1/4

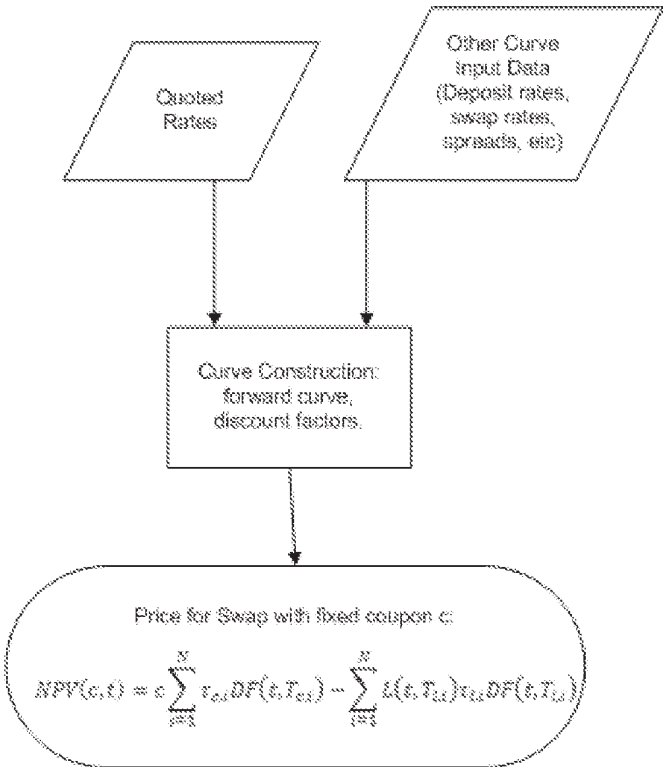

Quoted Rates
Other Curve Input Data (Deposit rates, swap rates, spreads, etc)
Curve Construction: forward curve, discount factors.
Price for Swap with fixed coupon c:
$NPV(c,t) = c\sum_{i=1}^{N} \tau_{a,i} DF(t,T_{a,i}) - \sum_{i=1}^{N} L(t,T_{L,i}) \tau_{L,i} DF(t,T_{L,i})$

Figure 1

2/4

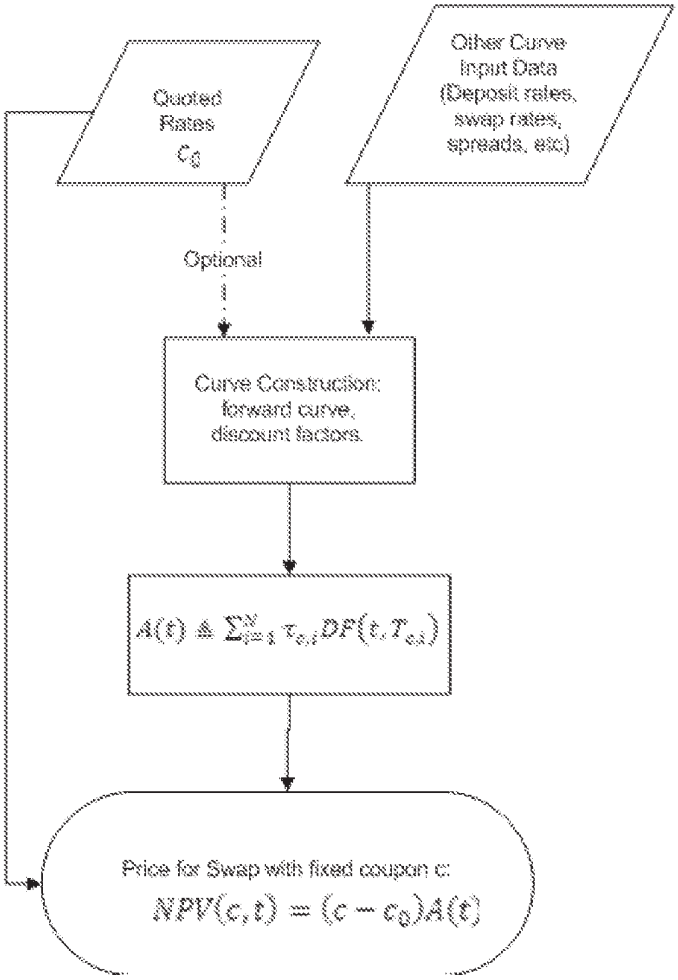

Quoted Rates c_0
Other Curve Input Data (Deposit rates, swap rates, spreads, etc)
Optional
Curve Construction: forward curve, discount factors.
$A(t) \triangleq \sum_{i=1}^{N} \tau_{c,i} DF(t, T_{c,i})$
Price for Swap with fixed coupon c:
$NPV(c,t) = (c - c_0)A(t)$

