

News Release

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ANZ lifts floating home loan rates, saving accounts and holds some rates for small business

ANZ Bank New Zealand will increase the interest rates on its floating and flexible home loans by 0.20% following today's 0.25% Official Cash Rate (OCR) rise by the Reserve Bank of New Zealand.

Interest rates will also increase on a number of savings and call accounts.

Ben Kelleher, ANZ Managing Director for Personal Banking, said the economic conditions that have supported historically low interest rates have changed.

The RBNZ has become one of the first central banks to start tightening monetary policy since the pandemic started and are forecasting interest rates will continue to rise as it attempts to rein in inflation.

"For a while now we've been encouraging customers to take advantage of the low interest rate environment and pay off as much of their debt as they can," Mr Kelleher said.

"We've seen a continued increase in fixed mortgages with around 90 per cent of our home loan balances now on fixed rates."

He said in the changing environment it was important customers understand why interest rates are rising and consider whether they have structured their lending in a way that best suits their financial and personal circumstances.

"Earlier this week ANZ increased a number of term investment rates giving customers some of the most competitive rates in the market - the three-year rate lifted by 0.40% to 3 per cent - and today we've announced an increase in interest rates across our savings accounts.

"This is good news for people who rely on returns from savings," Mr Kelleher said.

Lorraine Mapu, Managing Director for Business, said while the New Zealand economy continued to be strong, there was still uncertainty for parts of the business community - particularly smaller businesses experiencing extended periods of lockdown.

"We recognise there is a need to support small business customers as they get back to 'business as usual' once the new traffic light COVID management system comes in to effect," Ms Mapu said.

ANZ will not raise interest rates on some business overdraft facilities, and hold variable interest rates on some business term loans, limiting cost increases for many of its small business customers.

Interest rates will continue to be reviewed in response to market conditions.

The new rates will be effective from the following dates:

Home lending Floating	New Loans 1 December Existing Loans 15 December
Home lending Flexible	New Loans 15 December Existing Loans 15 December
Business floating*	New Loans 1 December Existing Loans 15 December
Business overdraft*	15 December
Serious Saver	1 December

*Excluding those business lending products that we are not increasing.

For media enquires contact Briar McCormack 021 280 1173