



INVESTBANK's Bites Of Financial Advice



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This month, opening a deposit account for a conservative investment



Secure your finances with the simplest, most convenient and safest investment option – a deposit account that keeps your capital safe while you receive a higher interest return!

Time Deposits are basic fixed deposits for which you receive interest income depending on the currency of your deposit and the time period you abstain from withdrawing from this account. The time (or maturity) period may vary from one month to a number of years; the longer the maturity, the higher the interest received. Of course, there is a catch – if you tap into this deposit account before its maturity date, you lose

the interest of the remaining period. Here are two options to avoid early withdrawals:

1. Structure your deposit account to release your monthly interest so it doesn't accumulate. If, for instance, your fixed deposit of JD100,000 was earning five percent yearly interest, you have access to the monthly interest of JD416 without jeopardising the terms of the deposit.



2. Use the deposit account as collateral against a loan. Getting interest on your deposit and paying interest on your loan makes it possible to receive a net balance if your deposit is larger than your loan. For instance, assuming you need JD50,000 out of your JD100,000 fixed deposit, by getting a loan of JD50,000 at a yearly interest rate of eight per cent, you end up paying JD4,000 in interest for the first year to service this loan while receiving JD5,000 on the fixed deposit for the same period.

Non-Resident Accounts* are a great option if you're a non-resident Jordanian working abroad and wish to hold a deposit in Jordanian currency. These offer higher interest rates than other accounts net of tax (gross income minus the net tax deductions), whereby the bank pays the tax on your behalf.

i-Saver 1 Accounts* are Internet-based accounts that act as electronic savings accounts you can open and manage on-line. This type of deposit offers high interest rates on the average balance and allows withdrawals. If your balance at the start of the month is JD5,000 and your balance at the end of the month is JD100, the interest rate is calculated on your average holding balance (not the ending balance), maximising the interest amount you receive. 

For additional tips, visit www.investbank.jo

The information mentioned in this article constitutes general advice and is not to be construed by readers as guaranteed financial recommendations to take any action.

**This product is offered by some banks in the Jordanian market, one of which is InvestBank.*