

# NATIONAL AUSTRALIA BANK

## Template for Key Performance Measures

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

	Year to		Half Year to		Sep 15
	Sep 15	Sep 14	Sep 15	Mar 15	Results
Group Cash Earnings	\$m	\$m	\$m	\$m	Announcement
Net interest income	14,017	13,451	7,072	6,945	Page 3
Other operating income	5,262	5,036	2,662	2,600	Page 3
IoRE	19	34	(5)	24	Page 3
Net operating income	19,298	18,521	9,729	9,569	Page 3
Operating expenses	(9,899)	(9,987)	(5,548)	(4,351)	Page 3
Underlying profit	9,399	8,534	4,181	5,218	Page 3
Charge to provide for bad and doubtful debts	(823)	(869)	(380)	(443)	Page 3
Cash earnings before tax and distributions	8,576	7,665	3,801	4,775	Page 3
Income tax expense	(2,562)	(2,430)	(1,168)	(1,394)	Page 3
Cash earnings before distributions	6,014	5,235	2,633	3,381	Page 3
Distributions	(175)	(180)	(66)	(109)	Page 3
Cash earnings	5,839	5,055	2,567	3,272	Page 3

#### Non-cash earnings items (after-tax):

Distributions	175	180	66	109	Page 3
Treasury shares	4	(43)	321	(317)	Page 3
Fair value and hedge ineffectiveness	497	83	143	354	Page 3
Life insurance economic assumption variation	13	(20)	(12)	25	Page 3
Amortisation of acquired intangible assets	(94)	(74)	(48)	(46)	Page 3
Sale and demerger transaction costs	(77)	-	(77)	-	Page 3
Net profit from continuing operations	6,357	5,181	2,960	3,397	Page 3
Net profit/loss after tax from discontinued operations <sup>(2)</sup>	(19)	114	(62)	43	Page 3
Net profit attributable to owners of the Company	6,338	5,295	2,898	3,440	Page 3

	Year to		Half Year to		Sep 15
	Sep 15	Sep 14	Sep 15	Mar 15	Results
Average equity data	\$m	\$m	\$m	\$m	Announcement
Average interest-earnings assets	748,404	702,950	761,699	735,393	Pages 105 & 108
Average assets	945,011	853,396	961,966	927,962	Pages 105 & 108
Average equity	50,797	46,534	52,577	47,986	Pages 107 & 110
Average non-controlling interest in controlled entities	17	18	11	24	Pages 107 & 110
Average Trust Preferred Securities	975	975	975	975	
Average Trust Preferred Securities II	469	1,014	-	970	
Average National Income Securities	1,945	1,945	1,945	1,945	
Average National Capital Instruments	397	397	397	397	
Average BNZ Income Securities 2	-	136	-	-	
Average Treasury shares	1,721	1,594	1,844	1,689	

#### Statutory earnings per share data

Basic weighted average ordinary shares (no. '000)	2,438,782	2,329,985	2,504,939	2,373,322	Page 113
Diluted weighted average ordinary shares (no. '000)	2,578,648	2,427,116	2,664,978	2,467,359	Page 113
Distributions on other equity instruments	175	192	66	109	Page 113
Interest expense on convertible notes	30	-	29	1	Page 113
Interest expense on convertible preference shares	135	124	65	70	Page 113

#### Cash Earnings per share data

Basic weighted average ordinary shares (no. '000)	2,498,364	2,387,316	2,566,460	2,430,514	Page 114
Diluted weighted average ordinary shares (no. '000)	2,638,230	2,484,447	2,726,499	2,524,551	Page 114
Distributions on other equity instruments	-	12	-	-	Page 114
Interest expense on convertible notes	30	-	29	1	Page 114
Interest expense on convertible preference shares	135	124	65	70	Page 114

#### Risk-weighted assets data

Risk-weighted assets	399,758	367,652	399,758	n/a	Page 112
Risk-weighted assets (prior third quarter)	396,551	370,012	396,551	n/a	
Risk-weighted assets (prior half year)	393,238	367,224	393,238	393,238	
Risk-weighted assets (prior first quarter)	370,191	370,402	n/a	370,191	
Risk-weighted assets (prior year)	367,652	362,078	n/a	367,652	

