



Full Year Results **2024**

Management discussion and analysis



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Acknowledgement of Country

NAB acknowledges the Traditional Custodians of the land as Australia's First Peoples and recognises their continuing connection to lands, water and country.

We make this acknowledgement with the ambition to continue supporting a reconciled Australia through our actions and voice.

Full Year Results 2024

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Full Year Results Summary 2024



**national
australia
bank**



National Australia Bank Limited ABN 12 004 044 937 AFSL and Australian Credit Licence 230686, 7 November 2024.

2024 FINANCIAL HIGHLIGHTS

\$6,960m

Statutory net profit
Down 6.1% v FY23

\$7,102m

Cash earnings⁽ⁱ⁾
Down 8.1% v FY23

85 cps

Final dividend
100% franked

12.35%

Group Common Equity
Tier 1 (CET1) ratio⁽ⁱⁱ⁾

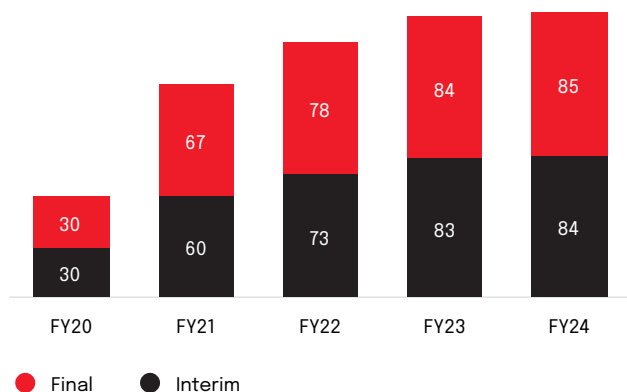
(i) Refer cash earnings note and reconciliation on page 7.

(ii) CET1 capital ratio on a Level 2 basis.

Dividends

Cents per share (fully franked)

In respect of each financial year / period



"Our FY24 performance has benefitted from focused execution of our strategy and a more stable operating environment over the second half of the year. Cash earnings were 8.1% lower than the strong levels of FY23, but stable over 2H24 compared with 1H24.

Consistent investment to deliver better customer outcomes has supported another year of strong growth in our leading SME franchise, with Business & Private Banking (B&PB) increasing deposits by 7% and business lending by 8%. In Australian housing, our growth was sub-system at 3% as we balanced growth against competitive pressures. We will continue to manage portfolio returns through a disciplined approach in this dynamic market.

The Australian economy has remained resilient, however the impact of higher interest rates and cost of living is challenging for our customers, and we are here to help them. Not unsurprisingly, asset quality deteriorated over FY24 but we have maintained prudent balance sheet settings. We will continue to focus on keeping our bank and customers safe through the cycle.

The execution of our strategy since FY20 has delivered significant progress. To build on this, we have evolved our strategic priorities with a focus on becoming a more customer-centric, simpler and fast-paced organisation. Executing these evolved priorities with discipline while maintaining strong foundations will see us well placed to deliver continued sustainable growth and attractive shareholder returns over time"

- Andrew Irvine NAB CEO

Supporting our customers & communities

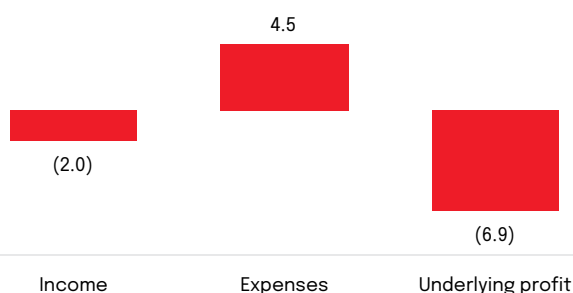
- Helping customers manage cashflow challenges with enhanced digital spending tools which predict bills and subscriptions, and an expanded range of hardship support options.
- Recognising and rewarding loyalty with cashbacks and discounts on everyday spend via NAB Goodies, and a range of benefits and discounts for NAB business transaction account holders on services such as accounting software, website design and hosting, and cybersecurity and fraud prevention.
- Supporting customers and communities to withstand and recover from natural disasters with more than \$1.7 million in grants from both NAB Foundation and NAB in FY24.

The September 2024 full year results are compared with the September 2023 full year results for continuing operations unless otherwise stated. Operating performance and Asset quality are expressed on a cash earnings basis.

Operating performance FY24 v FY23

- Revenue decreased by 2.0% mainly reflecting lower net interest margins (NIM) and lower Markets & Treasury (M&T) income, partially offset by volume growth and higher fee income.
- Gross loans and advances (GLAs) increased by 4.2% and deposits increased by 4.3%.
- NIM decreased by 3 basis points (bps) to 1.71%. Excluding a 3 bps increase from M&T, NIM declined 6 bps. This primarily reflects home lending competition, higher term deposit costs and deposit mix impacts, partially offset by higher earnings on deposits and capital as a result of the higher interest rate environment.
- Expenses increased by 4.5% with key drivers including higher personnel expenses primarily due to salary-related and restructuring-related costs, combined with continued investment in technology modernisation and compliance capabilities including fraud and cyber security. This was partially offset by productivity benefits achieved through continued process improvements and simplification.

FY24 v FY23 drivers of cash earnings change (%)

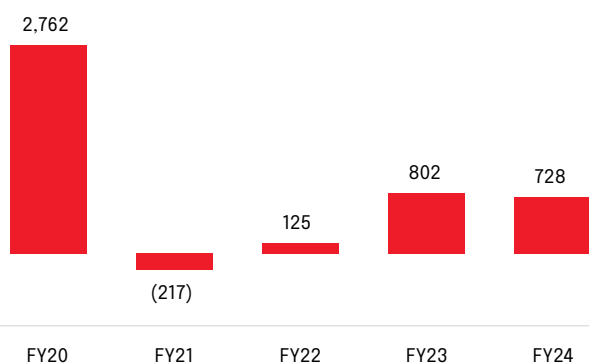


"Underlying profit is 6.9% lower over FY24 mainly reflecting margin pressure related to home lending competition. Pleasingly, a more stable operating environment over 2H24 has seen revenue and margin pressures moderate and the decline in underlying profit slow to 1.8% compared with 1H24."

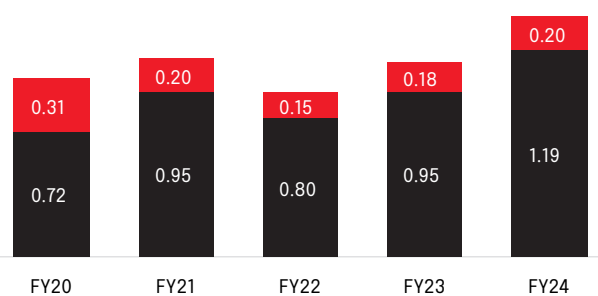
Asset quality FY24 v FY23

- Credit impairment charge was \$728 million, versus a FY23 charge of \$802 million. The FY24 charge includes underlying charges of \$942 million and a \$214 million release from forward looking provisions.
- Underlying charges primarily reflect higher individually assessed charges, a deterioration in asset quality and volume growth. This was partially offset by the impact of house price increases and model changes.
- The \$214 million release from forward looking provisions primarily reflects asset quality deterioration in underlying outcomes, the impact of methodology refinements and a 2.5% decrease in the downside scenario weight.
- The ratio of non-performing exposures to gross loans and acceptances increased by 26 bps from FY23 to 1.39% reflecting higher Australian mortgage arrears and broad-based deterioration in the B&PB business lending portfolio.

Credit impairment charges / (write-backs) (\$m)



Non-performing exposures / gross loans and acceptances (%)



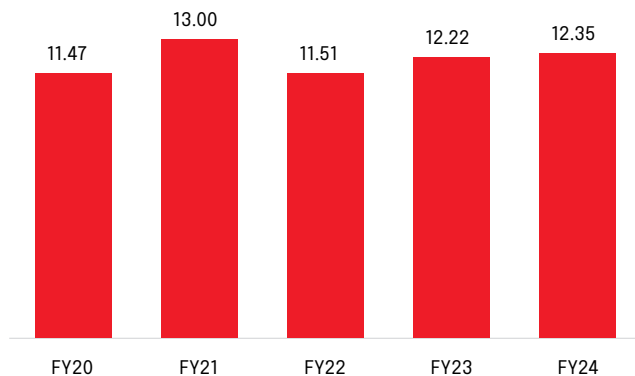
- Gross Impaired Assets as a % of GLAs
- Default but not impaired as a % of GLAs¹

(1) Default but not impaired includes 90+ DPD assets and Default <90 DPD but not impaired assets. FY20 figures do not include Default <90 DPD but not impaired assets.

"As asset quality continued to deteriorate over FY24, consistent with challenges in the economic environment, we have maintained prudent levels of forward looking provisions. This primarily reflects uncertainty over the impact of global instability and the ability of customers to manage high interest rates and inflationary pressures. Our collective provisions as a percentage of credit risk weighted assets (CRWA) remained stable over the year at 1.47% and well above pre COVID-19 levels."

Capital funding and liquidity

Group CET1 ratio⁽ⁱ⁾ (%)



(i) CET1 capital ratio on a Level 2 basis. From 1 January 2023 ratios have been reported under APRA's revised capital framework.

Key ratios as at 30 September 2024

- Group CET1 ratio of 12.35%, up 13 bps from September 2023. Lending volume growth, asset quality deterioration and the impact of \$2.1 billion of shares bought back in FY24 (-48 bps)⁽¹⁾ were more than offset by lower risk weighted assets (RWA) including the benefit of model and methodology changes impacting CRWA, lower Interest Rate Risk in the Banking Book RWA and removal of APRA's Operational Risk overlay (17 bps).
- Proforma Group CET1 ratio of 12.21% reflecting \$0.6 billion balance of shares expected to be acquired under the on-market share buy-back⁽¹⁾.
- Leverage ratio (APRA basis) of 5.1%.
- Liquidity coverage ratio (LCR) quarterly average of 137%.
- Net Stable Funding Ratio (NSFR) of 117%.

Key divisional performance - Cash earnings

	FY24 (\$m)	% change FY24 v FY23	Key drivers FY24 v FY23
Business and Private Banking ⁽²⁾⁽³⁾	3,257	-	Stable cash earnings with higher revenue and lower credit impairment charges offset by increased operating expenses. Revenue benefitted from volume growth and higher foreign exchange income but margins were lower mainly reflecting competitive lending pressures, deposit mix and higher funding costs.
Personal Banking ⁽²⁾	1,174	(19.6)	Cash earnings were lower primarily reflecting a decline in underlying profit given lower revenue and modest operating expense growth. Revenue decline reflects lower margins mainly impacted by competitive home lending pressures and deposit mix, while volume growth was broadly stable given a disciplined approach to growth in housing lending and a focus on sustainable returns.
Corporate and Institutional Banking ⁽⁴⁾	1,772	(3.7)	Lower cash earnings mainly reflecting a higher effective tax rate partially offset by lower credit impairment charges. Underlying profit and revenue were both broadly stable with lower Markets income, the run-off of the asset servicing business and modest operating expense growth offset by higher margins (ex Markets).
New Zealand Banking (NZ \$m) ⁽⁴⁾	1,444	(4.6)	Cash earnings declined reflecting lower underlying profit and higher dividend payments on perpetual preference shares, partially offset by lower credit impairment charges. Lower underlying profit reflects operating expense growth and stable revenue as volume growth was offset by lower margins due to competitive pressures.

(1) On 2 May 2024, the Group announced it had increased its on-market buy-back of ordinary shares by \$1.5 billion, resulting in a total combined size of up to \$3 billion. NAB has bought back and cancelled \$2.1 billion of ordinary shares in the September 2024 full year including \$1.1 billion (0.25% of CET1 capital) in the September 2024 half year.

(2) During the year ended 30 September 2024, some customer lending and deposit portfolios were transferred between Personal Banking and Business and Private Banking. Comparative information has been restated accordingly.

(3) During the year ended 30 September 2024, refinements to the allocation of certain support unit costs has resulted in some costs previously recognised in Corporate Functions and Other being allocated to Business and Private Banking. Comparative information has been restated accordingly.

(4) From 1 October 2023, Bank of New Zealand's Markets Trading operations and enabling units are reported within New Zealand Banking. Previously Bank of New Zealand's Markets Trading operations were reported in Corporate and Institutional Banking and the enabling units within Corporate Functions and Other. Comparative information has been restated accordingly.

Our strategic ambition



Why we are here

To be the most customer-centric company in Australia and New Zealand

Who we are here for

Customers
Customers who trust us and choose us to be their bank

Colleagues
Customer-obsessed colleagues who are proud to work at NAB

Who we are

We are customer obsessed

We keep it simple

We move with speed

We own it

We win together

What we will be known for

Relationship led
1. Exceptional bankers
2. Unrivalled customer service
3. Personalised and proactive

Exceptional experiences
1. Brilliant at the basics
2. Trusted in moments that matter
3. Simple, fast and easy to deal with

Safe and sustainable
1. Strong balance sheet and proactive risk management
2. Secure, simplified and resilient technology
3. Long term and sustainable approach

Where we will grow

Business & Private
Clear market leader

Corporate & Institutional
Disciplined growth

Personal
Deepen customer relationships

BNZ
Personal & SME

ubank
Customer acquisition

What we will deliver

Leading customer advocacy

Winning in market

Customer-obsessed colleagues

Simple, fast, resilient

Strong returns

Economic outlook⁽¹⁾

"In Australia, growth has been weak, in part due to the adjustment by households to higher interest rates and cost of living pressures. While the first half of 2024 will likely mark the trough in real GDP growth, the pick-up in growth from there is expected to be gradual with 1% forecast this year and around 2.25% over 2025 and 2026. Easing inflation, tax cuts and energy subsidies will all help put households in a better position through the second half of 2024 but early indications of how this affects consumption and economic growth are mixed, with some of the benefit likely to be saved initially. Weak growth will also feed into labour demand with the unemployment rate forecast to rise a little further before stabilising around 4.5%. Credit growth is expected to slow to about 4.5% over 2025 and 2026. While moderating inflationary pressures are encouraging, this is happening gradually meaning cash rate cuts are unlikely before February 2025. The pace at which inflation slows and the extent of labour market adjustments remain key to the outlook including the path of monetary policy.

A challenging economic environment has persisted in New Zealand, with the economy still in a recession which began in the December quarter 2022. This includes a fall in real GDP of 0.5% over the year to the June quarter 2024 reflecting weak private consumption growth and declining residential and business investment. The unemployment rate has increased from a low of 3.2% in March 2022 to 4.6% in June 2024, and is expected to rise above 5% before the end of this year. As activity has contracted, inflationary pressures have moderated and CPI inflation now lies within the central bank's target range of 1-3%. As such, restrictive monetary policy settings have started to ease, with the cash rate reduced by 75 basis points since August to 4.75% and further cuts expected in November and through 2025. This has seen a recent lift in business and consumer confidence, and is expected to support a recovery in economic growth from next year and, in time, some improvement in credit growth."

(1) References to years relate to calendar years. References to growth over a year relate to Dec quarter versus Dec quarter of previous year.

Strategic overview

Our strategy, in place since April 2020, has served us well despite significant shifts in the operating environment. We have delivered sustainable earnings growth and increased returns while improving customer and colleague experiences, supported by disciplined execution, persistent investment, increasingly resilient technology and prudent balance sheet settings.

In Business and Private Banking, a relationship-led approach increasingly enabled by digital, data and analytics has helped drive growth across the franchise. Since FY20 B&PB business lending balances have grown 42% including 8% growth over FY24. New business transaction account openings in FY24 are 53% higher than in FY20, including a 2% increase compared with FY23.

In Personal Banking, our focus since FY20 has been on providing simpler, more digital banking experiences including the rollout of a digital home lending platform. Over the four years to FY24, Australian home loan balances grew 20%, the proportion of simple everyday banking products opened digitally increased from 62% to 72% and new transaction account openings rose 23%.

Corporate and Institutional Banking (C&IB) has maintained a disciplined approach to growth and strong customer advocacy. This, combined with a focus on simplification and leveraging transactional banking capability, has seen C&IB's return on equity increase by approximately 600 bps over the four years to FY24, including 25 bps over FY24. Similarly, New Zealand Banking (NZB) has progressed well towards becoming a simpler, more digital bank while tilting to less capital intensive sectors. This has supported returns from FY20 to FY24 despite challenging economic conditions and rising regulatory capital requirements.

Having a strong customer franchise and engaged colleagues are key to our ability to grow sustainably. Colleague engagement has improved since FY20 with the most recent engagement score of 78 at July 2024 up 2 points since July 2020 and in line with July 2023. Consistent with our ambition, the latest score is one point higher than the top quartile benchmark⁽¹⁾.

Customer outcomes have been more mixed. While strategic net promoter scores (NPS)⁽²⁾ have lifted across all segments since FY20, the Group has not achieved its ambition of positive NPS ranked first of Australian banks across all key segments. Over the 12 months to September 2024, Business NPS declined from 11 to 8 with NAB continuing to rank second among major banks while Mass Consumer NPS improved from -3 to -2 with NAB's ranking declining from equal first to third. High Net Worth (HNW) and Mass Affluent (MA) NPS improved from -7 to +2 and NAB's ranking improved from second to first of major banks while Large Corporate and Institutional NPS⁽³⁾ rose 8 points with the Group's ranking improving from second to equal first. Customer advocacy is a priority focus for FY25.

A key focus of our investment has been on simplifying, automating and digitising our business and increasing the use of data and analytics. These initiatives have improved customer and colleague outcomes and made us more efficient. In FY24 we achieved productivity benefits of \$453 million allowing us to limit growth in operating expenses in FY24 to 4.5%.

Safety has been a key pillar of our strategy since FY20. As a result, we have maintained prudent balance sheet settings and managed risk with discipline. At September 2024, collective provisions as a ratio of CRWA were 1.47% and the share of lending funded by deposits was above 80% - both materially stronger than pre COVID-19 levels. Liquidity and funding ratios remain well above regulatory minimums. Our Group CET1 ratio increased 13 basis points to 12.35% over the year to September 2024, well up from 11.47% at 30 September 2020, in part benefiting from 66 basis points related to the full implementation of APRA's revised capital framework⁽⁴⁾. This improvement occurred alongside us buying back and cancelling \$7.4 billion worth of shares since August 2021, of which \$2.1 billion occurred in FY24. Adjusting for the remaining \$0.6 billion share buy-back outstanding at 30 September 2024, our proforma Group CET1 is approximately 12.21% against our target range of 11-11.5%.

Consistent with our strategic ambition, we have also delivered improved shareholder returns. While FY24 cash EPS⁽⁵⁾ is 7% lower than a very strong FY23 outcome, cash ROE⁽⁵⁾ has risen from 8.3% in FY20 to 11.6% in FY24 and compares with 12.9% in FY23. The final 2024 dividend has been set at 85 cents per share (cps), bringing total FY24 dividends to 169 cps which is 2 cps higher than FY23. This represents a FY24 cash earnings payout ratio of 73.7%, consistent with our target dividend payout ratio range of 65% - 75% of cash earnings, subject to Board determination based on circumstances at the relevant time.

To build on our significant progress since FY20, we have evolved our strategy. While no major pivots are required, the evolved strategy aims to achieve stronger customer advocacy, increased simplification and faster outcomes, along with ongoing focus on improved performance in deposits and proprietary lending. To support this, investment spend on a restated basis⁽⁶⁾ is expected to modestly increase from \$1,638 million in FY24 to approximately \$1.8 billion in FY25.

Amplifying the voice of the customer and increasing our responsiveness to customer feedback is critical to achieving our ambitions. To do this, we need a more consistent Group-wide customer advocacy measurement system, linked to our investment decision-making framework and incentive structures. At the same time, simplification requires heightened prioritisation. We are nearing completion on a number of key investment priorities underway since FY20 and finishing that work will be an important part of reducing complexity. Technology will continue to play an important role in enabling our evolved strategic ambitions, including ongoing modernisation and replacement of complex and ageing hardware and software.

We move forward with optimism and confidence in our strong foundations and evolved strategy. Customer centricity, simplification and speed will become the hallmarks of NAB going forward. This is expected to drive leading customer advocacy, underpinning sustainable growth and attractive returns for shareholders.

(1) Engagement scores refer to Glint 'Heartbeat' outcomes. Top quartile comparison is based upon Glint's client group (domestic and global, from all industries).

(2) Net Promoter[®] and NPS[®] are registered trademarks of Bain & Company, Inc., NICE Systems, Inc., and Fred Reichheld. Net Promoter ScoreSM is a service mark of Bain & Company, Inc., NICE Systems, Inc., and Fred Reichheld. Sourced from RFI Global - Atlas, measured on 6 month rolling average to September 2024. Mass Consumer: based on all consumers, 18+ and excludes HNW&MA customers. HNW&MA: based on all consumers, 18+ with personal income of \$260k+ and/or investible assets \$2.5m+ and/or footings of over \$850k. Business Strategic NPS is constructed based on 25:25:50 weighting of underlying segments, allocated to Nano & Micro: Small: Medium & Large, respectively. Nano & Micro (Businesses with a turnover up to \$1m or \$1m-\$5m with no perceived banker), Small (Businesses with a turnover \$1m-\$5m with a perceived banker), Medium & Large (Businesses with a turnover between \$5m and <\$200m). Ranking based on absolute scores, not statistically significant differences.

(3) Coalition Greenwich (formerly Peter Lee Associates) - Large Corporate and Institutional Relationship Banking Survey 2024. Ranking against the four major domestic banks. Coalition Greenwich is a division of Crisil.

(4) Includes 19 basis points related to early adoption of Operational Risk changes in 1H22. All other impacts from 1 January 2023.

(5) Cash EPS reflects basic EPS. Both Cash EPS and Cash ROE exclude large notable items from FY20 cash earnings.

(6) Restated to reflect previously defined investment spend (\$1,451 million in FY24) plus Other capitalised software (\$187 million in FY24).

Group performance results

Cash earnings is a non-IFRS key financial performance measure used by NAB and the investment community. NAB also uses cash earnings for its internal management reporting as it better reflects what NAB considers to be the underlying performance of the Group. Cash earnings is not a statutory financial measure, is not presented in accordance with Australian Accounting Standards, and is not audited or reviewed in accordance with Australian Auditing Standards. The 2024 Full Year Results Management Discussion and Analysis provides details of how cash earnings is defined on page 10 and a discussion of non-cash earnings items and full reconciliation of statutory net profit attributable to owners of the Company on pages 73 to 75.

	Year to			Half Year to		
	Sep 24 \$m	Sep 23 \$m	Sep 24 v Sep 23 %	Sep 24 \$m	Mar 24 \$m	Sep 24 v Mar 24 %
Net interest income	16,754	16,807	(0.3)	8,357	8,397	(0.5)
Other operating income	3,496	3,847	(9.1)	1,755	1,741	0.8
Net operating income	20,250	20,654	(2.0)	10,112	10,138	(0.3)
Operating expenses	(9,427)	(9,023)	4.5	(4,750)	(4,677)	1.6
Underlying profit	10,823	11,631	(6.9)	5,362	5,461	(1.8)
Credit impairment charge	(728)	(802)	(9.2)	(365)	(363)	0.6
Cash earnings before income tax	10,095	10,829	(6.8)	4,997	5,098	(2.0)
Income tax expense	(2,975)	(3,093)	(3.8)	(1,434)	(1,541)	(6.9)
Cash earnings before non-controlling interests	7,120	7,736	(8.0)	3,563	3,557	0.2
Non-controlling interests	(18)	(5)	large	(9)	(9)	-
Cash earnings	7,102	7,731	(8.1)	3,554	3,548	0.2
Non-cash earnings items (after tax)	(39)	(266)	(85.3)	(35)	(4)	large
Net profit attributable to owners of the Company from continuing operations	7,063	7,465	(5.4)	3,519	3,544	(0.7)
Net loss attributable to owners of the Company from discontinued operations	(103)	(51)	large	(53)	(50)	6.0
Net profit attributable to owners of the Company	6,960	7,414	(6.1)	3,466	3,494	(0.8)
Represented by:						
Business and Private Banking ⁽¹⁾⁽²⁾	3,257	3,258	-	1,611	1,646	(2.1)
Personal Banking ⁽¹⁾	1,174	1,461	(19.6)	618	556	11.2
Corporate and Institutional Banking ⁽³⁾	1,772	1,840	(3.7)	873	899	(2.9)
New Zealand Banking ⁽³⁾	1,333	1,394	(4.4)	636	697	(8.8)
Corporate Functions and Other ⁽²⁾⁽³⁾	(434)	(222)	95.5	(184)	(250)	(26.4)
Cash earnings	7,102	7,731	(8.1)	3,554	3,548	0.2

(1) During the year ended 30 September 2024, some customer lending and deposit portfolios were transferred between Personal Banking and Business and Private Banking. Comparative information has been restated accordingly.

(2) During the year ended 30 September 2024, refinements to the allocation of certain support unit costs has resulted in some costs previously recognised in Corporate Functions and Other being allocated to Business and Private Banking. Comparative information has been restated accordingly.

