Helaba

Standardised Information on Costs under MiFID II

Standardised Information on Costs under MiFID II for professional clients



Values with impact



Publisher:

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Published: 25th of January 2024

1 Standardised Information on Costs under MiFID II

New information requirements on the costs and associated charges, including inducements, relating to financial instruments and the provision of investment and/or ancillary services have resulted from the implementation of the fundamentally revised European Directive on Markets in Financial Instruments (MiFID II) and the Regulation on Markets in Financial Instruments (MiFIR), which have been in force since 3 January 2018. These new requirements modify the existing requirements of the first European Directive on Markets in Financial Instruments (MiFID I), which was transposed into German law in November 2007, and are designed to enhance investor protection and create a single EU rulebook governing the activity of investment firms. The MiFID II Amendment Directive 2021/338 has partially revised the information requirements from 28 February 2022.

Under the requirements, Helaba – as an investment firm – must provide information to its clients about the associated costs and charges, including inducements, on a 'durable medium' in good time before executing their orders (ex-ante disclosure of costs). Ex-ante disclosure of costs is designed to enable clients or potential clients to take their investment decisions on an informed basis.

The investment firm can comply with the ex-ante cost disclosure requirement in connection with the individual financial instrument it is recommending to you or the individual transaction that we will execute, or alternatively in a standardised format, i.e. by referencing an illustrative amount invested in a merely approximately defined product. If the exact costs are not known at the time of the ex-ante disclosure, they can be estimated based on experience.

The objective of the present document (the 'Standardised Cost Information') is to provide Helaba's institutional business partners who are classified as professional clients with ex-ante information in a standardised format about the product costs, as well as about any foreign exchange costs that may be incurred, in connection with transactions it executes, provided that those costs can be estimated generically without reference to the individual financial instrument or the individual transactions. The present Standardised Cost Information may also cover products that you do not trade with Helaba.

The costs disclosed in this document are conservative estimates. Going forward, Helaba will regularly validate the product costs disclosed here against the product costs actually incurred, update this document correspondingly if required and send you a new version.

For reasons of simplicity, this document does not disclose any service costs that may be incurred. You will find information about service costs in the contractual agreements you have entered into with Helaba (commission fees and fees in connection with custody accounts held with Helaba).

The conditions stated in the following Standardised Cost Information have no effect on any special conditions specifically agreed with you. Please contact your client advisor if you have any questions as regards validity or applicability.

The appendix explains, using the example of a OTC derivative, how a full ex-ante cost statement is made up of the product and foreign currency costs disclosed in this Standardised Cost Information and the service costs contractually agreed with you.

In addition to the Standardised Cost Information, Helaba will provide you with an ex-ante cost disclosure for the individual financial instrument recommended by Helaba or the individual transaction to be executed by Helaba – the product costs or inducements in connection with the corresponding product are not disclosed in the present Standardised Cost Information, or the product costs disclosed there will be exceeded in specific cases.

Helaba offers a variety of channels for providing the ex-ante cost disclosure:

- by phone or chat prior to the transaction
- on a durable medium – preferably by email (PDF file), or alternatively by fax or mail prior to the transaction
- by phone or chat prior to the transaction and, additionally, on a durable medium – preferably by email (PDF file), or alternatively by fax or mail – after the transaction

Disclosure by phone/chat will be recorded as part of the order recording process. Please note that written provision of the disclosure prior to the transaction may delay the transaction. In such a case, it may not be possible to maintain the offered price. Because it is a fast-moving market, Helaba requires communication by phone/chat in the case of FX derivatives.

2 Foreign exchange costs

Foreign exchange costs are the costs incurred through FX conversion at a rate that differs from the FX mid-rate.

Helaba will perform FX conversions in the context of securities settlements if you have a custody account with Helaba and the securities will be settled in a foreign currency for which you do not have an account with Helaba. FX conversion uses an FX rate that includes the margins shown below versus the mid-rate of the settlement currency against EUR.

To calculate the foreign exchange costs that will be incurred in each case, this margin is applied to the securities settlement in question.

