



National
Australia
Bank

HALF YEAR RESULTS 2020

INVESTOR PRESENTATION

Ross McEwan
Group Chief Executive Officer

Gary Lennon
Group Chief Financial Officer



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NAB 2020 HALF YEAR RESULTS INDEX

This presentation is general background information about NAB. It is intended to be used by a professional analyst audience and is not intended to be relied upon as financial advice. Refer to page 107 for legal disclaimer.

Financial information in this presentation is based on cash earnings, which is not a statutory financial measure. Refer to page 104 for definition of cash earnings and reconciliation to statutory net profit.

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OVERVIEW

ROSS McEWAN

Group Chief Executive Officer

KEY MESSAGES

Sound underlying performance but COVID-19 impact at Group level

Outlook impacted by unprecedented environment

Decisive action for uncertain times ahead

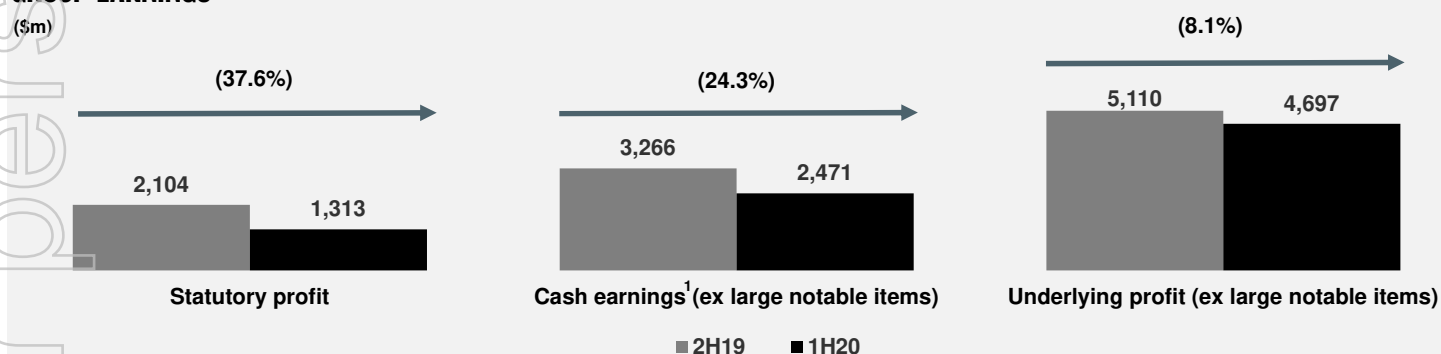
Rapid response to support customers and colleagues

Focused on future opportunities

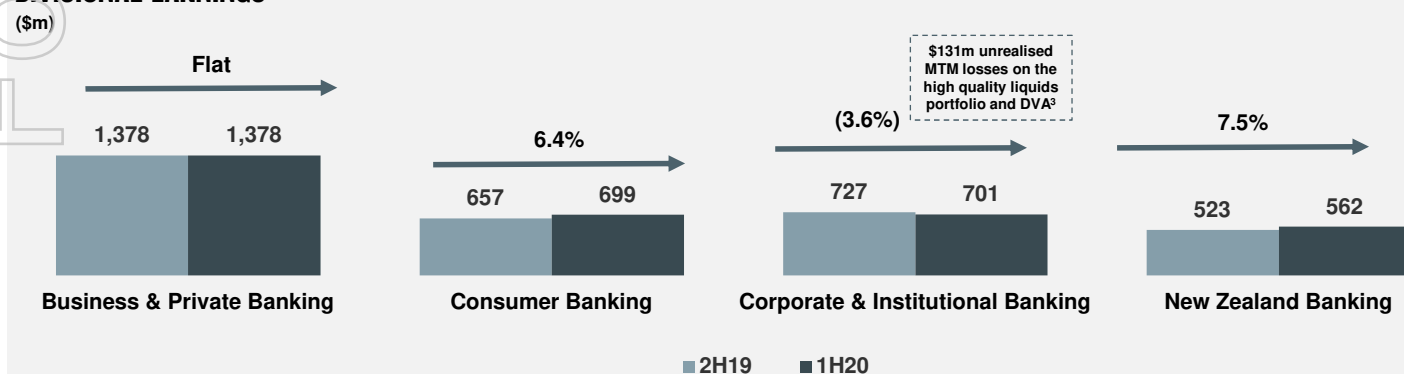


SOUND DIVISIONAL PERFORMANCES BUT COVID-19 IMPACT AT GROUP LEVEL

GROUP EARNINGS



DIVISIONAL EARNINGS²



(1) Refer to page 104 for definition of cash earnings and reconciliation to statutory profit
 (2) Results in local currency. Divisional earnings exclude increase in forward looking collective provision economic adjustment
 (3) Pre-tax impact in 1H20

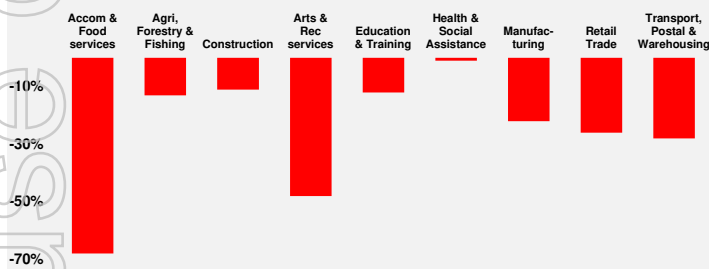


UNCERTAIN ECONOMIC OUTLOOK

COMMENTS

- Efforts to contain COVID-19 have had an unprecedented impact on the economy
- Duration and magnitude of impact highly uncertain – depends on the timing and phasing of the recovery and the effectiveness of government support
- Expect unemployment to rise sharply to 11.7% by June and progressively reduce in 2021¹
- GDP expected to rebound in Q4 but some sectors will face longer term impacts and structural change

PAYMENT INFLOWS INTO NAB MERCHANTS – APRIL YoY²



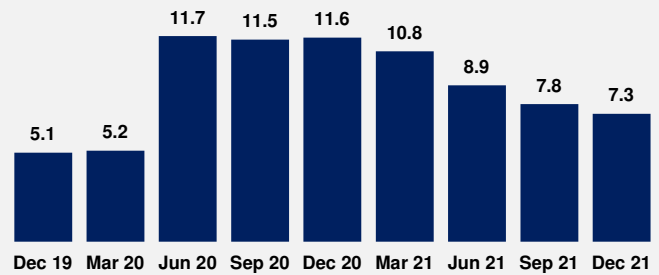
(1) Source: NAB Economics – Mar-20 onwards represents forecasts

(2) Represents change in payment inflows by industry for the month of April 2020 compared to April 2019. April 2020 data extrapolated based on actuals to 19 April 2020. Payment inflows are credits to a NAB merchant's account that are not financing credits from NAB or a transfer from related accounts

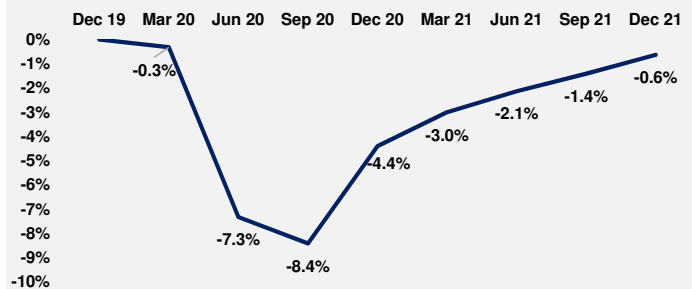
(3) Chart shows forecast GDP levels indexed to actual Dec-19 GDP. Forecasts are from NAB Economics

UNEMPLOYMENT TO PEAK IN MID-2020¹

(%)



GDP BACK TO 'PRE COVID-19' LEVELS BY EARLY 2022³

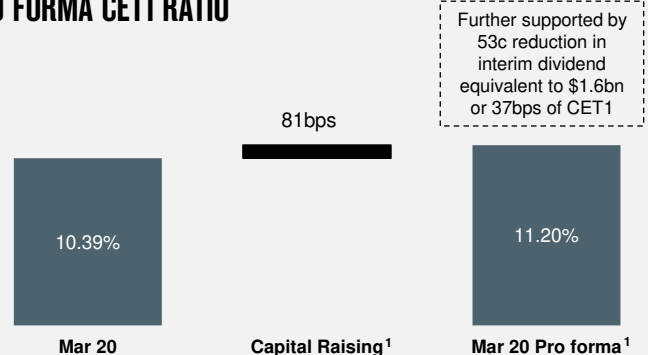


DECISIVE ACTION FOR UNCERTAIN TIMES AHEAD

CAPITAL RAISING

- Underwritten \$3bn institutional placement and non-underwritten share purchase plan targeting to raise approximately \$500m
- Provides a CET1 buffer in an uncertain environment and enables continued support for customers
- Sizing seeks to provide buffer to assist with credit losses and RWA increases which could occur under a range of scenarios including a severe and prolonged downturn
- Strong capital position post capital raising, with a pro forma CET1 of 11.20%¹

PRO FORMA CET1 RATIO

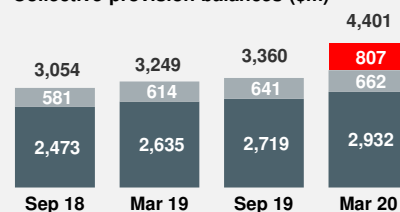


DIVIDEND SETTINGS

- 30c Interim dividend, fully franked, reflecting a payout ratio of 35%²
- Difficult decision which reflects a balance between returning capital to our shareholders and retaining a strong balance sheet in this environment
- DRP open, 0% discount
- Currently expect to continue to pay a dividend but Board decision will be subject to regulatory requirements, the environment and performance at the time

PROVISIONING STRENGTHENED

Collective provision balances (\$m)



■ Collective Provision EA top-up (COVID-19)
■ Collective provision FLAs
■ Collective provisions

- Economic Adjustment top-up (COVID-19) of \$807m
- Total EA balance \$1,473m, 33% of CP

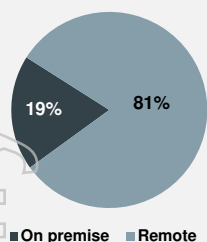
(1) Assumes \$3bn placement and \$500m raised under share purchase plan
(2) Excluding large notable items



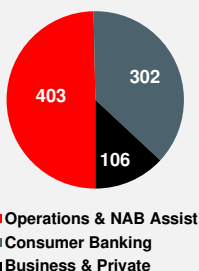
SUPPORTING OUR COLLEAGUES AND OUR CUSTOMERS

OUR COLLEAGUES¹

81% working remotely
(> 32,000 Group headcount)



811 front line reassignments²



- >1,250 customer-facing business colleagues have attended webinars on supportive customer conversations, and personal health and well-being
- >350 retail colleagues trained in Learning Hubs (temporarily closed branches) to support customers using different channels – e.g. online chat and customer calls
- Up to 10 business days pandemic leave available to all NAB colleagues

OUR CUSTOMERS¹

>1.5m Visits to our COVID-19 online support sites

>650k Inbound calls taken from business and consumer customers

REPAYMENT DEFERRALS²
AS AT 17 APRIL 2020

APPROVED
TO DATE

\$ BALANCES



Home loans³

>70k

\$26.5bn



Business loans⁴

>34k

\$17.4bn

>1.5k

NAB Business Support Loans approved (>\$150m) with NAB participating in the Government's SME guarantee scheme

>1.7m

Credit Card & Personal Loan accounts²

Offered reduction in minimum monthly repayment amount, late payment fee waiver and reduced credit card interest rate

(1) All figures as at 17 April 2020, includes BNZ unless otherwise stated

(2) Excludes BNZ

(3) Excludes NAB branded Interest Only home loans, temporarily unavailable due to automation of capture process. Includes all Advantagedge loans.

(4) B&PB and NAB Corporate business accounts, including products such as leases. Customers may have a number of accounts.

8



TECHNOLOGY FOUNDATIONS ENABLED RAPID RESPONSE

~5,000 → >30,000 colleagues¹ working remotely within **3 weeks**

30% → 98% operations colleagues² working remotely within **5 days**

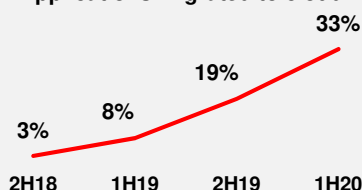
0 → >25,000 COVID-19 related requests submitted online within first **7 days**

Critical technology reliability and security vigilance maintained throughout

UNDERLYING INFRASTRUCTURE

- Physical networks redesigned in FY19 and enabled significant scale-up in capacity
- 33% of applications migrated to cloud and cloud capability critical to rapid increase in remote working
- Cloud-based deployment of patches secures colleagues working from home

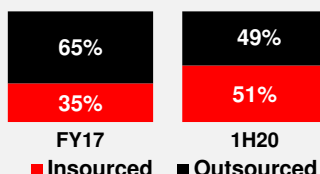
Applications migrated to cloud



INSOURCING CONTROL

- Strategic investment in insourcing technical expertise, now >50% in-house
- 42% reduction in key vendor infrastructure run costs since FY16
- Strategically insourced capabilities include; networks services and workplace technology

Sourcing of technical FTE



OUR PEOPLE AND TOOLS

- Strong skilled leaders making quick autonomous decisions
- Security tools allowing us to better repel COVID-19 related cyber threats³, now accounting for ~10-15% of daily security alerts
- All colleagues have remote access to cloud-based collaboration tools (Workplace and Microsoft Teams)
- Cloud-based digitisation tools enabled COVID-19 forms to go live in <72 hours



Request
support
online

(1) Includes all NAB and BNZ headcount

(2) Australian Business and Consumer operations, excludes Corporate & Institutional and BNZ

(3) Examples include malicious COVID-19 titled emails sent to colleagues and phishing related websites targeting customers

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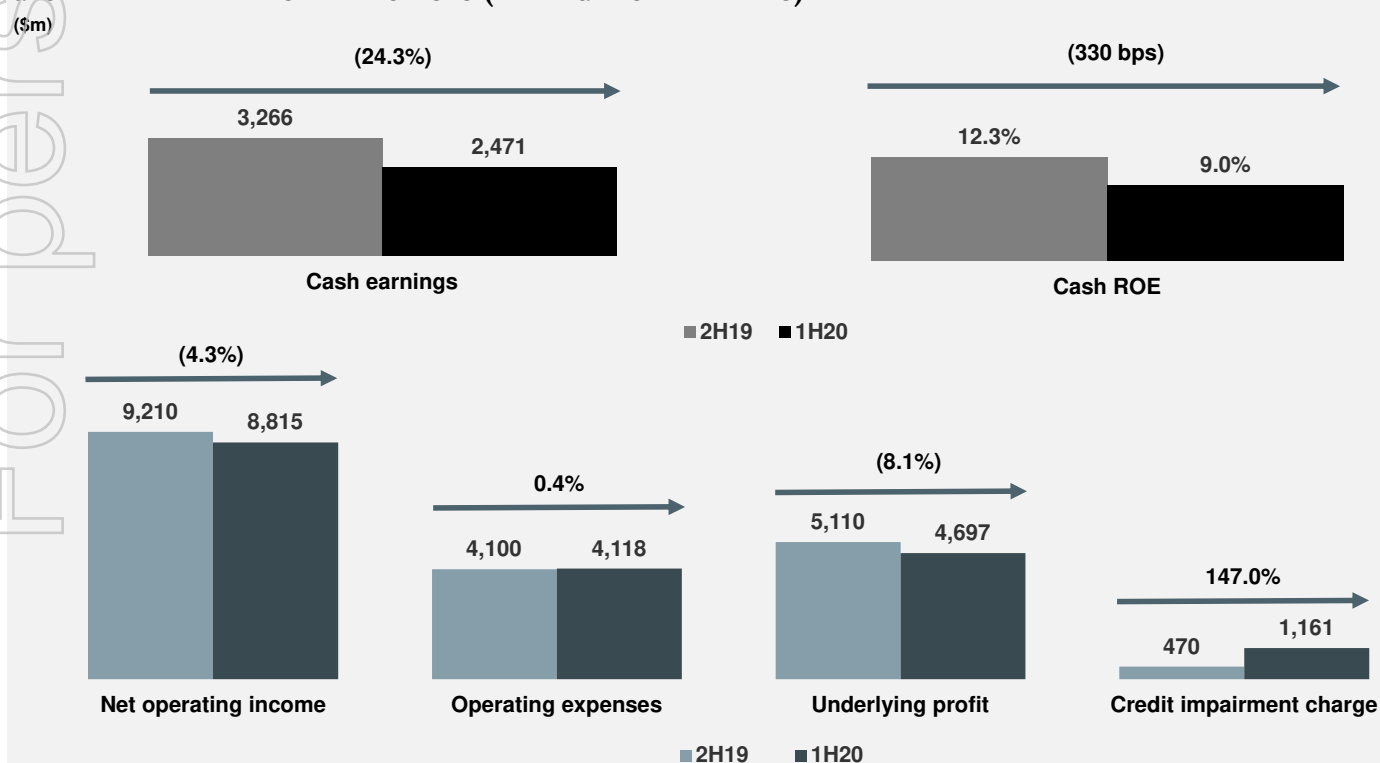
1H20 FINANCIALS

GARY LENNON

Group Chief Financial Officer

GROUP FINANCIAL PERFORMANCE

GROWTH BY KEY FINANCIAL INDICATORS (EX LARGE NOTABLE ITEMS)

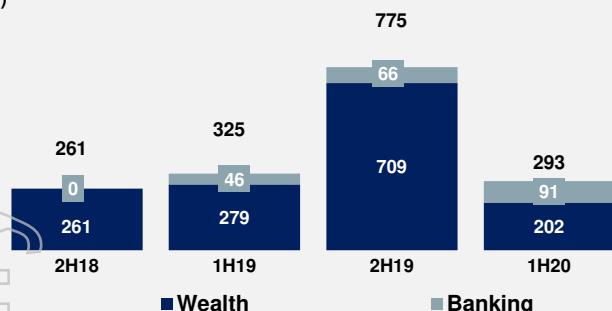


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LARGE NOTABLE ITEMS

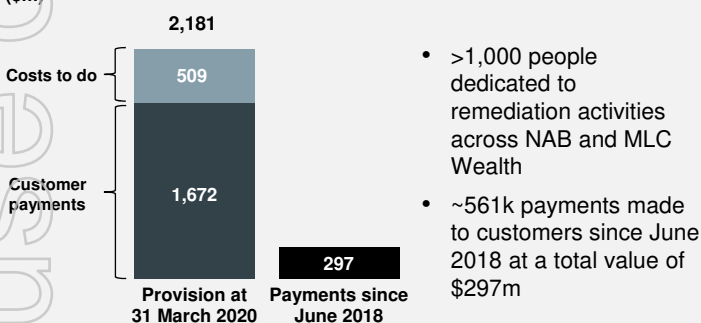
CUSTOMER-RELATED REMEDIATION PROVISION CHARGES¹

(\$m)



PROVISIONING AND UTILISATION

(\$m)



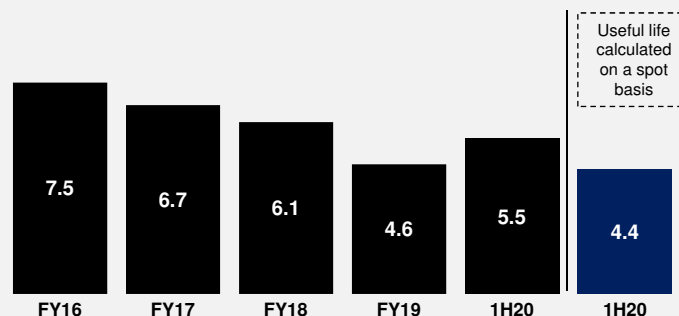
(1) Charges are post-tax and exclude amounts taken through discontinued operations.

(2) Calculated using the average capitalised software balance for the period divided by an annualised amortisation charge excluding accelerated amortisation for FY19 and 1H20.

CAPITALISED SOFTWARE POLICY CHANGE

- Minimum threshold at which software is to be capitalised increased from \$2 million to \$5 million
- Reflects a change in approach to managing projects which is intended to uplift business accountability for projects less than \$5 million
- Policy change results in an implied useful life on a 'go forward' basis of 4.4 years

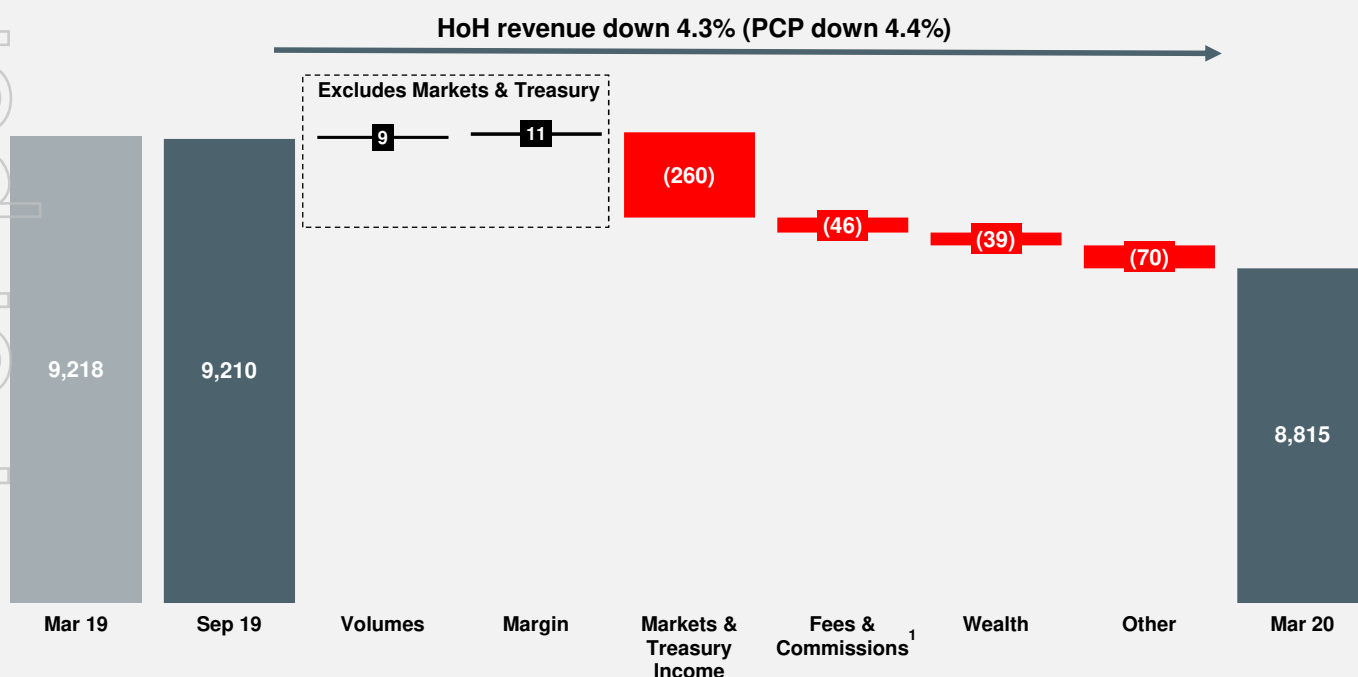
Average implied useful life of software²



REVENUE IMPACTED BY MARKET VOLATILITY

NET OPERATING INCOME (EX LARGE NOTABLE ITEMS)

(\$m)



(1) Excludes Markets & Treasury income



MARKETS AND TREASURY INCOME

GROUP MARKETS & TREASURY INCOME

(\$m)



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

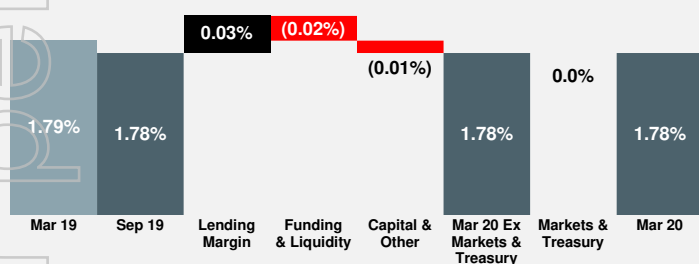
(2) Customer risk management comprises OOI

