

# Auto Balance Conversion

This Auto Balance Conversion is aimed at helping eligible customers to pay off the outstanding credit card balances in a shorter period at a lower rate. This will reduce the overall interest to customers.

It is also designed to promote prudent financial management among consumers, i.e. spending within your means and paying your credit card debt faster.

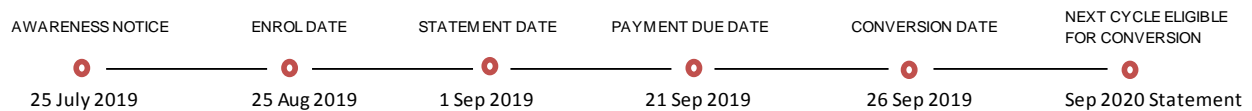
## Key Features

- Eligible customer will be given advance notice prior to being enrolled into the programme. The customer may decline the offer.
- Your unpaid credit card balances will be converted into 36 monthly instalments
- You must pay the instalment in full every month
- Balances will be converted at 13% p.a. (effective interest rate)
- Minimum convertible amount is RM1,000
- Convertible amount = total statement balance - total payment made

Please note that the amount converted will be booked on your existing credit card limit. Each monthly instalment you pay will incrementally restore your available credit limit or in full once the Auto Balance Conversion is fully repaid.

## How does it work?

Upon enrolment for this programme, your credit card outstanding balance will be assessed after payment due date and converted into 36 monthly instalments upon meeting the eligibility criteria every 12 months.



### Note:

Dates above to denote timeline of how the process works

- OCBC Bank will auto-enrol eligible customers
- Upon enrolment, the outstanding statement balance will be converted after payment due date + payment grace period\*

\* The illustration assumes payment grace period = 4 days.

## Benefits

- **Lower rate** @ 13% p.a. versus 15% - 18% p.a. credit card interest
- **Hassle-free conversion** - your outstanding statement balances will be converted upon meeting eligibility criteria (annual assessment)
- **No processing fee** on the conversion
- **No termination fee** – flexibility to early settle your instalment plan with no additional fee
- **Flexibility to opt-out** from each conversion offer

## Monthly Payment Due Illustration:

<b>Auto Balance Conversion</b>	<b>Month</b>	<b>Month</b>	<b>Month</b>
<b>Interest Rate (13%)</b>	<b>1</b>	<b>2</b>	<b>3</b>
Outstanding Balance (RM)	10,000		
Auto Balance Conversion	9,500		
Minimum Payment Due (RM)	500	320	320
Auto Balance Conversion Balances		9,283	9,063
<b>No Auto Balance Conversion</b>	<b>Month</b>	<b>Month</b>	<b>Month</b>
<b>Interest Rate (17%)</b>	<b>1</b>	<b>2</b>	<b>3</b>
Outstanding Balance (RM)	10,000	9,635	9,281
Minimum Payment Due (RM)	500	482	464

This is only an illustration of minimum payment due with and without the Auto Balance Conversion with the following assumptions:

- Minimum payment due is 5% of statement balance. Customer makes minimum payment due (5%) monthly.
- There is no new retail spending or cash advance following the conversion.
- The outstanding balance consists of retail spend only and revolves at 17%p.a.
- The monthly instalment amount from Auto Balance Conversion is RM320 and 100% of instalment amount is to be paid in full as part of minimum payment due.

## Eligibility criteria

- **Nationality:** Malaysian
- **Monthly income:** Less than or equal to RM5,000 (note that this refers to the latest verified income per bank record)
- **Payment history:** Payment ratio less or equal 10% (12 previous months' average)
- **Payment ratio** = Total payment / total statement balance (12 previous months)
- **Your card account is current and not delinquent**

*Note:*

1. You will not qualify for future auto conversion if your monthly income is above RM5,000.
2. You will continue to pay down any outstanding instalments from earlier converted balances.
3. You are encouraged to update the bank on any changes to your income level. Please contact OCBC Contact Centre for the details on income update.

## How to Opt-Out or Cancel?

- You may opt-out from the auto balance conversion by contacting OCBC Contact Centre.
- Upon opt-out, the bank will not convert your credit card balance to an instalment plan at that point in time. The bank will inform you of the next balance conversion offer 12 months later if you meet the eligibility criteria.
- Upon conversion of your credit card balance, you are allowed to cancel within 30 days from the date of conversion without any termination fee. This cooling-off period only applies to 1st time conversion.
- If you opt to cancel the instalment plan during the 3-year tenure, you will have to pay the outstanding principal in full.

