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ASX ANNOUNCEMENT

NAB RELEASES 2022 SUPPLEMENTAL INFORMATION

National Australia Bank Limited (NAB) today releases its 2022 Supplemental Information Report which provides certain statistical information regarding NAB. The Supplemental Information voluntarily continues the disclosure of some of the information NAB previously disclosed to the U.S. market in its U.S. periodic reports filed with the U.S. Securities Exchange Commission (SEC) when NAB was an SEC registrant.

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The release of this announcement was authorised by Gary Lennon, Group Chief Financial Officer.



**national
australia
bank**

SUPPLEMENTAL INFORMATION REGARDING NATIONAL AUSTRALIA BANK LIMITED 2022

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Overview

The information in this Supplemental Information Report (Report) has been prepared in conjunction with the Group's U.S. debt funding disclosures. Sections A and B provide detail in relation to the Group's liquidity and funding resources and certain U.S. statistical bank disclosures. This document should be read in conjunction with the Group's 2022 Annual Report published on November 9, 2022 (2022 Annual Report). The 2022 Annual Report is prepared in accordance with the *Corporations Act 2001* (Cth) and contains the Group's consolidated financial statements.

A reference in this Report to the 'Group' is a reference to National Australia Bank Limited (NAB) and its controlled entities. All currency amounts in this Report are expressed in Australian dollars unless otherwise stated. References in this document to the September 2022 full year are references to the twelve months ended September 30, 2022. Other twelve month periods are referred to in a corresponding manner.

Presentation of information

The financial information presented in this Report has been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board. Certain differences exist between Australian Accounting Standards, IFRS and the Generally Accepted Accounting Principles applicable in the United States of America (US GAAP) which might be material to the financial information in this Report.

The Group has not prepared a reconciliation of its consolidated financial statements and related footnote disclosures between Australian Accounting Standards, IFRS and US GAAP. In making an investment decision, potential investors must rely upon their own examination of the Group, the terms of the offering and the financial information. Potential investors should consult their own professional advisors for an understanding of these differences, and if they affect the financial information in this Report.

All amounts have been rounded to the nearest million dollars, except where indicated. The abbreviations \$m and \$bn represent millions and thousands of millions (i.e. billions) of Australian dollars respectively. Any discrepancies between total and sums of components in tables contained in this Report are due to rounding. This Report contains translation of certain Australian dollar amounts into US dollars at specified rates. These translations should not be construed as representations that the Australian dollar amounts actually represent such US dollar amounts or could be converted into US dollars at the rate indicated. Unless otherwise stated, the translation of Australian dollars into US dollars have been made at the rate of US\$0.6437 = A\$1.00, the noon buying rate in New York City for cable transfers in Australian dollars as certified for customs purposes by the Federal Reserve Bank of New York on September 30, 2022.

Other information in this Report has been derived from the Group's 2022 Annual Report, including the Group's audited consolidated financial statements, notes to the financial statements and directors' declaration (2022 Financial Report), and the equivalent report for each prior financial year. Where certain items are not shown in the Group's 2022 Annual Report, it has been prepared for the purpose of this Report. Accordingly, this information should be read in conjunction with and is qualified in its entirety by reference to the Group's 2022 Financial Report and the equivalent report for each prior financial year.

Information in this Report is presented on a continuing operations basis, unless otherwise stated. Continuing operations are the components of the Group which are not discontinued operations.

Discontinued Operations

On 31 May 2021, the Group completed the sale of MLC Wealth. The final financial outcome of the sale remains subject to the finalisation of the completion accounts process and other contingencies associated with the sale. Refer to *Note 30 Commitments and contingent liabilities* in the Group's 2022 Financial Report for further details.

Amounts presented in the life insurance discontinued operation related to the Group's life insurance business. The Group disposed of 80% of its investment in MLC Life to Nippon Life Insurance Company in 2016. The amounts presented in the September 2021 financial year relate to a re-assessment of customer-related remediation provisions associated with the MLC Life business.

Information about average balances

Average balances, including average equity (adjusted), total average assets and average interest earning assets are based on daily statutory average balances.

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

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 "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. You are cautioned not to place undue reliance on such forward looking statements. Such forward looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Group, which may cause actual results to differ materially from those expressed or implied in such statements. There can be no assurance that actual outcomes will not differ materially from these statements.

There are a number of other important 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 COVID-19 pandemic, the Russia-Ukraine conflict and other geopolitical tensions, the Australian and global economic environment and capital market conditions. Further detail is contained on page 84 under *Disclosure on Risk factors* in the Group's 2022 Annual Report for the 2022 financial year, available at www.nab.com.au.

Liquidity and funding

The Group's banking entities comply as required with the liquidity requirements of regulators in Australia, the United Kingdom, New Zealand, the United States and other geographies in which the Group operates. Liquidity within the Group is also managed in accordance with policies approved by the Board, with oversight from the Group Asset and Liability Committee.

The principal sources of liquidity for the Group are:

- cash
- amounts due to and from other banks
- repurchase agreements
- trading and other marketable securities
- proceeds from investments and repayments of customer lending facilities
- collateral associated with derivatives
- deposits
- proceeds from commercial paper, certificates of deposit, bonds, notes and subordinated debt issues
- interest income
- other operating income.

The Group's primary source of funding is from deposits and other borrowings which include on-demand and short-term deposits, term deposits, and bank issued certificates of deposit. Of total liabilities at September 30, 2022 of \$996,094 million (2021: \$863,189 million; 2020: \$805,272 million), funding from customer deposits and certificates of deposit (including amounts accounted for at fair value) amounted to \$616,713 million (2021: \$547,777 million; 2020: \$503,788 million) or 62% (2021: 63%; 2020: 63%) of total liabilities. Although a substantial portion of customer accounts are contractually repayable within one year, on-demand, or at short-notice, such customer deposit balances have provided a stable source of core long-term funding for the Group.

Deposits taken from the inter-bank market of \$74,679⁽¹⁾ million as at September 30, 2022 (2021: \$74,160 million; 2020: \$46,773 million) supplement the Group's customer deposits. The Group also accesses the domestic and international debt capital markets under its various funding programs. As at September 30, 2022, the Group had on issue \$134,344 million (2021: \$127,570 million; 2020: \$148,732 million) of term debt securities (bonds, notes and subordinated debt including bonds, notes and subordinated debt accounted for at fair value) and the following funding programmes available to fund the Group's general banking business.

