

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 starting 04/09/2025?

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 Rates as follows:

Reference Rates	Effective Date 14/07/2025
Standardised Base Rate (SBR)	2.75% p.a.
Islamic Base Rate (IBR)	3.63% p.a.
Islamic Financing Rate (IFR)	6.64% p.a.
12-month Fixed Deposit-i Rate (FDR)	2.10% p.a.

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 an existing financing with Hong Leong Islamic Bank. Will the decrease in the Reference Rates affect the effective profit rate of my financing account?

A2: Yes. If your existing financing account is pegged to the abovementioned Reference Rates, the effective profit rate of your account was revised on 14/07/2025.

Q3: Why was my instalment amount revised upwards even though the profit rate was revised downwards?

A3: While the profit rate has been lowered by the OPR cut, it's being compared to the much lower rate from when your financing was first approved.

The main reason for this increase is an adjustment that met these conditions:

1. **Approved at a historic low rate:** Your financing was likely approved between 2019-2023 when rates were at a record low than now.
2. **Account in "Progressive Release":** While your property was under construction, you only paid for the grace period profit on your financing, which was not an instalment. Because of this, your account didn't undergo any instalment revisions when OPR rates were raised multiple times in 2022 & 2023.

This recent review is the first time your monthly instalment has been adjusted since your financing is fully disbursed i.e. your property is now completed and you are now paying full instalment (profit + principal).

The new instalment ensures your financing will be paid off on time within its original tenure as per the agreed terms stated in the letter of offer.

Q4: Can you illustrate my upward revision of the instalment?

A4 : Please refer to the sample account as for further details:

The financing facility was approved on 17/02/2022 with a financing amount of RM 304,880.00 with a tenure of 408 months (34 years). At the time, the Islamic Base Rate (IBR) was at 2.63%. Hence, the initial monthly instalment was RM1,210.00, calculated based on the Effective Profit Rate of 3.10% = IBR (2.63%) + 0.47%. This amount has been stated in the LO as follows:

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Islamic Base Rate	:	Bank's Islamic Base Rate (IBR) as 2.63% p.a. and may vary from time to time.
Effective Profit Rate (EPR) (Daily Rest)	:	1 - 48 months IBR plus 0.47% p.a. Thereafter IBR plus 0.47% p.a.
		<i>The profit rate for the first year will commence from the date of first release or from the expiry of three (3) months from the date of this Letter, whichever is earlier ("Commencement Date").</i>
Computation of Profit	:	The Effective Profit Rate must be calculated daily on the Eligible Cost Outstanding from the date of release on a 365-day basis, whereby: <ul style="list-style-type: none"> a) "Eligible Cost Outstanding" means the difference between the Cost Outstanding and the Advance Payment or Profit Offset Limit, whichever is the lower; b) "Cost Outstanding" means the outstanding Principal and all other charges payable to the Bank under the Term Financing on the relevant day; c) "Advance Payment" means the total amount of excess monies paid by you to the Bank towards the Term Financing, which are not applied towards the payment of any arrears, Instalment(s) payable, outstanding charges, redemption and/or prepayment of the Term Financing and d) "Profit Offset Limit" means 30% of the Outstanding Principal, or such other percentage or limit imposed on the computation of profit, as may be varied by the Bank, subject to compliance with Shariah, from time to time, with notice to you.
Grace Period	:	From first release of Facility Amount up to 48 months from the date of the Sale and Purchase Agreement or full release of the Facility Amount, whichever is earlier.
Instalment Period	:	408 months
Monthly Instalment Amount	:	RM1,210.00 with a final instalment of such amount as will be sufficient to settle in full the total outstanding due under the Facilities (applicable to all other house financing packages except house financing with bullet payment)

The account entered a progressive release phase from 3/10/22 - 15/07/25, during which only profit was serviced. It is important to note that during this phase, this account was excluded from the Instalment Revision Exercise due to OPR increase in May 2023 because it was still in the profit servicing period.

