National Australia Bank

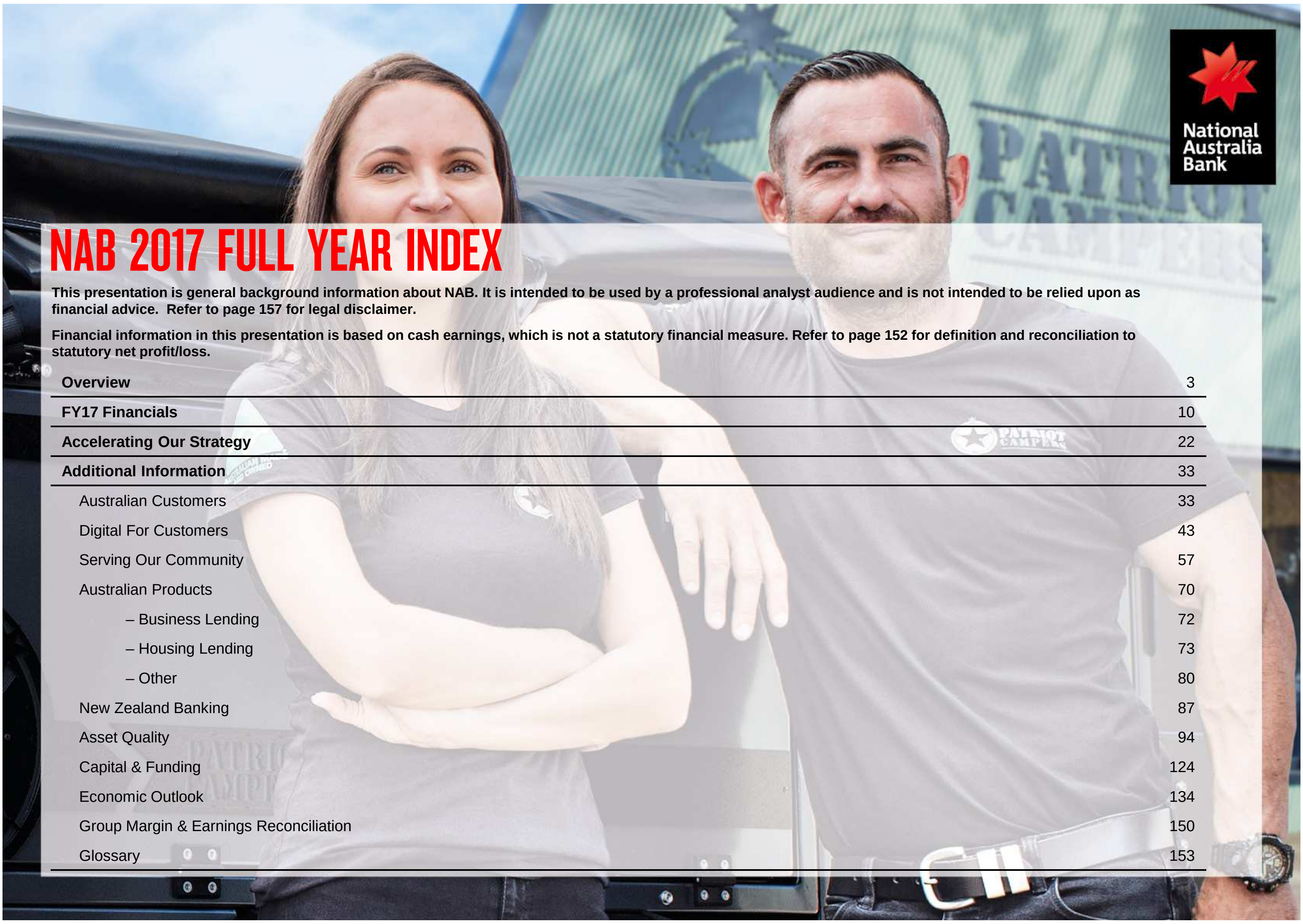
FULL YEAR RESULTS 2017

Investor Presentation
2 November 2017

Andrew Thorburn
Chief Executive Officer

Gary Lennon
Chief Financial Officer

Sarah and Justin Montesalvo
Patriot Campers



National Australia Bank

NAB 2017 FULL YEAR INDEX

This presentation is general background information about NAB. It is intended to be used by a professional analyst audience and is not intended to be relied upon as financial advice. Refer to page 157 for legal disclaimer.

Financial information in this presentation is based on cash earnings, which is not a statutory financial measure. Refer to page 152 for definition and reconciliation to statutory net profit/loss.

National Australia Bank

OVERVIEW

ANDREW THORBURN

Chief Executive Officer

IMPROVING TRENDS

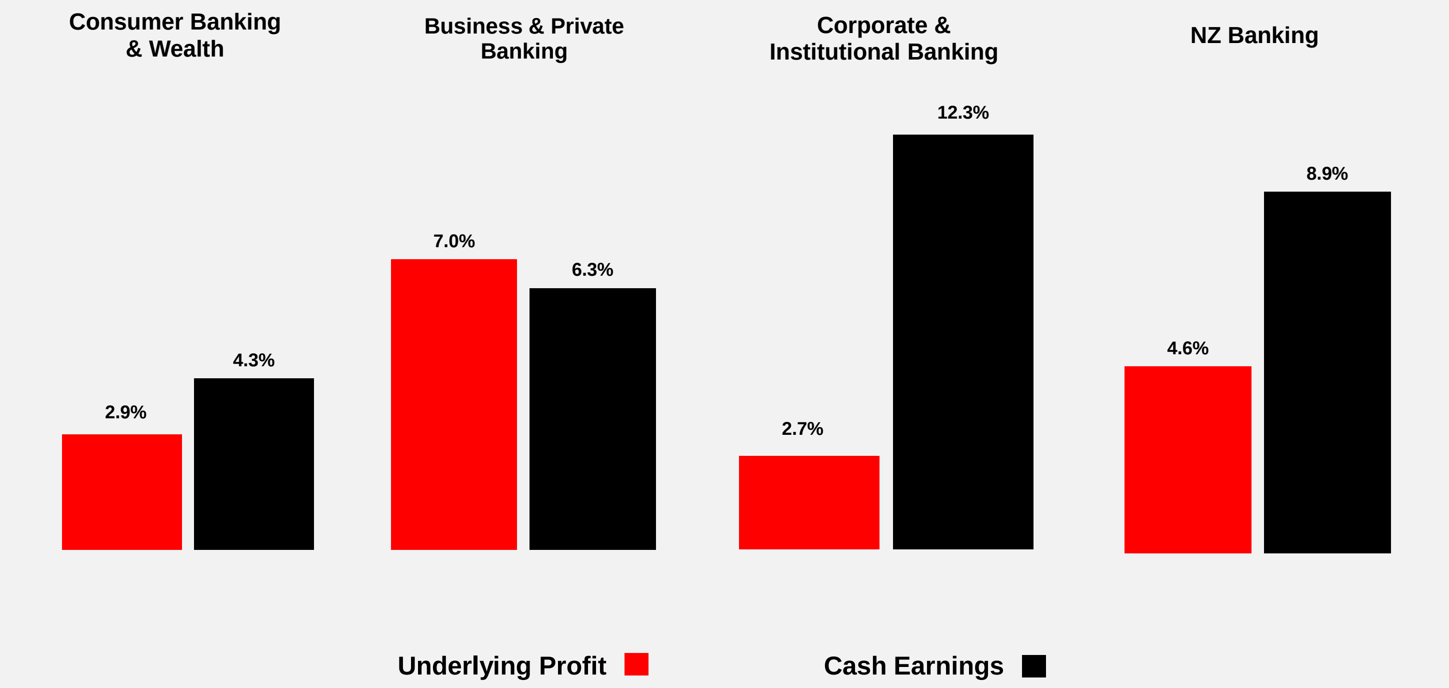
FY17 v FY16[1]

Cash earnings ($m)[2]	6,642	↑	2.5 %
Cash EPS (cps - diluted)	239.7	↑	4.4c
Dividend (cps)	198	↔	flat
Cash ROE	14.0%	↓	30 bps
Statutory profit ($m)	5,285	↑	large
CET1	10.1%	↑	29 bps

(1) Information is presented on a continuing operations basis including prior period restatements, unless otherwise stated
(2) Refer to page 152 for definition of cash earnings and reconciliation to statutory net profit

ALL CUSTOMER BUSINESSES CONTRIBUTING

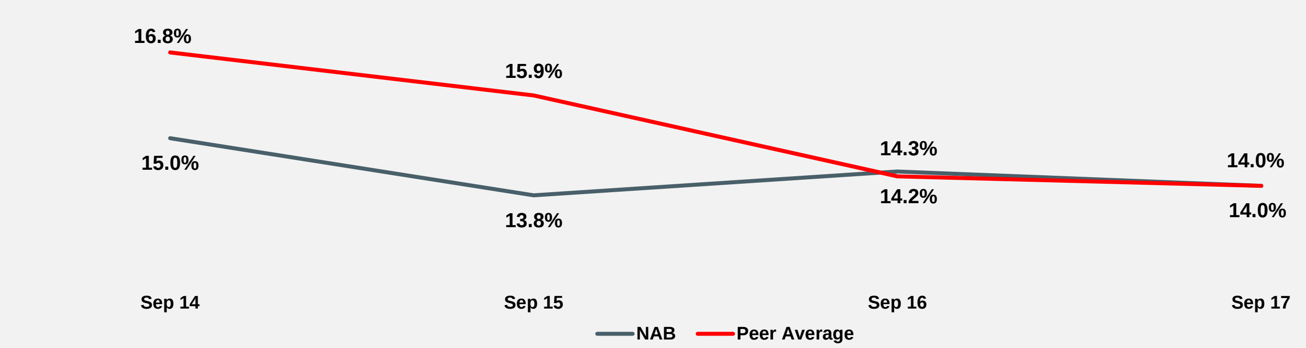
CASH EARNINGS[1] AND UNDERLYING PROFIT[2] GROWTH (LOCAL CURRENCY) FY17 v FY16



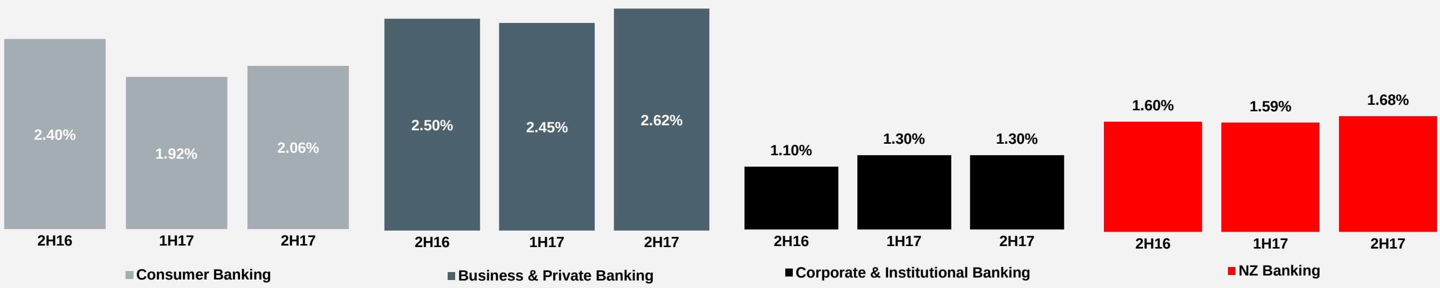
(1) Refer to page 152 for definition of cash earnings and reconciliation to statutory net profit
(2) Underlying profit represents cash earnings before various items, including tax expense and the charge for bad and doubtful debts. It is not a statutory financial measure

DELIVERING BETTER RETURNS

CASH ROE v PEER AVERAGE (EX SPECIFIED ITEMS)[1]



CASH EARNINGS TO RWA BY DIVISION



(1) NAB ROE for September 2014 and September 2015 are as reported (excluding specified items), i.e. includes CYBG and 100% of NAB Wealth's life insurance business. NAB ROE for September 2016 is on a continuing operations basis. September 2015 and September 2016 peer average ROE excludes specified items for ANZ. September 2017 peer average ROE is based on last reported peer result for ANZ, CBA and WBC

EARNING COMMUNITY RESPECT

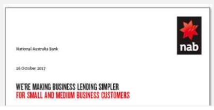
HELPING AUSTRALIANS WHEN THEY MOST NEED IT

- 14-year partnership with Good Shepherd Microfinance
- Provided $212m low and no interest loans to support over 500,000 people since 2005
- **Aim to quadruple our support to 100,000 loans annually by 2019**

Good Shepherd Microfinance

MAKING BANKING EASIER AND FAIRER

- Plain English contracts and communications for Small Business launched October 2017
- Proactively contacting customers with SMS alerts (up to 500,000 in an average month) to remind them that their payment is due and helping them avoid late payment fees
- **Simple terms & conditions to be rolled out to other business products and documents**



SUPPORTING CUSTOMERS IN HARDSHIP

- Specialist team NAB Assist for customers in financial difficulty
- 90% of NAB Assist customers back on track with repayments within 30 days
- **Goal to continue to have the lowest number of complaints referred to Financial Ombudsman Service[1]**

Number of customers provided with hardship assistance

CONTRIBUTING TO THE COMMUNITIES WE OPERATE IN

- $1.4 million of grants made by NAB Foundation to support domestic and family violence prevention and intervention
- 100+ employment opportunities in 2017 through Indigenous Employment and African-Australian Inclusion Programs
- 16,115 volunteer days in FY17 **– ambition to increase the number of days in Australia by 50% in FY18**

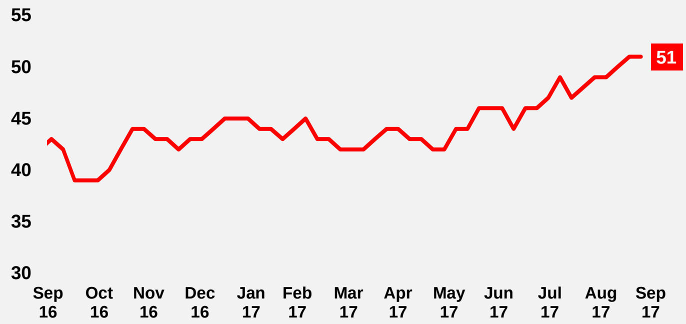
(1) Refers to lowest absolute number of financial difficulty complaints of the four major Australian banks accepted by the Financial Ombudsman Service

CUSTOMER FOCUS LEADING TO IMPROVED NPS[1]

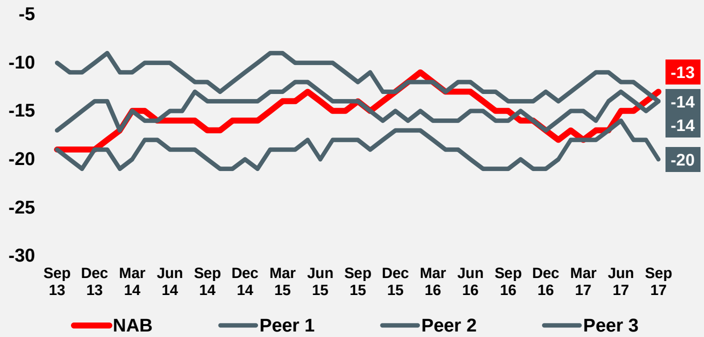
OVERVIEW

- #1 in Priority Segments NPS[2]
- #1 and positive score for Medium Business customers[3,4]
- Branch interaction NPS[5] now +51
- More than 200 pain points eliminated for customers

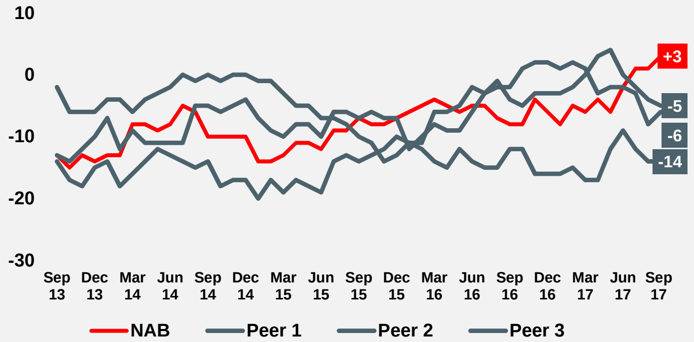
BRANCH INTERACTION NPS[5]



FY17 PRIORITY SEGMENTS NPS[2]



MEDIUM BUSINESS NPS[3]



(1) Net Promoter® and NPS® are registered trademarks and Net Promoter Score and Net Promoter System are trademarks of Bain & Company, Satmetrix Systems and Fred Reichheld
(2) Priority Segments Net Promoter Score (NPS) is a simple average of the NPS scores of four priority segments: NAB defined Home Owners and Investors, as well as Small Business ($0.1m-<$5m) and Medium Business ($5m-<$50m). The Priority Segments NPS data is based on six month moving averages from Roy Morgan Research and DBM BFSM Research
(3) DBM Business Financial Services Monitor; all customers' six month rolling averages for Medium Business ($5m-<$50m)
(4) Ranking based on absolute scores, not statistically significant differences
(5) Refers to the Operational NPS for the respective experiences. Operational NPS is derived from surveys sent by NAB to NAB customers who have recently gone through the respective experiences

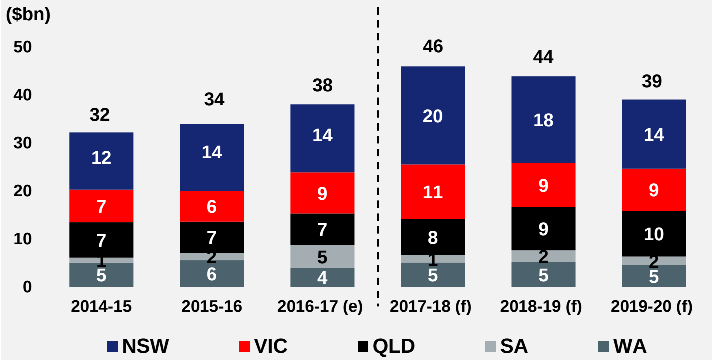
National Australia Bank

AUSTRALIAN ECONOMY REMAINS SUPPORTIVE OF GROWTH

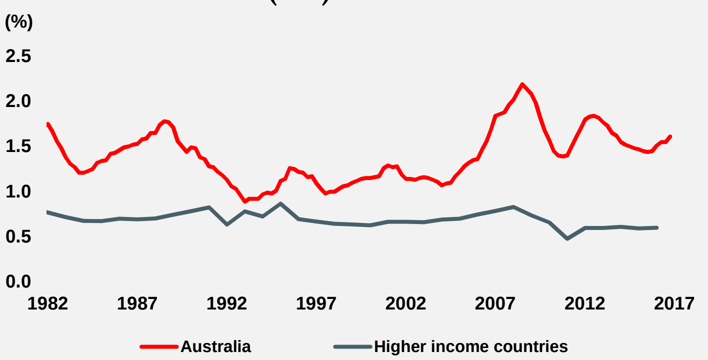
ECONOMIC CONDITIONS FAVOURABLE

- Business conditions at 10 year highs
- Strong population growth underpins housing cycle
- Large pipeline of infrastructure investments
- Economic growth outlook solid – 2.9% (CY18F)
- Low unemployment – 5.5%

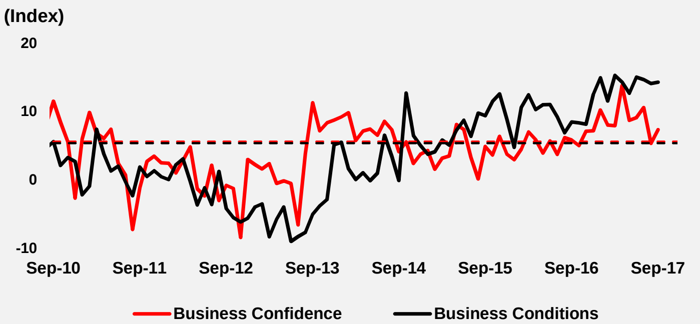
STATE GOVERNMENT CAPITAL INVESTMENT[1]



POPULATION GROWTH (YoY)[2]



NAB BUSINESS CONDITIONS AND CONFIDENCE[3]



* Dotted lines are the long-run average.

(1) Non-financial asset purchases by the non-financial public sector, plus inventory changes less asset sales as reported in 2017-18 State Budgets and Financial Statements. Sources: 2016-17 State Budgets, 2017-18 State Budgets, Victorian Department of Treasury and Finance
(2) Source: ABS, World Bank, NAB
(3) Source: NAB Monthly Business Survey

National Australia Bank

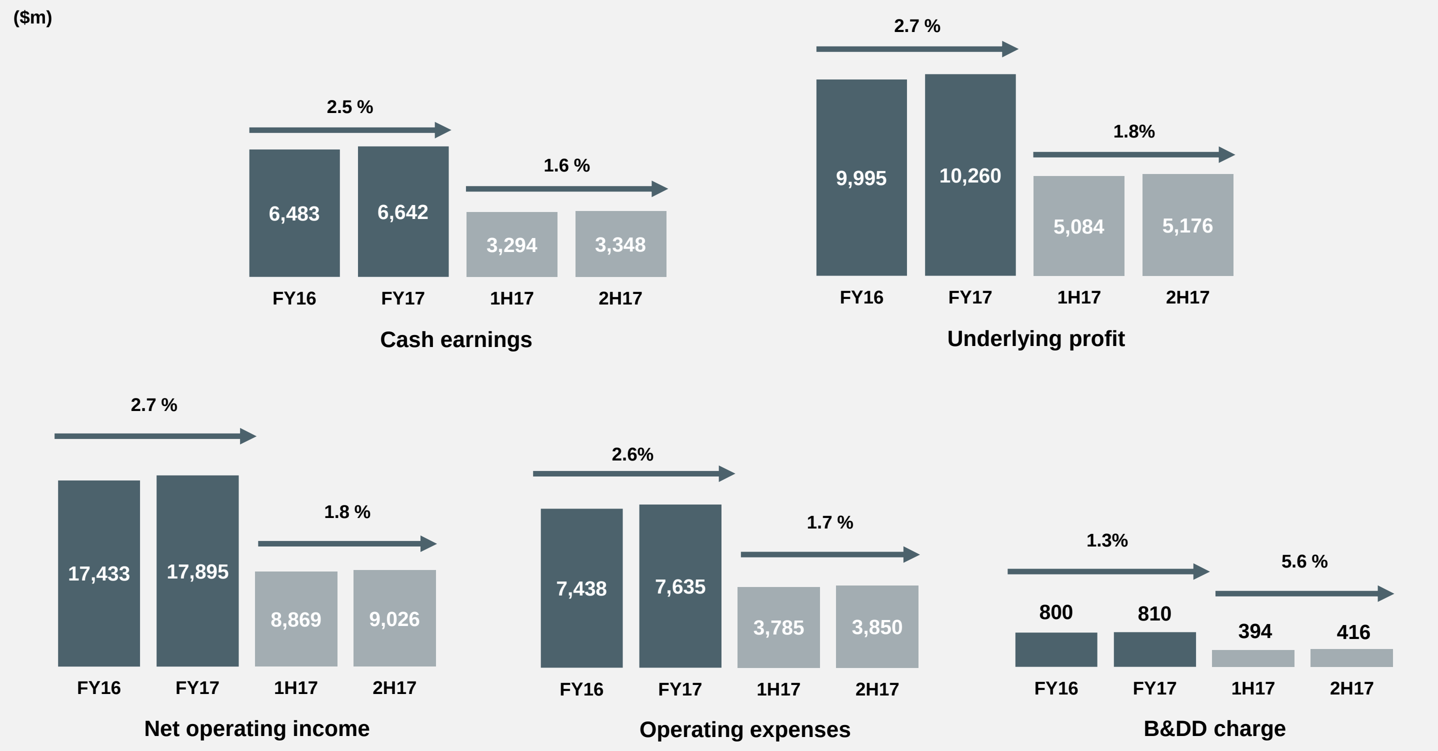
FY17 FINANCIALS

GARY LENNON

Chief Financial Officer

GROUP FINANCIAL PERFORMANCE

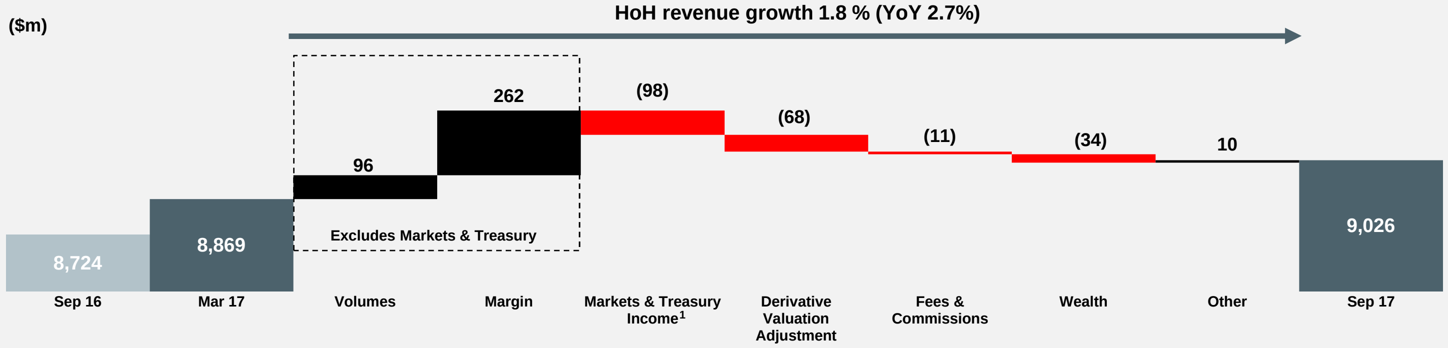
GROWTH IN KEY FINANCIAL INDICATORS



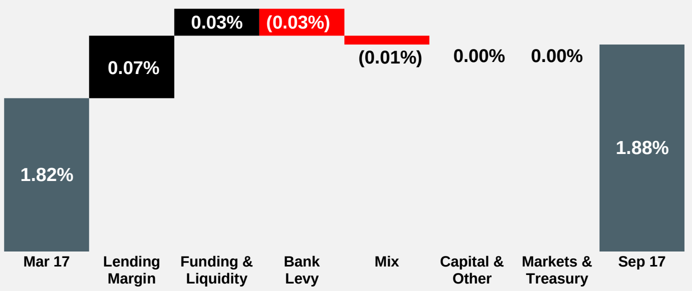
SOLID REVENUE PERFORMANCE

NET OPERATING INCOME

($m)

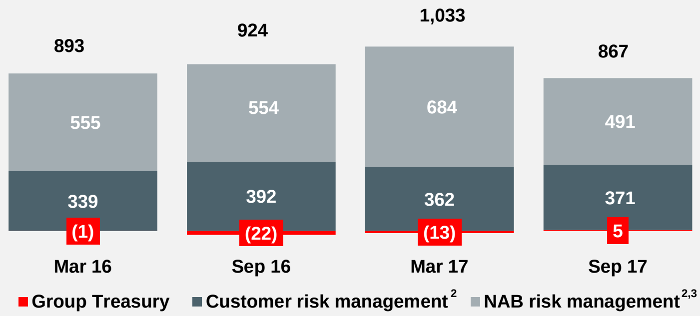


GROUP NET INTEREST MARGIN



MARKETS & TREASURY INCOME

($m)



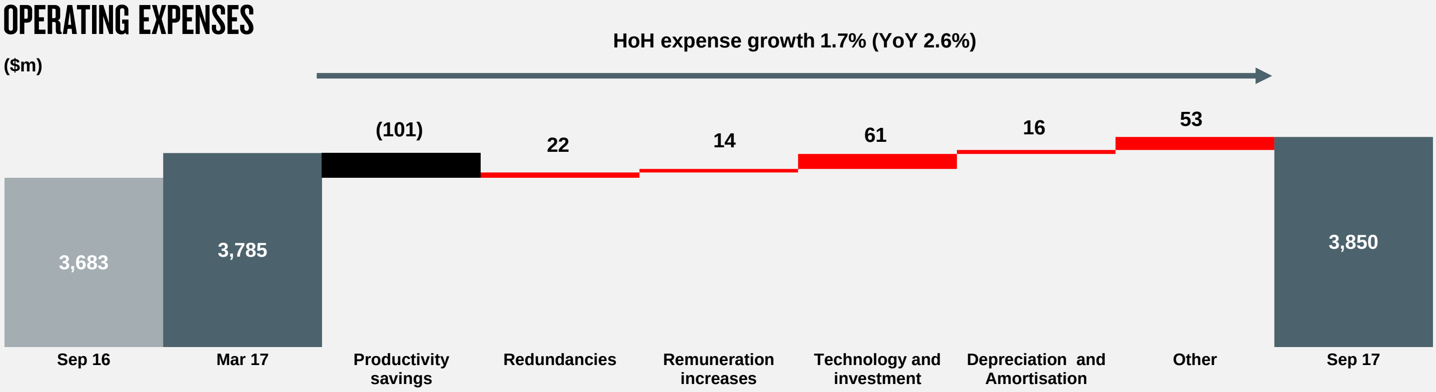
(1) Excludes Fees & Commissions and Derivative Valuation Adjustments
(2) In 1H17 an amount of income previously classified as NAB risk management has been reclassified as Customer risk management
(3) NAB risk management comprises NII and OOI and is defined as management of interest rate risk in the banking book, wholesale funding and liquidity requirements and trading market risk to support the Group's franchises. Customer risk management comprises OOI

National Australia Bank

OPERATING EXPENSE GROWTH DRIVEN BY INVESTMENT UPLIFT

OPERATING EXPENSES

($m)

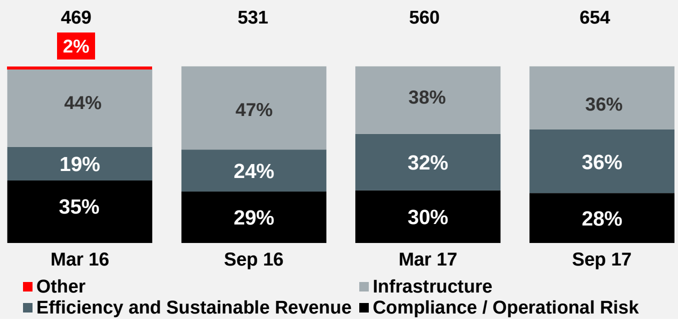


OPERATING EXPENSES CONSIDERATIONS

- FY17 Productivity savings of $301m
  - 841 FTE reduction
- Positive FY17 'jaws' including bank levy
- Project investment spend up by ~$200m in FY17
  - Customer experience improvements
  - New digital solutions

PROJECT INVESTMENT SPEND (OPEX AND CAPEX)

($m)

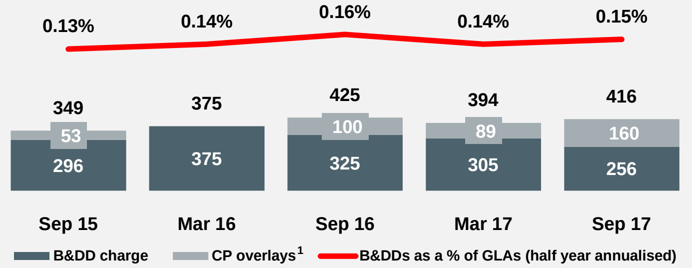


National Australia Bank

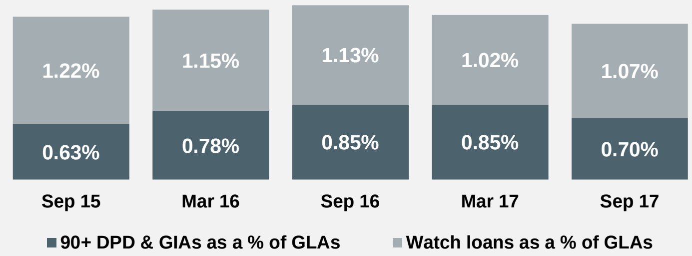
PRUDENT APPROACH TO PROVISIONING

BAD & DOUBTFUL DEBTS (B&DD)

($m)

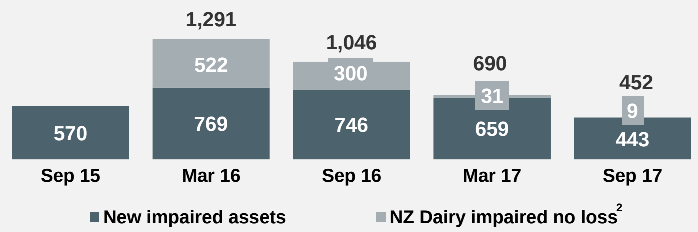


90+ DPD, GIAs & WATCH LOANS AS A % OF GLAs



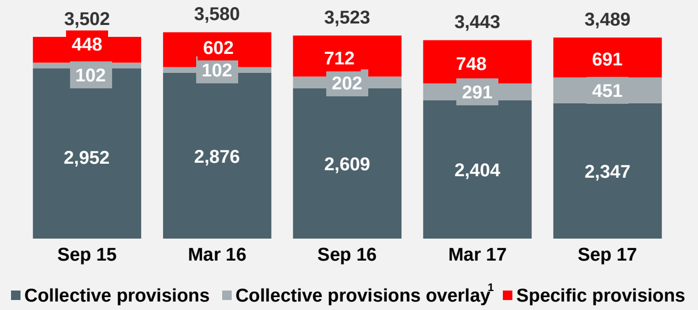
NEW IMPAIRED ASSETS

($m)



COLLECTIVE AND SPECIFIC PROVISIONS

($m)



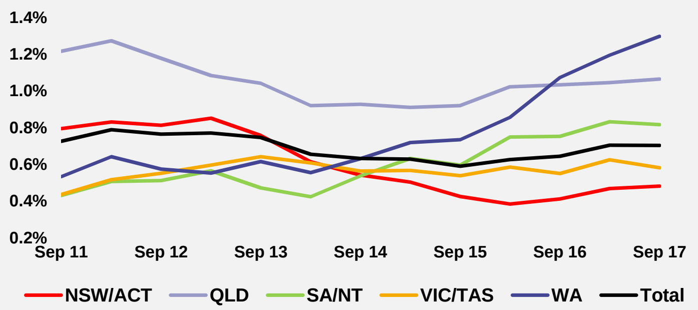
(1) Represents collective provision overlays held for targeted sectors on a forward looking basis
(2) NZ Banking dairy exposures currently assessed as no loss based on security held. Collective provisions are held against these loans

AUSTRALIAN HOUSING LENDING

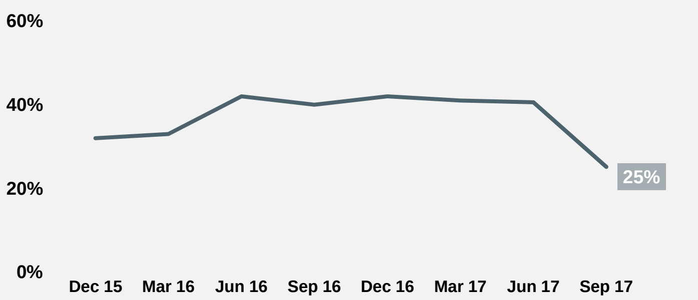
HOUSING LENDING PORTFOLIO PROFILE

- Prudent customer behaviour – on average customers are 30 monthly payments in advance; 73% of all customers are at least 1 month in advance[1]
- Large equity buffers – average LVR at origination 69% and dynamic LVR 43%
- Large interest rate buffers – apply a floor rate (7.25%) or buffer (2.25%) to new and existing debt
- Granular expense evaluation – across 12 customer expense criteria[2]

HOUSING LENDING 90+ DPD & GIAs AS % GLAs

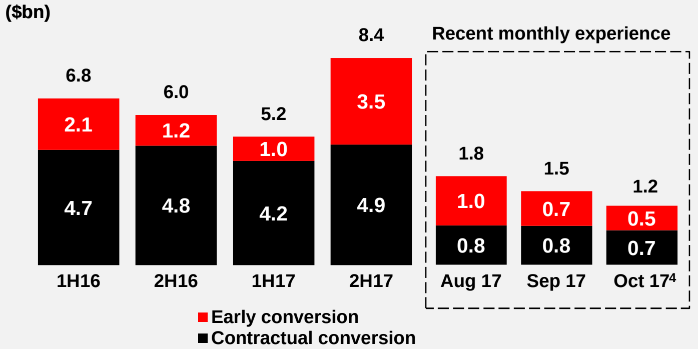


INTEREST ONLY % OF NEW LENDING[3] (QUARTERLY)



INTEREST ONLY CONVERSIONS TO P&I

($bn)

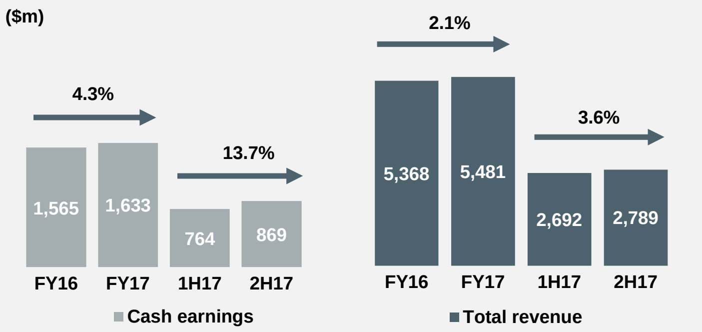


(1) Including offset facilities. Average monthly payments in advance excludes line of credit, interest only loans and not reported for Advantedge
(2) Use the greater of customer expense capture or scaled Household Expenditure Measure
(3) The 30% Interest Only flow cap includes all new IO loans and net limit increases on existing IO loans. The cap excludes line of credit and internal refinances unless the internal refinance results in an increased credit limit (only the increase is included in the cap)
(4) October figures have been estimated using intra-month data

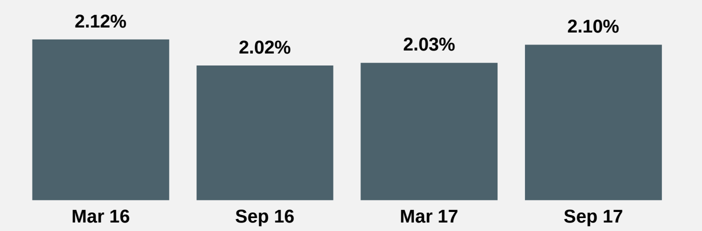
CONSUMER BANKING & WEALTH

CASH EARNINGS AND REVENUE

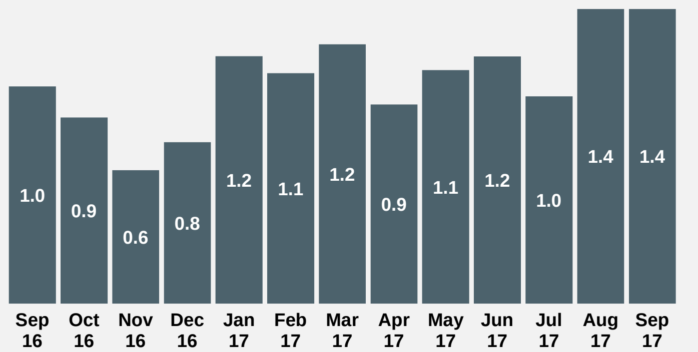
($m)



NET INTEREST MARGIN

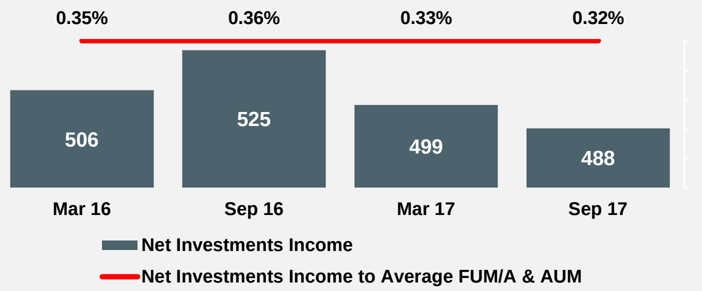


HOUSING LENDING MULTIPLE OF SYSTEM GROWTH[1]



NET INVESTMENTS INCOME TO AVERAGE FUM/A AND AUM[2]

($m)



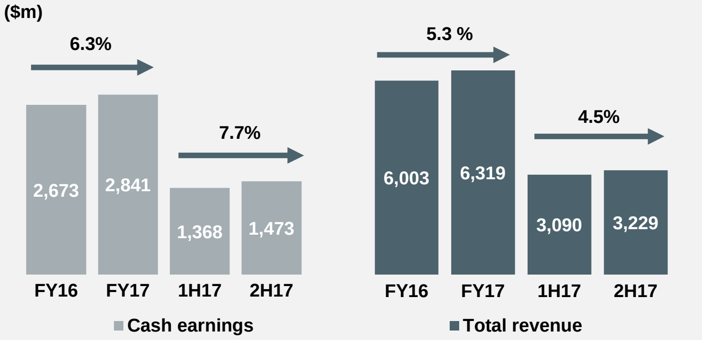
(1) APRA Monthly Banking Statistics
(2) For September 2017 there has been a change to how FUM/A and AUM are presented. For net investments income to average FUM/A and AUM, certain items will be represented in both the FUM/A and AUM components of the denominator. Comparative period information has been restated

National Australia Bank

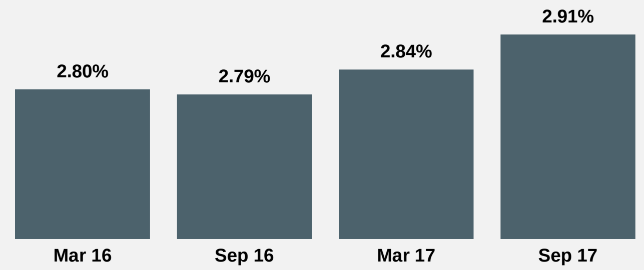
BUSINESS & PRIVATE BANKING

CASH EARNINGS AND REVENUE

($m)

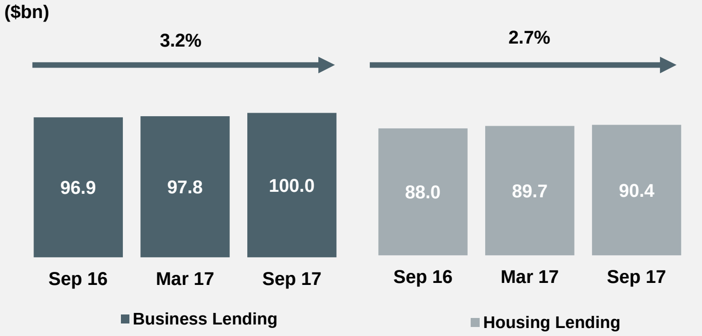


NET INTEREST MARGIN

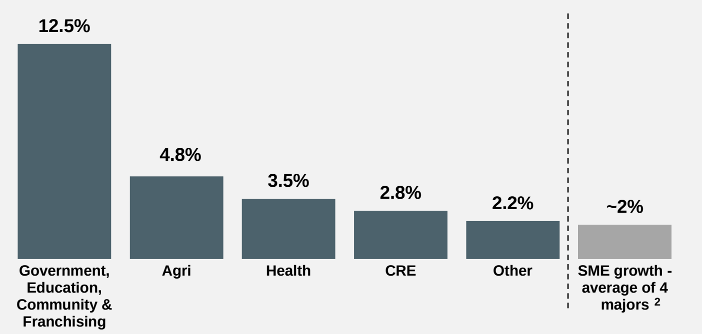


BUSINESS & HOUSING LENDING GLAs

($bn)



BUSINESS LENDING GROWTH (YOY)[1]



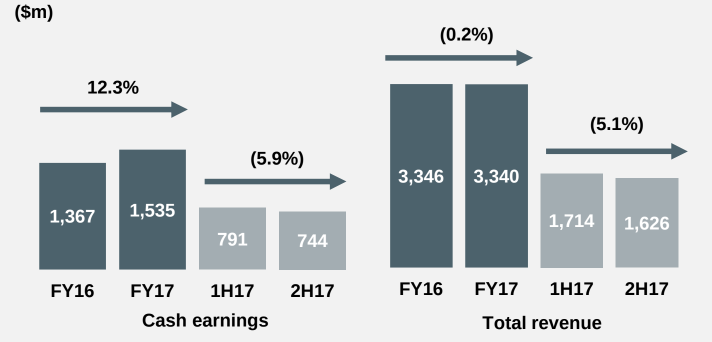
(1) Growth rates are on a customer segment basis and not industry
(2) Represents NAB internal estimates of SME business lending growth for the four Australian major banks including NAB based on latest publicly available peer data

National Australia Bank

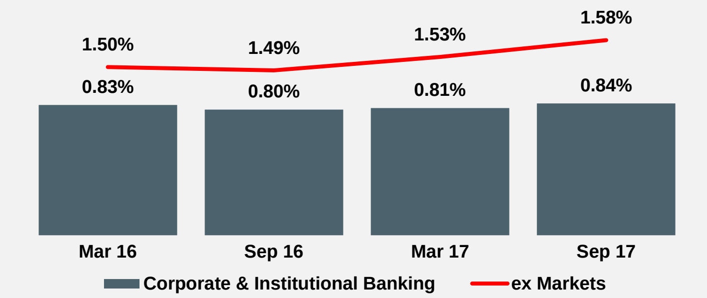
CORPORATE & INSTITUTIONAL BANKING

CASH EARNINGS AND REVENUE

($m)

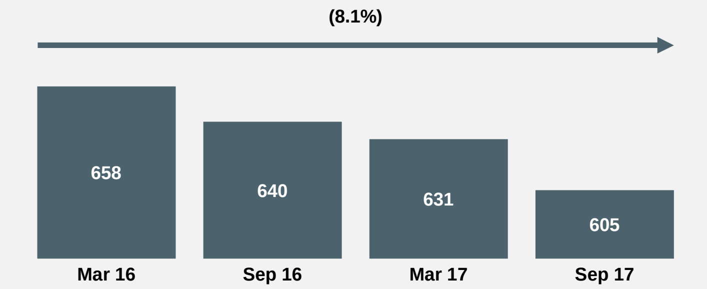


NET INTEREST MARGIN



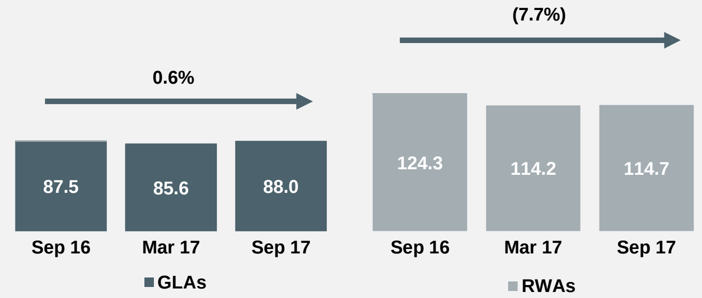
COSTS

($m)



GLAs AND RWAs

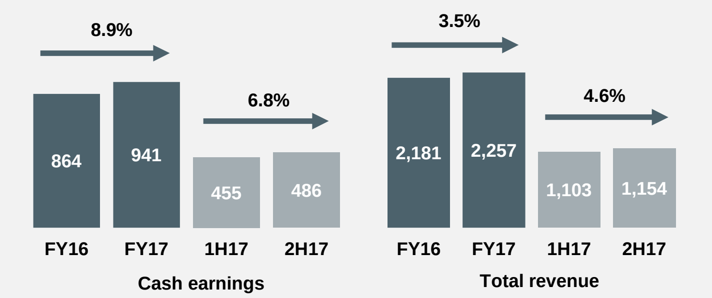
($bn)



