

**national  
australia  
bank**



# **Pillar 3 Report as at 31 December 2025**

Incorporating the requirements of APS 330



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# 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 document has been prepared in accordance with APRA Prudential Standard APS 330 *Public Disclosure*, which requires disclosure of key prudential information to the market 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 document 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 is based on the reporting frequency, 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 document is available in Microsoft Excel format at [nab.com.au/about-us/shareholder-centre/regulatory-disclosures](http://nab.com.au/about-us/shareholder-centre/regulatory-disclosures).

## Capital adequacy methodologies

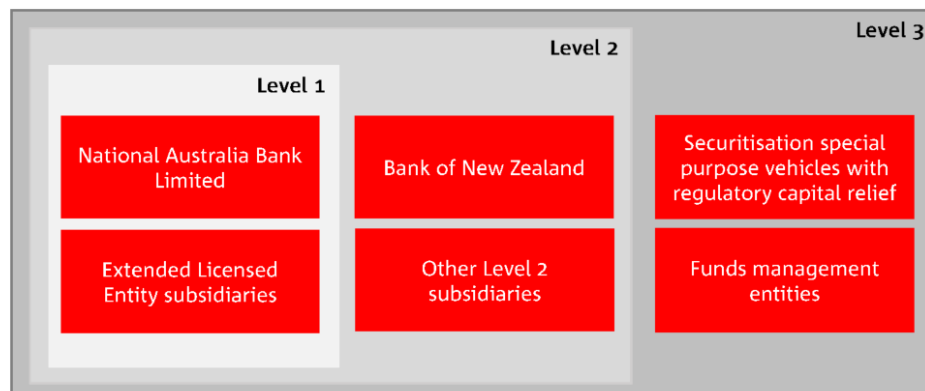
The Group uses the following approaches to measure capital adequacy.

| Credit risk                                          | Operational risk                        | Non-traded market risk        | Traded market risk                                |
|------------------------------------------------------|-----------------------------------------|-------------------------------|---------------------------------------------------|
| Internal ratings-based (IRB) approach <sup>(1)</sup> | 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 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 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.

# 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.

December 2025 v September 2025

#### Regulatory capital

Common Equity Tier 1 (CET1) capital decreased by \$254 million or 0.5%. Key movements since 30 September 2025 included payment of the final dividend in respect of the 2025 financial year of \$2.6 billion and a \$253 million reduction in the foreign currency translation reserve from unfavourable foreign currency translation impacts, partially offset by net profit for the quarter of \$2.2 billion and a \$243 million decrease in the equity exposures regulatory adjustment following the sale of the remaining 20% stake in MLC Life to Nippon Life Insurance Company.

The decrease in Tier 1 capital of \$254 million or 0.4% 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 \$184 million or 0.2%, with an increase in Tier 2 capital partially offset by the movement in Tier 1 capital. Tier 2 capital instrument issuances of \$1.9 billion during the quarter were partially offset by \$1.2 billion of maturities and unfavourable foreign currency translation impacts.

#### Risk-weighted assets

Total RWA increased by \$6.0 billion or 1.4%. The most significant driver was a \$3.2 billion or 0.9% increase in credit RWA (excluding counterparty credit risk). The increase in credit RWA was mainly driven by lending growth, largely in corporate (including small and medium-sized enterprises (SME)) and residential mortgages, partially offset by model updates. Changes in the quarter include implementation of a new probability of default model for BNZ residential mortgages and internal ratings-based approaches for a portfolio of residential mortgages related to the Citi consumer business and NAB Europe exposures which were previously subject to the standardised approach. Refer to CR8: *RWA flow statements of credit risk exposures under IRB* for further details.

In addition:

- The floor adjustment increased by \$3.0 billion following a 1.4% increase in RWA under the full standardised approach compared to a 0.7% increase in RWA prior to application of the floor, with further detail in CMS1: *Comparison of modelled and standardised RWA at risk level*.
- Operational risk RWA increased by \$1.1 billion or 2.9% mainly due to an increase in the interest, lease and dividend component of the business indicator as part of the annual update under the SMA, with further detail in Section 5 *Operational risk*.

These increases in RWA were partially offset by the following:

- The RWA for counterparty credit risk and credit valuation adjustment decreased by \$1.5 billion, mainly due to a decrease in the exposure at default (EaD) for derivatives.
- Interest rate risk in the banking book (IRRBB) RWA decreased by \$903 million or 6.5%. A decrease in RWA on adoption of the revised APS 117 *Capital Adequacy: Interest Rate Risk in the Banking Book* from 1 October 2025 was partially offset by an increase in the IRRBB capital charge following an increase in market interest rates.

#### Leverage ratio

The leverage ratio decreased by 6 basis points to 4.86%, driven by an increase in total exposures of \$12.0 billion or 1.0%, combined with a decrease in Tier 1 capital of \$254 million or 0.4%.

The increase in total exposures was due to a \$5.4 billion increase in securities financing transaction (SFT) exposures from higher reverse repurchase agreement activity, a \$4.4 billion increase in on-balance sheet exposures, mainly from higher loans and advances, and a \$3.3 billion increase in off-balance sheet exposures. These increases were partially offset by a decrease in derivative exposures.

#### Liquidity coverage ratio

The average liquidity coverage ratio (LCR) for the quarter increased to 136% from 135%, with a \$2.8 billion or 1.3% increase in average high-quality liquid assets (HQLA), partially offset by a \$794 million or 0.5% increase in average weighted net cash outflows.

The increase in average HQLA was largely as a result of higher short-term wholesale funding raised to accommodate a period of elevated cash outflows.

The increase in average net cash outflows was mainly due to increased term funding maturities during the quarter.

#### Net stable funding ratio

The net stable funding ratio (NSFR) increased to 117% from 116%, with a proportionately larger increase in available stable funding (ASF) of \$5.8 billion or 0.8%, compared to the increase in required stable funding (RSF) of \$536 million or 0.1%.

The most significant driver of the increase in ASF was growth in retail and small business customer deposits. This was partially offset by a reduction in wholesale term funding and wholesale deposits, combined with lower regulatory capital before regulatory adjustments.

The increase in RSF was mostly driven by an increase in both home lending and encumbered residential mortgages. This was partially offset by a reduction in RSF held on derivatives, and lower regulatory capital adjustments.

