



9th April 2010

Statement issued by EBS Building Society in relation to Standard Variable Rate Changes

EBS Building Society today announced that it is to increase its Standard Variable Rate by 0.60% (60bps) from 2.63% to 3.23% (3.30% APR) from 1st of May.

The Society explained that the increase is required to help meet the increased cost of funds from the retail, corporate and wholesale markets. While ECB rates have been decreasing the cost of funds from other sources has increased significantly over the past 18 months. Due to this continued increase in the cost of funds the Building Society is now in a situation where the rates charged by EBS to its members no longer reflect the actual cost of funds to the Society and the Society is effectively charging less interest on its mortgages than it has to pay to attract deposits. EBS pointed out that this was simply *"not sustainable"*.

Commenting on today's announcement Dara Deering, Director of Membership Business, stated that they had delayed the decision to increase the rates for as long as possible in recognition of the financial pressures that many people are currently facing: *"The cost of funds to EBS has been higher than the rates we have been charging to members for quite some time. While we were reluctant to make any changes there is a need to run the Society in a manner that is sustainable and in the interest of all members of the Society and therefore an increase in rates became inevitable. The inevitability of such an increase has been widely covered in the media over the last number of months."*

Ms. Deering highlighted EBS' long-term value record and its continuing to offer mortgages over the last two years when others had effectively closed for business. *"We remain committed to offering competitive mortgage and savings rates across the market and to delivering the best long-term value in the marketplace to our members."*