

HALF YEAR RESULTS 2019

INVESTOR
PRESENTATION
2 MAY 2019



Philip Chronican
Chief Executive Officer

Gary Lennon
Chief Financial Officer



Paul and Belinda Adams
Coastal Hydroponics
NAB customer



NAB 2019 HALF YEAR RESULTS INDEX

This presentation is general background information about NAB. It is intended to be used by a professional analyst audience and is not intended to be relied upon as financial advice. Refer to page 103 for legal disclaimer.

Financial information in this presentation is based on cash earnings, which is not a statutory financial measure. Refer to page 100 for definition of cash earnings and reconciliation to statutory net profit.

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OVERVIEW

PHILIP CHRONICAN
Chief Executive Officer

1. How we're responding to the current climate

- Royal Commission
- APRA Self-Assessment
- Regulatory action
- Remediation

2. We're resetting our financial parameters

- Capital – CPS conversion (\$750m) & DRP (up to ~\$1.8bn)
- Dividend changes
- Remediation charges – \$1.1bn in provisions, more to come

3. Our core businesses are performing to expectations

- B&PB, NZ and C&IB are performing well
- Consumer and Wealth are under pressure
- Transformation on track and delivering

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RESULT IMPACTED BY FURTHER CUSTOMER-RELATED REMEDIATION

1H19 V 1H18			
Cash earnings ¹	\$2,954 m	↑	7.1 %
Customer-related remediation	\$325 m		
Cash earnings (ex restructuring-related costs & customer-related remediation)	\$3,279 m	↓	0.3 %
Diluted Cash EPS	102.5 cps	↑	3.7 %
Diluted Cash EPS (ex restructuring-related costs & customer-related remediation)	113.3 cps	↓	3.2 %
Cash ROE	11.7 %	↑	30 bps
Cash ROE (ex restructuring-related costs & customer-related remediation)	13.0 %	↓	60 bps
Dividend (cps)	83	↓	16.2 %
Statutory profit (\$m)	\$2,694 m	↑	4.3 %
CET1	10.4 %	↑	19 bps

(1) Refer to page 100 for definition of cash earnings and reconciliation to statutory net profit

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DIVIDEND REDUCTION IMPROVES CAPITAL GENERATION

- Dividend reduced by 16% given more difficult operating environment and to improve capital generation
- 1H19 dividend payout of 77% of cash earnings (70% excluding customer-related remediation)
- Increased flexibility to accommodate earnings volatility, further regulatory changes and RWA growth
- Potential to grow dividend in medium term

CAPITAL NEUTRAL PAYOUT RATIO SCENARIOS¹

		Return on Equity				
		11%	12%	13%	14%	15%
RWA Growth p.a.	1%	91%	92%	93%	93%	94%
	2%	83%	84%	86%	87%	87%
	3%	74%	77%	78%	80%	81%
	4%	66%	69%	71%	73%	75%
	5%	58%	61%	64%	67%	69%
	6%	49%	53%	57%	60%	63%
	7%	41%	46%	50%	53%	56%

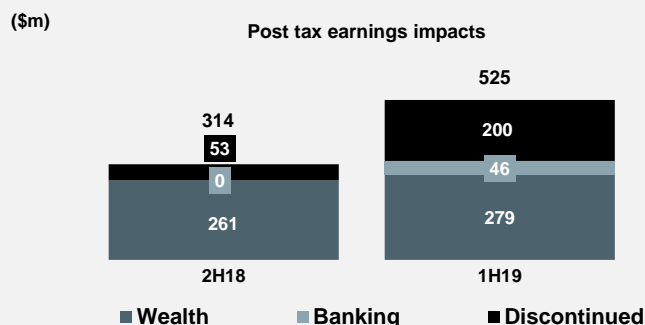
(1) Illustrative scenarios assume maintenance of a 10.5% CET1 ratio with 0% DRP take-up

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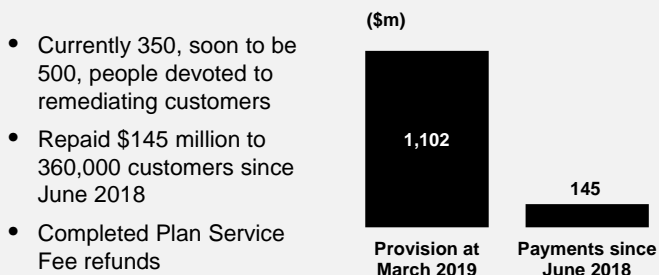


MAKING THINGS RIGHT WHEN WE GET IT WRONG

CUSTOMER-RELATED REMEDIATION



PROVISIONING AND UTILISATION



KEY ITEMS DRIVING HIGHER 1H19 PROVISIONS

- Mainly wealth related (9% relates to banking) including
 - Non-compliant advice provided to wealth customers
 - Adviser service fees charged by NAB Financial Planning increased to reflect higher assumed refund rate of 23% (31% including interest costs)
 - Adviser service fees charged by NAB Advice Partnerships (self-employed advisers)
 - Consumer Credit Insurance following industry review

ADVISER SERVICE FEES – SELF EMPLOYED ADVISERS

- Provisions increased to cover the expected costs to undertake the review and the approach to remediation
- Excludes allowance for customer refunds given uncertainty
 - estimating 'no evidence' rates
 - recovery rates from advisers
- Total ongoing advice fees received by advice partnerships within 2009-2018 estimated to be approximately \$1.3bn

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ADDRESSING CUSTOMER & COMMUNITY EXPECTATIONS

EXECUTIVE & BOARD ACCOUNTABILITY

- **CEO resignation** and forfeiture of all deferred and unvested variable reward (up to ~\$21m¹)
- Up to ~\$5.5m¹ of variable reward earned across 2016-2018 forfeited by the majority of the FY18 **Executive Leadership Team**
- **Chairman** announced intention to resign in 2019 and all other current **Board members** taking reduction in 2019 Board fees equivalent to 20% of FY18 base fees

REGULATORY RESPONSES

- NAB supports 72 out of 76 **Royal Commission recommendations**
 - 26 currently actionable by NAB either completed or being implemented
- **APRA self-assessment** on governance, accountability and culture publicly released in November 2018
 - Work underway on all 26 actions

SMALL BUSINESS, RURAL & REGIONAL AUSTRALIA

- Pledged to keep our 316 NAB **branches in regional and rural Australia** open until at least 2021
- Extending protections to **small business** beyond Banking Code of Practice up to \$5m in total borrowings
- \$500m in **concessional loans** to support flood affected customers in North Queensland

INCENTIVES

- Removed **grandfathered commissions** for NAB Financial Planning employed advisers
- Announced closure of the NAB **'Introducer'** payment program effective 1 October
- Removed **financial targets** for Tellers and compliant with all Sedgwick recommendations for retail banking remuneration

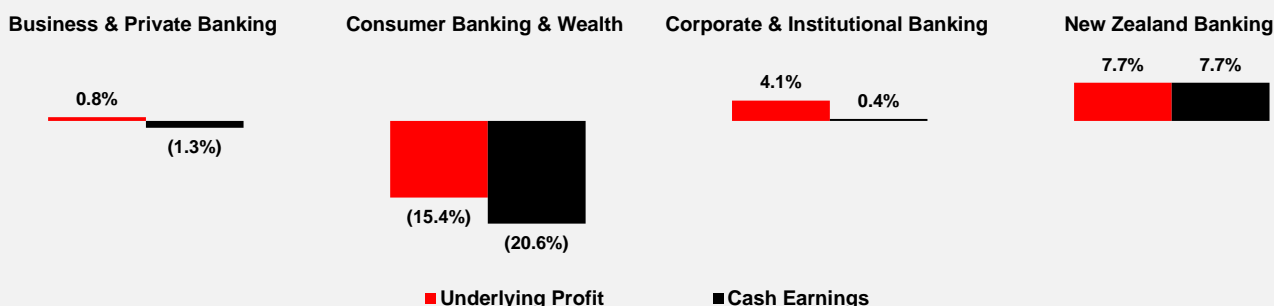
(1) Based on an indicative share price of \$25, and assuming full vesting of all hurdled rights, shares and cash awards, and excluding the value of any dividends on unvested shares

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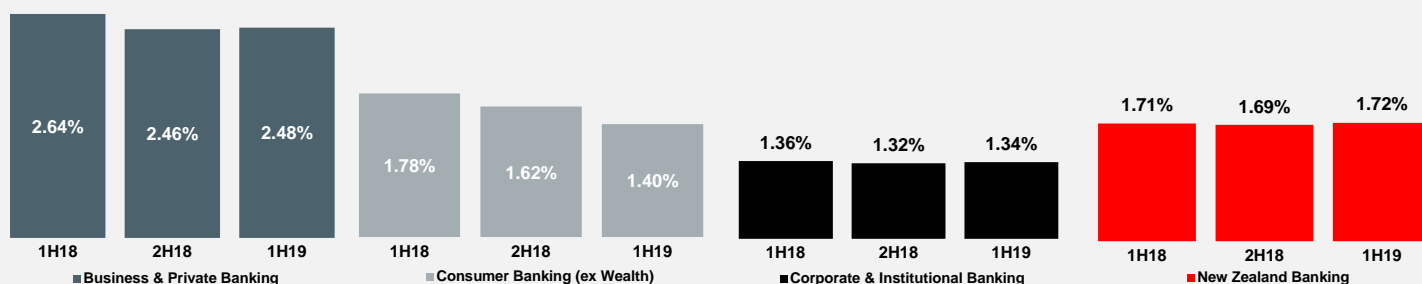


CONSUMER BANKING & WEALTH RETURNS DECLINING

CASH EARNINGS¹ AND UNDERLYING PROFIT² GROWTH (LOCAL CURRENCY) 1H19 V 1H18



CASH EARNINGS TO RWA BY DIVISION



(1) Refer to page 100 for definition of cash earnings and reconciliation to statutory net profit

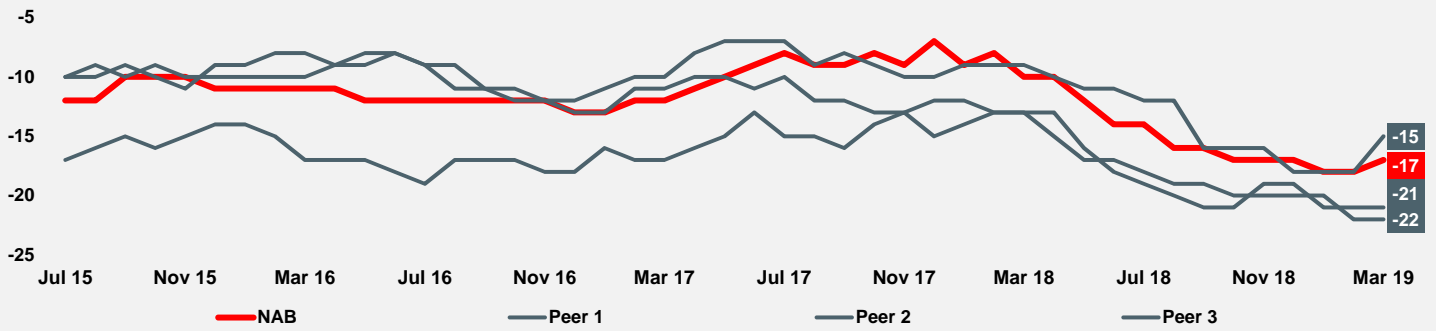
(2) Underlying profit represents cash earnings before various items, including tax expense and the charge for credit impairment. It is not a statutory financial measure

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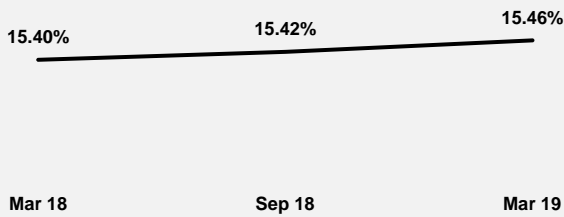


NPS LOWER, BUT MARKET SHARE IN KEY SEGMENTS GROWING

PRIORITY SEGMENTS NPS^{1,2}

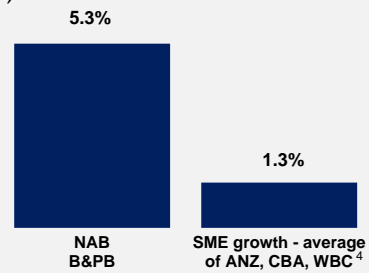


AUSTRALIAN HOUSING MARKET SHARE³



SME BUSINESS LENDING GROWTH

(MAR 19 VS MAR 18)



(1) 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
 (2) Priority Segments Net Promoter Score (NPS) is a simple average of the NPS scores of four priority segments: NAB defined Home Owners (Home Loan @ Bank) and Investors, as well as Small Business (\$0.1m-~\$5m) and Medium Business (\$5m-~\$50m). The Priority Segments NPS data is based on six month moving averages from DBM Atlas & BFSM Research. Roy Morgan Research no longer provide Home Owners and Investors segment data, history has been restated
 (3) Source: APRA
 (4) Represents NAB internal estimates of SME business lending growth for ANZ, CBA and WBC based on latest publicly available peer data

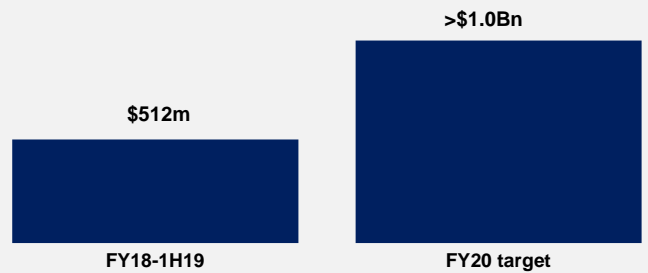


TRANSFORMATION ON TRACK¹

TRANSFORMATION PROGRESS

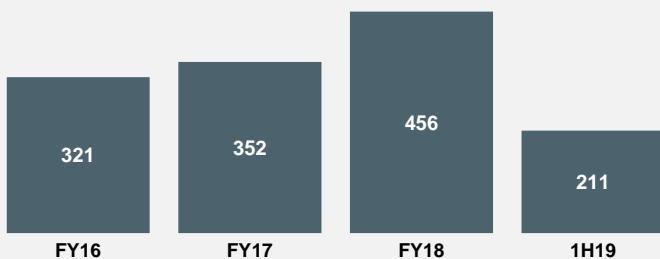
- Midway through 3 year transformation program with additional investment target of \$1.5bn
- Cost savings and FTE reduction broadly on track
- Higher regulatory and compliance spend has to date been absorbed
- Targeting broadly flat expense growth for FY19 and FY20 (FY18 baseline of \$8,126m), excluding large notable expenses²

COST SAVINGS

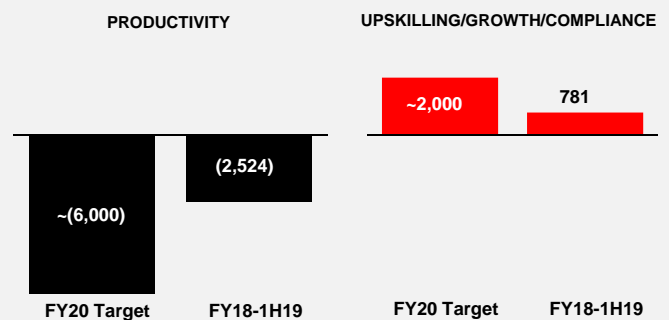


COMPLIANCE & RISK INVESTMENT SPEND

(\$m)



FTE CHANGES



(1) Refer to key risks, qualifications and assumptions in relation to forward-looking statements on page 103
 (2) Large notable expenses include significant customer-related remediation costs





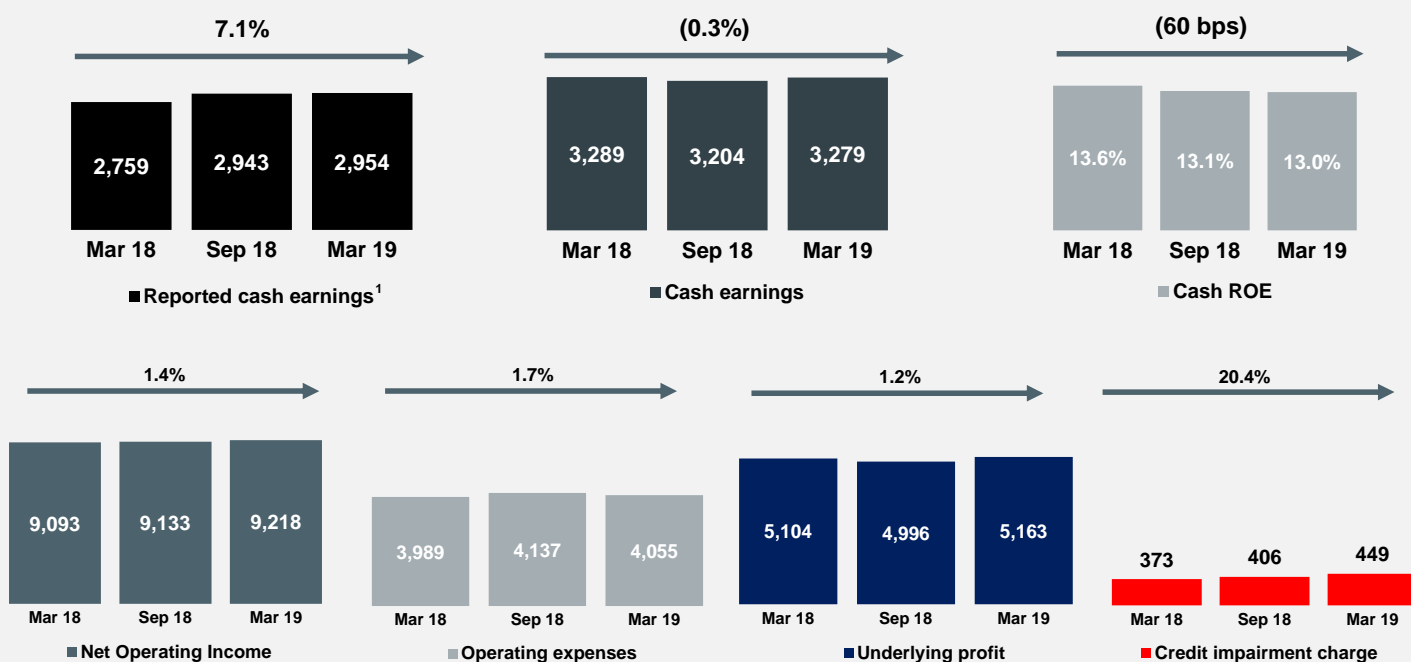
1H19 FINANCIALS

GARY LENNON
Chief Financial Officer

GROUP FINANCIAL PERFORMANCE

GROWTH BY KEY FINANCIAL INDICATORS (EX RESTRUCTURING AND CUSTOMER-RELATED REMEDIATION)

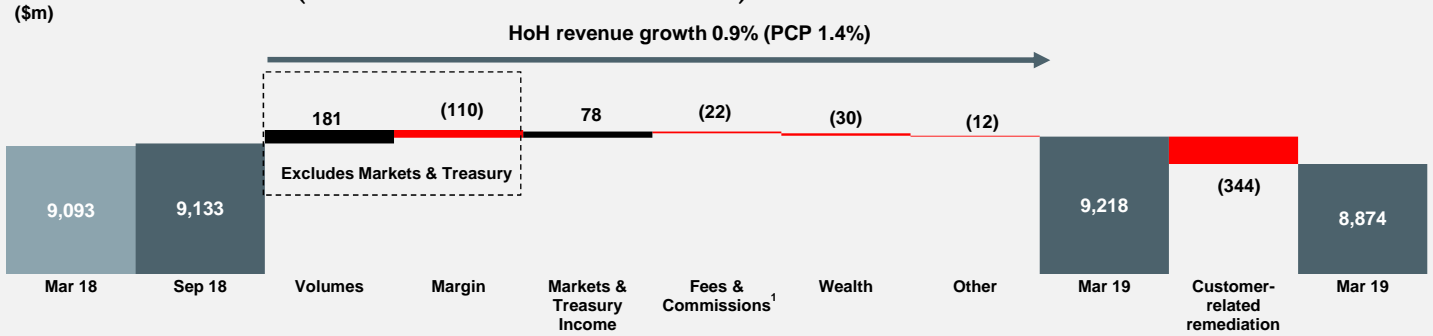
(\$m)



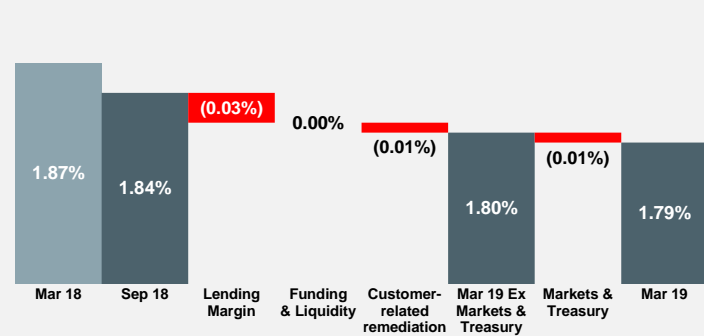
(1) Reported cash earnings include restructuring-related costs and customer related remediation

REVENUE GROWTH IN A CHALLENGING OPERATING ENVIRONMENT

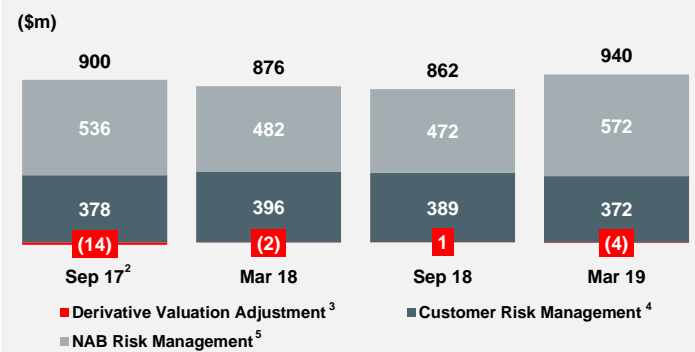
NET OPERATING INCOME (EX CUSTOMER-RELATED REMEDIATION)



GROUP NET INTEREST MARGIN



GROUP MARKETS & TREASURY INCOME



(1) Excludes Markets & Treasury income

(2) Revenue has been restated to reflect updated treatment of collateral costs (\$26m) impacting NAB Risk Management income, together with reallocation of income from a business with Corporate & Institutional Banking to better reflect its underlying nature, impacting Customer Risk Management income (\$7m)

(3) Derivative valuation adjustments include credit valuation adjustments and funding valuation adjustments

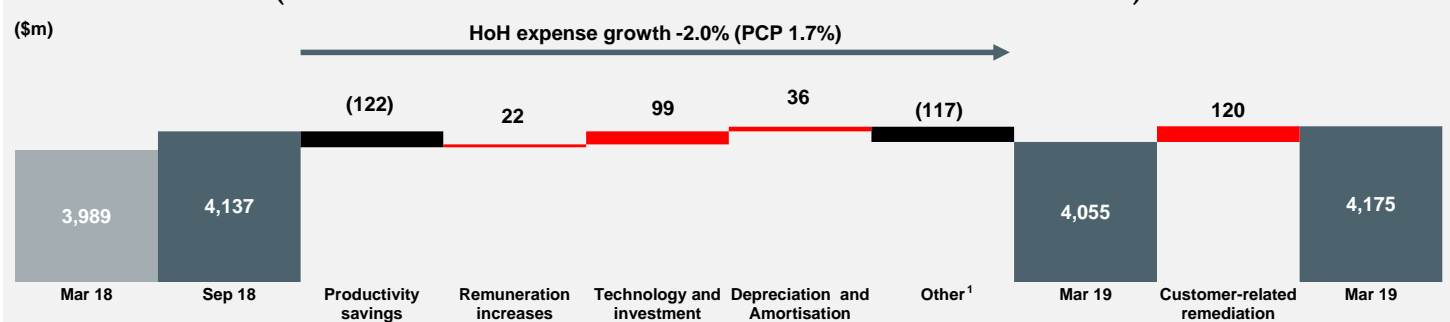
(4) Customer risk management comprises OOI

(5) NAB risk management comprises NII and OOI and is defined as management of interest rate risk in the banking book, wholesale funding and liquidity requirements and trading market risk to support the Group's franchises

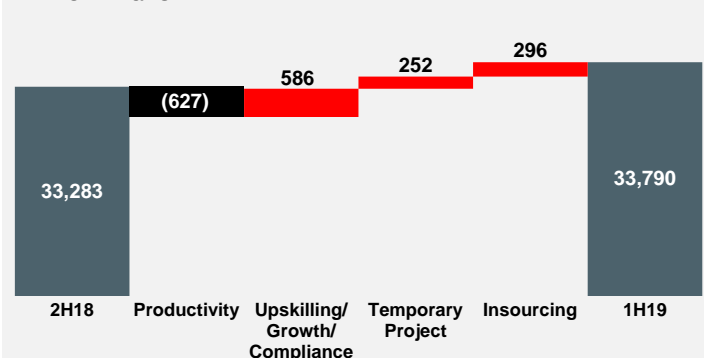


OPERATING EXPENSES ON TRACK FOR 'BROADLY FLAT' IN FY19

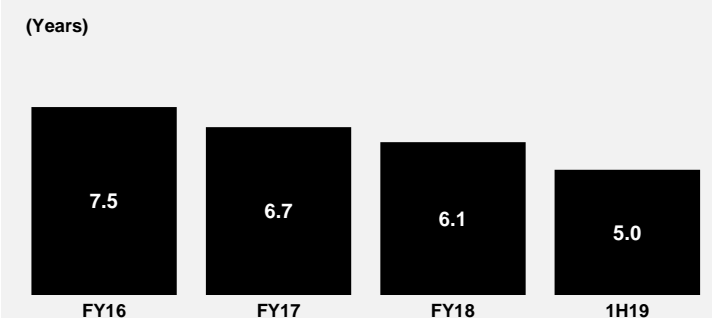
OPERATING EXPENSES (EX RESTRUCTURING RELATED COSTS & CUSTOMER-RELATED REMEDIATION)



FTE CHANGES



AVERAGE IMPLIED USEFUL LIFE OF SOFTWARE²



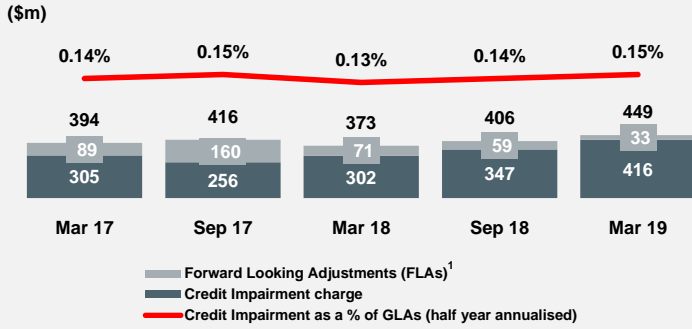
(1) Includes non-recurring Royal Commission costs of \$64m

(2) Calculated using the average capitalised software balance for the period divided by an annualised amortisation charge

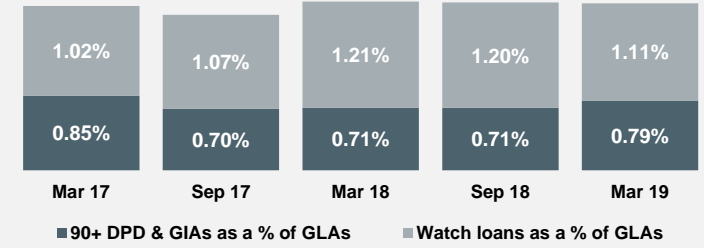


ASSET QUALITY BROADLY STABLE AND HIGHER COLLECTIVE PROVISIONS

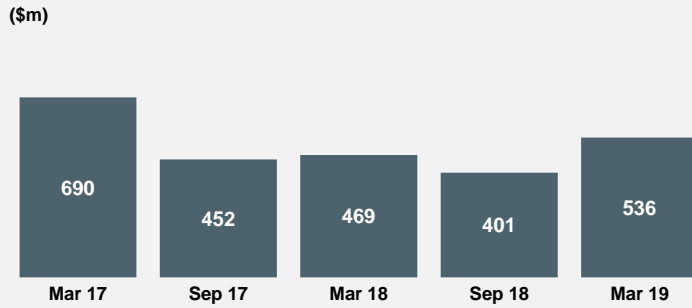
CREDIT IMPAIRMENT CHARGE



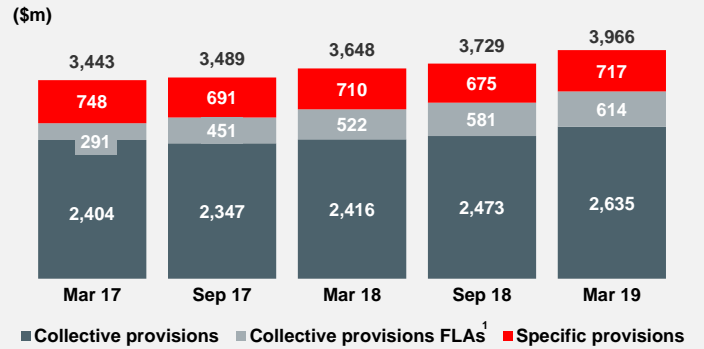
90+ DPD, GIAs & WATCH LOANS AS A % OF GLAs



NEW IMPAIRED ASSETS



COLLECTIVE AND SPECIFIC PROVISION BALANCES



(1) Represents collective provision Forward Looking Adjustments (FLAs) for targeted sectors

