

HALF YEAR RESULTS 2018



"My patients weren't liking the shoes out there. That's when I decided to design my own range."

Caroline McCulloch
FRANKiE4 Footwear
Brisbane, QLD
NAB customer

INVESTOR PRESENTATION 3 May 2018

Andrew Thorburn
Chief Executive Officer

Gary Lennon
Chief Financial Officer

NAB 2018 HALF 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 133 for legal disclaimer.

Financial information in this presentation is based on cash earnings, which is not a statutory financial measure. Refer to page 114 for definition and reconciliation to statutory net profit/loss.

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OVERVIEW

ANDREW THORBURN
Chief Executive Officer

SOLID UNDERLYING RESULT

1H18 v 1H17

Cash earnings ¹	\$2,759 m	↓	16 %
Cash earnings (ex restructuring-related costs)	\$3,289 m	↔	Flat
Diluted Cash EPS	98.8 cps	↓	17 %
Diluted Cash EPS (ex restructuring-related costs)	117.0 cps	↓	2 %
Cash ROE	11.4 %	↓	260 bps
Cash ROE (ex restructuring-related costs)	13.6 %	↓	40 bps
Dividend (cps)	99 cps	↔	Flat
Statutory profit (\$m)	\$2,583 m	↑	2 %
CET1	10.2 %	↑	10 bps

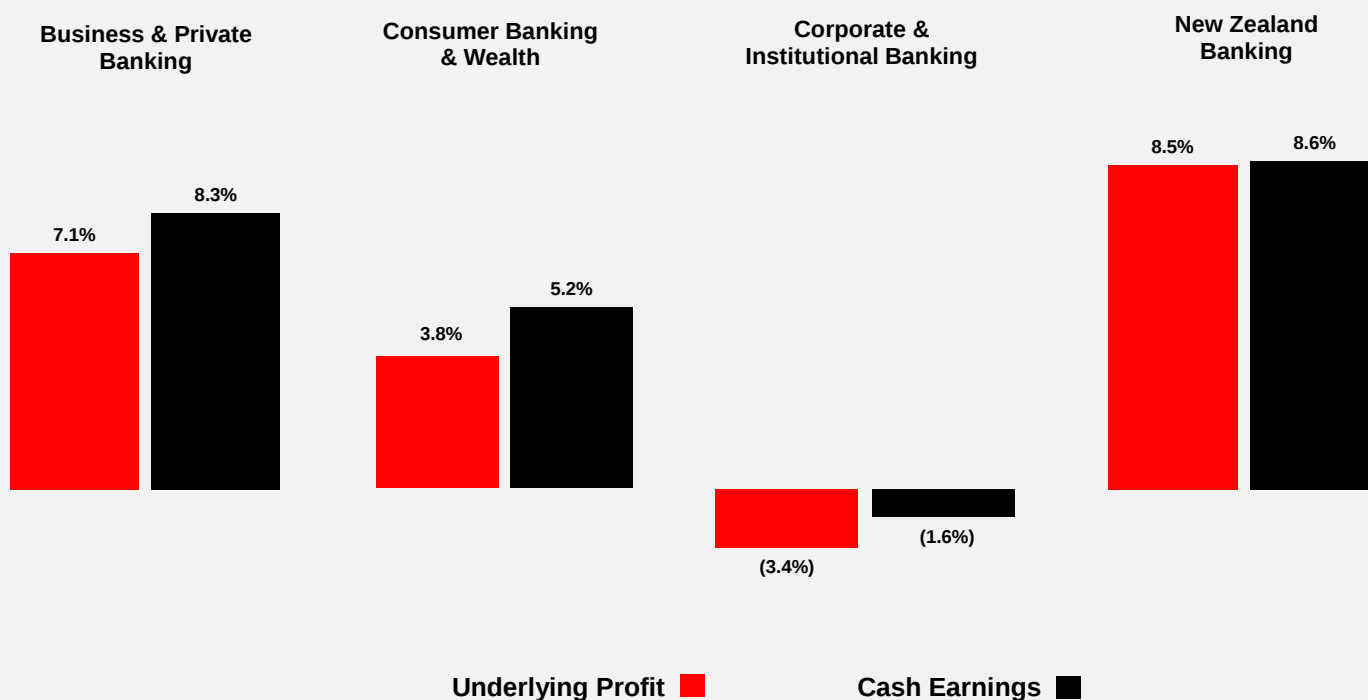
(1) Refer to page 114 for definition of cash earnings and reconciliation to statutory net profit



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STRONG CONTRIBUTIONS FROM BUSINESS & PRIVATE BANKING AND NZ

CASH EARNINGS¹ AND UNDERLYING PROFIT² GROWTH (LOCAL CURRENCY) 1H18 v 1H17



(1) Refer to page 114 for definition of cash earnings and reconciliation to statutory net profit

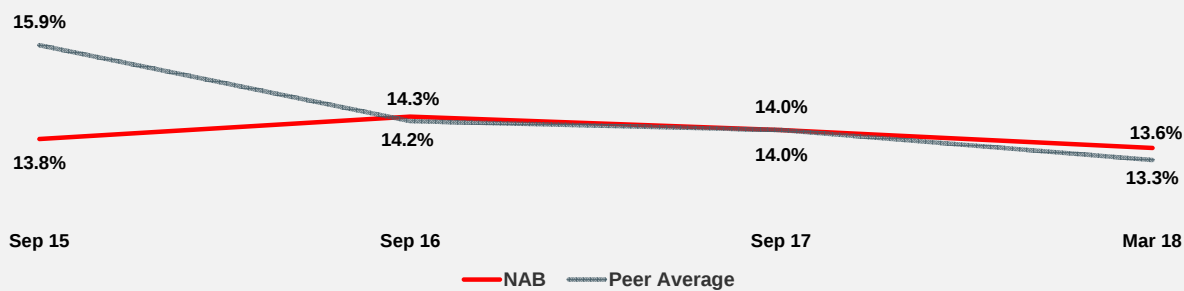
(2) Underlying profit represents cash earnings before various items, including tax expense and the charge for credit impairment. It is not a statutory financial measure



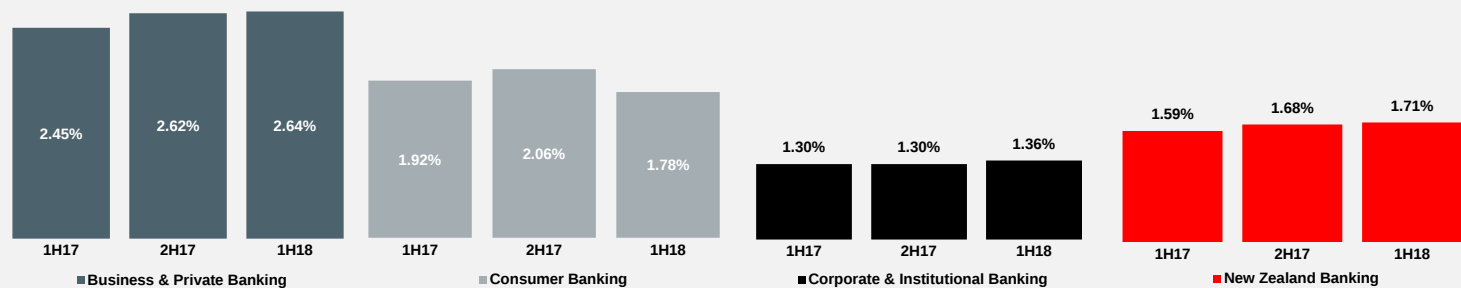
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FOCUS ON DELIVERING BETTER RETURNS

CASH ROE v PEER AVERAGE (EX NAB RESTRUCTURING-RELATED COSTS)¹



CASH EARNINGS TO RWA BY DIVISION



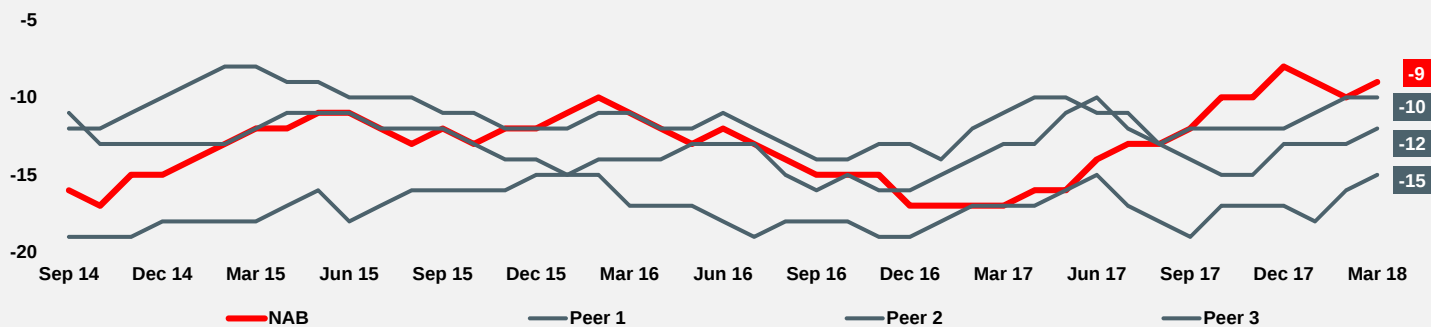
(1) NAB ROE for September 2015 are as reported (excluding specified items), i.e. includes CYBG and 100% of NAB Wealth's life insurance business. NAB ROE for September 2016 is on a continuing operations basis. September 2015 and September 2016 peer average ROE excludes specified items for ANZ. September 2017 and March 2018 peer average ROE is based on last reported peer result for ANZ (1H18 is on a continuing operations basis), CBA and WBC



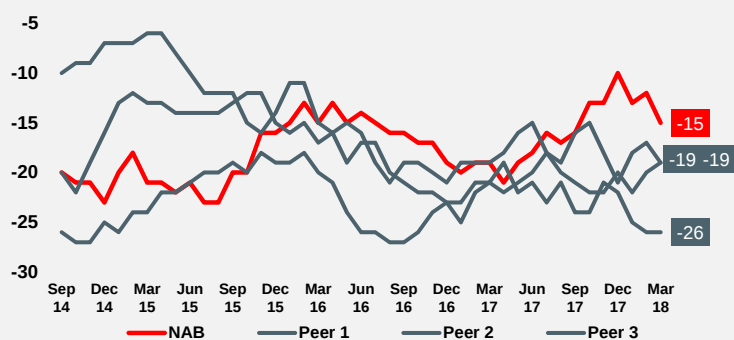
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CUSTOMER FOCUS LEADING TO IMPROVED NPS¹

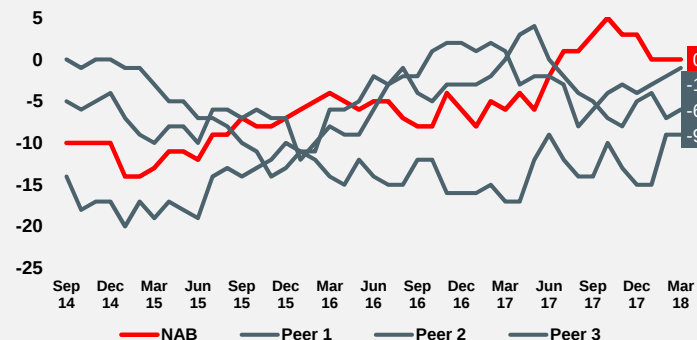
1H18 PRIORITY SEGMENTS NPS²



SMALL BUSINESS NPS³



MEDIUM BUSINESS NPS³

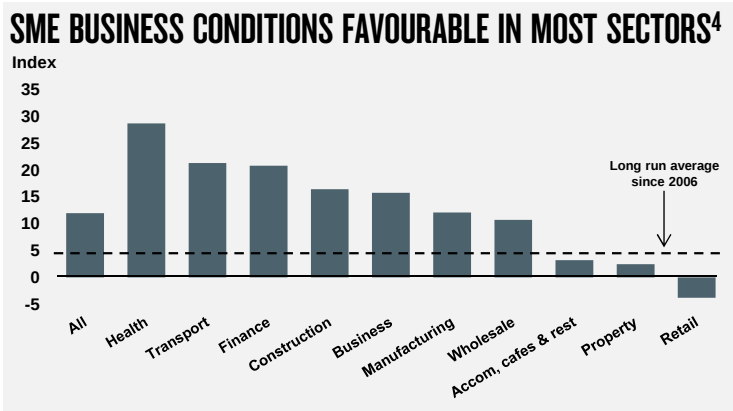
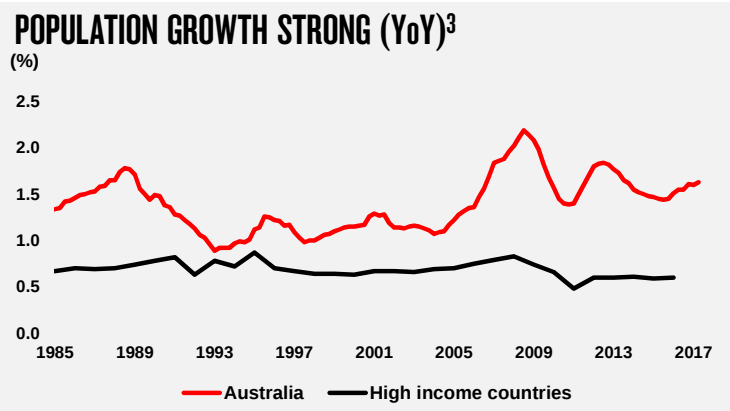
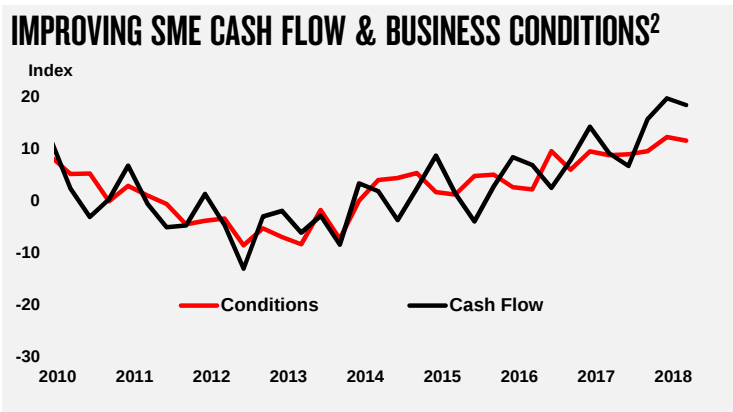
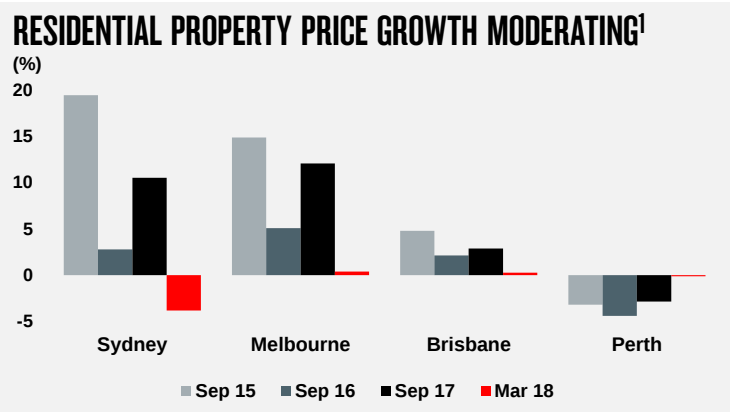


(1) Net Promoter® and NPS® are registered trademarks and Net Promoter Score and Net Promoter System are trademarks of Bain & Company, Satmetrix Systems and Fred Reichheld
(2) Priority Segments Net Promoter Score (NPS) is a simple average of the NPS scores of four priority segments: NAB defined Home Owners (Home Loan @ Bank) 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) March 2018, 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)



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AUSTRALIAN ECONOMY REMAINS SUPPORTIVE OF GROWTH



(1) Source: CoreLogic, NAB. September movements represent 12 month change and March 2018 movement represents 6 month change in hedonic dwelling prices
(2) Source: NAB SME Business Survey. Conditions are seasonally adjusted, Cash Flow represents feedback received from survey respondents on their cash flow position and is not seasonally adjusted
(3) Source: ABS, Thomson Reuters (World Bank), NAB
(4) Source: NAB SME Business Survey. Long run average refers to the all SME average



BUILDING A SUSTAINABLE, TRUSTED AND RESPECTED BANK FOR AUSTRALIA

HIGHER EXPECTATIONS

CUSTOMERS **GOVERNMENT**

COMMUNITY **REGULATORS**

OUR RESPONSE

WE ACKNOWLEDGE **WE OWN IT**

WE LISTEN **WE CHANGE**

ANCHORED IN OUR VISION, PURPOSE AND VALUES



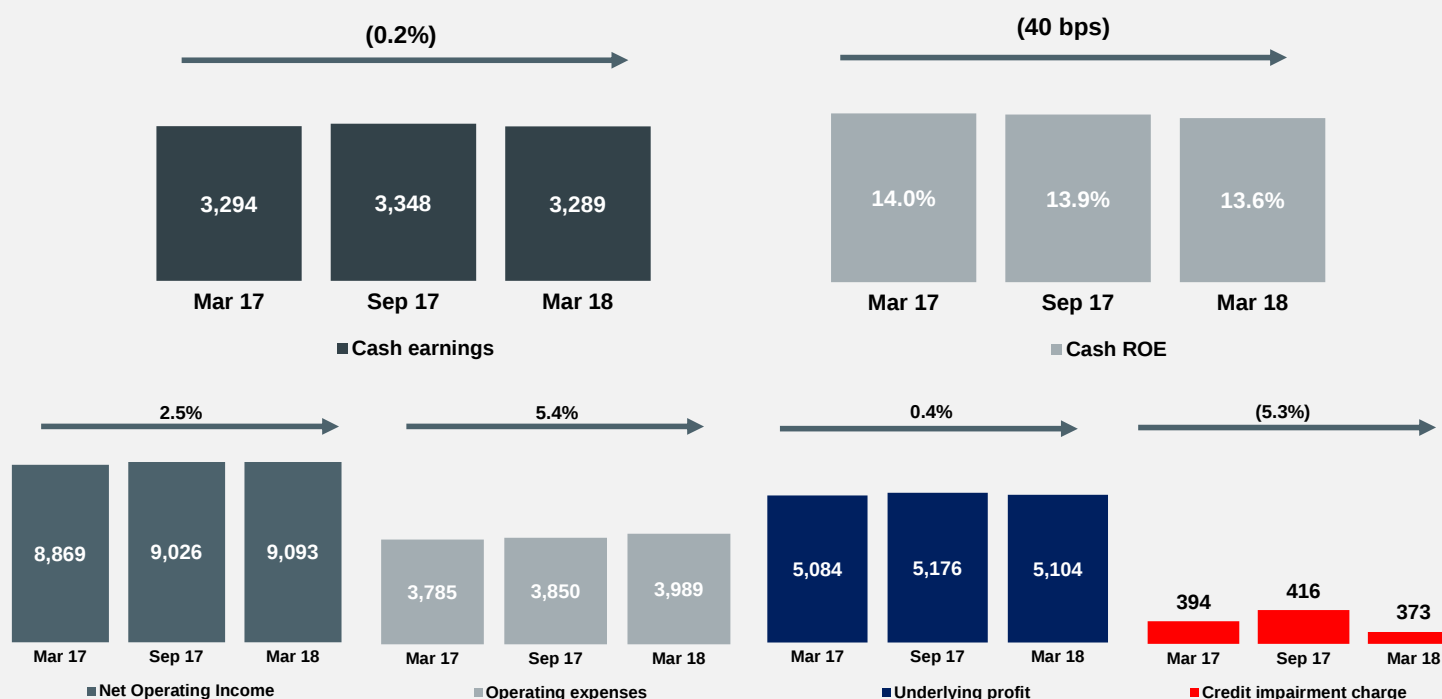
1H18 FINANCIALS

GARY LENNON
Chief Financial Officer

GROUP FINANCIAL PERFORMANCE

GROWTH BY KEY FINANCIAL INDICATORS 1H18 V 1H17 (EX RESTRUCTURING-RELATED COSTS)

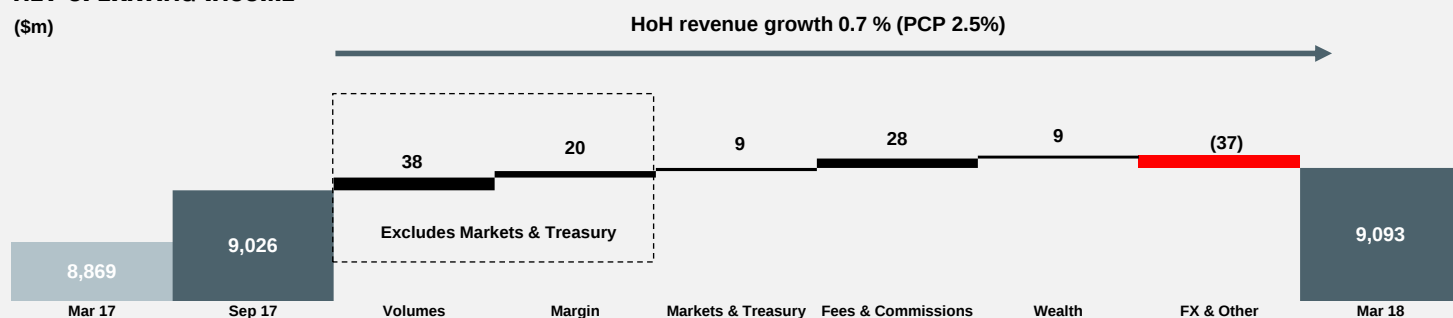
(\$m)



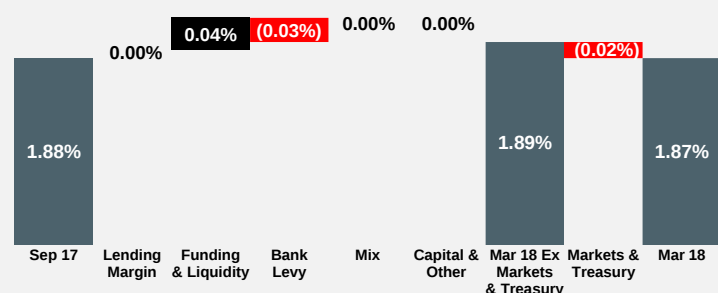
SOLID REVENUE PERFORMANCE

NET OPERATING INCOME

(\$m)

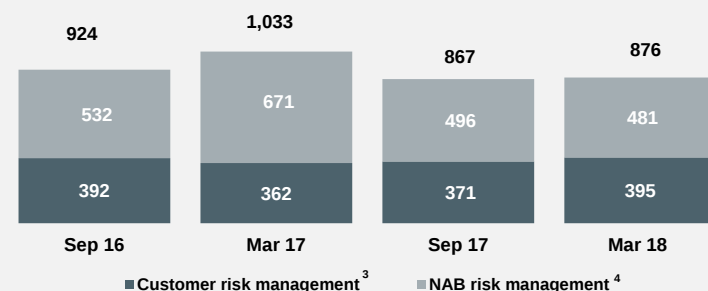


GROUP NET INTEREST MARGIN



GROUP MARKETS & TREASURY INCOME²

(\$m)



(1) Excludes Fees & Commissions

(2) Reflects Australia, New Zealand and Corporate Centre. Includes derivative valuation adjustments. Further breakdown of NAB Risk Management provided on page 113

(3) Customer risk management comprises OOI

(4) 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



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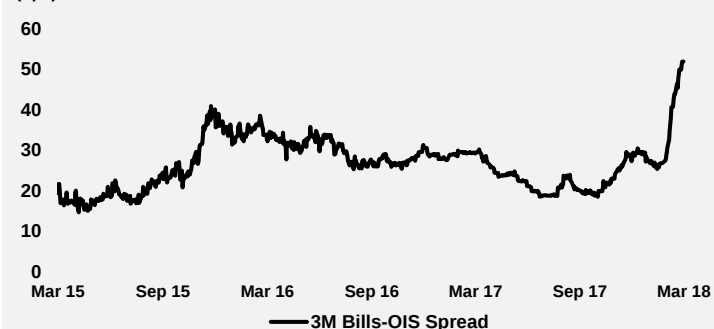
NET INTEREST MARGIN – FUNDING CONSIDERATIONS

2H18 CONSIDERATIONS

- Funding cost headwinds emerging
 - Significant increase in short term funding costs driven by offshore and domestic market factors
 - Higher term wholesale funding issuance spreads
- Partially offset by lower term deposit costs
- 2H18 NIM would be reduced by 2-3bps if current funding conditions sustained

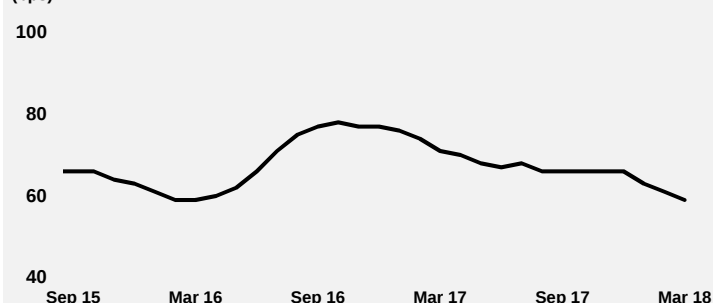
DOMESTIC SHORT TERM FUNDING COSTS¹

(bps)



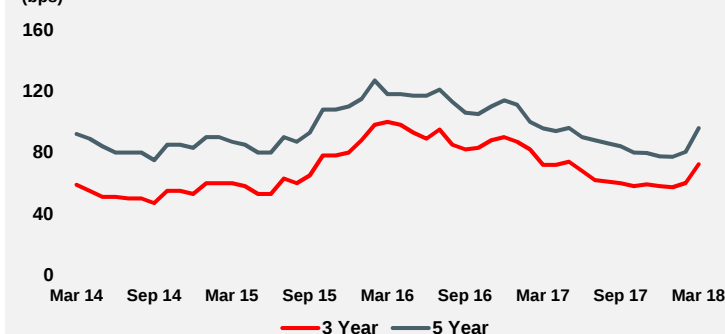
TERM DEPOSIT COSTS²

(bps)



WHOLESALE TERM ISSUANCE CURVES³

(bps)



(1) Spread between 3 month AUD Bank Bills and Overnight Index Swaps (OIS). Source: Bloomberg

(2) Cost over market reference rate

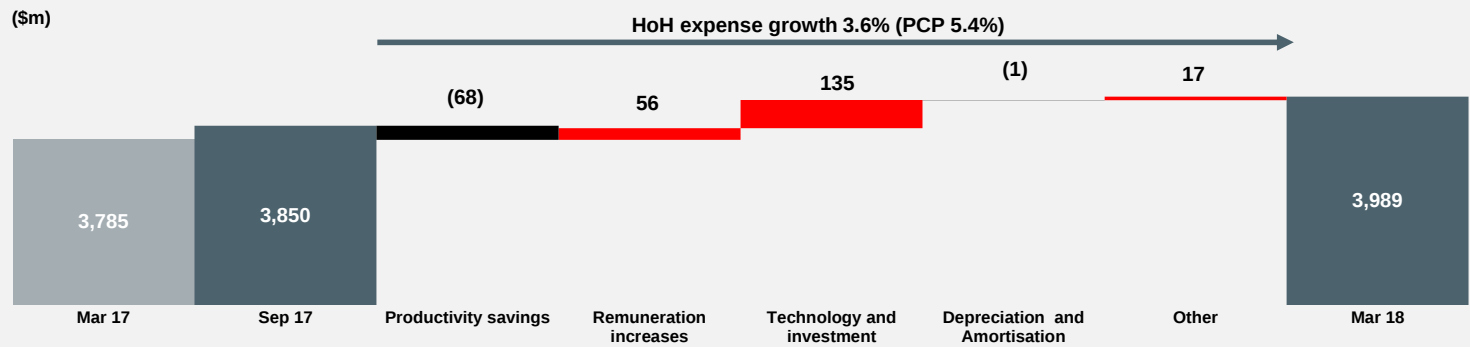
(3) AUD Major Bank Wholesale Unsecured Funding rates over BBSW (3 years and 5 years)



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OPERATING EXPENSE GROWTH DRIVEN BY INVESTMENT UPLIFT

OPERATING EXPENSES (EXCLUDING RESTRUCTURING-RELATED COSTS)



EXPENSES TARGETS UNCHANGED¹

- FY18 costs savings of ~\$300m
 - \$68m 1H18 versus 2H17
 - \$153m 1H18 versus 1H17
- >\$1.0bn cost savings by FY20
- FY18 expense growth 5-8%, excludes restructuring costs and large one-off expenses
- FY19 and FY20 expense growth broadly flat

\$755M OF RESTRUCTURING COSTS

- \$540m - redundancy, outplacement and project management
- \$146m - software write-offs
- \$69m - property rationalisation

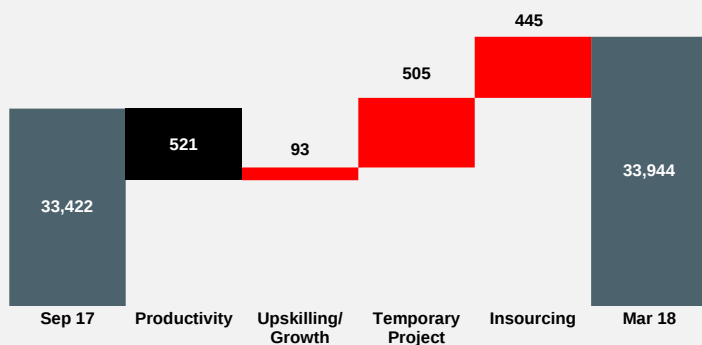
(1) Refer to key risks, qualifications and assumptions in relation to forward-looking statements on page 133



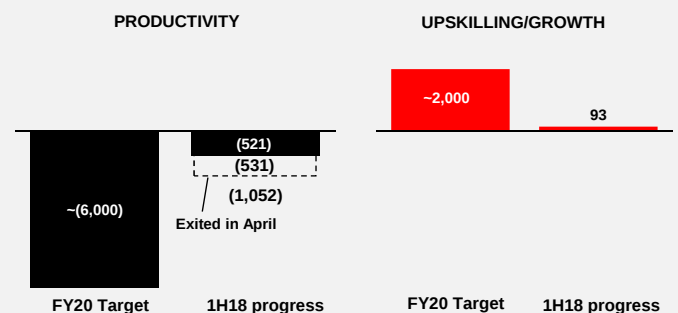
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FTE AND INVESTMENT SPEND

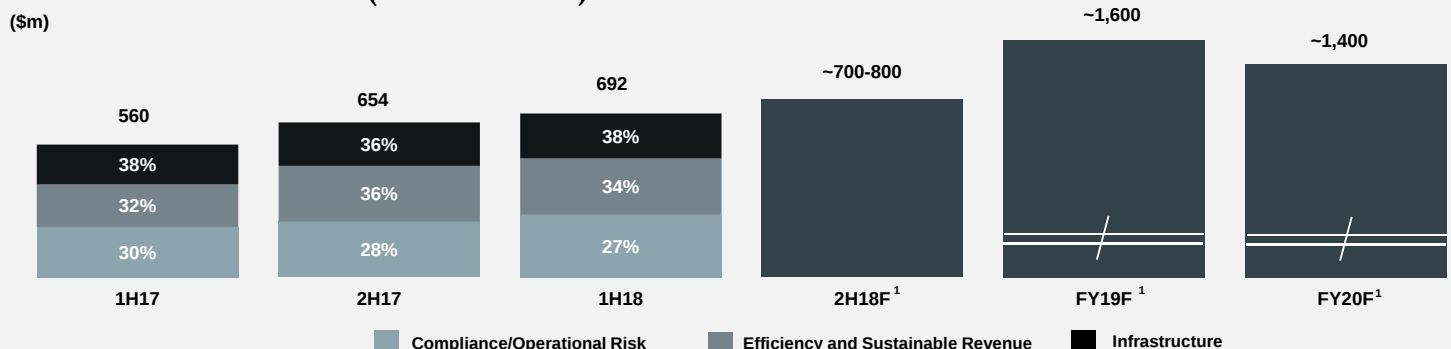
FTE CHANGES



PROGRESS ON FTE CHANGES¹



PROJECT INVESTMENT SPEND (OPEX AND CAPEX)



(1) Refer to key risks, qualifications and assumptions in relation to forward-looking statements on page 133

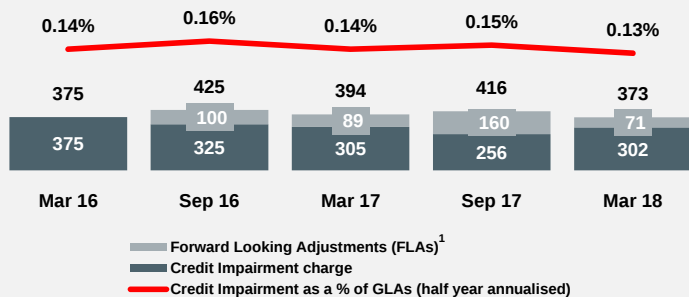


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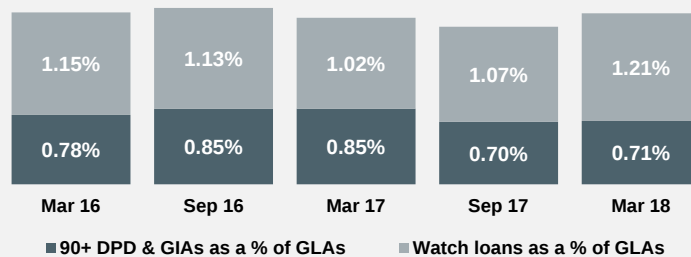
STABLE ASSET QUALITY AND PRUDENT PROVISIONING

CREDIT IMPAIRMENT

(\$m)

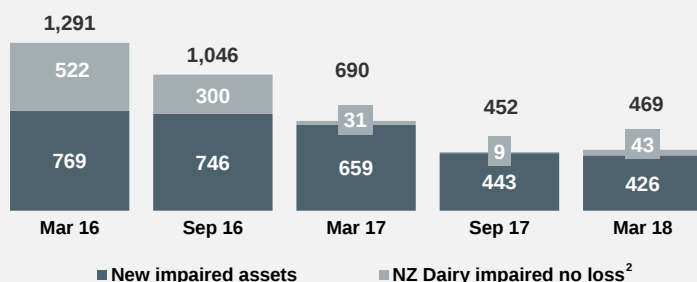


90+ DPD, GIAs & WATCH LOANS AS A % OF GLAs



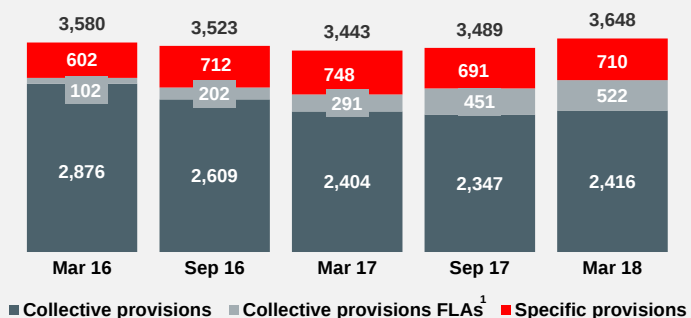
NEW IMPAIRED ASSETS

(\$m)



COLLECTIVE AND SPECIFIC PROVISIONS

(\$m)



(1) Represents collective provision Forward Looking Adjustments (FLAs) raised for targeted sectors

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



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AUSTRALIAN HOUSING LENDING

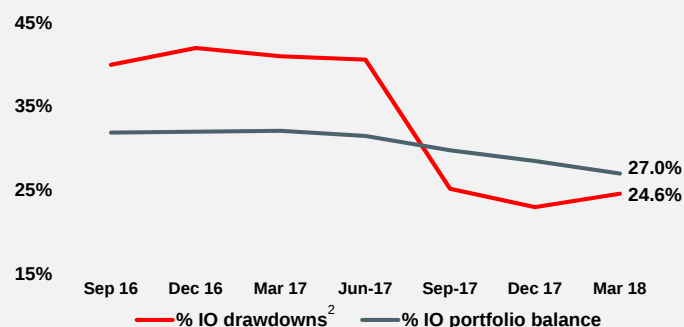
HOUSING LENDING PORTFOLIO PROFILE

- Granular customer expense conversation and capture since late 2016 – across 12 expense criteria¹
- Around 60% of mortgage applications have declared expenses above HEM since October 2014
- 1H18 home loans drawn with Loan-to-Income (LTI) >6x was 9%, >7x was 3%
- Large equity buffers
 - Average LVR at origination 69%
 - Dynamic LVR 43% (2% have >90% dynamic LVR)

APRA 2016 TARGETED REVIEW

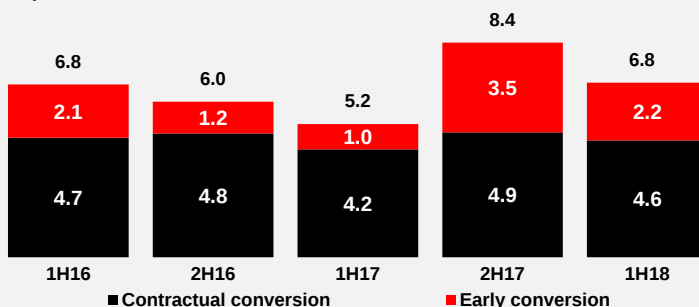
- 465 home loan files reviewed by Ernst & Young as part of APRA review of all major bank home loan policies, processes and controls
- Issues with verification of serviceability found in 23 files (5%)
- Upon further review serviceability was proven for all but 1 file
- None of the 23 files are in arrears

