GENERIC RISK DISCLOSURE STATEMENT
一般風險預告書

Purpose
目的

1. This Risk Disclosure Statement covers Foreign Exchange, OTC derivatives, structured note and warrant transactions (hereinafter referred to as "**Transactions**") and is intended to be generic in nature. A large part of minimising risk should begin from reading the terms of each Transaction carefully but there is also a need to be informed of the various forms of risk, such as market risk, credit risk, liquidity risk, funding risk, operational risk, foreign exchange risk, underlying risk, early termination risk, interest risk, country risk, tax risk, reinvestment risk, emerging markets and legal & enforcement risk. A more detailed disclosure statement is annexed.
本風險預告書涵蓋外匯交易、店頭衍生性商品交易、結構型債券及權證交易(以下合稱為「交易」)且僅為一般性說明。要大幅減低風險，應從詳閱每次交易之條款開始，但仍有必要知悉各種風險，如市場風險、信用風險、流動性風險、資金風險、作業風險、匯率風險、連結標的風險、交易提前終止風險、利率風險、國家風險、賦稅風險、再投資風險、新興市場以及法律及執行風險。較詳細之風險預告如下。

2. With respect to capacity, you should be aware that DBS Bank (Taiwan) Limited ("**we**", "**DBST**" or the "**Bank**") is at all times, acting as a potential arm's length counterparty, and not as your financial adviser or fiduciary, unless DBST has otherwise agreed in writing. This does not imply that DBST does not at any time render advisory services, merely that this only occurs where DBST assumes a positive responsibility for a counterparty's portfolio and expressly agrees in writing to provide advisory services.
就能力而言，您應了解星展(台灣)商業銀行股份有限公司(以下簡稱「我們」、「星展台灣」或「本行」)於任何時刻為可能之獨立交易相對人，除經星展台灣書面同意者外，星展台灣並非您的財務顧問或受託人。此非表示星展台灣不會提供顧問服務，惟僅就交易對手之投資組合承擔積極的責任且以書面明示同意提供顧問服務之後，星展台灣始提供該等服務。

3. You should also be aware that DBST and/or its affiliates may from time to time take proprietary positions and/or make markets in instruments identical or economically related to the Transactions entered into with you, or may have an investment banking or other commercial relationship with and access to information from the issuer(s) of securities, financial instruments or other interests underlying Transactions entered into with you. We may also undertake proprietary activities, including hedging transactions related to the initiation or termination of a Transaction with you, that may adversely affect the market price, rate, index or other market factor(s) underlying a Transaction entered into with you and consequently the value of the Transaction.
您應了解星展台灣及其關係企業得隨時就與您進行交易相同或經濟上之相關票據取得所有權且/或進行造市，或可能和與您往來證券、財務工具或其他利益之發行人有投資銀行或其他商業往來關係或自該等發行人取得資訊。星展台灣並得擔當自行買賣活

動，包括為與您開始或終止所進行之避險交易，該等交易對市場價格、利率、指數或其他與您交易項下之其他市場因素可能產生負面影響及進而影響交易價值。

GENERIC RISK DISCLOSURE STATEMENT FOR
FOREIGN EXCHANGE, OTC DERIVATIVES, STRUCTURED NOTE AND WARRANT TRANSACTIONS
外匯交易、店頭衍生性商品交易、結構型債券及權證交易之一般風險預告書

GENERAL DEFINITIONS
一般定義

1. Foreign Exchange / OTC derivative transactions include FX spot, options, forwards, swaps, caps, floors, collars and combinations and variations of such transactions together with other contractual arrangements.
外匯 / 店頭衍生性商品交易包含外匯即期、選擇權、遠期交易、交換交易、上限、下限、上下限及該等交易與其他契約安排之組合或變化。

2. Structured notes include debt or depository instruments having economic features similar to OTC derivative transactions. Warrants are classed as securitised options.
結構型債券包含具有與店頭衍生性商品交易類似經濟性質之債務或存託工具。權證即被認定為股權選擇權。

