Product Disclosure Statement

FX & Interest Rate Derivatives

List of Products

SMBC

FX Products	Interest Rate 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 Swap • Overnight Index Swap • Cross Currency Swap • Cross Currency Swap with Floor • Principal Only Swap • Coupon Only Swap • Interest Rate Cap • Interest Rate Floor • Interest Rate Corridor • Interest Rate Collar

User Classification

- The following users shall be eligible to be classified as Non-Retail users:
    1. All entities regulated by a financial sector regulator subject to general or special permission of the concerned regulator
    2. Exim Bank, National Bank of Agriculture and Rural Development (NABARD), National Housing Bank (NHB) and Small Industries Development Bank of India (SIDBI)
    3. Companies with a minimum net worth of INR 500 crores
    4. 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.

Permitted Products

- Retail Users:
    - Forwards, purchase of call and put options (Only European options), purchase of call and put spreads, swaps.

- Non-Retail Users:

Any derivative contract, including covered options, which the Authorised Dealer can price and value independently and is approved by the board of the Authorised Dealer, provided that the potential loss from a combination of the derivative transaction and the unhedged position to the user, in any scenario, does not exceed the loss that the user would face if he had left the position unhedged.
Any cost paid on account of buying optionality of any kind by the user would be outside the purview of the definition of loss.

FX Products

FX Forward

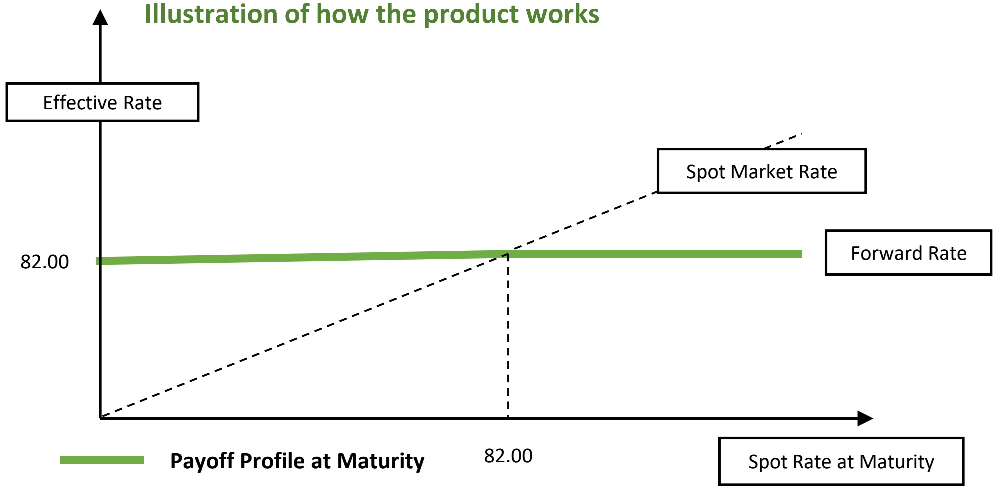
Retail, Non-Retail

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.

Please find below an example for importer client looking to hedge USD payables:

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

SMBC

Non-Retail

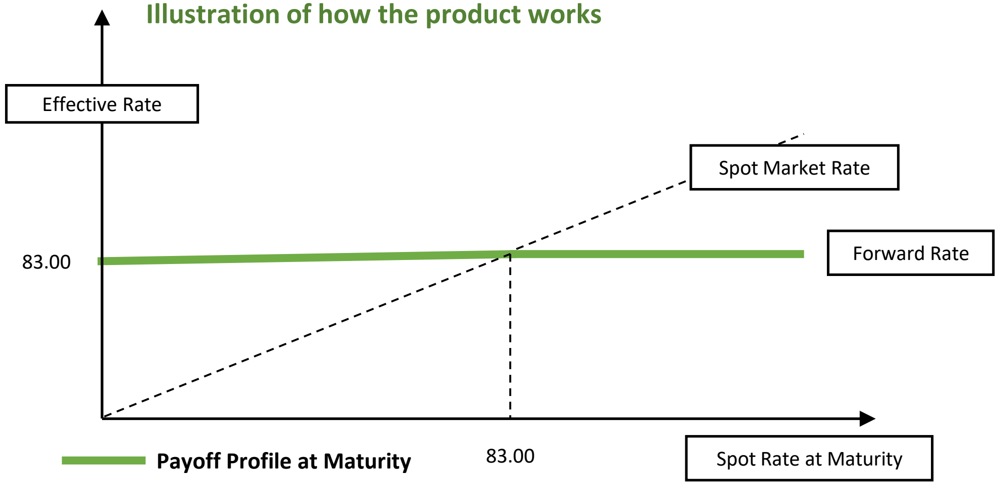
Features

- 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.

Please find below example for an exporter client looking to hedge USD receivables:

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.

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.
- 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

