



**AIB offers 0.5% discount on tracker mortgage rates  
4th May 2006**

From Monday 8th May, customers applying for new mortgages can avail of tracker rates from as low as 2.92%.

AIB is offering rates of 2.92%, 3.10% and 3.25% during the discount period. This is a genuine discount off current tracker rates. Unlike many of the discounted rates available in the market which revert to much higher rates following the discount period, the AIB discounted tracker rates revert to their existing tracker rates, amongst the most competitive on the market.

This is a new addition to AIB's already strong mortgage offering. AIB offers a full range of competitive mortgage rates whether fixed variable or tracker. AIB currently has the best 1 year fixed rate and one of the cheapest standard variable rates in the market. AIB also offers a range of flexible repayment options, including interest only, deferred start and payment holidays. This suite of mortgage products is backed up by AIB's specially trained staff who can be contacted through our 275 branches or AIB Phone & Internet Banking.

Commenting on the new discounted rates, Marian McCarville, Head of Mortgage Products, AIB Bank ROI said:

"The mortgage market is very competitive and AIB intends to maintain its position as a leading provider of mortgages. We currently offer the best 1-year fixed rate and one of the cheapest standard variable rates in the market and this latest incentive on our tracker rates will prove an extremely attractive proposition for new customers. Effectively, new customers who feel they missed out on getting on the mortgage ladder before the ECB rate increases in December and March now have a chance to offset the 0.5% increase, for one year, by availing of our 0.5% discount offer. First Time Buyers in particular will benefit from the reduced repayments at a time of heavy expense as they try to set up their homes."

**Ends**

**For further information:**

Ronan Sheridan  
Group Press Officer  
AIB Group  
Bankcentre  
Ballsbridge  
Dublin 4  
Tel: +353-1-641 4651

Or

Marian McCarville  
Head of Mortgage Products  
AIB Bank  
Bankcentre  
Ballsbridge

Dublin 4

Tel: +353-1-641 4293

Note to Editors

A Tracker Rate mortgage is a variable rate product that provides customers with certainty on their margin over the European Central Bank (ECB) rate for the life of the loan. The Tracker rate incorporates a set percentage above the ECB rate and the Tracker Mortgage will 'track' changes in that rate. While the overall rate will move in line with the ECB rate, the customer's margin will remain the same.

More customers are opting for Tracker rates given the certainty on the margin it offers them, coupled with the flexibility to switch to a fixed rate at any time.

Tracker Rates for Owner Occupiers*				
	Discounted Rate for Year 1	Current Rates – applicable for remaining Term	Discount	Overall APR**
LTV <= 60%	2.92%	3.45%	0.53%	3.44%
LTV > 60% (mtgs > = €250k)	3.10%	3.60%	0.50%	3.60%
LTV > 60% (mtgs < €250k)	3.25%	3.75%	0.50%	3.75%

\* For Tracker Rate mortgage loans, please note that these rates will change in line with ECB rate changes.

\*\*APR's are based on a term of 20 years

Table showing typical savings on an annuity mortgage:

Mortgage Loan Amount	€200,000	€250,000	€300,000	€350,000	€400,000
Monthly repayments in 1st year *					
Repayments without discount (3.50% APR)	€1,154	€1,442	€1,731	€2,019	€2,308
Repayments with benefit of 1 year discount (3.44% APR)	€1,101	€1,376	€1,651	€1,926	€2,202
Monthly Savings in Year 1.	€53	€66	€80	€93	€106
Total Savings in Year 1.	€636	€792	€960	€1,116	€1,272

\*Repayments are based on a term of 20 years and are calculated at the rate of 2.92% for 1 Year, rolling to 3.45% for the remaining term of the loan.

This table compares AIB's Discounted Tracker (LTV <=60%) against other institutions in the market

Lender	Rate	APR*	Duration	Rate after Discount Period
AIB	2.92%	3.44%	1 Year	3.45%
BOS	2.95%	3.44%	2 Years	3.50%
IIB	3.19%	3.75%	1 Year	3.75%
BOI	3.35%	3.80%	1 Year	3.75%
ICS	3.35%	3.80%	1 Year	3.75%

\*APR based on a 20 year mortgage term  
Rates correct as at 4 May 2006. Source: MONEYMATE.