

Conformed Copy

DATED 28 MARCH 2013

THE CENTRAL BANK OF IRELAND

AND

NATIONAL TREASURY MANAGEMENT AGENCY

EXCHANGE OPTION DEED

Index

1	Interpretation.....	3
2	The Exchange Option	6
3	Exchange amounts	6
4	Mechanism for Exchange	6
5	Cancellation	6
6	Calculation of Equivalent Value and Coupon.....	7
7	Assignment and transfer	7
8	Amendments	7
9	Notices and Communications	7
10	Counterparts.....	8
11	Governing Law and Jurisdiction.....	8
Schedule 1		9
	Form of Exchange Request Notice	9
Schedule 2		11
	Calculation of Equivalent Value of Fixed Rate Bonds and Balancing Amount	11

THIS EXCHANGE OPTION DEED dated the 28th day of March 2013 is made

BETWEEN

- (1) **NATIONAL TREASURY MANAGEMENT AGENCY** having its principal place of business at Treasury Building, Grand Canal Street, Dublin 2 (hereinafter called the “**NTMA**” which expression shall include its successors and assigns); **AND**
- (2) **THE CENTRAL BANK OF IRELAND** of Dame Street, Dublin 2, Ireland in its capacity as the initial holder of each Floating Rate Bond (hereinafter referred to as the “**Initial Holder**” which expression shall, subject to clause 7 hereof, include its successors and assigns);

WHEREAS:

- (A) Pursuant to Section 5 of the National Treasury Management Agency Act, 1990 (the “**NTMA Act**”), the Government of Ireland delegated (the “**Delegation**”) by order to the NTMA, among other things, the functions of the Minister for Finance (the “**Minister**”) under Section 17(1) of the Irish Bank Resolution Corporation Act, 2013 to, whenever and so often as he thinks fit, create and issue securities bearing interest at such rate as he thinks fit or bearing no interest and subject to such conditions as to repayment, redemption or any other matter as he thinks fit, where such securities are issued in exchange for or in consideration of the redemption, release or cancellation, or the transfer to the Minister, of any other liability or obligation of the Minister to the Bank.
- (B) The NTMA, pursuant to the Delegation, issued and the Initial Holder subscribed for the Floating Rate Bonds on 8 February 2013 on terms and conditions which included a right of the Initial Holder to exchange those Floating Rate Bonds for fixed rate bonds issued by Ireland, in such amounts, at such times and subject to such conditions as were to be agreed between Ireland, acting through the NTMA, and the Initial Holder (the “**Exchange Option Terms**”).
- (C) The NTMA, pursuant to the Delegation, and the Initial Holder have entered into this Deed to record the Exchange Option Terms agreed between them.

NOW IT IS HEREBY AGREED as follows:

1. **Interpretation**

1.1 **Definitions**

The following terms shall have the following meanings when used in this Deed:

“**Available Exchange Amount**” means, for any Relevant Exchange Date:

- (i) the Exchange Amount for the Exchange Period in which the Relevant Exchange Date falls; *minus*
- (ii) the principal amount of any Floating Rate Bonds which were the subject of a previous Exchange in that Exchange Period in which the Relevant Exchange Date falls;

or such greater amount as the Parties mutually agree in writing prior to that Relevant Exchange Date;

“**Availability Period**” means, in respect of each Floating Rate Bond, the period from and including 28th March 2013 to but excluding the maturity date of that Floating Rate Bond;

“**Balancing Amount**” has the meaning given to it in Schedule 2;

“**Business Day**” means any day other than a Saturday or Sunday on which the TARGET2 system is open;

“**CBI Securities Account**” means the securities account specified by the Initial Holder in any Exchange Request Notice;

“**CBI Cash Account**” means the cash account specified by the Initial Holder in any Exchange Request Notice;

“**Credit Time**” means the time when the relevant Floating Rate Bonds are credited to the NTMA Account;

“**Equivalent Value**” has the meaning given to it in Schedule 2;

“**Exchange**” means to exchange Floating Rate Bonds for Fixed Rate Bonds under this Deed and an “Exchange” shall be construed accordingly;

“**Exchange Amount**” means for each Exchange Period the amount set out below:

