to highlight a particular concern regarding the sale of local assets owned by NAMA.

The First Minister was keen to ensure that any potential buyer would use the land in a responsible manner. Mr Robinson was concerned that if NAMA moved to sell the NI portfolio, in order to meet its statutory obligation of achieving maximum value for the ROI taxpayer, the sale would have to be conducted on the open market. Mr Robinson felt this would attract buyers who would only be interested in turning a quick profit and thereby potentially devastating the local economy.

Mr Robinson stated that one of the potential buyers had outlined a range of conditions it would self impose in order to maximise the benefit to the local economy. He felt that other potential buyers would not act in such a responsible manner and wondered what could be done to protect the local economy.

Minister Noonan explained that despite its commercial mandate NAMA had a range of social obligations. However Mr Noonan pointed out that NAMA could not impose conditions on a buyer following the sale.

Minister Noonan indicated that whilst there could be no exclusivity clause there was in his view only one potential buyer. Mr Noonan undertook to discuss the situation with the CEO of NAMA and was confident that both administrations could work together with the potential buyer to overcome any difficulties.

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DEPARTMENT OF PHYSICS

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1935

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DEPARTMENT OF PHYSICS

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BRAVO Strategies II LLC
840 Newport Center Drive
Suite 100
Newport Beach, CA 92660

[ADDRESSEE TO BE CONFIRMED]

December 2013

Dear •

MEMORANDUM OF UNDERSTANDING**ACQUISITION OF THE NORTHERN IRELAND BORROWER CONNECTIONS LOAN BOOK FROM NAMA**

On behalf of the officers of BRAVO Strategies II LLC ("BSII"), we would like to submit this memorandum of understanding ("MoU"), which is intended to describe and highlight the long term key strategic considerations that BSII has for the Northern Ireland Borrower Connections Loan Book (the "Loan Book") following the proposed acquisition of the Loan Book from NAMA by BSII (the "Transaction").

We confirm that formal discussions with respect to the acquisition of the Loan Book are in progress with NAMA directly. This MoU is submitted to confirm, and inform, of BSII's strategic long term objectives and goals around the proposed Transaction.

This MoU is not a promise to purchase the Loan Book, nor a guarantee that the Transaction will close, as this will understandably require the consent of NAMA, however this MoU does wish to set out how BSII would operate if the Transaction were to take place.

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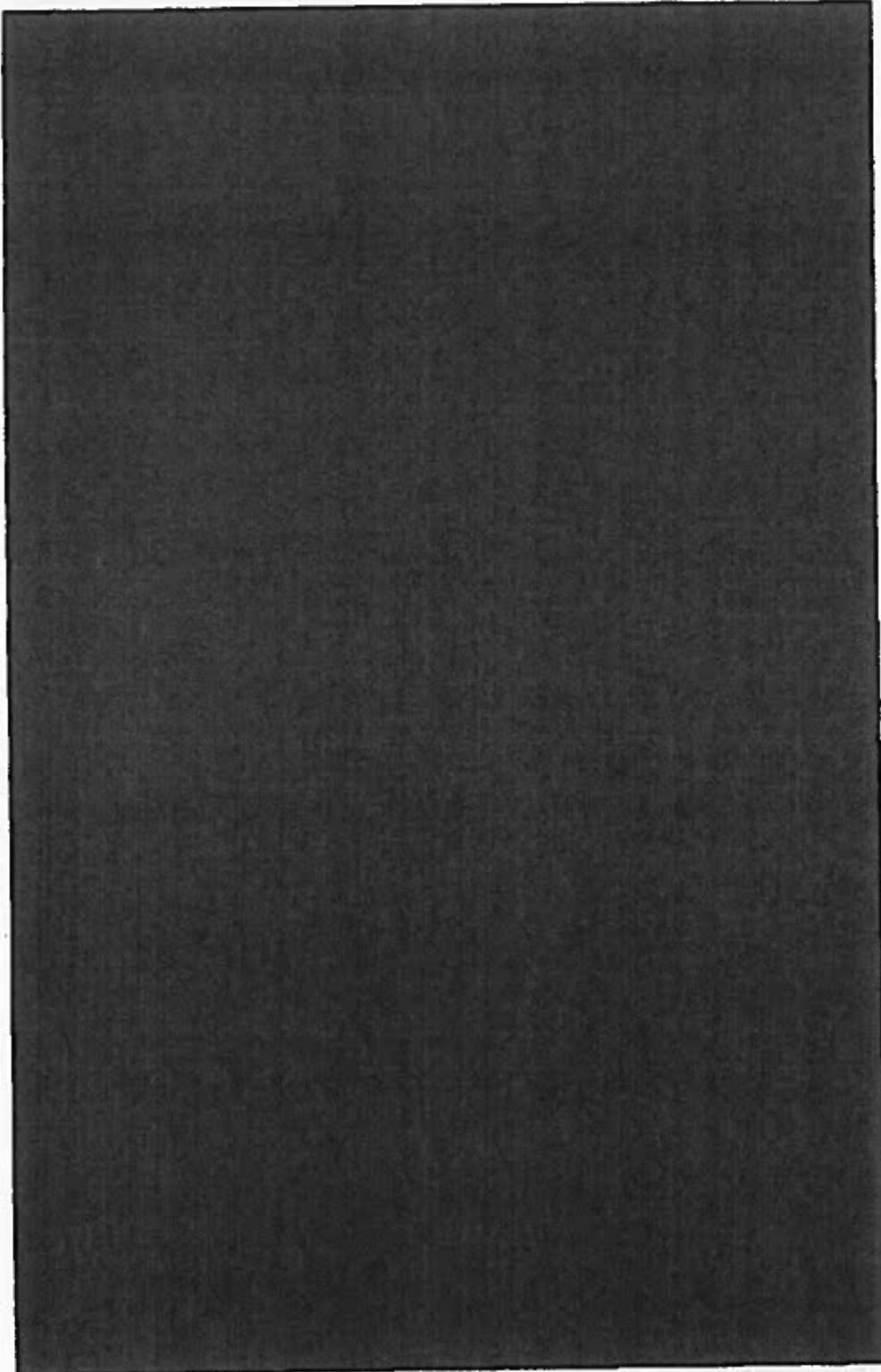
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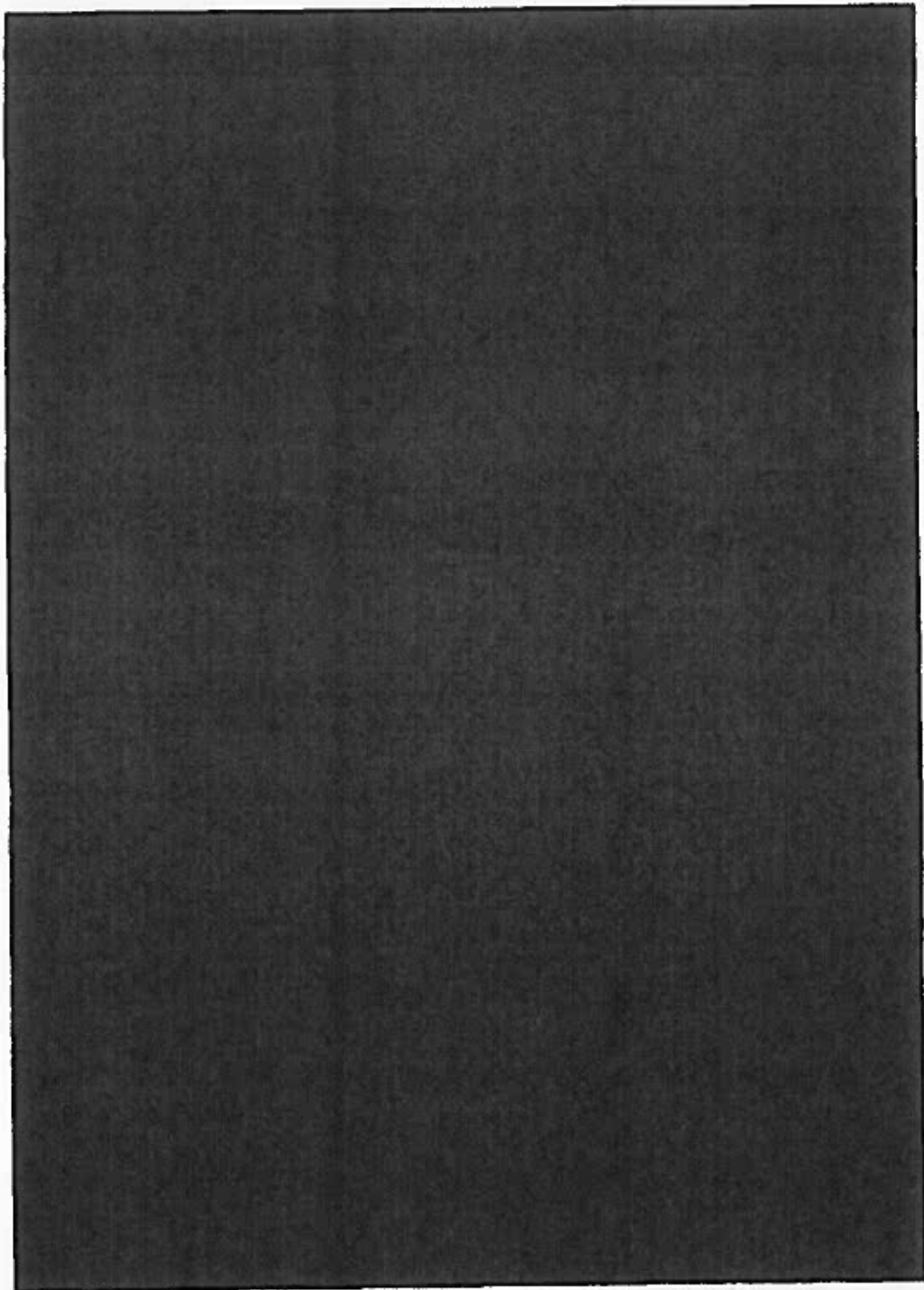
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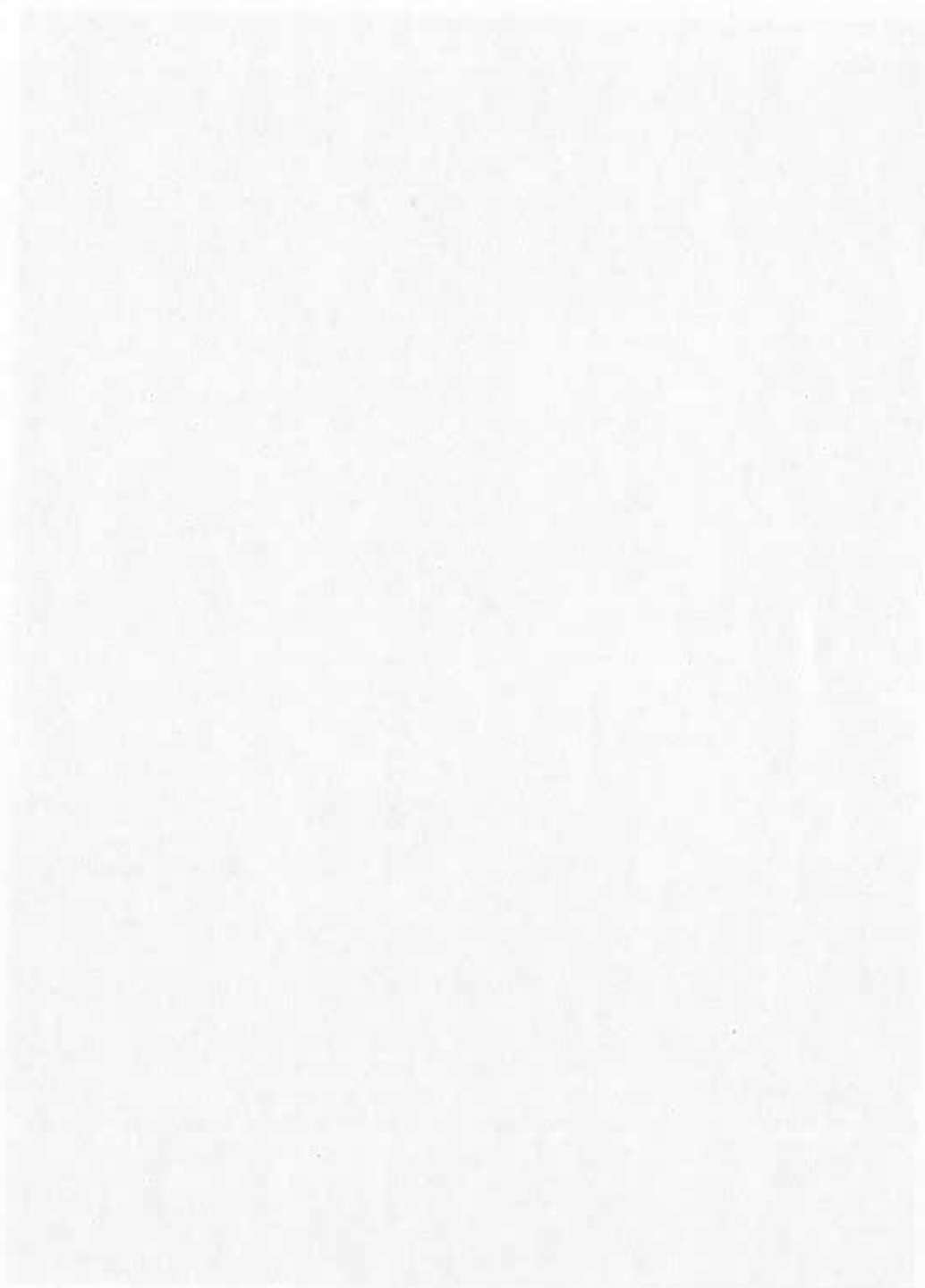
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5.

6.





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We hope the above Memorandum of Understanding is useful. We very much look forward to progressing discussions with NAMA with a view to implementing the Transaction in such a manner as is beneficial for all parties.

Yours sincerely,

BRAVO Strategies II LLC

186607 v1-WorkSiteUK-000002/3448



[REDACTED]

DFM

[REDACTED]

TUESDAY 14 JANUARY 2014 TO TUESDAY 14 JANUARY 2014

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

12:00-12:20

Telephone Call (Joint Conference Call with Michael Noonan (VP))

[REDACTED]

[REDACTED]

[REDACTED]

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(17)

Gardner, Jeremy

From: Richard Bullock [REDACTED]
Sent: 10 July 2015 11:12
To: Gardner, Jeremy
Subject: Fwd: Confidential Memorandum

Sent from my iPad

Begin forwarded message:

From: Richard Bullock [REDACTED]
Date: 17 January 2014 16:32:16 GMT
To: "Gardner, Jeremy" <Jeremy.Gardner@ofmdfmi.gov.uk>
Subject: Re: Confidential Memorandum

Fm and dfm as agreed with mn

Sent from my iPhone

On 17 Jan 2014, at 16:13, "Gardner, Jeremy" <Jeremy.Gardner@ofmdfmi.gov.uk> wrote:

Who am I sending on behalf of?

From: Richard Bullock [REDACTED]
Sent: 17 January 2014 16:12
To: Gardner, Jeremy
Subject: Fwd: Confidential Memorandum

Good to go

Sent from my iPad

Begin forwarded message:

From: Ian Coulter <Ian.Coulter@tughans.com>
Date: 17 January 2014 14:44:26 GMT
To: "Richard Bullock" [REDACTED]
Subject: FW: Confidential Memorandum

Ian Coulter
Managing Partner
Tughans

Tel: +44 (0) 20 9555 3300
Mob: +44 (0) 77 4780 8737
Fax: +44 (0) 20 9555 3310
Email: Ian.Coulter@tughans.com

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From: Janice Godfrey
Sent: 17 January 2014 14:44
To: Ian Coulter
Subject: Confidential Memorandum

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Gardner, Jeremy

From: [REDACTED]
Sent: 29 July 2015 14:54
To: Gardner, Jeremy
Subject: FW: MOU

Hi Jeremy,

I think you might be in luck with the restore. Is this the email you were looking for

Regards,

[REDACTED]
IT Assist
Messaging Team
[REDACTED]

From: Gardner, Jeremy
Sent: 17 January 2014 16:29
To: thanna@nema.le
Subject: MOU

Ronnie I have been asked to forward you the attached MOU

Thanks



Confidential
Memorandum doc

Jeremy Gardner
Principal Private Secretary - First Minister
10 Downing Street
London
SW1A 2AA
Tel: 020 7533 3000
Mobile: 07917 544140

Tel: 020 90 378080
Mobile: 07917544140

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CONFIDENTIAL MEMORANDUM

Any further third party ("Third Party") should be prepared to enter into a legally binding memorandum of understanding with the Northern Irish Government (an "MoU") confirming certain fundamental conditions to how such Third Party would deal with and manage the Debt Portfolio.

These conditions would be:

1. Firstly, upon acquisition of the Debt Portfolio, that the Third Party would release all corporate guarantees and personal guarantees and security (and any other similar "secondary security") of borrowers and any related parties (such as ultimate shareholders, group companies) for nil payment. Only the assets which are the primary and principal subject of the underlying debt should be retained as security;
2. Secondly, that any Third Party's fund structure would satisfy the following requirements:
 - (a) that it has sufficient existing cash reserves to ensure that the acquisition was funded fully from such existing cash reserves (i.e. any offer is not "subject to funding");
 - (b) that its fund is structured in such a way that it is of a long term nature and that it would have sufficient further cash reserves to apply a longer term "hold and investment" strategy by utilising the long term rental streams of the assets and/or increasing value of the assets (as opposed to short term disposals or which would have a significant detriment effect on the Northern Irish market); and
 - (c) accordingly there should not be a significant disposal strategy in the shorter term.Meanings as to these terms would require further discussion in due course.
3. Thirdly (and in connection with 2 above), the Third Party must commit to investing further significant funds (and show it has the ability to do so) for the development/improvement of the current underlying assets within the Debt Portfolio short to mid-term where viable.
4. Fourthly, the existing Northern Irish borrowers will be allowed to continue with the day to day management of the assets. Such borrowers would then be remunerated and incentivised on a proper commercial basis by way of management fees and profit shares/equity participation (following restructuring of the existing debt structures and levels). In the same vein borrowers should also be afforded the ability to be able to "re-purchase" some or all of their portfolios in the longer term subject to attaining proper market value levels.
5. Fifthly, the Third Party should commit in the MoU to utilise Northern Irish supply chains (construction, professional services and non-professional services for example) at all times on a preferred basis in respect any underlying assets within the Debt Portfolio whether situated in Northern Ireland, Great Britain or further afield.
6. Sixthly, the Third Party should be prepared to commit to having a permanent management base in Northern Ireland (populated with experienced professionals with track records of working in Northern Ireland) through which the management, administration and dealings with borrowers within the Debt Portfolio, will be undertaken. The expectation would be that a significant management presence is situated in Northern Ireland physically and not just be a "brass plate" exercise.

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Introduction to Cerberus

March 2014

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THIS PRESENTATION IS BEING FURNISHED TO PROVIDE PRELIMINARY SUMMARY INFORMATION REGARDING CERBERUS CAPITAL MANAGEMENT, L.P. (TOGETHER WITH ITS AFFILIATED MANAGEMENT/GENERAL PARTNER ENTITIES, OPERATIONS COMPANIES, LOAN SERVICING COMPANIES AND FUNDS AND ACCOUNTS THAT IT MANAGES DIRECTLY AND INDIRECTLY ("CERBERUS"). THIS PRESENTING COMPANIES AND THE MATERIALS SET FORTH HEREIN MAY NOT BE REPRODUCED OR USED FOR ANY OTHER PURPOSE. THIS PRESENTATION IS CONFIDENTIAL AND ANY UNAUTHORIZED COPYING, DISCLOSURE OR DISTRIBUTION OF THESE MATERIALS WITHOUT THE EXPRESS CONSENT OF CERBERUS IS STRICTLY PROHIBITED.

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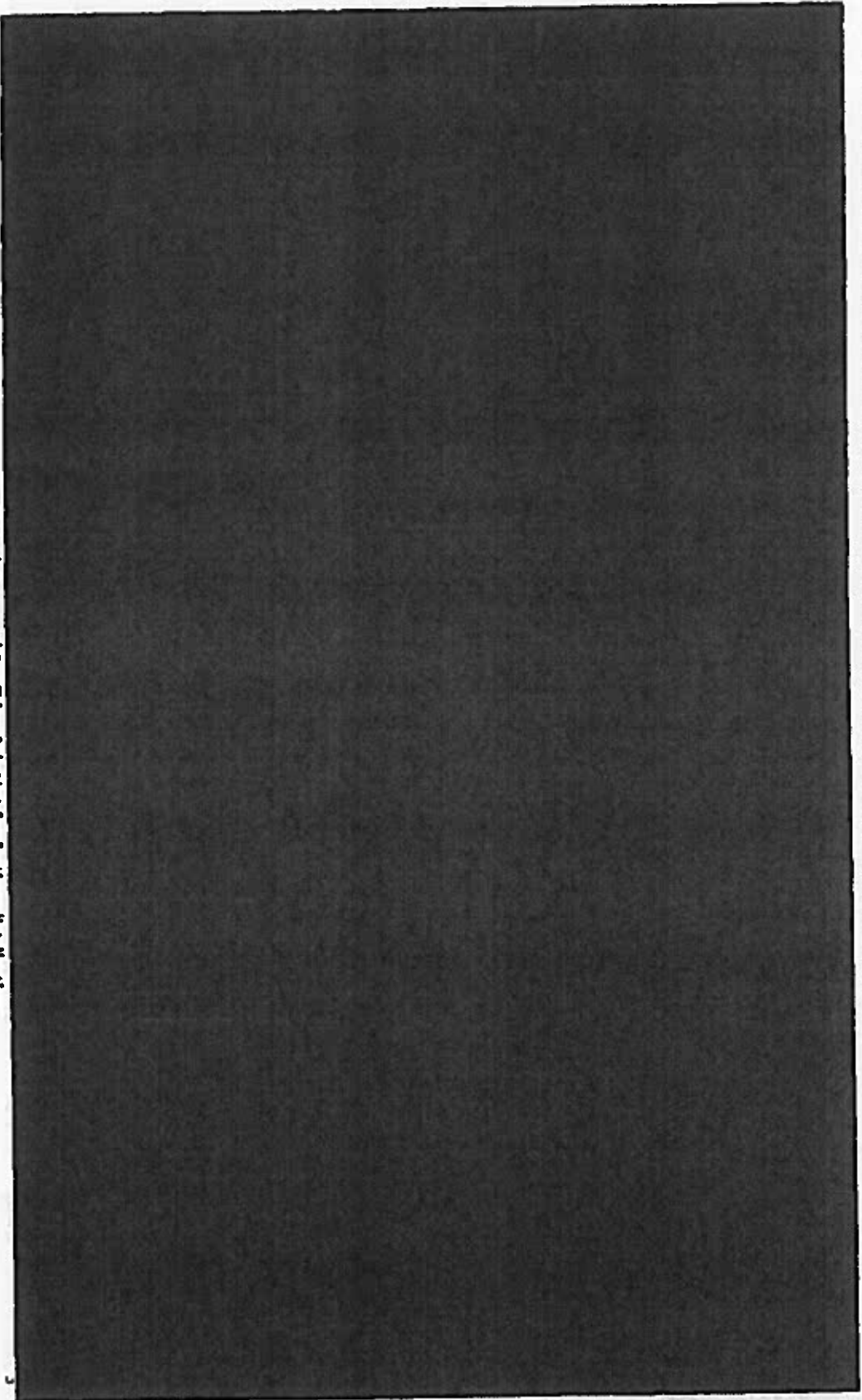


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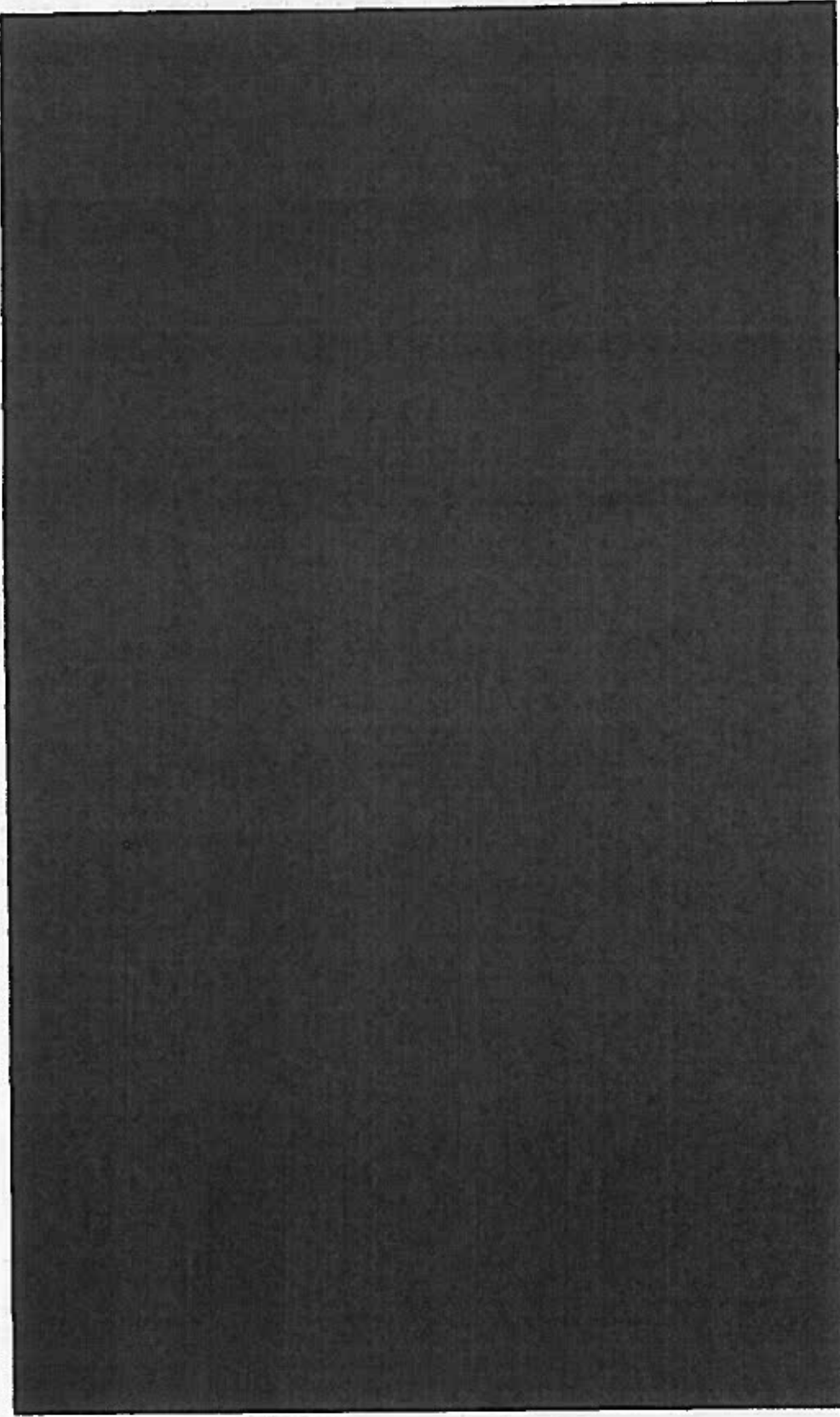


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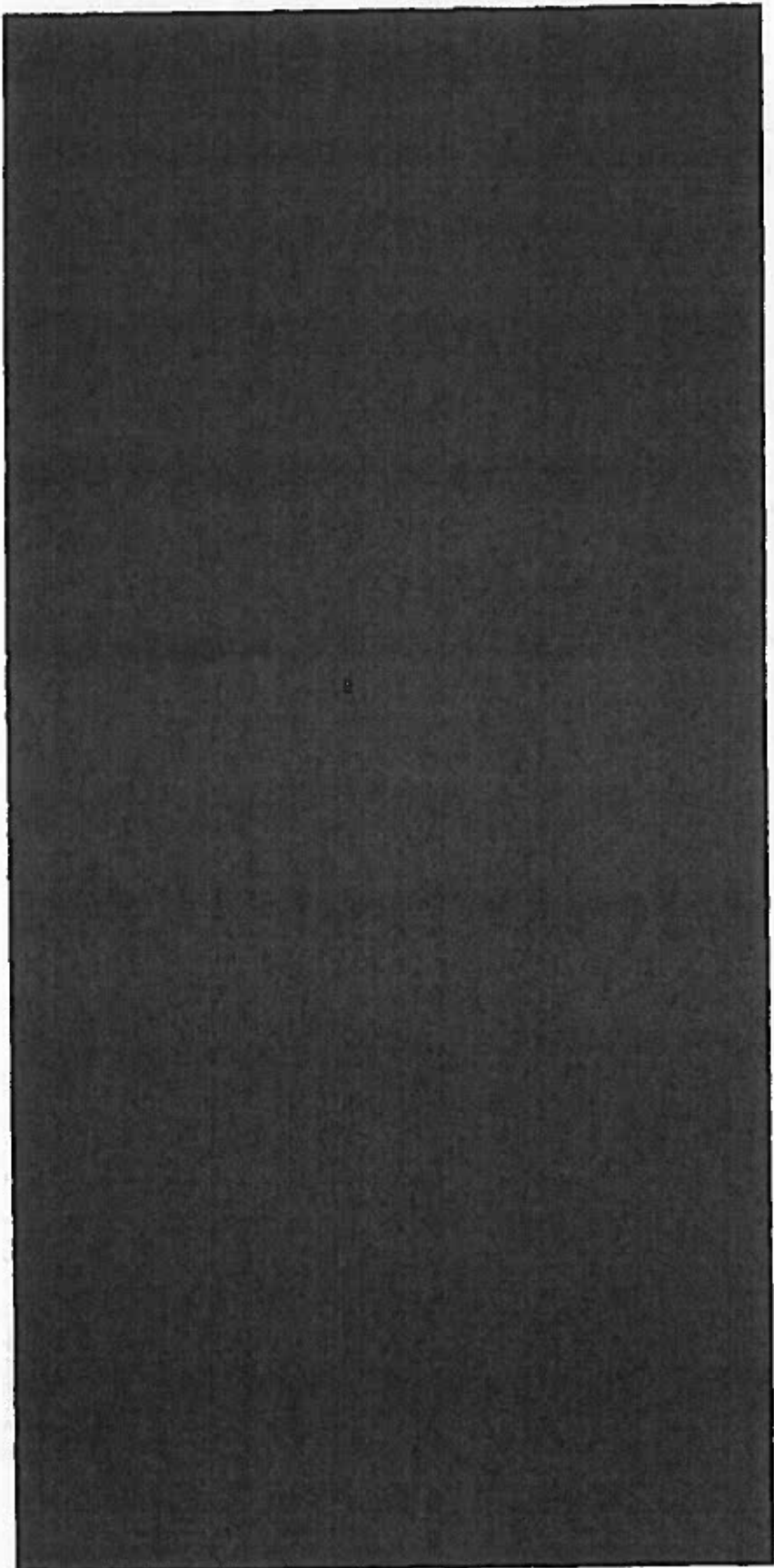
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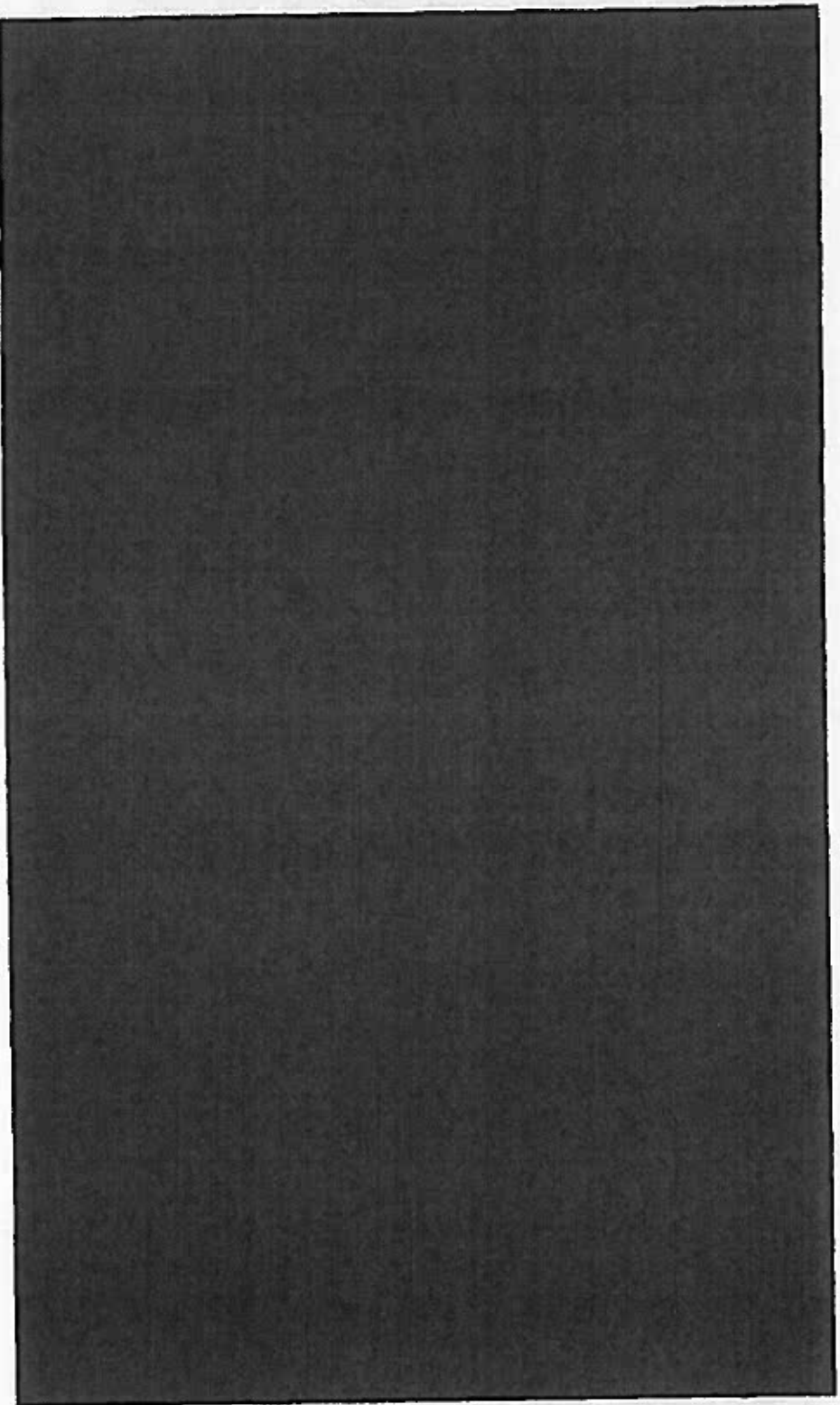
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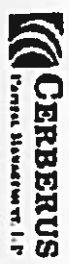
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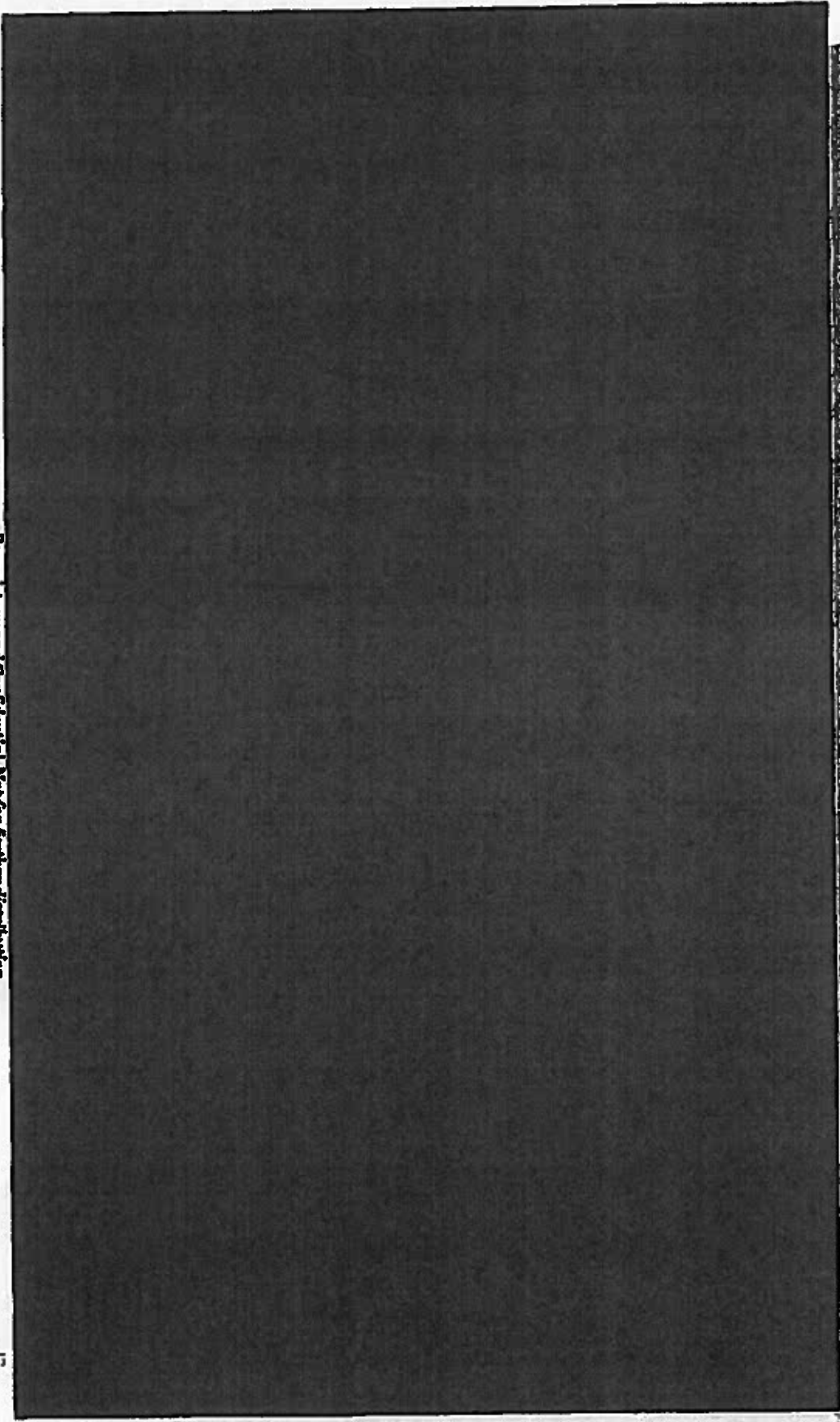