(For the purposes of this Statement, all Foreign Exchange/ OTC derivatives, structured note and warrant transactions are hereinafter referred to as "Transactions")
(就本風險預告書而言，所有外匯/店頭衍生性商品交易、結構型債券及權證交易均稱為「交易」)

RISK DISCLOSURE STATEMENT
風險預告書

1. Before considering any Transaction, you must consider whether the Transaction is appropriate in the light of your objectives, experience, financial and operational resources and other relevant circumstances. The expressly stated terms of the Transaction is the next step to note.
考量任何交易前，您須考量該交易是否適於您的目標、經驗、財務、作業資源及其他相關因素，下一步應注意交易所明示之條款。

2. Before entering into any Transaction, you should inform yourself of the various types of risk and the nature and extent of the exposure to risk of loss, which may significantly exceed the amount of any initial payment by or to you. The following are given as illustrations of the types of risks which you may encounter. This list is not exhaustive.
進行任何交易前，您應清楚各種風險之型態及本質以及損失曝顯之程度，其可能遠超出您所支付或收到的初期付款。下列為您可能面臨之風險型態釋例，惟並非全部。

i) **Market Risk**. There is a general risk of market failure which arises from political or financial developments.
市場風險　此為因政治或金融發展造成市場運作出現問題之一般性風險。

ii) **Credit Risk**. There is a risk of counterparty or issuer default which may arise from, inter alia, insolvency factors. As a guide, you are advised to refer to the latest reports from reputed rating agencies.
信用風險 此為相對人或發行人可能因無資力清償等因素所造成違約之風險。為此方向，您應參酌有良好聲譽之信用評等機構之最新報告。

iii) **Legal and Enforcement Risk**. There is a risk that default due to for example, credit failure, will lead to consequent legal and enforcement problems.
法律及執行風險 此為違約(例如信用喪失所致之違約)將可能導致法律及執行問題之風險。

iv) **Liquidity Risk**. The benefits of customisation in achieving particular financial and risk management objectives may be offset by significant liquidity risks.
流動性風險 達成特定財務及風險管理目標之客製化效益將可能被重大流動性風險所抵銷。

v) **Operational Risk**. It is essential to ensure that proper internal systems and controls are sufficient to monitor the various types of risk which can rise and which can be quite complex.
作業風險 為確保適當內部系統及控管足供監督可能導致及複雜之各種型態之風險之必要性。

(vi) **Emerging Market**. Transactions involving emerging markets involve higher risk as the markets are highly unpredictable and there may be inadequate regulations and safeguards available to participants in such markets.
新興市場. 涉及新興市場之交易具有較高風險，因市場狀況具有高度不可預料性，且對於市場參與者可能沒有的合適法律與安全機制。

(vii) **Underlying Risk**. The value and return of any Transaction will be subject to the movements in the price and any risks in the underlying reference asset of a Transaction.

連結標的風險. 交易之價值和報酬將依據價格之變動及交易資產所參考之連結標的風險所決定。

(viii) **Early Termination risk**. No early uplift, withdrawal, modification, termination is permitted except with the Bank’s prior agreement or otherwise provided under a Transaction. You may suffer losses or be required to compensate the Bank for costs, if any, as a result of any early uplift, withdrawal, modification, termination requested by you.
交易提前終止風險. 除經由本行事前同意或交易另有規定者外，交易不得提前取款、撤銷、修改、終止。您可能會遭受損失或須補償本行之費用(如有)係因您要求關於任何提前取款、撤銷、修改、終止交易所致者。

(ix) **Interest Rate risk**. Volatility of the interest rate market may impact the value and return of a Transaction.
利率風險. 利率市場的變動可能影響交易之價值及報酬。

(x) **Foreign Exchange risk**. Changes in foreign exchange rate(s) can be unpredictable, sudden and large. Such changes may result in the value of a Transaction moving adversely against your interests and negatively impacting upon the return on, or settlement of, a Transaction. Foreign exchange rate(s) will be influenced by the complex and interrelated global and regional political, economic, financial and other factors that (directly or indirectly) can affect the currency markets.

Where you have converted amounts from another currency for investment or settlement of a Transaction, you should bear in mind the risk of exchange rate fluctuations that may cause a loss on conversion of such currency back into your original currency.