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Shareholder summary

	Year to			Half Year to		
	Sep 24	Sep 23	Sep 24 v Sep 23	Sep 24	Mar 24	Sep 24 v Mar 24
Group - Including discontinued operations						
Dividend per share (cents)	169	167	2	85	84	1
Statutory dividend payout ratio	75.2%	70.6%	460 bps	75.6%	74.9%	70 bps
Statutory earnings per share (cents) - basic	224.6	236.4	(11.8)	112.4	112.2	0.2
Statutory earnings per share (cents) - diluted	222.7	228.7	(6.0)	111.4	110.4	1.0
Statutory return on equity	11.4%	12.3%	(90 bps)	11.3%	11.5%	(20 bps)
Net tangible assets per ordinary share (\$)	18.29	17.96	1.8%	18.29	18.16	0.7%
Group - Continuing operations						
Cash dividend payout ratio	73.7%	67.7%	600 bps	73.8%	73.7%	10 bps
Statutory dividend payout ratio from continuing operations	74.2%	70.2%	400 bps	74.5%	73.8%	70 bps
Statutory earnings per share from continuing operations (cents) - basic	227.9	238.0	(10.1)	114.1	113.8	0.3
Statutory earnings per share from continuing operations (cents) - diluted	225.8	230.2	(4.4)	113.0	111.9	1.1
Cash earnings per share (cents) - basic	229.2	246.5	(17.3)	115.2	114.0	1.2
Cash earnings per share (cents) - diluted	227.0	238.0	(11.0)	114.1	112.0	2.1
Cash return on equity	11.6%	12.9%	(130 bps)	11.6%	11.7%	(10 bps)

For further information

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This Results Summary has been authorised for release by the Board.

Disclaimer - Forward looking statements

This Result Summary and the 2024 Full Year Results Management Discussion and Analysis contain statements that are, or may be deemed to be, forward looking statements. These forward looking statements may be identified by the use of forward looking terminology, including the terms "believe", "estimate", "plan", "project", "anticipate", "expect", "target", "intend", "likely", "may", "will", "could" or "should" or, in each case, their negative or other variations or other similar expressions, or by discussions of strategy, plans, objectives, targets, goals, future events or intentions. Indications of, and guidance on, future earnings and financial position and performance are also forward looking statements. You are cautioned not to place undue reliance on such forward looking statements. Such forward looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Group, which may cause actual results to differ materially from those expressed or implied in such statements. There can be no assurance that actual outcomes will not differ materially from these statements.

There are many factors that could cause actual results to differ materially from those projected in such statements, including (without limitation) a significant change in the Group's financial performance or operating environment; a material change to law or regulation or changes to regulatory policy or interpretation; and risks and uncertainties associated with the ongoing impacts of the Russia-Ukraine and Israel-Palestine conflicts and other geopolitical tensions, the Australian and global economic environment and capital market conditions. Further information is contained in the Group's Annual Report for the 2024 financial year, available at nab.com.au.

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Section 1 Group highlights

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Information about cash earnings and other non-IFRS measures

This section provides information about cash earnings, a key performance measure used by the Group, including information on how cash earnings is calculated and a reconciliation of cash earnings to statutory net profit. It also provides information about certain other key non-IFRS measures used by the Group and disclosed in this 2024 Full Year Results Management Discussion and Analysis.

Non-IFRS key financial performance measures used by the Group

Certain financial measures detailed in this document are not accounting measures within the scope of International Financial Reporting Standards (IFRS). Management use these financial measures to evaluate the Group's overall financial performance and position and believe the presentation of these financial measures provides useful information to analysts and investors regarding the results of the Group's operations.

The Group regularly reviews the non-IFRS measures included in its reporting documents to ensure that only relevant financial measures are incorporated.

Further details in relation to these financial measures are set out below and in the *Glossary*.

Information about cash earnings

Cash earnings is a non-IFRS key performance measure used by the Group and the investment community.

The Group also uses cash earnings for its internal management reporting as it better reflects what is considered to be the underlying performance of the Group. Cash earnings is calculated by adjusting statutory net profit from continuing operations for certain non-cash earnings items. Non-cash earnings items are those items which are considered separately when assessing performance and analysing the underlying trends in the business. These include items such as hedging and fair value volatility, the amortisation of acquired intangible assets and gains or losses and certain other items associated with the acquisition, integration, disposal or closure of Group businesses.

Cash earnings does not purport to represent the cash flows, funding or liquidity position of the Group, nor any amount represented on a statement of cash flows. It is not a statutory financial measure and is not presented in accordance with accounting standards and interpretations issued by the Australian Accounting Standards Board (AASB) and is not audited or reviewed in accordance with Australian Auditing Standards.

The Group results are presented on a cash earnings basis unless otherwise stated.

Cash earnings for the September 2024 full year has been adjusted for the following:

- Hedging and fair value volatility
- Amortisation of acquired intangible assets
- Acquisitions, integration, disposals and business closures.

Reconciliation to statutory net profit

The statutory net profit for the period is the sum of both net profit / (loss) from continuing operations and discontinued operations. The Group's audited financial statements, prepared in accordance with the *Corporations Act 2001* (Cth) and accounting standards and interpretations issued by the AASB, can be found in the 2024 Annual Report.

A reconciliation of cash earnings to statutory net profit is set out on page 11, and full reconciliations between statutory net profit and cash earnings are included in *Section 4 Supplementary information* on pages 74 to 75.

Page 73 contains a description of non-cash earnings items for the September 2024 full year.

Information about net interest margin

Net interest margin is a non-IFRS key performance measure that is calculated as net interest income (derived on a cash earnings basis) expressed as a percentage of average interest earning assets.

Information about average balances

Average balances, including total average equity (attributable to owners of the Company), total average assets and average interest earning assets are based on daily statutory average balances.

This methodology produces numbers that more accurately reflect seasonality, timing of accruals and restructures (including discontinued operations), which would otherwise not be reflected in a simple average.

Comparative information

References in this document to the September 2024 full year are references to the twelve months ended 30 September 2024. Other twelve month periods referred to in this document are referred to in a corresponding manner. References in this document to the September 2024 half year are references to the six months ended 30 September 2024. Other six month periods referred to in this document are referred to in a corresponding manner.

Group performance results

	Year to			Half Year to		
	Sep 24 \$m	Sep 23 \$m	Sep 24 v Sep 23 %	Sep 24 \$m	Mar 24 \$m	Sep 24 v Mar 24 %
Net interest income	16,754	16,807	(0.3)	8,357	8,397	(0.5)
Other operating income	3,496	3,847	(9.1)	1,755	1,741	0.8
Net operating income	20,250	20,654	(2.0)	10,112	10,138	(0.3)
Operating expenses	(9,427)	(9,023)	4.5	(4,750)	(4,677)	1.6
Underlying profit	10,823	11,631	(6.9)	5,362	5,461	(1.8)
Credit impairment charge	(728)	(802)	(9.2)	(365)	(363)	0.6
Cash earnings before income tax	10,095	10,829	(6.8)	4,997	5,098	(2.0)
Income tax expense	(2,975)	(3,093)	(3.8)	(1,434)	(1,541)	(6.9)
Cash earnings before non-controlling interests	7,120	7,736	(8.0)	3,563	3,557	0.2
Non-controlling interests	(18)	(5)	large	(9)	(9)	-
Cash earnings	7,102	7,731	(8.1)	3,554	3,548	0.2
<i>Non-cash earnings items (after tax):</i>						
Hedging and fair value volatility	(6)	(29)	(79.3)	(20)	14	large
Amortisation of acquired intangible assets	(29)	(30)	(3.3)	(14)	(15)	(6.7)
Acquisitions, integration, disposals and business closures ⁽¹⁾	(4)	(207)	(98.1)	(1)	(3)	(66.7)
Net profit attributable to owners of the Company from continuing operations	7,063	7,465	(5.4)	3,519	3,544	(0.7)
Net loss attributable to owners of the Company from discontinued operations	(103)	(51)	large	(53)	(50)	6.0
Net profit attributable to owners of the Company	6,960	7,414	(6.1)	3,466	3,494	(0.8)
Cash earnings / (loss) by division:						
Business and Private Banking ⁽²⁾⁽³⁾	3,257	3,258	-	1,611	1,646	(2.1)
Personal Banking ⁽²⁾	1,174	1,461	(19.6)	618	556	11.2
Corporate and Institutional Banking ⁽⁴⁾	1,772	1,840	(3.7)	873	899	(2.9)
New Zealand Banking ⁽⁴⁾	1,333	1,394	(4.4)	636	697	(8.8)
Corporate Functions and Other ⁽³⁾⁽⁴⁾	(434)	(222)	95.5	(184)	(250)	(26.4)
Cash earnings	7,102	7,731	(8.1)	3,554	3,548	0.2

(1) Acquisitions, integration, disposals and business closures was previously labelled as Acquisitions, disposals and business closures. Refer to Section 4 Non-cash earnings items for further detail about the composition of this amount.

(2) During the year ended 30 September 2024, some customer lending and deposit portfolios were transferred between Personal Banking and Business and Private Banking. Comparative information has been restated accordingly.

(3) During the year ended 30 September 2024, refinements to the allocation of certain support unit costs has resulted in some costs previously recognised in Corporate Functions and Other being allocated to Business and Private Banking. Comparative information has been restated accordingly.

(4) From 1 October 2023, Bank of New Zealand's Markets Trading operations and enabling units are reported within New Zealand Banking. Previously Bank of New Zealand's Markets Trading operations were reported in Corporate and Institutional Banking and the enabling units within Corporate Functions and Other. Comparative information has been restated accordingly.

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Group performance results (cont.)

Shareholder summary

	Year to			Half Year to		
	Sep 24	Sep 23	Sep 24 v Sep 23	Sep 24	Mar 24	Sep 24 v Mar 24
Group - Including discontinued operations						
Dividend per share (cents)	169	167	2	85	84	1
Statutory dividend payout ratio	75.2%	70.6%	460 bps	75.6%	74.9%	70 bps
Statutory earnings per share (cents) - basic	224.6	236.4	(11.8)	112.4	112.2	0.2
Statutory earnings per share (cents) - diluted	222.7	228.7	(6.0)	111.4	110.4	1.0
Statutory return on equity	11.4%	12.3%	(90 bps)	11.3%	11.5%	(20 bps)
Net tangible assets per ordinary share (\$)	18.29	17.96	1.8%	18.29	18.16	0.7%
Group - Continuing operations						
Cash dividend payout ratio	73.7%	67.7%	600 bps	73.8%	73.7%	10 bps
Statutory dividend payout ratio from continuing operations	74.2%	70.2%	400 bps	74.5%	73.8%	70 bps
Statutory earnings per share from continuing operations (cents) - basic	227.9	238.0	(10.1)	114.1	113.8	0.3
Statutory earnings per share from continuing operations (cents) - diluted	225.8	230.2	(4.4)	113.0	111.9	1.1
Cash earnings per share (cents) - basic	229.2	246.5	(17.3)	115.2	114.0	1.2
Cash earnings per share (cents) - diluted	227.0	238.0	(11.0)	114.1	112.0	2.1
Cash return on equity	11.6%	12.9%	(130 bps)	11.6%	11.7%	(10 bps)

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Review of Group performance results

September 2024 v September 2023

Statutory net profit decreased by \$454 million or 6.1%. Excluding the impact of discontinued operations, statutory net profit decreased by \$402 million or 5.4%⁽¹⁾.

Cash earnings decreased by \$629 million or 8.1%.

Net interest income decreased by \$53 million or 0.3%. This includes an increase of \$108 million due to movements in economic hedges, offset in other operating income. Excluding this movement, the underlying decrease of \$161 million or 0.9% was primarily due to lower housing lending margins, higher term deposit costs and deposit mix impacts combined with higher wholesale funding costs. These movements were partially offset by higher earnings on deposits and capital due to the impact of higher interest rates and higher average interest earning assets.

Other operating income decreased by \$351 million or 9.1%. This includes a decrease of \$108 million due to movements in economic hedges, offset in net interest income. Excluding this movement, the underlying decrease was \$243 million or 6.3%. This was primarily due to lower Markets and Treasury income combined with the impact of the winding down of the asset servicing business and the disposal of the New Zealand wealth businesses. These movements were partially offset by higher fee income in business lending, cards and capital markets.

Operating expenses increased by \$404 million or 4.5%. This was primarily driven by higher personnel expenses due to an increase in salary and related costs as well as higher restructuring-related costs. This was combined with continued investment in technology modernisation and compliance capabilities including fraud and cyber security and higher remediation charges. This was partially offset by productivity benefits achieved through continued process improvements and simplification of the Group's operations.

Credit impairment charge decreased by \$74 million, driven by a lower level of collective credit impairment charges including a reduction in forward looking provisions in the current period. This was partially offset by a higher level of individually assessed credit impairment charges.

September 2024 v March 2024

Statutory net profit decreased by \$28 million or 0.8%. Excluding the impact of discontinued operations, statutory net profit decreased by \$25 million or 0.7%⁽¹⁾.

Cash earnings increased by \$6 million or 0.2%.

Net interest income decreased by \$40 million or 0.5%. This includes a decrease of \$84 million due to movements in economic hedges, offset in other operating income. Excluding this movement, the underlying increase of \$44 million or 0.5% was primarily due to higher earnings on deposits and capital due to the impact of higher interest rates combined with higher average interest earning assets. These movements were partially offset by deposit mix impacts, lower lending margins and higher wholesale funding costs.

Other operating income increased by \$14 million or 0.8%. This includes an increase of \$84 million due to movements in economic hedges, offset in net interest income. Excluding this movement, the underlying decrease was \$70 million or 4.0%. This was primarily due to lower Treasury income combined with the impact of the disposal of the New Zealand wealth businesses and the winding down of the asset servicing business. These movements were partially offset by higher fee income in cards.

Operating expenses increased by \$73 million or 1.6%. This was primarily driven by higher personnel expenses due to an increase in salary and related costs as well as higher restructuring-related costs. This was combined with continued investment in technology modernisation and compliance capabilities including fraud and cyber security and higher marketing costs. This was partially offset by productivity benefits achieved through continued process improvements and simplification of the Group's operations.

Credit impairment charge increased by \$2 million driven by a higher level of individually assessed credit impairment charges, partially offset by a lower level of collective credit impairment charges including a reduction in forward looking provisions in the current period.

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(1) The results of discontinued operations primarily relate to charges for MLC Wealth customer-related remediation, combined with costs associated with managing the run-off of the MLC Wealth retained entities.

Group performance results (cont.)

Key performance indicators

	Year to			Half Year to		
	Sep 24	Sep 23	Sep 24 v Sep 23	Sep 24	Mar 24	Sep 24 v Mar 24
Group performance - statutory basis						
Statutory earnings on average assets	0.65%	0.70%	(5 bps)	0.64%	0.65%	(1 bp)
Statutory earnings on average risk-weighted assets	1.63%	1.68%	(5 bps)	1.63%	1.61%	2 bps
Statutory earnings per average FTE (\$'000)	181	201	(10.0%)	180	182	(1.1%)
Cost to income ratio	48.6%	45.4%	320 bps	49.7%	47.4%	230 bps
Net interest margin	1.71%	1.74%	(3 bps)	1.70%	1.72%	(2 bps)
Group performance - cash earnings basis						
Cash earnings on average assets	0.66%	0.73%	(7 bps)	0.66%	0.66%	-
Cash earnings on average risk-weighted assets	1.66%	1.75%	(9 bps)	1.68%	1.64%	4 bps
Cash earnings per average FTE (\$'000)	184	210	(12.4%)	184	185	(0.5%)
Cost to income ratio	46.6%	43.7%	290 bps	47.0%	46.1%	90 bps
Net interest margin	1.71%	1.74%	(3 bps)	1.70%	1.72%	(2 bps)
Level 2 Group capital						
CET1 capital ratio	12.35%	12.22%	13 bps	12.35%	12.15%	20 bps
Tier 1 capital ratio	14.67%	14.19%	48 bps	14.67%	14.13%	54 bps
Total capital ratio	20.92%	19.88%	104 bps	20.92%	20.27%	65 bps
Risk-weighted assets (\$bn)	413.9	435.0	(4.9%)	413.9	432.6	(4.3%)
Volumes (\$bn)						
Gross loans and acceptances (GLAs)	738.2	708.5	4.2%	738.2	725.3	1.8%
Average interest earning assets	978.7	966.7	1.2%	981.0	976.4	0.5%
Total average assets	1,074.7	1,065.1	0.9%	1,076.1	1,073.4	0.3%
Total customer deposits	612.8	587.4	4.3%	612.8	596.5	2.7%
Asset quality						
Gross impaired assets to GLAs	0.20%	0.18%	2 bps	0.20%	0.15%	5 bps
Default but not impaired assets to GLAs	1.19%	0.95%	24 bps	1.19%	1.05%	14 bps
Collective provision to credit risk-weighted assets	1.47%	1.47%	-	1.47%	1.47%	-
Total provision to credit risk-weighted assets	1.69%	1.62%	7 bps	1.69%	1.62%	7 bps
Full-time equivalent employees (FTE)						
Group - Continuing operations (spot)	38,996	38,128	2.3%	38,996	38,499	1.3%
Group - Continuing operations (average)	38,525	36,895	4.4%	38,638	38,409	0.6%
Group - Including discontinued operations (spot)	39,240	38,516	1.9%	39,240	38,879	0.9%
Group - Including discontinued operations (average)	38,864	37,290	4.2%	38,933	38,798	0.3%

	As at				As at		
	30 Sep 24	31 Mar 24	30 Sep 23		30 Sep 24	31 Mar 24	30 Sep 23
Market share				Distribution			
Australia⁽¹⁾				Number of retail branches and business banking centres			
Business lending ⁽²⁾	21.3%	21.6%	21.3%	Australia	485	493	513
Business deposits	20.4%	20.3%	20.4%	New Zealand	126	127	130
Housing lending	14.3%	14.6%	14.6%				
Household deposits	13.8%	13.9%	13.8%				
New Zealand⁽³⁾							
Housing lending	16.7%	16.7%	16.6%				
Agribusiness	21.6%	21.6%	21.5%				
Business lending	22.9%	22.5%	22.4%				
Total deposits	18.3%	18.2%	18.1%				

(1) Source: Australian Prudential Regulation Authority (APRA) monthly Authorised Deposit-taking Institution (ADI) statistics.

(2) Non-financial business lending. Includes a restatement submitted to APRA regarding a change of industry classification from July 2023.

(3) Source: Reserve Bank of New Zealand (RBNZ).

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Net interest income

	Year to			Half Year to		
	Sep 24	Sep 23	Sep 24 v Sep 23 %	Sep 24	Mar 24	Sep 24 v Mar 24 %
Net interest income (\$m)	16,754	16,807	(0.3)	8,357	8,397	(0.5)
Average interest earning assets (\$bn)	978.7	966.7	1.2	981.0	976.4	0.5
Net interest margin (%)	1.71	1.74	(3 bps)	1.70	1.72	(2 bps)

September 2024 v September 2023

Net interest income decreased by \$53 million or 0.3%. This includes an increase of \$108 million due to movements in economic hedges, offset in other operating income. Excluding this movement, the underlying decrease of \$161 million or 0.9% was due to:

- Lending margin compression primarily driven by competitive pressures impacting the housing lending portfolio.
- Higher term deposits costs and deposit mix impacts.
- Higher wholesale funding costs.

These decreases were partially offset by:

- Higher earnings on deposits and capital due to the impact of higher interest rates.
- Higher average interest earning assets driven by an increase in average balance of gross loans and advances, partially offset by lower average interest earning assets in Markets and Treasury.
- Higher NAB risk management income in Markets and Treasury.

September 2024 v March 2024

Net interest income decreased by \$40 million or 0.5%. This includes a decrease of \$84 million due to movements in economic hedges, offset in other operating income. Excluding this movement, the underlying increase of \$44 million or 0.5% was due to:

- Higher earnings on deposits and capital due to the impact of higher interest rates.
- Higher average interest earning assets driven by an increase in average balance of gross loans and advances, partially offset by lower average interest earning assets in Markets and Treasury.

These increases were partially offset by:

- Deposit mix impacts largely in Australia and competitive pressures impacting deposits in New Zealand Banking.
- Lending margin compression primarily driven by competitive pressures.
- Higher wholesale funding costs.

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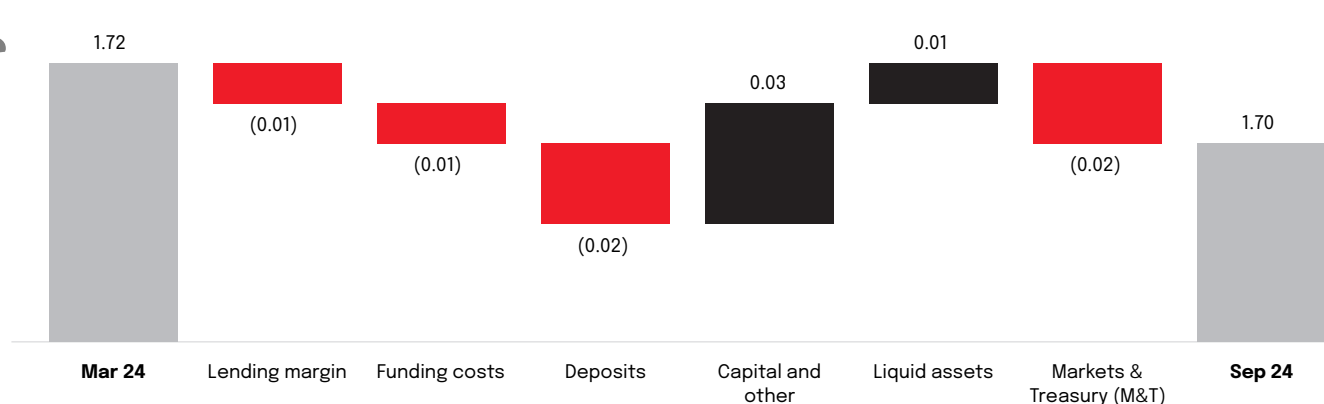
Net interest margin

	Year to			Half Year to		
	Sep 24 %	Sep 23 %	Sep 24 v Sep 23	Sep 24 %	Mar 24 %	Sep 24 v Mar 24
Group net interest margin	1.71	1.74	(3 bps)	1.70	1.72	(2 bps)
Business and Private Banking ⁽¹⁾	3.06	3.27	(21 bps)	3.03	3.08	(5 bps)
Personal Banking ⁽¹⁾	1.75	1.93	(18 bps)	1.75	1.74	1 bp
Corporate and Institutional Banking ⁽²⁾	1.05	0.92	13 bps	1.05	1.04	1 bp
New Zealand Banking ⁽²⁾	2.35	2.40	(5 bps)	2.34	2.37	(3 bps)

(1) During the year ended 30 September 2024, some customer lending and deposit portfolios were transferred between Personal Banking and Business and Private Banking. Comparative information has been restated accordingly.

(2) From 1 October 2023, Bank of New Zealand's Markets Trading operations and enabling units are reported within New Zealand Banking. Previously Bank of New Zealand's Markets Trading operations were reported in Corporate and Institutional Banking and the enabling units within Corporate Functions and Other. Comparative information has been restated accordingly.

Group net interest margin movement (%)



September 2024 v September 2023

The Group's **net interest margin** decreased by 3 basis points. Excluding an increase of 3 basis points in Markets and Treasury, the underlying margin was down 6 basis points due to:

- A decrease of 8 basis points in lending margin primarily driven by competitive pressures impacting the housing lending portfolio.
- A decrease of 5 basis points driven by higher term deposit costs and deposit mix impacts, partially offset by higher earnings on deposits due to the impact of higher interest rates.
- A decrease of 2 basis points driven by higher wholesale funding costs.

These decreases were partially offset by:

- An increase of 8 basis points driven by higher earnings on capital due to the impact of higher interest rates.
- An increase of 1 basis point driven by lower average volumes of lower yielding high-quality liquid assets (HQLA).

The increase of 3 basis points in Markets and Treasury was due to:

- An increase of 1 basis point driven by higher NAB risk management income in Markets and Treasury.
- An increase of 1 basis point driven by economic hedges, offset in other operating income.
- An increase of 1 basis point driven by favourable change in asset mix.

September 2024 v March 2024

The Group's **net interest margin** decreased by 2 basis points. Excluding a decrease of 2 basis points in Markets and Treasury, the underlying margin was flat due to:

- An increase of 3 basis points driven by higher earnings on capital due to the impact of higher interest rates.
- An increase of 1 basis point driven by lower average volumes of lower yielding HQLA.

These increases were offset by:

- A decrease of 2 basis points driven by deposit mix impacts largely in Australia and competitive pressures impacting deposits in New Zealand Banking, partially offset by higher earnings on deposits due to the impact of higher interest rates.
- A decrease of 1 basis point in lending margin primarily driven by competitive pressures.
- A decrease of 1 basis point driven by higher wholesale funding costs.

The decrease of 2 basis points in Markets and Treasury was due to economic hedges, offset in other operating income.

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Other operating income

	Year to			Half Year to		
	Sep 24 \$m	Sep 23 \$m	Sep 24 v Sep 23 %	Sep 24 \$m	Mar 24 \$m	Sep 24 v Mar 24 %
Net fees and commissions	2,271	2,183	4.0	1,128	1,143	(1.3)
Trading income	1,268	1,542	(17.8)	656	612	7.2
Other	(43)	122	large	(29)	(14)	large
Total other operating income	3,496	3,847	(9.1)	1,755	1,741	0.8

September 2024 v September 2023

Other operating income decreased by \$351 million or 9.1%.

Net fees and commissions increased by \$88 million or 4.0%.

Included in the September 2024 full year is a decrease of \$36 million related to the winding down of the asset servicing business and the disposal of the New Zealand wealth businesses, as well as a charge of \$35 million (September 2023 full year: \$29 million) for customer-related remediation. Excluding these items, the underlying increase was \$130 million or 6.0%. This was primarily driven by higher fee income in business lending, cards and capital markets.

