



National  
Australia  
Bank

**SUPPLEMENTAL  
INFORMATION  
REGARDING NATIONAL  
AUSTRALIA BANK  
LIMITED 2020**

## CONTENTS

Presentation of information	3
Selected financial data	6
Liquidity, funding and capital resources	9
Average balance sheet and related interest	14
Investment portfolio	19
Loan portfolio	20
Summary of loan loss experience	25
Deposits and other borrowings	32

## PRESENTATION OF INFORMATION

### Business overview

National Australia Bank Limited (NAB) is a public limited company, incorporated on June 23, 1893 in Australia, which is NAB's main domicile. Its registered office is 800 Bourke Street, Docklands Victoria 3008, Australia. NAB operates under the requirements of the *Banking Act 1959* (Cth) and the *Corporations Act 2001* (Cth).

### Basis of presentation

This report is 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, International Financial Reporting Standards and the Generally Accepted Accounting Principles applicable in the United States of America (US GAAP) which might be material to the financial information herein.

The Group, being National Australia Bank Limited (NAB) and its controlled entities, has not prepared a reconciliation of its consolidated financial statements and related footnote disclosures between Australian Accounting Standards, International Financial Reporting Standards 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 herein.

### Currency of presentation

All currency amounts are expressed in Australian dollars unless otherwise stated. All amounts have been rounded to the nearest million dollars, except where indicated. This report contains translations 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 translations of Australian dollars into US dollars have been made at the rate of US\$0.7160 = 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 30 September 2020.

### Certain definitions

The Group's fiscal year ends on 30 September. The fiscal year ended 30 September 2020 is referred to as 2020 and other fiscal years are referred to in a corresponding manner. 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.

The information presented in this report has been derived from the Group's US Debt Funding Information for the fiscal years 2016 through to 2020.

Other information herein has been derived from the audited annual financial report of the Group (financial report) for each fiscal year. Where certain items are not shown in the Group's annual financial 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 annual financial report.

### Forward-looking statements

This report contains certain forward-looking statements within the meaning of section 21E of the United States *Securities Exchange Act 1934*. The United States *Private Securities Litigation Reform Act 1995* provides a safe harbour for forward-looking information to encourage companies to provide prospective information about themselves without fear of litigation, so long as the information is identified as forward-looking and is accompanied by meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those projected in the information.

Accordingly, the words 'anticipate', 'believe', 'expect', 'project', 'estimate', 'likely', 'intend', 'should', 'could', 'may', 'target', 'plan', and other similar expressions are intended to identify forward-looking statements. Indications of, or guidance on, future earnings and financial position and performance are also forward-looking statements.

In this report, forward-looking statements may, without limitation, relate to statements regarding:

- Economic and financial forecasts, including but not limited to such statements in the business overview.
- Anticipated implementation of certain control systems and programs, including but not limited to those described in risk management.
- Certain plans, strategies and objectives of management.

### PRESENTATION OF INFORMATION (CONTINUED)

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 contained in this report. For example:

- The economic and financial forecasts contained in this report will be affected by changes in global and domestic economic and business conditions, in particular as a result of the COVID-19 pandemic; movements in interest and foreign currency exchange rates, which may vary significantly from current levels; movements and conditions in capital markets; and the competitive environment in each of the Group's operating markets. Such variations may materially impact the Group's financial condition and results of operations.
- The implementation of control systems and risk management programs will be dependent on such factors as the Group's ability to acquire or develop necessary technology or systems, its ability to attract, retain and properly train qualified personnel and the response of customers and third parties such as vendors.
- The plans, strategies and objectives of management will be subject to, among other things, government regulation, which may change at any time and over which the Group may have no control, and execution risk, which includes, but is not limited to, the possibility that such plans, strategies and objectives prove to be too difficult or costly to execute effectively.
- The Group is subject to extensive regulation. The Group may be exposed to risk from non-compliance with laws or standards, including through inappropriate conduct by employees in breach of Group policy, regulatory standards, and industry codes of conduct. Further, regulatory changes may adversely impact the Group's operations, financial performance and position.

Because there can be no assurance that actual outcomes will not differ materially from these statements contained in this report, potential investors are cautioned not to place undue reliance on such forward-looking statements.

#### *Discontinued Operations*

Information in this report is presented on a continuing operations basis. Continuing operations are the components of the Group which are not discontinued operations.

On 31 August 2020, the Group entered into an agreement for the sale of 100% of MLC Wealth, including the advice, platforms, superannuation & investments and asset management businesses, to IOOF Holdings Limited for \$1,440 million, subject to completion adjustments. The agreement follows the strategic decision announced by NAB in 2018 to pursue an exit of MLC Wealth and is in line with NAB's strategy to simplify and focus on its core banking business, while creating a stronger future for MLC Wealth. This business being disposed of was previously presented as the MLC Wealth reportable segment.

The transaction is subject to certain conditions, including certain regulatory approvals. Subject to the timing of regulatory approvals, completion is expected to occur before 30 June 2021. Management have concluded that MLC Wealth meets the criteria to be classified as a disposal group held for sale and a discontinued operation as at 30 September 2020.

In 2016 financial year, the Group executed two major divestments, the demerger and Initial Public Offering (IPO) of CYBG Group and the sale of 80% of Wealth's life insurance business to Nippon Life. Each of the transactions qualified as a discontinued operation.

#### **Cautionary note regarding non-GAAP financial measures**

In addition to selected financial information contained in our 2020 and 2019 *Annual Financial Report* documents, presented in accordance with Australian Accounting Standards and Interpretations by the AASB and International Financial Reporting Standards, we have included certain 'non-GAAP financial measures' (as defined in Regulation G under the United States *Securities Act 1933*, as amended).

These non-GAAP financial measures do not have a standardised meaning prescribed by either Australian Accounting Standards or International Financial Reporting Standards and, therefore, may not be comparable to similarly titled measures presented by other entities, nor should they be construed as an alternative to other financial measures determined in accordance with Australian Accounting Standards or International Financial Reporting Standards. They are not audited or reviewed in line with Australian Auditing Standards. Potential investors are cautioned, therefore, not to place undue reliance on any non-GAAP financial measures and ratios included in the Group's US Debt Funding Information and this document.

#### *Cash Earnings*

Cash earnings is a non-GAAP financial measure. It is a non-IFRS key financial performance measure used by NAB, the investment community and NAB's Australian peers with similar business portfolios. 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 calculated by excluding discontinued operations, fair value and hedge ineffectiveness, distributions, amortisation and impairment of acquired intangible assets, MLC Wealth divestment separation cost and life insurance 20% share of profit which are included within the statutory net profit attributable to owners of NAB. Cash earnings does not purport to represent the cash flows, funding or liquidity position of the Group, nor any amount represented on a cash flow statement. It is not a statutory financial measure, is

## PRESENTATION OF INFORMATION (CONTINUED)

not presented in accordance with Australian Accounting Standards and is not audited or reviewed in accordance with Australian Auditing Standards.

Details of non-cash earnings items are as follows:

i. Distributions

Distributions relating to hybrid equity instruments which are treated as an expense for cash earnings purposes and as a reduction in equity (dividend) for statutory reporting purposes. The distributions on other equity instruments are set out in Section 3, *Note 6 - Dividends and Distributions* of our 2020 US Debt Funding Information.

ii. Fair Value and Hedge Ineffectiveness

Fair value and hedge ineffectiveness causes volatility in statutory profit, which is excluded from cash earnings as it is income neutral over the full term of transactions. This arises 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.

iii. Amortisation and Impairment of Acquired Intangible Assets

The amortisation and impairment of acquired intangibles represents the amortisation and impairment of intangible assets arising from the acquisition of controlled entities and associates such as management agreements and contracts in force.

iv. MLC Wealth divestment separation costs

MLC Wealth divestment separation costs represent costs incurred in preparation for the divestment of the Group's superannuation, investments, asset management and financial advice businesses.

For a reconciliation of operating segment cash earnings and Group cash earnings to the net profit attributable to owners of NAB, see Section 3, *Note 2 - Segment information* of our 2020 US Debt Funding Information (for the 2020 and 2019 fiscal years).

## SELECTED FINANCIAL DATA

### 5 Year Financial Performance Summary

	2020 <sup>(1)</sup>	2020 <sup>(2)</sup>	2019	2018	2017	2016
	\$m	US\$m	\$m	\$m	\$m	\$m
<b>Group performance results<sup>(3)</sup></b>						
Net interest income	13,877	9,936	13,555	13,505	13,182	12,930
Net investment income <sup>(4)</sup>	-	-	-	-	-	594
Gains less losses on financial instruments at fair value	1,088	779	1,434	1,525	552	827
Other operating income	2,296	1,644	2,546	4,071	4,290	3,771
Operating expenses	(9,346)	(6,692)	(8,263)	(9,910)	(8,539)	(8,331)
Credit impairment charge	(2,752)	(1,970)	(927)	(791)	(824)	(813)
<b>Profit before income tax expense</b>	<b>5,163</b>	<b>3,697</b>	<b>8,345</b>	<b>8,400</b>	<b>8,661</b>	<b>8,978</b>
Income tax expense	(1,665)	(1,192)	(2,440)	(2,455)	(2,480)	(2,553)
<b>Net profit for the period from continuing operations</b>	<b>3,498</b>	<b>2,505</b>	<b>5,905</b>	<b>5,945</b>	<b>6,181</b>	<b>6,425</b>
Net loss after tax for the period from discontinued operations	(935)	(670)	(1,104)	(388)	(893)	(6,068)
<b>Net profit for the period</b>	<b>2,563</b>	<b>1,835</b>	<b>4,801</b>	<b>5,557</b>	<b>5,288</b>	<b>357</b>
Profit for the period attributable to owners of NAB	2,559	1,832	4,798	5,554	5,285	352
Profit for the period attributable to non-controlling interests	4	3	3	3	3	5
<b>Net profit for the period</b>	<b>2,563</b>	<b>1,835</b>	<b>4,801</b>	<b>5,557</b>	<b>5,288</b>	<b>357</b>
<b>Dividends paid / payable<sup>(5)</sup></b>	<b>1,882</b>	<b>1,348</b>	<b>4,726</b>	<b>5,403</b>	<b>5,307</b>	<b>5,248</b>

(1) Current period amounts reflect the adoption of AASB 16 Leases on 1 October 2019. As permitted by AASB 16 comparative information has not been restated. For details on the adoption of AASB 16 refer to Note 1 Basis of preparation in NAB's 2020 Annual Financial Report.

