FAQ - Floating Rate Term Deposit-i (FRTD-i)

1 What is Floating Rate Term Deposit-i (FRTD-i)?

FRTD-i Account is a deposit account for a term in which profit (if any) is based on the Effective Profit Rate (EPR).

a. Generally, EPR is composed of two components (i) the benchmark, and (ii) the spread.

b. EPR Repricing Cycle **(ERC),** Profit Payment Frequency **(PPF)** and other applicable parameters will be specified in the relevant form at the inception. For avoidance of doubt, these parameters cannot be changed during the FRTD-i tenure.

c. EPR will be set at inception and will be updated for the latest value of the benchmark at the beginning of each new ERC. During the ERC period, EPR will remain unchanged.

d. Tenure of the benchmark will match the period of EPR Repricing Cycle (e.g. monthly ERC with KLIBOR 1-month; or quarterly ERC with KLIBOR 3-month).

e. For payment of profit to the customer, the customer may select between (i) payment at the maturity; or (ii) periodic/interim profit payment on frequencies specified in the form. The profit period may be shorter than or co-terminus with the period of repricing cycle.

2 What should customers consider before making a placement in FRTD-i?

Customers should understand the profit rate structure, all parameters related to the FRTD-i placement, including the profit rate, repricing cycle, etc. (as per details in the applicable placement form), and applicable Terms and Conditions that govern FRTD-i placements.

3 What forms are to be completed in for FRTD-i account opening/placement?

1. Business Account Application Form for New to Bank customer.
2. FRTD-i Placement Form
3. Any other form(s) as advised by the Bank

4 What are the charges/ fees customers have to pay?

Fees Type	Details
Service Fee	NIL
Issuance of Duplicate / Replacement of FRTD-i Deposit Placement Advice	RM5.00
Issuance of Duplicate / Replacement / Printing of FRTD-i Renewal Notice	RM2.00
Agency Fee	Deposit amount x Agency Fee Rate** x (No. of Days in Placement Tenure / No. of Days in Year*) **Please refer to our board rate for the current Agency Fee Rate.

5 Is the customer allowed to perform premature withdrawal?

If the customer performs a premature withdrawal, 100% of the profit paid or payable is subject to clawback and forfeiture. For avoidance of doubt, no profit is paid to the Customer in case of premature withdrawal.

6	**When will the profit payable to the customer be credited into the customer’s account?** Profit payable is paid to customer in the following arrangement: 1. in relation to any FRTD Account where profit is payable upon maturity, means any Business Day at or around the maturity of the placement. 2. in relation to any FRTD Account where upfront profit is payable, means any Business Day at or around the last day of the Profit Period. You may refer to the illustration below for better understanding.
7	**To which account will the profit be credited for the profit payment frequency?** The profit payment frequency selected by the customer will be transferred to the customer's current account based on the account number provided in the placement form submitted during the account opening. Customers have the option to have the profit credited to a non-ARBM current account; however, please note that charges will apply (i.e RENTAS or IBG charges).
8.	**Can customer reinvest the profit credited during profit payment frequency within the repricing cycle?** The profit credited into the Customer’s account during profit payment frequency **cannot** be reinvested during the repricing cycle.
9	**What renewal options are available for customers to select from?** Option 1 – Renewal at fixed rate (renew principal + profit, or principal only) Option 2 – No renewal, with full encashment.
10	**What are the risks associated with FRTD-i?** a. Rate of return risk The Effective Profit Rate (EPR) of FRTD-i is tied to a benchmark rate. In the event of benchmark rate increases, the EPR will correspondingly increase. Conversely, if the benchmark rate decreases, the EPR will also decrease. b. Market Risk As FRTD-i is tied to the benchmark, the benchmarks used to determine the profit rate may be influenced by economic factors that can lead to rate fluctuations.
11	**Will customer be notified of any changes in the Effective Profit Rate?** No. The customer instead may check with the branch officer to obtain the latest Effective Profit Rate (EPR).