INTEREST ONLY % OF NEW LENDING AND PORTFOLIO



INTEREST ONLY CONVERSIONS TO P&I

(\$bn)



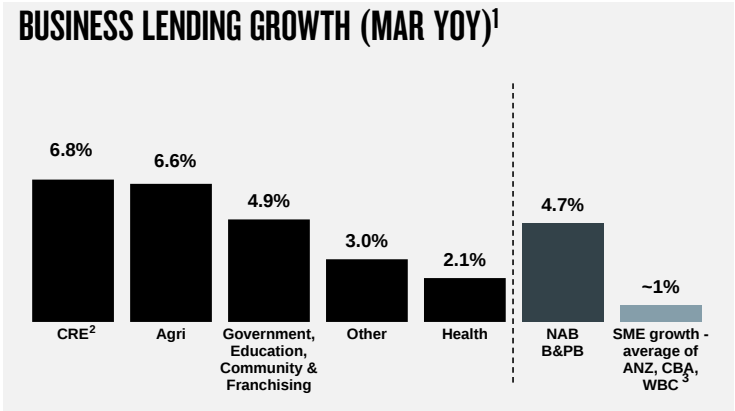
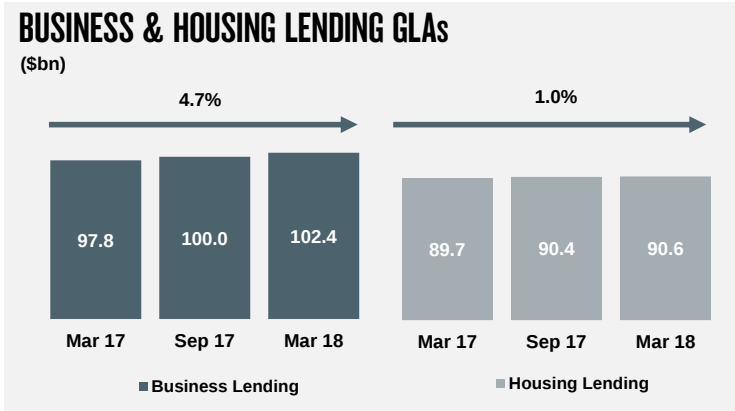
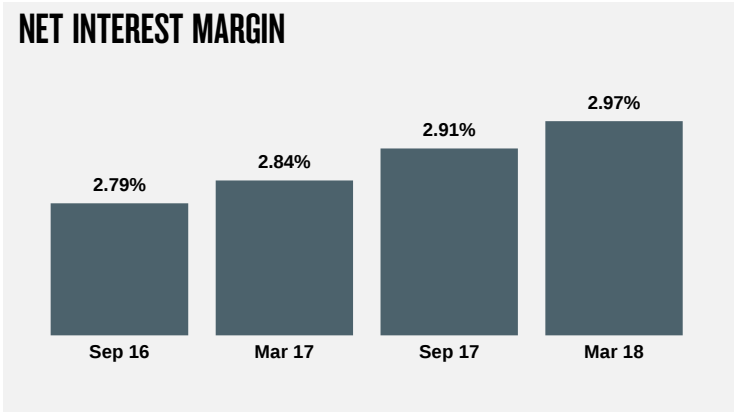
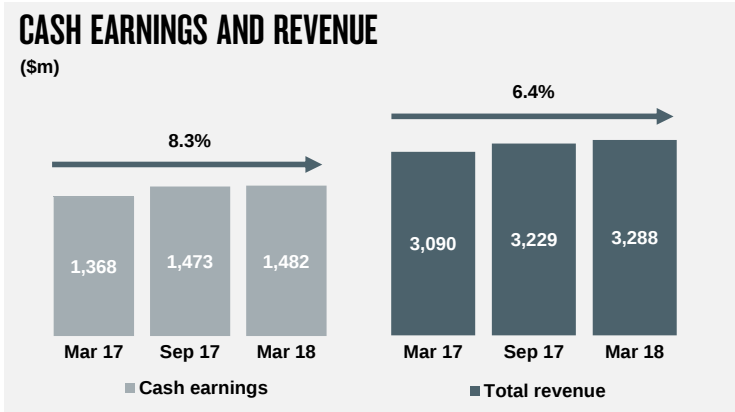
(1) Use the greater of customer expense capture or income scaled Household Expenditure Measure (HEM)

(2) 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)



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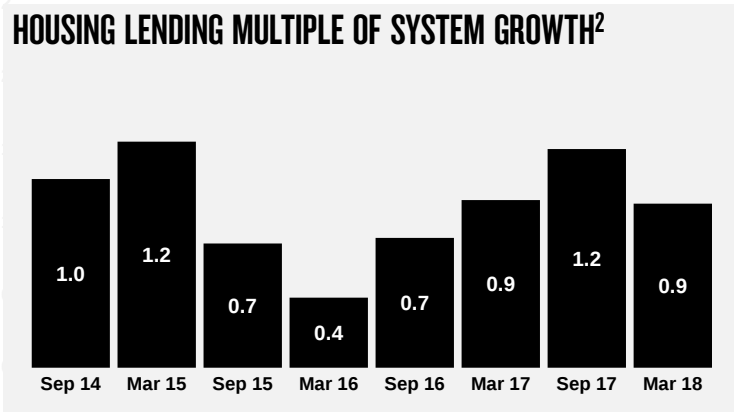
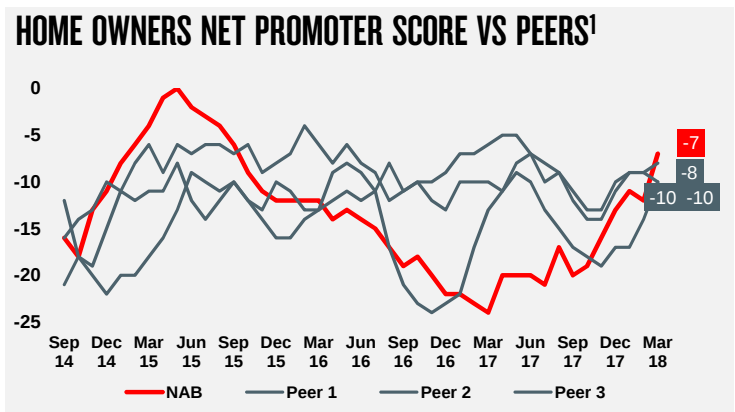
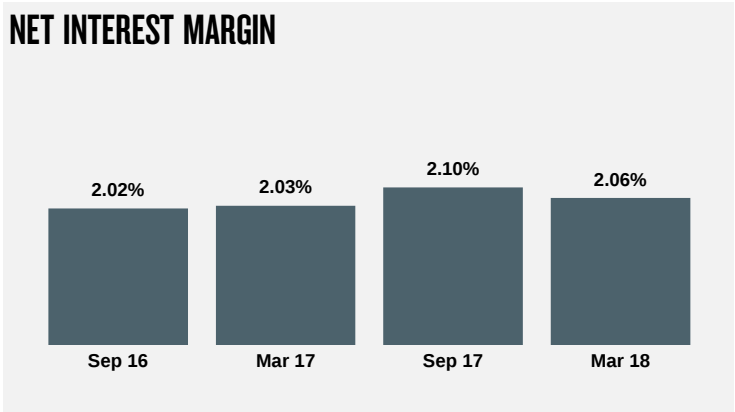
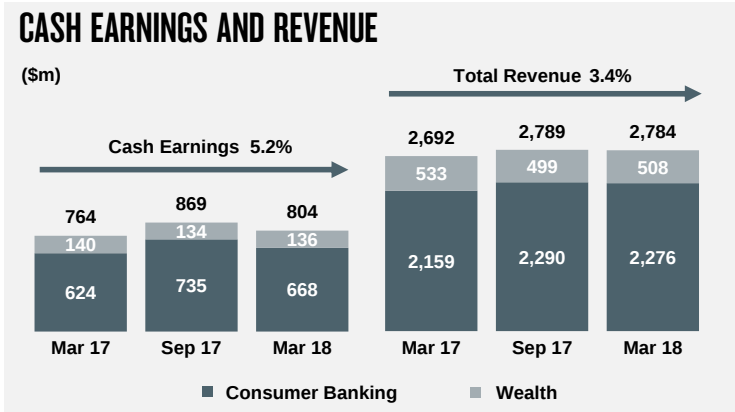
BUSINESS & PRIVATE BANKING



(1) Growth rates are on a customer segment basis and not industry
(2) CRE primarily represents commercial real estate investment lending across a range of asset classes including Retail, Office, Industrial, Tourism and Leisure, and Residential
(3) Represents NAB internal estimates of SME business lending growth for ANZ, CBA and WBC based on latest publicly available peer data



CONSUMER BANKING & WEALTH



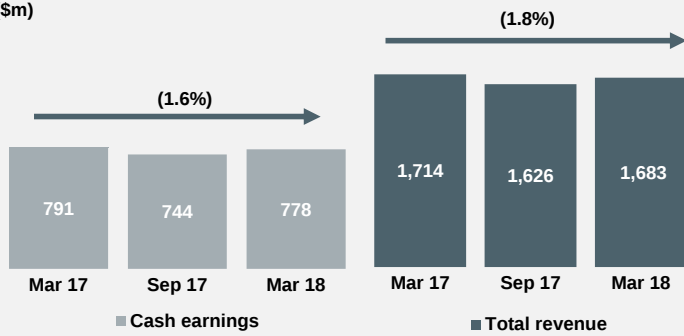
(1) Source: Roy Morgan Single Source: NAB defined Home Owners (Home Loan @ Bank) and Investors, Australian population aged 14+, six month rolling average. Home owners definition has changed to Home Loan @ Bank, previously was customers with a Home Loan at any bank. History has been restated
(2) APRA Monthly Banking Statistics



CORPORATE & INSTITUTIONAL BANKING

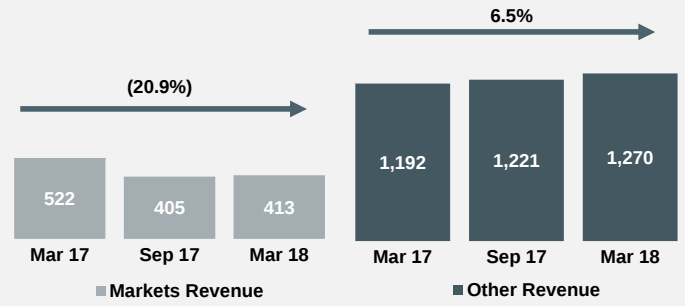
CASH EARNINGS AND REVENUE

(\$m)

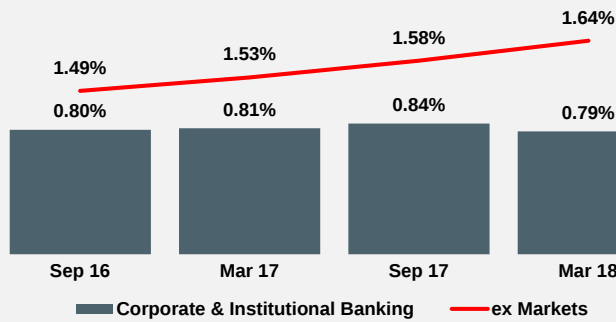


REVENUE BREAKDOWN¹

(\$m)

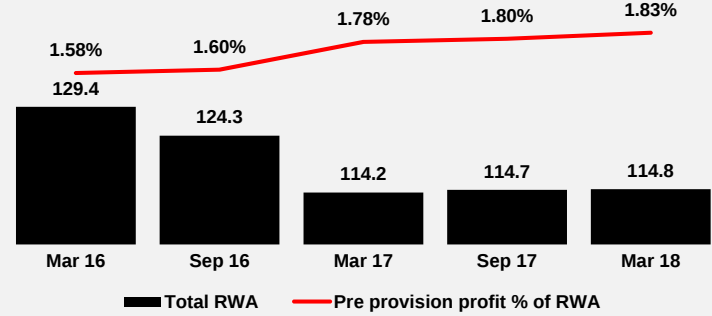


NET INTEREST MARGIN



IMPROVING RETURNS

(\$bn)



(1) Markets revenue represents Customer Risk Management revenue and NAB Risk Management Revenue. Includes derivative valuation adjustments

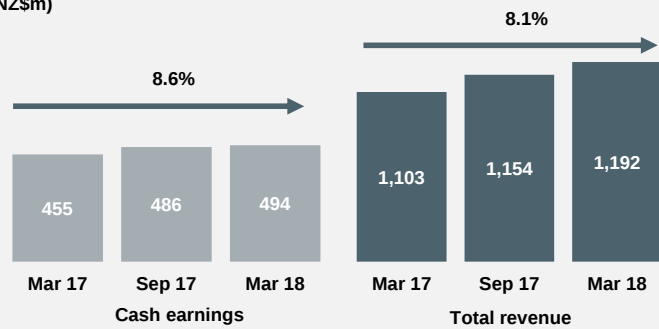


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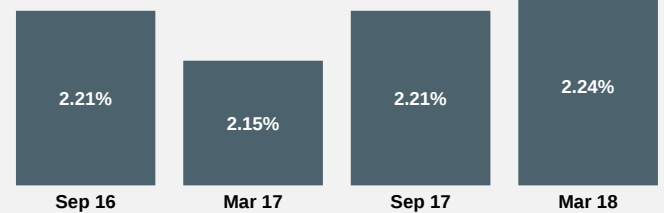
NEW ZEALAND BANKING

CASH EARNINGS AND REVENUE

(NZ\$m)

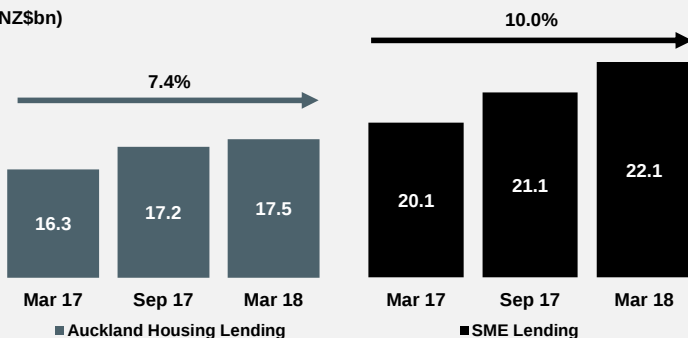


NET INTEREST MARGIN



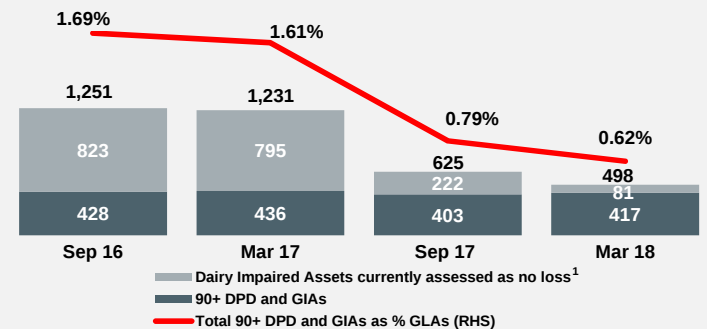
PRIORITY SEGMENT GROWTH

(NZ\$b)



TOTAL 90+ DPD AND GIAs AND AS % OF GLAS

(NZ\$m)



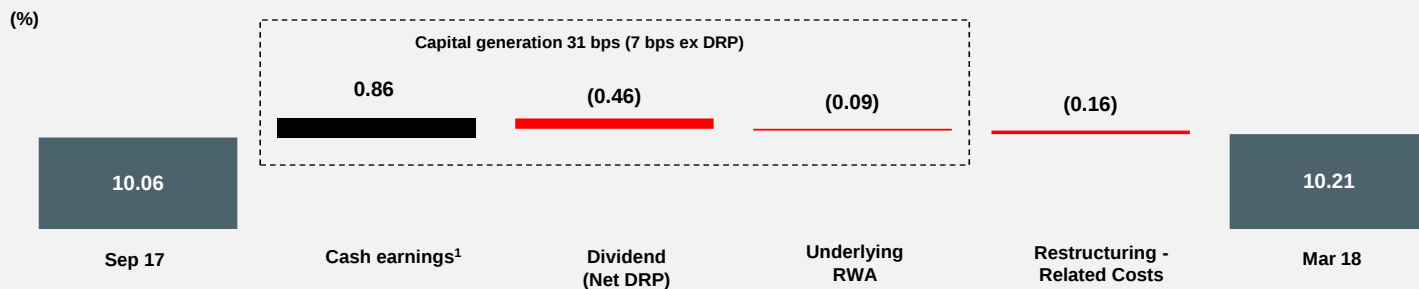
(1) NZ Banking dairy exposures currently assessed as no loss based on security held. Collective provisions are held against these loans



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STRONG CAPITAL AND FUNDING POSITION

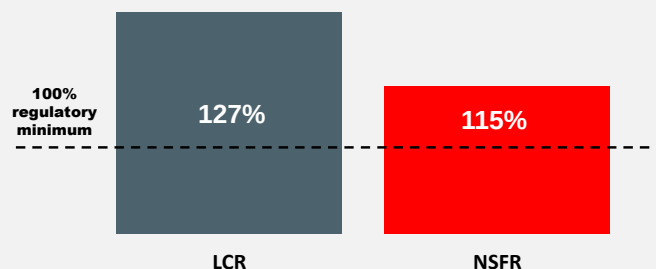
GROUP BASEL III COMMON EQUITY TIER 1 CAPITAL RATIO



CAPITAL CONSIDERATIONS

- Expect to achieve APRA's 'Unquestionably Strong' CET1 ratio benchmark of 10.5% by January 2020 in an orderly manner, accommodating APRA's proposed revisions to RWAs
- Leverage ratio 5.6% on APRA basis
- Board expects to maintain FY18 dividend at the FY17 level subject to no material change to external environment and satisfactory Group performance

LCR & NSFR MARCH 2018²



(1) Excludes restructuring-related costs which are shown separately

(2) LCR compliance was effective from 1 January 2015 and is reported as a quarterly average. NSFR compliance was effective from 1 January 2018

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SUMMARY

- Solid result impacted by previously flagged increased investment and restructuring costs
- On track to meet expense growth guidance and FTE targets
- Stable NIM as manage volume-margin trade-offs, but funding pressures building in 2H
- Good momentum in Business & Private Banking
- Asset quality strong with further Collective Provisions build
- Capital on track to achieve 10.5% CET1 by January 2020 in an orderly manner

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ACCELERATING OUR STRATEGY

ANDREW THORBURN
Chief Executive Officer

OUR LONGER TERM STRATEGIC FOCUS

PURPOSE

BACK THE BOLD WHO MOVE AUSTRALIA FORWARD

VISION

AUSTRALIA AND NEW ZEALAND'S MOST RESPECTED BANK

OBJECTIVES¹

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 133

RESHAPING OF WEALTH MANAGEMENT

MORE FOCUSED WEALTH OFFERING

- High net worth customers supported by JBWere and NAB's Private Bank
- Self directed customers supported through nabtrade
- Explore on-going arrangement with MLC to provide NAB customers with continued access to advice

INTEND TO PURSUE DIVESTMENT OF MLC¹

- Commenced strategic review in mid 2017
- Focus on core strengths in banking consistent with simplification agenda
- Opportunity for MLC to set independent strategy and investment priorities
- Expect NAB ROE to increase on separation

EXAMINING A BROAD RANGE OF EXIT OPTIONS, INCLUDING PUBLIC MARKETS

- Public market options include demerger and IPO
- Targeting listing of MLC by end of 2019 calendar year, subject to market conditions and Board, regulatory and other approvals
- Flexibility to consider trade sale

MLC MARKET POSITION

- Trusted brand and history spanning over 130 years
- Over 1,200 financial advisers² (proprietary and aligned)
- Largest retail superannuation fund in Australia with FUM of \$78bn³
- Leading corporate superannuation provider by market share⁴
- Asset Management AUM of \$199bn
 - \$141bn in Portfolio Management
 - \$58bn in Investment Management
- ~3,300 staff²
- 1H18 pro-forma cash earnings of \$102m⁵

(1) Includes Advice, Platform & Superannuation and Asset Management businesses

(2) Excludes JBWere and nabtrade

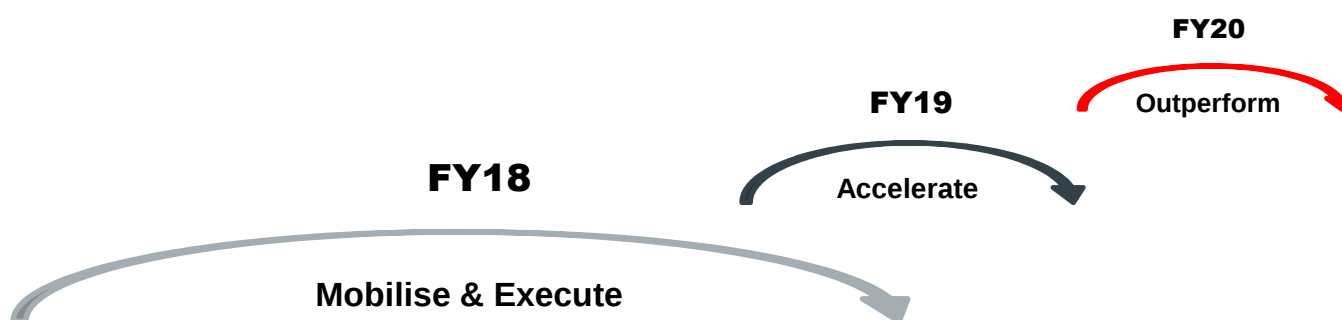
(3) As at 31 March 2018

(4) Source: Strategic Insight Market Overview as at 31 December 2017

(5) Based on earnings from businesses expected to be divested



IN THE 'MOBILISE AND EXECUTE' PHASE OF OUR PLAN

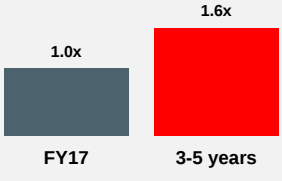
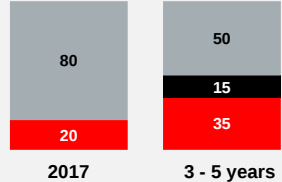


- Clear governance, oversight and prioritisation
- Accelerated investment and resourcing
- Focused so far on Simpler and Faster
 - Flattening organisation structure
 - 1,052 less people (end of April)
 - Launched 'The Bridge' to help people leaving the bank
 - Good progress reducing OTC transactions, products and IT applications

- Strong focus on Technology foundations, including new Technology Leadership team
- Finalised selection of key initiatives for Best Business Bank, New & Emerging growth opportunities and Great Leaders, Talent & Culture



BEST BUSINESS BANK

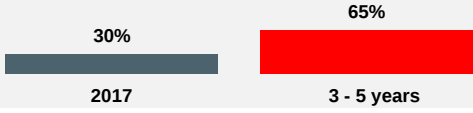
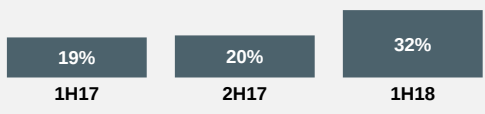
	KEY FOCUS AREAS	1H18 PROGRESS
Empowering relationship bankers	Targeted revenue per banker (indexed)¹  • Simpler processes and credit decisions • Increased capacity to focus on more complex customers • New career pathing, increased tenure, digital skills	• Faster decisions via expanded credit algorithms and streamlined email consents – >35k banker hours saved • Added 68 dedicated resources to support mortgage origination – increased banker capacity • Simpler delegated credit authorities delivering faster approval times and better banker productivity
Increasing industry specialisation	% of revenue by specialised banker  • Broadening and deepening specialisation • Industry specific offerings • Data analytics driving better customer insights ■ Generalist ■ Generalist banker with industry focus ■ Specialised	• Specialised industry revenue up 8% over 12 months • Professional Services specialisation expanding nationally following successful pilot • HICAPS Go and Medfin propositions driving growth in health segment – plan to double health bankers by 2020

(1) Reflects revenue generated in Business & Private Bank per relationship manager



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BEST BUSINESS BANK

	KEY FOCUS AREAS	1H18 PROGRESS
Market leading digital and decisioning	• Ability to approve ~80% of SME loans in 24 hours • Same day onboarding for all transaction accounts • Integrated banker and customer digital platform • Expanded QuickBiz offering % Customer service needs that can be met digitally¹ 	• Transaction account onboarding of simple business customers in <30 mins • Expanding Xero partnership to enable payment instructions from Xero to NAB accounts • QuickBiz unsecured lending limit increase from \$50k to \$100k and product offering expanded to equipment finance lending up to \$150k
Strengthen small business customer proposition	• More proactive, effective customer contact supported by analytics • Empowered bankers with capabilities and tools to make decisions and resolve customer needs first time • Leverage CRM and voice biometric authentication and routing • Segment specific offerings for entrepreneurs and growth businesses	• Proportion of new small business lending accounts generated via QuickBiz² now 32% (application and approval in <10 mins)  • Launched new small business proposition and commenced migration to double number of customers managed via small business hub • Lending documentation simplified from >100 pages to ~25 with one third fewer terms and conditions

(1) Proportion of business servicing processes which have digital capability for self-service

(2) New QuickBiz loan and QuickBiz overdraft accounts as a percentage of total new term lending and overdraft accounts in the Small Business division



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SIMPLER AND FASTER

	KEY FOCUS AREAS	1H18 PROGRESS														
Flatter organisational structure	- Max 7 layers from CEO to customer - Closer connection between CEO and ELT with our employees and customers	% FTE 7 layers or less from CEO <table><tr><td>66%</td><td>87%</td><td>100%</td></tr><tr><td>2H17</td><td>1H18</td><td>FY20</td></tr></table>	66%	87%	100%	2H17	1H18	FY20								
66%	87%	100%														
2H17	1H18	FY20														
Smarter physical network	- Smaller, compact and multi-format footprint - Targeting 50% reduction in OTC transactions by FY20 - Full Smart ATM rollout	- Retail network reduced by 19 branches¹ 9% reduction in OTC transactions Smart ATM rollout <table><tr><td>505</td><td>715</td><td>840</td></tr><tr><td>2H17</td><td>1H18</td><td>FY19</td></tr></table>	505	715	840	2H17	1H18	FY19								
505	715	840														
2H17	1H18	FY19														
Fewer & more digitised products	Total # of products <table><tr><td>~600</td><td>~300</td></tr><tr><td>2017</td><td>3-5 Years</td></tr></table> % products² capable of digital origination <table><tr><td>~10</td><td>~60</td></tr><tr><td>2017</td><td>3-5 Years</td></tr></table>	~600	~300	2017	3-5 Years	~10	~60	2017	3-5 Years	- Retired 19 products and consolidated ~60 17% of on-sale products capable of digital origination Simple consumer product sales via Digital³ <table><tr><td>24%</td><td>31%</td><td>41%</td></tr><tr><td>FY16</td><td>FY17</td><td>1H18</td></tr></table>	24%	31%	41%	FY16	FY17	1H18
~600	~300															
2017	3-5 Years															
~10	~60															
2017	3-5 Years															
24%	31%	41%														
FY16	FY17	1H18														
Customer Journeys scaled & expanded	- Targeting 20 customer journeys – home lending and business lending most significant - Continue to build customer journey capabilities - Targeting NPS, cost and revenue benefits	96 major deployments to 4m customers and >100k businesses - Scaled up home & business lending journeys - Everyday consumer accounts opened <7 mins, was up to 48 hours														

(1) Data driven process analysing branch usage patterns to identify closures which minimise customer disruption

(2) Excludes Off Sale products that are unavailable to new customers

(3) Simple consumer product sales includes the opening of savings and transactions accounts, personal loans and credit cards across all segment and channels



30

SIMPLER AND FASTER – TECHNOLOGY AS A FOUNDATION AND ACCELERATOR

TECHNOLOGY OBJECTIVES

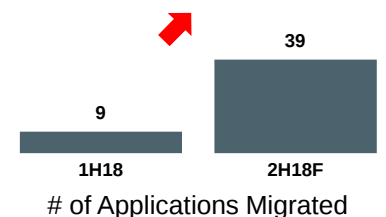


ACCELERATING INVESTMENT IN FOUR KEY CAPABILITIES

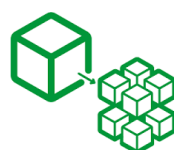
World Class team

- New technology leadership team hired from major technology firms and international banks
- Launched NAB Cloud Guild

Migration to Cloud



Microservices and APIs



- Resilient, reusable
- Flexible
- Proven

Data and Analytics



- Discovery Cloud Built
- Focal point for Analytics

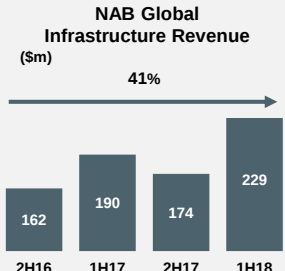
Application Rationalisation Underway

- Target 15-20% reduction
- 2% achieved



31

NEW AND EMERGING GROWTH OPPORTUNITIES

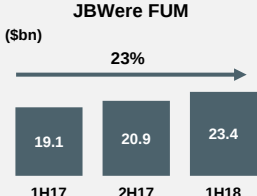
	KEY FOCUS AREAS	1H18 PROGRESS										
Urban growth corridors	- Forecast growth of 0.9m people in 5 years¹ in Greater Western Sydney and Greater Melbourne - Investing where growth is and tilting to industries driving jobs and innovation - infrastructure, healthcare, government & education	- Relocated or added >25 bankers servicing Greater Western Sydney and Greater Melbourne >25 new and refreshed points of presence planned over next 3 years in growth corridors, open Saturdays in key locations - Parramatta Square – NAB flagship hub for Greater Western Sydney NAB office tower at 3 Parramatta Square 										
Global infrastructure financing	- US, Europe, Asia & Australia infrastructure needs of \$80 trillion between 2016-2040² - Greater Western Sydney >\$40 billion pipeline - Leverage NAB's top 15 global position in infrastructure financing³	- Closed 27 deals with total project debt of \$16.25bn across US, Europe, Asia and Australia - Leading role distributing deals to diverse mix of institutional and retail investors NAB Global Infrastructure Revenue (\$m) 41%  <table><tr><th></th><th>2H16</th><th>1H17</th><th>2H17</th><th>1H18</th></tr><tr><td>Revenue (\$m)</td><td>162</td><td>190</td><td>174</td><td>229</td></tr></table>		2H16	1H17	2H17	1H18	Revenue (\$m)	162	190	174	229
	2H16	1H17	2H17	1H18								
Revenue (\$m)	162	190	174	229								

(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) Global Infrastructure Outlook, Oxford Economics, 2017
 (3) IJGlobal League Tables (2017)



32

NEW AND EMERGING GROWTH OPPORTUNITIES

	KEY FOCUS AREAS	1H18 PROGRESS								
Extend Private Banking reach	- Only ~20% of Australian HNW customers have a Private Banker¹ - New product proposition and improved banker capability - Leverage JBWere capability	- New Global Investments Desk assists bankers in wealth conversations supported by experts from Margin Lending, Capital Financing, JBWere - JBWere FUM up 23% JBWere FUM (\$bn) 23% <table><thead><tr><th>Period</th><th>FUM (\$bn)</th></tr></thead><tbody><tr><td>1H17</td><td>19.1</td></tr><tr><td>2H17</td><td>20.9</td></tr><tr><td>1H18</td><td>23.4</td></tr></tbody></table>	Period	FUM (\$bn)	1H17	19.1	2H17	20.9	1H18	23.4
Period	FUM (\$bn)									
1H17	19.1									
2H17	20.9									
1H18	23.4									
Australia's leading digital bank	Accelerating UBank standalone attacker strategy 	- Relaunched brand and added >30k new customers - New mobile banking app Free2Spend – simplifies savings and spending decisions - Launched RoboBrain – AI based tool enabling teams to respond faster to customer inquiries								
Partnerships & Innovation	- Scaling NAB Labs and NAB Ventures - Establishing and developing key partnerships with local and global players (Realestate.com.au, Xero, Amazon, Google etc) 	- Realestate.com.au home loan leads and applications increasing - Leveraging Xero partnership and their >500k subscribers - Expanded HICAPs Go digital platform connecting patients, practitioners, health funds 4 new NAB Ventures investments, including BrickX and Activepipe								

(1) Growth Mantra analysis primarily based on raw data from Investment Trends Segmentation Information 2015



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GREAT LEADERS, TALENT AND CULTURE

INVESTING IN CAPABILITY

- Top 600 senior leaders tested by external assessment centre – informs key talent decisions
- Over 1,000 leaders through Leadership Development Program
- Launch of home loan training school to provide better technical capability for bankers
- Established NAB Cloud Guild - technology training program in conjunction with Amazon Web Services
 - Produces 'AWS Cloud practitioners' - >2,000 employees enrolled as at end of April

'THE BRIDGE' NOW OPERATIONAL

- Provides market leading career and well-being services for people leaving NAB
- ~\$50m investment
- 440 former employees have used or are currently utilising 'The Bridge' services

Career
Planning &
Coaching

Health &
Wellbeing
Benefits

Financial
Planning
Services

Re-skilling
and Training
Access

Active Job
and
Volunteering
Placement

Small
Business Set
Up Support

34



OVERALL SUMMARY

- Our business has strong fundamentals, with business banking capabilities a point of differentiation
- Outlined a clear acceleration plan, have mobilised and are executing
- Increased investment will deliver benefits for our customers AND drive efficiency improvements
- Consistent with becoming a simpler bank now moving to a more focused wealth offering
- Have made mistakes and will learn from them – we must change – the pride and commitment of our people will help restore respect

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National
Australia
Bank

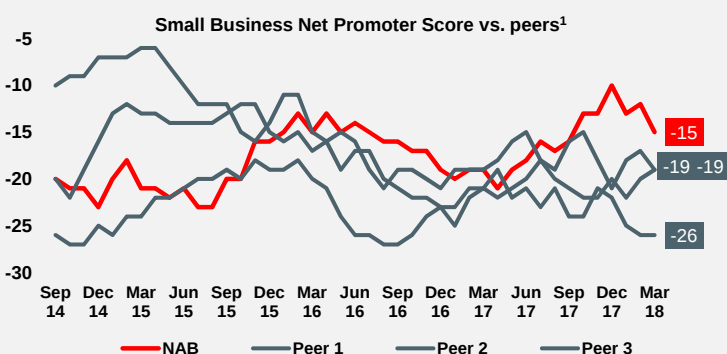
ADDITIONAL INFORMATION

AUSTRALIAN CUSTOMER EXPERIENCE

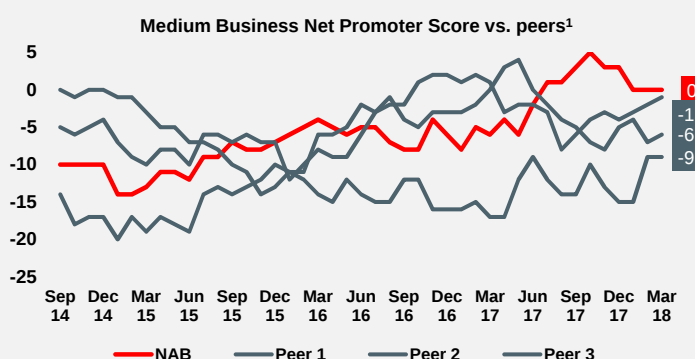
PRIORITY SEGMENTS NPS

CUSTOMER EXPERIENCE

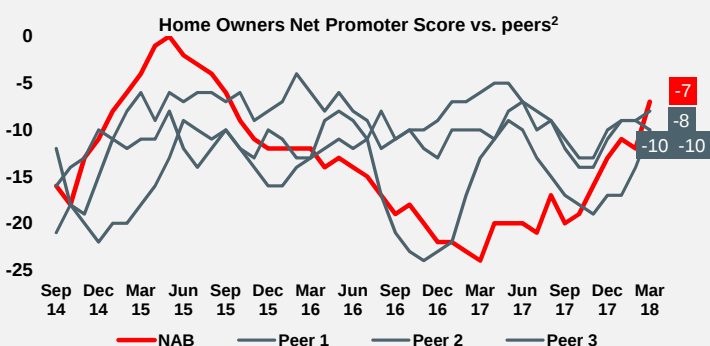
SMALL BUSINESS



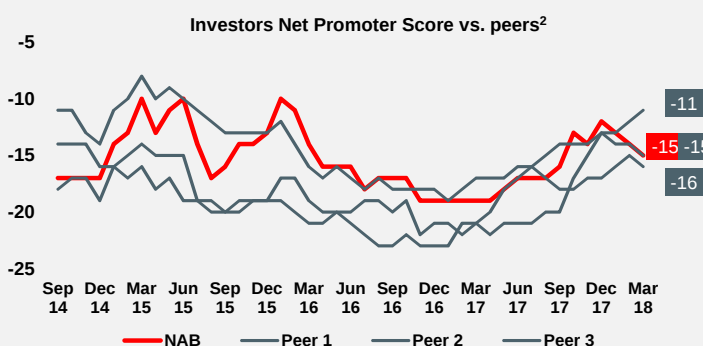
MEDIUM BUSINESS



HOME OWNERS

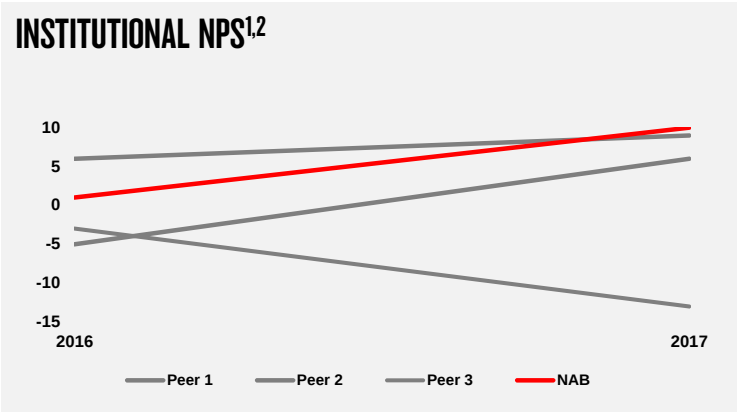
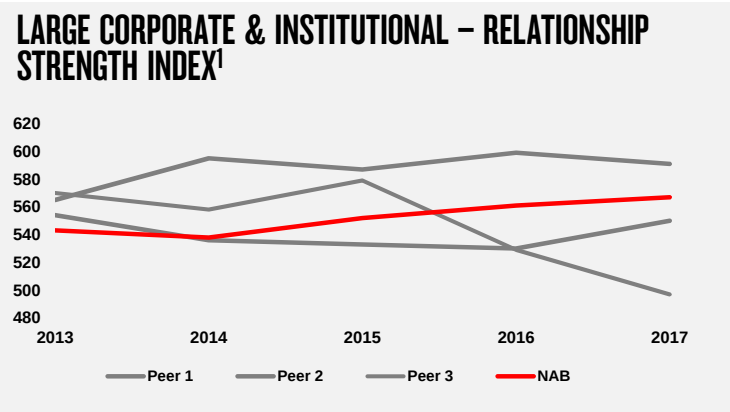


