



Media Release

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ANZ changes mortgage lending and deposit rates

ANZ today announced it would increase interest rates on Standard Variable Rate Home Loans by 0.25%pa, following the Reserve Bank of Australia's decision to increase the official cash rate.

Interest rates on a range of deposit products will also rise by up to 0.35%pa.

ANZ Acting Chief Executive Officer Australia Graham Hodges said: "Funding costs remain high and despite improvements in credit markets the average cost of wholesale funding is increasing which is continuing to place considerable pressure on mortgage margins.

"If sustained over time, there will be commercial pressure to pass the additional costs on.

"Right now, it's in everyone's interest that the recovery consolidates and the right thing to do at this point in the economic cycle is for us to absorb the additional funding costs and pass on only the amount of today's official increase to our mortgage and small business customers," Mr Hodges said.

The new rate on the Standard Variable Rate Home Loan will be 6.31%pa, effective Monday, 9 November 2009. This is equivalent to a 6.41%pa comparison rate¹.

Interest paid on the ANZ Progress Saver account will increase by 0.35%pa, to 3.00%pa and the interest paid on the ANZ Premium Cash Management account will increase by 0.25%pa on account balances above \$10,000. Since the official interest rate increase in October, selected ANZ term deposit rates have increased by between 0.25%pa and 0.85%pa.

Interest rates for credit cards and small business lending will also rise by 0.25%, as will other variable rate mortgage products.

ANZ has a number of options available to help customers manage their repayments including extending loan terms to maintain a customer's existing repayment obligations. Other options include switching to a fixed-rate loan to provide greater certainty on future repayments, or to an ANZ Simplicity PLUS home loan, with fewer features at a lower interest rate. Customers who would like assistance should visit any ANZ branch, log on to anz.com or contact ANZ on 13 13 14.

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¹ Comparison Rate calculated on a loan amount of \$150,000 over a term of 25 years based on monthly repayments. These rates are for secured loans only.