

OFFERING CIRCULAR

NATIONAL ASSET MANAGEMENT LIMITED

Senior Notes guaranteed by the Minister for Finance

22 JUNE 2011

OFFERING CIRCULAR

TERMS AND CONDITIONS

Issuer: National Asset Management Limited under the authority contained in section 48 of the National Asset Management Agency Act 2009.

Guarantor: The Minister for Finance of Ireland.

Issue: Senior unsecured floating rate Notes ranking *pari passu* with the Issuer's other unsecured and unsubordinated indebtedness.

Guarantee: The principal and interest of the Notes will be unconditionally and irrevocably guaranteed by the Guarantor.

Programme Size: In accordance with section 50(4) of the National Asset Management Agency Act 2009, the amount outstanding on the Notes will not exceed €51,300,000,000.

Purpose of Issue: The Notes will be used for the sole purpose of providing 95% of the total acquisition value of eligible bank assets acquired from participating institutions in accordance with the National Asset Management Agency Act 2009.

Currency: The Notes may be issued in euro (€), sterling (GBP) or US Dollars (USD).

Maturities: Notes will be issued on or after 1 March 2010 and all Notes issued on or after 1 March in any year shall mature on or prior to 1 March in the following year. The Notes will therefore be issued with a maximum maturity of 364 days from date of issue. Subject as follows, all or some only of the Notes may be physically settled at maturity at the option of the Issuer upon not less than 20 business days' notice to holders by issuing a new Note on the same terms as the existing Note (other than as to maturity which may be up to 364 days from the date of issue notwithstanding that the existing Note may have had a shorter maturity). In respect of any physical settlement of some only of the Notes, the selection the Notes which will be physically settled shall be made (a) in the case of global Notes, *pro rata* in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg and (b) in the case of Notes evidenced by definitive certificates, in accordance with the rules of the Irish Stock Exchange or, if there are no such rules, on a *pro rata* basis.

Notwithstanding the foregoing, in the event that any holder or beneficial owner notifies the Issuer in writing that it does not wish physical settlement to apply, the Notes held by such holder or beneficial owner will not be physically settled. Such notice, accompanied by proof of holding satisfactory to the Issuer, must be delivered by registered or recorded delivery post for the attention of Head of Control, National Asset Management Limited, Treasury Building, Grand Canal Street, Dublin 2, Ireland and received by the Issuer no later than 5 business days prior to the maturity date of the Notes.

Offering Price: The Notes will be issued at par.

Interest: Interest will accrue from the issue date of the Notes and will be paid semi annually on 1 March and 1 September. The interest rate is 6 month euribor (in respect of euro denominated Notes) and 6 month libor (in respect of sterling and dollar denominated Notes). For sterling denominated Notes, the interest reset date will be on the start of each interest period, whereas for euro and dollar denominated Notes, the interest reset date will be on the second business day prior to the start of each interest period, as calculated by the Issuing and Paying Agent (or, failing which, as calculated by the Issuer).

Interest payable will be calculated in accordance with the "Actual/360" Following Business Day convention for euro and dollar denominated Notes and the "Actual/365" Following Business Day convention for sterling denominated Notes.

OFFERING CIRCULAR

The interest payable on each interest payment date will be based on the balance in the account(s) on the register maintained by the Registrar, as at close of business on the business day preceding the interest payment date (such date being the record date).

Interest Payment Date: 1 March and 1 September.

Form: Registered global. It is intended that the Notes will be held in a manner such that they are potentially eligible as collateral for Eurosystem operations. The Issuing and Paying Agent may agree with the Issuer, without holder consent, such changes as it deems necessary to these terms and conditions and the form of certificate evidencing the Notes for the purpose of enabling such eligibility.

Fungibility: It is intended that Notes which, on issue or on any Interest Payment Date, have the same terms as other Notes will be fungible with such other Notes from issue or such Interest Payment Date, as the case may be. Where Notes to be issued will become fungible with existing Notes on an Interest Payment Date, such Notes may be issued with a temporary ISIN until such Interest Payment Date and shall, thereafter, have the same permanent ISIN as such existing Notes.

