Pillar 3 Report

2026

as at 30 June 2026

Incorporating the requirements of APS 330

National Australia Bank Limited ABN 12 004 044 937

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Introduction

National Australia Bank Limited (NAB) is an authorised deposit-taking institution (ADI) subject to regulation by the Australian Prudential Regulation Authority (APRA) under the authority of the *Banking Act 1959* (Cth). This report has been prepared in accordance with APRA Prudential Standard APS 330 *Public Disclosure*, which requires external disclosure of key prudential information to contribute to the transparency of financial markets and to enhance market discipline. APS 330 requires prudential disclosures to be made as set out in the Basel Committee on Banking Supervision (BCBS) *Disclosure Requirements* standard, subject to modifications made by APRA specified in Attachment A of APS 330.

This report has also been prepared in accordance with NAB's Group External Reporting Policy, which assists the Board in discharging its oversight of the integrity of external reporting. The Group External Reporting Policy sets out the approach the Group, being NAB and its controlled entities, takes to managing compliance with APS 330, as well as other Australian statutory and regulatory external reporting obligations.

The preceding period for comparative information is based on the reporting frequency of each disclosure as set out in the disclosure requirements index. Amounts are presented in Australian dollars and rounded to the nearest million dollars ($m) except where indicated.

Quantitative information contained in this report is available in Microsoft Excel format at nab.com.au/about-us/shareholder-centre/regulatory-disclosures.

Capital adequacy methodologies

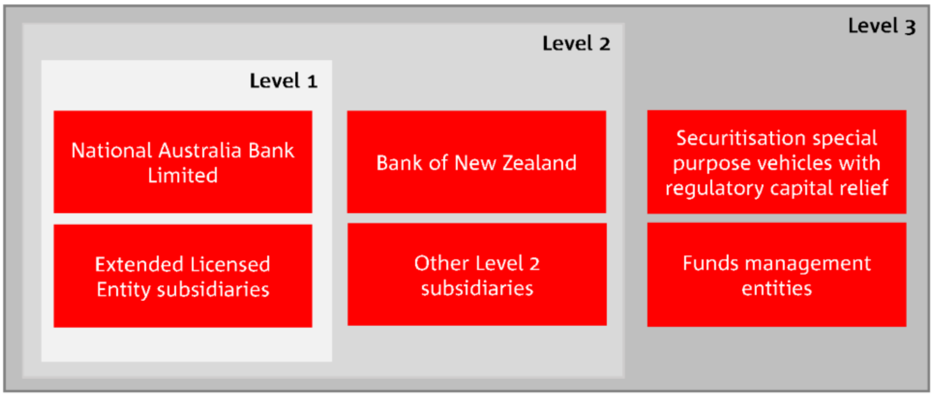
The Group uses the following approaches to measure capital adequacy.

Credit risk	Operational risk	Non-traded market risk	Traded market risk
Internal ratings-based (IRB) approach(1)	Standardised measurement approach (SMA)	Internal model approach (IMA)	Internal model approach (IMA) and standard method

(1) The Group has received IRB accreditation from APRA and applies the advanced IRB (A-IRB), foundation IRB (F-IRB), supervisory slotting and standardised approaches to different portfolios. Risk-weighted assets (RWA) and expected loss for the Group's banking subsidiary regulated by the Reserve Bank of New Zealand (RBNZ), Bank of New Zealand (BNZ), are measured using RBNZ prudential requirements, with the exception of scaling factors which are applied under APRA requirements and any APRA-imposed RWA overlays. BNZ has received internal ratings-based accreditation from the RBNZ and applies the internal ratings-based, supervisory slotting and standardised approaches to different portfolios.

Scope of consolidation

APRA measures the Group's capital adequacy by assessing financial strength at three levels as illustrated below.



Level 1 comprises NAB and its subsidiaries that have been approved by APRA as part of its Extended Licensed Entity.

Level 2 comprises NAB 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 2 controlled entities include BNZ, National Australia Bank Europe S.A. and other financial entities such as broking, wealth advisory and leasing companies.

Level 3 comprises the consolidation of NAB and all of its subsidiaries.

This report applies to the Level 2 Group, headed by NAB, unless otherwise stated.

Overview of key metrics and RWA

2.1 Key prudential metrics

KM1: Key metrics

The commentary below provides an explanation of movements in the regulatory metrics on the following page.

June 2026 v March 2026

Regulatory capital

Common Equity Tier 1 (CET1) capital increased by $1.6 billion or 3.1% primarily driven by net profit for the quarter.

Tier 1 capital decreased by $235 million or 0.4% from the redemption of $1.8 billion of NAB Capital Notes 3, which more than offset the increase in CET1 capital.

Total capital increased by $2.2 billion or 2.4% from Tier 2 capital instrument issuances of $2.4 billion during the quarter.

Risk-weighted assets

Total RWA increased by $3.1 billion or 0.7%. The most significant driver was a $4.5 billion or 1.3% increase in credit RWA (excluding counterparty credit risk). The increase in credit RWA was primarily driven by lending growth, largely in corporate (including small and medium-sized enterprises (SME)), residential mortgages and the RBNZ regulated banking subsidiary. Refer to CR8: *RWA flow statements of credit risk exposures under IRB* for further details.

The increase in credit RWA was partially offset by a $1.7 billion or 13.4% decrease in market risk RWA, driven by lower 10-day stressed value at risk from changes in interest rate exposures.

Leverage ratio

The leverage ratio decreased by 6 basis points to 4.85%, driven by an increase in total exposures of $9.7 billion or 0.8%, combined with a decrease in Tier 1 capital of $235 million or 0.4%.

The increase in total exposures was mainly due to an $8.2 billion increase in securities financing transaction (SFT) exposures from higher reverse repurchase agreement activity and a $3.3 billion increase in on-balance sheet exposures, mainly from lending growth, partially offset by lower central bank deposits. This was partially offset by a decrease in off-balance sheet exposures of $1.4 billion.

Liquidity coverage ratio

The average liquidity coverage ratio (LCR) for the quarter increased to 134% from 132%, with a $10.7 billion or 5.3% increase in average high-quality liquid assets (HQLA), partially offset by a $4.8 billion or 3.2% increase in average weighted net cash outflows.

The increase in average HQLA was mainly due to maintaining higher levels of short-term wholesale funding during the quarter.

The increase in average weighted net cash outflows was mainly due to seasonally higher unsecured funding maturities and increased deposit outflows relative to the previous quarter.

Net stable funding ratio

The net stable funding ratio (NSFR) decreased to 115% from 116%, due to an increase in required stable funding (RSF) of $10.3 billion or 1.6%, partially offset by an increase in available stable funding (ASF) of $7.0 billion or 1.0%.

The increase in RSF was mainly due to growth in home and business lending, combined with higher RSF for derivative exposures.

The increase in ASF was mainly due to higher volumes of wholesale deposits and increased regulatory capital, partially offset by a net reduction in ASF from wholesale term funding.

