



27th June 2022

AIB leads Ireland's banks in ESG bonds as it raises €750m in latest green bond issuance

- Brings to €3.5 billion proceeds raised from environmental, sustainable and green (ESG) bonds
- Bond issuance follows upgrade of AIB's ESG rating by Sustainalytics ratings agency

AIB today raised €750 million in green bonds as it completed its third green bond issuance, and fourth ESG issuance to date. The green bond proceeds will go towards the financing of projects with climate change and environmental benefit as well as further strengthening AIB's capital position. Investor interest peaked at €1.25bn, with significant participation by socially responsible investors.

In 2020 AIB issued the first green bond from an Irish bank, for €1bn, and last year AIB completed a €750m green bond issuance. In May of this year AIB raised the first social bond issuance by an Irish bank for €1bn, with proceeds supporting projects with clear social benefits across Ireland.

ESG ratings agency Sustainalytics recently issued an updated assessment of AIB, with an improvement in the AIB score to 44th out of 1,001 banks globally (at date of publication).

AIB Chief Executive Colin Hunt said "AIB is deeply committed to playing our part in assuring a sustainable future, and to supporting the transition to a green economy. That comes about through real action, and today's green bond issuance shows that investors continue to recognise the leadership AIB has shown in committing to a sustainable future. AIB is at the very heart of the Irish economy and today's issuance allows us to back customers who have the environmental betterment of our country at the forefront of their actions."

Against a volatile market backdrop, once AIB and its advisor Goodbody Stockbrokers launched the transaction this morning it quickly attracted significant investor interest across Europe. Initial price guidance was set at euribor plus 2.2%, over the course of the morning, and this reduced to 2% without negatively impacting demand.

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

AIB has been leading Ireland's transition to becoming a low-carbon economy. This year AIB introduced discounted loans to residential developers who meet the 'Irish Green Building' benchmark which includes standards for water efficiency, air quality and transport links in addition to energy efficiency.

Other sustainability actions this year include:

- AIB is part of a consortium financing the €500m Greenlink Interconnector linking Ireland with Wales which enables additional renewable energy sources for the Irish power system.
- AIB is tendering for the development of a Corporate Purchase Power Agreement which enables AIB to source our own energy.

- AIB has introduced science-based targets defined for Corporate Loans.
- Goodbody is now a member of Sustainable Trading, a non-profit membership network focused on setting the standard for ESG best practice in financial markets trading.

Further information:

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