

Product Disclosure Statement

FX & Interest Rate Derivatives



List of Products

FX Products

- FX Forward
- FX Flat Forward
- FX Call Option
- FX Put Option
- FX Call Spread
- FX Put Spread
- FX Range Forward (Importer)
- FX Range Forward (Exporter)
- FX Seagull (Importer)
- FX Seagull (Exporter)

Interest Rate Products

- Interest Rate Swap
- Overnight Index Swap
- Cross Currency Swap
- Principal Only Swap
- Coupon Only Swap

RBI Directions on Risk Management & Market Makers in OTC Derivatives

User Classification

- The following users shall be eligible to be classified as Non-Retail users:
 1. All India Financial Institutions (AIFIs) and Non-Banking Finance Companies (NBFCs) (including Standalone Primary Dealers (SPDs) and Housing Finance Companies (HFCs)); Exim Bank, National Bank of Agriculture and Rural Development (NABARD), National Housing Bank (NHB) and Small Industries Development Bank of India (SIDBI)
 2. Insurance Companies regulated by the Insurance Regulatory and Development Authority of India (IRDAI); Persons resident outside India other than individuals
 3. Pension Funds regulated by the Pension Fund Regulatory and Development Authority (PFRDA);
 4. Mutual Funds and Alternative Investment Funds regulated by the Securities and Exchange Board of India (SEBI);
 5. Resident users with (a) minimum net worth of ₹500 crore; or (b) minimum turnover of ₹1000 crore, as per the latest audited financial statements;
 6. Persons resident outside India other than individuals.
- Any user who is not eligible to be classified as a Non-Retail user shall be classified as a Retail user.
- Any user who is otherwise eligible to be classified as a Non-Retail user shall have the option to get classified as a Retail user.
- Any user who is otherwise eligible to be classified as a retail user shall have the option to get classified as a non-retail user subject to the condition that the user makes a request to an Authorised Dealer in this regard and the Authorised Dealer is satisfied that the user has the risk management capabilities suitable for classification as a non-retail user.

Permitted Products

- Retail Users:
 - Forwards, purchase of call and put options (Only European options), purchase of call and put spreads, swaps.
- Non-Retail Users:
 - All FX/interest rate products permitted to retail users and
 - Any other foreign exchange / foreign currency interest rate derivative contract including derivatives having cash instrument(s) and/or permitted derivative(s) as components, but excluding leveraged derivatives and derivatives containing a derivative instrument as underlying other than those specifically permitted.

FX Products



FX Forward

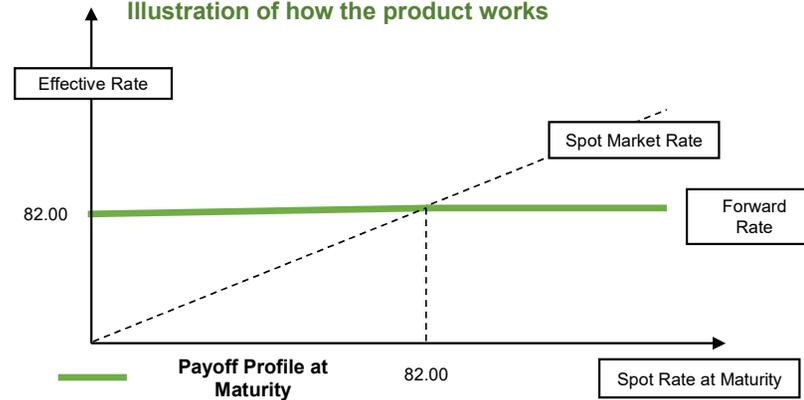
Features

- Client enters into FX forward agreement to buy/sell the underlying currency at a pre-determined fixed exchange rate at a particular date.
- Client wants to hedge USD payables/receivables and protect against the risk of USD appreciation/depreciation against INR.
- There is no premium payment/exchange in this contract.
- Client may avail a feature to utilize the forward contract within a 30-day window period.

Indicative Terms & Conditions

Structure	Client buys USD ag INR at Forward Rate
USD Notional	USD 10 Million
Maturity Date	Today + 3 months
USD/INR Spot Ref	81.50
Forward Rate	82.00
Premium	None
Payoff	
On Maturity Date	Client buys USD Notional at Forward Rate, irrespective of USD/INR market rate.

Illustration of how the product works



Mark-to-Market Considerations for termination/unwind (from Client perspective)

- Spot : The MTM will increase as USD/INR spot increases.
- Forward: The MTM will increase as USD/INR forward premium increases.
- Client may take Early Delivery as required prior to maturity date subject to market/applicable costs.

Client Benefits

- Client is hedged for USD appreciation above Forward Rate.

Client Risks

- If USD/INR trades below Forward rate at Maturity Date, Client will have opportunity loss as buying rate is fixed at the Forward rate.

Cost & fees

There is no premium/cost/fees payable for this contract. If a fee is charged, it would be as per terms and conditions of the transaction as mentioned in the electronic/voice/term sheet confirmations.

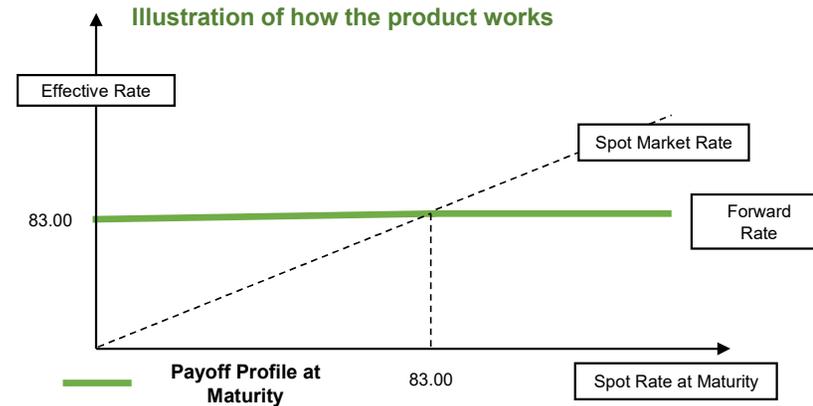
FX Flat Forward

Features

- Client enters into FX flat forward agreement to buy/sell the underlying currency at a pre-defined rate for a set of pre defined maturity dates.
- Client wants to hedge USD payables/receivables and protect against the risk of USD appreciation/depreciation against INR at a common rate.
- There is no premium payment/exchange in this contract.
- Client may avail a feature to utilize the forward contracts within a 30-day window period.

