

FAQs: Instalment Revision for Property/Personal/ASB Financing-i Accounts (“Financing 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 04/07/2023?

A1: Your Instalment is revised due to the change of Reference Rates in line with the latest OPR change.

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

Reference Rates	09/05/2023
Islamic Base Rate (IBR)	3.88% p.a.
Islamic Financing Rate (IFR)	6.89% p.a.
Standardised Base Rate (SBR)	3.00% p.a.

Reference Rates	04/04/2023
12-month Fixed Deposit-i Rate (FDR)	2.30% p.a.

And in line with these adjustments, we have reviewed your Financing Accounts 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 abovementioned reference rates, the effective profit rate of your account was revised on 09/05/2023.

Reference Rate: FDR

Yes. If your existing financing account is pegged to the abovementioned reference rate, the effective profit rate of your account was revised on 04/04/2023.

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 June 2023, the notification letter of instalment revision was sent to you via email if you are a subscriber to the e-statement. Otherwise, the notification letter was delivered to you by normal mail in June 2023 based on the correspondence address provided by you.

If you have changed your correspondence address, please visit any nearest branch to update your correspondence address. Please inform the service staff that you would like to update the correspondence address for your financing account by providing the financing account number.

Q4: How is my revised instalment calculated?

A4: Your revised instalment is calculated based on:

- i. your principal outstanding balance as at 13/06/2023;
- ii. the remaining tenure; and
- iii. the current effective profit rate as at 13/06/2023.

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 change in instalment amount 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 the 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 an additional profit amount to be paid.
- b) Changes to the tenure of the refinancing facility (if your account is subject to an extension of tenure).
- c) In the 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, you 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: 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 12/01/2023	4.50%	RM 2,215
As at 13/06/2023	4.75%	RM 2,262

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.

You may also request to retain a higher instalment amount and retain the amount in future instalment revisions 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 may submit your request at our website.

- HLB/HLISB Rescheduling & Restructuring Plans

<https://www.hlb.com.my/en/personal-banking/home/rescheduling-and-restructuring-plans.html?icp=hlb-en-home-txt-quicklink>

You may also reach out to us by calling our hotlines, sending 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 email at CollsCustomerFeedback@hlbb.hongleong.com.my.
- HLB Contact Centre: 603-7626 8899 (Mon – Sat, 9.00 am – 6.00 pm)

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