



AIB offers farmers very competitive interest rate for milk quota purchases
27th March 2007

AIB today announced the launch of a new loan product for farmers purchasing milk quota. The AIB Milk Quota Loan, offered from 2nd April, gives farmers the most competitive variable interest rate currently available in the marketplace, at 5.5%* p.a. This product is available to farmers purchasing quota under this year's Milk Quota Trading Scheme and reaffirms AIB's continued support and commitment to Irish dairy farmers.

The affordable acquisition of additional milk quota is of critical importance to dairy farmers who wish to expand and develop their dairy enterprise. Given the recent changes in the dairy sector, AIB's Milk Quota Loan provides farmers with low cost and flexible finance to assist with their farm development plans.

As well as the market leading interest rate, the loan is designed to be as flexible as possible and farmers can negotiate a repayment schedule to suit their individual cashflows. In addition, repayment terms of up to 10 years will be considered.

Michael Dowling, Head of Agri Strategy, AIB Bank, said 'AIB recognises the important role the acquisition of additional quota plays in meeting the development needs of dairy farmers. As a result of the introduction of the new Milk Quota Trading Scheme and the advent of two market exchanges, AIB has today launched a dedicated loan for these farmers at the most competitive interest rate currently available in the marketplace. We believe that our new Milk Quota Loan will greatly assist dairy farmers as they continue to develop their enterprises.'

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NOTES TO EDITORS:

*Based on AIB Prime Rate (variable) at 12/03/2007