



17th January 2023

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

- Proceeds will support projects with clear social benefits in communities across Ireland
- Brings to €5 billion the amount AIB has raised from issuing environmental and social bonds to date
- AIB became the first Irish bank to issue a social bond last year

AIB yesterday raised €750 million from the issuance of its second social bond. The proceeds will contribute to the financing of projects with clear social benefits and further strengthen AIB's funding position.

AIB will use the funds raised to lend to projects in the education, social and affordable housing and healthcare sectors, and to provide loans to Small and Medium Enterprises in socio-economically disadvantaged areas in communities across Ireland. Last March AIB raised €1 billion through the first issuance of a social bond by an Irish bank.

Yesterday's social bond brings to €5 billion the amount raised by AIB through the issuance of social and green bonds as the bank leverages its strong Environmental, Social and Governance (ESG) ratings to attract investors.

Investor interest in the bond peaked at €4 billion, allowing the bank to issue the bond at a level of Mid Swaps +1.95%, equating to a coupon of 4.625%. The final order book was €3.9 billion, comprising 240 investors, spread across 30 countries globally.

The quality of the investor base was very satisfying with excellent participation by both ESG focused investors and many of the leading international investment managers who recognise AIB's strong balance sheet and ESG credentials. This played an important role in supporting the scale, diversity and pricing of the order book. Yesterday's proceeds contribute to AIB's ongoing Minimum Required Eligible Liabilities.

AIB Chief Executive Officer Colin Hunt said: "Investors are increasingly choosing to invest in firms with strong Environmental, Social and Governance credentials. AIB's second social bond has raised €750 million for lending to projects which will support positive societal change, help provide new social and affordable housing, support access to education and healthcare, and finance SMEs in disadvantaged areas."

"Recognising the importance of climate finance in funding the transition to a lower carbon future, AIB has over the last three years also raised €3.25 billion from the issuance of green bonds after becoming the first Irish bank to issue a green bond in 2020. The proceeds are used for lending to projects that help in the fight against climate change, preserving our fragile planet for future generations. As a bank at the very heart of the Irish economy, AIB's role is to support our customers in the creation and

delivery of sustainable economic, social and environmental development in towns and communities across the country,” he added.

AIB’s social bonds are aligned with the International Capital Markets Association’s (ICMA) Social Bond Principles governing the use of the bond proceeds and related transparency and reporting requirements.

The lead arranger group for the issuance comprises Barclays, BNP, Goodbody, HSBC, JPMorgan and UBS.

**Further information:**

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