

## AIB MORTGAGE BANK

Issue of €750,000,000 Floating Rate Mortgage Covered Securities due 15 November 2025 under the €20,000,000,000 Mortgage Covered Securities Programme

**THE SECURITIES (AS DESCRIBED HEREIN) ARE MORTGAGE COVERED SECURITIES ISSUED IN ACCORDANCE WITH THE ASSET COVERED SECURITIES ACT 2001 (AS AMENDED) OF IRELAND (THE “ACT”). THE ISSUER HAS BEEN REGISTERED BY THE CENTRAL BANK (AS DEFINED BELOW) AS A DESIGNATED MORTGAGE CREDIT INSTITUTION PURSUANT TO THE ACT. THE FINANCIAL OBLIGATIONS OF THE ISSUER UNDER THE SECURITIES ARE SECURED ON THE COVER ASSETS THAT COMPRISE A COVER ASSETS POOL MAINTAINED BY THE ISSUER IN ACCORDANCE WITH THE ACT.**

**MiFID II product governance / Professional investors and ECPs only target market** –Solely for the purposes of the manufacturer’s product approval process, the target market assessment in respect of the Securities has led to the conclusion that: (i) the target market for the Securities is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, “**MiFID II**”); and (ii) all channels for distribution of the Securities to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Securities (a “**distributor**”) should take into consideration the manufacturer’s target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Securities (by either adopting or refining the manufacturer’s target market assessment) and determining appropriate distribution channels.

**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** –The Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive 2002/92/EC, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the “**Prospectus Directive**”). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

### *PART A – CONTRACTUAL TERMS*

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Securities (collectively, the “**Conditions**” and each a “**Condition**”) set forth in the Base Prospectus dated 25 October 2018 (the “**Base Prospectus**”) which constitutes a base prospectus for the purposes of Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, as amended (the “**Prospectus Directive**”) and relevant Irish laws. The Central Bank of Ireland (reference to which includes, with respect to actions prior to the commencement of relevant sections of the Central Bank Reform Act 2010 on 1 October 2010, the Irish Financial Services Regulatory Authority, as part of the Central Bank and Financial Services Authority of Ireland) has approved the Base Prospectus under Part 7 of the Prospectus (Directive 2003/71/EC) Regulations 2005, as amended (the “**Prospectus Regulations**”) as having been drawn up in accordance with the Prospectus Regulations and Commission Regulation (EC) No. 809/2004, as amended (the “**EU Prospectus Regulation**”).

This document (“**Final Terms**”) constitutes the final terms of the Securities described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of the Securities is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus is available at <https://aib.ie/investorrelations/debt-investor/mortgage-bank>, access through ‘Investor Relations’ – AIB Mortgage Bank.

- |    |                      |                   |
|----|----------------------|-------------------|
| 1. | Issuer:              | AIB Mortgage Bank |
| 2. | (i) Series Number:   | 38                |
|    | (ii) Tranche Number: | 1                 |

|  |   |
|--|---|
| (iii) Date on which Securities become fungible               | Not Applicable  |
| 3. Specified Currency or Currencies:                         | Euro (€)  |
| 4. Aggregate Nominal Amount of Securities                    |   |
| (a) Series:  | €750,000,000  |
| (b) Tranche:   | €750,000,000  |
| 5. (a) Issue Price:  | 104.19 per cent. of the Aggregate Nominal Amount              |
| 6. Specified Denominations:                                  | €100,000  |
| 7. (i) Issue Date:   | 15 November 2018  |
| (ii) Interest Commencement Date:                             | 15 November 2018  |
| 8. Maturity Date:  | 15 November 2025  |
| 9. Extended Maturity Date                                    | Applicable  |
| (See Conditions 4(d) and 6(h))                               | The Extended Maturity Date is 15 November 2026                |
| 10. Interest Commencement Date:                              |   |
| (i) Period to Maturity Date:                                 | 15 November 2018  |
| (ii) Period from Maturity Date up to Extended Maturity Date: | Maturity Date   |
| 11. Interest Basis:  |   |
| (i) Period to Maturity Date:                                 | One Month EURIBOR + 0.75 per cent. Floating Rate              |
| (ii) Period from Maturity Date up to Extended Maturity Date: | One Month EURIBOR + 0.75 per cent. Floating Rate              |
| 12. Redemption Basis:  | Redemption at par   |
| 13. Change of Interest Basis:                                | Not Applicable  |
| 14. Put/Call Options:  | Investor Put – Not Applicable<br>Issuer Call – Not Applicable |

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

|   |                |
|---|----------------|
| 15. Fixed Rate Security Provisions:                   |                |
| (i) To Maturity Date:                                 | Not Applicable |
| (ii) From Maturity Date up to Extended Maturity Date: | Not Applicable |
| (a) Rate(s) of Interest:                              |                |
| (I) To Maturity Date:                                 | Not Applicable |
| (II) From Maturity Date up to Extended Maturity       | Not Applicable |

