



20 April 2018

## ASX Announcement

# NAB announces key items impacting 2018 Half Year results

National Australia Bank Ltd (NAB) will release its 2018 Half Year results on Thursday 3 May 2018. This result is expected to include the following items outlined below.

### Restructuring-related costs

Restructuring-related costs of \$755 million (\$530 million after tax), included in cash earnings but separately identified. As outlined with the 2017 Full Year results, these costs are in relation to the acceleration of the Group's strategy, and relate primarily to costs associated with workforce reductions over the next three years. The amount is consistent with previous guidance for 2018 Half Year restructuring costs to be in the range of \$0.5 – 0.8 billion. Further detail will be provided with the 2018 Half Year results.

### CYBG expected to utilise Capped Indemnity

NAB notes the announcement by CYBG PLC (CYBG) dated 17 April 2018 that CYBG expects to increase its provisions for legacy payment protection insurance (PPI) costs as at 31 March 2018 by £350 million.

Under the terms of the Conduct Indemnity Deed with NAB, CYBG expects to fully utilise the remaining undrawn Capped Indemnity amount of £148 million, bringing this balance to zero. Subject to CYBG making a claim against the Capped Indemnity, this amount is expected to be reported as part of Discontinued Operations (non-cash earnings) in NAB's 2018 Half Year results, consistent with past practice. This will have no impact on NAB's Common Equity Tier 1 (CET1) capital as the unutilised amount of the indemnity has been treated as a deduction from CET1.

### Bad and Doubtful Debt terminology

NAB's 2018 Half Year results will also include a change in Bad and Doubtful Debt terminology as outlined in the table below, to improve consistency with the terminology used in accounting standard AASB 9 Financial Instruments.

Financial Statement	Current terminology	New terminology
Balance Sheet	Provision for bad and doubtful debts	Provision for credit impairment
Income Statement	Charge to provide for bad and doubtful debts	Credit impairment charge

For further information:

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