(2) Translated at the closing noon buying rate on 30 September 2020 of US\$0.7160 = A\$1.00.

(3) Information is presented on a continuing operations basis. 2019 has been restated for the presentation of MLC Wealth as a discontinued operation. No other comparative periods have been restated. 2016 was restated for the sale of 80% of Wealth's life insurance business to Nippon Life. The Group's consolidated financial statements for the financial year ended 30 September 2016 can be found in the corresponding report published by the Group for the period.

(4) Includes the impact of movements in life investment contracts to 1 July 2016, being the date on which the Successor Fund Merger occurred and the related investment assets and investment contract liabilities were deconsolidated.

(5) Dividend amounts for a year represent the final and interim dividend in respect of that year, irrespective of when they are declared, determined and publicly recommended, including the dividend reinvestment plan and excluding issues under the bonus share plan in lieu of cash. This includes payments to both ordinary and American depository shareholders. 2019 balance has been restated to include only the 2019 interim and final dividend amount paid / payable.

### 5 Year Balance Sheet Summary

	2020	2020 <sup>(1)</sup>	2019	2018	2017	2016
	\$m	US\$m	\$m	\$m	\$m	\$m
Loans and advances	582,485	417,059	587,749	567,981	540,125	510,045
Total assets <sup>(2)(3)</sup>	866,565	620,461	847,124	806,510	788,325	776,710
Total risk-weighted assets	425,147	304,405	415,771	389,684	382,114	388,445
Deposits and other borrowings	546,176	391,062	522,085	503,145	500,604	459,714
Bonds, notes and subordinated debt	126,384	90,491	143,258	140,222	124,871	127,942
Other debt issues	6,191	4,433	6,482	6,158	6,187	6,248
Net assets <sup>(2)</sup>	61,293	43,886	55,604	52,712	51,317	51,315
Contributed equity	45,476	32,561	38,707	35,982	34,627	34,285
Ordinary shares	43,531	31,168	36,762	33,062	31,707	30,968
Other equity instruments <sup>(4)</sup>	1,945	1,393	1,945	2,920	2,920	3,317
Total equity (parent entity interest)	61,292	43,885	55,596	52,701	51,306	51,292
Non-controlling interest in controlled entities	1	1	8	11	11	23
Total equity	61,293	43,886	55,604	52,712	51,317	51,315

(1) Translated at the closing noon buying rate on 30 September 2020 of US\$0.7160 = A\$1.00.

(2) The 2020 balances include assets and liabilities relating to MLC Wealth which have been classified as held for sale.

(3) 2016 comparative information has been restated following a reclassification of investments relating to life insurance business, and to reflect a change in presentation of interest accrual on certain derivative assets and derivative liabilities, which is now presented within derivative assets and derivative liabilities (previously included in other assets and other liabilities).

(4) Trust Preferred Securities of \$975 million were fully redeemed on 17 December 2018. The National Capital Instruments of \$397 million were redeemed in 2017.

## SELECTED FINANCIAL DATA (CONTINUED)

## Review of Group and Divisional Results

The Group's reportable segments are business units engaged in providing either different products or services, or similar products and services in different geographical areas. The businesses are managed separately as each requires a strategy focused on the specific services provided for the economic, competitive and regulatory environment in which it operates.

Group and divisional performance results <sup>(3)</sup>	2020 \$m	2020 <sup>(1)</sup> US\$m	2019 <sup>(2)</sup> \$m	2018 \$m
Business and Private Banking	2,489	1,782	2,817	2,911
Personal Banking	1,380	988	1,260	1,289
Corporate and Institutional Banking	1,469	1,052	1,508	1,541
New Zealand Banking	977	700	997	922
Corporate Functions and Other <sup>(4)</sup>	(2,605)	(1,865)	(729)	(1,211)
MLC Wealth	-	-	-	250
<b>Cash earnings</b>	<b>3,710</b>	<b>2,657</b>	<b>5,853</b>	<b>5,702</b>
Non-cash earnings items	(212)	(153)	52	240
Net loss from discontinued operations	(939)	(672)	(1,107)	(388)
<b>Net profit attributable to the owners of NAB</b>	<b>2,559</b>	<b>1,832</b>	<b>4,798</b>	<b>5,554</b>

(1) Translated at the closing noon buying rate on 30 September 2020 of US\$0.7160 = A\$1.00.

(2) On 27 April 2020, the Group announced a new operating model. The Group's operating segments have been aligned to the new operating model. 2019 has been restated to reflect changes in Group's operating segments.

(3) Information is presented on a continuing operations basis. 2019 has been restated for the presentation of MLC Wealth as a discontinued operation. No other comparative periods have been restated.

(4) Corporate Functions and Other includes UBank and enabling units that support all businesses including Treasury, Technology and Enterprise Operations, Strategy and Innovation, Support Units and Eliminations.

## Reconciliation of cash earnings to net profit attributable to owners of NAB

Group performance results <sup>(2)</sup>	2020 \$m	2020 <sup>(1)</sup> US\$m	2019 \$m	2018 \$m	2017 \$m	2016 \$m
Net interest income	13,871	9,932	13,542	13,467	13,166	12,930
Other operating income	3,319	2,376	3,892	4,510	4,729	4,503
<b>Net operating income</b>	<b>17,190</b>	<b>12,308</b>	<b>17,434</b>	<b>17,977</b>	<b>17,895</b>	<b>17,433</b>
Operating expenses	(9,007)	(6,449)	(8,140)	(8,992)	(7,635)	(7,438)
<b>Underlying profit</b>	<b>8,183</b>	<b>5,859</b>	<b>9,294</b>	<b>8,985</b>	<b>10,260</b>	<b>9,995</b>
Credit impairment charge	(2,762)	(1,978)	(919)	(779)	(810)	(800)
<b>Cash earnings before tax and distributions</b>	<b>5,421</b>	<b>3,881</b>	<b>8,375</b>	<b>8,206</b>	<b>9,450</b>	<b>9,195</b>
Income tax expense	(1,672)	(1,197)	(2,439)	(2,404)	(2,710)	(2,588)
<b>Cash earnings before distributions</b>	<b>3,749</b>	<b>2,684</b>	<b>5,936</b>	<b>5,802</b>	<b>6,740</b>	<b>6,607</b>
Distributions	(39)	(27)	(83)	(100)	(98)	(124)
<b>Cash earnings from continuing operations</b>	<b>3,710</b>	<b>2,657</b>	<b>5,853</b>	<b>5,702</b>	<b>6,642</b>	<b>6,483</b>
<i>Non-cash earnings items (after tax):</i>						
Distributions	39	27	83	100	98	124
Fair value and hedge ineffectiveness	(34)	(24)	(24)	182	(500)	(126)
Amortisation and impairment of acquired intangible assets	(217)	(156)	(7)	(30)	(62)	(83)
Treasury shares	-	-	-	-	-	61
MLC Wealth divestment separation costs	-	-	-	(12)	-	-
Life insurance 20% share of profit	-	-	-	-	-	(39)
<b>Net profit from continuing operations</b>	<b>3,498</b>	<b>2,504</b>	<b>5,905</b>	<b>5,942</b>	<b>6,178</b>	<b>6,420</b>
Net loss after tax for the period from discontinued operations <sup>(3)</sup>	(939)	(672)	(1,107)	(388)	(893)	(6,068)
<b>Net profit attributable to the owners of NAB</b>	<b>2,559</b>	<b>1,832</b>	<b>4,798</b>	<b>5,554</b>	<b>5,285</b>	<b>352</b>

(1) Translated at the closing noon buying rate on 30 September 2020 of US\$0.7160 = A\$1.00.

(2) Information is presented on a continuing operations basis. 2019 has been restated for the presentation of MLC Wealth as a discontinued operation. No other comparative periods have been restated. 2016 was restated for the sale of 80% of Wealth's life insurance business to Nippon Life. The Group's consolidated financial statements for the financial year ended 30 September 2016 can be found in the corresponding report published by the Group for the period.

(3) For the year ended 30 September 2020, a net loss of \$935 million (September 2019: \$1,104 million) after tax was recognised in discontinued operations. 2019 has been restated for the presentation of MLC Wealth as a discontinued operation. No other comparative periods have been restated. For further information refer to Note 37 Discontinued Operations in NAB's 2020 Annual Financial report.

