Half Year Results

2025

Incorporating the requirements of Appendix 4D

This half year results announcement incorporates the half year report given to the Australian Securities Exchange (ASX) under Listing Rule 4.2A.

The half year consolidated report is to be read in conjunction with the 2024 Annual Report.

National Australia Bank Limited ABN 12 004 044 937

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.

Appendix 4D

Report for the half year ended 31 March 2025 as required by ASX listing rule 4.2A

Results for announcement to the market

Current period:	1 October 2024 to 31 March 2025
Prior corresponding period:	1 October 2023 to 31 March 2024

		Half Year to
		31 Mar 25
		$m
Revenue from ordinary activities[1]	up 1.1% to	**10,282**
Net profit after tax from ordinary activities attributable to owners of the Company	down 2.5% to	**3,407**
Net profit attributable to owners of the Company	down 2.5% to	**3,407**

(1) Reported as the sum of the following from the Group's consolidated income statement: net interest income $8,450 million and other operating income $1,832 million.

	Amount per share	Franked amount per share
	cents	%
Dividends and Dividend Reinvestment Plan		
Final 2024 dividend	85	100
Interim 2025 dividend	85	100

Interim dividend dates	
Ex-dividend date	12 May 2025
Record date	13 May 2025
Payment date	2 July 2025

The dividend is paid in cash or as part of a dividend plan. Cash dividends are paid by way of direct credit or cash equivalents. The dividend plans in operation are the Dividend Reinvestment Plan and the Bonus Share Plan (closed to new participants).

The last date for receipt of election notices for the Dividend Reinvestment Plan and the Bonus Share Plan is 14 May 2025 at 5pm (Australian Eastern Standard time).

	As at	
	31 Mar 2025	31 Mar 2024
	$	$
Net tangible assets		
Net tangible assets per ordinary share	**18.55**	**18.16**

A reference to the 'Group' is a reference to NAB and its controlled entities.

The Group has not gained or lost control over any material entities during the half year ended 31 March 2025.

The Group held no material investments in associates or joint venture entities as at 31 March 2025.

Additional information supporting the Appendix 4D disclosure requirements can be found in the accompanying 2025 Half Year Results.

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.

This report is based on the consolidated financial statements of the Group which have been reviewed by EY.

This announcement has been authorised for release by the Board.

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Half year results 2025

Half Year Results Summary

2025

1H25 KEY FINANCIAL INFORMATION

$3,407m
Statutory net profit

$3,583m
Cash earnings[i]
Up 0.8% v 2H24
Up 1.0% v 1H24

11.7%
Cash ROE

12.01%
Group Common Equity Tier 1 (CET1) ratio

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

"We are managing our business well in continued challenging operating conditions. Cash earnings were 0.8% higher than 2H24, with underlying profit growth and lower credit impairment charges partially offset by a higher effective tax rate.

Execution of our refreshed strategy is underway. We are focused on driving much stronger customer advocacy across our Bank, along with greater speed and simplicity, and ongoing modernisation of our technology. This will support our key priorities of continuing to drive performance in deposits, improving proprietary lending, and growing business banking. We are making good progress. Home lending drawdowns via our proprietary channels increased 25%[1], retail transaction account openings via our branches are 32% higher[2], we have grown our share of SME business lending[3] and initiatives underway to address specific customer pain points are driving a strong lift in customer advocacy in these areas.

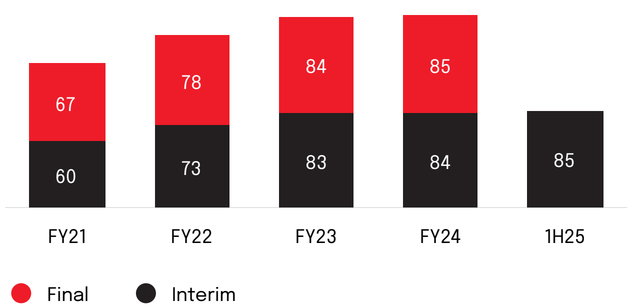
We are optimistic about the underlying growth outlook for the Australian and New Zealand economies. However, escalating global trade tensions are a key source of uncertainty. Against this backdrop, we have maintained strong balance sheet settings. Collective provisions represent 1.42% of credit risk weighted assets, our CET1 ratio sits at 12.01% and our FY25 term funding task is well progressed with over $20 billion raised in 1H25.

Our Bank is in good shape and we have a clear strategy. We are well placed to manage our business for the long term and deliver sustainable growth and attractive returns for shareholders."

- Andrew Irvine NAB CEO

Dividends

Cents per share (fully franked)
In respect of each financial year / period



Supporting our customers and communities

- Helping property managers save time with simple and easy automated rental payment reconciliations as part of a new integration between NAB's Portal Pay and MRI's Property Tree platform - a platform used by more than 29,000 property management professionals.
- Providing simple, secure payment experiences for customers and merchants, with the launch of "PayTo' by NAB allowing Amazon.com.au customers to make a purchase directly from their bank account in a seamless, secure way, removing the need to provide card details.
- Improving the convenience and quality of banking services including $41 million invested in branch renovations and installation of 39 ATMs in branches over the 12 months to March 2025, along with Saturday branch openings in 31 busy locations and a moratorium on regional branch closures until at least July 2027.
- Helping communities better prepare for and recover from natural disasters with NAB Foundation boosting its funding for Disaster Relief Australia's volunteering program by $4 million over the next three years.

(1) Refers to proprietary home lending drawdowns in Personal Banking and Business & Private Banking divisions 1H25 compared with 1H24.
(2) 1H25 compared with 1H24.
(3) Derived from latest RBA statistics excluding financial businesses. Latest data as at February 2025 compared with September 2024. NAB SME market share includes business lending relating to both B&PB and some C&IB customers.

The March 2025 half year results are compared with the September 2024 half year results for continuing operations unless otherwise stated. Operating performance and Asset quality are expressed on a cash earnings basis.

Operating performance 1H25 v 2H24

- Revenue increased by 1.7% reflecting higher Markets and Treasury (M&T) income. Excluding M&T, revenue was 1.1% lower with key drivers including lower margin partially offset by volume growth.
- Gross loans and advances (GLAs) increased by 2.5% and deposits rose 4.1%.
- Net Interest Margin (NIM) was stable at 1.70%. Excluding a 3 bps increase from M&T, NIM declined 3 bps as a result of deposit impacts, higher wholesale funding costs and lending competition, partially offset by higher earnings from deposit and capital replicating portfolios.
- Expenses increased by 1.4% mainly reflecting higher personnel and financial crime-related costs, along with increased technology spend. These impacts have been partially offset by productivity benefits and lower costs relating to the Group's Enforceable Undertaking with AUSTRAC.

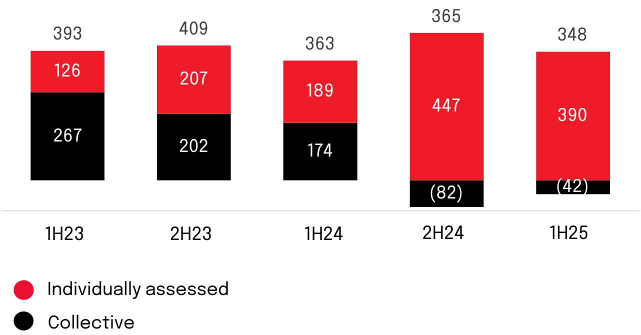
1H25 v 2H24 drivers of cash earnings change (%)

Underlying profit growth of 1.9% has benefitted from improved M&T income and disciplined cost management including productivity benefits of $131 million. For FY25 we continue to target productivity benefits of greater than $400 million and expect cost growth to be less than FY24 growth of 4.5%[(1)].

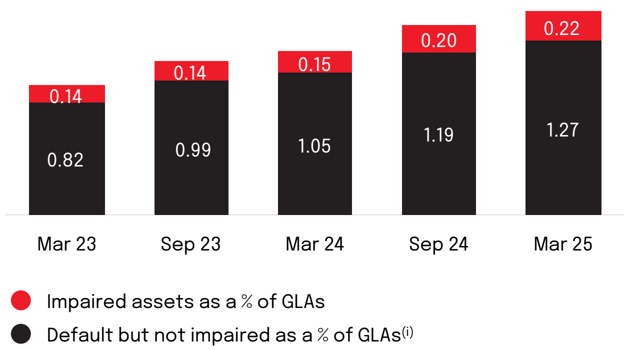
Asset quality 1H25 v 2H24

- Credit impairment charge (CIC) was $348 million, versus a 2H24 charge of $365 million. The 1H25 individually assessed charge of $390 million mainly reflects charges for the Australian business lending and unsecured retail portfolios. The 1H25 collective write-back of $42 million reflects a release from forward-looking provisions of $194 million partially offset by underlying charges of $152 million primarily driven by asset quality deterioration and volume growth.
- The $194 million release from forward-looking provisions reflects anticipated asset quality deterioration transitioning from the forward outlook to the current period combined with a net release of $30 million from provisions for target sector forward-looking adjustments primarily relating to New Zealand agriculture.
- The ratio of non-performing exposures as a percentage of gross loans and acceptances increased 10 bps to 1.49% driven mainly by the Business & Private Banking (B&PB) business lending portfolio and, to a lesser extent, higher Australian home lending arrears.

Credit impairment charge ($m)



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



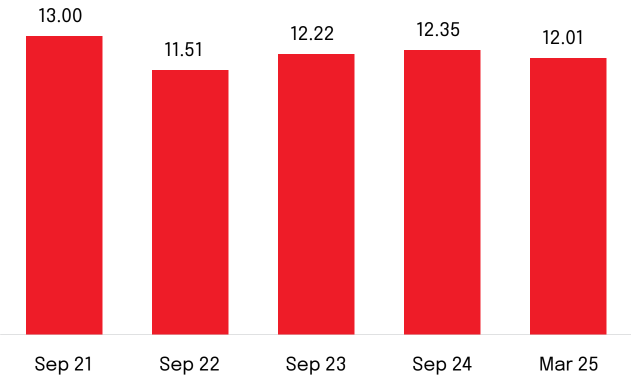
(i) Default but not impaired includes loans that have been classified as restructured in accordance with APS 220 *Credit Risk Management* which are assessed as no loss based on security held.

While the underlying outlook for the Australian and New Zealand economies is improving, elevated global trade tensions are a key source of uncertainty and downside risk. As such, we have maintained a prudent approach to provisioning with collective provisions representing 1.42% of credit risk weighted assets (CRWA) and total provisions representing 1.67% of CRWA.

(1) Refer to key risks, qualifications and assumptions in relation to forward-looking statements on page 8. FY25 guidance excluding any large notable items.

Capital, funding and liquidity

Group CET1 ratio[(i)] (%)



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

Key ratios as at 31 March 2025

- Group CET1 ratio of 12.01%, down 34 bps from September 2024. Key drivers of the reduction include CRWA growth of $9.6 billion (-22 bps) and completion of the Group's on-market share buy-back (-15 bps)[(1)].
- Proforma CET1 ratio of 12.13% reflecting the sale of the Group's remaining 20% stake in MLC Life[(2)].
- Leverage ratio of 5.02%.
- Liquidity Coverage Ratio (LCR) quarterly average of 139%.
- Net Stable Funding Ratio (NSFR) of 119%.

Key divisional performance - Cash earnings

	1H25 ($m)	% change 1H25 v 2H24	Key drivers 1H25 v 2H24
Business and Private Banking	1,634	1.4	Earnings increased with lower credit impairment charges offsetting a decline in underlying profit. Revenue reduced modestly with lower margins offsetting volume growth. Expenses were slightly higher including continued investments to support business growth.
Personal Banking	576	(6.8)	Lower earnings reflecting a decline in underlying profit and higher credit impairment charges. Revenue was slightly weaker with lower margins offsetting volume growth. Expenses were broadly flat as investment in proprietary lenders and frontline bankers along with other uplifts were offset by productivity benefits.
Corporate and Institutional Banking	909	4.1	Higher earnings reflecting revenue growth and lower expenses, partially offset by higher credit impairment charges. Revenue growth benefitted from strong volume growth and higher Markets income partially offset by slightly lower margins (ex Markets).
New Zealand Banking (NZ $m)	781	12.5	Strong earnings growth driven by a credit impairment write-back and slightly higher underlying profit. Revenue growth benefitted from volume growth and higher M&T income partially offset by modestly lower margins (ex M&T).

(1) The Group completed its $3.0 billion announced on-market ordinary share buy-back on 12 March 2025, resulting in the buy-back and cancellation of 87.8 million ordinary shares. $0.6 billion of those shares were bought-back in the March 2025 half year.

(2) On 11 December 2024 the Group announced it had entered into an agreement to sell its remaining 20% stake in MLC Limited (MLC Life) to Nippon Life Insurance Company for $500 million. The proposed sale is subject to satisfaction of certain conditions including completion of the acquisition of the Resolution Life Group by Nippon Life Insurance Company, and regulatory approvals. The proposed sale is expected to complete in the second half of calendar year 2025.

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, economic growth picked-up in the second half of 2024 driven by a rebound in household consumption growth, which slowed sharply in the second half of 2023 and into 2024. Slowing inflation, tax cuts and reductions in the RBA cash rate are expected to support further improvements in household real incomes. This sees real GDP growth forecast to rise from 1-1.5% over 2023 and 2024 to around 2% over 2025, and continued resilience in the labour market with the unemployment rate expected to peak around 4.4% by the end of 2025. Recent heightened global trade tensions present the key risk to this outlook. While outcomes remain highly uncertain, the sound starting position of the Australian economy provides scope for a more stimulatory monetary policy response to support the recovery against potential headwinds, with the cash rate now forecast to decline from 4.1% currently to 2.6% by February 2026.

New Zealand's economy is in the early stages of recovery from a recession, supported by easing monetary policy and stronger export revenue. The cash rate has fallen 200 bps since August 2024 as inflation has moderated, with a further 75 bps of cuts forecast by the end of 2025. This is expected to see real GDP growth mildly positive in 2025 after contracting in 2024, and a modest further increase in the unemployment rate during 2025. However, escalating global trade tensions pose downside risks to this outlook. While outcomes remain highly uncertain at this stage, including potential impacts on global supply chains and inflation, New Zealand's current reliance on exports and the fragile starting point for its economy mean the impact could be significant, especially if heightened uncertainty curbs investment.

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

Strategic overview

We have maintained a long term approach to managing our business and are executing against our refreshed strategy. We are focused on driving much stronger customer advocacy across our Bank, along with greater speed and simplicity, and ongoing technology modernisation. This is expected to support our key priorities of continuing to drive performance in deposits, improving proprietary lending, and growing business banking.

In B&PB, we are investing in simpler, more seamless banking experiences for our customers and our bankers, consistent with our relationship-based approach, increasingly enabled by digital, data and analytics. In 1H25 this includes further progressing the roll-out of our digital business lending platform, ongoing innovations in payments, and improving the customer onboarding experience for business transaction accounts. B&PB's business lending balances rose 1.9% over the six months to March 2025 with softer Agri sector growth given a strong harvest season and well diversified growth across the balance of the portfolio. Pleasingly, we have grown market share in SME business lending(1). Deposit balances rose 5.1% over the six months to March 2025, and 1H25 new business transaction account openings increased compared with 1H24 and are now 25% higher than 1H22.

In Personal Banking (PB), we continue to navigate a challenging home lending market through a disciplined approach and by focusing on improving the performance of our proprietary channels. Over the six months to March 2025, our momentum in Australian home lending improved, with balances growing 2.3% representing a system multiple of 0.9x(2) (versus 0.3x in 2H24). Proprietary channel drawdowns also increased over the same period, with the uplifting of banker capabilities through the onboarding of approximately 150 new proprietary home lenders during 1H25 expected to support further improved performance in future periods. Retail deposit performance has also been encouraging in 1H25, benefiting from investments to reinvigorate our branch network. This has supported good PB deposit balance growth of 4.8% over the six months to March 2025, along with a 32% lift in branch originated sales and a 9% increase in transaction account openings in 1H25 compared with 1H24.

Corporate and Institutional Banking (C&IB) has maintained its returns-focused strategy. A disciplined approach to growth focused on long-term relationship with target sector clients, combined with simplification, technology enabled solutions to make doing business easier and leveraging transactional banking capability has driven continued strong performance in 1H25. This includes further transactional banking mandate wins, lending growth of 5.2% over the six months to March 2025 and a continued attractive return on equity of 15.6%.

New Zealand Banking is making good progress against its strategic priorities of becoming a simpler, more digitally-enabled bank, focused on growth in personal and business sectors. Despite continued challenging conditions, execution of this strategy has supported improved customer Net Promoter Score (NPS) outcomes, above system growth in target sectors and higher returns over the six months to March 2025.

Having a healthy customer franchise and engaged colleagues underpin our ability to grow sustainably. Improving customer and colleague experiences are key to this. Our most recent colleague engagement score of 78 is one point higher compared with 12 months ago and slightly above the top quartile global benchmark(3). Customer NPS(4) outcomes have remained mixed over the 12 months to March 2025. Business NPS increased seven points with NAB's ranking improving from third to second of the major banks. Over the same period, Mass Consumer NPS improved one point with NAB continuing to rank second of the major banks. However, High Net Worth and Mass Affluent NPS declined 10 points with NAB's ranking slipping from first to fourth of the major banks. Delivering more consistent service experiences to all NAB customers is a priority and we clearly have work to do if we are to achieve our aspiration of being the most customer centric company in Australia and New Zealand.

We have maintained strong balance sheet settings during 1H25. Collective provisions as a ratio of CRWA were 1.42% and include $1.7 billion of forward-looking provisions for potential downside risk in the outlook. The share of lending funded by deposits remained above 80% and liquidity and funding ratios sit well above regulatory minimums. Our Group CET1 ratio declined 34 basis points to 12.01% over the six months to March 2025 with key drivers including volume growth and completion of our on-market share buy-back. However, it remains comfortably above our revised Group CET1 ratio operating target, which has increased by 25 bps to greater than 11.25%, reflecting APRA's decision to phase out AT1 capital from January 2027(5). After allowing for finalisation of the sale of our remaining stake in MLC Life(6), the proforma CET1 ratio is 12.13%.

While challenges remain in our operating environment and recent global trade tensions have increased uncertainty in the outlook, we are well placed to navigate this situation. Our balance sheet settings are strong and we have a clear strategy to deliver sustainable growth and attractive returns over time, underpinned by consistent investment to significantly uplift customer advocacy, speed and simplicity across our Bank. We remain focused on managing our business for the long term.

(1) Derived from latest RBA statistics excluding financial businesses. Latest data as at February 2025 compared with September 2024. NAB SME market share includes business lending relating to both B&PB and some C&IB customers.
(2) APRA Monthly Authorised Deposit-taking Institution statistics. Latest data as at March 2025.
(3) Engagement scores refer to Glint 'Heartbeat' outcomes. Top quartile comparison is based on Glint's client group (domestic and global, from all industries).
(4) Net Promoter® and NPS® are registered trademarks of Bain & Company, Inc., NICE Systems, Inc., and Fred Reichheld. Net Promoter Score℠ 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 March 2025. 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 based on all businesses. Ranking based on absolute scores, not statistically significant differences.
(5) Under APRA's approach, large, internationally active banks including NAB will replace 1.5% Additional Tier 1 (AT1) capital with 0.25% Common Equity Tier 1 (CET1) capital and 1.25% Tier 2 capital.
(6) On 11 December 2024 the Group announced it had entered into an agreement to sell its remaining 20% stake in MLC Limited (MLC Life) to Nippon Life Insurance Company for $500 million. The proposed sale is subject to satisfaction of certain conditions including completion of the acquisition of the Resolution Life Group by Nippon Life Insurance Company, and regulatory approvals. The proposed sale is expected to complete in the second half of calendar year 2025.

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 2025 Half Year Results 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 97 to 98.

	Half Year to				
	Mar 25 $m	Sep 24 $m	Mar 24 $m	Mar 25 v Sep 24 %	Mar 25 v Mar 24 %
Net interest income	**8,445**	8,357	8,397	1.1	0.6
Other operating income	**1,836**	1,755	1,741	4.6	5.5
Net operating income	**10,281**	10,112	10,138	1.7	1.4
Operating expenses	**(4,818)**	(4,750)	(4,677)	1.4	3.0
Underlying profit	**5,463**	5,362	5,461	1.9	-
Credit impairment charge	**(348)**	(365)	(363)	(4.7)	(4.1)
Cash earnings before income tax	**5,115**	4,997	5,098	2.4	0.3
Income tax expense	**(1,512)**	(1,434)	(1,541)	5.4	(1.9)
Cash earnings before non-controlling interests	**3,603**	3,563	3,557	1.1	1.3
Less: Non-controlling interests	**(20)**	(9)	(9)	large	large
Cash earnings	**3,583**	3,554	3,548	0.8	1.0
Non-cash earnings items (after tax)	**(152)**	(35)	(4)	large	large
Net profit attributable to owners of the Company from continuing operations	**3,431**	3,519	3,544	(2.5)	(3.2)
Net loss attributable to owners of the Company from discontinued operations	**(24)**	(53)	(50)	(54.7)	(52.0)
Net profit attributable to owners of the Company	**3,407**	3,466	3,494	(1.7)	(2.5)
Cash earnings / (loss) by division:					
Business and Private Banking	**1,634**	1,611	1,646	1.4	(0.7)
Personal Banking	**576**	618	556	(6.8)	3.6
Corporate and Institutional Banking	**909**	873	899	4.1	1.1
New Zealand Banking	**707**	636	697	11.2	1.4
Corporate Functions and Other	**(243)**	(184)	(250)	32.1	(2.8)
Cash earnings	**3,583**	3,554	3,548	0.8	1.0

Shareholder summary

	Half Year to				
	Mar 25	Sep 24	Mar 24	Mar 25 v Sep 24	Mar 25 v Mar 24
Group - Including discontinued operations					
Dividend per share (cents)	**85**	85	84	-	1
Statutory dividend payout ratio	**76.4%**	75.6%	74.9%	80 bps	150 bps
Statutory earnings per share - basic (cents)	**111.2**	112.4	112.2	(1.2)	(1.0)
Statutory earnings per share - diluted (cents)	**109.2**	111.4	110.4	(2.2)	(1.2)
Statutory return on equity	**11.1%**	11.3%	11.5%	(20 bps)	(40 bps)
Net tangible assets per ordinary share ($)	**18.55**	18.29	18.16	1.4%	2.1%
Group - Continuing operations					
Cash dividend payout ratio	**72.7%**	73.8%	73.7%	(110 bps)	(100 bps)
Statutory dividend payout ratio from continuing operations	**75.9%**	74.5%	73.8%	140 bps	210 bps
Statutory earnings per share from continuing operations - basic (cents)	**112.0**	114.1	113.8	(2.1)	(1.8)
Statutory earnings per share from continuing operations - diluted (cents)	**109.9**	113.0	111.9	(3.1)	(2.0)
Cash earnings per share - basic (cents)	**116.9**	115.2	114.0	1.7	2.9
Cash earnings per share - diluted (cents)	**114.5**	114.1	112.0	0.4	2.5
Cash return on equity	**11.7%**	11.6%	11.7%	10 bps	-

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

Disclaimer - Forward-looking statements

This Results Summary and the 2025 Half Year Results 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 "ambition", "believe", "estimate", "plan", "project", "anticipate", "expect", "goal", "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. Users 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 Middle Eastern conflicts and other geopolitical tensions, the Australian and global economic environment and capital market conditions and changes in global trade policies. Further information is contained in the Group's Half Year 2025 Risk Factor Report released to ASX on 7 May 2025 and the Group's Annual Report for the 2024 financial year, available at nab.com.au/annualreports.

Half year results 2025

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 these 2025 Half Year Results. The non-IFRS measures have been applied consistently with the September 2024 financial year.

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 considered separately and excluded 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 March 2025 half year exclude the following:

- hedging and fair value volatility,
- amortisation of acquired intangible assets, and
- 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 consolidated financial statements are included in *Section 4 Financial report* of the 2025 Half Year Results. They are prepared in accordance with the *Corporations Act 2001* (Cth) and applicable Australian Accounting Standards, and reviewed by the auditor, EY, in accordance with Australian Auditing Standards.

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 5 Supplementary information* on pages 97 to 98.

Page 96 contains a description of non-cash earnings items for the March 2025 half 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 (the exception is average risk-weighted assets (RWA) which is calculated with reference to the RWA at the reporting date and the two preceding quarter-ends).

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 March 2025 half year are references to the six months ended 31 March 2025. References to the September 2024 half year and March 2024 half year are references to the six months ended 30 September 2024 and 31 March 2024, respectively.

