

NATIONAL AUSTRALIA BANK

Template for Key Performance Measures

Output summary - ratios <sup>(1)</sup>

Key indicators	Year to		Half Year to	
	Sep 18	Sep 17	Sep 18	Mar 18
	\$m	\$m	\$m	\$m
Basic statutory earnings per ordinary share - cents	201.3	194.7	107.3	93.9
Basic statutory earnings per ordinary share - cents (continuing operations)	215.6	228.2	110.9	104.7
Net profit attributable to owners of NAB	5,554	5,285	2,971	2,583
Less: Distributions on other equity instruments (statutory basis)	(100)	(98)	(51)	(49)
Net profit attributable to owners of NAB (adjusted)	5,454	5,187	2,920	2,534
Net profit attributable to owners of NAB (adjusted from continuing operations)	5,842	6,080	3,017	2,825
Net (loss) attributable to owners of NAB (adjusted from discontinued operations)	(388)	(893)	(97)	(291)
Add: Interest expense on convertible notes	128	126	66	62
Add: Interest expense on convertible preference shares	122	119	63	59
Adjusted earnings (diluted)	5,704	5,432	3,049	2,655
Adjusted earnings (diluted - continuing operations)	6,092	6,325	3,146	2,946
Weighted average ordinary shares (no. '000) (statutory basis)	2,709,460	2,664,511	2,720,189	2,699,116
Diluted weighted average ordinary shares (no. '000) (statutory basis)	2,940,054	2,873,073	2,950,067	2,915,726
Diluted statutory earnings per ordinary share - cents	194.0	189.1	103.4	91.1
Diluted statutory earnings per ordinary share - cents (continuing operations)	207.2	220.1	106.6	101.0
Basic cash earnings per ordinary share - cents	210.4	249.3	108.2	102.2
Adjusted cash earnings (basic)	5,702	6,642	2,943	2,759
Add: Interest expense on convertible notes	128	126	66	62
Add: Interest expense on convertible preference shares	122	119	63	59
Adjusted cash earnings (diluted)	5,952	6,887	3,072	2,880
Weighted average ordinary shares (no. '000) (cash earnings basis)	2,709,460	2,664,511	2,720,189	2,699,116
Diluted weighted average ordinary shares (no. '000) (cash earnings basis)	2,940,054	2,873,073	2,950,067	2,915,726
Diluted cash earnings per share - cents	202.4	239.7	104.1	98.8
Statutory profit on average equity (Statutory return on equity)	11.2%	10.9%	11.9%	10.5%
Net profit attributable to owners of NAB (adjusted)	5,454	5,187	2,920	2,534
Cash earnings on average equity (Cash return on equity)	11.7%	14.0%	12.0%	11.4%
Cash earnings	5,702	6,642	2,943	2,759
Average equity	51,636	50,474	51,832	51,511
Less: Average non-controlling interest in controlled entities	(11)	(16)	(11)	(11)
Less: Average Trust Preferred Securities	(975)	(975)	(975)	(975)
Less: Average National Income Securities	(1,945)	(1,945)	(1,945)	(1,945)
Less: Average National Capital Instruments	-	(3)	-	-
Adjusted average equity for earnings on average equity calculation (statutory basis)	48,705	47,535	48,901	48,580
Adjusted average equity for cash earnings on average equity calculation (cash earnings basis)	48,705	47,535	48,901	48,580
Profitability, performance and efficiency measures				
Dividend payout ratio	94.1%	79.4%	91.5%	96.9%
Dividend per share (cents)	198	198	99	99
Basic cash earnings per ordinary share - cents	210.4	249.3	108.2	102.2
Cash earnings on average assets	0.71%	0.83%	0.73%	0.69%
Cash earnings	5,702	6,642	2,943	2,759
Average assets	807,037	798,774	806,845	807,313
Cash earnings on average risk-weighted assets	1.48%	1.73%	1.50%	1.45%
Cash earnings	5,702	6,642	2,943	2,759
Risk-weighted assets	389,684	382,114	389,684	387,415
Risk-weighted assets (prior quarter)	395,053	383,945	395,053	376,624
Risk-weighted assets (prior half year)	387,415	374,487	387,415	382,114
Cash earnings per average FTE (\$'000)	169	197	175	163
Cash earnings	5,702	6,642	2,943	2,759
Full Time Equivalent Employees (FTE) (average)	33,747	33,746	33,618	33,904
Group 'Jaws' ratio	(17.3%)	0.1%	8.2%	(22.5%)
Cost to income ratio	50.0%	42.7%	47.8%	52.2%
Group operating expenses <sup>(2)</sup>	(8,992)	(7,635)	(4,248)	(4,744)
Group net operating income <sup>(3)</sup>	17,977	17,895	8,884	9,093
Net tangible assets (NTA) per share (\$)	16.09	15.93	16.09	16.11
Total equity / net assets	52,712	51,317	52,712	52,401
Less: non-controlling interest in controlled entities	(11)	(11)	(11)	(11)
Less: National Income Securities	(1,945)	(1,945)	(1,945)	(1,945)
Less: Trust Preferred Securities	(975)	(975)	(975)	(975)
Less: Goodwill and other intangible assets	(5,787)	(5,601)	(5,787)	(5,607)
Net tangible assets (NTA)	43,994	42,785	43,994	43,863
Ordinary shares - Including partly paid (no. '000)	2,734,144	2,685,512	2,734,144	2,722,965

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

<sup>(2)</sup> Includes restructuring-related costs and customer-related remediation. Refer to Note 4 Operating expenses for further information.