## SELECTED FINANCIAL DATA (CONTINUED)

### Selected financial ratios

	2020	2019	2018	2017	2016
	%	%	%	%	%
<b>Selected financial ratios<sup>(1)</sup></b>					
Dividend payout ratio <sup>(2)</sup>	53.2	79.7	91.8	86.8	81.7
Average equity to average total assets <sup>(3)</sup>	6.5	6.2	6.0	6.0	5.2
Net profit on average assets	0.40	0.71	0.74	0.77	0.75
Net profit on average equity <sup>(4)</sup>	6.1	11.3	12.0	12.8	14.2

(1) Information is presented on a continuing operations basis. 2019 has been restated for the presentation of MLC Wealth as a discontinued operation. No other comparative periods have been restated.

(2) Dividend payout ratio is the dividends for a year divided by the earnings per share based on statutory net profit from continuing operations.

(3) Average equity has been adjusted for other equity instruments and any non-controlling interest in controlled entities.

(4) Average equity has been adjusted for other equity instruments and any non-controlling interest in controlled entities. Net profit has been adjusted for distributions on other equity instruments.

### Exchange rates

Average and closing noon buying rates (US\$ per A\$1.00) for the years indicated.

	2020	2019	2018	2017	2016
Daily average	0.6786	0.7035	0.7605	0.7623	0.7372
Closing	0.7160	0.6746	0.7238	0.7840	0.7667

On 5 November 2020, the closing noon buying rate was US\$0.7265 per A\$1.00.

High and low closing noon buying rates (US\$ per A\$1.00) for the months indicated.

	2020					
	October	September	August	July	June	May
High	0.7237	0.7375	0.7388	0.7168	0.7004	0.6664
Low	0.7006	0.7012	0.7107	0.6917	0.6785	0.6410



## LIQUIDITY, FUNDING AND CAPITAL RESOURCES

### Liquidity and funding

The Group's banking and wealth management 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 regional and Group Asset and Liability Management Committees.

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
- wealth net operating income
- 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 30 September 2020 of \$805,272 million (2019: \$791,520 million; 2018: \$753,798 million), funding from customer deposits and certificates of deposit (including amounts accounted for at fair value) amounted to \$503,788 million (2019: \$465,487 million; 2018: \$452,935 million) or 63% (2019: 59%; 2018: 60%). 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 \$50,556 million as at 30 September 2020 (2019: \$34,273 million; 2018: \$38,192 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 30 September 2020, the Group had on issue \$148,732 million (2019: \$169,256<sup>(1)</sup> million; 2018: \$163,802 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 businesses:

#### Short-term funding programmes as at 30 September 2020

##### Euro Market

Limit	Type	Issuer(s)
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(s)
USD10 billion	Commercial Paper Program	BNZ International Funding Limited, acting through its London Branch (and guaranteed by Bank of New Zealand)
USD30 billion	Commercial Paper Program	National Australia Bank Limited
USD20 billion	Commercial Paper Program	National Australia Funding (Delaware) Inc. (guaranteed by National Australia Bank Limited)

##### New Zealand

Limit	Type	Issuer(s)
Unlimited	Debt Issuance Programme	Bank of New Zealand

(1) Restated to include bonds, notes and subordinated debt measured at fair value.

## 2020 SUPPLEMENTAL INFORMATION REGARDING NATIONAL AUSTRALIA BANK LIMITED

### LIQUIDITY, FUNDING AND CAPITAL RESOURCES (CONTINUED)

#### Long-term funding programmes and issuing shelves as at 30 September 2020

##### Global<sup>(1)</sup>

Limit	Type	Issuer(s)
NZD7 billion <sup>(2)</sup>	BNZ Covered Bond Programme	Bank of New Zealand and 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 in respect of covered bonds issued by BNZ International Funding Limited (acting through its London Branch)
USD100 billion <sup>(3)</sup>	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 <sup>(4)</sup>	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 Programme	National Australia Bank Limited
Unlimited	National ABS Trust Programme	National Australia Bank Limited

##### United States<sup>(1)</sup>

Limit	Type	Issuer(s)
USD30 billion <sup>(4)</sup>	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 <sup>(3)</sup>	U.S. Rule 144A sub-programme associated with the Global Medium Term Note Programme	Bank of New Zealand
USD100 billion <sup>(3)</sup>	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)

##### Australia<sup>(1)</sup>

Limit	Type	Issuer(s)
Unlimited	Debt Issuance Programme	National Australia Bank Limited
USD30 billion <sup>(4)</sup>	NAB Covered Bond Programme	National Australia Bank Limited (guaranteed by Perpetual Corporate Trust Limited as trustee of the NAB Covered Bond Trust)

##### New Zealand<sup>(1)</sup>

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

##### Japan<sup>(1)</sup>

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.

(2) Refers to total BNZ Covered Bond Programme limit for both issuers in aggregate.

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

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

## LIQUIDITY, FUNDING AND CAPITAL RESOURCES (CONTINUED)

## Credit ratings

At 30 September 2020, the Group's issuing entities credit ratings were as follows:

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

(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 30 September 2020, the Group held \$170,141 million of on balance sheet liquid assets (2019: \$129,578 million; 2018: \$125,854 million), of which NAB held \$157,638 million (2019: \$120,793 million; 2018: \$118,236 million). According to the Group Contingent Funding Plan (CFP), the Group Treasurer has the authority to direct any holder of unencumbered liquid assets to realise those assets for cash. In addition, the Group held \$586,345 million (2019: \$594,510 million; 2018: \$577,826 million) of net loans and advances to customers (including loans accounted for at fair value), of which \$117,405 million (2019: \$118,300 million; 2018: \$106,242 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) and the Term Funding Facility (TFF). NAB's approved CLF size for 2020 was \$55,100 million (\$55,900 million for calendar year 2019). NAB's total TFF available in September 2020 was \$25,412 million, split between \$14,270 million of Initial Allowance (available for draw down until 30 September 2020) and \$11,139<sup>(1)</sup> million of Additional Allowance. The Supplementary Allowance is available from 1 October 2020 and for NAB is \$9,612 million. The Additional Allowance and Supplementary Allowance are available to be drawn down until 30 June 2021. A combination of external marketable debt securities and internal residential mortgage backed securities provide collateral for the CLF and TFF. Unencumbered internal RMBS after haircuts held by the Group at 30 September 2020 was \$81,617 million (2019: \$50,170 million). Within the Group's Wealth Management business, the principal sources of liquidity are intra-group loans, fees and investment income.

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 30 September 2020. The table excludes deposits and other liabilities taken in the normal course of banking business and short-term and undated liabilities.

	Payments due by period				Total
	Less than 1 year \$m	1 to 3 year(s) \$m	3 to 5 year(s) \$m	Over 5 years \$m	
Bonds, notes and subordinated debt – dated	29,168	55,335	34,361	29,869	148,733
Other debt issues – undated	-	-	-	6,191	6,191
Non-cancellable leases	362	512	328	515	1,717
<b>Total contractual cash obligations</b>	<b>29,530</b>	<b>55,847</b>	<b>34,689</b>	<b>36,575</b>	<b>156,641</b>

(1) As at 2 November 2020, NAB's Additional Allowance has reduced to \$4,238 million.

## LIQUIDITY, FUNDING AND CAPITAL RESOURCES (CONTINUED)

The following table sets out the amounts and maturities of the Group's contingent liabilities and other commercial commitments at 30 September 2020.

	Amount of commitment expiration per period				Total \$m
	Less than 1 year \$m	1 to 3 year(s) \$m	3 to 5 years \$m	Over 5 years \$m	
	<b>Contingent liabilities</b>				
Guarantees	2,730	685	315	522	4,252
Letters of credit	4,969	1,036	465	115	6,585
Performance-related contingencies	4,966	4,080	397	346	9,789
<b>Other commercial commitments</b>					
Other binding credit commitments	75,213	39,315	12,183	46,945	173,656
<b>Total commercial commitments</b>	<b>87,878</b>	<b>45,116</b>	<b>13,360</b>	<b>47,928</b>	<b>194,282</b>

### Description of off-balance sheet arrangements (special purpose entities)

The Group enters into various arrangements with special purpose entities (SPEs). The primary purposes of these SPEs 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 an SPE where the Group has control over the SPE. Generally, the Group does not have control over SPEs that have been established for purposes of providing funding to customers, and therefore these SPEs are not consolidated by the Group.

### Capital resources

The Group assesses a number of areas to determine its capital resources including the Group's own risk profile, regulation, ratings agency measures and market expectations. The Group believes it has sufficient capital to meet current and likely future commitments.

### Capital adequacy

As an Authorised Deposit-taking Institution (ADI), NAB is subject to regulation by APRA under the authority of the *Banking Act 1959* (Cth). APRA has set minimum Prudential Capital Requirements (PCRs) for ADIs consistent with the Basel Committee on Banking Supervision (BCBS) capital adequacy framework. PCRs are expressed as a percentage of total risk-weighted assets.

CET1 capital consists of the sum of paid-up ordinary share capital, retained profits plus certain other items as defined in APS 111. The ratio of such capital to risk-weighted assets is called the CET1 ratio. Additional Tier 1 capital comprises certain securities with complying loss absorbing characteristics. Together with CET1 capital these components of capital make up Tier 1 capital and the ratio of such capital to risk-weighted assets is called the Tier 1 ratio.

