

## Auto Balance Conversion (“ABC”) Programme

This programme is aimed at helping eligible credit cardholders to pay off their outstanding credit card statement balances in a shorter period at a lower interest rate. This will reduce the overall interest cost to customers.

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

## HSBC Auto Balance Conversion (“ABC”) Programme Terms and Conditions

1. HSBC Bank Malaysia Berhad Company No. 198401015221 (127776-V) will be referred to as “**HSBC Bank**”.

### Eligibility:

2. Auto Balance Conversion (“**ABC**”) programme is offered to HSBC Bank cardholders (“**Eligible Cardholder(s)**”) who meet the following eligibility criteria (“**Eligibility Criteria**”):
  - i. Malaysian;
  - ii. Annual income<sup>^</sup> in bank’s record is less or equal to RM60,000;
  - iii. Payment ratio\* in the last 12 months is less or equal to 10%;
  - iv. Card account must be active;
  - v. Account must not be delinquent on the date of conversion; and
  - vi. Outstanding statement balances after deduction of payment made must satisfy minimum of RM1,000 for the conversion on the date of conversion.

<sup>^</sup>Eligible Cardholder(s) are encouraged to update HSBC Bank on any changes to income level from time to time.

\*Payment ratio= Total payment made in last 12 months/ Total credit card statement balances of last 12 months

### Notification of Enrolment and Opt-Out period:

3. Eligible Cardholders will be automatically enrolled for the ABC programme with notice upon meeting the Eligibility Criteria.
4. Eligible Cardholders can choose to withdraw from the ABC programme by responding to the notification within the stipulated time (“**Opt-out**”).

### Conversion, Tenure and Interest Rate:

5. Eligible Cardholders who do not Opt-out are deemed to have accepted the auto-enrolment of ABC programme and the Terms and Conditions herein shall be binding on the Eligible Cardholders. The credit card statement balances will be assessed after payment due date.
6. All outstanding credit card statement balances will be converted to ABC (“**ABC Amount**”) within 1 week from payment due date at the effective interest rate of 13% p.a. which is equivalent to 7.1%

p.a. flat interest rate for 36 months provided the Eligible Cardholders remain eligible pursuant to the Eligibility Criteria stipulated in clause 2.

7. Eligible Cardholders will receive SMS notification on successful conversion and a letter on the ABC amount together with its applicable interest, tenure and ABC Monthly Instalment amount.
8. ABC will not commence if any of the following occurs on the conversion date:
  - i. No payment has been made to the card account(s) by the payment due date;
  - ii. Eligible Cardholders opt out from the ABC programme before the conversion date; or
  - iii. Outstanding statement balance (excluding payment made) do not meet the criteria of minimum of RM1,000 for conversion.

#### **Cancellation/Early Settlement:**

9. There is no early termination fee for ABC cancellation or early settlement. Eligible Cardholders may request to cancel/ early settle the ABC before its maturity by calling HSBC Bank via the contact number stated at the back of your HSBC Bank Credit Card. Upon our approval of the cancellation or early settlement, all billed but unpaid Conversion Amount and unbilled principal Conversion Amount shall immediately become due and Eligible Cardholders have the option to pay either in full or minimum monthly payment as per credit card statement. Failure to pay by the payment due date will result in applicable tiered Finance Charge/ Late Payment Fee to be levied on the applicable HSBC Bank Credit Card.

#### **Re-assessment of ABC:**

10. Upon successful conversion, subsequent conversion will be offered at a 12-months interval via an advance notice if eligibility criteria stipulated in Clause 2 are met.
11. Eligible Cardholders can Opt-out from each conversion offer. Upon Opt-out, the outstanding statement balance will not convert at the point in time. HSBC Bank will inform cardholders of the next balance conversion after 12 months if cardholders meet the Eligibility Criteria.

#### **Obligations upon successful ABC:**

12. During ABC tenure, the ABC Amount will be billed by way of monthly instalment ("**ABC Monthly Instalment**").
13. The effective interest rate for ABC programme is 13% p.a. which is equivalent to 7.1% p.a. flat interest rate and will be charged on the ABC Monthly Instalment amount on a reducing balance basis based on 36 months tenure. The ABC Monthly Instalment payable will be reflected in the credit card statement.
14. The ABC Monthly Instalment amount must be paid in full every month which will be reflected in cardholder' statement of account as part of monthly minimum monthly payment. Failure to pay by the payment due date will result in the applicable tiered Finance Charge and Late Payment Fee to be levied on the HSBC Credit Card account in accordance with the Cardholder Agreement, which forms part of the Universal Terms & Conditions ("**UTC**").

15. Eligible Cardholders are still required to make minimum monthly payment reflected in the recent credit card statement should the ABC commence on or after the next statement is out.

16. The total unbilled ABC amount shall immediately become due and payable if:

- i. ABC is cancelled or early settled;
- ii. Default in payment of ABC monthly instalments over 90 days; or
- iii. Credit card is cancelled or terminated.

and the applicable tiered finance charges shall be levied on the said ABC outstanding balance in accordance with the UTC.

**Reward Points, Cash Back, Air Miles:**

17. ABC Amount and ABC Monthly Instalment will not be eligible for reward points, cash back or air miles under the respective credit card programmes.

**Other terms and conditions:**

18. All other terms and condition appearing in HSBC Bank's UTC of which the Cardholder Agreement is part of, and as may stipulated from time to time by HSBC Bank, shall apply. In the event of inconsistency between these Terms and Conditions and the UTC, these Terms and Conditions shall prevail in so far as they apply to this ABC Programme.

19. HSBC Bank reserves the right as its absolute discretion to vary, delete or add to any of these Terms and Conditions with 3 days prior notice. These Terms and Conditions, as the same may be amended from time to time, shall prevail over any provisions or representations contained in any other promotional materials advertising this ABC Programme.

20. HSBC Bank's decision on all matters relating to ABC Programme is final and binding.