

Example calculations for cash equity transactions

1. Introduction

Pursuant the price transparency requirements implemented by 31st December 2006, NASDAQ OMX Nordic is providing its clients with easier access to information on fees relating to cash equity trading services on the NASDAQ OMX Nordic (Stockholm, Helsinki, Copenhagen and Iceland). The example calculations are intended to help members in selecting the price list that best suits their trading profile.

2. Trading related fees

The purpose of this section is to visually illustrate through cases how a member of NASDAQ OMX Copenhagen is invoiced on the equity market. The examples are only about equity order book trading: please see the NASDAQ OMX Nordic Cash Market Pricelist for trading fees related to trade reporting or trading in Covered Warrants, Certificates, ETF's etc. as well as other fees (training, trade cancellation, queries etc.).

The NASDAQ OMX Copenhagen fee structure can be divided to four components: 1) fixed (or minimum) monthly fee, 2) executed order based fee, 3) value based fee, and 4) discounts. Member has the opportunity to choose between three different price lists depending on the member's trading volumes and number of executed orders. If member selects price list III, designed for high trading volumes, it has possibility to replace executed order based fee with higher value based fee.

3. Scenario assumptions

The scenarios are aimed at giving clarity to the trading prices on the NASDAQ OMX Copenhagen. The parameters are based on size of trading member and technical access fees¹. Access fee of DKK 3,200 per connection line is applied (minimum 2 lines; lines to be ordered from external network provider). Other assumptions common to all scenarios are made as follows:

- Equal distribution on primary and secondary part of the trades (50/50)
- 80% of the trades are CCP cleared, 20% are bilaterally cleared
- 50% of the trades are made in five most liquid order books (liquidity discount on pricelist I and II)
- 80% of the trades are made in OMXC20 index constituents (liquidity discount on pricelist III)

Some components of the trading fees are not taken into account in the examples. All those components (in-house crossing discount, automated trading discount, maximum value based fee) have decreasing impact on the fees.

¹ The technical setup will change in December 2009 when the new trading system is introduced for trading in NASDAQ OMX Nordic. Please see NASDAQ OMX Nordic Technical Pricelist for new pricing structure.

The examples below are based on member choosing the optimal pricelist. In the example scenario 1 is based on pricelist I, scenario 2 on pricelist II, and scenario 3 on pricelist III (3A) and scenario 4 on pricelist III (3B). In practice, member using pricelist III can select option 3A or 3B per broker ID.

	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Connectivity to System¹				
Access fee for two lines	6,400	6,400	6,400	6,400
Initial fees				
Entry-fee	0	0	0	0
Minimum monthly fee ²	0	0	0	0
Company profile				
Trading turnover	2,500 MDKK	7,500 MDKK	12,500 MDKK	12,500 MDKK
Number of executed orders	20,000	50,000	80,000	150,000
Trading fees (DKK)				
Fixed fee	0	82,000	188,000	188,000
Executed order based fee	99,600	186,750	199,200	0
Value based fee	72,225	162,488	180,625	425,000
Discounts	-41,925	-85,214	-111,820	-125,120
Total direct trading fees	129,900	346,024	456,005	487,880
Total equity membership invoicing³ (DKK)	136,300	352,424	462,405	494,280

Executed order based fee = $0.5 * \text{number of executed orders} * \text{primary executed order fee}$
 $+ 0.5 * \text{number of executed orders} * \text{secondary executed order fee}$

Value based fee = $0.5 * \text{trading turnover} * \text{primary value based fee}$
 $+ 0.5 * \text{trading turnover} * \text{secondary value based fee}$

CCP discount = $-20\% * 80\% * (\text{executed order based fee} + \text{value based fee})$

Liquidity discount (pricelist I and II) = $-20\% * 50\% * \text{Variable fee after CCP discount}$

Liquidity discount (pricelist III) = $-20\% * 80\% * \text{Variable fee after CCP discount}$

Discounts = CCP discount + liquidity discount

¹ Please refer to NASDAQ OMX Nordic Technical Pricelist for further information on connectivity to the trading system.

² Minimum monthly fee (6,750 DKK) is payable only to one of the NASDAQ OMX Nordic exchanges.

³ Invoices are prepared monthly in arrears.