Group performance results

	Half Year to				
	Mar 25 $m	Sep 24 $m	Mar 24 $m	Mar 25 v Sep 24 %	Mar 25 v Mar 24 %
Net interest income	**8,445**	8,357	8,397	1.1	0.6
Other operating income	**1,836**	1,755	1,741	4.6	5.5
Net operating income	**10,281**	10,112	10,138	1.7	1.4
Operating expenses	**(4,818)**	(4,750)	(4,677)	1.4	3.0
Underlying profit	**5,463**	5,362	5,461	1.9	-
Credit impairment charge	**(348)**	(365)	(363)	(4.7)	(4.1)
Cash earnings before income tax	**5,115**	4,997	5,098	2.4	0.3
Income tax expense	**(1,512)**	(1,434)	(1,541)	5.4	(1.9)
Cash earnings before non-controlling interests	**3,603**	3,563	3,557	1.1	1.3
Less: Non-controlling interests	**(20)**	(9)	(9)	large	large
Cash earnings	**3,583**	3,554	3,548	0.8	1.0
Non-cash earnings items (after tax):					
Hedging and fair value volatility	**-**	(20)	14	large	large
Amortisation of acquired intangible assets	**(16)**	(14)	(15)	14.3	6.7
Acquisitions, integration, disposals and business closures	**(136)**	(1)	(3)	large	large
Net profit attributable to owners of the Company from continuing operations	**3,431**	3,519	3,544	(2.5)	(3.2)
Net loss attributable to owners of the Company from discontinued operations	**(24)**	(53)	(50)	(54.7)	(52.0)
Net profit attributable to owners of the Company	**3,407**	3,466	3,494	(1.7)	(2.5)
Cash earnings / (loss) by division:					
Business and Private Banking	**1,634**	1,611	1,646	1.4	(0.7)
Personal Banking	**576**	618	556	(6.8)	3.6
Corporate and Institutional Banking	**909**	873	899	4.1	1.1
New Zealand Banking	**707**	636	697	11.2	1.4
Corporate Functions and Other	**(243)**	(184)	(250)	32.1	(2.8)
Cash earnings	**3,583**	3,554	3,548	0.8	1.0

Shareholder summary

	Half Year to				
	Mar 25	Sep 24	Mar 24	Mar 25 v Sep 24	Mar 25 v Mar 24
Group - Including discontinued operations					
Dividend per share (cents)	**85**	85	84	-	1
Statutory dividend payout ratio	**76.4%**	75.6%	74.9%	80 bps	150 bps
Statutory earnings per share - basic (cents)	**111.2**	112.4	112.2	(1.2)	(1.0)
Statutory earnings per share - diluted (cents)	**109.2**	111.4	110.4	(2.2)	(1.2)
Statutory return on equity	**11.1%**	11.3%	11.5%	(20 bps)	(40 bps)
Net tangible assets per ordinary share ($)	**18.55**	18.29	18.16	1.4%	2.1%
Group - Continuing operations					
Cash dividend payout ratio	**72.7%**	73.8%	73.7%	(110 bps)	(100 bps)
Statutory dividend payout ratio from continuing operations	**75.9%**	74.5%	73.8%	140 bps	210 bps
Statutory earnings per share from continuing operations - basic (cents)	**112.0**	114.1	113.8	(2.1)	(1.8)
Statutory earnings per share from continuing operations - diluted (cents)	**109.9**	113.0	111.9	(3.1)	(2.0)
Cash earnings per share - basic (cents)	**116.9**	115.2	114.0	1.7	2.9
Cash earnings per share - diluted (cents)	**114.5**	114.1	112.0	0.4	2.5
Cash return on equity	**11.7%**	11.6%	11.7%	10 bps	-

Review of Group performance results

March 2025 v March 2024

Statutory net profit decreased by $87 million or 2.5%.

Cash earnings increased by $35 million or 1.0%.

Net interest income increased by $48 million or 0.6%. This includes a decrease of $105 million due to movements in economic hedges, offset in other operating income. Excluding this movement, the underlying increase of $153 million or 1.8% was driven by higher average interest earning assets, up 2.1%. This was partially offset by margin decline of 2 basis points. The margin decline was primarily due to deposit impacts, higher wholesale funding costs and lower lending margins, partially offset by higher earnings on deposit and capital replicating portfolios together with higher Markets and Treasury income.

Other operating income increased by $95 million or 5.5%. This includes an increase of $105 million due to movements in economic hedges, offset in net interest income, and an increase in customer-related remediation, together with the fee reduction impact from the winding down and disposal of Group businesses. Excluding these movements, the underlying increase of $92 million or 5.5% was primarily due to higher NAB risk management income in Treasury, and higher fees and commissions income.

Operating expenses increased by $141 million or 3.0%. This was primarily driven by higher personnel costs due to an increase in salary and related expenses. This was combined with continued investment in technology and compliance capabilities together with financial crime related costs. These impacts were partially offset by productivity benefits achieved through continued process improvements and simplification of the Group's operations, combined with lower costs related to the enforceable undertaking (EU) with Australian Transaction Reports and Analysis Centre (AUSTRAC).

Credit impairment charge decreased by $15 million driven by a lower level of collective credit impairment charges. This was partially offset by a higher level of individually assessed credit impairment charges primarily in the Australian business lending portfolio.

Income tax expense decreased by $29 million or 1.9% driven by a lower effective tax rate.

March 2025 v September 2024

Statutory net profit decreased by $59 million or 1.7%.

Cash earnings increased by $29 million or 0.8%.

Net interest income increased by $88 million or 1.1%. This includes a decrease of $21 million due to movements in economic hedges, offset in other operating income. Excluding this movement, the underlying increase of $109 million or 1.3% was driven by higher average interest earning assets, up 1.6%. Net interest margin was flat primarily due to higher earnings on deposit and capital replicating portfolios and higher Markets and Treasury income. These increases were offset by deposit impacts, higher wholesale funding costs and lower lending margins.

Other operating income increased by $81 million or 4.6%. This includes an increase of $21 million due to movements in economic hedges, offset in net interest income, and an increase in customer-related remediation, together with the fee reduction impact from the winding down and disposal of Group businesses. Excluding these movements, the underlying increase of $111 million or 6.8% was primarily due to higher NAB risk management income in Treasury, partially offset by lower fees and commissions income.

Operating expenses increased by $68 million or 1.4%. This was primarily driven by higher personnel costs due to an increase in salary and related expenses. This was combined with increased technology and financial crime related costs. These impacts were partially offset by productivity benefits achieved through process improvements and simplification of the Group's operations and lower EU related costs.

Credit impairment charge decreased by $17 million driven by a lower level of individually assessed credit impairment charges, partially offset by a lower level of collective credit impairment write-back.

Income tax expense increased by $78 million or 5.4% due to a higher effective tax rate and higher cash earnings before income tax.

Key performance indicators

	Half Year to				
	Mar 25	Sep 24	Mar 24	Mar 25 v Sep 24	Mar 25 v Mar 24
Group performance - statutory basis					
Statutory earnings on average assets	**0.62%**	0.64%	0.65%	(2 bps)	(3 bps)
Statutory earnings on average risk-weighted assets	**1.61%**	1.63%	1.61%	(2 bps)	-
Statutory earnings per average FTE ($'000)	**174**	180	182	(3.3%)	(4.4%)
Cost to income ratio	**49.0%**	49.7%	47.4%	(70 bps)	160 bps
Net interest margin	**1.70%**	1.70%	1.72%	-	(2 bps)
Group performance - cash earnings basis					
Cash earnings on average assets	**0.65%**	0.66%	0.66%	(1 bp)	(1 bp)
Cash earnings on average risk-weighted assets	**1.70%**	1.68%	1.64%	2 bps	6 bps
Cash earnings per average FTE ($'000)	**183**	184	185	(0.5%)	(1.1%)
Cost to income ratio	**46.9%**	47.0%	46.1%	(10 bps)	80 bps
Net interest margin	**1.70%**	1.70%	1.72%	-	(2 bps)
Level 2 Group capital					
CET1 capital ratio	**12.01%**	12.35%	12.15%	(34 bps)	(14 bps)
Tier 1 capital ratio	**14.26%**	14.67%	14.13%	(41 bps)	13 bps
Total capital ratio	**21.02%**	20.92%	20.27%	10 bps	75 bps
Risk-weighted assets ($bn)	**426.4**	413.9	432.6	3.0%	(1.4%)
Volumes ($bn)					
Gross loans and acceptances (GLAs)	**756.3**	738.2	725.3	2.5%	4.3%
Average interest earning assets	**997.1**	981.0	976.4	1.6%	2.1%
Total average assets	**1,101.0**	1,076.1	1,073.4	2.3%	2.6%
Total customer deposits	**637.9**	612.8	596.5	4.1%	6.9%
Asset quality					
Impaired assets to GLAs	**0.22%**	0.20%	0.15%	2 bps	7 bps
Default but not impaired assets to GLAs[1]	**1.27%**	1.19%	1.05%	8 bps	22 bps
Collective provision to credit risk-weighted assets	**1.42%**	1.47%	1.47%	(5 bps)	(5 bps)
Total provision to credit risk-weighted assets	**1.67%**	1.69%	1.62%	(2 bps)	5 bps
Full-time equivalent employees (FTE)					
Group - Continuing operations (spot)	**39,976**	38,996	38,499	2.5%	3.8%
Group - Continuing operations (average)	**39,314**	38,638	38,409	1.7%	2.4%
Group - Including discontinued operations (spot)	**40,153**	39,240	38,879	2.3%	3.3%
Group - Including discontinued operations (average)	**39,525**	38,933	38,798	1.5%	1.9%

(1) Includes loans that have been classified as restructured in accordance with APS 220 *Credit Risk Management* which are assessed as no loss based on security held.

	As at		
	31 Mar 25	30 Sep 24	31 Mar 24
Market share			
Australia[1]			
Business lending[2]	**21.2%**	21.4%	21.6%
Business deposits[2]	**21.8%**	21.4%	21.5%
Housing lending	**14.3%**	14.3%	14.6%
Household deposits	**14.0%**	13.8%	13.9%
New Zealand[3]			
Housing lending	**16.9%**	16.7%	16.7%
Agribusiness	**21.7%**	21.6%	21.6%
Business lending	**22.9%**	22.9%	22.5%
Total deposits	**18.5%**	18.3%	18.2%

(1) Source: Australian Prudential Regulation Authority (APRA) monthly Authorised Deposit-taking Institution (ADI) statistics.
(2) Represents business deposits and lending to non-financial businesses and community service organisations. Comparative information has been restated to align to the presentation in the current period.
(3) Source: Reserve Bank of New Zealand (RBNZ).

	As at		
	31 Mar 25	30 Sep 24	31 Mar 24
Distribution			
Number of retail branches and business banking centres			
Australia	**484**	485	493
New Zealand	**125**	126	127

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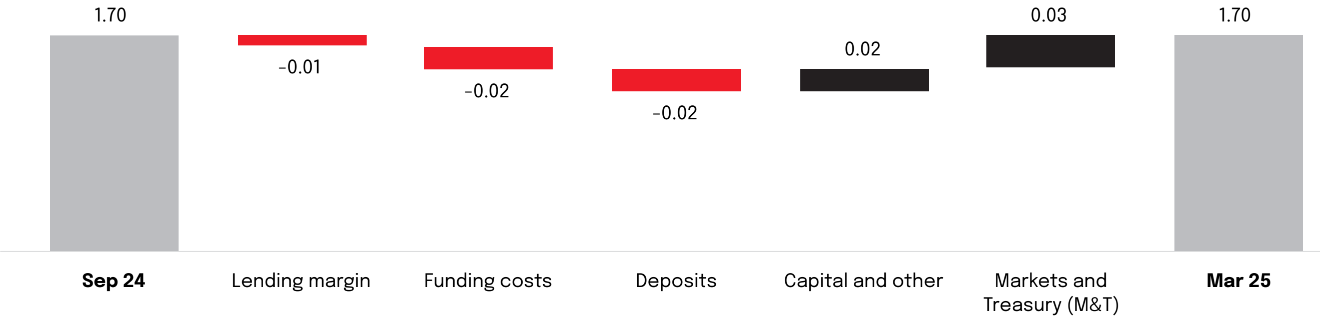
Half year results 2025

Net interest income

	Half Year to			Mar 25 v	Mar 25 v
	Mar 25	Sep 24	Mar 24	Sep 24 %	Mar 24 %
Net interest income ($m)	**8,445**	8,357	8,397	1.1	0.6
Average interest earning assets ($bn)	**997.1**	981.0	976.4	1.6	2.1
Group net interest margin (%)	**1.70**	1.70	1.72	-	(2 bps)
Net interest margin by division (%)					
Business and Private Banking	**2.98**	3.03	3.08	(5 bps)	(10 bps)
Personal Banking	**1.73**	1.75	1.74	(2 bps)	(1 bp)
Corporate and Institutional Banking	**1.07**	1.05	1.04	2 bps	3 bps
New Zealand Banking	**2.37**	2.34	2.37	3 bps	-

Group net interest margin movement



March 2025 v March 2024

Net interest income increased by $48 million or 0.6%. This includes a decrease of $105 million due to movements in economic hedges, offset in other operating income. Excluding this movement, the underlying increase of $153 million or 1.8% was due to higher average interest earning assets, partially offset by lower net interest margin.

Average interest earning assets increased by $20.7 billion or 2.1% reflecting growth primarily in business lending and, to a lesser extent, in housing lending.

The Group's **net interest margin** decreased by 2 basis points. Excluding an increase of 1 basis point in Markets and Treasury, the underlying margin was down 3 basis points due to:

- a decrease of 4 basis points mainly driven by higher deposit costs including competitive pressures, combined with deposit mix impacts largely in Australia, partially offset by higher earnings on the deposit replicating portfolio (+4bps),
- a decrease of 3 basis points driven by higher wholesale funding costs, and
- a decrease of 2 basis points in lending margin primarily driven by competitive pressures.

These decreases were partially offset by:

- an increase of 5 basis points driven by higher earnings on the capital replicating portfolio,
- an increase of 1 basis point driven by a lower mix of lower yielding high-quality liquid assets (HQLA).

The increase of 1 basis point in Markets and Treasury was due to:

- an increase of 3 basis points driven by higher NAB risk management income in Markets and Treasury,
- a decrease of 2 basis points driven by economic hedges offset in other operating income.

Refer to *Section 3 Divisional review* for further details about the net interest margin by division.

March 2025 v September 2024

Net interest income increased by $88 million or 1.1%. This includes a decrease of $21 million due to movements in economic hedges, offset in other operating income. Excluding this movement, the underlying increase of $109 million or 1.3% was due to higher average interest earning assets. The net interest margin was flat.

Average interest earning assets increased by $16.1 billion or 1.6% reflecting growth primarily in business lending and, to a lesser extent, in housing lending, together with growth in average interest earning assets in Markets and Treasury.

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

- a decrease of 2 basis points driven by higher wholesale funding costs,
- a decrease of 2 basis points mainly driven by higher deposit costs including competitive pressures, combined with deposit mix impacts largely in Australia, partially offset by higher earnings on the deposit replicating portfolio (+2bps),
- a decrease of 1 basis point in lending margin primarily driven by competitive pressures.

These decreases were partially offset by an increase of 2 basis points driven by higher earnings on the capital replicating portfolio.

The increase of 3 basis points in Markets and Treasury was due to higher NAB risk management income in Markets and Treasury.

Refer to *Section 3 Divisional review* for further details about the net interest margin by division.

Other operating income

	Half Year to				
	Mar 25 $m	Sep 24 $m	Mar 24 $m	Mar 25 v Sep 24 %	Mar 25 v Mar 24 %
Net fees and commissions	**1,071**	1,128	1,143	(5.1)	(6.3)
Trading income	**758**	656	612	15.5	23.9
Other	**7**	(29)	(14)	large	large
Total other operating income	**1,836**	1,755	1,741	4.6	5.5

March 2025 v March 2024

Other operating income increased by $95 million or 5.5%.

Fees and commissions decreased by $72 million or 6.3%. Included in the March 2025 half year is a charge of $63 million (March 2024 half year: $7 million) for customer-related remediation and a decrease of $46 million related to the fee reduction impact from the winding down and disposal of Group businesses. Excluding these items, the underlying increase of $30 million or 2.7% was primarily driven by higher fee income in cards and business lending, partially offset by lower fee income in merchant acquiring due to higher scheme fees.

Trading income increased by $146 million or 23.9%. This includes an increase of $105 million due to movements in economic hedges, offset in net interest income. Excluding this movement, the underlying increase of $41 million or 7.0% was primarily due to higher NAB risk management income in Treasury.

Other income increased by $21 million primarily due to higher earnings relating to the investment in MLC Life and FirstCape, partially offset by higher realised losses on bond sales in Treasury (high-quality liquids portfolio).

March 2025 v September 2024

Other operating income increased by $81 million or 4.6%.

Fees and commissions decreased by $57 million or 5.1%. Included in the March 2025 half year is a charge of $63 million (September 2024 half year: $28 million) for customer-related remediation, as well as a decrease of $16 million related to the fee reduction impact from the winding down and disposal of Group businesses. Excluding these items, the underlying decrease of $6 million or 0.5% was primarily driven by lower fee income in merchant acquiring due to higher scheme fees, lower housing lending and deposits fee income, partially offset by higher fee income in cards and business lending.

Trading income increased by $102 million or 15.5%. This includes an increase of $21 million due to movements in economic hedges, offset in net interest income. Excluding this movement, the underlying increase of $81 million or 14.9% was primarily due to higher NAB risk management income in Treasury.

Other income increased by $36 million primarily due to lower realised losses on bond sales in Treasury (high-quality liquids portfolio) combined with higher earnings relating to the investment in MLC Life.

Markets and Treasury income

	Half Year to				
	Mar 25 $m	Sep 24 $m	Mar 24 $m	Mar 25 v Sep 24 %	Mar 25 v Mar 24 %
Net interest income	**303**	165	259	83.6	17.0
Other operating income	**705**	573	597	23.0	18.1
Total Markets and Treasury income	**1,008**	738	856	36.6	17.8
Customer risk management[(1)]					
Foreign exchange	**286**	279	267	2.5	7.1
Rates	**117**	131	136	(10.7)	(14.0)
Total customer risk management income	**403**	410	403	(1.7)	-
NAB risk management[(2)]					
Markets	**220**	193	180	14.0	22.2
Treasury	**382**	150	265	large	44.2
Total NAB risk management income	**602**	343	445	75.5	35.3
Derivative valuation adjustment[(3)]	**3**	(15)	8	large	(62.5)
Total Markets and Treasury income	**1,008**	738	856	36.6	17.8
Average Markets traded market risk Value at Risk (VaR)[(4)]	**7.9**	8.3	9.4	(4.8)	(16.0)

(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 New Zealand Banking and 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.

March 2025 v March 2024

Markets and Treasury income increased by $152 million or 17.8% primarily due to higher NAB risk management income.

Customer risk management income was flat due to higher foreign exchange sales offset by lower interest rate sales.

NAB risk management income increased by $157 million or 35.3% primarily due to higher interest rate risk management income across Markets and Treasury and a $54 million gain on Subordinated Loan Notes issued by Insignia Financial Ltd[(1)], partially offset by higher realised losses on bond sales in Treasury (high-quality liquids portfolio).

Derivative valuation adjustment decreased by $5 million primarily due to an unfavourable movement in the credit valuation adjustment.

March 2025 v September 2024

Markets and Treasury income increased by $270 million or 36.6% primarily due to higher NAB risk management income.

Customer risk management income decreased by $7 million or 1.7% primarily due to lower interest rate sales, partially offset by higher foreign exchange sales.

NAB risk management income increased by $259 million or 75.5% primarily due to higher interest rate risk management income across Markets and Treasury, improved mark-to market impact of bonds in Treasury, a $54 million gain on Subordinated Loan Notes issued by Insignia Financial Ltd[(1)], and lower realised losses on bond sales in Treasury (high-quality liquids portfolio).

Derivative valuation adjustment increased by $18 million primarily due to a favourable movement in the credit valuation adjustment.

(1) As part of its financing of the acquisition of MLC Wealth, Insignia Financial Ltd issued $200 million of five-year structured Subordinated Loan Notes to NAB. NAB requested early redemption of the notes in March 2025, which was declined by Insignia Financial Ltd. As a result of the request for redemption the total return amount of the notes has been determined and the resultant fair value gain was recognised. The notes (including the increased total return amount) will be repaid in May 2026. For further details about the MLC Wealth Transaction, refer to *Note 13 Commitments and contingent liabilities*.

Operating expenses

	Half Year to				
	Mar 25 $m	Sep 24 $m	Mar 24 $m	Mar 25 v Sep 24 %	Mar 25 v Mar 24 %
Personnel expenses	**2,824**	2,801	2,788	0.8	1.3
Occupancy and depreciation expenses	**302**	291	300	3.8	0.7
Technology expenses	**1,038**	1,042	994	(0.4)	4.4
General expenses	**654**	616	595	6.2	9.9
Total operating expenses	**4,818**	4,750	4,677	1.4	3.0

March 2025 v March 2024

Operating expenses increased by $141 million or 3.0%.

Personnel expenses increased by $36 million or 1.3%. The increase was primarily driven by higher salary and related expenses. This was combined with continued investment in technology and compliance capabilities together with financial crime related costs. These impacts were partially offset by productivity benefits achieved through continued process improvements and simplification of the Group's operations and lower EU related costs.

Occupancy and depreciation expenses increased by $2 million or 0.7%.

Technology expenses increased by $44 million or 4.4%. The increase was primarily due to costs associated with software licences, maintenance and cloud consumption, combined with higher software amortisation. These impacts were partially offset by productivity benefits achieved through continued process improvements and simplification of the Group's operations.

General expenses increased by $59 million or 9.9%. This was primarily due to higher costs related to scams and fraud and marketing costs. This was partially offset by productivity benefits achieved through continued process improvements and simplification of the Group's operations.

March 2025 v September 2024

Operating expenses increased by $68 million or 1.4%.

Personnel expenses increased by $23 million or 0.8%. The increase was primarily driven by an increase in salary and related expenses. This was combined with increased technology and financial crime related costs. These impacts were partially offset by productivity benefits achieved through continued process improvements and simplification of the Group's operations and lower EU related costs.

Occupancy and depreciation expenses increased by $11 million or 3.8%. This was driven by lease and facility costs associated with commercial buildings.

Technology expenses decreased by $4 million or 0.4%.

General expenses increased by $38 million or 6.2%. This was primarily due to higher costs related to scams and fraud together with higher professional fees. This was partially offset by productivity benefits achieved through continued process improvements and simplification of the Group's operations and lower marketing costs.

Investment spend and capitalised software

	Half Year to				
	Mar 25 $m	Sep 24 $m	Mar 24 $m	Mar 25 v Sep 24 %	Mar 25 v Mar 24 %
Expensed	**312**	303	322	3.0	(3.1)
Capitalised software and fixed assets	**462**	601	412	(23.1)	12.1
Total investment spend	**774**	904	734	(14.4)	5.4
Represented by:					
Infrastructure	**241**	310	238	(22.3)	1.3
Compliance and risk	**272**	321	233	(15.3)	16.7
Customer experience, efficiency and sustainable revenue	**261**	273	263	(4.4)	(0.8)
Total investment spend	**774**	904	734	(14.4)	5.4

Investment spend is 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. It includes the amounts that relate to continuous improvement of deployed software and technology resilience. Investment spend for the Group was $774 million for the March 2025 half year.

March 2025 v March 2024

Investment spend increased by $40 million or 5.4%, mainly driven by increased investment in compliance and risk initiatives.

Investment in **infrastructure** initiatives was broadly flat. There is continued investment in technology resilience and simplification, data platforms and capabilities, cyber security and cloud migration. There has also been higher spend in technology modernisation.

Investment in **compliance and risk** initiatives increased by $39 million or 16.7%, reflecting continued investment in meeting regulatory commitments and managing risk across the Group. This includes uplifting financial crime prevention capabilities, enhancing fraud and scam protection, improving payments resilience and stability, and strengthening the Group's control environment to ensure compliance with industry standards and regulations.

Investment in **customer experience, efficiency and sustainable revenue** initiatives was flat. There is continued investment in technology resilience and core strategic priorities, such as Personal Banking, lending platforms including home and business lending, business transaction banking capabilities, and enhanced customer experience in digital channels.

March 2025 v September 2024

Investment spend decreased by $130 million or 14.4%, mainly driven by the timing of spend.

Investment in **infrastructure** initiatives decreased by $69 million or 22.3%, primarily driven by timing of spend on the Group's branch network, combined with technology simplification and refresh activities. There is continued investment in cyber security and cloud migration, combined with higher spend in technology modernisation.

Investment in **compliance and risk** initiatives decreased by $49 million or 15.3% due to timing of spend. There is continued investment in uplifting financial crime prevention capabilities, enhancing fraud and scam protection, improving payments resilience and stability, and strengthening the Group's control environment to ensure compliance with industry standards and regulations.

Investment in **customer experience, efficiency and sustainable revenue** initiatives decreased by $12 million or 4.4%, primarily due to timing of spend. There is continued investment in technology resilience and core strategic priorities, such as Personal Banking, lending platforms including home and business lending, and enhanced customer experience in digital channels.

Capitalised software

The movement in capitalised software is as follows:

	Half Year to				
	Mar 25 $m	Sep 24 $m	Mar 24 $m	Mar 25 v Sep 24 %	Mar 25 v Mar 24 %
Balance at beginning of period	**3,013**	2,809	2,722	7.3	10.7
Additions	**529**	622	434	(15.0)	21.9
Disposals and write-offs	**(4)**	(49)	(2)	(91.8)	large
Amortisation	**(365)**	(364)	(342)	0.3	6.7
Foreign currency translation adjustments	**(5)**	(5)	(3)	-	66.7
Capitalised software	**3,168**	3,013	2,809	5.1	12.8

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

- Additions include the capitalised component of *Investment spend* on page 20 together with capitalised software in respect of acquisitions (including the acquisition of the Citi consumer business). Acquisition-related capitalised software was $64 million for the March 2025 half year (September 2024 half year: $66 million and March 2024 half year: $58 million).
- Amortisation is included in 'Technology expenses' and 'General expenses' within *4 Operating expenses*.

Appendix 4D
Half Year Results Summary
Group highlights
Group review
Divisional review
Financial report
Supplementary information

Taxation

	Half Year to				
	Mar 25	Sep 24	Mar 24	Mar 25 v Sep 24	Mar 25 v Mar 24
Income tax expense ($m)	**1,512**	1,434	1,541	5.4%	(1.9%)
Effective tax rate (%)	**29.6**	28.7	30.2	90 bps	(60 bps)

March 2025 v March 2024

Income tax expense decreased by $29 million or 1.9% due to the lower effective tax rate.

The **effective tax rate** decreased by 60 basis points to 29.6% due to:

- an increase in income from offshore jurisdictions taxed at rates lower than Australia's corporate tax rate, and
- an increase in the adjustment for prior year over provisions of income tax.

These decreases to the effective tax rate are partially offset by the non-recurrence of the March 2024 half year adjustment to recognise a deferred tax asset for U.S. tax losses.

March 2025 v September 2024

Income tax expense increased by $78 million or 5.4% due to the higher effective tax rate and higher cash earnings before income tax.

The **effective tax rate** increased by 90 basis points to 29.6% primarily due to the non-recurrence of the September 2024 half year adjustment to recognise a deferred tax asset for U.S. tax losses.

