



Distributor Newsletter

For distributor use only

4 February 2022

| Product type | Changes |
|----------------------------------|----------------|
| Home loan variable rates | No |
| Home loan fixed rates | No |
| Everyday & savings account rates | No |
| Term Deposit rates | No |



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Dave from Credit

Most recent year financial statements

A reminder that the cut-off for the mandatory provision of most recent year financial statements (financial year 2021) is fast approaching.

All applications submitted post 31 March 2022 will require two years financial statements and director/s individual income tax returns covering the 2020 and 2021 trading period.



For instances where the most recent year (2021) has resulted in net profit greater than 20% compared to the 2020 trading period AND you need to utilise the 2021 net profit for servicing, please refer to credit policy on our Distributor Centre. For ease of reference, a summary is provided below:

- When:

- Income from the latest financial year has increased by less than or equal to 20% of the previous year, then the latest years income is used.
 - Income from the latest financial year is more than 20% of the previous year, then a maximum of 120% of the previous year's income is used.
 - Income from the latest financial year is less than the previous year, the lower of the two figures is used.
- Where the profit has increased by more than 20% in the most recent financial year, using amounts higher than 120% of the prior year may be considered subject to:
 - Satisfactory explanation for the improved trading result; and
 - Interim financial data (minimum six months & accountant prepared) starting from 1 July of the current financial year and dated not more than 60 days from the date of lodgement, and
 - All relevant Business Activity Statements (BAS) provided to support the interim financial data, and
 - The interims and BAS confirm ongoing trading is equivalent to or better than the most recent full year results.
 - To clarify, refer to the table below:

| Application lodged | Interims form 1 July to | BAS |
|--------------------------|---------------------------|------------------------------|
| Prior to end of December | Not allowed | Not allowed |
| February | end of December / January | September / December |
| April | end of February / March | September / December / March |

For more information speak to your [Business Development Manager](#).

Reminder of our recent reduction in variable rates

Effective 1 February 2021

We've reduced the following Professional Package variable rates for all loan applications received from Tuesday, 1 February 2022.

| Professional Package variable rate home loans | | | | |
|---|-----------|-----------------|------------------------|------------------------------|
| Loan size | Loan size | LVR | Principal and Interest | |
| | | | Annual rate | Comparison rate ¹ |
| Owner occupied | \$100k + | 80% - 90% + LMI | 2.44% pa | 2.86% pa |
| Investment | \$100k + | 80% - 90% | 2.67% pa | 3.08% pa |

Please refer to the current [Interest Rate Bulletin](#) for a full list of our interest rates.

For more information, speak to your [Business Development Manager](#).

¹ The comparison rate is calculated for a secured loan on a loan amount of \$150,000 over a 25-year term. **WARNING:** This comparison rate is true only for the examples given and may not include all fees and charges. Different terms, fees or other loan amounts might result in a different comparison rate. Comparison rates for fixed interest only loans are based on an initial interest only period equal to the nominated fixed period and the remaining period (to 25 years) principal and interest at the equivalent product variable rate.

Approval is subject to AMP Bank guidelines. Credit provider is AMP Bank Limited ABN 15 081 596 009, Australian credit licence 234517. Information including interest rates is correct as at 4 February 2022 and is subject to change without notice. Terms and conditions apply and are available at amp.com.au/bankterms or by calling 13 30 30.



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