

Transition from KLIBOR to MYOR / MYOR-i

KLIBOR to Cease for New Contracts from 1 July 2027 and be Permanently Discontinued from 1 January 2029 Onwards

Dear Valued Customers,

Kindly be informed that Bank Negara Malaysia (BNM) on 16 October 2025 has announced an industry-wide transition from the Kuala Lumpur Interbank Offered Rate (KLIBOR) to the Malaysia Overnight Rate (MYOR) and Malaysia Islamic Overnight Rate (MYOR-i). This transition is part of ongoing efforts to enhance the robustness, transparency and long-term sustainability of Malaysia's financial markets, while aligning Malaysia with international benchmark reform initiatives.

In line with BNM's transition roadmap, KLIBOR will no longer be used in new contracts across financial products from **1 July 2027** and will be permanently discontinued from **1 January 2029**.

If you have financial products or contracts that reference KLIBOR, changes may be required to the benchmark rate used to calculate interest or profit payments. This may also involve updates to product terms, contractual documentation and pricing conventions. Should your products or facilities be affected, we will engage with you and provide the necessary information and support well in advance of any changes.

Frequently Asked Questions

1. What will replace KLIBOR?

KLIBOR will be replaced by two transaction-based benchmark rates administered by BNM:

a) Malaysia Overnight Rate (MYOR)

MYOR is derived from actual unsecured overnight Ringgit lending transactions conducted between financial institutions in Malaysia. Because it is based on real market transactions, MYOR is considered more robust, transparent and representative of market activity.

b) Malaysia Islamic Overnight Rate (MYOR-i)

MYOR-i is the Shariah-compliant rate equivalent of MYOR. It is based on actual Shariah-compliant unsecured overnight Ringgit placement transactions conducted between participating financial institutions and serves as the reference rate for Islamic financial products.

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

KLIBOR	MYOR / MYOR-i
Submission-based benchmark	Transaction-based benchmark
Reflects indicative rates submitted by banks	Based on actual overnight interbank transactions
Forward-looking term benchmark	Overnight reference rate
Being phased out	Replacement benchmark

MYOR and MYOR-i are designed to strengthen market transparency and benchmark reliability through the use of observable transaction data.

3. When will the transition from KLIBOR to MYOR/MYOR-i take place for existing and new contracts?

Date	Key milestones
1 October 2026	UOB Malaysia is ready to offer MYOR/MYOR-i referenced products and contracts, where applicable.
1 July 2027 on wards	All new financial contracts will no longer reference KLIBOR. New products will use alternative benchmark rates, such as MYOR or MYOR-i where applicable

Now until 30 June 2028	UOB Malaysia will work with affected customers to transition existing KLIBOR-linked contracts to MYOR, MYOR-i or other agreed replacement benchmark rates, where applicable
1 January 2029	KLIBOR will be permanently discontinued.

4. How may the transition affect you as customer?

The transition may affect customers who has financial contracts that reference KLIBOR, including but not limited to, loans, financing facilities, deposits, treasury products, derivatives, structured transactions. As part of the transition, benchmark references, pricing conventions and certain contractual terms may need to be updated to reflect the replacement benchmark rates before KLIBOR is permanently discontinued.

UOB Malaysia will engage affected customers and provide advance notice of any changes that may be required.

5. Will my interest or profit rate change as a result of the transition?

The objective of the transition is to replace the benchmark reference rate and not to create an unintended transfer of economic value between parties. Where changes are required to existing contracts, UOB Malaysia will engage affected customers and explain how the replacement benchmark rate will be applied.

6. How will UOB Malaysia support customers through the transition?

UOB Malaysia is actively preparing for the transition and will engage affected customers in due course to discuss migration approaches, documentation updates, pricing convention and implementation timeline. We will work closely with affected customers and counterparties throughout the transition process, providing timely communications, guidance and support to facilitate an orderly and seamless migration to the new benchmark framework.

7. What should customers do to prepare for the transition?

If you are impacted by the transition, UOB Malaysia will contact you in advance to explain any changes and discuss any actions that may be required.

Customers with loans, financings, deposits, treasury products, derivatives, trade finance facilities or other financial arrangements referencing KLIBOR are encouraged to:

- Assess their exposure to KLIBOR-linked products and contracts.
- Review contractual provisions relating to benchmark rate replacement.
- Understand the potential implications of the benchmark transition on their financing and treasury arrangements
- Engage with your UOB Malaysia Relationship Manager or speak to a UOB Malaysia representative at a branch nearest to understand the implications of the transition and available transition options.
- Stay informed of future communications from UOB Malaysia regarding transition timelines and required actions.

UOB Malaysia's Commitment

UOB Malaysia is committed to ensuring a smooth and orderly transition. We will engage affected customers and counterparties throughout the migration process and keep you informed of any developments that may impact you. We will continue to adhere to regulatory requirements and industry standards to ensure that customers' and counterparties' interests remain protected and that the transition is implemented with minimal disruption.

For further information, please contact your UOB Malaysia Relationship Manager or UOB Malaysia representative for further information regarding the transition. Additional information may also be obtained from BNM's publications on the transition from KLIBOR to MYOR/MYOR-i:

- Bank Negara Malaysia (2025): Transition from KLIBOR to MYOR/MYOR-i. Available at <https://www.bnm.gov.my/fsr1h25b1>
- MYOR Rates: <https://financialmarkets.bnm.gov.my/data-download-myor>
- MYOR-i Rates: <https://financialmarkets.bnm.gov.my/data-download-myori>