

GENERAL INTRODUCTION TO COSTS AND CHARGES FOR OTC DERIVATIVE TRANSACTIONS

In order to provide you with general information about our typical costs and charges in good time before you enter into an OTC derivative transaction with us, we have prepared examples of the expected aggregated costs and charges relating to each product we offer. This information is intended for illustrative purposes only and is calculated on the basis of certain assumptions and estimates as described in each example. The actual costs and charges that you incur when you enter into a transaction with us will depend on the specific details of your transaction.

In calculating the amount of costs and charges that you are required to pay, we consider a number of factors that typically affect OTC derivative products, for example:

Master Netting Agreement: the presence of a netting agreement (ISDA or equivalent) may impact cost & charges. Generally, netting effects will make the costs & charges smaller.

Collateral Agreement: the presence of a collateral agreement (CSA or equivalent), and the specific details of such an agreement may impact cost & charges. Generally, collateral agreements will make the cost and charges smaller.

Counterparty credit risk: Our assessment of the credit quality of the derivative counterparty will impact the cost & charges. Generally, a higher credit quality is associated with lower cost & charges.

Capital markets: the market price of bank funding may impact cost & charges. Generally, elevated funding levels may impact cost & charges both positively and negatively, depending on the nature of the transaction.

Regulation: changes in regulation may impact cost & charges.

In addition, we may also add a mark up to include a sales margin from time to time. The decision to add a mark up, including the degree of mark up, is determined by all or any factors that the dealer deems relevant to the transaction at the time it is entered into, such as the size of the transaction, the degree of liquidity in the market, the level of service offered and any past trading history with us.

Applicable from 240322

FX Products

Vanilla FX Option - Put

Here, you will find an overview of the elements of cost related to the product and the investment service

Product description

The objective of this product is to agree that the buyer of a Vanilla Put Option has the right, but not the obligation, to exchange an underlying currency exposure at an agreed option strike rate and time.

At the expiration time on the expiration date, you will have a right, but not an obligation, to exchange the agreed amount at an agreed option strike rate.

In order to benefit from having a right, but not an obligation, the buyer of a Vanilla Put option agrees to pay a premium to the seller of the Vanilla Put Option

Overview of costs

In the example, you will find information about all of the aggregated costs you can expect to pay in relation to the product (the financial instrument) and any investment or ancillary services. As we do not provide any investment or other ancillary services, you can expect to pay costs relating to the financial instrument only.

Costs relating to the financial instrument include our sales margin. In certain circumstances, our costs may exceed the estimates shown.

Costs may also occur where the instrument is not held to maturity or is changed.

Termination costs are not included in the cost of the financial instrument as this is an exceptional cost that cannot be calculated in advance.

Other relevant information

When you enter into a transaction with us, the price of the financial instrument includes costs and charges. We do not charge these costs separately.

This financial instrument is intended to fulfil a hedging need. We do not provide an illustration showing the cumulative effect of costs on return.

If you require additional information in relation to a particular transaction, please contact us.

Examples of costs

Below you can see an example of costs based on an example amount, shown as both a percentage and an amount

Amount	Currency	Maturity
GBP 1.000.000	EUR/GBP	3 months

Financial Instrument:

	Amount	Percent
One-off Costs:	0	0
On-going Costs:	0	0
All cost related to the transaction	GBP 0 - 2,500	0 - 0.25%
Incidental cost:	0	0
Total Instrument costs:	GBP 0 - 2,500	0 - 0.25%

Investment Service and Ancillary Service:

	Amount	Percent
One-off Costs:	0	0
On-going Costs:	0	0
All cost related to the transaction	0	0
Charges to ancillary services	0	0
Incidental cost:	0	0
Inducements:	0	0
Total Investment/Ancillary Cost	0	0
Total Cost	GBP 0 - 2,500	0 - 0.25%

FX Products

Vanilla FX Option - Call

Here, you will find an overview of the elements of cost related to the product and the investment service

Product description

The objective of this product is to agree that the buyer of a Vanilla Call Option has the right, but not the obligation, to exchange an underlying currency exposure at an agreed option strike rate and time.

