

Afin Bank

Product Name: Premier 2 Year Tracker

Residential Mortgage and Remortgage Products

Information Sheet Produced: May 2025

For Intermediary Use Only

Product Information

Products and Services Outcome and Price and Value Outcome – Information for distributors of the Product.

Product: Afin Bank Premier 2 Year Tracker Residential Mortgage and Remortgage Products

This summary document is being provided to you to fulfil our responsibilities under PRIN 2A.4.15R and PRIN 2A.3.12 R (2).

It is designed to support you to comply with your responsibilities under PRIN 2A.3.16 R and PRIN 2A.4.16 R. Please note that you are ultimately responsible for meeting your obligations under 'The Consumer Duty'.

This information is intended for intermediary use only and should not be provided to customers.

1. Summary of our assessment:

We have assessed that:

- Our Premier 2 Year Tracker Residential Mortgage and Remortgage product range (the "Product") meets the needs, characteristics, and objectives of customers in the identified target market.
- The intended distribution strategy is appropriate for the target market.
- The Product provides fair value to customers in the target market (i.e. the total benefits are proportionate to total costs).

2. Product characteristics and benefits

The Product is designed to meet the needs of the target group. The following product features and criteria are designed to support these needs:

A residential mortgage with a short-term variable rate that tracks the Bank of England Base Rate, designed for high-income or high-asset customers who value no early repayment charges (ERC) and unlimited overpayments, and potential savings if interest rates fall over a 2-year period. Interest-only options available with a suitable exit plan.

Who it's for:

- High-net-worth individuals, senior professionals, or investors with complex income structures.
- Customers purchasing or refinancing high-value residential property.
- Applicants seeking short-term borrowing flexibility without early repayment charges.
- Foreign nationals residing in the UK for at least 6 months on eligible visas.
- Customers with complex borrowing needs who require non-standard underwriting or tailored affordability assessments.

Core Benefits:

- No Early Repayment Charges, full overpayment and redemption flexibility.
- Variable rate tracks the Bank of England Base Rate for 2 years.
- Interest-only repayment option (with a suitable exit strategy).
- Manual underwriting tailored to complex income and asset situations.
- Inclusive approach to credit history and international backgrounds.
- Expert support via phone or email.

Key Product Details:

- Loan size: £250k – £2.5m
- LTV: Up to 75% (tiered: 75% to £750k, 70% to £1m, 65% to £2.5m)
- Minimum income: £300k p.a. or £3m in assets
- Term: 2–40 years
- Fee: £1,495 (can be added to the loan)
- Applicants: Max 2 per application
- Repayment: Capital and Interest or Interest Only (with exit plan)
- Reverts to: Bank of England Base Rate plus an Afin Bank margin after 2 years
- Portability: This product is not portable and cannot be transferred to a new property

Intermediaries will have access to knowledgeable and experienced staff within the Afin Bank Commercial team and Underwriting teams. Support will be given to intermediaries to ensure they understand our products and services via face-to-face meetings, webinars and Intermediary website pages.

Full eligibility criteria can be accessed on our Intermediary website via afinbank.com/intermediaries.

3. Target Market assessment and distribution strategy

This target market assessment matrix segments the target customers for the Product, recognising their different needs to enable you to tailor the services you provide to distribute the Product.

Customer Circumstance	Distribution Strategy	Customer Need and Objectives
Customer purchasing or refinancing a high-value residential property for their own use.	Available through FCA-authorized Intermediaries. Initial due diligence is conducted before an intermediary is added to the panel, with ongoing periodic monitoring to uphold standards.	To purchase or refinance a high-value home as part of a broader financial or wealth management strategy.
Customer with a deposit of around 25%, requiring borrowing of up to 75% LTV.		Access to flexible borrowing with potential to benefit from future base rate reductions.
Customer expecting market volatility or near-term financial change (e.g. relocation, liquidity shift).	Available through direct applications with an authorized Mortgage Advisor.	A short-term, commitment-light product that avoids fixed pricing during periods of uncertainty.
Customer with complex income (e.g. bonuses, dividends, trust income) or corporate/tax structures.		Access to bespoke underwriting that considers sophisticated income and financial profiles.
High-net-worth individual seeking service-led support and tailored structuring.		High-touch experience including dedicated support, flexible criteria, and relationship-led engagement.
Foreign national relocating or managing UK assets.		Ability to borrow during early UK residency or relocation phase, without long-term tie-ins.
Customer requiring freedom to refinance, redeem, or restructure during the 2-year period.		Maximum flexibility with no Early Repayment Charges and full overpayment capability.

