



# KEY INFORMATION DOCUMENT

<b>Purpose</b>	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.		
<b>Product</b>	<b>PRIIP name:</b>	LIBOR based Interest Rate Swap 5 Year term	
	<b>PRIIP manufacturer:</b>	Coutts & Co ('Coutts')	
	<b>Contact number for PRIIP manufacturer:</b>	Please call 020 7293 0770 for more information or visit <a href="http://coutts.com">coutts.com</a>	
	<b>Competent Authority:</b>	Coutts is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority.	
	<b>Date:</b>	The date of this Key Information Document is 5 January 2018	

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

<b>Type:</b>	An Over the Counter Derivative (OTC) contract – Interest Rate Swap										
<b>Objective:</b>	<p>The objective of this product is to give you certainty in relation to interest payments which you are required to make under a separate variable rate borrowing contract (for example, a loan linked to a variable interest rate such as LIBOR).</p> <p>The product achieves its objective by Coutts agreeing the terms of an OTC contract with you, under which you agree to pay to Coutts a fixed amount calculated by reference to a fixed rate of interest on pre-agreed dates over a term on an agreed nominal amount. In return Coutts will pay to you a variable amount calculated by reference to a variable rate of interest on the same pre-agreed dates, over the same term and nominal amount. On each payment date, if the variable rate is negative, you will be required to pay to Coutts the absolute value of the variable amount in addition to the fixed amount. If the variable amount is lower than the fixed amount, you will pay to Coutts the difference between the two. If the variable amount is greater than the fixed amount, you will receive from Coutts the difference between the two.</p>										
<b>What is this product?</b>	<p>Depending on the value of the variable rate relative to the fixed rate over the term, it may record an overall gain or loss, illustrative figures of which are set out in the Performance Scenarios table overleaf. The illustrative terms are set out below and the exact terms agreed with you at execution will be set out in a transaction confirmation.</p> <table><tr><td><b>Term</b></td><td>Five years</td><td><b>Variable rate</b></td><td>3 month ICE LIBOR, payable quarterly</td></tr><tr><td><b>Nominal amount</b></td><td>£10,000</td><td><b>Fixed rate</b></td><td>1.15% payable quarterly</td></tr></table>			<b>Term</b>	Five years	<b>Variable rate</b>	3 month ICE LIBOR, payable quarterly	<b>Nominal amount</b>	£10,000	<b>Fixed rate</b>	1.15% payable quarterly
<b>Term</b>	Five years	<b>Variable rate</b>	3 month ICE LIBOR, payable quarterly								
<b>Nominal amount</b>	£10,000	<b>Fixed rate</b>	1.15% payable quarterly								
<b>Intended retail investor:</b>	This product is intended for clients of Coutts who are classified as MiFID retail investors and who have borrowings linked to a variable interest rate (such as LIBOR) and who are looking to obtain certainty over the cost of the borrowings, in whole or in part. This product is not intended for speculative purposes. As such it is expected that this product would be held to maturity to hedge your interest rate exposure.										

*Coutts*



## KEY INFORMATION DOCUMENT

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 cumulative costs of the product itself, for three different holding periods. They include potential early exit penalties. The figures assume a nominal value of £10,000. The figures are estimates and may change in the future.

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.

**Nominal Amount: GBP10,000**

Costs over time:	Scenarios	If you end after 1 year	If you end after 3 years	If you end at the end of the recommended holding period
<b>Total costs</b>		£10	£30	£50
Impact on return (RIY) per year		0.1%	0.1%	0.1%

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;
- What the different cost categories mean.

### What are the costs?

**This table shows the impact on return per year**

Composition of costs:	Entry Costs	Nil	The impact of the costs already included in the price. This is the most you will pay, and you could pay less.
<b>One-off costs</b>	Exit costs	Nil	The impact of the costs of exiting your investment when it matures. See section recommended holding period below for the impact of the costs to terminate the investment prior to its recommended holding period.
	<b>Ongoing costs</b>	Portfolio transaction costs	N/A
Other ongoing costs		0.1%	The impact of the costs that we take each year for managing your investment.
<b>Incidental costs</b>	Performance fees	N/A	The impact of the performance fee. We take these from your investment if the product outperforms its benchmark.
	Carried interests	N/A	The impact of carried interests that we take when the investment has performed better than the specified benchmark.

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

This product is designed to be held until the end of the recommended holding period, which will be set out in the confirmation for this product, and it is not a product which can be transferred or terminated without our consent. Early termination may occur in the event of a default or disruption situation, or if you and Coutts agree in Coutts' discretion for it to be terminated early, in which case, you may have to pay breakage costs.

These will be calculated by reference to prevailing market conditions and include any costs incurred by us in terminating any related financial instrument or trading position. Please note that such break costs may be substantial. Unless set out in the Exit costs table above, we do not charge any other additional costs or charges.

### How can I complain?

If you are not satisfied with any aspect of our service or products, please advise your private banker or wealth manager in person, in writing, by telephone or email. If your complaint relates to your private banker or wealth manager, please advise their managing director. Their details are available on request by calling +44 (0)20 7957 2424.

If you would like more information or a leaflet describing our complaints procedures, please ask at any of our offices, call +44 (0)20 7957 2424 or refer to the 'Coutts Complaints Handling Policy' section at [coutts.com/important-information-and-fscs.html](http://coutts.com/important-information-and-fscs.html)

### Other relevant information

The full terms and conditions of the product are set out in the confirmation, as supplemented and amended by the applicable definitions and master agreement terms. These latter documents can be provided on your request. The product terms provide amongst other things that if certain exceptional events occur, Coutts may terminate the product early. These events principally relate to your financial condition.