



CASE STUDY 1: AN INTEREST RATE SWAP

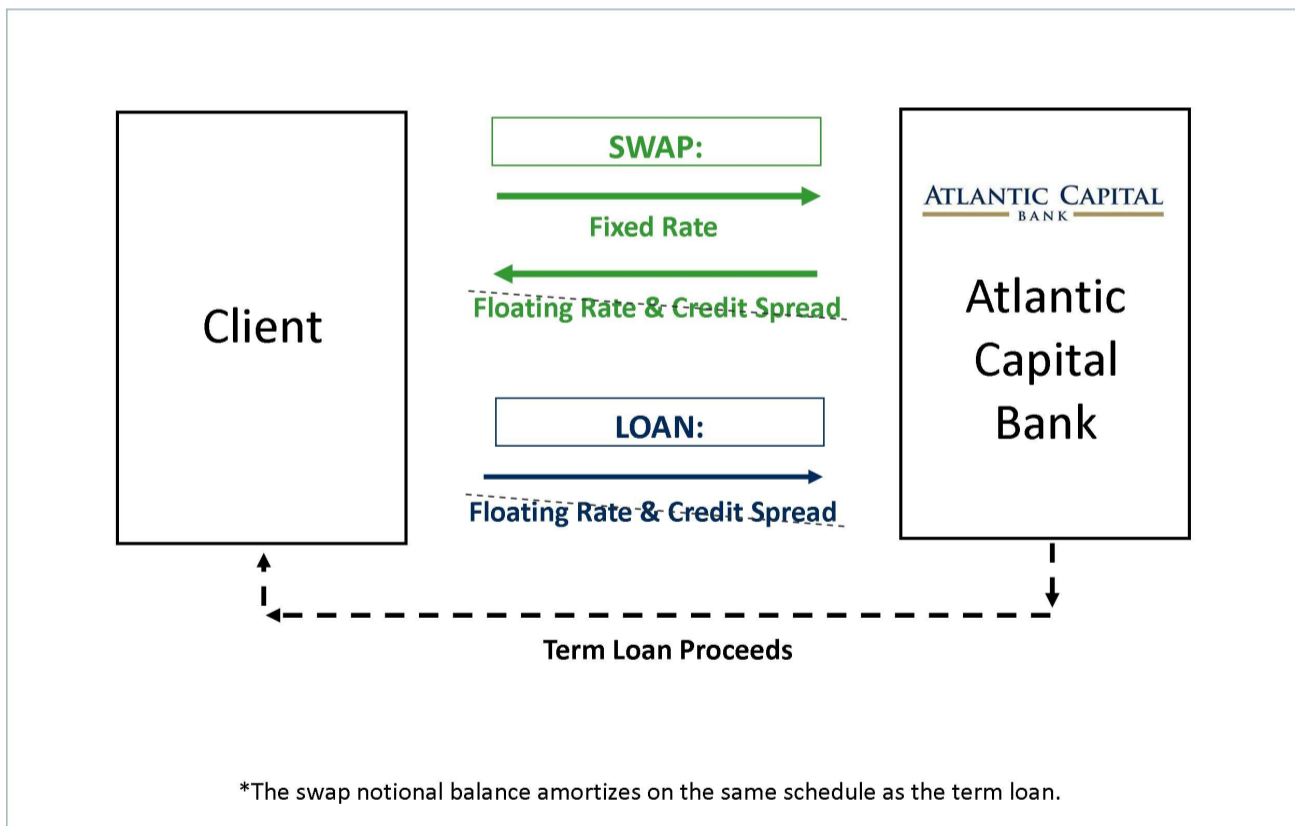
SCENARIO:

- A large real estate project with fixed rate debt maturing within two years
- Project income fixed via a long term lease
- Client concerned about the effect of rising interest rates on project cash flows

SOLUTION:

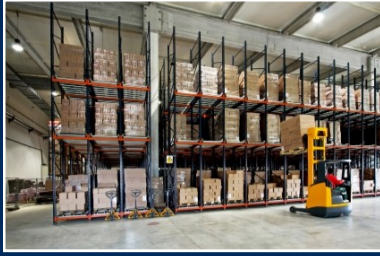
- Atlantic Capital Bank agreed to finance the breakage cost on the fixed rate debt and extend the term of the loan.
- Using an interest rate swap, the client fixed the floating rate loan at a rate substantially below the previous fixed rate.
- The client has locked in the debt cost for the life of the swap.