(3) 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



NET INTEREST MARGIN

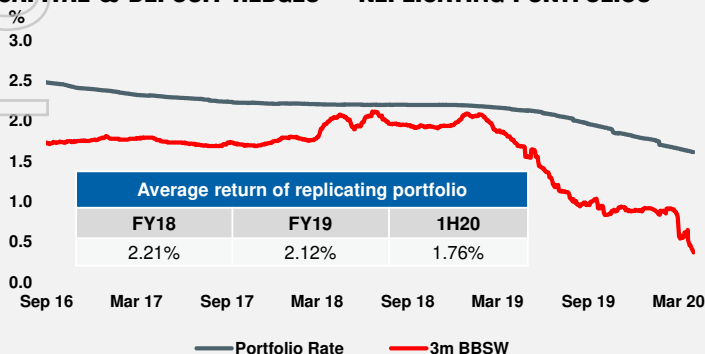
NET INTEREST MARGIN



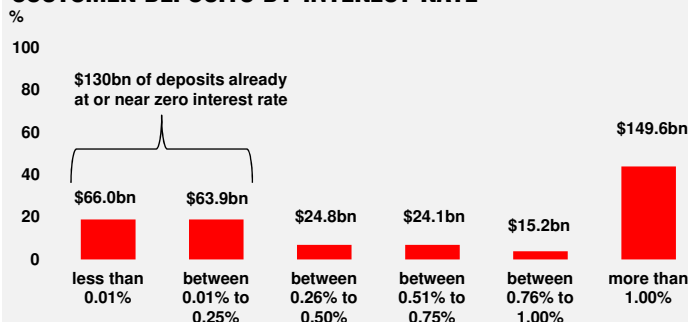
KEY CONSIDERATIONS

- 2H20 impact from low rate environment in Australia and NZ expected to be ~5bps HoH including replicating portfolio
- \$75bn replicating portfolio provides 3.6 year average hedge for capital (\$36bn) and low rate deposits (\$39bn); current swap rates ~125bps below portfolio rate
- Term deposits portfolio costs trending higher
- Access to TFF provides funding benefit over time
- Domestic short term wholesale funding costs at historic lows

CAPITAL & DEPOSIT HEDGES — REPLICATING PORTFOLIOS¹



CUSTOMER DEPOSITS BY INTEREST RATE²



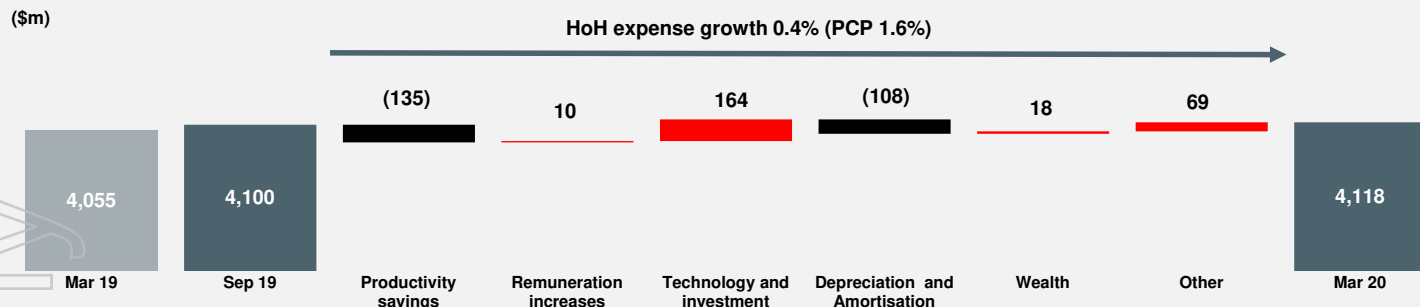
(1) Blended replicating portfolio earnings rate (Australia only). Replicating portfolio includes capital and non-interest bearing deposits

(2) Australia only, as at 31 March 2020. Customer deposits exclude home loan offsets

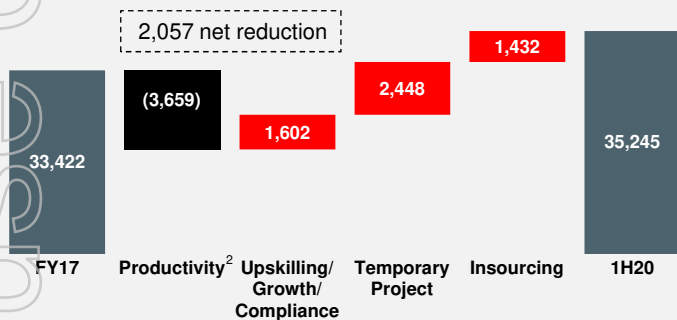


OPERATING EXPENSES

OPERATING EXPENSES (EX LARGE NOTABLE ITEMS)



CUMULATIVE FTE CHANGE SINCE SEP 17



- (1) Refer to key risks, qualifications and assumptions in relation for forward-looking statements on page 107
 (2) Represents net of FTE simplification offset by BAU hires

FTE & OTHER CONSIDERATIONS¹

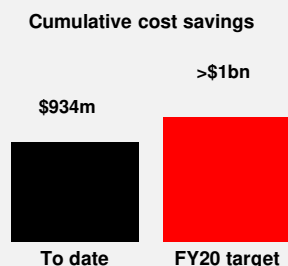
- 1H20 productivity impacted by restructuring freeze for bushfires & COVID-19, plus hires in technology, operations and risk
- Upskilling/Growth/Compliance hires unlikely to increase
- Unlikely to achieve FY20 cumulative target of 4,000 FTE reduction by end FY20, but further opportunities exist into FY21
- Continue to target FY20 project investment spend of \$1.4-1.5bn (1H20 \$751m)



SOLID PROGRESS ON TRANSFORMATION

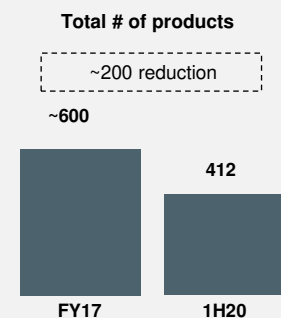
COST MANAGEMENT AND PRODUCTIVITY SAVINGS

- 'Broadly flat' expenses target¹ achieved FY19
- On-track to achieve cumulative cost savings target of >\$1bn



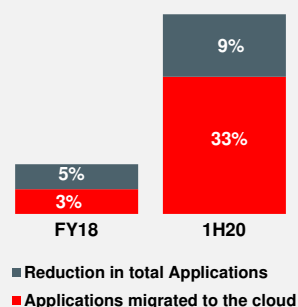
SIMPLER AND FASTER

- >250 fees removed or reduced since Sep 18²
- 63% of simple consumer product sales are now via digital against 65% target
- 35% reduction in OTC transactions



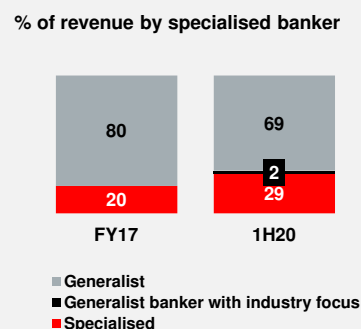
CLOUD FIRST AGENDA

- 33% IT applications migrated to the cloud
- 9% reduction in IT legacy applications since FY17
- Increased reliability for apps migrated to cloud and lower run cost
- 74% reduction in critical and high severity incidents since FY17



BEST BUSINESS BANK

- Broadened and deepened industry specialisation
- Improved digital and decisioning
- Strengthened small business proposition
- ~20% increase in revenue per banker since FY17

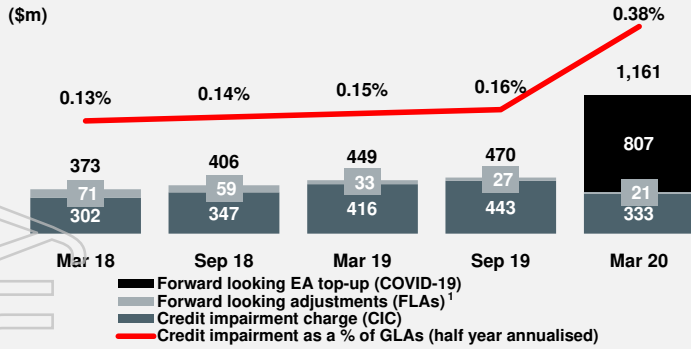


- (1) Excluding large notable items
 (2) Across Australian Banking and Wealth

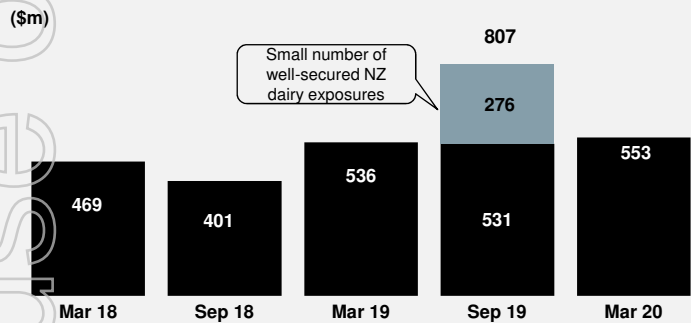


ASSET QUALITY REMAINS SOUND BUT OUTLOOK UNCERTAIN

CREDIT IMPAIRMENT CHARGE



NEW IMPAIRED ASSETS

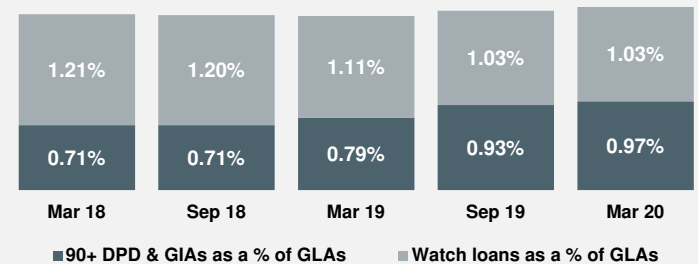


(1) Represents collective provision Forward Looking Adjustments (FLAs) for targeted sectors
 (2) Represents total credit impairment charge less EA top-up as a percentage of GLAs (half year annualised)

ECONOMIC ADJUSTMENT CONSIDERATIONS

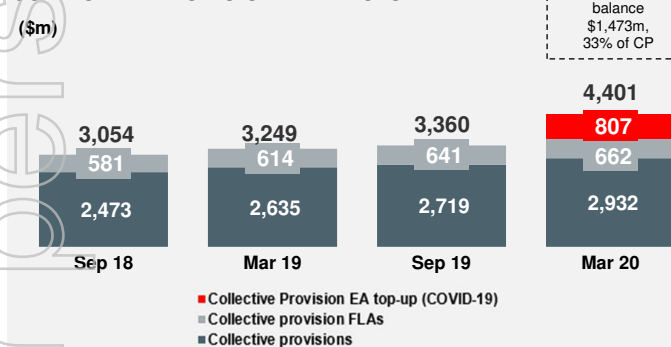
- Underlying CIC remains low at 12bps² of GLAs
- Increased likelihood in forward outlook of potential portfolio stress given assessment of broader macro economic environment over short and medium term
- Forward looking Economic Adjustment (EA) top-up of \$807m to reflect potential impact of COVID-19 on broader macro economic environment

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

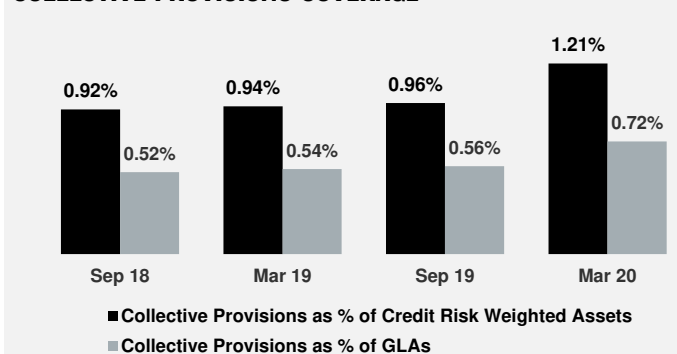


PROVISIONING STRENGTHENED

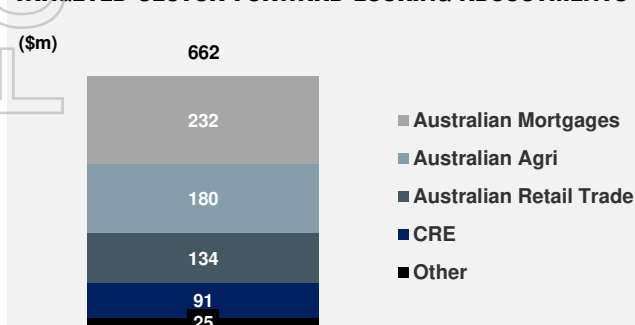
COLLECTIVE PROVISION BALANCES



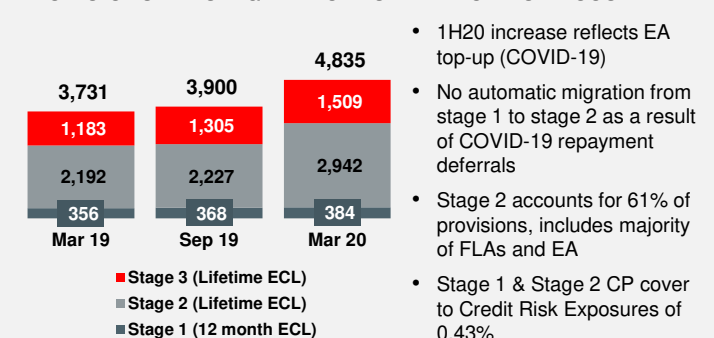
COLLECTIVE PROVISIONS COVERAGE



TARGETED SECTOR FORWARD LOOKING ADJUSTMENTS



PROVISIONS BY STAGE¹ – LOANS AT AMORTISED COST²



- 1H20 increase reflects EA top-up (COVID-19)
- No automatic migration from stage 1 to stage 2 as a result of COVID-19 repayment deferrals
- Stage 2 accounts for 61% of provisions, includes majority of FLAs and EA
- Stage 1 & Stage 2 CP cover to Credit Risk Exposures of 0.43%

(1) Stage 1: Credit risk not increased significantly since initial recognition. Stage 2: Credit risk increased significantly since initial recognition but not credit impaired. Stage 3: Credit impaired
 (2) Excludes Collective Provision on loans at fair value and derivatives which are not allocated to a stage under the Expected Credit Loss (ECL) model



ECONOMIC ADJUSTMENT TOP-UP

EXPECTED CREDIT LOSS (ECL) SENSITIVITY

\$m	Total Provisions for Expected Credit Losses (ECL) ¹		
	1H20 (probability weighted)	100% Base case	100% Severe Downside
Housing	1,150	968	3,395
Business	3,275	3,025	3,830
Total Group	4,835	4,391	7,855
Implied EA top-up (change vs Sep 19)	807	363	3,827

KEY ASSUMPTIONS

	Base case		Severe downside		
	2020	2021	2020	2021	2022
GDP change YoY %	(3.0)	3.4	(3.0)	(2.5)	2.0
Unemployment %	11.6	7.3	7.4	10.0	10.4
House price change YoY %	(10.0)	2.6	(20.9)	(11.8)	2.5

(1) Expected credit losses (ECL) excludes collective provisions on fair value loans and derivatives. Scenarios, prepared for purposes of informing forward looking provisions, rely on NAB Economics modelling and management judgement

CONSIDERATIONS IN ESTIMATING EXPECTED CREDIT LOSSES

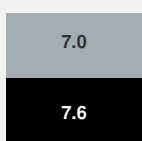
- Updated forward looking macro-economic data and assumptions including potential impacts of COVID-19 pandemic
- Incorporates assumptions about migration of exposures between Stage 1 (12 month expected losses) to Stage 2 (lifetime expected losses) and Stage 3 (lifetime expected losses), and payment deferral uptake and recoveries
- Uncertainty exists re duration of COVID-19 restrictions, impact of government stimulus and regulatory actions
- ECL outcome reflects impact of 3 probability weighted EA scenarios (base, upside, severe downside) plus FLAs for emerging risks at industry, geography or segment level
 - ECL base case reflects COVID-19 estimated impacts
 - ECL severe downside: more prolonged and severe downturn, sustained negative GDP change, elevated (double-digit) unemployment, acute asset value falls
- 1H20 EA top-up reflects deterioration in base case assumptions and increased weighting to severe downside scenario vs Sep 19



COVID-19 SECTORS OF INTEREST

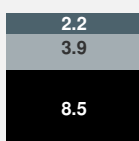
RETAIL TRADE (~3% OF NON RETAIL EAD)

EAD \$14.6bn



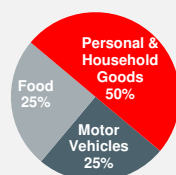
■ Non-Discretionary
■ Discretionary

EAD \$14.6bn

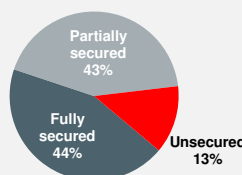


■ B&PB ■ C&IB ■ NZ

EAD Portfolio by sector Mar 20



Portfolio security Mar 20¹



- Retail Trade portfolio experience is mixed: ~52% is discretionary retail, while non-discretionary component likely to be less impacted
- Department store exposure ~\$150m
- Household consumption growth was already at slowest pace since 1990s recession pre COVID-19
- Provisioning includes \$134m FLA

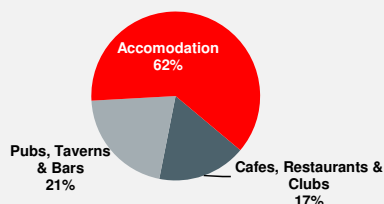
ACCOMMODATION & HOSPITALITY² (~2% OF NON RETAIL EAD)

EAD \$10.2bn

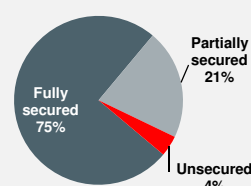


■ B&PB ■ C&IB ■ NZ

EAD Portfolio by sector Mar 20



Portfolio security Mar 20¹



- Hospitality portfolio materially impacted by government restrictions
- Credit impacts will be dependent on length of continued shutdowns, speed of recovery and mitigating impact of government support

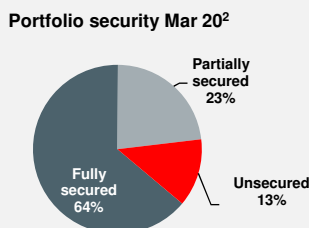
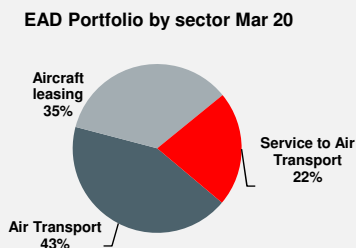
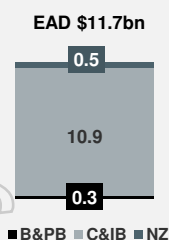
(1) Fully Secured is where the loan amount is less than 100% of the bank extended value of security; Partially Secured is where the loan amount is greater than 100% of the bank extended value of security; Unsecured is where no security is held and/or no value held against the security and negative pledge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

(2) Retail Trade and Accommodation & Hospitality are aligned to Regulatory Industry Classifications. Discretionary / Non-discretionary Retail Trade determined at an individual ANZSIC code level



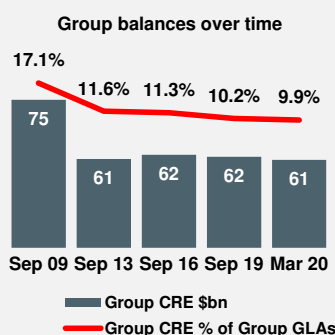
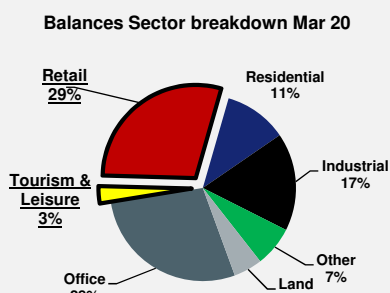
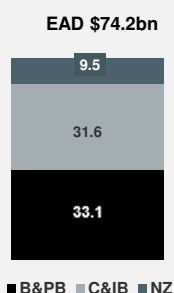
COVID-19 SECTORS OF INTEREST

AIR TRAVEL & RELATED SERVICES¹ (-2% OF NON RETAIL EAD)



- Portfolio includes lending to airlines, aircraft leasing and airports
- Lending is to highly rated counterparties (82% Investment Grade)
- Rate of recovery post COVID-19 will be slower than for domestic industries

COMMERCIAL REAL ESTATE³ (-15% NON RETAIL EAD)



- CRE book remains diversified by geography and sector
- Largest sector exposures are in Retail & Tourism (32% of CRE balances) and Office (28%). Short term and long term impacts of COVID-19 across CRE book remain uncertain
- Portfolio is 89% investor, 11% developer
- Australian residential development apartment limits are down ~42% since March 2019

(1) Air Travel and related services defined based on relevant ANZSIC codes

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

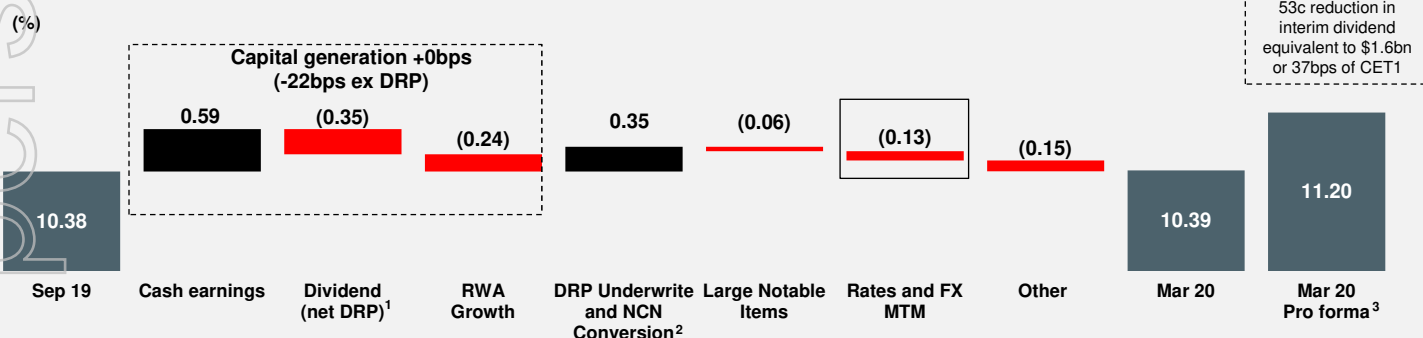
(3) Measured as EAD / drawn balances outstanding per APRA Commercial Property ARF 230 definitions

22

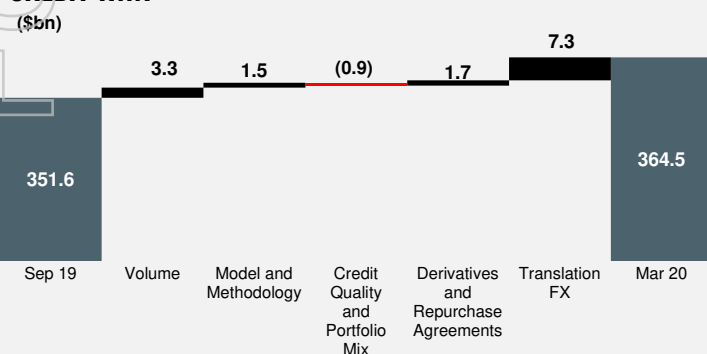


CAPITAL

GROUP BASEL III COMMON EQUITY TIER 1 CAPITAL RATIO



CREDIT RWA



(1) Net of 1.5% discount

(2) DRP underwrite (17bps) and NCN conversion (18bps)

(3) Assumes \$3bn placement and \$500m raised under share purchase plan

CAPITAL CONSIDERATIONS

- APRA allowance for some of the 150bps of 'unquestionably strong' buffers to be utilised
- Strong expected FY20 Australian business lending growth (~13-16%) has limited capital implications as mostly relates to drawdowns where capital is already held or low RWA sectors
- Pro forma CET1 ratio 11.2% assuming \$3.5bn equity raising³ (+81bps)
- CET1 drag from FX and MTM on high quality liquids (cash earnings, reserves & CRWA impacts) 21bps, EA top-up 19bps



CRWA SENSITIVITY

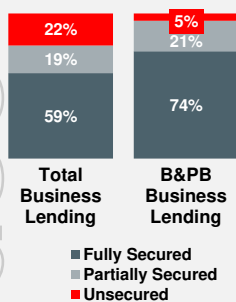
CREDIT RWA SENSITIVITY

- 1% increase in density drives ~20bp CET1 ratio decline

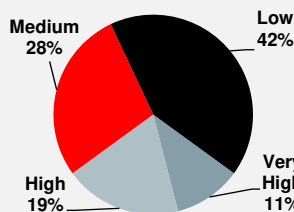
	Credit EAD \$bn	Credit RWA/EAD (%)		
		Mar 20	Deterioration over 2 yrs	
			Low end	High end
Housing ¹	389	28	31	35
Business ¹	351	56	63	72
Total Group	937	39	43	48
Pro forma Mar 20 CET1 impact			~(80bps)	~(180bps)

SECTOR RISK AND SECURITY CONSIDERATIONS

Mar 20 security profile²



Non retail EAD by COVID-19 Industry risk classification³



(1) Housing includes IRB Residential mortgages asset class. Business includes IRB Corporate (incl. Corporate SME) and Specialised Lending asset classes

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

(3) The classifications for each industry represent a ranked assessment of potential impact COVID-19 pandemic will have on their financial performance. These assessments remain highly uncertain, and are likely to change as the pandemic evolves

