



Glossary

Account History

An account history or transaction history is a statement of all the activity that takes place within a bank account over a given period of time. It includes a list of all your transactions, running balance, and the number of times your account was over-due or over-limit. Looking back at your account history helps identify spending patterns, and allows you to better plan your finances.

Activate (Activated and Activation)

Activate refers to the activation of your debit or credit card in order to use the card. Your card can be activated through phone banking, online banking, mobile banking, Text2Call or by calling Emirates NBD's virtual assistant.

AECB (Al Etihad Credit Bureau)

A credit bureau is an agency that collects individuals' credit information from banks and financial organisations. It provides this data to lenders and consumers in the form of a credit rating and credit score. Lenders use these to assess creditworthiness, or the ability to pay back a loan, and to determine interest rates and other terms of a loan. You can find out your credit score and secure a copy of your credit report from the AECB.





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Amortisation

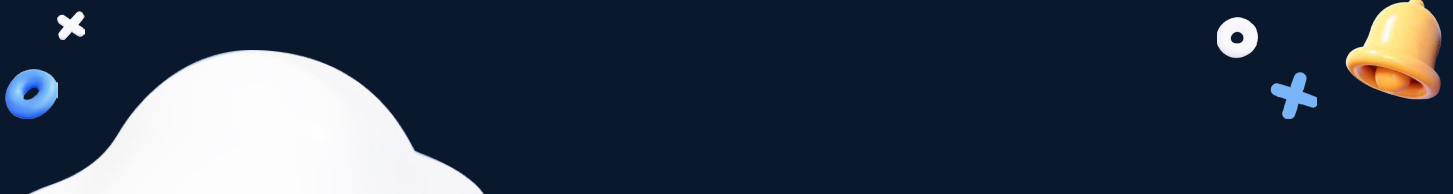
Amortisation is the process by which the amount due on a loan is reduced over time by making regular instalment payments of principal and interest, resulting in the payoff of a loan at its maturity. When you take a personal loan, you make a commitment to repay within a specific time schedule. This amortisation schedule helps you keep track of the amount that you pay in principal and interest every month. Make sure to insist on an amortisation schedule from the bank and regularly refer to it as you continue to plan and manage your finances.

Amortisation Schedule

An amortisation schedule is a timetable that shows each periodic loan payment that you owe every month, and how much of the payment is designated for the interest versus the principal. The schedule helps you keep track of the amount that you pay in principle and interest every month. Make sure to insist on an amortisation schedule from the bank and regularly refer to it as you continue to plan and manage your finances.

Annual Percentage Rate

The Annual Percentage Rate (APR) represents the total cost of borrowing money over a year, including the interest rate and any additional fees or charges associated with the loan. It is a crucial metric for understanding the true cost of credit and comparing different loan offers.





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Annual Fee

An annual fee is a recurring charge imposed by credit card issuers for card membership. This fee is typically charged once a year and contributes towards the cost of maintaining the card account, including benefits such as rewards programmes, travel perks, or insurance coverage.

ATM

An ATM (Automated Teller Machine) is a self-service terminal that allows you to withdraw cash from your account. It also lets you check your account balance, retrieve a mini-statement, and change your PIN, depending on the card you use. This machine only dispenses cash.

Available Balance

Available balance are the funds in your account that are ready for immediate use, including withdrawals, deposits, or transfers.

Available Credit

Available credit is related to the account balance of your credit card or other forms of debt. It refers to the amount of money you have left to spend, which is calculated by subtracting your purchases, and the interest on those purchases, from the total credit limit on the account. It's important to always keep track of your available credit so that you can adjust your spending based on your budget and financial goals.





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Average Monthly Balance

Average monthly balance is the balance maintained in your account. The balance in your current, savings, and fixed deposit accounts will be considered to compute the average balance. For example, if you maintain AED 5,000 in your account from the first day of the month till the last day of the month, then your average balance will be AED 5,000 for that calendar month. If you maintain zero balance for the first 15 days and maintain AED 10,000 for the next fifteen days, the average balance will also be AED 5,000 for that calendar month.

Balance Conversion (BalCon on credit card)

Balance Conversion is a programme that allows you to repay your credit card statement's outstanding balance as instalment payment plans. Balance Conversion is open to all Emirates NBD primary credit card holders with a minimum outstanding balance of AED 1,000. You can avail this facility through Emirates NBD's digital banking channels.

Balance Transfer (BT on credit card)

Balance Transfer (BT) is a programme that allows you to transfer your outstanding balance(s) from any other bank to your Emirates NBD credit card. It is open to all Emirates NBD credit card primary holders. You can avail a maximum of up to 90% of your available credit card limit; the amount will vary based on your eligibility and the available credit card limit. Fees may be applicable.





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Balloon Loan

A balloon loan is a short-term loan that does not fully amortise over its term. This means the remainder of the loan, or the final payment, is due in a lump sum. Balloon loans are usually between five to seven years and carry lower interest rates. However, monthly payments are calculated as if for traditional longer-term loans, such as a 30-year mortgage. At the end of the term, you would have paid off only a fraction of the principal balance.

Balloon Payment

A balloon payment is a final loan payment, due as one lump sum, that exceeds the value of the monthly payments. This final payment includes any outstanding principal and interest.

Bank Statement

A bank statement is a detailed list of all transactions for your bank account across the month. It includes deposits, charges, withdrawals, and the opening and closing balance for the period. The closing balance is calculated as a combination of the opening balance and deposits, minus any withdrawals. Your bank statement can help you budget better by providing a good estimate of your monthly revenues and expenses. Statements can be printed at bank branches or accessed via the bank's online and mobile banking systems, as well as through email.