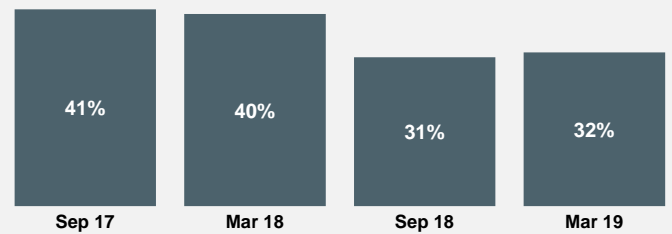


AUSTRALIAN HOUSING LENDING

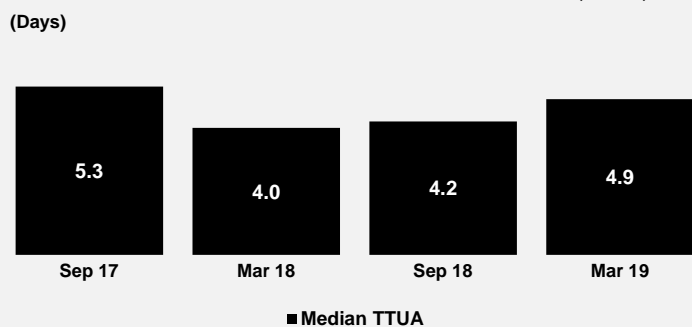
HOUSING LENDING PORTFOLIO PROFILE

- Approval rates broadly stable over last 2 years
- HEM reliance 32% in 1H19¹
- Arrears still rising (mainly 90+ DPD) reflecting
 - IO conversions to P&I
 - Customers remaining in 90+ DPD for longer
- 3% of portfolio has dynamic LVR over 90%
- Loss rates remain low (2bps)
- CP coverage to GLAs conservative (21bps)

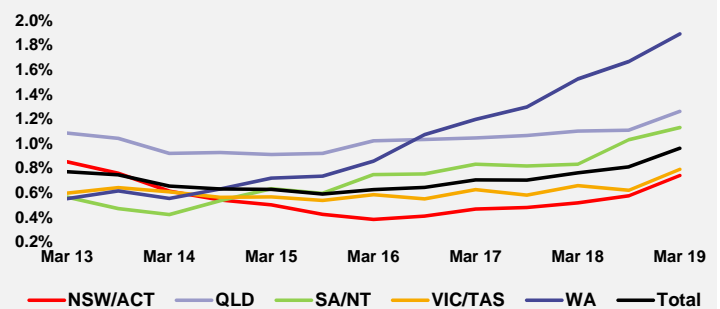
HEM RELIANCE¹



HOME LOAN TIME TO UNCONDITIONAL APPROVAL (TTUA)



HOUSING LENDING 90+DPD & GIAs AS % OF GLA

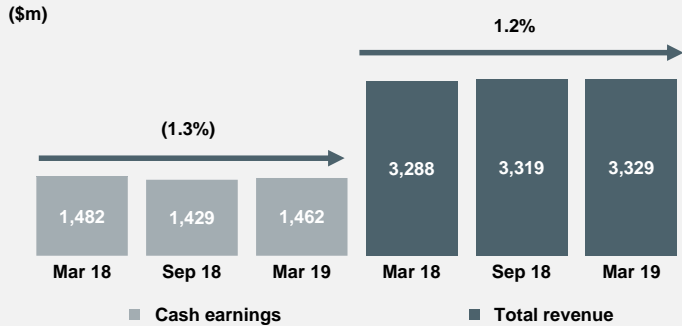


(1) Refers to the 6 month average

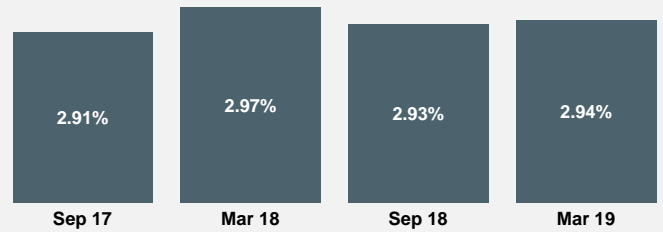


BUSINESS & PRIVATE BANKING

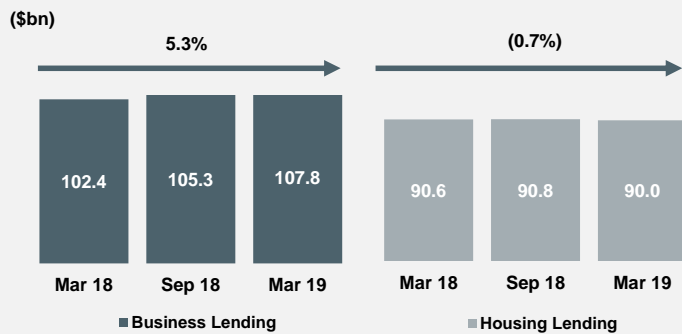
CASH EARNINGS AND REVENUE



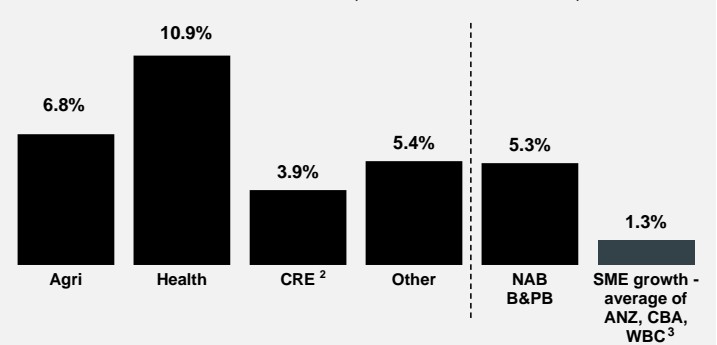
NET INTEREST MARGIN



BUSINESS AND HOUSING LENDING GLAs



BUSINESS LENDING GROWTH (MAR 19 VS MAR 18)¹

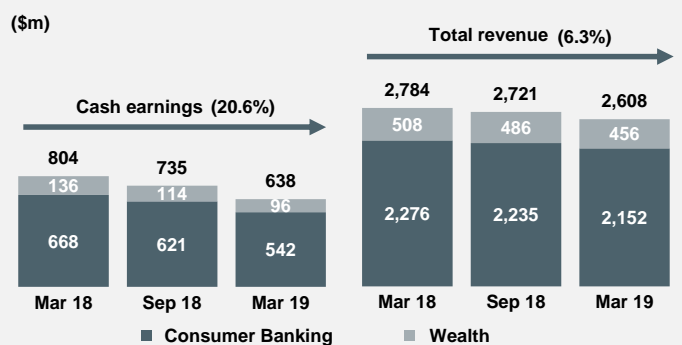


(1) Growth rates are on a customer segment basis and not industry
 (2) CRE primarily represents commercial real estate investment lending across a range of asset classes including Retail, Office, Industrial, Tourism and Leisure, and Residential
 (3) Represents NAB internal estimates of SME business lending growth for ANZ, CBA and WBC based on latest publicly available peer data

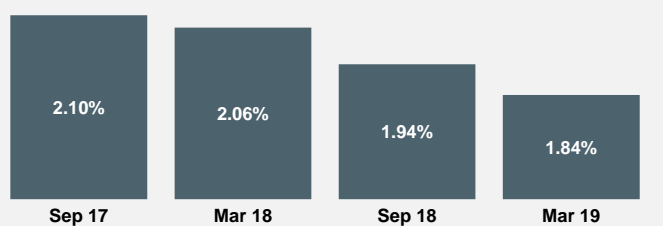


CONSUMER BANKING & WEALTH

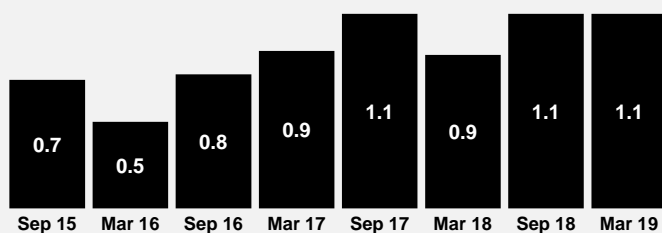
CASH EARNINGS AND REVENUE



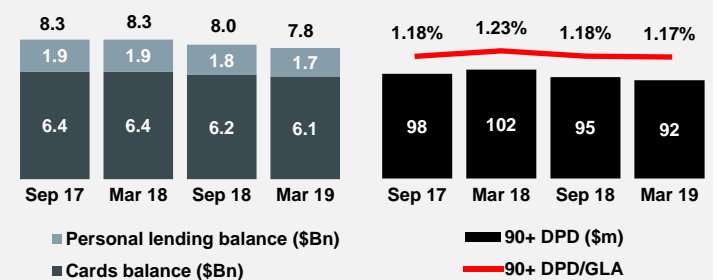
NET INTEREST MARGIN



HOUSING LENDING MULTIPLE OF SYSTEM GROWTH¹



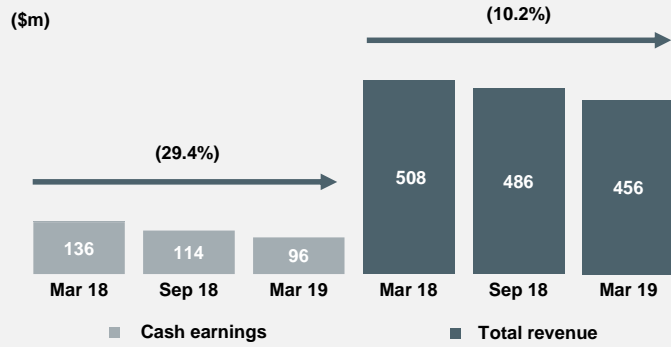
UNSECURED PORTFOLIO



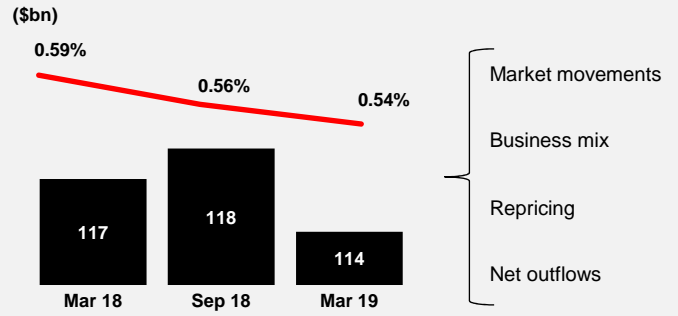
(1) APRA Monthly Banking Statistics



WEALTH CASH EARNINGS AND REVENUE



AVERAGE PLATFORM FUM/A AND MARGIN¹



DIVESTMENT UPDATE

- Separation progressing well
- Current regulatory and operating environment remains challenging
- Intended public markets exit of MLC delayed to FY20, with NAB retaining flexibility to consider all forms of exit
- Proposed exit subject to market conditions, regulatory and other approvals
- 1H19 cash earnings of \$78m³

STRATEGIC REPOSITIONING UNDERWAY

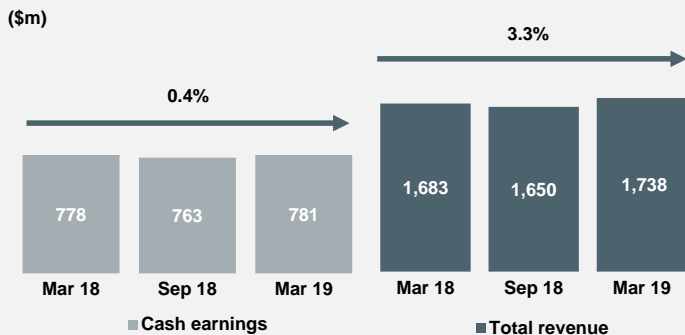
- Launched enhanced MySuper product with life cycle offering and no exit fees, competitively repriced Wrap & Masterkey
- Committed to quality employed and self-employed advice², reviewing final footprint, segmentation and support model
- Modernising Super – more contemporary products, rationalising IT systems, investing in digital services and tools
- Review Wrap partnering for better customer offers & scale
- Grow Asset Management via expanded distribution and enhanced investment and product capabilities

(1) Margin represents investment income to average FUM/A
(2) Currently ~1,100 advisers, both employed and self-employed
(3) Based on earnings from businesses expected to be divested

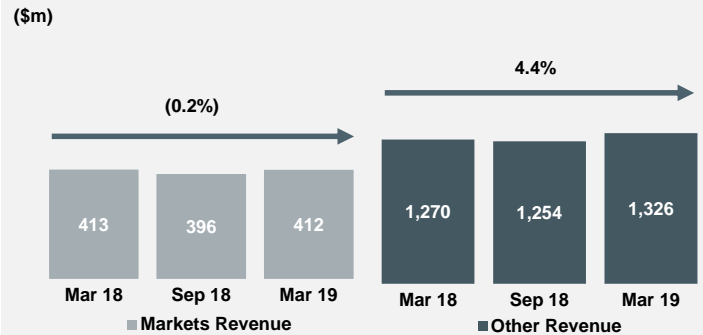


CORPORATE & INSTITUTIONAL BANKING

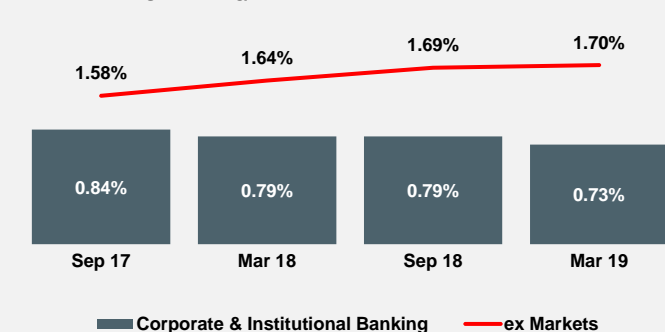
CASH EARNINGS AND REVENUE



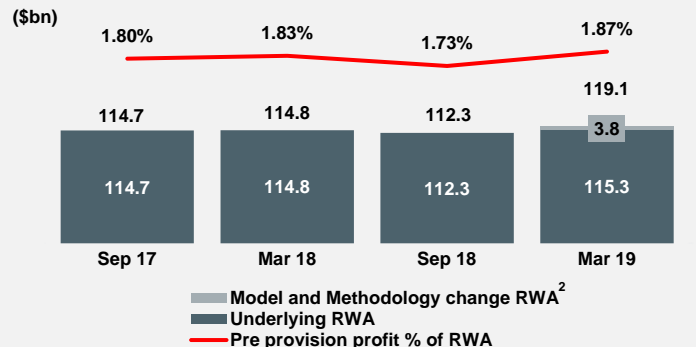
REVENUE BREAKDOWN¹



NET INTEREST MARGIN



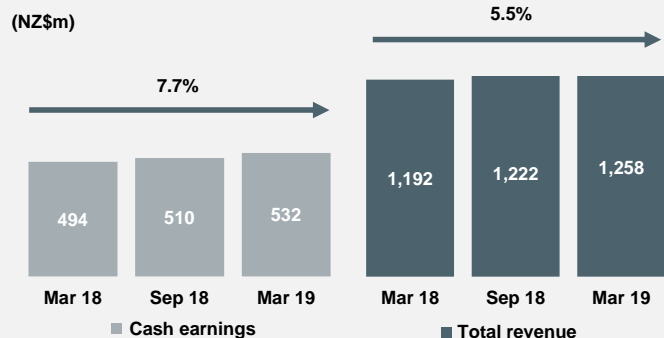
IMPROVING RETURNS



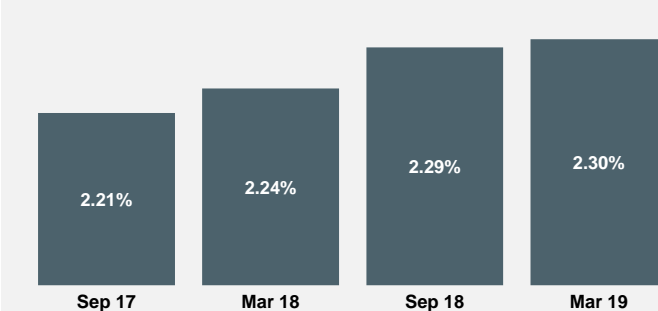
(1) Markets revenue represents Customer Risk Management revenue and NAB Risk Management Revenue. Includes derivative valuation adjustments
(2) Model and regulatory prescribed methodology changes



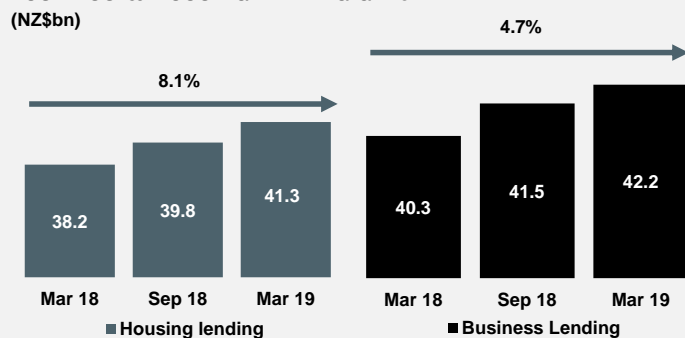
CASH EARNINGS AND REVENUE



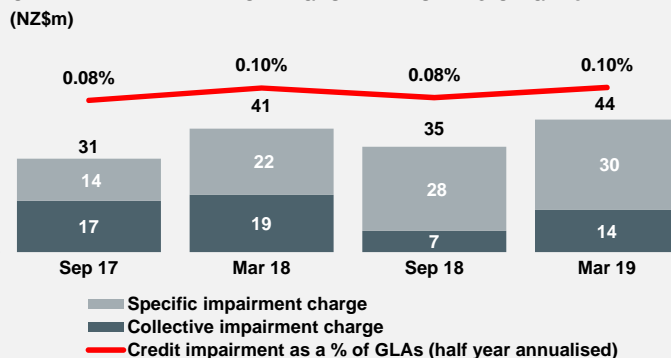
NET INTEREST MARGIN



BUSINESS & HOUSING LENDING GLAs



CREDIT IMPAIRMENT CHARGES AND AS A % OF GLAs

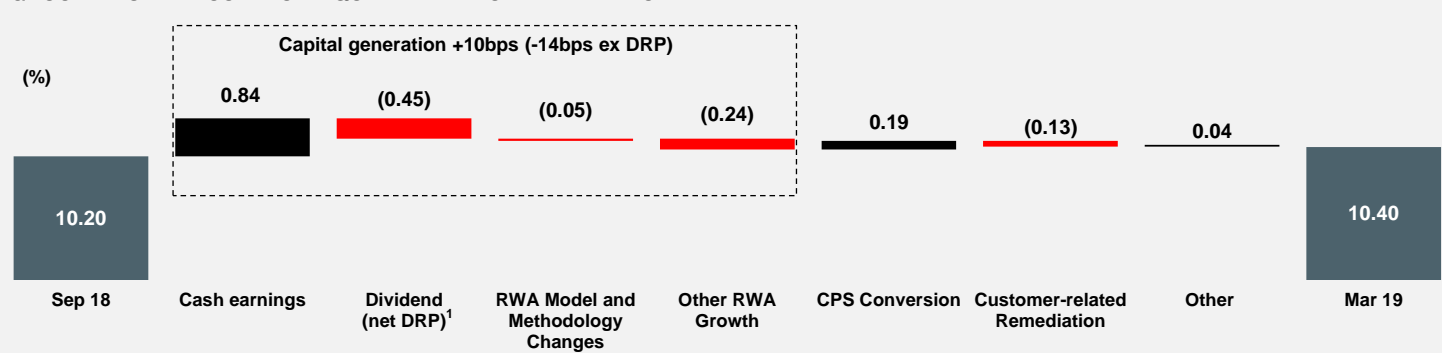


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CAPITAL ON TRACK FOR 'UNQUESTIONABLY STRONG'

GROUP BASEL III COMMON EQUITY TIER 1 CAPITAL RATIO



CAPITAL CONSIDERATIONS

- Well placed to exceed Common Equity Tier 1 (CET1) benchmark of 10.5% from January 2020
- 1.5% DRP discount (~\$0.8bn) and partial underwrite (up to \$1bn) adds ~45bps to CET1
- Potential headwinds include
 - Earnings volatility, including additional customer-related remediation
 - Regulatory changes

RBNZ PROPOSED CAPITAL CHANGES

- RBNZ proposed amendments include
 - Increases in RWA for IRB banks
 - Increase in Tier 1 capital requirement to 16% of RWA
- Implies NZ\$4-5bn increase in BNZ Tier 1 capital or a 25-35% decrease in BNZ balance sheet (RWAs)
- Where risk-adjusted returns are not sufficient, will need to consider repricing and/or reducing lending
- Impact on Group capital also depends on outcome of ongoing consultations with both RBNZ and APRA

(1) DRP (inclusive of 1.5% discount)

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TRANSFORMATION PROGRESS

FY18

Mobilise & Execute

- Flatter organisational structure with 94% of FTE within 7 layers or less from CEO
- New Technology Leadership team in place
- New customer hub open extended hours, 7 days a week, for all metro small business customers
- Smart ATM rollout complete – 812 in operation

FY18-1H19

Accelerate¹

- \$512m of cost savings, FTE reduced by 2,524
- Revenue per business banker up 10%
- 23% reduction in OTC transactions
- 14% reduction in call centre volumes
- Product numbers reduced by 30%
- IT legacy applications reduced by 8% and 8% migrated to the cloud

(1) Progress since September 2017 against Australian metrics except for costs savings and FTE

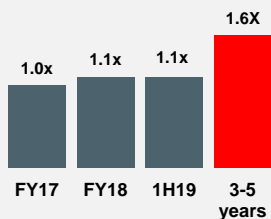
24



BEST BUSINESS BANK

EMPOWERING RELATIONSHIP BANKERS

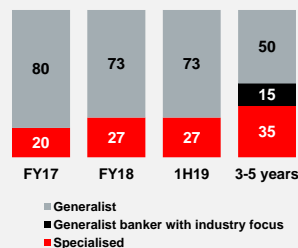
Targeted revenue per banker (indexed)¹



- Processing activity moved to back office saving ~41,000 hours of banker time per month
- Delivery of tailored home lending training to >2,000 bankers and support staff

INCREASING INDUSTRY SPECIALISATION

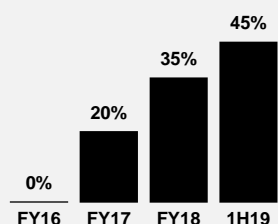
% of revenue by specialised banker



- 27% of revenue from specialised bankers (20% in 2017)
- Specialised revenue up 5% from 1H18
- Expanding specialisation into regional areas

MARKET LEADING DIGITAL & DECISIONING

Proportion of new small business lending accounts generated via QuickBiz²



- QuickBiz increasingly providing fast digital access to unsecured lending for small business customers
- Digital onboarding platform now includes trust accounts (>80% of all transaction account applicants capable of on-boarding in <30 mins)
- Rollout of new CRM to ~540 bankers
- Launched real-time international payments tracking via NAB Connect

STRENGTHEN SMALL BUSINESS CUSTOMER PROPOSITION

- Customer hub established in 2H18, open 7 days a week with extended operating hours
- First call resolution average of 77%
- Small business segment business lending up over 3% year on year, supported by addition of 111 in-field loan origination specialists
- Extending customer hub offering to regional and Agri with first regional customer hub opened in Toowoomba in April 2019 (another 3 regional customer hubs to open in 2H19).

(1) Reflects revenue generated in Business & Private Bank per relationship manager

(2) New QuickBiz loan and QuickBiz overdraft accounts as a percentage of total new term lending and overdraft accounts in the Small Business division

25



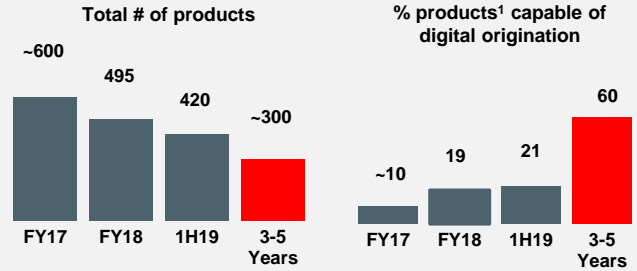
SIMPLER AND FASTER

SIMPLER AND MORE EFFICIENT NETWORK

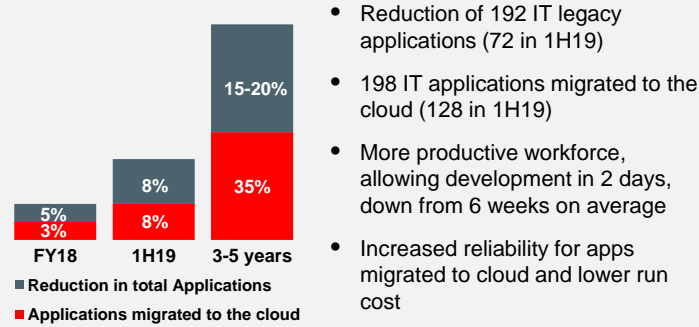
Since Sep 17

- 83 branches and business banking centres closed
- 23% reduction in OTC transactions, targeting 50% reduction by FY20-22
- 14% reduction in call centre volumes
- Internet Banking customers up 11%
- 331 legacy ATMs removed

FEWER & MORE DIGITISED PRODUCTS



SIMPLIFYING WITH CLOUD FIRST AGENDA



DELIVERING THIRD PARTY SAVINGS



- \$151m of savings from ongoing review of third party spend since FY17
- 838 roles insourced (296 in 1H19) at ~15% on average lower cost per role

(1) Excludes Off Sale products that are unavailable to new customers



NEW AND EMERGING GROWTH OPPORTUNITIES

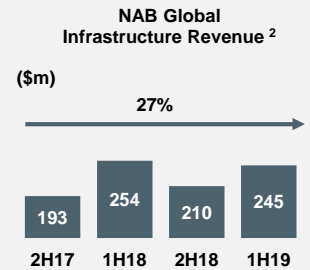
UBANK – OUR DIGITAL BANK

- Added 50k customers in 1H19, a 10% increase – now over 500K customers
- Home loans grew at 8x system in 1H19
- Strategic NPS¹ +25
- Launched an AI powered virtual assistant designed to answer >300 most common home loan application questions
- Launched world's first retail Green Term Deposit



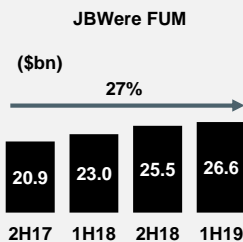
GLOBAL INFRASTRUCTURE FINANCING

- Closed 36 deals with total project debt of \$32bn across US, Europe and Australia in 1H19
- Leading role distributing deals to diverse mix of institutional investors



EXTEND PRIVATE BANK REACH

- Private Bank customer hub roll out complete, servicing ~12,000 customers
- JBWere advisers specifically aligned to Business Banking partnerships – referrals up 67% from March 2018



URBAN GROWTH CORRIDORS³

- Relocated/added 41 bankers servicing Greater Western Sydney and Greater Melbourne
- 9 new and refreshed points of presence in growth corridors
- Housing growth in urban growth corridors ~4x the rest of the portfolio⁴
- 3 year partnership extension with Western Sydney University's Launch Pad Business Incubator – a one-stop shop business and innovation support program, fostering entrepreneurship in Western Sydney

(1) Strategic NPS measured via independent market research. 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

(2) Prior period historical figures have been restated to reflect refinement to customer definitions

(3) Figures for bankers and points of presence are on a cumulative basis from 1 October 2018

(4) Annual growth to Mar 19, excluding Advantedge





OUTLOOK AND SUMMARY

PHILIP CHRONICAN
Chief Executive Officer

CHALLENGING OPERATING ENVIRONMENT

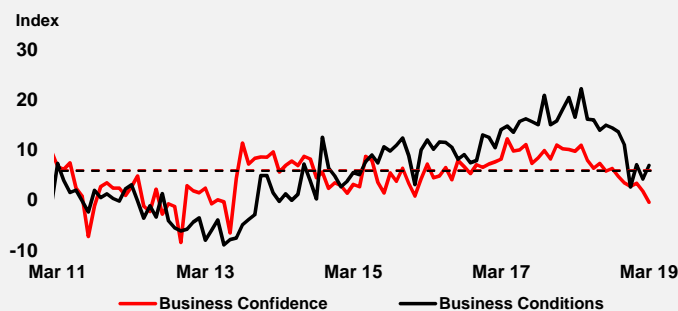
ECONOMIC ENVIRONMENT

- Slowing GDP growth, expect 2% in 2019
- Unemployment low at 5%, but low wages growth
- Slowing housing credit growth (~3% annual growth expected in FY19 and FY20)
- Orderly house price decline so far, strong population growth reduces risks
- Business conditions back to long term average, but confidence below average

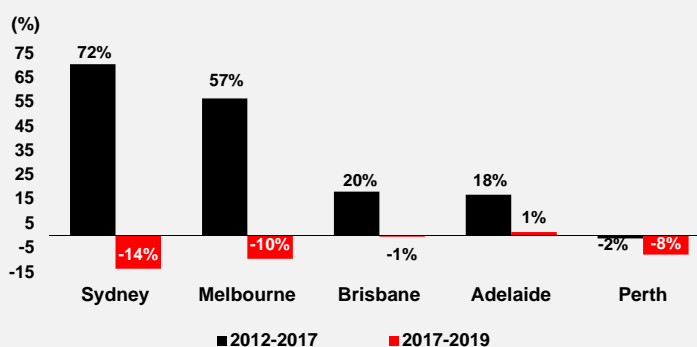
OTHER CONSIDERATIONS

- Significant regulatory change
- Higher customer and community expectations
- Intense home loan competition
- Upcoming federal election

