



15th September 2017

AIB continues to lead mortgage market

Significant pricing announcement for new and existing customers with the most competitive rates

- **Standard Variable Rate (SVR) down to 3.15% - Fifth consecutive reduction in three years**
- **Resulting in a €1,500 annual saving on 200k mortgage**
- **A new 7 year fixed rate at 3.5%**

AIB continues to lead the mortgage market by announcing a 0.25% reduction in its SVR, the fifth rate reduction for existing customers in three years.

Based on today's announcement a customer will see an annual repayment saving of €315 on a €200,000 mortgage over 25 years. At current rates, this represents a lifetime interest payment saving of approximately €7,800 on the same mortgage.

AIB has also added to its fixed rate product offering with a new 7 year fixed term rate, the most competitive on the Irish market at 3.5%, to offer customers who desire medium term certainty that option. This is accompanied by rate reductions across our fixed rates, including a 0.5% reduction on the 5 year fixed rate.

AIB LTV variable rates are now as low as 2.75%, resulting in significant savings for new and existing customers.

Fixed rate changes will come into effect from September 18th 2017, while SVR and LTV changes apply from November 1st 2017.

AIB Managing Director of Retail and Commercial Banking in Ireland Robert Mulhall said:

“Our strategy, when conditions allow, is to pass on variable rate reductions to both new and existing customers and we continue to do that. Therefore existing SVR customers will automatically benefit from these new variable rates. We have cut our rates over the last three years by 1.25% for SVR customers.”

“AIB's market leading variable rates provide the best of value, while our competitive fixed offerings allow new and existing customers to fix their rates if that's what they are looking for.”

“These improvements in variable rate offerings benefit over 100,000 customers, leading to very significant annual savings. The impact of the five rate reductions on a mortgage of €200,000 over the last 3 years is to save the customer approximately €1,500 per year, based on this rate reduction.”

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See tables below

Further information:

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Notes to Editors:

Revised variable rates come into effect from November 1st 2017 for new and existing customers.

These reductions are not linked to the European Central Bank base interest rate and will therefore not apply to tracker mortgage holders.

The revised rates apply to Owner Occupier, Primary Dwelling Home mortgages.

Impacted customers will be advised of the changes in writing.

The changes included in this announcement apply to AIB customers in the Republic of Ireland only.

LTV Variable Interest Rate and SVR

Loan to Value (LTV) Variable Interest Rate: The LTV variable interest rate available depends on the LTV band. The LTV band is the percentage representing the difference between the loan amount and the value of the property. For example, if a customer has a mortgage of €80,000 on a property valued at €100,000, their LTV rate band would be 80%.

Private Dwelling House (PDH) Standard Variable Rate is held by existing owner occupier mortgage customers only and is known as “PDH SVR”. Customers who availed of this rate at loan draw-down remain on this rate for the duration of the loan term, unless they request to switch to a PDH fixed interest rate or to our ‘LTV’ variable interest rate. It is also the default reversionary rate for customers rolling off a fixed rate if they chose not to re-fix or avail of a LTV rate.

Customer Impact – SVR reduction

SVR €200k Mortgage	20 years	25 years	30 years	35 years
Monthly Saving	€ 25.25	€ 26.29	€ 27.32	€ 28.32
Annual Saving	€302.95	€315.53	€327.89	€339.84

Summary of rate changes announced:

Owner Occupier Rates	AIB Rates
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	Current	New Rates
1 Year Fixed	3.50%	3.20%
2 Year Fixed	3.60%	3.20%
3 Year Fixed	3.65%	3.20%
4 Year Fixed	3.75%	3.30%
5 Year Fixed	3.80%	3.30%
7 Year Fixed	n/a	3.50%
SVR + Fixed Reversionary Rate	3.40%	3.15%
LTV <50%	3.10%	2.75%
LTV 50% - <80%	3.30%	2.95%
LTV >80%	3.50%	3.15%