

## Swap (Cross Currency Swap or Interest Rate Swap)

Product's Definition	Swap is a transaction based on an agreement to exchange 2 different currencies with pre-defined cash notionals & interests during certain period.
Product's Benefit	<ul style="list-style-type: none"> <li>- One way to hedge against adverse movements in foreign exchange rates, particularly for customers with foreign currency loans as it allows customers to perfectly match the loan cash flow with the swaps.</li> <li>- Provide the customer with an advantage should the spot exchange rates move favourably.</li> <li>- Protect a budget exchange rate as the customer has agreed to such rate under the option.</li> <li>- Provide the customer with the flexibility to execute (or not) its rights if the currency amount is uncertain.</li> </ul>
Product's Risk	<p>Market Risk - once deal is executed, the customer will no longer be able to change the exchanged prices &amp; amounts and obliged to honor the contracts despite rate movements.</p> <p>Operational Risk - may occur when the trade is not able to be settled timely per customer instructions.</p>
Requirements and Procedure for Product Use	<p>Terms &amp; Condition :</p> <ul style="list-style-type: none"> <li>- owns HSBC accounts .</li> <li>- send the instructions to HSBC branches or through HSBCNet.</li> <li>- comply with BI regulation governing FX Transactions.</li> <li>- provide us with all relevant documentation as necessary.</li> </ul> <p>For further inquiries related to this product, please contact HSBC team at +62 21 2927 7010 (Retail) or +62 21 2927 7007 (Corporate) during working hours</p>
Expenses attached to bank	Refer to effective tariff
Type of Product and Service	Foreign exchange
Tenor	Over than 1 year period
Procedure for Service and Complaint	For further inquiries related to this product, please contact HSBC team at +62 21 2927 7010 (Retail) or +62 21 2927 7007 (Corporate) during working hours