Lending

	As at				
	31 Mar 25 $bn	30 Sep 24 $bn	31 Mar 24 $bn	Mar 25 v Sep 24 %	Mar 25 v Mar 24 %
Housing					
Business and Private Banking	**107.7**	105.2	103.6	2.4	4.0
Personal Banking	**247.0**	243.0	242.1	1.6	2.0
New Zealand Banking	**56.5**	55.2	53.9	2.4	4.8
Corporate Functions and Other	**15.1**	13.4	13.5	12.7	11.9
Total housing	**426.3**	416.8	413.1	2.3	3.2
Non-housing					
Business and Private Banking	**161.4**	158.4	152.4	1.9	5.9
Personal Banking	**9.4**	9.5	9.7	(1.1)	(3.1)
Corporate and Institutional Banking	**116.4**	110.6	107.7	5.2	8.1
New Zealand Banking	**42.8**	42.9	42.4	(0.2)	0.9
Total non-housing	**330.0**	321.4	312.2	2.7	5.7
Gross loans and advances	**756.3**	738.2	725.3	2.5	4.3

March 2025 v March 2024

Lending increased by $31.0 billion or 4.3% including an increase of $0.6 billion driven by exchange rate movements.

Housing lending increased by $13.2 billion or 3.2% mainly due to:

- an increase of $4.9 billion or 2.0% in Personal Banking driven by growth in both owner occupier and investor lending.
- an increase of $4.1 billion or 4.0% in Business and Private Banking due to growth in both owner occupier and investor lending.
- an increase of $2.6 billion or 4.8% in New Zealand Banking, including a decrease of $0.5 billion driven by exchange rate movements. The underlying increase of $3.1 billion was driven by growth in both owner occupier and investor lending.
- an increase of $1.6 billion or 11.9% in Corporate Functions and Other reflecting growth in ubank.

Non-housing lending increased by $17.8 billion or 5.7% mainly due to:

- an increase of $9.0 billion or 5.9% in Business and Private Banking driven by growth in business lending across a broad range of sectors, despite subdued growth in agriculture.
- an increase of $8.7 billion or 8.1% in Corporate and Institutional Banking, including an increase of $1.5 billion driven by exchange rate movements. The underlying increase of $7.2 billion was primarily due to growth in corporate, infrastructure and funds segments.
- an increase of $0.4 billion or 0.9% in New Zealand Banking, including a decrease of $0.4 billion driven by exchange rate movements. The underlying increase of $0.8 billion was driven by growth in business lending.
- a decrease of $0.3 billion or 3.1% in Personal Banking driven by contraction in unsecured lending.

March 2025 v September 2024

Lending increased by $18.1 billion or 2.5% including an increase of $1.8 billion driven by exchange rate movements.

Housing lending increased by $9.5 billion or 2.3% mainly due to:

- an increase of $4.0 billion or 1.6% in Personal Banking due to growth in both owner occupier and investor lending.
- an increase of $2.5 billion or 2.4% in Business and Private Banking due to growth in both owner occupier and investor lending.
- an increase of $1.7 billion or 12.7% in Corporate Functions and Other reflecting growth in ubank.
- an increase of $1.3 billion or 2.4% in New Zealand Banking, including a decrease of $0.6 billion driven by exchange rate movements. The underlying increase of $1.9 billion was driven by growth in both owner occupier and investor lending.

Non-housing lending increased by $8.6 billion or 2.7% mainly due to:

- an increase of $5.8 billion or 5.2% in Corporate and Institutional Banking, including an increase of $2.9 billion driven by exchange rate movements. The underlying increase of $2.9 billion was primarily due to growth in the corporate and infrastructure segments.
- an increase of $3.0 billion or 1.9% in Business and Private Banking driven by growth in business lending across a broad range of sectors, despite subdued growth in agriculture.
- a decrease of $0.1 billion or 0.2% in New Zealand Banking, including a decrease of $0.5 billion driven by exchange rate movements. The underlying increase of $0.4 billion was driven by growth in business lending.
- a decrease of $0.1 billion or 1.1% in Personal Banking driven by contraction in unsecured lending.

Customer deposits

	As at				
	31 Mar 25 $bn	30 Sep 24 $bn	31 Mar 24 $bn	Mar 25 v Sep 24 %	Mar 25 v Mar 24 %
Business and Private Banking	**232.6**	221.3	213.9	5.1	8.7
Personal Banking	**171.1**	163.3	157.2	4.8	8.8
Corporate and Institutional Banking	**134.2**	131.8	131.6	1.8	2.0
New Zealand Banking	**77.6**	75.6	73.5	2.6	5.6
Corporate Functions and Other	**22.4**	20.8	20.3	7.7	10.3
Total customer deposits	**637.9**	612.8	596.5	4.1	6.9

March 2025 v March 2024

Customer deposits increased by $41.4 billion or 6.9% including a decrease of $0.4 billion driven by exchange rate movements. The increase is due to:

- an increase of $18.7 billion or 8.7% in Business and Private Banking driven by underlying growth in on-demand deposits of $9.4 billion, term deposits of $7.1 billion and non-interest bearing accounts including offsets of $2.2 billion.
- an increase of $13.9 billion or 8.8% in Personal Banking driven by underlying growth in on-demand deposits of $9.3 billion, term deposits of $2.7 billion and non-interest bearing accounts of $1.9 billion.
- an increase of $4.1 billion or 5.6% in New Zealand Banking, including a decrease of $0.7 billion driven by exchange rate movements. The underlying increase of $4.8 billion was driven by growth in term deposits of $2.0 billion, non-interest bearing accounts of $1.5 billion and on-demand deposits of $1.3 billion.
- an increase of $2.6 billion or 2.0% in Corporate and Institutional Banking, including an increase of $0.3 billion driven by exchange rate movements. The underlying increase of $2.3 billion was primarily driven by higher structured deposits of $5.1 billion and term deposits of $2.3 billion, partially offset by the anticipated run-off in the asset servicing business of $3.8 billion and lower transactional deposits of $1.3 billion.
- an increase of $2.1 billion or 10.3% in Corporate Functions and Other primarily driven by growth in on-demand deposits in ubank.

March 2025 v September 2024

Customer deposits increased by $25.1 billion or 4.1% including a decrease of $0.2 billion driven by exchange rate movements. The increase is due to:

- an increase of $11.3 billion or 5.1% in Business and Private Banking driven by underlying growth in on-demand deposits of $6.2 billion, term deposits of $3.2 billion and non-interest bearing accounts including offsets of $1.9 billion.
- an increase of $7.8 billion or 4.8% in Personal Banking driven by underlying growth in on-demand deposits of $5.0 billion, non-interest bearing accounts of $1.7 billion and term deposits of $1.1 billion.
- an increase of $2.4 billion or 1.8% in Corporate and Institutional Banking, including an increase of $0.6 billion driven by exchange rate movements. The underlying increase of $1.8 billion was primarily driven by higher structured deposits of $2.8 billion and transactional deposits of $2.2 billion, partially offset by the anticipated run-off in the asset servicing business of $1.6 billion and lower term deposits of $1.6 billion.
- an increase of $2.0 billion or 2.6% in New Zealand Banking, including a decrease of $0.8 billion driven by exchange rate movements. The underlying increase of $2.8 billion was driven by growth in non-interest bearing accounts of $2.4 billion and term deposits of $0.4 billion.
- an increase of $1.6 billion or 7.7% in Corporate Functions and Other primarily driven by growth in on-demand deposits in ubank.

Asset quality

Credit impairment charge

	Half Year to Mar 25 $m	Sep 24 $m	Mar 24 $m	Mar 25 v Sep 24 %	Mar 25 v Mar 24 %
Individually assessed credit impairment charge					
New and increased	**497**	544	319	(8.6)	55.8
Write-backs	**(81)**	(60)	(72)	35.0	12.5
Recoveries of amounts previously written off	**(26)**	(37)	(58)	(29.7)	(55.2)
Total individually assessed credit impairment charge	**390**	447	189	(12.8)	large
Collective credit impairment (write-back) / charge	**(42)**	(82)	174	(48.8)	large
Total credit impairment charge	**348**	365	363	(4.7)	(4.1)

	Half Year to Mar 25 %	Sep 24 %	Mar 24 %	Mar 25 v Sep 24	Mar 25 v Mar 24
Credit impairment charge to GLAs - annualised	**0.09**	0.10	0.10	(1 bp)	(1 bp)
Net write-offs to GLAs - annualised	**0.06**	0.06	0.05	-	1 bp

March 2025 v March 2024

Credit impairment charge decreased by $15 million or 4.1% to $348 million, driven by a lower level of collective credit impairment charges. This was partially offset by a higher level of individually assessed credit impairment charges primarily in the Australian business lending portfolio.

Individually assessed credit impairment charge increased by $201 million to $390 million mainly due to:

- an increased charge in Corporate and Institutional Banking for the impairment of a small number of customers, combined with the non-recurrence of write-backs and recoveries for a small number of larger customers in the March 2024 half year, and
- an increased charge in Business and Private Banking due to an increased level of impairment activity.

Collective credit impairment charge decreased by $216 million to a write-back of $42 million.

The write-back for the March 2025 half year of $42 million reflects a net release of forward-looking provisions, mainly reflecting anticipated asset quality deterioration transitioning from the forward outlook to the current period, and a partial release of the New Zealand Agri forward-looking adjustment (FLA). This was partially offset by deterioration in asset quality across the Australian lending portfolio combined with volume growth in the Australian business lending portfolio.

The charge for the March 2024 half year was $174 million mainly due to volume growth in Business and Private Banking, combined with deterioration in asset quality in the Australian retail portfolio. This was partially offset by the impact of house price increases and a net release of forward-looking provisions, including releases from the Australian mortgage and Australian energy FLAs reflecting the improved outlook for these sectors.

The Group ratio of **net write-offs to GLAs** increased by 1 basis point to 0.06% mainly due to a slightly higher level of write-off activity for the Australian unsecured retail portfolio, combined with the non-recurrence of recoveries for a small number of larger customers in Corporate and Institutional Banking in the March 2024 half year.

March 2025 v September 2024

Credit impairment charge decreased by $17 million or 4.7% to $348 million, driven by a lower level of individually assessed credit impairment charges, partially offset by a lower level of collective credit impairment write-back.

Individually assessed credit impairment charge decreased by $57 million or 12.8% to $390 million, mainly due to a lower level of charge in Business and Private Banking. This was partially offset by the impairment of a small number of customers in Corporate and Institutional Banking in the current period.

Collective credit impairment charge increased by $40 million to a write-back of $42 million.

The write-back for the March 2025 half year of $42 million reflects a net release of forward-looking provisions, mainly reflecting anticipated asset quality deterioration transitioning from the forward outlook to the current period, and a partial release of the New Zealand Agri FLA. This was partially offset by deterioration in asset quality across the Australian lending portfolio combined with volume growth in the Australian business lending portfolio.

The write-back for the September 2024 half year was $82 million driven by a net release of 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 Group ratio of **net write-offs to GLAs** was flat at 0.06%.

Provision for credit impairment

	As at				
	31 Mar 25 $m	30 Sep 24 $m	31 Mar 24 $m	Mar 25 v Sep 24 %	Mar 25 v Mar 24 %
Collective provision for credit impairment[(1)]	**5,117**	5,165	5,351	(0.9)	(4.4)
Individually assessed provision for credit impairment	**920**	756	546	21.7	68.5
Total provision for credit impairment	**6,037**	5,921	5,897	2.0	2.4

	As at				
	31 Mar 25 %	30 Sep 24 %	31 Mar 24 %	Mar 25 v Sep 24	Mar 25 v Mar 24
Total provision to GLAs	**0.80**	0.80	0.81	-	(1 bp)
Total provision to credit risk-weighted assets	**1.67**	1.69	1.62	(2 bps)	5 bps
Individually assessed provision to impaired assets	**55.8**	51.4	50.6	440 bps	520 bps
Collective provision to credit risk-weighted assets	**1.42**	1.47	1.47	(5 bps)	(5 bps)
Collective provision to GLAs	**0.68**	0.70	0.74	(2 bps)	(6 bps)

(1) March 2025 and September 2024 do not include collective provisions on derivatives at fair value. March 2024 includes $105 million of collective provisions on derivatives at fair value.

March 2025 v March 2024

Provision for credit impairment increased by $140 million or 2.4% to $6,037 million.

Individually assessed provision increased by $374 million or 68.5% to $920 million, primarily driven by new and increased provisions raised for customers in the Group's business lending portfolio, mainly in Business and Private Banking.

Collective provision decreased by $234 million or 4.4% to $5,117 million. This was mainly due to:

- a decrease of $368 million in net forward-looking provisions mainly reflecting anticipated asset quality deterioration transitioning from the forward outlook to the current period. This includes a net release of $146 million from target sector FLAs, combined with a 2.5% reduction in the downside scenario weighting and the impact of methodology refinements in the September 2024 half year, and
- a decrease in provisions held due to the impact of model changes on provisions for the Group's underlying lending portfolio in the September 2024 half year.

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 the Business and Private Banking portfolio, and
- 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 decreased by 5 basis points to 1.42% predominantly due to a decrease in provisions, partially offset by a decrease in credit risk-weighted assets.

March 2025 v September 2024

Provision for credit impairment increased by $116 million or 2.0% to $6,037 million.

Individually assessed provision increased by $164 million or 21.7% to $920 million, primarily driven by new and increased provisions raised for customers in the Australian business lending portfolio in both Business and Private Banking and Corporate and Institutional Banking.

Collective provision decreased by $48 million or 0.9% to $5,117 million. This was mainly due to:

- a decrease of $194 million in net forward-looking provisions mainly reflecting anticipated asset quality deterioration transitioning from the forward outlook to the current period, and a partial release of the New Zealand Agri FLA.

This was partially offset by:

- an increase in provisions held for the Australian business lending portfolio, mainly due to volume growth and deterioration in asset quality, partially offset by the release of provisions held for customers that transferred to individually assessed during the March 2025 half year, and
- an increase in provisions held for the Australian mortgage portfolio due to an increase in arrears.

The **collective provision to credit risk-weighted assets** ratio decreased by 5 basis points to 1.42% due to an increase in credit risk-weighted assets, combined with a decrease in provisions.

Non-performing exposures

	As at				
	31 Mar 25 $m	30 Sep 24 $m	31 Mar 24 $m	Mar 25 v Sep 24 %	Mar 25 v Mar 24 %
Impaired assets	**1,648**	1,471	1,079	12.0	52.7
Default but not impaired assets[(1)]	**9,613**	8,759	7,612	9.7	26.3
Non-performing exposures	**11,261**	10,230	8,691	10.1	29.6
Of which: 90+ days past due but not impaired[(1)]	**5,879**	5,482	4,651	7.2	26.4

	As at				
	31 Mar 25 %	30 Sep 24 %	31 Mar 24 %	Mar 25 v Sep 24	Mar 25 v Mar 24
Impaired assets to GLAs	**0.22**	0.20	0.15	2 bps	7 bps
Default but not impaired assets to GLAs[(1)]	**1.27**	1.19	1.05	8 bps	22 bps
Non-performing exposures to GLAs	**1.49**	1.39	1.20	10 bps	29 bps
Of which: 90+ days past due but not impaired to GLAs[(1)]	**0.78**	0.74	0.64	4 bps	14 bps

(1) Includes loans that have been classified as restructured in accordance with APS 220 *Credit Risk Management* which are assessed as no loss based on security held.

March 2025 v March 2024

Non-performing exposures increased by $2,570 million or 29.6% to $11,261 million. This mainly reflects broad-based deterioration in the Business and Private Banking business lending portfolio, combined with higher arrears for the Australian mortgage portfolio.

The ratio of **impaired assets to GLAs** increased by 7 basis points to 0.22%. This mainly reflects the impairment of customers in the Australian business lending portfolio, primarily in Business and Private Banking including a small number of larger customers in the September 2024 half year.

The ratio of **default but not impaired assets to GLAs** increased by 22 basis points to 1.27%. This mainly reflects broad-based deterioration in the Business and Private Banking business lending portfolio, combined with higher arrears for the Australian mortgage portfolio.

March 2025 v September 2024

Non-performing exposures increased by $1,031 million or 10.1% to $11,261 million. This mainly reflects broad-based deterioration in the Business and Private Banking business lending portfolio, and to a lesser extent, higher arrears for the Australian mortgage portfolio.

The ratio of **impaired assets to GLAs** increased by 2 basis points to 0.22%. This mainly reflects the impairment of customers in the Australian business lending portfolio in both Business and Private Banking and Corporate and Institutional Banking.

The ratio of **default but not impaired assets to GLAs** increased by 8 basis points to 1.27%. This mainly reflects broad-based deterioration in the Business and Private Banking business lending portfolio, and to a lesser extent, higher arrears for the Australian mortgage 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

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

Increased loss-absorbing capacity for ADIs

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

Additional Tier 1 capital changes

In December 2024, APRA confirmed it will phase out the use of Additional Tier 1 (AT1) capital from 1 January 2027. Under APRA's approach, large, internationally active banks including NAB will replace 1.5% AT1 capital with 0.25% Common Equity Tier 1 (CET1) capital and 1.25% Tier 2 capital. Until 2032, existing AT1 capital instruments will be eligible to be included as Tier 2 capital until an instrument's first call date. This change is intended to ensure that the capital strength of the Australian banking system operates more effectively in a stress scenario. APRA plans to finalise amendments to prudential standards to reflect the change by the end of 2025.

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. Internal models used in the calculation of IRRBB capital will require re-accreditation by APRA.

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.

Reserve Bank of New Zealand capital review

In December 2019, the RBNZ finalised its review of the 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.

In March 2025, the RBNZ announced its intention to conduct a review of key capital settings.

Liquidity requirements

APRA will conduct a comprehensive review of APS 210 *Liquidity*, with industry engagement expected to commence this calendar year.

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 CET1 ratio operating target has increased by 25bps to greater than 11.25% to reflect APRA's decision to phase out AT1 capital from January 2027.

On 12 March 2025, the Group completed the on-market buy-back that was announced on 15 August 2023 and subsequently increased on 2 May 2024 to $3 billion. Through this buy-back, the Group has bought back and cancelled 87,824,707 ordinary shares up to 31 March 2025, including 16,572,039 ordinary shares ($0.6 billion or 0.15% of CET1 capital) in the March 2025 half year.

Pillar 3 disclosures

Further disclosures with respect to capital adequacy and risk management are included in the March 2025 Pillar 3 Report as required by APS 330 *Public Disclosure*.

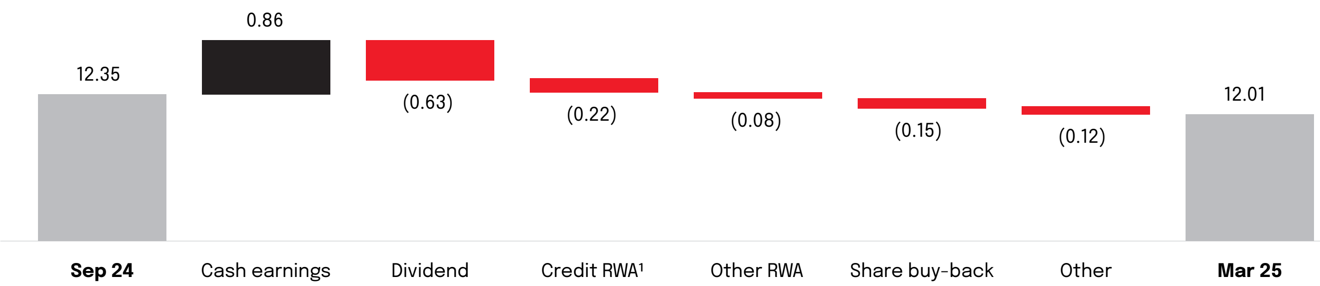
Capital ratios

	As at				
	31 Mar 25 %	30 Sep 24 %	31 Mar 24 %	Mar 25 v Sep 24	Mar 25 v Mar 24
Capital ratios					
CET1	**12.01**	12.35	12.15	(34 bps)	(14 bps)
Tier 1	**14.26**	14.67	14.13	(41 bps)	13 bps
Total capital	**21.02**	20.92	20.27	10 bps	75 bps

	As at				
	31 Mar 25 $m	30 Sep 24 $m	31 Mar 24 $m	Mar 25 v Sep 24 %	Mar 25 v Mar 24 %
Risk-weighted assets					
Credit risk	**360,486**	350,891	363,873	2.7	(0.9)
Market risk	**12,094**	11,427	11,171	5.8	8.3
Operational risk	**37,985**	36,102	36,102	5.2	5.2
Interest rate risk in the banking book	**14,624**	15,526	21,407	(5.8)	(31.7)
Floor adjustment	**1,256**	-	-	large	large
Total risk-weighted assets	**426,445**	413,946	432,553	3.0	(1.4)

	As at				
	31 Mar 25	30 Sep 24	31 Mar 24	Mar 25 v Sep 24	Mar 25 v Mar 24
Leverage ratio					
Tier 1 capital ($m)	**60,826**	60,728	61,133	0.2%	(0.5%)
Total exposures ($m)	**1,210,737**	1,191,855	1,198,406	1.6%	1.0%
Leverage ratio (%)	**5.02**	5.10	5.10	(8 bps)	(8 bps)

Movements in CET1 capital ratio %



(1) Excludes foreign exchange (FX) translation.

Capital movements during the March 2025 half year

The Group's CET1 capital ratio was 12.01% as at 31 March 2025. The key movements in capital over the March 2025 half year included:

- cash earnings less the 2024 final dividend resulting in an increase of 23 basis points,
- an increase in credit RWA decreasing the CET1 capital ratio by 22 basis points, driven by:
  - volume growth contributing to a decrease of 26 basis points,
  - asset quality deterioration contributing to a decrease of 6 basis points,
  - model and methodology changes contributing to an increase of 9 basis points,
  - derivatives (excluding foreign exchange translation) contributing to an increase of 1 basis point,
- an increase in other (non-credit) RWA decreasing the CET1 capital ratio by 8 basis points, driven mainly by:
  - operational risk contributing to a decrease of 5 basis points,
  - the capital floor adjustment contributing to a decrease of 4 basis points,
  - traded market risk contributing to a decrease of 2 basis points,
  - interest rate risk in the banking book contributing to an increase of 3 basis points,
- the impact of the final $0.6 billion of the on-market buy-back completed in the March 2025 half year resulting in a decrease of 15 basis points,

- other items decreasing the CET1 capital ratio by 12 basis points, including net foreign exchange translation, non-cash earnings, capitalised software and other miscellaneous items.

Dividend and Dividend Reinvestment Plan (DRP)

The interim dividend in respect of the March 2025 half year has been determined at 85 cents, 100% franked, payable on 2 July 2025.

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. The DRP discount for the 2025 interim dividend is nil. Eligible shareholders have the ability to participate in the DRP for the 2025 interim 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.

Tier 2 capital initiatives

On 14 January 2025, NAB issued US$1.25 billion of Subordinated Notes.

Further detail on the Group's Subordinated Notes issuance is available at nabcapital.com.au.

BNZ capital initiatives

On 28 January 2025, BNZ issued US$500 million of Subordinated Notes which qualify as Tier 2 capital for BNZ under RBNZ rules, but do not contribute to the Group's Total capital position under APRA rules.

Funding and liquidity

The Group monitors the composition and stability of funding and liquidity through the Group's 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 in order to mitigate the risk of future funding stress.

At 31 March 2025, the Group's NSFR was 119%, up 2% compared to 30 September 2024. Increases in available stable funding (ASF) from deposits and wholesale funding were partially offset by increases in required stable funding (RSF) from increased lending volumes and a changing mix of regulatory liquid assets.

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.

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

Over the March 2025 half year, the SFI increased to 105%.

Group funding metrics

	As at		
	31 Mar 25	30 Sep 24	31 Mar 24
	%	%	%
CFI	**84**	83	82
TFI	**21**	20	21
SFI	**105**	103	103
NSFR	**119**	117	118

Term wholesale funding

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

In the March 2025 half year, NAB accessed term wholesale funding markets across a range of products and currencies. This was against a backdrop of increasing volatility, driven by investor uncertainty regarding the impact of increased tariffs and restrictive global trade policies on global GDP growth and central bank settings.

The Group raised $20.4 billion of term wholesale funding during the March 2025 half year of which NAB raised $18.7 billion, including $2.0 billion of Tier 2 subordinated debt and BNZ raised $1.7 billion of term wholesale funding, including $0.8 billion of Tier 2 subordinated debt.

The weighted average maturity of term wholesale funding issued by the Group in the March 2025 half year was approximately 5.0 years.

The weighted average remaining maturity of the Group's term wholesale funding portfolio is approximately 3.4[(1)] years.

Term funding markets continue to be influenced by the economic environment, credit conditions, investor sentiment and monetary, fiscal and trade policy settings.

Term wholesale funding issuance by deal type

	As at		
	31 Mar 25	30 Sep 24	31 Mar 24
	%	%	%
Senior unsecured	**78**	73	70
Subordinated debt	**14**	9	9
Covered bonds	**8**	13	21
RMBS	**-**	5	-
Total	**100**	100	100

Term wholesale funding issuance by currency

	As at		
	31 Mar 25	30 Sep 24	31 Mar 24
	%	%	%
USD	**42**	37	40
AUD	**44**	45	47
EUR	**9**	15	10
NZD	**4**	2	3
Other	**1**	1	-
Total	**100**	100	100

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

Short-term wholesale funding

During the March 2025 half year, the Group accessed international and domestic short-term funding through wholesale markets. In addition, the Group has 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 TLF and FLP, are materially offset by reverse repurchase agreements with similar tenors.

Liquidity Coverage Ratio

The LCR measures the adequacy of high-quality liquid assets (HQLA) available to meet net cash outflows over a 30-day period, during a severe liquidity stress scenario. HQLA primarily consists of cash, deposits with central banks, Australian government and semi-government securities and securities issued by foreign sovereigns.

