

AIB Group plc**EUR 625,000,000****Fixed Rate Reset Additional Tier 1 Perpetual Contingent Temporary Write Down Securities
(the “Securities”)****PRICING TERMSHEET****16 June 2020**

Issuer	AIB Group plc (Ticker: “AIB”)
Description	Fixed Rate Reset Additional Tier 1 Perpetual Contingent Temporary Write Down Securities
Issuer Ratings	Baa2 (Stable)/BBB- (Negative)/BBB (Negative) (M/ S/ F)
Expected Issue Ratings	Ba2 (Moody’s)
Ranking	Direct, unsecured, unguaranteed and subordinated obligations of the Issuer and rank <i>pari passu</i> , without any preference, among themselves and with Other Pari Passu Instruments and the most senior class or classes of preference shares (if any) from time to time issued or which may be issued by the Issuer, and ahead of all other classes of issued shares for the time being in the capital of the Issuer, but ranking junior to the claims of Senior Creditors
Format	Reg S, Registered
Currency / Size	EUR 625,000,000
Pricing Date	16 June 2020
Settlement Date	23 June 2020 (T+5)
Maturity Date	Perpetual
First Reset Date	23 December 2025 and each fifth anniversary date thereafter (each a “Reset Date”)
Issue Price	100%
Re-offer Yield (Semi-Annual)	6.250%
Re-offer Yield (Annual)	6.348%
Re-offer Spread vs. €MS (Interpolated)	€MS+662.9 bps
5-yr Mid Swap Rate	-0.295%
6-yr Mid Swap Rate	-0.267%
Interpolated Mid Swap Rate	-0.281%
Margin	662.9 bps per annum
Interest	6.250% 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 margin (no step-up) with such sum converted from an annual to a semi-annual basis
Interest Payment Dates	Semi-annually in arrear on 23 June and 23 December of each year, beginning on 23 December 2020
Interest Payment	Fully discretionary and non-cumulative. Conditional upon satisfaction of the Solvency Condition, sufficient Distributable Items being available and not exceeding the Maximum Distributable Amount, and the Competent Authority not directing the Issuer to cancel any interest payment

Solvency Condition	Except in the event of a Winding-Up, all payments in respect of or arising from (including any damages awarded for breach of any obligations under) the Securities (other than payment to the Trustee for its own account under the Trust Deed) are, in addition to the right or obligation of the Issuer to cancel payments of interest, conditional upon the Issuer being solvent at the time of payment by the Issuer and no payments of principal, interest or other amounts shall be due and payable in respect of or arising from the Securities or the Trust Deed (other than payments to the Trustee for its own account under the Trust Deed) except to the extent that the Issuer could make such payment and still be solvent immediately thereafter
No set-off	No Holder may exercise or 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, or arising under or in connection with, the Securities or the Trust Deed and each Holder will, by virtue of their holding of any Security, be deemed, to the fullest extent permitted under applicable law, to have waived all such rights of set-off, compensation or retention
Write Down	If the CET1 Ratio of the Group has fallen below 7%: (a) the Issuer shall, immediately, inform the Competent Authority; (b) the Issuer shall without delay, deliver a Trigger Event Notice to Holders (in accordance with Condition 15), the Trustee, the Registrar and the Principal Paying Agent which notice shall be irrevocable; (c) any accrued and unpaid interest up to (but excluding) the Write Down Date shall be automatically and irrevocably cancelled; and (d) the then Prevailing Principal Amount of each Security shall be automatically and irrevocably reduced by the Write Down Amount
Write Up	To the extent permitted in compliance with the Regulatory Capital Requirements and subject to the Maximum Distributable Amount, the Issuer shall have full discretion to reinstate, any portion of the principal amount of each Security which has been Written Down and which has not previously been Written Up, on a pro rata basis with the write up of all Written Down Additional Tier 1 Instruments (if any), and subject to certain conditions including the Maximum Write Up Amount
Acknowledgement of Irish Statutory Loss Absorption Powers	Each holder acknowledges and accepts that any liability arising under the Securities may be subject to the exercise of Irish Statutory Loss Absorption Powers by the Relevant Resolution Authority and acknowledges, accepts, consents to and agrees to be bound by: (i) the effect of the exercise of any Irish Statutory Loss Absorption Powers by the Relevant Resolution Authority; and (ii) the variation of the terms of the Securities as deemed necessary by the Relevant Resolution Authority, to give effect to the exercise of any Irish Statutory Loss Absorption Powers by the Relevant Resolution Authority
Events of Default	No events of default
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 (i) on any day falling in the period commencing on (and including) 23 June 2025 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

Special Redemption Events	The Issuer may, in its sole and full discretion but subject to certain conditions (including Supervisory Permission), in whole (but not in part), upon the occurrence of a Tax Event (Additional Amounts and Deductibility) or Capital Disqualification Event, at their Prevailing Principal Amount
Substitution & Variation	If a Tax Event (Additional Amounts and Deductibility) or a Capital Disqualification Event has occurred and is continuing, then subject to certain conditions (including Supervisory Permission), 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
Purchases	The Issuer may, subject to certain conditions (including Supervisory Permission), purchase (or otherwise acquire) the Securities in any manner and at any price beneficially for its account
Documentation	Standalone AT1 listing particulars to be approved by Euronext Dublin. Preliminary Listing Particulars dated 16 June 2020. All capitalised terms not defined in this term sheet shall have the meaning given to them in the Conditions set out in the Preliminary Listing Particulars
Risk Factors	As set out in the “Risk Factors” section in the Listing Particulars
Day Count Fraction	ACT/ACT, 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, and optimise, the capital base of the Group, including to fund the concurrent tender offer announced 16 June 2020, by Allied Irish Banks, p.l.c., with regard to its €500,000,000 Fixed Rate Reset Additional Tier 1 Perpetual Contingent Temporary Write-Down Securities (ISIN XS1328798779)
Listing	Global Exchange Market of Euronext Dublin
Denominations	€200,000 and integral multiples of €1,000 in excess thereof
Security Codes	ISIN: XS2010031057; Common Code: 201003105
Clearing Systems	Euroclear and Clearstream, Luxembourg
Governing Law	Irish law
Structuring Agent to the Issuer	J.P. Morgan Securities Plc
Joint Lead Managers	BofA Securities, Goldman Sachs International, Goodbody Stockbrokers UC, J.P. Morgan Securities Plc, NatWest Markets N.V., UBS Investment Bank
Co-Manager(s)	JB Capital
Fees	0.80%
Net Proceeds	EUR 620,000,000
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 or in the UK. No sales to retail clients, as defined under MiFID II

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