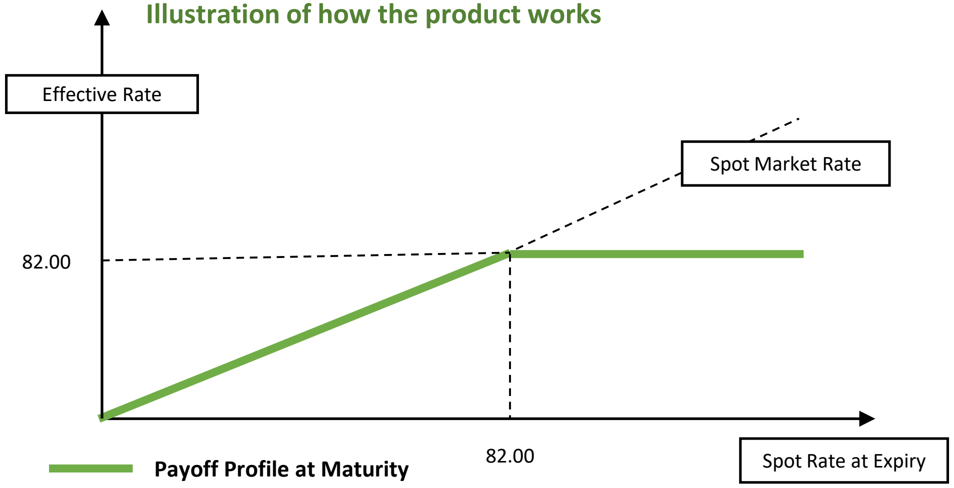
Retail, Non-Retail

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



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

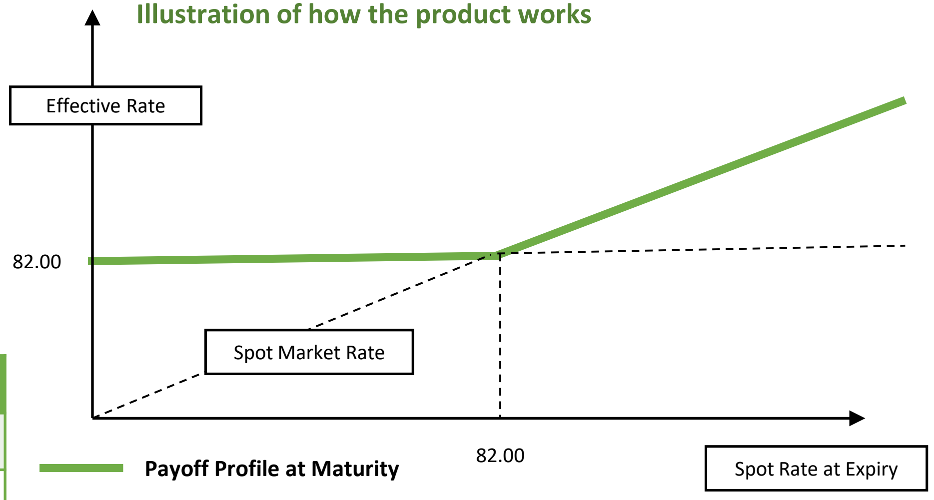
Retail, Non-Retail

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)

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 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

SMBC

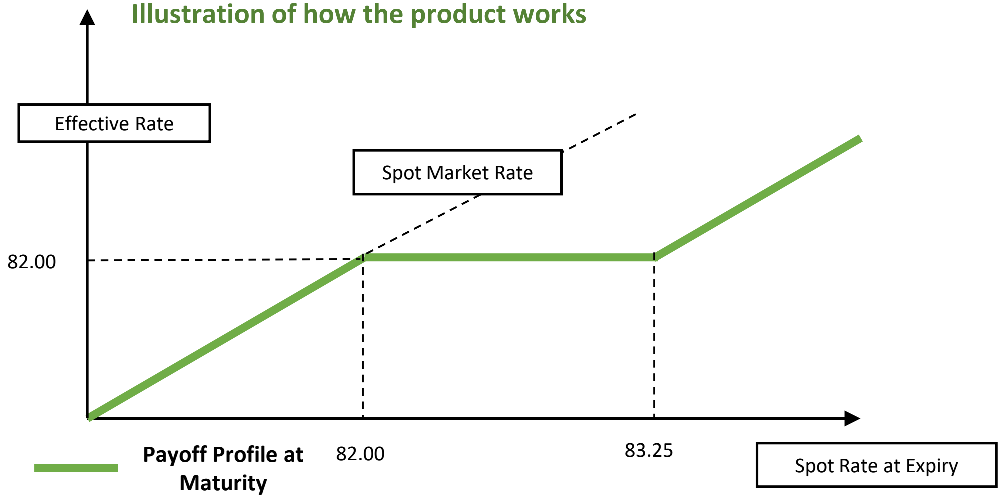
Retail, Non-Retail

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



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

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FX Put Spread

SMBC

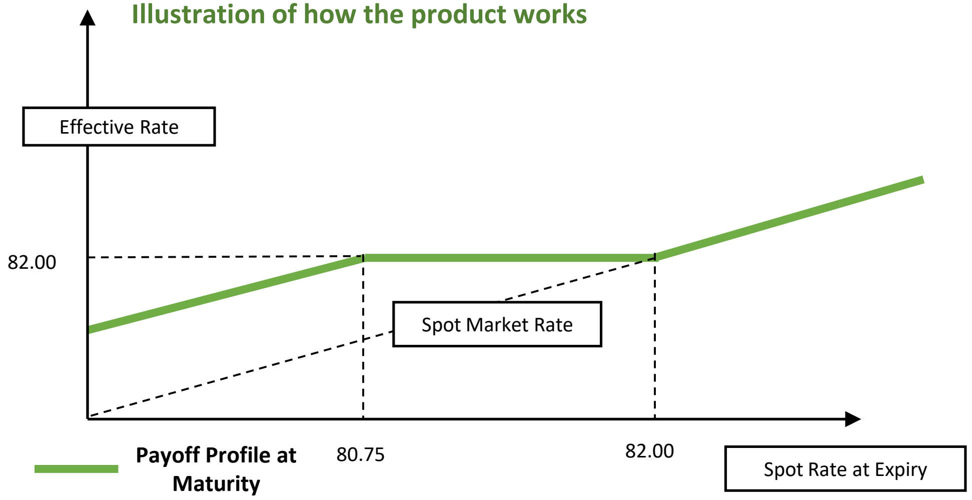
Retail, Non-Retail

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)

