



Product & Risk Disclosure – FX Swap (Buy/Sell or Sell/Buy)

FX Swap (Buy/Sell or Sell/Buy)



Product Features

- The product enables hedging foreign currency exposures on two dates in one contract. The notional amount in one of the currencies in the pair is same for both dates
- FX Swap locks in exchange rate for the purchase (or sale of currency) on a near date and the simultaneous sale (or purchase of currency) on a far date, allowing users to hedge against exchange rate movements
 - Buy/Sell : Users can hedge the risk of appreciation of the first currency against the second on the near leg and depreciation of the first currency against the second currency on the far leg
 - Sell/Buy : Users can hedge the risk of depreciation of the first currency against the second on the near leg and appreciation of the first currency against the second currency on the far leg

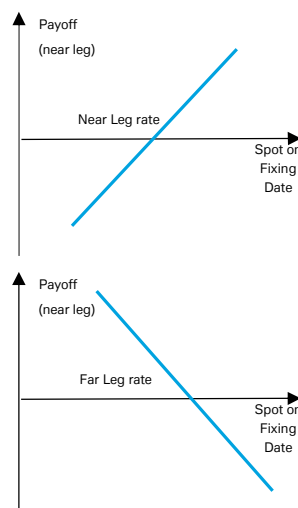
Benefits

- Buy/Sell Swap: Full protection against the appreciation of the first currency on the near leg and full protection against the depreciation of the first currency on the far leg
- Sell/Buy Swap: Full protection against the depreciation of the first currency on the near leg and full protection against the appreciation of the first currency on the far leg
- Vanilla hedging strategy
- Customizable to notional/tenure

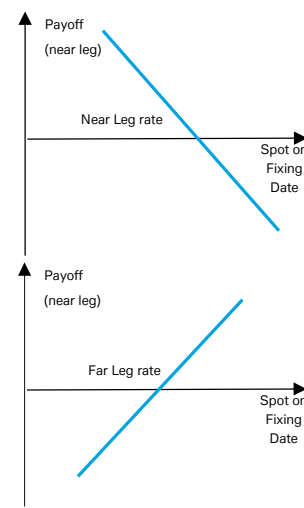
Primary Risk Factors

- No participation in favorable spot movement on both the near and far legs
- Buy/Sell Swap : Increase in forward premium
- Sell/Buy Swap : Decrease in forward premium

Payoff Illustration (Buy/Sell)



Payoff Illustration (Sell/Buy)



Building Blocks

- FX Spot
- FX Forward Premium

FX Swap (Buy/Sell or Sell/Buy)



Scenario Analysis (buy/sell swap)

Scenarios below indicate potential payoff* in INR Million on settlement date at different USD/INR Spot Rates for USD 1 Million Buy/Sell Swap with rates of 90.00 on the near leg and 100 on the far leg

Scenario (near leg)	USD/INR Spot	Payoff
1	80	-10
2	85	-5
3	90	0
4	95	5
5	100	10
6	105	15
7	110	20
8	115	25

Scenario (far leg)	USD/INR Spot	Payoff
1	80	20
2	85	15
3	90	10
4	95	5
5	100	0
6	105	-5
7	110	-10
8	115	-15

The scenario analysis of a sell/buy will be directionally opposite to what has been illustrated in the tables above.

The above tables illustrate possible scenarios of this Transaction and the resulting payoff. It is important for Party B to acknowledge that there is no limit to the possible scenario variations on this Transaction.

The analyses are provided to the Party B for information purposes only and Party A does not make any representation or warranty to the Party B in respect of the same. Party A shall not be liable for any errors or omissions made in calculating or disseminating the below analyses, or for any inaccuracies or flaws in the methodologies, adjustments or assumptions used in deriving the analyses

Contract terms and conditions – Option to Unwind and Early unwind date

An amount equal to Party A's total costs or loss (which shall be a positive number) or gain (which shall be a negative number) in connection with terminating all payments and contingent payments that would otherwise have been made under this transaction in the period from but excluding the relevant Optional Termination Date up to and including the originally scheduled Termination date.

Party A's total costs or loss shall include, without limitation, any loss of bargain, cost of funding, or loss or cost incurred as a result of Deutsche Bank terminating, liquidating, obtaining or re-establishing any hedge or related position.