Tier 2 capital comprises subordinated debt instruments, with complying loss absorbing characteristics. Tier 2 capital contributes to the overall capital framework. The sum of Tier 1 capital and Tier 2 capital is called Total capital. The ratio of Total capital to risk-weighted assets is called the Total capital ratio.

CET1 contains the highest quality and most effective loss absorbent components of capital, followed first by Additional Tier 1 capital and then by Tier 2 capital.

The minimum CET1 ratio, Tier 1 ratio and Total capital ratio under APRA's Basel capital adequacy Prudential Standards are 4.5%, 6.0% and 8.0% respectively.

In addition to the minimum capital ratios described above, an ADI must hold a capital conservation buffer above the PCR for CET1 capital. On 1 January 2016, APRA implemented a capital conservation buffer of 2.5% of an ADI's total risk-weighted assets. In addition, for ADI's considered systemically important such as NAB, a further Domestic Systemically Important Bank (D-SIB) requirement of 1% has been added to the required capital conservation buffer.

A breach of the required ratios under APRA's Prudential Standards may trigger legally enforceable directions by APRA, which can include a direction to raise additional capital.

For details on key regulatory reforms impacting the Group's capital, refer to page 17 in NAB's 2020 Annual Financial Report.

## LIQUIDITY, FUNDING AND CAPITAL RESOURCES (CONTINUED)

### Capital ratios

Capital ratios are monitored against internal capital targets that are set by the Board over and above minimum capital requirements set by APRA. The capital ratios at 30 September 2020 and comparatives at 30 September 2019 are as follows:

	2020	2019
	%	%
Common Equity Tier 1 ratio	11.47	10.38
Tier 1 ratio	13.20	12.36
<b>Total capital ratio</b>	<b>16.62</b>	14.68

### Capital Initiatives

On 28 April 2020, the Group completed a \$3.0 billion fully underwritten institutional placement. This was followed by the successful completion of a Share Purchase Plan, which raised \$1.25 billion.

#### Additional Tier 1 Capital Initiatives

On 12 December 2019, the Group issued \$500 million of NAB Wholesale Capital Notes, which will mandatorily convert into NAB Ordinary Shares on 12 December 2031, provided certain conditions are met. With prior written approval from APRA, NAB may elect to convert, redeem or resell NAB Wholesale Capital Notes on 12 December 2029, or on the occurrence of particular events, provided certain conditions are met.

On 23 March 2020, the Group completed the resale of all NAB Capital Notes (NCN) issued on 23 March 2015 to a nominated purchaser, in accordance with the resale notice issued on 17 February 2020. Following the resale, \$750 million of NCN were converted into Ordinary Shares, and the remaining balance of approximately \$593 million NCN were redeemed.

On 17 July 2020, the Group issued \$600 million of NAB Wholesale Capital Notes 2, which will mandatorily convert into NAB Ordinary Shares on 17 July 2027, provided certain conditions are met. With prior written approval from APRA, NAB may elect to convert, redeem or resell NAB Wholesale Capital Notes on 17 July 2025, or on the occurrence of particular events, provided certain conditions are met.

#### Tier 2 Capital Initiatives

The Group's Tier 2 capital initiatives during the September 2020 financial year include the following:

- On 12 November 2019, NAB redeemed (by exercising its issuer call option) €750 million of Subordinated Notes.
- On 18 November 2019, NAB issued \$1.4 billion of Subordinated Notes.
- On 12 December 2019, NAB issued CAD1.0 billion of Subordinated Notes.
- On 10 February 2020, NAB redeemed €1.0 billion of Subordinated Notes, of which \$254 million was Basel III compliant Tier 2 regulatory capital at the time of redemption.
- On 26 March 2020, NAB redeemed \$1.1 billion of Subordinated Notes.
- On 9 June 2020, NAB issued \$205 million of Subordinated Notes.
- On 30 June 2020, NAB issued \$215 million of Subordinated Notes.
- On 17 July 2020, NAB issued \$245 million of Subordinated Notes.
- On 24 July 2020, NAB issued \$100 million of Subordinated Notes.
- On 21 August 2020, NAB issued USD1.5 billion of Subordinated Notes.
- The Group repurchased and cancelled US\$27 million of the perpetual floating rate notes issued on 9 October 1986.

### Dividend and Dividend Reinvestment Plan

The final dividend for the year ending 30 September 2020 has been maintained at 30 cents, 100% franked, payable on 10 December 2020. The Group's statutory payout ratio (from continuing operations) for the September 2020 half year is 49.8%, noting APRA's capital management guidance that ADIs retain at least half of their earnings for 2020.

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 the Dividend Reinvestment Plan (DRP) to reflect its capital position and outlook. In respect of the final dividend for the year ending 30 September 2020, the DRP discount is nil, with no participation limit, and the DRP is expected to be satisfied by the issuance of new shares.

## 2020 SUPPLEMENTAL INFORMATION REGARDING NATIONAL AUSTRALIA BANK LIMITED

### AVERAGE BALANCE SHEET AND RELATED INTEREST

The following tables set forth 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. Information is presented on a continuing operations basis, unless otherwise stated. 2019 'Interest' columns have been restated for the presentation of MLC Wealth as a discontinued operation.

#### Average assets and interest income

	2020			2019			2018		
	Average balance \$m	Interest \$m	Average rate % pa	Average balance \$m	Interest \$m	Average rate % pa	Average balance \$m	Interest \$m	Average rate % pa
<b>Average interest earning assets</b>									
Due from other banks									
Australia <sup>(1)</sup>	21,653	81	0.4	16,537	210	1.3	12,576	191	1.5
New Zealand	5,663	36	0.6	3,671	72	2.0	4,606	79	1.7
Other International	22,021	159	0.7	14,790	224	1.5	23,710	364	1.5
Marketable debt securities									
Australia	83,472	1,446	1.7	82,062	2,075	2.5	76,455	1,911	2.5
New Zealand	8,669	92	1.1	7,176	144	2.0	5,582	118	2.1
Other International	9,768	60	0.6	11,076	116	1.0	11,095	117	1.1
Loans and advances - housing									
Australia	271,394	9,357	3.4	276,267	11,490	4.2	269,581	11,613	4.3
New Zealand	40,178	1,602	4.0	37,333	1,700	4.6	33,684	1,601	4.8
Other International	57	1	1.8	93	4	4.3	393	15	3.8
Loans and advances - non-housing									
Australia	198,611	7,431	3.7	194,534	9,364	4.8	185,790	9,258	5.0
New Zealand	41,731	1,636	3.9	42,213	1,994	4.7	39,358	1,884	4.8
Other International	17,672	477	2.7	15,841	545	3.4	12,634	354	2.8
Other interest earning assets									
Australia <sup>(1)</sup>	9,979	96	n/a	7,707	165	n/a	5,090	244	n/a
New Zealand	1,330	47	n/a	737	44	n/a	461	26	n/a
Other International	49,481	590	n/a	48,799	1,047	n/a	45,642	768	n/a
<b>Total average interest earning assets and interest income by:</b>									
Australia	585,109	18,411	3.1	577,107	23,304	4.0	549,492	23,217	4.2
New Zealand	97,571	3,413	3.5	91,130	3,954	4.3	83,691	3,708	4.4
Other International	98,999	1,287	1.3	90,599	1,936	2.1	93,474	1,618	1.7
<b>Total average interest earning assets and interest income</b>	<b>781,679</b>	<b>23,111</b>	<b>3.0</b>	<b>758,836</b>	<b>29,194</b>	<b>3.8</b>	<b>726,657</b>	<b>28,543</b>	<b>3.9</b>
<b>Average non-interest earning assets</b>									
Investments relating to life insurance business									
New Zealand	98			96			86		
Other assets	99,687			80,616			83,582		
<b>Total average non-interest earning assets</b>	<b>99,785</b>			<b>80,712</b>			<b>83,668</b>		
<b>Provision for credit impairment</b>									
Australia	(3,730)			(3,054)			(2,686)		
New Zealand	(704)			(582)			(530)		
Other International	(46)			(50)			(72)		
<b>Total average assets</b>	<b>876,984</b>			<b>835,862</b>			<b>807,037</b>		

(1) September 2018 average balance has been restated to align to the presentation in the current period to reflect revised counterparty classifications.

