



**DISCLOSURE PACKAGE FOR OVERSEAS INCORPORATED
AUTHORISED INSTITUTION**

**NATIONAL AUSTRALIA BANK LTD
(HONG KONG BRANCH)**

For the financial year ended
30 September 2023

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SECTION A - BRANCH INFORMATION (HONG KONG OFFICE ONLY)**I. INCOME STATEMENT**

	Year ended 30 Sep 2023 HK\$'000	Year ended 30 Sep 2022 HK\$'000
Profit and Loss		
Interest income	1,784,532	575,058
Interest expense	(1,560,440)	(350,998)
Net Interest Income	<u>224,092</u>	<u>224,060</u>
Gains less losses arising from dealing in foreign currencies	112,619	59,724
Gains less losses on securities held for dealing purpose	18	34
Gains less losses from other dealing activities	(348)	(1,029)
Fees and commission income	49,254	68,033
Other income	(132,489)	(131,373)
Total other operating income	<u>29,054</u>	<u>(4,611)</u>
Total Income	253,146	219,449
Staff expenses	(77,613)	(173,324)
Rental expenses	(14,105)	(42,830)
Other expenses	19,934	16,858
Total Expenses	<u>(71,784)</u>	<u>(199,296)</u>
Net (charges) / credit for impaired loans and receivables	5,972	5,295
Profit / (loss) on sale of fixed assets	(7)	(11,845)
Profit before taxation	<u>187,327</u>	<u>13,603</u>
Tax expense	(32,347)	(9,889)
Profit after taxation	<u><u>154,980</u></u>	<u><u>3,714</u></u>

SECTION A - BRANCH INFORMATION (HONG KONG OFFICE ONLY)

II. BALANCE SHEET

	As at 30 Sep 2023 HK\$'000	As at 31 Mar 2023 HK\$'000
Assets		
Cash and balances with banks	163,694	331,996
Amount due from overseas offices	9,004,247	19,873,042
Trade bills	1,184,555	2,357,117
Loans and advances to customers	3,758	6,996
Investment securities	14,586,375	21,560,055
Property, plant and equipment	52,732	58,023
Other assets	1,925,473	1,563,428
Total assets	26,920,834	45,750,657
Liabilities		
Deposits and balances from banks	380,272	5,404,118
Amount due to overseas offices	8,774,347	19,504,355
Deposits from customers:		
- Demand deposits and current accounts	452,697	530,414
- Savings deposits	7	175
- Time, call and notice deposits	15,427,717	18,817,811
Other liabilities and provisions	1,885,794	1,493,784
Total liabilities	26,920,834	45,750,657

SECTION A - BRANCH INFORMATION (HONG KONG OFFICE ONLY)

III. ADDITIONAL BALANCE SHEET INFORMATION

1 Loans and advances to customers

As at 30 Sep 2023

	HK\$'000
Loans and advances to customers	3,763
Collective provisions to customers	(5)
Impaired loans to non-bank customers	-
Specific provisions to customers	-
Percentage of impaired loans to non-bank customers to total advances to customers	0%
Net loans and advances to customers	<u>3,758</u>

As at 31 Mar 2023

	HK\$'000
Loans and advances to customers	18,419
Collective provisions to customers	(11,423)
Impaired loans to non-bank customers	-
Specific provisions to customers	-
Percentage of impaired loans to non-bank customers to total advances to customers	0%
Net loans and advances to customers	<u>6,996</u>

SECTION A - BRANCH INFORMATION (HONG KONG OFFICE ONLY)

