PRODUCT DISCLOSURE DOCUMENT

PURPOSE

The purpose of this document is to provide you with key information about various products offered by Crédit Agricole Corporate and Investment Bank (CACIB). CACIB is providing you with this PDS so that you receive adequate information about Digital options. It will help you understand their features, risks, benefits, an illustration of how the product works and assist you in making an informed decision about entering into Digital options, and also facilitate comparison with other products (please refer to the PDS for key information on other FX products). Please read this PDS in full, before deciding to enter into a Digital option.

A bought digital call/put helps the buyer of the option in hedging the risk of foreign currency payables/receivables. Sold digital options can be used in combination with other options, to reduce the cost of a structured hedge product.

PRODUCT

Name	Digitals/Touch options
Identifier	Generic PDS – FX Digital options
Manufacturer	Crédit Agricole CIB (Party A)
Contacting the manufacturer	ind-fxsales@ca-cib.com 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.

A digital option call (put) is an option contract where the buyer receives a fixed pay out if the underlying asset is at, or goes above (below) a predetermined threshold(strike). Else, the buyer does not receive anything. The option buyer pays a premium for the same.

Digital options may be:
American – The trigger (strike) is continuously observed from the trade date till expiry
European - The trigger (strike) is observed only at expiry.

Below are some of the variants of the American digital call (put) options (also called touch options), where the payoff is received, if:

1. One touch option- The asset price is at, or goes above (below) the strike
2. Double Must Touch – The asset price is at, or goes beyond both of the strikes
3. Double touch – The asset price is at, or goes beyond either of the strikes
4. No touch option – The asset price is not at, or does not go beyond the strike
5. Double no touch option – The asset priceis not at, or does not go beyond either ofthe two strikes.

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.

1. Structure details:
   a. Buy USD/INR one-touch call option with a strike at <80>.00 with a payout of INR <1.20> /USD
   b. Buy USD/INR call option with strike at <76.40> with an American knock-out(AKO) at <80>.00
2. Spot reference: <74.37>
3. Forward: <1.77>
4. Tenor: <6> months
5. Notional: USD <1> Mn Upfront
6. premium: INR <0.70>/USD

(*) 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?

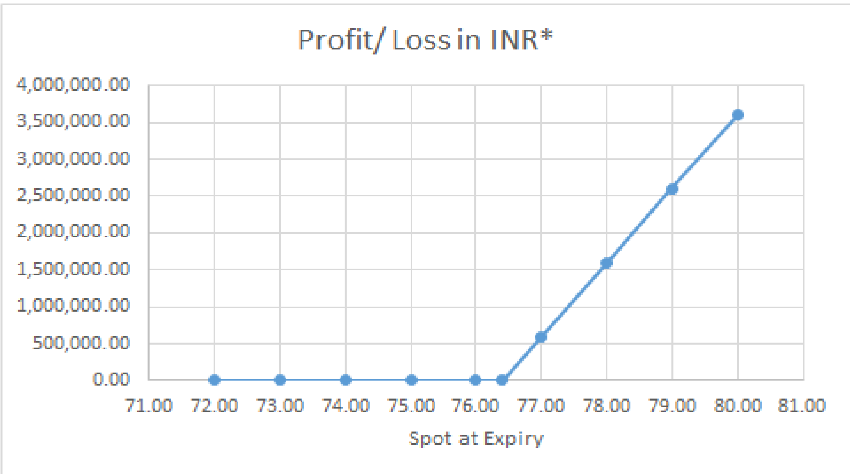
Risks	Benefits
• A premium is payable for buying a digital /touch option irrespective of the scenario at expiry	• In case of a bought digital/touch option, if the barrier condition is met, the contract holder receives a fixed payout.
• In case of a bought digital/touch option, if the barrier condition is not met, the contract holder does not receive a fixed payout.	

PAYOFF:

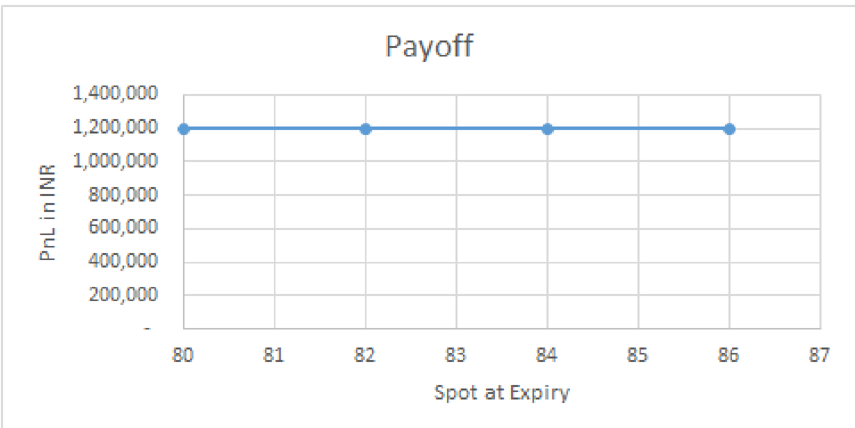
Illustration for a one-touch option, along with a barrier option