## AVERAGE BALANCE SHEET AND RELATED INTEREST (CONTINUED)

## Average liabilities and interest expense

	2020			2019			2018		
	Average balance \$m	Interest \$m	Average rate % pa	Average balance \$m	Interest \$m	Average rate % pa	Average balance \$m	Interest \$m	Average rate % pa
<b>Average interest bearing liabilities</b>									
Due to other banks									
Australia	22,684	110	0.5	21,802	309	1.4	25,255	381	1.5
New Zealand	2,845	7	0.2	2,418	18	0.7	2,305	21	0.9
Other International	17,914	151	0.8	14,513	311	2.1	15,594	203	1.3
On-demand and short-term deposits									
Australia	202,991	1,105	0.5	174,382	2,057	1.2	169,765	2,167	1.3
New Zealand	24,283	96	0.4	20,527	175	0.9	18,750	154	0.8
Other International	5,830	32	0.5	5,001	86	1.7	10,785	144	1.3
Certificates of deposits									
Australia	30,633	239	0.8	32,287	635	2.0	35,870	707	2.0
New Zealand	1,623	17	1.0	1,638	29	1.8	1,722	34	2.0
Other International	10,816	150	1.4	10,113	184	1.8	9,680	149	1.5
Term deposits									
Australia	110,280	1,666	1.5	128,627	3,198	2.5	120,488	3,042	2.5
New Zealand	31,462	838	2.7	32,594	1,087	3.3	30,985	1,061	3.4
Other International	5,890	81	1.4	7,405	165	2.2	7,990	158	2.0
Other borrowings									
Australia	25,786	445	1.7	22,897	673	2.9	24,863	564	2.3
New Zealand	3,564	54	1.5	2,694	70	2.6	2,018	45	2.2
Other International	27,866	455	1.6	32,191	932	2.9	27,599	600	2.2
Bonds, notes and subordinated debt									
Australia	122,124	1,782	1.5	126,875	3,472	2.7	115,462	3,527	3.1
New Zealand	21,201	357	1.7	20,878	550	2.6	19,280	546	2.8
Other International	18,755	523	2.8	19,730	550	2.8	19,237	485	2.5
Other interest bearing liabilities									
Australia	9,273	1,112	n/a	8,272	1,138	n/a	6,304	968	n/a
New Zealand	266	6	n/a	-	-	n/a	-	-	n/a
Other International	291	8	n/a	-	-	n/a	567	82	n/a
<b>Total average interest bearing liabilities and interest expense by:</b>									
Australia	523,771	6,459	1.2	515,142	11,482	2.2	498,007	11,356	2.3
New Zealand	85,244	1,375	1.6	80,749	1,929	2.4	75,060	1,861	2.5
Other International	87,362	1,400	1.6	88,953	2,228	2.5	91,452	1,821	2.0
<b>Total average interest bearing liabilities and interest expense</b>	<b>696,377</b>	<b>9,234</b>	<b>1.3</b>	<b>684,844</b>	<b>15,639</b>	<b>2.3</b>	<b>664,519</b>	<b>15,038</b>	<b>2.3</b>

## AVERAGE BALANCE SHEET AND RELATED INTEREST (CONTINUED)

## Average non-interest bearing liabilities and average equity

	2020	2019	2018
	\$m	\$m	\$m
<b>Average non-interest bearing liabilities</b>			
Deposits not bearing interest			
Australia	53,583	46,270	44,226
New Zealand	6,885	5,656	5,013
Other International	4	5	10
Other liabilities	61,478	45,363	41,633
<b>Total average non-interest-bearing liabilities</b>	<b>121,950</b>	<b>97,294</b>	<b>90,882</b>
<b>Total average liabilities</b>	<b>818,327</b>	<b>782,138</b>	<b>755,401</b>
<b>Average equity</b>			
Total equity (parent entity interest)	58,655	53,715	51,625
Non-controlling interest in controlled entities	2	9	11
<b>Total average equity</b>	<b>58,657</b>	<b>53,724</b>	<b>51,636</b>
<b>Total average liabilities and equity</b>	<b>876,984</b>	<b>835,862</b>	<b>807,037</b>
<b>Net Interest Margin</b>			
	2020	2019	2018
	%	%	%
<b>Net interest margin - statutory basis<sup>(1)</sup></b>	<b>1.78</b>	<b>1.79</b>	<b>1.86</b>

(1) Information is presented on a continuing operations basis, unless otherwise stated. 2019 has been restated for the presentation of MLC Wealth as a discontinued operation.



## AVERAGE BALANCE SHEET AND RELATED INTEREST (CONTINUED)

## 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 30 September 2020 and 30 September 2019. 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. Information is presented on a continuing operations basis, unless otherwise stated. 2019 has been restated for the presentation of MLC Wealth as a discontinued operation.

	2020			2019		
	Increase / (decrease) due to change in			Increase / (decrease) due to change in		
	Average balance \$m	Average rate \$m	Total \$m	Average balance \$m	Average rate \$m	Total \$m
<b>Interest earning assets</b>						
Due from other banks						
Australia	51	(180)	(129)	53	(34)	19
New Zealand	27	(63)	(36)	(17)	10	(7)
Other International	82	(147)	(65)	(135)	(5)	(140)
Marketable debt securities						
Australia	35	(664)	(629)	142	22	164
New Zealand	26	(78)	(52)	32	(6)	26
Other International	(13)	(43)	(56)	-	(1)	(1)
Loans and advances - housing						
Australia	(200)	(1,933)	(2,133)	284	(407)	(123)
New Zealand	124	(222)	(98)	168	(69)	99
Other International	(2)	(1)	(3)	(13)	2	(11)
Loans and advances - non housing						
Australia	192	(2,125)	(1,933)	427	(321)	106
New Zealand	(24)	(334)	(358)	135	(25)	110
Other International	58	(126)	(68)	101	90	191
Other interest earning assets						
Australia	40	(109)	(69)	84	(163)	(79)
New Zealand	26	(23)	3	16	2	18
Other International	15	(472)	(457)	56	223	279
<b>Change in interest income</b>	<b>437</b>	<b>(6,520)</b>	<b>(6,083)</b>	<b>1,333</b>	<b>(682)</b>	<b>651</b>

## AVERAGE BALANCE SHEET AND RELATED INTEREST (CONTINUED)

	2020			2019		
	Increase / (decrease) due to change in			Increase / (decrease) due to change in		
	Average balance \$m	Average rate \$m	Total \$m	Average balance \$m	Average rate \$m	Total \$m
<b>Interest bearing liabilities</b>						
Due to other banks						
Australia	13	(212)	(199)	(50)	(22)	(72)
New Zealand	3	(14)	(11)	1	(4)	(3)
Other International	61	(221)	(160)	(15)	123	108
On-demand and short-term deposits						
Australia	295	(1,247)	(952)	57	(167)	(110)
New Zealand	28	(107)	(79)	15	6	21
Other International	12	(66)	(54)	(91)	33	(58)
Certificates of deposits						
Australia	(31)	(365)	(396)	(70)	(2)	(72)
New Zealand	-	(12)	(12)	(1)	(4)	(5)
Other International	12	(46)	(34)	7	28	35
Term deposits						
Australia	(408)	(1,124)	(1,532)	203	(47)	156
New Zealand	(37)	(212)	(249)	54	(28)	26
Other International	(29)	(55)	(84)	(12)	19	7
Other borrowings						
Australia	77	(305)	(228)	(48)	157	109
New Zealand	19	(35)	(16)	17	8	25
Other International	(112)	(365)	(477)	111	221	332
Bonds, notes and subordinated debt						
Australia	(125)	(1,565)	(1,690)	330	(385)	(55)
New Zealand	9	(202)	(193)	43	(39)	4
Other International	(27)	-	(27)	13	52	65
Other interest bearing liabilities						
Australia	129	(155)	(26)	273	(103)	170
New Zealand	6	-	6	-	-	-
Other International	8	-	8	(82)	-	(82)
<b>Change in interest expense</b>	<b>(97)</b>	<b>(6,308)</b>	<b>(6,405)</b>	<b>755</b>	<b>(154)</b>	<b>601</b>
<b>Change in net interest income</b>	<b>534</b>	<b>(212)</b>	<b>322</b>	<b>578</b>	<b>(528)</b>	<b>50</b>

## Loan fees

Included within interest income is \$150 million (2019: \$149 million; 2018: \$173 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:

	2020 \$m	2019 \$m	2018 \$m
Trading securities	64,937	61,283	53,231
Debt instruments	40,355	40,205	42,056
<b>Total investments</b>	<b>105,292</b>	<b>101,488</b>	<b>95,287</b>

### Trading securities

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

	2020 \$m	2019 \$m	2018 \$m
<b>Trading securities<sup>(1)</sup></b>			
Government bonds, notes and securities	42,071	35,800	28,623
Semi-government bonds, notes and securities	5,827	6,458	5,032
Corporate / financial institution bonds, notes and securities	15,965	18,034	18,152
Other bonds, notes, securities and other assets	1,074	991	1,424
<b>Total trading securities</b>	<b>64,937</b>	<b>61,283</b>	<b>53,231</b>

(1) The comparative information has been restated to align to the presentation in the current period to reflect revised securities / instrument classification.

### Debt instruments

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

	2020 \$m	2019 \$m	2018 \$m
<b>Debt instruments<sup>(1)</sup></b>			
Government bonds, notes and securities	3,282	3,005	3,576
Semi-government bonds, notes and securities	23,240	21,689	21,011
Corporate / financial institution bonds, notes and securities	6,648	6,273	7,696
Other bonds, notes, securities and other assets	7,185	9,238	9,773
<b>Total debt instruments</b>	<b>40,355</b>	<b>40,205</b>	<b>42,056</b>

(1) The comparative information has been restated to align to the presentation in the current period to reflect revised securities / instrument classification.

### 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 30 September 2020:

	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	3,210	0.2%	72	1.6%	-	-	-	-
Semi-government bonds, notes and securities	735	3.9%	8,051	3.4%	12,566	2.6%	1,888	2.8%
Corporate / financial institution bonds, notes and securities	2,140	0.7%	4,508	0.4%	-	-	-	-
Other bonds, notes, securities and other assets	1,238	1.4%	5,933	1.2%	-	-	14	1.1%
<b>Total maturities at carrying value<sup>(1)</sup></b>	<b>7,323</b>		<b>18,564</b>		<b>12,566</b>		<b>1,902</b>	

(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

Where a loan is held at fair value, a statistical-based calculation is used to estimate expected losses attributable to adverse movements in credit on the assets held. This adjustment to the credit quality of the asset is then applied to the carrying value of the loan held at fair value.