CRWA METHODOLOGY

- CRWA/EAD increases happen over time as deterioration occurs
- CRWA based on through-cycle PDs and downturn LGDs:
 - PDs increase as customer credit risk scores deteriorate
 - LGDs increase as value of security declines
- Housing key drivers: unemployment, house prices
- Business key drivers: range of increasing stress relating to COVID-19 industry risk categorisations

COVID-19 MODELLING

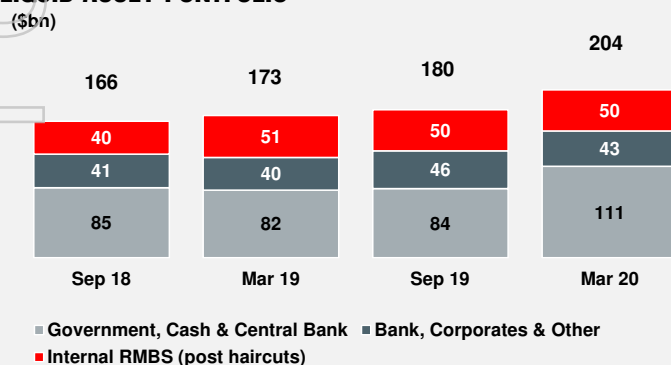
- Business portfolio segmented into 4 'at-risk' classifications relating to potential COVID-19 impacts: Very High, High, Medium, Low
- Uncertainty exists regarding duration of COVID-19, resulting disruption to economy and efficacy of government stimulus
- Sensitivities reflect a sharp decline in 2020 environment with a broader business recovery in 2021, and include:
 - Range of PD stress depending on industry classification
 - Range of LGD stress reflecting ~30% asset price fall in High End scenario
 - Mortgage implied default rate (based on payment deferral & take-up assumptions) increasing by 3x for Low End and 6x for High End scenario
- CRWA/EAD increase expected to emerge over 2 year period

FUNDING AND LIQUIDITY POSITION IS STRONG

KEY MESSAGES

- Liquidity Coverage Ratio (136%)¹ and Net Stable Funding Ratio (116%) well above regulatory minimums
- Approved CLF of \$55.1bn for 2020
- \$12.2bn of term wholesale funding issued in 1H20, including \$2.5bn of subordinated debt²
- Strong deposit inflows since market volatility emerged, particularly from Corporate & Institutional customers
- RBA Term Funding Facility provides flexibility to manage refinancing risk
- High Quality Liquid Assets increased

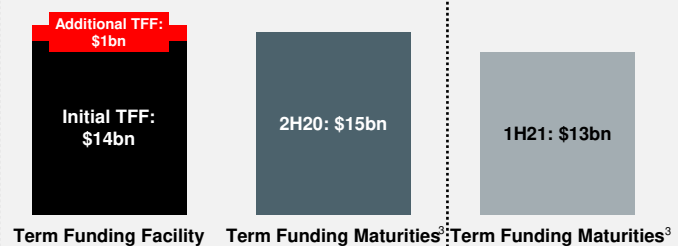
LIQUID ASSET PORTFOLIO



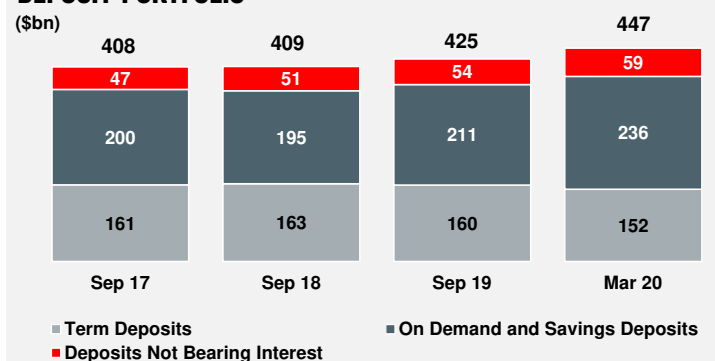
(1) Quarterly average
(2) Excludes Additional Tier 1
(3) Excludes BNZ maturities

TERM FUNDING FACILITY

TFF available at 6 April 2020 equivalent to NAB 2H20 term wholesale funding maturities



DEPOSIT PORTFOLIO





National
Australia
Bank

UPDATE ON LONG-TERM STRATEGY

ROSS McEWAN

Group Chief Executive Officer

OUR AMBITION FOR NAB

To **serve customers well** and **help our communities prosper**

To invest in our **colleagues and customers**, the 'twin peaks' of our strategy

To be **safe**; protecting customers and colleagues through financial and operational resilience

To be **easy**; a simpler, more seamless and digitally enabled bank that gets things done faster

To be **relationship-led**; building on market-leading expertise, data and insights

Making the decisions for the **long-term** to deliver sustainable outcomes for our stakeholders



DISCIPLINED INVESTMENT AND SAFE GROWTH

Four month strategy review complete: clear and **compelling value opportunity**

Building a bank to improve outcomes for **customers, colleagues and shareholders**, with strong capital and liquidity

Managed within the **current annual investment level**

Continuing focus on **cost**

Positioning ourselves for **return to growth** post COVID-19

Maximising **organic capital generation**



KEY OBSERVATIONS

GOOD BUSINESSES

#1 Australian Business Bank¹



~25% share in Small and Medium business¹

~30% revenue via our specialised bankers

Potential to grow personal banking



Peer leading Consumer NPS^{2,3}

Ubank ~600k customers

Leading Corporate & Institutional Bank



Strong relationship strength

BNZ well positioned



#1 NPS² in Corporate⁴

#2 NPS² in SME⁴

Consistently growing above housing system

SOLID TECHNOLOGY FOUNDATIONS

- Significant investments in technology modernisation and resilience
- Strategic insourcing and workforce upskilling
- Data foundations built enabling advanced analytics and machine learning

AREAS FOR IMPROVEMENT

For our customers

- Complex products and interactions
- Slow to respond and then deliver in key customer experiences
- Inconsistent experiences from bankers and channels
- NPS still negative
- Historically low market share among younger customers

For our colleagues

- Enablement challenges driving low engagement
- Underinvested in colleague tools and development
- Accountabilities not always clear and decision-making too slow
- Too many 'priorities' and competing interests

For our shareholders

- Peer lagging organic capital generation and EPS growth

(1) March 2020 DBM Business Financial Services Monitor, APRA Aligned Lending Market Share. Australian businesses with an aligned product, excluding Finance & Insurance and Government. APRA Aligned Lending market share is based on the total lending dollars held at the financial institution, divided by the total lending dollars held at financial institutions reporting to APRA, with products and FIs aligned as closely as possible to APRA definitions and inclusions. Data is on a 12-month roll, weighted to the Australian business population. Small Business (\$0.1m-<\$5m) and Medium Business (\$5m-<\$50m)

(2) Net Promoter® and NPS® are registered trademarks and Net Promoter Score and Net Promoter System are trademarks of Bain & Company, Satmetrix Systems and Fred Reichheld

(3) March 2020. Source: DBM Atlas – Consumer. All Consumer customers, Australian population aged 18+, six month rolling averages

(4) Kantar Business Finance Monitor, New Zealand



WE HAVE OPPORTUNITIES TO GROW OUR CORE BUSINESSES

OUR KEY AREAS OF FUTURE FOCUS

BUSINESS & PRIVATE BANKING	CORPORATE & INSTITUTIONAL BANKING	PERSONAL BANKING	BNZ	UBANK
<i>Clear market leadership¹</i>	<i>Disciplined growth</i>	<i>Simple & digital</i>	<i>Grow in Personal & SME</i>	<i>New customer acquisition</i>
<p>Core of the NAB Group</p> <p>Industry-leading relationship bankers, enabled by data</p> <p>Integrated HNW proposition</p>	<p>Highly professional relationship managers and specialists</p> <p>Leadership in infrastructure, investors, sustainability</p> <p>Enhanced transactional banking and asset distribution capability</p>	<p>Radically simpler with digital-first propositions</p> <p>Easy customer experience</p> <p>One single mortgage experience for NAB</p>	<p>Simpler, more focused bank</p> <p>Re-weighted to less capital intense segments</p> <p>Step change in digital banking capability</p>	<p>New propositions driving customer acquisition</p> <p>Market leading digital experience</p> <p>Ambition to expand into micro-business</p>

(1) AS measured by DBM BFSM market survey

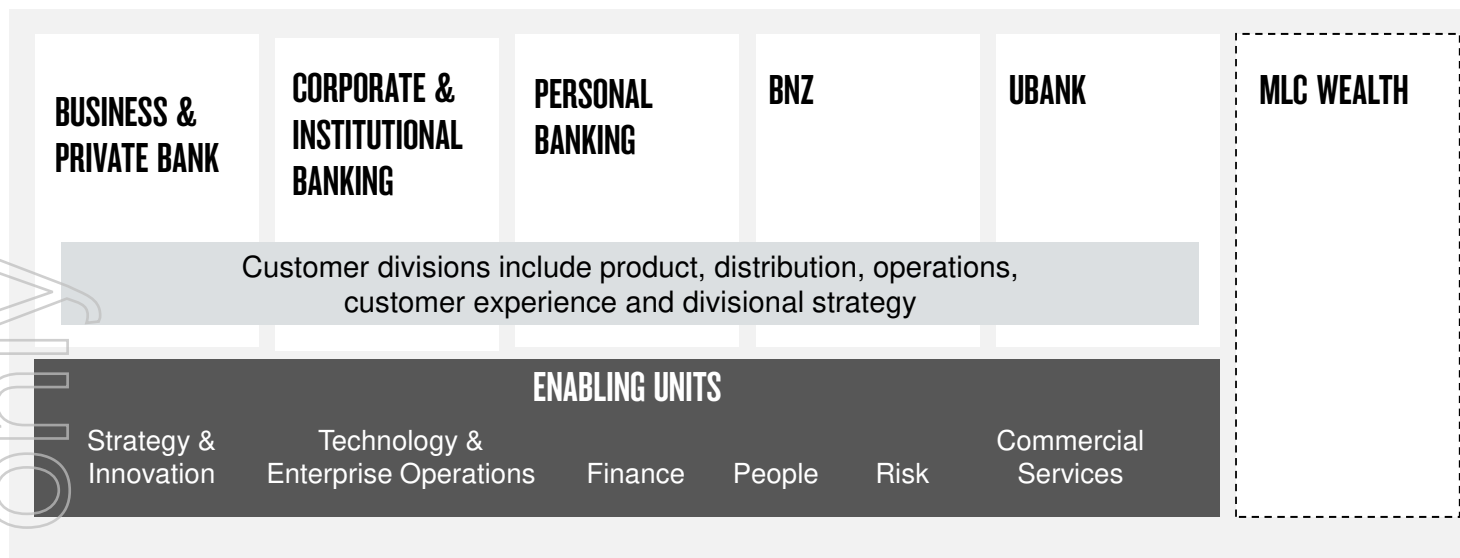


FOCUS AND CLARITY WILL BE KEY

BUSINESS SIMPLIFICATION	CHANGE DELIVERY MODEL	ORGANISATIONAL ENABLERS
<p>Working on what matters most, not everything</p> <ul style="list-style-type: none"> Fewer projects, supported with differential investment Fewer systems, products, and policies Simplified business (e.g., completion of MLC Wealth separation) 	<p>Cross-functional teams with persistent funding</p> <ul style="list-style-type: none"> Aligned outcomes with shared KPIs across technology and business leaders Consistent change methodology Simplified governance Insourcing of strategic capabilities 	<p>Simplified model with clear accountability</p> <ul style="list-style-type: none"> End-to-end business units Single point of accountability for each strategic priority Leaders empowered to enable faster decision-making Improved management information



ORGANISATIONAL STRUCTURE DESIGNED FOR CUSTOMERS



Five end-to-end businesses, designed around our customers

Enabling units **delivering common activities at-scale** across the Group

Greater focus on digital and delivery by **elevating UBank and Strategy & Innovation**

Note: MLC Wealth to be strengthened and then exited; organisational model shown excludes other subsidiaries

CLOSING REMARKS – OUR IMMEDIATE PRIORITIES

SAFE

- Strengthen balance sheet
- Maintain our risk settings financially and operationally

EASY

- Embed new ways of working
- Unblock, simplify and digitise key customer experiences, starting with lending
- Organise around our customers in new operating model

RELATIONSHIP-LED

- Empower our customer-facing colleagues
- Support customers and colleagues through COVID-19 and beyond

LONG-TERM

- Accelerate innovation, data/analytics, digitisation, and strengthen sustainable business practices
- Achieve greater cost and capital efficiency
- Progress MLC Wealth separation



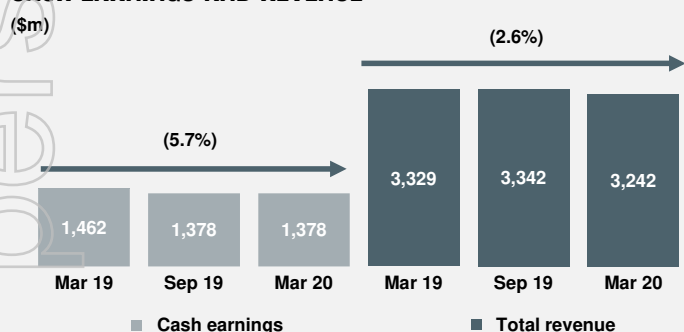
National
Australia
Bank

ADDITIONAL INFORMATION

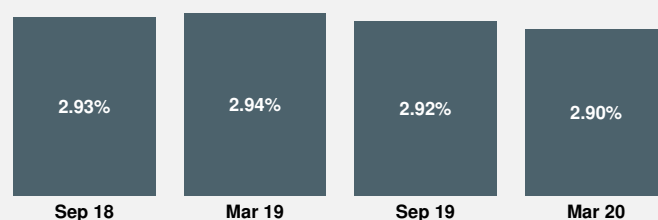
DIVISIONAL PERFORMANCES

BUSINESS & PRIVATE BANKING

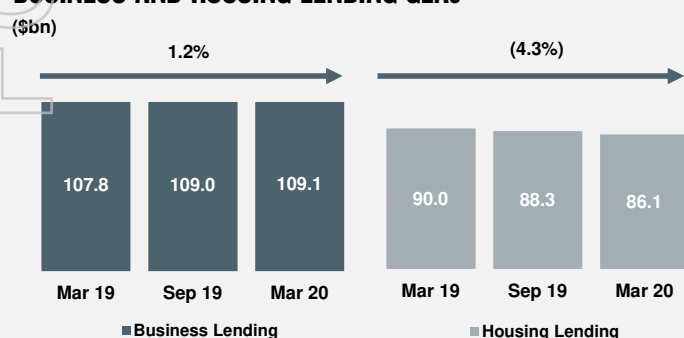
CASH EARNINGS AND REVENUE



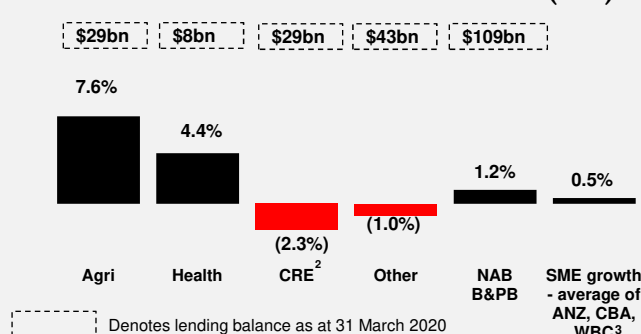
NET INTEREST MARGIN



BUSINESS AND HOUSING LENDING GLAs



AUSTRALIAN SME BUSINESS LENDING GROWTH (YOY)¹



(1) Growth rates are on a customer segment basis and not industry

(2) CRE primarily represents commercial real estate investment lending across a range of asset classes including Retail, Office, Industrial, Tourism and Leisure, and Residential

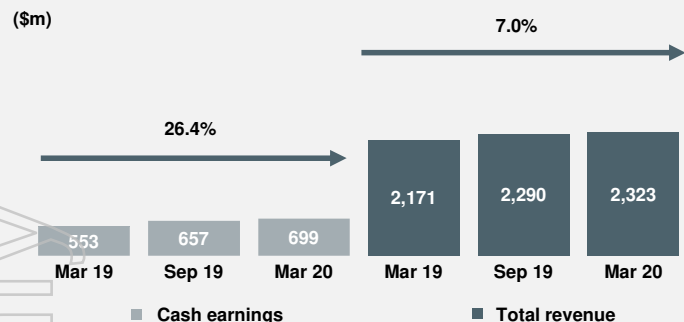
(3) Represents NAB internal estimates of SME business lending growth for ANZ, CBA and WBC based on latest publicly available peer data



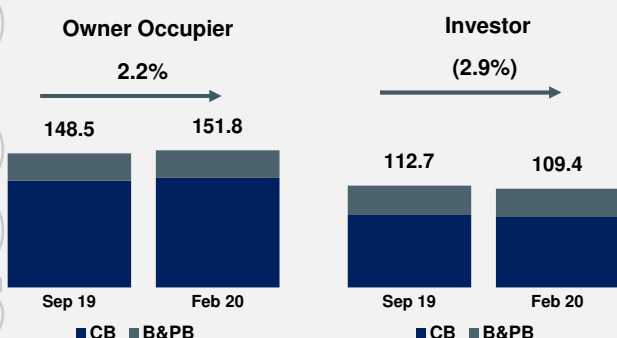
National
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Bank

CONSUMER BANKING

CASH EARNINGS AND REVENUE

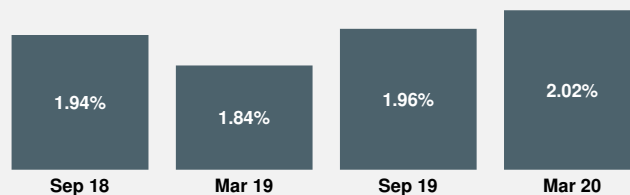


HOUSING LENDING VOLUME GROWTH¹



(1) APRA Monthly Authorised Deposit-taking Institution statistics February 2020

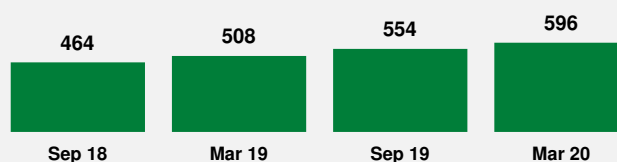
NET INTEREST MARGIN



UBANK – OUR DIGITAL BANK

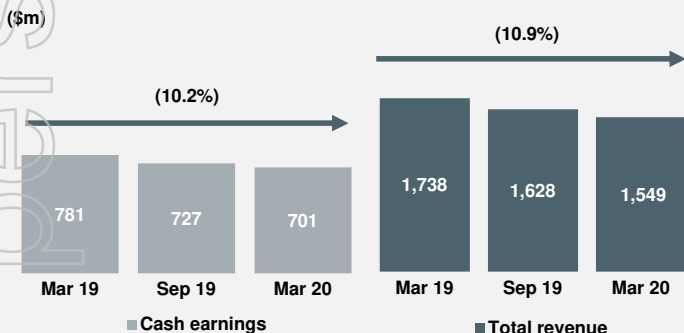
- Home Loan GLAs up 14% HoH
- 17% growth in customer numbers over the year

Customers (k)

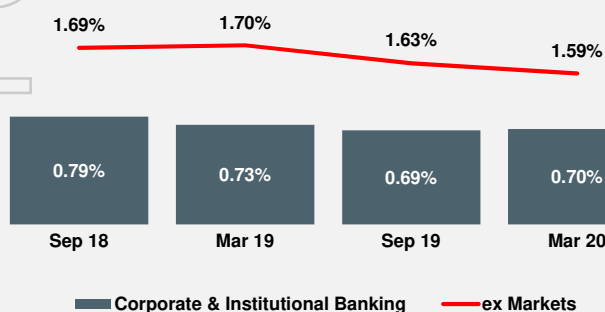


CORPORATE & INSTITUTIONAL BANKING

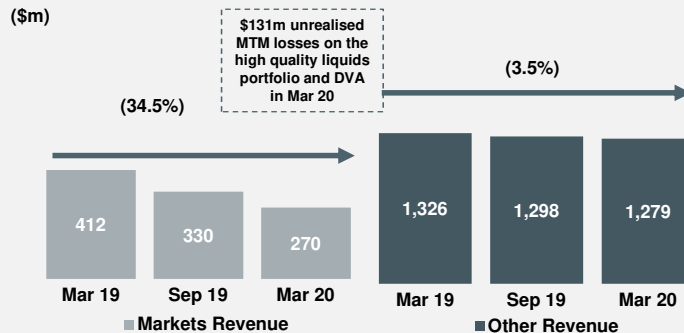
CASH EARNINGS AND REVENUE



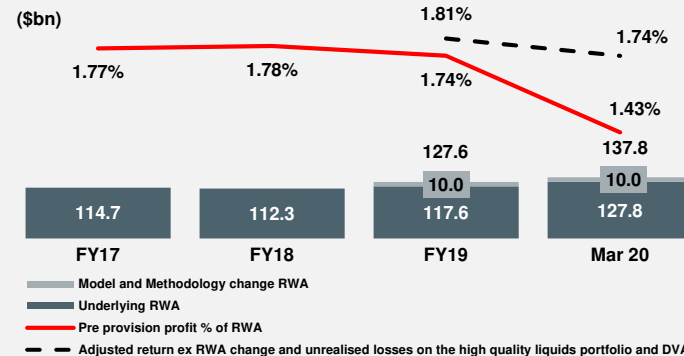
NET INTEREST MARGIN



REVENUE BREAKDOWN¹



RETURNS FOCUS



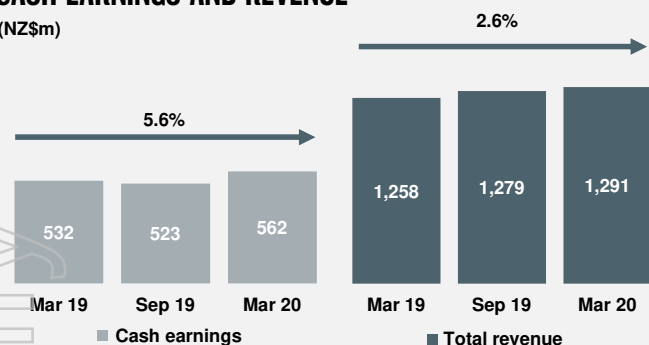
(1) Markets revenue represents Customer Risk Management revenue and NAB Risk Management Revenue. Includes derivative valuation adjustments



NEW ZEALAND BANKING

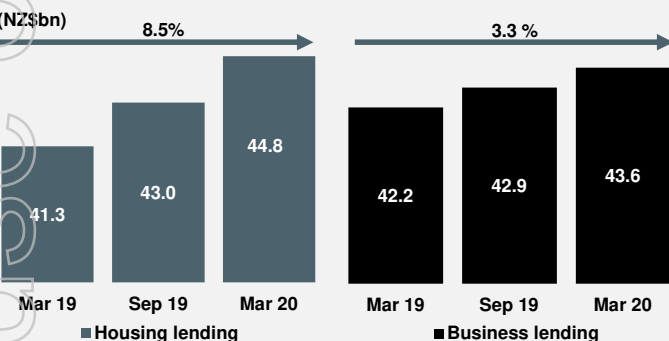
CASH EARNINGS AND REVENUE

(NZ\$m)

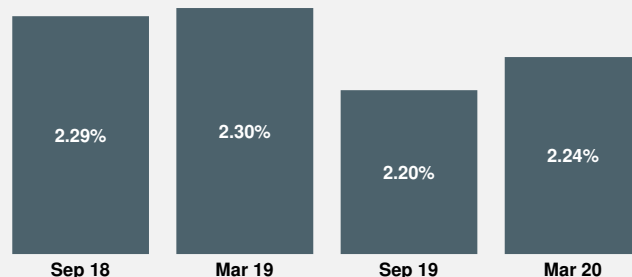


BUSINESS & HOUSING LENDING GLAs

(NZ\$b)

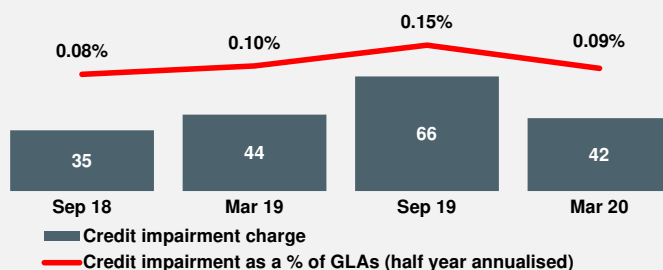


NET INTEREST MARGIN



CREDIT IMPAIRMENT CHARGES AND AS A % OF GLAs

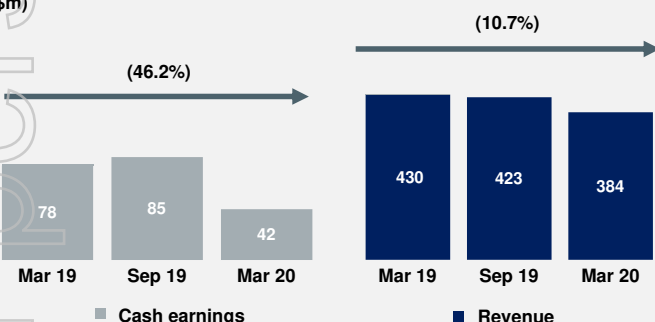
(NZ\$m)



