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

Thursday, 5 November 2026

ASX ANNOUNCEMENT

NAB September 2026 Pillar 3 Report

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

The report is attached to this announcement and available at:

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

For further information:

Media

Mark Alexander
M: +61 (0) 412 171 447

Jo Beckwith
M: +61 (0) 411 208 101

Investor Relations

Sally Mihell
M: +61 (0) 436 857 669

Natalie Coombe
M: +61 (0) 477 327 540

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

national australia bank



Pillar 3 Report
as at 30 September 2026

Incorporating the requirements of APS 330

National Australia Bank Limited ABN 12 004 044 937

This page has been left blank intentionally.

Table of contents

Section 1 Introduction 2

Section 2 Overview of risk management, key metrics and risk-weighted assets 4

Section 3 Capital 18

Section 4 Links between financial statements and regulatory exposures 28

Section 5 Credit risk 32

Section 6 Counterparty credit risk 65

Section 7 Securitisation 71

Section 8 Market risk 76

Section 9 Operational risk 79

Section 10 Interest rate risk in the banking book 84

Section 11 Liquidity 87

Section 12 Asset encumbrance 92

Section 13 Global systemically important bank indicators 94

Accountable Person attestation 96

Disclosure requirements index 97

Glossary 100

Introduction

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

This report has also been prepared in accordance with NAB's Group External Reporting Policy, which assists the Board in discharging its oversight of the integrity of external reporting. Key elements of this policy are outlined in Section 2 *Overview of risk management, key metrics and risk-weighted assets*.

The preceding period for comparative information is based on the reporting frequency of each disclosure as set out in the disclosure requirements index on page 97. Amounts are presented in Australian dollars and rounded to the nearest million dollars ($m) except where indicated.

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

Capital adequacy methodologies

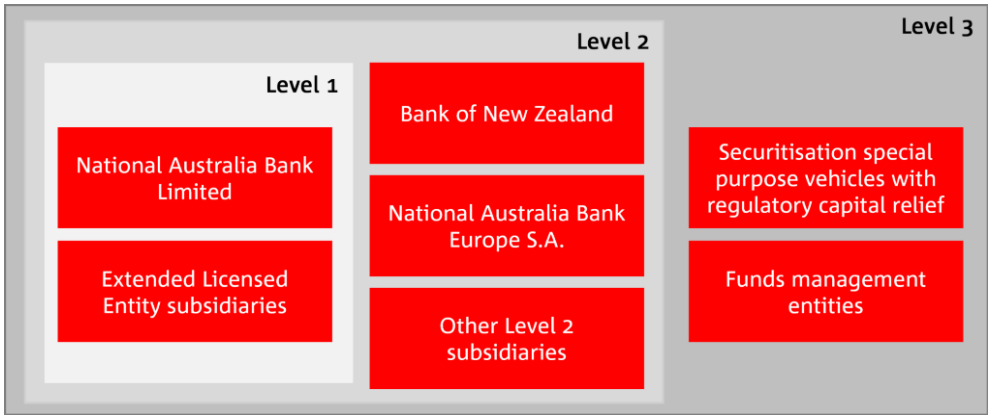
The Group, being NAB and its controlled entities, uses the following approaches to measure capital adequacy.

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

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

Scope of consolidation

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



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

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

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

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

Regulatory reform

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

Additional Tier 1 capital changes

From 1 January 2027, large internationally active banks including NAB will replace 1.5% Additional Tier 1 capital with 0.25% Common Equity Tier 1 (CET1) capital and 1.25% Tier 2 capital. There is no overall change to the minimum Total capital requirement. The leverage ratio and limits on large and related-party exposures will move from Tier 1 capital-based metrics to CET1 capital-based metrics, with the minimum requirement for the leverage ratio to reduce from 3.5% to 3.25%. Until 2032, existing Additional Tier 1 capital instruments will be eligible to be included as Tier 2 capital until an instrument's first call date.

Reserve Bank of New Zealand capital changes

Following the RBNZ's 2025 review of capital settings, changes for Group 1 deposit takers such as BNZ include a lower CET1 capital requirement of 12%, a Total capital requirement of 15%, removal of Additional Tier 1 capital instruments and the introduction of a 6% loss-absorbing capacity requirement, which may be met with Tier 2 capital. All Tier 2 and loss-absorbing capacity instruments are to be issued internally to the Australian parent bank, being NAB.

The changes will span across a number of years. Revisions to introduce more granular risk weights under the RBNZ's standardised approach and removal of the ability to issue Additional Tier 1 capital are effective from 1 October 2026. The detail behind transition arrangements for existing Additional Tier 1 capital instruments and the new Tier 2 and loss-absorbing capacity framework remains subject to further consultation and final RBNZ decisions, with changes expected to take effect from December 2028.

On 20 October 2026, the RBNZ opened consultation on six targeted changes to credit risk weights under the standardised approach. Any resulting changes are also expected to take effect from December 2028.

Other revisions to the capital framework

In June 2026, APRA commenced consultation on targeted amendments to the standardised capital framework to increase risk sensitivity and better align requirements with underlying risk. As part of this work, APRA proposes to make credit risk weights for selected forms of corporate lending more granular and risk sensitive. APRA expects changes will provide more flexibility for internal ratings-based ADIs that are bound by the standardised floor. APRA expects the revised requirements to take effect from 1 April 2027.

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

Liquidity requirements

APRA is progressing proposed revisions to APS 210 *Liquidity* aimed at strengthening liquidity resilience across the industry. This is expected to include measures addressing risks not fully captured under current requirements (including intraday risk and cliff risk), enhancements to liquidity risk monitoring through Internal Liquidity Adequacy Assessment Process (ILAAP) requirements and the potential broadening of high-quality liquid assets (HQLA) eligibility.

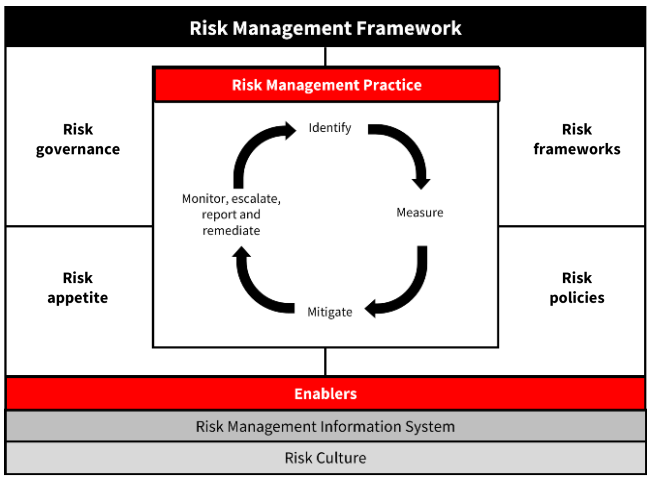
On 23 October 2026, the Australian Government commenced consultation on the proposed *Banking Regulations 2026* (Cth) which, among other things, would increase the amount of an ADI's assets in Australia that may be committed to a covered bond pool from 8% to 12%. Consultation closed on 30 October 2026.

Overview of risk management, key metrics and RWA

2.1 Risk management approach

Risk management

Risk includes the potential for harm and is an inherent part of the Group's business. Managing risk effectively and making risk management simple for colleagues to support customers is crucial to the Group's success. The Risk Management Strategy articulates the Risk Management Framework and describes the Group's material risks and approach to managing them. The Risk Management Framework consists of systems, policies, processes and people within the Group to manage material risks, with key components shown in the diagram below.



The Risk Management Framework supports the Group in:

- delivering its strategic ambition,
- serving its customers well,
- driving sustainable business performance in a safe and responsible manner, and
- complying with its obligations.

Material risks are those that could have a material impact, either financial and/or non-financial, on the Group or on the interest of customers. The following table outlines the Group's material risks.

Material risk	Definition
Strategic	The risk to earnings, capital, liquidity, funding and/or reputation arising from an inadequate response to changes in the external environment, and risk of failing to properly consider downstream impacts and achieve effective outcomes when executing material change programs.
Financial risk categories	
Credit	The risk that a customer will fail to meet their obligations to the Group in accordance with agreed terms. It is a financial risk that the Group consciously elects to take through both the Group's lending activities (banking book) and markets and trading activities (trading book).
Market	The risk of loss from the Group's trading activities or management of structural balance sheet exposures. Losses can arise from a change in the value of positions in financial instruments, bank assets and liabilities or their hedges due to adverse movements in market prices. This may be due to changes in credit spreads, interest rates, foreign exchange rates, market volatility, and commodity and equity prices.
Balance sheet and liquidity	The risk of failing to manage and monitor key banking book structural risks such as liquidity risk and capital risk.
Non-financial risk categories	
Sustainability	The risk that Environmental, Social or Governance (ESG) events or conditions negatively impact the risk and return profile, value or reputation of the Group or its customers and suppliers.
Technology and information security	The risk arising from events of inappropriate use, management, and protection of technology and information assets. Collectively, these risks can impact the confidentiality, integrity, and availability of information and technology systems, and may result in operational disruption, financial loss, reputational damage or regulatory penalties.
Reporting	The risk of events of material misstatement or late lodgement of financial or regulatory reporting to regulators or government agencies.
Operational execution	The risk of events of loss or disruption to the Group's ability to deliver business services resulting from vulnerabilities or failures in the operational ecosystem of process, third parties, models and people.
Financial crime and fraud	The risk of deliberate or opportunistic acts intended to deceive, misappropriate assets, or circumvent legal, regulatory and policy-based requirements designed to prevent, detect and respond to criminal misuse of the financial system. This includes internal and external threats such as money laundering, terrorist financing, proliferation financing, bribery and corruption, sanctions violations and fraud (including scams) targeting the Group, its customers, or its systems.

Material risk	Definition
Compliance	The risk of events of failure to comply with relevant laws, regulations, licence conditions, supervisory requirements, self-regulatory industry codes of conduct and voluntary initiatives, as well as internal policies, standards, procedures or frameworks that support fair and equitable treatment of customers.
Conduct	The risk of failing to act in a customer's best interests, or in accordance with market integrity standards or codes of conduct. This includes events that arise across the customer lifecycle including providing an unsatisfactory or unsuitable product or service or unsuitable sales or lending, giving inappropriate advice, and unsatisfactory complaint or remediation management or failure to provide extra care to customers experiencing vulnerability or hardship.

Detailed information on principal risks and uncertainties associated with the Group is outlined in the Risk Factors section of the 2026 Annual Report.

The Risk Management Framework is comprehensively reviewed every three years for appropriateness, effectiveness and adequacy by an operationally independent party. The Board is ultimately responsible for the Risk Management Framework and oversees its operation by management.

The Group operates a 'Three Lines of Risk Accountability' model for risk management, emphasising that all three lines are accountable for managing risk, but with specific responsibilities across each line.

The role of each line is:

- Line 1 – Business and enabling units own risks and obligations, and the controls and mitigation strategies that help manage them.
- Line 2 – A functionally segregated and independent Risk function develops risk management frameworks and policies (requirements), defines risk boundaries, provides advice and objective review and challenge regarding the effectiveness of risk management within the Line 1 business units and enabling units, and executes specific risk management activities where a functional segregation of duties and/or specific risk capability is required.
- Line 3 – An independent Internal Audit function, reporting to the Board, monitors the end-to-end effectiveness of risk management and compliance with the Risk Management Framework.

The Group performs an annual strategic planning process to align business strategy and set specific performance targets for the Group and its component business units, within the boundaries of risk appetite. The key outputs of the strategic planning process are as follows:

- Strategic Plan - sets the overall goals for the Group and the plans to achieve them.
- Financial Plan - forecasts the financial consequences of all components of the Business Plan.
- Funding Strategy - describes funding and liquidity risk appetite settings and how planned growth will be funded, while maintaining balance sheet strength.
- Capital Management Strategy - outlines how capital is managed to meet regulatory and internal capital requirements and achieve strategic objectives.
- Risk Appetite Statement (RAS) - defines the Group's risk appetite as qualitative statements or, where appropriate, associated risk tolerances that operationalise its intent. The RAS denotes the outer boundary for risk taking and defines parameters the Group is required to operate within.

These documents collectively form the Group's Business Plan, which is endorsed by management and approved by the Board. The Board also approves the following:

- Internal Capital Adequacy Assessment Process (ICAAP) - outlines the appropriate amount of capital for the Group to hold and the Group's strategy to ensure it has adequate capital resources to meet the needs of its strategy, risk profile and risk appetite.
- Internal Liquidity Adequacy Assessment Process (ILAAP) - outlines the Group's funding and liquidity risks and describes how the Risk Management Framework and relevant controls act to mitigate these risks.

Risk governance

Risk governance refers to the formal structure used to support risk-based decision-making, risk management review and challenge, and risk oversight across all Group operations. This consists of Board committees and executive committees, delegations of authority for decision-making, management structures and reporting.

The Board provides strategic direction for the Group and represents the interests of shareholders through the creation of sustainable value. The Board achieves this through a focus on customers, colleagues and the broader community. The Board is supported by its standing committees, as follows:

- Board Risk & Compliance Committee
- Board Audit Committee
- Board People & Remuneration Committee
- Board Nomination & Governance Committee
- Board Customer Committee

Information on Board committees and their charters is available in the Corporate Governance section of the Group's website at nab.com.au/about-us/corporate-governance.

The Board has delegated the day-to-day management of the Group to the Group Chief Executive Officer (Group CEO). Except for any specific powers reserved by the Board, or matters specifically delegated by the Board to others, the Group CEO may make all decisions

and take any necessary action to carry out the management of the Group. The Group CEO has also delegated certain authorities to members of the Executive Leadership Team (commensurate with their roles and documented accountabilities). The delegations from the Board to the Group CEO, and from the Group CEO to the Executive Leadership Team are reviewed on an annual basis. The Group CEO's delegations to the Executive Leadership Team include the authority to manage their business or enabling unit according to Board-approved plans, risk appetite, policies and any other specific restrictions.

The Executive Risk & Compliance Committee, the Group's most senior executive-level risk committee, oversees the Group's management of all existing and emerging risks. It is supported by its specialist risk sub-committees as follows:

- Group Credit & Market Risk Committee (GCMRC)
- Group Model Risk Committee (as a sub-committee of GCMRC)
- Group Asset & Liability Committee (GALCO)
- Scenario & Stress Testing Committee (as a sub-committee of GALCO)
- Group Non-Financial Risk Committee
- Executive Financial Crime Risk Committee
- Business & Private Banking Risk Management Committee
- Corporate & Institutional Banking Risk Management Committee
- Personal Banking Risk Management Committee

Each sub-committee oversees and governs the effective management of risk which supports the relevant accountable executives in their decision-making when discharging their individual accountabilities.

While the Board Risk & Compliance Committee is the key risk committee, the Board Customer Committee and the Board People & Remuneration Committee have strong risk management alignment, supported by their respective executive committees:

- The Executive Customer Committee receives reporting on customer complaints, which provides insights into conduct risk, operational risk and compliance, including in relation to potentially systemic issues as they may relate to customers. Its sub-committee, the Enterprise Product Committee, evaluates new and existing product offerings, including assessing the risk profile of products.
- The People & Culture Executive Committee receives regular reporting on colleague strategy, including culture, colleague conduct, remuneration frameworks and policies, and health, safety and wellbeing. Its sub-committee, the Executive Remuneration Committee, reviews and makes recommendations to the Board People & Remuneration Committee on remuneration consequences of risk issues and events, including in connection with deferred incentives.

Risk appetite

Risk appetite articulates boundaries that are binding on the Group to support it in operating within acceptable levels of risk and complying with its obligations and commitments, including those to customers, colleagues and other stakeholders.

Risk appetite tolerances for material risks are defined in the RAS and established in line with strategic and financial plans. These tolerances operationalise risk appetite by expressing the maximum level of risk that the Group is willing to operate within. Risk tolerances are based on appetite for risk in specific sectors, the current risk profile and capital strength, and define either:

- an upper tolerance for risk taking of material risks that the Group actively seeks to benefit from (i.e. strategic, credit, market, and balance sheet and liquidity risks), or
- how much risk the Group is willing to accept for material risks inherent in the business that cannot be eliminated (i.e. sustainability and operational risks).

Risk culture

Risk culture is the attitude towards risk taking and risk management. A sound risk culture consistently supports appropriate risk awareness, behaviours and judgements about risk taking, within a strong risk governance framework. Within the Group this translates to a culture where risk management is embedded as an intrinsic part of the day-to-day work of colleagues at every level.

The Group's risk culture is embedded through various means, including, but not limited to, the following:

- The Group's values, known as Who We Are behaviours.
- The Code of Conduct, which has a strong emphasis to 'Speak Up', challenge respectfully and escalate appropriately without fear of retribution, with colleagues having whistleblower protection.
- Performance goals, and specific customer and risk goals for each colleague.
- Risk culture indicators underpinned by colleague risk behaviour surveys and periodic divisional risk culture self-reflections with continuous improvement actions.
- The assessment of risk culture and its impact on risk management practices and decisions, which is reported to the Board annually.
- Regular monitoring of key risk culture indicators and colleague conduct by Executive level forums. External oversight of the Group's approach to risk culture is maintained through regular engagement with APRA and participation in independent reviews such as the Prudential Standard CPS 220 *Risk Management* triennial review.

Stress testing

Stress testing supports the Risk Management Framework by measuring sensitivities to potential risks facing the business, to understand vulnerabilities and inform risk assessments and responses. It operates under a stress testing framework that sets out the principles, governance, and methodologies required for robust and effective stress testing practices.

Stress testing assesses the impact of scenarios across a broad range of risk types, to inform the Group's risk profile and support financial resilience. Scenarios, assumptions, methodologies and outcomes are subject to review and challenge, including through the Scenario & Stress Testing Committee. The insights and outcomes from stress tests are used to support decision-making across the Group, including capital and liquidity planning, the calibration of risk appetite and limits, and recovery and resolution strategies.

The Group conducts a range of stress testing exercises reflecting different risk management objectives and levels and duration of severity. An enterprise-wide ICAAP stress test is performed annually. The ICAAP considers scenarios that reflect severe but plausible systemic and idiosyncratic events and covers a broad range of risk types, including credit, operational, liquidity, funding and market risks, as well as the impact of non-financial risks relating to technology, conduct and control failures. The scenarios are designed to challenge internal capital targets and limits and assess the Group's ability to meet capital objectives.

Additional stress testing activities include:

- daily liquidity and interest rate risk stress tests, to inform management of structural balance sheet risks,
- regulatory stress test exercises, conducted to supervisory requirements,
- reverse stress testing, which explores scenarios that could lead to non-viability, helping to identify core vulnerabilities and assess potential recovery actions,
- targeted portfolio-level stress tests, which assess risks at a portfolio level across specific business segments, to support more granular risk settings, and
- climate risk stress testing, which assesses resilience to physical and transition climate risk scenarios.

Disclosure policy

The Group External Reporting Policy sets out the approach the Group takes to manage compliance with APS 330, as well as other Australian statutory and regulatory external reporting obligations.

Key elements of the Group External Reporting Policy and supporting guidance notes include:

- Disclosures are subject to defined checks, reconciliations and analysis to validate the report content, promote consistency across the Group’s reporting, and fulfil disclosure requirements. This includes Enterprise Reporting Assurance verifying and checking information across the suite of the Group’s periodic corporate reports, including the Pillar 3 report.
- Subject matter experts certify that information pertaining to their area of responsibility is materially complete and not materially misleading by statement or omission. These certifications support the attestation provided by the Group Chief Financial Officer in respect of the Pillar 3 report.
- Group Executives consider whether additional disclosures should be made in the Pillar 3 report to reflect the manner in which the Group assesses and manages risks and strategy.

2.2 Key prudential metrics

KM1: Key metrics

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

September 2026 v June 2026

Regulatory capital

CET1 capital increased by $481 million or 0.9%. Key movements include the issuance of $1.8 billion of share capital under the dividend reinvestment plan (DRP), including an $850 million partial underwrite over and above participation in the DRP, and $1.6 billion net profit for the quarter. This was partially offset by the interim dividend of $2.6 billion and an increase in regulatory deductions.

The increase in Tier 1 capital of $483 million or 0.8% was driven by the movement in CET1 capital.

Total capital decreased by $1.2 billion or 1.3%, mainly driven by Tier 2 capital maturities net of issuance, unfavourable foreign exchange translation impacts and a portion of a Tier 2 capital instrument no longer being eligible as Tier 2 capital based on the remaining term to maturity of the instrument.

Risk-weighted assets

Total RWA increased by $6.2 billion or 1.4%.

Interest rate risk in the banking book (IRRBB) RWA increased by $4.0 billion or 21.6%, mainly reflecting higher interest rates.

Credit RWA (excluding counterparty credit risk) increased by $1.6 billion or 0.4%. Key movements include the following, with further detail in CR8: *RWA flow statements of credit risk exposures under IRB:*

- lending growth, largely in corporate (including small and medium-sized enterprises (SME)) and project finance exposures subject to the supervisory slotting approach, which resulted in an increase in RWA of $4.7 billion,
- model updates which reduced RWA by $2.7 billion, including the release of a $3.0 billion RWA overlay related to the measurement of certain off-balance sheet exposures, and
- a change to classify certain residential mortgages as non-standard which resulted in an increase in RWA of approximately $850 million.

Leverage ratio

The leverage ratio decreased by 1 basis point to 4.84%, driven by an increase in total exposures of $12.8 billion or 1.0%, largely offset by an increase in Tier 1 capital of $483 million or 0.8%.

The increase in total exposures was mainly due to a $16.0 billion increase in on-balance sheet exposures, reflecting higher central bank deposits of $6.8 billion, lending growth of $4.9 billion, mostly across business lending, and higher trading instruments of $4.1 billion. This was partially offset by a decrease of $2.0 billion in off-balance sheet exposures due to lower credit-related commitments.

Liquidity coverage ratio

The average liquidity coverage ratio (LCR) for the quarter increased to 135% from 134%, with a $1.6 billion or 0.7% increase in average HQLA, partially offset by a $677 million or 0.4% increase in average weighted net cash outflows.

The increase in average HQLA was mainly due to higher average deposit volumes relative to lending activity.

The increase in average weighted net cash outflows was mainly due to the timing of lending inflows relative to the prior quarter and higher deposit maturities, with partial offset from reduced secured funding outflows.

Net stable funding ratio

The net stable funding ratio (NSFR) increased to 116% from 115%, with an increase in available stable funding (ASF) of $5.5 billion or 0.7% combined with a decrease in required stable funding (RSF) of $1.2 billion or 0.2%.

The increase in ASF was mainly due to higher volumes of retail and SME deposits, partially offset by a reduction in ASF from regulatory capital.

The decrease in RSF was mainly due to a reduction in reverse repurchase agreement exposures, partially offset by volume growth, mostly in other lending.

The following table provides an overview of prudential metrics as at 30 September 2026 and the end of the previous four quarters.

		As at				
		30 Sep 26	30 Jun 26	31 Mar 26	31 Dec 25	30 Sep 25
Available capital (amounts)						
1	CET1	54,502	54,021	52,390	51,273	51,527
2	Tier 1	61,618	61,135	61,370	60,262	60,516
3	Total capital	92,995	94,181	91,968	89,698	89,514
RWA (amounts)						
4	Total RWA	459,095	452,888	449,771	446,519	440,557
4a	Total RWA (pre-floor)[1]	459,095	452,888	449,771	441,196	438,273
Risk-based capital ratios as a percentage of RWA (Level 2 Group)						
5	CET1 capital ratio (%)	11.87	11.93	11.65	11.48	11.70
5b	CET1 capital ratio (%) (pre-floor ratio)[1]	11.87	11.93	11.65	11.62	11.76
6	Tier 1 capital ratio (%)	13.42	13.50	13.64	13.50	13.74
6b	Tier 1 capital ratio (%) (pre-floor ratio)[1]	13.42	13.50	13.64	13.66	13.81
7	Total capital ratio (%)	20.26	20.80	20.45	20.09	20.32
7b	Total capital ratio (%) (pre-floor ratio)[1]	20.26	20.80	20.45	20.33	20.42
Risk-based capital ratios as a percentage of RWA (Level 1 Group)						
-	CET1 capital ratio (%)	11.94	11.89	11.53	11.50	11.60
-	Tier 1 capital ratio (%)	13.64	13.60	13.70	13.73	13.86
-	Total capital ratio (%)	21.06	21.52	21.07	20.97	21.09
Additional CET1 buffer requirements as a percentage of RWA						
8	Capital conservation buffer requirement (%)	3.75	3.75	3.75	3.75	3.75
9	Countercyclical capital buffer requirement (%)	0.86	0.86	0.86	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)	5.61	5.61	5.61	5.60	5.60
12	CET1 available after meeting the bank's minimum capital requirements (%)[2]	7.37	7.43	7.15	6.98	7.20
Leverage ratio						
13	Total leverage ratio exposure measure	1,273,447	1,260,607	1,250,912	1,241,137	1,229,142
14c	Leverage ratio (%) (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values for securities financing transaction (SFT) assets	4.84	4.85	4.91	4.86	4.92
LCR[3]						
15	Total HQLA	212,266	210,694	200,027	210,361	207,588
16	Total net cash outflows	157,618	156,941	152,106	154,197	153,403
17	LCR (%)	135	134	132	136	135
NSFR						
18	Total ASF	737,665	732,174	725,132	718,801	712,993
19	Total RSF	635,671	636,919	626,620	613,244	612,708
20	NSFR (%)	116	115	116	117	116

(1) The capital floor applies to ADIs accredited by APRA to use the IRB approach and requires that aggregate RWA does not fall below 72.5% of RWA calculated under the full standardised approach.
(2) The CET1 capital ratio less the ratio of RWA of any CET1 capital used to meet minimum CET1, Tier 1 and Total capital ratios of 4.5%, 6% and 8%, respectively, as outlined in APS 110 *Capital Adequacy* paragraph 24.
(3) Simple average of daily outcomes, excluding non-business days, during the quarter. LCR is the average of daily LCR outcomes, rather than a function of average HQLA and average net cash outflows.

2.3 Overview of exposure at default and RWA

OV1: Overview of RWA

The following table provides RWA for each risk type and approach as at 30 September 2026 and the end of the previous two quarters.

		As at			
		30 Sep 26	30 Jun 26	31 Mar 26	30 Sep 26
		RWA	RWA	RWA	Minimum capital requirements[1]
		$m	$m	$m	$m
1	Credit risk (excluding counterparty credit risk (CCR))[2][3][4]	366,464	364,858	360,316	29,316
2	of which: standardised approach (SA)	14,505	13,116	12,962	1,160
3	of which: F-IRB approach	35,803	37,180	37,960	2,864
4	of which: supervisory slotting approach	10,842	9,514	9,323	867
5	of which: A-IRB approach	305,314	305,048	300,071	24,425
6	Counterparty credit risk	9,830	10,154	10,101	787
7	of which: standardised approach for CCR	7,847	8,058	7,986	628
9	of which: other CCR[5]	1,983	2,096	2,115	159
10	Credit valuation adjustment	5,134	4,346	4,323	411
15	Settlement risk	-	-	-	-
16	Securitisation exposures in banking book	5,588	5,583	5,857	447
18	of which: securitisation external ratings-based approach (ERBA)	1,354	1,333	1,322	108
19	of which: securitisation supervisory formula approach (SFA)	4,234	4,250	4,535	339
20	Market risk	11,028	10,872	12,555	883
21	of which: standard method	1,206	1,181	1,120	97
22	of which: IMA	9,822	9,691	11,435	786
24	Operational risk	38,707	38,707	38,707	3,096
-	Interest rate risk in the banking book	22,344	18,368	17,912	1,788
26	*Output floor applied*	*72.5%*	*72.5%*	*72.5%*	
27	Floor adjustment[6]	-	-	-	
29	**Total**	**459,095**	**452,888**	**449,771**	**36,728**

(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.
(2) Credit RWA (excluding CCR) includes an RWA overlay related to measurement of certain off-balance sheet exposures of $724 million (June 2026 and March 2026: $3.4 billion). The majority of the overlay is included in RWA under the A-IRB approach in row 5 (September 2026: $699 million, June 2026 and March 2026: $3.0 billion). There was also $321 million under the F-IRB approach in row 3 as at 30 June 2026 and 31 March 2026.
(3) Credit RWA (excluding CCR) includes an RWA overlay related to the calibration of certain models of $6.7 billion (June 2026: $6.6 billion, March 2026: $6.5 billion). The majority of the overlay is included in RWA under the A-IRB approach in row 5 (September 2026: $6.7 billion, June 2026 and March 2026: $6.5 billion).
(4) The percentage of credit risk exposure at default (EaD) (excluding CCR) covered by the A-IRB, F-IRB, supervisory slotting and standardised approaches was 76%, 20%, 1% and 3%, respectively (June 2026: 76%, 20%, 1% and 3%; March 2026: 75%, 21%, 1% and 3%).
(5) 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.
(6) 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.

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 14. 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 30 Sep 26					
	EaD post-CCF and post-CRM[1]			RWA		
	Credit risk	Counterparty credit risk	Total	Credit risk	Counterparty credit risk	Total
	$m	$m	$m	$m	$m	$m
Subject to A-IRB approach						
Corporate (including SME)	254,517	3,504	258,021	128,172	1,442	129,614
Retail SME	24,531	-	24,531	11,089	-	11,089
Residential mortgage	447,847	-	447,847	117,442	-	117,442
Qualifying revolving retail	15,711	-	15,711	5,630	-	5,630
Other retail	1,516	-	1,516	1,734	-	1,734
Subject to F-IRB approach						
Corporate	35,743	4,841	40,584	19,012	2,070	21,082
Sovereign	143,549	1,684	145,233	1,623	24	1,647
Financial institution	44,647	17,313	61,960	15,168	5,026	20,194
Total IRB approach	**968,061**	**27,342**	**995,403**	**299,870**	**8,562**	**308,432**
Specialised lending	**6,264**	**120**	**6,384**	**4,627**	**85**	**4,712**
Subject to standardised approach						
Corporate (including SME)	7,215	2,750	9,965	4,777	239	5,016
Residential mortgage	3,063	-	3,063	3,119	-	3,119
Other retail	2,223	-	2,223	994	-	994
Other	5,120	-	5,120	3,876	-	3,876
Total standardised approach	**17,621**	**2,750**	**20,371**	**12,766**	**239**	**13,005**
RBNZ regulated banking subsidiary	119,758	2,605	122,363	49,201	944	50,145
Credit valuation adjustment						5,134
Settlement risk						-
Securitisation exposures in banking book			34,208			5,588
Total credit risk[2][3][4]	**1,111,704**	**32,817**	**1,178,729**	**366,464**	**9,830**	**387,016**
Market risk						11,028
Operational risk						38,707
Interest rate risk in the banking book						22,344
Total	**1,111,704**	**32,817**	**1,178,729**	**366,464**	**9,830**	**459,095**

(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 the RBNZ regulated banking subsidiary of $724 million.
(3) Credit RWA (excluding CCR) includes an RWA overlay related to the calibration of certain models of $6.7 billion. The majority of the overlay is included in RWA under the A-IRB approach for corporate (including SME) ($3.6 billion), retail SME ($1.5 billion) and residential mortgage ($981 million) exposures.
(4) IRB models have been used in the measurement of 93% of RWA for credit risk and 94% of RWA for counterparty credit risk.