Indicative Terms & Conditions

Structure	Client sells USD ag INR at Flat Forward Rate on each Maturity Date
USD Notional	USD 10 Million per month
Maturity Dates	Month end dates Apr'23 to Mar'24
USD/INR Spot Ref	81.50
Flat Forward Rate	83.00
Premium	None
Payoff	
On each Maturity Date	Client sells USD Notional at Flat Forward Rate, irrespective of USD/INR market rate.



Non-Retail

Mark-to-Market Considerations for termination/unwind (from Client perspective)

- Spot : The MTM will increase as USD/INR spot decreases.
- Forward: The MTM will increase as USD/INR forward premium decreases.
- Client may take Early Delivery as required prior to maturity date subject to market/applicable costs.

Client Benefits

- Client is hedged for USD depreciation below Flat Forward Rate.
- Client is hedged for all maturity dates at a common Flat Forward Rate.

Client Risks

- If USD/INR trades above Flat Forward rate at any Maturity Date, Client has opportunity loss as selling rate is fixed at the Flat Forward rate.

Cost & fees

There is no premium/cost/fees payable for this contract. If a fee is charged, it would be as per terms and conditions of the transaction as mentioned in the electronic/voice/term sheet confirmations.

FX Vanilla Call

Features

- Client buys USD/INR call option to hedge their USD payables/liabilities against USD/INR appreciation.
- A call option gives the owner the right, but not the obligation, to buy a specific amount of the underlying currency on a Settlement Date at a specified Strike Rate.
- Premium/Cost for the option, which depends on Strike Rate and market factors, is payable by the Client.

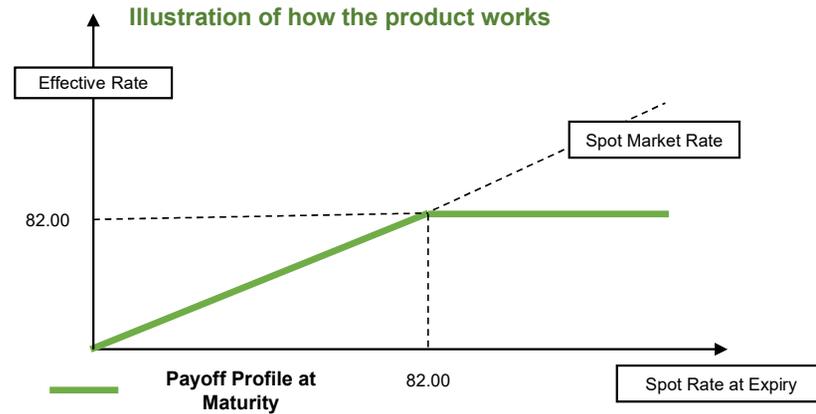
Indicative Terms & Conditions

Structure	Client buys USD/INR Call @ Strike Rate
USD Notional	USD 10 Million
Expiry Date	Today + 3 months
Settlement Date	Expiry Date + 2 Business Days
USD/INR Spot Ref	81.50
3m Forward	82.00
Strike Rate	82.00
Option Premium	(1.10% * USD Notional) paid upfront
Spot Rate at Expiry (SRE)	USD/INR spot rate at 11:30am IST on Expiry Date

Payoff

If SRE ≤ 82.00	Client buys USD Notional ag INR at SRE (full participation)
If SRE > 82.00	Client buys USD Notional ag INR at 82.00 (full protection)

Illustration of how the product works



Retail, Non-Retail

Mark-to-Market Considerations for termination/unwind (from Client perspective)

- Spot : The MTM will increase as USD/INR spot increases.
- Forward: The MTM will increase as USD/INR forward premium increases.
- Volatility: The MTM will increase as USD/INR volatility increases.

Client Benefits

- Client is hedged for USD appreciation above Strike Rate.
- Client has the flexibility to participate fully in USD depreciation below Strike Rate.
- Maximum loss is limited to the option premium agreed at inception, regardless of market movement.

Client Risks

- If SRE is less than Strike Rate, the option expires worthless.

Cost & fees

Option premium mentioned in Indicative Terms & Conditions are purely indicative and for illustration purposes. Transaction specific payoff, cost and fees will be as per terms and conditions as agreed in electronic/voice/term sheets & confirmations.

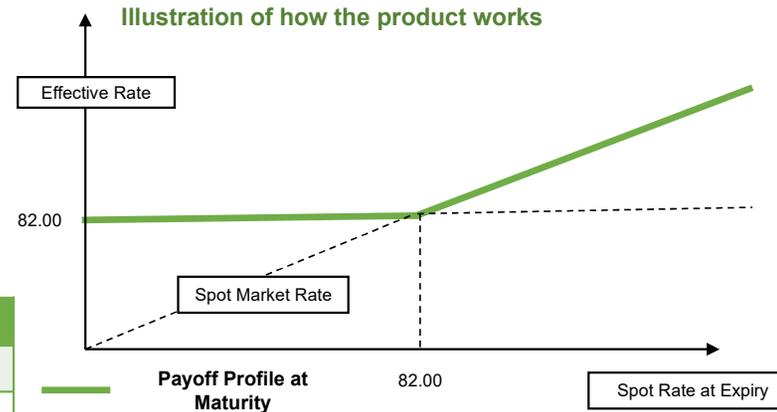
FX Vanilla Put

Features

- Client buys USD/INR Put option to hedge their USD receivables against USD/INR depreciation.
- A put option gives the owner the right, but not the obligation, to sell a specific amount of the underlying currency on a Settlement Date at a specified Strike Rate.
- Premium/Cost for the option, which depends on Strike Rate and market factors, is payable by the client.

Indicative Terms & Conditions

Structure	Client buys USD/INR Put @ Strike Rate
USD Notional	USD 10 Million
Expiry Date	Today + 3 months
Settlement Date	Expiry Date + 2 Business Days
USD/INR Spot Ref	81.50
3m Forward	82.00
Strike Rate	82.00
Option Premium	(1.10% * USD Notional) upfront
Spot Rate at Expiry (SRE)	USD/INR spot rate at 11:30am IST on Expiry Date
Payoff	
If SRE ≤ 82.00	Client sells USD Notional ag INR at 82.00 (full protection)
If SRE > 82.00	Client sells USD Notional ag INR at SRE (full participation)



Retail, Non-Retail

Mark-to-Market Considerations for termination/unwind (from Client perspective)

- Spot : The MTM will increase as USD/INR spot decreases.
- Forward: The MTM will increase as USD/INR forward premium decreases.
- Volatility: The MTM will increase as USD/INR traded volatility increases.

