

FREQUENTLY ASKED QUESTIONS FOR AUTOMATIC BALANCE CONVERSION PROGRAM (ABC)

1: What is Automatic Balance Conversion Program (ABC)?

Automatic Balance Conversion Program (ABC) is a program that allows Bank Rakyat to automatically convert the Cardholder's principal outstanding balance (retails **AND** cash withdrawal) into 36 months monthly instalments with a profit rate of 13% per annum or 1.08% per month. This program is **ONLY** offered to **SELECTED** Cardholders based on criteria stated in the Terms and Conditions of ABC program. Bank Rakyat will notify the eligible Cardholders through SMS, email or any other communications channels that deemed appropriate by Bank Rakyat.

2: What is the eligibility criteria to QUALIFY for this ABC program?

The eligibility criteria as follows:

- i. A Malaysian citizen.
- ii. Annual income **NOT EXCEEDING** RM60,000 per annum or RM5,000 per month (based on latest annual income in Bank Rakyat record).
- iii. Consistent revolver in the past 12 months period; and
- iv. Average repayment is 10% or less from total outstanding balance for the past 12 months period.
- v. Minimum current outstanding balance (retail and cash withdrawal) is RM1,000.
- vi. Credit Card-i account **MUST** in **ACTIVE and NON-Delinquent** status during ABC program is offered.
- vii. Bank Rakyat staff is **NOT ENTITLED** to join this ABC program.

3: How to enroll for ABC program?

Cardholders are not required to register for the participation in this ABC program due to this program is only offered to the eligible Cardholders.

4: How is the implementation mechanism of ABC program and when is the conversion occurred?

The implementation mechanism of ABC program as follows:

- Eligible Cardholders will be notified via SMS on the fifth (5th) day after current card statement due date (*grace day period*). In the SMS, Cardholders will be notified on the enrolment into ABC program, total balance conversion amount, instalment tenure and profit rate of 13% per annum.
- Cardholders can request to opt-out from this ABC program by calling Bank Rakyat Card Centre at 03-2693 6880 within 30 days from the date of SMS received. Otherwise, Cardholder is deemed as **AGREED** to be registered under this ABC program.
- After 30 days period end, total principal of outstanding balance, and total profit rate of 13% per annum will be converted automatically into 36 months monthly instalment. However, for the first-time conversion, Cardholders will be given another 30 days cooling-off period to opt-out from the ABC program without having to incur any charges.
Note: If the current principal outstanding balance is less than RM1,000 during the conversion execution, Cardholders will be dropped from the ABC program.

➤ Illustration on SMS received by Cardholders as per below :

Statement Date	Payment Due Date	Offering SMS : eligibility for ABC programme (5 days after payment due date of current card statement)	Last date to opt-out (30 days from the date SMS received)	Date of Principal outstanding balance converted to monthly instalment @ 36 months (FIRST TIME Conversion)	Last date to opt-out (30 days from the FIRST TIME conversion date)*
10/5/2020	30/05/2020	05/06/2020	04/07/2020	05/07/2020	05/08/2020
15/5/2020	05/06/2020	10/06/2020	09/07/2020	10/07/2020	10/08/2020
28/5/2020	18/06/2020	23/06/2020	22/07/2020	23/07/2020	23/08/2020

*this period is for first time conversion only

5: How is the monthly instalment calculation under ABC program?

Total Outstanding Balance (retail transaction & cash withdrawal) = RM5,000
 Monthly Instalment period = 36 months
 Profit rate = 13% per annum

Calculation on total minimum monthly payment =

[5% x (retail transaction + cash withdrawal + profit rate + any charge (if any))] (+) Monthly instalment of ABC program (+) Instalment payment plan :

Transaction	Total (RM)
Total Outstanding Balance amount (Retail transaction and Cash Withdrawal)	5,000.00
Total profit rate*	1,950.00*
Total Outstanding Balance for conversion to ABC program	6,950.00
Monthly Instalment Payment under ABC program @ 36 months	193.06
Instalment Payment Plan (1) @ 12 months (RM2,400)	200.00
Instalment Payment Plan (2) @ 6 months (RM600)	100.00
Total Minimum Monthly Payment	493.06

*Profit rate calculation: Total principal amount x annual profit rate x 36 months
 = (RM5,000 x 13% x 3 years)

6: Can the Cardholders request to opt-out from ABC program?

YES. Cardholders need to call Bank Rakyat Card Centre at 03-2693 6880 within **30 days** from the date of SMS received. For the first-time conversion, Cardholder will be given another 30 days cooling-off period to opt-out from ABC program without incurring any charges.

7: Can the Cardholders request to cancel monthly instalment plan under ABC program, after the opt-out period end?

YES, however Cardholders are required to pay the outstanding balance under ABC program in full including current profit rate under ABC program by calling Bank Rakyat Card Centre before payment is made.

8: What happen if the principal outstanding balance is below RM1,000 during the principal outstanding balance converted to monthly instalment plan under ABC program?

Cardholders will be dropped from the ABC program.

9: What if the Cardholders failed to fulfill their monthly payment under ABC program?

If Cardholders failed to pay their monthly installment under ABC program, Cardholder's Credit Card-i account will turn delinquent.

If Cardholders did not make any payment or payment less than the minimum monthly payment stated in the Credit Card-i monthly statement within 3 consecutive months, ABC program will be cancelled automatically. Principal balance under ABC program will be charged with profit charge according to current profit rate tier as per stated in the Application Form and Product Disclosure Sheet.

Cardholders are responsible to ensure to make pay ABC monthly instalment in **FULL** as part of minimum monthly payment as per stated in the monthly Credit Card-i statement to avoid account turns delinquent. Failing which, Cardholders will be charged with compensation charge (Ta'widh) and profit rate as per stated in Application Form and Product Disclosure Sheet.

10: If I made payment more than the monthly instalment amount, will it reduce the instalment payment on the subsequent month?

Monthly instalment payment under ABC program is fixed and payment which exceed the monthly instalment amount will not reduce the monthly instalment amount for the subsequent month. Bank Rakyat will consider the payment as an excess payment in the Credit Card-i account which will reduce the current balance from retail or cash withdrawal transaction.

11: What will happen to the Credit Card-i after Cardholders are registered under ABC program?

Under this ABC program, Cardholder's Credit Card-i will not block and card still can be utilized.

The outstanding balance is treated as part of the financing limit. Monthly payment will increase the available financing limit.

12: Can Cardholders choose the period of instalment payment under ABC program?

NO. The instalment payment period offered for ABC program is **ONLY** for 36 months.

13: Can Cardholders apply to participate in the ABC program?

NO. Cardholders is not allowed to apply for participation in ABC program as this program is only offered by Bank Rakyat to Cardholder who meet the eligibility criteria stated in Question NO 2.



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14: What will happen if the Cardholders upgrade/downgrade their existing card?

There is no implication on the ABC program and Cardholders are required to pay the monthly instalment as specified. The total outstanding balance under ABC program will affect the financing limit on the upgraded/downgraded Card.

15: What will happen if Cardholders request to close their Credit Card-i account?

Subject to the full settlement of total outstanding balance (including outstanding balance under ABC program), the Credit Card-i account and ABC program will be terminated concurrently.

16: Where can I find further information about this program?

More information on this program is available at:

- a) Bank Rakyat website at www.bankrakyat.com.my
- b) Bank Rakyat Card Center: 03-2693 6880
- c) Call Centre: 1-300-80-5454