



**DISCLOSURE PACKAGE FOR OVERSEAS INCORPORATED
AUTHORISED INSTITUTION**

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

For the financial year ended
30 September 2021

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SECTION A - BRANCH INFORMATION (HONG KONG OFFICE ONLY)

I. INCOME STATEMENT

	Year ended 30 Sep 2021 HK\$'000	Year ended 30 Sep 2020 HK\$'000
Profit and Loss		
Interest income	380,383	797,486
Interest expense	(170,569)	(581,825)
Net Interest Income	209,814	215,661
Gains less losses arising from dealing in foreign currencies	32,333	108,869
Gains less losses on securities held for dealing purpose	125	800
Gains less losses from other dealing activities	(369)	3,116
Fees and commission income	53,847	36,255
Other income	194,923	(70,375)
Total other operating income	280,859	78,665
Total Income	490,673	294,326
Staff expenses	(105,628)	(166,189)
Rental expenses	(40,226)	(41,062)
Other expenses	7,134	(247)
Total Expenses	(138,720)	(207,498)
Net (charges) / credit for impaired loans and receivables	24,698	(13,512)
Profit / (loss) on sale of fixed assets	-	(26)
Profit before taxation	376,651	73,290
Tax expense	(66,029)	(17,499)
Profit after taxation	310,622	55,791

SECTION A - BRANCH INFORMATION (HONG KONG OFFICE ONLY)

II. BALANCE SHEET

	As at 30 Sep 2021 HK\$'000	As at 31 Mar 2021 HK\$'000
Assets		
Cash and balances with banks	115,981	185,602
Amount due from overseas offices	25,551,264	31,691,060
Trade bills	1,909,091	3,346,807
Certificates of deposit held	856,614	855,245
Loans and advances to customers	737,861	289,083
Investment securities	25,741,302	25,295,940
Property, plant and equipment	236,907	252,666
Other assets	2,552,152	3,193,013
Total assets	57,701,172	65,109,416
Liabilities		
Deposits and balances from banks	2,762,549	3,603,476
Amount due to overseas offices	43,720,739	51,316,166
Deposits from customers:		
- Demand deposits and current accounts	967,289	791,217
- Savings deposits	9,801	9,976
- Time, call and notice deposits	5,784,849	5,820,412
Other liabilities and provisions	4,455,945	3,568,169
Total liabilities	57,701,172	65,109,416

SECTION A - BRANCH INFORMATION (HONG KONG OFFICE ONLY)

III. ADDITIONAL BALANCE SHEET INFORMATION

1 Loans and advances to customers

As at 30 Sep 2021

	HK\$'000
Loans and advances to customers	750,602
Collective provisions to customers	(17,263)
Impaired loans to non-bank customers	4,522
Specific provisions to customers	-
Percentage of impaired loans to non-bank customers to total advances to customers	1%
Net loans and advances to customers	<u>737,861</u>

As at 31 Mar 2021

	HK\$'000
Loans and advances to customers	316,878
Collective provisions to customers	(32,441)
Impaired loans to non-bank customers	4,646
Specific provisions to customers	-
Percentage of impaired loans to non-bank customers to total advances to customers	1%
Net loans and advances to customers	<u>289,083</u>

SECTION A - BRANCH INFORMATION (HONG KONG OFFICE ONLY)

III. ADDITIONAL BALANCE SHEET INFORMATION

2 Overdue and rescheduled assets

As at 30 Sep 2021	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	24	-	24
- More than 1 year	985	-	985
% of the overdue to the total gross total loans and advances to customers	0.13%	0%	0.13%
Value and type of collateral of the overdue loans and advances to customers			
- Residential property	8,539	-	8,539
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 2021	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	854	-	854
% of the overdue to the total gross total loans and advances to customers	0.27%	0%	0.27%
Value and type of collateral of the overdue loans and advances			
- Residential property	8,696	-	8,696
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 2021 and 31 March 2021.

