



ASX Announcement

Wednesday, December 23, 2009

RHG Response to Media Comments on Mortgage Rates

Reference is made to a number of articles in various media outlets that claim that RHG is “charging customers the highest standard variable interest rate on the market” and that “RHG lifted its standard variable rate 39 basis points to 7.88%. Its standard variable rate is higher than that of 110 other lenders”.

In the interests of keeping all stakeholders fully informed as to current customer interest rates, RHG would like to make the following clarifying comments:

- After considering the RBA rate increase in early December, RHG raised interest rates by 39 basis points on the 9th December 2009 on its portfolio of variable rate loans. The advertisement that was published in a national newspaper, as required under the UCCC, listed over 70 affected products;
- RHG has a broad portfolio of loan products including low doc and full loans which have traditionally had higher or lower margins, due to factors such as product features and credit assessments;
- In reference to the specific product “RHG Standard Variable Home Loan (August 2007) rate 7.88%.”, this product rate is used as a benchmark to which various discounted products are linked. Currently the mortgages linked to this rate are being charged a weighted average rate of 6.94%.

Further media enquiries

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