



**DISCLOSURE PACKAGE FOR OVERSEAS INCORPORATED
AUTHORISED INSTITUTION**

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

For the interim financial period ended
31 March 2022

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SECTION A - BRANCH INFORMATION (HONG KONG OFFICE ONLY)

I. INCOME STATEMENT

	Six Months ended 31 Mar 2022 HK\$'000	Six Months ended 31 Mar 2021 HK\$'000
Profit and Loss		
Interest income	171,580	210,506
Interest expense	(66,802)	(97,192)
Net Interest Income	<u>104,778</u>	<u>113,314</u>
Gains less losses arising from trading in foreign currencies	24,035	3,229
Gains less losses on securities held for trading purpose	22	63
Gains less losses from other trading activities	(756)	(336)
Fees and commission income	34,647	23,693
Other income	(73,428)	(36,027)
Total other operating income	<u>(15,480)</u>	<u>(9,378)</u>
Total Income	89,298	103,936
Staff expenses	(89,938)	(40,779)
Rental expenses	(10,563)	(19,805)
Other expenses	7,325	(2,639)
Total Expenses	<u>(93,176)</u>	<u>(63,223)</u>
Net charges for impaired loans and receivables	(5,417)	9,458
	<u>(98,593)</u>	<u>(53,765)</u>
Profit before taxation	(9,295)	50,171
Tax expense	429	(9,583)
Profit after taxation	<u><u>(8,866)</u></u>	<u><u>40,588</u></u>

SECTION A - BRANCH INFORMATION (HONG KONG OFFICE ONLY)

II. BALANCE SHEET

	As at 31 Mar 2022 HK\$'000	As at 30 Sep 2021 HK\$'000
Assets		
Cash and balances with banks	477,880	115,981
Amount due from overseas offices	16,954,145	25,551,264
Trade bills	2,616,685	1,909,091
Certificates of deposit held	-	856,614
Loans and advances to customers	261,067	737,861
Investment securities	24,319,882	25,741,302
Property, plant and equipment	80,243	236,907
Other assets	1,988,474	2,552,152
Total assets	46,698,376	57,701,172
Liabilities		
Deposits and balances from banks	9,119,942	2,762,549
Amount due to overseas offices	26,233,596	43,720,739
Deposits from customers:		
- Demand deposits and current accounts	775,816	967,289
- Savings deposits	9,740	9,801
- Time, call and notice deposits	7,360,680	5,784,849
Other liabilities and provisions	3,198,602	4,455,945
Total liabilities	46,698,376	57,701,172

III. ADDITIONAL BALANCE SHEET INFORMATION

1 Loans and advances to customers

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>

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>

SECTION A - BRANCH INFORMATION (HONG KONG OFFICE ONLY)

III. ADDITIONAL BALANCE SHEET INFORMATION

2 Overdue and rescheduled assets

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 to customers			
- Residential property	8,369	-	8,369
- Commercial 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	-	-	-
% 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 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%

There were no repossessed assets as at 31 March 2022 and 30 September 2021.

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

	As at 31 Mar 2022 HK\$'000	As at 30 Sep 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	-	-
Trade finance	271,679	741,921
Loans and advances for use outside Hong Kong	<u>12,422</u>	<u>13,203</u>
	<u>284,101</u>	<u>755,124</u>
Loans and advances which are covered by collateral or other securities	12,364	7,325

SECTION A - BRANCH INFORMATION (HONG KONG OFFICE ONLY)

III. ADDITIONAL BALANCE SHEET INFORMATION (CONTINUED)

	As at 31 Mar 2022 HK\$'000	As at 30 Sep 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 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	282,768	753,503
- Overdue and impaired loans	4,373	4,522

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 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
As at 30 Sep 2021				
- Australia	36,044	-	63	36,107
- Japan	365	7,743	-	8,108
Total	36,409	7,743	63	44,215

SECTION A - BRANCH INFORMATION (HONG KONG OFFICE ONLY)

III. ADDITIONAL BALANCE SHEET INFORMATION (CONTINUED)

6 Mainland Activities Disclosures

As at 31 Mar 2022	On-balance sheet exposures HK\$M	Off-balance sheet exposures HK\$M	Total HK\$M
Type of counterparties			
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%		
As at 30 Sep 2021	On-balance sheet exposures HK\$M	Off-balance sheet exposures HK\$M	Total HK\$M
Type of counterparties			
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	742	2,017	2,759
Total assets after provision	57,701		
On-balance sheet exposure as percentage of total assets	1.29%		

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 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>
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	<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 31 Mar 2022 HK\$'000	As at 30 Sep 2021 HK\$'000
1 Contingent liabilities and commitments at contractual amounts		
- Direct credit substitutes	14,501,180	11,931,446
- Trade-related contingencies	352,958	308,753
- Other commitments	1,291,644	1,847,651
- 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)	959,801	3,947

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 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>
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>

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 31 Mar 2022	Three months quarter ended 31 Mar 2021
Average liquidity maintenance ratio (LMR) for the financial period	178.71%	135.37%

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.

SECTION B - BANK INFORMATION (CONSOLIDATED BASIS)**ANNOUNCEMENT - 2021/2022 Group Half Year Financial Results for the half year ended 31 March 2022****I. Capital and capital adequacy**

	As at 31 Mar 2022	As at 30 Sep 2021
Common equity tier 1 ratio	12.48%	13.00%
Tier 1 ratio	14.07%	14.64%
Total capital ratio	18.55%	18.91%

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. APRA has set minimum regulatory capital requirements for banks that are consistent with the Basel III Framework.

	31 Mar 2022	30 Sep 2021
	A\$M	A\$M
Aggregate amount of shareholders' funds (Total Equity)	61,029	62,779

II. Other financial information

	31 Mar 2022	30 Sep 2021
	A\$M	A\$M
Group total assets	975,876	925,968
Group total liabilities	914,847	863,189
Group total-loans and advances	652,488	621,156
Group total deposits and other borrowings	654,780	605,043
	Six Months ended 31 Mar 2022	Six Months ended 31 Mar 2021
	A\$M	A\$M
Group total profit before tax	5,001	4,520

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.



Alice Fong
Alternate Chief Executive Officer
National Australia Bank - Hong Kong Branch