

# 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	Currency Swap (CCS). Example: You (Party B) pays fixed @ 8.00 % in INR and receives 6 Month USD Libor + 100 bps, semi-annually for 5 years, with initial and final principal exchange.
Identifier	Generic PDS – Currency Swap – Notional USD and INR
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 interest rate and currency exchange rate.

### How the return is determined:

- **Payoff:** On each coupon payment date, Party B will pay 8.00 % fixed rate on INR Notional, and receive 6M USD Libor + 100 bps on USD Notional.
- **Term:** This product is scheduled to get the respective cash flows settled on each coupon settlement date or principal settlement date, as per the terms of the trade, and. 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
- **Base Currency Notional Amount:** USD 10,000
- **Floating Interest Rate:** 6M Libor +100 bps (Say, 20+100=120 bps p.a.)
- **Quote Currency Notional Amount:** USD 750,000
- **Currency Exchange Rate:** 75.00
- **Fixed Interest Rate:** 8.00 % p.a.
- **Final Maturity Date:** 23 December 2026 (5 year)

(\*) 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:

- have significant knowledge and experience in products such as the one described in this document
- are willing and able to bear an unlimited loss.
- have a risk tolerance consistent with the summary risk indicator in this document
- are expressing a view on the underlying consistent with the conditions for a positive outcome (as stated in the product description)
- have a horizon consistent with the term of this product as determined independently or on the basis of professional advice.

## WHAT ARE THE RISKS AND WHAT COULD I GET IN RETURN?

Risks	Benefits
<ul style="list-style-type: none"> <li>If the prevailing interest rates are lower, Party B continues to pay 8.00 % p.a. fixed on INR Notional.</li> </ul>	<ul style="list-style-type: none"> <li>Party B has a fixed interest rate to pay – hence having clear visibility of cash-flows.</li> </ul>
<ul style="list-style-type: none"> <li>If the prevailing Currency Exchange rate goes lower, Party B will still pay the INR Notional fixed on Trade Date.</li> </ul>	<ul style="list-style-type: none"> <li>Party B pays at the Currency Exchange rate, even if the prevailing rate is higher than that fixed on Trade Date.</li> </ul>
<ul style="list-style-type: none"> <li>The product is complex as it involves Interest Rates and Currency Exchange Rate priced into the end product.</li> </ul>	<ul style="list-style-type: none"> <li>Hedge-accounting compliant structure.</li> </ul>
<ul style="list-style-type: none"> <li>If the interest rates or FX rates go down, the MtM of the Interest Rate Swap will be negative.</li> </ul>	
<ul style="list-style-type: none"> <li>Hedge accounting benefits should be checked with your auditor/ accountant.</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. Actual returns could be lower.

#### Scenario for Currency Rate Movement

Notional Outstanding in USD	Prevailing FX Spot Rate	Payoff/ MtM in INR
10,000.00	74.00	(10,000)
10,000.00	74.25	(7,500)
10,000.00	74.50	(5,000)
10,000.00	74.75	(2,500)
10,000.00	75.00	0
10,000.00	75.25	2,500
10,000.00	75.50	5,000
10,000.00	75.75	7,500
10,000.00	76.00	10,000

#### Scenario for Interest Rate Movement

Notional Outstanding in INR	Prevailing INR Fixed Rate for the CCS	Payoff in INR at each coupon settlement date
750,000.00	7.00	(3,750.00)
750,000.00	7.25	(2,812.50)
750,000.00	7.50	(1,875.50)
750,000.00	7.75	(937.50)
750,000.00	8.00	0
750,000.00	8.25	937.50
750,000.00	8.50	1,875.50
750,000.00	8.75	2,812.50
750,000.00	9.00	3,750.00

## 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.