Short-term funding programmes as at September 30 2022

Europe		
Limit	Type	Issuer
USD20 billion	Euro Commercial Paper and Certificate of Deposit Programme	National Australia Bank Limited
USD10 billion	Global Commercial Paper Programme	BNZ International Funding Limited, acting through its London Branch (and guaranteed by Bank of New Zealand)
United States		
Limit	Type	Issuer
USD10 billion	Commercial Paper Program	BNZ International Funding Limited, acting through its London Branch (and guaranteed by Bank of New Zealand)
USD45 billion	Commercial Paper Program	National Australia Bank Limited
USD10 billion	Commercial Paper Program	National Australia Funding (Delaware) Inc. (guaranteed by National Australia Bank Limited)
New Zealand		
Limit	Type	Issuer
Unlimited	Debt Issuance Programme	Bank of New Zealand

(1) Includes Term Funding Facility provided by the Reserve Bank of Australia of \$32,275 million (2021: \$31,866 million; 2020: \$14,270 million), and the Term Lending Facility and Funding for Lending Programme provided by the Reserve Bank of New Zealand of NZ\$3,453 million (2021: NZ\$2,664 million; 2020: NZ\$142 million).

Long-term funding programmes and issuing shelves as at September 30 2022

Global ⁽¹⁾		
Limit	Type	Issuer(s)
NZD7 billion	BNZ Covered Bond Programme	Bank of New Zealand guaranteed by CBG Trustee Company Limited as Trustee of the BNZ Covered Bond Trust ⁽²⁾
USD100 billion ⁽³⁾	Global Medium Term Note Programme	National Australia Bank Limited, Bank of New Zealand and BNZ International Funding Limited (acting through its London Branch and guaranteed by Bank of New Zealand)
USD30 billion ⁽⁴⁾	NAB Covered Bond Programme	National Australia Bank Limited (guaranteed by Perpetual Corporate Trust Limited as trustee of the NAB Covered Bond Trust)
Unlimited	National RMBS Trust	Perpetual Trustee Company Limited as trustee of the relevant National RMBS Trust (National Australia Bank Limited's roles include those of Seller and Servicer)

(1) Programmes have been listed in the jurisdictions within which issuances can be made and therefore may appear in multiple categories.

(2) Certain outstanding covered bonds were issued by BNZ International Funding Limited (acting through its London Branch), guaranteed by CBG Trustee Company Limited as Trustee of the BNZ Covered Bond Trust and Bank of New Zealand.

(3) Refers to total Global Medium Term Note Programme limit for all issuers in aggregate.

(4) Refers to total NAB Covered Bond Programme limit.

United States ⁽¹⁾		
Limit	Type	Issuer(s)
USD30 billion ⁽²⁾	U.S. Rule 144A sub-programme associated with the NAB Covered Bond Programme	National Australia Bank Limited (guaranteed by Perpetual Corporate Trust Limited as trustee of the NAB Covered Bond Trust)
USD100 billion ⁽³⁾	U.S. Rule 144A sub-programme associated with the Global Medium Term Note Programme	Bank of New Zealand
USD100 billion ⁽³⁾	U.S. Rule 144A sub-programme associated with the Global Medium Term Note Programme	National Australia Bank Limited
USD25 billion	Section 3(a)(2) Medium Term Note (Series B) Program	National Australia Bank Limited (acting through its New York Branch)

(1) Programmes have been listed in the jurisdictions within which issuances can be made and therefore may appear in multiple categories.

(2) Refers to total NAB Covered Bond Programme limit.

(3) Refers to total Global Medium Term Note Programme limit for all issuers in aggregate.

Australia ⁽¹⁾		
Limit	Type	Issuer(s)
Unlimited	Debt Issuance Programme	National Australia Bank Limited
USD30 billion ⁽²⁾	NAB Covered Bond Programme	National Australia Bank Limited (guaranteed by Perpetual Corporate Trust Limited as trustee of the NAB Covered Bond Trust)
Unlimited	National RMBS Trusts	Perpetual Trustee Company Limited as trustee of the relevant National RMBS Trust (National Australia Bank Limited's roles include those of Seller and Servicer)
Unlimited	Capital Notes Programme (wholesale)	National Australia Bank Limited

(1) Programmes have been listed in the jurisdictions within which issuances can be made and therefore may appear in multiple categories.

(2) Refers to total NAB Covered Bond Programme limit.

Liquidity and funding (cont.)

New Zealand⁽¹⁾

Limit	Type	Issuer(s)
Unlimited	Debt Issuance Programme	Bank of New Zealand
NZD7 billion	BNZ Covered Bond Programme	Bank of New Zealand guaranteed by CBG Trustee Company Limited as Trustee of the BNZ Covered Bond Trust ⁽²⁾

(1) Programmes have been listed in the jurisdictions within which issuances can be made and therefore may appear in multiple categories.

(2) Certain outstanding covered bonds were issued by BNZ International Funding Limited (acting through its London Branch), guaranteed by CBG Trustee Company Limited as Trustee of the BNZ Covered Bond Trust and Bank of New Zealand.

Japan⁽¹⁾

Limit	Type	Issuer(s)
JPY500 billion	Samurai Shelf	National Australia Bank Limited
JPY300 billion	Uridashi Shelf	National Australia Bank Limited

(1) Programmes have been listed in the jurisdictions within which issuances can be made and therefore may appear in multiple categories.

Credit ratings

At September 30, 2022, the Group's issuing entities credit ratings were as follows:

National Australia Bank	Short-term debt	Senior long-term debt	Outlook
S&P Global Ratings	A-1+	AA-	Stable
Moody's Investors Service	P-1	Aa3	Stable
Fitch Ratings	F1	A+	Stable
Bank of New Zealand	Short-term debt	Senior long-term debt	Outlook
S&P Global Ratings	A-1+	AA-	Stable
Moody's Investors Service	P-1	A1	Stable
Fitch Ratings	F1	A+	Stable
BNZ International Funding Limited (guaranteed by Bank of New Zealand)⁽¹⁾	Short-term debt	Senior long-term debt	Outlook
S&P Global Ratings	A-1+	AA-	Stable
Moody's Investors Service	P-1	A1	Stable
Fitch Ratings	(not rated)	A+	Stable

(1) Issue credit ratings.