Date:

- (b) Interest Payment Date(s):
  - (I) To Maturity Date: Not Applicable
  - (II) From Maturity Date up to Extended Maturity Date: Not Applicable
- (c) Fixed Coupon Amount(s):
  - (I) To Maturity Date: Not Applicable
  - (II) From Maturity Date up to Extended Maturity Date: Not Applicable
- (d) Broken Amount(s):
  - (I) To Maturity Date: Not Applicable
  - (II) From Maturity Date up to Extended Maturity Date: Not Applicable
- (e) Day Count Fraction:
  - (I) To Maturity Date: Not Applicable
  - (II) From Maturity Date up to Extended Maturity Date: Not Applicable
- (f) Determination Date(s):
  - (I) To Maturity Date: Not Applicable
  - (II) From Maturity Date up to Extended Maturity Date: Not Applicable

16. Floating Rate Security Provisions:

- (i) To Maturity Date: Applicable
- (ii) From Maturity Date up to Extended Maturity Date: Applicable
- (a) Interest Period(s)/Specified Interest Payment Dates:
  - (I) To Maturity Date: Interest Periods: one month commencing on 15 November 2018 up to but excluding 15 November 2025.  
Specified Interest Payment Dates: subject to adjustment in accordance with the Business Day Convention specified below, the 15<sup>th</sup> day of each month commencing on 15 December 2018 up to and including 15 November 2025.
  - (II) From Maturity Date up: Interest Periods: one month commencing on 15

- to Extended Maturity Date: November 2025 up to but excluding 15 November 2026.
- Specified Interest Payment Dates: subject to adjustment in accordance with the Business Day Convention specified below, the 15<sup>th</sup> day of each month commencing on 15 December 2025 up to and including 15 November 2026.
- (b) Business Day Convention:
- (I) To Maturity Date: Modified Following Business Day Convention
- (II) From Maturity Date up to Extended Maturity Date: Modified Following Business Day Convention
- (c) Additional Business Centre(s):
- (I) To Maturity Date: TARGET2 and Dublin
- (II) From Maturity Date up to Extended Maturity Date: TARGET2 and Dublin
- (d) Manner in which the Rate(s) of interest and Interest Amount(s) is to be determined:
- (I) To Maturity Date: Screen Rate Determination
- (II) From Maturity Date up to Extended Maturity Date: Screen Rate Determination
- (e) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Principal Paying Agent):
- (I) To Maturity Date: Principal Paying Agent
- (II) From Maturity Date up to Extended Maturity Date: Principal Paying Agent
- (f) Screen Rate Determination:
- (I) To Maturity Date:
- Reference Rate: One Month EURIBOR
- Interest Determination Date(s): Second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR
- Relevant Screen Page: Reuters EURIBOR01
- (II) From Maturity Date up to Extended Maturity Date:

- Reference Rate: One Month EURIBOR
  - Interest Determination Date(s): Second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR
  - Relevant Screen Page: Reuters EURIBOR01
- (g) ISDA Determination:
- (I) To Maturity Date: Not Applicable
  - Floating Rate Option: Not Applicable
  - Designated Maturity: Not Applicable
  - Reset Date: Not Applicable
  - ISDA Definitions: Not Applicable
  - (II) From Maturity Date up to Extended Maturity Date: Not Applicable
  - Floating Rate Option: Not Applicable
  - Designated Maturity: Not Applicable
  - Reset Date: Not Applicable
  - ISDA Definitions: Not Applicable
- (h) Margin(s):
- (I) To Maturity Date: + 0.75 per cent. per annum
  - (II) From Maturity Date up to Extended Maturity Date: + 0.75 per cent. per annum
- (i) Minimum Rate of Interest:
- (I) To Maturity Date: 0 (zero) per cent. per annum
  - (II) From Maturity Date up to Extended Maturity Date: 0 (zero) per cent. per annum
- (j) Maximum Rate of Interest:
- (I) To Maturity Date: Not Applicable
  - (II) From Maturity Date up to Extended Maturity Date: Not Applicable
- (k) Day Count Fraction:
- (I) To Maturity Date: Actual/360
  - (II) From Maturity Date up to Extended Maturity Date: Actual/360

Date:

17. Zero Coupon Security Provisions: Not Applicable

#### PROVISIONS RELATING TO REDEMPTION

18. Issuer Call: Not Applicable
19. Investor Put: Not Applicable
20. Final Redemption Amount of each Security: €100,000 per Security of €100,000 Specified Denomination

