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	**:**	**Foreign Exchange Forward Transactions (**FX Forward)
Party A	:	First Abu Dhabi Bank PJSC Mumbai – Offeror of the product
Party B	:	Client of Party A (You) – User of the product

You may contact Party A on +91 22 33311131/32/33 for any additional information.

WHAT IS THIS PRODUCT?

Type : An "over the counter" (OTC) derivative contract on foreign exchange rate involving the exchange of two currencies on a specified date in the future (more than two business days later) at a rate agreed on the date of the contract.

Objective : To buy or sell an amount in one currency with a different amount in another currency at a rate predetermined at the moment of trade and settle on a specified future date or a range of specified dates, as the case may be. The transactions are bilateral transactions and no third party is involved.

Term : This product is scheduled to terminate on Scheduled Termination Date (Maturity Date). It may terminate early:

(i) following certain defined events principally in relation to either the underlying, you or Party A (including default), provided that in the case of events in relation to the underlying or the market, Party A may have the right, in certain cases, to adjust the terms rather than terminating the trade: or

(ii) at your request, whether by specific rights to terminate included in the contract or in the absence of such rights if Party A agrees to such request for termination and in such case based on a valuation provided by Party A. 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.

CONTRACT TERMS AND CONDITIONS (only for illustrations purpose)

General Terms

Amount Party B Buys/sells	[Currency 2] [Notional 2]
Foreign Exchange Rate:	[•].
Value Date:	[•].
Other Terms	
Calculation Agent	Party A
Termination/Unwinding	Termination/ unwind value to be calculated and communicated by Party A and any gain/ loss on

	account of same to be settled as per extant guidelines of the Reserve Bank of India (**"RBI"**).
Documentation:	ISDA Master Agreement and Confirmation / or any other document prescribed by party A / RBI in relation to FX Forward from time to time.
Underlying	Underlying documentation as per RBI extant guidelines
Costs and Fees	Foreign Exchange Rate would be inclusive of margins on account of various costs (such as administrative expense, credit charges, funding charges, capital cost etc.) incurred in relation to FX Forward.
Pay-off Profile	On the Maturity Date Party B pays/receives Party A the Final Base Currency Notional Amount and receives/pays the Final Counter Currency Notional Amount (such amounts being equivalent amounts converted at the Final Predetermined FX Rate).

All determinations are made by a Calculation Agent. All dates may be subject to adjustment for non-business days and market disruption events, if applicable.

The recommended holding period is the full tenor of the product. However, if Party B wishes to unwind/terminate the contract early, it may request Party A to provide a termination quote considering the prevailing market rates, liquidity, Party B's hedging obligation and any other factor that the Calculation Agent may consider at its sole discretion. You may kindly refer to the pay off table below to get a better understanding.

Early utilization

This involves gross exchange of notional between two parties with the counter currency notional adjusted for the swap difference (forward points) prevailing for the originally agreed exchange date at the time of early utilization

ILLUSTRATION

Party B intends to enter into a forward contract (FX forward) in USDINR with Party A to buy USD and sell INR at a determined rate for fixed maturity date

Trade Date	27 June 2025
Base currency notional (Party B buys)	USD 10,000
Spot Rate (A)	85.50
Forward Points (B)	0.50
Final determined rate (A+B)	86.00
Counter currency notional (Party B sells)	INR 860,000
Final exchange date/Maturity date	31 Oct 2025
Calculation Agent	Party A
Documentation:	ISDA Master Agreement and Confirmation / or any other document prescribed by Party A / RBI in relation to FX Forward from time to time.
Underlying	Underlying documentation as per RBI extant guidelines
Costs and Fees	Rate as may be applicable would be inclusive of margins. Any Applicable fees (unless otherwise specified), quoted by Party A shall be inclusive of

	all charges related to the Transaction as advised by the Calculation Agent.
Pay-off Profile	On the Maturity Date Party B pays Party A the Final Base Currency Notional Amount and receives the Final Counter Currency Notional Amount (such amounts being equivalent amounts converted at the Final Predetermined FX Rate).

