

Media Release



Corporate Communications

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ANZ changes deposit and lending rates and confirms customer assistance measures

ANZ today announced it would increase interest rates for a range of key deposit and lending products in line with the decision by the Reserve Bank of Australia to increase the Official Cash Rate by 0.25%pa earlier this week.

In response to the change, ANZ confirmed the availability of a range of special assistance measures to help customers who are experiencing difficulty with repayments on their home loan, personal loan or credit card or facing financial difficulties due to the drought.

ANZ Group Managing Director Personal, Mr Brian Hartzler said: "We recognise that households will be placed under additional pressure as a result of the third increase in official rates this year.

"Although customers are generally managing their repayments well, due in part to the underlying strength in the Australian economy, we understand the increase will be difficult for some customers. This includes customers in rural Australia where the drought is placing financial pressure on individuals and communities," Mr Hartzler said.

The assistance available will vary from customer to customer and available measures include holding existing repayment levels, short-term repayment holidays and possible repayment changes through review of customers' overall lending commitments.

ANZ also has a specific package of assistance measures to assist farmers and rural communities facing financial difficulty during the drought. This includes measures such as capitalising interest or establishing interest-only repayments on loans, loan restructuring to minimise financial outgoings during this adverse trading period and waiving fees associated with accessing deposit funds ahead of the maturity date.

Details of Interest Rate Changes

Effective 13 November 2006, the interest rate on ANZ's standard variable rate home loan will increase by 0.25%pa to 8.07%pa (8.11%pa Comparison Rate*) for new and existing customers.

The rise in the standard variable rate will increase repayments on a \$150,000, 25-year loan by \$24.79 per month. ANZ customers with standard variable rate loans will continue to benefit from features such as no monthly fees and 100% offset facility.

ANZ's other variable rate mortgage products will also increase by 0.25%pa effective from Monday 13 November 2006. The new rates are: Money Saver – 7.47%pa; Equity Manager – 8.07%pa; Home Equity – 8.57%pa. Fixed rate loans have increased in recent weeks following increases in wholesale interest rates. The current rates are: 1 Year, 2 Year and 3 Year – 7.35%pa; 4 Year and 5 Year – 7.45%pa and 7 and 10 Year – 7.55%pa.

Following rises in wholesale interest rates, rates for ANZ Term Deposits have also increased over the past six weeks. The new rates effective from 10 November 2006 include: 3 Month Money Market Term Deposit 6.20%pa (up 0.40%pa); 4 Month Term Deposit – 6.05%pa (up 1.05%pa), 6 Month Term Deposit – 6.15%pa (up 0.15%pa) and 12 Month Term Deposit – 6.25%pa (up 0.25%pa for balances \$5,000 to \$25,000).

Effective from 20 November 2006, interest rates for ANZ's mainstream savings product, ANZ Progress Saver, will increase by 0.25%pa. Interest rates for other savings products are under review with relevant increases expected to be announced this month.

The ANZ Personal Lending Index rate, ANZ Retail Index rate and ANZ's Business Lending rates will also increase by 0.25%pa from 13 November.

The increase in the Reserve Bank's Official Cash Rate has also resulted in increases in interest rates for credit cards of 0.25% effective 15 November. The new rates include ANZ Low Rate MasterCard 12.49%pa on purchases and ANZ First 17.75%pa.

* Comparison Rate calculated on a loan amount of \$150,000 over a term of 25 years with monthly repayments.

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Editor's Notes:

ANZ Drought Assistance Package

ANZ announced a package of measures to assist farmers and rural communities to manage financially through the drought on 16 October. Details of the drought assistance measures available from ANZ can be found at: www.anz.com/aus/about/media/mediareleases2006

Tips and advice to help reduce the cost of home or personal borrowing

ANZ wants to help customers manage their finances responsibly. With interest rates having increased three times this year, it is worth customers making sure their mortgages and credit cards are not costing more than they need to.

Tips to help people save money on home loans can be found at: www.anz.com/aus/homeloans

Tips to help people save money on credit cards can be found at: www.anz.com/aus/ind/creditcard/managing