Client Benefits

- Client is hedged for USD depreciation below Strike Rate
- Client has the flexibility to participate fully in USD appreciation above Strike Rate.
- Maximum loss is limited to the option premium agreed at inception, regardless of market movement.

Client Risks

- If SRE is greater than Strike Rate, the option expires worthless.

Cost & fees

Option premium mentioned in Indicative Terms & Conditions are purely indicative and for illustration purposes. Transaction specific payoff, cost and fees will be as per terms and conditions as agreed in electronic/voice/term sheets & confirmations.

FX Call Spread

Features

- Client wants to hedge their USD payables from USD/INR appreciation from Buy Call Strike up to Sell Call Strike.
- A Call spread is a combination of a bought Call option and a sold Call option at higher strike, which reduces the cost of the structure.
- Premium/Cost for the option, which depends on Strike Rates and market factors, is payable by the Client.

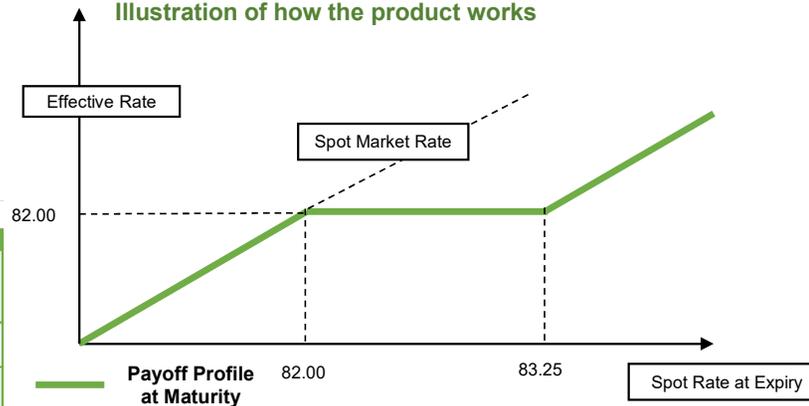
Indicative Terms & Conditions

Structure	Client buys USD/INR Call @ Buy Call Strike Client sells USD/INR Call @ Sell Call Strike
USD Notional	USD 10 Million
Expiry Date	Today + 3 months
Settlement Date	Expiry Date + 2 Business Days
USD/INR Spot Ref	81.50
3m Forward	82.00
Buy Call Strike	82.00
Sell Call Strike	83.25
Option Premium	(0.55% * USD Notional) paid upfront
Spot Rate at Expiry (SRE)	USD/INR Spot Rate at 11:30am IST on Expiry Date

Payoff

If SRE ≤ 82.00	Client buys USD Notional ag INR at SRE (full participation)
If 82.00 < SRE ≤ 83.25	Client buys USD Notional ag INR at 82.00
If SRE > 83.25	Client buys USD Notional ag INR at 1.25 better than SRE

Illustration of how the product works



Retail, Non-Retail

Mark-to-Market Considerations for termination/unwind (from Client perspective)

- Spot : The MTM will increase as USD/INR spot increases.
- Forward: The MTM will increase as USD/INR forward premium increases.
- Volatility: The MTM of the option bought or sold will increase as USD/INR volatility increases.

Client Benefits

- Client is hedged for USD/INR appreciation from Buy Call Strike and up to Sell Call Strike.
- Client has the flexibility to participate fully in USD/INR depreciation below Buy Call Strike.

Client Risks

- Client is not protected for USD/INR appreciation beyond Sell Call Strike.

Cost & fees

Option premium mentioned in Indicative Terms & Conditions are purely indicative and for illustration purposes. Transaction specific payoff, cost and fees will be as per terms and conditions as agreed in electronic/voice/term sheets & confirmations.

FX Put Spread

Features

- Client wants to hedge their USD receivable from USD depreciation from Buy Put Strike up to Sell Put Strike.
- A Put spread is a combination of bought Put option and sold Put option at lower Strike, which reduces the cost of the structure.
- Premium/Cost for the option, which depends on Strike Rates and market factors, is payable by the client.

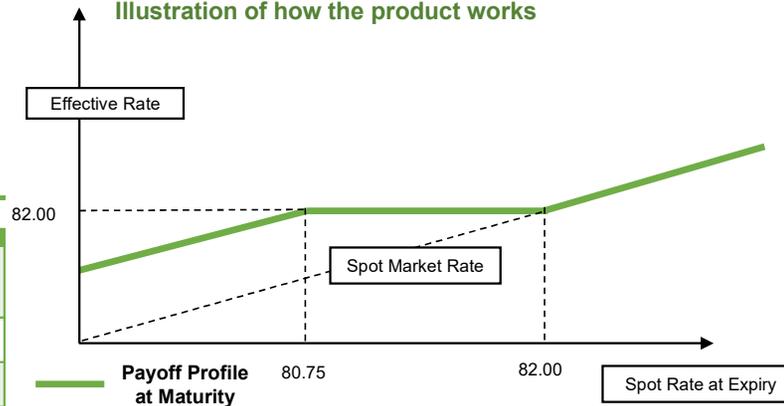
Indicative Terms & Conditions

Structure	Client buys USD/INR Put @ Buy Put Strike Client sells USD/INR Put @ Sell Put Strike
USD Notional	USD 10 Million
Expiry Date	Today + 3 months
Settlement Date	Expiry Date + 2 Business Days
USD/INR Spot Ref	81.50
3m Forward	82.00
Buy Put Strike	82.00
Sell Put Strike	80.75
Option Premium	(0.60% * USD Notional) paid upfront
Spot Rate at Expiry (SRE)	USD/INR Spot Rate at 11:30am IST on Expiry Date

Payoff

If SRE ≤ 80.75	Client sells USD Notional ag INR at 1.25 better than SRE
If 80.75 < SRE ≤ 82.00	Client sells USD Notional ag INR at 82.00
If SRE > 82.00	Client sells USD Notional ag INR at SRE (full participation)

Illustration of how the product works



Mark-to-Market Considerations for termination/unwind (from Client perspective)

- Spot : The MTM will increase as USD/INR spot decreases.
- Forward: The MTM will increase as USD/INR forward premium decreases.
- Volatility: The MTM of the option bought or sold will increase as USD/INR traded volatility increases.

