

Nordkap

A Helping Hand in the World of Interest Rate Swaps

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The Transparency You Need to Get the Right Price on Your Interest Rate Swaps

At Nordkap, we have a clear goal: to alleviate the financial work for all types of real estate companies, no matter how big or small they happen to be. That's why we developed a Treasury Management System designed to be as intuitive as possible while also completely cloud-based. It's made to assist you in all your financial work – no matter if it's accounting, automation and digitalization of the financial processes, or, as we're going to dive deeper into in this article, the effect of interest rate swaps.

Interest Rate Swaps' Function and Value

Before we go into how we can help you with your interest rate swaps, we need to take a closer look at what purpose the swaps serve and what type of value they can create for you. As you probably already know, the most significant benefit is that you can use interest rate swaps to manage the risk of increased interest rate costs. When you get a loan from the bank, there are two main risks: the refinancing risk – which involves not getting the loan approved and the credit cost if it is approved – and the interest rate risk. On the other hand, the interest rate risk is the risk associated with the increase of the variable interest rate; these are the risks that we can affect with the help of swaps.

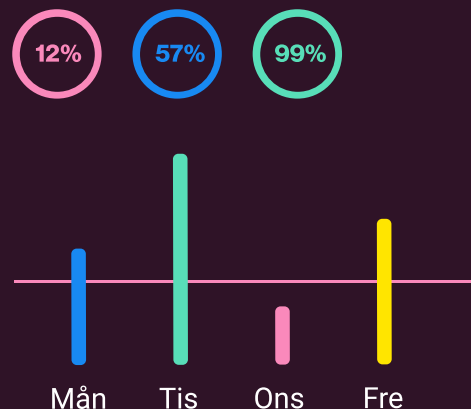
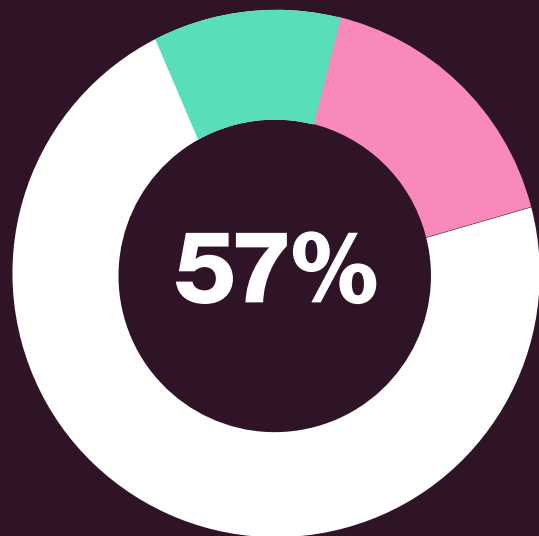
Having a fixed interest rate means you have a locked rate during the entire term. In contrast, a variable interest rate often has a contracted credit margin combined with a variable part based on STIBOR (Stockholm Interbank Offered Rate) – in other words, a reference rate that can change throughout the term. It's this STIBOR part of the loan that we can secure with the help of interest rate swaps and fix the interest rate as a result. One of the benefits of doing it this way, instead of taking a fixed-rate loan from the beginning, is that a swap and the underlying loan don't have to be tied to the same term, giving you the flexibility that doesn't exist with a fixed-rate loan. This way, you can minimize the risks and gain control of future interest rate costs, so you don't have to worry about your expenses skyrocketing if the economy changes dramatically.

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For Every Business – Small and Large

One of our system's significant benefits is that it's developed to help all types of real estate companies, small and large. We all know that businesses have different circumstances and needs. Therefore, we've designed our system to be adjustable. Thanks to our system's modular and scalable design, you only pay for what you actually need. The scalability also ensures that the system can grow with you if your business changes over time. And just like with other SaaS solutions, you don't need any IT department of your own for installation – it works in all web browsers automatically, no matter if you use, for example, chrome, edge, or firefox.

If you use any external resources, they can use the same system and processes as you do. That way, you get a better overview, and the reporting becomes a lot easier since everything is streamlined. Of course, you also don't need any IT resources of your own for this – we take care of that part. In other words, the entire system is developed to be as easy and helpful as possible – no matter what your real estate company looks like.



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A Helping Hand in the World of Interest Rate Swaps

Historically, the banks have had significant, hidden margins. These margins have made it nearly impossible for most real estate companies to know what a fair interest rate is when it's time to negotiate a new swap or reconstruct an existing one. And since you're dependent on the bank for the price, it's crucial that you have correct and updated market information before agreeing to the bank's offer. So, our system makes sure that you have all the information you need to improve your position when it's time to negotiate the price of your interest rate swaps with the bank.

At Nordkap, we want to give you a better ground for negotiation and more insight into the market's pricing – no matter how much or how little you currently know about it or the size of your company. We purposefully designed our system to accommodate everyone, no matter if you just recently heard about interest rate swaps for the first time – or if you're a financial expert with lots of experience in negotiating swaps. We help you from initial analysis and pricing to reporting; that way, you get a better overview and a clearer picture of how the interest rate swaps affect your debt portfolio. And since the system also allows you to add fictional swaps, you can quickly see how your key numbers and future interest rates might be impacted. In turn, you get a better insight into the interest rate risk and how unforeseeable effects, such as a negative interest rate, can affect your loan and swaps.

Simply put, we want to give you increased security and help you better manage the financial risks of owning a real estate company – by making you an equal negotiation partner with the bank.



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1

Less manual work leads to safer and more efficient financial work

Nordkap is designed to be as user-friendly and intuitive as possible to save you time, mitigate risks, and, as a result, reduce costs. By decreasing your manual labor and streamlining the data throughout the system, Nordkap helps you eliminate risks and meet international standards on key metrics and compliance – and consequently, the financial work is made easier, safer, and more efficient.

2

Tailor-made for the real estate industry

With Nordkap's help, all your financial data is securely stored and available from anywhere – thanks to our entire system being cloud-based. With correct and well-backed analyses combined with the latest data on the market, this results in uniform and reliable reports for all your real estate company's relevant functions – and a higher negotiation power towards the bank, thanks to the improved market transparency.

3

Seamless collaboration

Since all of your employees use the same data source, and a well-functioning collaboration is a key to a successful result, all our processes are purposefully designed to support this type of work. With Nordkap, you get access to process support that uses constantly updated data, ensuring it always is correct and that no numbers get lost along the way.

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About Nordkap

Ever since we founded Nordkap in Stockholm in 2011, we've had a clear vision of what we want to do: make the finance and treasury world easier to navigate. We saw an untapped opportunity to create innovative solutions that could alleviate real estate companies' work, making what previously had been complicated and laborious a lot easier and more efficient. Simply put, we saw a potential to do things differently – do things better. Since then, a lot has happened. From being a small Nordic-centered company, we've grown to become a market-leading treasury management company within the real estate segment, with a global presence. Today, our's is the most successful treasury management system in the Nordics, a user-friendly SaaS solution within Treasury Management for all types of real estate companies, no matter the size of your business.

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