

2020 HALF YEAR RESULTS SUMMARY



1H20 KEY FINANCIAL INFORMATION

\$1,313m

Statutory net profit

\$1,436m

Cash earnings¹
Down 51.4% v 1H19

\$2,471m cash earnings
ex large notable items
of \$1,035m
Down 24.6% v 1H19²

30cps

Interim dividend
100% franked

10.39%

Group Common Equity
Tier 1 (CET1) ratio

“ We are taking decisive action to manage the rapid and unprecedented upheaval caused by COVID-19 while at the same time being clear about our long term strategy for NAB.

Our priority has been supporting our customers and colleagues with a range of measures to help deal with the impacts of the crisis. Together with significant relief provided by governments and regulators, these actions bolster the resilience of our customers, our bank and the economy to adapt during this difficult period and to recover as quickly as possible.

Our 1H20 result has been materially impacted by the COVID-19 pandemic, with cash earnings (ex large notable items) declining 24.6% relative to 1H19, driven by higher credit impairment charges and mark-to-market losses on our high quality liquids portfolio³ within Markets and Treasury.

We entered this challenging period in a robust position, with capital, funding and liquidity significantly strengthened over recent years. However, given the uncertain outlook, we have taken proactive steps to further strengthen our balance sheet. Collective provisions now include \$2,135 million of forward looking adjustments for anticipated stress in targeted sectors and across the broader economy, and capital is being bolstered via a capital raising and a reduced interim dividend.

During this period, we have also refreshed our longer term strategic focus. The need for improved accountability and reduced complexity is clear. We are implementing a new structure with end-to-end responsibilities, and are focusing resources on delivering simpler, more streamlined products and processes. This will go a long way towards better enabling our colleagues and consistently getting basics right for customers.”

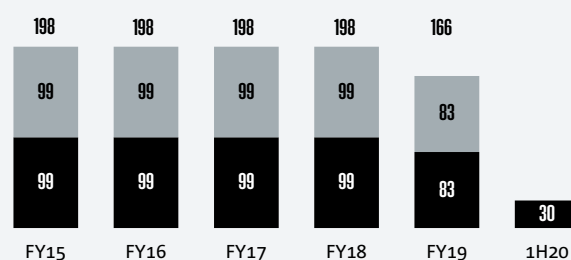
ROSS MCEWAN – NAB CEO

SHAREHOLDER OUTCOMES

DIVIDENDS (CPS)

In respect of each financial year / period

■ Interim ■ Final



SUPPORTING CUSTOMERS & THE COMMUNITY IN 1H20

- Approved more than 70k home loan and 34k business loan requests from customers to defer repayments
- 811 colleagues reassigned to our front line, call centres and operations teams to manage unprecedented demand
- NAB Business Support Loan provides up to \$250,000 unsecured lending for 3 years to help businesses impacted by COVID-19, with no repayments for 6 months and a reduced variable rate of 4.5% pa
- Strategic Net Promoter Score (NPS) for March 2020 up 3 points over the year to -18, with NAB ranked first of the major banks⁴

¹ Refer cash earnings note and reconciliation on page 6.

² Cash earnings large notable items after tax: customer-related remediation \$293m in 1H20, \$325m in 1H19; capitalised software policy change \$742m in 1H20.

³ This portfolio contains Australian semi-government and Commonwealth government securities and securities issued by foreign sovereigns, and assets eligible for the committed liquidity facility (CLF) as defined in APS 210 Liquidity.

⁴ 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. Sourced from DBM Consultants BFSM and Consumer Atlas, measured on 6 month rolling average. Definition has been updated to give all customers in the Business and Consumer segments equal voice. The overall Strategic NPS result combines the Consumer and Business segment results using a 50% weighting for each. History has been restated.

NAB 2020 HALF YEAR RESULTS

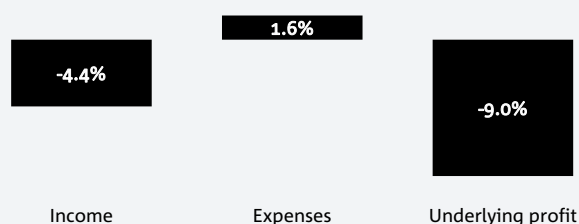
The March 2020 half year results are compared with the March 2019 half year results for continuing operations unless otherwise stated. Operating Performance and Asset Quality are expressed on a cash earnings basis.

