

## Terms and Conditions Governing the Balance Convert Program

In these Terms and Conditions Governing the Balance Convert Program (“Terms and Conditions”), the term “Card” means all credit cards issued by Bank of Commerce (“Bank”). The term “Cardholder” means the person at whose request one or more Cards have been issued by the Bank. The Cardholder hereby agrees to the following Terms and Conditions:

1. Balance Convert Program is a Bank of Commerce Credit Card facility which allows Cardholders with active and current status to outstanding balance with Bank of Commerce, including fees and charges, to an Installment Plan, which together with applicable interest and other fees shall be paid for by the Cardholder on a monthly installment basis. US Dollar billed transactions and floating transactions are not convertible under the Balance Convert Program facility. Balance of at least P6,000 is required for 12, 24 and 36 month terms.

The Balance Convert transaction shall not earn rewards points.

Balance Convert Program requests should be received by the Bank at least three (3) banking days before the Payment Due Date indicated on the Cardholder’s Statement of Account; such requests will be subject to verification and credit approval by the Bank. The approved Balance Convert Program Amount inclusive of interest must not exceed 80% of the Credit Limit of the Cardholder.

2. Where the Bank approves a request for Balance Convert Program, the total Balance Convert Program amount (“Total Balance Convert Program Amount”) shall be subject to these Terms and Conditions as well as the Terms and Conditions Governing the Issuance and Use of Bank of Commerce Credit Card (“Card T&C”).

3. The Monthly Installment Due forms part of the minimum amount due in the statement of account of the Card. The Monthly Installment Due is computed as the Balance Convert Program Amount multiplied by the Factor Rate. The Total Amount Payable is computed as the Monthly Installment Due multiplied by the Term.

The following is a sample computation for 12 month term:

$$\begin{aligned} \text{Monthly Installment Due} &= \text{Balance Convert Program Amount} \times \text{Factor Rate} \\ &= \text{P10,000} \times 0.093333 \\ &= \text{P933.33} \\ \\ \text{Total Amount Payable} &= \text{Monthly Installment Due} \times \text{Term} \\ &= \text{P933.33} \times 12 \\ &= \text{P11,200.00} \end{aligned}$$

The computation of interest and principal components of the Monthly Installments Due shall be on a diminishing balance basis, and the interest and principal portions of the Monthly Installments Due will not be equal from month to month.

The first Monthly Installment Due shall be billed to the Cardholder beginning on the Cardholder’s next statement date and succeeding Monthly Installments Due shall be billed every month thereafter until the Total Amount Payable is paid in full.

**BALANCE CONVERT PROGRAM SAMPLE SCHEDULE OF PAYMENT**

AMOUNT	10,000	TERM	12 MONTHS
MONTHLY ADD-ON RATE	1.00%	APPROVAL DATE	11/03/2020
ANNUAL EIR	21.46%	NEXT STATEMENT DATE	12/03/2020

Month	Monthly Installment Due	Interest Component	Principal Component	Outstanding Principal Balance
0				10,000.00
1	933.33	178.81	754.52	9,245.48
2	933.33	165.32	768.02	8,477.46
3	933.33	151.59	781.75	7,695.71
4	933.33	137.61	795.73	6,899.99
5	933.33	123.38	809.95	6,090.03
6	933.33	108.9	824.44	5,265.59

Month	Monthly Installment Due	Interest Component	Principal Component	Outstanding Principal Balance
7	933.33	94.15	5,265.59	4,426.42
8	933.33	79.15	4,426.42	3,572.23
9	933.33	63.88	3,572.23	2,702.77
10	933.33	48.33	2,702.77	1,817.77
11	933.33	32.5	1,817.77	916.94
12	933.33	16.4	916.94	0
Total	11,200.00	1,200.00	10,000.00	

In case of pre-termination or cancellation of Balance Convert Program, the Cardholder shall be liable to pay in full the unpaid principal component of the Total Amount Payable and an Installment Pre-Termination Fee equivalent to P1,000.

4. The Cardholder agrees to pay the Bank interest on the Total Balance Convert Program Amount on the dates specified in the Statement of Account at the applicable monthly add-on rate with a corresponding effective interest rate per annum based on the outstanding principal balance when the respective Statement of Account is generated and the Term as follows:

NOTE: RATES ARE SUBJECT TO CHANGE BY BANK OF COMMERCE

Term	Monthly Add-On Rate	Factor Rate	Effective Interest Rate Per Annum
12	1.00%	0.093333	21.46%
24	1.00%	0.051667	21.57%
36	1.00%	0.037778	21.20%

If the Cardholder pays only a portion of his Total Amount Due as indicated in the Statement of Account, the unpaid portion of the Monthly Installment Due shall be subject to the monthly finance charge at the prevailing interest rates. Usual late payment charge applies.

In the event that the Card account is 90 days or more past due, the Balance Convert Program will automatically be cancelled, and any remaining unpaid balance will be billed to the Card account in full as a single regular retail transaction. Once billed in full, the remaining balance will be subject to the monthly finance charge.

5. Except insofar as they may be inconsistent with these Terms and Conditions, the provisions of the Card T&C shall continue to apply to the Total Balance Convert Program Amount applied under the Balance Convert Program Facility. These Terms and Conditions shall be read and construed with the Card T&C so as to produce a result that is harmonious and consistent; Provided, that in the event of any inconsistency or conflict between the provisions of these Terms and Conditions and the Card T&C, the provisions of these Terms and Conditions shall prevail in relation to the Total Balance Convert Program Amount applied under the Balance Convert Program. Unless clearly and unambiguously provided in these Terms and Conditions, there shall be no diminution of the obligations of the Cardholder under the Card T&C.