

## AIB MORTGAGE BANK

Issue of €1,000,000,000 0.875 per cent. Mortgage Covered Securities due 4 February 2023 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.

### 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 (the “**Conditions**”) set forth in the Base Prospectus dated 17 July 2015 (the “**Base Prospectus**”) and the Supplement to the Base Prospectus dated 11 January 2016 which together constitute 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) (the “**Central Bank**”) 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 as so supplemented. 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 as so supplemented. The Base Prospectus and the Supplement to the Base Prospectus are available at [www.aibgroup.com](http://www.aibgroup.com), access through ‘Investor Relations’ – AIB Mortgage Bank.

- |    |   |                               |
|----|---|-------------------------------|
| 1. | Issuer:   | AIB Mortgage Bank             |
| 2. | (a) Series Number:  | 31                            |
|    | (b) Tranche Number:                                       | 1                             |
|    | (c) Date on which Securities become fungible              | Not Applicable                |
| 3. | Specified Currency or Currencies:                         | euro (€)                      |
| 4. | (a) Aggregate Nominal Amount of Securities:               |                               |
|    | (i) Series:   | €1,000,000,000                |
|    | (ii) Tranche:   | €1,000,000,000                |
|    | (b) Specify whether Securities to be admitted to trading: | Yes – Series 31 and Tranche 1 |

5.	(a)	Issue Price:	99.716 per cent. of the Aggregate Nominal Amount
	(b)	Net proceeds (Required only for listed issues):	€994,410,000
	(c)	Specify whether expenses or taxes will be charged to investors:	No
6.		Specified Denominations:	€100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000. No Securities in definitive form will be issued with a denomination above €199,000.
7.		Issue Date:	4 February 2016
8.		Maturity Date:	4 February 2023
9.		Extended Maturity Date	Applicable
		(See Conditions 4(d) and 6(h))	The Extended Maturity Date is 4 February 2024.
10.		Interest Commencement Date:	
	(i)	Period to Maturity Date:	4 February 2016
	(ii)	Period from Maturity Date up to Extended Maturity Date:	Maturity Date
11.		Interest Basis:	
	(i)	Period to Maturity Date:	0.875 per cent. Fixed Rate
	(ii)	Period from Maturity Date up to Extended Maturity Date:	One month EURIBOR + 0.54 per cent. Floating Rate
			(further particulars specified below)
12.		Redemption Basis:	Redemption at par
13.		Change of Interest Basis:	Applicable on Maturity Date subject to Conditions 4(d) and 6(h). See paragraphs 9 and 11 above and paragraphs 17 and 18 below
14.		Put/Call Options:	Not Applicable
15.		Listing/Admission to Regulated Market:	Admission to the Official List of the Irish Stock Exchange and to trading on its regulated market
16.		Method of Distribution:	Syndicated

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

17. Fixed Rate Security Provisions:

- (i) To Maturity Date: Applicable
- (ii) From Maturity Date up to Extended Maturity Date: Not Applicable
- (a) Rate(s) of Interest:
  - (i) To Maturity Date: 0.875 per cent. per annum payable in arrear on each Interest Payment Date
  - (ii) From Maturity Date up to Extended Maturity Date: Not Applicable
- (b) Interest Payment Date(s):
  - (i) To Maturity Date: 4 February in each year, commencing 4 February 2017, up to and including the Maturity Date
  - (ii) From Maturity Date up to Extended Maturity Date: Not Applicable
- (c) Fixed Coupon Amount(s):
  - (i) To Maturity Date: €875 per €100,000 in nominal amount
  - (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: Actual/Actual (ICMA)
  - (ii) From Maturity Date up to Extended Maturity Date: Not Applicable
- (f) Determination Date(s):
  - (i) To Maturity Date: 4 February in each year commencing on 4 February 2017
  - (ii) From Maturity Date up to Extended Maturity Date: Not Applicable

18. Floating Rate Security Provisions:

- (i) To Maturity Date: Not Applicable
- (ii) From Maturity Date up to Extended Maturity Date: Applicable
  - (a) Interest Period(s)/Specified Interest Payment Dates:
    - (i) To Maturity Date: Not Applicable
    - (ii) From Maturity Date up to Extended Maturity Date: Interest Periods: One month  
Specified Interest Payment Dates: the 4<sup>th</sup> day of each month commencing on 4 March 2023
  - (b) Business Day Convention:
    - (i) To Maturity Date: Not Applicable
    - (ii) From Maturity Date up to Extended Maturity Date: Modified Following Business Day Convention
  - (c) Additional Business Centre(s):
    - (i) To Maturity Date: Not Applicable
    - (ii) From Maturity Date up to Extended Maturity Date: Not Applicable
  - (d) Manner in which the Rate(s) of interest and Interest Amount(s) is to be determined:
    - (i) To Maturity Date: Not Applicable
    - (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: Not Applicable
    - (ii) From Maturity Date up to Extended Maturity Date: Principal Paying Agent

- (f) Screen Rate Determination:
- (i) To Maturity Date: Not Applicable
    - Reference Rate: Not Applicable
    - Interest Determination Date(s): Not Applicable
    - Relevant Screen Page: Not Applicable
  - (ii) From Maturity Date up to Extended Maturity Date: Applicable
    - Reference Rate: One month EURIBOR
    - Interest Determination Date(s): For the first Interest Period commencing on the Maturity Date, two Business Days after the Maturity Date in accordance with Condition 4(d)(ii).  
  