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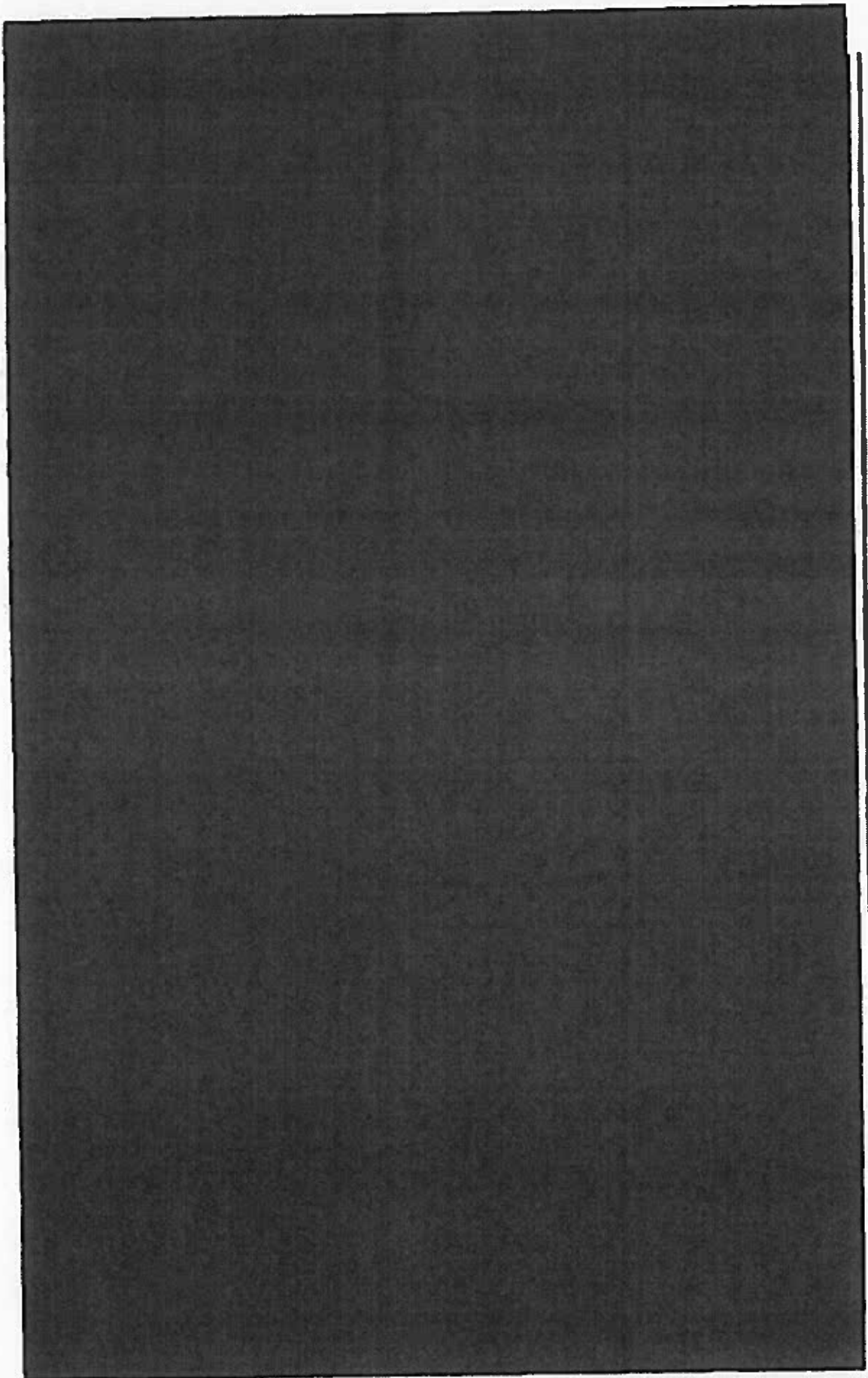
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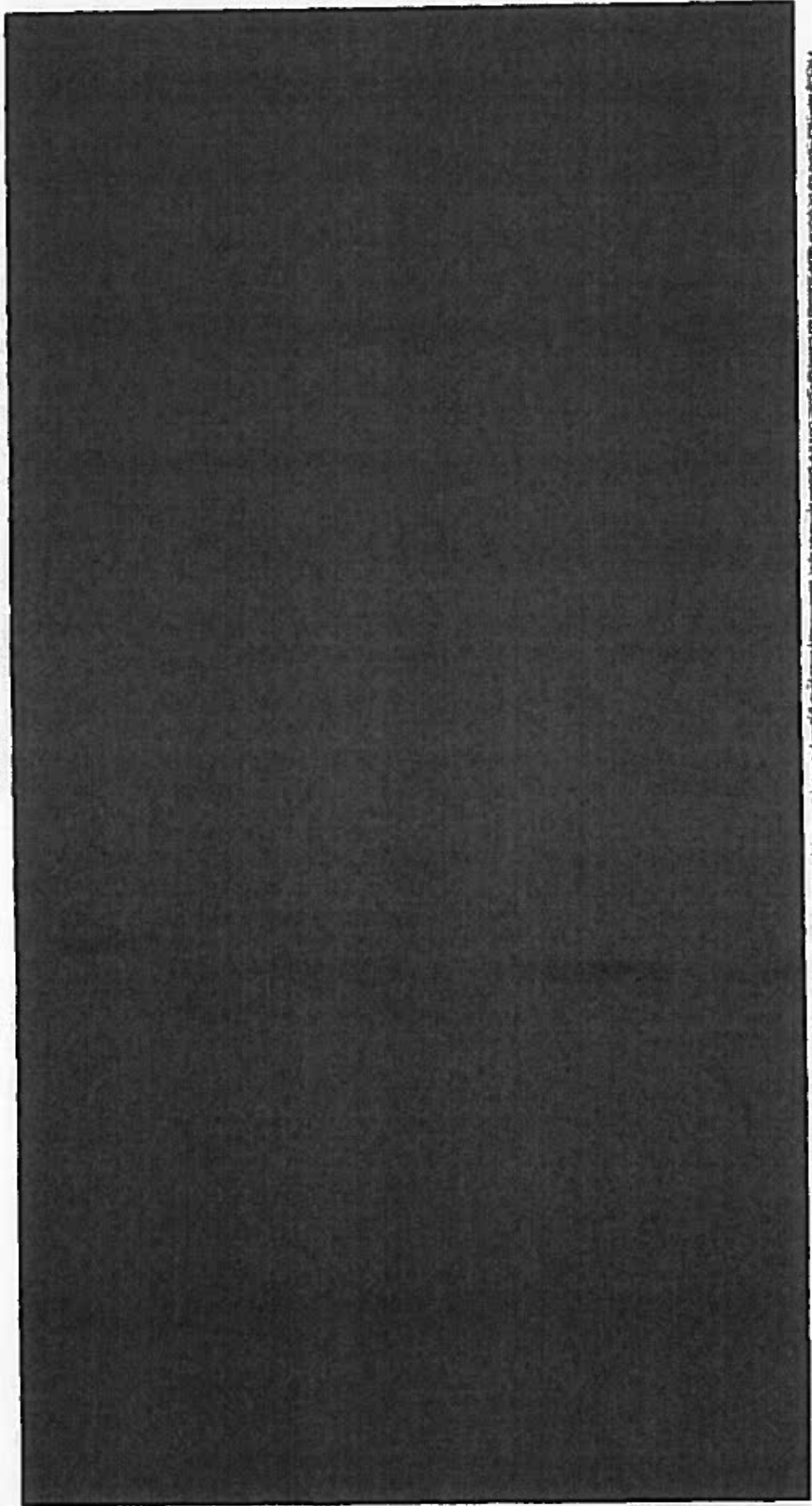


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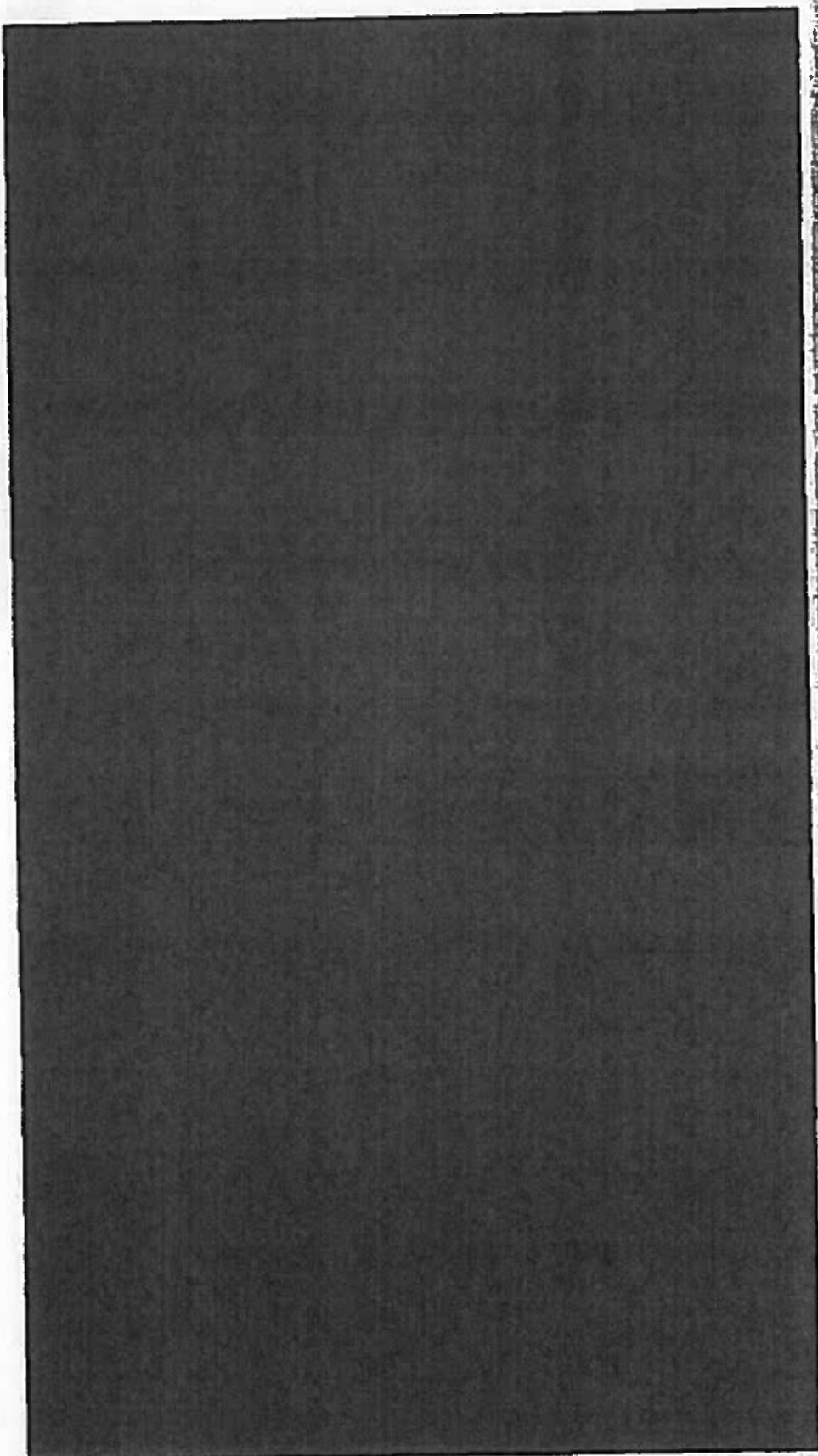
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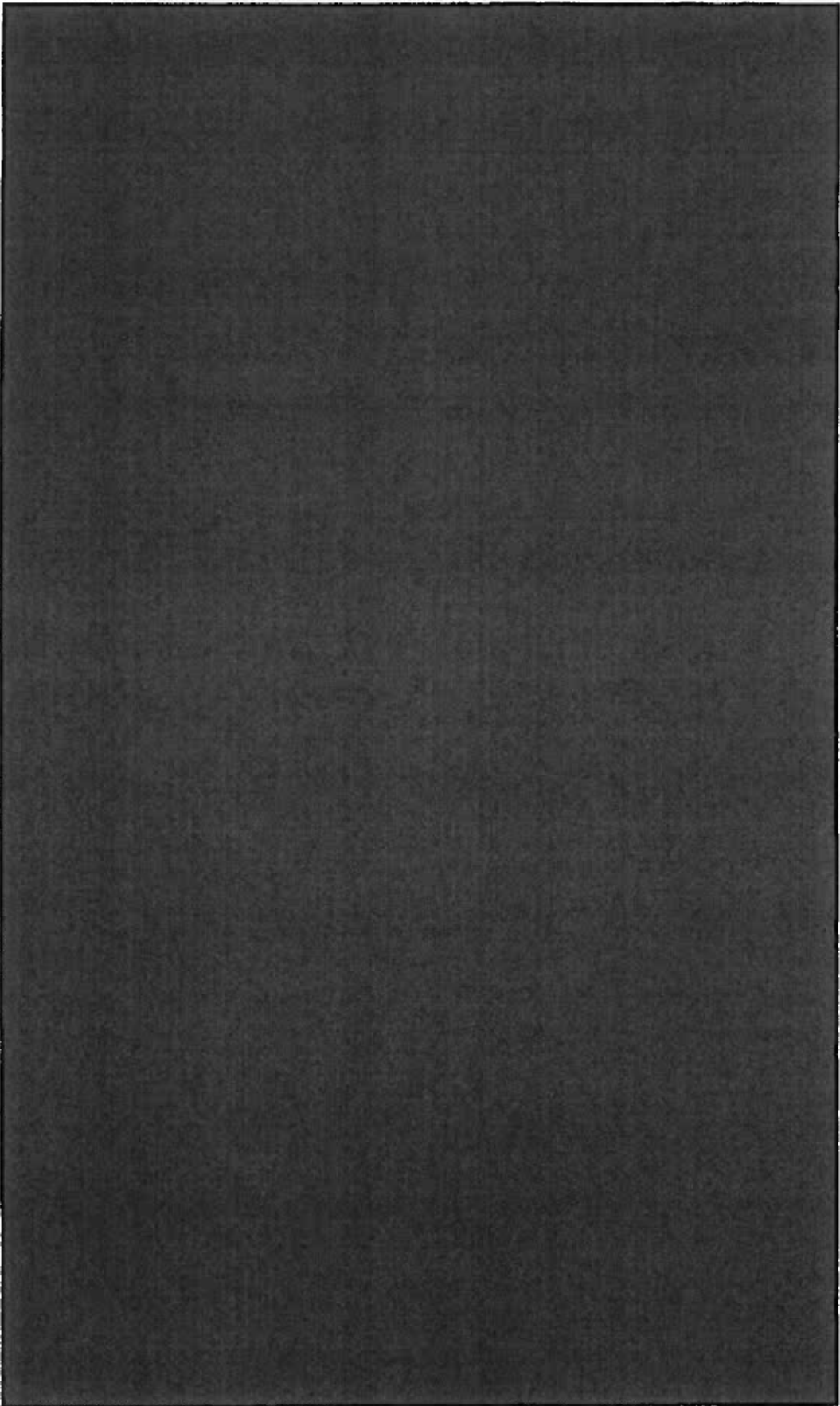


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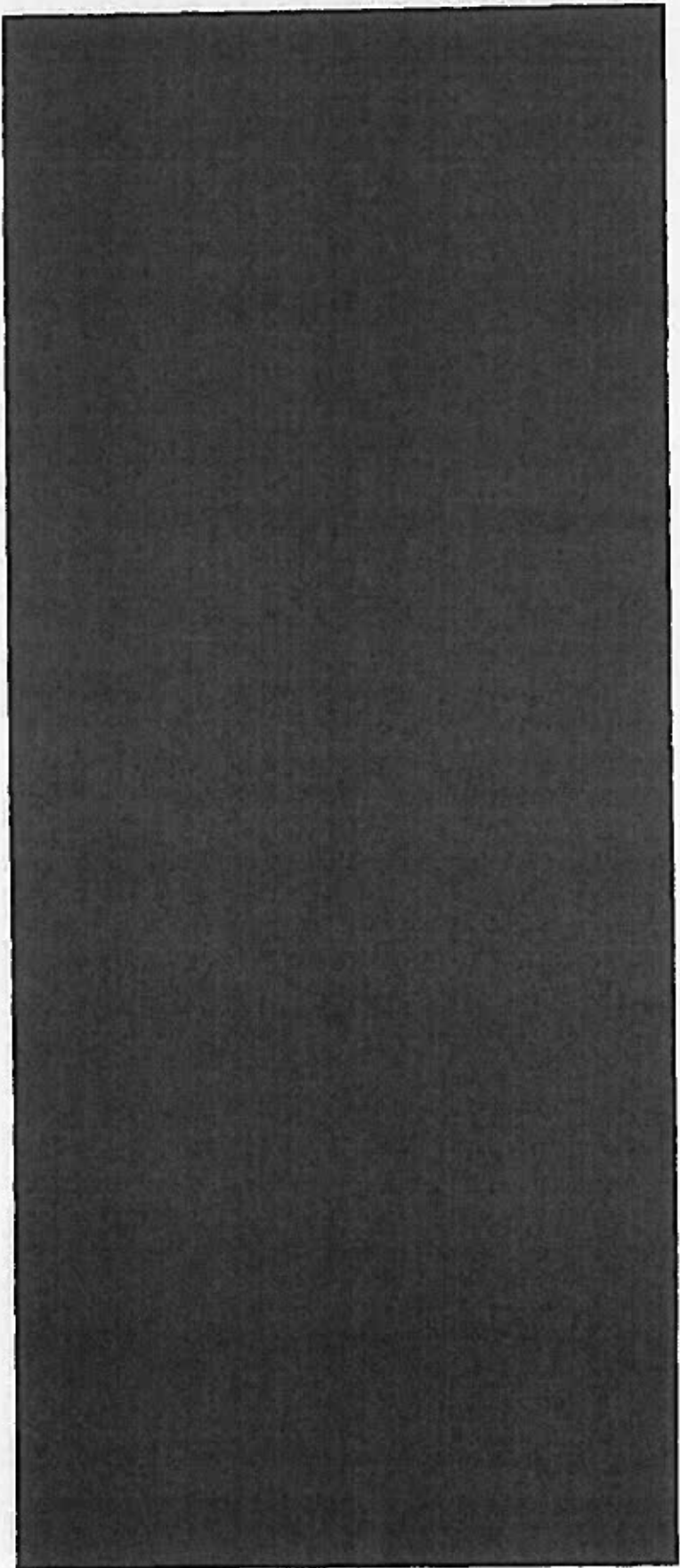
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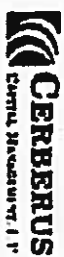
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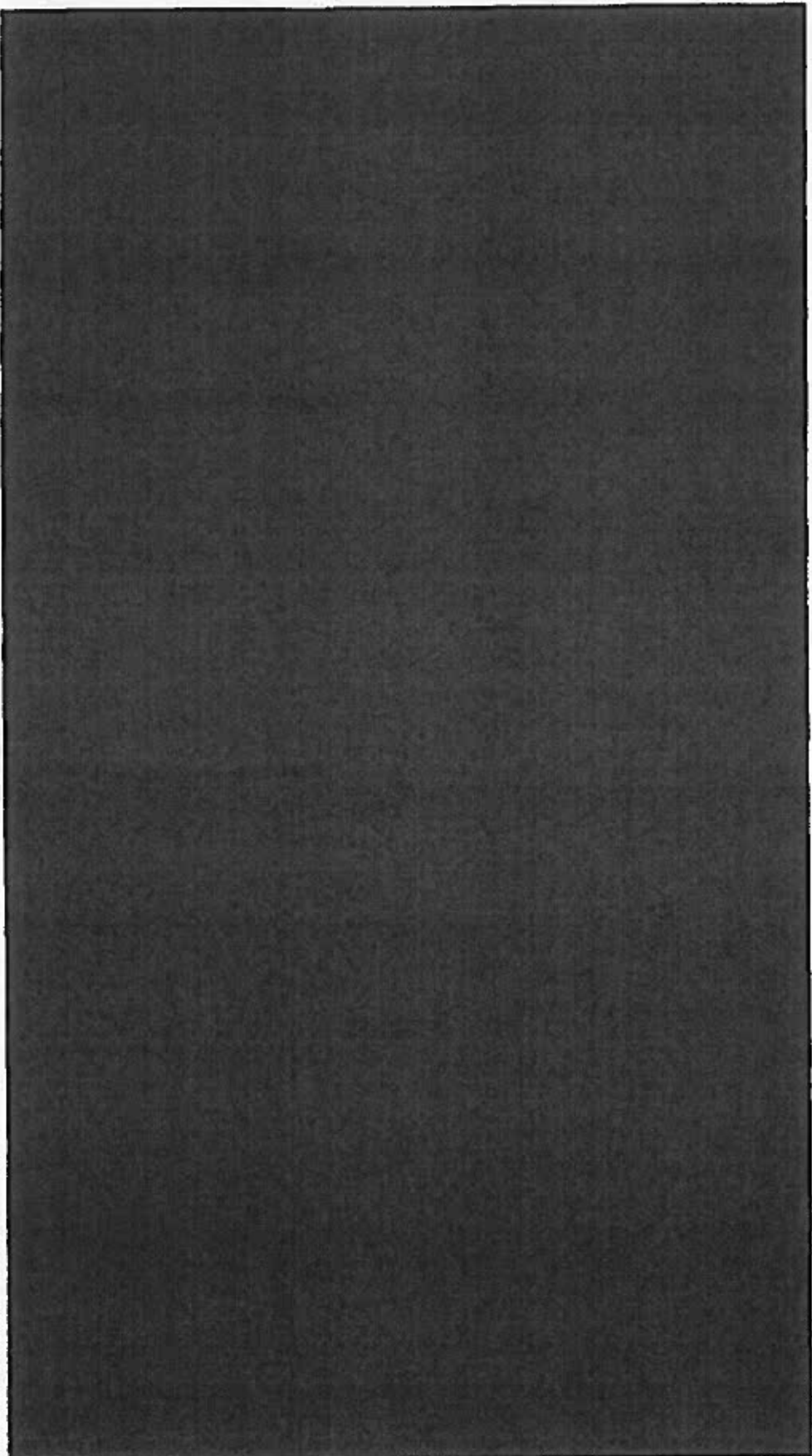


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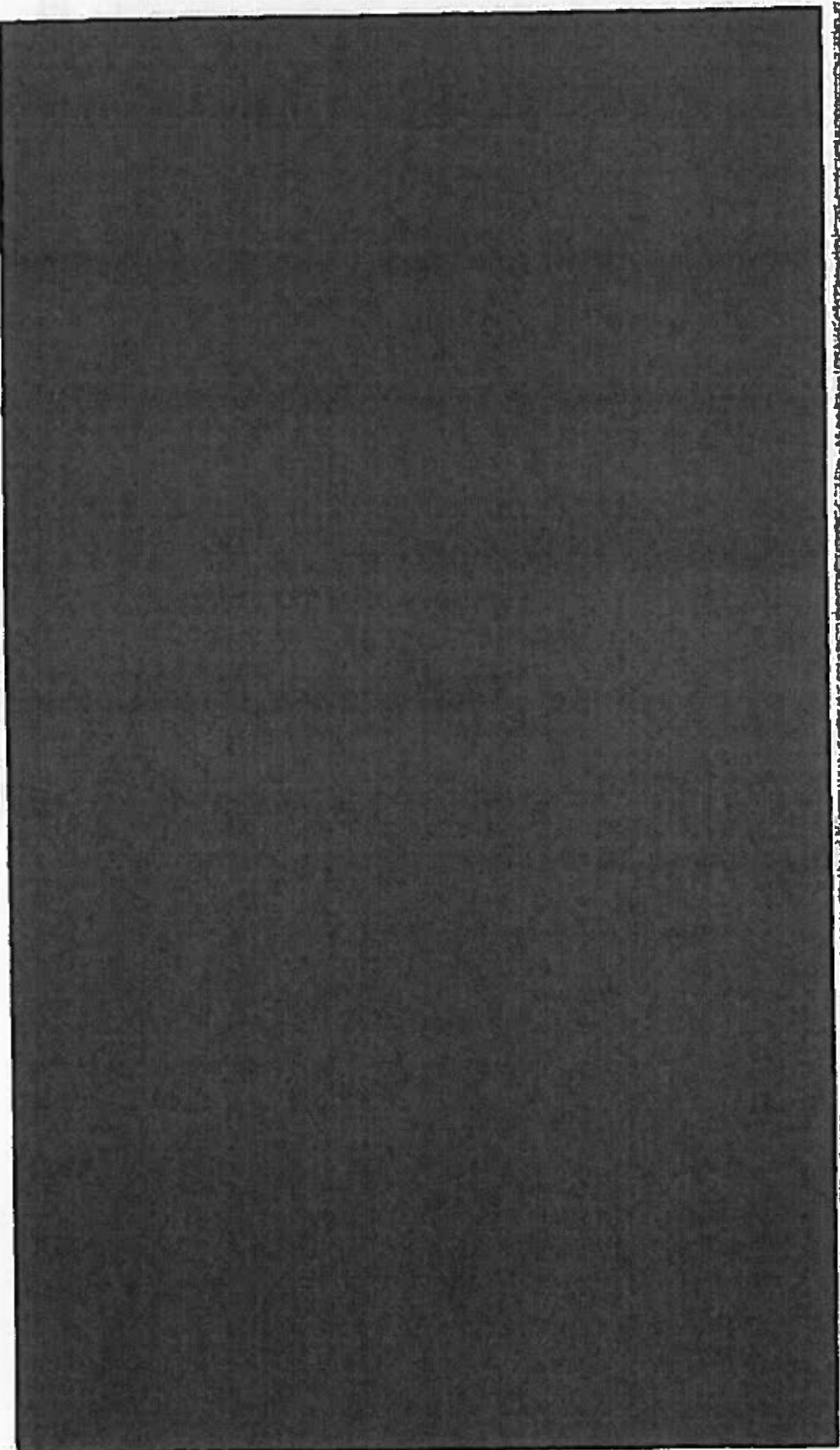
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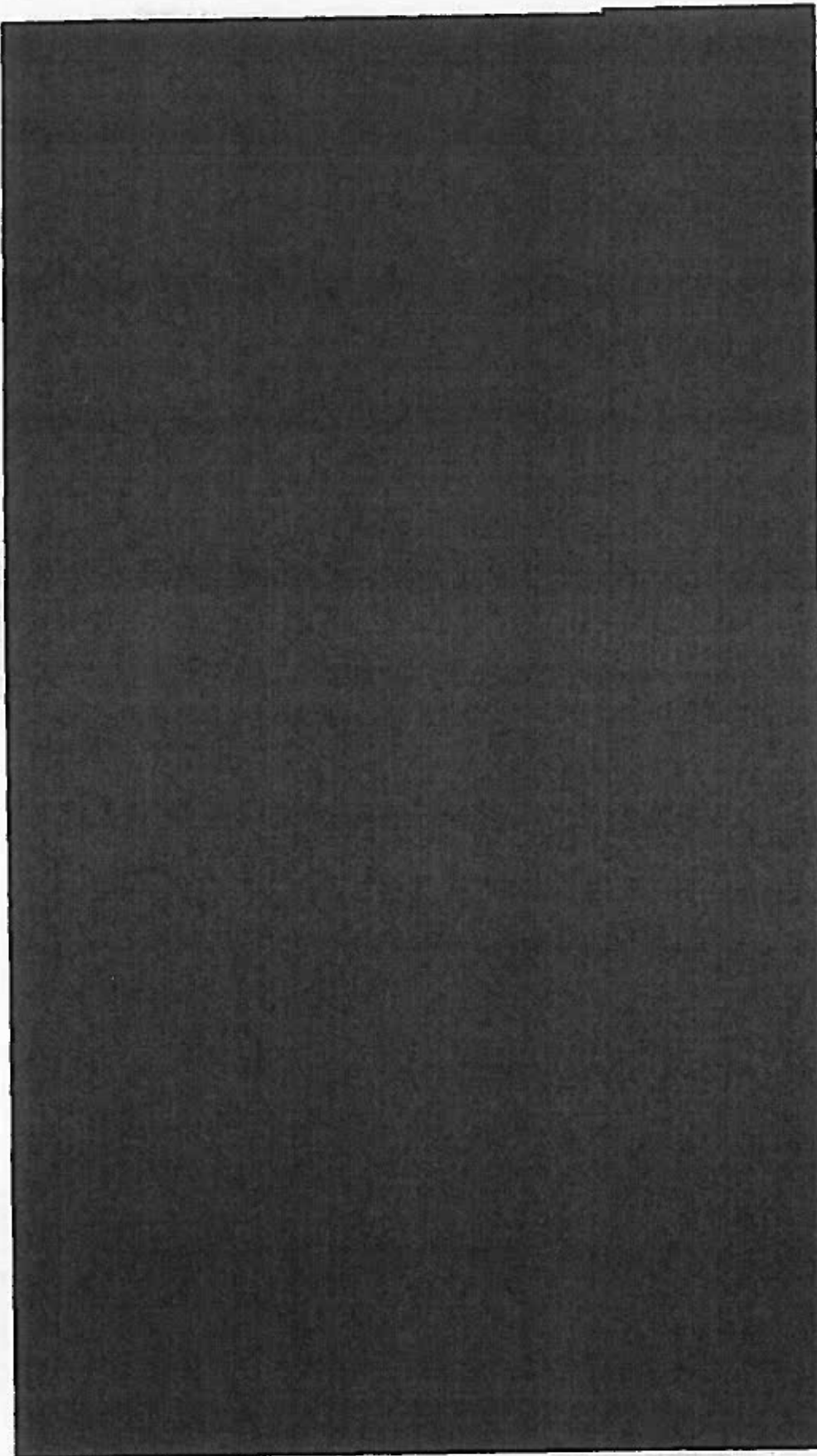
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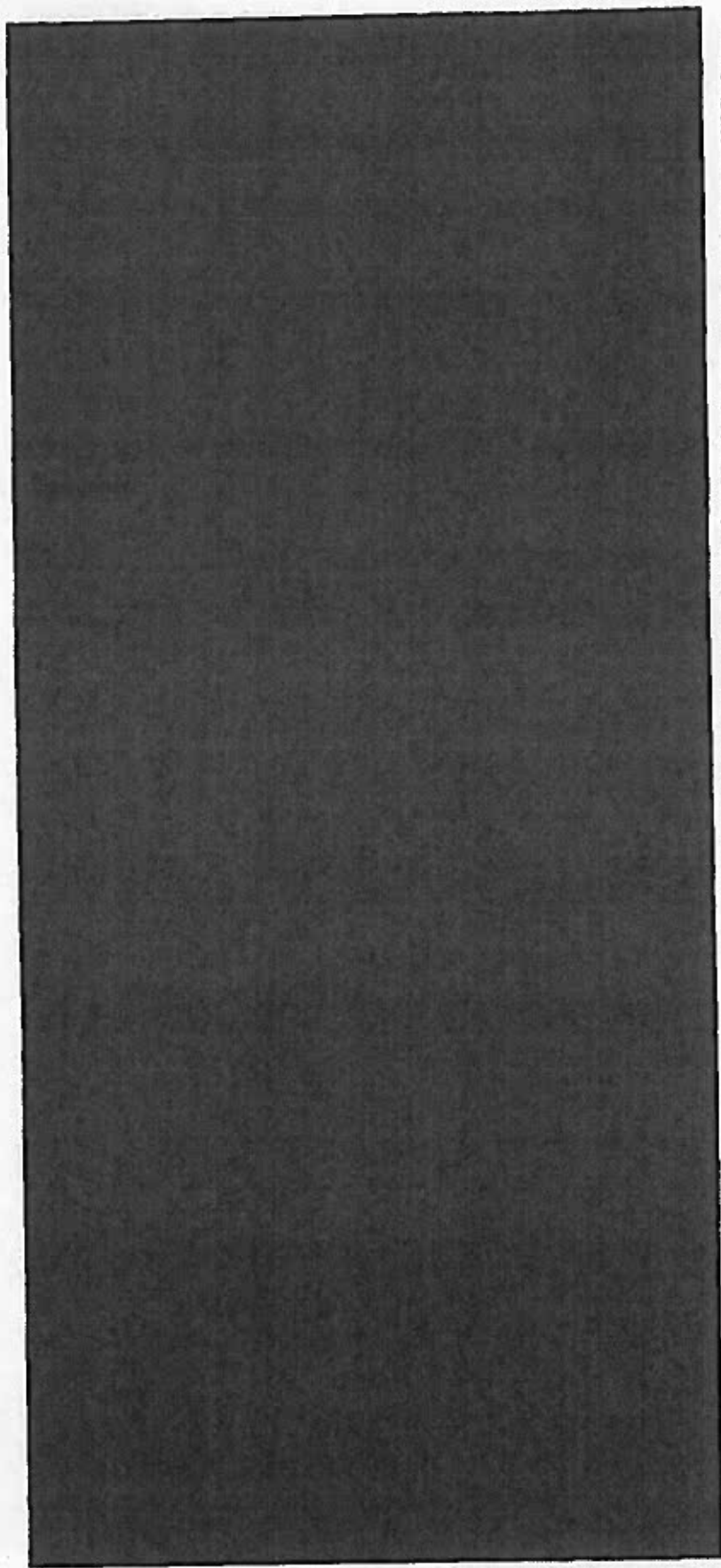


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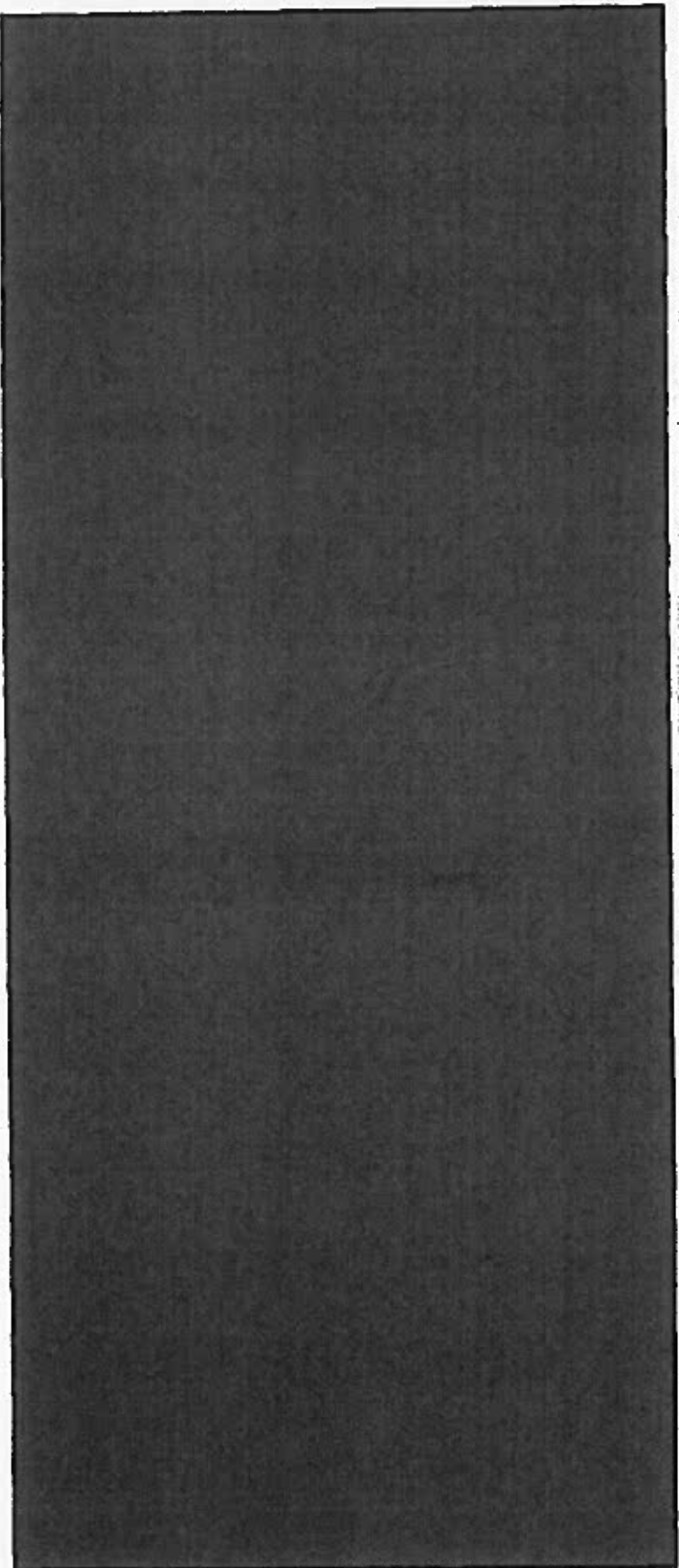


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**Cerberus European Investments, LLC
875 Third Avenue
New York, New York 10022**

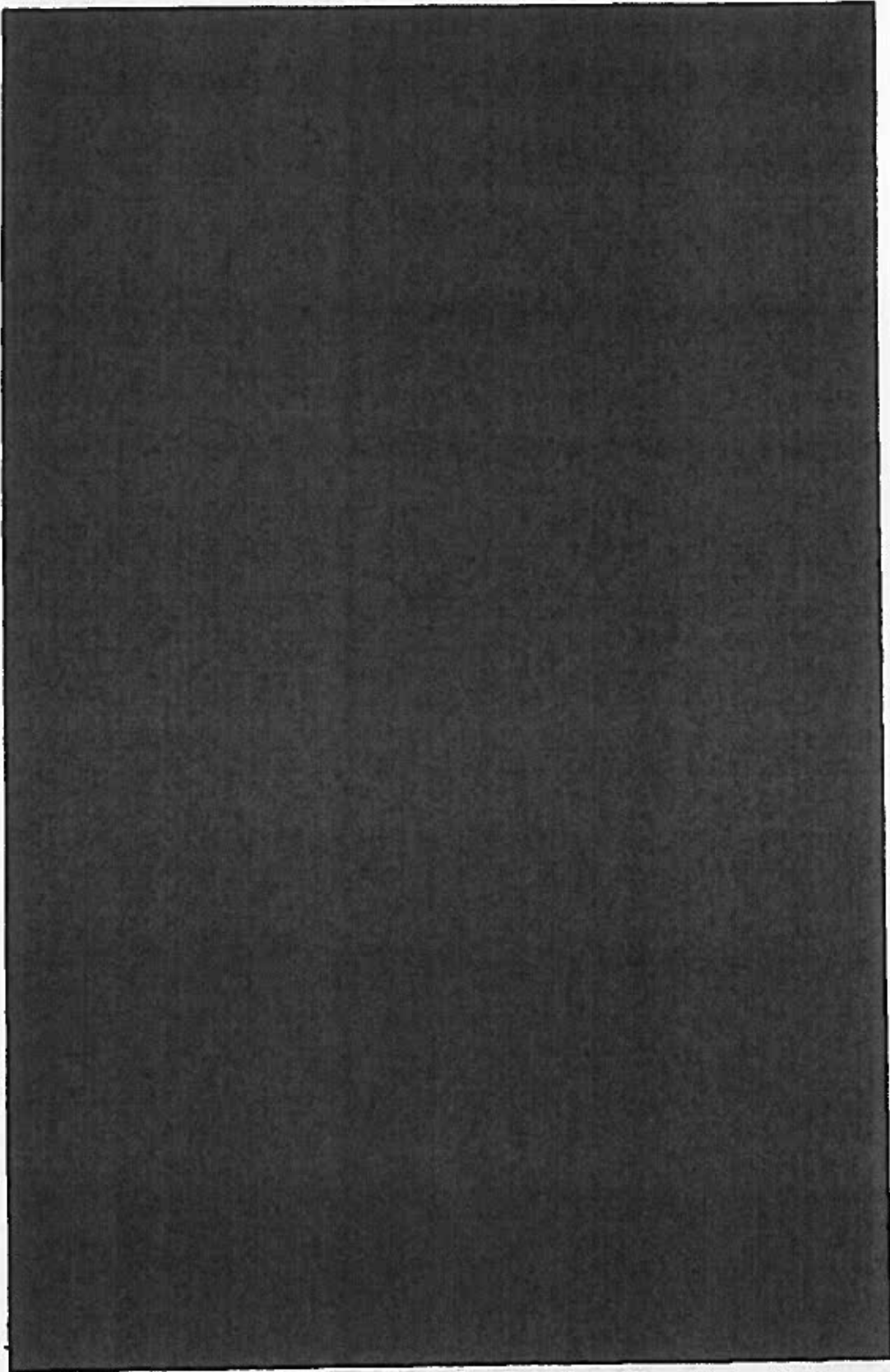
25 March 2014

**LETTER OF INVESTMENT AND OPERATIONAL INTENTIONS
REGARDING THE ACQUISITION OF THE NORTHERN IRELAND
BORROWER CONNECTIONS LOAN BOOK FROM NAMA**

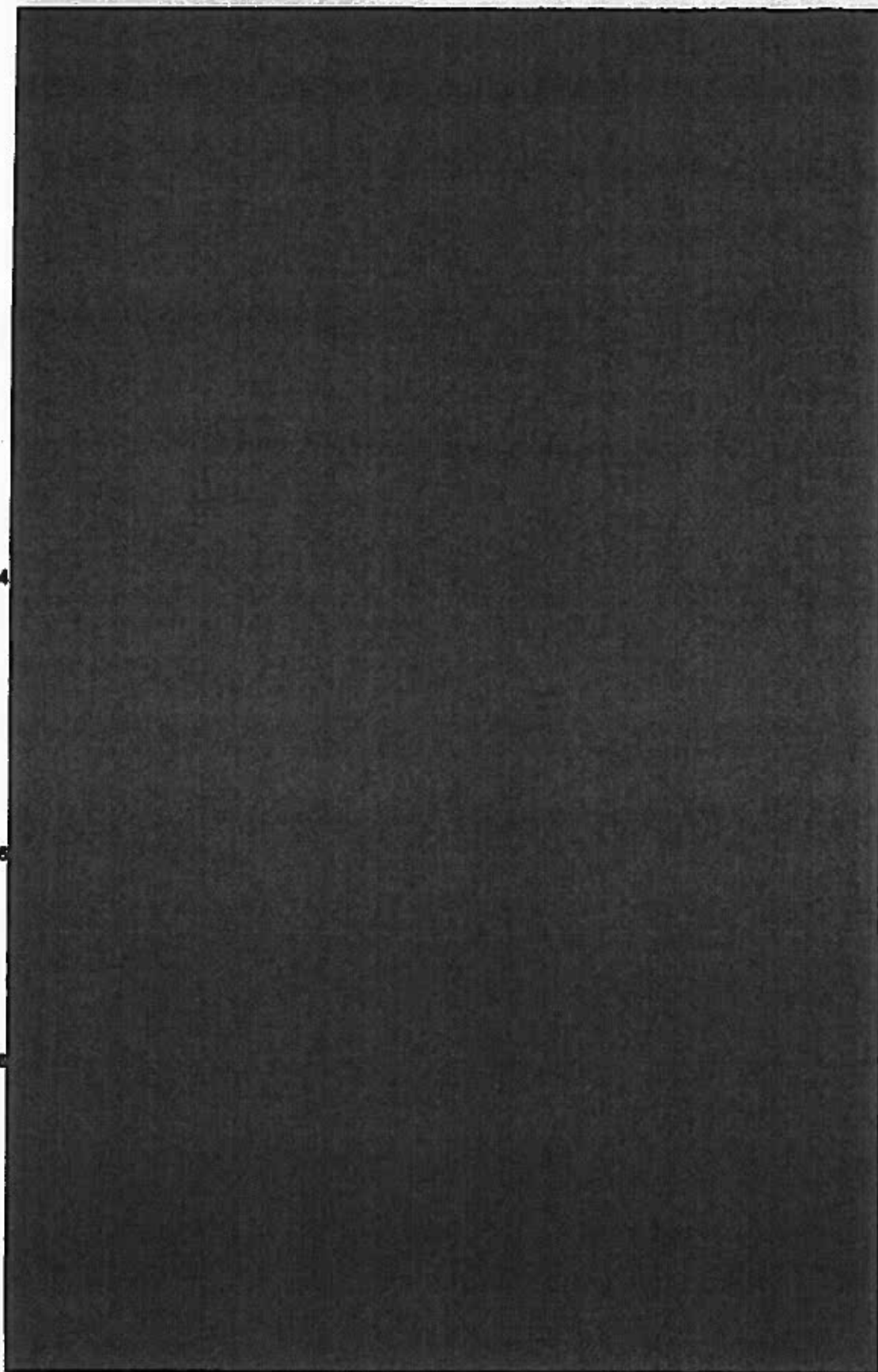
Dear Minister,



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Yours sincerely,

Carberus European Investments, LLC

Bullick, Richard

From: Frank Daly [FDaly@nama.ie]
Sent: 04 April 2014 09:54
To: Bullick, Richard
Subject: RE: Eagle

ThanksRichard

—Original Message—

From: Bullick, Richard [Richard.Bullick@dfni.gov.uk]
Sent: Friday, April 04, 2014 09:35 AM GMT Standard Time
To: Frank Daly
Subject: RE: Eagle

will forward you the version that goes out, but this is more or less where it is at

R

Robinson welcomes sale of NAMA's Northern Ireland portfolio

Last night I spoke to both the NAMA chairman Frank Daly and former United States Vice President Dan Quayle of Cerberus Capital Management

On the basis of these conversations I believe that this deal is excellent news for the Northern Ireland economy. For some time I have made clear the danger to the local economy of leaving valuable assets undeveloped and the threat that these posed to otherwise profitable businesses. I believe that this deal can be of real benefit to our economy.