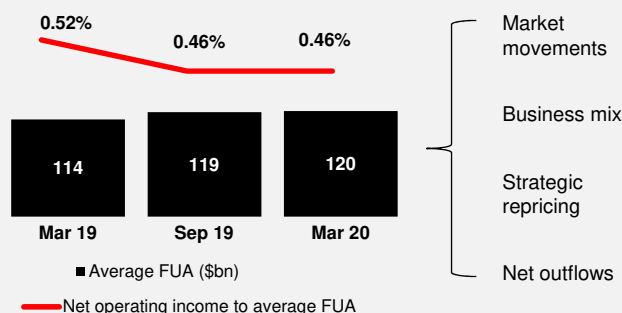
MLC WEALTH

MLC WEALTH CASH EARNINGS AND REVENUE

(\$m)



AVERAGE FUA AND MARGIN



STRATEGIC REPOSITIONING WELL PROGRESSED

Progressing towards separation, via public markets exit while exploring alternatives¹

MLC Wealth Executive Team now in place

Advice	Platforms	Retirement & Investment Solutions	Asset Management
<ul style="list-style-type: none"> Implementation of new advice model well advanced, reducing risk and improving sustainability Enhanced compliance monitoring system in place 	<ul style="list-style-type: none"> Launched new competitively priced Core Investment List for Wrap Repricing of key super and pension offerings and further Masterkey repricing Improving Wrap flows post repricing 	<ul style="list-style-type: none"> \$105bn FUA, Market Share #2² Corporate super FUA \$47bn, Market Share #1² Modernising super offers including enhancing digital service options and tools 	<ul style="list-style-type: none"> \$154bn AUM³ 80.6% of AUM outperforming 3 year benchmark⁴ Rebranded Asset Management from NAB to MLC Launched new Private Equity Fund and expanding SMA capability

(1) Separation subject to market conditions, regulatory and other approvals

(2) Source: Strategic Insight Market Overview as at 31 December 2019, Platforms and Corporate Super Segments

(3) Certain managed funds and assets are represented in both FUA and AUM meaning the two should not be summed. For March 2020 there has been a change in the way AUM is presented as a result of an internal reorganisation within MLC Wealth. Comparative period information has also been restated

(4) This is a representative measure in AUM. Returns are gross of fees and tax, with outperformance measured against the respective benchmark return for the flagship products



ADDITIONAL INFORMATION

NAB AND OUR COMMUNITY

NAB AT A GLANCE

NAB AND OUR COMMUNITY

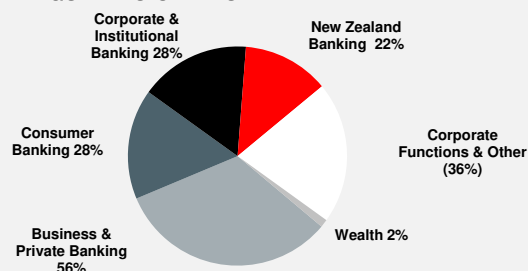
>35,000
Employees

~9 million
Customers

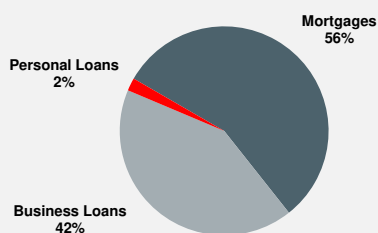
878
Branches/Business centres

>160 years
in operation

CASH EARNINGS DIVISIONAL SPLIT¹



GROSS LOANS & ACCEPTANCES SPLIT



Key Financial Data

1H20

Cash Earnings	\$1,436 m
Cash Earnings ¹	\$2,471 m
Cash ROE ¹	9.0 %
Gross Loans & Acceptances	\$614 bn
Non-performing loans to GLAs ²	97 bps
CET1 (APRA)	10.4 %
NSFR (APRA)	116 %

Australian Market Share

As at February 2020

Business lending ³	21.8 %
Housing lending ³	14.9 %
Personal lending ⁴	9.2 %

Credit Ratings
NAB Ltd LT/ST⁵

S&P AA-/A-1+
(Negative)

Moody's Aa3/P-1
(Stable)

Fitch A+/F1
(Negative)

(1) Numbers are shown excluding large notable items. Refer to page 104 for definition of cash earnings and reconciliation to statutory net profit

(2) 90+ days past due and gross impaired assets to gross loans and acceptances

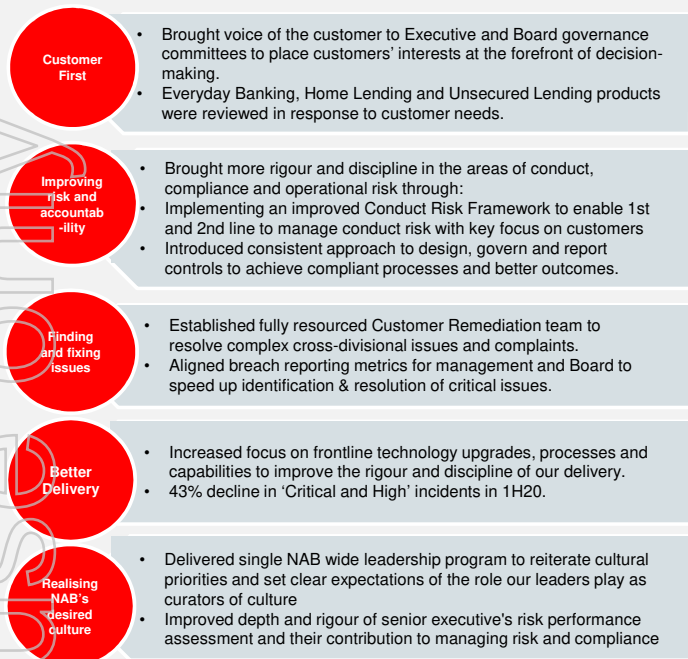
(3) APRA Monthly Authorised Deposit-taking Institution statistics

(4) Personal loans business tracker reports provided by RFI, represents share of RFI defined peer group data

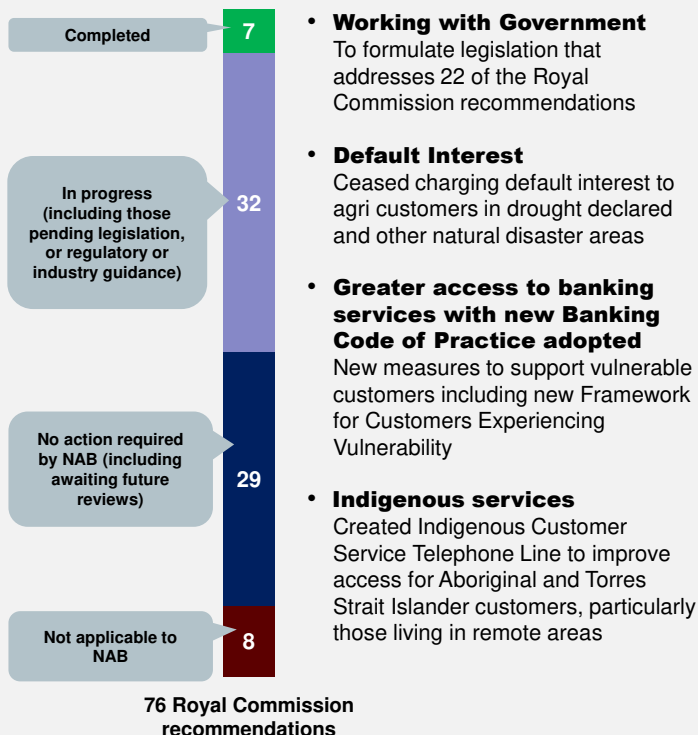
(5) On 7 April 2020, Fitch revised its long term rating of NAB from AA- to A+, and short term rating from F1+ to F1. Further, on 8 April 2020, S&P Global Ratings (S&P) revised its rating outlook of NAB from stable to negative.

APRA SELF-ASSESSMENT RESPONSE

- Enterprise-wide program led by ELT, overseen by NAB Board, with 150-strong working group



ROYAL COMMISSION RESPONSE



OUR SOCIAL IMPACT STRATEGY

Our prioritised goals to address significant long-term environmental and social challenges facing our business and community

Financial Health



Helping people reduce financial stress and feel more in control of their money

Stronger Communities



Creating more sustainable, accessible and inclusive communities across Australia

Banking On Nature



Driving investment in natural assets to improve the wellbeing of our communities, including natural disaster recovery and resilience

Climate Action



Working with communities to ensure they are more resilient to climate change, and supporting a low-carbon economy

Aligned to five key United Nations Sustainable Development Goals¹ – where we can make the biggest impact



(1) www.un.org/sustainabledevelopment

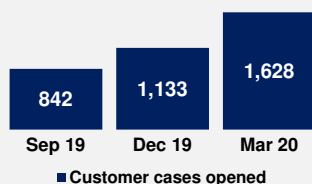


1H20 HIGHLIGHTS

- Australian customers who received hardship assistance up >50% v 1H19, reflecting bushfires and COVID-19 support
- To date customers using *Speckle* loans have saved >\$1.3m in fees compared with standard payday lenders¹
- First Australian bank to offer gambling control via app - >20,000 customers switched on blocks on >25,000 cards
- Responded to >180 calls per month on Indigenous Customer Service Telephone Line, launched in 2H19

CUSTOMER SUPPORT HUB

Specialist team of bankers dedicated to recognising and responding to signs a customer is experiencing vulnerability



>30% cases relating to domestic and family violence

80% increase in Domestic and Family Violence Assistance Grants approved²

>360 referrals made to Uniting Kildonan's CareRing Program

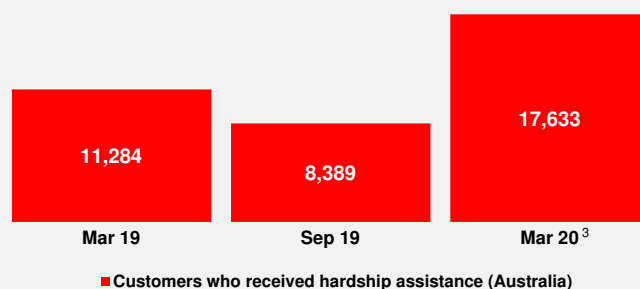
(1) NAB-backed Speckle is a social enterprise offering fast, online cash loans of up to \$2,000. Cumulative savings calculated from August 2017

(2) The DFVAG provides support for NAB customers who have recently experienced an escalation in physical violence and are assessed by CareRing as being at imminent risk of harm, but do not have the financial means or independence to escape/flee from the perpetrator. Percentage growth is based on grants approved in 1H20 v 2H19

(3) Increase in hardship assistance largely reflects impact of bushfires in Dec-19 to Jan-20 and COVID-19 up to Mar-20

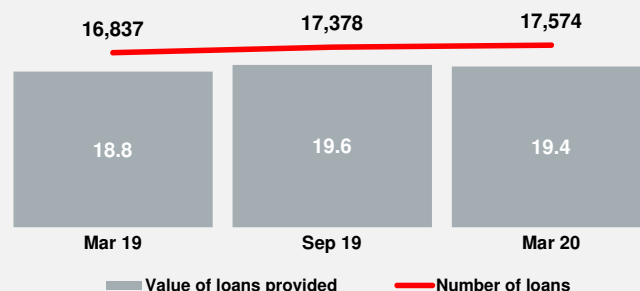
FINANCIAL HARDSHIP ASSISTANCE

(#)



AUSTRALIAN MICROFINANCE LOANS

(# and \$m)



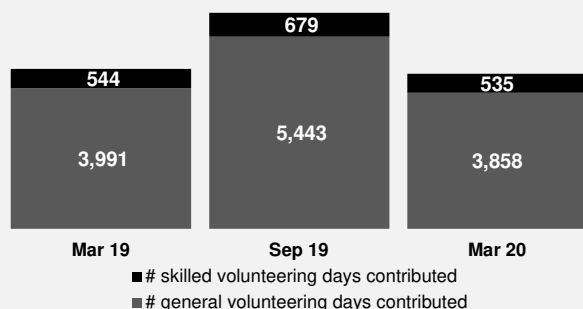
STRONGER COMMUNITIES

1H20 HIGHLIGHTS

- >\$700k in NAB Foundation grants pledged to not-for-profit partners in April 2020 for COVID-19 support
- \$2bn lending commitment to emerging technology companies by 2025 on track, with >\$500m to date provided to support the growing fintech sector
- Increased direct and indirect spend with Indigenous businesses - \$1.3m in 1H20, exceeding FY20 \$800k target¹
- Product managers required to integrate accessibility in all new and reviewed products; Welcoming Customers With Disability training developed for ~400 branch employees

VOLUNTEERING IN OUR AUSTRALIAN COMMUNITIES

(# days)

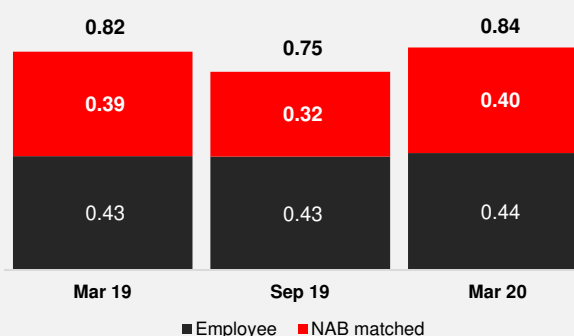


AFFORDABLE HOUSING

- \$2bn financing by 2023 pledged in Oct 19 to support the social and affordable housing sector in Australia
- Commitment addresses one of five key shifts identified in the Australian National Outlook 2019 report - a collaboration between CSIRO, NAB and 19 other non-government organisations

WORKPLACE GIVING²

(\$m)



(1) See our 2019-2021 Reconciliation Action Plan and Progress Report for more information: <https://www.nab.com.au/about-us/social-impact/community/indigenous-australian-support>

(2) Australian employees regularly donate to >500 charities through payroll giving - NAB matches donations up to \$1,200 for each employee, every year



1H20 HIGHLIGHTS

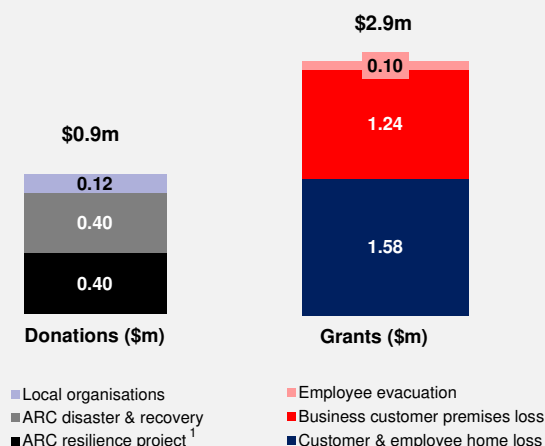
- Developing set of national sustainable agriculture metrics with ClimateWorks
- Phase II of research project with CSIRO underway linking positive correlation of land condition of Queensland grazing properties with financial performance
- In partnership with Food Agility, QUT and the Australian Wine Research Institute, embedded financial metrics alongside sustainability benchmarking data to improve industry understanding of sustainable vineyard management

BUSHFIRE RECOVERY AND RESILIENCE PACKAGE

- \$1m in donations** to Australian Red Cross (ARC) disaster preparedness, relief & recovery efforts, and to local organisations in impacted communities
- \$4m contribution** to NAB Disaster Relief fund for (i) \$2,000 emergency relief and recovery grants to customers and employees, and to impacted businesses and farmers; and (ii) \$1,000 grants for displaced employees
- Extra day's annual leave** given to permanent employees, and leave policy updated to support impacted communities

(1) This donation has been pledged to Australian Red Cross to support the Bushfire Resilience Pilot Project

BUSHFIRE RECOVERY PACKAGE – 1H20 PROGRESS



- >1,500 grants provided
- >1,000 days of bushfire related annual leave taken
- ~4,000 volunteering hours contributed

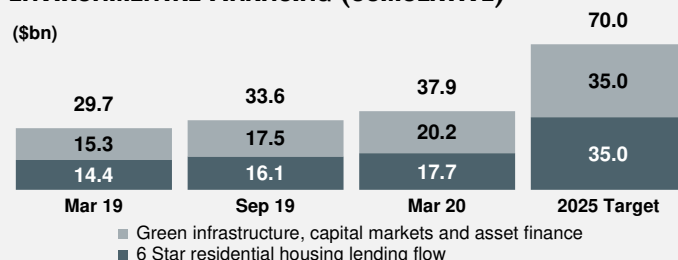


CLIMATE ACTION

OUR COMMITMENTS

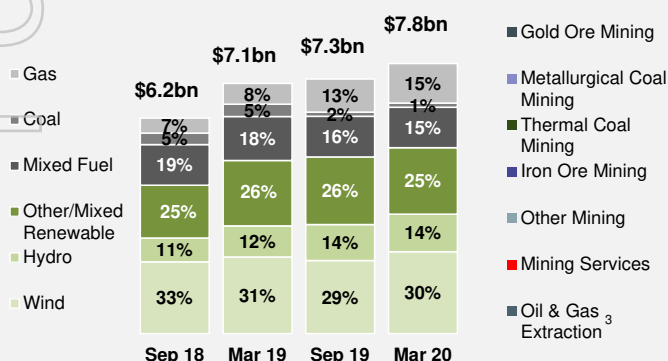
- Environmental financing target of \$70bn by 2025
- Source 100% of our electricity consumption from renewable sources by 2025 – signed up to 'Renewable Energy 100'
- Cap thermal coal mining exposures at Sep 2019 levels and reduce thermal coal mining financing by 50% by 2028, intended to be effectively zero by 2035
- Not take on new-to-bank thermal coal mining customers

ENVIRONMENTAL FINANCING (CUMULATIVE)¹

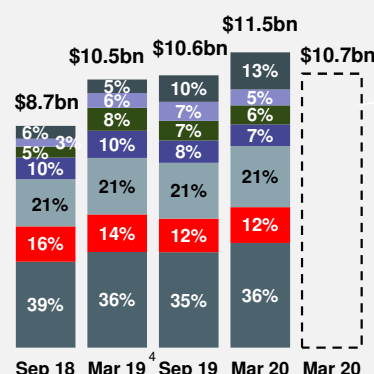


OUR EXPOSURES

Energy generation EAD by fuel source²



Resource EAD by type



- Resource EAD \$10.7bn excluding impact of treasury related financial activity (+\$0.8bn)

- Thermal coal mining EAD down \$20m (-3%) from FY19 and \$150m (-17%) from 1H19

(1) Represented as a cumulative amount of new environmental finance since 1 October 2015

(2) NAB methodology (based upon the 1993 ANZSIC codes) at net EAD basis. Excludes exposure to counterparties predominantly involved in transmission and distribution. Vertically integrated retailers have been included and categorised as renewable where majority of their generation activities sourced from renewable energy. More detail at <https://www.nab.com.au/about-us/social-impact>

(3) Oil & Gas extraction exposure is largely to Liquefied Natural Gas projects and investment grade customers (92%)

(4) Of the \$1.8bn increase in Resource Net EAD in 1H19, \$0.8bn relates to model and regulatory prescribed methodology requirements (includes: Thermal Coal +\$0.2bn, Metallurgical Coal +\$0.2bn), and \$0.8bn relates to Treasury related financial activity where NAB have qualifying securities



1H20 HIGHLIGHTS

- #1 Australian company in *Corporate Knights* 2020 Global 100 Most Sustainable Companies Index
- \$1.8bn TCorp Sustainability Bond which is Australia's largest ever green bond and was awarded the Sustainability Bond Of The Year by Environmental Finance - NAB acted as a Joint Lead Manager
- Increased our 2025 science-based GHG emissions (tCO₂-e) reduction target from 21% to 51% against a restated 2015 baseline level¹

INDUSTRY LEADERSHIP AND COLLABORATION

- Work is ongoing for Phase 2 of UNEP FI Task Force on Climate Related Financial Disclosures (TCFD) pilot
- Scenario/physical risk analysis proceeding, and NAB is now part of an ABA Working Group
- First and only Australian bank to be a signatory of UN Principles for Responsible Banking *Collective Commitment to Climate Action* – participating with other member banks to deliver on CCCA commitments



- (1) We have also set new targets for a range of environmental performance areas, including net energy use (GJ) (a 30% reduction) and office paper (tonnes) (a 20% reduction) from 2019 baseline levels. See our website [here](#) for further details
- (2) Data Source: BloombergNEF Country Profile for Australia - Top Renewable Energy Players (2004 to 4Q 2019). Cumulative totals are in USD as at 31 December 2019. Totals do not include large hydro
- (3) Rankings based on IJGlobal League Table, MLA, Renewables, Last 6 months ending 31 March 2020, Value of Deals (database searched on 16 April 2020)

43

SUPPORTING RENEWABLE ENERGY INDUSTRY

- #1 arranger of project finance for Australian renewable energy since 2004²
- #2 Australian bank for global renewables transactions, and 33rd largest lender to renewable energy industry in the world in 1H20³

Top renewable energy players – Australia²

Cumulative value of deals in USDbn (2004 – 2019)

National Australia Bank Ltd	2.6
Clean Energy Finance Corp	1.6
Mitsubishi UFJ Financial Group Inc	1.4
Westpac Banking Corp	1.3
Australia & New Zealand Banking Group Ltd	1.3
Commonwealth Bank of Australia	1.1
Sumitomo Mitsui Financial Group Inc	1.0
Mizuho Financial Group Inc	0.9
Societe Generale SA	0.9
BNP Paribas SA	0.8



ENGAGING OUR PEOPLE

INVESTING IN OUR PEOPLE

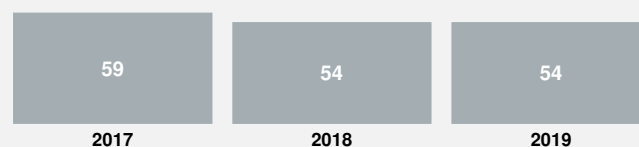
- Launched simplified digital platform for colleagues to acquire and track Continuous Education and Continuous Professional Development points
- Ongoing focus on upskilling technology capability with >1,000 employees industry-certified in Amazon Web Services (AWS), Microsoft Azure and Google Cloud Platform
- ~16,000 licenses issued and >30,000 hours of digital learning completed through deployment of six industry-leading platforms¹

INCLUSIVE WORKFORCE

- Offered 65 traineeships to Indigenous Australians and recruited 40 African-Australians in AAIP²
- 40% female representation on NAB Board³
- WGEA Employer of Choice for Gender Equality citation, ranked #14 in Equileap Gender Equality Global Report and member of 2020 Bloomberg Gender-Equality Index



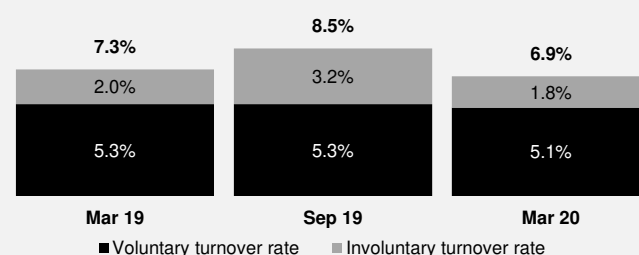
ENGAGEMENT, CODE OF CONDUCT AND TURNOVER

Enterprise Employee Engagement score⁴

Breaches of Code Of Conduct (Australia)



Employee turnover rate (%) by exit type



- (1) NAB employees have access to 250,000 digital learning opportunities through LinkedIn Learning, Coursera, Pluralsight, Udemy, A-Cloud Guru and O'Reilly Safari Books
- (2) African Australian Inclusion Program - 500+ skilled African-Australians have gained paid corporate experience since program inception in 2009, with more than 50% of those who have completed the 6-month program still employed by NAB
- (3) See 'Towards 2020: NAB's road to gender equality' for more information on our gender equality targets and commitments
- (4) Annual Employee Engagement Survey conducted by Aon (now known as Kincentric)

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National
Australia
Bank

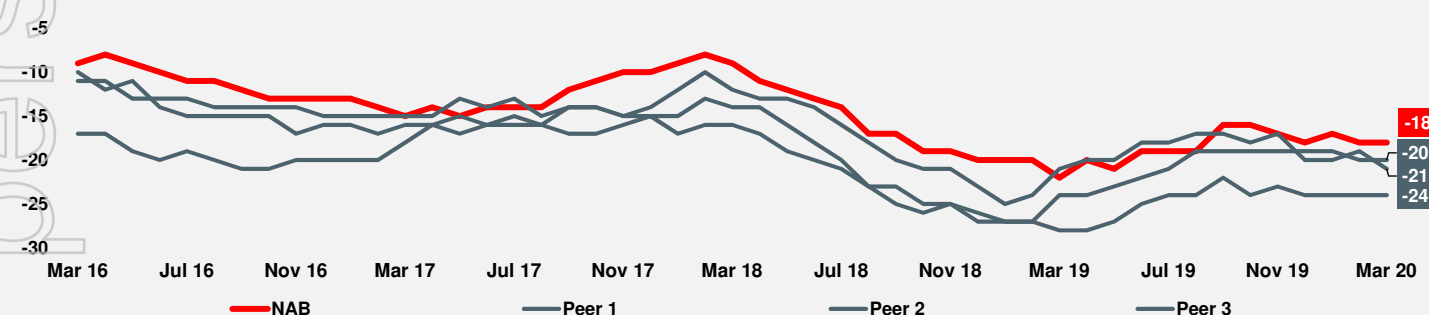
ADDITIONAL INFORMATION

AUSTRALIAN CUSTOMER EXPERIENCE

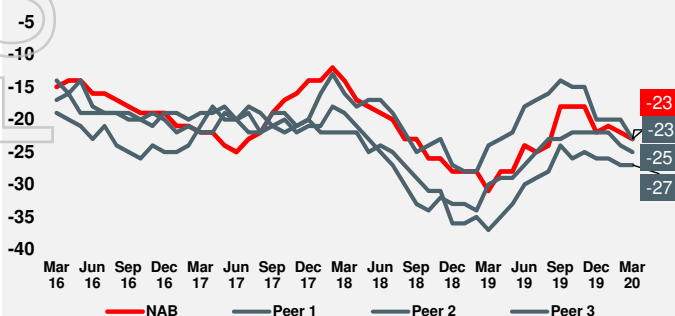
CUSTOMER EXPERIENCE IMPROVING BUT MORE WORK TO DO

CUSTOMER EXPERIENCE

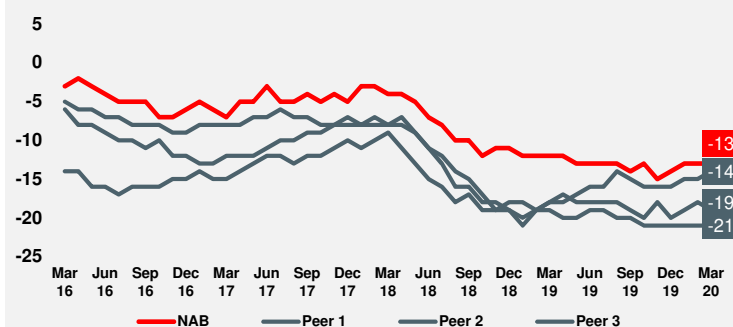
STRATEGIC NPS^{1,2}



BUSINESS³



CONSUMER⁴



(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) Strategic NPS: Sourced from DBM Atlas, measured on 6 month rolling average. Definition has been updated to give all customers within the Business and Consumer segments equal voice. The overall Strategic NPS result combines the Consumer and Business segment results using a 50% weighting for each. Net Promoter Score (NPS) is based on all customers' likelihood to recommend on a scale of 0 to 10 (extremely unlikely to extremely likely). History has been restated.