SAMPLE SWAP AND LOAN CASH FLOWS:



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If you have questions or would like to learn more about interest rate swaps or caps, please contact **David Shutley**, Senior Vice President, at (404) 995-5829 or david.shutley@atlcapbank.com.



CASE STUDY 2: A FORWARD STARTING INTEREST RATE SWAP

SCENARIO:

- Corporate banking client needed financing for the purchase of a commercial warehouse and building improvements
- Construction funding would occur over a six month period, after which the construction loan would convert to an amortizing term loan
- Client was concerned about the effect of rising rates on income

SOLUTION:

- Atlantic Capital agreed to finance the construction/term loan.
- During the construction phase, the interest rate remained floating.
- Using a forward starting interest rate swap, the client fixed the rate from the date the loan was fully funded until maturity.

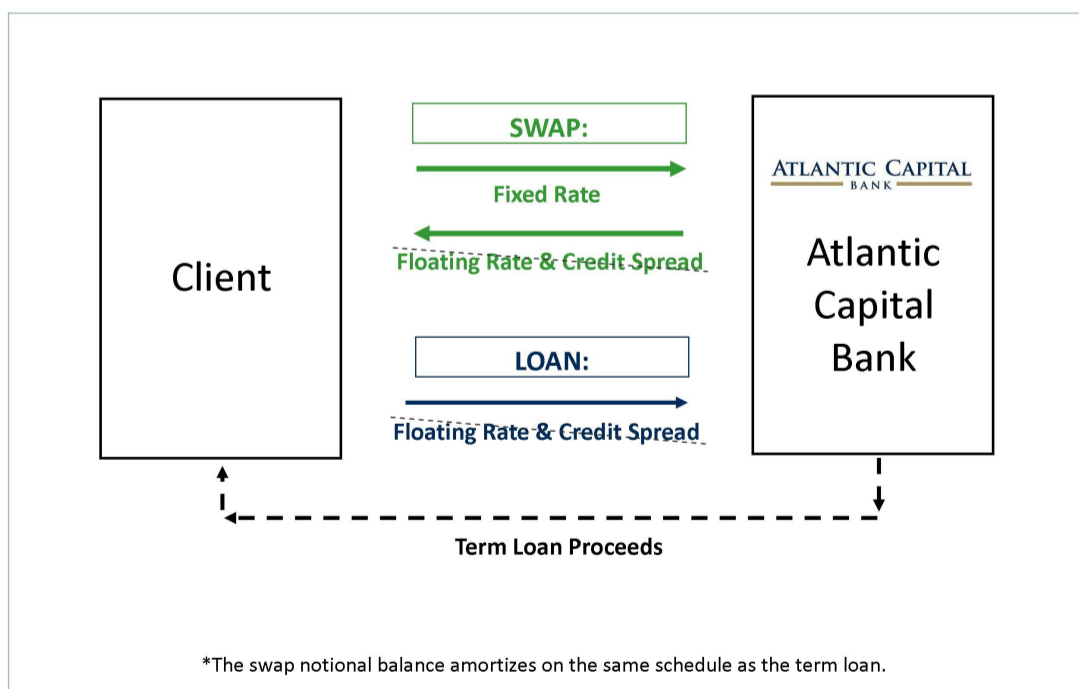
SAMPLE CASH FLOWS:

During the construction phase:

- Loan balance increases over time to fund construction draws
- Interest rate floats based on one month Libor

After the construction is complete:

- Loan is fully funded and begins to amortize
- The interest rate is fixed by swapping the floating rate to fixed for the remaining life of the loan



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