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EIB Climate Awareness Bonds



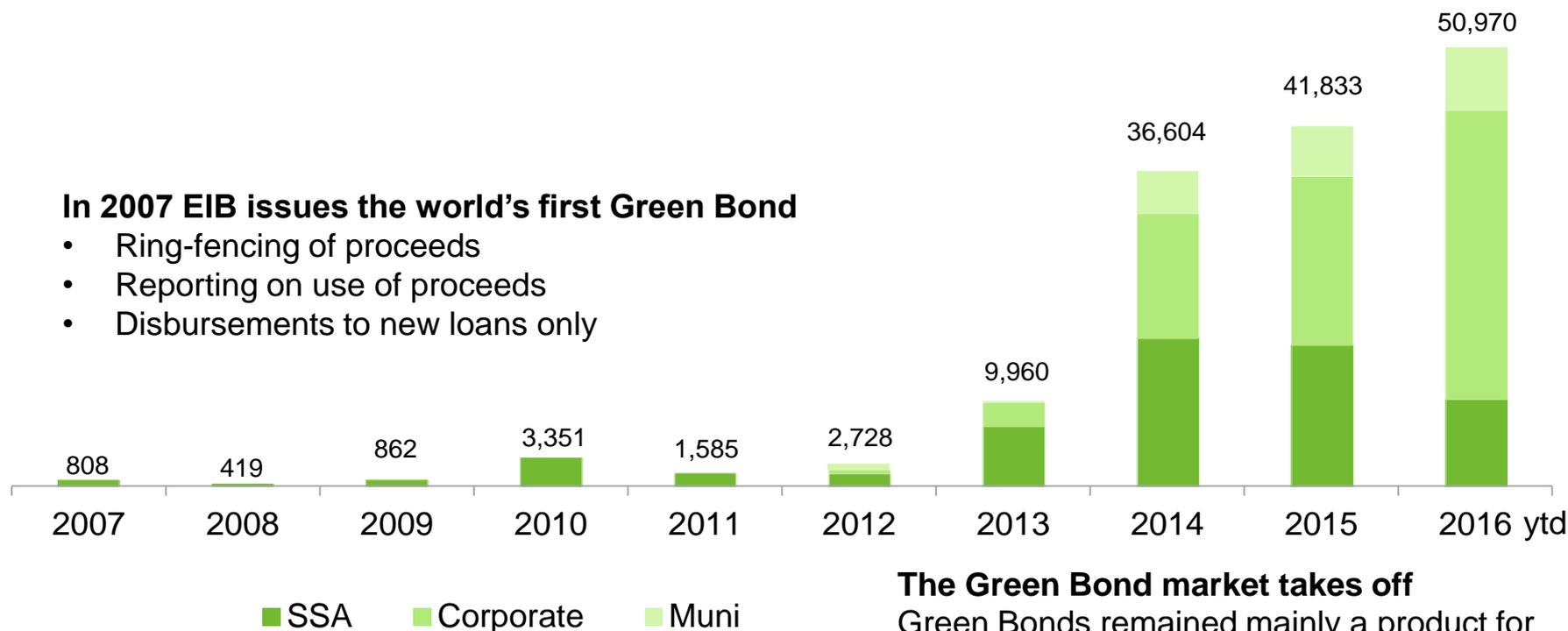
Evolution of the Green Bond market*



In 2014, Green Bond volumes triple and the first iteration of the Green Bond Principles is published

In 2007 EIB issues the world's first Green Bond

- Ring-fencing of proceeds
- Reporting on use of proceeds
- Disbursements to new loans only



The Green Bond market takes off

Green Bonds remained mainly a product for select institutional and retail investors until 2013, when larger deals start coming to market and institutional investor interest increases