	As at 30 Jun 26					
	EaD post-CCF and post-CRM			RWA		
	Credit risk	Counterparty credit risk	Total	Credit risk	Counterparty credit risk	Total
	$m	$m	$m	$m	$m	$m
Subject to A-IRB approach						
Corporate (including SME)	248,884	2,545	251,429	125,268	1,450	126,718
Retail SME	26,289	-	26,289	11,515	-	11,515
Residential mortgage	449,760	-	449,760	119,440	-	119,440
Qualifying revolving retail	15,810	-	15,810	5,808	-	5,808
Other retail	1,635	-	1,635	1,890	-	1,890
Subject to F-IRB approach						
Corporate	35,945	4,667	40,612	19,932	2,109	22,041
Sovereign	133,555	1,509	135,064	1,579	25	1,604
Financial institution	46,720	18,652	65,372	15,669	5,149	20,818
Total IRB approach	**958,598**	**27,373**	**985,971**	**301,101**	**8,733**	**309,834**
Specialised lending	**4,721**	**119**	**4,840**	**3,536**	**85**	**3,621**
Subject to standardised approach						
Corporate (including SME)	7,161	2,429	9,590	4,744	206	4,950
Residential mortgage	1,573	-	1,573	1,585	-	1,585
Other retail	2,263	-	2,263	1,078	-	1,078
Other	5,783	-	5,783	4,056	-	4,056
Total standardised approach	**16,780**	**2,429**	**19,209**	**11,463**	**206**	**11,669**
RBNZ regulated banking subsidiary	118,180	3,071	121,251	48,758	1,130	49,888
Credit valuation adjustment						4,346
Settlement risk						-
Securitisation exposures in banking book			34,331			5,583
Total credit risk[1][2][3]	**1,098,279**	**32,992**	**1,165,602**	**364,858**	**10,154**	**384,941**
Market risk						10,872
Operational risk						38,707
Interest rate risk in the banking book						18,368
Total	**1,098,279**	**32,992**	**1,165,602**	**364,858**	**10,154**	**452,888**

(1) Credit RWA (excluding CCR) includes an RWA overlay related to measurement of certain off-balance sheet exposures of $3.4 billion. The majority of the overlay is included in RWA for corporate exposures under the A-IRB approach ($2.1 billion) and the RBNZ regulated banking subsidiary ($937 million).
(2) Credit RWA (excluding CCR) includes an RWA overlay related to the calibration of certain models of $6.6 billion. The majority of the overlay is included in RWA under the A-IRB approach for corporate (including SME) ($3.6 billion), retail SME ($1.5 billion) and residential mortgage ($981 million) exposures.
(3) IRB models have been used in the measurement of 94% of RWA for both credit risk and counterparty credit risk.

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

(1) Credit RWA (excluding CCR) includes an RWA overlay related to measurement of certain off-balance sheet exposures of $3.4 billion. The majority of the overlay is included in RWA for corporate exposures under the A-IRB approach ($2.1 billion) and the RBNZ regulated banking subsidiary ($937 million).
(2) Credit RWA (excluding CCR) includes an RWA overlay related to the calibration of certain models of $6.5 billion. The majority of the overlay is included in RWA under the A-IRB approach for corporate (including SME) ($3.5 billion), retail SME ($1.5 billion) and residential mortgage ($981 million) exposures.
(3) IRB models have been used in the measurement of 94% of RWA for both credit risk and counterparty credit risk.

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

Asset class	Description
Subject to the A-IRB approach	
Corporate (including SME)	Corporations, partnerships, proprietorships, public sector entities and any other credit exposure not elsewhere classified.
Retail SME	Non-complex exposures to small business customers managed as part of a portfolio for risk management purposes where: • the consolidated annual revenue of the borrower is less than $75 million, and • the total business-related exposure to the borrower is less than $1.5 million.
Residential mortgage	Exposures that are partially or fully secured by residential properties, managed in a similar manner to other retail exposures, and not for business purposes. This excludes non-standard mortgages.
Qualifying revolving retail	Revolving exposures to individuals less than $100,000, which are unsecured, unconditionally cancellable and not for business purposes.
Other retail	Retail exposures other than residential mortgage and qualifying revolving retail, including personal loan, overdraft and overdrawn transaction account exposures.
Subject to the F-IRB approach	
Corporate	Corporations, partnerships, proprietorships and public sector entities with consolidated annual revenue greater than $750 million.
Sovereign	Includes: • Australian and overseas central and subnational governments. A subnational government is a government of a geographically defined part of a state which has powers to raise revenue and borrow money. • The Reserve Bank of Australia (RBA) and overseas central banks. • Multilateral development banks or institutions eligible for a 0% risk weight.
Financial institution	Entities whose main business includes management of financial assets, lending, factoring, leasing, provision of credit enhancements, securitisation (excluding securitisation exposures subject to the requirements of APS 120), investments, financial custody, CCP services (excluding qualifying central counterparty (QCCP) exposures) and proprietary trading.
Specialised lending subject to the supervisory slotting approach	Exposures where the main servicing and repayment is from the asset being financed, including project finance, object finance and commodities finance.
Subject to the standardised approach	
Corporate (including SME)	Regulatory prescribed portfolios, such as QCCPs and margin lending, and corporate exposures in portfolios where the standardised approach is applied.
Residential mortgage	Non-standard mortgages, including: • interest-only exposures with a loan-to-valuation ratio (LVR) greater than 80% and an interest-only term greater than five years that are not for business purposes, • loans originated since 1 January 2023 where assessment does not result in a positive determination of the borrowers' ability to meet repayment obligations, and • residential property loans to self-managed superannuation funds.
Other retail	Regulatory prescribed portfolios, such as margin lending, and other retail exposures in portfolios where the standardised approach is applied.
Other	Cash items in the process of collection, premises and other fixed assets, and all other exposures.
RBNZ regulated banking subsidiary	BNZ exposures measured using RBNZ prudential requirements, with the exception of scaling factors which are applied under APRA requirements and any APRA-imposed RWA overlays. APS 330 requires these exposures to be disclosed separately.

2.4 Comparison of modelled and standardised RWA

CMS1: Comparison of modelled and standardised RWA at risk level

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

September 2026 v June 2026

RWA prior to application of the capital floor increased by $6.2 billion or 1.4%, whereas RWA under the full standardised approach increased by $4.6 billion or 0.7%. Pre-floor RWA was above the capital floor by $3.4 billion (30 June 2026: $507 million).

		As at 30 Sep 26			
		RWA for modelled approaches that have supervisory approval to be used	RWA for portfolios where standardised approaches are used	Pre-floor RWA	RWA calculated using full standardised approach
		$m	$m	$m	$m
1	Credit risk (excluding counterparty credit risk)[1]	351,959	14,505	366,464	549,853
2	Counterparty credit risk	9,387	443	9,830	18,264
3	Credit valuation adjustment		5,134	5,134	5,134
4	Securitisation exposures in the banking book		5,588	5,588	5,588
5	Market risk	9,822	1,206	11,028	11,028
6	Operational risk		38,707	38,707	38,707
-	Interest rate risk in the banking book	22,344	-	22,344	n/a
7	Residual RWA		-	-	-
8	**Total**	**393,512**	**65,583**	**459,095**	**628,574**

Capital floor at 72.5% of RWA calculated using full standardised approach	455,716
RWA prior to application of capital floor	459,095
Floor adjustment	**-**

(1) RWA under the full standardised approach for credit risk (excluding CCR) includes an RWA overlay related to measurement of certain off-balance sheet exposures of $762 million. RWA overlays included in pre-floor RWA are disclosed in OV1: *Overview of RWA*.

		As at 30 Jun 26			
		RWA for modelled approaches that have supervisory approval to be used	RWA for portfolios where standardised approaches are used	Pre-floor RWA	RWA calculated using full standardised approach
		$m	$m	$m	$m
1	Credit risk (excluding counterparty credit risk)[1]	351,742	13,116	364,858	545,601
2	Counterparty credit risk	9,661	493	10,154	18,865
3	Credit valuation adjustment		4,346	4,346	4,346
4	Securitisation exposures in the banking book		5,583	5,583	5,583
5	Market risk	9,691	1,181	10,872	10,872
6	Operational risk		38,707	38,707	38,707
-	Interest rate risk in the banking book	18,368	-	18,368	n/a
7	Residual RWA		-	-	-
8	**Total**	**389,462**	**63,426**	**452,888**	**623,974**

Capital floor at 72.5% of RWA calculated using full standardised approach	452,381
RWA prior to application of capital floor	452,888
Floor adjustment	**-**

(1) RWA under the full standardised approach for credit risk (excluding CCR) includes an RWA overlay related to measurement of certain off-balance sheet exposures of $3.5 billion. RWA overlays included in pre-floor RWA are disclosed in OV1: *Overview of RWA*.

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

Capital floor at 72.5% of RWA calculated using full standardised approach	449,118
RWA prior to application of capital floor	449,771
Floor adjustment	**-**

(1) RWA under the full standardised approach for credit risk (excluding CCR) includes an RWA overlay related to measurement of certain off-balance sheet exposures of $3.5 billion. RWA overlays included in pre-floor RWA are disclosed in OV1: *Overview of RWA*.

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

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

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

September 2026 v March 2026

Credit RWA (excluding counterparty credit risk) prior to application of the capital floor increased by $6.1 billion or 1.7% compared to RWA under the full standardised approach which increased by $10.8 billion or 2.0%.

		As at 30 Sep 26			
		a	*b*	*c*	*d*
		RWA for modelled approaches that have supervisory approval to be used	**RWA for column (a) re-computed using the standardised approach**	**Pre-floor RWA**	**RWA calculated using full standardised approach**
		$m	**$m**	**$m**	**$m**
1	Sovereign	1,623	800	1,623	800
2	Financial institution	15,168	30,646	15,168	30,646
5	Corporate	147,184	237,850	151,961	242,627
-	of which: F-IRB approach is applied	19,012	28,690	19,012	28,690
-	of which: A-IRB approach is applied	128,172	209,160	128,172	209,160
6	Retail	135,895	190,506	140,008	194,619
-	of which: retail SME	11,089	14,144	11,089	14,144
-	of which: residential mortgage	117,442	164,944	120,561	168,063
-	of which: qualifying revolving retail	5,630	10,111	5,630	10,111
-	of which: other retail	1,734	1,307	2,728	2,301
7	Specialised lending	4,627	6,824	4,627	6,824
8	Other[1]	-	-	3,876	3,876
-	RBNZ regulated banking subsidiary	47,462	68,722	49,201	70,461
9	**Total**[2]	**351,959**	**535,348**	**366,464**	**549,853**

(1) Consists of cash items in the process of collection, premises and other fixed assets, and all other exposures.
(2) RWA under the full standardised approach for credit risk (excluding CCR) includes an RWA overlay related to measurement of certain off-balance sheet exposures of $762 million. RWA overlays included in pre-floor RWA are disclosed in OV1: *Overview of RWA*.

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

(1) Consists of cash items in the process of collection, premises and other fixed assets, and all other exposures.
(2) RWA under the full standardised approach for credit risk (excluding CCR) includes an RWA overlay related to measurement of certain off-balance sheet exposures of $3.5 billion. RWA overlays included in pre-floor RWA are disclosed in OV1: *Overview of RWA*.

Capital

3.1 Capital risk

Capital risk is the risk that the Group does not hold an adequate level or composition of capital to participate in strategic opportunities, sustain day-to-day business activities or protect the Group from unexpected losses.

Management

The Capital Management Strategy covers the Group's capital outlook, potential risks, initiatives and distributions, and is focused on adequacy, efficiency and flexibility. The Capital Management Strategy considers stressed scenarios and sensitivities to support the Group in maintaining appropriate capital and responding appropriately in these situations. This approach is consistent across the Group's banking subsidiaries.

The Board sets capital operating targets above regulatory minimums and capital buffers, taking into account market and regulatory expectations. The operating targets are regularly reviewed in the context of the external economic and regulatory outlook with the objective of maintaining balance sheet strength. The operating target for the Group's CET1 capital ratio is greater than 11.25%.

The amount of capital held by the Group is informed by the ICAAP, with capital adequacy determined for both the Level 1 and Level 2 Groups. The process is designed to assess the ability to withstand unexpected loss and continue to support customers and protect depositors through a range of adverse scenarios. Key features include:

- identification of risks arising from the activities for which capital is a mitigant,
- calibration of capital limits commensurate with the risk profile and appetite, and appropriate triggers to mitigate potential limit breaches,
- assessment of capital adequacy on a current and forward-looking basis, including scenario planning and stress testing, and
- detail on capital management actions available to provide additional capital as required.

Capital requirements are taken into consideration in:

- product and facility pricing decisions,
- business development, including acquisitions and divestments,
- strategic planning,
- performance measurement and management, including incentive determination, and
- setting of risk appetite and risk limits, including single large exposure limits, industry limits and country limits.

Governance, reporting and oversight

The ICAAP, Capital Management Strategy, RAS, Strategic Plan and Financial Plan together detail the governance, management, and reporting of the Group’s capital adequacy. These documents are reviewed and endorsed by key management committees, including the Group Asset & Liability Committee and/or the Executive Risk & Compliance Committee, and are approved by the Board. The ICAAP is supported by the Group Capital Risk Policy, which defines the framework for the management, monitoring and governance of the Group’s capital position.

Group Treasury is responsible for managing capital risk. Line 2 has oversight of and monitors stress testing of the Group’s capital position, capital planning and forecasting, and capital activities for compliance with regulatory capital standards.

Group Treasury, along with Line 2, monitors the Group’s capital position and reports to management on a monthly basis, and to regularly scheduled meetings of the Board Risk & Compliance Committee and the Board.

3.2 Composition of capital

CC1: Composition of regulatory capital

The following table provides the breakdown of regulatory capital.

		As at 30 Sep 26		31 Mar 26
		$m	Reference[1]	$m
CET1 capital: instruments and reserves				
1	Directly issued qualifying common share (and equivalent for non-joint stock companies) capital plus related stock surplus	38,099	p	36,288
2	Retained profits	27,716	s	26,896
3	Accumulated other comprehensive income (and other reserves)	(3,193)	q	(2,641)
6	**CET1 capital before regulatory adjustments**	**62,622**		**60,543**
CET1 capital: regulatory adjustments				
7	Prudent valuation adjustments	(1)		-
8	Goodwill (net of related tax liability)	(2,070)	g	(2,070)
9	Other intangibles other than mortgage-servicing rights (MSR) (net of related tax liability)	(2,279)	b+h	(2,276)
10	Deferred tax assets (DTA) that rely on future profitability, excluding those arising from temporary differences (net of related tax liability)	(74)	c	(66)
11	Cash flow hedge reserve	1,801	r	1,575
12	Shortfall of provisions to expected losses	(155)		(72)
13	Securitisation gain on sale	-		-
14	(Gains)/losses due to changes in own credit risk on fair valued liabilities	156	t	188
15	Defined benefit pension fund net assets	(36)	d+i	(36)
26	National specific regulatory adjustments	(5,462)		(5,396)
-	of which: DTA not reported in row 10	(3,292)	e	(3,134)
-	of which: capitalised expenses, net of deferred fee income	(1,578)	a+k+m+o	(1,604)
-	of which: equity investments (adjusted for intangible component of investments)	(582)	f+j	(630)
28	**Total regulatory adjustments to CET1 capital**	**(8,120)**		**(8,153)**
29	**CET1 capital**	**54,502**		**52,390**
Additional Tier 1 capital: instruments				
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	7,136		9,010
31	of which: classified as equity under applicable accounting standards	-		-
32	of which: classified as liabilities under applicable accounting standards	7,136	n	9,010
36	**Additional Tier 1 capital before regulatory adjustments**	**7,136**		**9,010**
Additional Tier 1 capital: regulatory adjustments				
37	Investments in own Additional Tier 1 instruments[2]	(20)		(20)
41	National specific regulatory adjustments	-		(10)
43	**Total regulatory adjustments to Additional Tier 1 capital**	**(20)**		**(30)**
44	**Additional Tier 1 capital (AT1)**	**7,116**		**8,980**
45	**Tier 1 capital (T1 = CET1 + AT1)**	**61,618**		**61,370**

(1) Reference to the balance sheet under the regulatory scope of consolidation in CC2: *Reconciliation of regulatory capital to balance sheet*.
(2) The deduction for investments in own Additional Tier 1 and Tier 2 instruments includes any unused trading limit.

		As at		
		30 Sep 26		31 Mar 26
		$m	Reference	$m
Tier 2 capital: instruments and provisions				
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	29,966	l	29,309
50	Provisions[1]	1,694		1,553
51	**Tier 2 capital before regulatory adjustments**	**31,660**		**30,862**
Tier 2 capital: regulatory adjustments				
52	Investments in own Tier 2 instruments[2]	(75)		(75)
56	National specific regulatory adjustments[3]	(208)		(189)
57	**Total regulatory adjustments to Tier 2 capital**	**(283)**		**(264)**
58	**Tier 2 capital**	**31,377**		**30,598**
59	**Total regulatory capital (= Tier 1 + Tier 2)**	**92,995**		**91,968**
60	**Total RWA**	**459,095**		**449,771**
Capital adequacy ratios and buffers				
61	**CET1 capital (as a percentage of RWA)**	**11.87%**		**11.65%**
62	**Tier 1 capital (as a percentage of RWA)**	**13.42%**		**13.64%**
63	**Total capital (as a percentage of RWA)**	**20.26%**		**20.45%**
64	**Institution-specific buffer requirement (capital conservation buffer plus countercyclical capital buffer requirements plus higher loss absorbency requirement, expressed as a percentage of RWA)**[4]	**10.11%**		**10.11%**
65	of which: capital conservation buffer requirement	3.75%		3.75%
66	of which: bank-specific countercyclical capital buffer requirement	0.86%		0.86%
67	of which: higher loss absorbency requirement	1.00%		1.00%
68	**CET1 capital (as a percentage of RWA) available after meeting the bank's minimum capital requirements**[5]	**7.37%**		**7.15%**
Amounts below the thresholds for deduction (before risk-weighting)[6]				
72	Non-significant investments in the capital and other TLAC liabilities of other financial entities	67		113
73	Significant investments in the common stock of financial entities	458		445
75	DTA arising from temporary differences (net of related tax liability)	3,292	e	3,134
Applicable caps on the inclusion of provisions in Tier 2 capital				
76	Provisions eligible for inclusion in Tier 2 capital in respect of exposures subject to standardised approach (prior to application of cap)	85		87
77	Cap on inclusion of provisions in Tier 2 capital under standardised approach	237		206
78	Provisions eligible for inclusion in Tier 2 capital in respect of exposures subject to IRB approach (prior to application of cap)	1,609		1,466
79	Cap for inclusion of provisions in Tier 2 capital under IRB approach	2,169		2,143

(1) Consists of provision for credit impairment held against performing exposures under the IRB approach of $1.6 billion (March 2026: $1.5 billion) and under the standardised approach of $85 million (March 2026: $87 million).
(2) The deduction for investments in own Additional Tier 1 and Tier 2 instruments includes any unused trading limit.
(3) Deduction for holdings of Tier 2 instruments and other total loss-absorbing capacity (TLAC) liabilities of financial institutions.
(4) Comprises a minimum CET1 ratio of 4.5%, a capital conservation buffer of 3.75% of RWA, a D-SIB buffer of 1% of RWA and a countercyclical capital buffer (CCyB) (refer to CCyB1: *Geographical distribution of credit exposures used in the calculation of the bank-specific countercyclical capital buffer requirement*).
(5) 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 paragraph 24.
(6) Amounts below the thresholds for deduction under BCBS requirements are APRA specific regulatory adjustments.

CC2: Reconciliation of regulatory capital to balance sheet

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

	As at 30 Sep 26			
	Balance sheet as in published financial statements	**Adjustments[1]**	**Under regulatory scope of consolidation**	**Reference[2]**
	$m	**$m**	**$m**	
Assets				
Cash and liquid assets	1,751	-	1,751	
Due from other banks	73,010	-	73,010	
Collateral placed	8,294	-	8,294	
Trading assets	152,152	-	152,152	
Derivative assets	22,803	-	22,803	
Debt instruments	50,394	-	50,394	
Loans and advances	816,661	(3,332)	813,329	
of which: capitalised expenses, net of deferred fee income	1,391	-	1,391	a
Due from controlled entities	-	19	19	
Deferred tax assets (DTA)	4,190	-	4,190	
of which: deferred tax liability related to other intangibles other than mortgage-servicing rights	(22)	-	(22)	b
of which: DTA that rely on future profitability	74	-	74	c
of which: deferred tax liability related to defined benefit pension fund assets	(15)	-	(15)	d
of which: DTA related to the cash flow hedge reserve	805	-	805	
of which: DTA related to losses due to changes in own credit risk on fair valued liabilities	56	-	56	
of which: DTA not included in the above categories	3,292	-	3,292	e
Property, plant and equipment	2,703	-	2,703	
Investments in controlled entities	-	10	10	f
Goodwill and other intangible assets	4,371	-	4,371	
of which: goodwill	2,070	-	2,070	g
of which: other intangibles other than mortgage-servicing rights	2,301	-	2,301	h
Other assets	9,567	-	9,567	
of which: defined benefit pension fund assets	51	-	51	i
of which: equity investments	572	-	572	j
Total assets	**1,145,896**	**(3,303)**	**1,142,593**	

(1) The adjustments remove the assets, liabilities and equity balances of Level 3 entities deconsolidated for regulatory purposes, and reinstate intragroup assets and liabilities, treating them as external to the Level 2 Group.
(2) Reference to the breakdown of regulatory capital in CC1: *Composition of regulatory capital*.

	As at 30 Sep 26			
	Balance sheet as in published financial statements	Adjustments	Under regulatory scope of consolidation	Reference
	$m	$m	$m	
Liabilities				
Due to other banks	9,622	-	9,622	
Collateral received	4,506	-	4,506	
Other financial liabilities at fair value	63,928	-	63,928	
Deposits and other borrowings	786,046	-	786,046	
of which: costs associated with issuing deposits and other borrowings	(15)	-	(15)	k
Derivative liabilities	23,996	14	24,010	
Current tax liabilities	329	(4)	325	
Provisions	1,643	-	1,643	
Due to controlled entities	-	105	105	
Bonds, notes and subordinated debt	168,574	(3,411)	165,163	
of which: contractual value of Tier 2 instruments	29,966	-	29,966	l
of which: costs associated with issuing bonds, notes and subordinated debt	(144)	-	(144)	m
Debt issues	7,108	-	7,108	
of which: contractual value of Additional Tier 1 instruments	7,136	-	7,136	n
of which: costs associated with issuing convertible notes	(28)	-	(28)	o
Other liabilities	16,846	-	16,846	
Total liabilities	**1,082,598**	**(3,296)**	**1,079,302**	
Net assets	**63,298**	**(7)**	**63,291**	
Equity				
Contributed equity	38,099	-	38,099	p
Reserves	(3,193)	-	(3,193)	q
of which: cash flow hedge reserve	(1,801)	-	(1,801)	r
Retained profits	27,723	(7)	27,716	s
of which: gains/(losses) due to changes in own credit risk on fair valued liabilities after tax	(156)	-	(156)	t
Total equity (attributable to owners of the Company)	**62,629**	**(7)**	**62,622**	
Non-controlling interests	669	-	669	
Total equity	**63,298**	**(7)**	**63,291**	

	As at 31 Mar 26			
	Balance sheet as in published financial statements	Adjustments[1]	Under regulatory scope of consolidation	Reference[2]
	$m	$m	$m	
Assets				
Cash and liquid assets	1,773	-	1,773	
Due from other banks	83,724	-	83,724	
Collateral placed	6,217	-	6,217	
Trading assets	156,930	-	156,930	
Derivative assets	28,001	-	28,001	
Debt instruments	47,710	-	47,710	
Loans and advances[3]	798,991	(3,800)	795,191	
of which: capitalised expenses, net of deferred fee income	1,413	-	1,413	a
Due from controlled entities	-	16	16	
Deferred tax assets (DTA)	3,940	-	3,940	
of which: deferred tax liability related to other intangibles other than mortgage-servicing rights	(25)	-	(25)	b
of which: DTA that rely on future profitability	66	-	66	c
of which: deferred tax liability related to defined benefit pension fund assets	(15)	-	(15)	d
of which: DTA related to the cash flow hedge reserve	707	-	707	
of which: DTA related to losses due to changes in own credit risk on fair valued liabilities	73	-	73	
of which: DTA not included in the above categories	3,134	-	3,134	e
Property, plant and equipment	2,722	-	2,722	
Investments in controlled entities	-	10	10	f
Goodwill and other intangible assets	4,371	-	4,371	
of which: goodwill	2,070	-	2,070	g
of which: other intangibles other than mortgage-servicing rights	2,301	-	2,301	h
Other assets[4]	8,274	-	8,274	
of which: defined benefit pension fund assets	51	-	51	i
of which: equity investments	620	-	620	j
Total assets	**1,142,653**	**(3,774)**	**1,138,879**	

(1) The adjustments remove the assets, liabilities and equity balances of Level 3 entities deconsolidated for regulatory purposes, and reinstate intragroup assets and liabilities, treating them as external to the Level 2 Group.
(2) Reference to the breakdown of regulatory capital in CC1: *Composition of regulatory capital*.
(3) During the 2026 financial year, the Group revised the presentation of loans and advances to include loans and advances at fair value. Comparative information has been restated to align to the presentation in the current period.
(4) During the 2026 financial year, the Group revised the presentation of other assets to include other financial assets at fair value and current tax assets. Comparative information has been restated to align to the presentation in the current period.

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

Entities excluded from the Level 2 Group balance sheet

The following table provides details of the Group's Level 3 entities, which consist of:

- securitisation SPVs to which assets have been transferred in accordance with the requirements for regulatory capital relief in APS 120, and
- entities which act as manager, responsible entity, approved trustee, trustee or a similar role in relation to funds management.

These entities are included in the accounting scope of consolidation and excluded from the regulatory scope of consolidation.

		As at			
		30 Sep 26		31 Mar 26	
Entity name	Principal activity	Total assets $m	Total equity $m	Total assets $m	Total equity $m
NAB Trust Services Limited	Trustee	11	11	11	11
National Australia Managers Limited	Funds manager	4	3	4	3
National RMBS Trust 2018-1	Securitisation	234	-	262	(1)
National RMBS Trust 2018-2	Securitisation	240	-	270	-
National RMBS Trust 2022-1	Securitisation	488	2	545	3
National RMBS Trust 2024-1	Securitisation	1,021	2	1,173	3
National RMBS Trust 2026-1	Securitisation	1,444	-	1,752	8

3.3 Countercyclical capital buffer

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

The CCyB requirement is calculated as the weighted average of CCyB requirements that apply in jurisdictions in which the Level 2 Group has private sector exposures.

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

September 2026 v March 2026

The CCyB requirement remained unchanged at 0.86%. Whilst the risk-weighted amount of Australian private sector exposures increased by $5.9 billion or 2.0%, this had minimal impact to the weighted average with the risk-weighted amount of Australian private sector exposures representing a similar proportion of the risk-weighted amount of total private sector exposures.

	As at 30 Sep 26				As at 31 Mar 26			
	CCyB rate	RWA used in the computation of the CCyB	Bank-specific CCyB rate	CCyB amount[1]	CCyB rate	RWA used in the computation of the CCyB	Bank-specific CCyB rate	CCyB amount[1]
Geographical breakdown	%	$m	%	$m	%	$m	%	$m
Australia	1.00	306,302			1.00	300,408		
Belgium	1.25	105			1.00	81		
Denmark	2.50	179			2.50	185		
France	1.00	1,140			1.00	1,378		
Germany	0.75	883			0.75	1,199		
Hong Kong	0.50	514			0.50	570		
Ireland	1.50	254			1.50	201		
Luxembourg	0.50	380			0.50	256		
Netherlands	2.00	1,342			2.00	1,176		
Norway	2.50	94			2.50	100		
Spain	0.50	185			0.50	334		
Sweden	2.00	480			2.00	500		
United Kingdom	2.00	7,340			2.00	7,975		
Other	0.50 - 2.50	182			0.50 - 2.50	279		
Sum[2]		**319,380**				**314,642**		
Total[3]		**382,257**	**0.86**	**3,943**		**376,183**	**0.86**	**3,872**

(1) Amount of CET1 capital held to meet the CCyB requirement, computed as total RWA multiplied by the bank-specific CCyB rate.
(2) Sum of the risk-weighted amount of private sector credit exposures in jurisdictions with a non-zero CCyB rate.
(3) Total of the risk-weighted amount of private sector credit exposures across all jurisdictions, including jurisdictions with no CCyB rate or a CCyB rate of zero.