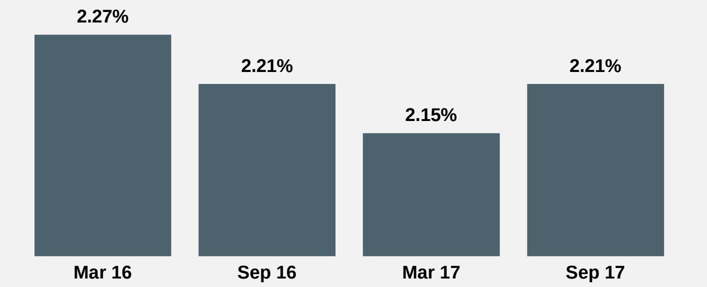
NZ BANKING

CASH EARNINGS AND REVENUE

(NZ$m)

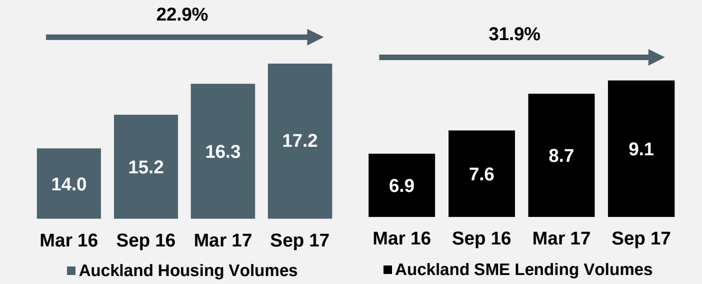


NET INTEREST MARGIN



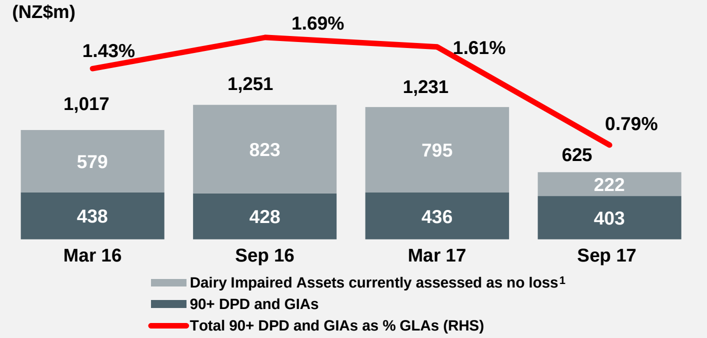
AUCKLAND RETAIL AND SME LOAN GROWTH

(NZ$bn)



TOTAL 90+ DPD AND GIAs AND AS % OF GLAs

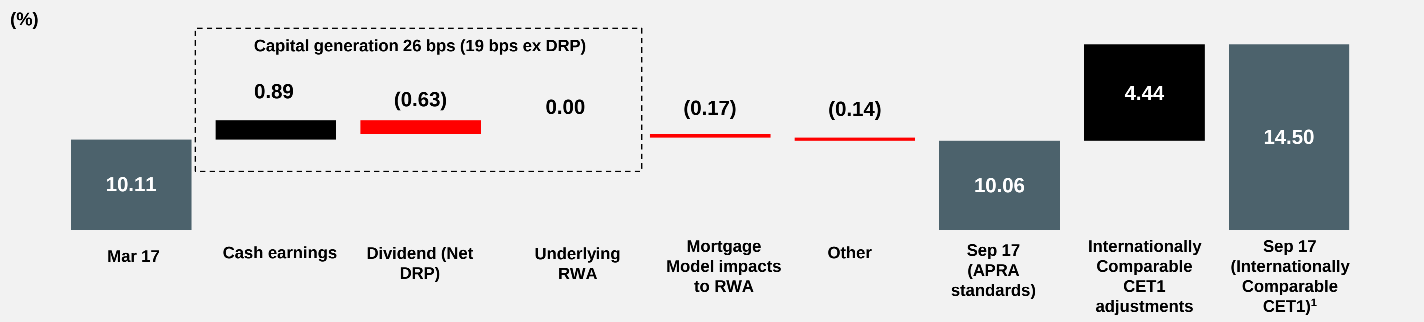
(NZ$m)



(1) NZ Banking dairy exposures currently assessed as no loss based on security held. Collective provisions are held against these loans

CAPITAL AND FUNDING POSITION REMAINS STRONG

GROUP BASEL III COMMON EQUITY TIER 1 CAPITAL RATIOS



CAPITAL CONSIDERATIONS

- Targeting 'unquestionably strong' CET1 ratio benchmark of 10.5% by January 2020
- Internationally Comparable CET1 ratio of 14.5%
- Leverage ratio 5.5% on APRA basis and 5.9% on Internationally Comparable basis[1,2]
- Dividend of 99 cents maintained and 1.5% discount on DRP

NET STABLE FUNDING RATIO

- NAB Group NSFR 108%
- Minimum 100% compliance required by 1 January 2018

LIQUIDITY COVERAGE RATIO

- NAB Group LCR 123%
- Minimum 100%

(1) Internationally Comparable CET1 ratio at 30 September 2017 aligns with the APRA study entitled "International Capital Comparison Study" released on 13 July 2015. Refer to page 126 for more details
(2) Leverage ratio calculated using an Internationally Comparable Tier 1 capital measure, including transitional relief for non-Basel 3 compliant instruments

SUMMARY

- Operating trends continue to improve
- NIM well managed
- Strong performance in Business & Private
- Investing to drive better productivity and customer experience
- Prudent approach to asset quality with additional CP overlays
- Balance Sheet strong – funding and capital

ACCELERATING OUR STRATEGY

ANDREW THORBURN
Chief Executive Officer

GOOD PROGRESS EXECUTING STRATEGY

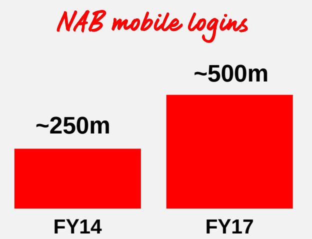
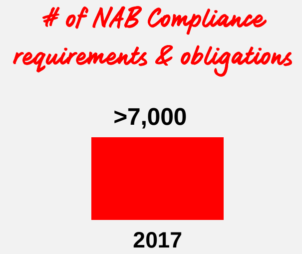
- Deep focus on customers, roll out of bank-wide NPS system (#1 NPS[1] of majors)
- Upgraded digital capabilities, NAB Labs, innovative partnerships (e.g. realestate.com.au)
- Significant investment in senior leadership capability

- Improved ROE from 4th of majors to equal 2nd[2]
- Good growth momentum in core SME franchise and other priority segments
- Disciplined margin management across key products

- Divested low returning businesses (GWB, CYB, UK CRE, Life Insurance)
- Strengthened balance sheet, well funded and capitalised (CET1 ratio up 143bps[3])
- Significantly improved asset quality

(1) As at September 2017 NAB is #1 in Priority Segments Net Promoter Score (NPS), which is a simple average of the NPS of four priority segments: NAB defined Home Owners and Investors, as well as Small Business ($0.1m-<$5m) and Medium Business ($5m-<$50m). The Priority Segments NPS data is based on six month moving averages from Roy Morgan Research and DBM BFSM Research
(2) NAB is equal 2nd based on last reported FY ROE for peers
(3) Compared to FY14 CET1 ratio

THE WORLD IS MOVING, AND SO ARE WE

Higher Customer Expectations	• Customers demand world class digital capabilities – faster, simpler, seamless • Behaviours rapidly changing; growth upside if expectations are exceeded	
Changing Competitive Dynamics	• Disruptive new technologies • Potential for lower market growth but opportunity for step change in productivity • Digitisation enables exponential scaling for minimal cost	*Global tech giants testing banking and payment services in Australia*[1] • Ant Financial - AliPay • Google - Android Pay • Apple • WhatsApp • WeChat - WeBank and WePay
Changing Risks and Increasing Regulatory Requirements	• Nature of risks changing and evolving at a rapid pace (e.g. cyber security, AML) • Heightened community and regulator expectations	

(1) FinTech Australia, Submission to Open Banking Inquiry, September 2017

OUR LONGER TERM STRATEGIC FOCUS

PURPOSE	**BACK THE BOLD WHO MOVE AUSTRALIA FORWARD**
VISION	**AUSTRALIA AND NEW ZEALAND'S MOST RESPECTED BANK**
OBJECTIVES[1]	**NPS positive and #1 of major Australian banks (priority segments)**
	Cost to Income ratio towards 35%
	#1 ROE of major Australian banks
	Top quartile employee engagement

HOW WE WILL WIN – BY BACKING OUR CUSTOMERS

Best Business Bank	Simpler and Faster
New and Emerging Growth Opportunities	Great Leaders, Talent and Culture

GREAT PEOPLE LIVING OUR VALUES

• Passion for Customers • Win Together	• Be Bold	• Respect for People • Do the Right Thing

FOUNDATIONS

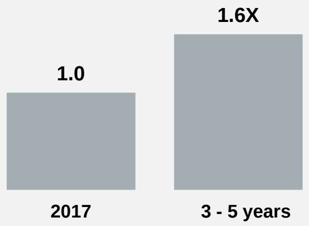
• Balance Sheet	• Risk	• Technology

(1) Refer to key risks, qualifications and assumptions in relation to forward-looking statements on page 157

BEST BUSINESS BANK

EMPOWERED RELATIONSHIP BANKERS

Targeted revenue per banker (indexed) [1]



- Simplified processes and credit decisions
- Skilling bankers for a digital future
- Increased capacity to focus on more complex customers
- New career pathing, increasing tenure

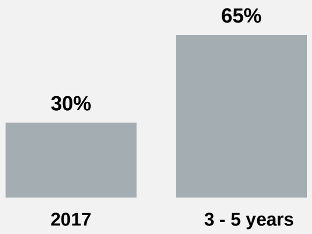
INDUSTRY SPECIALISATION

% of revenue by specialised banker

- Broadening and deepening specialisation, particularly Agri, Health, Education, Professional Services, CRE
- Industry specific offerings, e.g. HICAPS Go
- Data analytics driving better customer insights

MARKET LEADING DIGITAL AND DECISIONING

% customer service needs that can be met digitally[2]



- Ability to approve ~80% of SME loans in 24 hours
- Same day onboarding for all transactions accounts
- Integrated banker and customer digital platform
- Expanded QuickBiz product offering

STRENGTHEN SMALL BUSINESS CUSTOMER PROPOSITION

- Empowered bankers with capabilities and tools to make decisions and resolve customer needs first time
- Leverage CRM and voice biometric authentication and routing technologies
- More proactive and effective customer contact supported by analytics
- Segment specific offering for entrepreneurs and growth businesses

(1) Reflects revenue generated in Business & Private Bank per relationship manager
(2) Proportion of business servicing processes which have digital capability for self-service

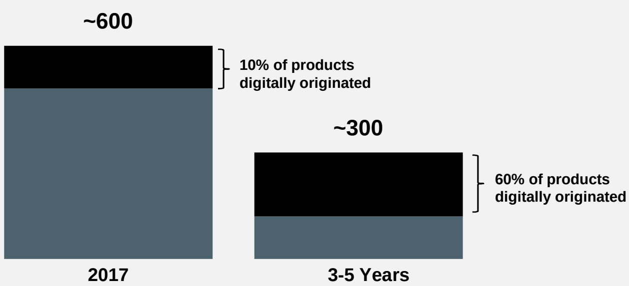
National Australia Bank

SIMPLER AND FASTER

TECHNOLOGY, NETWORK AND ORGANISATIONAL DESIGN

- Tech Simplification and Resilience
  - Targeting 15-20% reduction in IT applications
  - Strengthen controls environment
  - Rebalance tech workforce – insource critical roles
- Flatter structure – max 7 layers CEO to customer
- Smarter physical network
  - Smaller, compact footprint – multi format
  - Targeting 50% reduction in OTC transactions[1]
  - Full rollout of Smart ATMs

TARGETING FEWER & MORE DIGITISED PRODUCTS



CUSTOMER JOURNEYS SCALED AND EXPANDED

- 7 journeys underway, targeting 20 – home and business lending most significant
- Targeting a doubling of FTE by 2020 to ~1,500
- Fundamentally different approach to transform customer experience
  - Co-located multi-disciplinary teams
  - 90-day delivery cycle, issues resolved within 24 hours
  - Pace of delivery 2x faster than traditional models
  - Customer involvement >3,000 hours of customer testing
  - Real technology innovation – AI, robotic process automation

Targeted benefits[2]

- NPS[3] increase of >20
- Cost savings ~20%
- Revenue benefits 5 - 10%

(1) Relates to cash withdrawals under $2,000 and deposits only
(2) Represents the targeted cost savings or revenue benefits by individual customer journey
(3) Refers to the Operational NPS for the respective experiences. Operational NPS is derived from surveys sent by NAB to NAB customers who have recently gone through the respective experiences

National Australia Bank

NEW AND EMERGING GROWTH OPPORTUNITIES

NEW MARKETS AND CUSTOMERS

- Urban growth corridors in Greater Sydney and Melbourne
  - Forecast growth of 0.9m people in 5 years[1]
  - 10 new branches, 100 refurbished and relocated, and more mobile bankers
- Leverage NAB's top 15 global position in Infrastructure financing[2]
  - US, Europe, Asia & Australia - infrastructure needs of $80 trillion between 2016-2040[3]
  - Pursue opportunities with existing customers and partner with investors to drive balance sheet efficiency
- Extend NAB's Private Banking reach
  - Only ~20% of Australian HNW customers have a Private Banker[4]
  - New product proposition and improved banker capability

AUSTRALIA'S LEADING DIGITAL BANK

U BANK

- Accelerating standalone attacker strategy
- 400,000 customers, NPS of +58[5]
- Growing at 3x system for home loans[6]
- Attractive home loan cost-to-acquire and returns

mozo EXPERTS CHOICE 2017 AUSTRALIA'S BEST ONLINE BANK

PARTNERSHIPS AND INNOVATION

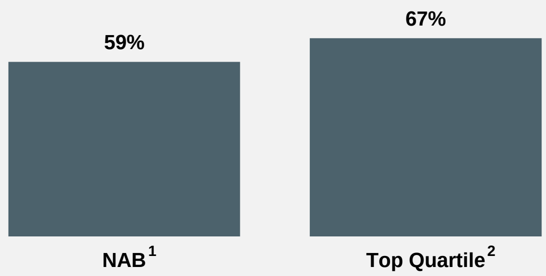
- Scaling NAB Labs and NAB Ventures
  - Labs delivering more than 30 projects annually
  - 5 equity investments to date
- 5 year strategic partnership with realestate.com.au to offer NAB loan products
- HICAPS Go – national roll-out underway, >500 health practitioners on the platform

(1) Melbourne: "Victoria in Future 2016", Dept of Environment, Land, Water and Planning. Sydney: "2016 New South Wales State and Local Government Area Population Projections", NSW Govt – Planning & Environment
(2) IJGlobal League Tables (2016)
(3) Global Infrastructure Outlook, Oxford Economics, 2017
(4) Growth Mantra Analysis primarily based on raw data from Investment Trends Segmentation Information 2015
(5) Refers to the Operational NPS for the home loan experience. Operational NPS is derived from surveys sent by NAB to NAB customers who have recently gone through the experience
(6) APRA Monthly Banking Statistics

GREAT LEADERS, TALENT & CULTURE

- Build deep internal talent pipelines and pro-actively attract best in class external talent
- Enable bankers to deliver world-class client experience, every day
- Accelerate capability in key areas of digital, technology, data and AI
- Cultivate truly differentiating culture with relentless focus on Purpose, Vision and Values
- Helping our people transition to new careers – 'The Bridge'

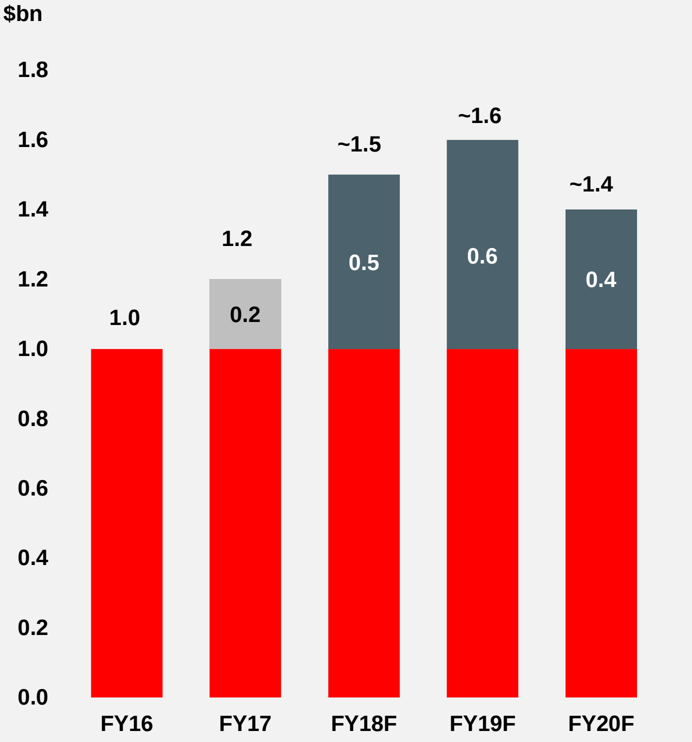
EMPLOYEE ENGAGEMENT



(1) 2017 Employee Engagement Survey conducted by Aon Hewitt. The engagement score indicates the percentage of employees at NAB that are strong advocates (SAY), demonstrate a commitment to NAB (STAY) and exerts discretionary effort (STRIVE)
(2) 75th percentile of 300 Australian and New Zealand companies

REQUIRES ADDITIONAL INVESTMENT OF ~$1.5BN[1]

INVESTMENT SPEND



INVESTMENT FOCUS

- Targeting an additional investment spend of ~$1.5bn[2] over FY18-FY20
- FY18 investment spend focused on
  - Customer journeys at scale
  - Enhance technology resilience (e.g. cyber security, AML, regulatory requirements)
  - Product and tech simplification
  - Digital capabilities, ecosystems
  - Automation, straight through processing
  - SME digital and decisioning investments
  - Pricing analytics – Price Discovery Tool 2.0
- Timing and amount of investment spend may vary depending on operating environment

(1) Refer to key risks, qualifications and assumptions in relation to forward-looking statements on page 157
(2) Compared to baseline of $1.0bn

National Australia Bank

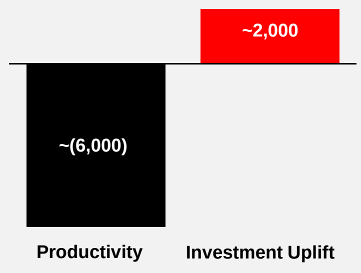
TARGETING COST SAVINGS OF MORE THAN $1BN[1]

COST SAVINGS

- Targeting >$1.0bn of cost savings by FY20
  - Simplification and automation
  - Flatter organisational structure
  - Procurement and third party costs
- FY18 expenses expected to increase by 5-8% due to higher investment spend, then targeting broadly flat expenses to FY20
  - Excludes restructuring provision and large one-off expenses
  - FY18 expense growth skewed to 1H18
  - $0.5-0.8bn restructuring provision expected in 1H18 (mainly redundancy and project management costs)

$bn	FY18	FY19-20	TOTAL
Targeted incremental investment spend	~0.5	~1.0	~1.5
Targeted cost savings (expected P&L impact)	~0.3	>0.7	>1.0
Expected restructuring costs	0.5-0.8		0.5-0.8

TARGETED FTE CHANGES BY FY20



- FY17 FTE of 33,422
- Excludes insourced FTE which is expected to be cost neutral

REVENUE AND DIVIDEND

- Revenue benefits expected from better customer retention and targeted market share gains
- Board expects to maintain FY18 dividends at the FY17 level subject to no material change to external environment and satisfactory Group performance

(1) Refer to key risks, qualifications and assumptions in relation to forward-looking statements on page 157

National Australia Bank

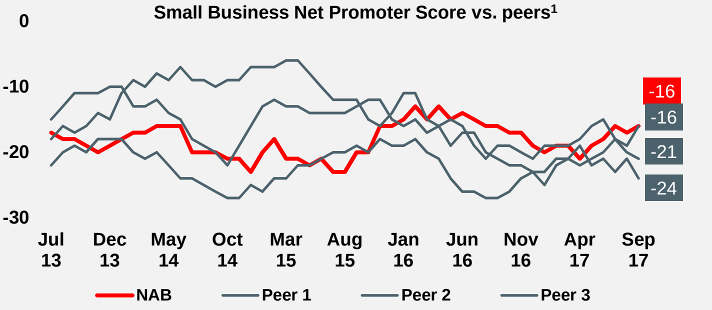
OVERALL SUMMARY

- Significantly stronger bank with improving momentum
- Environment requires a long term plan
- Accelerating our strategy to drive productivity and growth
  - Best business bank
  - Simpler and faster
  - New and emerging growth opportunities
  - Great leaders, talent and culture
- Real financial benefits, including targeting >$1bn of cost savings
- Confident in our plan and our ability to execute

PRIORITY SEGMENTS NPS

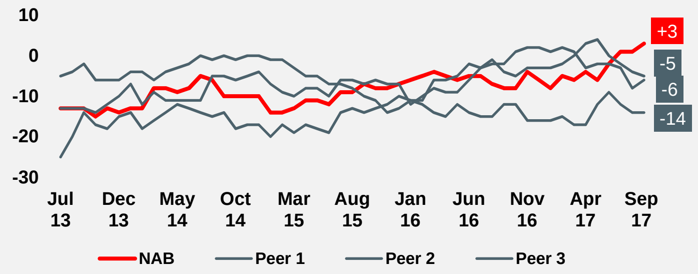
SMALL BUSINESS

Small Business Net Promoter Score vs. peers[1]



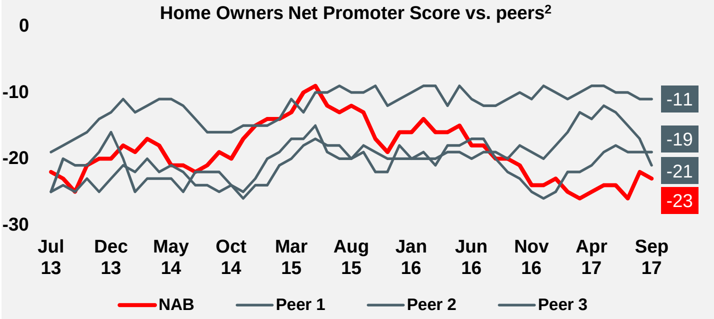
MEDIUM BUSINESS

Medium Business Net Promoter Score vs. peers[1]



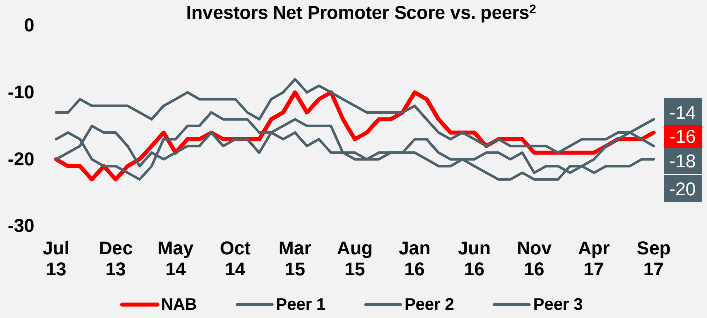
HOME OWNERS

Home Owners Net Promoter Score vs. peers[2]



INVESTORS

Investors Net Promoter Score vs. peers[2]

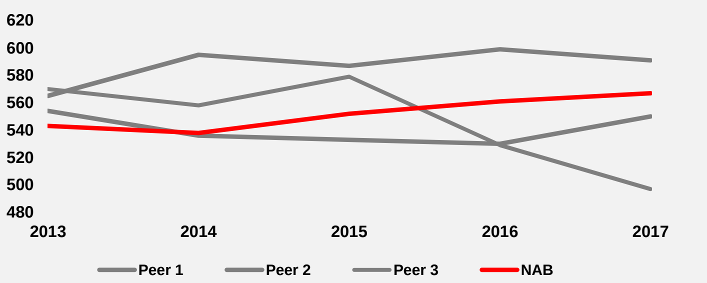


(1) DBM Business Financial Services Monitor; all customers' six month rolling averages for Small Business ($0.1m-<$5m) and Medium Business ($5m-<$50m). Small Business (turnover $0.1m-<$5m) is a NAB construct that combines weighted results for the Lower (turnover $0.1m-<$1m) & Higher (turnover $1m-<$5m) Small Business sub-segments, using a 50:50 weighting approach. This metric does not reflect the relative size of these segments as per the ABS business population. Net Promoter Score (NPS) is based on all customers' likelihood to recommend on a scale of 0 to 10 (extremely unlikely to extremely likely)

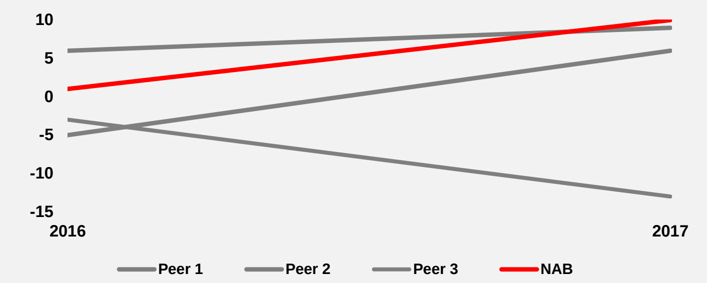
(2) Roy Morgan Research, NAB defined Home Owners and Investors, Australian population aged 14+, six month rolling average

CORPORATE & INSTITUTIONAL CUSTOMER METRICS

LARGE CORPORATE & INSTITUTIONAL – RELATIONSHIP STRENGTH INDEX[1]



INSTITUTIONAL NPS[1,2]



(1) 2017 Peter Lee Associates Large Corporate and Institutional Relationship Banking Survey, Australia. Relationship Strength Index (RSI) is based on a combined measure of most qualitative evaluations. NPS ranking against four major domestic banks

(2) Net Promoter® and NPS® are registered trademarks and Net Promoter Score and Net Promoter System are trademarks of Bain & Company, Satmetrix Systems and Fred Reichheld

OUR CUSTOMER JOURNEYS

Seven journeys launched to date...

Everyday Banking
- make it simple to open a bank account

Plan for my retirement
- straightforward retirement planning

Business transaction onboarding
- simplify business account set-up

Business servicing
- everyday support for our business customers

Personal credit card servicing
- easy credit card management

Home lending
- make buying a home uncomplicated

Business lending
- make it simple for businesses to grow

TARGETED BENEFITS[1]

- NPS[2] increase of >20
- Cost savings ~20%
- Revenue benefits 5 - 10%

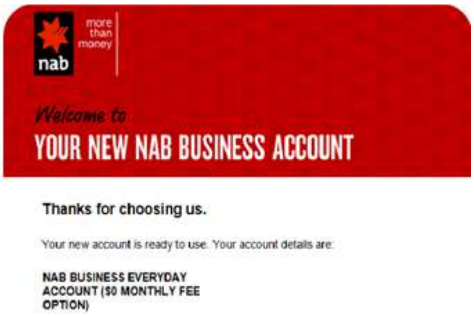
A NEW WAY OF WORKING

- Co-located multi-disciplinary teams
- 90-day sprints and issues resolved within 24 hours
- Pace of delivery 2x faster than traditional models
- Direct customer involvement

(1) Represents the targeted cost savings or revenue benefits by individual customer journey
(2) Refers to the Operational NPS for the respective experiences. Operational NPS is derived from surveys sent by NAB to NAB customers who have recently gone through the respective experiences

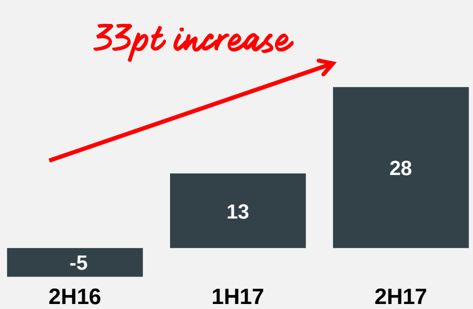
UPLIFTING BUSINESS CUSTOMER ONBOARDING EXPERIENCE

Business transaction account opening in 10 mins[1]

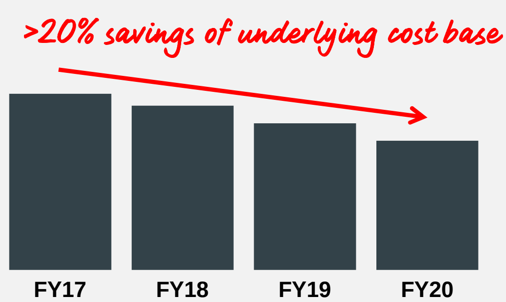


- Fast-tracked account opening via nab.com.au, opening time reduced from 4-6 days to 10 mins[1]
- Accept Know Your Customer (KYC) documents by email and without certification, supported by KYC Business Lookup
- A single interface to speed up onboarding by integrating back-end systems and automating processes
- SMS customer alerts scheduled once accounts are open

CUSTOMER EXPERIENCE (NPS)[2]



TARGETED COST PROFILE

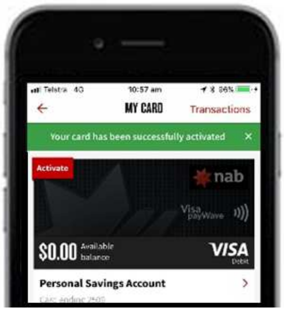


(1) For simple business customers opening via digital
(2) Refers to the Operational NPS for the respective experiences. Operational NPS is derived from surveys sent by NAB to NAB customers who have recently gone through the respective experiences

MAKING IT SIMPLE TO OPEN AN EVERYDAY ACCOUNT

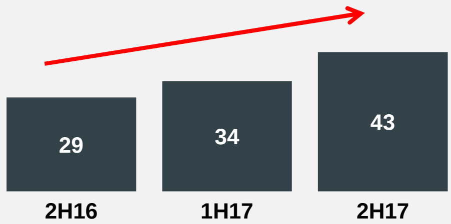
AUSTRALIAN CUSTOMERS

Straightforward and fast everyday accounts

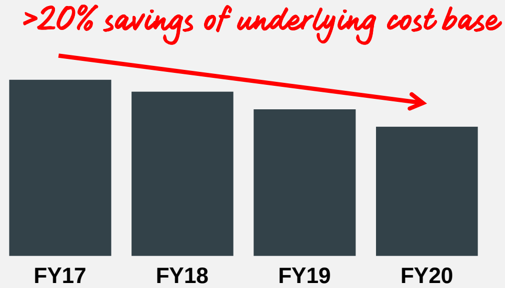


- Account opening and ready to transact with card time halved from 10 to 3 days
- Enhanced electronic Know Your Customer authentication increasing conversion
- Card & Pin self-activation deployed in August 2017
- Statements simplified, impacting ~4 million customers
- Customers notified via SMS of account and card status

CUSTOMER EXPERIENCE (NPS)[1]



TARGETED COST PROFILE



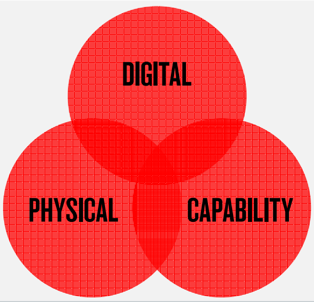
(1) Refers to the Operational NPS for the respective experiences. Operational NPS is derived from surveys sent by NAB to NAB customers who have recently gone through the respective experiences

National Australia Bank

CONSUMER BANKING & WEALTH: MAIN BANK OPPORTUNITY

AUSTRALIAN CUSTOMERS

OUR FOCUS



Improve customer experience
Grow share and improve efficiency
Maintain portfolio quality

DIGITAL

- Leverage PBOP and digital tools
- Grow strategic partnerships
- Accelerate digital adoption and education

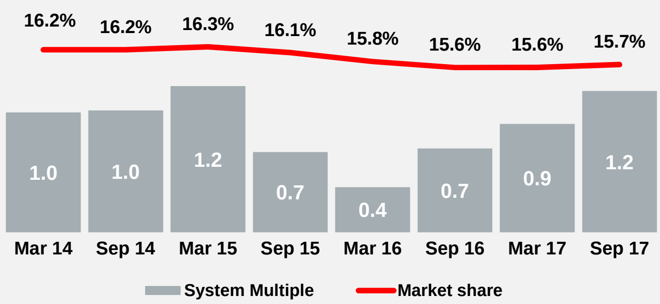
PHYSICAL

- Rebalance and strategically position footprint
- Improve experience for business customers within branch network (~50% branch transactions)

CAPABILITY

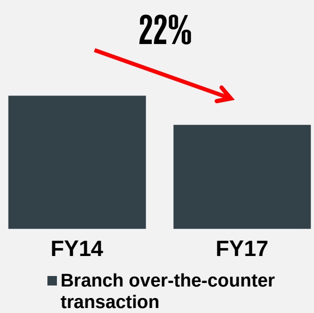
- Investment in home lending specialists and broker customer on-boarding
- Implementation of customer focussed remuneration model and performance metrics

HOUSING LENDING MARKET SHARE[1]



INCREASING SELF-SERVICE TO RELEASE CAPACITY

- Increase digital education for bankers and customers
- Smart ATM rollout
- Increased functionality of digital tools
- Investment in banker capability to assist with complex customer needs



(1) APRA Monthly Banking Statistics

National Australia Bank

BUSINESS & PRIVATE BANKING: LEVERAGING MARKET LEADERSHIP

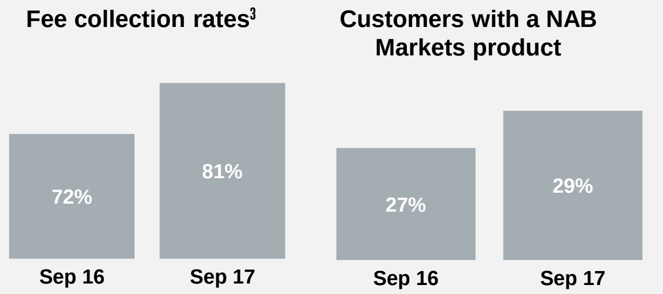
OUR FOCUS

- Build on strong position in high returning sectors
  - #1 Small[1], Medium[1] & Agri[2]
- Deepen and expand industry specialisation and partnerships
- Deliver superior customer experience through relationship, digital and direct
- Banker disciplines and incentives focused on total customer needs and returns
- Simplification and streamlining

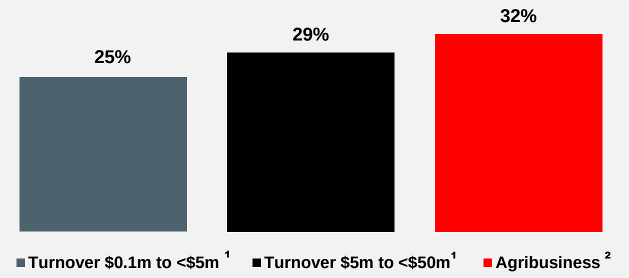
MAKING IT EASIER FOR CUSTOMERS

- Faster, easier online credit access – up to $50K within one business day on receipt of signed contract via QuickBiz
- Simpler standard loan contracts – transparent, user friendly, easy to read and much shorter
- Increasingly connected with digital – launched NAB Connect mobile app and virtual assistant to help service simple enquiries
- Providing payment time certainty – NAB one of the first large companies to sign the Australian Supplier Code

FOCUSED ON BANKER DISCIPLINES



SMALL, MEDIUM AND AGRI BUSINESS LENDING MARKET SHARE



(1) September 2017. DBM Business Financial Services Monitor, APRA Aligned Lending Market Share. Australian businesses with an aligned product, excluding Finance & Insurance and Government. APRA Aligned Lending market share is based on the total lending dollars held at the financial institution, divided by the total lending dollars held at financial institutions reporting to APRA, with products and FIs aligned as closely as possible to APRA definitions and inclusions. Data is on a 12-month roll, weighted to the Australian business population. Small Business ($0.1m-<$5m) and Medium Business ($5m-<$50m)
(2) June 2017/ NAB APRA submission / RBA System
(3) Represents front book line service fee collection rates. Line service fees represent over 60% of total BPB lending related fee income

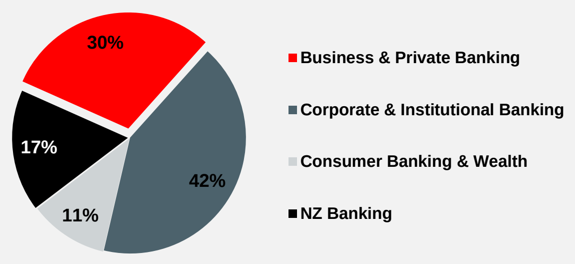
CORPORATE & INSTITUTIONAL BANKING: HIGH RETURNING GROWTH

OUR FOCUS

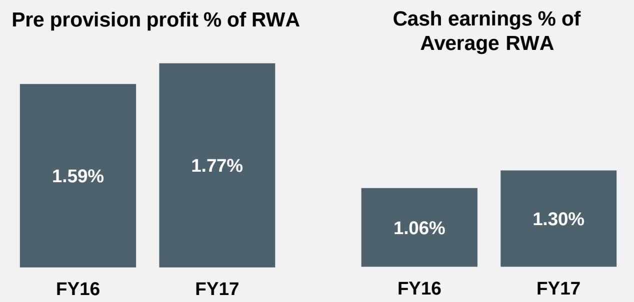
- Consolidate and build out strong positions in high growth, high return sectors e.g. Funds, Global Infrastructure, Clean Energy
- Build a deeper connection between investors and borrowers via innovative financing solutions
- Enhance transaction banking functionality, service quality and sales disciplines
- Improve FICC capability and experience for SMEs
- Balance sheet discipline, digitisation & simplification

STRONG LINKS TO SME CUSTOMERS

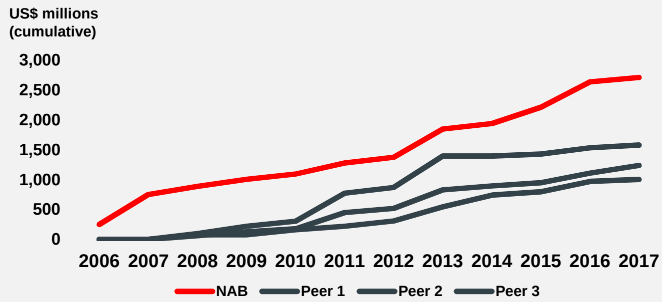
FY17 FICC Market sales by division[1]



IMPROVING RETURNS ON RWA



LEADING ARRANGER OF PROJECT FINANCE FOR AUSTRALIAN RENEWABLE ENERGY[2]



(1) Represents Customer Risk Management income
(2) Data Source: Thomson Reuters: Project Finance International 2006-2017 Asia Pacific Initial Mandated Lead Arrangers League Tables - MidYear 2017 US$ Project Allocation, NAB analysis ranking against four major Australian banks - cumulative volume as at 30 June 2017

CORPORATE & INSTITUTIONAL BANKING CASE STUDIES[1]

- ACCELERATING OUR ACTIVITY IN GLOBAL INFRASTRUCTURE & CLEAN ENERGY
- DEEPENING OUR RELATIONSHIPS WITH INVESTORS TO WIDEN FINANCING SOLUTIONS

23 DEALS TOTALLING OVER $16BN IN RENEWABLES[2] PROJECT VALUE	31 DEALS TOTALLING OVER $72BN IN TOTAL INFRASTRUCTURE[2] PROJECT VALUE	ACCESS TO DIVERSE MIX OF INSTITUTIONAL AND RETAIL INVESTORS

CASE STUDIES

BUNGALA SOLAR FARM

- Construction financing for Australia's largest solar farm[3]; expected to generate ~570GWh of renewable energy each year, sufficient to power approx. 82,000 homes
- Supporting DIF and Enel Green Power S.p.A, expanding their presence in the Australian renewables market
- Origin Energy, a major Australian utility and key relationship customer will be purchasing electricity and renewable energy certificates from the project

NEXT DC

- Australian independent data-centre operator completed Australia's largest non-rated, wholesale over-the-counter A$ bond issue[4],with NAB acting as Sole Arranger and Sole Lead Manager
- Strong support from a diverse mix of institutional and sub-institutional investors via NAB's proprietary Access Bond Service platform, JB Were and NAB Private
- This is the 3rd time Next DC has accessed the bond market through NAB, highlighting the breadth of our distribution reach across Institutional, Business and Private franchise investors

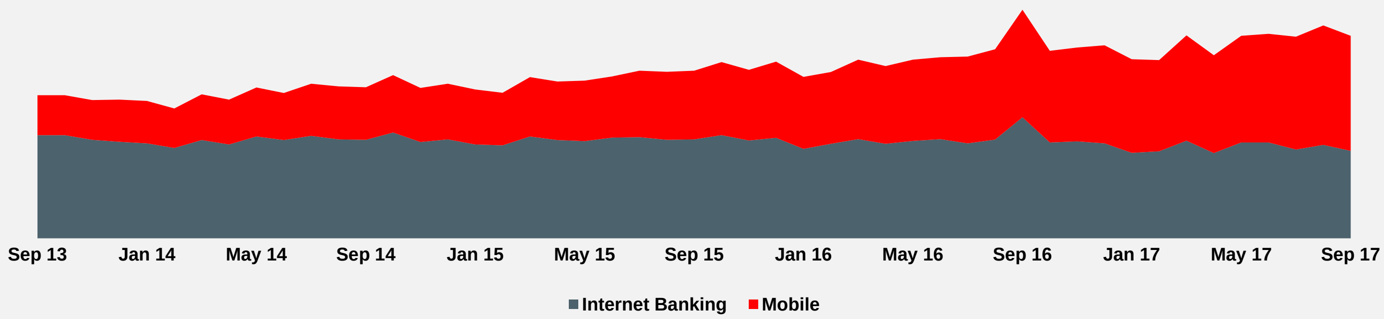
AUSGRID US PRIVATE PLACEMENT

- NSW-based electricity distribution business raised US$1.9 billion (equivalent) in its inaugural US debt markets offering
- Largest ever cross-border US Private Placement[5]
- Strong investor demand saw the transaction >six times oversubscribed
- Secured A$ funding for only a 5bps premium and priced the notes in both fixed and floating rate format
- NAB took a leading role in distributing the transaction, including bringing in the two largest investors

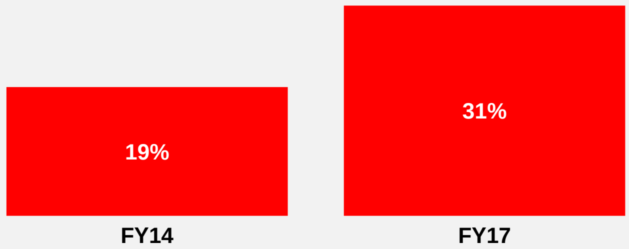
(1) All data relates to the 12 months ended 30 September 2017
(2) Debt size has been used as a proxy for those transactions where Project Value was not available or irrelevant
(3) Data Source: RenewEconomy, 'Australia's largest solar farm – 220MW – under construction', 26 July 2017
(4) Data Source: BondAdvisor (October 2017)
(5) Data Source: Private Placement Monitor (October 2017)

ACCELERATING SHIFT TO DIGITAL

INTERNET BANKING AND MOBILE TRANSACTIONS



SIMPLE CONSUMER PRODUCT SALES VIA DIGITAL[1]



INVESTMENT IN DIGITAL & TECHNOLOGY ESSENTIAL

- Customers demand world class digital capabilities - faster, simpler, seamless
- Changing competitive dynamics and increasing threat of disruption
- Nature of risks changing and evolving at a rapid pace (e.g. cyber security)

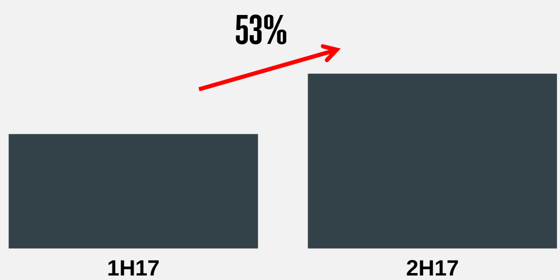
(1) Simple consumer product sales includes the opening of savings and transaction accounts, personal loans and credit cards across all segments and channels

QUICKBIZ FOR OUR SMALL BUSINESS CUSTOMERS

Up to $50k within the day[1]

- Simple digital application for small business unsecured lending
- Application and decisioning reduced from 2 weeks to **under 10 minutes**
- Direct connectivity to Xero or MYOB data, or simple financial upload from any accounting package

QUICKBIZ CUSTOMER APPLICATIONS



2H17 extended to business cards and overdrafts

BUSINESS CARDS

- Customers receive their card within 3-5 business days using the online application form and streamlined fulfilment process
  - NAB Rewards Business Signature Cards
  - NAB Business Cards
  - NAB Low Rate Business Cards
  - NAB Qantas Business Signature Cards

OVERDRAFT

- Fast online application using QuickBiz
- Flexibility with no set monthly repayment if within agreed limit
- Ongoing access to overdraft, renewable annually

(1) On receipt of completed contract

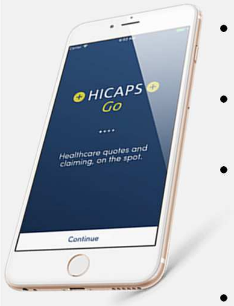
MORE INNOVATIONS FOR OUR BUSINESS CUSTOMERS

New mobile app

- Launched July 2017
- Simplifies transaction and payment authorisations
- Reduces the number of steps needed to authorise a payment by 40%

MONTHLY NAB CONNECT APP DOWNLOADS

HICAPS Go mobile app



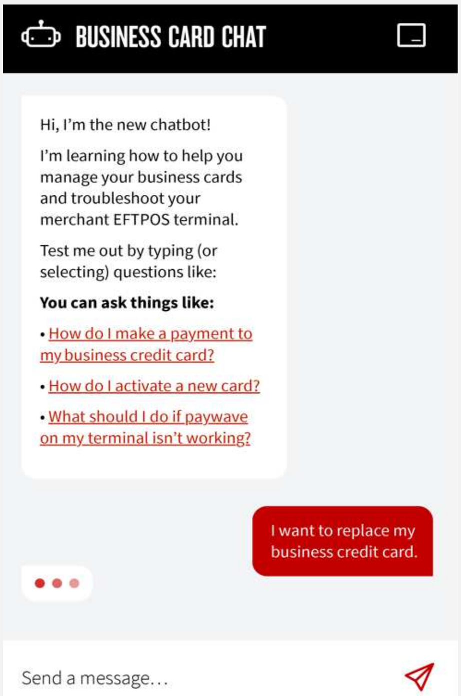
- JV with health-tech start-up Medipass Solutions launched September 2017
- Makes private health insurance claims simple
- App facilitates appointment booking, upfront health insurance quote and in-app payment of insurance claims and GAP payments
- More than 500 health practitioners on the platform with more to come

