



**DISCLOSURE PACKAGE FOR OVERSEAS INCORPORATED  
AUTHORISED INSTITUTION**

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

For the financial year ended  
30 September 2015

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## SECTION A - BRANCH INFORMATION (HONG KONG OFFICE ONLY)

### I. INCOME STATEMENT

	Year ended 30 Sep 2015 HK\$'000	Year ended 30 Sep 2014 HK\$'000
<b>Profit and Loss</b>		
Interest income	1,127,189	1,374,898
Interest expense	(983,401)	(985,326)
Net Interest Income	<u>143,788</u>	<u>389,572</u>
Gains less losses arising from dealing in foreign currencies	318,210	(171,025)
Gains less losses on securities held for dealing purpose	2,405	3,192
Gains less losses from other dealing activities	4,071	335,409
Fees and commission income	115,784	5,331
Other income	35,124	3,459
Total other operating income	<u>475,594</u>	<u>176,366</u>
Total Income	619,382	565,938
Staff expenses	(368,191)	(379,951)
Rental expenses	(45,216)	(45,944)
Other expenses	(30,810)	(92,301)
Total Expenses	<u>(444,217)</u>	<u>(518,196)</u>
Net charges for impaired loans and receivables	(52,871)	(8,560)
Impairment loss on assets	-	(20,135)
Profit before taxation	<u>122,294</u>	<u>19,047</u>
Tax expense	(23,189)	(8,143)
Profit after taxation	<u><u>99,105</u></u>	<u><u>10,904</u></u>

## SECTION A - BRANCH INFORMATION (HONG KONG OFFICE ONLY)

### II. BALANCE SHEET

	As at 30 Sep 2015 HK\$'000	As at 31 Mar 2015 HK\$'000
<b>Assets</b>		
Cash and balances with banks	953,794	827,794
Placement with banks which have a residual contractual maturity of more than one month but not more than 12 months	-	504,824
Amount due from overseas offices	38,887,885	21,945,485
Trade bills	5,522,571	7,218,052
Certificates of deposit held	1,230,404	1,667,239
Securities held for dealing purposes	-	5,782
Loans and advances to customers	20,551,364	24,093,195
Investment securities	7,887,044	17,353,757
Other investments	40,421	40,396
Property, plant and equipment	26,084	50,769
Other assets	14,855,017	25,550,665
<b>Total assets</b>	<b>89,954,584</b>	<b>99,257,958</b>
<b>Liabilities</b>		
Deposits and balances from banks	4,357,561	2,218,997
Amount due to overseas offices	32,808,490	38,153,374
Deposits from customers:		
- Demand deposits and current accounts	1,736,319	1,551,363
- Savings deposits	862,405	922,494
- Time, call and notice deposits	34,102,463	30,394,492
Other liabilities and provisions	16,087,346	26,017,238
<b>Total liabilities</b>	<b>89,954,584</b>	<b>99,257,958</b>

**SECTION A - BRANCH INFORMATION (HONG KONG OFFICE ONLY)**

**III. ADDITIONAL BALANCE SHEET INFORMATION**

**1 Loans and advances to customers**

<b>As at 30 Sep 2015</b>	<b>Non-bank customers HK\$'000</b>	<b>Banks HK\$'000</b>	<b>Total HK\$'000</b>
Loans and advances to customers	19,450,873	1,240,000	20,690,873
Collective provisions to customers	(119,963)	(19,546)	(139,509)
Net loans and advances to customers	<u>19,330,910</u>	<u>1,220,454</u>	<u>20,551,364</u>

<b>As at 31 Mar 2015</b>	<b>Non-bank customers HK\$'000</b>	<b>Banks HK\$'000</b>	<b>Total HK\$'000</b>
Loans and advances to customers	22,938,173	1,240,736	24,178,909
Collective provisions to customers	(53,428)	(32,286)	(85,714)
Net loans and advances to customers	<u>22,884,745</u>	<u>1,208,450</u>	<u>24,093,195</u>

There were no impaired loans or specific provisions in Hong Kong Branch as at 30 September 2015 and 31 March 2015

## SECTION A - BRANCH INFORMATION (HONG KONG OFFICE ONLY)

### III. ADDITIONAL BALANCE SHEET INFORMATION

#### 2 Overdue and rescheduled assets

As at 30 Sep 2015	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	135	-	135
% of the overdue to the total gross total loans and advances to customers	0%	-	0%
Value and type of collateral of the overdue loans and advances to customers			
- Residential property	6,700	-	6,700
- Commerical property	10,039	-	10,039
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	13,825	-	13,825
% 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	0.07%	0%	0.07%
As at 31 Mar 2015	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	-	-	-
% of the overdue to the total gross total loans and advances to customers	-	-	-
Value and type of collateral of the overdue loans and advances to customers			
- Residential property	-	-	-
- Commerical 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	13,515	-	13,515
% 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	0.06%	0%	0.06%