Ratings are not a recommendation to purchase, hold or sell securities, and may be changed, superseded or withdrawn at any time.

The Group maintains well diversified and high-quality liquid asset portfolios to support regulatory and internal requirements in the various regions in which it operates. As at September 30, 2022, the Group held \$220,415 million of on balance sheet liquid assets (2021: \$194,498 million; 2020: \$170,141 million), of which NAB held \$206,364 million (2021: \$178,765 million; 2020: \$157,638 million).

In accordance with the Group Contingent Funding Plan (CFP), the Group Treasurer has the authority to direct any internal holder of unencumbered liquid assets to realise those assets for cash. In addition, as at 30 September 2022, the Group held \$681,761 million (2021: \$622,676 million; 2020: \$586,345 million) of net loans and advances to customers (including loans accounted for at fair value), of which \$117,118 million (2021: \$112,482 million; 2020: \$117,405 million) is due to mature within one year, although a proportion of these maturing customer loans will be extended in the normal course of business.

The Group also has the capacity to access funding through the Reserve Bank of Australia under the Committed Liquidity Facility (CLF) until December 31, 2022 when it will be phased out to zero subject to financial market conditions. At 30 September 2022, NAB's remaining CLF was \$7,750 million. The Group (excluding Citi consumer business) accessed \$31,866 million of funding through the Term Funding Facility (TFF), including an Initial Allowance of \$14,270 million drawn in the 2020 financial year, and Supplementary and Additional Allowances of a total \$17,596 million in the 2021 financial year. A combination of marketable debt securities and internal RMBS provide collateral for the CLF and TFF. Unencumbered internal RMBS after haircuts held by the Group at September 30, 2022 was \$66,114 million (2021: \$39,704 million).

Based on the level of resources within the Group's businesses, and the ability of the Group to access wholesale money markets and issue debt securities should the need arise, overall liquidity is considered sufficient to meet current obligations to customers, policyholders and debt holders.

The following table sets out the amounts and maturities of the Group's contractual cash obligations for bonds, notes and subordinated debt, other debt issues, and other commitments as listed below at September 30, 2022. The table excludes deposits and other liabilities taken in the normal course of banking business and short-term and undated liabilities.

Liquidity and funding (cont.)

	Payments due by period		Total \$m
	Less than 1 year	Greater than 1 year	
	\$m	\$m	
Bonds, notes and subordinated debt – dated	30,224	104,120	134,344
Other debt issues – undated	–	7,318	7,318
Non-cancellable leases	339	2,117	2,456
Total contractual cash obligations	30,563	113,555	144,118

The following table sets out the amounts and maturities of the Group's contingent liabilities and other commercial commitments at September 30, 2022.

	Amount of commitment expiration per period		Total \$m
	Less than 1 year	Greater than 1 year	
	\$m	\$m	
Contingent liabilities			
Guarantees	2,785	2,127	4,912
Letters of credit	7,045	3,583	10,628
Performance-related contingencies	3,801	2,704	6,505
Other commercial commitments			
Other binding credit commitments	83,282	121,504	204,786
Total commercial commitments	96,913	129,918	226,831

Description of off-balance sheet arrangements (structured entities)

The Group enters into various arrangements with structured entities. The primary purposes of these structured entities are to:

- Assist customers to securitise their assets.
- Provide diversified funding sources to customers.
- Tailor new products to satisfy customers' funding requirements.

In accordance with Australian Accounting Standards and International Financial Reporting Standards, the Group will consolidate a structured entity where the Group has control over the structured entity. Generally, the Group does not have control over structured entities that have been established for purposes of providing funding to customers, and therefore these structured entities are not consolidated by the Group.

For further information regarding the Group's position regarding off-balance sheet arrangements, see *Note 21 Financial asset transfers*, *Note 30 Commitments and contingent liabilities* and *Note 31 Interest in subsidiaries and other entities* of the 2022 Financial Report.

Average balance sheet and related interest

The following tables presents the major categories of interest earning assets and interest bearing liabilities, together with their respective interest rates earned or incurred by the Group. Averages are predominantly daily averages. Amounts classified as Other International represent interest earning assets and interest bearing liabilities of the controlled entities and overseas branches domiciled in Europe, the United States and Asia. Impaired assets are included within loans and advances in interest earning assets.

Average assets and interest income

	2022			2021			2020		
	Average balance \$m	Interest \$m	Average rate % pa	Average balance \$m	Interest \$m	Average rate % pa	Average balance \$m	Interest \$m	Average rate % pa
Average interest earning assets									
Due from other banks									
Australia	94,705	566	0.6	47,431	19	–	15,863	81	0.5
New Zealand	10,868	162	1.5	8,455	22	0.3	4,987	36	0.7
Other International	29,080	202	0.7	22,117	19	0.1	22,021	159	0.7
Marketable debt securities									
Australia	70,737	1,050	1.5	79,437	854	1.1	83,472	1,446	1.7
New Zealand	6,868	91	1.3	8,066	43	0.5	8,669	92	1.1
Other International	10,562	66	0.6	9,865	27	0.3	9,768	60	0.6
Loans and advances – housing									
Australia ⁽¹⁾	287,046	8,107	2.8	267,773	7,700	2.9	271,451	9,358	3.4
New Zealand	47,826	1,570	3.3	44,378	1,394	3.1	40,178	1,602	4.0
Loans and advances – non-housing									
Australia	222,573	7,632	3.4	197,443	6,150	3.1	198,611	7,431	3.7
New Zealand	40,715	1,776	4.4	39,607	1,286	3.2	41,731	1,636	3.9
Other International	21,543	567	2.6	18,082	377	2.1	17,672	477	2.7
Other interest earning assets									
Australia	16,300	179	n/a	16,863	38	n/a	15,769	96	n/a
New Zealand	1,247	23	n/a	965	45	n/a	2,006	47	n/a
Other International	40,227	387	n/a	44,499	60	n/a	49,481	590	n/a
Total average interest earning assets and interest income by:									
Australia ⁽¹⁾	691,361	17,534	2.5	608,947	14,761	2.4	585,166	18,412	3.1
New Zealand	107,524	3,622	3.4	101,471	2,790	2.7	97,571	3,413	3.5
Other International	101,412	1,222	1.2	94,563	483	0.5	98,942	1,286	1.3
Total average interest earning assets and interest income	900,297	22,378	2.5	804,981	18,034	2.2	781,679	23,111	3.0
Average non-interest earning assets									
Investments relating to life insurance business									
Other assets	96,278			90,256			99,785		
Provision for credit impairment									
Australia	(4,319)			(4,853)			(3,730)		
New Zealand	(694)			(764)			(704)		
Other International	(55)			(69)			(46)		
Total average assets	991,507			889,551			876,984		

