



14th March 2025

Climate action leader AIB raises €500 million in seventh green bond issuance

- Bond proceeds will fund projects with clear environmental and climate action benefits
- €6.9 billion raised from issuing green and social bonds to date

AIB has raised €500 million from the issuance of its seventh green bond. The proceeds from the senior non-preferred bond will contribute to the financing of projects with clear environmental and climate action benefits while further strengthening AIB's capital position.

The International Monetary Fund estimates the cost to finance the transition to a low carbon economy in Ireland will amount to c. €20 billion per annum over the next decade, much of which will come from the private sector. Climate Capital is a fast-growing part of the bank's lending book, and AIB continues to use the proceeds of green bonds to fund eligible projects including renewable energy generation and transmission, green buildings and clean transportation.

AIB's green lending book has been on a growth trajectory for a number of years, helping build the green infrastructure the country requires. Supporting the transition to a greener future, €16.6 billion of our €30 billion Climate Action Fund has been deployed since 2019, with €5.1 billion new green lending in 2024 representing 35% of our €14.5 billion new lending.

AIB's green bond credentials

AIB was the first Irish bank to issue a green bond, doing so in 2020. Since then it has raised a combined €5.15 billion from the issuance of green bonds. When social bonds are included, the bank has raised €6.9 billion from the issuance of bonds for Environmental, Social and Governance (ESG) purposes.

AIB Chief Executive Colin Hunt said: "Sustainability is at the heart of AIB's Group strategy as we continue to be a catalyst for positive climate change in Ireland and beyond. This latest green bond issuance allows us to deploy capital and provide funding for vital green and transitional infrastructure and activities. We will continue to lead the way in the transition to a greener world by reducing our own carbon footprint, supporting our 3.35 million customers through the provision of green loans, and ensuring capital is used in a way that benefits the environment."

Strong green investor demand

Despite recent volatility, investor interest grew steadily, supported in a significant way by the Group's very strong ESG credentials, to a peak of €1.3bn. Pricing tightened by 20bps to a final coupon of 3.75%, with 5-10bps new issue premium. The order book comprised of over 60% 'green investors', emphasising the importance of our best-in-class ESG bond programmes in challenging markets.

The lead arranger group on the issuance comprised Goodbody, Morgan Stanley, ING, Citi, BNP Paribas and NatWest Markets.

The successful green bond issuance comes after AIB raised €700 million in new capital in January with the first Euro AT1 issuance of 2025 in Europe.

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Notes to Editors:

- In order to be labelled green, the AIB bond must align with the International Capital Markets Association's Green Bond Principles governing the use of the bond proceeds and related transparency and reporting requirements.
- AIB Group is rated at investment grade with Moody's and Standard & Poor's (S&P).
- In November 2024, S&P moved AIB's outlook to Positive from Stable and reaffirmed all ratings. The Positive outlook reflects S&P's expectation that after recording strong profitability over the past quarters, AIB should continue to post solid risk-adjusted returns over the next couple of years, despite declining interest rates.
- In December 2023, Moody's revised the outlook to Positive from Stable and reaffirmed the ratings for AIB Group plc. This reflects Moody's view of improved asset quality, strong capitalisation, and significantly improved profitability.
- In December 2024 AIB announced that following the Supervisory Review and Evaluation Process (SREP) performed by the European Central Bank in 2024, the Pillar 2 Capital Requirement reduced by 20bps to 2.40% from 2.60%.