III. ADDITIONAL BALANCE SHEET INFORMATION

2 Overdue and rescheduled assets

As at 30 Sep 2023	Non-bank customers HK\$'000	Banks HK\$'000	Total HK\$'000
Gross amount of loans and advances to customers which have been overdue for			
- More than 3 months but not more than 6 months	-	-	-
- More than 1 year	-	-	-
% of the overdue to the total gross total loans and advances to customers	0.00%	0%	0.00%
Value and type of collateral of the overdue loans and advances to customers			
- Residential property	-	-	-
Specific provision made on the overdue loans and advances to customers	-	-	-
Gross amount of loans and advances to customers which have been rescheduled, excluding those have been overdue for more than 3 months and reports in above	-	-	-
% of the reschedule loans and advances to the total loans and advances to customers, excluding those have been overdue for more than 3 months and reports in above	0%	0%	0%
As at 31 Mar 2023	Non-bank customers HK\$'000	Banks HK\$'000	Total HK\$'000
Gross amount of loans and advances to customers which have been overdue for			
- More than 1 year	0	-	-
% of the overdue to the total gross total loans and advances to customers	0.00%	0%	0.00%
Value and type of collateral of the overdue loans and advances			
- Residential property	-	-	-
Specific provision made on the overdue loans and advances to customers	-	-	-
Gross amount of loans and advances to customers which have been rescheduled, excluding those have been overdue for more than 3 months and reports in above	-	-	-
% of the reschedule loans and advances to the total loans and advances to customers, excluding those have been overdue for more than 3 months and reports in above	0%	0%	0%

There were no repossessed assets as at 30 September 2023 and 31 March 2023.

SECTION A - BRANCH INFORMATION (HONG KONG OFFICE ONLY)**III. ADDITIONAL BALANCE SHEET INFORMATION (CONTINUED)**

	As at 30 Sep 2023 HK\$'000	As at 31 Mar 2023 HK\$'000
3 Gross advances to customers by industry sector and loan usage		
Loans and advances for use in Hong Kong		
Trade finance	-	11,942
Loans and advances for use outside Hong Kong	3,763	6,477
	3,763	18,419
Loans and advances which are covered by collateral or other securities	3,763	6,477

SECTION A - BRANCH INFORMATION (HONG KONG OFFICE ONLY)

III. ADDITIONAL BALANCE SHEET INFORMATION (CONTINUED)

	As at 30 Sep 2023 HK\$'000	As at 31 Mar 2023 HK\$'000
4 Gross advances to customers by geographical areas		
Analysis of the gross amount of advances to customers by geographical areas according to the location of the counterparties for which exceed 10% of the aggregate gross amount to customers.		
Hong Kong - Loans and advances to customers	2,744	17,319
- Overdue and impaired loans	-	-

5 International claims

Analysis of the international claims by countries or geographical areas that constitute 10% or more of the total international claims according to the location of the counterparties and by the types of counterparties after taking into account transfer of risk.

	Banks HK\$M	Official sector HK\$M	Non-bank private sector HK\$M	Total HK\$M
As at 30 Sep 2023				
- Australia	15,212	-	4	15,216
- Japan	130	4,635	-	4,765
- Singapore	231	1,486	-	1,717
Total	<u>15,573</u>	<u>6,122</u>	<u>4</u>	<u>21,698</u>
As at 31 Mar 2023				
- Australia	28,578	-	6	28,584
- Japan	660	6,561	-	7,221
- Singapore	448	3,466	-	3,914
Total	<u>29,686</u>	<u>10,027</u>	<u>6</u>	<u>39,719</u>

SECTION A - BRANCH INFORMATION (HONG KONG OFFICE ONLY)

III. ADDITIONAL BALANCE SHEET INFORMATION (CONTINUED)

6 Mainland Activities Disclosures

As at 30 Sep 2023

Type of counterparties	On-balance sheet exposures HK\$M	Off-balance sheet exposures HK\$M	Total HK\$M
1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	-	4	4
2. Local governments, local government-owned entities and their subsidiaries and JVs	-	-	-
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	-	1,156	1,156
4. Other entities of central government not reported in item 1 above	-	-	-
5. Other entities of local governments not reported in item 2 above	-	6	6
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	-	-	-
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	-	-	-
Total	-	1,166	1,166
Total assets after provision	26,921		
On-balance sheet exposure as percentage of total assets	0.00%		

