

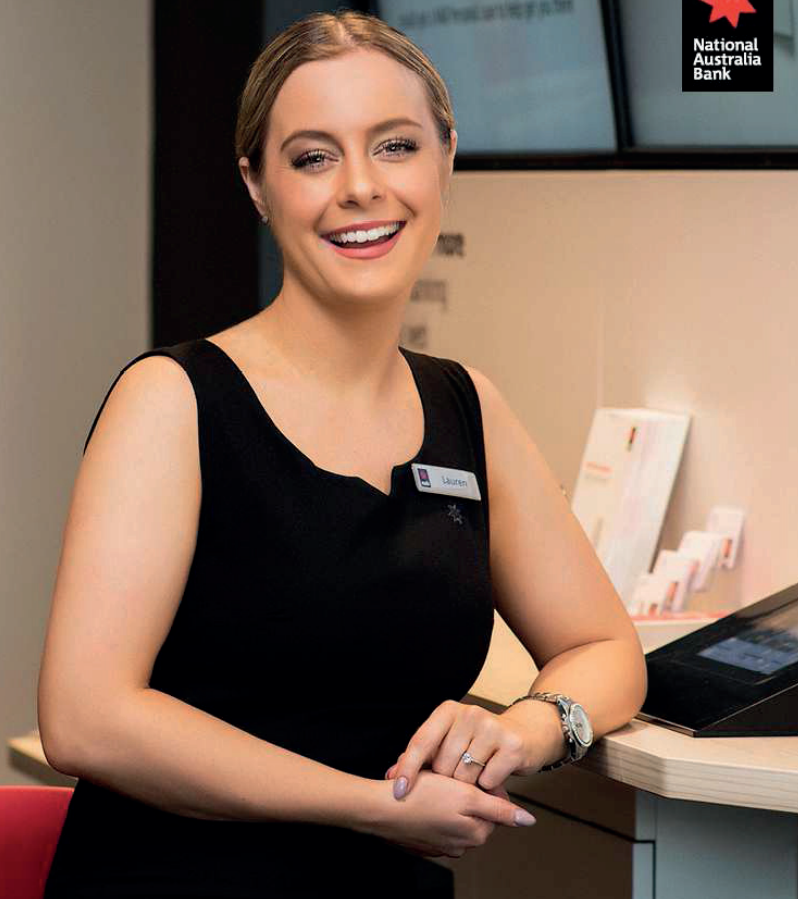
BUSINESS
COMMUNITY PERFORMANCE
RESPECT SERVICE PEOPLE
PASSION HELPFUL
CUSTOMER



Investor Presentation 5 May 2016

Andrew Thorburn
Group Chief Executive Officer
Gary Lennon
Group Executive, Finance

National Australia Bank Limited ABN 32 004 044 937



Important note on presentation, including use of non-IFRS financial information

The material in this presentation is general background information about the NAB Group current at the date of the presentation on 5 May 2016. 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 March 2016 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.

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 in this document is presented on a cash earnings basis unless otherwise stated. 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. It 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. 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 March 2016 Half Year Results Announcement. The Group's financial statements, prepared in accordance with the Corporations Act 2001 (Cth) and Australian Accounting Standards and reviewed in accordance with Australian Auditing Standards are set out in Section 5 of the March 2016 Half Year Results Announcement.

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", "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. 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. The Group disclaims any responsibility to update any forward-looking statement contained in this presentation to reflect any change in the assumptions, events, conditions or circumstances on which a statement is based, except as required by law. 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 Annual Financial Report.



Andrew Thorburn

Group Chief Executive Officer

Overview



1H16 headline result¹

	Mar 16 Half year	Mar 16 vs Sep 15	Mar 16 vs Mar 15
Cash earnings (\$m)	3,310	1.4%	6.5%
Cash EPS (diluted cps)	120.7	(1.9%)	(4.1%)
Dividend (100% franked cps)	99	-	-
Total dividend payment ²	\$2.6bn	0.7%	9.3%
Cash ROE	14.1%	(20bps)	(170bps)
Statutory net loss attributable to owners (\$m)	(1,742)	(large)	(large)

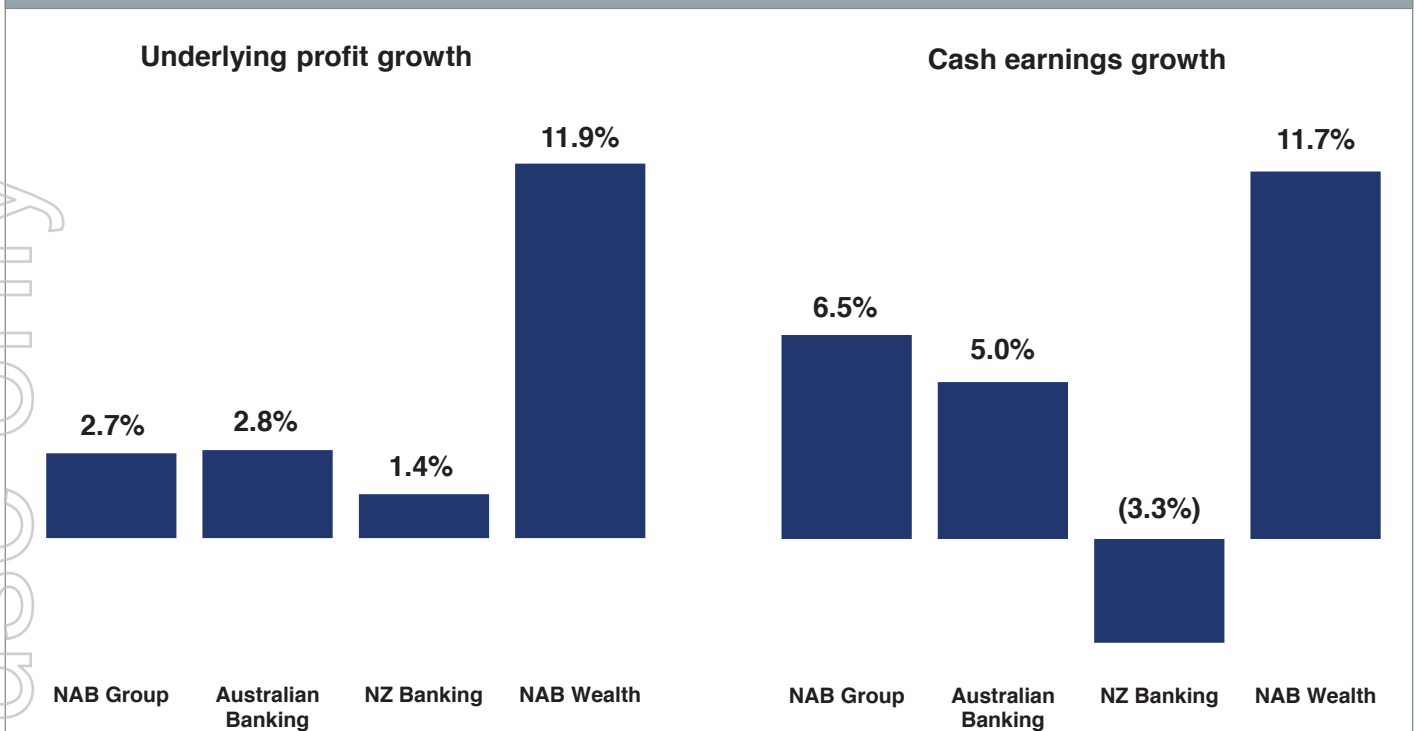
(1) Revisions to prior comparative financial information are detailed in NAB's ASX announcement on 22 April 2016 including the impact of the CYBG demerger. In general, information which relates to capital and funding, and/or regulatory information has not been restated

(2) Dividend amount as calculated 5 May 2016 (final calculation to be completed on record date 11 May 16)



Solid Australian and New Zealand performance

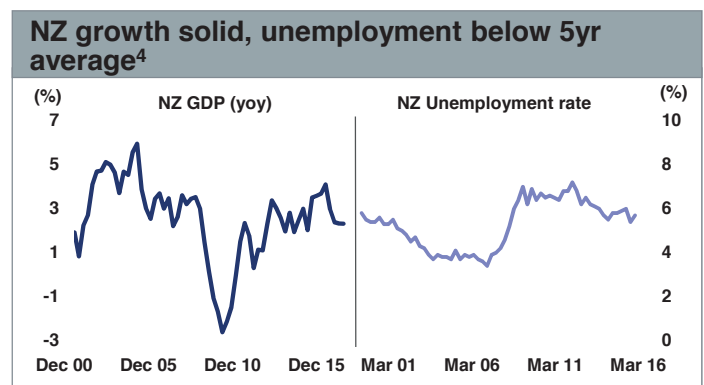
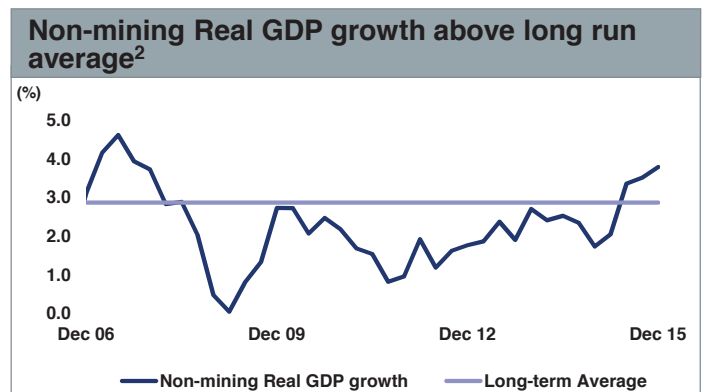
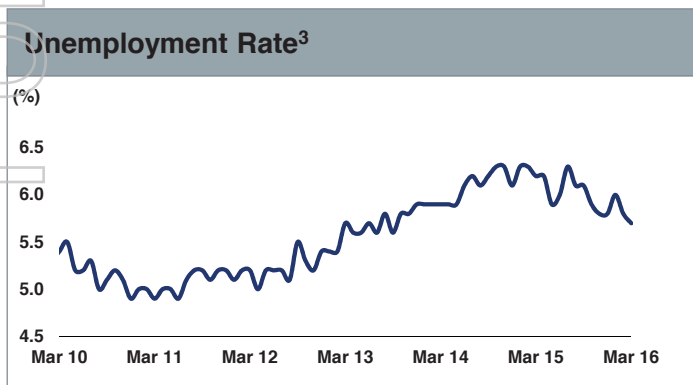
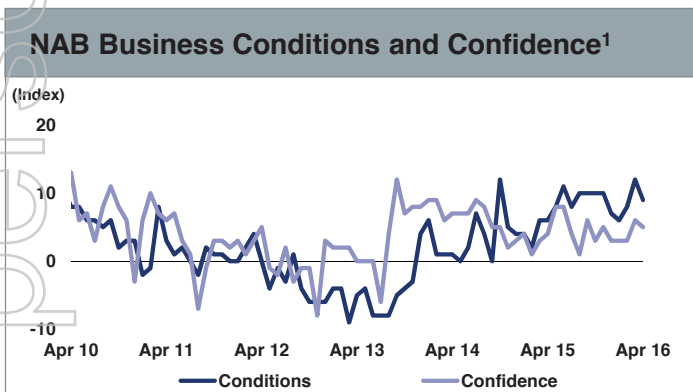
Underlying profit¹ and cash earnings by business unit (local currency) 1H16 vs 1H15



(1) Underlying profit represents cash earnings before various items, including tax expense and the charge for bad and doubtful debts. It is not a statutory financial measure



Australia and New Zealand economic conditions supportive



(1) Source: NAB
 (2) Source: NAB, ABS
 (3) Source: NAB, ABS, RBA
 (4) Source: NAB, Econdata DX/Statistics NZ



Gary Lennon
Group Executive Finance

1H16 Financials



Group financial result¹

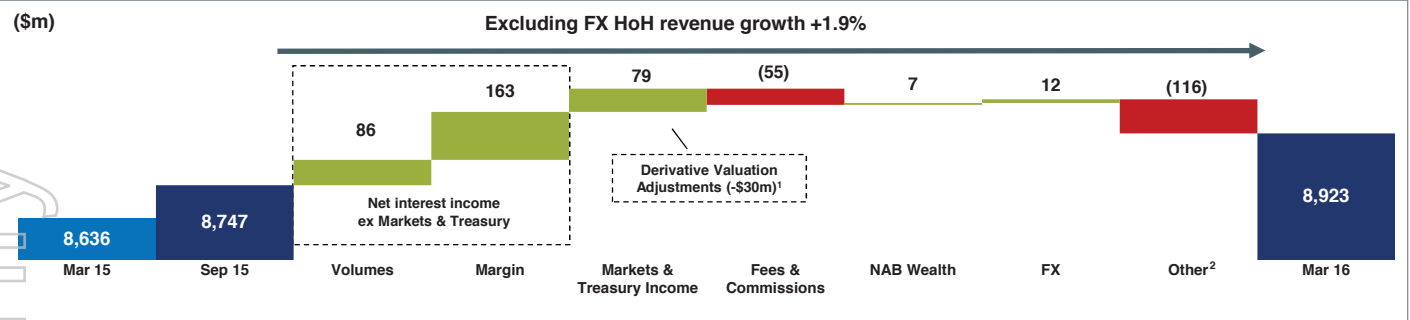
	Mar 16 Half year (\$m)	Mar 16 vs Sep 15	Mar 16 vs Mar 15
Net operating income	8,923	2.0%	3.3%
Operating expenses	(3,831)	(2.0%)	(4.2%)
Underlying profit	5,092	2.0%	2.7%
Bad & doubtful debts	(375)	(7.4%)	6.0%
Cash earnings	3,310	1.4%	6.5%
Discontinued operations			
- Loss on demerger and IPO of CYBG (after tax)	(4,218)	N/A	N/A
- CYBG conduct charge	(801)		

(1) Revisions to prior comparative financial information are detailed in NAB's ASX announcement on 22 April 2016 including the impact of the CYBG demerger. In general, information which relates to capital and funding, and/or regulatory information has not been restated

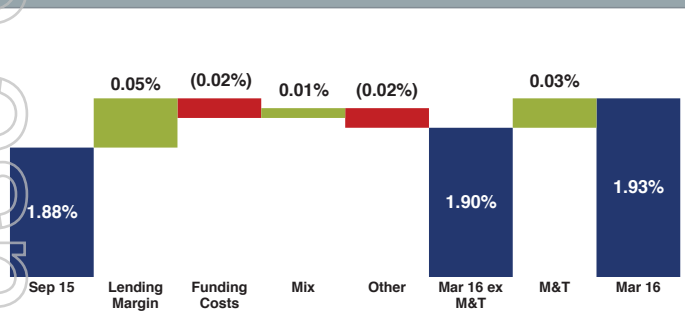


Group revenue and net interest margin

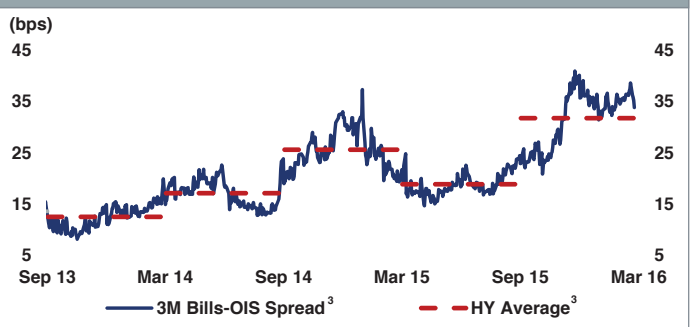
Net operating income



Group net interest margin



Short term funding costs

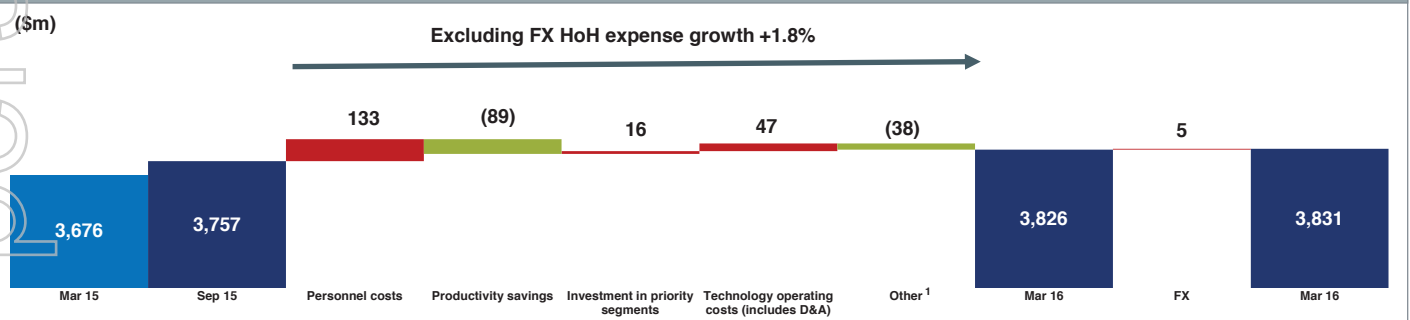


- (1) Derivative Valuation Adjustments consist of CVA, FVA and OIS
- (2) Largely relates to non-recurrence of 2H15 gain on settlement of legal dispute
- (3) Source: Bloomberg. Spread between 3 month AUD Bank Bills and Overnight Index Swaps (OIS). Half year average based on spot rates



Group operating expenses

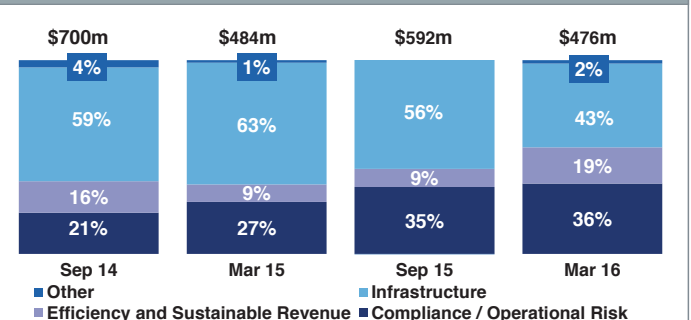
Operating expenses



Further detail on operating expenses

- Incremental productivity savings in 1H16 of \$89m
- Targeting on-going annual productivity savings of ~\$150m per annum with some re-invested
- Capitalised software balance rose \$95m to \$2,127m

Project investment spend (opex and capex)

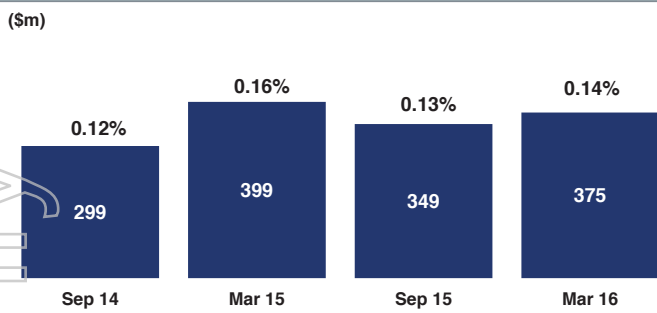


(1) Includes non-recurrence of 2H15 asset write-offs

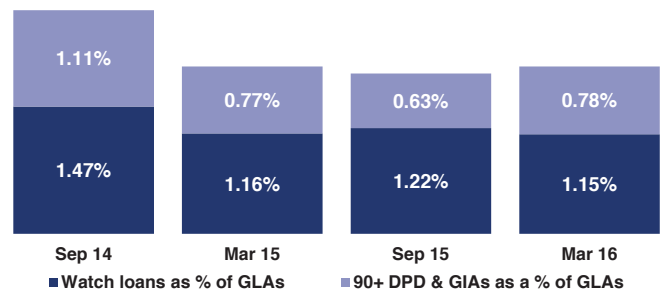


Asset quality

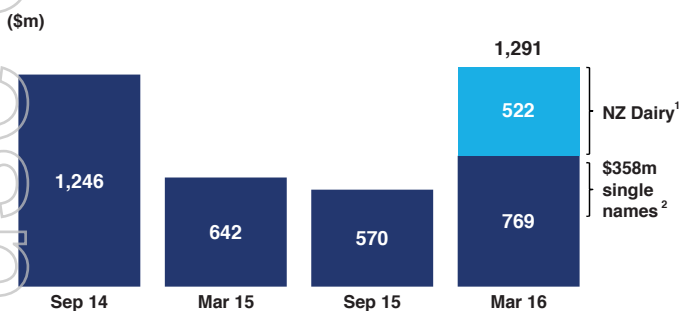
B&DDs and as a % of GLAs



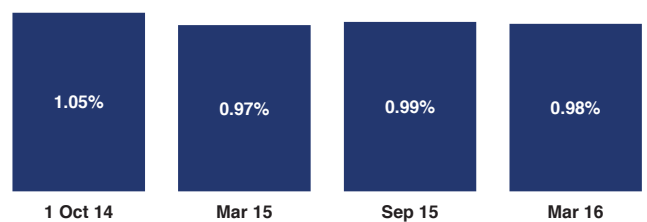
90+ DPD & GIAs, and watch loans as a % of GLAs



New impaired assets



Collective provisions as a % of cRWAs



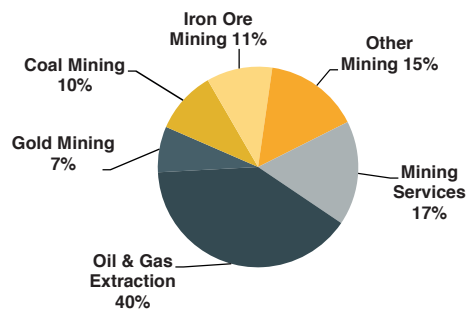
- (1) NZ Banking dairy exposures currently assessed as no loss based on security held. 1Q16 balance NZ\$420m
 (2) Relates to the 4 largest individual Australian newly impaired corporate exposures. These exposures have specific provision coverage greater than 50% on average



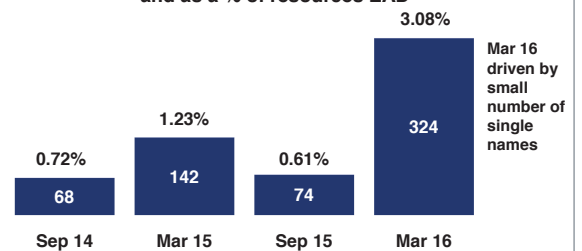
Asset quality areas of interest

Resources exposure

- Total resources EAD down 13% from FY15 to \$10.5bn or ~1% of total Group EAD
- Mining/agri overlay \$102m
- Oil and Gas exposures mainly to LNG projects and largely to stronger rated investment grade customers (89%)



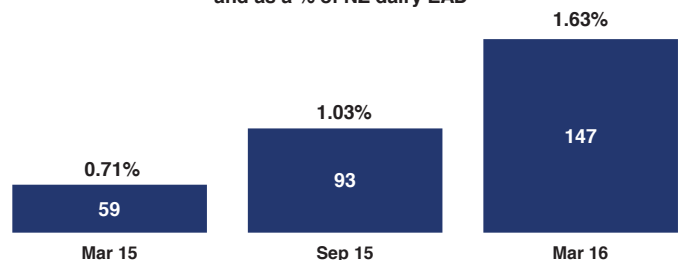
Resources 90+ DPD and GIAs (\$m) and as a % of resources EAD



NZ Dairy exposure

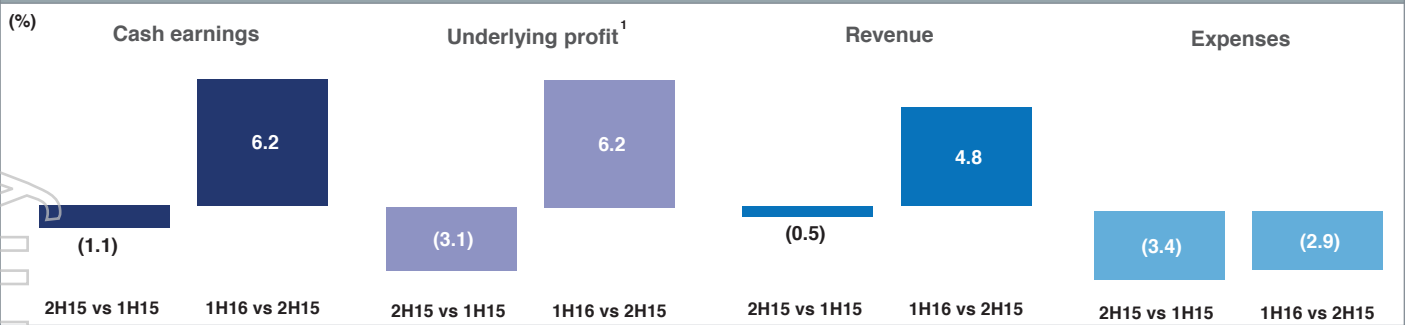
- NZ\$9bn EAD, <1% of total Group EAD
- NZ gross impaired assets include NZ\$579m of new impaired dairy exposures currently assessed as no loss based on security held (total NZ dairy 90+DPD and GIAs NZ\$648m)
- Collective provision coverage increased to 1.63% of dairy portfolio

NZ dairy collective provisions (NZ\$m) and as a % of NZ dairy EAD

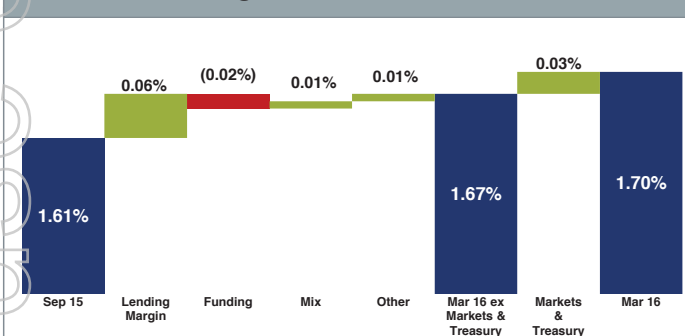


Improving momentum in Australian Banking

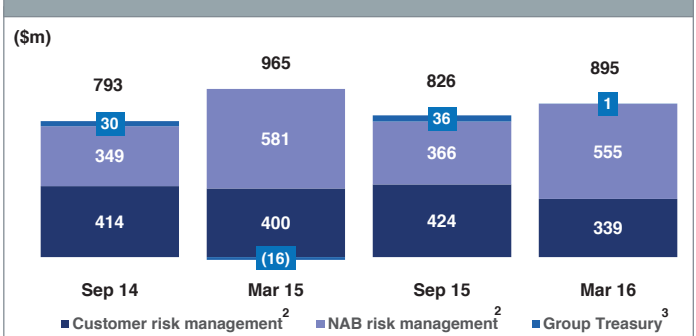
Stronger Australian Banking performance



Net interest margin



Markets & Treasury Income

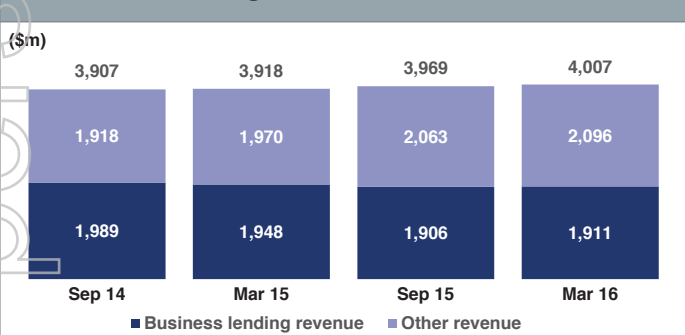


- (1) Underlying profit represents cash earnings before various items, including tax expense and the charge for bad and doubtful debts. It is not a statutory financial measure
- (2) NAB risk management comprises NII and OOI and is defined as management of interest rate risk in the banking book, wholesale funding and liquidity requirements and trading market risk to support the Group's franchises. Customer risk comprises OOI. Includes FX
- (3) Group Treasury income reported in Corporate Functions and Other. Includes FX

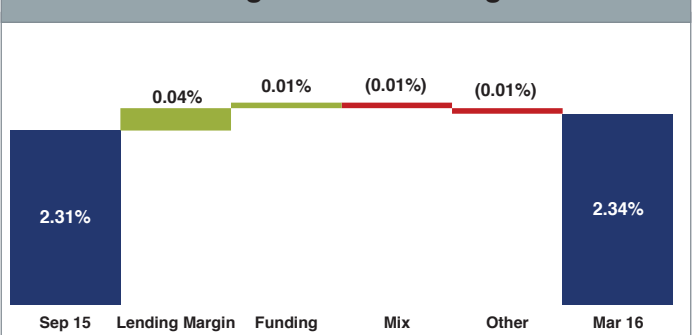


Business Banking focus on higher returning segments

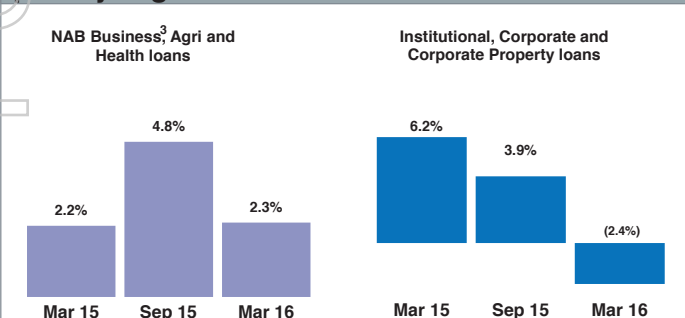
Business Banking customer revenue^{1,2}



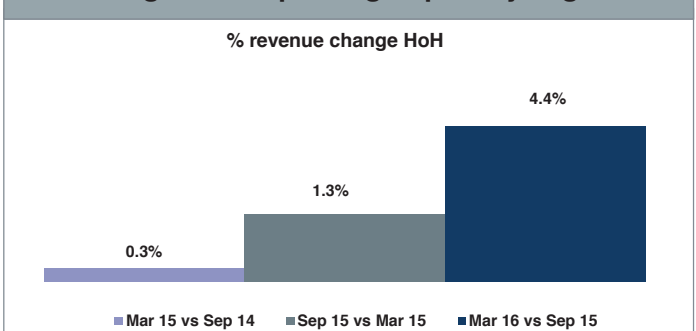
Business Banking net interest margin¹



Loans growth skewed to higher returning priority segments



Revenue growth improving in priority segments⁴

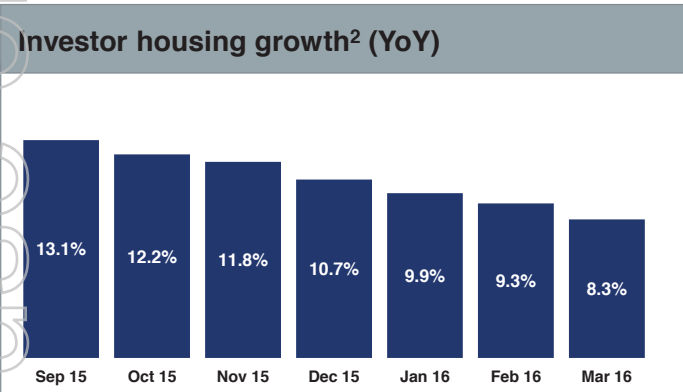
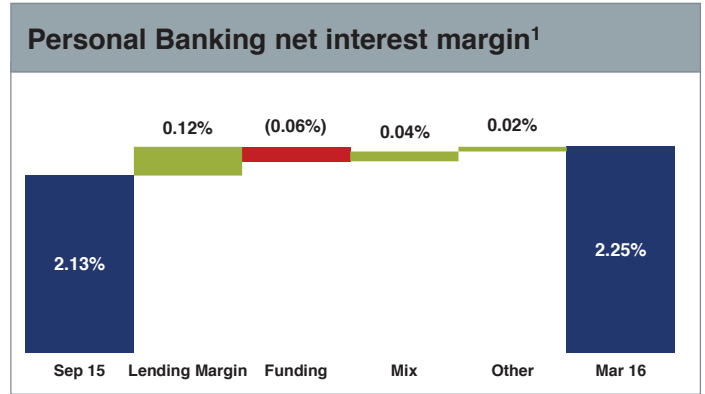
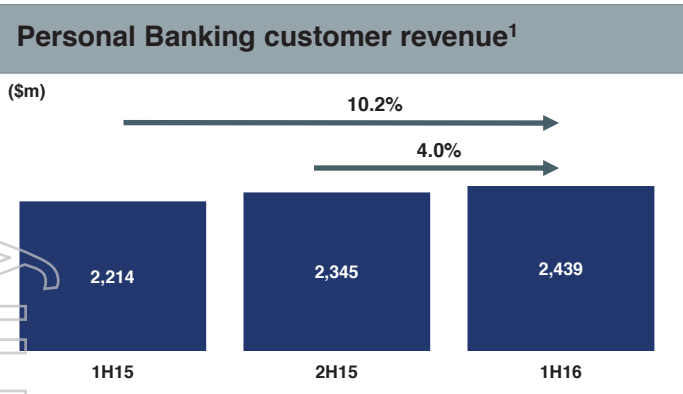


- (1) Based on unaudited management information data
- (2) Customer revenue numbers have been restated to reflect the transfer of customers between Business Banking and Personal Banking, consistent with where customers are domiciled in 2016
- (3) NAB Business is the segment of Business Banking which supports business customers with lending typically up to \$25m, excluding the Specialised Businesses

- (4) Based on unaudited management information for NAB Business, Specialised Businesses and Private Wealth. Specialised Businesses includes Agri, Health, Government, Education and Community