(3) March 2020. Source: DBM Atlas – Business. All Business customers, six month rolling averages.

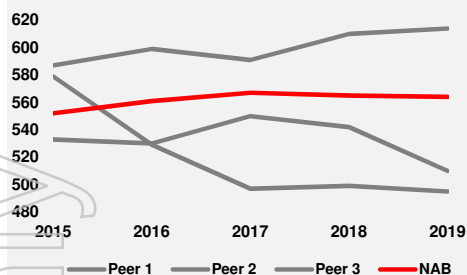
(4) March 2020. Source: DBM Atlas – Consumer. All Consumer customers, Australian population aged 18+, six month rolling averages.



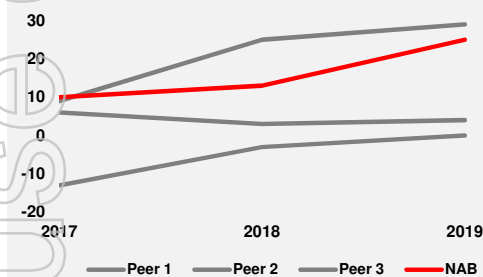
CORPORATE & INSTITUTIONAL CUSTOMER METRICS

CUSTOMER EXPERIENCE

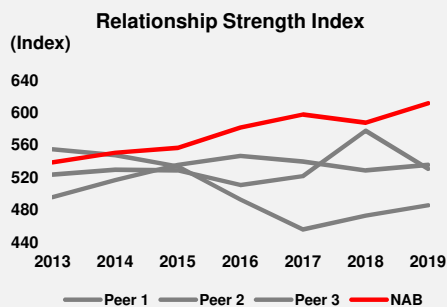
LARGE CORPORATE & INSTITUTIONAL – RELATIONSHIP STRENGTH INDEX¹



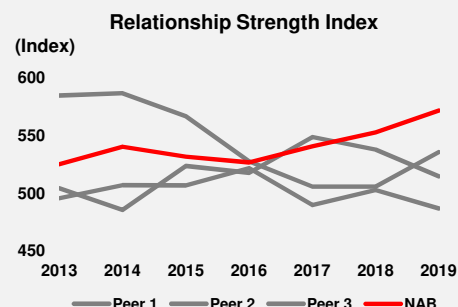
INSTITUTIONAL NPS^{1,2}



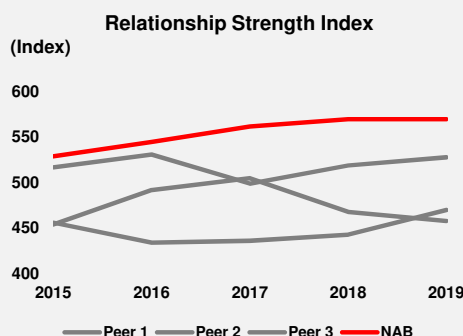
INTEREST RATE HEDGING³



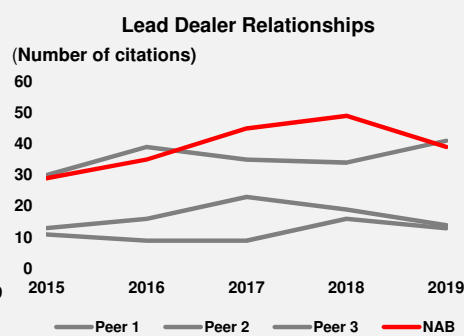
FOREIGN EXCHANGE⁴



DEBT MARKETS ORIGINATION⁵



DEBT MARKETS ORIGINATION⁵



(1) 2019 Peter Lee Associates Large Corporate and Institutional Relationship Banking Survey, Australia. Relationship Strength Index (RSI) is based on a combined measure of most qualitative evaluations. RSI and NPS rankings against four major domestic banks

(2) Net Promoter® and NPS® are registered trademarks and Net Promoter Score and Net Promoter System are trademarks of Bain & Company, Satmetrix Systems and Fred Reichheld

(3) Peter Lee Associates – Interest Rate Derivatives Survey Australia 2019. Based on top four banks by penetration

(4) Peter Lee Associates – Foreign Exchange Survey Australia 2019. Based on top four banks by penetration

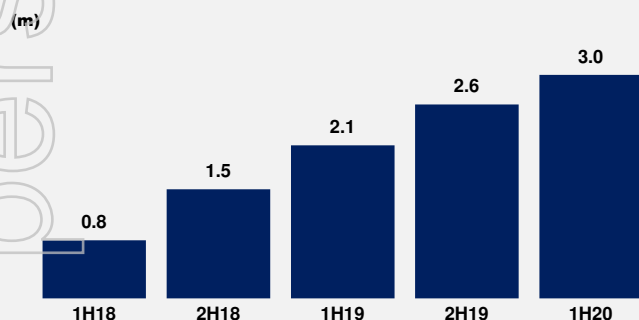
(5) Peter Lee Associates Debt Securities Origination Survey 2019. Based on top four banks by penetration



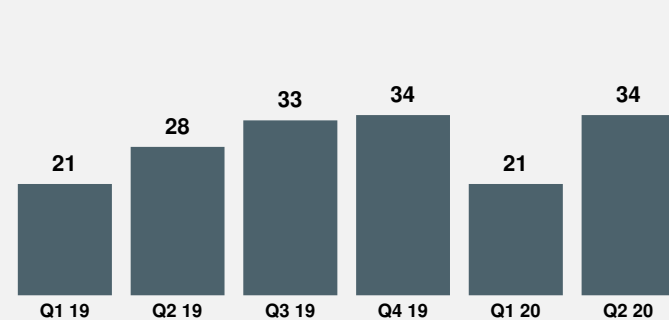
DIGITAL EXPERIENCE FOR OUR BUSINESS CUSTOMERS

CUSTOMER EXPERIENCE

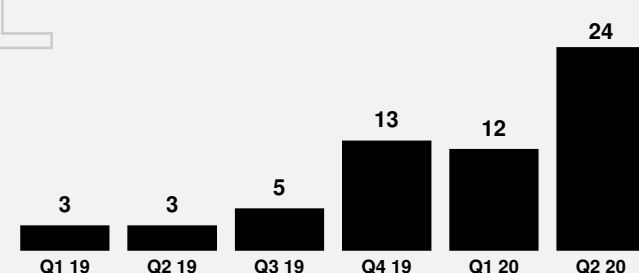
NAB CONNECT APP LOGINS



NAB CONNECT APP FOR BUSINESS CUSTOMERS NPS¹



INTERNET BANKING FOR BUSINESS CUSTOMERS NPS¹ (NAB CONNECT)



(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

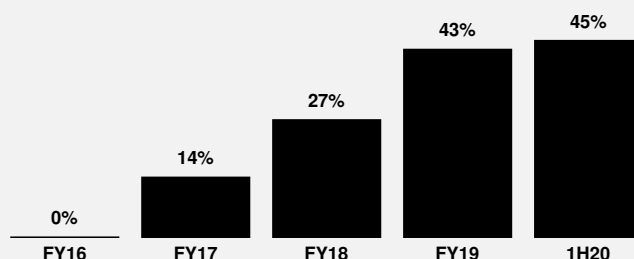


DIGITAL SMALL BUSINESS UNSECURED LENDING

- Access to unsecured finance for term loan, overdraft, business cards, equipment loan and broker assisted customers
- Application and decisioning in **as little as 20 minutes**
- Direct connectivity to Xero, MYOB or QuickBooks data, or simple financial upload from any accounting package
- In response to COVID-19, introduced a 200-basis point rate cut on new loans and all overdrafts on QuickBiz effective 30 March

SMALL BUSINESS UNSECURED LENDING VIA QUICKBIZ

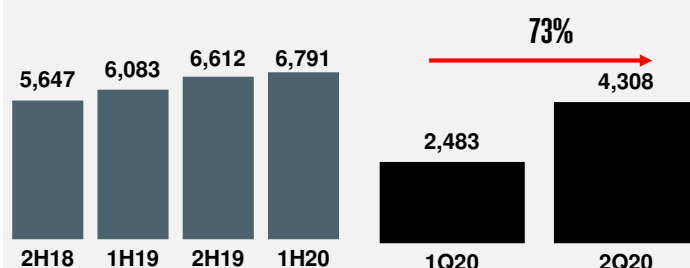
Proportion of new small business lending accounts generated via QuickBiz¹



QUICKBIZ APPLICATION GROWTH

Applications

2Q20 Growth



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

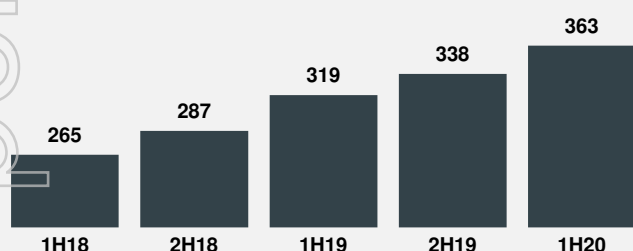


EVERYDAY CONSUMER DIGITAL EXPERIENCE AND SALES

MOBILE LOGINS

(m)

LOGINS



MODIFY HOME LOAN REPAYMENTS ONLINE

- Edit Repayment functionality gives customers the ability to modify home loan repayments in real-time
- Allows changes to both amount and frequency of repayments

You are contracted to pay \$1200 per month. Your next instalment date is 19 June 2020.

FREQUENCY

Frequency: Monthly >

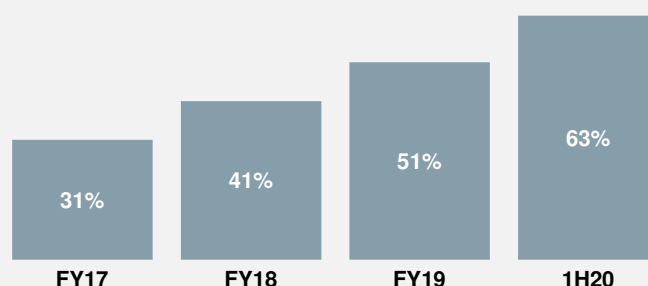
AMOUNT

☒ Minimum Amount: \$1200.00

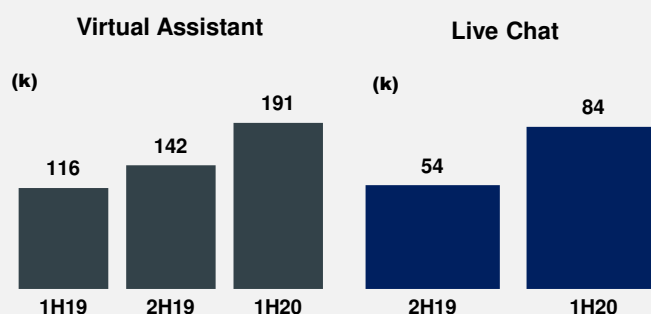
☐ Other Amount

Next

SIMPLE CONSUMER PRODUCT SALES VIA DIGITAL¹



INCREASING UPTAKE OF ONLINE CHAT CAPABILITIES



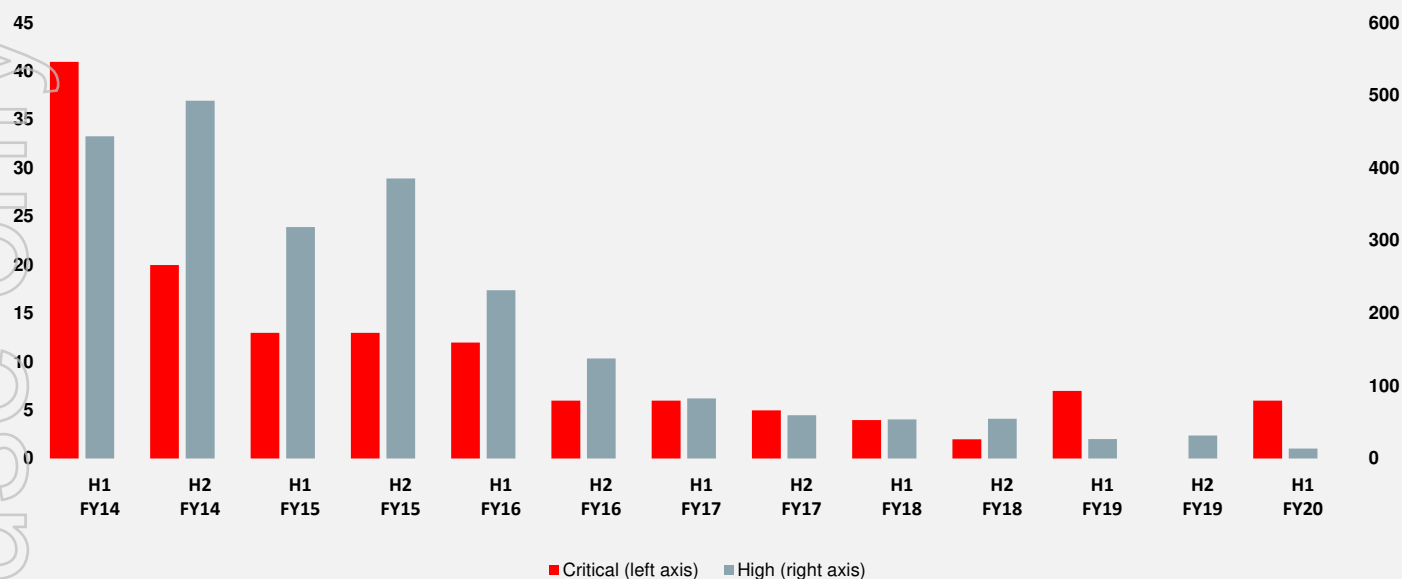
(1) Simple consumer product sales includes the opening of savings and transaction accounts, personal loans and credit cards across all segments and channels



'CRITICAL' AND 'HIGH' PRIORITY INCIDENTS¹

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

- 97% reduction in "High" priority incidents
- 85% reduction in of "Critical" priority incidents



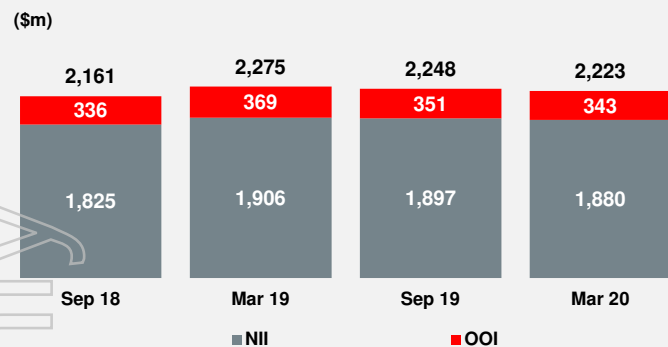
(1) Critical Incidents – Significant impact or outages to customer facing service or payment channels. High Incidents – Functionality impact to customer facing service or impact/outage to internal systems



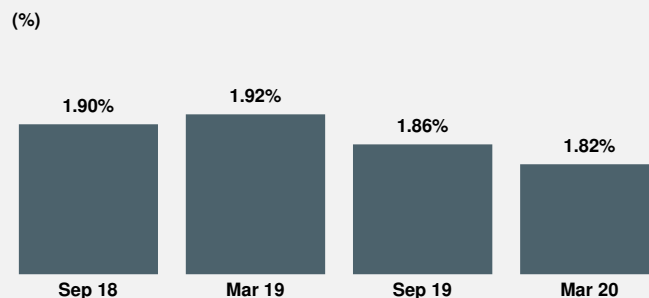
ADDITIONAL INFORMATION

AUSTRALIAN BUSINESS LENDING

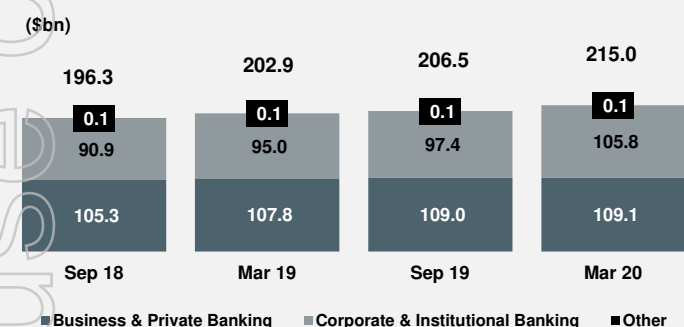
BUSINESS LENDING REVENUE



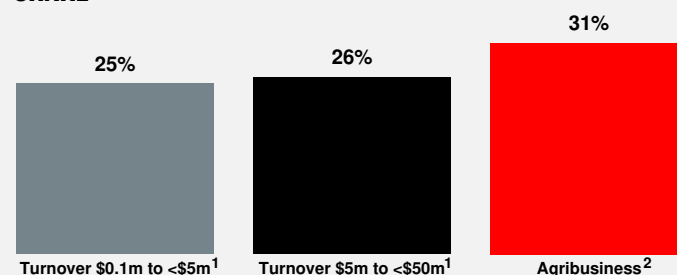
BUSINESS LENDING NET INTEREST MARGIN



BUSINESS LENDING GLAs



SMALL, MEDIUM AND AGRI BUSINESS LENDING MARKET SHARE



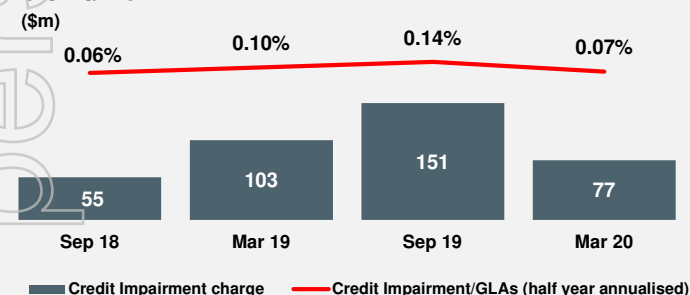
(1) March 2020 DBM Business Financial Services Monitor, APRA Aligned Lending Market Share. Australian businesses with an aligned product, excluding Finance & Insurance and Government. APRA Aligned Lending market share is based on the total lending dollars held at the financial institution, divided by the total lending dollars held at financial institutions reporting to APRA, with products and FIs aligned as closely as possible to APRA definitions and inclusions. Data is on a 12-month roll, weighted to the Australian business population. Small Business (\$0.1m-<\$5m) and Medium Business (\$5m-<\$50m)

(2) February 2020 / NAB APRA submission / RBA Banking System

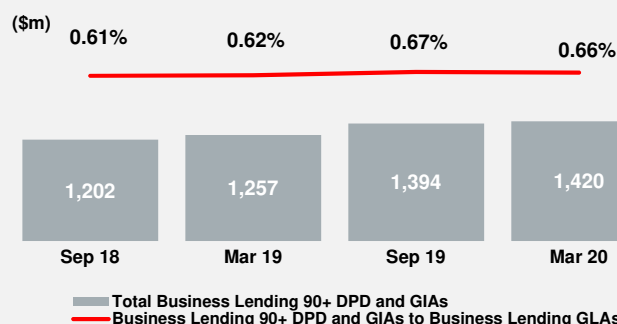


BUSINESS LENDING ASSET QUALITY

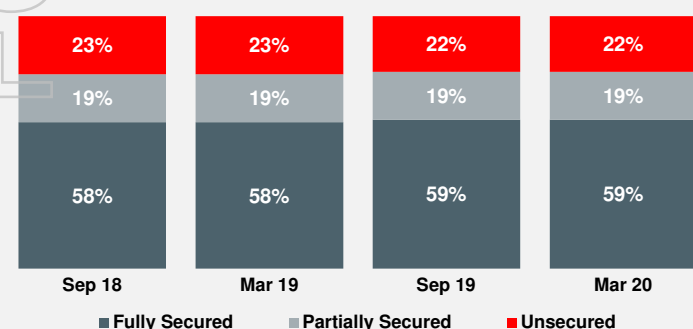
BUSINESS LENDING CREDIT IMPAIRMENT CHARGE AND AS % OF GLAs



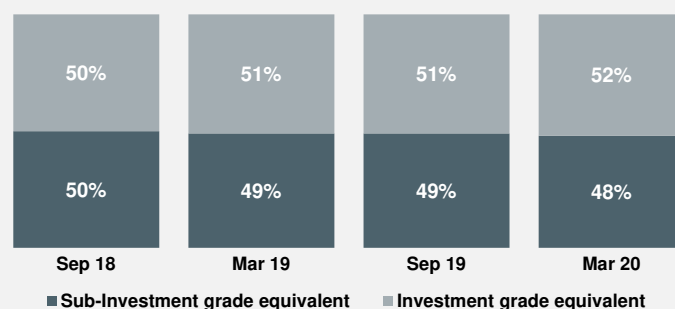
BUSINESS LENDING 90+ DPD AND GIAs AND AS % OF GLAs



TOTAL BUSINESS LENDING SECURITY PROFILE¹



BUSINESS LENDING PORTFOLIO QUALITY



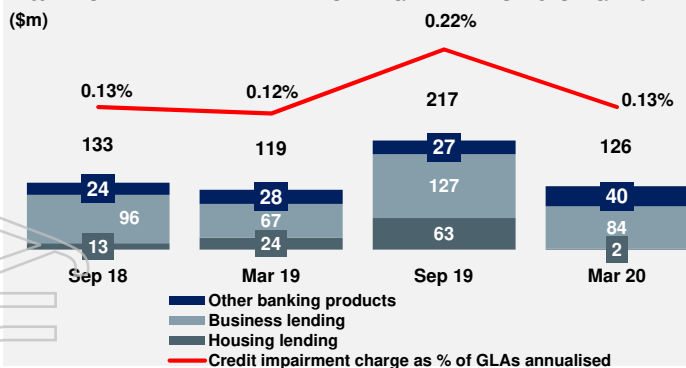
(1) Fully Secured is where the loan amount is less than 100% of the bank extended value of security; Partially Secured is where the loan amount is greater than 100% of the bank extended value of security; Unsecured is where no security is held and/or no value held against the security and negative pledge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



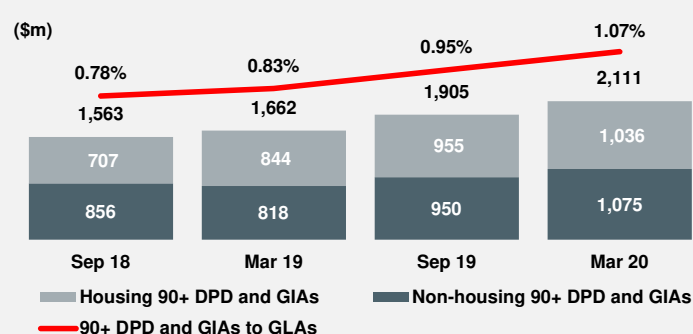
BUSINESS & PRIVATE BANKING (B&PB) ASSET QUALITY

