



5 March 2021

AIB cuts rates on AIB Green Five Year Fixed Rate Mortgage and introduces Green Personal Loan

- **Lowest green five year fixed rate mortgage in the Irish market**
- **Helps customers reduce their mortgage repayments, fuel bills and carbon footprint**
- **AIB funded €380m in Green Mortgages for energy efficient homes**
- **Supports AIB personal loan customers who planning to make green improvements**

AIB is cutting interest rates on its Green Five Year Fixed Rate Mortgage by up to 0.20% in a move that will see the bank offer the lowest green five year fixed-rate mortgage in the Irish market while backing customers to reduce their personal carbon footprint.

The bank is reducing the rate to 2.10% for customers seeking a Green Five Year Fixed Rate Mortgage where the loan represents less than 50% of the value (LTV) of an energy efficient home.

AIB is also reducing rates to 2.15% for customers taking out a Green Five Year Fixed Rate Mortgage of between 50% and 80% of the value of the home. That compares with 2.35% previously.

Customers seeking a mortgage of more than 80% of the value of the home will be offered a rate of 2.25% fixed for five years compared with 2.45% previously.

AIB customers on a variable rate of 3.15% would save €130 on their monthly repayments, and €1,560 a year, if they moved to AIB's Green Five Year Fixed Rate Mortgage of 2.25%. The calculation is based on a 25 year mortgage with a remaining balance of €285,000, a property valued at €350,000 and an LTV of >80%. Customers will also save on their heating bills by choosing to live in an energy efficient home.

AIB CEO Colin Hunt said: "Managing climate change is the most important challenge facing this generation and the role of finance in supporting the transition to a low carbon economy is key. At AIB, we have put sustainability at the heart of our business strategy. Reducing rates on AIB's Green Five Year Fixed Rate Mortgage will provide customers with greater repayment certainty, long-term security and another reason to take action to reduce their personal carbon footprint and support the transition to a low carbon future. In addition, the new AIB Green Personal Loan will also help borrowers fund other initiatives to live more sustainably."

The AIB Green Mortgage is available to customers for private dwelling homes with a building energy rating (BER) between A1 and B3. The energy savings can be substantial. For example, a two bed A-rated apartment has an estimated annual fuel bill of €280 compared to €3,000 for a G-rated apartment, with the obvious positive impact on carbon emissions.

The Green Mortgage has already proved very attractive to customers seeking warmer homes that cost less to heat, lower monthly mortgage repayments, and the knowledge that they are playing their part in Ireland's efforts to tackle climate change. Customers have drawn down €380m of AIB

Green Mortgages since the product was launched in autumn 2019 including €335m drawn down in 2020. This equates to 14% of AIB Group drawdowns in 2020.

In line with our commitment to ensuring a climate resilient business model, AIB is determined to provide customers with products and services that address environmental challenges as we seek to play our part in helping the Irish Government and the European Union to meet their carbon reduction targets.

Recognising that about 10 per cent of Ireland’s carbon emissions come from homes, AIB is actively encouraging customers by offering them discounted Green Mortgages to buy more energy efficient homes. AIB estimates that the Green Mortgages sold so far will have the potential to reduce CO2 emissions by c. 212,592 tonnes over 30 years. The emissions savings are equivalent to powering five wind turbines for 30 years.

AIB has also introduced a Green Personal Loan with a variable rate of 6.25% (6.4% APR) for our mobile banking customers who want to live more sustainably by making green renovations on their home or buying an electric/plug-in hybrid vehicle. Customers can take out a Green Personal Loan for up to five years for amounts from €3,000 to €30,000. Based on AIB’s €20,000 Standard Five Year Personal Loan, this new green rate would represent a saving of c. €1,352.40 over a five year period.

Notes to Editors:

1. Summary of Mortgage Rate Changes

Loan to Value (LTV)	AIB Green 5 Year Fixed Mortgage Rates		
	Current	New	Adjustment
<=50%	2.25%	2.10%	- 0.15%
>50%<=80%	2.35%	2.15%	- 0.20%
> 80%	2.45%	2.25%	- 0.20%

2. Rates are for owner occupier, primary dwelling home mortgage customers buying energy efficient homes with a building energy rating (BER) between A1 and B3.
3. Revised fixed rates come into effect from today for all new customers and existing variable rate customers who wish to opt for AIB’s Green Five Year Fixed Rate Mortgage. If an existing customer is already on a fixed rate and wants to avail of the new rates an early repayment charge may apply.
4. The changes included in this announcement apply to AIB customers in the Republic of Ireland only.
5. In line with its sustainability strategy, AIB has over the last two years:
 - Announced a €5bn climate action fund to support customers’ transition to a low carbon economy
 - Raised €1 billion in first green bond issuance by Irish bank
 - Announced AIB’s ambition for green lending to account for 70 per cent of new customer lending by 2030

- Launched the AIB Green Mortgage
- Stated its ambition to make its operations carbon neutral by 2030 using a net zero approach
- Received an A Leadership Rating from the Carbon Disclosures Project (CDP)
- Become a founding signatory for the UNEP FI Principles for Responsible Banking and a Supporter of Task Force on Climate-related Financial Disclosures (TCFD) since Q4 2019
- Pledged €1.25m to fund First Chair of Sustainable Business in Ireland at University College Cork

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