Personal Banking momentum remains strong

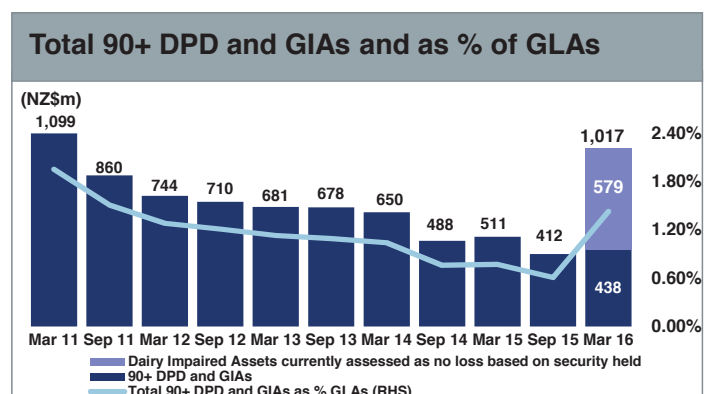
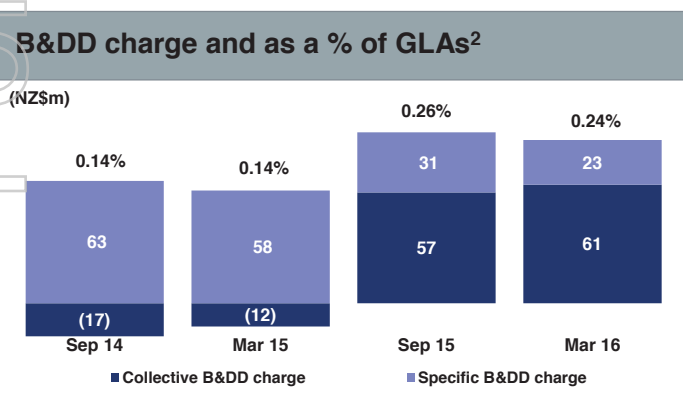
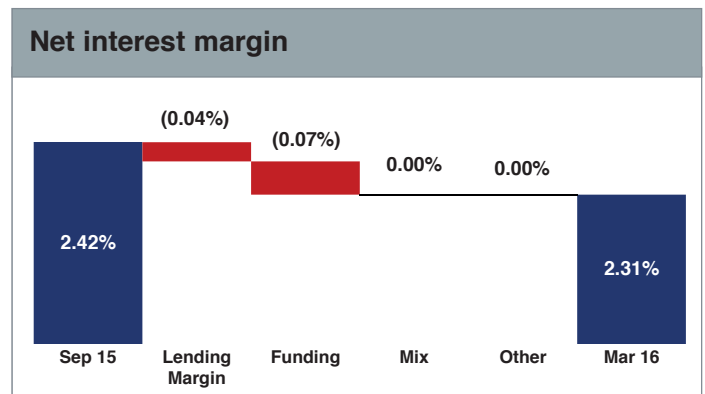
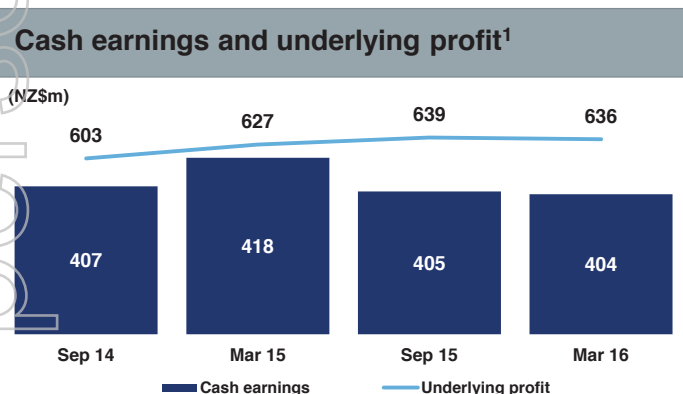


- ### Housing lending growth considerations
- APRA's 10% investor growth threshold met during the half
 - Recent market share statistics impacted by reclassifications
 - Housing lending growth impacted by:
 - credit policy tightening;
 - investor lending initiatives; and
 - 2015 interest only and line of credit repricing
 - Housing lending pricing structure change allows differentiation by loan purpose (Owner-Occupier, Investor) and repayment type (Interest Only, Principal & Interest)

(1) Based on unaudited management information data
 (2) APRA Monthly Banking Statistics



NZ Banking impacted by ongoing higher dairy provisions

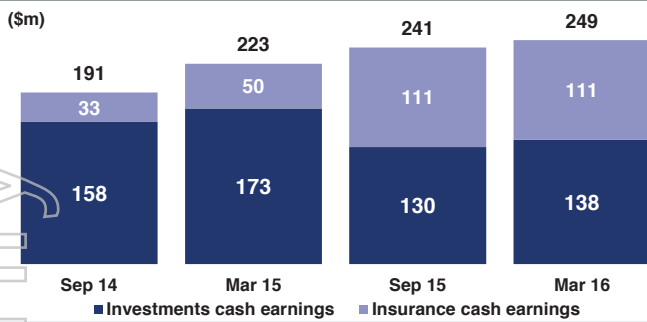


(1) Underlying profit represents cash earnings before various items, including tax expense and the charge for bad and doubtful debts. It is not a statutory financial measure
 (2) Spot volumes. Half year B&DD as a % of GLAs annualised



NAB Wealth earnings continue to improve

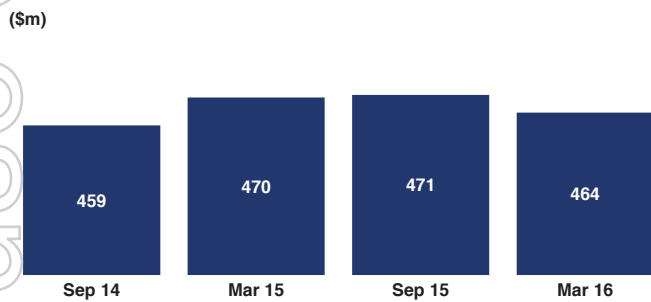
NAB Wealth cash earnings



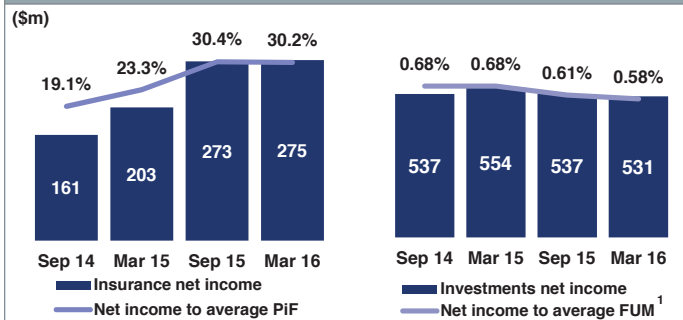
Life Insurance transaction update

- Sale of 80% of Life Insurance business to Nippon Life on track for completion in second half of calendar year 2016
- Expected separation costs remain \$440m post-tax as previously reported, largely relating to the superannuation fund extraction and consolidation, and the new core insurance platform build
- Benefits arising from \$440m spend include consolidation of superannuation funds and simplification of processes and systems

NAB Wealth expenses well controlled



Insurance and Investments margins

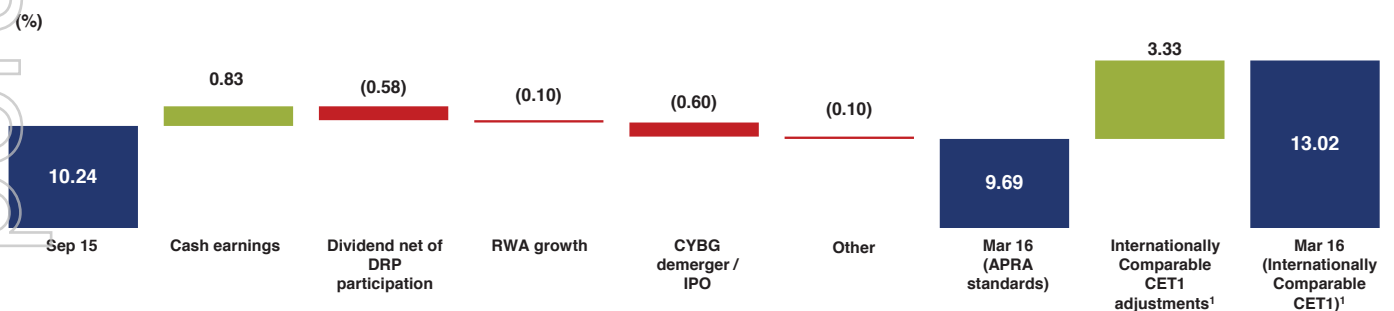


(1) FUM on a proportional ownership basis. 1H16 margins include the addition of JBWere FUM. Prior period margins have not been restated as the impact is not material



Strong capital position

Group Basel III Common Equity Tier 1 Capital Ratios



Capital & Funding considerations

- CET1 operating target range of 8.75% – 9.25%
- Pro forma March 2016 CET1 ratio of approximately 9.3% after adjusting for estimated FY16 impacts:
 - 1 July 2016 mortgage risk weight increase (-80bps)²
 - Wealth debt maturity (-8bps)³
 - Life insurance sale (+50bps)⁴
- Leverage ratio is 5.3% on an APRA basis and 5.7% on an Internationally Comparable basis⁵
- NSFR – subject to APRA final interpretation, estimated ratio slightly below 100% target

Dividend considerations

- Target payout range of 70-75% – based on ROE and RWA growth expectations
- 1H16 payout ratio 78.8% – comfortable with slightly higher payout ratio as expect to move within target range over medium term
- Current payout ratio optimises the use of franking credits (after payment of the interim dividend, estimated franking surplus of \$590m)
- 1H16 payout falls to 69% after DRP (assuming 12% participation)

(1) Internationally Comparable CET1 ratio at 31 March 2016 aligns with the APRA study entitled "International capital comparison study" released on 13 July 2015. Refer to appendix page 87 for more detail
 (2) Based on Australian mortgage portfolio as at March 2016
 (3) \$300m of Wealth debt maturing in June 2016 and estimated CET1 impact is based on 31 March 2016 RWA
 (4) Based on 80% sale of NAB Wealth's life insurance business for \$2.4bn less separation and transaction costs
 (5) Leverage ratio calculated using an Internationally Comparable Tier 1 capital measure includes transitional relief for non-Basel 3 compliant instruments



CFO priorities

- More granular focus on ROE
 - Leverage Performance Unit (PU) framework and performance analytics tools
 - More efficient allocation of capital within portfolio of businesses
- Accelerate productivity agenda
 - Leverage digital, process review and automation
 - Extract benefits from significant IT investment
- Maintain prudent balance sheet settings
- Completion of the life insurance sale to Nippon Life

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Summary

- Good operating performance in Australian Banking benefiting from focus on higher returning segments
- Improving Business Banking momentum
- Margin increase, but expect reduced benefit from deposits and higher wholesale funding costs
- Overall asset quality strong, even with weakness in resources and NZ dairy
- Balance sheet well placed to accommodate further regulatory change



Andrew Thorburn
Group Chief Executive Officer

Strategic Priorities



Our strategic focus

Australia and New Zealand's most respected bank

Deliver a great customer experience

Reshape our operating model for the future environment

Keep focused on the basics of banking

Great people

- Organisation-wide focus on customer outcomes
- Customer centric technology deployments
- Leveraging investments and capabilities in business banking
- Investing in Wealth growth opportunities with NAB customers
- Focus on accountability, leadership and talent development

Customer advocacy
Employee engagement
Risk management
ROE relative to peers

Top quartile TSR¹

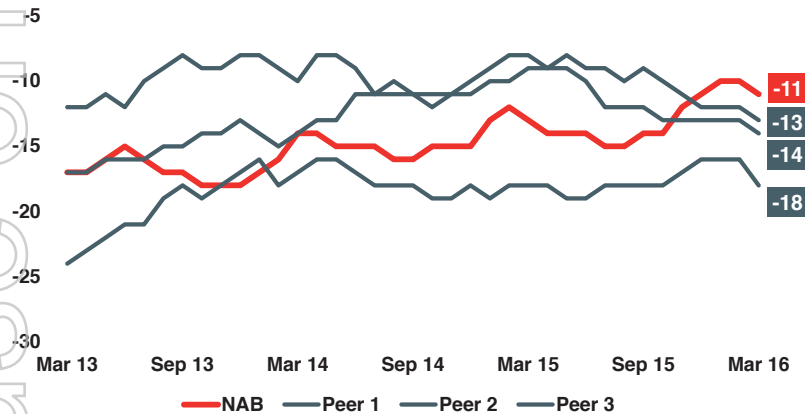
(1) TSR = Total Shareholder Return as measured against Australian Financial Services firms as listed in our 2015 Annual Report



Organisation-wide focus on customer outcomes

Net Promoter Score (NPS)^{1,2} in priority segments

Five clear priority segments				
Micro Business Annual turnover <\$1m	Small Business Annual turnover \$1m - \$5m	Medium Business Annual turnover \$5m - \$50m	Mortgage customers NAB customer with a home loan ³	Debt free customers Deposit rich or large super balance



Putting into practice

- Steady improvements in priority segment NPS position, with a long way to go
- Net Promoter Score (NPS) customer advocacy measure embedded in scorecards of 160 senior leaders
- 1/3 executive performance bonus outcome determined by customer advocacy score (NPS)
- Fixed 39 customer pain points in past 18 months, impacting >1.3m customers – targeting 100 new pain points
- Customer Connect Days – 17 March 2016: >35,000 customer calls

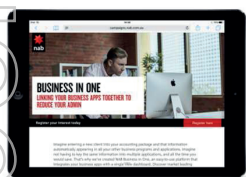
(1) Net Promoter® and NPS® are registered trademarks and Net Promoter Score and Net Promoter System are trademarks of Bain & Company, Satmetrix Systems and Fred Reichheld
 (2) Priority segments Net Promoter Score (NPS) is a simple average of the NPS scores of five priority segments: Mortgage Customers, Debt Free, Micro Business (<\$1m), Small Business (\$1m–\$5m) and Medium Business (\$5m–\$50m). The Priority Segments NPS data is based on six month moving averages from Roy Morgan Research and DBM BFSM Research
 (3) NAB customers with a current home loan, though home loan may not be with NAB



Customer centric digital capabilities

Digital initiatives for business customers

Business in One



- Digital hub that connects small business customers to third party and NAB services
- Announced in March and launched to pilot customers
- Creates a single synchronised view across cloud-platforms

Airtax



- Digital service enabling small business users to easily comply with GST obligations
- BAS lodgements automatically prefill as customers transact
- Developed in partnership with PWC

RapidConnect



- Fast on-boarding for eligible customers to NAB Connect (online business banking platform)
- No paperwork or wet signatures
- Significantly reduced customer waiting time (2-5 days to 30 minutes)

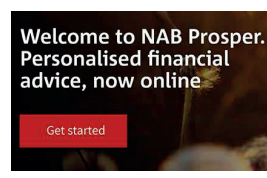
Digital initiatives for personal customers

NAB Pay



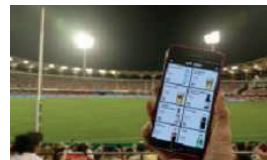
- Contactless purchases using Android phone
 - Debit launched January 2016
 - Credit launched March 2016
- >25,000 customers enabled and >100,000 transactions completed

NAB Prosper



- First major bank to provide tailored online financial advice
- Currently live for 40,000 customers
- Intend to launch to a further ~250,000 customers in 2016

NAB Dash



- Enables a new streamlined order, pay and collect consumer experience
- Partnership with Metricon Stadium for AFL season
- Launched in March and reducing average queue time by 70%



PBOP progress

2016 platform roll out underway

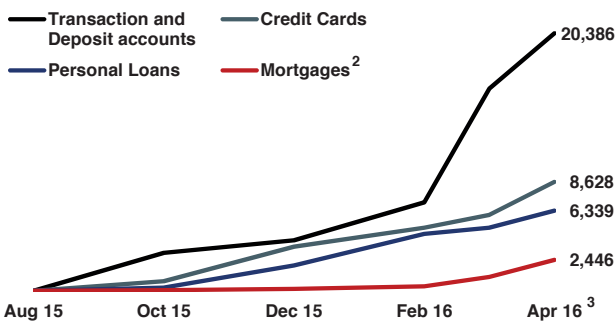
- Rolled out to branches in SA, NT and WA, and key contact and fulfilment centre teams
- 285 branches using platform and >400 staff in contact centres
- Roll out in QLD underway¹ - NSW, VIC, ACT and TAS to follow
- Deployment of personal products for business customers to then follow



Improved customer experience

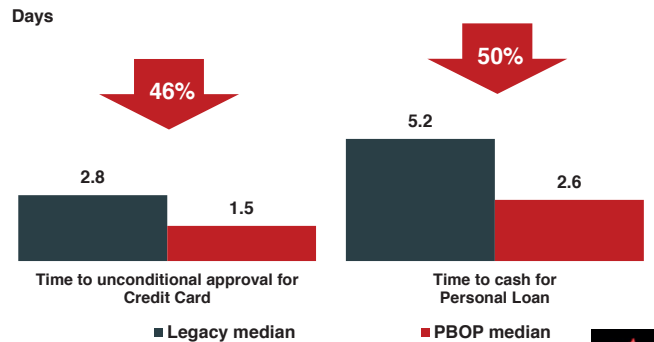
- Positive customer feedback on convenience and faster turnaround times driven by:
 - single application process for multiple products
 - ability to receive, lodge and accept loan documents online
 - electronic 100 point ID check
 - regular updates on application status via internet banking, email and SMS
- ~90% of customers accepting and signing personal loan documents online

Volumes ramping up



(1) Deployment of credit cards, personal loans, transaction and deposit accounts completed and being followed by more complex mortgage product
 (2) Mortgages includes both submitted and settled
 (3) Volumes to 24 April 2016

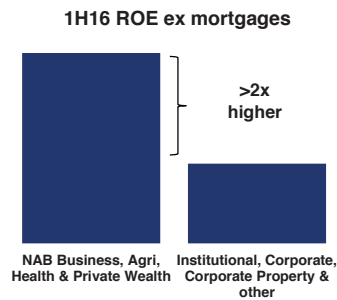
Improved 'time to yes'



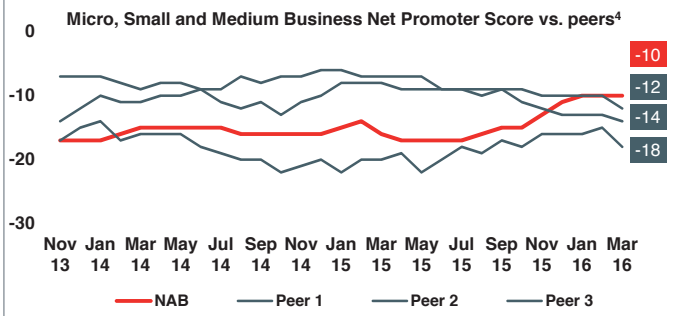
Business Banking momentum in priority segments improving

Clear competitive advantage in higher returning segments

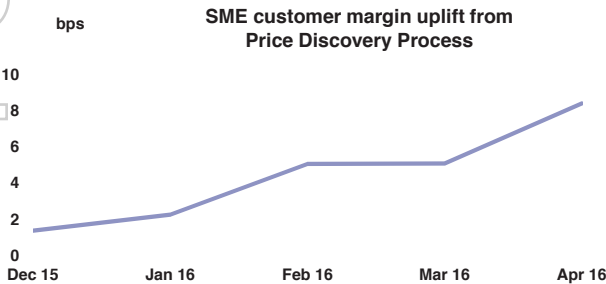
- Australia's leading business bank – more bankers (> 4,200) in more places (226 Business Banking Centres)
- Deep industry specialisation in Agri, Health, Government & Education
- Strong positions in high returning sectors: # 1 market share in Micro¹, SME¹ & Agri²



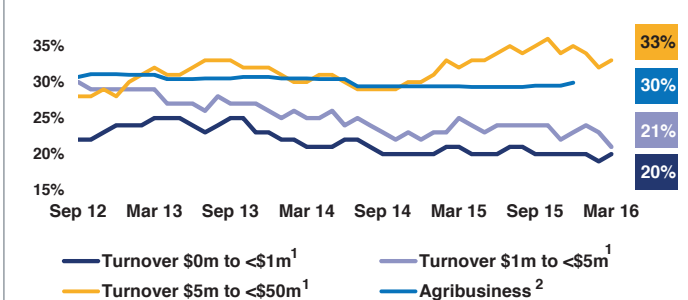
Pleasing improvement in SME NPS³



Enhanced SME disciplines driving improved customer margin⁵



Market share trends in priority segments encouraging



(1) March 2016. 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. Micro Business (<\$1m), Small Business (\$1m-<\$5m) and Medium Business (\$5m-<\$50m). #1 Ranking based on simple scores, not statistically significant differences
 (2) Dec 2015. NAB APRA submission / RBA System
 (3) Net Promoter® and NPS® are registered trademarks and Net Promoter Score and Net Promoter System are trademarks of Bain & Company, Satmetrix Systems and Fred Reichheld
 (4) SME NPS is a simple average of the NPS scores of the three priority business segments: Micro Business (<\$1m), Small Business (\$1m-<\$5m) and Medium Business (\$5m-<\$50m). The SME NPS data is based on six month moving averages from DBM BFSM Research
 (5) Reflects increase in final average customer margin compared to initial average customer margin in each month for deals repriced as a result of Price Discovery process for NAB Business. Does not include deals where no change to original banker submitted quote was required.



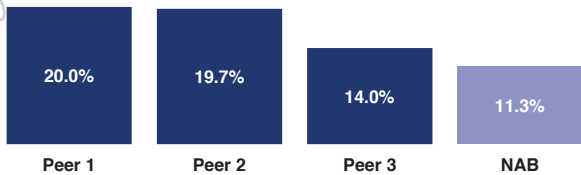
Investing in Wealth growth opportunities with NAB customers

Upside from closer alignment with the Bank

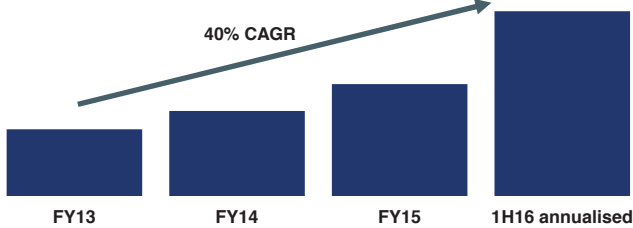
Australian retail banking only customers >4 million

NAB Wealth only customers >1 million

Wealth products to bank customers¹



NAB Mortgage Sales through aligned and independent advisers



(1) Source: Roy Morgan Research. Proportion of banking customers (Aged 14+) that have a wealth relationship with the institution's wealth arm; 12 months to March 2016
 (2) Investment spend includes opex and capex
 (3) Benefits include both revenue and efficiency savings

Transformational investment program

- Investing at least \$300m² pre tax over 4 years in Superannuation and Investments business:
 - Productivity and digital initiatives
 - Closer Bank/Wealth alignment
- Targeting peak annualised benefits of approximately \$160m³ pre tax across both Bank and Wealth

Building capability to better serve NAB customers

- Consolidation to create one of Australia's largest superannuation funds
 - Scale and simplification benefits
 - Reduce IT complexity
 - More consistent customer experience
- Improve digital advice tools for customers and advisers
- Develop direct super and insurance offers via NAB internet banking



Focus on accountability, leadership and talent development

Performance, Leadership & Talent

- Drive PU style performance accountability at all levels through simple, clear performance mechanisms ("Performance 365")
- Identifying strengths and gaps of ~3,500 leaders, through clear and simple leadership dashboard
- Building talent pipeline across the organisation to deliver required performance and leadership, and ensure deep bench strength

Performance Unit (PU) framework

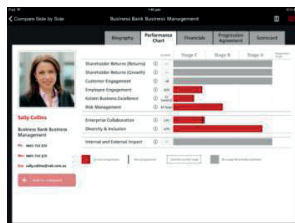
- Established >160 Performance Units, driving step-change in accountability for performance
- Granular performance measures visible to all PU Leaders
 - ROE, cash earnings, risk measures
- Direct link to PU Leader scorecards and remuneration
- Monthly performance forums hosted by CFO and ELT members
- Quarterly reviews by CEO and CFO

Digital PU platform transparency to all leaders



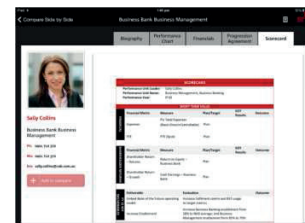
Heatmap of PUs

Relative performance visible to all PUs



Performance Chart

Dashboard of PU performance against key measures and targets



PU scorecard

Detailed scorecard containing financials, NPS, key deliverables, risk and values



Overall summary

- Solid 1H16 group result driven by improved Australian Banking performance
 - Good growth in Australian Banking revenue and underlying profit
 - Business Bank has momentum after a significant period of change
- Balance sheet strong – capital, funding and asset quality
- Organisational-wide customer centric culture gaining traction
- Technology investments in digital and PBOP are providing real benefits
- Now a much simpler bank focused on priority customer segments where returns are higher

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Additional Information

Australian Banking

NZ Banking

NAB Wealth

Group Asset Quality

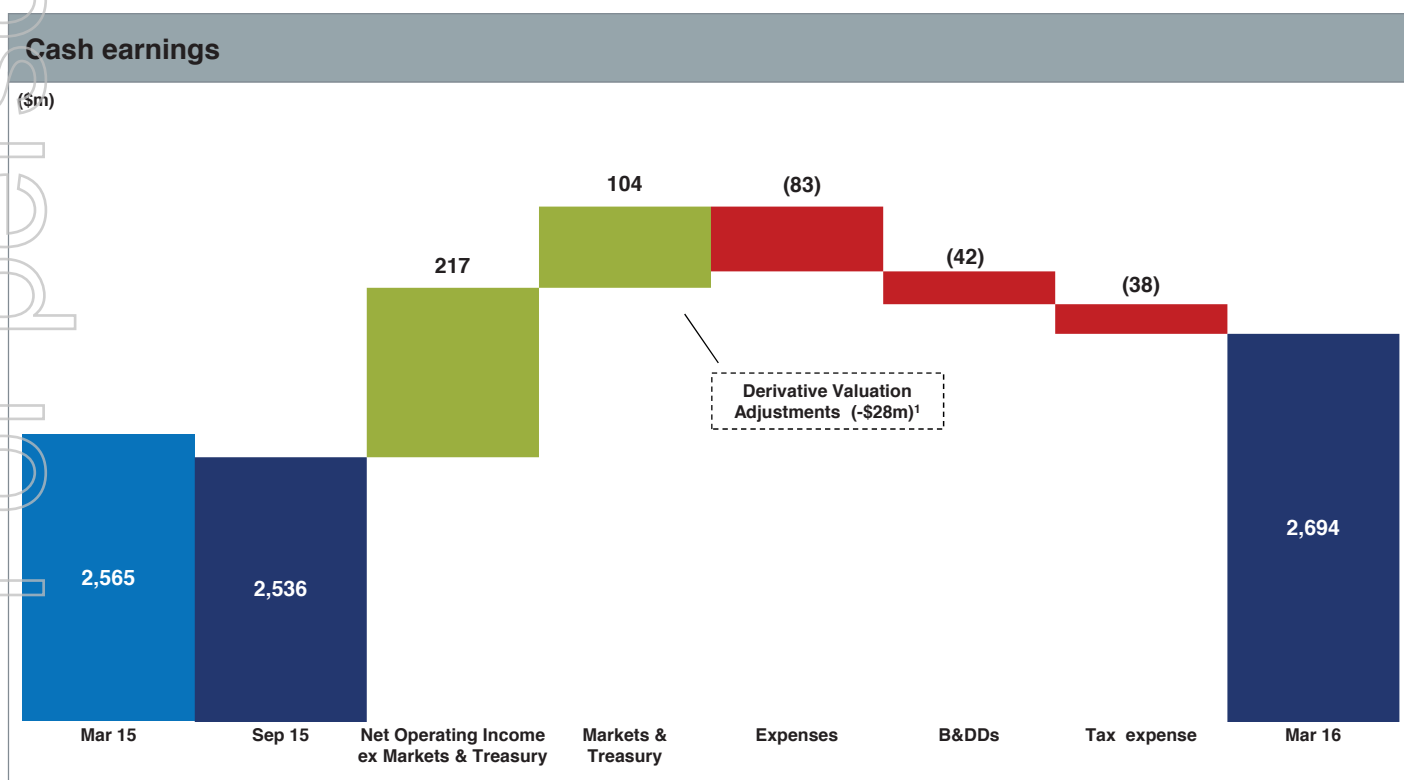
Capital and Funding

Environmental, Social and Governance

Economic Outlook



Australian Banking

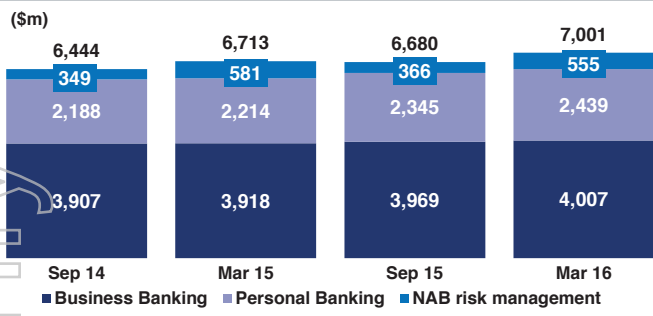


(1) Derivative Valuation Adjustments consist of CVA, FVA and OIS

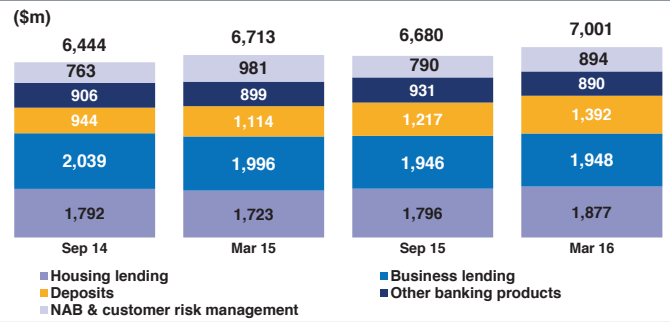


Australian Banking revenue

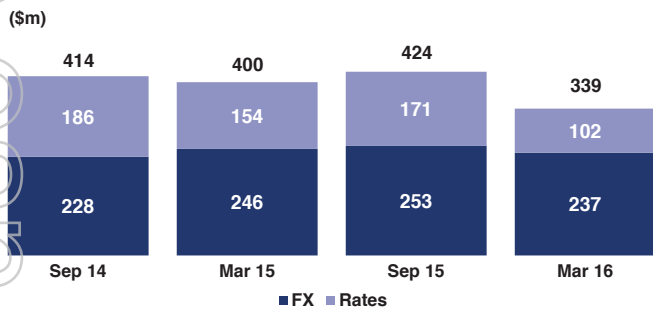
Total revenue by key customer segments^{1,2}



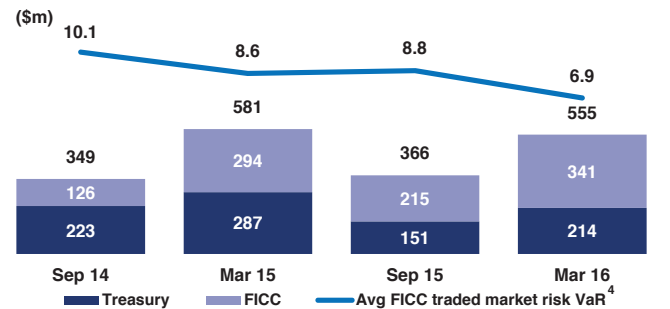
Total revenue by product



Customer risk management revenue



NAB risk management revenue³

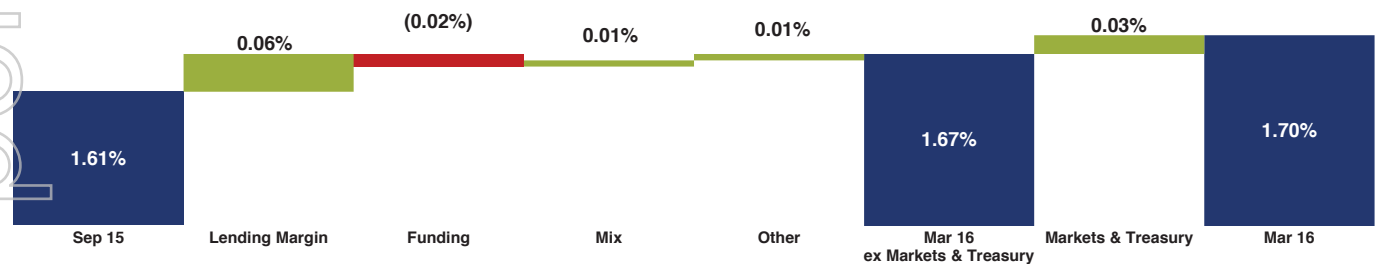


- (1) Based on unaudited, management information data
- (2) Customer revenue numbers for Mar 15 and Sep 15 have been restated to reflect the transfer of customers between Business Banking and Personal Banking, consistent with where customers are domiciled in 2016
- (3) Includes NII and OOI
- (4) Average FICC traded market risk VaR for Mar 16 excludes the impact of hedging activities related to derivative valuation adjustments. Prior periods have not been adjusted as the hedging impact in these periods was immaterial to reported VaR

