

395 Bourke Street
Melbourne VIC 3000
AUSTRALIA
www.nab.com.au



Monday, 4 May 2026

ASX ANNOUNCEMENT

NAB 2026 Half Year Pillar 3 Report

National Australia Bank Limited (NAB) today released its 2026 Half Year Pillar 3 Report, as required under the Australian Prudential Regulation Authority Prudential Standard APS 330 *Public Disclosure*.

The report is attached to this announcement and available at:

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

For further information:

Media

Mark Alexander

M: +61 (0) 412 171 447

Jo Beckwith

M: +61 (0) 411 208 101

Investor Relations

Sally Mihell

M: +61 (0) 436 857 669

Natalie Coombe

M: +61 (0) 477 327 540

The release of this announcement was authorised by Inder Singh, Group Chief Financial Officer and Group Executive, Strategy.

**national
australia
bank**



Pillar 3 Report

2026

as at 31 March 2026

Incorporating the requirements of APS 330

This page has been left blank intentionally.

Table of contents

Section 1 Introduction	2
Section 2 Overview of key metrics and risk-weighted assets	4
Section 3 Capital	14
Section 4 Links between financial statements and regulatory exposures	23
Section 5 Credit risk	25
Section 6 Counterparty credit risk	45
Section 7 Securitisation	50
Section 8 Market risk	53
Section 9 Liquidity	54
Section 10 Asset encumbrance	58
Accountable Person attestation	60
Disclosure requirements index	61
Glossary	64

Introduction

National Australia Bank Limited (NAB) is an authorised deposit-taking institution (ADI) subject to regulation by the Australian Prudential Regulation Authority (APRA) under the authority of the *Banking Act 1959* (Cth). This report has been prepared in accordance with APRA Prudential Standard APS 330 *Public Disclosure*, which requires external disclosure of key prudential information to contribute to the transparency of financial markets and to enhance market discipline. APS 330 requires prudential disclosures to be made as set out in the Basel Committee on Banking Supervision (BCBS) *Disclosure Requirements* standard, subject to modifications made by APRA specified in Attachment A of APS 330.

This report has also been prepared in accordance with NAB's Group External Reporting Policy, which assists the Board in discharging its oversight of the integrity of external reporting. The Group External Reporting Policy sets out the approach the Group, being NAB and its controlled entities, takes to managing compliance with APS 330, as well as other Australian statutory and regulatory external reporting obligations.

The date of comparative period disclosures in this report is based on the reporting frequency of individual disclosures, as set out in the disclosure requirements index. Amounts are presented in Australian dollars unless otherwise stated, and have been rounded to the nearest million dollars (\$m) except where indicated.

Quantitative information contained in this report is available in Microsoft Excel format at nab.com.au/about-us/shareholder-centre/regulatory-disclosures.

Capital adequacy methodologies

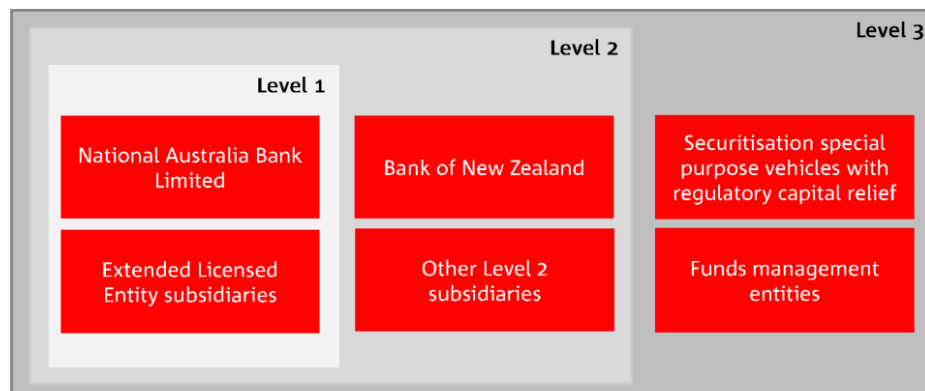
The Group uses the following approaches to measure capital adequacy.

Credit risk	Operational risk	Non-traded market risk	Traded market risk
Internal ratings-based (IRB) approach ⁽¹⁾	Standardised measurement approach (SMA)	Internal model approach (IMA)	Internal model approach (IMA) and standard method

(1) The Group has received IRB accreditation from APRA and applies the advanced IRB (A-IRB), foundation IRB (F-IRB), supervisory slotting and standardised approaches to different portfolios. Risk-weighted assets (RWA) and expected loss for the Group's banking subsidiary regulated by the Reserve Bank of New Zealand (RBNZ), Bank of New Zealand (BNZ), are measured using RBNZ prudential requirements, with the exception of scaling factors which are applied under APRA requirements and any APRA-imposed RWA overlays. BNZ has received internal ratings-based accreditation from the RBNZ and applies the internal ratings-based approach, supervisory slotting approach and standardised approach to different portfolios.

Scope of consolidation

APRA measures the Group's capital adequacy by assessing financial strength at three levels as illustrated below.



Level 1 comprises NAB and its subsidiaries that have been approved by APRA as part of its Extended Licensed Entity.

Level 2 comprises NAB and the entities it controls, excluding securitisation special purpose vehicles (SPVs) to which assets have been transferred in accordance with the requirements for regulatory capital relief in APS 120 *Securitisation* and funds management entities. Level 2 controlled entities include BNZ, National Australia Bank Europe S.A. (NAB Europe) and other financial entities such as broking, wealth advisory and leasing companies.

Level 3 comprises the consolidation of NAB and all of its subsidiaries.

This report applies to the Level 2 Group, headed by NAB, unless otherwise stated.

Introduction (cont.)

Regulatory reform

Key reforms that may affect the Group's capital and liquidity include:

Increased loss-absorbing capacity for ADIs

Under their loss-absorbing capacity framework, APRA has required domestic systemically important banks (D-SIBs) to hold incremental Total capital equal to 3% of RWA since 1 January 2024. The requirement increased by 1.5% (to a total of 4.5%) of RWA on 1 January 2026. The Group is compliant with these capital requirements.

Additional Tier 1 capital changes

In December 2025, APRA finalised amendments to its prudential framework to remove Additional Tier 1 capital from its bank prudential and reporting frameworks. From 1 January 2027, large, internationally active banks including NAB will replace 1.5% Additional Tier 1 capital with 0.25% Common Equity Tier 1 (CET1) capital and 1.25% Tier 2 capital. There is no overall change to the minimum Total capital requirement. The leverage ratio and limits on large and related-party exposures will move from a Tier 1-based metric to a CET1-based metric, with the minimum requirement for the leverage ratio to reduce from 3.5% to 3.25%. Until 2032, existing Additional Tier 1 capital instruments will be eligible to be included as Tier 2 capital until an instrument's first call date. This change is intended to ensure that the capital strength of the Australian banking system operates more effectively in a stress scenario.

Revisions to the capital framework

On 1 October 2025, the revised APS 117 *Capital Adequacy: Interest Rate Risk in the Banking Book* came into effect.

During calendar year 2026, APRA intends to consult on targeted amendments to the standardised capital framework to increase risk sensitivity and better align requirements with underlying risk. As part of this work, APRA intends to make credit risk weights for selected forms of corporate lending more granular and risk sensitive. APRA expects changes will provide more flexibility for internal ratings-based ADIs that are bound by the standardised floor.

In calendar year 2027, APRA also intends to consult on a simplified implementation of the BCBS's Fundamental Review of the Trading Book.

Liquidity requirements

APRA intends to consult on APS 210 *Liquidity* to strengthen the liquidity resilience across the industry. This is expected to include measures addressing risks not fully captured under current requirements (including intraday risk and cliff risk), enhancements to liquidity risk monitoring through Internal Liquidity Adequacy Assessment Process requirements and potential broadening of high-quality liquid asset (HQLA) eligibility. Consultation is expected to commence in the second half of calendar year 2026.

Reserve Bank of New Zealand capital review

In December 2025, the RBNZ announced its decisions following its 2025 review of key capital settings. The RBNZ will require all Group 1 deposit takers including BNZ to have an RBNZ CET1 capital ratio of 12%, a Total capital ratio of 15% and an additional 6% of RWA of loss-absorbing capital instruments. The new settings will also introduce more granular RBNZ standardised risk weights, require Tier 2 and loss-absorbing capital instruments to be issued to BNZ's ultimate parent bank and remove Additional Tier 1 capital from regulatory capital. The changes are expected to be implemented over time with timelines yet to be fully confirmed by the RBNZ. Current expectations are for the risk weight changes to take effect from 1 October 2026, Additional Tier 1 instruments to be phased out and consultation on new Tier 2 and loss-absorbing capital instruments to occur over calendar years 2026 and 2027. The final decisions on these settings will be incorporated into the capital standard under the New Zealand *Deposit Takers Act 2023* scheduled to take effect in December 2028.

Overview of key metrics and RWA

2.1 Key prudential metrics

KM1: Key metrics

The commentary below provides an explanation of movements in the regulatory metrics on the following page.

[March 2026 v December 2025](#)

Regulatory capital

CET1 capital increased by \$1.1 billion or 2.2%. Key movements since 31 December 2025 included net profit for the quarter of \$541 million and a decrease in the software regulatory adjustment following accelerated amortisation of software assets of \$949 million after tax. The accelerated amortisation of software assets was capital neutral, reducing both regulatory adjustments and current period net profit. This was partially offset by a \$510 million increase in unfavourable foreign currency translation impacts recognised in the foreign currency translation reserve.

The increase in Tier 1 capital of \$1.1 billion or 1.8% was driven by the movement in CET1 capital, with no change in Additional Tier 1 capital instruments since the prior quarter-end.

Total capital increased by \$2.3 billion or 2.5% from the movement in Tier 1 capital and an increase in Tier 2 capital of \$1.2 billion. Tier 2 capital instrument issuances of \$1.7 billion during the quarter were partially offset by \$404 million in unfavourable foreign currency translation impacts and a \$154 million increase in regulatory adjustments from Tier 2 capital.

Risk-weighted assets

Total RWA increased by \$3.3 billion or 0.7%. Increases in RWA included the following:

- Interest rate risk in the banking book (IRRBB) RWA increased by \$4.9 billion or 37.3%, mainly due to an increase in market interest rates and higher core deposit hedging.
- Credit (excluding counterparty credit risk) RWA increased by \$4.2 billion or 1.2%. Growth was largely driven by lending in corporate (including small and medium-sized enterprises (SME)) and residential mortgages. Model updates also impacted credit RWA and included a \$4.2 billion increase in RWA overlays related to certain probability of default (PD) models, partially offset by release of a \$1.4 billion RWA overlay related to the measurement of certain off-balance sheet exposures, and implementation of the A-IRB approach for a portfolio of credit cards related to the Citi consumer business, which was previously subject to the standardised approach. Refer to CR8: *RWA flow statements of credit risk exposures under IRB* for further details.

These increases in RWA were partially offset by the \$5.3 billion floor adjustment that was applied as at 31 December 2025 not being required as at 31 March 2026. Refer to CMS1: *Comparison of modelled and standardised RWA at risk level* for further details.

Leverage ratio

The leverage ratio increased by 5 basis points to 4.91%, driven by an increase in Tier 1 capital of \$1.1 billion or 1.8%, partially offset by an increase in total exposures of \$9.8 billion or 0.8%.

The increase in total exposures was mainly due to a \$16.7 billion increase in on-balance sheet exposures largely related to loans and advances, with partial offset from a \$5.2 billion decrease in securities financing transaction (SFT) exposures related to reverse repurchase agreement activity and a \$2.3 billion decrease in other off-balance sheet exposures.

Liquidity coverage ratio

The average liquidity coverage ratio (LCR) for the quarter decreased to 132% from 136%, with a \$10.3 billion or 4.9% decrease in average HQLA, partially offset by a \$2.1 billion or 1.4% decrease in average weighted net cash outflows.

The decrease in average HQLA was mainly due to the roll-off of short-term wholesale funding raised to support the liquidity position during the prior quarter.

The decrease in average net cash outflows was mainly due to a reduction in secured and unsecured funding maturities compared to the previous quarter.

Net stable funding ratio

The net stable funding ratio (NSFR) decreased to 116% from 117%, due to an increase in required stable funding (RSF) of \$13.4 billion or 2.2%, partially offset by an increase in available stable funding (ASF) of \$6.3 billion or 0.9%.

The increase in RSF was primarily driven by other term lending exposures, mostly from tenor extensions of lending to financial institutions, combined with volume growth in business and home lending.

The most significant driver of the increase in ASF was increased deposit volumes, across both retail and small business customer deposits and wholesale deposits. This was partially offset by a reduction in wholesale term funding, mostly due to unfavourable foreign currency translation impacts.

Key prudential metrics (cont.)

The following table provides an overview of prudential metrics as at 31 March 2026 and the end of the previous four quarters.

		As at				
		31 Mar 26	31 Dec 25	30 Sep 25	30 Jun 25	31 Mar 25
Available capital (amounts)						
1	CET1	52,390	51,273	51,527	53,038	51,236
2	Tier 1	61,370	60,262	60,516	62,628	60,826
3	Total capital	91,968	89,698	89,514	89,739	89,622
RWA (amounts)						
4	Total RWA	449,771	446,519	440,557	436,890	426,445
4a	Total RWA (pre-floor) ⁽¹⁾	449,771	441,196	438,273	436,890	425,189
Risk-based capital ratios as a percentage of RWA (Level 2 Group)						
5	CET1 capital ratio (%)	11.65	11.48	11.70	12.14	12.01
5b	CET1 capital ratio (%) (pre-floor ratio) ⁽¹⁾	11.65	11.62	11.76	12.14	12.05
6	Tier 1 capital ratio (%)	13.64	13.50	13.74	14.33	14.26
6b	Tier 1 capital ratio (%) (pre-floor ratio) ⁽¹⁾	13.64	13.66	13.81	14.33	14.31
7	Total capital ratio (%)	20.45	20.09	20.32	20.54	21.02
7b	Total capital ratio (%) (pre-floor ratio) ⁽¹⁾	20.45	20.33	20.42	20.54	21.08
Risk-based capital ratios as a percentage of RWA (Level 1 Group)						
-	CET1 capital ratio (%)	11.53	11.50	11.60	11.97	11.84
-	Tier 1 capital ratio (%)	13.70	13.73	13.86	14.41	14.33
-	Total capital ratio (%)	21.07	20.97	21.09	21.25	21.74
Additional CET1 buffer requirements as a percentage of RWA						
8	Capital conservation buffer requirement (%)	3.75	3.75	3.75	3.75	3.75
9	Countercyclical capital buffer requirement (%)	0.86	0.85	0.85	0.85	0.85
10	Bank global systemically important bank (G-SIB) and/or D-SIB additional requirements (%)	1.00	1.00	1.00	1.00	1.00
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9 + row 10)	5.61	5.60	5.60	5.60	5.60
12	CET1 available after meeting the bank's minimum capital requirements (%) ⁽²⁾	7.15	6.98	7.20	7.64	7.51
Leverage ratio						
13	Total leverage ratio exposure measure	1,250,912	1,241,137	1,229,142	1,226,589	1,210,737
14c	Leverage ratio (%) (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values for SFT assets	4.91	4.86	4.92	5.11	5.02
LCR⁽³⁾						
15	Total HQLA	200,027	210,361	207,588	211,713	212,309
16	Total net cash outflows	152,106	154,197	153,403	156,597	152,496
17	LCR (%)	132	136	135	135	139
NSFR						
18	Total ASF	725,132	718,801	712,993	711,581	703,467
19	Total RSF	626,620	613,244	612,708	611,141	592,468
20	NSFR (%)	116	117	116	116	119

(1) The capital floor applies to ADIs accredited by APRA to use the IRB approach and requires that aggregate RWA does not fall below 72.5% of RWA calculated under the full standardised approach.

(2) The CET1 capital ratio less the ratio of RWA of any CET1 capital used to meet minimum CET1, Tier 1 and Total capital ratios of 4.5%, 6% and 8%, respectively, as outlined in APS 110 *Capital Adequacy* paragraph 24.

(3) Simple average of daily outcomes, excluding non-business days, during the quarter. LCR is the average of daily LCR outcomes, rather than a function of average HQLA and average net cash outflows.

2.2 Overview of exposure at default and RWA

OV1: Overview of RWA

The following table provides RWA for each risk type and approach as at 31 March 2026 and the end of the previous two quarters.

		As at			Minimum capital requirements ⁽¹⁾
		31 Mar 26	31 Dec 25	30 Sep 25	
		RWA	RWA	RWA	
		\$m	\$m	\$m	\$m
1	Credit risk (excluding counterparty credit risk (CCR)) ⁽²⁾⁽³⁾	360,316	356,115	352,908	28,825
2	of which: standardised approach (SA)	12,962	17,706	21,348	1,037
3	of which: F-IRB approach	37,960	38,518	36,832	3,037
4	of which: supervisory slotting approach	9,323	9,543	9,332	746
5	of which: A-IRB approach	300,071	290,348	285,396	24,005
6	Counterparty credit risk	10,101	10,680	11,731	808
7	of which: standardised approach for CCR	7,986	8,899	9,582	639
9	of which: other CCR ⁽⁴⁾	2,115	1,781	2,149	169
10	Credit valuation adjustment	4,323	4,521	4,942	346
15	Settlement risk	-	-	-	-
16	Securitisation exposures in banking book	5,857	6,039	5,405	469
18	of which: securitisation external ratings-based approach (ERBA)	1,322	1,282	1,336	106
19	of which: securitisation supervisory formula approach (SFA)	4,535	4,757	4,069	363
20	Market risk	12,555	12,092	11,732	1,005
21	of which: standard method	1,120	919	850	90
22	of which: IMA	11,435	11,173	10,882	915
24	Operational risk	38,707	38,707	37,610	3,096
-	Interest rate risk in the banking book	17,912	13,042	13,945	1,433
26	Output floor applied	72.5%	72.5%	72.5%	
27	Floor adjustment ⁽⁵⁾	-	5,323	2,284	
29	Total	449,771	446,519	440,557	35,982

(1) The total minimum capital requirement is calculated as total RWA multiplied by the minimum Total capital ratio of 8.0%, as outlined in APS 110 paragraph 24, and is attributed to the RWA categories on a pro-rata basis.

(2) Credit RWA (excluding CCR) includes an RWA overlay related to measurement of certain off-balance sheet exposures of \$3.4 billion (December 2025 and September 2025: \$4.8 billion). The majority of the overlay is included in RWA under the A-IRB approach in row 5 (March 2026: \$3.0 billion, December 2025 and September 2025: \$4.3 billion) and the F-IRB approach in row 3 (\$321 million for all disclosed periods). Refer to CR8: *RWA flow statements of credit risk exposures under IRB* for details of the movement in the RWA overlay since the end of the previous quarter.

(3) Credit RWA (excluding CCR) includes an RWA overlay related to the calibration of certain models of \$6.5 billion (December 2025 and September 2025: \$1.8 billion). The majority of the overlay is included in RWA under the A-IRB approach in row 5. Refer to CR8: *RWA flow statements of credit risk exposures under IRB* for details of the movement in the RWA overlay since the end of the previous quarter.

(4) CCR not subject to the standardised approach comprises SFTs, BNZ derivatives under the current exposure method, and central counterparty (CCP) margin and default fund contributions.

(5) The description of row 27 has been modified from that set out in the BCBS *Disclosure Requirements* standard as APRA's capital floor requirement does not have a transitional cap.

Overview of exposure at default and RWA (cont.)

Exposure at default and RWA by asset class

The following table provides a summary of exposure at default (EaD) and RWA by asset class. The nature of exposures in each asset class is outlined on page 10. Amounts have been broken down into those subject to the credit risk and counterparty credit risk frameworks.

This disclosure has been included in this report to provide a breakdown of total EaD, as EaD disclosures required by APS 330 are not aggregated in a single disclosure.

	As at 31 Mar 26					
	EaD post-CCF and post-CRM ⁽¹⁾			RWA		
	Credit risk	Counterparty credit risk	Total	Credit risk	Counterparty credit risk	Total
	\$m	\$m	\$m	\$m	\$m	\$m
Subject to A-IRB approach						
Corporate (including SME)	242,899	2,515	245,414	123,047	1,297	124,344
Retail SME	26,190	-	26,190	11,419	-	11,419
Residential mortgage	445,323	-	445,323	117,429	-	117,429
Qualifying revolving retail	15,933	-	15,933	6,390	-	6,390
Other retail	1,643	-	1,643	1,881	-	1,881
Subject to F-IRB approach						
Corporate	35,461	4,586	40,047	20,134	2,149	22,283
Sovereign	142,197	1,345	143,542	1,486	22	1,508
Financial institution	48,986	19,535	68,521	16,340	5,320	21,660
Total IRB approach	958,632	27,981	986,613	298,126	8,788	306,914
Specialised lending	4,389	117	4,506	3,306	84	3,390
Subject to standardised approach						
Corporate (including SME)	7,040	2,838	9,878	4,710	208	4,918
Residential mortgage	1,620	-	1,620	1,633	-	1,633
Other retail	2,178	-	2,178	990	-	990
Other	5,192	-	5,192	3,853	-	3,853
Total standardised approach	16,030	2,838	18,868	11,186	208	11,394
RBNZ regulated banking subsidiary	118,313	2,756	121,069	47,698	1,021	48,719
Credit valuation adjustment						4,323
Settlement risk						-
Securitisation exposures in banking book			34,122			5,857
Total credit risk⁽²⁾⁽³⁾	1,097,364	33,692	1,165,178	360,316	10,101	380,597
Market risk						12,555
Operational risk						38,707
Interest rate risk in the banking book						17,912
Floor adjustment						-
Total	1,097,364	33,692	1,165,178	360,316	10,101	449,771

(1) Credit conversion factor (CCF) and credit risk mitigation (CRM).

(2) Credit RWA (excluding CCR) includes an RWA overlay related to measurement of certain off-balance sheet exposures of \$3.4 billion. The majority of the overlay is included in RWA for corporate exposures under the A-IRB approach (\$2.1 billion) and the RBNZ regulated banking subsidiary (\$937 million). Refer to CR8: *RWA flow statements of credit risk exposures under IRB* for details of the movement in the RWA overlay since the end of the previous quarter.

(3) Credit RWA (excluding CCR) includes an RWA overlay related to the calibration of certain models of \$6.5 billion. The majority of the overlay is included in RWA under the A-IRB approach for corporate (including SME) (\$3.5 billion), retail SME (\$1.5 billion) and residential mortgage (\$981 million) exposures. Refer to CR8: *RWA flow statements of credit risk exposures under IRB* for details of the movement in the RWA overlay since the end of the previous quarter.

