

ASX Announcement**Tuesday 24 April 2007****National Australia Bank 1H07 reporting template**

National Australia Bank today released its proposed format of certain disclosures for the 31 March 2007 results announcement.

The following is a summary of the main changes to the disclosures made at the 30 September 2006 results announcement:

- The Divisional Performance Summary and Divisional Cash Earnings pages will disclose cash earnings on a pre and post IoRE (ie Investment earnings on shareholders' retained profits and capital from life businesses net of capital funding costs) basis (refer pages 1 - 3).
- Australia region cash earnings disclosures have been expanded to disclose cash earnings on a pre and post IoRE basis (refer page 4).
- Wealth Management Australia disclosures have been expanded to provide additional information for the Investments and Insurance businesses (refer pages 6 - 8).
- UK region net interest spreads have been restated to reflect a change to the treatment of intracompany liabilities. There has been no impact to Group net interest spreads (refer page 9).
- New Zealand region cash earnings disclosures have been expanded to disclose cash earnings on a pre and post IoRE basis (refer page 11).
- Note 3 "Gains less losses on financial instruments at fair value" disclosures have been expanded to provide greater granularity. Assets and liabilities designated at fair value and the derivatives matched against these assets and liabilities, plus the impact of hedge ineffectiveness of designated hedging relationships, have been disclosed (refer page 16).
- "Net tangible assets per ordinary share" have been restated to reflect the full impact of all intangibles and to exclude all non ordinary share equity items (refer page 16). This will be disclosed as a new note 7 in the 31 March 2007 results announcement. Updated calculations are available on www.nabgroup.com.
- Sources of operating profit have been disclosed for Australia. This will appear as supplementary note 10 in the 31 March 2007 results announcement (refer page 17).

The 31 March 2007 results announcement will be made on Thursday 10 May 2007.

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DIVISIONAL PERFORMANCE SUMMARY

	Half Year to			Fav / (Unfav) Change on	
	Mar 07	Sep 06	Mar 06	Sep 06	Mar 06
	\$m	\$m	\$m	%	%
Cash earnings ⁽¹⁾					
Australian Banking		1,139	990		
Wealth Management Australia		163	145		
Asia Banking & Wealth Management		(4)	18		
Australia Region		1,298	1,153		
UK Region		323	257		
New Zealand Region		208	165		
nabCapital		332	286		
Other (incl. Group Funding & Corporate Centre)		63	64		
Cash earnings before distributions and IoRE ⁽²⁾		2,224	1,925		
Distributions		(127)	(127)		
Cash earnings before IoRE		2,097	1,798		
IoRE (after tax)		30	42		
Cash earnings		2,127	1,840		
Cash earnings from disposed operations		(117)	(52)		
Cash earnings - ongoing operations		2,010	1,788		
Reconciliation to net profit					
Cash earnings		2,127	1,840		
Adjusted for non cash earnings items:					
Significant items after tax		15	270		
Net profit attributable to minority interest		490	259		
Distributions		127	127		
Treasury shares after tax		(22)	(104)		
IoRE discount rate variation after tax		(6)	-		
Impairment of goodwill		5	(5)		
Revaluation gains / (losses) on exchangeable capital units after tax		22	(134)		
Net profit on sale of controlled entities		108	-		
Fair value gain on economic hedge of the proceeds on sale of controlled entities		22	-		
Net profit		2,888	2,253		
Net profit attributable to minority interest		(490)	(259)		
Net profit attributable to members of the Company		2,398	1,994		
Distributions		(127)	(127)		
Earnings attributable to ordinary shareholders		2,271	1,867		

⁽¹⁾ Cash earnings is a performance measure used by the management of the Group.

⁽²⁾ IoRE represents investment earnings on shareholders' retained profits and capital from life businesses net of capital funding costs.