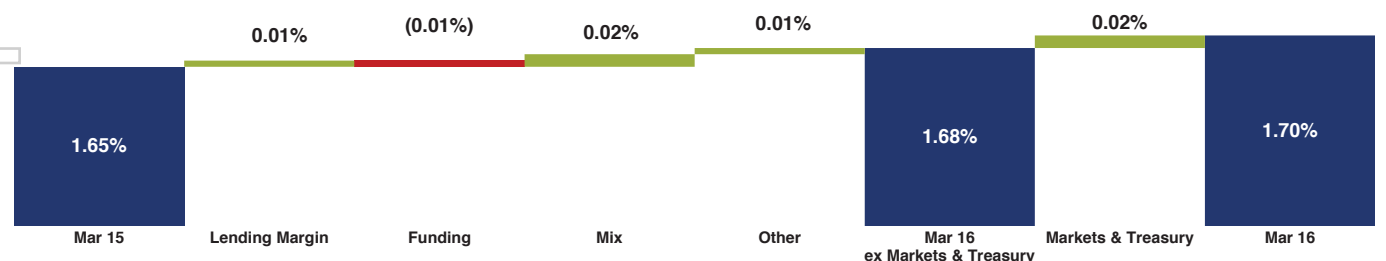


Australian Banking net interest margin

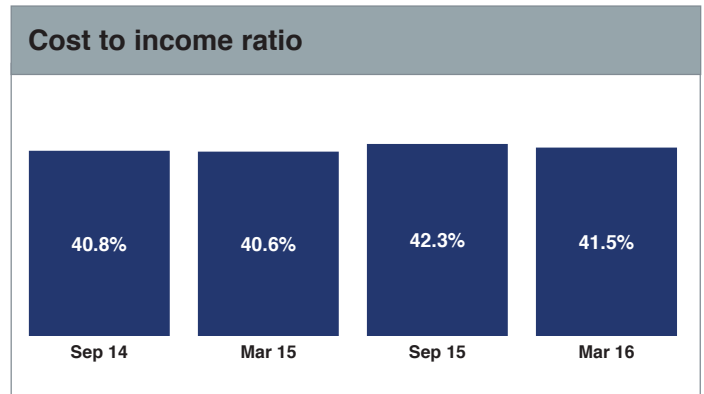
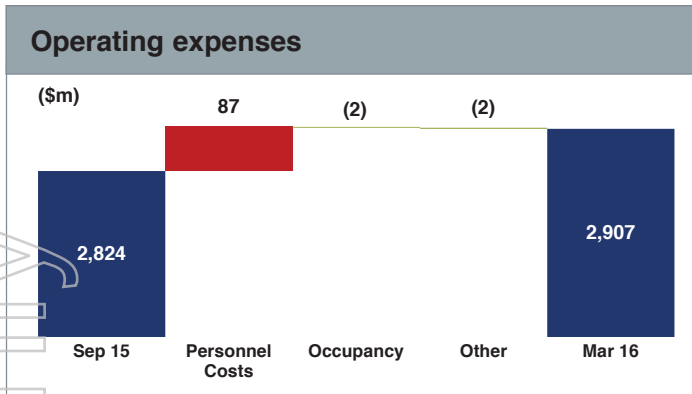
March 2016 v September 2015



March 2016 v March 2015



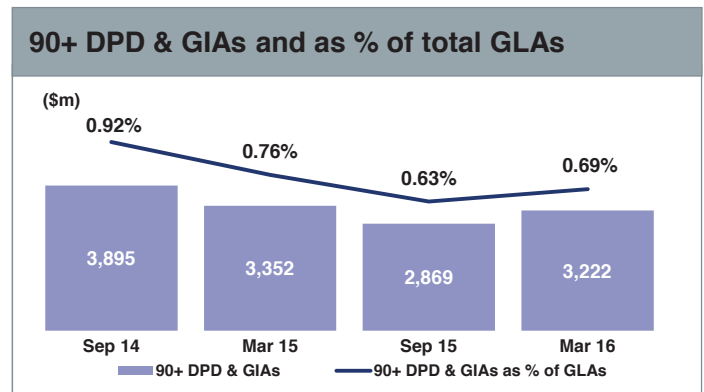
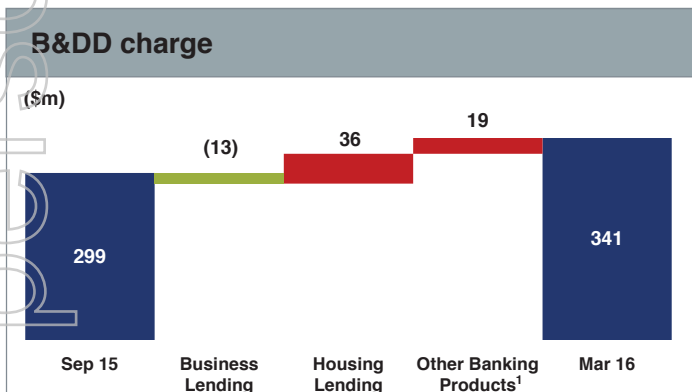
Australian Banking expenses



35



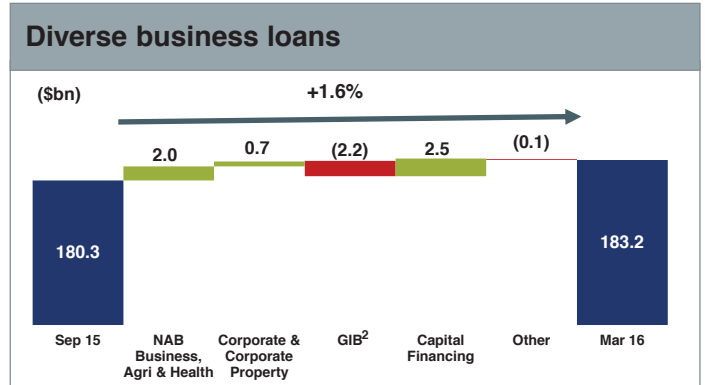
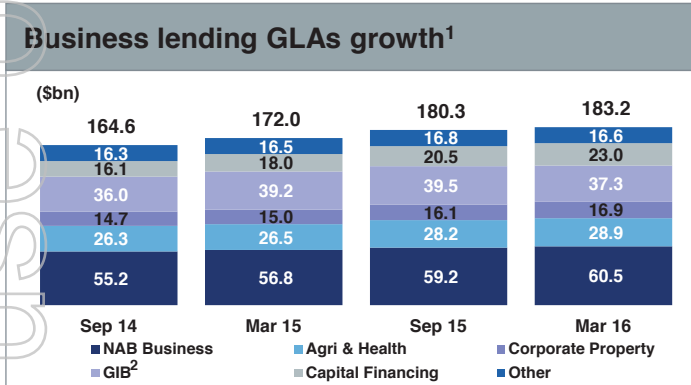
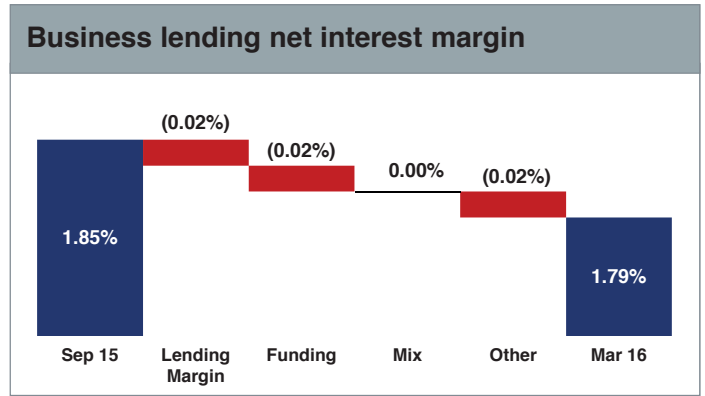
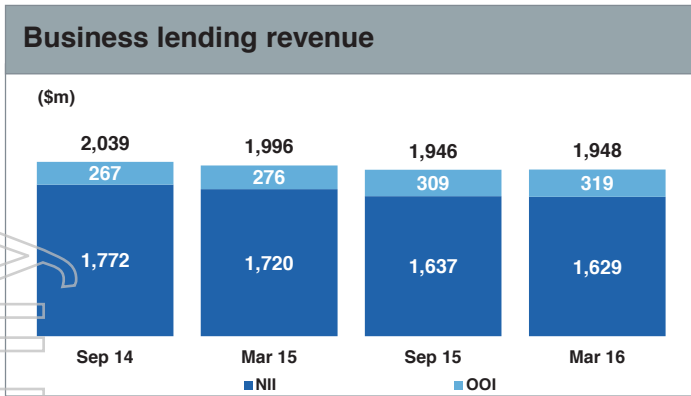
Australian Banking asset quality



(1) Includes personal lending, credit cards, investment securities and margin lending



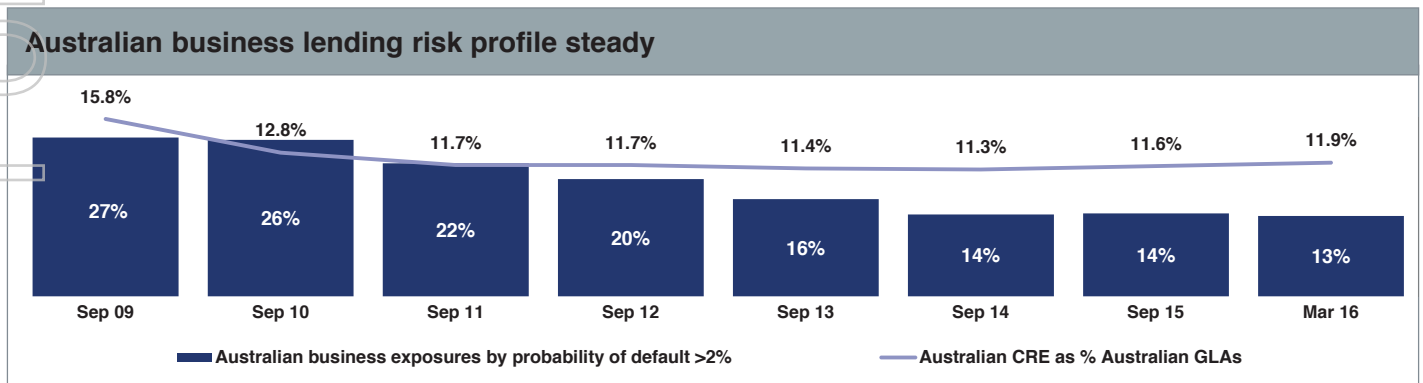
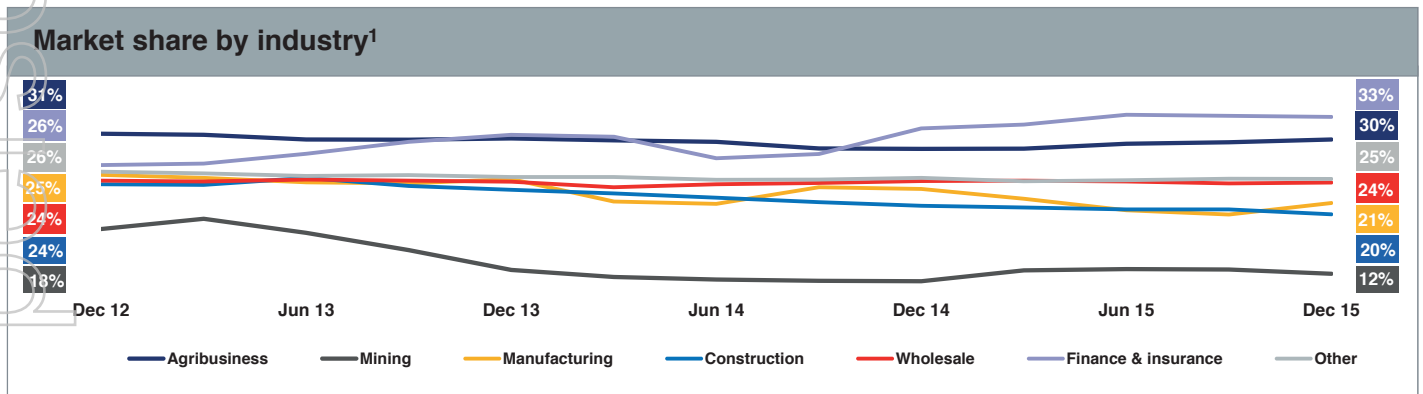
Australian Banking: Business lending



(1) Spot GLA volumes. Segment lending volumes are based on unaudited, management information data, and prior periods have been restated to reflect the transfer of customers, consistent with where customers are domiciled in 2016
 (2) Global Institutional Banking



Australia Banking: Business lending market share and asset quality

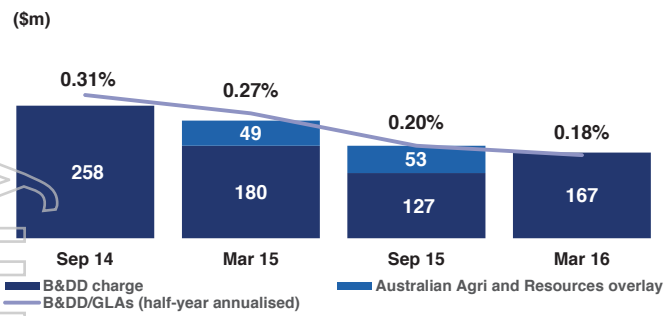


(1) December 2015. NAB APRA submission / RBA system

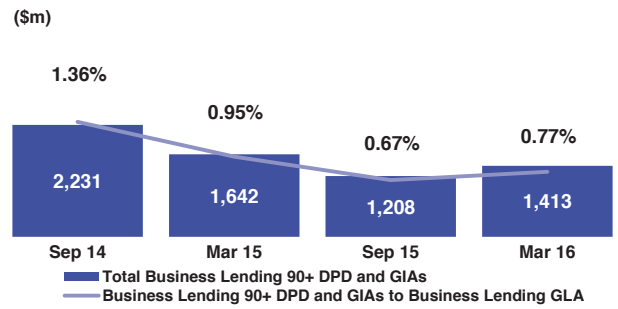


Australian Banking: Business lending – Asset Quality

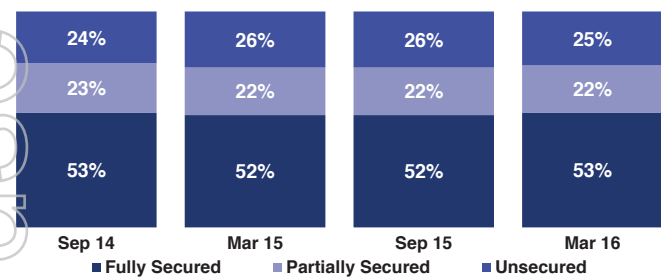
B&DD charge and as % of GLAs



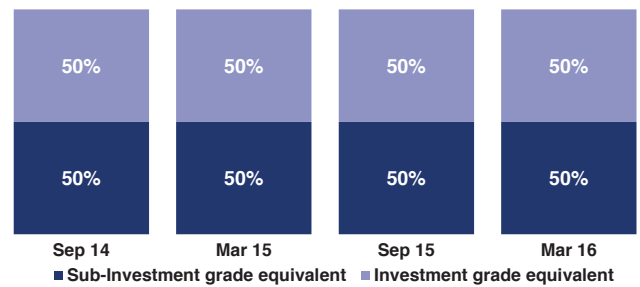
90+ DPD and GIAs and as % of total business GLAs



Well secured – business products¹



Portfolio quality^{2,3}



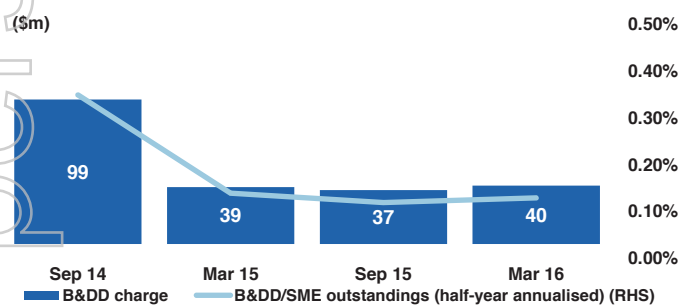
- (1) Represents assets within the Australian geography and offshore branches
- (2) Portfolio quality on a probability of default basis
- (3) Includes Asia

39

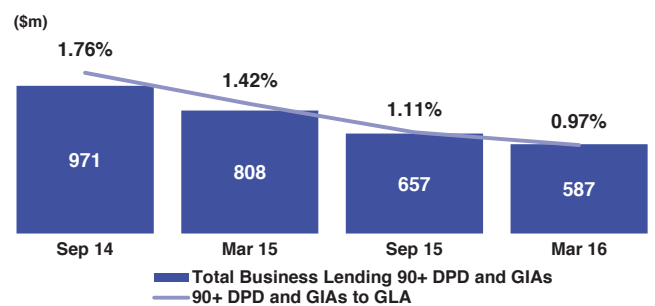


Australian Banking: Business lending – SME¹ Asset Quality

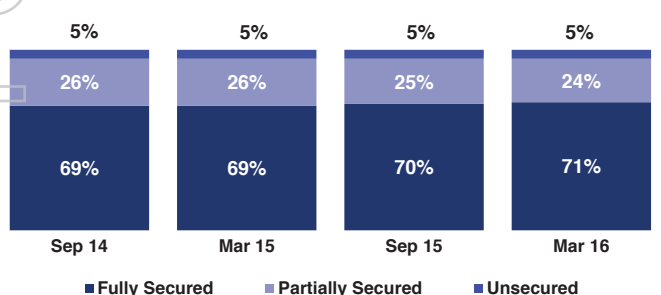
SME B&DD charge and as % of SME GLAs



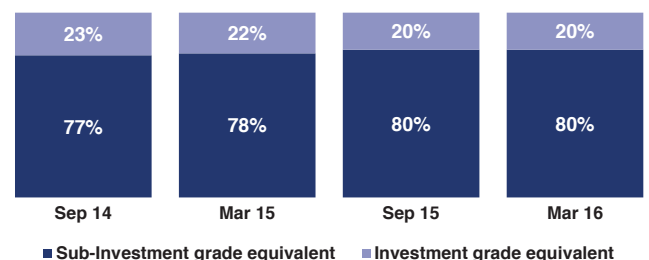
SME 90+ DPD and GIAs and as % of SME GLAs²



Well secured – business products



Portfolio quality



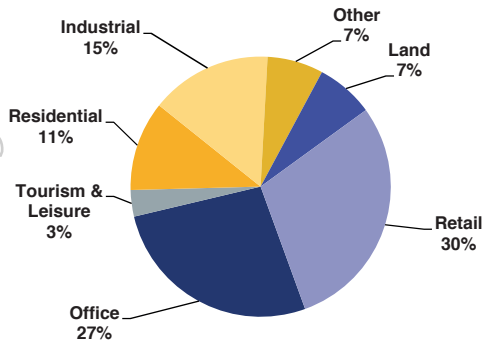
- (1) SME business data reflects the NAB Business segment of Business Lending which supports business customers with lending typically up to \$25m, excluding the Specialised Businesses. Based on unaudited, management information data. Represents assets within the Australian geography
- (2) Numbers have been restated to reflect the transfer of customers between Business Banking and Personal Banking, consistent with where customers are domiciled in 2016

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Australian Banking: Business lending – Commercial Real Estate

Total \$53.5bn¹
11.9% of Gross Loans & Acceptances²



State	NSW	VIC	QLD	WA	Other	Total
Location	37%	29%	17%	8%	9%	100%
Loan Balance ³ < \$5m	29%	37%	37%	34%	36%	34%
> \$5m < \$10m	11%	12%	12%	13%	14%	12%
> \$10m	60%	51%	51%	53%	50%	54%
Loan tenor < 3 yrs	76%	77%	80%	75%	80%	77%
Loan tenor > 3 < 5 yrs	20%	19%	16%	19%	16%	19%
Loan tenor > 5 yrs	4%	4%	4%	6%	4%	4%
Average loan size \$m	3.3	2.6	2.6	2.9	2.6	2.9
Security Level ⁴ – Fully Secured	72%	81%	85%	87%	87%	79%
Partially Secured	13%	11%	12%	11%	12%	12%
Unsecured	15%	8%	3%	2%	1%	9%
90+ days past due ratio	0.06%	0.04%	0.05%	0.03%	0.33%	0.07%
Impaired loans ratio	0.10%	0.18%	1.11%	0.11%	0.03%	0.29%
Specific provision coverage ratio	9.5%	17.2%	24.0%	11.3%	56.8%	20.8%
Construction/development	17%	18%	14%	18%	15%	17%
Investment	83%	82%	86%	82%	85%	83%

Portfolio breakdown	Retail	Office	Residential	Other ⁵
Construction/development	4%	3%	63%	24%
Investment	96%	97%	37%	76%

Trend	Sep 14	Mar 15	Sep 15	Mar 16
90+ days past due ratio	0.18%	0.12%	0.13%	0.07%
Impaired loans ratio	1.02%	0.47%	0.35%	0.29%
Specific provision coverage ratio	19.2%	19.7%	16.1%	20.8%

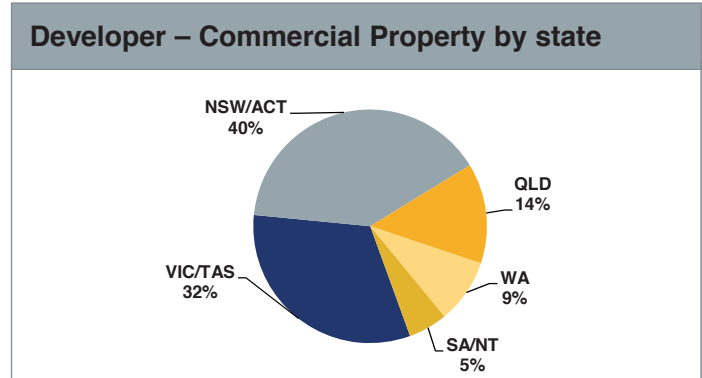
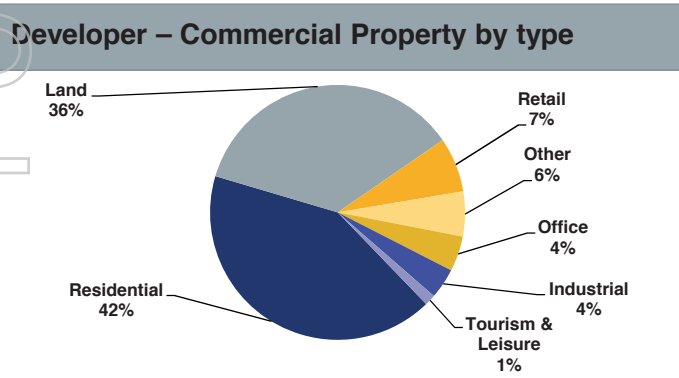
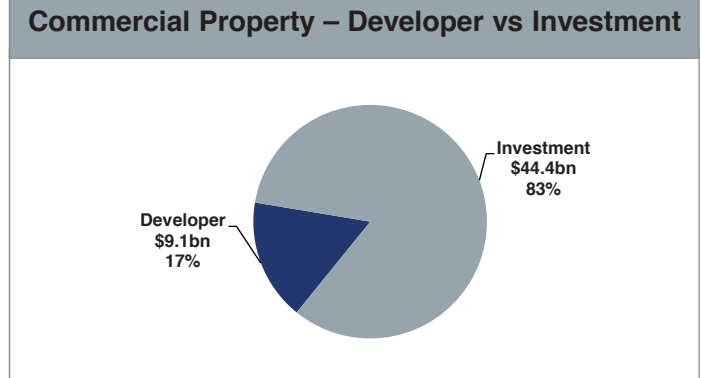
(1) Data has been prepared in accordance with APRA ARF230 guidelines
 (2) Represents assets within the Australian geography
 (3) Distribution based on loan balance
 (4) Fully secured is where the loan amount is less than 100% of the bank extended value of security; partially secured is where the loan amount is greater than 100% of the bank extended value of security; unsecured is where no security is held and 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.
 (5) Other consists of tourism and leisure, industrial, land and other



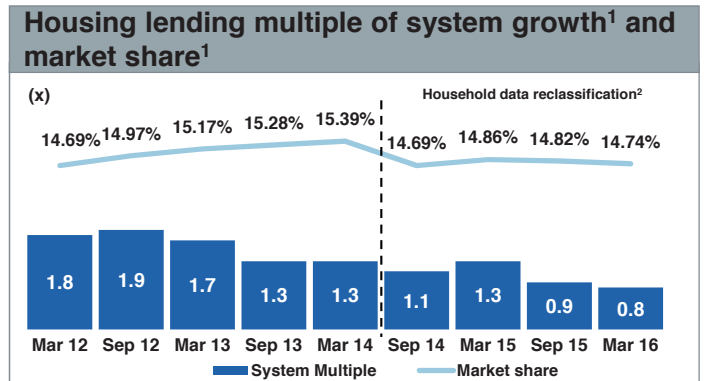
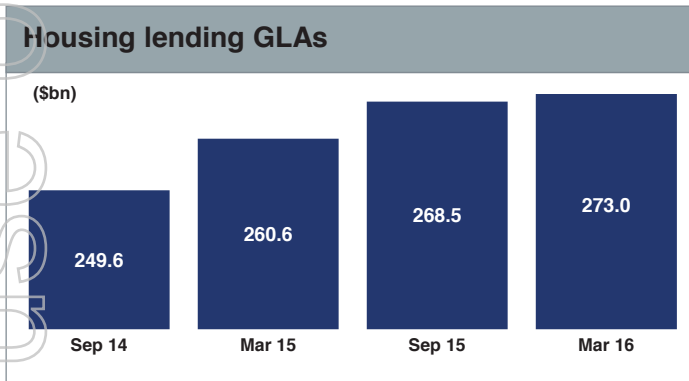
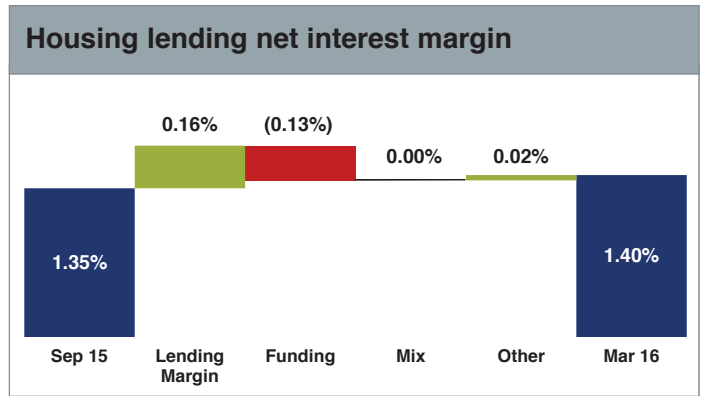
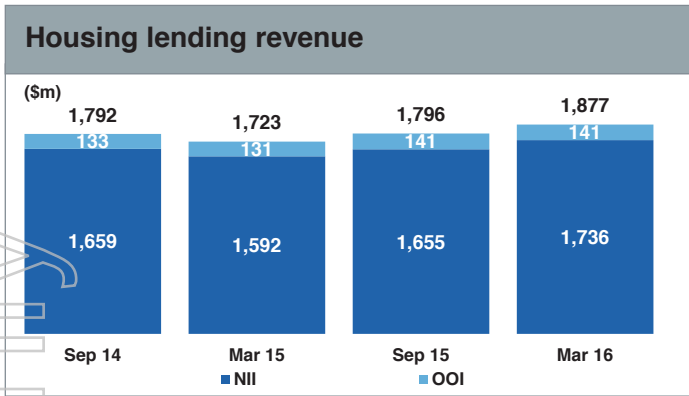
Australian Banking: Commercial Real Estate – Developer exposures

Limited CRE lending to developers

- Of the \$53.5bn total Australian CRE exposure, 83% is investment
- Of the remaining 17% which is developer, \$3.8bn is for residential development
- Low concentration to individual builders



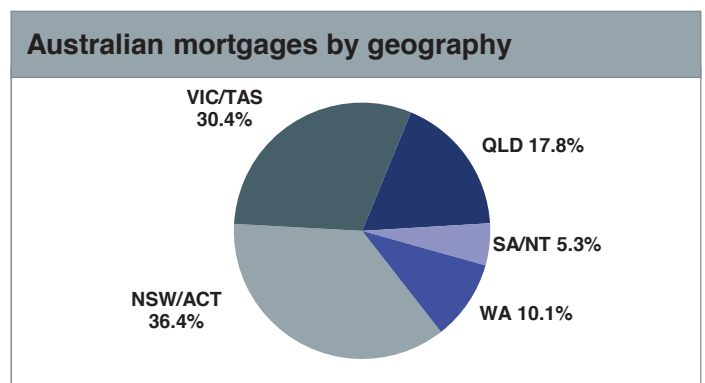
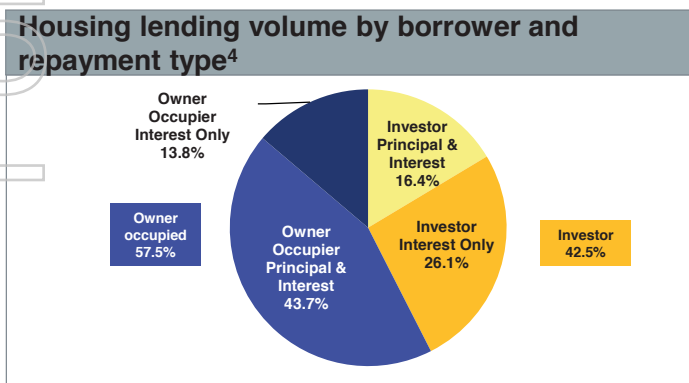
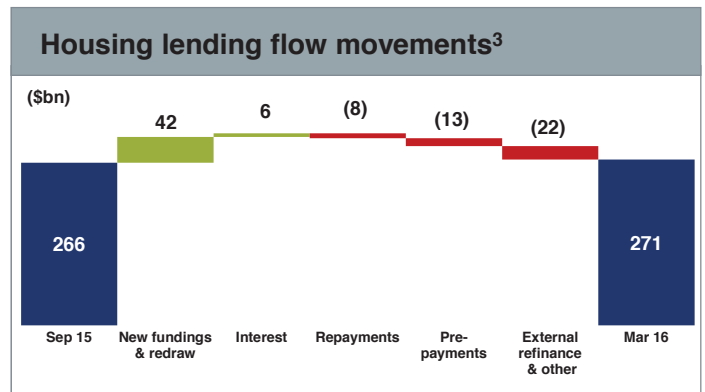
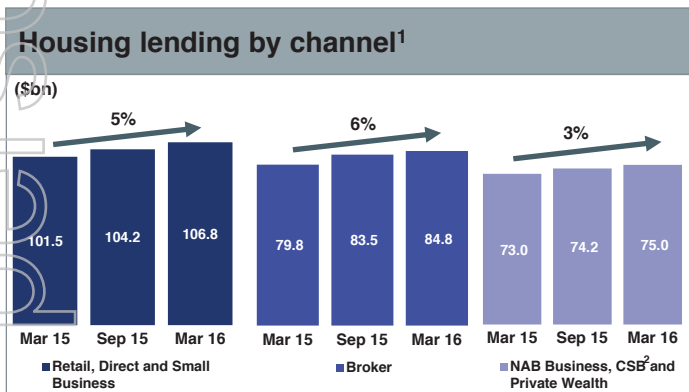
Australian Banking: Housing lending



(1) RBA Financial System
 (2) August 2015 reclassification of household data, including from housing to non-housing



Australian Banking: Housing lending



(1) Spot volumes. Excludes UBank, Asia and Non Performing Loans. Prior periods have been restated to reflect customer transfers
 (2) Corporate and Specialised Banking
 (3) Excludes Asia
 (4) Based on APRA ARF 320.0 reporting definitions. Interest Only is inclusive of Line of Credit



Australian Banking: Housing lending areas of interest

Housing lending practices and customer profile

Key practices

- NAB Broker applications assessed centrally – verification, credit decisioning
- Floor interest rate 7.4% and serviceability buffer 2.25% including on existing debt
- Maximum LVR 95% for owner occupier and 90% for investor – lower for high risk postcodes and non-residents
- Income typically verified using salary credits into customers' accounts
- 20% shading of rental and uncertain income
- Interest only lending repayments assessed on the residual principal and interest period
- All brokers licensed and subject to accreditation requirements
- NAB conducts broker level monitoring using specific review triggers such as delinquency thresholds

Customer profile

- Customers an average of 14.7 monthly payments in advance
- 62.1% customers \geq 1 month in advance¹

(1) Excludes offset accounts and interest only, line of credit loans and not reported for Advantagedge
 (2) Source: CoreLogic Market Trends
 (3) Includes eight postcodes in mining areas in WA and QLD

Mining towns

- Property values in mining areas in WA and QLD down 15 - 60%²
- WA and QLD housing exposure 10% and 18% of total housing book (NSW/ACT 36%, VIC 30%)
- Housing exposure to key mining towns³ ~1% of total housing book
- Captured in 'high risk postcodes' with max LVR 70%

Residential apartments and inner city postcodes

- Closely monitor inner city postcodes including those with high apartment concentration
- Maximum LVR 80% for these postcodes
- Lending to these postcodes <2% of total housing book

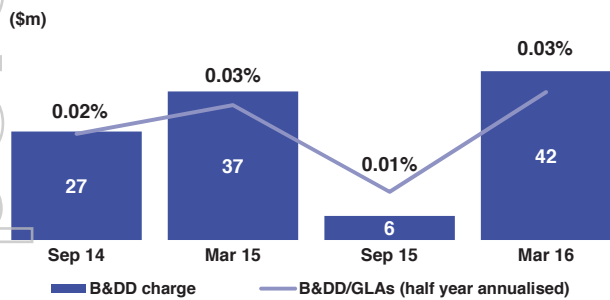
Non-resident lending

- NAB's 1Q 2016 residential property survey suggests foreign buyer demand has stabilised, but remains elevated at 14% of national new property sales and 9% established properties
- Lending to non-residents <2% of total housing book
- Maximum LVR 70% and shading applies to foreign income

