

FINAL TERMS

Final Terms dated 2 February 2023

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Class A 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 (the “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; or (ii) a customer within the meaning of the Insurance Distribution Directive 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) 1286/2014 (as amended, the “PRIIPs Regulation”) for offering or selling the Class A Notes or otherwise making them available to retail investors in the EEA has been prepared and, therefore, offering or selling the Class A Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

UK MiFIR PRODUCT GOVERNANCE / TARGET MARKET – Solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the Class A Notes has led to the conclusion that: (i) the target market for the Class A Notes is eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (“COBS”), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“UK MiFIR”); and (ii) all channels for distribution of the Class A Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Class A Notes (a “distributor”) should take into consideration the manufacturers’ target market assessment; however, a distributor subject to the FCA Handbook Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the Class A Notes (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels.

PROHIBITION OF SALES TO UK RETAIL INVESTORS - The Class A 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 United Kingdom (“UK”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended (the “EUWA”); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (“FSMA”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the “UK PRIIPs Regulation”) for offering or selling the Class A Notes or otherwise making them available to retail investors in the UK has been prepared and, therefore, offering or selling the Class A Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

AA Bond Co Limited

Legal entity identifier (LEI): 2138002EPF6QVRZBMC58

Issue of Sub-Class A11 £400,000,000 8.450 per cent. Fixed Rate Class A Notes
under the £5,000,000,000 multicurrency Programme for the issuance of Class A Notes

PART A - CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the conditions set forth in the Base Prospectus dated 24 June 2022 and the supplemental base prospectus dated 12 January 2023 which together constitute a base prospectus (the “**Base Prospectus**”) for the purposes of Regulation (EU) 2017/1129 as supplemented by Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 (the “**Prospectus Regulation**”). This document constitutes the Final Terms of the Class A Notes described herein for the purposes of Article 8 of the Prospectus Regulation and must be read in conjunction with such Base Prospectus. Full information on the Issuer and the offer of the Class A Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus and the supplemental base prospectus are available for viewing at www.theaacorporate.com and copies may be obtained from the Specified Office of the Class A Paying Agents.

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| 1 | Issuer: | AA Bond Co Limited |
| 2 | (i) Sub-Class and Tranche Number: | 1 of Sub-Class A11 |
| | (ii) Date on which the Class A Notes will be consolidated and form a single series: | Not Applicable |
| 3 | Specified Currency or Currencies: | Pound Sterling (“£”) |
| 4 | Aggregate Nominal Amount of Class A Notes: | |
| | (i) Sub-Class: | £400,000,000 |
| 5 | Issue Price: | 99.803% of the Aggregate Nominal Amount |
| 6 | (i) Specified Denominations | £100,000 and integral multiples of £1,000 in excess thereof up to and including £99,000. No Class A Notes in definitive form will be issued with a denomination of integral multiples above £99,000. |
| | (ii) Calculation Amount: | £1,000 |
| 7 | (i) Issue Date: | 6 February 2023 |
| | (ii) Class A Interest Commencement Date: | Issue Date |
| 8 | (i) Expected Maturity Date: | 31 January 2028 |
| | (ii) Cash Accumulation: | Not Applicable |
| | (iii) Final Maturity Date: | 31 July 2050 |
| 9 | Instalment Date: | Not Applicable |
| 10 | Interest Basis: | Fixed Rate Class A Notes |
| 11 | Redemption/Payment Basis: | Redemption at Expected Maturity/Final Redemption |
| 12 | Call Options: | Issuer Optional Redemption—Class A Condition 7(c) applies Class B Call Option—Class A Condition 7(h) applies Modified Optional Redemption—Class A Condition 7(k) applies |

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| 13 | Date Board approval for issuance of Class A Notes obtained: | 19 January 2023 |
| 14 | Method of Syndication: | Syndicated |
| | (i) Name of Dealer(s): | Barclays Bank PLC, J.P. Morgan Securities plc, Lloyds Bank Corporate Markets plc and Citigroup Global Markets Limited |
| | (ii) Name of Stabilising Manager | Barclays Bank PLC |
| 15 | Fallback provisions: | Not Applicable |
| 16 | Relevant Financial Centre: | London |
| 17 | Additional Financial Centre(s): | Not Applicable |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

