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Debtor Business Plan Version 2 - Guidance Note

Ireland: National Asset Management Agency

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Debtor Business Plan Version 2 - Guidance Note

This document, Business Plan Version 2 Guidance ("**BPv2**") sets out, at a minimum, what NAMA expect in a completed Business Plan from all Debtors (i.e. Borrowers) whose facilities have transferred to NAMA outside Tranches 1 to 3. Debtors who transferred in Tranches 1 to 3 are still required to prepare their Business Plan in accordance with the original Business Plan Guidance, as issued March 2010 unless they have not yet started the preparation of their plan and wish to use this updated version.

Business Plans are to be provided to NAMA within a timeframe defined by NAMA. When a Debtors loans have transferred to NAMA a letter will be forwarded detailing the NAMA case officer that will be dealing with the connection, provide the Debtors with their NAMA ID and will propose a deadline for the receipt of the Debtors Business Plan. Once the Business Plan has been prepared it will be reviewed by NAMA and its advisors ('Independent Reviewer'). A proposal will then be submitted to the NAMA Credit Committee or Board, as appropriate for approval and thereafter will form the basis for future funding and sales targets for the various assets.

This template is not intended to be exhaustive, and therefore Debtors should include other information which, in their judgment, is significant with respect to any portion of the business/property/asset or which should be considered and reviewed in order to adequately disclose the Debtor's business, assets, liabilities, prospects, financial condition or results of operations.

The Business Plan documentation should be completed in utmost good faith with full disclosure of all facts, assumptions and issues likely to influence NAMA in reaching a decision on a course of action regarding a business / property / asset / loan facility.

The primary purpose of the Business Plan is to:

1) Present a complete account of each Debtor's financial affairs and their asset value maximisation strategy.

In order to achieve this, NAMA requests the completion and submission of the following documentation:

A. NAMA Information Pack

The Debtor is required to input information into this document about their loan facilities, the assets securing these loans, any unencumbered assets and some general organisation financial information. This document can be downloaded from the NAMA website (see below). Once the Debtor has filled in all the required information into the NAMA information pack they or their advisors are then required if possible to input the information into the NAMA Cashflow Model as outlined below. The Debtor is required to submit a soft copy version on disk of their NAMA Information Pack. However, where a Debtor cannot input the information into the Cashflow Model for whatever reason, NAMA will accept the data provided and will arrange for the population of this data into the Cashflow Model. This document is an Excel Data collection Template.

B. NAMA Cashflow Model

This is an Excel document. The Debtor is required to input the data from their NAMA information pack into the NAMA Cashflow Model which will be available on the NAMA website on the 13th of December 2010 (see below). This model once populated will create the Tables and Pie Charts detailed in Section 1 (Executive Summary) of the Detailed Business Plan Document (see Section C below).

C. Business Plan Version 2 Template and Appendix

The word template for this document can be downloaded from the NAMA website (see below link). Four hard copies and a soft copy of this document are required to be submitted to NAMA by the Debtor.

2) In the Detailed Business Plan Version 2 Document Debtors are required to provide a debt repayment and asset value maximisation strategy detailing how the Debtor plans to repay their debt to NAMA (with consideration to NAMA's Objectives which are listed below)

Debt repayment can be achieved by a number of options, including:

- Sale of the assets
- Development and sale of completed units
- Capital and interest repayment from income over time
- Refinancing of existing liabilities

It may be appropriate in some circumstances to retain assets for sale at a future date in order to maximise value and return. In retaining assets for future sale, NAMA

Objectives (see below) need to be borne in mind by the Debtor.

NAMA Objectives

The NAMA strategy involves maximising asset values and gross debt recovery. In this context, it has developed the following guidelines in respect of expected debt recovery and the structure of future cash-flows between the Debtor and NAMA.

Debt Reduction	Achieve significant debt reduction (to an appropriate level) within a period of 3-4 years.
Cash Sweep	Unless secured by non-NAMA banks, all available cash-flow (including full sales proceeds net of costs approved by NAMA) should be remitted in full to NAMA by way of cash sweep in advance of overhead payments.
Working Capital	In the short term, overheads and agreed costs should be agreed in advance with NAMA and will be funded by way of agreed working capital facilities.
Development Funding	NAMA has limited resources to fund development expenditure unless it is commercially viable to its satisfaction.
Income Generation	In all cases, up to the point of asset disposal, cash generation from each asset should be maximised.

The Debtor should bear these objectives and guidelines in mind when completing the Business Plan and when providing recommendations to NAMA in respect of future strategies. In order to properly understand NAMA's Debt reduction and other objectives Debtors are encouraged to review the NAMA 30th June Business Plan (see below) in advance of preparing their own Business Plan.

Documents available for Download

 [NAMA 30th June Business Plan](#)


[Business Plan Version 2 \("BPv2"\)](#)

[Template \(MS Word document\)](#)

[Statement of Affairs \(MS Word document\)](#)

[NAMA Information Pack \(Excel 2007 version\)](#) File Size: 45 Mb

[NAMA Information Pack \(Excel 2003 version\)](#) File Size: 96 Mb

Note: Please allow for the time it takes to download the NAMA Information Pack.