



10th May 2021

AIB raises €750m in latest green bond issuance

- **Brings to €1.75bn proceeds raised from green bonds in less than a year**
- **Investors attracted by AIB's strong sustainability credentials**

AIB today raised €750 million after completing its second green bond issuance in less than a year. The proceeds will contribute to the financing of projects with clear environmental and climate change benefits and further strengthen AIB's capital position. Today's €750m issuance follows last September's €1bn issuance which was the first green bond issued by an Irish bank.

AIB Chief Executive Officer Colin Hunt said: "Investors are increasingly considering Environmental, Social and Governance (ESG) factors when it comes to making investment decisions. Many ESG investors believe firms can "do well by doing good" as they seek to future-proof themselves by managing risk more effectively, delivering sustainable longer-term returns for shareholders and having a positive impact on the economies and societies in which they operate.

"Managing climate change is the greatest challenge facing this generation and at AIB we are determined to play a significant role in helping the Government and European Union meet their carbon reduction targets. AIB's ambition is that green lending accounts for 70% of overall new lending by 2030. Last year we lent almost €1.5 billion to back a range of green initiatives including renewable energy projects, low carbon offices and the construction and purchase of energy efficient homes. Today's green bond issuance represents another vote of confidence by investors in AIB's sustainability credentials, further strengthens our capital position and leaves us well placed to support a sustainable economic recovery as we emerge from the Covid crisis."

The issuance garnered an order book of more than €1.5 billion at its peak, representing a twice oversubscribed book. The investor demand allowed AIB to reduce the price it pays for funds by 20bps to a landing spread of the mid-swaps benchmark of +75bps. Today's €750m issuance contributes to AIB's ongoing Minimum Required Eligible Liabilities (MREL). AIB closed full year 2020 with an MREL ratio of 30.0% of Risk Weighted Assets (RWA's) ahead of the expected interim target for January 2022 of 27.1%.

Banks that issue green bonds use the funds raised to finance or re-finance eligible green projects. In order to be labelled green, the AIB bond must comply with the International Capital Markets Association's Green Bond Principles governing the use of the bond proceeds and related transparency and reporting requirements.

Investors are increasingly attracted by AIB's externally validated sustainability credentials.

Last month, AIB received an ESG ratings upgrade from Sustainalytics. With an improved low risk ESG score of 14.5, AIB now ranks 53rd out of 1,047 banks globally which benchmarks very favourably to our peer group and demonstrates AIB's significant progress in advancing the sustainability agenda.

In July, AIB was included in the FTSE4Good Index Series which identifies companies that demonstrate strong ESG practices measured against globally recognised standards. AIB is also highly

rated by ESG ratings agencies MSCI and SAM and in December, AIB was once again included on the Carbon Disclosure Project's Global 'A list' which recognises companies leading on environmental transparency and action.

Notes to Editors:

AIB has been leading Ireland's transition to becoming a low-carbon economy. Over the last 12 months AIB has also:

- Maintained its €5bn Climate Action Fund for lending into the Irish economy
- Offered customers the lowest green five year fixed-rate mortgage in the Irish market
- Become the first Irish company to have committed to use World Economic Forum Stakeholder Capitalism metrics in our reporting
- Become the first Irish bank to join the UN Net Zero Banking Alliance
- Introduced a Green Personal Loan for customers who want to live more sustainably by making green renovations on their home or buying an electric/plug-in hybrid vehicle

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