DIVISIONAL CASH EARNINGS

Half year ended 30 September 2006	Australia Region			UK	NZ	nabCapital	Other ⁽¹⁾	Elimina-	Total Group \$m	Disposed Operations ⁽⁴⁾ \$m	Total Ongoing \$m
	Banking	WM	Asia	Region	Region			tions			
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m			
Net interest income	2,490	14	13	957	374	503	143	-	4,494	33	4,527
Net life insurance income including IoRE ⁽²⁾	-	559	4	-	5	-	-	-	568	(4)	564
Other operating income	1,007	339	1	558	250	285	124	(85)	2,479	(246)	2,233
Net operating income	3,497	912	18	1,515	629	788	267	(85)	7,541	(217)	7,324
Operating expenses ⁽³⁾	(1,709)	(315)	(20)	(902)	(289)	(399)	(165)	85	(3,714)	48	(3,666)
Underlying profit	1,788	597	(2)	613	340	389	102	-	3,827	(169)	3,658
Charge to provide for doubtful debts	(164)	-	-	(156)	(24)	7	1	-	(336)	1	(335)
Cash earnings before tax	1,624	597	(2)	457	316	396	103	-	3,491	(168)	3,323
Income tax expense	(485)	83	-	(134)	(107)	(64)	(40)	-	(747)	51	(696)
Cash earnings before distributions and minority interest	1,139	680	(2)	323	209	332	63	-	2,744	(117)	2,627
Net profit - minority interest	-	(490)	-	-	-	-	-	-	(490)	-	(490)
Distributions								(127)	(127)	-	(127)
Cash earnings	1,139	190	(2)	323	209	332	63	(127)	2,127	(117)	2,010
IoRE (after tax)	-	(27)	(2)	-	(1)	-	-	-	(30)	2	(28)
Cash earnings before IoRE	1,139	163	(4)	323	208	332	63	(127)	2,097	(115)	1,982

⁽¹⁾ Other includes Group Funding, Corporate Centre and elimination entries within Australia Region.

⁽²⁾ Net life insurance income is the profit before tax of the life insurance and investment businesses of the statutory funds of the life insurance companies of the Group (excluding net interest income).

⁽³⁾ Operating expenses excludes the life insurance expenses incorporated within net life insurance income (Wealth Management businesses only).

⁽⁴⁾ Operating expenses for disposed operations reflect a cessation of depreciation charges for Custom Fleet for the four months from 1 April 2006 until settlement when this asset was classified as "held for sale". The depreciation for this period would have been \$100 million if the assets had continued to be depreciated.

Financial Review: Divisional Cash Earnings

Half year ended 31 March 2006	Australia Region			UK	NZ	nabCapital	Other ⁽¹⁾	Elimina- tions	Total	Disposed	Total
	Banking	WM	Asia	Region	Region				Group	Operations	Ongoing
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Net interest income	2,315	(6)	13	883	401	434	152	-	4,192	49	4,241
Net life insurance income including IoRE ⁽²⁾	-	952	33	-	8	-	-	-	993	(33)	960
Other operating income	1,082	310	11	590	232	294	70	(87)	2,502	(379)	2,123
Net operating income	3,397	1,256	57	1,473	641	728	222	(87)	7,687	(363)	7,324
Operating expenses ⁽³⁾	(1,875)	(296)	(29)	(954)	(372)	(366)	(128)	87	(3,933)	299	(3,634)
Underlying profit	1,522	960	28	519	269	362	94	-	3,754	(64)	3,690
Charge to provide for doubtful debts	(115)	-	1	(152)	(22)	17	1	-	(270)	-	(270)
Cash earnings before tax	1,407	960	29	367	247	379	95	-	3,484	(64)	3,420
Income tax expense	(417)	(527)	-	(110)	(80)	(93)	(31)	-	(1,258)	12	(1,246)
Cash earnings before distributions and minority interest	990	433	29	257	167	286	64	-	2,226	(52)	2,174
Net profit - minority interest	-	(259)	-	-	-	-	-	-	(259)	-	(259)
Distributions								(127)	(127)	-	(127)
Cash earnings	990	174	29	257	167	286	64	(127)	1,840	(52)	1,788
IoRE (after tax)	-	(29)	(11)	-	(2)	-	-	-	(42)	11	(31)
Cash earnings before IoRE	990	145	18	257	165	286	64	(127)	1,798	(41)	1,757

⁽¹⁾ Other includes Group Funding, Corporate Centre and elimination entries within Australia Region.

