MUFG Bank (Malaysia) Berhad
A member of MUFG, a global financial group

16 November 2026

Dear Valued Customers,

Bank Negara Malaysia (BNM) announced on 16 October 2025 the industry-wide transition from the Kuala Lumpur Interbank Offered Rate (KLIBOR) to the Malaysia Overnight Rate (MYOR) and Malaysia Islamic Overnight Rate (MYOR-i). The transition forms part of Malaysia's broader financial benchmark reform and is intended to ensure the continued robustness of domestic financial benchmarks.

MYOR and MYOR-i are transaction-based benchmark rates administered by BNM and derived from actual transactions in the unsecured overnight Ringgit interbank market and the Shariah-compliant unsecured overnight Ringgit interbank market.

Key transition milestones

In line with BNM's transition roadmap:

- **1 July 2027:** KLIBOR will cease to be used in new trades across all products.
- **By 30 June 2028:** Legacy KLIBOR contracts will be converted to MYOR or MYOR-i where possible, while any contracts that cannot be transitioned will incorporate robust fallback provisions.
- **1 January 2029:** KLIBOR will permanently cease.

MUFG Bank (Malaysia) Berhad ("Bank") is committed to supporting our customers through a smooth and orderly transition.

Customers with KLIBOR-linked products or contracts that may be affected by the transition will be contacted in due course to discuss any changes that may be required to the applicable benchmark rate, contractual terms or related arrangements.

Further updates will be provided as the transition progresses.

For further information, please refer to BNM's Transition from KLIBOR to MYOR and MYOR-i announcement and MYOR and MYOR-i Transition Portal, or contact your designated Relationship Manager.

Yours sincerely,

MUFG Bank (Malaysia) Berhad

Frequently Asked Questions

1. What are MYOR and MYOR-i?

MYOR and MYOR-i are transaction-based overnight benchmark rates administered by Bank Negara Malaysia. They are derived from the volume-weighted average rate of unsecured overnight Ringgit interbank transactions and serve as benchmarks for the conventional and Islamic Ringgit money markets respectively.

2. How are MYOR and MYOR-i different from KLIBOR?

KLIBOR is a submission-based benchmark, while MYOR and MYOR-i are transaction-based overnight benchmark rates derived from actual interbank transactions.

The transition towards transaction-based rates is intended to strengthen the robustness and integrity of Malaysia's domestic financial benchmarks.

3. Why is KLIBOR being discontinued?

The transition is part of Malaysia's broader financial benchmark reform agenda under BNM's Financial Sector Blueprint 2022-2026 and is consistent with global financial benchmark reform initiatives.

4. What products may be affected?

The transition may affect customers with financial products or contracts that reference KLIBOR, including certain loans and financing facilities, deposits, treasury products, derivatives and other financial arrangements.

The impact will depend on the terms and conditions of each product or contract.

5. Do customers need to take any action now?

Customers are encouraged to review their existing contracts and identify any KLIBOR-linked exposures.

Where changes are required, the Bank will engage affected customers and provide further information regarding the transition and any necessary documentation.

6. How does this transition impact customers?

The impact will depend on the terms of your existing product or contract and the applicable transition arrangements.

As MYOR and MYOR-i are calculated differently from KLIBOR, changes may be required to the benchmark rate or other relevant terms used to determine your interest or profit rate.

The Bank will provide affected customers with further information before implementing the relevant changes.

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