

NATIONAL AUSTRALIA BANK

Template for Key Performance Measures

Output summary - ratios ⁽¹⁾⁽²⁾

Key indicators	Half Year to		
	Mar 18	Sep 17	Mar 17
	\$m	\$m	\$m
Basic statutory earnings per ordinary share - cents	93.9	100.8	93.9
Basic statutory earnings per ordinary share - cents (continuing operations)	104.7	122.5	105.6
Net profit attributable to owners of NAB	2,583	2,740	2,545
Less: Distributions on other equity instruments (statutory basis)	(49)	(49)	(49)
Net profit attributable to owners of NAB (adjusted)	2,534	2,691	2,496
Net profit attributable to owners of NAB (adjusted from continuing operations)	2,825	3,272	2,808
Net (loss) attributable to owners of NAB (adjusted from discontinued operations)	(291)	(581)	(312)
Add: Interest expense on convertible notes	62	63	63
Add: Interest expense on convertible preference shares	59	60	59
Adjusted earnings (diluted)	2,655	2,814	2,618
Adjusted earnings (diluted - continuing operations)	2,946	3,395	2,930
Weighted average ordinary shares (no. '000) (statutory basis)	2,699,116	2,670,722	2,658,228
Diluted weighted average ordinary shares (no. '000) (statutory basis)	2,915,726	2,879,030	2,856,375
Diluted statutory earnings per ordinary share - cents	91.1	97.7	91.7
Diluted statutory earnings per ordinary share - cents (continuing operations)	101.0	117.9	102.6
Basic cash earnings per ordinary share - cents	102.2	125.4	123.9
Adjusted cash earnings (basic)	2,759	3,348	3,294
Add: Interest expense on convertible notes	62	63	63
Add: Interest expense on convertible preference shares	59	60	59
Adjusted cash earnings (diluted)	2,880	3,471	3,416
Weighted average ordinary shares (no. '000) (cash earnings basis)	2,699,116	2,670,722	2,658,228
Diluted weighted average ordinary shares (no. '000) (cash earnings basis)	2,915,726	2,879,030	2,856,375
Diluted cash earnings per share - cents	98.8	120.6	119.6
Statutory profit on average equity (Statutory return on equity)	10.5%	11.2%	10.6%
Net profit attributable to owners of NAB (adjusted)	2,534	2,691	2,496
Cash earnings on average equity (Cash return on equity)	11.4%	13.9%	14.0%
Cash earnings	2,759	3,348	3,294
Average equity	51,511	50,806	50,280
Less: Average non-controlling interest in controlled entities	(11)	(9)	(23)
Less: Average Trust Preferred Securities	(975)	(975)	(975)
Less: Average National Income Securities	(1,945)	(1,945)	(1,945)
Less: Average National Capital Instruments	-	-	(7)
Adjusted average equity for earnings on average equity calculation (statutory basis)	48,580	47,877	47,330
Adjusted average equity for cash earnings on average equity calculation (cash earnings basis)	48,580	47,877	47,330
Profitability, performance and efficiency measures			
Dividend payout ratio	96.9%	78.9%	79.9%
Dividend per share (cents)	99	99	99
Basic cash earnings per ordinary share - cents	102.2	125.4	123.9
Cash earnings on average assets	0.69%	0.83%	0.83%
Cash earnings	2,759	3,348	3,294
Average assets	807,313	802,380	795,151
Cash earnings on average risk-weighted assets	1.45%	1.76%	1.72%
Cash earnings	2,759	3,348	3,294
Risk-weighted assets	387,415	382,114	374,487
Risk-weighted assets (prior quarter)	376,624	383,945	388,351
Risk-weighted assets (prior half year)	382,114	374,487	388,445
Cash earnings per average FTE (\$'000)	163	200	194
Cash earnings	2,759	3,348	3,294
Full Time Equivalent Employees (FTE) (average)	33,904	33,464	34,001
Group 'Jaws' ratio	(22.5%)	0.1%	(1.1%)
Cost to income ratio	52.2%	42.7%	42.7%
Group operating expenses ⁽³⁾	(4,744)	(3,850)	(3,785)
Group net operating income	9,093	9,026	8,869
Net tangible assets (NTA) per share (\$)	16.11	15.93	15.90
Total equity / net assets	52,401	51,317	50,856
Less: non-controlling interest in controlled entities	(11)	(11)	(11)
Less: National Income Securities	(1,945)	(1,945)	(1,945)
Less: Trust Preferred Securities	(975)	(975)	(975)
Less: Goodwill and other intangible assets	(5,607)	(5,601)	(5,393)
Net tangible assets (NTA)	43,863	42,785	42,532
Ordinary shares - Including partly paid (no. '000)	2,722,965	2,685,512	2,675,469

⁽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 7 of the Results Announcement.

