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# RISK DISCLOSURE STATEMENT

## Material Risks of CFD and Leveraged Trading

Company	STB Provider LTD
Reg. No.	2023-00478 (Saint Lucia)
Version	v2026.1
Category	Risk Disclosure
Effective	2026 — subject to periodic review
Website	stbrokers.com

**IMPORTANT:** This document forms part of the legal agreement between STB Provider LTD and the Client. Please read it carefully before using our services. By opening an account or placing any trade, you confirm that you have read and accepted this document in full.

***WARNING: Trading CFDs and leveraged products carries a high risk of loss and may not be suitable for all investors. You may lose all of your invested capital. Please read this Risk Disclosure Statement carefully and ensure you fully understand all risks before trading.***

## 1. Introduction

This Risk Disclosure Statement ("Statement") is issued by STB Provider LTD ("STB", "the Company") and forms part of the contractual documentation between you and STB. It is intended to provide you with a fair, clear, and non-misleading description of the material risks associated with trading CFDs and leveraged instruments on the STB platform.

This Statement does not and cannot disclose every risk or consideration relevant to your trading. Markets are dynamic and risks evolve continuously. You are responsible for seeking independent financial, legal, and tax advice where appropriate, and for ensuring that you fully understand the risks before you begin or continue trading.

## 2. Suitability Warning

CFD and leveraged trading products are complex instruments and are not suitable for all investors. You should only trade with money you can afford to lose entirely. STB strongly recommends that you do not trade unless you:

- Understand the nature of CFDs, how leverage works, and how your positions are margined.
- Have sufficient financial resources to absorb potential losses without affecting your standard of living.
- Have sufficient knowledge and experience of relevant financial markets.
- Are capable of monitoring your open positions and responding to market movements.

## 3. General Market Risks

### 3.1 Price Risk

The price of financial instruments can move rapidly and unexpectedly, driven by economic data, geopolitical events, market sentiment, and other factors. Prices may move against your position, resulting in partial or total loss of your invested capital. Past performance is not indicative of future results.

### 3.2 Volatility Risk

Markets can experience sudden and extreme volatility. During periods of high volatility, prices can move dramatically within seconds. Order execution — including stop losses — may occur at materially different prices from those quoted in the platform at the time of order placement.

### 3.3 Liquidity Risk

Some instruments, particularly during off-hours or unusual market conditions, may have reduced liquidity. In low-liquidity conditions, the spread between bid and ask prices may widen significantly, and orders —

particularly large orders — may not be filled at expected prices or may be filled in tranches at progressively worse prices (VWAP).

### 3.4 Gap Risk

Financial markets can "gap" — meaning a significant price movement can occur between the close of one trading session and the open of the next (or at any other point when trading is halted or suspended). Gaps can cause your stop loss or stop-out to be triggered at a price materially beyond the specified level. Gap events are outside the control of STB. Negative Balance Protection applies, but gap events can result in a complete loss of equity.

## 4. Leverage Risk

Leverage allows you to control a large notional position with a relatively small deposit (margin). While leverage amplifies potential profits, it equally amplifies potential losses. A small adverse move in the market can result in a loss that exceeds your initial margin deposit.

Example: With 1:100 leverage, a 1% adverse move in the underlying price results in a 100% loss of your margin for that position. A 1.1% adverse move would, in the absence of Negative Balance Protection, result in a loss exceeding your initial deposit.

STB offers maximum leverage of up to 1:500 on selected instruments. Higher leverage carries proportionally higher risk. Clients are strongly advised to use conservative leverage appropriate to their risk tolerance and experience level.

Asset Class	Max Leverage	Margin Requirement
FX Majors	Up to 1:500	From 0.20%
FX Minors / Exotics	Up to 1:200	From 0.50%
Spot Metals (Gold/Silver)	Up to 1:200	From 0.50%
Indices	Up to 1:100	From 1.00%
Cryptocurrencies	Up to 1:10	From 10.00%
Energies	Up to 1:100	From 1.00%

Leverage levels are subject to change. Current leverage and margin requirements for each instrument are available in the platform specifications.

## 5. Margin Call and Stop-Out Risk

If your account equity falls to the margin call level (100% of used margin), STB will issue an alert. You are responsible for monitoring your account and adding margin or reducing positions as necessary. If your equity falls to the stop-out level (50% of used margin), the Company's automated system will begin closing your open positions, starting with the largest floating loss, until the margin level is restored above the stop-out threshold.

Stop-out execution is not guaranteed at the stop-out trigger level. During volatile markets or gap events, positions may be closed at a materially different price.

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## 6. CFD-Specific Risks

### 6.1 No Ownership of Underlying Asset

When you trade CFDs, you do not own the underlying financial instrument. You have no rights associated with ownership (voting rights, physical delivery, etc.). You are trading a contract that reflects the price movement of the underlying asset.