AUSTRALIAN BUSINESS LENDING

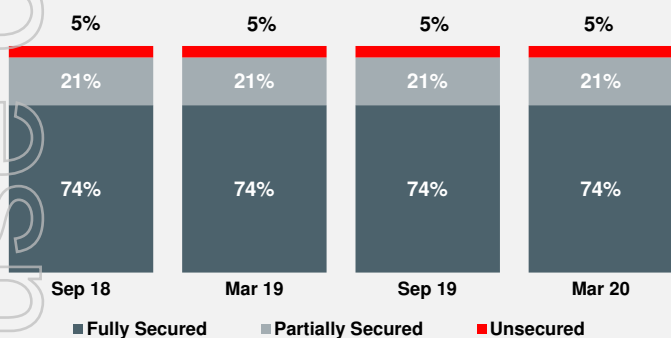
B&PB CREDIT IMPAIRMENT CHARGE AND AS % OF GLAs



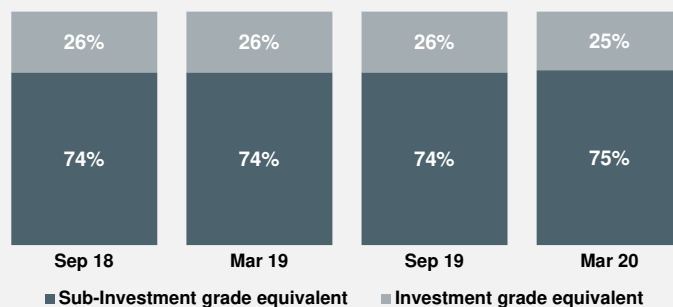
B&PB 90+ DPD AND GIAs AND AS % OF GLAs



B&PB BUSINESS LENDING SECURITY PROFILE¹



B&PB BUSINESS LENDING PORTFOLIO QUALITY



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



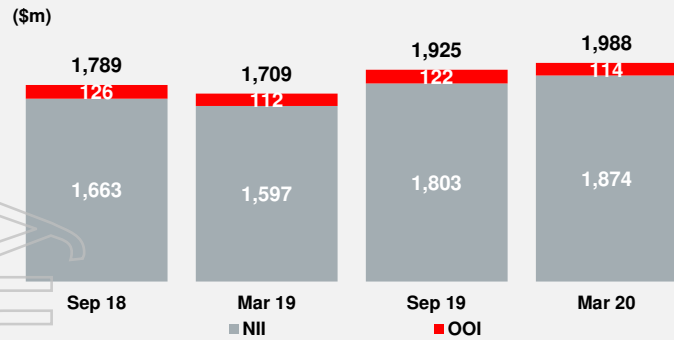
ADDITIONAL INFORMATION

AUSTRALIAN HOUSING LENDING

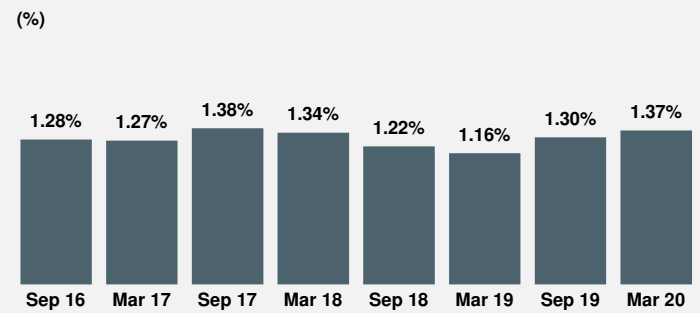
KEY METRICS

AUSTRALIAN HOUSING LENDING

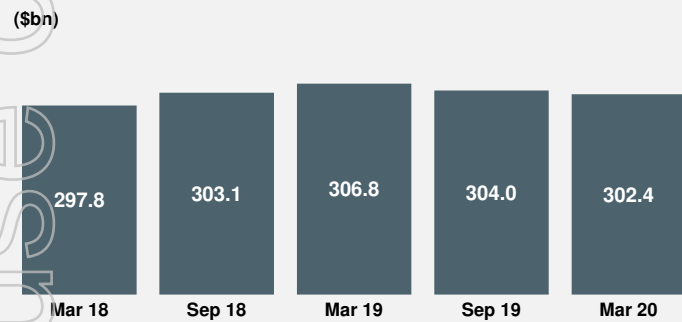
HOUSING LENDING REVENUE



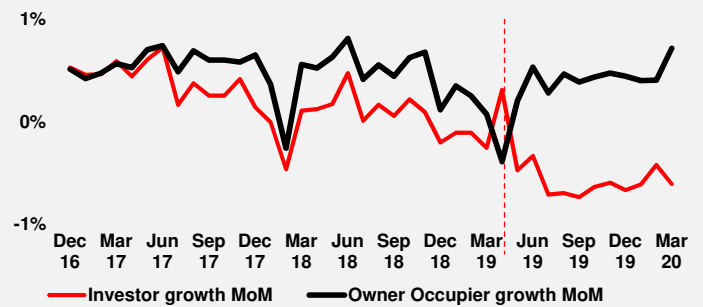
HOUSING LENDING NET INTEREST MARGIN



HOUSING LENDING GLAs



INVESTOR AND OWNER OCCUPIER GROWTH MoM¹



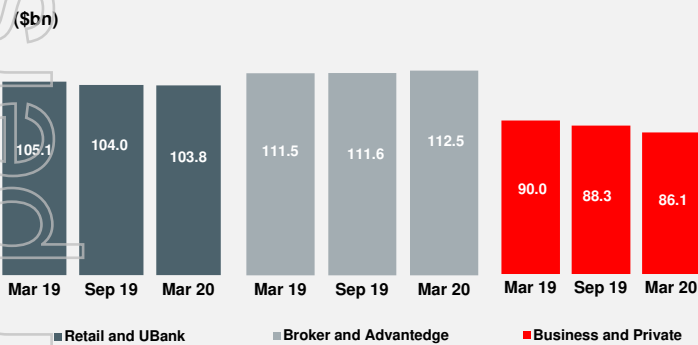
(1) Only includes housing loans to households based on APRA ARF 720.1 reporting definitions. December 16 to March 19 inclusive chart is prepared using APRA Monthly Banking Statistics. Jun 19 to Mar 20 inclusive are prepared using APRA Monthly Authorised Deposit-taking Institution statistics



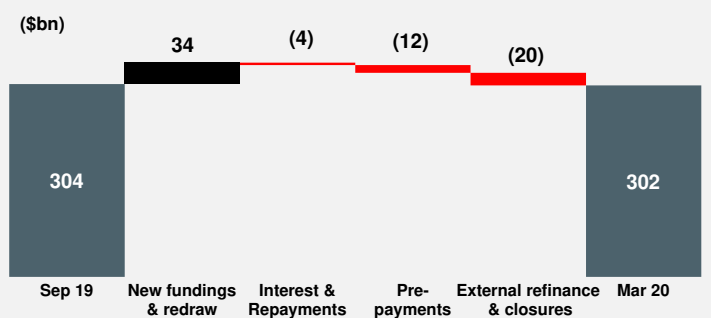
HOUSING LENDING PORTFOLIO PROFILE

AUSTRALIAN HOUSING LENDING

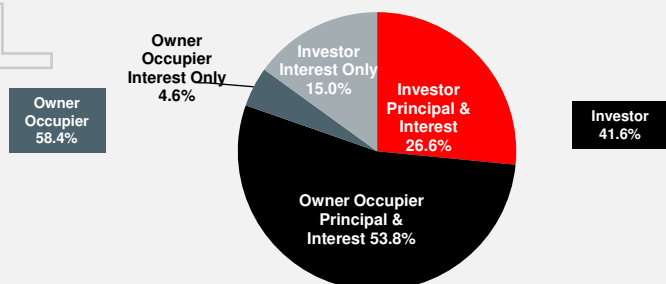
HOUSING LENDING BY CHANNEL¹



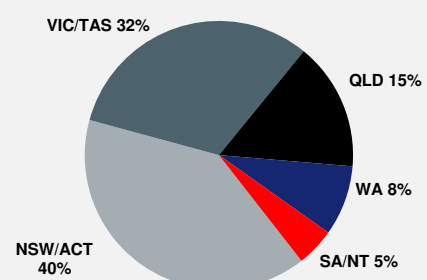
HOUSING LENDING FLOW MOVEMENTS¹



HOUSING LENDING VOLUME BY BORROWER AND REPAYMENT TYPE²



AUSTRALIAN MORTGAGES STATE PROFILE



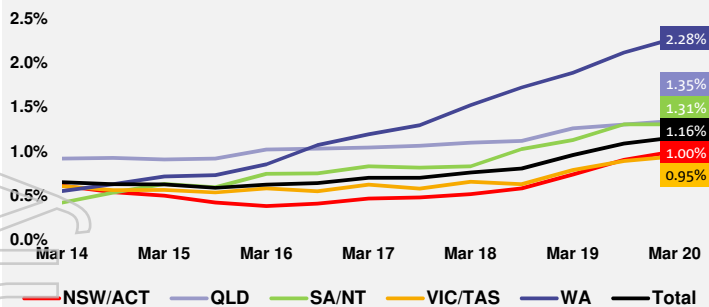
(1) Excludes Asia
(2) Only includes housing loans to households based on APRA ARF 720.1 reporting definitions, and excludes counterparties such as private trading corporations



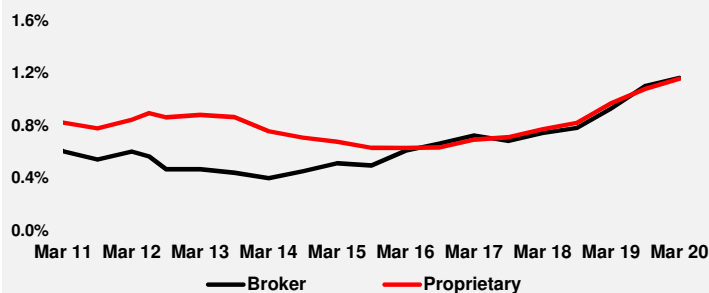
HOUSING LENDING PORTFOLIO PROFILE

AUSTRALIAN HOUSING LENDING

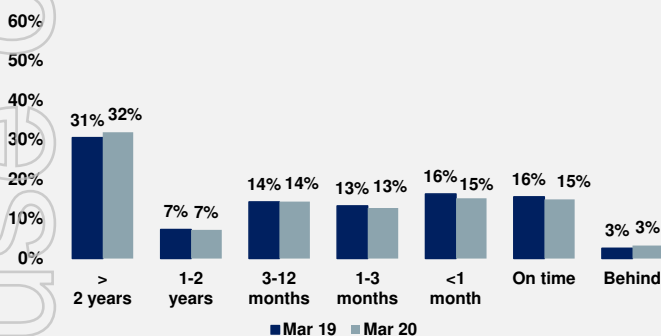
HOUSING LENDING 90+DPD & GIAs AS % OF GLAs



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

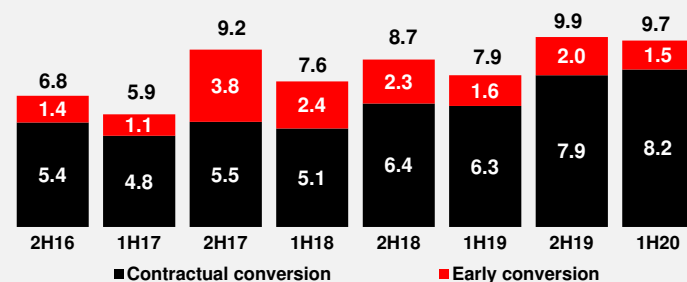


REPAYMENT BUFFERS¹



INTEREST ONLY CONVERSIONS TO P&I

(\$bn)



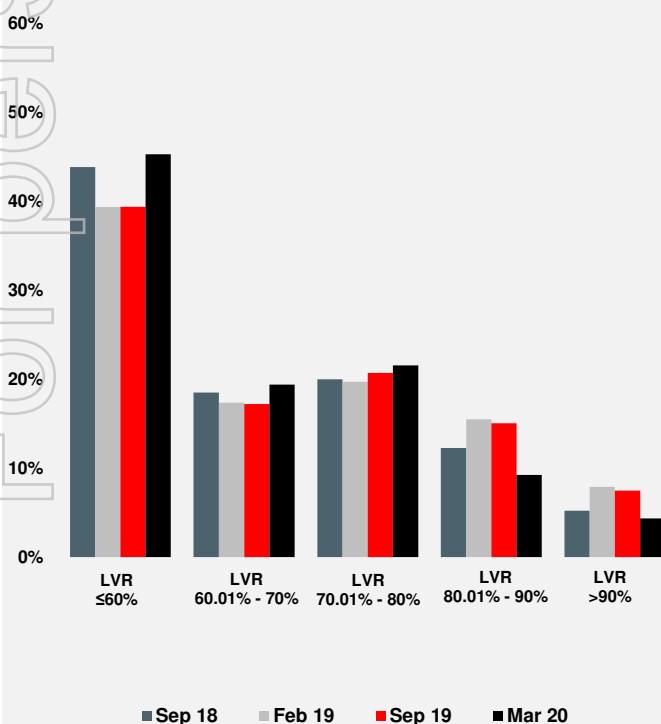
(1) Represents payments in advance by accounts. Includes offsets. Excludes accounts in arrears, Advantaged book and line of credit



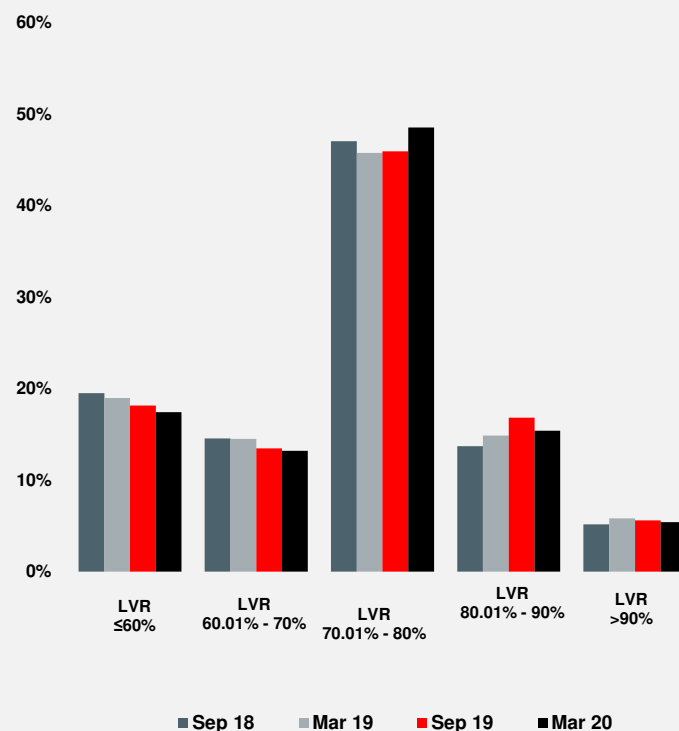
HOUSING LENDING PORTFOLIO QUALITY

AUSTRALIAN HOUSING LENDING

DYNAMIC LVR BREAKDOWN OF DRAWN BALANCE



LVR BREAKDOWN AT ORIGINATION



KEY ORIGATION REQUIREMENTS

Income	Income verified using a variety of documents including payslips and/or checks on salary credits into customers' accounts Apply a minimum 20% shading on less certain income, for example rental income shading since 2015
Household expenses	Use the greater of: <ul style="list-style-type: none"> Customers' declared living expenses, enhanced in 2016 to break down into granular sub categories; or <ul style="list-style-type: none"> Household Expenditure Measure (HEM) benchmark. HEM has been in use since 2012 and enhanced in 2015 to scale for customer income and further refined in Dec-18. HEM add-ons introduced for specific customer declared expenses in Aug-19 (e.g. private school fees). Latest HEM annual update occurred in Dec-19
Serviceability	Assess customers' ability to repay based on the higher of the customer rate plus serviceability buffer (2.5%) or the floor rate (5.5%), updated in Aug-19
Existing debt	<ul style="list-style-type: none"> Verify using declared loan statements and assess on the higher of the customer rate plus serviceability buffer (2.5%) or the floor rate (5.5%) In Dec-18 tightened assessment of customer credit cards assuming repayments of 3.8% per month of the limit In Aug-19 tightened assessment of customer overdrafts assuming repayments of 3.8% per month of the limit
Interest only	<ul style="list-style-type: none"> Assess Interest Only loans on the full remaining Principal and Interest term Maximum Interest Only term for Owner Occupier borrowers of 5 years

LOAN-TO-VALUE RATIO (LVR) LIMITS

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

OTHER REQUIREMENTS

- In 2017 introduced Loan-to-Income decline threshold, reduced from 8x to 7x in Feb-18
- In Apr-19 introduced a Debt-to-Income decline threshold of 9x
- Lenders' mortgage insurance (LMI) applicable for majority of lending >80% LVR
- LMI for inner city investment housing >70% LVR
- Apartment size to be 50 square metres or greater (including balconies and car park)
- NAB Broker applications assessed centrally – verification and credit decisioning



HOUSING LENDING KEY METRICS¹

Australian Housing Lending	Sep 18	Mar 19	Sep 19	Mar 20		Mar 19	Sep 19	Mar 20
	Portfolio					Drawdowns²		
Total Balances (spot) \$bn	303	307	304	302		27	22	27
Average loan size \$'000	306	307	308	309		368	369	389
- Variable rate	72.0%	72.0%	73.5%	75.9%		70.0%	73.0%	78.5%
- Fixed rate	21.1%	21.6%	20.4%	18.3%		28.2%	25.0%	20.4%
- Line of credit	6.9%	6.5%	6.1%	5.8%		1.9%	1.9%	1.1%
By borrower type								
- Owner Occupied ^{3,4}	59.1%	59.7%	56.9%	58.4%		66.9%	66.3%	67.7%
- Investor ^{3,4}	40.9%	40.3%	43.1%	41.6%		33.1%	33.7%	32.3%
By channel								
- Proprietary	64.5%	63.6%	63.3%	62.8%		53.8%	56.6%	54.6%
- Broker	35.5%	36.4%	36.7%	37.2%		46.2%	43.4%	45.4%
Interest only ⁵	24.5%	22.4%	19.8%	17.2%		24.9%	19.7%	17.4%
Low Documentation	0.5%	0.5%	0.4%	0.4%				
Offset account balance (\$bn)	28.7	29.0	29.0	30.0				
LVR at origination	69.0%	69.0%	69.0%	69.1%				
Dynamic LVR on a drawn balance calculated basis	45.9%	48.0%	47.6%	44.6%				
Customers in advance ≥1 month ⁶ (including offset facilities)	66.1%	65.5%	66.1%	66.5%				
Avg # of monthly payments in advance ⁶ (including offset facilities)	33.9	33.7	34.3	36.3				
90+ days past due	0.72%	0.86%	0.98%	1.04%				
Impaired loans	0.09%	0.09%	0.11%	0.12%				
Specific provision coverage ratio	33.7%	31.1%	33.4%	33.3%				
Loss rate ⁷	0.02%	0.02%	0.02%	0.02%				
Number of properties in possession	277	291	320	268				
HEM reliance	31%	32%	27%	33%				

(1) Excludes Asia

(2) Drawdowns is defined as new lending excluding limit increases and redraws in the previous six month period
(3) Portfolio sourced from APRA Monthly Banking Statistics, Sep-19 restated to align with definitions of the APRA Monthly Authorised Deposit-taking Institution statistics

(4) Drawdowns sourced from management data

(5) Excludes line of credit products

(6) Excludes Advantaged and line of credit

(7) 12 month rolling Net Write-offs / Spot Drawn Balances





National
Australia
Bank

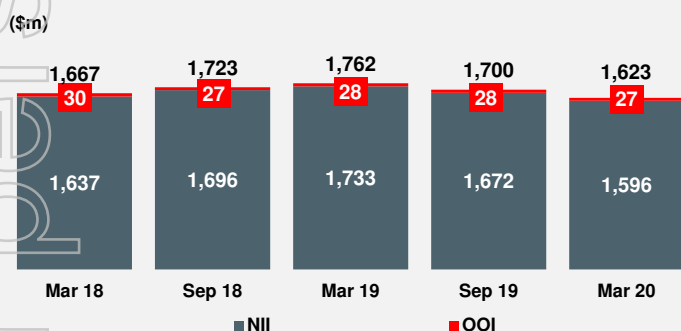
ADDITIONAL INFORMATION

OTHER AUSTRALIAN PRODUCTS

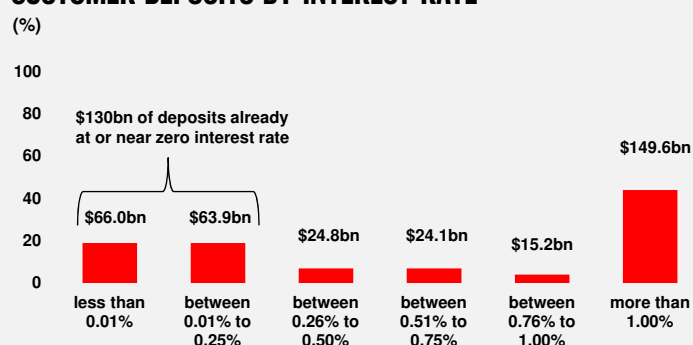
DEPOSITS & TRANSACTION ACCOUNTS

OTHER AUSTRALIAN PRODUCTS

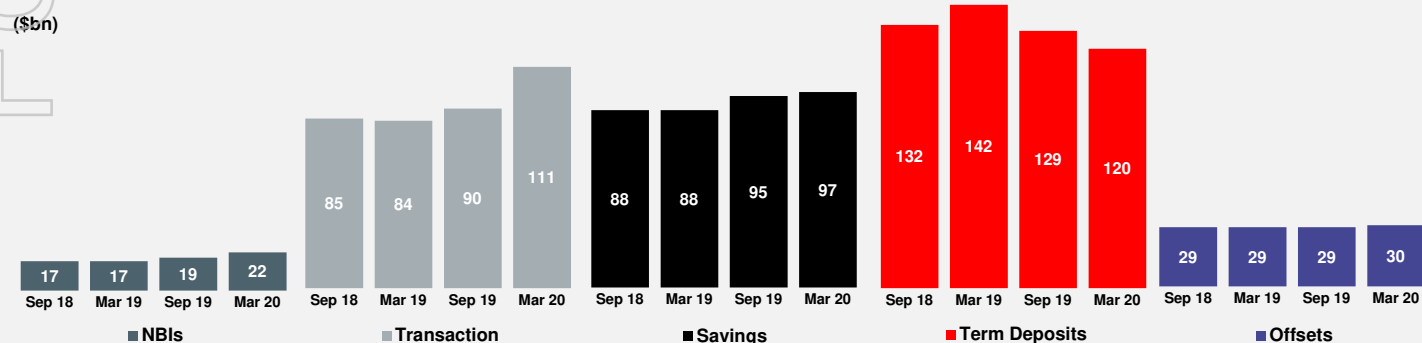
DEPOSIT REVENUE



CUSTOMER DEPOSITS BY INTEREST RATE¹



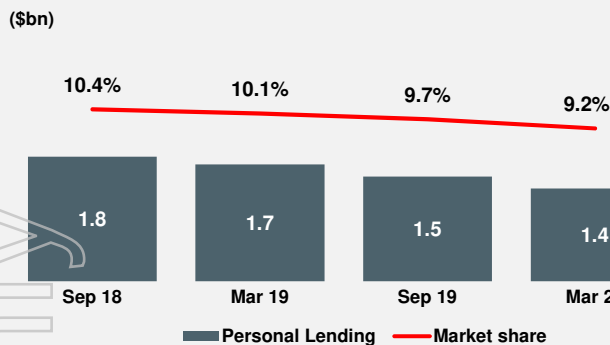
CUSTOMER DEPOSIT BALANCES BY PRODUCT



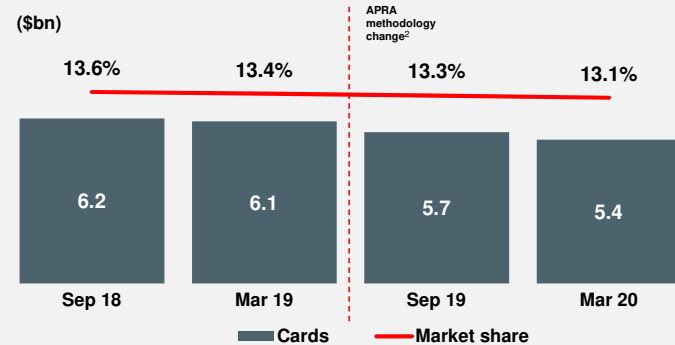
(1) Australia only, as at 31 March 2020. Customer deposits exclude home loan offsets



