



## Euro 500m 7.375% PerpNC5 Additional Tier 1 Securities

Termsheet dated 26th November 2015

Summary Terms and Conditions	
Issuer:	Allied Irish Banks, p.l.c.
Securities:	Fixed Rate Reset Additional Tier 1 Perpetual Contingent Temporary Write-Down Securities (the "Securities")
Offering:	Reg S only
Status:	Unsecured and subordinated obligations of the Issuer ranking below Tier 2 instruments in the event of winding up
Issuer Rating:	Baa3 / BB+ / BB (Moody's / S&P/ Fitch) (positive/ stable/ positive)
Expected Rating of the Securities:	B- (Fitch)
Currency:	Euro
Nominal Amount:	EUR 500,000,000
Pricing Date:	26 November 2015
Settlement Date:	3 December 2015 (T+5)
Maturity Date:	Perpetual
First Reset Date:	3 December 2020
Interest:	<p>7.375% on the Prevailing Principal Amount up to the First Reset Date, thereafter reset every 5 years at the Reset Rate of Interest being the then prevailing 5-year Euro Mid-Swap Rate plus Margin, and such sum converted from an annual to a semi-annual basis</p> <p>Interest will be payable semi-annually in arrear on 3 June and 3 December of each year (Interest Payment Dates)</p>
Day Count Fraction:	Actual/Actual (ICMA), unadjusted
Business Day Convention:	Following
Interest Cancellation:	<p><b>Optional Cancellation:</b> The Issuer may elect at its sole and full discretion to cancel (in whole or in part) the interest otherwise scheduled to be paid on any Interest Payment Date</p> <p><b>Mandatory Cancellation:</b> The Issuer may elect to pay interest only to the extent that it has sufficient Distributable Items; and subject to Maximum Distribution Amount (MDA) restrictions and Solvency Condition (as described in the Prospectus)</p> <p>Interest cancellation will be non-cumulative</p>

Optional Redemption:	The Issuer may, at its discretion, redeem in whole but not in part all of the outstanding Securities on the First Reset Date or on any Interest Payment Date thereafter at their Prevailing Principal Amount together with interest accrued, subject to the Prevailing Principal Amount being equal to the Initial Principal Amount
Trigger Event:	CET1 ratio of either the Issuer or Group falling below 7% (calculated on a transitional basis)
Write-Down following a Trigger Event:	The Prevailing Principal Amount of the Securities will be reduced to the extent that would result in the CET1 Ratio of the Bank and the Group being 7% (calculated on a transitional basis); subject to a floor for the Prevailing Principal Amount at zero, as described in the Prospectus
Write-Up:	At the option of the Issuer, the principal amount of the Securities may be reinstated under certain conditions, up to a maximum of the Initial Principal Amount, as described in the Prospectus
Prevailing Principal Amount:	Equal to the Initial Principal Amount, adjusted from time to time for any Write-Down and/or Write-up
Initial Principal Amount:	EUR 500,000,000
Redemption for taxation reasons:	Upon the occurrence of a Tax Event as described in the Prospectus, the issuer may, at its option, redeem in whole but not in part all of the outstanding Securities at the Prevailing Principal Amount
Redemption for Regulatory Reasons:	Upon the occurrence of a Capital Disqualification Event as described in the Prospectus, the issuer may redeem in whole but not in part all of the outstanding Securities at the Prevailing Principal Amount "Capital Disqualification Event" is deemed to occur if the Securities are excluded in whole or in part from the Bank's and/or Group's Tier 1 Capital
Substitution or Variation of the Terms:	Upon the occurrence of a Tax Event or Capital Disqualification Event, provided the terms are not materially less favourable to a Holder, as described in the Prospectus
Joint Structuring Advisers:	Deutsche Bank, Morgan Stanley
Joint Lead Managers:	BofA Merrill Lynch, Davy, Deutsche Bank, Goodbody, HSBC, Morgan Stanley
Co-lead Manager:	Cantor Fitzgerald
<b>Pricing Terms</b>	
Re-offer Price:	100.00
Re-offer Yield (annual):	7.511% p.a.
5yr Euro Mid-Swap Rate (annual):	0.172% p.a.
Margin:	7.339%
Fees:	Total fee of 1% of the Nominal Amount; with 0.34% of the Nominal Amount apportioned equally amongst the Joint Structuring Advisers and 0.643% of the Nominal Amount apportioned equally amongst the Joint Lead Managers and the rest for the Co-lead Manager
All-in Price:	99.00
All-in Yield (annual):	7.764% p.a.
Gross Proceeds:	EUR 500,000,000
Net Proceeds:	EUR 495,000,000

Denomination:	EUR 200,000 and integral multiples of EUR 1,000 in excess thereof
<b>Other Terms</b>	
ISIN:	XS1328798779
Business Day Centre:	TARGET
Listing:	Irish Stock Exchange (Regulated market)
Documentation:	Standalone Prospectus
Selling restrictions:	US ( Reg S only), UK, Ireland – see Prospectus for details
Statutory Loss Absorption:	Risk Factors in the Prospectus (Risk factor entitled “The RRD and the SRM Regulation provide for resolution tools that may have a material adverse effect on the Group and the Securities”)
Governing Law:	English Law, except for subordination and set-off provisions governed by Irish law

### **Disclaimer**

This document has been prepared by the Joint Lead Managers for information purposes only. The terms set out herein are subject to the completion of final documentation, including any relevant underwriting or subscription agreement (and satisfaction of any conditions precedent therein) and any necessary disclosure documentation.

This document is confidential and is only for the information of the Issuer and the Joint Lead Managers. It has not been prepared for, should not be provided to, and should not be relied upon by, any investor or any other person for any purpose.