匯率風險. 匯率變化可能是不可預料的、突然的及大規模的。這樣的改變可能導致交易價值之變動而不利於您的利益且負面地影響交易的報酬與結算。匯率將受到複雜及有相互關係的全球及區域政治、經濟、財經及其他直接或間接影響貨幣市場等因素所影響。

若您為投資及結算交易而將另一種貨幣轉換為另一種貨幣，您應注意在將該貨幣轉換回原始貨幣時，可能會導致虧損之匯率波動風險。

(xi) **Country risk**. Political, economic, or natural disasters may occur in a country may adversely affect the financial markets and the volatility of interest rates, foreign exchange rates and any assets which the Transaction is referencing to.

國家風險. 一個國家可能發生政治、經濟或天然災害因而對金融市場和利率、匯率與交易連結的任何資產之波動產生不利的影響。

(xii) **Tax risk**. All payments by the Bank to you are subject to the fiscal or other laws and regulations applicable to the Bank in the place of payment.

稅賦風險. 關於本行對客戶之一切付款均須依循適用於本行之付款地之任何財政或其他相關法令。

(xiii) **Reinvestment risk**. If a Transaction is early terminated, you may not be able to find comparable investment and re-investment in any other investments may result in a return less than the return that would otherwise have accrued under such early terminated Transaction.

再投資風險 若交易提前終止，您可能無法再找到可比較之投資標的以及再投資於任何其他投資標的時，所造成之報酬可能少於該提前終交易原可累積之報酬。

(xiv) **Mark-to-Market Risks** You need to be aware of the mark-to-market (MTM) value of a Transaction, which is determined by many market factors and is calculated in accordance with the internal valuation model of the Bank. Hence, the value may be significantly different from the intrinsic value calculated by simple arithmetical method. You will bear the downside risk of the MTM value fluctuation of a Transaction.

市價評估風險 您須注意關於交易之市價評估價值是基於許多市場因素所決定，並且根據本行內部之評價模型所計算出來的結果。因此，該價值可能與依照簡單算術方式計算之本身價值有重大之不同。您將承擔交易之市價評估價值波動之下檔風險。

(xv) **Interaction Risk** Different types of risks may interact unpredictably, particularly in times of market stress.

相互影響風險 不同類型之風險可能有不可預料的交互影響，特別是在市場壓力期間。

PRODUCT SPECIFIC RISK DISCLOSURE
產品風險預告

1. FX Forward 遠期外匯

The Counterparty buys from the Bank a pre-agreed amount of one currency (“Currency A”) and sells to the Bank a pre-agreed amount of another currency (“Currency B”) at the Forward Rate on the Settlement Date. (The Spot Rate and Forward Rate are expressed herewith as the amount of Currency B per one Currency A)

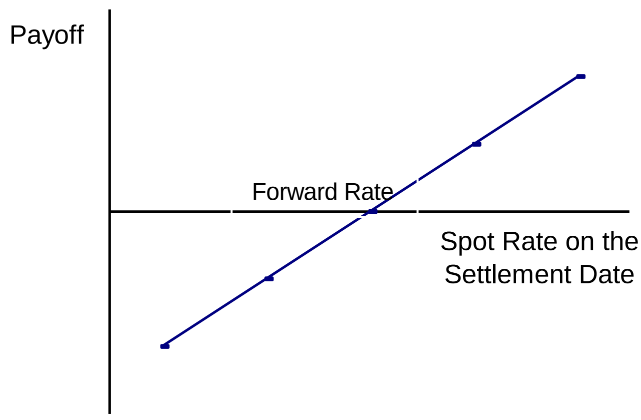
客戶與本行約定在未來某一特定日期（交割日），按事先約定之遠期匯率，買入特定金額之某一貨幣（貨幣 A）並賣出特定金額之另一貨幣（貨幣 B）予本行。（此處之即期及遠期匯率係以一塊金額之貨幣 A 可兌換貨幣 B 之金額來表示）