*Issuance in USD m

Source: JP Morgan as of 27th September 2016

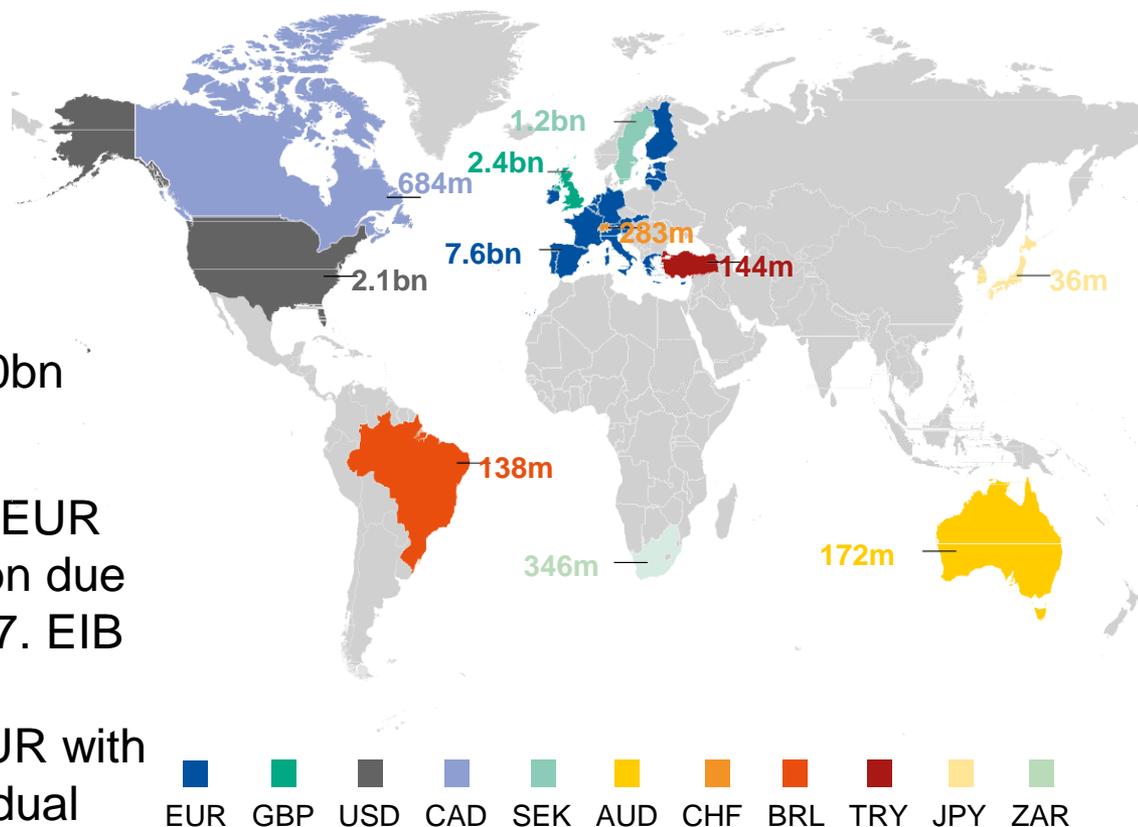
EIB CABs: currency diversification & liquidity



EIB has raised EUR 15.1bn in Green Bonds to date* across 11 currencies

Benchmark size issuances

- **USD:** USD 1.5bn, USD 1.0bn
- **GBP:** GBP 1.8bn
- **EUR:** EUR 3bn due 2019, EUR 1.5bn due 2023, EUR 1.5bn due 2026; EUR 500m due 2037. EIB is building a Green Bond reference yield curve in EUR with 4-, 8-, 11- and 21-year residual maturities



* As of 29 September 2016 in EUR equivalent

Audited impact data per EUR 1m of loan disbursement comprise measures on*:

Weighted average **GHG emissions avoided (-) 388 t CO₂e**

Relative emissions measure change compared to a baseline scenario

Weighted average **absolute GHG emissions 138 t CO₂e**

Strict thresholds apply for project emission levels

EIB's latest CAB-Newsletter was released in October 2016



- **New:** First Independent Reasonable Assurance Report on a Green Bond programme
- **Update on the Green Bond Principles activities**
 - Emphasis on substance, comparability, reliability and standardisation

*The figures concern 2015 data and allocations from EIB CABs based on disbursement to investment loans only

What are the Green Bond Principles ?

- Voluntary coalition of banks, issuers and investors that develop guidelines and recommendation for Green Bond issuance
- Initially started in January 2014 as a coalition of four banks (Bank of America Merrill Lynch, Citi, Credit Agricole and JP Morgan)
- As of August 2016 the coalition has grown to 122 Members and 75 Observers
- Issues recommendations (non-prescriptive) for best practices in Green Bonds Markets. Focus on **disclosure** and **transparency**

Mission

- Provide issuers guidance on the key components involved in launching a credible Green Bond
- Aid investors by ensuring availability of information necessary to evaluate the Green Bond investment
- Assist underwriters by moving the market towards standard disclosures which will facilitate transactions

Financial

- ✓ Scale of issuance with benchmark-size Green Bonds
- ✓ Building a Green Bond curve in EUR
- ✓ Exposure to the EIB credit - not to projects
- ✓ No premium charged for Green Bonds
- ✓ No refinancing of projects

Transparency & Accountability

- ✓ Aligned with the Green Bond Principles
- ✓ Eligible sectors: **Renewable Energy** and **Energy Efficiency**
- ✓ Quality and transparency
- ✓ External review / audit of the CAB programme
- ✓ Reporting project impact & linking bonds to projects

EIB Pricing

Bloomberg: EIB <GO>

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