

# 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:	FX Forward Contract
PRIIP Manufacturer Name:	AIB (NI)
Website for PRIIP Manufacturer:	aibni.co.uk/fxcentre
Contact number for PRIIP Manufacturer:	Call +44 (0)20 7863 6950 for more information
Competent Authority:	Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.
Date of production of the Key Information Document:	22nd December 2022

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

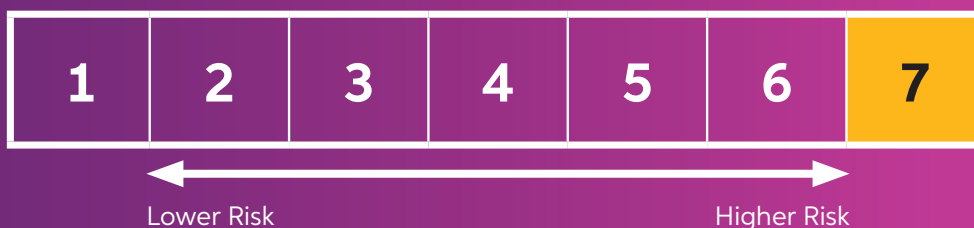
## What is this product?

Type	Over the Counter Derivative (OTC) – FX Forward
Objectives	<p>A FX Forward Contract is a binding contract between you and AIB (NI) to exchange a specific amount of two currencies at an agreed rate, on an agreed future date(s).</p> <p>The objective of this product is to provide protection from adverse movements in foreign exchange currency rates above pre-agreed levels, ending on the expiry date. It is one of the tools available to manage your foreign exchange (FX) rate risk.</p> <p>The contract exchange rate (forward rate) is agreed at the time the FX Forward Contract is booked. The forward rate is the spot rate plus or minus the forward points which are calculated from the interest rate differential between the two currencies.</p> <p>There are two types of FX Forward Contracts:</p> <ul style="list-style-type: none"><li>• fixed FX Forward Contracts where the drawdown is due to take place on a specific, pre-agreed future date; and</li><li>• time option (sometimes called window) FX Forward Contracts where drawdown may take place between two stipulated future dates in one or more drawdowns.</li></ul> <p>Once you have executed a contract at the forward rate you cannot benefit from any subsequent favourable exchange rate movements. You are obliged to use the rate regardless of where the spot rate is at maturity. 100% of the invested amount is protected at maturity.</p>
Intended Retail Investor	This product is intended for retail businesses wishing to mitigate the exchange rate risk associated with ongoing trade transactions, but can also be used by individuals who require exchange rate certainty for specific future transactions, such as the purchase or sale of an asset denominated in a foreign currency.
Term	FX Forward Contracts can be booked in all major currencies for periods greater than spot value (i.e. from 3 business days) up to typically one year. The expiry date of the FX Forward Contract will be set out in the confirmation for the product. 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 (NI).

## 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.



The risk indicator assumes you keep the product until maturity. The actual risk can vary significantly if you terminate it at an early stage and you may get back less. You may not be able to end your product early. You may have to pay significant extra costs to end your product early.

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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 (NI) is not able to pay out what is owed, you could incur significant losses.

## Investment performance information

### Main factors likely to affect future returns for the investor

This is a risk management product to hedge your position against the volatility of exchange rates. If you hold, and settle, your FX Forward Contract to maturity, then it will perform as agreed at deal execution when you agree your fixed exchange rate and settlement date. Your settlement under the FX Forward Contract will not be impacted by market moves in the exchange rate.

The FX Forward Contract rate is a calculation combining today's spot exchange rate, for the chosen currency pair, adjusted to reflect the difference in interest rates or yield between the two currencies to the maturity date of the contract.

The inherent value of your FX Forward Contract will vary in line with the movement in underlying exchange rate for your chosen currency pair. The value of this product at settlement is based on the difference between the FX Forward Contract Rate agreed and the spot exchange rate available on the settlement date. On that date, it is possible that the spot exchange rate will be better or worse than the forward exchange rate agreed for the product. The size of this difference will dictate your gain or loss on the product.

### What could affect my return positively?

Where the spot exchange rate in your chosen current pair at settlement is worse than the FX Forward Contract rate this will represent a gain to you.

### What could affect my return negatively?

Where the spot exchange rate in your chosen current pair at settlement is better than the FX Forward Contract rate this will represent a loss to you. In severely adverse market conditions the spot exchange rate may be significantly different than the original FX Forward Contract Rate you agreed. In this case the currency amount that you receive from us may be worth very little in comparison with the amount that you pay to us. If you wish to early terminate your FX Forward Contract, you should note that you may not be able to terminate easily before maturity or you may have be liable for a termination payment which could be a substantial loss or gain to you.

## What happens if AIB (NI) is unable to pay out?

We are covered by the Financial Services Compensation Scheme (FSCS). 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 the total of your net loss or GBP 85,000 (whichever is the lesser). Further information about compensation arrangements is available from the Financial Services Compensation Service ([www.fscs.org.uk](http://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 GBP 10,000. The figures are estimates and may change in the future.

## 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 GBP 10,000	If you end after 3 months
Total Costs	GBP 140
Impact on return (RIY) per year	1.40%

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## 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 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 (NI). Early termination may occur in the event of a default by either you or AIB (NI).

## How can I complain?

You can make a complaint by:

- Contacting your Primary Relationship Manager or assigned Customer Treasury Services Relationship Manager on +44 (0)28 9032 6118 or by writing to AIB (NI), Customer Treasury Services Relationship Manager, 92 Ann Street, Belfast, BT1 3HH. You can also make a complaint via our website [aibni.co.uk/fxcentre](http://aibni.co.uk/fxcentre)
- If you are still not satisfied and you come within the jurisdiction of the Financial Ombudsman Service, you can take your complaint to:
  - Financial Ombudsman Service Exchange Tower, London E14 9SR. Telephones: 0800 023 4567; +44 20 7964 0500 (for calls from outside the UK); Email: [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk); Website: [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk).

## 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.