

9 August 2016

Auswide Bank announces interest rate changes

Auswide Bank today announced changes to interest rates on loans and deposits..

Effective 26 August 2016, the bank will decrease variable interest rates for home loans, lines of credit and business loans by 10 basis points (0.10%p.a.) Interest rates paid to customers on selected term deposits will increase this week.

Mr Martin Barrett, Auswide Bank Managing Director said the latest interest rate changes had been prompted by the Reserve Bank cash rate decision last week and subsequent repricing by competitors.

“In arriving at our pricing decisions, we’ve considered the needs of all our customers. With interest rates at historic lows, loan affordability has never been better and our loan customers are making solid advances in making their loan payments. At the same time, savers and investors are seeing additional pressure on their interest rate returns in a falling interest rate environment.”

Mr Barrett said while the Reserve Bank decision was usually a trigger for review by lenders, Auswide Bank’s pricing is largely determined by the costs of funds, not the cash rate.

“This is even more so since the global financial crisis where the Reserve Bank’s cash rate has not mirrored the actual funding costs lenders such as Auswide Bank pay to fund our loans, which includes the interest we pay on customer deposits and in wholesale markets.”

“Despite difficult decisions, we believe we have the customer balance right so we remain competitively positioned and our customers can continue to enjoy a superior customer service proposition, competitive pricing, great product features and flexibility.”

ENDS

Small things. Big difference.

About Auswide Bank Ltd

Auswide Bank is helping Australians achieve home ownership, create wealth, access banking & financial services that make their life easier and help them to protect their assets and loved ones from financial loss or hardship.

We provide an extensive range of personal and business banking products and services issued directly or in partnership with leading service providers via branches, strategic relationships and online & digital channels.

Auswide Bank has an Australian Credit Licence and an Australian Financial Services Licence issued by ASIC and is an Authorised Deposit-taking Institution prudentially supervised by the Australian Prudential Regulation Authority.

Even though we are a smaller bank, we believe that it's the small things that make us different and can make a big difference for our customers and communities.

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