I am grateful to the authorities in the Republic for the way in which this transaction has been handled and the importance of assisting the Northern Ireland economy.

We discussed how the purchasers intend to handle the portfolio and the conversation with Cerberus provided great encouragement that they will work with the developers and the Executive to the benefit of all concerned.

During our conversation Dan Quayle offered to send a team to Belfast to meet with us to discuss the way forward and we intend to take him up on that offer. In the weeks to come the Northern Ireland Executive will work with Cerberus to ensure that the deal can help kick start growth in this area of our economy.

I would also like to put on record my appreciation to NAMA and the Finance Minister in the Republic of Ireland Michael Noonan TD for the constructive way they have worked with the Northern Ireland Executive over the sale of this portfolio.

From: Frank Daly [mailto:FDaly@nama.ie]
Sent: 04 April 2014 09:33
To: Bullick, Richard
Subject: RE: Eagle

Richard
Would appreciate a copy of any statement/response after you have issued.
Thanks
Frank

-----Original Message-----
From: Bullick, Richard [Richard.Bullick@dfni.gov.uk]
Sent: Friday, April 04, 2014 09:30 AM GMT Standard Time
To: Frank Daly
Subject: RE: Eagle

Mr Daly

Thanks for the update. I would be grateful if you could confirm when/if the statement has gone out so that we can respond accordingly

I assume it is at 9.30?

Best Wishes

Richard

From: Frank Daly [mailto:FDaly@nama.ie]
Sent: 04 April 2014 08:43

To: 'Simon Hamilton (simonhamilton@dup.org.uk)'; Bullick, Richard
Subject: FW: Eagle

Minister, Richard

Slightly revised version of Press Release – change to Cerberus quote – It's now being attributed to their Chairman with a positive message re patience and investment in assets

Regards

Frank

NAMA announces sale of Northern Ireland loan portfolio

Cerberus Capital Management named as purchaser of Project Eagle loan portfolio, subject to contract

1 April 2014 – Based on the recommendation of its adviser, Lazard, the National Asset Management Agency (NAMA) has today announced the sale, subject to contract, of the Project Eagle portfolio of loans to affiliates of Cerberus Capital Management, L.P. (Cerberus). The portfolio consists of loans owned by Northern Ireland-based debtors and secured by assets in Northern Ireland, the Republic, Great Britain and other European locations.

The portfolio has a par value of £4.5 billion. The terms of transaction are commercially sensitive and are not being disclosed.

This transaction represents the largest single transaction by NAMA to date. It follows an extensive and competitive sales process involving bidders from Europe and the United States.

Commenting on the transaction, NAMA Chairman, Frank Daly, and NAMA CEO, Brendan McDonagh, said:

"This transaction represents a significant achievement for NAMA. It is NAMA's biggest single transaction to date and we are satisfied that the sales process will deliver the best possible result for the Irish taxpayer. NAMA management of this portfolio has been measured and supportive taking into consideration the particular circumstances in the Northern Ireland economy. We are assured by Cerberus that they will adopt a similar approach.

John W. Snow, Chairman of Cerberus Capital Management, said:

"We are excited and gratified to reach agreement on this significant, mutually beneficial transaction with NAMA. This investment, and the underlying assets in Ireland and other European markets, will be an important foundation for our overall European strategy. Cerberus is a patient, long-term investor and has a well-established track record of making significant improvements to the assets that it manages. We believe Cerberus has the ideal base of expertise and experience to manage the Eagle portfolio and will be a strong partner for NAMA, for Northern Ireland and for all the stakeholders associated with this transaction."

NOTE TO EDITORS

About Cerberus Capital Management, L.P.

Established in 1992, Cerberus Capital Management, L.P. is one of the world's leading private investment firms. Cerberus has more than US \$25 billion under management invested in four primary strategies: distressed securities and assets; control and non-control private equity; commercial mid-market lending and real estate-related investments. From its headquarters in New York City and large network of affiliate and advisory offices in the US, Europe and Asia, Cerberus has the on-the-ground presence to invest in multiple sectors, through multiple investment strategies in countries around the world.

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Dickson, Anne

From: Kathy Murphy [kmurphy@quayleassoc.com]
Sent: 21 April 2014 21:39
To: Parker Vincent
Cc: 'ian.coulter@tughans.com'
Subject: RE: phone call

Vincent:

I think next week would be fine, when you have a moment let me know a few days and times.

Thank you,
Kathy

From: Parker, Vincent [mailto:Vincent.Parker@ofmdfmi.gov.uk]
Sent: Monday, April 21, 2014 12:26 PM
To: Kathy Murphy
Cc: 'ian.coulter@tughans.com'
Subject: Re: phone call

Hi Kathy,

The dFM is on a family holiday this week, however if VP Quayle needs to arrange the call this week, I can arrange. However it would be easier and more convenient early next week. If next week suits, I will look at diary and come back with a few days and times. I'm in NY this week, on leave, but will be checking email each day.

Thanks

Vincent

This was sent from my Blackberry Device.

From: Kathy Murphy [mailto:kmurphy@quayleassoc.com]
Sent: Monday, April 21, 2014 08:01 PM
To: Parker, Vincent
Cc: Ian Coulter (ian.coulter@tughans.com) <ian.coulter@tughans.com>
Subject: phone call

Dear Special Adviser Parker:

I am the assistant to Former United States Vice President, Dan Quayle. The Vice President would like to schedule a phone call with the Deputy First Minister.

Can you please let me know a few different dates and times that might work for the Deputy First Minister to receive a phone call?

Kind regards,

Kathy Murphy
EA to Dan Quayle
(480) 922-5700

1. The first part of the document is a letter from the President of the United States to the Congress, dated January 1, 1861. It is a very important document, as it sets out the President's policy for the new year. The letter is written in a very formal and dignified style, and it is a very good example of the President's power and authority.

2. The second part of the document is a letter from the President to the Congress, dated January 1, 1861. It is a very important document, as it sets out the President's policy for the new year. The letter is written in a very formal and dignified style, and it is a very good example of the President's power and authority.

3. The third part of the document is a letter from the President to the Congress, dated January 1, 1861. It is a very important document, as it sets out the President's policy for the new year. The letter is written in a very formal and dignified style, and it is a very good example of the President's power and authority.

4. The fourth part of the document is a letter from the President to the Congress, dated January 1, 1861. It is a very important document, as it sets out the President's policy for the new year. The letter is written in a very formal and dignified style, and it is a very good example of the President's power and authority.

5. The fifth part of the document is a letter from the President to the Congress, dated January 1, 1861. It is a very important document, as it sets out the President's policy for the new year. The letter is written in a very formal and dignified style, and it is a very good example of the President's power and authority.

6. The sixth part of the document is a letter from the President to the Congress, dated January 1, 1861. It is a very important document, as it sets out the President's policy for the new year. The letter is written in a very formal and dignified style, and it is a very good example of the President's power and authority.

7. The seventh part of the document is a letter from the President to the Congress, dated January 1, 1861. It is a very important document, as it sets out the President's policy for the new year. The letter is written in a very formal and dignified style, and it is a very good example of the President's power and authority.

Executive Services Directorate
Central Correspondence Unit
Room GD36
Stormont Castle
Stormont Estate
BELFAST BT4 3TT
Tel: 028 9037 8158 (Ext 88158)
Email: ps.ministers@ofndfmi.gov.uk



Office of the
**First Minister and
Deputy First Minister**
www.ofndfmi.gov.uk

24

Mr David Moore

Your Ref:

Our Ref: FOI 2014 – 0032

request-205869-
4110478c@whatdotheyknow.com

Date: 8 May 2014

Dear Mr Moore

Freedom of Information Act 2000

I refer to your request which we received on 5 April 2014 for information relating to NAMA's Northern Ireland loan book. I am writing to tell you that a disproportionate amount of staff resources would be required to identify, locate, retrieve and extract the information which may be relevant to your request.

Section 12 of the Freedom of Information Act makes provision for a public authority to refuse requests for information where the cost of dealing with them would exceed 'the appropriate limit' ie £600 (24 hours @ £25 per hour regardless of grade of staff conducting the search). We estimate that the extraction of the information would exceed this threshold. Our calculation is that it would take us in excess of 73 hrs to identify relevant material and locate, retrieve and extract it in response to your request. Therefore, you may wish to consider refining the scope of your request so that it can be dealt with under the costs threshold. Alternatively, I hope it will be helpful if I tell you that there is information available on the internet which may be relevant to your request; for convenience some links for your reference are attached at Annex A.

If you are unhappy with the level of service you have received in relation to our handling of this request, you may ask for an internal review within two calendar months of the date of this letter. You should contact –

Director of Corporate Services
Room E4.20
Castle Buildings
Stormont Estate

BELFAST
BT4 3SR

Tel - 028 9052 0694
Email - foi@ofmdfmrni.gov.uk

If you are not content with the outcome of the internal review, you then have the right to apply directly to the Information Commissioner for a decision. The Information Commissioner can be contacted at –

Information Commissioner's Office
Wycliffe House
Water Lane
WILMSLOW
Cheshire
SK9 5AF

The Information Commissioner will not investigate a complaint unless the internal review procedure outlined above has been completed.

The supply of information in response to a freedom of information request does not confer an automatic right to re-use the information. Under UK copyright law you can use any information supplied for the purposes of private study and non-commercial research without requiring permission. Similarly, information supplied can also be re-used for the purposes of news reporting. An exception to this is photographs.

For other forms of re-use, for example publishing the information, you would need the permission of the organisation or person who owns the copyright. In the case of information produced by government departments and agencies you can re-use the information under the Open Government Licence. For information about this please see <http://www.nationalarchives.gov.uk/doc/open-government-licence/open-government-licence.htm>

If, however, the copyright is identified as belonging to somebody else, you will need to apply for permission. For information about how to obtain permission from a third party, please go to Intellectual Property Office's website at

<http://www.ipo.gov.uk/types/copy/c-other.htm>

Please contact me if you have any queries about this letter, remembering to quote the reference number above in any future communications.

Yours sincerely



JEREMY GARDNER

Annex A

NSMC Joint Communiqués

Plenary

Joint Communiqué (NSMC Plenary) 21 Jan 2011

http://www.northsouthministerialcouncil.org/index/publications/joint-communicues/plenary-jc/plenary_jc_21_january_2011-2.htm

Joint Communiqué (NSMC Plenary) 10 June 2011

http://www.northsouthministerialcouncil.org/index/publications/joint-communicues/plenary-jc/plenary_jc_10_june_2011.htm

Joint Communiqué (NSMC Plenary) 18 November 2011

http://www.northsouthministerialcouncil.org/index/publications/joint-communicues/plenary-jc/plenary_jc_18_november_2011.htm

Joint Communiqué (NSMC Plenary) 15 June 2012

http://www.northsouthministerialcouncil.org/index/publications/joint-communicues/plenary-jc/plenary_joint_communique_15_june_2012.htm

Joint Communiqué (NSMC Plenary) 2 November 2012

http://www.northsouthministerialcouncil.org/index/publications/joint-communicues/plenary-jc/plenary_joint_communique_02_november_2012.htm

Joint Communiqué (NSMC Plenary) 5 July 2013

http://www.northsouthministerialcouncil.org/index/publications/joint-communicues/plenary-jc/plenary_joint_communique_05_july_2013.htm

Joint Communiqué (NSMC Plenary) 8 November 2013

http://www.northsouthministerialcouncil.org/index/publications/joint-communicues/plenary-jc/plenary_jc_08_november_2013.htm

Institutional

Joint Communiqué (NSMC Institutional) 29 April 2013

http://www.northsouthministerialcouncil.org/index/publications/joint-communicues/institutional-jc/institutional_joint_communique_29_april_2013.htm

Hansard of Assembly Statements

Statement on Plenary held 21 January 2011

<http://archive.niassembly.gov.uk/record/reports2010/110131.htm>

Statement on Plenary held 10 June 2011 <http://www.niassembly.gov.uk/Assembly-Business/Official-Report/Reports-11-12/21-June-2011/>

Statement on Plenary held 18 November 2011

<http://www.niassembly.gov.uk/Assembly-Business/Official-Report/Reports-11-12/29-November-2011/>

Statement on Plenary held 15 June 2012 <http://www.niassembly.gov.uk/Assembly-Business/Official-Report/Reports-11-12/19-June-2012/>

Statement on Plenary held 2 November 2012

<http://www.niassembly.gov.uk/Assembly-Business/Official-Report/Reports-12-13/06-November-2012/>

Statement on Institutional held 29 April 2013

<http://www.niassembly.gov.uk/Assembly-Business/Official-Report/Reports-12-13/30-April-2013/>

Statement on Plenary held 5 July 2013 <http://www.niassembly.gov.uk/Assembly-Business/Official-Report/Reports-13-14/17-September-2013/>

Statement on Plenary held 8 November 2013

<http://www.niassembly.gov.uk/Assembly-Business/Official-Report/Reports-13-14/12-November-2013/>

Cross Sector Advisory Forum Minutes

http://www.ofmdfmi.gov.uk/minutes_of_third_csaf_meeting_-_7_october_2009.pdf
NAMA reference begin at section 4.29

http://www.ofmdfmi.gov.uk/minutes_of_second_csaf_meeting_-_30th_june_2009.pdf
NAMA reference at section 5

http://www.ofmdfmi.gov.uk/minutes_of_fourth_csaf_meeting_-_4th_march_2010.pdf
NAMA reference begins at section 4.74.

AQO Response on NAMA

<http://aims.niassembly.gov.uk/questions/printquestionssummary.aspx?docid=74393>

Executive Services Directorate
Central Correspondence Unit
Room GD36
Stormont Castle
Stormont Estate
BELFAST BT4 3TT
Tel: 028 9037 8158 (Ext 88158)
Email: ps.ministers@ofmdfmini.gov.uk



Office of the
**First Minister and
Deputy First Minister**
of Northern Ireland

Mr David Moore

Your Ref: .

Our Ref: FOI 2014 - 0049

request-213309-
5dea9159@whatdotheyknow.com

Date: 14 June 2014

Dear Mr Moore

Freedom of Information Act 2000

I refer to your request which we received on 23 May 2014 for information created by the Department in 2014 relating to NAMA's Northern Ireland loan book. I have completed a search for the information which is attached.

If you are unhappy with the level of service you have received in relation to our handling of this request, you may ask for an internal review within two calendar months of the date of this letter. You should contact –

Director of Corporate Services
Room E4.20
Castle Buildings
Stormont Estate
BELFAST
BT4 3SR

Tel - 028 9052 0694
Email - foi@ofmdfmini.gov.uk

If you are not content with the outcome of the internal review, you then have the right to apply directly to the Information Commissioner for a decision. The Information Commissioner can be contacted at –

Information Commissioner's Office
Wycliffe House
Water Lane
WILMSLOW
Cheshire
SK9 5AF

The Information Commissioner will not investigate a complaint unless the internal review procedure outlined above has been completed.

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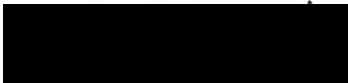
For other forms of re-use, for example publishing the information, you would need the permission of the organisation or person who owns the copyright. In the case of information produced by government departments and agencies you can re-use the information under the Open Government Licence. For information about this please see <http://www.nationalarchives.gov.uk/doc/open-government-licence/open-government-licence.htm>

If, however, the copyright is identified as belonging to somebody else, you will need to apply for permission. For information about how to obtain permission from a third party, please go to Intellectual Property Office's website at

<http://www.ipo.gov.uk/types/copy/c-other.htm>

Please contact me if you have any queries about this letter, remembering to quote the reference number above in any future communications.

Yours sincerely



GAIL MCKIBBIN



*We keep and use personal information in line with the Data Protection Act 1998.
We may, on occasion for business purposes, share this personal information
with other Government Departments and Public Authorities.*

NAMA

We welcome the ongoing engagement between the Finance Minister and the NAMA Chairman and his colleagues. It is important that NAMA continues to play a positive role in how it attempts to manage assets.

The priority now is sensible management of the assets and that we ensure that they are released at a suitable time without having a negative impact on the market.

Some of the initiatives by NAMA to make lending available to develop assets have been positive. In particular the vendor finance offered to commercial property buyers in Northern Ireland should help take viable assets out of NAMA more quickly which will stimulate investment and create jobs.

NAMA

The Finance Minister met with the NAMA Chairman and his colleagues in early October as part of their normal engagement arrangements. Recognise that NAMA plays a positive role in how it attempts to manage assets.

Vital that NAMA assets managed appropriately. Previous assurances were sought and received that there would be no fire sale of Northern Ireland assets and Northern Irish businesses/individuals would be treated reasonably.

The priority now is sensible management of the assets and that we ensure that they are released at a suitable time without having a negative impact on the market that is beginning to show some first signs of recovery here

NAMA has provided assurances that identifying and delivering suitable and timely investment opportunities that add value across its portfolio remains an

important part of its work in Northern Ireland. As part of this, NAMA is delivering significant investment through a combination of completing existing work in progress and the construction of new developments to meet demand.

NAMA has advised that since its establishment it has overseen the sale of £106m of property in Northern Ireland, which is a significant contribution to market activity. It has also stated that it is flexible and responsive to evolving market conditions and that as conditions improve, it will release further assets for sale through its debtors and receivers and undertake investment in commercially viable projects.

This has been both important and welcome in the context of the Northern Ireland property market over the last the number of years, particularly in light of reduced market liquidity from conventional lenders and transactional volumes.

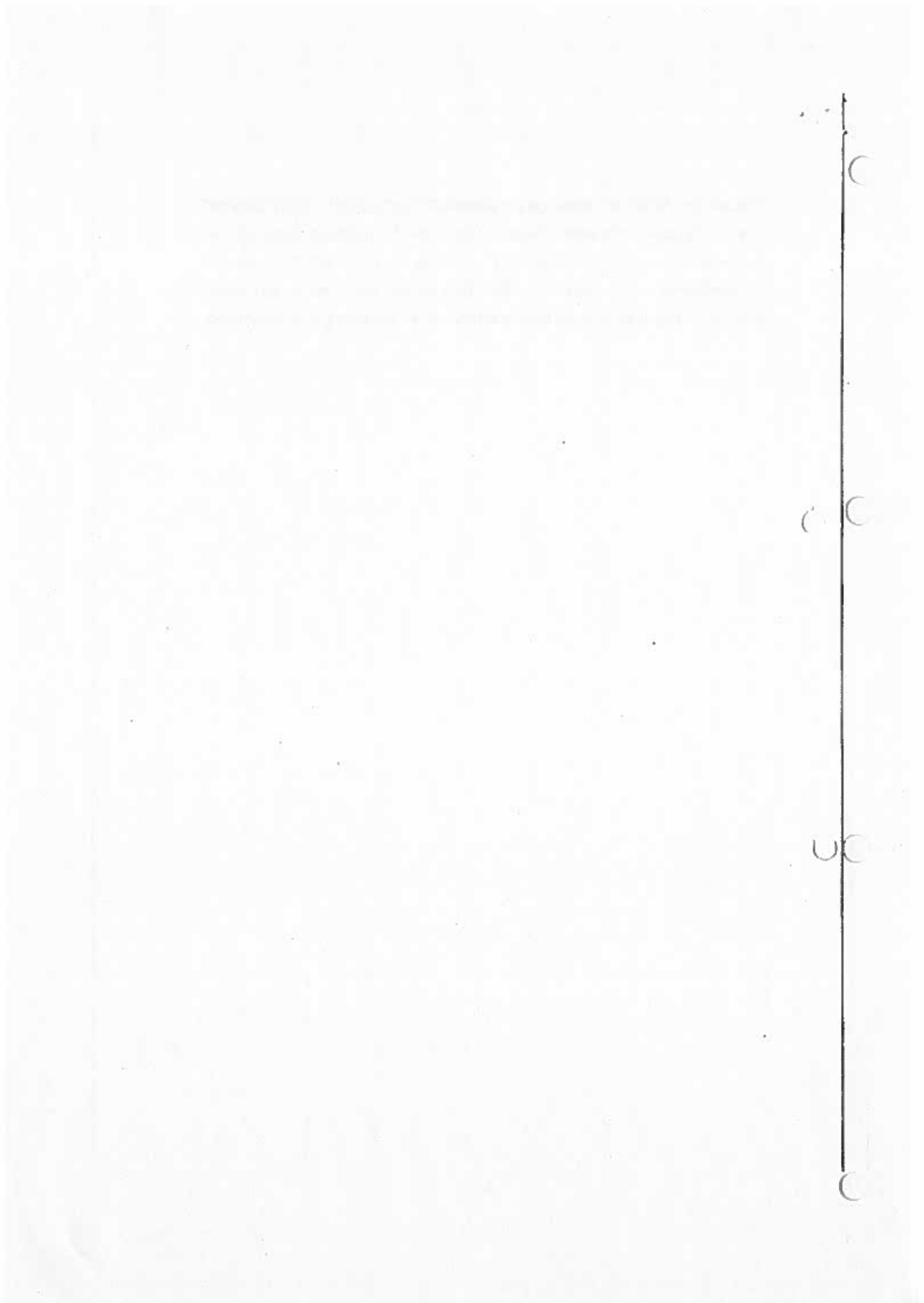
NAMA has invested over £140m to date in a number of commercially viable projects. This includes funding to complete two offices at Lanyon Place and a 95-unit housing development in Millmount, Dundonald.

The Agency has also said that it is currently reviewing other opportunities for investment in Northern Ireland and that the volume of such investment will increase as the recovery in the economy here accelerates.

NAMA has indicated in particular that it is likely to invest in new Grade A office accommodation in Belfast and is conscious of the housing need, both social and private, in Northern Ireland - this most recently highlighted by its Chairman Frank Daly in an address to the NI Chamber in Belfast.

The vendor finance NAMA offers to potential commercial property buyers in Northern Ireland is also welcome. This should help stimulate investment and create jobs. Know Invest NI helping to promote this. Understand the agency has done one such deal in Northern Ireland and is expecting to do more as the profile of investment in the market changes.

Pleased that NAMA is examining the potential for extending its 80/20 Deferred Payment Initiative to Northern Ireland. This is another measure, along with the Executive's Co-ownership Scheme that is designed to provide homebuyers with the confidence and a route to buy their own home. Any steps in this regard which can boost activity in the local property market are clearly to be welcomed.



26



Office of the

First Minister and
Deputy First Minister

cc: Donal Moran
[REDACTED]

**FROM: COLM SHANNON
JOINT SECRETARY
NORTH SOUTH MINISTERIAL COUNCIL**

TO: [REDACTED]

DATE: 05 JUNE 2014

FOI Request - OFMDFM/2014-0049 - Moore - (Officials NAMA Information in 2014)

1. I refer to [REDACTED] e-mails of 27 May and 04 June regarding this new FOI request. Annex A
2. The North South Ministerial Council Joint Secretariat, as a Body set up by an International Treaty is exempt from FOI. However, the FOI regulations do apply to documentation/files which are exclusively NICS documents and are not shared with the Southern side of the Secretariat, for example, briefing documentation prepared for Northern Ministers.
3. The FOI request has been considered in this context.
4. Firstly I can confirm that NSMC Joint Secretariat (North) does not hold any information relating to Cerebus Capital Management.
5. However the North South Ministerial Council (NSMC) Joint Secretariat arranges meetings between NI Executive Ministers and Ministers from the Irish government, in line with the requirements arising from Strand 2 of the Good Friday/Belfast Agreement. These meetings included Plenary and Institutional meetings at which NAMA has been discussed in recent years.
6. As part of the process for arranging and facilitating these meetings, and the associated statutory requirements, OFMDFM officials within the NSMC Joint Secretariat (North) compile information for the First Minister and deputy First Minister. NSMC Joint Secretariat (North) holds the following documentation in 2014 (attached) which contains references to NAMA:
 - Steering Brief and Lines to Take for the Institutional Meeting held on 10 January 2014
 - Internal Note of the NSMC Institutional Meeting on 10 January 2014

7. I would suggest that the Steering Brief and Lines to Take (document 1) prepared for the First Minister and deputy First Minister would be exempt from disclosure under section '35(1)(b) of the Act, i.e. 'ministerial communications'.
8. Given the fact that NSMC meetings entail detailed discussions between Ministers of the NI Executive and Ministers of the Irish government I would also suggest that the 'Internal Note of the NSMC Institutional Meeting (document 2)' is exempted from disclosure under section '27(1)(a) of the Act, i.e. 'relations between the UK any other state'.
9. These suggestions are for your consideration and the application of the 'public interest' test. On the basis of this assessment I have not redacted any of the information in the attached documents, as I believe they should not be disclosed. However should your assessment differ I would appreciate the opportunity to discuss and oversee the redaction of documents to be released to ensure that are accurate.



Colm Shannon
Joint Secretary (North)

ANNEX A

Seamus

As discussed grateful if you could provide PO with 2 hard copies of the relevant documents

Many thanks

[REDACTED]



From: [REDACTED]
Sent: 28 May 2014 15:35
To: [REDACTED]
Cc: Moran, Donal; [REDACTED]
Subject: FOI Request OFMDFM/2014-0049 - Moore (Nama Information in 2014)

[REDACTED]

Schedule of Costs sheet attached. I also wish to refer you back to Colm Shannon's minute of the 24th April relating to the previous FOI and stating possible exemptions for withholding information held in NSMC JS.

Regards

[REDACTED]

From: [REDACTED]
Sent: 27 May 2014 14:58
To: [REDACTED]
Cc: [REDACTED] Cuiow, Bobby; [REDACTED]
Subject: FOI Request OFMDFM/2014-0049 - Moore (Nama Information in 2014)

Folks

Re the below new request – grateful if you could complete a schedule of costs sheet and return to me

Many thanks



From: [REDACTED]
Sent: 23 May 2014 15:37
To: [REDACTED]
Cc: Admin CCU OFMDFM; Gardner, Jeremy; McKibbin, Gail; [REDACTED]
Subject: FOI Request OFMDFM/2014-0049 - Moore (Nama Information in 2014)

[REDACTED]

The reference number for this request is OFMDFM / 2014 - 0049.

Attached is a link to the TRIM container into which all information relating to the processing of this request should be filed. See also a link to the container holding the 'standard' acknowledgment and other FOI letters templates and also the FOI processing times flowchart for guidance. Note: **NO ACCESS CONTROLS HAVE BEEN APPLIED** Please advise if TRIM access controls are required.

You have been assigned the LIM role. Jeremy Gardner/Gail McKibbin have been assigned the role of SRO. Can you please:-

- Process this FOI request in line with normal Departmental procedures/target processing times.
 - Note you will be responding for OFMDFM as a Department - you need to consider if other branches/Divisions may hold information relevant to this request.
 - Note the statutory response deadline for this request is 23 June 2014.
 - Note that all draft responses should be sent initially to IMCAB for review before you send for final clearance through the Private Offices in advance of the deadline date.
 - To obtain Private Office clearance, the draft response should be emailed directly to Jeremy Gardner and Gail McKibbin and cc'd to Admin CCU, Sean Kerr, Johnny Wright and OFMDFM FOI inbox.
 - Advise IMCAB when response has issued so that the FOI tracking system is kept updated.
- [REDACTED]

Information Management and Central Advisory Branch (IMCAB)
Room A5.18
Castle Buildings
Stormont Estate
BELFAST
BT4 3SR
Ex 20088

-----Original Message-----

From: [REDACTED]
Sent: 23 May 2014 11:37
To: OFNDPM FOI
Subject: Freedom of Information request - NAMA - 2014

Dear Office of the First Minister and Deputy First Minister (Northern Ireland),

Under the Freedom of Information Act, I request the following records;

Details of all meetings in 2014 between the First or Deputy First Minister, or other ministers within the Department, or Special Advisers or Officials employed by the Department with NAMA, the Irish government (be it Ministers, the Irish Prime Minister, officials, diplomats, etc), Cerebeus Capital Management, UK central government, other Northern Irish Departments or Minister's, or any other individual, public representative, political party, etc. that concerned NAMA's Northern Ireland's loan book. These details should include briefing prepared for each meeting where these issues were discussed, minutes, records or other notes arising from these meetings, correspondence relating to these meetings, etc.

I also request in respect of 2014 copies of all correspondence, all internal briefings, all draft correspondence or briefings, all notes and in general all records held, created, sent or received by the Office of the First and Deputy First Minister concerning NAMA's Northern Ireland Loan Book.

Yours faithfully,

[REDACTED]

FOI Request 23 May 2014-06-04

Moore (NAMA Information In 2014)

OFMDFM/2014 - 0049

Number	Title
1	NSMC Institutional Meeting 10 January 2014 - Brief for FM/dFM
2	NSMC Institutional Meeting 10 January 2014 - Note of Meeting

NSMC INSTITUTIONAL MEETING - 10 JANUARY 2014

STEERING BRIEF FOR FIRST MINISTER AND DEPUTY FIRST MINISTER

GENERAL

The meeting is being held in Iveagh House, Dublin. Exact timings are uncertain however it is expected the meeting will commence at approximately 12.45.

The meeting is expected to last approximately 30 minutes and will be followed by a light lunch. It is expected that any political discussion, for example on Haass will take place over lunch

The Tánaiste will chair the meeting and will invite you to contribute to discussion on Opening Remarks and on the other Agenda items.

It is recommended that:

THE FIRST MINISTER LEADS ON:

Agenda Item 1: Opening Remarks;

Agenda Item 3: EU Matters;

Agenda Item 5: North South Bodies Issues; and

Agenda Item 8: Date of next meeting.

Agenda Item 9 : Joint Communiqué

THE DEPUTY FIRST MINISTER LEADS ON:

Agenda Item 2: St Andrews Agreement Review;

- While we are not 'out-of-the-woods' we are optimistic that an economic recovery is underway and it is now our responsibility to provide the environment to sustain and promote growth.

NAMA

- We welcome the ongoing engagement between the Finance Minister and the NAMA Chairman and his colleagues. It is important that NAMA continues to play a positive role in how it attempts to manage assets.
- The priority now is sensible management of the assets and that we ensure that they are released at a suitable time without having a negative impact on the market.
- Some of the initiatives by NAMA to make lending available to develop assets have been positive. In particular the vendor finance offered to commercial property buyers in Northern Ireland should help take viable assets out of NAMA more quickly which will stimulate investment and create jobs.
- Looking forward, if the economy continues to recover hopefully NAMA will cease to exist in a few years.

**NORTH SOUTH MINISTERIAL COUNCIL
INSTITUTIONAL MEETING
10 JANUARY 2014**

1. Opening Remarks

The Tánaiste welcomed the First Minister and deputy First Minister to Iveagh House and commented on the success of the Google event.

The Tánaiste highlighted that this is the start of the post bailout Ireland. The bond auction last week and NAMA have been very successful and Ireland is able to secure funding at low interest rates. In fact the bond auction was substantially oversubscribed which is very positive.

The Tánaiste stated that Ireland is seeing improvement on employment and Foreign Direct Investment (FDI) is continuing but we need to build on that. He said that there is space for us to work together for investment and employment and that we should be looking at areas for practical co-operation for economic gains.

The First Minister commented that credit was due on the economy and the outcome was moving in the right direction. NI takes years longer to come out of downturn compared to GB. However we are moving into growth now with unemployment at the 7% mark, things should improve as time goes on. FM, dFM and Minister Foster are energetic in attempts to secure FDI. However indigenous business will be critical to our recovery. A recent survey of SME indicated that 58% expect to hire someone in 2014, which would help us greatly. A decision on Corporation Tax is expected after Scottish Referendum.

The deputy First Minister commented that there is still a long way to go on the economy but that the signs are positive. The rate of Youth Unemployment is an issue across Europe and is still too high. FDI is the icing on the cake but our small SMEs will have a greater impact. An improvement in the world economy will also play a critical role in our recovery.

House prices starting to rise again and people will be concerned about a property bubble developing.



Office of the

**First Minister and
Deputy First Minister**

FROM: HENRY JOHNSTON
DATE: 12 AUGUST 2014
TO: PS/FIRST MINISTER
PS/DEPUTY FIRST MINISTER

Copy Distribution List Below

COR/500/2014: DETI PART INPUT REQUEST – CERBERUS FIRST TIME BUYER

Issue: DETI has issued a part input request from OFMDFM in response to a letter, originally addressed to First Minister and deputy First Minister in relation to failed purchase of a property, now owned by Cerebus Capital Management.

Timescale: The deadline for response to DETI is 12 August 2014.

Press Office Advice: Should this correspondence generate media interest EIS will agree lines to take with Special Advisors and officials.

FOI Implications: This note is fully disclosable.

Financial Implications: None.

Legislative Implications: None.

Executive Referral: None.

Recommendation: That Ministers:

- Note the background briefing and link to the Irish Times article at Annex A;
- Note the original correspondence at Annex B; and
- Approve the draft part input at Annex C.

BACKGROUND

██████████ wrote to the First Minister and Deputy First Minister on 1 August 2014 expressing her grievance that her daughter, a first time buyer, did not complete the purchase of a property owned by Cerberus. ██████████ refers to an article in the Irish Times on 4 April 2014 in relation to where the First Minister stated that it was excellent news, sale of the NAMA loan portfolio in Northern Ireland to private investment firm Cerberus Capital Management, and that he believed that this deal can be of real benefit to our economy.

2. A secondary e-mail from ██████████ asks if someone from the government who was in discussion with Cerberus during the negotiations for the purchase of the NAMA loan portfolio could contact them to see if something can be done.
3. DETI have agreed to answer this correspondence case, but have issued a part input request from OFMDFM because:

DETI had intended to reply on the basis that it was a consumer complaint concerning the withdrawal of one party from a contract before the contract was formerly agreed by both parties. It was intended that the reply would essentially have confirmed the legal position that contracts for property must be in writing and that nothing could be done in this case as the seller had refused to sign the contract at the eleventh hour. However, having now seen the Irish News article they will consider that the reply should take into account the circumstances quoted/implied in the newspaper article.

4. The deadline for a response is 12 August 2014.

RECOMMENDATION

5. It is recommended that Ministers:
 - Note the background briefing and link to Irish Times article at Annex A;
 - Note the original correspondence at Annex B; and
 - Approve the part input at Annex C.



HENRY JOHNSTON
Ext: 23198

[Drafted by  ext 23467; cleared by Henry Johnston, ext 23198]

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Aine McCabe

Conor Heaney



Mark McLaughlin



EIS Ministerial Cases

Bobby Clulow



ANNEX A

Internet Link to Irish News Article

http://www.google.co.uk/url?q=http://www.irishtimes.com/business/sectors/commercial-property/nama-sells-entire-northern-ireland-debt-portfolio-1.1750307&sa=U&ei=ncnoU8vAOenF0QWljH4Aw&ved=0CB0QFIAB&usq=AFQjCNHLsPE-G57wWzF_6YWO6hRZAHz5Tg

ANNEX B

Original Correspondence

[REDACTED]
[REDACTED]
From: [REDACTED]
Sent: 01 August 2014 10:51
To: PS Ministers
Subject: Cerberus

Dear Mr Robinson and Mr McGuinness,

Following on from my lengthy email, we would be obliged if someone from the government who has been in touch with Cerberus during the negotiations for the project earlier this year, could contact them about our story and to see if something can be done.
Time is of the essence as the house has been marketed.