3.4 Leverage ratio

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

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

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

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

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

		As at	
		30 Sep 26	31 Mar 26
		$m	$m
1	Total consolidated assets as per published financial statements	1,145,896	1,142,653
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the regulatory scope of consolidation	19	26
3	Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference	(3,322)	(3,800)
7	Adjustments for eligible cash pooling transactions	-	-
8	Adjustments for derivative financial instruments	5,688	1,906
9	Adjustment for SFTs (i.e. repurchase agreements and similar secured lending)	13,009	(5,593)
10	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	122,082	125,492
11	Adjustments for prudent valuation adjustments and provisions which have reduced Tier 1 capital	(156)	(72)
12	Other adjustments	(9,769)	(9,700)
13	**Leverage ratio exposure measure**	**1,273,447**	**1,250,912**

LR2: Leverage ratio common disclosure template

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

		As at		
		30 Sep 26	30 Jun 26	31 Mar 26
		$m	$m	$m
On-balance sheet exposures				
1	On-balance sheet exposures (excluding derivatives and SFTs, but including collateral)	1,032,368	1,014,913	1,011,310
2	Gross-up for derivatives collateral provided where deducted from balance sheet assets pursuant to the operative accounting framework	5,509	3,615	3,740
3	(Deductions of receivable assets for cash variation margin provided in derivatives transactions)	(6,845)	(4,571)	(4,523)
5	(Provisions associated with on-balance sheet exposures that are deducted from Tier 1 capital)	(6,162)	(5,185)	(5,170)
6	(Asset amounts deducted in determining Tier 1 capital and regulatory adjustments)	(9,286)	(9,237)	(9,164)
7	**Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 to 6)**	**1,015,584**	**999,535**	**996,193**
Derivative exposures				
8	Replacement cost associated with all derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	8,711	9,667	9,415
9	Add-on amounts for potential future exposure associated with all derivatives transactions	19,864	19,323	20,037
11	Adjusted effective notional amount of written credit derivatives	4,734	3,016	7,848
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	(3,482)	(1,747)	(6,610)
13	**Total derivative exposures (sum of rows 8 to 12)**	**29,827**	**30,259**	**30,690**
SFT exposures				
14	Gross SFT assets (with no recognition of netting), after adjustment for sale accounting transactions	120,445	121,800	116,232
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	(17,914)	(17,882)	(20,703)
16	Counterparty credit risk exposure for SFT assets	4,062	3,431	3,616
18	**Total SFT exposures (sum of rows 14 to 17)**	**106,593**	**107,349**	**99,145**
Other off-balance sheet exposures				
19	Off-balance sheet exposure at gross notional amount	254,389	251,852	255,293
20	(Adjustments for conversion to credit equivalent amounts)	(132,307)	(127,760)	(129,801)
21	(Provisions associated with off-balance sheet exposures deducted in determining Tier 1 capital)	(639)	(628)	(608)
22	**Off-balance sheet items (sum of rows 19 to 21)**	**121,443**	**123,464**	**124,884**
Capital and total exposures				
23	**Tier 1 capital**	**61,618**	**61,135**	**61,370**
24	**Total exposures (sum of rows 7, 13, 18 and 22)**	**1,273,447**	**1,260,607**	**1,250,912**
Leverage ratio				
25	**Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)**	**4.84%**	**4.85%**	**4.91%**
26	**National minimum leverage ratio requirement**	**3.50%**	**3.50%**	**3.50%**
Disclosure of mean values				
28	Mean value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	102,531	103,918	95,529
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	93,584	118,792	104,737
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)	1,273,447	1,260,607	1,250,912
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)	4.84%	4.85%	4.91%

Links between financial statements and regulatory exposures

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

The following disclosure shows how the carrying value of assets and liabilities reported on the Group's balance sheet correspond to regulatory risk categories for exposures other than off-balance sheet items.

Differences between assets and liabilities of the Group as reported on the balance sheet under accounting principles in column (a), and assets and liabilities of the Level 2 Group under the regulatory scope of consolidation in column (b) are set out in CC2: *Reconciliation of regulatory capital to balance sheet,* and relate to:

- assets and liabilities of Level 3 entities, and
- exposures between Level 3 entities and other entities in the Group, which are eliminated as part of the accounting consolidation, and treated as external to the Level 2 Group.

	As at 30 Sep 26						
	a	*b*	*c*	*d*	*e*	*f*	*g*
	Reported in published financial statements	Under regulatory scope of consolidation	Carrying value of items subject to:[1]				Not subject to capital requirements / deducted from capital
			Credit risk framework	Counterparty credit risk framework	Securitisation framework	Market risk framework	
	$m	$m	$m	$m	$m	$m	$m
Assets							
Cash and liquid assets	1,751	1,751	1,751	-	-	-	-
Due from other banks	73,010	73,010	70,113	2,897	-	2,897	-
Collateral placed	8,294	8,294	-	8,294	-	8,151	-
Trading assets	152,152	152,152	41,427	90,704	-	110,725	-
Derivative assets	22,803	22,803	-	22,803	-	20,027	-
Debt instruments	50,394	50,394	49,035	-	1,359	-	-
Loans and advances	816,661	813,329	783,496	-	26,343	4	3,486
Due from controlled entities	-	19	19	-	-	-	-
Deferred tax assets	4,190	4,190	-	-	-	-	4,190
Property, plant and equipment	2,703	2,703	2,703	-	-	-	-
Investments in controlled entities	-	10	-	-	-	-	10
Goodwill and other intangible assets	4,371	4,371	-	-	-	-	4,371
Other assets	9,567	9,567	8,944	-	-	-	623
Total assets	**1,145,896**	**1,142,593**	**957,488**	**124,698**	**27,702**	**141,804**	**12,680**
Liabilities							
Due to other banks	9,622	9,622	-	-	-	-	9,622
Collateral received	4,506	4,506	-	4,506	-	4,491	-
Other financial liabilities at fair value	63,928	63,928	-	37,915	-	47,344	16,584
Deposits and other borrowings	786,046	786,046	-	-	-	-	786,046
Derivative liabilities	23,996	24,010	-	23,996	14	21,037	-
Current tax liabilities	329	325	-	-	-	-	325
Provisions	1,643	1,643	-	-	-	-	1,643
Due to controlled entities	-	105	-	-	-	-	105
Bonds, notes and subordinated debt	168,574	165,163	-	-	-	-	165,163
Debt issues	7,108	7,108	-	-	-	-	7,108
Other liabilities	16,846	16,846	-	-	-	-	16,846
Total liabilities	**1,082,598**	**1,079,302**	**-**	**66,417**	**14**	**72,872**	**1,003,442**

(1) The carrying value of derivatives, repurchase agreements and collateral associated with these exposures is reported in all columns that attract a capital charge, such that the sum of amounts in columns (c) to (g) does not equal column (b).

	As at 31 Mar 26						
	a	*b*	*c*	*d*	*e*	*f*	*g*
	Reported in published financial statements	Under regulatory scope of consolidation	Carrying value of items subject to:[1]				Not subject to capital requirements / deducted from capital
			Credit risk framework	Counterparty credit risk framework	Securitisation framework	Market risk framework	
	$m	$m	$m	$m	$m	$m	$m
Assets							
Cash and liquid assets	1,773	1,773	1,773	-	-	-	-
Due from other banks	83,724	83,724	80,436	3,288	-	3,288	-
Collateral placed	6,217	6,217	-	6,217	-	6,120	-
Trading assets	156,930	156,930	34,869	101,459	-	122,059	2
Derivative assets	28,001	28,001	-	28,001	-	23,471	-
Debt instruments	47,710	47,710	46,219	-	1,491	-	-
Loans and advances[2]	798,991	795,191	767,745	-	23,905	3	3,538
Due from controlled entities	-	16	16	-	-	-	-
Deferred tax assets	3,940	3,940	-	-	-	-	3,940
Property, plant and equipment	2,722	2,722	2,722	-	-	-	-
Investments in controlled entities	-	10	-	-	-	-	10
Goodwill and other intangible assets	4,371	4,371	-	-	-	-	4,371
Other assets[3]	8,274	8,274	7,606	-	-	-	668
Total assets	**1,142,653**	**1,138,879**	**941,386**	**138,965**	**25,396**	**154,941**	**12,529**
Liabilities							
Due to other banks	10,875	10,875	-	200	-	-	10,675
Collateral received	6,051	6,051	-	6,051	-	6,036	-
Other financial liabilities at fair value	74,353	74,353	-	49,586	-	58,236	16,117
Deposits and other borrowings	765,823	765,823	-	-	-	-	765,823
Derivative liabilities	27,653	27,679	-	27,653	26	24,028	-
Current tax liabilities	18	11	-	-	-	-	11
Provisions	1,331	1,331	-	-	-	-	1,331
Due to controlled entities	-	210	-	-	-	-	210
Bonds, notes and subordinated debt	170,152	166,167	-	-	-	-	166,167
Debt issues	8,977	8,977	-	-	-	-	8,977
Other liabilities	16,171	16,171	-	-	-	-	16,171
Total liabilities	**1,081,404**	**1,077,648**	**-**	**83,490**	**26**	**88,300**	**985,482**

(1) The carrying value of derivatives, repurchase agreements and collateral associated with these exposures is reported in all columns that attract a capital charge, such that the sum of amounts in columns (c) to (g) does not equal column (b).
(2) During the 2026 financial year, the Group revised the presentation of loans and advances to include loans and advances at fair value. Comparative information has been restated to align to the presentation in the current period.
(3) During the 2026 financial year, the Group revised the presentation of other assets to include other financial assets at fair value and current tax assets. Comparative information has been restated to align to the presentation in the current period.

LI2: Main sources of differences between regulatory exposure amounts and carrying values in financial statements

The following disclosure shows the differences between:

- the carrying value of assets and liabilities under the regulatory scope of consolidation, adjusted for items deducted from capital or not subject to capital requirements, and
- exposure amounts for regulatory purposes.

The nature of differences between these amounts is as follows:

- The carrying value of loans and advances is net of the full provision for credit impairment, whereas EaD for loans and advances is net of the provision for credit impairment on non-performing exposures under the standardised approach (reflected in row 4).
- The amount in row 3 for counterparty credit risk is the carrying value of derivative and reverse repurchase agreement assets less derivative and repurchase agreement liabilities. This differs from the measurement of EaD, resulting in a difference in row 5 as:
  - the measurement of EaD for SFTs is based on the sum of reverse repurchase agreement assets and repurchase agreement liabilities, and
  - the calculation of the replacement cost component of derivative EaD incorporates netting where eligible bilateral netting agreements are in place, as well as an adjustment for collateral, after haircuts.
- Differences in treatment (reflected in row 6), the most significant of which are:
  - Derivatives are measured at fair value for accounting purposes, whereas the measurement of derivative EaD under SA-CCR for the Level 2 Group excluding BNZ includes an add-on for potential future exposure (PFE) as well as a factor of 1.4, and the measurement of derivative EaD under the current exposure method for BNZ includes an add-on for PFE.
  - Certain exposures are derecognised under accounting principles, whereas continue to be reflected in the measurement of EaD, such as funded risk participation exposures and partial write-offs.
- EaD includes off-balance sheet commitments, such as arrangements to extend credit or issue credit substitutes (reflected in row 7).
- EaD for SFTs is reduced by eligible financial collateral, after haircuts (reflected in row 8).

		As at 30 Sep 26				
		a	*b*	*c*	*d*	*e*
		Total	Items subject to:			
			Credit risk framework	Counterparty credit risk framework	Securitisation framework	Market risk framework
		$m	$m	$m	$m	$m
1	Assets carrying value under regulatory scope of consolidation (as per LI1)[1][2]	1,129,913	957,488	124,698	27,702	141,804
2	Liabilities carrying value under regulatory scope of consolidation (as per LI1)[1][2]	75,860	-	66,417	14	72,872
3	**Net carrying value under regulatory scope of consolidation (row 1 less row 2)**[2]	**1,054,053**	**957,488**	**58,281**	**27,688**	**68,932**
4	Provision for credit impairment	6,746	6,746	-	-	
5	Differences in netting rules, other than those included in row 2	119,286	-	119,286	-	
6	Differences in treatment, including valuation approach	9,339	(6,355)	15,661	33	
7	Off-balance sheet EaD (post-CCF)	160,312	153,825	-	6,487	
8	CRM applied in the measurement of EaD for SFTs	(160,411)	-	(160,411)	-	
9	**Exposure amounts considered for regulatory purposes**[3]	**1,189,325**	**1,111,704**	**32,817**	**34,208**	

(1) LI1: *Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories.*
(2) The carrying value of derivatives, repurchase agreements and collateral associated with these exposures is reported in all columns that attract a capital charge, such that the sum of amounts in columns (b) to (e) does not equal column (a).
(3) The total exposure amount considered for regulatory purposes in column (a) includes exposures subject to the market risk framework.

		As at 30 Sep 25				
		a	*b*	*c*	*d*	*e*
		Total	Items subject to:			
			Credit risk framework	Counterparty credit risk framework	Securitisation framework	Market risk framework
		$m	$m	$m	$m	$m
1	Assets carrying value under regulatory scope of consolidation (as per LI1)[1][2]	1,093,437	928,556	124,191	24,807	137,733
2	Liabilities carrying value under regulatory scope of consolidation (as per LI1)[1][2]	84,521	-	79,521	-	80,200
3	**Net carrying value under regulatory scope of consolidation (row 1 less row 2)**[2]	**1,008,916**	**928,556**	**44,670**	**24,807**	**57,533**
4	Provision for credit impairment	6,070	6,070	-	-	
5	Differences in netting rules, other than those included in row 2	155,622	-	155,622	-	
6	Differences in treatment, including valuation approach	14,517	(3,944)	18,442	19	
7	Off-balance sheet EaD (post-CCF)	160,165	152,174	-	7,991	
8	CRM applied in the measurement of EaD for SFTs	(182,891)	-	(182,891)	-	
9	**Exposure amounts considered for regulatory purposes**[3]	**1,162,399**	**1,082,856**	**35,843**	**32,817**	

(1) LI1: *Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories.*
(2) The carrying value of derivatives, repurchase agreements and collateral associated with these exposures is reported in all columns that attract a capital charge, such that the sum of amounts in columns (b) to (e) does not equal column (a).
(3) The total exposure amount considered for regulatory purposes in column (a) includes exposures subject to the market risk framework.

Credit risk

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

5.1 General information about credit risk

Credit risk is the potential that a customer will fail to meet their obligations to the Group in accordance with agreed terms. It is a financial risk that the Group consciously elects to take through both the Group's lending activities (banking book) and markets and trading activities (trading book).

Management

The Group's management of credit risk is aligned to the following five principles:

- Do the right thing by providing financial services to customers in a responsible manner.
- Only take credit risks that are transparent.
- Plan and manage for the possibility of default.
- Be proactive in managing exposures to customers and their credit risk.
- Manage the portfolio of credit exposures responsibly and in the interest of capital providers and other relevant stakeholders.

These principles guide credit policy, credit risk appetite, credit origination, credit assessment and approval activities.

The Credit Risk Management Strategy (CRMS) outlines the Group's approach to managing credit risk and articulates the Credit Risk Management Framework that seeks to ensure that credit risks are identified, measured, evaluated, monitored, reported and controlled or mitigated.

The CRMS is adaptable in managing shifts through economic and credit cycles through key credit risk management drivers which include:

- Credit risk appetite - the level of risk the Group is willing to assume in order to operate within acceptable levels of credit risk and in compliance with obligations and commitments. Credit risk appetite is considered as part of the Board-approved RAS.
- Credit authorities - the mechanism used to support risk-based credit limit decisions across the Group.
- Credit risk policy - developed in accordance with regulatory and legislative obligations and credit risk appetite.

The Credit Risk Management Framework and the use of key credit risk management drivers support the Group to:

- deliver the Group's strategic ambition,
- protect customers and deliver fair outcomes,
- drive sustainable business performance in a safe and responsible manner, and
- comply with the Group's obligations.

Independent review and challenge of credit risk activity is primarily performed by Credit and Valuations Assurance which undertakes portfolio reviews of the non-retail portfolios in Business and Private Banking and Corporate and Institutional Banking. Through a sampling process, Credit and Valuations Assurance overviews credit approvals for new and increased lending across all business units and a sample of security valuations to confirm accuracy and reliability. Credit and Valuations Assurance operates independently of the credit approval process and reports its findings to the relevant business units, as well as to business unit and Line 2 risk committees.

Internal Audit focuses its assurance activities on the Group's material risks including credit risk through its annual Internal Audit Plan.

Governance

The Board delegates oversight of credit risk to the Board Risk & Compliance Committee. The Board delegates credit limit authorities to the Group CEO who has the authority to subdelegate this authority and power to the Group Chief Risk Officer (Group CRO). The Group CRO delegates to the Chief Credit and Market Risk Officer, who sets the Delegated Commitment Authority (DCA) framework and subdelegates the credit decision-making authority to individuals in Line 1 and Line 2 up to certain limits in accordance with the DCA hierarchy, and their skills and experience.

The Executive Risk & Compliance Committee sub-committees, in particular the Group Credit & Market Risk Committee and business unit risk committees, support the Executive Risk & Compliance Committee in its oversight of the Group's management of credit risk. The responsibilities of the sub-committees in respect of credit risk include overseeing:

- the effectiveness of credit risk management,
- the credit risk profile (or level of credit risk exposure) within the boundaries defined by credit risk appetite and policy, and
- the findings of weakness in credit risk management practices or outcomes.

Monitoring and reporting

The Group has a comprehensive process for monitoring and reporting credit and asset quality. The Group CRO receives regular reports covering credit risk, credit quality, asset concentrations, asset quality, ESG risk, material exposures, defaults and assurance outcomes. These reports incorporate key credit risk measures including detailed analysis of concentration risk, large credit approvals and updates on defaulted counterparties. Key reports are provided to management committees, the Board Risk & Compliance Committee and the Board.

Measurement of the provision for credit impairment

The Group applies a three-stage approach to measuring expected credit losses for financial assets that are not measured at fair value, including loan commitments and financial guarantee contracts.

Exposures are assessed on a collective basis in each stage unless there is sufficient evidence that one or more events associated with an exposure could have a detrimental impact on estimated future cash flows. Where such evidence exists, the exposure is assessed on an individual basis.

Detailed information on measurement of the provision for credit impairment is outlined in Note 12 *Provision for credit impairment* in the Financial Report section of the 2026 Annual Report.

CR1: Credit quality of assets

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

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

September 2026 v March 2026

Non-performing exposures increased by $572 million or 4.7%. This was mainly driven by deterioration in the Australian mortgage portfolio, and to a lesser extent, the Business and Private Banking business lending portfolio, partially offset by work-outs for a small number of customers in Corporate and Institutional Banking and New Zealand Banking.

		As at 30 Sep 26					
		a	*b*	*c*	*d / e*	*f*	*g*
		Gross carrying value of		Total provision for credit impairment	Of which: expected credit loss accounting provision for credit losses on		Net carrying value (a+b-c)
		Non-performing exposures	Performing exposures		SA exposures[1]	IRB approach exposures	
		$m	$m	$m	$m	$m	$m
1	Loans	12,398	777,899	6,162	131	6,031	784,135
2	Debt securities, comprising:	-	90,462	-	-	-	90,462
-	Trading assets	-	41,427	-	-	-	41,427
-	Debt instruments	-	49,035	-	-	-	49,035
3	Off-balance sheet exposures	414	240,179	639	10	629	239,954
4	**Total**	**12,812**	**1,108,540**	**6,801**	**141**	**6,660**	**1,114,551**

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

		As at 31 Mar 26					
		a	*b*	*c*	*d / e*	*f*	*g*
		Gross carrying value of		Total provision for credit impairment	Of which: expected credit loss accounting provision for credit losses on		Net carrying value (a+b-c)
		Non-performing exposures	Performing exposures		SA exposures[1]	IRB approach exposures	
		$m	$m	$m	$m	$m	$m
1	Loans[2]	11,819	762,312	5,778	131	5,647	768,353
2	Debt securities, comprising:	-	81,088	-	-	-	81,088
-	Trading assets	-	34,869	-	-	-	34,869
-	Debt instruments	-	46,219	-	-	-	46,219
-	Other assets[2]	-	254	-	-	-	254
3	Off-balance sheet exposures	421	239,114	608	11	597	238,927
4	**Total**	**12,240**	**1,082,768**	**6,386**	**142**	**6,244**	**1,088,622**

(1) Further breakdown of the provision for credit impairment held against exposures under the standardised approach has not been provided on the basis of materiality.
(2) During the 2026 financial year, the Group revised the presentation of loans and advances to include loans and advances at fair value, and other assets to include other financial assets at fair value. Comparative information has been restated to align to the presentation in the current period.

CR2: Changes in stock of defaulted loans and debt securities

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

		6 months ended	
		30 Sep 26	31 Mar 26
		$m	$m
1	**Non-performing loans and debt securities at end of the previous reporting period**	**12,240**	**12,094**
2	Loans and debt securities that have defaulted since the last reporting period	3,731	4,164
3	Returned to performing status	(1,587)	(2,133)
4	Amounts written off	(425)	(454)
5	Other changes[1]	(1,147)	(1,431)
6	**Non-performing loans and debt securities at end of the reporting period**	**12,812**	**12,240**

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

Ageing of past-due exposures

The following table provides a breakdown of the ageing of EaD that is past due. An exposure is considered past due from the first day any amount due under a contract is not paid in full at the date when it was due.

	As at			
	30 Sep 26		30 Sep 25	
	Past-due exposures	Of which: residential mortgage	Past-due exposures	Of which: residential mortgage
	$m	$m	$m	$m
Past due 30 - 89 days	3,455	2,450	3,358	2,466
Past due 90 days or more	7,786	4,636	7,054	4,308
Total past due 30 days or more	**11,241**	**7,086**	**10,412**	**6,774**

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:

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

September 2026 v September 2025

Non-performing exposures increased by $718 million or 5.9%. This mainly reflects the downgrade of a small number of customers in Corporate and Institutional Banking, combined with deterioration in both the Business and Private Banking business lending portfolio and the Australian mortgage portfolio. This was partially offset by a modest improvement in the New Zealand Banking portfolio.

	As at 30 Sep 26					6 months ended 30 Sep 26
	Credit and CCR EaD post-CCF and post-CRM	Of which: credit risk EaD post-CCF and post-CRM[1]	Non-performing exposures	Provision for non-performing exposures[2]	Of which: individually assessed provision for credit impairment	Net write-offs
Industry sector	**$m**	**$m**	**$m**	**$m**	**$m**	**$m**
Accommodation and hospitality	17,358	17,301	262	66	25	-
Agriculture, forestry, fishing and mining	71,405	70,310	2,036	457	261	13
Business services and property services	24,100	23,993	524	198	148	23
Commercial property	104,685	103,657	964	175	34	4
Construction	16,816	16,793	464	151	95	8
Finance and insurance	143,693	120,975	116	39	27	-
Government and public authorities	88,296	87,291	-	-	-	-
Manufacturing	22,460	21,970	610	235	176	8
Personal	20,595	20,595	149	95	3	174
Residential mortgages	509,832	509,832	5,725	602	111	17
Retail and wholesale trade	39,520	38,927	666	206	134	48
Transport and storage	22,362	20,492	434	155	123	11
Utilities[3]	28,383	26,180	513	220	210	77
Other[4]	35,016	33,388	349	47	44	17
Total	**1,144,521**	**1,111,704**	**12,812**	**2,646**	**1,391**	**400**

Provision for performing exposures[5]	**4,155**
Total provision for credit impairment	**6,801**

(1) Includes $897 million of non-performing exposures and $356 million of performing exposures that have been classified as restructured in accordance with APS 220 *Credit Risk Management*.
(2) Provision for non-performing exposures represents Stage 3 expected credit losses, which are individually and collectively assessed.
(3) Utilities includes electricity, gas, water and communication services.
(4) Other includes education, and health and community services.
(5) Provision for performing exposures represents Stage 1 and Stage 2 expected credit losses, which are collectively assessed.

	As at 30 Sep 25					6 months ended 30 Sep 25
Industry sector	Credit and CCR EaD post-CCF and post-CRM $m	Of which: credit risk EaD post-CCF and post-CRM[1] $m	Non-performing exposures $m	Provision for non-performing exposures[2] $m	Of which: individually assessed provision for credit impairment $m	Net write-offs $m
Accommodation and hospitality	14,704	14,611	265	63	25	3
Agriculture, forestry, fishing and mining	69,428	67,930	1,809	308	132	10
Business services and property services	23,174	22,999	544	196	141	8
Commercial property	94,697	93,594	1,125	189	32	6
Construction	15,140	15,112	393	118	82	25
Finance and insurance	170,647	144,999	103	40	24	-
Government and public authorities	75,817	74,785	-	-	-	-
Manufacturing	21,932	21,351	659	284	239	51
Personal	20,790	20,790	176	96	2	158
Residential mortgages	496,085	496,085	5,401	501	71	18
Retail and wholesale trade	36,531	35,656	647	232	168	14
Transport and storage	22,584	21,009	376	104	76	12
Utilities[3]	25,787	23,027	270	131	109	2
Other[4]	31,383	30,908	326	88	62	18
Total	**1,118,699**	**1,082,856**	**12,094**	**2,350**	**1,163**	**325**

Provision for performing exposures[5]	**3,815**
Total provision for credit impairment	**6,165**

(1) Includes $694 million of non-performing exposures that have been classified as restructured in accordance with APS 220.
(2) Provision for non-performing exposures represents Stage 3 expected credit losses, which are individually and collectively assessed.
(3) Utilities includes electricity, gas, water and communication services.
(4) Other includes education, and health and community services.
(5) Provision for performing exposures represents Stage 1 and Stage 2 expected credit losses, which are collectively assessed.

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

The following table provides a breakdown by major geographical region, based on the booking office where the exposure was transacted, of:

- EaD subject to the credit risk framework,
- non-performing exposures, and
- the provision for credit impairment for non-performing exposures, including the provision for non-performing exposures which are individually assessed.

	As at 30 Sep 26			
Geographical region	EaD post-CCF and post-CRM $m	Non-performing exposures $m	Provision for non-performing exposures[1] $m	Of which: individually assessed provision for credit impairment $m
Australia	923,648	11,249	2,164	1,001
New Zealand	119,758	1,077	274	189
Asia, Europe and Americas	68,298	486	208	201
Total	**1,111,704**	**12,812**	**2,646**	**1,391**

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

	As at 30 Sep 25			
	EaD post-CCF and post-CRM	Non-performing exposures	Provision for non-performing exposures[1]	Of which: individually assessed provision for credit impairment
Geographical region	**$m**	**$m**	**$m**	**$m**
Australia	888,509	10,709	1,981	881
New Zealand	121,445	1,137	264	177
Asia, Europe and Americas	72,902	248	105	105
Total	**1,082,856**	**12,094**	**2,350**	**1,163**

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

Exposure at default by maturity

The following table provides a breakdown of EaD by residual contractual maturity, where:

- Overdraft and other similar revolving facilities are allocated to the maturity bucket that most appropriately captures the maturity characteristics of the product.
- No specified maturity includes exposures related to credit cards, on-demand facilities and guarantees with no fixed maturity date.

	As at	
	30 Sep 26	30 Sep 25
	EaD post-CCF and post-CRM	EaD post-CCF and post-CRM
Residual maturity	**$m**	**$m**
Less than or equal to 1 year	265,199	271,991
Greater than 1 year and less than or equal to 5 years	240,491	220,681
Greater than 5 years	563,678	545,469
No specified maturity	42,336	44,715
Total	**1,111,704**	**1,082,856**

5.2 Credit risk mitigation

The Group employs a range of techniques to reduce risk in its credit portfolio. Credit risk mitigation commences with an objective credit evaluation of the counterparty. This includes an assessment of the counterparty's character, industry, business model and capacity to meet its commitments without distress. Other methods to mitigate credit risk include a prudent approach to facility structure, collateral, lending covenants, and terms and conditions.

Collateral

Collateral provides a secondary source of repayment for funds being advanced in the event that a counterparty cannot meet its contractual repayment obligations.

Common types of collateral include:

- fixed and floating charges over business assets,
- residential, commercial and rural property,
- cash deposits,
- fixed income products,
- listed shares, bonds or securities, and
- guarantees, letters of credit and pledges.

For collateral held to be sufficiently liquid, enforceable and regularly valued, credit risk policy provides a framework to:

- establish the amount and quality of collateral required to support an exposure,
- determine acceptable valuation type and revaluation requirements for each collateral class, and
- record market value and bank value, being a conservative assessment of value in the event the collateral is realised.

APS 113 *Capital Adequacy: Internal Ratings-based Approach to Credit Risk* has specific conditions for income-producing real estate to be recognised as eligible collateral, including that:

- Losses stemming from lower risk income-producing real estate lending are less than 0.3% of outstanding income-producing real estate exposures in each of the past three years. Lower risk income-producing real estate lending refers to exposures up to the lower of 50% of the market value or 60% of the lending value.
- Overall losses stemming from income-producing real estate lending are less than 0.5% of outstanding income-producing real estate exposures in each of the past three years.

Losses stemming from income-producing real estate exposures of the Level 2 Group excluding BNZ have been below these thresholds, and the level of losses is monitored and measured by:

- comparing the sum of income-producing real estate write-offs at arrangement level over each of the past three calendar years with the sum of all arrangement-level exposures as at the end of each calendar year, and
- identifying lower risk income-producing real estate exposures based on the haircut market value of collateral assessed against income-producing real estate exposures as at the end of the calendar year.

Guarantor and credit derivative counterparties

Guarantees from financially sound parties can be utilised to support funds advanced to a counterparty. This can reduce the consequences of a default on their obligations. Where allowed in credit risk policy, guarantors that are risk rated may enhance the counterparty customer rating.

Credit hedging can be utilised in the banking book to avoid counterparty concentrations and achieve portfolio diversification. Credit risk associated with this hedging can be mitigated through careful selection of counterparties with strong credit quality (investment grade or supported by appropriate credit support) and the use of collateral agreements to manage net exposures where applicable.

Portfolio management

The Group is exposed to various forms of risk concentration which have the potential to cause significant losses. The Group maintains a well-diversified credit portfolio with effective management of key concentration risks.

Single large exposure limits are an internal upper boundary limit set to manage aggregated exposure to a customer according to the type of customer. Stress testing incorporates large exposures.

The RAS establishes risk boundaries across material risk categories. RAS industry concentration limits are established for industry categories (based on ANZSIC classifications), to manage industry risk from a credit risk perspective.

In line with risk appetite, individual country limits are established to manage country credit risk.

Credit exposure netting

Credit exposure netting may be adopted to calculate credit exposures on a net basis. Credit exposure netting results in the exposure being measured as the net of the amount the customer owes the Group and the amount that the Group owes the customer, such as from a deposit.

Credit exposure netting is subject to execution of supporting legal documentation. A credit exposure measurement and reporting system manages the netting pools in accordance with that documentation.

