

## Media Release

Under embargo until 2pm, Tuesday 8 October

### Kiwibank cuts rates by 0.50% to benefit 35,000 customers

Kiwibank is reducing its variable loan rates by 0.50%.

Elliot Smith, Kiwibank's Chief Customer Officer, Business Banking, said, "Kiwibank was established with the vision of offering New Zealanders a genuine alternative to the major banks. Our decision to cut variable loan rates by 0.50% highlights how New Zealand's largest locally owned bank continues to rise to the challenge.

"While controlling inflation is essential, prolonged high interest rates have heavily burdened businesses and households. Lowering rates quickly is crucial to provide much needed relief for borrowers, so it is important Kiwibank, and the market, responds.

"Many market commentators, including our Kiwibank Economics team, are calling for a 50-basis point (0.50%) cut to the OCR on Wednesday to support the economy. In keeping with our aspiration to continue to disrupt the banking sector in Aotearoa, Kiwibank is responding early to that call. By taking the initiative we've laid the challenge to the 'Big 4' – it's going to be interesting to see if, and when, they respond."

Kiwibank expects its interest rate reduction to result in total interest savings of \$18 million per year for more than 35,000 Kiwibank business banking and home loan customers.

Looking ahead, Smith added, "Today's move embodies our commitment to living up to our Purpose of Kiwi making Kiwi better off and shows once again why more Kiwi are choosing us."

#### Further analysis:

- [Kiwibank Economics: The RBNZ is in focus this week. The Kiwi economy requires rate relief, quick](#)

#### Rate change details:

##### Home lending

Effective from:

- Monday, 14 October for new lending.
- Tuesday, 29 October for existing lending.

Product	Previous Rate	New Rate
Term loan - Variable	8.25%	7.75%
Term loan – Offset variable	8.25%	7.75%
Revolving loan	8.30%	7.80%

### Business lending

Variable business lending rates will decrease by 0.50%. Customers will be notified ahead of their rate changing.

### **Contact**

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### **About Kiwibank**

Kiwibank is a purpose-led organisation that has modern, Kiwi values at heart and keeps Kiwi money where it belongs – right here in New Zealand. As a Kiwi bank, with more than a million customers, our trusted experts are focused on supporting Kiwi with their home ownership aspirations and backing local business ambitions, so together we can thrive here in Aotearoa and on the world stage. Kiwibank is the #1 bank in Kantar's 2024 Corporate Reputation Index and the only bank in the top 20. To find out more about Kiwibank visit [www.kiwibank.co.nz](http://www.kiwibank.co.nz).