



news release

2 September 2008

St.George reduces standard variable interest rates by 0.30% pa

St.George Bank today announced that it was lowering its standard variable home loan interest rates by 0.30% pa to 9.37% pa, effective 29 September 2008. This is an additional 0.05% pa to the 0.25% pa reduction announced by the Reserve Bank of Australia (RBA) on 2 September 2008. The new reduced rate will be applicable for new and existing customers.

Les Matheson, Group Executive Retail Bank, said; "I am extremely pleased to be able to provide our customers with a reduction in their home loan interest rate, above and beyond the RBA cut announced today."

"We are very mindful of the impact of rate rises on our customers and have upheld our commitment that if funding costs were to reduce, we would then look to adjust our rates."

"In order to provide customers with a larger reduction in their interest rate, we have decided to wait a few weeks for the RBA decision to fully flow through to our overall funding costs. This allows us to offer the additional bonus of 0.05% pa above the RBA decision, which we know will be appreciated by our customers," Les said.

This 0.30% pa rate reduction equates to a saving of approximately \$55 per month in repayments on an average size loan of \$250,000 over a 30 year loan term.

In addition, on Monday St.George announced it was cutting its 1 – 5 year fixed interest rates by up to 0.76% pa, or 1.06% pa including special Advantage Package discounts, effective Wednesday 3 September. These changes include the introduction of a 2 Year Fixed Rate of 8.29% pa for eligible Advantage Package customers, the lowest amongst major banks. The changes give customers the opportunity to lock into some of the most competitive rates currently in the market.

St.George has also decreased rates on deposit products, with most savings and investment products decreasing by 0.25% pa.

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