

MEDIA RELEASE

For Immediate Release



BANK ISLAM CUTS BASE RATE & BASE FINANCING RATE TO 2.77% AND 5.72% RESPECTIVELY

KUALA LUMPUR, Thursday, [7 May 2020]: Bank Islam Malaysia Berhad ("Bank Islam") is revising its Base Rate ("BR") by **50** basis points from 3.27% to **2.77%** per annum, while Base Financing Rate ("BFR") is revised from 6.22% to **5.72%** per annum. Similarly, deposit rates will also be adjusted downwards by **50** basis points. All rate changes will take effect from **12 May 2020**. The decision is in response to Bank Negara Malaysia's ("BNM") move to slash the Overnight Policy Rate ("OPR") by **50** basis points from 2.50% to **2.00%**.

Bank Islam's Chief Executive Officer, Mohd Muazzam Mohamed said, "Bank Islam will be strategising to balance our funding portfolio to be more cost-effective as this will certainly help to mitigate our net income margin ("NIM") compression. While the cut will no doubt affect our financial income, it is done with our customers in mind. The Bank will continue to help society back on their feet during this difficult time and we will keep on supporting the economy to normalise."

"Having anticipated this rate cut, Bank Islam is prepared for any eventuality caused by the OPR cut and will continue to focus on diversifying the Bank's revenue streams, especially in the fee-based income segment. While we continue to remain resilient and cautious, the Bank has already put in place strategies to move forward during this challenging period. We will be leveraging on technological advancements, and implement selected digitalisation initiatives to drive further operational efficiencies, lending additional support to long-term profitability and overall viability. We recognise this effort as the 'new norm' and will strive in optimising values and resources towards sustainability and wellbeing for our customers, stakeholders, and the Bank," added Mohd Muazzam.

The last revision in Bank Islam's BR was on 6 March 2020, when it was revised from 3.52% to 3.27%, while BFR was reduced from 6.47% to 6.22%.

For further information, please visit www.bankislam.com.

About Bank Islam Malaysia Berhad

Bank Islam Malaysia Berhad was established in 1983 as the nation's first Islamic Bank. To date, the Bank has a network of 144 branches and more than 900 self-service terminals nationwide. To meet the diversity of the public's financial needs, Bank Islam offers more than 70 *Shariah*-based banking products and services which cater to Muslims and non-Muslims. For more information on Bank Islam products and services, visit www.bankislam.com or call Bank Islam Call Centre at 03-26 900 900.

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