Trading income decreased by \$274 million or 17.8%. This includes a decrease of \$108 million due to movements in economic hedges, offset in net interest income. Excluding this movement, the underlying decrease of \$166 million was primarily due to lower NAB risk management income in Markets, combined with lower derivative valuation adjustments.

Other income decreased by \$165 million primarily due to realised losses on bond sales in Treasury (high-quality liquids portfolio) combined with lower earnings relating to the investment in MLC Life, partially offset by earnings relating to the investment in FirstCape⁽¹⁾.

September 2024 v March 2024

Other operating income increased by \$14 million or 0.8%.

Net fees and commissions decreased by \$15 million or 1.3%.

Included in the September 2024 half year is a decrease of \$32 million related to the disposal of the New Zealand wealth businesses and the winding down of the asset servicing business, as well as a charge of \$28 million (March 2024 half year: \$7 million) for customer-related remediation. Excluding these items, the underlying increase was \$38 million or 3.3%. This was primarily driven by higher fee income in cards.

Trading income increased by \$44 million or 7.2%. This includes an increase of \$84 million due to movements in economic hedges, offset in net interest income. Excluding this movement, the underlying decrease of \$40 million was primarily due to the mark-to-market impact of bonds in Treasury within New Zealand Banking.

Other income decreased by \$15 million primarily due to realised losses on bond sales in Treasury (high-quality liquids portfolio), partially offset by higher earnings relating to the investments in MLC Life and FirstCape⁽¹⁾.

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(1) The Group's share of FirstCape's profit since the equity accounted investment in FirstCape was acquired on 30 April 2024.

Markets and Treasury income

	Year to			Half Year to		
	Sep 24 \$m	Sep 23 \$m	Sep 24 v Sep 23 %	Sep 24 \$m	Mar 24 \$m	Sep 24 v Mar 24 %
Net interest income	424	92	large	165	259	(36.3)
Other operating income	1,170	1,581	(26.0)	573	597	(4.0)
Total Markets and Treasury income	1,594	1,673	(4.7)	738	856	(13.8)
Customer risk management ⁽¹⁾						
Foreign exchange	546	553	(1.3)	279	267	4.5
Rates	267	242	10.3	131	136	(3.7)
Total customer risk management income	813	795	2.3	410	403	1.7
NAB risk management ⁽²⁾						
Markets	373	359	3.9	193	180	7.2
Treasury	415	464	(10.6)	150	265	(43.4)
Total NAB risk management income	788	823	(4.3)	343	445	(22.9)
Derivative valuation adjustment ⁽³⁾	(7)	55	large	(15)	8	large
Total Markets and Treasury income	1,594	1,673	(4.7)	738	856	(13.8)
Average Markets traded market risk Value at Risk (VaR)⁽⁴⁾	8.8	8.4	4.8	8.3	9.4	(11.7)

(1) Customer risk management comprises net interest income and other operating income and reflects customer risk management in respect of Personal Banking, Business and Private Banking, Corporate and Institutional Banking and New Zealand Banking.

(2) NAB risk management comprises net interest income and other operating income and is defined as management of interest rate risk in the banking book, wholesale funding and liquidity requirements and trading market risk to support the Group's franchises. Markets forms part of Corporate and Institutional Banking and New Zealand Banking revenue. Treasury forms part of Corporate Functions and Other revenue.

(3) Derivative valuation adjustment is shown net of hedging costs or benefits and includes credit valuation adjustments and funding valuation adjustments.

(4) Excludes the impact of hedging activities related to derivative valuation adjustments.

September 2024 v September 2023

Markets and Treasury income decreased by \$79 million or 4.7% primarily due to lower derivative valuation adjustment and lower risk management income in Treasury partially offset by higher Markets risk management income.

Customer risk management income increased by \$18 million or 2.3% due to higher interest rate sales income partially offset by lower foreign exchange sales income.

NAB risk management income decreased by \$35 million or 4.3% primarily due to realised losses on bond sales in Treasury (high-quality liquids portfolio) partially offset by higher risk management income in Markets.

Derivative valuation adjustment decreased by \$62 million primarily due to less favourable movements in volatility and unfavourable movements in credit valuations.

September 2024 v March 2024

Markets and Treasury income decreased by \$118 million or 13.8% primarily due to lower risk management income in Treasury and lower derivative valuation adjustment.

Customer risk management income increased by \$7 million or 1.7% driven by higher income from foreign exchange sales, partially offset by lower income from interest rate sales.

NAB risk management income decreased by \$102 million or 22.9% primarily due to the realised losses on bond sales in Treasury (high-quality liquids portfolio) and the mark-to-market impact of bonds in Treasury within New Zealand Banking, partially offset by higher risk management income in Markets.

Derivative valuation adjustment decreased by \$23 million, primarily due to less favourable movements in volatility and unfavourable movements in credit valuations.

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Operating expenses

	Year to ⁽¹⁾			Half Year to ⁽¹⁾		
	Sep 24 \$m	Sep 23 \$m	Sep 24 v Sep 23 %	Sep 24 \$m	Mar 24 \$m	Sep 24 v Mar 24 %
Personnel expenses	5,589	5,359	4.3	2,801	2,788	0.5
Occupancy and depreciation expenses	591	597	(1.0)	291	300	(3.0)
Technology expenses	2,036	1,816	12.1	1,042	994	4.8
General expenses	1,211	1,251	(3.2)	616	595	3.5
Total operating expenses	9,427	9,023	4.5	4,750	4,677	1.6

(1) During the September 2024 full year, the Group revised its presentation of operating expenses to present more relevant information about the categorisation of expenses. The 'Technology expenses' category includes amounts previously included within 'Occupancy and depreciation expenses' and 'General expenses'. Comparative information has been restated accordingly.

September 2024 v September 2023

Operating expenses increased by \$404 million or 4.5%.

Personnel expenses increased by \$230 million or 4.3%. The increase was primarily driven by higher salary and related expenses, as well as higher restructuring-related costs. This was combined with continued uplift in technology and compliance capabilities including fraud and cyber security, partially offset by productivity benefits achieved through continued process improvements and simplification of the Group's operations.

Occupancy and depreciation expenses decreased by \$6 million or 1.0%.

Technology expenses increased by \$220 million or 12.1%. The increase was primarily due to additional software and technology costs related to modernisation and compliance including fraud and cyber security, combined with higher amortisation associated with software assets.

General expenses decreased by \$40 million or 3.2%. This was primarily due to the non-recurrence of a provision of \$40 million in respect of the one-off levy for the Compensation Scheme of Last Resort (CSLR) in the September 2023 full year, combined with productivity benefits achieved through continued process improvements and simplification of the Group's operations. This was partially offset by higher customer-related remediation charges.

September 2024 v March 2024

Operating expenses increased by \$73 million or 1.6%.

Personnel expenses increased by \$13 million or 0.5%. The increase was primarily driven by an increase in salary and related expenses, higher restructuring-related costs, together with continued uplift in technology and compliance capabilities including fraud and cyber security. This was partially offset by productivity benefits achieved through continued process improvements and simplification of the Group's operations.

Occupancy and depreciation expenses decreased by \$9 million or 3.0%.

Technology expenses increased by \$48 million or 4.8%. The increase was primarily due to additional software and technology costs related to modernisation and compliance including fraud and cyber security, combined with higher amortisation associated with software assets.

General expenses increased by \$21 million or 3.5%. This was primarily due to seasonally higher marketing costs. This was partially offset by productivity benefits achieved through continued process improvements and simplification of the Group's operations.

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Investment spend and capitalised software

	Year to			Half Year to		
	Sep 24 \$m	Sep 23 ⁽¹⁾ \$m	Sep 24 v Sep 23 %	Sep 24 \$m	Mar 24 ⁽¹⁾ \$m	Sep 24 v Mar 24 %
Expensed	625	649	(3.7)	303	322	(5.9)
Capitalised software and fixed assets	1,013	925	9.5	601	412	45.9
Total investment spend	1,638	1,574	4.1	904	734	23.2
<i>Represented by:</i>						
Infrastructure	548	514	6.6	310	238	30.3
Compliance and risk	554	529	4.7	321	233	37.8
Customer experience, efficiency and sustainable revenue	536	531	0.9	273	263	3.8
Total investment spend	1,638	1,574	4.1	904	734	23.2

(1) Comparative information has been restated to align to the presentation in the current period.

Investment spend has historically been disclosed as expenditure on initiatives designed to enhance customer experience, comply with legal and regulatory requirements, and improve capabilities and efficiencies in the Group's business processes. During the current period, the scope of Investment spend has been increased to include amounts disclosed in *Capitalised software* that relate to continuous improvement of deployed software and technology resilience. This change has resulted in an additional \$187 million being included in 'Capitalised software and fixed assets' within Investment spend for the September 2024 full year (September 2023: \$161 million) and \$91 million for the September 2024 half year (March 2024: \$96 million), primarily impacting 'Infrastructure' and 'Customer experience, efficiency and sustainable revenue'.

September 2024 v September 2023

Investment spend increased by \$64 million or 4.1%, driven by increased investment in infrastructure, and compliance and risk initiatives.

Investment in **infrastructure** initiatives increased by \$34 million or 6.6%, reflecting continued investment in technology resilience and simplification, building data platform and capabilities, cyber security and cloud migration. There has also been an increase in spend in New Zealand Banking relating to infrastructure uplift.

Investment in **compliance and risk** initiatives increased by \$25 million or 4.7%, reflecting continued investment in meeting regulatory commitments and managing risk across the Group. This includes uplifting financial crime capabilities, enhancing scam and fraud protection, improving payments resilience and stability via the New Payment Platform (NPP) and strengthening the Group's control environment to ensure compliance with industry standards and regulations such as Open Banking, ISO 20022 and various market risk obligations.

Investment in **customer experience, efficiency and sustainable revenue** initiatives increased by \$5 million or 0.9%. The spend remained broadly consistent in technology resilience and core strategic priorities such as personal banking, lending platforms including home and business lending, merchant services capabilities and a simplified customer onboarding experience.

September 2024 v March 2024

Investment spend increased by \$170 million or 23.2%, driven mainly by the timing of spend in infrastructure, and compliance and risk initiatives.

Investment in **infrastructure** initiatives increased by \$72 million or 30.3%. The increase was primarily driven by higher spend on the Group's branch network including frontline technology, New Zealand Banking and cloud migration.

Investment in **compliance and risk** initiatives increased by \$88 million or 37.8%. The increase was primarily driven by higher spend on financial crime capabilities uplift and improving payments resilience and stability. This was combined with continued investment in meeting regulatory commitments and managing risk across the Group.

Investment in **customer experience, efficiency and sustainable revenue** initiatives increased by \$10 million or 3.8%. There is continued investment in technology resilience and core strategic priorities, such as personal banking, lending platforms including home and business lending, and a simplified customer onboarding experience.

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Investment spend and capitalised software (cont.)

Capitalised software

The movement in capitalised software is as follows:

	Year ended			Half Year ended		
	Sep 24 \$m	Sep 23 \$m	Sep 24 v Sep 23 %	Sep 24 \$m	Mar 24 \$m	Sep 24 v Mar 24 %
Balance at beginning of period	2,722	2,382	14.3	2,809	2,722	3.2
Additions	1,056	935	12.9	622	434	43.3
Disposals and write-offs	(51)	(13)	large	(49)	(2)	large
Amortisation	(706)	(602)	17.3	(364)	(342)	6.4
Foreign currency translation adjustments	(8)	20	large	(5)	(3)	66.7
Capitalised software	3,013	2,722	10.7	3,013	2,809	7.3

Further details on material movements in capitalised software are as follows:

- Additions includes the capitalised component of *Investment spend* on page 21 together with capitalised software in respect of acquisitions (including the acquisition of the Citi consumer business). Acquisition related capitalised software was \$124 million for the September 2024 full year (September 2023: \$101 million) and \$66 million for the September 2024 half year (March 2024: \$58 million). Comparative information has been restated accordingly.
- Amortisation is included in 'Technology expenses' and 'General expenses' within 2 *Operating expenses*.

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Taxation

	Year to			Half Year to		
	Sep 24	Sep 23	Sep 24 v Sep 23	Sep 24	Mar 24	Sep 24 v Mar 24
Income tax expense (\$m)	2,975	3,093	(3.8%)	1,434	1,541	(6.9%)
Effective tax rate (%)	29.5	28.6	90 bps	28.7	30.2	(150 bps)

September 2024 v September 2023

Income tax expense decreased by \$118 million or 3.8% primarily due to lower cash earnings before tax.

The **effective tax rate** increased by 90 basis points to 29.5% due to:

- The repeal of the offshore banking unit tax concession from 1 October 2023, which had previously reduced the effective tax rate.
- An increase in the amount of non-deductible interest on convertible instruments, due to higher interest rates and increased volumes.

September 2024 v March 2024

Income tax expense decreased by \$107 million or 6.9% due to the lower effective tax rate and lower cash earnings before tax in the September 2024 half year.

The **effective tax rate** decreased by 150 basis points to 28.7%, primarily due to an increase in the September 2024 half year of the amount recognised as a deferred tax asset for U.S. tax losses.

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Lending

	As at			Sep 24 v Sep 23 %	Sep 24 v Mar 24 %
	30 Sep 24 \$bn	31 Mar 24 \$bn	30 Sep 23 \$bn		
Housing					
Business and Private Banking ⁽¹⁾	105.2	103.6	100.3	4.9	1.5
Personal Banking ⁽¹⁾	243.0	242.1	239.5	1.5	0.4
New Zealand Banking	55.2	53.9	53.7	2.8	2.4
Corporate Functions and Other	13.4	13.5	12.8	4.7	(0.7)
Total housing	416.8	413.1	406.3	2.6	0.9
Non-housing					
Business and Private Banking ⁽¹⁾	158.4	152.4	147.0	7.8	3.9
Personal Banking ⁽¹⁾	9.5	9.7	9.5	-	(2.1)
Corporate and Institutional Banking	110.6	107.7	104.1	6.2	2.7
New Zealand Banking	42.9	42.4	41.6	3.1	1.2
Total non-housing	321.4	312.2	302.2	6.4	2.9
Gross loans and advances	738.2	725.3	708.5	4.2	1.8

(1) During the year ended 30 September 2024, some customer lending and deposit portfolios were transferred between Personal Banking and Business and Private Banking. Comparative information has been restated accordingly.

September 2024 v September 2023

Lending increased by \$29.7 billion or 4.2% including a decrease of \$2.5 billion driven by exchange rate movements.

Housing lending increased by \$10.5 billion or 2.6% due to:

- An increase of \$4.9 billion or 4.9% in Business and Private Banking driven by growth in both owner occupier and investor lending.
- An increase of \$3.5 billion or 1.5% in Personal Banking, primarily driven by growth in owner occupier lending. This reflected a disciplined approach to growth in home lending due to continuation of strong competition and a focus on sustainable returns.
- An increase of \$1.5 billion or 2.8% in New Zealand Banking, including a decrease of \$0.7 billion driven by exchange rate movements. The underlying increase of \$2.2 billion was driven by growth in both owner occupier and investor lending.
- An increase of \$0.6 billion or 4.7% in Corporate Functions and Other reflecting growth in ubank.

Non-housing lending increased by \$19.2 billion or 6.4% due to:

- An increase of \$11.4 billion or 7.8% in Business and Private Banking driven by growth in business lending across a broad range of sectors.
- An increase of \$6.5 billion or 6.2% in Corporate and Institutional Banking, including a decrease of \$1.2 billion driven by exchange rate movements. The underlying increase of \$7.7 billion is primarily due to a continued focus on securitisation, funds and corporate growth segments.
- An increase of \$1.3 billion or 3.1% in New Zealand Banking, including a decrease of \$0.6 billion driven by exchange rate movements. The underlying increase of \$1.9 billion reflects an increase in business lending.

September 2024 v March 2024

Lending increased by \$12.9 billion or 1.8% including a decrease of \$1.2 billion driven by exchange rate movements.

Housing lending increased by \$3.7 billion or 0.9% due to:

- An increase of \$1.6 billion or 1.5% in Business and Private Banking driven by growth in both owner occupier and investor lending.
- An increase of \$1.3 billion or 2.4% in New Zealand Banking, including an increase of \$0.1 billion driven by exchange rate movements. The underlying increase of \$1.2 billion was driven by growth in both owner occupier and investor lending.
- An increase of \$0.9 billion or 0.4% in Personal Banking, primarily driven by growth in owner occupier lending. This reflected a disciplined approach to growth in home lending due to continuation of strong competition and a focus on sustainable returns.
- A decrease of \$0.1 billion or 0.7% in Corporate Functions and Other. This reflected a disciplined approach to growth in home lending in ubank due to a focus on sustainable returns.

Non-housing lending increased by \$9.2 billion or 2.9% due to:

- An increase of \$6.0 billion or 3.9% in Business and Private Banking driven by growth in business lending across a broad range of sectors.
- An increase of \$2.9 billion or 2.7% in Corporate and Institutional Banking, including a decrease of \$1.4 billion driven by exchange rate movements. The underlying increase of \$4.3 billion is primarily due to a continued focus on corporate, securitisation and funds growth segments.
- An increase of \$0.5 billion or 1.2% in New Zealand Banking, including an increase of \$0.1 billion driven by exchange rate movements. The underlying increase of \$0.4 billion reflects an increase in business lending.
- A decrease of \$0.2 billion or 2.1% in Personal Banking primarily driven by contraction in unsecured lending due to an increase in repayments.

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Customer deposits

	As at			Sep 24 v Sep 23 %	Sep 24 v Mar 24 %
	30 Sep 24 \$bn	31 Mar 24 \$bn	30 Sep 23 \$bn		
Business and Private Banking ⁽¹⁾	221.3	213.9	206.8	7.0	3.5
Personal Banking ⁽¹⁾	163.3	157.2	150.6	8.4	3.9
Corporate and Institutional Banking ⁽²⁾	131.8	131.6	137.4	(4.1)	0.2
New Zealand Banking ⁽²⁾	75.6	73.5	73.0	3.6	2.9
Corporate Functions and Other	20.8	20.3	19.6	6.1	2.5
Total customer deposits	612.8	596.5	587.4	4.3	2.7

(1) During the year ended 30 September 2024, some customer lending and deposit portfolios were transferred between Personal Banking and Business and Private Banking. Comparative information has been restated accordingly.

(2) From 1 October 2023, Bank of New Zealand's Markets Trading operations and enabling units are reported within New Zealand Banking. Previously Bank of New Zealand's Markets Trading operations were reported in Corporate and Institutional Banking and the enabling units within Corporate Functions and Other. Comparative information has been restated accordingly.

September 2024 v September 2023

Customer deposits increased by \$25.4 billion or 4.3% including a decrease of \$1.2 billion driven by exchange rate movements. The increase is due to:

- An increase of \$14.5 billion or 7.0% in Business and Private Banking driven by growth in term deposits of \$9.5 billion, combined with growth in on-demand deposits of \$5.0 billion.
- An increase of \$12.7 billion or 8.4% in Personal Banking, driven by growth in on-demand deposits of \$7.2 billion, term deposits of \$3.8 billion and non-interest bearing accounts of \$1.7 billion.
- An increase of \$2.6 billion or 3.6% in New Zealand Banking, including a decrease of \$1.0 billion driven by exchange rate movements. The underlying increase of \$3.6 billion was due to an increase in term deposits of \$3.5 billion and on-demand deposits of \$1.3 billion, partially offset by a decrease in non-interest bearing accounts of \$1.2 billion.
- An increase of \$1.2 billion or 6.1% in Corporate Functions and Other driven by growth in on-demand deposits of \$0.9 billion and non-interest bearing accounts of \$0.2 billion in ubank, combined with an increase in wholesale deposits of \$0.1 billion reflecting Treasury funding and liquidity management activities.
- A decrease of \$5.6 billion or 4.1% in Corporate and Institutional Banking, including a decrease of \$0.2 billion driven by exchange rate movements. The underlying decrease of \$5.4 billion was largely driven by the anticipated run-off in the asset servicing business and a reduction in term deposits, partially offset by an increase in structured deposits⁽¹⁾.

September 2024 v March 2024

Customer deposits increased by \$16.3 billion or 2.7% including a decrease of \$0.2 billion driven by exchange rate movements. The increase is due to:

- An increase of \$7.4 billion or 3.5% in Business and Private Banking driven by growth in term deposits of \$3.9 billion, combined with growth in on-demand deposits of \$3.5 billion.
- An increase of \$6.1 billion or 3.9% in Personal Banking, driven by growth in on-demand deposits of \$3.3 billion, term deposits of \$1.7 billion and non-interest bearing accounts of \$1.1 billion.
- An increase of \$2.1 billion or 2.9% in New Zealand Banking, including an increase of \$0.1 billion driven by exchange rate movements. The underlying increase of \$2.0 billion was due to an increase in term deposits of \$1.6 billion and on-demand deposits of \$1.5 billion, partially offset by a decrease in non-interest bearing accounts of \$1.1 billion.
- An increase of \$0.5 billion or 2.5% in Corporate Functions and Other driven by growth in on-demand deposits of \$0.5 billion and non-interest bearing accounts of \$0.1 billion in ubank, partially offset by a decrease in wholesale deposits of \$0.1 billion reflecting Treasury funding and liquidity management activities.
- An increase of \$0.2 billion or 0.2% in Corporate and Institutional Banking including a decrease of \$0.3 billion driven by exchange rate movements. The underlying increase of \$0.5 billion was primarily driven by an increase in term and structured deposits⁽¹⁾, partially offset by the anticipated run-off in the asset servicing business and a reduction in transaction accounts.

(1) Structured deposits have notice periods which extend their behavioural maturity beyond their initial contractual maturity and pricing construct. They include Rolling Deposit Accounts, Retail Look Through and Notice Saver deposits.

Goodwill and other intangible assets

Goodwill

Goodwill remained flat compared to the September 2023 full year and the March 2024 half year.

	Year ended		Half Year ended	
	Sep 24 \$m	Sep 23 \$m	Sep 24 \$m	Mar 24 \$m
Balance at beginning of period	2,070	2,089	2,070	2,070
Acquisition of controlled entities and business combinations	-	(19)	-	-
Goodwill	2,070	2,070	2,070	2,070

Other intangible assets

Other intangible assets include assets acquired in business combinations, including customer relationships and core deposits.

The movement in other intangible assets is as follows:

	Year ended		Half Year ended	
	Sep 24 \$m	Sep 23 \$m	Sep 24 \$m	Mar 24 \$m
Balance at beginning of period	160	181	151	160
Acquisition of controlled entities and business combinations	-	(3)	-	-
Amortisation ⁽¹⁾	(19)	(17)	(10)	(9)
Foreign currency translation adjustments	-	(1)	-	-
Other intangible assets	141	160	141	151

(1) Includes non-cash amortisation of intangible assets arising from the acquisition of controlled entities such as customer relationships and core deposits.

Acquisition of controlled entities and business combinations in 2023 relates to post-completion adjustments to the fair value of customer relationships and core deposit intangibles, arising from the Group's acquisition of the Citi consumer business during the year ended 30 September 2022.

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Asset quality

Credit impairment charge

	Year to			Half Year to		
	Sep 24 \$m	Sep 23 \$m	Sep 24 v Sep 23 %	Sep 24 \$m	Mar 24 \$m	Sep 24 v Mar 24 %
Individually assessed credit impairment charge						
New and increased	863	560	54.1	544	319	70.5
Write-backs	(132)	(148)	(10.8)	(60)	(72)	(16.7)
Recoveries of amounts previously written off	(95)	(79)	20.3	(37)	(58)	(36.2)
Total individually assessed credit impairment charge	636	333	91.0	447	189	large
Collective credit impairment charge / (write-back)	92	469	(80.4)	(82)	174	large
Total credit impairment charge	728	802	(9.2)	365	363	0.6

	Year to			Half Year to		
	Sep 24 %	Sep 23 %	Sep 24 v Sep 23	Sep 24 %	Mar 24 %	Sep 24 v Mar 24
Credit impairment charge to GLAs - annualised	0.10	0.11	(1 bp)	0.10	0.10	-
Net write-offs to GLAs - annualised	0.06	0.05	1 bp	0.06	0.05	1 bp

September 2024 v September 2023

Credit impairment charge decreased by \$74 million, driven by a lower level of collective credit impairment charges including a reduction in forward looking provisions in the current period. This was partially offset by a higher level of individually assessed credit impairment charges.

Individually assessed credit impairment charge increased by \$303 million or 91.0% driven by:

- Increased charge in Business and Private Banking due to increased impairments, including the impairment of a small number of larger customers.
- Increased charge in Personal Banking for the Australian unsecured retail portfolio.
- Increased charge in New Zealand Banking, including the non-recurrence of write-backs for a small number of larger customers in the prior period.

This was partially offset by write-backs and recoveries for a small number of larger customers in Corporate and Institutional Banking in the March 2024 half year.

Collective credit impairment charge decreased by \$377 million.

The charge for the September 2024 full year was \$92 million driven by deterioration in asset quality across the Group's lending portfolio combined with volume growth in Business and Private Banking. This was partially offset by the impact of house price increases, the impact of model changes on provisions for the Group's underlying lending portfolio and a net release of forward looking provisions reflecting credit deterioration in underlying outcomes combined with the impact of methodology refinements.

The ratio of **net write-offs to GLAs** increased by 1 basis point to 0.06% due to a higher level of write-off activity for the Australian business lending and unsecured retail portfolios.

