



Base Rate (BR) / Base Lending Rate (BLR) / Base Financing Rate (BFR)
Public Frequently Asked Questions

8 November 2022

1. What is the difference between BR and BLR/BFR?

BLR/BFR was set by Bank Negara Malaysia (BNM) based on how much it costs to lend money/ provide liquidity to other financial institutions. Whereas BR, which came into effect on 2 January 2015, is determined by the Banks' benchmark cost of funds and Statutory Reserve Requirement (SRR). Other components of loan/financing pricing such as borrower/customer credit risk, liquidity risk premium, operating costs and profit margin are reflected in a spread in the BR framework.

Example of comparison between BLR/BFR and Base Rate:

Loan/Financing amount: RM350,000

Tenure: 30 years

	BLR/BFR	BR
Reference rate	BLR/BFR as at 8 November 2022 : 6.60%	Base Rate as at 8 November 2022 : 3.75%
Interest/profit rate (p.a.)	BLR/BFR – 2.10%	BR + 0.75%
Effective interest/profit rate (p.a.)	4.50% (6.60% - 2.10%)	4.50% (3.75% + 0.75%)
Monthly instalment	RM1,773.40	RM1,773.40

2. Which loans/ financing will the revised BR and BLR/ BFR be applicable to?

It is applicable to **all new and existing customer loan/ financing types** (i.e. Property Financing, ASB Financing, Auto Financing, Overdraft/Cashline) with Interest/ Profit Rates pegged to BR/ BLR/ BFR which includes both Conventional loan and Islamic financing.

3. Is the BR/BLR/BFR applicable to refinancing and top-up of existing facility?

Yes, it is.

4. Is there any difference in BR between Conventional and Islamic retail loans/financing?

It is the same for both Conventional and Islamic retail loan/financing.

5. How will the bank communicate to customers regarding the revised BR and BLR/ BFR?

CIMB is adopting a multichannel approach to communicate the revised BR and BLR/BFR (effective 8 Nov 2022) through:

- i. **Media release** on 04112022
- ii. **Notice** at our Branches, AFCs (Auto Finance Centers) etc. and on our digital channels, i.e. Clicks Important Notice, CIMB website, etc.
- iii. **Letters of Notification to customers with Instalment Change:** Notice(s) will be mailed to customers' correspondence address as per the Bank's record.

6. How will the revision of BR/BLR/BFR affect my instalment amount?

Your monthly loan/financing instalment will be revised appropriately to reflect the revision of BR/BLR/BFR.

7. When will the revised monthly instalments be effective for retail loans/financing?

The revised monthly instalments for retail loans/financing will be effective in January 2023.

For Auto Financing, the revised instalment amount payable will be effective in either December 2022 or January 2023, depending on the due date.

8. Will the Bank be revising the monthly instalment amount even though the difference is a small amount?

Yes, the Bank will revise the instalment amount regardless of the difference.

9. What should I do if monthly instalment amount is made via auto debit/ standing instruction?

- i. **For auto-debit loan/ financing payment from your Current/ Savings account:** It will be updated as per the option selected unless notified by the Bank.
- ii. **For Standing Instructions which have been arranged with CIMB or another banking institution:** If there are any standing instructions with CIMB or other banks, you will need to update your standing instructions accordingly with your respective Bank.

10. How do I calculate the revised instalment amount when there is revision of BR?

You may use our loan/financing calculator to calculate your revised instalment amount at www.cimb.com.my/en/personal/day-to-day-banking/tools.

11. Can I maintain my existing instalment payment amount?

Yes, you can maintain your existing instalment payment amount (refer to Q12 below). Please note that maintaining your existing instalment amount will lead to a longer loan/financing tenure and you may be required to pay a higher final payment amount at maturity to cover the difference. It is likely to also result in a higher cost of financing for you.

By opting for this, your financing/borrowing account will be under our payment assistance programme also known as Reschedule and Restructuring.

12. How do I request to maintain my existing instalment amount?

You may request to maintain your instalment amount either via Consumer Contact Centre (applicable to individual account only) or walk-in to the nearest Branch.

13. I have enrolled for the Moratorium, such as Flood Relief Assistance, or URUS Assistance Scheme and due to the recent BR/BLR/BFR revision, will the revised instalment amount take effect?

There is no change to your instalment payment until the programme ends. When the programme ends, the Bank will send a notification on the new monthly instalment amount.

14. If I need further clarification on the revised BR/ BLR/ BFR, who can I speak to?

You may reach out to:

- Our Consumer Contact Centre at 03-6204 7788.
- Visit your nearest CIMB Branch.
- For our CIMB Preferred customers, you may call 1300 885 300 or reach out to your Relationship Manager.
- For our Corporate customers, you may call our Business Contact Centre at 1300 888 828 or reach out to your Relationship Manager (if any).