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Bank Loan

Bank loans are financial arrangements wherein a borrower receives a specified amount of money from a bank and agrees to repay it over a given time, with added interest. These loans can be used for various purposes, such as purchasing a home, funding a business, or covering personal expenses.

Bonds

Bonds are debt securities issued by governments, municipalities, or corporations to raise capital. When an investor buys a bond, they are essentially lending money to the issuer, who promises to repay the principal amount along with periodic interest payments until the bond reaches maturity.

Borrowing

Borrowing is the act of obtaining funds or resources from a lender, typically with the agreement to repay the borrowed amount, plus interest or any other charges, over a specified period. Borrowing can take many forms, including loans, credit cards, or lines of credit.

Brokerage Account

A brokerage account is a type of investment account that allows individuals to buy and sell various securities, such as stocks, bonds, mutual funds, and exchange-traded funds (ETFs). These accounts are offered by brokerage firms and provide a platform for investors to manage their portfolios.





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Business Day

Any official working day on which branches of a bank are open for business in the United Arab Emirates.

Budget Tracker

A budget tracker is a financial tool or software that helps individuals or businesses monitor and manage their income, expenses, and savings. It allows users to track spending habits, set financial goals, and make informed decisions to stay within their budgets.

Call Deposit Account

A call deposit account is a type of bank account that has no fixed deposit period or tenor. Deposits can be “called” or withdrawn at any time, and earn interest on your balance. This interest is paid out quarterly, based on daily closing balance.

Card Skimming

Card skimming is the act of using a skimmer to illegally collect data from the magnetic stripe of a credit, debit, or ATM card. Skimmers are installed in ATM or POS machines and copy information onto the magnetic stripe of blank cards. Identity thieves then use this to make purchases or withdraw cash in the name of the actual account holder. Avoid using any ATM or POS machines with abnormalities, such as unusual or strange additions.





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Card Verification Code (or Card Verification Value)

A Card Verification Code (CVC) or Card Verification Value (CVV) is the three or four-digit number located on the back of your debit or credit card. It is not the same as your card's PIN. Established by Visa and Mastercard, the code works as an authentication scheme to prevent unauthorised use of a card for any online or card-not-present transactions. To reduce fraud and verify you have the physical credit or debit card on hand, online merchants require you to provide a CVV number during transactions.

Cash Deposit Machine

A cash deposit machine is a self-service terminal that enables you to deposit cash into your account. This includes cash payments for utility services, credit cards, and loans. Some cash deposit machines also have the functionality to withdraw cash.

Central Bank

A Central Bank is a national bank that manages and helps implement a monetary policy for a given government or country. For instance, by setting interest rates and the issuing currency. In the UAE, Central Bank refers to the Central Bank of the UAE.





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Cashback

Cashback is a rewards programme offered by some credit cards or retailers, where cardholders receive a percentage of their purchase amount as a refund. This incentive encourages card usage and can provide tangible savings or benefits over time.

Chargeback

A credit card chargeback occurs when a charge on your card is reversed, such as when a merchant returns credit to you after a returned or disputed purchase.

Charges

Charges refer to fees or costs associated with financial products or services. These include fees related to transactions, maintenance, penalties, or any other expenses incurred while using or managing financial accounts or assets.

Clearance Letter (for a Personal Loan)

A clearance letter for a personal loan is proof that a customer has settled his or her personal loan in full. It states that a specific liability has been cleared, while a no-liability letter states that you have no existing liabilities.





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Collateral

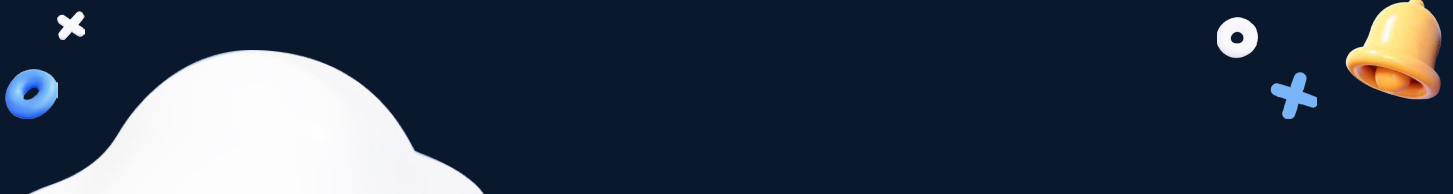
Collateral refers to assets that a lender accepts as security on a loan or other credit and is subject to seizure on default. For example, if you get a car loan, the collateral would typically be your car.

Contactless Card

A contactless card is a credit or debit card that contains a chip and an antenna that enables you to make contactless payments. Look for the contactless indicator icon on your credit or debit card to know whether your card can make contactless payments.

Contactless Payment (Pay on The Go)

Contactless payment is a fast, convenient, and secure payment method that requires no physical contact between the consumer's payment device and the physical terminal. Via radio frequency identification (RFID) technology and near-field communication (NFC), consumers can buy products or services using a debit or credit card, smartphone or smart watch, or other payment-enabled device. This payment method works by tapping a payment card or other device near a point-of-sale terminal, equipped with this technology. Contactless payment is quick, easy, and safe as it doesn't require consumers to touch a device to input a PIN. Examples of contactless payment methods include Apple Pay, Fitbit Pay, Garmin Pay, Google Pay, Samsung Pay or any bank mobile application that supports contactless payment such as Emirates NBD Pay.