Risks: In respect of the FX transaction, if Currency A depreciates against Currency B such that the Spot Rate on the Settlement Date is at a level less than the Forward Rate, the Counterparty will suffer a loss calculated by reference to the absolute difference between the Forward Rate and the Spot Rate and such losses may be substantial. **In the worst case scenario, loss incurred by the Counterparty under this Transaction may be unlimited.**

風險： 當貨幣 A 相對貨幣 B 貶值致交割日時之即期匯率低於遠期匯率之水準時，客戶將蒙受損失，該損失金額依遠期及即期匯率之差計算而得，且損失可能為重大。**於最壞的情況下，客戶遭受的交易損失可能無限大。**

Benefits: In respect of the FX transaction, if Currency A appreciates against Currency B such that the Spot Rate on the Settlement Date is at a level greater than the Forward Rate, the Counterparty can buy the Notional Amount at the Forward Rate.

收益： 當貨幣 A 相對貨幣 B 升值致交割日時之即期匯率高於遠期匯率之水準時，客戶將依遠期匯率購買交易金額而獲利。



2. NDF 無本金交割遠期外匯

A NDF is similar to FX forward, and the major difference is that the exchange settlement will be cash settled.
無本金交割遠期外匯與遠期外匯相似，且最主要之差異在於到期時僅以差額結算交割。

3. Forward Rate Agreement 遠期利率協議

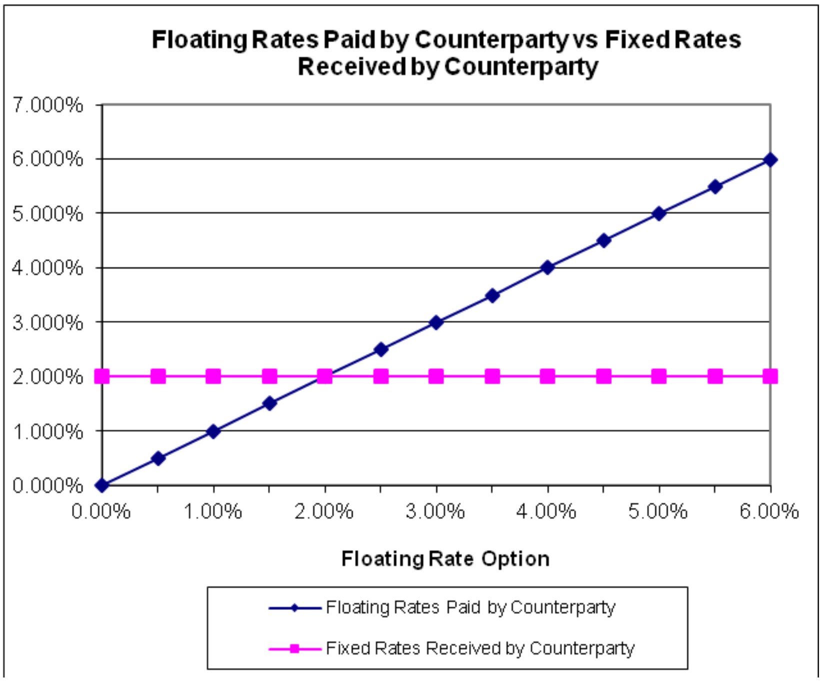
Forward rate agreement (FRA) is an over-the-counter forward contract where the parties agree that a certain interest rate will apply to a certain principal during a specified future period of time. The Counterparty has to pay or receive the pre-agreed interest rate despite the prevailing interest rate of the future date.
遠期利率協議為一種店頭市場的遠期合約，交易雙方議定未來一特定期間之名目本金及利率。不論未來時間點之利率水準為何，客戶須依合約約定之利率履行交割義務。

4. Interest Rate Swap (“IRS”) 利率交換

Interest Rates Swap (IRS) is a transaction in which two parties agree to exchange streams of cash flows based on a principal amount where one stream is calculated with reference to a floating interest rate and the other stream is calculated based on a fixed interest rate or both flows are calculated with reference to floating interest rates.
利率交換係交易雙方約定未來特定期間內，每一個計息期間依約定之名目本金及固定或浮動利率交換利息金額。

