

NATIONAL AUSTRALIA BANK

Template for Key Performance Measures

Output summary - ratios ⁽¹⁾

Key indicators	Half Year to		
	Mar 19	Sep 18	Mar 18
	\$m	\$m	\$m
Basic statutory earnings per ordinary share - cents	95.9	107.3	93.9
Basic statutory earnings per ordinary share - cents (continuing operations)	103.5	110.9	104.7
Net profit attributable to owners of NAB	2,694	2,971	2,583
Less: Distributions on other equity instruments (statutory basis)	(52)	(51)	(49)
Net profit attributable to owners of NAB (adjusted)	2,642	2,920	2,534
Net profit attributable to owners of NAB (adjusted from continuing operations)	2,852	3,017	2,825
Net loss attributable to owners of NAB (from discontinued operations)	(210)	(97)	(291)
Add: Interest expense on convertible notes	67	66	62
Add: Interest expense on convertible preference shares	60	63	59
Adjusted earnings (diluted)	2,769	3,049	2,655
Adjusted earnings (diluted - continuing operations)	2,979	3,146	2,946
Weighted average number of ordinary shares (millions)	2,756	2,720	2,699
Diluted weighted average number of ordinary shares (millions)	3,007	2,950	2,916
Diluted statutory earnings per ordinary share - cents	92.1	103.4	91.1
Diluted statutory earnings per ordinary share - cents (continuing operations)	99.1	106.6	101.0
Basic cash earnings per ordinary share - cents	107.2	108.2	102.2
Adjusted cash earnings (basic)	2,954	2,943	2,759
Add: Interest expense on convertible notes	67	66	62
Add: Interest expense on convertible preference shares	60	63	59
Adjusted cash earnings (diluted)	3,081	3,072	2,880
Weighted average number of ordinary shares (millions)	2,756	2,720	2,699
Diluted weighted average number of ordinary shares (millions)	3,007	2,950	2,916
Diluted cash earnings per share - cents	102.5	104.1	98.8
Statutory profit on average equity (Statutory return on equity)	10.5%	11.9%	10.5%
Net profit attributable to owners of NAB (adjusted)	2,642	2,920	2,534
Cash earnings on average equity (Cash return on equity)	11.7%	12.0%	11.4%
Cash earnings	2,954	2,943	2,759
Average equity	52,910	51,832	51,511
Less: Average non-controlling interest in controlled entities	(10)	(11)	(11)
Less: Average Trust Preferred Securities	(412)	(975)	(975)
Less: Average National Income Securities	(1,945)	(1,945)	(1,945)
Adjusted average equity for earnings on average equity calculation (statutory basis)	50,543	48,901	48,580
Adjusted average equity for cash earnings on average equity calculation (cash earnings basis)	50,543	48,901	48,580
Profitability, performance and efficiency measures			
Dividend payout ratio	77.4%	91.5%	96.9%
Dividend per share (cents)	83	99	99
Basic cash earnings per ordinary share - cents	107.2	108.2	102.2
Cash earnings on average assets	0.71%	0.73%	0.69%
Cash earnings	2,954	2,943	2,759
Average assets	829,149	806,845	807,313
Cash earnings on average risk-weighted assets	1.49%	1.50%	1.45%
Cash earnings	2,954	2,943	2,759
Risk-weighted assets	403,205	389,684	387,415
Risk-weighted assets (prior quarter)	402,353	395,053	376,624
Risk-weighted assets (prior half year)	389,684	387,415	382,114
Cash earnings per average FTE (\$'000)	176	175	163
Cash earnings	2,954	2,943	2,759
Full Time Equivalent Employees (FTE) (average)	33,620	33,618	33,904
Group 'Jaws' ratio	1.6%	8.2%	(22.5%)
Cost to income ratio	47.0%	47.8%	52.2%
Group operating expenses ⁽²⁾	(4,175)	(4,248)	(4,744)
Group net operating income ⁽²⁾	8,874	8,884	9,093
Net tangible assets (NTA) per share (\$)	16.46	16.09	16.11
Total equity / net assets	54,091	52,712	52,401
Less: non-controlling interest in controlled entities	(7)	(11)	(11)
Less: National Income Securities	(1,945)	(1,945)	(1,945)
Less: Trust Preferred Securities	-	(975)	(975)
Less: Goodwill and other intangible assets	(5,872)	(5,787)	(5,607)
Net tangible assets (NTA)	46,267	43,994	43,863
Ordinary shares - Including partly paid (no. '000)	2,811,336	2,734,144	2,722,965

⁽¹⁾ All key performance measures and Group performance indicators are calculated on a cash earnings basis unless otherwise stated. A Glossary of Terms is included in Section 6 of the 2019 Half Year Results document.