<i>Exchange Period ending on 31st December in:</i>	<i>Exchange Amount</i>
2014	€500million
2015	€500million
2016	€500million
2017	€500million
2018	€500million
2019	€1billion
2020	€1billion
2021	€1billion
2022	€1billion
2023	€1billion
each year from 2024 until all of the Floating Rate Bonds have been Exchanged.	€2billion

“**Exchange Period**” means each period from and including 1st of January of each year to and including 31st December in each year commencing 2013 provided that the first such Exchange Period shall commence on and include 28th March 2013 and end on and include 31st December 2014;

“**Exchange Request Notice**” means a notice in the form set out in Schedule 1;

“**Floating Rate Bonds**” means the Floating Rate Treasury Bonds issued by Ireland acting through the NTMA on 8 February 2013 with the following ISIN codes: IE00B7SH6702, IE00B92QZW50, IE00B92QZX67, IE00B92QZY74,

IE00B92QZZ81, IE00B96B0F40, IE00B8BCNG75 and IE00B96PQX65 (each, a “**Series**” of such Floating Rate Bonds);

“**Fixed Rate Bonds**” means fixed rate treasury bonds issued by Ireland (including acting through the NTMA);

“**Interest Payment Date**” means, in respect of any Series of Floating Rate Bonds, an interest payment date under the terms and conditions of that Series of Floating Rate Bonds;

“**Market Terms and Conditions**” means, in respect of any Fixed Rate Bonds at any time, terms and conditions which are market standard for the issue of fixed rate Irish government bonds having the same maturity date as those Fixed Rate Bonds at such time;

“**NTMA Account**” means account 22272 with Euroclear or such other account in Euroclear or any other clearing system as may be nominated by the NTMA by notice in writing to the Initial Holder;

“**NTMA Cash Account**” means the NTMA euro TARGET Account with SWIFT Code NTMAIE2D or such other euro cash account as may be nominated by the NTMA by notice in writing to the Initial Holder;

“**Option**” means the option granted by the NTMA to the Initial Holder pursuant to Clause 2 (*The Exchange Option*);

“**Parties**” means the parties to this Deed;

“**Relevant Exchange Date**” has the meaning given to such term in Clause 2.1;

“**Requested Exchange Amount**” means the aggregate principal amount of the Floating Exchange Bonds the subject of an Exchange Request Notice;

“**Series**” has the meaning given to it in the definition of Floating Rate Bonds;

“**Successor Source**” means, in relation to any display page:

- (a) the successor display page that has been officially designated by the sponsor of the original page; or
- (b) if the sponsor of the original page has not officially designated a successor display page, the successor display page, if any, designated by the relevant information vendor or provider, if different from the sponsor; and

“**TARGET2**” means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007.

1.2 In this Deed, unless the context otherwise requires, a reference to:

- (a) words importing the plural include the singular and vice versa;
- (b) any document includes that document as amended, restructured, novated or supplemented; and
- (c) references to any person shall include its successors and assigns.

1.3 The headings in this Deed are to be ignored in construing this Deed.

1.4 This instrument is a deed.

2. **The Exchange Option**

2.1 The NTMA, on the terms of and subject to the conditions of this Deed, hereby grants to the Initial Holder an option to Exchange a Requested Exchange Amount of Floating Rate Bonds for Fixed Rate Bonds on any Business Day during the Availability Period (the “**Relevant Exchange Date**”).

2.2 An Exchange may be requested by delivery to the NTMA of a duly completed Exchange Request Notice not later than 11am on a Business Day which occurs not later than 10 Business Days prior to the Relevant Exchange Date or such other period as may be agreed in writing between the parties.

2.3 Each Exchange Request Notice is irrevocable unless otherwise agreed in writing between the Parties.

2.4 Unless otherwise agreed between the Parties an Exchange Request Notice (other than the first Exchange Request Notice) will not be valid unless the Relevant Exchange Date specified in the Exchange Request Notice is no less than thirty (30) calendar days since the previous Relevant Exchange Date.

