

FAQs: Instalment Revision for ASB Financing-i Accounts

Q1: Why did I receive a notice/SMS from the Bank advising me that my instalment amount will be revised to a higher amount starting 04/02/2023?

A1: Your Instalment is revised due to:
Change of Reference Rate: SBR/IBR/IFR on 08th November 2022 (+0.25%). 12-month FDR on 15th November 2022 (+0.25%) & 9th December 2022 (-0.10%). The adjustment in rates is in line with the latest OPR change.

Hong Leong Islamic Bank has adjusted the Reference Rate as follows:

Reference Rates	08/11/2022
Islamic Base Rate (IBR)	3.63% p.a.
Islamic Financing Rate (IFR)	6.64% p.a.
Standardised Base Rate (SBR)	2.75% p.a.

Reference Rates	15/11/2022	09/12/2022
12-month Fixed Deposit-i Rate (FDR)	2.50% p.a.	2.40% p.a.

And in line with these adjustments, we have reviewed your ASB Financing-i account and revised your instalment accordingly so that your account may be paid off in full within the remaining tenure of financing.

Q2: I have existing financing with Hong Leong Islamic Bank. Will the increase in reference rates affect the effective profit rate of my financing account?

A2: Reference Rate: SBR/IBR/IFR

Yes. If your existing financing account is pegged to the reference rate, the effective profit rate of your account was revised in November 2022.

Reference Rate: FDR

Yes. If your existing financing account is pegged to the reference rate, the effective profit rate of your account was revised in November & December 2022.

Q3: I noticed that my instalment amount has been revised. Why didn't I receive the notification letter from the Bank to inform me of this instalment revision?

A3: In January 2023, the notification letter on the instalment revision was delivered to you by email if you opt for e-letters. If not, normal mail will be sent to you based on the correspondence address provided by you. If you have changed your correspondence address, you are advised to go to our nearest branch to update your correspondence address. Please inform our officers to update your latest correspondence address for your financing accounts.

Q4: How is my revised instalment calculated?

A4: Your revised instalment is calculated based on:

- i. your principal outstanding balance as at 12 January 2023;
- ii. the remaining tenure; and

- iii. the current effective profit rate as at 12 January 2023.

The revised instalment is calculated based on a universal standard financing amortization formula as stated below:

$$EMI = P \times \frac{r(1+r)^n}{(1+r)^n - 1}$$

P = Principal (Financing amount)

r = Monthly Profit Rate

n = Number of payments

Q5: I have several financing accounts with your Bank. Why did I receive only one notification letter from the Bank? At the same time, I have received SMS for the non-revision of instalments for my other accounts.

A5: If you did not receive any notification letter for your other accounts, it means that your other accounts are excluded from instalment revision during this round and hence instalment adjustment is not required. We have notified you through SMS on your non-revision of your instalment.

Q6: Why is my instalment not revised?

A6: Your instalment is not revised due to the following reasons:

- 1) Your current instalment is higher or equal to the revised instalment amount
- 2) The instalment amount change is less than RM10.00 from your current instalment amount
- 3) Your account is matured
- 4) Your account is with overdue payments
- 5) Your account is under a special payment arrangement with the Bank
- 6) Your account's remaining tenure is less than 12 months to maturity
- 7) Your account's principal balance is equal to RM0.00 or less
- 8) Your account is under payment arrangement with AKPK.

However, an account may be subject to more than 1 reason for non-revision of instalment

Important Notes:

When your account instalment is not revised, the implications are as below:-

- a) Changes to the total cost of financing incurred as there will be additional profit amount to be paid
- b) Changes to the tenure of the retail financing facility (If your account is subject to extension of tenure)
- c) In an event of an extension of tenure, there will be protection gaps on your Takaful coverage. (Example: Original tenure: 20 years Takaful coverage. If tenure is revised to 25 years, customer will have remaining tenure of 5 years without Takaful protection).

If you would like to revise your instalment, you may submit your request at the nearest branch or via our Contact Centre.

Q7: Please show me how the instalment amount is revised based on the latest effective profit rate?

A7: Please refer to the below illustration for a better understanding: -

Financing outstanding balance : RM 350,000
Remaining tenure : 20 years

	Effective Profit Rate	Instalment Amount
As at 13 Sept 2022	4.25%	RM 2,168
As at 12 Jan 2023	4.50%	RM 2,215

Q8: I would like to pay a higher instalment amount than the revised amount. Can I request the Bank for the higher instalment amount?

A8: Yes. You are required to fill up and sign a Service Request Form (SRF) to maintain the higher instalment amount. You can request/submit the SRF at the nearest branch or our Contact Centre.

Customer may also request to retain a higher instalment amount and retain the amount in future instalment revision provided that the revised amount is less than this requested amount.

Q9: My revised instalment amount is higher than my old instalment amount. I would like to pay my old instalment amount. Can I request the Bank to maintain my old/lower instalment amount?

A9: Yes. If you think you might face difficulties with making regular payments and need payment assistance, please reach out to us now so we can help you based on your individual situation.

You can reach out to us by calling our hotlines, emails or visiting our Branches.

- HLB Customer Collections: 603-79591888 (Mon - Thurs, 8.45 am - 5.45 pm & Fridays, 8.45 am – 4.45 pm) or via email at CollsCustomerFeedback@hlbb.hongleong.com.my.
- HLB Contact Centre: 603-7626 8899 (Mon – Sat, 9.00am – 6.00pm)

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