

Media Release



Corporate Affairs
Level 22, 100 Queen Street
Melbourne Vic 3000
Facsimile 03 9273 4899
www.anz.com

For release: 30 June 2003

Comparison Rate already popular with customers

With Federal Government legislation coming into force tomorrow making it mandatory for lenders to communicate Comparison Rates, ANZ today released data highlighting the popularity of Comparison Rates with consumers.

In May ANZ became the first major bank to introduce the Comparison Rate in all its advertising and promotional material for mortgage and personal loan products. ANZ has also provided information on the Comparison Rate on its web site, anz.com with an average of around 1,000 hits per week on the Comparison Rate pages which include an easy-to-use Comparison Rate calculator.

ANZ Head of Mortgages Marketing Ms Tania Turnbull said the response was beyond expectations and highlighted consumers had a high level of interest in understanding the true cost of borrowing.

“Our research earlier this year indicated while 66% of home borrowers surveyed were aware of the cost of their home loan, one in three were still experiencing confusion when it came to understanding the fees and charges which applied to their home loan,” Ms Turnbull said.

“85% of respondents told us the new Comparison Rate legislation would reduce the stress associated with choosing a home loan. They told us the biggest benefits would be a reduction in confusion between different home loan options and an increase in consumer confidence in having made the right choice.

“In addition to the hits on anz.com, we have also had a lot of positive feedback from our staff. Having a list of Comparison Rates and access to the ANZ Comparison Rate Calculator is making the job of explaining the costs of a home loan to customers much easier.

“The response reinforces the value of the new legislation to both customers and banks in providing better information that makes the total cost of borrowing clearer,” Ms Turnbull said.

Comparison Rates allow new and existing customer to understand the true cost of their home loan by taking into consideration the interest rate plus initial establishment and ongoing fees.

For media enquiries contact:

Kate Gore
Media Relations Manager
Tel: 03-9273 6190 or 0409-655 551
Email: gorek@anz.com

Note for Editors:

Amendments to the Consumer Credit Code come into force on 1 July 2003 making it mandatory for lenders to supply an Annual Average Percentage Rate or Comparison Rate to customers applying for a loan. The Comparison Rate will also need to be shown in brochures and advertising material together with carded interest rate information.

The Comparison Rate takes into account costs associated with setting up a loan including the nominal interest rate, loan approval fees and other upfront or ongoing fees. It does not allow for government and statutory fees (eg. stamp duty, registration of mortgage) as these are standard fees, regardless of the lender or type of loan. Fees that are event-based, such as redraw fees, or early termination charges, are also not included in the calculation.

For example:	ANZ Money Saver Home Loan
Loan amount	\$150,000
Interest rate	5.97%
Term	25 years
LAF	\$600
Monthly fee	\$8
ANZ Comparison Rate:	6.11% p.a.

The Comparison Rate can then be compared against the Comparison Rate for other loan types and loans with other lenders. For products with 'introductory rates' or 'honeymoon rates', the Comparison Rate takes the special rate into account for the initial term and then bases the calculation on the standard variable rate for the remaining period.

ANZ products featuring Comparison Rates are as follows:

- ANZ Standard Variable Rate Home and Residential Investment Loans
- ANZ Easy Start Home and Residential Investment Loans
- ANZ Money Saver Home and Residential Investment Loans
- ANZ Fixed Rate Home and Residential Investment Loans
- ANZ Variable Rate Personal Loan
- ANZ Fixed Rate Personal Loan
- ANZ Car Loan