



AmBank Group

Media Release

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AmBank Reduces Base Rate and Base Lending Rate

OPR A Step in the Right Direction,

Says Sulaiman of AmBank

KUALA LUMPUR, July 15, 2016 – While Bank Negara Malaysia’s (BNM) decision to reduce the Overnight Policy Rate (OPR) was certainly unexpected, Dato’ Sulaiman Mohd Tahir, Group CEO of AMMB Holdings Berhad and CEO of AmBank (M) Berhad believes that the move comes at the right time and will have positive ramifications for consumers as well as the Malaysian economy.

Dato’ Sulaiman said, “As a result of this, AmBank is pleased to announce that we will reduce our base rate (BR) and base lending rate (BLR) by 20 basis points effective 19 July 2016, to 3.80% and 6.65% respectively. This will not impact AmBank’s performance.”

“This is a prudent, pre-emptive and proactive measure to boost Malaysia’s economic growth. Given global uncertainties, a monetary stimulus of this nature is timely.”

With Malaysia’s GDP for the first quarter of 2016 slowing down on a year-on-year basis, it is evident that headwinds continue to pose a challenge to the market. In addition, the outcome of the recent EU referendum is expected to have an impact

on global economies in the months ahead. A reduction in interest rates will help to offset these instabilities by encouraging consumption and investments.

“While deposits will be less attractive moving forward, consumers can explore other investment opportunities such as unit trusts and other wealth management products which can potentially yield higher earnings.”

“Granted, soft consumer sentiment and low investor confidence is likely to continue affecting domestic growth. However, the lower BR/BLR will benefit existing and new borrowers. On the whole, I am confident that this is a definitive step in the right direction and will play a part in supporting our economic growth in the coming months,” he concluded.

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