⁽²⁾ Net life insurance income is the profit before tax of the life insurance and investment businesses of the statutory funds of the life insurance companies of the Group (excluding net interest income).

⁽³⁾ Operating expenses excludes the life insurance expenses incorporated within net life insurance income (Wealth Management businesses only).

AUSTRALIA REGION

Summary - ongoing operations

	Half Year to			Fav / (Unfav) Change on	
	Mar 07	Sep 06	Mar 06	Sep 06	Mar 06
	\$m	\$m	\$m	%	%
Cash earnings					
Australian Banking		1,071	974		
Wealth Management Australia before IoRE		163	145		
Asia before IoRE		(6)	1		
Cash earnings before IoRE		1,228	1,120		
IoRE (after tax)		27	29		
Cash earnings		1,255	1,149		

Australian Banking

Performance Summary - ongoing operations

	Half Year to			Fav / (Unfav) Change on	
	Mar 07	Sep 06	Mar 06	Sep 06	Mar 06
	\$m	\$m	\$m	%	%
Net interest income		2,509	2,344		
Other operating income		864	867		
Total income		3,373	3,211		
Operating expenses		(1,682)	(1,712)		
Underlying profit		1,691	1,499		
Charge to provide for doubtful debts		(164)	(115)		
Cash earnings before tax		1,527	1,384		
Income tax expense		(456)	(410)		
Cash earnings		1,071	974		

Key Performance Measures - ongoing operations

	Half Year to			Fav / (Unfav) Change on	
	Mar 07	Sep 06	Mar 06	Sep 06 %	Mar 06 %
Performance & profitability					
Return on average assets (annualised)		1.01%	1.00%		
Cost to income ratio		49.4%	52.9%		
Cash earnings per average FTE (annualised) (\$'000)		117	108		
Net interest income					
Net interest margin		2.39%	2.42%		
Net interest spread		2.30%	2.36%		
Average balance sheet (\$bn)					
Gross loans and acceptances		208.9	194.5		
Interest-earning assets		208.9	194.3		
Retail deposits		85.9	82.0		
				As at	
				31 Mar 07	30 Sep 06
Full-time equivalent employees (FTE)					18,286
					18,132
Asset quality					
Gross impaired assets (\$m)				549	430
Gross loans and acceptances (\$bn)				213.9	198.9
Gross impaired assets to gross loans and acceptances				0.26%	0.22%
Specific provision to gross impaired assets				14.0%	25.0%
Market share (%) ⁽¹⁾					
Housing				13.80	14.08
Business (including nabCapital)				18.96	18.74
Other personal				15.23	15.52
Retail deposits (Personal & Business)				13.94	14.23

⁽¹⁾ Source: Reserve Bank of Australia (September 2006 data).

Wealth Management Australia

Performance Summary

	Half Year to			Fav / (Unfav) Change on	
	Mar 07	Sep 06	Mar 06	Sep 06	Mar 06
	\$m	\$m	\$m	%	%
Investments		88	80		
Insurance		75	65		
Profit from operations (after tax)		163	145		
IoRE (after tax) ^{(1) (2)}		27	29		
Cash earnings ⁽²⁾		190	174		

⁽¹⁾ IoRE represents investment earnings on shareholders' retained profits and capital from life insurance businesses net of capital funding costs.

⁽²⁾ The impact of changes in the discount rate on policyholder liabilities has been excluded from cash earnings.