The following table provides an overview of prudential metrics as at 30 June 2026 and the end of the previous four quarters.

		As at				
		30 Jun 26	31 Mar 26	31 Dec 25	30 Sep 25	30 Jun 25
Available capital (amounts)						
1	CET1	54,021	52,390	51,273	51,527	53,038
2	Tier 1	61,135	61,370	60,262	60,516	62,628
3	Total capital	94,181	91,968	89,698	89,514	89,739
RWA (amounts)						
4	Total RWA	452,888	449,771	446,519	440,557	436,890
4a	Total RWA (pre-floor)[1]	452,888	449,771	441,196	438,273	436,890
Risk-based capital ratios as a percentage of RWA (Level 2 Group)						
5	CET1 capital ratio (%)	11.93	11.65	11.48	11.70	12.14
5b	CET1 capital ratio (%) (pre-floor ratio)[1]	11.93	11.65	11.62	11.76	12.14
6	Tier 1 capital ratio (%)	13.50	13.64	13.50	13.74	14.33
6b	Tier 1 capital ratio (%) (pre-floor ratio)[1]	13.50	13.64	13.66	13.81	14.33
7	Total capital ratio (%)	20.80	20.45	20.09	20.32	20.54
7b	Total capital ratio (%) (pre-floor ratio)[1]	20.80	20.45	20.33	20.42	20.54
Risk-based capital ratios as a percentage of RWA (Level 1 Group)						
-	CET1 capital ratio (%)	11.89	11.53	11.50	11.60	11.97
-	Tier 1 capital ratio (%)	13.60	13.70	13.73	13.86	14.41
-	Total capital ratio (%)	21.52	21.07	20.97	21.09	21.25
Additional CET1 buffer requirements as a percentage of RWA						
8	Capital conservation buffer requirement (%)	3.75	3.75	3.75	3.75	3.75
9	Countercyclical capital buffer requirement (%)	0.86	0.86	0.85	0.85	0.85
10	Bank global systemically important bank (G-SIB) and/or domestic systemically important bank (D-SIB) additional requirements (%)	1.00	1.00	1.00	1.00	1.00
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9 + row 10)	5.61	5.61	5.60	5.60	5.60
12	CET1 available after meeting the bank's minimum capital requirements (%)[2]	7.43	7.15	6.98	7.20	7.64
Leverage ratio						
13	Total leverage ratio exposure measure	1,260,607	1,250,912	1,241,137	1,229,142	1,226,589
14c	Leverage ratio (%) (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values for SFT assets	4.85	4.91	4.86	4.92	5.11
LCR[3]						
15	Total HQLA	210,694	200,027	210,361	207,588	211,713
16	Total net cash outflows	156,941	152,106	154,197	153,403	156,597
17	LCR (%)	134	132	136	135	135
NSFR						
18	Total ASF	732,174	725,132	718,801	712,993	711,581
19	Total RSF	636,919	626,620	613,244	612,708	611,141
20	NSFR (%)	115	116	117	116	116

(1) The capital floor applies to ADIs accredited by APRA to use the IRB approach and requires that aggregate RWA does not fall below 72.5% of RWA calculated under the full standardised approach.

(2) The CET1 capital ratio less the ratio of RWA of any CET1 capital used to meet minimum CET1, Tier 1 and Total capital ratios of 4.5%, 6% and 8%, respectively, as outlined in APS 110 *Capital Adequacy* paragraph 24.

(3) Simple average of daily outcomes, excluding non-business days, during the quarter. LCR is the average of daily LCR outcomes, rather than a function of average HQLA and average net cash outflows.

2.2 Overview of exposure at default and RWA

OV1: Overview of RWA

The following table provides RWA for each risk type and approach.

		As at		
		30 Jun 26	31 Mar 26	30 Jun 26
		RWA	RWA	Minimum capital requirements[1]
		$m	$m	$m
1	Credit risk (excluding counterparty credit risk (CCR))[2][3]	364,858	360,316	29,188
2	of which: standardised approach (SA)	13,116	12,962	1,049
3	of which: F-IRB approach	37,180	37,960	2,974
4	of which: supervisory slotting approach	9,514	9,323	761
5	of which: A-IRB approach	305,048	300,071	24,404
6	Counterparty credit risk	10,154	10,101	813
7	of which: standardised approach for CCR	8,058	7,986	645
9	of which: other CCR[4]	2,096	2,115	168
10	Credit valuation adjustment	4,346	4,323	348
15	Settlement risk	–	–	–
16	Securitisation exposures in banking book	5,583	5,857	447
18	of which: securitisation external ratings-based approach (ERBA)	1,333	1,322	107
19	of which: securitisation supervisory formula approach (SFA)	4,250	4,535	340
20	Market risk	10,872	12,555	869
21	of which: standard method	1,181	1,120	94
22	of which: IMA	9,691	11,435	775
24	Operational risk	38,707	38,707	3,097
–	Interest rate risk in the banking book	18,368	17,912	1,469
26	*Output floor applied*	*72.5%*	*72.5%*	
27	Floor adjustment[5]	–	–	
29	**Total**	**452,888**	**449,771**	**36,231**

(1) The total minimum capital requirement is calculated as total RWA multiplied by the minimum Total capital ratio of 8.0%, as outlined in APS 110 paragraph 24.
(2) Credit RWA (excluding CCR) includes an RWA overlay related to measurement of certain off-balance sheet exposures of $3.4 billion as at both June 2026 and March 2026. The majority of the overlay is included in RWA under the A-IRB approach in row 5 ($3.0 billion) and the F-IRB approach in row 3 ($321 million).
(3) Credit RWA (excluding CCR) includes an RWA overlay related to the calibration of certain models of $6.6 billion (March 2026: $6.5 billion). The majority of the overlay is included in RWA under the A-IRB approach in row 5 (June 2026 and March 2026: $6.5 billion).
(4) CCR not subject to the standardised approach comprises SFTs, BNZ derivatives under the current exposure method, and central counterparty (CCP) margin and default fund contributions.
(5) The description of row 27 has been modified from that set out in the BCBS *Disclosure Requirements* standard as APRA's capital floor requirement does not have a transitional cap.

Exposure at default and RWA by asset class

The following table provides a summary of exposure at default (EaD) and RWA by asset class. The nature of exposures in each asset class is outlined on page 8. Amounts have been broken down into those subject to the credit risk and counterparty credit risk frameworks.

This disclosure has been included in this report to provide a breakdown of total EaD, as EaD disclosures required by APS 330 are not aggregated in a single disclosure.

