



AIB Mortgage Rate Announcement

9th August 2010

AIB is increasing some of its residential mortgage rates with effect from close of business, 10th August, 2010.

The new pricing structure is attached and is summarised as follows:

Owner Occupiers:

- Loan to Value (LTV) Variable Rates up 0.50%
- Standard Variable Rate up 0.50%
- Fixed rates are increasing for new business
- Existing Tracker Rates will remain unchanged
- Existing Fixed Rate contracts are unaffected

Buy to Let:

- Existing Tracker and Standard Variable Rates remain unchanged
- Existing Fixed Rate contracts are unaffected
- Fixed rates are increasing for new business

Michael Quirke, Head of Mortgage Products, AIB Bank said;

“Funding availability on wholesale money markets for Irish financial institutions remains difficult. Unfortunately, we have little choice but to introduce this pricing change, which is a measured response to the significant challenges which must be overcome if we are to achieve an economic return on our loan book and thereby return to a sustainable business model. All mortgage lenders are facing the same issues in this funding environment.”

“While the cost of mortgage finance is increasing, AIB continues to offer competitive options for borrowers. AIB is committed to supporting the mortgage market, in particular first time buyers and home movers.”

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NOTES TO EDITORS

AIB Bank Home Mortgage Interest Rates Summary Sheet

Effective from: close of business on 10th August 2010

	New Rate		
Owner Occupier	Old Rate (%)	Rate (%)	APR (%)
Standard Variable	2.75	3.25%	3.30%
LTV <=50%< />	2.59	3.09%	3.13%
LTV >50% <=80%< />	2.79	3.29%	3.34%
LTV >80%	2.99	3.49%	3.54%
1 Year Fixed	3.09	3.59%	3.33%
2 Year Fixed	3.25	3.69%	3.39%
3 Year Fixed	3.65	3.89%	3.50%
4 Year Fixed	3.95	4.19%	3.68%
5 Year Fixed	4.25	4.39%	3.85%

	New Rate		
Buy-to-Let Rates	Old Rate (%)	Rate (%)	APR (%)

Standard Variable	4.20	Unchanged	Unchanged
1 Year Fixed	4.09	4.59%	4.32%
2 Year Fixed	4.25	4.69%	4.38%
3 Year Fixed	4.65	4.89%	4.50%
4 Year Fixed	4.95	5.19%	4.69%
5 Year Fixed	5.25	5.39%	4.87%