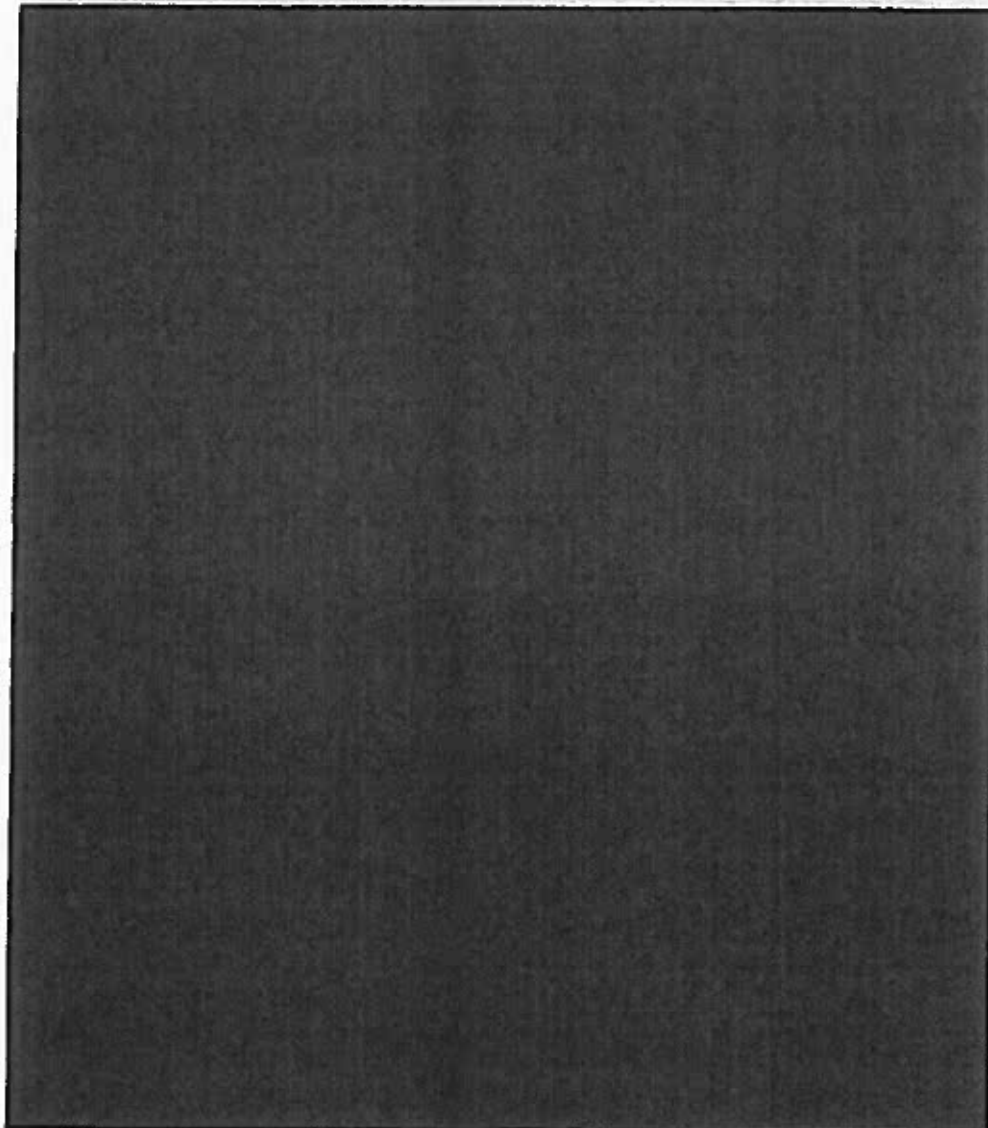
Look forward to hearing from you
[REDACTED]

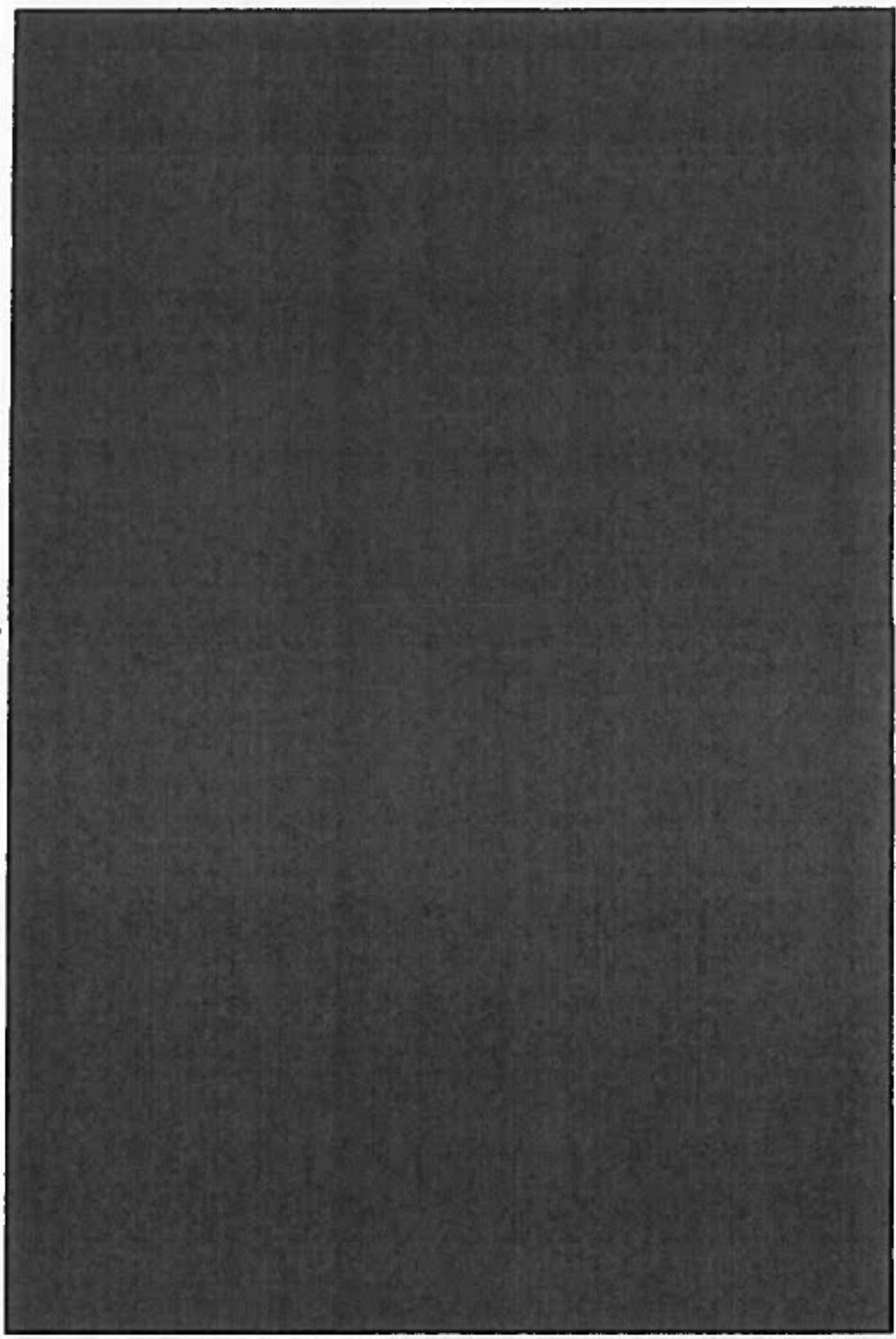
[REDACTED]

Subject: FW, Cerberus disadvantaging a first time Irish buyer
Attachments: Cerberus

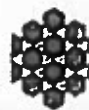
From: [REDACTED]
Sent: 01 August 2014 16:37
To: PS Ministers
Subject: Cerberus disadvantaging a first time Irish buyer

Dear Mr Robinson and Mr McGuinness





From the Office of the Minister



Department of

**Enterprise, Trade
and Investment**

NETHERLEIGH
MASSEY AVENUE
BELFAST
BT4 2JP

Tel 028 90 529452

Fax 028 90 529545

Text Relay 18001 028-9052-9452

E Mail private.office@detni.gov.uk

Our Ref: DETI COR 368/2014

[REDACTED]
E mail address: [REDACTED]

12 September 2014

Dear [REDACTED]

I refer to your letter of 1 August 2014 to the First and Deputy First Minister in connection with your daughter's prospective property purchase. Your letter has been passed to Arlene Foster MLA, Minister of Enterprise, Trade and Investment for reply, given the Minister's responsibility for consumer affairs.

The purchase of any property is a major decision with many factors to be considered. As you have indicated, there are significant costs for any potential purchaser when the sale negotiations for a property reach an advanced stage. The Minister fully understands the annoyance and frustration that the situation you have outlined in relation to your daughter's proposed property transaction has caused.

From a legal perspective, transactions for property are almost unique in that the acceptance of an offer is not legally binding until both parties have signed the contract. In the absence of a legally binding contract, any costs already incurred by the prospective purchaser cannot normally be recouped.

You have expressed concern about the possible business practices of Carberus Capital Management in relation to its property sales, namely the rescinding of previously accepted offers in the expectation of receiving higher offers in a rising property market. Based on an analysis of the complaints received by the Consumerline Advice Service (operated by the Trading Standards Service of this Department) over the last 3 months, officials have established that no complaints were made in connection with any such practice concerning any business in Northern Ireland.

In relation to the property your daughter had agreed to buy I must advise you that the facts you have outlined do not give grounds for further investigation by this Department under any of the consumer protection legislation enforced by it.



ANNEX C

COR 500/2014: DETI PART INPUT REQUEST – CEREBUS FIRST TIME BUYER
DRAFT OFDMFM RESPONSE

The First Minister welcomed the sale of the NAMA loan portfolio in Northern Ireland to private investment firm Cerberus Capital Management. There was a danger to the local economy of leaving valuable assets undeveloped and the threat that these posed to otherwise profitable businesses. This deal can be of real benefit to our economy.

The First Minister was commenting on the sale of these toxic loans on a macroeconomic level and the benefit that will bring to the Northern Ireland economy. It would not be appropriate for the First Minister to comment on private transactions, such as the one raised in [REDACTED] but clearly sympathises with the disappointment and nugatory expenditure incurred by the [REDACTED] family.

27

**Executive Services Directorate
Central Correspondence Unit
Room GD36
Stormont Castle
Stormont Estate
BELFAST BT4 3TT
Tel: 028 9037 8158 (Ext 88158)
Email: ps.ministers@ofmdfmi.gov.uk**



Your Ref:

Our Ref: FOI 2014 – 0077

Date: 26 August 2014

Dear

Freedom of Information Act 2000

I refer to your request which we received on 4 July 2014 for information relating to NAMA's Northern Ireland loan book. I have completed a search for the information which is attached.

If you are unhappy with the level of service you have received in relation to our handling of this request, you may ask for an internal review within two calendar months of the date of this letter. You should contact –

**Director of Corporate Services
Room E4.20
Castle Buildings
Stormont Estate
BELFAST
BT4 3SR**

**Tel - 028 9052 0694
Email - fol@ofmdfmi.gov.uk**

If you are not content with the outcome of the internal review, you then have the right to apply directly to the Information Commissioner for a decision. The Information Commissioner can be contacted at –

**Information Commissioner's Office
Wycliffe House
Water Lane**

WILMSLOW
Cheshire
SK9 5AF

The Information Commissioner will not investigate a complaint unless the internal review procedure outlined above has been completed.

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<http://www.ipo.gov.uk/types/copy/c-other.htm>

Please contact me if you have any queries about this letter, remembering to quote the reference number above in any future communications.

Yours sincerely



ANNE DICKSON



INVESTORS
IN PEOPLE | Bronze

*We keep and use personal information in line with the Data Protection Act 1998.
We may, on occasion for business purposes, share this personal information
with other Government Departments and Public Authorities.*

NAMA – NSMC Institutional Meeting – Iveagh House Dublin – 10 January 2014

We welcome the ongoing engagement between the Finance Minister and the NAMA Chairman and his colleagues. It is important that NAMA continues to play a positive role in how it attempts to manage assets.

The priority now is sensible management of the assets and that we ensure that they are released at a suitable time without having a negative impact on the market.

Some of the initiatives by NAMA to make lending available to develop assets have been positive. In particular the vendor finance offered to commercial property buyers in Northern Ireland should help take viable assets out of NAMA more quickly which will stimulate investment and create jobs.

NAMA - British Irish Chamber of Commerce Conference Dinner – Belfast City Hall – 12 February 2014

The Finance Minister met with the NAMA Chairman and his colleagues in early October as part of their normal engagement arrangements. Recognise that NAMA plays a positive role in how it attempts to manage assets.

Vital that NAMA assets managed appropriately. Previous assurances were sought and received that there would be no firesale of Northern Ireland assets and Northern Irish businesses/individuals would be treated reasonably.

The priority now is sensible management of the assets and that we ensure that they are released at a suitable time without having a negative impact on the market that is beginning to show some first signs of recovery here

NAMA has provided assurances that identifying and delivering suitable and timely investment opportunities that add value across its portfolio remains an important part of its work in Northern Ireland. As part of this, NAMA is delivering significant investment through a combination of completing existing work in progress and the construction of new developments to meet demand.

NAMA has advised that since its establishment it has overseen the sale of £106m of property in Northern Ireland, which is a significant contribution to market activity. It has also stated that it is flexible and responsive to evolving market conditions and that as conditions improve, it will release further assets for sale through its debtors and receivers and undertake investment in commercially viable projects.

This has been both important and welcome in the context of the Northern Ireland property market over the last the number of years, particularly in light of reduced market liquidity from conventional lenders and transactional volumes.

NAMA has invested over £140m to date in a number of commercially viable projects. This includes funding to complete two offices at Lanyon Place and a 95-unit housing development in Millmount, Dundonald.

The Agency has also said that it is currently reviewing other opportunities for investment in Northern Ireland and that the volume of such investment will increase as the recovery in the economy here accelerates.

NAMA has indicated in particular that it is likely to invest in new Grade A office accommodation in Belfast and is conscious of the housing need, both social and private, in Northern Ireland - this most recently highlighted by its Chairman Frank Daly in an address to the NI Chamber in Belfast.

The vendor finance NAMA offers to potential commercial property buyers in Northern Ireland is also welcome. This should help stimulate investment and create jobs. Know Invest NI helping to promote this. Understand the agency

has done one such deal in Northern Ireland and is expecting to do more as the profile of investment in the market changes.

Pleased that NAMA is examining the potential for extending its 80/20 Deferred Payment Initiative to Northern Ireland. This is another measure, along with the Executive's Co-ownership Scheme that is designed to provide homebuyers with the confidence and a route to buy their own home. Any steps in this regard which can boost activity in the local property market are clearly to be welcomed.

THE UNIVERSITY OF CHICAGO

THE DIVISION OF THE PHYSICAL SCIENCES

DEPARTMENT OF PHYSICS

PHYSICS 311

LECTURE 1

LECTURE 2

LECTURE 3

LECTURE 4

LECTURE 5

LECTURE 6

LECTURE 7

LECTURE 8

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LECTURE 10

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LECTURE 31

LECTURE 32

LECTURE 33

LECTURE 34

28

From: [REDACTED]
Sent: 20 August 2014 12:54
To: [REDACTED]
Subject: FW: Meeting with VP Quayle

From: McKibbin, Gail
Sent: 26 August 2014 12:23
To: Wallwin, Judith; Dickson, Anne
Cc: [REDACTED] Gardner, Jeremy
Subject: RE: Meeting with VP Quayle

DFM available for afternoon on 24 September – either 3 or 3.30 would do fine.

[REDACTED] to note diary pl

Thanks

G

From: Wallwin, Judith
Sent: 26 August 2014 10:55
To: McKibbin, Gail; Dickson, Anne
Cc: [REDACTED] Gardner, Jeremy
Subject: Meeting with VP Quayle

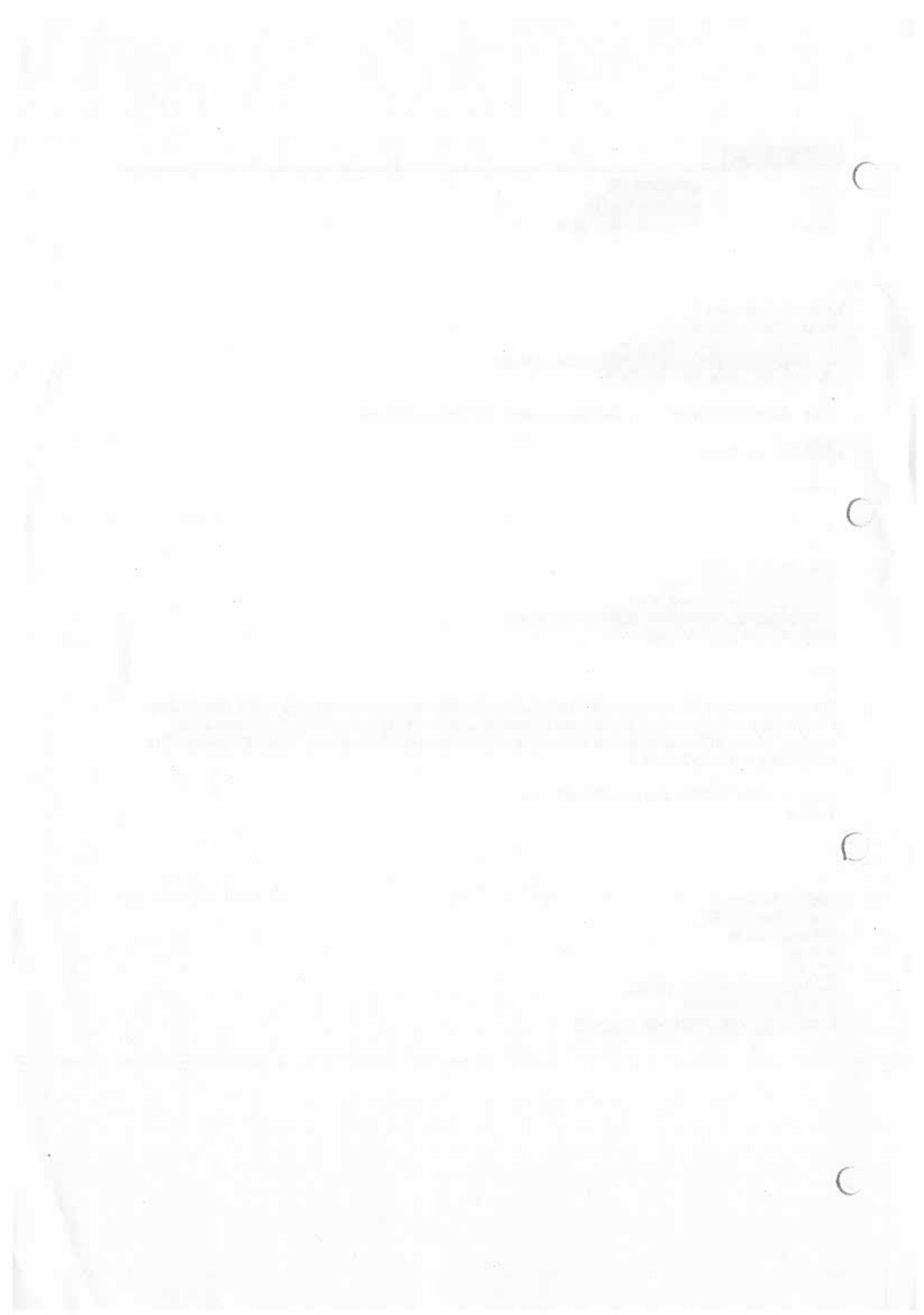
Gail,

The office of former US Vice President Dan Quayle, (current chairman of Cerberus Global Investments – the American investment firm that recently completed a NAMA deal) has contacted our office to ask whether FM and dFM would be available to meet with VP Quayle on the afternoon 24th September. Our diary is free around 3/3.30pm?

Can you advise whether dfm is available?
Thanks

J

Judith Wallwin
First Minister's Office
Stormont Castle
Belfast
BT4 3TT
Tel: 028 90 378096 (Int. 88096)
Mobile: 07791 544 979
Email: judith.wallwin@ofmdfmi.gov.uk





Office of the
First Minister and
Deputy First Minister

FROM: HENRY JOHNSTON
DATE: 12 AUGUST 2014
TO: PS/FIRST MINISTER
PS/DEPUTY FIRST MINISTER

Copy Distribution List Below

COR/500/2014: DETI PART INPUT REQUEST – CERBERUS FIRST TIME BUYER

Issue: DETI has issued a part input request from OFMDFM in response to a letter, originally addressed to First Minister and deputy First Minister in relation to failed purchase of a property, now owned by Cerebus Capital Management.

Timescale: The deadline for response to DETI is 12 August 2014.

Press Office Advice: Should this correspondence generate media interest EIS will agree lines to take with Special Advisors and officials.

FOI Implications: This note is fully disclosable.

Financial Implications: None.

Legislative Implications: None.

Executive Referral: None.

Recommendation: That Ministers:

- Note the background briefing and link to the Irish Times article at Annex A;
- Note the original correspondence at Annex B; and
- Approve the draft part input at Annex C.

BACKGROUND

██████████ wrote to the First Minister and Deputy First Minister on 1 August 2014 expressing her grievance that her daughter, a first time buyer, did not complete the purchase of a property owned by Cerberus. ██████████ refers to an article in the Irish Times on 4 April 2014 in relation to where the First Minister stated that it was excellent news, sale of the NAMA loan portfolio in Northern Ireland to private investment firm Cerberus Capital Management, and that he believed that this deal can be of real benefit to our economy.

2. A secondary e-mail from ██████████ asks if someone from the government who was in discussion with Cerberus during the negotiations for the purchase of the NAMA loan portfolio could contact them to see if something can be done.
3. DETI have agreed to answer this correspondence case, but have issued a part input request from OFMDFM because:

DETI had intended to reply on the basis that it was a consumer complaint concerning the withdrawal of one party from a contract before the contract was formerly agreed by both parties. It was intended that the reply would essentially have confirmed the legal position that contracts for property must be in writing and that nothing could be done in this case as the seller had refused to sign the contract at the eleventh hour. However, having now seen the Irish News article they will consider that the reply should take into account the circumstances quoted/implied in the newspaper article.

4. The deadline for a response is 12 August 2014.

RECOMMENDATION

5. It is recommended that Ministers:
 - Note the background briefing and link to Irish Times article at Annex A;
 - Note the original correspondence at Annex B; and
 - Approve the part input at Annex C.



HENRY JOHNSTON
Ext: 23198

[Drafted by [redacted] ext 23467; cleared by Henry Johnston, ext 23198]

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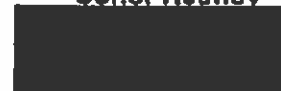
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Dara O'Hagan

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Conor Heaney



Mark McLaughlin



EIS Ministerial Cases

Bobby Clulow



ANNEX A

Internet Link to Irish News Article

http://www.google.co.uk/url?q=http://www.irishtimes.com/business/sectors/commercial-property/nama-sells-entire-northern-ireland-debt-portfolio-1,1750307&sa=U&ei=ncnqU8vAOenF0QWlIH4Aw&ved=0CBoQFjAB&usq=AFQjCNHLsPE-G57wWzF_6YWO6hRZAHz5Tq

ANNEX B

Original Correspondence

[REDACTED]
[REDACTED]
From: [REDACTED]
Sent: 01 August 2014 18:51
To: PS Ministers
Subject: Cerberus

Dear Mr Robinson and Mr McGuinness,

Following on from my lengthy email, we would be obliged if someone from the government who has been in touch with Cerberus during the negotiations for the project earlier this year, could contact them about our story and to see if something can be done.
Time is of the essence as the house has been remarketed.

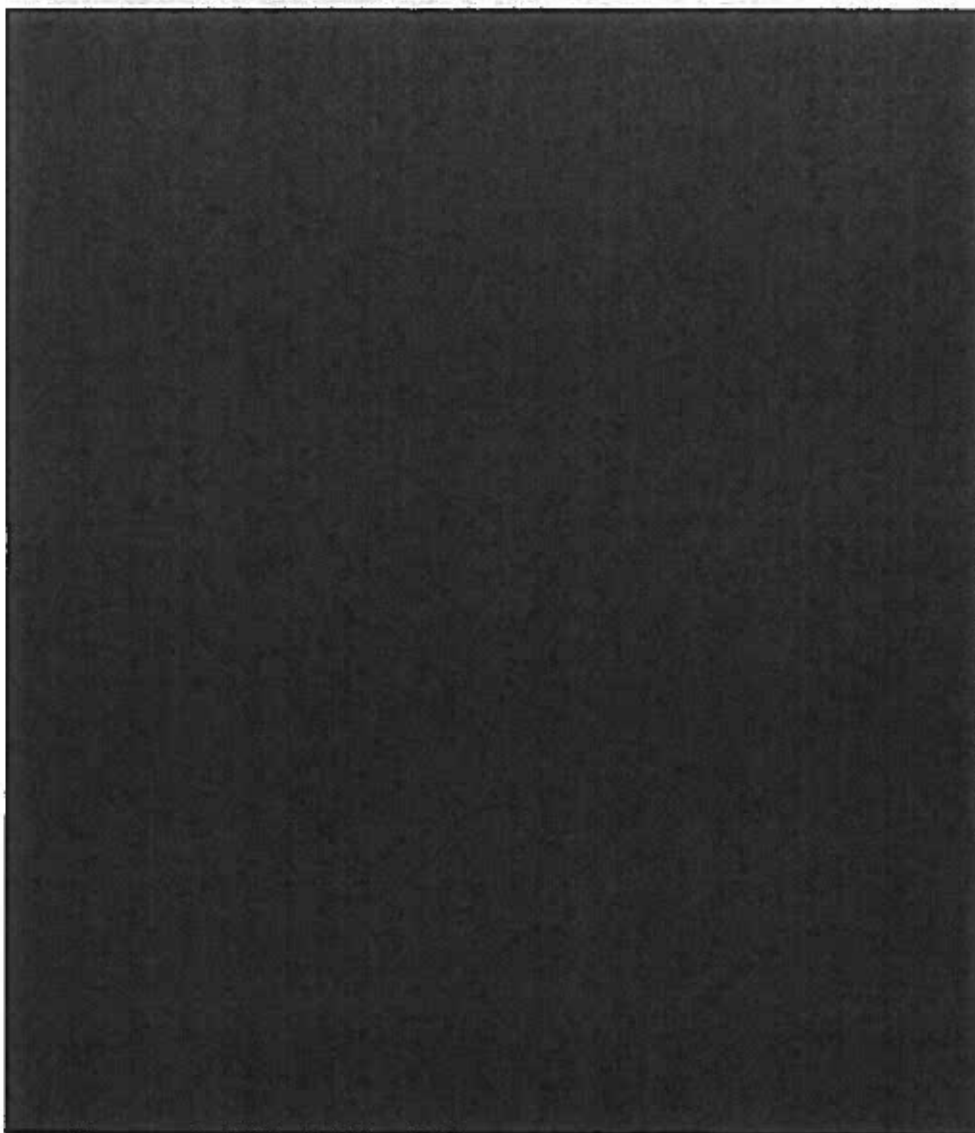
I look forward to hearing from you
[REDACTED]

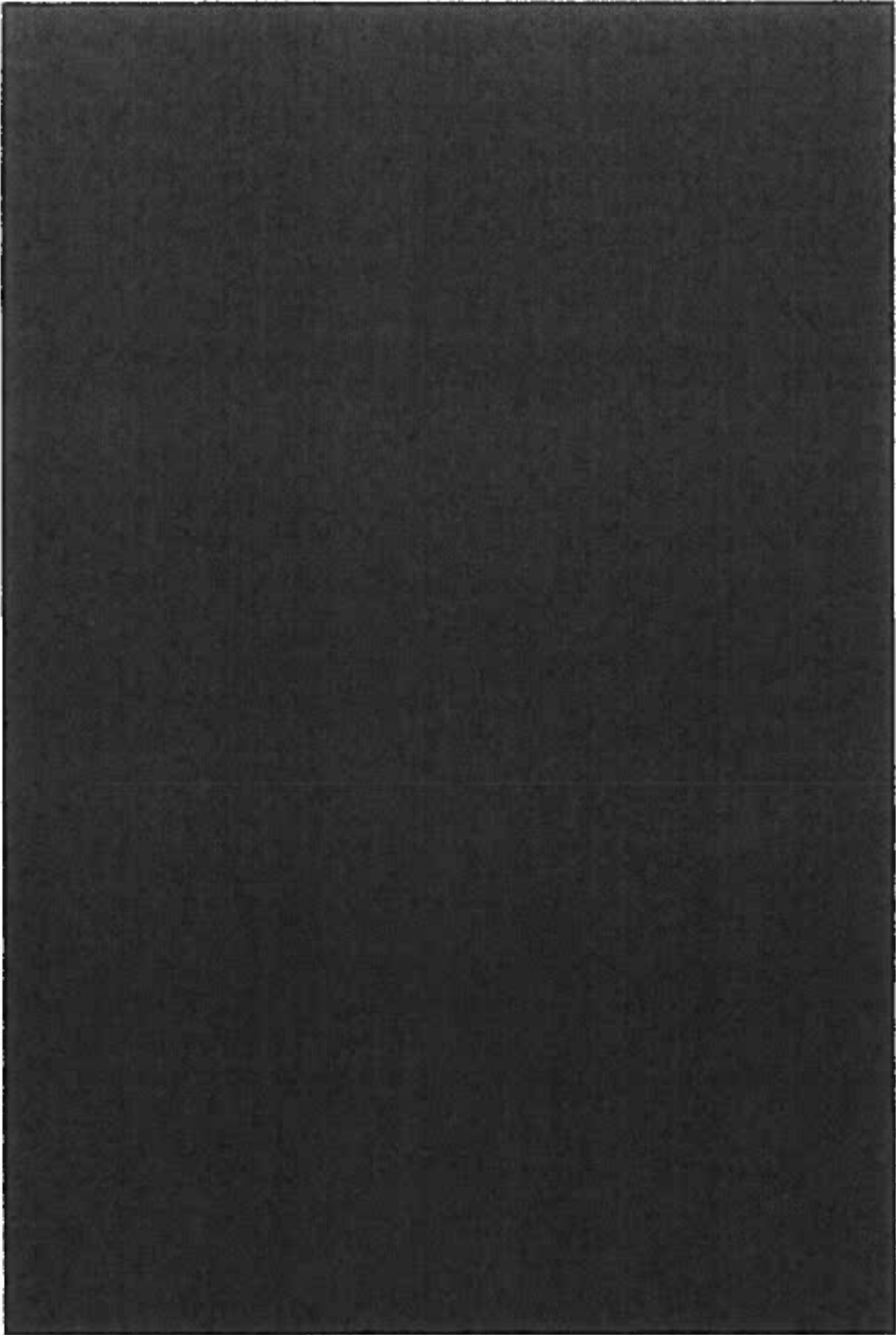
[REDACTED]

Subject: FW: Cerberus disadvantaging a first time Irish buyer
Attachments: Cerberus

From: [REDACTED]
Sent: 01 August 2014 16:37
To: PS Ministers
Subject: Cerberus disadvantaging a first time Irish buyer

Dear Mr Robinson and Mr McGuinness





ANNEX C

COR 500/2014: DETI PART INPUT REQUEST – CEREBUS FIRST TIME BUYER

DRAFT OFDMFM RESPONSE

The First Minister welcomed the sale of the NAMA loan portfolio in Northern Ireland to private investment firm Cerberus Capital Management. There was a danger to the local economy of leaving valuable assets undeveloped and the threat that these posed to otherwise profitable businesses. This deal can be of real benefit to our economy.

The First Minister was commenting on the sale of these toxic loans on a macroeconomic level and the benefit that will bring to the Northern Ireland economy. It would not be appropriate for the First Minister to comment on private transactions, such as the one raised in [REDACTED] but clearly sympathises with the disappointment and nugatory expenditure incurred by the [REDACTED] family.

From the Office of the Minister



Department of

Enterprise, Trade
and Investment

NETHERLEIGH
MASSEY AVENUE
BELFAST
BT4 2JP
Tel 028 90 529452
Fax 028 90 529545

Text Relay 18001 028-9052-9452
E Mail private.office@detni.gov.uk
Our Ref: DETI COR 368/2014

E mail address: [REDACTED]

12 September 2014

Daa [REDACTED]

I refer to your letter of 1 August 2014 to the First and Deputy First Minister in connection with your daughter's prospective property purchase. Your letter has been passed to Arlene Foster MLA, Minister of Enterprise, Trade and Investment for reply, given the Minister's responsibility for consumer affairs.

The purchase of any property is a major decision with many factors to be considered. As you have indicated, there are significant costs for any potential purchaser when the sale negotiations for a property reach an advanced stage. The Minister fully understands the annoyance and frustration that the situation you have outlined in relation to your daughter's proposed property transaction has caused.

From a legal perspective, transactions for property are almost unique in that the acceptance of an offer is not legally binding until both parties have signed the contract. In the absence of a legally binding contract, any costs already incurred by the prospective purchaser cannot normally be recouped.

You have expressed concern about the possible business practices of Cerberus Capital Management in relation to its property sales, namely the rescinding of previously accepted offers in the expectation of receiving higher offers in a rising property market. Based on an analysis of the complaints received by the Consumerline Advice Service (operated by the Trading Standards Service of this Department) over the last 3 months, officials have established that no complaints were made in connection with any such practice concerning any business in Northern Ireland.

In relation to the property your daughter had agreed to buy I must advise you that the facts you have outlined do not give grounds for further investigation by this Department under any of the consumer protection legislation enforced by it.



INVESTORS
IN PEOPLE | *Eranda*



Office of the
**First Minister and
Deputy First Minister**

FROM: BOBBY CLULOW
DATE: 17 SEPTEMBER 2014
TO: PS/FIRST MINISTER
PS/DEPUTY FIRST MINISTER

Copy Distribution List Below

**INV/506/2014: MEETING WITH FORMER US VICE PRESIDENT DAN QUAYLE,
CHAIRMAN OF CERBERUS GLOBAL INVESTMENTS**

Issue: The First Minister and the deputy First Minister have agreed to meet former US Vice President Dan Quayle, Chairman of Cerberus Global Investments.

Timescale: Urgent – the meeting is scheduled to take place on Wednesday 24 September 2014 at 4.00pm in the FM Office, Stormont Castle.

Press Office Advice: EIS will arrange a photograph of the meeting if required.

FOI Implications: This note may be fully disclosable.

Financial Implications: None

Legislative Implications: None

Executive Referral: None

Recommendation: That Ministers note the:

- Background briefing in this submission;
- Key issues to raise at Annex A;
- Lines to take on key issues attached at Annex B;
- Pen Pictures at Annex C.

BACKGROUND

The First Minister and the deputy First Minister have agreed to meet former US Vice President Dan Quayle, Chairman of Cerberus Global Investments. The meeting is scheduled to take place on Wednesday 24 September 2014 at 4.00pm in the FM Office, Stormont Castle.

2. The purpose of the meeting is expected to primarily be a "meet and greet" opportunity where the discussion is likely to centre on investment by Cerberus Capital Management, L.P. (Cerberus) in the Project Eagle portfolio of loans (see below), acquired from the National Asset Management Agency (NAMA). An official from the Economic Policy Unit can be made available to attend a pre-brief and meeting if required.

Cerberus

3. Founded in 1992, Cerberus is one of the world's leading private investment companies with a particular focus on investing in distressed securities and assets including 'non-performing' loans. Cerberus invests under four main strategies: distressed securities and assets; private equity; corporate mid-market lending (the FT defines as businesses with less than \$500m in annual revenues); and investments relating to real estate.
4. Headquartered in New York, Cerberus and its affiliates in the US, Europe and Asia manage funds for many investors, ranging from pension and retirement funds, charitable foundations and university endowments to insurance companies, savings and sovereign wealth funds.

NAMA / Project Eagle portfolio of loans

5. On 4 April 2014 it was announced, based on the recommendation of its adviser, Lazard, that NAMA would sell, subject to contract, the Project Eagle portfolio of loans to affiliates of Cerberus. The portfolio consists of loans owned by local-based debtors (presumably bought at a discount on par value) and secured by assets in Northern Ireland, the Republic of Ireland, Great Britain and other European locations.

6. The portfolio has a par value of £4.5 billion. Although the terms of transaction are commercially sensitive and are not being disclosed, it represents the largest single transaction by NAMA to date. It follows an extensive and competitive sales process involving bidders from Europe and the United States. The successful completion of the sale transaction was confirmed by NAMA on 20 June 2014. Assets in the portfolio include the Lanyon Plaza and the Soloist buildings in Belfast.
7. Little detail is known of the deal but reports suggest that NAMA originally paid €1.3 billion or £1.1 billion for a package of loans linked solely to assets and development in Northern Ireland which has formed part of the Project Eagle package. Cerberus stated, at the time of sale, that it is a patient long-term investor and has a well established track record of making improvements to the assets it manages. Cerberus also stated it has the ideal base of expertise and experience to manage the Eagle portfolio and will be a strong partner for NAMA, for Northern Ireland and for all stakeholders associated with this transaction.

KEY ISSUES

8. This briefing pack is based on input from DFP. Key issues and questions Ministers may wish to raise at the meeting are provided at Annex A and lines to take at Annex B. A pen picture of Vice President Dan Quayle is attached at Annex C for information.

RECOMMENDATION

9. It is recommended that Ministers note:
 - Background briefing contained in this submission;
 - Key issues to raise at Annex A;
 - Lines to take on key issues attached at Annex B;
 - Pen Pictures at Annex C.

[SIGNED]

BOBBY CLULOW
Ext: 28472

[Drafted by Stephen McConville: ext 22933; cleared by Bobby Clulow: ext 28472]

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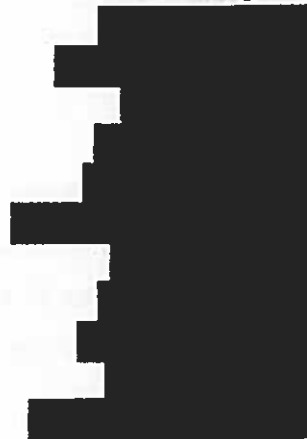
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ANNEX A

NAMA / ACQUISITION BY CERBERUS OF PROJECT EAGLE LOAN PORTFOLIO (SOURCE: ECONOMIC POLICY UNIT, OFMDFM)

Issues Ministers may wish to raise:

- We are interested in details of how Cerberus intends to manage the Northern Ireland portfolio of loans it acquired from NAMA and the assets held as security.
- Does Cerberus have a strategy for the release of underlying backing assets into the market?
- Does Cerberus have plans to develop the assets it manages here to increase their value?
- Will Cerberus refinance any loans in the portfolio at lower interest rates to benefit debtors or extend the repayment term?
- How will Cerberus adopt a long-term approach in its management of the Project Eagle portfolio?
- Does Cerberus have a strategy for the release of assets into the market?
- Where does the portfolio of loan assets lie – is it mostly land, office, residential, hotel and leisure, retail or other?
- Will Cerberus be taking over underlying assets quickly for fast release or will assets be released onto the market gradually?
- How will you be dealing with the businesses which currently hold the bad debt? Will Cerberus adopt a forbearing approach, refinancing approach or will the company seize the underlying property assets which are held as security?
- Would you envisage any local businesses which are holding bade debt, failing and going into administration as a result of management of the Eagle portfolio?

- Which property market would be the priority? Would it be the residential market which data suggests is recovering? Would it be retail development which may still be in some difficulty? Or would it be the office property market where there appears to be a shortage of supply? Where do you envisage the greatest returns?

NAMA / ACQUISITION BY CERBERUS OF PROJECT EAGLE LOAN PORTFOLIO

SUGGESTED LINES TO TAKE ON KEY ISSUES

(SOURCE: DFP)

- NAMA has had a role to play here during a difficult time. We originally had concerns about the possibility of a "firesale" of local-based assets and the impact this could have had in the immediate aftermath of the property crash.
- NAMA took some proactive steps in making funds available for the development of large scale projects such as the two offices at Lanyon Place and the housing development in Millmount, Dundonald. But this is something we would like to see more of.
- And in Cerberus, I am pleased we have an investor with global experience of improving the assets it acquires and which also has the ability to invest in those assets. So we look forward to the prospect of Cerberus utilising the assets in the local portfolio to help grow our economy.
- Thankfully our property market and wider economy are now recovering and we believe the sale of the local portfolio to Cerberus is both a timely and positive development.
- Its commercial acumen and strong profit motivation should fit well alongside the Executive's desire to see more rapid progress in the redeployment of assets and stimulus of the local property and investments market. It should also introduce a more proactive approach to the financing of opportunities.
- The activities, influence and commercial imperatives of Cerberus should also act as a strong stimulus to the resurgence of the local office market, greatly helped also by more benign timing becoming evident in the market cycle.

- We always had a positive relationship and productive communications with NAMA. We recognise that Cerberus is a privately-owned company, but we hope to continue this positive relationship with you and your associates as well.
- Now is an opportune time for Cerberus to do what it does best – to develop assets to release into the market so that they can be put to proper economic use.

