

## **Maybank and Maybank Islamic set Base Rate at 3.20%**

Maybank today announced that it has set its Base Rate (BR) at 3.20% effective 2 January 2015. The Islamic base rate for Maybank Islamic is also set at 3.20% effective the same date.

Maybank Group President & CEO, Datuk Abdul Farid Alias said that the BR will replace the Base Lending Rate (BLR) [or Base Financing Rate (BFR) in the case of Islamic financing] as the main reference rate for all new retail floating rate loans/financing by Maybank/Maybank Islamic, in accordance with the new Reference Rate Framework introduced by Bank Negara Malaysia.

The BR, he added, has been determined based on the benchmark cost of funds of Maybank/Maybank Islamic, as well as the Statutory Reserve Requirement (SRR). Other components of loan pricing such as borrower credit risk, liquidity risk premium and operating costs will be reflected in a spread above the BR.

Under the new framework, with effect from 2 January 2015, all new retail loans/financing such as mortgages, unit trust loans, share margin financing, personal financing and overdraft facilities which are applied for by individual customers will be based on the BR. However, loans extended to business entities and for Hire Purchase/AITAB are excluded from using the BR.

Retail customers with existing loans/financing which are based on BLR/BFR, will continue to have them pegged to the BLR/BFR until settlement/expiry or upon review, where applicable. Customers who have applied for loans/financing before 2 January 2015 which are approved thereafter will have the loans/financing pegged to the prevailing BLR/BFR.

Datuk Farid said the BLR of Maybank and BFR of Maybank Islamic currently remain unchanged at 6.85%. As such, Maybank/Maybank Islamic will continue to display both their BR and BLR/BFR at all branches and websites.