Client Benefits

- Client is hedged for USD depreciation from Buy Put Strike and up to Sell Put Strike.
- Client has the flexibility to participate fully in USD/INR appreciation beyond Buy Put Strike.

Client Risks

- Client is not protected against USD/INR depreciation below Sell Put Strike.

Cost & fees

Option premium mentioned in Indicative Terms & Conditions are purely indicative and for illustration purposes. Transaction specific payoff, cost and fees will be as per terms and conditions as agreed in electronic/voice/term sheets & confirmations.

FX Range Forward (Importer)

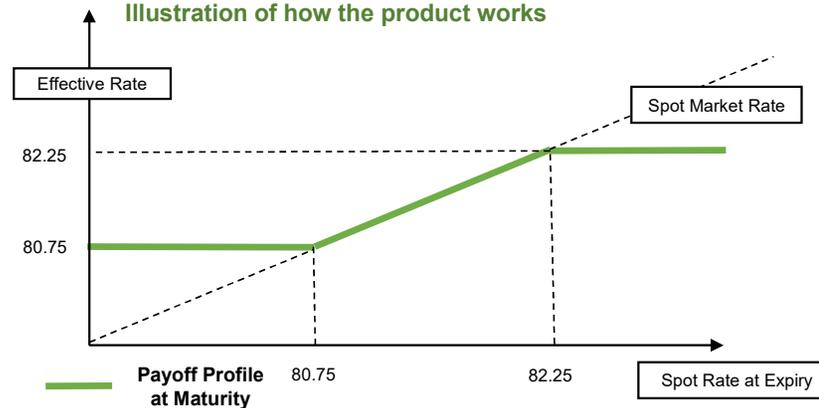
Features

- The Client wants to hedge USD payables from USD appreciation beyond Buy Call Strike and would like to participate in USD depreciation up to Sell Put Strike.
- A range forward (importer) is a combination of bought Call option and sold Put option at lower strike, which reduces the cost of the structure.
- Premium/Cost for the option, which depends on Strike Rates and market factors, is payable by the client.

Indicative Terms & Conditions

Structure	Client buys USD/INR Call @ Buy Call Strike Client sells USD/INR Put @ Sell Put Strike
USD Notional	USD 10 Million
Expiry Date	Today + 3 months
Settlement Date	Expiry Date + 2 Business Days
USD/INR Spot Ref	81.50
3m Forward	82.00
Buy Call Strike	82.25
Sell Put Strike	80.75
Option Premium	(0.45% * USD Notional) paid upfront
Spot Rate at Expiry (SRE)	USD/INR Spot Rate at 11:30am IST on Expiry Date
Payoff	
If $SRE \leq 80.75$	Client buys USD Notional ag INR at 80.75
If $80.75 < SRE \leq 82.25$	Client buys USD Notional ag INR at SRE
If $SRE > 82.25$	Client buys USD Notional ag INR at 82.25

Illustration of how the product works



Non-Retail

Mark-to-Market Considerations for termination/unwind (from Client perspective)

- Spot : The MTM will increase as USD/INR spot increases.
- Forward: The MTM will increase as USD/INR forward premium increases.
- Volatility: The MTM of the option bought or sold will increase as USD/INR traded volatility increases.

Client Benefits

- Client is hedged for USD appreciation above Buy Call Strike.
- Client has the flexibility to participate in USD depreciation below Buy Call Strike up to Sell Put Strike.

Client Risks

- Client will have to buy USD at a worse rate if SRE is below the Sell Put Strike.

Cost & fees

Option premium mentioned in Indicative Terms & Conditions are purely indicative and for illustration purposes. Transaction specific payoff, cost and fees will be as per terms and conditions as agreed in electronic/voice/term sheets & confirmations.

FX Range Forward (Exporter)

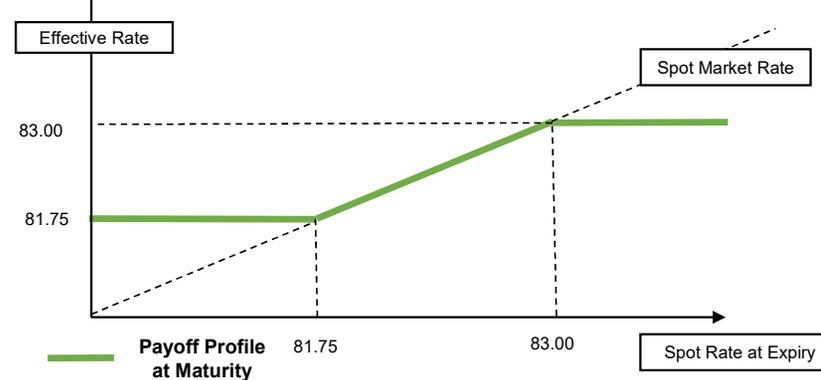
Features

- The client wants to hedge USD receivables from USD depreciation below Buy Put Strike and would like to participate in USD appreciation up to Sell Call Strike.
- A range forward (exporter) is a combination of bought Put option and sold Call option at higher strike, which reduces the cost of the structure.
- Premium/Cost for the option, which depends on Strike Rates and market factors, is payable by the client.

Indicative Terms & Conditions

Structure	Client buys USD/INR Put @ Buy Put Strike Client sells USD/INR Call @ Sell Call Strike
USD Notional	USD 10 Million
Expiry Date	Today + 3 months
Settlement Date	Expiry Date + 2 Business Days
USD/INR Spot Ref	81.50
3m Forward	82.00
Buy Put Strike	81.75
Sell Call Strike	83.00
Option Premium	(0.40% * USD Notional) paid upfront
Spot Rate at Expiry (SRE)	USD/INR Spot Rate at 11:30am IST on Expiry Date
Payoff	
If $SRE \leq 81.75$	Client sells USD Notional ag INR at 81.75
If $81.75 < SRE \leq 83.00$	Client sells USD Notional ag INR at SRE
If $SRE > 83.00$	Client sells USD Notional ag INR at 83.00

Illustration of how the product works



Non-Retail

Mark-to-Market Considerations for termination/unwind (from Client perspective)

- Spot : The MTM will increase as USD/INR spot decreases.
- Forward: The MTM will increase as USD/INR forward premium decreases.
- Volatility: The MTM of the option bought or sold will increase as USD/INR traded volatility increases.

