

News Release

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ANZ launches major COVID-19 support package -Reduction in variable and fixed lending rates; six-month repayment deferrals for impacted customers -

ANZ today announced an unprecedented support package for small business and home loan customers with the potential to inject \$6 billion into the Australian economy and assist in the recovery from the current COVID-19 crisis.

The package includes a reduction of some fixed-rates of 0.80%pa on new loans for small business and 0.49%pa for home loan customers, as well as a reduction of variable small business rates of 0.25%pa and variable home loan rates of 0.15%pa.

Crucially, ANZ small and medium business customers as well as its home loan customers impacted by the crisis can request a deferral on loan repayments for up to six-months.

Key Points

Small & Medium Businesses:

- Decrease variable interest small business loan rates in Australia by 0.25%pa, effective from 27 March 2020, resulting in a 0.50%pa¹ reduction since last week.
- All impacted customers can request a six-month payment deferral on loan repayments for term loans, with interest capitalised².
- Making available temporary increases in overdraft facilities for 12 months.
- A reduction by 0.80%pa to a new two and three-year fixed rate of 2.59%pa for secured small business loans up to \$1 million³, effective 3 April 2020.

Home Loan Customers:

- Decrease variable interest home loan rates in Australia by 0.15%pa across all Variable rate indices, effective from 27 March 2020.
- Introduction of a two-year fixed rate of 2.19%pa⁴ for Owner Occupiers paying Principal & Interest; our lowest fixed-rate home loan on-record.
- Request a deferral of home loan repayments for up to six-months, with a review at three-months, with interest capitalised².

ANZ Chief Executive Officer Shayne Elliott said: "Our package supports Australian business and the people who work for them. We understand the impact this crisis is having and ANZ will play a major role in backing Australia's economy and our customers through these challenging times.

"We have been working with both the Federal Government and our regulators to keep money flowing through the economy and we'll do all we can to keep businesses afloat and Australians employed, as well as reducing the financial pressure on households.

¹ ANZ announced it would decrease variable interest small business loan rates by 0.25%pa, effective 13 March 2020.

² Interest Capitalisation is the addition of unpaid interest to the outstanding loan balance. The outstanding loan balance increases when payments are postponed during periods of deferment or forbearance and unpaid interest is capitalised.

³ Applicants must have less than \$1M total business lending with ANZ and must meet ANZ's security requirements.

⁴ Available under ANZ Breakfree from 23 March 2020.

"Our decision to reduce variable home loan and small business rates is the right thing to do for our existing customers, particularly the significant number of our home loan customers who are self-employed and managing the effects of the COVID-19 crisis on their own businesses.

"The highly competitive fixed-rates being offered will provide customers certainty over repayments with our lowest fixed-rates on record," Mr Elliott said.

Small & Medium business

The six-month payment support is available to all ANZ's small and medium business customers. For a customer with \$1m in lending, the support equates to \$40-\$50k of working capital. If all ANZ's small and medium customers were to take up the offer of a payment deferral, more than \$2.5 billion would be freed-up for businesses to continue operating and employing staff during this time. ANZ will also provide an option of a temporary increase in overdraft facilities for 12 months.

Severely impacted Small & Medium business

ANZ acknowledges there are severely impacted small and medium business customers who will need specialist support. These customers will have access to relief measures specifically to respond to their circumstances.

Financial assistance for home loan customers

ANZ is offering financial support to home loan customers impacted by COVID-19. This can include deferring home loan repayments for up to six months. Under a home loan repayment deferral, customers do not need to make repayments to their home loan for a period of time. Unpaid interest during this period is capitalised, meaning it is added to the customer's outstanding loan balance to be paid over the remaining loan term.

For customers ahead in their home loan repayments there may be options such as accessing their existing redraw balances or using funds in their offset or deposit accounts. For the majority of customers who pay more than the minimum home loan repayment amount, they can reduce their monthly payments to the minimum repayment amount through internet banking or by calling 13 25 99.

Current Standard Variable Home Loan Rates

- For Standard Variable Rate Owner Occupiers paying Principal & Interest, the Index Rate will decrease by 0.15% to 4.39%pa.
- For Standard Variable Rate Investors paying Principal & Interest the Index Rate will decrease by 0.15%pa to 4.99%pa.
- For Standard Variable Rate Owner Occupiers paying Interest Only the Index Rate will decrease by 0.15%pa to 4.94%pa.
- For Standard Variable Rate Investors paying Interest Only the Index Rate will decrease by 0.15%pa to 5.24%pa.

More information, including dedicated contact telephone numbers available from Monday, can be found at our [dedicated site](#) on anz.com.

Approved for distribution by ANZ's Continuous Disclosure Committee.

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