Key Performance Measures

	As at		
	31 Mar 07	30 Sep 06	31 Mar 06
Full-time equivalent employees (FTEs)		3,952	3,995
Financial advisers (No.)			
Bank channels		484	476
Aligned channels		822	821

Investments Performance Summary

	Half Year to			Fav / (Unfav) Change on	
	Mar 07	Sep 06	Mar 06	Sep 06	Mar 06
	\$m	\$m	\$m	%	%
Gross income		574	547		
Volume related expenses		(193)	(196)		
Net income		381	351		
Operating expenses		(275)	(245)		
Profit before tax		106	106		
Income tax expense		(18)	(26)		
Profit from operations (after tax)		88	80		

Investments Key Performance Measures

	Half Year to			Fav / (Unfav) Change on	
	Mar 07	Sep 06	Mar 06	Sep 06	Mar 06
				%	%
Average funds under management (\$bn) ⁽¹⁾		92.3	87.3		
Cost to average funds under management (bps) ⁽¹⁾		60	56		

⁽¹⁾ Includes funds under management & administration.

	Market Position (Rank)	As at		
		31 Dec 06	30 June 06	31 Dec 05
Market share - Australia %				
Retail Funds (Ex Cash)			12.4%	12.8%
Total Master Funds (Platforms)			15.3%	16.2%
Total Wholesale Funds			6.1%	6.5%

Source: Plan for Life Australian Retail & Wholesale Investments Market Share & Dynamics Report.

Management Discussion & Analysis - Australia Region

Funds under management and administration	Opening balance	Inflows	Outflows	Investment earnings	Other ⁽¹⁾	Closing balance
	\$m	\$m	\$m	\$m	\$m	\$m
Half Year ended 31 March 2007						
Master Funds (Platforms)	57,757					
Other Retail	5,942					
Total Retails Funds (Ex Cash)	63,699					
Wholesale	22,259					
Cash Management	3,868					
Trustee	4,227					
Total	94,053					

Half year ended 30 September 2006						
Master Funds (Platforms)	54,870	6,369	(3,935)	1,399	(946)	57,757
Other Retail	6,250	83	(388)	69	(72)	5,942
Total Retails Funds (Ex Cash)	61,120	6,452	(4,323)	1,468	(1,018)	63,699
Wholesale	21,353	2,163	(1,484)	227	-	22,259
Cash Management	3,725	7,123	(7,039)	97	(38)	3,868
Trustee	4,344	-	(117)	-	-	4,227
Total	90,542	15,738	(12,963)	1,792	(1,056)	94,053

Half year ended 31 March 2006						
Master Funds (Platforms)	49,417	4,359	(3,690)	5,256	(472)	54,870
Other Retail	6,701	70	(454)	488	(555)	6,250
Total Retails Funds (Ex Cash)	56,118	4,429	(4,144)	5,744	(1,027)	61,120
Wholesale	19,416	1,404	(1,811)	2,344	-	21,353
Cash Management	3,948	5,752	(6,029)	90	(36)	3,725
Trustee	4,673	-	(329)	-	-	4,344
Total	84,155	11,585	(12,313)	8,178	(1,063)	90,542

⁽¹⁾ Other includes trust distributions and flows due to the sale/purchase of businesses.

Insurance Performance Summary

	Half Year to			Fav / (Unfav) Change on	
	Mar 07	Sep 06	Mar 06	Sep 06	Mar 06
	\$m	\$m	\$m	%	%
Gross income		412	378		
Volume related expenses		(213)	(186)		
Net income		199	192		
Operating expenses		(100)	(100)		
Profit before tax		99	92		
Income tax expense		(24)	(27)		
Profit from operations (after tax)		75	65		

Insurance Key Performance Measures

	Half Year to			Fav / (Unfav) Change on	
	Mar 07	Sep 06	Mar 06	Sep 06	Mar 06
				%	%
Average annual inforce premiums (Group & Retail) (\$m)		685.4	648.3		
Cost to average annual inforce premiums (%)		29	31		

	Market Position (Rank)	As at		
		31 Dec 06	30 June 06	31 Dec 05
		Market share - Australia %		
Retail risk insurance inforce		15.0%	14.9%	
New retail risk annual premiums		12.4%	11.7%	

Source: DEXX&R Life Analysis. Retail risk insurance includes term, trauma and disability insurance.

