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HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS

NAB

NAB54QON:

Mr SIMMONDS: ... What are you finding, anecdotally, on the ground? Are you seeing more people approaching you, in terms of deferral and hardship grounds, from Queensland, for example, where the borders are closed? Are you seeing more hardship cases from particular industries, like tourism, which are particularly impacted by border closures?

Mr McEwan: First off, the hardest impact has been Victoria, not just border closures but big parts of the economy closed down. That's where we're seeing the greatest drop-off. We've got the numbers on Queensland, that we're very happy to furnish for you, on what we're seeing by way of deferrals. By having the economy open we are seeing customers starting to come off deferral but not to the extent—Victoria is coming off at a lot lower rate than in Queensland, for example, where Victoria is both closed down and border closed. So it's that staged approach.

Answer:

As stated to the Committee on 11 September, nationally NAB had \$18.4bn in business loans deferrals across Business & Private Banking across 37,000 accounts as at 28 August 2020. Geographically, 20% of these deferral balances are in Queensland (the third largest state after NSW and Victoria).

In relation to hardship for business customers, Strategic Business Services (SBS) is NAB's specialist work out and turnaround area supporting business customers facing financial difficulty. This will include supporting some customers unable to recommence repayments at the end of their repayment deferral period. Between 1 August 2020 and mid-September, 16% of the new customers transferred to NAB's SBS division for specialist support were from Queensland. Of these customers, 23% were from the property and business services, and 19% from accommodation, cafes, pubs and restaurants.