INVESTORS



- (1) March 2018, 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) Source: Roy Morgan Single Source; NAB defined Home Owners (Home Loan @ Bank) and Investors, Australian population aged 14+, six month rolling average. Home owners definition has changed to Home Loan @ Bank, previously was customers with a Home Loan at any bank. History has been restated





(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



CUSTOMER JOURNEYS

OUR CUSTOMER JOURNEYS

Everyday Banking – consumer transaction, savings & deposit accounts

- Card in-hand and account set-up in 2-4 days, was 10-12 days

Plan for my retirement

- Set-up for direct super accounts in ~1 day, was 14 days

Business transaction on-boarding

- Capability to on-board simple business customers (~63% of all business customers) <30mins

Business servicing

- Business servicing and support calls per customer down 9%

Personal credit card servicing

- Improved experience resulting in NPS increase of +5pts¹

Home lending

- Launched in 2H17 – to deliver world class digital home lending experience, simplify processes and improve conversations

Business lending

- Launched in 2H17 – to streamline business loan origination with faster decisioning and digitised loan documentation

DELIVERING CUSTOMER AND BANKER BENEFITS

- Multi-disciplinary teams using high customer involvement and delivering initiatives 2x faster than traditional models
- 96 major deployments benefitting ~4 million consumer customers and >100k businesses
- Targeted benefits²:

NPS¹
increase of
>20

Cost
savings
~20%

Revenue
benefits
5 - 10%

OPENING EVERYDAY CONSUMER BANK ACCOUNTS

TIME TO OPEN ACCOUNT		CUSTOMER EXPERIENCE (NPS) ¹		% ACCOUNTS OPENED DIGITALLY ³	
Launch	1H18	Launch	1H18	Launch	1H18
Up to 48 hrs	<7 mins	29	46	17	37

(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

(2) Represents the targeted cost savings or revenue benefits by individual customer journey

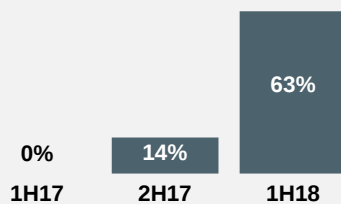
(3) Transaction accounts only



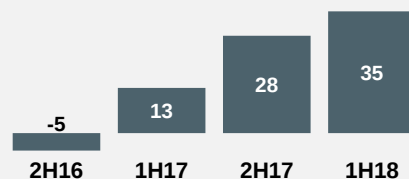
BUSINESS TRANSACTION ON-BOARDING

- Capability to on-board simple business customers (~63% of all business customers) in <30mins via single digital platform
- Significant NPS improvement driven by fast-tracked account opening, SMS customer alerts and improved KYC controls
- Single digital platform rolled out to >3,000 bankers

% BUSINESS CUSTOMERS NAB CAPABLE OF ON-BOARDING IN <30MINS



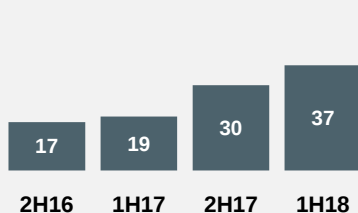
CUSTOMER EXPERIENCE (NPS)¹



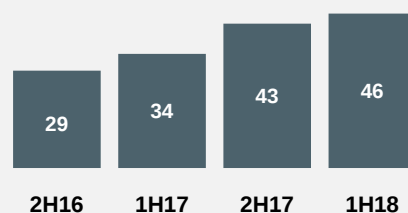
EVERYDAY BANKING

- 37% of transaction accounts now opened digitally, average fulfilment time 15 mins
- >200k customers have utilised a digital channel to set their debit card PIN
- Last piece of paper removed from the in-branch opening experience
- In-branch Term Deposit roll-over simplified to one-click – time reduced by 70%

% DIGITAL ACCOUNT OPENINGS²



CUSTOMER EXPERIENCE (NPS)¹



(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

(2) Transaction accounts only



GOOD PROGRESS ON TWO SIGNIFICANT JOURNEYS LAUNCHED 2H17

BUSINESS LENDING - *Make it simple for businesses to grow*



LOOKING TO STREAMLINE THE ORIGINATION PROCESS

- Seamless application via digital platforms
- Faster decisions via expanded credit algorithms
- 1H18 initiatives:
 - Process efficiency expected to save >25k banker hours p.a.
 - Reduced legal fee categories from 72 to 2, addressing a key customer pain point

DIGITISING THE DOCUMENT EXPERIENCE

- Simple digital contracts generated and executed faster
- 1H18 email consent enhancements expected to save >10k banker hours p.a.

HOME LENDING - *Make buying a home seamless and intuitive*



STRIVING FOR A WORLD CLASS DIGITAL EXPERIENCE

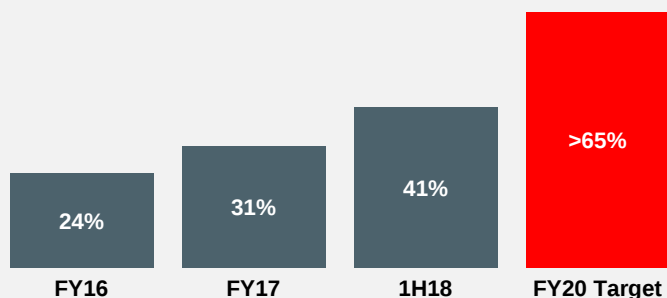
- Self-service capability with application pre-population and tracking
- Empower customers to manage and better understand their loan via digital channel
- Attract new-to-bank customers and offer tailored digital offering to customers refinancing to NAB

ENHANCING CONVERSATIONS & PROCESSES

- Enhancing banker tools to save time and enable better conversations
- Integrating online conditional approval data into application process
- Quality conversations via dedicated home lending specialists for Consumer and Business customers
- 1H18 launch of banker digital calculator for self-employed customer income



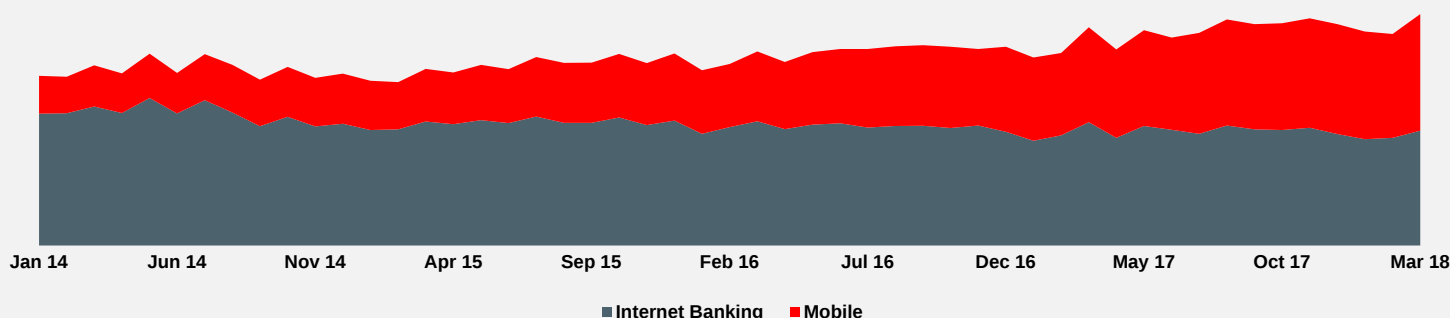
SIMPLE CONSUMER PRODUCT SALES VIA DIGITAL¹



CREATING A WORLD CLASS DIGITAL EXPERIENCE

- Targeting >65% simple consumer product sales¹ by 2020 and focused on improving our digital business sales offerings
- Focused on delivering a seamless personalised digital experience, including:
 - single sign-on
 - multi-product application capability
 - pre-population of data fields
 - live chat and origination via virtual assistant
 - proactive personalised insights

INTERNET BANKING AND MOBILE TRANSACTIONS



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



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QUICKBIZ EXPANDED FOR SMALL BUSINESS CUSTOMERS

DIGITAL SMALL BUSINESS UNSECURED LENDING

- Access to unsecured finance for term loan, overdraft and business cards
- Application and decisioning in **under 10 minutes**
- Direct connectivity to Xero or MYOB data, or simple financial upload from any accounting package

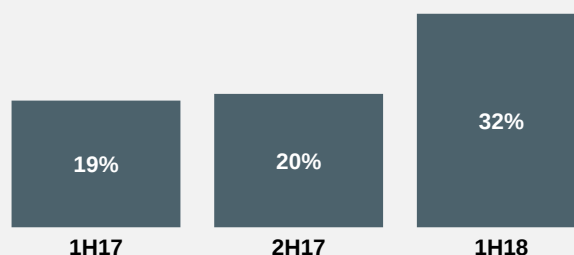
1H18 expansion

- Unsecured lending limit within the day increased from \$50k to \$100k¹
- Equipment finance quotes up to \$250k, and applications up to \$150k



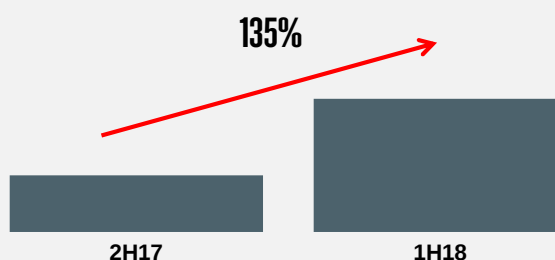
SMALL BUSINESS UNSECURED LENDING VIA QUICKBIZ

% New small business lending accounts²



QUICKBIZ APPLICATION GROWTH

Applications



(1) Upon receipt of completed contracts for term loan and overdraft, and 3-5 business days for business cards

(2) New QuickBiz loan and QuickBiz overdraft accounts as a percentage of total new term lending and overdraft accounts in the Small Business division

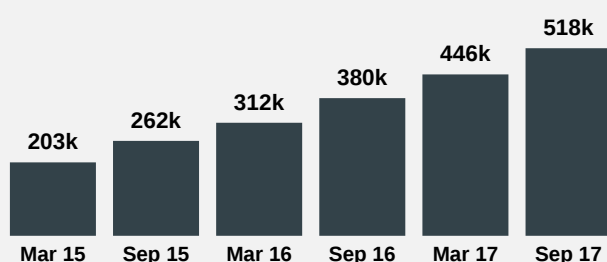


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STRENGTHENING PARTNERSHIP WITH XERO

- Extending partnership with global business platform provider Xero, >500,000 subscribers in Australia
- Jointly developing integrated product and services:
 - Xero accounting data integrated into NAB internet banking working capital dashboard
 - Exclusive period of seamless payment instructions from Xero to NAB accounts
- Integrated offering will enable businesses to manage their accounting more easily

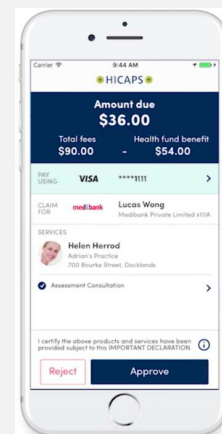
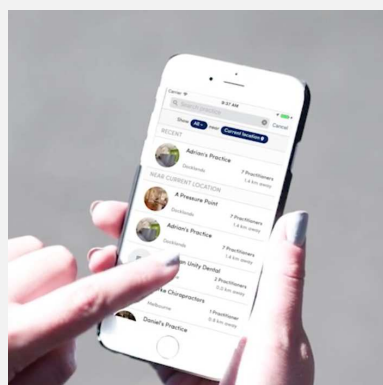
XERO SUBSCRIBERS IN AUSTRALIA¹



(1) Xero Annual and Interim Reports

HICAPS GO

- Ongoing growth of digital platform that connects patients, health practitioners and health funds
- Created in partnership with health start-up Medipass
- First to market with digital private health quotes, claims and payments
- Leading functionality provides potential to grow both the electronic claims markets and NAB sector share



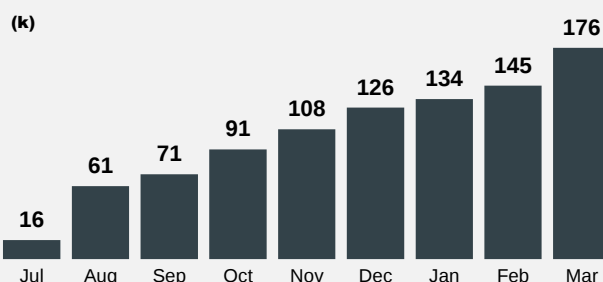
EVERYDAY DIGITAL FOR OUR BUSINESS CUSTOMERS – NAB CONNECT

NAB Connect Mobile app



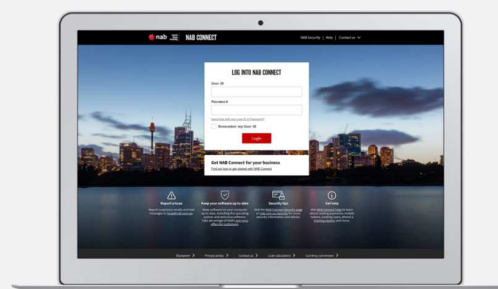
- Launched July 2017
- Simple single and multiple payment authorisations
- Make and manage payments on the go
- View all transactions

MONTHLY NAB CONNECT APP LOGINS



NAB Connect Internet Banking

- Investing in resilience and a great experience
- First time login set up process reduced from 5 steps to 2
- Mega menu provides easy access to information and services that customers use the most
- New account summary page provides most viewed information on a single page
- Improved look and feel and navigation for transaction history



STRATEGIC PARTNERSHIP WITH REALESTATE.COM.AU



- **Search:** Fully featured NAB powered home loan calculators available on realestate.com.au
- **Apply:** Instant conditional approval 24/7 with option to pre-populate data from realestate.com.au
- **Buy:** Home Loan specialists available providing customers with choice, options and support

1H18 PROGRESS

- Early momentum in customer leads and applications and solid volume increase in 2Q18
- Growth supported by enhancements to customer experience and above-the-line marketing from early February
- Average >15,000 property searchers interacting with NAB powered calculators each day
- >240,000 financial profiles created to end March 2018
- Customers engaging via realestate.com.au are showing a preference for 24/7 digital home loans:
 - 75% of applications are fully completed digitally
 - 70% of digital applications are received outside standard business operating hours (9am - 5pm Monday to Friday)

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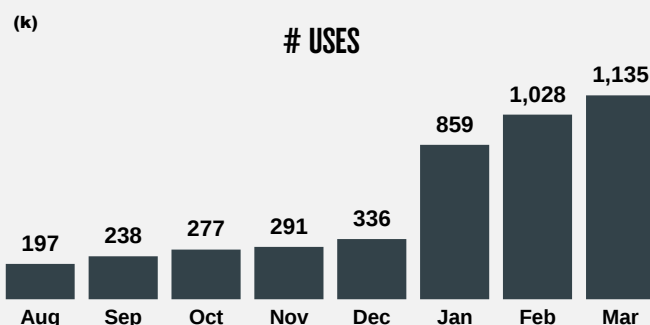
EVERYDAY CONSUMER DIGITAL EXPERIENCE – MOBILE APP

NEW FEATURES DELIVERED IN 1H18

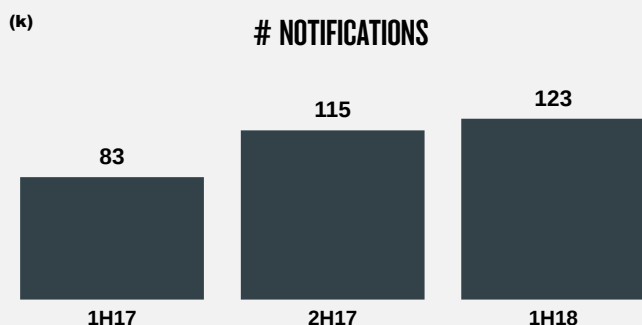


- Credit and Debit Push notifications
- Credit Card activation and PIN Management
- Register PayID and make fast payments
- View credit card statement date and set up a direct debit
- View banker details
- Afterpay and Visa checkout integration
- Ability for third party integrations such as Amazon Alexa and Xero

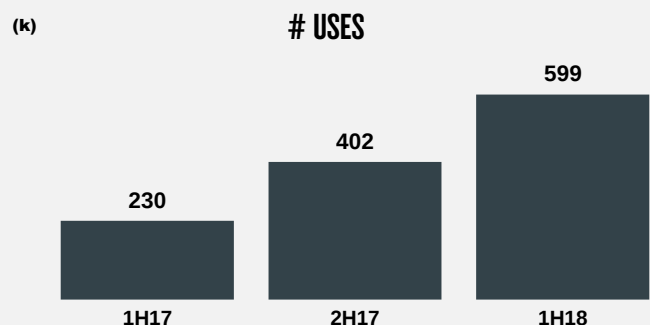
FEATURE USE GROWTH – LOOK WHO'S CHARGING



FEATURE USE GROWTH –OVERSEAS TRAVEL NOTIFICATIONS



FEATURE USE GROWTH –CARD BLOCK / UNBLOCK / REORDER



47



TALK TO NAB FOR AMAZON ALEXA

- Developed and launched in 8 weeks via NAB Labs
- Secure access to account information – balances, recent deposits and credit card amounts owing
- Extends NAB's virtual assistants offering to provide real-time service to customers in their channel of choice



ASK

"Alexa, ask NAB: What's my transaction account balance?"

"Tell me about recent payments into my account."

"Did I get paid this week?"

"What do I owe on my credit card?"

"What accounts do I have?"

IMPROVING THE GOOGLE HOME EXPERIENCE



- More questions about Everyday Banking, Cards, FX, and ATMs and branch locations
- Push notifications to receive more information on mobile when interacting with Google Home



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INVESTMENTS TO ACCESS NEW BUSINESS MODELS

\$50m investment fund NAB Ventures

\$500k - \$5m investments



Often with co-investors



Interest in fintechs...



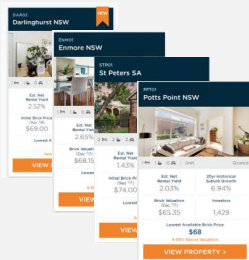
or sectors with natural synergies

To date...

1,500+ companies tracked → 290 potential opportunities → 9 investments

1H18 investments...

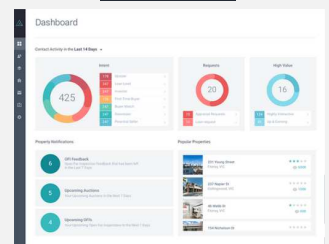
BRICKX



- Fractional property investment to allow people to buy and sell small amounts in residential properties
- Creates an alternative property asset class
- Investment in part of \$9 million Series A funding round

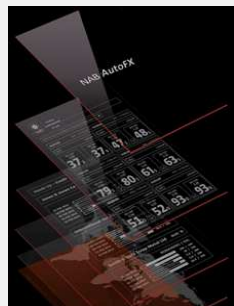
ACTIVEPIPE

- Provides targeted and relevant information to prospective home buyers using data, predictive analytics and automated communication
- Potential to deploy to mortgage brokers and NAB
- Investment in part of a \$5.9 million Series A funding round



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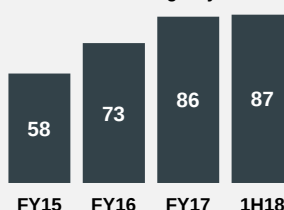
DIGITAL FX OFFERINGS CONTINUE TO EXPAND



AutoFX

- Specialised end to end FX platform for fund and asset managers
- Customers benefit from ~30% reduction in transaction costs through netting, improved cost transparency, and enhanced regulatory and compliance reporting

% of FX transactions booked digitally



International Payments

- NAB the first bank to implement SWIFT Global Payments Innovation (GPI) via integrated digital process
- Customers get greater transparency and certainty of payment status
- Chinese Renminbi online solution underway allowing customers to settle directly via NAB Connect, additional currency pairs being developed

MORE DIGITAL PLATFORMS IN ASSET SERVICING

Investment performance & analytics

- Digital platform now fully rolled out with enhanced reporting capability for customers
- Offers customers online access to full performance history, supporting self-service reporting and drill-down capability into underlying holdings
- Daily access via iPad or smartphone

Unit registry

- Digital platform roll out underway
- New investor and advisor portal capabilities provide 24/7 access to account information, balances, unit prices, transaction records, historical statements etc

Post trade mandate monitoring

- Migrating all customers to new digital platform monitoring fund managers' adherence to investment mandate agreements
- Provides customers with far greater self service capability and access to granular levels of data

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CORPORATE & INSTITUTIONAL BANKING CASE STUDIES

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

27 GLOBAL INFRASTRUCTURE DEALS TOTALLING OVER \$16.25BN IN TOTAL PROJECT DEBT¹

ACCESS TO DIVERSE MIX OF INSTITUTIONAL AND RETAIL INVESTORS

CASE STUDIES

STOCKYARD HILL WIND FARM



- Construction and term financing for the Southern Hemisphere's largest wind farm²
- Goldwind's Stockyard Hill is expected to generate ~2,000GWh p.a. of renewable energy sufficient to power approx. 340,000 houses, saving approx. 2 million tonnes of CO₂ emissions each year³
- Supporting Goldwind, one of the leading wind turbine suppliers in the world⁴, to grow in the domestic and international renewables markets

L1 CAPITAL



- L1 Long Short Fund Ltd raised \$1.33 billion in completion of its IPO of ordinary shares, supported by one of the largest ever broker firm bookbuilds for a Listed Investment Company in Australian history⁵
- NAB acted as Lead Arranger, Joint Lead Manager and Settlement Agent
- Strong response supported by NAB's leading distribution capability across a broad mix of investors

AUSTRALIAN CATHOLIC UNIVERSITY



- NAB arranged and placed Australia's first sustainability bond⁶ for ACU, to fund projects related to green buildings and social impact research and development programs
- \$200 million bond was oversubscribed by two and a half times, with a mix of international and domestic investors
- ACU is the first university globally to issue a sustainability bond⁶ and turned to NAB as market-leaders in the development of sustainable capital markets

(1) For six months ended 31 March 2018, includes Renewables
 (2) Data source: Goldwind, 'Stockyard Hill Wind Farm – Community Newsletter', No. 20, February 2018
 (3) Data source: Goldwind, 'Stockyard Hill Wind Farm – Community Newsletter', No.19, August 2017
 (4) Data Source: 'Top 10 Turbine Makers of 2017', Windpower Monthly, October 2017
 (5) Data Source: 'L1 Capital's IPO raising for IPO soars to \$1bn', The Australian, April 17 2018
 (6) Data Source: Bloomberg 2018; ICMA April 2018

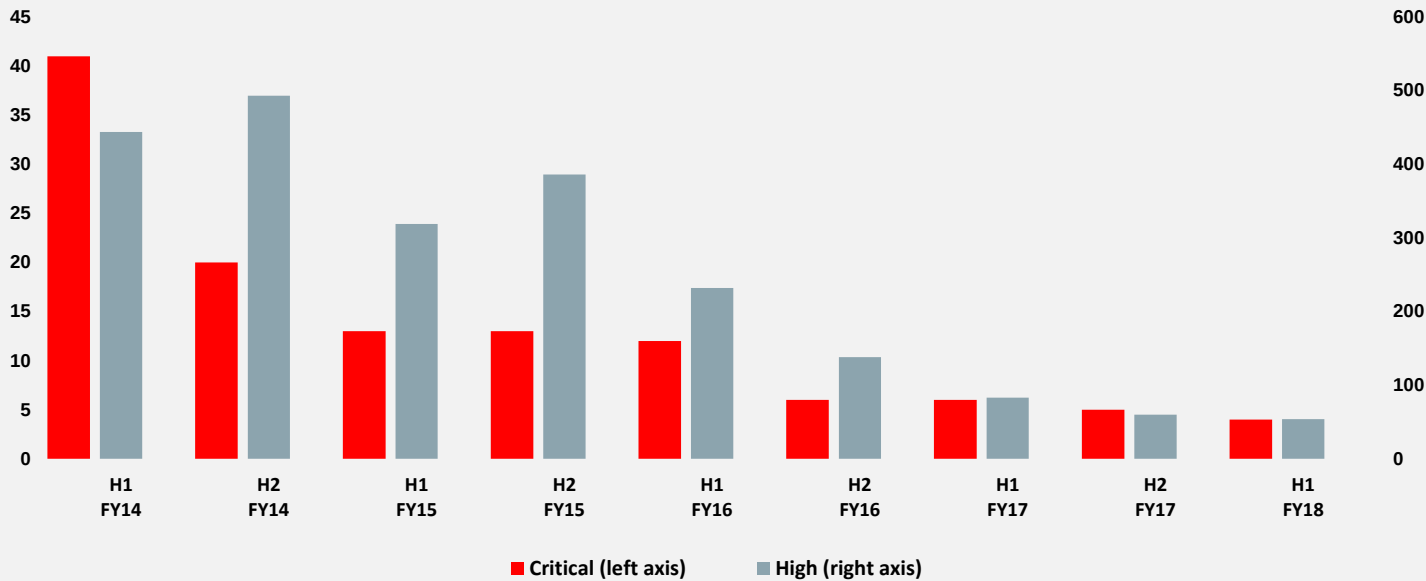
51



‘CRITICAL’ AND ‘HIGH’ PRIORITY INCIDENTS¹

Investment in technology driving lower instance of technology incidents since 1H14

- 87% reduction in “High” priority incidents
- 90% reduction in “Critical” priority incidents

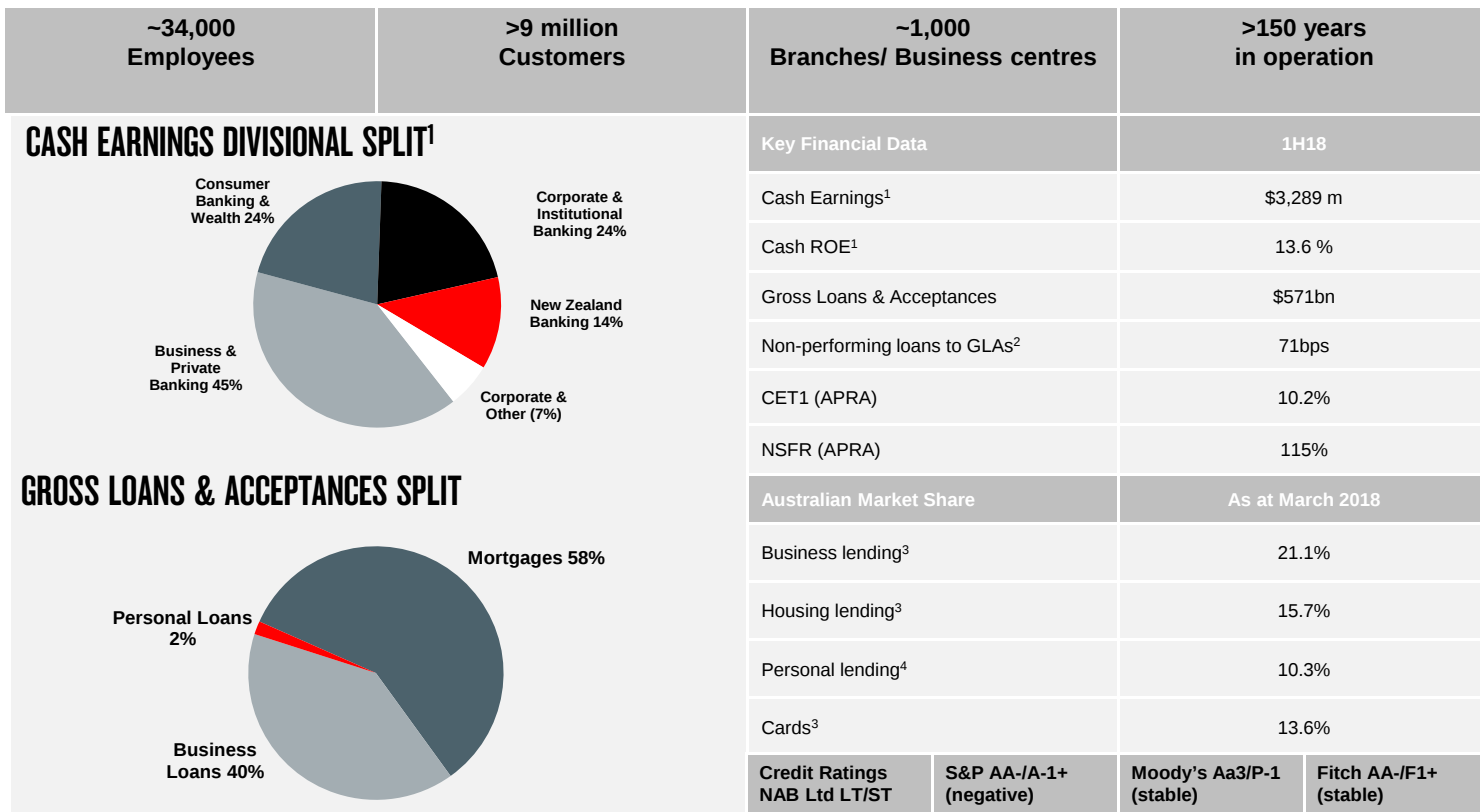


(1) Critical Incidents – Significant impact or outages to customer facing service or payment channels. High Incidents – Functionality impact to customer facing service or impact/outage to internal systems



ADDITIONAL INFORMATION
SERVING OUR COMMUNITY





- (1) Numbers are shown excluding restructuring-related costs
 (2) 90 days past due & Gross Impaired Assets to Gross Loans & Advances
 (3) APRA Monthly Banking Statistics
 (4) Personal loans business tracker reports provided by RFI (March 2018), represents share of RFI defined peer group data



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NAB'S ROLE IN THE COMMUNITY

SERVING OUR COMMUNITY

NAB REVENUE

- Supports all stakeholders and business partners
- Is shown after interest payments to 4.7 million Australian and New Zealand retail and business deposit customers who have deposited over \$395 billion with us

RESTRUCTURING COSTS

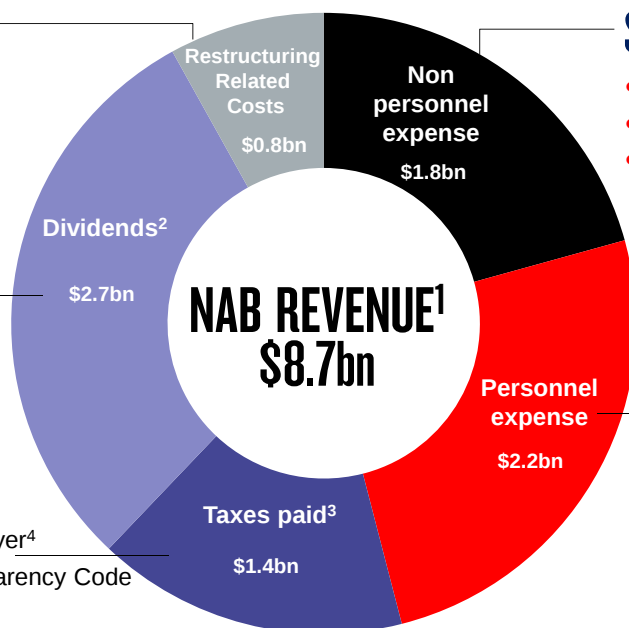
- Costs in relation to the acceleration of the Group's strategy

SHAREHOLDERS (INCL. SUPER FUNDS)

- Over 583,000 shareholders
- 97% in Australia and New Zealand

GOVERNMENT

- Australia's third largest income tax payer⁴
- Signatory to the Voluntary Tax Transparency Code



SUPPLIERS & COMMUNITY

- 1,900+ contracted suppliers
- 15,000+ microfinance loans provided
- Carbon neutral since 2010, 75% of Australian key office buildings⁵ are Green Star Rated

OUR PEOPLE

- Employ 33,944 people⁶
- Over 50% of our workforce directly engages with customers
- Focused on building the talent and capability to move NAB forward

Figures based on NAB's 1H18 cash earnings
 (1) Revenue shown net of \$0.4bn of credit impairment charges
 (2) Dividends declared in respect of 1H18
 (3) Includes income tax, GST, FBT, payroll tax and other taxes borne by NAB in Australia that were paid during the six months ended 31 March 2018
 (4) Based on ATO's "Report of Entity Tax Information" for the 2015-16 income year released on 7 December 2017
 (5) 'Key office buildings' are all NAB commercial tenancies over 4,000m²
 (6) Represents full time equivalent employees as at 31 March 2018 for NAB Group

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INVESTING IN OUR PEOPLE

- Continued robust assessment of senior leaders (EGM/GM/HO)
- Targeted leadership development for 50 EGMs and 1,000 senior People Leaders
- Focused capability uplift (change, resilience, growth mindset) for all People Leaders to support transformation (1,650 attendance)
- 2,500+ BNZ staff training to become 'Digital Gurus', a programme designed to lift digital literacy in New Zealand

INCLUSIVE WORKFORCE

- Over 100 Indigenous Australians recruited through NAB's employment programs in 1H18, increase from 67 in 1H17
- NAB's Domestic and Family Violence Support Policy extended to provide reasonable paid leave to employees supporting a family or immediate household member experiencing domestic or family violence
- Newly-designed Inclusive Leadership curriculum accessed by first cohort of NAB's leaders in February, while the Breakthrough development program continues to support women employees in realising their full potential

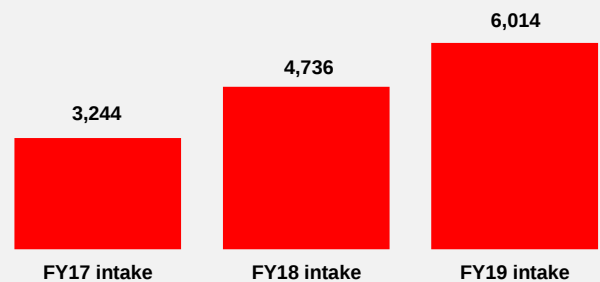


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TALENT ACQUISITION

- Updated NAB's volume hiring process, to rely on cognitive and psychometric tests, alongside video interviews – enabling an unbiased and efficient process to hire large volumes of entry-level individuals (~2,500 per year)
- Transformed Graduate program to attract and retain the best talent, increasing applications for 2019 program by 27%:
 - Shortened program length to 15 months
 - More locations covered (e.g. Adelaide, Bendigo, Newcastle)
 - Removed Grade Point Average (GPA) as selection criteria

NAB GRADUATE PROGRAM APPLICATIONS

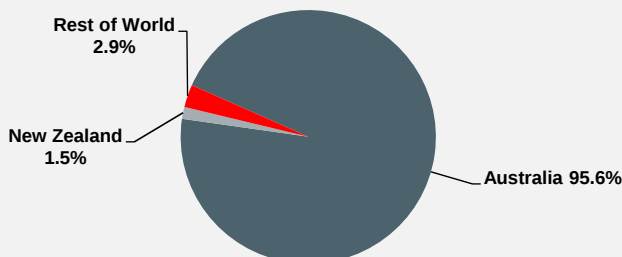


CONTRIBUTION TO SHAREHOLDERS

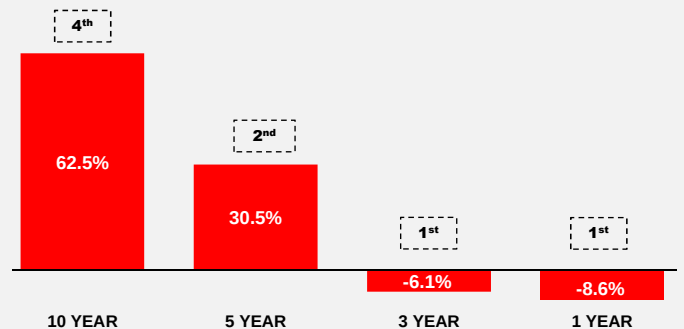
NAB'S SHAREHOLDERS

- >583,000 shareholders
- 97% in Australia and New Zealand
- Providing returns to millions of Australians through superannuation funds