The Product is not designed for customers:

- Where more than 2 applicants wish to be party to the mortgage.
- Who require more than 75% LTV.
- Who are non-UK residents.
- Where the property is not the main residence.
- Who prefer variable rates and wish to benefit from potential interest rate changes.
- With recent or significant credit events (e.g. CCJs, DMPs, IVAs, or bankruptcies within the past 36 months).
- In need of later life lending solutions.
- In need of shared ownership, Right to Buy and Help to Buy Mortgages.
- Who do not meet our lending or property criteria.
- Who do not have complex borrowing needs (likely to find a cheaper product with high street lender).
- Who require features such as product portability or access to further borrowing during the product term.
- Applicants above the age of 75 at the end of the mortgage term.

4. Customers with characteristics of vulnerability

This Product is not specifically targeted at customers with inherent characteristics of vulnerability, but at Afin we recognise that vulnerability is not fixed and can affect any customer at any stage of their mortgage journey, before application, during the term, or at the point of exit.

At the start of every customer journey and mortgage application, customer vulnerabilities are captured on internal systems. As vulnerability is not fixed and can impact a customer at any time, customer vulnerabilities information can be captured and updated when required.

While vulnerability risks exist across all customer types, tracker customers may experience heightened exposure to payment fluctuations due to variable interest rates.

The absence of Early Repayment Charges (ERCs) and full overpayment flexibility allows customers to adjust borrowing in response to changing personal or economic circumstances.

Support is underpinned by Afin Bank's Vulnerable Customer Policy and Arrears and Forbearance Policy, with all associated costs included in the pricing model. Vulnerable customers do not pay more than others.

Common Triggers for Vulnerability:

- Rising interest rates leading to increased monthly payments.
- Economic volatility or income changes affecting affordability.
- Redundancy or long-term illness impacting income.
- Bereavement, relationship breakdown, or other disruptive life events.
- Mental health conditions affecting financial management.
- Signs of addiction e.g. Alcohol / drug dependency or frequent gambling.

For Self-Employed / Irregular Income Customers:

- May face volatility in income due to seasonal contracts or reduced demand.
- Absence of any employment-based period of sick pay.

For Foreign Nationals / Diaspora Customers:

- Cultural and Language Barriers: May misunderstand terms or implications of fixed-rate structures, penalties, or early repayment charges.

Additional Considerations for Premier Customers:

- Premier customers may be less likely to present baseline financial vulnerability but may still encounter life-stage or health-related events impacting their ability to manage repayments.
- High-net-worth customers may have complex personal or business-related financial arrangements.
- Customers with international mobility (e.g. relocation, expatriation) may need flexible engagement routes and timely support to manage their mortgage while abroad.

Afin Bank has implemented a framework to identify and assist customers with vulnerabilities, which includes training for frontline staff, clear and accessible communication, and flexible policies to accommodate those facing financial hardship. Processes are in place for distributors to notify us of any characteristics of vulnerability at the point of application. Procedures are also in place to manage any vulnerabilities identified throughout the lifetime of the mortgage.

All intermediaries are expected to meet their regulatory obligations by identifying and supporting customers in vulnerable circumstances and ensuring they receive suitable advice and outcomes.

Please contact us if you need any further information about how we support the needs of all our customers in relation to the Product.

5. Our assessment of value

We have developed a comprehensive and robust assessment process which evaluates several aspects of our business to determine the value of our product. This analysis is used to ascertain whether the Product delivers fair value for customers.

The outcomes of the assessment process are presented to Executive Risk and Compliance Committee and Board Risk and Compliance Committee, allowing for challenge and further investigation before we sign-off the outcomes and share the summary of our assessment with you.

Our fair value assessment has considered the following:

Benefits	Price	Costs	Limitations
<p>A flexible mortgage with a range of product features, competitively priced variable rates, no early repayment charges, and unlimited overpayments which support customers who value adaptability and want to manage their borrowing around changing financial goals.</p> <p>Manual underwriting enables more inclusive access, while</p>	<p>Pricing is informed by internal modelling and peer benchmarking across:</p> <ul style="list-style-type: none"> • Interest rates • Fees • Early repayment charges <p>Pricing aims to balance commercial sustainability with customer value.</p>	<p>Cost of funding the product through deposit inflows.</p> <p>Operational cost of manual underwriting and case-by-case assessment.</p> <p>Ongoing servicing costs, including customer support, account management, and arrears handling.</p>	<p>This product is not suitable for customers who fall outside the defined target market, including those requiring higher LTVs, non-residential property use, or those seeking fixed-rate features.</p>

high service levels provide a smooth and transparent mortgage experience.			
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Results of our assessment

Our assessment concluded that the Product delivers fair value for customers in the target market for the Product.

We're here to help by phone on **0333 344 2974** from 09:00 - 17:00, Monday to Friday (excluding bank holidays). You can also email us at support@afinbank.com.

If you need an alternate format, please contact us at support@afinbank.com.

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