Overview of exposure at default and RWA (cont.)

	As at 31 Dec 25					
	EaD post-CCF and post-CRM			RWA		
	Credit risk	Counterparty credit risk	Total	Credit risk	Counterparty credit risk	Total
	\$m	\$m	\$m	\$m	\$m	\$m
Subject to A-IRB approach						
Corporate (including SME)	236,730	2,492	239,222	118,001	1,331	119,332
Retail SME	26,154	-	26,154	11,018	-	11,018
Residential mortgage	442,209	-	442,209	114,904	-	114,904
Qualifying revolving retail	9,290	-	9,290	2,567	-	2,567
Other retail	1,602	-	1,602	1,814	-	1,814
Subject to F-IRB approach						
Corporate	35,136	4,659	39,795	20,736	2,969	23,705
Sovereign	141,106	1,220	142,326	1,466	16	1,482
Financial institution	50,398	18,899	69,297	16,316	5,283	21,599
Total IRB approach	942,625	27,270	969,895	286,822	9,599	296,421
Specialised lending	3,980	139	4,119	3,038	102	3,140
Subject to standardised approach						
Corporate (including SME)	7,078	2,569	9,647	4,737	185	4,922
Residential mortgage	1,722	-	1,722	1,736	-	1,736
Other retail	8,276	-	8,276	5,563	-	5,563
Other	5,971	-	5,971	4,010	-	4,010
Total standardised approach	23,047	2,569	25,616	16,046	185	16,231
RBNZ regulated banking subsidiary	122,668	2,420	125,088	50,209	794	51,003
Credit valuation adjustment						4,521
Settlement risk						-
Securitisation exposures in banking book			32,812			6,039
Total credit risk⁽¹⁾⁽²⁾	1,092,320	32,398	1,157,530	356,115	10,680	377,355
Market risk						12,092
Operational risk						38,707
Interest rate risk in the banking book						13,042
Floor adjustment						5,323
Total	1,092,320	32,398	1,157,530	356,115	10,680	446,519

(1) Credit RWA (excluding CCR) includes an RWA overlay related to measurement of certain off-balance sheet exposures of \$4.8 billion. The majority of the overlay is included in RWA for the RBNZ regulated banking subsidiary (\$2.3 billion) and corporate exposures under the A-IRB approach (\$2.1 billion).

(2) Credit RWA (excluding CCR) includes an RWA overlay related to the calibration of certain models of \$1.8 billion. The overlay is included in RWA under the A-IRB approach for corporate (including SME) (\$926 million) and retail SME (\$885 million) exposures.

Overview of exposure at default and RWA (cont.)

	As at 30 Sep 25					
	EaD post-CCF and post-CRM			RWA		
	Credit risk	Counterparty credit risk	Total	Credit risk	Counterparty credit risk	Total
	\$m	\$m	\$m	\$m	\$m	\$m
Subject to A-IRB approach						
Corporate (including SME)	230,178	2,859	233,037	114,636	1,529	116,165
Retail SME	25,863	-	25,863	10,931	-	10,931
Residential mortgage	429,996	-	429,996	112,064	-	112,064
Qualifying revolving retail	9,213	-	9,213	2,576	-	2,576
Other retail	1,663	-	1,663	1,875	-	1,875
Subject to F-IRB approach						
Corporate	31,798	5,389	37,187	18,343	3,434	21,777
Sovereign	144,605	1,440	146,045	1,859	18	1,877
Financial institution	54,574	19,480	74,054	16,630	5,287	21,917
Total IRB approach	927,890	29,168	957,058	278,914	10,268	289,182
Specialised lending	3,524	142	3,666	2,697	103	2,800
Subject to standardised approach						
Corporate (including SME)	9,135	2,845	11,980	6,570	314	6,884
Residential mortgage	6,880	-	6,880	3,501	-	3,501
Other retail	8,630	-	8,630	5,780	-	5,780
Other	5,351	-	5,351	3,655	-	3,655
Total standardised approach	29,996	2,845	32,841	19,506	314	19,820
RBNZ regulated banking subsidiary	121,446	3,688	125,134	51,791	1,046	52,837
Credit valuation adjustment						4,942
Settlement risk						-
Securitisation exposures in banking book			32,817			5,405
Total credit risk⁽¹⁾⁽²⁾	1,082,856	35,843	1,151,516	352,908	11,731	374,986
Market risk						11,732
Operational risk						37,610
Interest rate risk in the banking book						13,945
Floor adjustment						2,284
Total	1,082,856	35,843	1,151,516	352,908	11,731	440,557

(1) Credit RWA (excluding CCR) includes an RWA overlay related to measurement of certain off-balance sheet exposures of \$4.8 billion. The majority of the overlay is included in RWA for the RBNZ regulated banking subsidiary (\$2.3 billion) and corporate exposures under the A-IRB approach (\$2.1 billion).

(2) Credit RWA (excluding CCR) includes an RWA overlay related to the calibration of certain models of \$1.8 billion. The overlay is included in RWA under the A-IRB approach for corporate (including SME) (\$926 million) and retail SME (\$885 million) exposures.

Overview of exposure at default and RWA (cont.)

The nature of exposures in each asset class is outlined below.

Asset class	Description
Subject to the A-IRB approach	
Corporate (including SME)	Corporations, partnerships, proprietorships, public sector entities and any other credit exposure not elsewhere classified.
Retail SME	Non-complex exposures to small business customers managed as part of a portfolio for risk management purposes where: <ul style="list-style-type: none"> the consolidated annual revenue of the borrower is less than \$75 million, and the total business-related exposure to the borrower is less than \$1.5 million.
Residential mortgage	Exposures that are partially or fully secured by residential properties, managed in a similar manner to other retail exposures, and not for business purposes. This excludes non-standard mortgages.
Qualifying revolving retail	Revolving exposures to individuals less than \$100,000, which are unsecured, unconditionally cancellable and not for business purposes.
Other retail	Retail exposures other than residential mortgage and qualifying revolving retail, including personal loan, overdraft and overdrawn transaction account exposures.
Subject to the F-IRB approach	
Corporate	Corporations, partnerships, proprietorships and public sector entities with consolidated annual revenue greater than \$750 million.
Sovereign	Includes: <ul style="list-style-type: none"> Australian and overseas central and subnational governments. A subnational government is a government of a geographically defined part of a state which has powers to raise revenue and borrow money. The Reserve Bank of Australia (RBA) and overseas central banks. Multilateral development banks or institutions eligible for a 0% risk weight.
Financial institution	Entities whose main business includes management of financial assets, lending, factoring, leasing, provision of credit enhancements, securitisation (excluding securitisation exposures subject to the requirements of APS 120), investments, financial custody, CCP services (excluding qualifying central counterparty (QCCP) exposures) and proprietary trading.
Specialised lending	Project finance exposures, in which revenues generated by a single project are the primary source of repayment and security for the exposure.
Subject to the standardised approach	
Corporate (including SME)	Regulatory prescribed portfolios, such as QCCPs and margin lending, and corporate exposures in portfolios where the standardised approach is applied.
Residential mortgage	Non-standard mortgages, including interest only exposures with a loan-to-valuation ratio (LVR) greater than 80% and an interest only term greater than five years that are not for business purposes, and loans to self-managed superannuation funds.
Other retail	Regulatory prescribed portfolios, such as margin lending, and other retail exposures in portfolios where the standardised approach is applied.
Other	Cash items in the process of collection, premises and other fixed assets, and all other exposures.
RBNZ regulated banking subsidiary	BNZ exposures measured using RBNZ prudential requirements, with the exception of scaling factors which are applied under APRA requirements and any APRA-imposed RWA overlays. APS 330 requires these exposures to be disclosed separately.

2.3 Comparison of modelled and standardised RWA

CMS1: Comparison of modelled and standardised RWA at risk level

The following table provides a comparison by risk type of RWA prior to application of the floor modelled under approval from APRA, and RWA calculated under the full standardised approach.

March 2026 v December 2025

RWA prior to application of the floor increased by \$8.6 billion or 1.9%, whereas RWA under the full standardised approach increased \$3.6 billion or 0.6%. These movements resulted in pre-floor RWA being above the capital floor by \$653 million.

		As at 31 Mar 26			
		RWA for modelled approaches that have supervisory approval to be used	RWA for portfolios where standardised approaches are used	Pre-floor RWA	RWA calculated using full standardised approach
		\$m	\$m	\$m	\$m
1	Credit risk (excluding counterparty credit risk)	347,354	12,962	360,316	539,103
2	Counterparty credit risk	9,675	426	10,101	18,928
3	Credit valuation adjustment		4,323	4,323	4,323
4	Securitisation exposures in the banking book		5,857	5,857	5,857
5	Market risk	11,435	1,120	12,555	12,555
6	Operational risk		38,707	38,707	38,707
-	Interest rate risk in the banking book	17,912	-	17,912	n/a
7	Residual RWA		-	-	-
8	Total	386,376	63,395	449,771	619,473
Capital floor at 72.5% of RWA calculated using full standardised approach					449,118
RWA prior to application of floor					449,771
Floor adjustment					-

		As at 31 Dec 25			
		RWA for modelled approaches that have supervisory approval to be used	RWA for portfolios where standardised approaches are used	Pre-floor RWA	RWA calculated using full standardised approach
		\$m	\$m	\$m	\$m
1	Credit risk (excluding counterparty credit risk)	338,409	17,706	356,115	536,316
2	Counterparty credit risk	10,278	402	10,680	18,213
3	Credit valuation adjustment		4,521	4,521	4,521
4	Securitisation exposures in the banking book		6,039	6,039	6,039
5	Market risk	11,173	919	12,092	12,092
6	Operational risk		38,707	38,707	38,707
-	Interest rate risk in the banking book	13,042	-	13,042	n/a
7	Residual RWA		-	-	-
8	Total	372,902	68,294	441,196	615,888
Capital floor at 72.5% of RWA calculated using full standardised approach					446,519
RWA prior to application of floor					441,196
Floor adjustment					5,323

Comparison of modelled and standardised RWA (cont.)

		As at 30 Sep 25			
		RWA for modelled approaches that have supervisory approval to be used	RWA for portfolios where standardised approaches are used	Pre-floor RWA	RWA calculated using full standardised approach
		\$m	\$m	\$m	\$m
1	Credit risk (excluding counterparty credit risk)	331,560	21,348	352,908	527,369
2	Counterparty credit risk	11,171	560	11,731	20,608
3	Credit valuation adjustment		4,942	4,942	4,942
4	Securitisation exposures in the banking book		5,405	5,405	5,405
5	Market risk	10,882	850	11,732	11,732
6	Operational risk		37,610	37,610	37,610
-	Interest rate risk in the banking book	13,945	-	13,945	n/a
7	Residual RWA		-	-	-
8	Total	367,558	70,715	438,273	607,666
Capital floor at 72.5% of RWA calculated using full standardised approach					440,557
RWA prior to application of floor					438,273
Floor adjustment					2,284

CMS2: Comparison of modelled and standardised RWA for credit risk at asset class level

The following table provides a comparison by asset class of RWA for credit risk (excluding counterparty credit risk) modelled under approval from APRA and under the full standardised approach. The table provides a breakdown by asset class of amounts in row 1 of CMS1: *Comparison of modelled and standardised RWA at risk level*, where:

- Columns (a) and (b) represent RWA for exposures subject to the A-IRB, F-IRB and supervisory slotting approaches.
- Columns (c) and (d) also include RWA for exposures subject to the standardised approach.

March 2026 v September 2025

Credit risk (excluding CCR) RWA prior to application of the floor increased by \$7.4 billion or 2.1% compared to RWA under the full standardised approach which increased by \$11.7 billion or 2.2%.

		As at 31 Mar 26			
		a	b	c	d
		RWA for modelled approaches that have supervisory approval to be used	RWA for column (a) re-computed using the standardised approach	Pre-floor RWA	RWA calculated using full standardised approach
		\$m	\$m	\$m	\$m
1	Sovereign	1,486	829	1,486	829
2	Financial institution	16,340	32,952	16,340	32,952
5	Corporate	143,181	228,183	147,891	232,893
-	of which: F-IRB approach is applied	20,134	29,243	20,134	29,243
-	of which: A-IRB approach is applied	123,047	198,940	123,047	198,940
6	Retail	137,119	191,228	139,742	193,851
-	of which: retail SME	11,419	14,145	11,419	14,145
-	of which: residential mortgage	117,429	165,304	119,062	166,937
-	of which: qualifying revolving retail	6,390	10,360	6,390	10,360
-	of which: other retail	1,881	1,419	2,871	2,409
7	Specialised lending	3,306	4,830	3,306	4,830
8	Other ⁽¹⁾	-	-	3,853	3,853
-	RBNZ regulated banking subsidiary	45,922	68,119	47,698	69,895
9	Total	347,354	526,141	360,316	539,103

(1) Consists of cash items in the process of collection, premises and other fixed assets, and all other exposures.

Comparison of modelled and standardised RWA (cont.)

		As at 30 Sep 25			
		<i>a</i>	<i>b</i>	<i>c</i>	<i>d</i>
		RWA for modelled approaches that have supervisory approval to be used	RWA for column (a) re-computed using the standardised approach	Pre-floor RWA	RWA calculated using full standardised approach
		\$m	\$m	\$m	\$m
1	Sovereign	1,859	3,524	1,859	3,524
2	Financial institution	16,630	33,016	16,630	33,016
5	Corporate	132,979	212,045	139,549	218,615
-	of which: F-IRB approach is applied	18,343	25,943	18,343	25,943
-	of which: A-IRB approach is applied	114,636	186,102	114,636	186,102
6	Retail	127,446	181,205	136,727	190,486
-	of which: retail SME	10,931	14,101	10,931	14,101
-	of which: residential mortgage	112,064	159,747	115,565	163,248
-	of which: qualifying revolving retail	2,576	5,926	2,576	5,926
-	of which: other retail	1,875	1,431	7,655	7,211
7	Specialised lending	2,697	3,787	2,697	3,787
8	Other ⁽¹⁾	-	-	3,655	3,655
-	RBNZ regulated banking subsidiary	49,949	72,444	51,791	74,286
9	Total	331,560	506,021	352,908	527,369

(1) Consists of cash items in the process of collection, premises and other fixed assets, and all other exposures.

Capital

3.1 Composition of capital

CC1: Composition of regulatory capital

The following table provides the breakdown of regulatory capital.

	As at		
	31 Mar 26	Reference ⁽¹⁾	
	\$m		\$m
CET1 capital: instruments and reserves			
1 Directly issued qualifying common share (and equivalent for non-joint stock companies) capital plus related stock surplus	36,288	q	36,123
2 Retained profits	26,896	t	26,824
3 Accumulated other comprehensive income (and other reserves)	(2,641)	r	(21)
6 CET1 capital before regulatory adjustments	60,543		62,926
CET1 capital: regulatory adjustments			
7 Prudent valuation adjustments	-		-
8 Goodwill (net of related tax liability)	(2,070)	g	(2,070)
9 Other intangibles other than mortgage servicing rights (MSR) (net of related tax liability) ⁽²⁾	(2,276)	b+h	(3,518)
10 Deferred tax assets (DTA) that rely on future profitability, excluding those arising from temporary differences (net of related tax liability)	(66)	c	(72)
11 Cash flow hedge reserve	1,575	s	(321)
12 Shortfall of provisions to expected losses	(72)		-
13 Securitisation gain on sale	-		-
14 Gains / (losses) due to changes in own credit risk on fair valued liabilities	188	u	116
15 Defined benefit pension fund net assets	(36)	d+i	(35)
26 National specific regulatory adjustments	(5,396)		(5,499)
- of which: DTA not reported in row 10 ⁽²⁾	(3,134)	e	(3,059)
- of which: capitalised expenses, net of deferred fee income	(1,604)	a+l+n+p	(1,542)
- of which: equity investments (adjusted for intangible component of investments)	(630)	f+j+k	(882)
28 Total regulatory adjustments to CET1 capital	(8,153)		(11,399)
29 CET1 capital	52,390		51,527
Additional Tier 1 capital: instruments			
30 Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	9,010		9,010
31 of which: classified as equity under applicable accounting standards	-		-
32 of which: classified as liabilities under applicable accounting standards	9,010	o	9,010
36 Additional Tier 1 capital before regulatory adjustments	9,010		9,010
Additional Tier 1 capital: regulatory adjustments			
37 Investments in own Additional Tier 1 instruments ⁽³⁾	(20)		(20)
41 National specific regulatory adjustments	(10)		(1)
43 Total regulatory adjustments to Additional Tier 1 capital	(30)		(21)
44 Additional Tier 1 capital (AT1)	8,980		8,989
45 Tier 1 capital (T1 = CET1 + AT1)	61,370		60,516

(1) Reference to the balance sheet under the regulatory scope of consolidation in CC2: *Reconciliation of regulatory capital to balance sheet*.

(2) The deferred tax asset related to internally generated software has been reallocated from row 9 to be presented as a national specific regulatory adjustment under row 26. Comparative information as at 30 September 2025 has been restated to align to the presentation in the current period.

(3) The deduction for investments in own Additional Tier 1 and Tier 2 instruments includes any unused trading limit.

Composition of capital (cont.)

		As at		
		31 Mar 26		30 Sep 25
		\$m	Reference	\$m
Tier 2 capital: instruments and provisions				
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	29,309	m	27,586
50	Provisions ⁽¹⁾	1,553		1,556
51	Tier 2 capital before regulatory adjustments	30,862		29,142
Tier 2 capital: regulatory adjustments				
52	Investments in own Tier 2 instruments ⁽²⁾	(75)		(75)
56	National specific regulatory adjustments ⁽³⁾	(189)		(69)
57	Total regulatory adjustments to Tier 2 capital	(264)		(144)
58	Tier 2 capital	30,598		28,998
59	Total regulatory capital (= Tier 1 + Tier 2)	91,968		89,514
60	Total RWA	449,771		440,557
Capital adequacy ratios and buffers				
61	CET1 capital (as a percentage of RWA)	11.65%		11.70%
62	Tier 1 capital (as a percentage of RWA)	13.64%		13.74%
63	Total capital (as a percentage of RWA)	20.45%		20.32%
64	Institution-specific buffer requirement (capital conservation buffer plus countercyclical capital buffer requirements plus higher loss absorbency requirement, expressed as a percentage of RWA)⁽⁴⁾	10.11%		10.10%
65	of which: capital conservation buffer requirement	3.75%		3.75%
66	of which: bank-specific countercyclical capital buffer requirement	0.86%		0.85%
67	of which: higher loss absorbency requirement	1.00%		1.00%
68	CET1 capital (as a percentage of RWA) available after meeting the bank's minimum capital requirements⁽⁵⁾	7.15%		7.20%
Amounts below the thresholds for deduction (before risk-weighting)⁽⁶⁾				
72	Non-significant investments in the capital and other TLAC liabilities of other financial entities	113		124
73	Significant investments in the common stock of financial entities	445		687
75	DTA arising from temporary differences (net of related tax liability)	3,134	e	2,635
Applicable caps on the inclusion of provisions in Tier 2 capital				
76	Provisions eligible for inclusion in Tier 2 capital in respect of exposures subject to standardised approach (prior to application of cap)	87		181
77	Cap on inclusion of provisions in Tier 2 capital under standardised approach	206		317
78	Provisions eligible for inclusion in Tier 2 capital in respect of exposures subject to IRB approach (prior to application of cap)	1,466		1,375
79	Cap for inclusion of provisions in Tier 2 capital under IRB approach	2,143		2,057

(1) Consists of provision for credit impairment held against performing exposures under the IRB approach of \$1.5 billion (September 2025: \$1.4 billion) and under the standardised approach of \$87 million (September 2025: \$181 million).

(2) The deduction for investments in own Additional Tier 1 and Tier 2 instruments includes any unused trading limit.

(3) Deduction for holdings of Tier 2 instruments and other total loss-absorbing capacity (TLAC) liabilities of financial institutions.

(4) Comprises a minimum CET1 ratio of 4.5%, a capital conservation buffer of 3.75% of RWA, a D-SIB buffer of 1% of RWA and a countercyclical capital buffer (CCyB) (refer to CCyB1: *Geographical distribution of credit exposures used in the calculation of the bank-specific countercyclical capital buffer requirement*).

(5) CET1 capital less the ratio of RWA of any CET1 capital used to meet minimum CET1, Tier 1 and Total capital requirements of 4.5%, 6% and 8%, respectively, as outlined in APS 110 paragraph 24.

(6) Amounts below the thresholds for deduction under BCBS requirements are APRA specific regulatory adjustments.

Composition of capital (cont.)

CC2: Reconciliation of regulatory capital to balance sheet

The following disclosure shows the difference between the scope of consolidation of the balance sheet for the Group under accounting principles and the Level 2 Group under regulatory requirements. The disclosure also shows the link between the Level 2 Group's balance sheet and amounts in CC1: *Composition of regulatory capital*.

	As at 31 Mar 26			Reference ⁽²⁾
	Balance sheet as in published financial statements	Adjustments ⁽¹⁾	Under regulatory scope of consolidation	
	\$m	\$m	\$m	
Assets				
Cash and liquid assets	1,773	-	1,773	
Due from other banks	83,724	-	83,724	
Collateral placed	6,217	-	6,217	
Trading assets	156,930	-	156,930	
Derivative assets	28,001	-	28,001	
Debt instruments	47,710	-	47,710	
Other financial assets	663	-	663	
Loans and advances	798,582	(3,800)	794,782	
of which: capitalised expenses, net of deferred fee income	1,413	-	1,413	a
Current tax assets	76	-	76	
Due from controlled entities	-	16	16	
Deferred tax assets (DTA)	3,940	-	3,940	
of which: deferred tax liability related to other intangibles other than mortgage-servicing rights	(25)	-	(25)	b
of which: DTA that rely on future profitability	66	-	66	c
of which: deferred tax liability related to defined benefit pension fund assets	(15)	-	(15)	d
of which: DTA related to the cash flow hedge reserve	707	-	707	
of which: DTA related to losses due to changes in own credit risk on fair valued liabilities	73	-	73	
of which: DTA not included in the above categories	3,134	-	3,134	e
Property, plant and equipment	2,722	-	2,722	
Investments in controlled entities	-	10	10	f
Goodwill and other intangible assets	4,371	-	4,371	
of which: goodwill	2,070	-	2,070	g
of which: other intangibles other than mortgage-servicing rights	2,301	-	2,301	h
Other assets	7,944	-	7,944	
of which: defined benefit pension fund assets	51	-	51	i
of which: equity investments	620	-	620	j
Total assets	1,142,653	(3,774)	1,138,879	

(1) The adjustments remove the assets, liabilities and equity balances of Level 3 entities deconsolidated for regulatory purposes, and reinstate intragroup assets and liabilities, treating them as external to the Level 2 Group.