As at 31 Mar 2023

Type of counterparties	On-balance sheet exposures HK\$M	Off-balance sheet exposures HK\$M	Total HK\$M
1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	12	52	64
2. Local governments, local government-owned entities and their subsidiaries and JVs	-	-	-
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	-	1,486	1,486
4. Other entities of central government not reported in item 1 above	-	-	-
5. Other entities of local governments not reported in item 2 above	-	6	6
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	-	-	-
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	-	-	-
Total	12	1,544	1,556
Total assets after provision	45,751		
On-balance sheet exposure as percentage of total assets	0.03%		

SECTION A - BRANCH INFORMATION (HONG KONG OFFICE ONLY)

III. ADDITIONAL BALANCE SHEET INFORMATION (CONTINUED)

7 Currency risk

	USD HK\$M	AUD HK\$M	JPY HK\$M	CNY HK\$M	NZD HK\$M	SGD HK\$M	OTH HK\$M	Total HK\$M
As at 30 Sep 2023								
Hong Kong dollar equivalent								
- Spot assets	8,889	2,984	4,731	1	4,345	1,490	70	22,510
- Spot liabilities	(10,765)	(1,747)	(2,028)	(618)	(3)	(113)	(45)	(15,319)
- Forward purchases	16,335	1,690	1,473	649	52	172	-	20,371
- Forward sales	(13,201)	(2,972)	(4,156)	(22)	(4,299)	(1,556)	(13)	(26,219)
- Net options position	-	-	-	-	-	-	-	-
Net Long/(short) position	<u>1,258</u>	<u>(45)</u>	<u>20</u>	<u>10</u>	<u>95</u>	<u>(7)</u>	<u>12</u>	<u>1,343</u>
Net Structural Position	-	-	-	-	-	-	-	-
As at 31 Mar 2023								
Hong Kong dollar equivalent								
- Spot assets	22,554	919	6,790	19	7,116	3,508	63	40,969
- Spot liabilities	(25,416)	(2,446)	(2,883)	(371)	(3)	(1,071)	(78)	(32,268)
- Forward purchases	17,563	1,567	650	363	55	332	34	20,564
- Forward sales	(13,997)	(53)	(4,531)	-	(6,963)	(2,787)	(6)	(28,337)
- Net options position	-	-	-	-	-	-	-	-
Net Long/(short) position	<u>704</u>	<u>(13)</u>	<u>26</u>	<u>11</u>	<u>205</u>	<u>(18)</u>	<u>13</u>	<u>928</u>
Net Structural Position	-	-	-	-	-	-	-	-

SECTION A - BRANCH INFORMATION (HONG KONG OFFICE ONLY)

IV. OFF BALANCE SHEET EXPOSURES

	As at 30 Sep 2023 HK\$'000	As at 31 Mar 2023 HK\$'000
1 Contingent liabilities and commitments at contractual amounts		
- Direct credit substitutes	7,976,550	6,247,168
- Trade-related contingencies	3,655	51,455
- Other commitments	1,041,564	1,044,358
- Others (including forward asset purchases, amounts owing on partly paid-up shares and securities, forward deposits placed, asset sales with recourse or other transactions with recourse)	506	394,989

The contractual amounts of the above exposures represent the amount at risk.

SECTION A - BRANCH INFORMATION (HONG KONG OFFICE ONLY)

IV. OFF BALANCE SHEET EXPOSURES (CONTINUED)

2 Derivative Financial Instruments

As at 30 Sep 2023	Contractual amount HK\$'000	Fair Value Favourable/ (Unfavourable) HK\$'000
Exchange rate contracts		
- Spot and Forwards	20,488,650	579,811
- Swaps	9,056,954	785,886
	<u>29,545,604</u>	<u>1,365,697</u>
Interest rate contracts		
- Swaps	8,341,439	(954)
	<u>8,341,439</u>	<u>(954)</u>
As at 31 Mar 2023	Contractual amount HK\$'000	Fair Value Favourable/ (Unfavourable) HK\$'000
Exchange rate contracts		
- Spot and Forwards	19,188,928	64,843
- Swaps	12,389,805	868,441
	<u>31,578,733</u>	<u>933,284</u>
Interest rate contracts		
- Swaps	7,722,448	(974)
	<u>7,722,448</u>	<u>(974)</u>

There are no bilateral netting arrangements in derivatives contracts for the branch.

