

# Notice on HSBC Base Rate

Effective 2 January 2015, HSBC Bank Malaysia Berhad uses Base Rate (BR) as a reference rate for the pricing of all new applications for housing loans.

The current BR is at 3.64%, effective 15 May 2019.

## 1. What is the Base rate (BR)

The BR we offer on this product is made up of two parts, our benchmark cost of funds (COF) and the Statutory Reserve Requirement (SRR) cost imposed by Bank Negara Malaysia. Our benchmark COF reflects the cost of raising deposits from Time Deposits and is based on external funding benchmark reference to 3 months of KLIBOR.

## 2. What are possible scenarios to trigger a change in the BR?

Our BR can rise or fall due to changes in the benchmark COF and changes in the SRR. Changes in the benchmark COF could occur due to changes in the Overnight Policy Rate (OPR) as decided by the Monetary Policy Committee of Bank Negara Malaysia, as well as other factors such as changes in the Bank's funding strategy or cost of raising funds.

## 3. Historical benchmark COF

