AIB Green Bond Framework

Independent Limited Assurance Report

24 February 2021

mazars

Independent Limited Assurance Report to the Directors of AIB

The Board of Directors of AIB engaged Mazars to provide a limited assurance report in respect of Reported Information, pertaining to the allocation of bond proceeds to eligible assets for the €1bn Green Bond issuance of 30 September 2020 (ISIN: XS2230399441), as provided for in the AIB Green Bond Framework for the year ended 31 December 2020 (available online at https://aib.ie)

Our Conclusion

Based on procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the 'Reported Information' for the year ended 31 December 2020 has not been prepared, in all material respects, in accordance with Section 6 (Reporting) of the AIB Green Bond Framework.

This conclusion is to be read in the context of what is stated in the remainder of our report.

Reported Information

The scope of our work was limited to assurance over the information shown in Appendix 1 (the "Reported Information"). The Reported Information is set out in Appendix 1. Our assurance does not extend to information in respect of any other periods or to any other information included in the Annual Report 2020, Sustainability Report 2020 or disclosed online at https://aib.ie.

Professional Standards and Level of Assurance

We performed a limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements other than Audits or Reviews of Historical Financial Information', issued by the International Auditing and Assurance Standards Board. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our Independence and Quality Control

We complied with the Institute of Chartered Accountants (CAI) Code of Ethics, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. We apply International Standard on Quality Control (ROI) 1 and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. Our work was carried out by an independent team with experience in sustainability reporting and assurance.

Reporting and Measurement Methodologies

The Reported Information needs to be read and understood together with the AIB Green Bond Framework Reporting requirements and Eligibility Criteria which can be found online at https://aib.ie which AIB is solely responsible for selecting and applying. The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measurement techniques and can affect comparability between entities and over time. The Reporting requirements and Eligibility Criteria used are as at 31 December 2020.

Work Done

We are required to plan and perform our work in order to consider the risk of material misstatement of the Reported Information. In doing so, we:

- Conducted interviews with management and examined relevant documentation to obtain an understanding of the key processes, systems and controls in place over the preparation of the Allocation Report.
- Performed selected substantive testing of project files against eligibility criteria.
- Performed selected substantive testing of accounting and other relevant records.
- Reviewed the extraction of Allocation Report information from the green assets portfolio.
- Reviewed the Allocation Report for consistency with relevant bond issuance documentation.
- Reviewed listing of assets in the Impact models for consistency with the green assets portfolio.

AIB's Responsibilities

The Directors of AIB are responsible for:

- Designing, implementing and maintaining internal controls over information relevant to the preparation of Reported Information that is free from material misstatement,

  whether due to fraud or error;
- Establishing objective Reporting requirements for preparing the Reported Information;
- Measuring and presenting the Reported Information based on the Reporting requirements and Eligibility Criteria detailed in the AIB Green Bond Framework; and
- The Reported Information - being the Allocation Report set out in Appendix 1 and available online at https://aib.ie.

Our Responsibilities

We are responsible for:

- Planning and performing the engagement to obtain limited assurance about whether the 'Reported Information' for the year ended 31 December 2020 has been prepared, in all material respects, in accordance with Section 6 (Reporting) of the AIB Green Bond Framework;
- Forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- Reporting our conclusion to the Directors of AIB.

This report, including our conclusions, has been prepared solely for the Board of Directors of AIB in accordance with the agreement between us, to assist the Directors in reporting sustainability performance and activities relating to the Green Bond and Reported Information. We permit this report to be disclosed online at https://aib.ie for the year ended 31 December 2020, to assist the Directors in respect of the AIB Green Bond Framework Reporting requirements, by obtaining an independent limited assurance report pertaining to the allocation of bond proceeds to eligible assets for the €1bn Green Bond issuance of 30 September 2020 (ISIN: XS2230399441). To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board of Directors and AIB for our work or this report except where terms are expressly agreed between us in writing.

Mazars

DATE 24 February 2021

Appendix 1: Reported Information

The Reported Information subject to limited assurance procedures is set out below. The Reporting requirements (Section 6 of AIB Green Bond Framework) and Eligibility Criteria (Section 3 of AIB Green Bond Framework) available at https://aib.ie have been used to prepare the Reported Information. The AIB Green Bond Framework also details the definitions and terminology used to describe the Reported Information.

AIB Green Bond
Allocation Report – YE 2020

February 2021

AIB Green Bond Allocation Report

Portfolio Date: 31 December 2020

Eligible Green Assets			Green Liabilities			
ICMA GBP Eligible Category	Eligible Loans (Number)	Amount (EUR)	Instrument (ISIN)	Settlement Date	Maturity Date	Amount (EUR)
Green Buildings	195	1,074,179,663	XS2230399441	30/9/20	30/5/31[1]	1,000,000,000
Renewable Energy	67	1,161,180,502				
Total	*262*	*2,235,360,165*	*Total*			*1,000,000,000*

Portfolio Detail

- Total Amount Eligible Green Loans: EUR 2,235,360,165
  - Green Buildings: 48%
  - Renewable Energy: 52%
- Amount of Eligible Green Loans allocated: EUR 1,000,000,000 (usage)
- Number of Eligible Green Loans: 262
- New loans added since December 2019: EUR 675,163,076
- Geographical distribution of the Eligible Green Loans:

Green Buildings		
Location	Amount (EUR)	Percentage (%)
Ireland	973,904,923	91%
UK	100,274,741	9%
Total	1,074,179,663	100%

Renewable Energy		
Location	Amount (EUR)	Percentage (%)
Ireland	499,530,804	43%
UK	488,358,707	42%
Other	173,290,991	15%
Total	1,161,180,502	100%

[1] Call date is 30th May 2026

Contacts

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*where permitted under applicable country laws.

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