SECTION A - BRANCH INFORMATION (HONG KONG OFFICE ONLY)

V. LIQUIDITY

	Three months quarter ended 30 Sep 2023	Three months quarter ended 30 Sep 2022
Average liquidity maintenance ratio (LMR) for the financial period	216.45%	181.12%

The average liquidity maintenance ratio for the period is the arithmetic mean of each calendar month's average liquidity ratio.

The liquidity risk management of National Australia Bank Hong Kong branch is aligned to the Group's liquidity risk management approach to manage its funding and liquidity risk. Further information can be found in the section of Liquidity Risk under Note 19 Financial risk management on Page 203 of the 2023 Annual Financial Report.

<https://www.nab.com.au/content/dam/nab/documents/reports/corporate/2023-annual-report.pdf>

VI. DISCLOSURE ON REMUNERATION

National Australia Bank Limited's remuneration framework recognises and rewards performance consistent with general practices within the markets in which the Group (being National Australia Bank Limited and its controlled entities) operates while being linked to shareholder outcomes. The Group's remuneration philosophy is underpinned by principles that:

- link employee rewards to the creation of shareholder value; and
- provide competitive levels of remuneration within the markets in which the Group operates to attract and retain the best talent.

Please refer to the Remuneration Report on pages 115 to 154 of the 2023 Annual Financial Report of the Group for details.

VII. DISCLOSURE ON LIQUIDITY RISK MANAGEMENT

1 Qualitative Disclosures

Liquidity Risk Management

Governance of Liquidity Risk Management

	<u>National Australia Bank Full Year Pillar 3 Report as at 30 Sep 2023</u>	<u>Paragraph</u>
(i) Risk tolerance	Section 9.1 - "Liquidity and Funding Risk Management Framework"	2
(ii) Structure and responsibilities for liquidity risk management	Section 9.1 - "Introduction"	3
(iii) Internal liquidity reporting	Section 9.1 - "Measurement, Monitoring and Reporting"	1
(iv) Communication of liquidity risk strategy, policies and practices across business lines and with the board of directors	Section 9.1 - "Liquidity and Funding Risk Management Framework"	1
	Section 9.1 - "Measurement, Monitoring and Reporting"	1

Funding strategy

(i) Policies on diversification in the sources and tenors of funding	Section 9.1 - "Liquidity and Funding Risk Management Framework"	4
(ii) Whether the funding strategy is centralised or decentralised	Section 9.1 - "Liquidity and Funding Risk Management Framework"	4

Liquidity risk mitigation techniques

	Section 9.1 - "Liquidity and Funding Risk Management Framework"	3
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Stress testing

	Section 9.1 - "Liquidity and Funding Risk Management Framework"	2
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Contingency Funding Plan

	Section 9.1 - "Liquidity and Funding Risk Management Framework"	5
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Source: National Australia Bank Pillar 3 Report as of 30 Sep 2023

Links: <https://www.nab.com.au/content/dam/nab/documents/reports/corporate/2023-full-year-pillar-3-report.pdf>

VII. DISCLOSURE ON LIQUIDITY RISK MANAGEMENT

2. Quantitative Disclosures

On and Off-balance sheet liquidity assets

The table below analyses of on and off-balance sheet items by remaining maturity and the resultant liquidity gap as at 30 September 2023