## Key prudential metrics (cont.)

The following table provides an overview of prudential metrics as at 31 December 2025 and for the four previous quarter-end periods.

|                                                                         |                                                                                                                                                   | As at     |           |           |           |           |
|-------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-----------|-----------|-----------|-----------|
|                                                                         |                                                                                                                                                   | 31 Dec 25 | 30 Sep 25 | 30 Jun 25 | 31 Mar 25 | 31 Dec 24 |
| <b>Available capital (amounts)</b>                                      |                                                                                                                                                   |           |           |           |           |           |
| 1                                                                       | CET1                                                                                                                                              | 51,273    | 51,527    | 53,038    | 51,236    | 49,977    |
| 2                                                                       | Tier 1                                                                                                                                            | 60,262    | 60,516    | 62,628    | 60,826    | 59,567    |
| 3                                                                       | Total capital                                                                                                                                     | 89,698    | 89,514    | 89,739    | 89,622    | 86,823    |
| <b>RWA (amounts)</b>                                                    |                                                                                                                                                   |           |           |           |           |           |
| 4                                                                       | Total RWA                                                                                                                                         | 446,519   | 440,557   | 436,890   | 426,445   | 429,128   |
| 4a                                                                      | Total RWA (pre-floor) <sup>(1)</sup>                                                                                                              | 441,196   | 438,273   | 436,890   | 425,189   | 429,128   |
| <b>Risk-based capital ratios as a percentage of RWA (Level 2 Group)</b> |                                                                                                                                                   |           |           |           |           |           |
| 5                                                                       | CET1 capital ratio (%)                                                                                                                            | 11.48     | 11.70     | 12.14     | 12.01     | 11.65     |
| 5b                                                                      | CET1 capital ratio (%) (pre-floor ratio) <sup>(1)</sup>                                                                                           | 11.62     | 11.76     | 12.14     | 12.05     | 11.65     |
| 6                                                                       | Tier 1 capital ratio (%)                                                                                                                          | 13.50     | 13.74     | 14.33     | 14.26     | 13.88     |
| 6b                                                                      | Tier 1 capital ratio (%) (pre-floor ratio) <sup>(1)</sup>                                                                                         | 13.66     | 13.81     | 14.33     | 14.31     | 13.88     |
| 7                                                                       | Total capital ratio (%)                                                                                                                           | 20.09     | 20.32     | 20.54     | 21.02     | 20.23     |
| 7b                                                                      | Total capital ratio (%) (pre-floor ratio) <sup>(1)</sup>                                                                                          | 20.33     | 20.42     | 20.54     | 21.08     | 20.23     |
| <b>Risk-based capital ratios as a percentage of RWA (Level 1 Group)</b> |                                                                                                                                                   |           |           |           |           |           |
| -                                                                       | CET1 capital ratio (%)                                                                                                                            | 11.50     | 11.60     | 11.97     | 11.84     | 11.42     |
| -                                                                       | Tier 1 capital ratio (%)                                                                                                                          | 13.73     | 13.86     | 14.41     | 14.33     | 13.89     |
| -                                                                       | Total capital ratio (%)                                                                                                                           | 20.97     | 21.09     | 21.25     | 21.74     | 20.81     |
| <b>Additional CET1 buffer requirements as a percentage of RWA</b>       |                                                                                                                                                   |           |           |           |           |           |
| 8                                                                       | Capital conservation buffer requirement (%)                                                                                                       | 3.75      | 3.75      | 3.75      | 3.75      | 3.75      |
| 9                                                                       | Countercyclical capital buffer requirement (%)                                                                                                    | 0.85      | 0.85      | 0.85      | 0.85      | 0.85      |
| 10                                                                      | Bank global systemically important bank (G-SIB) and/or domestic systemically important bank (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)                                                                      | 5.60      | 5.60      | 5.60      | 5.60      | 5.60      |
| 12                                                                      | CET1 available after meeting the bank's minimum capital requirements (%) <sup>(2)</sup>                                                           | 6.98      | 7.20      | 7.64      | 7.51      | 7.15      |
| <b>Leverage ratio</b>                                                   |                                                                                                                                                   |           |           |           |           |           |
| 13                                                                      | Total leverage ratio exposure measure                                                                                                             | 1,241,137 | 1,229,142 | 1,226,589 | 1,210,737 | 1,231,826 |
| 14c                                                                     | Leverage ratio (%) (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values for SFT assets | 4.86      | 4.92      | 5.11      | 5.02      | 4.84      |
| <b>LCR<sup>(3)</sup></b>                                                |                                                                                                                                                   |           |           |           |           |           |
| 15                                                                      | Total HQLA                                                                                                                                        | 210,361   | 207,588   | 211,713   | 212,309   | 213,659   |
| 16                                                                      | Total net cash outflows                                                                                                                           | 154,197   | 153,403   | 156,597   | 152,496   | 154,236   |
| 17                                                                      | LCR (%)                                                                                                                                           | 136       | 135       | 135       | 139       | 139       |
| <b>NSFR</b>                                                             |                                                                                                                                                   |           |           |           |           |           |
| 18                                                                      | Total ASF                                                                                                                                         | 718,801   | 712,993   | 711,581   | 703,467   | 695,170   |
| 19                                                                      | Total RSF                                                                                                                                         | 613,244   | 612,708   | 611,141   | 592,468   | 589,750   |
| 20                                                                      | NSFR (%)                                                                                                                                          | 117       | 116       | 116       | 119       | 118       |

(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.

## 2.2 Overview of exposure at default and RWA

### OV1: Overview of RWA

The following table provides RWA for each risk type and approach.