(1) Includes \$29 million of average balance (2021: \$38 million, 2020: \$57 million) and \$1 million of interest (2021: \$1 million, 2020: \$1 million) relating to the run-down of housing loans in Asia from the sale of NAB's Asian private wealth business in November 2017.

Average balance sheet and related interest (cont.)

Average liabilities and interest expense

	2022			2021			2020		
	Average balance	Interest	Average rate	Average balance	Interest	Average rate	Average balance	Interest	Average rate
	\$m	\$m	% pa	\$m	\$m	% pa	\$m	\$m	% pa
Average interest bearing liabilities									
Due to other banks									
Australia	47,415	162	0.3	35,071	49	0.1	18,972	110	0.6
New Zealand	5,102	36	0.7	3,968	5	0.1	2,241	7	0.3
Other International	17,163	177	1.0	14,490	37	0.3	17,914	151	0.8
On-demand and short-term deposits									
Australia	275,577	1,199	0.4	245,506	540	0.2	202,991	1,105	0.5
New Zealand	32,670	203	0.6	31,289	47	0.2	24,283	96	0.4
Other International	6,159	51	0.8	4,738	1	-	5,830	32	0.5
Certificates of deposits									
Australia	30,932	177	0.6	27,259	20	0.1	30,633	239	0.8
New Zealand	2,292	37	1.6	1,274	1	0.1	1,623	17	1.0
Other International	24,670	178	0.7	12,872	23	0.2	10,816	150	1.4
Term deposits									
Australia	96,091	817	0.9	89,770	519	0.6	110,280	1,666	1.5
New Zealand	23,733	422	1.8	24,499	343	1.4	31,462	838	2.7
Other International	5,333	67	1.3	4,140	17	0.4	5,890	81	1.4
Other borrowings									
Australia	38,817	451	1.2	21,858	117	0.5	25,786	445	1.7
New Zealand	3,511	42	1.2	3,956	10	0.3	3,564	54	1.5
Other International	28,987	267	0.9	31,514	36	0.1	27,866	455	1.6
Bonds, notes and subordinated debt									
Australia	98,425	1,571	1.6	101,025	954	0.9	122,124	1,782	1.5
New Zealand	19,043	445	2.3	18,660	255	1.4	21,201	357	1.7
Other International	9,099	267	2.9	13,065	363	2.8	18,755	523	2.8
Other interest bearing liabilities									
Australia	15,565	937	n/a	12,152	891	n/a	12,985	1,112	n/a
New Zealand	1,381	21	n/a	968	6	n/a	870	6	n/a
Other International	562	11	n/a	199	7	n/a	291	8	n/a
Total average interest bearing liabilities and interest expense by:									
Australia	602,822	5,314	0.9	532,641	3,090	0.6	523,771	6,459	1.2
New Zealand	87,732	1,206	1.4	84,614	667	0.8	85,244	1,375	1.6
Other International	91,973	1,018	1.1	81,018	484	0.6	87,362	1,400	1.6
Total average interest bearing liabilities and interest expense	782,527	7,538	1.0	698,273	4,241	0.6	696,377	9,234	1.3

Average balance sheet and related interest (cont.)

Average non-interest bearing liabilities and average equity

	2022 \$m	2021 \$m	2020 \$m
Average non-interest bearing liabilities			
Deposits not bearing interest			
Australia ⁽¹⁾	84,989	70,440	53,583
New Zealand ⁽¹⁾	11,965	9,947	6,885
Other International	8	4	4
Other liabilities	51,202	48,998	61,478
Total average non-interest-bearing liabilities	148,164	129,389	121,950
Total average liabilities	930,691	827,662	818,327
Average equity			
Total equity (parent entity interest)	60,816	61,888	58,655
Non-controlling interest in controlled entities	-	1	2
Total average equity	60,816	61,889	58,657
Total average liabilities and equity	991,507	889,551	876,984

(1) Includes mortgage offset accounts of \$38,219 million (2021: \$33,529 million, 2020: \$30,505 million) in Australia and \$2,172 million (2021: \$1,994 million, 2020: \$1,810 million) in New Zealand.

Net interest margin

	2022 %	2021 %	2020 %
Net interest margin - statutory basis	1.65	1.71	1.78

Average balance sheet and related interest (cont.)

Volume and rate analysis

The following table allocates movements in net interest income between changes in volume and changes in rate for the years ended September 30, 2022 and September 30, 2021. Volume and rate variances have been calculated on the movement in average balances and the change in interest rates on average interest earning assets and average interest bearing liabilities. The variance caused by changes of both volume and rate has been allocated in proportion to the relationship of the absolute dollar amounts of each change to the total.