SMBC

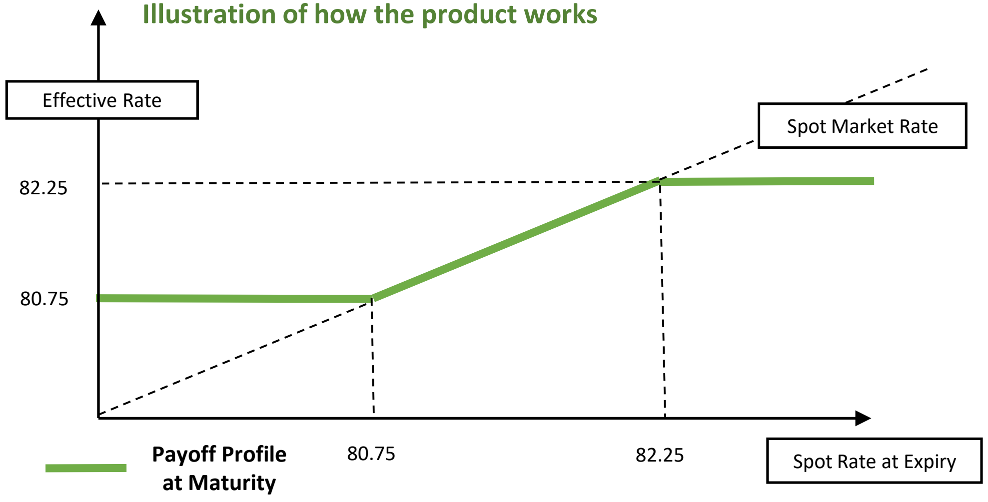
Non-Retail

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 ≤ 80.75	Client buys USD Notional ag INR at 80.75
If 80.75 < SRE ≤ 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



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)

SMBC

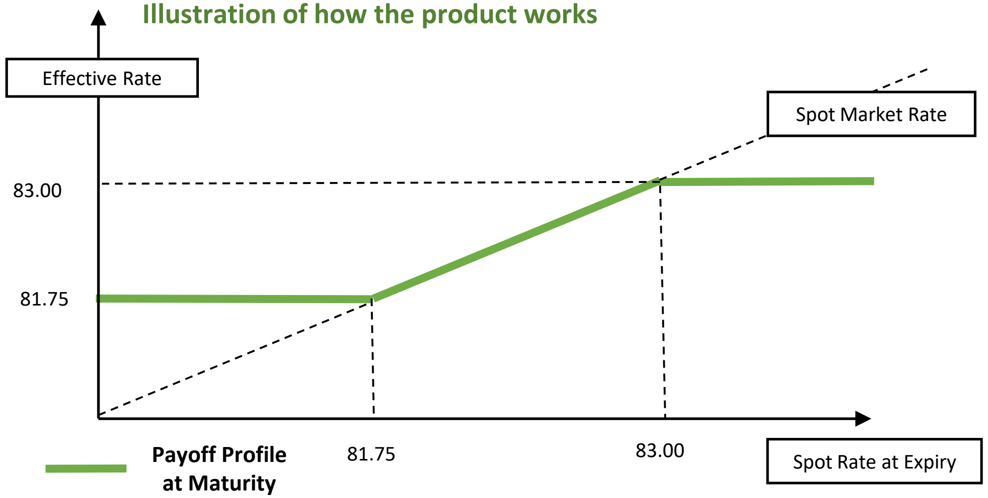
Non-Retail

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 ≤ 81.75	Client sells USD Notional ag INR at 81.75
If 81.75 < SRE ≤ 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



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)

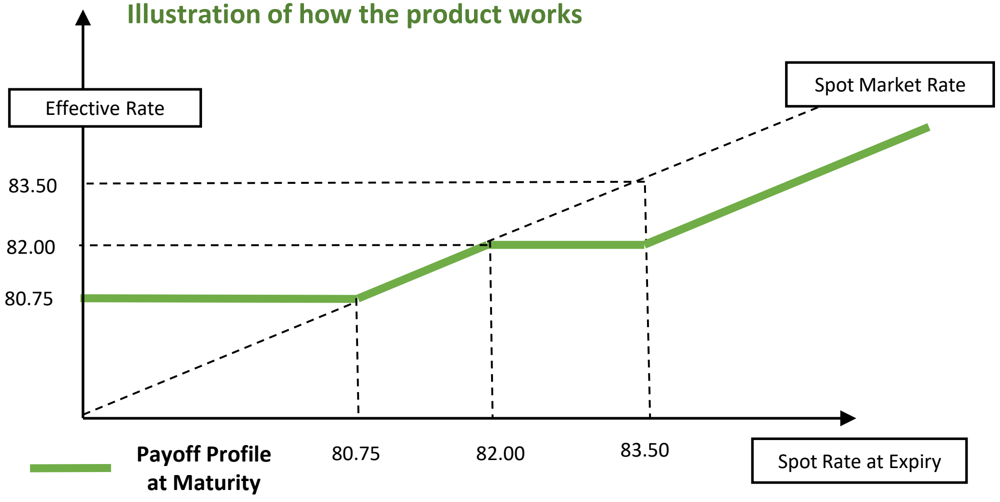
Non-Retail

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 Date
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 better than SRE

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.
- 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)