	As at 30 Jun 26					
	EaD post-CCF and post-CRM[1]			RWA		
	Credit risk	Counterparty credit risk	Total	Credit risk	Counterparty credit risk	Total
	$m	$m	$m	$m	$m	$m
Subject to A-IRB approach						
Corporate (including SME)	248,884	2,545	251,429	125,268	1,450	126,718
Retail SME	26,289	–	26,289	11,515	–	11,515
Residential mortgage	449,760	–	449,760	119,440	–	119,440
Qualifying revolving retail	15,810	–	15,810	5,808	–	5,808
Other retail	1,635	–	1,635	1,890	–	1,890
Subject to F-IRB approach						
Corporate	35,945	4,667	40,612	19,932	2,109	22,041
Sovereign	133,555	1,509	135,064	1,579	25	1,604
Financial institution	46,720	18,652	65,372	15,669	5,149	20,818
Total IRB approach	**958,598**	**27,373**	**985,971**	**301,101**	**8,733**	**309,834**
Specialised lending	**4,721**	**119**	**4,840**	**3,536**	**85**	**3,621**
Subject to standardised approach						
Corporate (including SME)	7,161	2,429	9,590	4,744	206	4,950
Residential mortgage	1,573	–	1,573	1,585	–	1,585
Other retail	2,263	–	2,263	1,078	–	1,078
Other	5,783	–	5,783	4,056	–	4,056
Total standardised approach	**16,780**	**2,429**	**19,209**	**11,463**	**206**	**11,669**
RBNZ regulated banking subsidiary	118,180	3,071	121,251	48,758	1,130	49,888
Credit valuation adjustment						4,346
Settlement risk						–
Securitisation exposures in banking book			34,331			5,583
Total credit risk[2][3]	**1,098,279**	**32,992**	**1,165,602**	**364,858**	**10,154**	**384,941**
Market risk						10,872
Operational risk						38,707
Interest rate risk in the banking book						18,368
Floor adjustment						–
Total	**1,098,279**	**32,992**	**1,165,602**	**364,858**	**10,154**	**452,888**

(1) Credit conversion factor (CCF) and credit risk mitigation (CRM).
(2) Credit RWA (excluding CCR) includes an RWA overlay related to measurement of certain off-balance sheet exposures of $3.4 billion. The majority of the overlay is included in RWA for corporate exposures under the A-IRB approach ($2.1 billion) and the RBNZ regulated banking subsidiary ($937 million).
(3) Credit RWA (excluding CCR) includes an RWA overlay related to the calibration of certain models of $6.6 billion. The majority of the overlay is included in RWA under the A-IRB approach for corporate (including SME) ($3.6 billion), retail SME ($1.5 billion) and residential mortgage ($981 million) exposures.

	As at 31 Mar 26					
	EaD post-CCF and post-CRM			RWA		
	Credit risk	Counterparty credit risk	Total	Credit risk	Counterparty credit risk	Total
	$m	$m	$m	$m	$m	$m
Subject to A-IRB approach						
Corporate (including SME)	242,899	2,515	245,414	123,047	1,297	124,344
Retail SME	26,190	–	26,190	11,419	–	11,419
Residential mortgage	445,323	–	445,323	117,429	–	117,429
Qualifying revolving retail	15,933	–	15,933	6,390	–	6,390
Other retail	1,643	–	1,643	1,881	–	1,881
Subject to F-IRB approach						
Corporate	35,461	4,586	40,047	20,134	2,149	22,283
Sovereign	142,197	1,345	143,542	1,486	22	1,508
Financial institution	48,986	19,535	68,521	16,340	5,320	21,660
Total IRB approach	**958,632**	**27,981**	**986,613**	**298,126**	**8,788**	**306,914**
Specialised lending	**4,389**	**117**	**4,506**	**3,306**	**84**	**3,390**
Subject to standardised approach						
Corporate (including SME)	7,040	2,838	9,878	4,710	208	4,918
Residential mortgage	1,620	–	1,620	1,633	–	1,633
Other retail	2,178	–	2,178	990	–	990
Other	5,192	–	5,192	3,853	–	3,853
Total standardised approach	**16,030**	**2,838**	**18,868**	**11,186**	**208**	**11,394**
RBNZ regulated banking subsidiary	118,313	2,756	121,069	47,698	1,021	48,719
Credit valuation adjustment						4,323
Settlement risk						–
Securitisation exposures in banking book			34,122			5,857
Total credit risk(1)(2)	**1,097,364**	**33,692**	**1,165,178**	**360,316**	**10,101**	**380,597**
Market risk						12,555
Operational risk						38,707
Interest rate risk in the banking book						17,912
Floor adjustment						–
Total	**1,097,364**	**33,692**	**1,165,178**	**360,316**	**10,101**	**449,771**

(1) Credit RWA (excluding CCR) includes an RWA overlay related to measurement of certain off-balance sheet exposures of $3.4 billion. The majority of the overlay is included in RWA for corporate exposures under the A-IRB approach ($2.1 billion) and the RBNZ regulated banking subsidiary ($937 million).

(2) Credit RWA (excluding CCR) includes an RWA overlay related to the calibration of certain models of $6.5 billion. The majority of the overlay is included in RWA under the A-IRB approach for corporate (including SME) ($3.5 billion), retail SME ($1.5 billion) and residential mortgage ($981 million) exposures.

The nature of exposures in each asset class is outlined below.

Asset class	Description
Subject to the A-IRB approach	
Corporate (including SME)	Corporations, partnerships, proprietorships, public sector entities and any other credit exposure not elsewhere classified.
Retail SME	Non-complex exposures to small business customers managed as part of a portfolio for risk management purposes where: • the consolidated annual revenue of the borrower is less than $75 million, and • the total business-related exposure to the borrower is less than $1.5 million.
Residential mortgage	Exposures that are partially or fully secured by residential properties, managed in a similar manner to other retail exposures, and not for business purposes. This excludes non-standard mortgages.
Qualifying revolving retail	Revolving exposures to individuals less than $100,000, which are unsecured, unconditionally cancellable and not for business purposes.
Other retail	Retail exposures other than residential mortgage and qualifying revolving retail, including personal loan, overdraft and overdrawn transaction account exposures.
Subject to the F-IRB approach	
Corporate	Corporations, partnerships, proprietorships and public sector entities with consolidated annual revenue greater than $750 million.
Sovereign	Includes: • Australian and overseas central and subnational governments. A subnational government is a government of a geographically defined part of a state which has powers to raise revenue and borrow money. • The Reserve Bank of Australia and overseas central banks. • Multilateral development banks or institutions eligible for a 0% risk weight.
Financial institution	Entities whose main business includes management of financial assets, lending, factoring, leasing, provision of credit enhancements, securitisation (excluding securitisation exposures subject to the requirements of APS 120), investments, financial custody, CCP services (excluding qualifying central counterparty (QCCP) exposures) and proprietary trading.
Specialised lending	Project finance exposures, in which revenues generated by a single project are the primary source of repayment and security for the exposure.
Subject to the standardised approach	
Corporate (including SME)	Regulatory prescribed portfolios, such as QCCPs and margin lending, and corporate exposures in portfolios where the standardised approach is applied.
Residential mortgage	Non-standard mortgages, including interest only exposures with a loan-to-valuation ratio greater than 80% and an interest only term greater than five years that are not for business purposes, and loans to self-managed superannuation funds.
Other retail	Regulatory prescribed portfolios, such as margin lending, and other retail exposures in portfolios where the standardised approach is applied.
Other	Cash items in the process of collection, premises and other fixed assets, and all other exposures.
RBNZ regulated banking subsidiary	BNZ exposures measured using RBNZ prudential requirements, with the exception of scaling factors which are applied under APRA requirements and any APRA-imposed RWA overlays. APS 330 requires these exposures to be disclosed separately.