At the expiration time on the expiration date, you will have a right, but not an obligation, to exchange the agreed amount at an agreed option strike rate.

In order to benefit from having a right, but not an obligation, the buyer of a Vanilla Call Option agrees to pay a premium to the seller of the Vanilla Call Option

Overview of costs

In the example, you will find information about all of the aggregated costs you can expect to pay in relation to the product (the financial instrument) and any investment or ancillary services. As we do not provide any investment or other ancillary services, you can expect to pay costs relating to the financial instrument only.

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	Amount	Percent
One-off Costs:	0	0
On-going Costs:	0	0
All cost related to the transaction	GBP 0 - 2,500	0 - 0.25%
Incidental cost:	0	0
Total Instrument costs:	GBP 0 - 2,500	0 - 0.25%

Investment Service and Ancillary Service:

	Amount	Percent
One-off Costs:	0	0
On-going Costs:	0	0
All cost related to the transaction	0	0
Charges to ancillary services	0	0
Incidental cost:	0	0
Inducements:	0	0
Total Investment/Ancillary Cost	0	0
Total Cost	GBP 0 - 2,500	0 - 0.25%

FX Products

Participating Forward - seller

Here, you will find an overview of the elements of cost related to the product and the investment service

Product description

The objective of this product is to agree to exchange an agreed amount in one currency for a variable amount in another currency, with the exchanged amount depending on the spot rate in the spot market at the expiration time at a fixed (worst-case) exchange rate. The strike rate is a less favorable exchange rate than the rate in an ordinary foreign exchange agreement with delivery on the same settlement date. In exchange for the less favorable exchange rate, you agree to be protected for the notional amount but only committed for the participation notional amount.

Overview of costs

In the example, you will find information about all of the aggregated costs you can expect to pay in relation to the product (the financial instrument) and any investment or ancillary services. As we do not provide any investment or other ancillary services, you can expect to pay costs relating to the financial instrument only. Costs relating to the financial instrument include our sales margin. In certain circumstances, our costs may exceed the estimates shown. Costs may also occur where the instrument is not held to maturity or is changed. Termination costs are not included in the cost of the financial instrument as this is an exceptional cost that cannot be calculated in advance.

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	Amount	Percent
One-off Costs:	0	0
On-going Costs:	0	0
All cost related to the transaction	0	0
Charges to ancillary services	0	0
Incidental cost:	0	0
Inducements:	0	0
Total Investment/Ancillary Cost	0	0
Total Cost	GBP 0 - 2,500	0 - 0.25%

FX Products

Participating Forward - buyer

Here, you will find an overview of the elements of cost related to the product and the investment service

Product description

The objective of this product is to agree to exchange an agreed amount in one currency for a variable amount in another currency, with the exchanged amount depending on the spot rate in the spot market at the expiration time at a fixed (worst-case) exchange rate. The strike rate is a less favorable exchange rate than the rate in an ordinary foreign exchange agreement with delivery on the same settlement date. In exchange for the less favorable exchange rate, you agree to be protected for the notional amount but only committed for the participation notional amount.

Overview of costs

In the example, you will find information about all of the aggregated costs you can expect to pay in relation to the product (the financial instrument) and any investment or ancillary services. As we do not provide any investment or other ancillary services, you can expect to pay costs relating to the financial instrument only. Costs relating to the financial instrument include our sales margin. In certain circumstances, our costs may exceed the estimates shown. Costs may also occur where the instrument is not held to maturity or is changed. Termination costs are not included in the cost of the financial instrument as this is an exceptional cost that cannot be calculated in advance.