|           |                                                                       | 31 Dec 25      | As at<br>30 Sep 25 | 31 Dec 25                                         |
|-----------|-----------------------------------------------------------------------|----------------|--------------------|---------------------------------------------------|
|           |                                                                       | RWA            | RWA                | Minimum<br>capital<br>requirements <sup>(1)</sup> |
|           |                                                                       | \$m            | \$m                | \$m                                               |
| 1         | Credit risk (excluding counterparty credit risk (CCR)) <sup>(2)</sup> | 356,115        | 352,908            | 28,834                                            |
| 2         | of which: standardised approach (SA)                                  | 17,706         | 21,348             | 1,434                                             |
| 3         | of which: F-IRB approach                                              | 38,518         | 36,832             | 3,119                                             |
| 4         | of which: supervisory slotting approach                               | 9,543          | 9,332              | 773                                               |
| 5         | of which: A-IRB approach                                              | 290,348        | 285,396            | 23,508                                            |
| 6         | Counterparty credit risk                                              | 10,680         | 11,731             | 864                                               |
| 7         | of which: standardised approach for CCR                               | 8,899          | 9,582              | 720                                               |
| 9         | of which: other CCR <sup>(3)</sup>                                    | 1,781          | 2,149              | 144                                               |
| 10        | Credit valuation adjustment                                           | 4,521          | 4,942              | 366                                               |
| 15        | Settlement risk                                                       | -              | -                  | -                                                 |
| 16        | Securitisation exposures in banking book                              | 6,039          | 5,405              | 489                                               |
| 18        | of which: securitisation external ratings-based approach (ERBA)       | 1,282          | 1,336              | 104                                               |
| 19        | of which: securitisation supervisory formula approach (SFA)           | 4,757          | 4,069              | 385                                               |
| 20        | Market risk                                                           | 12,092         | 11,732             | 979                                               |
| 21        | of which: standard method                                             | 919            | 850                | 74                                                |
| 22        | of which: IMA                                                         | 11,173         | 10,882             | 905                                               |
| 24        | Operational risk                                                      | 38,707         | 37,610             | 3,134                                             |
| -         | Interest rate risk in the banking book                                | 13,042         | 13,945             | 1,056                                             |
| 26        | <i>Output floor applied</i>                                           | 72.5%          | 72.5%              |                                                   |
| 27        | Floor adjustment <sup>(4)</sup>                                       | 5,323          | 2,284              |                                                   |
| <b>29</b> | <b>Total</b>                                                          | <b>446,519</b> | <b>440,557</b>     | <b>35,722</b>                                     |

(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 \$4.8 billion as at both 31 December 2025 and 30 September 2025. The majority of the overlay is included in RWA under the A-IRB approach in row 5 (\$4.3 billion) and the F-IRB approach in row 3 (\$321 million).

(3) 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.

(4) 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 EaD and RWA by asset class. The nature of exposures in each asset class is outlined on page 8. 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 Dec 25                                |                             |                  |                |                             |                |
|------------------------------------------|------------------------------------------------|-----------------------------|------------------|----------------|-----------------------------|----------------|
|                                          | EaD<br>post-CCF and<br>post-CRM <sup>(1)</sup> |                             |                  | RWA            |                             |                |
|                                          | Credit risk                                    | Counterparty<br>credit risk | Total            | Credit risk    | Counterparty<br>credit risk | Total          |
|                                          | \$m                                            | \$m                         | \$m              | \$m            | \$m                         | \$m            |
| <b>Subject to A-IRB approach</b>         |                                                |                             |                  |                |                             |                |
| 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          |
| <b>Subject to F-IRB approach</b>         |                                                |                             |                  |                |                             |                |
| 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         |
| <b>Total IRB approach</b>                | <b>942,625</b>                                 | <b>27,270</b>               | <b>969,895</b>   | <b>286,822</b> | <b>9,599</b>                | <b>296,421</b> |
| <b>Specialised lending</b>               | <b>3,980</b>                                   | <b>139</b>                  | <b>4,119</b>     | <b>3,038</b>   | <b>102</b>                  | <b>3,140</b>   |
| <b>Subject to standardised approach</b>  |                                                |                             |                  |                |                             |                |
| 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          |
| <b>Total standardised approach</b>       | <b>23,047</b>                                  | <b>2,569</b>                | <b>25,616</b>    | <b>16,046</b>  | <b>185</b>                  | <b>16,231</b>  |
| 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          |
| <b>Total credit risk<sup>(2)</sup></b>   | <b>1,092,320</b>                               | <b>32,398</b>               | <b>1,157,530</b> | <b>356,115</b> | <b>10,680</b>               | <b>377,355</b> |
| Market risk                              |                                                |                             |                  |                |                             | 12,092         |
| Operational risk                         |                                                |                             |                  |                |                             | 38,707         |
| Interest rate risk in the banking book   |                                                |                             |                  |                |                             | 13,042         |
| Floor adjustment                         |                                                |                             |                  |                |                             | 5,323          |
| <b>Total</b>                             | <b>1,092,320</b>                               | <b>32,398</b>               | <b>1,157,530</b> | <b>356,115</b> | <b>10,680</b>               | <b>446,519</b> |

(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 \$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).



## Overview of exposure at default and RWA (cont.)

|                                          | As at 30 Sep 25                 |                             |                  |                |                             |                |
|------------------------------------------|---------------------------------|-----------------------------|------------------|----------------|-----------------------------|----------------|
|                                          | EaD<br>post-CCF and<br>post-CRM |                             |                  | RWA            |                             |                |
|                                          | Credit risk                     | Counterparty<br>credit risk | Total            | Credit risk    | Counterparty<br>credit risk | Total          |
|                                          | \$m                             | \$m                         | \$m              | \$m            | \$m                         | \$m            |
| <b>Subject to A-IRB approach</b>         |                                 |                             |                  |                |                             |                |
| 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          |
| <b>Subject to F-IRB approach</b>         |                                 |                             |                  |                |                             |                |
| 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         |
| <b>Total IRB approach</b>                | <b>927,890</b>                  | <b>29,168</b>               | <b>957,058</b>   | <b>278,914</b> | <b>10,268</b>               | <b>289,182</b> |
| <b>Specialised lending</b>               | <b>3,524</b>                    | <b>142</b>                  | <b>3,666</b>     | <b>2,697</b>   | <b>103</b>                  | <b>2,800</b>   |
| <b>Subject to standardised approach</b>  |                                 |                             |                  |                |                             |                |
| 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          |
| <b>Total standardised approach</b>       | <b>29,996</b>                   | <b>2,845</b>                | <b>32,841</b>    | <b>19,506</b>  | <b>314</b>                  | <b>19,820</b>  |
| RBNZ regulated banking subsidiary        | 121,446                         | 3,688                       | 125,134          | 51,791         | 1,046                       | 52,837         |
| Credit valuation adjustment              |                                 |                             |                  |                |                             |                |
| Settlement risk                          |                                 |                             |                  |                |                             |                |
| Securitisation exposures in banking book |                                 |                             |                  |                |                             |                |
| <b>Total credit risk<sup>(1)</sup></b>   | <b>1,082,856</b>                | <b>35,843</b>               | <b>1,151,516</b> | <b>352,908</b> | <b>11,731</b>               | <b>374,986</b> |
| Market risk                              |                                 |                             |                  |                |                             |                |
| Operational risk                         |                                 |                             |                  |                |                             |                |
| Interest rate risk in the banking book   |                                 |                             |                  |                |                             |                |
| Floor adjustment                         |                                 |                             |                  |                |                             |                |
| <b>Total</b>                             | <b>1,082,856</b>                | <b>35,843</b>               | <b>1,151,516</b> | <b>352,908</b> | <b>11,731</b>               | <b>440,557</b> |

(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).