NAB BUSINESS CONDITIONS AND CONFIDENCE¹



RESIDENTIAL PROPERTY PRICE CHANGES²



(1) Source: NAB Business Survey

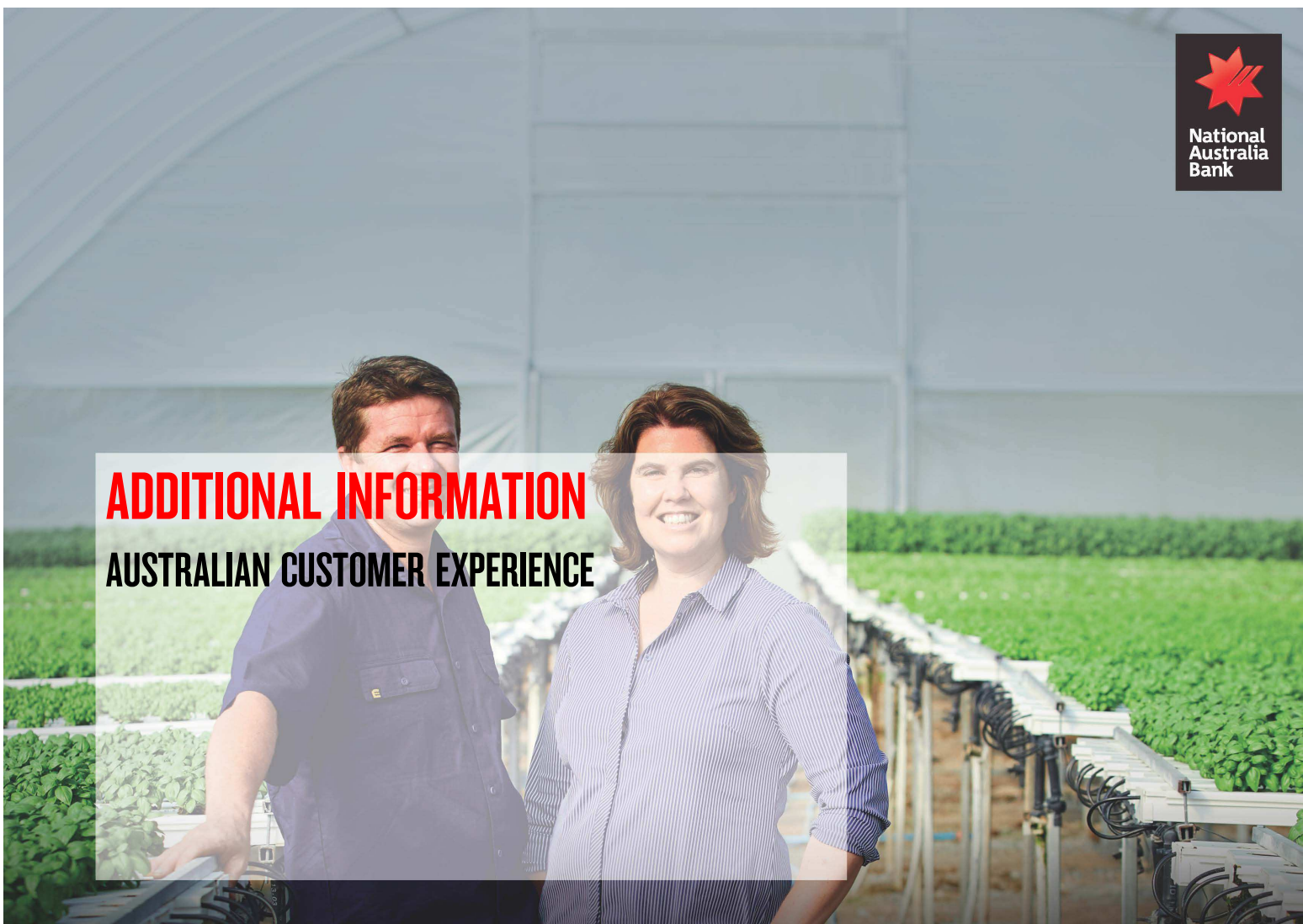
(2) Source: CoreLogic, NAB. Chart shows 5 year movement in hedonic prices from 30 Sep 2012 to 30 Sep 2017 and movement from 30 Sep 2017 to 30 Apr 2019

SUMMARY

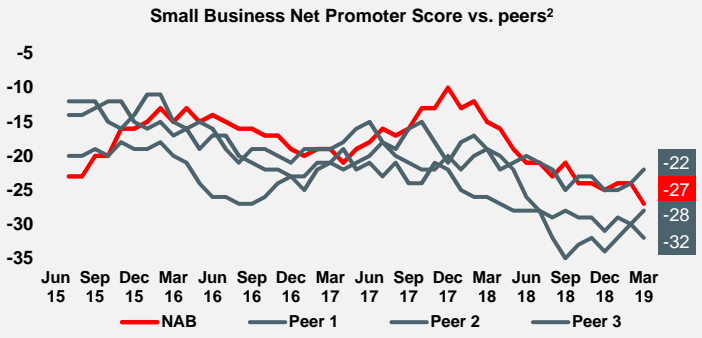
- A challenging period for the industry and NAB
- Taking action to address customer and community expectations
- Re-orienting our culture towards action – customer first, disciplined and simpler for our people
- Transformation savings on track, notwithstanding higher regulatory and compliance spend
- Productivity benefits will remain a key driver of underlying profit growth
- Capital settings provide greater flexibility to accommodate potential earnings volatility and regulatory change
- Core franchise in good shape – NZ, C&IB, SME and housing volumes



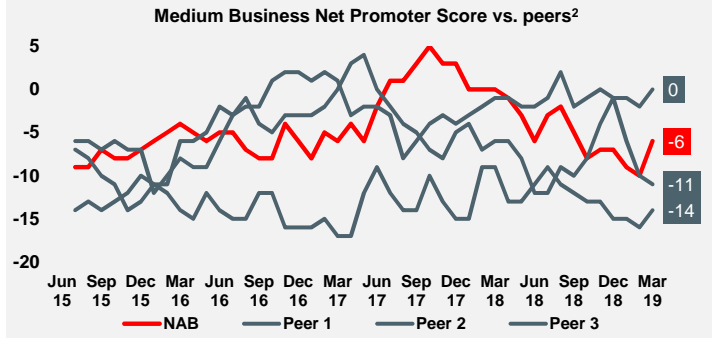
ADDITIONAL INFORMATION
AUSTRALIAN CUSTOMER EXPERIENCE



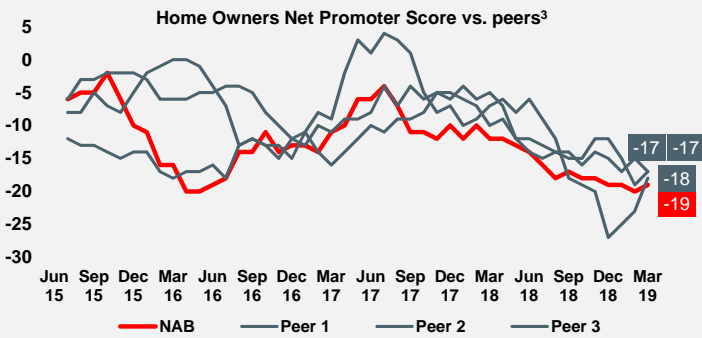
SMALL BUSINESS



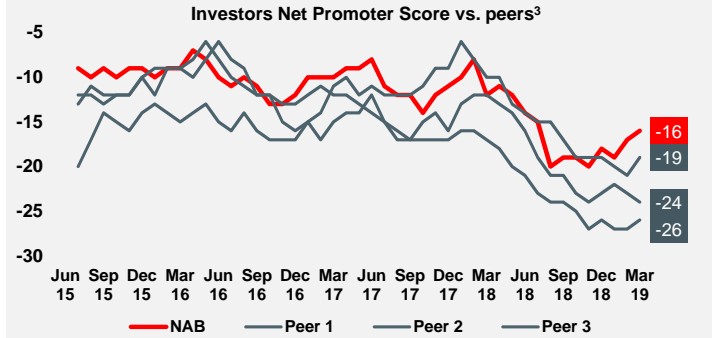
MEDIUM BUSINESS



HOME OWNERS



INVESTORS

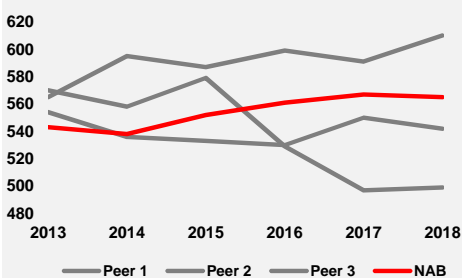


(1) Net Promoter® and NPS® are registered trademarks and Net Promoter Score and Net Promoter System are trademarks of Bain & Company, Satmetrix Systems and Fred Reichheld
 (2) March 2019. DBM Business Financial Services Monitor; all customers' six month rolling averages for Small Business (\$0.1m-\$5m) and Medium Business (\$5m-\$50m). Small Business (turnover \$0.1m-\$5m) is a NAB construct that combines weighted results for the Lower (turnover \$0.1m-\$1m) & Higher (turnover \$1m-\$5m) Small Business sub-segments, using a 50:50 weighting approach. This metric does not reflect the relative size of these segments as per the ABS business population. Net Promoter Score (NPS) is based on all customers' likelihood to recommend on a scale of 0 to 10 (extremely unlikely to extremely likely)
 (3) Source: DBM Consumer Atlas Research; NAB defined Home Owners (Home Loan @ Bank) and Investors, Australian population aged 18+, six month rolling average. Roy Morgan Research no longer provide Home Owners and Investors segment data, history has been restated

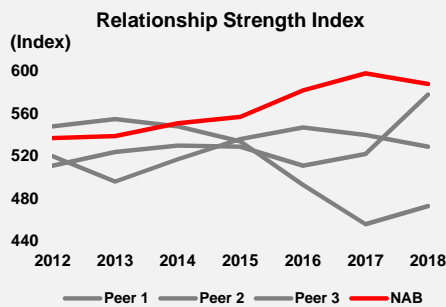


CORPORATE & INSTITUTIONAL CUSTOMER METRICS

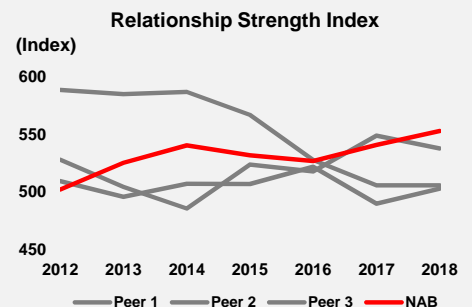
LARGE CORPORATE & INSTITUTIONAL – RELATIONSHIP STRENGTH INDEX¹



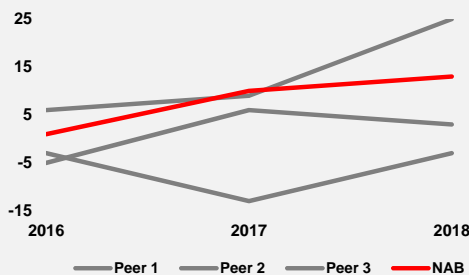
INTEREST RATE HEDGING³



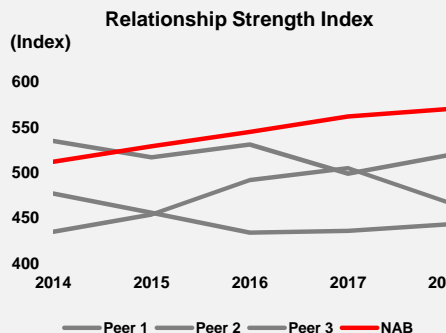
FOREIGN EXCHANGE⁴



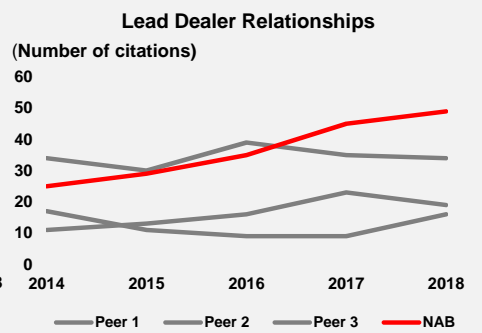
INSTITUTIONAL NPS^{1,2}



DEBT MARKETS ORIGINATION⁵



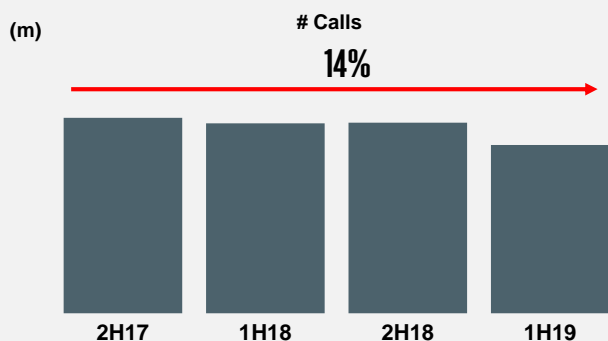
DEBT MARKETS ORIGINATION⁵



(1) 2018 Peter Lee Associates Large Corporate and Institutional Relationship Banking Survey, Australia. Relationship Strength Index (RSI) is based on a combined measure of most qualitative evaluations. RSI and NPS rankings against four major domestic banks
 (2) 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
 (3) Peter Lee Associates – Interest Rate Derivatives Survey Australia 2018. Based on top four banks by penetration
 (4) Peter Lee Associates – Foreign Exchange Survey Australia 2018. Based on top four banks by penetration
 (5) Peter Lee Associates Debt Securities Origination Survey 2018. Based on top four banks by penetration



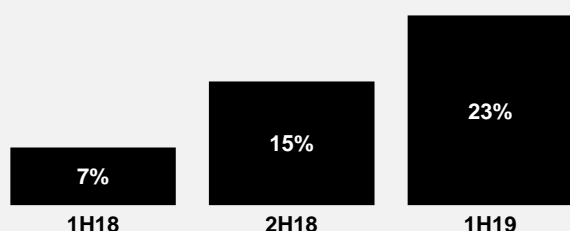
REDUCTION IN CALL CENTRE VOLUMES



- Deployed 20 digital and process improvements initiatives making it easier for customers to self serve
- Enhanced user experience for websites and content pages
- Improved 'first time right' resolution
- Streamlined SMS enrolment process to activate new and replaced credit cards

OTC TRANSACTIONS DECLINING

% Reduction in over the counter transactions (since Sep-17)



- 812 Smart ATMs rolled out
- Deployed 212 new Internet Banking Kiosks to Branches
- Increase in online daily transfer limit from \$20,000 to \$40,000
- 150 digital workshops delivered across Business & Private Banking, lifting bankers' digital confidence by 50%
- Suite of NAB app help videos available to customers on branch kiosk devices and nab.com



COMPREHENSIVE CREDIT REPORTING AND OPEN BANKING

COMPREHENSIVE CREDIT REPORTING (CCR)

- Privacy Act has allowed credit providers and reporting bodies to use and disclose 'positive credit information' about a consumer since 2014, however participation was not mandated
- First major bank to participate in CCR for personal loans, credit cards and overdrafts (February 2018)
- Enables better provision of credit for customers to better match their needs
- Strengthens customer assessment with access to more information from credit providers and reporting bodies
- Implemented CCR for mortgages in February 2019 (first major bank to reach this milestone)



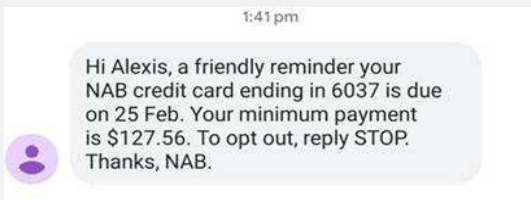
OPEN BANKING

- Provide customers greater control over their own data and offers the potential in new ways for banks to compete
- Implemented via economy-wide Consumer Data Right (CDR), giving customers the right to direct their data to be transferred to accredited 3rd parties
- NAB is working with regulator (ACCC) and contributing to various consultation processes
- Current member of the Data Standards Body Advisory Committee (Data61)
- Required to publicly share product and consumer data, including mortgages, transaction and deposits accounts and credit and debit cards (timelines will be dependent on approval of the CDR legislation)



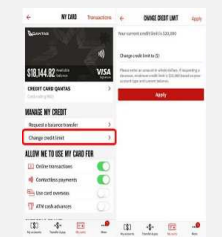
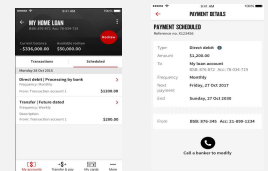
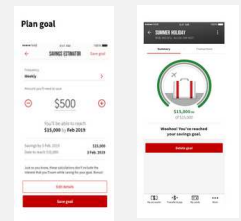
MAKING THINGS EASIER FOR OUR CUSTOMERS

- Reduced customer wait time for transaction information in Mobile, Internet Banking and NABConnect from 5+ days to same day
- Expanded business transaction straight-through-processing platform to include trust accounts – now capable of onboarding 82% of all business customers within 30 minutes
- Core banking platforms now link eligible credit cards automatically to Home Loan packages. Reducing annual fee related complaints by ~2k p.a.
- Enabled business customers to view their leasing account details on mobile Internet Banking
- Proactively reminding customers each month of outstanding credit card payments, resulting in fewer late payment fee complaints.



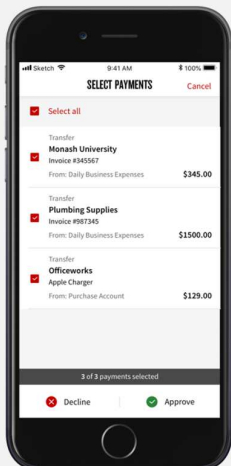
NEW DIGITAL FEATURES TO EMPOWER OUR CUSTOMERS

- **Goal Keeper**
Money management tool in Mobile app enables customers to create savings goals, >65k customers set a goal within the first 3 weeks
- **View Direct Debit**
Enabling customers to view home loan direct debit details on mobile app including amount, frequency, payment account, etc
- **Credit Limit Management in the NAB App**
Enables consumer credit card customers to request limit increases and instantly decrease limits



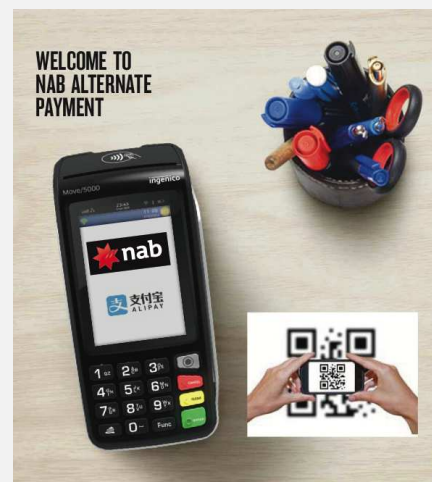
CONTINUING TO LAUNCH NEW FEATURES WITH XERO

- Providing 657,000 Xero subscribers in Australia¹ with access to NAB payments and data integration to easily manage business accounting needs
 - Invoice payment capability launched in the NAB Mobile app, allowing small businesses to make payments more seamlessly and securely
- Continued strong growth in number of NAB customers with data feeds to Xero



PARTNERING WITH ALIPAY TO ACCEPT ALIPAY PAYMENTS

- First of Australia's big four banks to launch pilot for Australian businesses to accept Alipay payments from Chinese customers
- NAB merchants will be able to accept Alipay payments via QR code
- Pilot testing has begun with group of business merchant customers, planning full rollout later this year

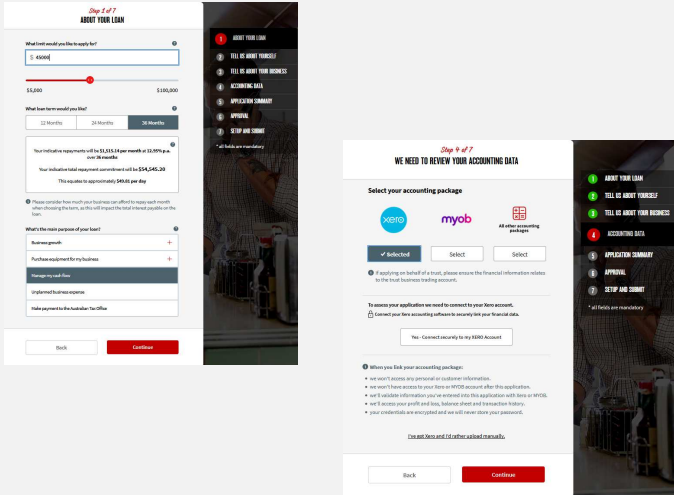


(1) Xero Investor Presentation H1 FY2019

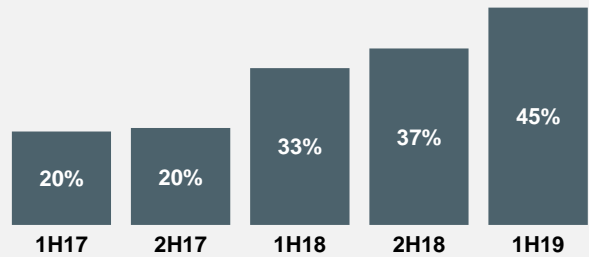


DIGITAL SMALL BUSINESS UNSECURED LENDING

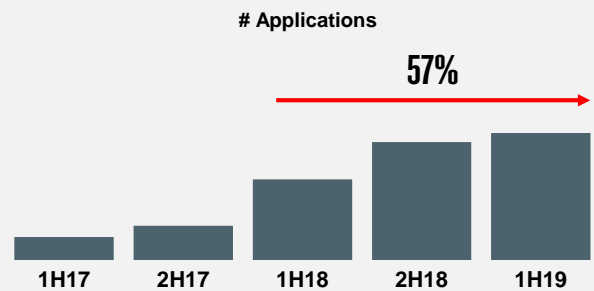
- Access to unsecured finance for term loan, overdraft, business cards, equipment loan and broker assisted customers
- Application and decisioning in **as little as 20 minutes**
- Direct connectivity to Xero or MYOB data, or simple financial upload from any accounting package
- Financial verification in certain instances is not required for existing NAB¹ customers with business transaction accounts



SMALL BUSINESS UNSECURED LENDING VIA QUICKBIZ²



QUICKBIZ APPLICATION GROWTH



(1) Based on the assessment of business transaction account cash flow strength
 (2) New QuickBiz loan and QuickBiz overdraft accounts as a percentage of total new term lending and overdraft accounts in the Small Business division



MORE INVESTMENTS TO CREATE THE FUTURE OF BANKING

NAB VENTURES INVESTING IN FINANCIAL INNOVATION

- NAB Ventures continues to expand its commitment to supporting financial innovation with an additional \$8m for NZ focused companies, bringing the fund total to **\$108m**
- **2,000+** companies tracked → **~600** opportunities qualified → **10 investments** announced

PAYMENTS AND LENDING



Veem has developed technology for small businesses to send international payments in a click

Medipass provides a healthcare platform that connects patients, practitioners and payers



Slyp enables banks to embed digital receipts in their apps, driving enriched data opportunities

Poynt designs and develops next generation smart merchant terminals



AI, DATA AND ANALYTICS

Basiq has developed an aggregation platform for acquiring financial data, providing secure API access to financial institutions



Wave provides free, cloud based accounting software aimed at small and micro businesses



Data Republic delivers a comprehensive technology suite for data owners to unlock the benefits of data sharing while protecting information security and data privacy



NEW BUSINESS MODELS

Brick-X allow people to buy and sell small amounts in high quality residential properties

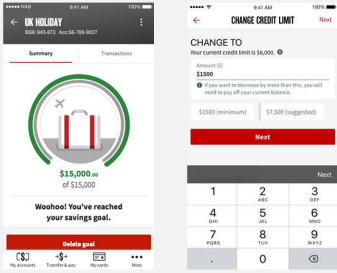


Provides targeted information to real estate agents using data, predictive analytics and automated communication

EarnD works with employers to allow employees to draw down the earned portion of their income to ensure financial health and wellbeing, and avoid debt, late fees, and expensive predatory credit

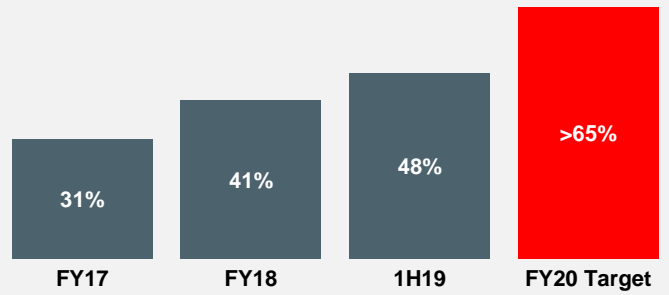


NEW FEATURES ON MOBILE

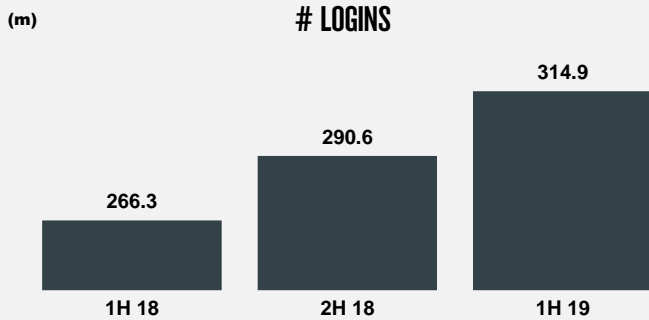


- Set savings goals
- Personalised product invitations
- Increase or decrease credit card limit
- View home loan equity for multiple loans
- Manage home loan payments

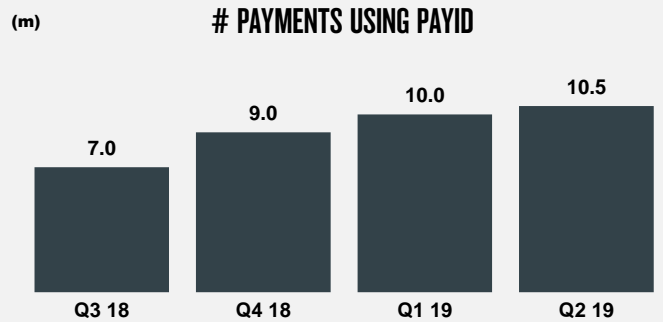
SIMPLE CONSUMER PRODUCT SALES VIA DIGITAL¹



MOBILE LOGINS



FAST PAYMENTS

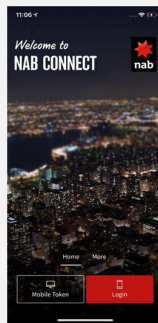


(1) Simple consumer product sales includes the opening of savings and transaction accounts, personal loans and credit cards across all segments and channels



BETTER EXPERIENCES FOR BUSINESSES

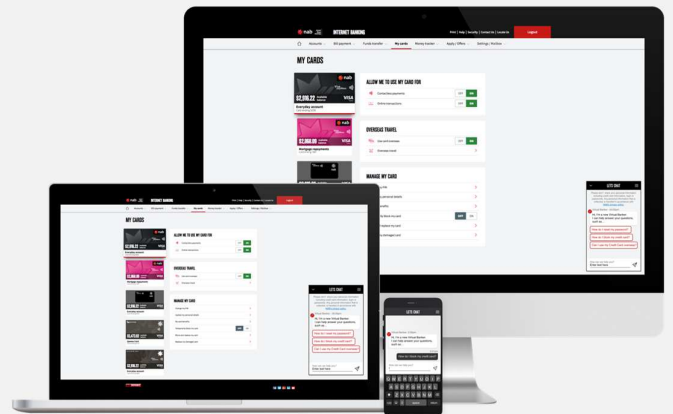
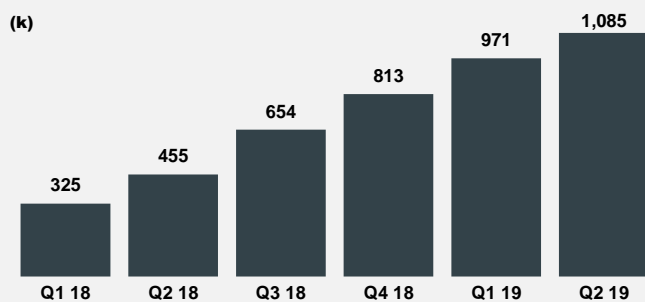
- Fast payments in Internet Banking
- Multiple payments created by third parties for authorisation can be approved with single tap on mobile
- Swift GPI tracking for international payments



INCREASING USE OF VIRTUAL CHAT CAPABILITY

- Virtual Assistant has responded to over 150,000 customer queries since launch in August 2018, to assist with call centre call reduction
 - Queries answered are increasing on a weekly basis - now answering 7000+ queries per week
- Authenticated Live Chat in Internet Banking launched March 2019, with Mobile launch later this year