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Compound Interest

Compound interest is the interest calculated on the initial principal amount, as well as the accumulated interest from previous periods. This compounding effect leads to exponential growth of savings or debt over time, making it a crucial concept in financial planning and investing.

Credit (Crediting your account)

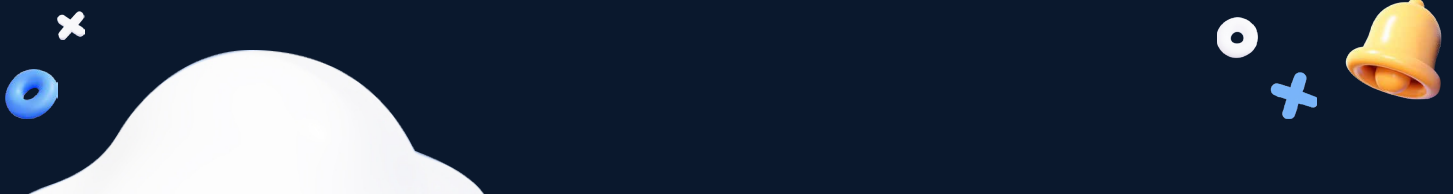
Credit or crediting your bank account refers to a transaction that adds money to your account and increases your account balance. A credit is the opposite of a debit, wherein money is reduced from your account.

Credit Card

A credit card is a bank card that permits cardholders to borrow money to make payments. Credit cards are issued on the condition that you pay back the borrowed funds, along with any applicable interest and additional agreed-upon charges. This is paid either in full by the billing date or over a period of time. Credit cards include details such as the issuer's name, the network, the cardholder's name, and the card number.

Credit Card Number

A credit card number is the unique number embossed on your card. The first six digits on a credit card are called the issuer identification number and identify the issuer, such as Visa, MasterCard or American Express.





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Credit Limit

A credit limit is the maximum amount of money or total amount you are approved to use on a credit card or a personal line of credit.

Credit Rating

A credit rating or report is a record of your financial reputation or entire credit history in the UAE. It is used by lenders to evaluate your ability to repay a loan or use a credit card without defaulting. The record includes the total outstanding balance of your debt in the UAE, the total amount of late and missed payments to all credit providers, a summary of active contracts belonging to or related to you, such as a mortgage, personal loan or car loan, details of the payment history for each of those contracts, the number of contracts overdue for more than 90 days, a list of all of your applications for credit with lending institutions, and your credit score. The credit rating determines whether you will be approved for a loan, as well as the interest rate at which the loan will need to be repaid. A high credit rating suggests a high possibility of paying back the loan amount in its entirety without any issues and generally results in a lower interest rate, as it represents lower risk. Credit reports and credit scores in the UAE are issued by the Al Etihad Credit Bureau (AECB), which accesses credit history through banks and financial institutions.





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Credit Report

A credit report is a detailed record of an individual's credit history, including credit accounts, payment history, outstanding debts, credit enquiries, and public records such as bankruptcies or liens. Lenders use credit reports to assess creditworthiness when evaluating loan applications.

Credit Score

In the UAE, your credit score is a three-digit number between 300 and 900 that represents your credit worthiness. This credit score is calculated by the Al Etihad Credit Bureau (AECB) and is determined by a complex mathematical model that evaluates and analyses many types of information in a credit rating or report. AECB accesses credit history through banks and financial institutions. A high credit score can result in a lower interest rate for loans. You can find your credit score and secure a copy your report from the AECB.

Credit Shield Insurance

Credit shield insurance is a type of insurance coverage that helps protect borrowers from financial liabilities in case of specific events, such as disability, unemployment, or death. It may cover loan repayments or outstanding balances, thereby providing a safety net for borrowers and their families.





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Cryptocurrencies

Cryptocurrencies are digital or virtual currencies that use cryptographic techniques to secure transactions and control the creation of new units. They operate on decentralised blockchain networks, independent of central banks or governments, and can be used for various purposes, including investments and transactions.

Current Account

A current account is a no-interest bearing bank deposit account in which you deposit money for immediate use and allows for withdrawals without any notice.

Current Balance

A current balance is the amount of funds currently in your account, including any pending activity.

Currency Conversion Fee

A currency conversion fee or foreign transaction fee is a charge incurred on any transactions where the currency of the transaction is not the same as the currency of your credit card. The bank issuing the credit card may also charge an additional fee. For example, if you use your UAE dirham (AED) card to pay for your shopping in the US, the merchant will charge you in US dollars (USD) and the currency will automatically be converted for a fee.





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Currency Peg

A currency peg is a policy in which a government will peg or set a specific fixed exchange rate for its currency to that of another foreign currency or a basket of currencies. For instance, the UAE dirham (AED) is pegged to the US dollar (USD) at a rate of 3.6725 dirhams to one dollar, or 0.272294 dollars to one dirham. This means the value of the dirham to the US dollar will remain the same. Pegging a currency stabilises the exchange rate between nations and provides long-term predictability of exchange rates for business planning or investments.

Customer's Instructions

Customer's instructions refer to the instructions given by a customer to the bank regarding the operation of your account.

Cut-off Time

A cut-off time is the deadline established by a bank by which a particular type of transaction, such as a bill payment or fund transfer, can be initiated through a banking service.

