

Standard Chartered



# Understanding our Costs and Charges

FINANCIAL MARKETS Standard Chartered Bank AG

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Standard Chartered Bank AG reserves the right to change its charges or charging structure at any time and without notice.

Standard Chartered Bank AG is a stock corporation under German law with its registered office in Taunusanlage 16, 60325 Frankfurt am Main, Germany, registered in the commercial register Amtsgericht Frankfurt am Main with the number HRB 108109, supervised by the Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht, "BaFin"*) and the European Central Bank "ECB")

## Introduction

Leading the way in financial markets, Standard Chartered Bank AG offers a range of solutions to meet the risk management, financing and investment needs of our clients across our broad geographical footprint.

Our commitment to treating clients fairly is central to how we provide our Financial Markets services. As part of this commitment, we make available this document to help our clients better understand the associated costs and charging structures set by the Bank for its Financial Markets services.

This document contains information on both our most frequently traded flow instruments and general information on our structured product offerings. If you require additional details on our costs & charges, please contact your Relationship Manager or FM Salesperson.

The costs and charges provided in this document apply to clients of Financial Markets, Standard Chartered Bank AG.

## Our Charging Structure

Financial Markets, Standard Chartered Bank AG executes as principal with Eligible Counterparties and Professional Clients across a range of asset classes including FX, Rates, Credit, Commodities and Structured Products.

Where we provide clients with an All-In execution rate, it is generally inclusive of the trader price, transaction specific funding costs, counterparty specific risk charges and sales margin. We do not charge sales margin in all instances.

### Trader Price

The trader price will vary from trade to trade based on observable prices in the market, liquidity, volatility, ongoing market making activities and specific nature of the transaction. It will include market risk driven costs of the transaction which are not specified in this document but can be provided at request for a specific transaction.

### Sales Margin (Costs & Charges)

The sales margin reflects the Bank's operating costs and charges to achieve a reasonable shareholder return on equity. The sales margin will depend on a number of qualitative and quantitative factors including but not limited to:

- product and service preferences;
- frequency with which you trade;
- size and value of your trading activities
- the different products you trade; and
- the administrative fees associated with the products you trade.

Important:

**The costs and charges disclosed in this document only reflect the sales margin** on vanilla transactions and are subject to the specific transaction conditions noted against each asset class.

- (1) There may be transaction or client specific instances where our Trading or Sales desk deem it appropriate to charge above the sales margin figures disclosed below. We expect this would only occur as an exception and that the majority of our execution with you will be at or below the sales margin disclosed below. The Bank has governance processes in place to ensure our sales margins are set in a commercially competitive and transparent manner to balance the expectations of a reasonable shareholder return on equity with the interests of our clients.
- (2) In addition to the costs and charges provided in this document, the All-In rate at which we transact with you, will include other costs and charges which may be relevant, and which we are not able to quantify ahead of execution, including market risk driven costs and charges embedded in the trader price, funding and counterparty specific risk charges and unwinding costs.

## Commissions or pre-agreed margin

From time to time the Bank may agree directly with a client to a different charging structure, including an agreed commission rate to be applied to the market value of the transaction. In those instances, the client specific arrangements will prevail over the information in this document.

## Foreign Exchange

The below maximum costs & charges are provided for vanilla FX transactions with tenor less than 2 years. These costs & charges are embedded in the All-in rate the Bank executes with you and reflect only the sales margin component of the All-in rate. The values are based on the notional value of the transaction rather than on a per unit basis. For pricing on more bespoke FX transactions please contact your FM Salesperson.

### G10 Costs & Charges

	Maximum product cost in %	Maximum product cost in EUR based on EUR 1,000,000 notional amount
Forwards	1%	10,000
Swaps	0.5%	5,000
NDFs / NDS	NA	NA
FX Options	1.5%	15,000

### Emerging Markets Costs & Charges

	Maximum product cost in %	Maximum product cost in EUR based on EUR 1,000,000 notional amount
Forwards	2%	20,000
Swaps	1%	10,000
NDFs / NDS	2%	20,000
FX Options	2%	20,000

### Frontier Markets Costs & Charges

	Maximum product cost in %	Maximum product cost in EUR based on EUR 1,000,000 notional amount
Forwards	4%	40,000
Swaps	2%	20,000
NDFs / NDS	4%	40,000
FX Options	5%	50,000

## Interest Rate Derivatives

The below maximum costs & charges are provided for vanilla interest rate derivative transactions. These costs & charges are embedded in the All-in rate the Bank executes with you and reflect only the sales margin component of the All-in rate. The values are based on the notional value of the transaction rather than on a per unit basis. For pricing on more bespoke transactions please contact your FM Salesperson.

### G10 Costs & Charges

	Maximum product cost in basis points (bps)	Maximum product cost in EUR based on EUR 1,000,000 notional amount
<b>IR Swaps</b>		
< 5 year	2 bps	200
5 – 10 year	4 bps	400
> 10 year	6 bps	600
<b>Cross Currency Swaps</b>		
< 5 year	3 bps	300
5 – 10 year	5 bps	500
> 10 year	8 bps	800
<b>Government Bonds – Developed Markets</b>		
< 5 year	2 bps	200
5 – 10 year	3 bps	300
> 10 year	5 bps	500
<b>Government Bonds – Local Currency</b>		
< 5 year	NA	NA
5 – 10 year	NA	NA
> 10 year	NA	NA