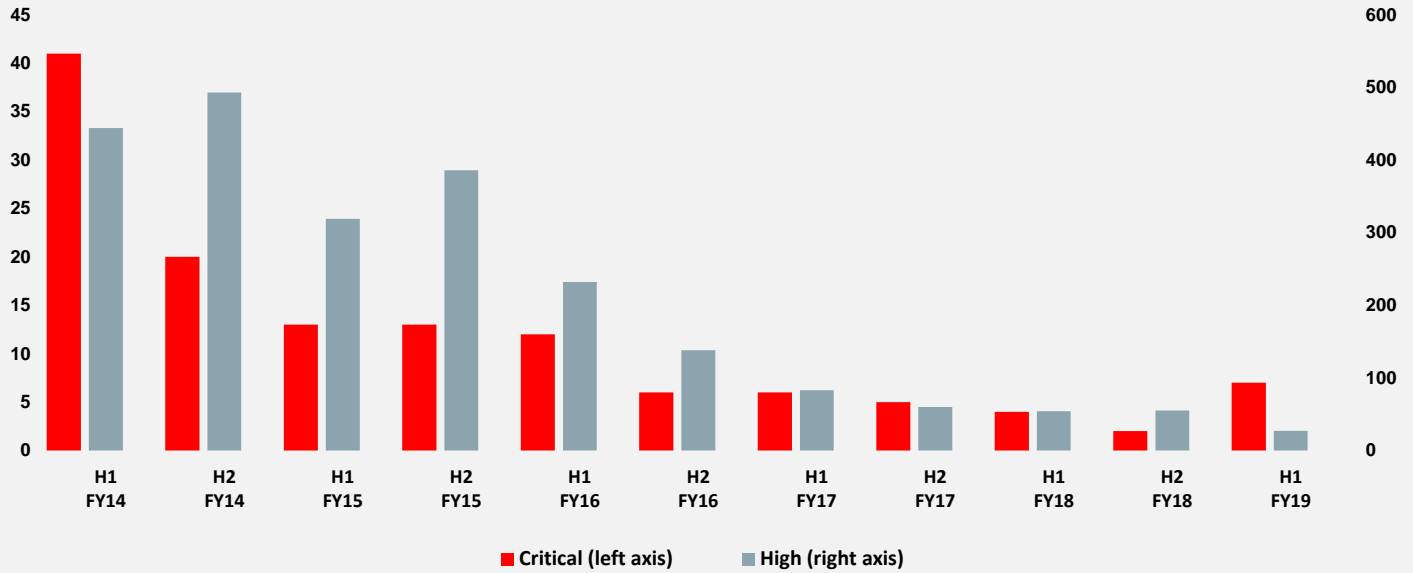
MONTHLY NAB CONNECT APP LOGINS



'CRITICAL' AND 'HIGH' PRIORITY INCIDENTS¹

Investment in technology driving lower instance of technology incidents since 1H14

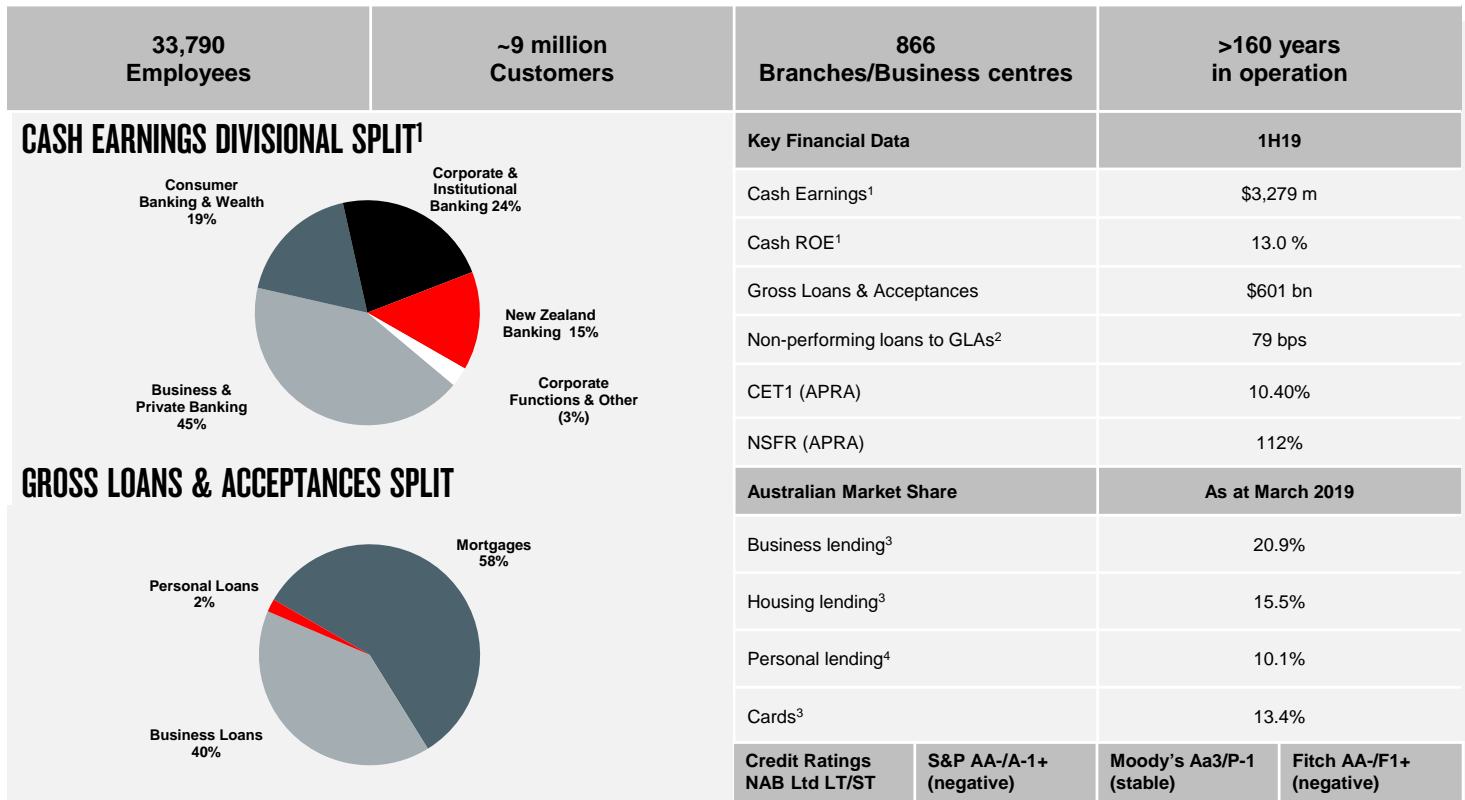
- **94%** reduction in "High" priority incidents
- **83%** reduction in "Critical" priority incidents



(1) Critical Incidents – Significant impact or outages to customer facing service or payment channels. High Incidents – Functionality impact to customer facing service or impact/outage to internal systems



ADDITIONAL INFORMATION
SERVING OUR COMMUNITY



(1) Numbers are shown excluding restructuring-related costs and customer-related remediation. Refer to page 100 for definition of cash earnings and reconciliation to statutory net profit
 (2) 90+ days past due and gross impaired assets to gross loans and acceptances
 (3) APRA Monthly Banking Statistics
 (4) Personal loans business tracker reports provided by RFI, represents share of RFI defined peer group data



NAB'S ROLE IN THE COMMUNITY

NAB REVENUE

- Supports all stakeholders and business partners
- Is shown after interest payments to 4.9 million Australian retail and business deposit customers who have deposited over \$359 billion with us

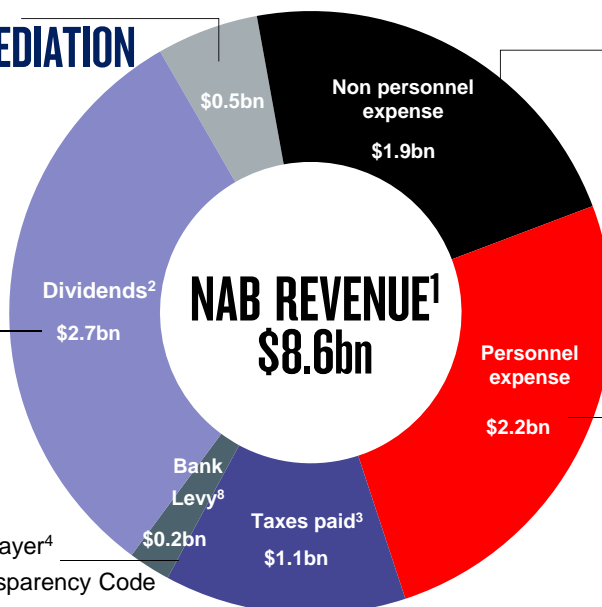
CUSTOMER-RELATED REMEDIATION

SHAREHOLDERS (INCL. SUPER FUNDS)

- Over 588,000 shareholders

GOVERNMENT

- Australia's fifth largest income tax payer⁴
- Signatory to the Voluntary Tax Transparency Code



SUPPLIERS & COMMUNITY

- 1,650+ contracted suppliers
- 16,800+ microfinance loans provided⁵
- Carbon neutral since 2010, 78% of Australian key office buildings⁶ are Green Star Rated
- \$2.1m in-kind value of volunteering to Australian charitable organisations

OUR PEOPLE

- Employ 33,790 people⁷
- Over 50% of our workforce directly engages with customers

Figures based on NAB's 1H19 cash earnings

(1) Revenue shown net of \$0.4bn of credit impairment charges and gross of \$0.2bn of Bank Levy
 (2) Dividends paid in 1H19
 (3) Includes income tax, GST, FBT, payroll tax and other taxes borne by NAB in Australia that were paid during the six months ended 31 March 2019
 (4) Based on ATO's "Report of Entity Tax Information" for the 2016-17 income year released on 13 December 2018
 (5) To Australians, delivered in partnership with Good Shepherd Microfinance, Foresters Community Finance, Business Enterprise Centres Australia and the National NEIS Association
 (6) 'Key office buildings' are all NAB commercial tenancies over 4,000m²
 (7) Represents full time equivalent employees as at 31 March 2019 for NAB Group
 (8) Bank Levy paid in 1H19



INVESTING IN OUR PEOPLE

- > 850 Senior Managers have participated in talent assessment programs to identify current capability and future potential
- Senior Manager talent assessment program rolled out in BNZ for the first time with 35 employees participating in April

TALENT ACQUISITION

- 838 roles insourced and 781 new hires since September 2017, bringing in new skills and capabilities to support the Group's transformation program
- NAB recognised as #34 in the AAGE¹ Top 75 Graduate Employers in Australia – an improvement of 33 spots from prior year and ranked best of the major banks
- Successful implementation of first Summer Intern Program, which resulted in a program NPS +45 and a graduate conversion rate of 75%



INCLUSIVE WORKFORCE

- Targeting 40-60% of either gender represented at every level of the business including NAB board², by 2020³
- Silver Status in the Australian Workplace Equality Index for LGBTI+ workplace inclusion
- 74 Indigenous Australians recruited in 1H19 through NAB's Indigenous recruitment program, which includes school-based and full-time traineeships and internships
- Celebrated 10 years of the African Australian Inclusion Program⁴



(1) Australian Associate of Graduate Employers is the peak industry body representing organisations that recruit and develop Australian graduates
 (2) Target is for NAB board non-executive directors, recently increased to 40-60% by 2020, after achieving our previous 2020 target of 30%
 (3) For more information on our gender equality targets and performance, see our Sustainability Report: <https://www.nab.com.au/about-us/corporate-responsibility/shareholders/performance-and-reporting>
 (4) The African Australian Inclusion Program (AAIP) is a professional program for skilled African-Australians, providing six month paid corporate experience. NAB partners with Jesuit Social Services to deliver the program

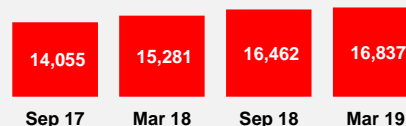


BACKING THE COMMUNITY

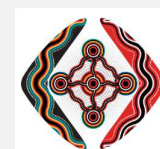
FINANCIAL INCLUSION

- Released the *Financial Resilience in Australia* report¹, which shows 11% of Australians currently experience severe or high financial stress – NAB supports customers through financial inclusion programs and a dedicated hardship team, NAB Assist
- Continued growth in the number of Microfinance loans provided with Good Shepherd Microfinance, supporting Australians living on low incomes to participate in productive activities, build assets and cope with unexpected expenses.
- Supporting and celebrating Indigenous success through the launch of the 8th NAB Reconciliation Action Plan, the 4th with Elevate status, with NAB committing to:
 - Spend \$2.6 million with Indigenous businesses by 2021
 - Support 10 projects annually through community focussed grants
 - Remain the leading provider of microfinance services and products to Indigenous Australians

Number of microfinance loans provided²



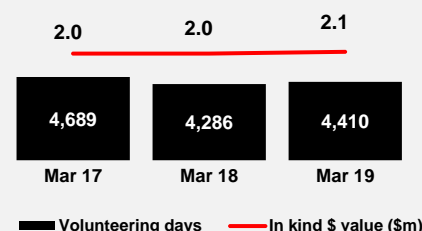
NAB's Indigenous icon³



COMMUNITIES

- \$500m in concessional loans at a reduced rate to support flood-affected customers in North Queensland to assist in repairs, restocking and re-opening for business
- Donated \$100,000 to the Australian Red Cross in its emergency work for Australian communities affected by floods in Queensland and fires in Tasmania and Victoria
- Held a Domestic and Family Violence Awareness Week in Nov-18, supporting affected staff and customers to help build a stronger, safer community
- Proud backer and naming rights partner of the NAB AFL Women's competition until 2022

Volunteering days and in-kind \$ value⁴



(1) In partnership with the Centre for Social Impact, this study takes a look at the financial stress and vulnerability of the Australian population to help us better understand our customers <https://www.nab.com.au/about-us/corporate-responsibility/shareholders/financial-resilience>
 (2) To Australians, delivered in partnership with Good Shepherd Microfinance, Foresters Community Finance, Business Enterprise Centres Australia and the National NEIS Association
 (3) NAB's Indigenous icon was developed by a group of NAB's Emerging Indigenous Leaders, in partnership with a Bundjalung Elder from Fingal Heads. The icon, featuring two boomerangs and a circular framework, represents our commitment to working together with Indigenous Australia and the community
 (4) Value of volunteering days, calculated using average salaries, contributed by NAB employees to charitable organisations in Australia



MANAGING ESG RISK

- ESG Risk and modern slavery content included in 2019 annual Risk Awareness training for employees
- Climate change TCFD and risk assessment work ongoing through a range of collaborative projects to develop methodologies for assessing climate risk exposure in the lending portfolio
- NAB on track to achieve operational environmental performance targets¹
- NAB one of 28 UNEP FI member banks participating in the development of Principles for Responsible Banking (consultation draft released in November 2018)
- NAB a lead agent in establishing the new Australian Sustainable Finance Initiative (ASFI). Purpose is to deliver a roadmap to transitioning to a more resilient and sustainable economy

SOCIAL & ENVIRONMENTAL IMPACT

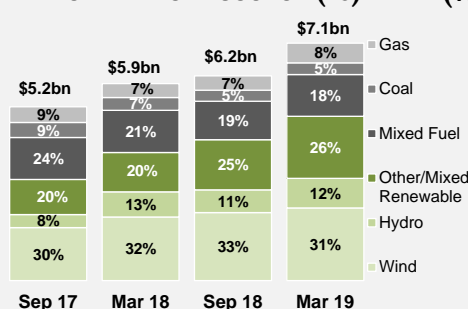
- Launched Australia's first retail Green Term Deposit (UBank), certified by the Climate Bonds Initiative
- New Zealand's largest sustainable debt issuance to date arranged by BNZ – a 7.5 year NZ\$500m Sustainability Bond by Housing NZ
- Since 1 Oct 2015, provided \$15.3bn green infrastructure finance, capital markets and asset finance plus \$14.4bn new mortgage lending flow for 6 star residential housing in Australia

LEADING ARRANGER OF PROJECT FINANCE FOR AUSTRALIAN RENEWABLE ENERGY²

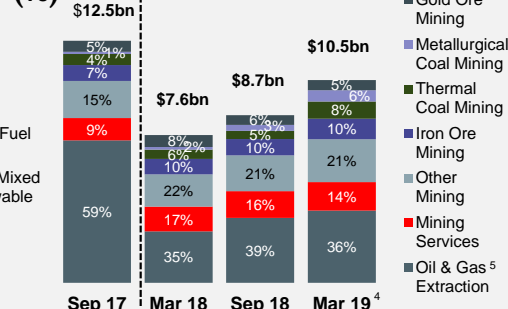
Cumulative value of deals in USDBn (2009 – 2019)

National Australia Bank Ltd	2.4
Clean Energy Finance Corp	1.4
Mitsubishi UFJ Financial Group Inc	1.4
Australia & New Zealand Banking Group Ltd	1.1
Westpac Banking Corp	1.0
Sumitomo Mitsui Financial Group Inc	0.8
Commonwealth Bank of Australia	0.8
Societe Generale SA	0.8
Mizuho Financial Group Inc	0.6
EKF Danmarks Eksportkredit	0.6

ENERGY GENERATION EXPOSURE AT DEFAULT BY FUEL SOURCE (%)³



RESOURCE EXPOSURE AT DEFAULT BY TYPE (%)



(1) NAB's environmental performance targets include, but are not limited to, reductions in science-based GHG-emissions, energy use, office paper, water use and waste to landfill. Refer to 2018 Sustainability Report for more information
 (2) Data Source: BloombergNEF Country Profile for Australia - Top Renewable Energy Players (2009 to 1Q 2019). Cumulative totals are in USD as at 31 March 2019. Totals do not include large hydro
 (3) Prepared in accordance with NAB's methodology (based upon the 1993 ANZSIC codes) at net EAD basis. Excludes exposure to counterparties predominantly involved in transmission and distribution. Vertically integrated retailers have been included and categorised as renewable where a large majority of their generation activities are sourced from renewable energy. More detail at <https://www.nab.com.au/about-us/corporate-responsibility>
 (4) Of the \$1.8bn increase in Resource Net EAD in 1H19, \$0.8bn relates to model and regulatory prescribed methodology requirements (includes: Thermal Coal +\$0.2bn, Metallurgical Coal +\$0.2bn), and \$0.8bn relates to Treasury related financial activity where NAB have qualifying securities
 (5) Oil & Gas extraction exposure is largely to Liquefied Natural Gas projects and investment grade customers (79%)



CORPORATE RESPONSIBILITY PERFORMANCE

	1H18	2H18	1H19
Number of microfinance loans provided in partnership with Good Shepherd Microfinance ¹	15,281	16,462	16,837
Value of microfinance loans provided (\$m) ¹	16.1	18.5	18.8
Enterprise Employee Engagement score ² (%)	Annual	54	Due 2H19
Employee voluntary turnover rate (%)	5.4	5.9	5.4
Number of breaches of NAB Code of Conduct (Australia)	570	645	541
Community investment ³ (\$m)	Annual	54.4	Due 2H19
Number of volunteering days contributed (Australia)	4,286	6,852	4,410
Cumulative aggregate financing to help address climate change and support the transition to low-carbon economy (\$bn)	17.5	22.9	29.7
Gross greenhouse gas emissions (Scope 1, 2 and 3) (tCO ₂ -e) ⁴	90,398	90,918	89,983
Percentage of material suppliers compliant with Group Supplier Sustainability Principles ⁵	90	88	90

(1) Includes NILS, StepUP, Microenterprise, Community Development Financial Institution and Speckle loans for Australian customers. Calculation of total NILS loans provided is based on total debits against NILS accounts, divided by an average NILS value updated on a six-monthly basis
 (2) 2018 Employee Engagement Survey conducted by Aon Hewitt. The engagement score indicates the percentage of employees at NAB that are strong advocates (SAY), demonstrate a commitment to NAB (STAY) and exert discretionary effort (STRIVE)
 (3) Community investment ranges from short-term donations to longer-term capacity-building programs and partnerships. It is calculated using the London Benchmarking Group methodology
 (4) Calculated for the environmental reporting year 1 July - 30 June. Gross totals are prior to renewable energy purchase. Emissions coverage includes all major operations under NAB's control
 (5) There are variances in terminology and definition of a material or strategic supplier across our operations in different geographic regions





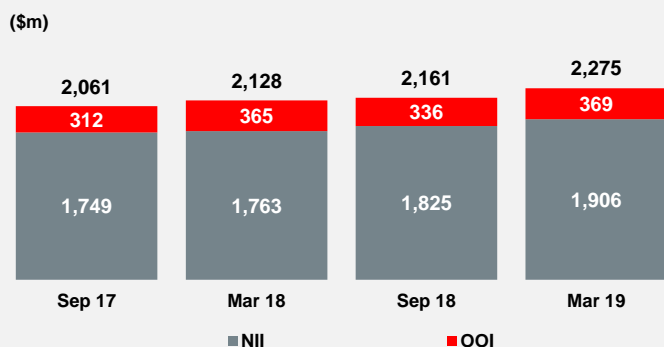
ADDITIONAL INFORMATION

AUSTRALIAN BUSINESS LENDING

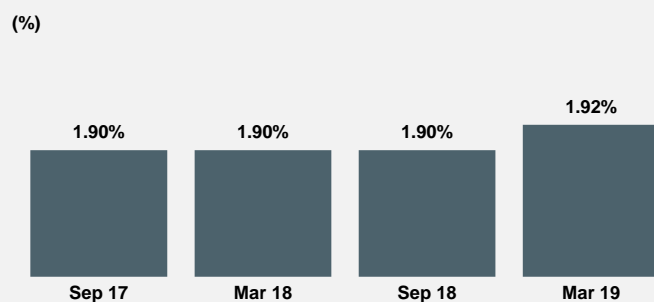
KEY METRICS

AUSTRALIAN BUSINESS LENDING

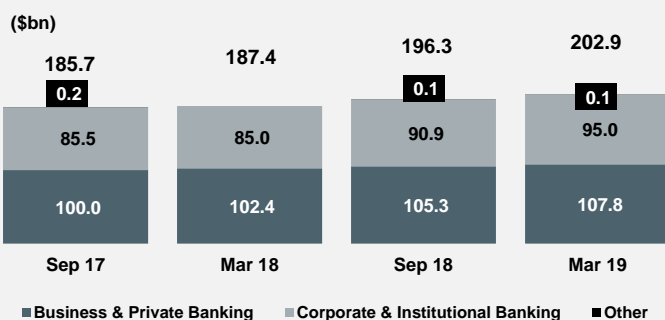
BUSINESS LENDING REVENUE



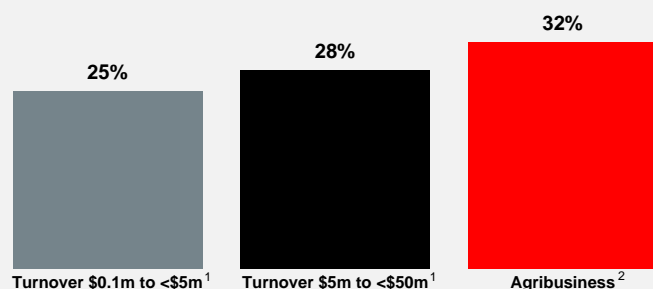
BUSINESS LENDING NET INTEREST MARGIN



BUSINESS LENDING GLAs



SMALL, MEDIUM AND AGRI BUSINESS LENDING MARKET SHARE

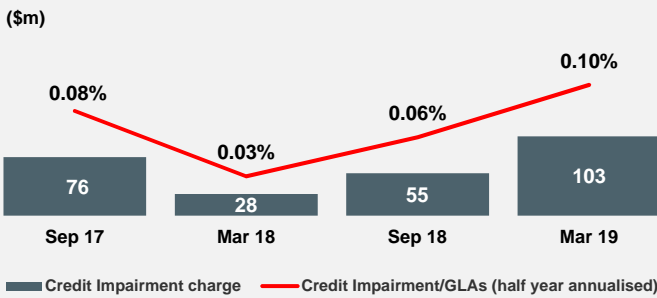


(1) March 2019 DBM Business Financial Services Monitor, APRA Aligned Lending Market Share. Australian businesses with an aligned product, excluding Finance & Insurance and Government. APRA Aligned Lending market share is based on the total lending dollars held at the financial institution, divided by the total lending dollars held at financial institutions reporting to APRA, with products and FIs aligned as closely as possible to APRA definitions and inclusions. Data is on a 12-month roll, weighted to the Australian business population. Small Business (\$0.1m-<\$5m) and Medium Business (\$5m-<\$50m)

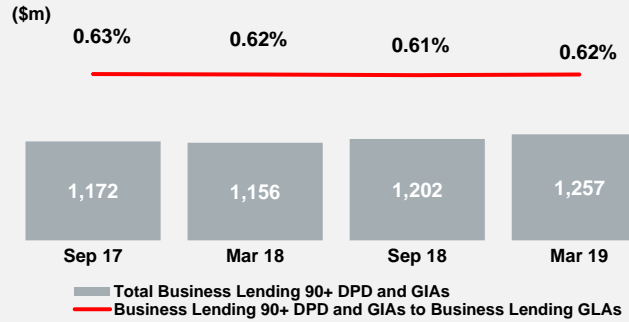
(2) December 2018/ NAB APRA submission / RBA System



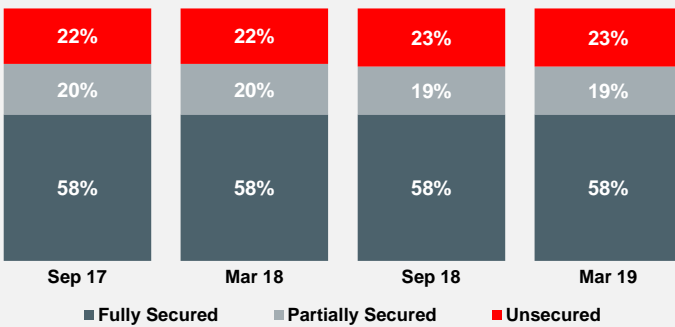
BUSINESS LENDING CREDIT IMPAIRMENT CHARGE AND AS % OF GLAs



BUSINESS LENDING 90+ DPD AND GIAs AND AS % OF GLAs



TOTAL BUSINESS LENDING SECURITY PROFILE¹

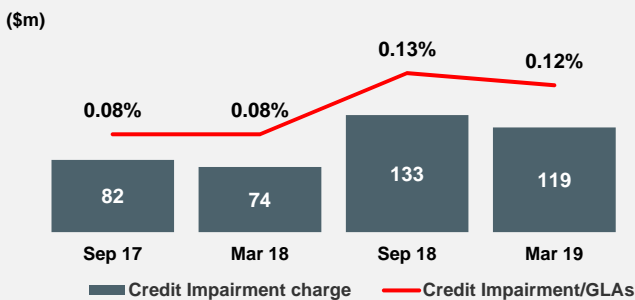


(1) Fully Secured is where the loan amount is less than 100% of the bank extended value of security; Partially Secured is where the loan amount is greater than 100% of the bank extended value of security; Unsecured is where no security is held and/or no value held against the security and negative pledge arrangements are normally in place. Bank extended value is calculated as a discount to market value based on the nature of the underlying security

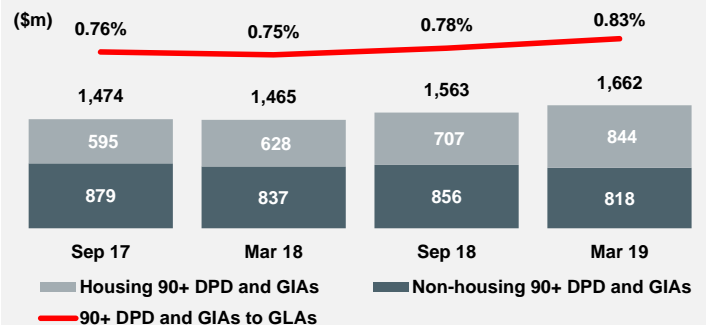


BUSINESS & PRIVATE BANKING (B&PB) ASSET QUALITY

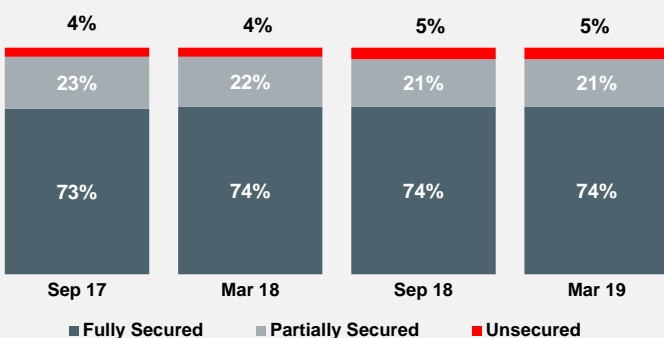
B&PB CREDIT IMPAIRMENT CHARGE AND AS % OF GLAs¹



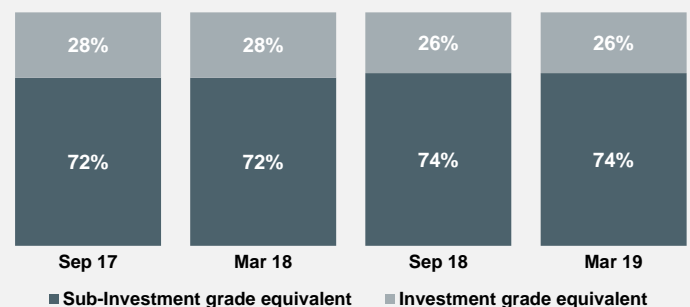
B&PB 90+ DPD AND GIAs AND AS % OF GLAs



B&PB BUSINESS LENDING SECURITY PROFILE²



B&PB BUSINESS LENDING PORTFOLIO QUALITY



(1) Refers to the half year ratio annualised

(2) Fully Secured is where the loan amount is less than 100% of the bank extended value of security; Partially Secured is where the loan amount is greater than 100% of the bank extended value of security; Unsecured is where no security is held and/or no value held against the security and negative pledge arrangements are normally in place. Bank extended value is calculated as a discount to market value based on the nature of the underlying security





