

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS

Heritage Bank

HER02QW: In the months of March, April and May 2020— how many overdrafts or similar short term credit arrangements (other than those initiated through the Coronavirus SME Guarantee Scheme) has your organisation set up with each of the following overlapping populations:

- (a) Charities and not-for-profit entities;
- (b) ACNC registered charities; and
- (c) SMEs.

Answer: (a) Heritage has not approved and funded any overdrafts or similar short term credit arrangements for charities and not for profit entities.

(b) Heritage has not approved and funded any overdrafts or similar short term credit arrangements for ACNC registered charities.

(c) For SMEs, Heritage has:

- Funded three Business Overdrafts and approved a further one, yet to be funded
- Funded six Business Lines of Credit and approved a further four, yet to be funded

Of the four Overdrafts, one has been contracted with a term. As this term exceeds twelve months, it may not be considered a short term credit arrangement.

All Business Lines of Credit have an associated term greater than twelve months. Whilst this may not be considered as short term, businesses can utilise the facilities for short term relief. It is on this basis that we include these products.

In answering these questions, Heritage notes that under its processes:

- When an applicant applies for Hardship, these do not create new credit arrangements; and,
- Consumer products were not considered as part of this request.