Background

NAMA

1. On 4th April 2014 it was announced that, based on the recommendation of its adviser, Lazard, the National Asset Management Agency (NAMA) would sell, subject to contract, the Project Eagle portfolio of loans to affiliates of Cerberus Capital Management, L.P. (Cerberus). The portfolio consists of loans owned by Northern Ireland-based debtors and secured by assets in Northern Ireland, the Republic, Great Britain and other European locations.
2. The portfolio has a par value of £4.5 billion. Although the terms of transaction are commercially sensitive and are not being disclosed, it represents the largest single transaction by NAMA to date. It follows an extensive and competitive sales process involving bidders from Europe and the United States.
3. On the 20th June 2014 NAMA announced that the Portfolio Eagle loan sale transaction has been successfully concluded with Cerberus Capital Management
4. NAMA previously indicated that around 46% of Northern Ireland property securing NAMA loans was located in Belfast, with approximately 80% located in counties Antrim and Down overall. NAMA's 2013 Annual report confirmed the Northern Ireland portfolio consisted of the following asset types:
 - Land 25%
 - Office 18%
 - Residential 10%
 - Hotel and leisure 3%
 - Retail 17%
 - Other investment assets 22%
 - Development 5%

5. NAMA's 2013 Annual report also indicates that by the end of 2013 disposals here were of the order of £130m and NAMA had provided working and development capital to local debtors of the order of £140m. It also confirms that only in a small number of cases has NAMA had to enforce in the local economy.

Residential market

6. The most recent LPS/NISRA NI residential price index (NI RPPI) published in August 2014 reporting up to and including Quarter 2 of 2014, shows the following:
 - between Q1 (January- March) 2014 and Q2 (April - June) 2014 residential property prices increased by 4%;
 - between Q2 2013 and Q2 2014 residential property prices increased by 10%;
 - over 4,800 verified residential properties sold during Q2 2014. This represented a 25% increase on the number sold in the second quarter of 2013; and
 - residential property prices are now 1% higher than Q1 2005.
7. The index clearly charts the unprecedented boom years from 2005 to a peak in or around the first half of 2007 followed by the equally unprecedented collapse in local residential values lasting until mid 2013. However, it can now be seen that recovery is finally occurring at an increasingly healthy rate through 2014. This is evident across most or all areas and property types.

Current State of the Office Market

8. The market has come through a sustained period of weakened and falling prime rents and an almost complete lack of new development activity, however, signs in 2014 have been much more optimistic.
9. Supply of new Grade A space is now virtually exhausted and evidence is emerging of strengthening interest from inward investors and expansions by local companies. Demand now exceeds supply and prime rents are predicted to make something of a quantum jump.
10. The Belfast office market has relied for many years on the activities of a comparatively small number of key developers and investors. Most or all of these were rendered completely inactive due to their exposure to NAMA and bank debt, which was largely being called in. NI needs to attract other sources of development and investment activity in the local market from elsewhere to reinvigorate the market.
11. Speculative office development has always been very limited outside Greater Belfast and has effectively ceased in all parts over the last few years. This has been due to an unfavourable balance of supply over demand until recently and a high risk of uneconomic returns, exacerbated by the unsustainably high prices and holding costs that development sites commanded at the peak of the market. There has also been a high level of uncertainty around the out-workings

in respect of NAMA acquired sites and development opportunities having to be fed back into the market, coupled with the limited availability of finance and the now risk averse nature of funders.

Current state of the retail market

12. Competition from on-line retailing has combined with the overall economic situation to create a most unstable situation affecting the sector, where even former retailing strongholds such as Donegall Place in central Belfast are suffering a fall in rental values and confidence. On the upside many larger stores, retail warehouse complexes and shopping centres are weathering the storm quite well with some undergoing expansion.
13. Investment demand for the best retail Centres is strong where there is a healthy tenant mix and a secure rent roll. The picture is not universal though, with many less successful centres in decline and offering terms and incentives that are extremely friendly to tenants in order to try to maintain an attractive tenant mix for the consumer.
14. There is still strong interest from institutional investors in the right opportunities in the local market place, notably in those numerous shopping centre complexes that continue to trade well and with relatively few voids. While yields for good investments have increased in recent years in common with those throughout the UK and ROI, evidence suggests that the right investments will still maintain quite healthy interest and command yields of the order of 6-7%.

ANNEX C

PEN PICTURE

(SOURCE: <http://www.cerberuscapital.com/>;
<http://www.vicepresidentdanquayle.com/biography.html>)

J.Danforth Quayle, Chairman of Cerberus Global Investments



Vice President Quayle joined Cerberus in 1999. As Chairman of Cerberus Global Investments, Dan Quayle has been actively involved in new business sourcing and marketing for Cerberus in North America, Asia and Europe. His extensive global network of public sector and private sector decision-makers, combined with his investment expertise have significantly contributed to the growth of Cerberus. Dan Quayle has offices in New York and Arizona. He regularly travels throughout the US, Europe, and Asia to meet with the heads of investment banks, corporations, buyout shops, potential investors, and other business leaders. His responsibilities include (1) ensuring that Cerberus stays at the forefront of deal flow activity, (2) facilitating Cerberus' entry into new markets and industries, and (3) fostering potential transaction partnerships.

In the US, Dan Quayle's recent activities have included helping identify business and economic trends by meeting with American business leaders, academics and financial and economic policy experts, assisting Cerberus in the selection of opportunistic investments sectors, advising Cerberus portfolio companies regarding the conduct of their business and other Cerberus strategic initiatives. In Japan, his efforts have involved leveraging his long-standing relationship with key business leaders and opinion-shapers to help Cerberus become better understood during the bid for Aozora. Dan Quayle was a key figure in the drive to convince the Japanese public that the acquisition of Aozora by Cerberus would create a new banking model and help revitalize corporate Japan. He has been on the board of Aozora since 2000. In Europe, Dan Quayle helped Cerberus establish an office in Germany in early 2003. Since then, he has focused on promoting deal growth and further enhancing business relationships in markets where Cerberus is not well-known.

Vice President Quayle was born on February 4, 1947, in Indianapolis, Indiana. He is a graduate of DePauw University and the Indiana University School of Law (Indianapolis). Mr Quayle and his wife Marilyn have three grown children: Tucker, Benjamin and Corinne.

Dan Quayle's political career began when he was elected to the United States Congress in 1976 at age 29. He was elected to the United States Senate at age 33. On January 20, 1989 he took the oath of office as the 44th Vice President of the United States at age 41. Mr. Quayle served as Vice President until 1993. He is widely considered to have been one of the most active Vice Presidents in history. In his constitutional role as Vice President, Dan Quayle served as president of the United States Senate. On February 9, 1989, President Bush named Dan Quayle head of the Council of Competitiveness, which worked to ensure US international competitiveness in the 21st century. He made official visits to 47 countries, was chairman of the National Space Council, and served as President Bush's point man on Capitol Hill. As a leader in causes from legal system reform to deregulation to the renewal of basic American values, Dan Quayle developed a large national following and became one of the most admired Americans of his time.

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Corporate Services Division

Information Management and Central
Advisory Branch
Room A5:18
Castle Buildings
Stormont Estate
BELFAST BT4 3SR
Tel: 028 90523183 (Ext 23183)
Email: OFMDFM.FOI@ofmdfmi.gov.uk



Office of the
**First Minister and
Deputy First Minister**

Elaine Dunseath
elaine.dunseath@bbc.co.uk

Your Ref:

Our Ref: FOI OFMDFM/2014-
0098

Date: 26 January 2015

Dear Elaine Dunseath

Freedom of Information Act 2000

I refer to your request of 8th September 2014 for documentation covering any discussion of the Millmount development project, and the decision by NAMA to release funds. I am writing to confirm that OFMDFM has now completed its search for this information held at the date of request and a copy of the information which can be disclosed is attached in Annex A of this letter. However, there is some information which cannot be disclosed, details of which are provided below.

Some of the information you requested relates to meetings between two governments and is being withheld, as it falls under the terms of the exemption in section 27(2) of the Freedom of Information (FOI) Act, which states:

Information is exempt if it is confidential information obtained by a state other than the UK or from an international organisation or international court.

Arguments in favour of disclosing the information

There is a presumption of a general public interest in disclosure.

Disclosure may provide greater transparency and increased levels of trust in the decision-making process.

Arguments in favour of withholding the information

Disclosure would be likely to undermine the willingness of the state that supplied the information to supply other confidential information in future (or it would be likely to have such an effect on the willingness of states, international organisations or courts in general).

Disclosure would be likely to provoke a negative reaction from the state that supplied the information that would damage the UK's relations with them and/or its ability to protect and promote UK interests.

Balancing the public interest

After weighing the various factors in favour of disclosing and withholding the information, on balance we believe that under section 27(2) of the FOI Act, the arguments in favour of non-disclosure of information outweigh the arguments in favour of disclosure.

Some of the information you requested is being withheld, as it falls under the terms of the exemption in section 21(1) of the Freedom of Information (FOI) Act, which states:

(1) Information which is reasonably accessible to the applicant otherwise than under section 1 is exempt information.

The development at Millmount was mentioned by the NAMA Chairman in the 2012 NAMA Annual Report. The report can be accessed through the NAMA website at the link attached below.

<http://www.nama.ie/annualreport2012/index.html>

If you are unhappy with the level of service you have received in relation to our handling of this request, you may ask for an internal review within two calendar months of the date of this letter. You should contact –

Director of HR and Corporate Services
Room E5.24
Castle Buildings
Stormont Estate
BELFAST
BT4 3SR

Tel - 028 9052 0694
Email - foi@ofmdfmi.gov.uk

In order to assist a thorough review, it would be helpful if you set out any particular grounds for complaint.

If you are not content with the outcome of the internal review, you then have the right to apply directly to the Information Commissioner for a decision. The Information Commissioner can be contacted at –

Information Commissioner's Office
Wycliffe House
Water Lane
WILMSLOW
Cheshire
SK9 5AF

We keep and use personal information in line with the Data Protection Act 1998.

The Information Commissioner will not investigate a complaint unless the internal review procedure outlined above has been completed.

The supply of information in response to a freedom of information request does not confer an automatic right to re-use the information. Under UK copyright law you can use any information supplied for the purposes of private study and non-commercial research without requiring permission. Similarly, information supplied can also be re-used for the purposes of news reporting. An exception to this is photographs.

For other forms of re-use, for example publishing the information, you would need the permission of the organisation or person who owns the copyright. In the case of information produced by government departments and agencies you can re-use the information under the Open Government Licence. For information about this please see www.nationalarchives.gov.uk/doc/open-government-licence/version/2/.

If, however, the copyright is identified as belonging to somebody else, you will need to apply for permission. For information about how to obtain permission from a third party, please go to Intellectual Property Office's website at

<http://www.ipo.gov.uk/types/copy/c-other.htm>

Please contact me if you have any queries about this letter, remembering to quote the reference number above in any future communications.

Yours sincerely

Paul Naylor

Annex A

Extract from Q&A briefing for NSMC Institutional meeting - 29 April 2013

- We also welcomed NAMA's announcement on 16 April 2013 that it was to provide funding of £9 million to build a new 95-unit housing development in Millmount, Dundonald. This is a prime example of the Agency taking a longer term measured view of asset management.

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[REDACTED]

From: [REDACTED]
Sent: 10 March 2015 16:38
To: PS Ministers
Cc: Gardner, Jeremy; Wallwin, Judith; Bullick, Richard; [REDACTED]; [REDACTED]; Dickson, Anne; McKelvey, Gail; [REDACTED]; Edgar, [REDACTED]; Leona; McLaughlin, Mark (OFMD FM); [REDACTED]; Johnston, Anthony
Subject: New Invite and Briefing Request: Mtg with John Snow - Chairman of Cerberus.
Importance: High

[REDACTED]

The First Minister and deputy First Minister will be meeting with Mr John Snow (Chairman of Cerberus) on Thursday 26 March, at 11am in the First Minister's Office, Stormont Castle.
Please request briefing to include: background, key issues, lines to take, pen pics, names of attendees and any other relevant briefing to be back by no later than 19 March.

Everyone else - please update relevant diaries.

Thanks

[REDACTED]

From: Debbie Grubbs [mailto:dkg@jws-associates.com]
Sent: 10 March 2015 14:46
To: [REDACTED]
Subject: Meeting Request

Good morning, [REDACTED] My name is Debbie Grubbs and I am writing at the suggestion of Mr. Ronnie Kells through Mr. Richard Bullick to see if it might be possible to schedule a meeting for Mr. John Snow with the First Minister and Deputy Minister. I understand the week of March 23 works best on their schedule. Mr. Snow has commitments in London March 23-25 but could be in Belfast on Thursday, March 26 if we can find some time that day. Alternatively, he also has plans to be in Belfast on Friday, March 20 and would be available any time that afternoon if by any chance that day might work.

Thank you for your consideration. I look forward to hearing from you,

Debbie Grubbs

Debbie Grubbs
JWS Associates, LLC

1W 165-15





Office of the
**First Minister and
Deputy First Minister**

Stormont Castle
BELFAST
BT4 3TT

TEL: 028 9037 8158
FAX: 028 9037 8040
e-mail ps.ministers@ofmdfnni.gov.uk

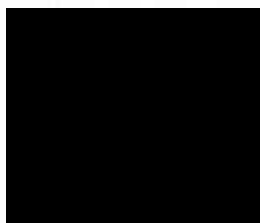
**Mr P McGlone MLA
Northern Ireland Assembly
Parliament Buildings
Stormont**

15 May 2015
AQW 44554/11-15

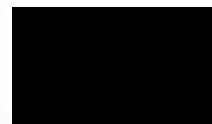
Mr M McGlone (Mid Ulster): To ask the First Minister and deputy First Minister whether their Department worked with Cerberus Capital Management to ensure that the deal announced in April 2014 would kick start the local economy.

ANSWER

The Department of Finance and Personnel (DFP) has lead responsibility for finance and banking issues on behalf of the Executive. DFP officials continue to engage with representatives of Cerberus on a regular basis, to discuss the group's recent acquisitions and its future plans.



**RT HON PETER D ROBINSON MLA
First Minister**



**MARTIN McGUINNESS MLA
deputy First Minister**



THE UNIVERSITY OF CHICAGO

PHYSICS DEPARTMENT

5720 S. UNIVERSITY AVE.

CHICAGO, ILL. 60637

TO THE PHYSICS DEPARTMENT, UNIVERSITY OF CHICAGO, FROM THE PHYSICS DEPARTMENT, UNIVERSITY OF MICHIGAN, ANN ARBOR, MICHIGAN, U.S.A.

RECEIVED AT THE PHYSICS DEPARTMENT, UNIVERSITY OF CHICAGO, ON THE 15TH DAY OF JANUARY, 1964.

THIS DOCUMENT IS AVAILABLE FROM THE NATIONAL BUREAU OF STANDARDS, U.S. DEPARTMENT OF COMMERCE, WASHINGTON, D.C. 20540.

UNIVERSITY MICROFILMS INTERNATIONAL, 300 N. ZEEB RD., ANN ARBOR, MICHIGAN 48106, U.S.A.

34

Dickson, Anne

From: O'Hagan, Dara
Sent: 04 June 2015 10:43
To: Dickson, Anne
Cc: [REDACTED]
Subject: Cerberus

Anne,
could you ask for an update from officials, including possibly DFP and DETI, on Cerberus Capital Management.

There is some indication of them closing down the businesses of good debtors as well as those who cannot pay and selling off their assets etc.

Could you also ask if there are any measures the Executive can take to regulate/control their approach?

Thanks,
Dara

Sent from my iPad managed by BlackBerry Enterprise Service

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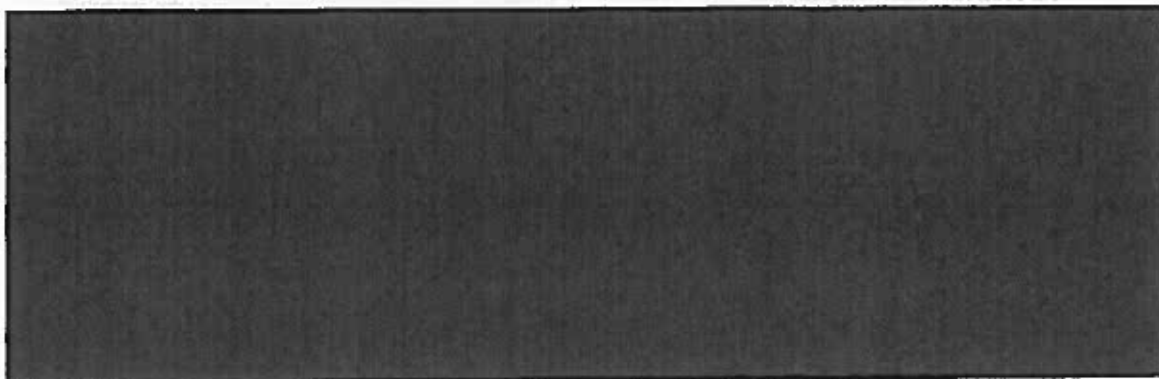
**Mr J Allister MLA
Northern Ireland Assembly
Parliament Buildings
Stormont**



**17 June 2015
AQW 46638/11-15**

Mr J McAllister (North Antrim): To ask the First Minister and deputy First Minister following the First Minister's statement on 4th April 2014, to detail (i) the Cerberus delegation; (ii) who the Cerberus delegation met; and (iii) if the visit did not take place, why this was the case.

ANSWER



[Signed]

**The Rt Hon Peter D Robinson MLA
First Minister**

[Signed]

**Martin McGuinness MLA
deputy First Minister**



C

THE
OFFICE OF THE
ATTORNEY GENERAL
STATE OF NEW YORK
ALBANY, N. Y.

IN SENATE,
January 10, 1917.
REPORT
OF THE
ATTORNEY GENERAL,
JAMES C. CLARK,
IN RESPONSE TO
A RESOLUTION
PASSED BY THE SENATE
MAY 1, 1916.
ALBANY: JAMES BRADY, STATE PRINTER.
1917.

C

THE
OFFICE OF THE
ATTORNEY GENERAL
STATE OF NEW YORK
ALBANY, N. Y.

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Department of
**Finance and
Personnel**

DFP Private Office
2nd Floor
Clare House
303 Airport Road West
Belfast
BT3 9ED
Tel: 028 90816711
Email: private.office@dipni.gov.uk
Your Ref:
Our Ref: COR/1255/2015

FROM: ARLENE FOSTER MLA

DATE: 29 JUNE 2015

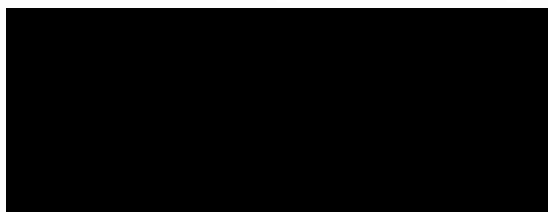
**TO: FIRST MINISTER
DEPUTY FIRST MINISTER**

You requested information on Cerberus, how it is engaging with local businesses in Northern Ireland, and whether the Executive can control/regulate the approach taken by the firm.

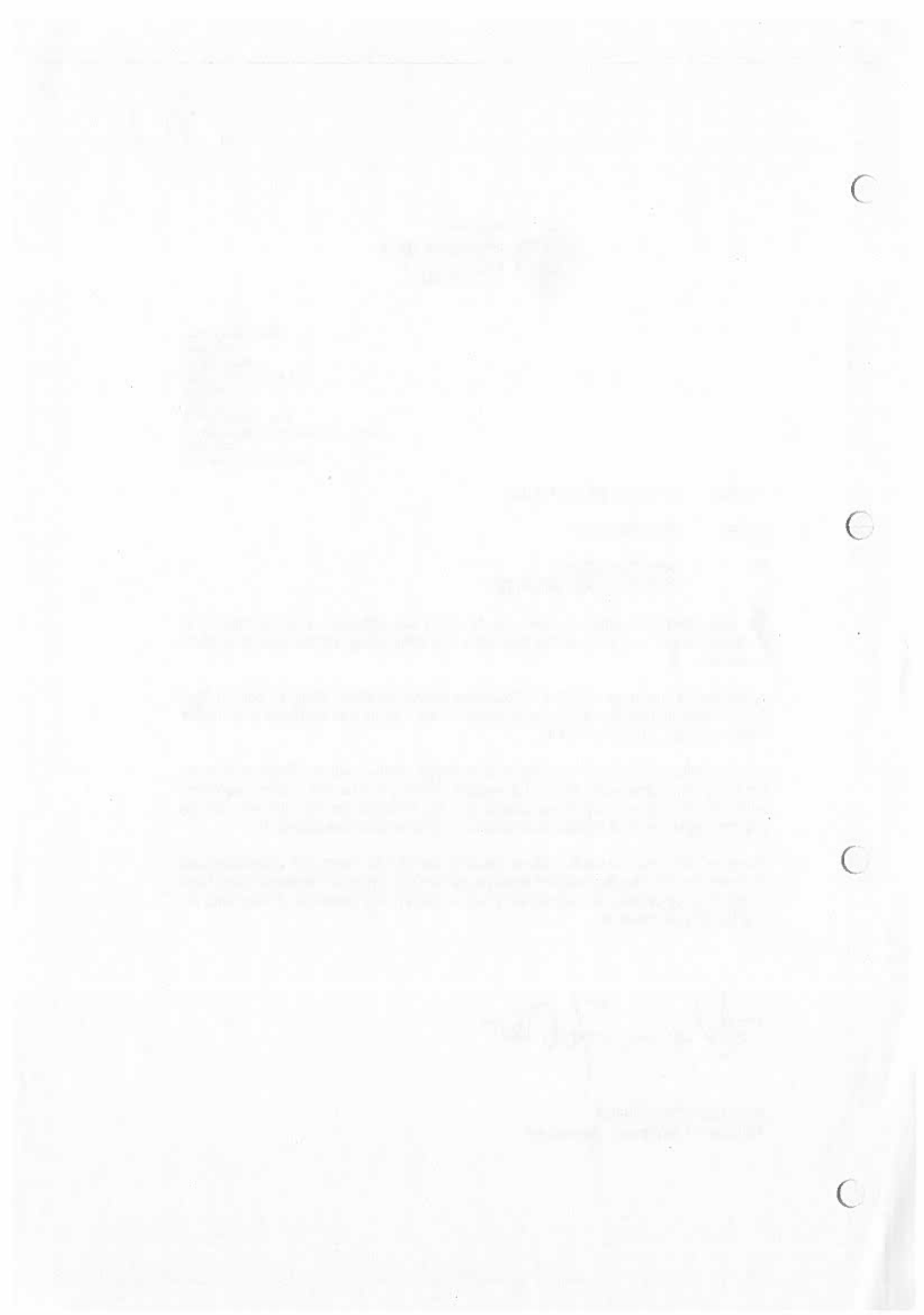
Following the purchase of NAMA's Northern Ireland portfolio, Project Eagle in April 2014, Cerberus has agreed the acquisition of two further loan portfolios from Ulster Bank – projects Aran and Rathlin.

The regulation of financial services is a reserved matter and my Department does not have any formal authority in this regard. Rather, it is for the proper, regulatory authorities to ensure businesses operating in the financial services industry comply with the legally defined standards of conduct and prudential management.

However, arrangements are in place whereby my officials meet with representatives of Cerberus on a regular basis to discuss the firm's activities in Northern Ireland and where they emphasise my expectation that borrowers are treated in a balanced, fair and transparent manner.



ARLENE FOSTER MLA
Minister of Finance & Personnel



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**Mr D McNarry MLA
Northern Ireland Assembly
Parliament Buildings
Stormont**

July 2015

AQW 48229/11-15

Mr D McNarry (Strangford): To ask the First Minister and Deputy First Minister to outline any discussions they or any of their departmental officials have had with NAMA in relation to the disposal of any local NAMA property assets to Cerberus.

ANSWER

[DN: Input requested from Private Office on whether or not Ministers met with NAMA]

Officials from the Office of the First Minister and deputy First Minister did not meet with NAMA in relation to the disposal of any local property assets to Cerberus.

The Department of Finance and Personnel (DFP) has lead responsibility for finance and banking issues on behalf of the Executive.

[Signed]

**The Rt Hon Peter D Robinson
MLA
First Minister**

[Signed]

**Martin McGuinness
MLA
deputy First Minister**

BACKGROUND NOTE

1. Cerberus Capital Management is a private investment company with a particular focus on investing in distressed securities and assets, including 'non-performing' loans.
2. On 4 April 2014 it was announced that the National Asset Management Agency (NAMA) would sell its Project Eagle portfolio of loans to affiliates of Cerberus. The portfolio consisted of £1.2billion of loans owned by local-based debtors and secured by assets in Northern Ireland, the Republic of Ireland, Great Britain and other European locations. The successful completion of the sale transaction was confirmed by NAMA on 20 June 2014.

Drafted by: John McGettrick, Ext 23467, [] July 2015

Cleared by: Joe Reynolds, Ext 23210, [] July 2015

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Mark Browne
Colette Kerr
Assembly Section
EPU

Mr A Attwood MLA
Northern Ireland Assembly
Parliament Buildings
Stormont

July 2015

AQW 48242/11-15

Mr A Attwood (West Belfast): To ask the First Minister and Deputy First Minister to detail the meetings which representatives of their Department have held with Cerberus Capital Management since 1 January 2012, including (i) the dates of these meetings; (ii) those in attendance; and (iii) the purpose of the meeting.

ANSWER

The First Minister and deputy First Minister met with Dan Quayle, Chairman of Cerberus Capital Management on 24 September 2014. The meeting was arranged to welcome the acquisition of the NAMA portfolio and to underline the strategic importance of the assets to economic development locally.

[Signed]

The Rt Hon Peter D Robinson
MLA
First Minister

[Signed]

Martin McGuinness
MLA
deputy First Minister

BACKGROUND NOTE

1. Cerberus Capital Management is a private investment company with a particular focus on investing in distressed securities and assets, including 'non-performing' loans.
2. On 4 April 2014 it was announced that the National Asset Management Agency (NAMA) would sell its Project Eagle portfolio of loans to affiliates of Cerberus. The portfolio consisted of £1.2billion of loans owned by local-based debtors and secured by assets in Northern Ireland, the Republic of Ireland, Great Britain and other European locations. The successful completion of the sale transaction was confirmed by NAMA on 20 June 2014.
3. The First Minister and deputy First Minister met former US Vice President Dan Quayle, Chairman of Cerberus Global Investments, on 24 September 2014 in Stormont Castle.
4. Mr Attwood has submitted two related Assembly Questions that asks the First Minister and deputy First Minister to detail meetings which representatives of their Department have held with the Northern Ireland Advisory Panel of NAMA since 1 January 2012 (AQW 48243/11-15) and with any individuals or organisations in relation to the selling of Northern Ireland loan portfolio of NAMA since 1 January 2012 (AQW 48245/11-15).

Drafted by: John McGettrick, Ext 23467, 7 July 2015

Cleared by: Joe Reynolds, Ext 23210, 7 July 2015

Copy distribution List:

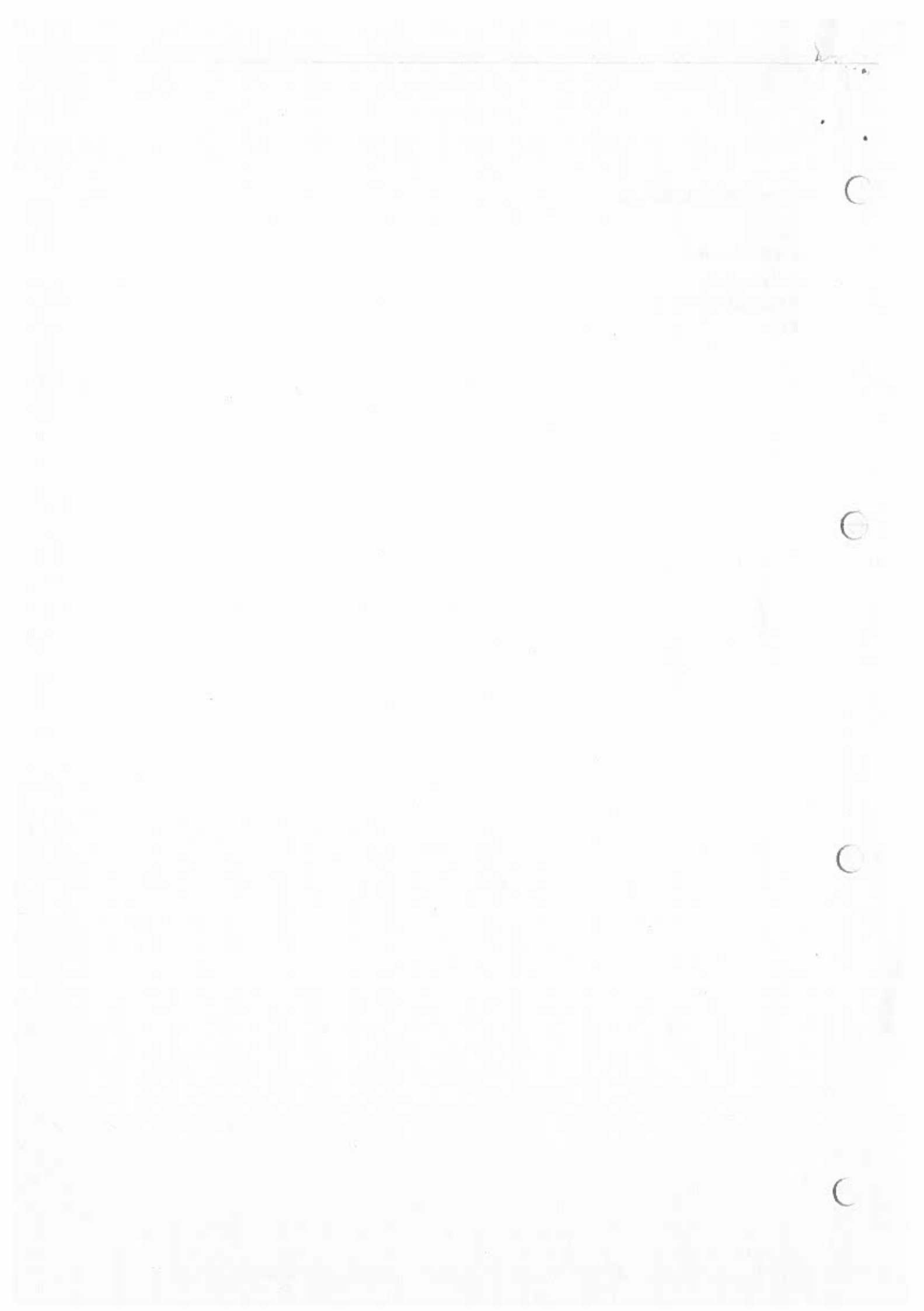
HOCS

Mark Browne

Colette Kerr

Assembly Section

EPU



**Mr A Attwood MLA
Northern Ireland Assembly
Parliament Buildings
Stormont**

07 July 2015

AQW 48245/11-15

Mr A Attwood (West Belfast): To ask the First Minister and deputy First Minister to detail the meetings which representatives of their Department have held with any individuals or organisations in relation to the selling of the Northern Ireland loan portfolio of the National Asset Management Agency since 1 January 2012, including (i) the dates of these meetings; (ii) those in attendance; and (iii) the purpose of each meeting.

ANSWER

No representative of the Office of the First Minister and deputy First Minister met with any individuals or organisations in relation to the selling of the Northern Ireland loan portfolio of the National Asset Management Agency.

The Department of Finance and Personnel has lead responsibility for finance and banking issues on behalf of the Executive.

[Signed]

**The Rt Hon Peter D Robinson MLA
First Minister**

[Signed]

**Martin McGuinness MLA
deputy First Minister**

BACKGROUND NOTE

1. On 4 April 2014 it was announced that the National Asset Management Agency (NAMA) would sell its Project Eagle portfolio of loans to affiliates of Cerberus. The portfolio consisted of £1.2billion of loans owned by local-based debtors and secured by assets in Northern Ireland, the Republic of Ireland, Great Britain and other European locations. The successful completion of the sale transaction was confirmed by NAMA on 20 June 2014.
2. Mr Attwood has submitted two related Assembly Questions that asks the First Minister and deputy First Minister to detail meetings which representatives of their Department have held with Cerberus Capital Management since 1 January 2012 (AQW 48242/11-15) and the Northern Ireland Advisory Panel of NAMA since 1 January 2012 (AQW 48243/11-15 with Ministers for clearance).

Drafted by: John McGettrick, Ext 23467, 7 July 2015

Cleared by: Joe Reynolds, Ext 23210, 7 July 2015

Copy distribution List:

HOCS
Mark Browne
Colette Kerr
Assembly Section
EPU

OFFICIAL - EXECUTIVE

E (M) (15) 15

MINUTES OF EXECUTIVE MEETING: 7 JULY 2015

Present: First Minister (Chair)
deputy First Minister (Chair)
Minister of Agriculture and Rural Development
Minister of Culture, Arts and Leisure
Minister for Employment and Learning
Minister of Enterprise, Trade and Investment
Minister of Finance and Personnel
Minister of the Environment
Minister of Health, Social Services and Public Safety
Minister of Justice
Minister for Regional Development
Minister for Social Development

In attendance: Junior Minister, OFMDFM (Ms McIlveen)
Secretary to the Executive
Head of Executive Division

Apologies: Minister of Education
Junior Minister, OFMDFM (Ms McCann)

AGENDA ITEM 8

Any Other Business

NAMA

1. The Minister of Agriculture and Rural Development raised recent reports relating to the sale of the NAMA Northern Ireland property portfolio. The Executive noted that the Assembly Committee for Finance and Personnel had met that day to discuss the issue.

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Bullick, Richard

From: Declan Reid (Declan.Reid@finance.gov.ie)
Sent: 31 July 2015 13:59
To: Bullick, Richard
Subject: RE: NAMA call

Richard,

Apologies for only coming back to you today on this, I have just returned from vacation.

Yes, my comments below refer to a conference call on 14 January 2014

Would be happy to discuss if that would be helpful.

Kind regards,

Declan

Declan Reid
Banking Division | Department of Finance | Upper Merrion Street | Dublin 2
Phone: +353 1 6043679 | Mobile: +353 85 999 4387
Email: declan.reid@finance.gov.ie
Website: <http://www.finance.gov.ie>

From: Bullick, Richard (<mailto:Richard.Bullick@dfon.gov.uk>)
Sent: 29 July 2015 13:04
To: Declan Reid
Subject: NAMA call

Declan,

I am one of the Special Advisers to the First Minister in Northern Ireland and am presently preparing a time line in relation to our dealings with NAMA.

The evidence you gave to the PAC seems to be consistent with our position but I just wanted to check on one detail.

During the evidence you said,

Note to Editors

Peter Robinson will be attending the opening of Sam Thompson Bridge, Victoria Park Belfast today and will be available for interview at the event.

**DUP Press Office
91 Dundela Avenue
Belfast
BT4 3BU**

**T: 02890 654479 | E: pressoffice@dun.org.uk
Web | Follow us on Twitter | Find us on Facebook | Flickr | YouTube**

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Mr. Declan Reid: I wish to clarify the matter for Deputy Mary Lou McDonald. The memorandum of understanding originated from a call between Ronnie Hanna, the Minister, Minister Robinson's office and me regarding the sales process. Minister Robinson indicated that he had concerns about how NAMA or any owner of the Northern Ireland loans, would manage these loans in the interests of the Northern Ireland economy, which was understandable. He indicated that he would seek to put such a letter of intent, or MOU, in place with potential bidders. We advised him that it would be wise to send it to NAMA for its information and identified Ronnie as the appropriate person to send it to.

...

Mr. Declan Reid: What I was referring to earlier was the passing on of the letter of the intent which followed a conversation between the Minister for Finance and the First Minister of Northern Ireland.

We believe that this refers to a conference call on 14 January 2014 involving Minister Noonan, the First Minister and the deputy First Minister at which the matter was discussed and we undertook to provide this letter.

Is it possible for you to confirm that this was the call you were referring to?

Best Wishes

Richard

C

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Office of the
**First Minister and
Deputy First Minister**

www.ofmdfmi.gov.uk

Stormont Castle
BELFAST
BT4 3TT

TEL: 028 9037 8158
FAX: 028 9037 8040
e-mail: ps.ministers@ofmdfmi.gov.uk

**Mr A Attwood MLA
Northern Ireland Assembly
Parliament Buildings
Stormont**

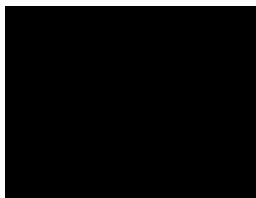
**// August 2015
AQW 48243/11-15**

Mr A Attwood (West Belfast): To ask the First Minister and deputy First Minister to detail the meetings which representatives of their Department have held with the NI Advisory Panel of the National Asset Management Agency since 1 January 2012, including (i) the dates of these meetings; (ii) those in attendance; and (iii) the purpose of each meeting.

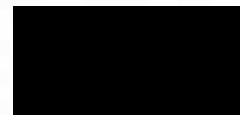
ANSWER

No representative of the Office of the First Minister and deputy First Minister has met with the NAMA Northern Ireland Advisory Committee.

The Department of Finance and Personnel has lead responsibility for finance and banking issues on behalf of the Executive.



**RT HON PETER D ROBINSON MLA
First Minister**



**MARTIN McGUINNESS MLA
deputy First Minister**



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Executive Services Directorate
Central Correspondence Unit
Room GD36
Stormont Castle
Stormont Estate
BELFAST BT4 3TT
Tel: 028 9037 8158 (Ext 88158)
Email: ps.ministers@ofmdfmi.gov.uk



Office of the
**First Minister and
Deputy First Minister**

www.firstminister.gov.uk

Mr David Moore

Your Ref:

request-213309-
5dea9159@whatdotheyknow.com

Our Ref: FOI 2014 – 0077

Date: 26 August 2014

Dear Mr Moore

Freedom of Information Act 2000

I refer to your request which we received on 4 July 2014 for information relating to NAMA's Northern Ireland loan book. I have completed a search for the information which is attached.

If you are unhappy with the level of service you have received in relation to our handling of this request, you may ask for an internal review within two calendar months of the date of this letter. You should contact –

Director of Corporate Services
Room E4.20
Castle Buildings
Stormont Estate
BELFAST
BT4 3SR

Tel - 028 9052 0694
Email - foi@ofmdfmi.gov.uk

If you are not content with the outcome of the internal review, you then have the right to apply directly to the Information Commissioner for a decision. The Information Commissioner can be contacted at –

Information Commissioner's Office
Wycliffe House
Water Lane

WILMSLOW
Cheshire
SK9 5AF

The Information Commissioner will not investigate a complaint unless the internal review procedure outlined above has been completed.

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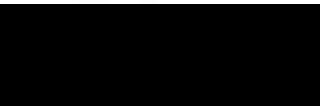
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<http://www.ipo.gov.uk/types/copy/c-other.htm>

Please contact me if you have any queries about this letter, remembering to quote the reference number above in any future communications.

Yours sincerely



ANNE DICKSON



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We may, on occasion for business purposes, share this personal information
with other Government Departments and Public Authorities.*

NAMA – NSMC Institutional Meeting – Iveagh House Dublin – 10 January 2014

We welcome the ongoing engagement between the Finance Minister and the NAMA Chairman and his colleagues. It is important that NAMA continues to play a positive role in how it attempts to manage assets.

The priority now is sensible management of the assets and that we ensure that they are released at a suitable time without having a negative impact on the market.

Some of the initiatives by NAMA to make lending available to develop assets have been positive. In particular the vendor finance offered to commercial property buyers in Northern Ireland should help take viable assets out of NAMA more quickly which will stimulate investment and create jobs.

NAMA - British Irish Chamber of Commerce Conference Dinner – Belfast City Hall – 12 February 2014

The Finance Minister met with the NAMA Chairman and his colleagues in early October as part of their normal engagement arrangements. Recognise that NAMA plays a positive role in how it attempts to manage assets.

Vital that NAMA assets managed appropriately. Previous assurances were sought and received that there would be no firesale of Northern Ireland assets and Northern Irish businesses/individuals would be treated reasonably.

The priority now is sensible management of the assets and that we ensure that they are released at a suitable time without having a negative impact on the market that is beginning to show some first signs of recovery here

NAMA has provided assurances that identifying and delivering suitable and timely investment opportunities that add value across its portfolio remains an important part of its work in Northern Ireland. As part of this, NAMA is delivering significant investment through a combination of completing existing work in progress and the construction of new developments to meet demand.

NAMA has advised that since its establishment it has overseen the sale of £106m of property in Northern Ireland, which is a significant contribution to market activity. It has also stated that it is flexible and responsive to evolving market conditions and that as conditions improve, it will release further assets for sale through its debtors and receivers and undertake investment in commercially viable projects.

