

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS

Bendigo and Adelaide Bank

BAB2QW: *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) How many do you currently provide, and what is their nominal value?*
Bendigo and Adelaide Bank (BEN) has approximately 36,100 interest-only mortgage facilities with a total dollar value of \$10.3 billion as at 30 September 2019.
- (b) What is their percentage of your total mortgage products provided?*
BEN's interest-only mortgage portfolio comprises approximately 25% of BEN's total mortgage portfolio.
- (c) For the last two rate cuts, what was the aggregate dollar value reduction in interest repayments compared to each previous month?*
For the two rate cuts in June 2019 and July 2019, the effective aggregate dollar value reduction in interest repayments compared to each previous month was:
 - \$1.7 million (approx.) for the June rate cut; and
 - \$1.7 million (approx.) for the July rate cut.