Group	Currencies	Difference versus mid-rate (up to)*
1	USD, GBP, JPY, CHF, DKK, NOK, SEK	0.10 %
2	AUD, CAD, NZD, SGD	0.10 %
3	CZK, HUF, PLN, RON, TRY, ILS, MXN, ZAR, HKD, Other Currencies	0.20 %

*Securities foreign exchange transactions are not performed at a reference rate. This means that there is no defined mid-rate. The spreads entered in 360t are flexible and determined by factors such as volatility, liquidity and volume. They may thus be subject to change over time (and are not constant). The figures shown here are the maximum differences.

3 Product costs, inducements and references to agreed service costs

In the present Standardised Cost Information, 'product costs' mean the sum of all costs that may be contained in the client price for the financial instrument. These costs include any costs for which the issuer (manufacturer) of the financial instrument may be responsible – the up-front and exit costs contained in the price of the financial instrument and the ongoing costs incurred for the financial instrument during the holding period. In the case of a financial instrument issued by another undertaking ('third-party issued financial instrument'), there may be additional up-front and exit costs if the financial instrument provider charges a premium or grants a discount on the price of the financial instrument.

Inducements are fees, commissions or other monetary and non-monetary benefits of a third party or a person acting on behalf of a third party in connection with the provision of an investment or ancillary service. Helaba discloses monetary inducements as an 'of which' item in the statement of service costs.

The product costs for the financial instruments recommended by Helaba or the transactions executed by it are classified by product in this chapter.

As a general principle, the disclosure of costs is classified into up-front costs (incurred when the product is bought), exit costs (incurred when the product is sold) and ongoing costs (incurred during the holding period for the financial instrument). All costs are also generally disclosed both in the aggregate over the client's holding period and by their timing within the client's holding period.

Please note that product costs and inducements are disclosed in a simplified form in this section.

- The product costs are usually the same for entry and exit. The present standardised cost information only differentiates the product costs according to entry and exit if they are not incurred in the same amount.

- For the financial instruments for which the product costs are disclosed in this document, the reported entry or (initial) exit costs are incurred as at the value date of the transaction and thus generally in the year in which the transaction is concluded. No exit costs are incurred at the end of the holding period. It is assumed that bullet financial instruments are held until final maturity. For all other financial instruments, only entry or (initial) exit costs are incurred at the value date of the transaction. For these financial instruments, the explicit zero disclosure of the product costs in the subsequent years after conclusion of the transaction is waived.

- In principle, no additions are incurred for the transactions covered by this presentation. For reasons of simplification, the explicit zero disclosure of the allocations is waived.

If commission fees and any fees in connection with custody accounts held with Helaba apply to individual products, a reference is made to the amount of additional service costs in your contractual agreements with Helaba.

Please note that there is no requirement to disclose costs for the following transactions:

- transactions concluded on regulated markets or multilateral trading facilities (if not executed on your behalf)
- money market transactions FX spot transactions
- securities lending transactions
- transactions in promissory note loans and registered bonds whose original maturity is > 397 days, provided they are not offered publicly (Helaba does not offer such products)
- investment transactions not subject to advisory

Additionally, there is no requirement to disclose any product costs applicable to commission business for 'third-party' products (shares, bonds, third-party ETFs, exchange-traded derivatives) if we enter into such transactions with you without any other recommendation or marketing – which is normally the case at Helaba.

3.1 FX derivatives (where subject to MiFID II)

FX derivatives include FX swaps, FX forwards and non-deliverable forwards (NDFs).

Order data for the standardised costs disclosed in the following:	
Product:	FX Swap, FX Forward or NDF
Term:	6 months
Nominal amount:	€1,000,000.00
Payment:	Costs are settled through the forward price.

