

AIB Group plc

EUR 500,000,000

**Fixed Rate Reset Additional Tier 1 Perpetual Contingent Temporary Write Down Securities.
(the “Securities”)**

PRICING TERMSHEET

2 October 2019

Issuer	AIB Group plc (Ticker: “AIB”)
Description	Fixed Rate Reset Additional Tier 1 Perpetual Contingent Temporary Write Down Securities.
Issuer Ratings	Baa3(Positive)/BBB-(Stable)/BBB-(Positive) (M/ S/ F)
Expected Issue Ratings	Ba3 (Moody’s)
Ranking	Direct, unsecured, unguaranteed and subordinated obligations of the Issuer and rank <i>pari passu</i> , without any preference, among themselves
Format	Reg S, Registered
Currency / Size	EUR 500,000,000
Pricing Date	2 October 2019
Settlement Date	9 October 2019
First Reset Date	9 April 2025 and each fifth anniversary date thereafter (each a “Reset Date”)
Issue Price	100%
Re-offer Yield (Semi-Annual)	5.250%
Re-offer Yield (Annual)	5.319%
Re-offer Spread vs. €MS (Interpolated)	€MS+570.2 bps
5-yr Mid Swap Rate	-0.405%
6-yr Mid Swap Rate	-0.363%
Interpolated Mid Swap Rate	-0.383%
Margin	570.2 bps per annum
Interest	5.250% per annum from and including the Issue Date to but excluding the First Reset Date. Thereafter, the interest rate will be reset every 5 years to a fixed rate based on the then prevailing 5-year EUR mid-swap rate (subject to any Benchmark Event) + the initial margin of (no step-up)
Interest Payment Dates	Semi-annually in arrears on 9 April and 9 October of each year, beginning on 9 April 2020
Interest Payment	Fully discretionary and non-cumulative. Conditional upon the Issuer being solvent at the time of payment, sufficient Distributable Items being available and not exceeding the Maximum Distributable Amount and the Competent Authority not directing the Issuer to cancel an interest payment.
No set-off	No Holder may exercise, claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by the Issuer in respect of, arising under or in connection with the Securities and each Holder shall, by virtue of its holding of any such Security, be deemed to have waived all such rights of set-off.
Write Down	If the CET1 Ratio of the Group has fallen below 7%; then the Issuer shall, subject to certain conditions: (i) reduce the then Prevailing Principal Amount of each Security

	by the Write-Down Amount.; and
	(ii) irrevocably cancel any accrued and unpaid interest up to (but excluding) the Write- Down Date
Write Up	The Issuer shall have full discretion, to reinstate, to the extent permitted in compliance with the Regulatory Capital Requirements and subject to the Maximum Distributable Amount, any portion of the relevant Write Down Amount, subject to certain conditions including the Maximum Write Up Amount.
Optional redemption	The Issuer may, in its sole and full discretion but subject to the conditions to redemption (including Supervisory Permission and the Prevailing Principal Amount of each Security being equal to its Initial Principal Amount), redeem all (but not some only) of the Securities <ul style="list-style-type: none"> (i) on any day falling in the period commencing on (and including) 9 October 2024 and ending on (and including) the First Reset Date or (ii) on any Interest Payment Date thereafter, in each case at their Prevailing Principal Amount together with interest accrued and unpaid from and including the immediately preceding Interest Payment Date to but excluding the date fixed for redemption.
Early Redemption Events	Subject to certain conditions and regulatory approval, in whole (but not in part), upon the occurrence of a Tax Event or Capital Disqualification Event, at par.
Substitution & Variation	If a Tax Event (Additional Amounts only) or a Capital Disqualification Event has occurred and is continuing, then subject to certain conditions, the Issuer may either substitute all (but not some only) of the Securities for, or vary the terms of the Securities so that they remain, or as appropriate become, Compliant Securities.
Documentation	Standalone AT1 listing particulars to be approved by Euronext Dublin
Redemption due to Tax Event	If, prior to the giving of the notice, a Tax Event has occurred and is continuing, then the Issuer may, subject to the conditions to redemption (including Supervisory Permission) and certain other conditions elect to redeem in accordance with these Conditions at any time all, but not some only, of the Securities at their Prevailing Principal Amount, together with any accrued and unpaid interest thereon to (but excluding) the date fixed for redemption.
Redemption due to Capital Disqualification Event	If, prior to the giving of the notice, a Capital Disqualification Event has occurred and is continuing, then the Issuer may, subject to the conditions to redemption (including Supervisory Permission) and certain other conditions elect to redeem in accordance with these Conditions at any time all, but not some only, of the Securities at their Prevailing Principal Amount, together with any accrued and unpaid interest thereon to (but excluding) the date fixed for redemption.
Day Count Fraction	ACT/ACT, Unadjusted Following
Business Days	London, TARGET
Use of Proceeds	The net proceeds of the issue of the Securities will be used by the Issuer for general corporate purposes and to further strengthen the capital base of the Group
Listing	Global Exchange Market of Euronext Dublin
Denominations	€200,000 and integral multiples of €1,000 in excess thereof
Security Codes	ISIN: XS2056697951; Common Code: 205669795
Clearing Systems	Euroclear and Clearstream, Luxembourg

Governing Law	Irish law
Joint Lead Managers	BofA Merrill Lynch (B&D), Barclays, Goldman Sachs International, Goodbody, J.P. Morgan and Morgan Stanley (Structuring Advisor)
Co-Manager	Cantor Fitzgerald
Target Market	MiFID II professionals/ECPs-only / No PRIIPs KID / FCA CoCo restriction - Manufacturer target market (MiFID II product governance) is eligible counterparties and professional clients only (all distribution channels). No PRIIPs key information document (KID) has been prepared as not available to retail in EEA. No sales to retail clients, as defined under MiFID II.

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