

Key Information Document



Purpose

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.

Product

Product Name:	Foreign Exchange Swap
PRIIP Manufacturer Name:	Allied Irish Banks, p.l.c. ("AIB"), part of AIB Group
Website for PRIIP Manufacturer:	https://aib.ie/fxcentre
Contact number for PRIIP Manufacturer:	Call +353 1 772 4005 for more information
Competent Authority:	The Central Bank of Ireland is responsible for supervising AIB in relation to this Key Information Document
Date of production of the Key Information Document:	1st January 2023

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
Term	Foreign Exchange (FX) Swaps can be booked in all major currencies 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.
Objectives	<p>A 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>A 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> <p>The value of this product at settlement is based on the difference between the forward exchange rate agreed and the FX spot rate available on the settlement date.</p>
Intended Retail Investor	<p>This product is intended for retail businesses wishing to mitigate the exchange rate risk associated with future currency exposures and who are seeking to hedge future currency exposures, such as future import or export transactions.</p> <p>A 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 confirms the currencies, amount and both the near and future date(s) required.</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.



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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.

Performance Scenarios

The figures shown include all the costs of the product itself, but may not include all the costs that you pay to your advisor. The figures do not take into account your personal tax situation, which may also affect how much you get back. **What you will get from this product depends on future market performance. Market developments in the future are uncertain and cannot be accurately predicted.** The unfavourable, moderate, and favourable scenarios shown are illustrations using the worst, average, and best performance of the product over the last 5 years. Markets could develop very differently in the future. The stress scenario shows what you might get back in extreme market circumstances. This product cannot be easily terminated early. If you terminated the product earlier than the agreed maturity date you may have to pay extra costs. Scenarios below are based on a EUR/GBP forward contract assuming a notional amount of EUR 10,000 at an agreed exchange rate for delivery in 3 months. The table shows the money you could get back or pay after costs in 3 months' time under different performance scenarios.

Recommended Holding Period: This product is designed to be held until maturity.		
Notional Amount EUR 10,000 *		
Scenarios		3 Month
Stress	What you might get back after costs	-EUR 2,000
	Average return each year*	-20%
Unfavourable	What you might get back after costs	-EUR 590
	Average return each year*	-5.9%
Moderate	What you might get back after costs	-EUR 160
	Average return each year*	-1.6%
Favourable	What you might get back after costs	EUR 280
	Average return each year*	-2.8%

*The potential return/loss is calculated as a percentage over the notional amount.

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 1998 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 EUR 20,000 (whichever is the lesser).

What are the costs?

The person advising on this product may charge you other costs. If so, this person will provide you with information about these costs and how they affect your investment.

Costs over time

The tables show the amounts that are taken from your investment to cover different types of costs. These amounts depend on how much you invest and how long you hold the product. The amounts shown here are illustrations based on an example investment amount. The costs below may vary depending on the underlying parameters of the transactions.

We have assumed:

- The notional amount is EUR 10,000
- The product cannot be held longer than agreed maturity date so other holding periods are not applicable

	If you end after 3 months
Total Costs	EUR 140
Impact on return (RIY) per year *	1.40%

*This illustrates the effect of costs over a holding period of less than 1 year. This percentage cannot be directly compared to the cost impact figures provided for other PRIIPs. This illustrates costs in relation to the notional value of the PRIIP.

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Composition of costs*

One-off costs upon entry or exit		Cost Impact
Entry costs	1.40% of the amount you pay in when entering this investment	EUR 140
Exit costs	We do not charge an exit fee for this product.	0
Ongoing costs [taken each year]		
Management fees and other administrative or operating costs	There are no management fees and other administrative or operating costs for this product.	0
Transaction costs	There are no transaction costs for this product.	0
Incidental costs taken under specific conditions		
Performance fees	There is no performance fee for this product.	0

*This illustrates costs in relation to the notional value of the PRIIP.

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

Recommended Holding Period: 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.

How can I complain?

You can make a complaint by:

- Contacting your AIB Primary Relationship Manager or assigned AIB Customer Treasury Services Relationship Manager on +353 1 772 4005 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 to:
 - The Financial Services and Pensions Ombudsman, Lincoln House, Lincoln Place, Dublin 2, D02 VH29. Phone: +353 1 567 7000; Email: info@fspoi.ie; Website: www.fspoi.ie

Other relevant information

We will provide you with further documentation relating to a transaction that you enter into with us including a confirmation with a breakdown of costs and charges and an annual statement.