



Disclosures for the identification of potential Global Systemically Important Banks

as at 30 September 2022

Disclosures for the identification of potential Global Systemically Important Banks

This document fulfils the disclosure obligations under APRA Prudential Standard APS 330 *Public Disclosure* and provides the value of National Australia Bank Limited's Global Systemically Important Bank (G-SIB) indicators. Amounts are presented in Australian dollars, and have been rounded to the nearest million dollars (\$m).

The Basel Committee on Banking Supervision (BCBS) uses indicators, in conjunction with supervisory judgement, to calculate a G-SIB score for individual banks. The indicators are designed to reflect attributes including size, interconnectedness, lack of readily available substitutes for services provided, complexity and level of cross-jurisdictional activity.

Banks whose G-SIB score exceeds a minimum threshold are subject to a higher loss absorbency (HLA) requirement that increases with the level of systemic importance. Any G-SIB HLA requirement is to be met with Common Equity Tier 1 capital. Separately, the Australian Prudential Regulation Authority (APRA) has determined that National Australia Bank Limited, along with Australia and New Zealand Banking Corporation, Commonwealth Bank of Australia and Westpac Banking Corporation, are Domestic Systemically Important Banks (D-SIBs) in Australia and are required to hold a 1% HLA buffer, equivalent to the requirement for the lowest level G-SIB.

	30 Sep 22
	\$m
Size	
Total exposures	1,181,627
Interconnectedness	
Intra-financial system assets	132,231
Intra-financial system liabilities	81,241
Securities outstanding	324,464
Substitutability / Financial Institution Infrastructure	
Payments made in the reporting year (excluding intragroup payments)	24,959,179
Assets under custody	503,761
Underwritten transactions in debt and equity markets	2,802
Trading volume	350,996
Complexity	
Notional amount of over-the-counter (OTC) derivatives	9,173,406
Trading and available-for-sale securities	18,065
Level 3 assets	1,743
Cross-jurisdictional Activity	
Cross-jurisdictional claims	284,016
Cross-jurisdictional liabilities	217,433

Glossary

Assets under custody

The value of assets held as a custodian on behalf of customers, including other financial institutions.

Cross-jurisdictional claims

The value of cross border claims or financial assets on an ultimate-risk basis, or local claims of foreign affiliates.

Cross-jurisdictional liabilities

The value of foreign liabilities (including local liabilities of foreign offices), excluding securities liabilities issued that are tradeable instruments.

Financial institutions

Financial institutions include banks and other deposit-taking institutions, bank holding companies, securities dealers, insurance companies, superannuation funds, central counterparties, and exclude central banks, other public sector bodies (such as multilateral development banks) and stock exchanges.

Intra-financial system assets

A measure of the exposure to financial institutions, including funds deposited or lent, the unused portion of committed lines extended, holdings of debt and equity securities issued by financial institutions, securities financing transactions and over-the-counter derivatives.

Intra-financial system liabilities

A measure of obligations to financial institutions, including funds deposited by or borrowed, the unused portion of committed lines obtained, securities financing transactions and over-the-counter derivatives.

Level 2 Group

National Australia Bank Limited and the entities it controls, excluding securitisation special purpose vehicles to which assets have been transferred in accordance with the requirements for regulatory capital relief in APS 120 'Securitisation' and funds management entities.

Level 3 assets

Assets measured at fair value for accounting purposes where the valuation has one or more significant inputs that are not based on observable market data (i.e. a level 3 measurement input in a three-level fair value hierarchy).

Payments made in the reporting year (excluding intragroup payments)

The gross value of cash payments sent via large value payment systems, along with the gross value of cash payments sent through an agent or correspondent bank (e.g. using a correspondent or nostro account) in the reporting year.

Securities outstanding

The value of outstanding debt and equity securities issued by, or on behalf of, the Level 2 Group. The value excludes debt securities where the Level 2 Group does not back the performance of underlying assets, such as securitisation notes. The value of debt securities (excluding convertible preference shares and notes) is measured at their carrying amount on the balance sheet. The value of equity securities and convertible preference shares and notes is measured at fair value.

Sovereigns

Sovereigns are central governments and central banks, along with the Bank for International Settlements, the International Monetary Fund, the European Stability Mechanism, and the European Financial Stability Facility.

Total exposures

Total exposures (prior to regulatory adjustments) as defined for use in the Basel III leverage ratio for the Level 2 Group. Exposures comprise on-balance sheet exposures, derivative exposures under the standardised approach for measuring counterparty credit risk exposures (SA-CCR), securities financing transaction exposures and other off-balance sheet exposures.

Trading and available-for-sale securities

The value of securities measured at fair value less the subset of those securities that meet the definition of level 1 and level 2 assets as defined in the liquidity coverage ratio (LCR). The indicator is designed to capture the value of securities that, if sold quickly during periods of severe market stress, are more likely to incur larger discounts or haircuts.

Trading volume

The market value of purchases and sales of securities in the reporting year, excluding securities issued by sovereigns.

Underwritten transactions in debt and equity markets

The value of unsold securities the Level 2 Group was obligated to purchase during the reporting year from underwriting transactions (public and private) in debt and equity markets.

