



COMMONWEALTH BANK LIFTS INTEREST RATES BY 0.25%

7 November 2003: The Commonwealth Bank will increase a range of home loan interest rates, reflecting an increase in market rates.

Home Lending

The interest rates on owner occupied and investment home loans will increase as follows:

	Old Rate % pa	New Rate % pa	Change
Complete Home Loan	6.57 (6.70	6.82 (6.95	+0.25%
Variable Rate	Comparison Rate)*	Comparison Rate)*	
Economiser (Base	6.06 (6.19	6.31 (6.44	+0.25%
Variable Rate)	Comparison Rate)*	Comparison Rate)*	
Viridian Line of Credit	6.57	6.82	+0.25%
(Residential Equity Rate)			

The new home loan interest rates will be effective for new customers from 10 November 2003 and for existing customers from 14 November 2003. The new Residential Equity Rate will be effective from 14 November 2003 for new and existing customers.

The 0.25% interest rate increase means required repayments at the new standard variable rate of 6.82% pa on a principal and interest loan of \$100,000 over 25 years increase by \$16 per month. For a \$150,000 loan, the increase is \$24 per month.

The Bank encourages customers to regularly review their circumstances and to contact us if they are concerned about their financial circumstances. The Bank's own practices support this, with prudent lending criteria, Bank reviews of loan repayments with clients, and the flexibility available to customers to vary the amount and frequency of loan repayments.

Customers should view borrowing for homes as a long-term investment with tolerance for change – whether in interest rates, home prices or personal circumstances. In this way, the journey to ownership can be managed well and without undue stress.

Regular stress testing of its portfolio and a prudent approach to credit meant the Bank was well placed to deal with rate increases.

* The comparison rate is calculated based on \$150,000 over 25 years for a secured loan.

WARNING: This comparison rate applies only to the example or examples given. Different amounts and terms will result in different comparison rates. Costs such as redraw fees or early repayment fees, and cost savings such as fee waivers, are not included in the comparison rate but may influence the cost of the loan.

ENDS

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