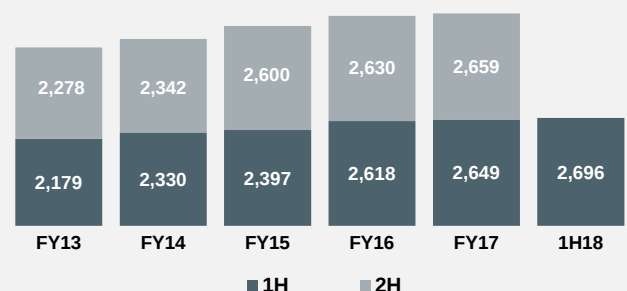
SHAREHOLDERS BY REGION



TOTAL SHAREHOLDER RETURN AND MAJOR BANK RANK¹



DIVIDENDS DECLARED² (\$M)

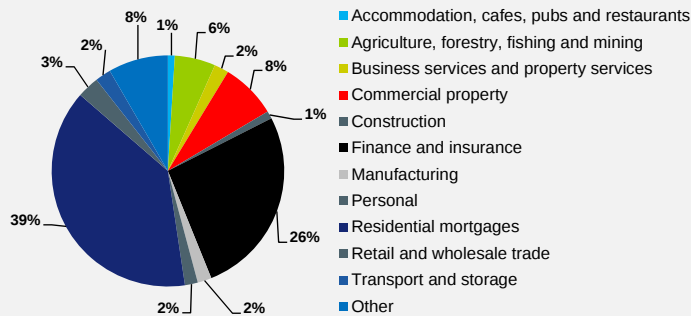


(1) Source: IRESS, TSRs to 31 March 2018
(2) Dividends declared in respect of each half year

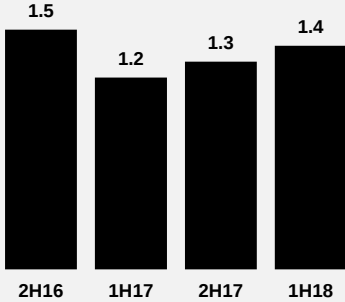


DRIVING THE ECONOMY

TOTAL LENDING (EAD \$981.7bn) BY ANZSIC INDUSTRY¹



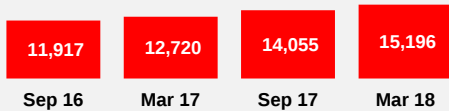
TOTAL TAXES PAID IN AUSTRALIA² (\$bn)



FINANCIAL INCLUSION

- National launch of digital microfinance offering 'Speckle'³
- Microenterprise loan process re-worked, reducing complexity and time-to-decision for customers

Number of microfinance loans provided



COMMUNITIES

- Presenting partner for the 2018 Special Olympics National Games, contributing over 200 employee volunteer days
- NAB #1 contributor to the Red Cross Blood Service's Financial Services Blood Challenge, saving 2,900 lives through blood donation
- Since 2009, 340 people have participated in the African-Australian Inclusion Program, with ~50% remaining employed with NAB

ENVIRONMENTAL WELLBEING

- NAB Foundation provided \$1.6 million in grant funding to six organisations to support regional communities in managing their natural resources
- Over \$227m 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

(1) Industry classifications are aligned to those disclosed in Pillar 3 report – Table 5.1D
 (2) Includes income tax, GST, FBT, payroll tax and other taxes borne by NAB in Australia that were paid during the six months ended 31 March 2018
 (3) 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

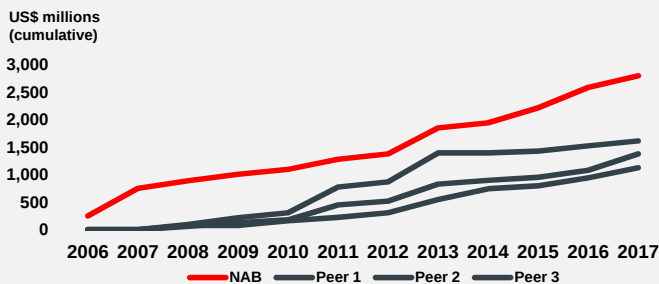


ESG RISK AND OPPORTUNITY

MANAGING ESG RISK

- Included ESG Risk as part of annual Risk Awareness training for all employees
- Launched research project with the Institute of Sustainable Futures at the University of Technology Sydney and The Yield to better understand customers' exposure to water risk, how they are managing it and how NAB can better support them
- NAB on track to achieve operational environmental performance targets¹

LEADING ARRANGER OF PROJECT FINANCE FOR AUSTRALIAN RENEWABLE ENERGY²



ESG AS OPPORTUNITY

- Created the NAB Low Carbon Shared Portfolio, inviting institutional investors to buy into \$200 million pool of NAB loans that fund existing renewable energy projects in Australia
- Issued \$2 billion Residential Mortgage-Backed Securitisation, including Australia's first Climate Bond Certified green tranche of \$300 million NAB-originated mortgages for residential properties that meet the Climate Bonds Standard Criteria for Australian low carbon residential buildings
- Committed to providing 'Shared Value' training to 500 employees within NAB's Corporate Finance division
- Corporate Responsibility positively impacting employees' view of NAB: employee engagement score is eight points higher for employees who believe NAB is a responsible corporate citizen, compared to overall Group employee engagement score³

(1) NAB's environmental performance targets include, but are not limited to, reductions in science-based GHG-emissions, energy use, office paper, water use and waste to landfill. Refer to 2017 Sustainability Report for more information
 (2) Data Source: Thomson Reuters: Project Finance International 2006-2017 Asia Pacific Initial Mandated Lead Arrangers League Tables - 2017 US\$ Project Allocation, NAB analysis ranking against four major Australian banks - cumulative volume as at 31 December 2017
 (3) 2017 Employee Engagement survey conducted by Aon Hewitt



MEETING OUR COMMITMENTS

- Climate Change Working Group is overseeing implementation of NAB's climate change strategy, including work on risks and opportunities facing NAB and our customers, arising from climate change and the low carbon transition
- NAB is one of 16 global banks participating in a UNEP FI Pilot to test TCFD recommendations, including climate change scenario development, stress testing and related disclosures
- NAB's FY17 Annual Financial Report aligned to TCFD recommendations

FINANCING THE TRANSITION

Helping address climate change and support the transition to a low carbon economy. Since 1 October 2015¹, NAB has provided:



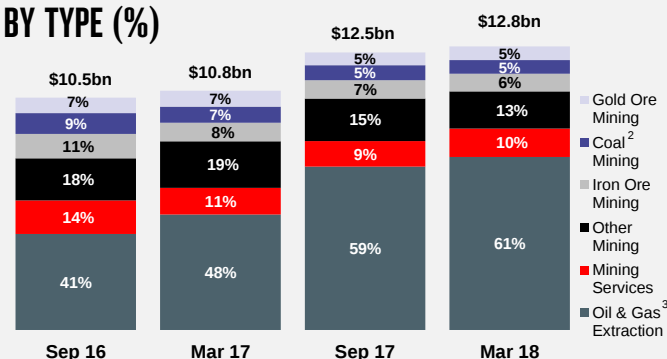
\$6.9 billion
to support green infrastructure, capital markets and asset finance

\$10.6 billion
in new mortgage lending flow for 6 Star residential housing in Australia (new dwellings and significant renovations)

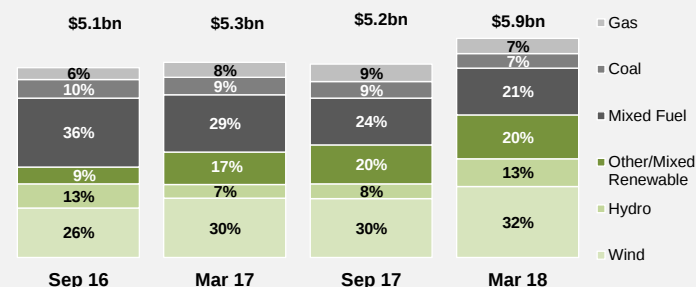
- (1) This is the total cumulative new flow of environmental finance, provided from 1 October 2015 to 31 March 2018 as part of NAB's environmental financing commitment. Further detail on our environmental financing commitment is available in NAB's 2017 Sustainability Report
- (2) As at 31 March 2018, Coal Mining is comprised of 78% thermal coal exposure and 21% 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 (92%)
- (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>

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RESOURCE EXPOSURE AT DEFAULT BY TYPE (%)



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



CORPORATE RESPONSIBILITY PERFORMANCE

	1H17	2H17	1H18
Cumulative number of Australians assisted with microfinance products/services, in partnership with Good Shepherd Microfinance	479,740	513,941	549,405
Enterprise Employee Engagement score (%) ¹	Not comparable	59	Due 2H18
Employee voluntary turnover rate (%)	5.3	6.1	5.4
Number of breaches of NAB Code of Conduct (Australia)	684	929 ²	570
Community investment (\$m)	Annual	44.6	Due 2H18
Number of volunteering days contributed (Australia)	4,553	6,854	4,173
Cumulative aggregate financing to help address climate change and support the transition to low-carbon economy (\$bn)	11.8	13.4	17.5
Gross greenhouse gas emissions (Scope 1, 2 and 3) (tCO ₂ -e) ³	98,829	87,069	90,398
Percentage of material suppliers compliant with Group Supplier Sustainability Principles ⁴	92	90	90

- (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 exert discretionary effort (STRIVE)
- (2) The increase in the number of recorded breaches of our Code of Conduct in 2H17 relates to 343 breaches attributable to one particular issue relating to the incorrect completion of forms and where appropriate disciplinary action was consistently applied following a thorough investigation
- (3) 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
- (4) 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 is available in NAB's 2017 Sustainability Report: <https://www.nab.com.au/about-us/corporate-responsibility/shareholders/performance-and-reporting>

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ADDITIONAL INFORMATION

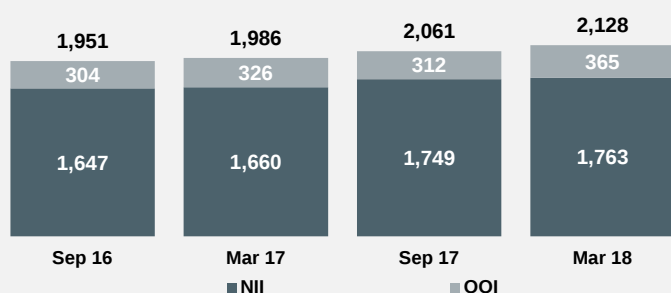
AUSTRALIAN BUSINESS LENDING

KEY METRICS

AUSTRALIAN BUSINESS LENDING

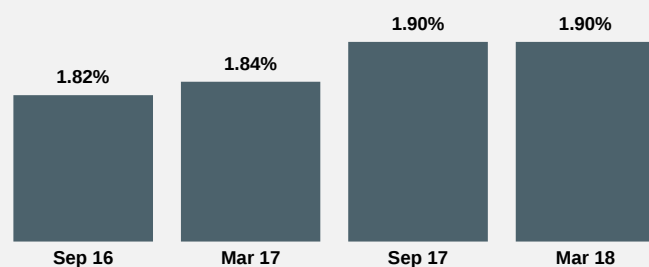
BUSINESS LENDING REVENUE

(\$m)



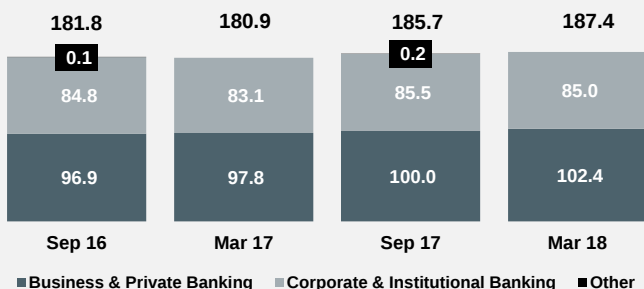
BUSINESS LENDING NET INTEREST MARGIN

(%)

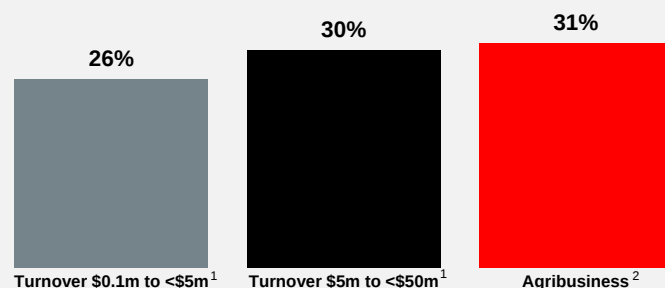


BUSINESS LENDING GLAs

(\$bn)



SMALL, MEDIUM AND AGRI BUSINESS LENDING MARKET SHARE



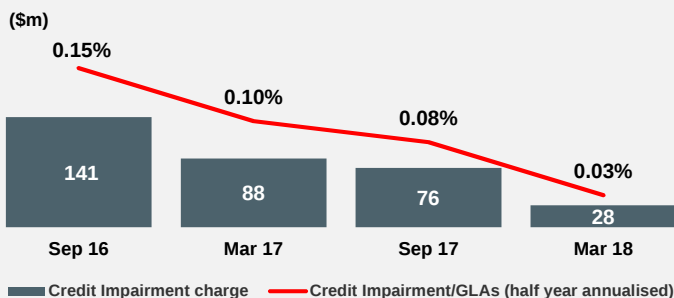
(1) March 2018 DBM Business Financial Services Monitor, APRA Aligned Lending Market Share. Australian businesses with an aligned product, excluding Finance & Insurance and Government. APRA Aligned Lending market share is based on the total lending dollars held at the financial institution, divided by 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) Dec 2017/ NAB APRA submission / RBA System

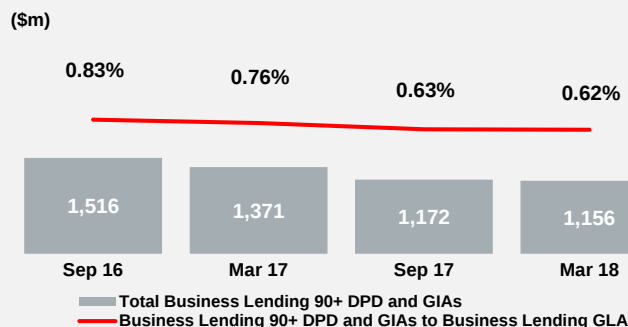
BUSINESS LENDING ASSET QUALITY

AUSTRALIAN BUSINESS LENDING

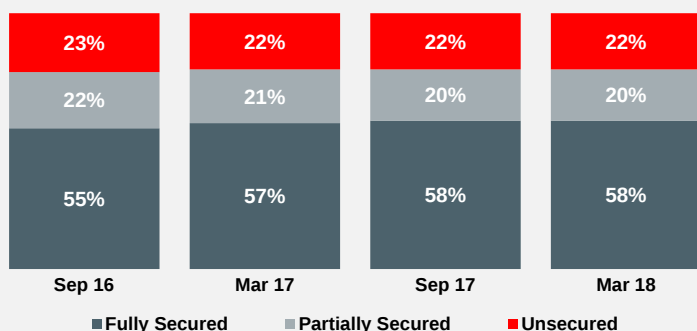
BUSINESS LENDING CREDIT IMPAIRMENT CHARGE AND AS % OF GLAs



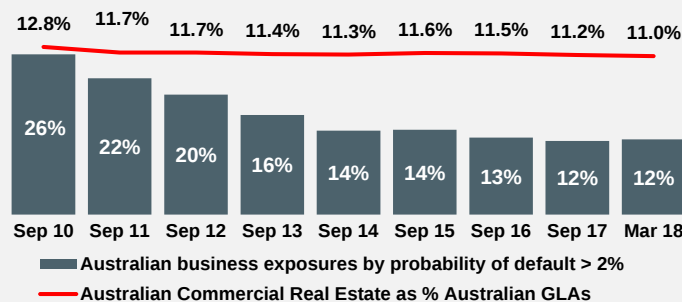
BUSINESS LENDING 90+ DPD AND GIAs AND AS % OF GLAs



BUSINESS LENDING SECURITY PROFILE¹



BUSINESS LENDING RISK PROFILE



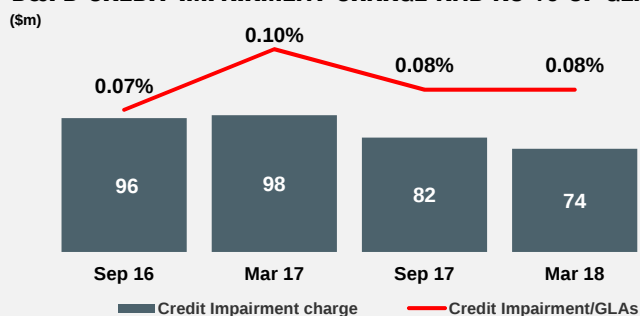
(1) Fully Secured is where the loan amount is less than 100% of the bank extended value of security; Partially Secured is where the loan amount is greater than 100% of the bank extended value of security; Unsecured is where no security is held and negative pledge arrangements are normally in place. Bank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



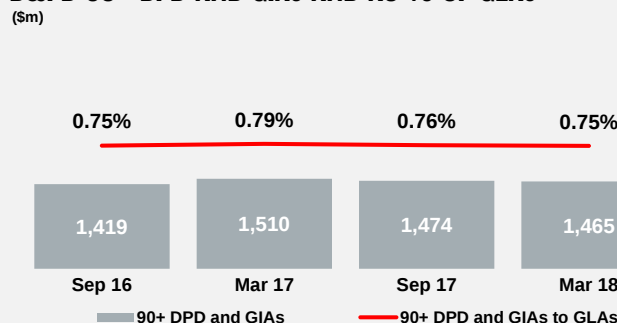
BUSINESS & PRIVATE BANKING (B&PB) ASSET QUALITY

AUSTRALIAN BUSINESS LENDING

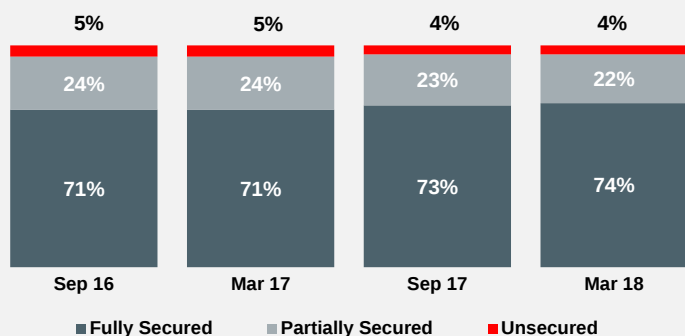
B&PB CREDIT IMPAIRMENT CHARGE AND AS % OF GLAs¹



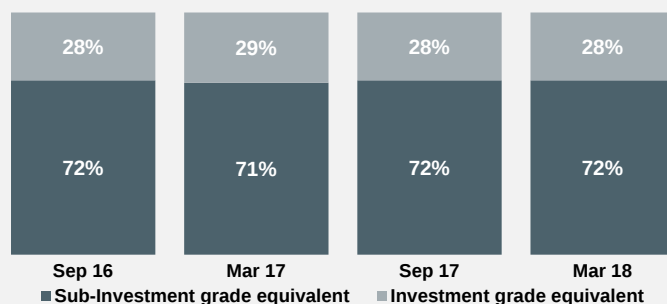
B&PB 90+ DPD AND GIAs AND AS % OF GLAs



B&PB BUSINESS LENDING SECURITY PROFILE



B&PB BUSINESS LENDING PORTFOLIO QUALITY



(1) Refers to the half year ratio annualised



ADDITIONAL INFORMATION

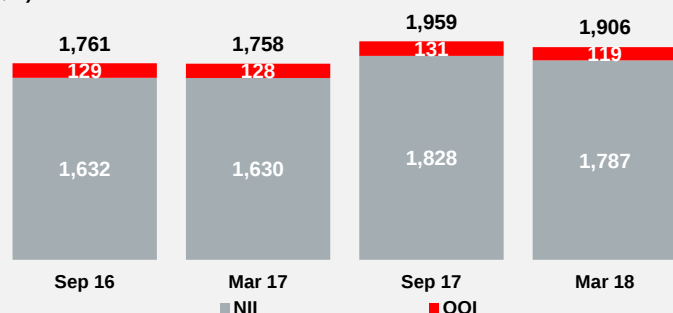
AUSTRALIAN HOUSING LENDING

KEY METRICS

AUSTRALIAN HOUSING LENDING

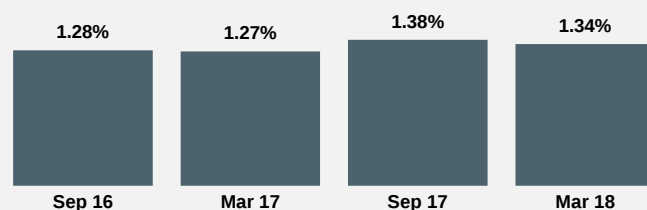
HOUSING LENDING REVENUE

(\$m)



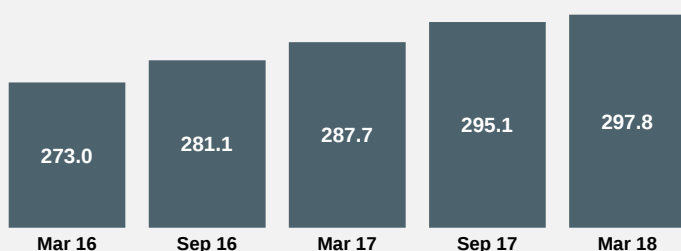
HOUSING LENDING NET INTEREST MARGIN

(%)

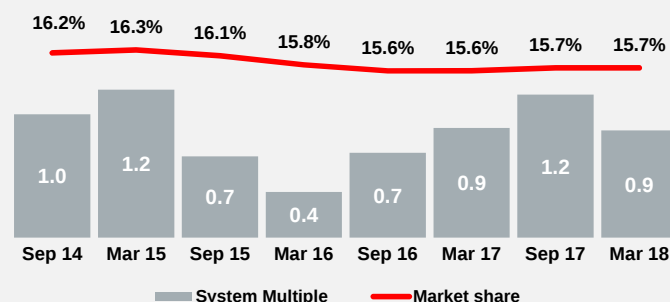


HOUSING LENDING GLAS¹

(\$bn)



HOUSING LENDING MARKET SHARE²

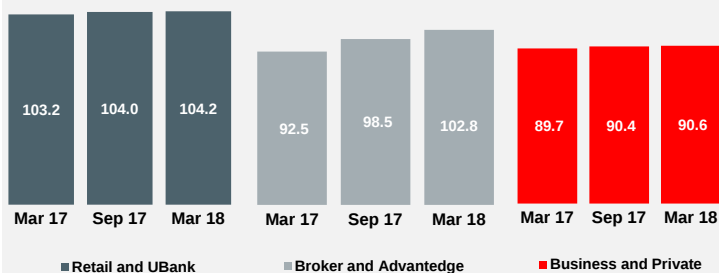


(1) Mar18 includes \$2.0bn reduction due to Asia Private Wealth sale.

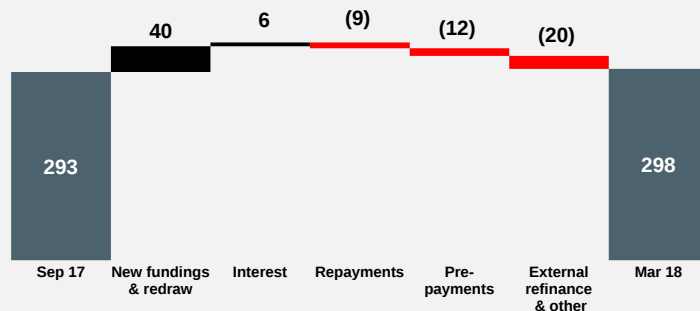
(2) APRA Monthly Banking Statistics

HOUSING LENDING BY CHANNEL¹

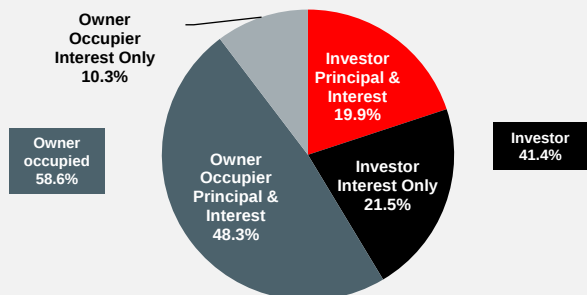
(\$bn)



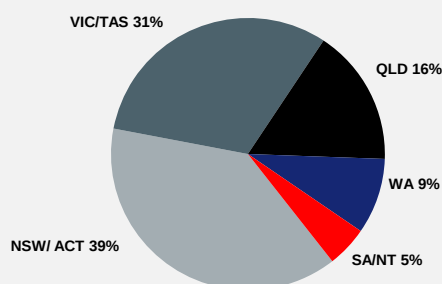
HOUSING LENDING FLOW MOVEMENTS¹



HOUSING LENDING VOLUME BY BORROWER AND REPAYMENT TYPE²



AUSTRALIAN MORTGAGES STATE PROFILE



(1) Excludes Asia

(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

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 full remaining Principal and Interest period Maximum Interest Only term for Owner Occupied borrowers of 5 years



REQUIREMENTS

- Lenders' mortgage insurance (LMI) applicable for majority of lending >80% LVR
- 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)
- Apartment size to be 50 square metres or greater (including balconies and car park)
- In 2017 introduced Loan-to-income decline threshold, further tightened February 2018

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

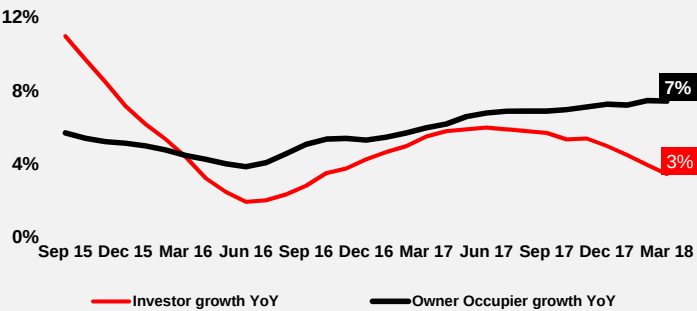
LOAN-TO-VALUE RATIO (LVR) RESTRICTIONS

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%

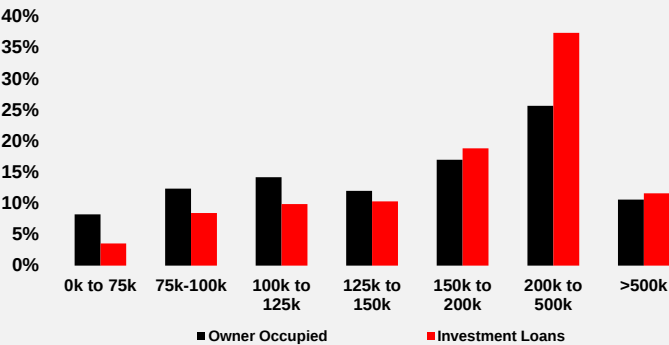


INVESTOR HOUSING LENDING

INVESTOR AND OWNER OCCUPIER GROWTH YoY¹



% HOUSING CUSTOMERS BY GROSS INCOME BAND^{3,4}



INVESTOR HOUSING LENDING

- Principal & Interest²: 45.9%
- Interest only²: 54.1%
- Units^{1,2}: 28.3%
- Houses^{1,2}: 71.7%
- Average LVR at origination: 71.3%
- Average loan size: \$362k
- 90+ days past due: 0.63%
- Impaired loans: 0.13%
- Specific provision coverage ratio¹: 40.0%
- Loss rate¹: 0.03%

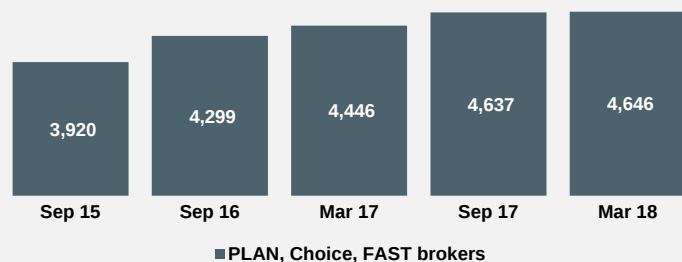
(1) Does not include Advantedge
(2) Portfolio data as at Mar 18
(3) Drawdowns from Oct 17 – Mar 18
(4) Gross income is defined as total pre-tax unshaded income for the application. This can include business income, income of multiple applicants and other income sources, such as family trust income



MORTGAGE BROKER CONSIDERATIONS

- Improved on-boarding experience to NAB for Broker customers
- Mortgage broking partnership established with Realestate.com.au
- Total brokers across NAB owned aggregators PLAN, Choice and FAST have increased (4.5% increase) for the 12 months ended 31 March 2018

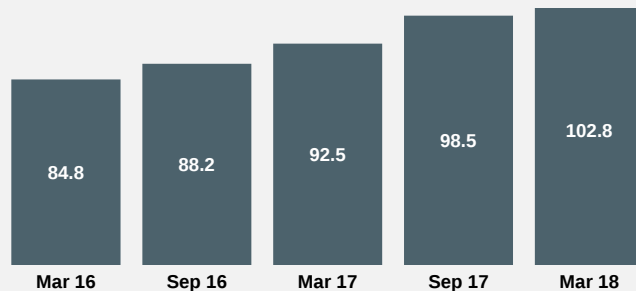
NUMBER OF BROKERS UNDER NAB OWNED AGGREGATORS



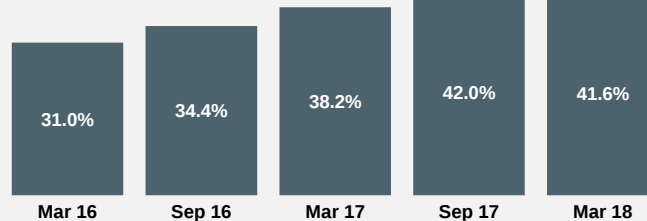
(1) Spot volumes

HOUSING LENDING VOLUMES – BROKER¹

(\$bn)



DRAWDOWNS ATTRIBUTED TO BROKER



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HOUSING LENDING KEY METRICS¹

Australian Housing Lending	Sep 16	Mar 17	Sep 17	Mar 18		Mar 17	Sep 17	Mar 18
	Portfolio					Drawdowns ²		
Total Balances (spot) \$bn	278	285	293	297		34	36	31
By Product								
- Variable rate	77.5%	76.3%	73.3%	72.1%		77.1%	66.8%	65.2%
- Fixed rate	13.2%	15.1%	18.8%	20.5%		20.9%	30.8%	32.3%
- Line of credit	9.3%	8.6%	7.9%	7.4%		2.0%	2.4%	2.4%
By borrower type								
- Owner Occupied ^{3,4}	57.7%	57.7%	58.0%	58.6%		57.9%	59.7%	62.0%
- Investor ^{3,4}	42.3%	42.3%	42.0%	41.4%		42.1%	40.3%	38.0%
By channel								
- Proprietary	68.3%	67.5%	66.3%	65.4%		61.8%	58.0%	58.4%
- Broker	31.7%	32.5%	33.7%	34.6%		38.2%	42.0%	41.6%
Low Documentation	0.9%	0.8%	0.7%	0.6%				
Interest only ⁵	31.9%	32.1%	29.8%	27.0%				
Offset account balance (\$bn)	24.7	26.2	27.2	28.2				
LVR at origination	69.0%	69.0%	69.0%	69.0%				
Dynamic LVR on a drawn balance calculated basis	45.1%	44.4%	42.7%	42.7%				
Customers in advance ≥1 month ⁶ (including offset facilities)	67.2%	66.6%	66.2%	65.5%				
Avg # of monthly payments in advance (including offset facilities)	33.0	33.6	33.6	33.8				
90+ days past due ⁷	0.51%	0.58%	0.59%	0.66%				
Impaired loans ⁷	0.12%	0.11%	0.10%	0.09%				
Specific provision coverage ratio	25.8%	30.0%	30.0%	34.8%				
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 Advantagedge. Excludes line of credit. Includes offset facilities.
(7) Includes Asia
(8) 12 month rolling Net Write-offs / Spot Drawn Balances

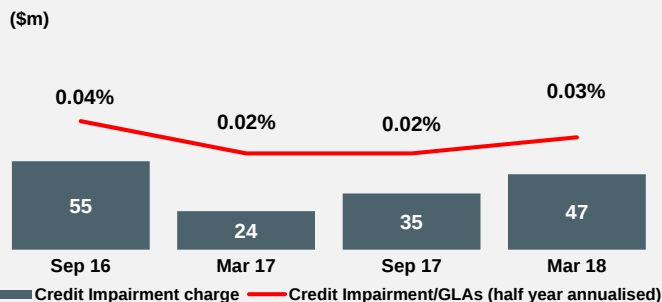


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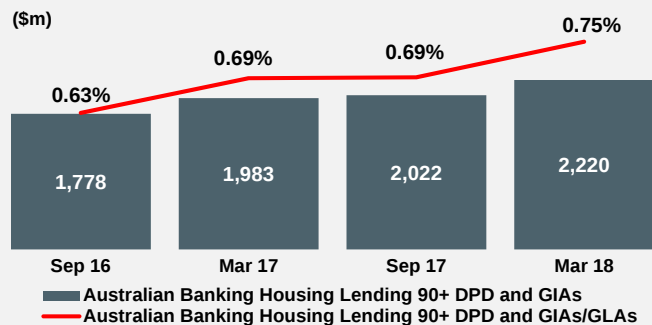
HOUSING LENDING ASSET QUALITY

AUSTRALIAN HOUSING LENDING

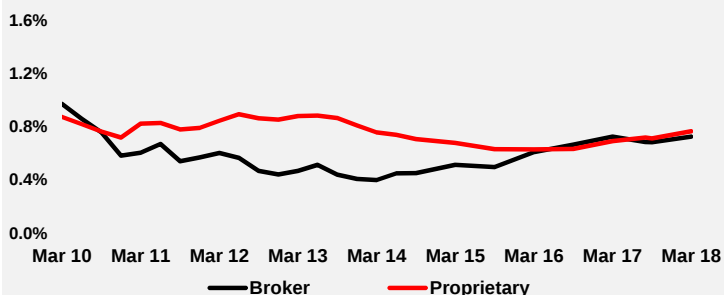
CREDIT IMPAIRMENT CHARGE AND AS % OF GLAs



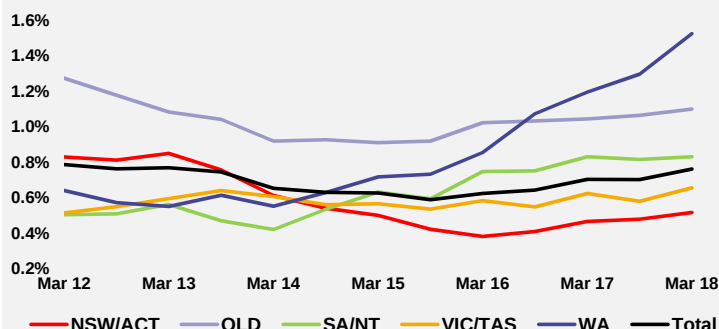
90+ DPD AND GIAs AND AS % OF HOUSING LENDING GLAs



