

Cost and Charges, FX Swap Non Deliverable USD/CNY 3 months

Example of a Client purchasing a Currency Swap with a notional exchange at the time of trade and the return of the same amounts in 3 months time. Settlement cannot be performed in the non-traded currency, thus payment will be equal to the difference between the pre-determined rate of exchange and the observed exchange rate at the time of notional exchange.

Trade Example

Notional amount (USD)	1 000 000
Notional amount (CNY)	6 600 000
Duration (months)	3
FX rate USD/CNY (at the time of trade)	6,6000
FX rate CNY/NOK (at the time of trade)	1,2500
Premium in NOK (inkl Credit charges)	50

Cost and Charges

	Bps	Fees in NOK	Fee as a percentage of nominal amount
Cost of transaction after 1 year		6 250	0,12 %
Credit charges (pips)	50		

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.