



9th May 2016

AIB reduces mortgage interest rates again for new and existing customers

- **Reduction of 0.25% in AIB variable rates applies to all Owner Occupier and Buy to Let mortgages**
- **Introduction of a €2,000 contribution towards professional fees for all customers switching to AIB**
- **Standard Variable Rate (SVR) now 3.4%**
- **New Loan-to-Value (LTV) variable rates from 3.1%**

AIB today (Monday 9th May) announces a reduction of 0.25% in its SVR and LTV mortgage rates for owner occupier and buy to let customers. This is the fourth rate reduction in 18 months, lowering the SVR to 3.4%. The latest rates apply to new and existing customers with effect from 1st July, 2016. The SVR and LTV variable rate reductions will be supported by the introduction of a €2,000 contribution towards professional fees for all customers switching to AIB.

AIB's Managing Director of Retail, Business and Corporate Banking, Robert Mulhall, said: "When we started reducing rates in late 2014 we committed that as AIB's financial performance and funding conditions continued to improve, we would keep key rates under review. We are now in a position to pass on a further rate reduction to our customers. This is the fourth variable rate cut in a year and a half. During that period we have brought rates down by 1%, clearly demonstrating our commitment to keeping mortgage rates under constant review and passing on benefits when we can. Customers of other banks can materially benefit by moving their mortgage to AIB. To that end, we are introducing a new initiative that will enable their customers to avail of our great rates by contributing €2,000 to the professional costs associated with switching.

"Our mortgage offerings will continue to evolve and we will be introducing more new features across our other brands over the coming months to further benefit customers and to give them the choices they are looking for" he added.

The latest move benefits approx. 76,000 mortgage accounts, leading to very significant annual savings. As an example, owner occupier customers with a €200,000 mortgage on a 25 year term will save an additional €320 per annum following this announcement. The combined annual savings from the four reductions announced by AIB in the last 18 months is approx. €1,300.

See tables below

Further information from AIB Press Office:

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Notes to Editors:

Revised variable rates come in to effect from 1st July 2016 for new and existing customers.

This reduction is not linked to the European Central Bank base interest rate and will therefore not apply to tracker mortgage holders.

There are no changes to AIB's range of existing competitively priced fixed rates.

The revised rates apply to 'Owner Occupier' or 'Primary Dwelling Home' and 'Buy to Let' 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.

Customer Impact - SVR reduction

SVR €200k Mortgage	20 Years	25 Years	30 years	35 years
Monthly Saving	€25.56	€26.68	€27.77	€28.83
Annual Saving	€306.74	€320.21	€333.29	€345.98
<i>(Monthly repayments sum over the term of the mortgage)</i>				

Summary of variable changes announced:

	AIB		
	Current	Reduction	New
Owner Occupier			
Standard Variable Rate (SVR)	3.65%	0.25%	3.40%
LTV Variable:			
LTV <=50%	3.35%	0.25%	3.10%
LTV >50% <=80%	3.55%	0.25%	3.30%
LTV >80%	3.75%	0.25%	3.50%
Buy to Let	5.10%	0.25%	4.85%

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