ON-BOARDED HEALTH PRACTIONERS

LEVERAGING AI FOR OUR BUSINESS CUSTOMERS

DIGITAL FOR CUSTOMERS

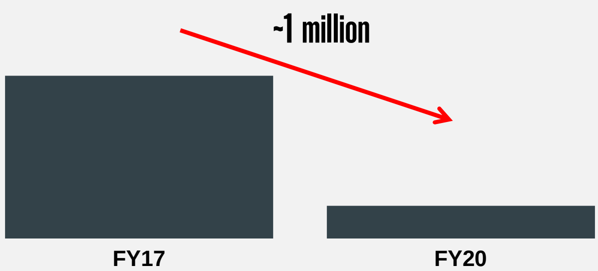
Australia's first virtual business banker



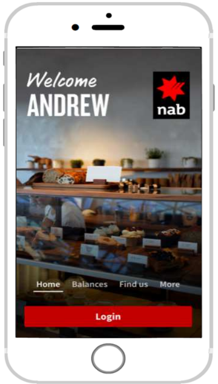
- Provides instant answers and assistance to questions derived from thousands of real-life customer enquires
- Launched September 2017
- To date derived **>13,000 variants on >200 questions**

by FY20

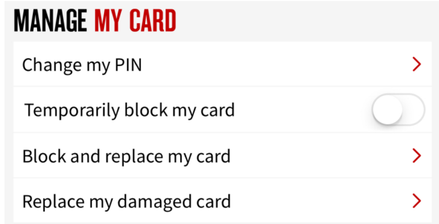
EXPECTED REDUCTION IN RELATED CONTACT CENTRE CALLS AND BANK VISITS



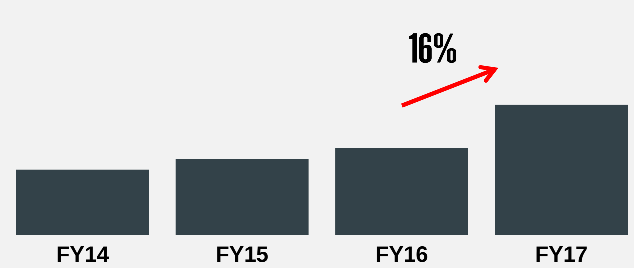
NEW MOBILE APP OUR CONSUMER CENTREPIECE



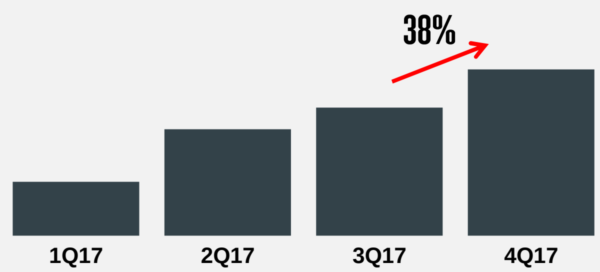
- In December 2016 relaunched our mobile banking app
- Tap and pay with NAB Pay and NAB PayTag
- Instant Digital Card Provisioning
- Consumer card controls and management:



MOBILE APP LOGINS

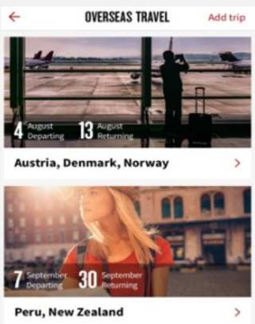


CUSTOMER USES OF CARD CONTROLS



CUSTOMER DRIVEN FEATURES

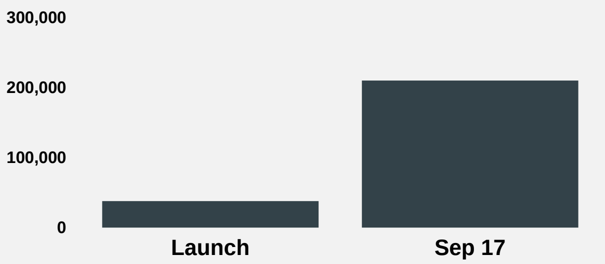
Overseas travel notification



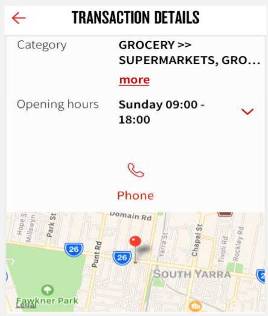
- Customers share their travel itinerary
- Enhanced security for card transactions
- 2x increase in customer spend

CUSTOMER NOTIFICATIONS

~200,000 notifications since launch



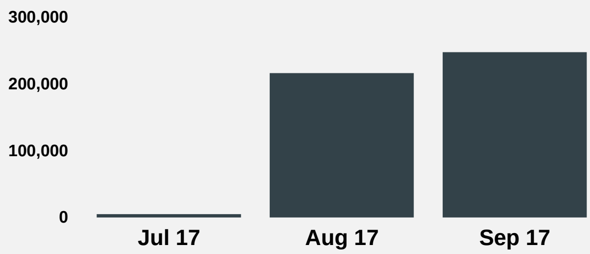
Look Who's Charging



- Customers can check vendor details – 'who & where' – for recent transactions
- Leveraging strategic partnership with 'Look Who's Charging'
- Easily submit disputes electronically

CUSTOMER USES

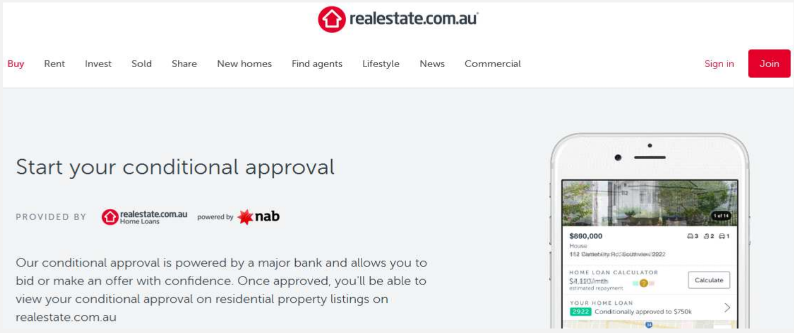
~430,000 uses since launch



PARTNERING TO TRANSFORM PROPERTY SEARCH AND LENDING

Strategic partnership with realestate.com.au

- Five year strategic partnership with realestate.com.au to offer NAB loan products
- Instant conditional approval powered by NAB's Personal Banking Origination Platform (PBOP)
- REA branded customer contact centre supported by NAB
- Mortgage broking partnership established with REA
- Largest audience of property seekers in Australia – 49.9m site visits per month[1]



SEARCH

- Home Loan approvals linked to property search
- Fully featured home loan calculators available on realestate.com.au

APPLY

- Instant Conditional Approval
- Live chat and automatic call backs via REA branded customer contact centre supported by NAB

BUY

- Home Loan specialists available providing customers with choice, options and support

INTERACTIONS DRIVING APPLICATIONS

~15,000 per day

unique customers interacting with new NAB powered home loan calculators

>60,000

unique customers financial profiles created since launch

(1) Nielsen Online Market Intelligence Home and Fashion Suite Average monthly visits for the audited sites of realestate.com.au for the year ended 30 June 2017. Excludes apps

ACCESS TO VOICE-ACTIVATED TECHNOLOGY

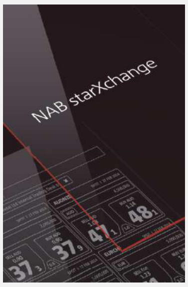
'Ok Google, Talk to NAB'

- First Australian bank to offer voice-activated experience via Google Home or a smartphone with the Google Assistant
- Provides instant guidance on simple banking questions – such as how to replace a lost card or reset a password
- Launched in six weeks via NAB Labs
- Continue to experiment with virtual assistants in order to provide real-time service to customers in their channel of choice

HOW IT WORKS:

DIGITAL SOLUTIONS FOR CORPORATE & INSTITUTIONAL CUSTOMERS

86% FX TRANSACTIONS NOW BOOKED DIGITALLY

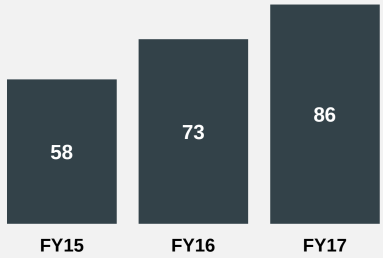


StarXchange

- Fully automated, institutional and global FX platform
- In FY17, transaction size limits increased and expanded access to customers via new electronic distribution channels

NAB Connect FX

- FX dealing close extended from 7pm to midnight.
- Functionality featured in new NAB Connect mobile app
- Transactions up 15% in FY17



% FX transactions booked digitally

MORE FY17 CUSTOMER SOLUTIONS

>20 additional currencies and swaps available across our digital platforms for market making and risk management

>90% of Fixed Income settlements experience 'straight through processing' after implementation of payment automation

95% of Asset Servicing customers migrated to new digital system enabling daily access to complete investment portfolio via iPad or smartphone

FY18 DIGITAL ONBOARDING

- Global digital onboarding platform for all C&IB customers to be rolled out in Australia early FY18 and globally mid FY18
  - better and more consistent visibility and tracking of clients globally enhances regulatory capture and reporting
  - improves customer experience by removing duplications in the onboarding process by business/region

DIGITAL INITIATIVES IN NEW ZEALAND

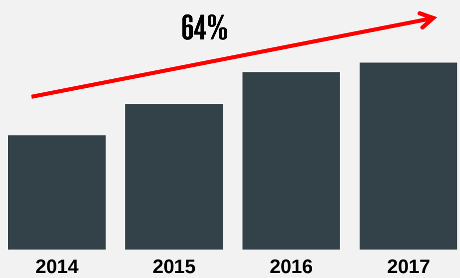
Mobile App

- New features in FY17 focused on servicing:
  - Tax Payments
  - Automatic Payments
  - Secure Messaging
- One of the first banks globally to adopt Android Pay setup from within mobile app

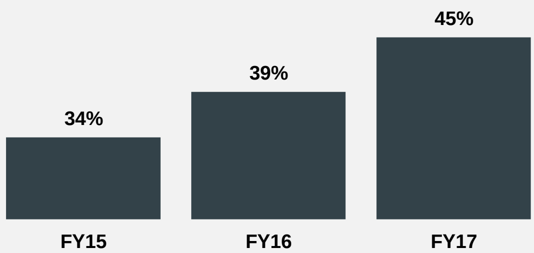
Digital Wallet

- BNZ and Google jointly launched Android Pay in December 2016
  - First to market in New Zealand
  - Enabled for debit and credit card transactions
- Apple Pay launched in October 2017

MOBILE APP USERS[1]



DIGITAL SALES AS % OF RETAIL SALES[2]



(1) Year to May 2017
(2) Includes all core retail product account opening, including account opening in Internet Banking and Mobile apps

PARTNERSHIPS IN NEW ZEALAND

Intel Saffron

- BNZ has been selected as one of five organisations globally as part of the Intel Saffron Early Adopter Program (EAP)
- Intel Saffron uses explainable Artificial Intelligence (AI) to help make confident decisions. Associative memory AI finds and fully explains multi-dimensional patterns across a company's data
- This partnership will allow BNZ to take advantage of its existing big data platform to gain increasingly sophisticated insights for innovative customer service
- The EAP is designed for institutions whose ambition is to lead the pack on innovation in financial services by taking advantage of the latest advancements in associative memory artificial intelligence

Figured

- In December 2015 BNZ made a 15.6% investment in Figured Ltd, a cloud-based farm accounting software provider
- Figured allows farmers to manage their farming operations and, in real-time, connect with their accountants, farm consultants and rural bankers on one platform
- This partnership allows BNZ to distribute Figured software licenses to its agribusiness customers, with the licenses being free of charge until 1 October 2018
- Customers can access planning and farm budgeting tools integrated with Xero software

nomis

- In September 2016 BNZ partnered with Nomis Pricing Solutions as part of its pricing capability transformation roadmap
- Nomis is a global Fintech with offices in the United States, Canada and more recently Australia
- Nomis have partnered with 20 of the top 100 banks globally and specialise in software that combines cutting edge silicon valley approaches to big data, advanced modelling, and deep analytics to help banks better understand their customers pricing needs and behaviours
- The customer-centric pricing technology enables the bank to develop online personalised pricing solutions, assisting digitalisation of Products and Services in the future

National Australia Bank

INVESTING IN START-UPS GLOBALLY

$50m investment fund NAB Ventures

$500k - $5m investments **Often with co-investors** **Interest in fintechs…** **or sectors with natural synergies**

To date…

1,000+ companies tracked → 250 potential opportunities → 5 investments

medipass wave DATA REPUBLIC BASIQ veem Formerly Align Commerce

NAB benefits

- Provides early access to innovative business models & technology and facilitates NAB thought leadership in the Fintech sector
- Increases industry engagement through portfolio companies as well as their wider start-up ecosystem
- Provides cutting edge technology to NAB customers
- Supports deep relationships with investors, having led four investment rounds worth more than $60m with participation from Google Venture, Kleiner Perkins, Silicon Valley bank and Softbank

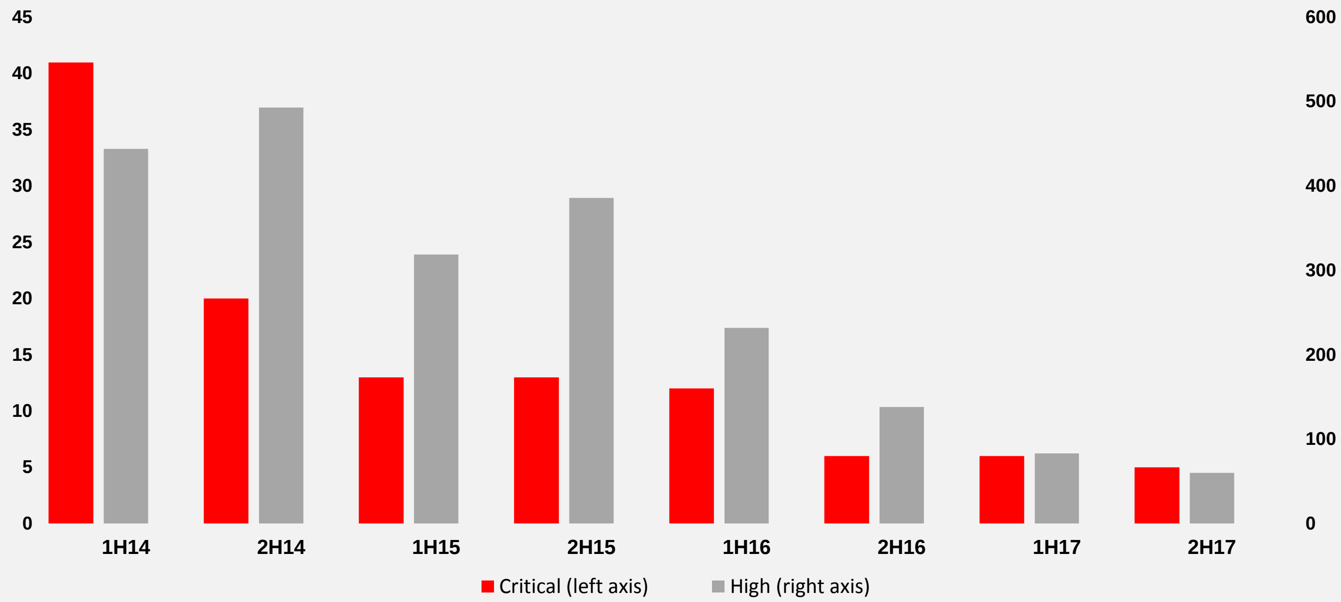
National Australia Bank

REDUCTION IN CRITICAL AND HIGH PRIORITY INCIDENTS

'CRITICAL' AND 'HIGH' PRIORITY INCIDENTS[1]

Investment in technology driving lower instance of technology incidents over FY14 – FY17

- 85% reduction in "High" priority incidents
- 82% reduction in "Critical" priority incidents



(1) Critical Incidents – Significant impact or outages to customer facing service or payment channels. High Incidents – Functionality impact to customer facing service or impact/outage to internal systems

National Australia Bank

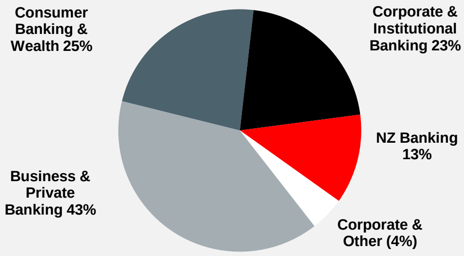
ADDITIONAL INFORMATION

SERVING OUR COMMUNITY

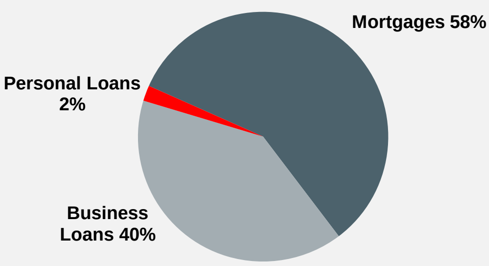
NAB AT A GLANCE

~33,000 Employees	9.4 million Customers	~1,000 Branches/ Business centres	>150 years in operation

CASH EARNINGS DIVISIONAL SPLIT



GROSS LOANS & ACCEPTANCES SPLIT



Key Financial Data	FY17
Cash Earnings	$6,642m
Cash ROE	14.0%
Gross Loans & Acceptances	$565bn
Non-performing loans to GLAs[1]	70bps
CET1 (APRA)	10.1%
NSFR (APRA)	108%
Australian Market Share	**As at September 17**
Business lending[2]	21.4%
Housing lending[2]	15.7%
Personal lending[3]	10.6%
Cards[2]	13.6%

Credit Ratings NAB Ltd LT/ST	S&P AA-/A-1+ (negative)	Moody's Aa3/P-1 (stable)	Fitch AA-/F1+ (stable)

(1) 90 days past due & Gross Impaired Assets to Gross Loans & Advances
(2) APRA Monthly Banking Statistics
(3) Personal loans business tracker reports provided by RFI (September 2017), represents share of RFI defined peer group data

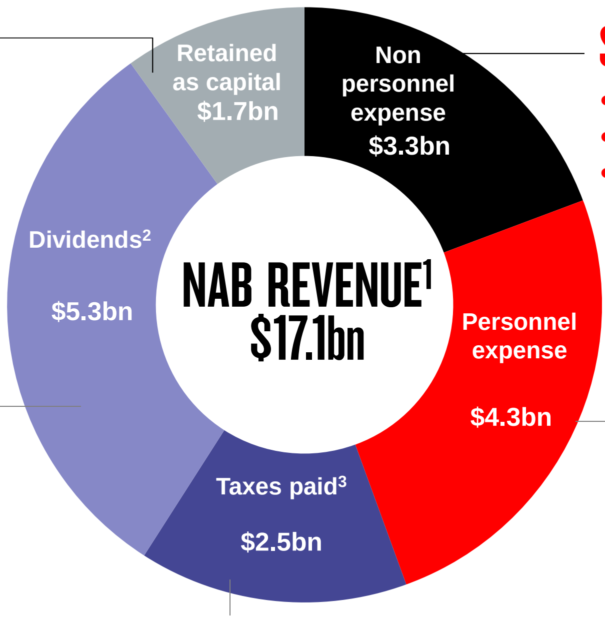
NAB'S ROLE IN THE COMMUNITY

NAB REVENUE

- Supports all stakeholders and business partners
- Is shown after interest payments to 4.6 million Australian and New Zealand retail and business deposit customers who have deposited over $390 billion with us

BORROWERS

- Total of over $330 billion in Home Lending and $236 billion in Business Lending
- $1.7 billion retained as capital to support new lending and further strengthen capital position to meet future regulatory requirements



SUPPLIERS & COMMUNITY

- +1,800 supplier agreements
- +26,000 microfinance loans provided
- Carbon neutral since 2010, 75% of Australian key office buildings[4] are Green Star Rated

SHAREHOLDERS (INCL. SUPER FUNDS)

- Over 571,000 shareholders
- 79% of NAB's cash profits distributed in dividends

OUR PEOPLE

- Employ over 33,000 people[5]
- Over 50% of our workforce directly engages with customers

GOVERNMENT

- Australia's fourth largest income tax payer
- Signatory to the Voluntary Tax Transparency Code

Figures based on NAB's FY17 cash earnings
(1) Revenue shown net of $0.8bn of bad and doubtful debts
(2) Dividends declared in respect of FY17
(3) Includes income tax, GST, FBT, payroll tax and other taxes borne by NAB that were paid during the year ended 30 September 2017
(4) 'Key office buildings' are all NAB commercial tenancies over 4,000m^2
(5) Represents full time equivalent employees as at 30 September 2017 for NAB Group

BACKING OUR CUSTOMERS

IN FY17

- $80 billion in new home lending[1]
- $80 billion in new lending to business, backing the growth of the Australian and New Zealand economies[2]
- $394 billion in deposits managed for retail and business customers
- $195 billion in assets under management – helping customers plan and save for their retirement

MAKING BANKING SIMPLER AND EASIER

In FY17 we:

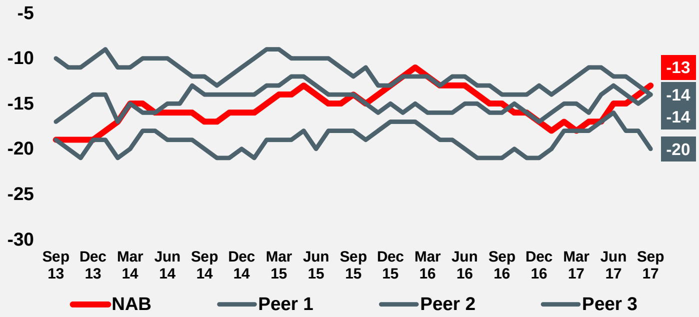
- Overhauled and simplified standard business contracts for 130,000 Small Business owners
- Reduced the application time for Everyday Accounts for consumer banking customers to seven minutes
- Introduced a 24/7 digital virtual banker for business customers
- Addressed 215 Customer Pain Points, improving over 24 million customer interactions

NAB ASSIST – SUPPORTING CUSTOMERS IN HARDSHIP

- 97% of customers back on track with repayments 90 days after receiving assistance
- +69 average net promoter score of customers after receiving financial hardship assistance[3]

Number of customers provided with hardship assistance

PRIORITY SEGMENTS NET PROMOTER SCORE V PEERS[4]



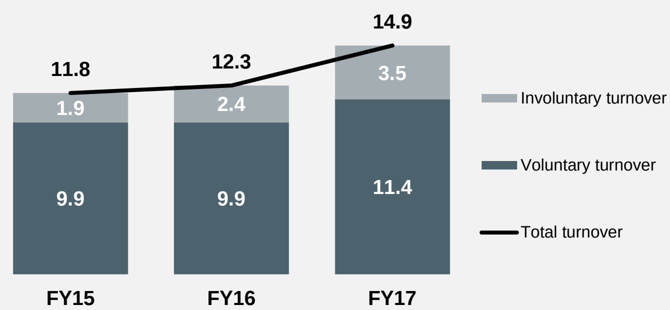
(1) Drawdowns (excluding redraws) by Australian and New Zealand customers
(2) For new and increased (on and off balance sheet) commitments by Australian and New Zealand customers. New lending has been derived from year on year customer limit movements
(3) Refers to the Operational NPS for the respective experiences. Operational NPS is derived from surveys sent by NAB to NAB customers who have recently gone through the respective experiences
(4) Priority Segments Net Promoter Score (NPS) is a simple average of the NPS of four priority segments: NAB defined Home Owners, Investors, Small Business ($0.1m-<$5m) and Medium Business ($5m-<$50m). The Priority Segments NPS data is based on six month moving averages from Roy Morgan Research and DBM BFSM Research

BACKING OUR PEOPLE

INVESTING IN OUR PEOPLE FY17

- $4.3 billion in remuneration and superannuation
- 1.4 million in training hours completed across the Group
- Rigorous talent and capability assessment of senior leaders (EGMs) completed to further enhance bench strength and development at both the individual and group level
- New leadership training provided for over 1,000 of our managers to continue to drive results and engage our people

GROUP EMPLOYEE TURNOVER[2] (%)



EMPLOYEE ENGAGEMENT

- Employee engagement score 59%, work to do to achieve our objective of top quartile performance – 67%[1]
- We exceeded the top quartile benchmark in a number of areas, including how our people leaders individually coach, communicate and lead, careers and development within NAB, and our commitment to corporate responsibility
- We're focussed on the areas our people identify as challenges: including our reputation in the community, employee enablement and the impact of our senior leaders

AN INCLUSIVE WORKFORCE

- NAB achieved 4 of 5 of its FY17 gender diversity metrics
- The Board approved a range of new objectives under a revised, more granular methodology, with the commitment to achieve gender equality (defined as 40%-60% of either gender represented) at all levels of the business from our executives down by 2020
- Using the revised methodology as at 30 September 2017, 31% of employees in Executive Management[3] were women, an increase from 29% in FY16. We are committed to increase this to at least 40% by 2020

(1) 2017 Employee Engagement Survey conducted by Aon Hewitt. The engagement score indicates the percentage of employees at NAB that are strong advocates (SAY), demonstrate a commitment to NAB (STAY) and exerts discretionary effort (STRIVE)
(2) Employee turnover measured as the total number of exits (voluntary such as resignation, or involuntary such as dismissal) as a percentage of the average permanent headcount
(3) From 1 October 2017 Executive Management positions, as defined in NAB's 2020 measurable objectives, are all permanent employees with the NAB Group's remuneration bands (also known as Salary Groups) 6 & 7. This definition is different to the historic definition adopted and reported for NAB's previous measurable objectives. Detailed disclosure on NAB's gender diversity objectives will be available in NAB's 2017 Sustainability Report

BACKING OUR PEOPLE WITH 'THE BRIDGE'

Our intent

- Help our people move from 'our' place to the next place
- Reflecting NAB's purpose, we'll provide care, commitment and coaching to
  - embrace new opportunities
  - learn new skills
  - prepare them to be future ready

Our offering

- Provide market leading, world-class career and wellbeing services for people leaving NAB
- Increasing our investment per individual to ensure they are properly set up for a future outside of NAB

The elements

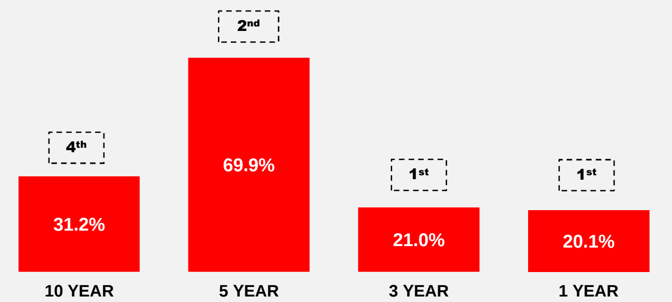
Career Planning & Coaching	Health & Wellbeing Benefits	Financial Planning Services	Re-skilling and Training Access	Active Job and Volunteering Placement	Small Business Set Up Support

CONTRIBUTION TO SHAREHOLDERS

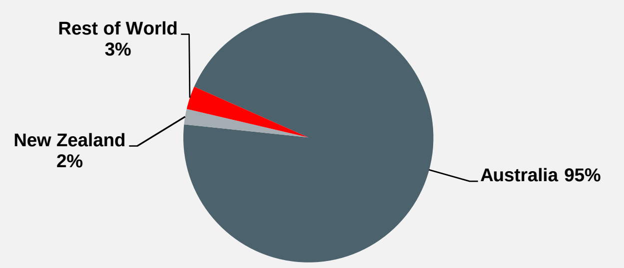
NAB'S SHAREHOLDERS

- >571,000 shareholders
- 97% in Australia and New Zealand
- Providing returns to millions of Australians through superannuation funds
- 79% of NAB's cash profits distributed in dividends in FY17

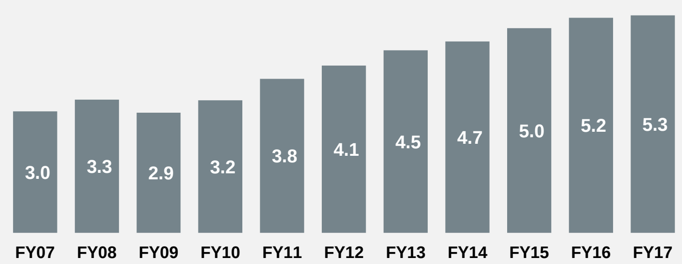
TOTAL SHAREHOLDER RETURN[1,2]



SHAREHOLDERS BY REGION



ANNUAL DIVIDENDS DECLARED[3] ($BN)

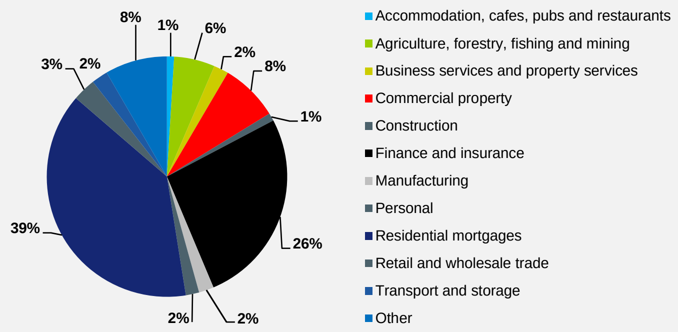


(1) Source: IRESS. TSRs to 30 September 2017
(2) NAB TSR rankings in dotted boxes are against major bank peers
(3) Dividends declared in respect of each financial year

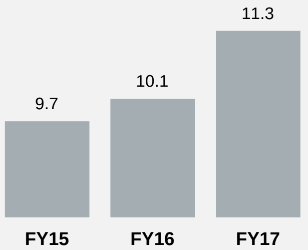
MOVING AUSTRALIA FORWARD

DRIVING THE ECONOMY

TOTAL LENDING (EAD $974.3bn) BY ANZSIC INDUSTRY[1]



INFRASTRUCTURE PROJECT FINANCING (GLAs $bn)

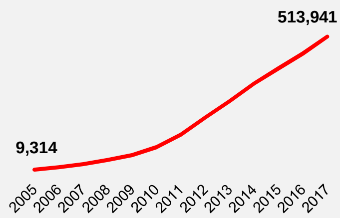


TOTAL TAXES PAID ($bn)[3]

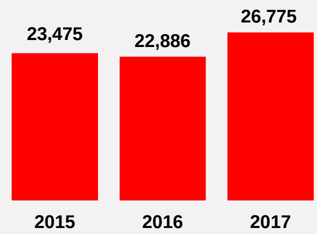
SOCIAL IMPACT

- 26,775 microfinance loans provided in 2017 (+ 17% YoY)
- Three 'Good Money' stores launched – Morwell, Cairns, Gold Coast – providing one-stop financial counselling and products
- Launched pilot digital microfinance offering 'Speckle'[2]

AUSTRALIANS SUPPORTED WITH MICROFINANCE PRODUCTS (CUMULATIVE)



NUMBER OF MICROFINANCE LOANS PROVIDED



- NAB Foundation provided over $1.4 million in grants to organisations helping to address domestic and family violence, and in recovering from financial shocks. Grants now open to support sustainable regions

(1) Industry classifications are aligned to those disclosed in Pillar 3 report – Table 5.1D
(2) Speckle is the branded digital microfinance offering of Good Shepherd Microfinance, supported by NAB. The offering provides small loans to customers who need access to finance. Pilot launch taking place in Victoria and Tasmania
(3) Includes income tax, GST, FBT, payroll tax and other taxes borne by NAB that were paid during the year ended 30 September 2017
(4) As per Tax Transparency report for the year ended 30 September 2016

CORPORATE RESPONSIBILITY

OUR APPROACH TO CORPORATE RESPONSIBILITY

Corporate responsibility is about getting the basics right, balancing the risks and opportunities affecting our ability to continue to create long-term value for our customers, employees, shareholders and community, and investing in social challenges where we can drive significant impact:

FINANCIAL INCLUSION

513,000+

low income Australians assisted with microfinance products and services since FY05

SOCIAL COHESION

16,000+

volunteer days contributed by our people in FY17

ENVIRONMENTAL WELLBEING

$13.4 billion

in financing to help address climate change and support the transition to a low carbon economy since 1 October 2015

EXTERNAL ASSESSMENTS OF NAB'S ESG PERFORMANCE[1]

- NAB is committed to transparency and disclosure across our operations
- During the year, NAB has continued to be recognised as a leader in ESG performance through external assessments. These range from overall ESG assessments, to specific areas such as gender or climate disclosure

MSCI 2017 Constituent MSCI ESG Leaders Indexes

MEMBER OF Dow Jones Sustainability Indices In Collaboration with RobecoSAM

CDP DISCLOSURE INSIGHT ACTION

SUSTAINALYTICS

STOXX Member 2017/2018 ESG LEADERS INDICES

vigeo eiris

Corporate Responsibility Prime rated by oekom research

FTSE4Good

WGEA Employer of Choice for Gender Equality

EQUILEAP TOP 200 2017 MAKING PROGRESS TOWARDS GENDER EQUALITY

(1) Further information on: (I) the initiatives NAB participates in, and (II) external assessments of NAB's ESG performance, is available on our website: http://www.nab.com.au/about-us/corporate-responsibility/responsibility-management-of-our-business/performance-and-reporting/memberships-commitments-and-recognition

PROGRESSING INDUSTRY REFORMS

NAB is committed to supporting and progressing reforms at an industry-level to build trust and confidence in the banking sector, and continue to drive positive outcomes for customers.

A summary of NAB's progress against the the six initiatives outlined by the Australia Bankers' Association (ABA) in April 2016 is below. Industry-wide progress reports are provided on a quarterly basis, available at: http://www.betterbanking.net.au/.

1. REVIEWING PRODUCT SALES COMMISSIONS

- More than 700 leaders in Retail and Direct Consumer moved away from a product-based sales incentive plan to NAB's Group Short-Term Incentive Plan from 1 October 2017
- Performance plans, outlining goals and expectations across the business have been aligned to the Sedgwick principles[1] and have no more than 33% of objectives based on financial measures

2. MAKING IT EASIER FOR CUSTOMERS

- NAB's Independent Customer Advocates have supported customers in reviewing closed complaints, and conducted wider, thematic reviews to drive improved customer outcomes

3. STRENGTHENING WHISTLEBLOWER PROGRAM

- Refreshed Whistleblower Policy in place since February 2017
- 77% of employees say they would feel comfortable raising a concern through NAB's Whistleblower Program[2]

4. REMOVING INDIVIDUALS FOR POOR CONDUCT

- Implemented Conduct Background Check Protocol for prospective employees in Australia, building on the Financial Adviser Referencing Checking and Information Sharing Protocol

5. STRENGTHENING THE CODE OF BANKING PRACTICE

- NAB has played an active role in the re-drafting of the Code of Banking Practice

6. SUPPORTING ASIC AS A STRONG REGULATOR

- NAB supports industry funding of ASIC, bringing it into line with APRA and AUSTRAC which are also industry funded

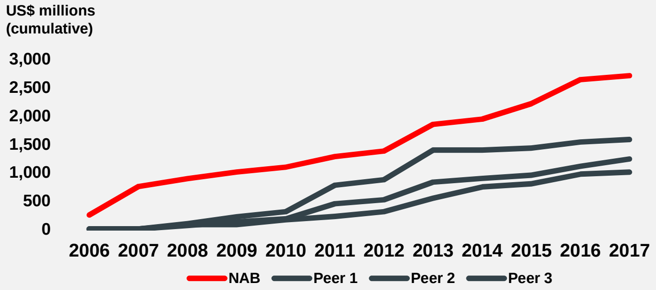
(1) Independent Review into product sales commissions and product based payments in retail banking in Australia, which was conducted by Mr Stephen Sedgwick AO
(2) As measured in NAB's 2017 Employee Engagement Survey, conducted by Aon Hewitt

ESG RISK AND OPPORTUNITY

MANAGING ESG RISK

- Updated Human Rights Policy and Code of Conduct, included modern slavery as part of NAB's annual risk awareness training for employees across the Group and rolled out ESG risk refresher training for business bankers
- Updated Group Supplier Sustainability Principles in order to strengthen labour rights and modern slavery requirements
- Incorporated ESG risk screen into fast-track small business loan QuickBiz

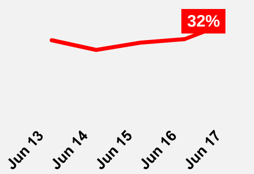
LEADING ARRANGER OF PROJECT FINANCE FOR AUSTRALIAN RENEWABLE ENERGY[1]



AGRIBUSINESS AND NATURAL VALUE

- Over $163m in discounted asset finance provided to business clients for energy efficient or renewable energy assets, in partnership with Clean Energy Finance Corporation since June 2015
- Agribusiness customers that agree NAB has a high level of environmental commitment have, on average, NPS 19 points higher than overall Agribusiness NPS[3]

AGRIBUSINESS MARKET SHARE[2]



RETURNS THROUGH INNOVATION

- >$2.2bn in 'green' or 'social' bonds issued and arranged by NAB in 2017, including: NAB Social Bond (Gender Equality), the first social bond globally specifically to promote workplace equality), and the NAB GMTN Climate Bonds (first offshore green bonds issued by an Australian bank)
- >14,000 employees directly involved in NAB's corporate responsibility programs
- 81% of our people value the opportunities that NAB provides to support the community, above the top quartile score of 53%[4]

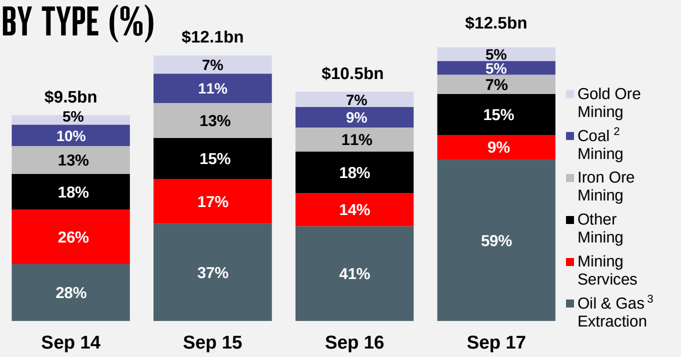
(1) Data Source: Thomson Reuters: Project Finance International 2006-2017 Asia Pacific Initial Mandated Lead Arrangers League Tables - MidYear 2017 US$ Project Allocation, NAB analysis ranking against four major Australian banks - cumulative volume as at 30 June 2017
(2) June 2017/ NAB APRA submission / RBA System
(3) Refers to the Operational NPS for the respective experiences. Operational NPS is derived from surveys sent by NAB to NAB customers who have recently gone through the respective experiences
(4) 2017 Employee Engagement survey conducted by Aon Hewitt

SUPPORTING AN ORDERLY TRANSITION

MEETING OUR COMMITMENTS

- NAB has a working group reviewing the risks and opportunities facing NAB and our customers arising from a '2-degree world'
- NAB is participating in a pilot led by the United Nations Environment Program Finance Initiative looking at implementing key recommendations from the Financial Stability Board's Taskforce on Climate-related Financial Disclosures
- Full progress update on the work of NAB's Climate Change Working Group will be provided in its 2017 Sustainability Report (published 14 November)

RESOURCE EXPOSURE AT DEFAULT BY TYPE (%)



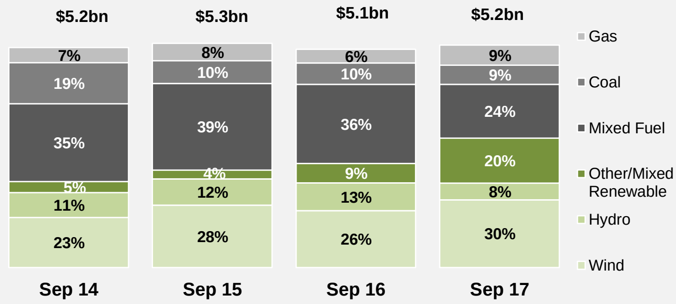
FINANCING THE TRANSITION

NAB has continued to provide finance to help address climate change and support the transition to a low carbon economy. Since 1 October 2015[1], NAB has provided:

$4.9 billion
to support green infrastructure, capital markets and asset finance

$8.5 billion
in new mortgage lending flow for 6 Star residential housing in Australia (new dwellings and significant renovations)

ELECTRICITY GENERATION EXPOSURE AT DEFAULT BY FUEL SOURCE (%)[4]



(1) This is the total cumulative new flow of environmental finance, provided from 1 October 2015 to 30 September 2017 as part of NAB's environmental financing commitment. Further detail on our environmental financing commitment is available in NAB's 2017 Sustainability Report
(2) As at 30 September 2017, Coal Mining is comprised of 83% thermal coal exposure and 16% metallurgical coal, with the remaining balance of 1% primarily for peat cutting
(3) Oil & Gas extraction exposure is largely to Liquefied Natural Gas projects and investment grade customers (91%)
(4) Prepared in accordance with NAB's methodology (based upon the 1993 ANZSIC codes). Excludes exposure to counterparties predominantly involved in transmission and distribution Vertically integrated retailers have been included and categorised as renewable where a large majority of their generation activities are sourced from renewable energy. More detail at https://www.nab.com.au/about-us/corporate-responsibility

CORPORATE RESPONSIBILITY PERFORMANCE[1]

	FY15	FY16	FY17
Cumulative number of Australians assisted with microfinance products/services	394,277	449,844	**513,941**
Enterprise Employee Engagement score (%)[2]	Not comparable	Not comparable	**59**
Proportion of women in Executive Management[3] (%)	Not comparable	29	**31**
Employee voluntary turnover rate (%)	9.9	9.9	**11.4**
Number of breaches of NAB Code of Conduct (Australia)[4]	870	1,138	**1,613**
Community investment ($m)	54.4	48.8	**44.6**
Number of volunteering days contributed	26,204	23,065	**16,115**
Cumulative aggregate financing to help address climate change and support the transition to low-carbon economy ($bn)	Measure established	6.1[5]	**13.4**
Gross greenhouse gas emissions (Scope 1, 2 and 3) (tCO_2-e)[6]	276,584	232,100[7]	**185,898**
Percentage of material suppliers compliant with Group Supplier Sustainability Principles[8]	47	91	**90**

(1) Historical figures have been restated to exclude discontinued operations
(2) 2017 Employee Engagement Survey conducted by Aon Hewitt. The engagement score indicates the percentage of employees at NAB that are strong advocates (SAY), demonstrate a commitment to NAB (STAY) and exerts discretionary effort (STRIVE)
(3) Executive Management positions as defined in NAB's 2020 measurable objectives are all permanent employees within the NAB Group's remuneration bands (also known as Salary Groups) 6 & 7. This definition is different to the historic definition adopted and reported for NAB's previous measurable objectives. FY16 data has been re-stated to align to current definition
(4) The increase in the number of recorded breaches of our Code of Conduct reflects the introduction of the Employee Conduct Management Policy in 2015 which has seen matters handled more effectively by our leaders in consultation with the Workplace Relations Team with a focus on consistent application of consequences. In 2017, 343 breaches are attributable to one particular issue relating to the incorrect completion of forms and where appropriate disciplinary action was consistently applied following a thorough investigation
(5) This number has been restated as we have reviewed and changed the methodology for determining the mortgages included in our environmental financing commitment. Further information on this change is provided in our 2017 Sustainability Report
(6) Calculated for the environmental reporting year 1 July - 30 June. Gross totals are prior to renewable energy purchase. Emissions coverage includes all major operations under NAB's control
(7) Historical figures have been restated to account for water consumption emissions which is a requirement of the National Carbon Offset Standard
(8) There are variances in terminology and definition of a material or strategic supplier across our operations in different geographic regions

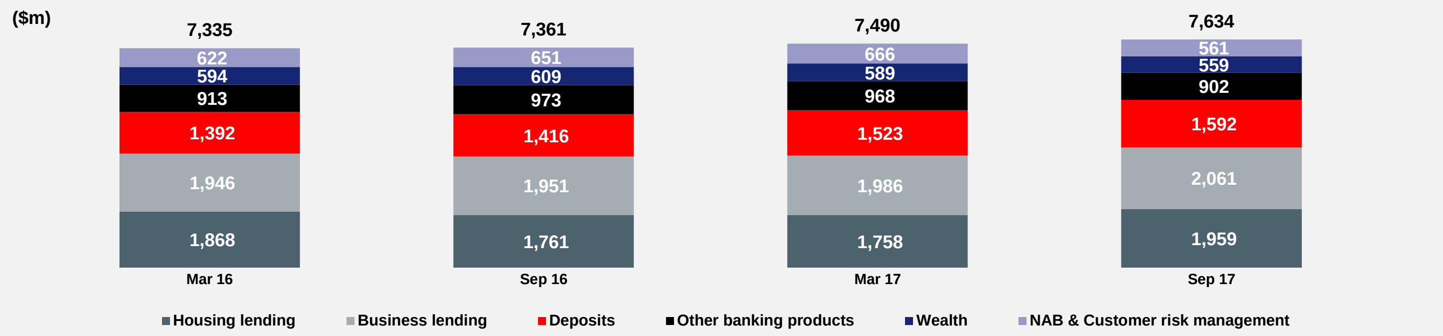
Further information (including detailed definitions and calculations) on listed measures' historical performance will be available in our 2017 Sustainability Report: http://nab.com.au/annualreports

ADDITIONAL INFORMATION

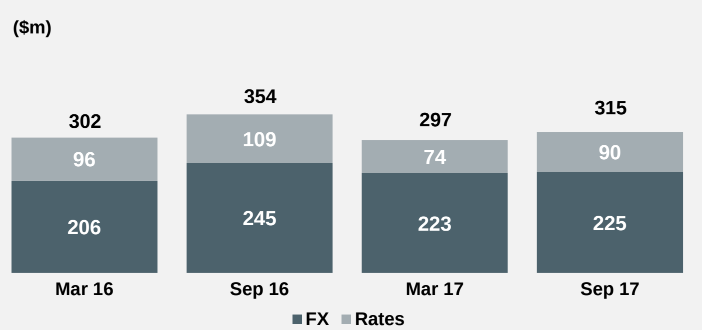
AUSTRALIAN PRODUCTS

AUSTRALIAN BANKING & WEALTH PRODUCTS REVENUE

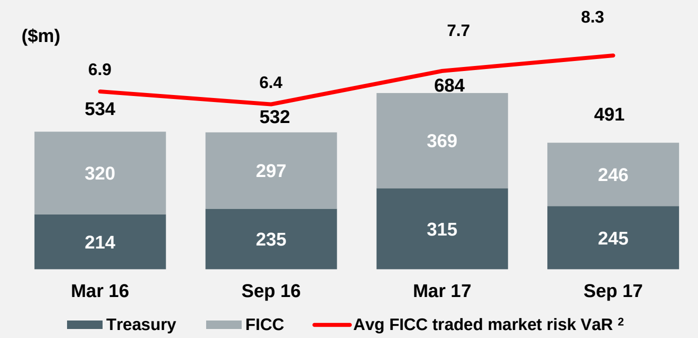
TOTAL REVENUE BY PRODUCT



CUSTOMER RISK MANAGEMENT REVENUE[1]



NAB RISK MANAGEMENT REVENUE[1]