This has been both important and welcome in the context of the Northern Ireland property market over the last the number of years, particularly in light of reduced market liquidity from conventional lenders and transactional volumes.

NAMA has invested over £140m to date in a number of commercially viable projects. This includes funding to complete two offices at Lanyon Place and a 95-unit housing development in Millmount, Dundonald.

The Agency has also said that it is currently reviewing other opportunities for investment in Northern Ireland and that the volume of such investment will increase as the recovery in the economy here accelerates.

NAMA has indicated in particular that it is likely to invest in new Grade A office accommodation in Belfast and is conscious of the housing need, both social and private, in Northern Ireland - this most recently highlighted by its Chairman Frank Daly in an address to the NI Chamber in Belfast.

The vendor finance NAMA offers to potential commercial property buyers in Northern Ireland is also welcome. This should help stimulate investment and create jobs. Know Invest NI helping to promote this. Understand the agency

has done one such deal in Northern Ireland and is expecting to do more as the profile of investment in the market changes.

Pleased that NAMA is examining the potential for extending its 80/20 Deferred Payment Initiative to Northern Ireland. This is another measure, along with the Executive's Co-ownership Scheme that is designed to provide homebuyers with the confidence and a route to buy their own home. Any steps in this regard which can boost activity in the local property market are clearly to be welcomed.

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From: John Robinson <johnrobinson@dup.org.uk>
Date: 23 September 2015 at 15:13:10 BST
To: Richard Bullick [REDACTED]
Subject: draft statement

Statement by Rt. Hon. Peter Robinson MLA

Speaking this afternoon Mr Robinson MLA said,

"The allegations made today lack credibility and have no evidential basis. The scripted performance was little short of pantomime. It is outrageous that such scurrilous and unfounded allegations can be made without providing one iota of evidence.

I repeat, I neither received, expected to receive, sought, nor was I offered a single penny as a result of the NAMA sale.

I am happy to appear before the committee."

John Robinson
Democratic Unionist Party | T: 028 9065 4479 [REDACTED]

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An Roinn Airgeadais
Department of Finance

Oifig an Aire
Office of the Minister

46

30 September 2015

Mr Peter Robinson MLA
Strandtown Hall,
96 Belmont Avenue
Belfast,
BT4 3DE

Dear Peter

I write in reference to recent discourses surrounding the sale of the Northern Ireland NAMA Loan Portfolio "Project Eagle".

I attach Department of Finance records relating to correspondence and meetings I have had with members of the Northern Ireland Executive regarding NAMA, amongst other matters, for your reference.

I trust you find this information useful.

Yours sincerely

Michael Noonan TD
Minister for Finance

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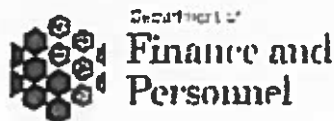
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From the Office of the
Minister for Finance & Personnel



Mr Michael Noonan TD
Minister of Finance
Government Buildings
Upper Merrion Street
Dublin 2
Ireland

DFP Private Office
Craigantlet Buildings
Stoney Road
Belfast BT4 3SX

Telephone: 028 90163371

Email: private.office@dfpni.gov.uk

Your reference:

Our reference: SUB/109/2013

9 April 2013

Dear Michael

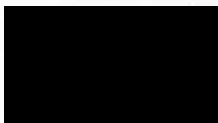
ONGOING BANKING CONCERNS

I am writing to request that we meet, or if more convenient, arrange a time for a telephone call to discuss a number of ongoing banking issues.

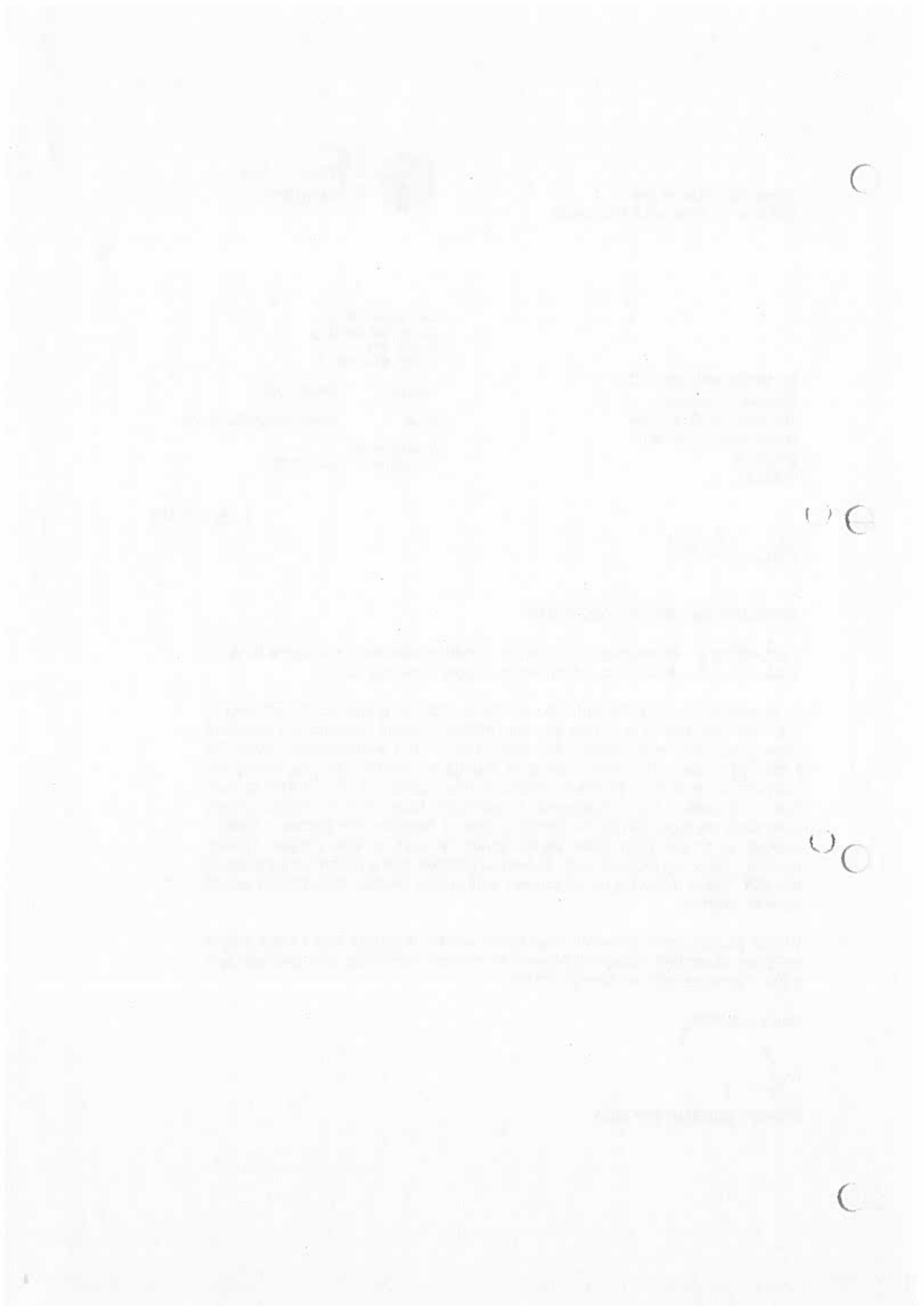
In particular, I would like to touch on the impact the ongoing restructuring of the Irish Pillar Banks is having on their Northern Ireland operations. I was also hoping that we could discuss the Irish Government 'warehousing' plans for tackling the personal debt crisis and mortgage arrears. As you know, the challenges we face in Northern Ireland in this regard are very similar to your own. Therefore I am interested in exploring how such a solution might potentially be implemented in Northern Ireland and how the Northern Ireland operations of the Irish Pillar Banks could be part of this. Finally, I have received much correspondence about the position of the former employees of the IBRC here following its liquidation and on the Mercer report that I would want to mention.

I hope you agree that such a discussion would be useful and I have asked my Diary Secretary, Margaret Adams, to contact your office over the next few days to arrange how we best proceed.

Yours sincerely



SAMMY WILSON MP MLA



Kinsella, Sean

From: Kinsella, Sean
Sent: 10 June 2013 14:35
To: Hynds, Gary
Cc: Nolan, Ann
Subject: Fwd: FW: Minister Wilson's meeting with Minister Noonan

Sean

Further to my email below, our officials have provided the following updated agenda for Thursday's meeting as follows:-

- (i) The restructuring of Irish Pillar banks and the impact on Northern Ireland operations
- (ii) NAMA & the liquidation of the IBRC & the position of Northern Ireland based staff
- (iii) Position of Ulster Bank
- (iv) The Irish Government's 'warehousing' plans for tackling the personal debt crisis
- (v) First Trust contractual dispute around pay and bonus payments.

The items listed (iv), (v) and (vi) in the earlier agenda below are incorporated in the new agenda as follows:

Item (iv) – in updated agenda item (iv);
Item (v) – in updated agenda item (ii); and
Item (vi) – in updated agenda item (i)

regards

Margaret

Margaret Adams
Diary Secretary
Department of Finance & Personnel
Craigantlet Buildings
Stormont
BT4 3SX

tel ext: 73313
tel external: 028 90163373

From: Adams, Margaret
Sent: 07 June 2013 12:49
To: 'Kinsella, Sean'
Subject: FW: Minister Wilson's meeting with Minister Noonan
Importance: High

Sean

The following agenda incorporates the issues highlighted in Minister Wilson's letter of 9 April and a number of other issues that have arisen:

- (i) The restructuring of Irish Pillar banks and the impact on Northern Ireland operations;
- (ii) Position of Ulster Bank
- (iii) The Irish Government's 'warehousing' plans for tackling the personnel debt crisis;
- (iv) The Central Banks approach to SMEs
- (v) The liquidation of IBRC and the position of Northern Ireland based staff;
- (vi) The implications of the Mercer report on bank remuneration; and
- (vii) First Trust contractual dispute around pay and bonus payments.

Please let me know if you require anything further.

regards

Margaret

Margaret Adams
Diary Secretary
Department of Finance & Personnel
Craigantlet Buildings
Stormont
BT4 3SX

tel ext: 73313
tel external: 028 90163373

From: Adams, Margaret
Sent: 07 June 2013 12:05
To: 'Kinsella, Sean'
Subject: RE: Minister Wilson's meeting with Minister Noonan

Sean

Yes, all is still on for next week , thanks

I have contacted our officials to find out if there is anything additional to that contained in Minister Wilson's letter to Minister Noonan of 9 April. I will get back to you once I receive a reply.

regards

Margaret

Margaret Adams
Diary Secretary
Department of Finance & Personnel
Craigantlet Buildings
Stormont

B74 35A

tel ext: 73313

tel external: 028 90163373

From: Kinsella, Sean [mailto:sean.kinsella@finance.gov.ie]
Sent: 07 June 2013 11:55
To: Ryan, Mary; Adams, Margaret
Subject: RE: Minister Wilson's meeting with Minister Noonan

Margaret

Just confirming next week's meeting.

Also, I know the purpose of the meeting is to discuss banking issues – is there anything specific for the agenda or specific items you could send me in order to prepare for this meeting

Thanks

Sean

From: Ryan, Mary
Sent: 18 April 2013 10:36
To: 'Adams, Margaret'
Cc: Kinsella, Sean
Subject: Minister Wilson's meeting with Minister Noonan

Margaret,

I refer to our telephone conversation yesterday and can now confirm details in respect of above, as follows:

Date: Thursday, 13th June, 2013

Time: 12.30pm to 01.30pm

Should you have any further queries please do not hesitate to contact me.

Regards.

Mary

Mary B. Ryan
Office of the Minister for Finance
Tel: 01 604 5825

From: Adams, Margaret [mailto:Margaret.Adams@dfpni.gov.uk]
Sent: 17 April 2013 13:46
To: Ryan, Mary
Subject: FW: Minister Wilson's meeting with Minister Noonan

Diary

Further to our telephone conversation this afternoon, I would be grateful if you would confirm that 12:30pm – 1:30pm on Thursday 13 June 2013 suits for the meeting. Our Minister will be flying in to Dublin that morning and we plan to book the flight scheduled to arrive at 11:50am.

Many thanks for your help.

regards

Margaret

Margaret Adams
Diary Secretary
Private Office DFP

Internal Ext: 73373
External: 028 90163373

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From: Adams, Margaret
Sent: 17 April 2013 09:35
To: 'Kinsella, Sean'
Subject: RE: Minister Wilson's meeting with Minister Noonan

Sean

It's looking good for 13 June, if you can hold I will confirm later today.

Thanks

Margaret

Margaret Adams
Diary Secretary
Private Office DFP

Internal Ext: 73373
External: 028 90163373

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From: Kinsella, Sean [<mailto:sean.kinsella@finance.gov.ie>]
Sent: 16 April 2013 12:29
To: Adams, Margaret
Cc: Behan, Anne
Subject: RE: Minister Wilson's meeting with Minister Noonan

Margaret

Thursday 13 June pm is free – Wednesday the 29th of May might be free but its probably safer to go with 13 June.

Will I confirm this in the diary?

Sean

From: Adams, Margaret [<mailto:Margaret.Adams@dfoni.gov.uk>]
Sent: 16 April 2013 12:21
To: Kinsella, Sean
Subject: Minister Wilson's meeting with Minister Noonan

Sean

Many thanks for your reply. I would be grateful if you could advise if either Wednesday 29 May or Thursday 13 June (pm only) would fit in with your diary?

regards

Margaret

Margaret Adams
Diary Secretary
Private Office DFP

Internal Ext: 73373
External: 028 90163373

All e-mails and attachments sent by a Private Secretary, or member of the Private Office, to an official on behalf of a Minister relating to a decision, request or comment made by a Minister or FM/dFM, or a note of a Ministerial Meeting, must be filed appropriately by the main recipient. The Private Offices do not keep official records of such e-mails or attachments

From: Kinsella, Sean [<mailto:sean.kinsella@finance.gov.ie>]
Sent: 16 April 2013 11:47
To: Private Office DFP
Cc: Behan, Anne
Subject: Meeting with Minister Noonan

FAO: Diary Secretary – Margaret Adams

I refer to correspondence from Minister for Finance & Personnel Mr Sammy Wilson MP MLA seeking a meeting with Minister Noonan to discuss banking issues.

Minister Noonan is happy to host a meeting with Minister Wilson in Dublin. We are travelling for the next week or so and have a heavy schedule over the next couple of weeks but I am sure we can arrange a mutually suitable time and date.

I look forward to hearing from you.

Regards

Sean

Sean Kinsella
Private Secretary to the Minister for Finance

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**An Roinn Airgeadais
Department of Finance**

Private & Confidential (may be subject to legal privilege)

**Briefing Note for Minister's meeting with Sammy Wilson MP MLA and
Minister for Finance Northern Ireland 13th June 2013**

To:	The Minister
Cc:	Ann Nolan, John Cantwell
From:	Gary Hynds/Clare McCabe - SMU
Date:	12th June 2013

This briefing note is intended to provide an overview of the outstanding issues affecting Northern Ireland and briefing material for your meeting with Mr. Sammy Wilson MP scheduled for Thursday 13th June 2013.

AGENDA

Briefing material is being provided on a number of topical issues, some of which were highlighted in Minister Wilson's letter of 9th April 2013.

- 1. The restructuring of the Irish Pillar Banks and the impact on Northern Ireland operations including the implications of the Mercer Report on bank remuneration.**
- 2. NAMA and the liquidation of IBRC and the position of Northern Ireland based staff.**
- 3. The position of Ulster Bank.**
- 4. The Irish Government's 'warehousing' plans for tackling the personal debt crisis and the Central Bank's approach to SMEs.**
- 5. First Trust contractual dispute around pay and bonus payments.**



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1.1 The Restructuring of the Irish Pillar Banks and the impact on Northern Ireland operations. (Catherine Rogers & Eileen Murphy –SMU)

Bank of Ireland – Northern Ireland

- In January 2013, Bank of Ireland UK undertook a review of all customer channels in Northern Ireland, including its branch network. It then announced the closure of nine smaller branches where the volume of business was insufficient to sustain them. These branches accounted for around 7% of the business conducted by the network in Northern Ireland.
- Staff affected by the closures will be either redeployed to suitable roles in other branches or businesses or potentially become eligible for existing redundancy programmes.
- As part of this investment programme all thirty-five remaining branches will be upgraded and modernised with investment of £10m. Eighteen branches are undergoing a complete refurbishment including a contemporary and informative branch interior and improved customer self-service options for all routine banking transactions and a strong focus on providing personal and business customers with financial advice, sales and support.
- The branches will close during May to June 2013 and their activities will be merged into larger branches and Bank of Ireland will be writing to all affected customers detailing the changes that are taking place.
- The branches scheduled for closure are: Ballyclare, Ballymoney, Carrickfergus, Kilkeel, Kilrea, Larne, Rathfriland. In Derry/ Londonderry, Shipquay Street and Waterside branches will close and be amalgamated into the Bank's main commercial branch at Strand Road. This will reduce the number of Bank of Ireland UK branches in Northern Ireland from 44 to 35.

➤ **Region focus and Priorities in 2012**

- Supporting customers through the difficult economic environment and playing a key role in the re-generation of the local economy.
- Remaining very much "open for business", especially in the provision of credit to sound and viable firms, particularly in higher growth export sectors.
- Differentiating from competitors within the region through customer service strong



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- **Bank of Ireland remains a significant net lender to the region.**
- **Additional Information:**
 - **The NAMA transfers to date for Bank of Ireland Northern Ireland are in the region of €1.6bn (36 Northern Ireland relationships, some of the assets held in GB/ROI)**
 - **Distribution: 44 branches (9 commercial, 19 retail and 16 sales and service branches), complemented by BOIG-supplied direct banking proposition (telephone and online). A new Belfast city centre branch opened in May 2012 and will increase BOI footprint in the region's capital.**
 - **Customers: c. 210,000 (up from 200,000 in Nov 2011)**
 - **Staff: 632 frontline staff (down from 850 in Nov 2011) and further central support (manufacturing, finance, HR, marketing, etc.) employed by BOIG and providing services via outsourcing agreements.**



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Allied Irish Bank

- AIB announced the closure of 6 First Trust branches in February 2013. Three of these branches have already closed with the remaining branches due to close by the end of this month.
- First Trust branches for closure:

Closing branch	Closure date	Moving to
Cregagh Road	17 May	Knock
Ballyclare	24 May	Antrim
Limavady	31 May	Crescent Link
Larne	14 June	Carrickfergus
Hollywood	21 June	Bangor
Fortwilliam	28 June	Glengormley

- AIB keeps its operations in Northern Ireland under constant review along with all of its operations. The bank is looking at ways to streamline services to reduce costs and return the bank to profitability.
- Staff in certain parts of First Trust have been offered voluntary severance as part of the AIB scheme to reduce headcount by c2,500 by 2014.



1.2 The Implications of the Mercer Report on bank remuneration. (Alan Zambra SMU)

Background:

- The Review of Remuneration Practices and Frameworks at the Covered Institutions was published on 12 March 2013. The Review would have gathered details on First Trust Bank (FTB) to arrive at its overall analysis/averages/comparators but the focus was on the AIB Group in total. In excess of 80% of its staff are based in the Republic; FTB employs c.1,300 employees.
- The Government formed the view that with the remaining State-supported banks still incurring losses it was an inescapable conclusion that the cost base of the institutions needed to be reduced further. This is essential if they are to return to profitability and be in a position to support the economy and repay the State's investment through a return to private ownership.
- The banks were directed to come up with plans as to how they intend to address this issue in a manner that can help meet the State's objectives, and advised that the value of those plans had to mean a saving of 6% to 10% of total remuneration costs.
- No prescriptive measures were dictated as to how this was to be achieved, respecting their differing State ownership and investment arrangements and paths to profitability.
- All of the three State-supported banks responded with their individual strategies designed to achieve the required savings by the due date of 30 April, as requested by the Government.
- Due to commercial sensitivities and, perhaps more critical at this stage, industrial relations concerns as the normal protocols continue and need to be respected and observed by all parties, it is not possible to reveal all of the details of the proposals bar what has been put into the public domain.
- However, all three institutions have put forward pension changes to varying degrees as part of their respective overall responses.
- All of the participants in these discussions need to be given space and time to conduct these critical negotiations.
- The Government readily acknowledges the sacrifices and changes made by bank employees to date at all levels, and recognises that this has been achieved without major industrial unrest in what is a critically important sector.



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institutions continue to be loss-making, the timely delivery of such savings is critical to their viability and to the future employment prospects of their employees.

SPEAKING POINTS

- **Arising out of the Review (Mercer Report) the Government formed the inescapable conclusion that with the remaining State supported banks still incurring losses their respective cost bases had to be reduced further.**
- **This is essential if they are to return to profit, provide credit to the economy, safeguard the State's investment and protect the employment prospects of its staff to the fullest extent possible.**
- **Banks must cut their cloth according to their measure. These considerations apply to all of AIB operations, including FTB.**
- **I have insisted that management must negotiate with employees and include the representatives of those employees in the negotiations, before coming back to me with proposals which achieve the 6-10% savings.**
- **It is not the job of the Minister to blunder into delicate negotiations seeking to lay down the arrangements. That simply does not work. The banks must be run on a commercial basis by the management and board of directors, and they must negotiate arrangements with their employees in the normal way.**
- **That is happening at present through the normal industrial relations protocols and the trade union representatives of the FTB employees are involved in those on-going discussions.**
- **You will appreciate accordingly that I am constrained as to what I can say on the matters at the moment. The parties are due back to the Labour Court end June.**
- **It is inevitable that some pain will be inflicted on AIB employees including those of First Trust Bank as a result of these discussions as we have had to do with others due to our present challenging circumstances. However, the alternative to not addressing the problem would result in greater hardship having to be imposed in the near future.**



2.1 NAMA and the position of Northern Ireland based staff. (Sarah Lawless – SMU)

NAMA Property Portfolio

- 3% of NAMA's property portfolio is in Northern Ireland. Of this, 18% is office space, 17% is retail, 10% is residential, 5% is development land and 3% are hotel and leisure facilities. The balance of the NAMA portfolio contains land (25%) and other investment assets (22%).
- By the end of 2012, NAMA disposals in Northern Ireland were of the order of €100m while NAMA provided working and development capital to Northern Ireland debtors of €120m. In a small number of cases NAMA has had to enforce against debtors in Northern Ireland.

Northern Ireland Advisory Committee

- In accordance with the NAMA Act, NAMA have established the Northern Ireland Advisory Committee to advise the NAMA Board in relation to strategy for Northern Irish assets. The Committee met four times in 2012.

Background:

- It will be towards the end of the year before clarity will be brought on the scale of integration of IBRC loans into NAMA and, accordingly, resource requirements are yet to be fully determined by NAMA.
- The Board of NAMA's approved plans at present are to recruit a number of legal and credit/case management personnel directly into NAMA for the existing NAMA portfolio.
- NAMA and Capita interviews have commenced with contract offers expected towards the end of June. NAMA understands that Capita may retain a Belfast office.

It is anticipated that in addition to opportunities with Capita (for the existing IBRC



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portfolio would have opportunities for current IBRC staff who currently deal with the loan portfolio the SL is selling if acquired by NAMA.

- The NAMA CEO has met with Larry Broderick of the IBOA and has been forthright about the likely recruitment scenarios.
- Redundancy payments to IBRC staff are not a matter for NAMA.

Other NAMA Issues

Millmount, Dundonald, Belfast

NAMA is providing funding of £9m through an agreement between the court-appointed administrator and a Northern Ireland headquartered construction company for a new 95-unit housing development in Millmount, Dundonald, close to Belfast. The construction phase of the project which is expected to last approximately 18 months is estimated to create 100 jobs. The first phase of the development will consist of 95 3/4 bedroom houses, subject to market conditions and the success of the first phase the site has outline planning for 510 residential properties.

Extension of the 80/20 scheme into Northern Ireland

The Agency is in discussions with a with a mortgage provider in Northern Ireland and is examining the regulatory feasibility of extending its 80/20 Deferred Payment Initiative to houses controlled by its debtors and receivers in Northern Ireland. The initiative aims to provide house buyers with a level of protection against reductions in housing values during the first five years after purchase.



2.2 The liquidation of IBRC and the position of Northern Ireland based staff. (Gary Hynds/Clare McCabe – SMU)

IBRC Liquidation – General Update.

1. IRE and UK/NI Staffing issues

- The majority of staff contracts in the UK and Ireland have now been extended to March 2014.
- The impact of the IBRC legislation does not have any effect outside ROI at present and as such NI and UK staff contracts were not terminated in February along with the ROI staff.
- It is likely that some or all the services provided by IBRC employees in NI will be transferred to third parties including Capita Asset Services Limited who will be taking over the loan service of the NAMA portfolio in IBRC. It is not currently possible to estimate how many employees this impacts or when the transfers will take place.
- Capita and NAMA are still in the process of determining how TUPE will apply in the case of these transfers. They have indicated to IBRC that a narrow interpretation of the TUPE rules may be taken but this position is not finalised as yet (further details under 'NI Staff Impacts' below).
- Where staff are made redundant, payments, entitlements and limitations made by the UK Redundancy Payments Office are applied to Northern Irish employees as they would apply to an employee in England and Wales.
- NI employees can make a claim for statutory redundancy/notice period against the NI Insolvency Service under NI law. The NI Insolvency Service then has the right to make a claim (as a preferential claim) in the special liquidation under ROI Law.
- It is not possible for the Minister to interfere in these matters as it would impact the distribution of assets in the liquidation as to do so could open him up to challenge.
- Communications with staff and their representatives remains a key focus of the Special Liquidators. The Special Liquidators are also in regular contact with the IBOA to listen to the concerns of their members.
- As announced Capita will be taking over the loan service of the NAMA portfolio in IBRC and staff have been invited to lodge interest in any roles which will arise.
- Further staff are likely to be hired by NAMA and other asset purchasers as the sales



2. Valuation and Sales Process

- The Special Liquidators have now appointed valuers (PWC and UBS) who will independently value the assets of IBRC before selling them to third parties.
- Any assets not sold to third parties at or above the valuation price will then be sold to NAMA at the independent valuation. The independent professional advisers will employ standard valuation methodologies to each class of asset of IBRC.
- The valuation of the assets has been divided into two tranches. Tranche 1 incorporates c.€8bn of CRE loans along with a portfolio of corporate loans which were in the process of being prepared for sale prior to liquidation. Tranche 2 contains the remaining IBRC loans.
- Valuers have now been appointed and meetings have already commenced. The Data Room providers have been appointed and have been operational since April 2013.
- The Sales Process will commence once the valuations are complete. Any unsold/residual properties will be sold to NAMA at the valuation placed on the assets by the independent valuers.
- The SL's have been instructed to complete the valuation process by end Nov with the sales to be completed as soon as possible thereafter.

3. Unsecured Creditors

- The normal Companies Acts' priorities will apply in this liquidation process. The proceeds from the disposal of IBRC's assets will be used to repay creditors in accordance with normal Companies Acts priorities, and consequently preferred creditors will be paid first and then the debt which NAMA will have purchased from the Central Bank will be paid.
- If there are proceeds available after repayment in full of the NAMA debt, these proceeds will be applied to remaining unsecured creditors. This will include the Minister for Finance to the extent that he has made payments under guarantee schemes.

Process for unsecured creditors

- Certain eligible liabilities will be covered under the various guarantee schemes. To the extent that creditors do not have the right to claim under the various guarantee



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retain their claims according to the priority of claims in liquidation and will likely have to await the outcome of the liquidation process to recognise any payment of their claim. This is in line with other liquidation processes.

- There are a number of unsecured creditors who have discovered that they do not qualify for the ELG or the DGS guarantees.

4. Costs of the Liquidation

Payments under the Guarantee Schemes

- The revised estimate now suggests that ELG costs will be in the region of circa €1.073 billion.
- Payments under the DGS Scheme are expected to be c.€36 million and will be paid by the CBI.

True up to NAMA

- NAMA have issued bonds totalling €12.9bn in return for the Facility Deed. If the value of the assets sold is not sufficient to fully discharge the €12.9bn net outstanding borrowings under the Facility Deed, the Minister will be required to reimburse NAMA for the shortfall.
- In order to meet this the Special Liquidators responsible for sale of assets of IBRC, principally loans with a gross value of c.€24bn / carrying value of c.€13bn along with a small number of other financial assets.
- Once the valuation and sales process is completed any unsold/residual properties will be sold to NAMA at the valuation placed on the assets by the independent valuers.
- It is too early to say at this stage if any potential costs will arise.

Supplementary Information - NI Staff Impacts

1. TUPE recognition in UK

- The Irish Bank Resolution Corporation Act 2013 (the "Act") had the effect of placing IBRC into liquidation and the legislation was drafted specifically for the IBRC situation.
- The legislation was drafted solely to address the unique circumstances of IBRC. The



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- There is a real possibility that some or all of the services provided by the employees in Northern Ireland will be services which are to be transferred to third parties, one of which is Capita Asset Services Limited ("Capita"). Where there is a recognised economic entity or grouping of employees who provide a service, and where that service is to continue, then TUPE, whether in its 'original' form or through the additional NI specific legislation on Service Provision Change, will apply. Under Regulation 3(1)(b)(ii), TUPE will apply where *"activities cease to be carried on by a contractor... and are carried out instead by another person, (a subsequent contractor)."*
- In correspondence with other third parties who have an interest in the Special Liquidation, no one has yet suggested that TUPE does not apply. We do not think that there could be any credible or sustainable argument to that effect in any event. Where there is a potential disagreement over TUPE, it is as to whether or not certain of the principles of TUPE will be dis-applied. This is discussed in the third query, below.

2. NI Staff impacts (current expected exit timing/Capita/NAMA opportunities).

- Due to a lack of case law and precedent, it is not possible to provide a definitive view on the full impact which may be felt by NI staff at this time. Both Capita and NAMA have identified elements within the Northern Irish IBRC office which will transfer and which constitute economic entities for the purposes of the TUPE regulations. Exactly how many employees this impacts, and when the transfers are likely to take place, has not yet been determined.
- However, if TUPE is to apply, then two key automatic transfer principles are relevant. (1) Regulation 4 safeguards the terms and conditions of employment for each employee post transfer, in the same form as they were pre-transfer (includes pay, bonus, holiday, hours of work, etc.). (2) Regulation 7 states that termination solely as a consequence of the transfer is automatically unfair.
- Thus far the Special Liquidators have not officially engaged in 'measures' correspondence with either NAMA or Capita. ('Measures' correspondence in the NI context is an exchange of correspondence between proposed transferor and transferee as to the changes a 'new' employer intends to make to terms and conditions of



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communicated in turn to the employees so that employees can make an informed choice about whether to transfer or 'opt-out.' The opt-out is an employee's entitlement, but it is rarely triggered in practical terms, because to do so means the employee resigns the employment without redundancy or severance pay).

- Capita acknowledge that TUPE applies, but they have indicated, in correspondence of 31 May 2013, that they feel Regulation 8(7) of TUPE also has application. Regulation 8(7) has a potential impact on any transferring employee to Capita (or any other service provider) because this regulation serves to dis-apply the automatic transfer principles of TUPE, specifically regulations 4 and 7 referenced above. In practical terms, it removes much of the protections afforded to employees under TUPE as transferring employees may be dismissed (although they may still receive a redundancy payment) and those who remain may have their terms and conditions adversely affected without compensation.
- Regulation 8(7) only applies "*where the transferor (IBRC) is the subject of ...any analogous insolvency proceedings which have been instituted with a view to the liquidation of the assets of the transferor and are under the supervision of an insolvency practitioner.*" This has been very narrowly interpreted in the English courts to date, which, while persuasive, are not necessarily binding in Northern Ireland. Even so, the position is not clear cut, and it is perhaps not surprising Capita have elected that Regulation 8(7) does apply, as this gives them ostensible freedom to 'cherry pick' from among the NI staff and not be bound by the employees pre transfer terms and conditions of employment.
- To date, the SLs have not accepted that Capita are correct, and have asked Capita to set out its case for holding that 8(7) can be applied. The SLs will proceed with the 'measures' exchange of correspondences with any third party so that full information can be presented to employees and their nominated representatives.
- In terms of timing, no confirmed transfer date has been set, although Capita have suggested an intended transfer date of 1st July. This timeframe is considered too short, and would preclude the SLs from meeting their obligations to inform and consult, and thus we would deem a more equitable and realistic transfer date to be mid-August 2013.



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3. The Position of Ulster Bank. (John Kelly – Financial Stability)

Key facts:

- Customers over 1.9 million
- ATMs* over 1,180 - all non-charging
- Employees 6,000
- Branches: 214 across the Island of Ireland
- 135 (63%) in Republic of Ireland
- 79 (37%) Bank in Northern Ireland

Total assets €54 billion (£44 billion)

Customer deposits €42 billion (£34 billion)

Key Messages

5. RBS has since 2009, injected c €16 billion of capital into Ulster Bank.
6. UB is facing the same issues as the Irish PCAR banks, namely persistently high loan losses, lower profitability (due to trackers, lower loan balances and high NPLs), new and higher capital requirements and a significant funding gap (c. €12billion).
7. Ulster Bank has a market leading position as an SME lender, particularly in N.I. but also key player in ROI.
8. The bank is the third largest mortgage provider in the ROI and the market leader in N.I.
9. RBS Group has publicly stated it is committed to Ireland, however the Group has no overriding strategic interest in ROI (similar to Lloyds) in our opinion. It may be more committed to N.I. given the UK Govt remains a key shareholder.
10. RBS Group moved significant "non-core" assets to its Scottish balance sheet in 2009/10 to facilitate the orderly wind down of these portfolios. We understand the plan was to close down this book by 2014/15. At the time, UB accounted for c20%. However, as other assets have been realised, UB legacy assets now account for a much greater proportion of the Group legacy non-core portfolio.
11. The Treasury is understood to want to begin the exit of its share holdings by year end in case of Lloyds and mid 2014 for RBS. The position of UB, both core and non-core, might be viewed as a key impediment to any realisation of value or sale / IPO.
12. RBS has a very sizeable credit exposure in Ireland of c. €54billion (£44 billion). Of



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has a very significant funding gap and large EUR/stg exposure. This is driving corporate strategy to reduce this mismatch.

13. Ulster Bank in 2012 considered the reorganisation of its presence in Ireland (200+ redundancies), including the possible handing back of its ROI licence. This was likely a capital efficiency measure related to draft CRD IV rules, which have subsequently changed. It does however highlight the capital intensity of UB from an RBS Group perspective.

Strategic issues for ROI and areas of common interest

1. UB is a critical provider of credit to SME businesses in ROI and N.I.
2. UB has a excellent distribution network and has trained RMs and credit expertise to support this lending. These skills and distribution networks are in short supply.
3. UB has a near term viability issue, and is wholly dependent on the support of its parent, and thus the UK Govt.
4. UK Govt support is unlikely to change in very short term but the shape of that support could change - for instance split or spin off of UB core or non-core or combined. Sale of UB to third parties. An alternative may be the wind down of UB similar to Lloyds.
5. The UK has more policy tools at its disposal - both in the Treasury and in the BOE. This gives the option of a long term low cost of funds to match the UB assets.
6. At present we understand that no approaches have been made to the Department regarding recent press speculation of an asset swap.
7. We are aware that UB management have discussed the potential purchase of CHL from PTSB. We have not been party to those discussions but they are not believed to be advanced.



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4.1 The Irish Government's 'warehousing' plans for tackling the personal debt crisis. (John Fitzpatrick – Banking Division)

Government's Strategy to address significant mortgage arrears and mortgage distress

The Government's strategy to assist those in significant mortgage difficulty is mainly built around the recommendations contained in the 2011 Inter-Departmental Report on Mortgage Arrears (i.e. the Keane Report). This comprises four main distinct elements

- Personal insolvency reform
- Engagement with and by banks
- Mortgage to Rent
- Mortgage information and advice.

This strategy is being managed across several Departments. This reflects the fact that there is no single solution to the mortgage arrears problem but rather is one that has to be tackled on a number of fronts. The overall response is overseen by a Government sub-committee which is chaired by An Taoiseach and, at official level, by a multi Departmental steering group chaired by the Department of Finance.

It should be noted that, again in line with the Keane Report recommendations, this policy does not provide for blanket debt forgiveness and that those debtors who can meet their mortgage or other personal debt obligations should do so.

Personal Insolvency

Personal insolvency reform was identified by the Keane Report as a catalyst for addressing the mortgage arrears problem. The Report indicated that without an effective insolvency system the mortgage arrears problem will not be resolved. The introduction of the new Personal Insolvency Act at the end of 2012 provides new statutory insolvency frameworks to allow insolvent debtors and their creditors to, in an efficient way, reach arrangements to address unsustainable mortgage and personal debt.

The insolvency frameworks provided for in that Act are:-

- **The Debt Relief Notice (DRN) – which will allow for the write-off of qualifying**



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- The Debt Settlement Arrangement (DSA) – which provides for the agreed settlement of unsecured debt, with no limit involved, normally over five years and
- The Personal Insolvency Arrangement (PIA) – which will enable the agreed settlement of secured debt up to €3 million (although this cap may be increased with the consent of all secured creditors) and unsecured debt without limit, normally over six years.

The Act also provides for reform of the Bankruptcy Act 1988, most crucially to provide for the automatic discharge from bankruptcy, subject to certain conditions, after 3 years rather than the existing 12 year discharge period.

The Insolvency Service of Ireland will oversee this new insolvency system and it was launched on 18 April 2013. This included a website, an information phone line and the publication of relevant guidelines (most notably guidelines on a reasonable standard of living and reasonable living expenses in insolvency) as well as other information. The Insolvency Service, which is currently finalising arrangements around IT systems, the Courts and the regulatory requirements and the licencing of personal insolvency practitioners is running on schedule to be in place by the end of June. However, it is expected that the number of authorised intermediaries and Personal Insolvency Practitioners will increase steadily over the coming months.

All covered banks, and indeed all relevant creditors, will have to engage with any proposal made by a debtor (utilising the services of a Personal Insolvency Practitioner) under the debt resolution frameworks provided in the Personal Insolvency Act. However, the final decision, the vote to accept or reject a DSA or PIA proposal will be a matter for the creditors (creditor consent will not, however, be applicable in the case of the DRN insolvency framework).

However, where there is a family home involved, the Personal Insolvency Practitioner will be obliged, to formulate a proposal for a PIA or DSA in so far as reasonably practicable, in a way that will not require the debtor to sell or move out of their principal private residence.

Engagement with and by Banks

The Keane Report recognised that mortgage lenders will also have to proactively and



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sometimes appropriate, customers who have more significant difficulty need a more fundamental response. The Keane Report suggested a number of possible responses such as 'trade-down mortgages', 'split mortgages' and 'sale by agreement'. It also recognised that other appropriate options may also be formulated by lenders and it recommended that these should be developed in consultation with the Central Bank. Since then, the Central Bank, under its Mortgage Arrears Resolution Strategy (MARS) project, has worked intensively with lenders to ensure that they have a range of longer term forbearance/resolution options available. This overall process was enhanced last March when the Central Bank, in its capacity as regulator, set measurable performance targets for the main banks (covering about 90% of the mortgage market) to require them to offer and conclude sustainable solutions to their customers in significant mortgage arrears.

These targets have the following elements:

- Quarterly targets in relation to the number of sustainable solutions proposed to customers. (At the end of quarter 2 2013, the relevant banks will be required to present sustainable solutions to 20% of their mortgage customers who are in arrears of 90 or more days, to 30% by the end of quarter 3 and to 50% by the end of 2013 - 2014 targets to be set in due course);
- Targets will also be set for the conclusion of sustainable solutions. (These will commence at the end of Q4 2013); and
- Targets regarding subsequent performance (i.e. durability) of these solutions.

Banks are required to make regular returns to the Central Bank on their performance against targets. The Central Bank will consider, monitor and audit each bank's performance against the targets, including assessing whether sustainable solutions have been offered to customers.