90+ DPD AND GIAs AS % OF TOTAL HOUSING LENDING GLAs - BY CHANNEL¹



HOUSING LENDING 90+ DPD & GIAs AS % GLAs



(1) Excludes Asia

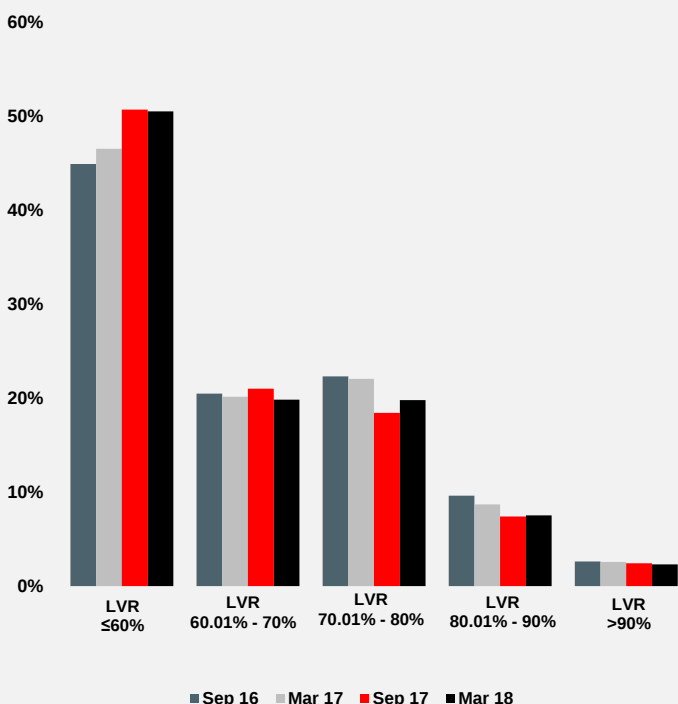


74

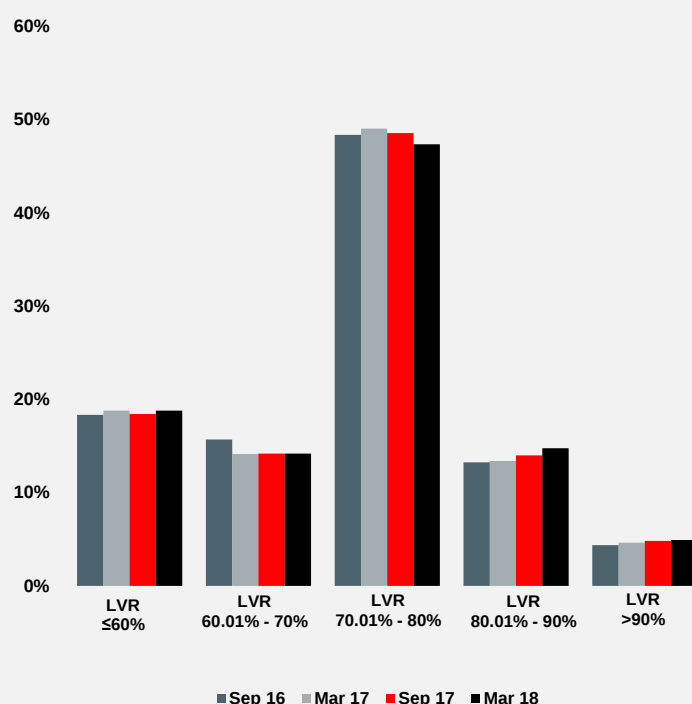
HOUSING LENDING LVR PROFILE

AUSTRALIAN HOUSING LENDING

HOUSING LENDING DYNAMIC LVR BREAKDOWN OF DRAWN BALANCE¹



HOUSING LENDING LVR BREAKDOWN AT ORIGINATION¹



(1) Excludes Asia



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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 disclosures¹
- 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 two years of 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 credit impairment charges under these stressed conditions are \$3.3bn cumulatively during the three years of the scenario
- Modelling of the lender's mortgage insurance (LMI) portfolio assumes 50% of claims will be rejected (\$465m losses on \$928m of claims)
- All LMI coverage is with external insurers

STRESSED SCENARIO – MAIN ECONOMIC PARAMETERS

	Year 1	Year 2	Year 3
Annual GDP growth (%)	-1.7	-2.5	0.6
Unemployment rate (%)	7.1	9.1	10.1
House prices (% p.a. change)	-13.7	-14.0	-6.1

STRESSED LOSS OUTCOMES^{2,3}

	Year 1	Year 2	Year 3
Portfolio size (exposure at default, \$bn)	342	338	335
Net Credit Impairment (\$m) ⁴	525	871	1,880
Gross Credit Impairment (\$m)	652	989	2,100
Net Credit Impairment rate (%) ⁵	0.15	0.26	0.56

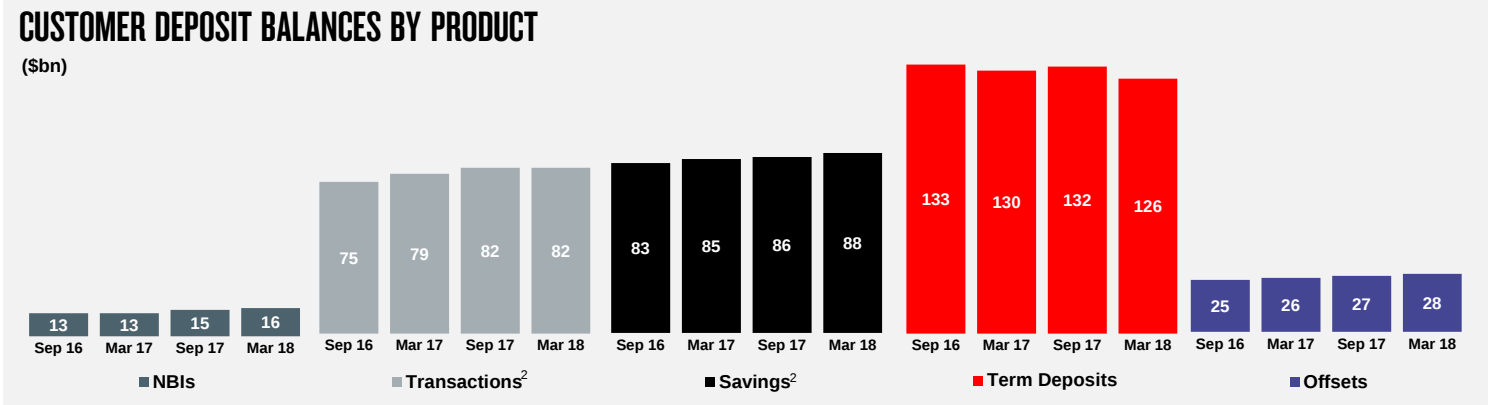
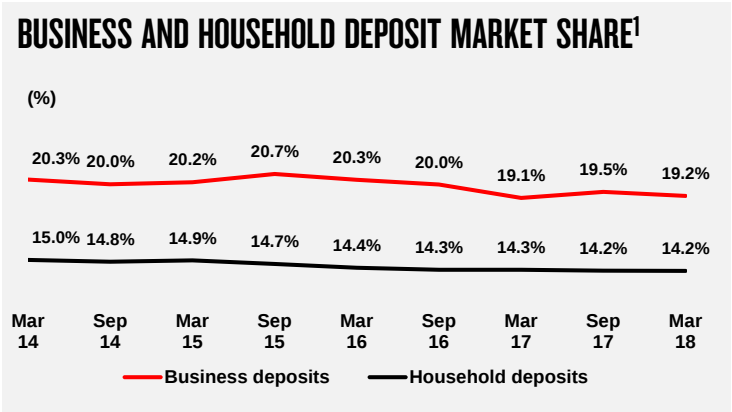
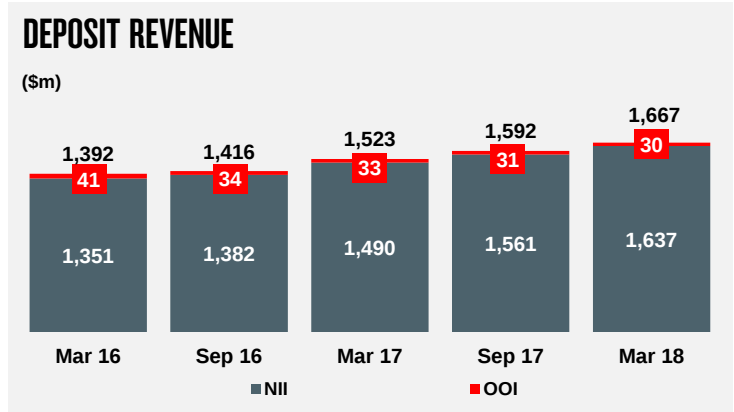
- (1) Macroeconomic parameters have been changed since the FY17 Half year Results Announcement. Modelling has been updated to include more conservative assumptions
 (2) Australian IRB Residential Mortgages asset class. Includes Advantedge. Excludes offshore branches
 (3) Based on portfolio as at 30 September 2017
 (4) Net of LMI recoveries (as opposed to Gross Credit Impairment which includes LMI recoveries)
 (5) Stressed Credit Impairment rate is net of LMI recoveries and presented as a percentage of mortgage exposure at default



ADDITIONAL INFORMATION

OTHER AUSTRALIAN PRODUCTS

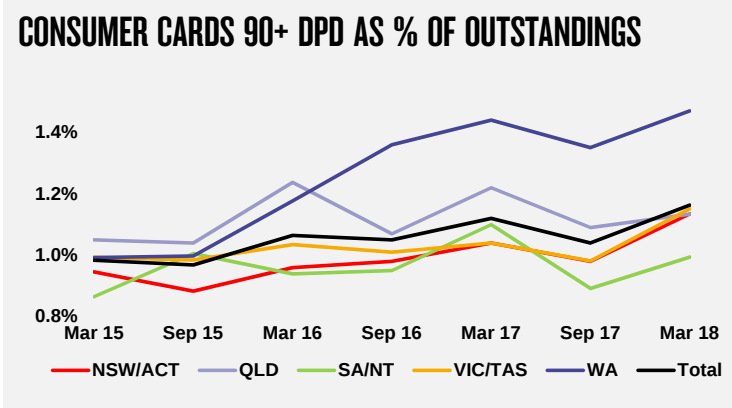
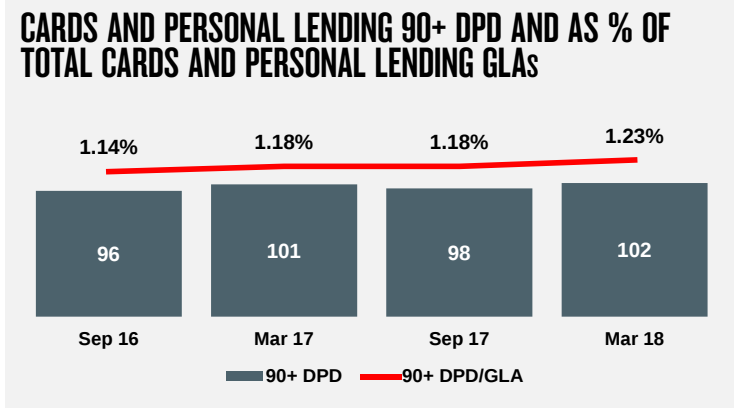
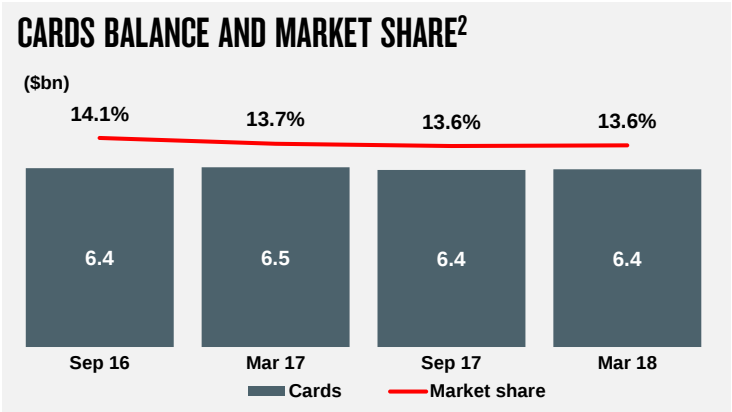
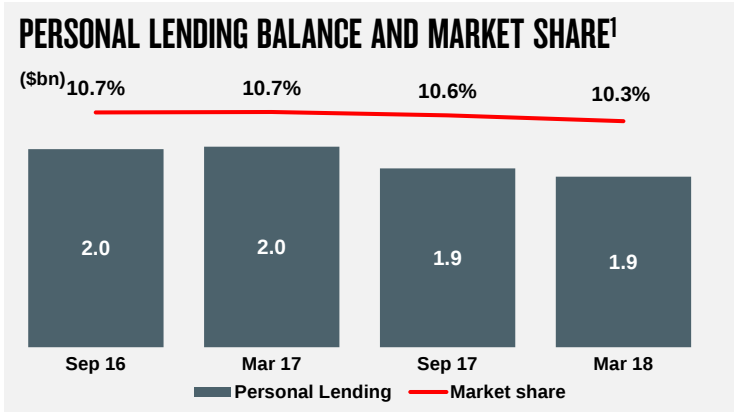




(1) APRA Banking System
(2) Prior period Transaction & Savings Customer Deposits balances restated (\$2bn transfer from Savings to Transaction Deposits)

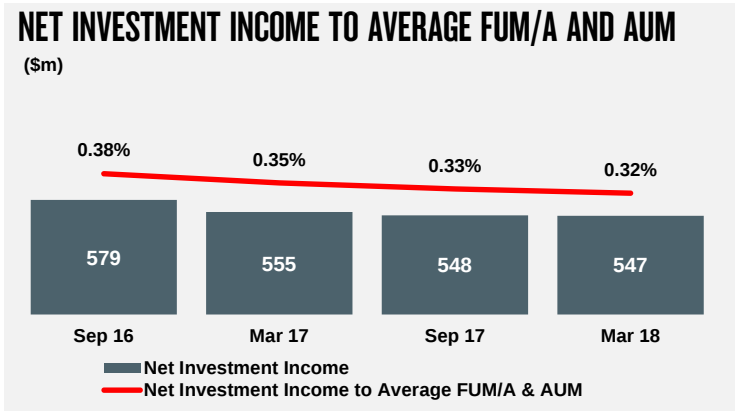
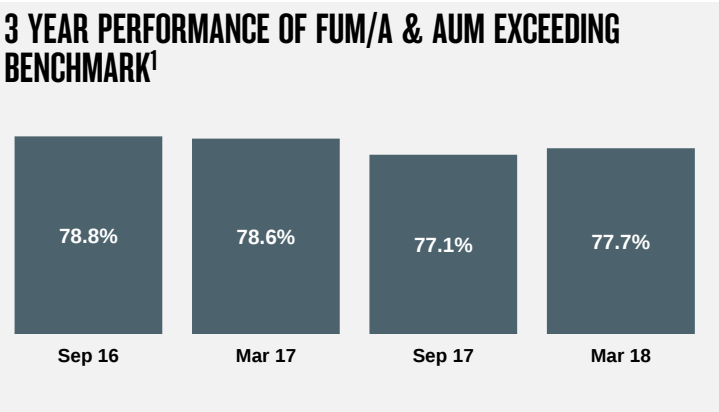
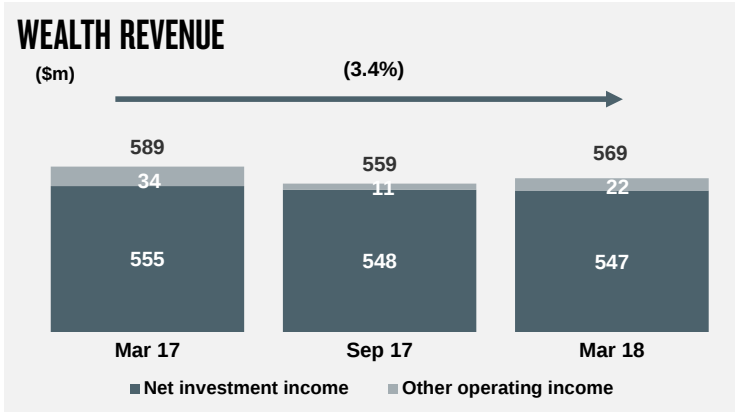


OTHER BANKING PRODUCTS

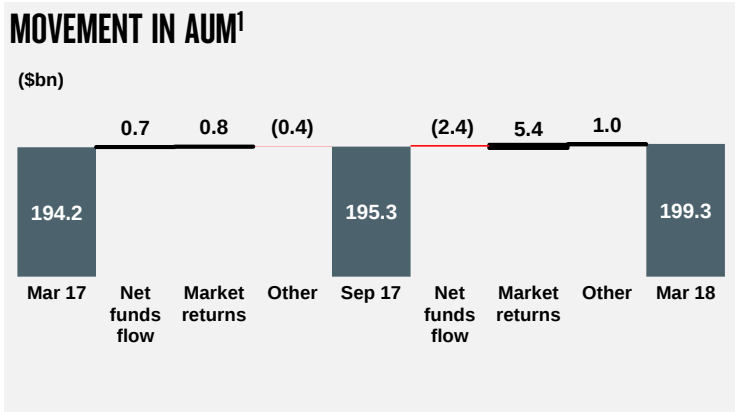
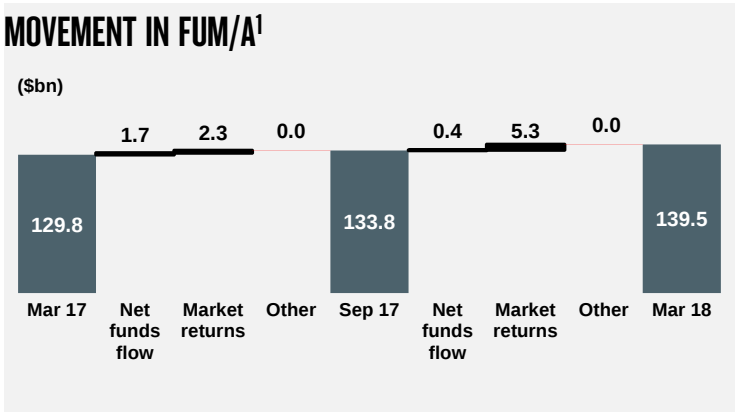


(1) Personal loans business tracker reports provided by RFI (March 2018), represents share of RFI defined peer group data
(2) APRA Monthly Banking Statistics





(1) This is a representative measure of performance across all asset classes in FUM/A and AUM



FUM/A NET FUNDS FLOW AND SPOT FUM/A BY PRODUCT GROUP¹

Product group	2H16 Net Funds Flow (\$m)	1H17 Net Funds Flow (\$m)	2H17 Net Funds Flow (\$m)	1H18 Net Funds Flow (\$m)	Spot FUM/A at 31 Mar 2018 (\$m)
Retail (includes JBWere)	619	268	1,724	919	82,646
Offsale Products	(550)	(557)	(549)	(423)	8,473
Business & Corporate Superannuation	(341)	(119)	547	(95)	48,411
Total FUM/A	(272)	(408)	1,722	401	139,530

AUM NET FUNDS FLOW AND SPOT AUM BY PRODUCT GROUP¹

Product group	2H16 Net Funds Flow (\$m)	1H17 Net Funds Flow (\$m)	2H17 Net Funds Flow (\$m)	1H18 Net Funds Flow (\$m)	Spot AUM at 31 Mar 2018 (\$m)
Portfolio Management	1,356	(351)	1,092	(1,905)	141,483
Investment Management	257	1,629	(381)	(535)	57,826
Total AUM	1,613	1,278	711	(2,440)	199,309

(1) In September 2017, the March 2017 comparative information was restated to present FUM/A and AUM in to 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



OUR FOCUS

Provision of risk management and investor 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, efficiency and returns

RECENT HIGHLIGHTS

- Best Bank for Australian Dollar¹
- #1 Interest Rate Derivatives market share⁴
- #1 Most Trusted Adviser for IRD⁴ and FX⁵
- #1 Australian bank in FX swaps globally⁶
- #1 Macroeconomics team in Australia in 2016 and 2017⁷
- Successfully updated business and technology frameworks for MiFID II compliance
- First Australian bank to join FICC Markets Standards Board; committed to adopt and comply with FX Global Code of Conduct

(1) #1 Bank for AUD, 2016 & 2017 – FX Week Survey

(2) Peter Lee Associates – Interest Rate Derivatives Survey Australia 2017. Based on top four banks by penetration

(3) Peter Lee Associates – Foreign Exchange Survey Australia 2017. Based on top four banks by penetration

(4) Peter Lee Associates – Interest Rate Derivatives Survey Australia 2017. Ranking against all banks

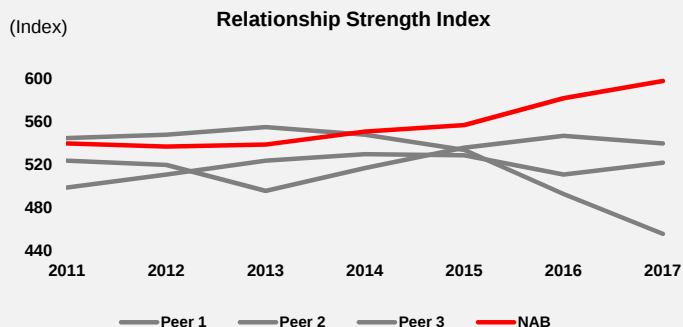
(5) Peter Lee Associates – Foreign Exchange Survey Australia 2017. Financial Institutions respondents only. Ranking against the four major domestic banks

(6) Euromoney FX Poll 2016

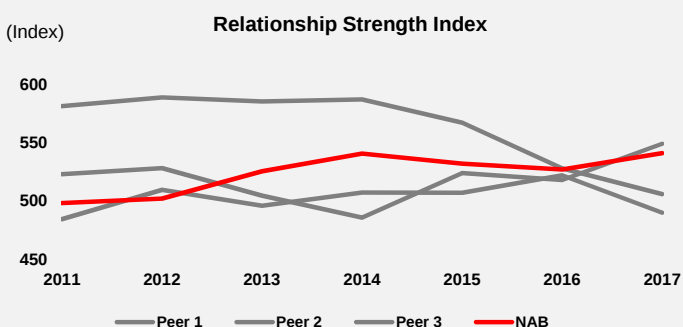
(7) KangaNews Fixed-Income Research Poll 2016 & 2017

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INTEREST RATE HEDGING²

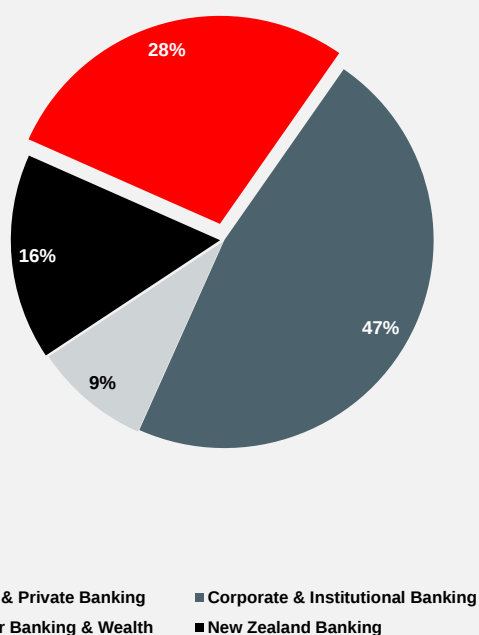


FOREIGN EXCHANGE³



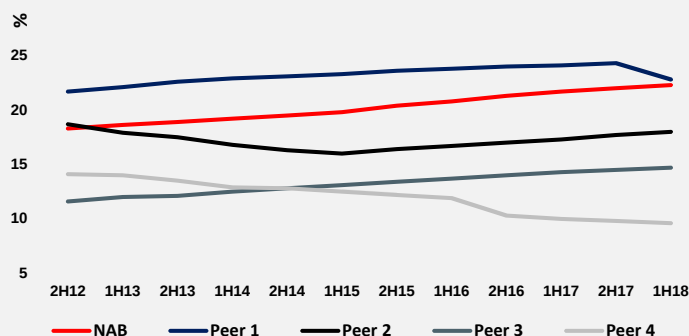
MARKETS: STRONG LINKS TO SME CUSTOMERS

1H18 MARKET SALES BY DIVISION¹

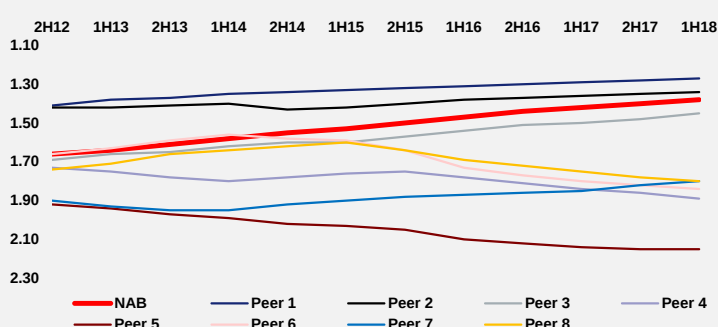


- Business & Private Banking
- Corporate & Institutional Banking
- Consumer Banking & Wealth
- New Zealand Banking

2018 PRIMARY PROVIDER SHARE FOR SME SPOT FX²



SME SPOT FX SATISFACTION RATING^{2,3}



(1) Represents Customer Risk Management income

(2) East & Partners April 2018. Australia SME Banking Markets program

(3) 1-5 scale with 1 being the most satisfied

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OUR FOCUS

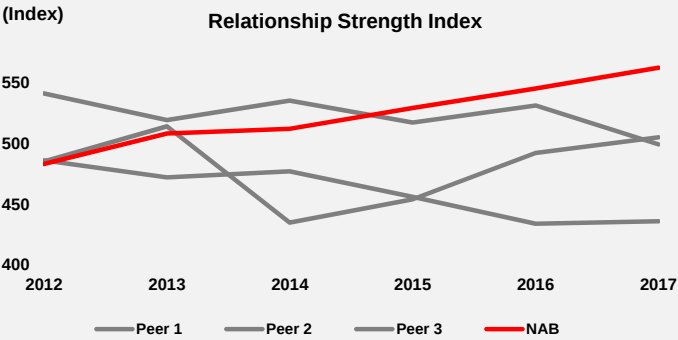
Meeting customers’ funding needs by connecting them with investors and deploying NAB’s balance sheet where necessary

- 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
- Innovative new funding sources (e.g. Green bonds)

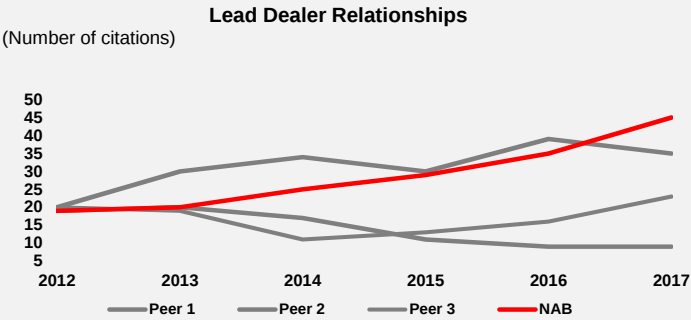
HIGHLIGHTS

- Best Debt Finance House, Australia/New Zealand¹
- Australian Securitisation House of the Year for the 6th consecutive year² and #1 in league tables³
- Australia’s #1 infrastructure financier with an active presence in New Zealand⁴
- Australian Sustainability Debt House of the Year²
- #1 overall DCM Quality of Service⁷ & Australian Issuer Offshore Debt House of the Year²

DEBT MARKETS ORIGATION⁵



DEBT MARKETS ORIGATION⁶



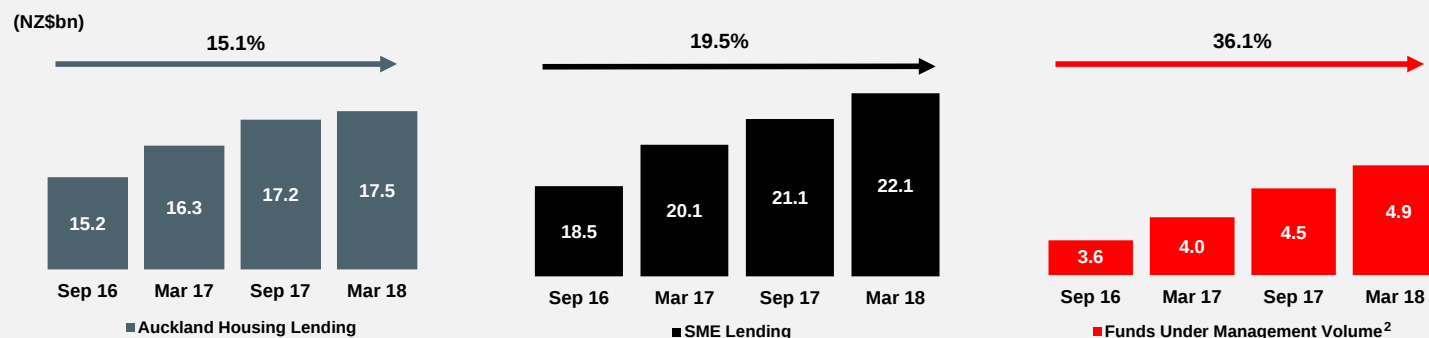
(1) Finance Asia, 2017 Achievement Awards, Australia/New Zealand
(2) KangaNews Awards 2017
(3) KangaNews League Tables 2011-2017
(4) Infraction league table from 1-Jan-17 to 31-Dec-17 and excluding renewables
(5) Peter Lee Associates Debt Securities Origination Survey 2017. Based on top four banks by penetration
(6) Peter Lee Associates Debt Securities Origination Survey 2017. Ranking against the four major domestic banks
(7) Peter Lee Associates Debt Securities Origination Survey 2017. Ranking against the four major domestic banks



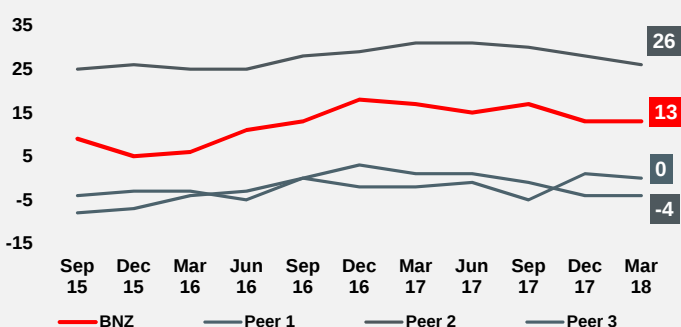
ADDITIONAL INFORMATION
NEW ZEALAND BANKING



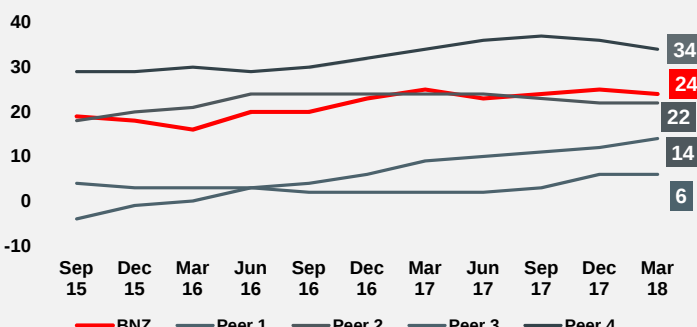
STRONG GROWTH ACROSS PRIORITY SEGMENTS¹



BNZ PARTNERS NPS³



BNZ RETAIL NPS⁴



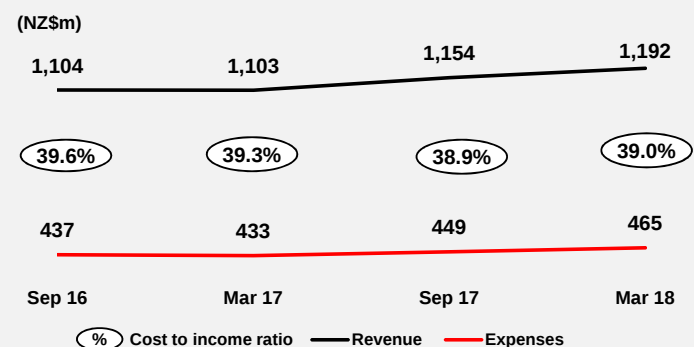
- (1) Spot volumes
(2) FUM includes: Private Bank, KiwiSaver and Retail Wealth
(3) Source: TNS Business Finance Monitor (data on 4 quarter roll). Margin of Error: 2.5% - 3.4%
(4) Source: Camorra Retail Market Monitor (data on 12 month roll). Margin of Error: 3.1% - 5.0%. Retail NPS data moved from a 6 month rolling average to a 12 month rolling average as at January 2018. Prior periods have been restated



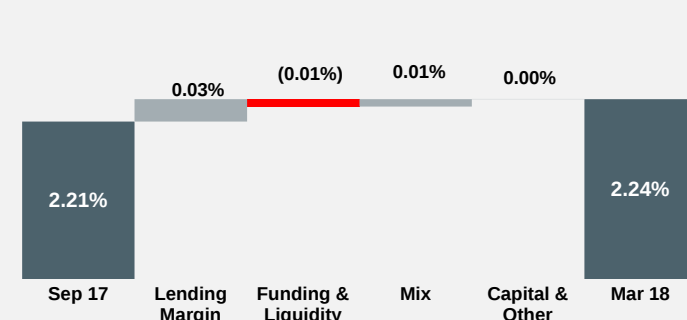
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KEY FINANCIAL METRICS

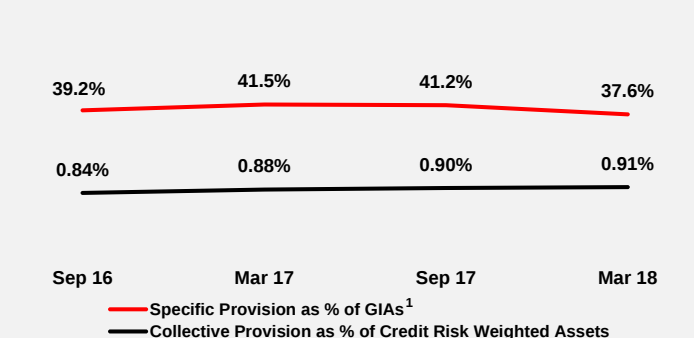
REVENUE v EXPENSE GROWTH



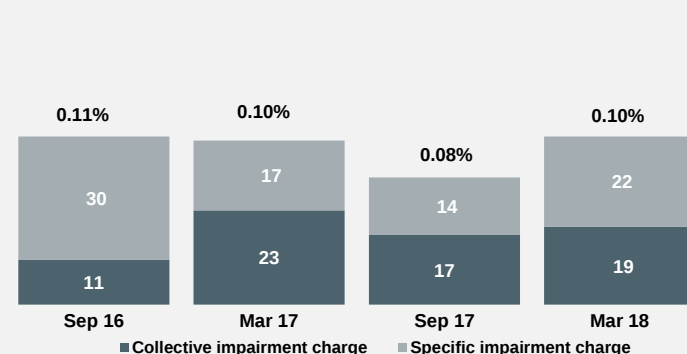
NET INTEREST MARGIN



COLLECTIVE AND SPECIFIC PROVISION COVERAGE



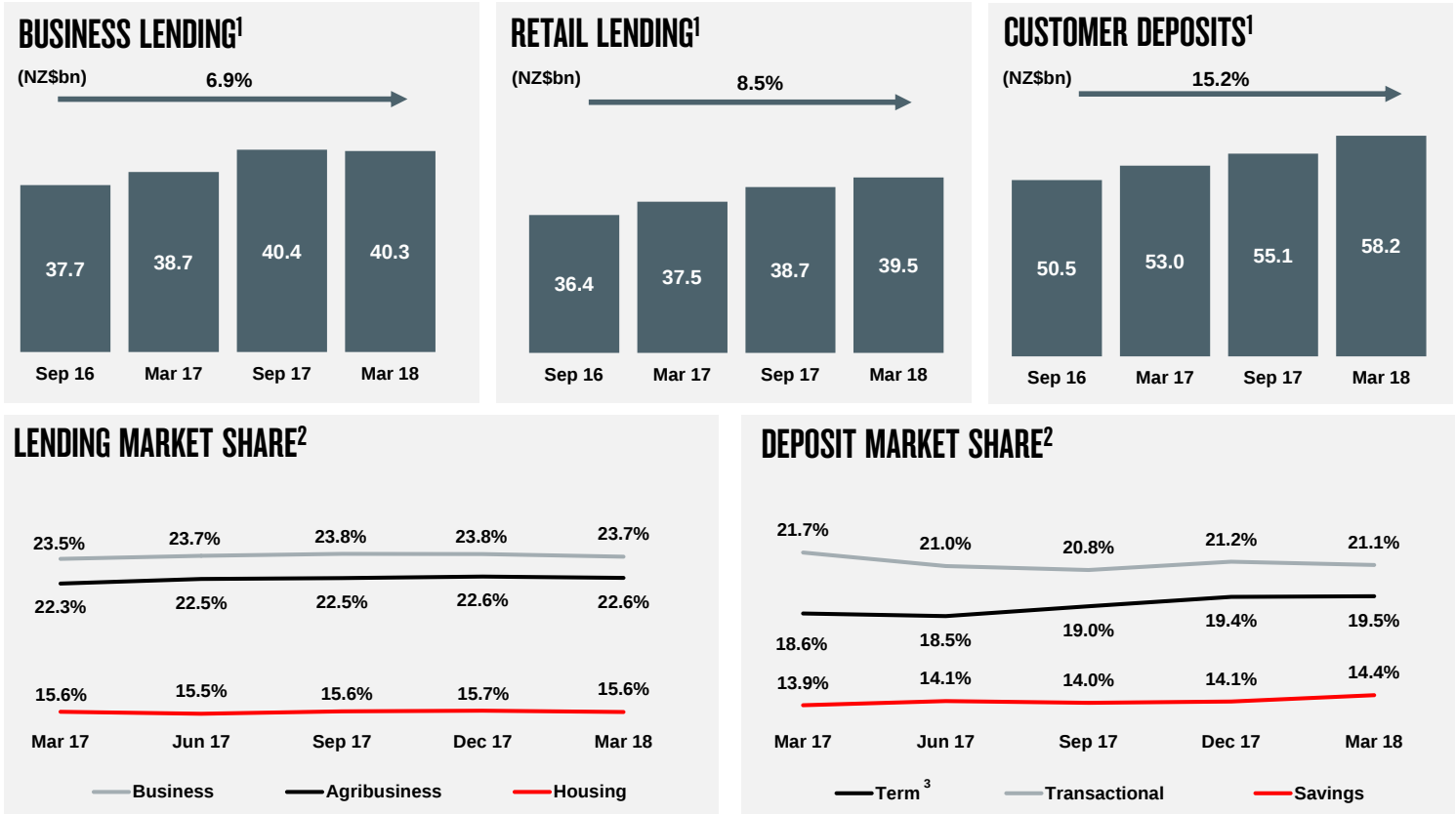
CREDIT IMPAIRMENT CHARGES AND AS % OF GLAs²



