

STANDARDISED BASE RATE (SBR)

(with effect from 1st August 2022)

| QUESTION | ANSWER |
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| 1. What is Standardised Base Rate (SBR)? | <ol style="list-style-type: none">1. Standardised Base Rate (SBR) is one common base rate to be adopted by all commercial banks with effect from 1st August 2022.2. It is benchmarked against the Overnight Policy Rate (OPR).<ul style="list-style-type: none">• OPR is currently 2.25%; therefore, SBR is 2.25%.3. It will move in tandem with the OPR change and the move will be within 7 days of the OPR change.<ul style="list-style-type: none">• If OPR increases by 25bps to 2.50%, SBR will also increase by 25bps to 2.50% within 7 days of date of OPR change. |
| 2. How does the Standardised Base Rate (SBR) impact Consumers? | <ol style="list-style-type: none">1. SBR is applicable to conventional loans and Islamic financings priced against a reference/base rate.2. With effect from 1st August 2022, SBR is applicable to all types of retails loans/financings be it new or refinanced. It is also applicable for renewed loan/financing and revolving credit lines. |
| 3. What would happen to the current Base Rate (BR)/Islamic Base rate (IBR) ? | With effect from 1 st August 2022, Base Rate (BR)/Islamic Base Rate (IBR) will move in tandem and at the same quantum with SBR/OPR e.g. if OPR increases by 25bps from 2.25% to 2.50%, then SBR shall increase by 25bps from 2.25% to 2.50%. BR/IBR and BLR/BFR too shall increase by same 25bps from 2.25% to 2.50% and from 5.90% to 6.15% respectively. |
| 4. What about the existing BR/IBR and BLR/BFR pegged loans/financings? | The interest/profit rate of the existing BR/IBR and BLR/BFR pegged loans/financings shall remain unless there is a change in OPR. |