Split Mortgage

One of the innovative responses recommended by the Keane Report to deal with a significant mortgage difficulty was a "split mortgage". This will usually envisage the servicing and paying down of a significant part of the mortgage principal with the remainder of the



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and until there is a material and objective improvement in the borrower's situation. A split mortgage thus divides the sum owed into a "main" loan and a "warehoused element" of the loan. The advantage to the borrower of a split mortgage is that it can allow him/her to make "affordable" mortgage repayments that will allow him to have a certainty of remaining in the home and also build up a significant level of equity (a key consideration for the owner in any particular individual case, however, is likely to be whether this envisaged level of equity will be sufficient when the "main" loan is finalised and/or if s/he will be in a position to address the "warehoused" element at or before that point). The advantage to the lender of the split mortgage is that it should give an enhanced return compared to that accruing from an immediate realisation of the security and also gives the lender some chance to share in an improvement in the borrower's circumstances.

The Governor of the Central Bank recently stated that for a split mortgage to be considered sustainable, the new term and interest rate on the "main" loan would have to result in a newly contracted payment schedule which leaves the borrower with sufficient funds at least equal to the Insolvency Service minimum reasonable living expenses that will be applicable in insolvency. Also, more generally, the lender should be able to demonstrate that, given their current and prospective economic circumstances, the borrower will be able to service the "main" loan fully throughout the term. The eventual treatment of the "warehoused" piece will also be important and the Governor further indicated that he could not see how a modification could be considered sustainable if, after paying all the newly contracted payments, the borrower could end the term still in debt (even after the sale of the property).

A key issue to be considered by the borrower in any consideration of a "split mortgage" option is the level of interest applied, if any, to the "warehoused" portion of the loan. This is a commercial and contractual matter for each individual bank. Even in respect of the covered institutions, under the Relationship Framework Agreements with those banks, responsibility for commercial policy and day to day operations (including the formulation of "split mortgage" details or other long term forbearance/resolution measures to address mortgage arrears) continues to remain with the Boards and management of the banks and the Minister for Finance is precluded from involvement in such decisions. Nevertheless, it is understood that some banks will be prepared to apply a zero interest rate to the "warehoused" piece.



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Mortgage to Rent

Where mortgages remain unsustainable, there will be circumstances where the person will lose ownership of the home. However, this may not mean that the person will have to leave the home. The mortgage to rent scheme (MTR), which is a social housing response to the problem of mortgage distress, will be available to eligible households to enable the family to continue to remain in occupation of the family home. This scheme is being managed by the statutory Housing Agency. A small number of MTR cases have already been finalised, and this is expected to pick up as we progress through 2013.

Householders seeking to avail of the mortgage to rent scheme must meet the following criteria:

- have been deemed unable to pay their mortgage by the lender under the Mortgage Arrears Resolution Process as provided for under the Central Bank's Code of Conduct on Mortgage Arrears and that this is unlikely to change in the future;
- agree to a voluntary surrender of their home;
- be eligible for social housing support; and
- the property must be in negative equity.

Additionally applicants must own the property, and it must have a current market value of less than €220,000 in the Greater Dublin area or less than €180,000 in the rest of the country.

The property must be in good condition, be in a location where there is a need for Social Housing and must suit the household's needs. In addition applicants must not own any other property or have assets in excess of €20,000 and the net household annual income must not exceed a maximum of €35,000, depending on its location.

Mortgage Advisory Service

The provision of mortgage information and advice is also an important element of the "whole of Government" response. There is a three-phased approach to provide a comprehensive Mortgage Arrears Information and Advice Service to assist people in mortgage distress.



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The first two elements involve the enhancement of the website www.keepingyourhome.ie and the establishment of a Mortgage Arrears Information Helpline within the Citizens Information Board, both of which focus on the provision of comprehensive mortgage arrears information in particular to people in arrears or pre-arrears.

The third element of the service is the provision of independent financial advice to mortgage holders who are being presented with long term mortgage resolution proposals by their lenders. This advice is provided by a panel of accountants drawn from members of the main accountancy institutes in Ireland who have agreed to participate and support this independent service.

Central Bank Code of Conduct on Mortgage Arrears

The Central Bank's revised Code of Conduct on Mortgage Arrears also provides important protections to consumers facing mortgage arrears. The Central Bank will shortly published an update of this Code, to strengthen the Code's protections for borrowers, while ensuring it allows for effective and timely resolution of individual arrears situations. The Code will continue to play an important role in structuring the case by case engagement between both parties in cases of genuine arrears (or pre-arrears).

Summary

The Government's approach to resolving the mortgage arrears crisis is, therefore, carefully calibrated to make sure that assistance is targeted at those who cannot pay as opposed to those who will not pay. None of the measures put in place to address the problem represents blanket debt forgiveness. It should be noted that the vast majority of mortgage holders can and will continue to meet their mortgage commitments. The Government will continue to assist and people who genuinely cannot meet their mortgage commitments and require mortgage lenders, who initially made the loan, to meet their responsibilities in the resolution of genuine mortgage distress.



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MORTGAGE AND MORTGAGE ARREARS DATA¹

Principal Dwelling House (PDH) mortgage data

Number and amount of PDH mortgages

- At the end of December 2012 there were 792,096² PDH mortgage accounts in Ireland with an outstanding balance amount of circa €110.8bn (approx. 83.1% of 2012 GNP).

Arrears on PDH mortgages

- At the end of December 2012, 94,488 accounts (11.9% of total) were in arrears of over 90 days; this compares with 91,358³ accounts (11.5% of total) at the end of quarter 3. (In terms of mortgage balances, the comparable figures are 15.8% and 15.1% respectively).
- The data shows that 49,363 PDH accounts were in arrears of less than 90 days (i.e. early arrears) at the end of the 2012, a decline of 1.3% compared with quarter 3 2013.
- However, the number of accounts in arrears of over 180 days increased by 5.4% during the quarter.

Restructuring of primary residential mortgages

- At the end of December 2012, a total stock of 79,852 PDH mortgage accounts were categorised as restructured, a decrease of 2.2% on end September 2012 (approximately 1,800 accounts). The reduction is primarily driven by a fall in the number of temporary restructure arrangements such as payment moratoria, interest only arrangements and other forms of reduced payment arrangement, being offset to a certain extent by increase in the number of more long-term restructures. Of the restructured accounts, 42,037 are not in arrears.
- 37% of the restructured accounts are on interest only arrangements, a fall of 4 percentage points on end September 2012 position, while a further 22% are on payments that are greater than interest only.

¹ Based on most recent data from the Central Bank of Ireland (which was published on 7 March 2013) and is in respect of the period ending 2012.

² It should be noted that there may be more than one mortgage account associated with a single property.

³ The introduction of a new collection system by the Central Bank of Ireland (CBI) has resulted in some changes



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- 52 accounts are in split mortgage arrangements, an increase of 40 cases on quarter 3, while 224 accounts have availed of permanent interest rate reduction, an increase of 30 cases.

Repossessions

- Legal proceedings were issued to enforce debt/security on a mortgage in 238 cases which is down on the figure of 466 in Q3 (but up on the position at the end of 2011).
- Court proceeding concluded in 178 cases during Q4 with the Courts granting repossession or sale orders for 111 of these cases.
- A total of 134 properties were taken into possession by lenders during the quarter, of which 96 were voluntarily surrendered/abandoned and 38 repossessed on foot of a Court Order.
- 178 properties were disposed of by the lenders during the quarter, resulting in 903 properties in their possession at end December 2012.

Buy-to-Let (BTL) mortgage data

Number and amount of BTL mortgages

- At the end of December 2012 there were 150,344 BTL mortgage accounts in Ireland with an outstanding balance amount of circa €31.1bn (approx. 23.3% of 2012 GNP).

Arrears on Buy-to-Lets (BTL)

- At the end of December 2012, 28,421 accounts (18.9% of total) were in arrears of more than 90 days, compared to 17.9% at the end of September. (In terms of mortgage balances, the comparable figures are 26.9% and 25.5% respectively).
- The data shows that 9,534 BTL accounts were in arrears of less than 90 days (i.e. early arrears) at the end of the 2012, a decline of 0.9% compared with quarter 3 2013.
- However, the number of accounts in arrears of over 180 days increased by 7.4% during the quarter.



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Restructuring of BTL

- At the end of December 2012, 21,800 BTL accounts were categorised as restructured, reflecting a decrease of 1.7% at the end of September. Of these restructured mortgages, 13,469 accounts were not in arrears.
- Interest only measures and reduced payment arrangements (interest plus some capital) account for the majority of all restructures, approximately 72%.

Repossession

- The end December data shows that there were 535 BTL cases in which a rent receiver had been appointed – in 114 of these cases the rent receiver was appointed during the quarter.
- A total of 88 properties were taken into possession by the lenders during the quarter; 22 were repossessed on foot of a Court Order while 66 were abandoned or voluntarily surrendered.
- During the quarter 42 properties were disposed of resulting in the lenders having possession of 454 BTL properties at the end of December 2012.



4.2 The Central Bank's approach to SMEs. (Paul Mooney - Banking Division)

- The main SME lenders in the Irish economy have SME exposures of greater than €50bn on aggregate, c.50% of which are classified as in "distress". For the avoidance of doubt these c€25bn of loans are 'distressed' loans which relates to loans that are graded as 'Watch'/'Vulnerable' or Impaired based on the banks' internal credit grading system, i.e., not all are impaired.
- During H1 2012 the Central Bank of Ireland commissioned a review by external consultants, BlackRock of the distressed SME operations in BOI and AIB. This review examined areas such as organisation structure, staffing (skills & resources), work-out strategy and execution ability.
- Following the outcome of the above the Central Bank commenced a project in H2 2012 to drive the effective and timely resolution of the SME Distressed loan portfolios through improved bank management of distressed loans and appropriate workout strategies. The priority is to ensure that the banks implement longer term resolution strategies on a case-by-case basis. This also incorporates property debt overhang.
- A key focus of the project is to ensure that Banks adopt a proactive approach to the management of distressed SME loans via appropriate restructuring on a case by case basis and identifying property debt resolution strategies, where required.
- During Q1 2013 the Central Bank of Ireland formally advised the covered banks of the specific SME Distressed portfolios KPIs and metrics that they are required to submit on a quarterly basis. The Central Bank will set by end June 2013, quarterly institution-specific performance targets for covered banks to move distressed borrowers onto longer-term solutions. The targets set will reflect the banks' capacity, processes and systems. It is not intended that these targets will be published.
- As part of the Central Bank Supervisory engagement, the Central Bank meets regularly with senior management with responsibility for SME Distressed Portfolios. Additionally they are undertaking onsite operational reviews and loan file reviews to see evidence of the strategies being implemented on the ground and the quality of the outcomes where the bank's overarching strategy has been applied.



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5. First Trust Bank (FTB) contractual dispute around pay and bonus payments. (Alan Zambra – SMU)

- In 2009 AIB unilaterally (along with the most of the other covered institutions) decided to stop paying increments/performance pay to its affected employees (including those at FTB) as a cost cutting measure in part response to the banking crisis. Additionally, prohibitions on the awarding or the payment of bonuses were implemented as part of the conditionality of the State's investment in AIB in 2009, 2010 and 2011.
- In both matters certain employees of FTB duly took cases through the Northern Ireland (NI) industrial relations (IR) apparatus in opposition to these measures. Similar action was also initiated in Great Britain on the incremental pay issue.
- AIB lost heavily on both issues in NI on the grounds that the contractual rights of the individuals were infringed in breach of existing employment law. The present state of AIB being a State supported bank in receipt of substantial State investment in order to survive was not considered of sufficient weight in the dispute to impact on the recommendation made.
- All appeal avenues have been exhausted in NI. The matter of incremental and performance pay is still proceeding in GB under appeal having being lost on similar grounds with little likelihood of overturning the original decision. On foot of solicitors' letters from the IBOA on behalf of the three individuals (at FTB) who took the pay dispute case and c100 employees involved in the bonus action arrangements were made to pay out the liabilities incurred in NI as a result of the IR determinations.
- The question of how to address the effect, beyond those who took the actions, of the determinations on other affected FTB employees and GB employees (if that appeal is unsuccessful) is part of the on-going Labour Court discussions between AIB and the IBOA on pay and pension issues along with the response to the Mercer Report.
- These matters are complicated by the fact that similar cases on incremental pay have been taken here but not yet reached recommendation/determination stage. It would be expected that the huge State investment in AIB would carry much more weight in this jurisdiction if these cases fall to be considered. In NI it is now open to any affected employee to take a similar case as to their colleagues citing their successful outcome as precedents.



An Roinn Airgeadais Department of Finance

Private & Confidential (may be subject to legal privilege)

incremental/performance pay arrangements for affected employees be introduced across the Group.

- Different options (following discussions with the Department) to address the wider legacy incremental/performance pay issue have been floated with the union by AIB at the Labour Court. The Court has indicated informally to the parties that a deal encompassing NI, GB and RoI on this issue may be problematic.
- Should AIB have to pay out liabilities in all three jurisdictions on the increments/performance pay matters for all years the total bill would come to €50m (UK share of this including FTB is €12m). This would require AIB to deliver compensatory payroll savings to a recurring cost level on an on-going basis.
- No definitive statement can be made on the possible outcome of these issues at this stage due to the present negotiations at the Labour Court. Talks are due to resume end June.

SPEAKING POINTS -FTB contractual dispute around pay and bonus payments

- I am advised that AIB has put in place arrangements to fulfil its obligations to the specific individuals who took the successful actions in recent cases on incremental and performance pay and bonus issues. Naturally AIB has to comply with any specific legal consequences mandated upon it by enforceable legal determinations.
- I understand that the follow on effect of these issues at a broader level involving all affected AIB Group employees (including FTB staff beyond those who took the actions), is part of the on-going talks at the Labour Court between AIB and the IBOA dealing with pay and pension matters and the proposed response to the Mercer Report.
- Various options have been floated with the staff representatives as to how to address the overall issue as part of the on-going talks and the wider issues under discussion.
- As a result I am constrained as to what I can say on this specific matter at the moment.
- For all parties it is vital that these talks are successful in helping to achieve the financial stability of the bank and I have encouraged all participants to participate in a constructive and proactive manner.
- Banks must cut their cloth according to their measure. These considerations apply to all of AIB operations, including FTB.
- Further talks at the Labour Court are scheduled for the end of this month.

Declan Reid

From: Gary Hynds
Sent: 14 June 2013 16:03
To: Ann Nolan
Cc: Cantwell, John; Clare McCabe; Cronin, John; Reid, Declan; Scott Rankin; Kinsella, Sean
Subject: Sammy Wilson MLA - Meeting Note

Ann,

Just a short note on the meeting yesterday afternoon between Sammy Wilson Minister for Finance of Northern Ireland and Minister Noonan;

(i) The restructuring of Irish Pillar banks and the impact on Northern Ireland operations

- Min Wilson raised concerns around Branch restructuring in the North and queried if the efforts of the Irish banks could be more coordinated. The Minister responded that it is not possible for us to interfere as these are sensitive and commercial decisions for the banks.
- AIB's commitment to NI was queried, we confirmed that divestment or wind down was not part of the submitted Restructuring Plan and they have indicated their intention to continue to operate fully in the North but that there were further efforts needed to correct the cost base and restore viability.
- Min Wilson also expressed some concern that SME initiatives launched by HM Treasury in England, Scotland and Wales were not being extended to Northern Ireland due to issues around scale etc. They asked if this is something that we could raise in our interactions with BOI and AIB and see if some efforts could be made to see these initiatives being introduced to assist small business in the North. Officials from the Dept. of Finance NI will provide details of those schemes and we are to raise the matter at our monthly management meetings with the banks.

(ii) NAMA & the liquidation of the IBRC & the position of Northern Ireland based staff

- Min Wilson raised concerns about NAMA's operations in the North and its commitment to retaining and using staff based there. He also queried if NAMA would consider full divestment of its NI portfolio as this was something that they had been approached about. Min Noonan stated that this was matter for NAMA but that they have shown to be very committed to being as open as possible in their operations in the North and noted the good relations were assisted by the NAMA Northern Ireland Advisory Committee. In relation to specific proposals for the acquisition of NI assets this was a matter for NAMA and that interested parties should contact them directly and that any reasonable approach would be carefully considered. Min Noonan committed to raising the matter with the NAMA Advisory Committee later that evening.
- Min Wilson also raised concerns in relation to the closure of IBRC's NI offices and the impact on staff due to the position taken by Capita. Min Noonan noted that decisions had not been finalised as yet and it was still possible that some staff would be transferred or taken on by NAMA/Capita. He explained that this was a commercial decision for the institutions themselves and he could not get involved.

(iii) Position of Ulster Bank

- Min Noonan and AN confirmed that were not aware of any discussions around proposals for Ulster Bank as indicated recently in the press and that the last meeting held between DoF and Ulster Bank that they affirmed their commitment to the Irish market. There was a general discussion on the importance of Ulster Bank both North and South.

(iv) The Irish Government's 'warehousing' plans for tackling the personal debt crisis

- There was a general discussion on the CBI's new targets on mortgage arrears and also the CBI approach to the restructuring of SME lending. Min Wilson queried if the targets were enforceable in the North and if not were the Irish banks doing anything to ensure the problem was being addressed up there. We committed to raising the matter with the banks at our monthly management meetings.

(v) First Trust contractual dispute around pay and bonus payments.

as much of this was under discussion between the unions, the banks and in some cases the labour court it was not possible to comment any further at this time.

I will follow up with DoF NI and brief Scott in relation to the various commitments we provided.

Regards,

Gary

Gary Hynds
Financial Services Division
Department of Finance
7-9 Merrion Row
Dublin 2

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Mob: [REDACTED]

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Ref: 13/2952/MF

15 July 2013

Mr Sammy Wilson MP
Department of Finance and Personnel
DFP Private Office
Craigantlet Buildings
Stoney Road
Belfast BT4 3SX

Dear Minister Wilson,

Thank you for your correspondence of 24th June on behalf of Brown Rudnick and for your recent visit. I too recognise the potential for political sensitivities around NAMA's activities in Northern Ireland, and take comfort in our ability to discuss these issues as well as NAMA's own awareness of these sensitivities as reflected through their establishment of their own Northern Ireland Advisory Committee.

With that in mind, parties with an interest in loans or in the properties or other assets securing those loans are encouraged to make direct contact with NAMA, which assesses all such approaches by reference to its requirement, in accordance with Section 10 of the NAMA Act, to obtain, for the Irish taxpayer, the best achievable financial return on the assets acquired by it.

As Brown Rudnick will be aware, the Agency's policy in relation to loan sales, as with the sale of properties by its debtors and receivers, is that loans should be openly marketed. This does not preclude third party approaches. NAMA's practice, where it receives third party approaches and is satisfied that the sale of the loans at this particular time represents the best possible outcome for the Irish taxpayer, is to appoint loan sale brokers to market the loans and to deal with offers from the original bidder and from other interested parties. This ensures a competitive and transparent sales process, which is an extremely important requirement in the context of NAMA's work. For these reasons, I am advised by NAMA that granting exclusive access to one potential purchaser is not an approach that they favour as it militates against achieving optimal value for the assets concerned.

I think it's very important that Brown Rudnick enter into dialogue with NAMA so that this interest can be fully assessed. Given the scale of the portfolio, proven evidence of funding by Brown Rudnick's client would be an essential prerequisite. Brown Rudnick is no doubt already familiar with NAMA's policy on loan sales, which should help the discussions in this instance. I have made NAMA aware of this potential interest and I am advised that NAMA's Head of Asset Recovery, Ronnie Hanna is the appropriate point of contact in this matter for them.

I hope this information is of assistance to you.

Yours sincerely

MICHAEL NOONAN
Michael Noonan T.D.

From the Office of the
Minister for Finance & Personnel



Department of
**Finance and
Personnel**

DFP Private Office
Craigantlet Buildings
Stoney Road
Belfast BT4 3SX

Telephone: 028 90163371

Email: private.office@dfpni.gov.uk

Your reference:
Our reference:

Mr Michael Noonan TD
Minister for Finance
Upper Merrion Street
DUBLIN 2

24 June 2013

Mr Michael

Thank you for the time you gave me to discuss banking issues in Dublin last week. During our discussion I raised the issue of NAMA and the potential which I saw for NAMA's legitimate activities in Northern Ireland to create political problems between our administrations. I want to place on record again my appreciation of the way your Government and NAMA have dealt with NAMA's activities in Northern Ireland. However, I know there are hard decisions that have to be made in the near future which will impact on businesses and jobs in Northern Ireland and I can also anticipate the reaction which they will produce.

I mentioned that there is some investment interest in the NAMA loan book for Northern Ireland. I have already had discussions with some of those who are interested. I have made it clear to them that there would be an expectation from the Executive in Northern Ireland of certain safeguards from anyone who was to seek the purchase of NAMA loans before they would have our support.

Subsequent to those discussions I received the enclosed letter from Brown Rudnick who will be known to NAMA. They were instrumental in introducing me to two potential investors interested in the NAMA loan book.

You will see outlined a number of assurances which are prepared to give in the event of a successful purchase of NAMA held assets.

I believe there would be advantages in pursuing these proposals for both the Irish Government and the Northern Ireland Executive. First of all, subject to a satisfactory offer there would be immediate and significant funds available for a loan book which may take 10 years to settle. Secondly, from a Northern Ireland perspective the assurances of the use of the Northern Ireland supply chain; the injection of additional funds; and the possibility of the removal of personal guarantees which act as a disincentive to the development of assets, would generate economic activity in Northern Ireland. Thirdly, the potential for political friction as a result of NAMA activities would be removed.

27
3

Draft reply

... and copy

I would appreciate it if you would consider the proposal which has been made and the way forward outlined by Mr Keinan. Obviously I would be more than happy to discuss this with you further.

Yours sincerely



SAMMY WILSON MP MLA



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HIGHLY CONFIDENTIAL

Mr Sammy Wilson MP MLA
Minister for Finance and Personnel
Department of Finance and Personnel
DFP Private Office
Craigantlet Buildings
Stoney Road
Belfast
BT4 3SX

24 June 2013

Dear Minister Wilson,

ACQUISITION OF THE NI BORROWER CONNECTIONS LOAN BOOK FROM NAMA

Further to our discussions, we are writing to you to set out in some detail our confirmed interest in exploring with NAMA a potential process for the acquisition of the entire Northern Irish Borrower Connections Loan Book, currently owned and managed by NAMA. We understand and respect that a transaction with a Northern Irish real estate concentration, would have a fundamental impact on the local economy and therefore believe it essential to seek your guidance prior to engaging directly with NAMA.

We understand that loans with a concentration of property located in Northern Ireland acquired by NAMA from the 5 ROI participating Institutions had a par value of circa €3.35bn. In addition to these it is understood there are also other loans (having a Northern Ireland Borrower Connection and primarily relating to the property assets situated in England and Scotland) acquired by NAMA for a further €600-€700m par value.

We understand that a significant majority of the total value of the NI Loan Portfolio is likely to be concentrated in a small number of Borrower Connections.

Two of our clients have each confirmed that they would, independently, be committed to a process of a potential outright purchase of the NAMA Northern Irish Borrower Connections Loan Book. We believe that one in particular is highly committed and will be well known to NAMA as highly competent and financially credible asset manager. We would like to expediently proceed to conclude, what could, hopefully be, a mutually acceptable transaction on a "Cash Only" basis without need for any external finance.

In terms of timeframe we could commence a short 4 week due diligence process to understand the "make-up" of the top 20 Borrower Connections and further to have access to more generic loan stats for the remainder. (The stats ideally would give Asset type, Loan amount and Loan-to-Value). We would then be prepared to provide a binding

Indication on pricing. Upon receipt of the required information we could proceed to a full closing within 3-4 months thereof.

We take great comfort from the fact that to date NAMA has ensured that, in respect of all loan transfers, the necessary detailed due diligence processes have been completed to ensure the validity and enforceability of the security and the assets have been protected over the last 2 years. A significant investment in "tidying up" the security package has therefore already been undertaken, which we believe could greatly assist in ensuring a very efficient process if it were allowed to proceed.

As we previously discussed, our clients have confirmed that their respective asset management initiatives with respect to management of the portfolio would be based on the following tenets:

1. a long term asset investment strategy would be adopted;
2. through complete cooperation by borrowers in resolving the underlying loans and agreeing to a restructuring transaction, all contingent liabilities and/or personal guarantees from the Borrower Connections would be capable of being released. Consequently, the underlying assets, which are the principal subject of the underlying debt, would be retained as security and the existing guarantees will no longer be impeding borrowers from undertaking new business ventures;
3. there would be a presumption (subject to normal competency requirements) that the Incumbent Borrower Connection could continue with the day to day operation and development (if applicable) of the relevant assets and incentivised on an "arms-length" basis to do so;
4. further funding, subject to evaluation of need and capability to subsequent repayment on conventional terms would be made available to develop and maximise the value and Return-On-Investment of the assets; and
5. finally, it would be assumed that Northern Ireland supply chains will be utilised, as far as possible (subject to competency and price), (e.g. Construction Companies, Material suppliers, Architects, Professional services, Facility Management and other Service and Goods suppliers) so as to maximise value for the Northern Ireland economy.

The integrity of the transaction is our main concern. Proceeding, with one party on a limited exclusivity, will ensure a focused, expedient process with guaranteed confidentiality, which we would see as absolutely vital for such a process.

On a personal note and by way of further background, I personally had responsibility and initiated the very first loan portfolio sale that NAMA completed (in 2012 to Morgan Stanley), and currently represent the borrower in relation to NAMA's sale of Project Aspen (ca. €B10m). I hope that my knowledge of the NAMA Act, NAMA's process and



approach to execution, and Brown Rudnick's record to date will also be helpful in continuing to instill confidence with the NAMA Board as to the deliverability of this potential project.

We would very much look forward to working with NAMA and the Northern Irish Government in creating a win-win long term solution in relation to this portfolio.

Yours sincerely,



Tuvi Kelnan
Partner

MEETING DFP AND DoF MINISTERS : 4 SEPTEMBER 2013

DRAFT AGENDA

1. **Update since 13 June Meeting**
 - **BoI Meeting 29 July restructuring and UK Schemes**
 - **Applicability of warehousing Initiatives in Northern Ireland**
2. **Ulster Bank**
 - **HMT Review of RBS options and relevance to Irish Economy**
3. **Economic Pact**
 - **Building a Prosperous and United Country**
4. **Independent Panel on Banking**
 - **Participation of John Trellthowan**
5. **NAMA/IBRC Update**

STATE OF NEW YORK

IN SENATE

January 10, 1907

REPORT

OF THE

COMMISSIONERS OF THE LAND OFFICE

IN RESPONSE TO A RESOLUTION

PASSED BY THE SENATE

APRIL 10, 1906

ALBANY:

THE STATE PRINTING OFFICE

1907

Agenda Item 1 - Update since 13 June Meeting

- **BoI Meeting 29 July restructuring and UK Schemes**
- **Applicability of warehousing Initiatives in Northern Ireland**

Update from 13 June Meeting

- Both AIB and BOI were consulted in relation to the both the use of SME initiatives launched in the UK. Both banks have indicated that demand is the primary reason for not participating in the schemes. However AIB expect to enter the Funding for Lending scheme shortly.
- In relation to specific targets for mortgage arrears and SME restructuring, these do not apply for the banks in NI but both banks have indicated that they are working closely with customers in difficulty and are offering sustainable solutions on a regular basis.

Allied Irish Bank

(Catherine Rogers – Shareholding Management Unit)

- AIB has informed us that discussions regarding entering the Funding for Lending Scheme are well advanced and a decision is expected from the Prudential Regulatory Authority (PRA) before the end of the year. Currently Ulster Bank is the only bank operating in NI to have approval as it was approved as part of RBS.
- In relation to the UK Government's Enterprise Finance Guarantee (EFG) the bank has reported lower than anticipated customer enquiries/take up. The scheme has been promoted through FTB relationship bankers and the decline rate for applications under EFG is low. In the majority of cases it is due to a lack of repayment capacity or leverage rather than lack of security has been the primary reason for the credit application not progressing. Customers have also been wary of the 2% charge and the level of administration attached to the scheme.
- AIB has also informed us that FTB is working closely with customers in difficulty to help them meet their financial obligations in an appropriate and sustainable way.

Bank of Ireland

(Paul Keogh – Shareholding Management Unit)

- Bank of Ireland has confirmed that it actively seeks to promote SME lending in Northern Ireland. Its recent experience in this regard has been a lack of demand rather than a lack of supply. Bank of Ireland also confirmed that it has regular dialogue with the authorities in Northern Ireland.
- Bank of Ireland has confirmed that it works closely with distressed borrowers to

Agenda Item 5 - IBRC Update

IBRC in Special Liquidation and Northern Ireland based staff. (Clare McCabe – Shareholding Management Unit)

General

- Communications with staff and their representatives remains a key focus of the Special Liquidators.
- Since the liquidation of IBRC commenced on the 7th February, 48 employees in the UK have resigned. This represents 28% of the UK workforce.
- In relation to Northern Ireland employees, there are currently 6 non NAMA employees in the Belfast office. All of these remaining employees have been issued a letter stating that they will not be made redundant on or before the 31st March 2014. This is in line with the majority of employees in offices in the Republic who were offered new contracts up until that date.
- Prior to 12 August 2013 when the servicing of the NAMA book transferred from IBRC in SL to Capita, there were a total of 23 NAMA unit employees in the Belfast office of IBRC in SL.
- As at the 27th August, there are 5 of these employees remaining with a redundancy date of 11 September 2013, and a further 2 legal staff with a redundancy date of 31 August 2013.
- The majority of these staff (15) has taken up employment with Capita Asset Services who have taken over the loan service of the NAMA portfolio in IBRC. The transfer of the NAMA loan book to Capita took place on the 12th August 2013 and the (15) staff were made redundant by IBRC in SL on 9 August 2013.
- It is likely that the Special Liquidators will close the Belfast office in due course as the bank is wound up. This is in line with actions being taken in relation to other regional offices of the bank. This is unfortunately a commercial decision for the liquidators and we are unable to interfere. Furthermore we are not yet clear of Capita's intentions to retain a base in the North.

Redundancy Payments

- Where staff is made redundant, payments, entitlements and limitations made by the UK Redundancy Payments Office are applied to Northern Irish employees as they would apply to an employee in England and Wales.
- NI employees can make a claim for statutory redundancy/pay-in-lieu of notice against the NI Insolvency Service under the Employment Rights (Northern Ireland) _Order 1996. The NI Insolvency Service then has the right to make a claim (as a preferential claim) in the special liquidation under ROI Law in respect of amounts advanced to employees based in Northern Ireland for Statutory Redundancy and Pay-in-lieu of Notice.

It is not possible for the Minister to interfere in these matters as it would impact the

Agenda Item 5 – NAMA Update

NAMA in Northern Ireland (Sarah Lawless – Shareholding Management Unit)

NAMA Property Portfolio

- 3% of NAMA's property portfolio is in Northern Ireland. Of this, 18% is office space, 17% is retail, 10% is residential, 5% is development land and 3% are hotel and leisure facilities. The balance of the NAMA portfolio contains land (25%) and other investment assets (22%). 70% of Northern Ireland portfolio is completed and income producing.
- By the end of 2012, NAMA disposals in Northern Ireland were of the order of €100m. NAMA adopts a phased and orderly approach to sales in Northern Ireland. Properties are released for sale in line with the absorption capacity of the Northern Ireland market – NAMA does not hoard or fire sell properties.
- NAMA has provided working and development capital to Northern Ireland debtors of over €160m, providing vital funding into the local construction sector. In a small number of cases NAMA has had to enforce against debtors in Northern Ireland. NAMA's approach to date, evidenced by its actions, is that enforcement action against debtors is adopted only as a last resort after all other options have been exhausted. NAMA has adopted a supportive stance towards a majority of its debtors and is working with about two thirds of them. NAMA works with debtors on the basis that the majority of them have given undertakings, and taken tangible actions, to work with NAMA to maximise the amounts that can be recovered to repay their debts for the benefit of taxpayers.
- NAMA is particularly cognisant in a trading business enforcement of working with the appointed Receiver/Administrator to protect employment to the greatest extent possible (for example, the Ramada Hotel, which is subject to enforcement, continues to fully trade).

Northern Ireland Advisory Committee

- In accordance with the NAMA Act, NAMA has established the Northern Ireland Advisory Committee to advise the NAMA Board in relation to its strategy for Northern Irish assets. The Committee is chaired by the NAMA Board Chairman, who meets with the Northern Ireland Minister for Finance and Personnel on a regular basis, including two formal meetings a year to discuss NAMA matters in the context of its work in Northern Ireland and more frequently as required. The NAMA Chairman is due to meet with Minister Hamilton in early October (The Chairman was unable to meet Minister Hamilton on this particular visit as he is out of the country on

- In 2012 & 2013 NAMA supported activity organised by

- the Northern Ireland Chamber of Commerce
- the Ulster Society of Chartered Accountants
- the Northern Ireland Assembly and Business Trust
- Bank of England Agent for Northern Ireland
- Institute of Directors Northern Ireland
- CBI Northern Ireland
- University of Ulster

In addition, NAMA is giving an update to the Northern Ireland Chamber of Commerce on 24th October 2013 (we understand Minister Hamilton has been invited to this).

- Positive working relationship with the Northern Ireland Executive and Assembly across all the main parties.
- Specific briefings provided to Northern Ireland political parties. Dedicated contact channels for elected representatives: NIR@nama.ie.

IBRC

- It will be towards the end of the year before clarity will be brought on the scale of integration of IBRC loans into NAMA and, accordingly, resource requirements are yet to be fully determined by NAMA.
- The Board of NAMA's approved plans at present are to recruit a number of legal and credit/case management personnel directly into NAMA for the existing NAMA portfolio. Capita are the service provider replacing IBRC on the existing NAMA portfolio and have an office in Belfast.
- The NAMA CEO has met with Larry Broderick of the IBOA and has been forthright about the likely recruitment scenarios.
- Redundancy payments to IBRC staff are a matter for the Special Liquidators.
- On the 3rd of July 2013 NAMA announced that following a competitive tendering process it had selected two service providers as preferred bidders to manage loan portfolios that it may acquire from the Special Liquidators. NAMA selected Certus to provide services on the portfolio of commercial property loans, residential investment and development loans and business banking loans. The Agency also selected a consortium comprised of Pepper Asset Servicing and Serco to provide services on the portfolio of personal loans, principally residential mortgage loans.

NAMA's work in Northern Ireland

Development Funding

- As part of its on-going investment programme to enhance the value of its assets in Northern Ireland, NAMA is providing funding for a number of development projects. To date, new advances by NAMA to Northern Ireland debtors exceed £160m, examples of which include:

Millmount, Dundonald, Belfast

- NAMA is providing funding of £9m through an agreement between the court-appointed administrator and a Northern Ireland headquartered construction company for a new 95-unit housing development in Millmount, Dundonald, close to Belfast. The construction phase of the project which is expected to last approximately 18 months is estimated to create 100 jobs. The first phase of the development will consist of 95 3/4 bedroom houses, subject to market conditions and the success of the first phase the site has outline planning for 510 residential properties. Agreed sales exceed £1m.

Lanyon Plaza/The Soloist Building

- NAMA is providing £15m in funding to complete two buildings at Lanyon plaza, a high profile office and leisure complex whose existing buildings include the Waterfront Hall conference and entertainment venue.
- The buildings being completed by NAMA's funding are: Lanyon Plaza, a c100,000 sq. ft. office building and The Soloist Building, a c90,000 sq. ft. office building.
- It is anticipated that this investment will secure substantial employment during the construction process.
 - Department of Finance and Personnel recently announced it is to take 90,000 sq. ft. of offices at Lanyon Plaza.
 - When fully occupied the two buildings will accommodate in the region of 1,750 people

Vendor Finance

- NAMA has indicated that it will make up to €2bn in vendor finance/medium term loans available to prospective purchasers of commercial property mainly in Ireland, but also in Northern Ireland

NAMA has engaged with Invest NI and professional and representative bodies to promote the availability of vendor finance

- NAMA also engages with Invest NI in relation to assets suitable for indigenous and FDI clients in Northern Ireland.

Joint Ventures

- NAMA also engages in Joint Ventures with partners, who, alongside NAMA, can introduce upfront equity and in turn avail of third party or NAMA debt financing, thus increasing the potential for overall investment within the development sector. Millmount scheme is an example of a Joint Venture approach in Northern Ireland.

Social Housing

- NAMA offers purchase and long-term leasing options to local authorities and approved housing bodies.
- In Northern Ireland, transactions have included:
 - 2011 - sale of a site in Newcastle for social housing to North West Housing Association;
 - 2012 – option to Clanmill Housing Association in relation to the Hilden Mill site, near Lisburn;
 - June 2013 – sale of 20 apartments at Throne View, Belfast to Oaklee Housing Association;
 - July 2013 – sale of 31 apartments at King Street, Belfast to Oaklee Housing Association
- Working with the Northern Ireland Federation of Housing Associations and its members to assist with the Social Housing Development Programme in Northern Ireland.

Economic Research and Regeneration

- NAMA is collaborating with the University of Ulster on research initiative to support a better understanding of the supply and demand dynamics of land across the region, including housing affordability and barriers to market entry
- NAMA has established relationships established with key stakeholders in economic regeneration including local Councils and Department of the Environment

Javid Linehan

From: O'Brien, Nicholas
Sent: 12 September 2013 17:15
To: Jim O'Brien; Michael J McGrath (Finance); Cantwell, John; John Hogan; 'Niall Burgess@dfa.ie'; Shane.Cahill@dfa.ie; 'barbara.jones@dfa.ie'; Margaret.Stanley@dfa.ie, damien.thomas@finance.gov.ie; Gary Hynds
Cc: Farrelly, Alan; Flanagan, Anne; Ann Nolan; John Moran
Subject: Fwd: Meeting with Northern Minister for Finance and Personnel

Follow Up Flag: Follow up
Flag Status: Flagged

> Meeting between Minister Noonan and Northern Minister for Finance and
> Personnel, Mr Simon Hamilton Department of Finance, 3 September 2013

>
> A very positive meeting took place between both ministers with a focus on developments in the banking sector.

>
> Minister Noonan said that a lot of work has been done to repair the
> banking sector and this work continues. Bank of Ireland is
> participating in the Lending for Funding scheme, but AIB is not quite
> there yet. Minister Hamilton welcomed but added that it is difficult
> to know how much additional money is being put into the economy

>
> On Warehousing, Minister Hamilton wondered if targets apply, with the Minister confirming that they do not.
Second Secretary Nolan added that the banks have said that while targets do not apply, the banks want to lend and
make funds available. The D/Finance will place Northern Ireland on the monthly meeting with the banks to gauge
the level of activity. The banks have informed the Department that they are working through the Northern loans on
the same basis as Ireland.

>
> Minister Hamilton commented that, in the north, Bank of Ireland seems to have stabilised better than the others.
> is now willing to admit that there are issues in First Trust and this is a step forward, as First Trust has, to date,
indicated that all was in order. Bank of Ireland and AIB seem to be making good inroads, with BoI ahead. The
Minister added that B of I are also ahead here. There are ongoing concerns with AIB. We need these two banks to
fund the economy and they did not appear to be doing so.

>
> Minister Hamilton informed the meeting that there is a recommendation that an Independent Panel on Banking
be established. John Trethowan, Head of the Credit Review Office, has been invited to join the Panel.

>
> The Minister said that we are clear that we would like to see Ulster continuing on an all-island basis. Minister
Hamilton added that the Chancellor of the Exchequer consulted with him and referred to the importance of Ulster
Bank for the south. He professed himself sceptical on the splitting of Ulster into a good bank/bad bank. Ulster
represents over 30 per cent of lending in the North. Ms Nolan referred to recent contacts with the British Treasury
on Ulster. The Minister agreed to share information at official level. He said that our policy on Ulster Bank is clear.
We want it to operate on an all island basis. Minister Hamilton said that there is not an issue of a northern only
Ulster and abandoning the Republic. The issue seems to be that they have not addressed the non-performing loans.

>
> Responding to a question, Minister Hamilton said that the tourist season has been good with the Titanic project
particularly successful. The indicators are positive with unemployment at just over seven per cent. However, the

> Minister Hamilton referred to the Economic Pact which has been agreed with the Treasury.

>

> Minister Hamilton raised NAMA and the issue of jobs in the Belfast office, which seems to have been resolved. The Minister recalled that a dedicated information line deals with queries from members of the Oireachtas and this facility has been extended to members of the Assembly. He suggested that it might be worth reminding members of this facility.