3. **Exchange amounts**

3.1 The Requested Exchange Amount for any Relevant Exchange Date shall:

- (a) not be more than the Available Exchange Amount for such Relevant Exchange Date; and
- (b) be an amount which is at least €100 million and a multiple of €10 million.

3.2 An Exchange may be requested in respect of one or more outstanding Floating Rate Bonds, subject at all times to the limitation set out in Clause 3.1.

4. **Mechanism for Exchange**

4.1 Following receipt of a notice referred to in Clause 6.2, the Initial Holder shall procure the credit of the relevant Floating Rate Bonds to the NTMA Account on the Relevant Exchange Date.

4.2 Promptly following the Credit Time, the NTMA will issue, or as applicable procure the issue of, the Equivalent Value of Fixed Rate Bonds and will procure the credit of such Fixed Rate Bonds to the CBI Securities Account.

4.3 The Parties may agree alternative mechanisms for settling any Exchange taking into account market practice at the time of such Exchange.

4.4 The Fixed Rate Bonds issued in accordance with Clause 4.2 shall be issued subject to Market Terms and Conditions.

5. **Cancellation**

The Initial Holder and the NTMA agree in respect of any Exchange that, until the Equivalent Value of Fixed Rate Bonds are credited to the CBI Securities Account, the NTMA shall hold any Floating Rate Bonds credited to the NTMA Account in accordance with Clause 4.1 on

behalf of and for the account of the Initial Holder and, upon such crediting having been effected, all rights, title, benefits and interest of the Initial Holder in the Floating Rate Bonds the subject of the Exchange will transfer to the NTMA and the NTMA's liability under the Floating Rate Bonds shall be fully and finally released and discharged.

6. Calculation of Equivalent Value and Coupon

- 6.1 The Equivalent Value of any Fixed Rate Bonds shall be calculated by the NTMA in accordance with the provisions of Schedule 2.
- 6.2 Not less than 5 Business Days prior to any Relevant Exchange Date, the NTMA will notify the Initial Holder of the coupon and amount of, and all other terms applicable to, the Fixed Rate Bonds to be issued, and the amount of any Balancing Amount payable to or by the Initial Holder, on such Relevant Exchange Date.
- 6.3 On the Relevant Exchange Date, the relevant Party shall pay any Balancing Amount due by such Party to the other Party.

7. Assignment and transfer

The benefit of this agreement is personal to the Initial Holder and the Initial Holder may not assign, novate, transfer, declare a trust in respect of or otherwise in any manner whatsoever dispose of (in full or in part) its interest in, its rights under or the benefit of this Deed without the prior written consent of the NTMA.

8. Amendments

This Deed may be amended in writing by the Parties.

9. Notices and Communications

9.1 Any communication to be made under or in connection with this Deed shall be made in writing and, unless otherwise stated, may be made by letter, by e-mail or by such alternative method as may be agreed between the Parties;

9.2

(a) Any communication or document made or delivered by one person to another under or in connection with this Deed will be effective only:

(i) if by way of letter when it has been left at the relevant address; or

(ii) if by way of e-mail when actually received in a readable form and addressed in such a manner as the Parties shall specify.

(b) Any communication or document to be made or delivered to a Party will be effective only when actually received by that Party and then only if it is expressly marked for the attention of the department or officer identified with that Party's signature below (or any substitute department or officer as that Party shall specify for this purpose). When a communication or document is received by a Party outside normal business hours on a Business Day, on or a day that is not a Business Day, it shall be deemed to be received on the next subsequent Business Day.

9.3 The address and e-mail address (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with this Deed is:

(a) in the case of the Initial Holder:

Attn. Head, and Deputy Heads, of Financial Markets Division.
(fmdadmin@centralbank.ie)

Address: Central Bank of Ireland, Dame Street, Dublin 2.

(b) in the case of the NTMA;

Attn. Head of Control / Director Funding and Debt Management
(headofcontrol@ntma.ie)

Address: Treasury Building, Grand Canal Street, Dublin 2

or any substitute address or e-mail address or department or officer as a Party may notify to the other Party by not less than five Business Days' notice.

10. **Counterparts**

This Deed may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute this Deed.

11. **Governing Law and Jurisdiction**

11.1 This Deed and any non-contractual obligations arising out of or in connection with it shall be governed by, and construed in accordance with, the laws of Ireland.