### 6.2 Overnight Financing (Swap) Costs

Positions held open overnight are subject to swap charges or credits reflecting the cost of financing the leveraged position. In most cases, holding a position for extended periods generates financing costs that can erode profits or increase losses. Swap rates are published in the platform and may change. Triple swap charges apply on Wednesdays (FX/Metals) and Fridays (other instruments).

### 6.3 Dividend Adjustments

For CFDs on indices and equities, dividend adjustments may be applied to your account on the ex-dividend date. Long positions receive a credit equivalent to the dividend amount; short positions are charged. Dividend adjustments are based on the gross dividend and may differ from the net dividend received by shareholders of the underlying instrument.

### 6.4 Corporate Actions

In the case of corporate actions affecting an underlying instrument (stock splits, mergers, delistings, index rebalancing), STB will make reasonable adjustments to open positions. In some cases, positions may be closed if continuation is not commercially viable.

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## 7. Technology and Platform Risks

### 7.1 Platform and Connectivity Failures

Technology systems can experience failures, outages, and connectivity issues. Internet connectivity, server downtime, power failures, cyberattacks, or software errors may prevent you from monitoring or managing your positions. STB is not liable for losses arising from technology failures beyond its reasonable control.

### 7.2 Execution Risk

As described in the Order Execution Policy, slippage can occur on market and stop orders. During extreme market conditions, the execution price for stop losses, stop-outs, or market orders may differ materially from the requested price. Limit orders are executed at the specified price or better, but may not be filled if the market does not trade at the limit price for sufficient volume.

### 7.3 Expert Advisors and Automated Trading

If you use automated trading strategies (Expert Advisors, bots, or algorithmic systems), you are solely responsible for their performance, configuration, and the trades they execute. STB does not monitor, validate, or accept liability for automated strategies operating on your account. A malfunctioning EA can place unintended orders, accumulate excessive positions, or generate significant losses.

## 8. Counterparty and Credit Risk

STB acts as the counterparty to all your trades. Although STB hedges its exposure with Tier 1 liquidity providers, there is an inherent counterparty risk in trading with any financial intermediary. STB maintains client funds in segregated accounts, separate from the Company's own operational funds, to protect client assets in the event of Company insolvency. However, this protection is not absolute and the value of assets in segregated accounts can fluctuate.

## 9. Currency Risk

If your account is denominated in a currency different from your home currency, exchange rate movements can affect the value of your deposits, profits, and losses when converted back to your home currency. Currency risk applies to both the denomination of your account and to any cross-currency CFD positions you hold.

## 10. Regulatory and Jurisdictional Risk

STB is registered in Saint Lucia. The regulatory framework applicable to our services may differ from that of your home jurisdiction. Clients are responsible for ensuring that their use of STB's services complies with all applicable laws and regulations in their country of residence. Changes in law, regulation, or government policy can affect the availability, terms, or taxation of financial products.

## 11. Cryptocurrency-Specific Risks

Cryptocurrency CFDs carry additional risks beyond those applicable to traditional financial instruments:

- **Extreme Volatility:** Cryptocurrency prices can move by 20%, 50%, or more within a single day.
- **Market Immaturity:** Crypto markets are less regulated and less liquid than traditional financial markets.
- **No Central Authority:** There is no central bank or government backstop for cryptocurrencies.
- **Technology Risk:** Blockchain and protocol changes can affect the value of underlying cryptocurrencies.
- **Regulatory Risk:** Governments may impose restrictions, taxes, or bans on cryptocurrencies at any time.
- **Continuous Trading:** Crypto markets operate 24/7, meaning significant moves can occur at any time.

## 12. Important Warnings

***75%+ of retail investor accounts lose money when trading CFDs. This is consistent with industry data for leveraged product providers. You should consider whether you understand how CFDs work and***

*whether you can afford to take the high risk of losing your money.*

*Never trade with money you cannot afford to lose. Do not use funds intended for essential living expenses, mortgage payments, or emergency reserves for speculative trading.*

*Do not rely on past profits as an indication of future results. Market conditions change. A strategy that was profitable in the past may result in losses in the future.*

### 13. Client Acknowledgement

By opening a trading account with STB and placing trades, you confirm that:

- You have read and understood this Risk Disclosure Statement in full.
- You acknowledge the risks described herein and accept that you may lose all of your invested capital.
- You are trading on your own behalf and are not acting as an agent on behalf of another person (unless disclosed and approved in writing).
- You have sought independent financial, legal, and tax advice where appropriate.
- You understand that STB provides execution-only services and does not provide investment advice or portfolio management.

### 14. Contact and Further Information

- General Support: [support@stbbrokers.com](mailto:support@stbbrokers.com)
- Compliance: [compliance@stbbrokers.com](mailto:compliance@stbbrokers.com)
- Website / Legal Documents: [stbbrokers.com/legal](https://stbbrokers.com/legal)

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