For each other Interest Period, the second day on which the TARGET2 System is open prior to the start of the Interest Period.
    - Relevant Screen Page: Reuters EURIBOR01
- (g) ISDA Determination:
- (i) To Maturity Date:
    - 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:
    - Floating Rate Option: Not Applicable
    - Designated Maturity: Not Applicable

	– Reset Date:	Not Applicable
	- ISDA Definitions:	Not Applicable
(h)	Margin(s):	
	(i) To Maturity Date:	Not Applicable
	(ii) From Maturity Date up to Extended Maturity Date:	+ 0.54 per cent. per annum
(i)	Minimum Rate of Interest:	
	(i) To Maturity Date:	Not Applicable
	(ii) From Maturity Date up to Extended Maturity Date:	Nil
(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:	Not Applicable
	(ii) From Maturity Date up to Extended Maturity Date:	Actual/360
19.	Zero Coupon Security Provisions:	Not Applicable

#### **PROVISIONS RELATING TO REDEMPTION**

20.	Issuer Call:	Not Applicable
21.	Investor Put:	Not Applicable
22.	Final Redemption Amount of each Security:	€100,000 per €100,000 nominal amount, plus €1,000 per €1,000 of nominal amount in excess of €100,000 nominal amount

#### **GENERAL PROVISIONS APPLICABLE TO THE SECURITIES**

23.	Form of Securities, Issue Procedures and Clearing Systems:	<b>Bearer Securities:</b> Temporary Bearer Global Security exchangeable for a Permanent Bearer Global
-----	--	--

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

#### **DISTRIBUTION**

30.	(a) If syndicated, names of Dealers:	<b>Lead Managers:</b>
		Commerzbank Aktiengesellschaft Kaiserstraße 16 (Kaiserplatz) 60311 Frankfurt am Main Federal Republic of Germany
		Goldman Sachs International Peterborough Court 133 Fleet Street London EC4A 2BB United Kingdom
		Goodbody Stockbrokers Ballsbridge Park Dublin 4 Ireland
		UBS Limited 1 Finsbury Avenue London EC2M 2PP United Kingdom
		UniCredit Bank AG Arabella Strasse 12 Munich 81925 Federal Republic of Germany

**Co-Lead Managers:**

Cantor Fitzgerald Ireland Limited  
75 St. Stephen's Green  
Dublin 2  
Ireland

Merrion Stockbrokers Limited  
2nd Floor, Guild House  
Guild Street  
IFSC  
Dublin 1  
Ireland

- (b) Date of Subscription Agreement: 2 February 2016
- (c) Stabilising Dealer(s) (if any): None
31. If non-syndicated, name of relevant Dealer: Not Applicable
32. Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: TEFRA D

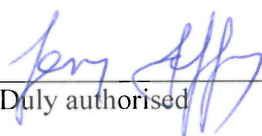
**LISTING AND ADMISSION TO TRADING APPLICATION**

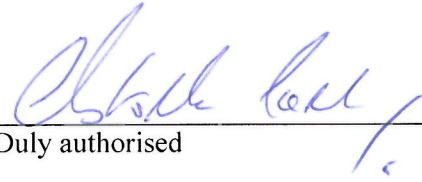
These Final Terms comprise the final terms required to issue, list and admit to trading the Securities described herein pursuant to the €20,000,000,000 Mortgage Covered Securities Programme of AIB Mortgage Bank.

**RESPONSIBILITY**

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

Signed on behalf of the Issuer:

  
\_\_\_\_\_  
Duly authorised

  
\_\_\_\_\_  
Duly authorised

Date of Final Terms: 2 February 2016



## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

- (i) Listing: Irish Stock Exchange
- (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 4 February 2016.
- (iii) Estimate of total expenses related to admission to trading: Listing fees: €600

### 2. RATINGS

Ratings: The Securities to be issued are expected to be rated as follows:

Standard & Poor's Credit Market Services Europe Limited (“**Standard & Poor's**”): AA+

Moody's Investors Service Limited (“**Moody's**”): Aa1

Fitch Ratings Limited (“**Fitch**”): A+

Credit ratings included or referred to in these Final Terms have been issued by Standard & Poor's, Moody's and Fitch, each of which is established in the European Union and is registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009, as amended on credit rating agencies.

### 3. NOTIFICATION

None.

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

Save for any fees payable to the Dealers, so far as the Issuer is aware, no person involved in the issue of the Securities has an interest material to the offer.

### 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: €994,410,000

(iii) Estimated total expenses: €600 (listing fees)

**YIELD** (*Fixed Rate Notes only*)

Indication of yield: 0.917 per cent.  
The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

**OPERATIONAL INFORMATION**

- (i) ISIN Code: XS1357663050
- (ii) Common Code: 135766305
- (iii) 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
- (iv) Delivery: Delivery against payment
- (v) Name(s) and address(es) of initial Paying Agent(s):  
Principal Paying Agent:  
The Bank of New York Mellon  
One Canada Square  
London E14 5AL  
United Kingdom
- (vi) Names and addresses of additional Paying Agent(s) (if any): None
- (vii) 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 recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.