SMBC

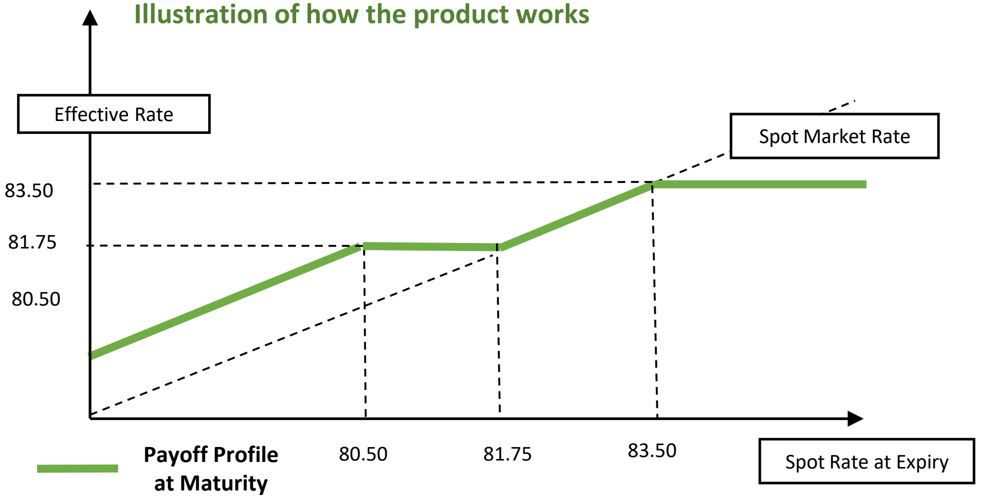
Non-Retail

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 ≤ 80.50	Client sells USD Notional ag INR at 1.25 better than SRE
If 80.50 < SRE ≤ 81.75	Client sells USD Notional ag INR at 81.75
If 81.75 < SRE ≤ 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



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

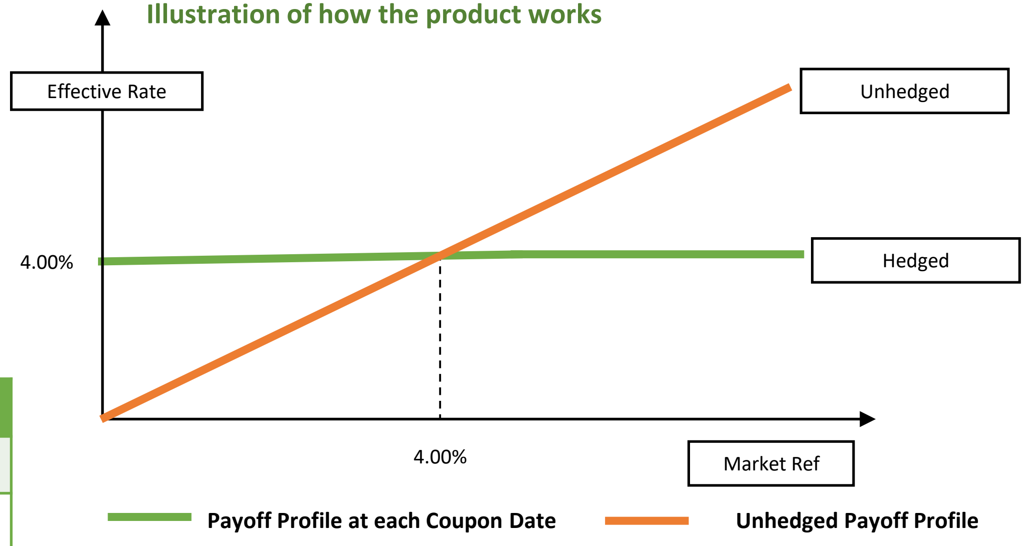
Interest Rate Swap

Retail, Non-Retail

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 TERM SOFR rate)*USD Notional*A/360

