

KEYSTART

764. Hon KEN TRAVERS to the Minister for Housing:

- (1) What is Keystart's current policy on reserves required to ensure capital adequacy?
- (2) When was this policy last reviewed and what changes were made to it?
- (3) When was the capital adequacy of Keystart's portfolio last stress tested and what was the result?
- (4) How much was held in reserves to meet Keystart's capital adequacy requirements on —
 - (a) 30 June 2014;
 - (b) 30 June 2015; and
 - (c) 31 July 2015?

Hon COL HOLT replied:

I thank the honourable member for some notice of the question.

- (1) Keystart's policy is to have a sufficient reserve to ensure capital adequacy. This policy is applied through the internal capital adequacy assessment process framework, with a target capital ratio expressed against risk-weighted assets.
- (2) The ICAAP will be reviewed at least annually by the board of directors. The target capital ratio is adjusted as the risk profile changes. It has not changed since the ICAAP was introduced in April 2015 to replace the previous policy of a percentage range of the portfolio.
- (3) The portfolio was last stress tested in July 2015 based on March 2015 price information. The review confirmed sufficient capital adequacy.
- (4) Held in reserve was —
 - (a) \$268.7 million;
 - (b) \$284 million; and
 - (c) \$292.4 million.