11.2 The courts of Ireland are to have jurisdiction to settle any dispute (including claims for set-off and counterclaim) which may arise in connection with the creation, validity, effect, interpretation or performance of this Deed or otherwise arising in connection with the same and for such purposes the Parties hereby irrevocably submits to the jurisdiction of the Irish Courts.

Schedule 1

Form of Exchange Request Notice

To National Treasury Management Agency
 Treasury Building
 Grand Canal Street
 Dublin 2

(the “NTMA”)

[E-mail:]

Date:

RE: Exchange Option Deed between the Central Bank of Ireland (as “Initial Holder) and the NTMA (the “**Deed**”)

We refer to the Deed. Terms defined in the Deed have the same meaning in this Exchange Request Notice unless given a different meaning in this Exchange Request Notice.

This is an Exchange Request Notice for the purposes of the Deed and is irrevocable unless otherwise agreed in writing by you and us.

We give you notice that we wish to Exchange the Floating Rate Bonds specified below for Fixed Rate Bonds on the Relevant Exchange Date pursuant to the terms of the Deed.

ISIN	Maturity Date	Requested Exchange Amount
IE00B7SH6702	18 June 2038	€
IE00B92QZW50	18 June 2041	€
IE00B92QZX67	18 June 2043	€
IE00B92QZY74	18 June 2045	€
IE00B92QZZ81	18 June 2047	€
IE00B96B0F40	18 June 2049	€
IE00B8BCNG75	18 June 2051	€
IE00B96PQX65	18 June 2053	€
Total Requested Exchange Amount		€ _____
Relevant Exchange Date:		_____

Conformed Copy

The CBI Securities Account into which the relevant Fixed Rate Bonds to be issued on the Exchange are to be credited is [*insert account details*].

The CBI Cash Account into which any Balancing Amount owed to the Initial Holder in respect of the Exchange is to be paid is [*insert account details*].

The Initial Holder confirms that it has held all of the Floating Rate Bonds the subject of this Exchange Request Notice since their issue date.

Authorised Signatory
for and on behalf of the
Central Bank of Ireland

Schedule 2

Calculation of Equivalent Value of Fixed Rate Bonds and Balancing Amount

1. Basis of Calculation

- 1.1 The Equivalent Value of the Fixed Rate Bonds to be issued (the “**Exchange Securities**”) in exchange for the Floating Rate Bonds shall be calculated in accordance with paragraph 5 below (*Nominal for Nominal Method*), unless both Parties agree in writing not later than 3 Business Days prior to the Relevant Exchange Date to calculate the Equivalent Value in accordance with the provisions of paragraph 6 (*Optional Cash for Cash Method*) or paragraph 7 (*Alternative Equivalent Value or terms of Exchange*). If more than one Series of Floating Rate Bonds are the subject of a single Exchange Request Notice, the provisions of paragraphs 4, 5, 6 and 7 shall apply separately as regards the Exchange Securities to be issued in respect of each such Series. For the avoidance of doubt, if the Relevant Exchange Date is an Interest Payment Date in respect of the relevant Floating Rate Bond, interest shall be payable on that bond in respect of that Interest Payment Date in accordance with the terms and conditions of that bond.