- In case <80>.00 is observed during the life of the option, the Buy USD/INR call at strike <76.40> will be knocked out
- The contract holder receives INR <1.20>/USD under the One-touch call option. Hence, the effective rate to buy USD/INR will be the prevailing market rate minus INR <1.20>
- In case <80>.00 is not observed during the life of the option, the barrier condition is not triggered and hence will have a payoff same as that of a vanilla Buy USD/INR Call at strike <76.40>. The one touch call option would expire and be worthless.

Payoff of the structure illustrated above, if <80> is not observed at any point of time, till expiry:



Payoff of the structure illustrated above, if <80> is observed at any point of time, till expiry:



Termination

If you wish to terminate the Digital option before the expiry date, the Digital option will be terminated at the prevailing market rates. The termination value may either be positive (gain) ornegative (loss).

The termination value would be a function of the prevailing spot rate, strike rate, forward rates,volatility, residual tenor, interest rate differentials for the residual tenor and discount factors. Any illiquidity in the market for the specific currency or tenor or notional could lead to a wider bid-offer spread, which would adversely affect the market value of the outstanding derivative contract.

Currency markets are highly volatile and the prices of the underlying currencies can fluctuate rapidly and over wide ranges and may reflect unforeseen events or changes in conditions. Thus, fluctuations in the underlying currencies will affect the benefit or cost to you when you terminate a Digital option.

The risks mentioned in this document are not exhaustive. There may be other risks that are relevant to you while entering into a Digital option.

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: o Market Risk o Credit Risk o Capital Required o Financial Instrument o Liquidity/ Standardization of the Financial Instrument in the market o Transaction size and tenor o 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.

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 salesperson.

Various risks associated in the transaction:

The Counterparty acknowledges that before entering into derivative transactions, it understands the underlying risk of the above mentioned transaction. The Counterparty acknowledges that derivative transactions are in general exposed to various types of risk, including but not restricted to the following:

1. **Credit risk:** the risk of loss due to Counterparty's failure to perform on an obligation tothe institution. Credit risk in derivative products comes in two forms:

   Pre-settlement risk: the risk of loss due to a Counterparty defaulting on a contractduring the life of a transaction. The level of exposure varies throughout the life of the contract and the extent of losses will only be known at the time of default.

   Settlement risk: the risk of loss due to the Counterparty's failure to perform on its obligation after an institution has performed on its obligation under a transaction on thesettlement date. Settlement risk frequently arises in international transactions because oftime zone differences. This risk is only present in transactions that do not involve delivery versus payment and generally exists for a very short time (less than 24 hours).

2. **Market risk:** the risk of loss due to adverse changes in the market value (the price) of aninstrument or portfolio of instruments. Such exposure occurs with respect to derivative instruments when changes occur in market factors such as underlying interest rates, exchange rates, equity prices, and commodity prices or in the volatility of these factors.

   Liquidity risk: the risk of loss due to failure of an institution to meet its funding requirements or to execute a transaction at a reasonable price. Institutions involved in derivatives activity face two types of liquidity risk: market liquidity risk and funding liquidity risk.

   Market liquidity risk: the risk that an institution may not be able to exit or offset positions quickly, and in sufficient quantities, at a reasonable price. This inability may bedue to inadequate market depth in certain product (e.g. exotic derivatives, long-dated option), market disruption, or inability of the bank to access the market (e.g. credit down-grading of the institution or of a major counterparty).

3. **Funding liquidity risk**: the potential inability of the institution to meet fundingrequirements, because of cash flow mismatches, at a reasonable cost. Such funding requirements may arise from cash flow mismatches in swap books, exercise of options, and the implementation of dynamic hedging strategies

4. **Operational risk**: the risk of loss occurring as a result of inadequate systems and control, deficiencies in information systems, human error, or management failure. Derivatives activities can pose challenging operational risk issue because of the complexity of certain products and their continual evolution.

5. **Legal risk**: the risk of loss arising from contracts which are not legally enforceable (e.g.the counterparty does not have the power or authority to enter into a particular type of derivatives transaction) or documented correctly.

6. **Regulatory risk**: Regulatory risk is the risk of loss arising from failure to comply with regulatory or legal requirements.