- (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 credit impairment charges as a % of GLAs annualised



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(1) Spot volumes
 (2) Source RBNZ: Three month rolling weighted average market share
 (3) Prior periods have been restated due to changes in reporting classification



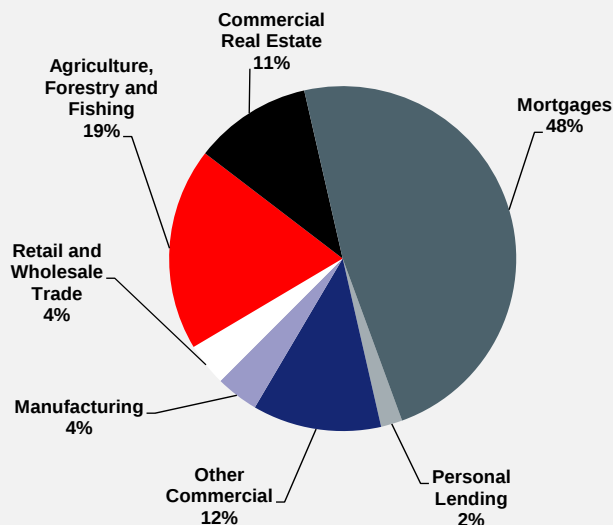
HOUSING LENDING KEY METRICS

New Zealand Housing Lending	Sep 16	Mar 17	Sep 17	Mar 18		Mar 17	Sep 17	Mar 18
	Portfolio					Drawdowns ¹		
Total Balances (spot) NZ\$bn	35.1	36.2	37.4	38.2		4.7	4.8	4.2
By product								
- Variable rate	20.4%	20.1%	20.4%	20.5%		22.3%	20.8%	22.8%
- Fixed rate	76.7%	77.1%	76.9%	76.8%		76.9%	78.3%	76.4%
- Line of credit	2.9%	2.8%	2.7%	2.7%		0.8%	0.9%	0.8%
By borrower type ²								
- Owner Occupied	60.4%	62.8%	63.4%	63.8%		65.7%	68.3%	70.2%
- Investor	39.6%	37.2%	36.6%	36.2%		34.3%	31.7%	29.8%
By channel								
- Proprietary	94.4%	92.2%	89.0%	87.0%		84.7%	76.4%	80.3%
- Broker	5.6%	7.8%	11.0%	13.0%		15.3%	23.6%	19.7%
Low Documentation	0.1%	0.1%	0.1%	0.1%		0.0%	0.0%	0.0%
Interest only ³	25.1%	25.2%	23.9%	22.8%		34.1%	27.0%	25.8%
LVR at origination	67.8%	67.0%	66.3%	66.2%				
Current LVR on a drawn balance calculated basis	62.6%	61.7%	61.0%	60.6%				
90+ days past due	0.09%	0.09%	0.09%	0.07%				
Impaired loans	0.09%	0.06%	0.05%	0.04%				
Specific Impairment coverage ratio	35.9%	39.0%	34.7%	30.3%				
Loss rate ⁴	0.02%	0.02%	0.01%	0.01%				

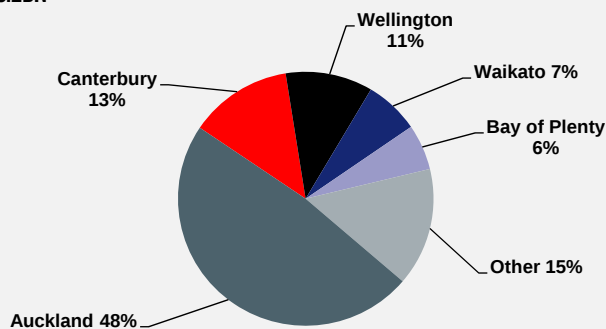
(1) Drawdowns is defined as new lending including limit increases and excluding redraws in the previous six month period
 (2) September 2016 based on Retail and Small business banking only. March 2017 to March 2018 based on total New Zealand Banking housing book. Drawdowns are based on total New Zealand housing book. Investor is defined as a customer with one or more investment properties
 (3) Excludes line of credit products
 (4) 12 month rolling Net Write-offs / Spot Drawn Balances



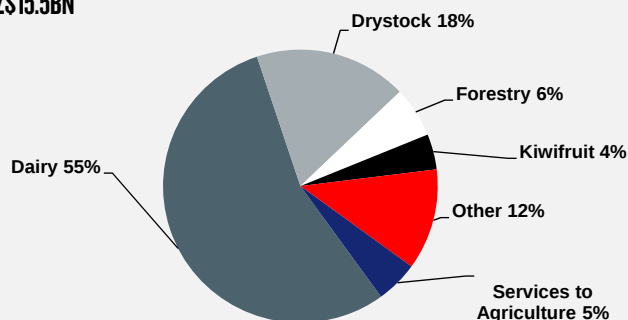
PORTFOLIO BREAKDOWN – TOTAL NZ\$79.8BN



MORTGAGE PORTFOLIO BREAKDOWN BY GEOGRAPHY – TOTAL MORTGAGE NZ\$38.2BN



AGRIBUSINESS PORTFOLIO BREAKDOWN BY INDUSTRY – TOTAL AGRI NZ\$15.5BN



90

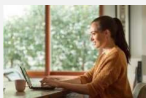
DIGITAL AND SELF SERVICE BANKING

Self-Serve Business Loans

Digitised lending origination and fulfilment for Small Business customers via Internet Banking:

- Application to drawdown within 10 minutes
- Available 24 hours a day, 7 days a week
- \$2m of lending fulfilled within first 13 weeks

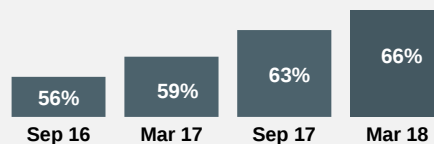
Further developing opportunities to broaden self service lending offering to a broader range of products



Mobile App & Digital Wallet

- Only bank in New Zealand to offer both Apple Pay and Google Pay (both debit and credit cards)
- BNZ's PayClip card reader continues to be supported by growth and on-going development with the addition of AMEX and UnionPay functionality

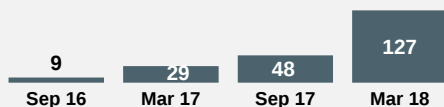
Mobile App users as % of total IB users



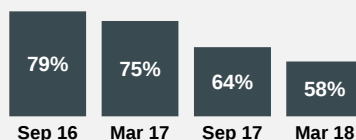
Smarter Physical Network

- Continued evolution of Smart ATMs to increase the reach and capability in response to changing customer needs
- With 308 machines, BNZ now has the largest number of Smart ATMs in New Zealand
- Smart ATMs now make up almost 50% of the total ATM network, across 127 locations

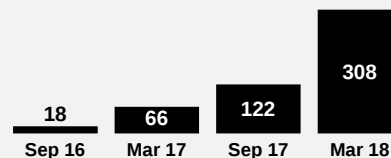
Smart ATM Locations



% of total transactions over the counter¹



Number of Smart ATMs



(1) Based on transactions in Retail stores with smart ATMs. Excludes organic over the counter decline and migration to Digital channels



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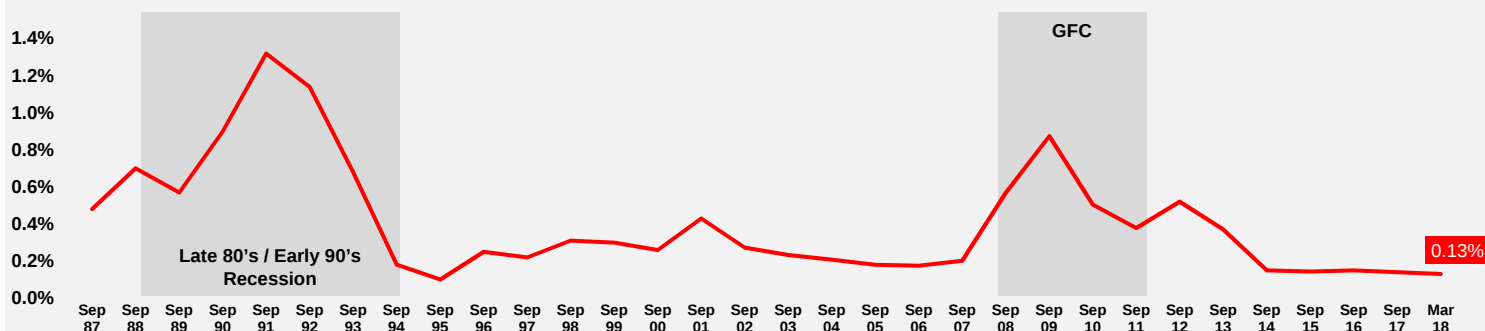
ADDITIONAL INFORMATION

GROUP ASSET QUALITY

GROUP CREDIT IMPAIRMENT CHARGE

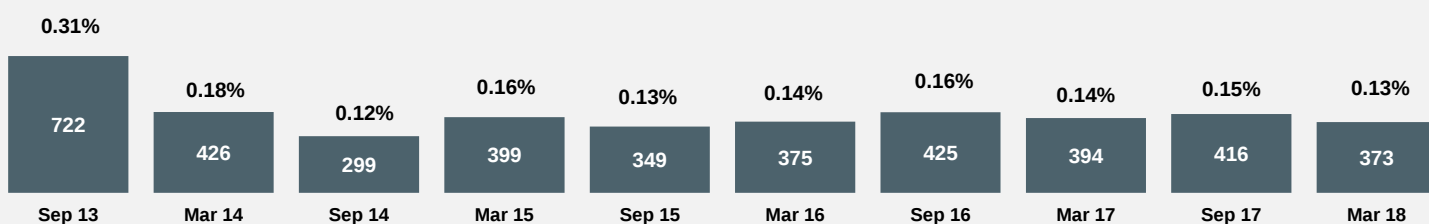
GROUP ASSET QUALITY

CREDIT IMPAIRMENT CHARGE AS % OF GLAs



CREDIT IMPAIRMENT CHARGE AND AS % OF GLAs¹

(\$m)

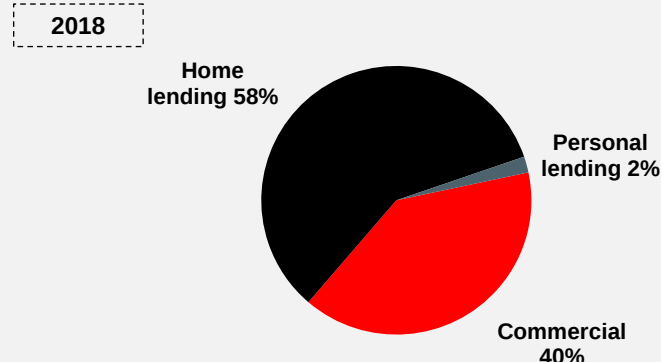
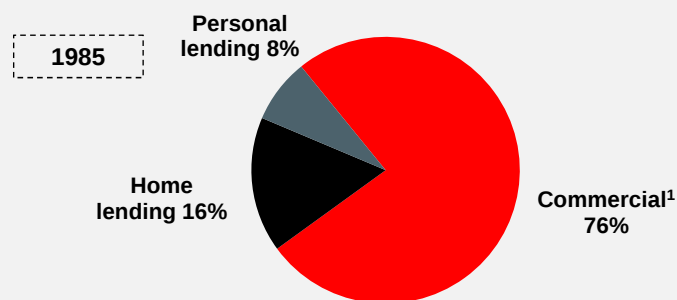


(1) Ratios for all periods refer to the half year ratio annualised

GROUP ESTIMATED LONG RUN LOAN LOSS RATE 1985 TO 2018

GROUP ASSET QUALITY

GROUP BUSINESS MIX – GLAs BY CATEGORY



(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)

(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 31 March 2018. Commercial long run average net write off rate has been applied to acceptances

ESTIMATING LONG RUN LOAN LOSS RATE

NAB Australian geography net write off rates as a % of GLAs 1985 - 2017²

Long run average

Home lending³

0.03%

Personal lending³

1.43%

Commercial³

0.57%

Australian average (1985-2017)

0.35%

Group average⁴ based on 2018 business mix

0.27%

Group average⁴ based on 2018 business mix excluding 1991-1993 and 2008-2010

0.19%

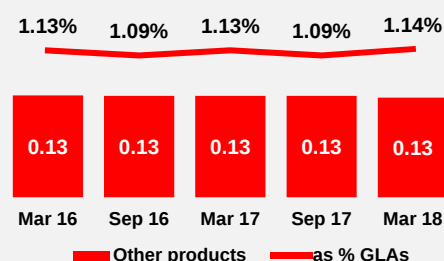
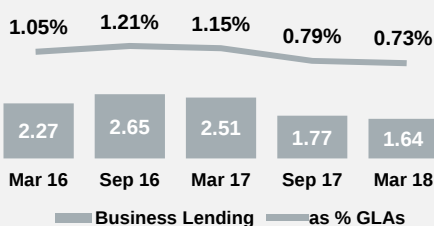
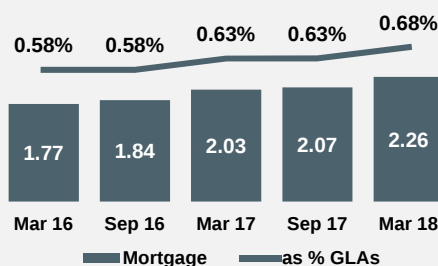


GROUP ARREARS & NET WRITE-OFFS

GROUP ASSET QUALITY

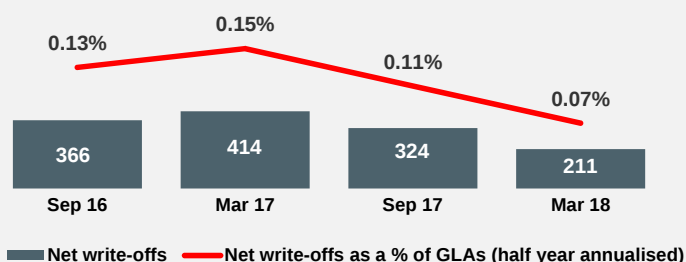
90+ DPD & GIAS AS % OF GLAs BY PRODUCT

(\$bn)



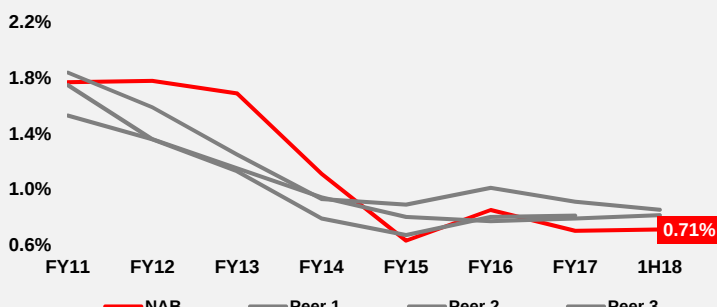
NET WRITE-OFFS¹

(\$m)



90+ DPD & GIAS TO GLAs VERSUS PEERS²

(%)



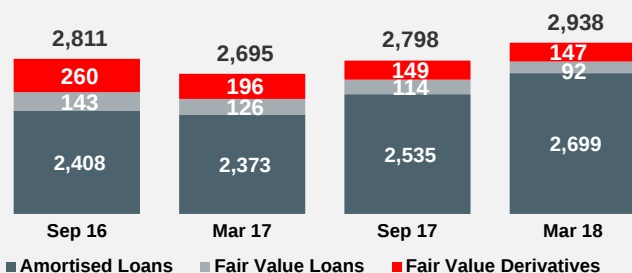
(1) Includes write-offs of fair value loans

(2) Based on latest peer results announcements



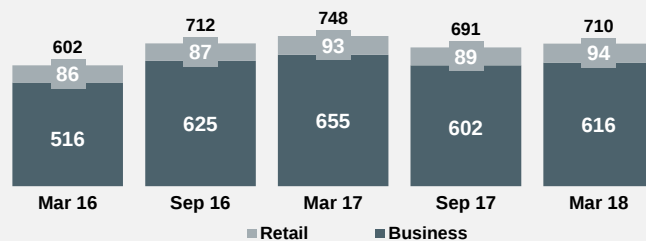
COLLECTIVE PROVISION

(\$m)

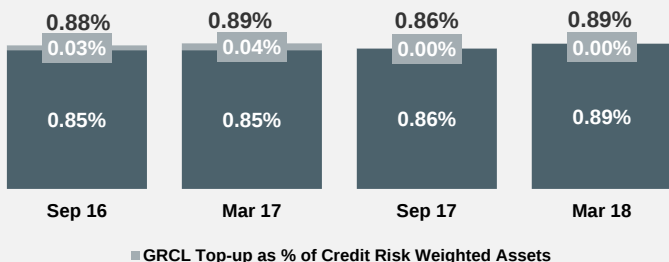


SPECIFIC PROVISION

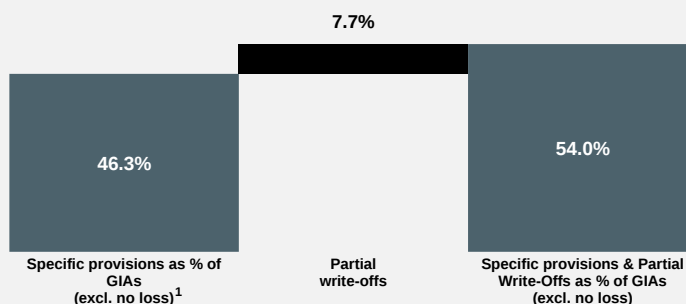
(\$m)



COLLECTIVE PROVISIONS AND GRCL AS % OF CRWAs



SPECIFIC PROVISION COVERAGE

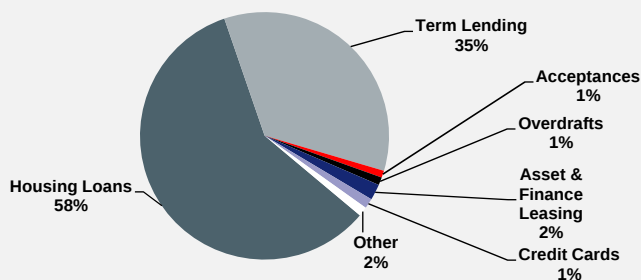


(1) Balances currently assessed as 'impaired no loss' are excluded from the reported specific provision coverage ratio as no specific provisions are held against these balances. Provisions associated with 'impaired no loss' balances are included within collective provision and therefore not included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

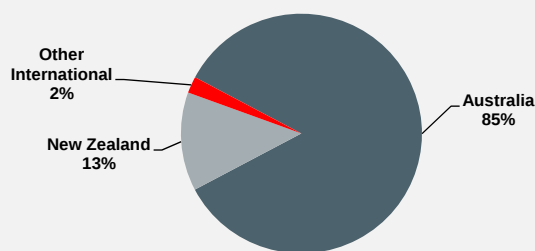


GROUP LENDING MIX \$571BN

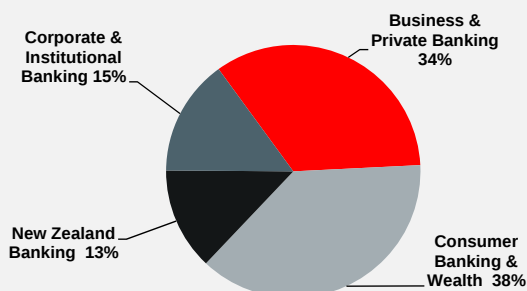
GROSS LOANS AND ACCEPTANCES BY PRODUCT



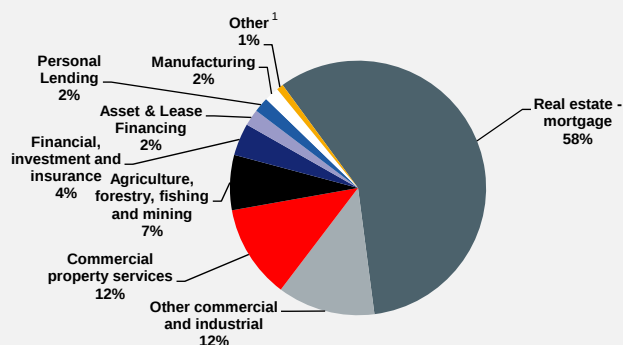
GROSS LOANS AND ACCEPTANCES BY GEOGRAPHY



GROSS LOANS AND ACCEPTANCES BY BUSINESS UNIT



GROSS LOANS AND ACCEPTANCES BY INDUSTRY

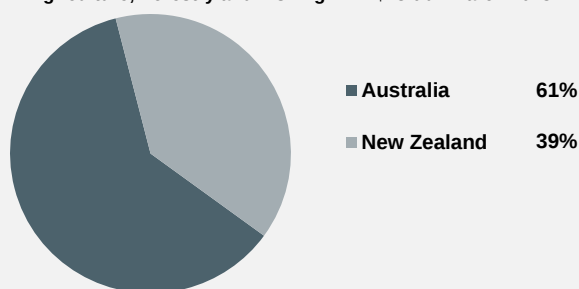


(1) Other includes: Real estate – construction, Government and public authorities



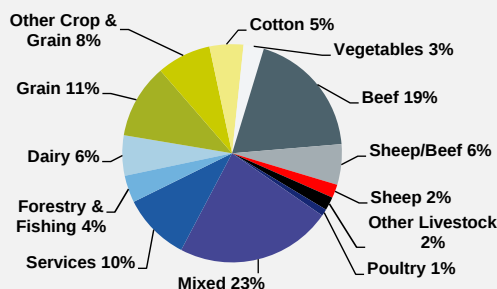
AGRICULTURE, FORESTRY & FISHING EXPOSURES

Agriculture, Forestry and Fishing EAD \$43.0bn March 2018

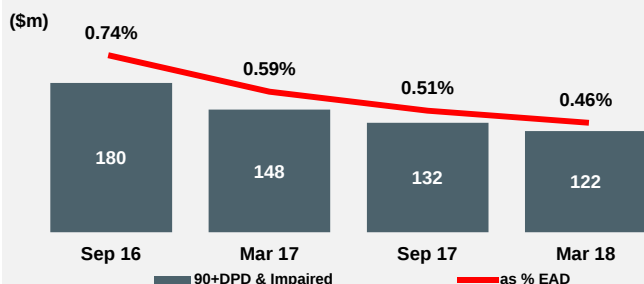


AUSTRALIAN AGRICULTURE, FORESTRY & FISHING – EXPOSURES

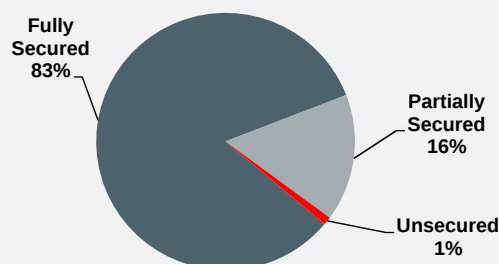
EAD \$26.2bn at March 2018



AUSTRALIAN AGRICULTURE, FORESTRY & FISHING – ASSET QUALITY



AUSTRALIAN AGRICULTURE PORTFOLIO – WELL SECURED¹



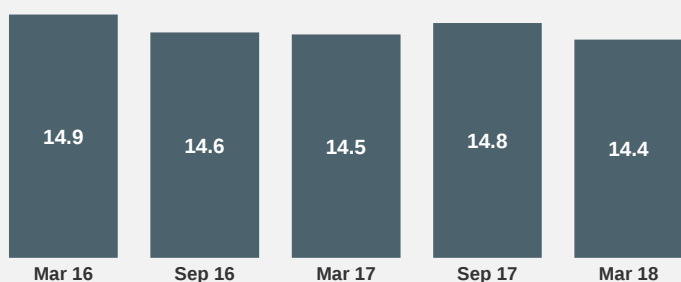
(1) Fully Secured is where the loan amount is less than 100% of the bank extended value of security; Partially Secured is where the loan amount is greater than 100% of the bank extended value of security; Unsecured is where no security is held and negative pledge arrangements are normally in place. Bank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



GROUP RETAIL TRADE EXPOSURES

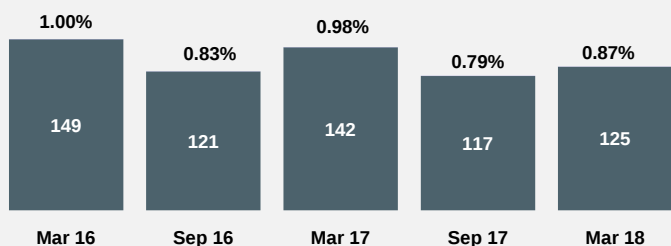
RETAIL TRADE EXPOSURE AT DEFAULT (EAD)

(\$bn)



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

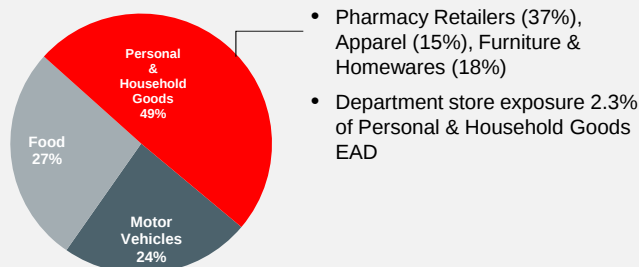
(\$m)



ASSET QUALITY

- Retail Trade EAD ~1.5% of total Group EAD
- Investment grade customers 33% of Retail Trade EAD
- 77% of portfolio is fully or partially secured
- Retail Trade 90+ DPD & gross impaired to EAD 0.87%

RETAIL TRADE PORTFOLIO (EAD) MAR 2018



- Pharmacy Retailers (37%), Apparel (15%), Furniture & Homewares (18%)
- Department store exposure 2.3% of Personal & Household Goods EAD

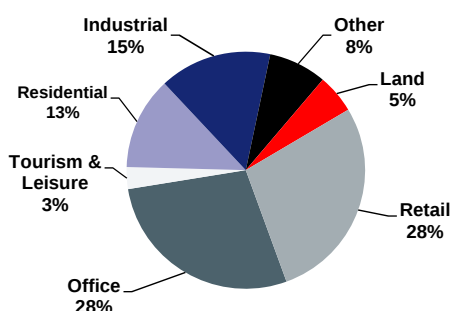


Total \$61.0bn

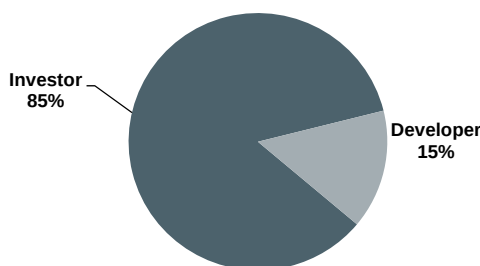
10.7% of Gross Loans & Acceptances

	Aust	New Zealand	UK Region	Asia	Total	Trend	Sep 16	Mar 17	Sep 17	Mar 18
TOTAL CRE (A\$bn)	52.8	8.0	0.1	0.1	61.0	Impaired loans ratio	0.23%	0.25%	0.22%	0.27%
Increase/(decrease) on Sep 17 (A\$bn)	(0.4)	(0.0)	(0.0)	(0.1)	(0.5)					
% of regional GLAs	11.0%	10.5%	2.0%	3.3%	10.7%	Specific Provision Coverage	28.3%	38.6%	39.7%	33.9%
Change in % on September 2017	(0.2%)	(0.4%)	(0.5%)	0.8%	(0.2%)					

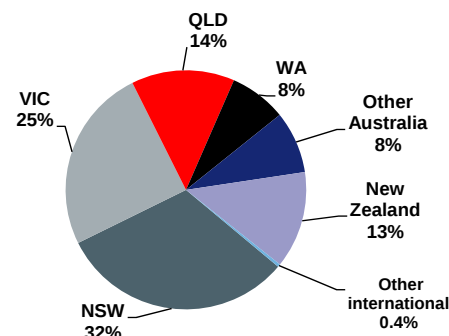
Sector breakdown



Borrower breakdown



Geographic breakdown



(1) Measured as balance outstanding at March 2018 per APRA Commercial Property ARF 230 definitions



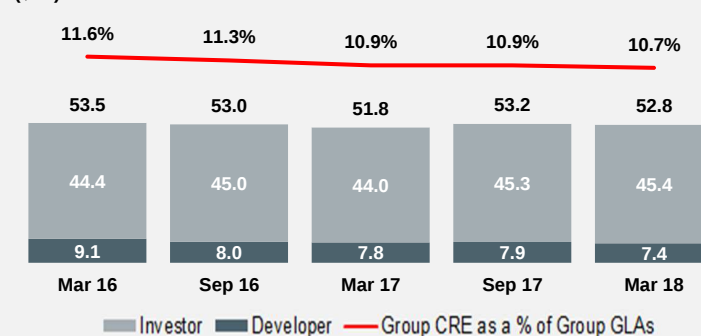
100

AUSTRALIAN CRE AND RESIDENTIAL DEVELOPMENT

LIMITED CRE LENDING TO DEVELOPERS

- \$52.8bn total Australian CRE drawn balance, of which 14% is Developer
- Residential development drawn balance \$3.9bn and \$1.9bn for land
 - Since Sept 2016 exposure under construction down 15% to \$6.1bn, Greater Brisbane and Greater Perth down >50%¹
 - >90% amortises within 2 years¹
 - Higher risk inner city postcodes ~20% of total residential developer exposure¹

AUSTRALIAN COMMERCIAL REAL ESTATE PORTFOLIO²



RESIDENTIAL DEVELOPMENT LENDING PRACTICES

- Tighter lending standards implemented from 2016 including:
 - Introduced cap on foreign buyer pre-sales
 - Reduced maximum loan to cost ratio by ~10%
 - Increased minimum pre-sales requirement
- More granular concentration risk approach, managed by apartment supply and exposure to postcode location since early 2016

RESIDENTIAL DEVELOPMENT EXPOSURE¹



(1) 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. Greater Brisbane and Greater Perth based on Greater Capital City Statistical Area as defined by ABS

(2) Measured as drawn balance outstanding per APRA Commercial Property ARF 230 definitions



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ADDITIONAL INFORMATION

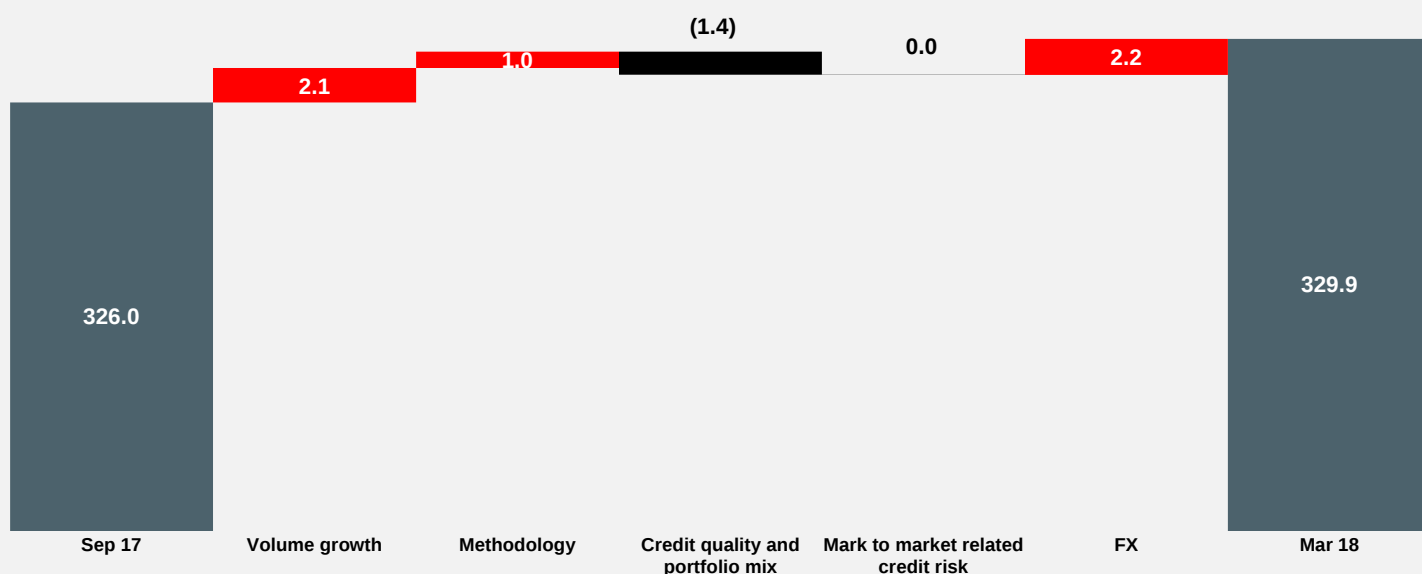
CAPITAL & FUNDING

CREDIT RWA MOVEMENT

CAPITAL & FUNDING

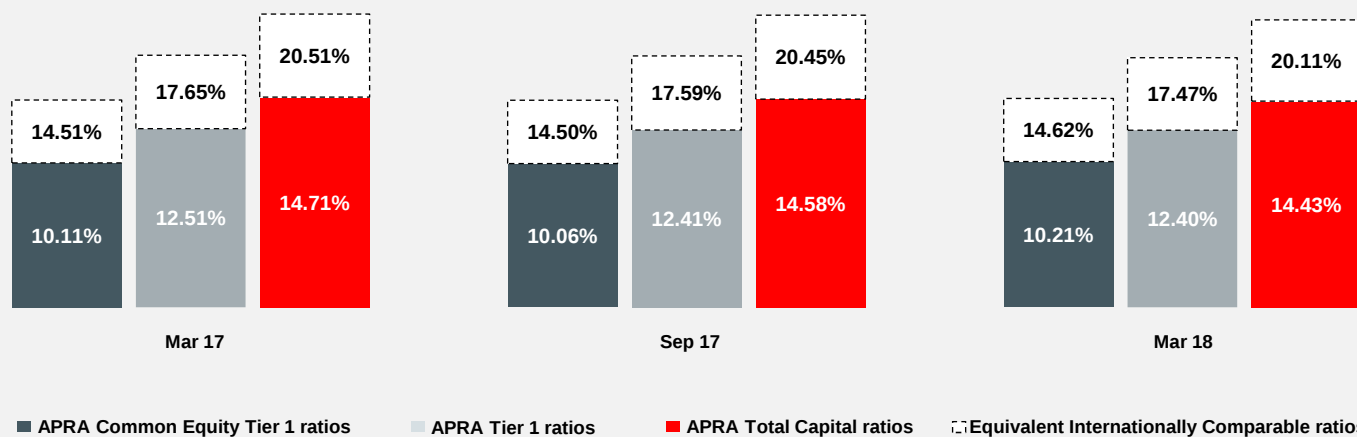
CREDIT RWA MOVEMENT MARCH 2018 V SEPTEMBER 2017

(\$bn)



GROUP BASEL III CAPITAL RATIOS

CAPITAL & FUNDING



APRA to Internationally Comparable CET1 Ratio Reconciliation

	CET1
NAB CET1 ratio under APRA	10.21%
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	+77bps
Mortgages – reduction in Loss given Default floor from 20% to 15% and adjustment for correlation factor	+147bps
Interest rate risk in the banking book (IRRBB) – removal of IRRBB risk weighted assets from Pillar 1 capital requirements	+28bps
Other adjustments including corporate lending adjustments and treatment of specialised lending	+189bps
NAB Internationally Comparable CET1	14.62%

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

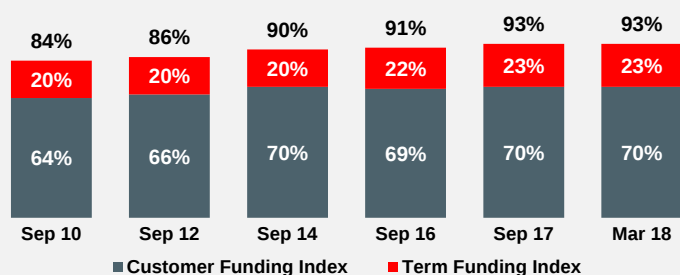


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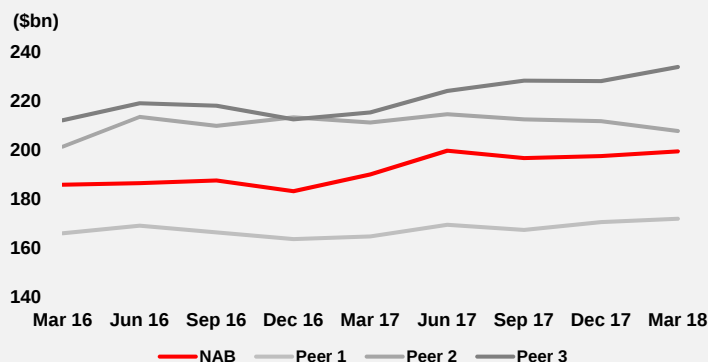
FUNDING PROFILE

CAPITAL & FUNDING

GROUP STABLE FUNDING INDEX (SFI)

