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The June 2018 quarter results are compared with the quarterly average of the March 2018 half year results for continuing operations (excluding restructuring-related costs) unless otherwise stated. Cash and statutory earnings are rounded to the nearest \$50 million. Revenue, expenses and asset quality are expressed on a cash earnings basis.

3Q18 FINANCIAL HIGHLIGHTS

\$1.65BN

Unaudited statutory net profit

\$1.65BN

Unaudited Cash earnings¹

-3%

Cash earnings growth vs 3Q17

9.7%

Group Common Equity Tier 1 ratio (CET1)

“ We have a long term plan focused on becoming a simpler bank that is better for our customers today and into the future. During the quarter we made further progress on our transformation by investing in both productivity and growth initiatives.

Notwithstanding a challenging operating environment, financial performance in 3Q18 has been sound. Revenue is up, despite elevated short term wholesale funding costs, while asset quality and balance sheet metrics remain strong.

As we make progress towards resolving several previously disclosed regulatory compliance investigations, we expect to recognise additional provisions in the 2H18 result, noting there are significant uncertainties in determining a provisioning outcome at this time². These additional costs will be excluded from the expense growth guidance of 5-8% for FY18.

The Royal Commission is challenging us with its focus on where we have let customers down. We are determined to respond and become a better bank through living our purpose and values every day.”

ANDREW THORBURN - NAB CEO

OPERATING PERFORMANCE

- Cash earnings declined by 1%, and compared to the prior corresponding period were down 3% reflecting higher investment spend and credit impairment charges.
- Revenue up 1% due to good growth in SME lending within Business & Private Banking and a strong contribution from New Zealand Banking.
- Net interest margin declined slightly, reflecting elevated short term wholesale funding costs and ongoing intense home loan competition.
- Expenses rose 2% due to higher compliance costs, investment spend consistent with the accelerated strategy, and increased depreciation and amortisation.

BACKING OUR CUSTOMERS & THE COMMUNITY

- Priority Segments Net Promoter Score (NPS)³ declined from -9 in March to -14 in June, partly reflecting an overall industry decline, with NAB's priority segments NPS now second of the major banks.
- In July we reinforced our commitment to regional and rural Australia by announcing new customer services and support, including the ability to offset farm management deposits against agricultural lending.
- Launched new NAB mobile and internet banking capability which enables business and consumer customers to self-serve Term Deposit roll-overs (~1 million interactions per annum).

¹ Refer note on cash earnings on page 3.

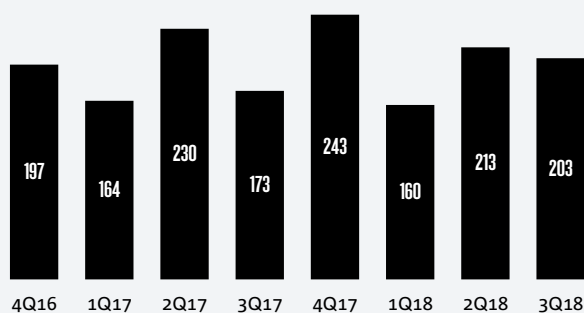
² Refer to Note 14 to the Financial Statements in NAB's 2018 Half Year Results for further detail of disclosed items. The outcome of these items and other ongoing regulatory investigations remains uncertain. Further detail will be provided with NAB's 2018 Full Year Results.

³ 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. Priority Segment Net Promoter Score (NPS) is a simple average of the NPS scores of four priority segments: Home Owners, Investors, Small Business (\$0.1m-<\$5m) and Medium Business (\$5m-<\$50m). The Priority Segments NPS data is based on six month moving averages from Roy Morgan Research and DBM BFSM Research

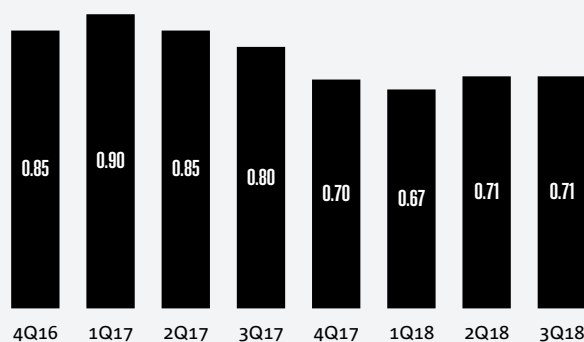
ASSET QUALITY

- Credit impairment charges rose 9% to \$203 million and included \$25 million of additional collective provisions for forward looking adjustments (FLAs), bringing the total balance of FLAs to \$547 million.
- Asset quality remains sound with the ratio of 90+ days past due and gross impaired assets to gross loans and acceptances steady at 0.71%.

CREDIT IMPAIRMENT CHARGES (\$MILLIONS)

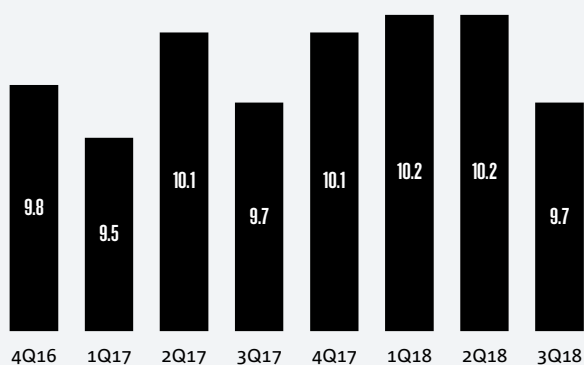


90+ DPD & GIAS/GLAS (%)



CAPITAL, FUNDING & LIQUIDITY

CET1 RATIO (%)



KEY RATIOS AS AT 30 JUNE 2018

- Group Common Equity Tier 1 (CET1) ratio of 9.7%, compared to 10.2% at March 2018, largely reflecting the impact of the interim 2018 dividend declaration (63bps net of DRP) and seasonally stronger loan growth in the June quarter.
- Expect to meet APRA's 'unquestionably strong' target of 10.5% in an orderly manner by January 2020.
- Leverage ratio (APRA basis) of 5.3%.
- Liquidity Coverage Ratio (LCR) quarterly average of 132%.
- Net Stable Funding Ratio (NSFR) of 113%.

FOR FURTHER INFORMATION

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DISCLAIMER – FORWARD LOOKING STATEMENTS

This announcement contains 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.

Further information on important factors that could cause actual results to differ materially from those projected in such statements is contained in the Group's 2017 Annual Financial Report, which is available at www.nab.com.au.

NOTE ON CASH EARNINGS

Full detail on how cash earnings is defined, a discussion of non-cash earnings items and a full reconciliation of statutory net profit attributable to owners of NAB for the half year ended 31 March 2018 is set out on pages 2 to 7 of the 2018 Half Year Results Announcement under the heading "Profit Reconciliation".

The Group's results are presented on a cash earnings basis, unless otherwise stated. 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. It 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. "Cash earnings" is calculated by excluding discontinued operations and certain other items which are included within the statutory net profit attributable to owners of NAB. The Group's financial statements, prepared in accordance with the Corporations Act 2001 (Cth) and Australian Accounting Standards, and reviewed by the auditors in accordance with Australian Auditing Standards, were published in the Group's 2018 Half Year Results Announcement.