Subsequently, the facility was fully disbursed on 15/07/25 & the full initial monthly instalment of RM 1,210.00 commenced from 04/08/2025.

Following BNM's announcement on the OPR Change by 0.25% in July 2025, the account's profit rate was revised to 4.10% = IBR (3.63%) + 0.47%. This revision, however, resulted in an upward adjustment of the monthly instalment amount to RM 1,387.00 effective 04/09/2025. The revised amount is calculated based on the following:

- Outstanding Balance: RM 304,539.38
- Remaining Tenure: 407 months (408 months of original tenure - 1 months of payments)
- New Effective Profit Rate: 4.10% Please inform the customer that this revised instalment amount is calculated to ensure the facility is paid off by the maturity date.

Q5: I noticed that my instalment amount has been revised. Will I receive any notification from the Bank to inform me of this revision?

A5: In August 2025, a 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 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 the updated address to be applicable for your financing account by providing the account number to facilitate the update.

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Q6: How is my revised instalment calculated?

A6: Your revised instalment is calculated based on:

- (i) your financing outstanding balance as at 11/08/2025;
- (ii) the remaining tenure; and
- (iii) the current effective profit rate as at 11/08/2025.

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

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

P = Prinsipal (Jumlah pembiayaan)
r = Kadar keuntungan bulanan
n = Bilangan pembayaran

Q7: I have multiple financing accounts with the Bank. Could you clarify why I received only one notification letter, while for my other accounts, I received an SMS stating that the instalment remains unchanged?

A7: If you did not receive a notification letter for your other accounts, it means they are excluded from this round of instalment revision and the instalment amount remains the same. We have notified you of this non-revision through an In-App Push Notification (for registered HLB Connect App customers) or via SMS (for other customers).

Q8: Why is my instalment not revised?

A8: Your instalment is not changed due to the following reasons:

1. Profit-servicing accounts.
2. Fixed Rate pricing accounts.
3. The change in instalment amount is less than RM10.00 from your current instalment amount.
4. The account is less than 12 months from the maturity date.
5. The account is already matured.
6. The account is with overdue payments of 6 months or more.
7. The account is under a special payment arrangement with the Bank (e.g. R&R, PRAP, etc.)
8. The account is under the payment arrangement with AKPK.
9. The customer has a principal balance equal to RM0.00 or less.
10. The accounts which the monthly instalment was set at a certain amount based on customer's request via SRF (only if the system auto-revised revised instalment amount is lower than the requested amount).

However, an account may be subject to multiple reasons for the non-revision of its monthly 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 retail refinancing facility (if your account is subject to an extension of tenure).
- c) In the event of 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, please submit your request at the nearest branch or call our Contact Centre.

Q9: Please illustrate the revision of the instalment amount based on the latest effective profit rate

A9: Please refer to the illustration below for a better understanding:

Financing outstanding balance: RM350,000
Remaining tenure: 20 years

	Effective Profit Rate	Instalment Amount
As at 13/06/2023	SBR (3.00%) + 1.75% = 4.75%	RM2,262
As at 14/07/2025	SBR (2.75%) + 1.75% = 4.50%	RM2,215

Q10: I would like to pay a higher instalment amount than the revised amount. What should I do?

A10: You may do so by filling up and signing a Service Request Form (SRF) to request to pay the higher instalment amount. Please submit your request at the nearest branch or call 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.

Q11: My revised instalment amount is higher than my old instalment amount. I would like to pay my old instalment amount. What should I do?

A11: 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 via:

1. Website: HLB/HLISB Rescheduling & Restructuring Plans
<https://www.hlb.com.my/en/personal-banking/home/rescheduling-and-restructuring-plans.html>
2. Hotlines, emails or visiting our Branches
 - HLB Customer Collections: 603-7959 1888 (Monday to Thursday: 8:45 am – 5:45 pm & Friday: 8:45 am – 4:45 pm) or via email at CollsCustomerFeedback@hlbb.hongleong.com.my
 - Interactive Phone Banking: 603-7626 8899 (Monday to Saturday, 9:00 am – 9:00 pm)

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