



24<sup>th</sup> February 2020

## **AIB introduces new competitive fixed mortgage rates to complement existing market leading variable rates**

- **AIB cuts 3-year, 5-year and a [green](#) 5-year fixed mortgage rates**
- **AIB uniquely offers customers choice through highly competitive fixed and variable rate offerings**
- **AIB introduces 'digital mortgage' offering\***

Ireland's largest mortgage provider, AIB, is cutting its 3-year and 5-year fixed rates from 2.85% to 2.55% and reducing its Green 5-year fixed rate from 2.50% to 2.45%. This is AIB's second mortgage rate reduction in less than 12 months.

Customers currently on a variable rate of 3.15% who switch to a green 5-year fixed rate of 2.45%, will see a reduction of €96 in their monthly mortgage repayments, or €1,152 per annum, based on a mortgage of €270,000 over 25 years.

AIB is also announcing the introduction of Ireland's first end-to-end online digital mortgage\* offering for customers. First time house buyers and movers will now be able to conduct their entire mortgage application process online, enabling them to calculate their borrowing capacity, completing an application in minutes and securing approval in principle online as well as uploading documents and mortgage drawdown.

This end-to-end online mortgage application follows the introduction of the 'AIB MyMortgage App' which allows eligible customers to upload documents and manage their mortgage online after they have been approved in principle. On average, 93% of eligible customers are signing up to use the App to complete their mortgage journey once approved.

AIB has also redesigned its [mortgage website](#), which is mobile optimised to provide customers with easily-accessible information.

Colin Hunt, CEO, AIB said "Introducing a range of highly competitive new fixed mortgage rates provides AIB customers with greater repayment certainty and long-term security. As the mortgage market leader, our new competitive fixed rates offer value and choice to complement our lowest variable offering in the market. And through our green mortgage we are supporting our customers in taking climate action."

Tom Kinsella, Head of Homes & Consumer, AIB said "As Ireland's most digitally enabled bank we are committed to continually improving our offering for customers so we have introduced Ireland's first end to end online mortgage application to make the journey easier and more transparent. This convenience, coupled with over 200 homes advisors located around the country, provides our customers with the support they need to purchase their home. We want to give our customers the fairest possible mortgage, real choice and an enhanced customer experience."

AIB's Intermediary channel, Haven, has also introduced three and five year fixed rate reductions.

In addition to these fixed rate reductions AIB's full mortgage proposition is now unique in the market, offering customers:

- Our Mobile Mortgage Managers are highly experienced mortgage experts who are available to meet new customers at a time and place that suits their needs
- Fee-free transaction banking where customers pay their mortgage through their AIB current account
- Digital Mortgage which allows first time buyers and movers to conduct their entire mortgage journey online up to the point of signing the mortgage agreement

- ‘MyMortgageApp’ which allows eligible customers to upload documents and manage their mortgage journey online once they have been approved in principle
- 12 month approval in principle
- [AIB Livin’ Dublin](#) Summits for First Time Buyers-insightful events led by experts in the industry that give customers a step-by-step guide to buying their own home.

## ENDS

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### Notes to Editors:

Rates are for owner occupier, primary dwelling home mortgage customers. Revised fixed rates come into effect from February 24<sup>th</sup> 2020 for all new customers and existing variable rate customers who wish to opt for a fixed rate. If an existing customer is already on a fixed rate and wants to avail of the new rates an early repayment charge may apply.

The changes included in this announcement apply to AIB customers in the Republic of Ireland only.

### LTV Variable Interest Rate and SVR

Loan to Value (LTV) Variable Interest Rate: The LTV variable interest rate available depends on the LTV band (which must be supported by a valuation report). The LTV band is the percentage representing the difference between the loan amount and the value of the property. For example, if a customer has a mortgage of €80,000 on a property valued at €100,000, their LTV rate band would be 80%.

Private Dwelling House (PDH) Standard Variable Rate is held by existing owner occupier mortgage customers only and is known as “PDH SVR”. Customers who availed of this rate at loan draw-down remain on this rate for the duration of the loan term, unless they request to switch to a PDH fixed interest rate or to our ‘LTV’ variable interest rate. It is also the default reversionary rate for customers rolling off a fixed rate if they chose not to re-fix or avail of a LTV rate at the end of their fixed rate period.

### Summary of rate changes announced

#### AIB

| Owner Occupier Fixed Rates | Current | New Effective from 24 February 2020 | Reduction |
|----------------------------|---------|-------------------------------------|-----------|
| 3 Year Fixed               | 2.85%   | 2.55%                               | -0.30%    |
| 5 Year Fixed               | 2.85%   | 2.55%                               | -0.30%    |
| Green 5 Year Fixed         | 2.50%   | 2.45%                               | -0.05%    |

#### Owner Occupier Variable Rates

|                |       |
|----------------|-------|
| SVR            | 3.15% |
| LTV <50%       | 2.75% |
| LTV 50% - <80% | 2.95% |
| LTV >80%       | 3.15% |

**HAVEN**

| <b>Owner Occupier Fixed Rates</b> | <b>Current</b> | <b>New</b><br>Effective from 24 February<br>2020 | <b>Reduction</b> |
|-----------------------------------|----------------|--|------------------|
| 3 Year Fixed                      | 2.85%          | 2.55%  | -0.30%           |
| 5 Year Fixed                      | 2.85%          | 2.55%  | -0.30%           |

| <b>Owner Occupier Variable Rates</b> |       |
|--------------------------------------|-------|
| SVR                                  | 3.15% |
| LTV <50%                             | 2.75% |
| LTV 50% - <80%                       | 2.95% |
| LTV >80%                             | 3.15% |