September 2024 v March 2024

Credit impairment charge increased by \$2 million driven by a higher level of individually assessed credit impairment charges, partially offset by a lower level of collective credit impairment charges including a reduction in forward looking provisions in the current period.

Individually assessed credit impairment charge increased by \$258 million driven by:

- Increased charge in Business and Private Banking due to increased impairments, including the impairment of a small number of larger customers.
- Non-recurrence of write-backs and recoveries for a small number of larger customers in Corporate and Institutional Banking in the prior period.
- Increased charge in New Zealand Banking and Personal Banking.

Collective credit impairment charge decreased by \$256 million.

The write-back for the September 2024 half year was \$82 million driven by a net release in forward looking provisions reflecting credit deterioration in underlying outcomes combined with the impact of methodology refinements and the impact of model changes on provisions for the Group's underlying lending portfolio. This was partially offset by deterioration in asset quality across the Group's lending portfolio combined with volume growth in Business and Private Banking.

The ratio of **net write-offs to GLAs** increased by 1 basis point to 0.06% due to a higher level of write-off activity across the Australian business lending and unsecured retail portfolios.

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Provision for credit impairment

	As at			Sep 24 v Sep 23 %	Sep 24 v Mar 24 %
	30 Sep 24 \$m	31 Mar 24 \$m	30 Sep 23 \$m		
Collective provision for credit impairment ⁽¹⁾	5,165	5,351	5,214	(0.9)	(3.5)
Individually assessed provision for credit impairment	756	546	539	40.3	38.5
Total provision for credit impairment	5,921	5,897	5,753	2.9	0.4

	As at			Sep 24 v Sep 23	Sep 24 v Mar 24
	30 Sep 24 %	31 Mar 24 %	30 Sep 23 %		
Total provision to GLAs	0.80	0.81	0.81	(1 bp)	(1 bp)
Total provision to credit risk-weighted assets	1.69	1.62	1.62	7 bps	7 bps
Individually assessed provision to gross impaired assets	51.2	49.4	42.8	840 bps	180 bps
Collective provision to credit risk-weighted assets	1.47	1.47	1.47	-	-
Collective provision to GLAs	0.70	0.74	0.74	(4 bps)	(4 bps)

(1) September 2024 collective provision for credit impairment no longer includes collective provisions on derivatives at fair value. March 2024 and September 2023 collective provisions for credit impairment include \$105 million and \$135 million respectively of collective provisions on derivatives at fair value.

September 2024 v September 2023

Provisions for credit impairment increased by \$168 million or 2.9% to \$5,921 million.

Individually assessed provisions increased by \$217 million or 40.3% mainly due to new and increased individually assessed provisions raised in Business and Private Banking.

Collective provisions decreased by \$49 million or 0.9%. This was mainly due to:

- A decrease of \$214 million in net forward looking provisions reflecting credit deterioration in underlying outcomes. This includes a net release of \$209 million from target sector forward looking adjustments (FLAs), a 2.5% reduction in the downside scenario weight and the impact of methodology refinements.
- A decrease in provisions held due to the impact of model changes on provisions for the Group's underlying lending portfolio.

This was partially offset by:

- An increase in provisions held for the Australian business lending portfolio, mainly due to deterioration in asset quality and volume growth in Business and Private Banking.
- An increase in provisions held for the Australian mortgage portfolio due to an increase in arrears, partially offset by the impact of house price increases.

The **collective provision to credit risk-weighted assets** ratio was flat at 1.47% due to a decrease in provisions offset by a decrease in credit risk-weighted assets.

September 2024 v March 2024

Provisions for credit impairment increased by \$24 million or 0.4% to \$5,921 million.

Individually assessed provisions increased by \$210 million or 38.5% mainly due to new and increased individually assessed provisions raised in Business and Private Banking.

Collective provisions decreased by \$186 million or 3.5%. This was mainly due to:

- A decrease of \$174 million in net forward looking provisions reflecting credit deterioration in underlying outcomes. This includes a net release of \$116 million from target sector FLAs, a 2.5% reduction in the downside scenario weight and the impact of methodology refinements.
- A decrease in provisions held due to the impact of model changes on provisions for the Group's underlying lending portfolio.

This was partially offset by:

- An increase in provisions held for the Australian business lending portfolio, mainly due to deterioration in asset quality and volume growth in Business and Private Banking.
- An increase in provisions held for the Australian mortgage portfolio due to an increase in arrears, partially offset by the impact of house price increases.

The **collective provision to credit risk-weighted assets** ratio was flat at 1.47% due to a decrease in provisions offset by a decrease in credit risk-weighted assets.

Non-performing exposures

	As at			Sep 24 v Sep 23 %	Sep 24 v Mar 24 %
	30 Sep 24 \$m	31 Mar 24 \$m	30 Sep 23 \$m		
Gross impaired assets	1,477	1,106	1,260	17.2	33.5
Default but not impaired assets	8,753	7,585	6,732	30.0	15.4
Non-performing exposures	10,230	8,691	7,992	28.0	17.7
<i>Of which: 90+ days past due but not impaired</i>	5,482	4,651	4,033	35.9	17.9

	As at			Sep 24 v Sep 23	Sep 24 v Mar 24
	30 Sep 24 %	31 Mar 24 %	30 Sep 23 %		
Gross impaired assets to GLAs	0.20	0.15	0.18	2 bps	5 bps
Default but not impaired assets to GLAs	1.19	1.05	0.95	24 bps	14 bps
Non-performing exposures to GLAs	1.39	1.20	1.13	26 bps	19 bps
<i>Of which: 90+ days past due but not impaired to GLAs</i>	0.74	0.64	0.57	17 bps	10 bps

September 2024 v September 2023

Non-performing exposures increased by \$2,238 million or 28.0% to \$10,230 million. This mainly reflects higher arrears for the Australian mortgage portfolio combined with continued broad-based deterioration in the Business and Private Banking business lending portfolio.

The ratio of **gross impaired assets to GLAs** increased by 2 basis points to 0.20%. This mainly reflects the impairment of customers in the Business and Private Banking business lending portfolio, including a small number of larger customers. This was partially offset by a decrease in the portfolio of restructured loans relating to customers affected by severe weather events in New Zealand.

The ratio of **default but not impaired assets to GLAs** increased by 24 basis points to 1.19%. This mainly reflects higher arrears for the Australian mortgage portfolio combined with continued broad-based deterioration in the Business and Private Banking business lending portfolio.

September 2024 v March 2024

Non-performing exposures increased by \$1,539 million or 17.7% to \$10,230 million. This mainly reflects higher arrears for the Australian mortgage portfolio combined with continued broad-based deterioration in the Business and Private Banking business lending portfolio.

The ratio of **gross impaired assets to GLAs** increased by 5 basis points to 0.20%. This mainly reflects the impairment of customers in the Business and Private Banking business lending portfolio, including a small number of larger customers.

The ratio of **default but not impaired assets to GLAs** increased by 14 basis points to 1.19%. This mainly reflects higher arrears for the Australian mortgage portfolio combined with continued broad-based deterioration in the Business and Private Banking business lending portfolio.

Capital management and funding

Balance sheet management overview and regulatory reform

Balance sheet management overview

The Group remains committed to balance sheet strength, to support sustainable growth and returns while keeping the bank safe.

Regulatory reform

Regulatory change is a key area of focus for the group. Key reforms that may affect the Group's capital and funding include:

Revisions to the capital framework

- APRA's revisions to APS 117 *Capital Adequacy: Interest Rate Risk in the Banking Book* will come into effect on 1 October 2025.
- APRA expects Australian banks to continue building preparedness for the Basel Committee on Banking Supervision's fundamental review of the trading book regulatory standards ahead of the release of draft standards. There is no timeline provided for when these draft standards will be released.
- APRA has deferred the implementation date for the Basel III reforms to APS 180 *Capital Adequacy: Counterparty Credit Risk* to 2026.

Increased loss-absorbing capacity for ADIs

Under their loss-absorbing capacity framework, APRA required domestic systemically important banks (D-SIBs) to hold incremental total capital equal to 3% of risk-weighted assets (RWA) from 1 January 2024. The requirement increases by 1.5% (to a total of 4.5%) of RWA on 1 January 2026. NAB has met the 3% of RWA Total capital requirement.

RBNZ capital review

In December 2019, the RBNZ finalised its review of their capital adequacy framework. The RBNZ amendments included an increase in the Tier 1 capital requirement to 16% of RWA, and an increase in the Total capital requirement to 18% of RWA, to be phased in by 2028.

Additional Tier 1 capital discussion paper

In September 2024, APRA released a discussion paper outlining potential amendments to APRA's prudential framework to ensure that the capital strength of the Australian banking system operates more effectively in a stress scenario. For advanced banks such as NAB, APRA has proposed replacing 1.5% Additional Tier 1 (AT1) capital with 0.25% Common Equity Tier 1 (CET1) capital and 1.25% Tier 2 capital, from January 2027. Subject to stakeholder feedback, APRA plans to provide an update on the consultation process in late 2024 and formally consult on specific changes to prudential standards in 2025.

Liquidity requirements

APRA will conduct a broader review of APS 210 *Liquidity* with early industry engagement commencing in 2025.

Capital management

The Group's capital management strategy is focused on adequacy, efficiency, and flexibility. The capital adequacy objective seeks to ensure sufficient capital is held in excess of regulatory requirements and is within the Group's balance sheet risk appetite. This approach is consistent across the Group's subsidiaries.

The Group's capital ratio operating targets are regularly reviewed in the context of the external economic and regulatory outlook with the objective of maintaining balance sheet strength. The Group's CET1 capital ratio operating target range remains unchanged at 11.0% to 11.5%.

On 15 August 2023, the Group announced its intention to buy back up to \$1.5 billion of NAB ordinary shares on-market to progressively manage its CET1 capital ratio towards its target range. NAB commenced the buy-back on 29 August 2023.

On 2 May 2024, the Group announced it had increased its on-market buy-back of ordinary shares by \$1.5 billion, resulting in a total combined size of up to \$3 billion. NAB has bought back and cancelled \$2.1 billion of ordinary shares in the September 2024 full year including \$1.1 billion (0.25% of CET1 capital) in the September 2024 half year.

Pillar 3 disclosures

Further disclosures with respect to capital adequacy and risk management are included in the September 2024 Pillar 3 Report as required by APS 330 *Public Disclosure*.

Capital management and funding (cont.)

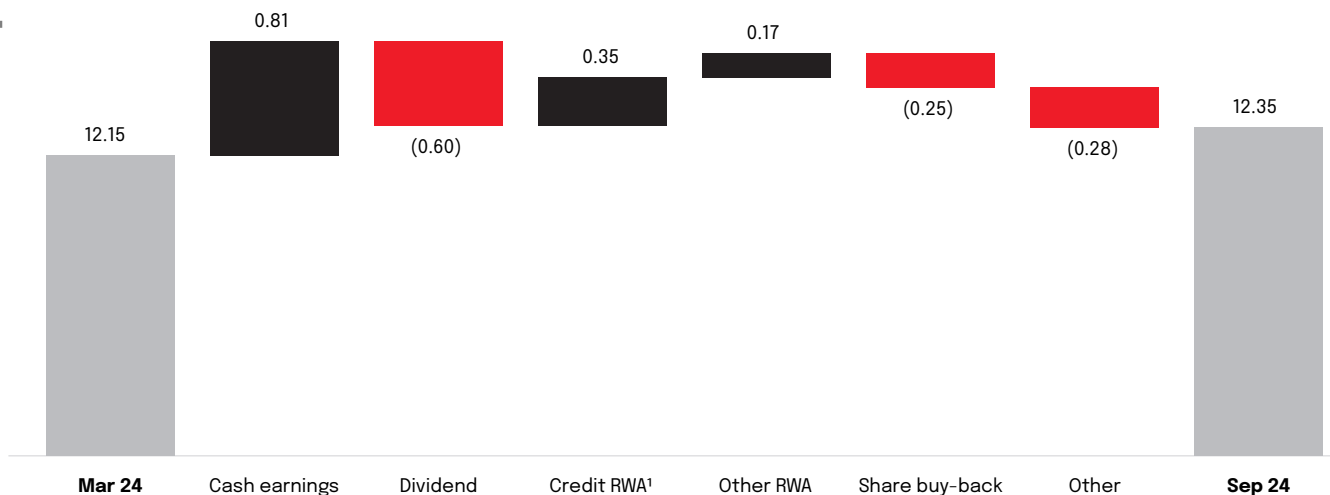
Capital ratios

	As at			Sep 24 v Sep 23	Sep 24 v Mar 24
	30 Sep 24 %	31 Mar 24 %	30 Sep 23 %		
Capital ratios					
CET1	12.35	12.15	12.22	13 bps	20 bps
Tier 1	14.67	14.13	14.19	48 bps	54 bps
Total capital	20.92	20.27	19.88	104 bps	65 bps

	As at			Sep 24 v Sep 23 %	Sep 24 v Mar 24 %
	30 Sep 24 \$m	31 Mar 24 \$m	30 Sep 23 \$m		
Risk-weighted assets					
Credit risk	350,891	363,873	355,554	(1.3)	(3.6)
Market risk	11,427	11,171	8,811	29.7	2.3
Operational risk	36,102	36,102	41,178	(12.3)	-
Interest rate risk in the banking book	15,526	21,407	29,463	(47.3)	(27.5)
Total risk-weighted assets	413,946	432,553	435,006	(4.8)	(4.3)

	As at			Sep 24 v Sep 23 %	Sep 24 v Mar 24 %
	30 Sep 24	31 Mar 24	30 Sep 23		
Leverage ratio					
Tier 1 capital (\$m)	60,728	61,133	61,726	(1.6%)	(0.7%)
Total exposures (\$m)	1,191,855	1,198,406	1,183,323	0.7%	(0.5%)
Leverage ratio (%)	5.10	5.10	5.22	(12 bps)	-

Movements in CET1 capital ratio (%)



(1) Excludes foreign exchange (FX) translation.

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Capital management and funding (cont.)

Capital movements during the September 2024 half year

The Group's CET1 capital ratio was 12.35% as at 30 September 2024. The key movements in CET1 capital over the September 2024 half year included:

- Cash earnings less the 2024 interim dividend resulting in an increase of 21 basis points.
- A decrease in credit RWA increasing the CET1 capital ratio by 35 basis points, driven by:
 - Volume growth contributing to a decrease of 15 basis points.
 - Asset quality deterioration contributing to a decrease of 10 basis points.
 - Model and methodology changes contributing to an increase of 63 basis points.
 - Derivatives (excluding foreign exchange translation) contributing to a decrease of 3 basis points.
- A decrease in Other (non-credit) RWA increasing the CET1 capital ratio by 17 basis points, largely driven by Interest rate risk in the banking book.
- The impact of \$1.1 billion of the on-market buy-back resulting in a decrease of 25 basis points.
- Other items decreasing the CET1 capital ratio by 28 basis points including movements from equity exposures, capitalised software, capitalised expenses, deferred tax assets, reserves and other miscellaneous items.

Dividend and Dividend Reinvestment Plan (DRP)

The final dividend in respect of the year ended 30 September 2024 has been increased to 85 cents, 100% franked, payable on 16 December 2024.

The extent to which future dividends on ordinary shares and distributions on frankable hybrids will be franked is not guaranteed and will depend on a number of factors, including capital management activities and the level of profits generated by the Group that will be subject to tax in Australia.

The Group periodically adjusts its DRP to reflect its capital position and outlook. There is no DRP discount for the 2024 final dividend. Eligible shareholders have the ability to participate in the DRP for the 2024 final dividend for up to 5 million NAB ordinary shares per participant. The Group expects to satisfy the DRP in full by an on-market purchase of shares.

Additional Tier 1 capital initiatives

On 6 June 2024, the Group issued \$1 billion of NAB Capital Notes 8, which will mandatorily convert into NAB ordinary shares on 18 December 2034, provided certain conditions are met.

With APRA's prior written approval, NAB may elect to convert, redeem or resell these NAB Capital Notes 8 on 17 March 2032, 17 June 2032, 17 September 2032, 17 December 2032, or on the occurrence of particular events, provided certain conditions are met.

Tier 2 capital initiatives

The Group's Tier 2 capital initiatives during the September 2024 full year included the following:

- On 6 December 2023, NAB issued \$300 million of Subordinated Notes.
- On 9 February 2024, NAB issued \$1.75 billion of Subordinated Notes.

- On 17 May 2024, NAB redeemed \$1 billion of Subordinated Notes.
- On 6 June 2024, NAB issued \$1.25 billion of Subordinated Notes.

Full details on the Group's subordinated notes issuance are available at nabcapital.com.au.

BNZ capital initiatives

On 21 August 2024, BNZ issued NZ\$450 million of Perpetual Preference Shares (PPS), which qualify as AT1 capital under RBNZ prudential regulatory requirements. The PPS have no fixed maturity date and will remain on issue indefinitely if not redeemed by BNZ. BNZ may elect to redeem the PPS on the first optional redemption date or on each quarterly scheduled distribution payment date thereafter, or at any time if a tax event or regulatory event occurs. Redemption is subject to certain conditions being met, including obtaining the RBNZ's approval. Holders of PPS have no right to require that the PPS be redeemed.

Funding and liquidity

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 Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR).

Funding

The Group employs a range of metrics to set its risk appetite and measure balance sheet strength. The NSFR measures the extent to which assets are funded with stable sources of funding to mitigate the risk of future funding stress.

As at 30 September 2024, the Group's NSFR was 117% up 1% compared to 30 September 2023, with the movement primarily driven by wholesale funding issuance in excess of impacts associated with the maturity of the Additional and Supplementary Allowances of the Term Funding Facility (TFF).

Another key structural measure for balance sheet strength is the Stable Funding Index (SFI), which is comprised of the Customer Funding Index (CFI) and the Term Funding Index (TFI). The CFI represents the proportion of the Group's core assets that is funded by customer deposits. Similarly, the TFI represents the proportion of the Group's core assets that is funded by term wholesale funding with a remaining term to maturity of greater than 12 months, including Term Lending Facility (TLF) and Funding for Lending Programme (FLP) drawdowns.

For the September 2024 full year, the SFI remained at 103% as lending growth was largely funded by deposit inflows and new term wholesale funding issuance in excess of volumes moving within 12 months to maturity.

Group funding metrics

	As at		
	30 Sep 24	31 Mar 24	30 Sep 23
	%	%	%
CFI	83	82	82
TFI	20	21	20
SFI	103	103	102
NSFR	117	118	116

The Group's deposit strategy is to grow a stable and reliable deposit base informed by market conditions, funding

Capital management and funding (cont.)

requirements and customer relationships. Refer to *Customer deposits* for further information about deposit movements.

Term wholesale funding

The Group maintains a well-diversified term wholesale funding profile across issuance type, currency, investor location and tenor.

During the September 2024 full year, NAB accessed term wholesale funding markets across a range of products and currencies with issuance conditions supported by decreasing inflation and central bank interest rate cut expectations.

The Group raised \$37.5 billion⁽¹⁾ of term wholesale funding during the September 2024 full year. NAB raised \$34.5 billion of term wholesale funding, including \$3.3 billion of Tier 2 subordinated debt and BNZ raised \$3.0 billion of term wholesale funding.

As at 30 September 2024, the full TFF allocation has been repaid.

The weighted average maturity of term wholesale funding issued by the Group in the September 2024 full year was 5.0⁽²⁾ years. The weighted average remaining maturity of the Group's term wholesale funding portfolio is 3.4⁽²⁾ years.

Term wholesale funding markets continue to be influenced by the economic environment, investor sentiment and impacts of monetary and fiscal policy settings.

Term wholesale funding issuance by deal type

	As at		
	30 Sep 24	31 Mar 24	30 Sep 23
	%	%	%
Senior unsecured	73	70	68
Subordinated debt	9	9	8
Covered bonds	13	21	24
RMBS	5	-	-
Total	100	100	100

Term wholesale funding issuance by currency

	As at		
	30 Sep 24	31 Mar 24	30 Sep 23
	%	%	%
USD	37	40	41
AUD	45	47	33
EUR	15	10	9
GBP	-	-	6
NZD	2	3	4
Other	1	-	7
Total	100	100	100

Short-term wholesale funding

For the September 2024 full year, the Group accessed international and domestic short-term funding through wholesale markets. In addition, the Group accessed secured short-term funding in the form of repurchase agreements primarily to support markets and trading activities. Repurchase agreements entered into, excluding those associated with the TFF, TLF and FLP, are materially offset by reverse repurchase agreements with similar tenors.

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. HQLA consists of cash, central bank reserves and highly rated government securities. In addition to HQLA, alternative liquid assets (ALA) can also contribute to regulatory liquidity. ALA has previously included the Committed Liquidity Facility (CLF) which was in effect pre 1 January 2023, and currently includes certain RBNZ repo-eligible securities.

The Group maintains a well-diversified liquid asset portfolio to support regulatory and internal requirements in the regions in which it operates. The average value of regulatory liquid assets held through the September 2024 quarter was \$215 billion which was comprised of \$212 billion of HQLA and \$3 billion of RBNZ repo-eligible securities.

The Group's LCR averaged 137% during the September 2024 quarter, a decrease of 3% compared to September 2023.

A detailed breakdown of quarterly average net cash outflows is provided in the September 2024 Pillar 3 Report.

Quarterly average net cash outflows

	Quarterly average		
	30 Sep 24	31 Mar 24	30 Sep 23
	\$bn	\$bn	\$bn
Liquidity Coverage Ratio			
High-quality liquid assets	212	205	209
Alternative liquid assets	3	2	1
Total LCR liquid assets	215	207	210
Net cash outflows	157	149	150
Quarterly average LCR (%)	137	139	140

Credit ratings

Entities in the Group are rated by S&P Global Ratings, Moody's Investors Service and Fitch Ratings.

NAB credit ratings

	Long Term	Short Term	Outlook
S&P Global Ratings	AA-	A-1+	Stable
Moody's Investors Service	Aa2	P-1	Stable
Fitch Ratings	AA-	F1+	Stable

(1) Excludes AT1 capital.

(2) Excludes AT1 capital, Residential Mortgage Backed Securities (RMBS), TFF and FLP.

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Full Year Results 2024

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Business and Private Banking

Business and Private Banking focuses on NAB's priority small and medium enterprise (SME) customer segments. This includes diversified businesses, as well as specialised Agriculture, Health, Professional Services, Franchisees, Government, Education and Community service segments along with Private Banking and JBWere. During the year, the Group transferred some customer lending and deposit portfolios between Personal Banking and Business and Private Banking. Comparative information has been restated accordingly.

	Year to			Half Year to		
	Sep 24	Sep 23 ⁽¹⁾	Sep 24 v	Sep 24	Mar 24 ⁽¹⁾	Sep 24 v
	\$m	\$m	Sep 23 %	\$m	\$m	Mar 24 %
Net interest income	7,268	7,232	0.5	3,669	3,599	1.9
Other operating income	1,031	989	4.2	517	514	0.6
Net operating income	8,299	8,221	0.9	4,186	4,113	1.8
Operating expenses ⁽²⁾	(3,111)	(2,996)	3.8	(1,560)	(1,551)	0.6
Underlying profit	5,188	5,225	(0.7)	2,626	2,562	2.5
Credit impairment charge	(523)	(564)	(7.3)	(322)	(201)	60.2
Cash earnings before income tax	4,665	4,661	0.1	2,304	2,361	(2.4)
Income tax expense	(1,408)	(1,403)	0.4	(693)	(715)	(3.1)
Cash earnings	3,257	3,258	-	1,611	1,646	(2.1)

Volumes (\$bn)						
Housing lending	105.2	100.3	4.9	105.2	103.6	1.5
Business lending	155.0	143.3	8.2	155.0	148.9	4.1
Other lending	3.4	3.7	(8.1)	3.4	3.5	(2.9)
Gross loans and acceptances	263.6	247.3	6.6	263.6	256.0	3.0
Average interest earning assets	237.8	221.2	7.5	241.8	233.7	3.5
Total assets	262.1	246.6	6.3	262.1	255.1	2.7
Customer deposits	221.3	206.8	7.0	221.3	213.9	3.5
Total risk-weighted assets	146.7	148.1	(0.9)	146.7	155.3	(5.5)

	Year to			Half Year to		
	Sep 24	Sep 23 ⁽¹⁾	Sep 24 v	Sep 24	Mar 24 ⁽¹⁾	Sep 24 v
Performance measures						
Cash earnings on average assets (%)	1.28	1.38	(10 bps)	1.25	1.32	(7 bps)
Cash earnings on average risk-weighted assets (%)	2.16	2.25	(9 bps)	2.14	2.17	(3 bps)
Net interest margin (%)	3.06	3.27	(21 bps)	3.03	3.08	(5 bps)
Cost to income ratio (%)	37.5	36.4	110 bps	37.3	37.7	(40 bps)
Funds under management (spot) (\$m) ⁽³⁾	42,376	47,430	(10.7%)	42,376	52,880	(19.9%)

Asset quality (%)						
Gross impaired assets to GLAs	0.39	0.25	14 bps	0.39	0.26	13 bps
Default but not impaired assets to GLAs	1.73	1.47	26 bps	1.73	1.53	20 bps
Credit impairment charge to GLAs - annualised	0.20	0.23	(3 bps)	0.24	0.16	8 bps

(1) During the year ended 30 September 2024, some customer lending and deposit portfolios were transferred between Personal Banking and Business and Private Banking. Comparative information has been restated accordingly.

(2) During the year ended 30 September 2024, refinements to the allocation of certain support unit costs has resulted in some costs previously recognised in Corporate Functions and Other being allocated to Business and Private Banking. Comparative information has been restated accordingly.