Debit

A bank debit is a book-keeping term that refers to the reduction of deposits held by bank customers. When your bank account is debited, it means money is taken out of the account. A bank debit occurs when you use the funds in





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your account, therefore reducing the account balance. Bank debits can be the result of cheque payments, withdrawal of funds from an account at a bank branch or via ATM, or the use of a debit card for payments. The opposite of a debit is a credit, wherein money is added to your account.

Debit Card

A debit card is a bank payment card that immediately deducts money to pay for a purchase from your checking account. Unlike credit cards, debit cards do not allow the account holder to go into debt, except perhaps for small negative balances that might be incurred if the user has signed up for overdraft protection. Debit cards typically have daily purchase limits, meaning it may not be possible to make an especially large purchase with the card.

Debt Consolidation

Debt consolidation involves combining multiple debts, such as credit card balances or loans, into a single loan or payment plan. This strategy aims to simplify debt management, potentially lower interest rates, and make repayments more manageable for borrowers.

Debt-to-income ratio

A debt-to-income ratio is the sum of all your personal monthly debt payments divided by your gross personal monthly income. When you're applying for a loan, this ratio determines whether you will be able to make your monthly payments. Also, see Debt Burden ratio (DBR).





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Default

A default occurs when you are unable to make timely payments, miss payments, or avoid or stop making payments entirely on interest or principal owed. Defaults can occur on secured debt such as a mortgage loan secured by a house, or on unsecured debt such as credit cards. Most creditors allow a loan to remain delinquent for some time before considering it in default. Defaults can lower your credit score, reduce chances of obtaining credit in the future, and result in higher interest rates on existing debts, as well as on any new obligations.

Delinquency

Delinquency means that you are behind or overdue on payments against a debt such as a loan or a credit card payment and have not made payments on time consistently. Consequences for delinquency depends on the type, duration, and cause of delinquency. For instance, people who are late with a credit card payment may have to pay a late fee in addition to associated interest on the amount due. Following sustained non-payment of a loan, the lender can initiate legal action such as foreclosure proceedings. Once you are delinquent for a certain period of time, a lender will declare the loan to be in default and the entire loan balance will become due at that time.

Demand Draft

Demand draft is a process you can opt-in to transfer funds from your bank account to another account. You can apply for a demand draft using online banking, phone banking or at an Emirates NBD branch.





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Depreciation (Currency Depreciation)

Depreciation refers to a decrease or loss in the value or exchange rate of a currency in relation to other currencies, in connection with conditions on the foreign exchange market.

DirectRemit

DirectRemit is an innovative remittance service offered by Emirates NBD that allows customers to make instant money transfers to their home country for free. Currently, this facility is available across India, Egypt, Pakistan, Philippines, Sri Lanka, and the United Kingdom.

Direct Debit

Direct Debit (UAEDDS) is a way to pay regular bills from your current or savings account. You can set up a direct debit by signing a Direct Debit Mandate form through your respective bank branch. Money is then taken from your bank account automatically by the company you are paying, according to your instructions.

Diversification

Diversification is a risk management strategy that involves spreading investments across different asset classes, industries, or geographical regions. By diversifying their portfolios, investors can reduce the impact of individual asset performance on overall investment returns and mitigate risk.





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Dividends

Dividends are payments made by companies to shareholders as a distribution of profits. These payments are typically made regularly, either quarterly or annually, and can be in the form of cash dividends or additional shares of stock.

DoubleSecure

DoubleSecure is an online authentication tool that provides added security on online purchases at any participating, verified merchant websites using your debit or credit card. This feature ensures that only you can complete an online transaction using your card after entering a one-time authentication code (OTP) sent to your registered mobile number and/or email address. Participating websites can be identified by the Verified by Visa and MasterCard Secure Code logos that are displayed on a payment page. DoubleSecure helps minimise risk of fraudulent online transactions on your card and is provided at no additional cost. Even if your card is misplaced, a purchase cannot be completed without the authentication code. To enjoy additional security with DoubleSecure and receive transaction alerts, make sure your current mobile number and email address are always updated with the bank.

Dormant Account

A dormant account refers to an account that has had no transactions for more than 12 months. Your account(s) become dormant when there is no financial activity, other than the posting of interest. This is a precautionary measure, wherein access and withdrawal restrictions are placed on your account(s) to safeguard against unauthorised activity.





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Dynamic currency conversion (DCC)

Dynamic currency conversion (DCC), also known as cardholder preferred currency (CPC), is a credit card feature allowing you to make a point-of-sale (POS) purchase in a foreign country using the currency of your home country. It also lets you withdraw foreign currencies at ATMs overseas from your home currency account. As the name suggests, Dynamic Currency Conversion takes place in real-time and a currency conversion fee is charged for these transactions.

All Emirates NBD's ATM machines in the UAE are also enabled with Dynamic Currency Conversion, to reflect withdrawal amounts in the cardholder's billing currency for foreign credit cards. Customers using an Emirates NBD ATM to withdraw money will find that the amount withdrawn in UAE dirhams will be automatically converted into their billing currency, in the statement generated by the issuer of the card. The DCC service provides greater clarity and convenience to cardholders with foreign credit cards.

Early (Premature) Withdrawal

Early (premature) withdrawal is when you withdraw funds from a fixed-term investment before the maturity date. Early withdrawals are usually subject to penalties, though there are some exceptions.





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EIBOR

EIBOR is the Emirates Interbank Offered Rate, which is the benchmark interest rate in UAE dirham at which banks lend to each other. EIBOR rates change daily and can be checked on the Central Bank website [here](#). The EIBOR is used as a reference rate by borrowers and lenders to conduct financial transactions in the UAE, such as loans.