	Opening balance \$m	Sales/New business \$m	Lapses & other movements \$m	Closing balance \$m
Annual Inforce Premiums				
Half year ended 31 March 2007				
Retail	568.0			
Group Risk	139.6			
Total	707.6			
Half year ended 30 September 2006				
Retail	537.1	50.3	(19.4)	568.0
Group Risk	126.1	36.5	(23.0)	139.6
Total	663.2	86.8	(42.4)	707.6
Half year ended 31 March 2006				
Retail	508.1	44.3	(15.3)	537.1
Group Risk	125.3	12.6	(11.8)	126.1
Total	633.4	56.9	(27.1)	663.2

UK REGION

Performance Summary - ongoing operations

	Half Year to			Fav / (Unfav) Change on	
	Mar 07	Sep 06	Mar 06	Sep 06	Mar 06
Australian dollars	\$m	\$m	\$m	%	%
Net interest income		963	889		
Other operating income		506	516		
Total income		1,469	1,405		
Operating expenses		(889)	(893)		
Underlying profit		580	512		
Charge to provide for doubtful debts		(155)	(152)		
Cash earnings before tax		425	360		
Income tax expense		(124)	(108)		
Cash earnings		301	252		
Pounds sterling	£m	£m	£m	%	%
Net interest income		392	377		
Other operating income		205	219		
Total income		597	596		
Operating expenses		(360)	(379)		
Underlying profit		237	217		
Charge to provide for doubtful debts		(63)	(65)		
Cash earnings before tax		174	152		
Income tax expense		(51)	(46)		
Cash earnings		123	106		

Key Performance Measures

	Half Year to			Fav / (Unfav) Change on	
	Mar 07	Sep 06	Mar 06	Sep 06 %	Mar 06 %
Performance & profitability					
Return on average assets (annualised)		0.95%	0.92%		
Cost to income ratio		59.5%	62.7%		
Cash earnings per average FTE (annualised) (£'000)		27	23		
Net interest income					
Net interest margin		3.41%	3.68%		
Net interest spread ⁽¹⁾		3.17%	3.44%		
Average balance sheet (£bn)					
Gross loans and acceptances		21.7	19.5		
Interest-earning assets		22.9	20.6		
Retail deposits		13.5	12.4		

⁽¹⁾ The September 2006 and March 2006 half year net interest spreads have been restated upwards by 19 basis points and 40 basis points respectively to reflect a change to the treatment of intracompany liabilities. There has been no impact to Group net interest spreads. The impact for the September 2006 full year was a restatement upwards by 30 basis points to 3.30%.

	As at		
	31 Mar 07	30 Sep 06	31 Mar 06
Full-time equivalent employees (FTE)		8,822	9,094
Asset quality			
Gross impaired assets (£m)		68	57
Gross loans and acceptances (£bn)		23.1	21.1
Gross impaired assets to gross loans and acceptances		0.29%	0.27%
Specific provision to gross impaired assets		15.0%	20.7%
Financial advisers (no.)		166	166
Funds under management (£m)		1,260	1,184

NEW ZEALAND REGION

Summary - ongoing operations

	Half Year to			Fav / (Unfav) Change on	
	Mar 07	Sep 06	Mar 06	Sep 06	Mar 06
Australian dollars	\$m	\$m	\$m	%	%
New Zealand Region before IoRE		185	162		
IoRE (after tax)		1	2		
Cash earnings		186	164		

Performance Summary - ongoing operations

	Half Year to			Fav / (Unfav) Change on	
	Mar 07	Sep 06	Mar 06	Sep 06	Mar 06
Australian dollars	\$m	\$m	\$m	%	%
Net interest income		382	415		
Other operating income		214	162		
Total income		596	577		
Operating expenses		(290)	(313)		
Underlying profit		306	264		
Charge to provide for doubtful debts		(24)	(22)		
Cash earnings before tax		282	242		
Income tax expense		(96)	(78)		
Cash earnings		186	164		