CR3: Credit risk mitigation techniques – overview

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

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

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

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

		As at 30 Sep 26				
		a	*b*	*c*	*d*	*e*
		Carrying value of:				
		Exposures unsecured	**Exposures to be secured**	**Exposures secured by collateral**	**Exposures secured by financial guarantees**	**Exposures secured by credit derivatives**
		$m	**$m**	**$m**	**$m**	**$m**
1	Loans	83,255	700,880	698,029	2,851	-
2	Debt securities	89,328	1,134	1,134	-	-
3	**Total**	**172,583**	**702,014**	**699,163**	**2,851**	**-**
4	of which: non-performing	486	9,329	9,329	-	-

		As at 31 Mar 26				
		a	*b*	*c*	*d*	*e*
		Carrying value of:				
		Exposures unsecured	**Exposures to be secured**	**Exposures secured by collateral**	**Exposures secured by financial guarantees**	**Exposures secured by credit derivatives**
		$m	**$m**	**$m**	**$m**	**$m**
1	Loans[1]	81,923	686,430	684,004	2,426	-
2	Debt securities	78,288	2,800	2,800	-	-
-	Other assets[1]	254	-	-	-	-
3	**Total**	**160,465**	**689,230**	**686,804**	**2,426**	**-**
4	of which: non-performing	475	8,960	8,960	-	-

(1) During the 2026 financial year, the Group revised the presentation of loans and advances to include loans and advances at fair value, and other assets to include other financial assets at fair value. Comparative information has been restated to align to the presentation in the current period.

5.3 Credit risk under standardised approach

Use of the standardised approach to credit risk

The standardised approach to credit risk is applied to:

- BNZ's bank and sovereign exposures, in accordance with RBNZ prudential requirements,
- some regulatory prescribed portfolios, such as qualifying central counterparty (QCCP) exposures and margin lending,
- non-standard mortgages of the Level 2 Group excluding BNZ,
- other portfolios where the Group has not sought IRB accreditation, and
- cash items in the process of collection, premises and other fixed assets, and all other exposures.

External ratings provided by Fitch Ratings, Moody's and S&P Global Ratings are used to determine risk weights under the standardised approach for counterparties that have external ratings in the corporate (including SME), and BNZ bank and sovereign asset classes. An external rating grades table is used to map external ratings into an external rating grade or credit rating grade that defines the appropriate risk weight in accordance with APRA and RBNZ prudential requirements. Other asset classes and unrated counterparties have risk weights applied based on prescribed APRA and RBNZ prudential requirements.

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

EaD is derived by applying relevant CCFs to committed but undrawn exposures. EaD under the standardised approach is net of the provision for credit impairment on non-performing exposures. The value of the on-balance sheet equivalent amount is reduced by any provisions for non-performing exposures before credit risk mitigation is taken into account.

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

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

September 2026 v March 2026

Credit RWA under the standardised approach increased by $1.5 billion or 11.9%, mainly due to a change to classify certain residential mortgages as non-standard. This change in interpretation of regulatory requirements resulted in a net increase in credit RWA of approximately $850 million, with this increase in credit RWA under the standardised approach partially offset by a reduction in credit RWA under the A-IRB approach.

	As at 30 Sep 26					
	a	*b*	*c*	*d*	*e*	*f*
	EaD pre-CCF and pre-CRM		EaD post-CCF and post-CRM		RWA	RWA density
	On-balance sheet	Off-balance sheet	On-balance sheet	Off-balance sheet		
Asset classes	**$m**	**$m**	**$m**	**$m**	**$m**	**%**
Corporate (including SME)	5,582	5,538	5,506	1,709	4,777	66%
Residential mortgage	2,761	838	2,724	339	3,119	102%
Other retail	1,676	1,922	1,637	586	994	45%
Other[1]	5,120	-	5,120	-	3,876	76%
RBNZ regulated banking subsidiary	14,160	1,084	14,137	536	1,739	12%
Total	**29,299**	**9,382**	**29,124**	**3,170**	**14,505**	**45%**

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

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

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

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

September 2026 v March 2026

EaD for credit risk exposures subject to the standardised approach increased by $1.5 billion or 4.8%, mainly due to a change to classify certain residential mortgages as non-standard.

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

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

	As at 30 Sep 26													
Risk weight	**0%**	**20%**	**25%**	**30%**	**35%**	**40%**	**45%**	**50%**	**75%**	**85%**	**100%**	**110%**	**Other**	**EaD post-CCF and post-CRM**
Asset classes	**$m**	**$m**	**$m**	**$m**	**$m**	**$m**	**$m**	**$m**	**$m**	**$m**	**$m**	**$m**	**$m**	**$m**
Corporate (including SME)	-	2,488	-	-	-	-	-	-	-	3,828	80	710	109	7,215
Residential mortgage	-	1	5	4	-	7	7	-	-	4	2,824	17	194	3,063
Other retail	-	1,381	-	-	-	-	-	-	517	-	315	-	10	2,223
Other[1]	793	639	-	-	-	-	-	-	-	-	3,647	-	41	5,120
RBNZ regulated banking subsidiary	10,797	2,081	-	-	-	1	-	943	-	-	851	-	-	14,673
Total	**11,590**	**6,590**	**5**	**4**	**-**	**8**	**7**	**943**	**517**	**3,832**	**7,717**	**727**	**354**	**32,294**

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

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

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

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

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

		As at 30 Sep 26			
		On-balance sheet EaD (pre-CRM)	Off-balance sheet EaD (pre-CCF and pre-CRM)	Weighted average CCF[1]	EaD post-CCF and post-CRM
	Risk weight	$m	$m	%	$m
1	Less than 40%	16,603	6,032	28%	18,189
2	40 - 70%	797	336	50%	966
3	75%	350	418	40%	517
4	80 - 85%	3,288	1,189	46%	3,832
5	90 - 100%	7,375	878	40%	7,717
6	105 - 130%	579	486	41%	779
7	150%	262	43	50%	249
8	225 - 250%	45	-	-	45
11	**Total**	**29,299**	**9,382**	**34%**	**32,294**

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

		As at 31 Mar 26			
		On-balance sheet EaD (pre-CRM)	Off-balance sheet EaD (pre-CCF and pre-CRM)	Weighted average CCF[1]	EaD post-CCF and post-CRM
	Risk weight	$m	$m	%	$m
1	Less than 40%	17,043	5,873	28%	18,260
2	40 - 70%	589	236	54%	715
3	75%	427	436	40%	602
4	80 - 85%	3,343	1,450	47%	4,019
5	90 - 100%	6,056	866	39%	6,381
6	105 - 130%	488	422	41%	657
7	150%	141	33	19%	137
8	225 - 250%	38	-	-	38
11	**Total**	**28,125**	**9,316**	**34%**	**30,809**

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

5.4 Credit risk under internal ratings-based approaches

Model management and governance

Model development, validation and approval

Credit risk models are developed by the Retail and Non-Retail Modelling functions in Australia and by BNZ Credit Modelling for certain retail portfolios. These functions are responsible for model design, methodology, development standards and maintenance frameworks.

Credit Validation performs independent validation and review of credit risk models and is responsible for maintaining validation frameworks, including standards, methodologies, performance thresholds and tolerance settings across the model lifecycle.

The Model Risk function is responsible for the Group's model risk management framework, including ownership and administration of the Group Model Risk Policy.

Ongoing model monitoring of credit risk models is undertaken by the relevant model owners.

Model governance and approval processes operate in accordance with the Group Model Risk Policy. Approval authority for new models and material model changes resides with the Group CRO or, depending on materiality, the Chair of the Group Model Risk Committee.

Oversight of model risk is provided by the Group Credit & Market Risk Committee and its sub-committee, the Group Model Risk Committee, with Internal Audit attending committee meetings as a standing invitee.

New models and material changes to existing models used for regulatory capital purposes under the IRB approach require approval from APRA prior to implementation.

Credit risk model reporting

The Board and management receive regular reporting on model risk, providing qualitative and quantitative assessments of model performance, data quality, systems, processes and control effectiveness.

Reporting on the IRB framework is provided to the Board Risk & Compliance Committee, the Executive Risk & Compliance Committee, the Group Credit & Market Risk Committee and the Group Model Risk Committee.

The primary quantitative measure used to monitor model risk is defined within the Risk Settings Statement approved by the Group CEO. This measure monitors the number of material models assessed as underperforming where remediation activities are significantly overdue.

Credit risk measurement

Credit risk is measured using a combination of statistical models and expert judgement to estimate key risk parameters, including probability of default (PD), loss given default (LGD) and EaD.

These estimates form the basis for the calculation of expected loss and unexpected loss and support the assessment of regulatory and economic capital requirements across the credit portfolio.

Internal ratings-based model overview

The Group has been accredited by APRA and the RBNZ to use its internal ratings-based approaches and processes in determining RWA for its retail and non-retail credit portfolios.

The Group's internal ratings system measures credit risk using PD, EaD and LGD. Distinct PD, EaD and LGD models exist for the retail and non-retail credit portfolios, based on asset classes and customer segments. The Group's IRB model portfolio (PD, LGD and EaD) consists of close to fifty retail models and over forty non-retail models, covering different industries (including specialised industries such as agriculture and commercial real estate), borrower size, exposure types and portfolio segments.

Non-retail customers are assessed on an individual basis using a combination of statistical risk rating tools and expert judgement. For retail customers, operational scorecards (application and behaviour) are the primary method of risk rating. Rating approaches for each asset class are summarised in the following table.

Asset class	Rating approach
Non-retail exposures subject to the A-IRB approach	
Corporate (including SME)	Statistical risk model, external credit rating and expert judgement
Non-retail exposures subject to the F-IRB approach	
Corporate Sovereign Financial institution	Statistical risk model, external credit rating and expert judgement
Retail exposures subject to the A-IRB approach	
Retail SME	SME behaviour score assigned to PD pools using product, customer and account conduct information
Residential mortgage Qualifying revolving retail Other retail	Rating pools assigned using statistical models with product, customer and account performance information

Internal risk rating and external ratings

The structure of the internal risk rating system and its relationship with external ratings provided by External Credit Assessment Institutions (ECAIs) is outlined below.

			Ratings issued by	
Description	Internal rating	Probability of default (%)	S&P Global Ratings / Fitch Ratings	Moody's
Senior investment grade	1, 2, 3, 4, 5, 6	0.00 to <0.15	AAA, AA+, AA, AA-, A+, A, A-	Aaa, Aa1, Aa2, Aa3, A1, A2, A3
Investment grade	7, 8	0.15 to <0.25	BBB+	Baa1
	9, 10, 11	0.25 to <0.50	BBB, BBB-	Baa2, Baa3
Sub investment grade	12	0.50 to <0.75	BB+	Ba1
	13, 14, 15, 16, 17	0.75 to <2.50	BB+, BB, BB-	Ba1, Ba2, Ba3
	18, 19, 20, 21	2.50 to <10.00	B+, B, B-	B1, B2, B3
	22, 23	10.00 to <100.00	B-, CCC+, CCC, CCC-	B3, Caa1, Caa2, Caa3
Default	98, 99	100.00	D	C

Probability of default

PD measures the likelihood that a customer will default within a 12-month period and is calculated based on internal historical data. Models produce PD estimates based on a full economic cycle using internal average default rate history (portfolio specific). In turn, model PD estimates are mapped to one of the masterscale rating grades used in the regulatory capital calculation.

The Group uses two types of PD estimates:

- Point-in-time, which estimates the likelihood of default in the next 12 months taking account of the current economic conditions. Point-in-time PDs are used for management of the portfolio and the collectively assessed provision for credit impairment calculation.
- Through-the-cycle, which estimates the likelihood of default through a full economic cycle. Through-the-cycle PDs are used in the calculation of credit RWA.

The Group has a common masterscale across all counterparties, including 23 pools for non-retail and 25 pools for retail, with three automatic 'watch' grades in non-retail and two default grades for the non-retail and retail portfolios for PD.

Loss given default

LGD represents the economic loss expected to be incurred if a borrower defaults, expressed as a percentage of EaD. It accounts for recoveries from collateral, guarantees and other sources, and considers that some borrowers may cure, where they default temporarily but later resume payments or have their obligations restructured.

LGD for the calculation of RWA is estimated on a downturn basis. This reflects conditions during periods of economic stress, such as recessions or financial crises. It is intentionally conservative so that sufficient capital is held to absorb losses in adverse scenarios.

Exposure at default

EaD is an estimate of the total value the Group is exposed to at the time of a borrower's default. EaD is calculated as the sum of the amount drawn and the undrawn portion multiplied by a CCF, which estimates how much of the undrawn limit is likely to be drawn upon default.

Non-retail internal ratings-based models

Probability of default

PD models differ by industry, segment and counterparty size, and incorporate regional variances. The rating model utilised depends on industry (based on ANZSIC classification), available financial information, size of the borrower, qualitative information, exposure and product.

The quantitative model factors are based on financial ratios, such as profitability, leverage and debt service coverage. The qualitative model factors are based on inputs, such as management ability and industry outlook, using the expert judgement of the lender and credit officer. In addition to these quantitative and qualitative model factors, an automated rating grade notching is applied if a borrower's credit quality deteriorates.

While factors predictive of default have broad similarities across segments (for example, debt service capability and management quality) and are often correlated, the modelling process establishes those factors that are most robustly predictive for each segment, along with their relative weightings.

External benchmarking is used for certain segments that have insufficient internal historical data, a small population and/or a low number of defaults. This is the case for the rating of banks and sovereigns, where external rating agency data is used. The resultant rating is updated at least annually, or sooner when material information impacting the credit risk profile becomes known.

In accordance with RBNZ requirements, a floor of 0.03% is applied for BNZ corporate exposures.

Loss given default

LGD models use observed losses of principal and interest and measure economic loss through a discounted write-off and recovery approach, incorporating direct and indirect workout costs.

LGD models segment exposures by customer type, size and facility characteristics, and apply a post-default path framework to capture different recovery outcomes. Collateral coverage is a primary driver of LGD, with recoveries based on bank values and adjusted for downturn conditions to reflect stressed market environments.

LGD models are further informed by external benchmarks, market data and expert judgement to enhance robustness and alignment with industry practices. Governance across the model lifecycle includes independent validation, expert panel oversight, and regular performance monitoring.

Exposure at default

The measurement of non-retail EaD applies supervisory CCFs, with different CCFs depending on the type of facility, such as trade finance, performance guarantees, or facilities with specific drawdown conditions.

Retail internal ratings-based models

Probability of default

Retail PD models are segmented according to the lending product and customer profiles. PD models cover:

- Unsecured products - credit cards, personal loans, overdrafts and transaction accounts.
- Secured products - term and revolving residential mortgages originated across all channels and segments.
- Retail SME - non-complex exposures to small business customers as defined on page 14.

Retail PD models produce a score for each exposure which is representative of long-run default risk. Mapping of these scores to the Group's PD masterscale allows exposures to be assigned to risk-based pools, thus providing PD estimates which are differentiated and rank-ordered by risk. In accordance with regulatory requirements, a floor of 0.05% and 0.03% is applied for retail exposures under APRA and RBNZ requirements respectively, with a floor of 0.10% applied for qualifying revolving retail exposures under APRA requirements.

Inputs to retail PD models encompass a range of customer, loan and collateral data. Such inputs include information gathered for the original lending assessment (such as lending purpose and LVR), along with internally captured account usage metrics (such as repayment history and limit utilisation). Appropriate levels of conservatism are applied to account for performance over an economic cycle.

Loss given default

Retail LGD models produce estimates of post-default losses according to key exposure, collateral and customer inputs. Data, including exposure size, security coverage, limit utilisation, product type and lending purpose, is used to estimate both the most likely default outcome (cure, write-off etc) and the economic loss associated with each outcome. Retail SME LGD estimates are produced using the non-retail LGD model.

Retail LGD models were developed based on actual losses determined using internal data including:

- write-off amounts, which are typically captured at 180 days past due on unsecured retail products,
- recovery amounts, where applicable for both secured and unsecured products,
- collections costs, and
- discount rates, applied so that final losses represent net present values.

Internal and external data are combined with expert judgement to appropriately calibrate LGD estimates to downturn economic conditions. Point-in-time variations of LGD estimates are also produced for measurement of the provision for credit impairment and stress testing.

In Australia, lenders' mortgage insurance (LMI) is generally required for residential mortgage borrowing where the LVR is above 80% at origination, with exceptions including loans covered under the Home Guarantee Scheme. A concession is applied to mortgage LGD estimation where a valid LMI coverage is in place.

Supervisory floors are applied to LGD estimates for RWA purposes. The APRA LGD floors are as follows:

- Loans secured by residential property are subject to a floor of 10%.
- Qualifying revolving retail exposures are subject to a floor of 50%.
- All other retail exposures are subject to a floor of 30%.

Exposure at default

EaD models are applied across retail exposures, except for retail SME non-revolving exposures where supervisory CCFs are applied. Retail EaD models use a combination of CCFs and scaling factors depending on the exposure type. CCFs are applied for revolving credit products, including consumer and commercial cards, current accounts (including overdraft), revolving lease facilities and master asset finance agreements. Scaling factors are applied mainly to term lending products, where the customer has less availability of unutilised credit from which to draw in the lead up to default.

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

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

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

  The same approach is applied for asset classes of the RBNZ regulated banking subsidiary.
- Average maturity in column (h) is only disclosed for asset classes where it is used for the RWA calculation, consistent with the disclosure template prescribed by APS 330.
- The provision for credit impairment in column (l) is the total provision for credit impairment, and is disclosed for the total of each asset class, consistent with the disclosure template prescribed by APS 330.

September 2026 v March 2026

EaD, RWA and average CCFs for retail SME exposures decreased due to implementation of a new model.

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

	As at 30 Sep 26											
	a	*b*	*c*	*d*	*e*	*f*	*g*	*h*	*i*	*j*	*k*	*l*
	On-balance sheet EaD pre-CRM	Off-balance sheet EaD pre-CCF and pre-CRM	Average CCF	EaD post-CCF and post-CRM	Weighted average PD	Number of borrowers	Average loss given default (LGD)	Average maturity	RWA	RWA density	Expected loss	Provision for credit impairment
PD scale	$m	$m	%	$m	%		%	years	$m	%	$m	$m
Corporate (including SME)												
0.00 to <0.15	4,253	5,688	55%	7,396	0.08%	2,200	33%	2.3	1,570	21.2%	2	
0.15 to <0.25	7,762	4,989	49%	10,187	0.19%	2,765	27%	2.1	2,604	25.6%	5	
0.25 to <0.50	44,495	16,048	50%	52,527	0.40%	14,251	23%	2.0	17,578	33.5%	49	
0.50 to <0.75	24,276	6,397	54%	27,694	0.62%	6,649	24%	1.7	12,132	43.8%	41	
0.75 to <2.50	119,376	24,309	64%	134,953	1.29%	39,326	24%	1.5	73,239	54.3%	423	
2.50 to <10.00	13,724	2,137	62%	15,052	4.01%	8,075	26%	1.5	11,230	74.6%	154	
10.00 to <100.00	1,802	238	75%	1,981	19.88%	1,479	31%	1.3	3,185	160.7%	120	
100.00 (Default)	4,495	295	79%	4,727	100.00%	1,991	28%	1.4	6,634	140.3%	1,220	
Sub-total	**220,183**	**60,101**	**57%**	**254,517**	**3.09%**	**76,736**	**25%**	**1.6**	**128,172**	**50.4%**	**2,014**	**3,076**

	As at 30 Sep 26											
	a	*b*	*c*	*d*	*e*	*f*	*g*	*h*	*i*	*j*	*k*	*l*
	On-balance sheet EaD pre-CRM	Off-balance sheet EaD pre-CCF and pre-CRM	Average CCF	EaD post-CCF and post-CRM	Weighted average PD	Number of borrowers	Average loss given default (LGD)	Average maturity	RWA	RWA density	Expected loss	Provision for credit impairment
PD scale	**$m**	**$m**	**%**	**$m**	**%**		**%**	**years**	**$m**	**%**	**$m**	**$m**
Retail SME												
0.00 to <0.15	342	709	79%	899	0.11%	4,887	21%		65	7.2%	-	
0.15 to <0.25	472	688	76%	998	0.19%	5,358	22%		112	11.2%	-	
0.25 to <0.50	2,756	2,267	74%	4,441	0.40%	25,997	23%		857	19.3%	4	
0.50 to <0.75	1,255	865	72%	1,878	0.62%	13,418	24%		502	26.7%	3	
0.75 to <2.50	8,742	3,531	74%	11,374	1.37%	78,844	26%		4,870	42.8%	41	
2.50 to <10.00	2,800	688	78%	3,335	4.17%	30,131	27%		2,334	70.0%	39	
10.00 to <100.00	364	54	78%	406	18.90%	8,072	30%		536	131.9%	23	
100.00 (Default)	1,085	117	98%	1,200	100.00%	7,428	30%		1,813	151.1%	325	
Sub-total	**17,816**	**8,919**	**75%**	**24,531**	**6.54%**	**174,135**	**25%**		**11,089**	**45.2%**	**435**	**619**
Residential mortgage												
0.00 to <0.15	45,964	18,688	99%	64,519	0.10%	191,689	12%		3,907	6.1%	8	
0.15 to <0.25	77,218	15,064	99%	92,151	0.19%	207,056	13%		7,967	8.6%	22	
0.25 to <0.50	143,738	17,557	99%	161,193	0.37%	326,926	16%		27,638	17.1%	93	
0.50 to <0.75	40,733	3,300	100%	44,030	0.62%	78,793	19%		13,768	31.3%	52	
0.75 to <2.50	58,323	4,005	100%	62,322	1.07%	109,980	21%		29,668	47.6%	136	
2.50 to <10.00	10,320	229	99%	10,546	5.35%	20,725	16%		10,228	97.0%	93	
10.00 to <100.00	7,702	322	100%	8,023	26.27%	15,237	17%		13,151	163.9%	380	
100.00 (Default)	4,982	103	79%	5,063	100.00%	8,756	26%		11,115	219.5%	518	
Sub-total	**388,980**	**59,268**	**99%**	**447,847**	**2.12%**	**959,162**	**16%**		**117,442**	**26.2%**	**1,302**	**1,309**

	As at 30 Sep 26											
	a	*b*	*c*	*d*	*e*	*f*	*g*	*h*	*i*	*j*	*k*	*l*
	On-balance sheet EaD pre-CRM	Off-balance sheet EaD pre-CCF and pre-CRM	Average CCF	EaD post-CCF and post-CRM	Weighted average PD	Number of borrowers	Average loss given default (LGD)	Average maturity	RWA	RWA density	Expected loss	Provision for credit impairment
PD scale	**$m**	**$m**	**%**	**$m**	**%**		**%**	**years**	**$m**	**%**	**$m**	**$m**
Qualifying revolving retail												
0.00 to <0.15	408	5,821	56%	3,694	0.11%	630,922	74%		210	5.7%	3	
0.15 to <0.25	468	3,325	49%	2,087	0.19%	357,383	74%		192	9.2%	3	
0.25 to <0.50	1,061	3,350	48%	2,657	0.37%	414,402	74%		415	15.6%	7	
0.50 to <0.75	458	965	50%	944	0.62%	121,605	74%		225	23.8%	4	
0.75 to <2.50	2,772	2,533	56%	4,193	1.40%	453,865	75%		1,860	44.3%	44	
2.50 to <10.00	1,412	522	63%	1,740	4.41%	140,527	77%		1,780	102.3%	59	
10.00 to <100.00	297	45	65%	326	32.23%	28,516	76%		763	234.0%	80	
100.00 (Default)	65	20	25%	70	100.00%	7,046	78%		185	265.8%	43	
Sub-total	**6,941**	**16,581**	**53%**	**15,711**	**2.12%**	**2,154,266**	**75%**		**5,630**	**35.8%**	**243**	**351**
Other retail												
0.00 to <0.15	2	43	59%	27	0.08%	1,583	73%		5	17.0%	-	
0.15 to <0.25	3	21	55%	15	0.19%	2,112	73%		5	32.1%	-	
0.25 to <0.50	35	58	67%	74	0.40%	9,930	73%		38	51.0%	-	
0.50 to <0.75	22	22	78%	39	0.62%	5,294	73%		26	66.2%	-	
0.75 to <2.50	562	99	81%	641	1.70%	101,453	73%		627	97.7%	8	
2.50 to <10.00	449	69	91%	512	4.38%	106,261	73%		612	119.8%	17	
10.00 to <100.00	112	41	97%	153	28.98%	56,593	76%		283	185.6%	34	
100.00 (Default)	53	3	63%	55	100.00%	11,823	82%		138	250.4%	36	
Sub-total	**1,238**	**356**	**78%**	**1,516**	**8.78%**	**295,049**	**74%**		**1,734**	**114.4%**	**95**	**133**

	As at 30 Sep 26											
	a	*b*	*c*	*d*	*e*	*f*	*g*	*h*	*i*	*j*	*k*	*l*
PD scale	On-balance sheet EaD pre-CRM $m	Off-balance sheet EaD pre-CCF and pre-CRM $m	Average CCF %	EaD post-CCF and post-CRM $m	Weighted average PD %	Number of borrowers	Average loss given default (LGD) %	Average maturity years	RWA $m	RWA density %	Expected loss $m	Provision for credit impairment $m
RBNZ regulated banking subsidiary												
0.00 to <0.15	5,300	6,197	29%	7,067	0.08%	209,164	35%		879	12.4%	2	
0.15 to <0.25	7,843	2,492	44%	8,912	0.19%	88,936	20%		1,168	13.1%	3	
0.25 to <0.50	26,724	4,650	39%	28,379	0.38%	152,025	24%		7,226	25.5%	26	
0.50 to <0.75	9,511	1,549	46%	10,226	0.62%	41,942	25%		3,624	35.4%	16	
0.75 to <2.50	35,058	4,067	47%	36,961	1.25%	146,159	28%		19,961	54.0%	131	
2.50 to <10.00	4,549	609	46%	4,824	4.41%	37,720	32%		4,713	97.7%	68	
10.00 to <100.00	923	37	72%	950	20.24%	12,321	27%		1,562	164.4%	53	
100.00 (Default)	1,053	37	73%	1,080	100.00%	5,323	35%		2,114	195.7%	278	
Sub-total	**90,961**	**19,638**	**39%**	**98,399**	**2.18%**	**693,590**	**26%**		**41,247**	**41.9%**	**577**	**826**
Total subject to A-IRB approach	**726,119**	**164,863**	**71%**	**842,521**	**2.56%**	**4,352,938**	**21%**	**n/a**	**305,314**	**36.2%**	**4,666**	**6,314**

	As at 31 Mar 26											
	a	*b*	*c*	*d*	*e*	*f*	*g*	*h*	*i*	*j*	*k*	*l*
PD scale	On-balance sheet EaD pre-CRM $m	Off-balance sheet EaD pre-CCF and pre-CRM $m	Average CCF %	EaD post-CCF and post-CRM $m	Weighted average PD %	Number of borrowers	Average loss given default (LGD) %	Average maturity years	RWA $m	RWA density %	Expected loss $m	Provision for credit impairment $m
Corporate (including SME)[1]												
0.00 to <0.15	4,191	5,359	48%	6,770	0.08%	2,265	32%	2.1	1,362	20.1%	2	
0.15 to <0.25	7,475	5,586	54%	10,486	0.19%	2,936	24%	2.1	2,610	24.9%	5	
0.25 to <0.50	41,638	16,637	50%	49,846	0.39%	14,137	23%	2.0	16,955	34.0%	46	
0.50 to <0.75	24,609	5,693	52%	27,590	0.62%	6,726	24%	1.7	11,905	43.2%	40	
0.75 to <2.50	113,339	24,581	62%	128,581	1.29%	38,138	24%	1.5	71,574	55.7%	404	
2.50 to <10.00	12,547	1,938	62%	13,746	4.07%	7,793	25%	1.5	10,451	76.0%	142	
10.00 to <100.00	1,201	343	47%	1,362	19.65%	1,179	29%	1.6	2,196	161.2%	79	
100.00 (Default)	4,351	265	63%	4,518	100.00%	1,922	27%	1.4	5,994	132.7%	1,137	
Sub-total	**209,351**	**60,402**	**56%**	**242,899**	**3.04%**	**75,096**	**24%**	**1.7**	**123,047**	**50.7%**	**1,855**	**2,736**

(1) The provision for credit impairment in column (l) has been restated from that previously disclosed.

	As at 31 Mar 26											
	a	*b*	*c*	*d*	*e*	*f*	*g*	*h*	*i*	*j*	*k*	*l*
PD scale	On-balance sheet EaD pre-CRM $m	Off-balance sheet EaD pre-CCF and pre-CRM $m	Average CCF %	EaD post-CCF and post-CRM $m	Weighted average PD %	Number of borrowers	Average loss given default (LGD) %	Average maturity years	RWA $m	RWA density %	Expected loss $m	Provision for credit impairment $m
Retail SME[1]												
0.00 to <0.15	348	723	95%	1,038	0.11%	5,236	22%		79	7.6%	-	
0.15 to <0.25	500	692	96%	1,165	0.19%	5,544	24%		142	12.2%	1	
0.25 to <0.50	2,759	2,250	96%	4,924	0.40%	25,842	24%		993	20.2%	5	
0.50 to <0.75	1,283	862	97%	2,118	0.62%	13,354	26%		593	28.0%	3	
0.75 to <2.50	8,637	3,449	97%	11,994	1.37%	77,352	27%		5,096	42.5%	44	
2.50 to <10.00	2,719	645	98%	3,352	4.11%	29,522	27%		2,258	67.4%	38	
10.00 to <100.00	332	60	98%	390	19.07%	7,146	30%		459	117.6%	22	
100.00 (Default)	1,085	125	99%	1,209	100.00%	7,306	29%		1,799	148.8%	304	
Sub-total	**17,663**	**8,806**	**97%**	**26,190**	**6.19%**	**171,302**	**26%**		**11,419**	**43.6%**	**417**	**713**
Residential mortgage[1]												
0.00 to <0.15	47,233	18,970	99%	66,050	0.10%	198,733	12%		4,001	6.1%	8	
0.15 to <0.25	75,610	14,813	99%	90,285	0.19%	208,835	13%		7,837	8.7%	22	
0.25 to <0.50	141,612	18,199	99%	159,694	0.37%	329,011	16%		27,849	17.4%	94	
0.50 to <0.75	40,753	3,610	100%	44,359	0.62%	81,133	19%		13,990	31.5%	53	
0.75 to <2.50	57,837	4,495	100%	62,324	1.07%	112,981	21%		30,113	48.3%	138	
2.50 to <10.00	10,096	226	99%	10,319	5.34%	21,203	16%		9,894	95.9%	90	
10.00 to <100.00	7,601	32	99%	7,632	26.83%	15,653	18%		12,636	165.6%	372	
100.00 (Default)	4,593	84	80%	4,660	100.00%	8,567	26%		11,109	238.4%	418	
Sub-total	**385,335**	**60,429**	**99%**	**445,323**	**2.03%**	**976,116**	**16%**		**117,429**	**26.4%**	**1,195**	**1,146**

(1) The provision for credit impairment in column (l) has been restated from that previously disclosed.

