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	**Floor on Index** (Cap). Example: You (Party B) buys a floor on an index at 3% on SOFR compounded expiry 6 months.
Identifier	Generic PDS – Interest Rate Option Vanilla
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 behavior of the underlying Interest 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 Index fixing is in Party B's favor (if SOFR compounded <= 3% on expiry date), Party B can choose receive SOFR Compounded at 3%. If the Option is against Party B (if SOFR compounded > 3% 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.

This product can be combined with IRS to form a floored IRS

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
- **Currency Notional Amount:** USD 10,000,000
- **Strike Rate:** 3%
- **Expiry Date:** 6 months
- **Settlement Date:** Spot of 6 months
- **Upfront Premium Cost:** USD 200

(*) 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
- sellers 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
- 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
• For Buyer of Option, if the Option expires worthless, the premium paid upfront is cost that cannot be recovered from the trade.	• For Buyer of Option, protects the worst case scenario – hence works like an insurance product with premium paid up-front.
• The product is complex as it involves Interest and Volatility priced into the end product.	• Party B (as buyer of Option) can participate in the unlimited upside.
• Hedge accounting benefits should be checked with your auditor/ accountant.	
• For Seller of Option, there is unlimited downside.	• The Seller of Option receives the premium up-front.

PAYOFF:

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 Index Rate	Payoff/ MtM in USD
10,000.00	0%	150.00
10,000.00	1%	100.00
10,000.00	2%	50.00
10,000.00	3%	-200.00
10,000.00	4%	-200.00
10,000.00	5%	-200.00
10,000.00	6%	-200.00
10,000.00	7%	-200.00
10,000.00	8%	-200.00
10,000.00	9%	-200.00
10,000.00	10%	-200.00
10,000.00	11%	-200.00

***Negative indicates loss to Party B**

Termination

If you wish to terminate the option before the expiry date, the 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 IRS, strike rate, forward rates,volatility, 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.

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:

- 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.

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 understandsthe 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.