2.3 Comparison of modelled and standardised RWA

CMS1: Comparison of modelled and standardised RWA at risk level

The following table provides a comparison by risk type of RWA prior to application of the floor modelled under approval from APRA, and RWA calculated under the full standardised approach.

June 2026 v March 2026

RWA prior to application of the floor increased by $3.1 billion or 0.7%, whereas RWA under the full standardised approach increased by $4.5 billion or 0.7%. Pre-floor RWA was above the capital floor by $507 million (31 March 2026: $653 million).

		As at 30 Jun 26			
		RWA for modelled approaches that have supervisory approval to be used	RWA for portfolios where standardised approaches are used	Pre-floor RWA	RWA calculated using full standardised approach
		$m	$m	$m	$m
1	Credit risk (excluding counterparty credit risk)[1]	351,742	13,116	364,858	545,601
2	Counterparty credit risk	9,661	493	10,154	18,865
3	Credit valuation adjustment		4,346	4,346	4,346
4	Securitisation exposures in the banking book		5,583	5,583	5,583
5	Market risk	9,691	1,181	10,872	10,872
6	Operational risk		38,707	38,707	38,707
–	Interest rate risk in the banking book	18,368	–	18,368	n/a
7	Residual RWA		–	–	–
8	**Total**	**389,462**	**63,426**	**452,888**	**623,974**

Capital floor at 72.5% of RWA calculated using full standardised approach	452,381
RWA prior to application of floor	452,888
Floor adjustment	-

(1) RWA under the full standardised approach for credit risk (excluding CCR) includes an RWA overlay related to measurement of certain off-balance sheet exposures of $3.5 billion. RWA overlays included in pre-floor RWA are disclosed in OV1: *Overview of RWA*.

		As at 31 Mar 26			
		RWA for modelled approaches that have supervisory approval to be used	RWA for portfolios where standardised approaches are used	Pre-floor RWA	RWA calculated using full standardised approach
		$m	$m	$m	$m
1	Credit risk (excluding counterparty credit risk)[1]	347,354	12,962	360,316	539,103
2	Counterparty credit risk	9,675	426	10,101	18,928
3	Credit valuation adjustment		4,323	4,323	4,323
4	Securitisation exposures in the banking book		5,857	5,857	5,857
5	Market risk	11,435	1,120	12,555	12,555
6	Operational risk		38,707	38,707	38,707
–	Interest rate risk in the banking book	17,912	–	17,912	n/a
7	Residual RWA		–	–	–
8	**Total**	**386,376**	**63,395**	**449,771**	**619,473**

Capital floor at 72.5% of RWA calculated using full standardised approach	449,118
RWA prior to application of floor	449,771
Floor adjustment	-

(1) RWA under the full standardised approach for credit risk (excluding CCR) includes an RWA overlay related to measurement of certain off-balance sheet exposures of $3.5 billion. RWA overlays included in pre-floor RWA are disclosed in OV1: *Overview of RWA*.

Capital

Leverage ratio

LR2: Leverage ratio common disclosure template

The leverage ratio is a non-risk-based measure that uses exposures to supplement the RWA-based capital requirements.

The leverage ratio calculation is presented below. All amounts in the leverage ratio calculation are measured as at the reporting date, with the exception of SFT exposures, which are based on the average of month-end balances during the quarter.

		As at	
		30 Jun 26	31 Mar 26
		$m	$m
On-balance sheet exposures			
1	On-balance sheet exposures (excluding derivatives and SFTs, but including collateral)	1,014,913	1,011,310
2	Gross-up for derivatives collateral provided where deducted from balance sheet assets pursuant to the operative accounting framework	3,615	3,740
3	(Deductions of receivable assets for cash variation margin provided in derivatives transactions)	(4,571)	(4,523)
5	(Provisions associated with on-balance sheet exposures that are deducted from Tier 1 capital)	(5,185)	(5,170)
6	(Asset amounts deducted in determining Tier 1 capital and regulatory adjustments)	(9,237)	(9,164)
7	**Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 to 6)**	**999,535**	**996,193**
Derivative exposures			
8	Replacement cost associated with all derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	9,667	9,415
9	Add-on amounts for potential future exposure associated with all derivatives transactions	19,323	20,037
11	Adjusted effective notional amount of written credit derivatives	3,016	7,848
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	(1,747)	(6,610)
13	**Total derivative exposures (sum of rows 8 to 12)**	**30,259**	**30,690**
SFT exposures			
14	Gross SFT assets (with no recognition of netting), after adjustment for sale accounting transactions	121,800	116,232
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	(17,882)	(20,703)
16	Counterparty credit risk exposure for SFT assets	3,431	3,616
18	**Total SFT exposures (sum of rows 14 to 17)**	**107,349**	**99,145**
Other off-balance sheet exposures			
19	Off-balance sheet exposure at gross notional amount	251,852	255,293
20	(Adjustments for conversion to credit equivalent amounts)	(127,760)	(129,801)
21	(Provisions associated with off-balance sheet exposures deducted in determining Tier 1 capital)	(628)	(608)
22	**Off-balance sheet items (sum of rows 19 to 21)**	**123,464**	**124,884**
Capital and total exposures			
23	**Tier 1 capital**	**61,135**	**61,370**
24	**Total exposures (sum of rows 7, 13, 18 and 22)**	**1,260,607**	**1,250,912**
Leverage ratio			
25	**Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)**	**4.85%**	**4.91%**
26	**National minimum leverage ratio requirement**	**3.50%**	**3.50%**
Disclosure of mean values			
28	Mean value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	103,918	95,529
29a	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	118,792	104,737
30	Total exposures (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	1,260,607	1,250,912
31	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	4.85%	4.91%

Credit risk

4.1 General information about credit risk

Exposure at default, non-performing exposures and related provisions by industry

The following table provides a breakdown by industry, based on Australian and New Zealand Standard Industrial Classification (ANZSIC) Level 1 classifications, of:

- EaD subject to the credit risk and counterparty credit risk frameworks, which exclude securitisation exposures subject to the requirements of APS 120,
- non-performing exposures, and
- the provision for credit impairment for non-performing exposures, including the provision for non-performing exposures which are individually assessed.

June 2026 v March 2026

Non-performing exposures were broadly unchanged. Deterioration in asset quality in the Australian mortgage portfolio was largely offset by work-outs for a small number of customers in Corporate and Institutional Banking.