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

	As at 31 Mar 26											
	a	*b*	*c*	*d*	*e*	*f*	*g*	*h*	*i*	*j*	*k*	*l*
PD scale	**On-balance sheet EaD pre-CRM** **$m**	**Off-balance sheet EaD pre-CCF and pre-CRM** **$m**	**Average CCF** **%**	**EaD post-CCF and post-CRM** **$m**	**Weighted average PD** **%**	**Number of borrowers**	**Average loss given default (LGD)** **%**	**Average maturity** **years**	**RWA** **$m**	**RWA density** **%**	**Expected loss** **$m**	**Provision for credit impairment** **$m**
RBNZ regulated banking subsidiary[1]												
0.00 to <0.15	5,110	6,200	31%	7,003	0.04%	240,755	35%		810	11.6%	2	
0.15 to <0.25	7,776	2,300	51%	8,932	0.19%	66,758	20%		1,148	12.9%	3	
0.25 to <0.50	25,870	4,668	40%	27,695	0.38%	136,345	23%		6,780	24.5%	24	
0.50 to <0.75	9,022	1,444	48%	9,712	0.62%	48,449	24%		3,276	33.7%	15	
0.75 to <2.50	34,781	4,121	50%	36,810	1.23%	147,094	27%		19,273	52.4%	127	
2.50 to <10.00	4,523	588	41%	4,760	4.42%	29,038	32%		4,604	96.7%	65	
10.00 to <100.00	1,007	37	56%	1,028	20.35%	11,116	26%		1,641	159.6%	55	
100.00 (Default)	1,113	37	50%	1,132	100.00%	5,306	35%		2,373	209.6%	281	
Sub-total	**89,202**	**19,395**	**41%**	**97,072**	**2.26%**	**684,861**	**26%**		**39,905**	**41.1%**	**572**	**793**
Total subject to A-IRB approach[1]	**710,149**	**165,823**	**76%**	**829,060**	**2.50%**	**4,447,738**	**21%**	**n/a**	**300,071**	**36.2%**	**4,379**	**5,895**

(1) The provision for credit impairment in column (l) has been restated from that previously disclosed.

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

	As at 30 Sep 26											
	a	*b*	*c*	*d*	*e*	*f*	*g*	*h*	*i*	*j*	*k*	*l*
	On-balance sheet EaD pre-CRM	Off-balance sheet EaD pre-CCF and pre-CRM	Average CCF	EaD post-CCF and post-CRM	Weighted average PD	Number of borrowers	Average loss given default (LGD)	Average maturity	RWA	RWA density	Expected loss	Provision for credit impairment
PD scale	**$m**	**$m**	**%**	**$m**	**%**		**%**	**years**	**$m**	**%**	**$m**	**$m**
Corporate												
0.00 to <0.15	4,567	10,957	41%	8,566	0.08%	197	39%	2.4	2,167	25.3%	3	
0.15 to <0.25	3,824	8,980	34%	6,872	0.20%	195	42%	2.4	2,905	42.3%	6	
0.25 to <0.50	8,276	10,077	37%	11,980	0.38%	403	42%	2.2	7,241	60.5%	19	
0.50 to <0.75	2,609	2,571	42%	3,646	0.62%	201	42%	2.2	2,772	76.0%	9	
0.75 to <2.50	2,800	3,092	44%	4,157	1.15%	344	39%	2.3	3,706	89.1%	18	
2.50 to <10.00	101	72	82%	160	4.30%	35	40%	2.0	221	138.5%	3	
10.00 to <100.00	3	1	57%	1	13.57%	11	10%	4.4	-	49.6%	-	
100.00 (Default)[1]	337	29	81%	361	100.00%	7	49%	4.4	-	n/a	177	
Sub-total	**22,517**	**35,779**	**39%**	**35,743**	**1.41%**	**1,393**	**41%**	**2.3**	**19,012**	**53.2%**	**235**	**206**
Sovereign												
0.00 to <0.15	145,606	1,771	19%	143,546	0.01%	286	5%	2.4	1,621	1.1%	1	
0.25 to <0.50	1	1	28%	1	0.39%	6	25%	2.4	-	36.5%	-	
0.50 to <0.75	-	-	40%	-	0.62%	6	34%	2.0	-	55.7%	-	
0.75 to <2.50	-	1	91%	1	1.01%	14	5%	1.1	-	11.2%	-	
2.50 to <10.00	-	-	40%	-	3.63%	5	25%	1.2	-	72.7%	-	
10.00 to <100.00	1	-	100%	1	23.43%	5	25%	2.2	2	147.7%	-	
Sub-total	**145,608**	**1,773**	**19%**	**143,549**	**0.01%**	**322**	**5%**	**2.4**	**1,623**	**1.1%**	**1**	**4**

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

	As at 30 Sep 26											
	a	*b*	*c*	*d*	*e*	*f*	*g*	*h*	*i*	*j*	*k*	*l*
PD scale	**On-balance sheet EaD pre-CRM** **$m**	**Off-balance sheet EaD pre-CCF and pre-CRM** **$m**	**Average CCF** **%**	**EaD post-CCF and post-CRM** **$m**	**Weighted average PD** **%**	**Number of borrowers**	**Average loss given default (LGD)** **%**	**Average maturity** **years**	**RWA** **$m**	**RWA density** **%**	**Expected loss** **$m**	**Provision for credit impairment** **$m**
Financial institution												
0.00 to <0.15	23,288	30,226	46%	37,275	0.07%	750	46%	1.4	9,983	26.8%	13	
0.15 to <0.25	1,264	3,578	41%	2,726	0.18%	139	46%	1.5	1,263	46.3%	2	
0.25 to <0.50	816	1,289	32%	1,232	0.38%	512	40%	1.6	779	63.2%	2	
0.50 to <0.75	410	323	42%	546	0.62%	204	44%	1.5	477	87.3%	1	
0.75 to <2.50	2,175	961	29%	2,450	1.31%	1,232	35%	1.7	2,298	93.8%	11	
2.50 to <10.00	282	158	28%	326	4.34%	316	28%	1.5	341	104.6%	4	
10.00 to <100.00	12	54	2%	13	19.00%	67	33%	1.4	27	200.3%	1	
100.00 (Default)[1]	66	13	96%	79	100.00%	41	37%	2.2	-	n/a	29	
Sub-total	**28,313**	**36,602**	**45%**	**44,647**	**0.38%**	**3,261**	**45%**	**1.4**	**15,168**	**34.0%**	**63**	**65**
Total subject to F-IRB approach	**196,438**	**74,154**	**41%**	**223,939**	**0.31%**	**4,976**	**19%**	**2.2**	**35,803**	**16.0%**	**299**	**275**

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

	As at 31 Mar 26											
	a	*b*	*c*	*d*	*e*	*f*	*g*	*h*	*i*	*j*	*k*	*l*
	On-balance sheet EaD pre-CRM	Off-balance sheet EaD pre-CCF and pre-CRM	Average CCF	EaD post-CCF and post-CRM	Weighted average PD	Number of borrowers	Average loss given default (LGD)	Average maturity	RWA	RWA density	Expected loss	Provision for credit impairment
PD scale	**$m**	**$m**	**%**	**$m**	**%**		**%**	**years**	**$m**	**%**	**$m**	**$m**
Corporate[1]												
0.00 to <0.15	3,156	10,552	41%	7,175	0.08%	180	41%	2.4	1,999	27.9%	2	
0.15 to <0.25	4,267	9,370	36%	7,545	0.19%	202	42%	2.2	3,216	42.6%	6	
0.25 to <0.50	9,549	10,491	38%	13,437	0.37%	423	43%	2.4	8,512	63.3%	21	
0.50 to <0.75	1,895	2,431	42%	2,915	0.62%	179	43%	2.5	2,387	81.9%	8	
0.75 to <2.50	2,711	2,605	43%	3,829	1.17%	333	41%	2.5	3,741	97.7%	18	
2.50 to <10.00	167	60	82%	216	3.54%	36	40%	2.0	279	129.2%	3	
10.00 to <100.00	2	-	40%	-	19.39%	8	50%	2.0	-	279.2%	-	
100.00 (Default)[2]	336	13	59%	344	100.00%	6	49%	4.2	-	n/a	169	
Sub-total	**22,083**	**35,522**	**39%**	**35,461**	**1.37%**	**1,367**	**42%**	**2.4**	**20,134**	**56.8%**	**227**	**204**
Sovereign												
0.00 to <0.15	145,343	1,562	16%	142,194	0.01%	286	5%	2.2	1,483	1.0%	1	
0.15 to <0.25	-	-	40%	-	0.21%	1	25%	1.0	-	19.1%	-	
0.25 to <0.50	-	1	25%	-	0.48%	6	36%	2.1	-	53.0%	-	
0.50 to <0.75	-	-	91%	-	0.62%	3	6%	1.9	-	10.7%	-	
0.75 to <2.50	-	1	92%	1	1.00%	14	5%	1.1	-	10.3%	-	
2.50 to <10.00	-	-	40%	-	3.69%	6	25%	1.4	-	75.4%	-	
10.00 to <100.00	1	1	40%	2	23.43%	5	32%	1.7	3	183.7%	-	
Sub-total	**145,344**	**1,565**	**16%**	**142,197**	**0.01%**	**321**	**5%**	**2.2**	**1,486**	**1.0%**	**1**	**4**

(1) The provision for credit impairment in column (l) has been restated from that previously disclosed.
(2) RWA for non-performing exposures is zero under the F-IRB approach.

	As at 31 Mar 26											
	a	*b*	*c*	*d*	*e*	*f*	*g*	*h*	*i*	*j*	*k*	*l*
	On-balance sheet EaD pre-CRM	Off-balance sheet EaD pre-CCF and pre-CRM	Average CCF	EaD post-CCF and post-CRM	Weighted average PD	Number of borrowers	Average loss given default (LGD)	Average maturity	RWA	RWA density	Expected loss	Provision for credit impairment
PD scale	**$m**	**$m**	**%**	**$m**	**%**		**%**	**years**	**$m**	**%**	**$m**	**$m**
Financial institution												
0.00 to <0.15	27,338	29,764	47%	41,356	0.07%	746	45%	1.3	10,761	26.0%	14	
0.15 to <0.25	1,418	3,672	43%	2,999	0.18%	129	48%	1.6	1,483	49.5%	3	
0.25 to <0.50	793	1,462	29%	1,224	0.37%	513	43%	1.6	841	68.7%	2	
0.50 to <0.75	422	432	46%	621	0.62%	233	40%	1.7	507	81.7%	2	
0.75 to <2.50	1,989	927	34%	2,307	1.32%	1,177	38%	1.7	2,314	100.3%	11	
2.50 to <10.00	304	131	28%	340	4.07%	297	30%	1.5	377	110.7%	4	
10.00 to <100.00	31	53	1%	32	18.88%	69	30%	1.4	57	178.5%	2	
100.00 (Default)[1]	94	15	88%	107	100.00%	43	44%	1.9	-	n/a	47	
Sub-total	**32,389**	**36,456**	**46%**	**48,986**	**0.41%**	**3,207**	**45%**	**1.4**	**16,340**	**33.4%**	**85**	**68**
Total subject to F-IRB approach[2]	**199,816**	**73,543**	**42%**	**226,644**	**0.31%**	**4,895**	**20%**	**2.0**	**37,960**	**16.7%**	**313**	**276**

(1) RWA for non-performing exposures is zero under the F-IRB approach.
(2) The provision for credit impairment in column (l) has been restated from that previously disclosed.

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:

- Asset size in row 2 is the change in RWA attributed to exposure size, including origination of new exposures and maturing exposures.
- Asset quality in row 3 is the change in RWA attributed to changes in borrower risk. This includes changes in RWA related to portfolio mix at the end of the reporting period compared to the beginning of the reporting period.
- Model updates in row 4 is the impact of model changes and new model implementation, and methodology and policy in row 5 is the impact of regulatory changes and changes in interpretation of regulatory requirements.

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, F-IRB and supervisory slotting approaches.

Column (b) attributes the change in other credit RWA, including RWA for credit risk exposures under the standardised approach, and counterparty credit risk and securitisation exposures. The sum of columns (a) and (b) in column (c) aligns to that shown in the *Exposure at default and RWA by asset class* disclosure on pages 11 to 13.

September 2026 v June 2026

RWA for credit risk exposures subject to IRB approaches increased by $217 million or 0.1% in the three months to 30 September 2026. Key movements include:

- an increase in RWA from lending growth, largely in corporate (including SME) and project finance exposures,
- a decrease from model updates, including the release of a $3.0 billion RWA overlay related to the measurement of certain off-balance sheet exposures,
- a decrease from foreign exchange translation impacts, and
- a decrease from a change in interpretation of regulatory requirements explained below.

Other credit RWA increased by $1.9 billion or 5.6% in the three months to 30 September 2026 mainly due to a change to classify certain residential mortgages as non-standard. This is reflected in row 5 as an increase in other credit RWA in column (b), partially offset by a decrease in RWA under IRB approaches in column (a), and resulted in a net increase of approximately $850 million.

		3 months ended						6 months ended
		30 Sep 26			30 Jun 26			30 Sep 26
		a	*b*	*c*	*a*	*b*	*c*	*c*
		RWA under IRB approaches	Other credit RWA	Total credit RWA	RWA under IRB approaches	Other credit RWA	Total credit RWA	Total credit RWA
		$m	$m	$m	$m	$m	$m	$m
1	**RWA as at end of previous reporting period**	**351,742**	**33,199**	**384,941**	**347,354**	**33,243**	**380,597**	**380,597**
2	Asset size	4,704	(122)	4,582	5,175	232	5,407	9,989
3	Asset quality	(56)	(112)	(168)	443	(334)	109	(59)
4	Model updates	(2,712)	(2)	(2,714)	(441)	-	(441)	(3,155)
5	Methodology and policy	(798)	1,652	854	-	-	-	854
7	Foreign exchange movements	(921)	(78)	(999)	(789)	(79)	(868)	(1,867)
8	Other[1]	-	520	520	-	137	137	657
9	**RWA as at end of reporting period**	**351,959**	**35,057**	**387,016**	**351,742**	**33,199**	**384,941**	**387,016**

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

CR9: IRB - backtesting of probability of default per portfolio

The following tables provide results of PD backtesting for credit risk exposures subject to the A-IRB and F-IRB approaches by asset class and PD band. External ratings equivalent to the PD band are outlined on page 44 for each ECAI.

In the tables below:

- Weighted average PD in column (a) represents PDs weighted by EaD as at the reporting date, and arithmetic average PD by borrowers in column (b) represents the sum of all PDs divided by the number of borrowers.
- In calculating the number of borrowers in columns (c), (d) and (e):
  - The approach to measure the number of borrowers is outlined in CR6: *IRB - credit risk exposures by portfolio and probability of default range*.
  - A borrower is included as a defaulted borrower in the year in column (d) where a new borrower or performing borrower at the beginning of the financial year was non-performing at any month-end during the financial year. This includes any borrower that subsequently returns to performing or ceases to be a borrower during the year.
  - The number of borrowers in column (e) comprises those borrowers in column (d) that are new borrowers during the financial year.
- In calculating the average historical annual default rate in column (f):
  - A 10-year observation period has been used to allow for a meaningful assessment of the performance of the Group's PD models. The cohort that is not in default at the beginning of each financial year in the observation period has been averaged.
  - Changes in asset class definitions under the revised capital framework, which came into effect from 1 January 2023, have been retrospectively applied on a best endeavours basis.
  - APS 330 requires information to be disclosed separately for the RBNZ regulated banking subsidiary. To allow for a meaningful assessment of BNZ's PD models, BNZ's significant asset classes (namely, corporate (including SME) and residential mortgage) have been disclosed rather than the average of all of BNZ's asset classes.
  - RWA calculated using models for which backtesting results are shown represent 99.7% of credit RWA subject to the A-IRB and F-IRB approaches (September 2025: 99.7%).

Backtesting of probability of default for credit risk exposures subject to the A-IRB approach

	a	*b*	*c*		*d*	*e*	*f*
	Weighted average PD	Arithmetic average PD by borrowers	Number of borrowers		Number of defaulted borrowers in the year	Of which: new defaulted borrowers in the year	Average historical annual default rate
PD scale	%	%	As at 30 Sep 26	As at 30 Sep 25			%
Corporate (including SME)[1]							
0.00 to <0.15	0.08%	0.10%	2,200	1,977	9	-	0.20%
0.15 to <0.25	0.19%	0.19%	2,765	2,980	7	-	0.22%
0.25 to <0.50	0.40%	0.40%	14,251	13,654	66	1	0.33%
0.50 to <0.75	0.62%	0.62%	6,649	6,462	36	1	0.45%
0.75 to <2.50	1.29%	1.34%	39,326	37,508	443	27	0.93%
2.50 to <10.00	4.01%	4.25%	8,075	7,710	333	21	3.30%
10.00 to <100.00	19.88%	20.10%	1,479	1,275	213	9	12.83%
100.00 (Default)	100.00%	100.00%	1,991	1,991			
Retail SME[1]							
0.00 to <0.15	0.11%	0.12%	4,887	5,137	29	-	0.24%
0.15 to <0.25	0.19%	0.19%	5,358	5,529	29	-	0.41%
0.25 to <0.50	0.40%	0.41%	25,997	25,638	160	4	0.55%
0.50 to <0.75	0.62%	0.62%	13,418	13,183	87	5	0.65%
0.75 to <2.50	1.37%	1.33%	78,844	76,206	1,141	161	1.18%
2.50 to <10.00	4.17%	4.73%	30,131	29,185	1,219	177	2.87%
10.00 to <100.00	18.90%	20.21%	8,072	7,453	844	43	7.18%
100.00 (Default)	100.00%	100.00%	7,428	7,799			

(1) RWA overlays are in place while new models are developed to address some under calibration of PDs for corporate (including SME) and retail SME exposures.

	a	*b*	*c*		*d*	*e*	*f*
	Weighted average PD	Arithmetic average PD by borrowers	Number of borrowers		Number of defaulted borrowers in the year	Of which: new defaulted borrowers in the year	Average historical annual default rate
PD scale	%	%	As at 30 Sep 26	As at 30 Sep 25			%
Residential mortgage							
0.00 to <0.15	0.10%	0.10%	191,689	198,124	138	1	0.09%
0.15 to <0.25	0.19%	0.19%	207,056	209,644	283	6	0.20%
0.25 to <0.50	0.37%	0.36%	326,926	322,349	1,047	46	0.37%
0.50 to <0.75	0.62%	0.62%	78,793	76,423	455	25	0.57%
0.75 to <2.50	1.07%	1.07%	109,980	114,775	1,347	46	0.98%
2.50 to <10.00	5.35%	5.40%	20,725	21,630	1,113	-	4.75%
10.00 to <100.00	26.27%	26.11%	15,237	15,742	3,018	-	22.84%
100.00 (Default)	100.00%	100.00%	8,756	9,141			
Qualifying revolving retail							
0.00 to <0.15	0.11%	0.11%	630,922	539,832	441	-	0.10%
0.15 to <0.25	0.19%	0.19%	357,383	211,935	380	3	0.18%
0.25 to <0.50	0.37%	0.37%	414,402	212,008	469	4	0.28%
0.50 to <0.75	0.62%	0.62%	121,605	57,238	245	14	0.45%
0.75 to <2.50	1.40%	1.35%	453,865	242,303	2,208	163	1.15%
2.50 to <10.00	4.41%	4.39%	140,527	73,521	3,141	215	4.36%
10.00 to <100.00	32.23%	30.82%	28,516	17,613	4,811	51	24.14%
100.00 (Default)	100.00%	100.00%	7,046	4,037			
Other retail							
0.00 to <0.15	0.08%	0.09%	1,583	7,259	6	1	0.05%
0.15 to <0.25	0.19%	0.19%	2,112	4,341	12	5	0.17%
0.25 to <0.50	0.40%	0.40%	9,930	14,999	124	79	0.25%
0.50 to <0.75	0.62%	0.62%	5,294	7,638	58	33	0.31%
0.75 to <2.50	1.70%	1.68%	101,453	123,360	3,255	1,924	1.14%
2.50 to <10.00	4.38%	4.82%	106,261	131,818	12,052	7,033	3.91%
10.00 to <100.00	28.98%	24.38%	56,593	81,359	17,371	4,676	16.89%
100.00 (Default)	100.00%	100.00%	11,823	13,145			
BNZ corporate (including SME)							
0.00 to <0.15	0.06%	0.09%	703	1,183	6	1	0.19%
0.15 to <0.25	0.20%	0.19%	1,101	1,161	4	1	0.12%
0.25 to <0.50	0.38%	0.38%	3,646	3,505	20	4	0.32%
0.50 to <0.75	0.62%	0.62%	1,476	1,397	5	-	0.28%
0.75 to <2.50	1.30%	1.37%	8,593	7,946	84	8	0.69%
2.50 to <10.00	4.30%	3.98%	1,835	1,780	88	5	3.33%
10.00 to <100.00	21.53%	20.28%	67	99	16	1	17.76%
100.00 (Default)	100.00%	100.00%	210	183			
BNZ residential mortgage[1]							
0.00 to <0.15	0.11%	0.10%	32,384	1,060	12	-	0.52%
0.15 to <0.25	0.19%	0.19%	41,438	-	-	-	-
0.25 to <0.50	0.38%	0.38%	89,173	13,027	36	10	0.33%
0.50 to <0.75	0.62%	0.62%	28,736	134,334	623	9	0.46%
0.75 to <2.50	1.22%	1.20%	88,359	118,828	975	29	0.66%
2.50 to <10.00	4.50%	4.60%	8,940	5,833	65	5	0.74%
10.00 to <100.00	20.02%	19.77%	3,107	-	1	-	1.69%
100.00 (Default)	100.00%	100.00%	1,980	1,948			

(1) PD estimates for residential mortgage exposures subject to the RBNZ's internal ratings-based approach were updated through the implementation of a new PD model in the December 2025 quarter. This resulted in a change in the distribution of residential mortgage exposures across PD risk grades and will impact the distribution of historical default rates across PD risk grades from the 2026 financial year onwards.

	a	*b*	*c*		*d*	*e*	*f*
	Weighted average PD	Arithmetic average PD by borrowers	Number of borrowers		Number of defaulted borrowers in the year	Of which: new defaulted borrowers in the year	Average historical annual default rate
PD scale	%	%	As at 30 Sep 25	As at 30 Sep 24			%
Corporate (including SME)[1]							
0.00 to <0.15	0.08%	0.10%	1,977	2,309	8	-	0.20%
0.15 to <0.25	0.20%	0.20%	2,980	2,673	15	-	0.24%
0.25 to <0.50	0.39%	0.40%	13,654	13,153	70	-	0.33%
0.50 to <0.75	0.62%	0.62%	6,462	5,916	43	2	0.45%
0.75 to <2.50	1.29%	1.34%	37,508	36,388	525	26	0.93%
2.50 to <10.00	4.00%	4.30%	7,710	8,063	443	24	3.29%
10.00 to <100.00	20.34%	19.65%	1,275	1,341	255	4	12.88%
100.00 (Default)	100.00%	100.00%	1,991	1,754			
Retail SME[1]							
0.00 to <0.15	0.11%	0.12%	5,137	5,493	38	-	0.23%
0.15 to <0.25	0.19%	0.19%	5,529	5,995	60	-	0.42%
0.25 to <0.50	0.40%	0.41%	25,638	25,528	237	6	0.57%
0.50 to <0.75	0.62%	0.62%	13,183	11,966	115	4	0.69%
0.75 to <2.50	1.37%	1.33%	76,206	70,546	1,244	120	1.18%
2.50 to <10.00	4.11%	4.71%	29,185	28,419	1,349	169	2.93%
10.00 to <100.00	19.38%	20.09%	7,453	7,317	901	46	7.25%
100.00 (Default)	100.00%	100.00%	7,799	7,924			
Residential mortgage							
0.00 to <0.15	0.10%	0.10%	198,124	215,531	235	-	0.10%
0.15 to <0.25	0.19%	0.19%	209,644	208,841	278	5	0.21%
0.25 to <0.50	0.37%	0.37%	322,349	320,674	1,168	54	0.38%
0.50 to <0.75	0.62%	0.62%	76,423	79,062	532	28	0.58%
0.75 to <2.50	1.09%	1.10%	114,775	117,491	1,522	40	0.98%
2.50 to <10.00	5.36%	5.40%	21,630	21,886	1,392	2	4.71%
10.00 to <100.00	26.42%	26.19%	15,742	15,852	3,368	-	23.48%
100.00 (Default)	100.00%	100.00%	9,141	9,900			
Qualifying revolving retail							
0.00 to <0.15	0.10%	0.10%	539,832	531,975	512	-	0.10%
0.15 to <0.25	0.19%	0.19%	211,935	210,454	387	-	0.18%
0.25 to <0.50	0.36%	0.35%	212,008	216,008	494	6	0.29%
0.50 to <0.75	0.62%	0.62%	57,238	56,253	239	14	0.48%
0.75 to <2.50	1.39%	1.35%	242,303	251,971	2,656	314	1.22%
2.50 to <10.00	4.45%	4.48%	73,521	85,668	3,948	372	4.52%
10.00 to <100.00	31.65%	30.31%	17,613	19,353	5,433	26	24.71%
100.00 (Default)	100.00%	100.00%	4,037	4,542			
Other retail							
0.00 to <0.15	0.07%	0.06%	7,259	11,420	4	2	0.05%
0.15 to <0.25	0.19%	0.19%	4,341	4,374	14	5	0.19%
0.25 to <0.50	0.40%	0.39%	14,999	14,541	93	69	0.28%
0.50 to <0.75	0.62%	0.62%	7,638	8,416	56	39	0.32%
0.75 to <2.50	1.69%	1.66%	123,360	121,450	3,081	1,804	1.14%
2.50 to <10.00	4.45%	5.00%	131,818	127,690	11,654	6,753	3.94%
10.00 to <100.00	28.42%	23.66%	81,359	85,719	18,891	5,525	17.63%
100.00 (Default)	100.00%	100.00%	13,145	13,360			

(1) RWA overlays are in place while new models are developed to address some under calibration of PDs for corporate (including SME) and retail SME exposures.

	a	*b*	*c*		*d*	*e*	*f*
	Weighted average PD	Arithmetic average PD by borrowers	Number of borrowers		Number of defaulted borrowers in the year	Of which: new defaulted borrowers in the year	Average historical annual default rate
PD scale	%	%	As at 30 Sep 25	As at 30 Sep 24			%
BNZ corporate (including SME)							
0.00 to <0.15	0.06%	0.09%	1,183	332	1	1	0.20%
0.15 to <0.25	0.20%	0.19%	1,161	493	2	1	0.14%
0.25 to <0.50	0.39%	0.39%	3,505	1,808	8	1	0.34%
0.50 to <0.75	0.62%	0.62%	1,397	890	5	-	0.36%
0.75 to <2.50	1.28%	1.36%	7,946	6,099	61	3	0.73%
2.50 to <10.00	4.13%	4.00%	1,780	1,456	62	3	3.36%
10.00 to <100.00	20.62%	20.19%	99	79	27	1	18.39%
100.00 (Default)	100.00%	100.00%	183	109			
BNZ residential mortgage							
0.00 to <0.15	0.14%	0.14%	1,060	1,205	8	1	0.49%
0.25 to <0.50	0.41%	0.41%	13,027	13,277	33	1	0.35%
0.50 to <0.75	0.59%	0.59%	134,334	113,209	489	9	0.47%
0.75 to <2.50	1.20%	1.20%	118,828	128,840	1,038	18	0.64%
2.50 to <10.00	4.92%	4.92%	5,833	6,746	57	1	0.76%
100.00 (Default)	100.00%	100.00%	1,948	1,887			

Backtesting of probability of default for credit risk exposures subject to the F-IRB approach

	a	*b*	*c*		*d*	*e*	*f*
	Weighted average PD	Arithmetic average PD by borrowers	Number of borrowers		Number of defaulted borrowers in the year	Of which: new defaulted borrowers in the year	Average historical annual default rate
PD scale	%	%	As at 30 Sep 26	As at 30 Sep 25			%
Corporate							
0.00 to <0.15	0.08%	0.09%	197	181	-	-	0.28%
0.15 to <0.25	0.20%	0.19%	195	151	-	-	0.05%
0.25 to <0.50	0.38%	0.38%	403	469	-	-	0.09%
0.50 to <0.75	0.62%	0.62%	201	129	1	-	0.19%
0.75 to <2.50	1.15%	1.19%	344	330	1	-	0.27%
2.50 to <10.00	4.30%	4.31%	35	45	-	-	2.89%
10.00 to <100.00	13.57%	21.60%	11	13	1	-	5.11%
100.00 (Default)	100.00%	100.00%	7	9			
Sovereign							
0.00 to <0.15	0.01%	0.08%	286	365	-	-	0.10%
0.15 to <0.25	-	-	-	1	-	-	-
0.25 to <0.50	0.39%	0.42%	6	8	-	-	-
0.50 to <0.75	0.62%	0.62%	6	4	-	-	-
0.75 to <2.50	1.01%	1.18%	14	8	-	-	-
2.50 to <10.00	3.63%	4.67%	5	6	-	-	1.89%
10.00 to <100.00	23.43%	23.43%	5	6	-	-	2.38%
Financial institution							
0.00 to <0.15	0.07%	0.08%	750	736	3	1	0.12%
0.15 to <0.25	0.18%	0.19%	139	140	1	-	0.28%
0.25 to <0.50	0.38%	0.41%	512	507	2	-	0.23%
0.50 to <0.75	0.62%	0.62%	204	217	-	-	0.15%
0.75 to <2.50	1.31%	1.32%	1,232	1,143	3	1	0.56%
2.50 to <10.00	4.34%	4.45%	316	304	7	-	2.25%
10.00 to <100.00	19.00%	20.28%	67	65	3	-	6.06%
100.00 (Default)	100.00%	100.00%	41	49			

	a	*b*	*c*		*d*	*e*	*f*
	Weighted average PD	Arithmetic average PD by borrowers	Number of borrowers		Number of defaulted borrowers in the year	Of which: new defaulted borrowers in the year	Average historical annual default rate
PD scale	%	%	As at 30 Sep 25	As at 30 Sep 24			%
Corporate							
0.00 to <0.15	0.09%	0.09%	181	189	1	-	0.36%
0.15 to <0.25	0.19%	0.18%	151	179	2	-	0.12%
0.25 to <0.50	0.36%	0.37%	469	479	-	-	0.09%
0.50 to <0.75	0.62%	0.62%	129	135	-	-	0.12%
0.75 to <2.50	1.23%	1.33%	330	298	1	-	0.27%
2.50 to <10.00	4.37%	4.54%	45	51	2	-	4.10%
10.00 to <100.00	23.43%	23.43%	13	35	4	-	4.64%
100.00 (Default)	100.00%	100.00%	9	13			
Sovereign							
0.00 to <0.15	0.02%	0.06%	365	378	1	-	0.09%
0.15 to <0.25	0.21%	0.21%	1	1	-	-	-
0.25 to <0.50	0.48%	0.45%	8	5	-	-	-
0.50 to <0.75	0.62%	0.62%	4	10	-	-	-
0.75 to <2.50	0.97%	1.08%	8	13	-	-	0.15%
2.50 to <10.00	3.55%	5.07%	6	6	-	-	1.96%
10.00 to <100.00	23.43%	23.43%	6	12	-	-	2.78%
100.00 (Default)	100.00%	100.00%	-	1			
Financial institution							
0.00 to <0.15	0.07%	0.08%	736	739	5	-	0.08%
0.15 to <0.25	0.18%	0.19%	140	150	-	-	0.19%
0.25 to <0.50	0.38%	0.40%	507	432	6	-	0.23%
0.50 to <0.75	0.62%	0.62%	217	205	3	-	0.28%
0.75 to <2.50	1.23%	1.31%	1,143	1,069	9	2	0.59%
2.50 to <10.00	4.20%	4.47%	304	276	15	2	2.33%
10.00 to <100.00	18.78%	20.03%	65	79	6	-	6.32%
100.00 (Default)	100.00%	100.00%	49	35			

CR10: IRB – specialised lending under the slotting approach

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

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

September 2026 v March 2026

EaD and RWA for credit risk exposures subject to the slotting approach increased by $2.1 billion (19.4%) and $1.5 billion (16.3%), respectively, mainly due to an increase in project finance exposures.