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:

	2020	2019	2018	2017	2016
	\$m	\$m	\$m	\$m	\$m
<b>Australia</b>					
Overdrafts <sup>(1)</sup>	2,472	3,249	3,149	3,177	3,553
Credit card outstandings	4,426	5,717	6,232	6,365	6,439
Asset and lease financing	12,611	12,230	11,938	11,214	10,477
Housing loans	299,102	303,942	303,007	292,989	278,848
Other term lending <sup>(2)</sup>	168,337	164,002	154,846	141,144	130,875
Other lending	4,074	4,928	4,789	4,336	3,997
Loans at fair value <sup>(2)</sup>	2,552	4,868	7,259	10,926	14,523
	<b>493,574</b>	<b>498,936</b>	<b>491,220</b>	<b>470,151</b>	<b>448,712</b>
<b>Overseas</b>					
Overdrafts	1,875	2,571	2,155	2,011	2,082
Credit card outstandings	833	1,057	1,062	1,044	1,079
Asset and lease financing	398	533	490	460	472
Housing loans	42,627	39,973	36,533	36,545	35,709
Other term lending	51,254	52,124	45,695	42,276	38,398
Other lending	706	1,775	2,033	2,203	1,762
Loans at fair value <sup>(2)</sup>	1,308	1,893	2,586	3,670	5,341
	<b>99,001</b>	<b>99,926</b>	<b>90,554</b>	<b>88,209</b>	<b>84,843</b>
<b>Total gross loans and advances</b>	<b>592,575</b>	<b>598,862</b>	<b>581,774</b>	<b>558,360</b>	<b>533,555</b>
Deduct: Unearned income and deferred net fee income	(219)	(452)	(435)	(415)	(532)
Provision for credit impairment	(6,011)	(3,900)	(3,513)	(3,224)	(3,114)
<b>Total net loans and advances</b>	<b>586,345</b>	<b>594,510</b>	<b>577,826</b>	<b>554,721</b>	<b>529,909</b>

(1) In 2019, the product classification was changed and comparative information restated.

(2) Loans at fair value represent "Other term lending" loans. This amount includes an unfavourable credit risk adjustment of \$35 million (2019: \$54 million; 2018: \$66 million; 2017: \$90 million; 2016: \$95 million) for Australia, and an unfavourable credit risk adjustment of \$31 million (2019: \$11 million; 2018: \$16 million; 2017: \$26 million; 2016: \$53 million) for overseas.

## LOAN PORTFOLIO (CONTINUED)

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 <sup>(1)</sup>				
	2020 %	2019 %	2018 %	2017 %	2016 %
<b>Australia</b>					
Accommodation and hospitality	1.2%	1.2%			
Agriculture, forestry, fishing and mining	4.9%	4.5%	3.9%	3.8%	4.0%
Business services and property services	2.0%	2.0%			
Commercial property	9.5%	9.7%			
Construction	0.6%	0.6%	0.3%	0.3%	0.3%
Financial & insurance	3.9%	3.3%	2.9%	2.7%	3.0%
Government & public authorities	0.3%	0.3%	0.3%	0.3%	0.4%
Manufacturing	1.4%	1.4%	1.2%	1.3%	1.3%
Personal	1.1%	1.4%	1.6%	1.7%	1.8%
Residential mortgages	50.5%	50.8%	52.1%	52.5%	52.3%
Retail and wholesale trade	2.3%	2.4%			
Transport and storage	2.0%	2.0%			
Utilities	0.6%	0.6%			
Asset and lease financing			2.1%	2.0%	2.0%
Other	3.0%	3.1%	20.0%	19.6%	19.0%
	<b>83.3%</b>	<b>83.3%</b>	<b>84.4%</b>	<b>84.2%</b>	<b>84.1%</b>
<b>Overseas</b>					
Accommodation and hospitality	0.2%	0.2%			
Agriculture, forestry, fishing and mining	2.4%	2.6%	2.5%	2.6%	2.7%
Business services and property services	0.2%	0.2%			
Commercial property	1.3%	1.4%			
Construction	0.2%	0.2%	0.2%	0.2%	0.2%
Financial & insurance	1.5%	1.8%	1.5%	1.5%	1.2%
Manufacturing	0.5%	0.6%	0.6%	0.6%	0.7%
Personal	0.2%	0.2%	0.2%	0.3%	0.3%
Residential mortgages	7.2%	6.7%	6.3%	6.5%	6.7%
Retail and wholesale trade	0.7%	0.8%			
Transport and storage	0.9%	0.7%			
Utilities	1.0%	0.8%			
Asset and lease financing			0.1%	0.1%	0.1%
Other	0.4%	0.5%	4.2%	4.0%	4.0%
	<b>16.7%</b>	<b>16.7%</b>	<b>15.6%</b>	<b>15.8%</b>	<b>15.9%</b>
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

(1) The 2019 comparative information has been restated to align to the presentation in the current period to reflect revised industry categories.

## 2020 SUPPLEMENTAL INFORMATION REGARDING NATIONAL AUSTRALIA BANK LIMITED

### LOAN PORTFOLIO (CONTINUED)

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 30 September 2020:

	Less than 1 year \$m	1 to 5 year(s) \$m	Over 5 years <sup>(1)</sup> \$m	Total \$m
<b>Australia</b>				
Accommodation and hospitality	3,177	3,503	178	6,858
Agriculture, forestry, fishing and mining	10,675	16,850	1,683	29,208
Business services and property services	4,411	5,775	1,499	11,685
Commercial property	27,856	25,533	2,769	56,158
Construction	984	2,291	86	3,361
Financial & insurance	16,070	5,813	1,159	23,042
Government & public authorities	16	609	1,239	1,864
Manufacturing	3,177	4,564	447	8,188
Personal	1,039	860	4,704	6,603
Residential mortgages	15,062	1,309	282,731	299,102
Retail and wholesale trade	6,351	6,928	580	13,859
Transport and storage	2,093	5,985	3,931	12,009
Utilities	1,038	2,197	144	3,379
Other	5,885	11,357	1,016	18,258
	97,834	93,574	302,166	493,574
<b>Overseas</b>				
Accommodation and hospitality	455	631	65	1,151
Agriculture, forestry, fishing and mining	5,312	7,127	1,897	14,336
Business services and property services	442	694	332	1,468
Commercial property	4,821	2,773	100	7,694
Construction	513	394	156	1,063
Financial & insurance	5,222	3,772	13	9,007
Government & public authorities	86	78	40	204
Manufacturing	1,983	1,096	73	3,152
Personal	107	38	839	984
Residential mortgages	938	1,095	40,594	42,627
Retail and wholesale trade	2,129	1,789	94	4,012
Transport and storage	1,428	2,741	1,037	5,206
Utilities	1,223	2,235	2,186	5,644
Other	1,142	1,070	241	2,453
	25,801	25,533	47,667	99,001
<b>Total gross loans and advances</b>	<b>123,635</b>	<b>119,107</b>	<b>349,833</b>	<b>592,575</b>

(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
<b>Nature of interest rate applicable to loans and advances</b>				
<b>Variable interest rates</b>				
Australia	64,860	46,740	226,261	337,861
Overseas	21,174	20,064	12,138	53,376
<b>Fixed interest rates</b>				
Australia	32,974	46,834	75,905	155,713
Overseas	4,627	5,469	35,529	45,625
<b>Total gross loans and advances</b>	<b>123,635</b>	<b>119,107</b>	<b>349,833</b>	<b>592,575</b>

## LOAN PORTFOLIO (CONTINUED)

### Asset quality disclosures

The following tables 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 receiving COVID-19 payment deferrals have been treated in accordance with APRA guidance in the tables below.

	2020 \$m	2019 \$m	2018 \$m	2017 \$m	2016 \$m
<b>Summary of total impaired assets<sup>(1)</sup></b>					
Gross					
Australia	1,277	1,330	1,230	1,213	1,558
Overseas	589	642	291	511	1,084
<b>Total gross impaired assets</b>	<b>1,866</b>	<b>1,972</b>	<b>1,521</b>	<b>1,724</b>	<b>2,642</b>
Specific provision for credit impairment <sup>(2)</sup>					
Australia	608	624	562	564	582
Overseas	232	158	113	127	130
<b>Total specific provision for credit impairment</b>	<b>840</b>	<b>782</b>	<b>675</b>	<b>691</b>	<b>712</b>
Net					
Australia	669	706	668	649	976
Overseas	357	484	178	384	954
<b>Total net impaired assets</b>	<b>1,026</b>	<b>1,190</b>	<b>846</b>	<b>1,033</b>	<b>1,930</b>

(1) Impaired assets include:

(a) Off-balance sheet credit-related commitments amounting to \$26 million gross, \$26 million net (2019: \$22 million gross, \$22 million net; 2018: \$10 million gross, \$10 million net; 2017: \$20 million gross, \$20 million net; 2016: \$18 million gross, \$18 million net), and

(b) \$nil (NZ\$nil) (2019: \$nil (NZ\$nil); 2018: \$2 million (NZ\$3 million); 2017: \$205 million (NZ\$222 million); 2016: \$785 million (NZ\$823 million)) of NZ Banking dairy exposures currently assessed as no loss based on security held. Collective provisions are held against these loans.

