

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS

National Australia Bank

NAB2QW: Regarding interest-only mortgages:

- (a) How many do you currently provide, and what is their nominal value?
- (b) What is their percentage of your total mortgage products provided?
- (c) For the last two rate cuts, what was the aggregate dollar value reduction in interest repayments compared to each previous month?

Answer:

How many do you currently provide, and what is their nominal value?

As at Sep-19, the total number of interest-only home loans on balance sheet was ~256k with a total value of ~\$79bn.

What is their percentage of your total mortgage products provided?

As at Sep-19, the total value of home loans which were interest-only repayments was 25.9% (including line of credit products).

For the last two rate cuts, what was the aggregate dollar value reduction in interest repayments compared to each previous month?

	May 2019 Outstandings	Reduced Rate	Reduced interest charged (annual)
Owner Occupier Interest Only	\$13.2 bn	0.44%	\$58.1 m
Investor Interest Only	\$29.9 bn	0.44%	\$131.6 m

Note: the reduction in interest rates includes the June and July SVR changes.