As at 30 Sep 26

	a	*b*	*c*	*d*	*e*	*f*	*g*	*h*	*i*
	On-balance sheet EaD	Off-balance sheet EaD pre-CCF	Risk weight	EaD post-CCF and post-CRM				RWA	Expected loss
				Project finance	Commodities finance	RBNZ regulated banking subsidiary	Total		
Regulatory category	**$m**	**$m**	**%**	**$m**	**$m**	**$m**	**$m**	**$m**	**$m**
Strong	5,880	3,683	70%	5,083	-	3,291	8,374	6,106	33
Good	3,068	984	90%	759	291	2,793	3,843	3,718	31
Satisfactory	434	156	115%	108	-	462	570	710	16
Weak	112	-	250%	-	-	112	112	308	9
Default[1]	46	7	n/a	23	-	29	52	-	26
Total	**9,540**	**4,830**		**5,973**	**291**	**6,687**	**12,951**	**10,842**	**115**

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

As at 31 Mar 26

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

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

Counterparty credit risk

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

Credit limits

Credit limits for derivatives and SFTs are approved and assigned by an appropriately authorised delegated authority holder based on the same principles (i.e. amount, tenor, PD, LGD, product type, risk mitigation) and internal credit policies as those used for approving lending products. Credit exposures for each transaction are measured as the current mark-to-market value and the potential future credit exposure.

Limit excesses, both active and passive, are subject to formal approval by a delegated authority holder.

Risk mitigation

Mitigation of counterparty credit exposures includes the use of:

- market standard master agreements (including International Swaps and Derivatives Association (ISDA) master agreements, Global Master Repurchase Agreements (GMRA)),
- collateralisation, and
- central clearing through CCPs.

Collateral accepted will be subject to approved eligibility criteria and may be subject to haircuts depending on asset type.

Wrong way risk

Wrong way risk occurs when exposure to a counterparty is adversely correlated with the credit quality of that counterparty. Credit exposures and potential losses may increase under these circumstances as a result of market conditions. The Group manages these risks through limits, portfolio monitoring and the implementation of risk policies.

Downgrade impact

As at 30 September 2026, the Group as party to derivative transactions would need to post an estimated $31 million (30 September 2025: $13 million) of collateral in the event of a one-notch downgrade to the Group's credit rating, and $59 million (30 September 2025: $48 million) in the event of a two-notch downgrade.

Credit valuation adjustment risk management

Credit valuation adjustment (CVA) is a valuation adjustment applied to the derivatives portfolio to reflect potential mark-to-market losses due to counterparty credit risk for bilateral over-the-counter derivative contracts. CVA is calculated with reference to the market value of derivative transactions, implied volatilities and forward rates to determine market expected distributions of future derivative values and credit default swap curves to determine future likelihood of counterparty default.

The Group manages CVA risk by hedging the resulting market risk exposures and utilises credit default swaps and indices to hedge exposure to credit default swap market prices. Hedging activity is undertaken within the Group's market risk limit framework (including appropriate escalation). CVA risk is managed by a centralised desk within Corporate and Institutional Banking Markets, with oversight by Line 2. The limit and appetite framework around CVA includes net sensitivity limits, value at risk (VaR) limits, key risk indicators and stress tests.

The CVA risk capital charge is measured in accordance with APS 180. Credit default swaps deemed as eligible CVA hedges under APS 180 are excluded from market risk capital and are beneficially factored into the CVA risk capital charge. Non-eligible credit default swap hedges are included in the market risk capital charge.

The inputs to the CVA calculation are expected positive exposure (EPE), LGD and PD. EPE is calculated using a Monte Carlo simulation model which simulates the possible future value of derivative transactions and incorporates features such as netting and collateral agreements. LGD and PD are derived from credit default swap pricing.

CVA is sensitive to the various market inputs required to price the underlying transactions together with the volatility and correlation factors associated with the market risk factors. Sensitivities to the market inputs are calculated daily.

CVA profit or loss net of hedging activities and the volatility of that net profit or loss are key measures of the effectiveness of the CVA risk management activity. Profit or loss is calculated daily and attributed to the various inputs to the calculation.

CCR1: Analysis of CCR exposures by approach

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

		As at 30 Sep 26				
		Replacement cost	Potential future exposure	Alpha used for computing regulatory EaD	EaD post-CRM	RWA
		$m	$m		$m	$m
1	SA-CCR (for derivatives)[1]	5,568	10,061	1.4	21,815	7,757
-	Current exposure method (for derivatives)[2]				1,984	822
4	Comprehensive approach for CRM (for SFTs)				5,492	880
6	**Total**				**29,291**	**9,459**

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

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

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

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

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

	As at 30 Sep 26						
Risk weight	0%	20%	50%	85%	100%	Other	EaD post-CRM
Asset class	$m	$m	$m	$m	$m	$m	$m
Corporate (including SME)	-	-	-	16	-	6	22
RBNZ regulated banking subsidiary	360	353	45	-	-	-	758
Total	**360**	**353**	**45**	**16**	**-**	**6**	**780**

	As at 31 Mar 26						
Risk weight	0%	20%	50%	85%	100%	Other	EaD post-CRM
Asset class	$m	$m	$m	$m	$m	$m	$m
Corporate (including SME)	-	-	-	12	-	3	15
RBNZ regulated banking subsidiary	466	282	56	-	-	-	804
Total	**466**	**282**	**56**	**12**	**-**	**3**	**819**

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

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

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

	As at 30 Sep 26						
PD scale	EaD post-CRM $m	Average PD %	Number of counterparties	Average LGD %	Average maturity years	RWA $m	RWA density %
Corporate (including SME)							
0.00 to <0.15	1,912	0.07%	206	42%	1.8	327	17.1%
0.15 to <0.25	391	0.20%	160	35%	2.2	132	33.8%
0.25 to <0.50	687	0.37%	760	35%	2.7	338	49.2%
0.50 to <0.75	87	0.62%	350	47%	1.5	67	77.2%
0.75 to <2.50	306	1.12%	1,124	48%	1.7	293	95.7%
2.50 to <10.00	26	3.73%	128	43%	1.4	31	118.2%
10.00 to <100.00	93	23.23%	193	50%	1.1	240	258.1%
100.00 (Default)	2	100.00%	11	50%	1.0	14	687.5%
Sub-total	**3,504**	**0.94%**	**2,932**	**41%**	**2.0**	**1,442**	**41.1%**
RBNZ regulated banking subsidiary							
0.00 to <0.15	606	0.10%	82	59%	1.5	204	33.6%
0.15 to <0.25	222	0.18%	62	59%	1.2	102	45.8%
0.25 to <0.50	284	0.41%	168	59%	1.3	229	80.8%
0.50 to <0.75	46	0.62%	65	59%	1.3	44	96.3%
0.75 to <2.50	80	1.16%	246	59%	1.4	94	118.2%
2.50 to <10.00	17	3.81%	55	59%	1.4	29	173.4%
10.00 to <100.00	9	23.43%	5	60%	1.4	31	337.2%
100.00 (Default)	-	100.00%	3	59%	1.2	-	363.0%
Sub-total	**1,264**	**0.49%**	**686**	**59%**	**1.4**	**733**	**58.1%**
Total subject to A-IRB approach	**4,768**	**0.82%**	**3,618**	**46%**	**1.8**	**2,175**	**45.6%**

	As at 31 Mar 26						
PD scale	EaD post-CRM $m	Average PD %	Number of counterparties	Average LGD %	Average maturity years	RWA $m	RWA density %
Corporate (including SME)							
0.00 to <0.15	845	0.09%	162	31%	3.5	216	25.5%
0.15 to <0.25	422	0.20%	175	34%	2.7	157	37.3%
0.25 to <0.50	715	0.36%	711	36%	2.7	360	50.3%
0.50 to <0.75	110	0.62%	318	47%	1.7	87	78.9%
0.75 to <2.50	363	1.17%	1,043	48%	1.6	361	99.5%
2.50 to <10.00	34	3.85%	129	39%	1.9	38	112.1%
10.00 to <100.00	19	22.79%	140	50%	1.0	49	259.7%
100.00 (Default)	7	100.00%	20	30%	1.1	29	415.6%
Sub-total	**2,515**	**0.86%**	**2,698**	**36%**	**2.7**	**1,297**	**51.6%**

	As at 31 Mar 26						
PD scale	EaD post-CRM $m	Average PD %	Number of counterparties	Average LGD %	Average maturity years	RWA $m	RWA density %
RBNZ regulated banking subsidiary							
0.00 to <0.15	580	0.10%	76	59%	1.4	187	32.3%
0.15 to <0.25	145	0.19%	69	59%	1.6	70	48.4%
0.25 to <0.50	294	0.40%	156	59%	1.4	235	79.9%
0.50 to <0.75	64	0.62%	59	59%	1.1	61	94.8%
0.75 to <2.50	112	1.12%	262	59%	1.3	129	115.0%
2.50 to <10.00	22	4.77%	68	59%	1.3	41	185.3%
10.00 to <100.00	19	23.38%	5	60%	1.5	63	337.9%
100.00 (Default)	-	100.00%	5	59%	1.2	1	325.6%
Sub-total	**1,236**	**0.75%**	**700**	**59%**	**1.4**	**787**	**63.7%**
Total subject to A-IRB approach	**3,751**	**0.82%**	**3,398**	**44%**	**2.3**	**2,084**	**55.6%**

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

	As at 30 Sep 26						
PD scale	EaD post-CRM $m	Average PD %	Number of counterparties	Average LGD %	Average maturity years	RWA $m	RWA density %
Corporate							
0.00 to <0.15	2,101	0.09%	66	46%	3.1	763	36.3%
0.15 to <0.25	1,563	0.18%	55	37%	3.0	615	39.3%
0.25 to <0.50	815	0.37%	88	47%	2.8	589	72.3%
0.50 to <0.75	33	0.62%	20	50%	1.1	24	72.2%
0.75 to <2.50	81	1.01%	38	47%	1.1	69	85.0%
2.50 to <10.00	3	5.00%	5	50%	1.0	5	161.1%
10.00 to <100.00	2	23.43%	1	50%	1.0	5	281.1%
100.00 (Default)[1]	243	100.00%	2	50%	4.5	-	-
Sub-total	**4,841**	**5.20%**	**275**	**43%**	**3.0**	**2,070**	**42.8%**
Sovereign							
0.00 to <0.15	1,684	0.02%	28	7%	2.5	24	1.4%
Sub-total	**1,684**	**0.02%**	**28**	**7%**	**2.5**	**24**	**1.4%**
Financial institution							
0.00 to <0.15	14,574	0.07%	853	50%	1.2	3,625	24.9%
0.15 to <0.25	1,928	0.18%	155	50%	1.0	905	46.9%
0.25 to <0.50	421	0.35%	76	50%	0.7	263	62.6%
0.50 to <0.75	33	0.62%	15	50%	2.2	38	116.0%
0.75 to <2.50	131	1.37%	60	50%	0.3	149	113.4%
2.50 to <10.00	3	3.26%	10	50%	0.5	4	151.8%
100.00 (Default)[1]	-	100.00%	1	50%	1.0	-	-
Sub-total	**17,090**	**0.10%**	**1,170**	**50%**	**1.2**	**4,984**	**29.2%**
Total subject to F-IRB approach	**23,615**	**1.14%**	**1,473**	**45%**	**1.6**	**7,078**	**30.0%**

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

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

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

CCR5: Composition of collateral for CCR exposures

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

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

	As at 30 Sep 26					
	Collateral used in derivative transactions				Collateral used in SFTs	
	Fair value of collateral received		Fair value of collateral posted		Fair value of collateral received	Fair value of collateral posted
	Segregated	Unsegregated	Segregated	Unsegregated		
	$m	$m	$m	$m	$m	$m
Cash – domestic currency	-	530	-	335	16,931	38,079
Cash – other currencies	-	3,653	-	5,416	38,333	72,871
Domestic sovereign debt	48	-	-	-	34,938	17,194
Other sovereign debt	766	471	-	-	67,328	36,293
Corporate and financial institution bonds	10	-	-	-	5,628	3,806
Equity securities	-	-	-	-	2,212	2,873
Total	**824**	**4,654**	**-**	**5,751**	**165,370**	**171,116**

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

CCR6: Credit derivatives exposures

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

	As at			
	30 Sep 26		31 Mar 26	
	Protection bought	Protection sold	Protection bought	Protection sold
	$m	$m	$m	$m
Notionals				
Single-name credit default swaps	308	1,288	413	1,311
Index credit default swaps	7,432	3,446	10,656	6,537
Total notionals	**7,740**	**4,734**	**11,069**	**7,848**
Fair values				
Positive fair value (asset)	-	74	-	123
Negative fair value (liability)	(144)	-	(161)	-

CCR8: Exposures to central counterparties

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

		As at			
		30 Sep 26		31 Mar 26	
		EaD post-CRM	RWA	EaD post-CRM	RWA
		$m	$m	$m	$m
1	**Exposures to QCCPs (total)**		**371**		**362**
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions), of which:	2,793	101	2,808	95
3	Over-the-counter derivatives	2,159	86	2,159	79
-	of which: RBNZ regulated banking subsidiary	250	5	367	7
4	Exchange-traded derivatives	323	9	282	9
-	of which: RBNZ regulated banking subsidiary	1	-	2	-
5	SFTs	311	6	367	7
7	Segregated initial margin	947		1,383	
8	Non-segregated initial margin	318	6	547	11
9	Pre-funded default fund contributions	415	264	323	256

Securitisation

Securitisation is a financing structure where the cash flows from a pool of assets are used to service obligations to at least two different tranches or classes of creditors (typically holders of debt securities), with each class or tranche reflecting a different degree of credit risk (i.e. one class of creditors is entitled to receive payments from the pool before another class of creditors).

Objectives of securitisation activities

The Group engages in securitisation activities in relation to third parties, as well as its own assets.

Third party securitisation activities include arranging securitisation transactions and providing facilities and funding to securitisation SPVs. They also include investing in securities issued by third party securitisation SPVs through primary and secondary market transactions. These activities support client and portfolio management objectives, and generate fee and interest income.

Own asset securitisation activities may be used for funding, capital and liquidity management purposes. This involves the sale of assets originated by the Group to an SPV, which then issues notes to third party investors. Where significant credit risk transfer occurs, regulatory capital relief may be achieved. Facilities such as liquidity facilities and interest rate swaps may be provided to the SPV on an arm's length basis.

The Group has also established internal securitisation SPVs and holds the issued residential mortgage-backed securities (RMBS). These internal RMBS are available as collateral for contingent liquidity purposes as outlined in Section 11 *Liquidity*.

Roles

The major roles undertaken by the Group are set out in the table below.

Securitisation activity	Role
Third party	Arranger, dealer, joint lead manager, cross-currency swap provider, interest rate swap provider, liquidity facility provider, funding provider, investor
Own asset	Originator, seller, arranger, lead manager, manager, trust administrator, servicer, interest rate swap provider, liquidity facility provider, redraw facility provider

Third party securitisation activity is undertaken by Corporate and Institutional Banking, while own asset activity is conducted by Group Treasury. Third party and own asset securitisation activity is also undertaken by BNZ.

Risk management

Risks arising from securitisation activities include credit risk, market risk, balance sheet and liquidity risk, and operational risk. These risks are managed in accordance with the Group's risk management frameworks relevant to these material risks.

Credit risk arising from securitisation exposures is managed in line with the framework and policies outlined in Section 5.1 *General information about credit risk* in the credit risk section. All securitisation exposures are subject to initial credit assessment and annual review. Factors such as underlying pool composition, type and level of credit enhancement, and structural features of the transaction are considered. Future cash flows are modelled and risk factors applied as appropriate. Exposures are monitored against limits relating to overall portfolio size and other attributes such as underlying asset class and geographical split.

Balance sheet and liquidity risk includes various structural, non-traded market risks which arise from exposures held in the banking book. Debt securities held in banking book portfolios are subject to expected shortfall (ES) and VaR limits which are set in accordance with approved risk appetite and monitored daily. An independent price validation process is conducted monthly to evaluate the holding values of portfolio exposures. Contingent liquidity and potential collateral outflows are monitored against approved limits.

In conjunction with the policies and frameworks described above, third party securitisation activity is governed by the Third Party Securitisation Risk Policy. Compliance with this policy and the prudential requirements of APS 120 is monitored by a functionally independent risk oversight team.

All securitisation exposures are identified and recorded in appropriate finance and risk management applications. Underlying pool exposure data is obtained from both internal and external providers. This provides updated information on transaction performance and provides inputs into the regulatory capital calculation. Reporting, exposure monitoring and portfolio insights are prepared on a regular basis and are reported to the relevant risk committees as appropriate.

The Group has no exposures which are classified as resecuritisation exposures and does not actively target these types of exposures for investment.

Regulatory capital and compliance

The Group's management of the risks associated with securitisation and calculation of capital held against these exposures is governed by APS 120. The Group has policies and procedures in place to facilitate compliance with the requirements of this prudential standard, which include:

- having a risk management framework in place for securitisation activities,
- ensuring disclosure of the nature of obligations arising from securitisation exposures,
- not providing implicit support to SPVs, and
- calculating regulatory capital for credit risk from securitisation exposures of the Level 2 Group excluding BNZ.

A self-assessment demonstrating compliance with this prudential standard is prepared covering all securitisation transactions and is reviewed annually.

The Group complies with the approaches prescribed by APS 120 for calculating regulatory capital, namely the external ratings-based approach (ERBA) and the supervisory formula approach (SFA). Under the ERBA, risk weights are matched to external ratings provided by ECAIs, varying according to tranche seniority and maturity. Where the use of ECAIs is relevant, the Group applies the ratings provided by S&P Global Ratings, Moody's and/or Fitch Ratings. For unrated transactions, the SFA adjusts risk weights according to the structural characteristics of the transaction, as well as the nature and performance of the underlying pool assets. In the event neither approach can be applied, the exposure is deducted from CET1 capital.

Securitisation exposures held in the trading book are subject to APS 116 *Capital Adequacy: Market Risk*.

Securitisation exposures of the RBNZ regulated banking subsidiary are outside the scope of APS 120, and are subject to the RBNZ's internal ratings-based approach.

Accounting policies

Third party securitisation - The accounting treatment for debt securities issued by, and warehouse facilities provided to, third party securitisation SPVs reflects the Group's business model for managing the asset.

Where debt securities give rise to contractual cash flows that are solely payments of principal and interest, they are measured at amortised cost provided the underlying pool of assets in the SPV contains one or more instruments that have contractual cash flows that are solely repayments of principal and interest and the exposure to credit risk in the tranche is equal to or lower than the credit risk in the underlying pool of assets. Warehouse facilities are measured at amortised cost provided they meet similar contractually linked guidance.

Where debt securities are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, they are measured at fair value through other comprehensive income.

Derivatives with third party securitisation SPVs are measured at fair value through profit or loss.

Own asset securitisation - The accounting treatment for each transaction in the Group's own asset securitisation programme is assessed against the requirements of the applicable accounting standards, particularly AASB 9 *Financial Instruments* and AASB 10 *Consolidated Financial Statements*. Where the Group does not transfer substantially all risks and rewards associated with ownership, the assets are not derecognised from the balance sheet.

A funding liability measured at amortised cost is recognised in respect of the debt securities issued to third party investors.

Further information on the Group's accounting policies that are relevant to securitisation can be found in the Financial Report section of the 2026 Annual Report, in particular in the *Financial instruments overview*, Note 20 *Financial asset transfers* and Note 30 *Interest in subsidiaries and other entities*.

Securitisation disclosures

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

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

In these disclosures:

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

SEC1: Securitisation exposures in the banking book

The following table provides the carrying value of traditional securitisation exposures in the banking book. In addition to these carrying values, the EaD of derivatives provided to SPVs where the Level 2 Group acts as the originator was $20 million (March 2026: $20 million).

September 2026 v March 2026

Securitisation exposure investments in the banking book increased by $2.4 billion or 8.8%, mainly driven by an increase in residential mortgage exposures from securities holdings and warehouse facilities.

		As at 30 Sep 26		As at 31 Mar 26	
		Bank acts as originator	Bank acts as investor	Bank acts as originator	Bank acts as investor
		$m	$m	$m	$m
1	**Retail (total)**	**118,787**	**23,742**	**118,334**	**21,989**
2	of which: residential mortgage	118,787	20,017	118,334	18,538
3	of which: credit card	-	23	-	26
4	of which: other retail	-	3,702	-	3,425
6	**Wholesale (total)**	**-**	**5,843**	**-**	**5,208**
7	of which: loans to corporates	-	1,331	-	1,233
8	of which: commercial mortgage	-	909	-	606
9	of which: lease and receivables	-	1,734	-	1,550
10	of which: other wholesale	-	1,869	-	1,819

SEC2: Securitisation exposures in the trading book

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

		As at 30 Sep 26		As at 31 Mar 26	
		Bank acts as originator	Bank acts as investor	Bank acts as originator	Bank acts as investor
		$m	$m	$m	$m
1	**Retail (total)**	**11**	**807**	**15**	**671**
2	of which: residential mortgage	11	747	15	603
3	of which: credit card	-	2	-	5
4	of which: other retail	-	58	-	63
6	**Wholesale (total)**	**-**	**54**	**-**	**52**
7	of which: loans to corporates	-	4	-	3
9	of which: lease and receivables	-	1	-	-
10	of which: other wholesale	-	49	-	49

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

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

		As at 30 Sep 26								
		EaD (by risk-weight bands)		EaD (by regulatory approach)			RWA (by regulatory approach)		Capital charge after cap[1]	
		≤20%	1,250%	ERBA	SFA	1,250%[2]	ERBA	SFA	ERBA	SFA
		$m	$m	$m	$m	$m	$m	$m	$m	$m
1	**Total exposures**	**70**	**1**	**46**	**24**	**1**	**10**	**4**	**1**	**-**
2	Traditional securitisation	70	1	46	24	1	10	4	1	-
3	of which: securitisation	70	1	46	24	1	10	4	1	-
4	of which: retail underlying	70	1	46	24	1	10	4	1	-

(1) RWA divided by 12.5. The capital charge is based on RWA after the application of any risk-weight cap that may apply under APS 120.
(2) Exposures which would have a 1,250% risk weight under BCBS requirements are deducted from CET1 capital under APRA requirements.

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

(1) RWA divided by 12.5. The capital charge is based on RWA after the application of any risk-weight cap that may apply under APS 120.
(2) Exposures which would have a 1,250% risk weight under BCBS requirements are deducted from CET1 capital under APRA requirements.

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

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

September 2026 v March 2026

The $3.2 billion increase in securitisation exposures with a risk weight less than or equal to 20% was primarily due to improved credit quality of a small number of warehouse exposures which moved out of the higher risk-weight bands.

		As at 30 Sep 26								
		EaD (by risk-weight bands)			EaD (by regulatory approach)		RWA (by regulatory approach)		Capital charge after cap[1]	
		≤20%	>20% to 50%	>50% to 100%	ERBA	SFA	ERBA	SFA	ERBA	SFA
		$m	$m	$m	$m	$m	$m	$m	$m	$m
1	**Total exposures**	**33,795**	**194**	**149**	**6,494**	**27,644**	**1,344**	**4,230**	**107**	**339**
2	Traditional securitisation	33,795	194	149	6,494	27,644	1,344	4,230	107	339
3	of which: securitisation	33,795	194	149	6,494	27,644	1,344	4,230	107	339
4	of which: retail underlying	27,310	31	104	5,677	21,768	1,182	3,321	94	266
6	of which: wholesale	6,485	163	45	817	5,876	162	909	13	73

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

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

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

Market risk

The Group makes a distinction between traded and non-traded market risks for the purpose of managing market risk. This section relates to traded market risk. Non-traded market risks are discussed in Section 10 *Interest rate risk in the banking book*.

Traded market risk is the risk of adverse changes in the fair value of positions arising from the Group's trading book activities due to movements in risk factors, including foreign exchange rates, interest rates, volatilities and credit spreads.

The Group's exposure to market risk arises from its trading book activities conducted by Corporate and Institutional Banking Markets across NAB, BNZ and NAB Europe. Regulatory capital is calculated using the APRA-approved IMA and the standard method, as applicable.

All trading book positions are measured at fair value on a daily basis for risk management and profit or loss, using independently sourced and validated rates in accordance with the Group Finance Rates and Revaluation Policy.

Management and governance

The Board approves the Group's traded market risk appetite and associated risk tolerances through the RAS. The Risk Settings Statement operationalises selected tolerances through more granular settings, while the Group Traded Market Risk Policy and its supporting procedures and guidance notes establish the requirements for managing traded market risk. The Risk Settings Statement cascades selected Board-approved tolerances into settings for markets trading and derivative valuation adjustment hedging activities. These settings are supported by a broader framework of lower-level settings and indicators covering product, geography, currency, tenor, concentration, optionality, basis risk and trading strategy, together with requirements for permitted products and locations.

The RAS, Risk Settings Statement, and Group Traded Market Risk Policy and its supporting procedures and guidance notes collectively establish the requirements for monitoring, independent oversight, escalation and governance of traded market risk, including delegated authorities, risk measurement, limit management, reporting and control standards. The framework supports compliance with applicable prudential requirements, including APS 116.

The Board oversees the Group's market risk profile through the Board Risk & Compliance Committee. Management oversight is supported by the Group Credit & Market Risk Committee, the Group Model Risk Committee, the Corporate & Institutional Banking Risk Management Committee and the Corporate & Institutional Banking Markets Risk Council, in accordance with their respective charters.

Corporate and Institutional Banking Markets is responsible for managing its trading activities within approved risk appetite, settings, limits, Product Usage Authorities and policy requirements, and for taking timely action where utilisation approaches or exceeds approved thresholds.

The Market Risk function is independent of, and separate from, the areas that carry out trading activities and has responsibility for the daily measurement and monitoring of market risk exposures and challenges trading activities, positions, limit utilisation and adherence to risk appetite and settings on a daily and, where appropriate, intraday basis. Internal risk management and compliance with prudential requirements is further supported by key controls covering defined trading authorities including approved products, daily model backtesting and both annual and periodic desk reviews.

Models employed for valuation and risk measurement are subject to the development, validation, review, reporting and escalation requirements of the Group Model Risk Policy and applicable delegated authorities. Independent validation is performed at least every three years, or when a material change is made, with material internal model changes requiring APRA approval.

Measurement

VaR estimates the likelihood that a given portfolio's losses will exceed a certain amount. The Group uses VaR estimates for both regulatory capital calculations in accordance with APS 116 and for internal risk control purposes.

The Group is accredited by APRA to use a historical simulation model to simulate the daily change in market factors. VaR is calculated for all trades on an individual basis using a full revaluation approach. For capital purposes, VaR for products modelled using the IMA is calculated on a globally diversified basis and reported in Australian dollars in accordance with the following parameters:

- a 99% one-tailed confidence level,
- a holding period of 10 days, and
- an observation period of 550 days (unweighted, updated daily).

VaR limits are assigned to individual trading desks and regions or product lines in accordance with the RAS.

Stressed value at risk (SVaR) is calculated using the same methodology as VaR but with an observation period based on a one-year period of significant market volatility.

Stress testing is performed daily to assess losses under extreme but plausible scenarios and identify portfolio sensitivities that may not be apparent under normal market conditions. The range of scenarios is reviewed at least annually with results reported routinely to senior management and periodically to the Board Risk & Compliance Committee.

Stop-loss limits are formal desk-level settings that trigger escalation and consequence management requirements when defined loss thresholds are exceeded.

Sensitivity and other market risk limits are set by the Market Risk function to manage market risk at a more granular level, for example, to manage concentration risk.

Capital methodology

As detailed in the following table, the Group is accredited by APRA to use the IMA under APS 116 for all trading asset classes except for specific market risk and equities. These asset classes are managed with regulatory capital calculated as an add-on to that from the IMA. There are two types of market risk measures related to regulatory capital:

- general market risk which is related to changes in the overall market prices, and
- specific market risk which is related to changes for the specific issuer.

The RWA equivalent for traded market risk using the IMA is the capital requirement multiplied by 12.5.

