



ASIC
Australian Securities &
Investments Commission

CEU final compliance report by ASIC

ASIC's final report dated **20 February 2025** on compliance with the s93AA ASIC Act court enforceable undertaking (CEU) given by **National Australia Bank Limited (NAB)** dated 21 December 2016.

Terms used in this report have the same meaning as in the CEU dated 21 December 2016 and the CEU Variation dated 28 June 2018.

Undertakings	Report on compliance
Independent Expert CEU paragraphs 3.2 and 3.3	1. NAB agreed to the appointment of Promontory Australasia as the Independent Expert (IE) on the terms of engagement specified in the CEU. ASIC appointed Promontory as the IE on 4 October 2017.
FX Program CEU paragraphs 3.5 and 3.6	2. On 28 November 2017, NAB submitted its FX Program to ASIC and the IE in accordance with the requirements and extended timeframe as agreed upon with ASIC.
Assessment of FX Program CEU paragraphs 3.7 3.7.1	3. The IE conducted an assessment of the effectiveness of NAB's FX program to prevent, detect and respond to the matters set out in the CEU, in accordance with the requirements and timeframe specified in the CEU.
Expert Report CEU paragraph 3.7.2	4. On 29 March 2018, the IE submitted its Expert Report to NAB and ASIC in accordance with the requirements and the extended timeframe as agreed upon with ASIC. 5. The Expert Report set out the IE's findings from the Assessment of the FX Program. In summary, the IE : <ul style="list-style-type: none">a. identified deficiencies in the FX Program; andb. concluded that it was unable to complete the assessment of the program's effectiveness required by the CEU because NAB had made incomplete progress in designing items to be included in the program.

Undertakings	Report on compliance
<p>CEU Variation</p> <p>28 June 2018</p>	<p>6. Consequently, NAB and ASIC agreed to a CEU Variation. The CEU Variation was executed on 28 June 2018. The CEU Variation imposes an additional undertaking on NAB to prepare an updated program that adequately addresses all required components. This updated program will then be subjected to further assessment by the IE. After these new undertakings are satisfied, NAB will be able to progress with the undertakings in the original CEU.</p>
<p>Updated FX Program</p> <p>CEU paragraphs 3.5 – 3.6</p> <p>CEU Variation paragraph 3.7A</p>	<p>7. On 10 August 2018, NAB submitted its Updated FX Program to ASIC and the IE in accordance with the requirements and timeframe specified in the CEU Variation.</p>
<p>Assessment of Updated FX Program</p> <p>CEU Variation paragraph 3.7B.1</p>	<p>8. The IE conducted an assessment of the effectiveness of NAB’s Updated FX Program to prevent, detect and respond to the matters set out in paragraph 3.5.1(i)–(v) of the CEU, in accordance with the requirements and timeframe specified in the CEU Variation.</p>
<p>Addendum to the Expert Report</p> <p>CEU Variation paragraph 3.7B.2</p>	<p>9. On 5 October 2018, the IE submitted its Addendum to the Expert Report to NAB and ASIC in accordance with the requirements and time frame specified in the CEU Variation.</p> <p>10. The Addendum to the Expert Report set out the IE’s findings from the assessment of the Updated FX Program under paragraph 3.7B.1 of the CEU Variation. In summary, the IE:</p> <ul style="list-style-type: none"> a. identified deficiencies in the Updated FX Program; and b. made recommendations, that in the opinion of the IE, would be necessary to rectify deficiencies identified in the Addendum to the Expert Report.

