



krungsri
กรุงศรี

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Quick Guide to Derivatives Transactions

Bank of Ayudhya Public Company Limited ("Krungsri") offers a broad spectrum of derivatives and structured products to meet your company's hedging demands for foreign exchange and interest rate risks. Since the product range extends from plain vanilla to exotic types, Krungsri can provide a product that matches your company's risk profile as well as risk appetite.

The available products are as follows.

- **Foreign Exchange (FX) Derivatives**
(e.g. FX Forwards, FX Swaps, Single Rate Forward, Call / Put Options and their combinations etc.)
- **Interest Rate Derivatives**
(e.g. Interest Rate Swap, Cross Currency Swap, Interest Rate Cap / Floor, Swaption)

Documentation

Following are related documents to be signed by your company.

- **Master Agreement**

A legal binding document governing all subsequent transactions. Your company is required to sign it only once before the first transaction.

Type	Related Documents
FX Derivatives Interest Rate Derivatives	FX Agreement ISDA Master Agreement & Schedule

- **Product Proposal**

Describing transaction details, advantages and disadvantages including risks associated with it. Your company is required to understand all aspects of the transaction and sign on the product proposal to demonstrate your understanding before entering into the deal.

- **After Deal Documents**

Type	Related Documents
FX Derivatives Interest Rate Derivatives	Confirmation Slip / Letter ISDA Confirmation

Routine Documentation

During the lifetime of long-term derivative and structured product transactions, Krungsri regularly provides you with a set of notifications e.g. for interest rate payment (on each interest fixing date), advice of debit/credit (on each settlement date) etc. Furthermore, a report of mark-to-market or fair value of derivative transactions can be provided at each month-end upon your request.

Underlying Transaction

Before engaging into derivative transaction especially those related to foreign exchange rate, your company is required to provide evidence for a proper underlying transaction as specified by the Bank of Thailand (such as payment for or receipt from goods, royalty fees, loans etc.)

After closing the derivative transaction, during the hedging contract lifetime, your company may be required, from time to time, to show us the evidence to prove the existence of your underlying transaction.

Cancellation Policy

Transactions are considered to be concluded and binding after an agreement is made over the telephone, even before a contract is signed. After agreements have been made in this way or by other means, the termination of transactions will be treated as early termination. In principle, cancellation or early termination is prohibited. It is to be permitted only if the reason is considered to be legitimate.

When a transaction is early terminated, your company may be required to pay a penalty fee determined by Krungsri. The amount of such fee varies according to the market interest rates, exchange rates, and other market conditions. It is worth noting that such fee may incur a loss to your company.

Conditions

An approved credit limit is required before entering into a derivatives transaction.

Disclaimer

This document does not constitute an offer, an invitation or a recommendation to enter into any transaction. Bank of Ayudhya Public Company Limited (Krungsri) is not acting as your advisor or in a fiduciary capacity in respect of any transaction unless otherwise agreed, and accepts no liability whatsoever with respect to the use of this document or its contents. Before entering into any transaction, you should take steps to ensure that you understand it and have made an independent assessment of the appropriateness of the transaction in the light of your own objectives and circumstances. You should also consider making such independent investigation as you consider necessary or appropriate for such proposes. Krungsri does not make any representation or warranty as to the accuracy, completeness or correctness of the information contained in this document. Furthermore, this document does not have any regard to the specific investment objectives, financial situation and the particular needs of any specific party who may receive this document. The information herein is published for information only and is not to be taken in substitution for the exercise of judgment by readers, who should obtain separate legal or financial advice. In particular, such party may wish to seek advice from a financial advisor before making a commitment to purchase any product mentioned in this document. If such party chooses not to do so, it should consider carefully whether the transaction mentioned in this document is suitable for it. All rights are reserved to Krungsri, any part or the whole document shall not be copied or transferred to any form without prior permission.

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