There were no repossessed assets as at 30 September 2015 and 31 March 2015

**SECTION A - BRANCH INFORMATION (HONG KONG OFFICE ONLY)**

**III. ADDITIONAL BALANCE SHEET INFORMATION (CONTINUED)**

	As at 30 Sep 2015 HK\$'000	As at 31 Mar 2015 HK\$'000
<b>3 Gross advances to customers by industry sector and loan usage</b>		
<b>Loans and advances for use in Hong Kong</b>		
Industrial, commercial and financial		
- Property investment	1,559,711	1,696,809
- Wholesale and retail trade	1,278,750	1,279,509
- Manufacturing	1,727,986	1,957,368
- Transport and transport equipment	658,750	659,141
- Others	317,737	225,659
Individuals		
- Loans for the purchase of residential properties	652,462	555,412
- Others	157,769	210,920
Trade finance	3,460,067	4,823,243
<b>Loans and advances for use outside Hong Kong</b>	<b>9,637,641</b>	11,530,112
	<u><b>19,450,873</b></u>	<u>22,938,173</u>
Loans and advances which are covered by collateral or other securities	6,941,896	6,870,521

## SECTION A - BRANCH INFORMATION (HONG KONG OFFICE ONLY)

### III. ADDITIONAL BALANCE SHEET INFORMATION (CONTINUED)

	As at 30 Sep 2015	As at 31 Mar 2015
	HK\$'000	HK\$'000
<b>4 Gross advances to customers by geographical areas</b>		
Analysis of the gross amount of advances to customers by geographical areas according to the location of the counterparties after taking into account the transfer of risk for which exceed 10% of the aggregate gross amount to customers		
Hong Kong - Loans and advances to customers	16,425,559	20,543,467
- 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	Others HK\$M	Total HK\$M
<b>As at 30 Sep 2015</b>					
- Australia	49,667	-	2,294	-	51,961
- Mainland China	5,120	-	6,113	-	11,233
<b>Total</b>	<b>54,787</b>	<b>-</b>	<b>8,407</b>	<b>-</b>	<b>63,194</b>
<b>As at 31 Mar 2015</b>					
- Australia	36,943	-	3,071	-	40,014
- Mainland China	6,294	-	9,282	-	15,576
<b>Total</b>	<b>43,237</b>	<b>-</b>	<b>12,353</b>	<b>-</b>	<b>55,590</b>



**SECTION A - BRANCH INFORMATION (HONG KONG OFFICE ONLY)**

**III. ADDITIONAL BALANCE SHEET INFORMATION (CONTINUED)**

**6 Mainland Activities Disclosures**

<b>As at 30 Sep 2015</b>	<b>On-balance sheet exposures HK\$M</b>	<b>Off-balance sheet exposures HK\$M</b>	<b>Total HK\$M</b>
<b>Type of counterparties</b>			
1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	<b>7,308</b>	<b>518</b>	<b>7,826</b>
2. Local governments, local government-owned entities and their subsidiaries and JVs	<b>675</b>	-	<b>675</b>
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	<b>629</b>	<b>291</b>	<b>920</b>
4. Other entities of central government not reported in item 1 above	<b>194</b>	-	<b>194</b>
5. Other entities of local governments not reported in item 2 above	<b>581</b>	-	<b>581</b>
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	<b>124</b>	<b>279</b>	<b>403</b>
<b>Total</b>	<b>9,511</b>	<b>1,088</b>	<b>10,599</b>
Total assets after provision	<b>89,955</b>		
On-balance sheet exposure as percentage of total assets	<b>10.57%</b>		
<b>As at 31 Mar 2015</b>	<b>On-balance sheet exposures HK\$M</b>	<b>Off-balance sheet exposures HK\$M</b>	<b>Total HK\$M</b>
<b>Type of counterparties</b>			
1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	11,886	22	11,908
2. Local governments, local government-owned entities and their subsidiaries and JVs	675	-	675
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	1,549	291	1,840
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. 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	-	-	-
<b>Total</b>	<b>14,110</b>	<b>313</b>	<b>14,423</b>
Total assets after provision	<b>99,258</b>		
On-balance sheet exposure as percentage of total assets	<b>14.22%</b>		