In addition to HQLA, other regulatory liquid assets include Alternative Liquid Assets (ALA). ALA are comprised of RBNZ repo-eligible securities that are eligible for inclusion under APS 210 *Liquidity*.

The Group maintains a well-diversified liquid asset portfolio to support regulatory and internal requirements in the regions in which it operates. Liquid assets are measured at fair value with valuation changes recognised immediately through either the income statement or other comprehensive income. The average value of regulatory liquid assets held through the March 2025 quarter was $212 billion and included $209 billion of HQLA and $3 billion of ALA, primarily RBNZ securities.

A detailed breakdown of quarterly average net cash outflows is provided in the March 2025 Pillar 3 Report.

	Quarterly average		
	31 Mar 25	30 Sep 24	31 Mar 24
Liquidity Coverage Ratio			
LCR liquid assets ($bn)			
High-quality liquid assets	**209**	212	205
Alternative liquid assets	**3**	3	2
Total LCR liquid assets	**212**	215	207
Net cash outflows ($bn)	**152**	157	149
Quarterly average LCR (%)	**139**	137	139

Credit ratings

NAB is rated by S&P Global Ratings, Moody's Investors Service and Fitch Ratings.

National Australia Bank credit ratings

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

Goodwill and other intangible assets

Goodwill

There were no movements in the goodwill balance during this period.

The goodwill balance is as follows:

	Half Year to		
	Mar 25	Sep 24	Mar 24
	$m	$m	$m
Balance at beginning of period	**2,070**	2,070	2,070
Goodwill	**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:

	Half Year to		
	Mar 25	Sep 24	Mar 24
	$m	$m	$m
Balance at beginning of period	**141**	151	160
Amortisation(1)	**(8)**	(10)	(9)
Other intangible assets	**133**	141	151

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

Half year results 2025

Business and Private Banking

Business and Private Banking focuses on NAB's priority small and medium (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.

	Half Year to				
	Mar 25 $m	Sep 24 $m	Mar 24 $m	Mar 25 v Sep 24 %	Mar 25 v Mar 24 %
Net interest income	**3,646**	3,669	3,599	(0.6)	1.3
Other operating income	**500**	517	514	(3.3)	(2.7)
Net operating income	**4,146**	4,186	4,113	(1.0)	0.8
Operating expenses	**(1,568)**	(1,560)	(1,551)	0.5	1.1
Underlying profit	**2,578**	2,626	2,562	(1.8)	0.6
Credit impairment charge	**(237)**	(322)	(201)	(26.4)	17.9
Cash earnings before income tax	**2,341**	2,304	2,361	1.6	(0.8)
Income tax expense	**(707)**	(693)	(715)	2.0	(1.1)
Cash earnings	**1,634**	1,611	1,646	1.4	(0.7)

Volumes ($bn)					
Housing lending	**107.7**	105.2	103.6	2.4	4.0
Business lending	**158.0**	155.0	148.9	1.9	6.1
Other lending	**3.4**	3.4	3.5	-	(2.9)
Gross loans and acceptances	**269.1**	263.6	256.0	2.1	5.1
Average interest earning assets	**245.7**	241.8	233.7	1.6	5.1
Total assets	**267.6**	262.1	255.1	2.1	4.9
Customer deposits	**232.6**	221.3	213.9	5.1	8.7
Total risk-weighted assets	**151.1**	146.7	155.3	3.0	(2.7)

	Half Year to				
	Mar 25	Sep 24	Mar 24	Mar 25 v Sep 24	Mar 25 v Mar 24
Performance measures					
Cash earnings on average assets (%)	**1.25**	1.25	1.32	-	(7 bps)
Cash earnings on average risk-weighted assets (%)	**2.19**	2.14	2.17	5 bps	2 bps
Net interest margin (%)	**2.98**	3.03	3.08	(5 bps)	(10 bps)
Cost to income ratio (%)	**37.8**	37.3	37.7	50 bps	10 bps
Funds under management (spot) ($m)	**43,941**	42,376	52,880	3.7%	(16.9%)
Asset quality (%)					
Impaired assets to GLAs	**0.43**	0.39	0.26	4 bps	17 bps
Default but not impaired assets to GLAs[1]	**1.98**	1.73	1.53	25 bps	45 bps
Credit impairment charge to GLAs - annualised	**0.18**	0.24	0.16	(6 bps)	2 bps

(1) Includes loans that have been classified as restructured in accordance with APS 220 *Credit Risk Management* which are assessed as no loss based on security held.

March 2025 v March 2024

Cash earnings decreased by $12 million or 0.7%, primarily driven by higher credit impairment charges and operating expenses, partially offset by higher net operating income.

Key movements	Key drivers
Net interest income up $47m, 1.3%	• Net interest margin decreased by 10 basis points primarily reflecting competitive pressures impacting both the business and housing lending portfolios, higher wholesale funding costs and higher deposit costs primarily driven by mix due to term deposit growth. This was partially offset by higher earnings on deposit and capital replicating portfolios and favourable portfolio mix from stronger deposit volume growth relative to lending growth. • Average interest earning assets increased by $12.0 billion or 5.1% reflecting growth in both business and housing lending.
Other operating income down $14m, 2.7%	• Includes a $19 million decrease related to the disposal of the New Zealand wealth business. • Underlying increase of $5 million was driven by higher revenue from foreign exchange and increased trading activity in the wealth business, partially offset by lower fee income in merchant acquiring due to higher scheme fees.
Operating expenses up $17m, 1.1%	• Includes a $10 million decrease related to the disposal of the New Zealand wealth business. • Underlying increase of $27 million was primarily due to higher salary and related expenses, investment to support business growth and financial crime related costs, together with continued investment in technology and compliance capabilities. This was partially offset by productivity benefits achieved through continued simplification of the Group's operations, including realisation of operational process improvements.
Credit impairment charge up $36m, 17.9%	• Higher individually assessed provision charges due to increased impairments, partially offset by lower collective provision charges due to lower levels of volume growth in the business lending portfolio.
Risk-weighted assets down $4.2bn, 2.7%	• Decrease in risk-weighted assets was driven by model methodology changes, partially offset by growth in business lending volumes and deterioration in asset quality.

March 2025 v September 2024

Cash earnings increased by $23 million or 1.4%, primarily driven by lower credit impairment charges, partially offset by lower net operating income and higher operating expenses.

Key movements	Key drivers
Net interest income down $23m, 0.6%	• Net interest margin decreased by 5 basis points primarily reflecting competitive pressures impacting both the business and housing lending portfolios, higher wholesale funding costs and higher deposit costs primarily driven by mix due to term deposit growth. This was partially offset by higher earnings on deposit and capital replicating portfolios and favourable portfolio mix from stronger deposit volume growth relative to lending growth. • Average interest earning assets increased by $3.9 billion or 1.6% reflecting growth in both business and housing lending.
Other operating income down $17m, 3.3%	• Includes a $2 million decrease related to the disposal of the New Zealand wealth business. • Underlying decrease of $15 million was primarily driven by lower fee income in merchant acquiring due to higher scheme fees, combined with lower deposit fee income. This was partially offset by higher revenue from increased trading activity in the wealth business.
Operating expenses up $8m, 0.5%	• Includes a $2 million decrease related to the disposal of the New Zealand wealth business. • Underlying increase of $10 million was primarily due to higher salary and related expenses, investment to support business growth together with increased financial crime related and technology costs. This was partially offset by productivity benefits achieved through continued simplification of the Group's operations, including realisation of operational process improvements.
Credit impairment charge down $85m, 26.4%	• Lower individually assessed provision charges primarily due to the non-recurrence of the impairment of a small number of larger customers in the September 2024 half year.
Risk-weighted assets up $4.4bn, 3.0%	• Increase in risk-weighted assets was due to growth in business lending volumes, combined with deterioration in asset quality.

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.

	Half Year to				
	Mar 25 $m	**Sep 24 $m**	**Mar 24 $m**	**Mar 25 v Sep 24 %**	**Mar 25 v Mar 24 %**
Net interest income	**1,963**	1,978	1,975	(0.8)	(0.6)
Other operating income	**330**	339	287	(2.7)	15.0
Net operating income	**2,293**	2,317	2,262	(1.0)	1.4
Operating expenses	**(1,312)**	(1,310)	(1,308)	0.2	0.3
Underlying profit	**981**	1,007	954	(2.6)	2.8
Credit impairment charge	**(158)**	(127)	(161)	24.4	(1.9)
Cash earnings before income tax	**823**	880	793	(6.5)	3.8
Income tax expense	**(247)**	(262)	(237)	(5.7)	4.2
Cash earnings	**576**	618	556	(6.8)	3.6

Volumes ($bn)					
Housing lending	**247.0**	243.0	242.1	1.6	2.0
Other lending	**9.4**	9.5	9.7	(1.1)	(3.1)
Gross loans and acceptances	**256.4**	252.5	251.8	1.5	1.8
Average interest earning assets	**227.5**	226.3	226.4	0.5	0.5
Total assets	**263.6**	260.1	258.9	1.3	1.8
Customer deposits	**171.1**	163.3	157.2	4.8	8.8
Total risk-weighted assets	**83.1**	81.7	82.1	1.7	1.2

	Half Year to				
	Mar 25 %	**Sep 24 %**	**Mar 24 %**	**Mar 25 v Sep 24**	**Mar 25 v Mar 24**
Performance measures					
Cash earnings on average assets	**0.44**	0.48	0.43	(4 bps)	1 bp
Cash earnings on average risk-weighted assets	**1.40**	1.52	1.37	(12 bps)	3 bps
Net interest margin	**1.73**	1.75	1.74	(2 bps)	(1 bp)
Cost to income ratio	**57.2**	56.5	57.8	70 bps	(60 bps)
Asset quality (%)					
Impaired assets to GLAs	**0.03**	0.03	0.04	-	(1 bp)
Default but not impaired assets to GLAs[(1)]	**1.34**	1.31	1.12	3 bps	22 bps
Credit impairment charge to GLAs - annualised	**0.12**	0.10	0.13	2 bps	(1 bp)

(1) Includes loans that have been classified as restructured in accordance with APS 220 *Credit Risk Management* which are assessed as no loss based on security held.

March 2025 v March 2024

Cash earnings increased by $20 million or 3.6%, primarily driven by higher net operating income.

Key movements	Key drivers
Net interest income down $12m, 0.6%	• Net interest margin decreased by 1 basis point driven by deposit mix impacts as customers shift to higher yielding savings and term deposits, along with higher wholesale funding costs and competitive pressures impacting the housing lending portfolio. This was partially offset by higher earnings on deposit and capital replicating portfolios and favourable portfolio mix from stronger deposit volume growth relative to lending growth. • Average interest earning assets increased by $1.1 billion or 0.5% reflecting growth in housing lending.
Other operating income up $43m, 15.0%	• The increase was driven by higher fee income relating to cards as a result of increased volumes and higher foreign exchange. This was partially offset by higher credit card loyalty costs as customer preference shifts to higher earning reward cards.
Operating expenses up $4m, 0.3%	• Operating expenses were broadly flat. • There was an increase primarily driven by higher personnel costs due to investment in proprietary lenders and frontline bankers, and an increase in salary and related expenses, together with higher financial crime related costs and continued investment in technology and compliance capabilities. • This was 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, 1.9%	• Lower level of collective impairment charges for the unsecured retail portfolio were partially offset by the non-recurrence of the impact of house price increases in the March 2024 half year, combined with higher individually assessed charges for the unsecured retail portfolio.
Risk-weighted assets up $1.0bn, 1.2%	• Increase in risk-weighted assets was due to volume growth and higher operational risk RWAs, partially offset by model and methodology changes.

March 2025 v September 2024

Cash earnings decreased by $42 million or 6.8%, primarily driven by lower net operating income, combined with higher credit impairment charges.

Key movements	Key drivers
Net interest income down $15m, 0.8%	• Net interest margin decreased by 2 basis points driven by deposit mix impacts as customers shift to higher yielding savings and term deposits, along with higher wholesale funding costs and competitive pressures impacting the housing lending portfolio. This was partially offset by higher earnings on deposit and capital replicating portfolios and favourable portfolio mix from stronger deposit volume growth relative to lending growth. • Average interest earning assets increased by $1.2 billion or 0.5% reflecting growth in housing lending.
Other operating income down $9m, 2.7%	• The decrease was driven by higher credit card loyalty costs as customer preference shifts to higher earning reward cards and lower housing lending fees. This was partially offset by higher card fee income as a result of increased volumes and higher foreign exchange.
Operating expenses up $2m, 0.2%	• Operating expenses were broadly flat. • There was an increase primarily driven by higher personnel costs due to investment in proprietary lenders and frontline bankers, and an increase in salary and related expenses, together with increased financial crime related and technology costs. • This was offset by productivity benefits achieved through continued process improvements and simplification of the Group's operations.
Credit impairment charge up $31m, 24.4%	• Higher collective provision charges were mainly due to the mortgage portfolio.
Risk-weighted assets up $1.4bn, 1.7%	• Increase in risk-weighted assets was due to volume growth and higher operational risk RWAs, partially offset by model and methodology changes.

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.

	Half Year to				
	Mar 25 $m	Sep 24 $m	Mar 24 $m	Mar 25 v Sep 24 %	Mar 25 v Mar 24 %
Net interest income	**1,377**	1,271	1,279	8.3	7.7
Other operating income	**643**	676	670	(4.9)	(4.0)
Net operating income	**2,020**	1,947	1,949	3.7	3.6
Operating expenses	**(696)**	(710)	(735)	(2.0)	(5.3)
Underlying profit	**1,324**	1,237	1,214	7.0	9.1
Credit impairment (charge) / write-back	**(73)**	(30)	37	large	large
Cash earnings before income tax	**1,251**	1,207	1,251	3.6	-
Income tax expense	**(342)**	(334)	(352)	2.4	(2.8)
Cash earnings	**909**	873	899	4.1	1.1
Net operating income					
Lending and deposits income	**1,530**	1,498	1,463	2.1	4.6
Markets income (ex derivative valuation adjustment)	**329**	299	294	10.0	11.9
Derivative valuation adjustment[1]	**6**	(9)	9	large	(33.3)
Other income	**155**	159	183	(2.5)	(15.3)
Total net operating income	**2,020**	1,947	1,949	3.7	3.6
Volumes ($bn)					
Business lending	**116.1**	110.3	107.3	5.3	8.2
Other lending	**0.3**	0.3	0.4	-	(25.0)
Gross loans and acceptances	**116.4**	110.6	107.7	5.2	8.1
Average interest earning assets	**257.9**	242.8	245.2	6.2	5.2
Average interest earning assets (ex Markets)	**122.3**	118.4	119.7	3.3	2.2
Total assets	**291.1**	278.0	266.5	4.7	9.2
Customer deposits	**134.2**	131.8	131.6	1.8	2.0
Total risk-weighted assets	**103.3**	99.7	100.0	3.6	3.3

	Half Year to				
	Mar 25 %	Sep 24 %	Mar 24 %	Mar 25 v Sep 24	Mar 25 v Mar 24
Performance measures					
Cash earnings on average assets	**0.62**	0.63	0.64	(1 bp)	(2 bps)
Cash earnings on average risk-weighted assets	**1.76**	1.74	1.83	2 bps	(7 bps)
Net interest margin	**1.07**	1.05	1.04	2 bps	3 bps
Net interest margin (ex Markets)	**2.12**	2.14	2.08	(2 bps)	4 bps
Cost to income ratio	**34.5**	36.5	37.7	(200 bps)	(320 bps)
Asset quality (%)					
Impaired assets to GLAs	**0.13**	0.06	0.06	7 bps	7 bps
Default but not impaired assets to GLAs[2]	**0.08**	0.14	0.09	(6 bps)	(1 bp)
Credit impairment charge / (write-back) to GLAs - annualised	**0.13**	0.05	(0.07)	8 bps	20 bps

(1) Derivative valuation adjustment is shown net of hedging costs or benefits and includes credit valuation adjustments and funding valuation adjustments.
(2) Includes loans that have been classified as restructured in accordance with APS 220 *Credit Risk Management* which are assessed as no loss based on security held.

March 2025 v March 2024

Cash earnings increased by $10 million or 1.1%, primarily driven by higher net operating income and lower operating expenses, partially offset by higher credit impairment charges.

Key movements	Key drivers
Net interest income up $98m, 7.7%	• Includes a decrease of $19 million due to movements in economic hedges offset in other operating income. • The underlying increase of $117 million was primarily due to higher lending volumes, higher net interest margin (ex Markets) and increased Markets income. • Net interest margin (ex Markets) increased by 4 basis points to 2.12% due to higher earnings on the capital replicating portfolio and improved lending mix, partially offset by deposit mix impacts including the anticipated run-off in the asset servicing business. • Average interest earning assets (ex Markets) increased by $2.6 billion or 2.2%. The underlying increase of $1.4 billion excluding exchange rate movements was primarily due to gross loans and advances growth in corporate and funds segments, partially offset by a reduction in bonds.
Other operating income down $27m, 4.0%	• Includes an increase of $19 million due to movements in economic hedges offset in net interest income. • The underlying decrease of $46 million was primarily due to lower Markets income and the winding down of the asset servicing business, partially offset by higher business lending income.
Operating expenses down $39m, 5.3%	• 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 $110m	• The increase was primarily due to higher individually assessed provision charges reflecting impairments for a small number of larger customers in addition to the non-recurrence of individually assessed recoveries and write-backs from the March 2024 half year.
Risk-weighted assets up $3.3bn, 3.3%	• The increase in risk-weighted assets was primarily due to increased business lending volumes and foreign exchange movements, partially offset by model and methodology changes.

March 2025 v September 2024

Cash earnings increased by $36 million or 4.1%, primarily driven by higher net operating income and lower operating expenses, partially offset by higher credit impairment charges.

Key movements	Key drivers
Net interest income up $106m, 8.3%	• Includes an increase of $7 million due to movements in economic hedges offset in other operating income. • The underlying increase of $99 million was primarily due to higher lending volumes and higher Markets income, partially offset by lower net interest margin (ex Markets). • Net interest margin (ex Markets) decreased by 2 basis points to 2.12% driven by deposit mix impacts including the anticipated run-off in the asset servicing business, and higher deposit costs, partially offset by higher earnings on the capital replicating portfolio and improved lending mix. • Average interest earning assets (ex Markets) increased by $3.9 billion or 3.3%. The underlying increase of $2.3 billion excluding exchange rate movements was primarily due to gross loans and advances growth in the corporate segment.
Other operating income down $33m, 4.9%	• Includes a decrease of $7 million due to movements in economic hedges offset in net interest income. • The underlying decrease of $26 million was primarily due to lower Markets income and the winding down of the asset servicing business, partially offset by higher derivative valuation adjustment and increased business lending income.
Operating expenses down $14m, 2.0%	• 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 $43m	• The increase was primarily due to higher individually assessed provision charges reflecting impairments for a small number of larger customers, partially offset by lower collective provision charges.
Risk-weighted assets up $3.6bn, 3.6%	• The increase in risk-weighted assets was primarily driven by an increase in business lending volumes and foreign exchange movements.

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. New Zealand Banking includes the Bank of New Zealand's Markets Trading operations and enabling units.

Results presented in New Zealand dollars. Refer to page 42 for results in Australian dollars and page 98 for FX rates.

	Half Year to				
	Mar 25 $m	**Sep 24 $m**	**Mar 24 $m**	**Mar 25 v Sep 24 %**	**Mar 25 v Mar 24 %**
Net interest income	**1,485**	1,434	1,461	3.6	1.6
Other operating income	**269**	291	300	(7.6)	(10.3)
Net operating income	**1,754**	1,725	1,761	1.7	(0.4)
Operating expenses	**(668)**	(644)	(641)	3.7	4.2
Underlying profit	**1,086**	1,081	1,120	0.5	(3.0)
Credit impairment write-back / (charge)	**27**	(76)	(65)	large	large
Cash earnings before income tax	**1,113**	1,005	1,055	10.7	5.5
Income tax expense	**(311)**	(300)	(296)	3.7	5.1
Cash earnings before non-controlling interests	**802**	705	759	13.8	5.7
Non-controlling interests	**(21)**	(11)	(9)	90.9	large
Cash earnings	**781**	694	750	12.5	4.1

Volumes ($bn)					
Housing lending	**62.1**	60.1	58.8	3.3	5.6
Business lending	**46.1**	45.9	45.2	0.4	2.0
Other lending	**0.9**	0.8	0.9	12.5	-
Gross loans and acceptances	**109.1**	106.8	104.9	2.2	4.0
Average interest earning assets	**125.9**	122.6	123.4	2.7	2.0
Total assets	**133.5**	131.0	128.9	1.9	3.6
Customer deposits	**85.4**	82.3	80.0	3.8	6.8
Total risk-weighted assets	**65.6**	64.5	67.7	1.7	(3.1)

	Half Year to				
	Mar 25 %	**Sep 24 %**	**Mar 24 %**	**Mar 25 v Sep 24**	**Mar 25 v Mar 24**
Performance measures					
Cash earnings on average assets	**1.16**	1.07	1.14	9 bps	2 bps
Cash earnings on average risk-weighted assets	**2.39**	2.09	2.21	30 bps	18 bps
Net interest margin	**2.37**	2.34	2.37	3 bps	-
Cost to income ratio	**38.1**	37.3	36.4	80 bps	170 bps
Asset quality (%)					
Impaired assets to GLAs	**0.26**	0.29	0.26	(3 bps)	-
Default but not impaired assets to GLAs[1]	**0.72**	0.72	0.79	-	(7 bps)
Credit impairment (write-back) / charge to GLAs - annualised	**(0.05)**	0.14	0.12	(19 bps)	(17 bps)

(1) Includes loans that have been classified as restructured in accordance with APS 220 *Credit Risk Management* which are assessed as no loss based on security held. Comparative information has been restated accordingly.

March 2025 v March 2024

Cash earnings increased by $31 million or 4.1%, primarily driven by credit impairment write-backs, partially offset by higher operating expenses, higher distributions to non-controlling interests and lower net operating income.

Key movements	Key drivers
Net interest income up $24m, 1.6%	• Net interest margin is flat driven by higher housing lending, higher Treasury income and higher earnings on the capital replicating portfolio, offset by competitive pressures impacting deposits. • Average interest earning assets increased by $2.5 billion or 2.0%. This reflected growth in housing and business lending, partially offset by a reduction in liquid assets.
Other operating income down $31m, 10.3%	• The decrease was primarily due to lower Treasury income, and lower wealth management income. • This was partially offset by higher business lending income along with higher earnings relating to the investment in FirstCape acquired on 30 April 2024.
Operating expenses up $27m, 4.2%	• The increase was primarily driven by higher software and technology spend, higher salary and related expenses combined with continued investment in strategic priorities, partially offset by productivity benefits achieved through continued process improvement and simplification of the Group's operations.
Credit impairment charge down $92m	• Lower credit impairment charges were due to the write back of collective provisions from improved base and forward-looking macro-economic indicators and a partial release of the Agri FLA. • This was partially offset by lending growth and underlying asset quality deterioration.
Total risk-weighted assets down $2.1bn, 3.1%	• The decrease in risk-weighted assets was driven by lower interest rate risk in the banking book, partially offset by growth in both housing and business lending.

March 2025 v September 2024

Cash earnings increased by $87 million or 12.5%, primarily driven by credit impairment write-backs and higher net operating income, partially offset by higher operating expenses.

Key movements	Key drivers
Net interest income up $51m, 3.6%	• Net interest margin increased 3 basis points and was driven by higher housing lending, higher Treasury income and higher earnings on the capital replicating portfolio, partially offset by competitive pressures impacting deposits. • Average interest earning assets increased by $3.3 billion or 2.7%. This reflected growth in housing lending, liquid assets and business lending.
Other operating income down $22m, 7.6%	• The decrease was primarily due to lower Treasury income and lower fee income in merchant acquiring due to higher scheme fees.
Operating expenses up $24m, 3.7%	• The increase was driven by higher software amortisation costs, higher salary and related expenses and increased occupancy costs, partially offset by productivity benefits achieved through continued process improvement and simplification of the Group's operations.
Credit impairment charge down $103m	• Lower credit impairment charges were due to the write-back of collective provisions from improved base and forward-looking macro-economic indicators and a partial release of the Agri FLA combined with lower individually assessed charges. • This was partially offset by lending growth and underlying asset quality deterioration.
Total risk-weighted assets up $1.1bn, 1.7%	• The increase in risk-weighted assets was primarily due to increased lending volumes.

Results presented in Australian dollars. Refer to page 40 for results in New Zealand dollars.

	Half Year to				
	Mar 25 $m	Sep 24 $m	Mar 24 $m	Mar 25 v Sep 24 %	Mar 25 v Mar 24 %
Net interest income	**1,345**	1,311	1,358	2.6	(1.0)
Other operating income	**243**	267	278	(9.0)	(12.6)
Net operating income	**1,588**	1,578	1,636	0.6	(2.9)
Operating expenses	**(605)**	(590)	(595)	2.5	1.7
Underlying profit	**983**	988	1,041	(0.5)	(5.6)
Credit impairment write-back / (charge)	**25**	(68)	(61)	large	large
Cash earnings before income tax	**1,008**	920	980	9.6	2.9
Income tax expense	**(281)**	(275)	(274)	2.2	2.6
Cash earnings before non-controlling interests	**727**	645	706	12.7	3.0
Non-controlling interests	**(20)**	(9)	(9)	large	large
Cash earnings	**707**	636	697	11.2	1.4

Impact of foreign exchange rate movements

Favourable / (unfavourable) 31 March 2025	Half Year since Sep 24 $m	Mar 25 v Sep 24 ex FX %	Year since Mar 24 $m	Mar 25 v Mar 24 ex FX %
Net interest income	**(14)**	3.7	**(35)**	1.6
Other operating income	**(3)**	(7.9)	**(7)**	(10.1)
Operating expenses	**7**	3.7	**16**	4.4
Credit impairment charge	**(1)**	large	**(1)**	large
Income tax expense	**4**	3.6	**8**	5.5
Non-controlling interests	**-**	large	**1**	large
Cash earnings	**(7)**	12.3	**(18)**	4.0

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 31 March 2025, NAB had hedges in place at a weighted average forward rate of AUD/NZD 1.0916.