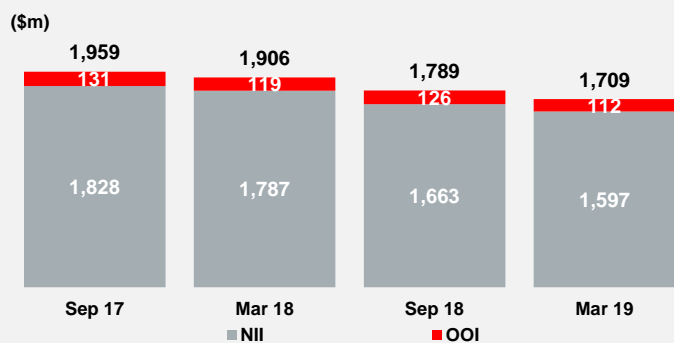
ADDITIONAL INFORMATION

AUSTRALIAN HOUSING LENDING

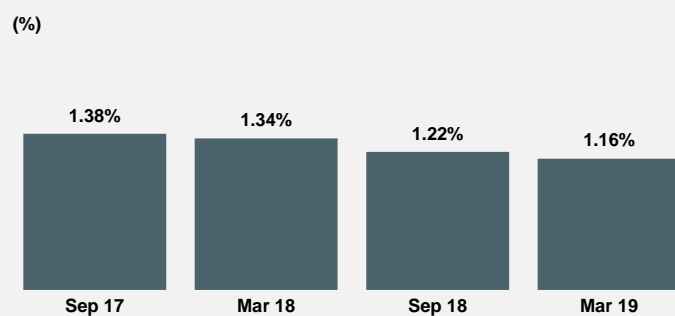
KEY METRICS

AUSTRALIAN HOUSING LENDING

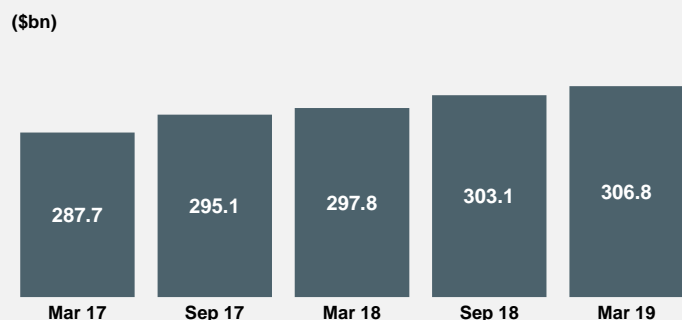
HOUSING LENDING REVENUE



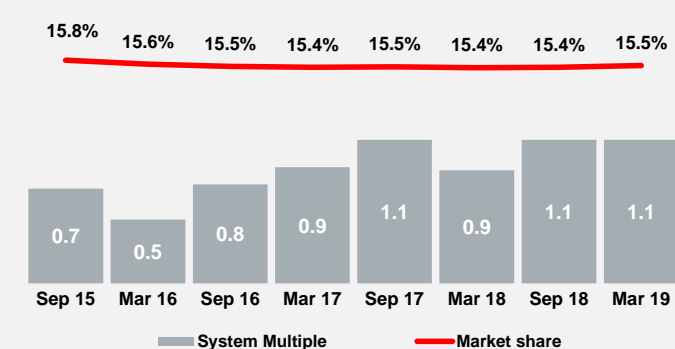
HOUSING LENDING NET INTEREST MARGIN



HOUSING LENDING GLAs



HOUSING LENDING MARKET SHARE⁽¹⁾



(1) APRA Monthly Banking Statistics – includes Owner Occupier, Investor and Securitised Home Lending balances

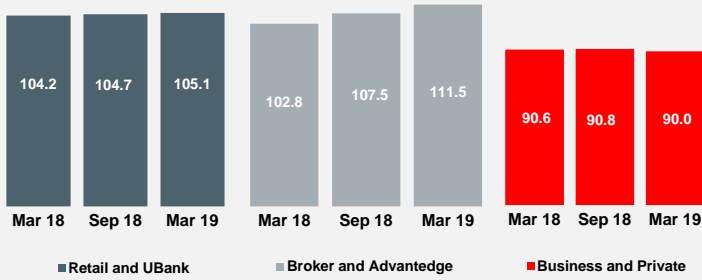


HOUSING LENDING PORTFOLIO PROFILE

AUSTRALIAN HOUSING LENDING

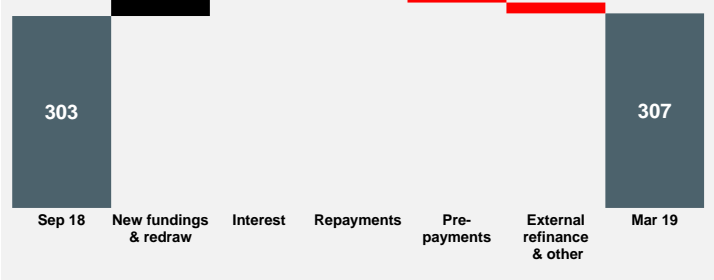
HOUSING LENDING BY CHANNEL¹

(\$bn)

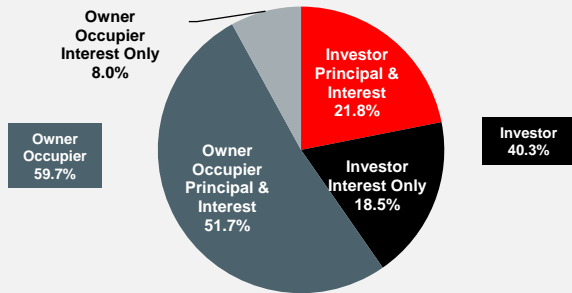


HOUSING LENDING FLOW MOVEMENTS¹

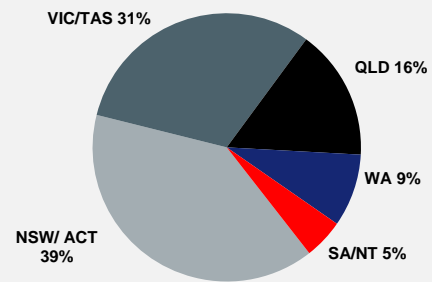
(\$bn)



HOUSING LENDING VOLUME BY BORROWER AND REPAYMENT TYPE²



AUSTRALIAN MORTGAGES STATE PROFILE



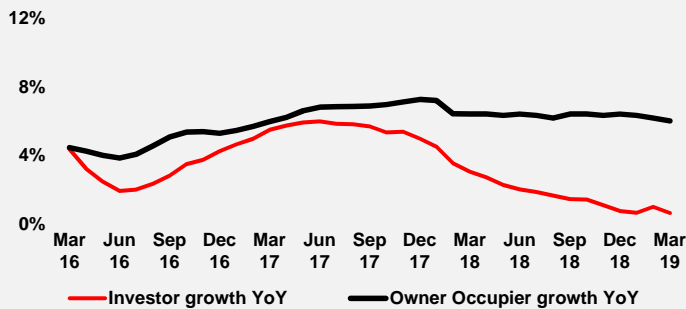
- (1) Excludes Asia
- (2) Only includes housing loans to households based on APRA ARF 320.0 reporting definitions, and excludes counterparties such as private trading corporations



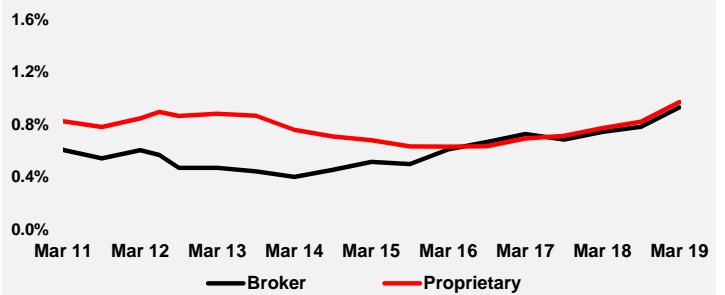
HOUSING LENDING PORTFOLIO PROFILE

AUSTRALIAN HOUSING LENDING

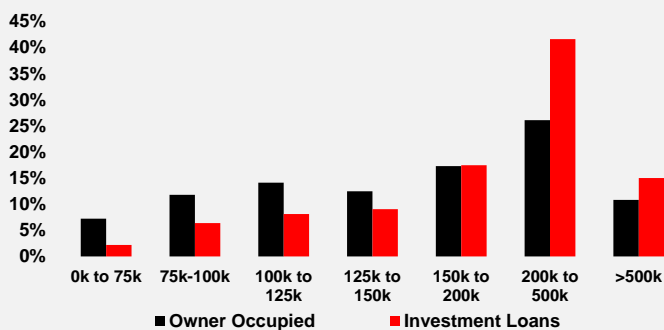
INVESTOR AND OWNER OCCUPIER GROWTH YoY¹



90+ DPD AND GIAs AS % OF TOTAL HOUSING LENDING GLAs – BY CHANNEL

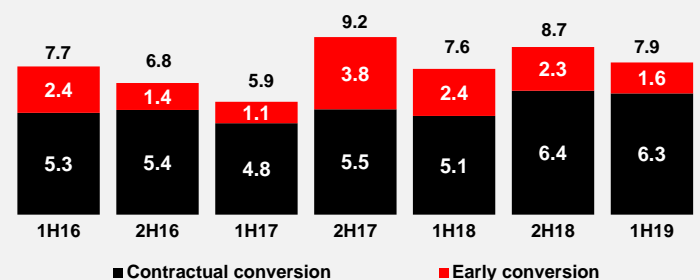


% HOUSING CUSTOMERS BY GROSS INCOME BAND^{2,3}



INTEREST ONLY CONVERSIONS TO P&I

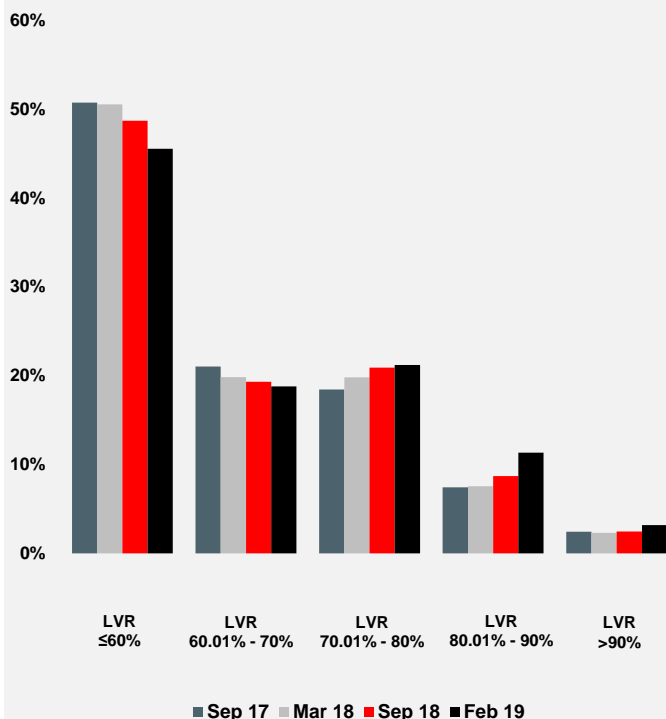
(\$bn)



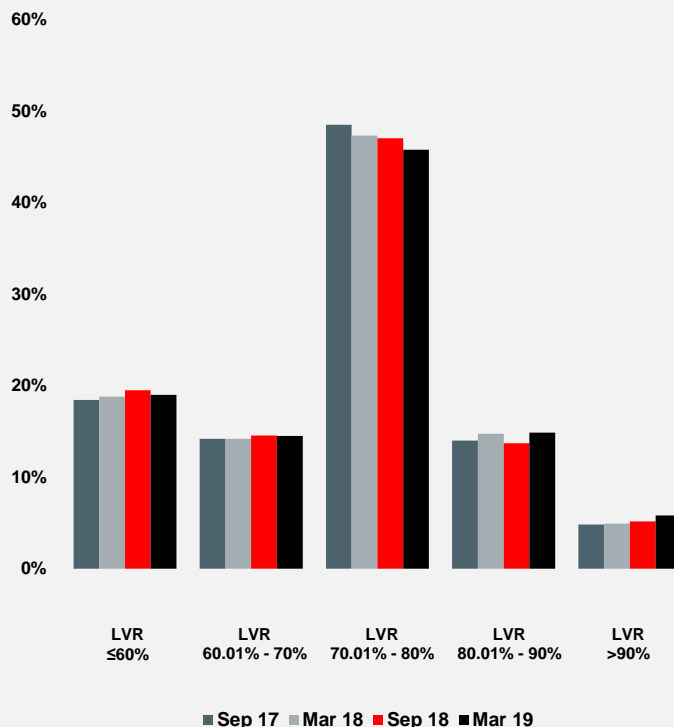
- (1) Does not include Advantaged
- (2) Drawdowns from Sep 18 – Mar 19
- (3) Gross income is defined as total pre-tax unshaded income for the application. This can include business income, income of multiple applicants and other income sources, such as family trust income



DYNAMIC LVR BREAKDOWN OF DRAWN BALANCE



LVR BREAKDOWN AT ORIGINATION



HOUSING LENDING PRACTICES & REQUIREMENTS

KEY ORIGINATION REQUIREMENTS

Income	Income verified using a variety of documents including payslips and/or checks on salary credits into customers' accounts Apply a minimum 20% shading on less certain income, for example rental income shading since 2015
Household expenses	Use the greater of: <ul style="list-style-type: none"> Customers' declared living expenses, enhanced in 2016 to break down into granular sub categories or <ul style="list-style-type: none"> Household Expenditure Measure (HEM) benchmark. In use since 2012 and enhanced in 2015 to scale for customer income and further refined in Dec 2018
Serviceability	Assess customers' ability to pay based on the higher of the customer rate plus serviceability buffer (2.25%) or the floor rate (7.25%), with longstanding use of floor and updated in 2016
Existing debt	Verify using declared loan statements and assess existing mortgage debt using floor (7.25%) and buffer over customer rate (2.25%) In Dec 2018 tightened assessment of customer credit cards assuming repayments of 3.8% per month of the limit
Interest only	Assess Interest Only loans on the full remaining Principal and Interest term Maximum Interest Only term for Owner Occupied borrowers of 5 years

LOAN-TO-VALUE RATIO (LVR) LIMITS

Principal & Interest – Owner Occupier	95%
Investor	90%
Interest Only – Owner Occupier	80%
'At risk' postcodes	80%
'High risk' postcodes (eg mining towns)	70%

OTHER REQUIREMENTS

- In 2017 introduced Loan-to-Income decline threshold, reduced from 8x to 7x in February 2018
- In April 2019 introduced a Debt-to-Income decline threshold of 9x
- Lenders' mortgage insurance (LMI) applicable for majority of lending >80% LVR
- LMI for inner city investment housing >70% LVR
- Apartment size to be 50 square metres or greater (including balconies and car park)
- NAB Broker applications assessed centrally – verification and credit decisioning



Australian Housing Lending	Sep 17	Mar 18	Sep 18	Mar 19		Mar 18	Sep 18	Mar 19
	Portfolio					Drawdowns²		
Total Balances (spot) \$bn	293	298	303	307		31	33	27
Average loan size \$'000	300	302	306	307		370	376	368
By Product								
- Variable rate	73.3%	72.1%	72.0%	72.0%		65.2%	70.4%	70.0%
- Fixed rate	18.8%	20.5%	21.1%	21.6%		32.3%	27.2%	28.2%
- Line of credit	7.9%	7.4%	6.9%	6.5%		2.4%	2.4%	1.9%
By borrower type								
- Owner Occupied ^{3,4}	58.0%	58.6%	59.1%	59.7%		62.0%	63.8%	66.9%
- Investor ^{3,4}	42.0%	41.4%	40.9%	40.3%		38.0%	36.2%	33.1%
By channel								
- Proprietary	66.3%	65.4%	64.5%	63.6%		58.4%	57.4%	53.8%
- Broker	33.7%	34.6%	35.5%	36.4%		41.6%	42.6%	46.2%
Interest only ⁵	29.8%	27.0%	24.5%	22.4%		24.6%	25.4%	24.9%
Low Documentation	0.7%	0.6%	0.5%	0.5%				
Offset account balance (\$bn)	27.2	28.2	28.7	29.0				
LVR at origination	69.0%	69.0%	69.0%	69.0%				
Dynamic LVR on a drawn balance calculated basis ⁶	42.7%	42.7%	43.3%	44.6%				
Customers in advance ≥1 month ⁷ (including offset facilities)	66.2%	65.5%	66.1%	65.5%				
Avg # of monthly payments in advance (including offset facilities)	33.6	33.8	33.9	33.7				
90+ days past due	0.59%	0.67%	0.72%	0.86%				
Impaired loans	0.10%	0.09%	0.09%	0.09%				
Specific provision coverage ratio	30.0%	34.8%	33.7%	31.1%				
Loss rate ⁸	0.02%	0.02%	0.02%	0.02%				
Number of properties in possession	371	340	277	291				

(1) Excludes Asia

(2) Drawdowns is defined as new lending excluding limit increases and redraws in the previous six month period

(3) Portfolio sourced from APRA Monthly Banking Statistics

(4) Drawdowns sourced from management data

(5) Excludes line of credit products

(6) Most recent half shows Feb-19 LVR

(7) Excludes Advantedge and line of credit

(8) 12 month rolling Net Write-offs / Spot Drawn Balances

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HOUSING LENDING STRESS TESTING

HOUSING LENDING STRESS TESTING AT NAB

Stress testing and scenario analysis take a forward view of potential risk events. Outcomes from stress testing inform decision making, particularly in regards to defining risk appetite, strategy or contingency planning

Scenario

- Stress scenario updated from the previous reporting period
- Scenario starts with a global recession where Australia sees consumer consumption drop, unemployment increase and property prices collapse

Results

- Estimated Australian housing lending net credit impairment charges under these stressed conditions are \$4.6bn cumulatively during the three years of the scenario
- Peak net credit impairment is \$2.1bn
- Insured recoveries expected to be \$388m

STRESSED SCENARIO – MAIN ECONOMIC PARAMETERS

	Year 1	Year 2	Year 3
Annual GDP growth (%)	-2.9	-3.1	2.2
Unemployment rate (%)	6.7	9.3	10.2
House prices (% p.a. change)	-25.2	-5.2	2.5

STRESSED LOSS OUTCOMES^{1 2}

	Year 1	Year 2	Year 3
Portfolio size (exposure at default, \$bn)	334	311	312
Net Credit Impairment (\$m)	1,348	2,066	1,162
Gross Credit Impairment (\$m)	1,500	2,201	1,263
Net Credit Impairment rate (%) ³	0.40	0.66	0.37

(1) Australian IRB Residential Mortgages asset class. Includes Advantedge. Excludes offshore branches

(2) All LMI coverage is with external insurers. Modelling assumes 50% of claims will be rejected under a stressed environment

(3) Net Credit Impairment rate is net of LMI recoveries and presented as a percentage of mortgage exposure at default

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ADDITIONAL INFORMATION

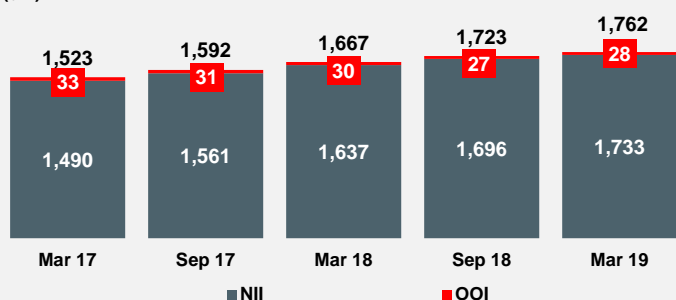
OTHER AUSTRALIAN PRODUCTS

DEPOSITS & TRANSACTION ACCOUNTS

OTHER AUSTRALIAN PRODUCTS

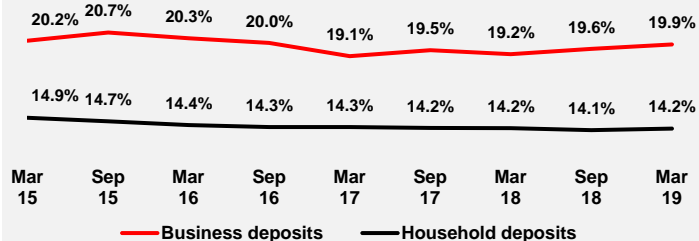
DEPOSIT REVENUE

(\$m)



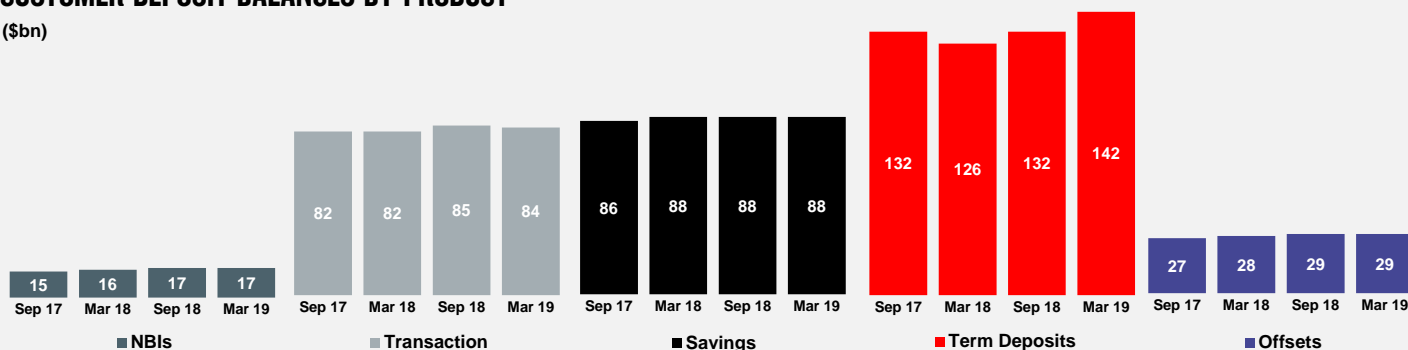
BUSINESS AND HOUSEHOLD DEPOSIT MARKET SHARE¹

(%)



CUSTOMER DEPOSIT BALANCES BY PRODUCT

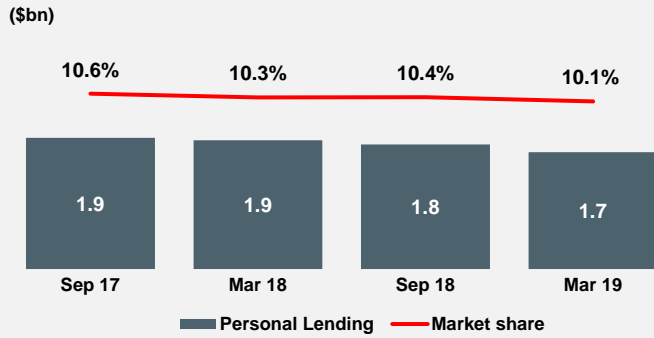
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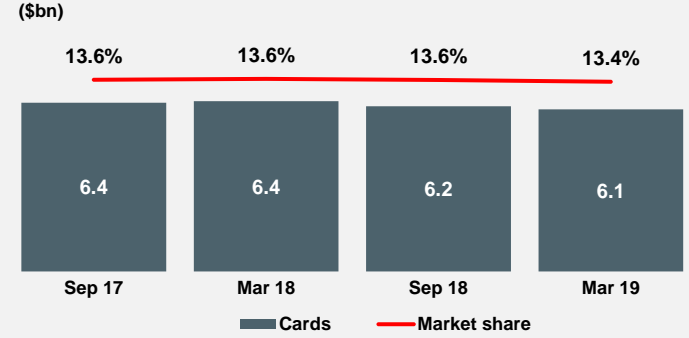
(1) APRA Monthly Banking Statistics



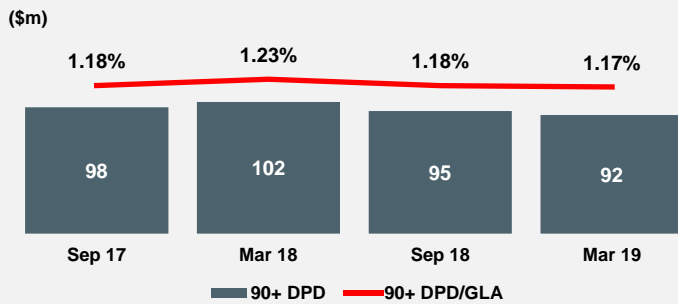
PERSONAL LENDING BALANCE AND MARKET SHARE¹



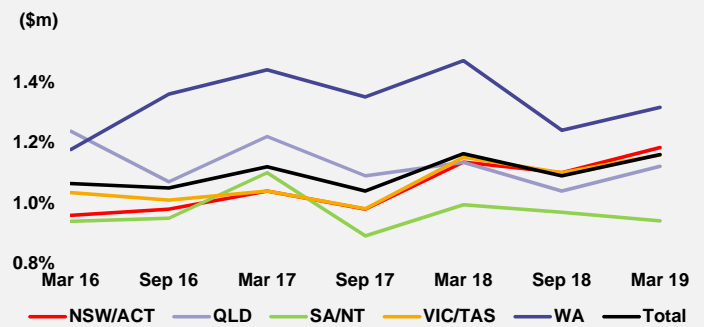
CARDS BALANCE AND MARKET SHARE²



CARDS AND PERSONAL LENDING 90+ DPD AND AS % OF TOTAL CARDS AND PERSONAL LENDING GLAs



CONSUMER CARDS 90+ DPD AS % OF OUTSTANDINGS

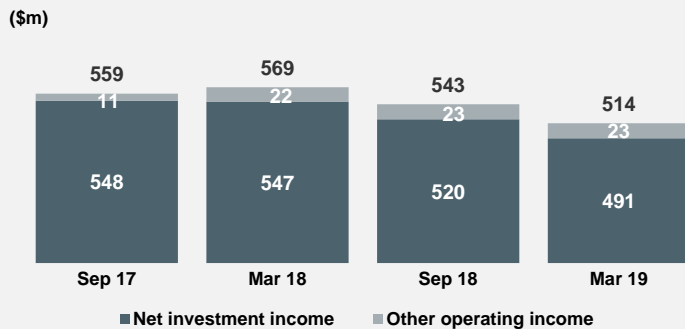


(1) Personal loans business tracker reports provided by RFI represents share of RFI defined peer group data
 (2) APRA Monthly Banking Statistics

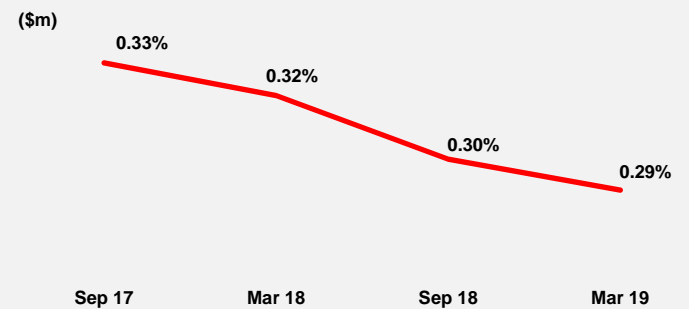


WEALTH

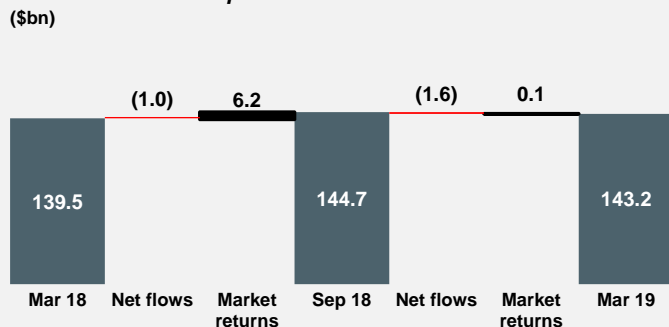
WEALTH REVENUE



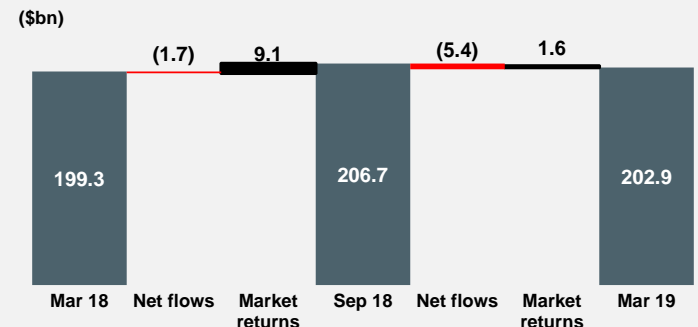
NET INVESTMENT INCOME TO AVERAGE FUM/A AND AUM



MOVEMENT IN FUM/A¹



MOVEMENT IN AUM¹



(1) FUM/A and AUM are presented in two separate disclosures that represent all managed funds and assets from which the Group derives revenue. Certain items will be represented in both FUM/A and AUM meaning the two should not be summed.





