



**DISCLOSURE PACKAGE FOR OVERSEAS INCORPORATED
AUTHORISED INSTITUTION**

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

For the financial year ended
30 September 2022

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SECTION A - BRANCH INFORMATION (HONG KONG OFFICE ONLY)

I. INCOME STATEMENT

	Year ended 30 Sep 2022 HK\$'000	Year ended 30 Sep 2021 HK\$'000
Profit and Loss		
Interest income	575,058	380,383
Interest expense	<u>(350,998)</u>	<u>(170,569)</u>
Net Interest Income	224,060	209,814
Gains less losses arising from dealing in foreign currencies	59,724	32,333
Gains less losses on securities held for dealing purpose	34	125
Gains less losses from other dealing activities	(1,029)	(369)
Fees and commission income	68,033	53,847
Other income	<u>(131,373)</u>	<u>194,923</u>
Total other operating income	(4,611)	280,859
Total Income	219,449	490,673
Staff expenses	(173,324)	(105,628)
Rental expenses	(42,830)	(40,226)
Other expenses	16,858	7,134
Total Expenses	<u>(199,296)</u>	<u>(138,720)</u>
Net (charges) / credit for impaired loans and receivables	5,295	24,698
Profit / (loss) on sale of fixed assets	<u>(11,845)</u>	-
Profit before taxation	13,603	376,651
Tax expense	<u>(9,889)</u>	<u>(66,029)</u>
Profit after taxation	<u><u>3,714</u></u>	<u><u>310,622</u></u>

SECTION A - BRANCH INFORMATION (HONG KONG OFFICE ONLY)**II. BALANCE SHEET**

	As at 30 Sep 2022 HK\$'000	As at 31 Mar 2022 HK\$'000
Assets		
Cash and balances with banks	160,558	477,880
Amount due from overseas offices	11,940,877	16,954,145
Trade bills	1,859,470	2,616,685
Certificates of deposit held	-	-
Loans and advances to customers	5,868	261,067
Investment securities	22,564,305	24,319,882
Property, plant and equipment	63,841	80,243
Other assets	2,772,876	1,988,474
Total assets	39,367,795	46,698,376
Liabilities		
Deposits and balances from banks	1,309,026	9,119,942
Amount due to overseas offices	22,392,394	26,233,596
Deposits from customers:		
- Demand deposits and current accounts	721,359	775,816
- Savings deposits	263	9,740
- Time, call and notice deposits	11,663,561	7,360,680
Other liabilities and provisions	3,281,192	3,198,602
Total liabilities	39,367,795	46,698,376

SECTION A - BRANCH INFORMATION (HONG KONG OFFICE ONLY)

III. ADDITIONAL BALANCE SHEET INFORMATION

1 Loans and advances to customers

As at 30 Sep 2022

	HK\$'000
Loans and advances to customers	14,786
Collective provisions to customers	(12,480)
Impaired loans to non-bank customers	3,562
Specific provisions to customers	-
Percentage of impaired loans to non-bank customers to total advances to customers	19%
Net loans and advances to customers	<u>5,868</u>

As at 31 Mar 2022

	HK\$'000
Loans and advances to customers	279,728
Collective provisions to customers	(23,034)
Impaired loans to non-bank customers	4,373
Specific provisions to customers	-
Percentage of impaired loans to non-bank customers to total advances to customers	2%
Net loans and advances to customers	<u>261,067</u>

SECTION A - BRANCH INFORMATION (HONG KONG OFFICE ONLY)

III. ADDITIONAL BALANCE SHEET INFORMATION

2 Overdue and rescheduled assets

As at 30 Sep 2022	Non-bank customers HK\$'000	Banks HK\$'000	Total HK\$'000
Gross amount of loans and advances to customers which have been overdue for			
- More than 3 months but not more than 6 months	-	-	-
- More than 1 year	980	-	980
% of the overdue to the total gross total loans and advances to customers	5.34%	0%	5.34%
Value and type of collateral of the overdue loans and advances to customers			
- Residential property	7,114	-	7,114
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 2022	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	1,139	-	1,139
% of the overdue to the total gross total loans and advances to customers	0.40%	0%	0.40%
Value and type of collateral of the overdue loans and advances			
- Residential property	8,369	-	8,369
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 2022 and 31 March 2022.