Party A shall provide the Mark to Market value of the trade as and when desired by Party B

User has the option to unwind this trade as specified in the relevant confirmation and subject to unwind costs.

Costs and Fees

Transactions of this nature are executed at an all-inclusive price and there would not be any separate breakup and recovery of costs, fees and other charges. Breakup will however be provided as per the extant RBI guidelines. This doesn't include statutory charges/levies and same will be recovered separately as applicable.

FX Swap (Buy/Sell or Sell/Buy)



Market Risk

Market Risk is the risk that the value of a Transaction will be adversely affected by fluctuations in the level or volatility of or correlation or relationship between one or more market prices, rates or indices or other market factors or by illiquidity in the market for the Transaction or in a related market. In particular leveraged Transactions will entail a higher degree of risk as the losses arising from a small market movement will be multiplied and you may be required to provide substantial margin at short notice to meet your obligations. Failure to meet such obligations may result in us having to liquidate your position at a loss for which you would be liable. You should also note that while we will seek to observe “stop loss” and “stop limit” orders, market conditions may prevent us from executing any “stop loss” or “stop limit” orders which may have been previously agreed.

Credit Risk

Credit Risk is the risk that we may, under certain circumstances, fail to perform our obligations to you when due.

Funding Risk

Funding Risk is the risk that, as a result of mismatches or delays in the timing of cash flows due from or to you under Transactions or related hedging, trading, collateral or other transactions, you will not have adequate cash available to fund current obligations.

Liquidity Risk

Liquidity Risk is the risk that due to prevailing market conditions it may not be possible to liquidate, nor to assess a fair value of your position. In addition, you should be aware that the operation of exchange rules or any power or system failure affecting electronic trading facilities may, in certain circumstances, impair or prevent us from liquidating or executing your Transactions, thus increasing the likelihood of loss..

Operational Risk

Operational Risk is the risk of loss to you arising from inadequacies in, or failures of, your internal procedures and controls for monitoring and quantifying the risks and contractual obligations associated with Transactions.

Currency Risk

The profit or loss from Transactions in foreign currencies will be affected by fluctuations in currency exchange rates where there is a need to convert from the currency denomination of the Transaction to another currency.

Disclaimer



This document is intended for the personal use of the recipient for discussion purposes only and does not create any legally binding obligations on the part of Deutsche Bank AG and/or its affiliates ("DB"). Without limitation, this document does not constitute an offer, an invitation to offer or a recommendation to enter into any transaction. When making an investment decision, you should rely solely on any specific final documentation relating to a transaction and not the summary contained herein. DB is not acting as your legal, financial, tax or accounting adviser or in any other fiduciary capacity with respect to any proposed transaction mentioned herein. This document does not constitute the provision of investment advice and is not intended to do so, but is intended to be general information. Any product(s) or proposed transaction(s) mentioned herein may not be appropriate for all investors and before entering into any transaction you should take steps to ensure that you fully understand the transaction and have made an independent assessment of the appropriateness of the transaction in the light of your own objectives, needs and circumstances, including the possible risks and benefits of entering into such transaction. For general information regarding the nature and risks of the proposed transaction and types of financial instruments please go to <https://www.db.com/company/en/legal-resources.htm> under the heading "Risk Disclosures". You should also consider seeking advice from your own advisers in making any assessment on the basis of this document. If you decide to enter into a transaction with DB, you do so in reliance on your own judgment. The information contained in this document is based on material we believe to be reliable as of the date hereof; however, we do not represent that it is accurate, current, complete, or error free. Assumptions, estimates and opinions expressed constitute the Author's judgment as of the date of the Message and are subject to change without notice. Any projections are based on a number of assumptions as to market conditions and there can be no guarantee that any projected results will be achieved. Past performance does not guarantee or predict future results. DB has no obligation to update, modify or amend this report or to otherwise notify a recipient thereof if any opinion, forecast or estimate set forth herein changes or subsequently becomes inaccurate.