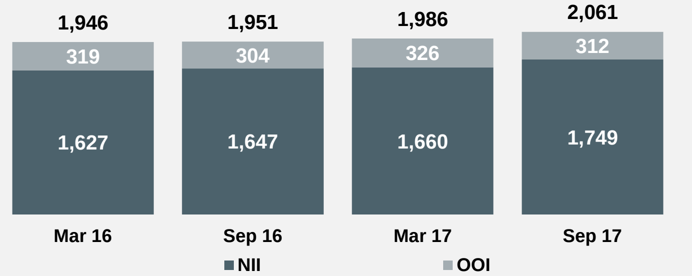
(1) Customer risk comprises OOI. NAB risk management comprises NII and OOI and is defined as management of interest rate risk in the banking book, wholesale funding and liquidity requirements and trading market risk to support the Group's franchises. Includes FX

(2) Average FICC traded market risk VaR excludes the impact of hedging activities related to derivative valuations adjustments

BUSINESS LENDING

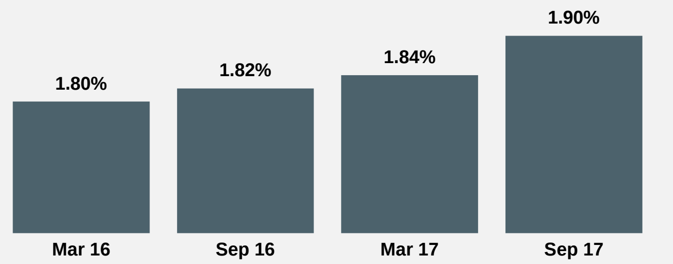
BUSINESS LENDING REVENUE

($m)



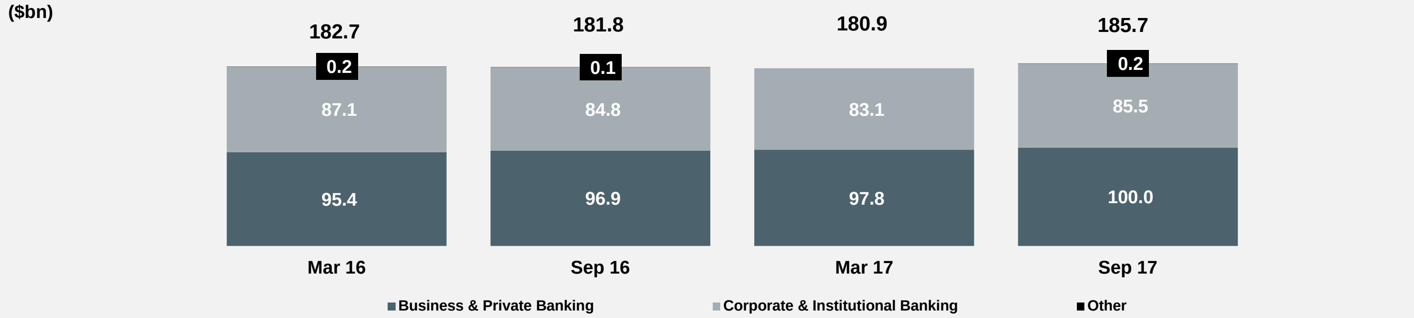
BUSINESS LENDING NET INTEREST MARGIN

(%)



BUSINESS LENDING GLAs[1]

($bn)

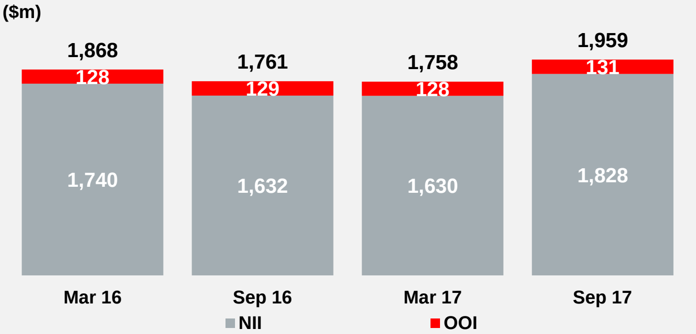


(1) Includes $660m reclassification of business lending to housing lending at September 2016

HOUSING LENDING

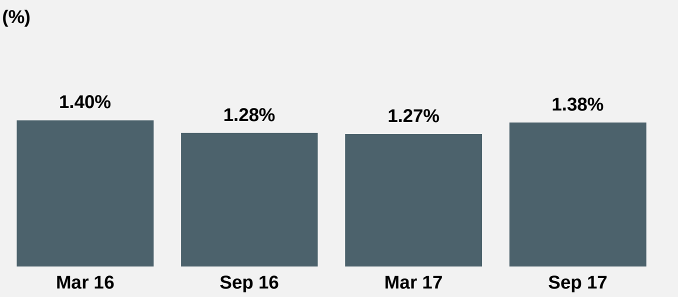
HOUSING LENDING REVENUE

($m)



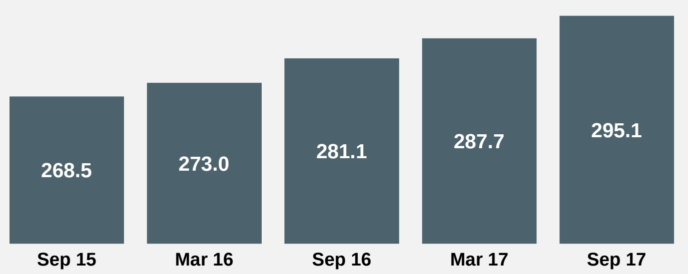
HOUSING LENDING NET INTEREST MARGIN

(%)

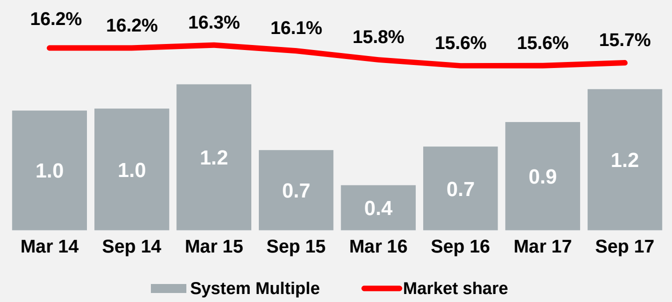


HOUSING LENDING GLAs

($bn)



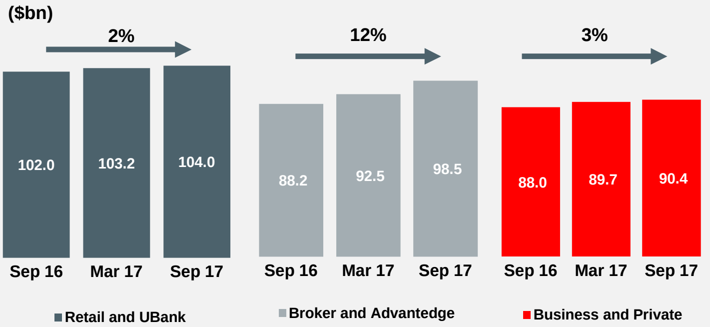
HOUSING LENDING MARKET SHARE[1]



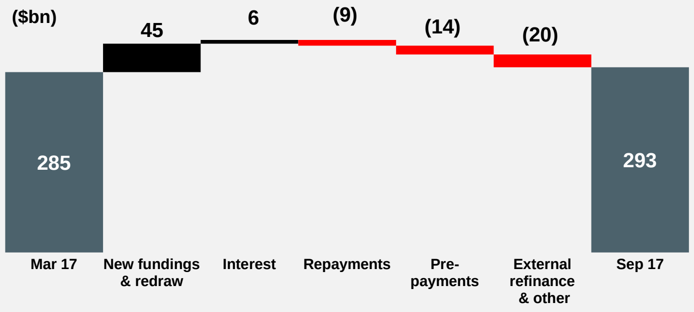
(1) APRA Monthly Banking Statistics

HOUSING LENDING

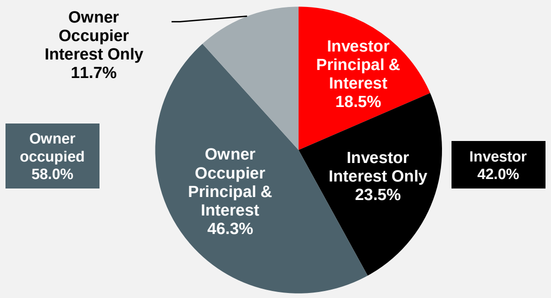
HOUSING LENDING BY CHANNEL[1]



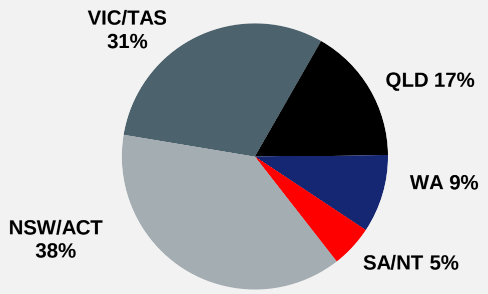
HOUSING LENDING FLOW MOVEMENTS[1]



HOUSING LENDING VOLUME BY BORROWER AND REPAYMENT TYPE[2]



AUSTRALIAN MORTGAGES BY GEOGRAPHY



(1) Excludes Asia, except for Business and Private
(2) Only includes housing loans to households based on APRA ARF 320.0 reporting definitions, and excludes counterparties such as private trading corporations

HOUSING LENDING PRACTICES & REQUIREMENTS

KEY ORIGINATION REQUIREMENTS

Ongoing focus on lending practices that:

- Assess the individual circumstances of a customer
- Consider the dynamic external environment and market trends
- Role model sustainable and responsible lending

Income	Income verified using a variety of documents including payslips and checks on salary credits into customers' accounts Apply a minimum 20% shading on less certain income, for example rental income shading since 2015
Household expenses	Use the greater of: • Customers' declared living expenses, enhanced in 2016 to break down into granular sub categories or • Household Expenditure Measure (HEM) benchmark. In use since 2012 and enhanced in 2015 to scale for customer income
Serviceability	Assess customers ability to pay based on the higher of the customer rate plus serviceability buffer (2.25%) or the floor rate (7.25%), with longstanding use of floor and updated in 2016
Existing debt	Verify using declared loan statements and assess existing mortgage debt using floor (7.25%) and buffer over customer rate (2.25%) In 2017 tightened assessment of customer credit cards at 3% per month of the limit
Interest only	Assess Interest Only loans on the residual Principal and Interest period Longstanding maximum Interest Only term for Owner Occupied borrowers of 5 years

HOUSING LENDING PRACTICES & REQUIREMENTS

OTHER REQUIREMENTS

- Lenders' mortgage insurance (LMI) applicable for majority of lending >80% LVR
- Longstanding requirement for LMI for inner city investment housing >70% LVR
- Since 2015, maximum 70% LVR for High Risk postcodes (e.g. mining towns) and maximum 80% LVR for At Risk postcodes (e.g. high concentration of apartments)
- Longstanding requirement for apartment size to be 50 square metres or greater (including balconies and car park)
- In 2017 introduced Loan-to-income decline threshold

BROKER PRACTICES

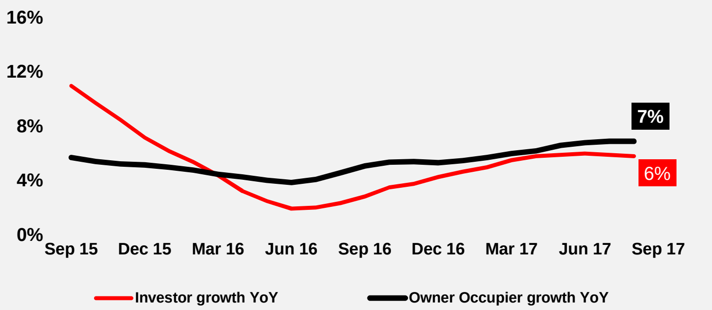
- NAB Broker applications assessed centrally – verification and credit decisioning
- All brokers are licensed and subject to accreditation requirements
- NAB conducts broker level monitoring using specific review triggers such as delinquency thresholds

LOAN-TO-VALUE RATIO (LVR) RESTRICTIONS

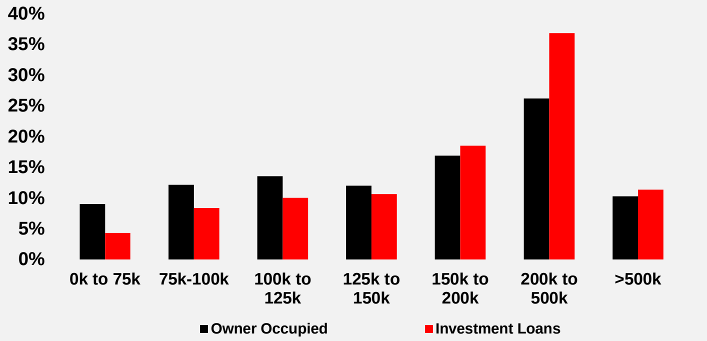
Principal & Interest – Owner Occupier	95%
Principal & Interest – Investor	90%
Interest Only (OO & IO)	80%
'At risk' postcodes (CBDs etc)	80%
'High risk' postcodes (eg mining towns)	70%

INVESTOR HOUSING LENDING

INVESTOR AND OWNER OCCUPIER GROWTH YoY[1]



% HOUSING CUSTOMERS BY GROSS INCOME BAND[3]



INVESTOR HOUSING LENDING

- Principal & Interest: 42.1%
- Interest only: 57.9%
- Units[1,2]: 27.9%
- Houses[1,2]: 72.1%
- Average LVR at origination: 71.5%
- Average loan size: $361k
- 90+ days past due: 0.48%
- Impaired loans: 0.12%
- Specific provision coverage ratio[1]: 34.2%
- Loss rate[1]: 0.03%

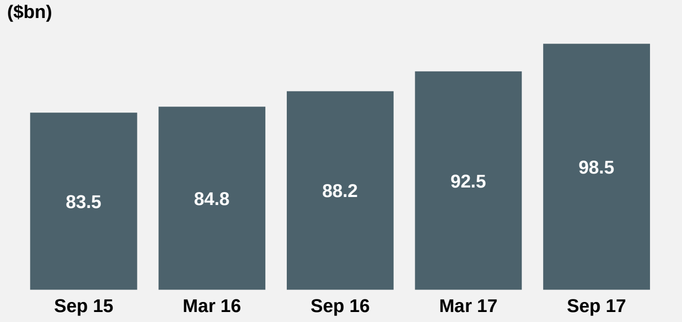
(1) Does not include Advantedge
(2) Data as of September 2017
(3) Drawdowns from Apr 17 – Sep 17

MORTGAGE BROKER CHANNEL

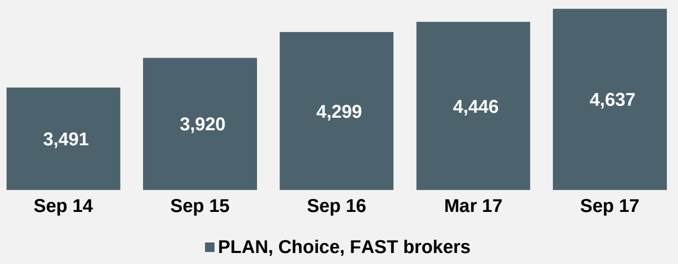
MORTGAGE BROKER CONSIDERATIONS

- Full NAB product suite now available to brokers launched in September 2016
- Improved on-boarding experience to NAB for Broker customers
- Mortgage broking partnership established with REA
- Recruitment of an additional 338 brokers across NAB owned aggregators PLAN, Choice and FAST (8% increase) for the 12 months ended 30 September 2017

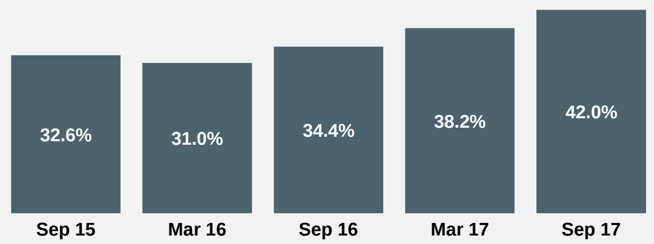
HOUSING LENDING VOLUMES – BROKER[1]



NUMBER OF BROKERS UNDER NAB OWNED AGGREGATORS



DRAWDOWNS ATTRIBUTED TO BROKER



(1) Spot volumes

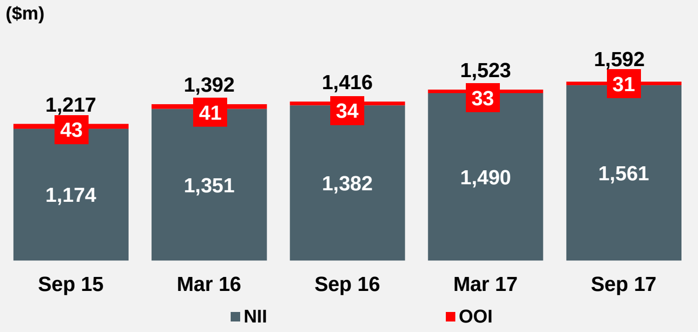
HOUSING LENDING KEY METRICS[1]

Australian Housing Lending	Mar 16	Sep 16	Mar 17	Sep 17	Sep 16	Mar 17	Sep 17
	Portfolio				Drawdowns[2]		
Total Balances (spot) $bn	270.6	278.3	285.0	292.6	36.6	34.1	35.9
By Product							
- Variable rate	76.7%	77.5%	76.3%	73.3%	81.0%	77.1%	66.8%
- Fixed rate	13.2%	13.2%	15.1%	18.8%	17.0%	20.9%	30.8%
- Line of credit	10.1%	9.3%	8.6%	7.9%	2.0%	2.0%	2.4%
By borrower type							
- Owner Occupied[3,4]	57.6%	57.7%	57.7%	58.0%	58.4%	57.9%	59.7%
- Investor[3,4]	42.4%	42.3%	42.3%	42.0%	41.6%	42.1%	40.3%
By channel							
- Proprietary	68.7%	68.3%	67.5%	66.3%	65.6%	61.8%	58.0%
- Broker	31.3%	31.7%	32.5%	33.7%	34.4%	38.2%	42.0%
Low Documentation	1.1%	0.9%	0.8%	0.7%			
Interest only[5]	32.5%	31.9%	32.1%	29.8%			
Offset account balance ($bn)	23.4	24.7	26.2	27.2			
LVR at origination	69.1%	69.0%	69.0%	69.0%			
Dynamic LVR on a drawn balance calculated basis	44.0%	45.1%	44.4%	42.7%			
Customers in advance ≥1 month[6]	62.1%	62.3%	61.4%	60.3%			
Avg # of monthly payments in advance	14.7	15.0	15.3	15.2			
Customers in advance ≥1 month[6] (including offset facilities)	73.7%	74.0%	73.3%	72.5%			
Avg # of monthly payments in advance (including offset facilities)	27.7	28.7	29.7	30.1			
90+ days past due[7]	0.51%	0.51%	0.58%	0.59%			
Impaired loans[7]	0.11%	0.12%	0.11%	0.10%			
Specific provision coverage ratio	24.5%	25.8%	30.0%	30.0%			
Loss rate[8]	0.02%	0.02%	0.02%	0.02%			

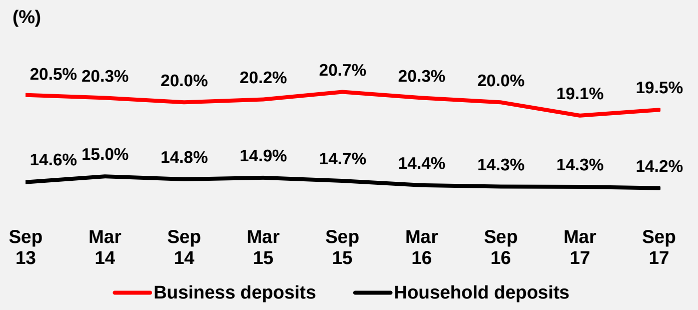
(1) Excludes Asia
(2) Drawdowns is defined as new lending excluding limit increases and redraws in the previous six month period
(3) Portfolio sourced from APRA Monthly Banking Statistics
(4) Drawdowns sourced from management data
(5) Excludes line of credit products
(6) Not reported for Advantedge. Excludes line of credit, interest only loans
(7) Includes Asia
(8) 12 month rolling Net Write-offs / Spot Drawn Balances

DEPOSITS & TRANSACTION ACCOUNTS

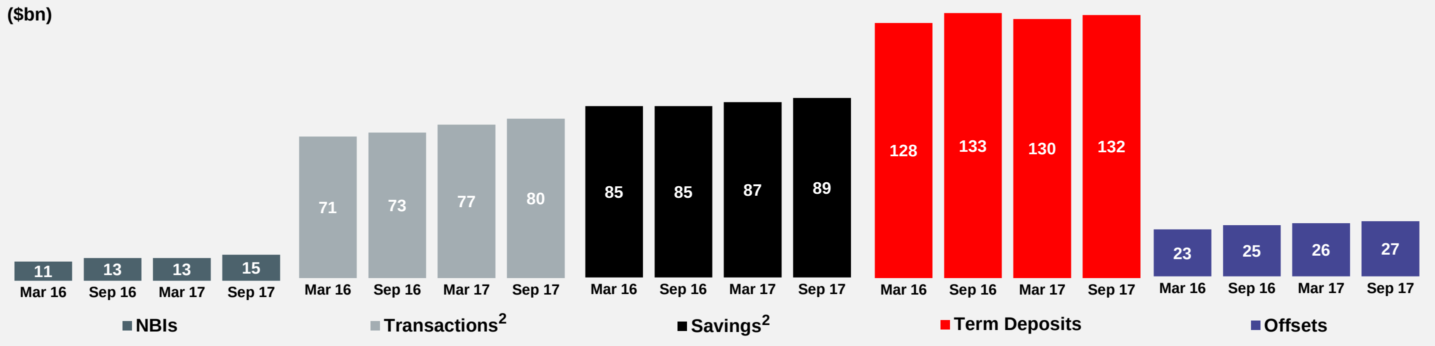
DEPOSIT REVENUE



BUSINESS AND HOUSEHOLD DEPOSIT MARKET SHARE[1]



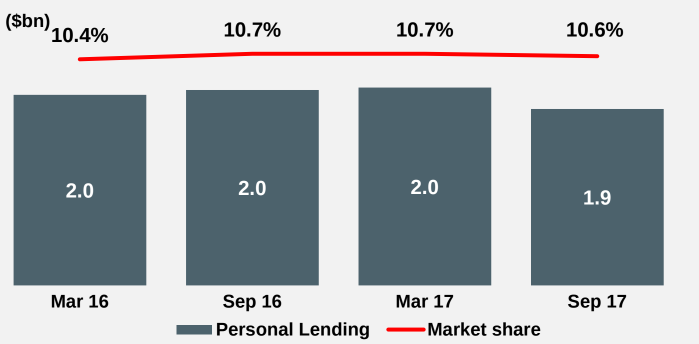
CUSTOMER DEPOSIT BALANCES BY PRODUCT



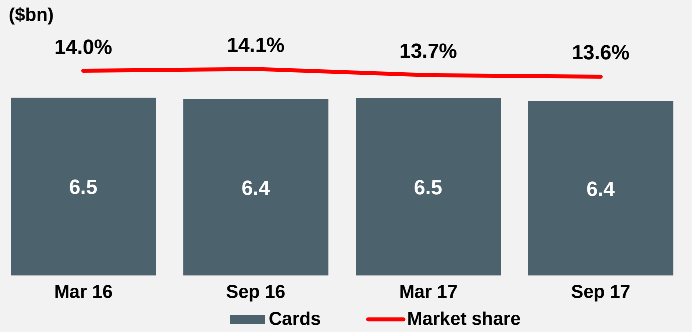
(1) APRA Banking System – 2013-2015 values have been restated
(2) Prior period deposit balances have been restated in line with ARF 720.2

OTHER BANKING PRODUCTS

PERSONAL LENDING BALANCE AND MARKET SHARE[1]



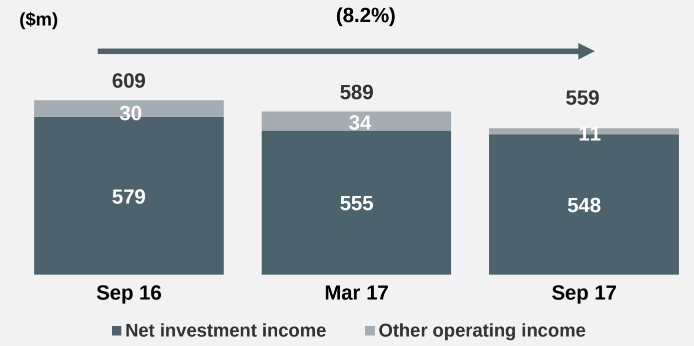
CARDS BALANCE AND MARKET SHARE[2]



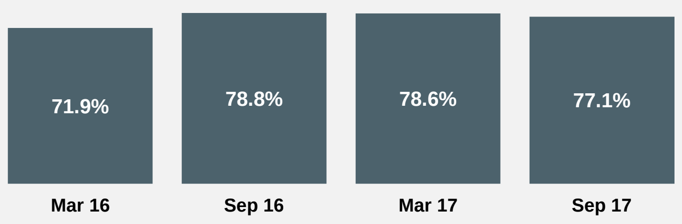
(1) Personal loans business tracker reports provided by RFI (September 2017), represents share of RFI defined peer group data
(2) APRA Monthly Banking Statistics

WEALTH

WEALTH REVENUE



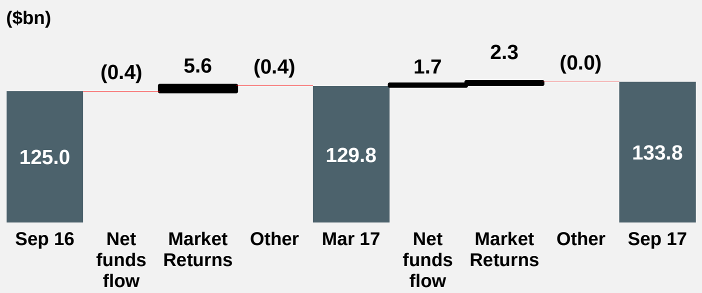
3 YEAR PERFORMANCE OF FUM/A & AUM EXCEEDING BENCHMARK[1,2]



(1) For September 2017 there has been a change to how FUM/A and AUM are presented to now include two separate disclosures that represent all managed funds and assets from which the Group derives revenue. Certain items will be represented in both FUM/A and AUM meaning the two should not be summed. Comparative period information has been restated
(2) This is a representative measure of performance across all asset classes in FUM/A and AUM.

WEALTH

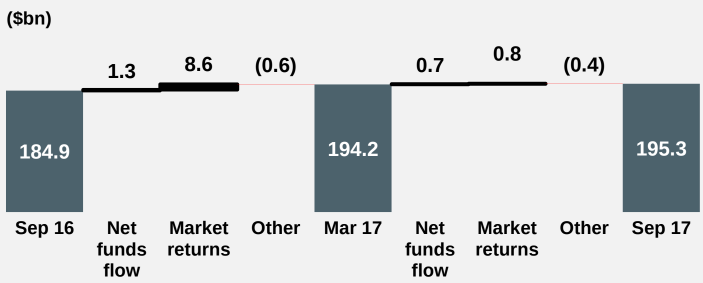
MOVEMENT IN FUM/A[1,2]



FUM/A NET FUNDS FLOW AND SPOT FUM/A BY PRODUCT GROUP[1,2]

Product group	1H16 Net Funds Flow ($m)	2H16 Net Funds Flow ($m)	1H17 Net Funds Flow ($m)	2H17 Net Funds Flow ($m)	Spot FUM/A at 30 Sep 17 ($m)
Retail	602	619	268	1,724	78,866
Offsale Products	(609)	(550)	(557)	(549)	8,643
Business & Corporate Superannuation	75	(341)	(119)	547	46,291
Total Wealth	**68**	**(272)**	**(408)**	**1,722**	**133,800**

MOVEMENT IN AUM[1]



AUM NET FUNDS FLOW AND SPOT AUM BY PRODUCT GROUP[1]

Product group	1H16 Net Funds Flow ($m)	2H16 Net Funds Flow ($m)	1H17 Net Funds Flow ($m)	2H17 Net Funds Flow ($m)	Spot AUM at 30 Sep 17 ($m)
Portfolio Management	(506)	1,356	(351)	1,092	138,677
Investment Management	384	257	1,629	(381)	56,581
Total Wealth	**(122)**	**1,613**	**1,278**	**711**	**195,258**

(1) For September 2017 there has been a change to how FUM/A and AUM are presented to now include two separate disclosures that represent all managed funds and assets from which the Group derives revenue. Certain items will be represented in both FUM/A and AUM meaning the two should not be summed. Comparative period information has been restated
(2) Includes JB Were

MARKETS: FIXED INCOME, CURRENCIES AND COMMODITIES (FICC)[1]

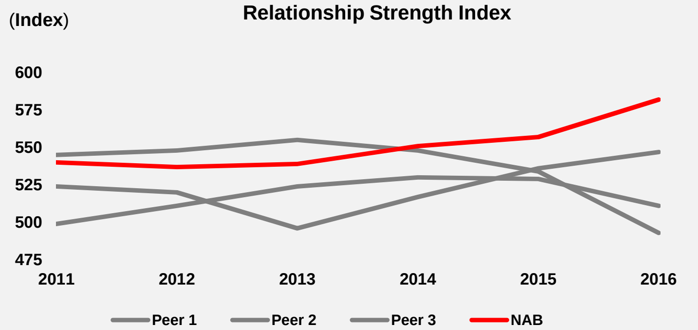
OUR FOCUS

Provision of risk management products across NAB's Consumer, SME and C&I franchises, plus associated trading and structuring activity

- Consumer: +100,000 clients, mainly FX
- SME: +16,000 clients, mainly FX and rates hedging
- C&I: broad range of FX, rates, credit and commodities products and derivatives

Increasing digitisation of customer offering and processing to enhance servicing and efficiency

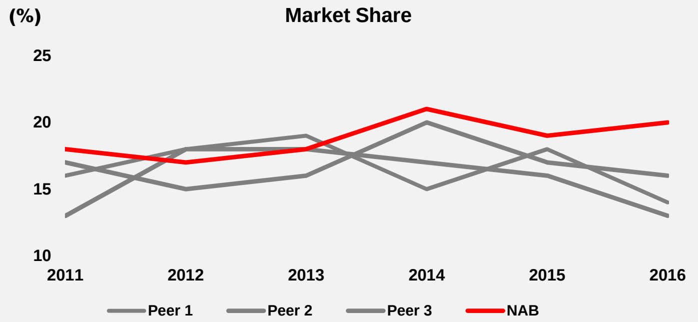
INTEREST RATE HEDGING – CORPORATES[2]



HIGHLIGHTS

- #1 Interest Rate Derivatives market share[3]
- #1 Australian bank in FX swaps globally[4]
- #1 Most Trusted Adviser for Corporate IRD[3] and FX (Corporate & FI)[5]
- #1 Macroeconomics team in Australia in 2016 and 2017[6]
- Simplifying – migration of trading booked from 14 to 2 core strategic platforms and straight through processing for more than 90% of fixed income Austraclear settlements
- Well progressed program of global regulatory changes

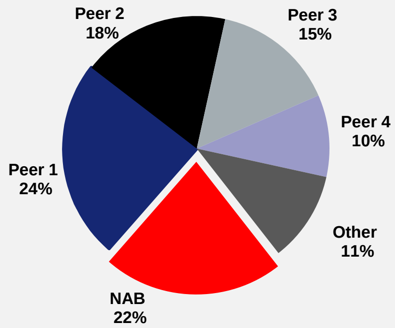
INTEREST RATE HEDGING – CORPORATES[2]



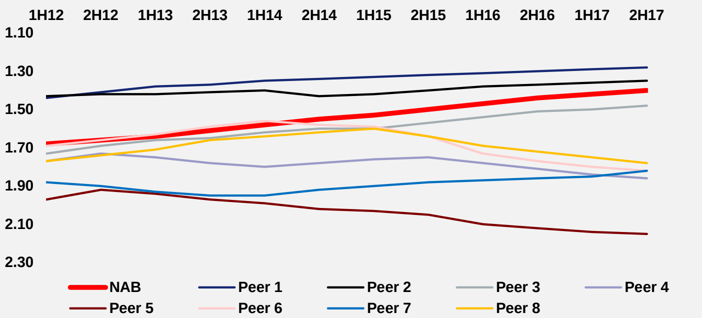
(1) All Peter Lee Associates data is taken from the most recently published surveys available
(2) Peter Lee Associates Interest Rate Derivatives Survey Australia 2016. Based on top four banks by penetration
(3) Peter Lee Associates Interest Rate Derivatives Survey Australia 2016. Ranking against all banks
(4) Euromoney FX Poll 2016
(5) Peter Lee Associates Foreign Exchange Survey Australia 2016. Ranking against the four major domestic banks
(6) KangaNews Fixed-Income Research Poll 2017

FICC SME FX SHARE AND SATISFACTION

2017 PRIMARY PROVIDER SHARE FOR SME SPOT FX[1,2]



SME SPOT FX SATISFACTION RATING[1,3]



(1) East & Partners. October 2017. Australia SME Banking Markets program
(2) "Other" consolidates results for peers with share of 4% or less
(3) 1-5 scale with 1 being the most satisfied. 1H refers to six months to April, 2H refers to six months to October

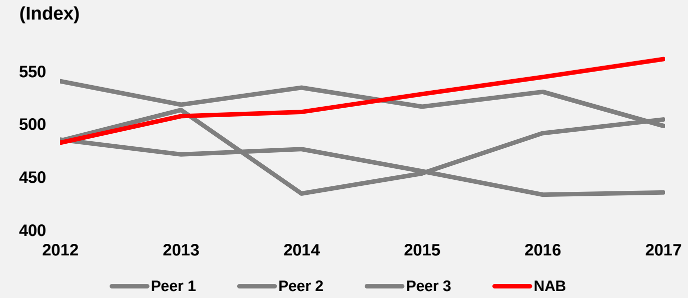
CORPORATE FINANCE

OUR FOCUS

Meeting customers' funding needs by connecting them with investors and deploying our own balance sheet where necessary

- Debt capital markets including securitisation, hybrids & institutional term loans placed with funds
- Financial and equity advisory
- Project, acquisition and leveraged finance
- Asset finance and leasing

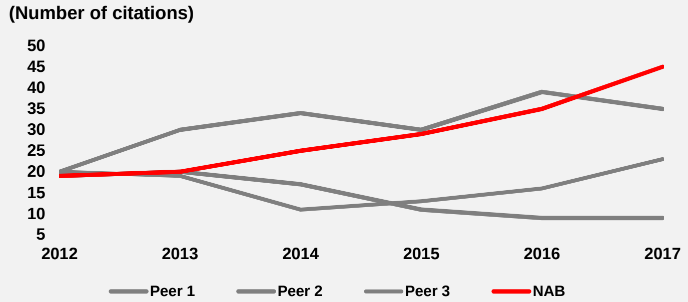
DEBT MARKETS ORIGINATION RELATIONSHIP STRENGTH INDEX[1]



HIGHLIGHTS

- #1 overall DCM Quality of Service[2] & Australian Issuer Offshore Debt House of the Year[3]
- Australian Securitisation House of the Year and #1 in Australian Securitisation league tables the past 6 years[3]
- Leading arranger of project finance for Infrastructure in Australia[4] & Australian renewable energy[5]
- Innovative new funding sources (Green, Gender and Sustainability Bonds)

DEBT MARKETS ORIGINATION[1] – LEAD DEALER RELATIONSHIPS



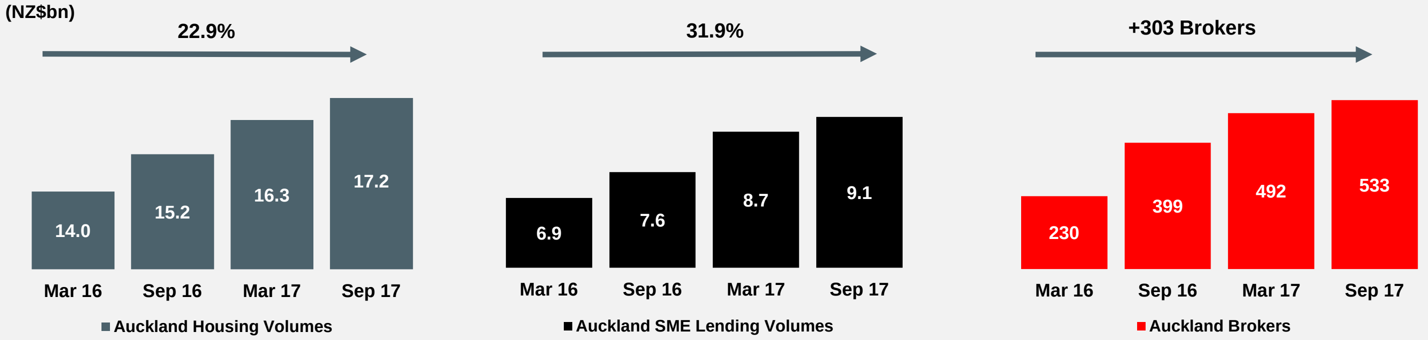
(1) Peter Lee Associates Debt Securities Origination Survey 2017. Based on top four banks by penetration
(2) Peter Lee Associates Debt Securities Origination Survey 2017. Ranking against the four major domestic banks
(3) KangaNews Awards 2016, KangaNews League Tables 2011-2016
(4) Infra-Deals (as at 11/10/17) – Cumulative Results for 2007-2017 excluding Power
(5) Data Source: Thomson Reuters: Project Finance International 2006-2017 Asia Pacific Initial Mandated Lead Arrangers League Tables - MidYear 2017 US$ Project Allocation, NAB analysis ranking against four major Australian banks - cumulative volume as at 30 June 2017

ADDITIONAL INFORMATION

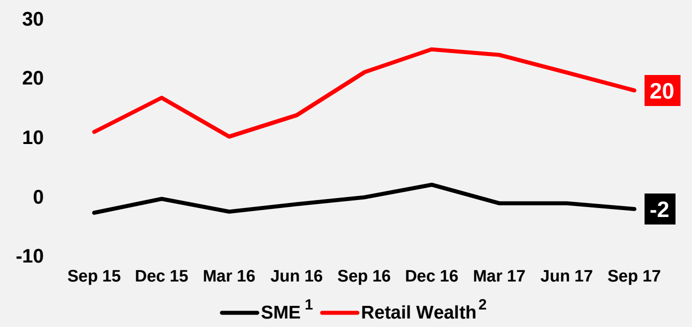
NEW ZEALAND BANKING

TARGETED GROWTH IN PRIORITY SEGMENTS AND MARKETS

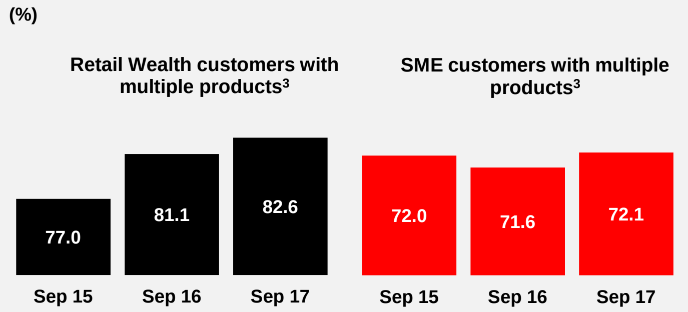
LEVERAGING AUCKLAND TO GROW RETAIL AND SME



FOCUS PRIORITY SEGMENT NET PROMOTER SCORE



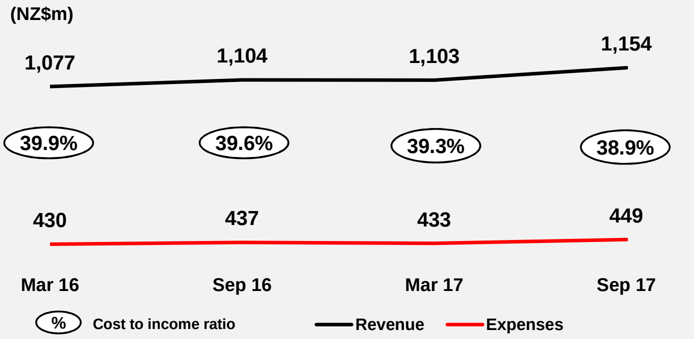
INCREASING % OF CUSTOMERS WITH MULTIPLE PRODUCTS



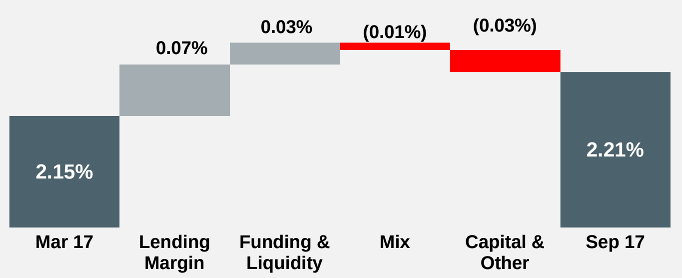
(1) Source: TNS Business Finance Monitor (data on 12 month roll)
(2) Source: Camorra Retail Market Monitor (data on six month roll)
(3) Represents customers in those segments who have more than 1 product category with the BNZ

KEY FINANCIAL METRICS

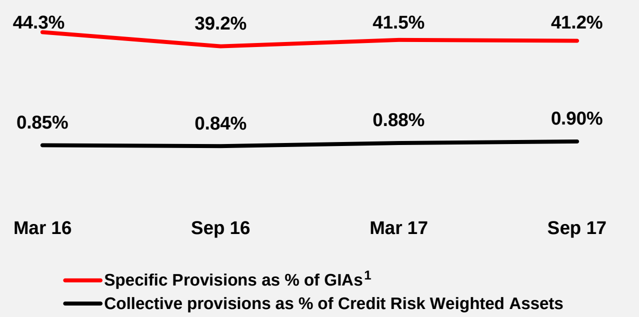
REVENUE v EXPENSE GROWTH



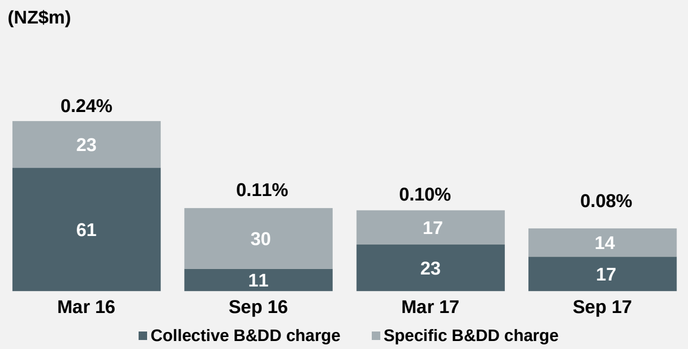
NET INTEREST MARGIN



COLLECTIVE AND SPECIFIC PROVISION COVERAGE



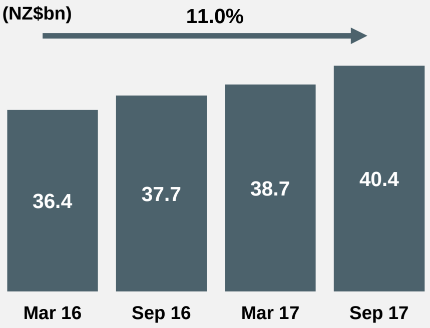
B&DD CHARGE AND AS A % OF GLAs[2]



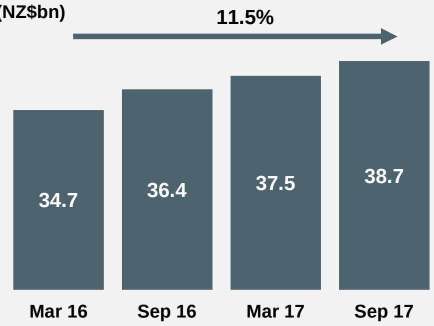
(1) Consists only of impaired assets where a specific provision has been raised and excludes New Zealand dairy exposures currently assessed as no loss based on security held
(2) Half year B&DD as a % of GLAs annualised

VOLUMES & MARKET SHARE

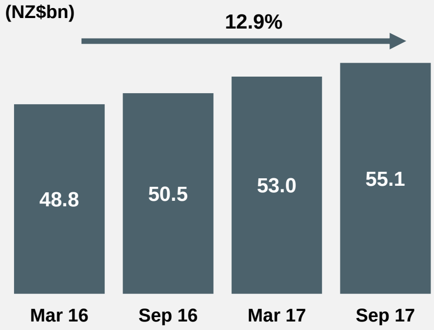
BUSINESS LENDING[1]



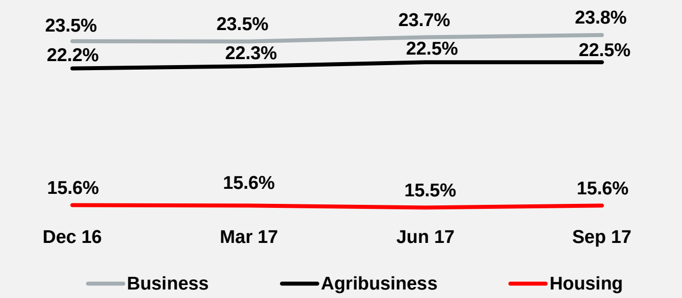
RETAIL LENDING[1]



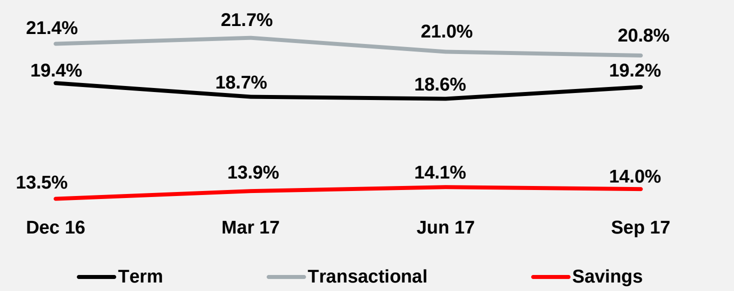
CUSTOMER DEPOSITS[1]



LENDING MARKET SHARE[2]



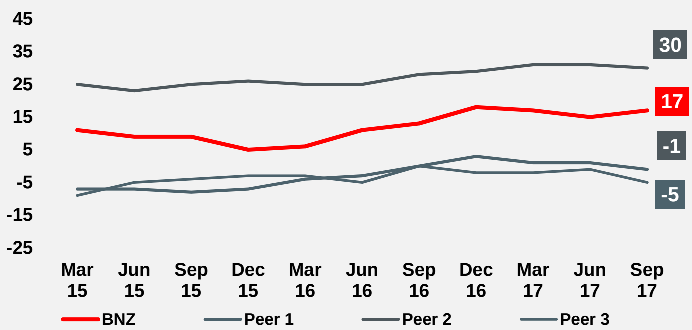
DEPOSIT MARKET SHARE[2]