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

	As at 30 Sep 2022 HK\$'000	As at 31 Mar 2022 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	-	-
Trade finance	7,961	271,679
Loans and advances for use outside Hong Kong	10,387	12,422
	<u>18,348</u>	<u>284,101</u>
Loans and advances which are covered by collateral or other securities	8,731	12,364

SECTION A - BRANCH INFORMATION (HONG KONG OFFICE ONLY)

III. ADDITIONAL BALANCE SHEET INFORMATION (CONTINUED)

	As at 30 Sep 2022 HK\$'000	As at 31 Mar 2022 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	17,241	282,768
- Overdue and impaired loans	3,562	4,373

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 2022				
- Australia	21,138	-	46	21,184
- Japan	486	8,346	-	8,832
- Singapore	533	4,249	-	4,782
Total	22,157	12,595	46	34,798
As at 31 Mar 2022				
- Australia	26,815	-	94	26,909
- Japan	454	6,375	-	6,829
- Singapore	1,713	4,446	-	6,159
Total	28,982	10,821	94	39,897

SECTION A - BRANCH INFORMATION (HONG KONG OFFICE ONLY)
III. ADDITIONAL BALANCE SHEET INFORMATION (CONTINUED)
6 Mainland Activities Disclosures
As at 30 Sep 2022

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)	8	10	18
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	-	1,437	1,437
4. Other entities of central government not reported in item 1 above	-	-	-
5. Other entities of local governments not reported in item 2 above	-	6	6
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	-	-	-
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	-	-	-
Total	8	1,453	1,461
Total assets after provision	39,368		
On-balance sheet exposure as percentage of total assets	0.02%		

As at 31 Mar 2022

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)	272	353	625
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	-	1,466	1,466
4. Other entities of central government not reported in item 1 above	-	-	-
5. Other entities of local governments not reported in item 2 above	-	271	271
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	272	2,090	2,362
Total assets after provision	46,698		
On-balance sheet exposure as percentage of total assets	0.58%		

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 2022								
Hong Kong dollar equivalent								
- Spot assets	14,244	1,093	8,434	11	6,985	5,127	62	35,956
- Spot liabilities	(22,726)	(2,177)	(3,833)	(306)	(227)	(2,009)	(170)	(31,448)
- Forward purchases	22,136	1,138	1,470	316	126	-	808	25,994
- Forward sales	(11,877)	(61)	(6,052)	(11)	(6,651)	(3,118)	(707)	(28,477)
- Net options position	-	-	-	-	-	-	-	-
Net Long/(short) position	<u>1,777</u>	<u>(7)</u>	<u>19</u>	<u>10</u>	<u>233</u>	<u>-</u>	<u>(7)</u>	<u>2,025</u>
Net Structural Position	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
As at 31 Mar 2022								
Hong Kong dollar equivalent								
- Spot assets	17,565	4,878	6,528	127	7,934	4,903	54	41,989
- Spot liabilities	(25,951)	(11,264)	(910)	(369)	(393)	(2,744)	(28)	(41,659)
- Forward purchases	32,357	6,754	5,271	314	505	1,112	6,477	52,790
- Forward sales	(23,266)	(365)	(10,871)	(63)	(7,743)	(3,261)	(6,512)	(52,081)
- Net options position	-	-	-	-	-	-	-	-
Net Long/(short) position	<u>705</u>	<u>3</u>	<u>18</u>	<u>9</u>	<u>303</u>	<u>10</u>	<u>(9)</u>	<u>1,039</u>
Net Structural Position	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

SECTION A - BRANCH INFORMATION (HONG KONG OFFICE ONLY)**IV. OFF BALANCE SHEET EXPOSURES**

	As at 30 Sep 2022 HK\$'000	As at 31 Mar 2022 HK\$'000
1 Contingent liabilities and commitments at contractual amounts		
- Direct credit substitutes	9,150,279	14,501,180
- Trade-related contingencies	9,538	352,958
- Other commitments	1,294,358	1,291,644
- Others (including forward asset purchases, amounts owing on partly paid-up shares and securities, forward forward deposits placed, asset sales with recourse or other transactions with recourse)	2,523	959,801

