



## Pre-Trade Costs and Charges Disclosure

British Arab Commercial Bank plc (**BACB**) is providing this information concerning ex-ante costs and charges which we are required to disclose under Article 24(4)(C) of the Markets in Financial Instruments Directive (Directive 2014/65/EU) (**MiFID II**). This particular disclosure relates to transactions in financial instruments that are currently offered by BACB. For ease of reference the terms 'client' and 'counterparty' are intended to be used interchangeably in this document. This document is supplemental to BACB's Terms of Business (for Investment Services).

### Transactions Costs

BACB has determined that the costs incurred by clients when transacting in financial instruments in the product categories described below represent 'transaction costs' only.

This is because clients do not generally incur ancillary or ongoing costs in their dealings with BACB.

In dealing with clients in these products BACB will provide an execution or 'all in' price. The 'all in' price includes these transaction costs, which make up what is currently known as a 'spread' or 'mark-up' charged by BACB.

The mark-up can be calculated as the difference between the client execution price and the prevailing mid-price.

The mark-up applied is intended to compensate BACB for a number of service, risk costs and capital consumption considerations which BACB incurs, or is likely to incur, as a result of agreeing to transact with clients.

The decision to add a mark-up, including the degree of mark-up, is determined by a number of factors including, but not limited to:

- Size of transaction;
- Liquidity;
- Market conditions;
- Funding costs;
- Clearing and settlement fees;
- Broker and platform fees;
- Market risk;
- Credit and counterparty risks;
- Operational risk;
- The level of service provided;
- Past trading activity;

### Fixed Income (Bonds)

The figures displayed in the table are 'cents to mid' representing the actual average cents to the midpoint of the spread over 3 months to 15 Nov 2017 for transactions executed with BACB.

Whilst the figures shown below are based on actual historical data, clients may accept these figures as BACB's current reasonable estimation of its mark-up and therefore, the transaction costs incurred

by you as a client over the near term when transacting with BACB in the relevant instrument, or until BACB notifies you otherwise.

	Developed Market		Emerging Market	
	Sovereign	Corporate	Sovereign	Corporate
<3 yrs	3	5	30	40
3 – 10 yrs	5	10	35	45
10 yrs +	10	20	40	50

### Fixed Income (Floating Rate Notes)

The figures displayed in the table are ‘cents to mid’ representing the actual average cents to the midpoint of the spread over 3 months to 15 Nov 2017 for transactions executed with BACB.

Whilst the figures shown below are based on actual historical data, clients may accept these figures as BACB’s current reasonable estimation of its mark-up and therefore, the transaction costs incurred by you as a client over the near term when transacting with BACB in the relevant instrument, or until BACB notifies you otherwise.

	Developed Market
	Corporate
<10 yrs	15

### Currency Swaps

The figures displayed in the table are ‘pips / points to mid’ representing the actual average pips / points to the midpoint of the spread over 3 months to 15 Nov 2017 for transactions executed with BACB.

Whilst the figures shown below are based on actual historical data, clients may accept these figures as BACB’s current reasonable estimation of its mark-up and therefore, the transaction costs incurred by you as a client over the near term when transacting with BACB in the relevant instrument, or until BACB notifies you otherwise.

<3 mths	0.5
3-6 mths	1
>6 mths	2

### Currency Forwards

The figures displayed in the table are 'pips / points to mid' representing the actual average pips / points to the midpoint of the spread over 3 months to 15 Nov 2017 for transactions executed with BACB.

Whilst the figures shown below are based on actual historical data, clients may accept these figures as BACB's current reasonable estimation of its mark-up and therefore, the transaction costs incurred by you as a client over the near term when transacting with BACB in the relevant instrument, or until BACB notifies you otherwise.

<3 mths	0.5
3-6 mths	1
>6 mths	2

### Currency Options

The figures displayed in the table are 'pips / points to mid' representing the actual average pips / points to the midpoint of the spread over 3 months to 15 Nov 2017 for transactions executed with BACB.

Whilst the figures shown below are based on actual historical data, clients may accept these figures as BACB's current reasonable estimation of its mark-up and therefore, the transaction costs incurred by you as a client over the near term when transacting with BACB in the relevant instrument, or until BACB notifies you otherwise.

<3 mths	0.5
3-6 mths	1
>6 mths	2

### Dual Currency Deposits (Currency Option Linked Deposits or COLDS)

The figures displayed in the table represents the actual average basis points added to the interest rate provided by the instrument over 3 months to 15 Nov 2017 for transactions executed with BACB.

Whilst the figures shown below are based on actual historical data, clients may accept these figures as BACB's current reasonable estimation of its mark-up and therefore, the transaction costs incurred by you as a client over the near term when transacting with BACB in the relevant instrument, or until BACB notifies you otherwise.

All	100
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## Warning

**Clients should note that notwithstanding the foregoing paragraphs, the figures displayed in the tables are not a guarantee of future mark-ups and may be subject to change at any time. The figures are only estimations and do not take into account extreme or unusual conditions which may influence the spread and may therefore increase the transaction costs incurred by the client.**

These include:

### Price fluctuations

Dealing spreads can vary considerably and will depend on the price of the particular financial instrument and market sentiment.

Prices of instruments are determined by forces of supply and demand. These forces are, themselves, affected by factors such as actual market volatility, expected volatility, macroeconomic factors and speculation.

Spreads may rapidly widen or narrow. The data displayed here do not adjust for circumstances such as extreme market volatility, market disruption or force majeure given their extraordinary nature.

Such circumstances can occur due to political economic events, government intervention, changing supply and demand, and other macroeconomic factors.

Illiquid and emerging markets can experience extreme price volatility together with wide spreads. The level of transparency and regulation in certain emerging markets can be limited and may therefore contribute to wide spreads and spikes.

### FX risk

Investors should be aware that where receipts of asset values are converted into another currency the overall transaction costs are likely to incur additional costs associated with FX conversion.

BACB will periodically review the estimated figures shown in the table and make adjustments where necessary. BACB does not have a duty to inform you if any individual transaction's mark-up is outside the associated spread.

BACB has the right to offer a different price to different customers for the same instrument. The amount of mark-up may therefore vary according to the unique circumstances of a particular transaction. In any event, BACB will ensure that the level of mark-up is appropriate and fair. Furthermore, all pricing will be offered in accordance with the firm's best execution policy, where applicable.

BACB is providing you the information here for illustrative purposes only. This should not be construed as a recommendation, offer to buy or sell a security not as a solicitation of investment business, and is only provided to you for the purpose of satisfying regulatory disclosure requirements.