## Overview of exposure at default and RWA (cont.)

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

| Asset class                                 | Description                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|---------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Subject to the A-IRB approach</b>        |                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| 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"> <li>the consolidated annual revenue of the borrower is less than \$75 million, and</li> <li>the total business-related exposure to the borrower is less than \$1.5 million.</li> </ul>                                                                                                  |
| 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 products, overdrafts and overdrawn transaction account exposures.                                                                                                                                                                                                                                                                     |
| <b>Subject to the F-IRB approach</b>        |                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Corporate                                   | Corporations, partnerships, proprietorships and public sector entities with consolidated annual revenue greater than \$750 million.                                                                                                                                                                                                                                                                                                             |
| Sovereign                                   | <ul style="list-style-type: none"> <li>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.</li> <li>The Reserve Bank of Australia and overseas central banks.</li> <li>Multilateral development banks or institutions eligible for a zero per cent risk-weight.</li> </ul>                    |
| 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.                                                                             |
| <b>Specialised lending</b>                  | Project finance exposures, in which revenues generated by a single project are the primary source of repayment and security for the exposure.                                                                                                                                                                                                                                                                                                   |
| <b>Subject to the standardised approach</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| 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 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.<br><br>The Group has received IRB accreditation from APRA for a portfolio of credit cards related to the Citi consumer business. The IRB approach is in the process of implementation for this portfolio, which had \$6.3 billion in EaD under the standardised approach as at 31 December 2025. |
| Other                                       | Cash items in the process of collection, premises and other fixed assets, and all other exposures.                                                                                                                                                                                                                                                                                                                                              |
| <b>RBNZ regulated banking subsidiary</b>    | BNZ exposures measured using RBNZ prudential requirements, with the exception of scaling factors which are applied under APRA requirements and any APRA-imposed 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 at risk level of RWA prior to application of the floor modelled under approval from APRA, and RWA calculated under the full standardised approach.

#### December 2025 v September 2025

RWA prior to application of the floor increased by \$2.9 billion or 0.7%, whereas RWA under the full standardised approach increased by \$8.2 billion or 1.4%. These movements resulted in an increase in the floor adjustment of \$3.0 billion.

RWA under the full standardised approach increased \$5.3 billion more than pre-floor RWA, mainly related to credit RWA (excluding counterparty credit risk). Lending growth, mostly in corporate (including SME) and residential mortgages, resulted in a greater increase in credit RWA (excluding counterparty credit risk) under the full standardised approach compared to pre-floor RWA due to higher risk-weights under the standardised approach.

|                                                                           |                                                  | 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                                                                         | <b>Total</b>                                     | <b>372,902</b>                                                        | <b>68,294</b>                                             | <b>441,196</b> | <b>615,888</b>                                  |
| Capital floor at 72.5% of RWA calculated using full standardised approach |                                                  |                                                                       |                                                           |                | 446,519                                         |
| RWA prior to application of floor                                         |                                                  |                                                                       |                                                           |                | 441,196                                         |
| <b>Floor adjustment</b>                                                   |                                                  |                                                                       |                                                           |                | <b>5,323</b>                                    |

|                                                                           |                                                  | 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                                                                         | <b>Total</b>                                     | <b>367,558</b>                                                        | <b>70,715</b>                                             | <b>438,273</b> | <b>607,666</b>                                  |
| Capital floor at 72.5% of RWA calculated using full standardised approach |                                                  |                                                                       |                                                           |                | 440,557                                         |
| RWA prior to application of floor                                         |                                                  |                                                                       |                                                           |                | 438,273                                         |
| <b>Floor adjustment</b>                                                   |                                                  |                                                                       |                                                           |                | <b>2,284</b>                                    |

# Capital

## Leverage ratio

### LR2: Leverage ratio common disclosure template

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

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

# Credit risk

## 4.1 General information about credit risk

### 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 excludes securitisation exposures subject to the requirements of APS 120,
- non-performing exposures, and
- the provision for credit impairment for non-performing exposures, including the provision for non-performing exposures which are individually assessed.

December 2025 v September 2025

Non-performing exposures decreased by \$424 million or 3.5%. This was mainly driven by improvement in the Business and Private Banking business lending portfolio, combined with lower arrears for the Australian mortgage portfolio.

| Industry sector                                         | As at 31 Dec 25                          |                          |                                                       |                                                                 |
|---------------------------------------------------------|------------------------------------------|--------------------------|-------------------------------------------------------|-----------------------------------------------------------------|
|                                                         | Credit and CCR EaD post-CCF and post-CRM | Non-performing exposures | Provision for non-performing exposures <sup>(1)</sup> | Of which: individually assessed provision for credit impairment |
|                                                         | \$m                                      | \$m                      | \$m                                                   | \$m                                                             |
| Accommodation and hospitality                           | 15,288                                   | 260                      | 64                                                    | 23                                                              |
| Agriculture, forestry, fishing and mining               | 69,583                                   | 1,704                    | 339                                                   | 178                                                             |
| Business services and property services                 | 23,278                                   | 514                      | 197                                                   | 147                                                             |
| Commercial property                                     | 96,502                                   | 998                      | 172                                                   | 29                                                              |
| Construction                                            | 15,797                                   | 390                      | 125                                                   | 89                                                              |
| Finance and insurance                                   | 162,598                                  | 156                      | 35                                                    | 24                                                              |
| Government and public authorities                       | 75,077                                   | -                        | -                                                     | -                                                               |
| Manufacturing                                           | 22,718                                   | 645                      | 256                                                   | 201                                                             |
| Personal                                                | 20,452                                   | 148                      | 91                                                    | 2                                                               |
| Residential mortgages                                   | 503,462                                  | 5,260                    | 498                                                   | 85                                                              |
| Retail and wholesale trade                              | 37,578                                   | 624                      | 232                                                   | 168                                                             |
| Transport and storage                                   | 23,132                                   | 402                      | 124                                                   | 89                                                              |
| Utilities <sup>(2)</sup>                                | 26,403                                   | 274                      | 88                                                    | 85                                                              |
| Other <sup>(3)</sup>                                    | 32,850                                   | 295                      | 76                                                    | 50                                                              |
| <b>Total</b>                                            | <b>1,124,718</b>                         | <b>11,670</b>            | <b>2,297</b>                                          | <b>1,170</b>                                                    |
| <b>Provision for performing exposures<sup>(4)</sup></b> |                                          |                          | <b>3,823</b>                                          |                                                                 |
| <b>Total provision for credit impairment</b>            |                                          |                          | <b>6,120</b>                                          |                                                                 |

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

Provision for performing exposures<sup>(4)</sup>

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.

