



## Terms and conditions for Fixed Deposits

### 1. Scope

These terms and conditions govern your fixed rate fixed deposits (each a "Fixed Deposit") with the retail branch of Arab Banking Corporation (B.S.C.) in Bahrain ("ila", "we", "us", and "our"). These terms and conditions apply in addition to our other terms and conditions and our privacy policy which are incorporated herein by reference and apply to the services offered by ila.

### 2. Definitions

The following expressions have the following meaning:

"Maturity Date" means the date on which your Fixed Deposit completes its Term.

"Month" means a 30-day period.

"Renewal" means your instruction for ila to renew your existing Fixed Deposit for the same Term at the interest rate applicable on the Renewal Date.

"Renewal Date" means the date on which your Fixed Deposit starts a new Term further to a Renewal.

"Term" means the period for which you have agreed to maintain the Fixed Deposit with ila.

"you" or "your" refers to the beneficiary of the Fixed Deposit.

### 3. Funding your Fixed Deposit

(a) If we stipulate a minimum deposit amount, the Fixed Deposit must have a balance of at least that amount. If we stipulate a maximum deposit amount, we may not accept as a Fixed Deposit an amount in excess of that maximum amount.

(b) You may not add a further sum to your Fixed Deposit during its Term.

### 4. Interest

(a) Our interest rates are dependent on the amount, Term, and date of your Fixed Deposit. The interest rate applying to your Fixed Deposit is fixed for the Term.

(b) However, in the event that your Fixed Deposit is renewed further to a Renewal,



the interest rate applicable to your renewed Fixed Deposit (which will be fixed for the Term of that renewed Fixed Deposit) will be as applicable on the Renewal Date which will be stated in the ila message confirming your instructions. The confirmation will form part of your agreement with us in respect of the renewed Fixed Deposit.

- (c) We calculate interest for the days your Fixed Deposit was with us by multiplying the balance of your Fixed Deposit with the number of days and the interest rate and dividing the result by the day basis for the currency.
- (d) Interest on a Fixed Deposit is paid on its Maturity Date or added to the principal amount of the Fixed Deposit on the Renewal Date if so instructed by you further to a Renewal.

## 5. Early repayment of Fixed Deposit

At your request, we will repay your Fixed Deposit at any time prior to the Maturity Date. However, if you withdraw your funds prior to the Maturity Date, your entitlement to interest in respect of the Fixed Deposit will be reduced depending on when the early repayment is made. The following rules shall apply:

- (a) We will assess the nearest completed Term and use the interest rate applicable to that Term on the date of creating the Fixed Deposit which is being withdrawn before its Maturity Date.
- (b) A Penal Rate of Interest (as defined in the "*Schedule of fees and charges*" on our website) will be applied to reduce the interest as derived in clause 5(a) above to calculate the applicable interest rate.

For example, if you withdraw a six-Month Fixed Deposit after 40 days, we will use the interest applicable to a one-Month Fixed Deposit on the date of opening the Fixed Deposit and subtract the applicable Penal Interest Rate (as defined in the "*Schedule of fees and charges*" on our website) to arrive at the applicable rate for the 40 days you maintained the Fixed Deposit with us.

- (c) If you withdraw your Fixed Deposit, whether renewed or not, before completion of the shortest Term, interest will be paid at the lowest rate we pay on the respective currency account on the day of the early withdrawal.
- (d) The amount of the Fixed Deposit and the interest earned will be credited to your account on the date of early withdrawal of your Fixed Deposit.
- (e) An Early Withdrawal Fee (as defined in the "*Schedule of fees and charges*" on our website) will be separately recovered from your ila account with us.



## **6. Renewal instructions**

- (a) You may instruct us at any time during the Term of your Fixed Deposit to automatically renew it on its Maturity Date. Renewal will be on the terms and conditions then applying to new Fixed Deposits and it will be at our Fixed Deposit interest rate applicable on the Renewal Date according to the amount and Term of the renewed Fixed Deposit.
- (b) You may instruct us to auto renew the amount of the Fixed Deposit with interest or renew only the Fixed Deposit amount and credit the interest to your account with ila.
- (c) You may change your instructions related to a Renewal any time before the corresponding Maturity Date.
- (d) The details of the renewed Fixed Deposit will be confirmed in the ila message confirming your instructions. The confirmation will form part of your agreement with us in respect of the renewed Fixed Deposit.
- (e) We may not renew your Fixed Deposit further to a renewal instruction if we do not offer the same tenor of your Fixed Deposit on the Maturity Date or if there is an insufficient balance in your account.

## **7. Maturity**

- (a) We will process your Fixed Deposit on its Maturity Date in accordance with your instructions.
- (b) If you have not requested a Renewal or if the Term of your Fixed Deposit is not available, we will credit your ila account with the amount of the Fixed Deposit and the interest earned during the Term on the Maturity Date.
- (c) If you have set instructions to auto renew your Fixed Deposit, we will automatically renew your Fixed Deposit on the Maturity Date in accordance with the instructions you gave, at the interest rate applicable on the same Term on the Renewal Date.

## **8. Fixed Deposit receipt**

We will provide a receipt for your Fixed Deposit account when you open a Fixed Deposit and each time you renew a Fixed Deposit. This receipt will form part of your agreement with us in respect of the Fixed Deposit. You may download a copy of the receipt at any time using the ila app. No separate account statement will be issued.



**9. Fees and charges**

- (a) You must pay the fees and charges as set forth in the "*Schedule of fees and charges*" on our website that are or become payable in connection with the Fixed Deposit in the amounts and at the times prescribed by ila and you authorise us to debit such fees and charges from your account with ila.
- (b) If we incur any government tax, duty or other charge imposed by law in respect of the Fixed Deposit or its operation, you must pay us an amount equal to such charge. You authorise us to debit any such amount from your ila account.
- (c) For current information on fees, and charges in respect of Fixed Deposits, please refer to the "*Schedule of fees and charges*" on our website.
- (d) The latest information on interest rate on various amounts and terms offered is available on the ila app.