

APPLICABLE FINAL TERMS**Final Terms dated 4 October 2018****AIB Group plc**

Legal entity identifier (LEI): 635400AKJBGNS5WNQL34

**Issue of U.S.\$750,000,000 4.750 per cent. Senior Unsecured Notes due 2023
under the U.S.\$10,000,000,000****Global Medium Term Note Programme****PART A – CONTRACTUAL TERMS**

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

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes 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 Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

Terms used herein shall be deemed to be defined as in the “*Description of the Notes*” in the Base Prospectus dated 2 October 2018. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Final Terms and the Base Prospectus are available for inspection at the London office of the Agent and the office of the Issuer and in electronic form on the website of the Issuer www.aibgroup.com (access through the “Investor Relations” link), the website of the Central Bank, www.centralbank.ie (for so long as the Central Bank decides to provide a service of publishing such documents on its website) and on the website of Euronext Dublin at www.ise.ie.

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| 1. | Issuer: | AIB Group plc |
| 2. | (i) Series Number: | 1 |
| | (ii) Tranche Number: | 1 |

(iii)	Date on which the Notes become fungible:	Not Applicable
3.	Specified Currency or Currencies:	United States dollar (“U.S.\$”)
4.	Aggregate Nominal Amount of Notes:	U.S.\$750,000,000
5.	Issue Price:	99.771 per cent. of the Aggregate Nominal Amount
6.	(i) Specified Denominations	U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof up to and including U.S.\$399,000.
	(ii) Calculation Amount:	U.S.\$1,000
7.	(i) Issue Date:	12 October 2018
	(ii) Interest Commencement Date:	Issue Date
8.	Maturity Date:	12 October 2023
9.	Interest Basis:	4.750 per cent. Fixed Rate
10.	Redemption/Payment Basis:	Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100 per cent. of their nominal amount
11.	Change of Interest Basis:	Not Applicable
12.	Put/Call Options:	Not Applicable
13.	(i) Status of the Notes:	Senior
	(ii) Loss Absorption Note:	Applicable
	(iii) Waiver Set-off:	Applicable – “No Set-off” applies
	(iv) Restricted Events of Default:	Applicable – Restricted Events of Default applies
	(v) Date Board approval for issuance of Notes obtained:	26 July 2018 (Board) and 26 September 2018 (Board Committee)
14.	Method of distribution:	Syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15.	Fixed Rate Note Provisions:	Applicable
	(i) Rate of Interest:	4.750 per cent. per annum payable semi-annually in arrear on each Interest Payment Date
	(ii) Interest Payment Date(s):	12 October and 12 April in each year, commencing on 12 April 2019
	(iii) Fixed Coupon Amount:	U.S.\$47.50 per Calculation Amount
	(iv) Broken Amount(s):	Not Applicable
	(v) Day Count Fraction:	30/360
	(vi) Determination Date(s):	Not Applicable
16.	Resettable Note provisions:	Not Applicable
17.	Floating Rate Note Provisions:	Not Applicable

PROVISIONS RELATING TO REDEMPTION

19.	Call Option:	Not Applicable
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| 20. | Put Option: | Not Applicable |
| 21. | Capital Disqualification Event for partial exclusion: | Not Applicable |
| 22. | Loss Absorption Disqualification Event: | Applicable |
| | – Loss Absorption Disqualification Event for partial exclusion: | Applicable |
| 23. | Final Redemption Amount of each Note: | U.S.\$1,000 per Calculation Amount |
| 24. | Early Redemption Amount: | |
| | – Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or on redemption following a Loss Absorption Disqualification Event: | U.S.\$1,000 per Calculation Amount |
| 25. | Substitution and Variation: | Applicable |

GENERAL PROVISIONS APPLICABLE TO THE NOTES

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| 26. | Form of Notes: | Restricted Global Note registered in the name of a nominee for DTC
Unrestricted Global Note registered in the name of a nominee for DTC |
| 28. | Green Bonds: | No |
| 29. | Financial Centre(s): | New York |

RESPONSIBILITY

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

PART B – OTHER INFORMATION

1. Listing

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| (i) Listing | Euronext Dublin |
| (ii) Admission to trading: | Application has been made for the Notes to be admitted to the Official List and to be admitted to trading on the regulated market of Euronext Dublin with effect from 12 October 2018. No assurance can be given that such listing will be obtained and/or maintained. |
| (iii) Estimate of total expenses related to admission to trading: | €1,000 |

2. Ratings

Ratings:

The Notes are expected to be rated:

Baa3 by Moody's Investor Services Limited ("Moody's");
BB+ by Standard & Poor's Credit Market Services Europe Limited ("S&P"); and
BBB- by Fitch Ratings Ltd. ("Fitch"),
on or shortly after the Issue Date.

No assurance can be given that such rating will be obtained and/or retained.

Each of Moody's, S&P and Fitch are established in the EU and registered under Regulation (EC) No 1060/2009 (the "CRA Regulation").

3. Interests of Natural and Legal Persons involved in the Issue:

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

4. Yield:

Indication of yield: 4.802 per cent. per annum

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

5. Operational Information:

ISIN – 144A Note:	US00135TAA25
ISIN – Reg S Note:	USG0R4HJAA41
CFI:	DBFUFR
FISN:	AIB GRP PLC/NT 2023 UNSEC 144A
CUSIP: – 144A Note:	00135T AA2
CUSIP – Reg S Note:	G0R4HJ AA4

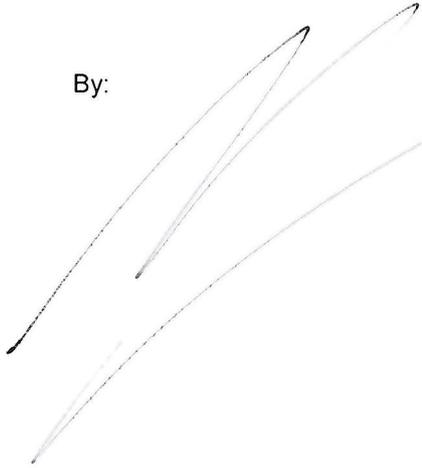
Any clearing system(s) other than Euroclear Bank SA/NV, Clearstream Banking, S.A. and The Depository Trust Company and the relevant identification number(s):	Not Applicable
Delivery	Delivery against payment
Name and address of additional Paying Agent(s) (if any):	Not Applicable
Name and address of Registrars:	The Bank of New York Mellon SA/NV, Luxembourg Branch 2-4 Rue Eugene Ruppert Vertigo Building – Polaris Luxembourg, 2453 Luxembourg

6. **Distribution:**

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| (i) Method of distribution: | Syndicated |
| (ii) If syndicated: | |
| (A) Names of Managers: | Barclays Capital Inc.
Citigroup Global Markets Inc.
Merrill Lynch, Pierce, Fenner & Smith Incorporated
Morgan Stanley & Co. LLC
Goldman Sachs & Co. LLC |
| (B) Stabilising Manager(s) (if any): | Morgan Stanley & Co. LLC |
| (iii) If non-syndicated, name of Dealer: | Not Applicable |
| (iv) U.S. Selling Restrictions: | Reg. S Compliance Category 2, Rule 144A |

Signed on behalf of **AIB GROUP PLC (as Issuer)**

By:

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By:

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