(2) Includes \$20 million (2019: \$nil; 2018: \$2 million; 2017: \$2 million; 2016: \$6 million) of specific provision on loans at fair value.

The 90+ days past due loans below are not classified as impaired assets and therefore are not included in the above summary.

	2020 \$m	2019 \$m	2018 \$m	2017 \$m	2016 \$m
<b>90+ days past due loans</b>					
Australia	4,082	3,457	2,527	2,094	1,806
Overseas	173	146	121	151	169
<b>Total 90+ days past due loans</b>	<b>4,255</b>	<b>3,603</b>	<b>2,648</b>	<b>2,245</b>	<b>1,975</b>

	2020 \$m	2019 \$m	2018 \$m	2017 \$m	2016 \$m
<b>Additional information in respect of impaired assets</b>					
<b>Fair value of security<sup>(1)</sup></b>					
Australia	730	684	637	708	881
Overseas	335	477	161	381	929
<b>Total fair value of security</b>	<b>1,065</b>	<b>1,161</b>	<b>798</b>	<b>1,089</b>	<b>1,810</b>

(1) Fair value of security is the amount for which that security could be exchanged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arm's length transaction. Amounts of security held in excess of the outstanding balance of individual impaired assets are not included in this table.

## LOAN PORTFOLIO (CONTINUED)

### 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	Banks	Non-Bank Private	Total	% of total assets
		\$m	\$m	\$m	\$m	
As at 30 September 2020	United Kingdom	7	5,689	4,819	10,515	1.2
	United States	3,363	3,262	5,713	12,338	1.4
As at 30 September 2019	United Kingdom	10	9,677	6,646	16,333	1.9
	United States	1,283	2,225	6,257	9,765	1.2
	Japan	4,729	1,146	2,078	7,953	0.9
As at 30 September 2018	United Kingdom	13	7,463	6,457	13,933	1.7
	United States	471	3,469	3,994	7,934	1.0
	China	50	1,077	5,255	6,382	0.8

For the fiscal year ending 30 September 2020, the off-balance sheet commitments in United Kingdom exceeds 0.75% of the Group's total assets, being 0.9%. For the fiscal year ending 30 September 2019, the off-balance sheet commitments in United Kingdom exceeded 0.75% of the Group's total assets, being 0.77%. For the fiscal year ending 30 September 2018, the off-balance sheet commitments in both United Kingdom and United States exceeded 0.75% of the Group's total assets, being 0.9% respectively.



## SUMMARY OF LOAN LOSS EXPERIENCE

### Credit impairment charge

	2020 \$m	2019 \$m	2018 \$m	2017 \$m	2016 \$m
New and increased provisions (net of collective provision releases)	2,990	1,154	1,057	1,177	1,158
Write-backs of specific provisions	(169)	(170)	(193)	(242)	(156)
Recoveries of specific provisions	(69)	(57)	(73)	(111)	(119)
<b>Total charge to the income statement</b>	<b>2,752</b>	927	791	824	883
Attributable to:					
Charge to income statement from continuing operations	2,752	927	791	824	813
Charge to income statement from discontinuing operations	-	-	-	-	70

### Provision for credit impairment on loans at amortised cost

The following tables set forth details of the Group's provision for credit impairment for the years indicated:

	Stage 1	Stage 2	Stage 3		Total \$m
	12-mth ECL Collective provision \$m	Lifetime ECL not credit impaired Collective provision \$m	Lifetime ECL credit impaired Collective provision \$m	Lifetime ECL credit impaired Specific provision \$m	
<b>Balance at 1 October 2016<sup>(1)</sup></b>	329	1,657	422	706	3,114
Changes due to financial assets recognised in the opening balance that have:					
Transferred to 12-mth ECL - collective provision	329	(316)	(13)	-	-
Transferred to Lifetime ECL not credit impaired - collective provision	(44)	123	(79)	-	-
Transfer to Lifetime ECL credit impaired - collective provision	(3)	(42)	45	-	-
Transfer to Lifetime ECL credit impaired - specific provision	(2)	(135)	(100)	237	-
New and increased provisions (net of collective provision releases)	(295)	538	124	810	1,177
Write-backs of specific provisions	-	-	-	(242)	(242)
Write-offs from specific provisions	-	-	-	(849)	(849)
Foreign currency translation and other adjustments	(1)	(6)	4	27	24
<b>Balance at 30 September 2017</b>	<b>313</b>	<b>1,819</b>	<b>403</b>	<b>689</b>	<b>3,224</b>
Changes due to financial assets recognised in the opening balance that have:					
Transferred to 12-mth ECL - collective provision	296	(286)	(10)	-	-
Transferred to Lifetime ECL not credit impaired - collective provision	(58)	147	(89)	-	-
Transfer to Lifetime ECL credit impaired - collective provision	(2)	(50)	52	-	-
Transfer to Lifetime ECL credit impaired - specific provision	(2)	(34)	(114)	150	-
New and increased provisions (net of collective provision releases)	(225)	530	149	603	1,057
Write-backs of specific provisions	-	-	-	(193)	(193)
Write-offs from specific provisions	-	-	-	(573)	(573)
Foreign currency translation and other adjustments	2	(1)	-	(3)	(2)
<b>Balance at 30 September 2018</b>	<b>324</b>	<b>2,125</b>	<b>391</b>	<b>673</b>	<b>3,513</b>

(1) The September 2016 financial year reflects the CYBG demerger.

**SUMMARY OF LOAN LOSS EXPERIENCE (CONTINUED)**

	Stage 1	Stage 2	Stage 3		Total
	12-mth ECL Collective provision \$m	Lifetime ECL not credit impaired Collective provision \$m	Lifetime ECL credit impaired Collective provision \$m	Lifetime ECL credit impaired Specific provision \$m	
<b>Balance at 1 October 2018</b>	324	2,125	391	673	3,513
Changes due to financial assets recognised in the opening balance that have:					
Transferred to 12-mth ECL - collective provision	358	(348)	(10)	-	-
Transferred to Lifetime ECL not credit impaired - collective provision	(48)	104	(56)	-	-
Transfer to Lifetime ECL credit impaired - collective provision	(2)	(65)	67	-	-
Transfer to Lifetime ECL credit impaired - specific provision	(2)	(49)	(106)	157	-
New and increased provisions (net of collective provision releases)	(264)	456	236	726	1,154
Write-backs of specific provisions	-	-	-	(170)	(170)
Write-offs from specific provisions	-	-	-	(600)	(600)
Foreign currency translation and other adjustments	2	4	1	(4)	3
<b>Balance at 30 September 2019</b>	368	2,227	523	782	3,900
Changes due to financial assets recognised in the opening balance that have:					
Transferred to 12-mth ECL - collective provision	335	(319)	(16)	-	-
Transferred to Lifetime ECL not credit impaired - collective provision	(83)	142	(59)	-	-
Transfer to Lifetime ECL credit impaired - collective provision	(2)	(83)	85	-	-
Transfer to Lifetime ECL credit impaired - specific provision	(1)	(46)	(107)	154	-
New and increased provisions (net of collective provision releases)	(146)	1,981	399	756	2,990
Write-backs of specific provisions	-	-	-	(169)	(169)
Write-offs from specific provisions	-	-	-	(700)	(700)
Foreign currency translation and other adjustments	(1)	(5)	(1)	(3)	(10)
<b>Balance at 30 September 2020</b>	470	3,897	824	820	6,011

	2020	2019	2018	2017	2016
	%	%	%	%	%
Ratio of net write-offs during the year to average gross loans and advances	0.10	0.09	0.09	0.13	0.12

**SUMMARY OF LOAN LOSS EXPERIENCE (CONTINUED)****Collective provision for credit impairment by industry category**

	Collective Provision <sup>(1)(2)</sup>				
	2020 \$m	2019 \$m	2018 \$m	2017 \$m	2016 \$m
<b>Australia</b>					
Accommodation and hospitality	181	50			
Agriculture, forestry, fishing and mining	348	355	259	331	421
Business services and property services	419	107			
Commercial property	452	263			
Construction	46	23	20	21	26
Financial & insurance	192	66	65	54	58
Government & public authorities	1	1	-	-	1
Manufacturing	159	100	72	86	118
Personal	426	226	278	294	291
Residential mortgages	1,026	688	515	270	146
Retail and wholesale trade	476	352			
Transport and storage	448	66			
Utilities	17	11			
Asset and lease financing			64	64	64
Other	332	319	1,085	964	879
	<b>4,523</b>	<b>2,627</b>	<b>2,358</b>	<b>2,084</b>	<b>2,004</b>
<b>Overseas</b>					
Accommodation and hospitality	20	10			
Agriculture, forestry, fishing and mining	130	91	95	122	144
Business services and property services	28	24			
Commercial property	66	67			
Construction	24	21	2	2	2
Financial & insurance	18	18	24	20	13
Government & public authorities	-	1	1	1	-
Manufacturing	69	53	39	35	36
Personal	54	36	25	23	16
Residential mortgages	84	57	51	57	10
Retail and wholesale trade	77	56			
Transport and storage	44	21			
Utilities	15	11			
Asset and lease financing			7	5	4
Other	39	25	238	186	179
	<b>668</b>	<b>491</b>	<b>482</b>	<b>451</b>	<b>404</b>
<b>Total collective provision for credit impairment</b>	<b>5,191</b>	<b>3,118</b>	<b>2,840</b>	<b>2,535</b>	<b>2,408</b>

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

(2) The 2019 comparative information has been restated to align to the presentation in the current period to reflect revised industry categories.