	2022			2021		
	Increase / (decrease)			Increase / (decrease)		
	due to change in			due to change in		
	Average balance \$m	Average rate \$m	Total \$m	Average balance \$m	Average rate \$m	Total \$m
Interest earning assets						
Due from other banks						
Australia	37	510	547	59	(121)	(62)
New Zealand	8	132	140	17	(31)	(14)
Other International	8	175	183	1	(141)	(140)
Marketable debt securities						
Australia	(102)	298	196	(67)	(525)	(592)
New Zealand	(7)	55	48	(6)	(43)	(49)
Other International	2	37	39	1	(34)	(33)
Loans and advances - housing						
Australia	546	(139)	407	(125)	(1,533)	(1,658)
New Zealand	111	65	176	155	(363)	(208)
Loans and advances - non housing						
Australia	827	655	1,482	(44)	(1,237)	(1,281)
New Zealand	37	453	490	(81)	(269)	(350)
Other International	80	110	190	11	(111)	(100)
Other interest earning assets						
Australia	(1)	142	141	7	(65)	(58)
New Zealand	10	(32)	(22)	(32)	30	(2)
Other International	(7)	334	327	(54)	(476)	(530)
Change in interest income	1,549	2,795	4,344	(158)	(4,919)	(5,077)

Average balance sheet and related interest (cont.)

	2022			2021		
	Increase / (decrease)			Increase / (decrease)		
	due to change in			due to change in		
	Average balance \$m	Average rate \$m	Total \$m	Average balance \$m	Average rate \$m	Total \$m
Interest bearing liabilities						
Due to other banks						
Australia	22	91	113	55	(116)	(61)
New Zealand	1	30	31	3	(5)	(2)
Other International	8	132	140	(25)	(89)	(114)
On-demand and short-term deposits						
Australia	73	586	659	195	(760)	(565)
New Zealand	2	154	156	23	(72)	(49)
Other International	-	50	50	(5)	(26)	(31)
Certificates of deposits						
Australia	3	154	157	(23)	(196)	(219)
New Zealand	2	34	36	(3)	(13)	(16)
Other International	36	119	155	24	(151)	(127)
Term deposits						
Australia	39	259	298	(266)	(881)	(1,147)
New Zealand	(11)	90	79	(157)	(338)	(495)
Other International	6	44	50	(19)	(45)	(64)
Other borrowings						
Australia	133	201	334	(59)	(269)	(328)
New Zealand	(1)	33	32	5	(49)	(44)
Other International	(3)	234	231	53	(472)	(419)
Bonds, notes and subordinated debt						
Australia	(26)	643	617	(272)	(556)	(828)
New Zealand	5	185	190	(40)	(62)	(102)
Other International	(115)	19	(96)	(158)	(2)	(160)
Other interest bearing liabilities						
Australia	222	(176)	46	(68)	(153)	(221)
New Zealand	4	11	15	1	(1)	-
Other International	8	(4)	4	(4)	3	(1)
Change in interest expense	408	2,889	3,297	(740)	(4,253)	(4,993)
Change in net interest income	1,141	(94)	1,047	582	(666)	(84)

Loan fees

Included within interest income is \$178 million (2021: \$153 million; 2020: \$150 million) relating to loan fees which are amortised over the effective life of the loan.

Investment portfolio

The following table shows the total value of the Group's investment portfolio for the years indicated:

	2022 \$m	2021 \$m	2020 \$m
Trading securities	40,573	50,020	64,937
Debt instruments	42,080	41,878	40,355
Total investments	82,653	91,898	105,292

Trading securities

The following table shows the fair value of the Group's holdings of trading securities for the years indicated:

	2022 \$m	2021 \$m	2020 \$m
Trading securities			
Government bonds, notes and securities	26,127	31,660	42,071
Semi-government bonds, notes and securities	5,346	4,153	5,827
Corporate / financial institution bonds, notes and securities	8,681	12,240	15,965
Other bonds, notes, securities and other assets	419	1,967	1,074
Total trading securities	40,573	50,020	64,937

Debt instruments

The following table shows the fair value of the Group's holdings of debt instruments for the years indicated:

	2022 \$m	2021 \$m	2020 \$m
Debt instruments			
Government bonds, notes and securities	3,626	3,280	3,282
Semi-government bonds, notes and securities	25,275	25,027	23,240
Corporate / financial institution bonds, notes and securities	6,933	6,642	6,648
Other bonds, notes, securities and other assets	6,246	6,929	7,185
Total debt instruments	42,080	41,878	40,355

Maturities

The following table analyses the maturity (according to when they are expected to mature, be recovered or settled) and weighted average yield of the Group's holdings of debt instruments at fair value through other comprehensive income at September 30, 2022:

	Less than 1 year		1 to 5 year(s)		5 to 10 year(s)		Over 10 years	
	\$m	yield pa	\$m	yield pa	\$m	yield pa	\$m	yield pa
Government bonds, notes and securities	3,543	1.2%	83	-	-	-	-	-
Semi-government bonds, notes and securities	449	2.2%	7,285	2.9%	11,311	2.6%	6,230	2.9%
Corporate / financial institution bonds, notes and securities	1,667	1.1%	5,266	0.7%	-	-	-	-
Other bonds, notes, securities and other assets	1,424	3.4%	4,822	3.4%	-	-	-	-
Total maturities at carrying value⁽¹⁾	7,083		17,456		11,311		6,230	

(1) The amount that best represents the maximum credit exposure at reporting date is the carrying value of these assets.

Loan portfolio

Loans and advances

The following table sets out the Group's portfolio of loans and advances, including provisions net of unearned and deferred net fee income, for the years indicated:

	2022 \$m	2021 \$m	2020 \$m	2019 \$m	2018 \$m
Australia					
Overdrafts	2,811	2,786	2,472	3,249	3,149
Credit card outstandings	7,958	4,158	4,426	5,717	6,232
Asset and lease financing	14,937	13,474	12,611	12,230	11,938
Housing loans	340,840	309,661	299,102	303,942	303,007
Other term lending	202,887	178,230	168,337	164,002	154,846
Other lending	6,992	6,064	5,551	7,418	8,605
Loans at fair value ⁽¹⁾	1,170	1,678	2,552	4,868	7,259
	577,595	516,051	495,051	501,426	495,036
Overseas					
Overdrafts	1,878	1,802	1,875	2,571	2,155
Credit card outstandings	726	713	833	1,057	1,062
Asset and lease financing	51	405	398	533	490
Housing loans	48,284	50,339	42,627	39,973	36,533
Other term lending	57,600	57,926	51,254	52,124	45,695
Other lending	875	942	706	1,775	2,033
Loans at fair value ⁽¹⁾	706	878	1,308	1,893	2,586
	110,120	113,005	99,001	99,926	90,554
Total gross loans and advances	687,715	629,056	594,052	601,352	585,590
Deduct: Unearned income and deferred net fee income	(349)	(173)	(219)	(452)	(435)
Provision for credit impairment	(5,056)	(5,171)	(6,011)	(3,900)	(3,513)
Total net loans and advances	682,310	623,712	587,822	597,000	581,642

(1) Loans at fair value represent "Other term lending" loans. This amount includes an unfavourable credit risk adjustment of \$28 million (2021: \$33 million; 2020: \$35 million; 2019: \$54 million; 2018: \$66 million) for Australia, and an unfavourable credit risk adjustment of \$22 million (2021: \$19 million; 2020: \$31 million; 2019: \$11 million; 2018: \$16 million) for overseas.