(3) Funds under management decreased by \$11.6 billion due to the disposal of the New Zealand wealth business in April 2024.

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September 2024 v September 2023

Cash earnings were broadly flat as increased operating expenses were offset by higher revenue and lower credit impairment charges.

Key movements	Key drivers
Net interest income up \$36m, 0.5%	<ul style="list-style-type: none"> Net interest margin decreased by 21 basis points reflecting deposit mix impacts due to growth in term deposits, competitive pressures impacting both the housing and business lending portfolios and higher wholesale funding costs. This was partially offset by higher earnings on deposits and capital due to the impact of higher interest rates. Average interest earning assets increased by \$16.6 billion or 7.5% reflecting growth in both business and housing lending. Customer deposits increased by \$14.5 billion or 7.0% driven by growth in term deposits and on-demand deposits.
Other operating income up \$42m, 4.2%	<ul style="list-style-type: none"> Includes a \$12 million decrease related to the disposal of the New Zealand wealth business. Underlying increase of \$54 million driven by higher revenue in relation to foreign exchange combined with small increases across a range of products.
Operating expenses up \$115m, 3.8%	<ul style="list-style-type: none"> Includes a \$6 million decrease related to the disposal of the New Zealand wealth business. Underlying increase of \$121 million driven by higher personnel costs due to an increase in salary and related expenses, investment to support growth and continued uplift in technology and compliance capabilities. This was partially offset by productivity benefits achieved through continued simplification of the Group's operations, in addition to realisation of operational process improvements and synergies achieved through the integration of the Citi consumer business.
Credit impairment charge down \$41m, 7.3%	<ul style="list-style-type: none"> Lower collective provision charges due to the impact of model changes, house price increases and lower levels of volume growth in the business lending and mortgage portfolios, partially offset by deterioration in asset quality across the business lending portfolio. This was partially offset by higher individually assessed provision charges due to increased impairments, including the impairment of a small number of larger customers. Gross impaired assets to GLAs increased by 14 basis points to 0.39%, primarily driven by an increase in total impaired assets in the business lending portfolio.
Risk-weighted assets down \$1.4bn, 0.9%	<ul style="list-style-type: none"> Decrease in risk-weighted assets driven by model methodology changes, partially offset by growth in business lending volumes, combined with deterioration in asset quality.

September 2024 v March 2024

Cash earnings decreased by \$35 million or 2.1%, driven by increased operating expenses and credit impairment charges. This was partially offset by higher revenue.

Key movements	Key drivers
Net interest income up \$70m, 1.9%	<ul style="list-style-type: none"> Net interest margin decreased by 5 basis points reflecting deposit mix impacts due to growth in term deposits and competitive pressures impacting both the housing and business lending portfolios. This was partially offset by higher earnings on deposits and capital due to the impact of higher interest rates. Average interest earning assets increased by \$8.1 billion or 3.5% driven by volume growth in both business and housing lending. Customer deposits increased by \$7.4 billion or 3.5% driven by growth in term deposits and on-demand deposits.
Other operating income up \$3m, 0.6%	<ul style="list-style-type: none"> Includes a \$17 million decrease related to the disposal of the New Zealand wealth business. Underlying increase of \$20 million driven by small increases across a range of products including higher foreign exchange and interest rate management revenue.
Operating expenses up \$9m, 0.6%	<ul style="list-style-type: none"> Includes a \$8 million decrease related to the disposal of the New Zealand wealth business. Underlying increase of \$17 million driven by higher personnel costs due to an increase in salary and related expenses, investment to support growth and continued uplift in technology and compliance capabilities. This was partially offset by productivity benefits achieved through continued simplification of the Group's operations, in addition to realisation of operational process improvements.
Credit impairment charge up \$121m, 60.2%	<ul style="list-style-type: none"> Higher individually assessed provision charges due to increased impairments, including the impairment of a small number of larger customers, partially offset by lower level of collective provision charges due to the impact of model changes. Gross impaired assets to GLAs increased by 13 basis points to 0.39%, primarily driven by an increase in total impaired assets in the business lending portfolio.
Risk-weighted assets down \$8.6bn, 5.5%	<ul style="list-style-type: none"> Decrease in risk-weighted assets driven by model methodology changes, partially offset by growth in business lending volumes.

Personal Banking

Personal Banking provides banking products and services to customers including securing a home loan and managing personal finances through deposits, credit card or personal loan facilities. Customers are supported through a network of branches and ATMs, call centres, digital capabilities as well as through proprietary lenders and mortgage brokers. During the year, the Group transferred some customer lending and deposit portfolios between Personal Banking and Business and Private Banking. Comparative information has been restated accordingly.

	Year to			Half Year to		
	Sep 24	Sep 23 ⁽¹⁾	Sep 24 v	Sep 24	Mar 24 ⁽¹⁾	Sep 24 v
	\$m	\$m	Sep 23 %	\$m	\$m	Mar 24 %
Net interest income	3,953	4,367	(9.5)	1,978	1,975	0.2
Other operating income	626	554	13.0	339	287	18.1
Net operating income	4,579	4,921	(6.9)	2,317	2,262	2.4
Operating expenses	(2,618)	(2,561)	2.2	(1,310)	(1,308)	0.2
Underlying profit	1,961	2,360	(16.9)	1,007	954	5.6
Credit impairment charge	(288)	(291)	(1.0)	(127)	(161)	(21.1)
Cash earnings before income tax	1,673	2,069	(19.1)	880	793	11.0
Income tax expense	(499)	(608)	(17.9)	(262)	(237)	10.5
Cash earnings	1,174	1,461	(19.6)	618	556	11.2

Volumes (\$bn)						
Housing lending	243.0	239.5	1.5	243.0	242.1	0.4
Other lending	9.5	9.5	-	9.5	9.7	(2.1)
Gross loans and acceptances	252.5	249.0	1.4	252.5	251.8	0.3
Average interest earning assets	226.3	226.4	-	226.3	226.4	-
Total assets	260.1	256.8	1.3	260.1	258.9	0.5
Customer deposits	163.3	150.6	8.4	163.3	157.2	3.9
Total risk-weighted assets	81.7	80.8	1.1	81.7	82.1	(0.5)

	Year to			Half Year to		
	Sep 24	Sep 23 ⁽¹⁾	Sep 24 v	Sep 24	Mar 24 ⁽¹⁾	Sep 24 v
	%	%	Sep 23	%	%	Mar 24
Performance measures						
Cash earnings on average assets	0.46	0.57	(11 bps)	0.48	0.43	5 bps
Cash earnings on average risk-weighted assets	1.45	1.76	(31 bps)	1.52	1.37	15 bps
Net interest margin	1.75	1.93	(18 bps)	1.75	1.74	1 bp
Cost to income ratio	57.2	52.0	520 bps	56.5	57.8	(130 bps)

Asset quality						
Gross impaired assets to GLAs	0.03	0.05	(2 bps)	0.03	0.04	(1 bp)
Default but not impaired assets to GLAs	1.31	0.94	37 bps	1.31	1.12	19 bps
Credit impairment charge to GLAs - annualised	0.11	0.12	(1 bp)	0.10	0.13	(3 bps)

(1) During the year ended 30 September 2024, some customer lending and deposit portfolios were transferred between Personal Banking and Business and Private Banking. Comparative information has been restated accordingly.

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September 2024 v September 2023

Cash earnings decreased by \$287 million or 19.6%, driven by lower revenue and an increase in operating expenses.

Key movements	Key drivers
Net interest income down \$414m, 9.5%	<ul style="list-style-type: none"> Net interest margin decreased by 18 basis points, driven by competitive pressures impacting the housing lending portfolio, unfavourable deposit mix as customers shift to higher yielding savings deposits and term deposits, combined with higher wholesale funding costs. This was partially offset by higher earnings on deposits and capital due to the impact of higher interest rates. Average interest earning assets decreased by \$0.1 billion. This reflected a disciplined approach to growth in housing lending due to continuation of strong competition and a focus on sustainable returns. Customer deposits increased by \$12.7 billion or 8.4%, driven by growth in on-demand deposits, term deposits and non-interest bearing accounts.
Other operating income up \$72m, 13.0%	<ul style="list-style-type: none"> Higher fee income relating to cards as a result of increased volumes and higher foreign exchange, partially offset by lower fee income relating to housing lending.
Operating expenses up \$57m, 2.2%	<ul style="list-style-type: none"> The increase was primarily driven by higher personnel expenses due to an increase in salary and related expenses, together with investment in fraud and financial crime resources and continued uplift in technology and compliance capabilities. This was partially offset by productivity benefits achieved through continued process improvements and simplification of the Group's operations, and synergies achieved through the integration of the Citi consumer business.
Credit impairment charge down \$3m, 1.0%	<ul style="list-style-type: none"> Lower collective provision charges for the mortgage portfolio due to the impact of house price increases, partially offset by an increase in arrears, combined with higher individually assessed charges in the unsecured retail portfolios. Gross impaired assets to GLAs decreased 2 basis points to 0.03%.
Risk-weighted assets up \$0.9bn, 1.1%	<ul style="list-style-type: none"> Increase in risk-weighted assets due to volume growth and deterioration of asset quality in the mortgage portfolio, partially offset by model and methodology changes.

September 2024 v March 2024

Cash earnings increased by \$62 million or 11.2%, primarily driven by an increase in revenue and lower credit impairment charges.

Key movements	Key drivers
Net interest income up \$3m, 0.2%	<ul style="list-style-type: none"> Net interest margin increased by 1 basis point, driven by higher earnings on deposits and capital due to the impact of higher interest rates, partially offset by deposit mix as customers shift to higher yielding savings deposits and competitive pressures impacting the housing lending portfolio. Average interest earning assets decreased by \$0.1 billion. This reflected a disciplined approach to growth in housing lending due to continuation of strong competition and a focus on sustainable returns. Customer deposits increased by \$6.1 billion or 3.9%, driven by growth in on-demand deposits, term deposits and non-interest bearing accounts.
Other operating income up \$52m, 18.1%	<ul style="list-style-type: none"> Higher cards income and higher foreign exchange revenue.
Operating expenses up \$2m, 0.2%	<ul style="list-style-type: none"> The increase was driven by higher personnel expenses due to an increase in salary and related expenses, combined with seasonally higher marketing campaign costs. Partially offset by productivity benefits achieved through continued process improvements and simplification of the Group's operations.
Credit impairment charge down \$34m, 21.1%	<ul style="list-style-type: none"> Lower level of charges for the unsecured retail portfolio due to non-recurrence of collective impairment charges from prior period. Gross impaired assets to GLAs decreased 1 basis point to 0.03%.
Risk-weighted assets down \$0.4bn, 0.5%	<ul style="list-style-type: none"> Decrease in risk-weighted assets due to model and methodology changes, partially offset by volume growth and deterioration in asset quality.

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Corporate and Institutional Banking

Corporate and Institutional Banking partners with customers globally to meet their most complex financial needs, through a range of products and services including client coverage, corporate finance, markets, transactional banking, enterprise payments and asset servicing (which is being wound down over approximately three years from November 2022). Corporate and Institutional Banking serves its customers across Australia, US, Europe and Asia with specialised industry relationships and product teams. Corporate and Institutional Banking included the Bank of New Zealand's Markets Trading operations up to 30 September 2023. From 1 October 2023, these operations are reported within New Zealand Banking. Comparative information has been restated accordingly.

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	Year to			Half Year to		
	Sep 24 \$m	Sep 23 ⁽¹⁾ \$m	Sep 24 v Sep 23 %	Sep 24 \$m	Mar 24 \$m	Sep 24 v Mar 24 %
Net interest income	2,550	2,304	10.7	1,271	1,279	(0.6)
Other operating income	1,346	1,584	(15.0)	676	670	0.9
Net operating income	3,896	3,888	0.2	1,947	1,949	(0.1)
Operating expenses	(1,445)	(1,428)	1.2	(710)	(735)	(3.4)
Underlying profit	2,451	2,460	(0.4)	1,237	1,214	1.9
Credit impairment (charge) / write-back	7	(32)	large	(30)	37	large
Cash earnings before income tax	2,458	2,428	1.2	1,207	1,251	(3.5)
Income tax expense	(686)	(588)	16.7	(334)	(352)	(5.1)
Cash earnings	1,772	1,840	(3.7)	873	899	(2.9)
Net operating income						
Lending and deposits income	2,961	2,904	2.0	1,498	1,463	2.4
Markets income (ex derivative valuation adjustment)	593	604	(1.8)	299	294	1.7
Derivative valuation adjustment ⁽²⁾	-	55	large	(9)	9	large
Other income	342	325	5.2	159	183	(13.1)
Total net operating income	3,896	3,888	0.2	1,947	1,949	(0.1)
Volumes (\$bn)						
Business lending	110.3	103.7	6.4	110.3	107.3	2.8
Other lending	0.3	0.4	(25.0)	0.3	0.4	(25.0)
Gross loans and acceptances	110.6	104.1	6.2	110.6	107.7	2.7
Average interest earning assets	244.0	250.6	(2.6)	242.8	245.2	(1.0)
Total assets	278.0	276.7	0.5	278.0	266.5	4.3
Customer deposits	131.8	137.4	(4.1)	131.8	131.6	0.2
Total risk-weighted assets	99.7	97.1	2.7	99.7	100.0	(0.3)
Performance measures						
	Sep 24 %	Sep 23 ⁽¹⁾ %	Sep 24 v Sep 23	Sep 24 %	Mar 24 %	Sep 24 v Mar 24
Cash earnings on average assets	0.64	0.63	1 bp	0.63	0.64	(1 bp)
Cash earnings on average risk-weighted assets	1.79	1.76	3 bps	1.74	1.83	(9 bps)
Net interest margin	1.05	0.92	13 bps	1.05	1.04	1 bp
Net interest margin (ex Markets)	2.11	2.06	5 bps	2.14	2.08	6 bps
Cost to income ratio	37.1	36.7	40 bps	36.5	37.7	(120 bps)
Asset quality						
Gross impaired assets to GLAs	0.06	0.10	(4 bps)	0.06	0.06	-
Default but not impaired assets to GLAs	0.14	0.06	8 bps	0.14	0.09	5 bps
Credit impairment charge / (write-back) to GLAs - annualised	(0.01)	0.03	(4 bps)	0.05	(0.07)	12 bps

(1) Corporate and Institutional Banking included Bank of New Zealand's Markets Trading operations up to 30 September 2023. From 1 October 2023, these operations are reported within New Zealand Banking. Comparative information has been restated accordingly.

(2) Derivative valuation adjustment is shown net of hedging costs or benefits and includes credit valuation adjustments and funding valuation adjustments.

September 2024 v September 2023

Cash earnings decreased by \$68 million or 3.7%, primarily driven by higher income tax expenses due to the repeal of the offshore banking unit tax concession resulting in changes to the effective tax rate, partially offset by decreased credit impairment charges.

Key movements	Key drivers
Net interest income up \$246m, 10.7%	<ul style="list-style-type: none"> Includes an increase of \$89 million due to movements in economic hedges offset in other operating income. Underlying increase of \$157 million primarily due to increased Markets income and higher net interest margins, partially offset by the anticipated run-off in the asset servicing business. Net interest margin (ex Markets) increased by 5 basis points to 2.11% primarily driven by higher earnings on capital due to the impact of higher interest rates, partially offset by lower deposits margin including the mix impact of the anticipated run-off in the asset servicing business. Gross loans and acceptances increased by \$6.5 billion or 6.2%. The underlying increase of \$7.7 billion excluding exchange rate movements was primarily due to a continued focus on securitisation, funds and corporate growth segments. Customer deposits decreased by \$5.6 billion or 4.1%. The underlying decrease of \$5.4 billion excluding exchange rate movements was largely driven by the anticipated run-off in the asset servicing business and a reduction in term deposits, partially offset by an increase in structured deposits⁽¹⁾.
Other operating income down \$238m, 15.0%	<ul style="list-style-type: none"> Includes a decrease of \$89 million due to movements in economic hedges offset in net interest income. Underlying decrease of \$149 million is primarily due to lower Markets income and reduced derivative valuation adjustments, partially offset by higher lending fees.
Operating expenses up \$17m, 1.2%	<ul style="list-style-type: none"> Increase primarily driven by higher personnel expenses due to an increase in salary and related expenses, combined with continued uplift in technology and compliance capabilities. This was partially offset by productivity benefits achieved through continued process improvements and simplification of the Group's operations in addition to the disciplined execution of winding down the asset servicing business.
Credit impairment charge down \$39m	<ul style="list-style-type: none"> Primarily due to lower individually assessed provision charges reflecting higher recoveries and write-backs for a small number of larger customers, partially offset by higher collective provision charges.
Risk-weighted assets up \$2.6bn, 2.7%	<ul style="list-style-type: none"> Increase in risk-weighted assets is primarily due to increased lending volumes, deterioration in asset quality and market movements, partially offset by model and methodology changes and foreign exchange movements.

September 2024 v March 2024

Cash earnings decreased by \$26 million or 2.9%, primarily driven by higher credit impairment charges, partially offset by lower operating expenses.

Key movements	Key drivers
Net interest income down \$8m, 0.6%	<ul style="list-style-type: none"> Includes a decrease of \$26 million due to movements in economic hedges offset in other operating income. Underlying increase of \$18 million primarily due to higher net interest margins, partially offset by reduced Markets income. Net interest margin (ex Markets) increased by 6 basis points to 2.14% primarily driven by higher earnings on capital due to the impact of higher interest rates, partially offset by lower deposits margin including the mix impact of the anticipated run-off in the asset servicing business. Gross loans and acceptances increased by \$2.9 billion or 2.7%. Underlying increase of \$4.3 billion excluding exchange rate movements was primarily due to a continued focus on corporate, securitisation and funds growth segments. Customer deposits increased by \$0.2 billion or 0.2%. The underlying increase of \$0.5 billion excluding exchange rate movements was driven largely by an increase in term and structured deposits⁽¹⁾, partially offset by the anticipated run-off in the asset servicing business and a reduction in transaction accounts.
Other operating income up \$6m, 0.9%	<ul style="list-style-type: none"> Includes an increase of \$26 million due to movements in economic hedges offset in net interest income. Underlying decrease of \$20 million primarily due to lower derivative valuation adjustments and the winding down of the asset servicing business, partially offset by increased Markets income.
Operating expenses down \$25m, 3.4%	<ul style="list-style-type: none"> The decrease was primarily driven by productivity benefits achieved through continued process improvements and simplification of the Group's operations in addition to the disciplined execution of winding down the asset servicing business.
Credit impairment charge up \$67m	<ul style="list-style-type: none"> Increase is due to higher collective provision charges and non-recurrence of individually assessed recoveries and write-backs from March 2024 half year.
Risk-weighted assets down \$0.3bn, 0.3%	<ul style="list-style-type: none"> Decrease in risk-weighted assets is primarily due to model and methodology changes and foreign exchange movements, partially offset by deterioration in asset quality and increased lending volumes.

(1) Structured deposits have notice periods which extend their behavioural maturity beyond their initial contractual maturity and pricing construct. They include Rolling Deposit Accounts, Retail Look Through and Notice Saver deposits.

New Zealand Banking

New Zealand Banking serves customers across New Zealand with personal and business banking services, through a nationwide network of customer centres, digital and assisted channels. From 1 October 2023, the Bank of New Zealand's Markets Trading operations and enabling units are reported within New Zealand Banking. Previously the Bank of New Zealand's Markets Trading operations were reported in Corporate and Institutional Banking and the enabling units within Corporate Functions and Other. Comparative information has been restated accordingly.

Results presented in New Zealand dollars. Refer to page 44 for results in Australian dollars and page 75 for FX rates.

	Year to			Half Year to		
	Sep 24 \$m	Sep 23 ⁽¹⁾ \$m	Sep 24 v Sep 23 %	Sep 24 \$m	Mar 24 \$m	Sep 24 v Mar 24 %
Net interest income	2,895	2,899	(0.1)	1,434	1,461	(1.8)
Other operating income	591	591	-	291	300	(3.0)
Net operating income	3,486	3,490	(0.1)	1,725	1,761	(2.0)
Operating expenses	(1,285)	(1,224)	5.0	(644)	(641)	0.5
Underlying profit	2,201	2,266	(2.9)	1,081	1,120	(3.5)
Credit impairment charge	(141)	(153)	(7.8)	(76)	(65)	16.9
Cash earnings before income tax	2,060	2,113	(2.5)	1,005	1,055	(4.7)
Income tax expense	(596)	(595)	0.2	(300)	(296)	1.4
Cash earnings before non-controlling interests	1,464	1,518	(3.6)	705	759	(7.1)
Non-controlling interests	(20)	(5)	large	(11)	(9)	22.2
Cash earnings	1,444	1,513	(4.6)	694	750	(7.5)

Volumes (\$bn)						
Housing lending	60.1	57.7	4.2	60.1	58.8	2.2
Business lending	45.9	43.9	4.6	45.9	45.2	1.5
Other lending	0.8	0.8	-	0.8	0.9	(11.1)
Gross loans and acceptances	106.8	102.4	4.3	106.8	104.9	1.8
Average interest earning assets	123.0	120.6	2.0	122.6	123.4	(0.6)
Total assets	131.0	130.0	0.8	131.0	128.9	1.6
Customer deposits	82.3	78.5	4.8	82.3	80.0	2.9
Total risk-weighted assets	64.5	68.9	(6.4)	64.5	67.7	(4.7)

	Year to			Half Year to		
	Sep 24 %	Sep 23 ⁽¹⁾ %	Sep 24 v Sep 23	Sep 24 %	Mar 24 %	Sep 24 v Mar 24
Performance measures						
Cash earnings on average assets	1.10	1.16	(6 bps)	1.07	1.14	(7 bps)
Cash earnings on average risk-weighted assets	2.16	2.25	(9 bps)	2.09	2.21	(12 bps)
Net interest margin	2.35	2.40	(5 bps)	2.34	2.37	(3 bps)
Cost to income ratio	36.9	35.1	180 bps	37.3	36.4	90 bps

Asset quality						
Gross impaired assets to GLAs	0.29	0.43	(14 bps)	0.29	0.26	3 bps
Default but not impaired assets to GLAs	0.72	0.71	1 bp	0.72	0.78	(6 bps)
Credit impairment charge to GLAs - annualised	0.13	0.15	(2 bps)	0.14	0.12	2 bps

(1) From 1 October 2023, Bank of New Zealand's Markets Trading operations and enabling units are reported within New Zealand Banking. Previously Bank of New Zealand's Markets Trading operations were reported in Corporate and Institutional Banking and the enabling units within Corporate Functions and Other. Comparative information has been restated accordingly.

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September 2024 v September 2023

Cash earnings decreased by \$69 million or 4.6%, driven by full year impact of dividends to non-controlling interest along with higher operating expenses and lower revenue. This was partially offset by lower credit impairment charges.

Key movements	Key drivers
Net interest income down \$4m, 0.1%	<ul style="list-style-type: none"> Net interest margin decreased by 5 basis points. This decrease was driven by competitive pressures impacting deposits and the housing and business lending portfolios. This was partially offset by higher earnings on capital due to higher interest rates and increased capital volumes. Average interest earning assets increased by \$2.4 billion or 2.0%. This reflected growth in housing and business lending partially offset by a decrease in liquid assets. Customer deposits increased by \$3.8 billion or 4.8% driven by growth in term deposits of \$3.7 billion and on-demand deposits of \$1.4 billion. This was partially offset by a decrease in non-interest bearing deposits of \$1.3 billion.
Other operating income flat	<ul style="list-style-type: none"> Higher Treasury income and earnings relating to the investment in FirstCape. Offset by lower markets income, lower fee income relating to cards and merchant services driven by lower activity levels.
Operating expenses up \$61m, 5.0%	<ul style="list-style-type: none"> Increase primarily driven by higher personnel costs due to an increase in salary and related expenses, together with continued uplift in technology and compliance capabilities including fraud and cyber security. Partially offset by productivity benefits achieved through continued process improvements and simplification of the Group's operations.
Credit impairment charge down \$12m, 7.8%	<ul style="list-style-type: none"> Lower collective provision charges partially offset by higher individually assessed charges due to small number of large corporate and agribusiness customers. Gross impaired assets to GLAs decreased by 14 basis points driven by a decrease in the portfolio of restructured loans relating to customers affected by 2023 severe weather events now returning to performing.
Total risk-weighted assets down \$4.4bn, 6.4%	<ul style="list-style-type: none"> Decrease driven by lower interest rate risk in the banking book and decreased risk-weighted assets primarily due to model and methodology changes. Partially offset by an increase in lending volumes and deterioration of asset quality.

September 2024 v March 2024

Cash earnings decreased by \$56 million or 7.5%, driven by lower revenue, higher operating expenses, and higher credit impairment charges.

