



Media Release

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ANZ changes lending and deposit rates

ANZ today announced it would increase interest rates on Standard Variable Rate Home Loans by 0.35%pa, following the Reserve Bank of Australia's decision to increase the official cash rate and persistently high funding costs.

Rates for selected deposit products will rise by up to 0.35%pa. The increases include ANZ Progress Saver up 0.35%pa effective Monday, 7 December 2009. Earlier this week, ANZ Term Deposits rates also increased by up to 0.75%pa across selected terms.

Interest rates for ANZ's variable rate mortgage products will increase by 0.35%pa for new and existing customers effective 7 December 2009. The new rate on the Standard Variable Rate Home Loan will be 6.66%pa (6.76%pa comparison rate).

ANZ CEO Australia Phil Chronican said: "Funding costs have remained persistently high since the global financial crisis. Despite some improvements in credit markets, the average cost of funding has continued to rise and significantly higher rates for retail deposits has placed additional pressure on margins.

"While we have made a commercial decision to pass on some of these additional funding costs, we're also conscious that it's in everyone's interest that the economic recovery consolidates and mindful of our customers' expectation that we will absorb some of these additional costs.

"Although interest rates remain historically low, we've tried hard to find a reasonable balance between the commercial reality we face and the wider community interest in Australia's economic recovery.

"We remain committed to passing on reductions when we see a sustained improvement in overall funding costs," Mr Chronican said.

Interest rates for consumer credit cards and personal loans will increase by 0.25%pa while business lending rates will increase by 0.30%pa.

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 131314.

For media enquiries contact:

Paul Edwards
Group GM Corporate Communications
Tel: 03-9273 6955 or 0434-070 101
Email: paul.edwards@anz.com

Stephen Ries
Senior Manager Media Relations
Tel: 03-8654 3659 or 0409-655 551
Email: stephen.ries@anz.com