	As at 30 Jun 26			
	Credit and CCR EaD post-CCF and post-CRM	Non-performing exposures	Provision for non-performing exposures[1]	Of which: individually assessed provision for credit impairment
Industry sector	**$m**	**$m**	**$m**	**$m**
Accommodation and hospitality	16,909	257	62	25
Agriculture, forestry, fishing and mining	71,718	1,954	375	195
Business services and property services	24,028	507	190	147
Commercial property	100,138	965	171	28
Construction	16,729	441	134	91
Finance and insurance	140,007	123	37	24
Government and public authorities	83,904	-	-	-
Manufacturing	22,651	585	185	131
Personal	20,865	170	104	3
Residential mortgages	510,145	5,356	521	98
Retail and wholesale trade	39,747	598	216	133
Transport and storage	23,179	407	134	104
Utilities[2]	26,821	517	195	181
Other[3]	34,430	366	81	41
Total	**1,131,271**	**12,246**	**2,405**	**1,201**

Provision for performing exposures[4]			**4,036**	
Total provision for credit impairment			**6,441**	

(1) Provision for non-performing exposures represents Stage 3 expected credit losses, which are individually and collectively assessed.
(2) Utilities includes electricity, gas, water and communication services.
(3) Other includes education, and health and community services.
(4) Provision for performing exposures represents Stage 1 and Stage 2 expected credit losses, which are collectively assessed.

Industry sector	Credit and CCR EaD post-CCF and post-CRM	Non-performing exposures	Provision for non-performing exposures[1]	Of which: individually assessed provision for credit impairment
	As at 31 Mar 26			
	$m	$m	$m	$m
Accommodation and hospitality	15,486	264	64	20
Agriculture, forestry, fishing and mining	69,843	1,896	362	188
Business services and property services	23,783	492	199	147
Commercial property	99,049	1,002	172	28
Construction	16,064	420	132	92
Finance and insurance	159,893	166	38	24
Government and public authorities	77,095	–	–	–
Manufacturing	22,652	640	221	166
Personal	20,950	180	101	2
Residential mortgages	505,182	5,206	498	87
Retail and wholesale trade	38,574	634	213	135
Transport and storage	23,096	384	123	95
Utilities[2]	26,261	652	241	228
Other[3]	33,128	304	78	42
Total	**1,131,056**	**12,240**	**2,442**	**1,254**

Provision for performing exposures[4]			**3,944**	
Total provision for credit impairment			**6,386**	

(1) Provision for non-performing exposures represents Stage 3 expected credit losses, which are individually and collectively assessed.
(2) Utilities includes electricity, gas, water and communication services.
(3) Other includes education, and health and community services.
(4) Provision for performing exposures represents Stage 1 and Stage 2 expected credit losses, which are collectively assessed.

4.2 Credit risk under internal risk-based approaches

CR8: RWA flow statements of credit risk exposures under IRB

The following table attributes the change in total credit RWA over the three months to the reporting date to key drivers, where:

- Column (a) aligns to the requirements of CR8 in the BCBS *Disclosure Requirements* standard, and attributes the change in RWA for credit risk exposures subject to the A-IRB, F-IRB and supervisory slotting approaches.
- Column (b) attributes the change in other credit RWA, including RWA for credit risk exposures under the standardised approach, and counterparty credit risk and securitisation exposures.

Total credit RWA in column (c) aligns to that shown in the *Exposure at default and RWA by asset class* disclosure for 30 June 2026 and 31 March 2026 on pages 6 and 7, respectively.

June 2026 v March 2026

RWA for credit risk exposures subject to IRB approaches increased by $4.4 billion or 1.3% in the three months to 30 June 2026. The increase was primarily driven by lending growth, largely in corporate (including SME), residential mortgages and the RBNZ regulated banking subsidiary (reflected in row 2).

		3 months ended					
		30 Jun 26			31 Mar 26		
		a	b	c	a	b	c
		RWA under IRB approaches $m	Other credit RWA $m	Total credit RWA $m	RWA under IRB approaches[1] $m	Other credit RWA[1] $m	Total credit RWA $m
1	**RWA as at end of previous reporting period**	**347,354**	**33,243**	**380,597**	**338,409**	**38,946**	**377,355**
2	Asset size[2]	5,175	232	5,407	5,281	(2)	5,279
3	Asset quality[3]	443	(334)	109	(379)	(516)	(895)
4	Model updates	(441)	–	(441)	6,297	(4,364)	1,933
5	Methodology and policy	–	–	–	–	–	–
7	Foreign exchange movements	(789)	(79)	(868)	(2,254)	(270)	(2,524)
8	Other[4]	–	137	137	–	(551)	(551)
9	**RWA as at end of reporting period**	**351,742**	**33,199**	**384,941**	**347,354**	**33,243**	**380,597**

(1) RWA for exposures subject to the supervisory slotting approach has been reallocated to be included as part of RWA under IRB approaches in column (a). Comparative information as at 31 March 2026 has been restated to align to the presentation in the current period.
(2) Change in RWA attributed to changes in exposure size, including origination of new exposures and maturing exposures, and excluding changes related to acquisitions and disposals.
(3) Change in RWA attributed to the assessed quality of assets due to changes in borrower risk. This includes change in RWA related to portfolio mix at the end of the reporting period compared to the beginning of the reporting period.
(4) Other comprises the change in RWA for counterparty credit risk exposures (including credit valuation adjustment), excluding foreign currency translation impacts.

Liquidity

Liquidity coverage ratio

The LCR measures the adequacy of HQLA available to meet net cash outflows over a 30-day period during a severe liquidity stress scenario. The Board sets LCR targets above regulatory minimums and the Group manages its LCR position daily across the legal entity structure, major currencies and jurisdictions in which business activities are undertaken. The APRA minimum LCR is 100%.

The Group's funding strategy seeks to ensure appropriate diversification and limit maturity concentrations. This approach is designed to provide a relatively stable LCR profile over time.

The Group's mix of liquid assets primarily consists of HQLA, such as cash, deposits with central banks, Australian government and semi-government securities, and securities issued by foreign sovereigns. The currency mix of these holdings is set with reference to the currency of the underlying liquidity risk to support all regulatory and internal requirements being met. Liquid assets held by material banking subsidiaries surplus to APRA minimums are not included in LCR for the Level 2 Group, reflecting assumed constraints on transferability. The currency mismatch of liquidity risk is managed through the LCR, as well as via other internal metrics, and informs the currency, composition, and location of HQLA held.

The LCR for the three months ended 30 June 2026 and 31 March 2026 is presented in LIQ1: *Liquidity coverage ratio*, and is based on a simple average of daily LCR outcomes excluding non-business days. There were 62 daily LCR data points used in calculating the average for the most recent and previous quarter.