<sup>(3)</sup> Includes customer-related remediation. Refer to Note 3 Other income for further information.

NATIONAL AUSTRALIA BANK

Template for Key Performance Measures

Input Schedule <sup>(1)</sup>

	Year to		Half Year to		Sep 18
	Sep 18	Sep 17	Sep 18	Mar 18	Results
	\$m	\$m	\$m	\$m	Announcement
Group Cash Earnings					
Net interest income	13,467	13,166	6,717	6,750	Page 3
Other operating income <sup>(2)</sup>	4,510	4,729	2,167	2,343	Page 3
Net operating income	17,977	17,895	8,884	9,093	Page 3
Operating expenses <sup>(3)</sup>	(8,992)	(7,635)	(4,248)	(4,744)	Page 3
Underlying profit	8,985	10,260	4,636	4,349	Page 3
Credit impairment charge	(779)	(810)	(406)	(373)	Page 3
Cash earnings before tax and distributions	8,206	9,450	4,230	3,976	Page 3
Income tax expense	(2,404)	(2,710)	(1,236)	(1,168)	Page 3
Cash earnings before distributions	5,802	6,740	2,994	2,808	Page 3
Distributions	(100)	(98)	(51)	(49)	Page 3
Cash earnings	5,702	6,642	2,943	2,759	Page 3
Non-cash earnings items (after-tax):					
Distributions	100	98	51	49	Page 3
Fair value and hedge ineffectiveness	182	(500)	101	81	Page 3
Amortisation of acquired intangible assets	(30)	(62)	(15)	(15)	Page 3
MLC divestment transaction costs	(12)	-	(12)	-	Page 3
Net profit from continuing operations	5,942	6,178	3,068	2,874	Page 3
Net loss after tax from discontinued operations <sup>(4)</sup>	(388)	(893)	(97)	(291)	Page 3
Net profit attributable to owners of NAB	5,554	5,285	2,971	2,583	Page 3

	Year to		Half Year to		Sep 18
	Sep 18	Sep 17	Sep 18	Mar 18	Results
	\$m	\$m	\$m	\$m	Announcement
Average equity data					
Average interest-earning assets	726,657	711,265	728,246	725,060	Page 89 & 93
Average assets	807,037	798,774	806,845	807,313	Page 90 & 94
Average equity	51,636	50,474	51,832	51,511	Page 92 & 96
Average non-controlling interest in controlled entities	11	16	11	11	Page 92 & 96
Average Trust Preferred Securities	975	975	975	975	
Average National Income Securities	1,945	1,945	1,945	1,945	
Average National Capital Instruments	-	3	-	-	

Statutory earnings per share data					
Basic weighted average ordinary shares (no. '000)	2,709,460	2,664,511	2,720,189	2,699,116	Page 99
Diluted weighted average ordinary shares (no. '000)	2,940,054	2,873,073	2,950,067	2,915,726	Page 99
Distributions on other equity instruments	(100)	(98)	(51)	(49)	Page 99
Interest expense on convertible notes	128	126	66	62	Page 99
Interest expense on convertible preference shares	122	119	63	59	Page 99

Cash Earnings per share data					
Basic weighted average ordinary shares (no. '000)	2,709,460	2,664,511	2,720,189	2,699,116	Page 100
Diluted weighted average ordinary shares (no. '000)	2,940,054	2,873,073	2,950,067	2,915,726	Page 100
Interest expense on convertible notes	128	126	66	62	Page 100
Interest expense on convertible preference shares	122	119	63	59	Page 100

Risk-weighted assets data					
Risk-weighted assets	389,684	382,114	389,684	387,415	Page 98
Risk-weighted assets (prior quarter)	395,053	383,945	395,053	376,624	
Risk-weighted assets (prior half year)	387,415	374,487	387,415	382,114	

Average Full Time Equivalent Employees (FTE)	33,747	33,746	33,618	33,904	Page 12
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Dividend per share (cents)	198	198	99	99	Page 11
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Cost to income ratio data					
Group operating expenses <sup>(3)</sup>	(8,992)	(7,635)	(4,248)	(4,744)	Page 3
Group net operating income <sup>(2)</sup>	17,977	17,895	8,884	9,093	Page 3

Net tangible assets per share data					
Ordinary shares - Fully paid (no. '000)	2,734,119	2,685,469	2,734,119	2,722,926	Page 102
Ordinary shares - Partly paid (no. '000)	25	43	25	39	Page 102
Total equity / net assets	52,712	51,317	52,712	52,401	Page 58
Non-controlling interest in controlled entities	11	11	11	11	Page 58
National Income Securities	1,945	1,945	1,945	1,945	Page 77
Trust Preferred Securities	975	975	975	975	Page 77
Goodwill and other intangible assets	5,787	5,601	5,787	5,607	Page 58

<sup>(1)</sup> Information is presented on a continuing operations basis.

<sup>(2)</sup> Includes customer-related remediation. Refer to Note 3 Other income for further information.

<sup>(3)</sup> Includes restructuring-related costs and customer-related remediation. Refer to Note 4 Operating expenses for further information.

<sup>(4)</sup> Includes customer-related remediation. Refer to Note 14 Discontinued operations for further information.