3.1.1 Up-front or exit product costs[1] for FX swaps and FX forwards

The general conditions for the following FX swap and FX forward transactions are:

- The product costs apply exclusively to FX quote against EUR and USD
- Cross-quotes will be provided on request. The relevant product costs will then be disclosed for each transaction. We will communicate these product costs by chat or verbally.
- The product costs are calculated for all currencies based on the mid-market rate
- The product costs depend on the currency paid, the market liquidity for the currency and the forward spread
- Currency group 1 consists of: AUD, CAD, CHF, GBP, JPY, NZD, SGD, USD
- Currency group 2 consists of: DKK, NOK, SEK,
- Currency group 3 consists of: CZK, HKD, HUF, ILS, PLN, RON, TRY
- Currency group 4 consists of: MXN, ZAR

Margin matrix for FX derivatives				
Term	**Group 1 up to**	**Group 2 up to**	**Group 3 up to**	**Group 4 up to**
	bp	bp	bp	bp
≤ 1M	2.0	15	30	50
> 1M ≤ 3M	2.0	30	50	100
> 3M ≤ 6M	5.0	50	100	150
> 6M ≤ 12M	10.0	90	160	270
> 12M	40.0	350	640	950

Illustrative calculations for €1m equivalent/Cost disclosure against mid-values

Cost example[1] €1m and 6 mon. term against mid-market	**Group 1 USD**		**Group 2 SEK**		**Group 3 PLN**		**Group 4 ZAR**	
Margin in rate digits and % (6M term)	5.00	0.004 %	50.00	0.005 %	25.00	0.005 %	150.00	0.008 %
Spot basis (EUR vs…)	1.19		10.21		4.47		18.2	
Costs for 6 months	€400.00		€500.00		€550.00		€825.00	

1Exit product costs are only relevant for an exit before maturity.

3.1.2 Up-front or exit product costs[1] for NDFs

For NDFs (non-deliverable forwards), Helaba calculates the costs as a percentage of the forward price. It is based on the term of the transaction, as shown in the following matrix.

Margin matrix for FX-Derivates – NDF –Non deliverable forwards	
Laufzeit	**Prices in % of forward rate**
	Up to
≤ 1M	0.15
> 1M ≤ 3M	0.20
> 3M ≤ 6M	0.30
> 6M ≤ 12M	0.50
> 12M	0.90

For an NDF with a 6-month term, this produces:

Illustrative calculation for € 1m equivalent/Cost disclosure against mid-prices		
	NDF in CLP	
	Costs in % of forward rate (6M)	€/CLP forward rate
Cost example [1] against mid-market	0.03	914.25
SPOT (€/CLP)		912.50
3M to 6M		€300.00

1 Exit product costs are only relevant for an exit before maturity.

3.2 Helaba's structured own issues and related derivatives

In addition to the product costs listed in the following subsections, there may be costs from custody accounts held with Helaba. Please refer to your contractual agreements with Helaba.

Order data for the standardised costs disclosed in the following:	
Product:	Structured product (option, swap oder certificate)
Nominal amount (or option premium):	€1,000,000.00
Settlement amount:	€1,000,000.00 (only relevant for certificated)
Payment:	The costs are settled through the settlement amount (certificate) or the transaction price (for options, this means the option premium).

3.2.1 Up-front or exit product costs[1] for structured bonds: interest rate, credit, inflation and FX (incl. FX options)

	Up to	Up to
Product costs in € und %[2,3]	€80,000.00	8.00 %

1 Exit product costs are only relevant for an exit before maturity.
2 The reference price is the current theoretical price (mid-value).
3 The percentage shown refers to the settlement amount.

3.3 Derivate

Order data for the standardised costs disclosed in the following:	
Product:	Derivates (swaps and options)
Nominal amount (or option premium):	€1,000,000.00
Payment:	The costs are settled through the initial transaction price (for options, this means the option premium).

3.3.1 Interest rate options

3.3.1.1 Up-front or exit product costs[1] for caps and floors

Term in years	Product costs in € and %[2, 3, 4, 5]	
	Up to	Up to
1 year	€100.00	0.01%
2 years	€310.00	0.03%
3 years	€540.00	0.05%
4 years	€740.00	0.07%
5 years	€950.00	0.10%
6 years	€1,170.00	0.12%
7 years	€1,400.00	0.14%
8 years	€1,640.00	0.16%
9 years	€2,030.00	0.20%
10 years	€2,100.00	0.21%
11 years	€2,340.00	0.23%
12 years	€2,600.00	0.26%
13 years	€2,840.00	0.28%
14 years	€3,050.00	0.31%
15 years	€3,330.00	0.33%
20 years	€4,730.00	0.47%
25 years	€6,150.00	0.62%
30 years	€7,650.00	0.77%

1 Exit product costs are only relevant for an exit before maturity.
2 The reference price is the current theoretical price (mid-value).
3 The percentage shown refers to the option premium.
4 For cap and floor transactions that reference strikes outside the range of strikes quoted by brokers, we will disclose the product costs on a case-by-case basis.
5 For cap and floor transactions that are not quoted by brokers (e.g. on the 1m Euribor and 12m Euribor index), we will disclose the product costs on a case-by-case basis.