(2) Reference to the breakdown of regulatory capital in CC1: *Composition of regulatory capital*.

Composition of capital (cont.)

	As at 31 Mar 26			Reference
	Balance sheet as in published financial statements	Adjustments	Under regulatory scope of consolidation	
	\$m	\$m	\$m	
Liabilities				
Due to other banks	10,875	-	10,875	
Collateral received	6,051	-	6,051	
Other financial liabilities	74,353	-	74,353	
Deposits and other borrowings	765,823	-	765,823	
of which: costs associated with issuing deposits and other borrowings	(17)	-	(17)	l
Derivative liabilities	27,653	26	27,679	
Current tax liabilities	18	(7)	11	
Provisions	1,331	-	1,331	
Due to controlled entities	-	210	210	
Bonds, notes and subordinated debt	170,152	(3,985)	166,167	
of which: contractual value of Tier 2 instruments	29,309	-	29,309	m
of which: costs associated with issuing bonds, notes and subordinated debt	(141)	-	(141)	n
Debt issued	8,977	-	8,977	
of which: contractual value of Additional Tier 1 instruments	9,010	-	9,010	o
of which: costs associated with issuing convertible notes	(33)	-	(33)	p
Other liabilities	16,171	-	16,171	
Total liabilities	1,081,404	(3,756)	1,077,648	
Net assets	61,249	(18)	61,231	
Equity				
Contributed equity	36,288	-	36,288	q
Reserves	(2,641)	-	(2,641)	r
of which: cash flow hedge reserve	(1,575)	-	(1,575)	s
Retained profits	26,914	(18)	26,896	t
of which: gains / (losses) due to changes in own credit risk on fair valued liabilities after tax	(188)	-	(188)	u
Total equity (attributable to owners of the Company)	60,561	(18)	60,543	
Non-controlling interests	688	-	688	
Total equity	61,249	(18)	61,231	

Composition of capital (cont.)

	As at 30 Sep 25			Reference ⁽²⁾
	Balance sheet as in published financial statements	Adjustments ⁽¹⁾	Under regulatory scope of consolidation	
	\$m	\$m	\$m	
Assets				
Cash and liquid assets	2,604	-	2,604	
Due from other banks	91,946	-	91,946	
Collateral placed	5,763	-	5,763	
Trading assets	144,571	-	144,571	
Derivative assets	21,826	2	21,828	
Debt instruments	46,947	-	46,947	
Other financial assets	688	-	688	
Loans and advances	776,126	(2,506)	773,620	
of which: capitalised expenses, net of deferred fee income	1,362	-	1,362	a
Current tax assets	25	-	25	
Due from controlled entities	-	18	18	
Deferred tax assets (DTA)	3,052	-	3,052	
of which: deferred tax liability related to other intangibles other than mortgage-servicing rights ⁽³⁾	(34)	-	(34)	b
of which: DTA that rely on future profitability	72	-	72	c
of which: deferred tax liability related to defined benefit pension fund assets	(15)	-	(15)	d
of which: deferred tax liability related to the cash flow hedge reserve	(68)	-	(68)	
of which: DTA related to losses due to changes in own credit risk on fair valued liabilities	38	-	38	
of which: DTA not included in the above categories ⁽³⁾	3,059	-	3,059	e
Property, plant and equipment	2,713	-	2,713	
Investments in controlled entities	-	10	10	f
Goodwill and other intangible assets	5,622	-	5,622	
of which: goodwill	2,070	-	2,070	g
of which: other intangibles other than mortgage-servicing rights	3,552	-	3,552	h
Other assets	6,936	-	6,936	
of which: defined benefit pension fund assets	50	-	50	i
of which: equity investments	629	-	629	j
Assets held for sale ⁽⁴⁾	243	-	243	k
Total assets	1,109,062	(2,476)	1,106,586	

(1) The adjustments remove the assets, liabilities and equity balances of Level 3 entities deconsolidated for regulatory purposes, and reinstate intragroup assets and liabilities, treating them as external to the Level 2 Group.

(2) Reference to the breakdown of regulatory capital in CCI: *Composition of regulatory capital*.

(3) The deferred tax asset related to internally generated software has been reallocated to the deferred tax asset not included in the above categories.

(4) The investment in Nippon Life Insurance Australia and New Zealand Limited (formerly MLC Limited) was classified as held for sale, as NAB entered into an agreement to sell its remaining 20% stake to Nippon Life Insurance Company.

Composition of capital (cont.)

	As at 30 Sep 25			Reference
	Balance sheet as in published financial statements	Adjustments	Under regulatory scope of consolidation	
	\$m	\$m	\$m	
Liabilities				
Due to other banks	12,369	-	12,369	
Collateral received	4,819	-	4,819	
Other financial liabilities	70,464	-	70,464	
Deposits and other borrowings	736,159	-	736,159	
Derivative liabilities	20,203	-	20,203	
Current tax liabilities	871	1	872	
Provisions	1,745	-	1,745	
Due to controlled entities	-	76	76	
Bonds, notes and subordinated debt	174,307	(2,557)	171,750	
of which: contractual value of Tier 2 instruments	27,586	-	27,586	m
of which: costs associated with issuing bonds, notes and subordinated debt	(142)	-	(142)	n
Debt issued	8,972	-	8,972	
of which: contractual value of Additional Tier 1 instruments	9,010	-	9,010	o
of which: costs associated with issuing convertible notes	(38)	-	(38)	p
Other liabilities	15,506	-	15,506	
Total liabilities	1,045,415	(2,480)	1,042,935	
Net assets	63,647	4	63,651	
Equity				
Contributed equity	36,123	-	36,123	q
Reserves	(21)	-	(21)	r
of which: cash flow hedge reserve	321	-	321	s
Retained profits	26,820	4	26,824	t
of which: gains / (losses) due to changes in own credit risk on fair valued liabilities after tax	(116)	-	(116)	u
Total equity (attributable to owners of the Company)	62,922	4	62,926	
Non-controlling interests	725	-	725	
Total equity	63,647	4	63,651	

Entities excluded from the Level 2 Group balance sheet

The following table provides details of entities included in the accounting scope of consolidation and excluded from the regulatory scope of consolidation.

Entity name	Principal activity	As at			
		31 Mar 26		30 Sep 25	
		Total assets \$m	Total equity \$m	Total assets \$m	Total equity \$m
NAB Trust Services Limited	Trustee	11	11	11	11
National Australia Managers Limited	Funds manager	4	3	4	3
National RMBS Trust 2018-1	Securitisation	262	(1)	294	(1)
National RMBS Trust 2018-2	Securitisation	270	-	303	(1)
National RMBS Trust 2022-1	Securitisation	545	3	614	-
National RMBS Trust 2024-1	Securitisation	1,173	3	1,361	(4)
National RMBS Trust 2026-1	Securitisation	1,752	8	-	-

3.2 Countercyclical capital buffer

CCyB1: Geographical distribution of credit exposures used in the calculation of the bank-specific countercyclical capital buffer requirement

The CCyB requirement is calculated as the weighted average of CCyB requirements that apply in jurisdictions in which private sector exposures are held.

The following table provides the jurisdiction of the risk-weighted amount of private sector credit exposures relevant for the calculation of the CCyB, based on the jurisdiction of residence of the immediate counterparty.

March 2026 v September 2025

The CCyB requirement increased by 1 basis point to 0.86%. Whilst the risk-weighted amount of Australian private sector exposures increased by \$14.4 billion or 5.0%, this had minimal impact to the weighted average with the risk-weighted amount of Australian private sector exposures representing a similar proportion of the risk-weighted amount of total private sector exposures.

Geographical breakdown	As at 31 Mar 26				As at 30 Sep 25			
	CCyB rate	RWA used in the computation of the CCyB	Bank-specific CCyB rate	CCyB amount ⁽¹⁾	CCyB rate	RWA used in the computation of the CCyB	Bank-specific CCyB rate	CCyB amount ⁽¹⁾
	%	\$m	%	\$m	%	\$m	%	\$m
Australia	1.00	300,408			1.00	286,048		
Denmark	2.50	185			2.50	225		
France	1.00	1,378			1.00	1,975		
Germany	0.75	1,199			0.75	1,364		
Hong Kong	0.50	570			0.50	610		
Ireland	1.50	201			1.50	225		
Luxembourg	0.50	256			0.50	797		
Netherlands	2.00	1,176			2.00	1,158		
Norway	2.50	100			2.50	229		
Spain ⁽²⁾	0.50	334			-	-		
Sweden	2.00	500			2.00	533		
United Kingdom	2.00	7,975			2.00	9,511		
Other	0.50 - 2.50	360			0.50 - 2.50	253		
Sum⁽³⁾		314,642				302,928		
Total⁽⁴⁾		376,183	0.86	3,872		369,184	0.85	3,745

(1) Amount of CET1 capital held to meet the CCyB requirement, computed as total RWA multiplied by the bank-specific CCyB rate.

(2) A CCyB requirement was introduced in Spain from 1 October 2025.

(3) Sum of the risk-weighted amount of private sector credit exposures in jurisdictions with a non-zero CCyB rate.

(4) Total of the risk-weighted amount of private sector credit exposures across all jurisdictions, including jurisdictions with no CCyB rate or a CCyB rate of zero.

3.3 Leverage ratio

The leverage ratio is a non-risk-based measure that uses exposures to supplement the RWA-based capital requirements.

LR1: Summary comparison of accounting assets vs leverage ratio exposure measure

The following table provides a reconciliation of total assets for the Group with the leverage ratio exposure measure.

Key differences between total assets for the Group, as reported in the financial statements, and amounts included in the leverage ratio exposure measure are:

- the inclusion of off-balance sheet credit commitments in leverage ratio exposures, measured using prescribed credit conversion factors,
- SFT exposures in the leverage ratio are measured based on the average of month-end balances during the quarter, compared to the amount as at the reporting date on the balance sheet, and the inclusion of additional counterparty credit risk measures in the leverage ratio exposure measure, and
- measurement of derivative exposures under the modified standardised approach for measuring counterparty credit risk exposures (SA-CCR) for the purposes of the leverage ratio, compared to the measurement of derivative assets and collateral balances under accounting standards and interpretations issued by the Australian Accounting Standards Board on the balance sheet.

		As at	
		31 Mar 26	30 Sep 25
		\$m	\$m
1	Total consolidated assets as per published financial statements	1,142,653	1,109,062
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the regulatory scope of consolidation	26	28
3	Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference	(3,800)	(2,504)
7	Adjustments for eligible cash pooling transactions	-	-
8	Adjustments for derivative financial instruments	1,906	6,843
9	Adjustment for SFTs (i.e. repurchase agreements and similar secured lending)	(5,593)	2,314
10	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	125,492	124,435
11	Adjustments for prudent valuation adjustments and provisions which have reduced Tier 1 capital	(72)	-
12	Other adjustments	(9,700)	(11,036)
13	Leverage ratio exposure measure	1,250,912	1,229,142

Leverage ratio (cont.)

LR2: Leverage ratio common disclosure template

The leverage ratio calculation is presented below. All amounts in the leverage ratio calculation are measured as at the reporting date, with the exception of SFT exposures, which are based on the average of month-end balances during the quarter.

		As at		
		31 Mar 26	31 Dec 25	30 Sep 25
		\$m	\$m	\$m
On-balance sheet exposures				
1	On-balance sheet exposures (excluding derivatives and SFTs, but including collateral)	1,011,310	997,580	993,735
2	Gross-up for derivatives collateral provided where deducted from balance sheet assets pursuant to the operative accounting framework	3,740	2,945	3,369
3	(Deductions of receivable assets for cash variation margin provided in derivatives transactions)	(4,523)	(5,354)	(5,952)
5	(Provisions associated with on-balance sheet exposures that are deducted from Tier 1 capital)	(5,170)	(5,525)	(5,578)
6	(Asset amounts deducted in determining Tier 1 capital and regulatory adjustments)	(9,164)	(10,137)	(10,449)
7	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 to 6)	996,193	979,509	975,125
Derivative exposures				
8	Replacement cost associated with all derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	9,415	8,422	10,057
9	Add-on amounts for potential future exposure associated with all derivatives transactions	20,037	20,392	19,906
11	Adjusted effective notional amount of written credit derivatives	7,848	5,719	8,473
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	(6,610)	(4,440)	(7,182)
13	Total derivative exposures (sum of rows 8 to 12)	30,690	30,093	31,254
SFT exposures				
14	Gross SFT assets (with no recognition of netting), after adjustment for sale accounting transactions	116,232	120,553	112,643
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	(20,703)	(19,935)	(18,272)
16	Counterparty credit risk exposure for SFT assets	3,616	3,726	4,544
18	Total SFT exposures (sum of rows 14 to 17)	99,145	104,344	98,915
Other off-balance sheet exposures				
19	Off-balance sheet exposure at gross notional amount	255,293	258,016	252,746
20	(Adjustments for conversion to credit equivalent amounts)	(129,801)	(130,230)	(128,311)
21	(Provisions associated with off-balance sheet exposures deducted in determining Tier 1 capital)	(608)	(595)	(587)
22	Off-balance sheet items (sum of rows 19 to 21)	124,884	127,191	123,848
Capital and total exposures				
23	Tier 1 capital	61,370	60,262	60,516
24	Total exposures (sum of rows 7, 13, 18 and 22)	1,250,912	1,241,137	1,229,142
Leverage ratio				
25	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)	4.91%	4.86%	4.92%
26	National minimum leverage ratio requirement	3.50%	3.50%	3.50%
Disclosure of mean values				
28	Mean value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	95,529	100,618	94,371
29a	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	104,737	101,980	96,601
30	Total exposures (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	1,250,912	1,241,137	1,229,142
31	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	4.91%	4.86%	4.92%

Links between financial statements and regulatory exposures

LI1: Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories

The following disclosure shows how the carrying value of assets and liabilities reported on the Group's balance sheet correspond to regulatory risk categories for exposures other than off-balance sheet items. In the case of derivatives, repurchase agreements and collateral associated with these exposures, the carrying value is reported in all columns that attract a capital charge, such that the sum of amounts in columns (c) to (g) does not equal to column (b).

CC2: *Reconciliation of regulatory capital to balance sheet* provides details of the difference between columns (a) and (b) relating to the non-consolidation of Level 3 entities for regulatory purposes.

This annual template has been included in this report to facilitate understanding of how carrying values in other disclosures, in particular in the credit risk section, correspond to amounts on the Group's balance sheet.

	As at 31 Mar 26						
	a	b	c	d	e	f	g
	Reported in published financial statements	Under regulatory scope of consolidation	Carrying value of items subject to:				Not subject to capital requirements / deducted from capital
			Credit risk framework	Counterparty credit risk framework	Securitisation framework	Market risk framework	
\$m	\$m	\$m	\$m	\$m	\$m	\$m	
Assets							
Cash and liquid assets	1,773	1,773	1,773	-	-	-	-
Due from other banks	83,724	83,724	80,436	3,288	-	3,288	-
Collateral placed	6,217	6,217	-	6,217	-	6,120	-
Trading assets	156,930	156,930	34,869	101,459	-	122,059	2
Derivative assets	28,001	28,001	-	28,001	-	23,471	-
Debt instruments	47,710	47,710	46,219	-	1,491	-	-
Other financial assets	663	663	663	-	-	-	-
Loans and advances	798,582	794,782	767,336	-	23,905	3	3,538
Current tax assets	76	76	76	-	-	-	-
Due from controlled entities	-	16	16	-	-	-	-
Deferred tax assets	3,940	3,940	-	-	-	-	3,940
Property, plant and equipment	2,722	2,722	2,722	-	-	-	-
Investments in controlled entities	-	10	-	-	-	-	10
Goodwill and other intangible assets	4,371	4,371	-	-	-	-	4,371
Other assets	7,944	7,944	7,276	-	-	-	668
Total assets	1,142,653	1,138,879	941,386	138,965	25,396	154,941	12,529
Liabilities							
Due to other banks	10,875	10,875	-	200	-	-	10,675
Collateral received	6,051	6,051	-	6,051	-	6,036	-
Other financial liabilities	74,353	74,353	-	49,586	-	58,236	16,117
Deposits and other borrowings	765,823	765,823	-	-	-	-	765,823
Derivative liabilities	27,653	27,679	-	27,653	26	24,028	-
Current tax liabilities	18	11	-	-	-	-	11
Provisions	1,331	1,331	-	-	-	-	1,331
Due to controlled entities	-	210	-	-	-	-	210
Bonds, notes and subordinated debt	170,152	166,167	-	-	-	-	166,167
Debt issued	8,977	8,977	-	-	-	-	8,977
Other liabilities	16,171	16,171	-	-	-	-	16,171
Total liabilities	1,081,404	1,077,648	-	83,490	26	88,300	985,482

Links between financial statements and regulatory exposures (cont.)

As at 30 Sep 25							
<i>a</i>	<i>b</i>	Carrying value of items subject to:				<i>f</i>	<i>g</i>
Reported in published financial statements	Under regulatory scope of consolidation	Credit risk framework	Counterparty credit risk framework	Securitisation framework	Market risk framework	Not subject to capital requirements / deducted from capital	
\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Assets							
Cash and liquid assets	2,604	2,604	2,604	-	-	-	-
Due from other banks	91,946	91,946	89,386	2,560	-	2,560	-
Collateral placed	5,763	5,763	-	5,763	-	5,701	-
Trading assets	144,571	144,571	34,646	94,042	-	109,923	2
Derivative assets	21,826	21,828	-	21,826	2	19,547	-
Debt instruments	46,947	46,947	45,296	-	1,651	-	-
Other financial assets	688	688	688	-	-	-	-
Loans and advances	776,126	773,620	746,920	-	23,154	2	3,544
Current tax assets	25	25	25	-	-	-	-
Due from controlled entities	-	18	18	-	-	-	-
Deferred tax assets	3,052	3,052	-	-	-	-	3,052
Property, plant and equipment	2,713	2,713	2,713	-	-	-	-
Investments in controlled entities	-	10	-	-	-	-	10
Goodwill and other intangible assets	5,622	5,622	-	-	-	-	5,622
Other assets	6,936	6,936	6,260	-	-	-	676
Assets held for sale	243	243	-	-	-	-	243
Total assets	1,109,062	1,106,586	928,556	124,191	24,807	137,733	13,149
Liabilities							
Due to other banks	12,369	12,369	-	1,791	-	-	10,578
Collateral received	4,819	4,819	-	4,819	-	4,804	-
Other financial liabilities	70,464	70,464	-	52,708	-	57,708	12,756
Deposits and other borrowings	736,159	736,159	-	-	-	-	736,159
Derivative liabilities	20,203	20,203	-	20,203	-	17,688	-
Current tax liabilities	871	872	-	-	-	-	872
Provisions	1,745	1,745	-	-	-	-	1,745
Due to controlled entities	-	76	-	-	-	-	76
Bonds, notes and subordinated debt	174,307	171,750	-	-	-	-	171,750
Debt issued	8,972	8,972	-	-	-	-	8,972
Other liabilities	15,506	15,506	-	-	-	-	15,506
Total liabilities	1,045,415	1,042,935	-	79,521	-	80,200	958,414

Credit risk

This section excludes, unless otherwise stated, credit risk information in respect of both exposures subject to a counterparty credit risk charge within the scope of APS 180 *Capital Adequacy: Counterparty Credit Risk* and securitisation exposures within the scope of APS 120, which have separate disclosures in Section 6 *Counterparty credit risk* and Section 7 *Securitisation*, respectively.

5.1 General information about credit risk

CR1: Credit quality of assets

The following table provides information on the credit quality of assets and off-balance sheet exposures.

- The gross carrying value of loans and debt securities in columns (a) and (b) is the accounting value of these assets before the provision for credit impairment.
- The gross carrying value of off-balance sheet exposures in columns (a) and (b) of row 3 is the amount that has been committed to be lent, and the maximum amount that could be paid under guarantees granted, before the provision for credit impairment. As APRA requirements include arrangements that can be unconditionally cancelled by the ADI as commitments, off-balance sheet exposures for the Level 2 Group include revocable loan commitments.
- The amounts in columns (d)/(e) and (f) show the total provision for credit impairment in column (c) held against exposures under the standardised and IRB approaches, respectively.

March 2026 v September 2025

Non-performing exposures increased by \$146 million or 1.2%. This mainly reflects the downgrade of a small number of customers in Corporate and Institutional Banking, partially offset by improvement in both the Australian mortgage portfolio and the Business and Private Banking business lending portfolio.

		As at 31 Mar 26					
		a	b	c	d/e	f	g
		Gross carrying value of		Total provision for credit impairment	Of which: expected credit loss accounting provision for credit losses on		Net carrying value (a+b-c)
		Non-performing exposures	Performing exposures		SA exposures ⁽¹⁾	IRB approach exposures	
		\$m	\$m	\$m	\$m	\$m	\$m
1	Loans, comprising:	11,819	762,566	5,778	131	5,647	768,607
-	Loans and advances	11,819	761,903	5,778	131	5,647	767,944
-	Other financial assets	-	663	-	-	-	663
2	Debt securities, comprising:	-	81,088	-	-	-	81,088
-	Trading assets	-	34,869	-	-	-	34,869
-	Debt instruments	-	46,219	-	-	-	46,219
3	Off-balance sheet exposures	421	239,114	608	11	597	238,927
4	Total	12,240	1,082,768	6,386	142	6,244	1,088,622

(1) Further breakdown of the provision for credit impairment held against exposures under the standardised approach has not been provided on the basis of materiality.

		As at 30 Sep 25					
		a	b	c	d/e	f	g
		Gross carrying value of		Total provision for credit impairment	Of which: expected credit loss accounting provision for credit losses on		Net carrying value (a+b-c)
		Non-performing exposures	Performing exposures		SA exposures ⁽¹⁾	IRB approach exposures	
		\$m	\$m	\$m	\$m	\$m	\$m
1	Loans, comprising:	11,678	742,095	5,578	238	5,340	748,195
-	Loans and advances	11,678	741,407	5,578	238	5,340	747,507
-	Other financial assets	-	688	-	-	-	688
2	Debt securities, comprising:	-	79,942	-	-	-	79,942
-	Trading assets	-	34,646	-	-	-	34,646
-	Debt instruments	-	45,296	-	-	-	45,296
3	Off-balance sheet exposures	416	237,292	587	38	549	237,121
4	Total	12,094	1,059,329	6,165	276	5,889	1,065,258

(1) Further breakdown of the provision for credit impairment held against exposures under the standardised approach has not been provided on the basis of materiality.