Corporate Functions and Other

Corporate Functions and Other includes ubank and enabling units that support all businesses except New Zealand Banking, including Treasury, Technology and Enterprise Operations, Strategy and Innovation, Data, Digital and Analytics, Support Units and eliminations.

	Half Year to				
	Mar 25 $m	Sep 24 $m	Mar 24 $m	Mar 25 v Sep 24 %	Mar 25 v Mar 24 %
Net operating income	**234**	84	178	large	31.5
Operating expenses	**(637)**	(580)	(488)	9.8	30.5
Underlying loss	**(403)**	(496)	(310)	(18.8)	30.0
Credit impairment write-back	**95**	182	23	(47.8)	large
Cash loss before income tax	**(308)**	(314)	(287)	(1.9)	7.3
Income tax benefit	**65**	130	37	(50.0)	75.7
Cash loss	**(243)**	(184)	(250)	32.1	(2.8)

March 2025 v March 2024

Cash loss decreased by $7 million, primarily driven by higher net operating income, credit impairment write-backs and income tax benefit, partially offset by higher operating expenses.

Key movements	Key drivers
Net operating income up $56m, 31.5%	• Includes customer-related remediation charges of $56 million in the March 2025 half year (March 2024 half year: $nil). • Excluding customer-related remediation, the underlying increase of $112 million was primarily driven by higher NAB risk management income in Treasury combined with higher earnings relating to the investment in MLC Life.
Operating expenses up $149m, 30.5%	• Includes customer-related remediation charges of $20 million in the March 2025 half year (March 2024 half year: $20 million). • Includes $17 million in the March 2025 half year relating to costs of compliance activities under the terms of the EU with AUSTRAC (March 2024 half year: $48 million). • Excluding these items, the underlying increase of $180 million was mainly driven by higher salary and related expenses, together with continued investment in technology and compliance capabilities.
Credit impairment write-back up $72m	• The increase was due to a higher level of net releases for the forward-looking economic adjustment, partially offset by a lower level of net releases of FLAs held for targeted sectors.

March 2025 v September 2024

Cash loss increased by $59 million, primarily driven by lower credit impairment write-backs, a lower income tax benefit and higher operating expenses, partially offset by higher net operating income.

Key movements	Key drivers
Net operating income up $150m	• Includes customer-related remediation charges of $56 million in the March 2025 half year (September 2024 half year: $21 million). • Excluding customer-related remediation, the underlying increase of $185 million was primarily driven by higher NAB risk management income in Treasury combined with higher earnings relating to the investment in MLC Life.
Operating expenses up $57m, 9.8%	• Includes customer-related remediation charges of $20 million in the March 2025 half year (September 2024 half year: $20 million). • Includes $17 million in the March 2025 half year relating to costs of compliance activities under the terms of the EU with AUSTRAC (September 2024 half year: $41 million). • Excluding these items, the underlying increase of $81 million was mainly driven by higher salary and related expenses, together with continued investment in technology.
Credit impairment write-back down $87m, 47.8%	• The decrease was due to the non-recurrence of the impact of model and methodology changes in the September 2024 half and a lower level of net releases of FLAs held for targeted sectors, partially offset by a higher level of net releases for the forward-looking economic adjustment.

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Half year results 2025

Section 4 Financial report 46

Report of the Directors

The directors of National Australia Bank Limited (NAB) (ABN 12 004 044 937) present their report, together with the interim financial statements of NAB and its controlled entities (Group) for the half year ended 31 March 2025.

Directors

Directors who held office at any time during or since the end of the March 2025 half year are:

Philip Chronican
Director since May 2016 and Chair of the Board since November 2019

Andrew Irvine
Managing Director and Group Chief Executive Officer (CEO) since April 2024

Kathryn Fagg
Director since December 2019

Christine Fellowes
Director since June 2023

Warwick Hunt
Director since December 2024

Carolyn Kay
Director since July 2023

Alison Kitchen
Director since September 2023

Anne Loveridge
Director since December 2015. Ms Loveridge retired from the Board in December 2024.

Douglas McKay
Director since February 2016. Mr McKay retired from the Board in December 2024.

Simon McKeon
Director since February 2020

Ann Sherry
Director since November 2017

Rounding of amounts

Pursuant to the ASIC Corporations (Rounding in Financial / Directors' Reports) Instrument 2016/191, amounts in this report and the accompanying financial statements have been rounded to the nearest million dollars, except where indicated.

Significant changes in the state of affairs

On 17 March 2025, NAB announced the following changes to its Executive Leadership Team (ELT):

- Nathan Goonan resigned as Group Chief Financial Officer (Group CFO) effective 18 March 2025.
- Rachel Slade ceased to be Group Executive, Business and Private Banking effective 18 March 2025.
- Andrew Auerbach will join NAB as Group Executive, Business and Private Banking commencing 16 June 2025.

The following transition arrangements to the ELT were effective 18 March 2025:

- Michael Saadie, Executive, Private Wealth and CEO of JBWere, is acting as Group Executive, Business and Private Banking until 16 June 2025.
- Shaun Dooley, Group Chief Risk Officer (Group CRO), is acting as Group CFO while NAB recruits a new Group CFO.
- Peter Whitelaw, Executive, Chief Resilience Risk Officer, is acting as Group CRO.

On 11 December 2024, NAB announced it has entered into an agreement to sell its remaining 20 per cent stake in MLC Limited (MLC Life) to Nippon Life Insurance Company (Nippon Life) for $500 million[1]. The proposed sale is subject to satisfaction of certain conditions, including completion of the acquisition of the Resolution Life Group by Nippon Life, and regulatory approvals.

On 12 March 2025, the Group completed its $3 billion announced on-market ordinary share buy-back, resulting in the buy-back and cancellation of 87.8 million ordinary shares. $0.6 billion of those shares were bought back in the March 2025 half year.

There have been no other significant changes in the Group's state of affairs during the March 2025 half year.

Review of operations and financial performance

	Half Year to	
	Mar 25	**Sep 24**
	$m	**$m**
Net interest income	**8,450**	8,359
Other operating income	**1,832**	2,117
Net operating income	**10,282**	10,476
Operating expenses	**(5,038)**	(5,207)
Credit impairment charge	**(348)**	(365)
Profit before income tax	**4,896**	4,904
Income tax expense	**(1,445)**	(1,376)
Net profit for the period from continuing operations	**3,451**	3,528
Net loss after tax for the period from discontinued operations	**(24)**	(53)
Net profit for the period	**3,427**	3,475
Attributable to non-controlling interests	**20**	9
Attributable to owners of the Company	**3,407**	3,466

Net profit for the period attributable to owners of the Company decreased by $59 million or 1.7% compared to the September 2024 half year. Net profit from continuing operations decreased by $77 million or 2.2% compared to the September 2024 half year primarily due to lower net operating income and higher effective tax rate, partially offset by lower operating expenses and credit impairment charges.

Net interest income increased by $91 million or 1.1%. This includes a decrease of $21 million due to movements in economic hedges, offset in other operating income. Excluding this movement, the underlying increase of $112 million or 1.3% was primarily driven by higher average interest earning assets, up 1.6%. Net interest margin was flat primarily due to higher earnings on deposit and capital replicating portfolios and higher Markets and Treasury income. These increases were partially offset by deposit impacts, higher wholesale funding costs and lower lending margins.

Other operating income decreased by $285 million or 13.5%. This includes an increase of $21 million due to movements in economic hedges, offset in net interest income. Excluding this movement, the underlying decrease of $306 million or 15.2% was primarily driven by the non-recurrence of the sale of the NZ Wealth businesses, an increase in customer-related remediation, and the fee reduction impact from the winding down and disposal of Group businesses, combined with lower fee income in merchant acquiring. These decreases

(1) The sale price assumes the proposed sale completes on 31 December 2025 and is subject to adjustment if the eventual completion date differs from this date.

were partially offset by higher NAB risk management income in Treasury.

Operating expenses decreased by $169 million or 3.2%. This includes decreased spend associated with the acquisition, integration and closure of Group businesses combined with productivity benefits achieved through continued process improvements and simplification of the Group's operations. These impacts were partially offset by higher personnel costs due to an increase in salary and related expenses, together with continued uplift in technology and financial crime related costs.

Credit impairment charge decreased by $17 million driven by a lower level of individually assessed credit impairment charges, partially offset by a lower level of collective credit impairment write-back.

Income tax expense increased by $69 million or 5.0% driven by a higher effective tax rate.

Discontinued operations are excluded from the individual account lines of the Group's results and are reported as a single net loss after tax line item. The results of discontinued operations primarily relate to costs associated with managing the run-off of the MLC Wealth retained entities and MLC Wealth customer-related remediation.

Review of divisional results

March 2025 v September 2024

Business and Private Banking

Net profit increased by $23 million or 1.4%, primarily driven by lower credit impairment charges, partially offset by lower net operating income and higher operating expenses.

Personal Banking

Net profit decreased by $43 million or 7.0%, primarily driven by lower net operating income, combined with higher credit impairment charges and broadly flat operating expenses.

Corporate and Institutional Banking

Net profit increased by $34 million or 3.9%, primarily driven by higher net operating income and lower operating expenses, partially offset by higher credit impairment charges.

New Zealand Banking

Net profit increased by $31 million or 4.6%, primarily driven by lower credit impairment charges and lower operating expenses, partially offset by lower operating income.

Corporate Functions and Other

Net loss increased by $104 million, primarily driven by lower operating income, credit impairment write-backs and lower income tax benefits, partially offset by lower operating expenses.

Group balance sheet review

	As at	
	31 Mar 25 $m	30 Sep 24 $m
Assets		
Cash and liquid assets	**1,433**	2,499
Due from other banks	**94,865**	110,438
Collateral placed	**6,971**	9,633
Trading assets	**153,947**	133,606
Derivative assets	**24,243**	28,766
Debt instruments	**44,597**	41,999
Other financial assets	**764**	769
Loans and advances	**750,821**	732,692
All other assets	**17,755**	19,846
Assets held for sale	**243**	-
Total assets	**1,095,639**	1,080,248
Liabilities		
Due to other banks	**12,489**	12,328
Collateral received	**4,721**	5,151
Other financial liabilities	**72,887**	70,272
Deposits and other borrowings	**720,886**	712,566
Derivative liabilities	**23,473**	32,576
Bonds, notes and subordinated debt	**171,908**	156,294
Debt issued	**9,566**	9,560
All other liabilities	**16,790**	19,288
Total liabilities	**1,032,720**	1,018,035
Total equity	**62,919**	62,213
Total liabilities and equity	**1,095,639**	1,080,248

Assets

Total assets increased by $15,391 million or 1.4% compared to 30 September 2024. The key movements are as follows:

- Cash and liquid assets decreased by $1,066 million or 42.7% primarily due to reductions in operating cash balances.
- Due from other banks decreased by $15,573 million or 14.1% primarily due to a decrease in the Exchange Settlement Account (ESA) balance with the RBA, partially offset by an increase in holdings with other central banks.
- Collateral placed decreased by $2,662 million or 27.6% as a result of a decrease in derivative liabilities.
- Trading assets increased by $20,341 million or 15.2% primarily driven by an increase in reverse repurchase agreements at fair value through profit or loss and an increase in government and semi-government bonds, notes and securities.
- Derivative assets decreased by $4,523 million or 15.7% primarily driven by foreign exchange rate and interest rate movements and contract maturities during the period.
- Debt instruments increased by $2,598 million or 6.2% primarily due to net new purchases of semi-government bonds.
- Loans and advances increased by $18,129 million or 2.5% due to growth in both housing and non-housing lending.

Liabilities

Total liabilities increased by $14,685 million or 1.4% compared to 30 September 2024. The key movements are as follows:

- Due to other banks increased by $161 million or 1.3% primarily due to an increase in amounts owed through transactional accounts to other banks.
- Collateral received decreased by $430 million or 8.3% as a result of a decrease in derivative assets.
- Other financial liabilities increased by $2,615 million or 3.7% primarily due to an increase in short sold securities.
- Deposits and other borrowings increased by $8,320 million or 1.2% due to an increase in customer deposits, partially offset by decreases in certificates of deposit and other borrowings.
- Derivative liabilities decreased by $9,103 million or 27.9% primarily driven by foreign exchange rate movements and contract maturities during the period.
- Bonds, notes, and subordinated debt increased by $15,614 million or 10.0% mainly driven by net new issuances of medium term debt.

Equity

Total equity increased by $706 million or 1.1% compared to 30 September 2024. The key movements are as follows:

- Contributed equity decreased by $462 million or 1.3% primarily driven by share buy-backs during the period.
- Reserves increased by $306 million primarily due to movement in the cash flow hedge reserve.
- Retained profits increased by $870 million or 3.4% reflecting current period statutory profits, partially offset by dividends paid.

Economic outlook

The outlook for the Group's financial performance and outcomes may be impacted by a range of factors including:

- consumption and investment decisions by households and businesses, the degree of normalisation in inflation and the resulting RBA policy response,
- the impact on financial conditions and the economy from changes in monetary policy by other central banks and from government policies in Australia and overseas. In particular, policy changes underway in the US and related responses, including trade policy, and associated uncertainty, financial market volatility, and negative sentiment impacts are likely to drag on global growth among other impacts. The full extent and timing of these US policy changes is highly uncertain, and
- other geopolitical events and their impact on global growth, financial markets, domestic confidence, and key sectors for Australia.

Events subsequent to reporting date

There are no items, transactions or events of a material or unusual nature that have arisen in the interval between 31 March 2025 and the date of this report that, in the opinion of the directors, have significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future years.

Corporate governance

The Board has received the relevant assurances required under Recommendation 4.2 of the ASX Corporate Governance Principles and Recommendations jointly from the Group CEO and the Group CFO in respect to the half year financial report for the period ended 31 March 2025.

The directors of NAB have a responsibility with respect to the integrity of external reporting. This involves reviewing and monitoring, with the assistance of the Board Audit Committee and management, the processes, controls and procedures that are in place to maintain the integrity of the Group's financial statements. Further details on the role of the Board and its Committees can be found online in the Corporate Governance section of the NAB website at nab.com.au/about-us/corporate-governance.

Auditor's independence declaration

A copy of the auditor's independence declaration as required by section 307C of the *Corporations Act 2001* (Cth) is set out on page 50 and forms part of this report.

Directors' signatures

Signed in accordance with the resolution of the directors:

Philip Chronican
Chair

Andrew Irvine
Group Chief Executive Officer

7 May 2025

Forward-looking statements

This report contains 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 "ambition", "believe", "estimate", "plan", "project", "anticipate", "expect", "goal", “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. Users 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 Middle Eastern conflicts and other geopolitical tensions, the Australian and global economic environment and capital market conditions and changes in global trade policies. Further information is contained in the Group’s Half Year 2025 Risk Factor Report released to ASX on 7 May 2025 and the Group’s Annual Report for the 2024 financial year, available at nab.com.au/annualreports.

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Shape the future
with confidence

Auditor's independence declaration to the directors of National Australia Bank Limited

As lead auditor for the review of the half-year financial report of National Australia Bank Limited for the half-year ended 31 March 2025, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;

b. No contraventions of any applicable code of professional conduct in relation to the review; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

This declaration is in respect of National Australia Bank Limited and the entities it controlled during the financial period.

Ernst & Young

T M Dring
Partner
7 May 2025

Consolidated financial statements

Income statement

	Note	Half Year to Mar 25 $m	Sep 24 $m	Mar 24 $m
Interest income				
Effective interest rate method		**25,625**	26,175	25,837
Fair value through profit or loss		**3,563**	3,434	2,851
Interest expense		**(20,738)**	(21,250)	(20,290)
Net interest income		**8,450**	8,359	8,398
Other operating income	3	**1,832**	2,117	1,772
Operating expenses	4	**(5,038)**	(5,207)	(4,819)
Credit impairment charge	8	**(348)**	(365)	(376)
Profit before income tax		**4,896**	4,904	4,975
Income tax expense	5	**(1,445)**	(1,376)	(1,422)
Net profit for the period from continuing operations		**3,451**	3,528	3,553
Net loss after tax for the period from discontinued operations(1)		**(24)**	(53)	(50)
Net profit for the period		**3,427**	3,475	3,503
Attributable to non-controlling interests		**20**	9	9
Attributable to owners of the Company		**3,407**	3,466	3,494
Earnings per share		**cents**	**cents**	**cents**
Basic		**111.2**	112.4	112.2
Diluted		**109.2**	111.4	110.4
Basic from continuing operations		**112.0**	114.1	113.8
Diluted from continuing operations		**109.9**	113.0	111.9

(1) Discontinued operations in the March 2025 half year primarily relate to costs associated with managing the run-off of the MLC Wealth retained entities and MLC Wealth customer-related remediation.

Statement of comprehensive income

	Half Year to		
	Mar 25	Sep 24	Mar 24
	$m	$m	$m
Net profit for the period from continuing operations	**3,451**	3,528	3,553
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Fair value changes attributable to the Group's own credit risk on financial liabilities designated at fair value	**77**	(32)	(55)
Revaluation of land and buildings	**-**	-	(2)
Equity instruments at fair value through other comprehensive income reserve:			
Revaluation gains	**2**	2	2
Tax on items transferred directly to equity	**(23)**	9	17
Total items that will not be reclassified to profit or loss	**56**	(21)	(38)
Items that will be reclassified subsequently to profit or loss			
Cash flow hedge reserve	**409**	794	1,307
Cost of hedging reserve	**(90)**	20	(218)
Foreign currency translation reserve:			
Currency adjustments on translation of foreign operations, net of hedging	**118**	(78)	(144)
Debt instruments at fair value through other comprehensive income reserve:			
Revaluation losses	**(24)**	(380)	(140)
Losses from sale transferred to the income statement	**50**	72	32
Tax on items transferred directly to equity	**(103)**	(150)	(295)
Total items that will be reclassified subsequently to profit or loss	**360**	278	542
Other comprehensive income for the period, net of income tax	**416**	257	504
Total comprehensive income for the period from continuing operations	**3,867**	3,785	4,057
Net loss after tax for the period from discontinued operations	**(24)**	(53)	(50)
Total comprehensive income for the period	**3,843**	3,732	4,007
Attributable to non-controlling interests[1]	**12**	14	4
Total comprehensive income for the period attributable to owners of the Company	**3,831**	3,718	4,003

(1) Includes a $8 million loss (September 2024: $5 million gain, March 2024: $5 million loss) relating to foreign currency translation of the non-controlling interests in BNZ.

Balance sheet

	Note	As at 31 Mar 25 $m	As at 30 Sep 24 $m	As at 31 Mar 24 $m
Assets				
Cash and liquid assets		**1,433**	2,499	4,992
Due from other banks		**94,865**	110,438	125,469
Collateral placed		**6,971**	9,633	7,413
Trading assets		**153,947**	133,606	122,796
Derivative assets		**24,243**	28,766	24,690
Debt instruments		**44,597**	41,999	45,161
Other financial assets		**764**	769	843
Loans and advances		**750,821**	732,692	719,877
Current tax assets		**39**	25	25
Deferred tax assets		**3,022**	3,181	3,181
Property, plant and equipment		**2,725**	2,865	2,935
Goodwill and other intangible assets		**5,371**	5,224	5,030
Assets held for sale		**243**	-	-
Other assets		**6,598**	8,551	8,593
Total assets		**1,095,639**	1,080,248	1,071,005
Liabilities				
Due to other banks		**12,489**	12,328	33,606
Collateral received		**4,721**	5,151	6,272
Other financial liabilities		**72,887**	70,272	72,535
Deposits and other borrowings	10	**720,886**	712,566	695,537
Derivative liabilities		**23,473**	32,576	24,450
Current tax liabilities		**496**	1,042	514
Provisions		**1,478**	1,804	1,437
Bonds, notes and subordinated debt		**171,908**	156,294	150,375
Debt issued		**9,566**	9,560	8,566
Other liabilities		**14,816**	16,442	16,003
Total liabilities		**1,032,720**	1,018,035	1,009,295
Net assets		**62,919**	62,213	61,710
Equity				
Contributed equity	11	**36,119**	36,581	37,664
Reserves	11	**(56)**	(362)	(680)
Retained profits		**26,106**	25,236	24,382
Total equity (attributable to owners of the Company)		**62,169**	61,455	61,366
Non-controlling interests		**750**	758	344
Total equity		**62,919**	62,213	61,710

Condensed statement of cash flows

	Half Year to		
	Mar 25	Sep 24	Mar 24
	$m	$m	$m
Cash flows from operating activities			
Interest received	**29,694**	29,385	29,330
Interest paid	**(20,917)**	(20,638)	(19,937)
Dividends received	**1**	1	3
Other cash flows from operating activities before changes in operating assets and liabilities	**4,228**	(2,459)	(2,456)
Income tax paid	**(1,953)**	(970)	(1,864)
Changes in operating assets and liabilities arising from cash flow movements	**(13,049)**	(13,572)	(32,604)
Net cash used in operating activities	**(1,996)**	(8,253)	(27,528)
Cash flows from investing activities			
Movement in debt instruments:			
Purchases	**(14,865)**	(10,735)	(17,231)
Proceeds from disposal and maturity	**12,689**	14,047	19,880
Net movement in controlled entities, associates and joint ventures, and other debt and equity instruments	**(17)**	85	84
Purchase of property, plant, equipment and software	**(542)**	(929)	(511)
Proceeds from sale of property, plant, equipment and software, net of costs	**2**	1	-
Net cash (used in) / provided by investing activities	**(2,733)**	2,469	2,222
Cash flows from financing activities			
Repayments of bonds, notes and subordinated debt	**(14,507)**	(13,251)	(13,387)
Proceeds from issue of bonds, notes and subordinated debt, net of costs	**21,581**	18,628	24,155
Payments for share buy-back	**(616)**	(1,094)	(983)
Purchase of shares for dividend reinvestment plan neutralisation	**(191)**	(316)	(193)
Purchase of shares for employee share offer plan neutralisation	**-**	-	(25)
Proceeds from issue of BNZ perpetual preference shares	**-**	404	-
Proceeds from debt issued, net of costs	**-**	999	-
Dividends and distributions paid (excluding dividend reinvestment plan)	**(2,422)**	(2,279)	(2,421)
Repayments of other financing activities	**(162)**	(159)	(162)
Net cash provided by financing activities	**3,683**	2,932	6,984
Net decrease in cash and cash equivalents	**(1,046)**	(2,852)	(18,322)
Cash and cash equivalents at beginning of period	**18,836**	22,484	40,589
Effects of foreign exchange rates on cash and cash equivalents	**1,109**	(796)	217
Cash and cash equivalents at end of period	**18,899**	18,836	22,484

Statement of changes in equity

	Contributed equity $m	Reserves $m	Retained profits $m	Total $m	Non-controlling interests $m	Total equity $m
Balance at 1 October 2023	38,546	(1,192)	23,529	60,883	349	61,232
Net profit for the period from continuing operations	-	-	3,544	3,544	9	3,553
Net loss for the period from discontinued operations	-	-	(50)	(50)	-	(50)
Other comprehensive income for the period from continuing operations	-	547	(38)	509	(5)	504
Total comprehensive income for the period	-	547	3,456	4,003	4	4,007
Transactions with owners, recorded directly in equity:						
Contributions by and distributions to owners						
Purchase of treasury shares for employee share offer[1]	(25)	-	-	(25)	-	(25)
Share buy-back	(983)	-	-	(983)	-	(983)
Transfer from / (to) retained profits	-	(2)	2	-	-	-
Transfer from / (to) equity-based compensation reserve	126	(126)	-	-	-	-
Equity-based compensation	-	93	-	93	-	93
Dividends and distributions paid	-	-	(2,605)	(2,605)	(9)	(2,614)
Balance at 31 March 2024	37,664	(680)	24,382	61,366	344	61,710
Net profit for the period from continuing operations	-	-	3,519	3,519	9	3,528
Net loss for the period from discontinued operations	-	-	(53)	(53)	-	(53)
Other comprehensive income for the period from continuing operations	-	275	(23)	252	5	257
Total comprehensive income for the period	-	275	3,443	3,718	14	3,732
Transactions with owners, recorded directly in equity:						
Contributions by and distributions to owners						
Share buy-back	(1,094)	-	-	(1,094)	-	(1,094)
Transfer from / (to) retained profits	-	(2)	2	-	-	-
Transfer from / (to) equity-based compensation reserve	11	(11)	-	-	-	-
Equity-based compensation	-	56	-	56	-	56
Dividends and distributions paid	-	-	(2,586)	(2,586)	(9)	(2,595)
Other equity movements						
Issue of BNZ perpetual preference shares	-	-	(5)	(5)	409	404
Balance at 30 September 2024	36,581	(362)	25,236	61,455	758	62,213
Net profit for the period from continuing operations	**-**	**-**	**3,431**	**3,431**	**20**	**3,451**
Net loss for the period from discontinued operations	**-**	**-**	**(24)**	**(24)**	**-**	**(24)**
Other comprehensive income for the period from continuing operations	**-**	**368**	**56**	**424**	**(8)**	**416**
Total comprehensive income for the period	**-**	**368**	**3,463**	**3,831**	**12**	**3,843**
Transactions with owners, recorded directly in equity:						
Contributions by and distributions to owners						
Share buy-back	**(616)**	**-**	**-**	**(616)**	**-**	**(616)**
Transfer from / (to) equity-based compensation reserve	**154**	**(154)**	**-**	**-**	**-**	**-**
Equity-based compensation	**-**	**92**	**-**	**92**	**-**	**92**
Dividends and distributions paid	**-**	**-**	**(2,593)**	**(2,593)**	**(20)**	**(2,613)**
Balance at 31 March 2025	**36,119**	**(56)**	**26,106**	**62,169**	**750**	**62,919**

(1) This represents an on-market purchase of 862,221 shares at an average price of $29.17 per share.