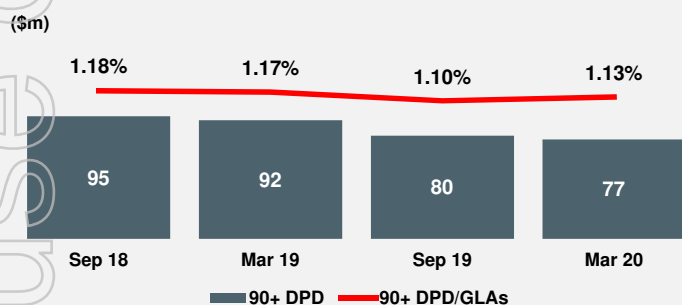
PERSONAL LENDING BALANCE AND MARKET SHARE¹



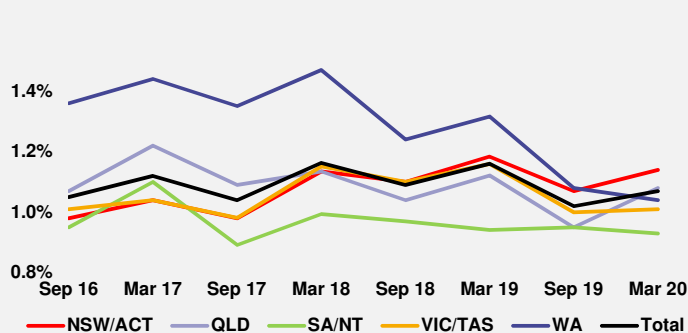
CARDS BALANCE AND MARKET SHARE



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



CONSUMER CARDS 90+ DPD AS % OF OUTSTANDINGS



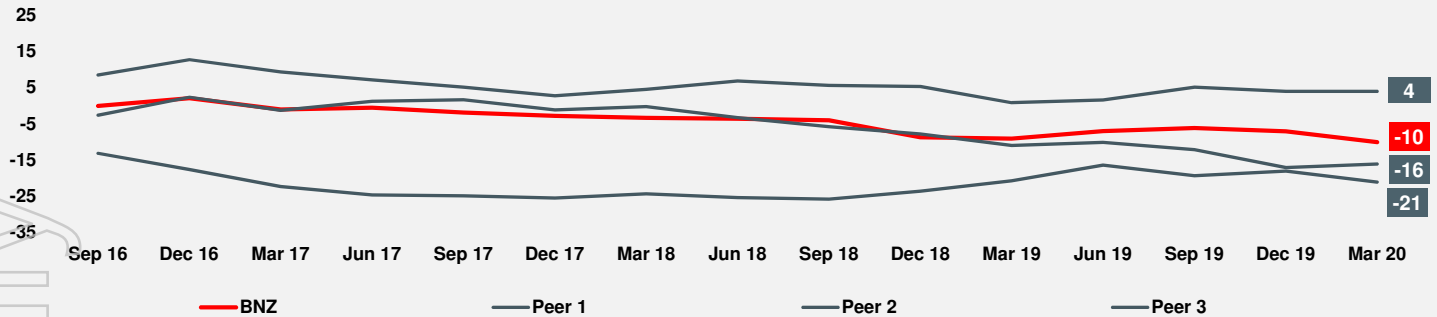
- (1) Personal loans business tracker reports provided by RFI represents share of RFI defined peer group data for Feb 20
 (2) APRA Monthly Banking Statistics is used for Sep-18 to Mar-19 market share. Sep-19 onwards is prepared using APRA Monthly Authorised Deposit-taking Institution statistics. Latest market share statistics are as at Feb 20



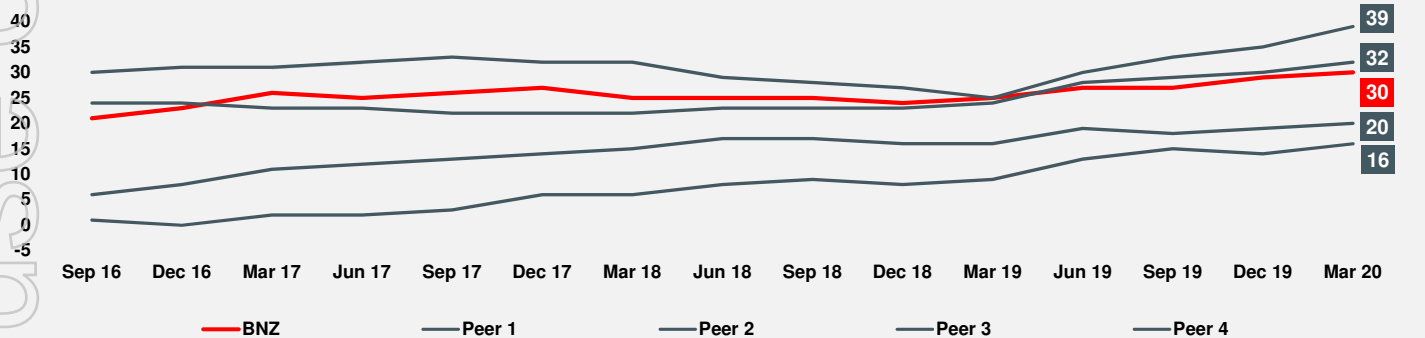
ADDITIONAL INFORMATION

NEW ZEALAND BANKING

BNZ SME NPS^{1,3}



BNZ CONSUMER NPS^{2,3,4}



(1) Source: Kantar Business Finance Monitor (data on 4 quarter roll)

(2) Source: Camorra Retail Market Monitor (data on 12 month roll) for Consumer Priority segments which include Savers and Starters, Home Owners, Investors & High Net Worth clients

(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) Due to a change in Retail Market Monitor methodology, there has been a re-set of strategic NPS for the consumer market for all five major banks. The use of a 12 month rolling average in BNZ reporting has smoothed the transition (we are using data that was collected in parallel from May 2019 to September 2019), but there is a methodology-driven increase in NPS for all banks visible during this period of transition. The new methodology has been fully embedded since October 2019.



HOUSING LENDING KEY METRICS

New Zealand Housing Lending	Sep 18	Mar 19	Sep 19	Mar 20		Mar 19	Sep 19	Mar 20
	Portfolio					Drawdowns ¹		
Total Balances (spot) NZ\$bn	39.8	41.3	43.0	44.8		5.3	5.8	5.8
By product								
- Variable rate	19.6%	17.7%	15.9%	15.2%		16.8%	15.4%	15.4%
- Fixed rate	77.7%	79.7%	81.7%	82.6%		82.6%	84.0%	84.0%
- Line of credit	2.7%	2.6%	2.4%	2.2%		0.6%	0.6%	0.6%
By borrower type								
- Owner Occupied	64.6%	65.4%	66.2%	66.4%		70.9%	72.0%	70.2%
- Investor	35.4%	34.6%	33.8%	33.6%		29.1%	28.0%	29.8%
By channel								
- Proprietary	84.7%	82.3%	80.0%	77.9%		74.7%	72.9%	70.8%
- Broker	15.3%	17.7%	20.0%	22.1%		25.3%	27.1%	29.2%
Low Documentation	0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
Interest only ²	22.1%	21.4%	20.4%	24.4%		25.9%	25.3%	29.2%
LVR at origination	66.2%	66.3%	66.5%	66.7%				
90+ days past due	0.05%	0.10%	0.07%	0.11%				
Impaired loans	0.03%	0.04%	0.03%	0.03%				
Specific Impairment coverage ratio	23.5%	17.9%	17.0%	25.50%				
Loss rate ³	0.01%	0.01%	0.01%	0.01%				

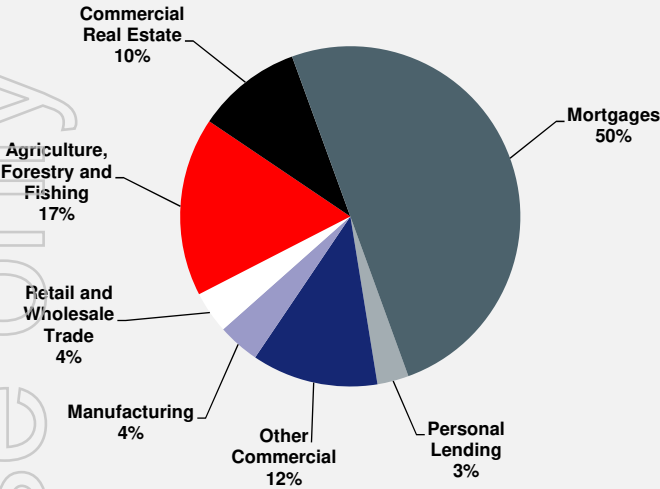
(1) Drawdowns is defined as new lending including limit increases and excluding redraws in the previous six month period

(2) Excludes line of credit products

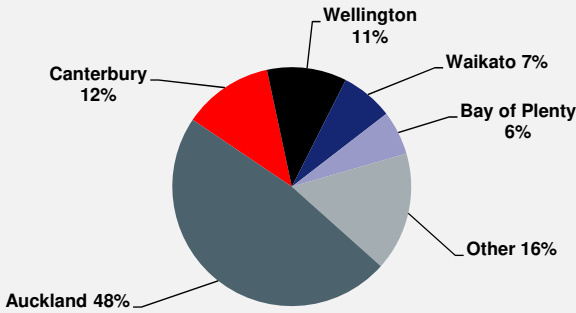
(3) 12 month rolling Net Write-offs / Spot Drawn Balances



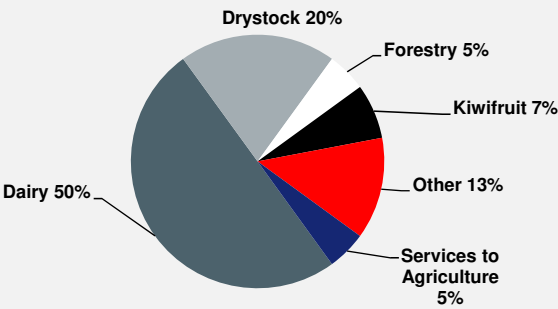
PORTFOLIO BREAKDOWN – TOTAL NZ\$89.6BN



MORTGAGE PORTFOLIO BREAKDOWN BY GEOGRAPHY – TOTAL MORTGAGE NZ\$44.8BN



AGRIBUSINESS PORTFOLIO BREAKDOWN BY INDUSTRY – TOTAL AGRI NZ\$15.5BN

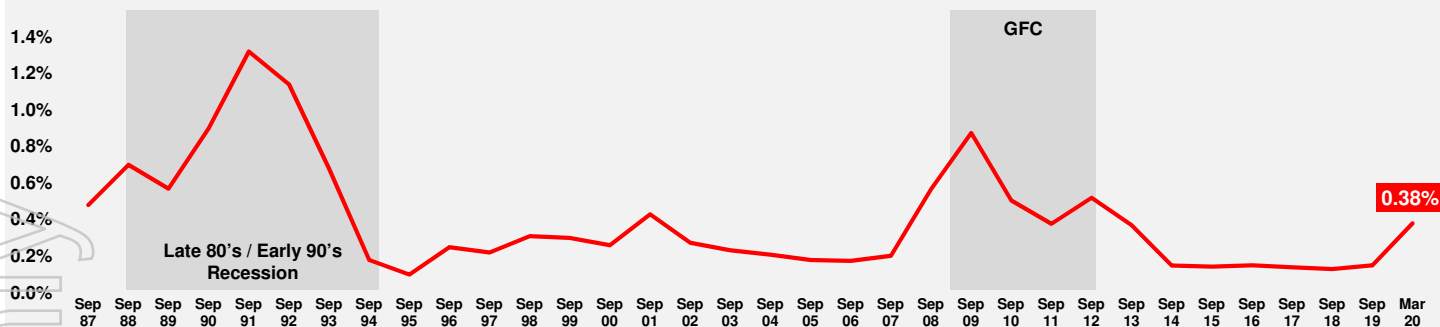


ADDITIONAL INFORMATION
GROUP ASSET QUALITY

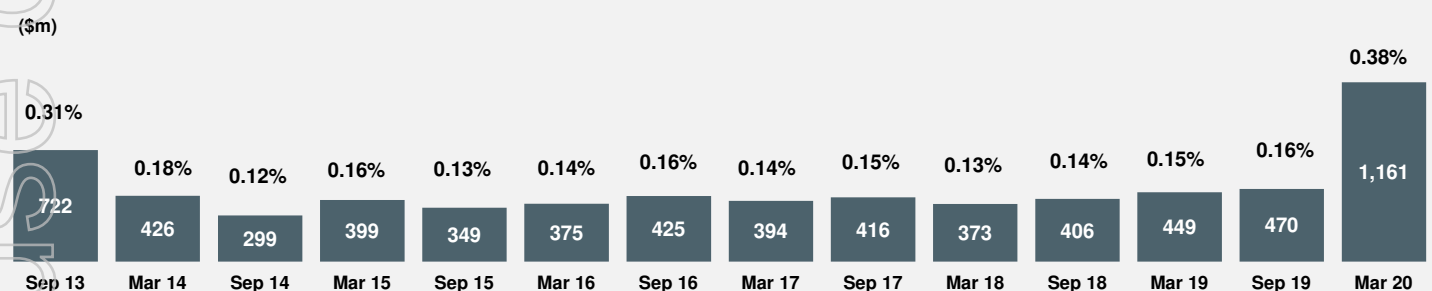
GROUP CREDIT IMPAIRMENT CHARGE

GROUP ASSET QUALITY

CREDIT IMPAIRMENT CHARGE AS % OF GLAs



CREDIT IMPAIRMENT CHARGE AND AS % OF GLAs¹



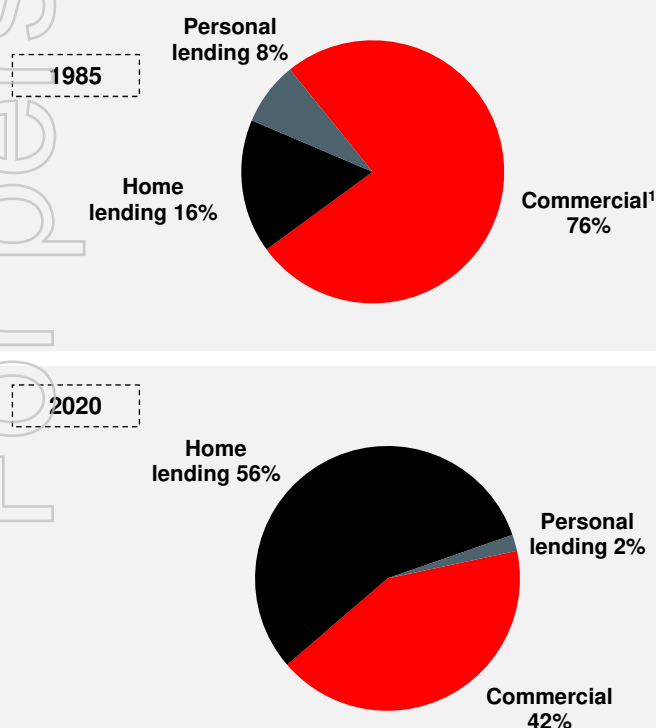
(1) Ratios for all periods refer to the half year ratio annualised



GROUP ESTIMATED LONG RUN LOAN LOSS RATE 1985 TO 2020

GROUP ASSET QUALITY

GROUP BUSINESS MIX – GLAs BY CATEGORY



ESTIMATING LONG RUN LOAN LOSS RATE

NAB Australian geography net write off rates as a % of GLAs 1985 - 2019 ²	Long run average
Home lending ³	0.03%
Personal lending ³	1.51%
Commercial ³	0.54%
Australian average (1985-2019)	0.34%
Group average ⁴ based on 2020 business mix	0.26%
Group average ⁴ based on 2020 business mix excluding 1991-1993 and 2008-2010	0.19%

(1) For 1985 Group business mix, all overseas GLAs are allocated to Commercial category

(2) Data used in calculation of net write off rate as a % of GLAs is based on NAB's Australian geography and sourced from NAB's Supplemental Information Statements (2007 - 2019) and NAB's Annual Financial Reports (1985 - 2006).

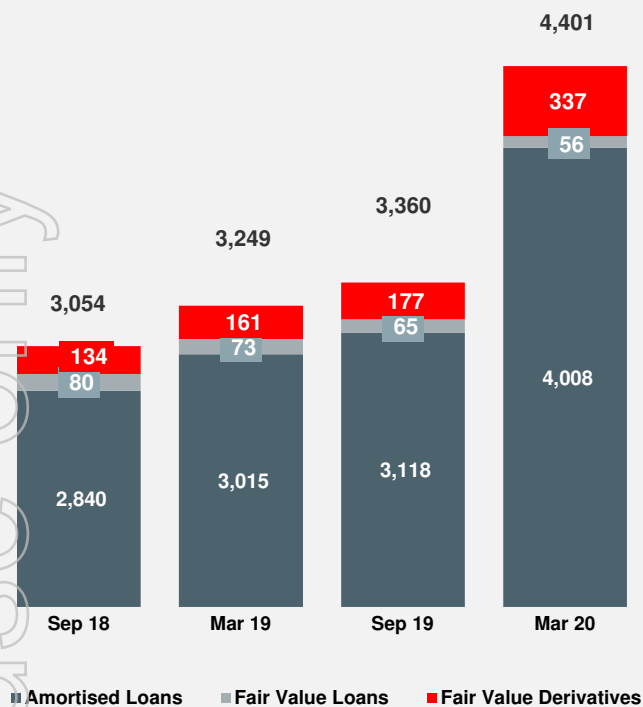
(3) Home lending represents "Real estate – mortgages" category; Personal lending represents "Installment loans to individuals and other personal lending (including credit cards)" category; Commercial represents "all other industry lending categories" as presented in the source documents as described in note 2 above

(4) Group average is calculated by applying each of the Australian geography long run average net write off rates by product to the respective percentage of Group GLAs by product as at 31 March 2020. Commercial long run average net write off rate has been applied to acceptances



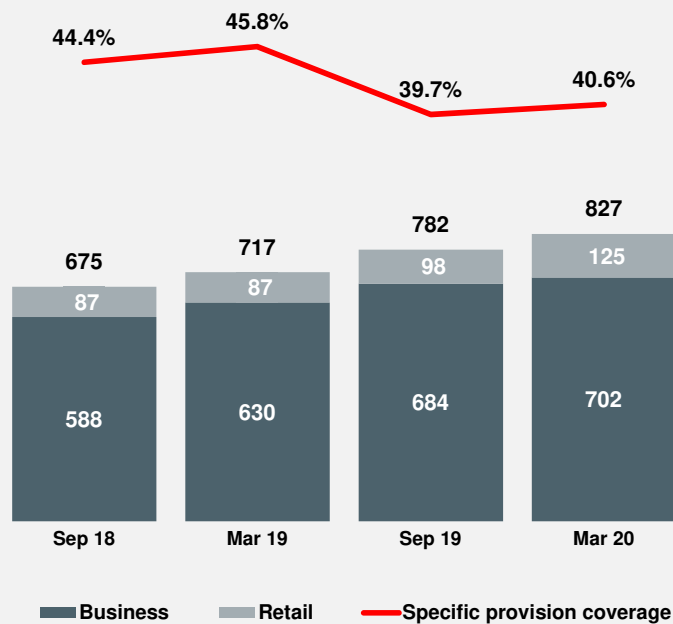
COLLECTIVE PROVISION BALANCE

(\$m)



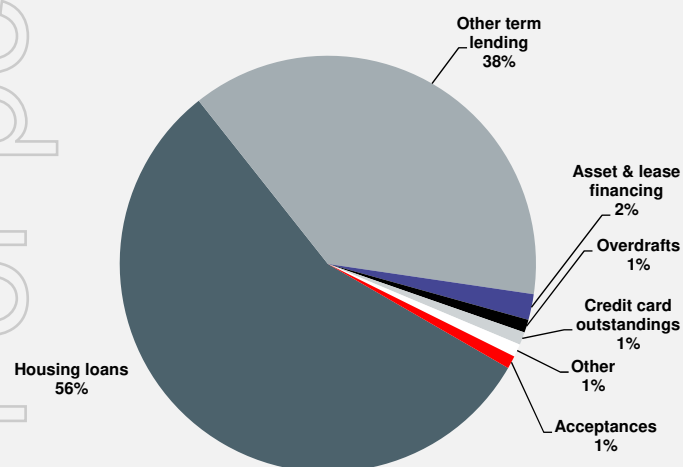
SPECIFIC PROVISIONS

(\$m)

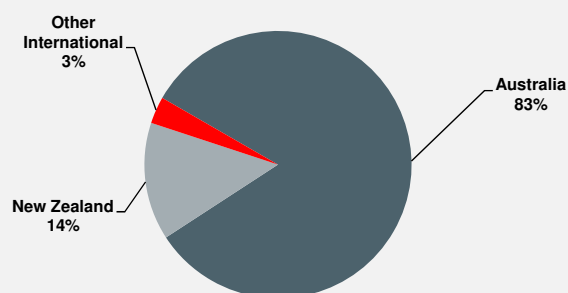


GROUP LENDING MIX

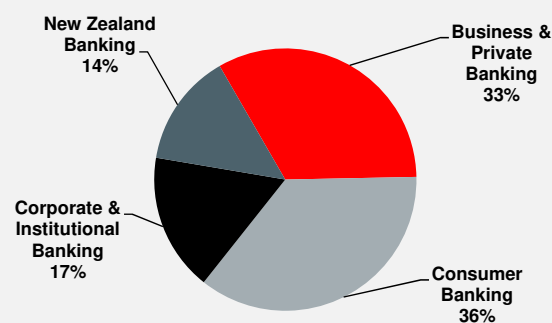
GROSS LOANS AND ACCEPTANCES BY PRODUCT



GROSS LOANS AND ACCEPTANCES BY GEOGRAPHY¹



GROSS LOANS AND ACCEPTANCES BY BUSINESS UNIT



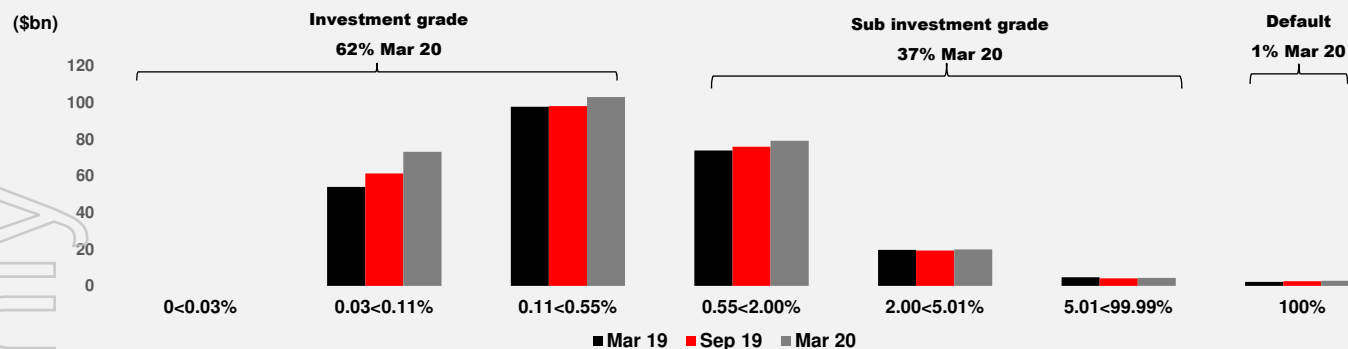
(1) Based on booking office where transactions have been recorded