Risks: In respect of a transaction where the Counterparty pay floating rate and receive fixed rate, if the Floating Rate Option for a Calculation Period is higher than the Fixed Rate, the Fixed Amount received by Counterparty for that Calculation Period will be lower than the Floating Amount payable by Counterparty, who will then suffer a loss. **In the worst case scenario, loss incurred by the Counterparty under this Transaction may be unlimited.**
風險： 客戶付浮動利率並收固定利率之交易，若該計息期間之浮動利率高於固定利率，客戶收到的固定利率計算之利息將低於客戶應付浮動利率計算之利息，因此客戶將遭受損失。**於最壞的情況下，客戶遭受的交易損失可能無限大。**

Benefits: In respect of a transaction where the Counterparty pay floating rate and receive fixed rate, if the Floating Rate Option for a Calculation Period is lower than the Fixed Rate, the Fixed Amount received by Counterparty for that Calculation Period will be higher than the Floating Amount payable by Counterparty, who will then benefit from the trade.
收益： 客戶付浮動利率並收固定利率之交易，若該計息期間之浮動利率低於固定利率，客戶收到的固定利率計算之利息將高於客戶應付浮動利率計算之利息，因此客戶將獲利。



5. Cross Currency Interest Rate Swap ("CCS") 換匯換利交易

A cross currency swap (CCS) is similar to that of an IRS, and the major difference is it involves the exchange of different currency cash flows in specific period of time. The interest may be fixed or floating of the two currencies.
換匯換利交易與利率交換類似，且最大不同在於換匯換利交易在特定其間涉及不同幣別的金流交換。利率可能採取二種貨幣之固定或浮動利率。

6. FX Swaps 換匯交易

In respect of the FX swap transaction, the Counterparty simultaneously buys and sells the same quantity of one currency against another with two different value dates.
換匯交易雙方約定以兩種貨幣作為交換，亦即客戶同時買和賣金額相同，交割日不同之外匯交易。

7. FX Options 外匯選擇權

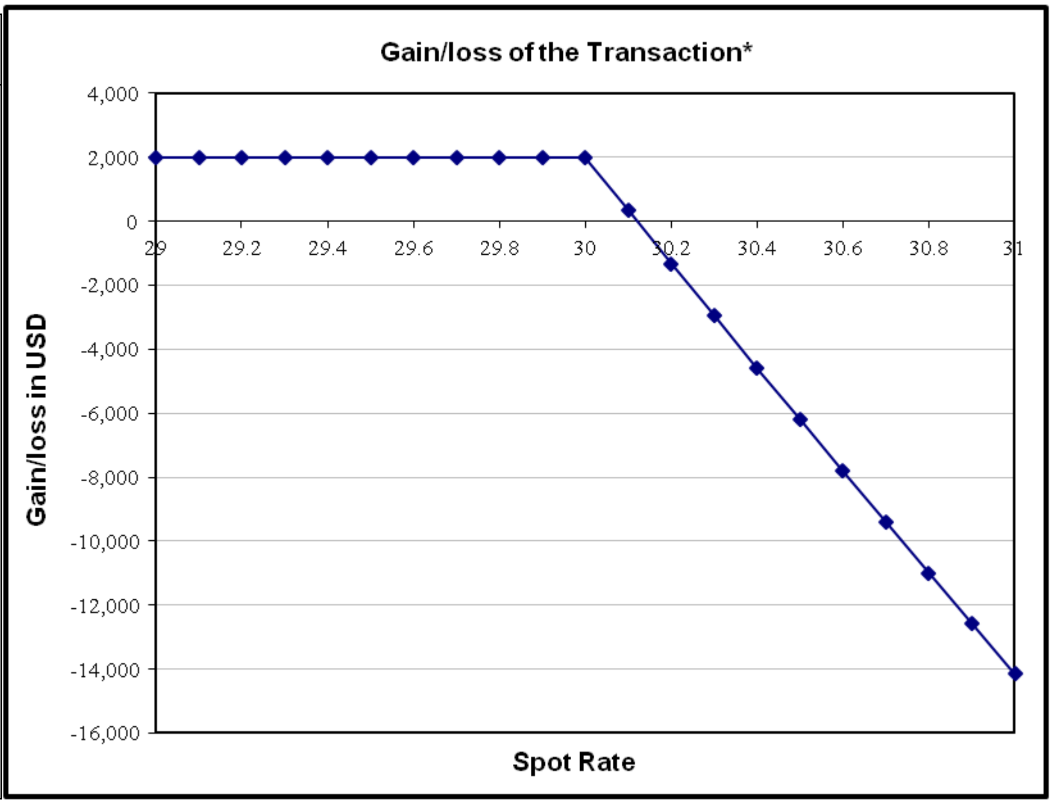
FX options are contracts where the buyer has the right, but not the obligation, to exchange a pre-agreed amount of one currency into another currency at a pre-agreed FX rate on or before a specified date. The seller of the FX option incurs the corresponding obligation to fulfill the transaction if the buyer selects to "exercise" the FX option prior to expiration. Buyer of the FX options pays a premium to seller of the FX option for the right.
外匯選擇權之買方有權利(非義務)選擇在一特定日期之前或當日，按約定之匯率以一特定金額貨幣兌換另一特定金額貨幣。在外匯選擇權到期前，若選擇權買方選擇執行其權利，選擇