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 2022	Contractual amount HK\$'000	Fair Value Favourable/ (Unfavourable) HK\$'000
Exchange rate contracts		
- Spot and Forwards	17,470,275	386,911
- Swaps	17,043,720	1,521,471
	<u>34,513,995</u>	<u>1,908,382</u>
Interest rate contracts		
- Swaps	16,018,189	(3,640)
	<u>16,018,189</u>	<u>(3,640)</u>
As at 31 Mar 2022	Contractual amount HK\$'000	Fair Value Favourable/ (Unfavourable) HK\$'000
Exchange rate contracts		
- Spot and Forwards	33,599,087	961,655
- Swaps	25,451,651	(25,494)
	<u>59,050,738</u>	<u>936,161</u>
Interest rate contracts		
- Swaps	19,614,955	(8,699)
	<u>19,614,955</u>	<u>(8,699)</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 2022	Three months quarter ended 30 Sep 2021
Average liquidity maintenance ratio (LMR) for the financial period	181.12%	144.82%

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 191 of the 2022 Annual Financial Report.

<https://www.nab.com.au/content/dam/nab/documents/reports/corporate/2022-annual-report.pdf>

VI. DISCLOSURE ON REMUNERATION

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

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

Please refer to the Remuneration Report on pages 108 to 142 of the 2022 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 2022 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
Stress testing	Section 9.1 - "Liquidity and Funding Risk Management Framework"	2
Contingency Funding Plan	Section 9.1 - "Liquidity and Funding Risk Management Framework"	5

Source: National Australia Bank Pillar 3 Report as of 30 Sep 2022
 Links: <https://www.nab.com.au/about-us/shareholder-centre/regulatory-disclosures>

VII. DISCLOSURE ON LIQUIDITY RISK MANAGEMENT

3 Quantitative Disclosures

On and Off-balance sheet liquidity uses
The table below analyses of on and off-balance sheet items by remaining maturity and the resultant liquidity use as at 30 September 2022

HKS '000

On-balance sheet liabilities

Asset class	2 to 7 days	8 days to 1 month	1 month to 3 months	3 months to 6 months	6 months 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
Amounts from non-bank customers	878,137	519,807	4,345,524	5,393,495	800,382	-	-	-	-	-	12,441,343
Amounts payable arising from derivatives contracts	182,223	1,171,137	4,533,314	8,654,676	4,715,550	-	-	-	-	-	17,052,894
Due to banks	1,979,337	2,489,554	8,071,728	8,525,888	73,466	-	300,137	669,266	3,476,488	-	30,972,628
Other liabilities	9,978	761,033	-	853,352	43,258	-	-	-	188,631	-	22,914,192
Capital reserves	-	-	-	-	-	-	-	-	-	178,833	178,833
Total on-balance sheet liabilities	3,110,675	3,242,521	13,879,596	24,359,407	5,113,222	6,384,953	300,137	669,266	3,722,478	828,274	828,274

Off-balance sheet assets

Amounts receivable arising from securities financing transactions	899,261	1,248,027	4,713,423	8,104,804	4,839,738	3,397,425	-	-	-	-	21,202,688
Amounts receivable arising from derivatives contracts	32,127	-	-	-	4,820,842	-	300,266	453,571	3,476,488	-	97,152,894
Due from MA for A/c of Exchange Fund	733,308	3,073,196	2,473,452	5,117,937	-	-	-	-	-	-	12,151,292
Deposits receivable, loaned-out placements and structured finance instruments held (net of their positions)	531,861	843,117	365,277	-	-	4,150,040	-	-	2,723,381	-	22,864,208
Accounts and bills of exchange held	30	4,186	11,541	-	-	-	-	-	-	-	1,852,432
Other assets and receivables to non-bank customers	134,448	1,812	-	90	8,754	58,873	-	-	99,445	5,007	300,137
Total on-balance sheet assets	1,412,988	3,271,123	8,063,578	14,117,230	4,877,890	10,214,290	300,266	669,266	3,827,444	5,881	10,456,098

Off-balance sheet obligations

Total off-balance sheet obligations	1,322,220	1,877,806	4,423,820	6,296,218	3,372,183	664,182	-	-	-	-	10,456,098
Total off-balance sheet claims	1,262,843	26,713	784	-	-	-	-	-	-	-	1,297,342

