

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS (FOURTH REPORT)

Westpac Banking Corporation

- WBC22QW:** Can you please provide the following information disaggregated out by the following parameters:
- a. The number of mortgages held (total, principal + interest and interest only) by State
 - b. The value of mortgages held (total, principal + interest and interest only) by State
 - c. The number of mortgages negatively geared that are held by State of the mortgage holder (total, principal + interest and interest only) and by structure (individuals or families or held in trust)?
 - d. The number of mortgages negatively geared that are held by State of the property (total, principal + interest and interest only) and by structure (individuals or families or held in trust)?
 - e. The number of mortgages negatively geared that are held by State of the mortgage holder (total, principal + interest and interest only) and by age group (18 – 25, 26 – 35, 36 – 45, 46 – 55, 56 – 65, 66 – 75, 75+)?
 - f. The number of mortgages negatively geared that are held by State of the property (total, principal + interest and interest only) and by age group (18 – 25, 26 – 35, 36 – 45, 46 – 55, 56 – 65, 66 – 75, 75+)?
 - g. The value of mortgages negatively geared that are held by State of the mortgage holder (total, principal + interest and interest only) and by structure (individuals or families or held in trust)?
 - h. The value of mortgages negatively geared that are held by State of the property (total, principal + interest and interest only) and by structure (individuals or families or held in trust)?
 - i. The value of mortgages negatively geared that are held by State of the mortgage holder (total, principal + interest and interest only) and by age group (18 – 25, 26 – 35, 36 – 45, 46 – 55, 56 – 65, 66 – 75, 75+)?

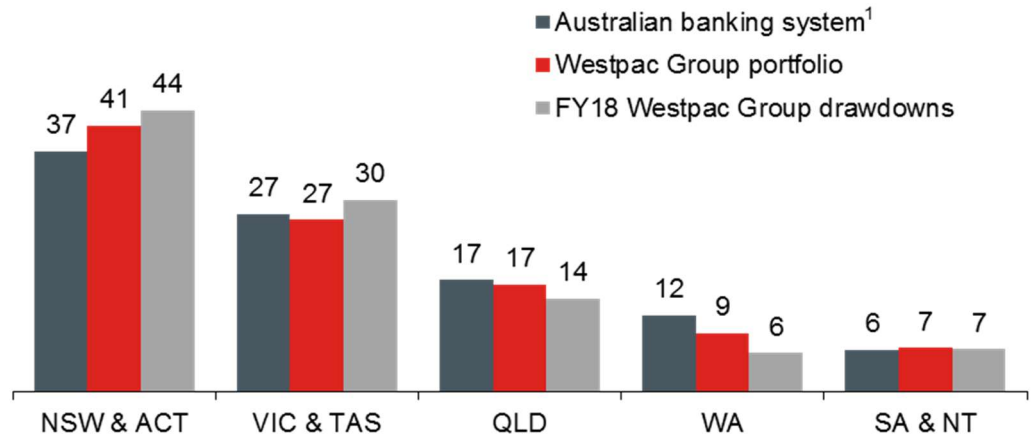
j. The value of mortgages negatively geared that are held by State of the property (total, principal + interest and interest only) and by age group (18 – 25, 26 – 35, 36 – 45, 46 – 55, 56 – 65, 66 – 75, 75+)?

Answer:

We are not able to provide data in response to items (c)-(j) due to the limitation outlined in our response to WBC21QW. Further, we do not disclose the specific mortgage portfolio data which you have requested in items (a) and (b), which is commercially sensitive. We are, however, able to provide the following information in relation to our mortgage portfolio (as at 30 September 2018):

Housing lending portfolio by State (%)

Chart does not add to 100 due to rounding



¹ Source ABA Cannex August 2018.

Australian mortgage portfolio	Sep-17 balance	Mar-18 balance	Sep-18 balance	2H18 flow¹
Total portfolio (\$bn)	427.2	437.2	444.7	36.9
Owner occupied (%)	55.5	56.0	56.8	62.0
Investment property loans (%)	39.8	39.5	39.1	37.6
Portfolio loan/line of credit (%)	4.7	4.5	4.1	0.4
Variable rate / Fixed rate (%)	79 / 21	77 / 23	77 / 23	78 / 22
Interest only (%)	45.5	39.6	34.8	23.1
Proprietary channel (%)	57.3	56.5	56.1	51.6
First home buyer (%)	8.1	7.9	7.8	8.2
Mortgage insured (%)	17.5	16.9	16.3	11.1
	Sep-17	Mar-18	Sep-18	
Average loan size ² (\$'000)	264	270	273	
Customers ahead on repayments including offset account balances ³ (%)	70	68	69	
Actual mortgage losses net of insurance ⁴ (\$m, for the 6 months ending)	48	48	38	
Actual mortgage loss rate annualised (bps, for the 6 months ending)	2	2	2	

1 Flow is new mortgages settled in the 6 months ended 30 September 2018 and includes RAMS.

2 Includes amortisation.

3 Excludes RAMS in 2H17. Includes RAMS in 1H18 and 2H18. Loans ahead on payments exclude equity/line of credit products as there are no scheduled principal payments.

4 Mortgage insurance claims 2H18 \$4m (1H18 \$6m; 2H17 \$9m).