## SUMMARY OF LOAN LOSS EXPERIENCE (CONTINUED)

## Specific provision for credit impairment by industry category

	Specific Provision <sup>(1)</sup>				
	2020 \$m	2019 \$m	2018 \$m	2017 \$m	2016 \$m
<b>Australia</b>					
Accommodation and hospitality	39	44			
Agriculture, forestry, fishing and mining	46	113	110	110	134
Business services and property services	45	46			
Commercial property	80	50			
Construction	17	36	20	18	14
Financial & insurance	13	19	6	19	21
Manufacturing	46	42	95	82	54
Personal	3	3	3	2	2
Residential mortgages	110	110	96	86	83
Retail and wholesale trade	122	114			
Transport and storage	37	33			
Utilities	-	1			
Asset and lease financing			32	42	28
Other	51	13	200	205	245
	<b>609</b>	<b>624</b>	<b>562</b>	<b>564</b>	<b>581</b>
<b>Overseas</b>					
Accommodation and hospitality	5	1			
Agriculture, forestry, fishing and mining	56	69	26	23	27
Business services and property services	20	17			
Commercial property	24	18			
Construction	10	6	2	2	-
Financial & insurance	21	21	20	22	20
Manufacturing	36	8	5	11	34
Personal	1	1	1	-	-
Residential mortgages	5	5	6	9	14
Retail and wholesale trade	20	11			
Transport and storage	11	1			
Other	2	-	51	58	30
	<b>211</b>	<b>158</b>	<b>111</b>	<b>125</b>	<b>125</b>
<b>Total specific provision for credit impairment</b>	<b>820</b>	<b>782</b>	<b>673</b>	<b>689</b>	<b>706</b>

(1) The 2019 comparative information has been restated to align to the presentation in the current period to reflect revised industry categories.

## SUMMARY OF LOAN LOSS EXPERIENCE (CONTINUED)

## Total provision for credit impairment by industry category

	Total Provision <sup>(1)</sup>				
	2020 \$m	2019 \$m	2018 \$m	2017 \$m	2016 \$m
<b>Australia</b>					
Accommodation and hospitality	220	94			
Agriculture, forestry, fishing and mining	394	468	369	441	555
Business services and property services	464	153			
Commercial property	532	313			
Construction	63	59	40	39	40
Financial & insurance	205	85	71	73	79
Government & public authorities	1	1	-	-	1
Manufacturing	205	142	167	168	172
Personal	429	229	281	296	293
Residential mortgages	1,136	798	611	356	229
Retail and wholesale trade	598	466			
Transport and storage	485	99			
Utilities	17	12			
Asset and lease financing			96	106	92
Other	383	332	1,285	1,169	1,124
	<b>5,132</b>	<b>3,251</b>	<b>2,920</b>	<b>2,648</b>	<b>2,585</b>
<b>Overseas</b>					
Accommodation and hospitality	25	11			
Agriculture, forestry, fishing and mining	186	160	121	145	171
Business services and property services	48	41			
Commercial property	90	85			
Construction	34	27	4	4	2
Financial & insurance	39	39	44	42	33
Government & public authorities	-	1	1	1	-
Manufacturing	105	61	44	46	70
Personal	55	37	26	23	16
Residential mortgages	89	62	57	66	24
Retail and wholesale trade	97	67			
Transport and storage	55	22			
Utilities	15	11			
Asset and lease financing			7	5	4
Other	41	25	289	244	209
	<b>879</b>	<b>649</b>	<b>593</b>	<b>576</b>	<b>529</b>
<b>Total provision for credit impairment</b>	<b>6,011</b>	<b>3,900</b>	<b>3,513</b>	<b>3,224</b>	<b>3,114</b>

(1) The 2019 comparative information has been restated to align to the presentation in the current period to reflect revised industry categories.

## SUMMARY OF LOAN LOSS EXPERIENCE (CONTINUED)

## Write-offs from specific provisions by industry category

	Write-offs from specific provisions <sup>(1)</sup>				
	2020 \$m	2019 \$m	2018 \$m	2017 \$m	2016 \$m
<b>Australia</b>					
Accommodation and hospitality	51	9			
Agriculture, forestry, fishing and mining	80	11	20	37	34
Business services and property services	17	13			
Commercial property	14	15			
Construction	28	11	4	2	3
Financial & insurance	15	18	1	1	
Manufacturing	21	23	10	42	9
Personal	251	311	300	322	310
Residential mortgages	60	66	61	69	72
Retail and wholesale trade	66	36			
Transport and storage	2	3			
Utilities	6	3			
Asset and lease financing			23	23	27
Other	14	13	74	278	195
	<b>625</b>	<b>532</b>	<b>493</b>	<b>774</b>	<b>650</b>
<b>Overseas</b>					
Accommodation and hospitality	2	2			
Agriculture, forestry, fishing and mining	26	9	15	5	38
Business services and property services	2	4			
Commercial property	-	2			
Construction	3	3	3	1	3
Financial & insurance	-	-	1	1	1
Manufacturing	3	1	8	16	2
Personal	32	29	27	26	36
Residential mortgages	2	4	3	4	9
Retail and wholesale trade	4	13			
Transport and storage	1	1			
Other	-	-	23	22	39
	<b>75</b>	<b>68</b>	<b>80</b>	<b>75</b>	<b>128</b>
<b>Total write-offs from specific provisions</b>	<b>700</b>	<b>600</b>	<b>573</b>	<b>849</b>	<b>778</b>

(1) The 2019 comparative information has been restated to align to the presentation in the current period to reflect revised industry categories.

## SUMMARY OF LOAN LOSS EXPERIENCE (CONTINUED)

## Recoveries of specific provisions by industry category

	Recoveries of specific provisions <sup>(1)</sup>				
	2020 \$m	2019 \$m	2018 \$m	2017 \$m	2016 \$m
<b>Australia</b>					
Agriculture, forestry, fishing and mining	-	-	1	1	4
Financial & insurance	1	-	-	-	-
Manufacturing	-	-	-	-	(1)
Personal	52	48	42	71	88
Residential mortgages	3	(6)	6	3	-
Asset and lease financing	-	-	-	-	1
Other	-	-	1	8	-
	<b>56</b>	<b>42</b>	<b>50</b>	<b>83</b>	<b>92</b>
<b>Overseas</b>					
Agriculture, forestry, fishing and mining	2	2	9	15	-
Commercial property	3	1	-	-	-
Financial & insurance	-	3	-	-	-
Personal	8	9	11	10	17
Other	-	-	3	3	10
	<b>13</b>	<b>15</b>	<b>23</b>	<b>28</b>	<b>27</b>
<b>Total recoveries of specific provisions</b>	<b>69</b>	<b>57</b>	<b>73</b>	<b>111</b>	<b>119</b>

(1) The 2019 comparative information has been 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:

	2020 \$m	2019 \$m	2018 \$m
<b>Australia</b>			
Term deposits	101,512	122,318	124,096
On-demand and short-term deposits	226,978	182,234	171,446
Certificates of deposit	26,613	30,769	33,953
Deposits not bearing interest	64,163	47,857	45,463
Borrowings	18,362	25,902	24,322
Repurchase agreements	1,402	1,032	1,909
	<b>439,030</b>	<b>410,112</b>	<b>401,189</b>
<b>Overseas</b>			
Term deposits	33,231	38,065	39,070
On-demand and short-term deposits	34,282	28,323	23,594
Certificates of deposit	8,951	10,106	10,009
Deposits not bearing interest	8,058	5,815	5,304
Borrowings	3,405	4,190	2,699
Repurchase agreements	23,725	30,330	25,823
Fair value adjustment	1	9	2
	<b>111,653</b>	<b>116,838</b>	<b>106,501</b>
<b>Total deposits and other borrowings</b>	<b>550,683</b>	<b>526,950</b>	<b>507,690</b>

### 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 30 September 2020:

	Less than 3 months \$m	3 to 6 months \$m	6 to 12 months \$m	Over 12 months \$m	Total \$m
<b>Australia</b>					
Term deposits	53,894	20,174	18,464	2,225	94,757
Certificates of deposit	13,242	12,863	508	-	26,613
	<b>67,136</b>	<b>33,037</b>	<b>18,972</b>	<b>2,225</b>	<b>121,370</b>
<b>Overseas</b>					
Term deposits	13,872	6,391	4,087	2,647	26,997
Certificates of deposit	4,984	2,275	1,692	-	8,951
	<b>18,856</b>	<b>8,666</b>	<b>5,779</b>	<b>2,647</b>	<b>35,948</b>
<b>Total Maturities of deposits</b>	<b>85,992</b>	<b>41,703</b>	<b>24,751</b>	<b>4,872</b>	<b>157,318</b>



**DEPOSITS AND OTHER BORROWINGS (CONTINUED)****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:

	<b>2020</b>	<b>2019</b>	<b>2018</b>
	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>
Balance outstanding at balance date	<b>21,718</b>	30,047	26,470
Maximum outstanding at any month end	<b>36,857</b>	30,346	30,452
Approximate average amount outstanding during the year	<b>28,231</b>	25,354	24,787
Approximate weighted average interest rate on average amount outstanding during the year (per annum)	<b>1.4%</b>	2.5%	2.0%