2. Calculation

- 2.1 All calculations to be made for the purposes of this Schedule shall be made by the NTMA as calculation agent. The NTMA shall, in making any such calculation, and in making any related determination or exercising any related judgment, (each, a “**Calculation**”), act in good faith and in a commercially reasonable manner. The NTMA shall in respect of any Calculation made by it, and simultaneously with notifying that Calculation to the Initial Holder provide to the Initial Holder in writing reasonable detail of all material inputs utilised by it in making that Calculation, including, without limitation and where relevant, details of all calculations made, and all market data or other information (whether from external or internal sources) used, by it in connection with any such Calculation.
- 2.2 The Initial Holder has the right to dispute in good faith and on commercially reasonable grounds any Calculation made by the NTMA in its capacity as calculation agent provided that the Initial Holder notifies the NTMA in writing of such dispute promptly but in no event later than close of business on the 5th Business Day after the NTMA has provided the Initial Holder with notice of the relevant Calculation. In any such instance, the Parties shall, by close of business on the Dispute Business Day after the Initial Holder gives such notice, jointly select a Verification Agent (or, if the Parties cannot jointly agree on a Verification Agent by that time, each Party shall promptly and no later than 10.a.m. on the next following Dispute Business Day select and notify in writing to the other Party a Verification Agent, which two Verification Agents shall no later than close of business on the next following Dispute Business Day jointly select a Verification Agent, which shall be appointed by the Parties as the Verification Agent for the purpose of the relevant disputed Calculation as soon as practicable after its selection). In the event that a Party fails to select and notify a Verification Agent as aforesaid, the Verification Agent selected and notified by the other Party shall be appointed by the Parties as the Verification Agent for the purpose of the relevant disputed Calculation as soon as practicable after its selection. The Verification Agent shall be requested by the NTMA to make, and notify in writing to each of the Parties within three Dispute Business Days after its appointment (the “**Latest Calculation Date**”):

- (a) its determination as to the disputed Calculation ; and
- (b) its calculation of the Total Value Difference.

2.3 The determination made by the Verification Agent shall be binding on the Parties for the disputed matter, absent manifest error, so that:

- (a) if the Agent Calculated Total Value is greater than the NTMA Calculated Total Value, the NTMA shall pay the Total Value Difference to the Initial Holder; or
- (b) if the NTMA Calculated Total Value is greater than the Agent Calculated Total Value, the Initial Holder shall pay Total Value Difference to the NTMA,

together with, in each case, an interest charge in connection with the Total Value Difference in respect of each day from and including the Relevant Exchange Date to but excluding the date of payment of the Total Value Difference, calculated for each such day as an amount equal to:

[(a)*(b)]*(c) where:

- (a) is the Total Value Difference;
- (b) is EONIA on that day; and
- (c) is 1/360.

For the purposes of this sub-paragraph 2.3 EONIA with respect to any day that is not a Business Day shall be the EONIA for the immediately preceding Business Day.

2.4 Any payment to be made by the NTMA to the Initial Holder under sub-paragraph 2.3 shall be paid to the CBI Cash Account specified in the relevant Exchange Request Notice. Any payment to be made by the Initial Holder to the NTMA under sub-paragraph 2.3 shall be paid to the NTMA Cash Account.

2.5 The NTMA shall, on or as soon as practicable after (and in no event later than the date that) the Verification Agent is requested to make that determination, provide to such Verification Agent (copied to the Initial Holder), in each case in writing, all information reasonably required by such Verification Agent in order to make such determination and all information reasonably requested by the Initial Holder to be provided to the Verification Agent.

2.6 The costs of any Verification Agent shall be borne equally by the Parties.

3. **Definitions**

The following terms shall have the following meanings when used in this Schedule 2:

“**Agent Calculated Total Value**” means in respect of any Exchange Request, the Total Exchange Value as calculated by the Verification Agent;

“**Balancing Amount**” has the meaning given to it in sub-paragraph 5.5;

“**Bloomberg Screen**” means, when used in connection with any designated page, the display page so designated on the Bloomberg service or any Successor Source;

“**Buyback Value**” means, in respect of each Floating Rate Bond, the aggregate of:

- (a) the Face Value of that bond calculated in accordance with paragraph 4; plus
- (b) unless the Exchange occurs on an Interest Payment Date, any accrued interest up to but excluding the Relevant Exchange Date in line with the terms and conditions of that Floating Rate Bond;

“**Designated Maturity**” means, in respect of any Floating Rate Bond and Relevant Exchange Date, the period from and including that Relevant Exchange Date to and including the maturity date of that Floating Rate Bond;

“**Dispute Business Day**” mean a day that is a Business Day as defined in clause 1.1 hereof and is a day on which commercial banks are open for business in London;

