



Friday, 20 March 2020

# MEDIA RELEASE

## **NAB delivers vital support for business and homeowners**

NAB today National Australia Bank has today released details of its support package for customers impacted by COVID-19.

Please see the attached media release.

For further information:

### **Media**

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The release of this announcement was authorised by the Disclosure Committee



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# MEDIA RELEASE

## NAB delivers vital support for businesses and homeowners

NAB has today announced a sweeping support package for business and personal customers at a time when they need it most.

Business customers experiencing financial difficulty can defer their payments on a range of floating and variable rate business loans for up to six months. Home loan customers experiencing financial challenges will also be able to pause their repayments for up to six months.

NAB, which is Australia's largest bank for businesses, will cut 200bps from the rate on new loans and all overdrafts on its flagship digital business product QuickBiz, effective March 30.

It will reduce variable rates on small business loans by 100bps, effective March 30 – on top of the 25bps reduction announced on March 13.

NAB also announced reductions of up to 60bps to fixed rate home loans to give customers the option of added certainty.

There are no changes to home loan variable rates. For depositors, NAB has introduced a 10-month term deposit rate of 1.75% p.a. in recognition that this low interest rate environment is hurting savers.

This package could provide a potential injection of more than \$10 billion into the economy over six months, or \$380 million a week, depending on customer needs and take-up.

NAB CEO Ross McEwan said: "Our focus is clear – to support our business and personal customers with their financial needs when they need it most.

"These measures will provide significant relief to businesses and homebuyers over the next six months as we all deal with this unprecedented situation.

"Businesses in particular need help and they need it now, so we have come through with a range of measures. This support will provide cash flow relief so they can stay open, and keep people in jobs. One third of Australia's small to medium businesses bank with NAB and we are going to be there for them.

"The changes also offer our home loan customers the option to fix their rate at our lowest rate ever, or pause payments to help ease financial pressures."

The support package announced by NAB is in addition to industry-wide measures announced earlier today by the Australian Banking Association.

"We support the measures announced by the ABA today and welcome recent actions taken by the Federal Government, Reserve Bank of Australia and APRA. We will continue to work with the Government and regulators on further initiatives," Mr McEwan said.

"This is an extremely difficult time but we will get through this together. For more than 160 years, NAB has supported Australians through challenges. We are well-capitalised and stand ready to play our critical role.

For 160 years, we've been helping our customers with their money. Today, we have more than 30,000 people serving nine million customers at more than 900 locations in Australia, New Zealand and around the world. As Australia's largest business bank, we work with small, medium and large businesses to help them start, run and grow. We fund some of the most important infrastructure in our communities – including schools, hospitals and roads. And we do it in a way that's responsible, inclusive and innovative.

“NAB is open for business. We continued lending throughout the Global Financial Crisis and we’ll continue to lend through this.”

Mr McEwan encouraged customers to call NAB to discuss how they may be able to access the relief package. “If any customer has questions or concerns contact your banker now – please don’t wait,” he said.

The full list of measures announced by NAB is:

**NAB Business customers will be able to:**

- Defer principal and interest for up to six months on a range of business loans, including floating and variable rates, and equipment finance loans;
- Receive a 200-basis point rate cut on new loans and all overdrafts on QuickBiz, effective March 30;
- Receive an additional 100-basis point reduction on variable rates for small business loans, effective March 30. This is on top of a 25-bps reduction earlier this month;
- Access up to \$65 billion of additional secured limits to pre-assessed customers, with \$7 billion currently available for fast assessment process;
- Access up to \$9 billion in additional limits for unsecured lending for existing customers via QuickBiz; and
- Defer business credit card repayments.

**NAB Personal customers will be able to:**

- Pause home loan repayments for up to six months, including a three-month checkpoint. For a customer with a typical home loan of \$400,000, this will mean access to an additional \$11,006 over six months, or \$1,834 per month.
- Access a 10-month term deposit rate of 1.75% p.a. for 10 months, effective March 24. This is for personal customers only, with deposits of \$5,000 to \$2 million.
- Access fixed home loan rates of 2.39% p.a. for 1-year, 2.29% p.a. for 2- and 3-year, and 2.79% p.a. for 5-year (owner-occupier P&I), effective March 25. First home buyers will have access to a rate of 2.19% p.a., fixed for two years. This delivers reductions of between 10 and 60bps (table below).
- Access over \$20bn in redraw and more than \$30bn in offset. Note: Around 1 in 2 accounts are at least 6 months ahead based on redraw & offset balance; and 4 in 10 are 12 months ahead.
- Reduce repayments on variable rate loans. Over the past 12 months, reductions of 84bps to our owner-occupier variable rates have provide a potential benefit of \$3,360 per year to customers with a \$400,000 loan. Most customers have not yet taken the option to reduce their payments.

Customers are invited to speak to their NAB banker, submit a request for support [online](#), or contact our Customer Care teams on:

- Business - 1300 769 650 (Monday to Friday 8am-6pm AEST/AEDT)
- Personal - 1300 683 106 (Monday to Friday 8am-8pm AEST/AEDT; and Saturday 9am-1pm AEST/AEDT).

Updates on how we are supporting customers through the challenges associated with the coronavirus pandemic are available at [nab.com.au/coronavirus](http://nab.com.au/coronavirus).

**NAB’s advertised package home loan fixed rates change as follows, from 25 March 2020:**

NAB Package Fixed Rates	Owner Occupied P&I		Investor P&I	
	Current	Proposed	Current	Proposed
1 year	2.99%	2.39%	3.19%	2.69%
2 year	2.89%	2.29%	3.09%	2.59%
3 year	2.89%	2.29%	3.09%	2.59%
4 year	2.99%	2.79%	3.19%	3.09%
5 year	2.99%	2.79%	3.19%	3.09%
FHB special (2Y)	2.79%	2.19%		

For further information:

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