Emergency Fund

An emergency fund is money you save up to help cover unexpected costs like car repairs or medical bills. It provides peace of mind, as you can avoid having to borrow money during an emergency.

e-Statement

An e-statement is the electronic equivalent of your bank statement.

Exchange Rate

An exchange rate is the value of one country's currency in terms of the currency of another nation or economic zone. Exchange rates can be either fixed (pegged) or floating.





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Exchange Traded Funds

Exchange-traded funds (ETFs) are investment funds that are traded on stock exchanges like individual stocks. ETFs typically hold a diversified portfolio of assets such as stocks, bonds, or commodities, and offer investors exposure to a specific market index or sector.

Expenses

Expenses refer to the money spent or required to be paid out for goods, services, or obligations. These may include daily living, utility bills, loan payments, taxes, insurance premiums, and other costs incurred by individuals or businesses.

Expiration Date (Card Expiration Date)

A card expiration date is the date at which your debit or credit card will expire and is specified on each card. This does not mean that the corresponding bank account is closed, it just means it's time to get a new card. As long as you have shown responsible financial behavior, a new card is automatically mailed to you by the issuer and will have a new expiration date, CVC code, and credit card number.





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Fixed Deposit Account

A fixed deposit account is an interest-bearing bank account that has a pre-set date of maturity. The funds must remain in the account for the fixed term to earn the stated interest rate. However, some accounts offer the freedom to make partial withdrawals after a certain period during emergencies, while keeping the rest of your deposit safely intact. You can retrieve your funds once you complete your tenor or grow your wealth by renewing for another tenor. Fixed deposit accounts typically pay a higher rate of interest than a regular savings account, as the interest is calculated on a periodic compounding basis. In general, the longer the time to maturity, the higher the interest rate will be. A current or savings account is mandatory to open a fixed deposit account.

Financial Wellbeing

Financial wellbeing encompasses a person's overall financial health and stability. This includes their ability to meet financial obligations, manage expenses, save for the future, and achieve financial goals. It reflects a sense of security, confidence, and control over one's finances.

Fixed Expense

A fixed expense is a regular, predetermined cost that remains constant each billing cycle or period. Examples of fixed expenses include rent or mortgage payments, insurance premiums, subscription fees, and loan instalments with fixed repayment schedules.





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Fixed Rate (of Interest)

A fixed or flat rate of interest is an interest rate that does not vary or change for the entire term of your loan or deposit. In other words, interest is charged on the full amount of the loan throughout its loan tenure. A fixed interest rate avoids the risk that a loan payment can increase over time. Fixed interest rates can be higher than variable rates and borrowers are more likely to opt for fixed-rate loans when interest rates are low.

Floating Exchange Rate

A floating exchange rate is an exchange rate system where the price of a nation's currency is set by the forex market based on demand and supply, relative to other currencies. Such a rate occurs when a country's government allows the exchange rate to be determined by market forces.

Foreign Exchange (forex or FX)

Foreign exchange (forex or FX) is an over-the-counter market where trading or exchanging of one currency for another takes place. For example, one can swap the US dollar (USD) for the UAE dirham (AED). Forex trading is how individuals, banks, and businesses convert one currency into another. The market determines the value of currencies, also known as an exchange rate. It is considered the largest liquid market in the world.





**Financial
Wellbeing**
with Emirates NBD



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GlobalCash Card

Emirates NBD's GlobalCash Card, in partnership with MasterCard, refers to a multi-currency prepaid card with chip and PIN functionality. It further includes the option to load up to 15 currencies onto it, to then use across millions of ATMs worldwide that display the MasterCard Acceptance mark. The GlobalCash Card helps you avoid currency rate fluctuations, cross currency charges, and provides additional benefits such as emergency travel assistance.

IBAN

An International Bank Account Number (IBAN) is a standard international numbering system developed to identify an overseas bank account. This unique identifier helps banks process payments from person to person automatically.

Inactive Account

Any account with no transactions for a period of 12 months is classified as inactive. If your account becomes inactive there will be no restrictions for credits to the account. However, there may be delays in cheque clearing or transferring funds to other accounts.





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Interest Rates

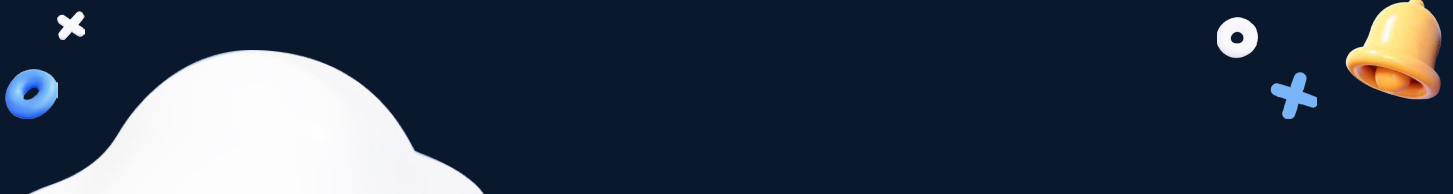
An interest rate is the percentage of a loan amount or investment principal charged or earned as interest over a specified period. Interest rates can be fixed, remain constant throughout a loan term, or be variable, wherein it fluctuates based on market conditions or benchmark rates.

Instalment Deferral

Instalment deferral is the delay or suspension of repayment of your personal loan's monthly instalment for an agreed-upon period of time (deferment period). During this time, you don't have to pay the bank interest or principal on your loan. The deferred instalment with interest is then split over the remaining loan tenor. A deferment may result in increasing your current instalment amount stated in the loan agreement and repayment schedule.