HK\$'000		Next day	2 to 7 days	8 days to 1 month	1 month up to 2 months	2 months up to 6 months	6 months up to 1 year	1 year up to 2 years	2 years up to 3 years	3 years up to 5 years	Over 5 years	Undated	Total amount
On-balance sheet liabilities													
Deposits from non-bank customers		530,208	78,989	1,787,681	5,536,747	8,613,213	1,482,640	-	120,439	-	-	-	16,137,317
Amount payable arising from derivatives contracts		1,360,297	2,341,020	5,509,927	4,985,524	10,081,709	880,877	338,315	406,406	3,942,311	343,237	-	29,786,664
Due to overseas central banks		-	-	-	-	-	-	-	-	-	-	-	-
Due to banks		7,804,831	271,250	7,841,768	7,860,292	1,400,333	-	-	-	-	188,099	-	9,201,240
Other liabilities		9,134	636,174	-	64,884	-	37,588	-	395	0	80,212	-	841,568
Capital reserves		-	-	-	-	-	-	-	-	-	-	309,978	309,978
Total on-balance sheet liabilities		4,704,230	3,296,833	10,244,876	12,280,915	18,095,155	2,400,405	338,315	527,241	3,942,311	591,347	309,978	
On-balance sheet assets													
Amount receivable arising from securities financing transactions		-	-	-	-	-	-	-	-	-	-	-	-
Amount receivable arising from derivatives contracts		1,360,134	2,341,681	6,380,748	5,104,343	10,434,951	918,743	338,023	406,302	3,542,174	343,237	-	31,172,616
Due from MA for aid of Exchange Fund		28,750	-	-	-	-	-	-	-	-	-	-	28,750
Due from banks		648,347	1,495,867	949,167	2,595,813	3,206,283	380,081	-	-	-	-	-	9,274,035
Debt securities, approved mortgages and structured financial instruments held (net of short positions)		10,132,388	-	4,253,886	-	-	-	-	-	-	-	-	14,386,274
Acceptances and bills of exchange held		125,443	719,150	343,111	-	-	-	-	-	-	-	-	1,188,704
Loans and advances to non-bank customers		-	2,754	1,020	-	-	-	-	-	-	-	0	3,774
Other assets		41	-	83,822	118,284	12,440	12,582	317	-	-	51,535	1,196	279,328
Total on-balance sheet assets		12,495,109	4,558,547	12,011,435	7,813,900	13,649,674	1,311,806	338,319	406,302	3,542,174	394,772	1,196	
Off-balance sheet obligations													
Total Off-balance sheet obligations		1,261,819	18,398	641,142	3,388,488	1,810,108	2,042,285	-	-	-	-	-	9,022,278
Off-balance sheet claims													
Total Off-balance sheet claims		123,409	-	-	-	-	-	-	-	-	-	-	123,403
Contractual Maturity Mismatch		6,630,417	1,240,216	1,105,817	-7,868,458	-4,056,556	-3,131,085	4	-121,039	+137	-196,676	-	-
Cumulative Contractual Maturity Mismatch		6,630,417	7,870,723	6,998,950	1,143,097	-4,912,456	-6,043,573	-6,043,569	-6,164,608	-6,164,745	-6,361,321	-	-

VII. DISCLOSURE ON LIQUIDITY RISK MANAGEMENT

2 Quantitative Disclosures

On and Off-balance sheet liquidity oam

The table below analysis of on and off-balance sheet items by remaining maturity and the resultant liquidity oam as at 30 September 2022