### Emerging Markets Costs & Charges

	Maximum product cost in basis points (bps)	Maximum product cost in EUR based on EUR 1,000,000 notional amount
<b>IR Swaps</b>		
< 5 year	3 bps	300
5 – 10 year	6 bps	600
> 10 year	9 bps	900
<b>Cross Currency Swaps</b>		
< 5 year	5 bps	500
5 – 10 year	10 bps	1000
> 10 year	15 bps	1500
<b>Government Bonds – Developed Markets</b>		
< 5 year	NA	NA
5 – 10 year	NA	NA
> 10 year	NA	NA
<b>Government Bonds – Local Currency</b>		
< 5 year	3 bps	300
5 – 10 year	4 bps	400
> 10 year	6 bps	600

## Frontier Markets Costs & Charges

	Maximum product cost in basis points (bps)	Maximum product cost in EUR based on EUR 1,000,000 notional amount
<b>IR Swaps</b>		
< 5 year	5 bps	500
5 – 10 year	10 bps	1000
> 10 year	15 bps	1500
<b>Cross Currency Swaps</b>		
< 5 year	8 bps	800
5 – 10 year	15 bps	1500
> 10 year	23 bps	2300
<b>Government Bonds – Developed Markets</b>		
< 5 year	NA	NA
5 – 10 year	NA	NA
> 10 year	NA	NA
<b>Government Bonds – Local Currency</b>		
< 5 year	6 bps	600
5 – 10 year	8 bps	800
> 10 year	12 bps	1200

## Flow Credit

In line with market practice, the Bank does not always apply an explicit sales margin to bond transactions. The below tables reflect the circumstances where a sales margin will be applied.

### Investment Grade Costs & Charges

	Maximum product cost in points (pts)	Maximum product cost in USD based on bond of face value USD 1,000
<b>Corporate Bond</b>		
< 5 year	2 pts	20
5 – 10 year	3 pts	30
> 10 year	5 pts	50
<b>Sovereign Bond (\$ denominated)</b>		
< 5 year	1 pts	10
5 – 10 year	2 pts	30
> 10 year	3 pts	50

### Sub-Investment Grade Costs & Charges

	Maximum product cost in points (pts)	Maximum product cost in USD based on bond of face value USD 1,000
<b>Corporate Bond</b>		
< 5 year	3 pts	30
5 – 10 year	5 pts	50
> 10 year	7 pts	70
<b>Sovereign Bond (\$ denominated)</b>		
< 5 year	3 pts	30
5 – 10 year	4 pts	40
> 10 year	5 pts	50

### Stressed / Distressed Costs & Charges

	Maximum product cost in points (pts)	Maximum product cost in USD based on bond of face value USD 1,000
<b>Corporate Bond</b>		
< 5 year	7 pts	70
5 – 10 year	7 pts	70
> 10 year	7 pts	70
<b>Sovereign Bond (\$ denominated)</b>		
< 5 year	5 pts	50
5 – 10 year	5 pts	50
> 10 year	5 pts	50

### Repos & Stock Borrowing or Lending

The Bank generally charges an All-In rate for its repo and stock borrowing or lending transactions where it trades as principal. The All-In rate considers the costs incurred by the Bank across multiple factors, including but not limited to the agreement term, collateral risk, counterparty risk, country risk, view on short term interest rates and regulatory capital requirements. There are no xva charges included for well collateralised principal repos and stock borrowing or lending. The All-In rate will generally also include a return for the bank based on the Bank's pre-defined target return on equity or Balance Sheet. Please contact your FM Salesperson to discuss this further.

### Flow Commodities (OTC)

The below maximum costs & charges are provided for vanilla OTC commodity derivative transactions with tenor less than 1 year. These costs & charges are embedded in the All-in rate the Bank executes with you and

reflect only the sales margin component of the All-in rate. The values are based on the notional value of the transaction rather than on a per unit basis.

For pricing on more bespoke transactions please contact your FM Salesperson.

### Precious Costs & Charges

	Maximum product cost in %	Maximum product cost in EUR based on EUR 1,000,000 notional amount
Forward	2%	20,000
Swaps	2%	20,000
Option	2%	20,000

### Base Costs & Charges

	Maximum product cost in %	Maximum product cost in EUR based on EUR 1,000,000 notional amount
Forward	3%	30,000
Swaps	3%	30,000
Option	3%	30,000

### Commodities (S2B Metals)

For our S2B Metals clients, the Bank will generally agree directly with you on a pre-agreed margin rate to be applied to the market value of the transaction.

## Structured Products (including Notes & Structured Solutions)

The Bank generally charges an All-In rate for its Structured Products. The indicative All-In rate is provided pre-transaction on a term sheet at the point of entry into the transaction. The sales margin (costs & charges) will vary subject to the specific nature of the structured offering. More complex offerings will attract a higher sales margin in reflection of the additional time and expertise required. Upon request, the Bank can disclose the sales margin

(costs & charges) associated with a given structured offering. Please contact your FM Salesperson to discuss this further.

### For more information

For transaction specific information, please contact your Relationship Manager or FM Salesperson.

**Note:** Financial Markets maintains an internal classification of Emerging Market (EM) and Frontier Market (FM) currencies. The classification reflects market liquidity, size and maturity. Most Asian, Latin American & central European currencies are classified as EM and North African currencies are classified as FM. We can provide the treatment of a specific currency pair at request.

This document is provided in good faith for information purposes only. The costs and charges provided in this document apply in normal operating circumstances only. Standard Chartered Bank AG reserves the right to apply costs and charges above the rates disclosed here where our Sales or Trading desk deem it to be non-normal market, client or business circumstances. In addition, the costs and charge figures provided in this document only apply in the limited circumstances noted against each asset class. Please read these carefully and contact your FM Salesperson if you have any questions. In addition to the costs and charge figures provided in this document, the All-In rate at which we transact with you, will include other costs and charges which we are not able to quantify ahead of execution, including market risk driven costs and charges, funding and counterparty specific risk charges and unwinding costs.

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