Client Benefits

- Client is hedged for USD depreciation below Buy Put Strike.
- Client has the flexibility to participate in USD appreciation above Buy Put Strike up to Sell Call Strike.

Client Risks

- Client will have to sell USD at a worse rate if SRE is above Sell Call Strike.

Cost & fees

Option premium mentioned in Indicative Terms & Conditions are purely indicative and for illustration purposes. Transaction specific payoff, cost and fees will be as per terms and conditions as agreed in electronic/voice/term sheets & confirmations.

FX Seagull (Importer)

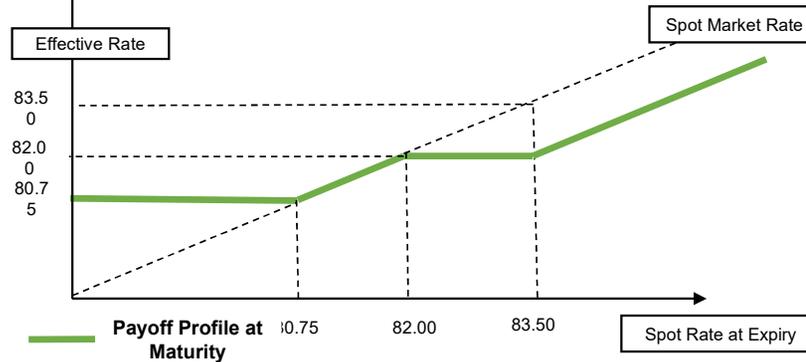
Features

- The client wants to hedge USD payables from USD appreciation beyond Buy Call Strike up to Sell Call Strike and would like to participate in USD depreciation up to Sell Put Strike.
- A Seagull (importer) is a combination of bought Call option, sold Call option at higher strike and sold Put option at lower strike, which reduces the cost of the structure.
- Premium/Cost for the option, which depends on Strike Rates and market factors, is payable by the client.

Indicative Terms & Conditions

Structure	Client buys USD/INR Call @ Buy Call Strike Client sells USD/INR Call @ Sell Call Strike Client sells USD/INR Put @ Sell Put Strike
USD Notional	USD 10 Million
Expiry Date	Today + 3 months
Settlement Date	Expiry Date + 2 Business Days
USD/INR Spot Ref	81.50
3m Forward	82.00
Buy Call Strike	82.00
Sell Call Strike	83.50
Sell Put Strike	80.75
Option Premium	(0.10% * USD Notional) paid upfront
Spot Rate at Expiry (SRE)	USD/INR Spot Rate at 11:30am IST on Expiry
Payoff	
If SRE ≤ 80.75	Client buys USD Notional ag INR at 80.75
If 80.75 < SRE ≤ 82.00	Client buys USD Notional ag INR at SRE
If 82.00 < SRE ≤ 83.50	Client buys USD Notional ag INR at 82.00
If SRE > 83.50	Client buys USD Notional ag INR at 1.50 > than SRE

Illustration of how the product works



Non-Retail

Mark-to-Market Considerations for termination/unwind (from Client perspective)

- Spot : The MTM will increase as USD/INR spot increases.
- Forward: The MTM will increase as USD/INR forward premium increases.
- Volatility: The MTM of the option bought or sold will increase as USD/INR traded volatility increases.

Client Benefits

- Client is hedged for USD appreciation above Buy Call Strike and up to Sell Call Strike.
- Client has the flexibility to participate in USD depreciation below Buy Call Strike up to Sell Put Strike.

Client Risks

- Client is not protected against USD appreciation above Sell Call Strike.
- Client will have to buy USD at a worse rate if SRE is below the Sell Put Strike.

Cost & fees

Option premium mentioned in Indicative Terms & Conditions are purely indicative and for illustration purposes. Transaction specific payoff, cost and fees will be as per terms and conditions as agreed in electronic/voice/term sheets & confirmations.

FX Seagull (Exporter)

Features

- The client wants to hedge USD receivables from USD depreciation below Buy Put Strike up to Sell Put Strike and would like to participate in USD appreciation up to Sell Call Strike.
- A Seagull (exporter) is a combination of bought Put option, sold Put option at lower Strike and sold Call option at higher Strike, which reduces the cost of the structure.
- Premium/Cost for the option, which depends on Strike Rates and market factors, is payable by the client.

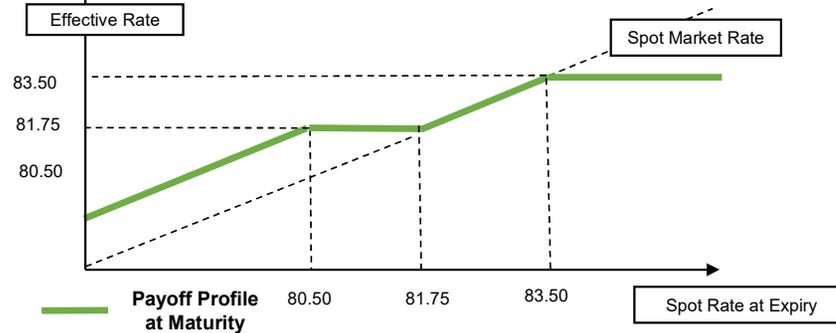
Indicative Terms & Conditions

Structure	Client buys USD/INR Put @ Buy Put Strike Client sells USD/INR Put @ Sell Put Strike Client sells USD/INR Call @ Sell Call Strike
USD Notional	USD 10 Million
Expiry Date	Today + 3 months
Settlement Date	Expiry Date + 2 Business Days
USD/INR Spot Ref	81.50
3m Forward	82.00
Buy Put Strike	81.75
Sell Call Strike	83.50
Sell Put Strike	80.50
Option Premium	(0.15% * USD Notional) paid upfront
Spot Rate at Expiry (SRE)	USD/INR Spot Rate at 11:30am IST on Expiry Date

Payoff

If $SRE \leq 80.50$	Client sells USD Notional ag INR at $1.25 > SRE$
If $80.50 < SRE \leq 81.75$	Client sells USD Notional ag INR at 81.75
If $81.75 < SRE \leq 83.50$	Client sells USD Notional ag INR at SRE
If $SRE > 83.50$	Client sells USD Notional ag INR at 83.50

Illustration of how the product works



Non-Retail

Mark-to-Market Considerations for termination/unwind (from Client perspective)

- Spot : The MTM will increase as USD/INR spot decreases.
- Forward: The MTM will increase as USD/INR forward premium decreases.
- Volatility: The MTM of the option bought or sold will increase as USD/INR traded volatility increases.

