

Cost and Charges, for Currency Option ATM 3 months

Example of a Client purchasing a Currency option in which the Client has the option to purchase 1 MUSD at a predetermined rate in 3 months. The Client pays a premium for the option.

Trade Example

Notional amount (USD)	1 000 000
Notional amount (NOK)	8 100 000
FX rate USD/NOK (at the time of trade)	8,1000
Duration (months)	3
Credit charges in pips	100
Premium in NOK (inkl Credit charges)	150 000

Cost and Charges

	Bps	Fees in NOK	Fee as a percentage of nominal amount
Cost of transaction after 1 year		81 000	1,000%
Credit charge (pips)	100		

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.