⁽²⁾ Information is presented on a continuing operations basis.

⁽³⁾ Includes \$755 million of restructuring-related costs. Refer to Note 4 Operating Expenses in March 2018 half year Result Announcement for further details.

NATIONAL AUSTRALIA BANK

Template for Key Performance Measures

Input Schedule ⁽¹⁾

	Half Year to			Mar 18
	Mar 18	Sep 17	Mar 17	Results
	\$m	\$m	\$m	Announcement
Group Cash Earnings				
Net interest income	6,750	6,773	6,393	Page 3
Other operating income	2,343	2,253	2,476	Page 3
Net operating income	9,093	9,026	8,869	Page 3
Operating expenses (excluding restructuring-related costs)	(3,989)	(3,850)	(3,785)	Page 10
Restructuring-related costs	(755)	-	-	Page 10
Underlying profit	4,349	5,176	5,084	Page 3
Credit impairment charge	(373)	(416)	(394)	Page 3
Cash earnings before tax and distributions	3,976	4,760	4,690	Page 3
Income tax expense	(1,168)	(1,363)	(1,347)	Page 3
Cash earnings before distributions	2,808	3,397	3,343	Page 3
Distributions	(49)	(49)	(49)	Page 3
Cash earnings	2,759	3,348	3,294	Page 3
Cash earnings (excluding restructuring-related costs)	3,289	3,348	3,294	Page 10
<i>Non-cash earnings items (after-tax):</i>				
Distributions	49	49	49	Page 3
Fair value and hedge ineffectiveness	81	(47)	(453)	Page 3
Amortisation of acquired intangible assets	(15)	(29)	(33)	Page 3
Net profit from continuing operations	2,874	3,321	2,857	Page 3
Net profit attributable to owners of NAB from continuing operations (excluding restructuring-related charges)	3,404	3,321	2,857	Page 10
Net loss after tax from discontinued operations	(291)	(581)	(312)	Page 3
Net profit attributable to owners of NAB	2,583	2,740	2,545	Page 3

	Half Year to			Mar 18
	Mar 18	Sep 17	Mar 17	Results
	\$m	\$m	\$m	Announcement
Average equity data				
Average interest-earning assets	725,060	718,167	704,330	Page 89
Average assets	807,313	802,380	795,151	Page 90
Average equity	51,511	50,806	50,280	Page 92
Average non-controlling interest in controlled entities	11	9	23	Page 92
Average Trust Preferred Securities	975	975	975	
Average National Income Securities	1,945	1,945	1,945	
Average National Capital Instruments	-	-	7	

Statutory earnings per share data				
Basic weighted average ordinary shares (no. '000)	2,699,116	2,670,722	2,658,228	Page 95
Diluted weighted average ordinary shares (no. '000)	2,915,726	2,879,030	2,856,375	Page 95
Distributions on other equity instruments	(49)	(49)	(49)	Page 95
Interest expense on convertible notes	62	63	63	Page 95
Interest expense on convertible preference shares	59	60	59	Page 95

Cash Earnings per share data				
Basic weighted average ordinary shares (no. '000)	2,699,116	2,670,722	2,658,228	Page 95
Diluted weighted average ordinary shares (no. '000)	2,915,726	2,879,030	2,856,375	Page 95
Interest expense on convertible notes	62	63	63	Page 95
Interest expense on convertible preference shares	59	60	59	Page 95

Risk-weighted assets data				
Risk-weighted assets	387,415	382,114	374,487	Page 93
Risk-weighted assets (prior quarter)	376,624	383,945	388,351	
Risk-weighted assets (prior half year)	382,114	374,487	388,445	

Average Full Time Equivalent Employees (FTE)	33,904	33,464	34,001	Page 11
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Dividend per share (cents)	99	99	99	Page 10
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Cost to income ratio data				
Group operating expenses ⁽²⁾	(4,744)	(3,850)	(3,785)	Page 3
Group net operating income	9,093	9,026	8,869	Page 3

Net tangible assets per share data				
Ordinary shares - Fully paid (no. '000)	2,722,926	2,685,469	2,675,424	Page 97
Ordinary shares - Partly paid (no. '000)	39	43	45	Page 97
Total equity / net assets	52,401	51,317	50,856	Page 57
Non-controlling interest in controlled entities	11	11	11	Page 57
National Income Securities	1,945	1,945	1,945	Page 73
Trust Preferred Securities	975	975	975	Page 73
Goodwill and other intangible assets	5,607	5,601	5,393	Page 57

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

⁽²⁾ Includes \$755 million of restructuring-related costs. Refer to Note 4 Operating Expenses in March 2018 half year Result Announcement for further details.