

Final Terms dated 29 June 2018

**AIB Group plc**

Issue of €500,000,000 Senior Unsecured 2.250 per cent. Notes due 2025  
under the €10,000,000,000

**Euro 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 “**PRIPs 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 PRIPs Regulation.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 14 March 2018 and the supplemental prospectus dated 25 June 2018, which together constitute a base prospectus for the purposes of the Prospectus Directive. 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, as so supplemented. 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, as so supplemented. The Final Terms and the Base Prospectus and the supplemental 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](http://www.aibgroup.com) (access through the “Investor Relations” link), the website of the Central Bank, [www.centralbank.ie](http://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 The Irish Stock Exchange plc trading as Euronext Dublin at [www.euronext.com/en/euronext-dublin](http://www.euronext.com/en/euronext-dublin).

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|----|---------------------------|---------------|
| 1. | <b>Issuer:</b>            | AIB Group plc |
| 2. | (i) <b>Series Number:</b> | 2             |

- (ii) Tranche Number: 1
- (iii) Date on which the Notes become fungible: Not Applicable
- 3. **Specified Currency or Currencies:** Euro ("EUR")
- 4. **Aggregate Nominal Amount of Notes:** EUR500,000,000
- 5. **Issue Price:** 99.444 per cent. of the Aggregate Nominal Amount
- 6. (i) **Specified Denominations:** EUR100,000 and integral multiples of EUR1,000 in excess thereof up to and including EUR199,000. No Notes in definitive form will be issued with a denomination above EUR199,000.
- (ii) **Calculation Amount:** EUR1,000
- 7. (i) **Issue Date:** 3 July 2018
- (ii) **Interest Commencement Date:** Issue Date
- 8. **Maturity Date:** 3 July 2025
- 9. **Interest Basis:** 2.250 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 of Set-off:** Applicable – Condition 3(b) applies
- (iv) **Restricted Events of Default:** Applicable – Condition 9(b) applies
- 14. **Method of distribution:** Syndicated

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

- 15. **Fixed Rate Note Provisions:** Applicable
  - (i) **Rate of Interest:** 2.250 per cent. per annum payable annually in arrear on each Interest Payment Date
  - (ii) **Interest Payment Date(s):** 3 July in each year commencing on 3 July 2019, up to and including the Maturity Date

- (iii) Fixed Coupon Amount: EUR22.50 per Calculation Amount
- (iv) Broken Amount(s): Not Applicable
- (v) Day Count Fraction: Actual/Actual – ICMA
- (vi) Determination Date(s): Not Applicable
- 16. **Resettable Note provisions:** Not Applicable
- 17. **Floating Rate Note Provisions:** Not Applicable
- 18. **Zero Coupon Note Provisions:** Not Applicable

#### PROVISIONS RELATING TO REDEMPTION

- 19. **Call Option:** Not Applicable
- 20. **Put Option:** Not Applicable
- 21. **Loss Absorption Disqualification Event:** Applicable
  - Loss Absorption Disqualification Event for partial exclusion: Applicable
- 22. **Final Redemption Amount of each Note:** EUR1,000 per Calculation Amount
- 23. **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: EUR1,000 per Calculation Amount
- 24. **Substitution and Variation:** Applicable

#### GENERAL PROVISIONS APPLICABLE TO THE NOTES

- 25. **Form of Notes:** Bearer Notes:  
Temporary Global Note exchangeable for Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note
- 26. **New Global Note:** No
- 27. **Green Bonds:** No

28. **Financial Centre(s):** London and TARGET2
29. **Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature):** No

#### **RESPONSIBILITY**

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

Signed on behalf of the Issuer:

By:

By:



A handwritten signature in blue ink, appearing to read 'K. Smith', is written over a large, sweeping, light-colored scribble that spans across the top right portion of the page.

## PART B – OTHER INFORMATION

### 1. Listing

- (i) Listing: The Irish Stock Exchange plc trading as Euronext Dublin (“**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 3 July 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: EUR600

### 2. Ratings

- Ratings: The Notes are expected to be rated:  
Ba2 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 about 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. Fixed Rate Notes only – Yield

- Indication of yield: 2.337 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: XS1849550592
- Common Code: 184955059
- CFI: DTFXFB
- FISN: ALLIED IRISH BA/1EMTN 20250703

Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking, S.A. and the relevant identification number(s):	Not Applicable
Delivery:	Delivery against payment
Name and address of additional Paying Agent(s) (if any):	Not Applicable
Intended to be held in a manner which would allow Eurosystem eligibility:	No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.

## 6. Distribution

(i) Method of distribution:	Syndicated
(ii) If syndicated:	
(A) Names of Managers:	<b>Joint Lead Managers</b> Deutsche Bank AG, London Branch HSBC Bank plc J&E Davy t/a Davy Nomura International plc UBS Limited <b>Co-Managers</b> Cantor Fitzgerald Ireland Limited Goodbody Stockbrokers UC
(B) Stabilising Manager(s) (if any):	Deutsche Bank AG, London Branch
(iii) If non-syndicated, name of Dealer:	Not Applicable
(iv) U.S. Selling Restrictions:	Reg. S Compliance Category 2 TEFRA D