

In a variable interest rate agreement, there is no fixed interest rate over the entire term of the deal. Instead, the interest rate is adjusted periodically to the prevailing market rate. This adjustment and redetermination of interest rates is called interest rate fixing.

Interest rate fixing is an operation that is performed either manually by bank personnel (for example via a follow-up entries) or automatically by the system. During this operation, the interest rate of a loan is redetermined and fixed for a subsequent period.