Illustration of how the product works



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

SMBC

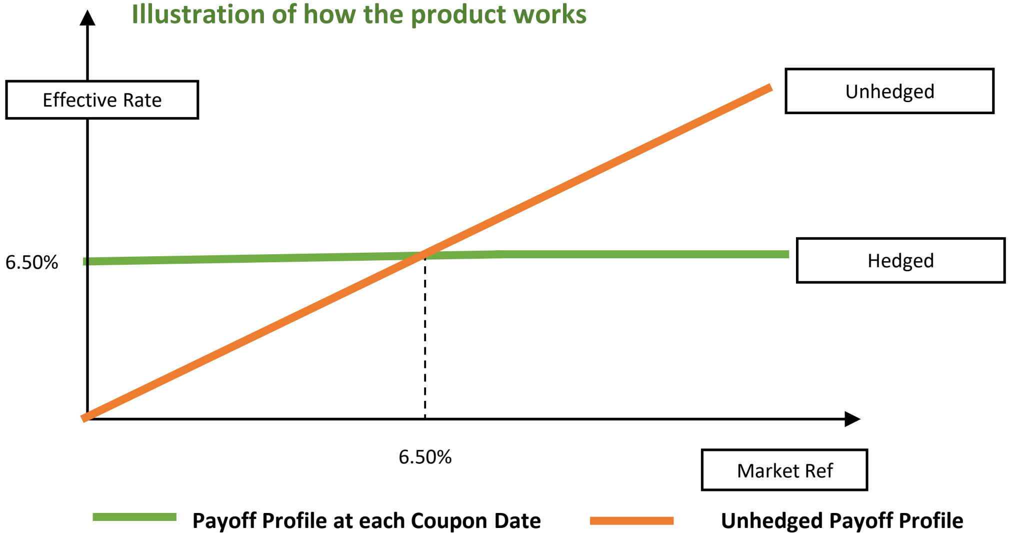
Retail, Non-Retail

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

Illustration of how the product works



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

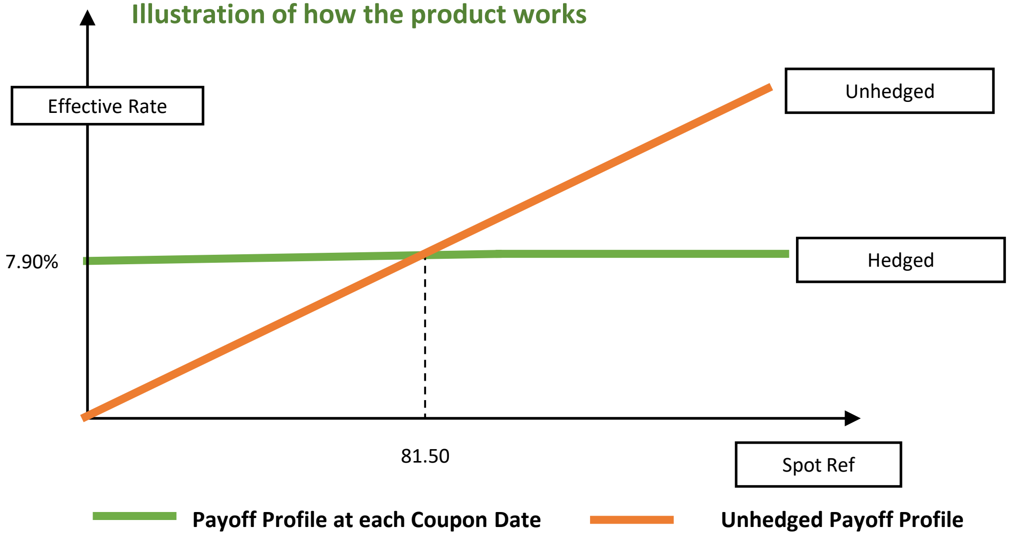
Retail, Non-Retail

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



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.

Cross Currency Swap (with Floor)

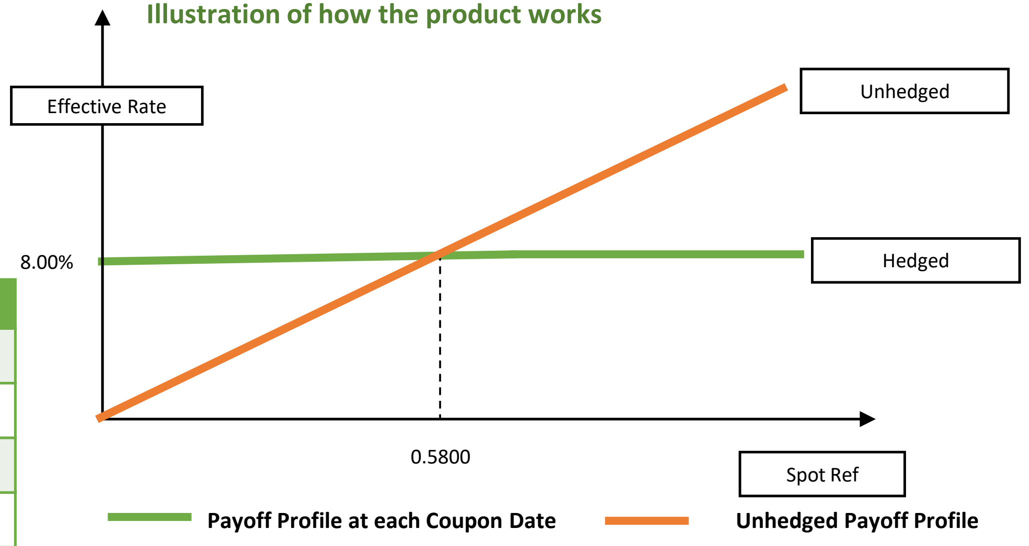
Retail, Non-Retail

Features

- Client with business in INR has JPY liability linked to O/N TONA (which is floored at 0.00%) and is exposed to interest rate risk and FX risk.
- A Cross Currency Swap with Floor has floating rate index floored at a pre-determined Floor Strike rate.
- Client can enter into JPY floating to INR fixed cross currency swap with floor to perfectly hedge the JPY liability against future FX and interest rate movements.

Indicative Terms & Conditions	
Structure	JPY Floating to INR Fix Cross Currency Swap
Spot Ref	0.5800
JPY Notional	JPY 1,000 Million
INR Notional	INR 580 Million
Coupon Payment Dates	Quarterly
Tenor	5 Years
Initial / Final Exchange	Yes / Yes
Client Receives [JPY Floating rate]	Daily Compounded O/N TONA floored at Floor Strike Rate, Quarterly, A/360 on USD Notional
Client Pays [INR Fixed rate]	8.00%, Quarterly, A/365F on INR Notional
Floor Strike Rate	0.00%
Market Ref	O/N TONA = -0.0670%
Payoff	
On Effective Date	Client pays JPY Notional, receives INR Notional
On each Coupon Payment Date	Client pays (8.00% * INR Notional * A/365F), receives (Daily Compounded O/N TONA floored at Floor Strike Rate * JPY Notional * A/365F)
On Maturity Date	Client receives JPY Notional, pays INR Notional

Illustration of how the product works



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

- JPY/INR FX Rate: The MTM will increase with appreciation in JPY/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 JPY/INR FX rate.
- Client is fully hedged for increases in O/N TONA rate.
- Client locks in a fixed INR interest rate.

Client Risks

- Client will not be able to participate in lower O/N TONA fixings.
- Client will not be able to participate in INR appreciation 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