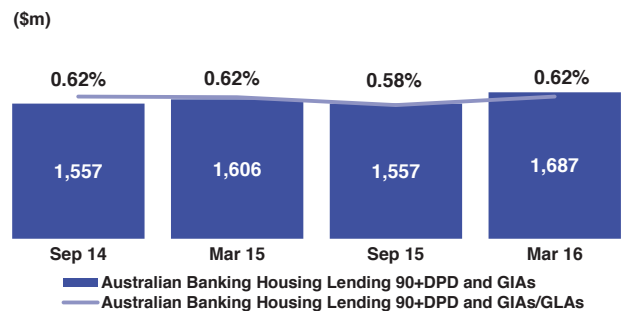


Australian Banking: Housing lending – Asset Quality

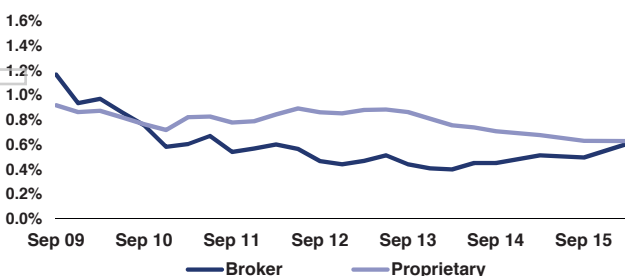
B&DD charge and as % of GLAs



90+ DPD and GIAs as % of total housing lending GLAs

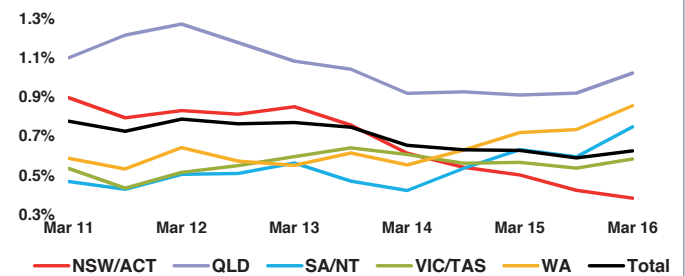


90+ DPD and GIAs as % of total housing lending GLAs – by channel¹



(1) Excludes Asia

Australian mortgages 90+ DPD and GIAs as % GLAs – by state



Australian Banking: Housing lending – Stress testing

Housing lending stress testing at NAB

- The Group regularly undertakes stress testing on a Group-wide basis and on specific risk types
- Stress testing and scenario analysis aim to 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

- The stress scenario represents a severe recession. In a historical context, this recession is worse than in the early 1980s or 1990s, only exceeded by the 1930s recession. Unemployment rises to almost 11% at its peak, back to the worst post-war level reached in the early 1990s
- The downturn is sufficiently severe that it significantly impacts the property markets, with residential property prices declining by 31% in the shock scenario. Falls of this magnitude have not been seen in the housing market in the past one hundred years

Results

- Estimated Australian housing lending net bad and doubtful debt (B&DD) charge under these stressed conditions are \$1.8bn cumulatively during the four years of the scenario of which \$310m are losses on the lender's mortgage insurance (LMI) portfolio
- All LMI coverage is with external insurers
- In comparison to results of the same stress test six months ago, there is a small improvement in net B&DD rates due to portfolio improvement

Stressed scenario – Main economic parameters¹

	Year 1	Year 2	Year 3	Year 4
Annual GDP growth (%)	(1.4)	(1.8)	0.5	3.8
Unemployment rate (%)	7.9	9.9	10.9	10.5
House prices (% p.a. change)	(13.6)	(13.0)	(3.9)	(0.1)
Cash rate (%)	2.3	1.0	0.6	0.3

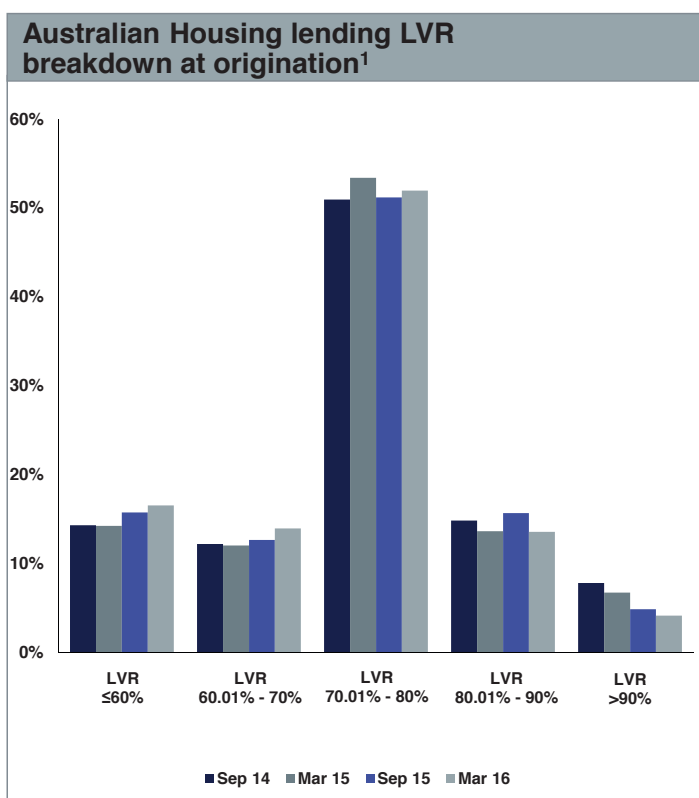
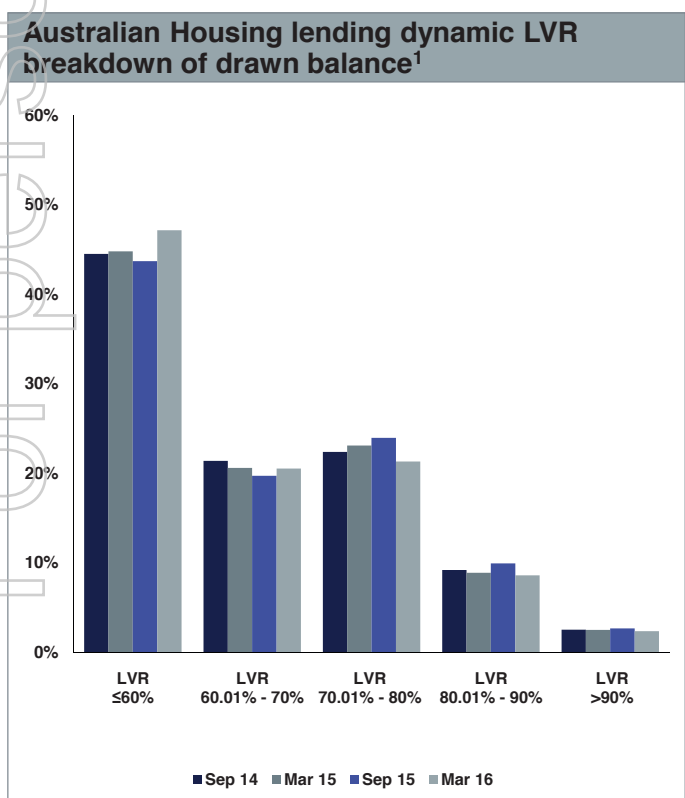
Stressed loss outcomes^{2,3}

	Year 1	Year 2	Year 3	Year 4
Portfolio size (exposure at default, \$bn)	343	345	348	355
Net B&DD (\$m) ⁴	72	646	589	511
Gross B&DD (\$m)	95	744	704	613
Net B&DD rate (%) ⁵	0.02	0.19	0.17	0.14

(1) In order to provide comparison with previous half, macroeconomic parameters were kept consistent with FY15 Results Announcement
 (2) Australian IRB Residential Mortgages asset class. Includes Advantaged. Excludes offshore branches
 (3) Based on portfolio as at 30 September 2015
 (4) Net of LMI recoveries (as opposed to Gross B&DD which includes LMI recoveries). Assumes that in a stressed scenario 48% of LMI claims will be rejected
 (5) Stressed B&DD rate is net of LMI recoveries and presented as a percentage of mortgage exposure at default



Australian Banking: Housing lending – LVR profile



(1) Excludes Asia



Australian Banking: Housing lending – Key metrics¹

Australian Housing lending	Sep 14	Mar 15	Sep 15	Mar 16
Balances attributed to:				
- Variable rate	72.2%	73.4%	75.7%	76.7%
- Fixed rate	14.9%	14.8%	13.3%	13.2%
- Line of credit	12.9%	11.8%	11.0%	10.1%
Drawdowns attributed to:				
- Variable rate	76.1%	81.0%	84.9%	84.3%
- Fixed rate	20.9%	16.7%	12.5%	13.9%
- Line of credit	3.0%	2.3%	2.6%	1.8%
Interest only drawn balance	33.6%	35.3%	34.5%	32.5%
Offset account balance (\$bn)	17.4	20.1	22.4	23.4
Balances attributed to:				
- Proprietary	69.8%	69.1%	68.6%	68.7%
- Broker	30.2%	30.9%	31.4%	31.3%
Drawdowns attributed to:				
- Proprietary	66.3%	66.3%	67.4%	69.0%
- Broker	33.7%	33.7%	32.6%	31.0%
Balances attributed to:				
- Owner Occupied ²	59.3%	58.2%	57.6%	57.5%
- Investor ²	40.7%	41.8%	42.4%	42.5%
Dynamic LVR on a drawn balance calculated basis	45.4%	45.2%	45.8%	44.0%
Customers in advance ≥1 month ³	63.8%	63.1%	62.9%	62.1%
Avg # of monthly payments in advance	13.6	13.9	14.3	14.7
Average drawn balance (\$'000)	271	276	284	288
Low Documentation	1.5%	1.4%	1.2%	1.1%
Low Documentation LVR cap (without LMI)	60%	60%	60%	60%
90+ days past due ⁴	0.47%	0.48%	0.45%	0.51%
Impaired loans ⁴	0.15%	0.14%	0.13%	0.11%
Specific provision coverage ratio	23.5%	26.3%	25.0%	24.5%
Loss rate ⁵	0.04%	0.03%	0.02%	0.02%

- (1) Excludes Asia
- (2) Source: APRA Monthly Banking Statistics
- (3) Not reported for Advantedge. Excludes line of credit, interest only loans and the impact of offset accounts
- (4) Includes Asia
- (5) 12 month rolling Net Write-offs / Spot Drawn Balances

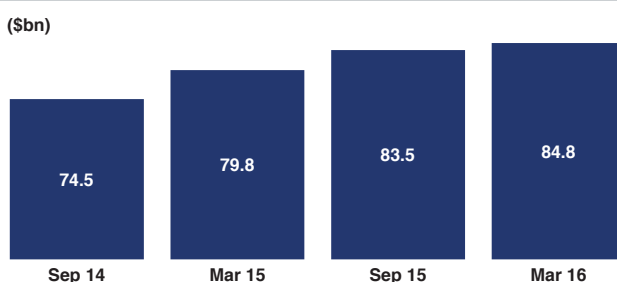


Australian Banking: Housing lending – Broker

Broker considerations in 1H16 and outlook

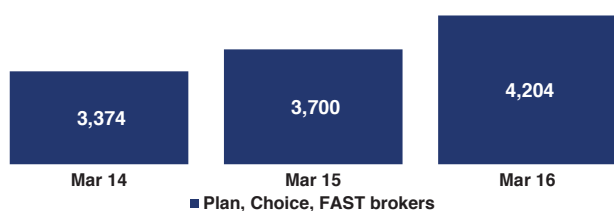
- Subdued 1H16 broker lending growth impacted by investor lending slowdown, credit policy changes and interest only repricing
- Ongoing growth in white label settlements, supported by six white label partnerships and access to ~6,000 brokers Australia wide
- Recruitment of additional >500 brokers across our aggregators PLAN, Choice and FAST (14% increase)¹
- Strong focus on building relationships with mortgage customers introduced via broker channel

Housing lending growth via Broker²

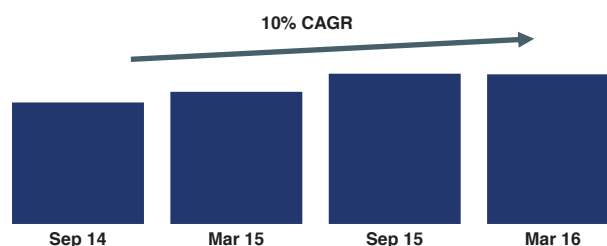


Ongoing recruitment across our aggregators

Number of brokers under owned aggregators



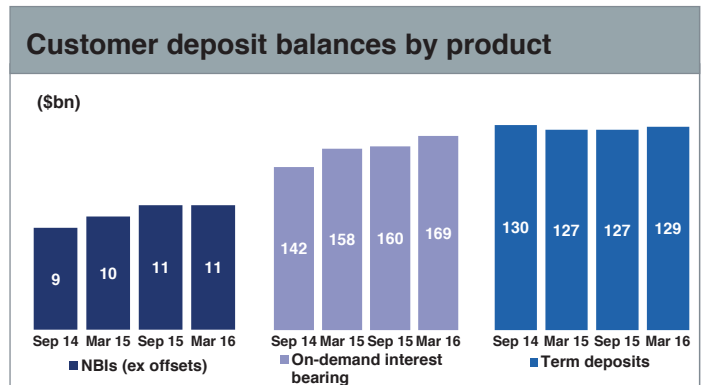
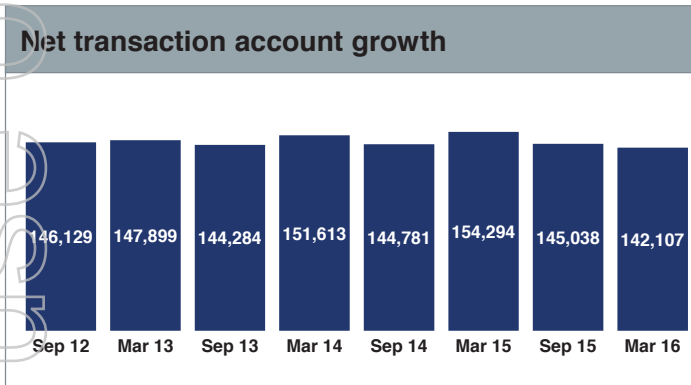
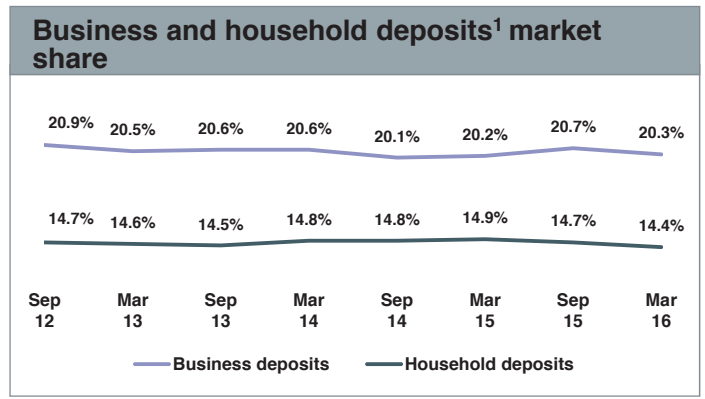
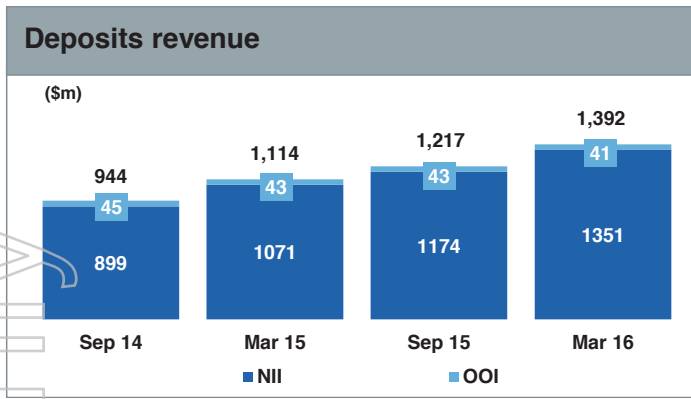
Increasing white label settlements



- (1) For the 12 months ended 31 March 2016
- (2) Spot volumes



Australian Banking: Deposits and transaction accounts

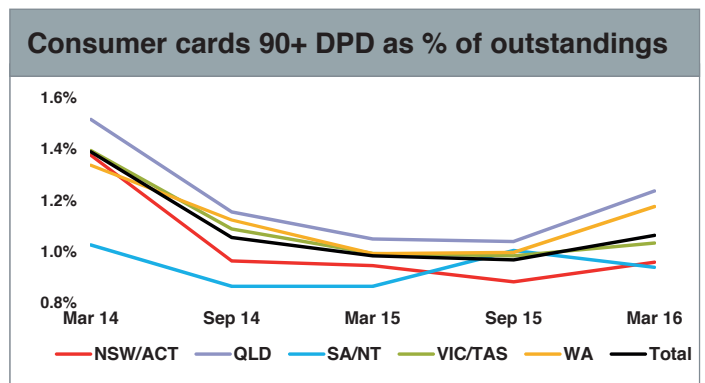
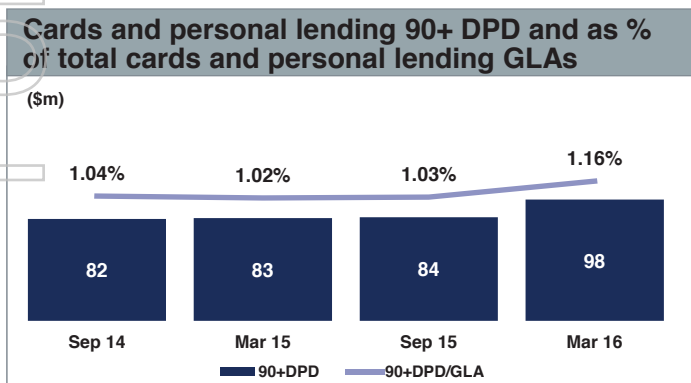
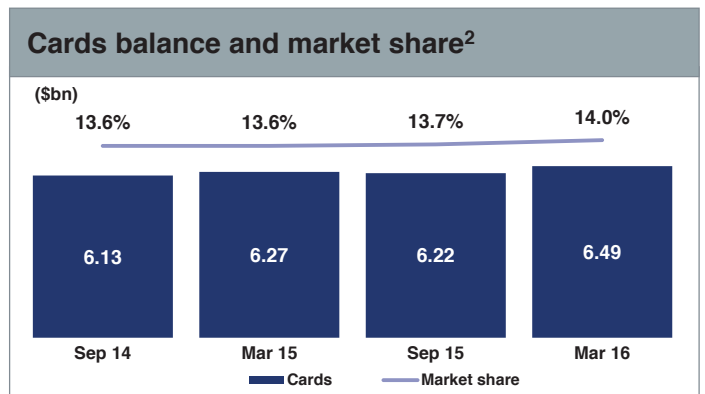
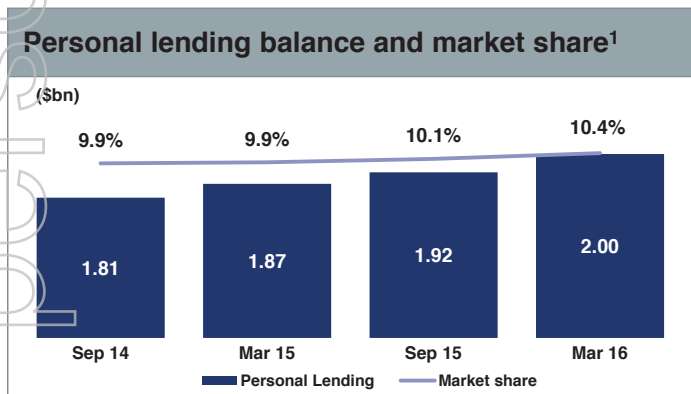


(1) APRA Banking System

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Australian Banking: Other banking products



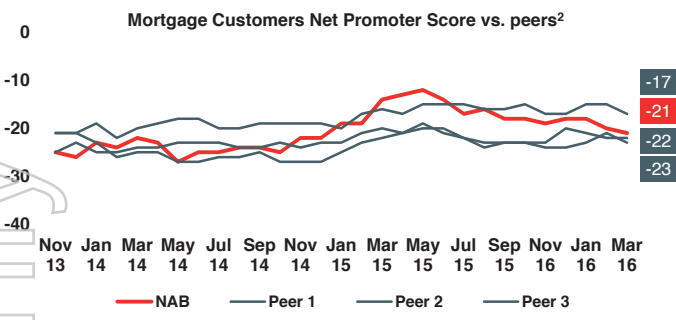
(1) Personal loans business tracker reports provided by RFI, represents share of RFI defined peer group data
 (2) APRA Banking System

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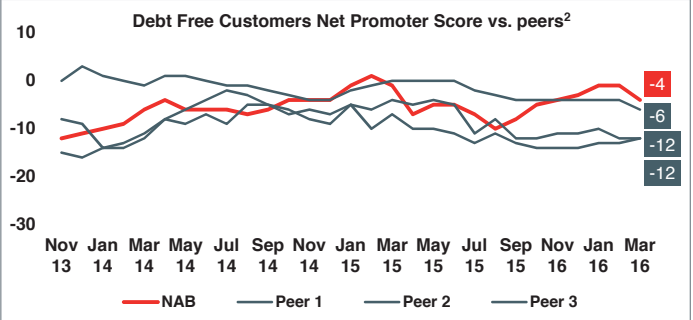


Australian Banking: Customer Engagement – Net Promoter Score¹

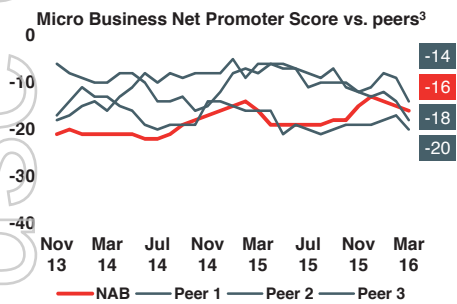
Mortgage Customers



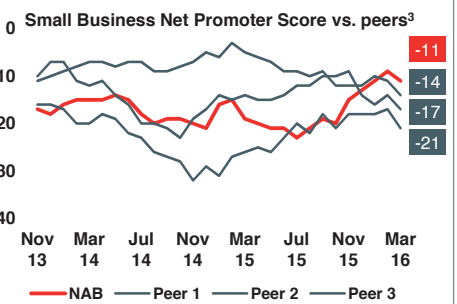
Debt Free Customers



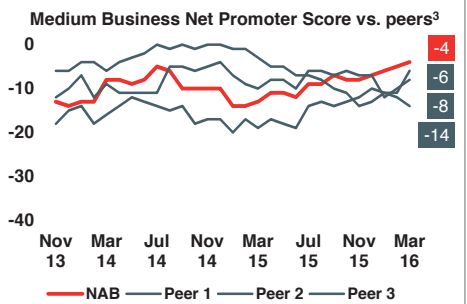
Micro Business



Small Business



Medium Business

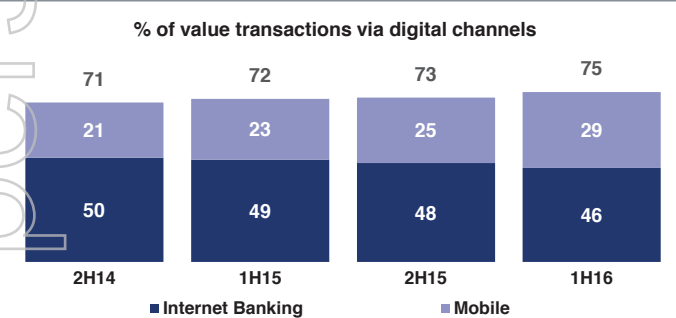


- Net Promoter® and NPS® are registered trademarks and Net Promoter Score and Net Promoter System are trademarks of Bain & Company, Satmetrix Systems and Fred Reichheld
- Roy Morgan Research, NAB defined Mortgage and Debt Free Customers, Australian population aged 14+, six month rolling average
- DBM Business Financial Services Monitor; all customers' six month rolling averages for Micro Business (<\$1m), Small Business (\$1m-<\$5m) and Medium Business (\$5m-<\$50m)

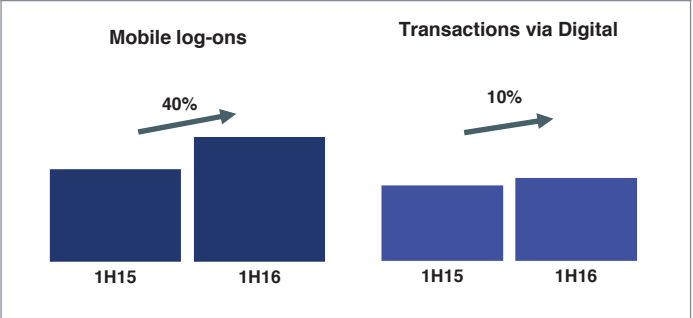


Australian Banking: Digital and direct

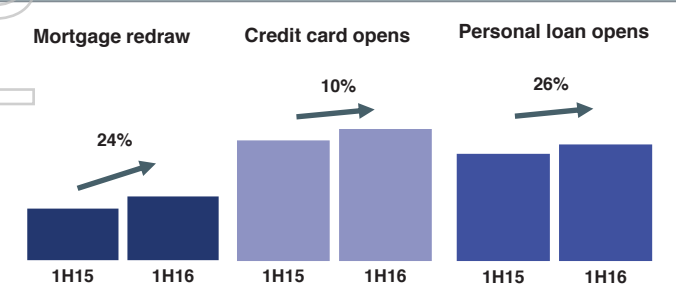
Continued migration to digital and mobile



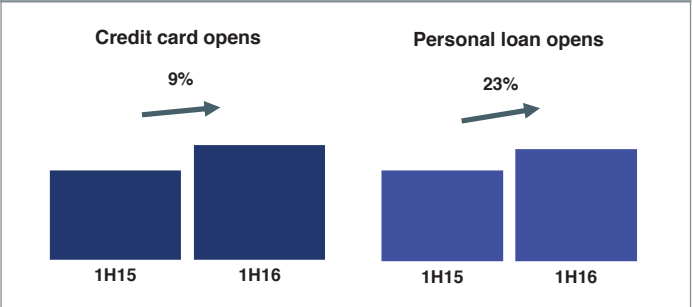
Increased digital engagement



Uplift in Retail online sales

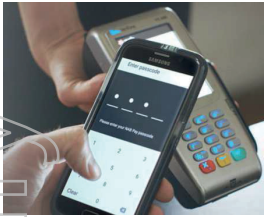


Direct (Contact Centres)



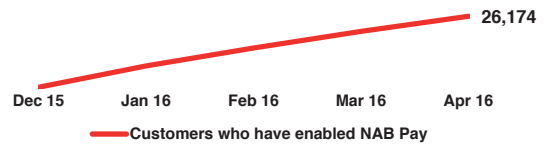
Australian Banking: Digital – NAB Pay

NAB Pay launched in January 2016



- Contactless purchases using Android¹ phone
 - Debit capability launched January 2016
 - Credit capability launched March 2016
- To make payment place back of phone on any contactless card reader
- For payments >\$100, card PIN required
- Just as secure as card payments and covered by NAB Defence fraud protection

>25,000 customers enabled



To use NAB Pay customers with an Android phone¹ require:

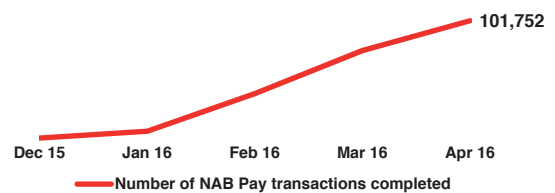


A NAB Visa Debit Card, a Visa Qantas Credit card or a Visa Velocity Credit card



The latest version of the NAB app for Android

>100,000 transactions completed

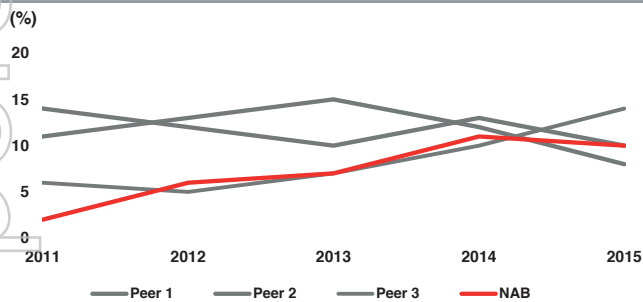


(1) With built-in NFC and running Android 4.4 or higher

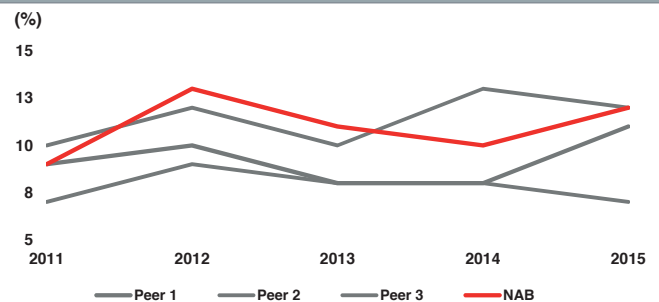


Australian Banking: Markets – Market share trends¹

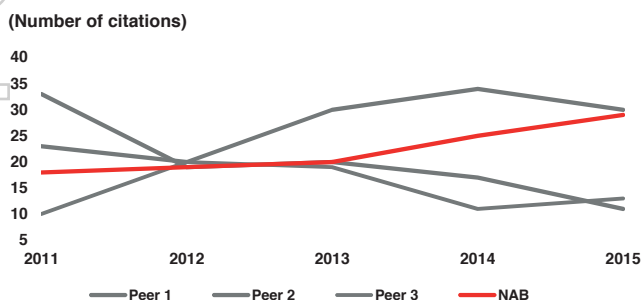
Govt and Semi-Govt Bonds²



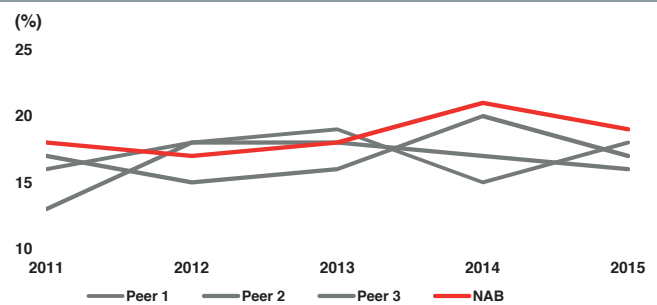
Foreign Exchange – Corporates and Financial Institutions³



Debt Markets Origination⁴ – Lead dealer relationships



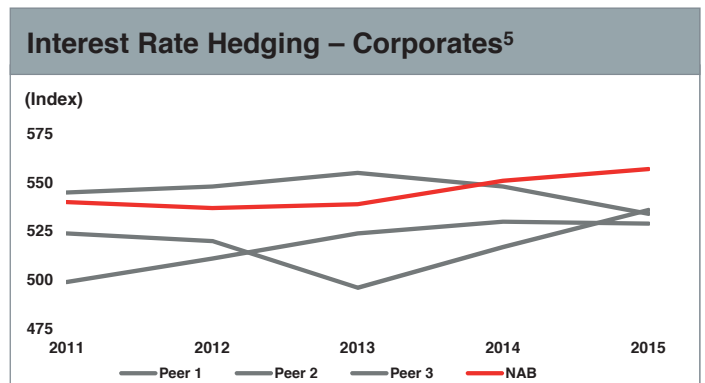
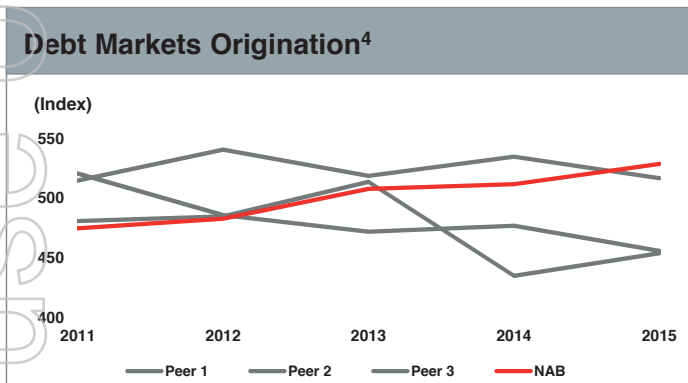
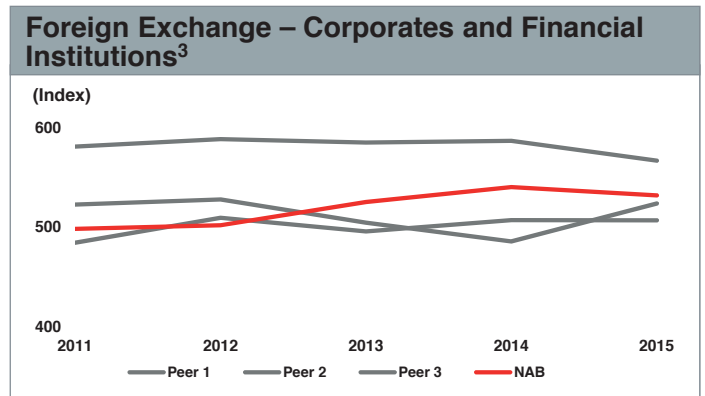
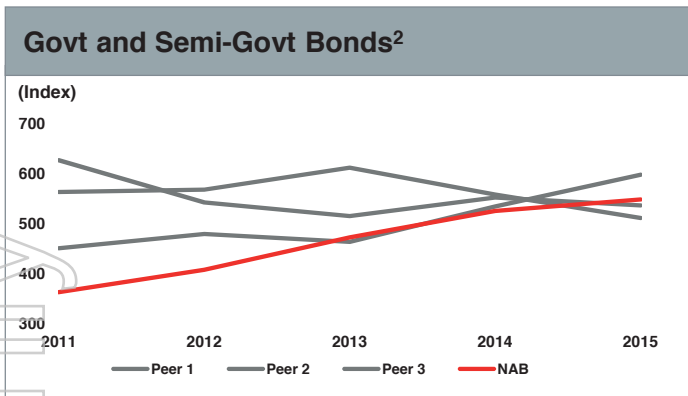
Interest Rate Hedging – Corporates⁵



