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ANZ cuts fixed home loan rates – taking the 2-year fixed rate special to 4.99%

ANZ Bank New Zealand (ANZ NZ) announced today it is cutting its two-year fixed rate special to 4.99%, the lowest the rate has been since 2022.

The bank also announced a range of other fixed rate changes including cutting the 1-year fixed rate special to 5.29%.

Earlier today, following the Reserve Bank's 50-basis point cut to the Official Cash Rate, the bank announced it would cut floating and flexible home loan rates by 50-basis points to 6.89% and 7% respectively.

ANZ NZ Managing Director for Personal Banking, Grant Knuckey, said the cuts to fixed and floating rates will provide extra relief and some certainty for customers who have yet to fix their home loans.

"Interest rates have fallen significantly in a relatively short period – 175-basis points of Official Cash Rate cuts since August last year – and that rapidly changing environment can be a challenge to navigate.

"One thing that has been notable about this interest rate cycle is the number of customers staying for longer on floating rates or moving to short-term fixed rates," Mr Knuckey said.

"Given the current environment we're encouraging people to connect with their bank to ensure they are aware of all the options available to them.

"We'll always endeavour to offer customers the most competitive rates we can."

Mr Knuckey said by the end of this year, around 86% of customers with a fixed interest rate higher than 6% will roll off onto lower rates.

"Borrowers could potentially see 100-basis points or more coming off their home loan interest rate when they refix," Mr Knuckey said.

"That gives our customers a chance to get ahead on their finances, provides a bit more disposable income, and hopefully means some much-needed spending with local businesses."

On February 4, ANZ reduced its business and agri term loan floating base rates by 25-basis points to 5.45%.

ANZ regularly reviews these rates and since August last year business and agri floating rates have dropped by 160-basis points.

ANZ NZ Managing Director for Business and Agri, Lorraine Mapu, said: "While it is encouraging to see the green shoots of recovery and some stronger commodity prices, many businesses are still doing it tough.

"Today's move by the Reserve Bank will be welcome news to many of our business and farming customers."

ANZ is also making changes to Term Deposit rates of between 20 and 40-basis points across most terms.

When reviewing interest rates, ANZ considers a range of factors, including the OCR and changes in wholesale interest rates and the need to balance the needs of borrowers and savers.

The new rates will be effective from the following dates:

- Home Loan Fixed rates: 20 February
- Term Deposit rates: 20 February
- ANZ Floating Home Loan interest rate: New loans 25 February, existing loans 4 March
- ANZ Flexible Home Loan interest rate: 25 February
- Serious Saver interest rate: 1 March
- Online Call and Business Premium Call: 4 March

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Home Loan Fixed Rate 'Specials' are available to customers with a minimum of 20% equity and an ANZ transaction account with salary direct credited. Otherwise, standard interest rates apply. They are not available with any package discounts. Lending criteria, terms, conditions, and fees apply