

**HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS
REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS**

NAB

NAB104QW: What direct financial benefit did the members of superannuation funds managed by MLC gain from these dividend payments?

Answer:

MLC had several business lines, including asset management, provision of financial advice, and retirement and investment solutions, the last of which included superannuation. Each of these business lines generated profits, from which dividends might be paid to NAB following consideration of relevant factors by entity Boards.

MLC's superannuation fund is managed by NULIS in its role as trustee. NULIS is responsible for the management of the superannuation fund and has a duty to act in the best interests of its superannuation fund members, including in relation to arrangements with MLC.

NULIS, as trustee, is responsible for the arrangements between the superannuation fund and MLC. As part of this, fees may be paid and/or distributions may be made to MLC by the superannuation fund. NULIS acts in members' best interests in considering these arrangements.

No direct financial benefit was derived from MLC's dividends by superannuation members, as they are payments from MLC to NAB. However, when NULIS and other relevant MLC Boards are considering declaring a dividend, members' interests come first (e.g. operating expenses, maintaining appropriate capital buffers including regulatory requirements and management operational buffers) and the surplus is then available to be paid to NAB.

The MLC entities also benefited from being part of the NAB group and having its financial resources to call on, including through an access to more competitive financing terms, banking products, and economies of scale in utilising shared services.