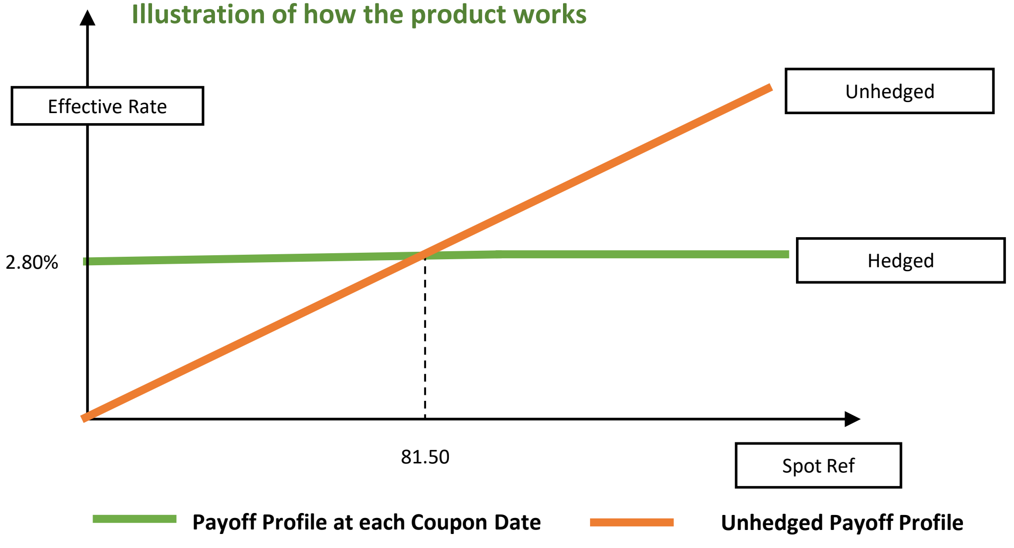
Retail, Non-Retail

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% * INR Notional * A/365F)
On Maturity Date	Client receives USD Notional, pays INR Notional

Illustration of how the product works



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.

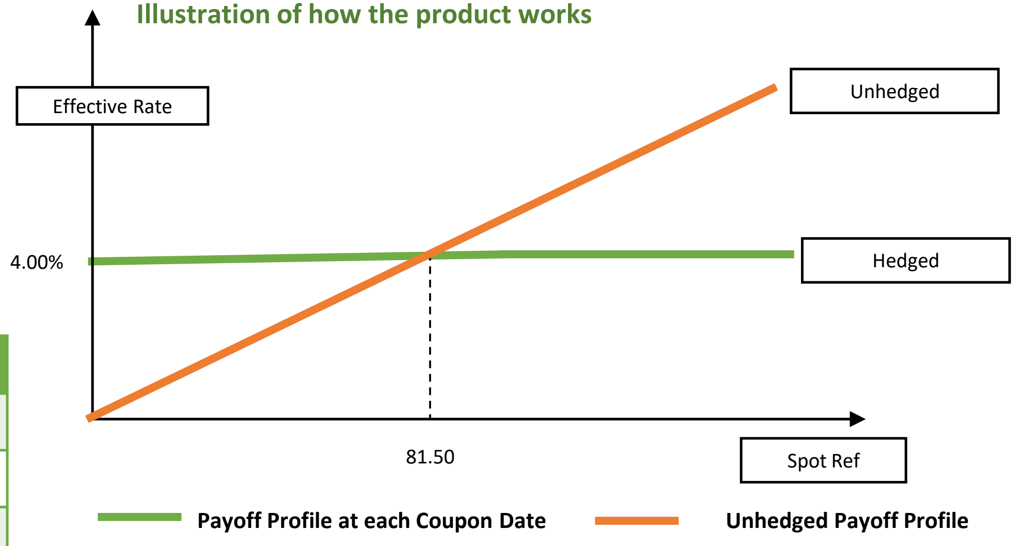
Coupon Only Swap

SMBC

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.

Illustration of how the product works



Retail, Non-Retail

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% * INR Notional * A/365F), receives (3M TERM SOFR * USD Notional * A/360)

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.

Interest Rate Cap

SMBC

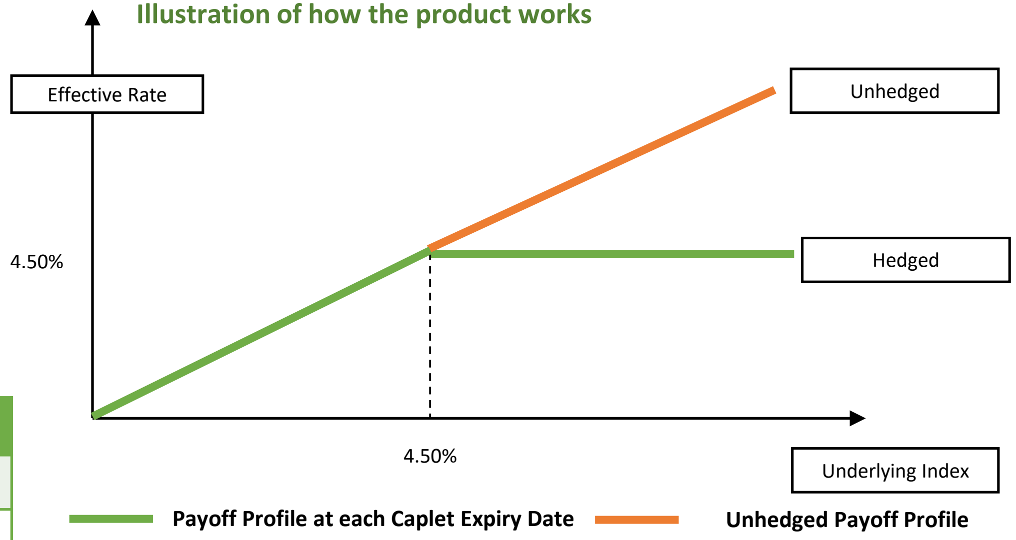
Retail, Non-Retail

Features

- Client has USD liability linked to Daily Compounded O/N SOFR and wants to hedge the interest rate risk for increases beyond Strike Rate.
- An Interest Rate Cap is a collection of caplets, each of which are Call options on the floating index being hedged.
- Client can enter into USD Cap at pre-determined Strike Rate to protect against interest rates rising above the Strike Rate.

Indicative Terms & Conditions	
Structure	USD Cap
USD Notional	USD 10 Million
Underlying Index	Daily Compounded O/N SOFR [DC O/N SOFR]
Tenor	5 Years
Caplet Expiry Dates	Quarterly
Strike Rate	4.50%
Option Premium	(2.25% * USD Notional) paid upfront
Market Ref	O/N SOFR = 3.78% pa
Payoff	
On each Caplet Expiry Date:	
If DC O/N SOFR ≤ 4.50%	Caplet expires worthless, no cash flow exchange.
If DC O/N SOFR > 4.50%	Client receives (DC O/N SOFR– 4.50%)*USD Notional*A/360

Illustration of how the product works



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.
- US Rates volatility: The MTM will increase with increase in US Rates volatility.