Notes to the consolidated financial statements

Note 1 Basis of preparation

This interim financial report (the report) for the half year reporting period ended 31 March 2025 has been prepared in accordance with the Australian Securities Exchange (ASX) Listing Rules, *the Corporations Act 2001* (Cth) and AASB 134 *Interim Financial Reporting*.

This report has been prepared under the historical cost basis, as modified by the fair value accounting of certain assets and liabilities where required or permitted by standards and interpretations issued by the AASB.

This report does not contain all disclosures of the type normally found within an annual financial report and therefore cannot be expected to provide as full an understanding of the financial position and financial performance of the Group as that given by the annual financial report. This report should be read in conjunction with the Group's 2024 Annual Report and any public announcements made up until the date of this interim financial report.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as 'Net loss after tax for the period from discontinued operations' in the income statement.

Accounting policies

The accounting policies and methods of computation applied in this report are consistent with those applied in the Group's 2024 Annual Report. There were no substantial amendments to Australian Accounting Standards adopted during the period that have a material impact on the Group.

Critical accounting judgements and estimates

The preparation of this report requires the use of critical accounting estimates, judgements and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Except as explained below, there have been no significant changes to the accounting estimates, judgements and assumptions used in preparing this report compared to those applied in the preparation of the 2024 Annual Report.

Measurement of expected credit losses

While the methodologies applied in the expected credit loss (ECL) calculations remained unchanged from those applied in the 2024 Annual Report, the Group has incorporated updated estimates, assumptions and judgements in the measurement of ECL in this interim financial report. These are explained further in *Note 8 Provision for credit impairment*.

Proposed disposal of investment in MLC Life

The Group's investment in MLC Life has been classified as held for sale, as NAB has entered into an agreement to sell its remaining 20 per cent stake in MLC Life to Nippon Life. The proposed sale is subject to satisfaction of certain conditions including completion of the acquisition of the Resolution Life Group by Nippon Life, and regulatory approvals. The proposed sale is expected to complete in the second half of calendar year 2025.

Currency of presentation

All amounts are expressed in Australian dollars unless otherwise stated.

Rounding of amounts

In accordance with ASIC Corporations (Rounding in Financial / Directors' Reports) Instrument 2016/191, all amounts have been rounded to the nearest million dollars, except where indicated.

Future accounting developments

AASB 18 *Presentation and Disclosure in Financial Statements* was issued in June 2024 and replaces AASB 101 *Presentation of Financial Statements* and will be effective for the Group from 1 October 2027. AASB 18 introduces enhanced presentation requirements in the financial statements, including new categories and subtotals in the income statement, disclosures about management-defined performance measures (i.e. cash earnings), and enhanced guidance on the grouping of information. The Group is currently assessing the impact of this new standard.

There are no other new standards or amendments to existing standards that are not yet effective which are expected to have a material impact on the Group's financial statements.

Note 2 Segment information

Overview

For the March 2025 half year, the Group's segment information is presented based on the following reportable segments: Business and Private Banking, Personal Banking, Corporate and Institutional Banking, New Zealand Banking, and Corporate Functions and Other.

The Group's segments are consistent with the 2024 Annual Report.

Information about cash earnings

The Group evaluates performance on the basis of cash earnings as it better reflects what is considered to be the underlying performance of the Group. Cash earnings is a non-IFRS key financial performance measure used by the Group and the investment community.

Cash earnings is calculated by adjusting statutory net profit from continuing operations for certain non-cash earnings items. Non-cash earnings items are considered separately and excluded when assessing performance and analysing the underlying trends in the business. Cash earnings has been adjusted for hedging and fair value volatility, amortisation of acquired intangible assets, 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 in the statement of cash flows.

Major customers

No single customer contributes revenue greater than 10% of the Group's revenues.

Reportable segments

	Half Year to March 2025					
	Business and Private Banking	Personal Banking	Corporate and Institutional Banking	New Zealand Banking	Corporate Functions and Other	Total Group
	$m	$m	$m	$m	$m	$m
Reportable segment information						
Net interest income	3,646	1,963	1,377	1,345	114	8,445
Other operating income	500	330	643	243	120	1,836
Net operating income	4,146	2,293	2,020	1,588	234	10,281
Operating expenses	(1,568)	(1,312)	(696)	(605)	(637)	(4,818)
Underlying profit / (loss)	2,578	981	1,324	983	(403)	5,463
Credit impairment (charge) / write-back	(237)	(158)	(73)	25	95	(348)
Cash earnings / (loss) before income tax	2,341	823	1,251	1,008	(308)	5,115
Income tax (expense) / benefit	(707)	(247)	(342)	(281)	65	(1,512)
Cash earnings / (loss) before non-controlling interests	1,634	576	909	727	(243)	3,603
Less: Non-controlling interests	-	-	-	(20)	-	(20)
Cash earnings / (loss)	1,634	576	909	707	(243)	3,583
Hedging and fair value volatility	(3)	-	(4)	(2)	9	-
Other non-cash earnings items	(6)	(8)	-	(2)	(136)	(152)
Net profit / (loss) for the period from continuing operations	1,625	568	905	703	(370)	3,431
Net loss attributable to owners of the Company from discontinued operations	-	-	-	-	(24)	(24)
Net profit / (loss) attributable to the owners of the Company	1,625	568	905	703	(394)	3,407
Reportable segment assets[1]	267,630	263,610	291,119	121,281	151,999	1,095,639

(1) Reportable segment assets include inter-company balances which are eliminated within the Corporate Functions and Other segment.

Note 2 Segment information (cont.)

	Half Year to September 2024					
	Business and Private Banking	Personal Banking	Corporate and Institutional Banking	New Zealand Banking	Corporate Functions and Other	Total Group
	$m	$m	$m	$m	$m	$m
Reportable segment information						
Net interest income	3,669	1,978	1,271	1,311	128	8,357
Other operating income	517	339	676	267	(44)	1,755
Net operating income	4,186	2,317	1,947	1,578	84	10,112
Operating expenses	(1,560)	(1,310)	(710)	(590)	(580)	(4,750)
Underlying profit / (loss)	2,626	1,007	1,237	988	(496)	5,362
Credit impairment (charge) / write-back	(322)	(127)	(30)	(68)	182	(365)
Cash earnings / (loss) before income tax	2,304	880	1,207	920	(314)	4,997
Income tax (expense) / benefit	(693)	(262)	(334)	(275)	130	(1,434)
Cash earnings / (loss) before non-controlling interests	1,611	618	873	645	(184)	3,563
Less: Non-controlling interests	-	-	-	(9)	-	(9)
Cash earnings / (loss)	1,611	618	873	636	(184)	3,554
Hedging and fair value volatility	(5)	-	(2)	12	(25)	(20)
Other non-cash earnings items	(4)	(7)	-	24	(28)	(15)
Net profit / (loss) for the period from continuing operations	1,602	611	871	672	(237)	3,519
Net loss attributable to owners of the Company from discontinued operations	-	-	-	-	(53)	(53)
Net profit / (loss) attributable to the owners of the Company	1,602	611	871	672	(290)	3,466
Reportable segment assets[1]	262,096	260,056	278,047	120,389	159,660	1,080,248

(1) Reportable segment assets include inter-company balances which are eliminated within the Corporate Functions and Other segment.

Note 2 Segment information (cont.)

	Half Year to March 2024					
	Business and Private Banking	Personal Banking	Corporate and Institutional Banking	New Zealand Banking	Corporate Functions and Other	Total Group
	$m	$m	$m	$m	$m	$m
Reportable segment information						
Net interest income	3,599	1,975	1,279	1,358	186	8,397
Other operating income	514	287	670	278	(8)	1,741
Net operating income	4,113	2,262	1,949	1,636	178	10,138
Operating expenses	(1,551)	(1,308)	(735)	(595)	(488)	(4,677)
Underlying profit / (loss)	2,562	954	1,214	1,041	(310)	5,461
Credit impairment (charge) / write-back	(201)	(161)	37	(61)	23	(363)
Cash earnings / (loss) before income tax	2,361	793	1,251	980	(287)	5,098
Income tax (expense) / benefit	(715)	(237)	(352)	(274)	37	(1,541)
Cash earnings / (loss) before distributions	1,646	556	899	706	(250)	3,557
Less: Non-controlling interests	-	-	-	(9)	-	(9)
Cash earnings / (loss)	1,646	556	899	697	(250)	3,548
Hedging and fair value volatility	(6)	1	2	4	13	14
Other non-cash earnings items[1]	(5)	(6)	-	-	(7)	(18)
Net profit / (loss) for the period from continuing operations	1,635	551	901	701	(244)	3,544
Net loss attributable to owners of the Company from discontinued operations	-	-	-	-	(50)	(50)
Net profit / (loss) attributable to the owners of the Company	1,635	551	901	701	(294)	3,494
Reportable segment assets[2]	255,116	258,948	266,538	118,206	172,197	1,071,005

(1) Corporate Functions and Other includes the effect of recognising a deferred tax asset in respect of previously unrecognised capital losses.
(2) Reportable segment assets include inter-company balances which are eliminated within the Corporate Functions and Other segment.

Note 3 Other operating income

	Half Year to		
	Mar 25	Sep 24	Mar 24
	$m	$m	$m
Net fees and commissions			
Lending fees	**600**	605	597
Other fees and commissions[(1)]	**421**	468	468
Net investment management income			
Investment management income	**116**	123	161
Investment management expense	**(66)**	(80)	(83)
Total net fees and commissions	**1,071**	1,116	1,143
Gains less losses on financial instruments at fair value			
Trading instruments	**473**	966	1,131
Hedge ineffectiveness	**17**	(5)	(16)
Financial instruments designated at fair value	**263**	(326)	(472)
Total gains less losses on financial instruments at fair value	**753**	635	643
Other income			
Dividends	**1**	1	3
Share of profit or loss from associates and joint ventures	**18**	10	(10)
Other[(2)]	**(11)**	355	(7)
Total other income	**8**	366	(14)
Total other operating income	**1,832**	2,117	1,772

(1) Includes customer-related remediation charges of $63 million (September 2024: $28 million, March 2024: $7 million) recognised as a reduction of fees and commissions. Discontinued operations include $14 million of MLC Wealth customer-related remediation (September 2024: $20 million, March 2024: $26 million).
(2) Half year ended September 2024 includes a gain of $395 million in respect of the sale of New Zealand wealth businesses in April 2024.

Note 4 Operating expenses

	Half Year to		
	Mar 25 $m	Sep 24 $m	Mar 24 $m
Personnel expenses			
Salaries and related on-costs	**2,210**	2,191	2,208
Superannuation costs-defined contribution plans	**213**	199	197
Performance-based compensation	**306**	285	311
Other expenses	**208**	350	125
Total personnel expenses	**2,937**	3,025	2,841
Occupancy and depreciation expenses			
Rental expense	**54**	49	50
Depreciation and impairment	**216**	218	216
Other expenses	**32**	24	34
Total occupancy and depreciation expenses	**302**	291	300
Technology expenses			
Computer equipment and software	**519**	520	499
Amortisation of software	**350**	351	330
Depreciation of IT equipment	**77**	79	75
Data communication and processing charges	**61**	57	61
Communications	**28**	29	27
Impairment losses recognised	**4**	6	2
Total technology expenses	**1,039**	1,042	994
General expenses			
Fees and commissions expense	**16**	11	12
Amortisation of acquired intangible assets(1)	**23**	22	21
Advertising and marketing	**100**	117	92
Operational risk event losses and customer-related remediation	**86**	77	59
Postage and stationery	**42**	45	43
Professional fees	**333**	325	321
Other expenses	**160**	252	136
Total general expenses	**760**	849	684
Total operating expenses	**5,038**	5,207	4,819

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

Note 5 Income tax expense

Reconciliation of income tax expense shown in the income statement with prima facie tax payable on the pre-tax accounting profit

	Half Year to		
	Mar 25	Sep 24	Mar 24
	$m	$m	$m
Profit before income tax	**4,896**	4,904	4,975
Prima facie income tax expense at 30%	**1,469**	1,471	1,493
Tax effect of permanent differences:			
Assessable foreign income	**7**	8	8
Foreign tax rate differences	**(45)**	(38)	(38)
Foreign branch income not assessable	**(16)**	(10)	(8)
Under / (over) provision in prior years(1)	**(40)**	7	(2)
Restatement of deferred tax balances for tax rate changes	**2**	1	-
Non-deductible interest on convertible instruments	**77**	75	68
Adjustments to deferred tax balances for tax losses	**-**	(99)	(21)
Gain on disposal of New Zealand wealth businesses	**-**	(34)	(80)
Other(1)	**(9)**	(5)	2
Total income tax expense	**1,445**	1,376	1,422
Effective tax rate (%)	**29.5%**	28.1%	28.6%

(1) In the March 2025 half year, adjustments relating to certain items have been disaggregated from 'Other' and presented separately in the reconciliation. Prior period amounts have been restated accordingly.

Note 6 Dividends and distributions

The Group has recognised the following dividends and distributions:

	Half Year to					
	Mar 25	Mar 25	Sep 24	Sep 24	Mar 24	Mar 24
	Amount per share	Total amount(1)	Amount per share	Total amount(2)	Amount per share	Total amount(3)
	cents	$m	cents	$m	cents	$m
Dividends on ordinary shares						
Dividend (in respect of prior periods)	**85**	**2,612**	84	2,606	84	2,626
Deduct: Bonus shares in lieu of dividend	**n/a**	**(19)**	n/a	(20)	n/a	(21)
Dividends paid by the Company	**n/a**	**2,593**	n/a	2,586	n/a	2,605
Add: Distributions paid to non-controlling interest in controlled entities	**n/a**	**20**	n/a	9	n/a	9
Total dividends and distributions paid by the Group	**n/a**	**2,613**	n/a	2,595	n/a	2,614

(1) The DRP in respect of the final 2024 dividend was satisfied in full through the on-market purchase and transfer of 4,843,438 shares at $39.44 to participating shareholders.
(2) The DRP in respect of the interim 2024 dividend was satisfied in full through the on-market purchase and transfer of 9,239,285 shares at $34.20 to participating shareholders.
(3) The DRP in respect of the final 2023 dividend was satisfied in full through the on-market purchase and transfer of 6,807,692 shares at $28.32 to participating shareholders.

Franked dividends paid during the period were fully franked at a tax rate of 30% (2024: 30%).

Interim dividend

On 7 May 2025, the directors determined the following dividend:

	Amount per share	Total amount	Franked amount per share
	cents	$m	%
Interim dividend determined in respect of the half year ended 31 March 2025	**85**	**2,603**	**100**

The 2025 interim dividend is payable on 2 July 2025. The DRP discount for the 2025 interim dividend is nil. Eligible shareholders have the ability to participate in the DRP for the 2025 interim dividend for up to 5 million NAB ordinary shares per participant. The financial effect of this dividend has not been brought to account in the financial statements for the half year ended 31 March 2025 and will be recognised in subsequent financial reports.

Note 7 Loans and advances

	As at		
	31 Mar 25	30 Sep 24	31 Mar 24
	$m	$m	$m
Loans and advances			
Housing loans	**426,277**	416,758	413,075
Other term lending	**287,170**	279,987	270,955
Asset and lease financing	**19,089**	18,879	18,186
Overdrafts	**5,962**	5,886	5,588
Credit card outstandings	**9,411**	9,455	9,789
Other lending	**8,345**	7,211	7,687
Fair value adjustment	**26**	30	12
Gross loans and advances	**756,280**	738,206	725,292
Represented by:			
Loans and advances at fair value[1]	**510**	576	649
Loans and advances at amortised cost	**755,770**	737,630	724,643
Gross loans and advances	**756,280**	738,206	725,292
Unearned income and deferred net fee income	**(2,019)**	(2,003)	(1,655)
Capitalised brokerage costs	**3,107**	2,986	2,656
Provision for credit impairment	**(6,037)**	(5,921)	(5,767)
Net loans and advances	**751,331**	733,268	720,526
Securitised loans and loans supporting covered bonds[2]	**44,435**	49,197	44,617

	As at 31 March 2025			
	Australia	New Zealand	Other International	Total Group
	$m	$m	$m	$m
By product and geographic location				
Housing loans	**369,806**	**56,471**	**-**	**426,277**
Other term lending	**223,688**	**39,430**	**24,052**	**287,170**
Asset and lease financing	**19,029**	**-**	**60**	**19,089**
Overdrafts	**3,878**	**2,074**	**10**	**5,962**
Credit card outstandings	**8,705**	**706**	**-**	**9,411**
Other lending	**7,437**	**482**	**426**	**8,345**
Fair value adjustment	**26**	**-**	**-**	**26**
Gross loans and advances	**632,569**	**99,163**	**24,548**	**756,280**
Represented by:				
Loans and advances at fair value[1]	**510**	**-**	**-**	**510**
Loans and advances at amortised cost	**632,059**	**99,163**	**24,548**	**755,770**
Gross loans and advances	**632,569**	**99,163**	**24,548**	**756,280**

(1) On the balance sheet, this amount is included within 'Other financial assets'. Refer to *Balance sheet* in the consolidated financial statements.
(2) Loans supporting securitisation and covered bonds are included within 'Net loans and advances'.

Note 7 Loans and advances (cont.)

	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
Represented by:				
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

	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	7,030	417	240	7,687
Fair value adjustment	12	-	-	12
Gross loans and advances	607,188	96,226	21,878	725,292
Represented by:				
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

(1) On the balance sheet, this amount is included within 'Other financial assets'. Refer to *Balance sheet* in the consolidated financial statements.

Note 8 Provision for credit impairment

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.

Key estimates and assumptions

- In determining ECL, management judgement is applied, using objective, reasonable and supportable information about current and forecast economic conditions and granular probability of default and loss given default assumptions.
- Macro-economic variables used in these scenarios include (but are not limited to) cash rates, unemployment rates, GDP growth rates and property prices.
- When determining whether the risk of default has increased significantly since initial recognition, both quantitative and qualitative information is considered, including expert credit assessment, forward-looking information and analysis based on the Group's historical loss experience.

Credit impairment charge

	Half Year to		
	Mar 25	Sep 24	Mar 24
	$m	$m	$m
Credit impairment charge			
New and increased provisions (net of collective provision releases)	**455**	462	506
Write-backs of individually assessed provisions	**(81)**	(60)	(72)
Recoveries of amounts previously written-off	**(26)**	(37)	(58)
Total charge to the income statement	**348**	365	376

Provision for credit impairment on loans and advances at amortised cost, guarantees and credit-related commitments

	As at								
	31 Mar 25			30 Sep 24			31 Mar 24		
	Collective provision	Individually assessed provision	Total	Collective provision	Individually assessed provision	Total	Collective provision	Individually assessed provision	Total
	$m	$m	$m	$m	$m	$m	$m	$m	$m
Loans and advances at amortised cost	**4,532**	**920**	**5,452**	4,557	756	5,313	4,629	546	5,175
Guarantees and credit-related commitments	**585**	**-**	**585**	608	-	608	592	-	592
Total	**5,117**	**920**	**6,037**	5,165	756	5,921	5,221	546	5,767

Note 8 Provision for credit impairment (cont.)

	Stage 1 Performing 12-mth ECL	Stage 2 Performing Lifetime ECL	Stage 3 Non-performing Lifetime ECL		
	Collective	Collective	Collective	Individually assessed	Total
	$m	$m	$m	$m	$m
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
Changes due to financial assets recognised in the opening balance that have:					
Transferred to Performing - 12-mth ECL - collective	**500**	**(483)**	**(17)**	**-**	**-**
Transferred to Performing - Lifetime ECL - collective	**(82)**	**196**	**(114)**	**-**	**-**
Transferred to Non-performing - Lifetime ECL - collective	**(2)**	**(159)**	**161**	**-**	**-**
Transferred to Non-performing - Lifetime ECL - individually assessed	**-**	**(43)**	**(53)**	**96**	**-**
New and increased provisions (net of collective provision releases)	**(431)**	**283**	**202**	**401**	**455**
Write-backs of individually assessed provisions	**-**	**-**	**-**	**(81)**	**(81)**
Write-offs from individually assessed provisions	**-**	**-**	**-**	**(251)**	**(251)**
Foreign currency translation and other adjustments	**-**	**(4)**	**(2)**	**(1)**	**(7)**
Balance at 31 March 2025	**651**	**3,190**	**1,276**	**920**	**6,037**

Note 8 Provision for credit impairment (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 portfolios.

The following table shows the key macro-economic variables for the Australian economy used in the base case and downside scenarios as at 31 March 2025.

	Base case			Downside		
	Financial year			Financial year		
	2025	2026	2027	2025	2026	2027
	%	%	%	%	%	%
GDP change (year ended September)	**1.9**	2.3	2.3	**1.1**	(3.1)	-
Unemployment (as at 30 September)	**4.3**	4.1	4.2	**4.7**	7.9	9.1
House price change (year ended September)	**4.1**	3.0	3.0	**(7.6)**	(28.1)	(5.2)

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		
	31 Mar 25	30 Sep 24	31 Mar 24
	$m	$m	$m
Total provisions for ECL			
Probability weighted	**6,037**	5,921	5,767
100% Base case	**3,949**	4,116	3,890
100% Downside	**8,878**	8,333	8,079

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

	As at		
	31 Mar 25	30 Sep 24	31 Mar 24
	%	%	%
Macro-economic scenario weightings			
Upside	**2.5**	2.5	2.5
Base case	**55.0**	55.0	52.5
Downside	**42.5**	42.5	45.0

- The March 2025 total provisions for ECL in the 100% base case has decreased since September 2024 mainly due to a net reduction of forward looking provisions reflecting anticipated asset quality deterioration transitioning from the forward outlook to the current period. This was partially offset by an increase in provisions held due to deterioration in asset quality across the Australian lending portfolio combined with volume growth in the Australian business lending portfolio.
- The March 2025 total provisions for ECL in the 100% downside scenario has increased since September 2024, largely reflecting an increase in provisions held due to deterioration in asset quality across the Australian lending portfolio combined with volume growth in the Australian business lending portfolio.
- For the Australian portfolio, the upside, downside and base case scenario weightings have remained constant compared with September 2024.

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

	As at		
	31 Mar 25	30 Sep 24	31 Mar 24
	$m	$m	$m
Total provision for ECL for key portfolios			
Housing	**1,292**	1,246	1,404
Business	**4,343**	4,245	3,928
Others	**402**	430	435
Total	**6,037**	**5,921**	**5,767**

Note 9 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		
	31 Mar 25	30 Sep 24	31 Mar 24
	$m	$m	$m
Summary of non-performing exposures			
Impaired assets	**1,648**	1,471	1,079
Default but not impaired assets(1)	**9,613**	8,759	7,612
Non-performing exposures	**11,261**	10,230	8,691

(1) Includes loans that have been classified as restructured in accordance with APS 220 *Credit Risk Management* which are assessed as no loss based on security held.

	Australia	New Zealand	Other International	Total Group
	$m	$m	$m	$m
Movement in non-performing exposures				
Non-performing exposures as at 1 October 2023	6,889	1,087	16	7,992
New defaults	3,248	503	-	3,751
Returned to performing	(1,269)	(483)	-	(1,752)
Repaid or other exposure changes	(976)	(83)	(2)	(1,061)
Written-off	(213)	(26)	-	(239)
Non-performing exposures as at 31 March 2024	7,679	998	14	8,691
New defaults	3,989	207	74	4,270
Returned to performing	(1,389)	(162)	-	(1,551)
Repaid or other exposure changes	(817)	(21)	(69)	(907)
Written-off	(245)	(23)	(5)	(273)
Non-performing exposures as at 30 September 2024	9,217	999	14	10,230
New defaults	**4,032**	**351**	**-**	**4,383**
Returned to performing	**(1,436)**	**(285)**	**(2)**	**(1,723)**
Repaid or other exposure changes	**(1,315)**	**(63)**	**-**	**(1,378)**
Written-off	**(229)**	**(22)**	**-**	**(251)**
Non-performing exposures 31 March 2025	**10,269**	**980**	**12**	**11,261**

Credit risk exposures by risk grade

The following table shows the credit quality of credit risk exposures to which the expected credit loss model is applied, based on the following risk grades:

- Senior investment grade: broadly corresponds with Standard & Poor's ratings of AAA to A- (internal rating 1 to 6[(1)]).
- Investment grade: broadly corresponds with Standard & Poor's ratings of BBB+ to BBB- (internal rating 7 to 11[(1)]).
- Sub-investment grade: broadly corresponds with Standard & Poor's ratings of BB+ to CCC- (internal rating 12 to 23).
- Default: broadly corresponds with Standard & Poor's rating of D (internal rating 98 and 99).

Stage allocations (Stage 1 and Stage 2) for credit risk exposures incorporate the impact of forward-looking economic information applied in the expected credit loss model.

	Stage 1 Performing			Stage 2 Performing			Stage 3 Non-performing			Total		
	Mar 25	Sep 24	Mar 24	Mar 25	Sep 24	Mar 24	Mar 25	Sep 24	Mar 24	Mar 25	Sep 24	Mar 24
Group	$m	$m	$m	$m	$m	$m	$m	$m	$m	$m	$m	$m
Loans and advances at amortised cost												
Senior investment grade	**150,085**	136,091	129,134	**996**	434	610	**-**	-	-	**151,081**	136,525	129,744
Investment grade	**283,011**	288,298	288,447	**18,643**	18,541	19,235	**-**	-	-	**301,654**	306,839	307,682
Sub-investment grade	**154,280**	146,773	140,166	**137,935**	137,653	138,796	**-**	-	-	**292,215**	284,426	278,962
Default	**-**	-	-	**-**	-	-	**10,820**	9,840	8,255	**10,820**	9,840	8,255
Total loans and advances at amortised cost	**587,376**	571,162	557,747	**157,574**	156,628	158,641	**10,820**	9,840	8,255	**755,770**	737,630	724,643
Guarantees and credit-related commitments												
Senior investment grade	**101,585**	90,818	90,830	**1,469**	1,033	2,088	**-**	-	-	**103,054**	91,851	92,918
Investment grade	**76,519**	82,754	81,008	**7,757**	7,503	7,491	**-**	-	-	**84,276**	90,257	88,499
Sub-investment grade	**28,720**	27,764	26,285	**28,136**	26,459	26,609	**-**	-	-	**56,856**	54,223	52,894
Default	**-**	-	-	**-**	-	-	**441**	390	436	**441**	390	436
Total guarantees and credit-related commitments	**206,824**	201,336	198,123	**37,362**	34,995	36,188	**441**	390	436	**244,627**	236,721	234,747
Total loans and advances at amortised cost, guarantees and credit-related commitments	**794,200**	772,498	755,870	**194,936**	191,623	194,829	**11,261**	10,230	8,691	**1,000,397**	974,351	959,390
Debt instruments												
Senior investment grade	**44,597**	41,999	45,161	**-**	-	-	**-**	-	-	**44,597**	41,999	45,161
Total debt instruments	**44,597**	41,999	45,161	**-**	-	-	**-**	-	-	**44,597**	41,999	45,161

(1) March 2025 Senior investment grade and Investment grade have been revised to align with the Probability of default (PD) bandings in the revised Pillar 3. Credit risk grades prior to March 2025: Senior investment grade (internal rating 1 to 5) and Investment grade (internal rating 6 to 11).