Inflation

Inflation is the rate at which the general level of prices for goods and services rises over time, reducing the purchasing power of currency. Inflation erodes the value of money and affects consumer purchasing behaviors, interest rates, and overall economic conditions.





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Investment Risk

Investment risk refers to the potential for financial loss or variability in investment returns due to factors such as market fluctuations, economic conditions, geopolitical events, or changes in asset values. Different types of investments carry varying levels of risk.

Issuer (Card Issuer)

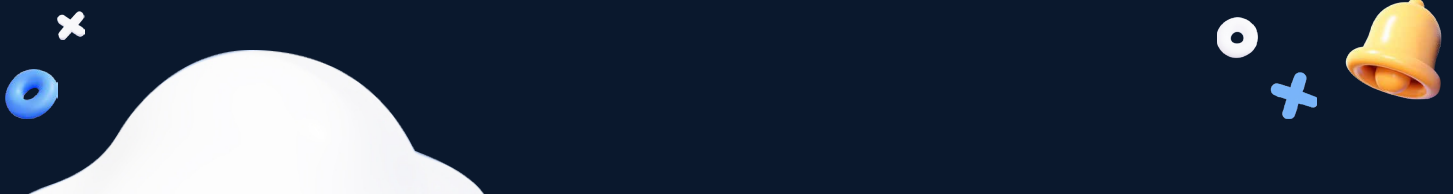
The issuer or issuing bank is the bank that issued your bank debit or credit card. So, if you apply to get a credit card from Emirates NBD, then we are the issuer.

KYC

KYC or Know Your Customer is a due diligence process by which the bank obtains information about the identity and address of customers before onboarding them. This process helps to ensure that a bank's services are not misused. As per the regulations set by Central Bank of the UAE, all banks need to consistently maintain valid identity documents and information of their customers. This further allows banks to understand customers and their financial dealings in order to serve them better and manage risks prudently.

Loan Foreclosure (Early Settlement)

A loan foreclosure is an option for you to close or settle your existing personal loan with your own cash or through another bank prior to completing the tenure you had originally planned with your lending bank.





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Late Payment Fee

A late payment fee is a penalty charged by lenders, creditors, or service providers when a payment is not made by the due date or within the specified grace period. Late payment fees incentivise timely payments and cover the costs associated with processing late payments.

Long-term Income

Long-term income refers to revenue or earnings generated over an extended period, typically from sources such as salary or wages, rental income, dividends from investments, pension payments, or annuities. Long-term income streams contribute to financial stability and retirement planning.

Liquidity

Liquidity refers to the ease and speed at which an asset can be converted into cash without significantly affecting its market value. Highly liquid assets, such as cash or publicly traded securities, can be quickly bought or sold with minimal price impact, while illiquid assets may take longer to convert.

Merchant

A merchant is any retail outlet, person or corporate entity supplying goods and/or services that accepts your debit or credit card as a means of payment or reservation by the card.





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Minimum Payment

The minimum payment is the lowest amount that must be paid toward a debt or credit account each billing cycle to avoid penalties or default. It is typically calculated as a percentage of the outstanding balance or as a fixed minimum amount set by the creditor.

Mutual Funds

Mutual funds are investment vehicles that pool money from multiple investors to invest in a diversified portfolio of stocks, bonds or other securities. They are managed by professional fund managers and offer investors an easy way to access a range of assets and investment strategies.

Negative Balance

A negative balance refers to any debit balance that results when there are insufficient funds on your card and a transaction is processed and cleared.

Needs

Needs refer to essential goods or services required for living, such as food, shelter, clothing, healthcare, and utilities. Distinguishing between needs and wants is crucial for budgeting and financial planning, as needs are necessities that must be prioritised in spending decisions.





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No Liability Letter

A no liability letter states the customer has no existing liabilities. Such a letter is usually valid for 15 days from the date of issuance. A clearance letter states that a specific liability has been cleared, while a no liability letter states that you have no existing liabilities.

Nominee

A nominee refers to a person appointed by an account holder who is entitled to receive the funds in an account in case of the death of the account holder. While not a pleasant scenario to consider, a nomination ensures that your funds are easily transferred to your loved ones in your absence, without contest, for their safety, security, and stability.

Overdraft

An overdraft is the deficit that occurs when you withdraw more than the available funds in your account, causing a negative balance.

Overdrawn

An account is considered overdrawn when you have withdrawn more money than is available in your account.





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Over Limit Fee

An over limit fee is charged to your card account when the current balance in the account exceeds the credit limit assigned at any time during a billing cycle. Such a fee is charged once during the billing cycle.

Partial Settlement

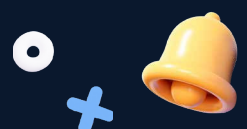
A partial settlement is an advance payment or partial payment against your loan outstanding amount.

Pay Yourself First

Pay Yourself First is a financial strategy that prioritises saving or investing a portion of income before allocating funds to other expenses. By treating savings as a non-negotiable expense, individuals can build wealth, establish emergency funds, and achieve long-term financial goals.

Payment Instruction

A payment instruction is a banking payment made on your behalf, which may include, but is not limited to, bank cheques, bank drafts and telegraphic transfers.





Glossary

Passive Income

Passive income is money earned with minimal active effort or direct involvement, often generated from investments, rental properties, royalties, or certain business ventures. Passive income streams can provide ongoing revenue and financial stability without requiring constant time or labor.