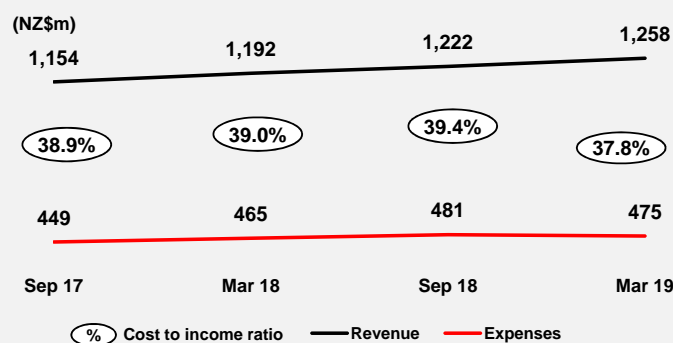
ADDITIONAL INFORMATION

NEW ZEALAND BANKING

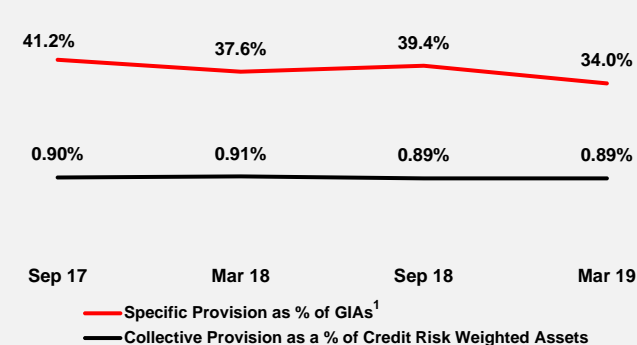
KEY FINANCIAL METRICS

NEW ZEALAND BANKING

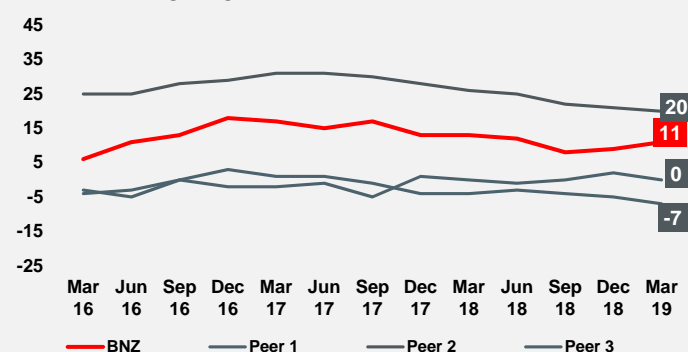
REVENUE v EXPENSE GROWTH



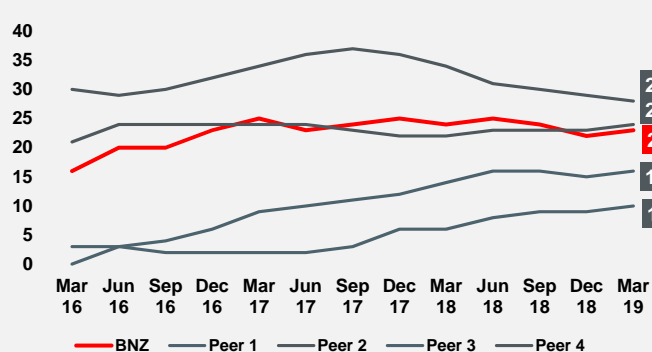
COLLECTIVE AND SPECIFIC PROVISION COVERAGE



BNZ PARTNERS NPS^{2,4}



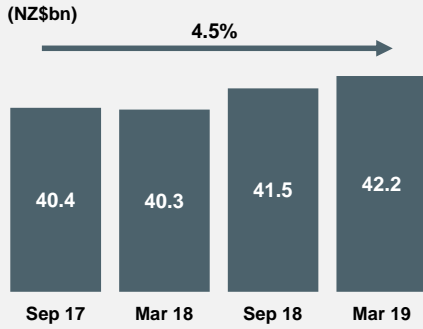
BNZ CONSUMER AND WEALTH NPS^{3,4}



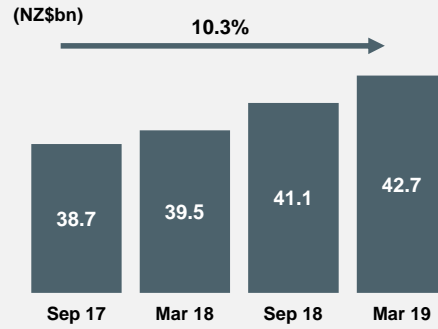
(1) Consists only of impaired assets where a specific provision has been raised and excludes New Zealand dairy exposures currently assessed as no loss based on security held
 (2) Source: TNS Business Finance Monitor (data on 4 quarter roll)
 (3) Source: Camorra Retail Market Monitor (data on 12 month roll)
 (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



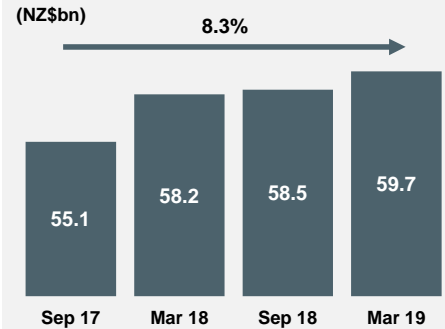
BUSINESS LENDING GLAs¹



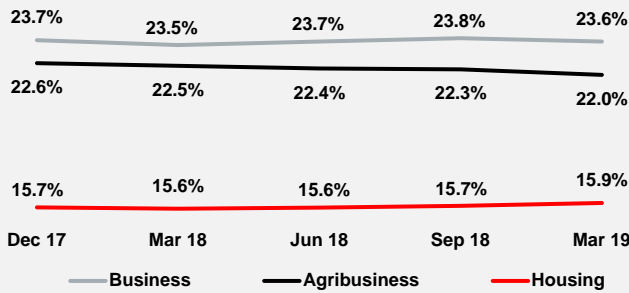
RETAIL LENDING GLAs¹



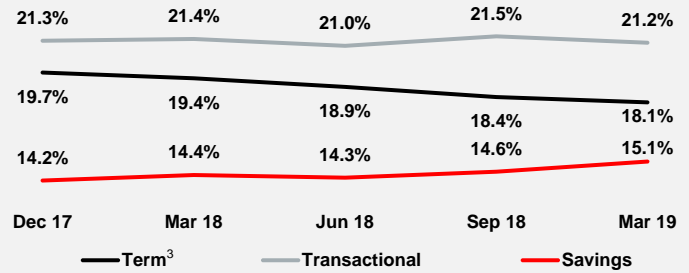
CUSTOMER DEPOSITS¹



LENDING MARKET SHARE²



DEPOSIT MARKET SHARE²



- (1) Spot volumes
- (2) Source RBNZ – March 2019
- (3) Prior periods have been restated due to changes in reporting classification



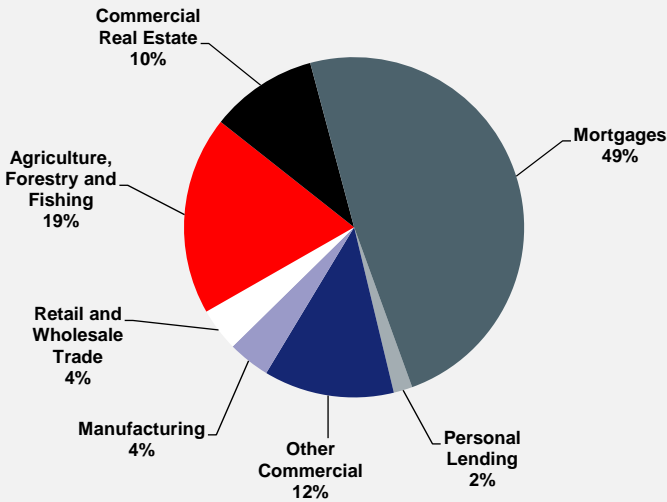
HOUSING LENDING KEY METRICS

New Zealand Housing Lending	Sep 17	Mar 18	Sep 18	Mar 19		Mar 18	Sep 18	Mar 19
	Portfolio					Drawdowns ¹		
Total Balances (spot) NZ\$bn	37.4	38.2	39.8	41.3		4.2	5.3	5.3
By product								
- Variable rate	20.4%	20.5%	19.6%	17.7%		22.8%	19.7%	16.8%
- Fixed rate	76.9%	76.8%	77.7%	79.7%		76.4%	79.6%	82.6%
- Line of credit	2.7%	2.7%	2.7%	2.6%		0.8%	0.7%	0.6%
By borrower type								
- Owner Occupied	63.4%	63.8%	64.6%	65.4%		70.2%	70.2%	70.9%
- Investor	36.6%	36.2%	35.4%	34.6%		29.8%	29.8%	29.1%
By channel								
- Proprietary	89.0%	87.0%	84.7%	82.3%		80.3%	76.1%	74.7%
- Broker	11.0%	13.0%	15.3%	17.7%		19.7%	23.9%	25.3%
Low Documentation	0.1%	0.1%	0.0%	0.0%		0.0%	0.0%	0.0%
Interest only ²	23.9%	22.8%	22.1%	21.4%		25.8%	26.9%	25.9%
LVR at origination	66.3%	66.2%	66.2%	66.3%				
90+ days past due	0.09%	0.07%	0.05%	0.10%				
Impaired loans	0.05%	0.04%	0.03%	0.04%				
Specific Impairment coverage ratio	34.7%	30.3%	23.5%	17.9%				
Loss rate ³	0.01%	0.01%	0.01%	0.01%				

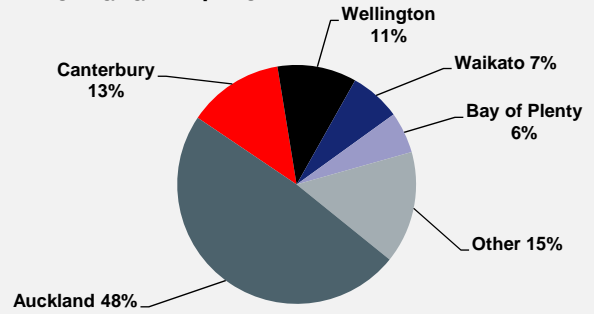
- (1) Drawdowns is defined as new lending including limit increases and excluding redraws in the previous six month period
- (2) Excludes line of credit products
- (3) 12 month rolling Net Write-offs / Spot Drawn Balances



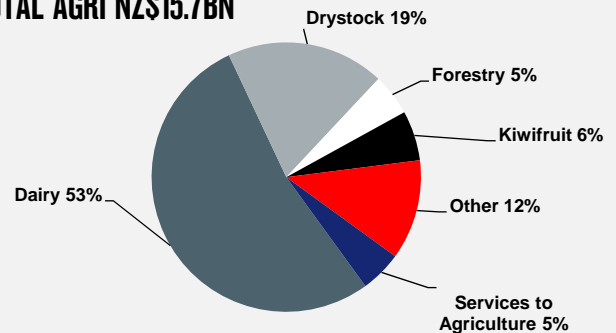
PORTFOLIO BREAKDOWN – TOTAL NZ\$84.9BN



MORTGAGE PORTFOLIO BREAKDOWN BY GEOGRAPHY – TOTAL MORTGAGE NZ\$41.3BN



AGRIBUSINESS PORTFOLIO BREAKDOWN BY INDUSTRY – TOTAL AGRI NZ\$15.7BN



DELIVERING FOR CUSTOMERS AND COMMUNITY

SHOWING UP FOR OUR CUSTOMERS

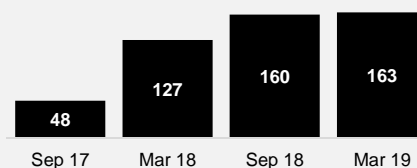
- Completed 55,000 **Financial Health Checks** in 1H19 to help customers reach their financial goals
- Sustainable housing market share growth**
 - Provided 2,500 loan commitments to help first home buyers into homes through our housing suite of propositions
 - Helped almost 6,000 customers shave 4.7 years off their home loan through the online home loan repayment tool
- In FY18 committed \$10bn to support business growth in regional NZ over the following five years. \$800m of this has been provided in 1H19
- Winner of:**



FAST AND SIMPLE

- Simplification** of Products and Fees – 26 products were removed in 1H19
- Greater self-service capabilities through digital innovation
 - Extending end-to-end customer experience through **Anywhere Sign-Up** and **online PIN** set-up
 - BNZ continues to respond to changing customer needs, with NZ's largest Smart ATM network and growing utilisation
 - Reduction in OTC transactions driven by a 16% increase in smart ATMs utilisation since Sep-17

Smart ATMs



BACKING OUR COMMUNITY

- Reaching remote communities and increasing **physical footprint** via Mobile BNZ
 - Mobile BNZ is on the road in June 2019, reaching out to almost 250,000 New Zealanders across the Manawatu-Wanganui region
- Continuing to develop and support the financial literacy and wellbeing of all New Zealanders with BNZ's **Community Finance** initiative:
 - Teamed-up with The Salvation Army to launch **The Good Shop**; an initiative that offers access to practical financial advice and quality goods





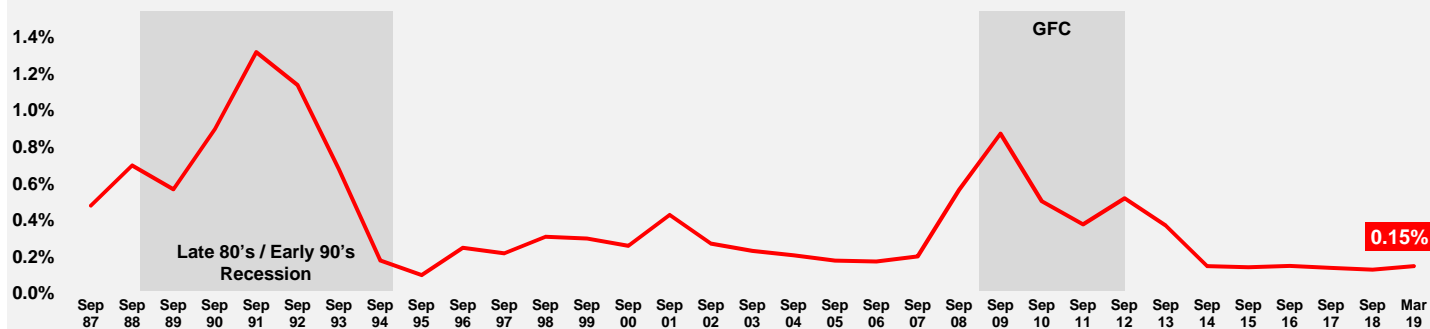
ADDITIONAL INFORMATION

GROUP ASSET QUALITY

GROUP CREDIT IMPAIRMENT CHARGE

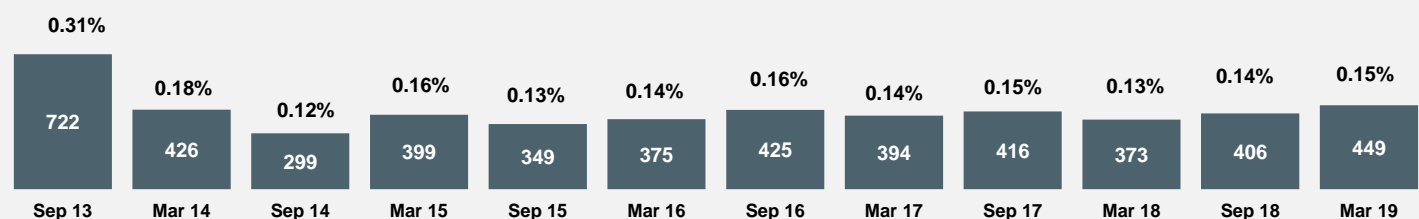
GROUP ASSET QUALITY

CREDIT IMPAIRMENT CHARGE AS % OF GLAs



CREDIT IMPAIRMENT CHARGE AND AS % OF GLAs¹

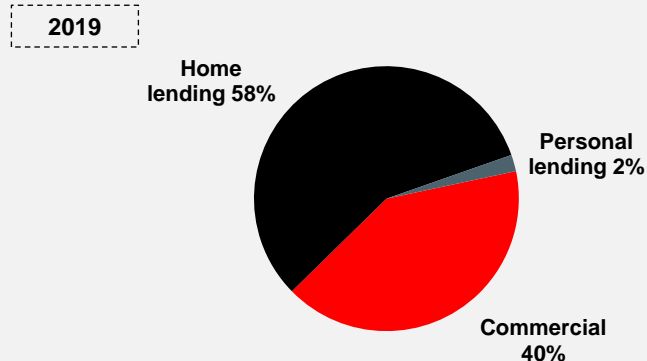
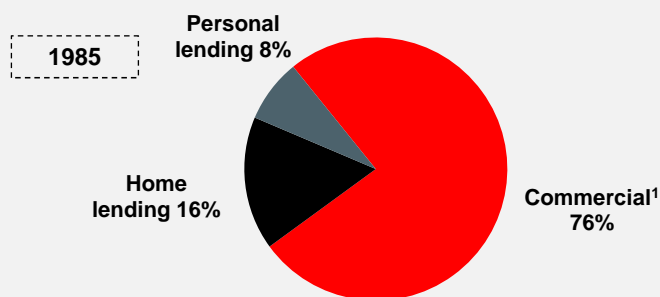
(\$m)



(1) Ratios for all periods refer to the half year ratio annualised



GROUP BUSINESS MIX – GLAs BY CATEGORY



ESTIMATING LONG RUN LOAN LOSS RATE

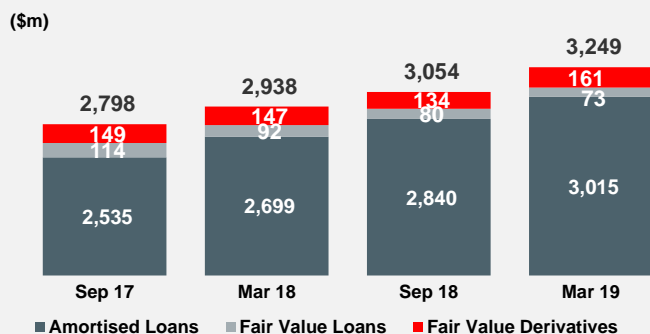
NAB Australian geography net write off rates as a % of GLAs 1985 - 2018 ²	Long run average
Home lending ³	0.03%
Personal lending ³	1.46%
Commercial ³	0.55%
Australian average (1985-2018)	0.34%
Group average⁴ based on 2019 business mix	0.26%
Group average⁴ based on 2019 business mix excluding 1991-1993 and 2008-2010	0.19%

- (1) For 1985 Group business mix, all overseas GLAs are allocated to Commercial category
 (2) Data used in calculation of net write off rate as a % of GLAs is based on NAB's Australian geography and sourced from NAB's Supplemental Information Statements (2007 - 2018) and NAB's Annual Financial Reports (1985 - 2006).
 (3) Home lending represents "Real estate – mortgages" category; Personal lending represents "Instalment loans to individuals and other personal lending (including credit cards)" category; Commercial represents "all other industry lending categories" as presented in the source documents as described in note 2 above
 (4) Group average is calculated by applying each of the Australian geography long run average net write off rates by product to the respective percentage of Group GLAs by product as at 31 March 2019. Commercial long run average net write off rate has been applied to acceptances

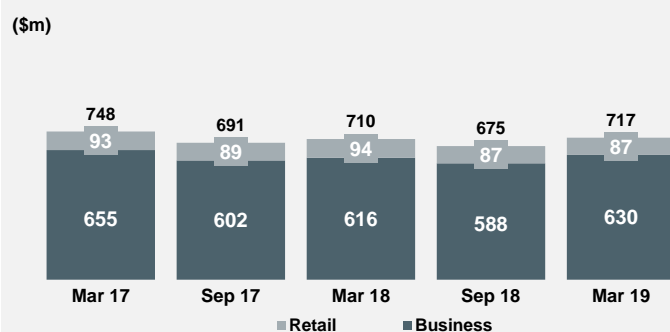


GROUP PROVISIONS

COLLECTIVE PROVISION BALANCE



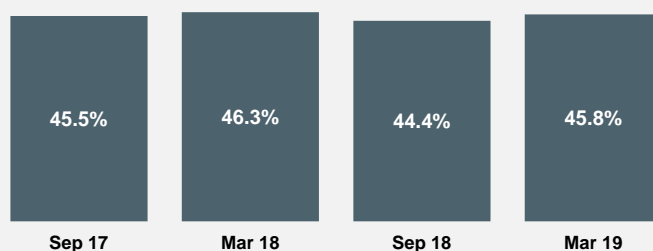
SPECIFIC PROVISION BALANCE



COLLECTIVE PROVISIONS AS % OF CRWAs



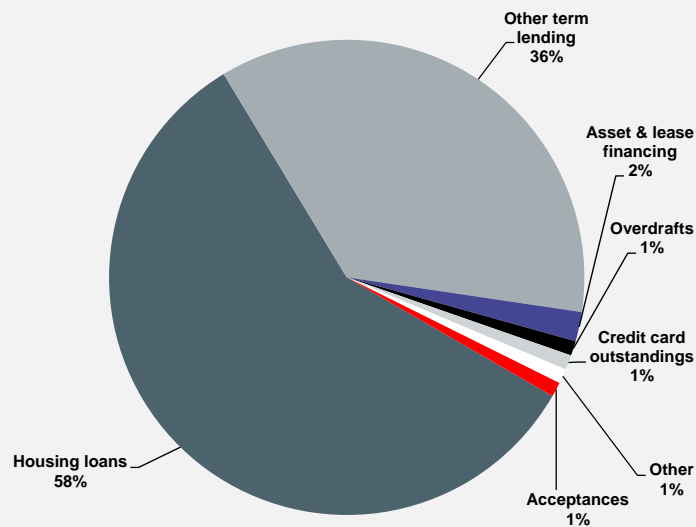
SPECIFIC PROVISION COVERAGE¹



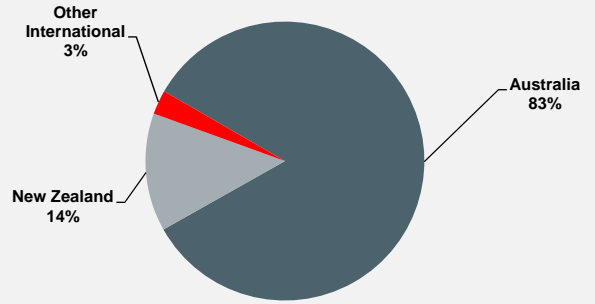
(1) Balances currently assessed as 'impaired no loss' are excluded from the reported specific provision coverage ratio as no specific provisions are held against these balances. Provisions associated with 'impaired no loss' balances are included within collective provision and therefore not included in these ratios



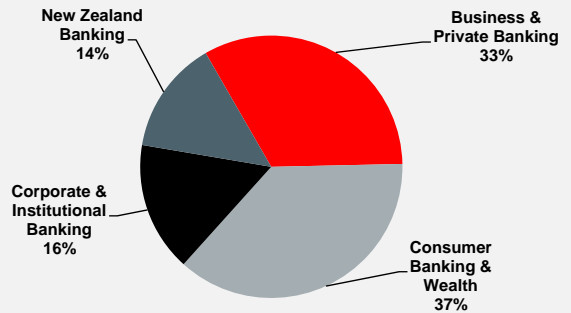
GROSS LOANS AND ACCEPTANCES BY PRODUCT



GROSS LOANS AND ACCEPTANCES BY GEOGRAPHY¹



GROSS LOANS AND ACCEPTANCES BY BUSINESS UNIT

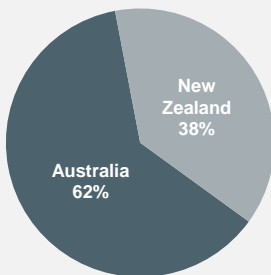


(1) Based on booking office where transactions have been recorded



GROUP AGRICULTURE, FORESTRY & FISHING EXPOSURES

GROUP EAD \$45.2BN MARCH 2019

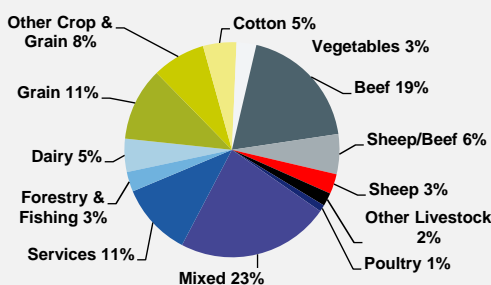


AUSTRALIAN DROUGHT CONSIDERATIONS

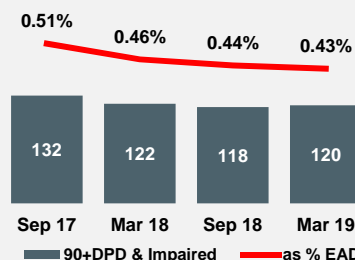
- NSW and much of QLD continue to face challenging conditions
- Asset quality broadly stable, but further stress expected if drought conditions persist
- NAB drought assistance package from July 2018 including extension and potential restructuring of loan terms, and suspension of home and personal loan repayments
- Collective provision forward looking adjustments of >\$120m to address impact of extreme weather conditions (drought and flood)

AUSTRALIAN AGRICULTURE, FORESTRY & FISHING

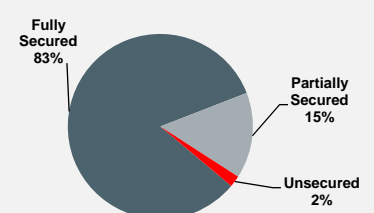
Diverse Portfolio EAD \$27.9bn March 2019



Australian Agriculture Asset quality stable (\$m)



Australian Agriculture Portfolio Well Secured¹



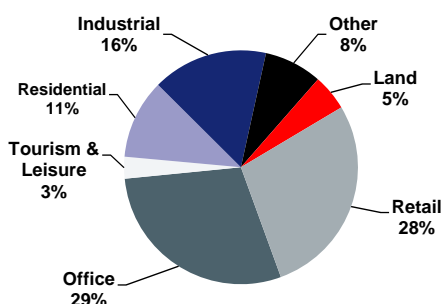
(1) Fully Secured is where the loan amount is less than 100% of the bank extended value of security; Partially Secured is where the loan amount is greater than 100% of the bank extended value of security; Unsecured is where no security is held and/or no value held against the security and negative pledge arrangements are normally in place. Bank extended value is calculated as a discount to market value based on the nature of the underlying security



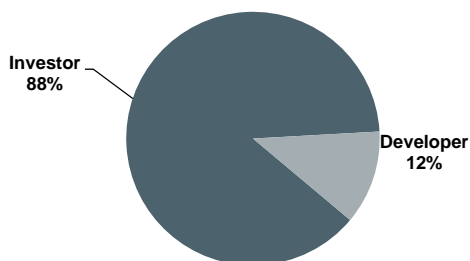
Total \$63.0bn
10.5% of Gross Loans & Acceptances

	Aust	New Zealand	Other International	Total	Trend	Sep 17	Mar 18	Sep 18	Mar 19
TOTAL CRE (A\$bn)	54.6	8.2	0.2	63.0					
Increase/(decrease) on Sep 18 (A\$bn)	0.6	0.3	-	0.9	Impaired loans ratio	0.22%	0.27%	0.27%	0.22%
% of geographical GLAs	10.9%	10.0%	1.7%	10.5%	Specific Provision Coverage	39.7%	33.9%	30.5%	34.4%
Change in % on September 2018	-	(1.0%)	(0.6%)	(0.1%)					

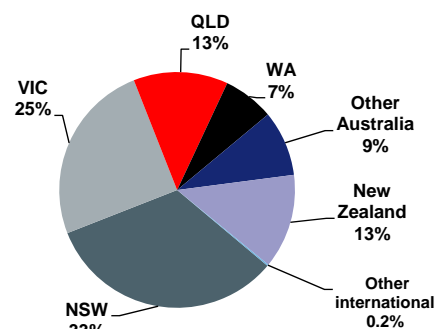
Sector breakdown



Borrower breakdown



Geographic breakdown



(1) Measured as balance outstanding at March 2019 per APRA Commercial Property ARF 230 definitions

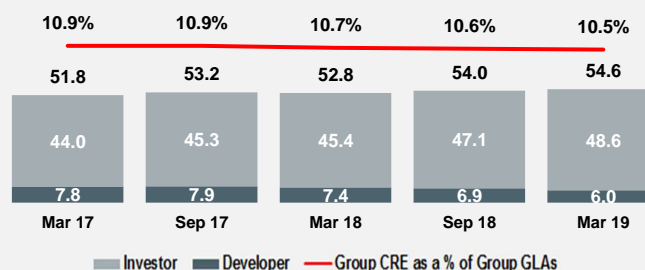


AREAS OF INTEREST

AUSTRALIAN COMMERCIAL REAL ESTATE (CRE) DEVELOPER

- Developer drawn balance includes \$1.3bn for land development and \$3.4bn for residential development
- Residential development apartment exposure² continues to trend lower with limits down circa 25% over the past 12 months
- >90% of residential developer limits amortise within 2 years²
- NSW and VIC account for circa 85% of limits²
- Inner city postcodes ~19% of total residential developer exposure

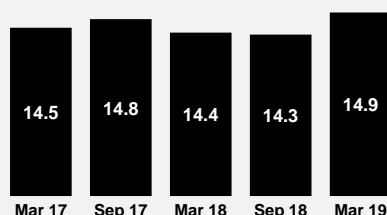
AUSTRALIAN CRE PORTFOLIO¹



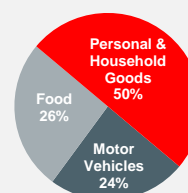
GROUP RETAIL TRADE

- ~1.7% of Group net EAD
- 76% of portfolio is fully or partially secured
- Department store exposure 2.3% of Personal & Household Goods EAD
- Strong coverage including >\$100m of collective provision forward looking adjustments

EXPOSURE AT DEFAULT (EAD) \$BN



PORTFOLIO (EAD) MAR 2019



(1) Measured as drawn balance outstanding per APRA Commercial Property ARF 230 definitions

(2) Transactions >\$2m (limit), including those that are well advanced but yet to draw-down. Inner-City includes CBD and adjoining postcodes, along with Waterloo/Zetland in Sydney. Greater Brisbane and Greater Perth based on Greater Capital City Statistical Area as defined by ABS