Undertakings	Report on compliance
Final FX Program CEU paragraph 3.8	11. On 22 November 2018, NAB submitted its Final FX Program to ASIC and the IE in accordance with the requirements and timeframe specified in the CEU.
Further Expert Report CEU paragraph 3.9	12. On 6 December 2018, the IE submitted its Further Expert Report to ASIC and NAB in accordance with the requirements and timeframe specified in the CEU. 13. The Further Expert Report set out the IE’s findings from the assessment of the Final FX Program including the IE’s opinion on whether the Final FX Program rectified deficiencies in the Updated FX Program that were identified in the Addendum to the Expert Report.
Terms of Final FX Program CEU paragraph 3.10	14. On 29 March 2021, ASIC and NAB agreed the terms of the Final FX Program.
Implementation of Final FX Program CEU paragraph 3.11.2	15. On 31 March 2021, NAB implemented the Final FX Program in full and within the timeframes specified in the Final FX Program.
Notification of Implementation of Final FX Program CEU paragraph 3.12	16. On 19 April 2021, NAB notified ASIC and the IE that the Final FX Program had been fully implemented in accordance with the requirements and timeframe specified in the CEU.
Implementation Expert Report CEU paragraph 3.13	17. On 25 October 2021, the IE submitted the Implementation Expert Report to NAB and ASIC in accordance with the requirements and timeframe of the CEU. 18. The Implementation Expert Report set out the IE’s findings on the outcome of the IE’s assessment of NAB’s implementation of the Final FX Program.

Undertakings	Report on compliance
<p>Internal Review Report</p> <p>CEU paragraph 3.14</p>	<p>19. On 19 April 2022, 19 April 2023 and 19 April 2024, NAB provided a copy of the Internal Review Report to ASIC and the IE, as agreed with ASIC in accordance with the requirements and timeframe of the CEU.</p> <p>20. The Internal Review Report documented the results of NAB’s internal review of the current operation of the Final FX Program (including any material changes).</p>
<p>Annual Expert Report</p> <p>CEU paragraph 3.15</p>	<p>21. On 29 July 2022, 28 July 2023 and 26 July 2024, the IE provided Annual Expert Reports to NAB and ASIC, as agreed with ASIC in accordance with the requirements and timeframe of the CEU.</p> <p>22. The Annual Expert Reports documented the outcome of the IE’s assessment of the effectiveness of the Final FX Program as then in operation (and including any material changes) to prevent, detect and respond to the matters set out in paragraphs 3.5.1(i) to (v) of the CEU.</p>
<p>Attestation</p> <p>CEU paragraph 3.16</p>	<p>23. On 31 March 2021, 25 August 2022, 28 August 2023 and 26 August 2024, as agreed with ASIC in accordance with the requirements of the CEU, the Executive General Manager – FICC and Chief Risk Officer for Corporate and Institutional Banking, provided attestations to ASIC stating that:</p> <ul style="list-style-type: none"> (a) they had taken reasonable steps to satisfy themselves that NAB’s systems and controls in its Spot FX business are appropriate and adequate to prevent, detect and respond to the matters set out in paragraph 3.5.1(i)-(v); and (b) nothing has come to their attention during the preceding 12 months that would indicate that the Final FX Program (including any material changes) is not appropriate to the extent reasonably possible to address the matters set out at paragraph 3.5.1(i)-(v).

Undertakings	Report on compliance
<p data-bbox="215 257 470 324">Community Benefit Payment</p> <p data-bbox="215 358 406 425">CEU paragraph 3.17</p>	<p data-bbox="507 275 1321 409">24. On 23 January 2017, NAB made a community benefit payment of A\$2.5 million in total to Financial Literacy Australia within the requirements and timeframe specified in the EU.</p> <p data-bbox="507 427 1305 562">25. The payment will fund the advancement of financial literacy education related to the aged care sector and the promotion of ethical behaviour in Australian financial markets.</p>
<p data-bbox="215 611 295 645">Costs</p> <p data-bbox="215 678 470 712">CEU paragraph 3.18</p>	<p data-bbox="507 629 1265 707">26. NAB paid the costs of its compliance with the enforceable undertaking.</p>
<p data-bbox="215 797 295 831">Costs</p> <p data-bbox="215 864 470 898">CEU paragraph 3.19</p>	<p data-bbox="507 815 1153 848">27. NAB paid the costs of the IE appointed by ASIC.</p>
<p data-bbox="215 990 459 1057">All documents and information</p> <p data-bbox="215 1090 470 1124">CEU paragraph 3.20</p>	<p data-bbox="507 1001 1281 1135">28. NAB provided all documents and information requested by ASIC from time to time for the purpose of assessing NAB's compliance with the terms of the enforceable undertaking.</p>