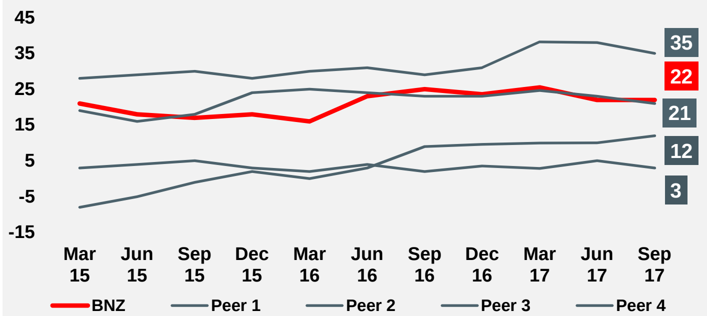
(1) Spot volumes
(2) Source RBNZ: Three month rolling weighted average market share (except for December 2016 which is the first month of new RBNZ market share reporting methodology)

NEW ZEALAND BANKING: NET PROMOTER SCORE

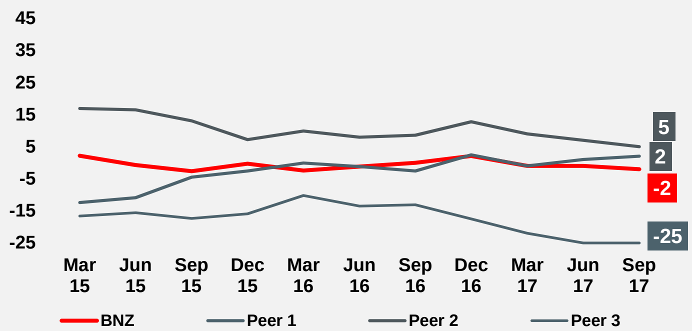
NET PROMOTER SCORE – BNZ PARTNERS[1]



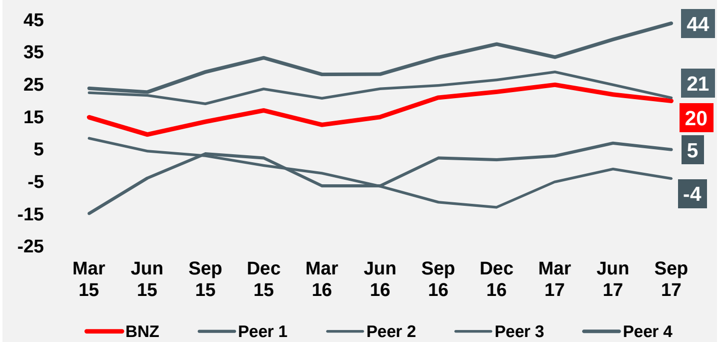
NET PROMOTER SCORE – BNZ RETAIL[2]



NET PROMOTER SCORE – SME[1]



NET PROMOTER SCORE – RETAIL WEALTH[2]



(1) Source: TNS Business Finance Monitor (data on 12 month roll)
(2) Source: Camorra Retail Market Monitor (data on six month roll)

HOUSING LENDING KEY METRICS

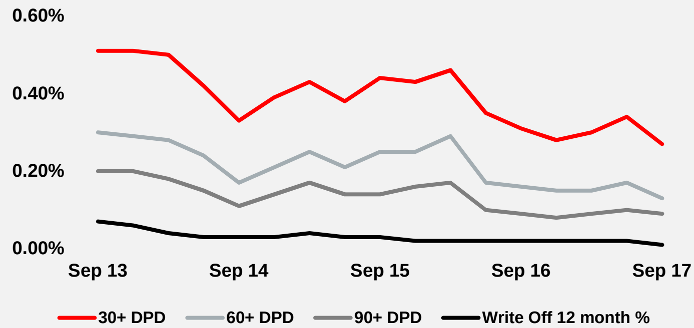
New Zealand Housing Lending	Mar 16	Sep 16	Mar 17	Sep 17	Sep 16	Mar 17	Sep 17
	Portfolio				Drawdowns[1]		
Total Balances (spot) NZ$bn	33.4	35.1	36.2	37.4	5.5	4.7	4.8
By product							
- Variable rate	21.1%	20.4%	20.1%	20.4%	22.1%	22.3%	20.8%
- Fixed rate	75.7%	76.7%	77.1%	76.9%	76.8%	76.9%	78.3%
- Line of credit	3.2%	2.9%	2.8%	2.7%	1.1%	0.8%	0.9%
By borrower type[2]							
- Owner Occupied	61.6%	60.4%	62.8%	63.4%	61.3%	65.7%	68.3%
- Investor	38.4%	39.6%	37.2%	36.6%	38.7%	34.3%	31.7%
By channel							
- Proprietary	97.1%	94.4%	92.2%	89.0%	83.3%	84.7%	76.4%
- Broker	2.9%	5.6%	7.8%	11.0%	16.7%	15.3%	23.6%
Low Documentation	0.1%	0.1%	0.1%	0.1%	0.0%	0.0%	0.0%
Interest only[3]	24.0%	25.1%	25.2%	23.9%	36.6%	34.1%	27.0%
LVR at origination	67.9%	67.8%	67.0%	66.3%			
Current LVR on a drawn balance calculated basis	62.8%	62.6%	61.7%	61.0%			
Average facility loan size NZ$ ('000)[4]	154	159	162	165	203	191	196
90+ days past due	0.17%	0.09%	0.09%	0.09%			
Impaired loans	0.11%	0.09%	0.06%	0.05%			
Specific provision coverage ratio	47.0%	35.9%	39.0%	34.7%			
Loss rate[5]	0.02%	0.02%	0.02%	0.01%			

(1) Drawdowns is defined as new lending including limit increases and excluding redraws in the previous six month period
(2) March 2016 and September 2016 based on Retail and Small business banking only. March 2017 and September 2017 based on total NZ Banking housing book. Drawdowns for March 2017 to September 2017 based on total NZ housing book. Investor is defined as a customer with one or more investment properties
(3) Excludes line of credit products
(4) Based on total facility level.
(5) 12 month rolling Net Write-offs / Spot Drawn Balances

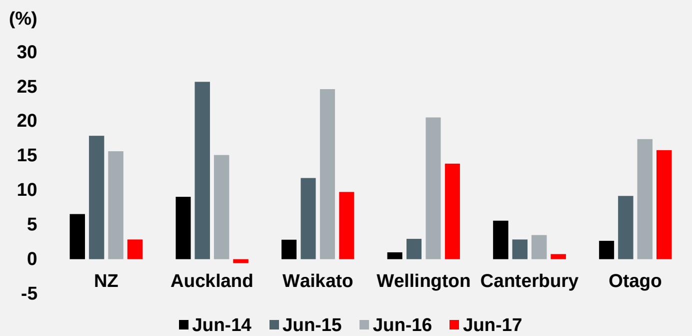
IMPACT OF MACROPRUDENTIAL CONTROLS ON HOUSING

- The NZ Housing market has moderated in 2017 following two years of strong growth
- RBNZ macroprudential controls (limit of 10% of "flow" over 80% LVR for Owner Occupiers and limit of 5% of "flow" over 60% LVR for Investors), together with slightly higher mortgage interest rates and tighter bank lending conditions are key drivers of this moderation
- Auckland housing activity has decelerated sharply in 2017, while other regions appear to be slowing
- Overall market conditions remain supportive, with demand likely to exceed supply for a period of time with interest rate levels remaining low

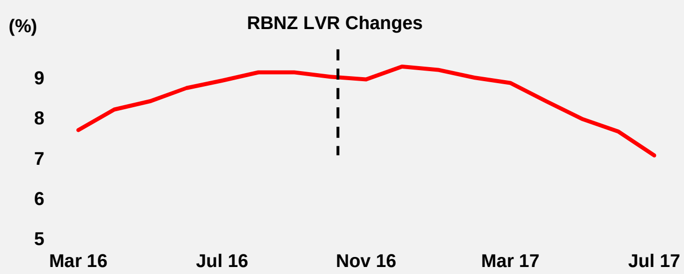
NZ BANKING MORTGAGE DELINQUENCIES AND WRITE OFFS



HOUSE PRICE INFLATION[1]



ANNUAL % CHANGE OF SYSTEM HOUSING CREDIT GROWTH[2]



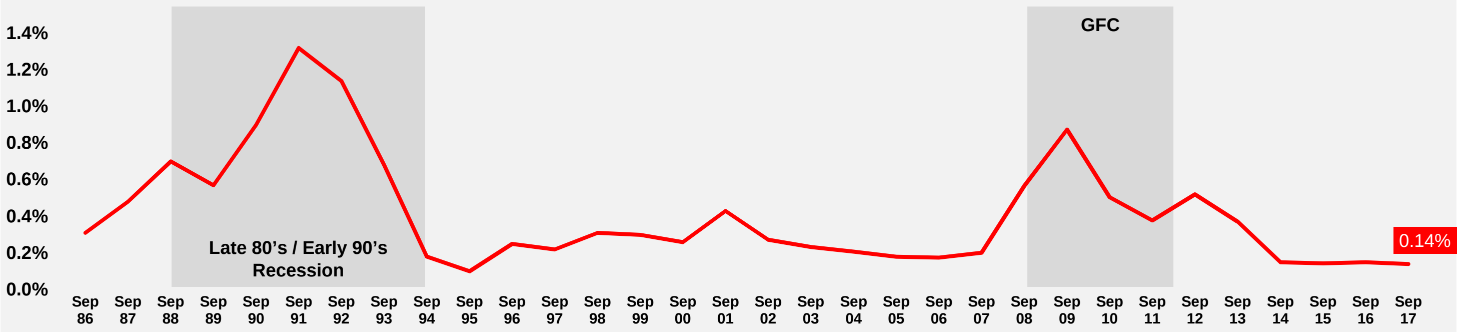
(1) Source: Real Estate Institute of New Zealand (July 2017)
(2) Source: Reserve Bank of New Zealand (July 2017)

ADDITIONAL INFORMATION

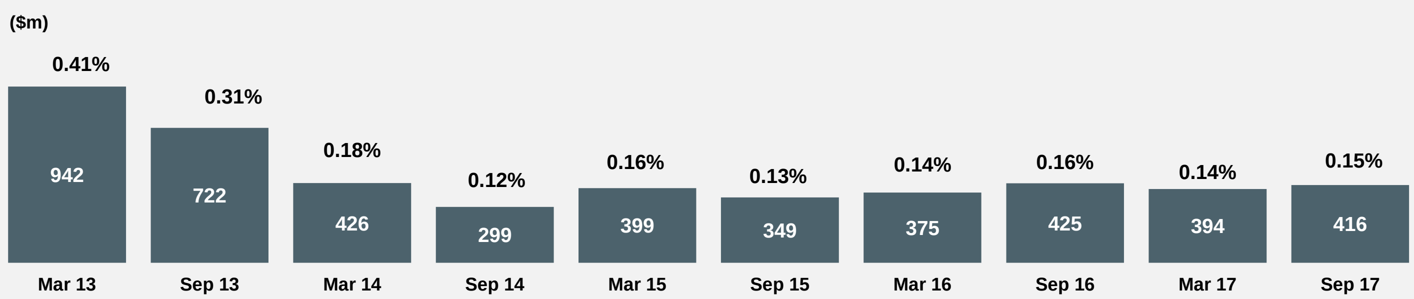
ASSET QUALITY

GROUP B&DD CHARGE

B&DD CHARGE AS % OF GLAs[1]



B&DD CHARGE AND AS % OF GLAs[2]

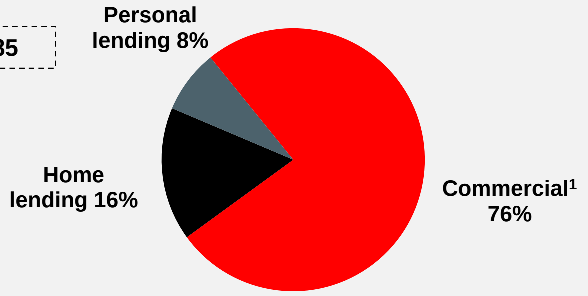


(1) Ratios for all periods refer to the full year ratio
(2) Ratios for all periods refer to the half year ratio annualised

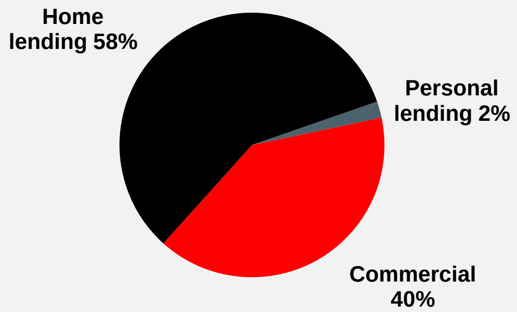
GROUP ESTIMATED LONG RUN LOAN LOSS RATE 1985 TO 2017

GROUP BUSINESS MIX – GLAs BY CATEGORY

1985



2017



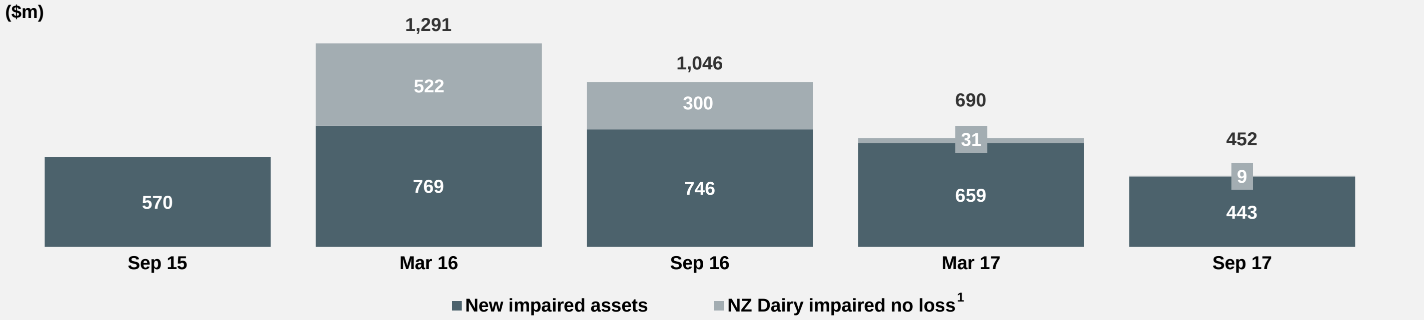
ESTIMATING LONG RUN LOAN LOSS RATE

NAB Australian geography net write off rates as a % of GLAs 1985 - 2017[2]	Long run average
Home lending[3]	0.03%
Personal lending[3]	1.43%
Commercial[3]	0.57%
Australian average (1985-2017)	0.35%
Group average[4] based on 2017 business mix	**0.27%**
Group average[4] based on 2017 business mix excluding 1991-1993 and 2008-2010	**0.19%**

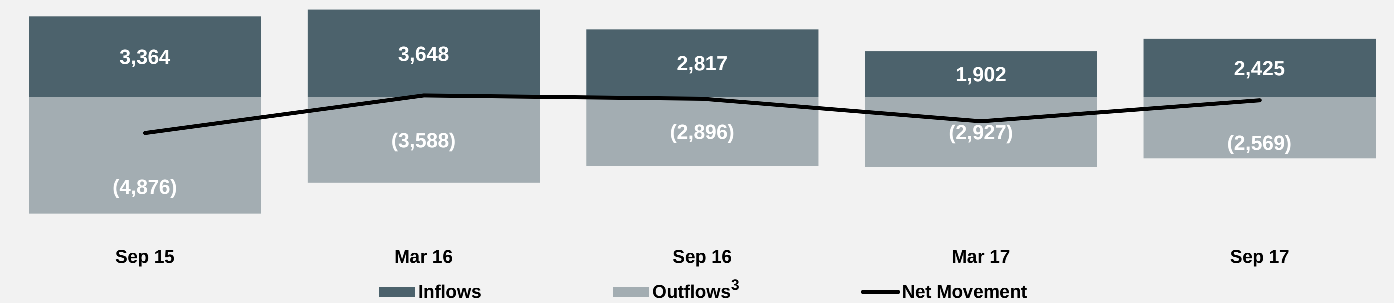
(1) For 1985 Group business mix, all overseas GLAs are included in Commercial category
(2) Data used in calculation of net write off rate as a % of GLAs is based on NAB's Australian geography and sourced from NAB's Supplemental Information Statements (2007 - 2017) and NAB's Annual Financial Reports (1985 - 2006). 2017 net write off data is NAB unaudited estimates
(3) Home lending represents "Real estate – mortgages" category; Personal lending represents "Instalment loans to individuals and other personal lending (including credit cards)" category; Commercial represents all other industry lending categories as defined by source document
(4) Group average is calculated by applying each of the Australian geography long run average net write off rates by product to the respective percentage of Group GLAs by product as at 30 September 2017. Commercial long run average net write off rate has been applied to acceptances

GROUP NEW IMPAIRED ASSETS

GROUP NEW IMPAIRED ASSETS



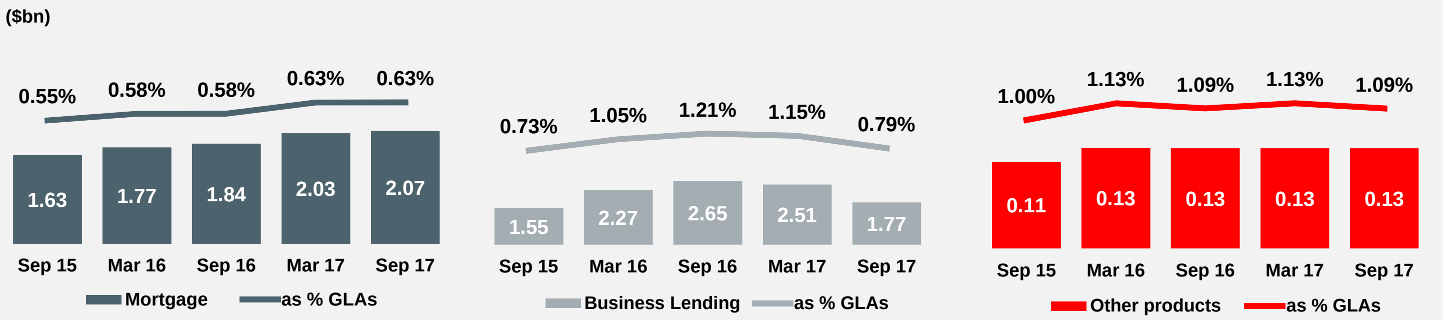
NON-RETAIL CATEGORISED LOANS[2]



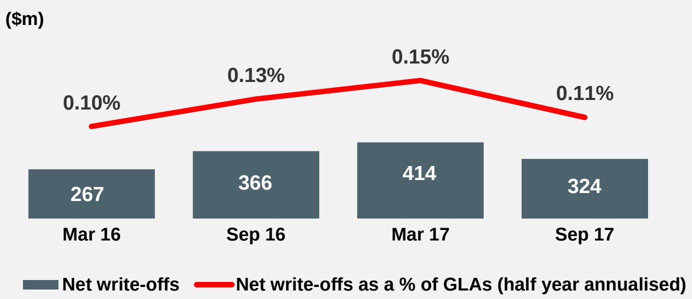
(1) NZ Banking dairy exposures currently assessed as no loss based on security held. Collective provisions are held against these loans
(2) Based on total aggregate exposures, i.e. includes undrawn commitments and off balance sheet derivatives etc. and excludes small business up to $2m
(3) Outflows includes: Repatriations, refinancing, asset sales, debt sales, insolvencies / liquidations – net of write-offs

GROUP ARREARS & NET WRITE-OFFS

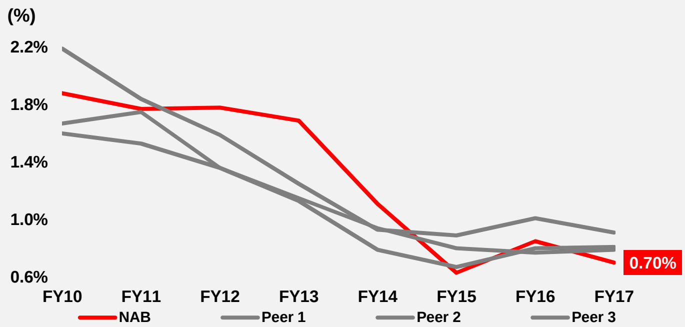
90+ DPD & GIAS AS % OF GLAs BY PRODUCT



NET WRITE-OFFS[1]



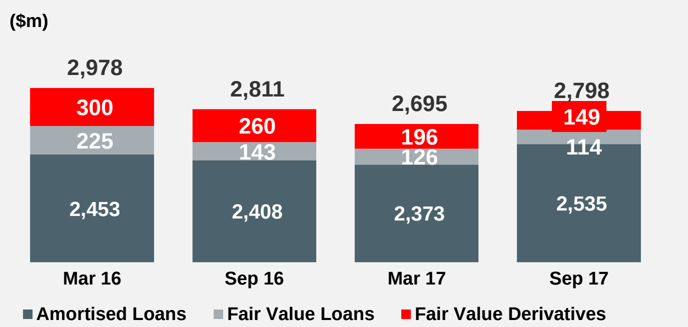
90+ DPD & GIAs TO GLAs[2]



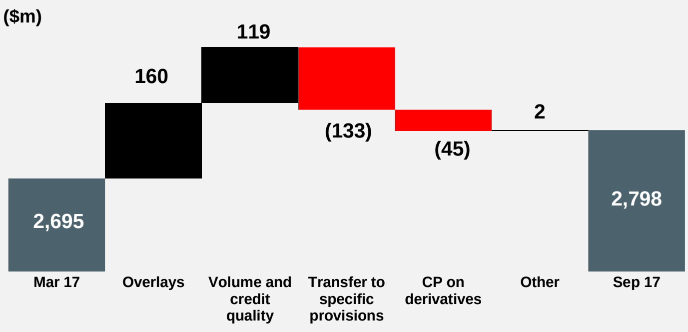
(1) Includes write-offs of fair value loans
(2) Based on latest peer results announcements

GROUP PROVISIONS

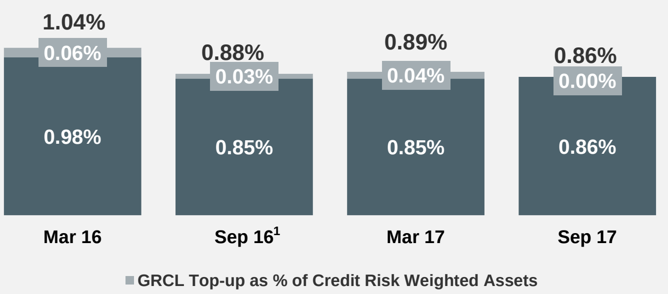
COLLECTIVE PROVISION



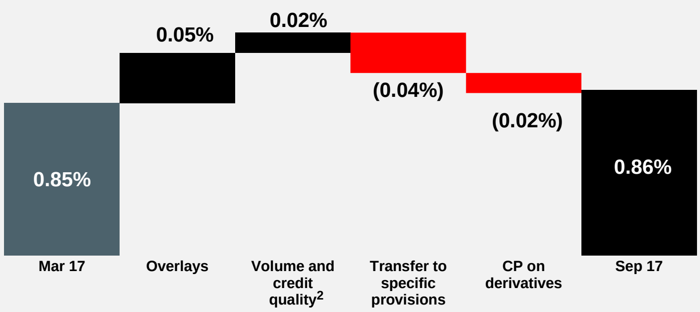
COLLECTIVE PROVISION MOVEMENTS



COLLECTIVE PROVISIONS AND GRCL AS % OF CRWAs



COLLECTIVE PROVISION AS % OF CRWAs MOVEMENTS

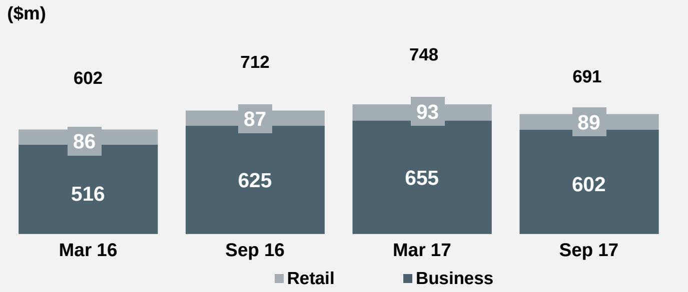


(1) Sep 16 Collective provision as a % of cRWAs reduced due to regulatory changes to the cRWA floor in respect of the Australian mortgage portfolio
(2) This includes a reduction of two basis points due to the impact on credit risk weighted assets from a model change for the Australian mortgage portfolio in the September 2017 half year

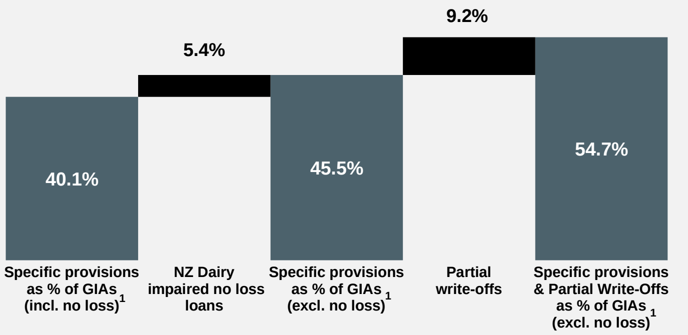
GROUP COLLECTIVE & SPECIFIC PROVISIONS

ASSET QUALITY

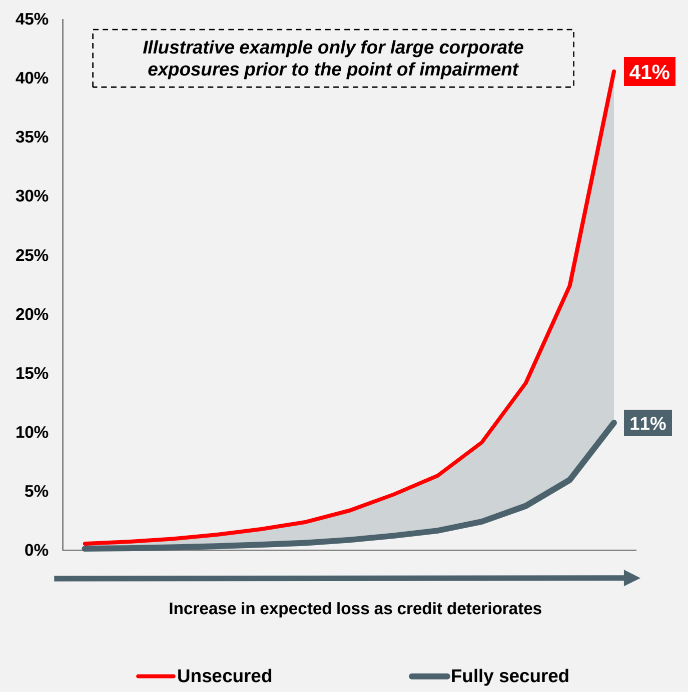
SPECIFIC PROVISION BALANCES



SPECIFIC PROVISION COVERAGE



COLLECTIVE PROVISION COVERAGE AS % OF EXPOSURE[2]



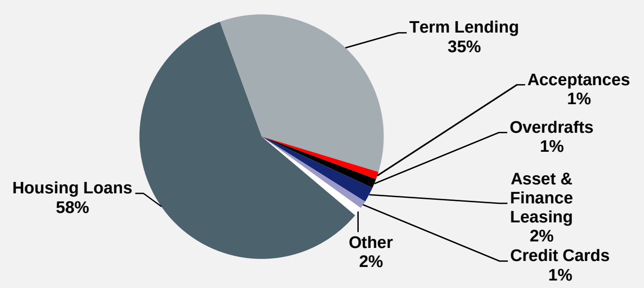
(1) Balances currently assessed as 'impaired no loss' are excluded from the reported specific provision coverage ratio as no specific provisions are held against these balances. Provisions associated with 'impaired no loss' balances are included within collective provision and therefore not included in these ratios

(2) Relates to large corporate exposure originated as investment grade. Includes migration from IFRS 9 Stage 1 to 2 followed by Stage 2 to 3. Also includes forward looking component of IFRS 9

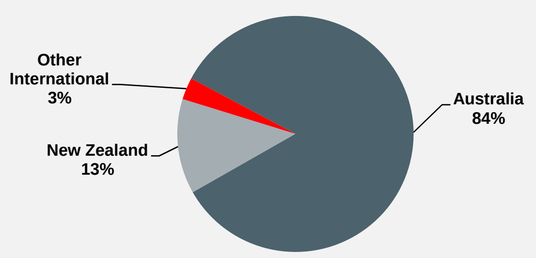
GROUP LENDING MIX $565.1BN

ASSET QUALITY

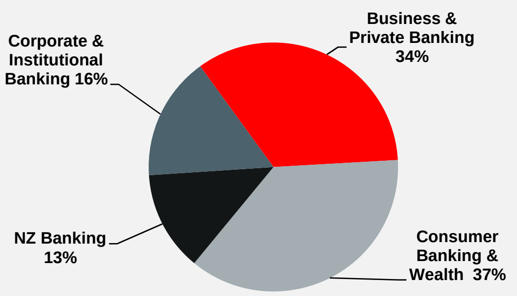
GROSS LOANS AND ACCEPTANCES BY PRODUCT



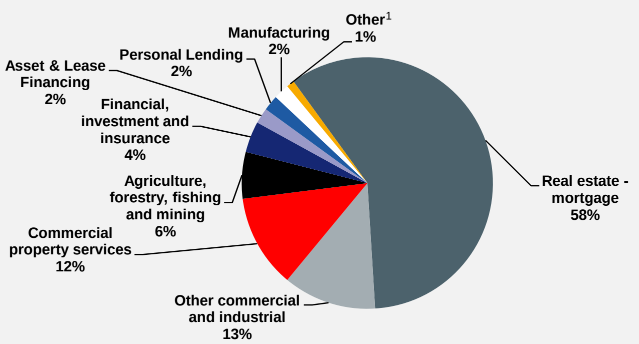
GROSS LOANS AND ACCEPTANCES BY GEOGRAPHY



GROSS LOANS AND ACCEPTANCES BY BUSINESS UNIT



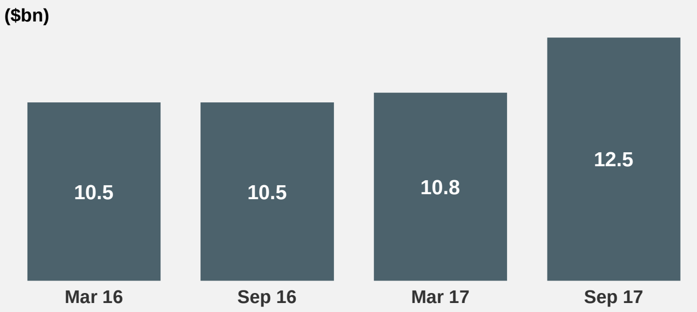
GROSS LOANS AND ACCEPTANCES BY INDUSTRY



(1) Other includes: Real estate – construction, Government and public authorities

GROUP RESOURCES EXPOSURES

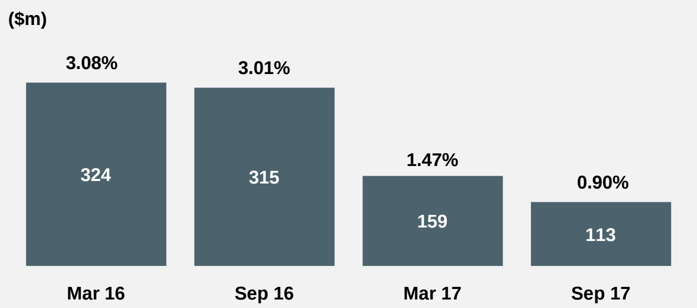
RESOURCES EXPOSURE AT DEFAULT (EAD)



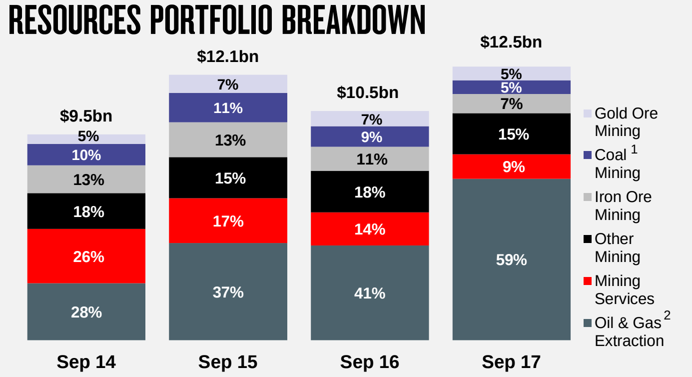
ASSET QUALITY

- Resources EAD ~1.3% of total Group EAD
- Exploration & Production exposure to stronger rated investment grade customers is 74%
- Oil & Gas extraction exposure is largely to Liquefied Natural Gas projects and investment grade customers (91%)
- Mining Services exposures reduced to 9% of resources EAD at Sep 17 vs 14% Sep 16, 96% of the mining services portfolio is partially or fully secured
- Resources 90+ DPD & gross impaired to EAD has improved 57bps to 0.90% at Sep 17 compared to 1.47% at Mar 17

RESOURCES 90+ DPD AND GIAs AND AS % OF RESOURCES EAD



RESOURCES PORTFOLIO BREAKDOWN

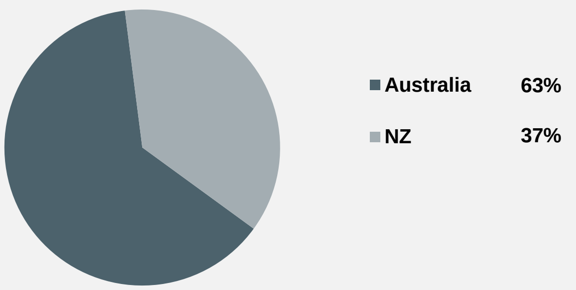


(1) As at 30 September 2017, Coal Mining is comprised of 83% thermal coal exposure and 16% metallurgical coal, with the remaining balance of 1% primarily for peat cutting
(2) Oil & Gas extraction exposure is largely to Liquefied Natural Gas projects and investment grade customers (91%)

GROUP AGRICULTURAL EXPOSURES

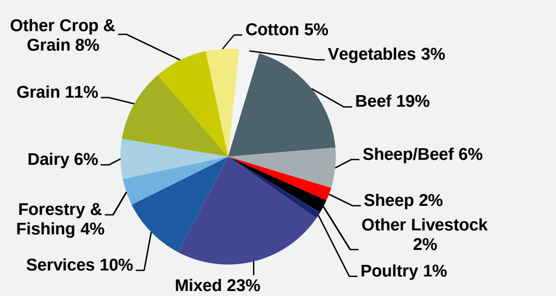
AGRICULTURE, FORESTRY & FISHING EXPOSURES

Agriculture, Forestry and Fishing EAD $40.9bn September 2017

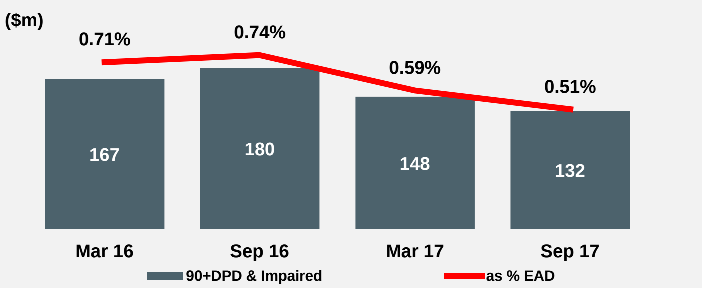


AUSTRALIAN AGRICULTURE, FORESTRY & FISHING – EXPOSURES

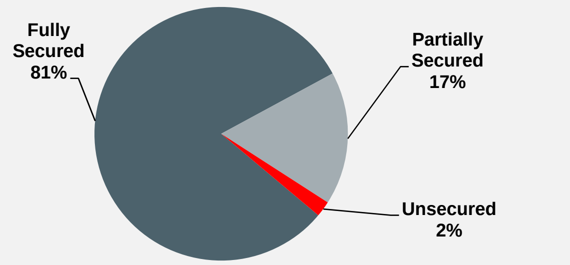
EAD $25.8bn at September 2017



AUSTRALIAN AGRICULTURE, FORESTRY & FISHING – ASSET QUALITY



AUSTRALIAN AGRICULTURE PORTFOLIO – WELL SECURED[1]

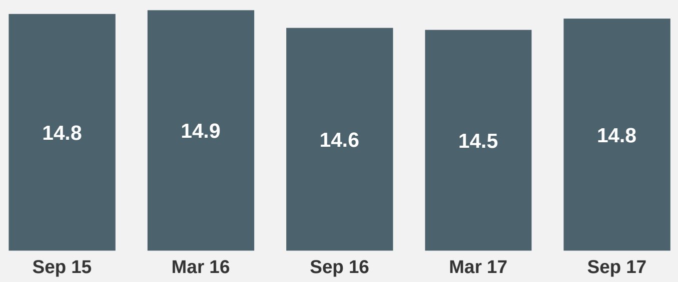


(1) Fully Secured is where the loan amount is less than 100% of the bank extended value of security; Partially Secured is where the loan amount is greater than 100% of the bank extended value of security; Unsecured is where no security is held and negative pledge arrangements are normally in place. Bank extended value is calculated as a discount to market value based on the nature of the underlying security

GROUP RETAIL TRADE EXPOSURES

RETAIL TRADE EXPOSURE AT DEFAULT (EAD)

($bn)

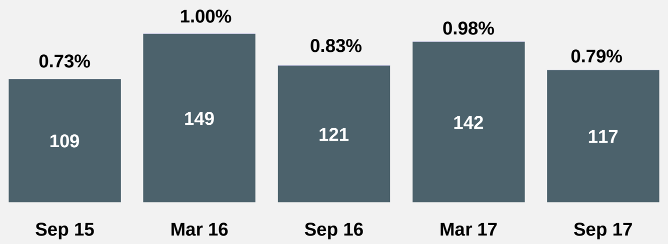


ASSET QUALITY

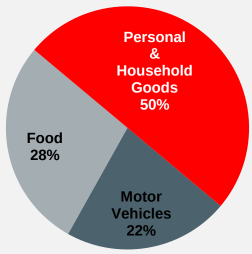
- Retail Trade EAD ~1.5% of total Group EAD
- Investment grade customers 34% of Retail Trade EAD
- 74% of portfolio is partially or fully secured
- Retail Trade 90+ DPD & gross impaired to EAD 0.79%
- Exposures broadly in line with peers

RETAIL TRADE 90+ DPD AND GIAs AND AS % OF RETAIL EAD

($m)



RETAIL TRADE PORTFOLIO (EAD) SEP 2017



- Personal & Household Goods EAD dominated by Pharmacy Retailers (36%), Apparel (17%), Furniture & Homewares (17%)
- Department store exposure <5% of Personal & Household Goods EAD

National Australia Bank

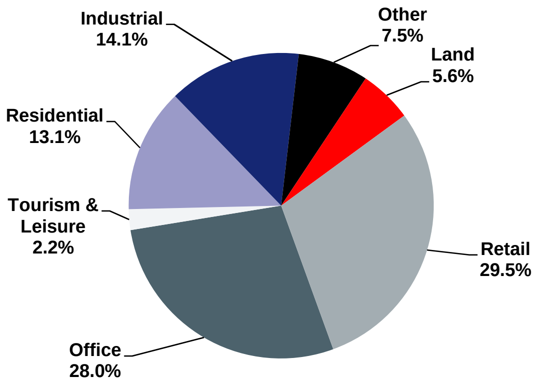
GROUP COMMERCIAL REAL ESTATE[1]

Total $61.5bn
10.9% of Gross Loans & Acceptances

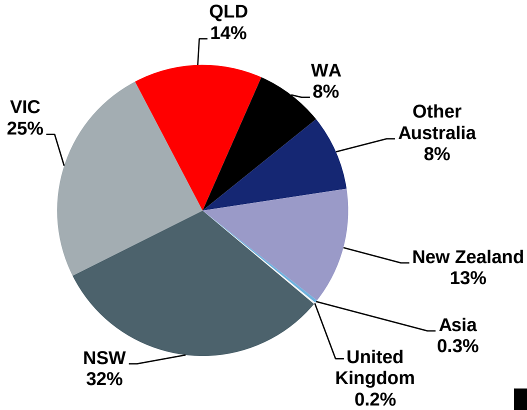
	Aust	NZ	UK Region	Asia	Total
TOTAL CRE (A$bn)	53.2	8.0	0.1	0.2	61.5
Increase/(decrease) on Sep 16 (A$bn)	0.2	0.0	(0.2)	(0.1)	(0.1)
% of regional GLAs	11.2%	10.9%	2.5%	2.5%	10.9%
Change in % on September 2016	(0.3%)	(0.4%)	(3.7%)	(1.2%)	(0.4%)

Trend	Mar 16	Sep 16	Mar 17	Sep 17
Impaired loans ratio	0.30%	0.23%	0.25%	0.22%
Specific Provision Coverage	23.5%	28.3%	38.6%	39.7%

Group Commercial Property by type



Group Commercial Property by geography



(1) Measured as balance outstanding at September 2017 per APRA Commercial Property ARF 230 definitions

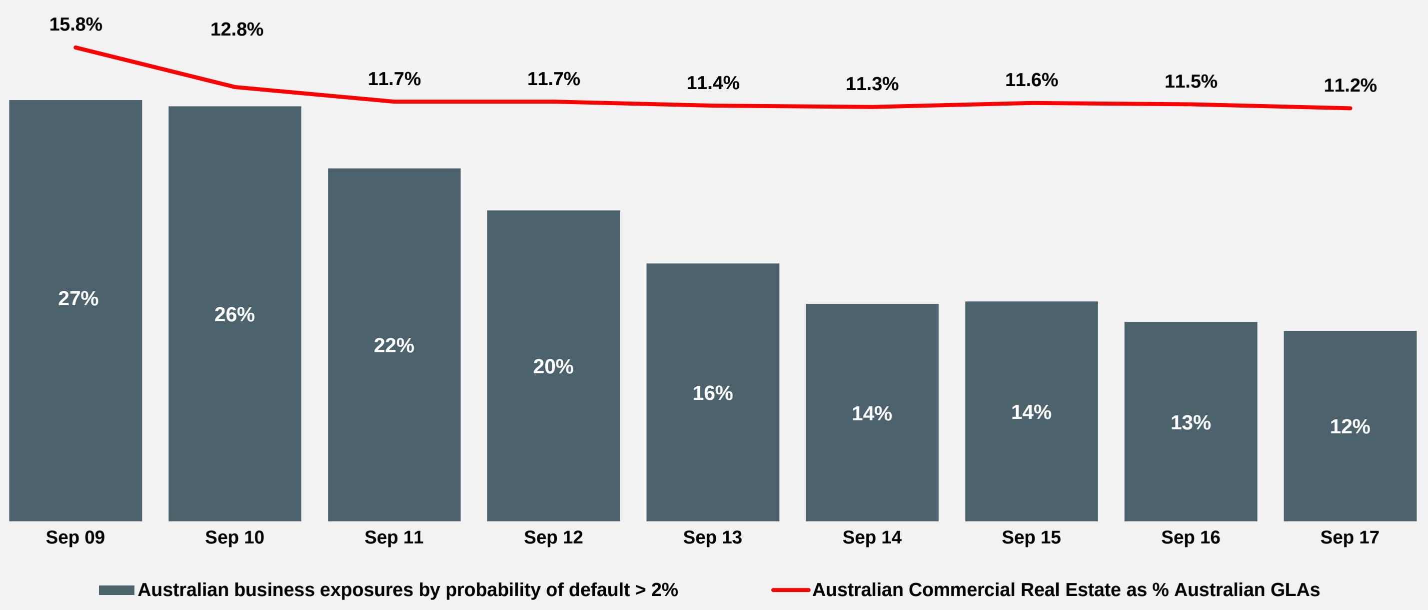
National Australia Bank

GROUP ELIGIBLE PROVISIONS & REGULATORY EXPECTED LOSS

($m)	Mar 17 Defaulted	Mar 17 Non-Defaulted	Sep 17 Defaulted	Sep 17 Non-Defaulted	Movement Defaulted	Movement Non-Defaulted
General Reserve for Credit Losses	380	2,401	352	2,408	(28)	7
Specific Provisions	748		691		(57)	
less: Provisions on standardised portfolio	(8)	(60)	(11)	(59)	(3)	1
plus: Partial write-offs on IRB portfolio	614		301		(313)	
Total Eligible Provisions (EP)	1,734	2,341	1,333	2,349	(401)	8
Regulatory Expected Loss (EL)	1,724	2,472	1,323	2,519	(401)	47
Shortfall in EP over EL (100% CET1 Deduction)	0	131	0	170	0	39
Surplus in EP over EL (Tier 2 capital for non-defaulted)	10	0	10	0	0	0

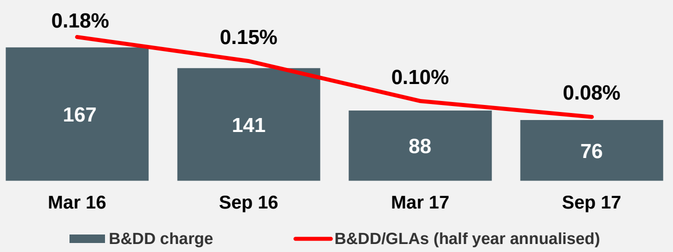
AUSTRALIAN BUSINESS LENDING

AUSTRALIAN BUSINESS LENDING RISK PROFILE

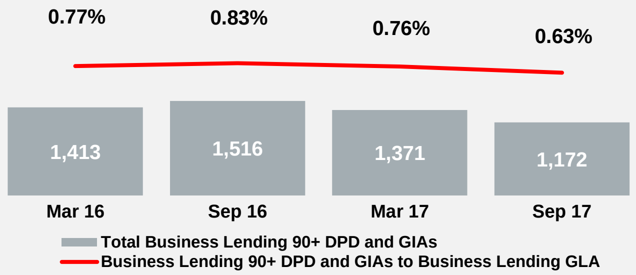


AUSTRALIAN BUSINESS LENDING

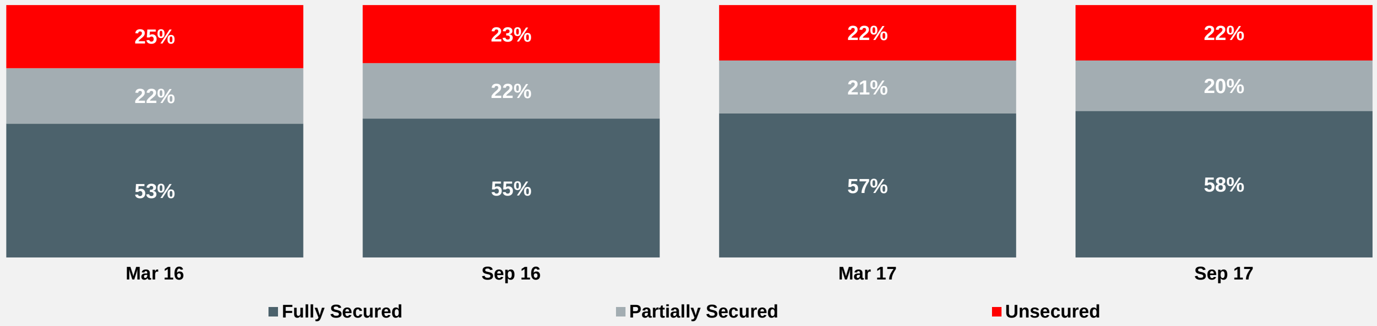
B&DD CHARGE AND AS % OF GLAs



90+ DPD AND GIAs AND AS % OF TOTAL BUSINESS GLAs



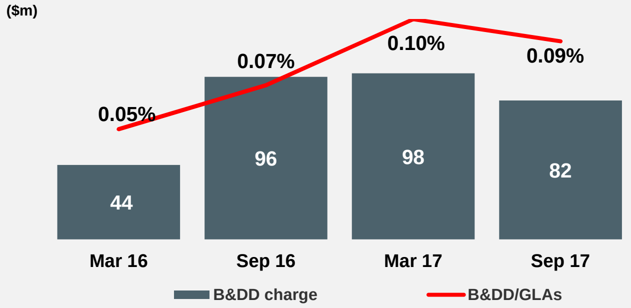
WELL SECURED[1] – BUSINESS PRODUCTS



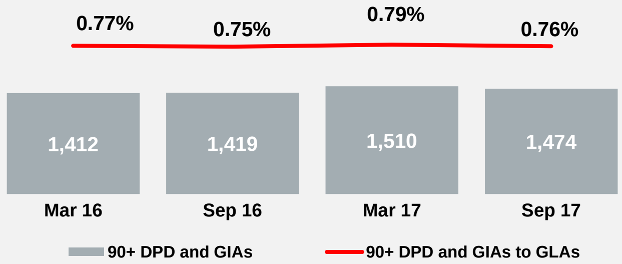
(1) Fully Secured is where the loan amount is less than 100% of the bank extended value of security; Partially Secured is where the loan amount is greater than 100% of the bank extended value of security; Unsecured is where no security is held and negative pledge arrangements are normally in place. Bank extended value is calculated as a discount to market value based on the nature of the underlying security