Full Time Equivalent Employees (FTE) (average)	41,849	41,153	42,107	41,586	Page 10
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Dividend per share (cents)	198	198	99	99	Page 10
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#### Banking cost to income ratio data

Group operating expenses	9,899	9,987	5,548	4,351	Page 3
NAB Wealth operating expenses	941	950	471	470	Page 56
Operating expenses / Net operating income eliminations	65	59	38	27	Pages 38-41
Group net operating income	19,298	18,521	9,729	9,569	Page 3
NAB Wealth net operating income	1,586	1,440	805	781	Page 56

#### Net tangible assets per share data

Ordinary shares - Fully paid (no. '000)	2,625,764	2,365,791	2,625,764	2,421,112	Page 117
Ordinary shares - Partly paid (no. '000)	64	69	64	67	Page 117
Total equity / net assets	55,513	47,723	55,513	49,272	Page 68
Non-controlling interest in controlled entities	19	17	19	18	Page 68
Trust Preferred Securities	975	975	975	975	Page 89
Trust Preferred Securities II	-	1,014	-	-	Page 89
National Income Securities	1,945	1,945	1,945	1,945	Page 89
National Capital Instruments	397	397	397	397	Page 89
Goodwill and other intangible assets	7,347	6,955	7,347	7,158	Page 68

