

MiFID II pre-trade costs and charges information for Non-Professional, Professional Clients and Eligible Counterparties

ABN AMRO Bank N.V. acting through its Global Markets department

Introduction

Pursuant to Article 24(4) of MiFID II, ABN AMRO Bank N.V. ("ABN AMRO") is required to provide clients or potential clients with information about the expected costs and charges, including the costs of the investment and ancillary services and the costs of the financial instrument recommended or marketed. This disclosure is aimed at all clients classified by ABN AMRO as Non-Professional, Professional Client or Eligible Counterparty. This disclosure document is not marketing material or investment advice and is for information purposes only. This disclosure document is limited to the provision of investment services or financial instruments by ABN AMRO from the European Economic Area (EEA).

Considerations

While reading this disclosure document, it is important to consider the following:

- ▶ In accordance with MiFID II, costs and charges disclosure must relate to cost and charges of the investment or ancillary service provided, and the costs and charges of the relevant financial instruments. Unless otherwise disclosed to you separately, ABN AMRO does not charge costs for its investment or ancillary services. The costs and charges of the relevant financial instruments are one-off transaction costs. Unless otherwise disclosed to you separately, no ongoing charges or incidental costs apply.
- ▶ Total cost and charges for a transaction will depend on the specific details of the transaction. The pre-trade costs and charges provided in this document are based on actually incurred costs. Where actual costs are not available, ABN AMRO has made a reasonable estimation of these costs and charges. Please note that this document only provides the expected costs and charges, which means that the actual amount you have to pay may be higher or lower.
- ▶ The information in this document is subject to change, such as (but not limited to) changes in applicable laws and regulations. ABN AMRO may amend the information in this document at any time and amendments may take effect immediately or otherwise as we may specify. Any amendments shall be made available on our website. For more information see [Article 3(2)(c) MiFID II DR 2017-565].
- ▶ Costs in this document, as required by MiFID II, are indicated in percentages and in EUR, which are explained in the tables and examples below.
- ▶ The majority of our financial instruments fulfill a hedging need. Therefore we not provide an illustration showing the cumulative effect of costs on return.

ABN AMRO's Offering of Financial Instruments

Our offering covers the following asset classes and financial instruments:

1	Fixed Income	Bonds
2	Securities Financing Transactions	Repo
3	Equities	Cash Equities
4	Foreign Exchange Derivatives	Swap, Forward, NDF, Option
5	Interest Rate Derivatives	Swap, Option
6	Commodity Derivatives	Swap, Option

For each of these asset classes and financial instruments, an overview of expected costs and charges is set out below. For illustration purposes, cost and charges examples based on hypothetical transactions are also provided.

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1. Fixed Income

1.1 Bonds

The expected costs and charges consist of a fixed component (EUR 15 per transaction) and a variable component. The table below sets out the fixed and expected variable costs and charges in percentage from mid-market.

Bonds	Fixed costs	Expected variable costs
Government Bonds	EUR 15	0.001%
Corporate / SSA Bonds	EUR 15	0.002%

Example: a client trades a Government Bond with a notional of EUR 1 mln. The total expected costs and charges amount to EUR 25 (Fixed EUR 15 + EUR 10 (EUR 1 mln. X 0.001%)).

2. Securities Financing Transactions

2.1 Repo and Reversed Repo

The table below sets out the expected costs in percentage, as an annualized margin on the reference rate, over the cash notional.

	Maturity	Expected costs
Repos	0-1 years	N/A
Reverse Repos	0-1 years	N/A

3. Equities

3.1 Cash Equities

Equity clients are charged a commission, which is agreed with the client at the start of the relationship and applied until further notice. The table below sets out the expected commission on the execution price, in a percentage of the notional amount.

	Expected costs
Cash Equities	0.1%

Example: ABN AMRO buys shares for a client for a purchase price of EUR 1,5 mln. The total expected costs and charges amount to EUR 1,500.