BUSINESS & PRIVATE BANKING

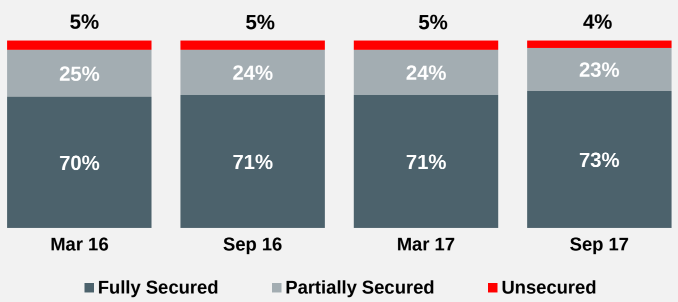
B&DD CHARGE AND AS % OF GLAs[1]



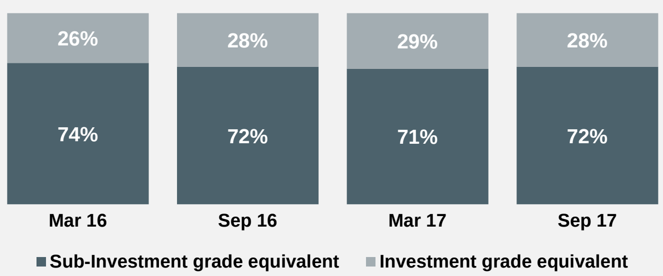
90+ DPD AND GIAs AND AS % OF TOTAL BUSINESS GLAs



WELL SECURED – BUSINESS PRODUCTS



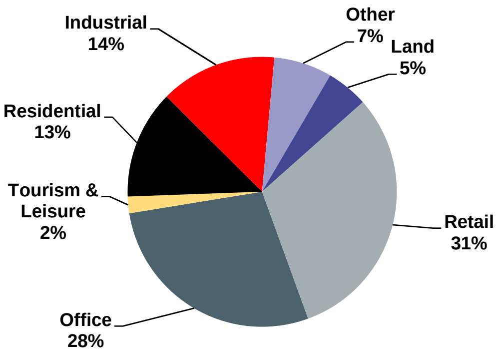
PORTFOLIO QUALITY – BUSINESS PRODUCTS



(1) September 2017 and September 2016 refer to the full year ratio, March 2017 and March 2016 refer to the half year ratio annualised

AUSTRALIAN COMMERCIAL REAL ESTATE

Total $53.2bn[1]
11.2% of Gross Loans & Acceptances[2]



State	NSW	VIC	QLD	WA	Other	Total
Location	36%	29%	16%	9%	10%	100%
Loan Balance < $5m	30%	41%	37%	34%	36%	35%
≥ $5m < $10m	10%	13%	14%	12%	12%	12%
≥ $10m	60%	46%	49%	54%	52%	53%
Loan tenor < 3 yrs	85%	87%	91%	84%	92%	87%
Loan tenor ≥ 3 < 5 yrs	11%	10%	6%	13%	5%	9%
Loan tenor ≥ 5 yrs	4%	3%	3%	3%	3%	4%
Average loan size $m	3.3	2.4	2.5	2.9	2.8	2.8
Security Level[3] – Fully Secured	82%	91%	86%	87%	90%	86%
Partially Secured	7%	7%	10%	6%	9%	8%
Unsecured	11%	2%	4%	7%	1%	6%
90+ days past due ratio	0.03%	0.05%	0.04%	0.10%	0.03%	0.04%
Impaired loans ratio	0.01%	0.11%	0.57%	0.04%	0.13%	0.14%
Specific provision coverage ratio	23.1%	22.9%	41.2%	0.0%	39.1%	35.7%
Construction/development	17%	16%	9%	15%	13%	15%
Investment	83%	84%	91%	85%	87%	85%

Portfolio breakdown	Retail	Office	Residential	Other[4]
Construction/ development	2%	3%	59%	20%
Investment	98%	97%	41%	80%

Trend	Mar 16	Sep 16	Mar 17	Sep 17
90+ days past due ratio	0.07%	0.05%	0.05%	0.04%
Impaired loans ratio	0.29%	0.25%	0.18%	0.14%
Specific provision coverage ratio	20.8%	26.5%	32.6%	35.7%

(1) Data has been prepared in accordance with APRA ARF230 guidelines
(2) Represents assets within the Australian geography
(3) Fully Secured is where the loan amount is less than 100% of the bank extended value of security; Partially Secured is where the loan amount is greater than 100% of the bank extended value of security; Unsecured is where no security is held and negative pledge arrangements are normally in place. Bank extended value is calculated as a discount to market value based on the nature of the underlying security
(4) Other consists of tourism and leisure, industrial, land and other

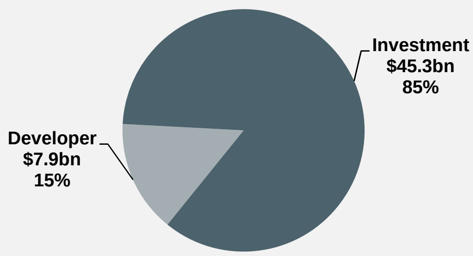
National Australia Bank

AUSTRALIAN DEVELOPER BALANCE[1]

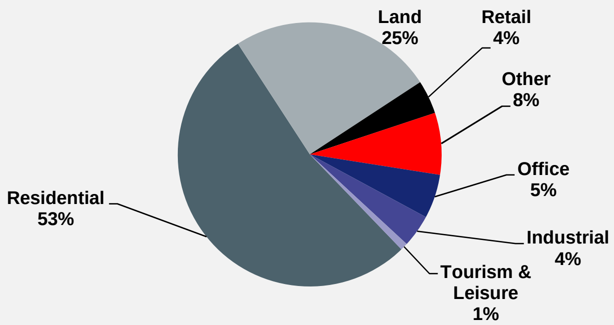
LIMITED CRE LENDING TO DEVELOPERS

- $53.2bn total Australian CRE balance, of which
  - 85% is Investment; and
  - 15% is Developer
- Residential development lending balance $4.2bn and $2.0bn for land. Exposure to higher risk inner city postcodes ~22% of total residential developer portfolio
- Developer balance concentrated in NSW/ACT (44%) and VIC/TAS (32%)

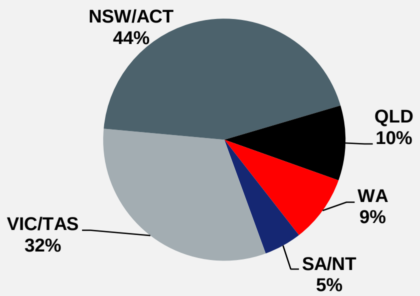
COMMERCIAL PROPERTY – DEVELOPER v INVESTMENT



DEVELOPER – COMMERCIAL PROPERTY BY TYPE



DEVELOPER – COMMERCIAL PROPERTY BY STATE

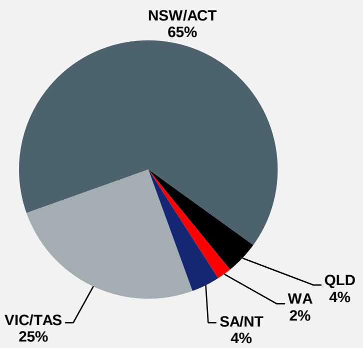


(1) Data has been prepared in accordance with APRA ARF230 guidelines

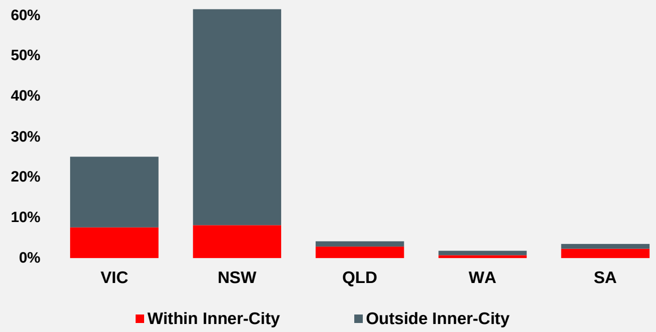
National Australia Bank

COMMERCIAL REAL ESTATE AND RESIDENTIAL DEVELOPMENT

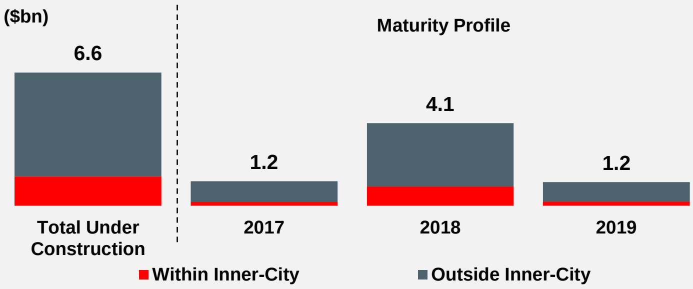
AUSTRALIAN RESIDENTIAL DEVELOPER EXPOSURES



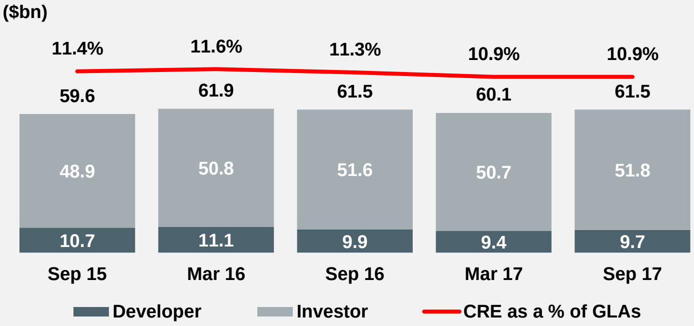
AUSTRALIAN RESIDENTIAL DEVELOPMENT EXPOSURE[1]



AUSTRALIAN RESIDENTIAL DEVELOPMENT EXPOSURE & MATURITY[2]



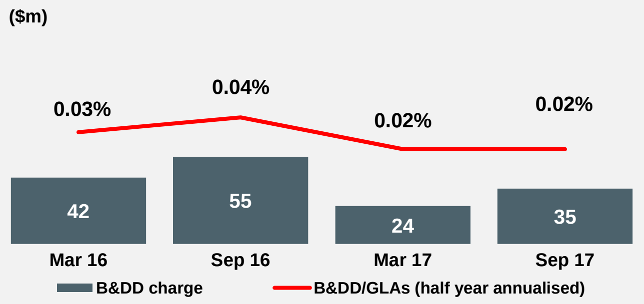
GROUP COMMERCIAL REAL ESTATE PORTFOLIO[3]



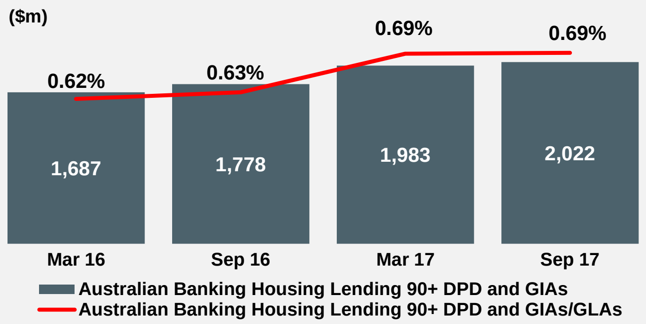
(1) "Inner-City' includes CBD and adjoining postcodes, along with Waterloo/Zetland in Sydney.Transactions >$2m, including those that are well advanced but yet to draw-down
(2) Measured as limits for transactions >$2m, including those that are well advanced but yet to draw-down. 'Inner-city' includes CBD and adjoining postcodes, along with Waterloo/Zetland in Sydney
(3) Measured as balance outstanding per APRA Commercial Property ARF 230 definitions. Represents exposures related to Australia, New Zealand, UK and Asia

AUSTRALIAN HOUSING LENDING

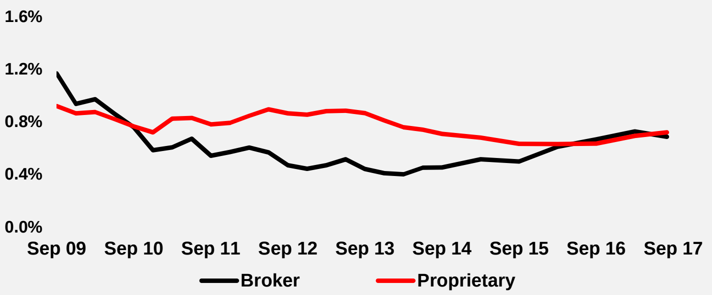
B&DD CHARGE AND AS % OF GLAs



90+ DPD AND GIAs AND AS % OF HOUSING LENDING GLAs



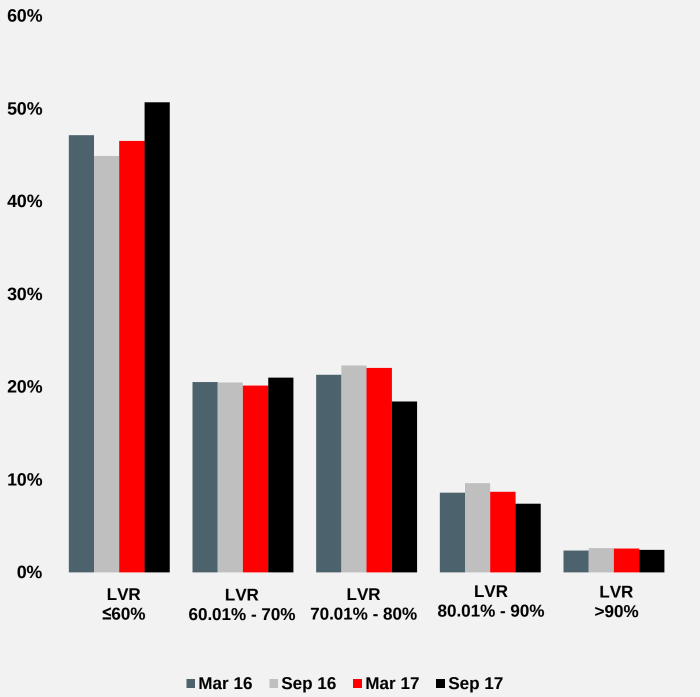
90+ DPD AND GIAs AS % OF TOTAL HOUSING LENDING GLAs – BY CHANNEL[1]



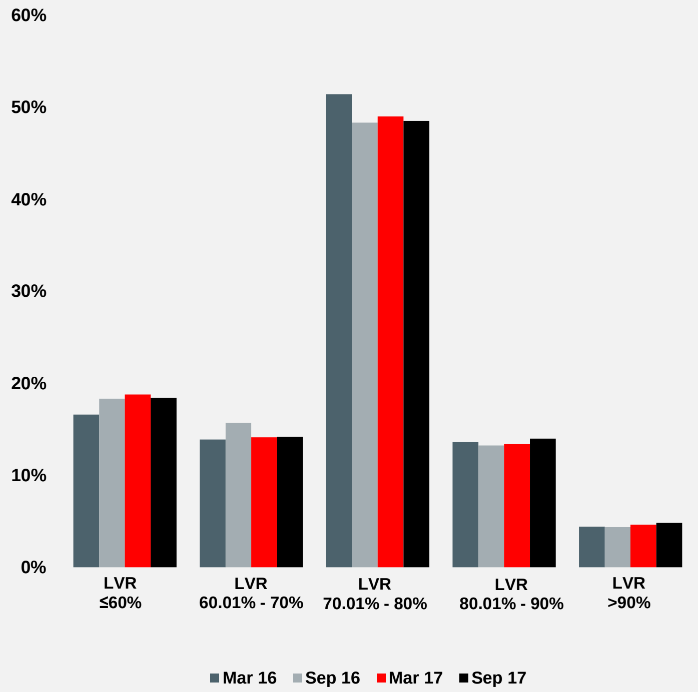
(1) Excludes Asia

AUSTRALIAN HOUSING LENDING LVR PROFILE

AUSTRALIAN HOUSING LENDING DYNAMIC LVR BREAKDOWN OF DRAWN BALANCE[1]



AUSTRALIA HOUSING LENDING LVR BREAKDOWN AT ORIGINATION[1]



(1) Excludes Asia

AUSTRALIAN HOUSING LENDING STRESS TESTING

HOUSING LENDING STRESS TESTING AT NAB

- The Group regularly undertakes stress testing on a Group-wide basis and on specific risk types
- Stress testing and scenario analysis aim to take a forward view of potential risk events. Outcomes from stress testing inform decision making, particularly in regards to defining risk appetite, strategy, or contingency planning

Scenario

- The stress scenario represents a more severe recession than the scenario provided in previous disclosures[1]
- The background of the scenario is a shock to the global economy that starts with a downturn in China
- Australia's GDP is impacted by three years of continued negative growth. Housing losses are mostly driven by increases in unemployment, decreases in house prices and movements in interest rates

Results

- Estimated Australian housing lending net bad and doubtful debt (B&DD) charges under these stressed conditions are $4.2bn cumulatively during the four years of the scenario
- Modelling of the lender's mortgage insurance (LMI) portfolio assumes 53% of claims will be rejected ($469m losses on $890m of claims)
- All LMI coverage is with external insurers

STRESSED SCENARIO – MAIN ECONOMIC PARAMETERS

	Year 1	Year 2	Year 3	Year 4
Annual GDP growth (%)	(2.3)	(2.1)	(0.5)	3.5
Unemployment rate (%)	7.5	9.6	10.4	9.7
House prices (% p.a. change)	(12.2)	(15.6)	(6.1)	(2.3)

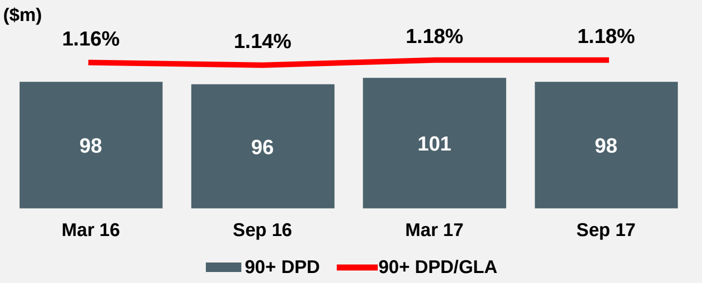
STRESSED LOSS OUTCOMES[2,3]

	Year 1	Year 2	Year 3	Year 4
Portfolio size (exposure at default, $bn)	339	337	335	338
Net B&DD ($m)[4]	514	817	1,748	1,079
Gross B&DD ($m)	600	903	1,898	1,179
Net B&DD rate (%)[5]	0.15	0.24	0.52	0.32

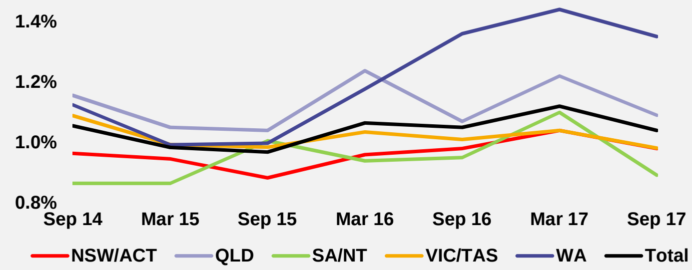
(1) Macroeconomic parameters have been changed since the FY17 Half year Results Announcement. Modelling has been updated to include more conservative assumptions and AASB9 Collective Provisioning methodology
(2) Australian IRB Residential Mortgages asset class. Includes Advantedge. Excludes offshore branches
(3) Based on portfolio as at 31 March 2017
(4) Net of LMI recoveries (as opposed to Gross B&DD which includes LMI recoveries)
(5) Stressed B&DD rate is net of LMI recoveries and presented as a percentage of mortgage exposure at default

AUSTRALIAN OTHER BANKING PRODUCTS

CARDS AND PERSONAL LENDING 90+ DPD AND AS % OF TOTAL CARDS AND PERSONAL LENDING GLAs

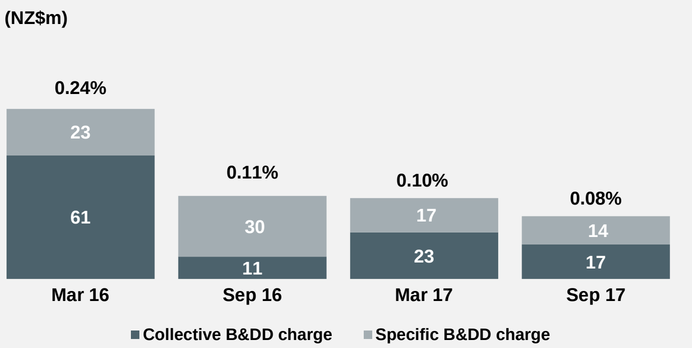


CONSUMER CARDS 90+ DPD AS % OF OUTSTANDINGS

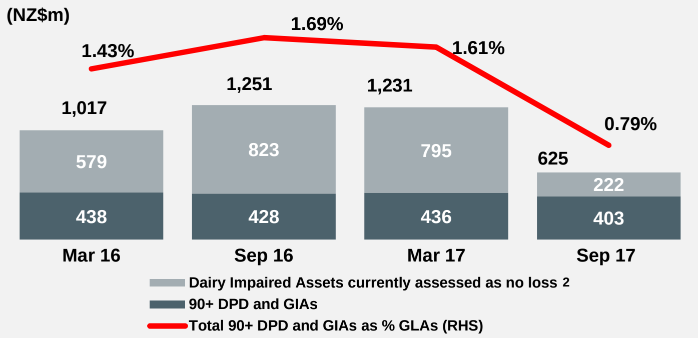


NEW ZEALAND

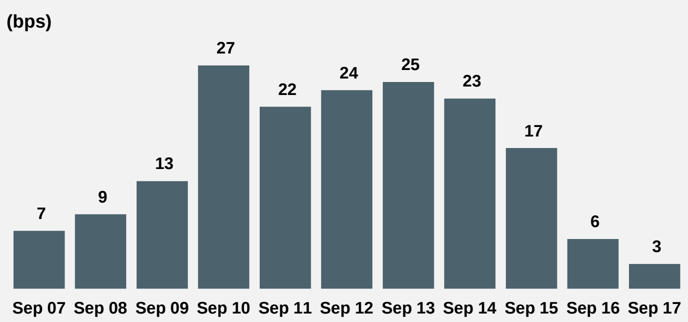
B&DD CHARGE AND AS % OF GLAs[1]



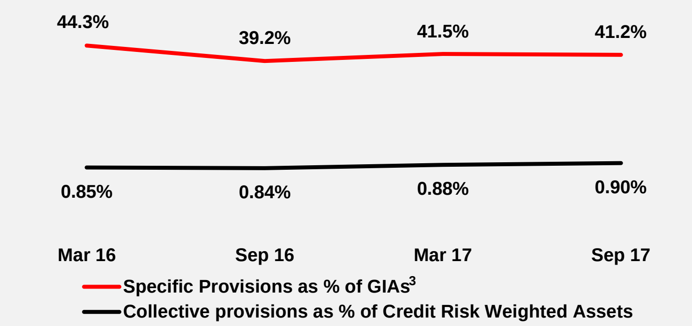
TOTAL 90+ DPD AND GIAs AND AS % OF GLAs



NET WRITE-OFFS TO GLAs



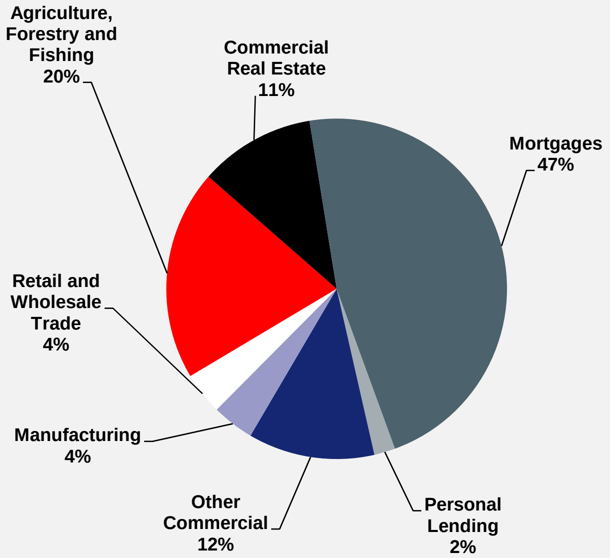
COLLECTIVE AND SPECIFIC PROVISION COVERAGE



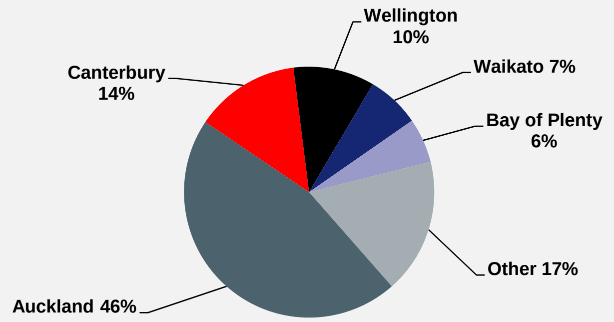
(1) Half year B&DD as % of GLAs annualised
(2) NZ Banking dairy exposures currently assessed as no loss based on security held. Collective provisions are held against these loans
(3) Consists only of impaired assets where a specific provision has been raised and excludes New Zealand dairy exposures currently assessed as no loss based on security held

NEW ZEALAND LENDING MIX

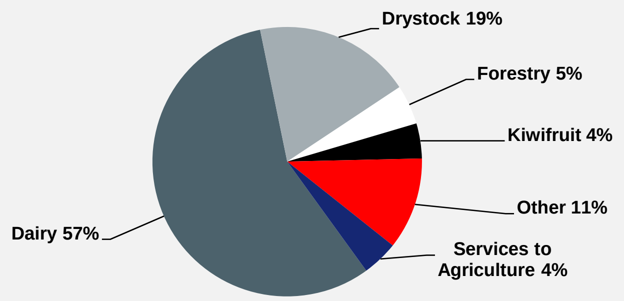
PORTFOLIO BREAKDOWN – TOTAL NZ$79.1BN



MORTGAGE PORTFOLIO BREAKDOWN BY GEOGRAPHY



AGRIBUSINESS PORTFOLIO BREAKDOWN BY INDUSTRY



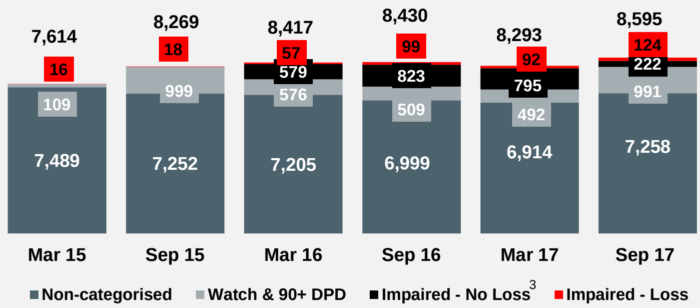
NEW ZEALAND DAIRY

ASSET QUALITY CONSIDERATIONS

- Fonterra's forecast milk price for the 2018 farming year is $6.75 per kg, up from $6.12 per kg for the previous year. In addition to the milk price, a dividend of ~$0.30 per share is anticipated[1]
- Collective provision coverage of the entire NZ Dairy book has decreased to 1.29% (from 1.59% in March 2017) as a result of the improving Dairy outlook and portfolio performance
- Dairy Impaired No Loss loans have reduced $573m over the second half of 2017 to $222m, as improving underlying cash flows have enabled rehabilitation back to Non Categorised or Watch status

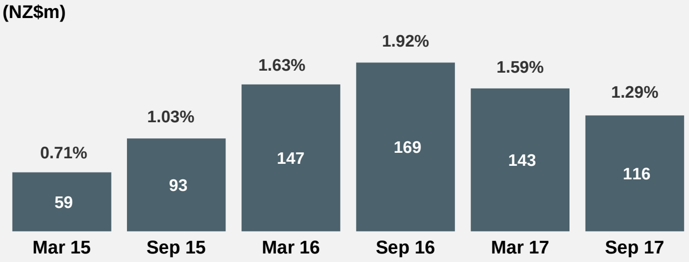
NZ DAIRY PORTFOLIO BY CATEGORISATION

(NZ$m)



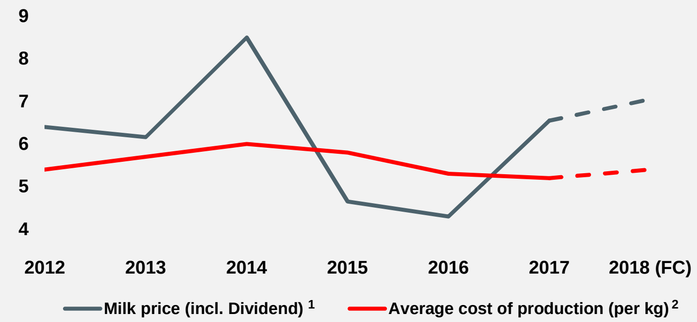
NZ DAIRY COLLECTIVE PROVISIONS AND AS % OF NZ DAIRY EAD

(NZ$m)



RETURNS AND COST OF PRODUCTION

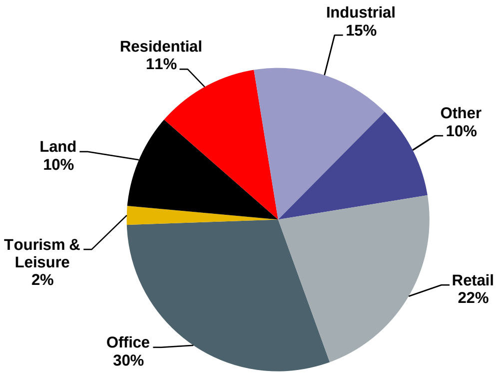
(NZ$)



(1) Source: Fonterra
(2) Source: DairyNZ
(3) Currently assessed as no loss based on security held. Collective provisions are held against these loans

NEW ZEALAND COMMERCIAL REAL ESTATE

Total NZ$8.7bn
10.9% of Gross Loans & Acceptances



Region		Auckland	Other Regions	Total
Location		49%	51%	100%
Loan Balance < NZ$5m		19%	34%	26%
Loan Balance >NZ$5m<NZ$10m		14%	14%	14%
Loan Balance > NZ$10m		67%	52%	60%
Loan to Value (current)		43%	45%	44%
Loan tenor < 3 yrs		96%	83%	89%
Loan tenor >3 yrs< 5yrs		1%	7%	4%
Loan tenor > 5 yrs		3%	10%	7%
Average loan size NZ$m		$6.5	$3.3	$4.4
Security Level[1]	Fully Secured	68%	73%	71%
	Partially Secured	30%	25%	27%
	Unsecured	2%	2%	2%
90+ days past due		0.69%	0.57%	0.63%
Impaired loans		0.00%	0.02%	0.01%
Specific Provision coverage		0.00%	97.7%	97.7%
Trend	**Mar 16**	**Sep 16**	**Mar 17**	**Sep 17**
90+ days past due	0.72%	0.87%	0.94%	0.63%
Impaired Loans	0.20%	0.03%	0.02%	0.01%
Specific Provision Coverage	28.5%	45.80%	61.20%	97.70%

(1) Fully Secured is where the loan amount is less than 100% of the bank extended value of security; Partially Secured is where the loan amount is greater than 100% of the bank extended value of security; Unsecured is where no security is held and negative pledge arrangements are normally in place. Bank extended value is calculated as a discount to market value based on the nature of the underlying security

National Australia Bank

AASB 9 IMPAIRMENT METHODOLOGY

Significant increase in credit risk since initial recognition

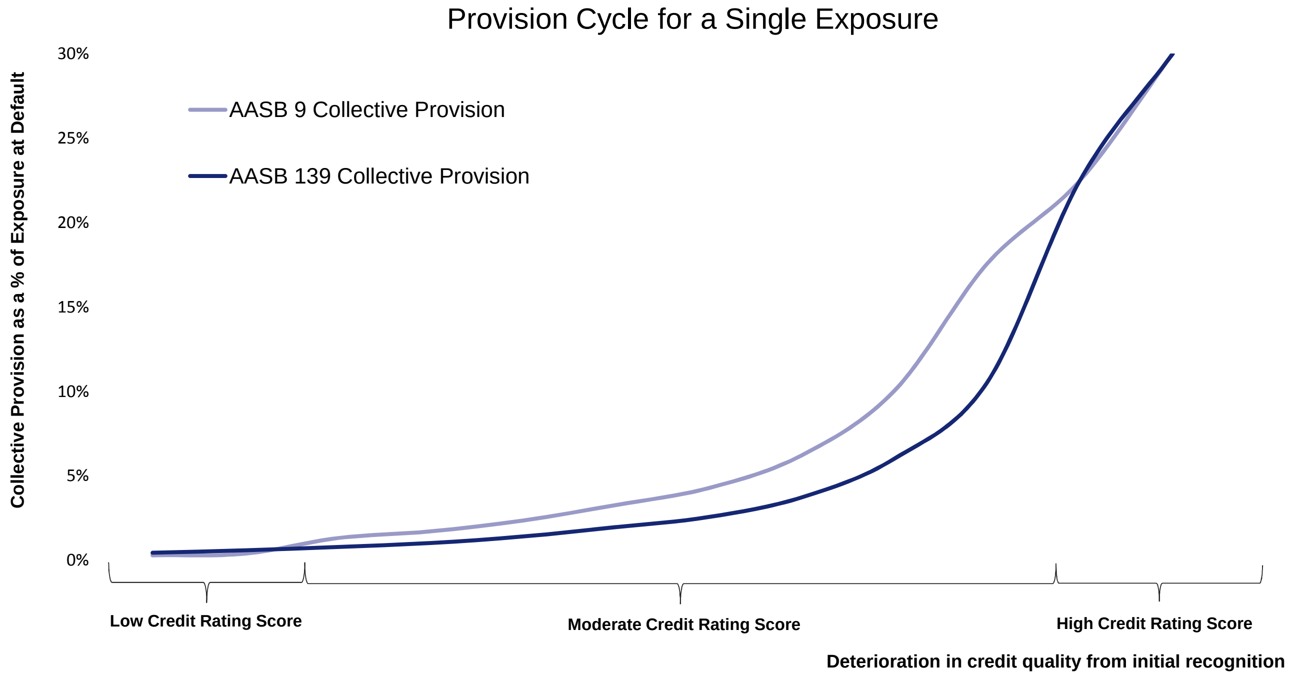
Stage 1	Stage 2	Stage 3
12-month expected credit losses	Lifetime expected credit losses	
Credit risk on a financial instrument has not increased significantly since initial recognition	Credit risk on a financial instrument has increased significantly since initial recognition but not credit-impaired	Financial instruments are credit-impaired
Collective Provision[1]		Specific Provision

(1) Includes collectively assessed impaired financial instruments e.g. Impaired no loss facilities

National Australia Bank

AASB 9 RECOGNITION OF CREDIT LOSSES RELATIVE TO AASB 139

For illustrative purposes only



Stage 1: 12-month expected credit losses (no credit deterioration)

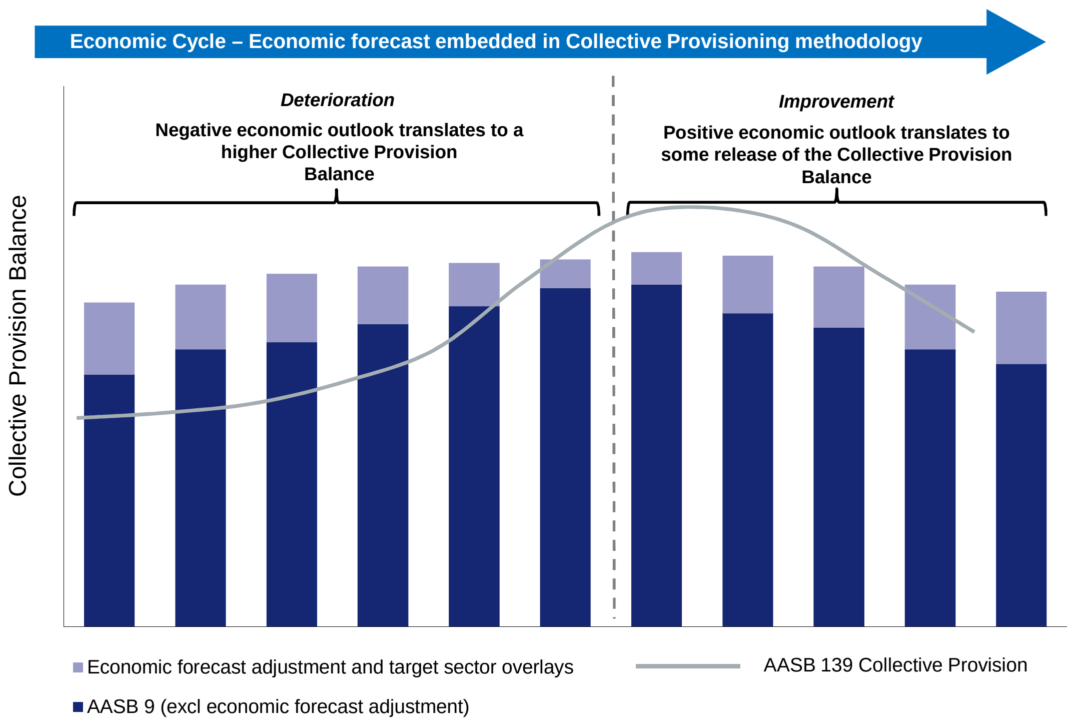
Stage 2: Lifetime expected credit losses (credit deterioration, not-credit impaired)

Stage 3: Lifetime expected credit losses (credit-impaired)

AASB 9 COLLECTIVE PROVISION

For illustrative purposes only

Economic forecast assumptions are reassessed dependent upon point in economic cycle

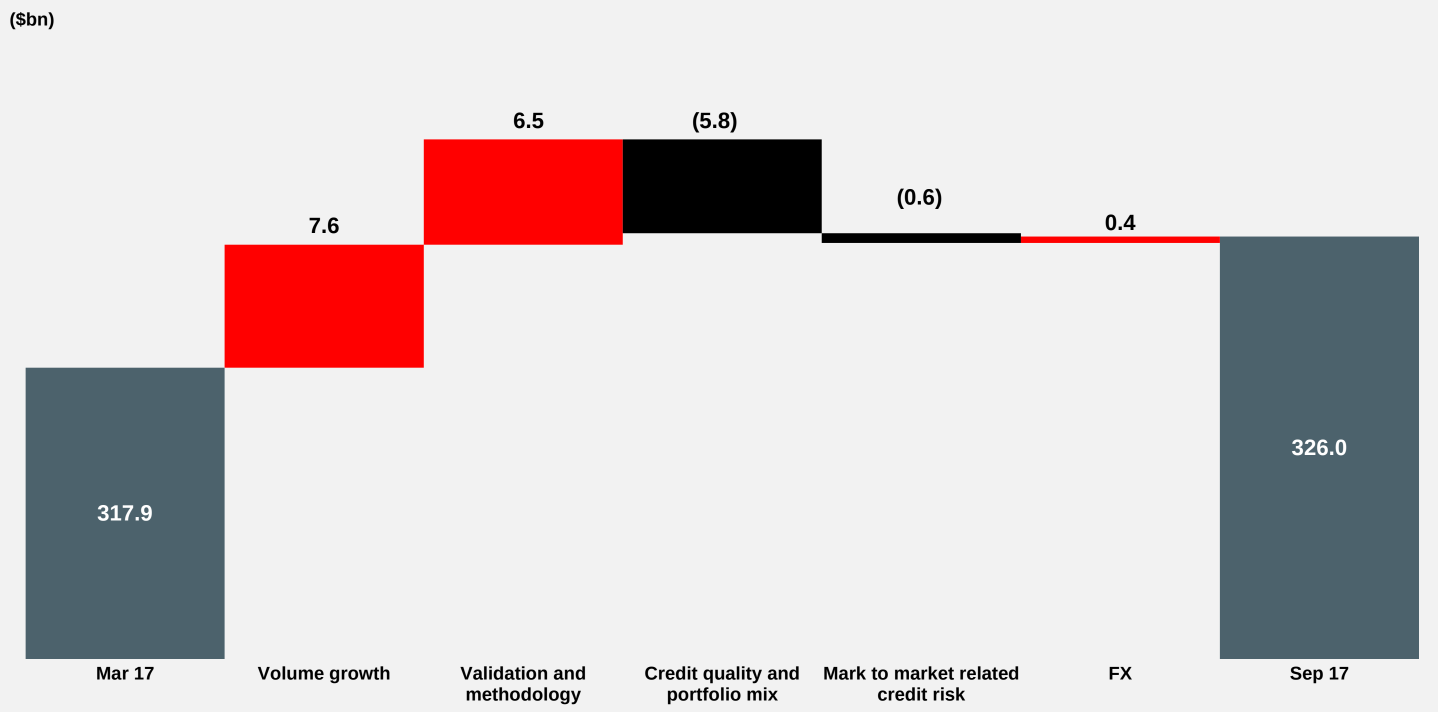


ADDITIONAL INFORMATION

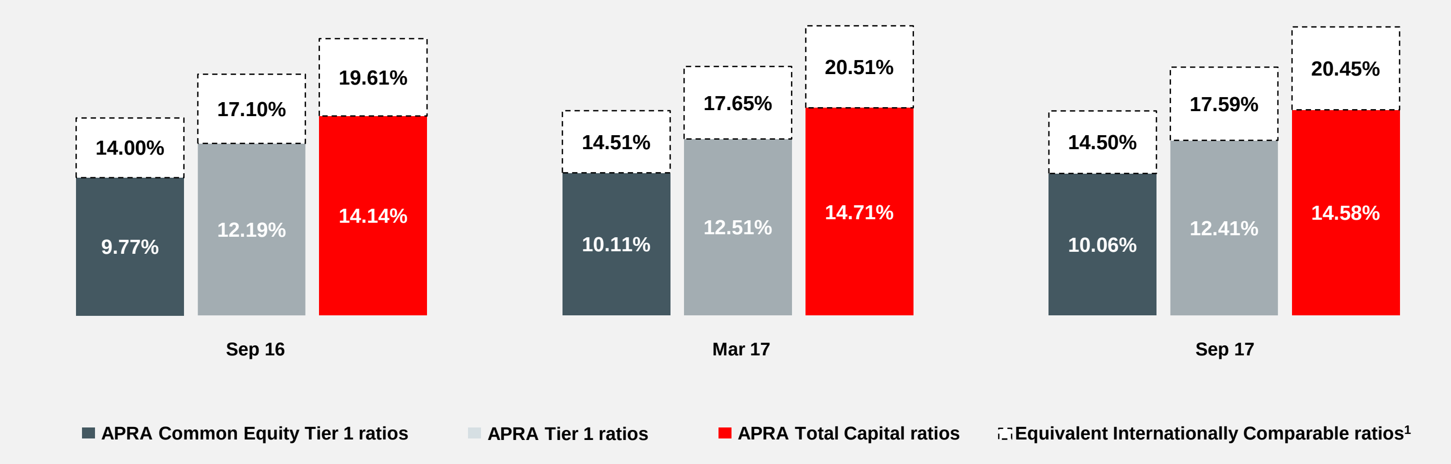
CAPITAL & FUNDING

CREDIT RWA MOVEMENT

CREDIT RWA MOVEMENT SEPTEMBER 2017 v MARCH 2017



GROUP BASEL III CAPITAL RATIOS

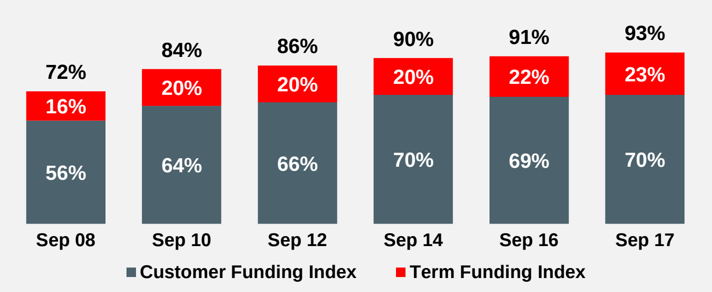


APRA to Internationally Comparable CET1 Ratio Reconciliation	CET1
NAB CET1 ratio under APRA	10.06%
APRA's Basel capital adequacy standards require a 100% deduction from common equity for deferred tax assets, investments in non consolidated subsidiaries and equity investments. Under Basel Committee on Banking Supervision (BCBS) such items are concessionally risk weighted if they fall below prescribed thresholds	+73bps
Mortgages – reduction in Loss given Default floor from 20% to 15% and adjustment for correlation factor	+146bps
Interest rate risk in the banking book (IRRBB) – removal of IRRBB risk weighted assets from Pillar 1 capital requirements	+31bps
Other adjustments including corporate lending adjustments and treatment of specialised lending	+194bps
NAB Internationally Comparable CET1 ratio	14.50%

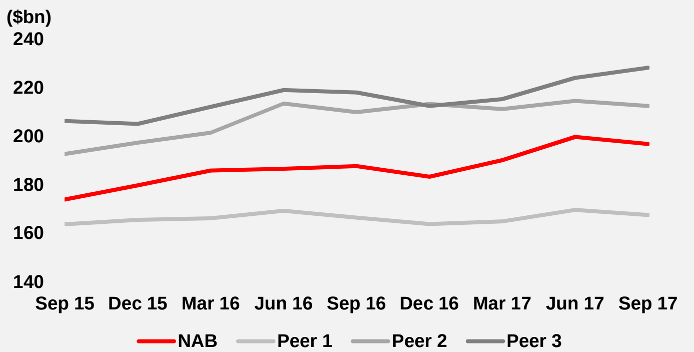
(1) Internationally Comparable CET1 ratios align with the APRA study entitled "International capital comparison study" released on 13 July 2015

