



**AIB Mortgage Rate Announcement
12th June 2008**

AIB today announced that, in light of the continuing high cost of funds, it is to increase some of its mortgage rates with effect from 16th June. It will be holding others at the current rates. The new pricing structure is as follows;

Standard Tracker Rates up 0.40% for new customers

Three Year Fixed Rate remains unchanged at 5.25%. All other fixed rates are increasing (details attached)

Standard Variable Rate unchanged

Mortgage lending criteria unchanged

Marian McCarville, Head of Credit Products, AIB Bank said;

"Having held off for as long as possible as the market moves up, we must now increase some of our mortgage rates to reflect the significantly increased cost of funds."

"However, the strength of AIB's Balance Sheet and the strong credit quality of our mortgage book (reflecting the conservative approach we have taken to the residential property market over time) enable us to minimise the impact of the current environment for both new and established customers. Our existing customers who have ECB tracker mortgages will, of course, remain on their existing rates outside of any ECB changes. We are leaving both our extremely competitive Standard Variable Rate and Three Year Fixed Rate (the most popular of our Fixed Rates) unchanged. Our lending criteria (up to 92% LTV) also remains unchanged. The strength of our funding position means that there is no restriction on mortgage availability."

"This is a time of significant change in the mortgage marketplace and we are keen to capitalise on our strong position and grow good quality mortgage business. Our first priority is to fully cater for the needs of our own customers but we will also continue to target new business."

-Ends-

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Notes to editor:

AIB Bank Home Mortgage Rates Summary Sheet
Effective from: 16th June 2008

Owner Occupier	Old Rate (%)	Rate (%)*	APR (%)*
Standard Variable	5.25	5.25	5.36
1 yr Fixed new	5.50	5.95	5.45
1 yr Fixed exist	5.75	6.20	5.48
2 yr Fixed new & exist	5.15	5.75	5.48
3 yr Fixed new & exist	5.25	5.25	5.36
4 yr Fixed new & exist	5.20	5.75	5.58
5 yr Fixed new & exist	5.20	5.65	5.57
10yr Fixed new & exist	5.40	5.40	5.49

*** New Rate effective June 16 2008**

Owner Occupier Std Tracker Rates	Old Rate (%)	Rate (%)*	APR (%)*
LTV <=50% (All amounts)	4.60	5.00	5.10
LTV >50% <80% (All amounts)	4.75	5.15	5.26
LTV >80% (Amounts >=EUR500k)	4.90	5.30	5.41
LTV >80% (Amounts <EUR500k)	5.10	5.50	5.62

*** New Rate effective June 16 2008**

Buy-to-Let Rates	Old Rate (%)	Rate (%)*	APR (%)*
Standard Variable	5.45	5.45	5.57
1 yr Fixed new & exist	5.85	6.30	5.67
2 yr Fixed new & exist	5.45	6.05	5.71
3 yr Fixed new & exist	5.35	5.95	5.74
4 yr Fixed new & exist	5.30	5.85	5.74
5 yr Fixed new & exist	5.30	5.75	5.72
10 yr Fixed new & exist	5.50	5.50	5.61

*** New Rate effective June 16 2008**

Buy-to-Let Tracker Rates	Old Rate (%)	Rate (%)*	APR (%)*
LTV <=60% (All amounts)	4.95	5.35	5.47
LTV >60% (All amounts)	5.10	5.50	5.62

*** New Rate effective June 16 2008**