

FLOATER

Term Deposit

Date: 26 December 2016

Main Features of the Product

Currency	AED	USD
Interest Rate Payment	EIBOR 3 Month + 0.50% p.a.	US LIBOR 3 Month + 0.50% p.a.
Periodicity	Quarterly	
Minimum Guaranteed Rate	2.25% p.a.	1.65% p.a.
Maximum Rate	5.00% p.a.	3.50% p.a.
Minimum Deposit on Personal Account	AED 100,000	USD 50,000
Minimum Deposit on Commercial Account	AED 2,500,000	USD 1,000,000
Tenor	Choice between one year, two years or three years	
Early Redemption	Possible, please refer to FAQ	
Overdraft Facility Against Deposit	Possible, please refer to FAQ	
Validity	This short term offer is valid until 31 st January 2017, only for "Funds New To Bank"	

- Higher returns for investors compared to conventional deposit products.
- Minimum interest guaranteed. Protection against low interest rate scenario and undesirable fluctuation in the interest rates market.
- In case of rising EIBOR or LIBOR rate client enjoys higher returns compared to a fixed rate placement.
- One year minimum maturity. The investor can choose between 1, 2 or 3 years maturity.
- Capital is protected at all times.

I/We have read and fully understood all the terms and conditions of the above special deposit scheme. Kindly debit my/our account number and place AED..... on the above mentioned term deposit starting from for a period ofyear(s).

Customer Name:

Customer Signature:

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Frequently Asked Questions

○ **Q: What are EIBOR and LIBOR?**

A: The Emirates InterBank Offered Rate (EIBOR), published by the UAE central bank is the filtered average of the interest rates charged by banks in the country. It is widely used in the GCC by borrowers and lenders to conduct financial transactions.

In the same manner the London InterBank Offered Rate (LIBOR), is a filtered average of a selection of international banks for use in global markets.

○ **Q: How are the minimum and maximum rates impacting the interest paid?**

A: Example 1: If EIBOR fixes at 1.50%, we calculate: $1.50\% + 0.50\% = 2.00\%$ p.a. But the client still receives the minimum rate of 2.25%

Example 2: If EIBOR fixes at 2.00%, we calculate: $2.00\% + 0.50\% = 2.50\%$ p.a. The client receives exactly 2.50%

Example 3: If EIBOR fixes at 4.10%, we calculate: $4.75\% + 0.50\% = 5.25\%$ p.a. But the client will receive the maximum rate of 5.00%

The same applies to the USD Floater with the US LIBOR as index.

○ **Q: How is the interest on the Floater paid?**

A: The interest is paid directly into the client's current account, each quarter.

○ **Q: Can I cancel the deposit at any time?**

A: Yes, partial withdrawals are allowed, any deposit amount booked under Floater can be redeemed (provided the outstanding amount remains higher than the minimum amount required) with five UAE business days notice, given in writing. Penalties apply: No interest paid if cancelled during the first 3 months. After 3 months, a penalty of 1% on the rate of interest, only on the specific last quarter will be applied.

You can choose to subsequently reinvest in the Floater later, subject to prevailing market rates at that time.

○ **Q: If I cancel the Floater after 3 months and I have received interests. Does the penalty apply on previously paid interests?**

A: No. Any interest paid to a current account is definite. The potential penalty, if any, only applies on the current quarterly period.

○ **Q: If I need money for short term requirement but would like to continue this product, what is the solution?**

A: UAB may provide customers with an overdraft against this product at an attractive price to meet any short-term cash flow requirements. The facility is secured against lien on the underlying deposit. The rate of the lending facility fluctuates quarterly with the rate of the Floater deposit rate. Please contact your relationship manager for further details. Subject to bank's approval.

Customer Name:

Customer Signature:



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