權之賣方應履行其相對之義務。外匯選擇權之買方就該權利支付一筆權利金予外匯選擇權之賣方。

【Example 1 範例 1】
The Counterparty sells a vanilla USD Call TWD Put European option to the Bank.
客戶賣一陽春型之美金買權/新台幣賣權之歐式選擇權予本行。

The Counterparty receives an upfront option premium of USD2,000. However, if the Spot Rate of USD/TWD on the Expiration Date is more than the Strike Price 30.000, then the Counterparty shall suffer a loss calculated by reference to the absolute difference between the Strike Price and the Spot Rate and such losses may be substantial or unlimited. **In the worst case scenario, loss incurred by the Counterparty under this Transaction may be unlimited.**
客戶於期初收到其賣出選擇權之權利金美金 2,000 元。當到期日美金兌新台幣(USD/TWD)之即期匯率高於履約匯率 30.000 時，客戶將遭受損失，其損失金額為履約匯率及即期匯率之絕對差計算而得，且損失可能為重大或無限大。**於最壞的情況下，客戶遭受的交易損失可能無限大。**

Spot Rate	Gain/loss in USD
29.000	2,000.00
29.100	2,000.00
29.200	2,000.00
29.300	2,000.00
29.400	2,000.00
29.500	2,000.00
29.600	2,000.00
29.700	2,000.00
29.800	2,000.00
29.900	2,000.00
30.000	2,000.00
30.100	338.87
30.200	-1,311.26
30.300	-2,950.50
30.400	-4,578.95
30.500	-6,196.72
30.600	-7,803.92
30.700	-9,400.65
30.800	-10,987.01
30.900	-12,563.11
31.000	-14,129.03