“**EONIA**” in respect of any day, means the overnight rate fixed for such day, as set forth under the heading "EONIA" on Bloomberg Screen page Eonia1. If such page ceases to be available, the relevant interest rate shall be determined by reference to the European Central Bank's official source for the euro overnight index average interest rate (EONIA) or, if no European Central Bank official source for such rate is available, such euro overnight rate as is otherwise determined by the NTMA acting in good faith and a commercially reasonable manner with a view to obtaining a representative overnight rate that will reasonably reflect conditions prevailing in the euro interbank overnight market at the time;

“**Equivalent Bond Yield**” means, in respect of each Floating Rate Bond, the yield as of the Equivalent Bond Yield Calculation Date (for settlement as of the Relevant Exchange Date) that represents the actual, interpolated or implied yield of an Irish government bond that would, if it existed, mature on the exact same date as that Floating Rate Bond;

“**Equivalent Bond Yield Calculation Date**” means, in respect of any Floating Rate Bond and a Relevant Exchange Date, the Business Day with effect from which the NTMA calculates the Equivalent Bond Yield;

“**Equivalent Value**” means, in respect of each Fixed Rate Bond, the nominal value of that bond issued at par;

“**EURIBOR**” means, in respect of any day, the interest rate (positive or negative) for deposits in euro for a period of six months which appears on the Bloomberg Screen page EUR006m Index as of 11:00 a.m., Brussels time, on that day or, if such interest rate does not appear on the Bloomberg Screen page EUR006m Index, determined on the basis of the interest rates (positive or negative) at which deposits in euro in an amount equal to the Representative Amount are offered by the Reference Banks in the euro area interbank market at approximately 11:00 a.m., Brussels time, on that day, to prime banks in the euro area interbank market for a period of six months commencing on that day assuming an Actual/360 day count basis;

“**Future Rate**” has the meaning given to it in sub-paragraph 4.1;

“**Future Rate Determination**”, in respect of any Floating Rate Bond and any Relevant Exchange Date, means that the Future Rate will be determined on the following basis:

- (a) the NTMA will request the principal euro area office of each of the Reference Banks to provide a mid-market swap quotation at approximately 11:00 a.m., Dublin time, on the Equivalent Bond Yield Calculation Date. For this purpose, the mid-market annual swap rate means the arithmetic mean of the bid and offered rates for the annual fixed leg, calculated on a 30/360 day

count basis, of a fixed-for-floating euro interest rate swap transaction with a term equal to the Designated Maturity and in an amount equal to the Representative Amount, with an acknowledged dealer of good credit in the swap market, where the floating leg, calculated on an Actual/360 day count basis, is EURIBOR; and

- (b) the Future Rate will be a percentage representing the arithmetic mean of such quotations eliminating, where four quotations are obtained, the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or in the event of equality, one of the lowest);

“**NTMA Calculated Total Value**” means in respect of any Exchange Request, the Total Exchange Value as calculated by the NTMA in respect of that Exchange Request;

“**Reference Banks**” means for the purposes of any Future Rate Determination, four major banks that are leading swap dealers in the Euro-zone interbank market, two of which shall be nominated by the NTMA and two of which shall be nominated by the Initial Holder;

“**Representative Amount**” means, in respect of any Floating Rate Bond and any day, the lesser of (a) the largest euro amount for which there is, on that day, a liquid euro area market for fixed-for-floating euro interest rate swap transactions on an Annual 30/360 basis v 6 month EURIBOR Act/360 basis for a period equal to the Designated Maturity and (b) the Requested Exchange Amount;

“**Total Exchange Value**” means in respect of any Floating Rate Bond the subject of an Exchange Request, the aggregate nominal amount (in euro) of the Fixed Rate Bond to be issued to the Initial Holder in respect of that Exchange plus any Balancing Amount (if positive) or less any Balancing Amount (if negative), each as calculated in accordance with this Schedule 2;

“**Total Value Difference**” means the difference between the Agent Calculated Total Value and the NTMA Calculated Total Value, expressed as a positive number;

“**Verification Agent**” means, in respect of any dispute, a leading advisor in the subject matter of the Calculation that is willing to act Verification Agent in respect of that dispute on commercially reasonable terms; and

any reference to a “paragraph” or “sub-paragraph” is a reference to such paragraph or sub-paragraph of this Schedule 2.