FUNDING PROFILE

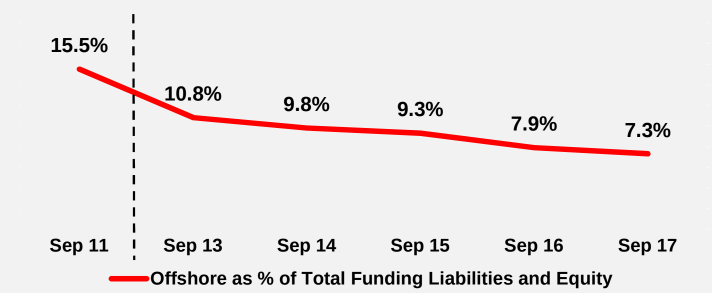
GROUP STABLE FUNDING INDEX (SFI)



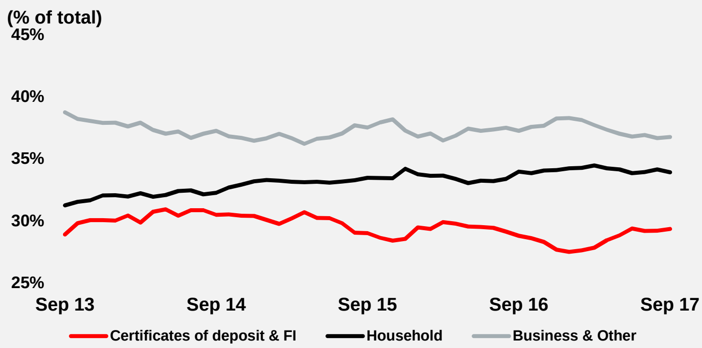
AUSTRALIAN CORE FUNDING GAP[1]



OFFSHORE SHORT TERM WHOLESALE FUNDING[2]



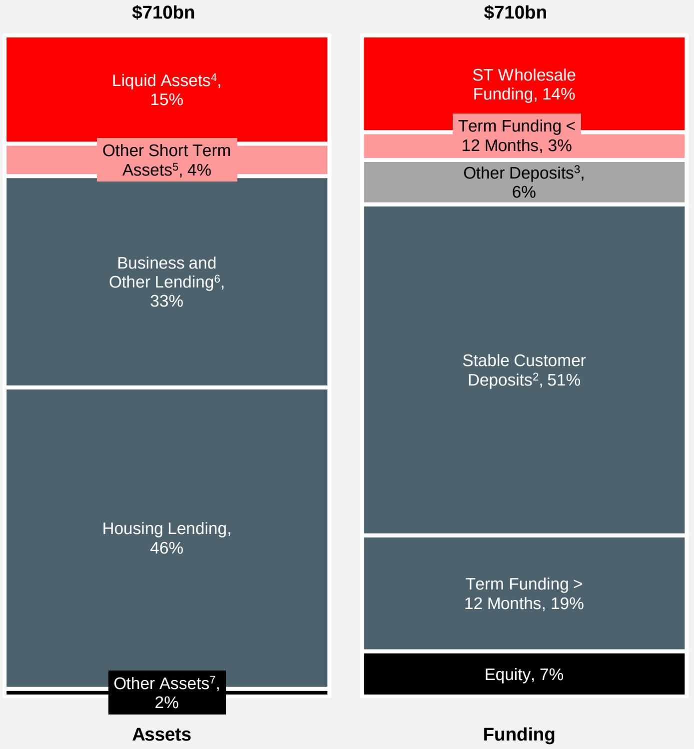
DEPOSIT QUALITY[3]



(1) Australian core funding gap = Gross loans and advances + Acceptances less Total deposits (excluding financial institution deposits and certificates of deposit). Source: APRA Monthly Banking Statistics
(2) September 2015 figures onwards presented on a continuing operations basis, prepared in accordance with AASB 9. Prior periods have not been restated per accounting methodology
(3) APRA Monthly Banking Statistics

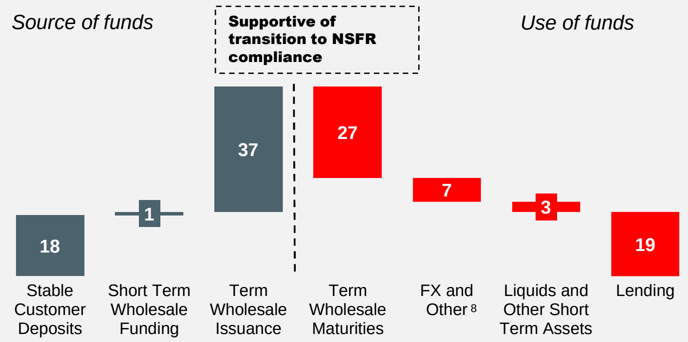
ASSET FUNDING

FUNDED BALANCE SHEET[1]



SOURCE AND USE OF FUNDS

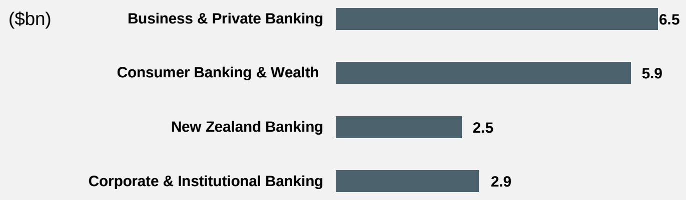
($bn)



12 months to 30 September 2017

DEPOSIT GROWTH

($bn)



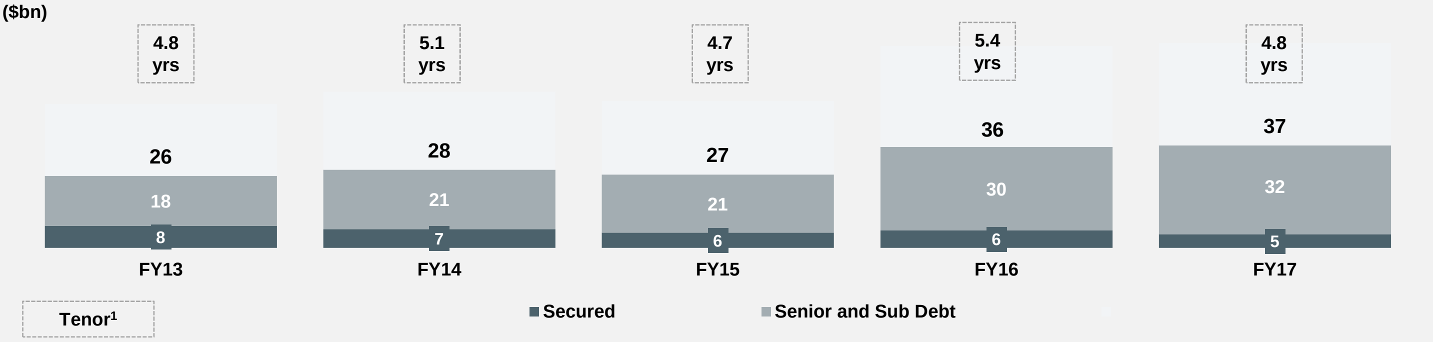
12 months to 30 September 2017

(1) Excludes repurchase agreements, trading and hedging derivatives, insurance assets and liabilities and any accruals, receivables and payables that do not provide net funding
(2) Includes operational deposits, non-financial corporate deposits and retail / SME deposits
(3) Includes non-operational financial institution deposits and certain offshore deposits
(4) Regulatory liquid assets including high quality liquid assets and CLF eligible assets
(5) Includes non-repo eligible liquid assets and trade finance loans
(6) Excludes trade finance loans
(7) Includes net derivatives, goodwill, property, plant and equipment and net of accruals, receivables and payables
(8) Largely related to FX movements on term wholesale funding and net movement in other assets and other liabilities

FUNDING PROFILE

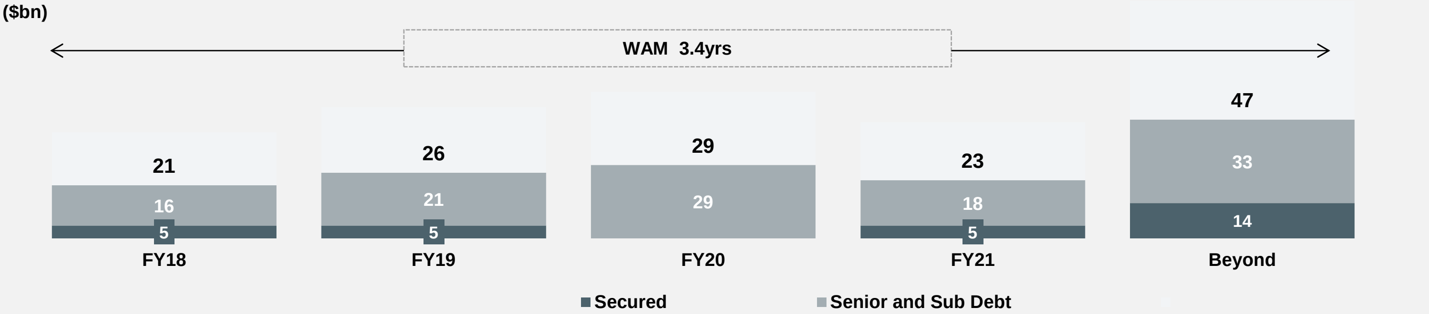
HISTORIC TERM FUNDING ISSUANCE

($bn)



TERM FUNDING MATURITY PROFILE

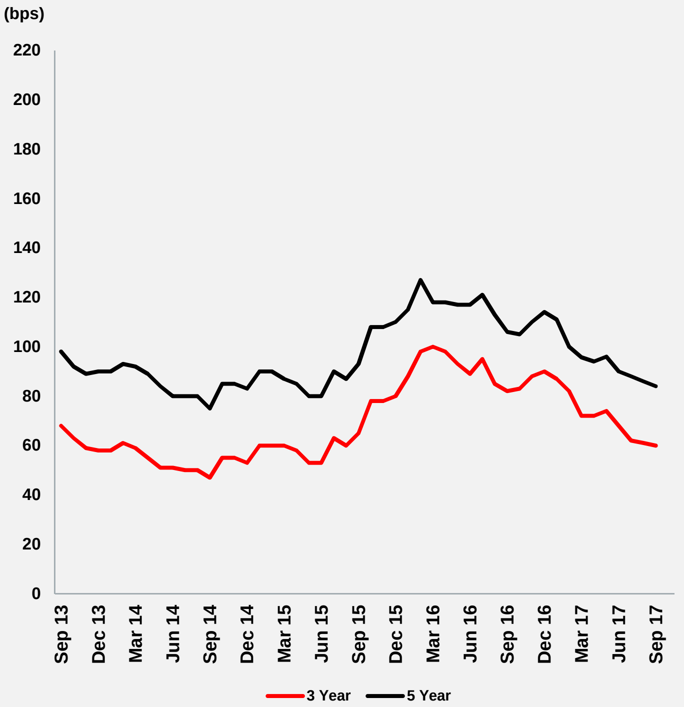
($bn)



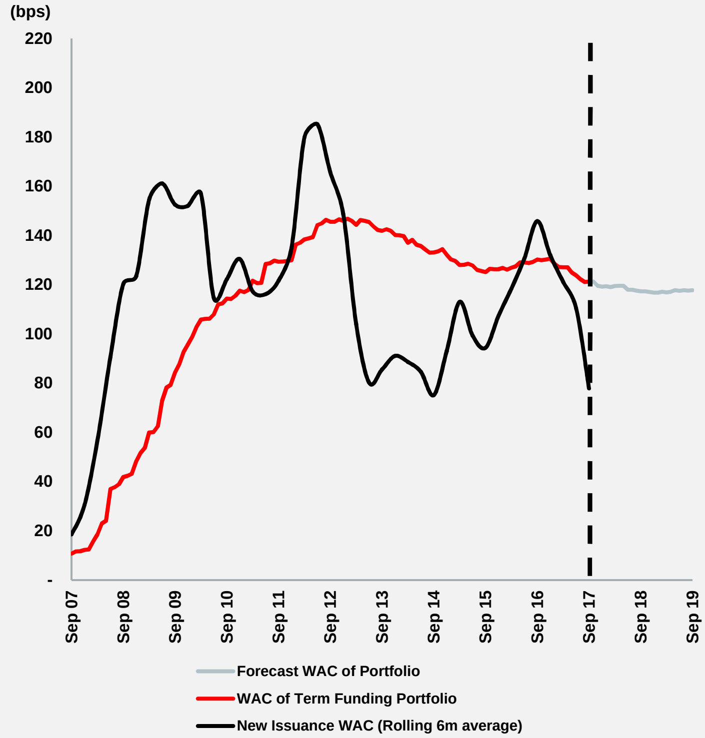
(1) Weighted average maturity (years) of funding issuance (greater than 12 months)

WHOLESALE FUNDING COSTS

WHOLESALE TERM ISSUANCE CURVES[1]



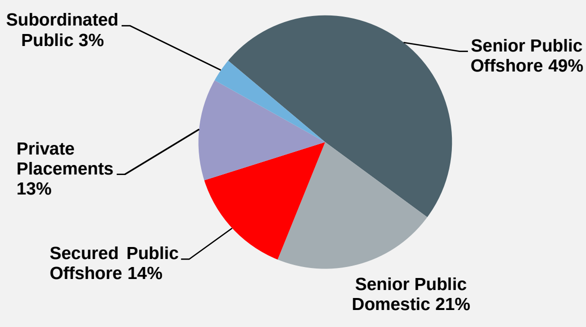
AVERAGE LONG TERM WHOLESALE FUNDING COSTS[2]



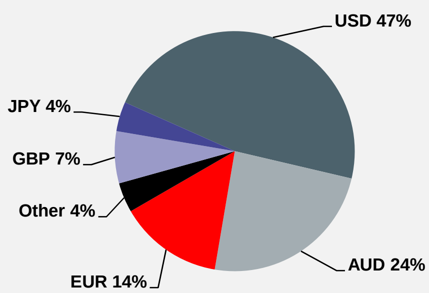
(1) AUD Major Bank Wholesale Unsecured Funding rates over BBSW (3 years and 5 years)
(2) NAB Ltd Term Wholesale Funding Costs>12 Months at issuance (spread to 3month BBSW). Average cost of new issuance is on a 6 month rolling basis. Forecast assumptions based on current issuance

FUNDING ISSUANCE IN FY17 ($36.8BN FY17)

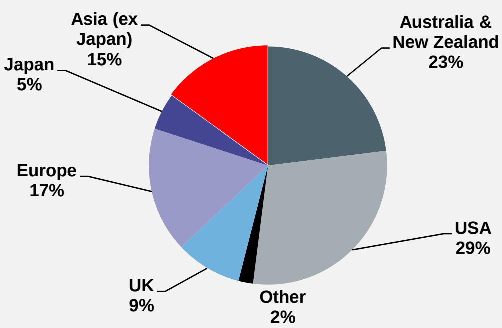
TYPE[1] Issuer split: NAB Ltd 87%, BNZ 13%



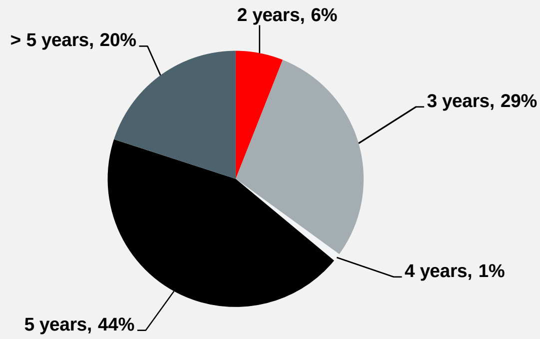
CURRENCY



INVESTOR LOCATION



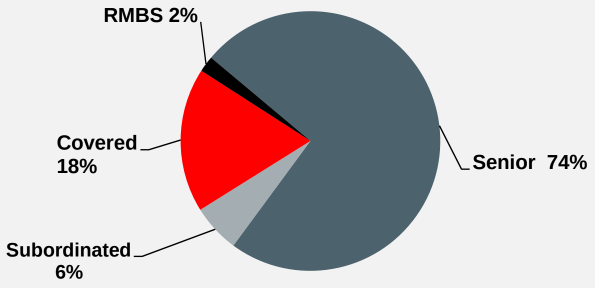
TENOR



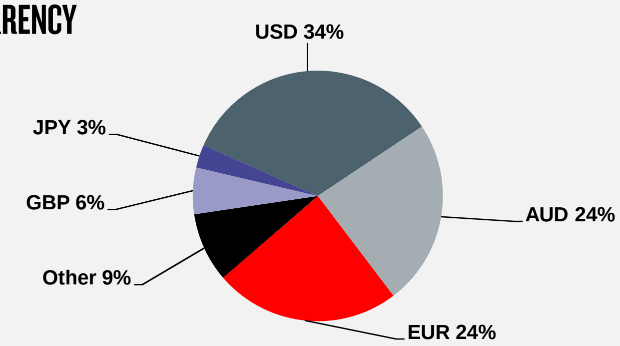
(1) Subordinated private debt comprised 0.3% of full year 2017 term wholesale funding issuance

TERM FUNDING PORTFOLIO

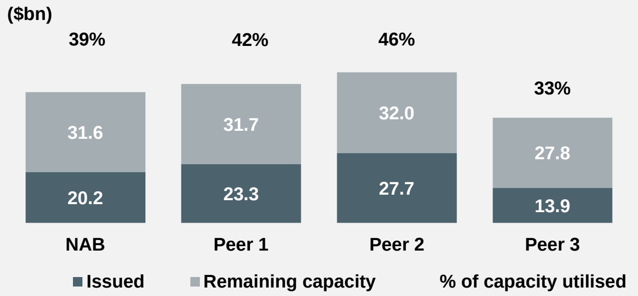
TYPE



CURRENCY



AUSTRALIAN BANK COVERED BOND ISSUANCE[1]

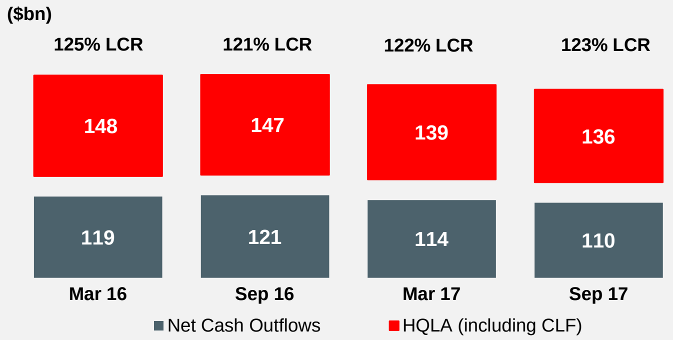


(1) Covered bond investor reports & APRA Monthly Banking Statistics as at September 2017. Remaining capacity based on current rating agency over collateralisation (OC) and legislative limit

National Australia Bank

LIQUIDITY

LIQUIDITY COVERAGE RATIO (QUARTERLY AVERAGE)[1]



LIQUIDITY OVERVIEW[1]

Quarterly Average ($bn)	Mar 16	Sep 16	Mar 17	Sep 17
High quality liquid assets	92	91	89	85
Alternative liquid assets[2]	51	51	46	46
RBNZ Securities	5	5	4	5
Total LCR Liquid Assets	**148**	**147**	**139**	**136**
Net outflows due to				
Customer Deposits	77	79	78	77
Wholesale funding	25	24	19	14
Other	17	17	17	19
Net cash outflows	**119**	**121**	**114**	**110**
Quarterly average LCR	**125%**	**121%**	**122%**	**123%**

NET STABLE FUNDING RATIO COMPOSITION

(1) March 2016 reported average LCR figures include CYBG
(2) Committed Liquidity Facility (CLF) value used in LCR calculation is the undrawn portion of the facility. Approved CLF of $55.4 billion for 2016 and $50.4 billion for 2017

National Australia Bank

ADDITIONAL INFORMATION

ECONOMIC OUTLOOK

AUSTRALIA REGIONAL OUTLOOK

ECONOMICS

- Real GDP figures for Q2 showed a pick up in growth to a quarterly rate of 0.8% (and 1.8% yoy). While this partly represented a bounce-back from weather disruptions in Q1, non-mining and government investment were encouraging. The main area of weakness in the figures was in wages growth, as well as dwelling construction. This is despite particular strength in the labour market so far this year
- Partial indicators of economic activity are upbeat for the most part, although some pockets of the economy continue to look mixed. The business sector is looking particularly healthy, with the NAB Business Survey indicating above-average business conditions, and non-mining investment expectations rising. However, retail conditions have been a notable exception to this trend, suggesting ongoing challenges to the outlook for household consumption, especially amidst soft household income and wages growth (despite further gains in employment), and cautiousness given high household debt levels
- GDP growth will continue to build in late 2017, as LNG exports continue to surge and government spending remains strong. We still expect growth momentum to ease somewhat going into 2019 to around 2½% - which is in line with NAB's estimates of potential growth - although domestic demand is a bit higher in 2019. The better outlook is largely due to a stronger labour market which feeds into (slightly) higher wages growth. The unemployment rate is forecast to ease to 5.4% by end-2017, 5.3% by end-18 and 5.1% by end-19
- While we remain cautious about aspects of the economic outlook, we now believe the labour market will strengthen enough to allow the RBA to remove some of the emergency stimulus currently in place. We are pencilling in rate rises of 25bps in August and November of 2018 and a further two 25bp hikes in 2019, although the precise path will be data dependent. A cash rate of 2½% by end-19 is still well below the RBA's estimates of neutral (~3.5% nominal), suggesting monetary policy will remain supportive of the economy
- Credit growth is forecast to remain solid, although prudential tightening is expected to keep a lid on investor housing credit growth

ECONOMIC INDICATORS (%)[1]

	CY15	CY16	CY17(f)	CY18(f)	CY19(f)
GDP growth[2]	2.4	2.5	2.5	2.9	2.5
Unemployment[3]	5.7	5.8	5.4	5.3	5.1
Core Inflation[4]	1.9	1.5	2.0	2.1	2.3
Cash rate[3]	2.00	1.50	1.50	2.00	2.50

SYSTEM GROWTH (%)[5]

	FY15	FY16	FY17	FY18(f)	FY19(f)
Housing	7.5	6.4	6.6	4.7	5.0
Personal	0.4	(1.0)	(1.0)	0.7	2.0
Business	6.3	4.8	4.3	4.7	5.4
Total lending	6.6	5.4	5.4	4.5	5.0
System deposits	6.1	5.8	6.9	6.2	6.3

(1) Sources: ABS, Econodata DX, RBA, NAB
(2) Average for year ended December quarter on average of previous year
(3) As at December quarter
(4) December quarter on December quarter of previous year
(5) Source: RBA, NAB. Bank fiscal year-ended (September)

NEW ZEALAND REGIONAL OUTLOOK

- The outlook for the New Zealand (NZ) economy remains broadly positive. It will take time to assess the implications of the new government's policies, as and when details emerge
- Factors supporting economic growth have been: strong population growth due to high net inward migration, tourism, low interest rates, as well as a recovery in commodity prices which has helped take the terms of trade back to around record levels
- Over the year to the June quarter 2017 consumption and government spending grew strongly, business investment was solid. While residential investment fell slightly it remains at a robust level and building consents have rebounded from their recent lows
- NZ Commodity export prices, in world price terms, increased by around 30% between April 2016 and September 2017, including a rise in dairy export prices of almost 60% over the same period. Prices, however, remain below their early 2014 peak
- House prices have eased a little from their 2016 peak in Auckland but have stabilised in recent months. House price growth has slowed in the rest of the country. Sales volumes have also declined. These trends are being driven by loan-to-value restrictions, tighter credit conditions and affordability constraints. The recent election process may also have slowed property market activity more generally
- The labour market continues to strengthen. The unemployment rate has been trending down and was 4.6% in the September quarter 2017. Wages growth remains moderate but has started to improve
- Emerging domestic capacity constraints are a headwind to growth
- Credit growth has eased. In September 2017 it was 5.8% yoy, down from 7.8% yoy in October 2016. This reflects a slowing in business, including agriculture, and housing credit growth

ECONOMIC INDICATORS (%)[1]

	CY15	CY16	CY17(f)	CY18(f)	CY19(f)
GDP growth[2]	2.5	3.0	2.5	2.8	2.8
Unemployment[3]	5.0	5.3	4.5	4.4	4.6
Inflation[4]	0.1	1.3	2.1	2.0	2.1
Cash rate (OCR)[3]	2.50	1.75	1.75	2.25	3.00

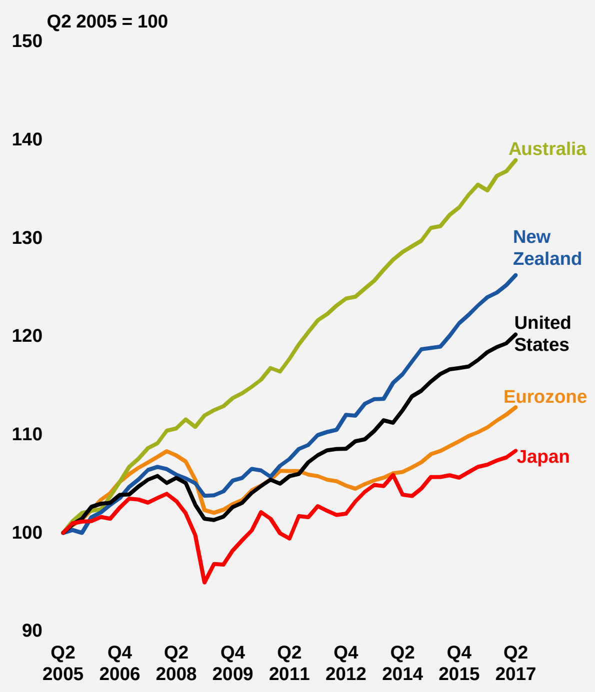
SYSTEM GROWTH (%) [5]

	FY15	FY16	FY17	FY18(f)	FY19(f)
Housing	5.2	8.1	8.2	6.1	5.9
Personal	5.9	3.1	5.5	6.6	6.1
Business	5.6	6.9	5.3	5.0	5.2
Total lending	5.4	7.4	6.9	5.7	5.6
Household retail deposits	10.4	9.7	7.3	7.3	6.9

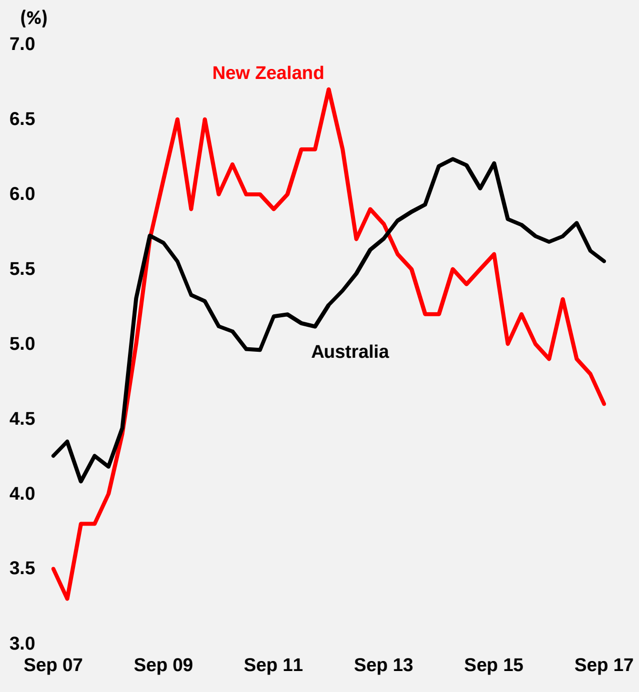
(1) Forecasts as at 1 November 2017
(2) Per cent change, average for year ended December quarter on average of previous year. GDP on a production basis
(3) Per cent, as at December quarter
(4) Per cent change, December quarter on December quarter of previous year
(5) Per cent change, average for year-ended September (bank fiscal year end) on average of previous year. Growth rates calculated from levels data in RBNZ tables C5 and S40

AUSTRALIAN AND NZ ECONOMIES CONTINUE TO PERFORM WELL

GDP (INDEXED)[1]



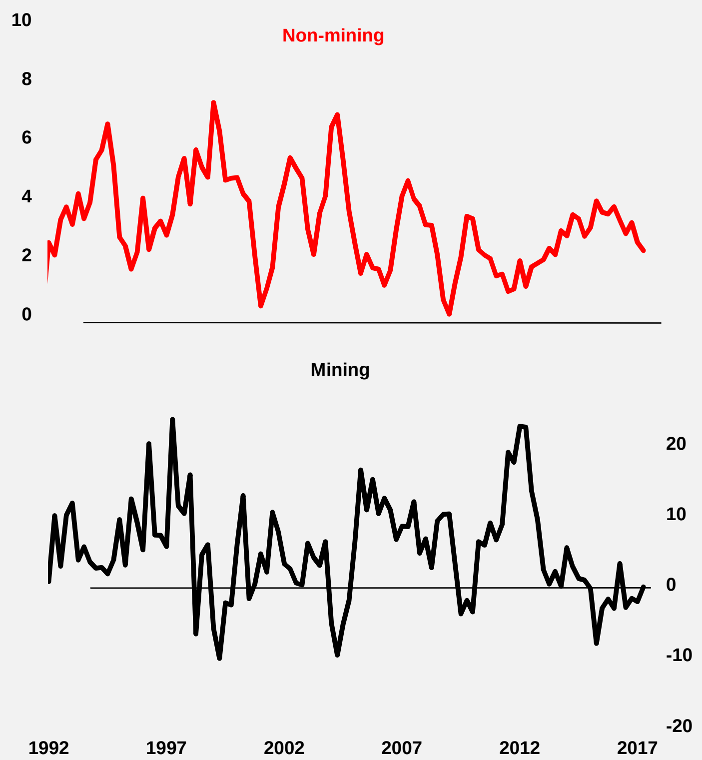
AUSTRALIA AND NZ UNEMPLOYMENT RATE[2]



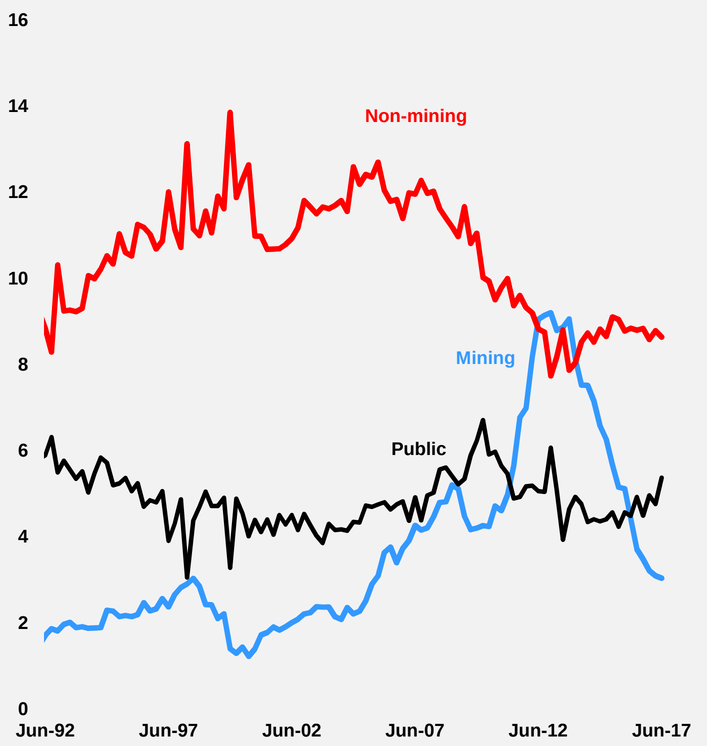
(1) Based on seasonally adjusted, chain volume measures. Production GDP measure used for New Zealand. Source: Thomson Reuters, NAB calculations
(2) Source: Australian Bureau of Statistics, Econdata DX. Seasonally adjusted data. Quarterly data (quarterly average of monthly data for Australia)

MINING STABILISING, BUT AUSTRALIA CONTINUES TO TRANSITION AWAY

REAL GDP GROWTH – YEAR ENDED %[1]



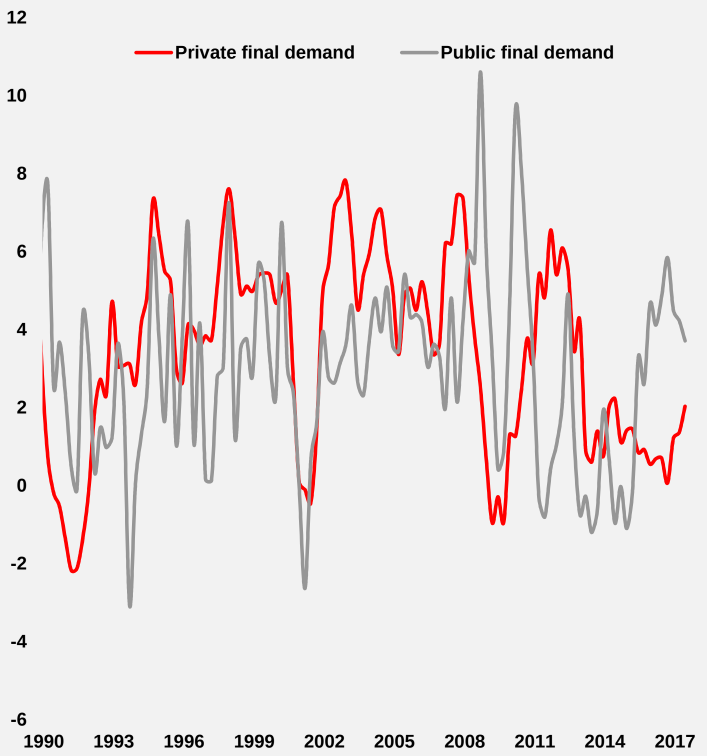
MINING v NON-MINING INVESTMENT - % of GDP[1]



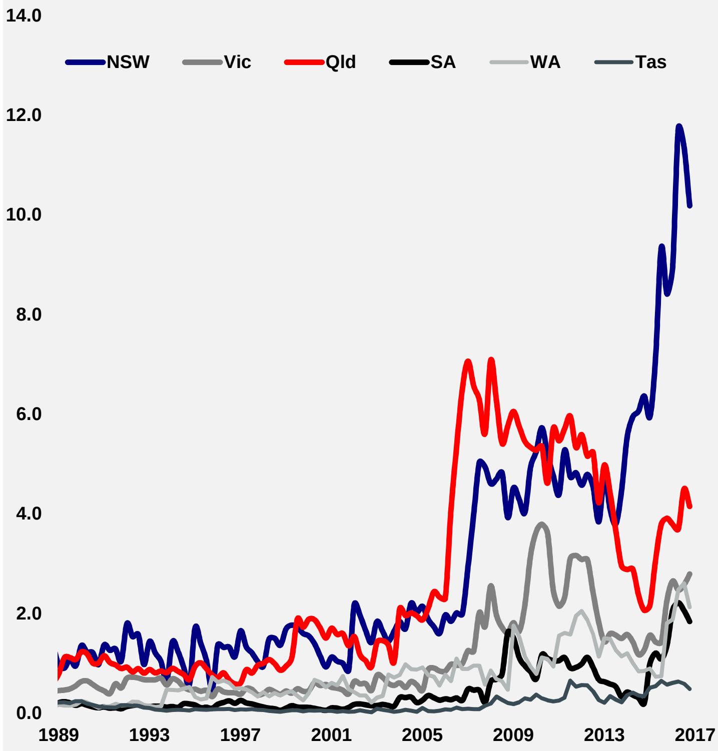
(1) Source: NAB, ABS

PUBLIC INVESTMENT SUPPORTING GROWTH

PUBLIC V PRIVATE DEMAND (Ex TRANSFERS) – Y/Y%[1]



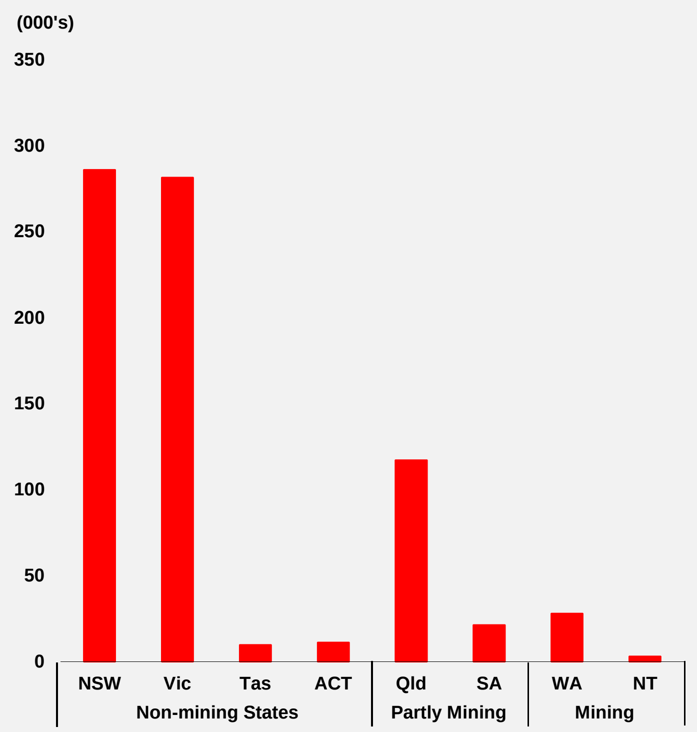
PUBLIC INFRUSTUCTURE UNDERWAY BY STATE ($b)[1,2]



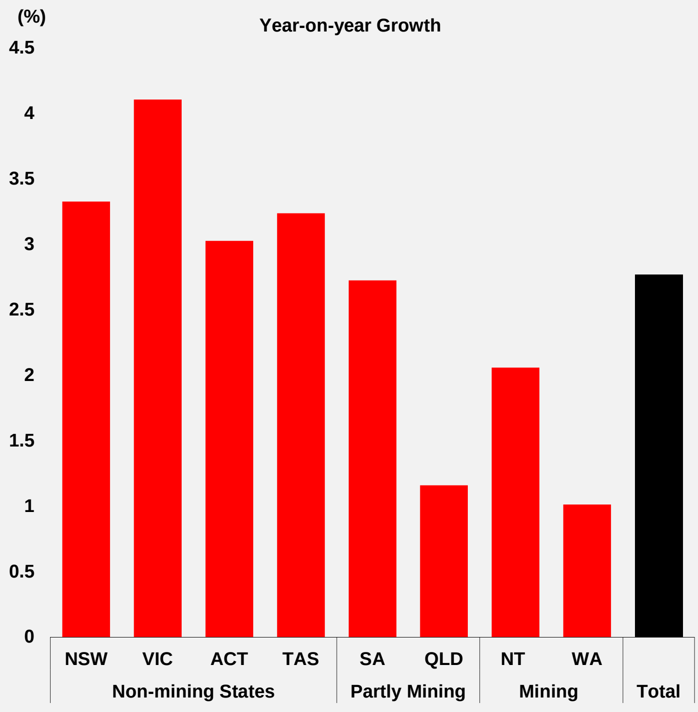
(1) Source: NAB, ABS
(2) The value of work yet to be done on commenced public infrastructure projects (transport, water, energy, telecoms)

NON-MINING STATES CONTINUE TO OUTPERFORM

EMPLOYMENT GROWTH (JOBS CREATED IN PAST 3 YEARS)[1]



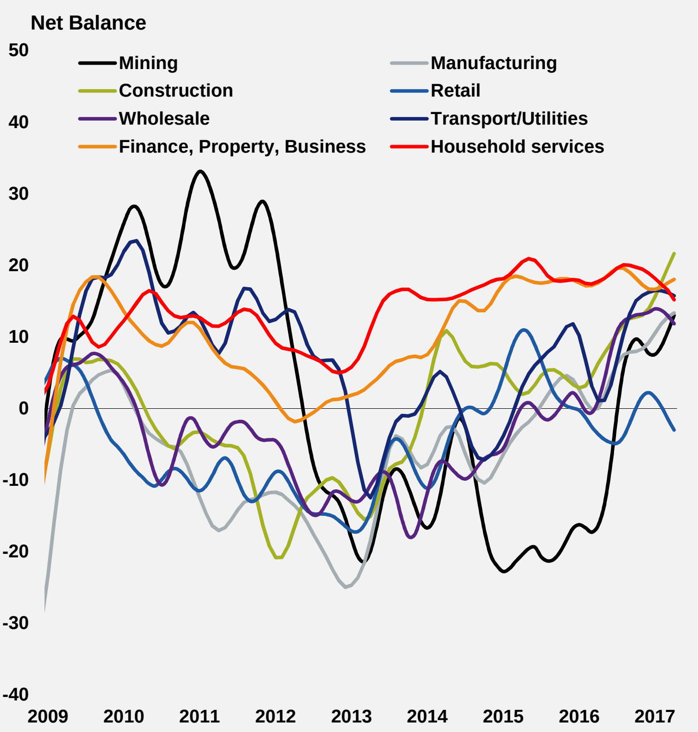
RETAIL SALES BY STATE – August 2017[1]



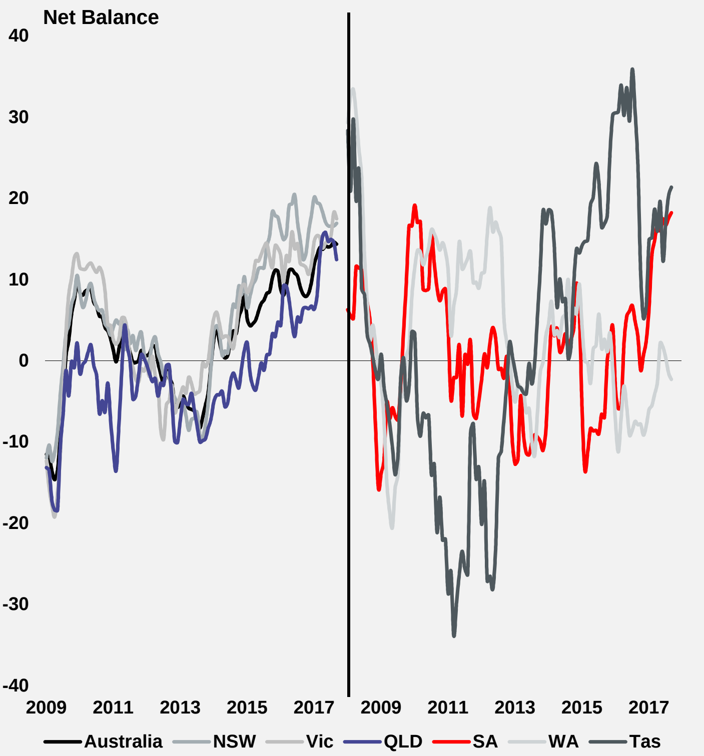
(1) Source: NAB, ABS

RESULTING IN DIVERSE CONDITIONS BY INDUSTRY AND REGION

NAB BUSINESS CONDITIONS BY INDUSTRY[1]



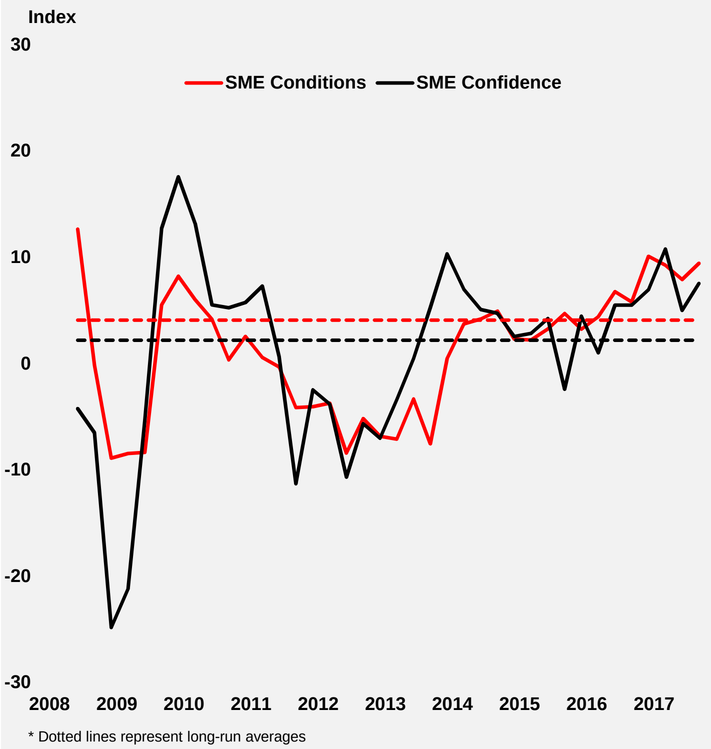
NAB BUSINESS CONDITIONS BY STATE[2]



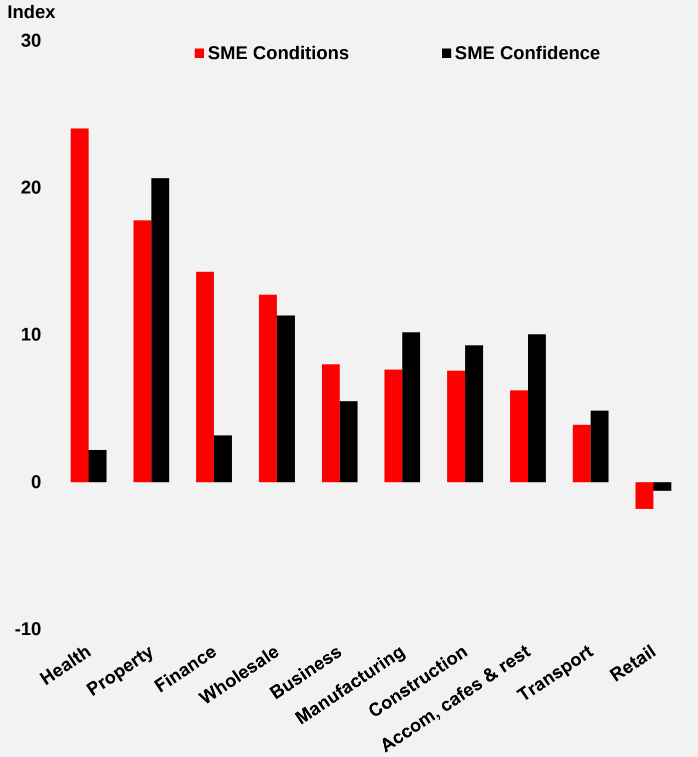
(1) 13 period Henderson trend. Source: NAB Monthly Business Survey
(2) Source: NAB Monthly Business Survey

SME CONDITIONS AND CONFIDENCE REMAIN ABOVE AVERAGE

SME BUSINESS CONDITIONS & CONFIDENCE[1]

