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ANZ makes changes to rates

ANZ Bank New Zealand (ANZ NZ) is reducing its floating home loan, business, and savings rates in response to the Reserve Bank of New Zealand's decision to lower the Official Cash Rate (OCR).

Floating and Flexible home loan rates will drop by 40 basis points to 5.89% and 6.00% respectively. The business floating rate will also decrease by 40 basis points.

Grant Knuckey, Managing Director for Personal Banking, said the OCR cut will be welcome news for borrowers, but also signals that economic momentum remains subdued.

"The good news is that lower interest rates are helping, and more and more customers are seeing the benefit of rate cuts."

Since the OCR started to drop in August last year ANZ NZ has reduced home loan floating rates by 2.75%. Fixed rates have fallen even further, since rates started being cut in March last year the 1-year home loan special rate has fallen by 2.90%. For someone fixing their home loan at today's rate, compared to fixing in March last year, that equates to around \$10,000 of savings on repayments across a year on a home loan of \$500,000*.

"We've been pleased to see people choosing to use lower interest rates to get themselves ahead by saving and paying down their loans faster where they can," Mr Knuckey said.

In the past three months, nearly a quarter of all home loan customers refixing at a lower rate have either kept or increased their repayment amounts meaning they will be paying off their home loans faster than before. Over 40% are ahead on payments by six months or more.

ANZ NZ made cuts to fixed home loan rates last week, with the 1-year fixed rate special dropping by 26-basis points to 4.49%.

"We're committed to offering competitive rates and encourage customers to explore their options. Most can lock in a fixed rate themselves via GoMoney," Mr Knuckey said.

Lorraine Mapu, Managing Director for Business and Agri, said the OCR cut would be welcomed by business and agri customers, most of whom are on floating rates.

"We continue to see an economy of contrasts. Regional areas, buoyed by strong farm gate returns and commodity prices, are more upbeat. But many urban businesses are still doing it tough," Ms Mapu said.

"For those on floating rates, this change will help boost cashflow and provide some debt relief."

Business and agri floating rates are reviewed monthly and move independently of the OCR. Since August last year, ANZ NZ has announced 2.90% in cuts to these rates.

The Serious Saver rate will drop from 2.05% to 1.65%, while Online Call and Business Premium Call accounts will decrease by 10-basis points.

Rate decisions are based on a range of factors including the OCR, wholesale interest rates, and the need to balance outcomes for both borrowers and savers.

ANZ NZ will continue to review rates in line with global and local market conditions.

ANZ NZ's new rates will be effective from the following dates:

- Floating Home Loan interest rate: New loans 10 October, existing loans 14 October
- Flexible Home Loan interest rate: New and existing loans 10 October
- Business Floating interest rate: New loans 10 October, existing loans 17 October
- Serious Saver interest rate: 1 November 2025 – the ANZ NZ Serious Saver account operates on a monthly interest rate cycle because it has qualifying criteria for its premium interest earnings that apply across a month
- Online Call and Business Premium Call interest rates: 14 October

** Based on average principal and interest payments over a 25-year term on a home loan of \$500,000.*

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