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

	As at 30 Sep 2021 HK\$'000	As at 31 Mar 2021 HK\$'000
3 Gross advances to customers by industry sector and loan usage		
Loans and advances for use in Hong Kong		
Individuals		
- Loans for the purchase of residential properties	-	5,421
Trade finance	741,921	301,913
Loans and advances for use outside Hong Kong	13,203	14,190
	<u>755,124</u>	<u>321,524</u>
Loans and advances which are covered by collateral or other securities	7,325	19,611

SECTION A - BRANCH INFORMATION (HONG KONG OFFICE ONLY)

III. ADDITIONAL BALANCE SHEET INFORMATION (CONTINUED)

	As at 30 Sep 2021 HK\$'000	As at 31 Mar 2021 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	753,503	319,737
- Overdue and impaired loans	4,522	4,646

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 2021				
- Australia	36,044	-	63	36,107
- Japan	365	7,743	-	8,108
Total	<u>36,409</u>	<u>7,743</u>	<u>63</u>	<u>44,215</u>
As at 31 Mar 2021				
- Australia	42,279	-	93	42,372
- Japan	423	8,763	-	9,186
Total	<u>42,702</u>	<u>8,763</u>	<u>93</u>	<u>51,558</u>

SECTION A - BRANCH INFORMATION (HONG KONG OFFICE ONLY)

III. ADDITIONAL BALANCE SHEET INFORMATION (CONTINUED)

6 Mainland Activities Disclosures

As at 30 Sep 2021

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)	742	309	1,051
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	-	1,449	1,449
4. Other entities of central government not reported in item 1 above	-	-	-
5. Other entities of local governments not reported in item 2 above	-	259	259
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	<u>742</u>	<u>2,017</u>	<u>2,759</u>
Total assets after provision	<u>57,701</u>		
On-balance sheet exposure as percentage of total assets	1.29%		

As at 31 Mar 2021

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)	302	251	553
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	-	1,453	1,453
4. Other entities of central government not reported in item 1 above	-	-	-
5. Other entities of local governments not reported in item 2 above	-	238	238
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	<u>302</u>	<u>1,942</u>	<u>2,244</u>
Total assets after provision	<u>65,109</u>		
On-balance sheet exposure as percentage of total assets	0.46%		

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 2021								
Hong Kong dollar equivalent								
- Spot assets	19,772	12,544	7,881	514	8,240	4,136	97	53,184
- Spot liabilities	(40,302)	(10,906)	(558)	(917)	(617)	(2,579)	(92)	(55,971)
- Forward purchases	66,236	17,313	6,729	2,982	1,057	975	7,587	102,879
- Forward sales	(40,592)	(18,942)	(14,029)	(2,569)	(13,041)	(2,519)	(7,600)	(99,292)
- Net options position	-	-	-	-	-	-	-	-
Net Long/(short) position	<u>5,114</u>	<u>9</u>	<u>23</u>	<u>10</u>	<u>(4,361)</u>	<u>13</u>	<u>(8)</u>	<u>800</u>
Net Structural Position	-	-	-	-	-	-	-	-
As at 31 Mar 2021								
Hong Kong dollar equivalent								
- Spot assets	33,645	7,618	8,951	412	8,029	4,048	65	62,768
- Spot liabilities	(35,067)	(25,463)	(351)	(679)	(655)	(1,414)	(93)	(63,722)
- Forward purchases	83,281	39,465	6,528	733	4,668	-	26,014	160,689
- Forward sales	(81,007)	(21,611)	(15,109)	(458)	(11,904)	(2,625)	(25,991)	(158,705)
- Net options position	-	-	-	-	-	-	-	-
Net Long/(short) position	<u>852</u>	<u>9</u>	<u>19</u>	<u>8</u>	<u>138</u>	<u>9</u>	<u>(5)</u>	<u>1,030</u>
Net Structural Position	-	-	-	-	-	-	-	-

SECTION A - BRANCH INFORMATION (HONG KONG OFFICE ONLY)

IV. OFF BALANCE SHEET EXPOSURES

	As at 30 Sep 2021 HK\$'000	As at 31 Mar 2021 HK\$'000
1 Contingent liabilities and commitments at contractual amounts		
- Direct credit substitutes	11,931,446	11,611,181
- Trade-related contingencies	308,753	250,682
- Other commitments	1,847,651	1,875,341
- 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)	3,947	2,815,617

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 2021	Contractual amount HK\$'000	Fair Value Favourable/ (Unfavourable) HK\$'000
Exchange rate contracts		
- Spot and Forwards	35,739,313	419,166
- Swaps	74,550,460	67,975
	<u>110,289,773</u>	<u>487,141</u>
Interest rate contracts		
- Swaps	29,804,464	(261,558)
	<u>29,804,464</u>	<u>(261,558)</u>
As at 31 Mar 2021	Contractual amount HK\$'000	Fair Value Favourable/ (Unfavourable) HK\$'000
Exchange rate contracts		
- Spot and Forwards	72,666,352	787,260
- Swaps	94,694,017	136,388
	<u>167,360,369</u>	<u>923,648</u>
Interest rate contracts		
- Swaps	31,805,000	(154,326)
	<u>31,805,000</u>	<u>(154,326)</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 2021	Three months quarter ended 30 Sep 2020
Average liquidity maintenance ratio (LMR) for the financial period	144.82%	180.52%

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 135 of the 2021 Annual Financial Report.