(1) All data is taken from the most recently published Peter Lee Associates surveys available
 (2) Peter Lee Associates Debt Securities Investors Survey 2015 ('Most Active' Investors). Based on the four major domestic banks
 (3) Peter Lee Associates Foreign Exchange Survey 2015. Based on top four banks by penetration
 (4) Peter Lee Associates Debt Securities Origination Survey 2015. Based on top four banks by penetration
 (5) Peter Lee Associates Interest Rate Derivatives Survey 2015. Based on top four banks by penetration



Australian Banking: Markets – Relationship Strength Index¹



(1) All data is taken from the most recently published Peter Lee Associates surveys available
 (2) Peter Lee Associates Debt Securities Investors Survey 2015 ('Most Active' Investors). Based on the four major domestic banks
 (3) Peter Lee Associates Foreign Exchange Survey 2015. Based on top four banks by penetration
 (4) Peter Lee Associates Debt Securities Origination Survey 2015. Based on top four banks by penetration
 (5) Peter Lee Associates Interest Rate Derivatives Survey 2015. Based on top four banks by penetration



NAB's operational focus in Asia

Strategic focus & capability

NAB in Asia is aligned to the NAB Group priorities and focused on:

- Supporting connectivity in trade and investment flows between Australia / New Zealand and Asia
- Leveraging our deep Australian network of experienced specialist SME bankers supported by customer coverage on the ground in Asia
- Servicing the needs of customers in food & agriculture, healthcare & education, energy, resources & infrastructure sectors, and major financial institutions & corporates
- Providing onshore and offshore capability in trade financing, FX and interest rate products, bonds, commodity risk management, multi-currency lending & deposits

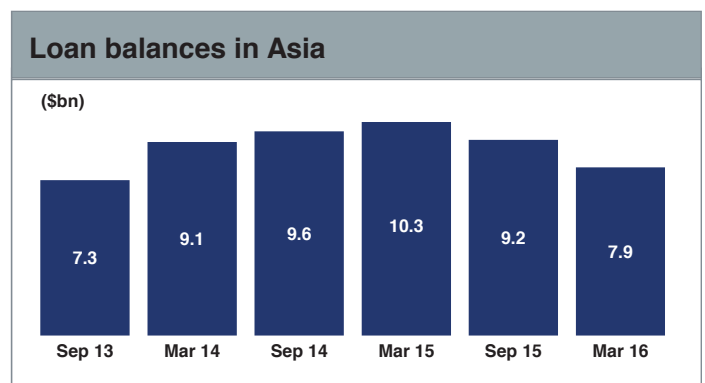
Progress update

Providing capability uplift for our franchise customers:

- Launched the *NAB Business Asia Hub* – a website which combines industry, government and business insights, and is dedicated to support SME customers seeking to do business in Asian markets
- Completed the first RMB loan drawdown in China following RMB Shanghai license acquisition in August 2015
- Launched loan draw-down capability in Beijing, subsequent to officially opening new Beijing Branch in November 2015

Geographic presence

1. Tokyo Branch and Osaka Sub Branch
2. Shanghai Branch
3. Beijing Branch
4. Hong Kong Branch
5. Hanoi Representative Office
6. Jakarta Representative Office
7. Singapore Branch
8. Mumbai Branch



Additional Information

Australian Banking

NZ Banking

NAB Wealth

Group Asset Quality

Capital and Funding

Environmental, Social and Governance

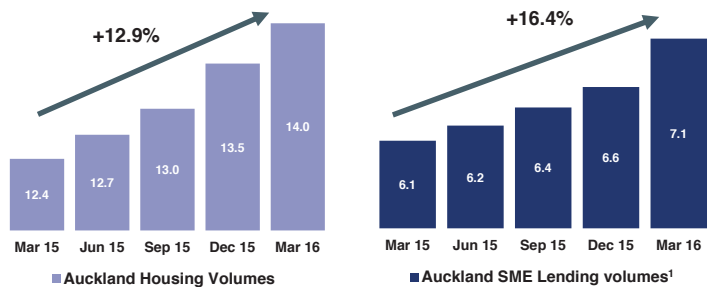
Economic Outlook



Targeted growth in Auckland market

Auckland investment gaining traction

- Investment in Auckland delivering strong volume growth with focus on priority segments
- Number of mortgage brokers in Auckland grown from ~100 in Jun 15 to ~230 in March 16
- FTE investment concentrated on Auckland small business, broker and housing



Improved customer experience enabled by technology and process simplification



- ~600,000 customers migrated to new Retail Digital Banking platform, deepening customer relationships and resulting in better customer retention

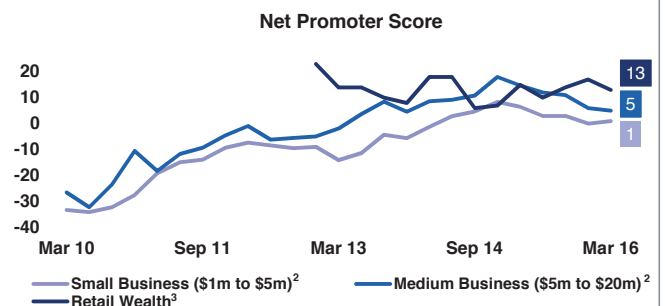


- Customer basics programme:

- Positively impacted ~295,000 customer interactions so far, enhancing customer experience



- Corresponding 29% YoY drop in complaints

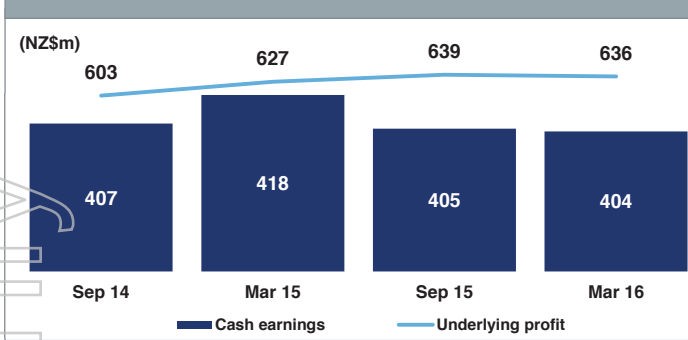


(1) Auckland SME includes housing products
 (2) Source: TNS Business Finance Monitor, 12 month roll
 (3) Source: Camorra Research - Retail Market Monitor, 6 month roll

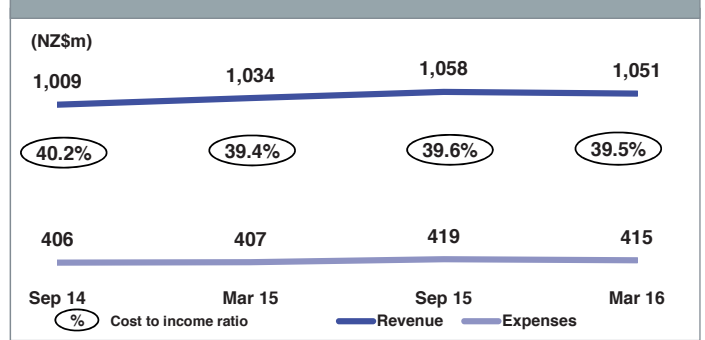


New Zealand Banking

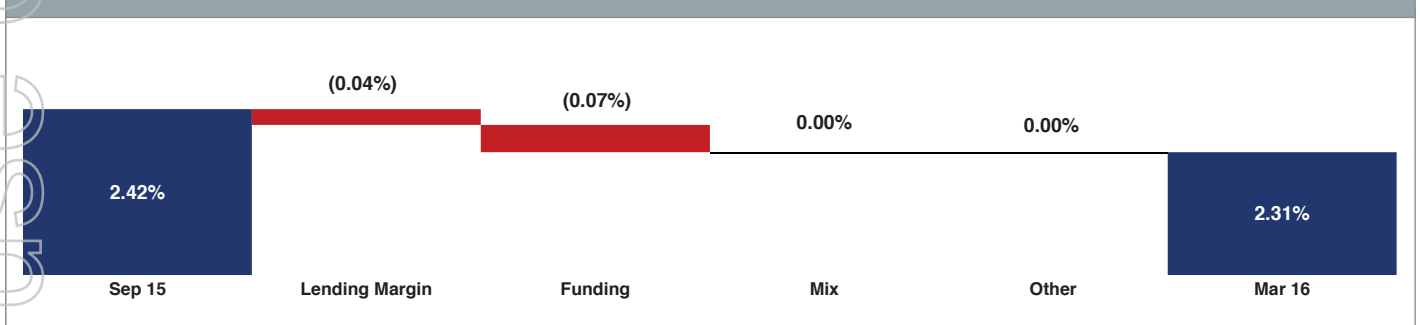
Cash earnings and underlying profit¹



Revenue v expense growth



Net Interest Margin: September 15 v March 16



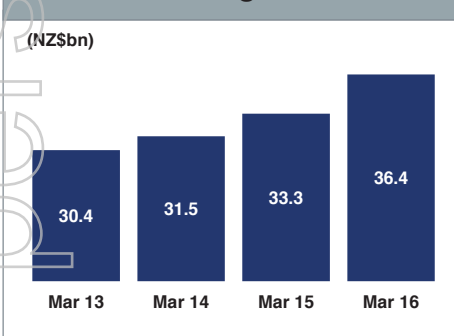
(1) Underlying profit represents cash earnings before various items, including tax expense and the charge for bad and doubtful debts. It is not a statutory financial measure



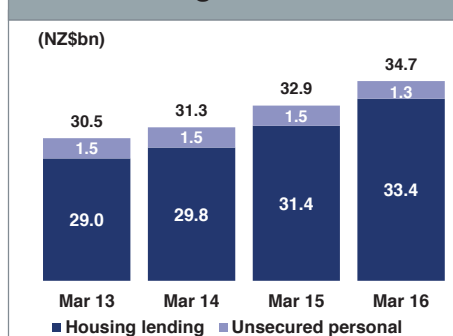
61

New Zealand Banking: Volumes and market share

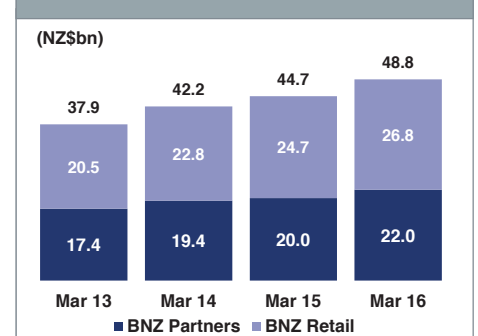
Business lending



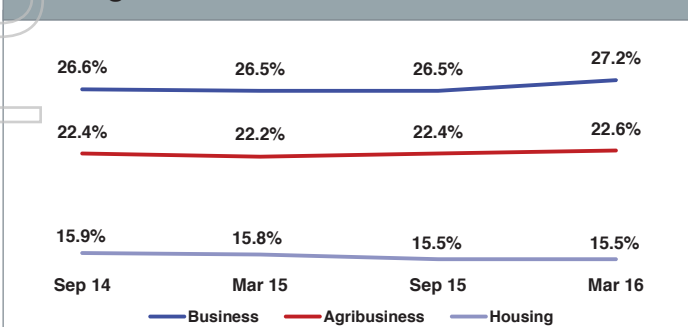
Retail lending



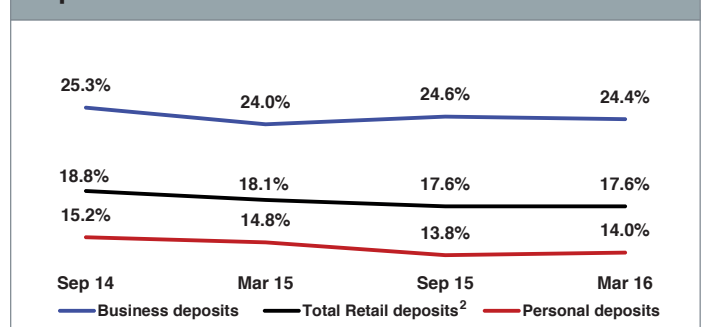
Customer deposits



Lending market share¹



Deposit market share¹

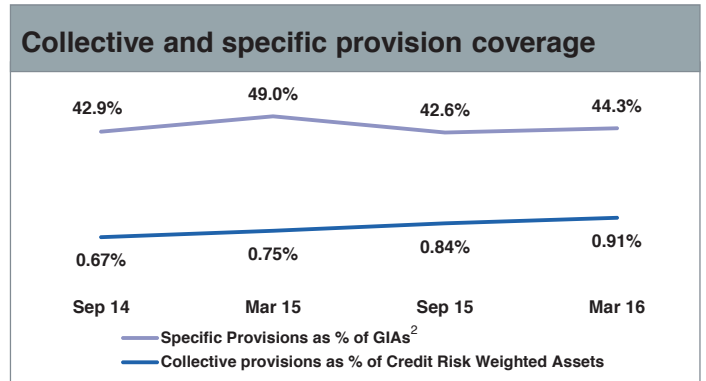
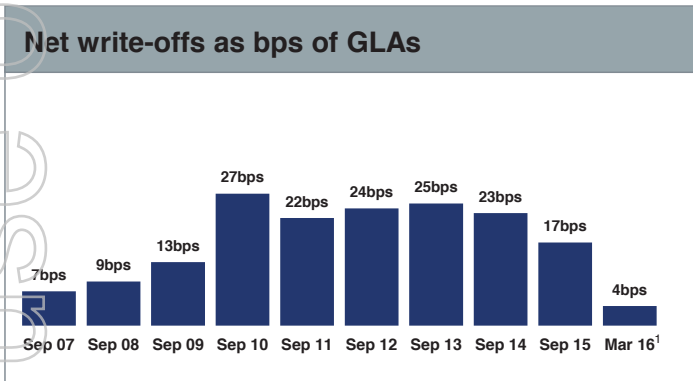
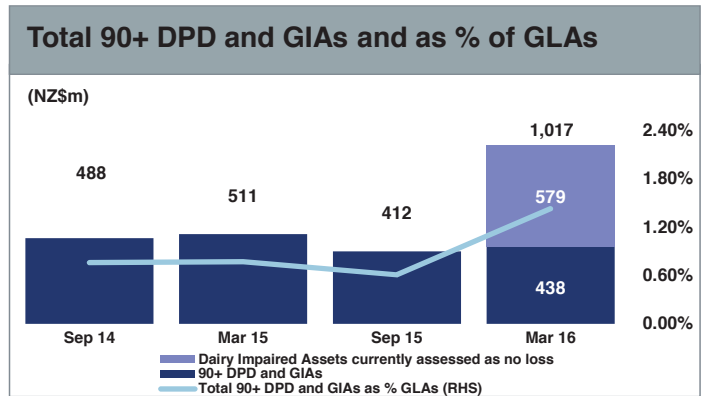
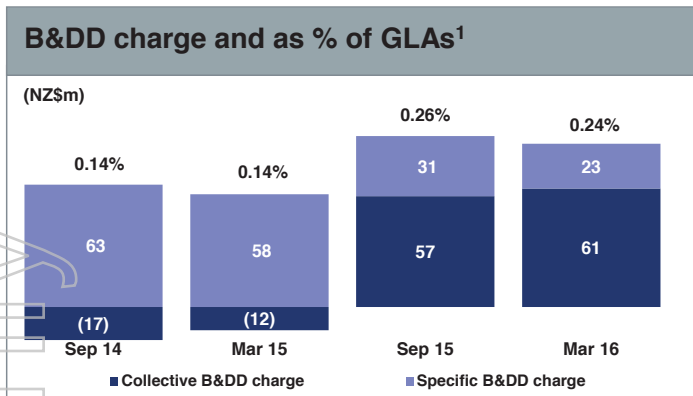


(1) Source RBNZ: Historical market share rebased with latest revised RBNZ published data
 (2) Source RBNZ: Retail deposits include both Personal and Business deposits



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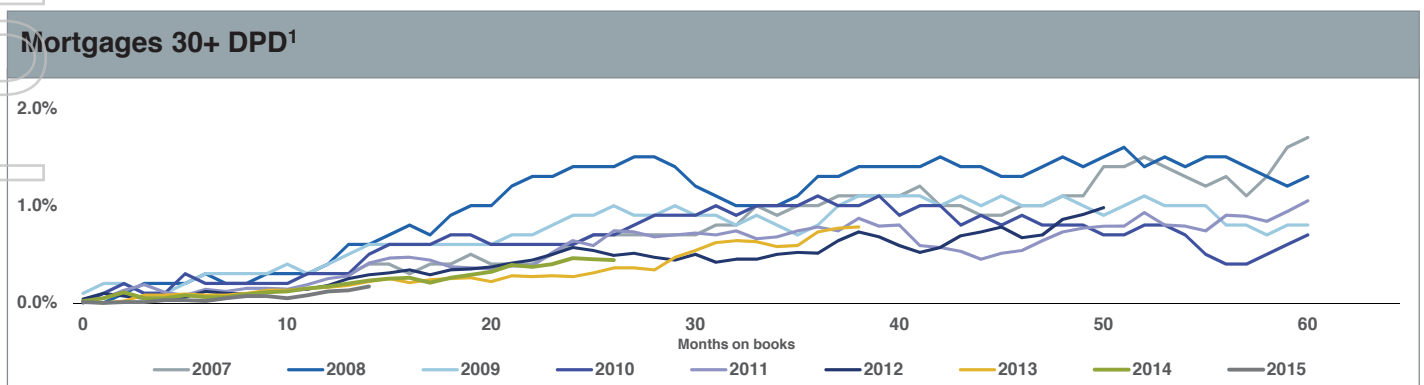
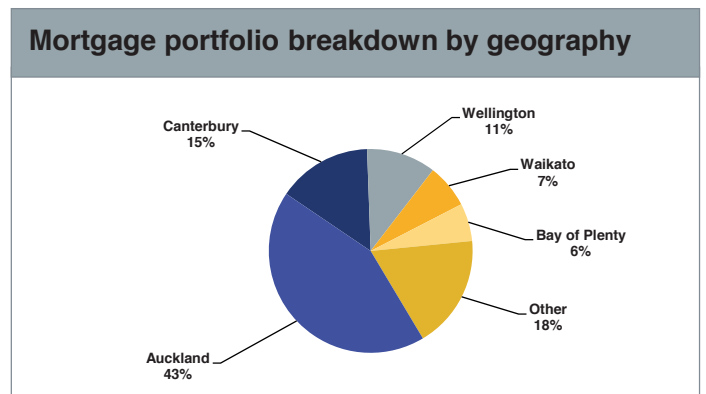
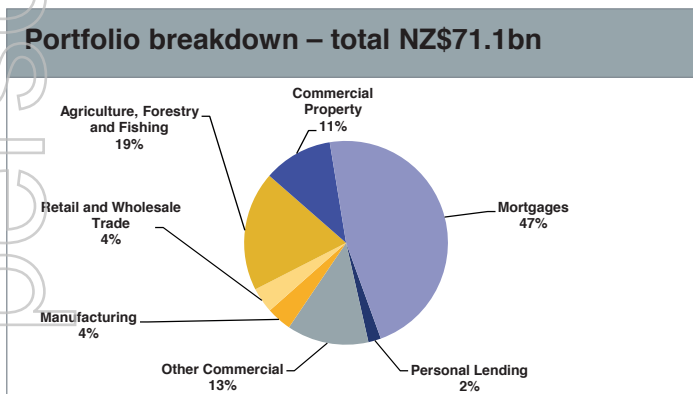
New Zealand Banking: Asset quality



(1) Half year B&DD as a % of GLAs annualised
 (2) 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



New Zealand Banking: Lending mix and asset quality



(1) The New Zealand vintage methodology differs from Australia Banking which is calculated on a cumulative basis



New Zealand Banking: Housing lending – Key metrics

New Zealand Housing lending	Sep 14	Mar 15	Sep 15	Mar 16
Low Documentation	0.18%	0.15%	0.13%	0.10%
Proprietary	100%	100%	99.6%	97.1%
Third Party Introducer	0.0%	0.0%	0.4%	2.9%
Variable rate lending drawn balance	28.2%	25.5%	23.1%	21.1%
Fixed rate lending drawn balance	68.1%	70.8%	73.5%	75.7%
Line of credit drawn balance	3.7%	3.7%	3.4%	3.2%
Interest only drawn balance ¹	23.5%	23.2%	23.8%	24.0%
Insured % of Total Portfolio ²	9.9%	8.5%	7.3%	6.1%
Current LVR on a drawn balance calculated basis	63.8%	63.5%	63.1%	62.8%
LVR at origination	69.1%	68.9%	68.4%	67.9%
Average loan size NZ\$ ('000)	289	296	304	316
90+ days past due ratio	0.11%	0.17%	0.14%	0.17%
Impaired loans ratio	0.21%	0.16%	0.13%	0.11%
Specific provision coverage ratio	33.1%	36.9%	35.5%	47.0%
Loss rate ³	0.03%	0.04%	0.03%	0.02%

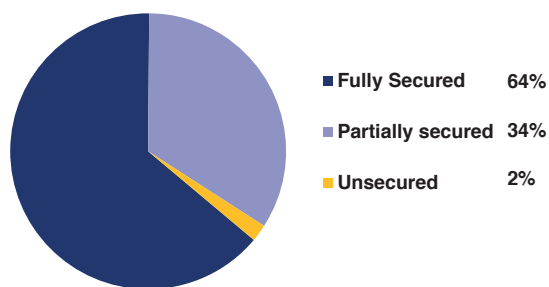
- (1) Excludes Line of credit
 (2) Insured includes both LMI and Low Equity Premium
 (3) 12 month rolling Net Write-offs / Spot Drawn Balances



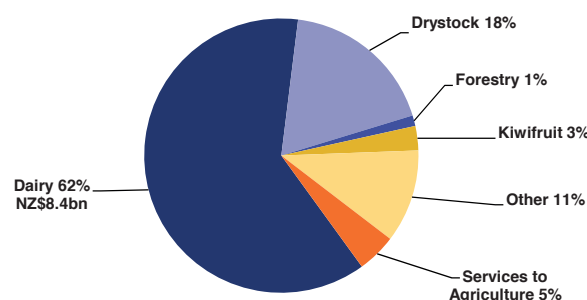
65

New Zealand Banking: Agribusiness and dairy portfolio

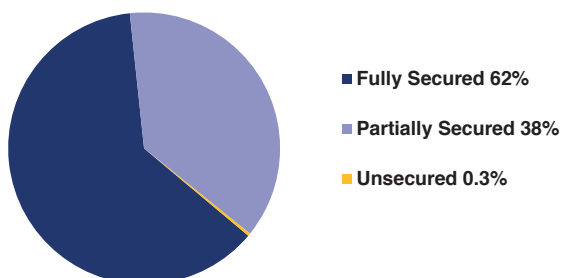
Agribusiness portfolio



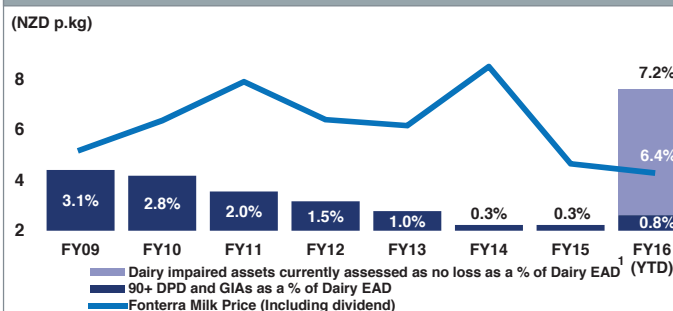
Agribusiness NZ\$13.6bn – 19% of total GLAs



Dairy portfolio



90+ DPD & GIAs as % of Dairy EAD



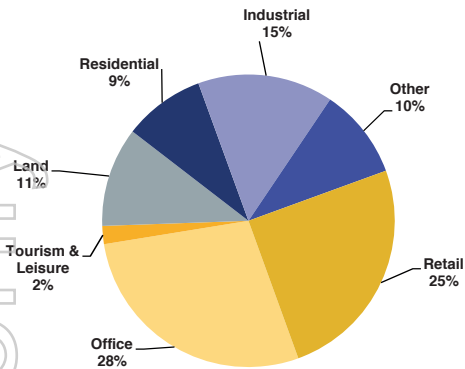
(1) NZ Banking dairy exposures currently assessed as no loss based on security held



66

New Zealand Banking: Commercial Real Estate

Total NZ\$8.0bn
11.1% of Gross Loans & Acceptances

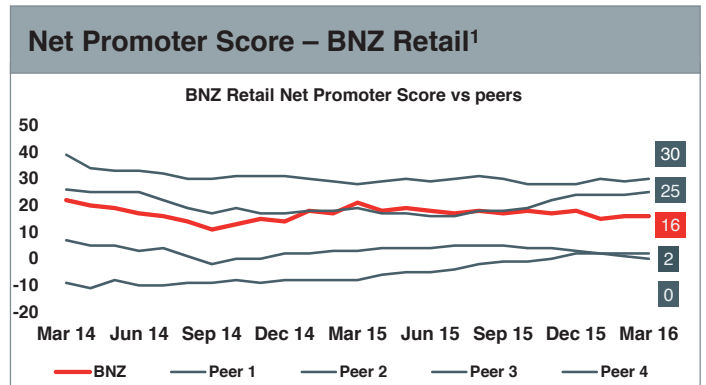
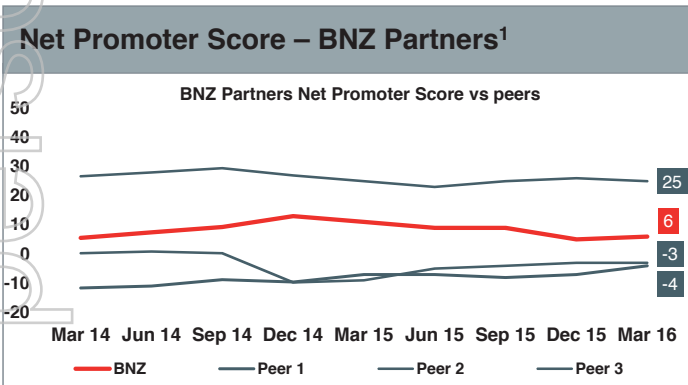


Region	Auckland	Other Regions	Total	
Location	47%	53%	100%	
Loan Balance < NZ\$5m	23%	40%	31%	
Loan Balance > NZ\$5m<NZ\$10m	14%	15%	15%	
Loan Balance > NZ\$10m	63%	45%	54%	
Loan tenor < 3 yrs	95%	88%	92%	
Loan tenor > 3 < 5 yrs	1%	3%	2%	
Loan tenor > 5 yrs	4%	9%	6%	
Average loan size NZ\$m	5.4	2.9	3.8	
Security Level ¹	Fully Secured	55%	59%	57%
	Partially Secured	40%	34%	37%
	Unsecured	5%	7%	6%
90+ days past due	0.32%	1.07%	0.72%	
Impaired Loans	0.30%	0.12%	0.20%	
Specific Provision Coverage	12.2%	64.4%	28.5%	
Trend	Sep 14	Mar 15	Sep 15	Mar 16
90+ days past due	1.21%	0.80%	0.76%	0.72%
Impaired Loans	0.58%	0.57%	0.27%	0.20%
Specific Provision Coverage	22.5%	21.5%	26.4%	28.5%

(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 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



New Zealand Banking Net Promoter Score



(1) Source: Retail Market Monitor data on six monthly roll; Partner – Business Finance Monitor data on a 12 month roll



Additional Information

Australian Banking

NZ Banking

NAB Wealth

Group Asset Quality

Capital and Funding

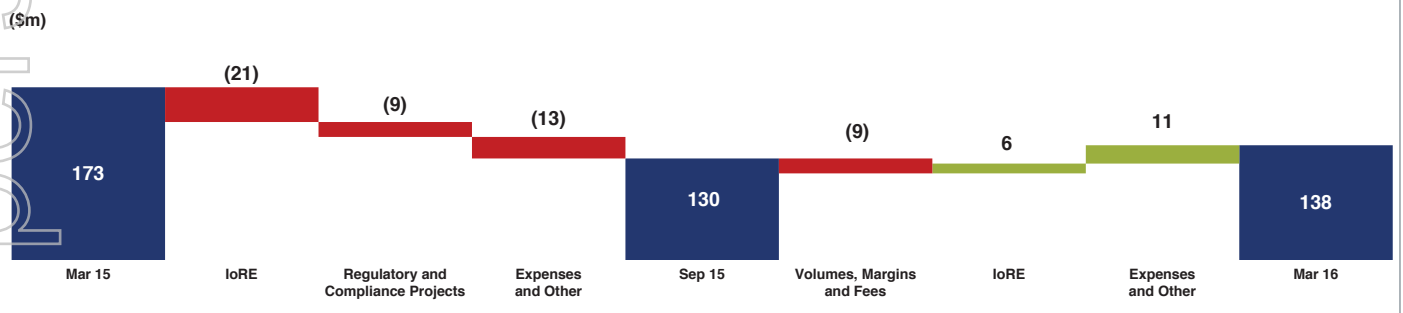
Environmental, Social and Governance

Economic Outlook

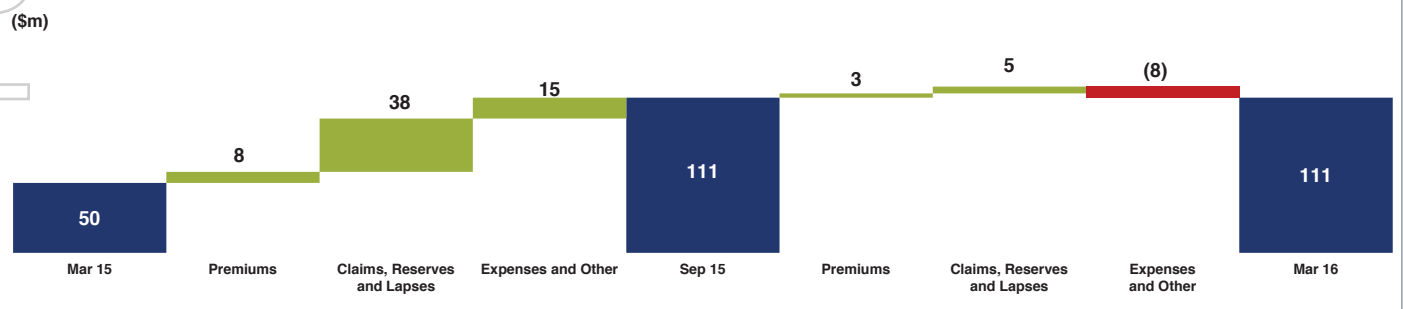


NAB Wealth: Cash earnings

Investments cash earnings

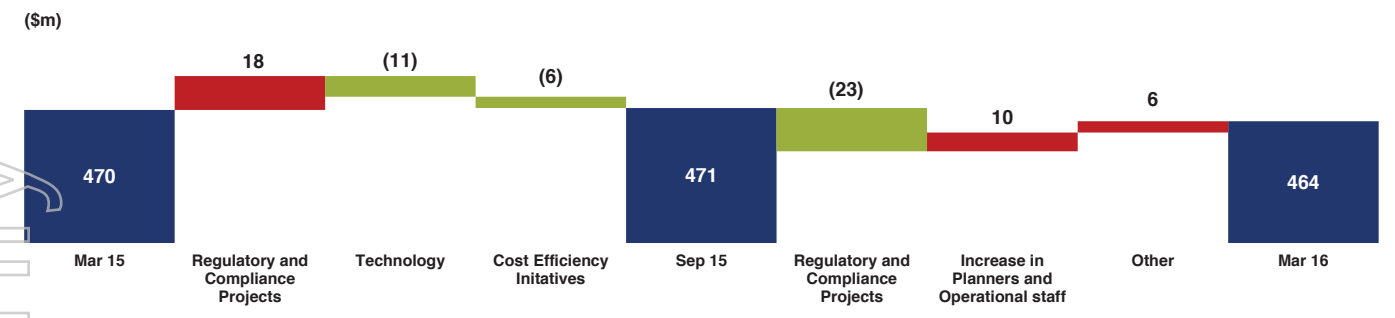


Insurance cash earnings

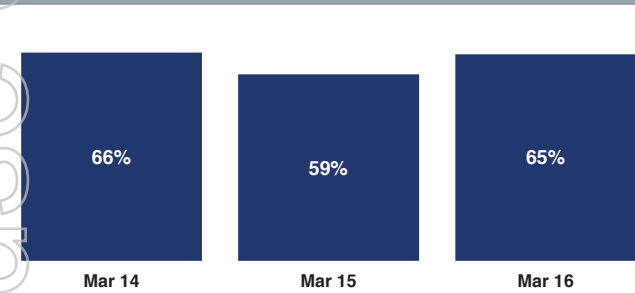


NAB Wealth: Operating Expenses

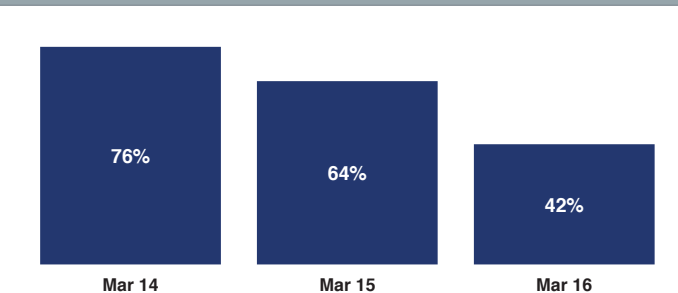
Movements in operating expenses



Investments cost to income



Insurance cost to income

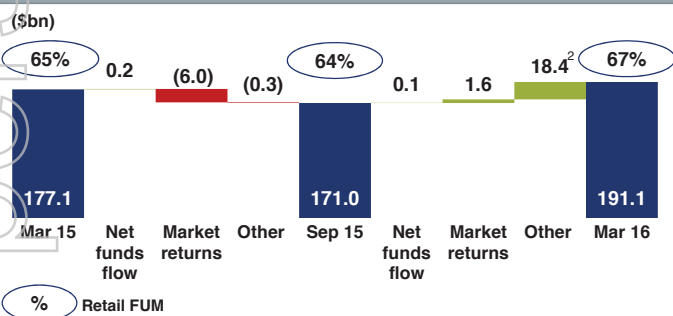


71

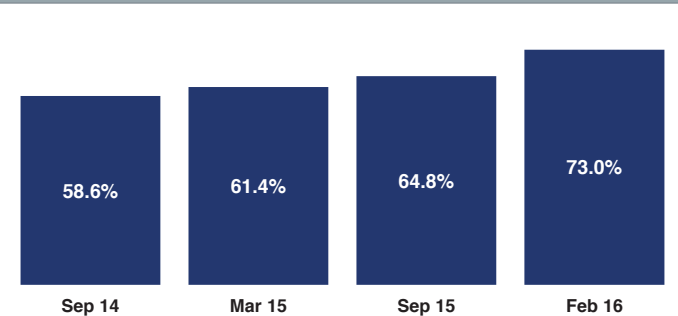


NAB Wealth: Investments

Movement in FUM¹



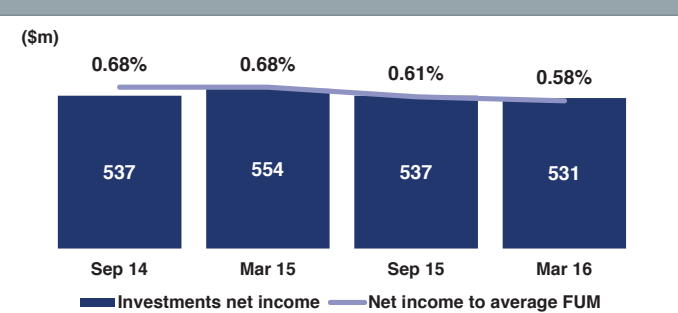
3 year performance of FUM exceeding benchmark²