Client Benefits

- Client is fully hedged for increases in USD interest rate beyond Strike Rate.
- Client will participate fully in interest rates lower than Strike Rate.
- Maximum loss is limited to the option premium paid upfront, regardless of market movement.

Client Risks

- If market rate at expiry is lower than the Strike Rate, the caplet 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.

Interest Rate Floor

SMBC

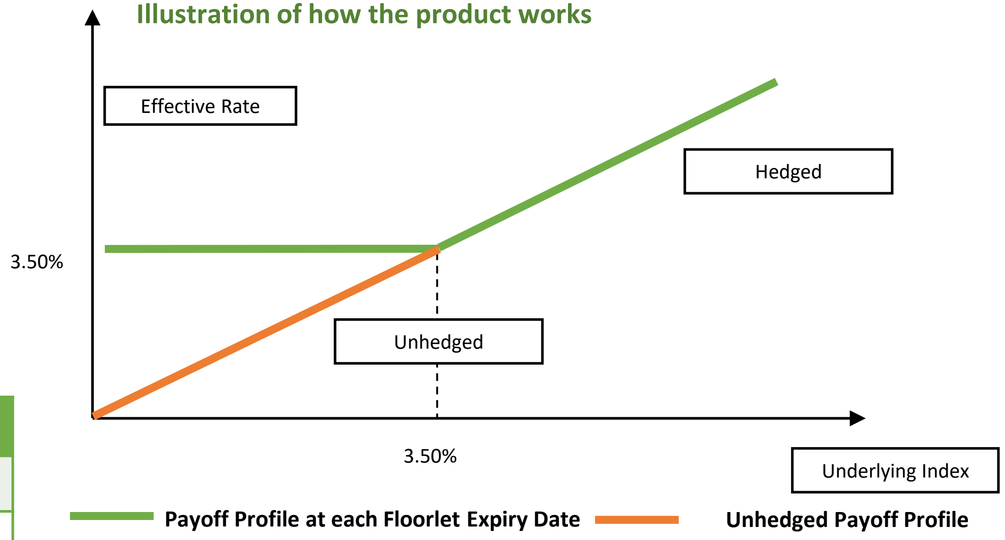
Retail, Non-Retail

Features

- Client has USD fixed rate loan and wants to participate in the interest rate decrease below a given Strike Rate.
- An Interest Rate Floor is a collection of floorlets, each of which are Put options on the given Underlying Index.
- Client can buy USD Floor at pre-determined Strike Rate to participate in interest rate decrease.

Indicative Terms & Conditions	
Structure	USD Floor
USD Notional	USD 10 Million
Underlying Index	Daily Compounded O/N SOFR [DC O/N SOFR]
Tenor	5 Years
Floorlet Expiry Dates	Quarterly
Strike Rate	3.50%
Option Premium	(3.75% * USD Notional) paid upfront
Market Ref	O/N SOFR = 3.78%
Payoff	
On each Floorlet Expiry Date:	
If DC O/N SOFR ≤ 3.50%	Client receives (3.50% - DC O/N SOFR)*USD Notional *A/360
If DC O/N SOFR > 3.50%	Floorlet expires worthless, no cashflow exchange

Illustration of how the product works



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

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

Client Benefits

- Client will fully participate in decrease in USD interest rate below the Strike Rate.
- Maximum loss is limited to the option premium paid upfront.

Client Risks

- If market rate at expiry is higher than the Strike Rate, the floorlet expires worthless.

Cost & fees

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Interest Rate Corridor

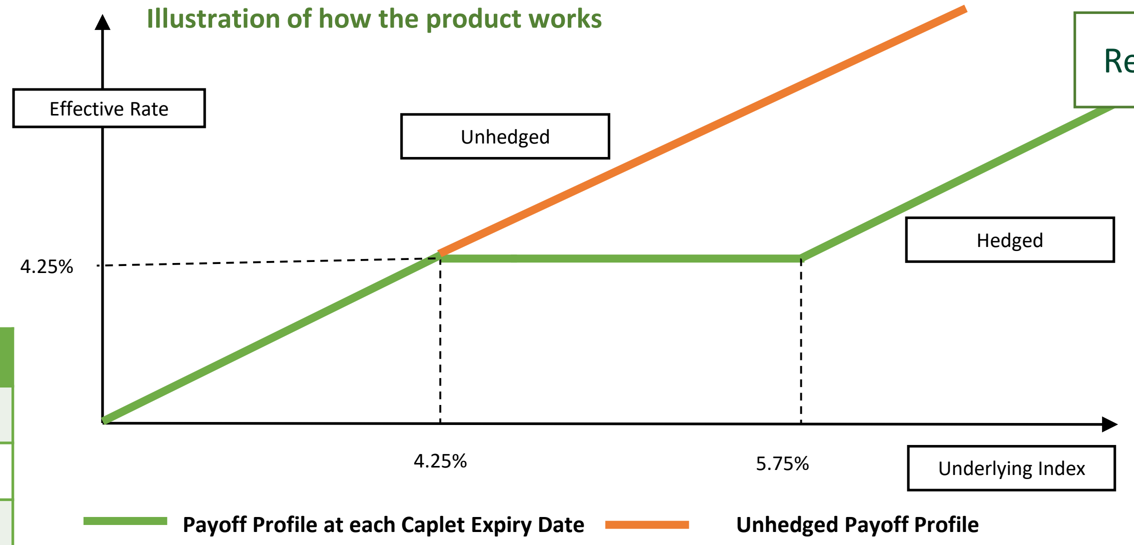
Retail, Non-Retail

Features

- Client has USD liability linked to Daily Compounded O/N SOFR and wants to hedge for interest rate increase from Buy Cap Strike Rate up to Sell Cap Strike Rate.
- An Interest Rate Corridor is a bought Cap Option and simultaneously sold Cap Option at higher strike to reduce the cost of the structure.
- Client can enter into USD Corridor to protect against interest rate increase from Buy Cap Strike Rate up to Sell Cap Strike Rate.