<https://www.nab.com.au/content/dam/nab/documents/reports/corporate/2021-annual-financial-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 52 to 84 of the 2021 Annual Financial Report of the Group for details.

VII. DISCLOSURE ON LIQUIDITY RISK MANAGEMENT

1 Qualitative Disclosures

Liquidity Risk Management

National Australia Bank Full Year Pillar 3 Report as at 30 Sep 2021

Paragraph

Governance of Liquidity Risk Management

(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 2021

Links: <https://www.nab.com.au/about-us/shareholder-centre/regulatory-disclosures>

VII. DISCLOSURE ON LIQUIDITY RISK MANAGEMENT

2 Quantitative Disclosures

On and Off-balance sheet liquidity gaps

The table below analysis of on and off-balance sheet items by remaining maturity and the resultant liquidity gap as at 30 September 2021

HK\$'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	1,550,552	52,605	227,774	2,994,342	1,506,139	443,644	-	-	-	-	-	6,775,056
Amount payable arising from derivatives contracts	877,448	3,839,718	19,227,130	42,802,725	15,290,421	12,307,683	8,526,245	5,550,036	481,184	3,559,971	-	112,462,561
Due to overseas central banks	-	-	-	-	-	-	-	-	-	-	-	-
Due to banks	1,785,548	13,630,251	7,291,051	17,362,556	6,230,222	-	-	-	-	187,105	-	46,486,733
Other liabilities	2,432	900,097	703	531,573	-	64,801	294	-	711	226,423	-	1,727,034
Capital reserves	-	-	-	-	-	-	-	-	-	-	823,680	823,680
Total on balance sheet liabilities	4,215,980	18,422,671	26,746,658	63,691,196	23,026,782	12,816,128	8,526,539	5,550,036	481,895	3,973,498	823,680	
On-balance sheet assets												
Amount receivable arising from securities financing transactions	-	-	2,807,886	-	-	-	-	-	-	-	-	2,807,886
Amount receivable arising from derivatives contracts	878,706	3,844,557	19,248,543	42,776,387	15,429,145	12,318,140	8,481,866	5,703,934	480,711	3,560,078	-	112,722,067
Due from MA for a/c of Exchange Fund	18,523	-	-	-	-	-	-	-	-	-	-	18,523
Due from banks	6,671,504	4,386,945	7,410,249	4,366,666	7,519	-	-	-	-	-	-	22,842,883
Debt securities, prescribed instruments and structured financial instruments held (net of short position)	18,793,648	-	-	-	-	-	-	5,076,239	-	2,727,446	-	26,597,333
Acceptances and bills of exchange held	-	532,196	1,009,348	299,084	68,529	-	-	-	-	-	-	1,909,157
Loans and advances to non-bank customers	60	253,185	501,266	280	-	-	-	-	-	-	1,026	755,817
Other assets	428	-	302,719	100,417	268	7,192	24,651	-	-	216,877	20,031	672,583
Total on balance sheet assets	26,362,869	9,016,883	31,280,011	47,542,834	15,505,461	12,325,332	8,506,517	10,780,173	480,711	6,504,401	21,057	
Off-balance sheet obligations												
Total Off-balance sheet obligations	1,851,598	116,617	1,100,087	7,389,297	2,311,663	1,239,407	83,127	-	-	-	-	14,091,796
Off-balance sheet claims												
Total Off-balance sheet claims	556,796	-	-	-	-	-	-	-	-	-	-	556,796
Contractual Maturity Mismatch	20,852,087	-9,522,405	3,433,266	-23,537,659	-9,832,984	-1,730,203	-103,149	5,230,137	-1,184	2,530,902	-	-
Cumulative Contractual Maturity Mismatch	20,852,087	11,329,682	14,762,948	-8,774,711	-18,607,695	-20,337,898	-20,441,047	-15,210,910	-15,212,094	-12,681,192	-	-