Net Funds Flow¹ and spot FUM by product group

Product group	1H15 Net Funds Flow (\$m)	2H15 Net Funds Flow (\$m)	1H16 Net Funds Flow (\$m)	Spot FUM at 31 Mar 2016 (\$m)
Retail Platforms ³	825	1,018	1,163	79,259
Business & Corporate Superannuation	(197)	(187)	(132)	34,947
Offsale Retail Products & Other	(1,030)	(689)	(622)	14,482
Wholesale (Investment Management, JANA and Boutiques)	(640)	40	(303)	62,441
Total Net Funds Flow	(1,042)	182	106	191,129

Net income to average FUM¹

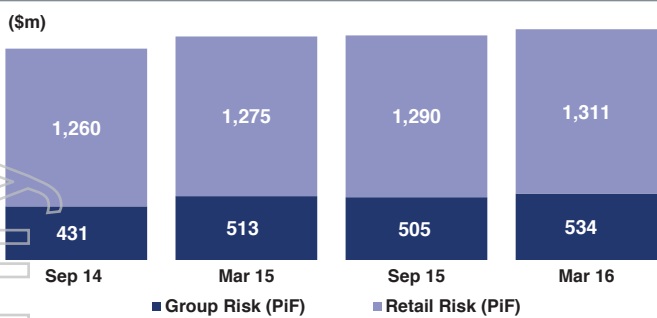


(1) FUM on a proportional ownership basis. 1H16 margins include the addition of JBWere FUM. Prior period margins have not been restated as the impact is not material
 (2) This is a representative measure of performance across all asset classes which is inclusive of approximately 75% of funds under management
 (3) 1H16 net funds flow and spot FUM for Retail Platforms include JBWere from January 2016 since acquiring final 20% ownership. Prior periods have not been restated

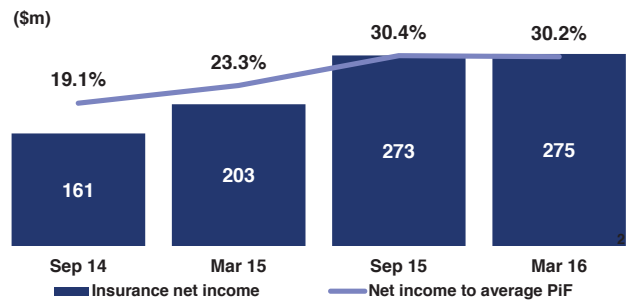


NAB Wealth: Insurance

Premiums in force (PiF)



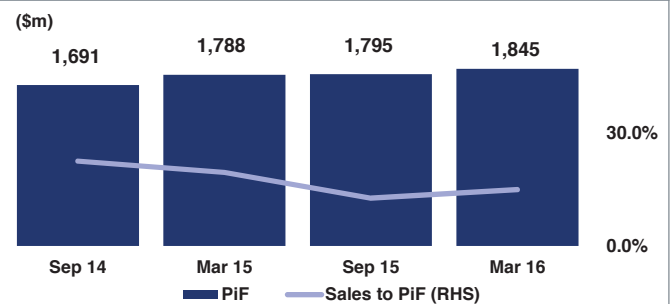
Net income to average PiF



Performance of key insurance metrics

• Group and retail premiums annualised	↑
• Improved retail and group claims half on half	↑
• Lapses improved half on half through focus on retention initiatives	↑

Insurance sales annualised as % of PiF



Additional Information

Australian Banking

NZ Banking

NAB Wealth

Group Asset Quality

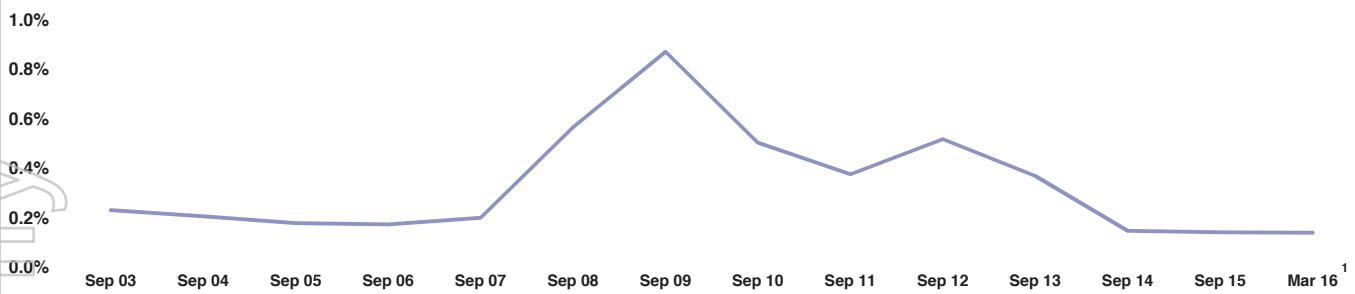
Capital and Funding

Environmental, Social and Governance

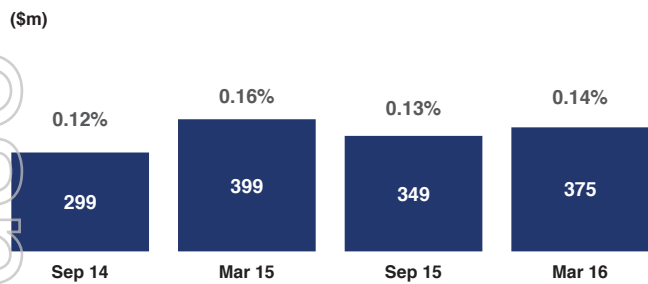
Economic Outlook

Group B&DD charge

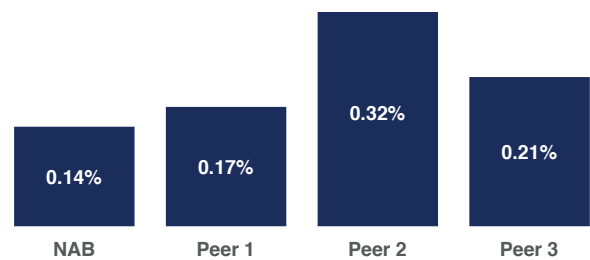
B&DD charge as a % of GLAs



B&DD charge and as % of GLAs²



B&DD charge to GLAs – compared to peers³



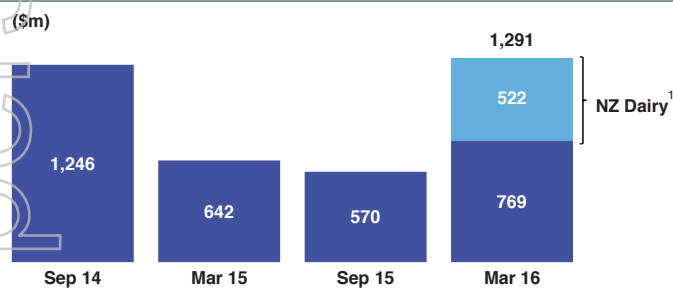
- (1) March 2016 half year annualised
 (2) Ratios for all periods refer to the half year ratio annualised
 (3) NAB March 2016 half year annualised. Peer ratios based on most recent results announcement

75

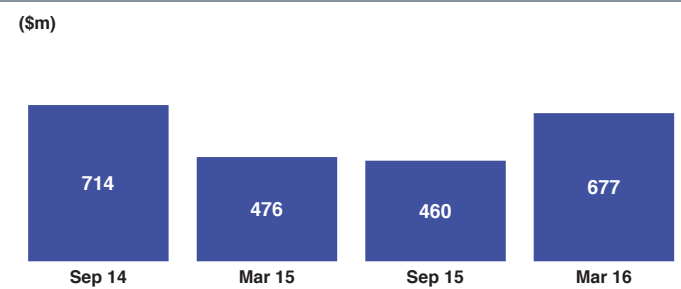


Group asset quality – new impaired assets

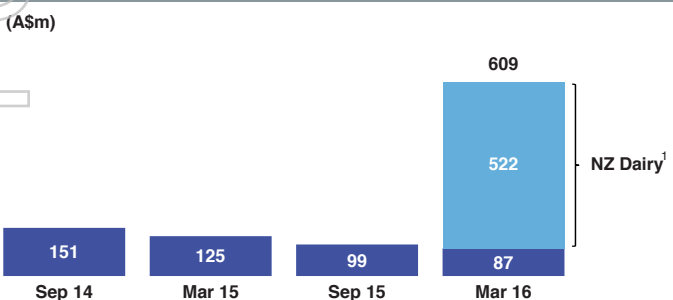
Group



Australian Banking



NZ Banking



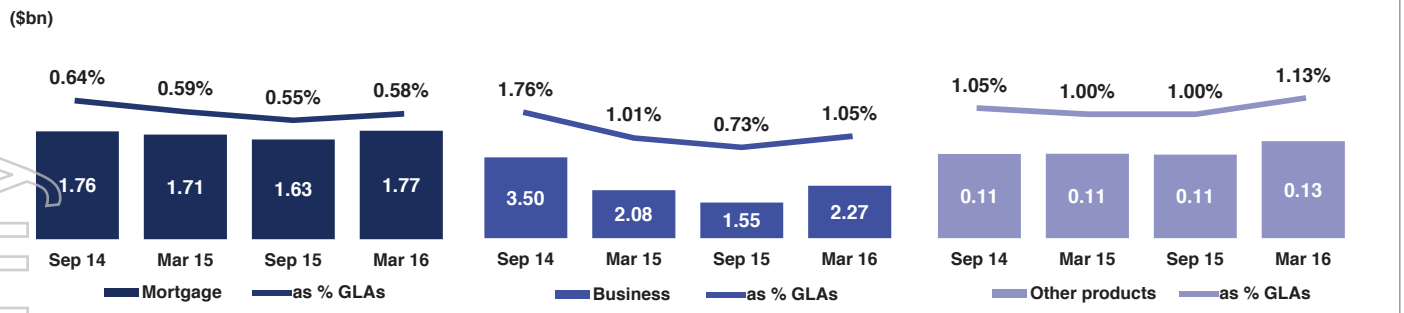
- (1) March 2016 includes NZ Banking dairy exposures currently assessed as no loss based on security held

76

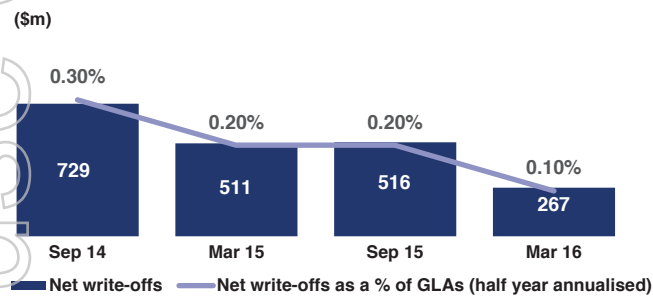


Group asset quality

90+ DPD & GIAs as a % of GLAs by product

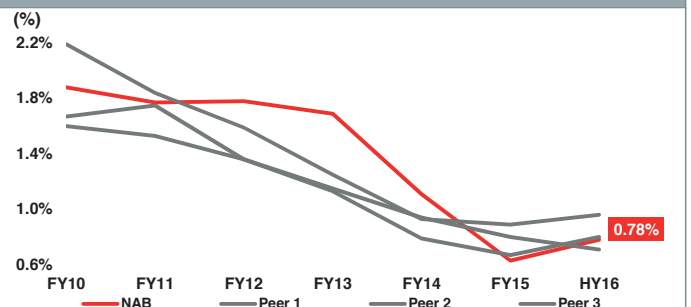


Net write-offs¹



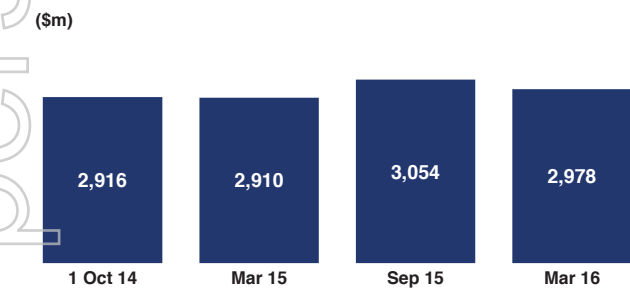
- (1) Includes write-offs of fair value loans
 (2) 1H16 based on latest peer results announcements

90+ DPD & GIAs to GLAs²

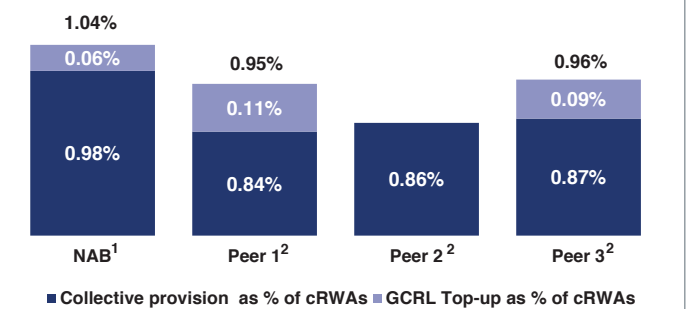


Group provisions

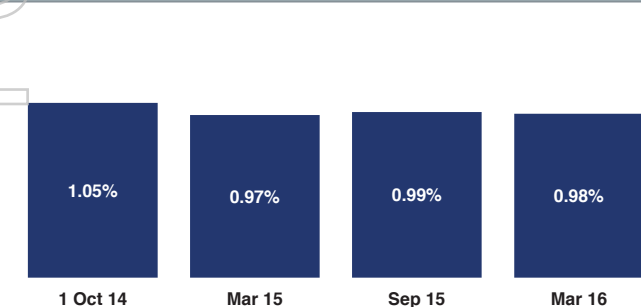
Collective provision



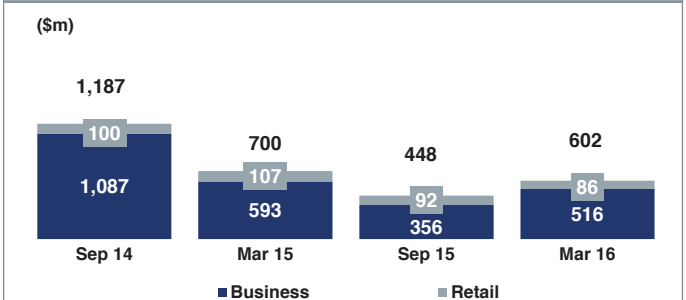
Collective provision coverage



Collective provisions as a % of cRWAs



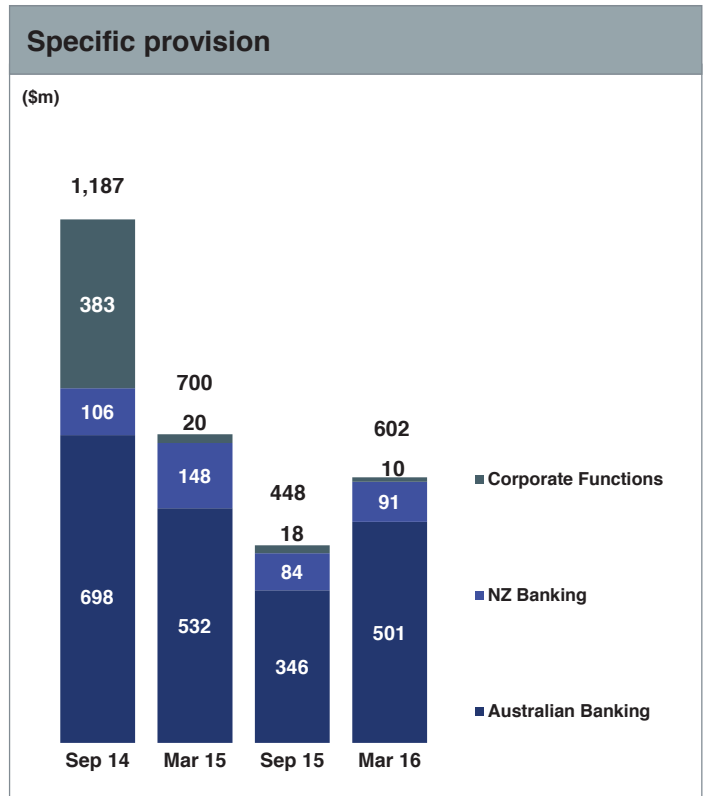
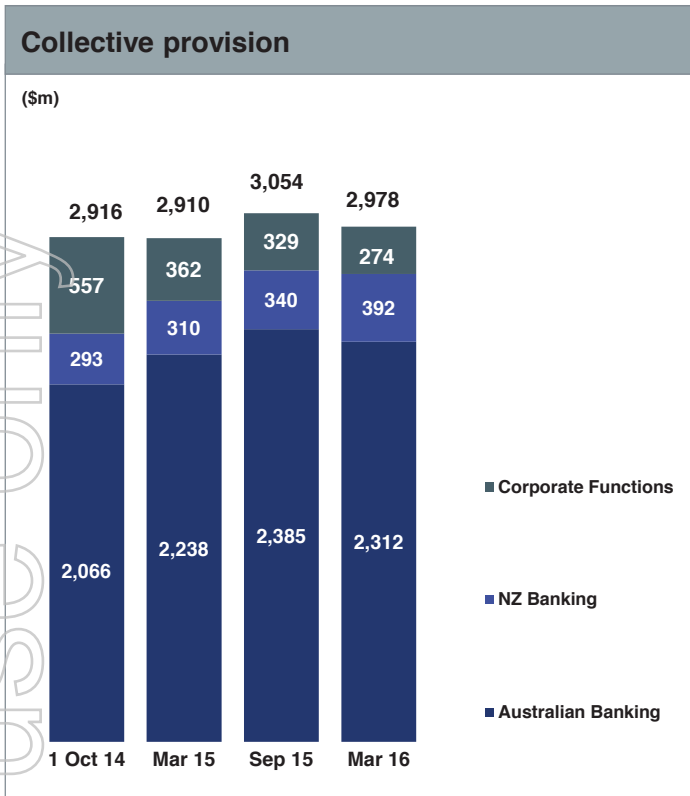
Specific provision balances



- (1) Includes 10bps of collective provisions on derivatives as % of cRWAs
 (2) Latest Pillar 3 disclosures



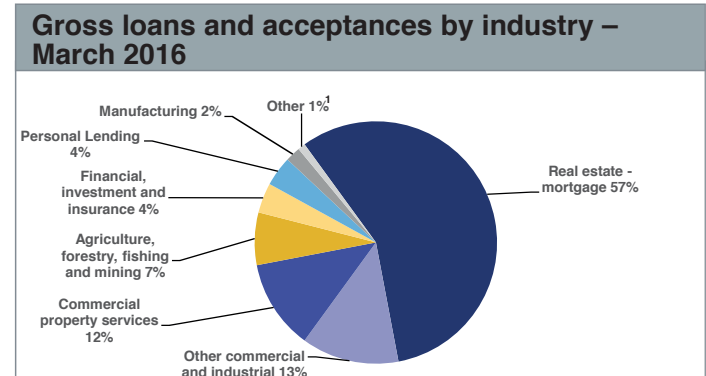
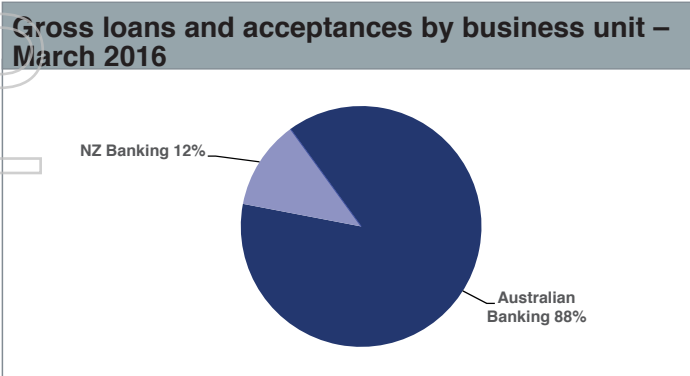
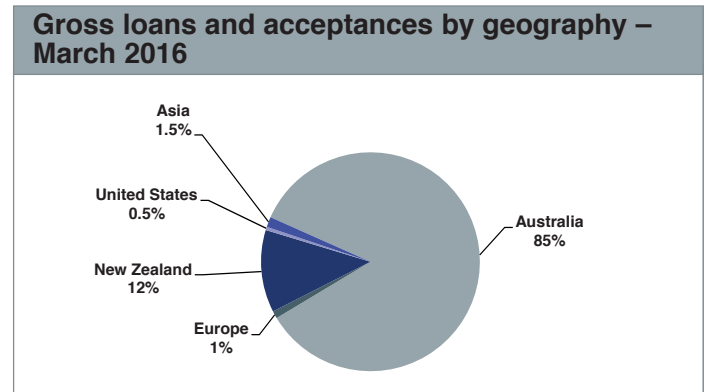
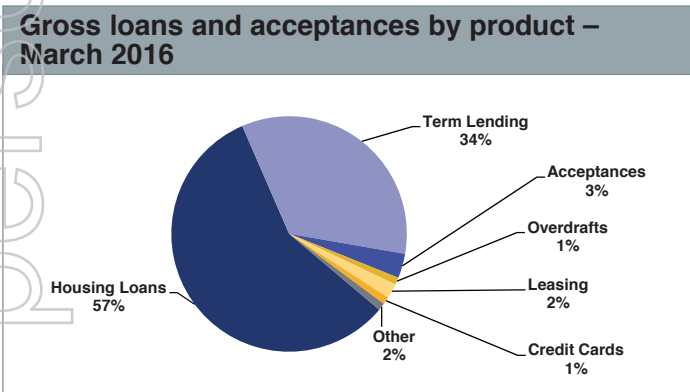
Group provision movements



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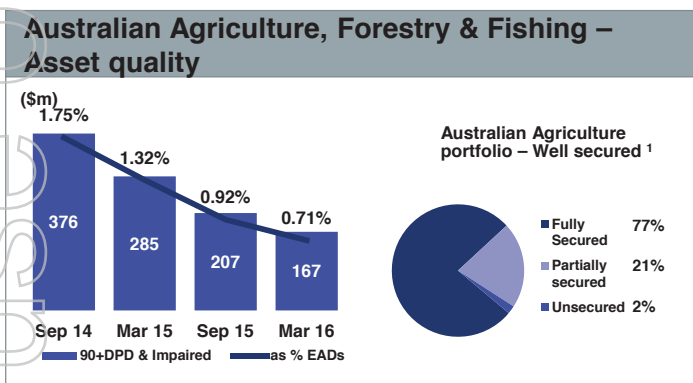
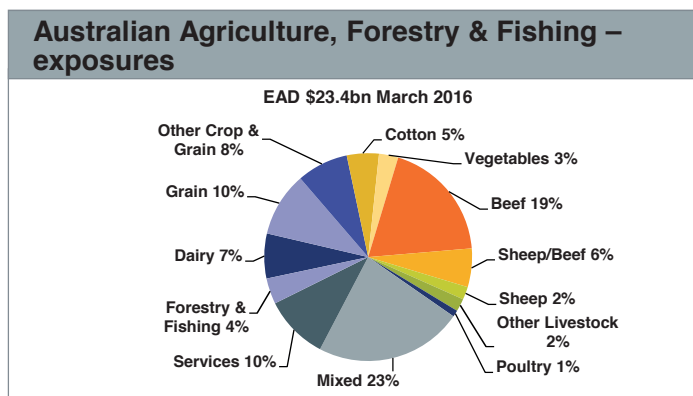
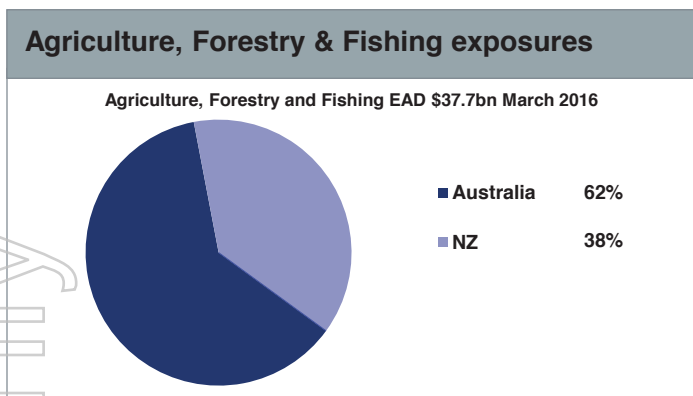
Group portfolio – \$532bn



(1) Other includes: Real estate - construction, Government and public authorities



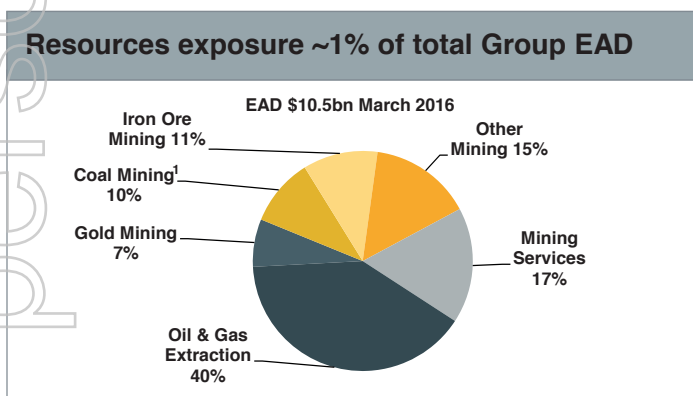
Agricultural exposures



(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 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



Resources exposures



- ### Asset quality considerations
- Exploration & Production exposures to stronger rated investment grade customers are 53%
 - Oil & Gas extraction exposures increased to 40% of resources EAD in Mar 16 (from 37% in Sep 15). Overall Oil & Gas extraction exposure is largely to LNG projects and investment grade customers (89%)
 - Mining Services exposures remained flat at 17% of resources EAD in Mar 16 vs Sep 15. The portfolio is 8% investment grade, 91% partially or well secured
 - Resources 90+ DPD & gross impaired to EAD rose to 3.08% in Mar 16 from 0.61% in Sep 15, predominantly due to the impairment of a small number of individual exposures

(1) Coal mining is composed of black coal mining (99.6%) and brown coal mining (0.4%)



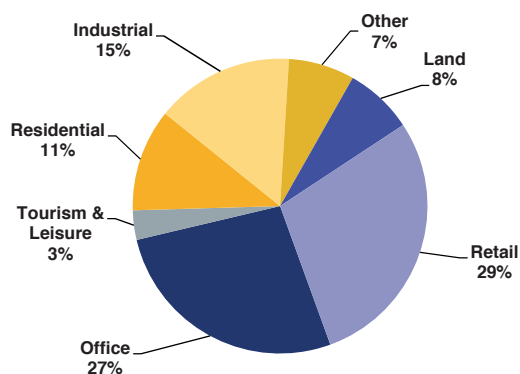
Commercial Real Estate – Group Summary¹

Total \$61.9bn

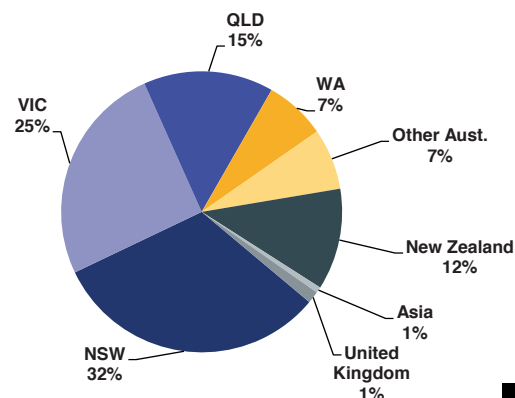
11.6% of Gross Loans & Acceptances

	Aust	NZ	UK Region	Asia	Total	Trend	Sep 14	Mar 15	Sep 15	Mar 16
TOTAL CRE (A\$bn)	53.5	7.2	0.8	0.4	61.9	Impaired loans ratio	2.25%	0.58%	0.42%	0.30%
Increase/(decrease) on Sep 15 (A\$bn)	2.4	0.5	(0.8)	(0.1)	2.0		Specific Provision Coverage	35.2%	22.7%	23.4%
% of GLAs	11.9%	11.1%	15.0%	4.8%	11.6%					
Change in % on September 2015	0.3%	0.3%	12.7%	(0.7%)	1.3%					

Group Commercial Property by type



Group Commercial Property by geography



(1) Measured as balance outstanding at March 2016 per APRA Commercial Property ARF 230 definitions



Eligible Provisions and Regulatory Expected Loss

(\$m)	Sep 15		Mar 16		Movement	
	Defaulted	Non-Defaulted	Defaulted	Non-Defaulted	Defaulted	Non-Defaulted
General Reserve for Credit Losses	364	3,183	412	2,754	48	(429)
Specific Provisions	671		602		(69)	
less: Provisions on standardised portfolio	(279)	(566)	(8)	(75)	271	491
plus: Partial write-offs on IRB portfolio	718		605		(113)	
Total Eligible Provisions	1,474	2,617	1,611	2,679	137	62
Regulatory Expected Loss	1,467	2,532	1,485	2,567	18	35
Shortfall in EP over EL (100% CET1 Deduction)	0	0	0	0	0	0
Surplus in EP over EL (Tier 2 capital for non-defaulted)	7	85	126	112	119	27



