

4th April 2017

Auswide Bank reprices investment home loans and reduces maximum LVR on new investment lending

Auswide Bank announced today that reference rates for investment home loans will increase by 13 basis points (0.13%) from 5th April 2017 and that it is also reducing the maximum LVR on new investment loans.

Managing Director, Martin Barrett said customers with an investment home loan paying the bank's new standard variable rate of 5.85% on a \$250,000 loan will see their repayments increase by \$20.68 a month (principal and interest home loan over 30 years).

"Of course many of our investment loan customers are on rates less than the standard variable rate based on the size of their loan and any mortgage package they may have qualified for."

Mr Barrett said the decision protects the bank's position in balancing its funding costs and lending income. "As we recently reported to the market, our operating margin continues to sit just under 2%, as it has done for many years."

He said the rate increase and a decision to reduce the maximum acceptable LVR to 90% or less on new investment home loans also reflects recent market conditions and prudent management of the bank's lending in the current environment.

"We've witnessed a host of lenders, both large & small, bank & non-bank, all announce similar responses in respect to rate and lending policy over the last few days and weeks."

Mr Barrett announced Auswide Bank has also launched a new 12 month term deposit rate of 2.75% with interest paid on maturity. "At the end of 2016, 63% of our funding was sourced from retail depositors, so it is important we attract new deposits to support both our existing lending and growth objectives."

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About Auswide Bank Ltd

Auswide Bank helps Australians with 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.

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.

Small things. Big difference.



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