

Independent Limited Assurance Statement to the Management and Directors of National Australia Bank Limited ('NAB')

Our Conclusion:

Ernst & Young ('EY', 'we') was engaged by NAB to undertake limited assurance as defined by Australian Auditing Standards, here after referred to as a 'review', over selected disclosures and performance metrics included in NAB's 2018 Sustainability Report (the 'Report') for the year ended 30 September 2018. Based on our review, nothing came to our attention that caused us to believe that the selected disclosures and performance metrics have not been prepared and presented fairly, in all material respects, in accordance with the Criteria defined below.

What our review covered

We reviewed 40 key non-financial metrics and related disclosures for the year ending 30 September 2018, which NAB has included in the Report. The details of the 40 key non-financial metrics are provided in Appendix A and can be found at <https://nab.com.au/annualreports>

Criteria applied by NAB

In preparing the selected disclosures and performance metrics NAB has applied Criteria for the key non-financial metrics as footnoted throughout the Report.

Key responsibilities

EY's responsibility and independence

Our responsibility was to express a limited assurance conclusion on NAB's reporting of selected disclosures and performance metrics as presented in the Report.

We were also responsible for maintaining our independence and confirm that we have met the requirements of the APES 110 Code of Ethics for Professional Accountants including independence, and have the required competencies and experience to conduct this assurance engagement.

NAB's responsibility

NAB's management was responsible for selecting the Criteria, and preparing and fairly presenting the disclosures and key non-financial performance metrics in accordance with that Criteria. This responsibility includes establishing and maintaining internal controls, adequate records and making estimates that are reasonable in the circumstances.

Our approach to conducting the review

We conducted this review in accordance with the International Federation of Accountants' International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000') and in accordance with the terms of reference for this sustainability assurance engagement as agreed with NAB on 29 June 2018.

Summary of review procedures performed

A review consists of making enquiries, primarily of persons responsible for preparing the selected performance metrics and related information, and applying analytical and other review procedures.

Our procedures included:

- ▶ Conducting interviews with personnel to understand the business and reporting process
- ▶ Conducting limited assurance procedures over the key non-financial performance metrics and disclosures, including:
 - ▶ Checking that the Criteria have been applied as per the methodologies for the metrics within the Report
 - ▶ Undertaking analytical procedures to support the reasonableness of the metric data
 - ▶ Identifying and testing assumptions supporting calculations
 - ▶ Testing, on a sample basis, underlying source information (including internal and external reports) to check accuracy of the metric data
 - ▶ Testing, on a sample basis, the accuracy and balance of performance statements within the Report associated with the key metrics.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Limited Assurance

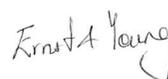
Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

While we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

Use of our Assurance Statement

We disclaim any assumption of responsibility for any reliance on this assurance report to any persons other than management and the Directors of NAB, or for any purpose other than that for which it was prepared.

Our review included web-based information that was available via web links as of the date of this statement. We provide no assurance over changes to the content of this web-based information after the date of this assurance statement.



Ernst & Young
Melbourne, Australia
16 November 2018



Terence Jeyaretnam, FIEAust
Partner

Appendix A
Listing of assured non-financial metrics:

#	Indicator	Scope
1	Net Promoter Score (By segment)	Australia & NZ
2	Total customer complaints (by region and by category - showing percentage change)	Australia & NZ
3	Number of customers assisted experiencing financial hardship	Australia
4	Cure rates for NAB Assist and NAB Care customer accounts (30 days and 90 days)	Australia
5	Cumulative number of low income Australians assisted with products / services (by product type)	Australia
6	Code of Conduct breaches (by category and outcome)	Australia
7	Number and dollar value of microfinance loans written (by type)	Australia & NZ
8	Total workforce (by FTE, headcount, age group, gender, employment type, employment level)	Group
9	Female representation in total workforce	Group
10	Female representation in Executive Management	Group
11	Female representation on Group Subsidiary Boards	Group
12	Ratio of basic salary, female to male (by employment level)	Group
13	Percentage of total workforce over 50	Group
14	Total number and rate of employee turnover (voluntary/involuntary and by gender)	Group
15	Total retention rate of high performers	Australia & NZ
16	Share of active users for Retail Internet Banking usage	Australia & NZ
17	Percentage of critical / material / strategic suppliers that are compliant with Group Supplier Sustainability Principles	Group
18	Percentage of high risk category suppliers with ESG risk assessments completed	Australia & NZ
19	Employee Engagement - Current model	Group
20	Employee engagement - Response Rate	Group
21	Employee engagement - Inclusion index	Group
22	Employee engagement - Values score	Group
23	Number and dollar value of Volunteering Days (skilled and general)	Group
24	Return to work rate (from primary carer's leave, long service leave and parental leave)	Australia
25	LTIFR - including total days lost due to stress Australia & NZ	Australia & NZ

#	Indicator	Scope
26	Absenteeism Australia & NZ	Australia & NZ
27	Community Investment (by dollar value, Region, type, focus area) Group	Group
28	Number of whistle-blower disclosures received under the Whistleblower Policy (including breakdown of those fully/partially substantiated, closed, open etc)	Australia
29	Number of data breach notifications sent to the Office of the Australian Information Commissioner (OAIC)	Australia

We also provided assurance over the following 11 performance metrics and associated performance disclosures on NAB's work with Indigenous Australia within the 2018 Sustainability Report:

#	Indicator (FY18 Target)	Scope
Financial Inclusion		
1	6,000 NILS loans provided to Indigenous customers	Australia
2	34 microenterprise loans for Indigenous customers	Australia
Employment		
3	Commit to providing 20 internships to Indigenous Australians currently completing tertiary study	Australia
4	Offer 70 flexible traineeships across both school-based and adult trainees, in order to meet the needs of the NAB business and the participants	Australia
5	Participate in the Indigenous Emerging Indigenous Executive Leaders Program with the AGSM	Australia
Business Partnerships		
6	\$600,000 provided in direct and indirect spend with Indigenous businesses	Australia
7	Renew three year commitment to Supply Nation and sponsor Supply Nation Connect	Australia
8	60 volunteers supporting Indigenous initiatives and organisations	Australia
Cultural Understanding and Leadership		
9	100 NAB employees and/or employees from partners to complete face-to-face cultural training	Australia
10	Hold 40 events for National Reconciliation Week across the business, and register events on Reconciliation Australia website	Australia
11	Support employees to participate in and celebrate National Reconciliation Week and NAIDOC week	Australia