

Bank of Ireland makes €1bn in green finance available

Bank of Ireland has revealed a new Sustainable Finance Fund that will make €1bn of ‘green’ loans available over the coming year.

The range of measures revealed by [Bank of Ireland](#) include a Green Mortgage Interest Rate, Green Home Improvement Loan and a Green Business Loan. The aim is to encourage and reward energy-efficient homes, the retrofitting of older properties and spur investment in energy efficiency by SMEs and the agri sector.

In all, some €1bn worth of green loans and discounts will be available over the coming year.

The bank said that this supports the Government’s Climate Action Plan and Ireland’s commitment to the United Nations Sustainable Development Goals.

Greening Ireland

According to the Sustainable Energy Authority of Ireland (SEAI), more than 1m homes in Ireland need investment to make them energy efficient.

In addition, Irish SMEs spend more than €2bn annually on energy, which could be reduced by 10pc through greater energy efficiency.

“Everyone has a part to play in addressing one of the most important issues of our time – climate change,” said Gavin Kelly, CEO of Retail Ireland at Bank of Ireland. “Addressing this challenge means changing behaviour, and as a leading financial services provider in Ireland we can make a meaningful contribution to incentivising that change.

“The Sustainable Finance Fund and the first of its new products announced today are designed to practically support our customers’ transition to a more energy efficient and sustainable future.

“At Bank of Ireland, we want to play our part in Ireland’s response to this issue.”

Bank of Ireland has committed to reduce its energy footprint by 50pc by 2030 as part of the Low Carbon Pledge, and by the end of 2018 had achieved a 23pc reduction in emissions from 2011 levels.

The bank is also a leading lender to the renewable energy sector financing wind projects which provide the equivalent of around 450,000 homes with green energy.

Sustainable Finance Fund in action

The Sustainable Finance Fund consists of three parts: the Green Mortgage Interest Rate, the Green Home Improvement Loan and the Green Business Loan.

The Green Mortgage Interest Rate and the Green Home Improvement Loan will be available from 18 July 2019. The Green Business Loan will be available from 24 July 2019.

Green Mortgage Interest Rate: Borrowers can receive a discount of 0.2pc off any of our fixed interest rate options (from one to 10 years) where a fixed term is selected at drawdown of the mortgage. This fixed rate discount will be available from drawdown on new borrowing to finance the purchase, construction, or renovation of residential buildings with an A-rated or to achieve an A-rated BER energy performance. Based on a 20-year €200,000 mortgage fixed for the first five years, the Green Mortgage Interest Rate would represent a saving of around €2,085 over the five-year term.

Green Home Improvement Loan: The Sustainable Finance Fund will also offer a Green Home Improvement Loan at 6.5pc (Variable APR) for amounts from €2,000 to €65,000. Designed to fund energy-efficiency upgrades – for example installing solar panels and retrofitting insulation – the Green Home Improvement Loan offers a discount on current rates from 0.3pc to 2pc (depending on loan amount). Based on a €15,000 loan, this discount would represent a saving of circa €418 over a five-year period.

Green Business Loan: The Bank of Ireland Green Business Loan offers discounted finance to businesses who want to implement energy-saving initiatives to reduce their energy costs and their carbon footprint. A discount of 0.5pc off the margin that the Bank applies to the Small Business Rate – for secured and unsecured loans, up to a maximum of €300,000 – will be available to customers who are subject to Small Business Rate loan pricing. Based on a €300,000 loan at the Small Business Rate, this discount would represent a saving of around €5,925 over a seven-year period.

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Green finance image: [Krisana Antharith/Shutterstock](#)