

# Media Release



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## ANZ lowers variable mortgage rates

ANZ today announced it will lower interest rates for variable rate mortgages by 0.83%pa following the Reserve Bank of Australia's decision to reduce the Cash Rate.

ANZ Chief Executive Officer, Australia, Brian Hartzler said: "ANZ understands the current economic environment is placing a strain on many households and we have been able to pass on a 0.83%pa reduction to our variable rate home loan customers. This equates to a reduction of \$134 each month on repayments for a \$250,000, 25 year home loan."

Effective Friday, 12 December 2008, the interest rate on ANZ's standard variable rate home loan will decrease by 0.83%pa to 6.91%pa (7.01%pa Comparison Rate) for new and existing customers. There will also be a 0.83%pa reduction on other variable rate home loan products. The new rates include: Simplicity PLUS - 6.21%pa and Equity Manager - 6.91%pa.

"Despite coordinated policy action by governments around the world, uncertainty about the global economic outlook is continuing.

"The Australian Government's guarantee on wholesale funding is likely to ease constraints, however this comes at a cost and international markets for wholesale funding continue to be difficult. The cost of funding from customer deposits is also rising and with continued volatility in markets around the world, it seems likely that the high cost of funds will be with us for the medium term.

"As soon as market conditions allow, we will pass on further reductions in funding costs to our customers," 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 credit cards, deposit rates and rates for business lending including agri-business are under review.

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