	Half Year to			Fav / (Unfav) Change on	
	Mar 07	Sep 06	Mar 06	Sep 06	Mar 06
New Zealand dollars	NZ\$m	NZ\$m	NZ\$m	%	%
Net interest income		458	453		
Other operating income		252	178		
Total income		710	631		
Operating expenses		(348)	(341)		
Underlying profit		362	290		
Charge to provide for doubtful debts		(28)	(25)		
Cash earnings before tax		334	265		
Income tax expense		(113)	(86)		
Cash earnings		221	179		

Key Performance Measures - ongoing operations

	Half Year to			Fav / (Unfav) Change on	
	Mar 07	Sep 06	Mar 06	Sep 06 %	Mar 06 %
Performance & profitability					
Return on average assets (annualised)		1.19%	1.02%		
Cost to income ratio		49.0%	54.0%		
Cash earnings per average FTE (annualised) (NZ\$'000)		98	80		
Net interest income					
Net interest margin		2.51%	2.64%		
Net interest spread		2.14%	2.30%		
Average balance sheet (NZ\$bn)					
Gross loans and acceptances		35.9	33.7		
Interest-earning assets		36.5	34.4		
Retail deposits		19.6	18.8		
Full-time equivalent employees (FTE)					
		As at			
	31 Mar 07	30 Sep 06	31 Mar 06		
Full-time equivalent employees (FTE)		4,505	4,510		
Asset quality					
Gross impaired assets (NZ\$m)		58	70		
Gross loans and acceptances (NZ\$bn)		36.8	34.6		
Gross impaired assets to gross loans and acceptances		0.16%	0.20%		
Specific provision to gross impaired assets		36.1%	32.8%		
Market share (%) ⁽¹⁾					
Housing		16.3	16.2		
Business ⁽²⁾		26.0	26.0		
Agribusiness		18.4	17.9		
Cards		30.0	30.6		
Retail deposits (personal & business)		17.9	18.0		

⁽¹⁾ Source: RBNZ - based on September 2006 data.

⁽²⁾ Source: TNS - based on March 2006 data.

nabCapital

Performance Summary

	Half Year to		Fav / (Unfav) Change on	
	Mar 07 \$m	Sep 06 \$m	Sep 06 %	Sep 06 Ex FX ⁽¹⁾ %
Net interest income		503		
Other operating income		285		
Total income		788		
Operating expenses		(399)		
Underlying profit		389		
(Charge)/Write-back to provide for doubtful debts		7		
Cash earnings before tax		396		
Income tax expense		(64)		
Cash earnings		332		

	Half Year to		Fav / (Unfav) Change on	
	Mar 07 \$m	Mar 06 \$m	Mar 06 %	Mar 06 Ex FX ⁽¹⁾ %
Net interest income		434		
Other operating income		294		
Total income		728		
Operating expenses		(366)		
Underlying profit		362		
(Charge)/Write-back to provide for doubtful debts		17		
Cash earnings before tax		379		
Income tax expense		(93)		
Cash earnings		286		

⁽¹⁾ Change expressed at constant exchange rates.

