

## HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

### REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS

#### NAB77QON

**Ms Hammond:** You might need to take this on notice. What proportion of small and medium sized business loans are secured with mortgages over family homes?

**Mr Dooley:** I might have to take that one on notice and come back to you with the exact numbers.

**Ms Hammond:** Just off the top of your head, is it a regular practice?

**Mr Dooley:** I think many small business customers will secure their loans through some form of security. That could be a residential property. It could be a commercial property. It could be other forms of security.

**Mr McEwan:** You'll find it is quite a large number, and many use that security so that the lending is cheaper for them. It's their way of effective equity involvement in their business. We'll come back to you with that number, but you'll find it is quite a high number, particularly in the small and medium sized parts of the marketplace.

#### **Answer**

For the purposes of this response, NAB has determined where an owner-occupied property, as opposed to an investment property, has been provided as security for lending. NAB does not specifically record where a property is a "family home".

NAB has approximately \$65 billion in lending to small and medium business customers (those with turnover below \$50 million).

Of this \$65 billion, approximately \$8 billion (12%) is secured by a mortgage over an owner-occupied home.