LIQ1: Liquidity coverage ratio

		3 months ended			
		30 Jun 26		31 Mar 26	
		Total unweighted value (average)[1] $m	Total weighted value (average) $m	Total unweighted value (average)[1] $m	Total weighted value (average) $m
HQLA					
1	Total HQLA[2][3][4]		210,694		200,027
-	of which: alternative liquid assets[3]		2,795		3,369
-	of which: RBNZ eligible securities[3][4]		2,795		3,369
Cash outflows					
2	Retail deposits and deposits from small business customers	316,989	33,189	314,882	32,925
3	of which: stable deposits	140,451	7,023	139,342	6,967
4	of which: less stable deposits	176,538	26,166	175,540	25,958
5	Unsecured wholesale funding	198,577	94,274	191,562	89,760
6	of which: operational deposits (all counterparties) and deposits in networks of cooperative banks	92,270	23,067	89,665	22,492
7	of which: non-operational deposits (all counterparties)	91,674	56,574	90,586	55,957
8	of which: unsecured debt	14,633	14,633	11,311	11,311
9	Secured wholesale funding[3]		8,184		8,886
10	Additional requirements	209,693	34,973	212,479	35,177
11	of which: outflows related to derivative exposures and other collateral requirements	6,740	6,736	6,462	6,457
12	of which: outflows related to loss of funding on debt products	–	–	–	–
13	of which: credit and liquidity facilities	202,953	28,237	206,017	28,720
14	Other contractual funding obligations	1,885	1,887	1,521	1,521
15	Other contingent funding obligations	99,466	6,369	91,818	5,987
16	**Total cash outflows**		**178,876**		**174,256**
Cash inflows					
17	Secured lending (e.g. reverse repos)	56,157	3,509	56,280	4,069
18	Inflows from fully performing exposures	23,280	14,535	22,609	14,241
19	Other cash inflows	4,195	3,891	3,582	3,840
20	**Total cash inflows**	**83,632**	**21,935**	**82,471**	**22,150**
			Total adjusted value $m		Total adjusted value $m
21	**Total HQLA**[2]		**210,694**		**200,027**
22	**Total net cash outflows**		**156,941**		**152,106**
23	**LCR (%)**[5]		**134%**		**132%**

(1) Unweighted inflow and outflow values are outstanding balances maturing or callable within 30 days.
(2) Total HQLA represents liquid assets, including assets qualifying under alternative liquidity approaches.
(3) Disclosed on a weighted basis only, consistent with the disclosure template prescribed by APS 330.
(4) Weighted values exclude liquid asset holdings in excess of an LCR of 100% for material banking subsidiaries, reflecting liquidity transferability considerations. The average amount excluded during the three months to 30 June 2026 and 31 March 2026 was $5.7 billion and $5.6 billion, respectively.
(5) Average of daily LCR outcomes, excluding non-business days, during the quarter, rather than a function of average HQLA and average net cash outflows.

Accountable Person attestation

The Group Chief Financial Officer and Group Executive, Strategy, an Accountable Person of National Australia Bank Limited, attests that the June 2026 Pillar 3 Report has been prepared in accordance with NAB's Group External Reporting Policy.

Inder Singh

Group Chief Financial Officer and Group Executive, Strategy

17 August 2026

Disclosure requirements index

The following table sets out the disclosure requirements of the BCBS *Disclosure Requirements* standard, including the reporting frequency, and where the disclosure is made if included in this report.

BCBS *Disclosure Requirements* standard tables and templates			Reporting frequency	Pillar 3 report section
DIS20: Overview of risk management, key prudential metrics and risk-weighted assets (RWA)	KM1	Key metrics (at consolidated group level)	Quarterly	Section 2 *Overview of key metrics and RWA*
	KM2	Key metrics – total loss-absorbing capacity (TLAC) requirements (at resolution group level)	N/A as only required for global systemically important banks (G-SIBs)	
	OVA	Bank risk management approach	Annual	-
	OV1	Overview of RWA	Quarterly	Section 2 *Overview of key metrics and RWA*
DIS21: Comparison of modelled and standardised RWA	CMS1	Comparison of modelled and standardised RWA at risk level	Quarterly	Section 2 *Overview of key metrics and RWA*
	CMS2	Comparison of modelled and standardised RWA for credit risk at asset class level	Semi-annual	-
DIS25: Composition of capital and TLAC	CCA	Main features of regulatory capital instruments and of other TLAC-eligible instruments	Semi-annual(1)	Available at nab.com.au/about-us/shareholder-centre/regulatory-disclosures
	CC1	Composition of regulatory capital	Semi-annual	-
	CC2	Reconciliation of regulatory capital to balance sheet	Semi-annual	-
	TLAC1	TLAC composition for G-SIBs (at resolution group level)	N/A as only required for G-SIBs	
	TLAC2	Material subgroup entity – creditor ranking at legal entity level	N/A as only required for G-SIBs	
	TLAC3	Resolution entity – creditor ranking at legal entity level	N/A as only required for G-SIBs	
DIS26: Capital distribution constraints	CDC	Capital distribution constraints	APRA has not required this disclosure which is at the discretion of national supervisors	
DIS30: Links between financial statements and regulatory exposures	LIA	Explanations of differences between accounting and regulatory exposure amounts	Annual	-
	LI1	Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories	Annual(2)	-
	LI2	Main sources of differences between regulatory exposure amounts and carrying values in financial statements	Annual	-
	PV1	Prudent valuation adjustments (PVAs)	Not required under APS 330	
DIS31: Asset encumbrance	ENC	Asset encumbrance	Semi-annual	-
DIS35: Remuneration(3)	REMA	Remuneration policy	Not required under APS 330	
	REM1	Remuneration awarded during financial year	Not required under APS 330	
	REM2	Special payments	Not required under APS 330	
	REM3	Deferred remuneration	Not required under APS 330	
DIS40: Credit risk	CRA	General qualitative information about credit risk	Annual	-
	CR1	Credit quality of assets	Semi-annual	-
	CR2	Changes in stock of defaulted loans and debt securities	Semi-annual	-
	CRB	Additional disclosure related to the credit quality of assets	Annual	-
	CRB-A	Additional disclosure related to prudential treatment of problem assets	APRA has not required this disclosure which is at the discretion of national supervisors	
	CRC	Qualitative disclosure related to credit risk mitigation (CRM) techniques	Annual	-
	CR3	CRM techniques - overview	Semi-annual	-
	CRD	Qualitative disclosure on banks' use of external credit ratings under the standardised approach for credit risk	Annual	-
	CR4	Standardised approach – credit risk exposure and CRM effects	Semi-annual	-
	CR5	Standardised approach – exposures by asset classes and risk weights	Semi-annual	-

(1) Disclosed quarterly to provide information on a more timely basis.
(2) Disclosed as additional information semi-annually to facilitate understanding of how carrying values in other disclosures correspond to amounts on the Group's balance sheet.
(3) Disclosure is made separately of the requirements set out in Prudential Standard CPS 511 *Remuneration* on an annual basis.

Disclosure requirements index (cont.)