	Internal model approach	Standard method
Calculation	Internally-developed VaR calculation	As per APS 116 (Attachment B)
General market risk	Foreign exchange, commodities, credit, interest rate and inflation products	Equities
Specific market risk	n/a	All applicable products

Monitoring and reporting

Market risk exposures, limit utilisation, stress testing results and relevant risk indicators are measured and monitored daily, with intraday oversight performed where appropriate. Limit excesses, trigger events, backtesting exceptions, data issues and other material matters are escalated in accordance with the Group Traded Market Risk Policy and its supporting procedures.

The Market Risk function provides regular reporting to senior management and relevant governance forums covering the risk profile, performance against risk appetite and settings, limit compliance, stress testing, backtesting, model and data matters, significant developments and change initiatives. Reporting is supplemented by forward-looking risk insight that links the Group's appetite, strategy and business performance, identifies root causes and implications, and provides actionable recommendations where required.

The Board Risk & Compliance Committee receives market risk information through established Board reporting and periodic reporting on stress testing and other material matters. Management committees and councils receive reporting in accordance with their respective charters and meeting schedules.

Market risk risk-weighted assets

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

September 2026 v March 2026

Market risk RWA decreased by $1.5 billion or 12.2% driven by lower 10-day SVaR from changes in interest rate exposures.

	As at	
	30 Sep 26	31 Mar 26
	$m	$m
Market risk RWA under the internal model approach	**9,822**	**11,435**
Market risk RWA under the standard method		
Interest rate risk	1,194	1,106
Equity position risk	12	14
Total market risk RWA under the standard method	**1,206**	**1,120**
Total	**11,028**	**12,555**

Internal model approach value at risk and stressed value at risk

The following table provides information on the mean, minimum and maximum VaR and SVaR over the reporting period and at period end.

	6 months ended 30 Sep 26			As at
	Mean value	Minimum value	Maximum value	30 Sep 26
	$m	$m	$m	$m
At a 99% confidence level				
VaR	25.8	17.5	37.7	24.0
SVaR	98.0	65.4	200.8	81.5

	6 months ended 31 Mar 26			As at
	Mean value	Minimum value	Maximum value	31 Mar 26
	$m	$m	$m	$m
At a 99% confidence level				
VaR	29.8	17.1	52.6	25.4
SVaR	135.6	70.7	228.9	90.8

Backtesting

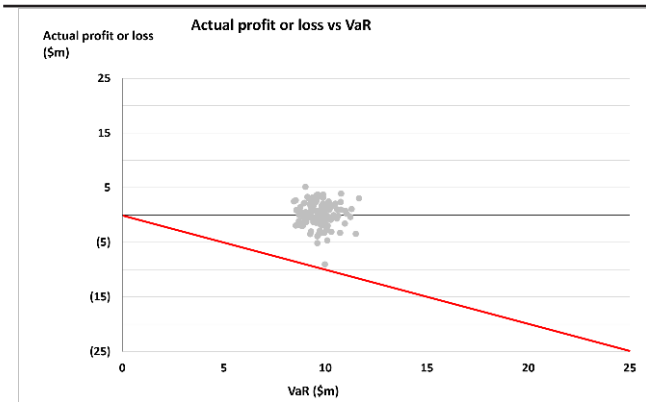
VaR estimates are backtested regularly for reasonableness. Backtesting is a process that compares the Group's daily VaR estimates against both actual and hypothetical daily profit or loss to maintain model integrity.

The results of backtesting are reported to senior management, risk committees and regulators. In addition to backtesting, the risk measurement model and all pricing models are subject to periodic reviews and independent validation at frequencies specified by the Group Model Risk Policy.

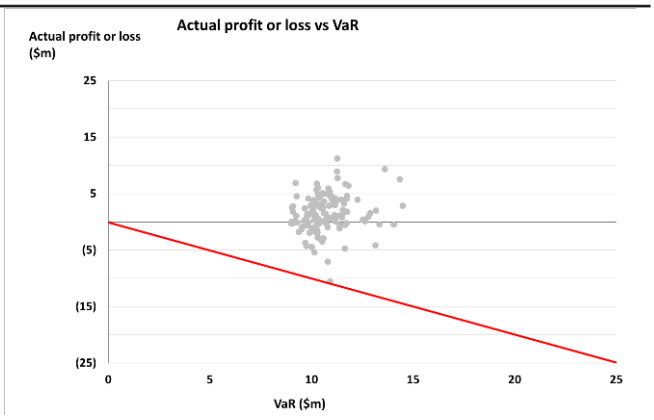
Backtesting results

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

Results for the six months ended 30 September 2026



Results for the six months ended 31 March 2026



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

Operational risk

9.1 Operational risk framework

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. The following material risks collectively represent the Group's operational risks: technology and information security risk, reporting risk, operational execution risk, financial crime and fraud risk, compliance risk and conduct risk.

Management and governance

The Group manages operational risk through its Risk Management Framework, within Board-approved risk appetite and associated tolerances in the RAS. The Group Operational Risk Management Policy sets mandatory requirements for identifying, assessing, managing, monitoring and reporting operational risk across the Group.

The operational risk profile is overseen by the Board via the Board Risk & Compliance Committee and key management committees, including the Executive Risk & Compliance Committee and its sub-committee, the Group Non-Financial Risk Committee. The Board, the Board Risk & Compliance Committee, the Executive Risk & Compliance Committee and the Group Non-Financial Risk Committee are provided with the information compiled by the Risk function required to manage these responsibilities.

Identification and assessment

Operational risks are identified and assessed through operational risk profiles, which consider the nature and extent of risk exposures, the control environment, residual risk and target risk. Operational risk measurement is informed by operational risk event data, control assessments, testing results and other risk information used to support monitoring of the Group's operational risk profile and regulatory capital requirements.

Monitoring and reporting

Operational risk reporting provides executive management and Board risk committees with information on material operational risk exposures and events, the control environment, emerging risks, performance against risk appetite and progress against material management actions.

The nature, scope and frequency of reporting reflect materiality of the risks and the responsibilities of the relevant governance body. Reporting supports oversight of the Group's operational risk profile, the effectiveness of risk responses and matters requiring escalation or further management action.

Risk mitigation and transfer

The Group manages operational risk through policies, risk appetite, processes, controls, monitoring and management actions. Controls and other mitigation strategies are designed and implemented having regard to the nature and materiality of the relevant risk exposure and applicable obligations.

Controls are assessed for design and operating effectiveness. Risk-based testing and monitoring provide assurance over control performance, with coverage prioritised according to materiality, regulatory requirements and emerging risk. The Group assesses the aggregate condition of its control environment and compliance arrangements and monitors actions established to address identified gaps.

Residual risk exposures are evaluated to determine whether further mitigation is required or whether the exposure may be accepted under the Group's established risk acceptance and governance arrangements. Where appropriate, the Group may also avoid or cease activities or utilise insurance and other risk transfer arrangements to reduce aspects of its exposure. Risk transfer arrangements do not replace effective risk management or control ownership, and the Group remains exposed to applicable limits, exclusions and residual risks.

Measurement of operational risk capital

Operational risk regulatory capital is calculated under the SMA in accordance with APS 115 *Capital Adequacy: Standardised Measurement Approach to Operational Risk*. The calculation is based on a business indicator derived from financial statement information. APRA may require adjustment where it determines that regulatory capital is not commensurate with the Group's operational risk profile. Historical losses do not drive capital requirements.

9.2 Historical operational losses

OR1: Historical losses

The following table provides details of operational losses recorded over the past 10 years that exceed two thresholds prescribed by APS 330. Historical losses under the BCBS's standardised approach include losses arising from the following types of events, and include costs to restore the position that was prevailing before an operational risk event:

- internal and external fraud,
- employment practices and workplace safety,
- client, products and business practices,
- damage to physical assets,
- business disruption and system failures, and
- execution, delivery and process management.

The following table is based on information in the event management system, with some adjustments for divestments, with operational loss events allocated to a financial year based on the financial impact date in the event management system. Due to limitations in the availability of information, this basis of preparation has been modified from that set out in the BCBS *Disclosure Requirements* standard, which requires disclosure based on the date and amount of expense incurred for accounting purposes.

The BCBS's standardised approach to calculate operational risk capital includes an internal loss multiplier, which is a scaling factor based on average historical losses. Under national supervisor discretion, APRA has not included this requirement in APS 115.

		For the year ended 30 September										
		2026	2025	2024	2023	2022	2021	2020[1]	2019[1]	2018[1][2]	2017[2]	Ten-year average
Using $30,000 threshold[3]												
1	Total amount of operational losses, net of recoveries (no exclusions) ($m)	289	498	355	209	314	384	600	1,794	912	1,181	654
2	Total number of operational risk losses	639	627	560	591	461	423	513	582	374	467	524
3	Total amount of excluded operational risk losses ($m)	-	-	-	-	-	-	-	-	-	-	-
4	Total number of exclusions	-	-	-	-	-	-	-	-	-	-	-
5	Total amount of operational losses, net of recoveries and net of excluded losses ($m)	289	498	355	209	314	384	600	1,794	912	1,181	654
Using $150,000 threshold[3]												
6	Total amount of operational losses, net of recoveries (no exclusions) ($m)	261	470	333	181	294	365	577	1,770	898	1,162	631
7	Total number of operational risk losses	198	197	190	170	163	140	174	201	161	193	179
8	Total amount of excluded operational risk losses ($m)	-	-	-	-	-	-	-	-	-	-	-
9	Total number of exclusions	-	-	-	-	-	-	-	-	-	-	-
10	Total amount of operational losses, net of recoveries and net of excluded losses ($m)	261	470	333	181	294	365	577	1,770	898	1,162	631
Details of operational risk capital calculation												
11	Are losses used to calculate the internal loss multiplier?	No										
12	If 'no' in row 11, is the exclusion of internal loss data due to non-compliance with the minimum loss data standards?	No										
13	Loss event threshold: $30,000 or $150,000 for the operational risk capital calculation[3]	n/a										

(1) Operational losses in the 2018 to 2020 financial years include losses for customer remediation related to the Group's MLC Wealth division which provided superannuation, investments, asset management and financial advice. The Group entered into an agreement to sell this business in August 2020, with the transaction completing in May 2021.
(2) Operational losses in the 2017 and 2018 financial years include losses under a Conduct Indemnity Deed under which NAB agreed, subject to certain limitations, to provide CYBG PLC with a capped indemnity in respect of certain historic conduct liabilities, as part of the demerger and initial public offering of the Group's United Kingdom Banking operations.
(3) Thresholds of €20,000 and €100,000 in the BCBS *Disclosure Requirements* standard have been converted to Australian dollars by multiplying by a factor of 1.5 as prescribed by APS 330.

		For the year ended 30 September										
		2025[1]	2024	2023	2022	2021	2020[2]	2019[2]	2018[2][3]	2017[3]	2016[3]	Ten-year average
Using $30,000 threshold[4]												
1	Total amount of operational losses, net of recoveries (no exclusions) ($m)	498	355	209	314	384	600	1,794	912	1,181	896	714
2	Total number of operational risk losses[5]	627	560	591	461	423	513	582	374	467	474	507
3	Total amount of excluded operational risk losses ($m)	-	-	-	-	-	-	-	-	-	-	-
4	Total number of exclusions	-	-	-	-	-	-	-	-	-	-	-
5	Total amount of operational losses, net of recoveries and net of excluded losses ($m)	498	355	209	314	384	600	1,794	912	1,181	896	714
Using $150,000 threshold[4]												
6	Total amount of operational losses, net of recoveries (no exclusions) ($m)	470	333	181	294	365	577	1,770	898	1,162	875	693
7	Total number of operational risk losses[5]	197	190	170	163	140	174	201	161	193	168	176
8	Total amount of excluded operational risk losses ($m)	-	-	-	-	-	-	-	-	-	-	-
9	Total number of exclusions	-	-	-	-	-	-	-	-	-	-	-
10	Total amount of operational losses, net of recoveries and net of excluded losses ($m)	470	333	181	294	365	577	1,770	898	1,162	875	693
Details of operational risk capital calculation												
11	Are losses used to calculate the internal loss multiplier?	No										
12	If 'no' in row 11, is the exclusion of internal loss data due to non-compliance with the minimum loss data standards?	No										
13	Loss event threshold: $30,000 or $150,000 for the operational risk capital calculation[4]	n/a										

(1) The amount of historical losses in the 2025 financial year has been restated from that previously disclosed.
(2) Operational losses in the 2018 to 2020 financial years include losses for customer remediation related to the Group's MLC Wealth division which provided superannuation, investments, asset management and financial advice. The Group entered into an agreement to sell this business in August 2020, with the transaction completing in May 2021.
(3) Operational losses in the 2016 to 2018 financial years include losses under a Conduct Indemnity Deed under which NAB agreed, subject to certain limitations, to provide CYBG PLC with a capped indemnity in respect of certain historic conduct liabilities, as part of the demerger and initial public offering of the Group's United Kingdom Banking operations.
(4) Thresholds of €20,000 and €100,000 in the BCBS *Disclosure Requirements* standard have been converted to Australian dollars by multiplying by a factor of 1.5 as prescribed by APS 330.
(5) The number of operational risk losses has been restated to align with BCBS guidance for grouping losses into operational loss events.

9.3 Operational risk capital

In accordance with APS 115, 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 December quarter-end reporting each year following finalisation of the year-end financial report.

September 2026 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 from 31 December 2025 to 30 September 2026, as set out in OR3: *Minimum required operational risk capital*.

		For the year ended 30 September		
		2025 $m	2024 $m	2023 $m
	Business indicator and its subcomponents			
1	**Interest, lease and dividend component**[1][2]	**16,676**		
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[3]	1,014,617	985,457	963,355
1d	Dividend income	26	16	15
2	**Services component**[1][4]	**2,396**		
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
3	**Financial component**[1][5]	**1,317**		
3a	Net profit or loss on the trading book	584	657	783
3b	Net profit or loss on the banking book	654	526	747
4	**Business indicator**[1]	**20,389**		
5	Business indicator component[1][6]	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.

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
	Business indicator and its subcomponents			
1	**Interest, lease and dividend component**[1][2]	**15,960**		
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[3]	985,457	963,355	938,351
1d	Dividend income	16	15	93
2	**Services component**[1][4]	**2,503**		
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
3	**Financial component**[1][5]	**1,325**		
3a	Net profit or loss on the trading book	657	783	424
3b	Net profit or loss on the banking book	526	747	839
4	**Business indicator**[1]	**19,788**		
5	Business indicator component[1][6]	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	
		30 Sep 26	30 Sep 25
		$m	$m
1	Business indicator component	3,013	2,923
2	Internal loss multiplier[1]	1.0	1.0
-	Other regulatory capital charges	83	86
3	Minimum required operational risk capital[2]	3,096	3,009
4	Operational risk RWA[3]	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.

Interest rate risk in the banking book

IRRBB is the risk to capital and earnings arising from adverse movements in interest rates that affect the Group's banking book positions. Banking book positions comprise of assets, liabilities and off-balance sheet exposures that are not held for trading purposes. IRRBB arises from differences in the repricing characteristics, maturities and cash flow profiles of these positions, as well as customer behaviours and product features that affect the timing or amount of expected cash flows.

The Group measures and manages IRRBB using both earnings and economic value perspectives to support stability in earnings outcomes while protecting the economic value of the banking book. When interest rates change, the present value of future cash flows changes, which in turn changes the underlying value of the Group's assets, liabilities and off-balance sheet items and hence economic value.

Management and governance

The Board approves the risk appetite for IRRBB through the RAS, including risk tolerances for IRRBB earnings stress and the IRRBB capital charge. The Group Interest Rate Risk in the Banking Book Policy and supporting procedures define the compliance and management framework that seeks to ensure that all interest rate risk positions in the banking book are identified, measured, managed and reported, and support regulatory compliance.

The IRRBB risk profile of the Group is overseen by the Board via the Board Risk & Compliance Committee, and key management committees including the Group Asset & Liability Committee and the Group Model Risk Committee.

Management of IRRBB is independent of originating business units, with segregation of duties across treasury, Line 2 and assurance functions. The following key controls support effective internal risk management and compliance with prudential requirements:

- The Group and subsidiary treasury functions are responsible for managing the interest rate risk profile of their respective balance sheets in line with approved risk appetite. This includes the development and execution of interest rate risk management and hedging strategies, balance sheet management activities and measurement of IRRBB exposures.
- The Funds Transfer Pricing Policy and supporting guidance notes define the funds transfer pricing mechanism in place to transfer interest rate risk from originating business units to Group and subsidiary treasury functions for the management of interest rate risk.
- Line 2 is responsible for IRRBB monitoring and oversight and is independent of the Group and subsidiary treasury functions. Line 2 maintains a risk framework for IRRBB and has responsibility for limit compliance monitoring, escalation and reporting.
- Model Validation is responsible for conducting independent validation of material IRRBB-related models used to measure IRRBB and calculate capital requirements under APS 117 *Capital Adequacy: Interest Rate Risk in the Banking Book*.
- Internal Audit monitors the end-to-end effectiveness of risk management and compliance with the Risk Management Framework.
- Stress testing and scenario analysis are undertaken to assess earnings, economic value and capital outcomes under severe but plausible interest rate shocks across regulatory, historical and forward-looking scenarios.
- Methodologies, assumptions and model performance are reviewed regularly for continued appropriateness under changing market conditions.
- Breaches and emerging risks are escalated through established governance processes and addressed through management actions where required.

The Group’s IRRBB exposures are managed within Board-approved risk appetite settings. Exposures are managed using natural offsets within the balance sheet, interest rate derivatives, structural hedging strategies and other balance sheet management activities. Interest rate derivatives may be designated in a cash flow or fair value hedge relationship under applicable accounting standards to manage volatility in profit or loss.

Measurement

The Group has been accredited by APRA to use the internal model approach (IMA) for the measurement of IRRBB. Under APS 117, IRRBB regulatory capital is determined using an expected shortfall methodology that captures the Group's exposure to movements in interest rates and the spreads between them. The principal IRRBB measures below support the Group’s risk appetite framework across earnings, economic value and capital outcomes:

Measure	Definition
Expected shortfall (ES)	Historical simulation measure with a holding period of 10 days, a 97.5% confidence level and an observation period of eight years to produce its scenarios. ES is a key input in the IRRBB capital charge.
Economic value sensitivity (EVS)	The change in economic value resulting from an instantaneous parallel shock in interest rates. EVS supports monitoring of the economic value impact of IRRBB.
Net interest income sensitivity (NIIS)	The change in projected net interest income over a 12-month period resulting from an instantaneous parallel shock in interest rates. NIIS supports monitoring of the earnings impact of IRRBB.
Stress testing	Measures the impact of severe but plausible interest rate scenarios on earnings, economic value and capital outcomes

Monitoring and reporting

IRRBB metrics and compliance with limits are monitored daily, with breaches and emerging risks escalated through established governance processes. Reporting is provided monthly to management, and to regularly scheduled meetings of the Group Asset & Liability Committee and the Board, and covers IRRBB exposures, limit compliance and stress testing outcomes.

Shock and stress scenarios

For effective management and measurement of IRRBB, the Group utilises a range of interest rate shock and stress scenarios to estimate changes in earnings and economic value. These include:

- supervisory scenarios prescribed by APRA comprising six interest rate shock scenarios, comprising parallel up and down, steepening, flattening, and short rate up and down,
- scenarios based on significant historical market events,
- forward-looking hypothetical scenarios reflecting severe but plausible interest rate environments, and
- management-designed scenarios used to assess emerging risks and changing market conditions.

Prescribed interest rate shock scenarios are used for both external reporting and internal measurement purposes, with no significant differences in modelling assumptions. These scenarios are used to assess the sensitivity of earnings, economic value and capital outcomes under a range of interest rate environments.

Core deposit repricing maturity

The following table provides information on the repricing maturity assigned to core deposits.

	As at 30 Sep 26[1]
	years
Average repricing maturity	2.5
Longest repricing maturity[2]	5.0

(1) Comparative information has not been provided as APRA's revisions to APS 117 came into effect after 30 September 2025.
(2) In accordance with APS 117, the longest repricing maturity does not exceed five years.

IRRBB1: Quantitative information on IRRBB

This disclosure provides the impact of prescribed interest rate shock scenarios on economic value of equity (EVE) and net interest income (NII), where:

- Change in EVE is calculated using a run-off balance sheet, under which existing positions amortise and are not replaced by new business.
- Change in NII is the difference in future interest income over a rolling 12-month period. Change in NII is calculated using a constant balance sheet, under which maturing or repricing positions are replaced by positions with equivalent characteristics.
- The change in EVE and NII is calculated separately for each currency, with results aggregated with no diversification benefits from interest rate correlations between currencies.
- The size of prescribed interest rate shocks for key interest rates to which the Group is exposed are as follows:

Change in basis points by currency	AUD	EUR	GBP	NZD	USD
Parallel	300	200	250	300	200
Short	450	250	300	450	300
Long	200	100	150	200	150

Key modelling and parametric assumptions applied in the prescribed shock scenarios include the following:

- The Group manages interest rate risk exposure on core deposits using a replicating portfolio approach supported by statistical modelling to estimate run-off characteristics and repricing profiles. Historical customer behaviour is used to determine the average repricing maturity, taking into account product characteristics that affect repricing behaviour.
- For change in EVE calculations, commercial margins and other spread components are excluded from projected cash flows so that the measure reflects pure interest rate sensitivity. Non-market related items (loans and deposits) are discounted using a curve that excludes commercial margins and other spread components. Market-related items (securities and derivatives) are discounted using a curve that reflects all relevant risk factors.
- For change in NII calculations, projected interest income and expense include commercial margins and spread components.

	As at 30 Sep 26[1]	
	Change in EVE	Change in NII[2]
	$m	$m
Parallel up	(1,382)	1,531
Parallel down	1,496	(1,524)
Steepener[3]	920	
Flattener[4]	(1,230)	
Short rate up	(1,652)	
Short rate down	1,746	
Maximum[5]	**(1,652)**	**(1,524)**

	$m
Tier 1 capital[6]	**61,618**

(1) Comparative information has not been provided as APRA's revisions to APS 117 came into effect after 30 September 2025.
(2) The change in NII is only disclosed for parallel up and down shock scenarios, consistent with the disclosure template prescribed by APS 330.
(3) A steepener shock where short rates are down and long rates are up.
(4) A flattener shock where short rates are up and long rates are down.
(5) The largest reduction in EVE and NII from the prescribed interest rate shock scenarios.
(6) The Basel framework does not include RWA for IRRBB, and instead banks identified as outliers are to be considered as potentially having undue IRRBB and subject to review by their national supervisor. Outlier tests are set by national supervisors and include if the maximum change in EVE from the six prescribed interest rate shocks is greater than 15% of Tier 1 capital. Tier 1 capital relative to the maximum change in EVE from prescribed interest rate shocks is not applicable for Australian banks.

Liquidity

11.1 Liquidity and funding risk

Liquidity risk is the risk of being unable to meet financial obligations as they fall due. These obligations primarily include the repayment of deposits and the repayment of borrowings and loan capital as they mature.

Funding risk is the risk which arises due to change in appetite or capacity of the market to provide adequate short-term and long-term funds to meet the Group's strategic plans and objectives at an acceptable cost.

Management and governance

The objectives of the Group in managing its liquidity and funding risk are to:

- meet the current and future payment obligations of the Group as they fall due,
- retain adequate liquidity buffers in the Group and subsidiary balance sheets so as to withstand severe market and institutional disruptions,
- meet planned business funding needs over a forward horizon,
- maintain access to global short-term and long-term debt capital markets and global secured funding markets, and
- diversify funding sources in terms of maturity, currency, instrument, investor type and geographical region.

Liquidity and funding risk is governed by the Group's funding and liquidity risk appetite which is approved by the Board. Group Treasury is responsible for the management of these risks. Objective review and challenge of the effectiveness of risk management is provided by Line 2, with oversight by the Group Asset & Liability Committee. The Board has the ultimate responsibility to monitor and review the adequacy of the Group's funding and its Liquidity Risk Management Framework, and the Group's compliance with risk appetite.

The Group's Liquidity Risk Management Framework is approved by the Board on an annual basis. The framework comprises the RAS, Group Liquidity Risk Policy, Funding Strategy, Contingent Funding Plan and ILAAP.

The RAS includes specific metrics relating to liquidity and funding risk. These metrics are determined with reference to outcomes of liquidity stress testing, management experience, rating agency expectations and peer alignment. Liquidity stress testing includes systemic, idiosyncratic and combined scenarios run over a mix of short and longer timeframes and severity.

The Group Liquidity Risk Policy requires that Group Treasury maintain a liquid asset portfolio, including HQLA that can be readily converted to cash, to meet obligations and support intraday payments. The liquid asset portfolio is maintained by geography, currency and legal entity across NAB, BNZ, NAB Europe and branches in London, New York and Asia, and takes into account limitations on transferability of liquidity.

The target size, diversity and tenor of the Group's funding mix is centralised and set annually in the Funding Strategy, which incorporates BNZ and NAB Europe funding strategies. The Group maintains a well-diversified term wholesale funding profile across issuance type, currency, investor location and tenor. The strategy is updated quarterly to reflect current market conditions and outlook. The Group's funding is sourced from:

- customer deposits generated through transaction accounts, savings accounts and term deposits from individuals, small and medium-sized enterprises and corporations, and
- wholesale funding in domestic and international markets including medium-term notes, covered bonds, RMBS, commercial paper and certificates of deposit.

The Contingent Funding Plan provides guidance on how the Group will respond in the event of a liquidity crisis, including clear instructions on accountabilities, communication, escalation process, asset liquidation options and operational requirements. The Contingent Funding Plan is tested and updated annually. Early warning indicators provide insight into emerging periods of funding or liquidity stress and when to trigger the Contingent Funding Plan.

In addition to the diversification of funding sources set in the Funding Strategy, the Group sets concentration risk limits on the deposit portfolio. This includes monitoring the balances of large depositors, both individually and on an aggregated basis with connected counterparties. The Group also monitors reliance on wholesale funding sources through the Australian core funding gap, calculated as gross loans and advances less total deposits, excluding certificates of deposit.

The Group actively monitors and manages residential mortgage collateral for adequate and consistent collateral generation to support internal RMBS available as contingent liquidity and for secured funding purposes. This includes ensuring that available mortgage collateral held is adequate and sufficiently above a minimum of 30% of the Level 2 Group's Australian dollar net cash outflows in the LCR, as well as that sufficient collateral is allocated to collateral pools to meet requirements under the Group's covered bond programmes.

Group Treasury, in managing liquidity and funding risk, is responsible for the allocation of liquidity transfer pricing to appropriately attribute funding and deposit costs and benefits across products originated by business units, as well as to appropriately reflect pricing for liquidity risk under the Group's funds transfer pricing framework.

Measurement, monitoring and reporting

Liquidity and funding risk is measured, managed and monitored using daily cash flow forecasting, scenario analysis, gap analysis and stress testing. Regulatory liquidity metrics are reported to the Board, the Board Risk & Compliance Committee, the Executive Risk & Compliance Committee and the Group Asset & Liability Committee. The Group has clearly defined escalation procedures whereby liquidity events, both systemic and name-specific, are monitored and appropriate actions outlined against triggers.

Liquidity and funding metrics

The Group monitors the composition and stability of funding and liquidity through the Board-approved risk appetite which includes compliance with the regulatory requirements of APRA's LCR and NSFR, outlined in Section 11.2 *Regulatory liquidity ratios*.

The Group monitors the term funding maturity profile to manage refinancing risk. The weighted average maturity of term wholesale funding issued by the Group in the 2026 financial year was 5.2 years (2025 financial year: 5.0 years). The weighted average remaining maturity of the Group's term wholesale funding portfolio as at 30 September 2026 was 3.3 years (September 2025: 3.2 years). The term wholesale funding portfolio excludes Additional Tier 1 capital and RMBS.

11.2 Regulatory liquidity ratios

Liquidity coverage ratio

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

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

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

The LCR for the three months ended 30 September 2026 and 30 June 2026 is presented in LIQ1: *Liquidity coverage ratio*, and is based on a simple average of daily LCR outcomes excluding non-business days. There were 66 daily LCR data points used in calculating the average for the most recent quarter and 62 observations in the previous quarter.

Net stable funding ratio

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

The NSFR as at 30 September 2026 and 30 June 2026 is presented in LIQ2: *Net stable funding ratio*, and is based on spot balances.

LIQ1: Liquidity coverage ratio

		3 months ended			
		30 Sep 26		30 Jun 26	
		Total unweighted value (average)[1] $m	Total weighted value (average) $m	Total unweighted value (average)[1] $m	Total weighted value (average) $m
HQLA					
1	Total HQLA[2][3][4]		212,266		210,694
-	of which: alternative liquid assets		2,060		2,795
-	of which: RBNZ eligible securities		2,060		2,795
Cash outflows					
2	Retail deposits and deposits from small business customers	318,958	33,000	316,989	33,189
3	of which: stable deposits	144,228	7,211	140,451	7,023
4	of which: less stable deposits	174,730	25,789	176,538	26,166
5	Unsecured wholesale funding	203,833	96,022	198,577	94,274
6	of which: operational deposits (all counterparties) and deposits in networks of cooperative banks	94,868	23,717	92,270	23,067
7	of which: non-operational deposits (all counterparties)	94,675	58,015	91,674	56,574
8	of which: unsecured debt	14,290	14,290	14,633	14,633
9	Secured wholesale funding[3]		6,542		8,184
10	Additional requirements	209,759	34,434	209,693	34,973
11	of which: outflows related to derivative exposures and other collateral requirements	5,981	5,979	6,740	6,736
12	of which: outflows related to loss of funding on debt products	-	-	-	-
13	of which: credit and liquidity facilities	203,778	28,455	202,953	28,237
14	Other contractual funding obligations	1,343	1,343	1,885	1,887
15	Other contingent funding obligations	100,792	6,414	99,466	6,369
16	**Total cash outflows**		**177,755**		**178,876**
Cash inflows					
17	Secured lending (e.g. reverse repos)	63,702	3,814	56,157	3,509
18	Inflows from fully performing exposures	21,933	13,082	23,280	14,535
19	Other cash inflows	3,598	3,241	4,195	3,891
20	**Total cash inflows**	**89,233**	**20,137**	**83,632**	**21,935**
			Total adjusted value $m		**Total adjusted value $m**
21	**Total HQLA[2]**		**212,266**		**210,694**
22	**Total net cash outflows**		**157,618**		**156,941**
23	**LCR (%)[5]**		**135%**		**134%**

(1) Unweighted inflow and outflow values are outstanding balances maturing or callable within 30 days.
(2) Total HQLA represents liquid assets, including assets qualifying under alternative liquidity approaches.
(3) Disclosed on a weighted basis only, consistent with the disclosure template prescribed by APS 330.
(4) Weighted values exclude liquid asset holdings in excess of an LCR of 100% for material banking subsidiaries, reflecting liquidity transferability considerations. The average amount excluded during the three months to 30 September 2026 and 30 June 2026 was $7.1 billion and $5.7 billion, respectively.
(5) Average of daily LCR outcomes, excluding non-business days, during the quarter, rather than a function of average HQLA and average net cash outflows.