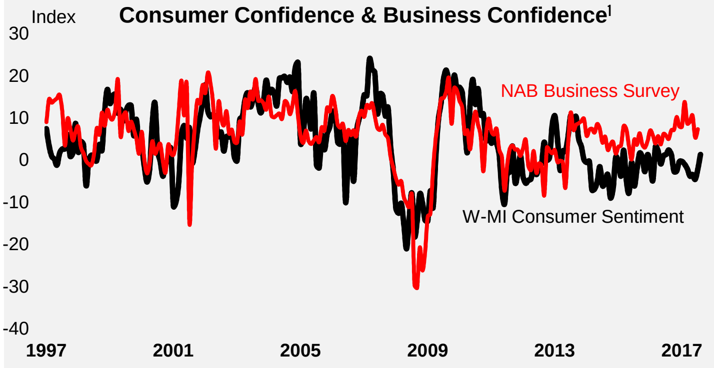


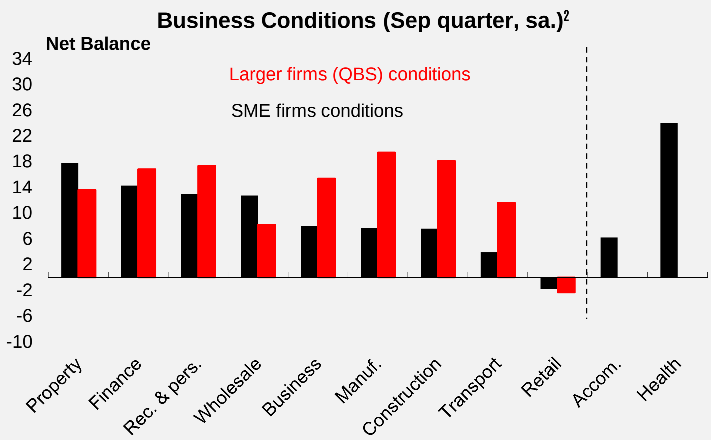
SME BUSINESS CONDITIONS & CONFIDENCE BY INDUSTRY[1]



(1) Source: NAB Quarterly SME Survey

BUSINESS CONFIDENCE v CONSUMER CONFIDENCE



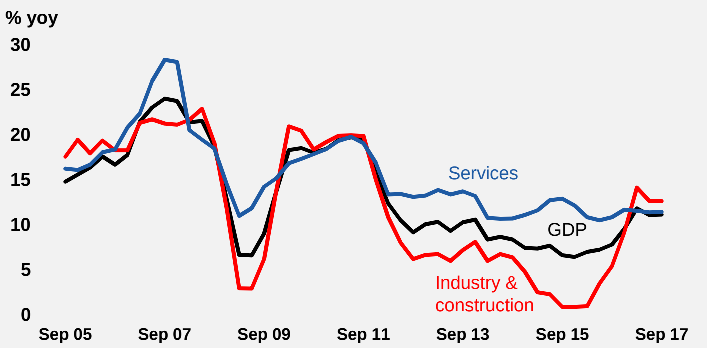


- Since mid last year, there has been a notable divergence between the relatively lofty levels of business confidence, and the much more muted level of consumer confidence – the gap remains stark despite some convergence more recently
- While there could be a number of factors driving this result, evidence tends to suggest that subdued wages growth has played a major part – despite clear improvements in employment. Low labour costs may also help to partly explain the positive position indicated by businesses
- In the context of low wages growth, it is likely that record (and growing) levels of household debt is also weighing on consumers, along with some recent shocks to living costs (such as energy prices, although these would also weigh on business). Other likely drivers include elevated unemployment rates (although it is falling and expected to improve further), along with less rapid asset price growth
- What is even less clear is how the divergence will resolve itself over time. While business confidence has eased, we are hopeful that solid demand for labour and gradual improvements in wages will see consumer sentiment continue to lift
- Another source of divergence in the economy can be seen between small and larger Australian business, with the latter generally reporting more favourable business conditions and confidence in NAB's quarterly business surveys. That said, SME's are also reporting above average levels of business conditions and confidence
- NAB analysis suggests that small business may have been held back by difficulties dealing with 'red tape', which are preventing business owners from advancing their business. Small business owners have also indicated that they are finding it difficult to compete with larger firms in their industry – larger firms not only have the benefit of scale, but are usually better equipped to deal with challenges such as 'red tape'
- NAB's SME survey suggests that the divergence between large firms and SMEs is particularly large in industries such as construction, distribution services and manufacturing

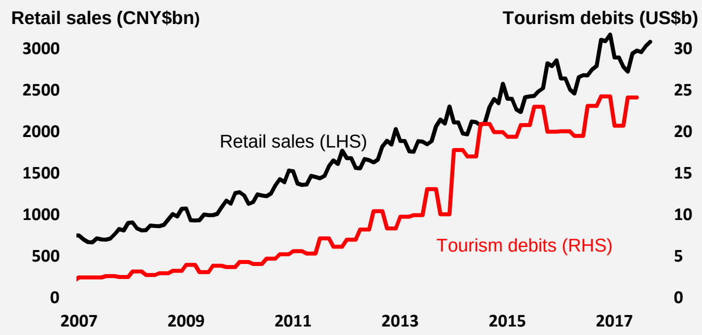
(1) Source: NAB Monthly Business Survey, Westpac-Melbourne Institute Consumer Sentiment Survey
(2) Source: NAB Quarterly Business Survey, NAB SME Business Survey

CHINA ECONOMIC GROWTH SUPPORTING THE AUSTRALIAN TRANSITION

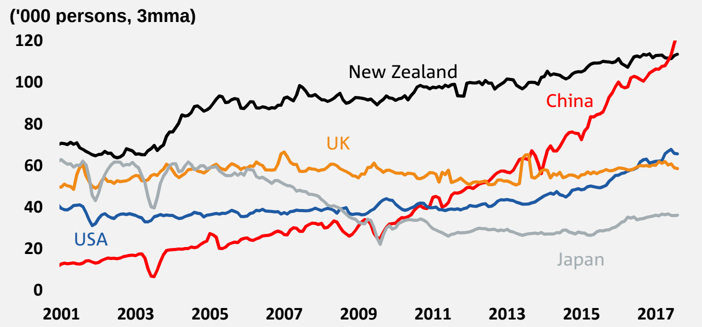
CHINA NOMINAL GDP BY INDUSTRY[1]



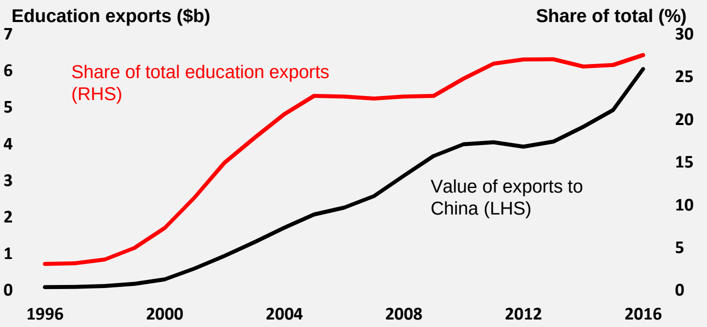
CHINA RETAIL SALES & TOURISM DEBITS[1]



AUSTRALIA SHORT TERM PASSENGER ARRIVALS PER MONTH[2]



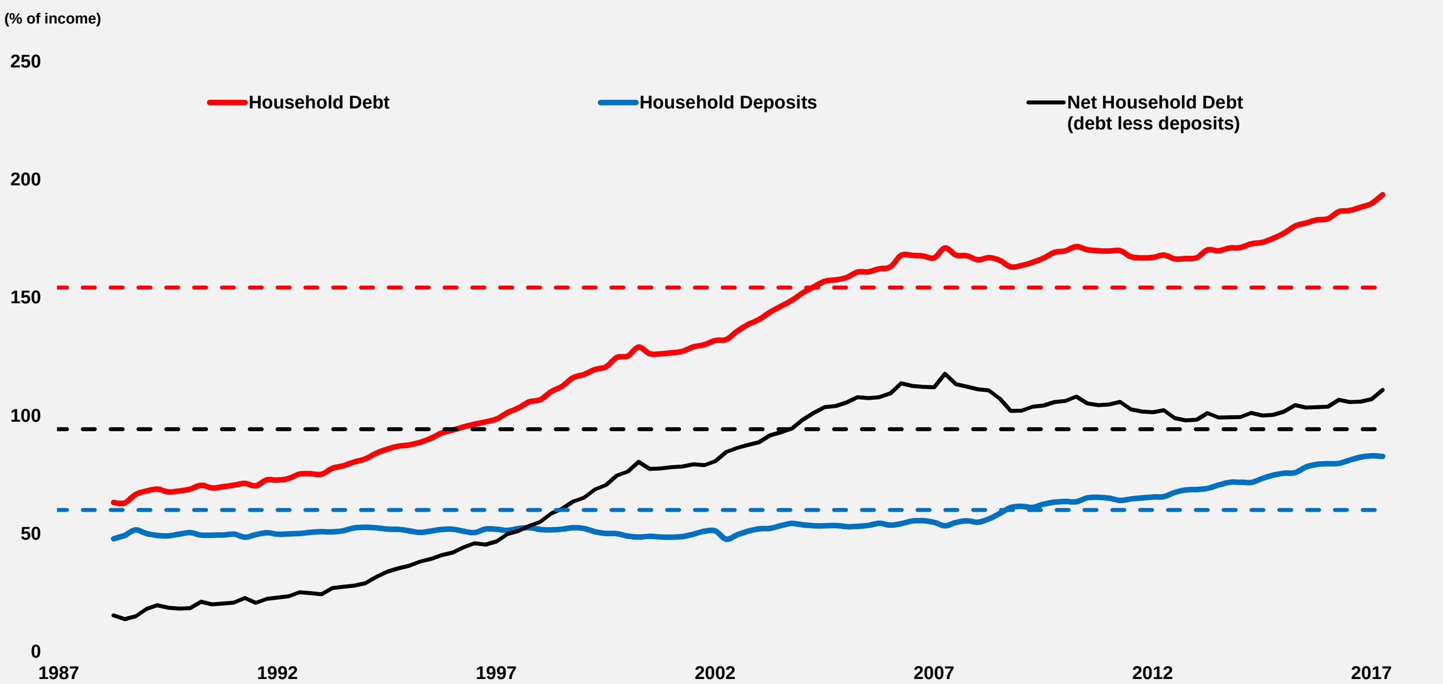
AUSTRALIA EDUCATION EXPORTS[3]



(1) Source: CEIC
(2) Source: ABS, 3mma denotes three month moving average
(3) Source: ABS

HOUSEHOLDS: DEBT AT RECORD LEVELS BUT DEPOSITS BUFFER RISING

HOUSEHOLD DEBT AND DEPOSITS[1]

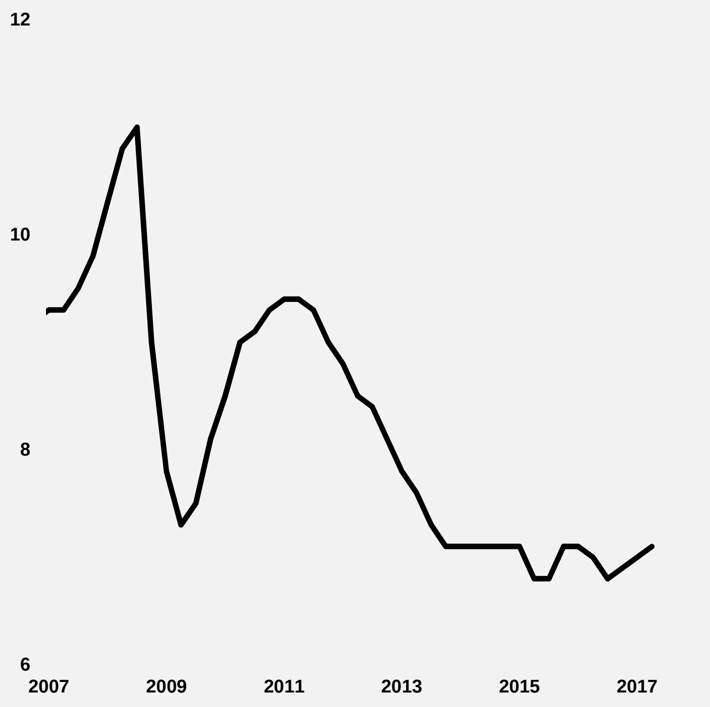


* Dotted lines are post inflation targeting averages

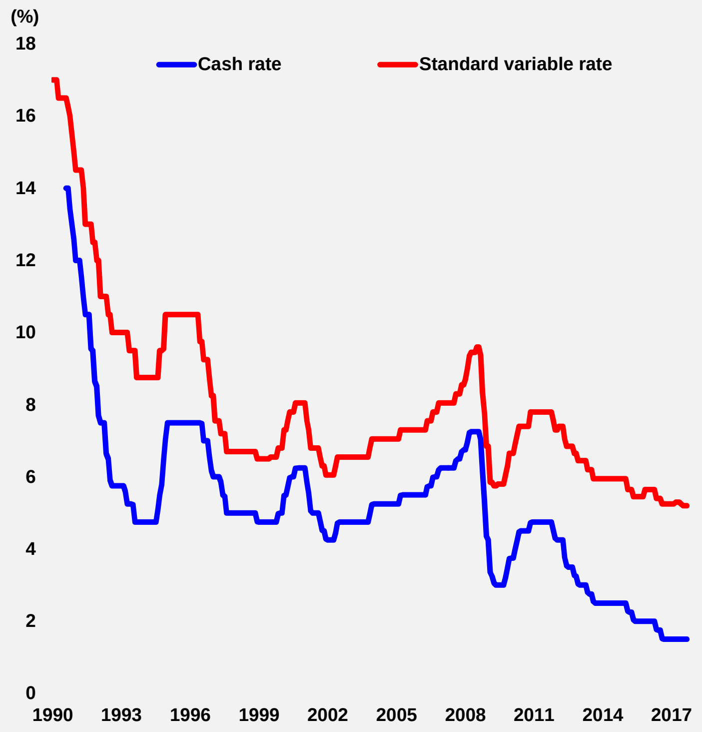
(1) Source: RBA, NAB

HOUSING: STRONGER SERVICABILITY WITH LOW INTEREST RATE ENVIRONMENT

HOUSEHOLD INTEREST PAYMENTS (% OF HOUSEHOLD DISPOSABLE INCOME)[1]



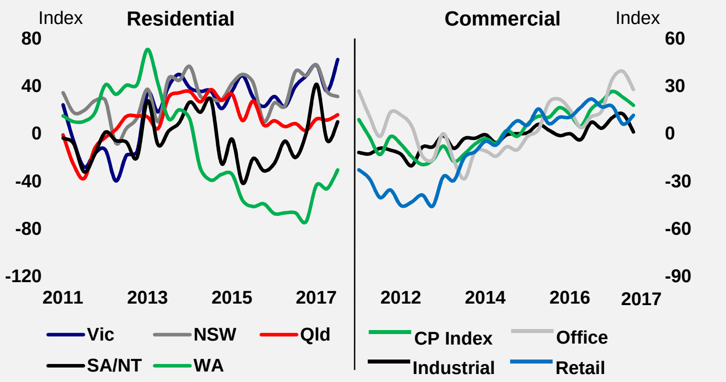
AUSTRALIAN INTEREST RATES[1]



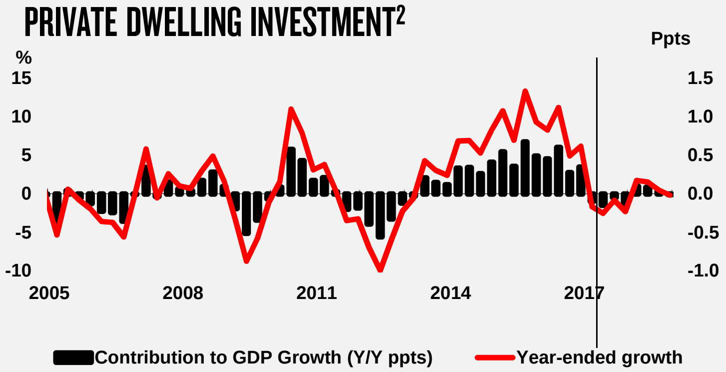
(1) Source: RBA

PROPERTY

RESIDENTIAL & COMMERCIAL PROPERTY INDEX[1]



PRIVATE DWELLING INVESTMENT[2]

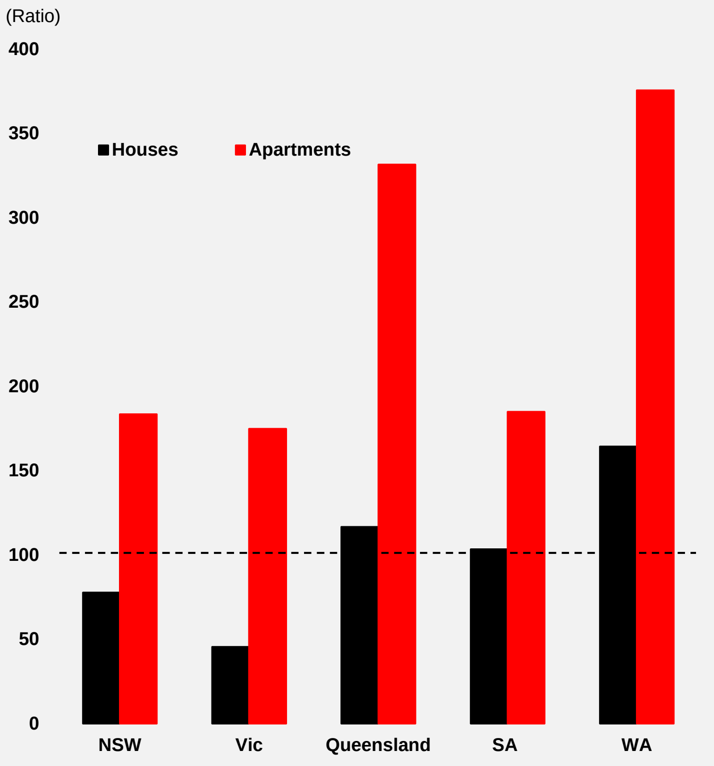


- Australia's residential property sector has enjoyed a strong run over recent years (both in terms of prices and construction) as solid market fundamentals were further bolstered by highly stimulatory monetary policy (record low interest rates)
- However, those fundamental drivers are gradually becoming less supportive, while prudential policy changes (including caps on investor lending and interest only loans) has seen the market start to cool – a trend that is expected to continue, although to varying degrees across markets
- The Sydney and Melbourne markets have been standout performers, but the former appears to be passing the peak in the cycle. The NAB Residential Property Survey tends to support this observation, although conditions in both markets remain elevated. Meanwhile, conditions in the market remain very soft in WA and fairly muted in SA/NT
- Similar trends can be seen to some extent in residential construction. Supply responded swiftly to the higher prices seen in recent years, with the pipeline of (particularly apartment) housing projects hitting record highs. The pipeline of projects in development remains elevated, but while weather related disruptions have had an impact on construction activity, softening market conditions and shrinking capacity appear to have also contributed to slowing construction momentum. The contribution of dwelling investment to GDP growth peaked around late 2015, and is expected to make a negligible contribution going forward
- Meanwhile, the commercial property sector appears to have taken some cues from the residential sector, consistent with some more positive indicators on non-mining business investment and solid business conditions in the NAB business survey
- Despite a dip in Q3 2017, the NAB Commercial Property Survey has shown a fairly steady improvement in most segments of the market, although offices have been a standout. However, the condition of office markets does vary significantly across capital cities. As such, very low office vacancy rates in Sydney are contributing to strong rents and capital values, while conditions in Perth are much more challenging

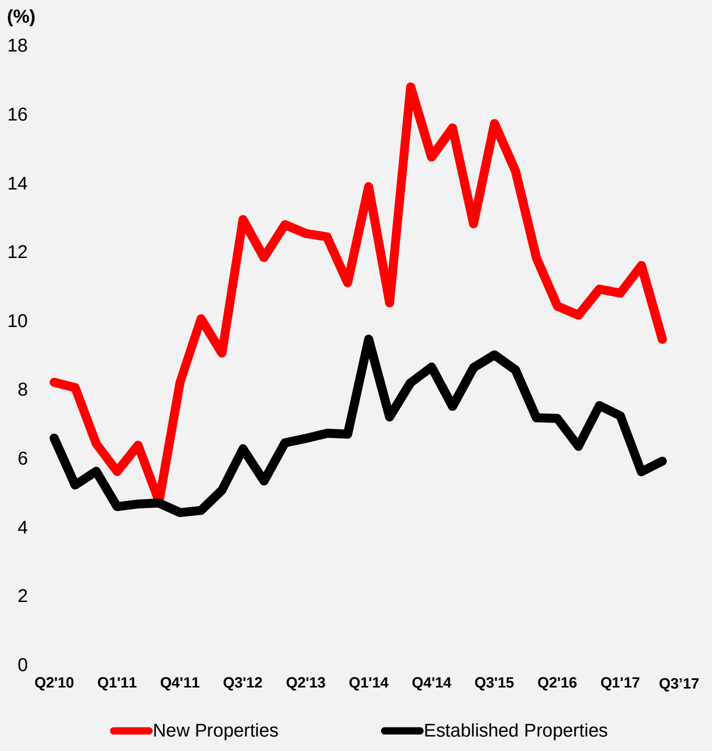
(1) Source: NAB Residential Property Survey, NAB Commercial Property Survey
(2) Source: ABS, NAB

HOUSING: APARTMENT OVERSUPPLY PARTIALLY DEPENDENT ON FOREIGN DEMAND

HOUSING UNDER CONSTRUCTION TO POPULATION RATIO[1]



SHARE OF DEMAND FROM OVERSEAS BUYERS[2]

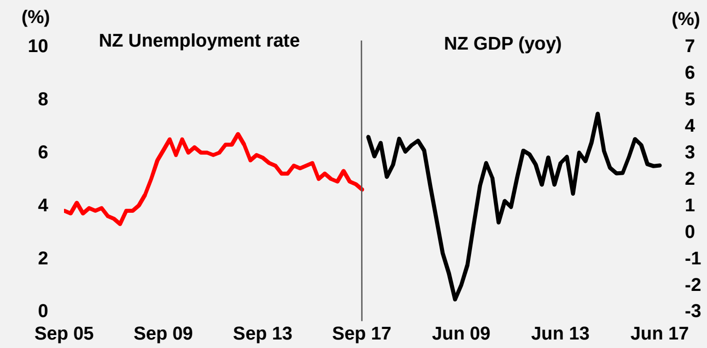


(1) Source: NAB, ABS. Relative to long-run average
(2) Source: NAB Residential Property Survey

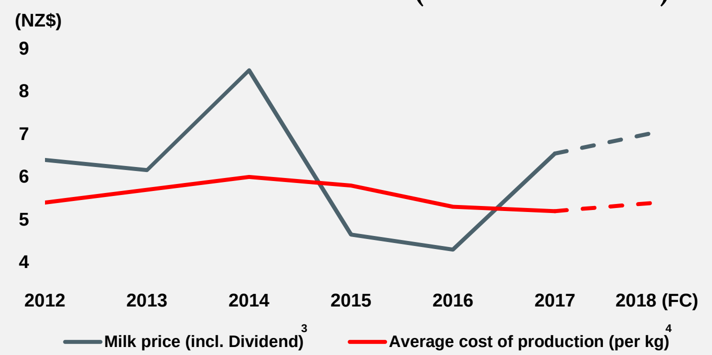
National Australia Bank

NEW ZEALAND

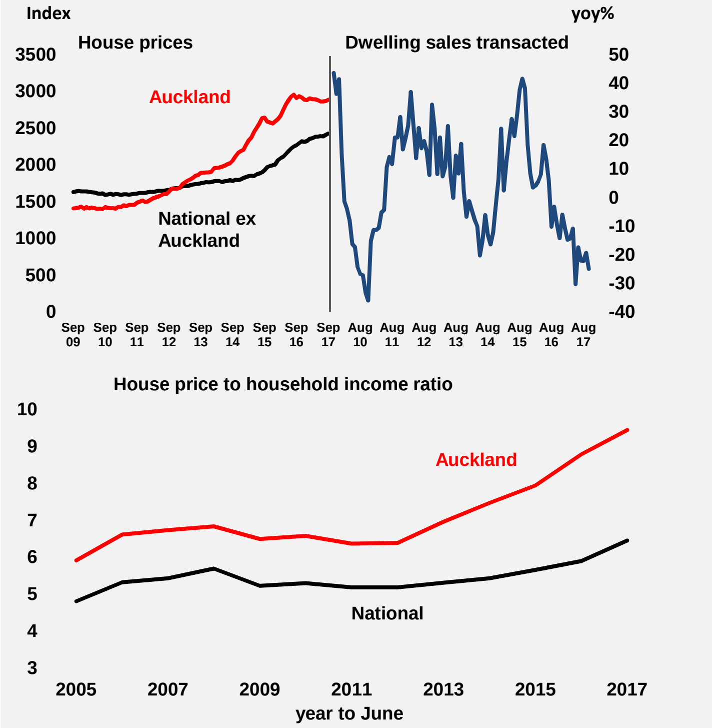
NZ GROWTH SOLID, UNEMPLOYMENT BELOW 5YR AVERAGE[1]



FONTERRA MILK PRICE FORECASTS (INCLUDING DIVIDEND)

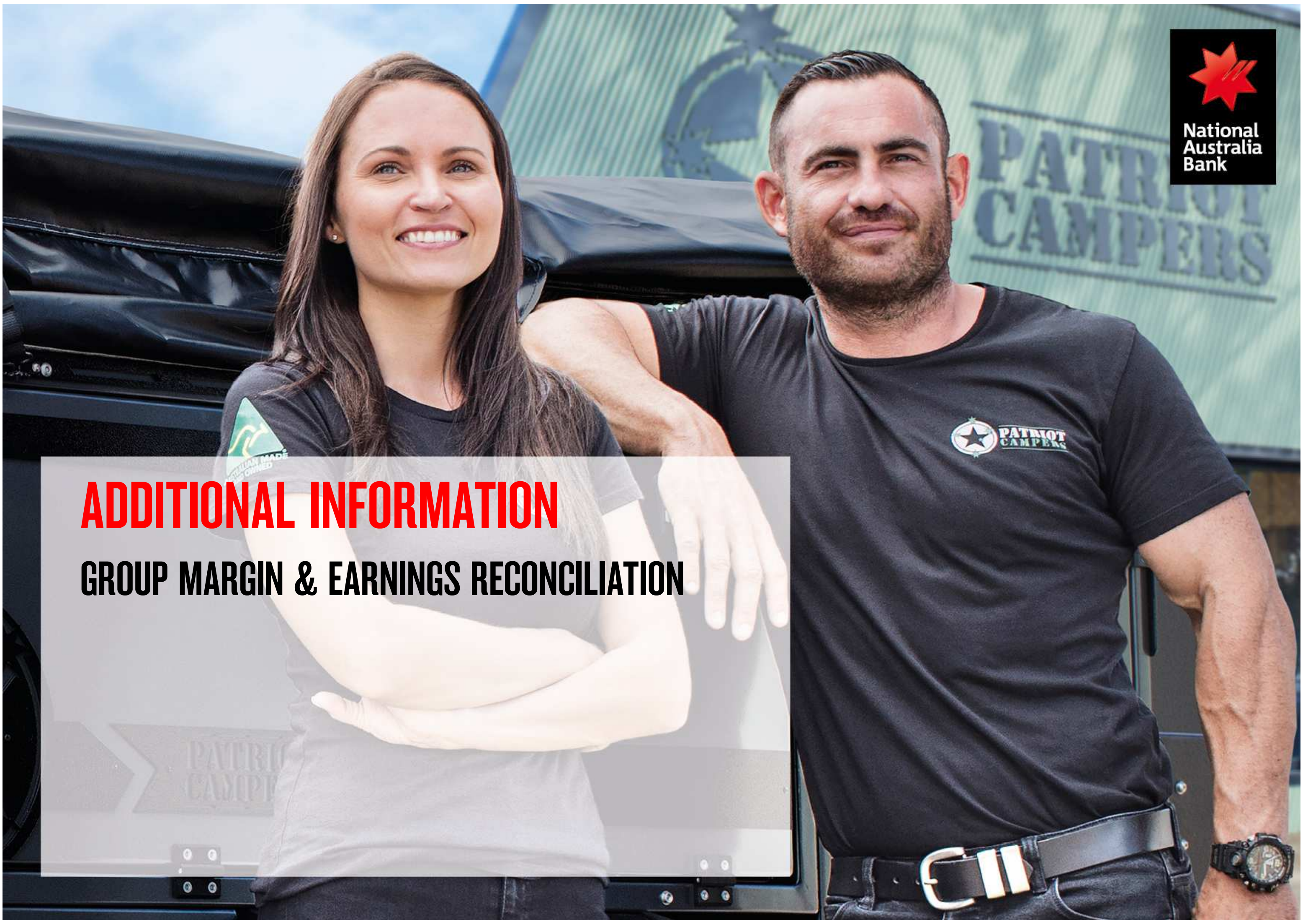


HOUSING MARKET COOL AS AFFORDABILITY & CREDIT CONSTRAINTS BITE[2]



(1) Source: NAB, Econdata DX/Statistics NZ
(2) Source: ThomsonReuters Datastream, REINZ, Statistics NZ, NAB calculations
(3) Source: Fonterra
(4) Source: Dairy NZ

National Australia Bank

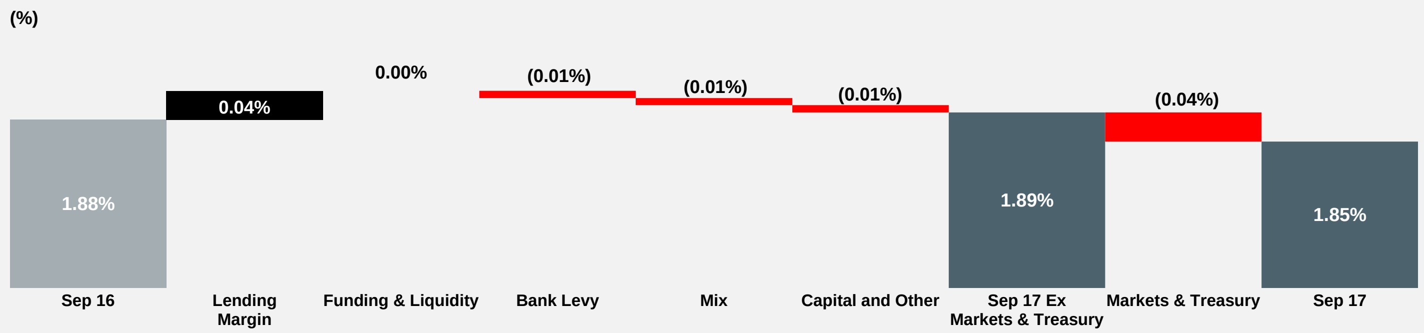


ADDITIONAL INFORMATION

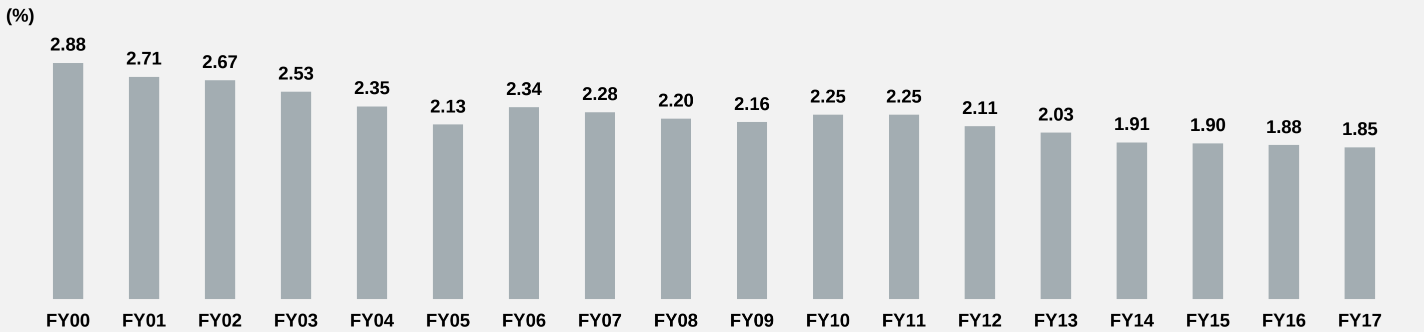
GROUP MARGIN & EARNINGS RECONCILIATION

GROUP NET INTEREST MARGIN

GROUP NET INTEREST MARGIN (FY17 v FY16)



GROUP NET INTEREST MARGIN



GROUP CASH EARNINGS RECONCILIATION TO STATUTORY NET PROFIT

- NAB uses cash earnings (rather than statutory net profit attributable to owners of NAB) for its internal management reporting purposes and considers it a better reflection of the Group's underlying performance. Accordingly, information is presented on a cash earnings basis unless otherwise stated
- Cash earnings is not a statutory financial measure and is not presented in accordance with Australian Accounting Standards nor audited or reviewed in accordance with Australian Auditing Standards. Cash earnings is calculated by excluding discontinued operations and certain other items which are included within the statutory net profit attributable to owners of NAB. These non-cash earning items, and a reconciliation to statutory net profit attributable to owners of NAB, are presented in the table below. Prior period non-cash earnings have been restated to exclude discontinued operations
- The definition of cash earnings, a discussion of non-cash earnings items and a full reconciliation of the cash earnings to statutory net profit attributable to owners of NAB is set out on page 2 of the 2017 Full Year Results Announcement. The Group's financial statements, prepared in accordance with the Corporations Act 2001 (Cth) and Australian Accounting Standards, and audited by the auditors in accordance with Australian Auditing Standards, will be released on 14 November 2017 in NAB's 2017 Annual Financial Report.

	FY17 ($m)	FY17 v/s FY16	2H17 ($m)	2H17 v/s 1H17 ($m)
Cash earnings	6,642	2.5%	3,348	1.6%
Non-cash earnings items (after tax)				
Distributions	98	(21.0%)	49	-
Fair value and hedge ineffectiveness	(500)	Large	(47)	(89.6%)
Amortisation of acquired intangible assets	(62)	(25.3%)	(29)	(12.1%)
Net profit from continuing operations	6,178	(3.8%)	3,321	16.2%
Net (loss) after tax from discontinued operations	(893)	(85.3%)	(581)	86.2%
Statutory net profit attributable to owners of NAB	5,285	Large	2,740	7.7%

GLOSSARY

90+ days past due assets		Assets 90+ days past due consist of well-secured assets that are more than 90 days past due and portfolio-managed facilities that are not well secured and between 90 and 180 days past due.
Average assets		Represents the average of assets over the period adjusted for disposed operations. Disposed operations include any operations that will not form part of the continuing Group. These include operations sold and those which have been announced to the market that have yet to reach completion.
AUM	**Assets under Management**	Assets under Management represents the market value of funds for which the Group acts as Funds Adviser or Investment Manager.
Banking		Banking operations include the Group's: - Retail and Non-Retail deposits, lending and other banking services within Business and Private Banking, Consumer Banking and Wealth, Corporate and Institutional Banking, and NZ Banking - Wholesale operations comprising Global Capital Markets, Specialised Finance and Financial Institutions business within Corporate and Institutional Banking and NZ Banking, and - Treasury and operations within Corporate Functions and Other.
Bank Levy		A levy imposed under the Major Bank Levy Act 2017 on authorised deposit-taking institutions with total liabilities of more than $100 billion.
Business and Private Banking		Business & Private Banking brings together the Group's NAB Business division with Specialised Banking (including Agribusiness; NAB Health; and Government, Education, Community & Franchising); Business Direct & Small Business; NAB Private; and JBWere.
Business lending		Lending to non-retail customers including overdrafts, asset and lease financing, term lending, bill acceptances, foreign currency loans, international and trade finance, securitisation and specialised finance.
CET1	**Common Equity Tier 1 Capital**	Common Equity Tier 1 (CET1) capital is recognised as the highest quality component of capital. It is subordinated to all other elements of funding, absorbs losses as and when they occur, has full flexibility of dividend payments and has no maturity date. It is predominantly comprised of common shares; retained earnings; undistributed current year earnings; as well as other elements as defined under APS111 - Capital Adequacy: Measurement of Capital.
CFI	**Customer Funding Index**	Customer deposits (excluding certain short dated institutional deposits used to fund liquid assets) divided by core assets.
CLF	**Committed Liquidity Facility**	Made available by the RBA for qualifying ADIs to access in order to meet LCR requirements under APS 210 – Liquidity.

CPS		Cents Per Share
CTI	**Cost to income ratio**	Represents banking operating expenses (before inter-segment eliminations) as a percentage of banking operating revenue (before inter-segment eliminations).
Capital ratios		As defined by APRA under APS111 - Capital Adequacy: Measurement of Capital (unless stated otherwise).
Cash Earnings		Refer to page 2, Section 1 - Profit Reconciliation of 2017 Full Year Results Announcement for information about, and the definition of cash earnings.
Consumer Banking and Wealth		Consumer Banking and Wealth is responsible for the NAB and UBank consumer banking franchises and the financial planning network, including NAB Financial Planning and aligned financial advisors. The division manages more than 5 million consumer relationships in Australia through its national network of branches and through centralised sales and service teams. The division also generates income and provides advice through independent third parties including mortgage brokers and a financial planning network of over 1,800 self-employed, aligned and salaried advisers in Australia.
Continuing operations		Continuing operations are the components of the Group which are not discontinued operations.
Core assets		Represents gross loans and advances including acceptances, financial assets at fair value, and other debt instruments at amortised cost.
Corporate and Institutional Banking		Corporate and Institutional Banking provides a range of lending and transactional products and services related to financial and debt capital markets, specialised capital, custody and alternative investments. The division serves its customers in Australia and globally through branches in the US, UK and Asia with specialised industry relationships and product teams.
Corporate Functions and Other		The Group's 'Corporate Functions' business includes functions that support all businesses including Treasury, Other Corporate Functions activities and NAB UK CRE. Treasury acts as the central vehicle for movements of capital and structural funding to support the Group's operations, together with capital, balance sheet management and the liquid asset portfolio. Other Corporate Functions activities include Technology and Operations and Support Units (which includes Office of the CEO, Risk, Finance and People).

GLOSSARY

Customer deposits		Interest bearing, non-interest bearing and term deposits (including retail and corporate deposits).
Customer risk management		Activities to assist customers to manage their financial risks (predominantly foreign exchange and interest rate risks).
DRP	**Dividend Reinvestment Plan**	Instead of receiving cash dividends, shareholders can elect to reinvest dividends to buy more shares without paying brokerage and other administration costs.
Discontinued operations		Discontinued operations are a component of the Group that either has been disposed of, or is classified as held for sale, and represents a separate major line of business or geographical area of operations, which is part of a single co-ordinated plan for disposal.
Distributions		Payments to holders of other equity instrument issues such as National Income Securities, Trust Preferred Securities, Trust Preferred Securities II and National Capital Instruments.
Dividend payout ratio		Dividends paid on ordinary shares divided by cash earnings per share.
EAD	**Exposure at Default**	EAD is an estimate of the total committed credit exposure expected to be drawn at the time of default for a customer or facility that the NAB Group would incur in the event of a default. It is used in the calculation of RWAs.
EPS	**Cash earnings per share – diluted**	Calculated as cash earnings adjusted for distributions on other equity instruments and interest expense on dilutive potential ordinary shares. This adjusted cash earnings is divided by the weighted average number of ordinary shares, adjusted to include treasury shares held in the Group's consolidated investments businesses (until the Successor Fund Merger on 1 July 2016) and dilutive potential ordinary shares.
FTE	**Full-time Equivalent Employees**	Includes all full-time staff, part-time, temporary, fixed term and casual staff equivalents, as well as agency temporary staff and external contractors either self-employed or employed by a third party agency. Note: This does not include consultants, IT professional services, outsourced service providers and non-executive directors.

FUM/A		Funds under management and administration
GIAs	**Gross Impaired Assets**	Consist of: - Retail loans (excluding unsecured portfolio managed facilities) which are contractually past due 90 days with security insufficient to cover principal and arrears of interest revenue - Non-retail loans which are contractually past due and 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 also classified as impaired assets when they become 180 days past due (if not written off).
GLAs		Gross loans and acceptances
Group		NAB and its controlled entities.
HQLA	**High Quality Liquid Assets**	Eligible assets that include cash, balances held with Central Banks along with securities issued by highly rated Governments and supranationals.
Housing lending		Mortgages secured by residential properties as collateral.
IRB	**Internal Ratings Based approach**	Refers to the processes employed by the Group to estimate credit risk. This is achieved through the use of internally developed models to assess the potential credit losses using the outputs from the probability of default, loss given default and exposure at default models.
Impaired – currently assessed as no loss		Currently assessed as impaired but no loss due to the value of the security held being sufficient to cover the repayment of principal and interest amounts due.
Internationally comparable		Estimate of NAB's CET1 and leverage ratio calculated on rules and those applied to global peers. Methodology aligns with the APRA study entitled "International capital comparison study" released on 13 July 2015.
LCR	**Liquidity Coverage Ratio**	LCR measures the amount of high quality liquid assets held that can be converted to cash easily and immediately in private markets, to total net cash flows required to meet the Group's liquidity needs for a 30 day calendar liquidity stress scenario.
LVR	**Loan to Value Ratio**	Mortgage loan to bank value of property expressed as a percentage.

GLOSSARY

Leverage ratio		As defined by APRA (unless otherwise stated). A non-risk based supplementary measure to the risk-based capital requirements.
Markets & Treasury Income		NAB risk management comprises NII and OOI and is defined as management of interest rate risk in the banking book, wholesale funding and liquidity requirements and trading market risk to support the Group's franchises. Customer risk comprises OOI. Includes FX.
NII	**Net Interest Income**	Net of revenues generated by interest-bearing assets and the cost of interest-bearing liabilities.
NIM	**Net Interest Margin**	NII as a percentage of average interest earning assets.
NPS	**Net Promoter Score**	Net Promoter Score measures the net likelihood of recommendation to others of the customer's main financial institution for retail or business banking. Net Promoter® and NPS® are registered trademarks and Net Promoter Score and Net Promoter System are trademarks of Bain & Company, Satmetrix Systems and Fred Reichheld.
NSFR	**Net Stable Funding Ratio**	The amount of available stable funding (ASF) relative to the amount of required stable funding (RSF).
NZ Banking		NZ Banking comprises the Retail, Business, Agribusiness, Corporate and Insurance franchises and Markets Sales operations in New Zealand, operating under the 'BNZ' brand. It excludes BNZ's Markets Trading operations.
OIS	**Overnight Index Swap**	Interest rate swap involving the overnight rate being exchanged for a fixed interest rate.
OOI	**Other operating income**	Revenue derived from non-interest bearing products, such as fees and premiums.
Other banking products		Personal lending, credit cards (consumer and commercial), investment securities and margin lending.
RMBS	**Residential Mortgage Backed Securities**	Where a bank sells a pool of mortgages to a related special purpose vehicle (SPV), and the SPV in turn issues debt securities. Internal RMBS is where those securities are held entirely by the bank which originated the mortgages. These securities are eligible for use as collateral in repurchase agreements with the Reserve Bank of Australia.
ROE	**Cash Return on Equity**	Calculated as cash earnings (annualised) divided by average shareholders' equity, excluding non-controlling interests and other equity instruments and adjusted for treasury shares.
RWAs	**Risk-weighted assets**	A quantitative measure of the Group's risk, required by the APRA risk-based capital adequacy framework, covering credit risk for on- and off-balance sheet exposures, market risk, operational risk and interest rate risk in the banking book.
SFI	**Stable Funding Index**	Term Funding Index (TFI) plus Customer Funding Index (CFI).
SME	**Small and Medium Enterprise**	A segment of Business and Private Bank which supports business customers with lending typically up to $50m.
TFI	**Term Funding Index**	Term wholesale funding (with a remaining maturity to first call date greater than 12 months) divided by core assets.
TSR	**Total Shareholder Returns**	Share price change over the course of a period of time plus dividends paid over that period of time.
Underlying profit		Underlying profit is a performance measure used by NAB. It represents cash earnings before various items, including income tax expense and the charge to provide for bad and doubtful debts. It is not a statutory financial measure and is not presented in accordance with Australian Accounting Standards nor audited or reviewed in accordance with Australian Auditing Standards.
Watch loans		Loan facilities where customers are experiencing operating weakness and financial difficulty but are not expected to incur loss of interest or principal.
Wealth		Wealth provides superannuation, investment and insurance solutions to retail, corporate and institutional clients. Wealth operates one of the largest networks of financial advisers in Australia.

National Australia Bank

DISCLAIMER

The material in this presentation is general background information about the NAB Group current at the date of the presentation on 2 November 2017. The information is given in summary form and does not purport to be complete. It is intended to be read by a professional analyst audience in conjunction with the verbal presentation and the 2017 Full Year Results Announcement (available at www.nab.com.au). It is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. No representation is made as to the accuracy, completeness or reliability of the presentation.

This presentation contains statements that are, or may be deemed to be, forward-looking statements. These forward-looking statements may be identified by the use of forward-looking terminology, including the terms "believe", "estimate", "plan", "target", "project", "anticipate", "expect", "intend", "likely", "may", "will", "could" or "should" or, in each case, their negative or other variations or other similar expressions, or by discussions of strategy, plans, objectives, targets, goals, future events or intentions. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. You are cautioned not to place undue reliance on such forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Group, which may cause actual results to differ materially from those expressed or implied in such statements. There can be no assurance that actual outcomes will not differ materially from these statements.

Slides 23 to 32 of this presentation describe certain initiatives relating to the Group's strategic agenda ("Program"), including certain forward-looking statements. These statements are subject to a number of risks, assumptions and qualifications, including: (1) detailed business plans have not been developed for the entirety of the Program, and the full scope and cost of the Program may vary as plans are developed and third parties engaged; (2) the Group's ability to execute and manage the Program in a sequenced, controlled and effective manner and in accordance with the relevant project and business plan (once developed); (3) the Group's ability to execute productivity initiatives and realise operational synergies, cost savings and revenue benefits in accordance with the Program plan (including, in relation to CTI and ROE targets, the extension of improvements beyond the current Program plan); (4) the Group's ability to meet its internal net FTE reduction targets; (5) the Group's ability to recruit and retain FTE and contractors with the requisite skills and experience to deliver Program initiatives; (6) there being no significant change in the Group's financial performance or operating environment, including the economic conditions in Australia and New Zealand, changes to financial markets and the Group's ability to raise funding and the cost of such funding, increased competition, changes in interest rates and changes in customer behaviour; (7) there being no material change to law or regulation or changes to regulatory policy or interpretation, including relating to the capital and liquidity requirements of the Group; and (8) for the purpose of calculating FTE cost savings and redundancy costs, the Group has assumed an average FTE cost based on Group-wide averages, and such costs are not calculated by reference to specific productivity initiatives or individual employee entitlements.

Further information on important factors that could cause actual results to differ materially from those projected in such statements is contained in the Group's Luxembourg Transparency Law disclosures released to the ASX on 4 May 2017 and the Group's Annual Financial Report for the 2017 financial year, which will be available at www.nab.com.au on 14 November 2017.

For further information visit www.nab.com.au or contact:

Ross Brown
Executive General Manager, Investor Relations
Mobile | +61 (0) 417 483 549

Mark Alexander
General Manager, Corporate Communications
Mobile | +61 (0) 412 171 447

Natalie Coombe
Senior Manager, Investor Relations
Mobile | +61 (0) 477 327 540

National Australia Bank