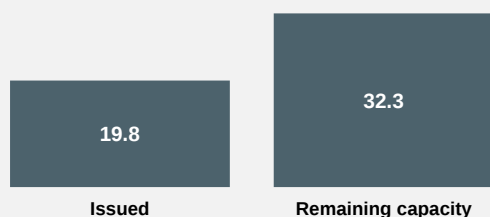


AUSTRALIAN CORE FUNDING GAP¹



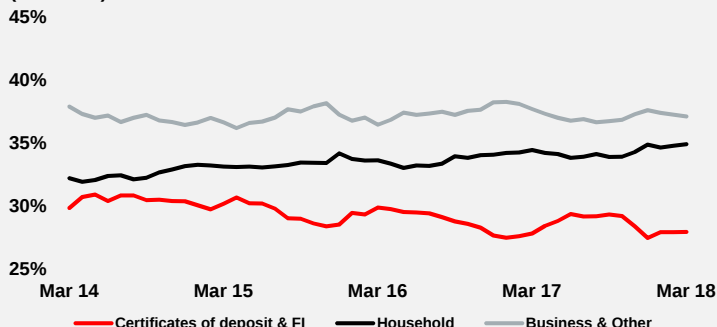
COVERED BOND ISSUANCE²

(\$bn)



DEPOSIT QUALITY³

(% of total)



(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 March 2018

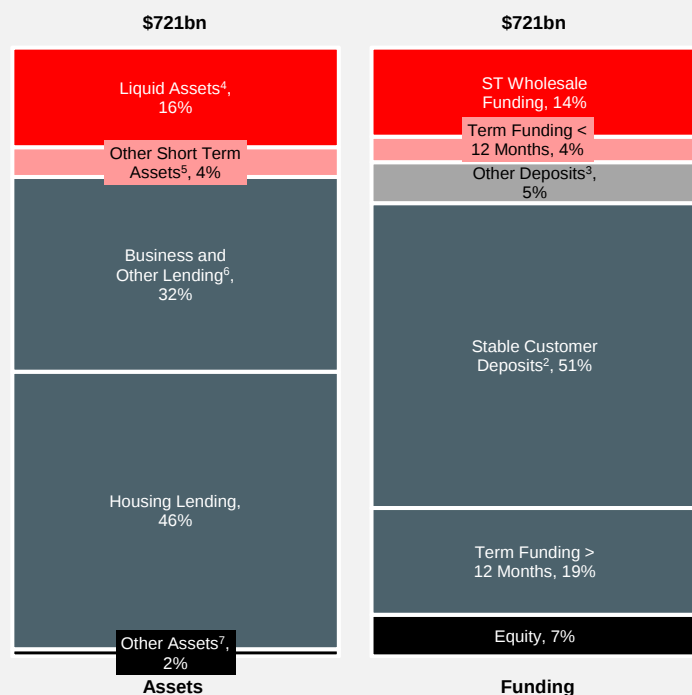
(2) Covered bond investor reports & APRA Monthly Banking Statistics as at March 2018. Remaining capacity based on current rating agency over collateralisation (OC) and legislative limit

(3) Source: APRA Monthly Banking Statistics March 2018



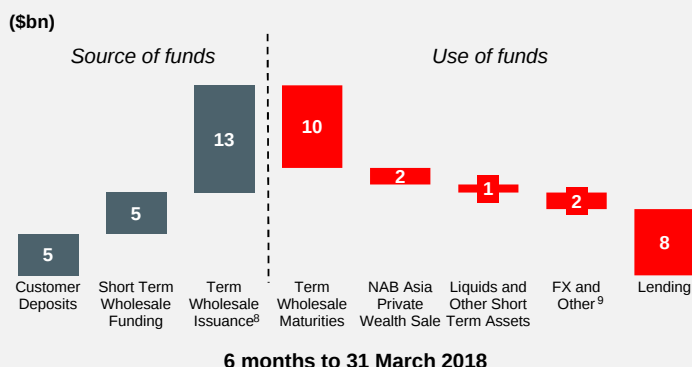
105

FUNDED BALANCE SHEET¹

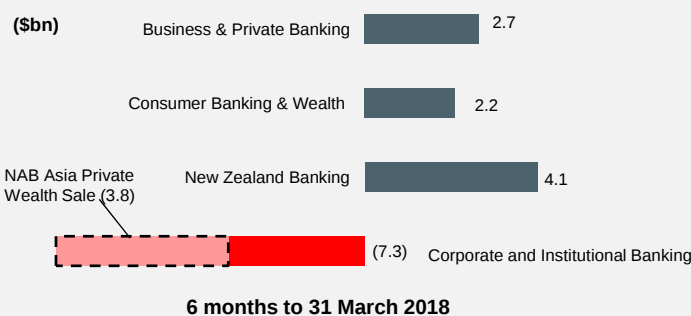


- (1) Excludes repurchase agreements, trading and hedging derivatives, insurance assets and liabilities and any accruals, receivables and payables that do not provide net funding
 (2) Includes operational deposits, non-financial corporate deposits and retail / SME deposits
 (3) Includes non-operational financial institution deposits and certain offshore deposits
 (4) Regulatory liquid assets including high quality liquid assets and CLF eligible assets

SOURCE AND USE OF FUNDS



DEPOSIT GROWTH

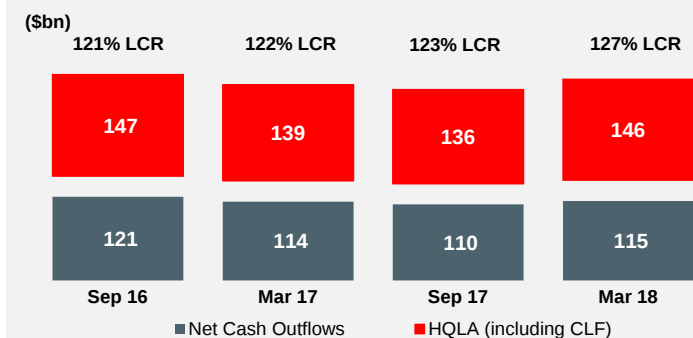


- (5) Includes non-repo eligible liquid assets and trade finance loans
 (6) Excludes trade finance loans
 (7) Includes net derivatives, goodwill, property, plant and equipment and net of accruals, receivables and payables
 (8) Term wholesale issuance to 31 March is based on issue date.
 (9) Largely related to FX movements on term wholesale funding and net movement in other assets and other liabilities



LIQUIDITY

LIQUIDITY COVERAGE RATIO (QUARTERLY AVERAGE)

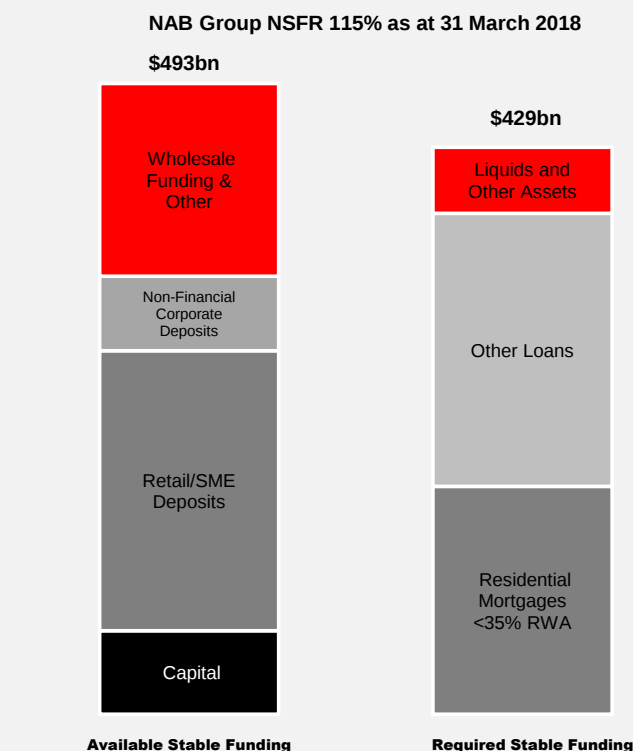


LIQUIDITY OVERVIEW

Quarterly Average (\$bn)	Sep 16	Mar 17	Sep 17	Mar 18
High quality liquid assets	91	89	85	86
Alternative liquid assets ¹	51	46	46	55
RBNZ Securities	5	4	5	5
Total LCR Liquid Assets	147	139	136	146
<i>Net outflows due to</i>				
Customer Deposits	79	78	77	80
Wholesale funding	24	19	14	16
Other	17	17	19	19
Net cash outflows	121	114	110	115
Quarterly average LCR	121%	122%	123%	127%

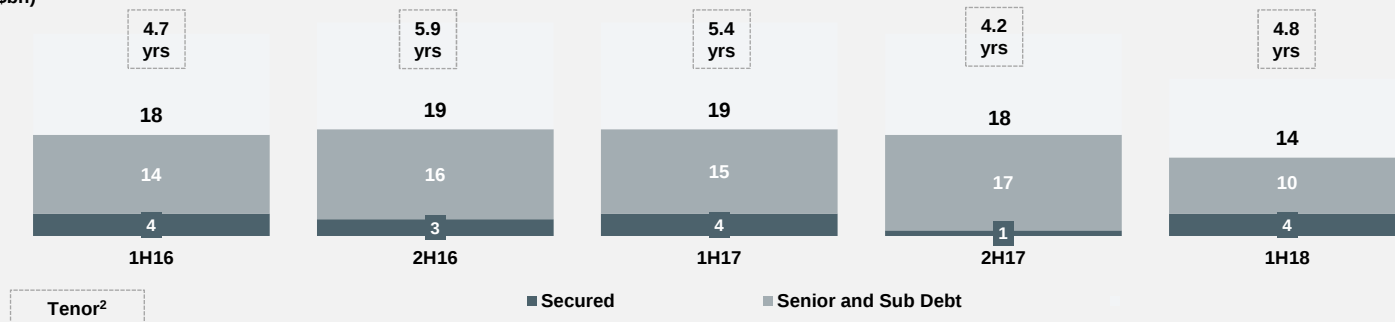
- (1) Committed Liquidity Facility (CLF) value used in LCR calculation is the undrawn portion of the facility. Approved CLF of \$50.4 billion for 2017 and \$59.3 billion for 2018

NET STABLE FUNDING RATIO COMPOSITION



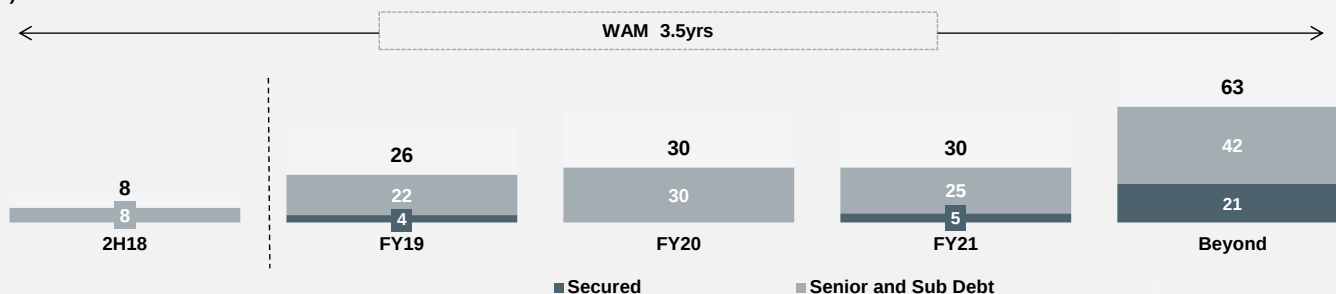
HISTORIC TERM FUNDING ISSUANCE¹

(\$bn)



TERM FUNDING MATURITY PROFILE

(\$bn)



- (1) Includes senior unsecured, secured (covered bonds and securitisation) and subordinated debt with an original maturity or call date of greater than 12 months. Term wholesale issuance to 31 March is based on trade date
- (2) Weighted average maturity (years) at issuance of funding issuance (> 12 months). Includes all wholesale funding issuances

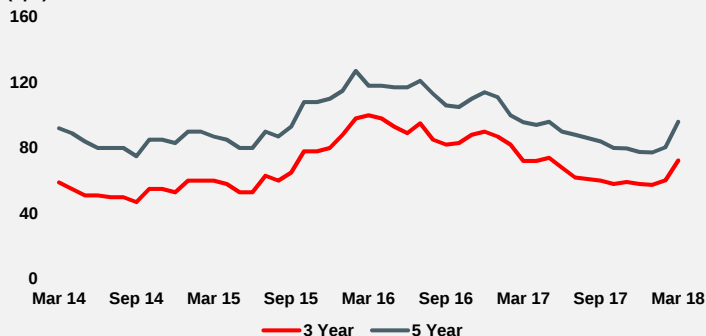


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WHOLESALE FUNDING COSTS

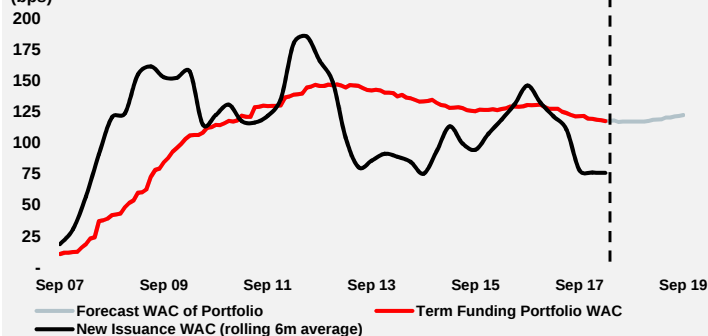
WHOLESALE TERM ISSUANCE CURVES¹

(bps)



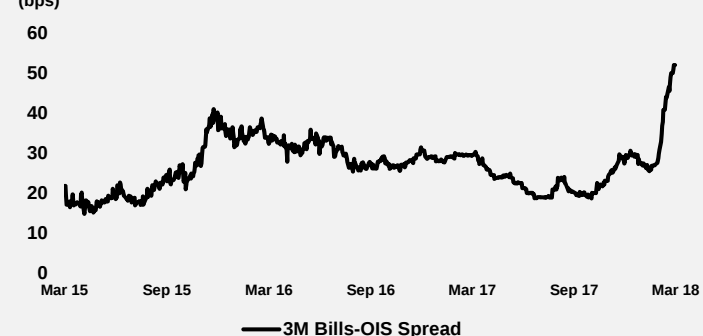
AVERAGE LONG TERM WHOLESALE FUNDING COSTS²

(bps)



DOMESTIC SHORT TERM FUNDING COSTS³

(bps)



OFFSHORE SHORT TERM FUNDING COSTS⁴

(bps)

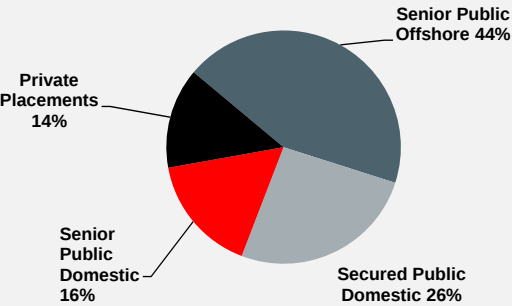


- (1) AUD Major Bank Wholesale Unsecured Funding rates over BBSW (3 years and 5 years)
- (2) NAB Ltd Term Wholesale Funding Costs >12 Months at issuance (spread to 3 month BBSW). Average cost of new issuance is on a 6 month rolling basis. Forecast assumptions based on current issuance cost
- (3) Spread between 3 month AUD Bank Bills and Overnight Index Swaps (OIS). Source: Bloomberg
- (4) Spread between 3 month USD LIBOR and Overnight Index Swaps (OIS). Source: Bloomberg

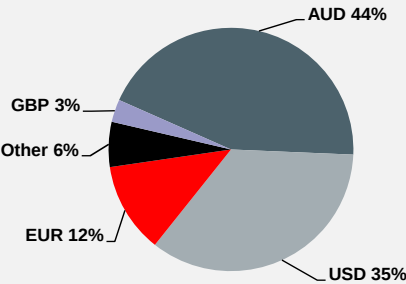
109



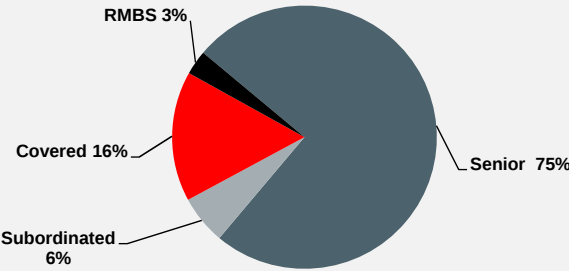
1H18 ISSUANCE BY PRODUCT TYPE



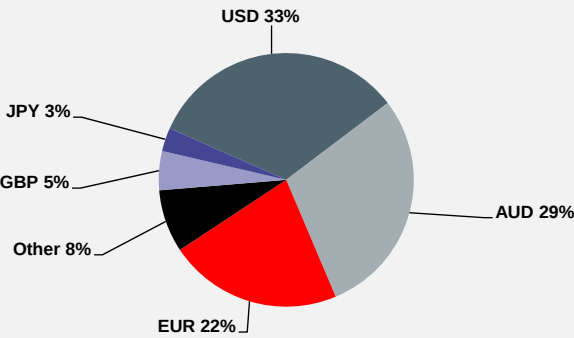
1H18 ISSUANCE BY CURRENCY



OUTSTANDING ISSUANCE BY PRODUCT TYPE

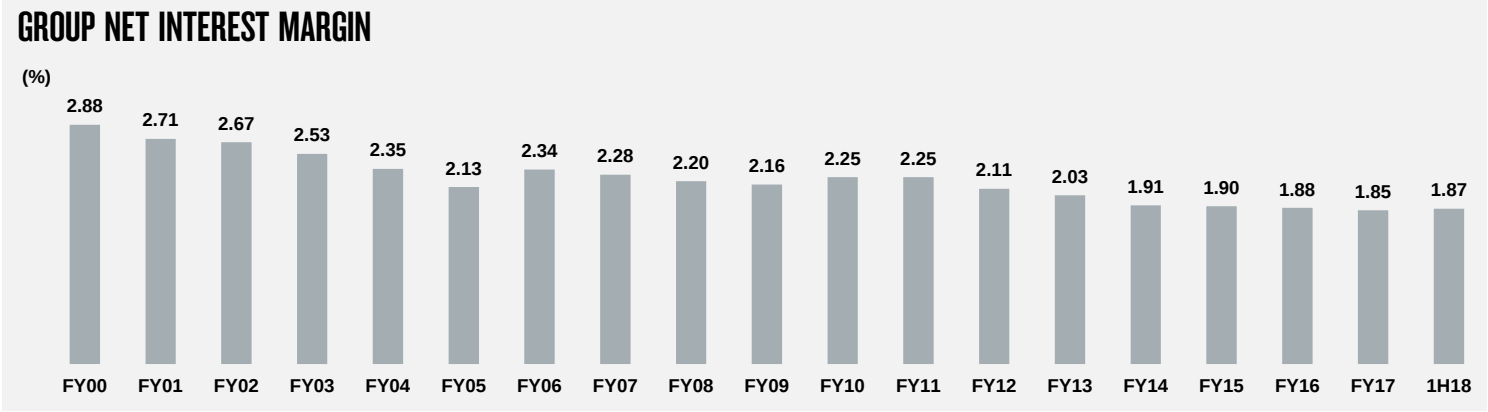
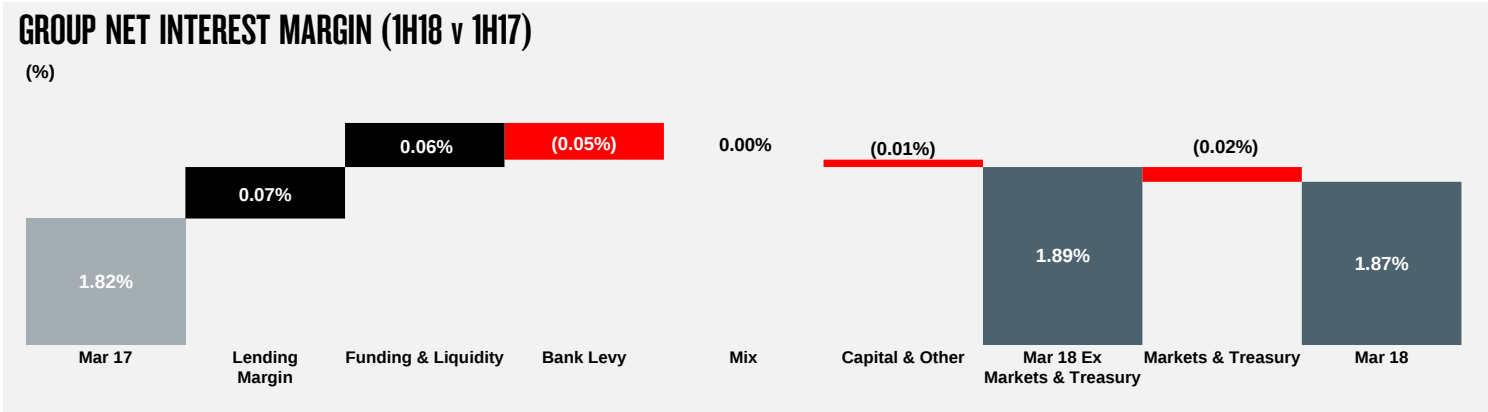


OUTSTANDING ISSUANCE BY CURRENCY

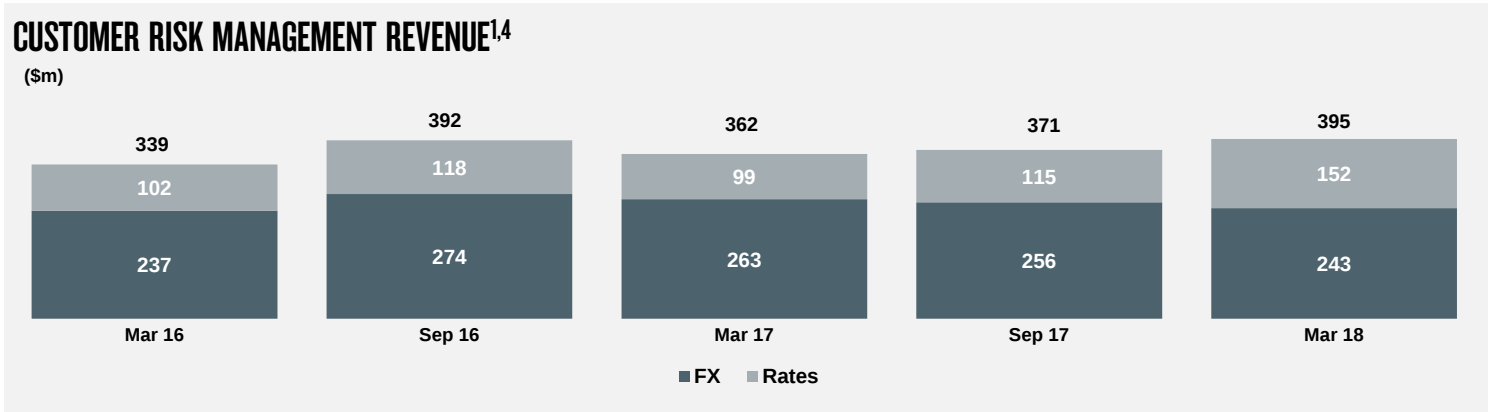
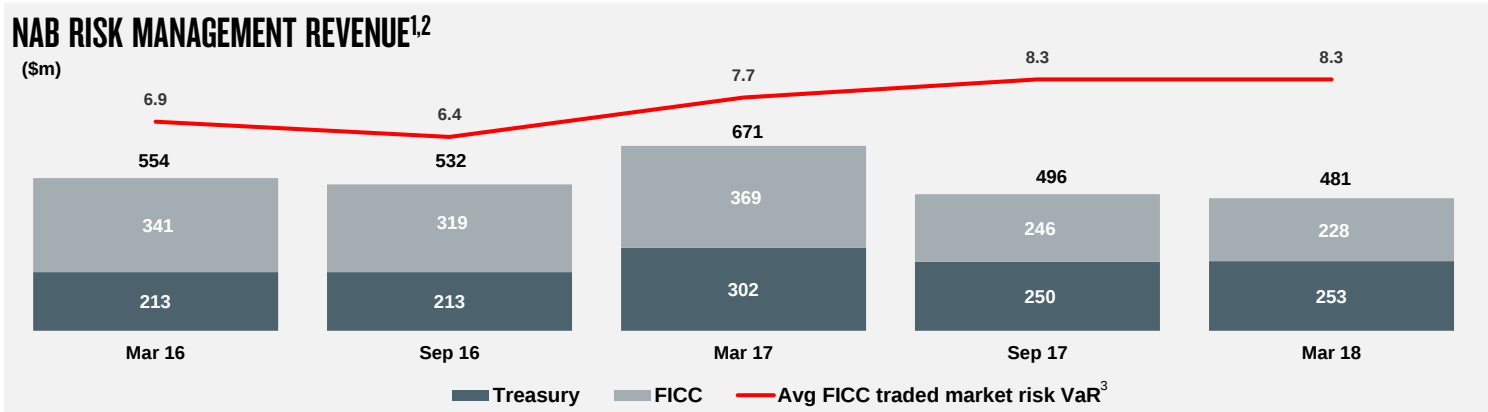


ADDITIONAL INFORMATION
OTHER FINANCIAL INFORMATION





MARKETS & TREASURY INCOME BREAKDOWN



(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) Includes derivative valuation adjustments. FICC forms part of Corporate & Institutional Banking Market revenue. Treasury forms part of Corporate Centre Revenue
 (3) Average FICC traded market risk VaR excludes the impact of hedging activities related to derivative valuation adjustments
 (4) Reflects customer risk management in respect of Australian Divisions (Consumer Banking & Wealth, Business & Private Banking, and Corporate & Institutional Banking) and New Zealand Banking



- 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 2018 Half Year Results Announcement. The Group's financial statements, prepared in accordance with the Corporations Act 2001 (Cth) and Australian Accounting Standards, and reviewed by the auditors in accordance with Australian Auditing Standards, are set out in the 2018 Half Year Results Announcement.

	1H18 (\$m)	1H18 v 2H17	1H18 v 1H17
Cash earnings	2,759	(17.6%)	(16.2%)
Non-cash earnings items (after tax)			
Distributions	49	-	-
Fair value and hedge ineffectiveness	81	large	large
Amortisation of acquired intangible assets	(15)	(48.3%)	(54.5%)
Net profit from continuing operations	2,874	(13.5%)	0.6%
Net (loss) after tax from discontinued operations	(291)	(49.9%)	(6.7%)
Statutory net profit attributable to owners of NAB	2,583	(5.7%)	1.5%

ADDITIONAL INFORMATION

ECONOMIC OUTLOOK

- Real GDP growth eased in 2017 Q4 to a quarterly rate of 0.4% (and 2.4% yoy). Through the whole of 2017 there was an uplift in non-mining business investment and a strong contribution from public infrastructure investment. However, consumer spending was modest while dwelling investment peaked and is now easing. While there was a decline in the unemployment rate over 2017, wages growth remained subdued.
- The business sector is looking healthy, with the NAB Business Survey indicating above-average business conditions, and non-mining investment expectations rising. However, despite some recent improvement retail conditions continue to lag other sectors.
- Growth is expected to pick up to between 2.6% and 2.8% in coming years. The main contributors to growth will be business and public investment and exports (as LNG shipments ramp up). However, dwelling construction is expected to continue declining modestly. Moreover, with cost of living pressures – particularly the rise in utility bills - weighing on households, and with wages growth still subdued and a less supportive wealth effect as housing prices cool, the outlook is for moderate household consumption despite solid employment growth.
- With growth running slightly above potential, spare capacity should gradually be eliminated, with the unemployment rate tracking down to 5% by end-2018 and wages and inflation pressures gradually picking up. The RBA will want clear evidence that wages growth and inflation are moving higher before removing some policy accommodation. At this stage, we don't expect sufficient evidence of this until late 2018 (with the first hike expected in November), with the risk that it occurs later.
- Softer housing market conditions continued into the first four months of 2018, including falls in Sydney and Melbourne dwelling prices. Annual combined capital city hedonic dwelling price growth turned negative in April (-0.3% yoy), its weakest rate since late 2012.
- Credit growth is forecast to ease in FY 2018 as business credit is subdued and with housing credit growth easing in line with the softening in housing market conditions and due to prudential policies keeping a lid on investor housing credit growth.

- (1) Sources: ABS, Econdata 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. Average of trimmed mean and weighted median indices
 (5) Source: RBA, NAB. Bank fiscal year-ended (September)

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ECONOMIC INDICATORS (%)¹

	CY15	CY16	CY17	CY18(f)	CY19(f)
GDP growth ²	2.5	2.6	2.3	2.8	2.6
Unemployment ³	5.8	5.7	5.4	5.1	5.0
Core Inflation ⁴	2.0	1.5	1.8	2.0	2.2
Cash rate ³	2.0	1.5	1.5	1.75	2.25

SYSTEM GROWTH (%)⁵

	FY15	FY16	FY17	FY18(f)	FY19(f)
Housing	7.5	6.4	6.6	5.3	4.9
Personal	0.4	-1.0	-1.0	0.1	2.0
Business	6.4	5.0	4.4	3.5	5.4
Total lending	6.6	5.5	5.4	4.4	4.9
System deposits	6.2	5.9	6.9	4.3	6.3



NEW ZEALAND REGIONAL OUTLOOK

- The outlook for the New Zealand (NZ) economy remains broadly positive. Growth is robust, employment prospects are good, interest rates are low, the housing market is stable and fiscal spending is expected to further support the household sector.
- The NZ economy grew by 0.6% during the December quarter 2017 and 2.9% during the year, with agriculture impacted by the dry weather. Overall conditions remained solid, as evidenced by continued strength in household spending, services (especially tourism) and favourable terms of trade.
- The RBNZ held the OCR (overnight cash rate) steady at its March 2018 meeting at 1.75% and indicated an accommodative monetary policy stance is warranted. We expect in time there will be upwards pressure on NZ rates in part due to US Federal Reserve rate rises.
- NZ commodity prices, in world price terms, rose by 5.8% during the year to March 2018. There was a slight (1.5%) rise in dairy prices, and more sustained rises in other commodities.
- House prices (ex- Auckland) rose by 7.2% over the year to March 2018. Auckland recorded a modest 1.0% expansion. Following a pickup earlier in the year, sales volumes fell during March on a yoy basis. This was partly influenced by the early timing of Easter in 2018.
- Labour conditions remain tight, with employment growing by 3.1% (yoy) in March 2018. The unemployment rate fell to 4.4% by March 2018 – the lowest since September 2008. The unemployment rate is expected to tighten further over the rest of 2018.
- Credit aggregates have eased marginally, with system credit growth at 5.1% in March 2018, down from 5.8% in October 2017. This reflects a generalised easing in the various components of credit. Deposit growth, too, has eased slightly and grew by 7.1% yoy to March 2018 – down from 8.0% in October 2017.

- (1) Forecasts as at 30 April 2018
 (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

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ECONOMIC INDICATORS (%)¹

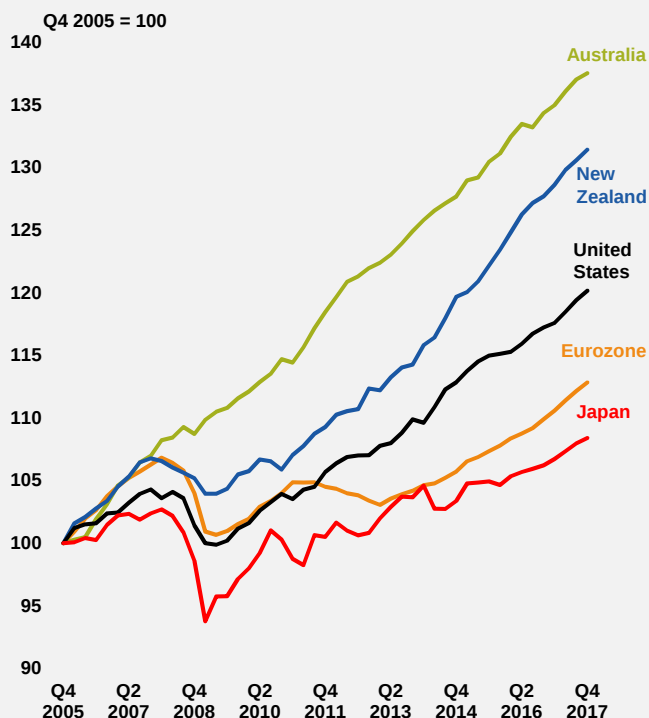
	CY15	CY16	CY17	CY18(f)	CY19(f)
GDP growth ²	3.5	4.0	2.9	3.0	3.0
Unemployment ³	5.0	5.3	4.5	4.2	4.4
Inflation ⁴	0.1	1.3	1.6	2.2	2.0
Cash rate (OCR) ³	2.50	1.75	1.75	1.75	2.75

SYSTEM GROWTH (%)⁵

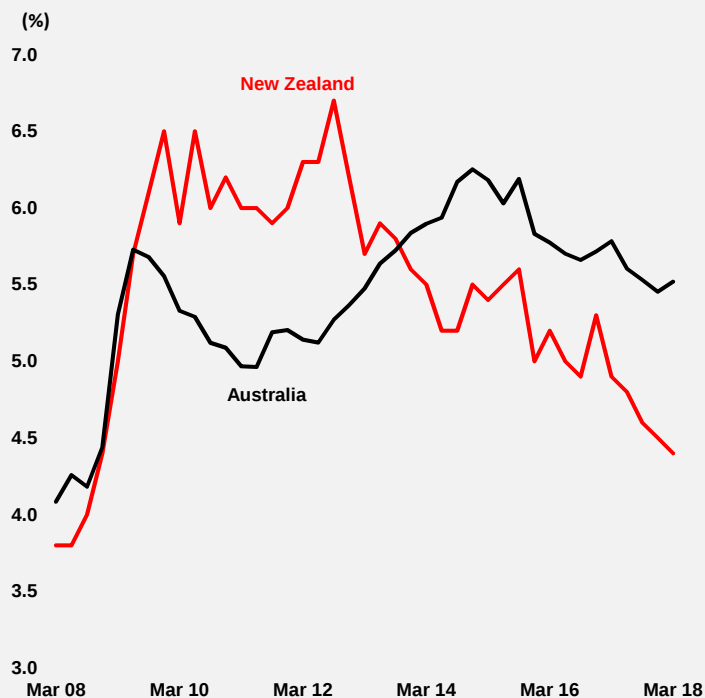
	FY15	FY16	FY17	FY18(f)	FY19(f)
Housing	5.2	8.1	8.2	5.6	5.3
Personal	5.9	3.1	5.6	8.0	7.5
Business	5.6	6.9	5.3	5.0	5.2
Total lending	5.4	7.4	6.9	5.5	5.4
Household retail deposits	10.4	9.7	7.3	7.4	6.9



GDP (INDEXED)¹



AUSTRALIA AND NZ UNEMPLOYMENT RATE²

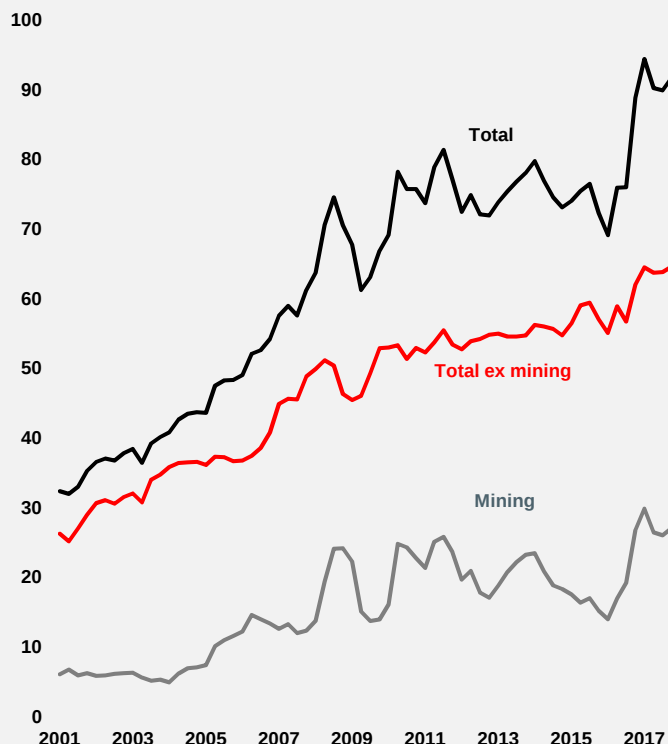


- (1) Based on seasonally adjusted, chain volume measures. Production GDP measure used for New Zealand. Source: Thomson Reuters, NAB calculations
(2) Source: Australian Bureau of Statistics, Econdata DX. Seasonally adjusted data. Quarterly data (quarterly average of monthly data for Australia)