General information about credit risk (cont.)

CR2: Changes in stock of non-performing loans and debt securities

The following table provides details of the movement in non-performing exposures, including off-balance sheet exposures, over the reporting period.

	6 months ended	
	31 Mar 26	30 Sep 25
	\$m	\$m
1 Non-performing loans and debt securities at end of the previous reporting period	12,094	11,261
2 Loans and debt securities that have defaulted since the last reporting period	4,164	4,509
3 Returned to performing status	(2,133)	(1,971)
4 Amounts written off	(454)	(349)
5 Other changes ⁽¹⁾	(1,431)	(1,356)
6 Non-performing loans and debt securities at end of the reporting period	12,240	12,094

(1) Non-performing exposures that have been repaid, and other exposure changes.

Exposure at default, non-performing exposures and related provisions by industry

The following table provides a breakdown by industry, based on Australian and New Zealand Standard Industrial Classification (ANZSIC) Level 1 classifications, of:

- EaD subject to the credit risk and counterparty credit risk frameworks, which exclude securitisation exposures subject to the requirements of APS 120,
- non-performing exposures,
- the provision for credit impairment for non-performing exposures, including the provision for non-performing exposures which are individually assessed, and
- net write-offs over the reporting period.

Industry sector	As at 31 Mar 26				6 months ended
	Credit and CCR EaD post-CCF and post-CRM	Non-performing exposures	Provision for non-performing exposures ⁽¹⁾	Of which: individually assessed provision for credit impairment	31 Mar 26
	\$m	\$m	\$m	\$m	Net write-offs \$m
Accommodation and hospitality	15,486	264	64	20	6
Agriculture, forestry, fishing and mining	69,843	1,896	362	188	9
Business services and property services	23,783	492	199	147	10
Commercial property	99,049	1,002	172	28	7
Construction	16,064	420	132	92	7
Finance and insurance	159,893	166	38	24	1
Government and public authorities	77,095	-	-	-	-
Manufacturing	22,652	640	221	166	111
Personal	20,950	180	101	2	159
Residential mortgages	505,182	5,206	498	87	15
Retail and wholesale trade	38,574	634	213	135	53
Transport and storage	23,096	384	123	95	14
Utilities ⁽²⁾	26,261	652	241	228	17
Other ⁽³⁾	33,128	304	78	42	22
Total	1,131,056	12,240	2,442	1,254	431
Provision for performing exposures⁽⁴⁾			3,944		
Total provision for credit impairment			6,386		

(1) Provision for non-performing exposures represents Stage 3 expected credit losses, which are individually and collectively assessed.

(2) Utilities includes electricity, gas, water and communication services.

(3) Other includes education, and health and community services.

(4) Provision for performing exposures represents Stage 1 and Stage 2 expected credit losses, which are collectively assessed.

General information about credit risk (cont.)

Industry sector	As at 30 Sep 25				6 months ended 30 Sep 25
	Credit and CCR EaD post-CCF and post-CRM	Non- performing exposures	Provision for non- performing exposures ⁽¹⁾	Of which: individually assessed provision for credit impairment	Net write- offs
	\$m	\$m	\$m	\$m	\$m
Accommodation and hospitality	14,704	265	63	25	3
Agriculture, forestry, fishing and mining	69,428	1,809	308	132	10
Business services and property services	23,174	544	196	141	8
Commercial property	94,697	1,125	189	32	6
Construction	15,140	393	118	82	25
Finance and insurance	170,647	103	40	24	-
Government and public authorities	75,817	-	-	-	-
Manufacturing	21,932	659	284	239	51
Personal	20,790	176	96	2	158
Residential mortgages	496,085	5,401	501	71	18
Retail and wholesale trade	36,531	647	232	168	14
Transport and storage	22,584	376	104	76	12
Utilities ⁽²⁾	25,787	270	131	109	2
Other ⁽³⁾	31,383	326	88	62	18
Total	1,118,699	12,094	2,350	1,163	325
Provision for performing exposures⁽⁴⁾			3,815		
Total provision for credit impairment			6,165		

(1) Provision for non-performing exposures represents Stage 3 expected credit losses, which are individually and collectively assessed.

(2) Utilities includes electricity, gas, water and communication services.

(3) Other includes education, and health and community services.

(4) Provision for performing exposures represents Stage 1 and Stage 2 expected credit losses, which are collectively assessed.

5.2 Credit risk mitigation

CR3: Credit risk mitigation techniques – overview

The following table provides details of credit risk mitigation based on the carrying value of loans and advances, and debt securities. Amounts are net of the provision for credit impairment, with non-performing exposures in row 4 net of Stage 3 expected credit losses.

The carrying value in column (a) is exposures that do not benefit from credit risk mitigation. This includes fully unsecured exposures and the unsecured portion of partially secured exposures.

The carrying value in column (b) is exposures that have at least one credit risk mitigation mechanism, excluding any over collateralisation. This includes the secured portion of partially secured exposures.

The carrying value of secured exposures in column (b) is broken down by nature of the credit risk mitigation in columns (c), (d) and (e). The carrying value of exposures secured by collateral in column (c) is based on bank value, which is calculated at a discount to market value based on the nature of the underlying security.

		As at 31 Mar 26				
		<i>a</i>	<i>b</i>	<i>c</i>	<i>d</i>	<i>e</i>
		Carrying value of:				
		Exposures unsecured	Exposures to be secured	Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by credit derivatives
		\$m	\$m	\$m	\$m	\$m
1	Loans	82,177	686,430	684,004	2,426	-
2	Debt securities	78,288	2,800	2,800	-	-
3	Total	160,465	689,230	686,804	2,426	-
4	of which: non-performing	475	8,960	8,960	-	-

		As at 30 Sep 25				
		<i>a</i>	<i>b</i>	<i>c</i>	<i>d</i>	<i>e</i>
		Carrying value of:				
		Exposures unsecured	Exposures to be secured	Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by credit derivatives
		\$m	\$m	\$m	\$m	\$m
1	Loans	78,569	669,626	666,996	2,630	-
2	Debt securities	75,442	4,500	4,500	-	-
3	Total	154,011	674,126	671,496	2,630	-
4	of which: non-performing	323	9,053	9,053	-	-

5.3 Credit risk under standardised approach

Asset classes for the Level 2 Group excluding BNZ disclosed in CR4: *Standardised approach - credit risk exposure and credit risk mitigation effects* and CR5: *Standardised approach - exposures by asset classes and risk weights* have been determined with reference to APS 112 *Capital Adequacy: Standardised Approach to Credit Risk*, as required by APS 330.

CR4: Standardised approach – credit risk exposure and credit risk mitigation effects

The following table provides details of EaD and RWA for exposures subject to the standardised approach. It presents on- and off-balance sheet EaD before CCF and CRM in columns (a) and (b), and after CCF and CRM in columns (c) and (d). RWA density in column (f) is RWA over EaD after CCF and CRM.

EaD post-CCF and post-CRM is derived by applying relevant CCFs to committed but undrawn exposures. The value of this on-balance sheet equivalent amount is reduced by any provisions for non-performing exposures before credit risk mitigation is taken into account.

March 2026 v September 2025

Credit RWA under the standardised approach decreased by \$8.4 billion or 39.3% mainly due to the implementation of internal ratings-based approaches for a portfolio of retail exposures related to the Citi consumer business and NAB Europe exposures, which were previously subject to the standardised approach.

Refer to CR5: *Standardised approach - exposures by asset classes and risk weights* for further detail of standardised exposures by risk weight and risk-weight bands.

Asset classes	As at 31 Mar 26					
	<i>a</i>	<i>b</i>	<i>c</i>	<i>d</i>	<i>e</i>	<i>f</i>
	EaD pre-CCF and pre-CRM		EaD post-CCF and post-CRM		RWA	RWA density
	On-balance sheet	Off-balance sheet	On-balance sheet	Off-balance sheet		
	\$m	\$m	\$m	\$m	\$m	%
Corporate (including SME)	5,373	5,631	5,284	1,756	4,710	67%
Residential mortgage	1,318	812	1,302	318	1,633	101%
Other retail	1,628	1,929	1,601	577	990	45%
Other ⁽¹⁾	5,192	-	5,192	-	3,853	74%
RBNZ regulated banking subsidiary	14,614	944	14,278	501	1,776	12%
Total	28,125	9,316	27,657	3,152	12,962	42%

(1) Consists of cash items in the process of collection, premises and other fixed assets, and all other exposures.

Asset classes	As at 30 Sep 25					
	<i>a</i>	<i>b</i>	<i>c</i>	<i>d</i>	<i>e</i>	<i>f</i>
	EaD pre-CCF and pre-CRM		EaD post-CCF and post-CRM		RWA	RWA density
	On-balance sheet	Off-balance sheet	On-balance sheet	Off-balance sheet		
	\$m	\$m	\$m	\$m	\$m	%
Corporate (including SME)	6,708	7,137	6,660	2,475	6,570	72%
Residential mortgage	6,030	2,198	6,008	872	3,501	51%
Other retail	5,383	8,609	5,359	3,271	5,780	67%
Other ⁽¹⁾	5,351	-	5,351	-	3,655	68%
RBNZ regulated banking subsidiary	14,468	870	14,047	458	1,842	13%
Total	37,940	18,814	37,425	7,076	21,348	48%

(1) Consists of cash items in the process of collection, premises and other fixed assets, and all other exposures.

Credit risk under standardised approach (cont.)

CR5: Standardised approach – exposures by asset classes and risk weights

CR5(i): Standardised approach – exposure at default by asset class and risk weight

The following table provides a breakdown of credit risk EaD subject to the standardised approach by asset class and risk weight.

March 2026 v September 2025

EaD for credit risk exposures subject to the standardised approach decreased by \$13.7 billion or 30.8% mainly due to the implementation of internal ratings-based approaches for a portfolio of retail exposures related to the Citi consumer business and NAB Europe exposures, which were previously subject to the standardised approach.

Risk weight	As at 31 Mar 26													EaD post-CCF and post-CRM \$m
	0%	20%	25%	30%	35%	40%	45%	50%	75%	85%	100%	110%	Other	
Asset classes	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Corporate (including SME)	-	2,272	-	-	-	-	-	-	-	4,017	98	592	61	7,040
Residential mortgage	-	1	5	4	-	6	8	-	-	2	1,466	20	108	1,620
Other retail	-	1,310	-	-	-	-	-	-	602	-	246	-	20	2,178
Other ⁽¹⁾	1,090	384	-	-	-	-	-	-	-	-	3,680	-	38	5,192
RBNZ regulated banking subsidiary	10,498	2,696	-	-	-	4	-	690	-	-	891	-	-	14,779
Total	11,588	6,663	5	4	-	10	8	690	602	4,019	6,381	612	227	30,809

(1) Consists of cash items in the process of collection, premises and other fixed assets, and all other exposures.

Risk weight	As at 30 Sep 25													EaD post-CCF and post-CRM \$m
	0%	20%	25%	30%	35%	40%	45%	50%	75%	85%	100%	110%	Other	
Asset classes	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Corporate (including SME)	-	2,258	-	-	-	-	-	-	13	5,800	113	900	51	9,135
Residential mortgage	-	655	1,162	1,194	675	636	521	103	-	22	1,654	13	245	6,880
Other retail	-	1,444	-	-	-	-	-	-	6,925	-	194	-	67	8,630
Other ⁽¹⁾	1,026	909	-	-	-	-	-	-	-	-	3,377	-	39	5,351
RBNZ regulated banking subsidiary	10,106	2,912	-	-	-	1	-	453	-	-	1,033	-	-	14,505
Total	11,132	8,178	1,162	1,194	675	637	521	556	6,938	5,822	6,371	913	402	44,501

(1) Consists of cash items in the process of collection, premises and other fixed assets, and all other exposures.

Credit risk under standardised approach (cont.)

CR5(ii): Standardised approach – exposure at default by risk-weight band

The following table provides a breakdown of on- and off-balance sheet credit risk EaD subject to the standardised approach by risk-weight band.

		As at 31 Mar 26			
Risk weight		On-balance sheet EaD (pre-CRM)	Off-balance sheet EaD (pre-CCF and pre-CRM)	Weighted average CCF ⁽¹⁾	EaD post-CCF and post-CRM
		\$m	\$m	%	\$m
1	Less than 40%	17,043	5,873	28%	18,260
2	40 - 70%	589	236	54%	715
3	75%	427	436	40%	602
4	80 - 85%	3,343	1,450	47%	4,019
5	90 - 100%	6,056	866	39%	6,381
6	105 - 130%	488	422	41%	657
7	150%	141	33	19%	137
8	250%	38	-	-	38
11	Total	28,125	9,316	34%	30,809

(1) Weighting is based on off-balance sheet exposure (pre-CCF).

		As at 30 Sep 25			
Risk weight		On-balance sheet EaD (pre-CRM)	Off-balance sheet EaD (pre-CCF and pre-CRM)	Weighted average CCF ⁽¹⁾	EaD post-CCF and post-CRM
		\$m	\$m	%	\$m
1	Less than 40%	20,836	6,709	22%	22,341
2	40 - 70%	1,540	549	46%	1,790
3	75%	3,999	7,347	40%	6,938
4	80 - 85%	4,672	2,535	46%	5,829
5	90 - 100%	6,033	894	38%	6,371
6	105 - 130%	637	741	50%	1,009
7	150%	184	39	3%	184
8	250%	39	-	-	39
11	Total	37,940	18,814	35%	44,501

(1) Weighting is based on off-balance sheet exposure (pre-CCF).

5.4 Credit risk under internal-based approaches

CR6: IRB – credit risk exposures by portfolio and probability of default range

The following tables provide key parameters used in the calculation of capital requirements for credit risk exposures under the A-IRB and F-IRB approaches by asset class and PD band, where:

- The number of borrowers in column (f) is based on:
 - the number of counterparties for the corporate (including SME), retail SME, sovereign and financial institution asset classes, and
 - the number of agreements within each asset class for the residential mortgage, qualifying revolving retail and other retail asset classes.

This approach is applied based on the RBNZ regulated banking subsidiary's underlying asset classes.

- Average maturity in column (h) is only disclosed for asset classes where it is used for the RWA calculation, consistent with the disclosure template prescribed by APS 330.
- The provision for credit impairment in column (l) is the total provision for credit impairment, and is disclosed for each asset class and not by PD band, consistent with the disclosure template prescribed by APS 330.

Credit risk exposures subject to the A-IRB approach by asset class and PD band

As at 31 Mar 26												
	<i>a</i>	<i>b</i>	<i>c</i>	<i>d</i>	<i>e</i>	<i>f</i>	<i>g</i>	<i>h</i>	<i>i</i>	<i>j</i>	<i>k</i>	<i>l</i>
	On-balance sheet EaD pre-CRM	Off-balance sheet EaD pre-CCF and pre-CRM	Average CCF	EaD post-CCF and post-CRM	Weighted average PD	Number of borrowers	Average loss given default (LGD)	Average maturity	RWA	RWA density	Expected loss	Provision for credit impairment
PD scale	\$m	\$m	%	\$m	%		%	years	\$m	%	\$m	\$m
Corporate (including SME)												
0.00 to <0.15	4,191	5,359	48%	6,770	0.08%	2,265	32%	2.1	1,362	20.1%	2	
0.15 to <0.25	7,475	5,586	54%	10,486	0.19%	2,936	24%	2.1	2,610	24.9%	5	
0.25 to <0.50	41,638	16,637	50%	49,846	0.39%	14,137	23%	2.0	16,955	34.0%	46	
0.50 to <0.75	24,609	5,693	52%	27,590	0.62%	6,726	24%	1.7	11,905	43.2%	40	
0.75 to <2.50	113,339	24,581	62%	128,581	1.29%	38,138	24%	1.5	71,574	55.7%	404	
2.50 to <10.00	12,547	1,938	62%	13,746	4.07%	7,793	25%	1.5	10,451	76.0%	142	
10.00 to <100.00	1,201	343	47%	1,362	19.65%	1,179	29%	1.6	2,196	161.2%	79	
100.00 (Default)	4,351	265	63%	4,518	100.00%	1,922	27%	1.4	5,994	132.7%	1,137	
Sub-total	209,351	60,402	56%	242,899	3.04%	75,096	24%	1.7	123,047	50.7%	1,855	2,733

Credit risk under internal-based approaches (cont.)

As at 31 Mar 26												
	<i>a</i>	<i>b</i>	<i>c</i>	<i>d</i>	<i>e</i>	<i>f</i>	<i>g</i>	<i>h</i>	<i>i</i>	<i>j</i>	<i>k</i>	<i>l</i>
	On-balance sheet EaD pre-CRM	Off-balance sheet EaD pre-CCF and pre-CRM	Average CCF	EaD post-CCF and post-CRM	Weighted average PD	Number of borrowers	Average loss given default (LGD)	Average maturity	RWA	RWA density	Expected loss	Provision for credit impairment
PD scale	\$m	\$m	%	\$m	%		%	years	\$m	%	\$m	\$m
Retail SME												
0.00 to <0.15	348	723	95%	1,038	0.11%	5,236	22%		79	7.6%	-	
0.15 to <0.25	500	692	96%	1,165	0.19%	5,544	24%		142	12.2%	1	
0.25 to <0.50	2,759	2,250	96%	4,924	0.40%	25,842	24%		993	20.2%	5	
0.50 to <0.75	1,283	862	97%	2,118	0.62%	13,354	26%		593	28.0%	3	
0.75 to <2.50	8,637	3,449	97%	11,994	1.37%	77,352	27%		5,096	42.5%	44	
2.50 to <10.00	2,719	645	98%	3,352	4.11%	29,522	27%		2,258	67.4%	38	
10.00 to <100.00	332	60	98%	390	19.07%	7,146	30%		459	117.6%	22	
100.00 (Default)	1,085	125	99%	1,209	100.00%	7,306	29%		1,799	148.8%	304	
Sub-total	17,663	8,806	97%	26,190	6.19%	171,302	26%		11,419	43.6%	417	709
Residential mortgage												
0.00 to <0.15	47,233	18,970	99%	66,050	0.10%	198,733	12%		4,001	6.1%	8	
0.15 to <0.25	75,610	14,813	99%	90,285	0.19%	208,835	13%		7,837	8.7%	22	
0.25 to <0.50	141,612	18,199	99%	159,694	0.37%	329,011	16%		27,849	17.4%	94	
0.50 to <0.75	40,753	3,610	100%	44,359	0.62%	81,133	19%		13,990	31.5%	53	
0.75 to <2.50	57,837	4,495	100%	62,324	1.07%	112,981	21%		30,113	48.3%	138	
2.50 to <10.00	10,096	226	99%	10,319	5.34%	21,203	16%		9,894	95.9%	90	
10.00 to <100.00	7,601	32	99%	7,632	26.83%	15,653	18%		12,636	165.6%	372	
100.00 (Default)	4,593	84	80%	4,660	100.00%	8,567	26%		11,109	238.4%	418	
Sub-total	385,335	60,429	99%	445,323	2.03%	976,116	16%		117,429	26.4%	1,195	1,148

Credit risk under internal-based approaches (cont.)

As at 31 Mar 26												
	<i>a</i>	<i>b</i>	<i>c</i>	<i>d</i>	<i>e</i>	<i>f</i>	<i>g</i>	<i>h</i>	<i>i</i>	<i>j</i>	<i>k</i>	<i>l</i>
	On-balance sheet EaD pre-CRM	Off-balance sheet EaD pre-CCF and pre-CRM	Average CCF	EaD post-CCF and post-CRM	Weighted average PD	Number of borrowers	Average loss given default (LGD)	Average maturity	RWA	RWA density	Expected loss	Provision for credit impairment
PD scale	\$m	\$m	%	\$m	%		%	years	\$m	%	\$m	\$m
Qualifying revolving retail												
0.00 to <0.15	417	5,694	56%	3,616	0.11%	619,173	74%		205	5.7%	3	
0.15 to <0.25	471	3,259	48%	2,048	0.19%	352,066	74%		188	9.2%	3	
0.25 to <0.50	1,075	3,367	48%	2,684	0.37%	419,763	74%		417	15.5%	7	
0.50 to <0.75	473	987	50%	969	0.62%	125,514	74%		230	23.7%	4	
0.75 to <2.50	2,895	2,505	56%	4,309	1.40%	462,594	75%		1,902	44.1%	45	
2.50 to <10.00	1,511	508	64%	1,838	4.47%	146,378	77%		1,890	102.8%	63	
10.00 to <100.00	354	54	63%	388	32.94%	33,841	76%		902	232.7%	98	
100.00 (Default)	80	20	-	81	100.00%	8,799	78%		656	815.2%	15	
Sub-total	7,276	16,394	53%	15,933	2.35%	2,168,128	75%		6,390	40.1%	238	364
Other retail												
0.00 to <0.15	2	43	60%	28	0.08%	2,542	73%		5	17.1%	-	
0.15 to <0.25	4	20	58%	15	0.19%	3,325	73%		5	31.9%	-	
0.25 to <0.50	37	60	68%	78	0.40%	12,815	73%		40	50.9%	-	
0.50 to <0.75	21	22	82%	39	0.62%	7,171	73%		26	65.8%	-	
0.75 to <2.50	582	107	83%	672	1.70%	118,261	73%		654	97.6%	8	
2.50 to <10.00	495	93	94%	581	4.53%	132,890	74%		700	120.5%	20	
10.00 to <100.00	127	50	97%	176	28.46%	82,025	75%		323	183.6%	38	
100.00 (Default)	54	2	40%	54	100.00%	13,206	82%		128	234.9%	36	
Sub-total	1,322	397	81%	1,643	8.69%	372,235	74%		1,881	114.5%	102	143

Credit risk under internal-based approaches (cont.)