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

# NATIONAL AUSTRALIA BANK

## Template for Key Performance Measures

### Output summary - ratios <sup>(1)(2)</sup>

Key indicators	Year to		Half Year to	
	Sep 15	Sep 14	Sep 15	Mar 15
	\$m	\$m	\$m	\$m
Basic statutory earnings per ordinary share - cents	252.7	219.0	113.1	140.4
Basic statutory earnings per ordinary share - cents (continuing operations)	253.5	214.1	115.5	138.5
Basic statutory earnings per ordinary share - cents (discontinued operations)	(0.8)	4.9	(2.4)	1.9
Net profit attributable to owners of the Company	6,338	5,295	2,898	3,440
Less: Distributions on other equity instruments (statutory basis)	(175)	(192)	(66)	(109)
Net profit attributable to owners of the Company (adjusted)	6,163	5,103	2,832	3,331
Net profit attributable to owners of the Company (adjusted from continuing operations)	6,182	4,989	2,894	3,288
Net profit attributable to owners of the Company (adjusted from discontinued operations)	(19)	114	(62)	43
Add: Interest expense on convertible notes	30	-	29	1
Add: Interest expense on convertible preference shares	135	124	65	70
Adjusted earnings (diluted)	6,328	5,227	2,926	3,402
Adjusted earnings (diluted- continuing operations)	6,347	5,113	2,988	3,359
Adjusted earnings (diluted- discontinued operations)	(19)	114	(62)	43
Weighted average ordinary shares (no. '000) (statutory basis)	2,438,782	2,329,985	2,504,939	2,373,322
Diluted weighted average ordinary shares (no. '000) (statutory basis)	2,578,648	2,427,116	2,664,978	2,467,359
Diluted statutory earnings per ordinary share - cents	245.4	215.4	109.8	137.9
Diluted statutory earnings per ordinary share - cents (continuing operations)	246.1	210.7	112.1	136.1
Diluted statutory earnings per ordinary share - cents (discontinued operations)	(0.7)	4.7	(2.3)	1.8
Basic cash earnings per ordinary share - cents	233.7	211.2	100.0	134.6
Cash earnings	5,839	5,055	2,567	3,272
Less: Distributions on other equity instruments (cash earnings basis)	-	(12)	-	-
Adjusted cash earnings (basic)	5,839	5,043	2,567	3,272
Add: Interest expense on convertible notes	30	-	29	1
Add: Interest expense on convertible preference shares	135	124	65	70
Adjusted cash earnings (diluted)	6,004	5,167	2,661	3,343
Weighted average ordinary shares (no. '000) (cash earnings basis)	2,498,364	2,387,316	2,566,460	2,430,514
Diluted weighted average ordinary shares (no. '000) (cash earnings basis)	2,638,230	2,484,447	2,726,499	2,524,551
Diluted cash earnings per share - cents	227.6	208.0	97.6	132.4
Statutory profit on average equity (Statutory return on equity)	13.1%	12.1%	11.5%	15.3%
Net profit attributable to owners of the Company (adjusted)	6,163	5,103	2,832	3,331
Cash earnings on average equity (Cash return on equity)	12.0%	11.6%	10.0%	14.5%
Cash earnings	5,839	5,055	2,567	3,272
Average equity	50,797	46,534	52,577	47,986
Less: Average non-controlling interest in controlled entities	(17)	(18)	(11)	(24)
Less: Average Trust Preferred Securities	(975)	(975)	(975)	(975)
Less: Average Trust Preferred Securities II	(469)	(1,014)	-	(970)
Less: Average National Income Securities	(1,945)	(1,945)	(1,945)	(1,945)
Less: Average National Capital Instruments	(397)	(397)	(397)	(397)
Less: Average BNZ Income Securities 2	-	(136)	-	-
Adjusted average equity for earnings on average equity calculation (statutory basis)	46,994	42,049	49,249	43,675
Add: Average Treasury shares	1,721	1,594	1,844	1,689
Adjusted average equity for cash earnings on average equity calculation (cash earnings basis)	48,715	43,643	51,093	45,364
Profitability, performance and efficiency measures				
Dividend payout ratio	84.7%	93.8%	99.0%	73.6%
Dividend per share (cents)	198	198	99	99
Basic cash earnings per ordinary share - cents	233.7	211.2	100.0	134.6
Cash earnings on average assets	0.62%	0.59%	0.53%	0.71%
Cash earnings	5,839	5,055	2,567	3,272
Average assets	945,011	853,396	961,966	927,962
Cash earnings on average risk-weighted assets	1.51%	1.38%	1.29%	1.74%
Cash earnings	5,839	5,055	2,567	3,272
Risk-weighted assets	399,758	367,652	399,758	n/a
Risk-weighted assets (prior third quarter)	396,551	370,012	396,551	n/a
Risk-weighted assets (prior half year)	393,238	367,224	393,238	393,238
Risk-weighted assets (prior first quarter)	370,191	370,402	n/a	370,191
Risk-weighted assets (prior year)	367,652	362,078	n/a	367,652
Cash earnings per average FTE (\$000)	140	123	122	158
Cash earnings	5,839	5,055	2,567	3,272
Full Time Equivalent Employees (FTE) (average)	41,849	41,153	42,107	41,586
Banking cost to income ratio	50.8%	53.1%	57.1%	44.3%
Group operating expenses	9,899	9,987	5,548	4,351
Less: NAB Wealth Operating expenses	(941)	(950)	(471)	(470)
Add: Eliminations	65	59	38	27
Banking operating expenses	9,023	9,096	5,115	3,908
Group net operating income	19,298	18,521	9,729	9,569
Less: NAB Wealth net operating income	(1,586)	(1,440)	(805)	(781)
Add: Eliminations	65	59	38	27
Banking net operating income	17,777	17,140	8,962	8,815
Net tangible assets (NTA) per share (\$)	17.07	15.39	17.07	16.02
Total equity / net assets	55,513	47,723	55,513	49,272
Less: non-controlling interest in controlled entities	(19)	(17)	(19)	(18)
Less: Trust Preferred Securities	(975)	(975)	(975)	(975)
Less: Trust Preferred Securities II	-	(1,014)	-	-
Less: National Income Securities	(1,945)	(1,945)	(1,945)	(1,945)
Less: National Capital Instruments	(397)	(397)	(397)	(397)
Less: Goodwill and other intangible assets	(7,347)	(6,955)	(7,347)	(7,158)
Net tangible assets (NTA)	44,830	36,420	44,830	38,779
Ordinary shares - Including partly paid (no. '000)	2,625,828	2,365,860	2,625,828	2,421,179

<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.

<sup>(2)</sup> Information is presented on a continuing operations basis including prior period restatements.