



8th January 2025

AIB Group raises €700m in new capital with first Euro AT1 issuance in Europe of 2025

Issuance reflects strong investor confidence in AIB performance

AIB Group yesterday successfully raised €700 million from the issuance of a new bond to institutional investors offering an interest rate – or coupon - of 6%. The bond, known as an Additional Tier 1 (AT1) perpetual bond, further supports the Group in meeting its regulatory capital requirements, and is the first Euro AT1 deal of the year in Europe, reflecting market confidence in AIB's performance.

Initial demand from investors was strong, peaking at €3.9 billion, enabling the bank to reduce the coupon on the bond down from the originally envisaged interest rate of 6.5%. The investor book primarily consisted of high-quality asset managers, with UK/ Ireland investors accounting for c.57%, French c.19%, and the remaining 24% of orders spread across other regions, providing a good breadth of investor interest. The issuance was AIB's largest AT1 transaction on record.

AIB CEO Colin Hunt said: "AIB is well positioned for sustainable growth through our strong funding and capital. We are delighted to again see strong demand from investors for our latest bond issuance, the first Euro Additional Tier 1 perpetual bond issued in Europe in 2025. This is a vote of confidence in the bank's three-year strategy which we are implementing at pace. We continue to prioritise an enhanced focus on our customers, further greening our business and driving greater operational efficiency and resilience while delivering for our customers, our investors and the wider economy."

The lead arranger group on the issuance was Bank of America, Goldman Sachs, Goodbody Stockbrokers, JP Morgan, Morgan Stanley and UBS.

- Yesterday's issuance comes after AIB Group successfully raised €625 million from the issuance of an AT1 bond in April of last year.
- In May 2024 AIB raised €650 million of Tier 2 sub-ordinated bank capital. This is the second green capital issuance by AIB, and its sixth green bond, bringing to €6.4 billion the total raised from issuing green and social bonds to date.
- In November AIB completed its first significant risk transfer (SRT), on a Capital Markets portfolio, which we expect will benefit our CET1 ratio of c. 20bps as at year end 2024, based on a c. €1 billion transaction

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Notes to Editors:

- Additional Tier 1 bonds (AT1s) can be converted in to equity or written down entirely if the issuing bank's capital strength were to fall below a pre-determined trigger level. This means AT1s are typically the highest-yielding bank bonds investors can buy, since bondholders expect

to be compensated for the additional risks. A perpetual bond is a bond with no maturity date, with characteristics of equity rather than debt.

- AIB Group is rated at investment grade with Moody's and Standard & Poor's (S&P).
- On 25 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.
- On 5 Dec 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.
- On 12th December 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%.