

# Ex-ante Costs and Charges Disclosure

## 1. Introduction

The European Union Markets in Financial Instruments Directive 2014/65/EU (“MiFID II”) requires us to disclose an estimation of the costs you will incur on an ex-ante basis. This document informs our clients about the estimated average transaction costs and charges.

When we trade on a principal basis as a result of a request for quote, the prices quoted to you are all-in aggregated prices, reflecting the level at which we are willing to trade that instrument with you. In instances where we have to disclose the cost and charges for an OTC derivative transaction, the implicit cost for the client will be calculated as the difference between the price quoted and the mid-market price at the time of execution. Mid-market price is determined by us in our sole discretion on the basis of observable market inputs at the time or estimated when not available.

When there is a reliance on us and a certain level of discretion in executing orders on your behalf, or when we provide access to a particular source of liquidity – as an example, for leave type orders or for orders referencing a market benchmark, we may charge you a pre-agreed commission or fee on the trade. These commissions and fees can be charged separately or included in the final price but are always disclosed to you separately, in advance of execution, as a term-sheet or the order confirmation.

Where costs and charges represent an amount in a currency other than the currency for settlement that you have agreed with us, the applicable currency conversion rates and costs shall be disclosed to you separately.

## 2. Factors that affect the transaction costs and charges

Some of the factors that we may take into account in determining the price for the financial instrument are listed below. The price varies depending upon a number of client specific and non-client specific factors. This list is not exhaustive and we may take into account other factors that we consider appropriate in determining that price. The relevant impact or importance of each factor on the price you receive will differ based on the specific circumstances of the transaction.

- Size and direction of the transaction
- Liquidity of the financial instruments
- Market conditions and market risks
- Funding, operational and capital costs
- Clearing and Settlement fees
- The client’s credit assessment and the related counterparty credit risk
- Current exposure to the client
- Credit support if any and the terms and conditions thereof
- Governing documentation and the terms and conditions thereof
- The volume, type, size and frequency of trading the client executes with us
- The extent and nature of the client’s business relationship with us

## 3. Estimate transaction costs

The below estimate transaction costs are margin from mid-market, are calculated on the basis of historical actually incurred costs and reflect what we believe to be reasonable estimates under normal market conditions. We will review these ex-ante assumptions based on ex-post results and make adjustments where necessary. The actual costs and charges will vary depending upon the circumstances specific to each transaction. The figures displayed are no guarantee of future transaction cost and may be subject to change.

### 3.1 Interest Rate Swaps

The table below sets out the estimated costs, as a margin from mid-market, for interest rate. 0.10% means 10bp charged on an annualised basis.

The costs shown are indicative. Actual costs be incurred on making a deal may differ from indication. Costs depend on factors such as the client's credit rating, market conditions, tenor, and the existence of a Credit Support Annex.

Tenor	Investment Grade	Non-Investment Grade
<1y	0.03%	0.05%
1y~5y	0.05%	0.08%
5y~10y	0.08%	0.13%
>10y	0.10%	0.15%

### 3.2 FX Forwards, FX Swaps and Cross Currency Swaps

The table below sets out the estimated costs, as a margin from mid-market, for FX forwards and FX swaps, Currency Swaps. 0.10% means 10bp charged on an annualised basis.

The costs shown are indicative. Actual costs be incurred on making a deal may differ from indication. Costs depend on factors such as the client's credit rating, market conditions, tenor, and the existence of a Credit Support Annex.

Tenor	Investment Grade	Non-Investment Grade
<6m	0.10%	0.12%
6m~1y	0.12%	0.15%
1y~5y	0.15%	0.20%
5y~10y	0.20%	0.30%
>10y	0.25%	0.40%

### 4. Disclaimer

Under MiFID II, we are required to disclose cost and charges related to the financial instruments and investment services provided by us. The numbers shown above are the average cost and charges that we expect that you will incur. We reserve the right to review and amend the figures shown above. We accept no liability to you for the information stated in this document except to the extent provided for in terms of business or other contractual arrangements in place between us and you.

This document does not constitute or form any part of any offer to sell or issue and is not a solicitation of any offer to purchase any financial instrument. The fact that the cost and charges shown should not be taken as any representation, warranty, undertaking or implication that the cost and charges expected in respect of: (i) a similar transaction executed at or around the same time; or (ii) the same transaction executed in future, will be the same as or similar to those shown in this document.

