

**House of Representatives Standing Committee on Economics
Review of the Four Major Banks (Second Report)
National Australia Bank (NAB)**

NAB13QW: Please advise the number of times that you have made formal use of non-monetary default clauses, of any kind, for loans of less than \$5M, and \$3M, in 2014/15 and 2015/16.

Answer

In the 2014/15 financial year NAB relied solely on non-monetary default clauses to commence enforcement action five times for loans between \$1m and \$3m and once for loans between \$3m and \$5m.

In the 2015/16 financial year NAB relied solely on non-monetary default clauses to commence enforcement action 13 times for loans between \$1m and \$3m and once for loans between \$3m and \$5m.

The vast majority (85%) of the non-monetary based appointments are a result of 3rd party appointment of a Voluntary Administrator, Liquidator or other non-NAB related creditor actions. The rare situation where NAB has taken measures relying solely on non-monetary defaults is due to exceptional circumstances such as customer death, customer fraud or court orders.