Key movements	Key drivers
Net interest income down \$27m, 1.8%	<ul style="list-style-type: none"> Net interest margin decreased by 3 basis points. This decrease was driven by competitive pressures impacting deposits and the business lending portfolio. This was partially offset by higher earnings on capital due to higher interest rates and increased capital volumes along with higher margins in housing lending. Average interest earning assets decreased by \$0.8 billion or 0.6%. This reflected growth in housing and business lending partially offset by a decrease in liquid assets. Customer deposits increased by \$2.3 billion or 2.9% driven by growth in term deposits of \$1.8 billion and on-demand deposits of \$1.7 billion. This was partially offset by a decrease in non-interest bearing deposits of \$1.2 billion.
Other operating income down \$9m, 3.0%	<ul style="list-style-type: none"> This decrease was primarily due to the mark-to-market impact on bonds in Treasury and lower Markets income. Partially offset by higher fee income relating to business lending and merchant services along with earnings relating to the investment in FirstCape.
Operating expenses up \$3m, 0.5%	<ul style="list-style-type: none"> Increase primarily driven by higher personnel costs due to an increase in salary and related expenses, together with continued uplift in technology and compliance capabilities including fraud and cyber security. Partially offset by productivity benefits achieved through continued process improvements and simplification of the Group's operations.
Credit impairment charge up \$11m, 16.9%	<ul style="list-style-type: none"> Higher individually assessed charge due to small number of large corporate and agribusiness customers, partially offset by a lower level of collective provision charges.
Total risk-weighted assets down \$3.2bn, 4.7%	<ul style="list-style-type: none"> Decrease driven by lower interest rate risk in the banking book and decreased risk-weighted assets primarily due to model and methodology changes. Partially offset by an increase in lending volumes and deterioration of asset quality.

New Zealand Banking (cont.)

Results presented in Australian dollars. Refer to page 42 for results in New Zealand dollars.

	Year to			Half Year to		
	Sep 24 \$m	Sep 23 ⁽¹⁾ \$m	Sep 24 v Sep 23 %	Sep 24 \$m	Mar 24 \$m	Sep 24 v Mar 24 %
Net interest income	2,669	2,673	(0.1)	1,311	1,358	(3.5)
Other operating income	545	545	-	267	278	(4.0)
Net operating income	3,214	3,218	(0.1)	1,578	1,636	(3.5)
Operating expenses	(1,185)	(1,129)	5.0	(590)	(595)	(0.8)
Underlying profit	2,029	2,089	(2.9)	988	1,041	(5.1)
Credit impairment charge	(129)	(141)	(8.5)	(68)	(61)	11.5
Cash earnings before income tax	1,900	1,948	(2.5)	920	980	(6.1)
Income tax expense	(549)	(549)	-	(275)	(274)	0.4
Cash earnings before non-controlling interests	1,351	1,399	(3.4)	645	706	(8.6)
Non-controlling interests	(18)	(5)	large	(9)	(9)	-
Cash earnings	1,333	1,394	(4.4)	636	697	(8.8)

(1) From 1 October 2023, Bank of New Zealand's Markets Trading operations and enabling units are reported within New Zealand Banking. Previously Bank of New Zealand's Markets Trading operations were reported in Corporate and Institutional Banking and the enabling units within Corporate Functions and Other. Comparative information has been restated accordingly.

Impact of foreign exchange rate movements

Favourable / (unfavourable)	Year since	Sep 24 v	Half Year since	Sep 24 v
	Sep 23 \$m	Sep 23 ex FX %	Mar 24 \$m	Mar 24 ex FX %
30 September 2024				
Net interest income	(1)	(0.1)	(21)	(1.9)
Other operating income	1	(0.2)	(4)	(2.5)
Operating expenses	-	5.0	9	0.7
Credit impairment write-back	1	(7.8)	2	14.8
Income tax expense	-	-	5	2.2
Non-controlling interests	-	large	-	-
Cash earnings	1	(4.4)	(9)	(7.5)

NAB has a framework in place for the management of the foreign exchange exposure that exists from the future earnings of the Group's New Zealand business in NZD which are subsequently translated to AUD at the Group level. Between approximately 35% and 65% of expected annual earnings is economically hedged across the following 24-month period. As of 30 September 2024, NAB had hedges in place at a weighted average forward rate of AUD/NZD 1.0895.

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Corporate Functions and Other

Corporate Functions and Other includes ubank and enabling units that support all businesses including Treasury, Technology and Enterprise Operations, Data, Digital and Analytics, Support Units and eliminations. Corporate Functions and Other included the enabling units of the Bank of New Zealand up to 30 September 2023. From 1 October 2023, these enabling units are reported within New Zealand Banking. Comparative information has been restated accordingly.

	Year to			Half Year to		
	Sep 24 \$m	Sep 23 ⁽¹⁾ \$m	Sep 24 v Sep 23 %	Sep 24 \$m	Mar 24 \$m	Sep 24 v Mar 24 %
Net operating income	262	406	(35.5)	84	178	(52.8)
Operating expenses ⁽²⁾	(1,068)	(909)	17.5	(580)	(488)	18.9
Underlying loss	(806)	(503)	60.2	(496)	(310)	60.0
Credit impairment write-back	205	226	(9.3)	182	23	large
Cash loss before income tax	(601)	(277)	large	(314)	(287)	9.4
Income tax benefit	167	55	large	130	37	large
Cash loss	(434)	(222)	95.5	(184)	(250)	(26.4)

(1) From 1 October 2023, Bank of New Zealand's Markets Trading operations and enabling units are reported within New Zealand Banking. Previously Bank of New Zealand's Markets Trading operations were reported in Corporate and Institutional Banking and the enabling units within Corporate Functions and Other. Comparative information has been restated accordingly.

(2) During the year ended 30 September 2024, refinements to the allocation of certain support unit costs has resulted in some costs previously recognised in Corporate Functions and Other being allocated to Business and Private Banking. Comparative information has been restated accordingly.

September 2024 v September 2023

Cash loss increased by \$212 million or 95.5%, mainly due to higher operating expenses, lower net operating income and lower credit impairment write-backs.

Key movements	Key drivers
Net operating income down \$144m, 35.5%	<ul style="list-style-type: none"> Includes customer-related remediation charges of \$21 million in the September 2024 full year (September 2023 full year: \$21 million). The decrease of \$144 million was primarily due to realised losses on bond sales in Treasury (high-quality liquids portfolio), combined with lower earnings relating to the investment in MLC Life.
Operating expenses up \$159m, 17.5%	<ul style="list-style-type: none"> Includes \$89 million in the September 2024 full year (September 2023 full year: \$105 million) relating to costs of compliance activities under the terms of the Enforceable Undertaking (EU) with Australian Transaction Reports and Analysis Centre (AUSTRAC). Includes customer-related remediation charges of \$40 million in the September 2024 full year (September 2023 full year: \$20 million). Excluding these items and the non-recurrence of a provision of \$40 million in the September 2023 full year in respect of the one-off levy for the CSLR, the underlying increase was \$195 million. This was primarily driven by an increase in salary and related expenses, restructuring-related costs, together with continued uplift in technology and compliance capabilities.
Credit impairment write-back down \$21m, 9.3%	<ul style="list-style-type: none"> Higher level of charges for the forward looking economic adjustment, partially offset by a higher level of net releases of FLAs held for targeted sectors and model changes.

September 2024 v March 2024

Cash loss decreased by \$66 million or 26.4%, mainly due to higher credit impairment write-backs, partially offset by lower net operating income and higher operating expenses.

Key movements	Key drivers
Net operating income down \$94m, 52.8%	<ul style="list-style-type: none"> Includes customer-related remediation charges of \$21 million in the September 2024 half year (March 2024 half year: \$nil). Excluding customer-related remediation, the underlying decrease of \$73 million was primarily due to realised losses on bond sales in Treasury (high-quality liquids portfolio), partially offset by higher earnings relating to the investment in MLC Life.
Operating expenses up \$92m, 18.9%	<ul style="list-style-type: none"> Includes \$41 million in the September 2024 half year (March 2024 half year: \$48 million) relating to costs of compliance activities under the terms of the EU with AUSTRAC. Includes customer-related remediation charges of \$20 million in the September 2024 half year (March 2024 half year: \$20 million). Excluding these items, the underlying increase was \$99 million. This was primarily driven by an increase in salary and related expenses, restructuring-related costs, together with continued uplift in technology and compliance capabilities.
Credit impairment write-back up \$159m	<ul style="list-style-type: none"> Higher level of net releases of FLAs held for targeted sectors and model changes, combined with a lower level of charges for the forward looking economic adjustment.

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This document should be read in conjunction with the 2024 Annual Report and any announcements to the market made by the Group during the period in accordance with the continuous disclosure requirements of the *Corporations Act 2001* (Cth) and the ASX Listing Rules.

The Group's consolidated financial statements, prepared in accordance with the *Corporations Act 2001* (Cth) and accounting standards and interpretations issued by the AASB can be found in the 2024 Annual Report.

Ernst & Young has audited the financial report contained within the 2024 Annual Report and has issued an unmodified audit report. This document has not been subject to audit by Ernst & Young.

Information in Section 4 is presented on a statutory basis unless otherwise stated.

1 Other income

	Year to		Half Year to	
	Sep 24	Sep 23	Sep 24	Mar 24
	\$m	\$m	\$m	\$m
Net fees and commissions				
Lending fees	1,202	1,141	605	597
Other fees and commissions ⁽¹⁾	936	893	468	468
Net investment management income				
Investment management income	284	304	123	161
Investment management expense	(163)	(155)	(80)	(83)
Total net fees and commissions	2,259	2,183	1,116	1,143
Gains less losses on financial instruments at fair value				
Trading instruments	2,097	1,141	966	1,131
Hedge ineffectiveness	(21)	(21)	(5)	(16)
Financial instruments designated at fair value	(798)	390	(326)	(472)
Total gains less losses on financial instruments at fair value	1,278	1,510	635	643
Other operating income				
Dividends	4	2	1	3
Share of profit or loss from associates and joint ventures	-	25	10	(10)
Other ⁽²⁾⁽³⁾	348	121	355	(7)
Total other operating income	352	148	366	(14)
Total other income	3,889	3,841	2,117	1,772

(1) In the September 2024 full year, the Group recognised customer-related remediation charges of \$35 million (2023: \$29 million) in other fees and commissions.

(2) On 30 April 2024, the Group completed the disposal of its New Zealand wealth businesses in return for a 45% stake in FirstCape and cash proceeds of \$135 million, resulting in a gain on disposal of \$395 million in other income.

(3) Includes \$104 million of realised losses that have been transferred to the income statement on disposal of debt instruments at fair value through other comprehensive income.

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2 Operating expenses

	Year to ⁽¹⁾		Half Year to ⁽¹⁾	
	Sep 24 \$m	Sep 23 \$m	Sep 24 \$m	Mar 24 \$m
Personnel expenses				
Salaries and related on-costs	4,399	4,353	2,191	2,208
Superannuation costs-defined contribution plans	396	366	199	197
Performance-based compensation	596	557	285	311
Other expenses	475	215	350	125
Total personnel expenses	5,866	5,491	3,025	2,841
Occupancy and depreciation expenses				
Rental expense	99	100	49	50
Depreciation and impairment	434	440	218	216
Other expenses	58	57	24	34
Total occupancy and depreciation expenses	591	597	291	300
Technology expenses				
Computer equipment and software	1,019	888	520	499
Amortisation of software	681	577	351	330
Depreciation of IT equipment	154	156	79	75
Data communication and processing charges	118	126	57	61
Communications	56	58	29	27
Impairment losses recognised	8	11	6	2
Total technology expenses	2,036	1,816	1,042	994
General expenses				
Fees and commissions expense	23	18	11	12
Amortisation of acquired intangible assets ⁽²⁾	43	43	22	21
Advertising and marketing	209	220	117	92
Operational risk event losses and customer-related remediation ⁽³⁾	136	103	77	59
Postage and stationery	88	92	45	43
Professional fees	646	711	325	321
Other expenses	388	291	252	136
Total general expenses	1,533	1,478	849	684
Total operating expenses	10,026	9,382	5,207	4,819

(1) During the September 2024 full year, the Group revised its presentation of operating expenses to present more relevant information about the categorisation of expenses. The 'Technology expenses' category includes amounts previously included within 'Occupancy and depreciation expenses' and 'General expenses'. Comparative information has been restated accordingly.

(2) Relates to the amortisation of intangible assets acquired in business combinations, including software, customer relationships and core deposits.

(3) In the September 2024 full year, the Group recognised \$40 million (September 2023 full year: \$20 million) of costs for executing customer-related remediation programs.

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3 Loans and advances

	As at		
	30 Sep 24 \$m	31 Mar 24 \$m	30 Sep 23 \$m
Loans and advances			
Housing loans	416,758	413,075	406,298
Other term lending	279,987	270,955	262,766
Asset and lease financing	18,879	18,186	17,214
Overdrafts	5,886	5,588	5,459
Credit card outstandings	9,455	9,789	9,528
Other lending	7,211	7,687	7,209
Fair value adjustment	30	12	(3)
Gross loans and advances	738,206	725,292	708,471
<i>Represented by:</i>			
Loans and advances at fair value ⁽¹⁾	576	649	1,243
Loans and advances at amortised cost	737,630	724,643	707,228
Gross loans and advances	738,206	725,292	708,471
Unearned income and deferred net fee income	(2,003)	(1,655)	(1,453)
Capitalised brokerage costs	2,986	2,656	2,512
Provision for credit impairment	(5,921)	(5,767)	(5,585)
Net loans and advances	733,268	720,526	703,945
Securitised loans and loans supporting covered bonds⁽²⁾	49,197	44,617	43,053

	As at 30 September 2024			
	Australia \$m	New Zealand \$m	Other International \$m	Total Group \$m
By product and geographic location				
Housing loans	361,549	55,209	-	416,758
Other term lending	218,592	39,721	21,674	279,987
Asset and lease financing	18,822	-	57	18,879
Overdrafts	3,858	2,016	12	5,886
Credit card outstandings	8,733	722	-	9,455
Other lending	6,365	445	401	7,211
Fair value adjustment	30	-	-	30
Gross loans and advances	617,949	98,113	22,144	738,206
<i>Represented by:</i>				
Loans and advances at fair value ⁽¹⁾	576	-	-	576
Loans and advances at amortised cost	617,373	98,113	22,144	737,630
Gross loans and advances	617,949	98,113	22,144	738,206

(1) On the balance sheet, this amount is included within 'Other financial assets'. Refer to *Note 7 Balance Sheet*.

(2) Loans supporting securitisation and covered bonds are included within the balance of net loans and advances.

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Loans and advances (cont.)

As at 31 March 2024

	Australia \$m	New Zealand \$m	Other International \$m	Total Group \$m
By product and geographic location				
Housing loans	359,128	53,940	7	413,075
Other term lending	210,214	39,172	21,569	270,955
Asset and lease financing	18,129	-	57	18,186
Overdrafts	3,642	1,941	5	5,588
Credit card outstandings	9,033	756	-	9,789
Other lending	7,030	417	240	7,687
Fair value adjustment	12	-	-	12
Gross loans and advances	607,188	96,226	21,878	725,292
<i>Represented by:</i>				
Loans and advances at fair value ⁽¹⁾	649	-	-	649
Loans and advances at amortised cost	606,539	96,226	21,878	724,643
Gross loans and advances	607,188	96,226	21,878	725,292

As at 30 September 2023

	Australia \$m	New Zealand \$m	Other International \$m	Total Group \$m
By product and geographic location				
Housing loans	352,559	53,730	9	406,298
Other term lending	204,898	38,425	19,443	262,766
Asset and lease financing	17,158	-	56	17,214
Overdrafts	3,414	2,039	6	5,459
Credit card outstandings	8,771	757	-	9,528
Other lending	6,591	444	174	7,209
Fair value adjustment	-	(5)	2	(3)
Gross loans and advances	593,391	95,390	19,690	708,471
<i>Represented by:</i>				
Loans and advances at fair value ⁽¹⁾	682	561	-	1,243
Loans and advances at amortised cost	592,709	94,829	19,690	707,228
Gross loans and advances	593,391	95,390	19,690	708,471

(1) On the balance sheet, this amount is included within 'Other financial assets'. Refer to Note 7 Balance Sheet.

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4 Provision for credit impairment on loans at amortised cost

Expected Credit Losses (ECL) are derived from probability weighted estimates of loss. The measurement of ECL and assessment of significant increase in credit risk considers information about current conditions, past events, as well as reasonable and supportable forecasts of future economic conditions. For further details please refer to the accounting policy section of *Note 17 Provision for credit impairment on loans at amortised cost* in the 2024 Annual Report.

	Year to		Half Year to	
	Sep 24	Sep 23	Sep 24	Mar 24
	\$m	\$m	\$m	\$m
Credit impairment charge on loans and advances at amortised cost				
New and increased provisions (net of collective provision releases)	968	1,043	462	506
Write-backs of individually assessed provisions	(132)	(148)	(60)	(72)
Recoveries of amounts previously written-off	(95)	(79)	(37)	(58)
Total charge to the income statement	741	816	365	376

	Stage 1	Stage 2	Stage 3		Total
	Performing 12-mth ECL	Performing Lifetime ECL	Non-performing Lifetime ECL		
	Collective	Collective	Collective	Individually assessed	
	\$m	\$m	\$m	\$m	\$m
Group - Yearly					
Balance at 1 October 2022	448	3,276	817	515	5,056
Changes due to financial assets recognised in the opening balance that have:					
Transferred to Performing - 12-mth ECL - collective	247	(234)	(13)	-	-
Transferred to Performing - Lifetime ECL - collective	(26)	104	(78)	-	-
Transferred to Non-performing - Lifetime ECL - collective	(1)	(49)	50	-	-
Transferred to Non-performing - Lifetime ECL - individually assessed	-	(14)	(46)	60	-
New and increased provisions (net of collective provision releases)	(143)	428	242	516	1,043
Write-backs of individually assessed provisions	-	-	-	(148)	(148)
Write-offs from individually assessed provisions	-	-	-	(409)	(409)
Foreign currency translation and other adjustments	4	29	5	5	43
Balance at 30 September 2023	529	3,540	977	539	5,585
Changes due to financial assets recognised in the opening balance that have:					
Transferred to Performing - 12-mth ECL - collective	408	(373)	(35)	-	-
Transferred to Performing - Lifetime ECL - collective	(54)	179	(125)	-	-
Transferred to Non-performing - Lifetime ECL - collective	(2)	(87)	89	-	-
Transferred to Non-performing - Lifetime ECL - individually assessed	(1)	(28)	(81)	110	-
New and increased provisions (net of collective provision releases)	(223)	165	273	753	968
Write-backs of individually assessed provisions	-	-	-	(132)	(132)
Write-offs from individually assessed provisions	-	-	-	(512)	(512)
Foreign currency translation and other adjustments	9	4	1	(2)	12
Balance at 30 September 2024	666	3,400	1,099	756	5,921

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Provision for credit impairment on loans at amortised cost (cont.)

	Stage 1	Stage 2	Stage 3		Total
	Performing 12-mth ECL	Performing Lifetime ECL	Non-performing Lifetime ECL		
	Collective	Collective	Collective	Individually assessed	
	\$m	\$m	\$m	\$m	\$m
Group - Half Yearly					
Balance at 1 October 2023	529	3,540	977	539	5,585
Changes due to financial assets recognised in the opening balance that have:					
Transferred to Performing - 12-mth ECL - collective	236	(223)	(13)	-	-
Transferred to Performing - Lifetime ECL - collective	(35)	119	(84)	-	-
Transferred to Non-performing - Lifetime ECL - collective	(1)	(66)	67	-	-
Transferred to Non-performing - Lifetime ECL - individually assessed	-	(14)	(62)	76	-
New and increased provisions (net of collective provision releases)	(189)	242	210	243	506
Write-backs of individually assessed provisions	-	-	-	(72)	(72)
Write-offs from individually assessed provisions	-	-	-	(239)	(239)
Foreign currency translation and other adjustments	-	(10)	(2)	(1)	(13)
Balance at 31 March 2024	540	3,588	1,093	546	5,767
Changes due to financial assets recognised in the opening balance that have:					
Transferred to Performing - 12-mth ECL - collective	325	(257)	(68)	-	-
Transferred to Performing - Lifetime ECL - collective	(45)	129	(84)	-	-
Transferred to Non-performing - Lifetime ECL - collective	(1)	(83)	84	-	-
Transferred to Non-performing - Lifetime ECL - individually assessed	-	(25)	(77)	102	-
New and increased provisions (net of collective provision releases)	(162)	34	148	442	462
Write-backs of individually assessed provisions	-	-	-	(60)	(60)
Write-offs from individually assessed provisions	-	-	-	(273)	(273)
Foreign currency translation and other adjustments	9	14	3	(1)	25
Balance at 30 September 2024	666	3,400	1,099	756	5,921

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Provision for credit impairment on loans at amortised cost (cont.)

ECL scenario analysis

The Group's ECL measurement is derived from a probability weighted average of three distinct scenarios (base case, upside and downside) applied across each of the Group's major loan portfolios, in addition to FLAs for emerging risk at an industry, geography or segment level. The probability of each scenario is determined by considering relevant macro-economic outlooks and their likely impact on the Group's credit portfolio.

The following table shows the key macro-economic variables for the Australian economy used in the base case and downside scenarios as at 30 September 2024:

	Base case			Downside		
	Financial year			Financial year		
	2025	2026	2027	2025	2026	2027
	%	%	%	%	%	%
GDP change (year ended September)	2.3	2.1	2.3	(1.2)	(2.6)	2.8
Unemployment (as at 30 September)	4.5	4.5	4.4	4.7	7.9	9.1
House price change (year ended September)	3.9	3.0	3.0	(24.5)	(20.3)	5.5

The following table shows the reported total provisions for ECL based on the probability weighting of scenarios, with the sensitivity range reflecting the ECL impacts assuming a 100% weighting is applied to the base case scenario or the downside scenario (with all other assumptions held constant):

	As at		
	30 Sep 24	31 Mar 24	30 Sep 23
	\$m	\$m	\$m
Total provisions for ECL			
Probability weighted	5,921	5,767	5,585
100% Base case	4,116	3,890	4,000
100% Downside	8,333	8,079	7,546

The table below shows weightings applied to the Australian portfolio to derive the probability weighted ECL:

	As at		
	30 Sep 24	31 Mar 24	30 Sep 23
	%	%	%
Macro-economic scenario weightings			
Upside	2.5	2.5	2.5
Base case	55.0	52.5	52.5
Downside	42.5	45.0	45.0

- The September 2024 provisions for ECL in the 100% base case and downside scenarios have increased since September 2023 primarily due to an increase in provisions held due to deterioration in asset quality in the Australian business lending and mortgage portfolios, combined with volume growth in Business and Private Banking. This was partially offset by a decrease in net forward looking provisions reflecting credit deterioration in underlying outcomes, combined with the impact of methodology refinements and model changes.
- The downside scenario weighting for the Australian portfolio has decreased from 45.0% as at September 2023 to 42.5% as at September 2024, due to a reduction in downside risks to the economic outlook.

The table below provides a breakdown of the probability weighted ECL by key portfolios:

	As at		
	30 Sep 24	31 Mar 24	30 Sep 23
	\$m	\$m	\$m
Total provision for ECL for key portfolios			
Housing	1,246	1,404	1,424
Business	4,245	3,928	3,744
Others	430	435	417
Total	5,921	5,767	5,585

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5 Asset quality

Non-performing exposures are exposures in default aligned to the definitions in APS 220 *Credit Risk Management*. 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.

The following tables provide details on non-performing exposures:

	As at		
	30 Sep 24 \$m	31 Mar 24 \$m	30 Sep 23 \$m
Summary of non-performing exposures			
Impaired assets	1,471	1,079	976
Restructured loans	6	27	284
Gross impaired assets	1,477	1,106	1,260
Default but not impaired assets	8,753	7,585	6,732
Non-performing exposures	10,230	8,691	7,992

	Australia \$m	New Zealand \$m	Other International \$m	Total Group \$m
Movement in gross impaired assets				
Balance at 31 March 2023	798	373	44	1,215
New	256	155	-	411
Written-off	(67)	(14)	(28)	(109)
Returned to performing, repaid or no longer impaired	(149)	(106)	(1)	(256)
Foreign currency translation adjustments	-	(2)	1	(1)
Balance at 30 September 2023	838	406	16	1,260
New	240	244	-	484
Written-off	(79)	(21)	-	(100)
Returned to performing, repaid or no longer impaired	(160)	(372)	(2)	(534)
Foreign currency translation adjustments	-	(4)	-	(4)
Balance at 31 March 2024	839	253	14	1,106
New	548	157	74	779
Written-off	(90)	(16)	(5)	(111)
Returned to performing, repaid or no longer impaired	(123)	(104)	(69)	(296)
Foreign currency translation adjustments	-	(1)	-	(1)
Balance at 30 September 2024	1,174	289	14	1,477

	As at		
	30 Sep 24 \$m	31 Mar 24 \$m	30 Sep 23 \$m
Default but not impaired assets - by geographic location			
Australia	8,043	6,840	6,051
New Zealand	710	745	681
Default but not impaired assets	8,753	7,585	6,732

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6 Deposits and other borrowings

	As at		
	30 Sep 24 \$m	31 Mar 24 \$m	30 Sep 23 \$m
Deposits and other borrowings			
Term deposits	207,016	193,597	191,924
On-demand and short-term deposits	309,218	306,442	299,969
Certificates of deposit	66,894	66,951	56,779
Deposits not bearing interest ⁽¹⁾	96,561	96,508	95,491
Commercial paper and other borrowings	34,700	33,586	36,109
Repurchase agreements	54,681	54,847	46,732
Fair value adjustment	(15)	(5)	(9)
Total deposits and other borrowings	769,055	751,926	726,995
<i>Represented by:</i>			
Total deposits and other borrowings at fair value ⁽²⁾⁽³⁾	56,489	56,389	44,875
Total deposits and other borrowings at amortised cost ⁽²⁾	712,566	695,537	682,120
Total deposits and other borrowings	769,055	751,926	726,995

	As at 30 September 2024			
	Australia \$m	New Zealand \$m	Other International \$m	Total Group \$m
By product and geographic location				
Term deposits	166,380	35,378	5,258	207,016
On-demand and short-term deposits	278,882	28,830	1,506	309,218
Certificates of deposit	29,777	1,390	35,727	66,894
Deposits not bearing interest ⁽¹⁾	85,163	11,395	3	96,561
Commercial paper and other borrowings	33,869	433	398	34,700
Repurchase agreements	16,330	85	38,266	54,681
Fair value adjustment	(2)	(12)	(1)	(15)
Total deposits and other borrowings	610,399	77,499	81,157	769,055
<i>Represented by:</i>				
Total deposits and other borrowings at fair value ⁽²⁾⁽³⁾	16,328	1,895	38,266	56,489
Total deposits and other borrowings at amortised cost ⁽²⁾	594,071	75,604	42,891	712,566
Total deposits and other borrowings	610,399	77,499	81,157	769,055

(1) Deposits not bearing interest include mortgage offset accounts.