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	OTH HK\$M	Total HK\$M
<b>As at 30 Sep 2015</b>							
Hong Kong dollar equivalent							
- Spot assets	47,500	7,499	11,853	2,625	143	3,992	73,612
- Spot liabilities	(37,124)	(14,217)	(10,036)	(3,323)	(1,912)	(6,209)	(72,821)
- Forward purchases	30,536	12,388	5,548	4,217	1,824	4,889	59,402
- Forward sales	(41,214)	(5,656)	(7,515)	(3,500)	(44)	(2,664)	(60,593)
- Net options position	-	-	-	-	-	-	-
Net Long/(short) position	<u>(302)</u>	<u>14</u>	<u>(150)</u>	<u>19</u>	<u>11</u>	<u>8</u>	<u>(400)</u>
Net Structural Position	-	-	-	-	-	-	-
<b>As at 31 Mar 2015</b>							
Hong Kong dollar equivalent							
- Spot assets	39,677	15,021	20,499	675	164	3,973	80,009
- Spot liabilities	(45,173)	(18,995)	(9,337)	(4,116)	(1,920)	(4,259)	(83,800)
- Forward purchases	37,029	5,970	8,046	5,285	1,773	2,388	60,491
- Forward sales	(31,524)	(1,978)	(19,385)	(1,801)	-	(2,108)	(56,796)
- Net options position	-	-	-	-	-	-	-
Net Long/(short) position	<u>9</u>	<u>18</u>	<u>(177)</u>	<u>43</u>	<u>17</u>	<u>(6)</u>	<u>(96)</u>
Net Structural Position	37	13	-	-	-	-	50

## SECTION A - BRANCH INFORMATION (HONG KONG OFFICE ONLY)

### IV. OFF BALANCE SHEET EXPOSURES

	As at 30 Sep 2015 HK\$'000	As at 31 Mar 2015 HK\$'000
<b>1 Contingent liabilities and commitments at contractual amounts</b>		
- Direct credit substitutes	<b>5,039,425</b>	5,217,413
- Trade-related contingencies	<b>533,549</b>	383,718
- Other commitments	<b>2,436,494</b>	1,843,615
- 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)	<b>10,064</b>	1,206,541

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 2015	Contractual amount HK\$'000	Fair Value Favourable/ (Unfavourable) HK\$'000
Exchange rate contracts		
- Spot and Forwards	57,203,970	(484,758)
- Swaps	13,891,726	19,467
- Foreign currency options	1,713,154	215
	<u>72,808,850</u>	<u>(465,076)</u>
Interest rate contracts		
- Swaps	135,598,419	3,806
- Future	244,391,185	4,207
	<u>379,989,604</u>	<u>8,013</u>
As at 31 Mar 2015	Contractual amount HK\$'000	Fair Value Favourable/ (Unfavourable) HK\$'000
Exchange rate contracts		
- Spot and Forwards	50,567,924	(164,300)
- Swaps	19,532,440	19,808
- Foreign currency options	1,796,301	210
	<u>71,896,665</u>	<u>(144,282)</u>
Interest rate contracts		
- Swaps	173,426,223	7,264
- Future	280,398,067	(2,787)
	<u>453,824,290</u>	<u>4,477</u>

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

## SECTION A - BRANCH INFORMATION (HONG KONG OFFICE ONLY)

### V. LIQUIDITY

	As at 30 Sep 2015	As at 30 Sep 2014
Average liquidity maintainance ratio (LMR) for the financial period	204.11% <sup>1</sup>	298.92%

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 42 Financial risk management on Page 157 of the 2015 Annual Financial Report.

### 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 31 to 54 of the 2015 Annual Financial Report of the Group for details.

<sup>1</sup> Calculation based on the average LR from October to December 2014 and average LMR from January to September 2015.

**SECTION B - BANK INFORMATION (CONSOLIDATED BASIS)****ANNOUNCEMENT - 2014/2015 Group Full Year Financial Results for the year ended 30 September 2015****I. Capital and capital adequacy**

	<b>As at 30 Sep 2015</b>	As at 31 Mar 2015
Common Equity Tier 1 ratio	<b>10.24%</b>	8.87%
Tier 1 ratio	<b>12.44%</b>	11.13%
Total capital ratio	<b>14.15%</b>	12.81%

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.

	<b>30 Sep 2015</b>	31 Mar 2015
	<b>A\$M</b>	A\$M
Aggregate amount of shareholders' funds (Total Equity)	<b>55,513</b>	49,868

**II. Other financial information**

	<b>30 Sep 2015</b>	31 Mar 2015
	<b>A\$M</b>	A\$M
Group total assets	<b>955,052</b>	958,587
Group total liabilities	<b>899,539</b>	908,719
Group total-loans and advances	<b>532,784</b>	517,680
Group total deposits and other borrowings	<b>489,010</b>	503,977

	<b>Year ended 30 Sep 2015</b>	Year ended <sup>1</sup> 30 Sep 2014
	<b>A\$M</b>	A\$M
Group total profit before tax	<b>9,080</b>	7,782

<sup>1</sup> Prior period has been restated for the impact of adopting new accounting standards.

## **Accounting policies**

The Group has elected to early adopt AASB 9 which is applied retrospectively from 1 October 2014. In accordance with the transition requirements, comparatives are not restated. The Group elected an accounting policy choice under AASB 9 to continue to apply the hedge accounting requirements under AASB139 'Financial Instruments: Recognition and measurement'.


Further information can be found in Note 1 'Principal Accounting Policies' on page 76 of 2015 Full Year Financial Results.

## **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.

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Arun Nangia  
Chief Executive Officer  
National Australia Bank - Hong Kong Branch