Loan portfolio (cont.)

The diversification and size of the Group is such that its lending is widely spread both geographically and in terms of the types of industries served. In accordance with U.S. Securities and Exchange Commission (SEC) guidelines, the following table shows comparative year-end detail of the loan portfolio for the years indicated. The table also demonstrates the concentration of credit risk by industry with credit risk represented by the carrying value less provision for credit impairment.

	Loans and advances by industry ⁽¹⁾				
	2022	2021	2020	2019	2018
	%	%	%	%	%
Australia					
Accommodation and hospitality	1.1	1.1	1.2	1.2	-
Agriculture, forestry, fishing and mining	5.6	5.4	5.0	4.6	4.0
Business services and property services	2.5	2.5	2.7	2.9	-
Commercial property	9.1	8.8	8.8	9.0	0.4
Construction	1.0	0.9	1.0	1.0	0.3
Financial & insurance	4.9	4.3	3.9	3.3	2.9
Government & public authorities	0.4	0.4	0.3	0.3	0.3
Manufacturing	1.4	1.3	1.4	1.4	1.2
Personal	1.6	1.0	1.1	1.4	1.6
Residential mortgages	49.5	49.2	50.4	50.5	51.7
Retail and wholesale trade	2.3	2.3	2.3	2.4	-
Transport and storage	1.6	1.8	2.0	2.0	-
Utilities	0.4	0.4	0.6	0.6	-
Asset and lease financing	-	-	-	-	2.0
Other	2.6	2.6	2.6	2.8	20.1
	84.0	82.0	83.3	83.4	84.5
Overseas					
Accommodation and hospitality	0.2	0.2	0.2	0.2	-
Agriculture, forestry, fishing and mining	2.0	2.3	2.4	2.6	2.5
Business services and property services	0.2	0.3	0.2	0.2	-
Commercial property	1.1	1.3	1.3	1.4	-
Construction	0.2	0.2	0.2	0.2	0.2
Financial & insurance	1.8	2.1	1.5	1.8	1.5
Manufacturing	0.5	0.5	0.5	0.6	0.6
Personal	0.1	0.1	0.2	0.2	0.2
Residential mortgages	7.0	8.0	7.2	6.6	6.2
Retail and wholesale trade	0.7	0.7	0.7	0.8	-
Transport and storage	0.7	0.9	0.9	0.7	-
Utilities	1.1	1.0	1.0	0.8	
Asset and lease financing	-	-	-	-	0.1
Other	0.4	0.4	0.4	0.5	4.2
	16.0	18.0	16.7	16.6	15.5
Total	100.0	100.0	100.0	100.0	100.0

(1) In 2020, the 2019 comparative information was restated to align to the presentation in the current period to reflect revised industry categories.

Loan portfolio (cont.)

The following tables show the contractual maturity distribution of loans and advances to customers and the nature of the interest rate applicable to such loans and advances for the Group as at September 30, 2022:

	Less than 1 year \$m	1 to 5 year(s) \$m	Over 5 years ⁽¹⁾ \$m	Total \$m
Australia				
Accommodation and hospitality	2,381	4,909	427	7,717
Agriculture, forestry, fishing and mining	10,452	26,180	1,728	38,360
Business services and property services	3,962	10,012	3,233	17,207
Commercial property	22,247	39,257	792	62,296
Construction	1,918	4,104	647	6,669
Financial & insurance	23,454	9,608	952	34,014
Government & public authorities	82	1,454	1,165	2,701
Manufacturing	2,638	6,054	843	9,535
Personal	1,182	685	8,833	10,700
Residential mortgages	13,438	1,375	326,027	340,840
Retail and wholesale trade	5,121	9,686	1,268	16,075
Transport and storage	1,434	7,264	2,288	10,986
Utilities	666	1,633	177	2,476
Other	4,476	10,590	2,953	18,019
	93,451	132,811	351,333	577,595
Overseas				
Accommodation and hospitality	443	680	51	1,174
Agriculture, forestry, fishing and mining	4,867	7,834	879	13,580
Business services and property services	837	659	106	1,602
Commercial property	4,515	2,952	69	7,536
Construction	486	594	157	1,237
Financial & insurance	8,824	3,857	11	12,692
Government & public authorities	27	28	39	94
Manufacturing	2,109	1,140	50	3,299
Personal	70	14	652	736
Residential mortgages	896	1,090	46,298	48,284
Retail and wholesale trade	2,653	2,022	98	4,773
Transport and storage	1,225	2,936	640	4,801
Utilities	652	4,311	2,591	7,554
Other	1,407	1,157	194	2,758
	29,011	29,274	51,835	110,120
Total gross loans and advances	122,462	162,085	403,168	687,715

(1) Loans and advances which have no contractual maturity (including credit cards) are categorised as due over 5 years.

	Less than 1 year \$m	1 to 5 year(s) \$m	Over 5 years \$m	Total \$m
Nature of interest rate applicable to loans and advances				
Variable interest rates				
Australia	58,758	75,786	228,894	363,438
Overseas	24,883	23,157	9,510	57,550
Fixed interest rates				
Australia	34,695	57,024	122,438	214,157
Overseas	4,052	6,117	42,401	52,570
Total gross loans and advances	122,388	162,084	403,243	687,715

Asset quality disclosures

The following table provide an analysis of the asset quality of the Group's loans and advances for the years indicated. Gross amounts are shown before taking into account any collateral held or other credit enhancements.

