



## Media Release

For Release: 8 June 2012

### **ANZ June 2012 Interest Rate Review**

- **variable rate mortgages and small business lending cut by 0.25%pa –**
- **decision reflects focus on financial situation of mortgage, business customers -**

ANZ today announced it will lower interest rates for variable rate mortgages and small business lending by 0.25%pa following its monthly interest rate review.

Effective 15 June 2012, ANZ's new standard variable mortgage rate will be 6.80%pa (6.90%pa comparison rate). New small business rates are also effective from 15 June.

The 0.25% decrease will save customers about \$13.50 per week for the average home loan of \$280,000, while small businesses will save \$6.25 per week for the average business loan of \$130,000.

ANZ CEO Australia Philip Chronican said: "Funding costs remain elevated as a result of the deteriorating economic situation in Europe and strong competition for deposits.

"We are however pleased to be in a position to reduce rates by 0.25% this month.

"Although there was strong economic growth data this week, we know that several major states and many of our customers are not directly benefiting from the strength of the resources sector.

"The bottom line is that while deposit customers are receiving very competitive deposit rates, many of our borrowing customers are under pressure from a range of other costs. We felt that reducing interest rates by 0.25%pa for home borrowers and for small business was the right decision in these circumstances.

"This decision recognises that, although we need to be realistic about funding costs and the challenges the global economic situation is presenting, ANZ also needs to absorb its share of the burden. Hopefully this decision will help relieve some of the pressures that we know homeowners and small businesses are facing at present," Mr Chronican said.

ANZ has options available to help customers concerned about interest rates manage their repayments. These include extending loan terms or 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 an ANZ branch or business centre, contact their relationship manager, or call 13 13 14 (mortgage customers) or 1800 801 485 (business customers).

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