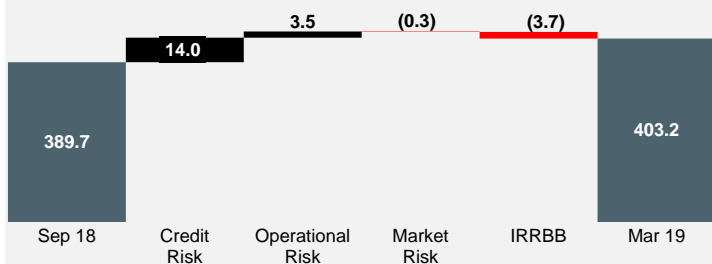
ADDITIONAL INFORMATION

CAPITAL & FUNDING

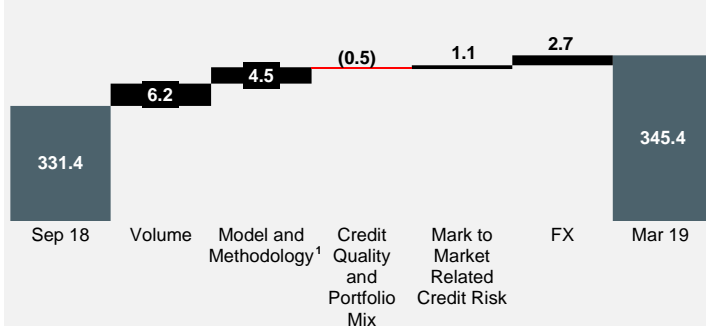
CAPITAL AND RWA MOVEMENTS

CAPITAL & FUNDING

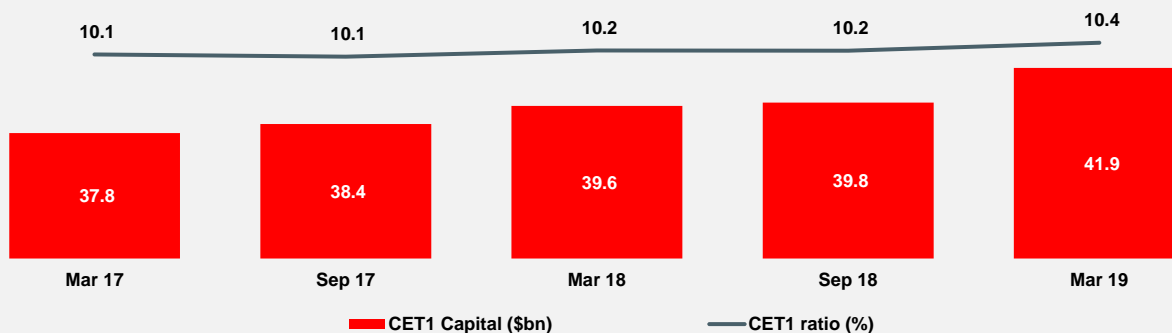
GROUP RWA



CREDIT RWA

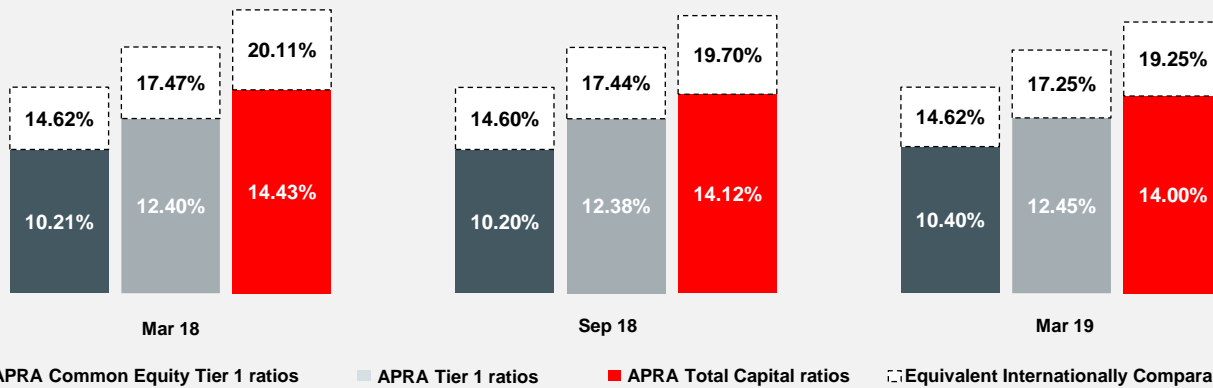


GROUP CET1 CAPITAL AND CET1 RATIO



(1) Model and regulatory prescribed methodology changes





APRA to Internationally Comparable CET1 Ratio Reconciliation

	CET1
NAB CET1 ratio under APRA	10.40%
APRA's Basel capital adequacy standards require a 100% deduction from common equity for deferred tax assets, investments in non consolidated subsidiaries and equity investments. Under Basel Committee on Banking Supervision (BCBS) such items are concessionally risk weighted if they fall below prescribed thresholds	+74 bps
Mortgages – reduction in Loss given Default floor from 20% to 15% and adjustment for correlation factor	+145 bps
Interest rate risk in the banking book (IRRBB) – removal of IRRBB risk weighted assets from Pillar 1 capital requirements	+21 bps
Other adjustments including corporate lending adjustments and treatment of specialised lending	+182 bps
NAB Internationally Comparable CET1	14.62%

(1) Internationally Comparable CET1 ratios align with the APRA study entitled "International capital comparison study" released on 13 July 2015



CAPITAL REGULATORY CHANGES

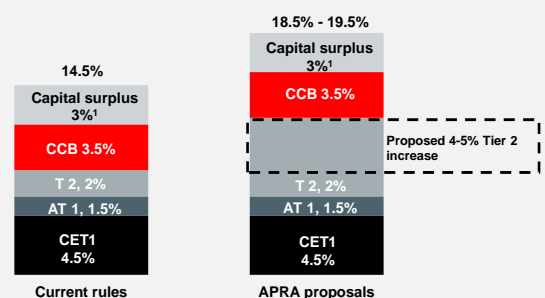
RESERVE BANK OF NEW ZEALAND (RBNZ) CAPITAL CHANGES

- RBNZ proposed amendments include
 - Increases in RWA for IRB banks, via IRB recalibration and the introduction of scalars and floors
 - Increase in Tier 1 capital requirement to 16% of RWA
- Based on BNZ's balance sheet as at 31 March 2019, the recommendations would imply a NZ\$4-5bn increase in BNZ Tier 1 capital or a 25-35% decrease in BNZ balance sheet (RWAs)
- Where risk-adjusted returns are not sufficient, BNZ will need to consider repricing and/or reducing lending
- The ultimate impact on the Group also depends on various factors including the outcome of ongoing consultations with both RBNZ and APRA

LOSS ABSORBING CAPACITY

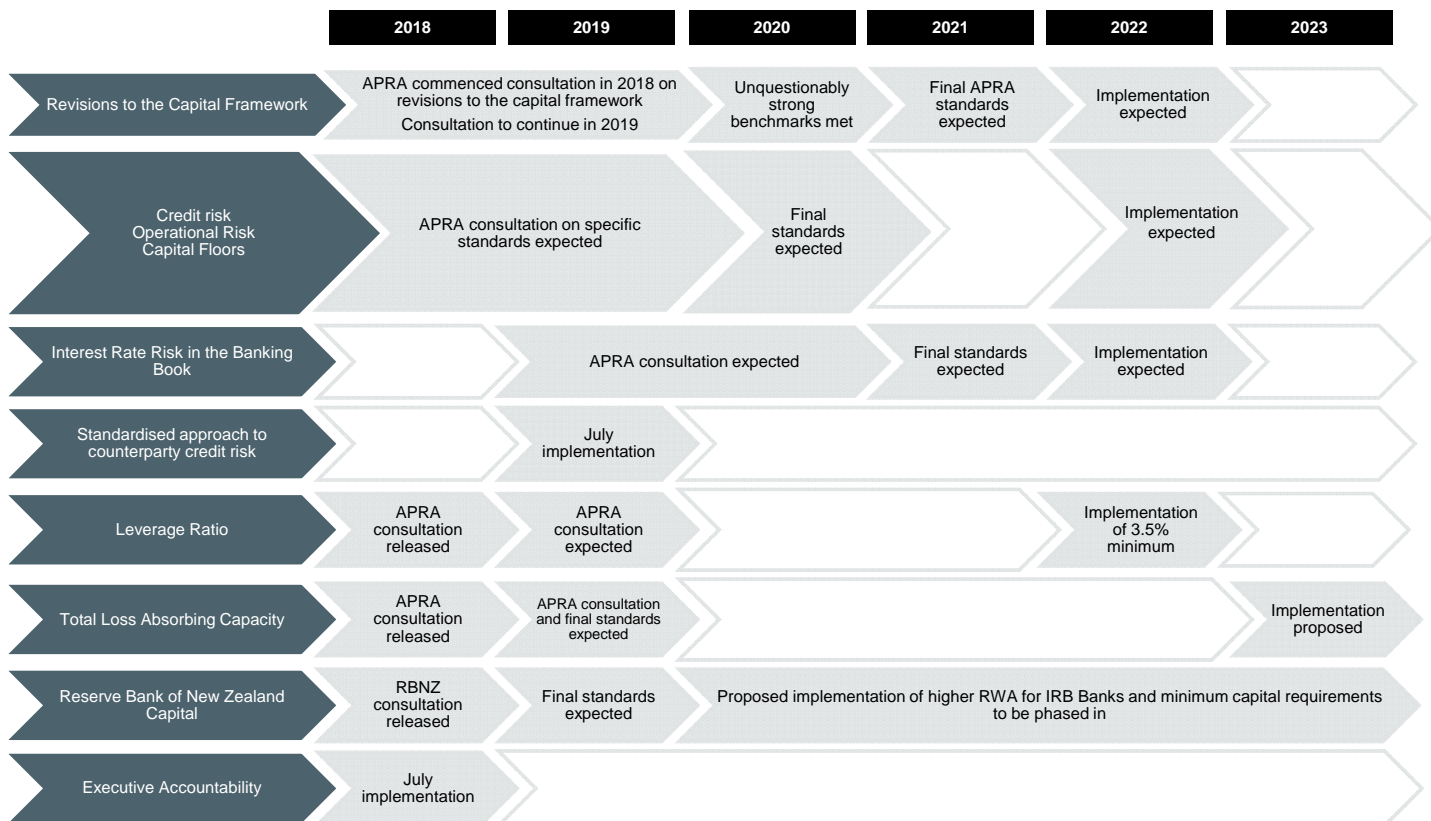
- In November 2018, APRA released its consultation paper on the implementation of an Australian loss absorbing capacity regime, proposing an increase in Total capital of between 4% and 5% of RWAs for domestic systemically important banks (D-SIBs)
- APRA has suggested the increase will likely be met by Tier 2 capital
- APRA is consulting with industry on the proposals and their market impacts. Finalisation of requirements is expected in 2019 with implementation by 2023
- Based on NAB's RWA of \$403bn at 31 March 2019, this represents an incremental increase in Total capital of \$16bn to \$20bn, with a corresponding decrease in senior debt issuance

PROPOSED LOSS ABSORBING CAPACITY CAPITAL STRUCTURE



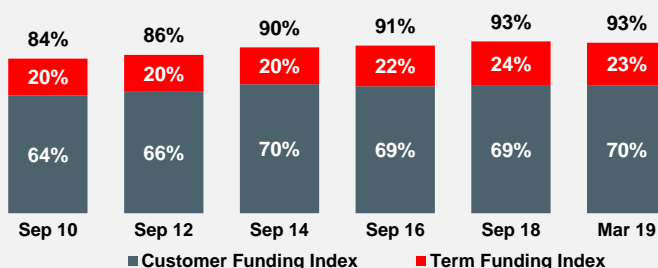
(1) Capital surplus of 3% is generally higher than the normal level for D-SIBs, as a result of the 'unquestionably strong' capital benchmarks



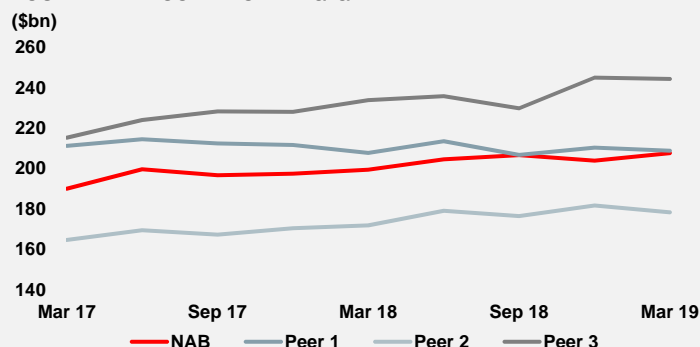


FUNDING PROFILE

GROUP STABLE FUNDING INDEX (SFI)



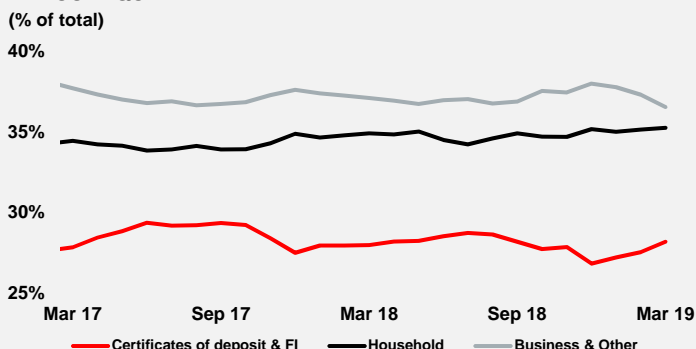
AUSTRALIAN CORE FUNDING GAP¹



DEPOSIT GROWTH



DEPOSIT QUALITY²



(1) Australian core funding gap = Gross loans and advances + Acceptances less Total deposits (excluding financial institution deposits and certificates of deposit). Source: APRA Monthly Banking Statistics March 2019

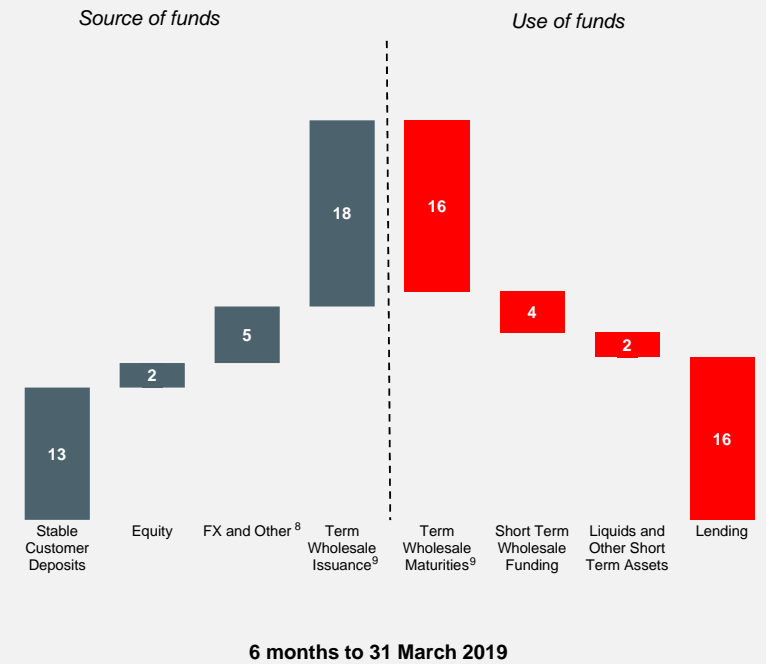
(2) APRA Monthly Banking Statistics March 2019



FUNDED BALANCE SHEET¹



SOURCE AND USE OF FUNDS (\$bn)



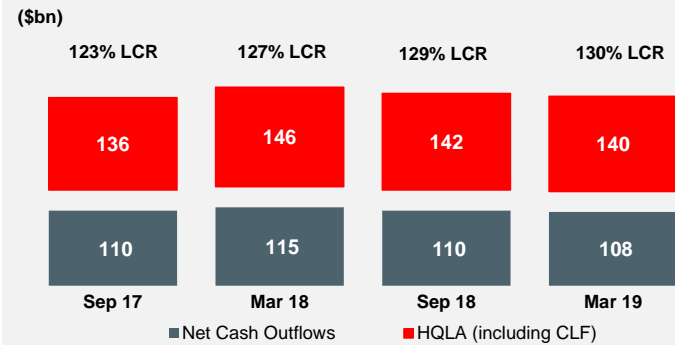
- (1) Excludes repurchase agreements, trading and hedging derivatives, and any accruals, receivables and payables that do not provide net funding
- (2) Includes operational deposits, non-financial corporate deposits and retail / SME deposits. Excludes certain offshore deposits
- (3) Includes non-operational financial institution deposits and certain offshore deposits
- (4) Market value of liquid assets including HQLA, non-HQLA and securities that are central bank rep-eligible

- (5) Includes trade finance loans
- (6) Excludes trade finance loans
- (7) Includes net derivatives, goodwill, property, plant and equipment and net of accruals, receivables and payables
- (8) Largely related to FX movements on term wholesale funding and net movement in other assets and other liabilities
- (9) Includes Additional Tier 1 instruments



LIQUIDITY

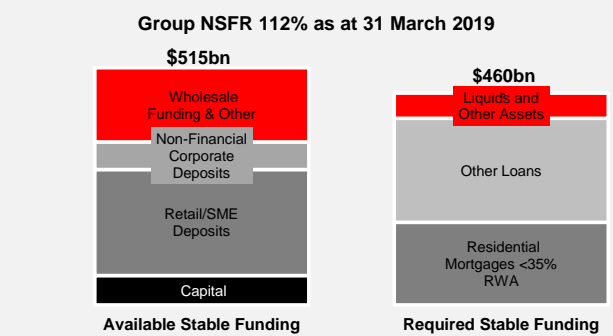
LIQUIDITY COVERAGE RATIO (QUARTERLY AVERAGE)



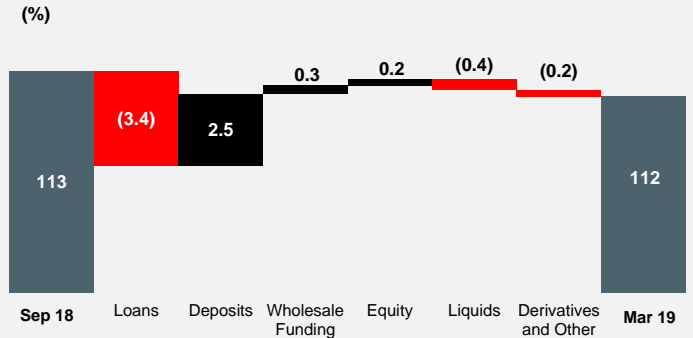
LIQUIDITY OVERVIEW

Quarterly Average (\$bn)	Sep 17	Mar 18	Sep 18	Mar 19
High quality liquid assets	85	86	81	85
Alternative liquid assets ¹	46	55	55	52
RBNZ Securities	5	5	6	3
Total LCR Liquid Assets	136	146	142	140
<i>Net outflows due to</i>				
Customer Deposits	77	80	72	72
Wholesale funding	14	16	15	15
Other	19	19	23	21
Net cash outflows	110	115	110	108
Quarterly average LCR	123%	127%	129%	130%

NET STABLE FUNDING RATIO COMPOSITION



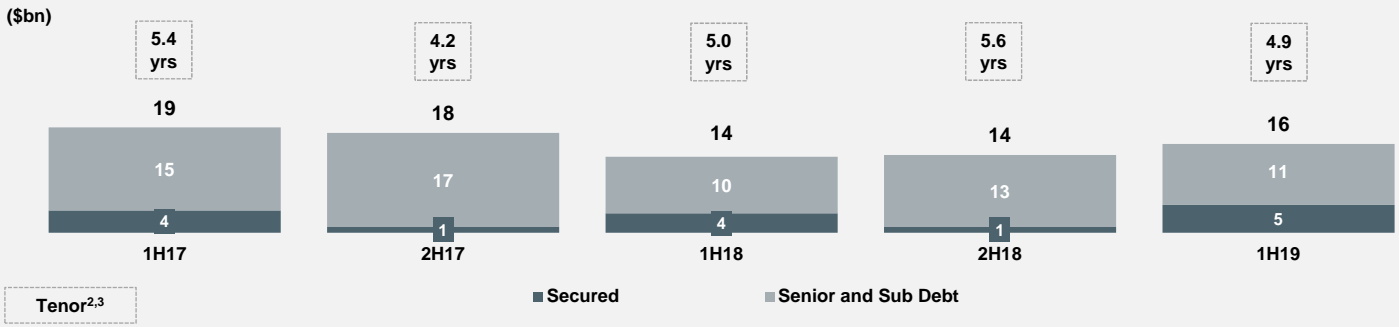
NET STABLE FUNDING RATIO MOVEMENT (%)



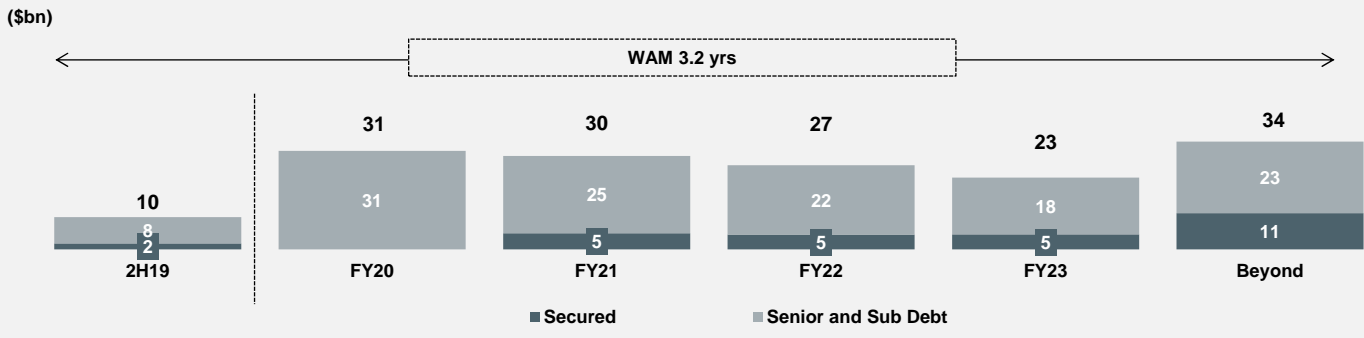
(1) Committed Liquidity Facility (CLF) value used in LCR calculation is the undrawn portion of the facility. Approved CLF of \$59.3 billion for 2018 and \$55.9 billion for 2019



HISTORIC TERM FUNDING ISSUANCE¹



TERM FUNDING MATURITY PROFILE³

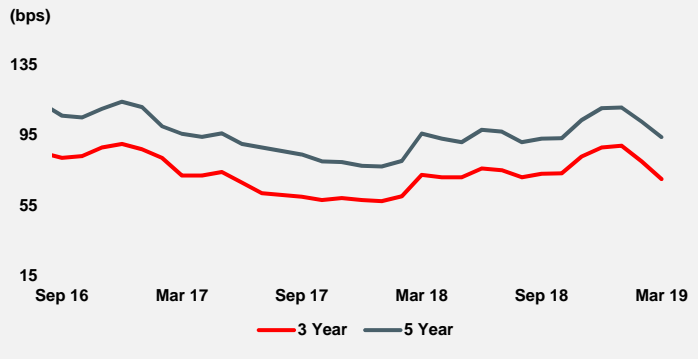


(1) Includes senior unsecured, secured (covered bonds and securitisation) and subordinated debt with an original term to maturity or call date of greater than 12 months, excludes Additional Tier 1 instruments
 (2) Weighted average maturity (years) of funding issuance with an original term to maturity greater than 12 months
 (3) Weighted average maturity and maturity profile excludes RMBS and ABS

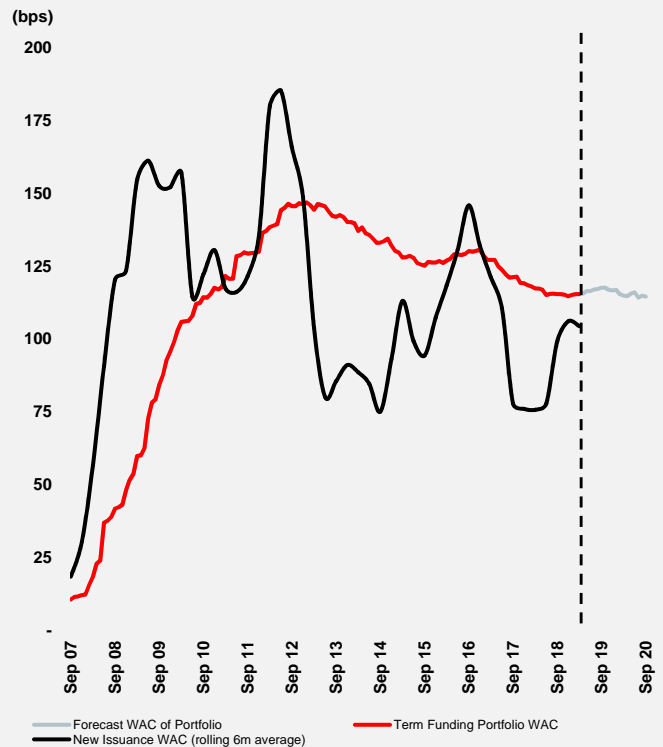


WHOLESALE FUNDING COSTS

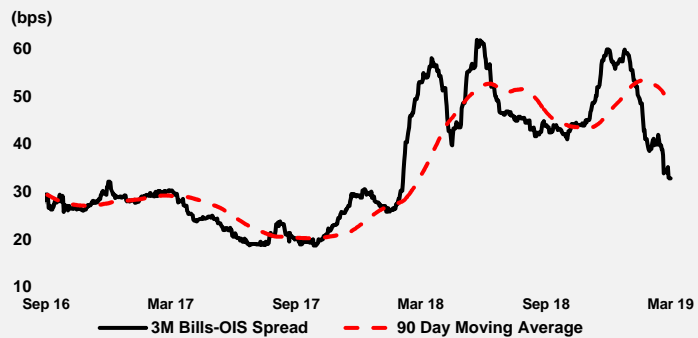
WHOLESALE TERM ISSUANCE CURVES¹



AVERAGE LONG TERM WHOLESALE FUNDING COSTS²



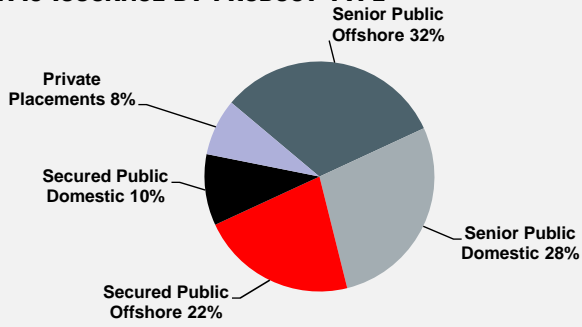
DOMESTIC SHORT TERM FUNDING COSTS³



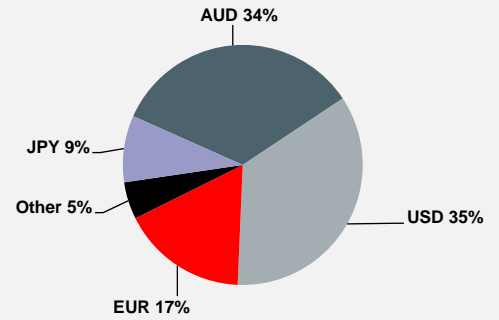
(1) AUD Major Bank Wholesale Unsecured Funding rates over BBSW (3 years and 5 years)
 (2) NAB Ltd Term Wholesale Funding Costs >12 Months at issuance (spread to 3 month BBSW). Average cost of new issuance is on a 6 month rolling basis. Forecast assumptions based on current issuance cost
 (3) Spread between 3 month AUD Bank Bills and Overnight Index Swaps (OIS). Source: Bloomberg



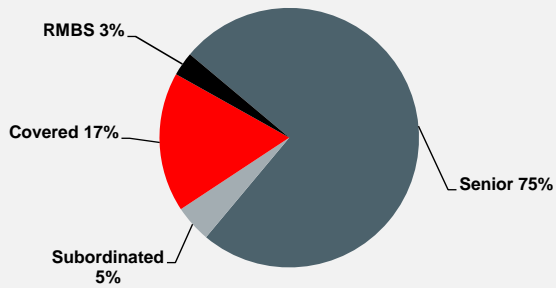
HY19 ISSUANCE BY PRODUCT TYPE



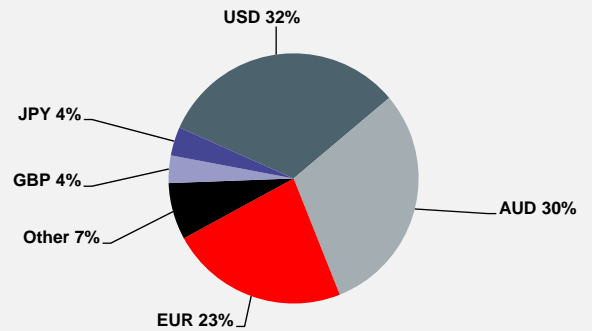
HY19 ISSUANCE BY CURRENCY



OUTSTANDING ISSUANCE BY PRODUCT TYPE⁽¹⁾



OUTSTANDING ISSUANCE BY CURRENCY



(1) At 31 March 2019, NAB has utilised 41% of its covered bond capacity. Capacity based on current rating agency over collateralisation (OC) and legislative limit



ADDITIONAL INFORMATION

ECONOMICS

AUSTRALIAN ECONOMIC INDICATORS (%)¹

	CY17	CY18	CY19(f)	CY20(f)	CY21(f)
GDP growth ²	2.4	2.8	2.1	2.3	2.3
Unemployment ³	5.4	5.0	5.0	5.1	5.3
Core Inflation ⁴	1.9	1.8	1.3	1.8	2.1
Cash rate ³	1.5	1.5	1.0	1.0	1.0

AUSTRALIAN SYSTEM GROWTH (%)⁵

	FY17	FY18	FY19(f)	FY20(f)	FY21(f)
Housing	6.6	5.2	3.1	3.3	4.3
Personal	-0.9	-1.4	-2.6	0.0	0.0
Business	4.2	4.4	5.0	5.4	5.4
Total lending	5.3	4.6	3.4	3.8	4.5
System deposits	7.0	2.1	4.0	2.7	3.7

NZ ECONOMIC INDICATORS (%)¹

	CY16	CY17	CY18	CY19(f)	CY20(f)
GDP growth ²	3.9	3.1	2.8	2.4	2.6
Unemployment ³	5.2	4.5	4.3	4.2	4.1
Inflation ⁴	1.3	1.6	1.9	1.9	1.8
Cash rate (OCR) ³	1.75	1.75	1.75	1.75	1.75