BCBS *Disclosure Requirements* standard tables and templates			Reporting frequency	Pillar 3 report section
DIS40: Credit risk (cont.)	CRE	Qualitative disclosure related to internal ratings-based (IRB) models	Annual	–
	CR6	IRB – credit risk exposures by portfolio and probability of default (PD) range	Semi-annual	–
	CR7	IRB – effect on RWA of credit derivatives used as CRM techniques	Semi-annual	–
	CR8	RWA flow statements of credit risk exposures under IRB	Quarterly	Section 4 *Credit risk*
	CR9	IRB – backtesting of PD per portfolio	Annual	–
	CR10	IRB – specialised lending under the slotting approach	Semi-annual	–
DIS42: Counterparty credit risk (CCR)	CCRA	Qualitative disclosure related to CCR	Annual	–
	CCR1	Analysis of CCR exposures by approach	Semi-annual	–
	CCR3	Standardised approach – CCR exposures by regulatory portfolio and risk weights	Semi-annual	–
	CCR4	IRB – CCR exposures by portfolio and PD scale	Semi-annual	–
	CCR5	Composition of collateral for CCR exposure	Semi-annual	–
	CCR6	Credit derivatives exposures	Semi-annual	–
	CCR7	RWA flow statements of CCR exposures under internal model method (IMM)	Not required under APS 330	
	CCR8	Exposures to central counterparties	Semi-annual	–
DIS43: Securitisation	SECA	Qualitative disclosure requirements related to securitisation exposures	Annual	–
	SEC1	Securitisation exposures in the banking book	Semi-annual	–
	SEC2	Securitisation exposures in the trading book	Semi-annual	–
	SEC3	Securitisation exposures in the banking book and associated regulatory capital requirements – bank acting as originator or as sponsor	Semi-annual	–
	SEC4	Securitisation exposures in the banking book and associated capital requirements – bank acting as investor	Semi-annual	–
DIS45: Sovereign exposures	SOV1	Exposures to sovereign entities – country	APRA has not required this disclosure which is at the discretion of national supervisors	
	SOV2	Exposures to sovereign entities – currency denomination breakdown	APRA has not required this disclosure which is at the discretion of national supervisors	
	SOV3	Exposures to sovereign entities – accounting classification breakdown	APRA has not required this disclosure which is at the discretion of national supervisors	
DIS50: Market risk(1)	MRA	General qualitative disclosure requirements related to market risk	Not required under APS 330	
	MR1	Market risk under the standardised approach	Not required under APS 330	
	MRB	Qualitative disclosures for banks using the internal models approach (IMA)	Not required under APS 330	
	MR2	Market risk for banks using the IMA	Not required under APS 330	
	MR3	Market risk under the simplified standardised approach	Not required under APS 330	
DIS51: Credit valuation adjustment (CVA) risk	CVAA	General qualitative disclosure requirements related to CVA	Annual	–
	CVA1	The reduced basic approach for CVA (BA-CVA)	Not required under APS 330	
	CVA2	The full BA-CVA	Not required under APS 330	
	CVAB	Qualitative disclosures for banks using the standardised approach (SA-CVA)	N/A as only required for banks using the SA-CVA	
	CVA3	The SA-CVA	Not required under APS 330	
	CVA4	RWA flow statements of CVA risk exposures under SA-CVA	Not required under APS 330	
DIS55: Cryptoasset exposures	CAEA	Qualitative disclosure on a bank's activities related to cryptoassets and the approach used in assessing the classification conditions	Annual	–
	CAE1	Cryptoasset exposures and capital requirements	Semi-annual	–
	CAE2	Accounting classification of exposures to cryptoassets and cryptoliabilities	Semi-annual	–
	CAE3	Liquidity requirements for exposures to cryptoassets and cryptoliabilities	Semi-annual	–

(1) Disclosure is made of the quantitative and qualitative requirements set out in APS 330 Attachment A paragraph 32 on a semi-annual and annual basis, respectively.

Disclosure requirements index (cont.)

BCBS *Disclosure Requirements* standard tables and templates			Reporting frequency	Pillar 3 report section
DIS60: Operational risk	ORA	General qualitative information on a bank's operational risk framework	Annual	–
	OR1	Historical losses	Annual	–
	OR2	Business indicator and subcomponents	Annual[1]	–
	OR3	Minimum required operational risk capital	Annual[1]	–
DIS70: Interest rate risk in the banking book (IRRBB)	IRRBBA	IRRBB risk management objectives and policies	Annual	–
	IRRBB1	Quantitative information on IRRBB	Annual	–
DIS75: Macroprudential supervisory measures	GSIB1	Disclosure of G-SIB indicators	Annual	G-SIB indicators are available at nab.com.au/about-us/shareholder-centre/regulatory-disclosures
	CCyB1	Geographical distribution of credit exposures used in the calculation of the bank-specific countercyclical capital buffer requirement	Semi-annual	–
DIS80: Leverage ratio	LR1	Summary comparison of accounting assets vs leverage ratio exposure measure	Semi-annual	–
	LR2	Leverage ratio common disclosure template	Quarterly	Section 3 *Capital*
DIS85: Liquidity	LIQA	Liquidity risk management	Annual	–
	LIQ1	Liquidity coverage ratio (LCR)	Quarterly	Section 5 *Liquidity*
	LIQ2	Net stable funding ratio (NSFR)	Semi-annual	–

(1) Disclosed as additional information in the December Pillar 3 report to provide information on a more timely basis. The business indicator component of operational risk capital is updated as part of December quarter-end reporting following finalisation of the year-end financial report.

Glossary

AASB
Australian Accounting Standards Board

Accountable Person
An accountable person for the purposes of the Banking Act 1959 (Cth).

Additional Tier 1 capital
Comprises high quality components of capital that provide a permanent and unrestricted commitment of funds, are freely available to absorb losses, rank behind the claims of depositors and other more senior creditors in the event of winding-up of the issuer, and provide for fully discretionary capital distributions.

ADI
Authorised deposit-taking institution

Advanced internal ratings-based (A-IRB) approach
The approach used by the Group, under approval from APRA, to calculate the capital requirement for credit risk, which utilises the outputs of internally developed models for probability of default, loss given default and exposure at default.

ANZSIC
Australian and New Zealand Standard Industrial Classification

APRA
Australian Prudential Regulation Authority

APS
Prudential standards issued by APRA applicable to ADIs.

Available stable funding (ASF)
The portion of an ADI's capital and liabilities expected to be reliably provided over a one-year time horizon.

Banking book
Exposures not contained in the trading book.

BCBS
Basel Committee on Banking Supervision

BNZ
Bank of New Zealand, a banking subsidiary regulated by the Reserve Bank of New Zealand.

Carrying value
The value of assets and liabilities reported on the balance sheet under accounting standards and interpretations issued by the Australian Accounting Standards Board. Information on how the requirements of the Australian Accounting Standards Board have been applied through the Group's accounting policies is contained in the 2025 Annual Report.

