Leveraged forward

Tailor-made solution to enhance your exchange rate

What you should know about the leveraged forward
A leveraged forward is a structured forward that allows you to trade at a better rate than a standard forward transaction by integrating leverage. You will trade in a regular sequence at a pre-defined rate also called the protection rate. Depending on where we are trading at each expiry, you might trade a factor of the notional (leverage according to the ratio chosen). Therefore, the leveraged forward offers you a **partial hedge** in case of an unfavorable market move.

Your needs
- You want to trade at a better rate than the forward rate.
- You want to hedge your regular cash flows.

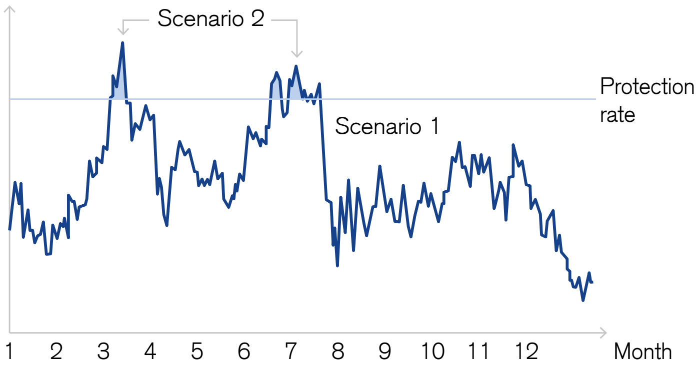
Your benefits at a glance
- You will trade at a predefined rate for each expiry.
- The protection rate is more favorable than the forward rate.
- No premium has to be paid (zero cost strategy).
- You can choose from more than 80 currency and precious metal pairs.
- Our specialists will structure the solution to perfectly meet your company's needs.

Possible risks
- The hedge rate applies only to a part of the exposure due to the use of leverage.
- The notional amount depends on the market rate at each expiry (leverage).
- If you wish to close or restructure the leveraged forward, costs or gains may occur according to market conditions.

How it works
In order to set up a leveraged forward, you will need to define the following parameters:
- Currency pair
- Periodicity/term
- Notional amount and the use of leverage

An OTC trading limit is required for this product.

Example for a seller (export company)



For illustrative purposes only

The above parameters will define the protection rate.
On each expiry, two scenarios can occur:
Example for a seller of a currency pair (e.g. exporting companies).

Scenario 1 – If the currency pair trades below the protection rate, you will sell the notional amount at the protection rate.

Scenario 2 – If the currency pair trades at or above the protection rate, you will sell the leveraged notional amount at the protection rate.

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