

NATIONAL AUSTRALIA BANK

Template for Key Performance Measures

Output summary - ratios ⁽¹⁾⁽²⁾

Key indicators	Half Year to		
	Mar 17	Sep 16	Mar 16
	\$m	\$m	\$m
Basic statutory earnings per ordinary share - cents	93.9	78.0	(70.1)
Basic statutory earnings per ordinary share - cents (continuing operations)	105.6	120.2	122.7
Net profit / (loss) attributable to owners of NAB	2,545	2,094	(1,742)
Less: Distributions on other equity instruments (statutory basis)	(49)	(60)	(64)
Net profit / (loss) attributable to owners of NAB (adjusted)	2,496	2,034	(1,806)
Net profit attributable to owners of NAB (adjusted from continuing operations)	2,808	3,136	3,160
Net (loss) attributable to owners of NAB (adjusted from discontinued operations)	(312)	(1,102)	(4,966)
Add: Interest expense on convertible notes	63	46	29
Add: Interest expense on convertible preference shares	59	65	65
Adjusted earnings (diluted)	2,618	2,145	(1,712)
Adjusted earnings (diluted - continuing operations)	2,930	3,247	3,254
Weighted average ordinary shares (no. '000) (statutory basis)	2,658,228	2,608,186	2,575,501
Diluted weighted average ordinary shares (no. '000) (statutory basis)	2,856,375	2,818,915	2,762,116
Diluted statutory earnings per ordinary share - cents	91.7	76.1	(62.0)
Diluted statutory earnings per ordinary share - cents (continuing operations)	102.6	115.2	117.8
Basic cash earnings per ordinary share - cents	123.9	123.1	122.3
Adjusted cash earnings (basic)	3,294	3,263	3,220
Add: Interest expense on convertible notes	63	46	29
Add: Interest expense on convertible preference shares	59	65	65
Adjusted cash earnings (diluted)	3,416	3,374	3,314
Weighted average ordinary shares (no. '000) (cash earnings basis)	2,658,228	2,650,869	2,633,700
Diluted weighted average ordinary shares (no. '000) (cash earnings basis)	2,856,375	2,861,598	2,820,315
Diluted cash earnings per share - cents	119.6	117.9	117.5
Statutory profit on average equity (Statutory return on equity)	10.6%	9.1%	(8.3%)
Net profit / (loss) attributable to owners of NAB (adjusted)	2,496	2,034	(1,806)
Cash earnings on average equity (Cash return on equity)	14.0%	14.3%	14.3%
Cash earnings	3,294	3,263	3,220
Average equity	50,280	47,998	46,803
Less: Average non-controlling interest in controlled entities	(23)	(24)	(24)
Less: Average Trust Preferred Securities	(975)	(975)	(975)
Less: Average National Income Securities	(1,945)	(1,945)	(1,945)
Less: Average National Capital Instruments	(7)	(397)	(397)
Adjusted average equity for earnings on average equity calculation (statutory basis)	47,330	44,657	43,462
Add: Average Treasury shares	-	862	1,491
Adjusted average equity for cash earnings on average equity calculation (cash earnings basis)	47,330	45,519	44,953
Profitability, performance and efficiency measures			
Dividend payout ratio	79.9%	80.4%	80.9%
Dividend per share (cents)	99	99	99
Basic cash earnings per ordinary share - cents	123.9	123.1	122.3
Cash earnings on average assets	0.83%	0.78%	0.74%
Cash earnings	3,294	3,263	3,220
Average assets	795,151	837,099	874,017
Cash earnings on average risk-weighted assets	1.72%	1.76%	1.80%
Cash earnings	3,294	3,263	3,220
Risk-weighted assets	374,487	388,445	361,433
Risk-weighted assets (prior quarter)	388,351	363,550	362,479
Risk-weighted assets (prior half year)	388,445	361,433	351,178
Cash earnings per average FTE (\$'000)	194	187	188
Cash earnings	3,294	3,263	3,220
Full Time Equivalent Employees (FTE) (average)	34,001	34,835	34,330
Group 'Jaws' ratio	(1.1%)	2.1%	(0.4%)
Cost to income ratio	42.7%	42.2%	43.1%
Group operating expenses	(3,785)	(3,683)	(3,755)
Group net operating income	8,869	8,724	8,709
Net tangible assets (NTA) per share (\$)	15.90	16.06	14.47
Total equity / net assets	50,856	51,315	48,426
Less: non-controlling interest in controlled entities	(11)	(23)	(25)
Less: National Income Securities	(1,945)	(1,945)	(1,945)
Less: Trust Preferred Securities	(975)	(975)	(975)
Less: National Capital Instruments	-	(397)	(397)
Less: Goodwill and other intangible assets	(5,393)	(5,302)	(6,820)
Net tangible assets (NTA)	42,532	42,673	38,264
Ordinary shares - Including partly paid (no. '000)	2,675,469	2,657,025	2,644,997

⁽¹⁾ All key performance measures and Group performance indicators are calculated on a cash earnings basis unless otherwise stated. A Glossary of Terms is included in Section 7 of the Results Announcement.