Issuing and Paying Agent: Citibank Europe PLC at its offices at Ground Floor, 1 North Quay, Dublin 1, Ireland.

Paying Agent: Citibank, N.A., London Branch at its offices at 14th Floor Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, England.

Registrar: Citigroup Global Markets Deutschland AG at its offices at 5th Floor Reuterweg 16, 60323 Frankfurt, Germany.

The Issuing and Paying Agent, the Paying Agent and the Registrar (together, the **Agents**) have been appointed pursuant to an Amended and Restated Registrar and Paying Agency Agreement (as amended and supplemented, the **Agency Agreement**) dated 22 June 2011. Holders of the Notes will be bound by, and deemed to have notice of, the Agency Agreement, copies of which are available for inspection by holders at the specified office of each of the Agents. None of the Agents accept any liability in relation to the information contained in the Offering Circular.

Taxation: Interest paid on Notes which are quoted on a recognised stock exchange constitute "quoted Eurobonds" under section 64 of the Taxes Consolidation Act 1997. So long as the Notes continue to qualify as quoted Eurobonds, interest payments may be made by a paying agent outside Ireland without deduction of withholding tax. Where payments are made by a paying agent in Ireland in respect of a quoted Eurobond, withholding tax will not apply provided that the Notes are held in a recognised clearing system.

The execution of instruments for the issue and transfer of the Notes will be free of Irish stamp duty provided the conditions for exemption set out in section 85(2) and section 113 of the Stamp Duties Consolidation Act 1999 are met.

Business Day: A day, not being a Saturday or Sunday, on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System is open and on which commercial banks and foreign exchange markets settle payments in London and New York.

Business Day Convention: The Following Business Day Convention will apply to all payments due under the Notes.

Settlement, Registration and Transfer: The register of holders of the Notes will be kept by the Registrar. Ownership will be evidenced by entry of the name of the holder of the Notes on the register which, for so long as the Notes are issued in global form, will be a common safekeeper for, Euroclear S.A./N.V. (**Euroclear**) and Clearstream Banking, société anonyme (**Clearstream, Luxembourg**). Beneficial interests

OFFERING CIRCULAR

in the Notes will be settled in Euroclear and Clearstream, Luxembourg. Transfer of beneficial interests in the Notes will be evidenced by book entry in any sums which are multiples of €1,000,000/GBP1,000,000/USD1,000,000.

Exchange: The Issuer may exchange interests in global Notes held in Euroclear and/or Clearstream, Luxembourg for Notes evidenced by definitive certificates if (a) both Euroclear and Clearstream, Luxembourg are closed for business for a period of 14 days (other than by reason of holiday), or announce an intention to permanently cease business, or do so, and no successor clearing system is available or (b) the Issuer has or will become subject to adverse tax consequences which would not be suffered if the Notes were evidenced by definitive certificates. The Issuer will promptly give notice to holders upon the occurrence of such an event, including information as to how any such exchange will be effected. In the event that Notes are evidenced by definitive certificates, payments of interest and principal on the Notes will be made to the accounts of holders as stated in the register of holders on the record date. Holders are required to present their definitive certificates to the Issuing and Paying Agent upon the maturity date of the Notes represented thereby.

Notices: For so long as the Notes are issued in global form, notices to holders shall be given by delivery to Euroclear and Clearstream, Luxembourg and shall be deemed given upon delivery. In the event that Notes are evidenced by definitive certificates, notices to holders shall be mailed to them at their respective addresses as stated in the register of holders and shall be deemed given on the second day after being so mailed.

Stock Exchange Listing: The Notes will be listed on the Irish Stock Exchange. Application for listing will be made upon or as soon as practicable following the issue date of the Notes.

Governing Law and Jurisdiction: Ireland.