Client Benefits

- Client is hedged for USD depreciation below Buy Put Strike and up to Sell Put Strike.
- Client has the flexibility to participate in USD appreciation above Buy Put Strike up to Sell Call Strike.

Client Risks

- Client is not protected against USD depreciation below Sell Put Strike.
- Client will have to sell USD at a worse rate if SRE is above the Sell Call Strike.

Cost & fees

Option premium mentioned in Indicative Terms & Conditions are purely indicative and for illustration purposes. Transaction specific payoff, cost and fees will be as per terms and conditions as agreed in electronic/voice/term sheets & confirmations.

Interest Rate Products



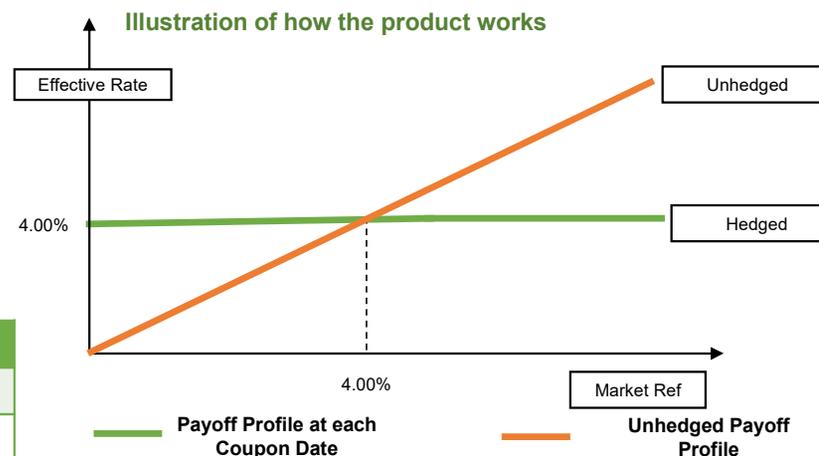
Interest Rate Swap

Features

- Client has USD liability linked to 3M TERM SOFR and is hence exposed to interest rate movements and wants to hedge the same.
- An Interest Rate Swap is used to swap cash flows linked to floating rate benchmark to fixed rate, or vice-versa.
- Client can enter into USD floating to fixed interest rate swap to hedge their floating rate interest payments against future interest rate movements.

Indicative Terms & Conditions

Structure	Floating to Fix Interest Rate Swap
USD Notional	USD 10 Million
Tenor	5 Years
Coupon Payment Dates	Quarterly
Client Receives [Floating rate]	3M TERM SOFR, Quarterly, A/360 on USD Notional
Client Pays [Fixed rate]	4.00%, Quarterly, A/360 on USD Notional
Market Ref	3M SOFR = 4.22%
Payoff	
On each Coupon Payment Date	Client pays Net $(4.00\% - 3M \text{ TERM SOFR rate}) * \text{USD Notional} * A/360$



Mark-to-Market Considerations for termination/unwind (from Client perspective)

- US Swap rates: The MTM will increase with increase in US swap rates and vice-versa.

Client Benefits

- Client is fully hedged for increase in USD interest rate.
- Client locks in a fixed interest rate.

Client Risks

- Client will not be able to participate in 3M TERM SOFR fixings below the agreed Fixed rate.

Cost & fees

There is no premium/cost/fees payable for this contract. If a fee is charged, it would be as per terms and conditions of the transaction as mentioned in the electronic/voice/term sheet confirmations.

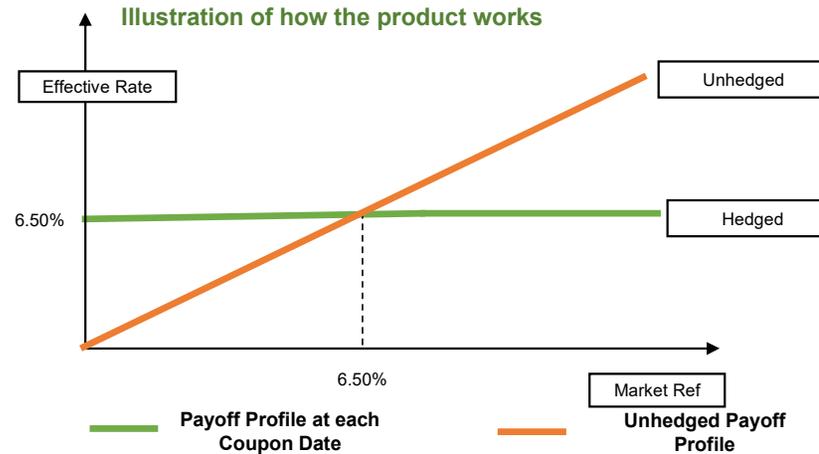
Overnight Index Swap

Features

- Client has INR liability linked to O/N MIBOR and is exposed to interest rate movements and wants to hedge the same.
- An Overnight Index Swap is an interest rate swap where the floating rate linked to an overnight index (reset daily) is swapped to a fixed rate, or vice-versa.
- Client can enter into INR floating to fixed OIS to hedge the INR liability against future interest rate movements.

Indicative Terms & Conditions

Structure	Floating to Fixed Overnight Index Swap
INR Notional	INR 250 million
Tenor	5 Years
Coupon Payment Dates	Quarterly
Client Receives [Floating rate]	Daily Compounded O/N MIBOR, Quarterly, A/365F on INR Notional
Client Pays [Fixed rate]	6.50%, Quarterly, A/365F on INR Notional
Market Ref	O/N MIBOR = 5.90%
Payoff	
On each Coupon Payment Date	Client pays net (6.50% - Daily Compounded O/N MIBOR) * INR Notional * A/365F



Mark-to-Market Considerations for termination/unwind (from Client perspective)

- INR OIS rates: The MTM will increase with increase in INR OIS rates and vice-versa.