As at 31 Mar 26												
	<i>a</i>	<i>b</i>	<i>c</i>	<i>d</i>	<i>e</i>	<i>f</i>	<i>g</i>	<i>h</i>	<i>i</i>	<i>j</i>	<i>k</i>	<i>l</i>
	On-balance sheet EaD pre-CRM	Off-balance sheet EaD pre-CCF and pre-CRM	Average CCF	EaD post-CCF and post-CRM	Weighted average PD	Number of borrowers	Average loss given default (LGD)	Average maturity	RWA	RWA density	Expected loss	Provision for credit impairment
PD scale	\$m	\$m	%	\$m	%		%	years	\$m	%	\$m	\$m
RBNZ regulated banking subsidiary												
0.00 to <0.15	5,110	6,200	31%	7,003	0.04%	240,755	35%		810	11.6%	2	
0.15 to <0.25	7,776	2,300	51%	8,932	0.19%	66,758	20%		1,148	12.9%	3	
0.25 to <0.50	25,870	4,668	40%	27,695	0.38%	136,345	23%		6,780	24.5%	24	
0.50 to <0.75	9,022	1,444	48%	9,712	0.62%	48,449	24%		3,276	33.7%	15	
0.75 to <2.50	34,781	4,121	50%	36,810	1.23%	147,094	27%		19,273	52.4%	127	
2.50 to <10.00	4,523	588	41%	4,760	4.42%	29,038	32%		4,604	96.7%	65	
10.00 to <100.00	1,007	37	56%	1,028	20.35%	11,116	26%		1,641	159.6%	55	
100.00 (Default)	1,113	37	50%	1,132	100.00%	5,306	35%		2,373	209.6%	281	
Sub-total	89,202	19,395	41%	97,072	2.26%	684,861	26%		39,905	41.1%	572	792
Total subject to A-IRB approach	710,149	165,823	76%	829,060	2.50%	4,447,738	21%	n/a	300,071	36.2%	4,379	5,889

As at 30 Sep 25												
	<i>a</i>	<i>b</i>	<i>c</i>	<i>d</i>	<i>e</i>	<i>f</i>	<i>g</i>	<i>h</i>	<i>i</i>	<i>j</i>	<i>k</i>	<i>l</i>
	On-balance sheet EaD pre-CRM	Off-balance sheet EaD pre-CCF and pre-CRM	Average CCF	EaD post-CCF and post-CRM	Weighted average PD	Number of borrowers	Average loss given default (LGD)	Average maturity	RWA ⁽¹⁾	RWA density ⁽¹⁾	Expected loss	Provision for credit impairment
PD scale	\$m	\$m	%	\$m	%		%	years	\$m	%	\$m	\$m
Corporate (including SME)												
0.00 to <0.15	4,531	5,911	51%	7,549	0.08%	1,977	33%	2.1	1,577	20.9%	2	
0.15 to <0.25	7,958	5,564	54%	10,986	0.20%	2,980	26%	2.2	2,889	26.3%	6	
0.25 to <0.50	38,043	15,261	48%	45,381	0.39%	13,654	24%	2.0	15,012	33.1%	42	
0.50 to <0.75	22,875	5,246	54%	25,693	0.62%	6,462	23%	1.8	10,821	42.1%	37	
0.75 to <2.50	107,402	21,884	60%	120,583	1.29%	37,508	24%	1.5	65,469	54.3%	377	
2.50 to <10.00	12,476	1,924	63%	13,686	4.00%	7,710	26%	1.5	10,391	75.9%	142	
10.00 to <100.00	1,682	138	54%	1,757	20.34%	1,275	26%	1.2	2,687	153.0%	93	
100.00 (Default)	4,381	256	63%	4,543	100.00%	1,991	28%	1.4	5,790	127.5%	1,177	
Sub-total	199,348	56,184	55%	230,178	3.20%	73,557	24%	1.7	114,636	49.8%	1,876	2,639

(1) Comparative information as at 30 September 2025 has been restated from that previously disclosed to include RWA overlays, aligning with the presentation in the current period.

Credit risk under internal-based approaches (cont.)

As at 30 Sep 25												
	<i>a</i>	<i>b</i>	<i>c</i>	<i>d</i>	<i>e</i>	<i>f</i>	<i>g</i>	<i>h</i>	<i>i</i>	<i>j</i>	<i>k</i>	<i>l</i>
	On-balance sheet EaD pre-CRM	Off-balance sheet EaD pre-CCF and pre-CRM	Average CCF	EaD post-CCF and post-CRM	Weighted average PD	Number of borrowers	Average loss given default (LGD)	Average maturity	RWA ⁽¹⁾	RWA density ⁽¹⁾	Expected loss	Provision for credit impairment
PD scale	\$m	\$m	%	\$m	%		%	years	\$m	%	\$m	\$m
Retail SME												
0.00 to <0.15	348	670	95%	985	0.11%	5,137	22%		72	7.3%	-	
0.15 to <0.25	500	655	96%	1,131	0.19%	5,529	24%		132	11.7%	1	
0.25 to <0.50	2,769	2,178	96%	4,861	0.40%	25,638	24%		934	19.2%	5	
0.50 to <0.75	1,284	834	96%	2,088	0.62%	13,183	26%		557	26.7%	3	
0.75 to <2.50	8,602	3,340	97%	11,857	1.37%	76,206	27%		4,820	40.7%	44	
2.50 to <10.00	2,677	630	98%	3,295	4.11%	29,185	28%		2,128	64.6%	38	
10.00 to <100.00	361	62	99%	422	19.38%	7,453	29%		462	109.4%	24	
100.00 (Default)	1,095	129	100%	1,224	100.00%	7,799	27%		1,826	149.2%	281	
Sub-total	17,636	8,498	97%	25,863	6.34%	170,130	26%		10,931	42.3%	396	648
Residential mortgage												
0.00 to <0.15	45,445	18,673	99%	63,964	0.10%	198,124	12%		3,821	6.0%	8	
0.15 to <0.25	72,992	14,760	99%	87,611	0.19%	209,644	13%		7,537	8.6%	21	
0.25 to <0.50	136,754	17,203	99%	153,844	0.37%	322,349	16%		26,598	17.3%	91	
0.50 to <0.75	37,578	3,462	100%	41,037	0.62%	76,423	19%		12,934	31.5%	50	
0.75 to <2.50	57,126	4,133	100%	61,252	1.09%	114,775	20%		28,754	46.9%	134	
2.50 to <10.00	10,137	214	98%	10,347	5.36%	21,630	16%		10,138	98.0%	91	
10.00 to <100.00	7,167	39	99%	7,205	26.42%	15,742	17%		11,621	161.3%	343	
100.00 (Default)	4,653	98	85%	4,736	100.00%	9,141	25%		10,661	225.1%	420	
Sub-total	371,852	58,582	99%	429,996	2.07%	967,828	16%		112,064	26.1%	1,158	1,126

(1) Comparative information as at 30 September 2025 has been restated from that previously disclosed to include RWA overlays, aligning with the presentation in the current period.

Credit risk under internal-based approaches (cont.)

As at 30 Sep 25												
	<i>a</i>	<i>b</i>	<i>c</i>	<i>d</i>	<i>e</i>	<i>f</i>	<i>g</i>	<i>h</i>	<i>i</i>	<i>j</i>	<i>k</i>	<i>l</i>
	On-balance sheet EaD pre-CRM	Off-balance sheet EaD pre-CCF and pre-CRM	Average CCF	EaD post-CCF and post-CRM	Weighted average PD	Number of borrowers	Average loss given default (LGD)	Average maturity	RWA ⁽¹⁾	RWA density ⁽¹⁾	Expected loss	Provision for credit impairment
PD scale	\$m	\$m	%	\$m	%		%	years	\$m	%	\$m	\$m
Qualifying revolving retail												
0.00 to <0.15	388	4,720	55%	2,985	0.10%	539,832	74%		152	5.1%	2	
0.15 to <0.25	399	1,844	47%	1,259	0.19%	211,935	74%		104	8.2%	2	
0.25 to <0.50	690	1,550	49%	1,456	0.36%	212,008	74%		202	13.9%	4	
0.50 to <0.75	244	372	53%	441	0.62%	57,238	74%		95	21.6%	2	
0.75 to <2.50	1,477	1,082	57%	2,096	1.39%	242,303	75%		839	40.0%	22	
2.50 to <10.00	652	189	66%	777	4.45%	73,521	76%		722	93.0%	26	
10.00 to <100.00	155	18	66%	167	31.65%	17,613	76%		355	212.5%	40	
100.00 (Default)	32	8	1%	32	100.00%	4,037	78%		107	338.2%	17	
Sub-total	4,037	9,783	53%	9,213	1.76%	1,358,487	75%		2,576	28.0%	115	228
Other retail												
0.00 to <0.15	4	63	77%	53	0.07%	7,259	72%		8	15.5%	-	
0.15 to <0.25	4	23	62%	19	0.19%	4,341	73%		6	31.6%	-	
0.25 to <0.50	37	46	82%	75	0.40%	14,999	72%		38	50.5%	-	
0.50 to <0.75	22	20	93%	40	0.62%	7,638	72%		26	65.7%	-	
0.75 to <2.50	600	90	94%	685	1.69%	123,360	72%		666	97.2%	8	
2.50 to <10.00	485	68	95%	550	4.45%	131,818	73%		656	119.3%	18	
10.00 to <100.00	132	53	97%	184	28.42%	81,359	75%		343	186.1%	40	
100.00 (Default)	56	2	47%	57	100.00%	13,145	82%		132	232.0%	38	
Sub-total	1,340	365	88%	1,663	8.78%	383,919	73%		1,875	112.8%	104	145

(1) Comparative information as at 30 September 2025 has been restated from that previously disclosed to include RWA overlays, aligning with the presentation in the current period.

Credit risk under internal-based approaches (cont.)

	As at 30 Sep 25											
	<i>a</i>	<i>b</i>	<i>c</i>	<i>d</i>	<i>e</i>	<i>f</i>	<i>g</i>	<i>h</i>	<i>i</i>	<i>j</i>	<i>k</i>	<i>l</i>
	On-balance sheet EaD pre-CRM	Off-balance sheet EaD pre-CCF and pre-CRM	Average CCF	EaD post-CCF and post-CRM	Weighted average PD	Number of borrowers	Average loss given default (LGD)	Average maturity	RWA ⁽¹⁾	RWA density ⁽¹⁾	Expected loss	Provision for credit impairment
PD scale	\$m	\$m	%	\$m	%		%	years	\$m	%	\$m	\$m
RBNZ regulated banking subsidiary⁽²⁾												
0.00 to <0.15	3,560	5,614	26%	5,025	0.03%	212,965	48%		884	17.6%	1	
0.15 to <0.25	2,611	1,581	32%	3,047	0.20%	26,973	34%		900	29.5%	2	
0.25 to <0.50	10,060	4,686	42%	12,007	0.39%	64,477	31%		5,005	41.7%	14	
0.50 to <0.75	25,093	2,774	61%	26,789	0.60%	155,640	20%		6,806	25.4%	32	
0.75 to <2.50	45,711	4,337	55%	48,061	1.22%	185,486	24%		22,959	47.8%	146	
2.50 to <10.00	3,681	598	34%	3,880	4.41%	26,509	31%		3,739	96.4%	53	
10.00 to <100.00	334	79	24%	353	21.06%	8,276	45%		815	230.8%	33	
100.00 (Default)	1,121	48	53%	1,146	100.00%	5,503	33%		2,206	192.4%	266	
Sub-total	92,171	19,717	42%	100,308	2.19%	685,829	26%		43,314	43.2%	547	836
Total subject to A-IRB approach	686,384	153,129	75%	797,221	2.56%	3,639,750	21%	n/a	285,396	35.8%	4,196	5,622

(1) Comparative information as at 30 September 2025 has been restated from that previously disclosed to include RWA overlays, aligning with the presentation in the current period.

(2) Off-balance sheet EaD in column (b) has been restated from that previously disclosed.

Credit risk under internal-based approaches (cont.)

Credit risk exposures subject to the F-IRB approach by asset class and PD band

PD scale	As at 31 Mar 26											
	<i>a</i>	<i>b</i>	<i>c</i>	<i>d</i>	<i>e</i>	<i>f</i>	<i>g</i>	<i>h</i>	<i>i</i>	<i>j</i>	<i>k</i>	<i>l</i>
	On-balance sheet EaD pre-CRM \$m	Off-balance sheet EaD pre-CCF and pre-CRM \$m	Average CCF %	EaD post-CCF and post-CRM \$m	Weighted average PD %	Number of borrowers	Average loss given default (LGD) %	Average maturity years	RWA \$m	RWA density %	Expected loss \$m	Provision for credit impairment \$m
Corporate												
0.00 to <0.15	3,156	10,552	41%	7,175	0.08%	180	41%	2.4	1,999	27.9%	2	
0.15 to <0.25	4,267	9,370	36%	7,545	0.19%	202	42%	2.2	3,216	42.6%	6	
0.25 to <0.50	9,549	10,491	38%	13,437	0.37%	423	43%	2.4	8,512	63.3%	21	
0.50 to <0.75	1,895	2,431	42%	2,915	0.62%	179	43%	2.5	2,387	81.9%	8	
0.75 to <2.50	2,711	2,605	43%	3,829	1.17%	333	41%	2.5	3,741	97.7%	18	
2.50 to <10.00	167	60	82%	216	3.54%	36	40%	2.0	279	129.2%	3	
10.00 to <100.00	2	-	40%	-	19.39%	8	50%	2.0	-	279.2%	-	
100.00 (Default) ⁽¹⁾	336	13	59%	344	100.00%	6	49%	4.2	-	n/a	169	
Sub-total	22,083	35,522	39%	35,461	1.37%	1,367	42%	2.4	20,134	56.8%	227	187
Sovereign												
0.00 to <0.15	145,343	1,562	16%	142,194	0.01%	286	5%	2.2	1,483	1.0%	1	
0.15 to <0.25	-	-	40%	-	0.21%	1	25%	1.0	-	19.1%	-	
0.25 to <0.50	-	1	25%	-	0.48%	6	36%	2.1	-	53.0%	-	
0.50 to <0.75	-	-	91%	-	0.62%	3	6%	1.9	-	10.7%	-	
0.75 to <2.50	-	1	92%	1	1.00%	14	5%	1.1	-	10.3%	-	
2.50 to <10.00	-	-	40%	-	3.69%	6	25%	1.4	-	75.4%	-	
10.00 to <100.00	1	1	40%	2	23.43%	5	32%	1.7	3	183.7%	-	
Sub-total	145,344	1,565	16%	142,197	0.01%	321	5%	2.2	1,486	1.0%	1	4

(1) RWA for non-performing exposures is zero under the F-IRB approach.

Credit risk under internal-based approaches (cont.)

As at 31 Mar 26												
	<i>a</i>	<i>b</i>	<i>c</i>	<i>d</i>	<i>e</i>	<i>f</i>	<i>g</i>	<i>h</i>	<i>i</i>	<i>j</i>	<i>k</i>	<i>l</i>
	On-balance sheet EaD pre-CRM	Off-balance sheet EaD pre-CCF and pre-CRM	Average CCF	EaD post-CCF and post-CRM	Weighted average PD	Number of borrowers	Average loss given default (LGD)	Average maturity	RWA	RWA density	Expected loss	Provision for credit impairment
PD scale	\$m	\$m	%	\$m	%		%	years	\$m	%	\$m	\$m
Financial institution												
0.00 to <0.15	27,338	29,764	47%	41,356	0.07%	746	45%	1.3	10,761	26.0%	14	
0.15 to <0.25	1,418	3,672	43%	2,999	0.18%	129	48%	1.6	1,483	49.5%	3	
0.25 to <0.50	793	1,462	29%	1,224	0.37%	513	43%	1.6	841	68.7%	2	
0.50 to <0.75	422	432	46%	621	0.62%	233	40%	1.7	507	81.7%	2	
0.75 to <2.50	1,989	927	34%	2,307	1.32%	1,177	38%	1.7	2,314	100.3%	11	
2.50 to <10.00	304	131	28%	340	4.07%	297	30%	1.5	377	110.7%	4	
10.00 to <100.00	31	53	1%	32	18.88%	69	30%	1.4	57	178.5%	2	
100.00 (Default) ⁽¹⁾	94	15	88%	107	100.00%	43	44%	1.9	-	n/a	47	
Sub-total	32,389	36,456	46%	48,986	0.41%	3,207	45%	1.4	16,340	33.4%	85	68
Total subject to F-IRB approach	199,816	73,543	42%	226,644	0.31%	4,895	20%	2.0	37,960	16.7%	313	259

(1) RWA for non-performing exposures is zero under the F-IRB approach.

Credit risk under internal-based approaches (cont.)

	As at 30 Sep 25											
	<i>a</i>	<i>b</i>	<i>c</i>	<i>d</i>	<i>e</i>	<i>f</i>	<i>g</i>	<i>h</i>	<i>i</i>	<i>j</i>	<i>k</i>	<i>l</i>
	On-balance sheet EaD pre-CRM	Off-balance sheet EaD pre-CCF and pre-CRM	Average CCF	EaD post-CCF and post-CRM	Weighted average PD	Number of borrowers	Average loss given default (LGD)	Average maturity	RWA ⁽¹⁾	RWA density ⁽¹⁾	Expected loss	Provision for credit impairment
PD scale	\$m	\$m	%	\$m	%		%	years	\$m	%	\$m	\$m
Corporate												
0.00 to <0.15	2,838	9,610	40%	6,401	0.09%	181	43%	2.3	1,815	28.4%	2	
0.15 to <0.25	3,215	8,376	39%	6,487	0.19%	151	42%	1.9	2,441	37.6%	5	
0.25 to <0.50	8,487	11,221	38%	12,634	0.36%	469	43%	2.4	7,937	62.8%	20	
0.50 to <0.75	1,583	1,868	44%	2,406	0.62%	129	42%	2.1	1,800	74.8%	6	
0.75 to <2.50	2,294	2,152	43%	3,202	1.23%	330	42%	2.6	3,240	101.2%	16	
2.50 to <10.00	291	207	47%	389	4.37%	45	37%	1.8	478	123.1%	6	
10.00 to <100.00	219	-	40%	219	23.43%	13	50%	1.4	632	288.6%	26	
100.00 (Default) ⁽²⁾	52	13	59%	60	100.00%	9	44%	1.6	-	n/a	27	
Sub-total	18,979	33,447	40%	31,798	0.78%	1,327	43%	2.2	18,343	57.7%	108	131
Sovereign												
0.00 to <0.15	147,513	1,612	18%	144,604	0.02%	365	7%	2.0	1,856	1.3%	2	
0.15 to <0.25	-	4	1%	-	0.21%	1	5%	1.3	-	4.2%	-	
0.25 to <0.50	-	1	26%	-	0.48%	8	36%	2.4	-	56.4%	-	
0.50 to <0.75	-	-	97%	-	0.62%	4	-	1.0	-	0.6%	-	
0.75 to <2.50	-	-	82%	-	0.97%	8	11%	1.9	-	21.8%	-	
2.50 to <10.00	-	-	40%	-	3.55%	6	25%	1.0	-	71.3%	-	
10.00 to <100.00	-	1	40%	1	23.43%	6	50%	1.0	3	282.4%	-	
Sub-total	147,513	1,618	18%	144,605	0.02%	398	7%	2.0	1,859	1.3%	2	5

(1) Comparative information as at 30 September 2025 has been restated from that previously disclosed to include RWA overlays, aligning with the presentation in the current period.

(2) RWA for non-performing exposures is zero under the F-IRB approach.

Credit risk under internal-based approaches (cont.)

As at 30 Sep 25												
	<i>a</i>	<i>b</i>	<i>c</i>	<i>d</i>	<i>e</i>	<i>f</i>	<i>g</i>	<i>h</i>	<i>i</i>	<i>j</i>	<i>k</i>	<i>l</i>
	On-balance sheet EaD pre-CRM	Off-balance sheet EaD pre-CCF and pre-CRM	Average CCF	EaD post-CCF and post-CRM	Weighted average PD	Number of borrowers	Average loss given default (LGD)	Average maturity	RWA ⁽¹⁾	RWA density ⁽¹⁾	Expected loss	Provision for credit impairment
PD scale	\$m	\$m	%	\$m	%		%	years	\$m	%	\$m	\$m
Financial institution												
0.00 to <0.15	31,217	32,778	48%	46,973	0.07%	736	45%	1.3	11,616	24.7%	15	
0.15 to <0.25	872	4,252	47%	2,876	0.18%	140	47%	1.5	1,311	45.6%	2	
0.25 to <0.50	869	1,785	25%	1,320	0.38%	507	43%	1.7	922	69.8%	2	
0.50 to <0.75	399	245	46%	513	0.62%	217	38%	1.8	424	82.7%	1	
0.75 to <2.50	1,761	1,066	63%	2,433	1.23%	1,143	31%	1.5	1,945	79.9%	9	
2.50 to <10.00	328	106	27%	356	4.20%	304	28%	1.6	380	106.7%	4	
10.00 to <100.00	17	53	1%	17	18.78%	65	31%	1.7	32	185.8%	1	
100.00 (Default) ⁽²⁾	85	2	35%	86	100.00%	49	43%	1.6	-	n/a	37	
Sub-total	35,548	40,287	47%	54,574	0.33%	3,161	45%	1.3	16,630	30.5%	71	65
Total subject to F-IRB approach	202,040	75,352	43%	230,977	0.19%	4,886	21%	1.9	36,832	15.9%	181	201

(1) Comparative information as at 30 September 2025 has been restated from that previously disclosed to include RWA overlays, aligning with the presentation in the current period.

(2) RWA for non-performing exposures is zero under the F-IRB approach.

Credit risk under internal-based approaches (cont.)

CR8: RWA flow statements of credit risk exposures under IRB

The following table attributes the change in total credit RWA over the three months to the reporting date to key drivers, where:

- Column (a) aligns to the requirements of CR8 in the BCBS *Disclosure Requirements* standard, and attributes the change in RWA for credit risk exposures subject to the A-IRB and F-IRB approaches.
- Column (b) attributes the change in other credit RWA, including RWA for credit risk exposures under the supervisory slotting and standardised approaches, and counterparty credit risk and securitisation exposures.

Total credit RWA in column (c) aligns to that shown in the *Exposure at default and RWA by asset class* disclosure for 31 March 2026, 31 December 2025 and 30 September 2025 on pages 7 to 9.

March 2026 v December 2025

RWA for credit risk exposures subject to the A-IRB and F-IRB approaches increased by \$9.2 billion or 2.8% in the three months to 31 March 2026. The increase was due to lending growth, largely in corporate (including SME) and residential mortgages (reflected in row 2) and model updates (reflected in row 4).