4. Foreign Exchange Derivatives

4.1 FX Swap, FX Forward, NDFs and Options

The tables below sets out the maximum expected costs and charges for FX derivatives products (excluding spot margin).

FX Swap, FX Forward and NDF	Maturity	CSA	Non CSA
In G11 currencies	0-1 years	0.50%	0.75%
In Non-G11 currencies	0-1 years	0.75%	1.00%
In G11 currencies	1-2 years	0.75%	1.00%
In Non-G11 currencies	1-2 years	1.00%	1.25%

Example: ABN AMRO enters into an agreement with a CSA client for a G11 FX Swap with a notional of EUR 6 mln and a maturity of 1.5 years. The expected maximum annual costs would be 0.75%. Over the lifetime of the transaction, the total expected costs and charges amount to EUR 67,500 (EUR 6mln. x 1.5 years x 0.75% per annum) or 1,125% of the notional.

4.2 FX Option

The table below sets out the maximum expected costs and charges from notional value, in percentages for at-the-money options.

FX Option	Maturity	CSA	Non CSA
In G11 currencies	0-1 years	0.75%	1.00%
In Non-G11 currencies	0-1 years	1.25%	1.50%
In G11 currencies	1-2 years	1.25%	1.50%
In Non-G11 currencies	1-2 years	1.75%	2.00%

Example: ABN AMRO enters into an agreement with a non CSA client for a Non-G11 FX Option with a notional of EUR 250,000 and a maturity of 1.5 years. The expected maximum annual costs would be 2.00%. Over the lifetime of the transaction, the total expected costs and charges amount to EUR 7,500 (EUR 250,000 x 1.5 years x 2.00% per annum) or 3,00% of the notional.

5. Interest Rate Derivatives

5.1 Interest Rate Swap and Cross Currency Swap

The table below sets out the expected costs and charges from mid-market, in percentages (annualised).

Interest Rate Swap and Cross Currency Swap	XVA cost*	Margin Cost
Cleared Interest Rate Swap	Yes	0.005%
OTC Interest Rate Swap	Yes	0.25%
OTC Cross Currency Swap	Yes	0.40%

Example 1: a client and ABN AMRO enter into an OTC Interest Rate Swap with a notional of EUR 1 mln. and a maturity of 2 years. The expected annual margin costs would be 0.25% and the XVA cost e.g. 0.10%. Over the lifetime of the transaction, the total expected costs and charges amount to EUR 2,000 (2 years x EUR 1 mln. x 0.35% per annum) or 0.7% from the notional.

* XVA cost consist of CVA/FVA/Balance sheet cost: these differ per counterparty and maturity and are transaction specific

5.2 OTC Interest Rate Option

The table below sets out the expected costs and charges expressed as a percentage of the premium value.

	Expected costs
Options (at the money) Interest Rate Option	50%
Options (out of the money) Interest Rate option	75%

Example: a CSA client and ABN AMRO enter into an OTC Interest Rate Option with a premium of EUR 15,000 and a maturity of 5 years. Over the lifetime of the transaction, the total expected costs and charges amount to 50% of the premium value or EUR 7,500 (EUR 15,000 x 50%).

6. Commodity Derivatives

6.1 Commodity Swap

The table below sets out the expected costs and charges from mid-market in percentage upfront.

	Expected costs
Commodity Swap	1%

Example: a client and ABN AMRO enter into a Commodity Swap with a notional of EUR 2,5 mln. and a maturity of 2 years. The expected upfront cost of the transaction, the total expected costs and charges amount to EUR 25,000 (EUR 2.5 mln. x 1%).

6.2 Commodity Option

The table below sets out the expected costs and charges from premium value, in percentages.

	Expected costs
Commodity Option	50%

Example: a client and ABN AMRO enter into a Commodity Option with a premium of EUR 35,000 and a maturity of 2 years. Over the lifetime of the transaction, the total expected costs and charges amount to 50% of the premium value or EUR 17,500 (EUR 35,000 x 50%).