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Sustainability leader AIB raises €750m in latest green bond issuance

- Proceeds fund the financing of projects with clear environmental benefits supporting customers to make the transition to a low carbon future
- Brings to €5.75 billion AIB has raised from issuing green and social bonds to date

AIB yesterday raised €750 million from the issuance of its fifth green bond. The proceeds will contribute to the financing of projects with clear environmental and climate action benefits while further strengthening AIB's capital position.

The investment required to finance the transition to a low carbon economy can be counted in the trillions of dollars globally. In the case of Ireland, the International Monetary Fund estimates the cost will amount to c. €20 billion per annum over the next decade, much of which will come from the private sector.

Recognising the importance of climate finance in funding the transition, AIB has over the last three years raised a combined €4 billion from the issuance of green bonds after becoming the first Irish bank to issue a green bond in 2020. When social bonds are included, the bank has raised €5.75 billion from the issuance of bonds for Environmental, Social and Governance (ESG) purposes.

AIB Chief Executive Colin Hunt said: “One of AIB’s key strategic priorities is to support the transition to a low-carbon future by reducing our own carbon footprint and helping our 3.2 million customers to do the same. The floods and fires we witnessed in Europe and elsewhere this year have reminded us once again of the importance of ensuring a greener tomorrow by backing those building it today, including through major investment in energy and climate action infrastructure. We are also supporting our personal customers with discounted green mortgages to buy energy efficient homes and green personal loans to fund retrofits or the purchase of electric vehicles.”

“Our ambition is that 70% of AIB’s new lending will be green or transition by 2030. And we are making real progress towards achieving that goal with over €9bn of AIB’s €10bn Climate Action Fund drawn at the half year stage. Green bonds are a key part of the transition finance toolkit as they enable capital to be directed towards key green and transition activities. The success of today’s transaction further underlines AIB as a national sustainability champion with a very strong capital and financial position and our ongoing commitment to our sustainability goals,” he added.

Investor interest in the bond peaked at around €1.5bn, allowing the bank to issue the bond at a level of MidSwaps + 2%, equating to a coupon of 5.25%. The final order comprised of 109 investors across 19 countries. The quality of the investor base was very satisfying with strong participation from both ESG focused investors representing 65% of the order book and international investment managers, supported by the Group’s very strong ESG credentials and best-in-class Green Bond Programme.

The proceeds contribute to AIB’s ongoing Minimum Required Eligible Liabilities.

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.

The lead arranger group on the green bond issuance comprises BNP, Goodbody Stockbrokers, ING, JP Morgan, Natwest and Toronto Dominion.

Notes to Editors:

- AIB secured a Corporate Power Purchase Agreement with NTR plc in October 2022 to provide up to 80% of the Group's energy needs from renewable sources – along with additional capacity for the national grid – with the first of two solar farms expected to be ready for energisation in the coming months.
- AIB ranks high among global banks and was assessed to be at Low Risk of experiencing material financial impacts from Environmental Social and Governance (ESG) factors by Sustainalytics.
- AIB will next month host its 7th annual Sustainability Conference, which takes place on 20th November from 9am to 1pm. The conference theme is It's Time To Act and comes at a time when the impacts of climate change are being felt across the world. Speakers include The **Rt. Hon. Dame Jacinda Ardern**, former Prime Minister of New Zealand, Senior Fellow, Harvard University and **Trevor Noah**, Comedian, Best-selling Author, Producer and Philanthropist.

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