**FNB Media Release**

**Successive rate cut to assist consumers and business, says FNB**

**14 April 2020 – Johannesburg:** Following the South African Reserve Bank’s decision to cut its lending rate by a further 1%, FNB confirms that it will reduce its prime lending rate to 7.75%.

FNB CEO Jacques Celliers, says that, “In these extraordinary circumstances the SARB is taking bold steps to shield people and businesses from the impact of a world-wide pandemic. In these difficult times, we continue to help individuals and businesses whose finances are affected by COVID-19. Our measures include cashflow relief on instalments, preferential interests or facilitating credit insurance claims where relevant.”

“It’s early stages but we hope to be able to offer meaningful relief to cushion customers against financial difficulty. In addition to our COVID-19 relief measures, we continue to prioritise early invoice settlements for SME suppliers in the Group to help with their financial stability,” adds Celliers.

FNB Chief Economist, Mamello-Matikinca Ngwenya says that, “While the SARB’s decision to move its May MPC forward was somewhat of a surprise, the decision was prudent given that the economy will suffer a pronounced contraction in GDP following the extended Lockdown to the end of April. This contraction will be much worse than our initial expectations and even if GDP growth rebounds in 2H2020, South Africa will likely still suffer its worst recession on record in 2020.”

She adds that, ‘Moreover, it is clear that measures to help contain the spread of COVID-19 will also cause permanent damage to the supply-side of the economy. All this, combined with zero policy rates in developed markets and even lower domestic inflation, has created further space for policy easing by the SARB.”
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In recent days the SARB also supplemented its monetary efforts with various liquidity measures to help ensure the continued ‘normal’ functioning of financial markets, while the government together with commercial banks have implemented measures to help tide consumers and SME’s over this difficult period.”

ENDS

Notes to editor

More information on COVID-19 Cashflow relief for FNB customers

On 30 March 2020, FNB announced the following cashflow relief measures for its customers who were in good standing before COVID-19. The measures became effective from 1 April until 30 June 2020. They include the following:

- Instalment cashflow relief, during which part or no instalments/repayments will be due for a specific period;
- A preferential interest rate will apply to the COVID19 relief interventions given;
- No fees will be charged for any relief granted;
- Assistance with processing credit insurance claims, where possible;
- Individualised bridge facilities for those who need it.

To enquire about cashflow relief, customers can use the COVID-19 icon on the landing page of the FNB Banking App.

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