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	Amount	Percent
One-off Costs:	0	0
On-going Costs:	0	0
All cost related to the transaction	0	0
Charges to ancillary services	0	0
Incidental cost:	0	0
Inducements:	0	0
Total Investment/Ancillary Cost	0	0
Total Cost	GBP 0 - 2,500	0 - 0.25%

FX Products

Knock In Forward - seller

Here, you will find an overview of the elements of cost related to the product and the investment service

Product description

The objective of this product is to provide investors with a currency exposure protection through a forward foreign exchange agreement with a known worst-case fixed exchange rate, while allowing beneficial price fluctuations within a specified exchange rate interval and time interval. A protection rate and a trigger rate determine the exchange rate interval. The trigger period, during which the trigger rate can be activated, is either the full length of the option period (American), a period within the option period (Window) or at the expiration time (European). If the spot rate is at or above the trigger rate in the trigger period, the right becomes an obligation for the buyer of the product at the expiration time.

Overview of costs

In the example, you will find information about all of the aggregated costs you can expect to pay in relation to the product (the financial instrument) and any investment or ancillary services. As we do not provide any investment or other ancillary services, you can expect to pay costs relating to the financial instrument only. Costs relating to the financial instrument include our sales margin. In certain circumstances, our costs may exceed the estimates shown. Costs may also occur where the instrument is not held to maturity or is changed. Termination costs are not included in the cost of the financial instrument as this is an exceptional cost that cannot be calculated in advance.

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All cost related to the transaction	GBP 0 - 2,500	0 - 0.25%
Incidental cost:	0	0
Total Instrument costs:	GBP 0 - 2,500	0 - 0.25%

Investment Service and Ancillary Service:

	Amount	Percent
One-off Costs:	0	0
On-going Costs:	0	0
All cost related to the transaction	0	0
Charges to ancillary services	0	0
Incidental cost:	0	0
Inducements:	0	0
Total Investment/Ancillary Cost	0	0
Total Cost	GBP 0 - 2,500	0 - 0.25%

FX Products

Knock In Forward - buyer

Here, you will find an overview of the elements of cost related to the product and the investment service

Product description

The objective of this product is to provide investors with a currency exposure protection through a forward foreign exchange agreement with a known worst-case fixed exchange rate, while allowing beneficial price fluctuations within a specified exchange rate interval and time interval. A protection rate and a trigger rate determine the exchange rate interval. The trigger period, during which the trigger rate can be activated, is either the full length of the option period (American), a period within the option period (Window) or at the expiration time (European). If the spot rate is at or above the trigger rate in the trigger period, the right becomes an obligation for the buyer of the product at the expiration time

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Incidental cost:	0	0
Total Instrument costs:	GBP 0 - 2,500	0 - 0.25%

Investment Service and Ancillary Service:

	Amount	Percent
One-off Costs:	0	0
On-going Costs:	0	0
All cost related to the transaction	0	0
Charges to ancillary services	0	0
Incidental cost:	0	0
Inducements:	0	0
Total Investment/Ancillary Cost	0	0
Total Cost	GBP 0 - 2,500	0 - 0.25%

FX Products

FX-swap

Here, you will find an overview of the elements of cost related to the product and the investment service

Product description

The objective of this product is to simultaneously agree to buy and sell an agreed amount in one currency for a fixed amount in another currency at fixed exchange rates on two different settlement dates.

Overview of costs

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Below you can see an example of costs based on an example amount, shown as both a percentage and an amount

Amount	Currency	Maturity
GBP 1.000.000	EUR/GBP	3 months

Financial Instrument:

	Amount	Percent
One-off Costs:	0	0
On-going Costs:	0	0
All cost related to the transaction	GBP 0 - 300	0 - 0.03%
Incidental cost:	0	0
Total Instrument costs:	GBP 0 - 300	0 - 0.03%

Investment Service and Ancillary Service:

	Amount	Percent
One-off Costs:	0	0
On-going Costs:	0	0
All cost related to the transaction	0	0
Charges to ancillary services	0	0
Incidental cost:	0	0
Inducements:	0	0
Total Investment/Ancillary Cost	0	0
Total Cost	GBP 0 - 300	0 - 0.03%

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Danske Bank

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