>

>

> Nicholas O'Brien

Declan Reid

From: Lalor, Alex
Sent: 20 September 2013 18:19
To: Moran, John; Nolan, Ann; Reid, Declan
Cc: Bolger, Paul; Dorgan, Eoin; Kenny, Mary; Hynds, Gary
Subject: Meeting with First Minister Robinson & Minister Hamilton

Importance: High

Colleagues

I received a phone call this evening from First Minister Robinson's office this evening regarding a meeting with Minister Noonan in Belfast next Friday 27th September at 11:00am, instead of the previously requested phone call.

The Minister has agreed to attend the meeting in Stormont Castle. We will require an official to attend with the Minister, as well as the previously requested briefing.

Kind regards

Alex Lalor

From: McCreedy, David (OFMDFM) [mailto:David.McCreedy@ofmdfmi.gov.uk]
Sent: 20 September 2013 17:22
To: Lalor, Alex
Cc: Gardner, Jeremy; Tweedie, Slobhan
Subject: Urgent - Meeting Re: NAMA

Alex – It was good to talk to you. As we discussed, might Minister Noonan be available to meet with the First Minister, Peter Robinson, and the Finance Minister, Simon Hamilton, when he is in Belfast next Friday, 27 Sept. I understand your Minister, along with Minister Hamilton, will be attending a CBI event over lunchtime in Belfast. In order to facilitate this and the First Minister's diary commitments we are provisionally holding 11.00-11.45am in Ministers diaries. The venue would be Stormont Castle. My understanding is that the topic for discussion is NAMA.

Grateful if you could get back to me at your earliest convenience.

Many thanks – David.

DAVID MCCREEDY
First Minister's Office
Stormont Castle
Belfast
BT4 3TT

Tel: 028 90 378096 (Int. 88096)
Mobile: 078 312 3123
Email: david.mccreedy@ofmdfmi.gov.uk

Northern Ireland First Minister Peter Robinson is looking to arrange a phone call with the Minister early next week. First Minister Robinson wishes to discuss the strategy of NAMA in the North, where he feels they should be more pro-active in asset sales. (This is in line with the reported comments made by the First Minister at a DUP event yesterday).

I have yet to confirm a time for the phone call with the Minister yet, however I will be in contact with him over the course of the day.

Regards

Alex Lalor

Private Secretary to Minister Michael Noonan
Department of Finance
Upper Merrion Street
Dublin 2

Email - alex.lalor@finance.gov.ie

Phone - 01 6045632

Mobile Phone - [REDACTED]

Investor interest in the portfolios of NI debtors

- The Minister is aware of an indication some time ago of interest in the portfolio of NI debtors from an external investor. Recently more information has been forthcoming on this and the Chairman briefed the Minister last week to the effect that NAMA is examining the approach in the context of its requirements of obtaining the best financial outcome for the taxpayer and its policy of open marketing of loans and assets. NAMA has met with the interested party to get a fuller understanding of their interest and to outline the Agency's approach. Following this meeting NAMA is doing some further examination of the interest expressed by this party.

Overview of NAMA's Northern Ireland portfolio

- The par or nominal value of NAMA's Northern Ireland portfolio at the time of acquisition was €4bn. NAMA paid the banks €1.3bn in consideration for these loans, representing 4% of the Agency's total acquisition value of €31.8bn.
- 70% of the Northern Ireland portfolio is completed property and is income producing.
- NAMA approved asset sales in Northern Ireland currently stand at over €100m.
- NAMA has approved €160 million in new money advances to NI debtors at a time of very limited funding from other sources for investment in the Northern Ireland economy.
- In a small number of cases NAMA has had to enforce in Northern Ireland. The Agency's enforcement is proportionate to the scale of its exposure to Northern Ireland debtors and in line with the approach adopted in every other jurisdiction in which NAMA operates.
- NAMA is only one player in the Northern Ireland economy and the Agency has at all times been cognisant of the on-going plans and strategies of both the Northern Ireland Assembly, which has signalled a sizeable asset disposal programme over the coming years, and the management by major non-NAMA financial institutions of substantial property portfolios in Northern Ireland, most larger than NAMA.
- It should be pointed out that the Northern Ireland Executive and particularly the DUP have repeatedly asked NAMA to take a phased approach to asset sales in Northern Ireland, especially given the deleveraging being undertaken by the other financial institutions. The First Minister's statement that he feels NAMA should be more 'pro-active in asset sales' represents a total change in terms of his Party's stated position/policy in this matter.

Strategy

- NAMA's strategy in Northern Ireland is aimed at generating sustainable activity and transactions in the Northern Ireland property market - both by adopting a phased and orderly approach to asset sales and through targeted initiatives such as vendor finance and joint ventures that are designed to overcome the lack of funding in the market more generally - and enhancing the future value of Northern Ireland assets through a programme of investment funding.

- A key feature of the NAMA model is the Agency's capacity to take a longer-term view whilst at the same time anticipating and responding to opportunities to revitalise the market. This feature is extremely important in terms of maximising the return to the Irish taxpayer.
- NAMA's approach in Northern Ireland is founded on extensive engagement with all key stakeholders.
- NAMA's work in Northern Ireland is supported by the Northern Ireland Advisory Committee (see note below).

Asset Sales

- NAMA's approach to asset disposals in Northern Ireland reflects the repeated concerns expressed by members of the Northern Ireland Executive, including most particularly the then Minister for Finance and Personnel, Sammy Wilson; business groups and professional bodies in the construction and property sectors about the negative impact of possible fire sales.
- As the same time, NAMA does not hoard assets. The Agency has approved sales of over €90m in Northern Ireland to date, which is significant in the current Northern Ireland property market.
- NAMA has adopted a phased and orderly approach to sales; properties are released for sale in line with the absorption capacity of the Northern Ireland market.

Working and development capital

- NAMA is investing to enhance the value of its assets in Northern Ireland.
- NAMA has advanced £160m in new money to Northern Ireland debtors to date with examples including:
 - £9 million to build a new 95-unit housing development in Millmount, Dundonald, close to Belfast and
 - £15m in funding to complete Lanyon Plaza and the Soloist Building, which form part of a landmark office development in the centre of Belfast.
- NAMA's investment of £160m comes at a time when there are very few other sources of funding for projects in the Northern Ireland economy.
- Additional opportunities for NAMA investment are being sought from Northern Ireland debtors.

Property Market Initiatives

- NAMA has engaged and continues to engage with Invest NI and various professional and representative bodies in Northern Ireland to promote the availability of vendor finance, which can be an extremely important source of funding for prospective purchasers of commercial property in Northern Ireland.

- NAMA is also promoting innovative initiatives, such as joint ventures, to increase the overall pool of capital available for Northern Ireland development and transactions. Millmount is an example of a joint venture initiative.

Enforcement

- NAMA's approach to enforcement in Northern Ireland is the same as in every other jurisdiction in which the Agency operates. The approach, evidenced by the Agency's actions, is that in general, enforcement against debtors is adopted only as a last resort after all other options have been exhausted.
- NAMA has adopted a supportive stance towards a majority of its debtors and is working with about two thirds of them. NAMA enforcement in Northern Ireland is proportionate to that in the Republic of Ireland.
- NAMA works with debtors on the basis that the majority of them have given undertakings, and taken tangible actions, to work with NAMA to maximise the amounts that can be recovered to repay their debts for the benefit of taxpayers.

Stakeholder Engagement

- NAMA is working with stakeholders in Northern Ireland to add value through its activities.
- NAMA is, for example, engaged with Invest NI in relation to assets suitable for industrial parks for indigenous and FDI clients in Northern Ireland.
- NAMA has established strong working relationships with key stakeholders involved in economic regeneration in Northern Ireland, including the Department of the Environment and local councils.
- NAMA is working with the Northern Ireland Federation of Housing Associations and its members to assist delivery of the Social Housing Development Programme in Northern Ireland.
- NAMA is funding research by the University of Ulster aimed at informing better understanding of supply and demand dynamics in the Northern Ireland property sector, including around issues such as housing affordability and barriers to market entry.
- NAMA is actively engaging more widely in Northern Ireland and this engagement is helping to inform the Agency's approach in Northern Ireland. In 2012 and 2013, NAMA has, for instance, supported activity organised by the Northern Ireland Chamber of Commerce; the Ulster Society of Chartered Accountants; the Northern Ireland Assembly and Business Trust; the Bank of England Agent for Northern Ireland; the Institute of Directors of Northern Ireland; CBI Northern Ireland. These engagements are in addition to NAMA's extensive and on-going interaction with the Northern Ireland Executive and Assembly.

Social Housing

- Offers purchase opportunities to local authorities and approved housing bodies.

- **Transactions in Northern Ireland include:**

- **Sale of a site in Newcastle for social housing to North West Housing Association;**
- **Option to Clanmill Housing Association in relation to the Hilden Mill site, near Lisburn;**
- **Sale of 20 apartments at Throne View, Belfast to Oaklee Housing Association; and**
- **Sale of 31 apartments at King Street, Belfast to Oaklee Housing Association.**

Northern Ireland Advisory Committee

- **The Committee advises the NAMA Board on strategy for Northern Ireland assets.**
- **External Membership Nominated by NI Minister for Finance and Personnel: Frank Cushnahan and Brian Rowntree who provide unique local knowledge and expertise to guide NAMA's work in Northern Ireland.**
- **The Committee evaluates strategies and proposes creative solutions for NAMA's Northern Ireland portfolio.**
- **The Committee undertakes extensive stakeholder engagements and interactions as outlined.**

Written Answers Nos. 41-49**Ministerial Meetings**

41. Deputy Peadar Kirby: Q asked the Minister for Finance: Q if he will detail the outcomes from his series of meetings in Northern Ireland on Friday, 27 September; the persons he met and the content of his discussions. [41512/13]

Minister for Finance (Deputy Michael Noonan): Q On Friday September 27th I travelled to Belfast to speak at the Confederation of British Industry's, Northern Ireland Annual Lunch at a time when economic fortunes on both sides of the border are showing positive signs of recovery. I discussed how our economies have gone through a major transformation over the last number of years and we are finally starting to see signs of stability and growth. I indicated that while no two economies are identical, there are many similarities between the causes of the crisis both sides of the border, there are common symptoms, and in my view, there are also common solutions evident in our recovery.

On both sides of the border, families and businesses borrowed heavily to invest in residential and commercial property. People got drawn into the property market with many small businesses moving beyond their core business and building up property portfolios. These same families and business are now struggling under the weight of this debt. As a result we have a situation where thousands of families and business cannot fully engage with the economy. At the broader level the bursting of the bubble has forced Governments to introduce measures that would not be contemplated in normal times. NAMA, our asset management company, is one such example.

Consistent with that theme, I met with First Minister, Peter Robinson, and the Finance Minister, Simon Hamilton at Stormont Castle in advance of the lunch to discuss NAMA's activity in Northern Ireland. First Minister Robinson had raised concerns in the press earlier in the week that NAMA's policies in Northern Ireland may constrain Northern Ireland's recovery and so it was opportune that we were able to discuss this very important issue. We discussed NAMA's involvement in Northern Ireland's economy generally. NAMA's strategy in Northern Ireland is aimed at generating sustainable activity and transactions in the Northern Ireland property market – both through orderly sales and through targeted initiatives such as vendor finance and joint ventures that are designed to overcome the lack of funding in the market and enhance the future value of Northern Ireland assets through a programme of investment funding. We also discussed how NAMA's concerns reflect the concerns of members of the Northern Ireland Executive about the negative impact fire sales would have on the economy.

We discussed the very strong level of engagement NAMA has in Northern Ireland with all key stakeholders, which is supported by NAMA's Northern Ireland Advisory Committee. NAMA is investing to enhance the value of its assets in Northern Ireland and has advanced significant amounts of new money into the Northern Ireland economy to assist in such projects as the construction of a new 95-unit housing development in Milmount, Dundonald, close to Belfast and to complete Lanyon Plaza and the Soloist Building which form part of a landmark office development in the centre of Belfast. This investment comes at a time when there are very few other sources of funding for projects in Northern Ireland. As has also recently been reported in the press, NAMA is working closely with local housing authorities and approved housing bodies in Northern Ireland and recently announced the sale of over 50 apartments to Oaklee Housing Association in

THE UNIVERSITY OF CHICAGO
DIVISION OF THE PHYSICAL SCIENCES
DEPARTMENT OF CHEMISTRY

REPORT OF THE
COMMISSION ON THE
STRUCTURE OF THE
ATOMIC NUCLEUS
AND THE
PROPERTIES OF
THE ELEMENTS

BY
J. J. AUSTIN
AND
J. H. DUNN
WITH
CONTRIBUTIONS BY
J. J. AUSTIN
AND
J. H. DUNN

CHICAGO, ILLINOIS
THE UNIVERSITY OF CHICAGO PRESS
1955

THE UNIVERSITY OF CHICAGO
DIVISION OF THE PHYSICAL SCIENCES
DEPARTMENT OF CHEMISTRY
CHICAGO, ILLINOIS

Our meeting was very constructive with both sides sharing an understanding of the importance of NAMA to the economy in Northern Ireland and of the care NAMA is taking in its dealings in Northern Ireland through on going measures of support and considerations regarding the management of the portfolio into the future.

The American Medical Association is a non-profit corporation organized for the purpose of promoting the interests of the medical profession and the public. It is organized into a national association and numerous state and local associations. The national association is organized into a governing body, the House of Delegates, and a secretariat. The House of Delegates is composed of representatives from the various state and local associations. The secretariat is composed of a president, a vice-president, and a secretary. The national association is organized into a governing body, the House of Delegates, and a secretariat. The House of Delegates is composed of representatives from the various state and local associations. The secretariat is composed of a president, a vice-president, and a secretary.



Declan Reid

From: Lalor, Alex
Sent: 13 January 2014 12:35
To: Moran, John; Nolan, Ann; Dorgan, Eoin; Kenny, Mary; O'Brien, Nicholas
Cc: Reid, Declan; Cantwell, John; Lawless, Sarah
Subject: RE: Meeting request form first Minister Robinson & Deputy First Minister McGuinness

Importance: High

Colleagues

Please be aware that the phone call has been rearranged for 12.00 tomorrow, Tuesday 14th February.

Regards

Alex

From: Lalor, Alex
Sent: 08 January 2014 14:40
To: Moran, John; Nolan, Ann; Dorgan, Eoin; Kenny, Mary; O'Brien, Nicholas
Cc: Reid, Declan; Cronin, John; Cantwell, John
Subject: RE: Meeting request form first Minister Robinson & Deputy First Minister McGuinness
Importance: High

All

A phone call has now been arranged for Monday January 13th at 17.00 with First Minister Peter Robinson and Deputy First Minister Martin McGuinness.

Subject of the conversation is NAMA.

Regards

Alex

From: Lalor, Alex
Sent: 06 January 2014 15:43
To: Moran, John; Nolan, Ann; Dorgan, Eoin; Kenny, Mary; O'Brien, Nicholas
Subject: Meeting request form first Minister Robinson & Deputy First Minister McGuinness

All

For information, the Minister has received a meeting request from First Minister Peter Robinson and Deputy First Minister Martin McGuinness for next Friday afternoon in Dublin.

I have informed the First Minister's office that the Minister has commitments outside Dublin on this date, but would revert to them when I have discussed with the Minister.

Briefing Note on NAMA for Minister's meeting with Northern Ireland Assembly Members 14/01/14

To:	Minister
From:	Sarah Lawless/ Declan Reid – SMU
Date:	14th January 2014

Investor interest in the portfolios of NI debtors

- The Minister is aware of an indication some time ago of interest in the portfolio of NI debtors from an external investor. The portfolio referenced here includes assets located in Northern Ireland (which comprises the 'Northern Ireland portfolio' referred to below) and in addition assets held by Northern Ireland debtors outside of Northern Ireland. The par value of this portfolio at the time of acquisition was approximately €5.3bn compared to a par value of approximately €4bn for the 'Northern Ireland portfolio'. NAMA has met with the interested party to get a fuller understanding of their interest and to outline the Agency's approach. Following this meeting NAMA is doing some further examination of the interest expressed by this party.

Key considerations for NAMA include obtaining the best financial outcome for the taxpayer and its general policy of open marketing of loans and assets. The NAMA Board has now decided to appoint Corporate Finance Advisers to advise and engage in an appropriate marketing requirement which will respect the need for confidentiality and sensitivity in regard to this portfolio. The NAMA Chairman has briefed the Minister on this.

Overview of NAMA's Northern Ireland portfolio

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- 70% of the Northern Ireland portfolio is completed property and is income producing.
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- NAMA has approved £145m in new money advances to NI debtors at a time of very limited funding from other sources for investment in the Northern Ireland economy.
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- NAMA is only one player in the Northern Ireland economy and the Agency has at all times been cognisant of the on-going plans and strategies of both the Northern Ireland Assembly which has signalled a sizeable asset disposal programme over the

coming years, and the management by major non-NAMA financial institutions of substantial property portfolios in Northern Ireland, most larger than NAMA.

- It should be pointed out that the Northern Ireland Executive and particularly the DUP have repeatedly asked NAMA to take a phased approach to asset sales in Northern Ireland, especially given the deleveraging being undertaken by the other financial institutions.

Strategy

- NAMA's strategy in Northern Ireland is aimed at generating sustainable activity and transactions in the Northern Ireland property market - both by adopting a phased and orderly approach to asset sales and through targeted initiatives such as vendor finance and joint ventures that are designed to overcome the lack of funding in the market more generally - and enhancing the future value of Northern Ireland assets through a programme of investment funding.
- A key feature of the NAMA model is the Agency's capacity to take a longer-term view whilst at the same time anticipating and responding to opportunities to revitalise the market. This feature is extremely important in terms of maximising the return to the Irish taxpayer.
- NAMA's approach in Northern Ireland is founded on extensive engagement with all key stakeholders.
- NAMA's work in Northern Ireland is supported by the Northern Ireland Advisory Committee (see note below).

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- NAMA's approach to asset disposals in Northern Ireland reflects the repeated concerns expressed by members of the Northern Ireland Executive, including most particularly the then Minister for Finance and Personnel, Sammy Wilson; business groups and professional bodies in the construction and property sectors about the negative impact of possible fire sales.
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Stakeholder Engagement

- NAMA is working with stakeholders in Northern Ireland to add value through its activities.
- NAMA is, for example, engaged with Invest NI in relation to assets suitable for industrial parks for indigenous and FDI clients in Northern Ireland.

- NAMA has established strong working relationships with key stakeholders involved in economic regeneration in Northern Ireland, including the Department of the Environment and local councils.
- NAMA is working with the Northern Ireland Federation of Housing Associations and its members to assist delivery of the Social Housing Development Programme in Northern Ireland.
- NAMA is funding research by the University of Ulster aimed at informing better understanding of supply and demand dynamics in the Northern Ireland property sector, including around issues such as housing affordability and barriers to market entry.
- NAMA is actively engaging more widely in Northern Ireland and this engagement is helping to inform the Agency's approach in Northern Ireland. In 2012 and 2013, NAMA has, for instance, supported activity organised by the Northern Ireland Chamber of Commerce; the Ulster Society of Chartered Accountants; the Northern Ireland Assembly and Business Trust; the Bank of England Agent for Northern Ireland; the Institute of Directors of Northern Ireland; CBI Northern Ireland. These engagements are in addition to NAMA's extensive and on-going interaction with the Northern Ireland Executive and Assembly.

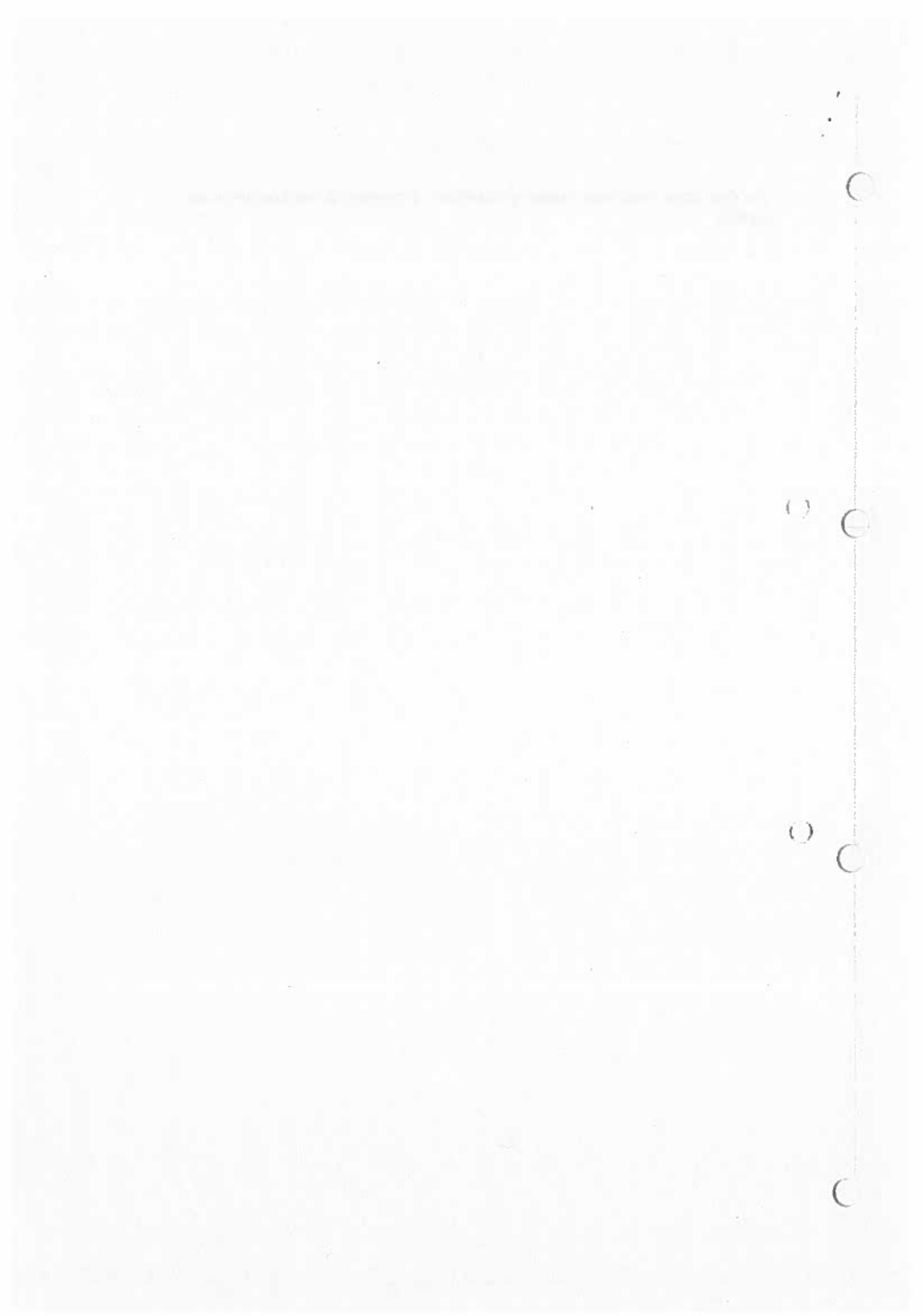
Social Housing

- Offers purchase opportunities to local authorities and approved housing bodies.
- Transactions in Northern Ireland include:
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 - Option to Clanmill Housing Association in relation to the Hilden Mill site, near Lisburn;
 - Sale of 20 apartments at Throne View, Belfast to Oaklee Housing Association; and
 - Sale of 31 apartments at King Street, Belfast to Oaklee Housing Association.

Northern Ireland Advisory Committee

- The Committee advises the NAMA Board on strategy for Northern Ireland assets.
- External Membership as nominated by NI Minister for Finance and Personnel was: Frank Cushnahan and Brian Rowntree both individuals with unique local knowledge and expertise to assist with NAMA's approach in Northern Ireland. Frank Cushnahan resigned for personal reasons in November 2013.
- The Committee evaluates strategies and proposes creative solutions for NAMA's Northern Ireland portfolio.

- **The Committee undertakes extensive stakeholder engagements and interactions as outlined.**



Lalor, Alex

From: Reid, Declan
Sent: 20 March 2014 15:08
To: Lalor, Alex
Subject: 2014-01-14 Minister Noonan - Peter Robinson - Martin McGuinness discussion re NAMA - call note
Attachments: 2014-01-14 Minister Noonan - Peter Robinson - Martin McGuinness discussion re NAMA - call note.docx

Alex,

As discussed, I have attached a call note which has been agreed by myself and Ronnie Hannah to put on file for the call between the Minister and the Northern Ireland executive regarding NAMA on January 14th. Apologies for the delay.

Kind regards,

Declan

Noted &
Agreed

26
3
2014

NAMA – Northern Ireland



An Roinn Airgeadais
Department of Finance

Call Note
14th January 2014

Attendees

First Minister Robinson
Deputy First Minister McGuinness
Minister Noonan

Declan Reid (DoF) and Ronnie Hanna (NAMA) were present for the call

Background

Following discussions in Belfast with First Minister Robinson in September regarding the potential disposal of NAMA's Northern Ireland portfolio, First Minister Robinson and Deputy First Minister McGuinness requested a call with the Minister to discuss any potential progress towards a sale.

At that meeting First Minister Robinson expressed the importance of any sales process to Northern Ireland's economy and in particular the impact on Northern Ireland of an acquirer's asset management, development and general strategy post acquisition.

Discussion

The Minister confirmed that NAMA would be a willing seller of its Northern Ireland assets at an appropriate price having undertaken an appropriate sales process. ✓

The Minister explained that NAMA avoids bi-lateral sales processes as not being conducive to achieving best value, which is one of NAMA's primary objectives. ✓

The Minister indicated that the NAMA Act did contain certain provisions regarding the sale of assets to public bodies and asked if in that context the Northern Ireland Executive had considered buying the portfolio with a third party.

Minister Robinson indicated that the Northern Ireland Executive understood that NAMA was obliged to achieve best value through a robust sales process and also indicated that he would not be in a position to consider participating in the purchase of these assets.

The Minister conveyed his understanding of the sales process being proposed by NAMA to explore the interest expressed in NAMA's Northern Ireland portfolio. NAMA would engage an external advisor to perform a targeted approach to credible buyers with the resources to execute an acquisition of this size and to properly manage such a portfolio post acquisition. The Minister indicated that NAMA intended to avoid approaching purely financial buyers who would intend to flip the underlying assets over the short term.

COMMERCIALLY SENSITIVE FOR FOI PURPOSES

First Minister Robinson stressed that they did not align themselves with any particular buyer. However, he reiterated the comfort provided by the commitments PIMCO had made to the Northern Ireland Executive through a letter of intent regarding their management of the assets if they were a successful acquirer. He further indicated that similar commitments from any buyer would be welcome.

First Minister Robinson agreed to provide this letter of intent to NAMA for informational purposes.

First Minister Robinson also expressed concerns around confidentiality and the potential de-stabilising effect of a public sales process.

The Minister agreed that confidentiality was important and that both his department and NAMA would take all appropriate steps.

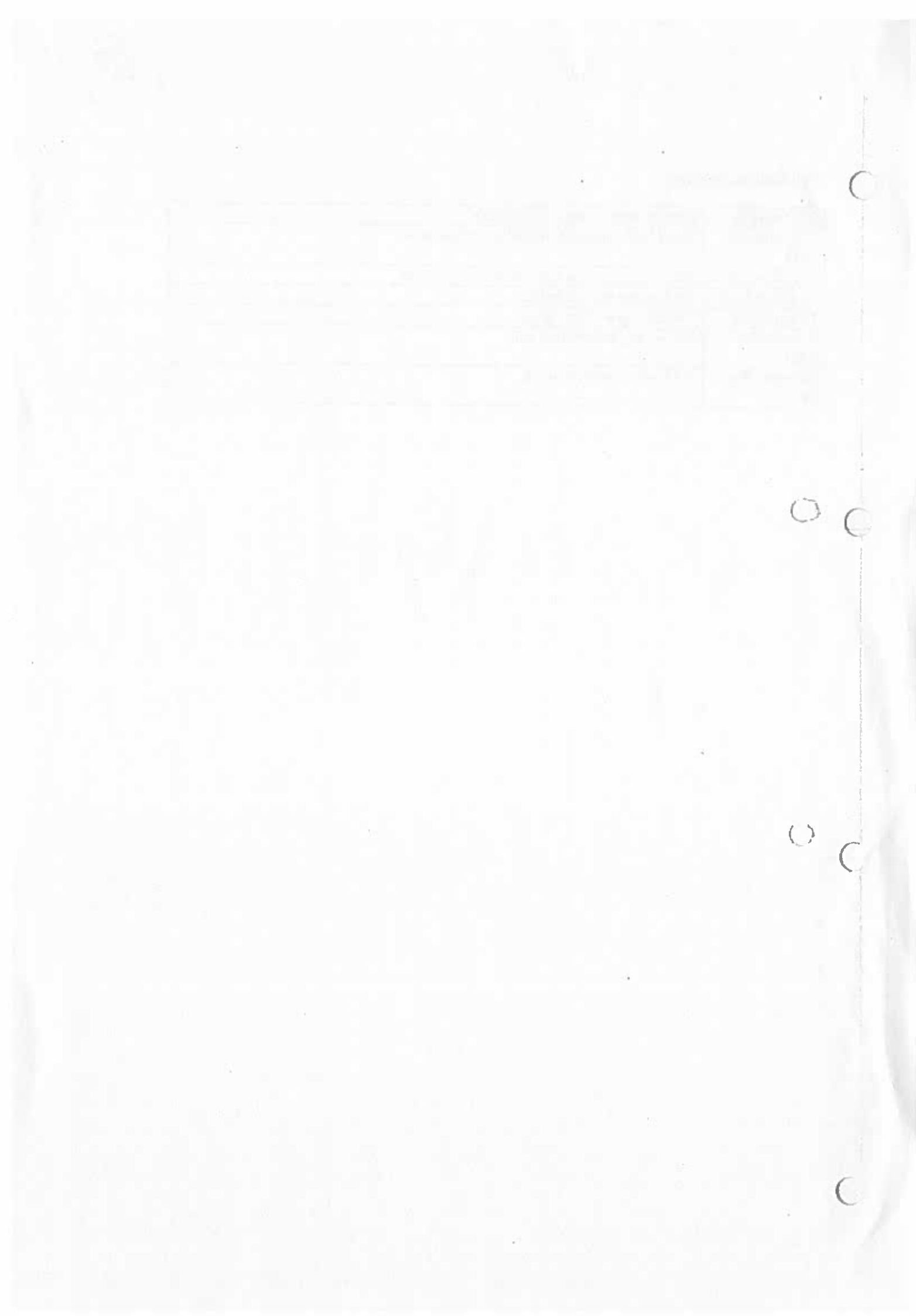
The Minister further indicated that because a data room had already been created a potential sale process could be launched in short order and would likely take around 4 weeks from launch.

Both sides agreed to keep the channels of communication open on the issue and to update each other if required on significant developments, while respecting the confidentiality and independence of the process.

COMMERCIALLY SENSITIVE FOR FOI PURPOSES

First Minister Meetings

22 May 2013	First Minister meeting with PIMCO
27 September 2013	First Minister meeting with Minister Noonan
14 January 2014	FM/dFM conference call with Michael Noonan
24 March 2014	FM Meeting with Cerberus
10 April 2014	FM meeting with Cerberus
2 September 2014	FM meeting with Ronnie Kells
24 September 2014	FM meeting with Cerberus



48

McCusker, Bernie

From: Hill, Janice [Janice.Hill@detini.gov.uk] on behalf of McCormick, Andrew (DETI)
[Andrew.McCormick@detini.gsi.gov.uk]
Sent: 13 October 2015 11:22
Subject: HOCS TO NOTE - PS DETI 177/15 - Documentation Relating to the Sale of NAMA
Attachments: PS DETI 177 15 - Annex - Redacted Document.PDF; PS DETI 177 15 - Documentation
Relating to the Sale of NAMA.DOCX

Follow Up Flag: Follow up
Flag Status: Flagged

Please see attached response from DETI.

Kind regards

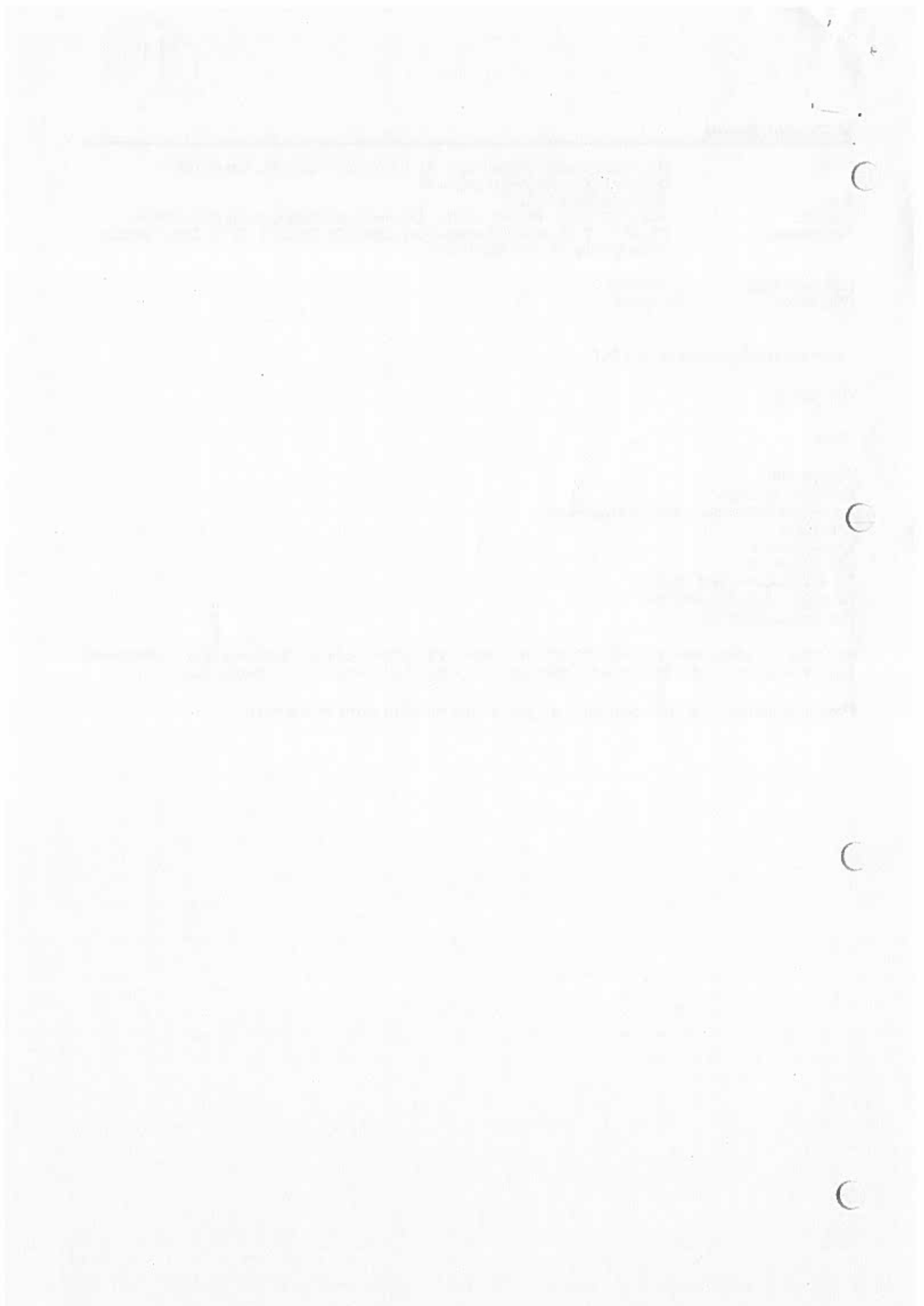
Janice

Janice Hill

Permanent Secretary
Department of Enterprise, Trade & Investment
Netherleigh
Massey Avenue
Belfast, BT4 2JP
Tel: 028 9052 9441 (ext: 29441)
TextRelay: 18001 028 9052 9441
Web: www.detini.gov.uk

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Please consider the environment - do you really need to print this e-mail?





Department of
**Enterprise, Trade
and Investment**
www.deti.gov.uk

From: Andrew McCormick
Permanent Secretary

Tel: 29441

Email: andrew.mccormick@deti.gov.uk
janice.hill@deti.gov.uk

Date: 13th October 2015

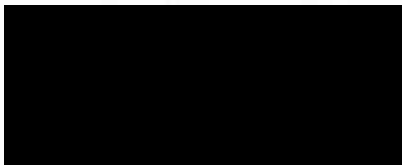
Our ref: PS DETI 177/15

To: Neill Jackson
OFMdfM

Cc HOCS
Eugene Rooney
Wendy Johnston
Celine Murray

DOCUMENTATION RELATING TO THE SALE OF NAMA NI

1. I refer to Malcolm McKibbin's memos of 30 and 31 July 2015 seeking all documentation relating to the sale of the NAMA Northern Ireland Loan Portfolio and to your follow-up memo of 11 August 2015.
2. Please see the attached information which is held by DETI and which is relevant to this request.



ANDREW MCCORMICK

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Stevenson, Valerie E.

From: Rooney, Eugene [Eugene.Rooney@delint.gov.uk]
Sent: 14 February 2014 11:11
To: Cooper, Trevor; Kerr, Jackie
Subject: FW: Nama
Attachments: Statement from DFP Minister as a result of media reports today on NAMA.DOCX

For Info.

From: Pauley, Bill
Sent: 14 February 2014 09:40
To: Sterling, David
Cc: Thomson, David; Rooney, Eugene; Murphy, Shane; Sullivan, Colin; [REDACTED]
Subject: RE: Nama

David

The DFP Minister issued this yesterday. Was not told what NAMA said to SPADs.

Bill Pauley
Strategic Policy Division
Tel: +44 (0) 2891858001 (88001)
Mobile: +44 (0) 7900578043

From: Sterling, David
Sent: 13 February 2014 11:39
To: Pauley, Bill
Cc: Thomson, David; Rooney, Eugene; Murphy, Shane; Sullivan, Colin; [REDACTED]
Subject: RE: Nama

Bill

Thanks – I look forward to hearing what NAMA have to say.

David

From: Pauley, Bill
Sent: 13 February 2014 11:34
To: Sterling, David
Cc: Thomson, David; Rooney, Eugene; Murphy, Shane; Sullivan, Colin; [REDACTED]
Subject: RE: Nama

David

I will ask NAMA about this. But on your bullet points

- Yes. They have an obligation to act in the best interests of the Irish taxpayer.
- Political pressure is the only route. To show or make a case that this would damage us. Where the government has said it will take us into account. To sell the whole lot now NAMA would need to conclude that doing this now is a better deal for the Irish taxpayer than selling it off gradually (in a year or two / perhaps when Ulster Bank whose portfolio here is at least twice the size of NAMA's)
- I doubt that NAMA could impose any such constraints that would not affect the price.

Bill Pauley
Strategic Policy Division

+44 (0) 2891858001 (68001)
ile: +44 (0) 7900578043

From: Sterling, David
Sent: 13 February 2014 10:54
To: Pauley, Bill
Cc: Thomson, David; Rooney, Eugene; Murphy, Shane; Sullivan, Colin; [REDACTED]
Subject: Nama

Bill

Have you any insights on the attached press article? A few obvious questions arise:

- Is Nama free to sell the NI property loan portfolio if it wished to (I assume yes)?
- Could the Executive influence this in any way, other than through political pressure?
- If sold, would there be any constraints on the way a financial institution might dispose of assets within the portfolio (presumably market conditions would weigh against an early fire sale – but future sales could destabilise the local market while “landbanking” could hinder economic development).

David

<http://www.bbc.co.uk/news/uk-northern-ireland-26167724>

13 February 2014

Statement from DFP Minister as a result of media reports today on NAMA's NI portfolio

While it would be inappropriate to comment on the details of press reports, the Northern Ireland Executive has maintained a positive and constructive ongoing working relationship with NAMA.

The Executive would clearly have a significant interest on any decisions which may have an impact on the Northern Ireland economy.

The assets which are presently held by NAMA could undoubtedly be used to boost the Northern Ireland economy if they were managed in a way which unleashed their potential in the short term rather than waiting for them to realise their value in the longer term.

We will continue to work with NAMA to seek to ensure that Northern Ireland's interests are protected in all circumstances.

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