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SMEs and M40, B40 Households Expected To Benefit from Upcoming Budget

With Budget 2017 set to be tabled this Friday, Dato' Sulaiman Mohd Tahir, Group CEO of AmBank Group comments on his expectations for the Budget announcement and the prospects for Malaysia.

Since July 2016, Malaysia's fiscal performance has been improving when compared to the first half of 2016, with the 3.1% budget deficit target for 2016 likely to be attained.

Given stabilising commodity prices and the expectations for moderate improvement in global growth in 2017 paired with ongoing fiscal consolidation, a marginally lower fiscal deficit target for year 2017 at 3.0% to GDP is expected.

Initial signs indicate that business and consumer sentiments are improving moderately while the OPR rate cut also demonstrated a marginal pickup in loans from businesses and households alike. This indicates an improvement in confidence levels.

Dato' Sulaiman said, "SMEs form the crux of the economic activity in Malaysia and it is our hope that prudent incentives are put in place for this business segment. Also given current socio-economic conditions, we expect the introduction of targeted incentives for households to address the rising cost of living. This is particularly for the M40 category consisting of those whose salary bracket falls between RM3860 to RM8319 per month as well as the B40 category whose salary bracket is RM3855 and below."

"However, while such incentives may be necessary on a short-term cycle, there is an imperative need to learn from the performance of past incentives in order to determine efficacy and curtail wastages. Hence, while it is expected that it will be a people-centric Budget on October 21, the year 2017 looks to be a year to exercise a stronger measure of prudence."

"Whether it is national fiscal policy or in business, cost optimisation and effective utilisation of capital is the route that needs to be taken in order to be formidable in the face of trying conditions," added Dato' Sulaiman.

About AmBank Group

AmBank Group is one of Malaysia's premier financial solutions groups with nearly 40 years of legacy in understanding Malaysians and provides a wide range of both conventional and Islamic financial solutions and services, including retail banking, wholesale banking, as well as the underwriting of general insurance, life assurance and family takaful.

The Group's purpose to help individuals and businesses in Malaysia grow and win together shows our renewed vision to support and empower our customers and our people to achieve their aspirations. This purpose underpins the Group's holistic "Top Four" Aspiration, focused on sustenance, improvement and growth in key segments and products as well as our role as an Employer. AmBank Group – a modern Malaysian diversified financial solutions partner that understands and meets the diverse needs of modern Malaysians.

The Group receives strong support from the Australia and New Zealand Banking Group ("ANZ") (one of Australia's leading banks) particularly in Board and senior management representations, risk and financial governance, products offering and new business developments. In the general insurance business, the Group has partnered with Insurance Australia Group Ltd ("IAG"). Whilst in the life assurance and family takaful businesses, the Group has a partnership with MetLife International Holdings Inc. ("MetLife"). The Group benefits in terms of expertise transfer from IAG and MetLife.

AMMB Holdings Berhad is the holding company of AmBank Group and is a public listed company on the Main Market of Bursa Malaysia.

For more information, please visit www.ambankgroup.com

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