Client Benefits

- Client is fully hedged for increases in O/N MIBOR.
- Client locks in a fixed interest rate.

Client Risks

- Client will not be able to participate in compounded O/N MIBOR rate below the Fixed rate.

Cost & fees

There is no premium/cost/fees payable for this contract. If a fee is charged, it would be as per terms and conditions of the transaction as mentioned in the electronic/voice/term sheet confirmations.

Cross Currency Swap

Features

- Client with business in INR has USD liability linked to 3M TERM SOFR and is exposed to interest rate risk and FX risk.
- Client can enter into USD floating to INR fixed cross currency swap to hedge the USD liability against future FX and interest rate movements.
- A cross currency swap is used to swap cash flows from one currency to another currency. The interest rate on two legs of the swap can be floating – fixed, fixed-fixed, fixed-floating or floating-floating as per requirement.

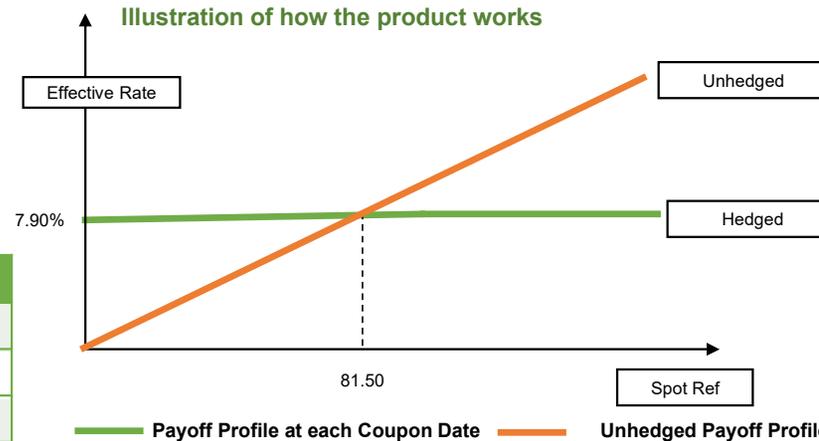
Indicative Terms & Conditions

Structure	USD Floating to INR Fix Cross Currency Swap
Spot Ref	81.50
USD Notional	USD 10 Million
INR Notional	INR 815 Million
Tenor	5 Years
Coupon Payment Dates	Quarterly
Initial / Final Exchange	Yes / Yes
Client Receives [USD Floating rate]	3M TERM SOFR, Quarterly, A/360 on USD Notional
Client Pays [INR Fixed rate]	7.90%, Quarterly, A/365F on INR Notional
Market Ref	3M TERM SOFR = 4.2254%

Payoff

On Effective Date	Client pays USD Notional, receives INR Notional
On each Coupon Payment Date	Client receives (3M TERM SOFR * USD Notional * A/360), pays (7.90% * INR Notional * A/365F)
On Maturity Date	Client receives USD Notional, pays INR Notional

Illustration of how the product works



Retail, Non-Retail

Mark-to-Market Considerations for termination/unwind (from Client perspective)

- USD/INR FX Rate: The MTM will increase with appreciation in USD/INR FX rate and vice-versa.
- INR Swap Rate: The MTM will increase with increase in INR Swap rate and vice-versa.

Client Benefits

- Client is fully hedged for increases in USD/INR FX rate.
- Client is fully hedged for increases in USD 3M TERM SOFR rate.
- Client locks in a fixed INR interest cost.

Client Risks

- Client will not be able to participate in lower 3M TERM SOFR fixings.
- Client will not be able to participate in INR appreciation against USD below Spot Ref.

Cost & fees

There is no premium/cost/fees payable for this contract. If a fee is charged, it would be as per terms and conditions of the transaction as mentioned in the electronic/voice/term sheet confirmations.

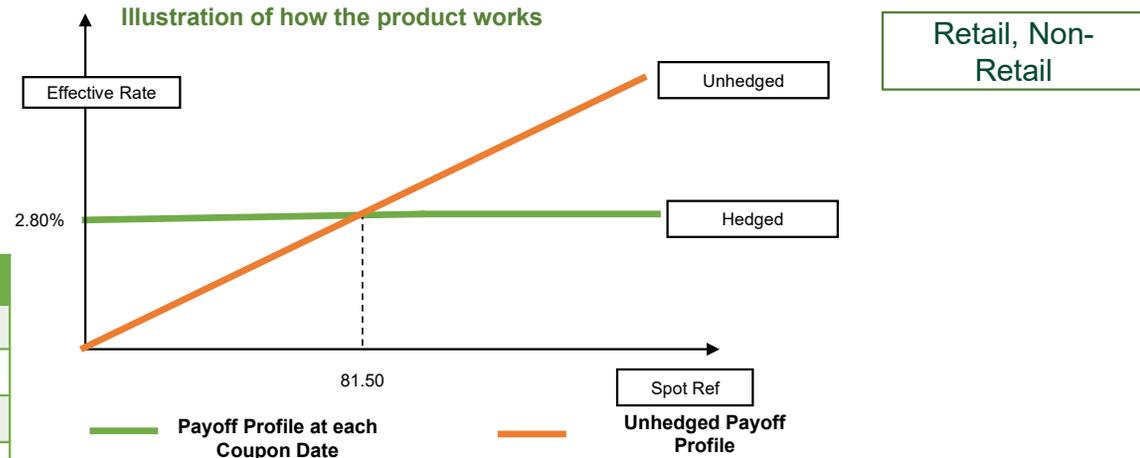
Principal Only Swap

Features

- Client with business in INR has USD liability and is exposed to FX risk.
- A Principal Only Swap is used to swap cash flows in one currency to another currency to hedge the FX risk on Principal amount.
- Client can enter into USD to INR Principal Only Swap to hedge the USD liability against future FX rate movements.

Indicative Terms & Conditions

Structure	USD to INR Fix Principal Only Swap
Spot Ref	81.50
USD Notional	USD 10 Million
INR Notional	INR 815 Million
Tenor	5 Years
Coupon Payment Dates	Quarterly
Initial / Final Exchange	Yes / Yes
Client Receives [USD Fixed rate]	0.00%, Quarterly, A/360 on USD Notional
Client Pays [INR Fixed rate]	2.80%, Quarterly, A/365F on INR Notional
Payoff	
On Effective Date	Client pays USD Notional, receives INR Notional
On each Coupon Payment Date	Client pays $(2.80\% * \text{INR Notional} * A/365F)$
On Maturity Date	Client receives USD Notional, pays INR Notional



Mark-to-Market Considerations for termination/unwind (from Client perspective)

- USD/INR FX Rate: The MTM will increase with appreciation in USD/INR FX rate and vice-versa.
- INR Swap Rate: The MTM will increase with increase in INR Swap rate and vice-versa.