Note 10 Deposits and other borrowings

	As at 31 Mar 25 $m	30 Sep 24 $m	31 Mar 24 $m
Deposits and other borrowings			
Term deposits[1]	**207,653**	204,526	193,597
On-demand and short-term deposits[1][2]	**272,423**	285,474	282,529
Certificates of deposit	**54,903**	66,894	66,951
Deposits not bearing interest[2][3]	**128,655**	96,561	96,508
Structured deposits[1]	**29,166**	26,234	23,913
Commercial paper and other borrowings	**30,076**	34,700	33,586
Repurchase agreements	**-**	-	96
Fair value adjustment	**(7)**	(11)	(5)
Total deposits and other borrowings	**722,869**	714,378	697,175
Represented by:			
Total deposits and other borrowings at fair value[4]	**1,983**	1,812	1,638
Total deposits and other borrowings at amortised cost	**720,886**	712,566	695,537
Total deposits and other borrowings	**722,869**	714,378	697,175

	As at 31 March 2025 Australia $m	New Zealand $m	Other International $m	Total Group $m
By product and geographic location				
Term deposits[1]	**166,197**	**35,419**	**6,037**	**207,653**
On-demand and short-term deposits[1][2]	**242,712**	**28,427**	**1,284**	**272,423**
Certificates of deposit	**21,370**	**716**	**32,817**	**54,903**
Deposits not bearing interest[2][3]	**114,864**	**13,789**	**2**	**128,655**
Structured deposits[1]	**29,166**	**-**	**-**	**29,166**
Commercial paper and other borrowings	**28,644**	**1,273**	**159**	**30,076**
Fair value adjustment	**-**	**(7)**	**-**	**(7)**
Total deposits and other borrowings	**602,953**	**79,617**	**40,299**	**722,869**
Represented by:				
Total deposits and other borrowings at fair value[4]	**-**	**1,983**	**-**	**1,983**
Total deposits and other borrowings at amortised cost	**602,953**	**77,634**	**40,299**	**720,886**
Total deposits and other borrowings	**602,953**	**79,617**	**40,299**	**722,869**

(1) During the period, the Group revised its presentation of deposit categories to present structured deposits separately. Comparative information has been restated accordingly.
(2) During the period the terms and conditions related to certain transaction accounts totalling $25,777 million were amended and, as a result of these changes, the products no longer met the criteria for 'On-demand and short-term deposits' and as such were moved to 'Deposits not bearing interest'.
(3) Deposits not bearing interest include mortgage offset accounts.
(4) On the balance sheet, this amount is included within 'Other financial liabilities'. Refer to *Balance sheet* in the consolidated financial statements.

Note 10 Deposits and other borrowings (cont.)

	As at 30 September 2024			
	Australia	New Zealand	Other International	Total Group
	$m	$m	$m	$m
By product and geographic location				
Term deposits[1]	163,890	35,378	5,258	204,526
On-demand and short-term deposits[1]	255,138	28,830	1,506	285,474
Certificates of deposit	29,777	1,390	35,727	66,894
Deposits not bearing interest[2]	85,163	11,395	3	96,561
Structured deposits[1]	26,234	-	-	26,234
Commercial paper and other borrowings	33,869	433	398	34,700
Fair value adjustment	-	(10)	(1)	(11)
Total deposits and other borrowings	594,071	77,416	42,891	714,378
Represented by:				
Total deposits and other borrowings at fair value[3]	-	1,812	-	1,812
Total deposits and other borrowings at amortised cost	594,071	75,604	42,891	712,566
Total deposits and other borrowings	594,071	77,416	42,891	714,378

	As at 31 March 2024			
	Australia	New Zealand	Other International	Total Group
	$m	$m	$m	$m
By product and geographic location				
Term deposits	154,897	33,666	5,034	193,597
On-demand and short-term deposits[1]	252,549	27,259	2,721	282,529
Certificates of deposit	34,671	955	31,325	66,951
Deposits not bearing interest[2]	84,037	12,464	7	96,508
Structured deposits[1]	23,913	-	-	23,913
Commercial paper and other borrowings	32,762	688	136	33,586
Repurchase agreements	-	-	96	96
Fair value adjustment	-	(5)	-	(5)
Total deposits and other borrowings	582,829	75,027	39,319	697,175
Represented by:				
Total deposits and other borrowings at fair value[3]	-	1,638	-	1,638
Total deposits and other borrowings at amortised cost	582,829	73,389	39,319	695,537
Total deposits and other borrowings	582,829	75,027	39,319	697,175

(1) During the period, the Group revised its presentation of deposit categories to present structured deposits separately. Comparative information has been restated accordingly.
(2) Deposits not bearing interest include mortgage offset accounts.
(3) On the balance sheet, this amount is included within 'Other financial liabilities'. Refer to *Balance sheet* in the consolidated financial statements.

Note 11 Contributed equity and reserves

	As at		
	31 Mar 25	30 Sep 24	31 Mar 24
	$m	$m	$m
Contributed equity			
Ordinary shares, fully paid	**36,119**	36,581	37,664
Total contributed equity	**36,119**	36,581	37,664

	Half Year to		
	Mar 25	Sep 24	Mar 24
	$m	$m	$m
Movement in issued and paid-up ordinary share capital			
Balance at beginning of period	**36,581**	37,664	38,546
Shares issued:			
Transfer from equity-based compensation reserve	**154**	11	126
Purchase of treasury shares for employee share offer	**-**	-	(25)
Shares bought back	**(616)**	(1,094)	(983)
Balance at end of period	**36,119**	36,581	37,664

	As at		
	31 Mar 25	30 Sep 24	31 Mar 24
	$m	$m	$m
Reserves			
Foreign currency translation reserve	**60**	(66)	16
Asset revaluation reserve	**19**	19	19
Cash flow hedge reserve	**140**	(145)	(699)
Cost of hedging reserve	**(236)**	(173)	(187)
Equity-based compensation reserve	**187**	249	204
Debt instruments at fair value through other comprehensive income reserve	**(265)**	(283)	(69)
Equity instruments at fair value through other comprehensive income reserve	**39**	37	36
Total reserves	**(56)**	(362)	(680)

Note 12 Fair value of financial instruments

(a) Fair value hierarchy

The level in the fair value hierarchy within which a fair value measurement is categorised is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. The fair value hierarchy is as follows:

- Level 1 - Financial instruments that have been valued by reference to unadjusted quoted prices for identical financial assets or financial liabilities in active markets. Financial instruments included in this category are Commonwealth of Australia and New Zealand government bonds, and spot and exchange traded derivatives.
- Level 2 - Financial instruments that have been valued through valuation techniques incorporating inputs other than quoted prices within Level 1 that are observable for the financial asset or financial liability, either directly (as prices) or indirectly (derived from prices). Financial instruments included in this category are over-the-counter trading and hedging derivatives, semi-government bonds, financial institution and corporate bonds, mortgage-backed securities, loans measured at fair value, and issued bonds, notes and subordinated debt measured at fair value.
- Level 3 - Financial instruments that have been valued through valuation techniques incorporating inputs that are not based on observable market data. Unobservable inputs are those not readily available in an active market due to market illiquidity or complexity of the product. Financial instruments included in this category are bespoke trading derivatives, trading derivatives where the credit valuation adjustment is considered unobservable and significant to the valuation, certain asset-backed securities valued using unobservable inputs, and equity instruments.

Where no active market exists for a particular asset or liability, the Group uses a valuation technique to arrive at the fair value, including the use of transaction prices obtained in recent arm's length transactions, discounted cash flow analysis, option pricing models, rates of estimated credit losses and other valuation techniques, based on market conditions and risks existing at reporting date. In doing so, fair value is estimated using a valuation technique that makes maximum use of observable market inputs and places minimal reliance upon entity-specific inputs.

Transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the reporting period in which the transfer occurs.

Transfers into and out of Level 3 occur due to changes in whether the inputs to the valuation techniques are observable. Where inputs are no longer observable the fair value measurement is transferred into Level 3. Conversely, a measurement is transferred out of Level 3 when inputs become observable.

The Group's exposure to fair value measurements based in full or in part on unobservable inputs comprises an insignificant component of the portfolios in which they are held. As such, a change in the assumption used to value the instruments as at 31 March 2025 attributable to reasonably possible alternatives would not have a material impact on the Group.

(b) Fair value of financial instruments, carried at amortised cost

The financial assets and financial liabilities listed in the table below are carried at amortised cost. While this is the value at which the Group expects the assets to be realised and the liabilities to be settled, the table below includes their fair values as at the dates shown below:

	As at 31 March 2025		As at 30 September 2024		As at 31 March 2024	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
	$m	$m	$m	$m	$m	$m
Financial assets						
Loans and advances	**750,821**	**750,355**	732,692	732,009	719,877	718,072
Financial liabilities						
Deposits and other borrowings	**720,886**	**723,635**	712,566	715,221	695,537	697,831
Bonds, notes and subordinated debt	**171,908**	**173,000**	156,294	157,281	150,375	151,092
Debt issued	**9,566**	**9,919**	9,560	9,973	8,566	8,848

Note 12 Fair value of financial instruments (cont.)

(c) Fair value measurements recognised on the balance sheet

	As at 31 March 2025			
	Level 1 $m	Level 2 $m	Level 3 $m	Total $m
Financial assets				
Trading assets	**29,421**	**124,526**	**-**	**153,947**
Debt instruments	**3,049**	**41,340**	**208**	**44,597**
Other financial assets	**-**	**764**	**-**	**764**
Derivative assets	**-**	**23,713**	**530**	**24,243**
Equity instruments(1)	**-**	**-**	**306**	**306**
Total financial assets measured at fair value	**32,470**	**190,343**	**1,044**	**223,857**
Financial liabilities				
Other financial liabilities	**2,209**	**70,678**	**-**	**72,887**
Derivative liabilities	**-**	**23,102**	**371**	**23,473**
Total financial liabilities measured at fair value	**2,209**	**93,780**	**371**	**96,360**

	As at 30 September 2024			
	Level 1 $m	Level 2 $m	Level 3 $m	Total $m
Financial assets				
Trading assets	27,550	106,056	-	133,606
Debt instruments	1,553	40,198	248	41,999
Other financial assets	-	576	193	769
Derivative assets	-	28,350	416	28,766
Equity instruments(1)	-	-	290	290
Total financial assets measured at fair value	29,103	175,180	1,147	205,430
Financial liabilities				
Other financial liabilities	1,043	69,229	-	70,272
Derivative liabilities	-	32,311	265	32,576
Total financial liabilities measured at fair value	1,043	101,540	265	102,848

	As at 31 March 2024			
	Level 1 $m	Level 2 $m	Level 3 $m	Total $m
Financial assets				
Trading assets	25,936	96,860	-	122,796
Debt instruments	1,957	42,989	215	45,161
Other financial assets	-	649	194	843
Derivative assets	-	24,396	294	24,690
Equity instruments(1)	-	-	273	273
Total financial assets measured at fair value	27,893	164,894	976	193,763
Financial liabilities				
Other financial liabilities	2,354	70,181	-	72,535
Derivative liabilities	-	24,212	238	24,450
Total financial liabilities measured at fair value	2,354	94,393	238	96,985

(1) Includes fair value through profit or loss instruments.

There were no material transfers between Level 1 and Level 2 during the March 2025 half year for the Group.

Note 12 Fair value of financial instruments (cont.)

(c) Fair value measurements recognised on the balance sheet (cont.)

The table below summarises changes in fair value classified as Level 3:

	Half Year to March 2025			
	Assets			Liabilities
	Derivative	Debt instruments	Other[1]	Derivative
	$m	$m	$m	$m
Balance at the beginning of period	416	248	483	265
Gains / (losses) on assets and (gains) / losses on liabilities recognised:				
In profit or loss	112	-	1	104
In other comprehensive income	-	-	2	-
Purchases and issues	9	-	13	-
Sales and settlements	(1)	(55)	-	-
Transfers into Level 3	-	14	-	6
Transfers out of Level 3	(7)	-	(193)	(5)
Foreign currency translation adjustments	1	1	-	1
Balance at the end of period	530	208	306	371
Gains / (losses) on assets and (gains) / losses on liabilities for the reporting period related to financial instruments held at the end of the reporting period recognised:				
In profit or loss	112	-	1	104
In other comprehensive income	-	-	2	-

(1) Includes other financial assets and equity instruments.

Appendix 4D
Half Year Results Summary
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Note 13 Commitments and contingent liabilities

Bank guarantees and letters of credit

The Group provides guarantees in its normal course of business on behalf of its customers. Guarantees written are conditional commitments issued by the Group to guarantee the performance of a customer to a third party. Guarantees are primarily issued to support direct financial obligations such as commercial bills or other debt instruments issued by a counterparty. The Group has four principal types of guarantees:

- bank guarantees,
- standby letters of credit,
- documentary letters of credit, and
- performance-related contingencies.

The Group considers all bank guarantees and letters of credit as 'at call' for liquidity management purposes because it has no control over when the holder might call upon the instrument.

Credit-related commitments

Binding credit-related commitments to extend credit are agreements to lend to a customer so long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee by the customer. Since many of the commitments are expected to expire without being drawn down, the total commitment amounts do not necessarily represent future cash requirements. Nevertheless, credit-related commitments are considered 'at call' for liquidity management purposes.

	As at		
	31 Mar 25 $m	30 Sep 24 $m	31 Mar 24 $m
Guarantees and credit-related commitments			
Bank guarantees and letters of credit	**28,200**	26,597	27,243
Binding credit commitments	**216,427**	210,124	207,504
Total guarantees and credit-related commitments	**244,627**	236,721	234,747

Contingent liabilities

The Group is exposed to contingent risks and liabilities arising from the conduct of its business including:

- actual and potential disputes, claims and legal proceedings,
- investigations into past conduct, including actual and potential regulatory breaches, carried out by regulatory authorities on either an industry-wide or Group-specific basis,
- internal investigations and reviews into past conduct, including actual and potential regulatory breaches, carried out by or on behalf of the Group, and
- contracts that involve giving contingent commitments such as warranties, indemnities or guarantees.

There are contingent liabilities in respect of all such matters. Such matters are often highly complex and uncertain. Where appropriate, provisions have been made. The aggregate potential liability of the Group in relation to these matters cannot be accurately assessed.

Further details on some specific contingent liabilities that may impact the Group are set out below.

Legal proceedings

United Kingdom matters

Nine separate claims (comprising 904 individual claimants) focused on Tailored Business Loans (TBLs) have been commenced against the Company and Clydesdale Bank Plc, now trading as Virgin Money (Virgin Money), by former customers of Virgin Money, represented by RGL Management Limited (a claims management company)(RGL) and law firm Fladgate LLP, in the English Courts. The cases involving four individual claimants (being the first and fourth claims) proceeded to a 12 week trial which commenced on 2 October 2023, effectively as test cases. The cases of the remaining individual claimants are currently stayed pending the outcome of the first and fourth claims.

The claims concern TBLs which customers entered into with Virgin Money and in respect of which NAB employees performed various functions. The claimants allege they were misled about: (1) the cost of repaying (or restructuring) their TBLs early; and (2) the composition of fixed interest rates/other rates offered under the TBLs. The alleged misconduct is said to give rise to several causes of action, including negligent misstatement, misrepresentation and deceit.

On 19 March 2024, the English High Court delivered its judgment in the first and fourth claims dismissing all claims made against the Company and Virgin Money. In July 2024, NAB received an interim costs award payment of £9.5 million ($19 million). The claimants received permission to appeal. The appeal will be heard in June 2025.

Note 13 Commitments and contingent liabilities (cont.)

ASIC hardship proceedings

In November 2024, ASIC commenced a civil penalty proceeding in the Federal Court against NAB and AFSH Nominees Pty Ltd (Advantedge) alleging failures to provide hardship outcome notices in contravention of the *National Consumer Credit Protection Act 2009* (Cth). A Statement of Agreed Facts and Admissions was filed on 18 March 2025 and the proceeding has been listed for a penalty hearing on 13 June 2025. The final outcome and total costs associated with this matter remain uncertain.

Regulatory activity, compliance investigations and associated proceedings

Anti-Money Laundering and Counter-Terrorism Financing program uplift and compliance issues

The Group continues to enhance its systems and processes to comply with Anti-Money Laundering (AML) and Counter-Terrorism Financing (CTF) requirements. The Group continues to keep AUSTRAC informed of its progress. In addition to an ongoing general uplift in capability, the Group is remediating specific known compliance issues and weaknesses. The Group has reported a number of compliance issues to relevant regulators, including in relation to 'Know Your Customer' (KYC) requirements (particularly with enhanced customer due diligence for non-individual customers), systems and process issues that impacted some aspects of transaction monitoring and reporting, and other financial crime risks. As this work progresses, further compliance issues may be identified and reported to AUSTRAC or equivalent foreign regulators, and additional uplifting and strengthening may be required.

On 29 April 2022, the Company entered into an EU with AUSTRAC to address AUSTRAC's concerns with the Group's compliance with certain AML and CTF requirements. In accepting the EU, AUSTRAC stated that the regulator had "formed the view at the start of the investigation that a civil penalty proceeding was not appropriate at that time" and that it had "not identified any information during the investigation to change that view". Under the terms of the EU, the Company and certain subsidiaries are required to:

- complete a Remedial Action Plan (RAP) approved by AUSTRAC, and
- address to AUSTRAC's satisfaction any deficiencies or concerns with activities in the RAP identified by AUSTRAC.

The Company has completed the delivery of its required activities under the RAP. On 30 April 2025, the external auditor of the RAP delivered its final report under the EU. The conclusion or otherwise of the EU will be determined by AUSTRAC.

The total costs associated with the above remain uncertain.

Banking matters

A number of reviews into banking-related matters are being carried on across the Group, both internally and in some cases by regulatory authorities, including matters regarding:

- incorrect fees being applied in connection with certain products,
- incorrect interest rates being applied in relation to certain products,
- capturing customer consent to receive electronic statements and inconsistencies with recording statement preferences,
- compliance with financial hardship obligations, and
- issues with treatment of deregistered companies identified in the customer base.

The potential outcome and total costs associated with these matters remains uncertain.

Employment matters

The Group continues to review its processes for compliance with obligations under Australian employment laws and its enterprise agreements and associated remediation work is ongoing. The Group is engaging with the Fair Work Ombudsman (FWO) and has reported a number of compliance issues to the FWO. As this review progresses, further compliance issues may be identified and reported to the FWO and additional remediation may be required. There remains potential for further developments regarding these issues, including enforcement action by the FWO or other legal actions and penalties, so the final outcome and total costs associated with these issues remain uncertain.

In March 2023, the Finance Sector Union (FSU) filed proceedings against NAB and MLC Wealth Limited in the Federal Court alleging that those parties had breached provisions of the Fair Work Act which prohibit an employer from requesting or requiring an employee to work unreasonable additional hours. The claim relates to four current and former employees. The FSU is seeking declarations that NAB and MLC Wealth Limited breached the Fair Work Act, the imposition of penalties in respect of the alleged breaches, as well as compensation for loss and damage to the four named current and former employees and the payment of legal costs. The final outcome and total costs associated with this matter remain uncertain.

Wealth - Advice review

In October 2015, the Group began contacting certain groups of customers where there was a concern that they may have received non-compliant financial advice since 2009 to: (a) assess the appropriateness of that advice; and (b) identify whether customers had suffered loss as a result of non-compliant advice that would warrant compensation. These cases have progressed, or are now progressing, through the Customer Response Initiative review program, the scope of which includes the advice businesses of MLC Advice (formerly known as NAB Financial Planning), NAB Advice Partnerships and JBWere, with compensation offered and paid in a number of cases[1]. Where customer compensation is able to be reliably estimated, provisions have been recognised. The final outcome and total costs associated with this work remain uncertain.

(1) While the businesses of MLC Advice and NAB Advice Partnerships relevant to these matters have been sold to Insignia Financial Ltd (formerly known as IOOF) pursuant to the MLC Wealth Transaction, the Group has retained the companies that operated the advice business, such that the Group has retained all liabilities associated with the conduct of these businesses pre-completion of the MLC Wealth Transaction. JBWere is not within the scope of the MLC Wealth Transaction.

Note 13 Commitments and contingent liabilities (cont.)

Wealth - Adviser service fees

The Group is undertaking a remediation program in relation to financial advice fees paid by customers pursuant to ongoing service arrangements. This matter relates to JBWere and the various advice businesses, which were operated by the Group prior to completion of the MLC Wealth Transaction discussed below, including MLC Advice and NAB Advice Partnerships.[1] Payments with respect to MLC Advice are now complete. Payments with respect to NAB Advice Partnerships are largely complete.

JBWere is identifying potentially impacted customers, assessing impacts to those customers and has made remediation payments in some cases.

While the Group has taken provisions in relation to these matters based on current information, there remains the potential for further developments and the potential outcomes and total costs associated with these matters remains uncertain.

Contingent tax risk

The tax affairs of the Group are subject to regular reviews by the Australian Taxation Office as well as the Revenue Offices of the various Australian States and Territories. These reviews cover various aspects of NAB's tax affairs including prior tax returns lodged and compliance with various customer data reporting regimes. Similar reviews are also undertaken by the relevant revenue offices in overseas jurisdictions in which the Group operates. The reviews described above may result in additional tax-related liabilities (including interest and penalties). Where appropriate, provisions have been made. The potential outcome and total costs associated with these activities remain uncertain.

Contractual commitments

FirstCape transaction

On 30 April 2024, National Australia Group (NZ) Limited (NAGNZ) and BNZ completed the sale of the entities comprising the Group's New Zealand wealth businesses to FirstCape Limited (FirstCape). The transaction resulted in the combination of those businesses with Jarden Wealth and Asset Management Holdings Limited's (Jarden Wealth) wealth advice and asset management businesses in New Zealand. The ultimate holding company of FirstCape is FirstCape Group Limited (FirstCape Group). FirstCape Group is jointly owned by NAGNZ, Jarden Wealth and Pacific Equity Partners. Under the sale agreements, NAGNZ and BNZ have provided certain warranties and indemnities in favour of FirstCape under which NAGNZ or BNZ may be liable to FirstCape. The potential outcome and total costs associated with these warranties and indemnities remain uncertain.

MLC Wealth Transaction

On 31 May 2021, the Group completed the sale of MLC Wealth, comprising its advice, platforms, superannuation and investments, and asset management businesses to Insignia Financial Ltd (MLC Wealth Transaction). As part of the MLC Wealth Transaction, the Company has provided Insignia Financial Ltd with indemnities relating to certain pre-completion matters, including:

- a remediation program relating to workplace superannuation,
- breaches of anti-money laundering laws and regulations,
- regulatory fines and penalties, and
- certain litigation and regulatory investigations (including the NULIS and MLCN class actions described below).

The Company also provided covenants and warranties in favour of Insignia Financial Ltd. A breach or triggering of these contractual protections may result in the Company being liable to Insignia Financial Ltd. The claims periods for some of these covenants, warranties and indemnities have expired.

As part of the MLC Wealth Transaction, the Group retained the companies that operated the advice business, such that the Group has retained all liabilities associated with the conduct of that business pre-completion.

The final financial impact associated with the MLC Wealth Transaction remains uncertain and subject to other contingencies as outlined above.

NULIS and MLCN - class actions

In October 2019, litigation funder Omni Bridgeway (formerly IMF Bentham) and William Roberts Lawyers commenced a class action against NULIS Nominees (Australia) Limited (NULIS) alleging breaches of NULIS's trustee obligations to act in the best interests of the former members of The Universal Super Scheme in deciding to maintain grandfathered commissions on their transfer into the MLC Super Fund on 1 July 2016. NULIS filed its first defence in the proceeding in February 2020. An initial trial to make determinations on the individual claims of the applicant and one sample group member was held on 9 October 2023. Judgment was delivered on 2 December 2024 in NULIS's favour, with final orders dismissing the proceeding and awarding costs to NULIS made on 12 February 2025. On 12 March 2025, the applicant filed an appeal of the judgment. A date for the appeal hearing is yet to be fixed.

In January 2020, Maurice Blackburn commenced a class action in the Supreme Court of Victoria against NULIS and MLC Nominees Pty Ltd (MLCN) alleging breaches of NULIS's trustee obligations in connection with the speed with which NULIS and MLCN effected transfers of members' accrued default amounts to the MySuper product. The parties reached a settlement in November 2024 which is subject to court approval. The settlement approval hearing was held on 16 April 2025 and judgment was reserved.

(1) While the businesses of MLC Advice and NAB Advice Partnerships relevant to these matters have been sold to Insignia Financial Ltd (formerly known as IOOF) pursuant to the MLC Wealth Transaction, the Group has retained the companies that operated the advice business, such that the Group has retained all liabilities associated with the conduct of these businesses pre-completion of the MLC Wealth Transaction. JBWere is not within the scope of the MLC Wealth Transaction.