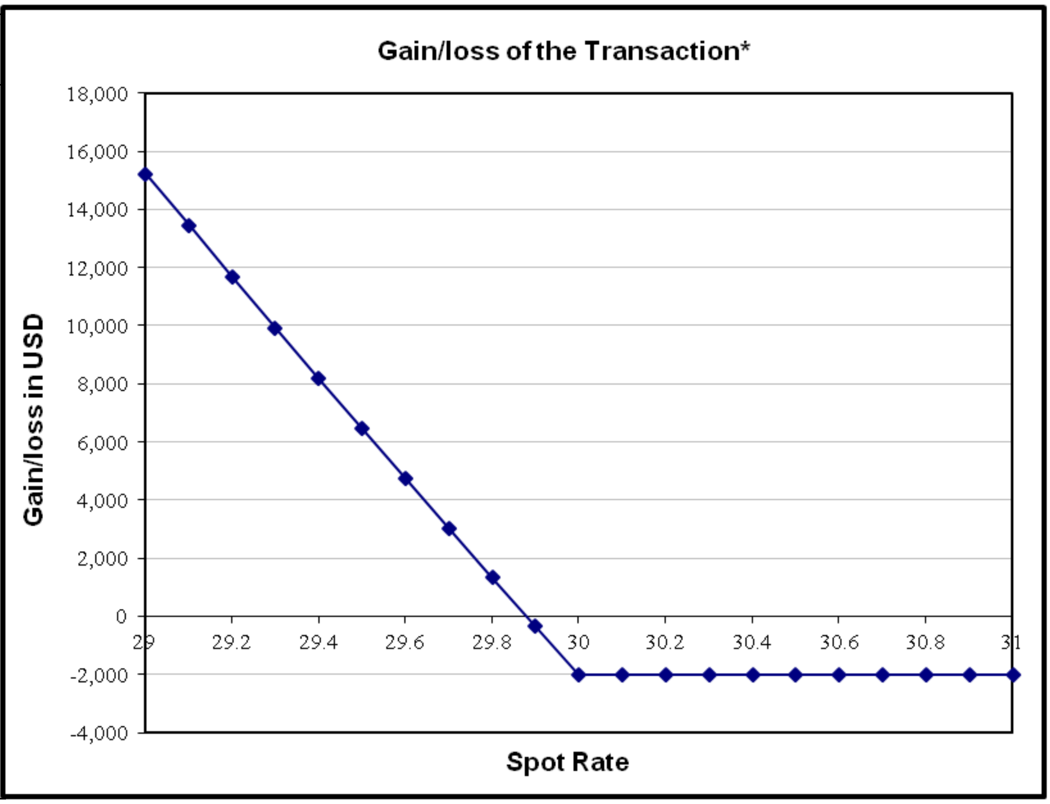


【Example 2 範例 2】

The Counterparty buys a vanilla USD Put TWD Call European option from the Bank.
客戶跟本行買一陽春型之美金賣權/新台幣買權之歐式選擇權。

The Counterparty pays an upfront option premium and is hedged at the applicable Strike Price on USD/TWD.
客戶於期初支付該外匯選擇權之權利金，以鎖定匯率風險在履約匯率之水準。

Spot Rate	Gain/loss in USD
29.000	15,241.38
29.100	13,463.92
29.200	11,698.63
29.300	9,945.39
29.400	8,204.08
29.500	6,474.58
29.600	4,756.76
29.700	3,050.51
29.800	1,355.70
29.900	-327.76
30.000	-2,000.00
30.100	-2,000.00
30.200	-2,000.00
30.300	-2,000.00
30.400	-2,000.00
30.500	-2,000.00
30.600	-2,000.00
30.700	-2,000.00
30.800	-2,000.00
30.900	-2,000.00
31.000	-2,000.00



8. Interest rate caps and floors 利率上限選擇權及利率下限選擇權

Interest Rate Cap is an over-the-counter derivative in which the buyer will receive payments at the end of each period if the underlying interest rate exceeds the agreed strike price. Similarly, interest rate floor is a derivative in which the buyer will receive payments at the end of each period if the underlying interest rate is below the agreed strike price. The Caps/Floors are designed to provide insurance against the rate of underlying floating rate index rising above or below certain level.
利率上限選擇權是一種店頭市場衍生性交易，若當期指標利率大於約定的利率上限時，買方得依利率上限與指標利率差額收取利息的權利。利率下限選擇權為當期指標利率小於約定的利率下限時，買方得依利率下限與指標利率差額收取利息的權利。利率上限選擇權/利率下限選擇權可提供買方規避利率上升/下降的風險。

9. Swaptions 利率交換選擇權

Swaptions are options where the buyer has the right, but not the obligation, to enter into an underlying interest rate swap. Buyer of swaptions pays a premium to seller of swaption for the right. The seller of the swaption incurs the corresponding obligation to fulfill the transaction and may suffer a loss if the buyer selects to "exercise" the swaption prior to expiration.
利率交換選擇權為以利率交換為交易標的之選擇權，係買方有權利但非義務選擇進行利率交換。買方支付賣方一筆權利金，取得於未來某時點以特定價格與利率交換選擇權賣方承作利率交換之權利。在利率交換選擇權到期前，若利率交換選擇權買方選擇執行其權利，利率交換選擇權之賣方應履行其相對之義務，而可能遭受損失。

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