NZ SYSTEM GROWTH (%)⁵

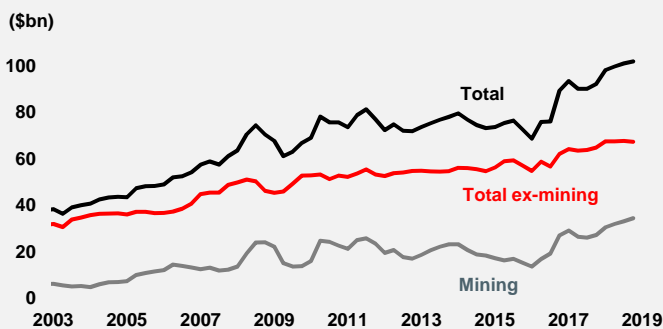
	FY16	FY17	FY18	FY19(f)	FY20(f)
Housing	9.1	6.6	6.0	6.1	5.7
Personal	3.3	7.8	4.7	2.4	2.7
Business	6.4	4.8	4.1	4.9	4.5
Total lending	7.8	5.8	5.2	5.6	5.2
Household retail deposits	6.7	7.7	6.9	5.4	5.2

- (1) Sources: ABS, Econdata DX, RBA, RBNZ, Stats NZ, NAB
- (2) Average for year ended December on average of previous year
- (3) As at December quarter
- (4) CPI, December quarter on December quarter of previous year. For Australia, average of trimmed mean and weighted median indices
- (5) Source: RBA, RBNZ, NAB. Bank fiscal year-ended (September)

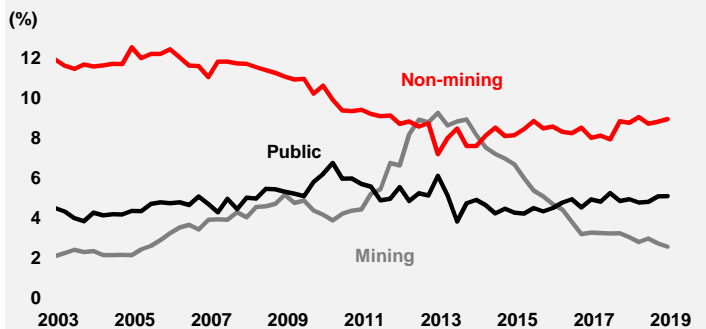


MINING STABILISING, BUT AUSTRALIA CONTINUES TO TRANSITION AWAY

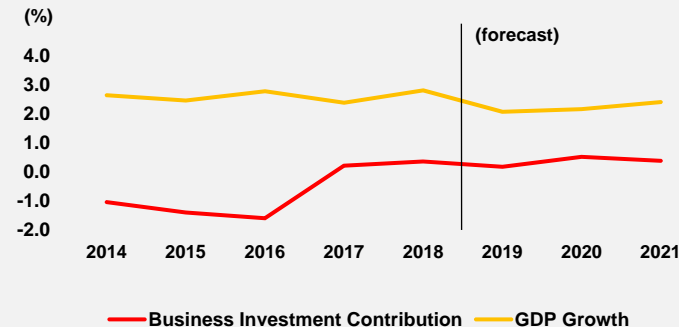
BUSINESS PROFITS¹



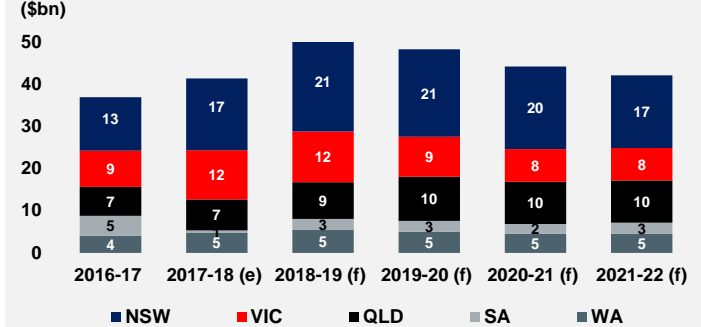
MINING v NON-MINING INVESTMENT – SHARE OF GDP²



BUSINESS INVESTMENT FORECAST TO SUPPORT GROWTH²



STATE GOVERNMENT CAPITAL INVESTMENT²



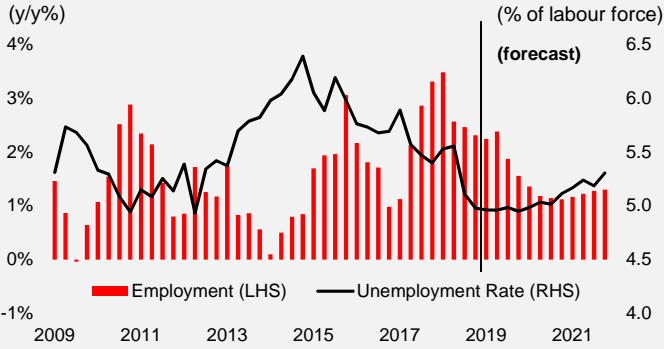
- (1) Gross operating profits. Source: NAB, ABS
- (2) Source: NAB, ABS. Calendar year average



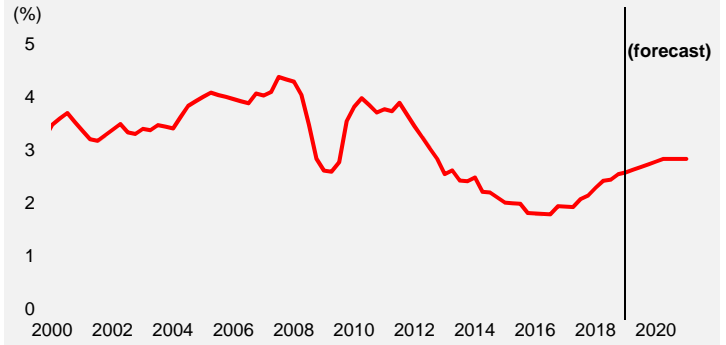
HOUSEHOLD SPENDING SUBDUED BUT JOBS GROWTH PROVIDE SUPPORT

ECONOMICS

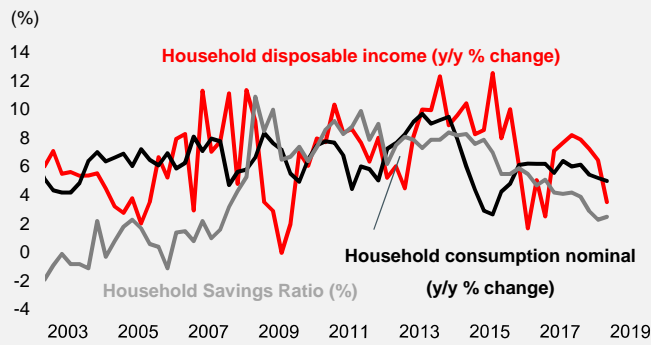
JOBS GROWTH ROBUST & UNEMPLOYMENT LOW¹



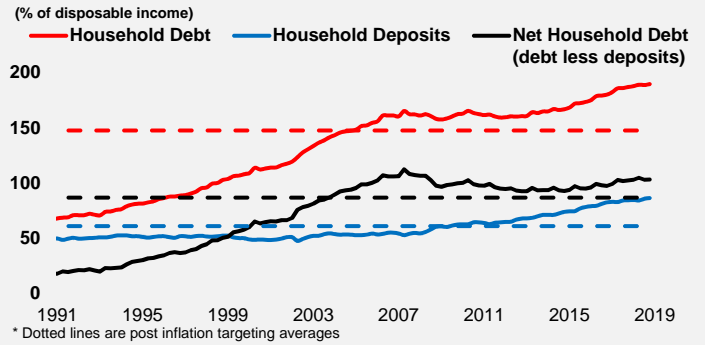
PRIVATE WAGE GROWTH SUBDUED BUT SHOULD MOVE HIGHER¹



CONSUMER SPENDING ONLY MODEST BY PAST STANDARDS²



HOUSEHOLD DEBT AND DEPOSITS³



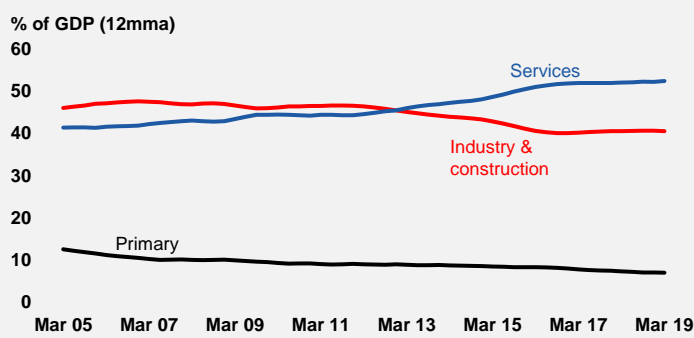
(1) Source: ABS, NAB. Actual data to 2018 Q4, thereafter NAB estimates
(2) Source: ABS, NAB. Actual data to 2018 Q4
(3) Source: RBA, NAB. Actual data to 2018 Q4



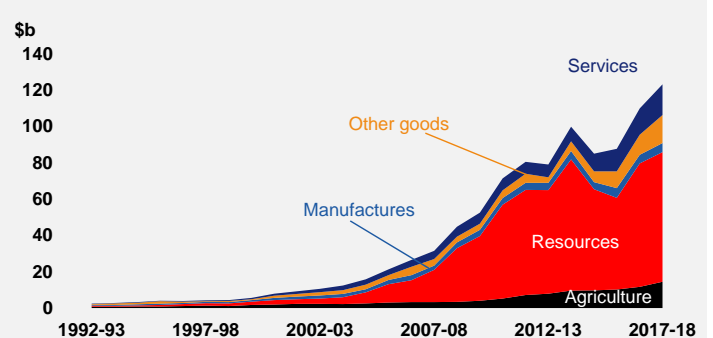
CHINA ECONOMIC GROWTH SUPPORTING THE AUSTRALIAN TRANSITION

ECONOMICS

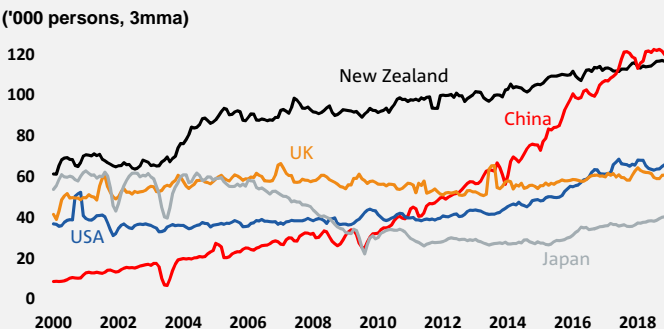
COMPOSITION OF CHINA'S ECONOMY¹



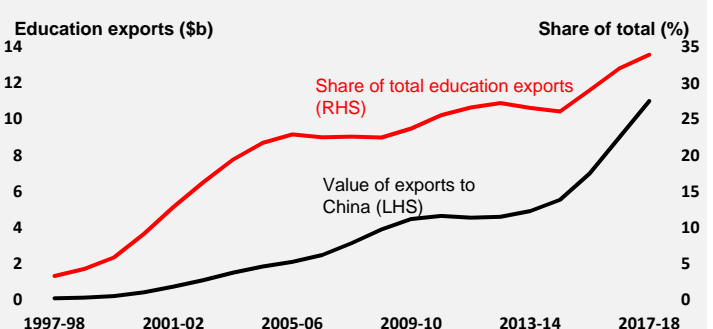
AUSTRALIA'S EXPORTS TO CHINA²



AUSTRALIA SHORT TERM PASSENGER ARRIVALS PER MONTH³



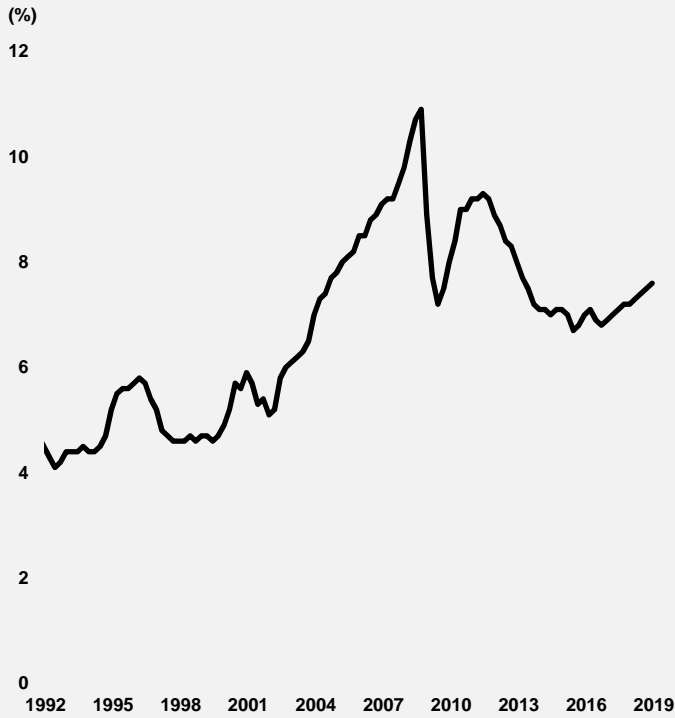
AUSTRALIA EDUCATION EXPORTS⁴



(1) Source: CEIC, 12mma denotes twelve month moving average
(2) Source: DFAT
(3) Source: ABS, 3mma denotes three month moving average
(4) Source: ABS

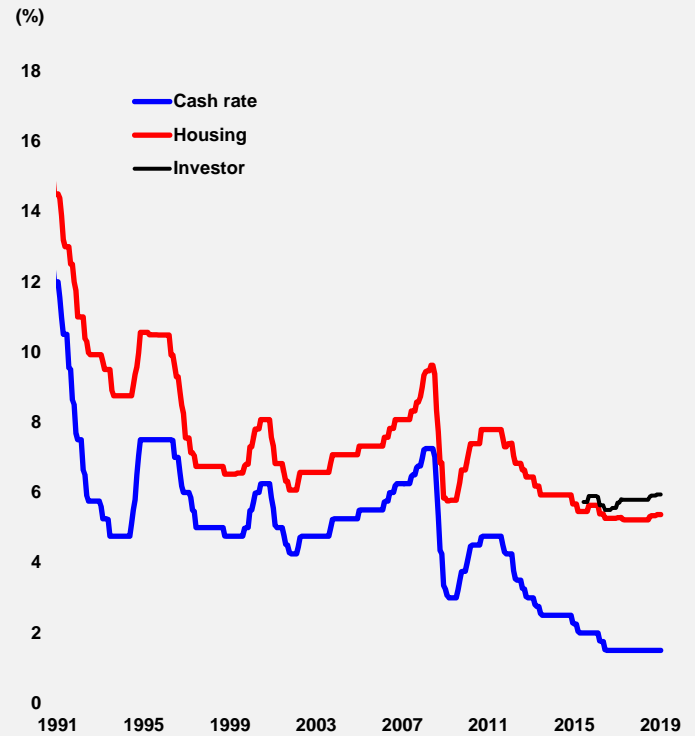


HOUSEHOLD INTEREST PAYMENTS (% OF HOUSEHOLD DISPOSABLE INCOME)¹



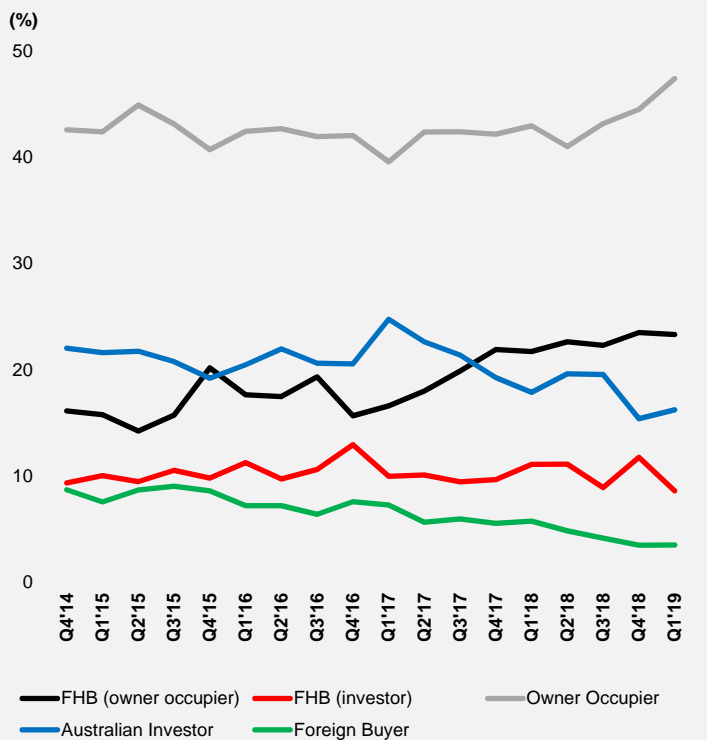
(1) Source: RBA

AUSTRALIAN INTEREST RATES¹

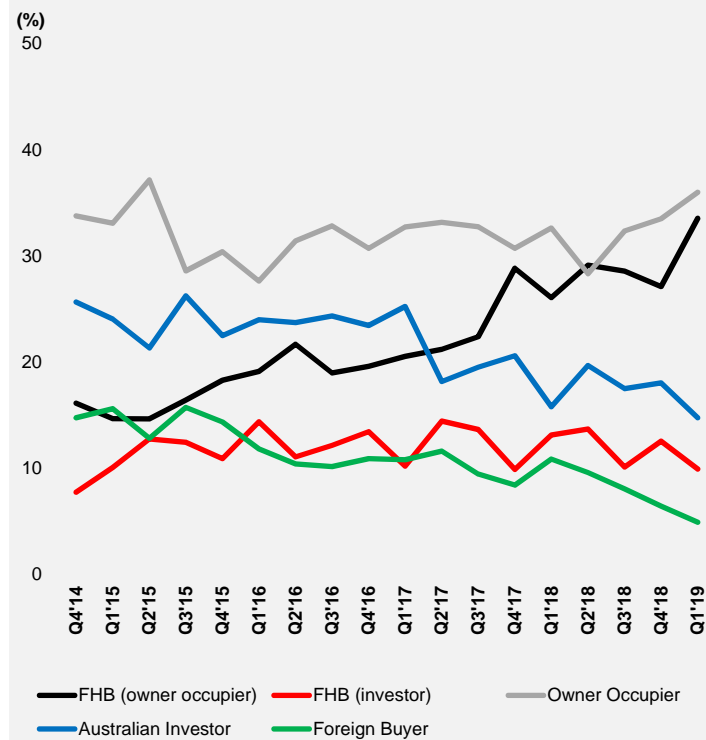


HOUSING: FOREIGN DEMAND WANING, INVESTORS AFFECTED BY PRUDENTIAL POLICY

SHARE OF ESTABLISHED PROPERTY SALES BY TYPE OF BUYER¹



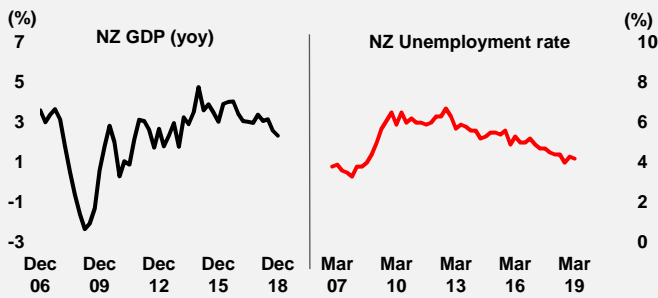
SHARE OF NEW PROPERTY SALES BY TYPE OF BUYER¹



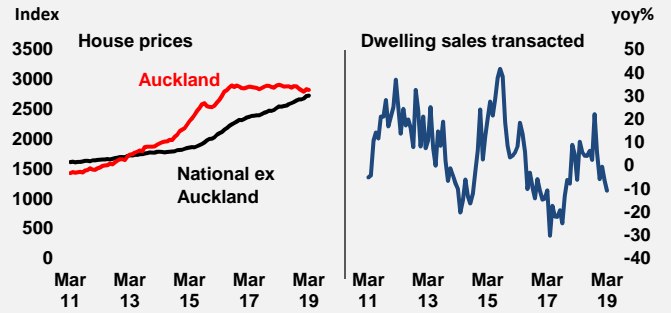
(1) Source: NAB, ABS. Relative to long-run average



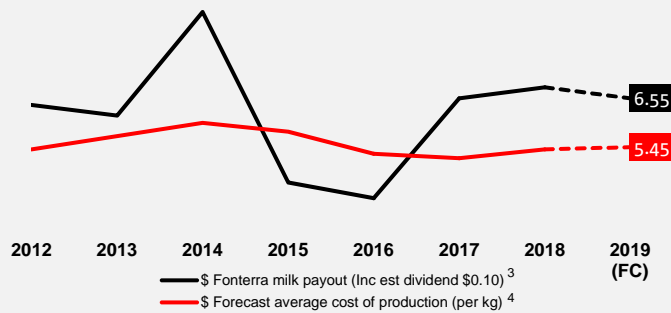
NZ GROWTH HAS SLOWED BUT STILL SOLID, UNEMPLOYMENT LOW¹



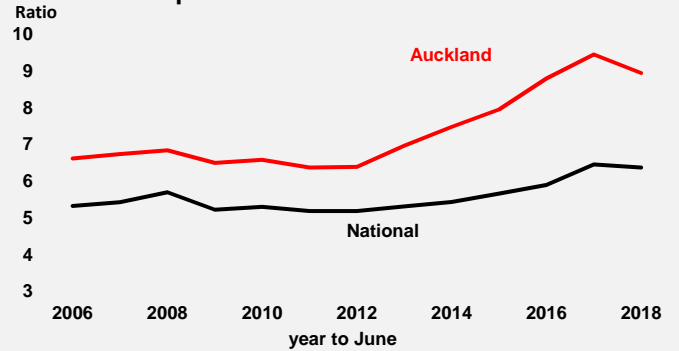
HOUSING MARKET MIXED WITH WIDE REGIONAL VARIATION²



FARM VIABILITY



House price to household income ratio



(1) Source: NAB, Econdax/Statistics NZ
 (2) Source: ThomsonReuters Datastream, REINZ, Statistics NZ, NAB calculations
 (3) Source: Fonterra (2019 forecast milk price range \$6.30 - \$6.60) plus BNZ (dividend estimate \$0.10)
 (4) Source: Dairy NZ (Midpoint of forecast range \$5.40 - \$5.50)



OTHER INFORMATION



GROUP CASH EARNINGS RECONCILIATION TO STATUTORY NET PROFIT

- NAB uses cash earnings (rather than statutory net profit attributable to owners of NAB) for its internal management reporting purposes and considers it a better reflection of the Group's underlying performance. Accordingly, information is presented on a cash earnings basis unless otherwise stated.
- Cash earnings is not a statutory financial measure and is not presented in accordance with Australian Accounting Standards nor 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. These non-cash earning items, and a reconciliation to statutory net profit attributable to owners of NAB, are presented in the table below. Prior period non-cash earnings have been restated to exclude discontinued operations.
- The definition of cash earnings, a discussion of non-cash earnings items and a full reconciliation of the cash earnings to statutory net profit attributable to owners of NAB is set out on page 2 of the 2019 Half Year Results Announcement. 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, are set out in the 2019 Half Year Results Announcement.

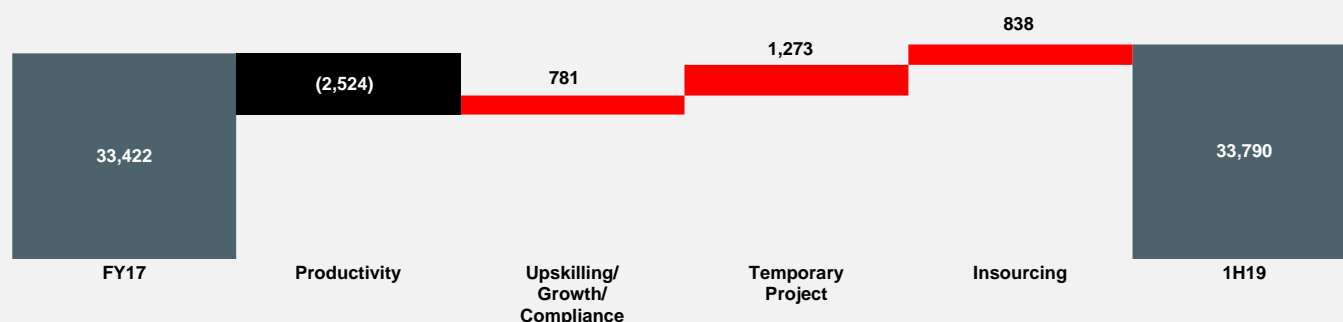
	1H19 (\$m)	1H19 v 2H18	1H19 v 1H18
Cash earnings	2,954	0.4%	7.1%
Non-cash earnings items (after tax)			
Distributions	52	2.0%	6.1%
Fair value and hedge ineffectiveness	(69)	Large	Large
Amortisation of acquired intangible assets	(14)	(6.7%)	(6.7%)
MLC Wealth Divestment transaction costs	(19)	58.3%	Large
Net profit from continuing operations	2,904	(5.3%)	1.0%
Net loss after tax from discontinued operations	(210)	Large	(27.8%)
Statutory net profit attributable to owners of NAB	2,694	(9.3%)	4.3%

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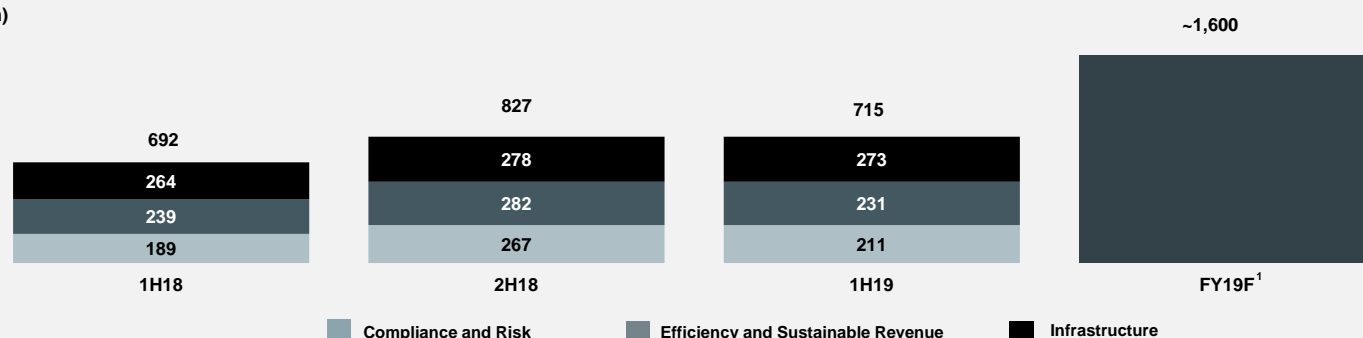
FTE AND INVESTMENT SPEND

CUMULATIVE FTE CHANGE SINCE SEP 17



PROJECT INVESTMENT SPEND (OPEX AND CAPEX)

(\$m)



(1) Refer to key risks, qualifications and assumptions in relation to forward-looking statements on page 103

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ABBREVIATIONS

AUM	Assets Under Management	LCR	Liquidity Coverage Ratio
CET1	Common Equity Tier 1 Capital	LVR	Loan to Value Ratio
CFI	Customer Funding Index	NII	Net Interest Income
CLF	Committed Liquidity Facility	NPS	Net Promoter Score
CPS	Cents Per Share	NSFR	Net Stable Funding Ratio
CTI	Cost to income ratio	OIS	Overnight Index Swap
DRP	Dividend Reinvestment Plan	OOI	Other operating income
EAD	Exposure at Default	OTC	Over the counter
EPS	Earnings Per Share	RMBS	Residential Mortgage Backed Securities
FTEs	Full-time Equivalent Employees	ROE	Return on Equity
FUM/A	Funds Under Management and Administration	RWAs	Risk-weighted assets
GIAs	Gross Impaired Assets	SFI	Stable Funding Index
GLAs	Gross Loans and acceptances	SME	Small and Medium Enterprise
HQLA	High Quality Liquid Assets	TCFD	Task Force on Climate-related Financial Disclosures
IRB	Internal Ratings Based approach	TFI	Term Funding Index
		UNEP FI	United Nations Environment Programme - Finance Initiative

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DISCLAIMER

The material in this presentation is general background information about the NAB Group current at the date of the presentation on 2 May 2019. The information is given in summary form and does not purport to be complete. It is intended to be read by a professional analyst audience in conjunction with the verbal presentation and the 2019 Half Year Results Announcement (available at www.nab.com.au). It is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. No representation is made as to the accuracy, completeness or reliability of the presentation.

This presentation 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", "target", "project", "anticipate", "expect", "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.

Slides 3 to 30 of this presentation 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) detailed business plans have not been developed for the entirety of the Program, and the full scope and cost of the Program may vary as plans are developed and third parties engaged; (2) the Group's ability to execute and manage the Program in a sequenced, controlled and effective manner and in accordance with the relevant project and business plan (once developed); (3) 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); (4) the Group's ability to meet its internal net FTE reduction targets; (5) the Group's ability to recruit and retain FTE and contractors with the requisite skills and experience to deliver Program initiatives; (6) 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; (7) 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; (8) 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 (9) 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.

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 Luxembourg Transparency Law disclosures released to the ASX on 2 May 2019 and the Group's Annual Financial Report for the 2018 financial year, which is available at www.nab.com.au

For further information visit www.nab.com.au or contact:

Ross Brown

Executive General Manager, Investor Relations
Mobile | +61 (0) 417 483 549

Natalie Coombe

Director, Investor Relations
Mobile | +61 (0) 477 327 540

Mark Alexander

General Manager, Corporate Communications
Mobile | +61 (0) 412 171 447

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