

Thursday, 24 October 2024

## **ASX ANNOUNCEMENT**

### **Changes to divisional comparative financial information**

During the September 2024 full year, the NAB Group has transferred some customer portfolios between divisions to better align these customers with their appropriate service needs. There have also been some unrelated refinements to the allocation of support costs.

These changes are described in more detail below.

- The transfer of some customer lending and deposit portfolios between Business and Private Banking and Personal Banking including the associated net operating income and impairment charges.
- The refinements to the allocation of certain support costs has resulted in some costs previously recognised in Corporate Functions and Other being allocated to Business and Private Banking.

These changes will not impact the NAB Group's cash earnings or statutory net profit after tax or balance sheet, but have resulted in changes to the presentation of divisional financial information. Comparative information for the impacted divisions will be restated to reflect these changes.

A summary of the impacts of these restatements on the 31 March 2024 half year and 30 September 2023 full year divisional cash earnings together with lending and deposit balances is provided in Appendix 1. Restated comparative information for the impacted divisions as per the Management Discussion and Analysis is provided in Appendix 2.

### **Full Year results announcement**

NAB Group's 2024 Full Year Results are scheduled to be announced on Thursday 7 November 2024.

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*Approved for distribution by Nathan Goonan, Group Chief Financial Officer*

# Appendix 1: Impact of changes on divisional comparative financial information

## Half Year

	Half year ended 31 March 2024					
	Business and Private Banking	Personal Banking	Corporate and Institutional Banking	New Zealand Banking	Corporate Functions and Other	Group
	\$m	\$m	\$m	\$m	\$m	\$m
Cash earnings / (loss) - as published <sup>(1)</sup>	1,673	553	899	697	(274)	3,548
<b>Impact of restatements</b>						
Increase / (decrease) in Net interest income	(10)	10	-	-	-	-
Increase / (decrease) in Other operating income	7	(7)	-	-	-	-
(Increase) / decrease in Operating expenses	(34)	-	-	-	34	-
(Increase) / decrease in Credit impairment charge	(1)	1	-	-	-	-
(Increase) / decrease in Income tax expense	11	(1)	-	-	(10)	-
<b>Total restatements</b>	(27)	3	-	-	24	-
<b>Cash earnings / (loss) - as restated</b>	<b>1,646</b>	<b>556</b>	<b>899</b>	<b>697</b>	<b>(250)</b>	<b>3,548</b>

(1) Cash earnings as published in the 2024 Half Year Results.

	As at 31 March 2024					
	Business and Private Banking	Personal Banking	Corporate and Institutional Banking	New Zealand Banking	Corporate Functions and Other	Group
	\$bn	\$bn	\$bn	\$bn	\$bn	\$bn
<b>Impact of restatements on Lending</b>						
Increase / (decrease) in Housing <sup>(1)</sup>	(8.9)	8.9	-	-	-	-
Increase / (decrease) in Non-housing	(0.1)	0.1	-	-	-	-
<b>Total restatements</b>	(9.0)	9.0	-	-	-	-
<b>Impact of restatements on Customer deposits</b>						
Increase / (decrease) in Customer deposits	(0.4)	0.4	-	-	-	-
<b>Total restatements</b>	(0.4)	0.4	-	-	-	-

(1) Includes mortgage offset accounts of \$1.9 billion.

## Appendix 1: Impact of changes on divisional comparative financial information (cont.)

### Full Year

	Year ended 30 September 2023					
	Business and Private Banking	Personal Banking	Corporate and Institutional Banking	New Zealand Banking	Corporate Functions and Other	Group
	\$m	\$m	\$m	\$m	\$m	\$m
Cash earnings / (loss) – as published <sup>(1)</sup>	3,318	1,446	1,840	1,394	(267)	7,731
<b>Impact of restatements</b>						
Increase / (decrease) in Net interest income	(38)	38	-	-	-	-
Increase / (decrease) in Other operating income	13	(13)	-	-	-	-
(Increase) / decrease in Operating expenses	(65)	-	-	-	65	-
(Increase) / decrease in Credit impairment charge	4	(4)	-	-	-	-
(Increase) / decrease in Income tax expense	26	(6)	-	-	(20)	-
<b>Total restatements</b>	(60)	15	-	-	45	-
<b>Cash earnings / (loss) – as restated</b>	<b>3,258</b>	<b>1,461</b>	<b>1,840</b>	<b>1,394</b>	<b>(222)</b>	<b>7,731</b>

(1) Cash earnings as published in the 2024 Half Year Results.