## 4.2 Credit risk under internal-based approaches

### 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 December 2025 and 30 September 2025 on pages 6 and 7, respectively.

#### December 2025 v September 2025

RWA for credit risk exposures subject to the A-IRB and F-IRB approaches increased by \$6.6 billion or 2.1% in the three months to 31 December 2025, mainly due to lending growth, largely in corporate (including SME) and residential mortgages (reflected in row 2).

Model updates in the three months to 31 December 2025 include implementation of the A-IRB and F-IRB approaches for a portfolio of residential mortgages related to the Citi consumer business and NAB Europe exposures which were previously subject to the standardised approach. This 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 and F-IRB approaches in column (a). In addition, the implementation of a new probability of default model for BNZ residential mortgages resulted in a decrease in credit RWA.

Other credit RWA decreased by \$4.3 billion or 8.1% in the three months to 31 December 2025, mostly due to:

- implementation of the A-IRB and F-IRB approaches for the portfolios outlined above (reflected in row 4), and
- a decrease in the EaD for derivatives (reflected in row 8).

Credit RWA also decreased due to foreign currency translation impacts.

|   |                                                   | 3 months ended                       |                  |                  |                                      |                  |                  |
|---|---------------------------------------------------|--------------------------------------|------------------|------------------|--------------------------------------|------------------|------------------|
|   |                                                   | 31 Dec 25                            |                  |                  | 30 Sep 25                            |                  |                  |
|   |                                                   | a                                    | b                | c                | a                                    | b                | 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 |
|   |                                                   | \$m                                  | \$m              | \$m              | \$m                                  | \$m              | \$m              |
| 1 | <b>RWA as at end of previous reporting period</b> | <b>322,228</b>                       | <b>52,758</b>    | <b>374,986</b>   | <b>322,274</b>                       | <b>54,285</b>    | <b>376,559</b>   |
| 2 | Asset size <sup>(1)</sup>                         | 6,040                                | 320              | 6,360            | 4,398                                | (922)            | 3,476            |
| 3 | Asset quality <sup>(2)</sup>                      | 459                                  | 315              | 774              | (1,871)                              | (274)            | (2,145)          |
| 4 | Model updates                                     | 1,054                                | (3,314)          | (2,260)          | (25)                                 | (180)            | (205)            |
| 5 | Methodology and policy                            | -                                    | -                | -                | -                                    | -                | -                |
| 7 | Foreign exchange movements                        | (915)                                | (306)            | (1,221)          | (2,548)                              | (584)            | (3,132)          |
| 8 | Other <sup>(3)</sup>                              | -                                    | (1,284)          | (1,284)          | -                                    | 433              | 433              |
| 9 | <b>RWA as at end of reporting period</b>          | <b>328,866</b>                       | <b>48,489</b>    | <b>377,355</b>   | <b>322,228</b>                       | <b>52,758</b>    | <b>374,986</b>   |

(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.



# Operational risk

## Operational risk capital

In accordance with APS 115 *Capital Adequacy: Standardised Measurement Approach to Operational Risk*, operational risk capital is derived from the business indicator, a financial statement proxy of operational risk exposure. The business indicator is based on the average of the most recent three years of audited year-end financial reports, updated as part of 31 December reporting each year following finalisation of the 30 September year-end financial report.

The annual templates OR2: *Business indicator and subcomponents* and OR3: *Minimum required operational risk capital* have been included in this report to provide information on a more timely basis.

### December 2025 v September 2025

Operational risk RWA increased by \$1.1 billion or 2.9% mainly due to a \$90 million increase in the business indicator component of the operational risk capital charge as part of the annual update under the SMA.

The increase in the business indicator was mainly due to higher net interest and lease income in the 2025 financial year compared to the 2022 financial year, which moved out of the three-year average. Net interest and lease income (row 1a less row 1b in OR2: *Business indicator and subcomponents*) increased from \$14.9 billion in the 2022 financial year to \$17.1 billion in the 2025 financial year due to lending growth and a higher interest rate environment.

### OR2: Business indicator and subcomponents

The following table provides the business indicator and its subcomponents, which informed the operational risk capital for 31 December 2025, as set out in OR3: *Minimum required operational risk capital*.

|                                                 |                                                                | For the year ended 30 September |         |         |
|-------------------------------------------------|----------------------------------------------------------------|---------------------------------|---------|---------|
|                                                 |                                                                | 2025                            | 2024    | 2023    |
|                                                 |                                                                | \$m                             | \$m     | \$m     |
| <b>Business indicator and its subcomponents</b> |                                                                |                                 |         |         |
| <b>1</b>                                        | <b>Interest, lease and dividend component<sup>(1)(2)</sup></b> | <b>16,676</b>                   |         |         |
| 1a                                              | Interest and lease income                                      | 56,788                          | 58,303  | 48,078  |
| 1b                                              | Interest and lease expense                                     | 39,707                          | 41,867  | 31,623  |
| 1c                                              | Interest earning assets <sup>(3)</sup>                         | 1,014,617                       | 985,457 | 963,355 |
| 1d                                              | Dividend income                                                | 26                              | 16      | 15      |
| <b>2</b>                                        | <b>Services component<sup>(1)(4)</sup></b>                     | <b>2,396</b>                    |         |         |
| 2a                                              | Fee and commission income                                      | 2,098                           | 2,221   | 2,210   |
| 2b                                              | Fee and commission expense                                     | 23                              | 23      | 46      |
| 2c                                              | Other operating income                                         | 98                              | 443     | 117     |
| 2d                                              | Other operating expense                                        | 137                             | 212     | 105     |
| <b>3</b>                                        | <b>Financial component<sup>(1)(5)</sup></b>                    | <b>1,317</b>                    |         |         |
| 3a                                              | Net profit or loss on the trading book                         | 584                             | 657     | 783     |
| 3b                                              | Net profit or loss on the banking book                         | 654                             | 526     | 747     |
| <b>4</b>                                        | <b>Business indicator<sup>(1)</sup></b>                        | <b>20,389</b>                   |         |         |
| 5                                               | Business indicator component <sup>(1)(6)</sup>                 | 3,013                           |         |         |

(1) The business indicator and its components, representing averages of the most recent three financial years, are presented in the column for the most recent financial year, consistent with the disclosure template prescribed by APS 330.