Figure 2

3/4

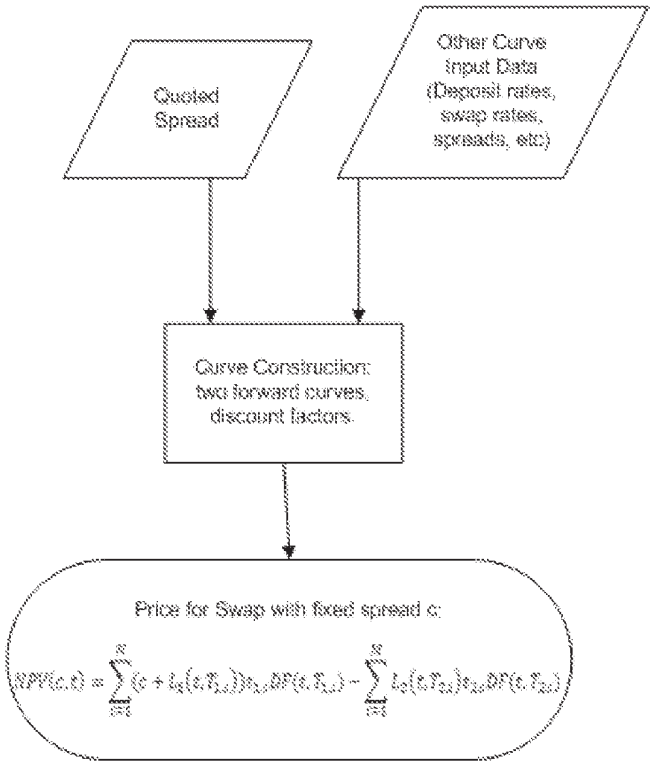

Quoted Spread
Other Curve Input Data (Deposit rates, swap rates, spreads, etc)
Curve Construction: two forward curves, discount factors.
Price for Swap with fixed spread c:
$NPV(c,t) = \sum_{i=1}^{n} (c + L_1(t,T_{1,i}))\tau_{1,i} DF(t,T_{1,i}) - \sum_{i=1}^{m} L_2(t,T_{2,i})\tau_{2,i} DF(t,T_{2,i})$

Figure 3

4/4

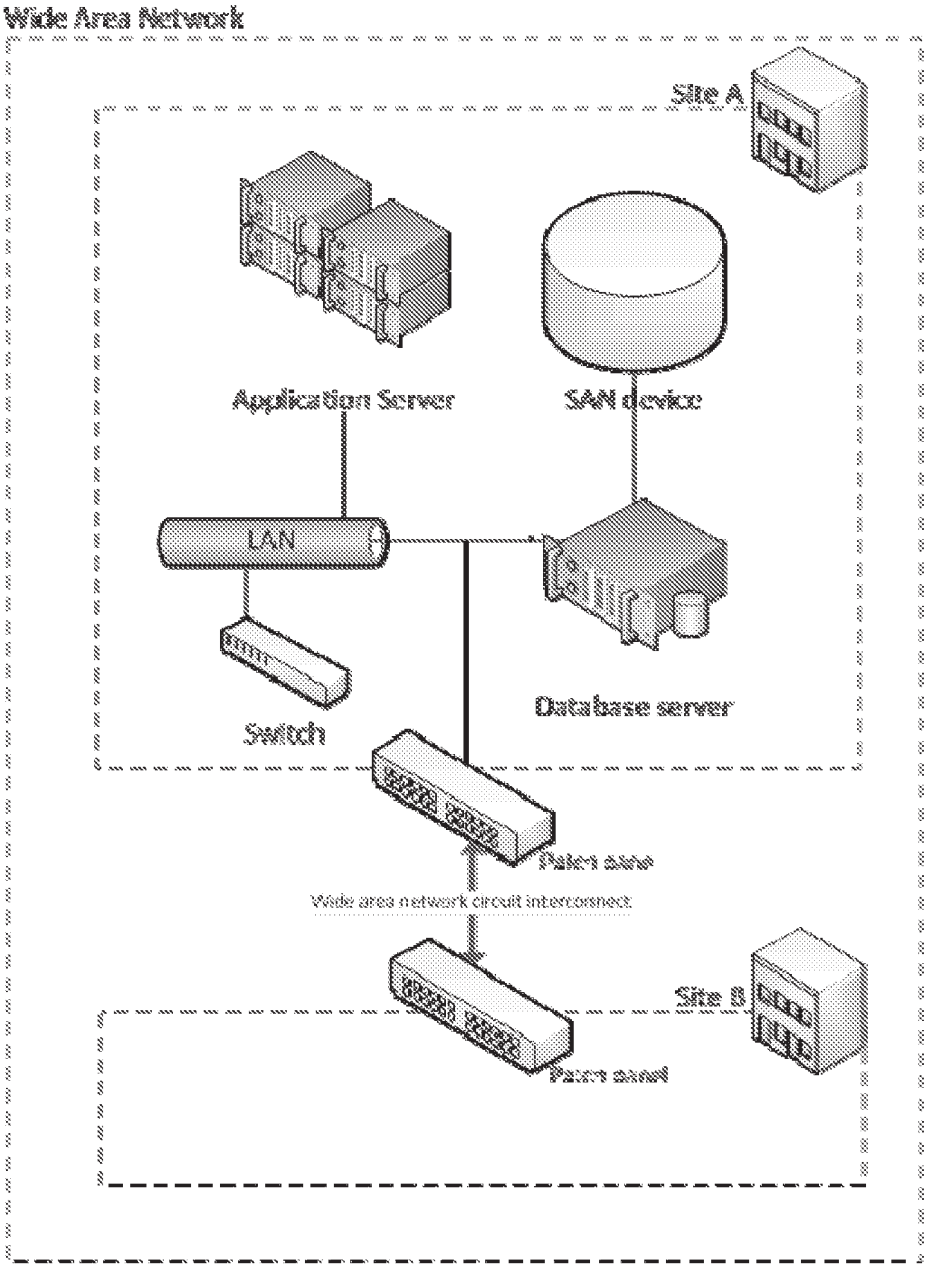

Wide Area Network
Site A
Application Server
SAN device
LAN
Switch
Database server
Wide area network circuit interconnect
Site B

Figure 4