This material was prepared by a Sales or Trading function within DB, and was not produced, reviewed or edited by the Research Department. Any opinions expressed herein may differ from the opinions expressed by other DB departments including the Research Department. Sales and Trading functions are subject to additional potential conflicts of interest which the Research Department does not face, so this material should not necessarily be considered objective or unbiased. Sales and Trading personnel are compensated in part based on the volume of transactions effected by them. Deutsche Bank may engage in transactions in a manner inconsistent with the views discussed herein. Deutsche Bank trades or may trade as principal in the instruments (or related derivatives), and may have proprietary positions in the instruments (or related derivatives) discussed herein. Deutsche Bank may make a market in the instruments (or related derivatives) discussed therein; and the Author may know the nature of such trading positions and strategies. DB seeks to transact business on an arm's length basis with sophisticated investors capable of independently evaluating the merits and risks of each transaction, with investors who make their own decision regarding those transactions. Certain transactions or securities mentioned herein, including derivative products, give rise to substantial risk, including currency and volatility risk, and are not suitable for all investors. This material is intended for institutional customers or accredited investors only and may be furnished for informational purposes only. If you believe you have received material which you deem not to be an acceptable minor non-monetary benefit ("AMNMBs"), please contact the sender to discuss appropriate arrangements or payment options.

DB SPECIFICALLY DISCLAIMS ALL LIABILITY FOR ANY DIRECT, INDIRECT, CONSEQUENTIAL OR OTHER LOSSES OR DAMAGES INCLUDING, BUT NOT LIMITED TO, LOSS OF PROFITS INCURRED BY YOU OR ANY THIRD PARTY THAT MAY ARISE FROM ANY RELIANCE ON THIS DOCUMENT OR FOR THE RELIABILITY, ACCURACY, COMPLETENESS OR TIMELINESS THEREOF.

Deutsche Bank AG is authorized under German Banking Law (competent authority: European Central Bank) and, in the United Kingdom, by the Prudential Regulation Authority. It is subject to supervision by the European Central Bank and by BaFin, Germany's Federal Financial Supervisory Authority, and is subject to limited regulation in the United Kingdom by the Prudential Regulation Authority and Financial Conduct Authority. The distribution of this document and availability of these products and services in certain jurisdictions may be restricted by law. This report may not be reproduced, distributed or published by any person for any purpose in whole, or in part, without Deutsche Bank's prior written consent. Unless governing law provides otherwise, all transactions should be executed through the Deutsche Bank entity in the investor's home jurisdiction.

In the US this document is approved and or distributed by Deutsche Bank Securities Inc., a member of the NYSE, FINRA, NFA and SIPC. This material is for our clients' informational purposes and is a general solicitation of derivatives business for the purposes of, and to the extent it is subject to, §§ 1.71 and 23.605 of the U.S. Commodity Exchange Act. This material should not be construed as an offer to sell or the solicitation of an offer to buy any security in any jurisdiction where such an offer or solicitation would be illegal. We are not soliciting any specific action based on this material. It does not constitute a recommendation or take into account the particular investment objectives, financial condition or needs of individual clients. This material, and the information contained therein, does not constitute the provision of investment advice. Deutsche Bank is not acting as your municipal advisor, swap advisor, financial advisor or in any other advisory, agency or fiduciary capacity with respect to any transaction with you (whether or not Deutsche Bank has provided or is currently providing other services to you on related or other matters) unless expressly agreed by Deutsche Bank in writing.

In the United Kingdom this material is approved and/or communicated by Deutsche Bank AG London, a member of the London Stock Exchange. In Hong Kong, this document is distributed by Deutsche Securities Asia Limited ("DSAL") and Deutsche Bank AG ("DBAG"). DSAL is an exchange participant of The Stock Exchange of Hong Kong Limited and a licensed corporation with the Securities and Futures Commission. Deutsche Bank AG is regulated by the Hong Kong Monetary Authority as a licensed bank. This document is intended for "Professional Investors" within the meaning of the Securities and Futures Ordinance (Cap. 571) and any rules made thereunder. In Singapore, this document is intended and provided exclusively for certain institutional and accredited investors as defined pursuant to section 4A of the Securities and Futures Act, Chapter 289 of Singapore (the "Institutional Investors").

Copyright© 2026 Deutsche Bank AG