4. **Face Value Calculation**

4.1 For the purpose of calculating the Face Value of the Floating Rate Bond, on the Equivalent Bond Yield Calculation Date the Floating Rate Bond will be deemed to be a theoretical fixed bond “A” with the same maturity date as that Floating Rate Bond and an annual fixed coupon to maturity equal to:

- (a) the mid-market Euro Fixed/Float Interest Rate Swap rate on an Annual 30/360 basis v 6 month EURIBOR Act/360 basis for the period equal to the Designated Maturity (the “**Future Rate**”), determined as the arithmetic mean of the bid and offered such rates which appear on the Bloomberg Screen page ICAP Euro Interest Rate Swap as at 11:00a.m., Dublin time, on the Equivalent Bond Yield Calculation Date provided that where no such rates appear on that day for a period equal to the Designated Maturity but such rates appear for a period longer and shorter than the Designated Maturity, the Future Rate shall be determined by straight-line interpolation by reference to

those rates which appear for the periods next longer, and next shorter, than the Designated Maturity; plus

- (b) the margin applicable to the relevant Floating Rate Bond as set out in the offering circular relating to such Floating Rate Bond.
- 4.2 The Face Value of the Floating Rate Bond will be calculated by discounting in accordance with market convention this theoretical fixed bond "A" with the Equivalent Bond Yield.
- 4.3 If the Bloomberg Screen page ICAP Euro Interest Rate Swap ceases to be available, the Future Rate shall be calculated by reference to such alternative broker screen page as may be mutually agreed between the Parties, or in the absence of such agreement, using Future Rate Determination.

5. Nominal for Nominal Method

- 5.1 The Fixed Rate Bond will be issued to the Initial Holder in a nominal amount equal to that of the Floating Rate Bond the subject of the Exchange.
- 5.2 The maturity date of the Fixed Rate Bond will be the same maturity date as the relevant Floating Rate Bond the subject of the Exchange.
- 5.3 The Fixed Rate Bond will bear a coupon equivalent to the Equivalent Bond Yield for the Floating Rate Bond the subject of the Exchange.
- 5.4 The Fixed Rate Bond will be issued at par with zero accrued interest and with an issue date which is the Relevant Exchange Date.
- 5.5 If there is any difference between the Buyback Value of the Floating Rate Bond and the Equivalent Value of the Fixed Rate Bonds (a "**Balancing Amount**") and the Balancing Amount is:
 - (i) positive, it shall be paid by the NTMA to the Initial Holder; and
 - (ii) negative, the absolute value thereof shall be paid by the Initial Holder to the NTMA,on the Relevant Exchange Date.

Any Balancing Amount will be paid in cash to such account as may be nominated from time to time for such purpose by the Parties.

6. Optional Cash for Cash Method

- 6.1 Where the Parties agree, pursuant to paragraph 1 of this Schedule 2, that Equivalent Value shall be calculated in accordance with this paragraph 6, the Fixed Rate Bonds shall be issued at par in an aggregate nominal amount equal to the Buyback Value of the Floating Rate Bonds the subject of the Exchange.

7. Alternative Equivalent Value or terms of Exchange

- 7.1 By mutual consent the Parties may in respect of any Exchange agree (i) an alternative Equivalent Value for the Fixed Rate Bonds to be issued and/or amount to be paid in respect of any Balancing Amount on a Relevant Exchange Date and/or (ii) that the Fixed Rate Bonds be issued on terms other than or in addition to those set out in

Conformed Copy

paragraph 5 (*Nominal for Nominal Method*) or paragraph 6 (*Optional Cash for Cash Method*).

Conformed Copy

DULY EXECUTED AND DELIVERED AS A DEED by the Central Bank of Ireland on the day and year first above written.

THE SEAL of the
CENTRAL BANK OF IRELAND
was affixed hereto
and this Deed was delivered:

PATRICK HONOHAN

Authorised Signatory

NEIL WHORISKEY

Authorised Signatory

Conformed Copy

DULY EXECUTED AND DELIVERED AS A DEED by National Treasury Management Agency
on the day and year first above written.

The Seal of
NATIONAL TREASURY MANAGEMENT AGENCY
was affixed in the presence of:

JOHN C. CORRIGAN

Chief Executive