The potential outcomes and total costs associated with these matters remains uncertain. While NULIS and MLCN are no longer part of the Group following completion of the MLC Wealth Transaction, the Company remains liable for the costs associated with, and retains conduct of, these matters pursuant to the terms of the MLC Wealth Transaction.

Note 14 Events subsequent to reporting date

There are no items, transactions or events of a material or unusual nature that have arisen in the interval between 31 March 2025 and the date of this report that, in the opinion of the directors, have significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future years.

Directors' declaration

The directors of National Australia Bank Limited declare that:

(a) in the opinion of the directors, the consolidated financial statements and the notes for the half year ended 31 March 2025, as set out on pages 51 to 80, are in accordance with the *Corporations Act 2001* (Cth), including:

(i) in compliance with Australian Accounting Standards (including Australian Accounting interpretations), and any further requirements of the *Corporations Regulations 2001*; and

(ii) give a true and fair view of the financial position of the Group as at 31 March 2025, and of the performance of the Group for the six months ended 31 March 2025.

(b) in the opinion of the directors, there are reasonable grounds to believe that NAB will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors.

Philip Chronican
Chair
7 May 2025

Andrew Irvine
Group Chief Executive Officer
7 May 2025

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Shape the future
with confidence

Independent auditor's review report to the members of National Australia Bank Limited

Conclusion

We have reviewed the accompanying half-year financial report of National Australia Bank Limited (the Company) and its controlled entities (collectively the Group), which comprises the consolidated balance sheet as at 31 March 2025, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

a. Giving a true and fair view of the consolidated financial position of the Group as at 31 March 2025 and of its consolidated financial performance for the half-year ended on that date; and

b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (*including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' responsibilities for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 March 2025 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Ernst & Young

T M Dring
Partner
Melbourne
7 May 2025

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Half year results 2025

Average balance sheet and related interest

Average assets and interest income

	Half Year to Mar 25			Half Year to Sep 24			Half Year to Mar 24		
	Average balance	Interest	Average rate	Average balance	Interest	Average rate	Average balance	Interest	Average rate
	$m	$m	%	$m	$m	%	$m	$m	%
Average interest earning assets									
Due from other banks									
Australia	**74,629**	**1,506**	**4.0**	96,781	2,029	4.2	93,314	1,966	4.2
New Zealand	**6,923**	**150**	**4.3**	6,881	187	5.4	9,956	275	5.5
Other International	**27,048**	**412**	**3.1**	18,212	408	4.5	21,977	533	4.9
Total due from other banks	**108,600**	**2,068**	**3.8**	121,874	2,624	4.3	125,247	2,774	4.4
Trading assets and marketable debt securities									
Australia	**107,692**	**2,747**	**5.1**	94,922	2,589	5.5	98,081	2,232	4.6
New Zealand	**9,536**	**199**	**4.2**	9,084	185	4.1	8,725	187	4.3
Other International	**67,455**	**1,699**	**5.1**	63,104	1,733	5.5	55,986	1,580	5.6
Total trading assets and marketable debt securities	**184,683**	**4,645**	**5.0**	167,110	4,507	5.4	162,792	3,999	4.9
Loans and advances - housing									
Australia(1)	**316,934**	**9,380**	**5.9**	314,713	9,255	5.9	311,899	8,816	5.7
New Zealand(1)	**53,068**	**1,638**	**6.2**	52,209	1,623	6.2	51,957	1,513	5.8
Total loans and advances - housing	**370,002**	**11,018**	**6.0**	366,922	10,878	5.9	363,856	10,329	5.7
Loans and advances - non-housing									
Australia	**257,245**	**8,906**	**6.9**	250,410	8,760	7.0	242,403	8,382	6.9
New Zealand	**42,307**	**1,414**	**6.7**	42,292	1,674	7.9	42,382	1,763	8.3
Other International	**24,373**	**811**	**6.7**	21,677	811	7.5	20,433	763	7.5
Total loans and advances - non-housing	**323,925**	**11,131**	**6.9**	314,379	11,245	7.2	305,218	10,908	7.1
Other interest earning assets									
Australia	**8,509**	**282**	**n/a**	8,491	276	n/a	9,494	413	n/a
New Zealand	**779**	**40**	**n/a**	629	47	n/a	729	43	n/a
Other International	**574**	**4**	**n/a**	1,643	32	n/a	9,086	222	n/a
Total other interest earning assets	**9,862**	**326**	**n/a**	10,763	355	n/a	19,309	678	n/a
Total average interest earning assets and interest income by:									
Australia	**765,009**	**22,821**	**6.0**	765,317	22,909	6.0	755,191	21,809	5.8
New Zealand	**112,613**	**3,441**	**6.1**	111,095	3,716	6.7	113,749	3,781	6.6
Other International	**119,450**	**2,926**	**4.9**	104,636	2,984	5.7	107,482	3,098	5.8
Total average interest earning assets and interest income	**997,072**	**29,188**	**5.9**	981,048	29,609	6.0	976,422	28,688	5.9

(1) Net of mortgage offset accounts of $51,141 million (September 2024: $47,435 million, March 2024: $45,986 million) in Australia and $2,353 million (September 2024: $2,319 million, March 2024: $2,318 million) in New Zealand which are included in non-interest earning assets.

Average assets

	Half Year to		
	Mar 25	Sep 24	Mar 24
	$m	$m	$m
Average non-interest earning assets			
Other assets[(1)]	**109,887**	100,896	102,651
Total average non-interest earning assets	**109,887**	100,896	102,651
Average provision for credit impairment			
Australia	**(4,991)**	(4,900)	(4,784)
New Zealand	**(947)**	(906)	(869)
Other International	**(46)**	(44)	(44)
Total average provision for credit impairment	**(5,984)**	(5,850)	(5,697)
Total average assets	**1,100,975**	1,076,094	1,073,376

(1) Includes mortgage offset accounts of $51,141 million (September 2024: $47,435 million, March 2024: $45,986 million) in Australia and $2,353 million (September 2024: $2,319 million, March 2024: $2,318 million) in New Zealand.

Average liabilities and interest expense

	Half Year to Mar 25			Half Year to Sep 24			Half Year to Mar 24		
	Average balance $m	Interest $m	Average rate %	Average balance $m	Interest $m	Average rate %	Average balance $m	Interest $m	Average rate %
Average interest bearing liabilities									
Due to other banks									
Australia	13,606	385	5.7	18,914	395	4.2	30,497	384	2.5
New Zealand	4,817	60	2.5	4,682	78	3.3	5,319	92	3.5
Other International	25,063	645	5.2	26,311	737	5.6	27,559	729	5.3
Total due to other banks	43,486	1,090	5.0	49,907	1,210	4.8	63,375	1,205	3.8
On-demand and short-term deposits									
Australia[(1)(2)]	244,097	4,438	3.6	253,138	4,236	3.3	248,259	4,026	3.2
New Zealand	28,908	488	3.4	28,764	578	4.0	29,174	582	4.0
Other International	1,283	25	3.9	2,103	46	4.4	2,407	50	4.2
Total on-demand and short-term deposits	274,288	4,951	3.6	284,005	4,860	3.4	279,840	4,658	3.3
Certificates of deposit									
Australia	25,138	581	4.6	32,934	761	4.6	33,968	766	4.5
New Zealand	926	22	4.8	1,072	30	5.6	1,060	30	5.7
Other International	32,446	717	4.4	35,377	884	5.0	27,232	709	5.2
Total certificates of deposit	58,510	1,320	4.5	69,383	1,675	4.8	62,260	1,505	4.8
Term deposits									
Australia[(1)]	165,866	4,054	4.9	158,981	3,936	5.0	150,140	3,617	4.8
New Zealand	35,235	978	5.6	34,324	1,032	6.0	33,547	976	5.8
Other International	5,382	114	4.2	6,037	145	4.8	8,154	207	5.1
Total term deposits	206,483	5,146	5.0	199,342	5,113	5.1	191,841	4,800	5.0
Other borrowings									
Australia	39,193	1,142	5.8	37,237	1,185	6.4	37,479	1,084	5.8
New Zealand	996	22	4.4	718	21	5.8	974	26	5.3
Other International	19,656	548	5.6	20,994	638	6.1	23,201	742	6.4
Total other borrowings	59,845	1,712	5.7	58,949	1,844	6.3	61,654	1,852	6.0
Bonds, notes and subordinated debt									
Australia	139,088	4,299	6.2	128,874	4,211	6.5	121,599	4,046	6.7
New Zealand	19,439	489	5.0	19,469	610	6.3	20,525	650	6.3
Other International	19,317	431	4.5	17,461	403	4.6	15,188	347	4.6
Total bonds, notes and subordinated debt	177,844	5,219	5.9	165,804	5,224	6.3	157,312	5,043	6.4
Structured deposits									
Australia[(1)]	26,990	661	4.9	24,809	616	5.0	23,651	582	4.9
Total structured deposits	26,990	661	4.9	24,809	616	5.0	23,651	582	4.9
Other interest bearing liabilities									
Australia	18,803	588	n/a	16,498	658	n/a	17,181	585	n/a
New Zealand	1,641	42	n/a	1,717	50	n/a	1,652	46	n/a
Other International	343	9	n/a	212	-	n/a	316	14	n/a
Total other interest bearing liabilities	20,787	639	n/a	18,427	708	n/a	19,149	645	n/a
Total average interest bearing liabilities and interest expense by:									
Australia	672,781	16,148	4.8	671,385	15,998	4.8	662,774	15,090	4.6
New Zealand	91,962	2,101	4.6	90,746	2,399	5.3	92,251	2,402	5.2
Other International	103,490	2,489	4.8	108,495	2,853	5.3	104,057	2,798	5.4
Total average interest bearing liabilities and interest expense	868,233	20,738	4.8	870,626	21,250	4.9	859,082	20,290	4.7

(1) During the period, the Group revised its presentation of deposit categories to present structured deposits separately. Comparative information has been restated accordingly.

(2) During the period the terms and conditions related to certain transaction accounts were amended and, as a result of these changes, the products no longer met the criteria for 'On-demand and short-term deposits' and as such were moved to 'Deposits not bearing interest'.

Average liabilities and equity

	Half Year to		
	Mar 25 $m	Sep 24 $m	Mar 24 $m
Average non-interest bearing liabilities			
Deposits not bearing interest			
Australia[1][2]	**105,661**	84,063	83,625
New Zealand[1]	**12,660**	11,601	12,462
Other International	**3**	4	8
Total deposits not bearing interest	**118,324**	95,668	96,095
Other liabilities	**52,357**	47,880	57,147
Total average non-interest bearing liabilities	**170,681**	143,548	153,242
Total average liabilities	**1,038,914**	1,014,174	1,012,324
Average equity			
Total equity (parent entity interest)	**61,314**	61,482	60,704
Non-controlling interest in controlled entities	**747**	438	348
Total average equity	**62,061**	61,920	61,052
Total average liabilities and equity	**1,100,975**	1,076,094	1,073,376

(1) Includes mortgage offset accounts of $51,141 million (September 2024: $47,435 million, March 2024: $45,986 million) in Australia and $2,353 million (September 2024: $2,319 million, March 2024: $2,318 million) in New Zealand.
(2) During the period the terms and conditions related to certain transaction accounts were amended and, as a result of these changes, the products no longer met the criteria for 'On-demand and short-term deposits' and as such were moved to 'Deposits not bearing interest'.

Net interest margins and spreads

	Half Year to				
	Mar 25 %	Sep 24 %	Mar 24 %	Mar 25 v Sep 24	Mar 25 v Mar 24
Net interest spread	**1.08**	1.15	1.15	(7 bps)	(7 bps)
Benefit of net free liabilities, provisions and equity	**0.62**	0.55	0.57	7 bps	5 bps
Net interest margin - statutory basis	**1.70**	1.70	1.72	-	(2 bps)

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 for the Level 2 regulatory group respectively.

	As at		
	31 Mar 25	**30 Sep 24**	**31 Mar 24**
	$m	**$m**	**$m**
Contributed equity	**36,119**	36,581	37,664
Reserves	**(56)**	(362)	(680)
Retained profits	**26,106**	25,236	24,382
Non-controlling interests	**750**	758	344
Total equity per consolidated balance sheet	**62,919**	62,213	61,710
Adjustments between the Group and Level 2 regulatory group balance sheets	**2**	7	3
Perpetual preference shares issued by subsidiaries not eligible as regulatory capital	**(750)**	(758)	(344)
Fee income eligible as regulatory capital	**379**	371	362
Goodwill and other intangible assets, net of tax	**(2,215)**	(2,231)	(2,247)
Investment in non-consolidated controlled entities	**(10)**	(10)	(10)
Deferred tax assets in excess of deferred tax liabilities	**(2,728)**	(2,780)	(2,606)
Capitalised expenses, net of deferred fee income[(1)]	**(1,874)**	(1,771)	(1,535)
Software, net of tax	**(3,476)**	(3,283)	(3,020)
Defined benefit superannuation plan asset, net of tax	**(34)**	(33)	(31)
Change in own creditworthiness, net of tax	**64**	118	96
Cash flow hedge reserve	**(140)**	145	699
Equity exposures	**(864)**	(827)	(502)
Other	**(37)**	(22)	(32)
CET1 capital	**51,236**	51,139	52,543
Additional Tier 1 capital instruments	**9,610**	9,610	8,610
Regulatory adjustments to Additional Tier 1 capital	**(20)**	(21)	(20)
Additional Tier 1 capital	**9,590**	9,589	8,590
Tier 1 capital	**60,826**	60,728	61,133
Tier 2 capital instruments	**27,428**	24,108	24,678
Provisions held against performing exposures under the IRB approach	**1,363**	1,681	1,742
Provisions held against performing exposures under the standardised approach	**196**	221	247
Regulatory adjustments to Tier 2 capital	**(191)**	(136)	(133)
Tier 2 capital	**28,796**	25,874	26,534
Total capital	**89,622**	86,602	87,667

(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*.

	As at		
	31 Mar 25	30 Sep 24	31 Mar 24
	$m	$m	$m
Risk-weighted assets			
Credit and counterparty credit risk			
Subject to advanced IRB approach			
Corporate (including SME)	**107,882**	104,089	106,746
Retail SME	**10,817**	10,327	10,443
Residential mortgage	**109,020**	104,004	107,716
Qualifying revolving retail	**2,705**	2,682	2,762
Other retail	**1,940**	1,922	1,873
Subject to foundation IRB approach			
Corporate	**20,814**	20,950	21,454
Sovereign	**2,306**	1,617	1,423
Financial institution	**20,720**	19,068	20,247
Total internal ratings-based approach	**276,204**	264,659	272,664
Specialised lending	**3,041**	2,609	3,090
Subject to standardised approach			
Corporate	**6,598**	7,693	6,897
Residential mortgage	**2,826**	3,212	6,558
Other retail	**6,009**	6,041	6,078
Other[1]	**4,117**	4,355	4,861
Total standardised approach	**19,550**	21,301	24,394
RBNZ regulated banking subsidiary	**51,577**	51,899	53,147
Credit valuation adjustment	**4,570**	5,054	4,639
Securitisation exposures in banking book	**5,544**	5,369	5,939
Total credit risk	**360,486**	350,891	363,873
Market risk	**12,094**	11,427	11,171
Operational risk	**37,985**	36,102	36,102
Interest rate risk in the banking book	**14,624**	15,526	21,407
Floor adjustment	**1,256**	-	-
Total risk-weighted assets	**426,445**	413,946	432,553

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

	As at		
	31 Mar 25	30 Sep 24	31 Mar 24
	%	%	%
Capital ratios			
CET1	**12.01**	12.35	12.15
Tier 1	**14.26**	14.67	14.13
Total capital	**21.02**	20.92	20.27

Earnings per share

	Half Year to					
	Basic			Diluted		
	Mar 25	Sep 24	Mar 24	Mar 25	Sep 24	Mar 24
Statutory earnings per share						
Earnings ($m)						
Net profit attributable to owners of the Company	**3,407**	3,466	3,494	**3,407**	3,466	3,494
Potential dilutive adjustments						
Interest expense on convertible notes[1]	**-**	-	-	**263**	179	234
Adjusted earnings	**3,407**	3,466	3,494	**3,670**	3,645	3,728
Net loss from discontinued operations attributable to the owners of the Company	**24**	53	50	**24**	53	50
Adjusted earnings from continuing operations	**3,431**	3,519	3,544	**3,694**	3,698	3,778
Weighted average number of ordinary shares (millions)						
Weighted average number of ordinary shares (net of treasury shares)	**3,064**	3,085	3,113	**3,064**	3,085	3,113
Potential dilutive weighted average number of ordinary shares						
Convertible notes[1]	**-**	-	-	**287**	177	254
Share-based payments	**-**	-	-	**9**	10	9
Total weighted average number of ordinary shares	**3,064**	3,085	3,113	**3,360**	3,272	3,376
Earnings per share attributable to owners of the Company (cents)	**111.2**	112.4	112.2	**109.2**	111.4	110.4
Earnings per share from continuing operations (cents)	**112.0**	114.1	113.8	**109.9**	113.0	111.9

	Half Year to					
	Basic			Diluted		
	Mar 25	Sep 24	Mar 24	Mar 25	Sep 24	Mar 24
Cash earnings per share						
Earnings ($m)						
Cash earnings[2]	**3,583**	3,554	3,548	**3,583**	3,554	3,548
Potential dilutive adjustments						
Interest expense on convertible notes[1]	**-**	-	-	**263**	196	234
Adjusted cash earnings	**3,583**	3,554	3,548	**3,846**	3,750	3,782
Weighted average number of ordinary shares (millions)						
Weighted average number of ordinary shares (net of treasury shares)	**3,064**	3,085	3,113	**3,064**	3,085	3,113
Potential dilutive weighted average number of ordinary shares						
Convertible notes[1]	**-**	-	-	**287**	193	254
Share-based payments	**-**	-	-	**9**	10	9
Total weighted average number of ordinary shares	**3,064**	3,085	3,113	**3,360**	3,288	3,376
Cash earnings per share (cents)	**116.9**	115.2	114.0	**114.5**	114.1	112.0

(1) Convertible notes are dilutive instruments as they may convert into ordinary shares in the future. Certain convertible notes were excluded from the calculation of diluted EPS for the September 2024 half year as they were anti-dilutive, however they could potentially dilute basic earnings per share in the future.
(2) Refer to *Reconciliation between statutory net profit (after tax) from continuing operations and cash earnings* for further details.

Return on equity

	Half Year to		
	Mar 25	**Sep 24**	**Mar 24**
Statutory return on equity			
Earnings ($m)			
Net profit attributable to owners of the Company	**3,407**	3,466	3,494
Adjusted earnings	**3,407**	3,466	3,494
Average equity ($m)			
Average equity	**62,061**	61,920	61,052
Less: Average non-controlling interests	**(747)**	(438)	(348)
Total average equity (attributable to owners of the Company)	**61,314**	61,482	60,704
Statutory return on equity	**11.1%**	11.3%	11.5%

	Half Year to		
	Mar 25	**Sep 24**	**Mar 24**
Cash return on equity			
Earnings ($m)			
Cash earnings	**3,583**	3,554	3,548
Total average equity (attributable to owners of the Company) ($m)	**61,314**	61,482	60,704
Cash return on equity	**11.7%**	11.6%	11.7%

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		
	31 Mar 25	30 Sep 24	31 Mar 24
	$m	$m	$m
Funding sources			
Customer deposits	**637,896**	612,796	596,546
Term wholesale funding with greater than 12 months to maturity	**155,274**	146,404	148,508
Central bank funding facilities with greater than 12 months to maturity[1]	**456**	2,092	2,524
Term wholesale funding with less than 12 months to maturity	**30,182**	24,480	19,327
Central bank funding facilities with less than 12 months to maturity[1]	**1,820**	1,011	18,284
Short-term wholesale funding[2]	**100,721**	115,321	114,503
Short-term collateral and settlements	**7,937**	7,439	8,850
Total funding sources	**934,286**	909,543	908,542
Equity	**62,919**	62,213	61,710
Total funding sources and equity	**997,205**	971,756	970,252

(1) Central bank funding facilities include the TLF and Funding for Lending Programme provided by the RBNZ and the TFF provided by the RBA.
(2) Includes certificate of deposits, commercial papers, due to other banks, 12 months medium-term notes and other financial liabilities.

Bonds, notes and subordinated debt

	As at		
	31 Mar 25	30 Sep 24	31 Mar 24
	$m	$m	$m
Bonds, notes and subordinated debt			
Medium-term notes	**107,785**	97,420	92,662
Securitisation notes	**3,150**	3,548	2,206
Covered bonds	**34,747**	32,916	33,222
Subordinated medium-term notes	**26,226**	22,410	22,285
Total bonds, notes and subordinated debt	**171,908**	156,294	150,375

Number of ordinary shares

	Half Year to		
	Mar 25 No. '000	Sep 24 No. '000	Mar 24 No. '000
Ordinary shares, fully paid			
Balance at beginning of period	**3,074,038**	3,102,760	3,128,949
Shares issued:			
Bonus share plan	**493**	578	736
Share-based payments	**4,559**	279	4,177
Paying up of partly paid shares	**-**	-	9
Shares bought back	**(16,572)**	(29,579)	(31,111)
Total ordinary shares, fully paid	**3,062,518**	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)	**3,062,518**	3,074,038	3,102,760
Less: Treasury shares	**(7,624)**	(8,642)	(8,607)
Total ordinary shares (excluding treasury shares)	**3,054,894**	3,065,396	3,094,153

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 March 2025 half year, there was $nil impact on statutory profit 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 March 2025 half year, there was a decrease in statutory profit of $23 million ($16 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 March 2025 half year, this includes the following items:

- transaction and other costs directly associated with the acquisition and integration of Group businesses, primarily related to the integration of the Citi consumer business, and
- transaction and other costs directly associated with the disposal or closure of Group businesses.

In the March 2025 half year, there was a decrease in statutory profit of $196 million ($136 million after tax) related to acquisitions, integration, disposals and business closures.

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

	Half Year to March 2025				
	Statutory net profit from continuing operations $m	Hedging and fair value volatility $m	Amortisation of acquired intangible assets $m	Acquisitions, integration, disposals and business closures $m	Cash earnings $m
Statutory net profit reconciliation					
Net interest income	8,450	(5)	-	-	8,445
Other operating income	1,832	5	-	(1)	1,836
Net operating income	10,282	-	-	(1)	10,281
Operating expenses	(5,038)	-	23	197	(4,818)
Profit before credit impairment charge	5,244	-	23	196	5,463
Credit impairment charge	(348)	-	-	-	(348)
Profit / (loss) before income tax	4,896	-	23	196	5,115
Income tax (expense) / benefit	(1,445)	-	(7)	(60)	(1,512)
Net profit / (loss) from continuing operations	3,451	-	16	136	3,603
Less: Non-controlling interests	(20)	-	-	-	(20)
Net profit attributable to owners of the Company from continuing operations	3,431	-	16	136	3,583

	Half Year to September 2024				
	Statutory net profit from continuing operations $m	Hedging and fair value volatility $m	Amortisation of acquired intangible assets $m	Acquisitions, integration, disposals and business closures $m	Cash earnings $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	3,528	20	14	1	3,563
Less: Non-controlling interests	(9)	-	-	-	(9)
Net profit attributable to owners of the Company from continuing operations	3,519	20	14	1	3,554

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

	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 / (loss) from continuing operations	3,553	(14)	15	3	3,557
Less: Non-controlling interests	(9)	-	-	-	(9)
Net profit / (loss) 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.

Exchange rates

	Income statement - average			Balance sheet - spot		
	Half Year to			As at		
	Mar 25	Sep 24	Mar 24	31 Mar 25	30 Sep 24	31 Mar 24
One Australian dollar equals						
British pounds	**0.5039**	0.5188	0.5215	**0.4850**	0.5177	0.5160
Euros	**0.6042**	0.6109	0.6053	**0.5799**	0.6208	0.6043
United States dollars	**0.6402**	0.6644	0.6542	**0.6286**	0.6930	0.6512
New Zealand dollars	**1.1044**	1.0930	1.0761	**1.1004**	1.0885	1.0902

Glossary

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 provide a permanent and unrestricted commitment of funds, are freely available to absorb losses, rank behind the claims of depositors and other more senior creditors in the event of winding up of the issuer, and provide for fully discretionary capital distributions.

ADI
Authorised Deposit-taking Institution

Advanced Internal ratings-based (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.

AML
Anti-Money Laundering

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, adjusted for discontinued operations.

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 (RWA)
Calculated as cash earnings (annualised after tax) divided by average RWA. Average RWA is calculated with reference to the RWA at the reporting date and the two preceding quarter-ends.

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.

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

Common Equity Tier 1 capital ratio
CET1 capital divided by risk-weighted assets.

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

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 net operating income.

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 bank

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

Default but not impaired assets
Calculated as 'Non-performing exposures' less 'Impaired assets'. Includes loans that have been classified as restructured in accordance with APS 220 Credit Risk Management which are assessed as no loss based on security held.

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 March 2025 half 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
Dividend per ordinary share divided by 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.

Executive Leadership Team (ELT)
Executive Leadership Team means the Group CEO and the Group Executives.

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 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 about the ability to collect principal and interest; off-balance sheet credit exposures where current circumstances indicate that losses maybe incurred; and unsecured portfolio managed facilities that are 180 days or more past due (if not written off).

Internal ratings-based (IRB)
An approach to calculate capital requirements for credit risk exposures, which utilises the outputs of internally developed credit risk measurement models.

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 - an associate of the Group.

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 of Bain & Company, Inc., NICE Systems, Inc., and Fred Reichheld. Net Promoter Score℠ is a service mark of Bain & Company, Inc., NICE Systems, Inc., and Fred Reichheld. NPS 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.

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.

Structured deposits
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.

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 includes other components of capital that, to varying degrees, fall short of the quality of Tier 1 capital but nonetheless contribute to the overall strength of an ADI and its capacity to absorb losses.

Total 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.