

2.22 QW: How does the bank classify 'loans to small business'?

Answer

NAB seeks to provide SME customers with a service offering best suited to their needs. This includes categorising customer into segments, based on their complexity and specific needs, so they receive the most appropriate products and services.

While there are a range of definitions and classifications for small businesses across the economy – including annual turnover and number of employees – NAB finds the size of a customer's lending the best proxy for identifying the most appropriate segment for them.

In responding to the Committee's questions 2.18-2.21, NAB has provided data in relation to the nabbusiness division which contains those SME customers with lending typically up to \$25 million. This is the most representative division of NAB's SME customers. Customers transfer in and out of the nabbusiness division as their needs and size evolve.