#### GENERAL PROVISIONS APPLICABLE TO THE SECURITIES

21. Form of Securities, Issue Procedures and Clearing Systems: **Bearer Securities:**  
Permanent Bearer Global Security exchangeable for Definitive Bearer Securities only upon an Exchange Event
22. (a) New Global Note: Yes  
(b) New Safekeeping Structure: No
23. Additional Financial Centre(s): Not Applicable
24. Talons for future Coupons to be attached to Definitive Bearer Securities (and dates on which such Talons mature): Yes
25. Details relating to Instalment Securities:  
(i) Instalment Amount(s): Not Applicable  
(ii) Instalment Date(s): Not Applicable
26. Whether Condition 5(h) applies: Condition 5(h) not applicable
27. Overcollateralisation Percentage for the purposes of Condition 11(c): 105 per cent

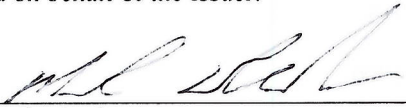
#### LISTING AND ADMISSION TO TRADING APPLICATION

These Final Terms comprise the final terms required to issue, list and admit to trading the Securities described herein pursuant to the €20,000,000,000 Mortgage Covered Securities Programme of AIB Mortgage Bank.

**RESPONSIBILITY**

The Issuer accepts the responsibility for the information contained in these Final Terms.

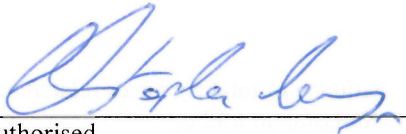
Signed on behalf of the Issuer:

By: 

Duly authorised

MARK WHELAN

Date of Final Terms: 12 November 2018

By: 

Duly authorised

CHRIS CURLEY

## **PART B – OTHER INFORMATION**

### **1. LISTING AND ADMISSION TO TRADING**

- |   |  |
|---|--|
| (i) Listing:  | Irish Stock Exchange plc trading as Euronext Dublin  |
| (ii) Admission to trading:  | Application has been made to the Irish Stock Exchange for the Securities to be admitted to the Official List and trading on its regulated market with effect from 15 November 2018 |
| (iii) Estimate of total expenses related to admission to trading: | Listing fee €1000  |

### **2. RATINGS**

- Ratings:
- The Securities to be issued are expected to be rated as follows:
- Moody's Investors Service Limited: Aaa
- Moody's Investors Service Limited is established in the EU and is registered under the CRA Regulations.
- No assurance can be given that such rating[s] will be obtained and retained.
- For the purposes of the above:
- “**CRA Regulation**” means Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies;
- “**EU**” means the European Union.

### **3. NOTIFICATION**

None

### **4. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE**

Save for the Dealer, so far as the Issuer is aware, no person involved in the issue of the Securities has an interest material to the offer. The Dealer and its affiliates have engaged, and may in the future engage, in investment banking and/or commercial transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business and as the parent company of the Issuer.

### **5. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES**

- |                                 |   |
|---------------------------------|---|
| (i) Reasons for the offer:      | The Issuer expects to use the net proceeds of the Securities to support its business. |
| (ii) Estimated net proceeds:    | €781,425,000  |
| (iii) Estimated total expenses: | €1000 (listing fees)  |

### **6. YIELD (*Fixed Rate Securities only*)**

Indication of yield: Not Applicable



## 7. OPERATIONAL INFORMATION

- |  |   |
|--|---|
| (i) ISIN:  | XS1910291514  |
| (ii) Common Code:  | 191029151   |
| (iii) CFI Code:  | DMXXXB  |
| (iv) FSIN Code:  | AIB MORTGAGE BA/VAREMTN 20251115  |
| (v) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking S.A. and the relevant identification number(s): | Not Applicable  |
| (vi) Delivery:   | Delivery free of payment  |
| (vii) Name(s) and address(es) of initial Paying Agent(s):  | Principal Paying Agent:<br>The Bank of New York Mellon<br>One Canada Square<br>London E14 5AL<br>United Kingdom   |
| (viii) Names and addresses of additional Paying Agent(s) (if any):   | None  |
| (ix) Intended to be held in a manner which would allow Eurosystem eligibility:   | Yes. Note that the designation “yes” simply means that the Securities are intended upon issue to be deposited with one of the international central securities depositories (“ICSDs”) as common safekeeper and does not necessarily mean that the Securities will be recognized as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met. |

## 8. DISTRIBUTION

- |  |                            |
|--|----------------------------|
| (a) Method of Distribution:  | Non-Syndicated             |
| (b) If syndicated, names of Dealers:   | Not Applicable             |
| (c) Date of Subscription Agreement:  | Not Applicable             |
| (d) Stabilising Dealer(s) (if any):  | Not Applicable             |
| (e) If non-syndicated, name of relevant Dealer:                                | Allied Irish Banks, p.l.c. |
| (f) Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: | TEFRA C                    |