⁽²⁾ Includes large notable items. Refer to Section 2 Large notable items in the 2019 Half Year Results document for further information.

NATIONAL AUSTRALIA BANK

Template for Key Performance Measures

Input Schedule ⁽¹⁾

	Half Year to			Mar 19 Results Announcement
	Mar 19 \$m	Sep 18 \$m	Mar 18 \$m	
Group Cash Earnings				
Net interest income ⁽²⁾	6,734	6,717	6,750	Page 3
Other operating income ⁽²⁾	2,140	2,167	2,343	Page 3
Net operating income	8,874	8,884	9,093	Page 3
Operating expenses ⁽²⁾	(4,175)	(4,248)	(4,744)	Page 3
Underlying profit	4,699	4,636	4,349	Page 3
Credit impairment charge	(449)	(406)	(373)	Page 3
Cash earnings before tax and distributions	4,250	4,230	3,976	Page 3
Income tax expense	(1,244)	(1,236)	(1,168)	Page 3
Cash earnings before distributions	3,006	2,994	2,808	Page 3
Distributions	(52)	(51)	(49)	Page 3
Cash earnings	2,954	2,943	2,759	Page 3
Cash earnings (excluding large notable items)	3,279	3,204	3,289	Page 10
Non-cash earnings items (after-tax):				
Distributions	52	51	49	Page 3
Fair value and hedge ineffectiveness	(69)	101	81	Page 3
Amortisation of acquired intangible assets	(14)	(15)	(15)	Page 3
MLC Wealth divestment transaction costs	(19)	(12)	-	Page 3
Net profit from continuing operations	2,904	3,068	2,874	Page 3
Net loss after tax from discontinued operations ⁽²⁾	(210)	(97)	(291)	Page 3
Net profit attributable to owners of NAB	2,694	2,971	2,583	Page 3

	Half Year to			Mar 19 Results Announcement
	Mar 19 \$m	Sep 18 \$m	Mar 18 \$m	
Average equity data				
Average interest-earning assets	754,261	728,246	725,060	Page 90
Average assets	829,149	806,845	807,313	Page 91
Average equity	52,910	51,832	51,511	Page 93
Average non-controlling interest in controlled entities	10	11	11	Page 93
Average Trust Preferred Securities	412	975	975	
Average National Income Securities	1,945	1,945	1,945	

Statutory earnings per share data				
Weighted average number of ordinary shares (millions) (net of treasury shares)	2,756	2,720	2,699	Page 97
Diluted weighted average number of ordinary shares (millions) (net of treasury shares)	3,007	2,950	2,916	Page 97
Distributions on other equity instruments	(52)	(51)	(49)	Page 97
Interest expense on convertible notes	67	66	62	Page 97
Interest expense on convertible preference shares	60	63	59	Page 97

Cash Earnings per share data				
Weighted average number of ordinary shares (millions) (net of treasury shares)	2,756	2,720	2,699	Page 97
Diluted weighted average number of ordinary shares (millions) (net of treasury shares)	3,007	2,950	2,916	Page 97
Interest expense on convertible notes	67	66	62	Page 97
Interest expense on convertible preference shares	60	63	59	Page 97

Risk-weighted assets data				
Risk-weighted assets	403,205	389,684	387,415	Page 95
Risk-weighted assets (prior quarter)	402,353	395,053	376,624	
Risk-weighted assets (prior half year)	389,684	387,415	382,114	

Average Full Time Equivalent Employees (FTE)	33,620	33,618	33,904	Page 14
--	--------	--------	--------	---------

Dividend per share (cents)	83	99	99	Page 13
----------------------------	----	----	----	---------

Cost to income ratio data				
Group operating expenses ⁽²⁾	(4,175)	(4,248)	(4,744)	Page 3
Group net operating income ⁽²⁾	8,874	8,884	9,093	Page 3

Net tangible assets per share data				
Ordinary shares - Fully paid (no. '000)	2,811,315	2,734,119	2,722,926	Page 99
Ordinary shares - Partly paid (no. '000)	21	25	39	Page 99
Total equity / net assets	54,091	52,712	52,401	Page 58
Non-controlling interest in controlled entities	7	11	11	Page 58
National Income Securities	1,945	1,945	1,945	Page 74
Trust Preferred Securities	-	975	975	Page 74
Goodwill and other intangible assets	5,872	5,787	5,607	Page 58

⁽¹⁾ Information is presented on a continuing operations basis.

⁽²⁾ Includes large notable items. Refer to Section 2 Large notable items in the 2019 Half Year Results document for further information.