VII. DISCLOSURE ON LIQUIDITY RISK MANAGEMENT

2 Quantitative Disclosures

On and Off-balance sheet liquidity gaps

The table below analysis of on and off-balance sheet items by remaining maturity and the resultant liquidity gap as at 30 September 2020

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	2,832,437	833,118	1,739,167	6,542,856	909,805	309,551	-	-	-	-	-	13,166,935
Amount payable arising from derivatives contracts	11,310,761	7,336,026	41,572,822	73,697,587	8,973,151	9,249,039	10,754,819	8,517,126	749,801	3,615,765	-	175,776,837
Due to overseas central banks	-	-	-	-	-	-	-	-	-	-	-	-
Due to banks	12,326,918	13,747,163	12,425,654	28,522,047	843,267	-	186,210	-	-	-	-	68,051,260
Other liabilities	1,468	141,349	999	176,867	-	25,215	-	447	882	292,908	-	600,133
Capital reserves	-	-	-	-	-	-	-	-	-	-	514,718	514,718
Total on balance sheet liabilities	26,471,523	22,057,656	55,738,643	108,939,356	10,726,223	9,583,805	10,941,029	8,517,573	750,683	3,868,673	514,718	
On-balance sheet assets												
Amount receiving arising from securities financing transactions	-	-	-	1,491,353	-	-	-	-	-	-	-	1,491,353
Amount receivable arising from derivatives contracts	11,344,631	7,310,617	41,295,693	73,434,775	9,034,608	9,343,463	10,909,557	8,682,894	749,683	3,615,888	-	175,774,819
Due from MA for a/c of Exchange Fund	12,307	-	-	-	-	-	-	-	-	-	-	12,307
Due from banks	249,651	10,542,351	25,021,997	14,393,137	750,190	-	-	-	-	-	-	50,957,326
Debt securities, prescribed instruments and structured financial instruments held (net of short position)	18,224,774	-	-	-	-	-	4,781,210	-	-	2,564,410	-	25,570,394
Acceptances and bills of exchange held	-	1,279,433	1,979,788	333,924	26,467	-	-	-	-	-	-	3,619,612
Loans and advances to non-bank customers	57	10,482	28,699	12,201	-	-	3,839	-	-	-	13,224	68,502
Other assets	687	-	-	174,562	385	17,177	298,997	-	-	-	1,850	725,310
Total on balance sheet assets	29,832,106	19,142,883	68,326,178	89,790,343	9,811,660	9,360,640	15,983,604	8,705,305	749,683	6,449,148	15,074	
Off-balance sheet obligations												
Total Off-balance sheet obligations	1,611,297	50,075	1,198,443	6,696,725	2,251,073	726,389	20,367	-	-	-	-	12,554,369
Off-balance sheet claims												
Total Off-balance sheet claims	1,652,409	-	-	-	-	-	-	-	-	-	-	1,652,409
Contractual Maturity Mismatch	3,401,697	-2,964,849	11,389,092	-25,845,741	-3,165,636	-849,554	5,022,208	187,732	-1,000	2,890,475	-	-
Cumulative Contractual Maturity Mismatch	3,401,697	436,848	11,825,940	-14,019,801	-17,185,437	-18,194,991	-13,112,783	-12,926,051	-12,926,051	-10,345,576	-	-

SECTION B - BANK INFORMATION (CONSOLIDATED BASIS)

ANNOUNCEMENT - 2020/2021 Group Full Year Financial Results for the year ended 30 September 2021

I. Capital and capital adequacy

	As at 30 Sep 2021	As at 31 Mar 2021
Common equity tier 1 ratio	13.00%	12.37%
Tier 1 ratio	14.64%	14.01%
Total capital ratio	18.91%	17.90%

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 2021 A\$M	31 Mar 2021 A\$M
Aggregate amount of shareholders' funds (Total Equity)	62,779	61,577

II. Other financial information

	30 Sep 2021 A\$M	31 Mar 2021 A\$M
Group total assets	925,968	871,573
Group total liabilities	863,189	809,996
Group total-loans and advances	621,156	588,603
Group total deposits and other borrowings	605,043	572,726

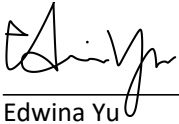
	Year ended 30 Sep 2021 A\$M	Year ended 30 Sep 2020 A\$M
Group total profit before tax	9,068	5,163

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