Additional Information

Australian Banking

NZ Banking

NAB Wealth

Group Asset Quality

Capital and Funding

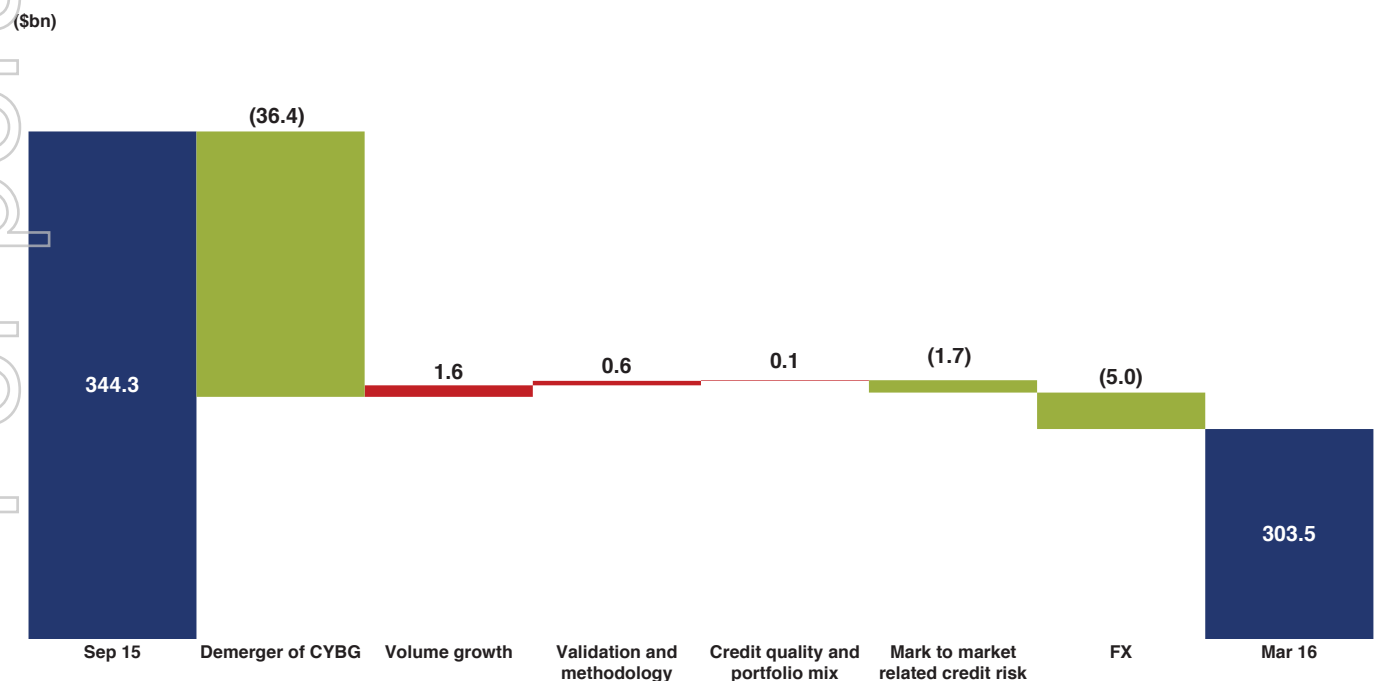
Environmental, Social and Governance

Economic Outlook

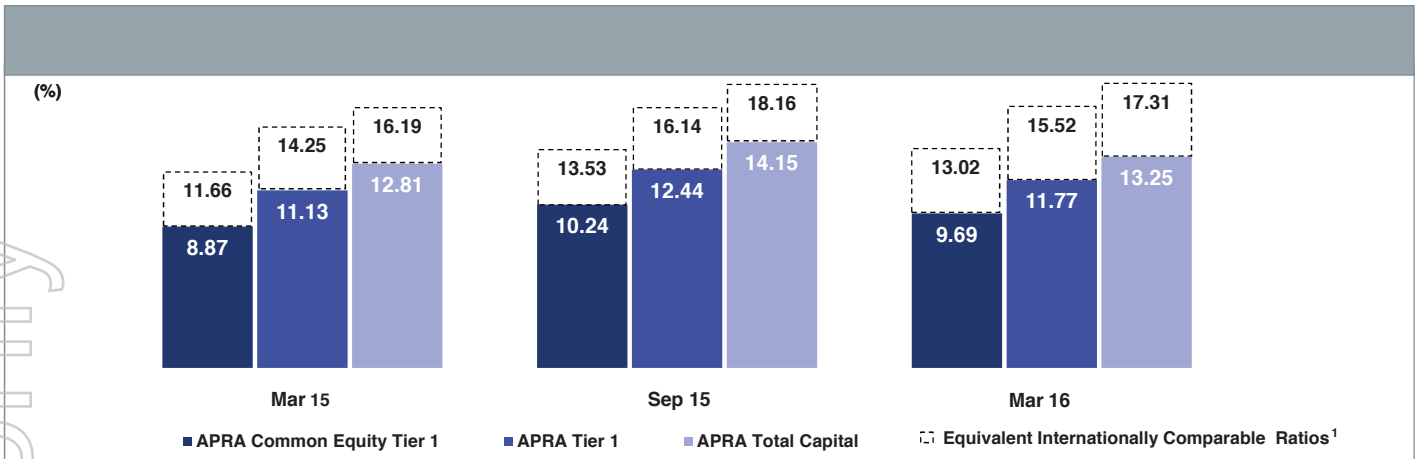


Credit RWA movement

Credit RWA movement September 2015 to March 2016



Group Basel III Capital Ratios



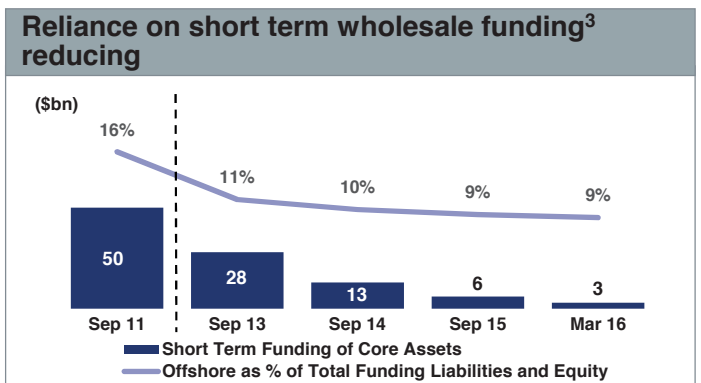
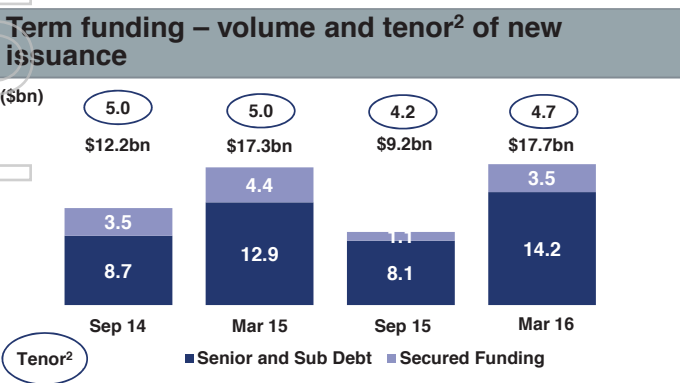
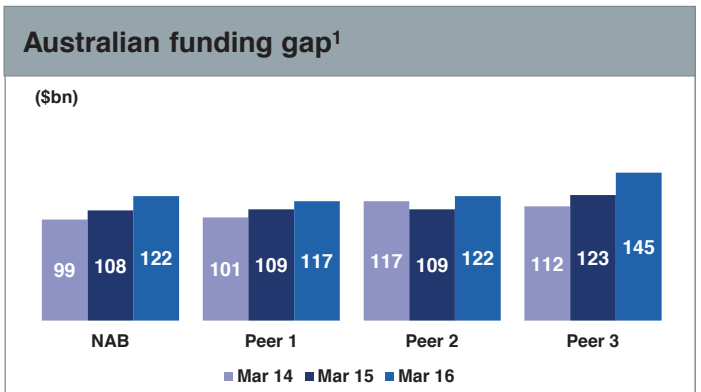
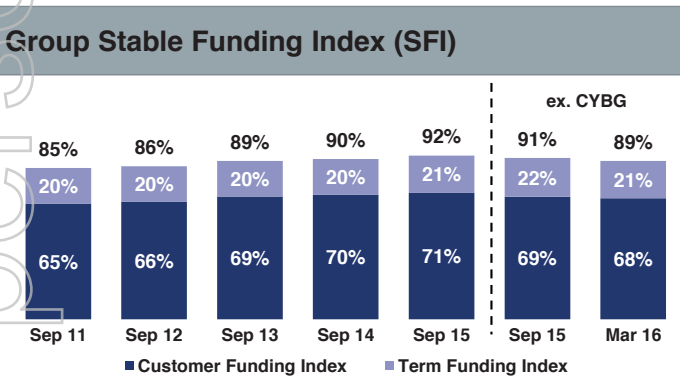
APRA to Internationally Comparable CET1 Ratio Reconciliation

	CET1
NAB CET1 ratio under APRA	9.69%
APRA 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	+83bps
Mortgage loss given default (LGD) – reduction in LGD floor from 20% to 15%	+51bps
Interest rate risk in the banking book (IRRBB) – removal of IRRBB risk weighted assets from Pillar 1 capital requirements	+31bps
Other adjustments including corporate lending adjustments and treatment of specialised lending	+168bps
NAB Internationally Comparable CET1	13.02%

(1) Internationally Comparable ratios at 30 September 2015 and 31 March 2016 align with the APRA study entitled "International capital comparison study" released on 13 July 2015



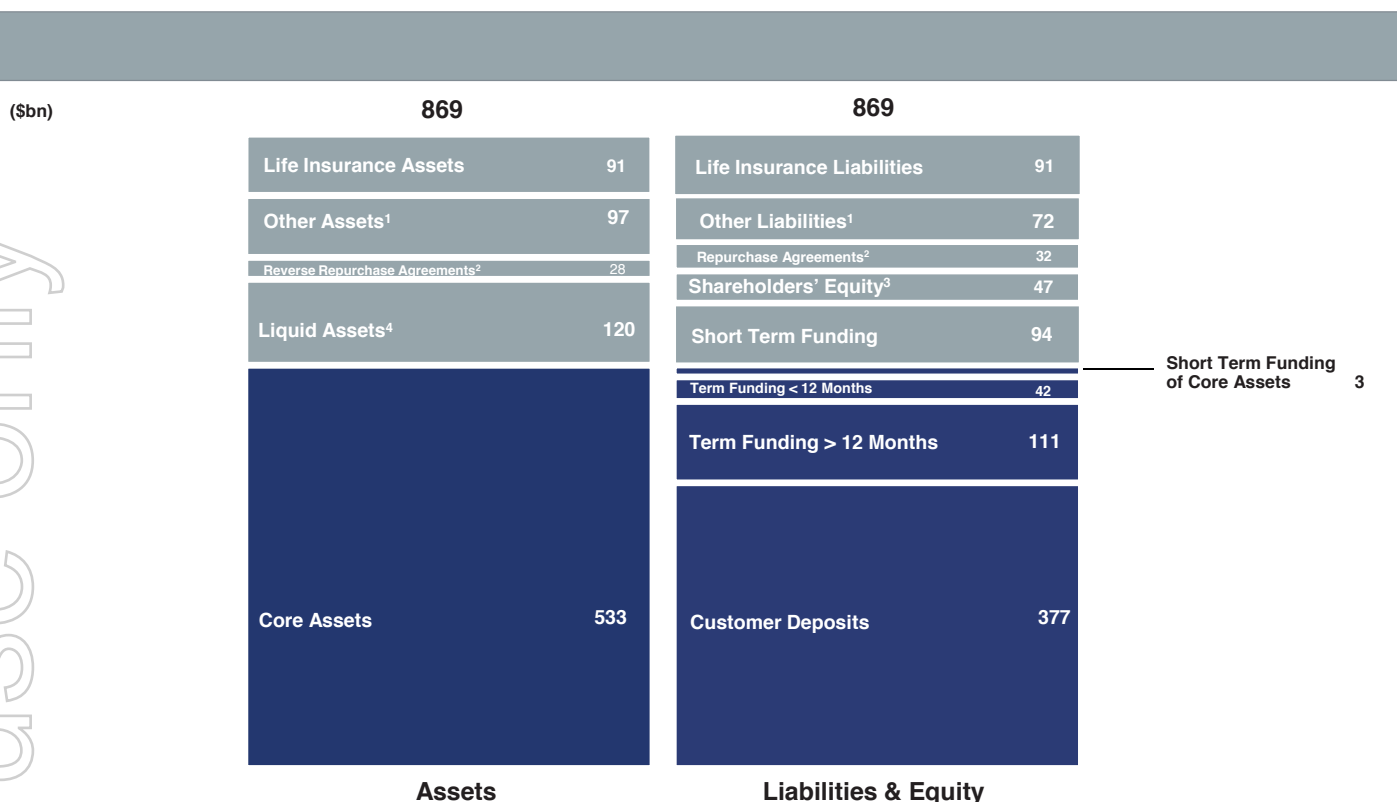
Funding profile is robust



(1) Australian funding gap = Gross loans and advances + Acceptances less Total deposits (excluding certificates of deposits). Source: APRA Monthly Banking Statistics March 2016
 (2) Weighted average maturity (years) of term funding issuance (> 12 months)
 (3) September 2015 figures presented on a continuing operations basis, prepared in accordance with AASB 9. Prior periods have not been restated per accounting methodology



Asset funding – March 2016

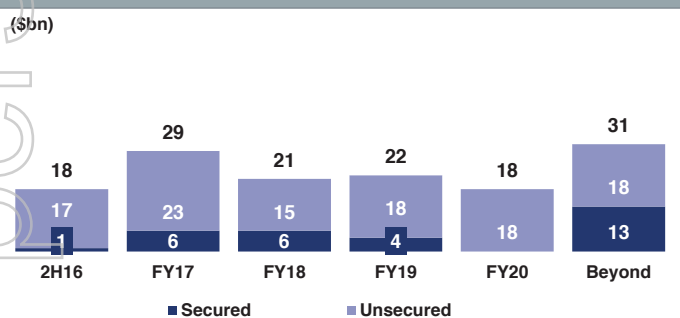


- (1) Other assets and liabilities include trading derivatives
 (2) Repurchase agreements entered into are materially offset by reverse repurchase agreements with similar maturity profiles as part of normal trading activities, noting the cash holdings in our Exchange Settlement Account with the RBA contribute to the difference between balances
 (3) Shareholders' equity excludes preference shares and other contributed equity
 (4) Liquid assets are at funded value and include non-regulatory qualifying securities



Funding profile

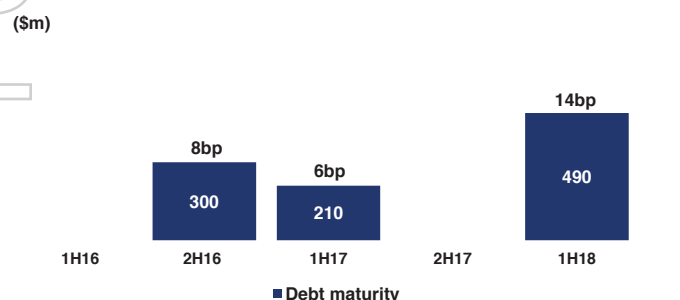
Term wholesale maturity profile



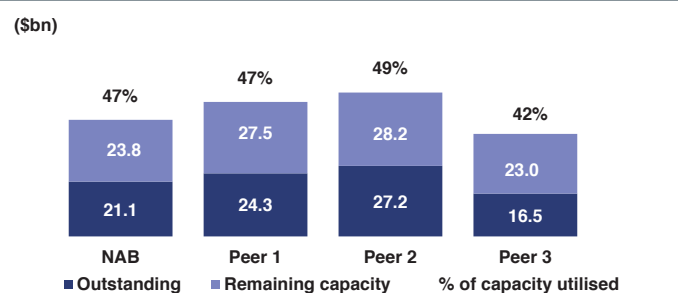
Robust funding profile

- The weighted average remaining maturity of the Group's TFI qualifying term funding is 4.0 years¹ (4.0 years as at September 2015)
- The weighted average remaining maturity of the Group's total term funding portfolio (including <12 months) is 3.1 years (3.3 years as at September 2015)
- Over the half year, the Group raised \$3.4bn in covered bonds with a weighted average maturity of approximately 5.9 years

Debt maturity profile of NWMH and associated CET1 impact²



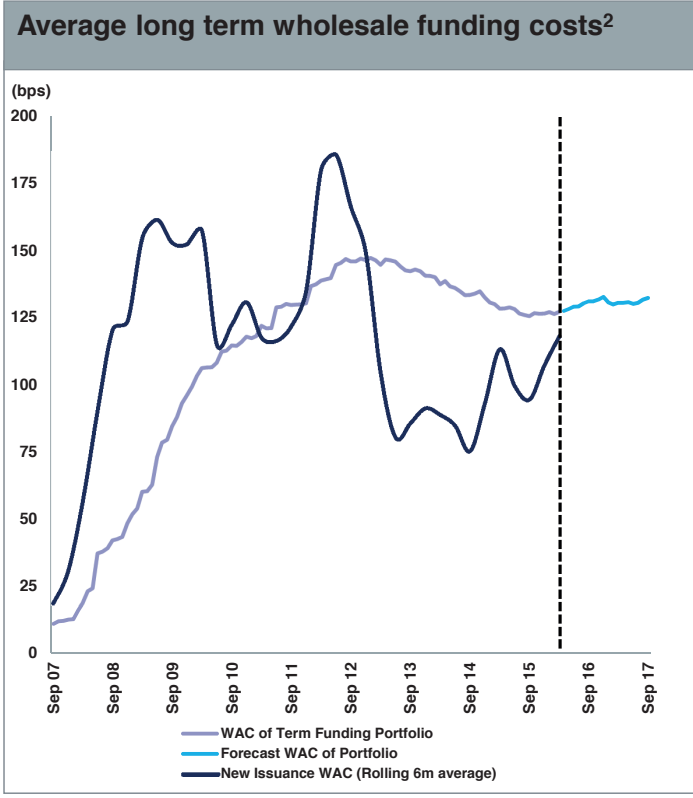
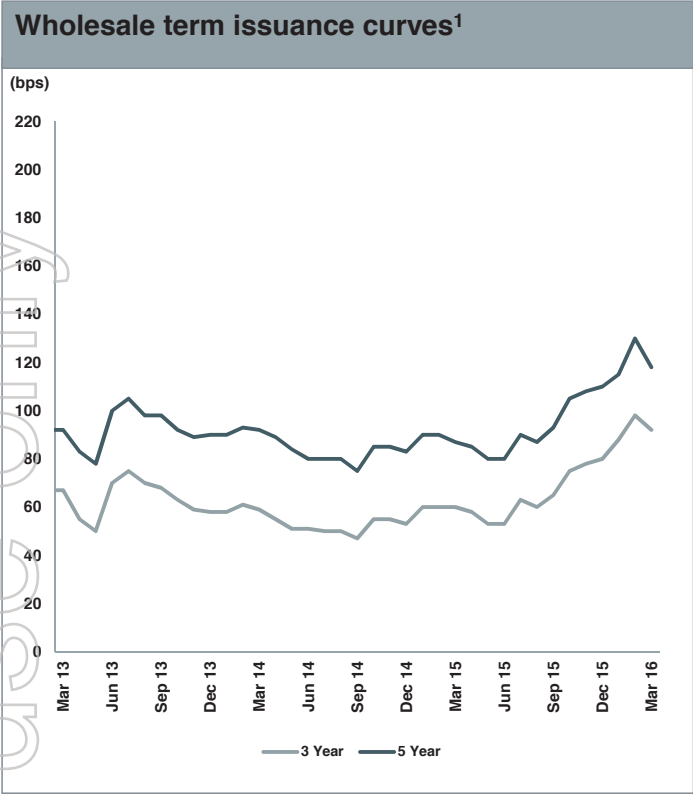
Australian covered bond issuance³



- (1) This includes senior, secured and subordinated debt and debt with > 12 months remaining term to maturity
 (2) Estimated Level 2 CET1 impact, based 31 March 2016 RWA
 (3) Latest Bank covered bond investor reports & APRA Monthly Banking Statistics as at March 2016. Remaining capacity based on current rating agency over collateralisation (OC) and legislative limit



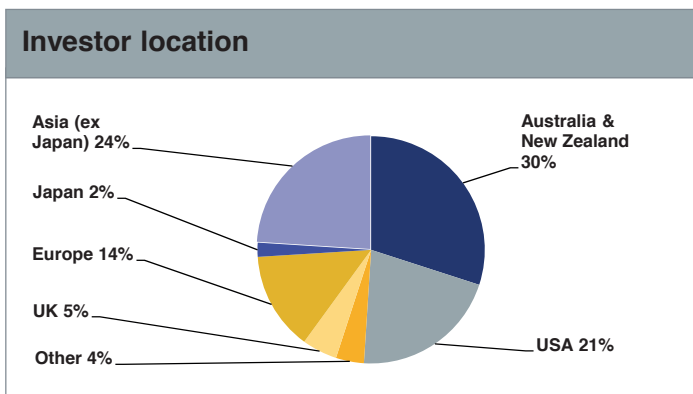
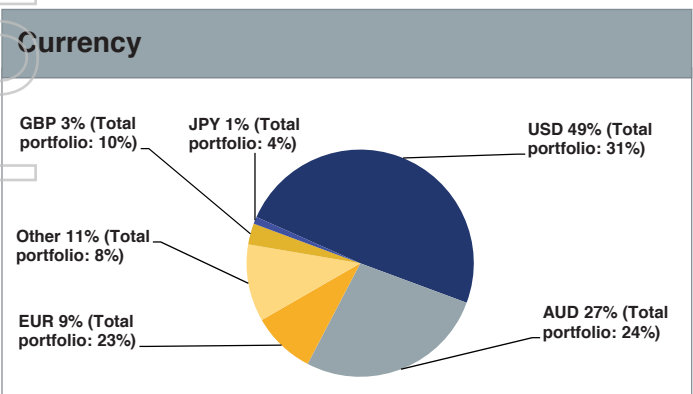
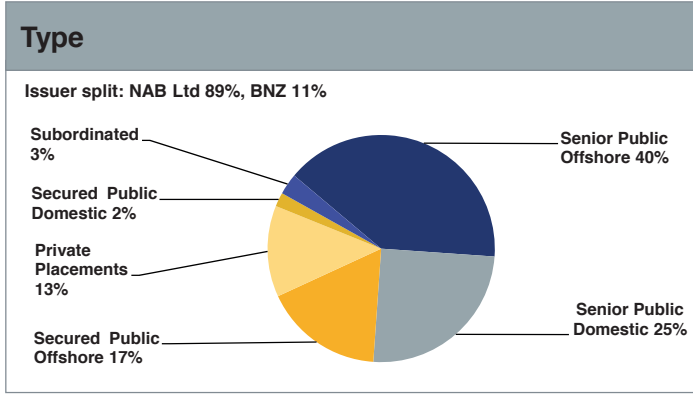
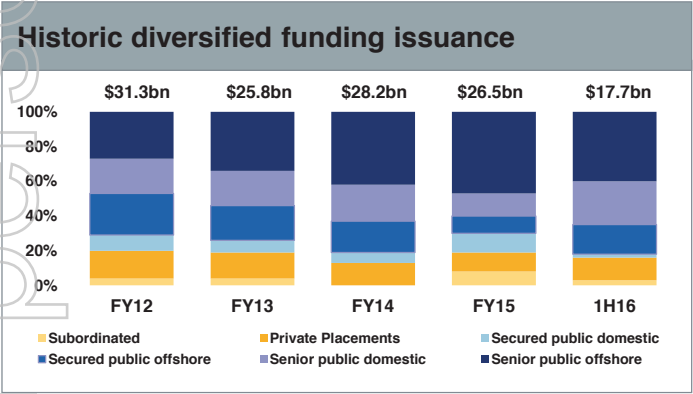
Wholesale funding costs



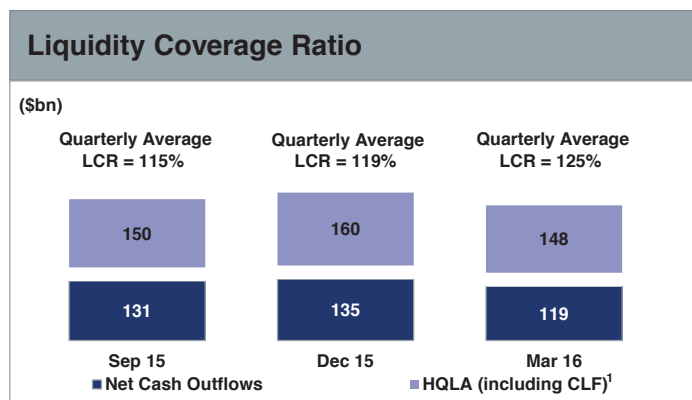
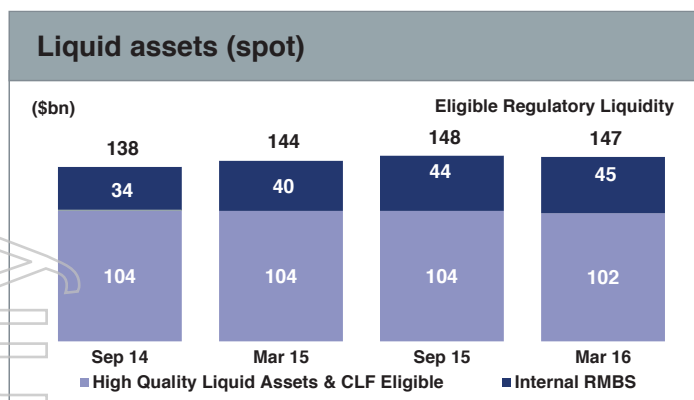
(1) Management data. Curves based on AUD Major Bank Wholesale Unsecured Funding rates over BBSW (3 years and 5 years)
 (2) NAB Ltd Term Wholesale Funding Costs >12 Months at issuance (spread to 3 month BBSW). Average cost of new issuance is on a 6 month rolling basis. Forecast assumption based on current issuance cost



Diversified and flexible funding issuance (\$17.7bn 1H16)



Group liquidity position



(1) Eligible Regulatory Liquidity includes collateral supporting the \$55.4bn approved Committed Liquidity Facility provided by the RBA for calendar year 2016

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Key regulatory changes impacting capital and funding

	Description	International regulation status	Domestic regulation status
Fundamental Review of the Banking Book & Credit Valuation Adjustment (CVA)	Aims to replace current trading book capital rules with a more coherent and consistent framework. The proposed CVA risk framework takes into account the market risk exposure component of CVA along with its associated hedges.	Final Basel Committee on Banking Supervision (BCBS) standard released January 2016	Future APRA consultation expected
Net Stable Funding Ratio (NSFR)	Aims to improve resilience in the banking sector by requiring banks to balance the amount of 'stable' assets they have on their balance sheet with the amount of 'stable' funding.	Final BCBS standard released October 2014	APRA consultation commenced March 2016
Leverage Ratio	A non-risk based supplementary measure to the risk-based capital requirements.	Consultation released April 2016	Disclosure requirements implemented, minimum requirement to be determined
Revised standardised approach to credit risk & internal model approaches to credit risk	Refresh of standardised credit risk standards to reduce RWA variability and strengthen the existing regulatory capital standard. BCBS proposed changes to the internal ratings-based approaches (IRB) and adoption of model-parameter floors for credit risk.	Standardised: 2nd BCBS consultation released December 2015 IRB: BCBS consultation released March 2016	Future APRA consultation expected
Capital Floors	A capital floor based on standardised approaches for credit and market. This may limit the influence of internal ratings-based models.	1st BCBS consultation released December 2014	Future APRA consultation expected
Total Loss Absorbing Capacity (TLAC) & Resolution	Enhanced loss-absorbing and recapitalisation capacity of banks in resolution. Initially intended for G-SIBs, but is expected for Australian D-SIBs. TLAC Holdings consultation was issued by BCBS at the same time, covering capital deductions for holding TLAC instruments.	Financial Stability Board (FSB) final standards issued in November 2015	Future APRA consultation expected
Revised standardised approach to operational risk	Proposed revisions to standardised approach for operational risk removes the Advanced Measurement Approaches and introduces a Standardised Measurement Approach to calculate operational risk, using financial statement information and internal loss experience.	2nd BCBS consultation released March 2016	Future APRA consultation expected
Interest Rate Risk in the Banking Book (IRRBB)	Sets supervisory expectations for banks' identification, measurement, monitoring and control of IRRBB as well as its supervision via an enhanced Pillar 2 approach.	Final BCBS standard released April 2016	Future APRA consultation expected
Securitisation	APRA proposal seeks to simplify securitisation for originating ADIs, and incorporate the updated Basel securitisation framework.	Final BCBS standard released December 2014	APRA industry consultation commenced November 2015

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UK conduct indemnity

1H16 update

- In 1H16 NAB recognised a provision of A\$801m (£426m) in connection with claims made, or expected to be made, by CYBG under the conduct indemnity
- As outlined by CYBG, the claims under the conduct indemnity relate principally to an increase in CYBG's provision for PPI costs, mainly driven by:
 - revised estimates of the expected level of claims and costs of customer redress, largely flowing from the FCA's public consultation on the proposed implementation of a time bar for PPI claims, consistent with recently observed industry trends; and
 - updated forecasts of the costs of administering CYBG's PPI remediation programme
- Post the provisions recognised in 1H16, NAB's outstanding liability under the conduct indemnity is £689m
- NAB's provision is accounted for in 1H16 discontinued operations as an expense, with remaining exposure under the conduct indemnity accounted for as a contingent liability
- In addition to the provision recognised by NAB, in accordance with the loss-sharing arrangement CYBG will recognise their 9.7% share of the increased provisions

Overview of indemnity mechanics

- To achieve the CYBG demerger and IPO, NAB provided capital support in relation to potential future legacy costs not covered by existing provisions through an indemnity capped at £1.115bn
- Legacy conduct costs to be shared 90.3% / 9.7% between NAB and CYBG respectively under loss sharing arrangement
- The unutilised amount of the indemnity is deducted from NAB's CET1 ratio and is secured by a deposit with the Bank of England
- CYBG can claim under the indemnity when it raises new provisions. Provisioned monies are held by CYBG in a Designated Account that can only be used to pay qualifying conduct costs and is subject to oversight by NAB. If these provisions are ultimately not required, the monies are to be returned to NAB subject to certain conditions
- Indemnity coverage centred on PPI, IRHP and FRTBLs with minimum thresholds before other conduct matters qualify for cover under the indemnity
- Annual review by PRA of the conduct indemnity package cap at NAB's request
- Indemnity is perpetual, though NAB and CYBG can agree to seek PRA consent to terminate the indemnity and convert the outstanding undrawn amount into CYBG shares in certain circumstances



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Broad Community contribution

\$2.6bn tax paid in Australia in 2015

\$5bn dividend paid in 2015
584,000 shareholders at 31
March 2016

Committed to lending \$2bn a
month to Australian
businesses

Over 1 million hours of
volunteering completed by
NAB employees since 2002

35,500 employees in
Australia and New Zealand

Over 421,800 people assisted
to date with low/no interest
microfinance loans

\$18bn commitment to
clean energy financing

\$59m of direct community
investment in 2015



Supporting resilient and profitable agribusiness

- Agribusiness customers rate soil health (85%), water scarcity (83%) and energy costs (81%) as key business sustainability concerns¹
- As the only Australian bank to have signed the Natural Capital Declaration², NAB is leveraging its market leadership position³ and strong customer relationships in agribusiness to address sustainability issues
- In June 2015, NAB, with the support of the Clean Energy Finance Corporation, launched a \$120 million funding program to reduce financing costs for assets that cut energy use or generate renewable energy – as at 31 March 2016, of the \$68.6m loaned, at least 88.1% had been lent to regional business and agribusiness customers
- NAB is partnering with CSIRO, Australian National University, University of Tasmania and Dairy Australia to investigate the links between investments in natural capital and improved profitability and business resilience
- Natural capital is considered in NAB's credit assessments and we are working towards including this in our credit models

(1) NAB 2015 Service Experience Research Program (SERP) survey of >5,000 agri business customers
(2) For further information on the Natural Capital Declaration refer to: <http://www.naturalcapitaldeclaration.org/>
(3) Based on Agribusiness lending market share, December 2015. NAB APRA submission / RBA system



ESG Risk and Renewable Energy

Managing ESG risk in lending

- NAB has a set of ESG Risk Principles (available on www.nab.com.au) which assist in the integration of ESG risk considerations within our Risk Management Framework at both an individual customer and at a portfolio level.
- Considerations include: industry sector, location/geography, customer's environmental and social practices, risk of liability transfer, community concerns.