PAYOFF / MTM EVOLUTION

Notional Outstanding in USD	Prevailing forward rate for exchange date	Payoff/ MTM in INR
10,000.00	83.50	(25,000.00)
10,000.00	84.00	(20,000.00)
10,000.00	84.50	(15,000.00)
10,000.00	85.00	(10,000.00)
10,000.00	85.50	(5,000.00)
10,000.00	86.00	-
10,000.00	86.50	5000.00
10,000.00	87.00	10000.00
10,000.00	87.50	15000.00
10,000.00	88.00	20000.00
10,000.00	88.50	25000.00

KEY PRODUCT RISKS AND BENEFITS

Risks	Benefits
There can be fluctuations in the mark-to-market value of the FX Forward due to the movements in Spot FX rates and forward premium.	FX Forward would enable the Counterparty to shift its exposure from one currency to another and hedge itself against any adverse movement.
Party B cannot take advantage of a favorable move in the market – e.g., if USD/INR moves to 85.00, Party B will be compelled to buy USD @ 86.00.	Gives clear visibility of future cash-slows.
Transactions are separate from the underlying exposure and the two may not always move in tandem or even similarly	Protection against adverse foreign currency fluctuation at specified future date or a range of specified dates, as the case may be, is availed to a significant extent.
Fixing of foreign exchange rates of Transactions can lead to currency risk if the underlying exposure is cancelled, reduced, or varied before maturity or settlement	Customization to suit Counterparty's need.
Product while linear & simple to understand, it involves pricing currency & interest rate risks	Hedge accounting compliant subject to your own due diligence and internal/external advice.
Transactions are prone to settlement risk which arises when delivery of currency sold without receipt of currency bought.	Near certainty of cash flows upon maturity or settlement.
Any cancellations, extensions, or early deliveries of a FX Forward may result in a financial loss.	

GENERIC RISKS

- **Tenor of Transaction**
  Party B should be satisfied with the entire tenor of the Transaction. Party B should note that any transaction with a longer tenor will be associated with higher risks and usually involve higher cost of early termination if early termination is permitted.

- **Party B suitability**
  Party B should ensure that they understand the characteristics of the Transaction and the nature of the risks associated therein and that they consider the suitability of the Transaction in the light of their own circumstances and financial condition and that they have the ability to enter into the Transaction as well as withstand the potential financial loss.

- **Separate Transaction from Contracted Exposure/ Anticipated Exposure**
  The Transaction is a separate transaction from the Contracted Exposure/ Anticipated Exposure. The payment dates, payment amounts, the definition of Business Day and Floating Rate Option and all the other terms governing the Transaction would be set out in the final term sheet. There may be mismatches with the corresponding terms of the Contracted Exposure/ Anticipated Exposure.

- **Concentration risk**
  Party B should be satisfied that they are not over exposed to any particular interest rate or currency or transaction of any particular type. Party B should satisfy that the Transaction does not form a substantial portion of its investment portfolio.

- **Party A's hedging activities may affect Interest and Exchange Rates**
  Party A and/or its affiliates may enter into hedging transactions in the market to enable Party A to fulfil its obligations under the Transaction. These hedging transactions may affect the relevant interest and/or exchange rates.

- **There are potential conflicts of interest**
  Party A and its affiliates play a variety of roles in connection with the Transaction, including acting as Party B and calculation agent and hedging its obligations under the Transaction. Party A and/or its affiliates may also enter into, adjust, and unwind transactions relating to the relevant interest rates and/or currencies, whether for its or its affiliates' proprietary accounts or for accounts under management or to facilitate transactions on behalf of other counterparties or otherwise. In carrying out these roles, Party A's economic interests and those of its affiliates may be potentially against the Party B's interests as the Party B in the Transaction.

- **Pricing, valuation and unwind:**
  Party A may price, value, and unwind the Transaction or any part thereof on the basis of such pricing models, methodologies, assumptions, and factors as Party A, acting in good faith and in a commercially reasonable manner, deems appropriate.

- **Liquidity risk**
  The Transaction is a contractual obligation by the Party B from the trade date to the maturity or termination date. No early uplift, withdrawal, modification, or termination of the Transaction is permitted except with Party A's prior agreement or otherwise provided under the Transaction. If the Transaction is early terminated or modified, the Party B may suffer losses and will have to compensate Party A for costs (if any) incurred by Party A in replacing or obtaining the economic equivalent of the Transaction as a result of a modification or early termination requested by the Party B and such losses and costs may be substantial.

