

OFFERING CIRCULAR



National Treasury Management Agency

4.00% Treasury Bond 2010

Issue to take place on 11th May, 1999

See Overleaf for Conditions

ISIN CODE: IE0006857423

National Treasury Management Agency

10th May, 1999

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Conditions Attached to the 4.00% Treasury Bond 2010

The principal and interest of the above bond, which is issued under the authority of the Finance Act, 1970 and other statutes, will be charged on the Central Fund.

Purpose of Issue: The proceeds of the issue will be used for general financing purposes of the Exchequer.

Trustee Status: The bond is an authorised trustee investment and trustees may invest in the bond even if the price at time of investment exceeds the redemption value of €100 per cent.

Taxation: Interest on the bond will be paid gross without deduction of income tax or any other deductions or withholdings.

In general, where the holder of the bond is an Irish resident taxpayer, the interest element payable on the bond is assessable to income tax, whereas any gains arising on disposal of the bond are exempt from capital gains tax. However, where the bond holder resident in Ireland is dealing in Government bonds as part of a trade, he/she is assessable to income tax or corporation tax, as the case may be, in respect of the interest element and also the gains arising on disposal or on redemption of the bond.

Section 43 of the Taxes Consolidation Act, 1997 provides that the bond and the interest payable thereon is exempt from all Irish taxation so long as it is shown that the bond is in the beneficial ownership of a person not ordinarily resident in Ireland. However, where the bond is held by or for an Irish branch or agency of a foreign financial concern, interest and gains on such stock will be chargeable to tax.

Individual purchasers should note that, where the bond is the subject of a gift or inheritance, the conditions for exemption set out in Section 57 of the Capital Acquisitions Tax Act, 1976, as amended by Section 40 of the Finance Act, 1978 are met.

In addition, the execution of instruments for the issue and the transfer of the bond will be free of Irish stamp duty.

Interest: Interest on the bond will be paid annually on 18th April. The first interest payment will be made on 18th April, 2000 and be at a rate of 3.7158%. Interest payable will be calculated in accordance with the “actual / actual” day count convention.

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

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Principal: The principal of the bond will be repaid at par on 18th April, 2010.

Account: It is a condition of this bond that registered holder(s) shall nominate an account in a credit institution linked to the European System of Central Banks' Payment System (TARGET) into which all dividend/redemption payments will be made. Details of the account to which such payments are to be made must be provided to the Central Bank of Ireland (as Registrar) on the appropriate form, which is available from the Bank, by close of business (5.00pm) on the day of registration of the holding. Holders must notify the Registrar of any change in account details through completion and lodgment of a further copy of the form.

Registration and Transfer: The register of holders of this bond issue will be kept at the Central Bank of Ireland. Stock Certificates shall not be issued. Transfer of ownership will be evidenced by book entry in the register of holders held by the Registrar in any sums which are multiples of one cent.

Stock Exchange Listing: The bond will be officially listed on the Irish Stock Exchange.

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