Pegged

Pegged refers to the practice of tying the value of one currency or asset to another, typically done by governments or central banks to maintain exchange rate stability. A currency peg establishes a fixed or semi-fixed exchange rate between two currencies, influencing international trade and monetary policy.

Periodic Expense

Periodic expenses are costs that occur regularly but not necessarily on a monthly basis, such as quarterly taxes, annual subscriptions, or semi-annual insurance premiums. Accounting for periodic expenses in a budget helps ensure funds are available when these expenses arise.

Phishing

Phishing is a tactic employed by cybercriminals to deceive individuals into divulging personal information, such as banking details or passwords, by impersonating trusted entities like banks. They typically use deceptive emails, texts, or links to fraudulent websites, aiming to extract sensitive data for





Glossary

identity theft or fraud. Falling victim to phishing can lead to significant financial loss and identity theft. Vigilance against suspicious emails and verifying their legitimacy before clicking on links or attachments is crucial to safeguarding personal information.

PIN

A PIN (Personal Identification Number) is a numeric code utilised in electronic financial transactions for added security. It's usually issued or chosen by the user to authorise transactions at ATMs, PIN-accepting retail outlets, and self-service terminals, and enhances transaction security.

Point of Sale (POS)

Point of sale (POS) refers to the location, system, or terminal where you make a payment for products or services. It can be in a physical store, where POS terminals and systems are used to process card payments, or a virtual sales point such as a computer or mobile device.

Pre-authorisation

Pre-authorisation involves temporarily holding funds on your card, often used by merchants like hotels or car rental companies to secure payment. The pre-authorised amount is temporarily unavailable for transactions and can last up to 30 days.





Glossary

Prepaid Card

A prepaid card is a stored-value card that has been secured by a previously deposited cash balance. Unlike a debit card, a prepaid card is not linked to a bank account. For example, Emirates NBD's Digital Gift Card is a type of prepaid card that can be bought in 60 seconds and sent straight to your loved ones electronically to be used across online shopping websites.

Prepayment

Prepayment is when you pay your debt before it is due.

Price Movement (Currency Price Movement)

Price movement refers to the change in the price of a currency over a specific period of time.

Principal Balance

Principal balance is the outstanding balance on your loan, excluding interest and fees.





Glossary

Reducing Monthly Interest Rate

A reducing monthly interest rate is calculated monthly on your outstanding loan balance and diminishes with each repayment. As you pay off the principal, the outstanding loan amount decreases, lowering the interest calculated for the next month.

Remittance

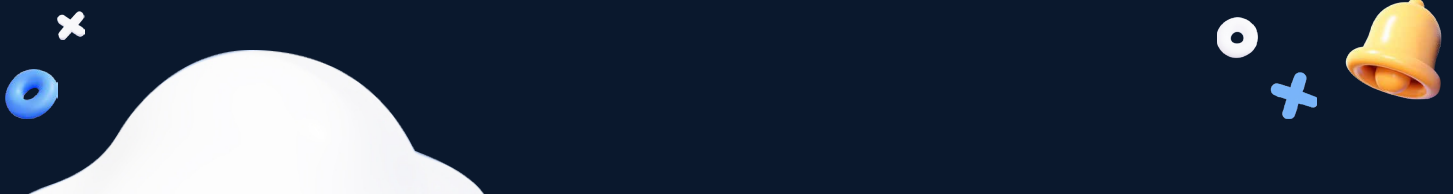
Remittance refers to money that is sent or transferred locally or internationally to another party, known as the beneficiary. Remittances can be sent via methods including telegraphic transfer, DirectRemit, and cheque. Remittances can be used for any type of payment including invoices, but the term is typically used for money that is sent to family members in a person's native country.

Remitter

A remitter is the owner of the account that sends a payment or remittance.

Same Bank Transfer

A same bank transfer, or intra-bank transfer, is when you transfer funds from one account to another within Emirates NBD.





Glossary

Savings Account

A savings account is a non-transactional deposit account that is interest-bearing and offers various banking services such as a debit card, ATM access, and online and mobile banking.

Security Codes

Security codes refer to your card PIN, passcodes, and passwords to access your Emirates NBD accounts.

Secured Loan

A secured loan is a type of loan that is backed by collateral, such as real estate, vehicles, or other assets owned by the borrower. The collateral provides security for the lender, reducing the risk of default and often resulting in lower interest rates for the borrower.

Short-term Income

Short-term income refers to revenue or earnings generated over a relatively brief period, typically from sources such as employment wages, freelance work, temporary projects, or short-term investments. Short-term income may fluctuate more than long-term income streams but is essential for covering immediate expenses.





Glossary

SIM SWAP

SIM swap occurs when fraudsters exploit telecom operator processes to obtain a SIM card for your registered mobile number without your consent. They use fake or stolen ID documents to convince your service provider to issue a new SIM card, claiming yours is lost or damaged. By redirecting your calls and messages to their phone, including banking authorisation codes and OTPs, they attempt to access your digital banking credentials and carry out fraudulent transactions.

Simple Interest

Simple interest is a type of interest calculated only on the initial amount of money borrowed or invested. It does not consider any additional interest that may accumulate over time.

Skimmer

A skimmer is a malicious card reader attached to real payment terminals. It is used by identity thieves to capture data from the magnetic strip on the back of a debit or credit card. Criminals install these on ATMs or other point-of-sale machines and use the collected data to create cloned cards or gain access to your bank accounts to steal money. Criminals usually install either a camera above or around the ATM or an electronic keypad that fits over the existing keypad to capture a PIN.