OPERATING PERFORMANCE 1H20 V 1H19

- Revenue declined 3.4%. Excluding customer-related remediation, revenue fell 4.4% mainly reflecting mark-to-market losses on the high quality liquids portfolio³ within Markets and Treasury.
- Net Interest Margin (NIM) declined 1 basis point (bp) to 1.78%, but was flat excluding Markets and Treasury. This reflects repricing in the home lending portfolio offset by a lower earnings rate on deposits and capital given the impact of a low interest rate environment, combined with competitive pressures.
- Expenses rose 28.1%. Excluding large notable items⁵, expenses increased 1.6% with higher investment spend and restructuring-related costs partly offset by productivity benefits and lower performance-based compensation.

1H20 V 1H19 DRIVERS OF CASH EARNINGS CHANGE

(ex large notable items⁵)

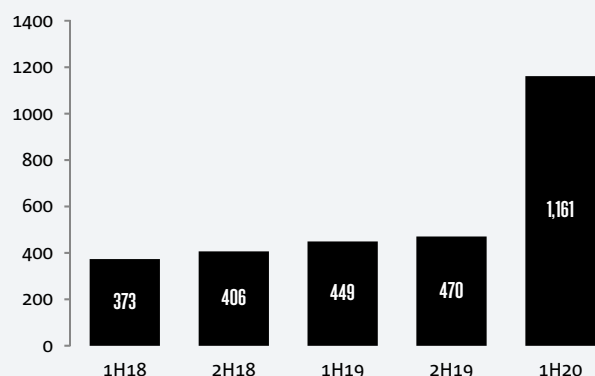


“While challenging, we continue to target broadly flat expenses over FY20, excluding large notable items⁶.”

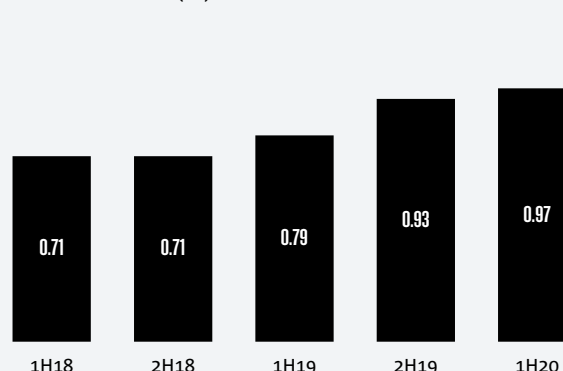
ASSET QUALITY 1H20 V 1H19

- Credit impairment charges increased 158.6% to \$1,161 million, and as a percentage of gross loans and acceptances rose 23bps to 38bps.
- 1H20 charges include \$828 million of additional collective provision forward looking adjustments, of which \$807 million is a top-up to the economic adjustment (EA) to reflect potential COVID-19 impacts.
- The ratio of 90+ days past due and gross impaired assets to gross loans and acceptances increased 18bps to 0.97%, largely due to increased delinquencies across the Australian mortgage portfolio.
- Customers receiving payment deferrals will be treated as performing in accordance with APRA guidance.

CREDIT IMPAIRMENT CHARGES (\$ MILLIONS)



90+ DAYS PAST DUE & GROSS IMPAIRED ASSETS/GROSS LOANS AND ACCEPTANCES (%)



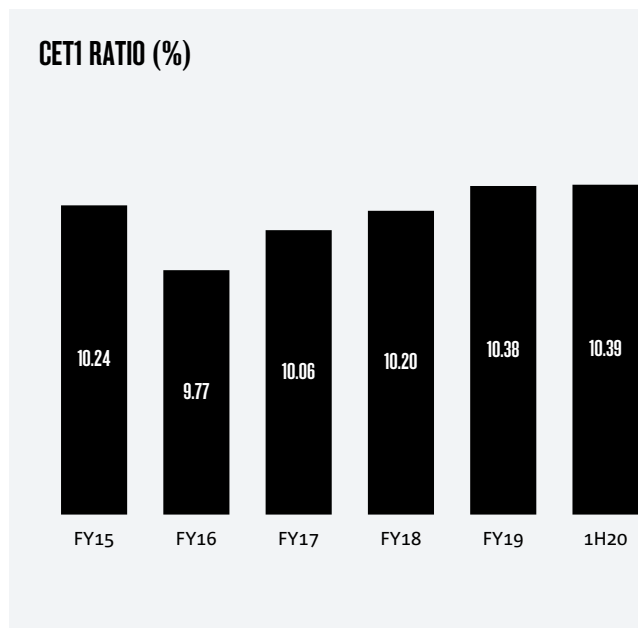
“Underlying asset quality remains sound but the outlook is uncertain given economic disruption arising from COVID-19. To allow for this, 1H20 collective provisions include an additional forward looking economic adjustment of \$807 million for potential COVID-19 impacts.”