Indicative Terms & Conditions	
Structure	USD Corridor
USD Notional	USD 10 Million
Underlying Index	Daily Compounded O/N SOFR [DC O/N SOFR]
Tenor	5 Years
Caplet Expiry Dates	Quarterly
Buy Cap Strike Rate	4.25%
Sell Cap Strike Rate	5.75%
Option Premium	(1.75% * USD Notional) paid upfront
Market Ref	O/N SOFR = 3.78%
Payoff	
On each Caplet Expiry Date:	
If DC O/N SOFR ≤ 4.25%	Corridor expires worthless, no cashflow exchange
If 4.25% <DC O/N SOFR ≤ 5.75%	Client receives (DC O/N SOFR– 4.25%) *USD Notional *A/360
If DC O/N SOFR > 5.75%	Client receives (5.75% – 4.25%) * USD Notional * A/360

Illustration of how the product works



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.
- US Rates volatility: The MTM of the Cap bought or sold will increase as USD rates volatility increases.

Client Benefits

- Client is hedged for increase in USD interest rate from Buy Cap Strike Rate up to Sell Call Strike Rate.
- Client will participate in interest rate decrease below Buy Cap Strike Rate.

Client Risks

- If Underlying Index is higher than Sell Cap Strike Rate, client will be exposed to interest rate increase beyond Sell Cap Strike Rate.

Cost & fees

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Interest Rate Collar

SMBC

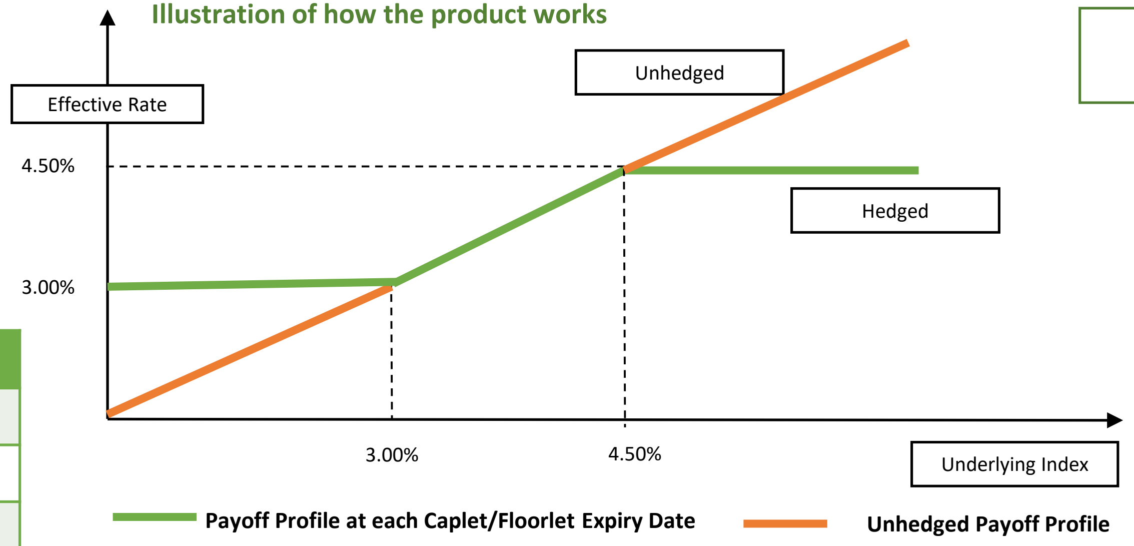
Non-Retail

Features

- Client has USD liability linked to Daily Compounded O/N SOFR and wants to hedge for interest rate increase beyond Buy Cap Strike Rate and participate in interest rate decrease up to Sell Floor Strike Rate.
- An Interest Rate Collar is a bought Cap Option and sold Floor Option at lower Strike to reduce the cost of the structure.
- Client can enter into USD Collar to protect against interest rate increase beyond Buy Cap Strike Rate and participate in interest rate decrease up to Sell Floor Strike Rate.

Indicative Terms & Conditions	
Structure	USD Collar
USD Notional	USD 10 Million
Underlying Index	Daily Compounded O/N SOFR [DC O/N SOFR]
Tenor	5 Years
Collar Expiry Dates	Quarterly
Buy Cap Strike Rate	4.50%
Sell Floor Strike Rate	3.00%
Option Premium	(0.05% * USD Notional) paid upfront
Market Ref	O/N SOFR = 3.78%
Payoff	
On each Collar Expiry Date:	
If DC O/N SOFR ≤ 3.00%	Client pays (3.00% - DC O/N SOFR) * USD Notional * A/360
If 3.00% < DC O/N SOFR ≤ 4.50%	Collar expires worthless, no cashflow exchange
If DC O/N SOFR > 4.50%	Client receives (DC O/N SOFR – 4.50%) * USD Notional *A/360

Illustration of how the product works



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.
- US Rates volatility: The MTM of the Cap/Floor bought or sold will increase as USD rates volatility increases.

Client Benefits

- Client is fully hedged for increases in USD interest rate above Buy Cap Strike Rate.
- Client will participate in interest rate decrease below Buy Cap Strike Rate up to Sell Floor Strike Rate.

Client Risks

- If Underlying Index is lower than Sell Floor Strike Rate, client will not be able to participate in interest rate decrease below Sell Floor Strike Rate.

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.

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.

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