

FX Swap – Key Information Document



This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

Foreign Exchange Swap

Allied Irish Banks, p.l.c. (“AIB”) London Branch

<https://aib.ie/fxcentre>

Call +44 (0)20 7863 6950 for more information

Date of publication: 22nd December 2021

You are about to purchase a product that is not simple and may be difficult to understand.

What is this product?

Type	Over the Counter Derivative (OTC) – FX Swap
Objectives	<p>A Foreign Exchange (FX) Swap is an agreement to exchange currencies (usually value today, tomorrow or spot) at an agreed rate and to then inversely exchange the same currencies, using the same spot rate (adjusted for the relevant forward points) on a future date. It is one of the tools available to help you manage your foreign currency cashflows.</p> <p>For example, say one of your company’s foreign currency accounts is currently overdrawn or requires funding. Your main Euro current account is in credit to the equivalent amount. This situation will exist for a three month period. You wish to debit your main current account and credit your foreign currency account with the equivalent for the duration of this three month period.</p> <p>If you purchase the required foreign currency amount in order to fund your account, you will need to sell it back in three months’ time – running the risk that the exchange rate will have moved adversely in the period.</p> <p>An FX Swap will allow you to exchange the currencies using the same spot rate (adjusted for the forward points) and therefore manage your foreign exchange risk.</p>
Intended Retail Investor	<p>This product is intended for retail businesses wishing to mitigate the exchange rate risk associated with future currency exposures are in-scope for these regulations and who are seeking to hedge future currency exposures, such as future import or export transactions.</p> <p>An FX Swap is a binding contract between you and AIB to exchange a specific amount of two currencies at an agreed rate, on a near leg and future date(s). FX Swaps are tailored to meet your specific requirements. The client confirm the currencies, amount and both the near and future date(s) required.</p>
Term	<p>FX Swaps can be booked in all major currencies (minimum amount £12,500 equivalent) with a final maturity date of up to typically one year. The respective value dates of the transaction will be agreed at execution and will be set out with the other product terms in the confirmation. It is a product which is entered into for its term, although early termination may occur in the event of a default by either you or AIB.</p>

What are the risks and what could I get in return?

Risk Indicator



The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you. We have classified this product as 7 out of 7, which is the highest risk class.

If you cannot fulfil your contract, you may not be able to terminate it easily before maturity or you may have to end your product at a price that significantly impacts on the performance of your product. In some circumstances you may be required to make payments to pay for losses. The return of this product may change depending on currency fluctuations. **The total loss you may incur may be significant.** This product does not include any protection from future market performance so you could incur significant losses. In the event that AIB is not able to pay out what is owed, you could incur significant losses.

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How long should I hold it and can I take money out early?

This product cannot be sold or transferred and there is no recommended holding period, it is a product which is entered into for its term. This product can only be matured on the date(s) agreed with AIB. Early termination may occur in the event of a default by either you or AIB.

Performance scenarios

Market developments in the future cannot be accurately predicted. The scenarios shown are only an indication of some of the possible outcomes based on recent returns. Actual returns could be lower.

Scenarios below are based upon a EUR/GBP swap contract assuming a nominal amount of £100,000 at an agreed exchange rate for delivery in 3 months. This table shows the money you could get back or pay after costs in 3 months' time (should you require to terminate the contract), under different scenarios assuming a nominal value of £100,000. The tax legislation of the United Kingdom may have an impact on your actual payout. The figures do not take into account your personal tax situation, which may also affect how much you get back.

Nominal Amount £100,000				
Scenarios		3 Month	()	()
Stress Scenario	What you might get back/or pay after costs. Average return/loss over nominal amount each year	(£10,000) -10%	N/A	N/A
Unfavourable Scenario	What you might get back/or pay after costs. Average return/loss over nominal amount each year	(£5,300) -5.30%	N/A	N/A
Moderate Scenario	What you might get back/or pay after costs. Average return/loss over nominal amount each year	£300 0.30%	N/A	N/A
Favourable Scenario	What you might get back/or pay after costs. Average return/loss over nominal amount each year	£5,100 5.10%	N/A	N/A

What happens if AIB is unable to pay out?

