

Frequently Asked Questions (FAQs) - Goodwill Discounts for Early Settlement of Existing Hire-Purchase/-i Agreements

No.	Question	Answer
1	What is Rule of 78 method?	Rule of 78 method under the Hire-Purchase Act refers to the method of calculating interest/ profit where interest/ profit is allocated disproportionately at the earlier months of the payment schedule, meaning borrowers/ customers pay more interest/ profit upfront and receive a smaller rebate if they settle early.
2	What is Goodwill Discounts?	Goodwill Discounts is offered by the bank at the point of early settlement for existing fixed-rate hire-purchase/-i agreements and/or which apply Rule of 78 method.
3	Why is Goodwill Discounts being introduced?	Goodwill Discounts is being introduced to ensure fairness for customers, these changes apply to customers who signed fixed-rate hire-purchase/-i agreements before the effective date of Hire-Purchase (Amendment) Act 2026 (“HPAA”) (i.e.: 1 June 2026) or during the transition period until 31 March 2027.
4	Where can I get further information on Goodwill Discounts?	You may refer to the CIMB Website by searching “ GWD1626 ” for more information related to Goodwill Discounts.
5	Who is eligible and qualifies for Goodwill Discounts?	<p>Goodwill Discounts will apply to individuals and micro and small businesses with fixed rate hire-purchase/-i agreements which apply the Rule of 78 method where:</p> <ul style="list-style-type: none"> the hire-purchase/-i agreement was entered into before 1 June 2026 or during the transition period ending 31 March 2027; and the customer chooses to settle early (before maturity). <p>At the point of application for early settlement, the customer’s account must not be:</p> <ul style="list-style-type: none"> in arrears exceeding 90 days; under legal action or issued with a repossession order; or under an existing restructuring and rescheduling (“R&R”) or enrolled in a formal debt management programme.
6	How can I apply for Goodwill Discounts, and how much will I be eligible for?	<p>You may request for early settlement via CIMB’s official channels:</p> <ul style="list-style-type: none"> Visit an Auto Finance Center: Auto Finance Centers Listing Call our Consumer Contact Centre: +03 6204 7788 Connect With Us Digitally: contactus@cimb.com <p>The amount of Goodwill Discounts will vary depending on your financing details and will be shared with you when you request for early settlement.</p>
7	Would I be entitled to the Goodwill Discounts if I settle my hire-purchase/-i loan/financing today?	No, Goodwill Discounts will start from the effective date of the HPAA (i.e.; 1 June 2026). Hence, customers settling their hire-purchase/-i loan/financing before this date will not be eligible for the Goodwill Discounts.
8	What if I choose to continue making my current payments as per my hire-purchase/-i agreement?	Customers who wish to continue making payments according to their agreed schedule until the end of the tenure will <u>not</u> be affected by the change. As such, customers may continue to pay for the same instalments as originally agreed and do not need to take any action.
9	When is HPAA effective?	<p>As per the joint media statement by ABM & AIBIM published on 16 Mar 2026, HPAA will take effect on 1 June 2026.</p> <ul style="list-style-type: none"> The Association of Banks in Malaysia (ABM)’s Joint Media Statement dated 16 March 2026: Click here for more information. Association of Islamic Banking and Financial Institutions Malaysia (AIBIM)’s Joint Media Statement dated 16 March 2026: Click here for more information
10	I need to speak to someone regarding the hire-purchase agreement.	<p>You may contact CIMB via these channels:</p> <ul style="list-style-type: none"> Visit an Auto Finance Center: Auto Finance Centers Listing Call our Consumer Contact Centre: +03 6204 7788 Connect With Us Digitally: contactus@cimb.com

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11	What determines the amount of Goodwill Discounts I will receive?	The amount of Goodwill Discounts varies depending on your financing details, such as your outstanding balance and loan/ financing tenure. The exact amount will be shared when you request early settlement.
12	Why doesn't my early settlement qualify for Goodwill Discounts?	<p>Goodwill Discounts only apply from 1 June 2026 onwards. Settlements before this date will not qualify.</p> <p>Besides that, at the point of application for early settlement, your account must not be:</p> <ul style="list-style-type: none"> • in arrears exceeding 90 days; • under legal action or issued with a repossession order; or • under an existing restructuring and rescheduling ("R&R") or enrolled in a formal debt management programme.

Note: This FAQ is subject to revision by CIMB in line with regulatory updates.