

# PRODUCT DISCLOSURE DOCUMENT

## PURPOSE

This document provides you with key information about this 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

Name	FX Option Vanilla. Example: You (Party B) are Buyer of USD Put, INR Call @ Strike 75.00, expiry 26 Feb 2022 // Settlement 28 Feb 2022. Upfront Cost USD 2 %.
Identifier	Generic PDS – FX Option Vanilla – Buy – Notional USD
Manufacturer	Crédit Agricole CIB (Party A)
Contacting the manufacturer	<a href="mailto:ind-fxsales@ca-cib.com">ind-fxsales@ca-cib.com</a> Call +91 22 6638 1804 for more information

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

## WHAT IS THIS PRODUCT?

Type	An "over the counter" (OTC) derivative contract on foreign exchange rate.
Objectives	To express a view on the future behaviour of the underlying foreign exchange rate.

### How the return is determined:

- **Payoff:** On the Expiry Date, the buyer of the option (In this case, Party B), chooses to exercise the Option. i.e. If the FX Option is in Party B's favor (if USD/INR < 75.00 on Expiry Date), Party B can choose to sell USD @ 75.00 value 28 Feb 2022. If the FX Option is against Party B) if USD/INR > 75.00 on Expiry Date), Party B chooses to expire the Option worthless.
- **Term:** This product is scheduled to get exercised on the Expiry Date, with the cash-flow being settled on the Settlement Date. It may terminate early (i) following certain defined events principally in relation to the underlying, or either you or Manufacturer (including default), provided that Manufacturer may, in certain cases, elect to adjust terms instead to account for the relevant event or (ii) at your request based on a valuation provided by Manufacturer. The amount owed on termination depends on market and liquidity conditions as well as the credit quality of the involved parties. This could have a material adverse effect on the return on the product compared to if it had continued to its full term.

### Key dates and values (\*)

All determinations are made by Calculation Agent. All dates may be subject to adjustment for non-business days and market disruption events, if applicable.

- **Calculation Agent:** Manufacturer
- **Party A:** Manufacturer
- **Party B:** You
- **Final Base Currency Notional Amount:** USD 10,000
- **Final Counter Currency Notional Amount:** INR 750,000
- **Strike FX Rate:** INR 75.00 per USD
- **Expiry Date:** 26 February 2022
- **Settlement Date:** 28 February 2022
- **Upfront Premium Cost:** USD 200 or INR 15,000

(\*) Items above are indicative and may change. You should check the final value of such items prior to investing.

The figures in the rest of this document are presented over the Recommended Holding Period which is less than one year. These figures may not be comparable to those of other products with a Recommended Holding Period of over a year, as such figures would be presented per year.

Intended Client	This product is intended for clients who: <ul style="list-style-type: none"><li>• have significant knowledge and experience in products such as the one described in this document</li><li>• sellers are willing and able to bear an unlimited loss.</li><li>• have a risk tolerance consistent with the summary risk indicator in this document</li><li>• are expressing a view on the underlying consistent with the conditions for a positive outcome (as stated in the product description)</li><li>• have a horizon consistent with the term of this product as determined independently or on the basis of professional advice.</li></ul>
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## WHAT ARE THE RISKS AND WHAT COULD I GET IN RETURN?

Risks	Benefits
<ul style="list-style-type: none"> <li>For Buyer of Option, if the Option expires worthless, the premium paid upfront is cost that cannot be recovered from the trade.</li> </ul>	<ul style="list-style-type: none"> <li>For Buyer of Option, protects the worst case scenario – hence works like an insurance product with premium paid up-front.</li> </ul>
<ul style="list-style-type: none"> <li>The product is complex as it involves Currency, Interest and Volatility priced into the end product.</li> </ul>	<ul style="list-style-type: none"> <li>Party B (as buyer of Option) can participate in the unlimited upside.</li> </ul>
<ul style="list-style-type: none"> <li>Hedge accounting benefits should be checked with your auditor/ accountant.</li> </ul>	
<ul style="list-style-type: none"> <li>For Seller of Option, there is unlimited downside.</li> </ul>	<ul style="list-style-type: none"> <li>The Seller of Option receives the premium up-front.</li> </ul>

### Performance Scenarios

**Market developments in the future cannot be accurately predicted. The scenarios shown are only an indication of some of the possible Outcomes based on recent returns, for the Buyer of Option. Actual returns could be lower.**

Notional Outstanding	Prevailing Spot	Payoff/ MtM in INR
10,000.00	70.00	50,000.00
10,000.00	71.00	40,000.00
10,000.00	72.00	30,000.00
10,000.00	73.00	20,000.00
10,000.00	74.00	10,000.00
10,000.00	75.00	-
10,000.00	76.00	(15000)
10,000.00	77.00	(15000)
10,000.00	78.00	(15000)
10,000.00	79.00	(15000)
10,000.00	80.00	(15000)
10,000.00	81.00	(15000)

## WHAT ARE THE COSTS?

The type of costs shown here are the cumulative costs of the product itself, for the recommended holding period.

### 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.

### Composition of costs

#### Transaction Costs

Financial instruments may involve transaction costs, which are incurred as a result of accessing the wider market to initiate, terminate, increase or decrease a position in the instrument. The transaction costs depend on the below factors:

- Market Risk
- Credit Risk
- Capital Required
- Financial Instrument
- Liquidity/ Standardization of the Financial Instrument in the market
- Transaction size and tenor
- Effort, Cost and Risk to the market maker.

#### One-Off Costs

These are one-off charges/ costs paid, typically, at the beginning or at the end of the financial instrument's life cycle.

#### Other Ongoing Costs

The impact of the costs that we take for managing your financial instruments.

## HOW LONG SHOULD I HOLD IT AND CAN I TAKE MY MONEY OUT EARLY?

**Recommended holding period: Tenor of the product**

The product is designed to be held until the end of the recommended holding period.

The recommended holding period is selected to correspond with scheduled termination date of the product. Please note that you may not be able to end the product prior to the scheduled termination date. If you are able to end the product at an earlier date, you may incur costs and may incur significant losses.

## HOW CAN I COMPLAIN?

In the event you wish to complain at any time about this product or the service you have received, you may do so by contacting us at: Crédit Agricole CIB, 14<sup>th</sup> Floor, Hoechst House, Nariman Point, Mumbai 400021.

## OTHER RELEVANT INFORMATION

The information contained in this Product Disclosure Document does not constitute a recommendation to engage in this product and is no substitute for individual consultation with an advisor.

You can obtain further information about this product from your financial advisor.

The following documents are available upon request:

- any master agreement relating to the product, including the schedule thereto;
- the confirmation relating to the product.