

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS RESPONSE TO QUESTIONS IN WRITING REQUESTED

Citi Australia

Question CAB12QW : Interest Rates

- (a) Regarding principal and interest mortgages, for the last three rate cuts what was the rate cuts provided, and what was the aggregate dollar value reduction in interest repayments compared to each previous month?**

Response:

Citi passed 25 bps, 18 bps and 15 bps of the RBA cash rate reduction to its variable principal and interest mortgage book in June, July and October 2019 respectively. The dollar value reduction in interest repayments due to these rate reductions was \$ 1.05 million, \$ 0.77 million and \$ 0.65 million respectively.

- (b) Regarding interest-only mortgages, for the last three rate cuts what was the rate cuts provided, and what was the aggregate dollar value reduction in interest repayments compared to each previous month?**

Response:

Citi passed 25 bps, 18 bps and 15 bps of the RBA cash rate reduction to our variable interest only mortgage book in June, July and October respectively. The dollar value reduction in interest repayments due to the rate reduction was \$ 0.29 million, \$ 0.20 million and \$ 0.16 million respectively.

- (c) Regarding interest-bearing deposits, for the last three rate cuts what was the rate cuts provided, and what was the aggregate dollar value reduction in interest repayments compared to each previous month?**

Response:

Citi passed 23bps, 22bps and 20bps of the RBA cash rate reduction to the interest bearing deposits in June, July and October respectively. The dollar value interest payments due to rate reduction were \$ 0.45 million, \$0.44 and \$0.40 million respectively.