

**House of Representatives Standing Committee on Economics
Review of the Four Major Banks (Second Report)
National Australia Bank (NAB)**

NAB16QW:

- a) Regarding the statement from APRA that “it is estimated that in order to have a two-in-three chance of keeping global warming below two degrees we need to restrict future global emissions to around 800 gigatons of CO₂”, given the bank’s commitment to keeping global warming below two degrees, does the bank agree with the carbon budget set out by APRA?
- b) If the bank does agree, what does the bank consider to be the implications for Australia’s fossil fuel consumption and exports? Does this pose any risk for the bank?
- c) If not, why not and what global carbon budget does the bank consider to be consistent with the two degree limit endorsed by the bank?

Answer

As stated in NAB’s 2016 Dig Deeper Report (an accompanying report to NAB’s Annual Review, see Annexure S), NAB recognises that climate change is a significant and complex challenge requiring actions by individuals, businesses and government both in Australia and internationally. NAB supports a transition to a low-carbon future; consistent with the internationally agreed goal to limit global warming to less than 2 degrees Celsius above pre-industrial levels (as per the Paris Agreement ratified by Australia on 10 November 2016). The 2016 Dig Deeper Report is included as an accompanying document to this response and to responses provided to the Questions in Writing (QW) 17-25.

NAB notes the comments from APRA and considers a global carbon budget, combined with other tools such as scenarios and stress testing, are a useful way to achieve the goals of the Paris Agreement.