



**DISCLOSURE PACKAGE FOR OVERSEAS INCORPORATED
AUTHORISED INSTITUTION**

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

For the interim financial period ended
31 March 2023

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SECTION A - BRANCH INFORMATION (HONG KONG OFFICE ONLY)

I. INCOME STATEMENT

	Six Months ended 31 Mar 2023 HK\$'000	Six Months ended 31 Mar 2022 HK\$'000
Profit and Loss		
Interest income	876,858	171,580
Interest expense	(756,897)	(66,802)
Net Interest Income	<u>119,961</u>	<u>104,778</u>
Gains less losses arising from trading in foreign currencies	74,981	24,035
Gains less losses on securities held for trading purpose	-	22
Gains less losses from other trading activities	(58)	(756)
Fees and commission income	23,165	34,647
Other income	(79,805)	(73,428)
Total other operating income	<u>18,283</u>	<u>(15,480)</u>
Total Income	138,244	89,298
Staff expenses	(21,846)	(89,938)
Rental expenses	(6,962)	(10,563)
Other expenses	4,666	7,325
Total Expenses	<u>(24,142)</u>	<u>(93,176)</u>
Net charges for impaired loans and receivables	1,265	(5,417)
	<u>(22,877)</u>	<u>(98,593)</u>
Profit before taxation	115,367	(9,295)
Tax expense	(16,139)	429
Profit after taxation	<u>99,228</u>	<u>(8,866)</u>

SECTION A - BRANCH INFORMATION (HONG KONG OFFICE ONLY)

II. BALANCE SHEET

	As at 31 Mar 2023 HK\$'000	As at 30 Sep 2022 HK\$'000
Assets		
Cash and balances with banks	331,996	160,558
Amount due from overseas offices	19,873,042	11,940,877
Trade bills	2,357,117	1,859,470
Certificates of deposit held	-	-
Loans and advances to customers	6,996	5,868
Investment securities	21,560,055	22,564,305
Property, plant and equipment	58,023	63,841
Other assets	1,563,428	2,772,876
Total assets	45,750,657	39,367,795
Liabilities		
Deposits and balances from banks	5,404,118	1,309,026
Amount due to overseas offices	19,504,355	22,392,394
Deposits from customers:		
- Demand deposits and current accounts	530,414	721,359
- Savings deposits	175	263
- Time, call and notice deposits	18,817,811	11,663,561
Other liabilities and provisions	1,493,784	3,281,192
Total liabilities	45,750,657	39,367,795

III. ADDITIONAL BALANCE SHEET INFORMATION

1 Loans and advances to customers

As at 31 Mar 2023

	HK\$'000
Loans and advances to customers	18,419
Collective provisions to customers	(11,423)
Impaired loans to non-bank customers	-
Specific provisions to customers	-
Percentage of impaired loans to non-bank customers to total advances to customers	0%
Net loans and advances to customers	<u>6,996</u>

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>

SECTION A - BRANCH INFORMATION (HONG KONG OFFICE ONLY)

III. ADDITIONAL BALANCE SHEET INFORMATION

2 Overdue and rescheduled assets

As at 31 Mar 2023	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	0	-	-
% of the overdue to the total gross total loans and advances to customers	0.00%	0%	0.00%
Value and type of collateral of the overdue loans and advances to customers			
- Residential property	-	-	-
- 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 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%

There were no repossessed assets as at 31 March 2023 and 30 September 2022.

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

	As at 31 Mar 2023 HK\$'000	As at 30 Sep 2022 HK\$'000
3 Gross advances to customers by industry sector and loan usage		
Loans and advances for use in Hong Kong		
Trade finance	11,942	7,961
Loans and advances for use outside Hong Kong	6,477	10,387
	18,419	18,348
Loans and advances which are covered by collateral or other securities	6,477	8,731

SECTION A - BRANCH INFORMATION (HONG KONG OFFICE ONLY)

III. ADDITIONAL BALANCE SHEET INFORMATION (CONTINUED)

	As at 31 Mar 2023	As at 30 Sep 2022
	HK\$'000	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	17,319	17,241
- Overdue and impaired loans	-	3,562

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 2023				
- Australia	28,578	-	6	28,584
- Japan	660	6,561	-	7,221
- Singapore	448	3,466	-	3,914
Total	29,686	10,027	6	39,719
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

SECTION A - BRANCH INFORMATION (HONG KONG OFFICE ONLY)

III. ADDITIONAL BALANCE SHEET INFORMATION (CONTINUED)

6 Mainland Activities Disclosures

As at 31 Mar 2023

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)	12	52	64
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	-	1,486	1,486
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	12	1,544	1,556
Total assets after provision	45,751		
On-balance sheet exposure as percentage of total assets	0.03%		

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%		

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 2023								
Hong Kong dollar equivalent								
- Spot assets	22,554	919	6,790	19	7,116	3,508	63	40,969
- Spot liabilities	(25,416)	(2,446)	(2,883)	(371)	(3)	(1,071)	(78)	(32,268)
- Forward purchases	17,563	1,567	650	363	55	332	34	20,564
- Forward sales	(13,997)	(53)	(4,531)	-	(6,963)	(2,787)	(6)	(28,337)
- Net options position	-	-	-	-	-	-	-	-
Net Long/(short) position	<u>704</u>	<u>(13)</u>	<u>26</u>	<u>11</u>	<u>205</u>	<u>(18)</u>	<u>13</u>	<u>928</u>
Net Structural Position	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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>

SECTION A - BRANCH INFORMATION (HONG KONG OFFICE ONLY)

IV. OFF BALANCE SHEET EXPOSURES

	As at 31 Mar 2023 HK\$'000	As at 30 Sep 2022 HK\$'000
1 Contingent liabilities and commitments at contractual amounts		
- Direct credit substitutes	6,247,168	9,150,279
- Trade-related contingencies	51,455	9,538
- Other commitments	1,044,358	1,294,358
- 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)	394,989	2,523

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 2023	Contractual amount HK\$'000	Fair Value Favourable/ (Unfavourable) HK\$'000
Exchange rate contracts		
- Spot and Forwards	19,188,928	64,843
- Swaps	12,389,805	868,441
	<u>31,578,733</u>	<u>933,284</u>
Interest rate contracts		
- Swaps	7,722,448	(974)
	<u>7,722,448</u>	<u>(974)</u>
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>

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 2023	Three months quarter ended 31 Mar 2022
Average liquidity maintenance ratio (LMR) for the financial period	209.69%	178.71%

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.

SECTION B - BANK INFORMATION (CONSOLIDATED BASIS)**ANNOUNCEMENT - 2022/2023 Group Half Year Financial Results for the half year ended 31 March 2023****I. Capital and capital adequacy**

	As at 31 Mar 2023	As at 30 Sep 2022
Common equity tier 1 ratio	12.21%	11.51%
Tier 1 ratio	13.89%	13.14%
Total capital ratio	19.76%	18.17%

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 2023	30 Sep 2022
	A\$M	A\$M
Aggregate amount of shareholders' funds (Total Equity)	61,415	59,032

II. Other financial information

	31 Mar 2023	30 Sep 2022
	A\$M	A\$M
Group total assets	1,048,288	1,055,126
Group total liabilities	986,873	996,094
Group total-loans and advances	695,053	680,434
Group total deposits and other borrowings	689,020	683,526

	Six Months ended 31 Mar 2023	Six Months ended 31 Mar 2022
	A\$M	A\$M
Group total profit before tax	5,584	5,001

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

