

15 October 2012

Wide Bay Australia Ltd reduces loan rates

Wide Bay Australia Ltd has announced a reduction to lending reference rates of 20 basis points (0.20%) on variable rate mortgage loans effective 31 October 2012.

This brings the standard variable rate for Wide Bay Australia's principal retail home loan, the Wide Bay Home Loan, down to 6.63%p.a. A customer with an interest only variable loan of \$250,000 will see their repayment fall by an additional \$41.66 each month."

Wide Bay Australia Managing Director, Ron Hancock said this latest interest rate decrease will flow through to all Wide Bay Australia's variable rate mortgage products including package, line of credit and business loan customers.

"In arriving at our decision, we have taken into account a range of key factors including the target 'cash rate' announcements by the Reserve Bank of Australia, our loan funding costs, operating margin and prevailing market conditions."

"This latest loan rate decrease has been made despite pressures on our funding costs, including intense competition between lenders for deposits, particularly term deposits. As a result investors continue to benefit from historically higher deposit rates relative to both the RBA 'cash rate' and our home loan rates.

Many of our term deposit customers are locked into rates, some for up to five years, and while they will not see any reduction in their immediate returns, neither will Wide Bay Australia see any immediate reduction in our associated costs until these term deposits mature over time.

Mr Hancock said Wide Bay Australia has also decreased new fixed interest rates available for mortgage loans for one, two and three year periods.

ENDS

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