Key Performance Measures

	Half Year to			Fav / (Unfav) Change on	
	Mar 07	Sep 06	Mar 06	Sep 06 %	Mar 06 %
Performance & profitability					
Return on average Risk Weighted assets (annualised) ⁽¹⁾		1.14%	0.89%		
Return on average assets (annualised)		0.43%	0.37%		
Return on average external assets (annualised)		0.55%	0.49%		
Cost to income ratio		50.6%	50.3%		
Cash earnings per average FTE (annualised) (\$'000)		331	301		
Net interest income					
Net interest margin		0.71%	0.64%		
Average balance sheet (\$bn)					
Core lending ⁽²⁾		38.4	37.2		
Gross loans and acceptances ⁽³⁾		41.7	41.7		
Interest-earning assets - external		106.4	97.1		
Interest-earning assets - internal ⁽⁴⁾		34.3	38.5		
Interest-earning assets - total		140.7	135.6		
	As at			Fav / (Unfav) Change on	
	31 Mar 07	30 Sep 06	31 Mar 06	Sep 06 %	Mar 06 %
Spot Position (\$bn)					
Risk weighted assets ⁽¹⁾		58.1	58.8		
Full-time equivalent employees (FTE)					
		2,075	1,944		
Asset quality					
Gross impaired assets (\$m) ⁽⁵⁾		289	331		
Gross loans and acceptances (\$bn)		41.7	41.1		
Gross impaired assets to gross loans and acceptances		0.69%	0.81%		
Specific provision to gross impaired assets ⁽⁵⁾		20.9%	31.7%		

⁽¹⁾ Risk weighted Assets are calculated on an internal model rather than a standard model.

⁽²⁾ Core lending includes loans and advances at amortised cost and at fair value.

⁽³⁾ Gross loans and acceptances represents core lending and bill acceptances.

⁽⁴⁾ Internal interest-earning assets include short-term funding of the Group's operations.

⁽⁵⁾ September 2006 asset quality metrics are impacted by a large project finance facility classified as an impaired asset in September 2004. Excluding this facility of \$188m the level of impaired assets is \$101m, with gross impaired assets to gross loans and acceptances 0.24% and specific provision to gross impaired assets 59.8%.

OTHER (GROUP FUNDING & CORPORATE CENTRE)

Performance Summary

	Half Year to			Fav / (Unfav) Change on	
	Mar 07	Sep 06	Mar 06	Sep 06	Mar 06
	\$m	\$m	\$m	%	%
Cash earnings					
Group Funding		83	86		
Corporate Centre		(20)	(22)		
Other		63	64		

3. INCOME

	Half Year to		
	Mar 07	Sep 06	Mar 06
	\$m	\$m	\$m
Gains less losses on financial instruments at fair value			
Trading securities		10	46
Trading derivatives			
Trading purposes		147	181
Risk management purposes ^{(1) (2)}		20	(14)
Assets, liabilities and derivatives designated in hedge relationships ⁽²⁾		88	(31)
Assets and liabilities designated at fair value ⁽²⁾		1	28
Other		2	(7)
		268	203

⁽¹⁾ These trading derivatives are used to match asset and liabilities designated at fair value.

⁽²⁾ The sum of these three line items represents the net fair value movement of assets and liabilities designated at fair value and the derivatives matched against these assets and liabilities plus the impact of hedge ineffectiveness of designated hedging relationships.

7. NET TANGIBLE ASSETS

	As at		
	31 Mar 07	30 Sep 06	31 Mar 06
Net tangible assets per ordinary share (\$)		11.35	10.41

10. AUSTRALIA SOURCES OF OPERATING PROFIT

Sources of Operating Profit from Australian Life Companies life insurance funds	Half Year to			Fav / (Unfav) Change on	
	Mar 07	Sep 06	Mar 06	Sep 06	Mar 06
	\$m	\$m	\$m	%	%
Life company - planned profit margins		111	106		
Life company - experience profit		31	21		
Capitalised losses		-	(3)		
Life company operating margins ⁽¹⁾		142	124		
IoRE (after tax) ⁽²⁾		19	33		
Net profit of life insurance funds after minority interest		161	157		

⁽¹⁾ Reflects operating profit of all business types (investment or insurance) written through life insurance funds.

⁽²⁾ Includes investment earnings on shareholders' retained profits and capital from life businesses after minority interest (HY Sep06 \$25m; HY Mar06 \$33m) and IoRE discount rate variation (HY Sep06 (\$6m); HY Mar06 \$nil). IoRE attributable to non life insurance funds (HY Sep06 \$2m; HY Mar06 (\$4m)) is excluded.