AIB is a member of the Irish compensation scheme established under the Investor Compensation Act 1998 (the 1998 Act). The 1998 Act provides for the establishment of a compensation scheme and payment, in certain circumstances, of compensation to certain clients (defined in the Act as eligible investors) of authorised investment firms. You may be entitled to compensation from this scheme if we are unable to meet any of our liabilities to you. Where an entitlement to compensation is established, the compensation payable will be 90% of your net loss or €20,000 (whichever is the lesser).

AIB London Branch has entered the Temporary Permissions Regime. As a customer of AIB London Branch you may therefore be entitled to compensation from the Financial Services Compensation Scheme if we are unable to meet any of our liabilities to you. Where an entitlement to compensation is established, the compensation payable will be the total of your net loss or £85,000 (whichever is the lesser). Further information about compensation arrangements is available from the Financial Services Compensation Service (www.fscs.org.uk).

What are the costs?

The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the performance of the product.

The total costs take into account one-off, ongoing and incidental costs.

The amounts shown here are the cumulative costs of the product itself, for three different holding periods. They include potential exit penalties. The figures assume a nominal value of £100,000. The figures are estimates and may change in the future.

Table 1: Costs over time

The person selling you or advising you about this product may charge you other costs. If so, this person will provide you with information about these costs, and show you the impact that all costs will have on your investment over time.

Notional Amount Scenarios £100,000	If you end after 3 months	If you end after (1) years	If you end after (3) years
Total Costs	£1,400	N/A	N/A
Impact on return (RIY) per year	*1.40%	N/A	N/A

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Table 2: Composition of costs

The table below shows:

- The impact each year of the different types of costs on the performance of the product at the end of the recommended holding period;
- The meaning of the different cost categories.

This table shows the impact on return per year			
One-off costs	Entry costs	1.40%	*The impact of the costs already included in the price.
	Exit costs	0%	The impact of the costs of exiting your investment when it matures.
Recurring costs	Portfolio transaction costs	0%	The impact of us buying and selling underlying investments for the product.
	Other ongoing costs	0%	The impact of the costs that we take each year for managing your investments.
Incidental costs	Performance fees	0%	This product does not have any performance fees or carried interests.
	Carried interests	0%	

*In all cases, the transaction margin is limited to a maximum ceiling of 1.4% of the nominal amount of the transaction. There are no further recurring costs applicable.

How can I complain?

You can make a complaint by:

- Contacting your AIB Primary Relationship Manager or assigned AIB Treasury Relationship Manager on +44 (0)20 7863 6950 or by writing to Allied Irish Banks, p.l.c., AIB Customer Treasury Services, 10 Molesworth Street, Dublin 2. You can also make a complaint via our website aib.ie/fxcentre.
- If you are still not satisfied and you come within the jurisdiction of the Financial Services and Pensions Ombudsman, you can take your complaint depending on the circumstances in each case to:
 - The Financial Services and Pensions Ombudsman, 3rd Floor, Lincoln House, Lincoln Place, Dublin 2. Phone: +353 1 567 7000; Email: info@fspoi.ie; Website: www.fspoi.ie/
 - The Financial Ombudsman Service Exchange Tower, London E14 9SR, Telephones: 08000234567; email: complaint.info@financial-ombudsman.org.uk; Website: www.financial-ombudsman.org.uk.

Other relevant information

Under the European Union (Markets in Financial Instruments Regulation) Regulations 2017, commonly known as MiFID II, or as applicable, the UK version of MiFID II being part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended, we are required to provide you with further documentation, including, a confirmation including a breakdown of costs and charges for the transaction and an annual statement.

AIB is regulated by the Central Bank of Ireland. Allied Irish Banks, p.l.c London Branch is authorised and regulated by The Central Bank of Ireland. Registered No.24173. Registered Office 10 Molesworth Street, Dublin 2. Deemed authorised by the Prudential Regulation Authority. Subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details of the Temporary Permissions Regime, which allows EEA-based firms to operate in the UK for a limited period while seeking full authorisation, are available on the Financial Conduct Authority's website.