⁵ Revenue excludes customer-related remediation \$242m in 1H20, \$344m in 1H19. Expenses excludes customer-related remediation \$176m in 1H20, \$120m in 1H19; capitalised software policy change \$1,056m in 1H20. Underlying profit represents cash earnings before credit impairment charges, income tax and distributions. Refer note on cash earnings and reconciliation on page 6.

⁶ Refer to key risks, qualifications and assumptions in relation to forward looking statements on page 7.

NAB 2020 HALF YEAR RESULTS

CAPITAL, FUNDING & LIQUIDITY



KEY RATIOS AS AT 31 MARCH 2020

- Group Common Equity Tier 1 (CET1) ratio of 10.39%, up 1 bp on September 2019
- Includes 35bps from conversion of NAB Capital Notes into ordinary shares in March (18bps) and proceeds of 2H19 Dividend Reinvestment Plan underwrite (17bps)
- CET1 ratio reduced by FX translation and mark-to-market losses on high quality liquids portfolio (21bps) and by EA top-up (19bps)
- Proforma CET1 ratio of 11.20% reflecting institutional placement and share purchase plan to raise approximately \$3.5 billion
- Leverage ratio (APRA basis) of 5.2%
- Liquidity coverage ratio (LCR) quarterly average of 136%
- Net Stable Funding Ratio (NSFR) of 116%

KEY DIVISIONAL PERFORMANCE – CASH EARNINGS

	1H20 (\$M)	% CHANGE 1H20 V 1H19	KEY DRIVERS 1H20 V 1H19
Business & Private Banking ⁷	1,378	(5.7)	Earnings reduced with lower fee income and a lower earnings rate on deposits and capital given the low interest rate environment. Costs were also higher due to investment spend partly offset by productivity benefits.
Consumer Banking ⁷	699	26.4	Higher earnings with revenue benefitting from repricing and lower funding costs in the housing lending portfolio, partly offset by continued competitive pressures. Credit impairment charges declined due to the impact of house prices movements.
Corporate & Institutional Banking ⁷	701	(10.2)	Reduced earnings reflect materially lower Markets income given mark-to-market impacts on the derivative valuation adjustment and high quality liquids portfolio, combined with a lower earnings rate on deposits and capital, and competitive pressures impacting business lending margins. This was partly offset by higher lending volumes and lower credit impairment charges.
New Zealand Banking ⁷ (NZ\$M)	562	5.6	Higher earnings due to growth in lending and lower operating expenses benefitting from productivity, partly offset by a lower earnings rate on deposits and capital.

⁷ Excludes large notable items and collective provision charges for forward looking economic adjustments due to the potential deterioration in broader macro-economic factors as a result of the COVID-19 pandemic, which are included in Corporate Functions and Other.

SUPPORTING OUR COLLEAGUES AND CUSTOMERS

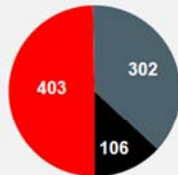
OUR COLLEAGUES¹

81% working remotely
(> 32,000 Group headcount)



■ On premise ■ Remote

811 front line reassignments²



■ Operations & NAB Assist
■ Consumer Banking
■ Business & Private

- >1,250 customer-facing business colleagues have attended webinars on supportive customer conversations, and personal health and well-being
- >350 retail colleagues trained in Learning Hubs (temporarily closed branches) to support customers using different channels – e.g. online chat and customer calls
- Up to 10 business days pandemic leave available to all NAB colleagues

OUR CUSTOMERS¹

>1.5m

Visits to our COVID-19 online support sites

>650k

Inbound calls taken from business and consumer customers

REPAYMENT DEFERRALS²
AT 17 APRIL 2020

APPROVED
TO DATE

\$ BALANCES



Home loans³

>70k

\$26.5bn



Business loans⁴

>34k

\$17.4bn

>1.5k

NAB Business Support Loans approved (>\$150m) with NAB participating in the Government's SME guarantee scheme

>1.7m

Credit Card & Personal Loan accounts²

Offered reduction in minimum monthly repayment amount, late payment fee waiver and reduced credit card interest rate

1. All figures at 17 April 2020, includes BNZ unless otherwise stated
2. Excludes BNZ
3. Excludes NAB branded Interest Only home loans (Advantage included) – temporarily unavailable due to automation of capture process
4. B&PB and NAB Corporate business accounts, including products such as leases. Customers may have a number of accounts.