(2) The interest, lease and dividend component is calculated as the lesser of the average of net interest and lease income and 2.25% of interest earning assets, plus the average of dividend income.

(3) Interest earning assets as at the end of each financial year.

(4) The services component is calculated as the higher of the average of fee and commission income and expense, plus the higher of the average of other operating income and expense.

(5) The financial component is calculated as the sum of the average of net profit or loss on the trading and banking book.

(6) Calculated as the business indicator multiplied by 12%, plus 3% of the amount by which the business indicator exceeds \$1.5 billion.

## Operational risk capital (cont.)

The following table provides the business indicator and its subcomponents, which informed the operational risk capital from 31 December 2024 to 30 September 2025, as set out in OR3: *Minimum required operational risk capital*.

|                                                 |                                                                | For the year ended 30 September |         |         |
|-------------------------------------------------|----------------------------------------------------------------|---------------------------------|---------|---------|
|                                                 |                                                                | 2024                            | 2023    | 2022    |
|                                                 |                                                                | \$m                             | \$m     | \$m     |
| <b>Business indicator and its subcomponents</b> |                                                                |                                 |         |         |
| <b>1</b>                                        | <b>Interest, lease and dividend component<sup>(1)(2)</sup></b> | <b>15,960</b>                   |         |         |
| 1a                                              | Interest and lease income                                      | 58,303                          | 48,078  | 22,853  |
| 1b                                              | Interest and lease expense                                     | 41,867                          | 31,623  | 7,988   |
| 1c                                              | Interest earning assets <sup>(3)</sup>                         | 985,457                         | 963,355 | 938,351 |
| 1d                                              | Dividend income                                                | 16                              | 15      | 93      |
| <b>2</b>                                        | <b>Services component<sup>(1)(4)</sup></b>                     | <b>2,503</b>                    |         |         |
| 2a                                              | Fee and commission income                                      | 2,221                           | 2,210   | 2,210   |
| 2b                                              | Fee and commission expense                                     | 23                              | 46      | 54      |
| 2c                                              | Other operating income                                         | 443                             | 117     | 306     |
| 2d                                              | Other operating expense                                        | 212                             | 105     | 112     |
| <b>3</b>                                        | <b>Financial component<sup>(1)(5)</sup></b>                    | <b>1,325</b>                    |         |         |
| 3a                                              | Net profit or loss on the trading book                         | 657                             | 783     | 424     |
| 3b                                              | Net profit or loss on the banking book                         | 526                             | 747     | 839     |
| <b>4</b>                                        | <b>Business indicator<sup>(1)</sup></b>                        | <b>19,788</b>                   |         |         |
| 5                                               | Business indicator component <sup>(1)(6)</sup>                 | 2,923                           |         |         |

(1) The business indicator and its components, representing averages of the most recent three financial years, are presented in the column for the most recent financial year, consistent with the disclosure template prescribed by APS 330.

(2) The interest, lease and dividend component is calculated as the lesser of the average of net interest and lease income and 2.25% of interest earning assets, plus the average of dividend income.

(3) Interest earning assets as at the end of each financial year.

(4) The services component is calculated as the higher of the average of fee and commission income and expense, plus the higher of the average of other operating income and expense.

(5) The financial component is calculated as the sum of the average of net profit or loss on the trading and banking book.

(6) Calculated as the business indicator multiplied by 12%, plus 3% of the amount by which the business indicator exceeds \$1.5 billion.

## OR3: Minimum required operational risk capital

The following table presents the operational risk regulatory capital requirements.

|   |                                                          | As at     |           |
|---|----------------------------------------------------------|-----------|-----------|
|   |                                                          | 31 Dec 25 | 30 Sep 25 |
|   |                                                          | \$m       | \$m       |
| 1 | Business indicator component                             | 3,013     | 2,923     |
| 2 | Internal loss multiplier <sup>(1)</sup>                  | 1.0       | 1.0       |
| - | Other regulatory capital charges                         | 83        | 86        |
| 3 | Minimum required operational risk capital <sup>(2)</sup> | 3,096     | 3,009     |
| 4 | Operational risk RWA <sup>(3)</sup>                      | 38,707    | 37,610    |

(1) The measurement of operational risk capital under APS 115 does not include an internal loss multiplier, which is a scaling factor based on average historical losses.

(2) Calculated as the business indicator component, multiplied by the internal loss multiplier, plus other regulatory capital charges.

(3) Operational risk RWA is operational risk capital multiplied by 12.5.

# Liquidity

## 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 surplus to APRA minimums in New Zealand dollars 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 December 2025 and 30 September 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 64 daily LCR data points used in calculating the average for the most recent quarter and 66 observations in the previous quarter.

