



## What's happened so far?

On 7 April 2009, the Reserve Bank of Australia announced a 0.25% rate cut. Following this announcement, NAB's standard variable interest rate will stay at a competitive 5.74% p.a.

## What does this mean for you?

There's a common view that the bank mortgage interest rates are a direct reflection of what the Reserve Bank of Australia sets as their interest rates. In actual fact, pricing decisions are quite complicated, so we'd like to explain more about why we won't always pass on the entire RBA rate change.

Although interest rates have been falling dramatically, the actual costs for banks to provide a home loan has increased significantly since the credit crisis hit in mid-2007.

NAB has been absorbing some of these increased costs, but unfortunately it's not sustainable for us to continue doing so.

It's important to note that NAB customers have benefited from rate decreases totaling 3.87% per annum over the last seven months – interest savings of more than \$800 a month on an average \$250,000 home loan.

What's more, NAB continues to offer competitive home lending rates.

## Where can I learn more?

We've put together an easy to understand [information pack](#) that explains how we make our pricing decisions. Or, read our [media release](#) from Lisa Granger, Group Executive NAB Personal Banking.