ECONOMIC OUTLOOK

“Measures to contain the spread of COVID-19 have had a sudden and materially negative impact on economic activity. Various support packages are expected to cushion the blow to output and employment, but are unlikely to fully offset the downturn in the near term. They also provide significant support in the recovery phase, but the timing and pace of the recovery remains highly uncertain. For Australia, we expect GDP to decline 8.4% by September 2020 compared to December 2019 and not return to pre COVID-19 levels until early 2022, while unemployment is expected to peak at 11.7% in mid-2020 before partially recovering to 7.3% by December 2021.”

OVERVIEW⁸

Our immediate focus during the COVID-19 crisis has been on supporting our customers and colleagues, while remaining safe and secure. We moved rapidly to mobilise our people to work from home, launch customer support packages and enable our frontline to respond. Our ability to deliver this reflects strong foundations laid over recent years to lift our technology, digital and procurement capabilities, and the quality and adaptability of our people.

While measures put in place to support customers are significant and soften the impact of this crisis in the near term, there is much uncertainty as to how long this period of dislocation will last and the outlook for recovery. Necessary interventions to contain the spread of COVID-19 are having wide ranging impacts across the Australian and New Zealand economies, with sectors such as airlines, retail trade, hospitality and commercial real estate severely impacted. Our expectations are for a recession and much higher unemployment over 2020 and into 2021.

Given the uncertain outlook, we are taking proactive steps to further strengthen our balance sheet. These actions are intended to provide us with sufficient capacity to continue supporting our customers through the challenging times ahead, as well as assist to manage through a range of possible scenarios, including a prolonged and severe economic downturn. We have increased collective provisions for forward looking economic and targeted sector adjustments by \$828 million to \$2,135 million. We are also bolstering our capital base, today announcing a fully underwritten institutional placement of \$3 billion and non-underwritten share purchase plan targeted to raise approximately \$500 million, increasing our proforma CET1 ratio to 11.20%. The difficult decision to reduce our interim dividend by 64% to 30 cents per share is equivalent to a further \$1.6 billion or 37bps of CET1.

The Board and senior management acknowledge the need to share the pain felt by our customers, shareholders and more broadly. The Chairman Philip Chronican and the other Directors will each forego 20% of their base fees for 2H20. Group CEO Ross McEwan will forego 20% of his fixed remuneration for 2H20, and Mr McEwan and members of NAB's executive leadership team (ELT) will forego short-term variable rewards for FY20.

During this period, we have not lost sight of the need to plan for the future. We have refreshed our long term strategy and are clear how we will deliver it. Our ambition is to serve our customers well and help our communities prosper. To achieve this, we need to invest in our customers and colleagues, and will focus on four key areas:

- Safe; protecting customers and colleagues through financial and operational resilience
- Easy; a simpler, more seamless and digitally enabled bank that gets things done faster
- Relationship-led; building on market-leading expertise, data and insights
- Long term; deliver sustainable outcomes for our stakeholders

We start from a solid position but opportunities exist for improvement. NAB has a good portfolio of core businesses, with real strengths in relationship banking particularly in the appealing SME banking sector. Work over recent years has made inroads into removing complexity, uplifting digital capability and establishing strong foundations in technology. But we need to go further to provide simpler, easier, faster and more consistent outcomes for customers and colleagues, while remaining safe and resilient, and better leveraging relationship banking strengths.

Action is already underway on a number of fronts. A key near term focus will be further streamlining of our products and processes, particularly in home and business lending, which should also support a smoother transition to digitisation over the medium term. In technology we are continuing to migrate IT applications to lower cost cloud platforms and have a medium term focus on standardising and simplifying our architecture to reduce the number of core systems and provide more consistent outcomes for customers and colleagues. We are also accelerating the operational separation of MLC Wealth as a priority, with good momentum underway to ensure this business is well positioned on a standalone basis for divestment.