Model updates included a \$4.2 billion increase in RWA overlays related to certain PD models impacting primarily corporate (including SME), retail SME and residential mortgage asset classes, partially offset by:

- release of a \$1.4 billion RWA overlay related to the measurement of certain off-balance sheet exposures of the RBNZ regulated banking subsidiary, and
- implementation of the A-IRB approach for a portfolio of credit cards related to the Citi consumer business, which was previously subject to the standardised approach. Implementation of the A-IRB approach for this portfolio is reflected in row 4 as a decrease in RWA for credit exposures under the standardised approach in column (b), partially offset by an increase in RWA for credit exposures under the A-IRB approach in column (a). The decrease in total credit RWA from implementation of the A-IRB approach for this portfolio was net of a \$500 million RWA overlay related to performance of LGD and PD models associated with this portfolio.

These increases were partially offset by a decrease in RWA for credit risk exposures subject to the A-IRB and F-IRB approaches due to foreign currency translation impacts (reflected in row 7).

Other credit RWA decreased by \$5.9 billion or 12.2% in the three months to 31 March 2026, mostly due to implementation of the A-IRB approach for the portfolio of credit cards outlined above.

	3 months ended						6 months ended	
	31 Mar 26			31 Dec 25			31 Mar 26	
	a	b	c	a	b	c	c	
	RWA under A-IRB and F-IRB approaches	Other credit RWA	Total credit RWA	RWA under A-IRB and F-IRB approaches	Other credit RWA	Total credit RWA	Total credit RWA	
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	
1	RWA as at end of previous reporting period	328,866	48,489	377,355	322,228	52,758	374,986	374,986
2	Asset size ⁽¹⁾	4,893	386	5,279	6,040	320	6,360	11,639
3	Asset quality ⁽²⁾	(333)	(562)	(895)	459	315	774	(121)
4	Model updates	6,603	(4,670)	1,933	1,054	(3,314)	(2,260)	(327)
5	Methodology and policy	-	-	-	-	-	-	-
7	Foreign exchange movements	(1,998)	(526)	(2,524)	(915)	(306)	(1,221)	(3,745)
8	Other ⁽³⁾	-	(551)	(551)	-	(1,284)	(1,284)	(1,835)
9	RWA as at end of reporting period	338,031	42,566	380,597	328,866	48,489	377,355	380,597

(1) Change in RWA attributed to changes in exposure size, including origination of new exposures and maturing exposures, and excluding changes related to acquisitions and disposals.

(2) Change in RWA attributed to the assessed quality of assets due to changes in borrower risk. This includes change in RWA related to portfolio mix at the end of the reporting period compared to the beginning of the reporting period.

(3) Other comprises the change in RWA for counterparty credit risk exposures (including credit valuation adjustment), excluding foreign currency translation impacts.

Credit risk under internal-based approaches (cont.)

CR10: IRB - specialised lending under the slotting approach

The following table provides specialised lending exposures subject to supervisory slotting by risk weight, where:

- Risk weights in column (c) exclude APRA's 1.1 scaling factor for specialised lending exposures of the RBNZ regulated banking subsidiary.
- RWA in column (h) is after application of APRA's 1.1 scaling factor for specialised lending exposures of the RBNZ regulated banking subsidiary.

March 2026 v September 2025

EaD for credit risk exposures subject to the slotting approach increased by \$694 million or 6.8% mainly due to an increase in project finance exposures in the slotting category of strong.

Regulatory category	As at 31 Mar 26								
	a	b	c	EaD post-CCF and post-CRM			g	h	i
	On-balance sheet EaD	Off-balance sheet EaD pre-CCF	Risk weight	Project finance	Commodities finance	RBNZ regulated banking subsidiary	Total	RWA	Expected loss
	\$m	\$m	%	\$m	\$m	\$m	\$m	\$m	\$m
Strong	5,493	2,573	70%	3,761	-	3,223	6,984	5,174	28
Good	2,903	572	90%	253	240	2,652	3,145	3,107	25
Satisfactory	505	93	115%	85	-	472	557	704	16
Weak	124	1	250%	27	-	96	123	338	10
Default ⁽¹⁾	35	7	n/a	23	-	18	41	-	21
Total	9,060	3,246		4,149	240	6,461	10,850	9,323	100

(1) RWA for non-performing exposures is zero under the supervisory slotting approach.

Regulatory category	As at 30 Sep 25								
	a	b	c	EaD post-CCF and post-CRM			g	h	i
	On-balance sheet EaD	Off-balance sheet EaD pre-CCF	Risk weight	Project finance	Commodities finance	RBNZ regulated banking subsidiary	Total	RWA ⁽¹⁾	Expected loss
	\$m	\$m	%	\$m	\$m	\$m	\$m	\$m	\$m
Strong	3,416	1,560	70%	2,741	-	1,729	4,470	3,307	18
Good	4,524	561	90%	701	-	4,140	4,841	4,811	39
Satisfactory	621	127	115%	58	-	631	689	880	19
Weak	113	7	250%	7	-	113	120	334	10
Default ⁽²⁾	35	1	n/a	17	-	19	36	-	18
Total	8,709	2,256		3,524	-	6,632	10,156	9,332	104

(1) Comparative information as at 30 September 2025 has been restated from that previously disclosed to include RWA overlays, aligning with the presentation in the current period.

(2) RWA for non-performing exposures is zero under the supervisory slotting approach.

Counterparty credit risk

Counterparty credit risk requirements set out in APS 180 are applied to derivative transactions and SFTs held in both the banking and trading books. Counterparty credit risk is the risk that the counterparty to a transaction could default before the final settlement of a transaction's cash flows. A loss would occur if the transaction or portfolio of transactions with the counterparty has a positive economic value at the time of default. This includes counterparty credit risk arising from both bilateral transactions and those cleared through CCPs.

CCR1: Analysis of CCR exposures by approach

The following table provides the capital requirement for counterparty credit risk exposures by approach, including components of EaD. This table excludes exposures cleared through CCPs, which are disclosed separately in CCR8: *Exposures to central counterparties*.

March 2026 v September 2025

EaD for counterparty credit risk exposures decreased by \$2.2 billion or 6.9%. There was a decrease in both the EaD for derivatives due to changes in exchange rates, interest rates and commodity prices, and the EaD for repurchase agreements mostly due to repayment of repurchase agreements with the RBNZ under the Funding for Lending Programme.

		As at 31 Mar 26				
		Replacement cost	Potential future exposure	Alpha used for computing regulatory EaD	EaD post-CRM	RWA
		\$m	\$m		\$m	\$m
1	SA-CCR (for derivatives) ⁽¹⁾	5,716	9,963	1.4	21,878	7,905
-	Current exposure method (for derivatives) ⁽²⁾				1,888	876
4	Comprehensive approach for CRM (for SFTs)				6,248	958
6	Total				30,014	9,739

(1) SA-CCR is used under APRA requirements to measure the EaD of derivatives for the Level 2 Group excluding BNZ.

(2) The current exposure method is used under RBNZ requirements to measure the EaD of derivatives for BNZ.

		As at 30 Sep 25				
		Replacement cost	Potential future exposure	Alpha used for computing regulatory EaD	EaD post-CRM	RWA
		\$m	\$m		\$m	\$m
1	SA-CCR (for derivatives) ⁽¹⁾	6,293	10,157	1.4	22,959	9,497
-	Current exposure method (for derivatives) ⁽²⁾				1,959	898
4	Comprehensive approach for CRM (for SFTs)				7,325	934
6	Total				32,243	11,329

(1) SA-CCR is used under APRA requirements to measure the EaD of derivatives for the Level 2 Group excluding BNZ.

(2) The current exposure method is used under RBNZ requirements to measure the EaD of derivatives for BNZ.

CCR3: Standardised approach – CCR exposures by regulatory portfolio and risk weights

The following table provides a breakdown of counterparty credit risk exposures subject to the standardised approach by asset class and risk weight. This table excludes exposures cleared through CCPs, which are disclosed separately in CCR8: *Exposures to central counterparties*.

		As at 31 Mar 26					
Risk weight		0%	20%	50%	85%	Other	EaD post-CRM
Asset class		\$m	\$m	\$m	\$m	\$m	\$m
Corporate (including SME)		-	-	-	12	3	15
RBNZ regulated banking subsidiary		466	282	56	-	-	804
Total		466	282	56	12	3	819

		As at 30 Sep 25					
Risk weight		0%	20%	50%	85%	Other	EaD post-CRM
Asset class		\$m	\$m	\$m	\$m	\$m	\$m
Corporate (including SME)		-	33	21	74	19	147
RBNZ regulated banking subsidiary		1,322	418	43	-	-	1,783
Total		1,322	451	64	74	19	1,930

Counterparty credit risk (cont.)

CCR4: IRB – CCR exposures by portfolio and probability of default scale

The following tables provide key parameters used in the calculation of capital requirements for counterparty credit risk exposures under the A-IRB and F-IRB approaches by asset class and PD band. These tables exclude exposures cleared through CCPs, which are disclosed separately in CCR8: *Exposures to central counterparties*.

March 2026 v September 2025

RWA for corporate counterparty credit risk exposures subject to the F-IRB approach decreased by \$1.3 billion or 37.4% due to a decrease in derivative EaD and the downgrade of a single counterparty. Non-performing exposures have zero RWA and higher expected loss under the F-IRB approach.

Counterparty credit risk exposures subject to the A-IRB approach by asset class and PD band

PD scale	As at 31 Mar 26						
	EaD post-CRM	Average PD	Number of counterparties	Average LGD	Average maturity	RWA	RWA density
	\$m	%		%	years	\$m	%
Corporate (including SME)							
0.00 to <0.15	845	0.09%	162	31%	3.5	216	25.5%
0.15 to <0.25	422	0.20%	175	34%	2.7	157	37.3%
0.25 to <0.50	715	0.36%	711	36%	2.7	360	50.3%
0.50 to <0.75	110	0.62%	318	47%	1.7	87	78.9%
0.75 to <2.50	363	1.17%	1,043	48%	1.6	361	99.5%
2.50 to <10.00	34	3.85%	129	39%	1.9	38	112.1%
10.00 to <100.00	19	22.79%	140	50%	1.0	49	259.7%
100.00 (Default)	7	100.00%	20	30%	1.1	29	415.6%
Sub-total	2,515	0.86%	2,698	36%	2.7	1,297	51.6%
RBNZ regulated banking subsidiary							
0.00 to <0.15	580	0.10%	76	59%	1.4	187	32.3%
0.15 to <0.25	145	0.19%	69	59%	1.6	70	48.4%
0.25 to <0.50	294	0.40%	156	59%	1.4	235	79.9%
0.50 to <0.75	64	0.62%	59	59%	1.1	61	94.8%
0.75 to <2.50	112	1.12%	262	59%	1.3	129	115.0%
2.50 to <10.00	22	4.77%	68	59%	1.3	41	185.3%
10.00 to <100.00	19	23.38%	5	60%	1.5	63	337.9%
100.00 (Default)	-	100.00%	5	59%	1.2	1	325.6%
Sub-total	1,236	0.75%	700	59%	1.4	787	63.7%
Total subject to A-IRB approach	3,751	0.82%	3,398	44%	2.3	2,084	55.6%

PD scale	As at 30 Sep 25						
	EaD post-CRM	Average PD	Number of counterparties	Average LGD	Average maturity	RWA	RWA density
	\$m	%		%	years	\$m	%
Corporate (including SME)							
0.00 to <0.15	836	0.10%	160	30%	2.7	181	21.6%
0.15 to <0.25	522	0.20%	166	33%	2.5	188	36.1%
0.25 to <0.50	722	0.37%	649	37%	2.4	369	51.1%
0.50 to <0.75	221	0.62%	314	48%	2.2	196	88.7%
0.75 to <2.50	489	1.07%	920	46%	1.6	460	94.1%
2.50 to <10.00	51	3.42%	129	49%	2.5	78	154.1%
10.00 to <100.00	15	21.30%	146	49%	1.0	38	250.6%
100.00 (Default)	3	100.00%	8	50%	1.0	19	687.5%
Sub-total	2,859	0.66%	2,492	37%	2.4	1,529	53.5%

Counterparty credit risk (cont.)

As at 30 Sep 25							
PD scale	EaD post-CRM \$m	Average PD %	Number of counterparties	Average LGD %	Average maturity years	RWA \$m	RWA density %
RBNZ regulated banking subsidiary							
0.00 to <0.15	491	0.09%	74	59%	1.4	155	31.5%
0.15 to <0.25	156	0.19%	65	59%	1.5	78	50.2%
0.25 to <0.50	248	0.38%	141	59%	1.6	190	76.7%
0.50 to <0.75	82	0.62%	63	59%	1.3	77	94.6%
0.75 to <2.50	122	1.12%	234	59%	1.4	145	118.9%
2.50 to <10.00	19	5.39%	59	59%	1.3	38	195.4%
10.00 to <100.00	24	23.33%	9	60%	1.4	81	338.0%
Sub-total	1,142	0.90%	645	59%	1.4	764	67.0%
Total subject to A-IRB approach	4,001	0.73%	3,137	43%	2.1	2,293	57.3%

Counterparty credit risk exposures subject to the F-IRB approach by asset class and PD band

As at 31 Mar 26							
PD scale	EaD post-CRM \$m	Average PD %	Number of counterparties	Average LGD %	Average maturity years	RWA \$m	RWA density %
Corporate							
0.00 to <0.15	1,936	0.09%	62	48%	2.9	716	36.9%
0.15 to <0.25	1,242	0.19%	58	41%	2.7	528	42.5%
0.25 to <0.50	877	0.36%	97	47%	2.6	620	70.7%
0.50 to <0.75	176	0.62%	21	49%	2.6	164	93.6%
0.75 to <2.50	115	1.06%	35	49%	1.7	114	99.0%
2.50 to <10.00	5	3.97%	3	50%	1.0	7	147.2%
100.00 (Default) ⁽¹⁾	235	100.00%	2	50%	4.9	-	-
Sub-total	4,586	5.33%	278	46%	2.9	2,149	46.8%
Sovereign							
0.00 to <0.15	1,342	0.02%	34	7%	1.9	19	1.3%
0.75 to <2.50	3	1.35%	1	50%	1.0	3	101.2%
Sub-total	1,345	0.02%	35	7%	1.9	22	1.6%
Financial institution							
0.00 to <0.15	17,073	0.07%	996	50%	1.1	4,007	23.5%
0.15 to <0.25	1,732	0.18%	175	50%	1.1	834	48.1%
0.25 to <0.50	416	0.36%	89	50%	0.9	277	66.6%
0.50 to <0.75	26	0.62%	21	50%	1.0	24	92.2%
0.75 to <2.50	130	1.38%	63	50%	0.1	143	109.7%
2.50 to <10.00	2	3.16%	6	50%	0.1	2	150.7%
100.00 (Default) ⁽¹⁾	-	100.00%	1	50%	1.0	-	-
Sub-total	19,379	0.09%	1,351	50%	1.1	5,287	27.3%
Total subject to F-IRB approach	25,310	1.04%	1,664	47%	1.4	7,458	29.5%

(1) RWA for non-performing exposures is zero under the F-IRB approach.

Counterparty credit risk (cont.)

As at 30 Sep 25							
PD scale	EaD post-CRM \$m	Average PD %	Number of counterparties	Average LGD %	Average maturity years	RWA \$m	RWA density %
Corporate							
0.00 to <0.15	2,157	0.09%	65	48%	2.5	719	33.3%
0.15 to <0.25	1,452	0.18%	54	45%	2.5	635	43.7%
0.25 to <0.50	1,020	0.34%	103	46%	2.8	710	69.6%
0.50 to <0.75	454	0.62%	18	50%	4.3	544	119.9%
0.75 to <2.50	66	1.55%	33	45%	1.0	63	95.6%
2.50 to <10.00	12	3.58%	5	50%	1.0	17	142.4%
10.00 to <100.00	228	23.43%	3	50%	4.9	746	327.6%
Sub-total	5,389	1.22%	281	47%	2.8	3,434	63.7%
Sovereign							
0.00 to <0.15	1,440	0.02%	34	7%	1.8	18	1.2%
Sub-total	1,440	0.02%	34	7%	1.8	18	1.2%
Financial institution							
0.00 to <0.15	17,211	0.07%	979	50%	1.0	4,085	23.7%
0.15 to <0.25	1,722	0.17%	151	50%	1.4	855	49.7%
0.25 to <0.50	197	0.34%	81	50%	0.8	125	63.8%
0.50 to <0.75	30	0.62%	17	50%	0.8	27	89.6%
0.75 to <2.50	137	1.38%	65	50%	0.2	152	111.0%
2.50 to <10.00	1	3.51%	6	50%	0.3	2	157.0%
10.00 to <100.00	-	23.43%	1	50%	1.0	-	317.2%
Sub-total	19,298	0.09%	1,300	50%	1.1	5,246	27.2%
Total subject to F-IRB approach	26,127	0.32%	1,615	47%	1.5	8,698	33.3%

CCR5: Composition of collateral for CCR exposures

The following table provides details of collateral received and posted to reduce or support counterparty credit risk exposures related to derivative transactions and SFTs, including transactions cleared through CCPs. In this disclosure:

- Only collateral that impacts the calculation of EaD is included. Amounts reflect the fair value of collateral received and posted and are reported after considering any applicable haircuts. Application of a haircut has the effect of reducing the fair value of collateral received and increasing the value of collateral posted.
- Segregated collateral in derivative transactions refers to collateral which is held in a bankruptcy-remote manner.

As at 31 Mar 26						
	Collateral used in derivative transactions				Collateral used in SFTs	
	Fair value of collateral received		Fair value of collateral posted		Fair value of collateral received	Fair value of collateral posted
	Segregated	Unsegregated	Segregated	Unsegregated		
	\$m	\$m	\$m	\$m	\$m	\$m
Cash – domestic currency	-	1,112	-	199	16,749	38,878
Cash – other currencies	-	4,558	-	4,168	53,677	86,793
Domestic sovereign debt	43	-	-	-	35,099	16,038
Other sovereign debt	559	365	-	-	77,636	49,592
Corporate and financial institution bonds	128	-	-	-	9,222	7,381
Equity securities	-	-	-	-	2,938	3,175
Total	730	6,035	-	4,367	195,321	201,857

Counterparty credit risk (cont.)

As at 30 Sep 25						
	Collateral used in derivative transactions				Collateral used in SFTs	
	Fair value of collateral received		Fair value of collateral posted		Fair value of collateral received	Fair value of collateral posted
	Segregated	Unsegregated	Segregated	Unsegregated		
	\$m	\$m	\$m	\$m	\$m	\$m
Cash – domestic currency	-	570	-	334	15,263	35,964
Cash – other currencies	-	3,903	-	3,456	59,000	80,406
Domestic sovereign debt	48	-	-	-	33,844	16,158
Other sovereign debt	595	396	-	-	69,309	50,599
Corporate and financial institution bonds	-	-	-	-	11,246	11,480
Equity securities	-	-	-	-	2,255	4,002
Total	643	4,869	-	3,790	190,917	198,609

CCR6: Credit derivatives exposures

The following table provides details of credit derivative transactions broken down between derivatives bought or sold.

	As at			
	31 Mar 26		30 Sep 25	
	Protection bought	Protection sold	Protection bought	Protection sold
	\$m	\$m	\$m	\$m
Notionals				
Single-name credit default swaps	413	1,311	435	1,288
Index credit default swaps	10,656	6,537	7,425	3,922
Total notionals	11,069	7,848	7,860	5,210
Fair values				
Positive fair value (asset)	-	123	-	114
Negative fair value (liability)	(161)	-	(171)	-

CCR8: Exposures to central counterparties

The following table provides exposures to QCCPs by type of exposure. The Level 2 Group does not have any exposures to non-QCCPs.

	As at			
	31 Mar 26		30 Sep 25	
	EaD post-CRM	RWA	EaD post-CRM	RWA
	\$m	\$m	\$m	\$m
1 Exposures to QCCPs (total)		362		402
2 Exposures for trades at QCCPs (excluding initial margin and default fund contributions), of which:	2,808	95	2,845	102
3 Over-the-counter derivatives	2,159	79	2,113	79
- of which: RBNZ regulated banking subsidiary	367	7	400	8
4 Exchange-traded derivatives	282	9	314	15
- of which: RBNZ regulated banking subsidiary	2	-	5	1
5 SFTs	367	7	418	8
7 Segregated initial margin	1,383		1,607	
8 Non-segregated initial margin	547	11	383	8
9 Pre-funded default fund contributions	323	256	372	292

Securitisation

SEC1: *Securitisation exposures in the banking book* and SEC2: *Securitisation exposures in the trading book* provide a comprehensive view of the Level 2 Group's securitisation activities, and include securitisation exposures of the RBNZ regulated banking subsidiary that are subject to the RBNZ's credit risk framework. Securitisation exposures of the RBNZ regulated banking subsidiary are also disclosed in the credit risk and counterparty credit risk sections of this report, as applicable.

In contrast, securitisation exposures and associated regulatory capital requirements in SEC3 and SEC4 provide those securitisation exposures within the scope of APS 120.

In these disclosures:

- Bank acts as originator refers to where the Group originates underlying exposures in the pool, is the managing ADI for the securitisation or provides a facility (other than a derivatives transaction) or credit enhancement to an asset-backed commercial paper securitisation. Group originated exposures comprise:
 - Capital relief – significant risk transfer of the underlying exposure is achieved for regulatory purposes.
 - Funding only – significant risk transfer is not achieved.
 - Internal residential mortgage-backed securities (RMBS) – securities are issued and held internally for contingent liquidity purposes (also known as self-securitisation).
- Bank acts as investor refers to where the Level 2 Group holds investments in third-party securitisation exposures.
- Traditional securitisation refers to where a pool of underlying exposures is transferred or assigned to and held by an SPV. The Level 2 Group does not have any synthetic securitisation exposures.

SEC1: Securitisation exposures in the banking book

The following table provides the carrying value of traditional securitisation exposures in the banking book. In addition to these carrying values, the EaD of derivatives provided to SPVs where the Level 2 Group acts as the originator was \$20 million (September 2025: \$21 million).

March 2026 v September 2025

Securitisation exposures in the banking book originated by the Level 2 Group increased by \$1.4 billion or 1.2%, primarily due to the establishment of a new external RMBS trust that satisfies the requirements for regulatory capital relief.

