

News Release

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Simpler home loans give customers choice and a discounted rate

ANZ today announced it will remove its Breakfree package from sale and simplify its home loan offerings to help customers choose the solution that works for them.

The Breakfree package provides a discounted interest rate and allows customers to bundle their home loan with other products such as a credit card and an everyday banking or offset account. A package like this is what many home loan customers in Australia have been accustomed to.

ANZ Group Executive Australia Retail and Corporate, Mark Hand said: "We are on a mission to improve the home loan experience for our customers and this is a significant change that will help us reach that goal.

"We understand customers want more choice today about how they structure their home loans and our new approach provides that while retaining a discounted interest rate and no annual package fee.

"This is really good news for our home loan customers who only want to pay for the products and features they value and choose to use. We've been speaking to them and they want simple options with a competitive interest rate and that is what we are now providing."

ANZ is the first major Australian bank to remove the home loan package. From March, ANZ will offer three simplified home loan products for customers to choose from: ANZ Standard Variable; ANZ Fixed; and, ANZ Simplicity Plus. All will have no ongoing ANZ fees. Customers who want an offset account, can choose that for \$10 per month.

Under the new approach to home loans, customers will not pay:

- A loan approval fee
- Loan administration fees
- Valuation administration fees
- Progress payment fees
- Loan renegotiation fees
- Guarantor administration fees

In March, ANZ will remove the Breakfree package from sale. Existing Breakfree package customers will retain their current interest rate discounts when they are converted to the simplified home loan proposition in September.

These simpler home loans have been designed to make it easier for customers to see their options clearly and make decisions with greater understanding and confidence.

For media enquiries contact:

Nick Higginbottom, +61 403 936 262