⁽²⁾ Information is presented on a continuing operations basis including prior period restatements.

NATIONAL AUSTRALIA BANK

Template for Key Performance Measures

Input Schedule ⁽¹⁾

	Half Year to			Mar 17
	Mar 17	Sep 16	Mar 16	Results
Group Cash Earnings	\$m	\$m	\$m	Announcement
Net interest income	6,393	6,330	6,600	Page 3
Other operating income	2,476	2,394	2,109	Page 3
Net operating income	8,869	8,724	8,709	Page 3
Operating expenses	(3,785)	(3,683)	(3,755)	Page 3
Underlying profit	5,084	5,041	4,954	Page 3
Charge to provide for bad and doubtful debts	(394)	(425)	(375)	Page 3
Cash earnings before tax and distributions	4,690	4,616	4,579	Page 3
Income tax expense	(1,347)	(1,293)	(1,295)	Page 3
Cash earnings before distributions	3,343	3,323	3,284	Page 3
Distributions	(49)	(60)	(64)	Page 3
Cash earnings	3,294	3,263	3,220	Page 3
Non-cash earnings items (after-tax):				
Distributions	49	60	64	Page 3
Treasury shares	-	(1)	62	Page 3
Fair value and hedge ineffectiveness	(453)	(66)	(60)	Page 3
Life insurance 20% share of profit	-	(17)	(22)	Page 3
Amortisation of acquired intangible assets	(33)	(43)	(40)	Page 3
Net profit from continuing operations	2,857	3,196	3,224	Page 3
Net profit/loss after tax from discontinued operations	(312)	(1,102)	(4,966)	Page 3
Net profit / (loss) attributable to owners of the Company	2,545	2,094	(1,742)	Page 3

	Half Year to			Mar 17
	Mar 17	Sep 16	Mar 16	Results
Average equity data	\$m	\$m	\$m	Announcement
Average interest-earning assets	704,330	695,138	683,910	Page 91
Average assets	795,151	837,099	874,017	Page 92
Average equity	50,280	47,998	46,803	Page 94
Average non-controlling interest in controlled entities	23	24	24	Page 94
Average Trust Preferred Securities	975	975	975	
Average National Income Securities	1,945	1,945	1,945	
Average National Capital Instruments	7	397	397	
Average Treasury shares	-	862	1,491	

Statutory earnings per share data				
Basic weighted average ordinary shares (no. '000)	2,658,228	2,608,186	2,575,501	Page 97
Diluted weighted average ordinary shares (no. '000)	2,856,375	2,818,915	2,762,116	Page 97
Distributions on other equity instruments	(49)	(60)	(64)	Page 97
Interest expense on convertible notes	63	46	29	Page 97
Interest expense on convertible preference shares	59	65	65	Page 97

Cash Earnings per share data				
Basic weighted average ordinary shares (no. '000)	2,658,228	2,650,869	2,633,700	Page 97
Diluted weighted average ordinary shares (no. '000)	2,856,375	2,861,598	2,820,315	Page 97
Interest expense on convertible notes	63	46	29	Page 97
Interest expense on convertible preference shares	59	65	65	Page 97

Risk-weighted assets data				
Risk-weighted assets	374,487	388,445	361,433	Page 95
Risk-weighted assets (prior quarter)	388,351	363,550	362,479	
Risk-weighted assets (prior half year)	388,445	361,433	351,178	

Average Full Time Equivalent Employees (FTE)	34,001	34,835	34,330	Page 11
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Dividend per share (cents)	99	99	99	Page 10
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Cost to income ratio data				
Group operating expenses	(3,785)	(3,683)	(3,755)	Page 3
Group net operating income	8,869	8,724	8,709	Page 3

Net tangible assets per share data				
Ordinary shares - Fully paid (no. '000)	2,675,424	2,656,976	2,644,943	Page 99
Ordinary shares - Partly paid (no. '000)	45	49	54	Page 99
Total equity / net assets	50,856	51,315	48,426	Page 59
Non-controlling interest in controlled entities	11	23	25	Page 59
National Income Securities	1,945	1,945	1,945	Page 75
Trust Preferred Securities	975	975	975	Page 75
National Capital Instruments	-	397	397	Page 75
Goodwill and other intangible assets	5,393	5,302	6,820	Page 59