		As at 31 Mar 26		As at 30 Sep 25	
		Bank acts as originator	Bank acts as investor	Bank acts as originator	Bank acts as investor
		\$m	\$m	\$m	\$m
1	Retail (total)	118,334	21,989	116,954	21,410
2	of which: residential mortgage	118,334	18,538	116,954	17,349
3	of which: credit card	-	26	-	43
4	of which: other retail	-	3,425	-	4,018
6	Wholesale (total)	-	5,208	-	5,109
7	of which: loans to corporates	-	1,233	-	1,023
8	of which: commercial mortgage	-	606	-	431
9	of which: lease and receivables	-	1,550	-	1,626
10	of which: other wholesale	-	1,819	-	2,029

SEC2: Securitisation exposures in the trading book

The following table provides the EaD of traditional securitisation exposures in the trading book.

		As at		
		31 Mar 26		30 Sep 25
		Bank acts as originator	Bank acts as investor	Bank acts as investor
		\$m	\$m	\$m
1	Retail (total)	15	671	572
2	of which: residential mortgage	15	603	414
3	of which: credit card	-	5	7
4	of which: other retail	-	63	151
6	Wholesale (total)	-	52	139
7	of which: loans to corporates	-	3	7
10	of which: other wholesale	-	49	132

Securitisation (cont.)

SEC3: Securitisation exposures in the banking book and associated regulatory capital requirements – bank acting as originator or as sponsor

The following table provides securitisation exposures in the banking book where the Level 2 Group acts as originator, and the associated RWA. The Level 2 Group does not act as sponsor.

		As at 31 Mar 26								
		EaD (by risk-weight bands)		EaD (by regulatory approach)			RWA (by regulatory approach)		Capital charge after cap ⁽¹⁾	
		≤20%	1,250%	ERBA	SFA	1,250% ⁽²⁾	ERBA	SFA	ERBA	SFA
		\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
1	Total exposures	79	1	50	29	1	11	4	1	-
2	Traditional securitisation	79	1	50	29	1	11	4	1	-
3	of which: securitisation	79	1	50	29	1	11	4	1	-
4	of which: retail underlying	79	1	50	29	1	11	4	1	-

(1) RWA divided by 12.5. The capital charge is based on RWA after the application of any risk-weight cap that may apply under APS 120.

(2) Exposures which would have a 1,250% risk weight under BCBS requirements are deducted from CET1 capital under APRA requirements.

		As at 30 Sep 25								
		EaD (by risk-weight bands)		EaD (by regulatory approach)			RWA (by regulatory approach)		Capital charge after cap ⁽¹⁾	
		≤20%	1,250%	ERBA	SFA	1,250% ⁽²⁾	ERBA	SFA	ERBA	SFA
		\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
1	Total exposures	58	5	55	3	5	11	-	1	-
2	Traditional securitisation	58	5	55	3	5	11	-	1	-
3	of which: securitisation	58	5	55	3	5	11	-	1	-
4	of which: retail underlying	58	5	55	3	5	11	-	1	-

(1) RWA divided by 12.5. The capital charge is based on RWA after the application of any risk-weight cap that may apply under APS 120.

(2) Exposures which would have a 1,250% risk weight under BCBS requirements are deducted from CET1 capital under APRA requirements.

Securitisation (cont.)

SEC4: Securitisation exposures in the banking book and associated capital requirements – bank acting as investor

The following table provides securitisation exposures in the banking book where the bank acts as investor, and the associated RWA.

March 2026 v September 2025

Securitisation exposure investments in the banking book increased by \$1.3 billion or 3.9%, primarily driven by warehouse limit increases. The \$2.9 billion increase in securitisation exposures with a risk weight between 20% and 50% was primarily due to decreased credit quality of a small number of warehouse exposures which previously had a risk weight less than 20%.

		As at 31 Mar 26								
		EaD (by risk-weight bands)			EaD (by regulatory approach)		RWA (by regulatory approach)		Capital charge after cap ⁽¹⁾	
		≤20%	>20% to 50%	>50% to 100%	ERBA	SFA	ERBA	SFA	ERBA	SFA
		\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
1	Total exposures	30,631	2,990	422	6,416	27,627	1,311	4,531	105	363
2	Traditional securitisation	30,631	2,990	422	6,416	27,627	1,311	4,531	105	363
3	of which: securitisation	30,631	2,990	422	6,416	27,627	1,311	4,531	105	363
4	of which: retail underlying	25,329	2,255	422	5,318	22,688	1,092	3,713	87	297
6	of which: wholesale	5,302	735	-	1,098	4,939	219	818	18	66

(1) RWA divided by 12.5. The capital charge is based on RWA after the application of any risk-weight cap that may apply under APS 120.

		As at 30 Sep 25								
		EaD (by risk-weight bands)			EaD (by regulatory approach)		RWA (by regulatory approach)		Capital charge after cap ⁽¹⁾	
		≤20%	>20% to 50%	>50% to 100%	ERBA	SFA	ERBA	SFA	ERBA	SFA
		\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
1	Total exposures	32,570	101	88	6,441	26,318	1,325	4,069	106	325
2	Traditional securitisation	32,570	101	88	6,441	26,318	1,325	4,069	106	325
3	of which: securitisation	32,570	101	88	6,441	26,318	1,325	4,069	106	325
4	of which: retail underlying	26,648	33	88	5,110	21,659	1,059	3,352	85	268
6	of which: wholesale	5,922	68	-	1,331	4,659	266	717	21	57

(1) RWA divided by 12.5. The capital charge is based on RWA after the application of any risk-weight cap that may apply under APS 120.

Market risk

Market risk risk-weighted assets

The following table provides a breakdown of market risk RWA by approach.

	As at	
	31 Mar 26	30 Sep 25
	\$m	\$m
Market risk RWA under the internal model approach	11,435	10,882
Market risk RWA under the standard method		
Interest rate risk	1,106	839
Equity position risk	14	11
Total market risk RWA under the standard method	1,120	850
Total	12,555	11,732

Internal model approach value at risk and stressed value at risk

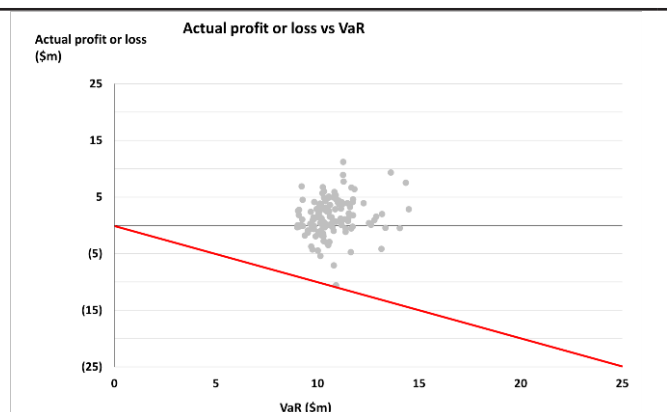
The following table provides information on the mean, minimum and maximum value at risk (VaR) and stressed value at risk (SVaR) over the reporting period and at period end. VaR and SVaR provided are based on a 10-day holding period.

	6 months ended 31 Mar 26			As at
	Mean value	Minimum value	Maximum value	31 Mar 26
	\$m	\$m	\$m	\$m
At a 99% confidence level				
VaR	29.8	17.1	52.6	25.4
SVaR	135.6	70.7	228.9	90.8
	6 months ended 30 Sep 25			As at
	Mean value	Minimum value	Maximum value	30 Sep 25
	\$m	\$m	\$m	\$m
At a 99% confidence level				
VaR	29.4	18.8	50.2	27.3
SVaR	108.1	57.8	270.2	111.2

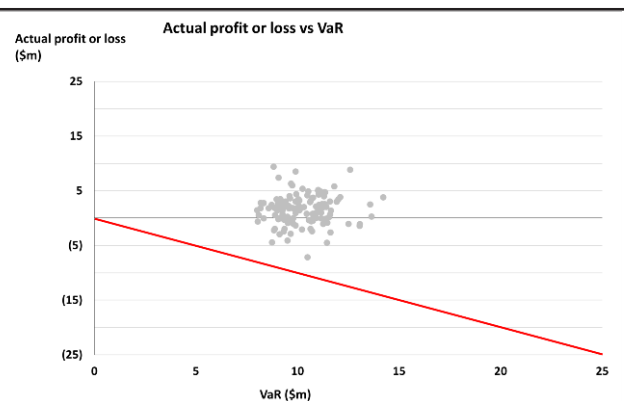
Back-testing results

The following graphs compare the Group's daily VaR estimates against actual profit or loss. Actual trading outcomes are adjusted to remove the impact of intra-day trading and factors other than market movements. The red line represents a one-to-one relationship between negative actual profit or loss and VaR, which is an indicator of the VaR model's performance.

Results for the six months ended 31 March 2026



Results for the six months ended 30 September 2025



Back-testing, carried out by comparing the Group's daily VaR estimate against actual profit or loss, identified no exceptions during the six months ended 31 March 2026 (nil for the six months ended 30 September 2025). This indicates acceptable operation of the VaR model within APRA's guidelines.

Liquidity

9.1 Regulatory liquidity ratios

Liquidity coverage ratio

The LCR measures the adequacy of HQLA available to meet net cash outflows over a 30-day period during a severe liquidity stress scenario. The Board sets LCR targets above regulatory minimums and the Group manages its LCR position daily across the legal entity structure, major currencies and jurisdictions in which business activities are undertaken. The APRA minimum LCR is 100%.

The Group's funding strategy seeks to ensure appropriate diversification and limit maturity concentrations. This approach is designed to provide a relatively stable LCR profile over time.

The Group's mix of liquid assets primarily consists of HQLA, such as cash, deposits with central banks, Australian government and semi-government securities, and securities issued by foreign sovereigns. The currency mix of these holdings is set with reference to the currency of the underlying liquidity risk to support all regulatory and internal requirements being met. Liquid assets held by material banking subsidiaries surplus to APRA minimums are not included in LCR for the Level 2 Group, reflecting assumed constraints on transferability. The currency mismatch of liquidity risk is managed through the LCR, as well as via other internal metrics, and informs the currency, composition, and location of HQLA held.

The LCR for the three months ended 31 March 2026 and 31 December 2025 is presented in LIQ1: *Liquidity coverage ratio*, and is based on a simple average of daily LCR outcomes excluding non-business days. There were 62 daily LCR data points used in calculating the average for the most recent quarter and 64 observations in the previous quarter.

Net stable funding ratio

The NSFR measures the extent to which assets are funded with stable sources of funding in order to mitigate the risk of future funding stress. ASF is calculated by applying weightings to capital and liabilities to reflect the portion that is expected to be available over a one-year time horizon. The maturity of funding is taken as being the earliest date at which the funding can be withdrawn. RSF reflects the liquidity characteristics of the assets and the expectation that these assets and off-balance sheet exposures will require funding over the next year. The maturity of assets is taken as being the latest possible date at which the asset may mature. The APRA minimum NSFR is 100%.

The NSFR as at 31 March 2026 and 31 December 2025 is presented in LIQ2: *Net stable funding ratio*, and is based on spot balances.

Regulatory liquidity ratios (cont.)

LIQ1: Liquidity coverage ratio

		3 months ended			
		31 Mar 26		31 Dec 25	
		Total unweighted value (average) ⁽¹⁾	Total weighted value (average)	Total unweighted value (average) ⁽¹⁾	Total weighted value (average)
		\$m	\$m	\$m	\$m
HQLA					
1	Total HQLA ⁽²⁾⁽³⁾⁽⁴⁾		200,027		210,361
-	of which: alternative liquid assets ⁽³⁾		3,369		3,023
-	of which: RBNZ eligible securities ⁽³⁾⁽⁴⁾		3,369		3,023
Cash outflows					
2	Retail deposits and deposits from small business customers	314,882	32,925	309,951	32,220
3	of which: stable deposits	139,342	6,967	138,648	6,932
4	of which: less stable deposits	175,540	25,958	171,303	25,288
5	Unsecured wholesale funding	191,562	89,760	192,884	90,558
6	of which: operational deposits (all counterparties) and deposits in networks of cooperative banks	89,665	22,492	90,713	22,678
7	of which: non-operational deposits (all counterparties)	90,586	55,957	89,348	55,057
8	of which: unsecured debt	11,311	11,311	12,823	12,823
9	Secured wholesale funding ⁽³⁾		8,886		11,343
10	Additional requirements	212,479	35,177	213,042	35,424
11	of which: outflows related to derivative exposures and other collateral requirements	6,462	6,457	6,151	6,145
12	of which: outflows related to loss of funding on debt products	-	-	-	-
13	of which: credit and liquidity facilities	206,017	28,720	206,891	29,279
14	Other contractual funding obligations	1,521	1,521	1,977	1,771
15	Other contingent funding obligations	91,818	5,987	89,263	5,690
16	Total cash outflows		174,256		177,006
Cash inflows					
17	Secured lending (e.g. reverse repos)	56,280	4,069	54,477	5,437
18	Inflows from fully performing exposures	22,609	14,241	21,511	14,026
19	Other cash inflows	3,582	3,840	2,748	3,346
20	Total cash inflows	82,471	22,150	78,736	22,809
			Total adjusted value		Total adjusted value
			\$m		\$m
21	Total HQLA⁽²⁾		200,027		210,361
22	Total net cash outflows		152,106		154,197
23	LCR (%)⁽⁵⁾		132%		136%

(1) Unweighted inflow and outflow values are outstanding balances maturing or callable within 30 days.

(2) Total HQLA represents liquid assets, including assets qualifying under alternative liquidity approaches.

(3) Disclosed on a weighted basis only, consistent with the disclosure template prescribed by APS 330.

(4) Weighted values exclude liquid asset holdings in excess of an LCR of 100% for material banking subsidiaries, reflecting liquidity transferability considerations. The average amount excluded during the three months to 31 March 2026 and 31 December 2025 was \$5.6 billion and \$5.8 billion, respectively.

(5) Average of daily LCR outcomes, excluding non-business days, during the quarter, rather than a function of average HQLA and average net cash outflows.

Regulatory liquidity ratios (cont.)

LIQ2: Net stable funding ratio

		As at 31 Mar 26				Weighted value
		Unweighted value by residual maturity				
ASF item		No maturity	< 6 months	6 months to < 1 year	≥ 1 year	
		\$m	\$m	\$m	\$m	\$m
1	Capital, comprising:	62,507	-	-	36,644	99,151
2	Regulatory capital	62,507	-	-	36,644	99,151
3	Other capital instruments	-	-	-	-	-
4	Retail deposits and deposits from small business customers, comprising:	297,235	99,465	764	56	365,405
5	Stable deposits	133,882	18,752	-	-	145,003
6	Less stable deposits	163,353	80,713	764	56	220,402
7	Wholesale funding, comprising:	147,273	264,268	67,272	115,963	255,447
8	Operational deposits	89,214	-	-	-	44,607
9	Other wholesale funding	58,059	264,268	67,272	115,963	210,840
10	Liabilities with matching interdependent assets	-	-	-	-	-
11	Other liabilities, comprising:	-	16,628	-	5,129	5,129
12	NSFR derivative liabilities ⁽¹⁾	-	-	6,888	-	-
13	All other liabilities and equity not included in the above categories	-	9,740	-	5,129	5,129
14	Total ASF					725,132
RSF item						
15	Total NSFR HQLA					4,887
-	of which: alternative liquid assets					209
-	of which: RBNZ eligible securities					209
16	Deposits held at other financial institutions for operational purposes	-	-	-	-	-
17	Performing loans and securities, comprising:	24,466	198,179	76,196	602,452	575,520
18	Performing loans to financial institutions secured by Level 1 HQLA	-	63,736	5,209	-	8,978
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	1,031	50,098	16,079	32,581	49,166
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and public sector entities	15,825	75,032	48,974	149,144	200,444
21	of which: with a risk weight of less than or equal to 35% under APS 112 ⁽²⁾	1,028	1,751	938	3,472	4,270
22	Performing residential mortgages	7,597	4,588	4,858	415,532	308,006
-	of which: standard loans to individuals with an LVR of 80% or below ⁽³⁾	5,202	-	-	280,602	185,773
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	13	4,725	1,076	5,195	8,926
25	Assets with matching interdependent liabilities	-	-	-	-	-
26	Other assets, comprising:	12,445	7,724	146	35,526	35,547
27	Physical traded commodities, including gold	1,120				952
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs ⁽¹⁾			4,124		3,505
29	NSFR derivative assets ⁽¹⁾			6,362		-
30	NSFR derivative liabilities before deduction of variation margin posted ⁽¹⁾			11,043		2,209
31	All other assets not included in the above categories	11,325	7,724	146	13,997	28,881
32	Off-balance sheet items ⁽¹⁾			222,411		10,666
33	Total RSF					626,620
34	NSFR (%)					116%

(1) Disclosed in total and not by maturity bucket, consistent with the disclosure template prescribed by APS 330.

(2) The description of row 21 has been modified from that set out in the BCBS *Disclosure Requirements* standard to align with APS 210.

(3) Comprises performing, unencumbered standard residential property loans to individuals with a residual maturity of one year or more, or no defined maturity, and an LVR of 80% or below, as defined under APS 112.

Regulatory liquidity ratios (cont.)

		As at 31 Dec 25				Weighted value \$m
		Unweighted value by residual maturity				
		No maturity	< 6 months	6 months to < 1 year	≥ 1 year	
		\$m	\$m	\$m	\$m	\$m
ASF item						
1	Capital, comprising:	63,331	-	-	35,647	98,978
2	Regulatory capital	63,331	-	-	35,647	98,978
3	Other capital instruments	-	-	-	-	-
4	Retail deposits and deposits from small business customers, comprising:	295,357	98,067	820	74	362,526
5	Stable deposits	134,268	18,376	-	-	145,012
6	Less stable deposits	161,089	79,691	820	74	217,514
7	Wholesale funding, comprising:	145,943	265,144	49,910	124,585	252,643
8	Operational deposits	90,512	-	-	-	45,256
9	Other wholesale funding	55,431	265,144	49,910	124,585	207,387
10	Liabilities with matching interdependent assets	-	-	-	-	-
11	Other liabilities, comprising:	-	13,637	-	4,654	4,654
12	NSFR derivative liabilities ⁽¹⁾			6,494		
13	All other liabilities and equity not included in the above categories	-	7,143	-	4,654	4,654
14	Total ASF					718,801
RSF item						
15	Total NSFR HQLA					4,967
-	of which: alternative liquid assets					114
-	of which: RBNZ eligible securities					114
16	Deposits held at other financial institutions for operational purposes	-	-	-	-	-
17	Performing loans and securities, comprising:	24,197	189,955	82,401	589,487	560,184
18	Performing loans to financial institutions secured by Level 1 HQLA	-	67,224	3,337	-	8,391
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	992	48,767	16,532	23,898	40,471
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and public sector entities	14,846	64,745	56,157	148,660	196,697
21	of which: with a risk weight of less than or equal to 35% under APS 112 ⁽²⁾	-	2,345	1,255	4,565	4,768
22	Performing residential mortgages	7,717	5,249	5,405	412,556	306,462
-	of which: standard loans to individuals with an LVR of 80% or below ⁽³⁾	5,314	-	-	279,807	185,329
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	642	3,970	970	4,373	8,163
25	Assets with matching interdependent liabilities	-	-	-	-	-
26	Other assets, comprising:	14,808	2,205	127	35,937	37,230
27	Physical traded commodities, including gold	1,598				1,358
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs ⁽¹⁾			3,735		3,175
29	NSFR derivative assets ⁽¹⁾			5,728		-
30	NSFR derivative liabilities before deduction of variation margin posted ⁽¹⁾			10,896		2,179
31	All other assets not included in the above categories	13,210	2,205	127	15,578	30,518
32	Off-balance sheet items ⁽¹⁾			226,107		10,863
33	Total RSF					613,244
34	NSFR (%)					117%

(1) Disclosed in total and not by maturity bucket, consistent with the disclosure template prescribed by APS 330.

(2) The description of row 21 has been modified from that set out in the BCBS *Disclosure Requirements* standard to align with APS 210.

(3) Comprises performing, unencumbered standard residential property loans to individuals with a residual maturity of one year or more, or no defined maturity, and an LVR of 80% or below, as defined under APS 112.

Asset encumbrance

ENC: Asset encumbrance

The table below provides the carrying value of encumbered and unencumbered assets of the Group. The difference between assets of the Group and the Level 2 Group is detailed in CC2: *Reconciliation of regulatory capital to balance sheet*, and mainly relates to securitisation SPVs to which residential mortgages have been transferred in accordance with the requirements for regulatory capital relief in APS 120.

For the purposes of this disclosure, encumbered assets are assets that the Group is restricted or prevented from liquidating, selling, transferring or assigning due to legal, regulatory, contractual or other limitations. This definition differs to that used for the purposes of the LCR.

Assets are encumbered to access funding via repurchase agreements and covered bonds, and to meet collateral obligations under derivative transactions and repurchase agreements. Where assets held are pledged under derivative transactions or repurchase agreements, the Group retains substantially all of the risks and rewards of ownership of the assets and consequently the assets are not derecognised from the balance sheet.

March 2026 v September 2025

Encumbered assets decreased by \$5.7 billion or 4.5%. The primary drivers were a reduction in the minimum asset pool requirement for covered bonds following a decrease in the amount of covered bonds on issue, and matured repurchase agreements which reduced pledges of residential mortgages in New Zealand. In addition, there were lower pledges of debt securities, primarily under repurchase agreements.

Assets	As at 31 Mar 26		
	Encumbered assets	Unencumbered assets	Total
	\$m	\$m	\$m
Cash and liquid assets	-	1,773	1,773
Due from other banks ⁽¹⁾	4,682	79,042	83,724
Collateral placed ⁽²⁾	6,217	-	6,217
Trading assets and debt instruments ⁽³⁾	68,463	136,177	204,640
of which: government and semi-government bonds, notes and securities	7,457	79,997	87,454
of which: other debt and equity securities	3,279	11,337	14,616
of which: reverse repurchase agreements	57,727	43,723	101,450
Derivative assets	-	28,001	28,001
Other financial assets	-	663	663
Loans and advances	41,742	756,840	798,582
of which: residential mortgages (gross of provision for credit impairment) ⁽⁴⁾⁽⁵⁾	41,742	403,919	445,661
All other assets	-	19,053	19,053
Total assets	121,104	1,021,549	1,142,653

(1) Encumbered amounts due from other banks comprise regulatory minimum deposits placed with certain central and other banks and certain reverse repurchase agreements. Unencumbered amounts due from other banks include exchange settlement accounts with the RBA and RBNZ.

(2) Encumbered collateral placed comprises initial and variation margin posted in the form of cash, primarily under derivative margining agreements.

(3) Encumbered trading assets and debt instruments primarily comprise debt securities encumbered under repurchase agreements for trading or short-term funding and liquidity purposes. Debt securities are also pledged under derivative margining agreements.

