

Final Terms dated 28 September 2020

AIB Group plc

Legal Entity Identifier (LEI): 635400AKJBGNS5WNQL34

Issue of €1,000,000,000 Fixed Rate Callable Resetable Subordinated Notes due 2031
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 AND UK 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**”) or in the UK. 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; or (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. 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 or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs 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 21 September 2020 which constitutes a base prospectus for the purposes of Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”). This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation 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.

- | | | | |
|----|----------------|-----------------|---------------|
| 1. | Issuer: | | AIB Group plc |
| 2. | (i) | Series Number: | 5 |
| | (ii) | Tranche Number: | 1 |

	(iii)	Date on which the Notes become fungible:	Not Applicable
3.		Specified Currency or Currencies:	Euro (“€”)
4.		Aggregate Nominal Amount of Notes:	€1,000,000,000
5.		Issue Price:	99.952 per cent. of the Aggregate Nominal Amount
6.	(i)	Specified Denominations:	€100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000. No Notes in definitive form will be issued with a denomination above €199,000
	(ii)	Calculation Amount:	€1,000
7.	(i)	Issue Date:	30 September 2020
	(ii)	Interest Commencement Date:	Issue Date
8.		Maturity Date:	30 May 2031
9.		Interest Basis:	2.875 per cent. Resettable Notes
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:	Call (further particulars specified at item 19 below)
13.		Status of the Notes:	Subordinated
14.		Method of distribution:	Syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15.		Fixed Rate Note Provisions:	Not Applicable
16.		Resettable Note provisions:	Applicable
	(i)	Initial Rate of Interest:	2.875 per cent. per annum payable annually in arrear (subject as provided below)
	(ii)	First Margin:	+ 3.30 per cent. per annum
	(iii)	Subsequent Margin:	Not Applicable
	(iv)	Resettable Note Interest Payment Date(s):	30 May in each year commencing on 30 May 2021, up to and including the Maturity Date, with a short first coupon payable on 30 May 2021 of €19.06 per Calculation Amount
	(v)	First Resettable Note Reset Date:	30 May 2026 (unadjusted)
	(vi)	Second Resettable Note Reset Date:	Not Applicable

(vii)	Subsequent Resetable Note Reset Date:	Not Applicable
(viii)	Business Day Convention:	Not Applicable
(ix)	Business Centre(s):	London and TARGET2
(x)	Reset Rate:	Single Mid-Swap Rate
(xi)	Relevant Screen Page:	Reuters screen ICESWAP2
(xii)	Mid-Swap Maturity:	Six months
(xiii)	Fixed Leg Swap Duration:	Annual
(xiv)	Benchmark Duration:	Fixed Leg Swap Duration
(xv)	Subsequent Reset Rate Time:	Not Applicable
(xvi)	Day Count Fraction:	Actual/Actual – ICMA
17.	Floating Rate Note Provisions:	Not Applicable
18.	Zero Coupon Note Provisions:	Not Applicable

PROVISIONS RELATING TO REDEMPTION

19.	Call Option:	Applicable
(i)	Optional Redemption Date(s):	30 May 2026
(ii)	Optional Redemption Amount(s) of each Note:	€1,000 per Calculation Amount
(iii)	If redeemable in part:	
	(a) Minimum Redemption Amount:	Not Applicable
	(b) Maximum Redemption Amount:	Not Applicable
(iv)	Notice period:	As set out in the Conditions
20.	Put Option:	Not Applicable
21.	Capital Disqualification Event for partial exclusion:	Applicable
22.	Loss Absorption Disqualification Event:	Not Applicable
23.	Final Redemption Amount of each Note:	€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 for regulatory reasons: €1,000 per Calculation Amount
25. **Substitution and Variation:** Applicable