(2) During the September 2023 half year the Group commenced the measurement of certain repurchase agreements at fair value through profit or loss.

(3) On the balance sheet, this amount is included within 'Other financial liabilities'. Refer to Note 7 Balance sheet.

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Deposits and other borrowings (cont.)

	As at 31 March 2024			
	Australia \$m	New Zealand \$m	Other International \$m	Total Group \$m
By product and geographic location				
Term deposits	154,897	33,666	5,034	193,597
On-demand and short-term deposits	276,462	27,259	2,721	306,442
Certificates of deposit	34,671	955	31,325	66,951
Deposits not bearing interest ⁽¹⁾	84,037	12,464	7	96,508
Commercial paper and other borrowings	32,762	688	136	33,586
Repurchase agreements	10,024	211	44,612	54,847
Fair value adjustment	-	(5)	-	(5)
Total deposits and other borrowings	592,853	75,238	83,835	751,926
<i>Represented by:</i>				
Total deposits and other borrowings at fair value ⁽²⁾⁽³⁾	10,024	1,849	44,516	56,389
Total deposits and other borrowings at amortised cost ⁽²⁾	582,829	73,389	39,319	695,537
Total deposits and other borrowings	592,853	75,238	83,835	751,926

	As at 30 September 2023			
	Australia \$m	New Zealand \$m	Other International \$m	Total Group \$m
By product and geographic location				
Term deposits	150,538	32,389	8,997	191,924
On-demand and short-term deposits	269,740	27,934	2,295	299,969
Certificates of deposit	32,443	1,489	22,847	56,779
Deposits not bearing interest ⁽¹⁾	82,747	12,737	7	95,491
Commercial paper and other borrowings	34,835	854	420	36,109
Repurchase agreements	13,712	196	32,824	46,732
Fair value adjustment	3	(12)	-	(9)
Total deposits and other borrowings	584,018	75,587	67,390	726,995
<i>Represented by:</i>				
Total deposits and other borrowings at fair value ⁽²⁾⁽³⁾	13,151	2,526	29,198	44,875
Total deposits and other borrowings at amortised cost ⁽²⁾	570,867	73,061	38,192	682,120
Total deposits and other borrowings	584,018	75,587	67,390	726,995

(1) Deposits not bearing interest include mortgage offset accounts.

(2) During the September 2023 half year the Group commenced the measurement of certain repurchase agreements at fair value through profit or loss.

(3) On the balance sheet, this amount is included within 'Other financial liabilities'. Refer to Note 7 Balance sheet.

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7 Balance sheet

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	As at		
	30 Sep 24 \$m	31 Mar 24 \$m	30 Sep 23 \$m
Assets			
Cash and liquid assets ⁽¹⁾	2,499	4,992	24,699
Due from other banks	110,438	125,469	117,306
Collateral placed	9,633	7,413	11,286
Trading assets	133,606	122,796	101,168
Derivative assets	28,766	24,690	34,269
Debt instruments	41,999	45,161	46,357
Other financial assets	769	843	1,430
Loans and advances	732,692	719,877	702,702
Current tax assets	25	25	20
Deferred tax assets	3,181	3,181	3,499
Property, plant and equipment	2,865	2,935	3,016
Goodwill and other intangible assets	5,224	5,030	4,952
Other assets	8,551	8,593	8,379
Total assets	1,080,248	1,071,005	1,059,083
Liabilities			
Due to other banks	12,328	33,606	39,516
Collateral received	5,151	6,272	10,672
Other financial liabilities	70,272	72,535	66,352
Deposits and other borrowings	712,566	695,537	682,120
Derivative liabilities	32,576	24,450	35,633
Current tax liabilities	1,042	514	1,012
Provisions	1,804	1,437	1,852
Bonds, notes and subordinated debt	156,294	150,375	135,645
Debt issues	9,560	8,566	8,561
Other liabilities	16,442	16,003	16,217
Total liabilities	1,018,035	1,009,295	997,580
Net assets	62,213	61,710	61,503
Equity			
Contributed equity	36,581	37,664	38,546
Reserves	(362)	(680)	(1,192)
Retained profits	25,236	24,382	23,800
Total equity (attributable to owners of the Company)	61,455	61,366	61,154
Non-controlling interests	758	344	349
Total equity	62,213	61,710	61,503

(1) During the September 2023 full year, the Group established new portfolios of reverse repurchase agreements, which are managed together with other financial instruments for short-term profit taking. These agreements are measured at fair value through profit or loss and presented within 'Trading assets'.

8 Average balance sheet and related interest

Average assets and interest income

	Year ended Sep 24			Year ended Sep 23		
	Average balance	Interest	Average rate	Average balance	Interest	Average rate
	\$m	\$m	%	\$m	\$m	%
Average interest earning assets						
Due from other banks						
Australia	95,048	3,995	4.2	107,924	3,725	3.5
New Zealand	8,418	462	5.5	11,137	533	4.8
Other International	20,095	941	4.7	25,718	995	3.9
Total due from other banks ⁽¹⁾	123,561	5,398	4.4	144,779	5,253	3.6
Trading assets and marketable debt securities						
Australia	96,502	4,821	5.0	73,398	2,627	3.6
New Zealand	8,904	372	4.2	7,067	266	3.8
Other International	59,545	3,313	5.6	13,563	467	3.4
Total trading assets and marketable debt securities ⁽¹⁾	164,951	8,506	5.2	94,028	3,360	3.6
Loans and advances - housing						
Australia ⁽²⁾	313,336	18,071	5.8	305,519	14,403	4.7
New Zealand ⁽²⁾	52,085	3,136	6.0	49,778	2,348	4.7
Total loans and advances - housing	365,421	21,207	5.8	355,297	16,751	4.7
Loans and advances - non-housing						
Australia	246,376	17,142	7.0	236,729	14,591	6.2
New Zealand	42,336	3,437	8.1	41,660	3,283	7.9
Other International	21,055	1,574	7.5	20,929	1,288	6.2
Total loans and advances - non-housing	309,767	22,153	7.2	299,318	19,162	6.4
Other interest earning assets						
Australia	8,998	689	n/a	29,090	1,335	n/a
New Zealand	680	90	n/a	1,165	97	n/a
Other International	5,363	254	n/a	43,028	2,114	n/a
Total other interest earning assets ⁽¹⁾	15,041	1,033	n/a	73,283	3,546	n/a
Total average interest earning assets and interest income by:						
Australia	760,260	44,718	5.9	752,660	36,681	4.9
New Zealand	112,423	7,497	6.7	110,807	6,527	5.9
Other International	106,058	6,082	5.7	103,238	4,864	4.7
Total average interest earning assets and interest income	978,741	58,297	6.0	966,705	48,072	5.0

(1) During the September 2023 full year, the Group established a new portfolio of reverse repurchase agreements, which is managed together with other financial instruments for short-term profit taking. These agreements are measured at fair value through profit or loss and are presented within 'Trading assets and marketable debt securities'. Previously, the reverse repurchase agreements were presented within 'Due from other banks' and 'Other interest earning assets.'

(2) Net of mortgage offset accounts of \$46,710 million (September 2023: \$42,477 million) in Australia and \$2,318 million (September 2023: \$2,251 million) in New Zealand which are included in non-interest earning assets.

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Average balance sheet and related interest (cont.)

Average assets

	Year ended	
	Sep 24 \$m	Sep 23 \$m
Average non-interest earning assets		
Other assets ⁽¹⁾	101,768	103,702
Average provision for credit impairment		
Australia	(4,841)	(4,499)
New Zealand	(888)	(784)
Other International	(44)	(58)
Total average provision for credit impairment	(5,773)	(5,341)
Total average assets	1,074,736	1,065,066

(1) Includes mortgage offset accounts of \$46,710 million (September 2023: \$42,477 million) in Australia and \$2,318 million (September 2023: \$2,251 million) in New Zealand.

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Average balance sheet and related interest (cont.)

Average liabilities and interest expense

	Year ended Sep 24			Year ended Sep 23		
	Average balance	Interest	Average rate	Average balance	Interest	Average rate
	\$m	\$m	%	\$m	\$m	%
Average interest bearing liabilities						
Due to other banks						
Australia	24,705	779	3.2	47,523	738	1.6
New Zealand	5,001	170	3.4	6,599	180	2.7
Other International	26,935	1,466	5.4	20,232	903	4.5
Total due to other banks	56,641	2,415	4.3	74,354	1,821	2.4
On-demand and short-term deposits						
Australia	274,299	9,429	3.4	270,723	7,028	2.6
New Zealand	28,969	1,160	4.0	28,817	951	3.3
Other International	2,254	96	4.3	4,377	148	3.4
Total on-demand and short-term deposits	305,522	10,685	3.5	303,917	8,127	2.7
Certificates of deposit						
Australia	33,451	1,527	4.6	33,502	1,204	3.6
New Zealand	1,066	60	5.6	1,822	88	4.8
Other International	31,304	1,593	5.1	20,483	779	3.8
Total certificates of deposit	65,821	3,180	4.8	55,807	2,071	3.7
Term deposits						
Australia	155,191	7,584	4.9	137,542	5,051	3.7
New Zealand	33,936	2,008	5.9	28,581	1,244	4.4
Other International	7,094	352	5.0	9,265	375	4.0
Total term deposits	196,221	9,944	5.1	175,388	6,670	3.8
Other borrowings						
Australia	37,358	2,269	6.1	39,100	1,849	4.7
New Zealand	846	47	5.6	1,802	80	4.4
Other International	22,097	1,380	6.2	23,661	1,412	6.0
Total other borrowings	60,301	3,696	6.1	64,563	3,341	5.2
Bonds, notes and subordinated debt						
Australia	125,237	8,257	6.6	112,976	6,246	5.5
New Zealand	19,997	1,260	6.3	19,993	1,050	5.3
Other International	16,324	750	4.6	12,342	513	4.2
Total bonds, notes and subordinated debt	161,558	10,267	6.4	145,311	7,809	5.4
Other interest bearing liabilities						
Australia	16,840	1,243	n/a	21,437	1,311	n/a
New Zealand	1,685	96	n/a	1,894	87	n/a
Other International	263	14	n/a	734	28	n/a
Total other interest bearing liabilities	18,788	1,353	n/a	24,065	1,426	n/a
Total average interest bearing liabilities and interest expense by:						
Australia	667,081	31,088	4.7	662,803	23,427	3.5
New Zealand	91,500	4,801	5.2	89,508	3,680	4.1
Other International	106,271	5,651	5.3	91,094	4,158	4.6
Total average interest bearing liabilities and interest expense	864,852	41,540	4.8	843,405	31,265	3.7

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Average balance sheet and related interest (cont.)

Average liabilities and equity

	Year ended	
	Sep 24 \$m	Sep 23 \$m
Average non-interest bearing liabilities		
Deposits not bearing interest		
Australia ⁽¹⁾	83,845	84,541
New Zealand ⁽¹⁾	12,032	13,599
Other International	6	7
Total deposits not bearing interest	95,883	98,147
Other liabilities	52,568	63,313
Total average non-interest bearing liabilities	148,451	161,460
Total average liabilities	1,013,303	1,004,865
Average equity		
Total average equity (attributable to owners of the Company)	61,039	60,094
Non-controlling interests	394	107
Total average equity	61,433	60,201
Total average liabilities and equity	1,074,736	1,065,066

(1) Includes mortgage offset accounts of \$46,710 million (September 2023: \$42,477 million) in Australia and \$2,318 million (September 2023: \$2,251 million) in New Zealand.

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Average balance sheet and related interest (cont.)

Average assets and interest income

	Half Year ended Sep 24			Half Year ended Mar 24		
	Average balance	Interest	Average rate	Average balance	Interest	Average rate
	\$m	\$m	%	\$m	\$m	%
Average interest earning assets						
Due from other banks						
Australia	96,781	2,029	4.2	93,314	1,966	4.2
New Zealand	6,881	187	5.4	9,956	275	5.5
Other International	18,212	408	4.5	21,977	533	4.9
Total due from other banks	121,874	2,624	4.3	125,247	2,774	4.4
Trading assets and marketable debt securities						
Australia	94,922	2,589	5.5	98,081	2,232	4.6
New Zealand	9,084	185	4.1	8,725	187	4.3
Other International	63,104	1,733	5.5	55,986	1,580	5.6
Total trading assets and marketable debt securities	167,110	4,507	5.4	162,792	3,999	4.9
Loans and advances - housing						
Australia ⁽¹⁾	314,713	9,255	5.9	311,899	8,816	5.7
New Zealand ⁽¹⁾	52,209	1,623	6.2	51,957	1,513	5.8
Total loans and advances - housing	366,922	10,878	5.9	363,856	10,329	5.7
Loans and advances - non-housing						
Australia	250,410	8,760	7.0	242,403	8,382	6.9
New Zealand	42,292	1,674	7.9	42,382	1,763	8.3
Other International	21,677	811	7.5	20,433	763	7.5
Total loans and advances - non-housing	314,379	11,245	7.2	305,218	10,908	7.1
Other interest earning assets						
Australia	8,491	276	n/a	9,494	413	n/a
New Zealand	629	47	n/a	729	43	n/a
Other International	1,643	32	n/a	9,086	222	n/a
Total other interest earning assets	10,763	355	n/a	19,309	678	n/a
Total average interest earning assets and interest income by:						
Australia	765,317	22,909	6.0	755,191	21,809	5.8
New Zealand	111,095	3,716	6.7	113,749	3,781	6.6
Other International	104,636	2,984	5.7	107,482	3,098	5.8
Total average interest earning assets and interest income	981,048	29,609	6.0	976,422	28,688	5.9

(1) Net of mortgage offset accounts of \$47,435 million (March 2024: \$45,986 million) in Australia and \$2,319 million (March 2024: \$2,318 million) in New Zealand which are included in non-interest earning assets.

Average assets

	Half Year ended	
	Sep 24	Mar 24
	\$m	\$m
Average non-interest earning assets		
Other assets ⁽¹⁾	100,896	102,651
Total average non-interest earning assets	100,896	102,651
Average provision for credit impairment		
Australia	(4,900)	(4,784)
New Zealand	(906)	(869)
Other International	(44)	(44)
Total average provision for credit impairment	(5,850)	(5,697)
Total average assets	1,076,094	1,073,376

(1) Includes mortgage offset accounts of \$47,435 million (March 2024: \$45,986 million) in Australia and \$2,319 million (March 2024: \$2,318 million) in New Zealand.

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Average balance sheet and related interest (cont.)

Average liabilities and interest expense

	Half Year ended Sep 24			Half Year ended Mar 24		
	Average balance	Interest	Average rate	Average balance	Interest	Average rate
	\$m	\$m	%	\$m	\$m	%
Average interest bearing liabilities						
Due to other banks						
Australia	18,914	395	4.2	30,497	384	2.5
New Zealand	4,682	78	3.3	5,319	92	3.5
Other International	26,311	737	5.6	27,559	729	5.3
Total due to other banks	49,907	1,210	4.8	63,375	1,205	3.8
On-demand and short-term deposits						
Australia	276,687	4,821	3.5	271,910	4,608	3.4
New Zealand	28,764	578	4.0	29,174	582	4.0
Other International	2,103	46	4.4	2,407	50	4.2
Total on-demand and short-term deposits	307,554	5,445	3.5	303,491	5,240	3.5
Certificates of deposit						
Australia	32,934	761	4.6	33,968	766	4.5
New Zealand	1,072	30	5.6	1,060	30	5.7
Other International	35,377	884	5.0	27,232	709	5.2
Total certificates of deposit	69,383	1,675	4.8	62,260	1,505	4.8
Term deposits						
Australia	160,241	3,967	5.0	150,140	3,617	4.8
New Zealand	34,324	1,032	6.0	33,547	976	5.8
Other International	6,037	145	4.8	8,154	207	5.1
Total term deposits	200,602	5,144	5.1	191,841	4,800	5.0
Other borrowings						
Australia	37,237	1,185	6.4	37,479	1,084	5.8
New Zealand	718	21	5.8	974	26	5.3
Other International	20,994	638	6.1	23,201	742	6.4
Total other borrowings	58,949	1,844	6.3	61,654	1,852	6.0
Bonds, notes and subordinated debt						
Australia	128,874	4,211	6.5	121,599	4,046	6.7
New Zealand	19,469	610	6.3	20,525	650	6.3
Other International	17,461	403	4.6	15,188	347	4.6
Total bonds, notes and subordinated debt	165,804	5,224	6.3	157,312	5,043	6.4
Other interest bearing liabilities						
Australia	16,498	658	n/a	17,181	585	n/a
New Zealand	1,717	50	n/a	1,652	46	n/a
Other International	212	-	n/a	316	14	n/a
Total other interest bearing liabilities	18,427	708	n/a	19,149	645	n/a
Total average interest bearing liabilities and interest expense by:						
Australia	671,385	15,998	4.8	662,774	15,090	4.6
New Zealand	90,746	2,399	5.3	92,251	2,402	5.2
Other International	108,495	2,853	5.3	104,057	2,798	5.4
Total average interest bearing liabilities and interest expense	870,626	21,250	4.9	859,082	20,290	4.7

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Average liabilities and equity

	Half Year ended	
	Sep 24 \$m	Mar 24 \$m
Average non-interest bearing liabilities		
Deposits not bearing interest		
Australia ⁽¹⁾	84,063	83,625
New Zealand ⁽¹⁾	11,601	12,462
Other International	4	8
Total deposits not bearing interest	95,668	96,095
Other liabilities	47,880	57,147
Total average non-interest bearing liabilities	143,548	153,242
Total average liabilities	1,014,174	1,012,324
Average equity		
Total average equity (attributable to owners of the Company)	61,482	60,704
Non-controlling interests	438	348
Total average equity	61,920	61,052
Total average liabilities and equity	1,076,094	1,073,376

(1) Includes mortgage offset accounts of \$47,435 million (March 2024: \$45,986 million) in Australia and \$2,319 million (March 2024: \$2,318 million) in New Zealand.

9 Net interest margins and spreads

	Year to			Half Year to		
	Sep 24 %	Sep 23 %	Sep 24 v Sep 23	Sep 24 %	Mar 24 %	Sep 24 v Mar 24
Net interest spread	1.15	1.27	(12 bps)	1.15	1.15	-
Benefit of net free liabilities, provisions and equity	0.56	0.47	9 bps	0.55	0.57	(2 bps)
Net interest margin - statutory basis	1.71	1.74	(3 bps)	1.70	1.72	(2 bps)

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10 Capital adequacy

Regulatory capital is calculated in accordance with APS 111 *Capital Adequacy: Measurement of Capital*. The first table below is a reconciliation from total equity per the Group's balance sheet to capital for regulatory purposes, including CET1 capital, Tier 1 capital and Total capital. Capital for regulatory purposes is based on the Level 2 regulatory group which comprises the Company and its controlled entities, excluding securitisation special purpose vehicles to which assets have been transferred in accordance with the requirements for regulatory capital relief and funds management entities. The second and third tables in this note provide risk-weighted assets for each risk type and key capital ratios respectively for the Level 2 regulatory group.

	As at		
	30 Sep 24	31 Mar 24	30 Sep 23
	\$m	\$m	\$m
Contributed equity	36,581	37,664	38,546
Reserves	(362)	(680)	(1,192)
Retained profits	25,236	24,382	23,800
Non-controlling interests	758	344	349
Total equity per consolidated balance sheet	62,213	61,710	61,503
Adjustments between the Group and Level 2 regulatory group balance sheets	7	3	4
Perpetual preference shares issued by subsidiaries not eligible as regulatory capital	(758)	(344)	(349)
Fee income eligible as regulatory capital	371	362	309
Goodwill and other intangible assets, net of tax	(2,231)	(2,247)	(2,264)
Investment in non-consolidated controlled entities	(10)	(10)	(10)
Deferred tax assets in excess of deferred tax liabilities	(2,780)	(2,606)	(2,510)
Capitalised expenses, net of deferred fee income ⁽¹⁾	(1,771)	(1,535)	(1,456)
Software, net of tax	(3,283)	(3,020)	(2,906)
Defined benefit superannuation plan asset, net of tax	(33)	(31)	(28)
Change in own creditworthiness, net of tax	118	96	58
Cash flow hedge reserve	145	699	1,611
Equity exposures	(827)	(502)	(772)
Other	(22)	(32)	(54)
CET1 capital	51,139	52,543	53,136
Additional Tier 1 capital instruments	9,610	8,610	8,610
Regulatory adjustments to Additional Tier 1 capital	(21)	(20)	(20)
Additional Tier 1 capital	9,589	8,590	8,590
Tier 1 capital	60,728	61,133	61,726
Tier 2 capital instruments	24,108	24,678	22,684
Eligible provisions held against non-defaulted exposures under the IRB approach	1,681	1,742	1,920
Eligible provisions held against exposures under the standardised approach	221	247	248
Regulatory adjustments to Tier 2 capital	(136)	(133)	(110)
Tier 2 capital	25,874	26,534	24,742
Total capital	86,602	87,667	86,468

(1) Fee income eligible as regulatory capital is netted against capitalised expenses where the fee income and capitalised expenses relate to the same product portfolio, in accordance with APS 111 *Capital Adequacy: Measurement of Capital*.

Model and methodology changes

During the six months ended 30 September 2024, the following model and methodology changes were implemented:

- Loss given default estimates for corporate and retail SME exposures subject to the advanced IRB approach were updated, including estimates for collateral values. This change has reduced credit RWA for these exposures of the Level 2 Group excluding BNZ.
- Probability of default estimates for residential mortgage exposures subject to the advanced IRB approach were updated through the implementation of new probability of default models. This change has reduced credit RWA for residential mortgage exposures of the Level 2 Group excluding BNZ.
- A residential mortgage portfolio previously subject to the standardised approach received APRA approval for use of the advanced IRB approach. This change has reduced residential mortgage exposures subject to the standardised approach, and increased residential mortgage exposures under the advanced IRB approach, with an overall decrease in credit RWA for residential mortgages of the Level 2 Group excluding BNZ.
- Standardised credit conversion factors were adopted for certain non-retail exposures of the RBNZ regulated banking subsidiary. This change resulted in a decrease in exposure at default and associated credit RWA.

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Capital adequacy (cont.)

	As at		
	30 Sep 24	31 Mar 24	30 Sep 23
	\$m	\$m	\$m
Risk-weighted assets			
Credit risk			
Subject to advanced IRB approach			
Corporate (including SME)	104,089	106,746	103,466
Retail SME	10,327	10,443	10,200
Residential mortgage	104,004	107,716	103,898
Qualifying revolving retail	2,682	2,762	2,664
Other retail	1,922	1,873	1,819
Subject to foundation IRB approach			
Corporate	20,950	21,454	22,694
Sovereign	1,617	1,423	1,496
Financial institution	19,068	20,247	20,839
Total internal ratings-based approach	264,659	272,664	267,076
Specialised lending	2,609	3,090	2,332
Subject to standardised approach			
Corporate	7,693	6,897	5,461
Residential mortgage	3,212	6,558	6,589
Other retail	6,041	6,078	5,988
Other ⁽¹⁾	4,355	4,861	4,671
Total standardised approach	21,301	24,394	22,709
RBNZ regulated banking subsidiary	51,899	53,147	53,026
Other			
Securitisation exposures	5,369	5,939	5,332
Credit valuation adjustment	5,054	4,639	5,079
Total other	10,423	10,578	10,411
Total credit risk	350,891	363,873	355,554
Market risk	11,427	11,171	8,811
Operational risk ⁽²⁾	36,102	36,102	41,178
Interest rate risk in the banking book	15,526	21,407	29,463
Total risk-weighted assets	413,946	432,553	435,006

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

(2) \$6.25 billion of the decrease in operational risk-weighted assets from 30 September 2023 to 31 March 2024 is attributable to APRA's removal of the \$500 million Operational Risk capital add-on that was applied in 2019 in the response to NAB's 2018 self-assessment into governance, accountability and culture.