Off-balance sheet claims

Contractual Maturity Mismatch	14,326,516	-138,141	12,212,843	-14,468,566	6,173,466	6,526,337	-161	497	2,086,268	-	2,086,268
Cumulative Contractual Maturity Mismatch	14,526,516	14,389,975	2,176,612	-12,322,783	-15,801,272	-10,357,735	-13,319,896	-10,336,108	-4,241,540	-	-4,241,540

VII. DISCLOSURE ON LIQUIDITY RISK MANAGEMENT

Quantitative Disclosures

On and Off-balance sheet liquidity risk
This table below analyses on and off-balance sheet items by remaining maturity and the resultant liquidity risk as at 30 September 2021

H\$'000

On-balance sheet liabilities

Deposits from non-bank customers
Amount payable arising from derivative contracts
Due to overseas central banks
Due to banks
Other liabilities
Capital reserves
Total on balance sheet liabilities

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	Unsettled	Total amount
1,502,532	32,606	277,774	2,894,342	1,508,139	443,844	-	-	-	-	-	4,320,231
87,448	18,878	13,277,130	42,802,725	13,207,483	13,207,483	-	-	483,134	3,538,471	-	113,443,341
1,183,548	13,620,291	7,281,851	17,340,556	4,292,222	-	-	-	187,128	-	-	46,489,233
2,432	801,091	303	311,373	64,807	294	-	-	711	208,423	-	1,727,334
4,211,985	14,422,871	78,798,628	63,671,198	31,026,744	12,816,128	-	1,538,538	481,895	3,374,448	421,890	151,895,225

On-balance sheet assets

Amount received arising from cancelled financing transactions
Due from BA for sale of Exchange Fund
Due from banks
Due from non-bank customers and structured financial institutions (net of their portion)
Accruals and bills of exchange held
Loans and advances to non-bank customers
Other assets
Total on balance sheet assets

89,706	3,844,557	2,802,888	62,770,397	15,429,145	-	-	-	-	-	-	2,807,886
18,523	6,871,524	7,410,248	8,204,695	7,219	-	-	-	480,711	3,540,076	-	117,722,200
18,733,658	532,796	1,203,248	299,054	68,229	-	-	-	-	3,727,448	-	22,842,893
60	252,165	307,919	100,416	268	7,192	-	-	-	1,026	-	76,897,619
26,342,889	6,074,893	31,380,011	47,343,844	15,506,441	12,823,332	-	10,786,173	480,711	6,104,407	20,031	672,883

Off-balance sheet obligations

Total Off-balance sheet obligations

1,851,108	114,837	1,100,007	7,189,297	2,311,643	1,238,607	83,227	-	-	-	-	14,097,706
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Off-balance sheet claims

Cumulative Maturity Mismatch
Cumulative Contractual Maturity Mismatch

20,812,287	4,529,405	3,433,268	-23,537,659	-8,832,644	-1,750,203	-103,448	\$,200,137	-1,184	2,590,902	-	-
20,852,087	11,329,542	14,782,948	-4,774,711	-18,607,895	-20,337,698	-60,447	-18,210,310	-19,712,004	-2,081,192	-	-

SECTION B - BANK INFORMATION (CONSOLIDATED BASIS)**ANNOUNCEMENT - 2021/2022 Group Full Year Financial Results for the year ended 30 September 2022****I. Capital and capital adequacy**

	As at 30 Sep 2022	As at 31 Mar 2022
Common equity tier 1 ratio	11.51%	12.48%
Tier 1 ratio	13.14%	14.07%
Total capital ratio	18.17%	18.55%

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 2022 A\$M	31 Mar 2022 A\$M
Aggregate amount of shareholders' funds (Total Equity)	59,032	61,029

II. Other financial information

	30 Sep 2022 A\$M	31 Mar 2022 A\$M
Group total assets	1,055,126	975,876
Group total liabilities	996,094	914,847
Group total-loans and advances	680,434	652,488
Group total deposits and other borrowings	683,526	654,780

	Year ended 30 Sep 2022 A\$M	Year ended 30 Sep 2021 A\$M
Group total profit before tax	9,744	9,068

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