- **Interaction risk**
  Different types of risks may interact unpredictably, particularly in times of market stress.

- **Mark-To-market risk**
  Party B bears the downside risk of the mark-to-market (MTM) value fluctuation of the Transaction. The Party B needs to be aware the MTM value of the Transaction is determined by many market factors and is calculated in accordance with the internal valuation model of Party A. Hence, the value may be significantly different from the intrinsic value calculated by simple arithmetical method**.**

- **Credit risk**
  The Party B is taking on the credit risk of First Abu Dhabi Bank with respect to all payments due under the Transaction. In the worst-case scenario, where First Abu Dhabi Bank defaults on its payment obligations under the Transaction, the Party B will receive no payment.

- **No assurance of the Transaction achieving your desired hedging objectives**
  Where the Transaction will be used by the Party B as a hedging tool, Party B should note there may be imperfect correlation (sometimes referred to as "basis risk") between changes in the value of the Transaction and the particular exposures that Party B wishes to hedge. Party B should be comfortable with the risks associated with the potential mismatch between its exposure under the Transaction and the exposure under its other businesses or transactions. Such mismatch may arise from any potential excessive hedging, inadequate hedging, or loss of hedge in certain circumstances.

INTENDED CLIENT

This product is intended for clients who:

- Have sufficient 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.
- Have a horizon consistent with the term of this product as determined independently or on the basis of professional advice

What are the costs involved?

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 incurred by the market maker being Party A.

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 financial advisor.

The following documents are available upon request:

- any master agreement relating to the product, including the schedule there to
- the confirmation relating to the product.

DISCLAIMER

This statement has been prepared for general information purposes only and is provided to you on a confidential basis and it does not constitute either (i) legal, commercial, or professional advice or (ii) an offer, an invitation, or a recommendation to enter into any transaction, and (in each case) should not be relied on as such.

This statement is provided to you on the understanding that (i) you have sufficient knowledge, experience, and professional advice to make your own evaluation of the merits and risks of a transaction of this type and (ii) you are not relying on us or on any of our affiliates for information, advice, or recommendations of any sort. You should enter into a transaction only if you fully understand the nature of the transaction, any applicable margin requirements and the nature and extent of your exposure to risk and to loss as well as the legal, tax, accounting or other material characterizations and consequences of the transaction. You should carefully consider whether and be satisfied that the transaction is appropriate for you in the light of your objectives, experience, financial position, risk management and operational resources and other relevant circumstances. In case of doubt, you should consult your own professional advisers.

Further, the information contained herein may be incomplete or condensed and may be based on information or opinions obtained from third party sources which Party A believes to be reliable as at the date it was provided however, and to the maximum extent permitted by law, Party A makes no representation or warranty (express or implied) as to its accuracy, completeness or correctness of that information or opinion for any particular purpose. Party A does not accept or assume any liability for the information set out in the statement nor for any loss or damages of any kind incurred by the recipient or anyone in connection with acting or refraining to act on such information. Information contained in the statement may not be reproduced, quoted, or disseminated (in whole or part) without prior consent of Party A and is not intended for distribution to, or use by, any person or entity in any jurisdiction or country where such distribution, publication, availability, or use would be contrary to applicable law or regulation (including any licensing or registration requirement). You acknowledge the receipt of this statement if there is no communication from your end within five days from the day this statement is sent to you.

We are acting on a principal-to-principal basis and not acting as your advisor or agent or in any fiduciary capacity to you. This statement does not purport to identify all the risks (direct or indirect) or other material considerations which may be associated with you entering into the transaction.

Subsequent changes to applicable laws, regulation and industry guidance may have an impact or affect the contents of this statement. By providing the statement, Party A is under no obligation to update or review the information comprised in the statement after the date it was provided or to notify the recipient of any subsequent changes affecting the statement (whether in whole or part) arising following updates to applicable laws, regulation, or industry guidance. Where the statement is publicized to the recipient by way of a website the date it was first uploaded electronically by Party A shall be construed as the date the statement was initially published and accordingly, if any revisions are made to the website after it is published, Party A shall not be required to notify the recipient of all or any such amendments or revisions. Failure to respond within five (5) Local Business Days of receipt of this Statement shall be deemed to be an affirmation and acceptance of all the terms set out in this Statement.