	As at		
	30 Sep 24	31 Mar 24	30 Sep 23
	%	%	%
Capital ratios			
CET1	12.35	12.15	12.22
Tier 1	14.67	14.13	14.19
Total capital	20.92	20.27	19.88

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11 Earnings per share

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	Year to			
	Basic		Diluted	
	Sep 24	Sep 23	Sep 24	Sep 23
Statutory earnings per share				
Earnings (\$m)				
Net profit attributable to owners of the Company	6,960	7,414	6,960	7,414
Potential dilutive adjustments				
Interest expense on convertible notes ⁽¹⁾	-	-	374	371
Adjusted earnings	6,960	7,414	7,334	7,785
Net loss from discontinued operations attributable to the owners of the Company	103	51	103	51
Adjusted earnings from continuing operations	7,063	7,465	7,437	7,836
Weighted average number of ordinary shares (millions)				
Weighted average number of ordinary shares (net of treasury shares)	3,099	3,136	3,099	3,136
Weighted average number of dilutive potential ordinary shares				
Convertible notes ⁽¹⁾	-	-	184	258
Share-based payments	-	-	10	10
Total weighted average number of ordinary shares	3,099	3,136	3,293	3,404
Earnings per share attributable to owners of the Company (cents)	224.6	236.4	222.7	228.7
Earnings per share from continuing operations (cents)	227.9	238.0	225.8	230.2

	Half Year to			
	Basic		Diluted	
	Sep 24	Mar 24	Sep 24	Mar 24
Statutory earnings per share				
Earnings (\$m)				
Net profit attributable to owners of the Company	3,466	3,494	3,466	3,494
Potential dilutive adjustments				
Interest expense on convertible notes ⁽¹⁾	-	-	179	234
Adjusted earnings	3,466	3,494	3,645	3,728
Net loss from discontinued operations attributable to the owners of the Company	53	50	53	50
Adjusted earnings from continuing operations	3,519	3,544	3,698	3,778
Weighted average number of ordinary shares (millions)				
Weighted average number of ordinary shares (net of treasury shares)	3,085	3,113	3,085	3,113
Potential dilutive weighted average number of ordinary shares				
Convertible notes ⁽¹⁾	-	-	177	254
Share-based payments	-	-	10	9
Total weighted average number of ordinary shares	3,085	3,113	3,272	3,376
Earnings per share attributable to owners of the Company (cents)	112.4	112.2	111.4	110.4
Earnings per share from continuing operations (cents)	114.1	113.8	113.0	111.9

(1) Convertible notes are dilutive instruments as they may convert into ordinary shares in the future. Certain convertible notes have been excluded from the calculation of diluted EPS for the September 2024 full year and the September 2024 half year as they were anti-dilutive, however they could potentially dilute basic earnings per share in the future.

Earnings per share (cont.)

	Year to			
	Basic		Diluted	
	Sep 24	Sep 23	Sep 24	Sep 23
Cash earnings per share				
Earnings (\$m)				
Cash earnings ⁽¹⁾	7,102	7,731	7,102	7,731
Potential dilutive adjustments				
Interest expense on convertible notes ⁽²⁾	-	-	374	371
Adjusted cash earnings	7,102	7,731	7,476	8,102
Weighted average number of ordinary shares (millions)				
Weighted average number of ordinary shares (net of treasury shares)	3,099	3,136	3,099	3,136
Potential dilutive weighted average number of ordinary shares				
Convertible notes ⁽²⁾	-	-	184	258
Share-based payments	-	-	10	10
Total weighted average number of ordinary shares	3,099	3,136	3,293	3,404
Cash earnings per share (cents)	229.2	246.5	227.0	238.0
	Half Year to			
	Basic		Diluted	
	Sep 24	Mar 24	Sep 24	Mar 24
Cash earnings per share				
Earnings (\$m)				
Cash earnings ⁽¹⁾	3,554	3,548	3,554	3,548
Potential dilutive adjustments				
Interest expense on convertible notes ⁽²⁾	-	-	196	234
Adjusted cash earnings	3,554	3,548	3,750	3,782
Weighted average number of ordinary shares (millions)				
Weighted average number of ordinary shares (net of treasury shares)	3,085	3,113	3,085	3,113
Potential dilutive weighted average number of ordinary shares				
Convertible notes ⁽²⁾	-	-	193	254
Share-based payments	-	-	10	9
Total weighted average number of ordinary shares	3,085	3,113	3,288	3,376
Cash earnings per share (cents)	115.2	114.0	114.1	112.0

(1) Refer to Note 16 Reconciliation between statutory net profit (after tax) from continuing operations and cash earnings for further details.

(2) Convertible notes are dilutive instruments as they may convert into ordinary shares in the future. Certain convertible notes have been excluded from the calculation of diluted EPS for the September 2024 full year and the September 2024 half year as they were anti-dilutive, however they could potentially dilute basic earnings per share in the future.

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12 Return on equity

	Year to		Half Year to	
	Sep 24	Sep 23	Sep 24	Mar 24
Statutory return on equity				
Earnings (\$m)				
Net profit attributable to owners of the Company	6,960	7,414	3,466	3,494
Adjusted earnings	6,960	7,414	3,466	3,494
Average equity (\$m)				
Average equity	61,433	60,201	61,920	61,052
Less: Average non-controlling interests	(394)	(107)	(438)	(348)
Total average equity (attributable to owners of the Company) (\$m)	61,039	60,094	61,482	60,704
Statutory return on equity	11.4%	12.3%	11.3%	11.5%

	Year to		Half Year to	
	Sep 24	Sep 23	Sep 24	Mar 24
Cash return on equity				
Earnings (\$m)				
Cash earnings	7,102	7,731	3,554	3,548
Total average equity (attributable to owners of the Company) (\$m)	61,039	60,094	61,482	60,704
Cash return on equity	11.6%	12.9%	11.6%	11.7%

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13 Funding sources

The Group maintains a well-diversified funding profile across issuance type, currency, investor location and tenor.

The following table provides the funding sources for the Group including customer deposits, and short-term and long-term wholesale funding.

	As at		
	30 Sep 24 \$m	31 Mar 24 \$m	30 Sep 23 \$m
Funding sources			
Customer deposits	612,796	596,546	587,384
Term wholesale funding with greater than 12 months to maturity	146,404	148,508	138,416
Central bank funding facilities with greater than 12 months to maturity ⁽¹⁾	2,092	2,524	3,342
Term wholesale funding with less than 12 months to maturity	24,480	19,327	16,032
Central bank funding facilities with less than 12 months to maturity ⁽¹⁾	1,011	18,284	18,526
Short-term wholesale funding ⁽²⁾	115,321	114,503	106,673
Short-term collateral and settlements	7,439	8,850	13,530
Total funding sources	909,543	908,542	883,903
Equity	62,213	61,710	61,503
Total funding sources and equity	971,756	970,252	945,406

(1) Includes TFF provided by the RBA, and the TLF and Funding for Lending Programme provided by the RBNZ.

(2) Includes certificate of deposits, commercial papers, due to other banks, 12 months medium-term notes and other financial liabilities.

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14 Number of ordinary shares

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	Year to	
	Sep 24 No. '000	Sep 23 No. '000
Ordinary shares, fully paid		
Balance at beginning of period	3,128,949	3,153,813
Shares issued:		
Bonus share plan	1,314	1,338
Share-based payments	4,456	3,628
Paying up of partly paid shares	9	3
Shares bought back	(60,690)	(29,833)
Total ordinary shares, fully paid	3,074,038	3,128,949
Ordinary shares, partly paid to 25 cents		
Balance at beginning of period	9	12
Paying up of partly paid shares	(9)	(3)
Total ordinary shares, partly paid to 25 cents	-	9
Total ordinary shares (including treasury shares)	3,074,038	3,128,958
Less: Treasury shares	(8,642)	(8,137)
Total ordinary shares (excluding treasury shares)	3,065,396	3,120,821
	Half Year to	
	Sep 24 No. '000	Mar 24 No. '000
Ordinary shares, fully paid		
Balance at beginning of period	3,102,760	3,128,949
Shares issued:		
Bonus share plan	578	736
Share-based payments	279	4,177
Paying up of partly paid shares	-	9
Shares bought back	(29,579)	(31,111)
Total ordinary shares, fully paid	3,074,038	3,102,760
Ordinary shares, partly paid to 25 cents		
Balance at beginning of period	-	9
Paying up of partly paid shares	-	(9)
Total ordinary shares, partly paid to 25 cents	-	-
Total ordinary shares (including treasury shares)	3,074,038	3,102,760
Less: Treasury shares	(8,642)	(8,607)
Total ordinary shares (excluding treasury shares)	3,065,396	3,094,153

15 Non-cash earnings items

Hedging and fair value volatility

Hedging and fair value remeasurements cause volatility in statutory profit and are excluded from cash earnings. This volatility represents timing differences between the unrealised gains or losses recognised over the term of the transactions and the ultimate economic outcome which will only be realised in the future. This volatility arises primarily from fair value movements relating to trading derivatives held for risk management purposes; fair value movements relating to assets, liabilities and derivatives designated in hedge relationships; and fair value movements relating to assets and liabilities designated at fair value.

In the September 2024 full year, there was a decrease in statutory profit of \$6 million after tax from hedging and fair value volatility.

Amortisation of acquired intangible assets

The amortisation of acquired intangible assets represents the amortisation of intangible assets arising from the acquisition of controlled entities such as software, customer relationships and core deposits.

In the September 2024 full year, there was a decrease in statutory profit of \$42 million (\$29 million after tax) due to the amortisation of acquired intangible assets.

Acquisitions, integration, disposals and business closures

The net impact of acquisitions, integration, disposals and business closures is excluded from cash earnings as they do not reflect the underlying earnings of the Group. In the September 2024 full year, this includes the following items:

- Gains or losses (including the impact of recycling foreign currency reserves) recognised on the disposal or closure of Group businesses, primarily related to the disposal of the New Zealand wealth businesses.
- Transaction and other costs directly associated with the acquisition and integration of Group businesses, primarily related to the integration of the Citi consumer business.
- Transaction and other costs directly associated with the disposal or closure of Group businesses, primarily related to the disposal of the New Zealand wealth businesses.

In the September 2024 full year, there was a decrease in statutory profit of \$174 million (\$4 million after tax) related to acquisitions, integration, disposals and business closures.

16 Reconciliation between statutory net profit (after tax) from continuing operations and cash earnings

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Full Year to September 2024

	Statutory net profit from continuing operations	Hedging and fair value volatility	Amortisation of acquired intangible assets	Acquisitions, integration, disposals and business closures	Cash earnings
	\$m	\$m	\$m	\$m	\$m
Statutory net profit reconciliation					
Net interest income	16,757	(3)	-	-	16,754
Other operating income	3,889	(10)	-	(383)	3,496
Net operating income	20,646	(13)	-	(383)	20,250
Operating expenses	(10,026)	-	42	557	(9,427)
Profit / (loss) before credit impairment charge	10,620	(13)	42	174	10,823
Credit impairment (charge) / write-back	(741)	13	-	-	(728)
Profit before income tax	9,879	-	42	174	10,095
Income tax (expense) / benefit	(2,798)	6	(13)	(170)	(2,975)
Net profit from continuing operations before non-controlling interests	7,081	6	29	4	7,120
Non-controlling interests	(18)	-	-	-	(18)
Net profit attributable to owners of the Company from continuing operations	7,063	6	29	4	7,102

Full Year to September 2023

	Statutory net profit from continuing operations	Hedging and fair value volatility	Amortisation of acquired intangible assets	Acquisitions, integration, disposals and business closures	Cash earnings
	\$m	\$m	\$m	\$m	\$m
Statutory net profit reconciliation					
Net interest income	16,807	-	-	-	16,807
Other operating income	3,841	32	-	(26)	3,847
Net operating income	20,648	32	-	(26)	20,654
Operating expenses	(9,382)	-	43	316	(9,023)
Profit before credit impairment charge	11,266	32	43	290	11,631
Credit impairment (charge) / write-back	(816)	14	-	-	(802)
Profit before income tax	10,450	46	43	290	10,829
Income tax expense	(2,980)	(17)	(13)	(83)	(3,093)
Net profit from continuing operations before non-controlling interests	7,470	29	30	207	7,736
Non-controlling interests	(5)	-	-	-	(5)
Net profit attributable to owners of the Company from continuing operations	7,465	29	30	207	7,731

Reconciliation between statutory net profit (after tax) from continuing operations and cash earnings (cont.)

Half Year to September 2024

	Statutory net profit from continuing operations	Hedging and fair value volatility	Amortisation of acquired intangible assets	Acquisitions, integration, disposals and business closures	Cash earnings
	\$m	\$m	\$m	\$m	\$m
Statutory net profit reconciliation					
Net interest income	8,359	(2)	-	-	8,357
Other operating income	2,117	21	-	(383)	1,755
Net operating income	10,476	19	-	(383)	10,112
Operating expenses	(5,207)	-	21	436	(4,750)
Profit before credit impairment charge	5,269	19	21	53	5,362
Credit impairment charge	(365)	-	-	-	(365)
Profit before income tax	4,904	19	21	53	4,997
Income tax (expense) / benefit	(1,376)	1	(7)	(52)	(1,434)
Net profit from continuing operations before non-controlling interests	3,528	20	14	1	3,563
Non-controlling interests	(9)	-	-	-	(9)
Net profit attributable to owners of the Company from continuing operations	3,519	20	14	1	3,554

Half Year to March 2024

	Statutory net profit from continuing operations	Hedging and fair value volatility	Amortisation of acquired intangible assets	Acquisitions, integration, disposals and business closures	Cash earnings
	\$m	\$m	\$m	\$m	\$m
Statutory net profit reconciliation					
Net interest income	8,398	(1)	-	-	8,397
Other operating income	1,772	(31)	-	-	1,741
Net operating income	10,170	(32)	-	-	10,138
Operating expenses	(4,819)	-	21	121	(4,677)
Profit / (loss) before credit impairment charge	5,351	(32)	21	121	5,461
Credit impairment (charge) / write-back	(376)	13	-	-	(363)
Profit / (loss) before income tax	4,975	(19)	21	121	5,098
Income tax (expense) / benefit ⁽¹⁾	(1,422)	5	(6)	(118)	(1,541)
Net profit from continuing operations before non-controlling interests	3,553	(14)	15	3	3,557
Non-controlling interests	(9)	-	-	-	(9)
Net profit attributable to owners of the Company from continuing operations	3,544	(14)	15	3	3,548

(1) Acquisitions, integration, disposals and business closures includes the effect of recognising a deferred tax asset in respect of previously unrecognised capital losses.

17 Exchange rates

	Income statement - average				Balance sheet - spot		
	Year to		Half Year to		As at		
	Sep 24	Sep 23	Sep 24	Mar 24	30 Sep 24	31 Mar 24	30 Sep 23
One Australian dollar equals							
British pounds	0.5201	0.5434	0.5188	0.5215	0.5177	0.5160	0.5292
Euros	0.6081	0.6241	0.6109	0.6053	0.6208	0.6043	0.6111
United States dollars	0.6593	0.6661	0.6644	0.6542	0.6930	0.6512	0.6477
New Zealand dollars	1.0846	1.0845	1.0930	1.0761	1.0885	1.0902	1.0745

Glossary

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12-month expected credit losses (ECL)

The portion of lifetime expected credit losses that represent the expected losses arising from default events that could occur within 12 months of the reporting date.

AASB

Australian Accounting Standards Board.

Additional Tier 1 (AT1) capital

AT1 capital comprises high quality components of capital that satisfy the criteria for inclusion as Additional Tier 1 capital as defined in APS 111 Capital Adequacy: Measurement of Capital.

ADI

Authorised Deposit-taking Institution.

Advanced Internal ratings-based (Advanced IRB)

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

APRA

Australian Prudential Regulation Authority.

APS

Prudential Standards issued by APRA applicable to ADIs.

ASX

Australian Securities Exchange Limited (or the market operated by it).

AUSTRAC

Australian Transaction Reports and Analysis Centre.

Available stable funding (ASF)

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

Average interest earning assets

The average balance of assets held by the Group over the period that generate interest income.

Basel III

Basel III is a global regulatory framework designed to increase the resilience of banks and banking systems and was effective for ADIs from 1 January 2013.

BNZ

Bank of New Zealand.

Business lending

Lending to non-retail customers including overdrafts, asset and lease financing, term lending, bill acceptances, foreign currency loans, international and trade finance, securitisation and specialised finance.

Cash earnings

Cash earnings is a non-IFRS key performance measure used by the Group and the investment community. Cash earnings is defined as net profit attributable to owners of the Company from continuing operations adjusted for non-cash items, including items such as hedging and fair value volatility, the amortisation of acquired intangible assets and gains or losses and certain other items associated with the acquisition, integration, disposal or closure of Group businesses.

Cash earnings on average risk-weighted assets

Calculated as cash earnings (annualised after tax) divided by average risk-weighted assets. Average risk-weighted assets are calculated as the average of the current and previous two quarter-end spot risk-weighted assets.

Cash return on equity

Cash earnings after tax expressed as a percentage of total average equity (attributable to owners of the Company).

Citi consumer business

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

Citigroup

Citigroup Pty Limited and Citigroup Overseas Investment Corporation.

Committed liquidity facility (CLF)

A facility provided by the RBA to certain ADIs to assist them in meeting the Basel III liquidity requirements. The CLF was reduced to zero on 1 January 2023.

Common Equity Tier 1 (CET1) 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 the sum of paid-up ordinary share capital, retained profits plus certain other items as defined in APS 111 Capital Adequacy: Measurement of Capital.

Common Equity Tier 1 capital ratio

CET1 capital divided by risk-weighted assets.

Company

National Australia Bank Limited (NAB) ABN 12 004 044 937.

Compensation Scheme of Last Resort (CSLR)

The CSLR is a scheme designed to make payments on a last-resort basis to eligible consumers where determinations by the Australian Financial Complaints Authority (AFCA) for compensation remain unpaid, as approved by the Australian Parliament in June 2023.

Continuing operations

Continuing operations are the components of the Group which are not discontinued operations.

Core assets

Represents gross loans and advances including acceptances, financial assets at fair value, and other debt instruments at amortised cost.

Cost to income ratio

Represents operating expenses as a percentage of operating revenue.

CTF

Counter-Terrorism Financing.

Customer deposits

The sum of interest bearing, non-interest bearing and term deposits (including retail and corporate deposits).

Customer Funding Index (CFI)

Customer deposits (excluding certain short dated institutional deposits used to fund liquid assets) divided by core assets.

Customer risk management

Activities to support customers to manage their financial risks (predominantly foreign exchange and interest rate risks).

D-SIB

Domestic systematically important banks.

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 but not impaired assets

Calculated as 'Non-performing exposures' less 'Gross impaired assets'.

Dilutive potential ordinary share

A financial instrument or other contract that may entitle its holder to ordinary shares and which would have the effect of decreasing earnings per share. For the Group in the September 2024 full year, these include convertible notes and notes issued under employee incentive schemes.

Discontinued operations

Discontinued operations are a component of the Group that either has been disposed of, or is classified as held for sale, and represents a separate major line of business or geographical area of operations, which is part of a single coordinated plan for disposal.

Distributions

Payments to holders of equity instruments other than ordinary shares, including National Income Securities.

Dividend payout ratio

Dividends paid on ordinary shares divided by cash earnings per share.

Earnings per share - basic

Calculated as net profit attributable to ordinary equity holders of the parent (statutory basis) or cash earnings (cash earnings basis), divided by the weighted average number of ordinary shares.

Earnings per share - diluted

Calculated as net profit attributable to ordinary equity holders of the parent (statutory basis) or cash earnings (cash earnings basis), divided by the weighted average number of ordinary shares, after adjusting both earnings and the weighted average number of ordinary shares for the impact of dilutive potential ordinary shares.

Economic adjustments

The economic adjustment forms part of the provision for credit impairment derived from reasonable and supportable forecasts of potential future conditions (forward looking information) that is not captured within the underlying credit provision. It incorporates general macro-economic forward looking information (for example, GDP, unemployment and interest rates).

Effective tax rate

Income tax expense divided by profit before income tax expense.

Enforceable Undertaking (EU)

An enforceable undertaking under subsection 197(1) of the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) entered into between NAB and the CEO of AUSTRAC on 29 April 2022, in relation to concerns identified by AUSTRAC with the Group's compliance with certain AML and CTF requirements which were the subject of a formal investigation by AUSTRAC.

Fair value

The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at measurement date.

FirstCape

FirstCape Group Limited was established to combine the Group's New Zealand wealth businesses and Jarden Wealth and Asset Management Holdings Limited's wealth and asset management business. References to FirstCape in this document refer to FirstCape Group Limited and/or its subsidiaries.

Forward looking adjustment (FLA)

Forward looking adjustments reflect part of the provision for credit impairment derived from reasonable and supportable forecasts of potential future conditions (forward looking information) that are not otherwise captured within the underlying credit provision or the economic adjustments. They incorporate more targeted sector-specific forward looking information.

Foundation Internal ratings-based (Foundation IRB)

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.

Full-time equivalent employees (FTEs)

Includes all full-time, part-time, temporary, fixed term and casual employee equivalents, as well as agency temporary employees and external contractors either self-employed or employed by a third party agency. Note: this excludes consultants, IT professional services, outsourced service providers and non-executive directors.

Gross domestic product (GDP)

GDP is the market value of finished goods and services produced within a country in a given period of time.

Gross impaired assets

Calculated as the sum of 'Impaired assets' and 'Restructured loans'.

Gross loans and acceptances (GLAs)

Total loans, advances and acceptances, including unearned and deferred fee income, excluding associated provisions for expected credit losses. Calculated as the sum of 'Acceptances', 'Loans and advances at fair value' and 'Loans and advances at amortised cost'.

Group

NAB and its controlled entities.

Hedging and fair value volatility

This volatility represents timing differences between the unrealised gains or losses recognised over the term of the transactions and the ultimate economic outcome which will only be realised in future. This volatility arises primarily from fair value movements relating to trading derivatives held for risk management purposes; fair value movements relating to assets, liabilities and derivatives designated in hedge relationships; and fair value movements relating to assets and liabilities designated at fair value.

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.

Housing lending

Mortgages secured by residential properties as collateral.

IFRS

International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB).

Impaired assets

Consists of: Retail loans (excluding unsecured portfolio managed facilities) which are contractually 90 days or more past due with security insufficient to cover principal and interest or where sufficient doubt exists about the ability to collect principal and interest in a timely manner. Non-retail loans which are contractually past due and / or where there is sufficient doubt the ability to collect principal and interest. Off-balance sheet credit exposures where current circumstances indicate that losses may be incurred. Unsecured portfolio managed facilities that are 180 days or more past due (if not written off).

Leverage ratio

Tier 1 capital divided by exposures as defined by APS 110 Capital Adequacy. It is a simple, non-risk based measure to supplement the risk-weighted assets based capital requirements. Exposures include on-balance sheet exposures, derivative exposures, securities financing transaction exposures and non-market related off-balance sheet exposures.

Lifetime expected credit losses (ECL)

The ECL that result from all possible default events over the expected life of a financial instrument.

Liquidity coverage ratio (LCR)

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

Marketable debt securities

Comprises trading securities and debt instruments.

MLC Life

MLC Limited.

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, supported by several brands including MLC, Plum and investment brands under MLC Asset Management. 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 risk management

Management of interest rate risk in the banking book, wholesale funding and liquidity requirements and trading market risk to support the Group's franchises.

Net interest margin (NIM)

Net interest income derived on a cash earnings basis expressed as a percentage of average interest earning assets.

Net Promoter Score (NPS)

Net Promoter[®] and NPS[®] are registered trademarks, and Net Promoter Score and Net Promoter System are trademarks of Bain & Company, Satmetrix Systems and Fred Reichheld. Net Promoter Score measures the likelihood of a customer's recommendation to others.

Net stable funding ratio (NSFR)

A ratio of the amount of available stable funding (ASF) to the amount of required stable funding (RSF).

Non-performing exposures

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

PPS

Perpetual Preference Shares.

RBA

Reserve Bank of Australia.

RBNZ

Reserve Bank of New Zealand.

Required stable funding (RSF)

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

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, and the concession is provided as a path out of default.

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.

Securitisation

Structured finance technique which involves pooling, packaging cash flows and converting financial assets into securities that can be sold to investors.

SME

Small and medium-sized enterprises.

Stable funding index (SFI)

Term funding index (TFI) plus Customer funding index (CFI).

Standardised approach

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

Statutory net profit

Net profit attributable to owners of the Company.

Statutory return on equity

Statutory earnings after tax expressed as a percentage of total average equity (attributable to owners of the Company), calculated on a statutory basis.

Term funding index (TFI)

Term wholesale funding with remaining maturity to first call date greater than 12 months, including Term Funding Facility (TFF) drawdowns divided by core assets.

Tier 1 capital

Tier 1 capital comprises CET1 capital and instruments that meet the criteria for inclusion as Additional Tier 1 capital set out in APS 111 Capital Adequacy: Measurement of Capital.

Tier 1 capital ratio

Tier 1 capital divided by risk-weighted assets.

Tier 2 capital

Tier 2 capital comprises other components of capital that, to varying degrees, do not meet the requirements as Tier 1 capital but nonetheless contribute to the overall strength of an ADI and its capacity to absorb losses.

Total average assets

The average balance of assets held by the Group over the period, adjusted for discontinued operations.

Total capital

Tier 1 capital plus Tier 2 capital.

Total capital ratio

Total capital divided by risk-weighted assets.

Treasury shares

Shares issued to meet the requirements of employee incentive schemes which have not yet been distributed.

Underlying profit / loss

Underlying profit / loss is a non-IFRS performance measure used by the Group. It represents cash earnings before credit impairment charges and income tax expense.

Value at Risk (VaR)

A mathematical technique that uses statistical analysis of historical data to estimate the likelihood that a given portfolio's losses will exceed a certain amount.

Weighted average number of ordinary shares

The number of ordinary shares outstanding at the beginning of the period, adjusted by the number of ordinary shares bought back or issued during the period multiplied by a time-weighting factor. The time-weighting factor is the number of days that the shares are outstanding as a proportion of the total number of days in the period.

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