



Fixed Rate Deposit for Cash Managers

Product Description Sheet

Customer Treasury Services UK



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| Your view anticipates interest rate uncertainty | ✓ | Rate protection with this product | ✓ | Cost paid as a premium | ✗ |
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The product – in brief

Features

A Fixed Rate Deposit is a product that provides the cash manager with rate protection against adverse rate movements, by committing to depositing at a fixed rate for a fixed period of time.

You may incur a cost if you break your fixed rate deposit early.

Fixed Rate Deposits can be tailor-made to suit your requirements.

Scenario

Your company has resources available for one year.

You believe that interest rates will fall over the course of this period and you want to protect yourself against this happening.

How does the product work?

Action

You lock into a one year Fixed Rate deposit at the fixed bid rate.

Example: GBP

One year bid rate is trading at 1.30%

- 1) You enter into a Fixed Rate Deposit for one year at 1.30%.
- 2) You do not pay a premium for this product



A. Interest rate you will deposit at for the year

Outcome in one year

You receive interest at a fixed rate of 1.30%.





Do not use this product if:

The use of this structure is out of line with your company's treasury policy.

You do not have the underlying commitment outlined in this structure.

You do not understand the benefits/risk of this structure.

In the worst case scenario, you cannot forego rate gains and endure any potential loss embedded in this structure.

Products to consider

Below is a range of Interest Rate products which should be considered when evaluating Interest Rate risk.

Caps/Collars/Floors (Vanilla & Knock-In)
Cross Currency Swaps
Fixed Loans and Deposits
Forward Rate Agreements
Fraptions
Swaps (Vanilla, Bermudan & Cancellable)
Swaptions

For further details on these products refer to the relevant product description sheet.

Note: Rates are based on indicative mid-rates at the time of production and for illustration purposes only.

Other issues to consider

The Bank may require confirmation as to the capacity of an entity to enter into particular treasury transactions. The requirements will vary depending on the type of entity involved and its place of incorporation. For example, for entities incorporated in overseas jurisdictions, a legal opinion which confirms capacity to enter into treasury transactions may be required. For certain companies, the Bank may require that the entry into treasury transactions is included as a specific object in the memorandum of association. These requirements can be discussed with you.

Having considered these points, your Treasury Relationship Manager at AIB Customer Treasury Services would be pleased to discuss any queries you may have and also to offer you a competitive price should you wish to proceed.

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