

# Disclosure of 2014 Australian Tax Paid



In December 2015 the ATO will publish the following information in respect of NAB's 2014 tax year:

Information	Amount (A\$)
<b>Total Income</b>	42,634,043,795
<b>Taxable Income</b>	11,268,533,601
<b>Tax Payable</b>	2,260,156,675

The above information is taken from various labels of the 2014 tax return for NAB's "tax consolidated group" (NAB TCG). The NAB TCG comprises NAB and all of NAB's wholly-owned Australian entities.

Importantly, the NAB TCG includes the statutory funds of MLC Limited, a life insurance company within the NAB Wealth division. Within these statutory funds investments are made by MLC Limited on behalf of life insurance policyholders. The income and tax payments relating to these investments and policyholder contributions are attributable to policyholders (and not NAB). As such, the above tax information reported for the NAB TCG includes income and tax payments attributable to policyholders and needs to be eliminated to present the stand-alone tax position of the NAB Group.

This is illustrated in the table on the right.

## 2014 tax information for the NAB TCG

(including income and tax attributable to policyholders)

	Amount (A\$m)
Total Income	42,634
Total Expenses	(34,374)
<b>Net Profit Before Income Tax [A]</b>	<b>8,260</b>
Book to Tax Adjustments:	
Offshore Banking Unit Concession	(118)
Life Company Adjustments	3,284
Franking Credit Gross up	331
Other adjustments	(396)
Tax Losses Utilised	(92)
<b>Total Book to Tax Adjustments [B]</b>	<b>3,009</b>
<b>Taxable Income [A]+[B]=[C]</b>	<b>11,269</b>
Income Tax on Taxable Income	2,745
Research & Development Offset	(154)
Franking & Other Offsets	(331)
<b>Tax Payable [D]</b>	<b>2,260</b>
<b>Effective Tax Rate [D]/[A]</b>	<b>27.4%</b>

## Tax Allocation

	NAB Group (A\$m)	Policyholders (A\$m)	Total (A\$m)
<b>Taxable Income [C]</b>	<b>7,527</b>	<b>3,742</b>	<b>11,269</b>
Income Tax on Taxable Income	<b>2,258</b>	487	<b>2,745</b>
Research & Development Offset	<b>(154)</b>		<b>(154)</b>
Franking & Other Offsets	<b>(17)</b>	(314)	<b>(331)</b>
<b>Tax Payable [D]</b>	<b>2,087</b>	<b>173</b>	<b>2,260</b>