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Auswide Bank adjusts loan rates

Auswide Bank is the latest lender to announce an increase in its variable interest rates for existing borrowers.

Reference rates for existing owner occupied home loans will increase by 10 basis points on Friday 10th February 2017, lifting the bank's predominant standard variable rate to 5.43%p.a.

This means that customers with an owner-occupied loan paying the standard variable rate on a \$250,000 loan will see their repayments increase by \$15.59 a month (principal and interest home loan over 30 years).

Variable rate business loans will also increase by 10 basis points.

Managing Director, Martin Barrett said the rate increase was a necessary decision to protect the interests of all stakeholders.

“Our operating margin has sat just under 2% for many years and this decision protects that long-held position in a competitive funding environment where a large proportion of our loan funding is sourced from depositors.”

Customers with fixed rate home loans, personal lines of credit and investment home loans are not impacted by the increase. The bank's current discount variable rate offer for new package loans over \$150,000 with an LVR under 90% is also not impacted.

Customers with the bank's RBA Rate Tracker Home Loan will also not see any change to their interest rate or repayments. The RBA Rate Tracker was launched in October 2016 and is the one of the only home loans of its kind in Australia.

“This home loan provides borrowers with certainty about when and how much their home loan rate may change as the interest rate only moves in line with changes to the RBA cash rate.”

Despite the RBA leaving the cash rate unchanged over recent months, several other major and regional banks and non-bank lenders have adjusted their loan pricing due to pressures on the cost of funding sources, regulatory change and market outlook.

Small things. Big difference.

Mr Barrett said that after adjusting pricing on investment home loan rates in December the bank had held off for as long as possible on increasing loan rates for owner occupiers and business customers.

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.

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