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| 18 | Fixed Rate Note Provisions: | Applicable |
| | (i) Class A Initial Interest Rate: | 8.450 per cent. per annum payable semi-annually in arrear on each Interest Payment Date |
| | (ii) Class A Revised Interest Rate: | 8.950 per cent. per annum payable semi-annually/quarterly in arrear on each Interest Payment Date |
| | (iii) Interest Payment Date(s): | 31 January and 31 July in each year |
| | (iv) First Interest Payment Date: | 31 July 2023 |
| | (v) Class A Note Interest Amount(s): | £40.85 per Calculation Amount in respect of the period from (and including) the Class A Interest Commencement Date to (but excluding) the first Interest Payment Date £42.25 per Calculation Amount in respect of each Class A Note Interest Period from (and including) the first Interest Payment Date up to (but excluding) the Expected Maturity Date and £44.75 in respect of each Class A Note Interest Period from (and including) the Expected Maturity Date to (but excluding) the Final Maturity Date |
| | (vi) Day Count Fraction: | Actual/Actual (ICMA) |
| | (vii) Reference Gilt: | UK Treasury 0.125 per cent. due 31 January 2028 |
| | (viii) Comparable German Bund Issue: | Not Applicable |
| | (ix) Comparable United States Treasury Securities: | Not Applicable |
| 19 | [Reserved] | |

PROVISIONS RELATING TO REDEMPTION

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| 20 | Issuer Optional Redemption: | Applicable in accordance with Class A Condition 7(c) |
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| | (i) Optional Redemption Date(s): | Any Interest Payment Date up to but excluding the day that is 3 months prior to the Expected Maturity Date |
| | (ii) Redemption Amount(s) of each Class A Note: | As set out in Class A Condition 7(c) |
| | (iii) Redemption Margin | 0.500 per cent. |
| | (iv) If redeemable in part: | |
| | (a) Minimum Redemption Amount: | Not Applicable |
| | (b) Maximum Redemption Amount: | Not Applicable |
| | (v) Notice period: | As set out in Class A Condition 7(c) |
| 21 | Modified Optional Redemption: | Applicable in accordance with Class A Condition 7(k) |
| | (i) Call Date(s): | Each date occurring on or after the date falling three months prior to the Expected Maturity Date but excluding the Expected Maturity Date |
| | (ii) Redemption Amount(s) of each Class A Note: | In respect of each Call Date, 100 per cent. of the Principal Amount Outstanding of the Sub-Class A11 Notes, plus any accrued but unpaid interest through to (but excluding) the relevant Call Date |
| | (iii) Notice Period: | 5 Business Days prior to the relevant Call Date |
| 22 | Escrow Arrangements: | Not Applicable |
| 23 | Redemption Amount of each Class A Note: | For purposes of Class A Conditions 7(c) and 7(e), as set out in Class A Condition 7(c) |
| 24 | Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption: | As set out in Class A Condition 7 |

GENERAL PROVISIONS APPLICABLE TO THE CLASS A NOTES

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| 25 | Form of Class A Notes: | Bearer |
| | (i) If issued in Bearer form: | Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Class A Definitive Notes in the limited circumstances specified in the Permanent Global Note (TEFRA D Rules apply). |
| | (ii) If Class A Registered Notes: | Not Applicable |
| 26 | New Global Note: | No |
| 27 | Relevant Financial Centre(s): | London |
| 28 | Class A Talons for future Class A Coupons or Class A Receipts to be attached to Class A Definitive Notes (and dates on which such Class A Talons mature): | Applicable |
| 29 | Details relating to Instalment Notes: | Not Applicable |

Signed on behalf of the Issuer:



By: ~~MARIANNE~~ NEVILLE

Duly authorised

PART B – OTHER INFORMATION

1 LISTING AND ADMISSION TO TRADING

- (i) Listing Ireland
- (ii) Admission to trading: Application has been made to the Irish Stock Exchange plc (trading as Euronext Dublin) by the Issuer (or on its behalf) for the Class A Notes to be admitted to the Official List and trading on the Regulated Market of Euronext Dublin with effect from 6 February 2023.
- (iii) Estimate of total expenses related to admission to trading: Expected to be approximately €1,000

2 RATINGS

- Ratings: The Class A Notes to be issued are expected to be rated: S&P Global Ratings UK Limited (“S&P”): BBB- (stable)
- According to the S&P definitions available as at the date of these Final Terms at <https://www.spglobal.com/ratings/en/research/articles/190705-s-p-global-ratings-definitions-504352>, an obligation rated 'BBB' exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to weaken the obligor's capacity to meet its financial commitments on the obligation.

3 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER

Save as discussed in “*Subscription and Sale*” in the Base Prospectus, so far as the Issuer is aware, no person involved in the offer of the Class A Notes has an interest material to the offer.

4 REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- Reasons for the offer: See “*Use of Proceeds*” in the Base Prospectus.
- Estimated net proceeds: £397,587,000

5 YIELD (Fixed Rate Class A Notes only)

- Indication of yield: 8.500 per cent. (semi-annual)

5 OPERATIONAL INFORMATION

- Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking Société Anonyme and the relevant identification number(s): Not Applicable
- Delivery: Delivery against payment
- Names and addresses of additional Class A Paying Agent(s) (if any): Not Applicable
- Name and address of Calculation Agent (if any): Not Applicable
- ISIN Code: XS2580220171

Common Code:

258022017

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 Class A Notes are capable of meeting them, the Class A Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Class A 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.