

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS

Australia and New Zealand Banking Group

ANZ03QW: REGARDING INTEREST-BEARING DEPOSITS

(a) How many deposits are currently held, and what is their aggregate value?

ANZ RETAIL DEPOSIT PORTFOLIO

As at 30 September 2019, ANZ held around 8.7 million retail deposits with funds under management of 93.4bn.

This excludes mortgage offset account balances with a value of \$27bn as at 30 September.

(b) For deposits held, what was their aggregate dollar value in each of the last six months?

	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19
Funds under management (\$m)	90,405	90,933	91,631	92,607	92,727	93,476
Customer Interest (\$000)	116,292	121,791	116,259	107,851	104,469	96,577

(c) For interest payments, what was the dollar value paid in each of the last six months?

Refer above.

(d) What has been the reduction in interest payments resulting from the last two interest rate cuts?

ANZ decisions about the interest rate offered on retail deposit products take into account a range of factors. These include changes in the RBA Overnight Cash Rate (OCR), market expectations about future OCR changes, competitive conditions and the bank funding needs. As a result, we not able to estimate the reduction in interest rates solely resulting from the last two OCR changes.

Noting this, we estimate that the difference in interest paid to customers from May to August 2019 was approximately \$14m (excluding term deposits and based on the difference in weighted average interest paid). This calculation uses May 2019 as the baseline month, as rate changes were made to interest bearing deposit products during the month of June.