3.3.1.2 Up-front or exit product costs[1] for receiver or payer swaptions

Term of the option in years	Term of the underlying swap in years	Product costs in € and %[2, 3, 4, 5, 6, 7]	
		Up to	Up tp
1 year	2 years	€ 250.00	0.03 %
1 year	5 years	€850.00	0.09%
1 year	10 years	€3,600.00	0.36%
1 year	20 years	€4,060.00	0.41%
1 year	30 years	€6,950.00	0.70%
5 years	2 years	€780.00	0.08%
5 years	5 years	€1,200.00	0.12%
5 years	10 years	€2,400.00	0.24%
5 years	20 years	€7,740.00	0.77%
5 years	30 years	€9,270.00	0.92%
10 years	2 years	€700.00	0.07%
10 years	5 years	€1,300.00	0.13%
10 years	10 years	€2,600.00	0.26%
10 years	20 years	€5,100.00	0.51%
10 years	30 years	€6,350.00	0.64%
30 years	2 years	€530.00	0.05%
30 years	5 years	€1,320.00	0.13%
30 years	10 years	€2,680.00	0.27%
30 years	20 years	€5,440.00	0.54%
30 years	30 years	€8,100.00	0.81%

1 Exit product costs are only relevant for an exit before maturity.
2 The reference price is the current theoretical price (mid-value).
3 The percentage shown refers to the option premium.
4 For swaption transactions that reference strikes outside the range of strikes quoted by brokers, we will disclose the product costs on a case-by- case basis.
5 For swaption transactions that are not quoted by brokers (e.g. on the 1m Euribor and 12m Euribor index), we will disclose the product costs on a case-by-case basis.
6 For swaption transactions in which the term of the option and/or the term of the underlying swap exceed the values listed here, we will disclose the product costs on a case-by-case basis (ex-ante deal-by-deal disclosure).
7 These costs apply to collateralised transactions. The product costs may be higher for uncollateralised transactions.

3.3.2 Other interest rate derivatives

3.3.2.1 Up-front or exit product costs[1] for interest rate swaps

Term in years	Product costs in € and %[2, 3, 4]	
	Up to	Up to
1 year	€30.00	0.003%
2 years	€60.00	0.003%
3 years	€120.00	0.004%
4 years	€160.00	0.004%
5 years	€250.00	0.005%
6 years	€420.00	0.007%
7 years	€560.00	0.008%
8 years	€720.00	0.009%
9 years	€900.00	0.010%
10 years	€1,200.00	0.012%
11 years	€1,650.00	0.015%
12 years	€2,400.00	0.020%
13 years	€3,250.00	0.025%
14 years	€4,200.00	0.030%
15 years	€6,000.00	0.040%
20 years	€14,000.00	0.070%
25 years	€25,000.00	0.100%
30 years	€42,000.00	0.140%

1 Exit product costs are only relevant for an exit before maturity.
2 The reference price is the current theoretical price (mid-value).
3 The percentage shown refers to the nominal amount.
4 These costs apply to collateralised transactions. The product costs may be higher for uncollateralised transactions.

