Supplemental Conditions for Islamic Fixed Term Deposit Account

1 Introduction

1.1 These Supplemental Conditions are additional to, and form part of, our Private Banking Terms and Conditions (for Islamic Personal Accounts or Islamic Non-Personal Accounts, as applicable). If there is any conflict between these Supplemental Conditions and the Private Banking Terms and Conditions, these Supplemental Conditions will apply. Please read these Supplemental Conditions carefully and keep a copy for your records.

1.2 All definitions used in the Private Banking Terms and Conditions have the same meaning in these Supplemental Conditions and in addition:

"Actual Profit"	means the profit amount generated from the investment of your capital in a Fixed Term Deposit, as calculated by the Bank from time to time;
"Actual Profit Rate"	means the Actual Profit expressed as an annual percentage rate;
"Auto-Renewal"	means the automatic reinvestment of the balance of a Fixed Term Deposit at the Maturity Date by creation of a new Fixed Term Deposit comprised of either capital and profit, or capital only;
"Cancellation Period"	means a period of 14 days starting on the day that we open your Fixed Term Deposit Account;
"Confirmation"	means a document confirming the amount of a Fixed Term Deposit, the Fixed Term and the Expected Profit Rate which will apply to that Fixed Term Deposit;
"Expected Profit Rate"	means the Expected Profit expressed as an annual percentage rate, as agreed with you for each Fixed Term Deposit;
"Expected Profit"	means the profit amount projected to be generated from the investment of your capital in a Fixed Term Deposit, as estimated by the Bank from time to time;
"Fixed Term" / "Term"	means the term for which a particular amount is to be held at an Expected Profit Rate which is set out in a Confirmation;
"Fixed Term Deposit"	means a Shariah Compliant deposit which will mature at the end of an agreed period after the initial date of deposit and upon which profit is anticipated to accrue at an expected rate specified by us;
"FTD Account"	means a Shariah Compliant Fixed Term Deposit Account opened by you with us under these Supplemental Conditions. An FTD Account can be opened in sterling or another acceptable currency;
"Investments"	means Shariah Compliant investment transactions conducted by the Bank to generate profit;
"Maturity Date"	means the date on which a Fixed Term ends;
"Wakala"	means an arrangement whereby you authorise us to deploy the capital deposited with us in the Investments with the aim of generating profit;
"We", "us", "our"	means Arab Bank Europe plc with our registered office at 35 Park Lane, Mayfair, London W1K 1RB; and
"You", "your"	means the Account Holder(s) who open the FTD Account.

2 Opening the FTD Account

2.1 To open the FTD Account (if it is a personal account), you must be 18 years of age and you must complete and sign an account application. The minimum amount required to be deposited in a Fixed Term Deposit upon opening an FTD Account is £100,000 sterling or currency equivalent. We offer Fixed Term Deposits in a range of currencies. Please contact us or check our website for details.

2.2 There is no maximum limit to the amount of funds you can hold in an FTD Account. There is also no limit on the number of Fixed Term Deposits you can hold under an FTD Account.

2.3 When you open the FTD Account, you can opt for Auto-Renewal of either capital only, or capital plus profit, at the end of a Fixed Term. If you opt for Auto-Renewal and later change your mind, you must give us at least 3 Business Days' notice prior to the expiry of the relevant Fixed Term in order to prevent Auto-Renewal. You can do this by contacting your Relationship Manager.

2.4 You have a right to cancel the agreement to open an FTD Account during the Cancellation Period. If you do this, we will return your capital to your current account without any deductions or charges, but we reserve the right not to pay you any profit. You can do this by writing to us at Arab Bank Europe plc, 35 Park Lane, Mayfair, London W1K 1RB or by emailing your Relationship Manager.

3 Operation of your FTD Account

3.1 If you have opted for Auto-Renewal, on the Maturity Date, unless you have given us notice in accordance with paragraph 2.3 above, we will automatically reinvest the capital, or the capital plus profit, as instructed by you, for a new Fixed Term which will be the same as the Term of your previous Fixed Term Deposit. The new Expected Profit Rate will be determined on the Auto-Renewal date. We will send you a Confirmation at Auto-Renewal.

3.2 If you have not opted for Auto-Renewal, instructions on your Fixed Term Deposit must be received at least 3 Business Days before the end of the relevant Fixed Term. In the absence of clear instructions, the balance of any Fixed Term Deposit at the Maturity Date will be transferred to the Account that was used to fund the Fixed Term Deposit.

4 Wakala conditions

4.1 By opening an FTD Account, you authorise us to deploy the capital deposited in the FTD Account in the Investments with the aim of generating profit.

4.2 Prior to opening a Fixed Term Deposit, we shall agree on the Expected Profit Rate applicable to your selected Term. However, such Expected Profit Rate is indicative only, and the Actual Profit you will receive will depend on the performance of the Investments.

4.3 You agree that the capital placed in your Fixed Term Deposit(s) may be consolidated and pooled with our own funds and those of other customers to facilitate the management of the Investments.

4.4 We hereby confirm to you that, in performing our obligations under these Supplemental Conditions, we shall look after your interests and shall act dutifully and in good faith. We further confirm that we shall manage the investment of your capital with the same degree of care as we exercise with regard to similar investments which we would manage for our own account and shall not enter into any investment that might, in our reasonable judgment, return a lower profit than an agreed Expected Profit Rate with you.

4.5 On the Maturity Date, we shall pay the profit amount due to you as per the following:

a) if the Investments achieved an Actual Profit Rate that is equal to, or higher than, the Expected Profit Rate agreed with you, you will receive the Expected Profit, while we will be entitled to retain any profit amount exceeding the Expected Profit as an incentive for our good performance; or

b) if the Investments achieve an Actual Profit Rate that is less than the Expected Profit Rate agreed with you, you will receive the Actual Profit which, in this case, will be less than the Expected Profit, and we will not receive any profit.