## Frequently Asked Questions for Auto Balance Conversion (ABC)

### Q1: What is Auto Balance Conversion?

A1: Auto Balance Conversion is a credit card programme available to eligible cardmembers to automatically convert their outstanding balances into smaller instalments if the eligibility criteria are met. If your outstanding statement balance meets a minimum amount of RM1000, it will be converted into an instalment plan at 13% p.a. for 36 months. You may choose to opt-out of this programme at any time.

### Q2: What are the benefits of Auto Balance Conversion?

A2: The benefits of Auto Balance Conversion are:

- Lower effective interest rate of 13% p.a. versus the existing 15%-18% p.a. on your credit card
- Hassle-free conversion – your outstanding statement balances will be automatically converted to 36 months upon meeting eligibility criteria (annual assessment)
- No processing fee
- No early termination fee – flexibility to settle your instalment plan early
- Flexibility to opt-out from future conversion

### Q3: How do I qualify for Auto Balance Conversion?

A3: You are eligible for the Auto Balance Conversion upon meeting the following eligibility criteria:

- Malaysian nationality;
- Monthly income = < RM5,000 or =< RM60,000 annual income (as per your income record with OCBC);
- Did not make full payment on credit card outstanding balances over the past 12 months'
- Has made an average repayment of <= 10% of credit card outstanding balances in past 12 months'

Eligibility will be assessed annually.

### Q4: How do I enrol for the Auto Balance Conversion?

A4: You will be automatically enrolled into the programme upon meeting the eligibility criteria every 12 months.

### Q5: How does Auto Balance Conversion work and when does conversion happen?

A5: Upon auto enrolment to the programme, your credit card statement balance will be assessed on the payment due date + payment grace period (varies for each credit card issuer). If your outstanding statement balance (excluding payment made) meets the criteria of minimum of RM1,000, it will be converted into an instalment plan as per agreed interest rate and tenure. Auto Balance Conversion will not happen to a delinquent account of which no minimum payment is made past due date. Subsequent conversions will be offered to eligible customers at a 12-month interval via an advance notice.

**Q6: What happens if I do not meet the minimum threshold of RM1,000 statement balance or eligibility criteria in the assessment month?**

A6: Auto Balance Conversion will not happen. The re-assessment will happen in the following month.

**Q7: How do I opt-out from this Auto Balance Conversion?**

A7: You can opt-out from each balance conversion offer by contacting our OCBC Contact Centre.

**Q8: Can I cancel my Auto Balance Conversion (ABC) instalment payment plan after the ABC conversion?**

A8: There is a 30 days grace period for cancellation post conversion for the first time conversion. If you opt to cancel the instalment plan after this period, you will have to repay the outstanding principal in full. For subsequent conversions, if you choose to cancel the instalment plan after it has commenced, you will have to repay the outstanding principal in full.

To cancel your ABC instalment payment plan, you may do so by contacting our OCBC Contact Centre.

**Q9: What if I fully settle the Auto Balance Conversion Plan before its maturity?**

A9: You may at any time settle the Auto Balance Conversion instalment amount early without any termination fee. You are required to pay the total outstanding unpaid principal in full.

**Q10: What are my monthly obligations upon a successful Auto Balance Conversion?**

A10: The Auto Balance Conversion instalment amount must be paid in full every month. The monthly instalment amount will be calculated from the date when the conversion happens using a reducing balance payment method. The effective interest rate is 13% p.a. and the tenure is 36 months. The first instalment (comprising of principal and interest) payable will be reflected in the subsequent credit card statement.

**Q11: Will I be rewarded with rebate for the Auto Balance Conversion programme?**

A11: Unfortunately, you will not be earning rebates for your Auto Conversion instalment.

**Q12: What if I fail to fulfil my monthly payment obligations?**

A12: If you fail to pay your monthly instalments by the due date, treatment of the outstanding balances will follow the current practices for credit card. For more details, please refer to OCBC Credit Card Product Disclosure Sheet and Cardmember's Agreement.

**Q13: What will happen to my credit card limit upon a successful Auto Balance Conversion?**

A13: Upon successful Auto Balance Conversion, the amount converted will be booked on your existing credit card limit. Each monthly instalment you repay will incrementally restore your available credit limit or in full once the Auto Balance Conversion is fully repaid.