Execution will underpin our success. This starts by focusing attention on what matters most to our colleagues and customers, and directing energy and resources there. We have reduced the number of key investment projects across the Group by two thirds, with a small number identified as critically important and receiving CEO oversight. Ownership and accountability for outcomes and executing these changes will be clear. To enable this, we are implementing a new organisational structure with five end-to-end banking businesses designed around customers – Personal, Business & Private, Corporate & Institutional, Bank of New Zealand and UBank. These customer divisions will be responsible for all product, customer experience and operations relating to their customers. They are supported by enabling units delivering common activities at-scale across the Group including Technology and Risk.

As a result of this new organisational structure and recently announced departures, we are today announcing some changes to NAB's ELT. The former Customer Experience division headed by Rachel Slade will no longer exist and Rachel has been appointed Group Executive Personal Banking. In addition, Nathan Goonan has been appointed as Group Executive Strategy & Innovation. The search for a new head of Business & Private Banking is underway.

Over time, a simpler, more streamlined business with clear accountability is expected to be more productive and efficient, enabling better customer outcomes and more engaged colleagues⁸.

NAB has a proud history of supporting customers in difficult times. Through this crisis, we are stepping up again to continue this tradition. As in the past, we know our behaviours and actions during this time will have meaningful impacts on our future and that of our customers and the economy, and we have taken deliberate and decisive action to ensure we are positioned well for this challenge and beyond.

⁸ Refer to key risks, qualifications and assumptions in relation to forward looking statements on page 7.

NAB 2020 HALF YEAR RESULTS

GROUP PERFORMANCE RESULTS

Cash earnings is a key financial performance measure used by NAB, the investment community and NAB's Australian peers with a similar business portfolio. NAB also uses cash earnings for its internal management reporting, as it better reflects what NAB considers to be the underlying performance of the Group. Cash earnings is not a statutory financial measure, is not presented in accordance with Australian Accounting Standards, and is not audited or reviewed in accordance with Australian Auditing Standards. The 2020 Half Year Results Announcement provides details of how cash earnings is defined on page 2 and a discussion of non-cash earnings items and full reconciliation of statutory net profit attributable to owners of NAB on pages 99 to 102.

	Half Year to			Mar 20 v Sep 19 %	Mar 20 v Mar 19 %
	Mar 20 \$m	Sep 19 \$m	Mar 19 \$m		
Net interest income ⁹	6,908	6,838	6,776	1.0	1.9
Other operating income ⁹	1,907	2,372	2,442	(19.6)	(21.9)
Customer-related remediation ¹⁰	(242)	(863)	(344)	(72.0)	(29.7)
Net operating income	8,573	8,347	8,874	2.7	(3.4)
Operating expenses ¹¹	(4,118)	(4,100)	(4,055)	0.4	1.6
Customer-related remediation ¹⁰	(176)	(244)	(120)	(27.9)	46.7
Capitalised software policy change ¹⁰	(1,056)	(494)	-	large	large
Underlying profit	3,223	3,509	4,699	(8.2)	(31.4)
Credit impairment charge	(1,161)	(470)	(449)	large	large
Cash earnings before tax and distributions	2,062	3,039	4,250	(32.1)	(51.5)
Income tax expense	(604)	(865)	(1,244)	(30.2)	(51.4)
Cash earnings before distributions	1,458	2,174	3,006	(32.9)	(51.5)
Distributions	(22)	(31)	(52)	(29.0)	(57.7)
Cash earnings	1,436	2,143	2,954	(33.0)	(51.4)
Cash earnings (excluding large notable items)¹⁰	2,471	3,266	3,279	(24.3)	(24.6)
Non-cash earnings items (after tax)	(228)	40	(50)	large	large
Net profit from continuing operations	1,208	2,183	2,904	(44.7)	(58.4)
Net profit/loss after tax from discontinued operations ¹²	105	(79)	(210)	large	large
Net profit attributable to owners of NAB	1,313	2,104	2,694	(37.6)	(51.3)
Represented by:					
Business and Private Banking	1,378	1,378	1,462	-	(5.7)
Consumer Banking	699	657	553	6.4	26.4
Corporate and Institutional Banking	701	727	781	(3.6)	(10.2)
New Zealand Banking	535	494	503	8.3	6.4
Corporate Functions and Other ¹³	(884)	(75)	(98)	large	large
MLC Wealth	42	85	78	(50.6)	(46.2)
Customer-related remediation	(293)	(775)	(325)	(62.2)	(9.8)
Capitalised software policy change	(742)	(348)	-	large	large
Cash earnings	1,436	2,143	2,954	(33.0)	(51.4)