CCF
Credit conversion factor

CCR
Counterparty credit risk

Central counterparty (CCP)
A clearing house which interposes itself, directly or indirectly, between counterparties to contracts traded in one or more financial markets, thereby insuring the future performance of open contracts.

Common Equity Tier 1 (CET1) capital
The highest quality component of capital. CET1 capital ranks behind the claims of depositors and other creditors in the event of winding-up of the issuer, absorbs losses as and when they occur, has full flexibility of dividend payments and has no maturity date. CET1 capital consists of paid-up ordinary share capital, retained profits and certain other items as defined in APS 111 'Capital Adequacy: Measurement of Capital'.

Common Equity Tier 1 capital ratio
Common Equity Tier 1 capital divided by risk-weighted assets.

CPS
Prudential standards issued by APRA applicable to regulated entities, including ADIs.

Credit valuation adjustment (CVA)
A capital charge to reflect potential mark-to-market losses due to counterparty migration risk for bilateral over-the-counter derivative contracts.

CRM
Credit risk mitigation

Default
Default occurs when a loan obligation is contractually 90 days or more past due, or when it is considered unlikely that the credit obligation to the Group will be paid in full without remedial action, such as realisation of security.

Default fund
Clearing members' funded or unfunded contributions towards, or underwriting of, a central counterparty's mutualised loss sharing arrangements.

Expected loss
Expected loss for performing exposures is a function of long-run probability of default and stressed loss given default.
Expected loss for non-performing exposures is measured as:

- the best estimate of expected loss for A-IRB exposures,
- a function of EaD and supervisory estimates of LGD for F-IRB exposures, and
- a supervisory prescribed percentage of EaD for specialised lending exposures.

Expected loss is not required to be calculated for exposures subject to the standardised approach.

Exposure at default (EaD)
An estimate of the credit exposure amount outstanding if a customer defaults.

Extended Licensed Entity
The ADI and any APRA-approved subsidiaries assessed as effectively part of a single 'stand-alone' entity, as defined in APS 222 'Associations with Related Entities'.

External ratings-based approach (ERBA)
An approach to calculate the capital requirements for credit risk from securitisation exposures within the scope of APS 120 'Securitisation', which utilises risk weights based on external credit ratings issued by recognised External Credit Assessment Institutions.

Foundation internal ratings-based (F-IRB) approach
An approach to calculate the capital requirement for credit risk, which utilises the outputs of internally developed models for probability of default, and supervisory estimates for loss given default and exposure at default.

G-SIB
Global systemically important bank

Group
NAB and its controlled entities.

High-quality liquid assets (HQLA)
Consists primarily of cash, deposits with central banks, Australian government and semi-government securities, and securities issued by foreign sovereigns as defined in APS 210 'Liquidity'.

Individually assessed provision for credit impairment
The provision assessed on an individual basis in accordance with Australian Accounting Standard AASB 9 'Financial Instruments'.

Internal model approach (IMA) - non-traded market risk
The approach used by the Group, under approval from APRA, to calculate the capital requirement for non-traded market risk. The IMA is used to calculate interest rate risk in the banking book for transactions in the banking book.

Internal model approach (IMA) - traded market risk
The approach used by the Group, under approval from APRA, to calculate the capital requirement for traded market risk. The IMA is used to calculate general market risk for transactions in the trading book, other than those covered by the standard method.

Leverage ratio
Tier 1 capital divided by exposures as defined in APS 110 'Capital Adequacy'. Exposures include on-balance sheet exposures, derivative exposures, securities financing transaction exposures and other off-balance sheet exposures.

Liquidity coverage ratio (LCR)
A metric that measures the adequacy of high-quality liquid assets available to meet net cash outflows over a 30-day period during a severe liquidity stress scenario.

Loss given default (LGD)
An estimate of the expected severity of loss for a credit exposure following a default event. Regulatory LGDs reflect a stressed economic condition at the time of default.

NAB
National Australia Bank Limited ABN 12 004 044 937

Net stable funding ratio (NSFR)
A ratio of the amount of available stable funding to the amount of required stable funding.

Non-performing exposures
Exposures which are in default aligned to the definition in APS 220 'Credit Risk Management'.

Probability of default (PD)
An estimate of the likelihood of a customer defaulting or not repaying their borrowings and other obligations in the next 12 months.

Qualifying central counterparty (QCCP)
An entity licensed to operate as a central counterparty, and permitted to operate as such with respect to products offered. The entity must be based and prudentially supervised in a jurisdiction where the relevant regulator or overseer has established that it applies domestic rules and regulations consistent with the 'Principles for Financial Market Infrastructures' issued by the Committee on Payments and Market Infrastructures and International Organization of Securities Commissions.

RBNZ
Reserve Bank of New Zealand

Required stable funding (RSF)
The amount of stable funding an ADI is required to hold measured as a function of the liquidity characteristics and residual maturities of assets held, including off-balance sheet exposures.

Risk-weighted assets (RWA)
A quantitative measure of risk required by the APRA risk-based capital adequacy framework, covering credit risk for on- and off-balance sheet exposures, market risk, operational risk and interest rate risk in the banking book.

Securities financing transaction (SFT)
A transaction such as a repurchase agreement, reverse repurchase agreement or a securities lending and borrowing transaction where the value of the transaction depends on the market valuation of securities and the transaction is typically subject to margin agreements.

SME
Small and medium-sized enterprises

Standard method
An alternative approach to calculate the capital requirement for traded market risk, which applies supervisory risk weights to positions arising from trading activities.

Standardised approach (SA)
An approach to calculate the capital requirement for credit risk, which utilises supervisory risk weights based on external ratings and/or the application of specific regulator defined metrics to determine risk-weighted assets.

Standardised measurement approach (SMA)
An approach to calculate the capital requirement for operational risk based on a business indicator, a financial statement proxy of operational risk exposure.

Supervisory formula approach (SFA)
An approach to calculate the capital requirements for credit risk from securitisation exposures within the scope of APS 120 'Securitisation' that lack eligible external ratings or do not meet the operational criteria for the external ratings-based approach. The SFA uses structural features of the securitisation exposure and specific parameters of the underlying asset pool to determine the capital requirement.

Tier 1 capital
Common Equity Tier 1 capital plus Additional Tier 1 capital.

Tier 1 capital ratio
Tier 1 capital divided by risk-weighted assets.

Tier 2 capital
Includes components of capital that, to varying degrees, fall short of the quality of Tier 1 capital but nonetheless contribute to the overall strength of an ADI and its capacity to absorb losses.

Total capital
Tier 1 capital plus Tier 2 capital.

Total capital ratio
Total capital divided by risk-weighted assets.

Trading book
Positions in financial instruments, including derivatives and other off-balance sheet instruments, that are held either with a trading intent or to hedge other elements of the trading book.

Value at risk
A mathematical technique that uses statistical analysis of historical data to estimate a portfolio's potential losses for a given holding period and likelihood.