

News Release

For Release: 6 September 2018

ANZ increases variable home loan rates - No change for customers in drought declared regional Australia -

ANZ today announced it will increase variable home loan interest rates in Australia following the sustained rise in wholesale funding costs as well as consideration of business performance and market conditions.

- **No change to effective rates for home loan customers in drought-declared regional Australia¹.**
- Increase variable interest rates for Australian home and residential investment loans by 0.16%pa
- Changes effective 27 September, 2018

ANZ Group Executive Australia Fred Ohlsson said: "This was a difficult decision given we know the impact rising interest rates have on family budgets. The reality is it is more expensive for us to fund our home loans on wholesale markets and we also needed to balance the needs of all stakeholders.

"There is no change to the effective rates of our home loan customers in drought declared regional Australia benefiting more than 70,000 of our customers.

"We wanted to play our part in keeping cash in regional towns impacted by the drought and we hope this will also assist both families and small businesses in these areas," Mr Ohlsson said.

Customers concerned about rising interest rates can lock in one of ANZ's competitive fixed rates. ANZ's two-year fixed home loan rate for owner-occupier Breakfree customers is currently 3.75%pa.

ANZ has a number of options available to help customers concerned about interest rates and their repayments. Customers in need of assistance should visit a banker in any of our branches, call us on 13 13 14 or log on to anz.com.

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| ANZ Variable Home Loan Indices | Previously | New |
|---------------------------------------|-------------------|------------|
| Owner Occupier P&I | 5.20% | 5.36% |
| Owner Occupier Interest Only | 5.75% | 5.91% |
| Investor P&I | 5.80% | 5.96% |
| Investor Interest Only | 6.26% | 6.42% |

¹ "Drought Declared Regional Australia" as defined by customers residing in areas of NSW declared as "Intense Drought" or "Drought" by the NSW Department of Primary Industries, with the exception of the Greater Sydney region (as defined by the ABS); and customers residing in areas of Queensland defined as "Fully drought-declared" or "Partly drought-declared" by the Queensland Government as at 6 September 2018.