



National Treasury Management Agency

Clarification of Irish Government position in relation to Subordinated Debt in issue from Irish Banks

Thursday, 7 October 2010: Following the Statement on Banking made by the Minister for Finance on 30 September 2010 there has been some uncertainty among market observers and participants about the intended treatment of subordinated debt in issue from Irish banks.

In order to clarify the position the Minister has advised that prospective resolution and reorganisation legislation, insofar as it affects subordinated debt in issue, will apply only to such debt in issue from institutions which are not listed on a recognised stock exchange, are in 100 per cent State control and cannot survive in the absence of total State support.

The Minister reaffirms his Statement of 30 September in relation to the senior debt obligations of Irish financial institutions that these obligations rank equally with deposits and other creditors under Irish law. He confirms that he has no plans to change this position and that there is, therefore, no intention to impose losses on holders of such senior debt in any credit institution in the State through any legislative measures.