

Cost and Charges, XCCY IRS USD/NOK OTC 5 YR

Example of a Client purchasing a Cross Currency Interest Rate Swap with a notional amount of 10 MUSD where the Client pays interest for the notional in USD and receives interest rate for the notional in NOK with a maturity date in 5 years.

Trade Example

Notional amount (USD)	10 000 000
Notional amount (NOK)	81 000 000
Duration (YR)	5
FX rate USD/NOK (at the time of trade)	8,1000
Credit charge in basis points (bps)	80
Premium in NOK (inkl Credit charges)	

Cost and Charges

	Bps	Fees in NOK	Fee as a percentage of nominal amount
Cost of transaction after 1 year		648 000	0,80 %
Credit Charge in bps	80		
Credit Charge at maturity		3 240 000	

Credit Charges includes cost of distribution as well as capital charges in accordance with current regulation. XVA is collective name for some charges, such as, but not limited to CVA, KVA, FVA. Capital charges vary depending on product type, duration, counterparty type and creditworthiness and will subsequently differ on a transactional basis. An identical transaction traded twice between the same counterparties will not have identical XVA charges.

This example does not consider revaluation changes to the transaction caused by external events such as changes in interest- or FX rates. The example displays the cost and charges after one year with the intention of holding to maturity.