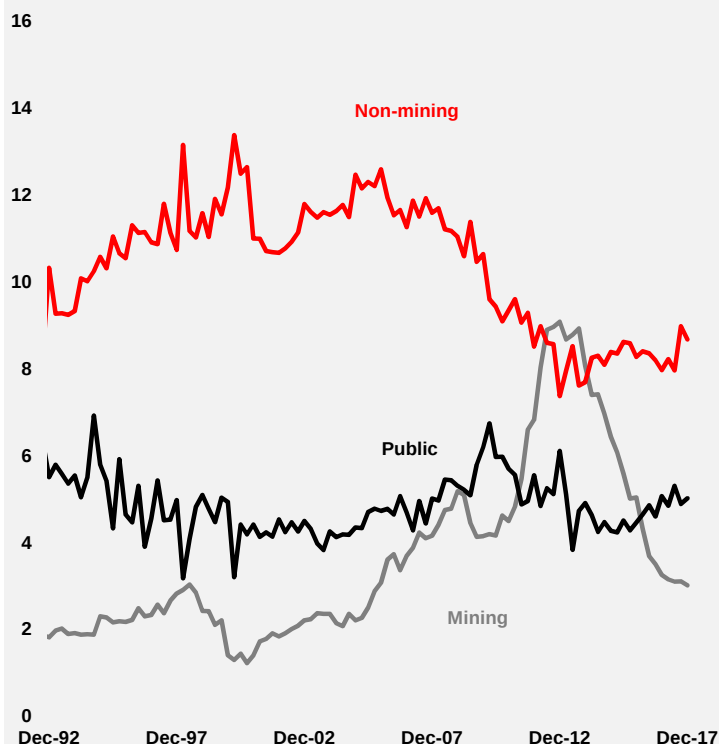


MINING STABILISING, BUT AUSTRALIA CONTINUES TO TRANSITION AWAY

BUSINESS PROFITS (\$bn)¹



MINING v NON-MINING INVESTMENT – % of GDP²

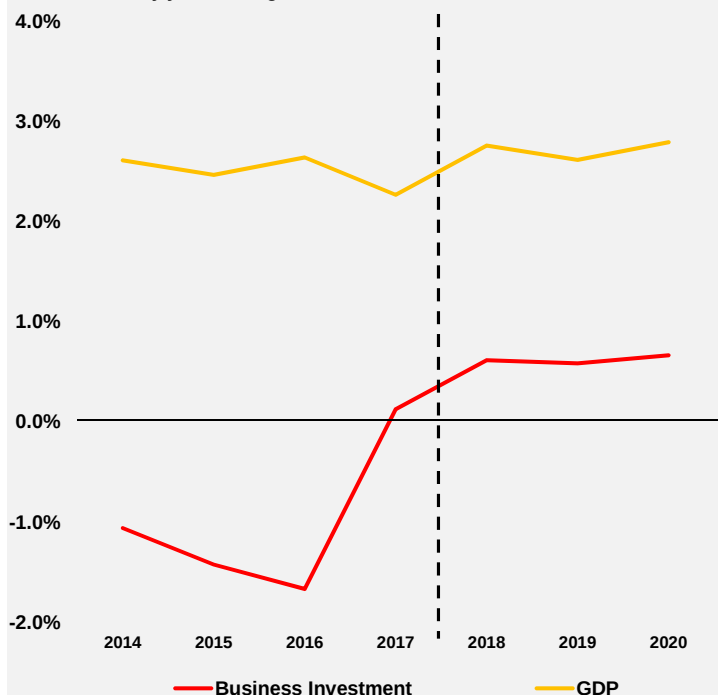


- (1) Gross operating profits, seasonally adjusted. Source: NAB, ABS
(2) Source: NAB, ABS



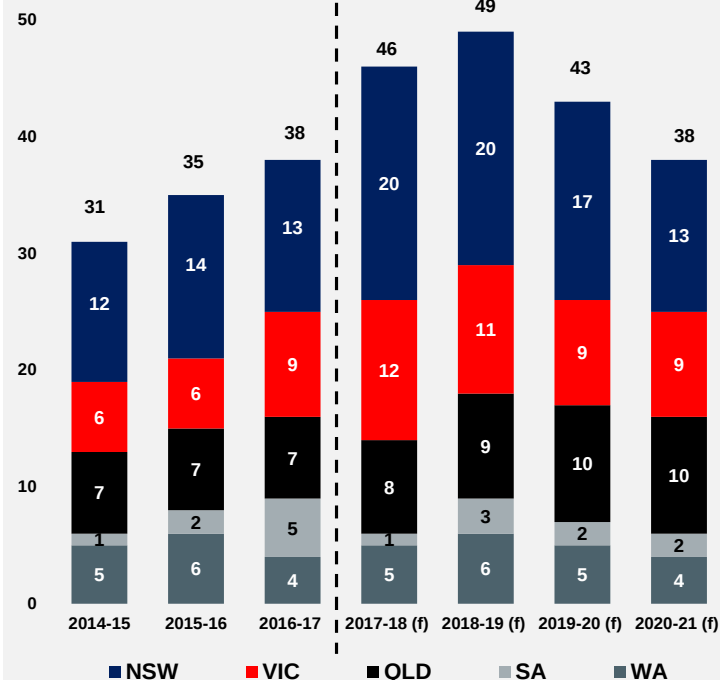
BUSINESS INVESTMENT FORECAST TO SUPPORT GROWTH¹

Contribution to y/y real GDP growth



STATE GOVERNMENT CAPITAL INVESTMENT²

(\$bn)



(1) Source: NAB, ABS. Actual data to 2017, thereafter NAB estimates

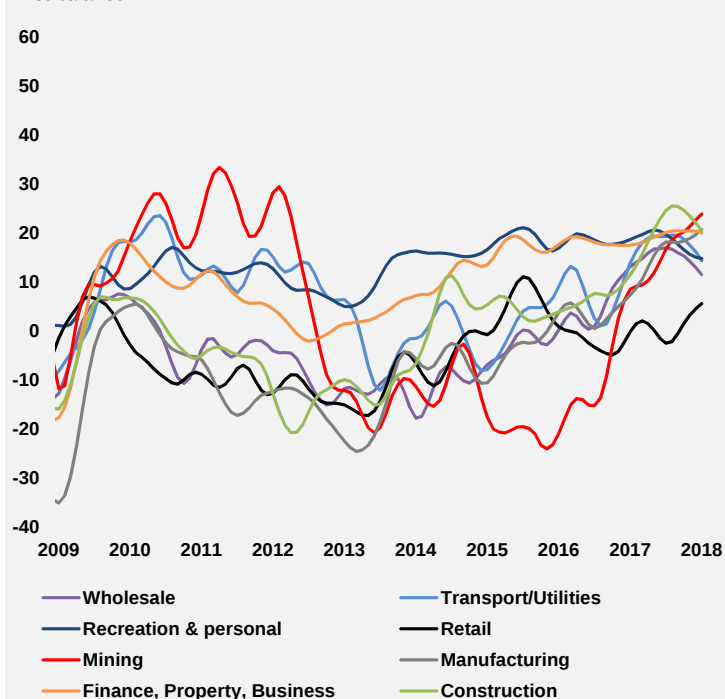
(2) Non-financial asset purchases by the non-financial public sector, plus inventory changes less asset sales - as reported in 2017-18 half-year budget updates and annual financial statements



BROAD BASED IMPROVEMENT IN BUSINESS CONDITIONS

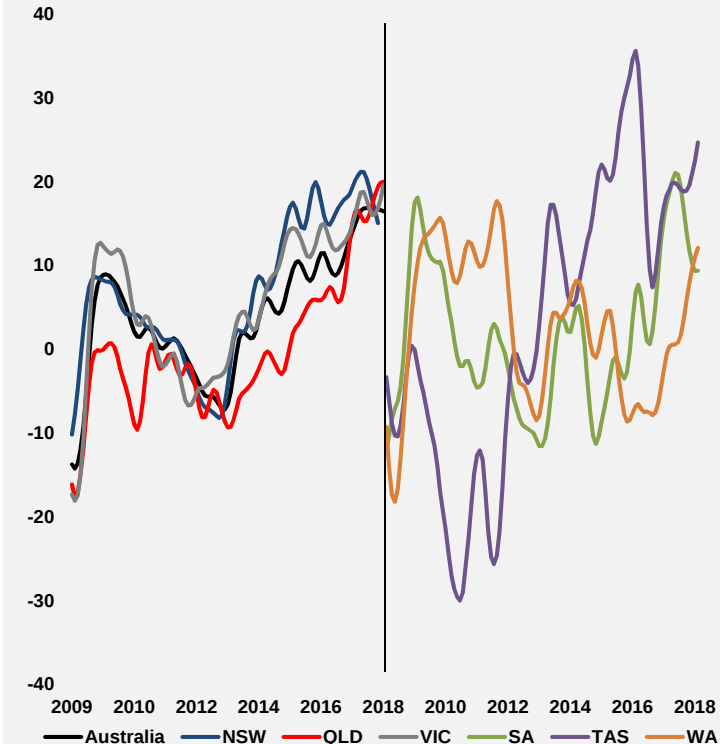
NAB BUSINESS CONDITIONS BY INDUSTRY¹

Net balance



NAB BUSINESS CONDITIONS BY STATE¹

Net balance



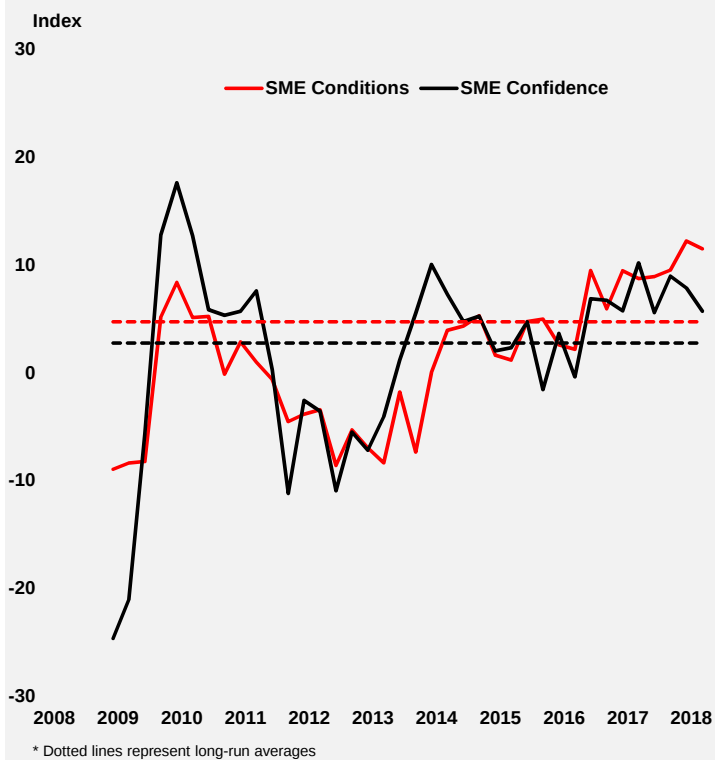
(1) Source: NAB Monthly Business Survey. 13 period Henderson moving average. Data to March 2018



SME CONDITIONS AND CONFIDENCE REMAIN ABOVE AVERAGE

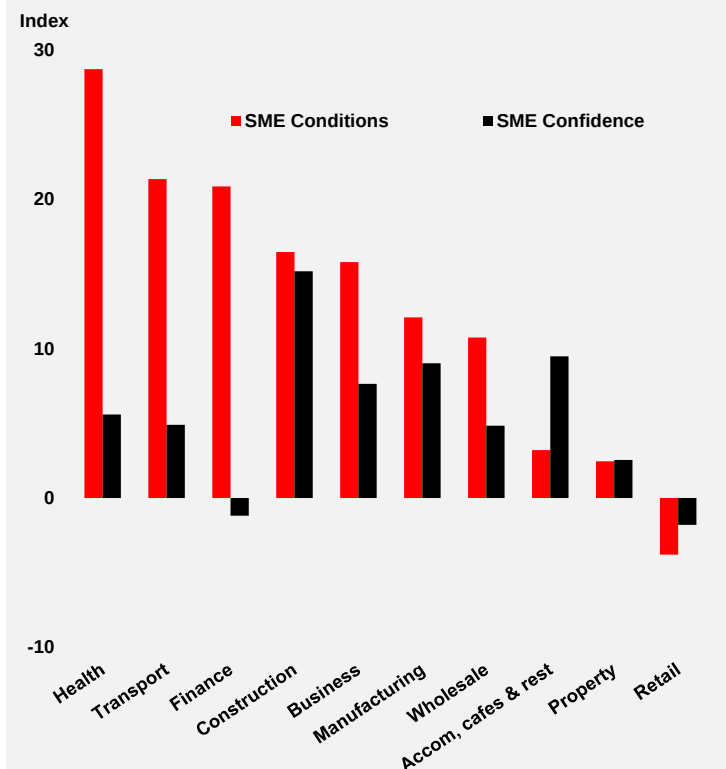
ECONOMICS

SME BUSINESS CONDITIONS & CONFIDENCE¹



(1) Source: NAB Quarterly SME Survey

SME BUSINESS CONDITIONS & CONFIDENCE BY INDUSTRY¹

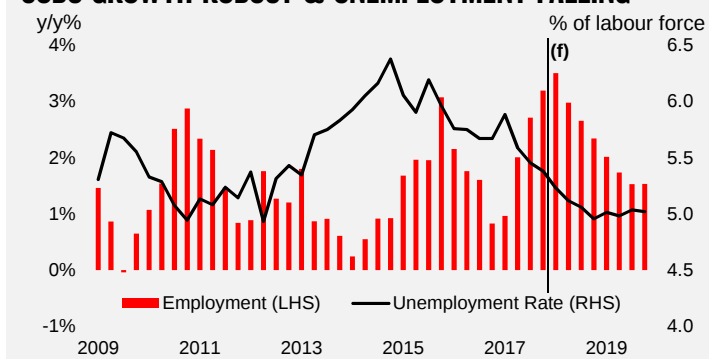


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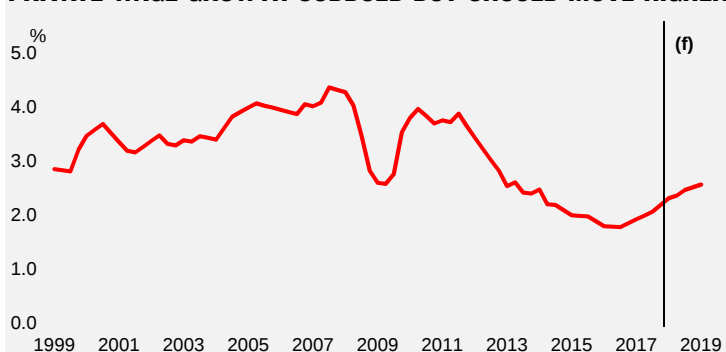
HOUSEHOLD SPENDING SUBDUED BUT JOBS GROWTH PROVIDE SUPPORT

ECONOMICS

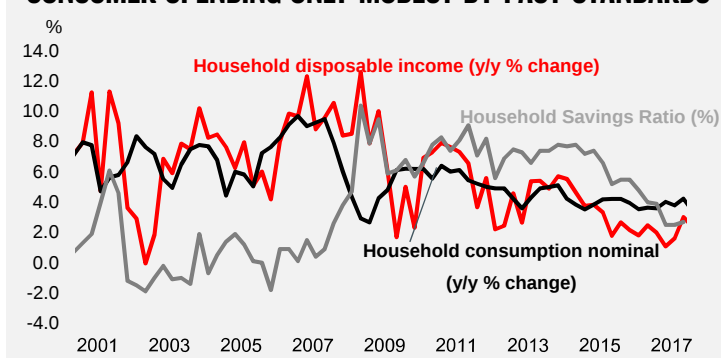
JOBS GROWTH ROBUST & UNEMPLOYMENT FALLING¹



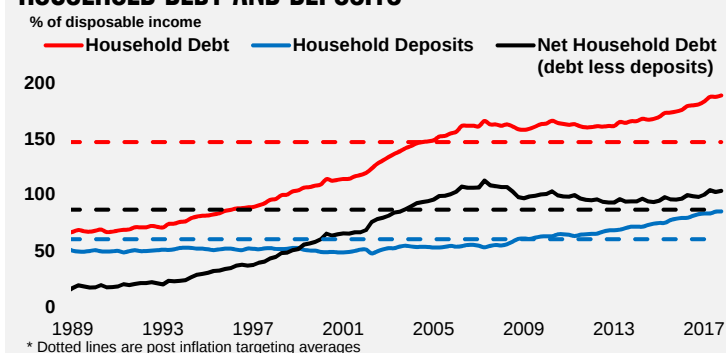
PRIVATE WAGE GROWTH SUBDUED BUT SHOULD MOVE HIGHER¹



CONSUMER SPENDING ONLY MODEST BY PAST STANDARDS²



HOUSEHOLD DEBT AND DEPOSITS³



(1) Source: ABS, NAB. Actual data to 2017 Q4, thereafter NAB estimates

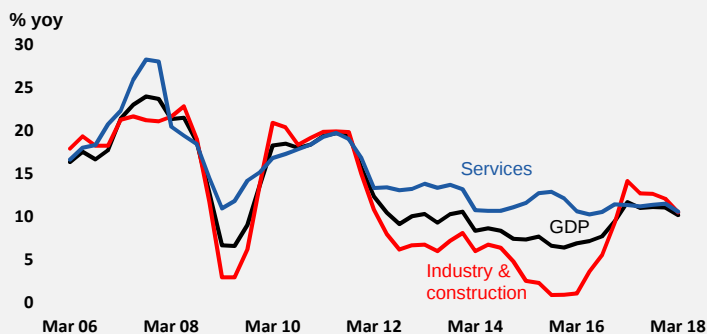
(2) Source: ABS, NAB. Actual data to 2017 Q4

(3) Source: RBA, NAB. Actual data to 2017 Q4

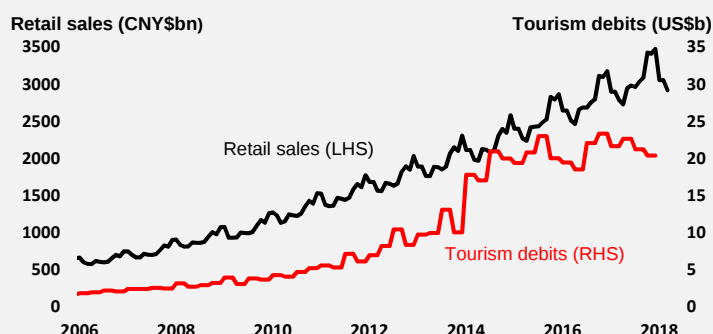


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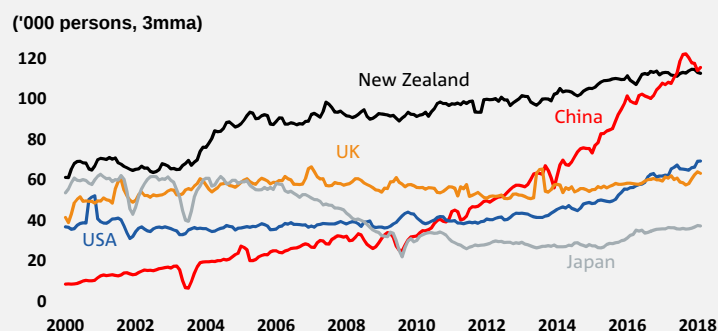
CHINA NOMINAL GDP BY INDUSTRY¹



CHINA RETAIL SALES & TOURISM DEBITS¹

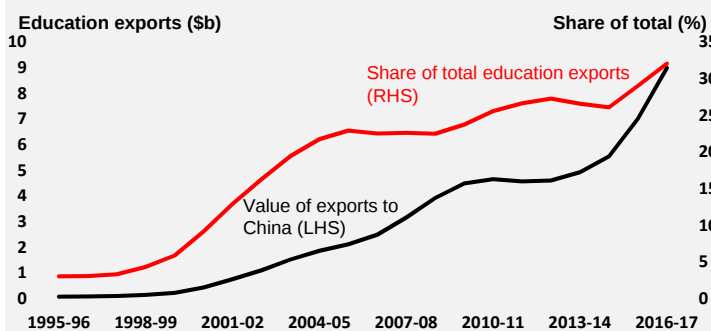


AUSTRALIA SHORT TERM PASSENGER ARRIVALS PER MONTH²



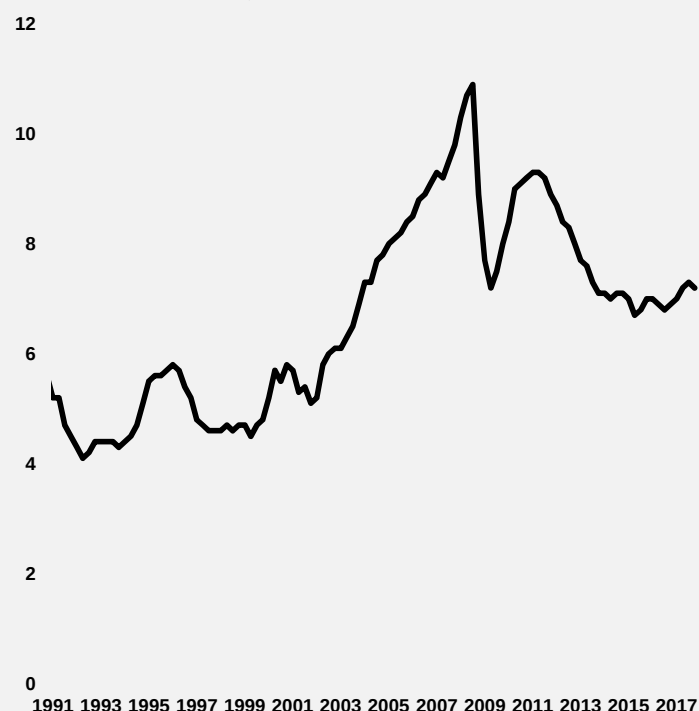
- (1) Source: CEIC
(2) Source: ABS, 3mma denotes three month moving average
(3) Source: ABS

AUSTRALIA EDUCATION EXPORTS³



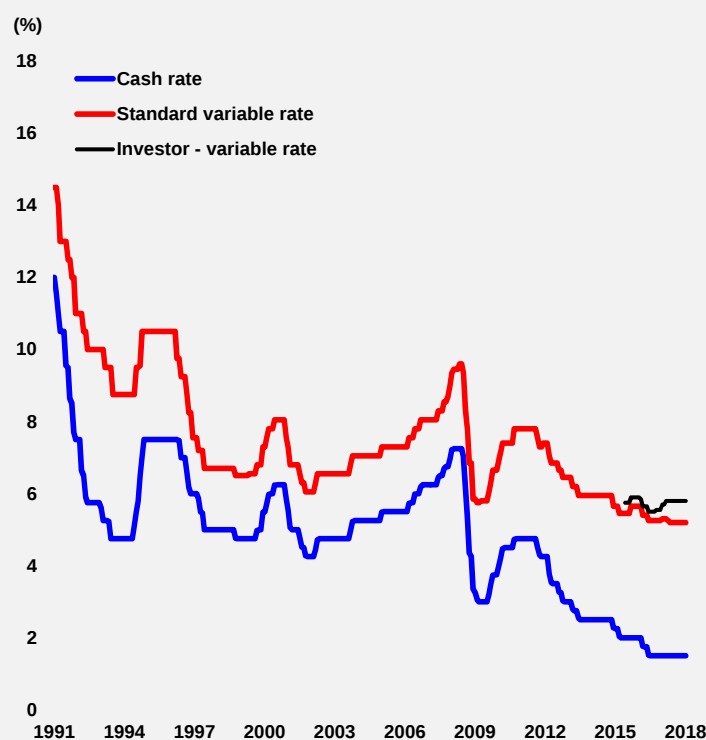
HOUSING: LOW INTEREST RATE ENVIRONMENT HELPS SERVICEABILITY

HOUSEHOLD INTEREST PAYMENTS (% OF HOUSEHOLD DISPOSABLE INCOME)¹

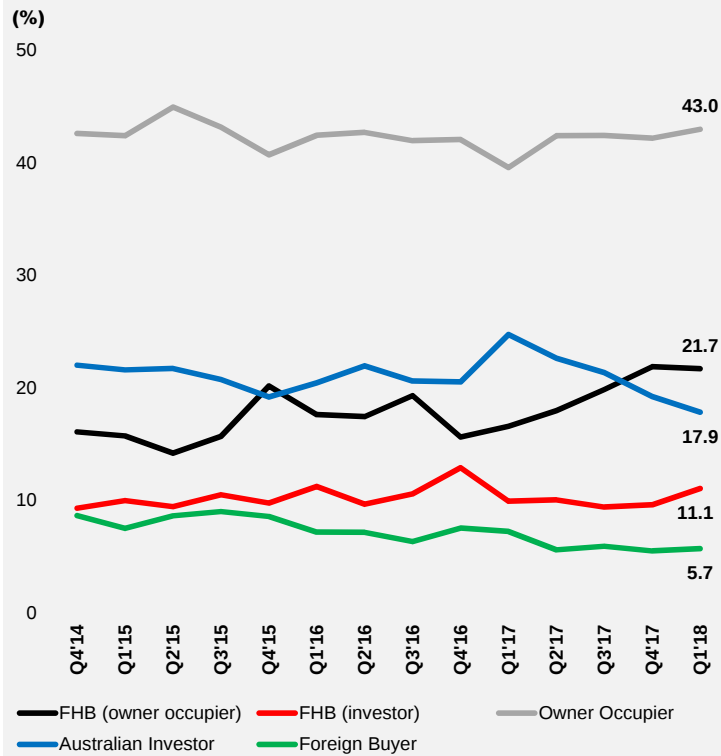


- (1) Source: RBA. Actual data to 2017 Q4
(2) Source: RBA

AUSTRALIAN INTEREST RATES²

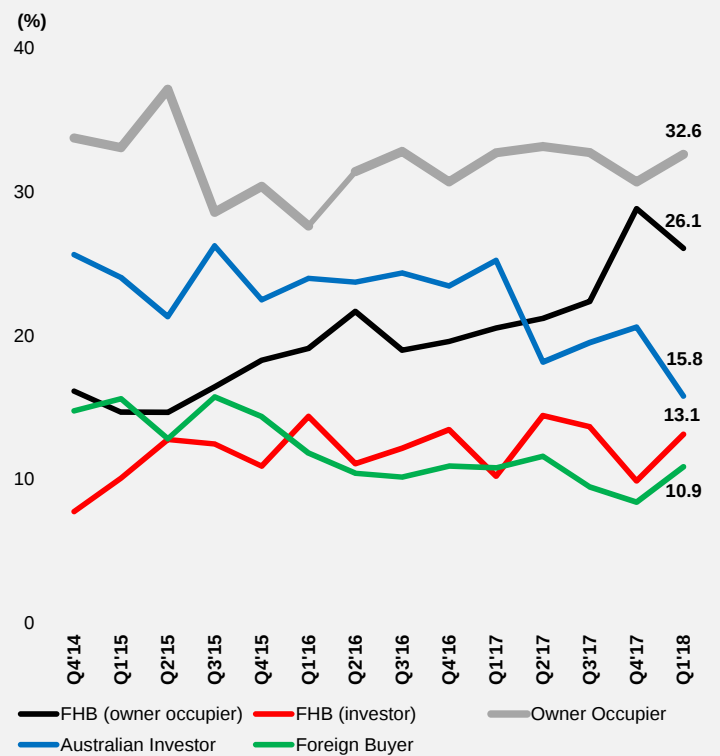


SHARE OF ESTABLISHED PROPERTY SALES BY TYPE OF BUYER¹



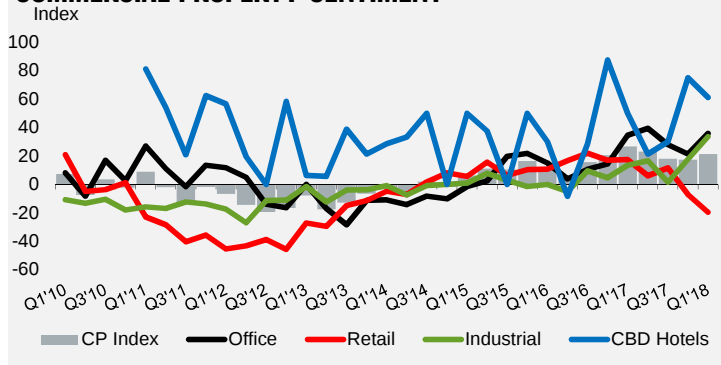
(1) Source: NAB, ABS. Relative to long-run average

SHARE OF NEW PROPERTY SALES BY TYPE OF BUYER¹

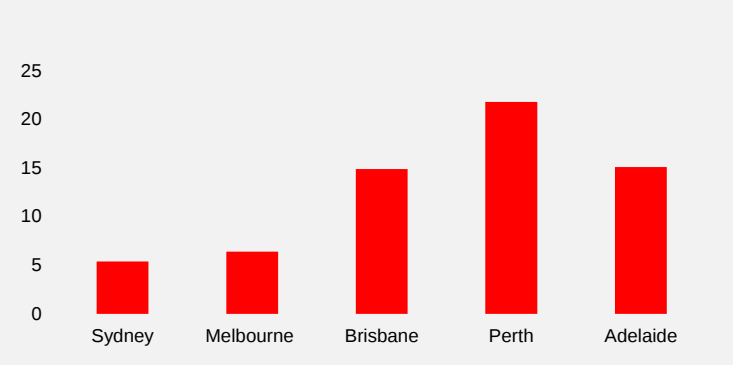


COMMERCIAL PROPERTY – CONDITIONS VARY BY SECTOR & STATE

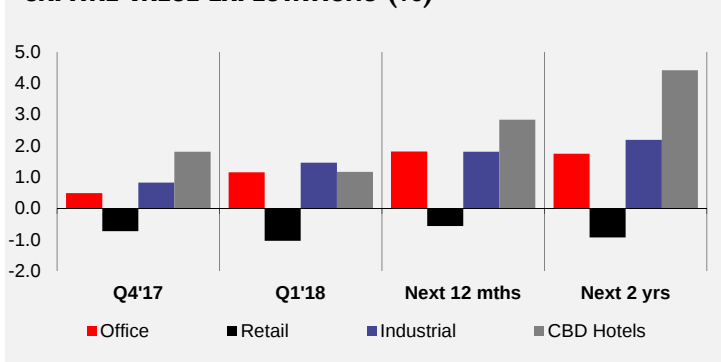
COMMERCIAL PROPERTY SENTIMENT¹



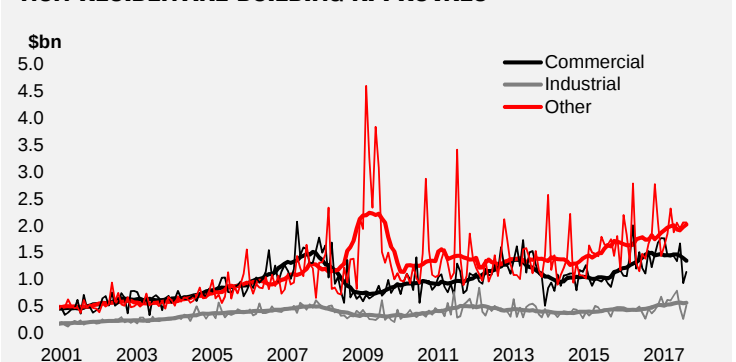
OFFICE VACANCY RATES- Q4 2017²



CAPITAL VALUE EXPECTATIONS (%)³



NON-RESIDENTIAL BUILDING APPROVALS⁴



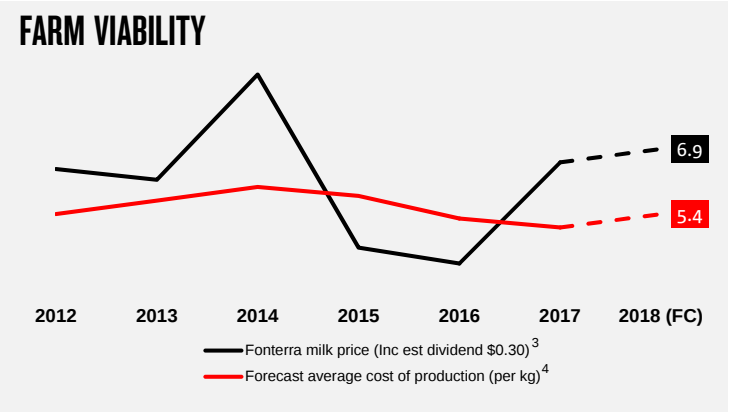
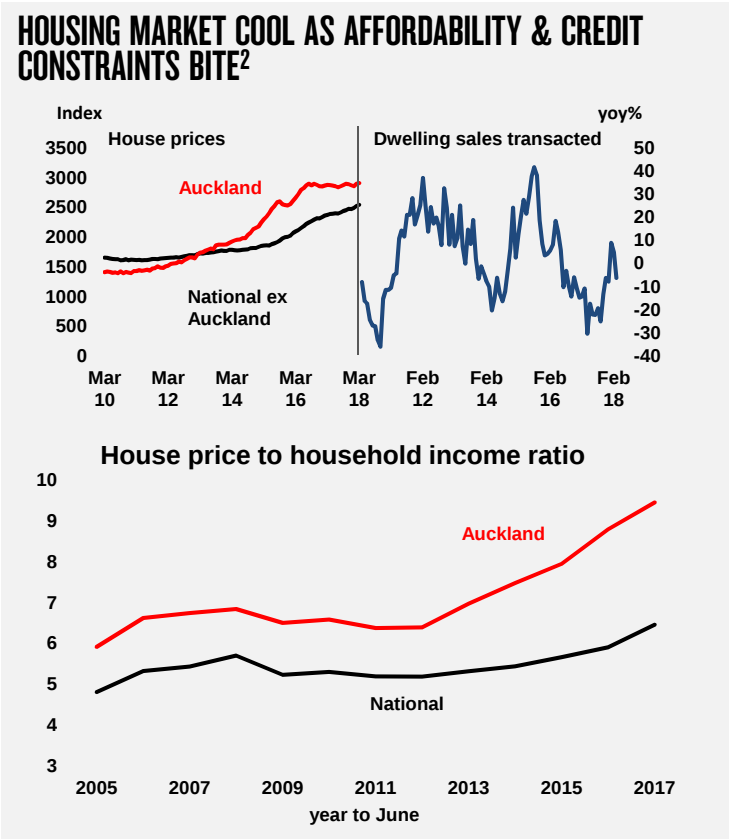
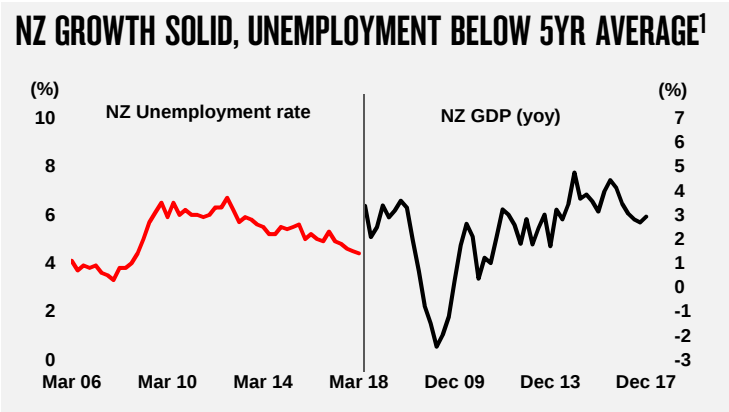
(1) Source: NAB Commercial Property Survey, Q1 2018

(2) Source: JLL 4Q17 CBD Office Market Overview reports

(3) Source: NAB Commercial Property Survey, Q1 2018

(4) Source: ABS, NAB – data seasonally adjusted (light line) and smoothed (dark line) using Macrobond





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



ADDITIONAL INFORMATION

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 New Zealand Banking; - Wholesale operations comprising Global Capital Markets, Specialised Finance and Financial Institutions business within Corporate and Institutional Banking and New Zealand Banking; and - Treasury operations within Corporate Functions and Other.
Bank Levy		A levy imposed under the Major Bank Levy Act 2017 (Cth) 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 (CTI) represents operating expenses as a percentage of operating revenue.
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 2018 Half 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 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 (classified in comparative periods as investments held to maturity)
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).



Customer deposits		The sum of interest bearing, non-interest bearing and term deposits (including retail and corporate deposits). Calculated as the sum of 'Term deposits', 'On-demand and short-term deposits' and 'Deposits not bearing interest'.
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 and Trust Preferred Securities.
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.
FTEs	Full-time Equivalent Employees	Includes all full-time employees, part-time, temporary, fixed term and casual employee equivalents, as well as agency temporary employees 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	Represents the market value of funds administered by the Group excluding AUM
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/or 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	The total loans, advances and acceptances, including unearned and deferred fee income, excluding associated provisions for expected credit losses. Calculated as the sum of 'Acceptances', 'Loans at fair value', and 'Total gross loans and advances
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.



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).
New Zealand Banking		New Zealand 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.
TCFD		Task Force on Climate-related Financial Disclosures
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 credit impairment charges. 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.
UNEP FI		United Nations Environment Programme - Finance Initiative
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.



DISCLAIMER

The material in this presentation is general background information about the NAB Group current at the date of the presentation on 3 May 2018. 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 2018 Half 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 24 to 35 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; (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; and (9) NAB's proposed divestment of its wealth management businesses (excluding JBWere and nabtrade) may have an impact on the timing, scope and cost of the Program, however the impact cannot be quantified at this time.

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 3 May 2018

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