GENERAL PROVISIONS APPLICABLE TO THE NOTES

26. **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
27. **Governing Law:** Irish Law Notes
28. **New Global Note:** No
29. **Green Bonds:** Yes
- (i) **Reviewer(s):** Sustainalytics has evaluated the Green Bond Framework and confirmed its alignment with the Green Bond Principles 2018 in the Second Party Opinion, which is available on the Issuer’s website at: <https://aib.ie/content/dam/aib/investorrelations/docs/debt-investors/green-bonds/aib-second-party-opinion-sustainalytics.pdf>
- (ii) **Date of Second Party Opinion(s):** 18 August 2020
30. **Financial Centre(s):** London and TARGET2
31. **Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature):** No

USE OF PROCEEDS

An amount equal to the net proceeds from the issue of the Notes will (subject as set out below) be allocated to an Eligible Green Project Portfolio (as defined in “*Green Bond Framework Overview*” of the Base Prospectus and selected in accordance with the criteria set out in the “*Green Bond Framework Overview—Use of Proceeds*” and “*—Process for Project Evaluation and Selection*” of the Base Prospectus). Whilst any portion of an amount equal to the net proceeds of the Notes remains unallocated, the Group will hold and/or invest, at its own

discretion, in its treasury liquidity portfolio, in cash or other liquid instruments, the balance of an amount equal to the net proceeds not yet allocated to the Eligible Green Project Portfolio.

RESPONSIBILITY

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

Signed on behalf of the Issuer:



By:

Duly authorised



By:

Duly authorised

PART B – OTHER INFORMATION

1. Listing

- (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 30 September 2020. 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 Investors Service Limited (“**Moody's**”)
An obligation rated ‘Baa’ is judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics. The modifier ‘3’ indicates a ranking in the lower end of that generic rating category.
(Source: <https://www.moody.com/ratings-process/Ratings-Definitions/002002>)
 - BB by S&P Global Ratings Europe Limited (“**S&P**”)
An obligation rated ‘BB’ is less vulnerable to non-payment than other speculative issues. However, it faces major ongoing uncertainties or exposure to adverse business, financial, or economic conditions that could lead to the obligor's inadequate capacity to meet its financial commitments on the obligation.
(Source: https://www.standardandpoors.com/en_US/web/guest/article/-/view/sourceId/504352)
 - BB+ by Fitch Ratings Limited (“**Fitch**”)
An obligation rated ‘BB’ indicates an elevated vulnerability to default risk, particularly in the event of adverse changes in business or economic conditions over time; however, business or financial flexibility exists that supports the servicing of financial commitments. The modifier ‘+’ appended to the rating denotes relative status within major rating categories.
(Source: <https://www.fitchratings.com/products/rating-definitions#about-rating-definitions>)
- No assurance can be given that such rating will be obtained and/or retained.

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

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. **Estimated Net Proceeds**

Estimated net proceeds: €995,020,000

5. **Fixed Rate Notes only – Yield**

Indication of yield: 2.886 per cent. per annum up to (but excluding) the First Resettable Note Reset Date

The yield is calculated on the basis of the Rate of Interest applicable up to (but excluding) the First Resettable Note Reset Date and the Issue Price as at the Issue Date. It is not an indication of future yield.

6. **Operational Information**

ISIN: XS2230399441

Common Code: 223039944

CFI: DTFUFB, as updated, as set out on the website of the Association of National Number Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN

FISN: ALLIED IRISH BA/1EMTN 20250415, as updated, as set out on the website of the Association of National Number Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN

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.

7. **Distribution**

- (i) Method of distribution: Syndicated
- (ii) If syndicated:
 - (A) Names of Managers: **Joint Lead Managers**
Citigroup Global Markets Limited
HSBC Bank plc
ING Bank N.V.
J&E Davy t/a Davy
J.P. Morgan Securities plc
Morgan Stanley & Co. International plc
Co-Manager
Cantor Fitzgerald Ireland Limited
 - (B) Stabilisation Manager(s)
(if any): Morgan Stanley & Co. International plc
- (iii) If non-syndicated, name of Dealer: Not Applicable
- (iv) U.S. Selling Restrictions: Reg. S Compliance Category 2, TEFRA D