HKS'000	Next day	2 to 7 days	8 days to 1 month	1 month up to 3 months	3 months up to 6 months	6 months up to 1 year	1 year up to 2 years	2 years up to 3 years	3 years up to 5 years	Over 5 years	Undated	Total amount
On-balance sheet liabilities												
Deposits from non-bank customers	879,835	719,867	4,348,554	5,393,485	701,288	800,387	-	-	-	-	-	17,441,199
Amount payable arising from derivative contracts	647,079	1,171,537	8,253,314	8,804,678	4,714,550	4,761,842	4,984,953	300,197	868,766	3,478,488	-	35,093,808
Due to overseas central banks	-	-	-	-	-	-	-	-	-	-	-	-
Due to banks	1,879,337	2,989,954	8,075,728	9,505,888	-	25,000	-	-	-	188,803	-	22,769,169
Other liabilities	6,978	767,015	-	855,350	-	63,958	-	-	597	87,575	-	1,794,833
Capital reserves	-	-	-	-	-	-	-	-	-	-	-	-
Total on balance sheet liabilities	3,528,021	5,248,373	18,673,596	24,359,407	5,415,838	5,151,222	4,984,953	300,197	868,823	3,722,676	826,074	826,074
On-balance sheet assets												
Amount receivable arising from securities financing transactions	-	-	-	-	-	-	-	-	-	-	-	-
Amount receivable arising from derivatives contracts	859,361	1,348,057	8,313,423	8,804,604	4,800,842	4,839,138	5,997,821	300,098	883,871	3,478,488	-	37,120,894
Due from MA for sale of Exchange Fund	37,107	-	-	-	-	-	-	-	-	-	-	37,107
Due from banks	332,308	3,073,765	2,473,422	5,112,877	712,622	-	-	-	-	-	-	12,110,982
Debt securities, prescribed instruments and structured financial instruments held (net of short position)	16,150,284	-	-	-	-	-	4,183,040	-	-	3,351,981	-	22,564,306
Accumulated and sale of exchange held	331,881	843,217	388,277	-	-	-	-	-	-	-	-	1,860,456
Loans and advances to non-bank customers	50	6,186	11,541	-	-	-	-	-	-	-	-	18,556
Other assets	0	1,812	134,449	90	90	8,734	59,629	-	99,485	3,001	-	308,187
Total on balance sheet assets	18,109,961	5,271,325	9,045,175	14,117,330	5,313,654	4,847,890	10,214,290	300,098	646,911	3,827,944	3,881	3,881
Off-balance sheet obligations												
Total Off-balance sheet obligations	1,312,270	187,806	1,433,430	4,296,218	2,572,183	464,582	-	-	-	-	-	10,456,688
Off-balance sheet claims												
Total Off-balance sheet claims	1,260,843	20,713	788	-	-	-	-	-	-	-	-	1,282,343
Contractual Maturity Mismatch	14,526,918	-138,141	12,212,883	-14,498,295	-2,474,365	-707,934	5,229,337	-181	-912	2,095,269	-	-
Cumulative Contractual Maturity Mismatch	14,526,918	14,388,375	2,175,512	-12,322,783	-14,797,148	-15,505,072	-10,335,735	-10,335,896	-10,336,808	-8,241,540	-	-

SECTION B - BANK INFORMATION (CONSOLIDATED BASIS)**ANNOUNCEMENT - 2022/2023 Group Full Year Financial Results for the year ended 30 September 2023****I. Capital and capital adequacy**

	As at 30 Sep 2023	As at 31 Mar 2023
Common equity tier 1 ratio	12.22%	12.21%
Tier 1 ratio	14.19%	13.89%
Total capital ratio	19.88%	19.76%

As an authorised deposit-taking institution (ADI), the National Australia Bank Limited is subject to regulation by Australian Prudential Regulation Authority (APRA) under the authority of the Banking Act 1959 (Cth). APRA has set minimum regulatory capital requirements for banks that are consistent with the Basel III Framework.

	30 Sep 2023	31 Mar 2023
	A\$M	A\$M
Aggregate amount of shareholders' funds (Total Equity)	61,503	61,415

II. Other financial information

	30 Sep 2023	31 Mar 2023
	A\$M	A\$M
Group total assets	1,059,083	1,048,288
Group total liabilities	997,580	986,873
Group total-loans and advances	702,702	695,053
Group total deposits and other borrowings	682,120	689,020

	Year ended 30 Sep 2023	Year ended 30 Sep 2022
	A\$M	A\$M
Group total profit before tax	10,450	9,744

Operations of the institution

National Australia Bank is an overseas bank incorporated in Australia. Our Branch provides personal and business banking services to our clients.

Statement of compliance

To the best of my knowledge, the information disclosed complies with the Banking (Disclosure) Rules and is not false or misleading.



Edwina Yu
Alternate Chief Executive
National Australia Bank - Hong Kong Branch