

## HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

### REVIEW OF THE FOUR MAJOR BANKS

#### Westpac Banking Corporation

**WBC2QW:** Regarding interest only mortgages:

- (a) How many do you currently provide, and what is their nominal value?
- (b) What is their percentage of your total mortgage products provided?
- (c) For the last two rate cuts, what was the aggregate dollar value reduction in interest repayments compared to each previous month?

**Answer:**

- (a) On 30 September 2019, the Westpac Group held 453,896 interest only mortgage accounts (including both variable and fixed rate) with a total gross balance of \$135.4 billion.
- (b) On 30 September 2019, interest only mortgages represented 29% of total mortgage accounts (30% of total balances).
- (c) The following table shows the aggregate change (\$m) in interest repayments on interest only mortgages compared to the preceding month due to the rate cuts in June and July 2019.

| Apr | May | Jun   | Jul    | Aug    | Sep |
|-----|-----|-------|--------|--------|-----|
| n/a | n/a | -9.72 | -23.24 | -11.59 | n/a |