Impaired assets consist of retail loans (excluding unsecured portfolio managed facilities) which are contractually 90 days past due with security insufficient to cover principal and interest revenue, non-retail loans which are contractually 90 days past due and / or where there is sufficient doubt about the ultimate collectability of principal and interest, and impaired off-balance sheet credit exposures where current circumstances indicate that losses may be incurred. Unsecured portfolio managed facilities are classified as impaired loans when they become 180 days past due (if not written-off).

Customers who received COVID-19 payment deferrals in 2021 and 2020 have been treated in accordance with APRA guidance in the table below.

	2022 \$m	2021 \$m	2020 \$m	2019 \$m	2018 \$m
Summary of Non-performing exposures⁽¹⁾					
Gross impaired assets					
Australia	860	1,015	1,277	1,330	1,230
Overseas	169	243	589	642	291
Total gross impaired assets	1,029	1,258	1,866	1,972	1,521
Default but not impaired assets ⁽²⁾					
Australia	4,923	5,609	4,082	3,457	2,527
Overseas	551	371	173	146	121
Total default but not impaired assets	5,474	5,980	4,255	3,603	2,648
Non-performing exposures					
Australia	5,783	6,624	5,359	4,787	3,757
Overseas	720	614	762	788	412
Total Non-performing exposures⁽³⁾	6,503	7,238	6,121	5,575	4,169

(1) Non-performing exposures is aligned to the definitions in APS 220 *Credit Risk Management*.

(2) 2020 and prior Default but not impaired figures have not been restated to align to APS 220 *Credit Risk Management* and only represent 90+ DPD assets.

(3) Includes \$32 million (September 2021: \$30 million; September 2020: \$38 million; September 2019: \$5 million; September 2018: \$16 million) of Non-performing loans at fair value.

Loan portfolio (cont.)

Cross-border outstandings

The following table analyses the aggregate cross-border outstandings due from countries other than Australia where such outstandings individually exceed 0.75% of the Group's total assets. For the purposes of this disclosure, cross-border outstandings are based on the country of domicile of the counterparty or guarantor of the ultimate risk, and comprise loans and advances, balances due from other financial institutions, acceptances and other monetary assets including trading derivative assets and reverse repurchase agreements. Activities with local residents by the Group's foreign branches and subsidiaries are excluded.

The reporting threshold used below is for disclosure guidance only and is not intended as an indicator of a prudent level of lending by the Group to any one country.

		Public \$m	Banks \$m	Non-Bank	Total \$m	% of total assets
				Private \$m		
As at September 30, 2022	United Kingdom	3	11,201	6,793	17,997	1.7
	United States	2,592	7,287	4,915	14,794	1.4
	Japan	4,158	2,595	2,276	9,029	0.9
	Canada	130	7,467	671	8,268	0.8
As at September 30, 2021	United Kingdom	-	4,597	4,828	9,425	1.0
	United States	3,821	1,995	5,117	10,933	1.2
As at September 30, 2020	United Kingdom	7	5,689	4,819	10,515	1.2
	United States	3,363	3,262	5,713	12,338	1.4

For the financial year ending September 30, 2022, the off-balance sheet commitments in United Kingdom exceeds 0.75% of the Group's total assets, being 0.83% (2021: 0.9%, 2020: 0.9%).

Summary of loan loss experience

The following tables set forth details of the Group's provision for credit impairment and associated credit impairment charges for loans at amortised cost for the years indicated and do not include provisions for loans or derivatives that are measured at fair value.

For further information regarding the Group's provision for credit impairment on loans at amortised cost, see *Note 17 Provision for credit impairment on loans at amortised cost* of the 2022 Financial Report.

Credit impairment charge on loans at amortised cost

	2022 \$m	2021 \$m	2020 \$m	2019 \$m	2018 \$m
New and increased provisions (net of collective provision releases)	355	122	2,990	1,154	1,057
Write-backs of specific provisions	(161)	(270)	(169)	(170)	(193)
Recoveries of specific provisions	(70)	(54)	(69)	(57)	(73)
Total charge / (write-back) to the income statement	124	(202)	2,752	927	791

Provision for credit impairment on loans at amortised cost

	2022 \$m	2021 \$m	2020 \$m	2019 \$m	2018 \$m
Collective provision for credit Impairment - 12 months ECL - Stage 1	448	256	470	368	324
Collective provision for credit Impairment - Lifetime ECL Not credit impaired - Stage 2	3,276	3,376	3,897	2,227	2,125
Collective provision for credit Impairment - Lifetime ECL credit impaired - Stage 3	817	889	824	523	391
Total collective provision for credit Impairment	4,541	4,521	5,191	3,118	2,840
Specific provision for credit Impairment - Lifetime Expected Credit Losses (ECL)	515	650	820	782	673
Total provision for credit impairment	5,056	5,171	6,011	3,900	3,513

Collective provision for credit impairment by geography

	Collective provision ⁽¹⁾				
	2022 \$m	2021 \$m	2020 \$m	2019 \$m	2018 \$m
Australia	3,872	3,864	4,523	2,627	2,358
Overseas	669	657	668	491	482
Total collective provision for credit impairment	4,541	4,521	5,191	3,118	2,840

(1) Collective provision includes collective provision 12 month ECL, collective provision lifetime ECL not credit impaired and collective provision lifetime ECL credit impaired.

Summary of loan loss experience (cont.)