Investing in clean and renewable energy

- NAB offers customers low-carbon and environmental finance including climate bonds, Environmental Upgrade Agreements (EUA) for commercial office buildings, solar finance for agribusiness and schools, and with the support of the Clean Energy Finance Corporation (CEFC), discounted equipment finance for lower carbon assets that reduce energy use or generate renewable energy.
- NAB committed to five climate change actions in November 2015, including undertaking financing activities of \$18 billion to 30 September 2022 to help address climate change and support the transition to a low carbon economy. NAB is the leading arranger (by market share)¹ of project finance to the Australian renewable energy sector, having arranged \$2.04 billion worth of loans since 2006.
- To further reduce NAB's carbon emissions and scale-up Australian-based low-emissions infrastructure and renewable energy production, NAB will source 10% of its Australian electricity demand from new and additional renewable energy projects by 2018. NAB is participating in two renewable energy buyer groups.
- The power generation sector represents ~0.5% of total Group EAD. Of this, 43.5% is from renewable energy².
- The emissions intensity of NAB's Australian project finance designated power generation assets is 0.56 tCO₂-e/MWh generated (37% less than the Australian average of 0.89 tCO₂-e/MWh). This represents a conservative estimated total of 3,721,552 tCO₂-e of Scope 1 and 2 GHG emissions based on NAB's share of the syndicated debt.³

(1) Project Finance International 2006-2015 APAC Mandated Lead Arranger League Tables US\$ Project Allocation, NAB analysis ranking against four major Australian banks – cumulative volume as at 30 June 2015

(2) Prepared in accordance with NAB's methodology (based upon 1993 ANZSIC standard). Excludes exposures 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>

(3) The grid average emissions intensity has been estimated from 2015 National Electricity Market data sourced from the Australian Energy Market Operators' website and South West Interconnected System data provided by the Clean Energy Regulator in 2015 reporting on designated generation facilities. A definition of designated power generation assets and a summary of the methodology we have used to calculate this emissions estimate is on our website at: <http://www.nab.com.au/about-us/corporate-responsibility/responsibility-management-of-our-business/managing-environmental-social-and-governance-esg-risks/carbon-risk-disclosure>



2016 March half year non-financial performance indicators¹

	2013	2014	2015	1H16
Cumulative number of low income Australians assisted with microfinance products/services (mission 1 million)	268,864	335,934	394,277	421,853
% women in executive management	30	30	32	Annual
Voluntary turnover rate (%) (Australia)	11	10	10	5
Retention of high performing employees (%) (Australia)	95	95	95	98
Community investment (\$m)	66.5	67.6	59.2	Annual
Cumulative number of volunteer hours contributed (Australia)	764,816	922,001	1,084,712	1,173,571
Gross GHG emissions (tCO ₂ -e)	288,410	274,498	255,940	Annual
% of material suppliers that are signatories to NAB Group Supplier Sustainability Principles	N/A	32	47	88

(1) Further information on NAB's performance, including definitions and calculation methodologies of each of the non-financial performance indicators, can be found on page 29 of the 2015 Annual Review and 'NAB Numbers' in the 2015 Dig Deeper, available at: nab.com.au/annual-report. 1H16 data excludes CYBG PLC, prior periods have not been restated



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Australia regional outlook

Economic Indicators (%)	CY13	CY14	CY15	CY16(f) ¹	CY17(f) ¹
GDP growth ²	2.0	2.6	2.5	2.8	3.0
Unemployment rate ³	5.8	6.2	5.9	5.6	5.6
Core inflation ⁴	2.7	2.2	2.0	1.8	1.9
System Growth (%) ⁵	FY13	FY14	FY15	FY16(f) ¹	FY17(f) ¹
Housing	4.9	6.8	7.5	6.7	7.0
Other personal (incl cards)	0.7	0.9	0.5	0.3	4.0
Business	1.0	3.8	6.3	7.7	6.4
Total system credit	3.3	5.4	6.6	6.7	6.6
Total AS ADI deposits ⁶	5.5	7.7	6.3	6.5	7.4

- The Australian economy remains resilient amidst an uncertain global backdrop and weak commodity prices. Real GDP grew by an average of 0.9% per quarter for the last two quarters (or 2.8% in year-ended terms). Encouragingly, final domestic demand (excludes net exports) expanded notably on the back of strong consumption and dwelling investment growth in December 2015, but the impact of falling commodity prices on living standards remains evident, with real gross national income flat in the quarter
- There continues to be a high degree of variation across industry and sectors. The NAB Quarterly Business Survey shows that business conditions are above-average, having improved considerably since mid-2013, pointing to improving momentum in non-mining industries – service sectors are a stand out
- Household consumption growth picked up momentum over the six months to December 2015, growing at an average of 0.8% per quarter (or 2.9% y/y) with a reflection of strong employment over 2015. However, growth in household income has remained weak on the back of slow growth in wages. The 1Q 2016 NAB Australian Consumer Behaviour Survey also showed that households were a little less anxious and more willing to spend on discretionary items relative to a year ago. Consumer spending growth is expected to lift, supported by solid employment growth, although this requires a fall in household savings rates given weak wages growth
- Despite growing momentum in non-mining sectors, non-mining investment has not been sufficient to offset the ongoing decline in mining investment. While some measures of non-mining investment intentions remain soft, rising capacity utilisation rates could soon prompt firms to investment in new capacity
- Real GDP growth is forecast to improve moderately in 2016, with mining exports contributing considerably. While domestic demand is expected to remain soft as mining investment declines sharply, this masks diverging trends between mining and (more labour-intensive) non-mining segments of the economy. Consequently, the broadening of non-mining recovery should see the unemployment rate gradually ease to around 5.6% by end-16, but rise modestly over the medium-term
- As predicted, the RBA cut interest rates 25bps at its May meeting, prompted by the extremely weak inflation outcome in Q1 2016 and a weaker inflation outlook. The cut occurred despite signs of improvement in the non-mining economy and a falling unemployment rate. RBA is now expected to remain on hold, but will maintain an easing bias. If CPI stays extremely weak in coming quarters, a rate cut later in 2016 becomes a possibility – not our current forecast
- Credit growth is forecast to remain solid. There are signs that investor housing credit is slowing, broadly to be offset by an improvement in owner-occupier and business credit growth

(1) Forecasts made prior to Australian Federal Budget release

(2) Per cent change, average for year ended December quarter on average of previous year

(3) Per cent, as at December

(4) Per cent change, December quarter on December quarter of previous year

(5) Per cent change September quarter (bank fiscal year end) on September quarter of previous year

(6) Total ADI deposits also include wholesale deposits (such as CDs), community and non-profit deposits but exclude deposits by government & ADIs



NZ regional outlook

Economic Indicators (%)	CY13	CY14	CY15	CY16(f)	CY17(f)
GDP growth ¹	2.4	3.7	2.5	2.4	2.5
Unemployment ²	6.1	5.8	5.3	5.8	5.8
Inflation ³	1.6	0.8	0.1	1.1	2.2
Cash rate ²	2.5	3.5	2.5	1.75	2.25
System Growth (%) ⁴	FY13	FY14	FY15	FY16(f)	FY17(f)
Housing	4.6	5.4	5.3	7.6	6.1
Personal	1.9	4.9	5.9	3.7	4.0
Business	3.3	3.4	6.0	7.1	5.9
Total lending	4.0	4.6	5.6	7.2	5.9
Household retail deposits	9.7	8.8	10.5	10.4	8.0

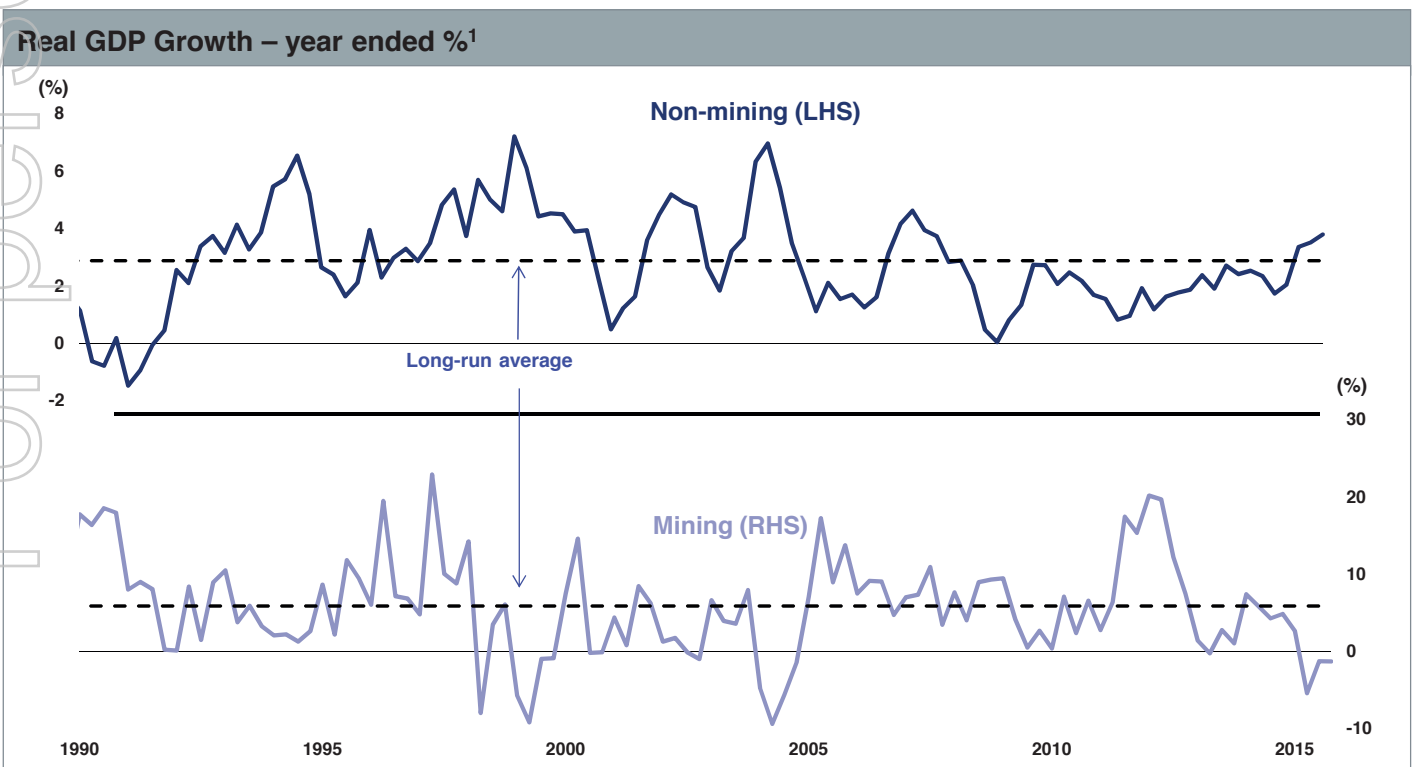
- New Zealand's GDP growth firmed to an annualised rate of 3.5% over the second half of 2015, after a slow first half. For 2015 as a whole, GDP expanded by 2.5%. We forecast the economy to settle into a steady growth mode during calendar years 2016 and 2017, with 2.4% and 2.5% respectively
- Impetus is coming from record high immigration, booming tourism, solid consumer spending, positive business investment, a hefty construction cycle, and exceptionally low interest rates. However, there are also headwinds (notably weak dairy income and sub-trend global growth)
- NZ commodity export prices (in world price terms) dropped 32% between their February 2014 peak and March 2016. This has been chiefly as dairy prices slumped 56%, to levels now less than break even for many farmers. Non-dairy commodity export prices have been mixed-to-robust
- While annual house price inflation in Auckland remains strong, around much of the rest of the economy it's now accelerating
- Employment growth in New Zealand has slowed from its previously very rapid rates, but remains solid. The unemployment rate has trended down over recent years and we expect it to stabilise in a 5 to 6% range in 2016
- CPI inflation has been very subdued, in part due to falling fuel costs, and has been below the Reserve Bank of New Zealand's 1% to 3% target range since the end of 2014
- The RBNZ has lowered its official cash rate 1.25 percentage points since mid 2015, to 2.25% now. While the RBNZ paused in April it indicated further policy easing may be required
- Notwithstanding some softening in March, annual system credit growth has been on a general strengthening trend since 2010. In March 2016 total credit was 7.2% higher than a year earlier (above the 5.7% yoy recorded in March 2015)

- (1) Per cent change, average for year ended December quarter on average of previous year
 (2) Per cent, as at December quarter
 (3) Per cent change, December quarter on December quarter of previous year
 (4) Per cent change, average for year-ended September (bank fiscal year end) on average of previous year

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Australian economy in transition: Non-mining economy back above trend



(1) Source: NAB, ABS

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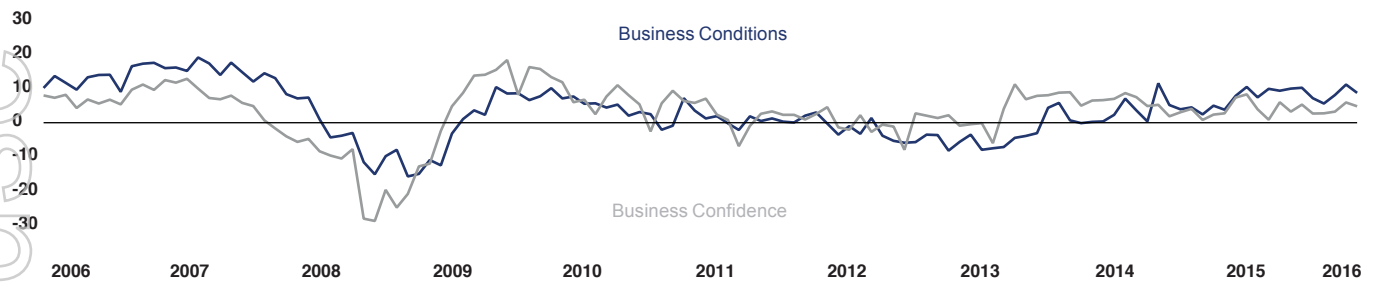


AUD depreciation has improved business conditions

AUD/USD¹



NAB Business Conditions and Confidence²

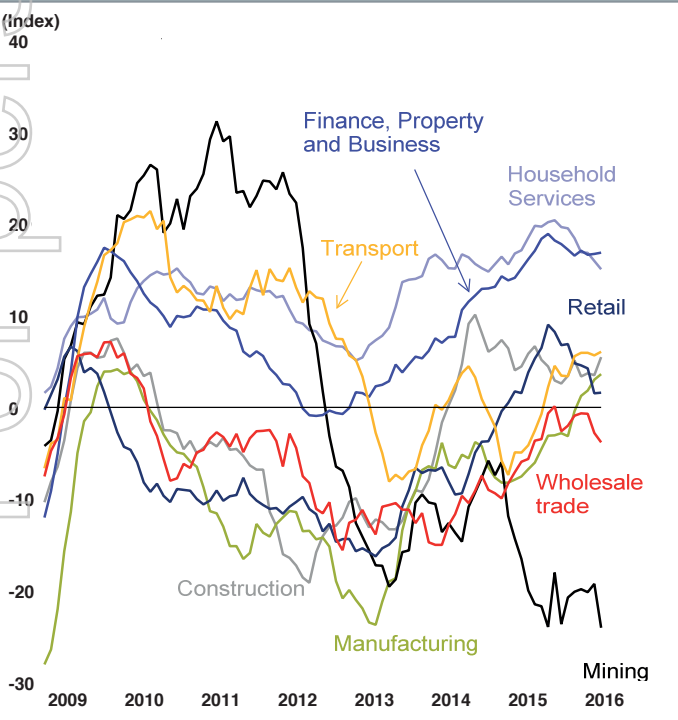


(1) Source: NAB, Bloomberg
(2) Source: NAB

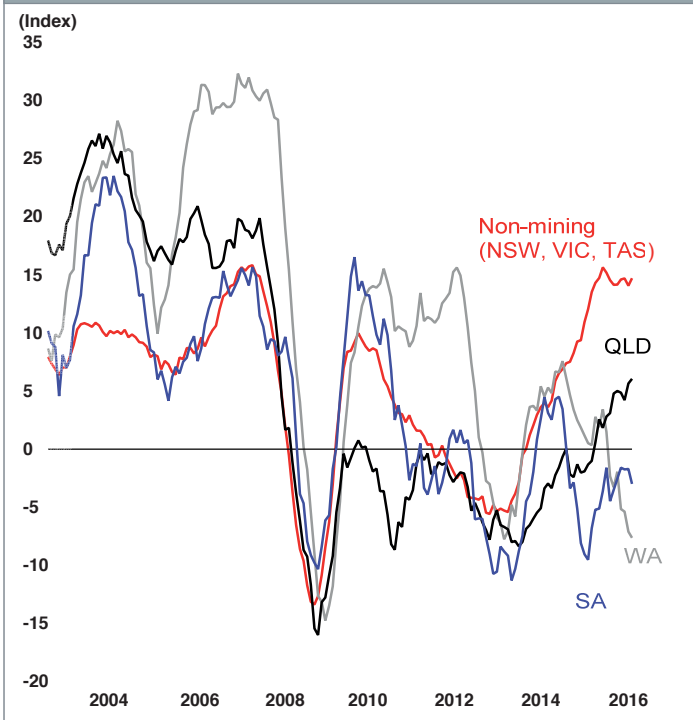


Mining and non-mining divergence across Industry and State

NAB Business Conditions by Industry^{1,2}



NAB Business Conditions by State³

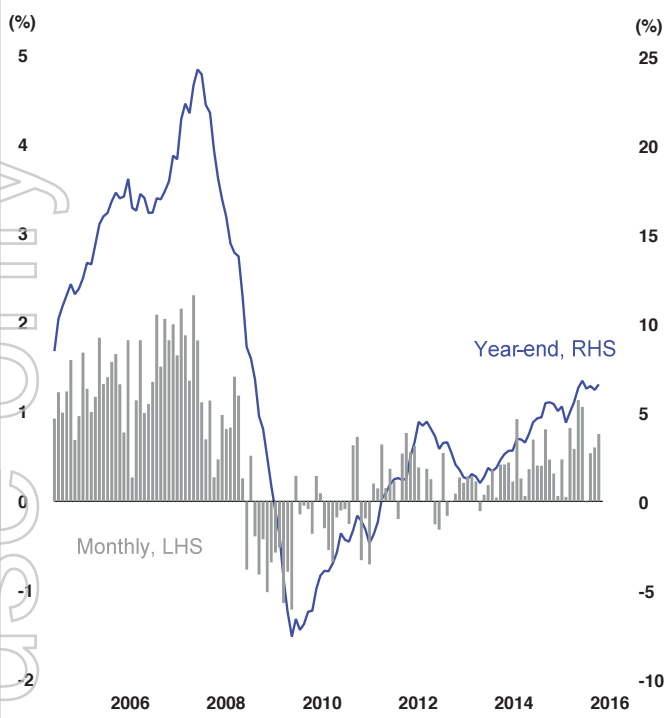


(1) Source: NAB
(2) Henderson centred 7 period moving average
(3) Source: NAB

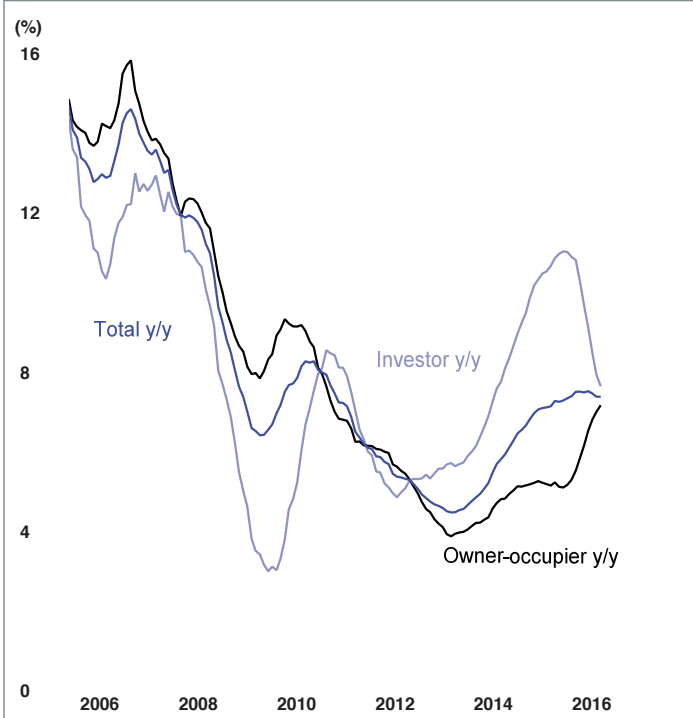


Business credit growth pick up consistent with improving non-mining business conditions: Housing credit growth composition shifting

Business Credit Growth¹



Housing Credit Growth²

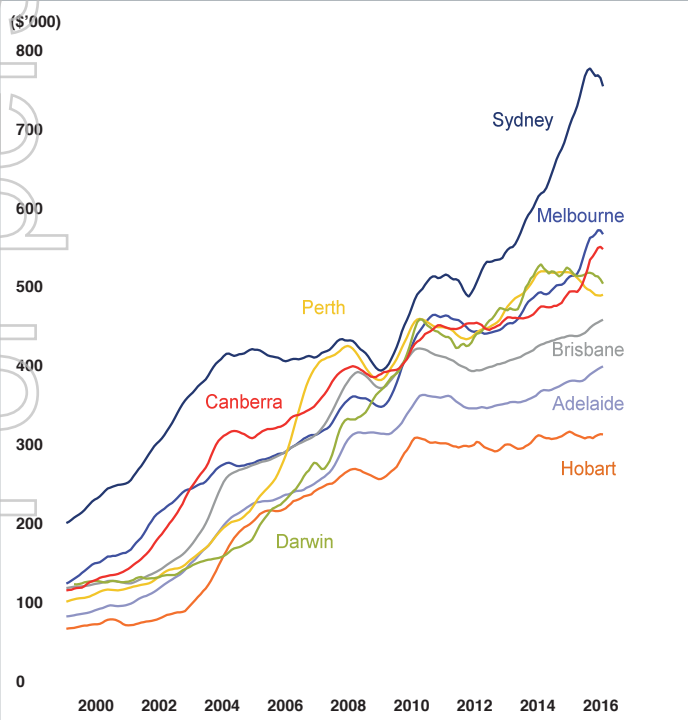


(1) Source: NAB, RBA
(2) Source: NAB, RBA

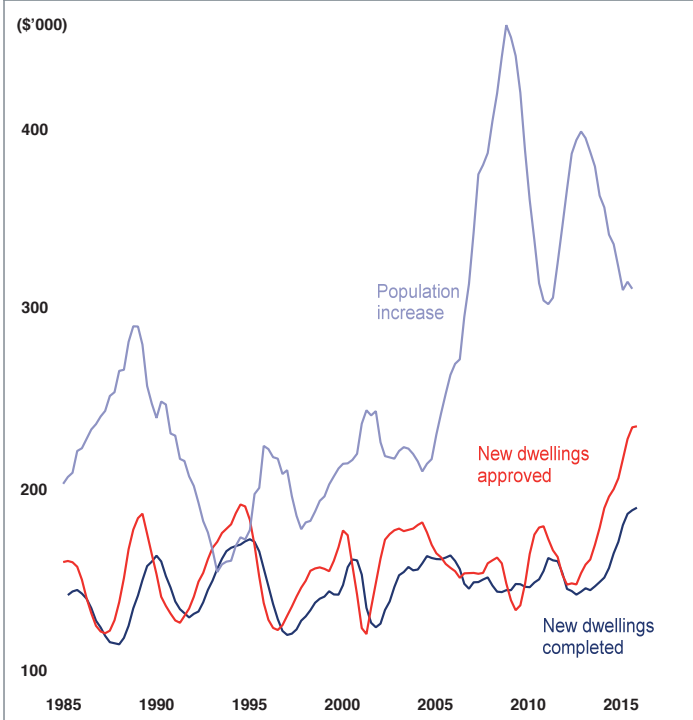


Australian house prices reflect diverging regional trends underpinned by strong population growth

Overall Dwelling Prices¹ (houses & units, city/regional, median)²



Dwelling and Population Increases – Rolling 12 month³

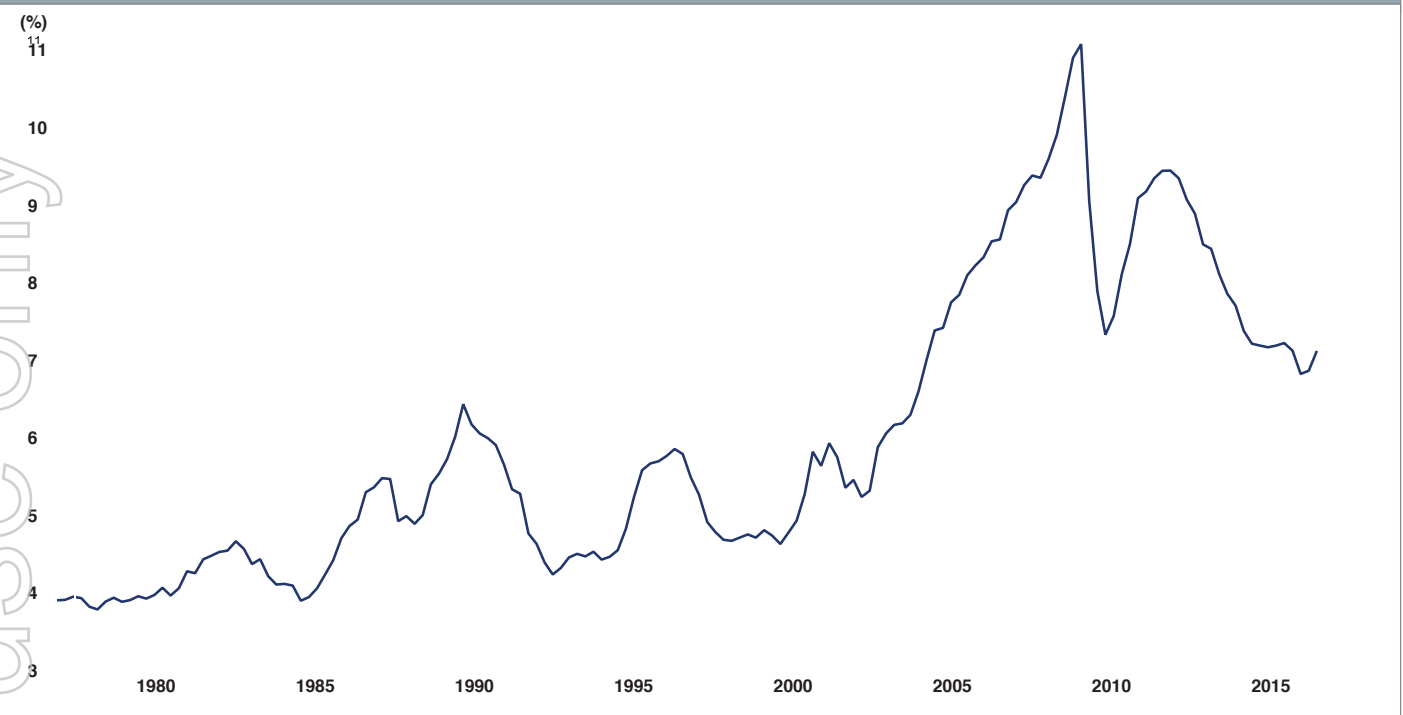


(1) Centred moving average, 7 months
(2) Source: NAB, CoreLogic RPData
(3) Source: NAB, ABS



Mortgage interest burden near 10-year lows

Mortgage Interest Payment as Share of Income¹

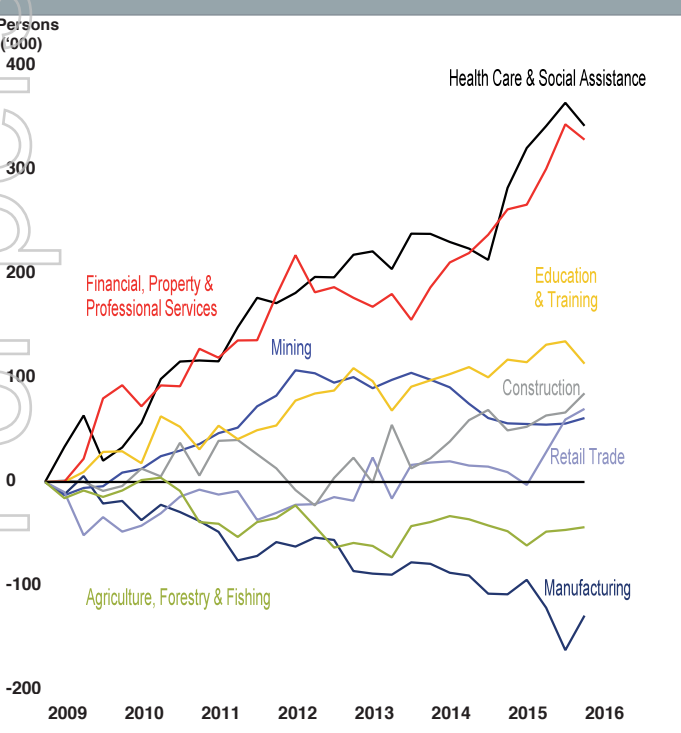


(1) Source: NAB, ABS, RBA



Employment growth has been relatively strong

Employment Growth by Industry^{1,2}

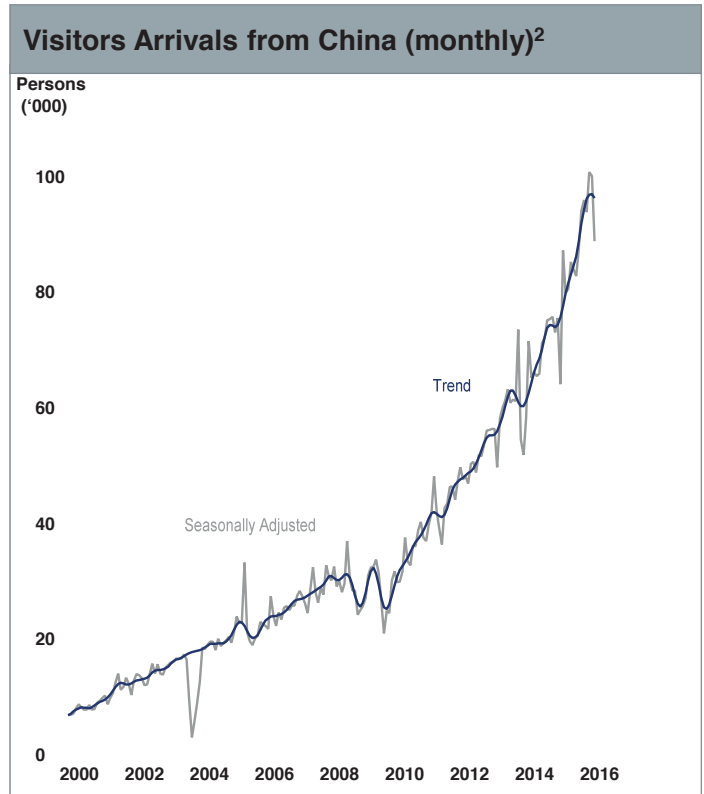
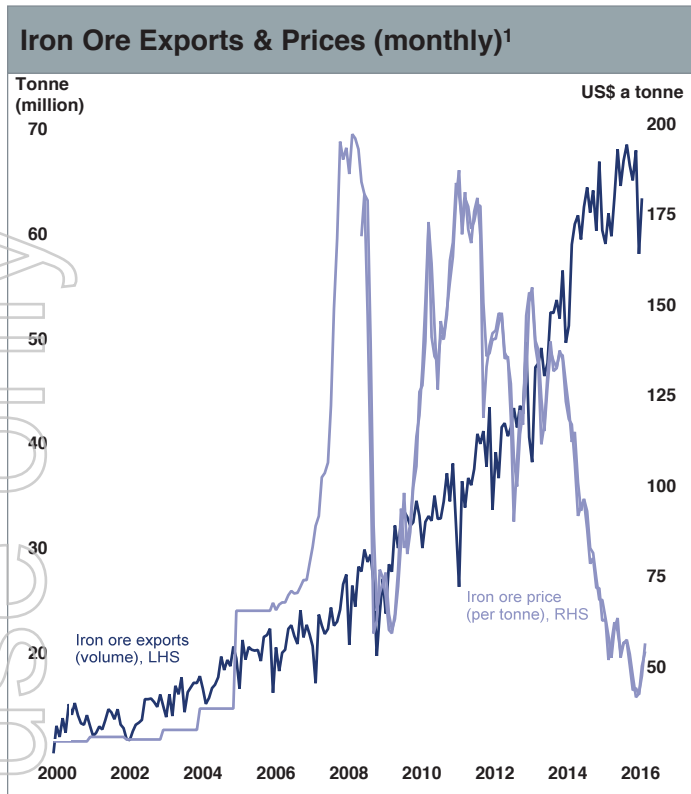


(1) Cumulative change since Q1 2009
 (2) Source: NAB, ABS
 (3) Source: NAB, ABS, RBA

Unemployment Rate and the RBA's Forecast³



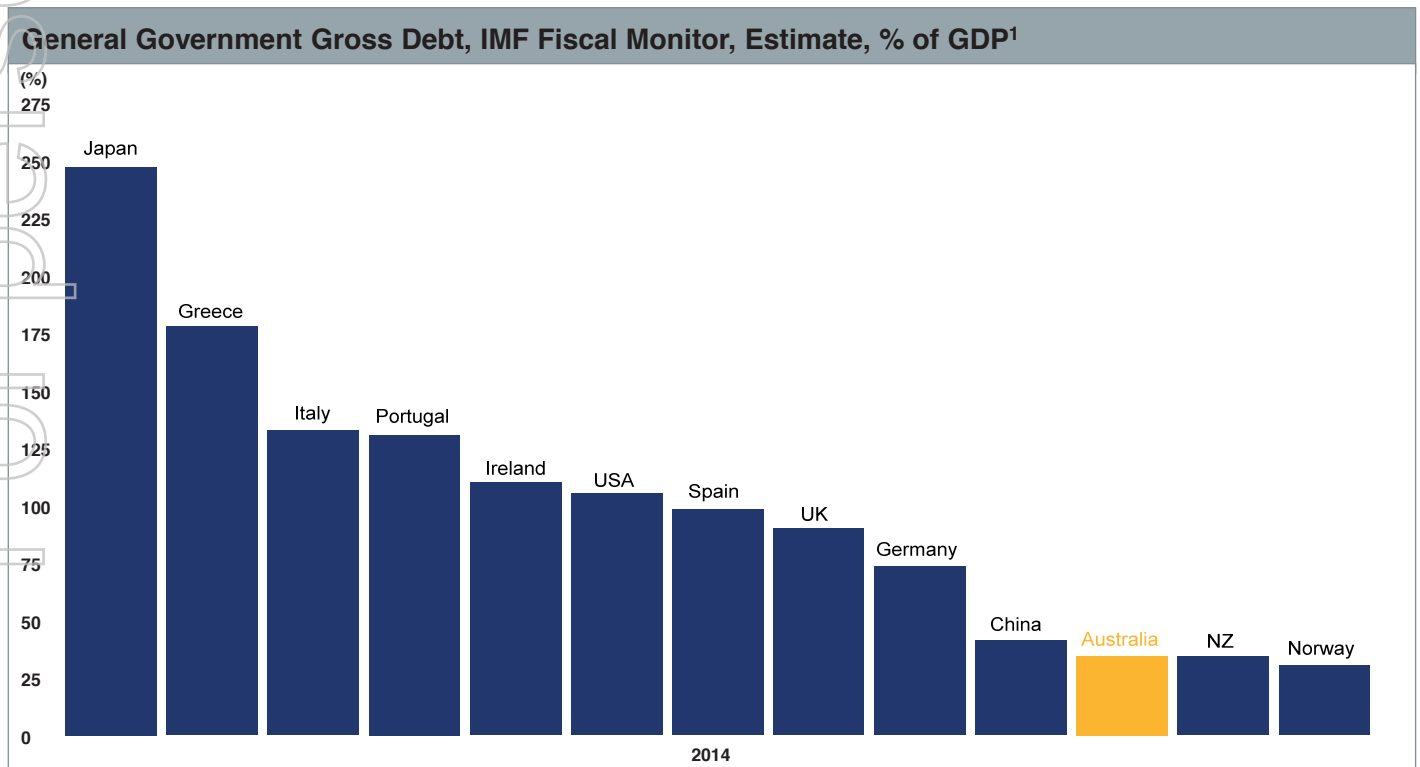
Chinese consumption shifting from Australian commodities to services



(1) Source: NAB, Bloomberg
 (2) Source: NAB, ABS



Australian government debt levels still 'low' compared to other major economies



(1) Source: NAB, IMF



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