3.3.2.2 Up-front or exit product costs[1] for cross currency swaps

Term in years	Product costs in € und %[2, 3, 4]	
	Up to	Up to
1 year	€300.00	0.03%
2 years	€300.00	0.03%
3 years	€500.00	0.05%
4 years	€1,000.00	0.10%
5 years	€1,500.00	0.15%
6 years	€1,700.00	0.17%
7 years	€2,100.00	0.21%
8 years	€2,600.00	0.26%
9 years	€3,100.00	0.31%
10 years	€3,900.00	0.39%
11 years	€4,700.00	0.47%
12 years	€5,800.00	0.58%
13 years	€7,100.00	0.71%
14 years	€8,300.00	0.81%
15 years	€9,600.00	0.96%
20 years	€15,000.00	1.50%

1 Exit product costs are only relevant for an exit before maturity.
2 The reference price is the current theoretical price (mid-value).
3 The percentage shown refers to the nominal amount.
4 These costs apply to collateralised transactions. The product costs may be higher for uncollateralised transactions.

3.3.2.3 Up-front or exit productc costs[1] for FRAs

Term in years	Product costs in EUR und %[2,3,4]	
	Up to	Up to
1 month	€8.00	0.01%
2 months	€16.00	0.01%
3 months	€50.00	0.02%
4 months	€67.00	0.02%
5 months	€83.00	0.02%
6 months	€100.00	0.02%
7 months	€116.00	0.02%
8 months	€133.00	0.02%
9 months	€150.00	0.02%
10 months	€166.00	0.02%
11 months	€183.00	0.02%
12 months	€200.00	0.02%
15 months	€375.00	0.03%
18 months	€450.00	0.03%
21 months	€525.00	0.03%
24 months	€600.00	0.03%

1 Exit product costs are only relevant for an exit before maturity.
2 The product costs are calculated on the basis of the current theoretical value (mid-value); the index is 6m Euribor
3 The percentage shown refers to the settlement amount.
4 These costs apply to collateralised transactions. The product costs may be higher for uncollateralised transactions.

4 Disclaimer

The product costs shown are conservative generic estimates.

In individual cases, Helaba reserves the right to make a transaction-specific ex-ante disclosure of product costs that differ from the schedule of costs, in particular if costs are incurred in individual cases that are higher than the maximum amount stated in the schedule of costs.

5 Annex

5.1 Full ex-ante cost disclsoure for the purchase of an OTC derivative

I) Order data

Product:	Interest rate derivative (Interest Rate Swap)
Transaction type:	Proprietary business
Nominal amount in €:	€1,000,000.00
Initial nominal amount in foreign currency (converted at the current exchange rate) Exchange rate 1.20	USD1,200,000.00
Currency:	USD
Term in days:	720
Payment:	Costs are settled through the initial negative market value.

II) Statement of cost items and sales commissions (inducements and margins)

Up-front costs (one-time)		
Service costs	€0.00	0.00%
– of which inducements to Helaba	€0.00	0.00%
Product costs	€300.00	0.003%
Foreign exchange costs	€0.00	0.00%
Current costs (p. a.)		
Service costs	€0.00	0.00%
– of which inducements to Helaba	€0.00	0.00%
Product costs	€0.00	0.00%
Foreign exchange costs	€0.00	0.00%
Exit costs		
Service costs	€0.00	0.00%
– of which inducements to Helaba	€0.00	0.00%
Product costs	€0.00	0.00%
Foreign exchange costs	€0.00	0.00%

III) Cost summary for the entire term

Service costs	€0.00	0.00% p.a.
Product costs	€300.00	0.001% p.a.
Foreign exchange costs	€0.00	0.00% p.a.
Total costs	**€0.00**	**0.00% p.a.**
– of which inducements to Helaba	€0.00	0.00% p.a.

IV) Effects of costs over time

The costs reduce the return on the investment as follows:

Service costs	**Year 1**	**Year 2**
Up-front costs	0.00%	0.00%
Ongoing costs p.a.	0.00%	0.00%
Exit costs	0.00%	0.00%
Up-front costs	0.003%	0.00%
Product costs		
Ongoing costs p.a.	0.00%	0.00%
Exit costs	0.00%	0.00%
Foreign exchange costs	0.00%	0.00%
Total costs	**0.003%**	**0.00%**

Note:

The costs shown are best estimates. Actual costs may differ because of market fluctuations.

The client may incur additional costs if the transaction is terminated (closed out) before the end of the term. The costs do not have to be paid, but the contract begins with an initial negative market value.

No further costs are charged during the term.

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