Specific provision balances by industry category

	Specific provision				
	2022	2021	2020	2019	2018
	\$m	\$m	\$m	\$m	\$m
Australia					
Accommodation and hospitality	23	41	39	44	-
Agriculture, forestry, fishing and mining	29	31	46	113	110
Business services and property services	43	55	45	46	-
Commercial property	50	57	80	50	-
Construction	54	26	17	36	20
Financial and insurance	15	15	13	19	6
Manufacturing	21	42	46	42	95
Personal	2	2	3	3	3
Residential mortgages	66	97	110	110	96
Retail and wholesale trade	53	72	122	114	-
Transport and storage	34	31	37	33	-
Utilities	2	-	-	1	-
Asset and lease financing	-	-	-	-	32
Other	51	57	51	13	200
	443	526	609	624	562
Overseas					
Accommodation and hospitality	3	4	5	1	-
Agriculture, forestry, fishing and mining	6	15	56	69	26
Business services and property services	35	41	20	17	-
Commercial property	5	25	24	18	-
Construction	-	4	10	6	2
Financial and insurance	-	-	21	21	20
Manufacturing	1	4	36	8	5
Personal	1	1	1	1	1
Residential mortgages	4	3	5	5	6
Retail and wholesale trade	4	7	20	11	-
Transport and storage	12	18	11	1	-
Other	1	2	2	-	51
	72	124	211	158	111
Total specific provision for credit impairment⁽¹⁾	515	650	820	782	673

(1) In 2020, the 2019 comparative information was restated to align to the presentation in the current period to reflect revised industry categories.

Total provision for credit impairment by geography

	Total provision				
	2022	2021	2020	2019	2018
	\$m	\$m	\$m	\$m	\$m
Australia	4,315	4,390	5,132	3,251	2,920
Overseas	741	781	879	649	593
Total provision for credit impairment	5,056	5,171	6,011	3,900	3,513

Summary of loan loss experience (cont.)

Write-offs from specific provisions by industry category

	Write-offs from specific provisions				
	2022	2021	2020	2019	2018
	\$m	\$m	\$m	\$m	\$m
Australia					
Accommodation and hospitality	11	6	51	9	-
Agriculture, forestry, fishing and mining	12	16	80	11	20
Business services and property services	6	13	17	13	-
Commercial property	20	21	14	15	-
Construction	6	7	28	11	4
Financial and insurance	1	-	15	18	1
Manufacturing	20	5	21	23	10
Personal	136	131	251	311	300
Residential mortgages	36	45	60	66	61
Retail and wholesale trade	28	43	66	36	-
Transport and storage	6	26	2	3	-
Utilities	5	-	6	3	-
Asset and lease financing	-	-	-	-	23
Other	10	11	14	13	74
	297	324	625	532	493
Overseas					
Accommodation and hospitality	1	2	2	2	-
Agriculture, forestry, fishing and mining	11	27	26	9	15
Business services and property services	5	8	2	4	-
Commercial property	19	3	-	2	-
Construction	3	6	3	3	3
Financial and insurance	-	-	-	-	1
Manufacturing	1	11	3	1	8
Personal	18	23	32	29	27
Residential mortgages	1	1	2	4	3
Retail and wholesale trade	5	6	4	13	-
Transport and storage	1	1	1	1	-
Other	-	1	-	-	23
	65	89	75	68	80
Total write-offs from specific provisions⁽¹⁾	362	413	700	600	573

(1) In 2020, the 2019 comparative information was restated to align to the presentation in the current period to reflect revised industry categories.

Summary of loan loss experience (cont.)

Recoveries of specific provisions by industry category

	Recoveries of specific provisions				
	2022 \$m	2021 \$m	2020 \$m	2019 \$m	2018 \$m
Australia					
Agriculture, forestry, fishing and mining	6	5	-	-	1
Financial and insurance	-	-	1	-	-
Personal	54	33	52	48	42
Residential mortgages	-	-	3	(6)	6
Other	-	2	-	-	1
	60	40	56	42	50
Overseas					
Agriculture, forestry, fishing and mining	-	3	2	2	9
Commercial property	1	3	3	1	-
Financial and insurance	1	-	-	3	-
Personal	7	8	8	9	11
Residential mortgages	1	-	-	-	-
Other	-	-	-	-	3
	10	14	13	15	23
Total recoveries of specific provisions⁽¹⁾	70	54	69	57	73

(1) In 2020, the 2019 comparative information was restated to align to the presentation in the current period to reflect revised industry categories.

Deposits and other borrowings

The following table sets out the Group's liabilities in respect to deposits and other borrowings for the years indicated:

	2022 \$m	2021 \$m	2020 \$m
Australia			
Term deposits	123,115	82,037	101,512
On-demand and short-term deposits	276,249	263,890	226,978
Certificates of deposit	27,663	30,384	26,613
Deposits not bearing interest ⁽¹⁾	89,022	77,812	64,163
Borrowings	43,150	28,357	18,362
Repurchase agreements	4,751	2,898	1,402
	563,950	485,378	439,030
Overseas			
Term deposits	32,934	26,457	33,231
On-demand and short-term deposits	34,098	38,524	34,282
Certificates of deposit	22,365	17,135	8,951
Deposits not bearing interest ⁽¹⁾	11,267	11,538	8,058
Borrowings	3,207	5,116	3,405
Repurchase agreements	19,189	27,450	23,725
Fair value adjustment	(6)	(3)	1
	123,054	126,217	111,653
Total deposits and other borrowings	687,004	611,595	550,683

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

Maturities of deposits

The following table shows the maturity profile of all certificates of deposit, and additionally term deposits issued with a value of \$100,000 or more that are included within the deposits and other borrowings category at September 30, 2022:

	Less than 3 months \$m	3 to 6 months \$m	6 to 12 months \$m	Over 12 months \$m	Total \$m
Australia					
Term deposits	64,968	25,161	24,223	3,282	117,634
Certificates of deposit	21,542	5,244	877	-	27,663
	86,510	30,405	25,100	3,282	145,297
Overseas					
Term deposits	11,974	5,764	8,562	1,183	27,483
Certificates of deposit	11,821	5,848	4,512	184	22,365
	23,795	11,612	13,074	1,367	49,848
Total maturities of deposits	110,305	42,017	38,174	4,649	195,145

Deposits and other borrowings (cont.)

Short-term borrowings

Short-term borrowings of the Group include the commercial paper programs of NAB, National Australia Funding (Delaware) Inc. and BNZ International Funding Limited. The following table sets forth information concerning the Group's commercial paper programs for the years indicated:

	2022	2021	2020
	\$m	\$m	\$m
Balance outstanding at balance date	46,396	33,430	21,718
Maximum outstanding at any month end	48,771	35,337	36,857
Approximate average amount outstanding during the year	39,340	25,601	28,231
Approximate weighted average interest rate on average amount outstanding during the year (per annum)	1.1%	0.2%	1.4%