

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

 20 November 2020

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 to other financial institutions. While for BR, which came into effect on January 2, 2015, are 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 13 July 2020 : 5.60%	Base Rate as at 13 July 2020 : 2.75%
Interest/profit rate	BLR/BFR – 2.10%	BR + 0.75%
Effective interest/profit rate	3.50% (5.60% - 2.10%)	3.50% (2.75% + 0.75%)
Monthly instalment	RM1,572.00	RM1,572.00

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, Term Financing-i (TF-i) ASB, Auto Financing, Overdraft) 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?

- **Communication to all customers:** The bank is adopting a multichannel approach and will communicate by placing notices in Branches, AFCs (Auto Finance Centers), Clicks Important Notice and CIMB website.
- **Notices to customers with Instalment Change:** Notice(s) will be mailed to customers' correspondence address as in the Bank's record.
- **Hire Purchase Variable Rate customers:** Notice(s) will be mailed to customers' correspondence address as in 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. If the revised BR/BLR/BFR took effect on 13 July 2020, why is my revised loan/financing monthly instalment payable effective in September 2020?

Revised BR/BLR/BFR is effective 13 July 2020. While the revised instalment amount is effective in September 2020 to accommodate Reference Rate Framework requirement by notify borrowers on the revised monthly instalment amount prior to the revised monthly instalment effective date.

However, the monthly instalment will first pay for the interest/profit charge for the month followed by principal amount.

8. Will the Bank be revising the monthly instalment amount even though the difference is less than RM50?

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?

- **For auto-debit loan/ financing payment from your Current/ Savings account:** The revised Instalment amount will be automatically updated and debited.
- **For Standing Instructions which have been arranged with CIMB or another banking institution:** Customers will need to update their Standing Instructions based on the revised instalment amount.

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

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

11. What is the effective interest/ profit rate and instalment amount if the home loan/ financing is RM350,000 and tenure is 30 years?

Illustration:

Financing Amount: RM350,000 Tenure : 30 years	BR
Reference Rate	2.75% p.a
Interest / Profit Rate	BR + 0.75% p.a.
Effective Interest / Profit Rate	3.50% p.a (2.75% p.a. + 0.75% p.a.)
Monthly Instalment	RM1,572.00

12. **What is the effective interest/ profit rate and instalment amount if the ASB is RM200,000 and tenure is 40 years?**

Illustration :

Financing Amount: RM200,000 Tenure : 40 years	BR
Reference Rate	2.75% p.a
Interest / Profit Rate	BR + 0.95% p.a.
Effective Interest / Profit Rate	3.70% p.a (2.75% p.a. + 0.95% p.a.)
Monthly Instalment	RM798.95

13. **What is the effective interest/ profit rate and instalment amount if the auto finance loan/financing is RM90,000 and tenure is 7 years?**

Illustration:

Financing Amount: RM90,000 Tenure : 7 years	BLR/BFR
New Rate	5.60% p.a
Spread	minus 1.75%
Effective Interest / Profit Rate	3.85% p.a (5.60% - 1.75%)
Monthly Instalment	RM1,223.99

14. **Why did my instalment increase when the BR/BLR/BFR is reduced?**

Previously, if there was a revision in BR/BLR/BFR and the revision of the monthly instalment amount was less than RM50, it would not be revised. Due to this accumulation, the monthly instalment amount is revised accordingly to avoid bullet payment upon maturity.

15. **Can I maintain my existing monthly payment?**

Yes, you can maintain your existing monthly payment. However, your loan/financing tenure will be longer or you can maintain the same loan/financing tenure but your final payment amount will have to cover the difference.

16. **How do I request to maintain my existing monthly payment?**

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

17. **If I have further enquiries regarding the revised BR/ BLR/ BFR, who can I call?**

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 their Relationship Manager
- For our Corporate customers, you may call our Business Contact Centre at 1300 888 828 or reach out to their Relationship Manager (if any)