Variable rate policy statement

Warning: We may change the interest rate on this loan. This means the cost of your monthly repayments may increase or decrease.

What do we consider when setting our variable interest rates?

i. We may change the standard variable rate at any time. Here is a list of the factors that may result in our changing our standard variable rates:
- To reflect any change in our cost of funds (i.e. the cost of borrowing the money we use in our residential mortgage business in the Republic of Ireland), for example, caused by any change in market interest rates or by other factors outside of our control;
- To reflect any change in the variable rates which mortgage lenders other than us charge on loans secured on residential property in the Republic of Ireland;
- To ensure we are competitive;
- To encourage or promote fixed rates;
- To enable us to increase the rate we pay to customers with deposit accounts in the Republic of Ireland to the level needed to retain their money;
- To ensure that the amount we receive from borrowers will enable us to maintain a prudent level of reserves and/or to meet any regulatory requirements that apply to us;
- To ensure that the amount we receive from borrowers will enable us to maintain long-term sustainability of our residential mortgage business in the Republic of Ireland;
- To reflect any change in the costs we reasonably incur in administering borrowers' accounts;
- To reflect the risk to us that our customers will not be able to make their mortgage payments in full and on time. In measuring that risk we consider the general economy and the effects it has on the ability of customers to meet mortgage payments; and on the value of properties mortgaged to us to secure mortgage loans;
- To reflect any change in your circumstances or in the economy as it affects you. For example, if such things make it more difficult for you to meet your mortgage payments or increase the risk of the loan to us;
- To reflect any change in taxation which affects the profit we earn from our ordinary activities; and
- To reflect a change in the law, or in any code of practice which applies to us, or a decision or recommendation by a court, ombudsman or regulator.

ii. We may change a standard variable rate because one or more of the factors we have listed has occurred or we know the factors will occur or are likely to occur.

How do we make decisions when setting variable interest rates?

We review our variable interest rates on a regular basis and any changes require approval by the Chief Executive of Retail Ireland and the Chief Executive of Bank of Ireland Group.

Why do we have different variable interest rates?

We can apply different standard variable interest to different groups of personal consumers depending on, for example:

a) Whether you have borrowed your mortgage loan for a house for yourself or your relatives or whether you have borrowed to buy a house to rent it out;
b) How you got your mortgage loan from us - we have different lending channels or ways in which we sell mortgages now or in future. The different channels may include through our branches, online or through mortgage brokers. The standard variable rates for each channel can be different;
c) The risk to us of lending the mortgage loan as estimated by us;
d) The amount of your mortgage loan compared to the value of the house you have mortgaged to secure it (the Loan to Value ratio); and
e) The rates available when you drew down your loan.

Could you get a different type of interest rate or a lower interest rate?

Bank of Ireland continuously reviews its full suite of mortgage products and pricing to ensure they are both competitive and sustainable. We may have a rate available that is better value for you than the rate we currently charge you. To view our current suite of mortgage rates (and to see if you could make savings by moving to another rate) go to www.bankofireland.com/mortgages or call our Customer Relationship Unit on 01 6113333.