	As at 30 September 2023					
	Business and Private Banking	Personal Banking	Corporate and Institutional Banking	New Zealand Banking	Corporate Functions and Other	Group
	\$bn	\$bn	\$bn	\$bn	\$bn	\$bn
<b>Impact of restatements on Lending</b>						
Increase / (decrease) in Housing <sup>(1)</sup>	(8.9)	8.9	-	-	-	-
Increase / (decrease) in Non-housing	(0.1)	0.1	-	-	-	-
<b>Total restatements</b>	(9.0)	9.0	-	-	-	-
<b>Impact of restatements on Customer deposits</b>						
Increase / (decrease) in Customer deposits	0.7	(0.7)	-	-	-	-
<b>Total restatements</b>	0.7	(0.7)	-	-	-	-

(1) Includes mortgage offset accounts of \$1.8 billion.

### Note on cash earnings

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

# Appendix 2: Updated financial comparative tables for FY2024 Management Discussion and Analysis

## Business and Private Banking

	Half Year to Mar 24 restated \$m	Year to Sep 23 restated \$m
Net interest income	3,599	7,232
Other operating income	514	989
<b>Net operating income</b>	4,113	8,221
Operating expenses	(1,551)	(2,996)
<b>Underlying profit</b>	2,562	5,225
Credit impairment charge	(201)	(564)
<b>Cash earnings before income tax</b>	2,361	4,661
Income tax expense	(715)	(1,403)
<b>Cash earnings</b>	1,646	3,258

<b>Volumes (\$bn)</b>		
Housing lending	103.6	100.3
Business lending	148.9	143.3
Other lending	3.5	3.7
Gross loans and acceptances	256.0	247.3
Average interest earning assets	233.7	221.2
Total assets	255.1	246.6
Customer deposits	213.9	206.8
Total risk-weighted assets	155.3	148.1

	Half Year to Mar 24 restated	Year to Sep 23 restated
<b>Performance Measures</b>		
Cash earnings on average assets (%)	1.32	1.38
Cash earnings on average risk-weighted assets (%)	2.17	2.25
Net interest margin (%)	3.08	3.27
Cost to income ratio (%)	37.7	36.4
Funds under management (spot) (\$m)	52,880	47,430

<b>Asset Quality (%)</b>		
Gross impaired assets to GLAs	0.26	0.25
Default but not impaired assets to GLAs	1.53	1.47
Credit impairment charge to GLAs - annualised	0.16	0.23

## Appendix 2: Updated financial comparative tables for FY2024 Management Discussion and Analysis (cont.)

### Personal Banking

	Half Year to	Year to
	Mar 24	Sep 23
	restated	restated
	\$m	\$m
Net interest income	1,975	4,367
Other operating income	287	554
<b>Net operating income</b>	2,262	4,921
Operating expenses	(1,308)	(2,561)
<b>Underlying profit</b>	954	2,360
Credit impairment charge	(161)	(291)
<b>Cash earnings before income tax</b>	793	2,069
Income tax expense	(237)	(608)
<b>Cash earnings</b>	556	1,461
<b>Volumes (\$bn)</b>		
Housing lending	242.1	239.5
Other lending	9.7	9.5
Gross loans and acceptances	251.8	249.0
Average interest earning assets	226.4	226.4
Total assets	258.9	256.8
Customer deposits	157.2	150.6
Total risk-weighted assets	82.1	80.8

	Half Year to	Year to
	Mar 24	Sep 23
	restated	restated
	%	%
<b>Performance Measures</b>		
Cash earnings on average assets	0.43	0.57
Cash earnings on average risk-weighted assets	1.37	1.76
Net interest margin	1.74	1.93
Cost to income ratio	57.8	52.0
<b>Asset Quality</b>		
Gross impaired assets to GLAs	0.04	0.05
Default but not impaired assets to GLAs	1.12	0.94
Credit impairment charge to GLAs - annualised	0.13	0.12

Corporate Functions and Other

	Half Year to	Year to
	Mar 24	Sep 23
	restated	restated
	\$m	\$m
Net operating income	178	406
Operating expenses	(488)	(909)
<b>Underlying loss</b>	(310)	(503)
Credit impairment write-back	23	226
<b>Cash loss before income tax</b>	(287)	(277)
Income tax benefit	37	55
<b>Cash loss</b>	(250)	(222)