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## **AIB's capital raising may lead to failure in EU stress tests**

AIB may find it difficult to pass EU stress tests as its capital raising will not be finished before the results are due, according to Glas Securities, which specialises in fixed-income markets.

AIB, the country's second-biggest lender by market value, is seeking to raise €7.4 billion to meet targets set by the Financial Regulator in March.

“AIB is still in the initial stages of its capital-raising programme, which makes it difficult for AIB to pass the EU test as it will be determined using current capital levels while not taking into account any future capital raising plans,” Dublin-based Glas said in a note to clients.

AIB and Bank of Ireland are among 91 banks being assessed by EU regulators to show whether they are able to withstand a shrinking economy and drop in the value of government bonds.

AIB's fundraising “is well under way and we'd expect that to be recognised by the market,” said Alan Kelly, the bank's general manager of group finance.