

Media Release



Corporate Communications
100 Queen Street
Melbourne Vic 3000
www.anz.com

For Release: 2 September 2008

ANZ lowers variable mortgage rates by 0.25%

ANZ announced it will lower interest rates for variable rate mortgages by 0.25%pa following the Reserve Bank of Australia's decision today to reduce the Official Cash Rate.

Effective Monday, 8 September 2008, the interest rate on ANZ's standard variable rate home loan will decrease by 0.25%pa to 9.37%pa (9.47%pa Comparison Rate) for new and existing customers. Other variable rate home loan products will also decrease 0.25%pa from 8 September 2008. The new rates include: Simplicity PLUS – 8.67%pa and Equity Manager – 9.37%pa.

This follows recent cuts in fixed term mortgages which have seen interest rates reduced by up to 0.80%pa. The current rates are 1 year fixed term 8.49%pa and 2, 3, 4 and 5 year fixed term 8.69%.

ANZ Group Managing Director Personal, Brian Hartzler said: "ANZ understands higher interest rates are stretching many household budgets. While global credit markets continue to be volatile and there are continued pressures on bank funding costs, we are pleased to currently be in a position to pass on the reduction in the Cash Rate to our mortgage customers.

"We will continue to closely monitor our funding costs and we remain committed to passing on rate relief to our customers as these costs fall," Mr Hartzler said.

For those customers experiencing hardship, a number of assistance options are available to help manage repayments including:

- extending loan terms to maintain existing repayment levels; or
- short-term repayment 'holidays'.

Other options include switching to a fixed rate loan to provide greater certainty on future repayments or to a home loan with fewer features at a lower interest rate.

Interest rates for other lending products and for deposits remain under review.

For media information contact:

Cherelle Murphy
Senior Manager, Media Relations
Tel: 03-9273 6190 or 0409 655 551
Cherelle.Murphy@anz.com