4.6 We hereby confirm that we have the system and the means to monitor the performance and the profitability of the Investments continuously on a monthly basis. If we believe that an Expected Profit Rate might no longer be achievable, we shall inform you and may offer you a revised (lower) Expected Profit Rate. In such case, you will have the option to either accept the revised Expected Profit Rate or request the early withdrawal of the Fixed Term Deposit where you shall become entitled to receive the deposited capital and any profit accrued up to the termination date, as per the initially agreed Expected Profit Rate.

4.7 If we reasonably believe at any time that your capital is at risk of being lost, we will immediately close the FTD Account and return in full the capital placed under any Fixed Term Deposits you hold with us, together with any accrued but unpaid profit to the Account that was used to fund your Fixed Term Deposit(s).

4.8 In the unlikely event where your Fixed Term Deposit would otherwise incur a loss, of capital we shall, in line with applicable UK banking rules regarding deposits, offer to compensate you for any losses you have suffered. You are entitled to accept or refuse this offer from us. We would also like to draw your attention to the following guidance provided by the Shariah Adviser in relation to this matter:

a) if the loss was due to our misconduct, negligence, fraud, or breach of our contractual obligations, your acceptance of our offer will be Shariah Compliant; or

b) if the loss was not due to our misconduct, negligence, fraud, or breach of our contractual obligations, your acceptance of our offer will not be Shariah Compliant.

5 Withdrawals and closing your FTD Account

5.1 The FTD Account is not a payment account and is not designed to be used for the execution of payment transactions.

5.2 You should not place your capital in a Fixed Term Deposit if you may need to have immediate access to the funds.

5.3 The FTD Account and any Fixed Term Deposit(s) you hold with us must be held until maturity unless cancelled during the Cancellation Period. Under exceptional circumstances, we may, at our sole discretion, agree to allow the closure of your FTD Account or the early withdrawal of a Fixed Term Deposit before an agreed Maturity Date. In such cases, we reserve the right to revise the Expected Profit Rate agreed upon opening your Fixed Term Deposit and to pay you a revised (reduced) profit rate if we approve the early withdrawal of your capital.

5.4 The revised (reduced) profit rate will be determined by the Fixed Term Deposit amount, prevailing profit rates in the market, and remaining Term, among other factors. We will advise you of this revised rate at the time.

5.5 We may exercise our right of set off by reducing your capital placed in a Fixed Term Deposit before the Maturity Date. See the Private Banking Terms and Conditions for more information about our right of set off.

5.6 In the event of the death of an Account holder, the FTD Account may be closed without revising the agreed Expected Profit Rate.

6 Profit

6.1 The Expected Profit Rates we offer for Fixed Term Deposits at any one time vary based on a number of factors including prevailing market rates and the currency, amount and Term of the deposit. Fixed Term Deposits can be made in US dollars, sterling, and Euros. Other currencies may be available on request. You can contact us at any time to request details of our current rates.

6.2 The Expected Profit Rate which applies to a Fixed Term Deposit will be agreed upon for the relevant Term and set out in your Confirmation. The Expected Profit Rate stated in the Confirmation is a gross annual percentage rate, without reference to any deduction or withholding we may be obliged to make by law. Profit will be paid directly into the Account from which you funded the Fixed Term Deposit.

6.3 Subject to the performance of the Investments, profit accrues on a daily basis at the applicable rate and is paid on the Maturity Date.

6.4 If you opt for Auto-Renewal, we will re-set the Expected Profit Rate applicable to the new Fixed Term Deposit by reference to our current rates at the date of Auto-Renewal and we will tell you what it is.

7 General

7.1 Other taxes or costs may exist that are not paid via us or imposed by us. If the total amount of profit you receive exceeds any personal savings allowance to which you are entitled, you may have to pay tax at the applicable rate. It is your responsibility to ensure that this tax is paid. This would need to be paid directly to HM Revenue & Customs (HMRC).

7.2 These Supplemental Conditions are governed by the laws of England and Wales. They are in English and we will communicate with you in English.

7.3 We may make changes to these Supplemental Conditions at any time in accordance with the Private Banking Terms and Conditions.

8 Our regulators

8.1 We are authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Not all of our products and services are regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

9 Complaints

9.1 All complaints should in the first instance be made to Arab Bank Europe Private Banking at Arab Bank Europe plc, 35 Park Lane, Mayfair, London W1K 1RB. Complaints may be made in writing, via email or by telephone. A full investigation will then be undertaken, with our findings notified in writing to you. If you cannot settle your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service at the following address:

The Financial Ombudsman Service South
Quay Plaza
183 Marsh Wall
London
E14 9SR

10 Compensation scheme membership

10.1 We are covered by the Financial Services Compensation Scheme (FSCS). The FSCS can pay compensation to depositors if a bank is unable to meet its financial obligations. Most depositors - including individuals and small businesses - are covered by the Scheme.

10.2 In respect of deposits, an eligible depositor is entitled to claim up to £120,000. For joint accounts each account holder is treated as having a claim in respect of their share so, for a joint account held by two eligible depositors, the maximum amount that could be claimed would be £120,000 each, making a total of £240,000. The £120,000 limit relates to the combined amount in all the eligible depositor's accounts with the bank, including their share of any joint account, and not to each separate account.

Arab Bank Europe plc. All Rights Reserved. Registered in England and Wales number 5575857. Registered Office: 35 Park Lane, Mayfair, London W1K 1RB.
Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.
Not all products and services are regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

IBFM22.0426