Client Benefits

- Client is fully hedged for increases in USD/INR FX rate on principal repayment.
- Client locks in a fixed interest cost.

Client Risks

- Client will not be able to participate in INR appreciation below Spot Ref on principal repayment.

Cost & fees

There is no premium/cost/fees payable for this contract. If a fee is charged, it would be as per terms and conditions of the transaction as mentioned in the electronic/voice/term sheet confirmations.

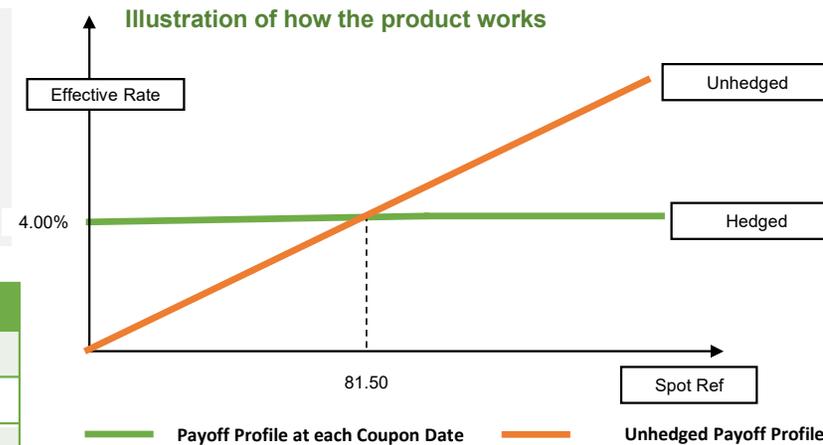
Coupon Only Swap

Features

- Client with business in INR has USD liability linked to 3M TERM SOFR and is exposed to interest rate risk and FX risk on the coupon payments.
- A Coupon Only Swap is used to swap cash flows in one currency to another currency to hedge the FX and interest rate risk on the coupon payments only.
- Client can enter into USD floating to INR fixed Coupon Only Swap to hedge the coupon payments of USD liability against future USD/INR FX and USD interest rate movements.

Indicative Terms & Conditions

Structure	USD Floating to INR Fix Coupon Only Swap
Spot Ref	81.50
USD Notional	USD 10 Million
INR Notional	INR 815 Million
Tenor	5 Years
Coupon Payment Dates	Quarterly
Initial / Final Exchange	No / No
Client Receives [USD Floating rate]	3M TERM SOFR, Quarterly, A/360 on USD Notional
Client Pays [INR Fixed rate]	4.00%, Quarterly, A/365F on INR Notional
Market Ref	3M TERM SOFR = 4.2254%
Payoff	
On each Coupon Payment Date	Client pays $(4.00\% * \text{INR Notional} * A/365F)$, receives $(3M \text{ TERM SOFR} * \text{USD Notional} * A/360)$



Retail, Non-Retail

Mark-to-Market Considerations for termination/unwind (from Client perspective)

- USD/INR FX Rate: The MTM will increase with appreciation in USD/INR FX rate and vice-versa.
- INR Swap Rate: The MTM will increase with increase in INR Swap rate and vice-versa.

Client Benefits

- Client is hedged for increases in USD/INR FX rate on coupon payments.
- Client is fully hedged for increases in USD 3M TERM SOFR rate.
- Client locks in a fixed interest cost for the coupon payments.

Client Risks

- Client will not be able to participate in 3M TERM SOFR fixings below the Fixed leg rate.
- Client will not be able to participate in INR appreciation below Spot Ref on coupon payments.

Cost & fees

There is no premium/cost/fees payable for this contract. If a fee is charged, it would be as per terms and conditions of the transaction as mentioned in the electronic/voice/term sheet confirmations.

Derivative Variations

All the structures and products mentioned in the above slides can be customized as per below:

- Direction of the trade can be reversed as per hedging requirement.
- Flexibility retained to chose the currency / tenor / notional amount / payment frequency / strike rate etc. as per trade requirement.
- Risk factors / MTM considerations / benefits / risks would modify accordingly.
- Trades can be book under either contracted exposure or anticipated exposure as allowed under RBI guidelines from time to time.

Disclaimer

The information in this document was compiled by Sumitomo Mitsui Banking Corporation (“SMBC”). The information herein is believed by SMBC to be from reliable sources but SMBC makes no representation as to, and accepts no liability in relation to, the accuracy or completeness of the information or for any opinion expressed herein. Opinions, projections, estimates and other contents of this document are subject to change without notice.

Information in this document should not be construed as legal, regulatory, financial, investment, tax or accounting or other technical or professional advice. This document is not intended to be, and should not be construed as, a research report or analysis. This document is for information purposes only and for private circulation. It does not constitute any offer, recommendation or solicitation to any person to enter into any transaction or adopt any hedging, trading or investment strategy, nor does it constitute any prediction of likely future movements in rates or prices or any representation that any such future movements will not exceed or fall below those shown in any illustration. The contents may set out illustrations of typical structures and a brief and general overview of certain products, for ease of explanation, but these may not be fully applicable to your circumstances. The rates or prices used in this document are for illustrative purposes only. Any derivative transaction with SMBC is subject to, amongst other things, obtaining of internal approvals and conclusion of legal documents which will document the rights and liabilities of each party. The availability of any particular product in any jurisdiction is dependent on a number of factors, including prevailing laws and regulations. Any investments discussed may not be suitable for all investors and does not have regard to the specific investment objectives, financial situation and the particular needs of any specific addressee. Past performance is not necessarily indicative of future performance; the value, price or income from hedging, trading or investments may fall as well as rise. SMBC and/or its related bodies corporate, may have a position in any of the instruments or currencies mentioned in this document. You are advised to make your own independent judgment or seek independent professional advice with respect to any matter contained herein. SMBC has no obligation to update any information contained in this document. Contents of this document shall not be disclosed to any other party without the prior written consent of SMBC.