



**ASIC**  
Australian Securities &  
Investments Commission

## CEU interim compliance report by ASIC

ASIC's interim report dated **17 May 2019** on compliance with the s93AA ASIC Act court enforceable undertaking given by the **National Australia Bank Limited** ACN 004 044 937 (**NAB**) dated 20 November 2017.

Terms used in this report have the same meaning as in the 20 November 2017 court enforceable undertaking (**CEU**).

<b>Undertakings</b>	<b>Report on compliance</b>
<b>Engagement of Independent Expert</b>  CEU paragraphs 3.2 and 3.3	1. NAB agreed to the appointment by ASIC of Promontory Australasia ( <b>Promontory</b> ) as the Independent Expert ( <b>IE</b> ) on the terms of engagement specified in the CEU. ASIC appointed Promontory as the IE on 4 June 2018.
<b>BBSW Program</b>  CEU paragraphs 3.5 and 3.6	2. On 4 September 2018, NAB submitted its BBSW Program to ASIC and the IE in accordance with the requirements and timeframe specified in the CEU.
<b>Assessment of the BBSW Program</b>  CEU paragraphs 3.7 and 3.7(a)	3. The IE conducted its assessment of the effectiveness of the BBSW Program to prevent, detect and respond to matters set out in the CEU, in accordance with the requirements and timeframe specified in the CEU.
<b>Expert Report</b>  CEU paragraph 3.7(b)	4. On 4 December 2018, the IE submitted its Expert Report to ASIC and NAB in accordance with the requirements and timeframe specified in the CEU.  5. The Expert Report set out the IE's findings from the Assessment of the BBSW Program under paragraph 3.7(a). In summary, the Expert Report: <ul style="list-style-type: none"><li>a. identified deficiencies in the BBSW Program; and</li><li>b. made recommendations for actions, that in the opinion of the IE, would be necessary for NAB to implement to rectify the deficiencies identified in the Expert Report.</li></ul>

<b>Undertakings</b>	<b>Report on compliance</b>
<p data-bbox="215 257 379 320"><b>Final BBSW Program</b></p> <p data-bbox="215 353 448 387">CEU paragraph 3.8</p>	<p data-bbox="496 275 1289 405">6. On 4 March 2019, NAB submitted its Final BBSW Program to ASIC and the IE in accordance with the requirements and timeframe specified in the CEU.</p>
<p data-bbox="215 499 416 562"><b>Further Expert Report</b></p> <p data-bbox="215 595 448 629">CEU paragraph 3.9</p>	<p data-bbox="496 510 1334 640">7. On 1 April 2019, the IE submitted its Further Expert Report to ASIC and NAB in accordance with the requirements and extended timeframe specified in the CEU.</p> <p data-bbox="496 663 1321 842">8. The Further Expert Report set out the IE’s findings from the assessment of the Final BBSW Program including the IE’s opinion on whether the Final BBSW Program addresses the bases for the recommendations in the Expert Report.</p>
<p data-bbox="215 902 472 1099"><b>Compulsory compliance training for current and former relevant STIRR employees</b></p> <p data-bbox="215 1133 464 1167">CEU paragraph 3.18</p>	<p data-bbox="496 913 1326 1200">9. NAB confirmed in writing that the Relevant STIRR Employees identified in the CEU have been suspended from Trading Activities as set out in the CEU, and will not be returning to Trading Activities. The requirements under paragraph 3.18(a)-(d) for Relevant STIRR Employees are therefore not applicable while the employees remain suspended.</p>
<p data-bbox="215 1249 472 1312"><b>Community Benefit Payment</b></p> <p data-bbox="215 1346 408 1408">CEU paragraph 3.19</p>	<p data-bbox="496 1261 1321 1547">10. On 25 May 2018, NAB paid the total amount of A\$20 million to Ecstra Foundation Limited (ACN 625 525 162) to support initiatives that advance financial literacy and capabilities among Australian consumers of financial products and services. The payment was made in accordance with the requirements specified in the CEU and within the timeframe agreed upon by ASIC.</p>