## Liquidity coverage ratio (cont.)

### LIQ1: Liquidity coverage ratio

|                      |                                                                                                   | 3 months ended                                  |                                |                                                 |                                |
|----------------------|---------------------------------------------------------------------------------------------------|-------------------------------------------------|--------------------------------|-------------------------------------------------|--------------------------------|
|                      |                                                                                                   | 31 Dec 25                                       |                                | 30 Sep 25                                       |                                |
|                      |                                                                                                   | Total unweighted value (average) <sup>(1)</sup> | Total weighted value (average) | Total unweighted value (average) <sup>(1)</sup> | Total weighted value (average) |
|                      |                                                                                                   | \$m                                             | \$m                            | \$m                                             | \$m                            |
| <b>HQLA</b>          |                                                                                                   |                                                 |                                |                                                 |                                |
| 1                    | Total HQLA <sup>(2)(3)(4)</sup>                                                                   |                                                 | 210,361                        |                                                 | 207,588                        |
| -                    | of which: alternative liquid assets <sup>(3)</sup>                                                |                                                 | 3,023                          |                                                 | 3,633                          |
| -                    | of which: RBNZ eligible securities <sup>(3)(4)</sup>                                              |                                                 | 3,023                          |                                                 | 3,633                          |
| <b>Cash outflows</b> |                                                                                                   |                                                 |                                |                                                 |                                |
| 2                    | Retail deposits and deposits from small business customers                                        | 309,951                                         | 32,220                         | 305,084                                         | 31,710                         |
| 3                    | of which: stable deposits                                                                         | 138,648                                         | 6,932                          | 136,759                                         | 6,838                          |
| 4                    | of which: less stable deposits                                                                    | 171,303                                         | 25,288                         | 168,325                                         | 24,872                         |
| 5                    | Unsecured wholesale funding                                                                       | 192,884                                         | 90,558                         | 192,001                                         | 90,202                         |
| 6                    | of which: operational deposits (all counterparties) and deposits in networks of cooperative banks | 90,713                                          | 22,678                         | 94,154                                          | 23,538                         |
| 7                    | of which: non-operational deposits (all counterparties)                                           | 89,348                                          | 55,057                         | 85,810                                          | 54,627                         |
| 8                    | of which: unsecured debt                                                                          | 12,823                                          | 12,823                         | 12,037                                          | 12,037                         |
| 9                    | Secured wholesale funding <sup>(3)</sup>                                                          |                                                 | 11,343                         |                                                 | 8,505                          |
| 10                   | Additional requirements                                                                           | 213,042                                         | 35,424                         | 212,135                                         | 36,347                         |
| 11                   | of which: outflows related to derivative exposures and other collateral requirements              | 6,151                                           | 6,145                          | 8,783                                           | 7,140                          |
| 12                   | of which: outflows related to loss of funding on debt products                                    | -                                               | -                              | -                                               | -                              |
| 13                   | of which: credit and liquidity facilities                                                         | 206,891                                         | 29,279                         | 203,352                                         | 29,207                         |
| 14                   | Other contractual funding obligations                                                             | 1,977                                           | 1,771                          | 290                                             | 290                            |
| 15                   | Other contingent funding obligations                                                              | 89,263                                          | 5,690                          | 93,023                                          | 5,854                          |
| 16                   | <b>Total cash outflows</b>                                                                        |                                                 | <b>177,006</b>                 |                                                 | <b>172,908</b>                 |
| <b>Cash inflows</b>  |                                                                                                   |                                                 |                                |                                                 |                                |
| 17                   | Secured lending (e.g. reverse repos)                                                              | 54,477                                          | 5,437                          | 50,338                                          | 4,333                          |
| 18                   | Inflows from fully performing exposures                                                           | 21,511                                          | 14,026                         | 21,466                                          | 13,606                         |
| 19                   | Other cash inflows                                                                                | 2,748                                           | 3,346                          | 1,570                                           | 1,566                          |
| 20                   | <b>Total cash inflows</b>                                                                         | <b>78,736</b>                                   | <b>22,809</b>                  | <b>73,374</b>                                   | <b>19,505</b>                  |
|                      |                                                                                                   |                                                 | <b>Total adjusted value</b>    |                                                 | <b>Total adjusted value</b>    |
|                      |                                                                                                   |                                                 | <b>\$m</b>                     |                                                 | <b>\$m</b>                     |
| 21                   | <b>Total HQLA<sup>(2)</sup></b>                                                                   |                                                 | <b>210,361</b>                 |                                                 | <b>207,588</b>                 |
| 22                   | <b>Total net cash outflows</b>                                                                    |                                                 | <b>154,197</b>                 |                                                 | <b>153,403</b>                 |
| 23                   | <b>LCR (%)</b>                                                                                    |                                                 | <b>136%</b>                    |                                                 | <b>135%</b>                    |

(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 New Zealand dollar (NZD) liquid asset holdings in excess of NZD LCR of 100%, reflecting liquidity transferability considerations. The average amount excluded during both the three months to 31 December 2025 and 30 September 2025 was \$5.8 billion.

# Accountable Person attestation

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

A handwritten signature in black ink, appearing to read 'Shaun Dooley', with a stylized flourish at the end.

Shaun Dooley  
Group Chief Financial Officer  
18 February 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                                                                              | –                                                                                                                                                             |
| DIS25: Composition of capital and TLAC                                                    | CCA   | Main features of regulatory capital instruments and of other TLAC-eligible instruments                                                              | Semi-annual <sup>(1)</sup>                                                               | Available at <a href="http://nab.com.au/about-us/shareholder-centre/regulatory-disclosures">nab.com.au/about-us/shareholder-centre/regulatory-disclosures</a> |
|                                                                                           | CC1   | Composition of regulatory capital                                                                                                                   | Semi-annual                                                                              | –                                                                                                                                                             |
|                                                                                           | CC2   | Reconciliation of regulatory capital to balance sheet                                                                                               | Semi-annual                                                                              | –                                                                                                                                                             |
|                                                                                           | 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 <sup>(2)</sup>                                                                    | –                                                                                                                                                             |
|                                                                                           | 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                                                                              | –                                                                                                                                                             |
| DIS35: Remuneration <sup>(3)</sup>                                                        | 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                                                                              | –                                                                                                                                                             |
|                                                                                           | CR2   | Changes in stock of defaulted loans and debt securities                                                                                             | Semi-annual                                                                              | –                                                                                                                                                             |
|                                                                                           | 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                                                                              | –                                                                                                                                                             |
|                                                                                           | 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                                                                              | –                                                                                                                                                             |
|                                                                                           | CR5   | Standardised approach – exposures by asset classes and risk-weights                                                                                 | Semi-annual                                                                              | –                                                                                                                                                             |

