



Principal Salaries, NAMA-managed Cases

It is NAMA's practice to allow debtor connections to retain overhead costs from rental or other income that are produced by their assets where this is necessary for the operations of the debtor connections in the management of property which is security for their loans to NAMA. Overheads fall into two broad categories: (1) Costs associated with the repair and maintenance of properties, insurance premia, local authority rates and professional fees. These are essential costs which would be incurred regardless of whether the assets were being managed by debtors or receivers. (2) Overhead costs also include an allowance for the salaries of principals and staff employed to manage the assets. The alternative in these cases is to appoint receivers, the cost of which tends to be substantially higher than principal and associated staff salary costs.

The level of overhead is only agreed following a critical evaluation of business plans by NAMA. Each cost element is reduced to the minimum and the level of overhead sanctioned by the Agency typically represents a very significant reduction on the level which prevailed prior to NAMA acquisition of the loans: typically, reductions of 50% to 75% in overhead costs have been imposed by NAMA post acquisition and business plan review.

NAMA has collated data on the level of principal salaries retained from rental or other income in respect of those debtor connections directly managed by the Agency.

This analysis shows that NAMA has permitted 168 principals to retain salaries from rental and other income generated by cash producing assets. Table 1 below indicates that 7% or 29 principals retain income of between 0 and €49,000; a further 43% or 73 principals retain income of between €50,000 and €99,000; 23% or 38 principals retain income of between €100,000 and €149,000; 15% or 25 principals retain income of between €150,000 and €199,000; and 2% or 3 principals retain income of €200,000. The total income retained in the form of principal salaries is €15.4 million. The amount paid is commensurate with the value and complexity of the assets involved.

Table 1: Principal Salaries, NAMA-managed Cases

No. Individuals	Salary Bands	Total €m
3	€200K	0.6
25	€150K - 199K	4.2
38	€100K - 149K	4.31
73	€50K - 99K	5.22
29	€0 - 49K	1.16
168		15.49m