LIQ2: Net stable funding ratio

		As at 30 Sep 26				
		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1 year	≥ 1 year	
		$m	$m	$m	$m	$m
ASF item						
1	Capital, comprising:	63,064	-	-	36,075	99,139
2	Regulatory capital	63,064	-	-	35,645	98,709
3	Other capital instruments	-	-	-	430	430
4	Retail deposits and deposits from small business customers, comprising:	300,653	106,696	1,105	189	376,264
5	Stable deposits	147,161	22,211	-	-	160,902
6	Less stable deposits	153,492	84,485	1,105	189	215,362
7	Wholesale funding, comprising:	151,181	264,194	60,892	117,975	257,559
8	Operational deposits	91,460	-	-	-	45,730
9	Other wholesale funding	59,721	264,194	60,892	117,975	211,829
10	Liabilities with matching interdependent assets	-	-	-	-	-
11	Other liabilities, comprising:	-	14,975	-	4,703	4,703
12	NSFR derivative liabilities[1]			5,290		
13	All other liabilities and equity not included in the above categories	-	9,685	-	4,703	4,703
14	**Total ASF**					**737,665**
RSF item						
15	Total NSFR HQLA					5,134
-	of which: alternative liquid assets					-
-	of which: RBNZ eligible securities					-
16	Deposits held at other financial institutions for operational purposes	-	-	-	-	-
17	Performing loans and securities, comprising:	25,097	178,726	93,015	609,010	581,500
18	Performing loans to financial institutions secured by Level 1 HQLA	-	73,740	2,267	-	8,507
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	1,241	32,097	23,483	27,127	44,924
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and public sector entities	16,508	64,695	61,791	155,687	207,821
21	of which: with a risk weight of less than or equal to 35% under APS 112[2]	1,193	1,894	1,061	3,421	4,477
22	Performing residential mortgages	7,334	4,676	4,797	420,614	312,410
-	of which: standard loans to individuals with an LVR of 80% or below[3]	4,946	-	-	283,890	187,744
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	14	3,518	677	5,582	7,838
25	Assets with matching interdependent liabilities	-	-	-	-	-
26	Other assets, comprising:	13,516	9,357	169	36,128	38,464
27	Physical traded commodities, including gold	2,215				1,883
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs[1]			4,400		3,740
29	NSFR derivative assets[1]			6,098		808
30	NSFR derivative liabilities before deduction of variation margin posted[1]			11,085		2,217
31	All other assets not included in the above categories	11,301	9,357	169	14,545	29,816
32	Off-balance sheet items[1]			220,848		10,573
33	**Total RSF**					**635,671**
34	**NSFR (%)**					**116%**

(1) Disclosed in total and not by maturity bucket, consistent with the disclosure template prescribed by APS 330.
(2) The description of row 21 has been modified from that set out in the BCBS *Disclosure Requirements* standard to align with APS 210.
(3) Comprises performing, unencumbered standard residential property loans to individuals with a residual maturity of one year or more, or no defined maturity, and an LVR of 80% or below, as defined under APS 112.

		As at 30 Jun 26				
		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1 year	≥ 1 year	
		$m	$m	$m	$m	$m
ASF item						
1	Capital, comprising:	63,382	-	-	38,720	102,102
2	Regulatory capital	63,382	-	-	38,720	102,102
3	Other capital instruments	-	-	-	-	-
4	Retail deposits and deposits from small business customers, comprising:	294,384	103,042	742	58	366,180
5	Stable deposits	135,388	20,021	-	-	147,639
6	Less stable deposits	158,996	83,021	742	58	218,541
7	Wholesale funding, comprising:	155,686	272,741	67,814	113,587	259,094
8	Operational deposits	96,908	-	-	-	48,454
9	Other wholesale funding	58,778	272,741	67,814	113,587	210,640
10	Liabilities with matching interdependent assets	-	-	-	-	-
11	Other liabilities, comprising:	-	17,359	-	4,798	4,798
12	NSFR derivative liabilities[1]			5,407		
13	All other liabilities and equity not included in the above categories	-	11,952	-	4,798	4,798
14	**Total ASF**					**732,174**
RSF item						
15	Total NSFR HQLA					5,504
-	of which: alternative liquid assets					271
-	of which: RBNZ eligible securities					271
16	Deposits held at other financial institutions for operational purposes	-	-	-	-	-
17	Performing loans and securities, comprising:	25,356	205,549	84,146	609,231	582,561
18	Performing loans to financial institutions secured by Level 1 HQLA	-	79,445	5,531	-	10,711
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	1,097	46,009	25,146	26,821	47,392
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and public sector entities	16,502	72,897	48,354	156,515	206,016
21	of which: with a risk weight of less than or equal to 35% under APS 112[2]	1,184	2,014	978	3,383	4,464
22	Performing residential mortgages	7,746	4,390	4,639	421,540	312,087
-	of which: standard loans to individuals with an LVR of 80% or below[3]	5,292	-	-	287,901	190,575
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	11	2,808	476	4,355	6,355
25	Assets with matching interdependent liabilities	-	-	-	-	-
26	Other assets, comprising:	13,625	9,026	157	34,783	38,353
27	Physical traded commodities, including gold	1,529				1,300
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs[1]			4,136		3,515
29	NSFR derivative assets[1]			6,896		1,489
30	NSFR derivative liabilities before deduction of variation margin posted[1]			9,606		1,921
31	All other assets not included in the above categories	12,096	9,026	157	14,145	30,128
32	Off-balance sheet items[1]			219,193		10,501
33	**Total RSF**					**636,919**
34	**NSFR (%)**					**115%**

(1) Disclosed in total and not by maturity bucket, consistent with the disclosure template prescribed by APS 330.
(2) The description of row 21 has been modified from that set out in the BCBS *Disclosure Requirements* standard to align with APS 210.
(3) Comprises performing, unencumbered standard residential property loans to individuals with a residual maturity of one year or more, or no defined maturity, and an LVR of 80% or below, as defined under APS 112.

Asset encumbrance

ENC: Asset encumbrance

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

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

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

September 2026 v March 2026

Encumbered assets decreased by $8.5 billion or 7.0%. The primary driver was lower trading assets and debt instruments encumbered under repurchase agreements. This was partially offset by an increase in cash placed as collateral and an increase in the minimum asset pool requirement for covered bonds following covered bond issuances.

	As at 30 Sep 26		
	Encumbered assets	Unencumbered assets	Total
Assets	**$m**	**$m**	**$m**
Cash and liquid assets	-	1,751	1,751
Due from other banks[1]	4,411	68,599	73,010
Collateral placed[2]	8,294	-	8,294
Trading assets and debt instruments[3]	57,481	145,065	202,546
of which: government and semi-government bonds, notes and securities	10,243	86,944	97,187
of which: other debt and equity securities	2,427	10,022	12,449
of which: reverse repurchase agreements	44,811	45,875	90,686
Derivative assets	-	22,803	22,803
Loans and advances	42,407	774,254	816,661
of which: residential mortgages (gross of provision for credit impairment)[4][5]	42,407	408,405	450,812
All other assets	-	20,831	20,831
Total assets	**112,593**	**1,033,303**	**1,145,896**

(1) Encumbered amounts due from other banks comprise regulatory minimum deposits placed with certain central and other banks and certain reverse repurchase agreements. Unencumbered amounts due from other banks include exchange settlement accounts with the RBA and RBNZ.
(2) Encumbered collateral placed comprises initial and variation margin posted in the form of cash, primarily under derivative margining agreements.
(3) Encumbered trading assets and debt instruments primarily comprise debt securities encumbered under repurchase agreements for trading or short-term funding and liquidity purposes. Debt securities are also pledged under derivative margining agreements.
(4) Encumbered residential mortgages include $39.1 billion encumbered based on minimum asset pool requirements for NAB and BNZ covered bond programmes, where Group originated residential mortgages are allocated to the cover asset pool as remote specific securities backing covered bond issuances.
(5) Unencumbered assets include RMBS eligible as collateral for repurchase agreements. Under Prudential Practice Guide APG 210 *Liquidity*, the Level 2 Group holds self-securitised assets free from encumbrance to a minimum of 30% of Australian dollar net cash outflows in the LCR as contingency for periods of stress.

	As at 31 Mar 26		
	Encumbered assets	Unencumbered assets	Total
Assets	**$m**	**$m**	**$m**
Cash and liquid assets	-	1,773	1,773
Due from other banks[1]	4,682	79,042	83,724
Collateral placed[2]	6,217	-	6,217
Trading assets and debt instruments[3]	68,463	136,177	204,640
of which: government and semi-government bonds, notes and securities	7,457	79,997	87,454
of which: other debt and equity securities	3,279	11,337	14,616
of which: reverse repurchase agreements	57,727	43,723	101,450
Derivative assets	-	28,001	28,001
Loans and advances[4]	41,742	757,249	798,991
of which: residential mortgages (gross of provision for credit impairment)[5][6]	41,742	403,919	445,661
All other assets[7]	-	19,307	19,307
Total assets	**121,104**	**1,021,549**	**1,142,653**

(1) Encumbered amounts due from other banks comprise regulatory minimum deposits placed with certain central and other banks and certain reverse repurchase agreements. Unencumbered amounts due from other banks include exchange settlement accounts with the RBA and RBNZ.
(2) Encumbered collateral placed comprises initial and variation margin posted in the form of cash, primarily under derivative margining agreements.
(3) Encumbered trading assets and debt instruments primarily comprise debt securities encumbered under repurchase agreements for trading or short-term funding and liquidity purposes. Debt securities are also pledged under derivative margining agreements.
(4) During the 2026 financial year, the Group revised the presentation of loans and advances to include loans and advances at fair value. Comparative information has been restated to align to the presentation in the current period.
(5) Encumbered residential mortgages include $37.7 billion encumbered based on minimum asset pool requirements for NAB and BNZ covered bond programmes, where Group originated residential mortgages are allocated to the cover asset pool as remote specific securities backing covered bond issuances.
(6) Unencumbered assets include RMBS eligible as collateral for repurchase agreements. Under APG 210, the Level 2 Group holds self-securitised assets free from encumbrance to a minimum of 30% of Australian dollar net cash outflows in the LCR as contingency for periods of stress.
(7) During the 2026 financial year, the Group revised the presentation of other assets to include other financial assets at fair value. Comparative information has been restated to align to the presentation in the current period.

Global systemically important bank indicators

GSIB1: Disclosure of global systemically important bank indicators

The BCBS uses indicators, in conjunction with supervisory judgement, to calculate a G-SIB score for individual banks. The indicators are designed to reflect attributes including the level of cross-jurisdictional activity, size, interconnectedness, readily available substitutes for services provided and complexity, and are defined on page 95. Banks whose G-SIB score exceeds a minimum threshold are subject to a higher loss absorbency requirement that increases with the level of systemic importance. Any G-SIB higher loss absorbency requirement is to be met with CET1 capital. Separately, APRA has determined that NAB, along with Australia and New Zealand Banking Group Limited, Commonwealth Bank of Australia and Westpac Banking Corporation, are D-SIBs in Australia and are required to hold a 1% D-SIB buffer, equivalent to the requirement for the lowest level G-SIB.

The following table provides G-SIB indicators for the BCBS's end-2025 G-SIB assessment exercise, where the BCBS requests indicator values for the financial year-end closest to 31 December 2025. The following table also provides G-SIB indicators for the previous assessment exercise.

September 2025 v September 2024

Significant movements in the indicators are explained below:

- The **assets under custody indicator** decreased following NAB's announcement in November 2022 of the intention to exit NAB's custody business, NAB Asset Servicing. The exit is being effected through the transfer of all NAB Asset Servicing's clients to alternative custody providers over a period of approximately three years.
- The **underwritten transactions in debt and equity markets indicator** decreased, partly due to Additional Tier 1 capital instruments not being issued in the market to underwrite following APRA's announcement of the removal of these instruments from its capital framework.
- The **Level 3 assets indicator** decreased following more certainty in the valuation of structured subordinated loan notes issued by Insignia Financial Limited to NAB as part of its financing of the acquisition of MLC Wealth.
- The **trading and available-for-sale securities indicator** decreased with lower holdings of bonds, notes and securities issued by corporates and financial institutions.

			30 Sep 25	30 Sep 24
	Category	**Individual indicator**	**$m**	**$m**
1	Cross-jurisdictional activity	Cross-jurisdictional claims	270,218	257,968
2		Cross-jurisdictional liabilities	150,002	146,377
3	Size	Total exposures	1,241,919	1,204,581
4	Interconnectedness	Intra-financial system assets	90,687	91,535
5		Intra-financial system liabilities	86,971	78,299
6		Securities outstanding	405,503	388,065
7	Substitutability / financial institution infrastructure	Assets under custody	249,546	327,663
8		Payment activity	25,299,860	24,222,242
9		Underwritten transactions in debt and equity markets	1,197	2,992
-		Trading volume[1]	379,905	381,837
10	Complexity	Notional amount of over-the-counter derivatives	11,744,566	10,409,117
11		Level 3 assets	975	1,209
12		Trading and available-for-sale securities	8,905	10,965

(1) Trading volume of fixed income securities, and equity and other securities of $375.0 billion and $4.9 billion, respectively (September 2024: $375.1 billion and $6.7 billion, respectively).

The nature of the G-SIB indicators is outlined below.

G-SIB indicators	Definition
Cross-jurisdictional activity	
Cross-jurisdictional claims	The value of cross border claims or financial assets on an ultimate-risk basis, and local claims of foreign affiliates.
Cross-jurisdictional liabilities	The value of foreign liabilities (including local liabilities of foreign offices), excluding securities liabilities issued that are tradeable instruments.
Size	
Total exposures	Total exposures (prior to regulatory adjustments) as defined for use in the leverage ratio under the BCBS *Leverage Ratio* standard.
Interconnectedness	
Intra-financial system assets	A measure of the exposure to financial institutions, including funds deposited or lent, the unused portion of committed lines extended, holdings of debt and equity securities issued by financial institutions, SFTs and over-the-counter derivatives. For the purpose of the intra-financial system asset and liability indicators, financial institutions include banks and other deposit-taking institutions, bank holding companies, securities dealers, insurance companies, superannuation funds, CCPs, and exclude central banks, other public sector bodies (such as multilateral development banks) and stock exchanges.
Intra-financial system liabilities	A measure of obligations to financial institutions, including funds deposited by or borrowed, the unused portion of committed lines obtained, SFTs and over-the-counter derivatives.
Securities outstanding	The value of outstanding debt and equity securities issued. The value excludes debt securities where the Level 2 Group does not back the performance of underlying assets, such as securitisation notes. The value of debt securities (excluding convertible preference shares and notes) is measured at their carrying value on the balance sheet. The value of equity securities and convertible preference shares and notes is measured at fair value.
Substitutability / financial institution infrastructure	
Assets under custody	The value of assets held as a custodian on behalf of customers.
Payment activity	The gross value of cash payments sent via large value payment systems, along with the gross value of cash payments sent through an agent or correspondent bank (e.g. using a correspondent or nostro account) in the reporting year.
Underwritten transactions in debt and equity markets	The value of unsold securities the Level 2 Group was obligated to purchase during the reporting year from public and private underwriting transactions in debt and equity markets.
Trading volume	The market value of purchases and sales of securities in the reporting year, excluding securities issued by sovereigns. Sovereigns include central governments and central banks, along with the Bank for International Settlements, the International Monetary Fund, the European Stability Mechanism, and the European Financial Stability Facility.
Complexity	
Notional amount of over-the-counter derivatives	The notional amount of over-the-counter derivatives, regardless of whether they are part of a master netting agreement. The notional amount does not deduct collateral.
Level 3 assets	Assets measured at fair value for accounting purposes where the valuation has one or more significant inputs that are not based on observable market data (i.e. a level 3 measurement input in a three-level fair value hierarchy).
Trading and available-for-sale securities	The value of debt and equity instruments measured at fair value less the subset of those securities that meet the definition of certain components of HQLA in the LCR. The indicator is designed to capture the value of securities that, if sold quickly during periods of severe market stress, are more likely to incur larger discounts or haircuts.

Accountable Person attestation

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



Inder Singh
Group Chief Financial Officer and Group Executive, Strategy
5 November 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 *Disclosure Requirements* 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 *Overview of risk management, key metrics and RWA*
	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	Section 2 *Overview of risk management, key metrics and RWA*[1]
	OV1	Overview of RWA	Quarterly	Section 2 *Overview of risk management, key metrics and RWA*
DIS21: Comparison of modelled and standardised RWA	CMS1	Comparison of modelled and standardised RWA at risk level	Quarterly	Section 2 *Overview of risk management, key metrics and RWA*
	CMS2	Comparison of modelled and standardised RWA for credit risk at asset class level	Semi-annual	Section 2 *Overview of risk management, key metrics and RWA*
DIS25: Composition of capital and TLAC	CCA	Main features of regulatory capital instruments and of other TLAC-eligible instruments	Semi-annual[2]	Available at nab.com.au/about-us/shareholder-centre/regulatory-disclosures
	CC1	Composition of regulatory capital	Semi-annual	Section 3 *Capital*
	CC2	Reconciliation of regulatory capital to balance sheet	Semi-annual	Section 3 *Capital*
	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	Section 4 *Links between financial statements and regulatory exposures*
	LI1	Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories	Annual[3]	Section 4 *Links between financial statements and regulatory exposures*
	LI2	Main sources of differences between regulatory exposure amounts and carrying values in financial statements	Annual	Section 4 *Links between financial statements and regulatory exposures*
	PV1	Prudent valuation adjustments (PVAs)	Not required under APS 330	
DIS31: Asset encumbrance	ENC	Asset encumbrance	Semi-annual	Section 12 *Asset encumbrance*
DIS35: Remuneration[4]	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	Section 5 *Credit risk*
	CR1	Credit quality of assets	Semi-annual	Section 5 *Credit risk*
	CR2	Changes in stock of defaulted loans and debt securities	Semi-annual	Section 5 *Credit risk*
	CRB	Additional disclosure related to the credit quality of assets	Annual	Section 5 *Credit risk*

(1) Disclosures relating to specific risks are contained in the respective risk sections.
(2) Disclosed quarterly to provide information on a more timely basis.
(3) 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.
(4) Disclosure is made separately of the requirements set out in CPS 511 *Remuneration* on an annual basis.

BCBS *Disclosure Requirements* standard tables and templates			Reporting frequency	Pillar 3 report section, or comment
DIS40: Credit risk (cont.)	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	Section 5 *Credit risk*
	CR3	CRM techniques - overview	Semi-annual	Section 5 *Credit risk*
	CRD	Qualitative disclosure on banks' use of external credit ratings under the standardised approach for credit risk	Annual	Section 5 *Credit risk*
	CR4	Standardised approach - credit risk exposure and CRM effects	Semi-annual	Section 5 *Credit risk*
	CR5	Standardised approach - exposures by asset classes and risk weights	Semi-annual	Section 5 *Credit risk*
	CRE	Qualitative disclosure related to internal ratings-based (IRB) models	Annual	Section 5 *Credit risk*(1)
	CR6	IRB - credit risk exposures by portfolio and probability of default (PD) range	Semi-annual	Section 5 *Credit risk*
	CR7	IRB - effect on RWA of credit derivatives used as CRM techniques	Semi-annual	No credit derivatives are held for credit mitigation purposes as at the current or comparative reporting date
	CR8	RWA flow statements of credit risk exposures under IRB	Quarterly	Section 5 *Credit risk*
	CR9	IRB - backtesting of PD per portfolio	Annual	Section 5 *Credit risk*
	CR10	IRB - specialised lending under the slotting approach	Semi-annual	Section 5 *Credit risk*
DIS42: Counterparty credit risk (CCR)	CCRA	Qualitative disclosure related to CCR	Annual	Section 6 *Counterparty credit risk*
	CCR1	Analysis of CCR exposures by approach	Semi-annual	Section 6 *Counterparty credit risk*
	CCR3	Standardised approach – CCR exposures by regulatory portfolio and risk weights	Semi-annual	Section 6 *Counterparty credit risk*
	CCR4	IRB – CCR exposures by portfolio and PD scale	Semi-annual	Section 6 *Counterparty credit risk*
	CCR5	Composition of collateral for CCR exposures	Semi-annual	Section 6 *Counterparty credit risk*
	CCR6	Credit derivatives exposures	Semi-annual	Section 6 *Counterparty credit risk*
	CCR7	RWA flow statements of CCR exposures under internal model method (IMM)	Not required under APS 330	
	CCR8	Exposures to central counterparties	Semi-annual	Section 6 *Counterparty credit risk*
DIS43: Securitisation	SECA	Qualitative disclosure requirements related to securitisation exposures	Annual	Section 7 *Securitisation*
	SEC1	Securitisation exposures in the banking book	Semi-annual	Section 7 *Securitisation*
	SEC2	Securitisation exposures in the trading book	Semi-annual	Section 7 *Securitisation*
	SEC3	Securitisation exposures in the banking book and associated regulatory capital requirements – bank acting as originator or as sponsor	Semi-annual	Section 7 *Securitisation*
	SEC4	Securitisation exposures in the banking book and associated capital requirements – bank acting as investor	Semi-annual	Section 7 *Securitisation*
DIS45: Sovereign exposures	SOV1	Exposures to sovereign entities – country	APRA has not required this disclosure which is at the discretion of national supervisors	
	SOV2	Exposures to sovereign entities – currency denomination breakdown	APRA has not required this disclosure which is at the discretion of national supervisors	
	SOV3	Exposures to sovereign entities – accounting classification breakdown	APRA has not required this disclosure which is at the discretion of national supervisors	

(1) Disclosure on the Risk and Internal Audit functions is contained in Section 2 *Overview of risk management, key metrics and RWA*.

BCBS *Disclosure Requirements* standard tables and templates			Reporting frequency	Pillar 3 report section, or comment
DIS50: Market risk[1]	MRA	General qualitative disclosure requirements related to market risk	Not required under APS 330	
	MR1	Market risk under the standardised approach	Not required under APS 330	
	MRB	Qualitative disclosures for banks using the internal models approach (IMA)	Not required under APS 330	
	MR2	Market risk for banks using the IMA	Not required under APS 330	
	MR3	Market risk under the simplified standardised approach	Not required under APS 330	
DIS51: Credit valuation adjustment (CVA) risk	CVAA	General qualitative disclosure requirements related to CVA	Annual	Section 6 *Counterparty credit risk*[2]
	CVA1	The reduced basic approach for CVA (BA-CVA)	Not required under APS 330	
	CVA2	The full BA-CVA	Not required under APS 330	
	CVAB	Qualitative disclosures for banks using the standardised approach (SA-CVA)	N/A as only required for banks using the SA-CVA	
	CVA3	The SA-CVA	Not required under APS 330	
	CVA4	RWA flow statements of CVA risk exposures under SA-CVA	Not required under APS 330	
DIS55: Cryptoasset exposures	CAEA	Qualitative disclosure on a bank's activities related to cryptoassets and the approach used in assessing the classification conditions	Annual	As at the reporting date, the Group's activities related to cryptoassets are limited to holding a minority equity investment in a crypto custody service provider. The investment does not represent a cryptoasset exposure as its value is not materially derived from the value of cryptoassets.
	CAE1	Cryptoasset exposures and capital requirements	Semi-annual	No cryptoasset exposures are held as at the current or comparative reporting date
	CAE2	Accounting classification of exposures to cryptoassets and cryptoliabilities	Semi-annual	No cryptoasset exposures are held as at the current or comparative reporting date
	CAE3	Liquidity requirements for exposures to cryptoassets and cryptoliabilities	Semi-annual	No cryptoasset exposures are held as at the current or comparative reporting date
DIS60: Operational risk	ORA	General qualitative information on a bank's operational risk framework	Annual	Section 9 *Operational risk*
	OR1	Historical losses	Annual	Section 9 *Operational risk*
	OR2	Business indicator and subcomponents	Annual[3]	Section 9 *Operational risk*
	OR3	Minimum required operational risk capital	Annual[3]	Section 9 *Operational risk*
DIS70: Interest rate risk in the banking book (IRRBB)	IRRBBA	IRRBB risk management objectives and policies	Annual	Section 10 *Interest rate risk in the banking book*
	IRRBB1	Quantitative information on IRRBB	Annual	Section 10 *Interest rate risk in the banking book*
DIS75: Macroprudential supervisory measures	GSIB1	Disclosure of G-SIB indicators	Annual	Section 13 *Global systemically important bank indicators*[4]
	CCyB1	Geographical distribution of credit exposures used in the calculation of the bank-specific countercyclical capital buffer requirement	Semi-annual	Section 3 *Capital*
DIS80: Leverage ratio	LR1	Summary comparison of accounting assets vs leverage ratio exposure measure	Semi-annual	Section 3 *Capital*
	LR2	Leverage ratio common disclosure template	Quarterly	Section 3 *Capital*
DIS85: Liquidity	LIQA	Liquidity risk management	Annual	Section 11 *Liquidity*
	LIQ1	Liquidity coverage ratio (LCR)	Quarterly	Section 11 *Liquidity*
	LIQ2	Net stable funding ratio (NSFR)	Semi-annual	Section 11 *Liquidity*

(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. Disclosures are in Section 8 *Market risk*.
(2) CVA risk capital charge is measured under APS 180, and not under the BCBS's simplified standardised approach for market risk.
(3) Disclosed as additional information in the December Pillar 3 report to provide information on a more timely basis. The business indicator component of operational risk capital is updated as part of December quarter-end reporting following finalisation of the year-end financial report.
(4) Indicators for the BCBS's end-2025 G-SIB assessment exercise are disclosed for the first time on 5 November 2026 in this report.

Glossary

AASB
Australian Accounting Standards Board

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

Additional Tier 1 capital
Comprises high quality components of capital that provide a permanent and unrestricted commitment of funds, are freely available to absorb losses, rank behind the claims of depositors and other more senior creditors in the event of winding-up of the issuer, and provide for fully discretionary capital distributions.

ADI
Authorised deposit-taking institution

Advanced internal ratings-based (A-IRB) approach
The approach used by the Group, under approval from APRA, to calculate the capital requirement for credit risk, which utilises the outputs of internally developed models for probability of default, loss given default and exposure at default.

ANZSIC
Australian and New Zealand Standard Industrial Classification

APRA
Australian Prudential Regulation Authority

APS
Prudential standards issued by APRA applicable to ADIs.

Available stable funding (ASF)
The portion of an ADI's capital and liabilities expected to be reliably provided over a one-year time horizon.

Banking book
Exposures not contained in the trading book.

BCBS
Basel Committee on Banking Supervision

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

Carrying value
The value of assets and liabilities reported on the balance sheet under accounting standards and interpretations issued by the Australian Accounting Standards Board. Information on how the requirements of the Australian Accounting Standards Board have been applied through the Group's accounting policies is contained in the 2026 Annual Report.

CCF
Credit conversion factor

CCR
Counterparty credit risk

CCyB
Countercyclical capital buffer

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

Common Equity Tier 1 (CET1) capital
The highest quality component of capital. CET1 capital ranks behind the claims of depositors and other creditors in the event of winding-up of the issuer, absorbs losses as and when they occur, has full flexibility of dividend payments and has no maturity date.
CET1 capital consists of paid-up ordinary share capital, retained profits and certain other items as defined in APS 111 *Capital Adequacy: Measurement of Capital*.

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

Company
National Australia Bank Limited ABN 12 004 044 937.

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

Credit valuation adjustment (CVA)
A valuation adjustment applied to the derivatives portfolio to reflect potential mark-to-market losses due to counterparty credit risk for bilateral over-the-counter derivative contracts.

CRM
Credit risk mitigation

D-SIB
Domestic systemically important bank

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

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

DRP
Dividend Reinvestment Plan

ECAI
External Credit Assessment Institution

ESG
Environmental, Social or Governance

EVE
Economic value of equity

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

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

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

Exposure at default (EaD)
An estimate of the credit exposure amount outstanding if a customer defaults.

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

External ratings-based approach (ERBA)
An approach to calculate the capital requirements for credit risk from 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.

Group CEO
Group Chief Executive Officer

Group CRO
Group Chief Risk Officer

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*.

ICAAP
Internal Capital Adequacy Assessment Process

ILAAP
Internal Liquidity Adequacy Assessment Process

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.

LVR
Loan-to-valuation ratio

MLC Wealth
MLC Wealth was the Group's Wealth division which provided superannuation, investments, asset management and financial advice to retail, corporate and institutional customers. The sale of MLC Wealth to Insignia Financial Ltd completed on 31 May 2021.

NAB
National Australia Bank Limited ABN 12 004 044 937.

NAB Europe
National Australia Bank Europe S.A.

Net stable funding ratio (NSFR)
A ratio of the amount of available stable funding to the amount of required stable funding.

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

NII
Net interest income

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.

RAS
Risk Appetite Statement

RBA
Reserve Bank of Australia

RBNZ
Reserve Bank of New Zealand

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

Restructured loans
Consists of facilities where a borrower is experiencing financial difficulty or hardship in meeting their credit obligation or is in default, and a non-commercial concession is granted to the borrower that would not otherwise be considered and the concession is outside of that which would be provided under normal market conditions.

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

RMBS
Residential mortgage-backed securities

SA-CCR
Standardised approach for measuring counterparty credit risk exposures

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

SME
Small and medium-sized enterprises

SPV
Special purpose vehicle

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

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

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

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

SVaR
Stressed value at risk

Tier 1 capital
Common Equity Tier 1 capital plus Additional Tier 1 capital.

Tier 1 capital ratio
Tier 1 capital divided by risk-weighted assets.

Tier 2 capital
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 exposures, that are held either with a trading intent or to hedge other elements of the trading book.

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

©2026 National Australia Bank Limited ABN 12 004 044 937 AFSL and Australian Credit Licence 230686