

Forward+

Tailored solutions



Exchange with confidence – flexibly and worry-free, whenever and however much you need.

What is a forward

A currency forward is a payment instrument based on the purchase or sale of currency at a pre-agreed rate for a predetermined date. It is tied to the settlement of payments for the export or import of goods, or for services provided in the future – from 1 week to 2 years after the trade agreement.

Forward

- ✓ You know exactly at what price you will exchange when settling the trade (you use the fixed rate up to a predetermined amount at a predetermined date).

Forward+

- ✓ You know exactly at what price you will exchange during a certain period (you use the fixed rate from the total amount at any time during the chosen period).

⊕ Advantages of SAB Forward+ over regular forward:

✓ TIME SAVING

You exchange only when you need to.

✓ FLEXIBILITY

You exchange whenever you need to (from the date of agreement to the date of the furthest trade settlement).

✓ VARIABILITY

You exchange according to your current needs.

You exchange:

as much as you
need²

according to the
current situation

whenever
you need

according to delivery
or order terms

¹ However, the need for future exchange must be sufficiently determined at the time of closing SAB Forward+, and the client must have a clear idea of what goods or services are to be the subject of future exchange. Before settling the relevant individual trade under SAB Forward+, the purpose of the trade must be properly documented. ² Up to the agreed forward framework.

MODEL EXAMPLE

Import

A company importing electronics from Asia had planned deliveries from January to December totalling USD 1.5 million. To protect its business margin, it fixed two-thirds of this volume with SAB Forward+ at a rate of USDCZK 22.50 in January 2023. Throughout the year, it carries out exchanges as needed based on invoice due dates, seasonality, etc.



By the furthest settlement date, the total of all secured exchanges will amount to USD 1 million USD, i.e., the entire SAB Forward+ volume. Until the forward is exhausted, it has the assurance that its orders will be purchased at the secured rate, thus significantly reducing the risk of exchange rate impact on its business.



Export

A company exporting polished glass to Europe has planned orders totalling EUR 1 million for 2023. The calculated rate of EURCZK 25.05 is profitable for its orders, so they decide to secure it for the entire period and protect their business from exchange rate fluctuations. The company conduct exchanges throughout the year based on collections from customers.



They can freely set the date and amount of the exchange. By the furthest settlement date, the total of these exchanges will amount to EUR 1 million, i.e., the volume of secured funds with SAB Forward+. Throughout the year 2023, it exchanges at the rate of EURCZK 25.05, which it secured at the beginning of the year.

Advantages

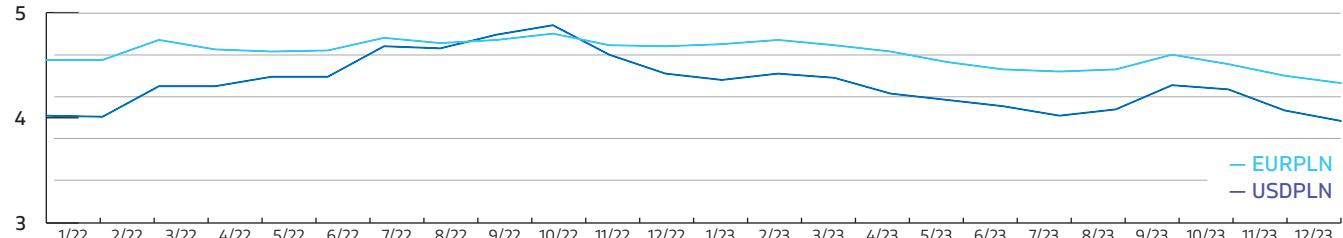
- ✓ No fees associated with arranging and settling forward transactions.
- ✓ Unbeatable price.
- ✓ Fast approval and processing of non-cash forward transactions.
- ✓ When calculating, you know how to properly price your goods or services.
- ✓ You know exactly how much you will pay or collect for services and goods.
- ✓ You eliminate uncertainty from exchange rate fluctuations. You can plan your cash flows efficiently.
- ✓ You save time – no need to monitor the market, currency developments, and worry about exchange rate losses.

Risks

- By entering into a contract, you lose the opportunity to participate in any favourable movement in the exchange rate of the secured currency, which is not known at the time of closing the non-cash forward transaction.

Development of currency pairs EURCZK and USDCZK

From 01/2022 to 12/2023, the market experienced significant exchange rate fluctuations.



How to arrange a SAB Forward+?

① **AGREEMENT OF A GENERAL CONTRACT** and an appendix on non-cash forward transactions with the Regional Director.

② **APPROVAL OF THE SAB FORWARD+** with the payment of collateral from the SAB Forward+ volume payable within 3 days after the conclusion of the forward transaction.

③ **CLOSING THE TRANSACTION** with a personal dealing specialist and setting the SAB Forward+ parameters.



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