(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.)                                        | 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                                                                                                                                                                                                                                                                      | -                                 |
|                                                                   | CR7  | IRB – effect on RWA of credit derivatives used as CRM techniques                                                                      | Semi-annual                                                                                                                                                                                                                                                                      | -                                 |
|                                                                   | CR8  | RWA flow statements of credit risk exposures under IRB                                                                                | Quarterly                                                                                                                                                                                                                                                                        | Section 4 <i>Credit risk</i>      |
|                                                                   | CR9  | IRB – backtesting of PD per portfolio                                                                                                 | Annual                                                                                                                                                                                                                                                                           | -                                 |
|                                                                   | CR10 | IRB – specialised lending under the slotting approach                                                                                 | Semi-annual                                                                                                                                                                                                                                                                      | -                                 |
| DIS42: Counterparty credit risk (CCR)                             | CCRA | Qualitative disclosure related to CCR                                                                                                 | Annual                                                                                                                                                                                                                                                                           | -                                 |
|                                                                   | CCR1 | Analysis of CCR exposures by approach                                                                                                 | Semi-annual                                                                                                                                                                                                                                                                      | -                                 |
|                                                                   | CCR3 | Standardised approach – CCR exposures by regulatory portfolio and risk-weights                                                        | Semi-annual                                                                                                                                                                                                                                                                      | -                                 |
|                                                                   | CCR4 | IRB – CCR exposures by portfolio and PD scale                                                                                         | Semi-annual                                                                                                                                                                                                                                                                      | -                                 |
|                                                                   | CCR5 | Composition of collateral for CCR exposure                                                                                            | Semi-annual                                                                                                                                                                                                                                                                      | -                                 |
|                                                                   | CCR6 | Credit derivatives exposures                                                                                                          | Semi-annual                                                                                                                                                                                                                                                                      | -                                 |
|                                                                   | CCR7 | RWA flow statements of CCR exposures under internal model method (IMM)                                                                | Not required under APS 330                                                                                                                                                                                                                                                       |                                   |
|                                                                   | CCR8 | Exposures to central counterparties                                                                                                   | Semi-annual                                                                                                                                                                                                                                                                      | -                                 |
| DIS43: Securitisation                                             | SECA | Qualitative disclosure requirements related to securitisation exposures                                                               | Annual                                                                                                                                                                                                                                                                           | -                                 |
|                                                                   | SEC1 | Securitisation exposures in the banking book                                                                                          | Semi-annual                                                                                                                                                                                                                                                                      | -                                 |
|                                                                   | SEC2 | Securitisation exposures in the trading book                                                                                          | Semi-annual                                                                                                                                                                                                                                                                      | -                                 |
|                                                                   | SEC3 | Securitisation exposures in the banking book and associated regulatory capital requirements – bank acting as originator or as sponsor | Semi-annual                                                                                                                                                                                                                                                                      | -                                 |
|                                                                   | SEC4 | Securitisation exposures in the banking book and associated capital requirements – bank acting as investor                            | Semi-annual                                                                                                                                                                                                                                                                      | -                                 |
| DIS45: Sovereign exposures                                        | SOV1 | Exposures to sovereign entities – country                                                                                             | APRA has not required this disclosure which is at the discretion of national supervisors<br>APRA has not required this disclosure which is at the discretion of national supervisors<br>APRA has not required this disclosure which is at the discretion of national supervisors |                                   |
|                                                                   | SOV2 | Exposures to sovereign entities – currency denomination breakdown                                                                     |                                                                                                                                                                                                                                                                                  |                                   |
|                                                                   | SOV3 | Exposures to sovereign entities – accounting classification breakdown                                                                 |                                                                                                                                                                                                                                                                                  |                                   |
| DIS50: Market risk <sup>(1)</sup>                                 | MRA  | General qualitative disclosure requirements related to market risk                                                                    | Not required under APS 330<br>Not required under APS 330<br>Not required under APS 330<br>Not required under APS 330<br>Not required under APS 330                                                                                                                               |                                   |
|                                                                   | MR1  | Market risk under the standardised approach                                                                                           |                                                                                                                                                                                                                                                                                  |                                   |
|                                                                   | MRB  | Qualitative disclosures for banks using the internal models approach (IMA)                                                            |                                                                                                                                                                                                                                                                                  |                                   |
|                                                                   | MR2  | Market risk for banks using the IMA                                                                                                   |                                                                                                                                                                                                                                                                                  |                                   |
|                                                                   | MR3  | Market risk under the simplified standardised approach                                                                                |                                                                                                                                                                                                                                                                                  |                                   |
| 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<br>Not required under APS 330<br>N/A as only required for banks using the SA-CVA<br>Not required under APS 330<br>Not required under APS 330                                                                                                          |                                   |
|                                                                   | CVA2 | The full BA-CVA                                                                                                                       |                                                                                                                                                                                                                                                                                  |                                   |
|                                                                   | CVAB | Qualitative disclosures for banks using the standardised approach (SA-CVA)                                                            |                                                                                                                                                                                                                                                                                  |                                   |
|                                                                   | CVA3 | The SA-CVA                                                                                                                            |                                                                                                                                                                                                                                                                                  |                                   |
|                                                                   | CVA4 | RWA flow statements of CVA risk exposures under SA-CVA                                                                                |                                                                                                                                                                                                                                                                                  |                                   |
| 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 <sup>(2)</sup>                                                                                                                                                                                                                                                            | Section 5 <i>Operational risk</i> |
|                                                                   | OR3  | Minimum required operational risk capital                                                                                             | Annual <sup>(2)</sup>                                                                                                                                                                                                                                                            | Section 5 <i>Operational risk</i> |

(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.

(2) 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.

## Disclosure requirements index (cont.)

| BCBS <i>Disclosure Requirements</i> standard tables and templates |        |                                                                                                                                       | Reporting frequency | Pillar 3 report section                                                                                                                                                            |
|-------------------------------------------------------------------|--------|---------------------------------------------------------------------------------------------------------------------------------------|---------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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 <a href="http://nab.com.au/about-us/shareholder-centre/regulatory-disclosures">nab.com.au/about-us/shareholder-centre/regulatory-disclosures</a> |
|                                                                   | CCyB1  | Geographical distribution of credit exposures used in the calculation of the bank-specific countercyclical capital buffer requirement | Semi-annual         | –                                                                                                                                                                                  |
| DIS80: Leverage ratio                                             | LR1    | Summary comparison of accounting assets vs leverage ratio exposure measure                                                            | Semi-annual         | –                                                                                                                                                                                  |
|                                                                   | 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 6 <i>Liquidity</i>                                                                                                                                                         |
|                                                                   | LIQ2   | Net stable funding ratio (NSFR)                                                                                                       | Semi-annual         | –                                                                                                                                                                                  |



# 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.

## 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

## 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.

## 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

## 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

A calculation of the estimated loss that may be experienced over the next 12 months. Expected loss calculations are based on the probability of default, loss given default and exposure at default values of the portfolio at the time of the estimate which includes stressed loss given default for economic conditions.

## 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.

## IRRBB

Interest rate risk in the banking book

## 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.

## MLC Life

Nippon Life Insurance Australia and New Zealand Limited (formerly MLC Limited)

## 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.

## 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.

## 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.

## 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

**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 alternative 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.

**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.