Glossary

SMS Banking

SMS banking allows you to receive automatic notifications about your account activity on your mobile phone. Tailored to your preferences, it offers control and aids in preventing fraud and overdrafts. For instance, you can opt to receive alerts for purchase transactions, ATM activity, salary credits, and account or credit card balances, according to your chosen frequency and time.

Snowball Method

The Snowball Method is a debt repayment strategy that focuses on paying off the smallest debts first while making minimum payments on larger debts. As smaller debts are eliminated, the freed-up funds are applied to larger debts, creating momentum and motivation to accelerate debt repayment.

Statement Cycle

A statement cycle is the interval of time from the end of one bank statement date to the next bank statement date, usually set on a monthly basis.

Stocks

Stocks, also known as shares or equities, represent ownership in a company. When individuals purchase stocks, they become shareholders and have a proportional claim to the company's assets and earnings. Stocks can be bought and sold on stock exchanges, offering potential capital gains and dividends to investors.





Glossary

Stock Indices

Stock indices are measures of the performance of a group of stocks representing a particular market, sector, region, or asset class. Common stock indices include the FTSE 100, FTSE 250, and FTSE All-Share, and provide benchmarks for investors to track market trends and compare investment returns.

Stock Market

The stock market is a financial market where stocks, bonds, derivatives, and other securities are bought and sold. It provides a platform for investors, companies, and institutions to trade financial instruments, raise capital, and participate in the economy's growth and development.

Supplementary Card

A supplementary credit card is an additional card assigned by a primary card holder to their spouse, parents, siblings, children about 12 years of age, or house helpers like drivers or maids. All expenses incurred on a supplementary card are billed to the primary cardholder. Primary cardholders can choose the spending limit on supplementary cards and receive free SMS alerts for all transactions on those cards.





Glossary

SWIFT Code (or Number)

A Society for Worldwide Interbank Financial Telecommunications (SWIFT) code or SWIFT number is used to identify banks and financial institutions worldwide. It acts as an international ID for a bank and is used while transferring money between banks, especially for overseas wire transfers.

Telegraphic Transfer

A telegraphic transfer is an electronic method to transfer money locally and internationally via SWIFT in any currency you would like to make a remittance in. A telegraphic transfer is typically complete within two to four business days, depending on the origin and destination of the transfer, as well as any currency exchange requirements.

Tenor

Tenor refers to the remaining duration of a financial contract, such as a loan. For instance, a two-year loan has a one-year tenor after the first year has elapsed.

Term

A term refers to the time required for the maturity of a deposit or a loan.





Glossary

Term (Time) Deposit

A term deposit is a money deposit where you cannot make a withdrawal without penalty for a certain period of time or “term”.

Tiered Savings Account

A tiered-rate savings bank account is an account that pays different rates of interest depending on the amount of funds held in your account. Typically, tiered-rate accounts will offer higher or escalating rates of interest for larger account sizes in order to encourage you to save more.

TIN

TIN refers to your secret Telephone Identification Number, generally a four-digit number that enables access to your phone banking services.

Unauthorised Transaction

An unauthorised transaction refers to a transaction without your permission. It does not include any transaction carried out by anyone performing the transaction with your knowledge and consent.





Glossary

Utility Bill

A utility bill is a statement or invoice issued by a utility company for services such as electricity, water, gas, sewage, or telecommunications. Utility bills outline consumption charges, fees, taxes, and payment due dates, reflecting essential services used by households or businesses.

Unsecured Loan

An unsecured loan is a type of loan that does not require collateral or asset backing. Instead, lenders rely on the borrower's creditworthiness, income, and financial history to approve the loan and determine interest rates. Unsecured loans may include personal loans, credit cards, or lines of credit.

Unforeseen Circumstances

Unforeseen circumstances is a term used in official statements to explain unexpected events beyond control, such as involuntary loss of employment, critical illness, permanent total disability, or loss of life, that prevent a previously agreed plan from continuing as normal.

Value Date

A value date is the date on which funds pertaining to a financial transaction are made available to the beneficiary.





Glossary

Variable Rate (of Interest)

A variable interest rate or dividend is an interest rate that fluctuates over the term of your loan, line of credit or deposit account. You would typically receive an introductory rate for a set period of time, often between one to five years. The rate then adjusts on a periodic basis after that point, based on the interest rate set by the UAE Central Bank EIBOR or another benchmark index.

Variable Expense

Variable expenses are costs that fluctuate or vary between months, based on consumption, usage, or discretionary spending. Examples of variable expenses include groceries, entertainment, dining out, travel, and clothing purchases, as these may change depending on individual preferences and circumstances.

Volatility Risk

Volatility risk refers to the potential for investments or financial instruments to experience significant price fluctuations or volatility over time. High volatility can lead to rapid changes in asset values, presenting opportunities for gains and risks of losses for investors and traders.





Glossary

Vishing

Vishing, short for voice-based-phishing, is a scam where individuals are tricked into sharing personal and financial information over the phone, either to an Interactive voice response (IVR) machine or a person. Fraudsters manipulate victims into divulging sensitive details by posing as legitimate entities and claiming issues with individuals' bank accounts and debit or credit cards, or offer false prizes.

Wants

A “want” is something people desire but don't need for survival. It's what adds value or fulfills specific preferences. Businesses use this understanding to create products and strategies that appeal to these desires.