SHAREHOLDER SUMMARY

	Half Year to			Mar 20 v Sep 19	Mar 20 v Mar 19
	Mar 20	Sep 19	Mar 19		
Group					
Dividend per share (cents)	30	83	83	(53)	(53)
Dividend payout ratio	61.0%	109.9%	77.4%	large	large
Statutory earnings per share (cents) – basic	44.2	73.0	95.9	(28.8)	(51.7)
Statutory earnings per share (cents) – diluted	42.6	71.8	92.1	(29.2)	(49.5)
Statutory earnings per share from continuing operations (cents) – basic	40.6	75.8	103.5	(35.2)	(62.9)
Statutory earnings per share from continuing operations (cents) – diluted	39.5	74.4	99.1	(34.9)	(59.6)
Cash earnings per share (cents) – basic	49.2	75.5	107.2	(26.3)	(58.0)
Cash earnings per share (cents) – diluted	47.0	74.1	102.5	(27.1)	(55.5)
Statutory return on equity	4.7%	7.8%	10.5%	(310 bps)	(580 bps)
Cash return on equity (ROE)	5.3%	8.1%	11.7%	(280 bps)	(640 bps)
Group (excluding large notable items)⁹					
Dividend payout ratio	35.4%	72.1%	69.7%	large	large
Statutory earnings per share (cents) – basic	76.1	114.6	114.9	(38.5)	(38.8)
Statutory earnings per share (cents) – diluted	70.8	110.3	109.6	(39.5)	(38.8)
Statutory earnings per share from continuing operations (cents) – basic	76.1	115.4	115.3	(39.3)	(39.2)
Statutory earnings per share from continuing operations (cents) – diluted	70.8	111.0	109.9	(40.2)	(39.1)
Cash earnings per share (cents) – basic	84.7	115.1	119.0	(30.4)	(34.3)
Cash earnings per share (cents) – diluted	78.3	110.7	113.3	(32.4)	(35.0)
Statutory return on equity	8.1%	12.3%	12.6%	(420 bps)	(450 bps)
Cash return on equity (ROE)	9.0%	12.3%	13.0%	(330 bps)	(400 bps)

⁹ Excludes customer-related remediation.

¹⁰ Refer to NAB's 2020 Half Year Results Announcement Section 2 Large notable items for further information.

¹¹ Excludes large notable items customer-related remediation and capitalised software policy change.

¹² Refer to NAB's 2020 Half Year Results Announcement Note 14 Discontinued Operations for further information.

¹³ Includes collective provision charges for forward looking economic adjustments due to the potential deterioration in broader macro-economic factors as a result of the COVID-19 pandemic. Excludes large notable items customer-related remediation and capitalised software policy change.

FOR FURTHER INFORMATION

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DISCLAIMER – FORWARD LOOKING STATEMENTS

This Results Summary and the 2020 Half Year Results Announcement contain 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", "project", "anticipate", "expect", "target", "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.

This Results Summary and the 2020 Half Year Results Announcement 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) 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); (2) the Group's ability to meet its internal net FTE reduction targets; (3) the Group's ability to recruit and retain FTE and contractors with the requisite skills and experience to deliver Program initiatives; (4) 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; (5) 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; (6) 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 (7) 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.

There are a number of other important factors that could cause actual results to differ materially from those projected in such Statements, including (without limitation) the risks and uncertainties associated with the ongoing impacts of the COVID-19 pandemic, the Australian and global economic environment and capital market conditions. Further information is contained in the Group's Luxembourg Transparency Law disclosures released to the ASX on 27 April 2020 and the Group's Annual Financial Report for the 2019 financial year, which is available at www.nab.com.au.

NO OFFER

This Results Summary and the 2020 Half Year Results Announcement do not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or any other jurisdiction in which such an offer would be illegal. The securities referred to in this Results Summary and the 2020 Half Year Results Announcement have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the U.S. Securities Act), or the securities laws of any state or other jurisdiction of the United States. Accordingly, the securities referred to in this Results Summary and the 2020 Half Year Results Announcement may not be offered or sold, directly or indirectly, in the United States unless the securities have been registered under the U.S. Securities Act (which NAB is under no obligation to do) or are offered or sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable securities laws of any state or other jurisdiction of the United States.