(4) Encumbered residential mortgages include \$37.7 billion encumbered based on minimum asset pool requirements for NAB and BNZ covered bond programmes, where Group originated residential mortgages are allocated to the cover asset pool as remote specific securities backing covered bond issuances.

(5) Unencumbered assets include RMBS eligible as collateral for repurchase agreements. Under Prudential Practice Guide APG 210 *Liquidity*, the Level 2 Group holds self-securitised assets free from encumbrance to a minimum of 30% of Australian dollar net cash outflows in the LCR as contingency for periods of stress.

Asset encumbrance (cont.)

Assets	As at 30 Sep 25		
	Encumbered assets	Unencumbered assets	Total
	\$m	\$m	\$m
Cash and liquid assets	-	2,604	2,604
Due from other banks ⁽¹⁾	5,683	86,263	91,946
Collateral placed ⁽²⁾	5,763	-	5,763
Trading assets and debt instruments ⁽³⁾⁽⁴⁾	70,579	120,939	191,518
of which: government and semi-government bonds, notes and securities	6,861	76,852	83,713
of which: other debt and equity securities	3,745	8,369	12,114
of which: reverse repurchase agreements	59,973	34,069	94,042
Derivative assets	-	21,826	21,826
Other financial assets	-	688	688
Loans and advances	44,767	731,359	776,126
of which: residential mortgages (gross of provision for credit impairment) ⁽⁵⁾⁽⁶⁾	44,767	391,846	436,613
All other assets	-	18,591	18,591
Total assets	126,792	982,270	1,109,062

(1) Encumbered amounts due from other banks comprise regulatory minimum deposits placed with certain central and other banks and certain reverse repurchase agreements. Unencumbered amounts due from other banks include exchange settlement accounts with the RBA and RBNZ.

(2) Encumbered collateral placed comprises initial and variation margin posted in the form of cash, primarily under derivative margining agreements.

(3) Encumbered trading assets and debt instruments primarily comprise debt securities encumbered under repurchase agreements for trading or short-term funding and liquidity purposes. Debt securities are also pledged under derivative margining agreements.

(4) Encumbered trading assets and debt instruments have been restated from that previously disclosed.

(5) Encumbered residential mortgages include \$39.7 billion encumbered based on minimum asset pool requirements for NAB and BNZ covered bond programmes, where Group originated residential mortgages are allocated to the cover asset pool as remote specific securities backing covered bond issuances.

(6) Unencumbered assets include RMBS eligible as collateral for repurchase agreements. Under APG 210, the Level 2 Group holds self-securitised assets free from encumbrance to a minimum of 30% of Australian dollar net cash outflows in the LCR as contingency for periods of stress.

Accountable Person attestation

The Group Chief Financial Officer, an Accountable Person of National Australia Bank Limited, attests that the March 2026 Pillar 3 Report has been prepared in accordance with NAB's Group External Reporting Policy.



Inder Singh
Group Chief Financial Officer and Group Executive, Strategy
4 May 2026

Disclosure requirements index

The following table sets out the disclosure requirements of the BCBS *Disclosure Requirements* standard, including the reporting frequency, and where the disclosure is made if included in this report.

BCBS <i>Disclosure Requirements</i> standard tables and templates			Reporting frequency	Pillar 3 report section
DIS20: Overview of risk management, key prudential metrics and risk-weighted assets (RWA)	KM1	Key metrics (at consolidated group level)	Quarterly	Section 2 <i>Overview of key metrics and RWA</i>
	KM2	Key metrics - total loss-absorbing capacity (TLAC) requirements (at resolution group level)	N/A as only required for global systemically important banks (G-SIBs)	
	OVA	Bank risk management approach	Annual	-
	OV1	Overview of RWA	Quarterly	Section 2 <i>Overview of key metrics and RWA</i>
DIS21: Comparison of modelled and standardised RWA	CMS1	Comparison of modelled and standardised RWA at risk level	Quarterly	Section 2 <i>Overview of key metrics and RWA</i>
	CMS2	Comparison of modelled and standardised RWA for credit risk at asset class level	Semi-annual	Section 2 <i>Overview of key metrics and RWA</i>
DIS25: Composition of capital and TLAC	CCA	Main features of regulatory capital instruments and of other TLAC-eligible instruments	Semi-annual ⁽¹⁾	Available at nab.com.au/about-us/shareholder-centre/regulatory-disclosures
	CC1	Composition of regulatory capital	Semi-annual	Section 3 <i>Capital</i>
	CC2	Reconciliation of regulatory capital to balance sheet	Semi-annual	Section 3 <i>Capital</i>
	TLAC1	TLAC composition for G-SIBs (at resolution group level)	N/A as only required for G-SIBs	
	TLAC2	Material subgroup entity - creditor ranking at legal entity level	N/A as only required for G-SIBs	
	TLAC3	Resolution entity - creditor ranking at legal entity level	N/A as only required for G-SIBs	
DIS26: Capital distribution constraints	CDC	Capital distribution constraints	APRA has not required this disclosure which is at the discretion of national supervisors	
DIS30: Links between financial statements and regulatory exposures	LIA	Explanations of differences between accounting and regulatory exposure amounts	Annual	-
	LI1	Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories	Annual ⁽²⁾	Section 4 <i>Links between financial statements and regulatory exposures</i>
	LI2	Main sources of differences between regulatory exposure amounts and carrying values in financial statements	Annual	-
	PV1	Prudent valuation adjustments (PVAs)	Not required under APS 330	
DIS31: Asset encumbrance	ENC	Asset encumbrance	Semi-annual	Section 10 <i>Asset encumbrance</i>
DIS35: Remuneration ⁽³⁾	REMA	Remuneration policy	Not required under APS 330	
	REM1	Remuneration awarded during financial year	Not required under APS 330	
	REM2	Special payments	Not required under APS 330	
	REM3	Deferred remuneration	Not required under APS 330	
DIS40: Credit risk	CRA	General qualitative information about credit risk	Annual	-
	CR1	Credit quality of assets	Semi-annual	Section 5 <i>Credit risk</i>
	CR2	Changes in stock of defaulted loans and debt securities	Semi-annual	Section 5 <i>Credit risk</i>
	CRB	Additional disclosure related to the credit quality of assets	Annual	-
	CRB-A	Additional disclosure related to prudential treatment of problem assets	APRA has not required this disclosure which is at the discretion of national supervisors	
	CRC	Qualitative disclosure related to credit risk mitigation (CRM) techniques	Annual	-
	CR3	CRM techniques - overview	Semi-annual	Section 5 <i>Credit risk</i>

(1) Disclosed quarterly to provide information on a more timely basis.

(2) Disclosed as additional information semi-annually to facilitate understanding of how carrying values in other disclosures correspond to amounts on the Group's balance sheet.

(3) Disclosure is made separately of the requirements set out in Prudential Standard CPS 511 *Remuneration* on an annual basis.

Disclosure requirements index (cont.)

BCBS <i>Disclosure Requirements</i> standard tables and templates			Reporting frequency	Pillar 3 report section
DIS40: Credit risk (cont.)	CRD	Qualitative disclosure on banks' use of external credit ratings under the standardised approach for credit risk	Annual	-
	CR4	Standardised approach - credit risk exposure and CRM effects	Semi-annual	Section 5 <i>Credit risk</i>
	CR5	Standardised approach - exposures by asset classes and risk weights	Semi-annual	Section 5 <i>Credit risk</i>
	CRE	Qualitative disclosure related to internal ratings-based (IRB) models	Annual	-
	CR6	IRB - credit risk exposures by portfolio and probability of default (PD) range	Semi-annual	Section 5 <i>Credit risk</i>
	CR7	IRB - effect on RWA of credit derivatives used as CRM techniques	Semi-annual	No credit derivatives are held for credit mitigation purposes at the current or comparative reporting date
	CR8	RWA flow statements of credit risk exposures under IRB	Quarterly	Section 5 <i>Credit risk</i>
	CR9	IRB - backtesting of PD per portfolio	Annual	-
	CR10	IRB - specialised lending under the slotting approach	Semi-annual	Section 5 <i>Credit risk</i>
	DIS42: Counterparty credit risk (CCR)	CCRA	Qualitative disclosure related to CCR	Annual
CCR1		Analysis of CCR exposures by approach	Semi-annual	Section 6 <i>Counterparty credit risk</i>
CCR3		Standardised approach - CCR exposures by regulatory portfolio and risk weights	Semi-annual	Section 6 <i>Counterparty credit risk</i>
CCR4		IRB - CCR exposures by portfolio and PD scale	Semi-annual	Section 6 <i>Counterparty credit risk</i>
CCR5		Composition of collateral for CCR exposure	Semi-annual	Section 6 <i>Counterparty credit risk</i>
CCR6		Credit derivatives exposures	Semi-annual	Section 6 <i>Counterparty credit risk</i>
CCR7		RWA flow statements of CCR exposures under internal model method (IMM)		Not required under APS 330
CCR8		Exposures to central counterparties	Semi-annual	Section 6 <i>Counterparty credit risk</i>
DIS43: Securitisation	SECA	Qualitative disclosure requirements related to securitisation exposures	Annual	-
	SEC1	Securitisation exposures in the banking book	Semi-annual	Section 7 <i>Securitisation</i>
	SEC2	Securitisation exposures in the trading book	Semi-annual	Section 7 <i>Securitisation</i>
	SEC3	Securitisation exposures in the banking book and associated regulatory capital requirements - bank acting as originator or as sponsor	Semi-annual	Section 7 <i>Securitisation</i>
	SEC4	Securitisation exposures in the banking book and associated capital requirements - bank acting as investor	Semi-annual	Section 7 <i>Securitisation</i>
DIS45: Sovereign exposures	SOV1	Exposures to sovereign entities - country		APRA has not required this disclosure which is at the discretion of national supervisors
	SOV2	Exposures to sovereign entities - currency denomination breakdown		APRA has not required this disclosure which is at the discretion of national supervisors
	SOV3	Exposures to sovereign entities - accounting classification breakdown		APRA has not required this disclosure which is at the discretion of national supervisors
DIS50: Market risk ⁽¹⁾	MRA	General qualitative disclosure requirements related to market risk		Not required under APS 330
	MR1	Market risk under the standardised approach		Not required under APS 330
	MRB	Qualitative disclosures for banks using the internal models approach (IMA)		Not required under APS 330
	MR2	Market risk for banks using the IMA		Not required under APS 330
	MR3	Market risk under the simplified standardised approach		Not required under APS 330

(1) Disclosure is made of the quantitative and qualitative requirements set out in APS 330 Attachment A paragraph 32 on a semi-annual and annual basis, respectively. Quantitative disclosures are in Section 8 *Market risk*.

Disclosure requirements index (cont.)

BCBS <i>Disclosure Requirements</i> standard tables and templates			Reporting frequency	Pillar 3 report section
DIS51: Credit valuation adjustment (CVA) risk	CVAA	General qualitative disclosure requirements related to CVA	Annual	-
	CVA1	The reduced basic approach for CVA (BA-CVA)		Not required under APS 330
	CVA2	The full BA-CVA		Not required under APS 330
	CVAB	Qualitative disclosures for banks using the standardised approach (SA-CVA)		N/A as only required for banks using the SA-CVA
	CVA3	The SA-CVA		Not required under APS 330
	CVA4	RWA flow statements of CVA risk exposures under SA-CVA		Not required under APS 330
DIS55: Cryptoasset exposures	CAEA	Qualitative disclosure on a bank's activities related to cryptoassets and the approach used in assessing the classification conditions	Annual	-
	CAE1	Cryptoasset exposures and capital requirements	Semi-annual	No cryptoasset exposures are held at the reporting date
	CAE2	Accounting classification of exposures to cryptoassets and cryptoliabilities	Semi-annual	No cryptoasset or cryptoliability exposures are held at the reporting date
	CAE3	Liquidity requirements for exposures to cryptoassets and cryptoliabilities	Semi-annual	No cryptoasset or cryptoliability exposures are held at the reporting date
DIS60: Operational risk	ORA	General qualitative information on a bank's operational risk framework	Annual	-
	OR1	Historical losses	Annual	-
	OR2	Business indicator and subcomponents	Annual ⁽¹⁾	-
	OR3	Minimum required operational risk capital	Annual ⁽¹⁾	-
DIS70: Interest rate risk in the banking book (IRRBB)	IRRBBA	IRRBB risk management objectives and policies	Annual	-
	IRRBB1	Quantitative information on IRRBB	Annual	-
DIS75: Macroprudential supervisory measures	GSIB1	Disclosure of G-SIB indicators	Annual	G-SIB indicators are available at nab.com.au/about-us/shareholder-centre/regulatory-disclosures
	CCyB1	Geographical distribution of credit exposures used in the calculation of the bank-specific countercyclical capital buffer requirement	Semi-annual	Section 3 <i>Capital</i>
DIS80: Leverage ratio	LR1	Summary comparison of accounting assets vs leverage ratio exposure measure	Semi-annual	Section 3 <i>Capital</i>
	LR2	Leverage ratio common disclosure template	Quarterly	Section 3 <i>Capital</i>
DIS85: Liquidity	LIQA	Liquidity risk management	Annual	-
	LIQ1	Liquidity coverage ratio (LCR)	Quarterly	Section 9 <i>Liquidity</i>
	LIQ2	Net stable funding ratio (NSFR)	Semi-annual	Section 9 <i>Liquidity</i>

(1) Disclosed as additional information in the first quarter Pillar 3 report to provide information on a more timely basis. The business indicator component of operational risk capital is updated as part of 31 December reporting following finalisation of the year-end financial report.

Glossary

AASB

Australian Accounting Standards Board

Accountable Person

An accountable person for the purposes of the Banking Act 1959 (Cth).

Additional Tier 1 capital

Comprises high quality components of capital that provide a permanent and unrestricted commitment of funds, are freely available to absorb losses, rank behind the claims of depositors and other more senior creditors in the event of winding-up of the issuer, and provide for fully discretionary capital distributions.

ADI

Authorised deposit-taking institution

Advanced internal ratings-based (A-IRB) approach

The approach used by the Group, under approval from APRA, to calculate the capital requirement for credit risk, which utilises the outputs of internally developed models for probability of default, loss given default and exposure at default.

ANZSIC

Australian and New Zealand Standard Industrial Classification

APRA

Australian Prudential Regulation Authority

APS

Prudential standards issued by APRA applicable to ADIs.

Available stable funding (ASF)

The portion of an ADI's capital and liabilities expected to be reliably provided over a one-year time horizon.

Banking book

Exposures not contained in the trading book.

BCBS

Basel Committee on Banking Supervision

BNZ

Bank of New Zealand, a banking subsidiary regulated by the Reserve Bank of New Zealand.

Carrying value

The value of assets and liabilities reported on the balance sheet under accounting standards and interpretations issued by the Australian Accounting Standards Board. Information on how the requirements of the Australian Accounting Standards Board have been applied through the Group's accounting policies is contained in the 2025 Annual Report.

CCF

Credit conversion factor

CCR

Counterparty credit risk

CCyB

Countercyclical capital buffer

Central counterparty (CCP)

A clearing house which interposes itself, directly or indirectly, between counterparties to contracts traded in one or more financial markets, thereby insuring the future performance of open contracts.

Citi consumer business

Citigroup's Australian consumer business, acquired by the Group in June 2022.

Citigroup

Citigroup Pty Limited and Citigroup Overseas Investment Corporation.

Common Equity Tier 1 (CET1) capital

The highest quality component of capital. CET1 capital ranks behind the claims of depositors and other creditors in the event of winding-up of the issuer, absorbs losses as and when they occur, has full flexibility of dividend payments and has no maturity date. CET1 capital consists of paid-up ordinary share capital, retained profits and certain other items as defined in APS 111 'Capital Adequacy: Measurement of Capital'.

Common Equity Tier 1 capital ratio

Common Equity Tier 1 capital divided by risk-weighted assets.

Company

National Australia Bank Limited ABN 12 004 044 937

CPS

Prudential standards issued by APRA applicable to regulated entities, including ADIs.

Credit valuation adjustment (CVA)

A capital charge to reflect potential mark-to-market losses due to counterparty migration risk for bilateral over-the-counter derivative contracts.

CRM

Credit risk mitigation

D-SIB

Domestic systemically important bank

Default

Default occurs when a loan obligation is contractually 90 days or more past due, or when it is considered unlikely that the credit obligation to the Group will be paid in full without remedial action, such as realisation of security.

Default fund

Clearing members' funded or unfunded contributions towards, or underwriting of, a central counterparty's mutualised loss sharing arrangements.

Expected loss

Expected loss for non-defaulted exposures is a function of long-run probability of default and stressed loss given default. Expected loss for defaulted exposures:

- is the best estimate of expected loss for A-IRB exposures.
- is a function of EaD and supervisory estimates of LGD for F-IRB exposures.
- is a supervisory prescribed percentage of EaD for specialised lending exposures.

Expected loss is not required to be calculated for exposures subject to the standardised approach.

Exposure at default (EaD)

An estimate of the credit exposure amount outstanding if a customer defaults.

Extended Licensed Entity

The ADI and any APRA-approved subsidiaries assessed as effectively part of a single 'stand-alone' entity, as defined in APS 222 'Associations with Related Entities'.

External ratings-based approach (ERBA)

An approach to calculate the capital requirements for credit risk on securitisation exposures within the scope of APS 120 'Securitisation', which utilises risk weights based on external credit ratings issued by recognised External Credit Assessment Institutions.

Foundation internal ratings-based (F-IRB) approach

An approach to calculate the capital requirement for credit risk, which utilises the outputs of internally developed models for probability of default, and supervisory estimates for loss given default and exposure at default.

G-SIB

Global systemically important bank

Group

NAB and its controlled entities.

High-quality liquid assets (HQLA)

Consists primarily of cash, deposits with central banks, Australian government and semi-government securities, and securities issued by foreign sovereigns as defined in APS 210 'Liquidity'.

Individually assessed provision for credit impairment

The provision assessed on an individual basis in accordance with Australian Accounting Standard AASB 9 'Financial Instruments'.

Internal model approach (IMA) - non-traded market risk

The approach used by the Group, under approval from APRA, to calculate the capital requirement for non-traded market risk. The IMA is used to calculate interest rate risk in the banking book for transactions in the banking book.

Internal model approach (IMA) - traded market risk

The approach used by the Group, under approval from APRA, to calculate the capital requirement for traded market risk. The IMA is used to calculate general market risk for transactions in the trading book, other than those covered by the standard method.

Leverage ratio

Tier 1 capital divided by exposures as defined in APS 110 'Capital Adequacy'. Exposures include on-balance sheet exposures, derivative exposures, securities financing transaction exposures and other off-balance sheet exposures.

Liquidity coverage ratio (LCR)

A metric that measures the adequacy of high-quality liquid assets available to meet net cash outflows over a 30-day period during a severe liquidity stress scenario.

Loss given default (LGD)

An estimate of the expected severity of loss for a credit exposure following a default event. Regulatory LGDs reflect a stressed economic condition at the time of default.

LVR

Loan-to-valuation ratio

NAB

National Australia Bank Limited ABN 12 004 044 937

NAB Europe

National Australia Bank Europe S.A.

Net stable funding ratio (NSFR)

A ratio of the amount of available stable funding to the amount of required stable funding.

Net write-offs

A reduction in the carrying amount of loans and advances where there is no reasonable expectation of recovery of a portion or the entire exposure, net of recoveries.

Non-performing exposures

Exposures which are in default aligned to the definition in APS 220 'Credit Risk Management'.

Probability of default (PD)

An estimate of the likelihood of a customer defaulting or not repaying their borrowings and other obligations in the next 12 months.

Qualifying central counterparty (QCCP)

An entity licensed to operate as a central counterparty, and permitted to operate as such with respect to products offered. The entity must be based and prudentially supervised in a jurisdiction where the relevant regulator or overseer has established that it applies domestic rules and regulations consistent with the 'Principles for Financial Market Infrastructures' issued by the Committee on Payments and Market Infrastructures and International Organization of Securities Commissions.

RBA

Reserve Bank of Australia

RBNZ

Reserve Bank of New Zealand

Required stable funding (RSF)

The amount of stable funding an ADI is required to hold measured as a function of the liquidity characteristics and residual maturities of the various assets held by an ADI, including off-balance sheet exposures.

Risk-weighted assets (RWA)

A quantitative measure of risk required by the APRA risk-based capital adequacy framework, covering credit risk for on- and off-balance sheet exposures, market risk, operational risk and interest rate risk in the banking book.

RMBS

Residential mortgage-backed securities

SA-CCR

Standardised approach for measuring counterparty credit risk exposures

Securities financing transaction (SFT)

A transaction such as a repurchase agreement, reverse repurchase agreement or a securities lending and borrowing transaction where the value of the transaction depends on the market valuation of securities and the transaction is typically subject to margin agreements.

SME

Small and medium-sized enterprises

SPV

Special purpose vehicle

Standard method

An alternative approach to calculate the capital requirement for traded market risk, which applies supervisory risk weights to positions arising from trading activities.

Standardised approach (SA)

An approach to calculate the capital requirement for credit risk, which utilises supervisory risk weights based on external ratings and/or the application of specific regulator defined metrics to determine risk-weighted assets.

Standardised measurement approach (SMA)

An approach to calculate the capital requirement for operational risk based on a business indicator, a financial statement proxy of operational risk exposure.

Supervisory formula approach (SFA)

An approach to calculate the capital requirements for credit risk on securitisation exposures within the scope of APS 120 'Securitisation' that lack eligible external ratings or do not meet the operational criteria for the external ratings-based approach. The SFA uses structural features of the securitisation exposure and specific parameters of the underlying asset pool to determine the capital requirement.

SVaR

Stressed value at risk

Tier 1 capital

Common Equity Tier 1 capital plus Additional Tier 1 capital.

Tier 1 capital ratio

Tier 1 capital divided by risk-weighted assets.

Tier 2 capital

Includes components of capital that, to varying degrees, fall short of the quality of Tier 1 capital but nonetheless contribute to the overall strength of an ADI and its capacity to absorb losses.

Total capital

Tier 1 capital plus Tier 2 capital.

Total capital ratio

Total capital divided by risk-weighted assets.

Trading book

Positions in financial instruments, including derivatives and other off-balance sheet instruments, that are held either with a trading intent or to hedge other elements of the trading book.

Value at risk (VaR)

A mathematical technique that uses statistical analysis of historical data to estimate a portfolio's potential losses for a given holding period and likelihood.

