

LC QWN C1270 (1. – 4.)

1. The number and percentage of Keystart loan accounts that are in default with arrears of 90 days or more for each month in 2017, 2018 and 2019 are as follows:

Month	Number of loans	Percentage of total loans
January 2017	158	0.92%
February 2017	160	0.93%
March 2017	156	0.91%
April 2017	164	0.95%
May 2017	176	1.01%
June 2017	172	0.98%
July 2017	162	0.92%
August 2017	151	0.85%
September 2017	137	0.77%
October 2017	128	0.71%
November 2017	135	0.75%
December 2017	146	0.81%
January 2018	165	0.91%
February 2018	171	0.94%
March 2018	181	0.99%
April 2018	178	0.97%
May 2018	207	1.12%
June 2018	191	1.03%
July 2018	180	0.97%
August 2018	170	0.91%
September 2018	163	0.87%
October 2018	154	0.82%
November 2018	148	0.78%
December 2018	171	0.90%
January 2019	170	0.90%
February 2019	171	0.90%
March 2019	183	0.96%
April 2019	194	1.01%
May 2019	207	1.08%
June 2019	235	1.21%
July 2019	230	1.19%
August 2019	234	1.20%
September 2019	238	1.21%

Note: Excludes loans where Keystart has taken possession of secured property.

The number of loans in arrears and default have increased over the past 5 years in line with conditions in the broader WA economy. Arrears and defaults peaked towards the end of 2017-18. There has been a decline in arrears and defaults since that time, albeit there is some volatility month on month. Approximately 90 per cent of the loan book is one payment or more in advance.

Keystart's levels of arrears for Western Australia continue to perform favourably when compared to the industry average. For example, S&P Index data has Western Australian arrears of 30+ days at 2.90 per cent, compared to Keystart's arrears of 2.24 per cent at the end of August 2019.

2. The number and percentage of Keystart loan accounts that are in arrears one month or more for each month in 2017, 2018 and 2019 are as follows:

Month	Number of loans	Percentage of total loans
January 2017	372	2.16%
February 2017	407	2.36%
March 2017	396	2.30%
April 2017	411	2.38%
May 2017	402	2.32%
June 2017	376	2.15%
July 2017	370	2.10%
August 2017	354	2.00%
September 2017	344	1.93%
October 2017	341	1.90%
November 2017	345	1.91%
December 2017	391	2.16%
January 2018	422	2.32%
February 2018	441	2.41%
March 2018	442	2.41%
April 2018	466	2.53%
May 2018	437	2.36%
June 2018	402	2.17%
July 2018	367	1.97%
August 2018	333	1.78%
September 2018	344	1.84%
October 2018	331	1.77%
November 2018	336	1.78%
December 2018	410	2.17%
January 2019	428	2.26%
February 2019	455	2.39%
March 2019	455	2.38%
April 2019	498	2.59%
May 2019	457	2.37%
June 2019	486	2.51%
July 2019	472	2.43%
August 2019	437	2.24%
September 2019	461	2.35%

Note: Excludes loans where Keystart has taken possession of secured property.

3. The number of Keystart loan accounts where Keystart has taken possession as mortgagee for each month in 2017, 2018 and 2019 are as follows:

Month	Number of loans
January 2017	32
February 2017	21
March 2017	24
April 2017	20
May 2017	39
June 2017	32
July 2017	10
August 2017	22
September 2017	29
October 2017	26
November 2017	35
December 2017	25
January 2018	14
February 2018	20
March 2018	25
April 2018	25
May 2018	32
June 2018	47
July 2018	21
August 2018	43
September 2018	30
October 2018	33
November 2018	29
December 2018	14
January 2019	25
February 2019	24
March 2019	24
April 2019	34
May 2019	31
June 2019	15
July 2019	24
August 2019	13
September 2019	27

4. The amount of interest earned on Keystart loans for each of the 2017, 2018 and 2019 financial years is as follows:

Financial Year	Interest Earned
2016-17	\$180,963,000
2017-18	\$185,009,000
2018-19	\$217,441,000

Following the divestment of \$1.3 billion of Keystart's loan book to the Bendigo and Adelaide Bank in 2016, interest revenue has increased consistent with the increase in the loan book from \$3.167 billion in December 2016 to \$4.441 billion in June 2019. In this time Keystart has assisted 7,200 new customers to achieve home ownership.