

# Floater Deposit

## Term Deposit

Date: 1 October 2018

### Main Features of the Product

|   |  |                               |
|---|--|-------------------------------|
| <b>Currency</b>                                   | AED  | USD                           |
| <b>Interest Rate Payment</b>                      | EIBOR 3 Month + 0.50% p.a.   | US LIBOR 3 Month + 0.50% p.a. |
| <b>Periodicity</b>                                | Quarterly  |                               |
| <b>Minimum Guaranteed Rate on 1 year Floater</b>  | 2.50% p.a. for 1 year  | 2.25% p.a. for 1 year         |
| <b>Minimum Guaranteed Rate on 2 years Floater</b> | 2.75% p.a. for 2 years   | 2.50% p.a. for 2 years        |
| <b>Minimum Guaranteed Rate on 3 years Floater</b> | 3.00% p.a. for 3 years   | 2.75% p.a. for 3 years        |
| <b>Maximum Rate in all cases</b>                  | 5.00% p.a.   | 4.00% p.a.                    |
| <b>Minimum Deposit on Personal Account</b>        | AED 100,000  | USD 50,000                    |
| <b>Minimum Deposit on Commercial Account</b>      | AED 2,500,000  | USD 1,000,000                 |
| <b>Tenor</b>                                      | Choice between one year, two years or three years                                      |                               |
| <b>Early Redemption</b>                           | Possible, please refer to FAQ  |                               |
| <b>Overdraft Facility Against Deposit</b>         | Possible, please refer to FAQ  |                               |
| <b>Validity</b>                                   | This offer is valid until 30 <sup>th</sup> November 2018, only for "Funds New To Bank" |                               |

- Customers are now rewarded with higher minimum guaranteed rates on 2 years and 3 years maturities.
- Once a maturity is chosen the same minimum rate applies from the beginning until the full maturity of the deposit.
- Higher returns for investors compared to conventional deposit products.
- Minimum interest rate 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 / USD ..... on the above mentioned term deposit starting from ..... for a period of .....year(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: Which minimum guaranteed rate is applied?**

A: If you choose a 3 years AED Floater, the minimum guaranteed will be highest: 3.00% from beginning until maturity or redemption.

If you choose a 2 years AED Floater, the minimum guaranteed will be 2.75% from beginning until maturity or redemption, for year 1 and also for year 2.

Finally, a 1 year AED Floater will carry a minimum guaranteed of 2.50% for the entire year.

You will have a higher guaranteed rate with the 3 years Floater.

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

A: For a AED Floater deposit with 3 years maturity:

Example 1: If EIBOR fixes at 2.00%, we calculate:  $2.00\% + 0.50\% = 2.50\%$  p.a. But the client still receives the minimum rate of 3.00%

Example 2: If EIBOR fixes at 3.00%, we calculate:  $3.00\% + 0.50\% = 3.50\%$  p.a. The client receives exactly 3.50%

Example 3: If EIBOR fixes at 4.75%, 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 6 months. The bank reserves the right to recover interests paid in excess from the current account or on the redemption amount. After 6 months, a penalty of 1% on the rate of interest will be applied, only on the specific last quarter.

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

○ **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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