

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

### **Q1. What is Auto Balance Conversion?**

A1. Auto Balance Conversion is a credit card/-i programme available to eligible Principal cardmembers to automatically convert the 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 EIR<sup>^</sup> 13% p.a. for 36 months. You may choose to opt-out from this programme within 30 days from the e-mail or SMS date on the enrolment by contacting PB Card Services at 03-2176 8000.

\*only principal amount is convertible for credit card-i

<sup>^</sup>EIR = effective interest rate / Management Fee

### **Q2. How do I qualify for Auto Balance Conversion?**

A2. You are eligible for the Auto Balance Conversion upon meeting the following eligibility criteria:

- i) A Malaysian Nationality
- ii) Monthly income  $\leq$  RM5,000 (per income record with Public Bank)
- iii) Did not make full payment for credit card outstanding balance for the past 12 months;
- iv) Payment ratio  $\leq$  10% of outstanding balances over last 12 months' average  
(Payment ratio = Total payment over last 12 months / total statement balance over last 12 months)
- v) Cardmember's total outstanding balance is at least RM1,000; and
- vi) Cardmember's card account is current and not delinquent

### **Q3. How do I enrol for the Auto Balance Conversion?**

A3. You will be automatically enrolled into the programme upon meeting the eligibility criteria as stated in A2 once every 12 months.

### **Q4. How does Auto Balance Conversion work and when does conversion happen?**

A4. Your Auto Balance Conversion will start upon successful enrolment which will be communicated to you via email/ SMS notification to your registered email address/ mobile number from the Bank. The outstanding balance on PB credit card/-i will be reviewed on 25th day from your statement date to verify if it meets the minimum criteria for conversion. Auto Balance Conversion will occur when your PB credit card/-i outstanding balance meets the minimum balance requirement of RM1,000 where your outstanding balance will be converted into 36-month instalment plan at EIR 13% per annum. Your monthly repayment/ payment will be reflected on your credit card statement.

**Q5. What happens if I do not meet the minimum threshold of RM1,000 statement balance or eligibility criteria in the assessment month?**

A5. Auto Balance Conversion will not happen. The re-assessment will happen in the following month.

**Q6. How do I opt-out from this Auto Balance Conversion?**

A6. You can opt-out from this programme by contacting PB Card Services at 03-2176 8000.

**Q7. Can I cancel my instalment plan after the balance conversion?**

A7. Yes, there is a 30 days grace period for cancellation after the conversion has been made without any termination fee (for first-time conversion only). If you opt to cancel the instalment plan after this period, you will have to repay/ pay the outstanding balances in full. For subsequent conversions, if you choose to cancel the instalment plan after the conversion date, you will have to repay/ pay the outstanding balances in full. If you cancel the instalment plan, the converted amount will be reversed back into your Credit Card/-i Account and the usual applicable finance charges/ management fee will be chargeable as if the conversion did not take place.

**Q8. What if I fully settle the Auto Balance Conversion Plan before its maturity?**

A8. You may at any time early settle the Auto Balance Conversion instalment amount without any early settlement fee. You are required to pay the total outstanding unpaid balances in full including up to date interest rate/ management fee due.

**Q9. What are my monthly obligations upon a successful conversion of Auto Balance Conversion?**

A9. Your monthly instalment amount will be reflected on your monthly credit card statement. Your monthly payment must be paid in full every month. Upon successful Auto Balance Conversion, your outstanding balance will be converted in to 36-month instalment payment plan with the effective interest rate / Management Fee at 13% per annum.

**Q10. What if I fail to fulfill my monthly payment obligations?**

A10. A finance charge / Management Fee of 18%, 17% or 15% p.a. will be applied on your monthly Auto Balance Conversion payment plan which will be reflected in the following monthly statement. If you are unable to pay your monthly Auto Balance Conversion instalment plan for 3 months, your instalment plan will be cancelled and you will need to pay the outstanding amount in full.

**Q11. What will happen to my credit card-/i limit upon a successful Auto Balance Conversion?**

A11. The outstanding balance amount that is converted will be taken from your existing credit card limit. Each monthly instalment repaid/ paid will release your available credit limit by the amount paid every month or in full when it is fully repaid/ paid.

Month	1	2	3	4	5	6	7	8	9	10	11	12
Credit Limit	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
ABC Amount (Inclusive of EIR^)	1,800	1,750	1,700	1,650	1,600	1,550	1,500	1,450	1,400	1,350	1,300	1,250
ABC Monthly Instalment	N/A	50	50	50	50	50	50	50	50	50	50	50
Available Credit Limit	3,200	3,250	3,300	3,350	3,400	3,450	3,500	3,550	3,600	3,650	3,700	3,750

*Note: Table above is example of how the credit limit is released back into Cardmember's available limit with assumption that there is no other transaction, no finance charges / Management Fee and payment made before due date.*