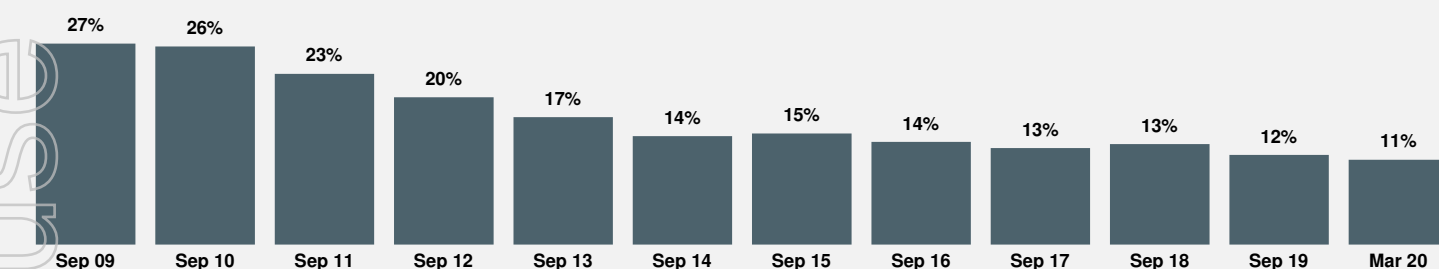
PROBABILITY OF DEFAULT (PD) ANALYSIS

GROUP ASSET QUALITY

NON RETAIL CORPORATE EAD¹ BY PROBABILITY OF DEFAULT



AUSTRALIAN AND NEW ZEALAND BUSINESS EXPOSURES PD ≥ 2%



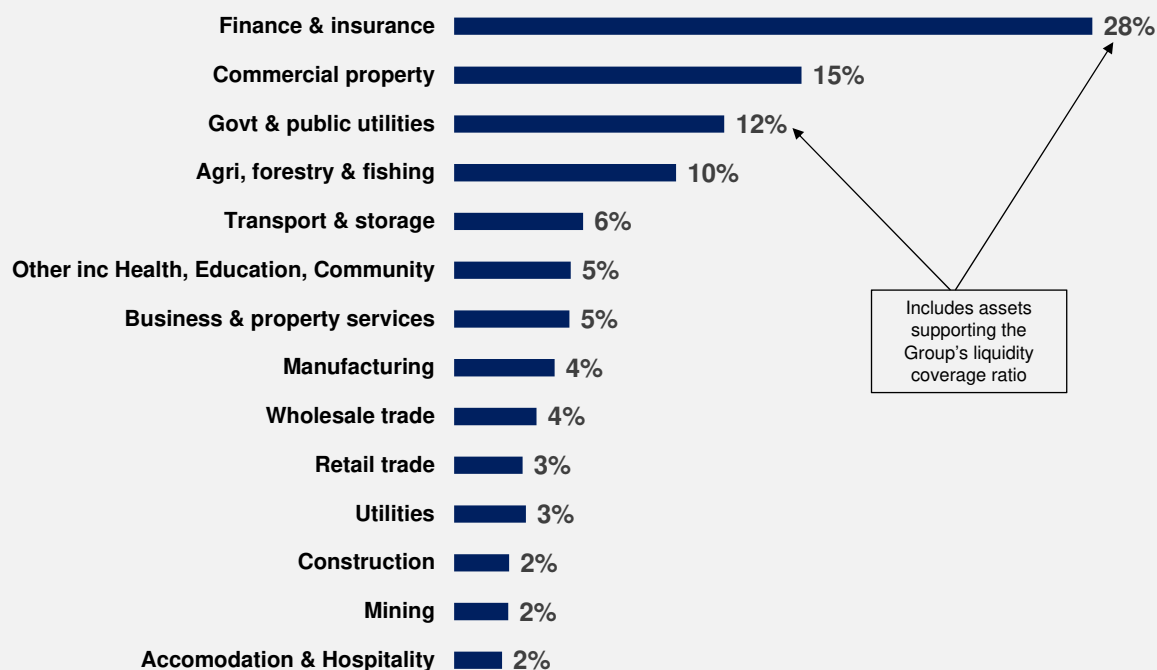
(1) For internal ratings based portfolios. Excluding Bank and Sovereign exposures. Total \$283bn at Mar-20, \$262bn at Sep-19, \$253bn at Mar-19



BUSINESS LENDING CONSIDERATIONS

GROUP ASSET QUALITY

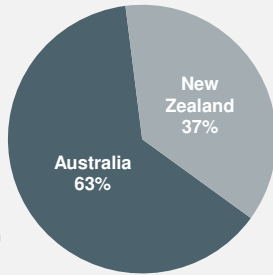
NON RETAIL EAD BY INDUSTRY¹ - \$495BN



(1) Industry classifications are aligned to those disclosed in the 31 March 2020 Pillar 3 report – Table 4.1D



GROUP EAD \$47.5BN MARCH 2020

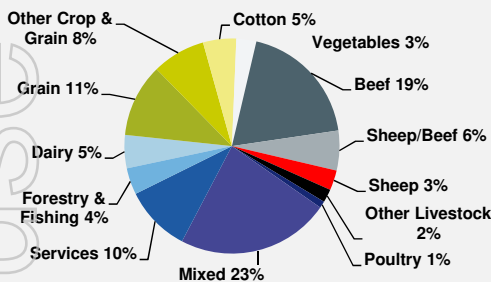


AUSTRALIAN DROUGHT CONSIDERATIONS

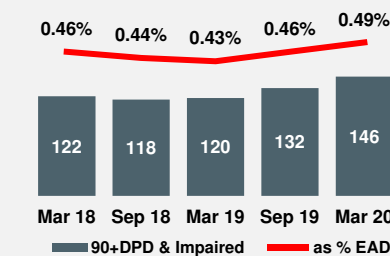
- NSW and QLD have seen good rainfall in recent months
- Asset quality remains sound, but follow up rain will be important for winter crops
- NAB continues supporting farming customers through disaster relief packages and a moratorium on branch closures in affected regions
- Collective provision forward looking adjustments of \$180m to address impact of extreme weather conditions

AUSTRALIAN AGRICULTURE, FORESTRY & FISHING

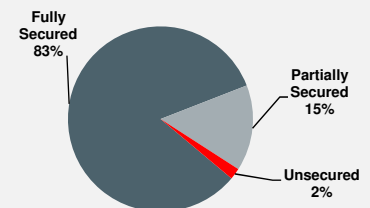
Diverse Portfolio EAD \$30.0bn March 2020



Australian Agriculture Asset Quality (\$m)



Australian Agriculture Portfolio Well Secured¹



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



GROUP COMMERCIAL REAL ESTATE¹

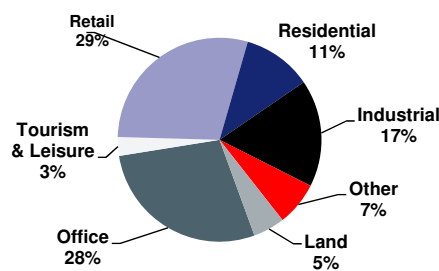
Total \$60.8bn

9.9% of Gross Loans & Acceptances

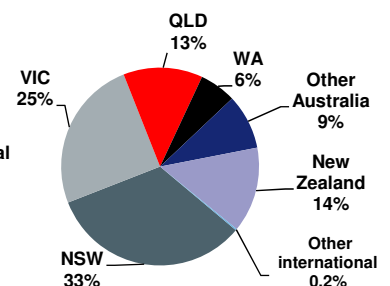
	Aust	New Zealand	Other International	Total
TOTAL CRE (A\$bn)	52.3	8.4	0.1	60.8
Increase/(decrease) on September 2019 (A\$bn)	(0.9)	0.2	-	(0.7)
% of geographical GLAs	10.3%	9.6%	0.8%	9.9%
Change in % on September 2019	(0.3%)	(0.4%)	0.3%	(0.3%)

Trend	Sep 18	Mar 19	Sep 19	Mar 20
Impaired loans ratio	0.27%	0.22%	0.25%	0.26%
Specific Provision Coverage	30.5%	34.4%	31.9%	32.2%

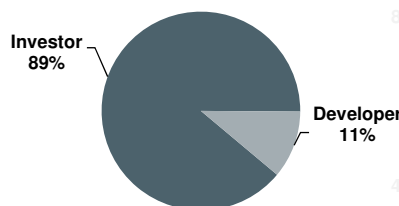
Sector breakdown



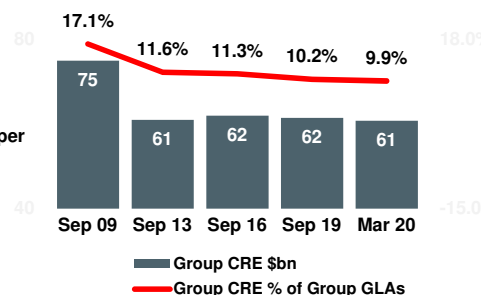
Geographic breakdown



Borrower breakdown



Group balances over time

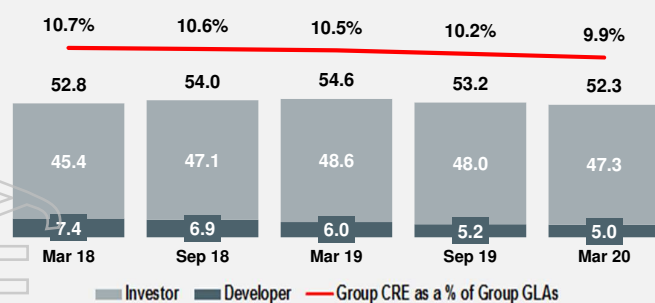


(1) Measured as balance outstanding as at 31 March 2020 per APRA Commercial Property ARF 230 definitions



AUSTRALIAN COMMERCIAL REAL ESTATE (CRE) PORTFOLIO¹

(\$bn)



AUSTRALIAN CRE RESIDENTIAL DEVELOPER

- Developer drawn balance includes \$1.2bn for land development and \$2.3bn for residential development
- Residential development apartment exposures² continues to trend lower, with limits down ~42% since March 2019 (down ~16% since September 2019)
- ~96% of residential developer limits amortise within 2 years²
- NSW and VIC account for ~78% of limits²
- Inner city postcodes² account for ~21% of total residential developer exposure

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

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



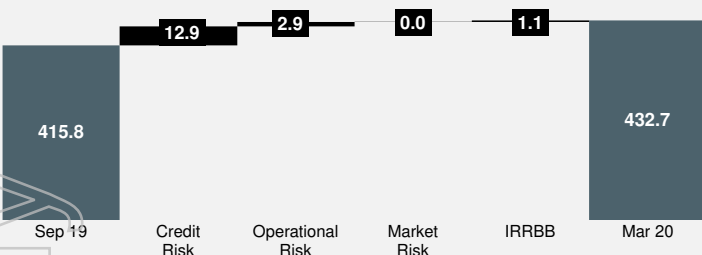
ADDITIONAL INFORMATION

CAPITAL & FUNDING

The following Capital & Funding section excludes the impact of the proposed institutional placement and share purchase plan

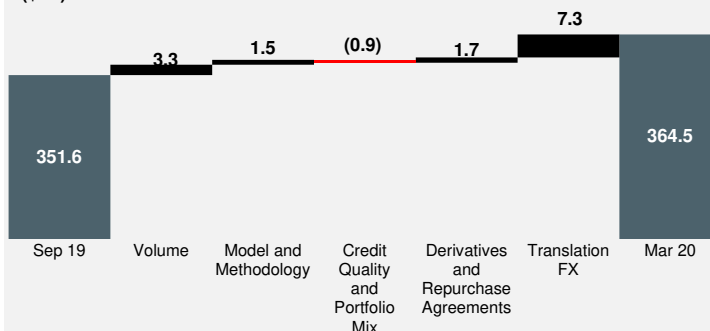
GROUP RWA

(\$bn)



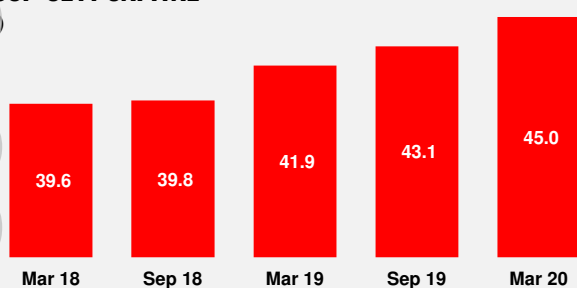
CREDIT RWA

(\$bn)



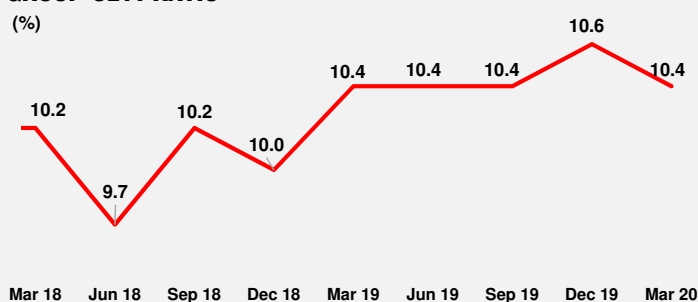
GROUP CET1 CAPITAL

(\$bn)

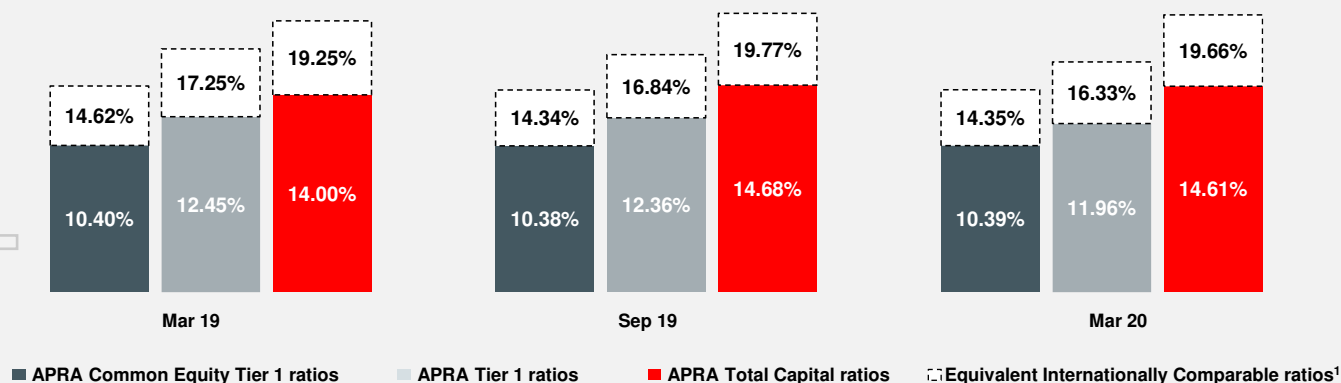


GROUP CET1 RATIO

(%)



GROUP BASEL III CAPITAL RATIOS



APRA to Internationally Comparable CET1 Ratio Reconciliation

CET1

Group CET1 ratio under APRA	10.39%
APRA's Basel capital adequacy standards require a 100% deduction from common equity for deferred tax assets, investments in non consolidated subsidiaries and equity investments. Under Basel Committee on Banking Supervision (BCBS) such items are concessionally risk weighted if they fall below prescribed thresholds	+76bps
Mortgages – reduction in Loss given Default floor from 20% to 15% and adjustment for correlation factor	+151bps
Interest rate risk in the banking book (IRRBB) – removal of IRRBB risk weighted assets from Pillar 1 capital requirements	+24bps
Other adjustments including corporate lending adjustments and treatment of specialised lending	+145bps
Group Internationally Comparable CET1	14.35%

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



REGULATORY CHANGE DATES

Change	Original date	Amended date
APS 110 Capital Adequacy	1 Jan 2022	1 Jan 2023
APS 111 Measurement of Capital	1 Jan 2021	No change
APS 112 Capital Adequacy: Standardised Approach to Credit Risk	1 Jan 2022	1 Jan 2023
APS 113 Capital Adequacy: Internal Ratings-based Approach to Credit Risk	1 Jan 2022	1 Jan 2023
APS 115 Capital Adequacy: Standardised Measurement Approach to Operational Risk	1 Jan 2021 (AMA banks)	1 Jan 2023
APS 116 Capital Adequacy: Market Risk	1 Jan 2023	1 Jan 2024
APS 117 Capital Adequacy: Interest Rate Risk in the Banking Book	1 Jan 2022	1 Jan 2023
APS 330 Public Disclosures	1 Jan 2022	1 Jan 2023
Loss Absorbing Capacity	1 Jan 2024	No change

DEFERRAL OF REGULATORY CHANGE

- APRA has deferred its scheduled implementation of the Basel III reforms in Australia by one year, consistent with international implementation.
- The deferral supports ADIs in maintaining operations and supporting customers in response to COVID-19.
- APRA has reiterated its view that ADIs currently hold sufficient capital to meet the new requirements.
- NAB remains committed to progressing APRA's regulatory change agenda.

APRA'S GUIDANCE ON CAPITAL MANAGEMENT

- On 7 April 2020, APRA announced its expectation that ADIs will seriously consider deferring decisions on the appropriate level of dividends until the outlook is clearer.
- APRA noted where dividends are approved, this should only be on the basis of robust stress testing results that have been discussed with APRA, and should be at a materially reduced level. Any dividend payments should be offset to the extent possible through the use of capital management initiatives.

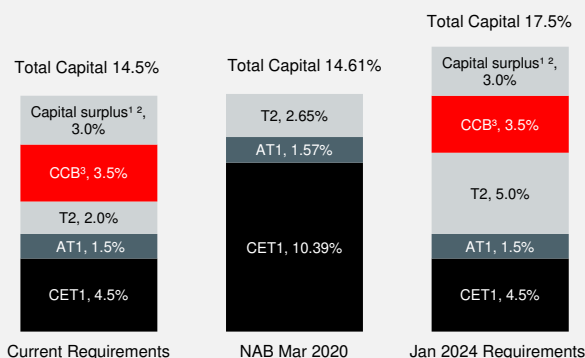


LOSS ABSORBING CAPACITY

LOSS ABSORBING CAPACITY

- In July 2019, APRA announced a 3% increase to the Total Capital requirement for all domestic systemically important banks (D-SIBs) by 1 January 2024
- Based on NAB's 31 March 2020 RWA of A\$433bn, this represents an incremental Group Total Capital requirement of approximately A\$12.5bn prior to January 2024
- NAB Ltd issued A\$3 billion of LAC qualifying instruments in 1H20, A\$500 million Additional Tier 1 and A\$2.5 billion Tier 2
- Ahead of January 2024 APRA will consider "feasible alternative methods" for raising an additional 1% to 2% of RWA in loss-absorbing capacity, in consultation with industry and other interested stakeholders

APRA CHANGES TO MAJOR BANKS' CAPITAL STRUCTURES



NAB TIER 2 MATURITIES (TO FIRST CALL)⁴

(\$bn)



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

(2) Excludes any Pillar 2 requirements and additional 1%-2% RWA requirement through "feasible alternative methods"

(3) CCB is the Capital Conservation Buffer

(4) Including FY20 remaining maturities



NEW ZEALAND CAPITAL CHANGES

- Based on BNZ's balance sheet as at 31 March 2020, the RBNZ capital proposals would imply a NZ\$4-5bn increase in BNZ Tier 1 capital or a decrease in BNZ balance sheet (RWAs).
- Management actions are expected to materially reduce the impact of the proposals.
- Under APRA's proposed changes to APS 111 Capital Adequacy, there is minimal impact on NAB's Level 1 CET1 ratio and NAB's Level 2 CET1 ratio would be unchanged. As at 31 March 2020, Level 1 CET1 is 10.4%.

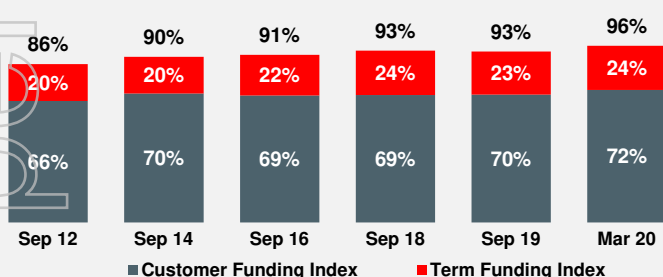
NEW ZEALAND CONDITION OF REGISTRATION CHANGES

- To support the stability of the New Zealand financial system, the RBNZ has restricted payment of dividends on ordinary shares and the redemption of non-CET1 capital instruments. The restrictions will remain until further notice.
- The dividend restriction is not expected to have a material impact on NAB's Level 1 CET1. The restriction does not impact NAB's Level 2 capital ratio

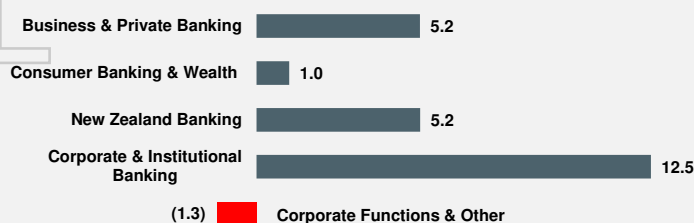
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FUNDING PROFILE

GROUP STABLE FUNDING INDEX (SFI)

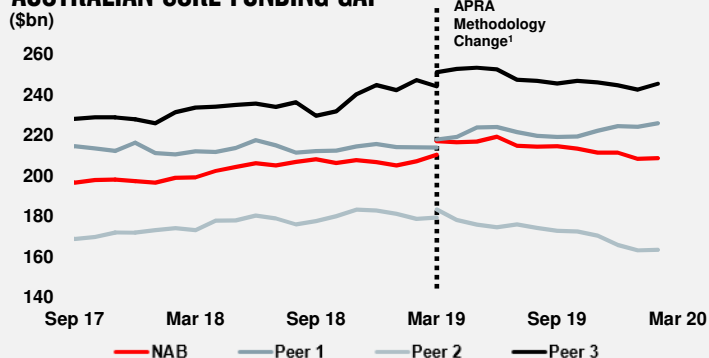


DEPOSIT GROWTH (\$bn)

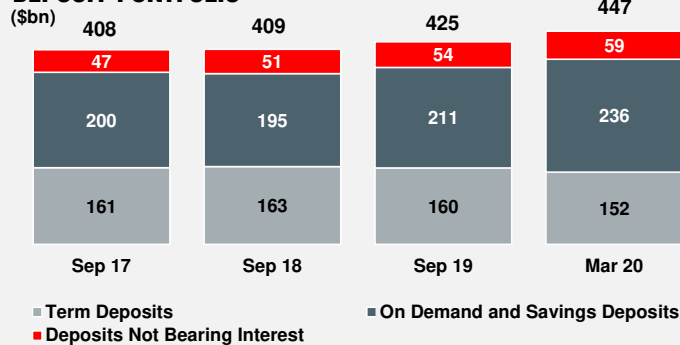


6 months to 31 March 2020

AUSTRALIAN CORE FUNDING GAP¹

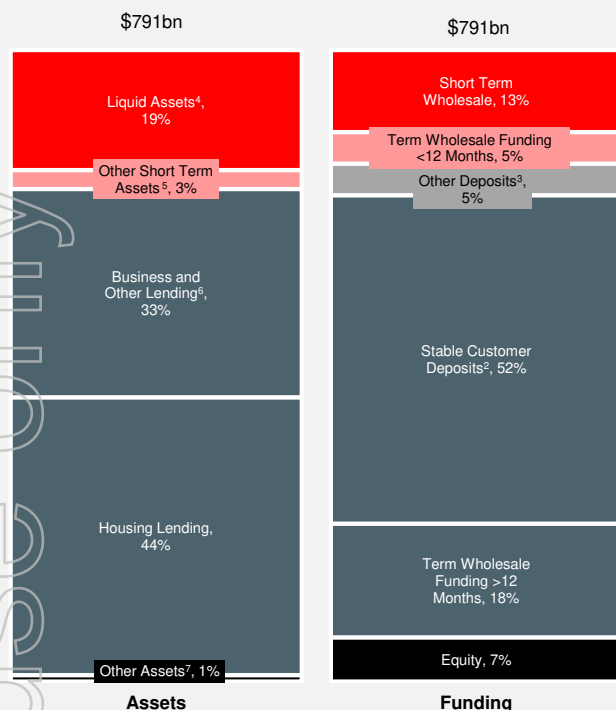


DEPOSIT PORTFOLIO (\$bn)

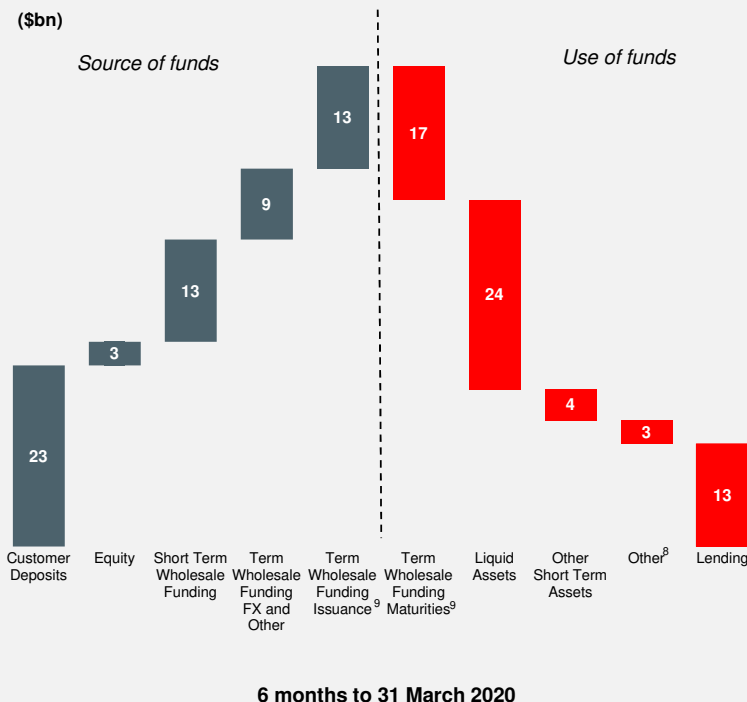


(1) Australian core funding gap = Gross loans and advances + Acceptances less Total deposits (excluding financial institution deposits and certificates of deposit). APRA Monthly Banking Statistics are used from Sep 17 to Mar 19. Apr 19 onwards is prepared using APRA Monthly Authorised Deposit-taking Institution statistics as at February 2020

FUNDED BALANCE SHEET¹



SOURCE AND USE OF FUNDS

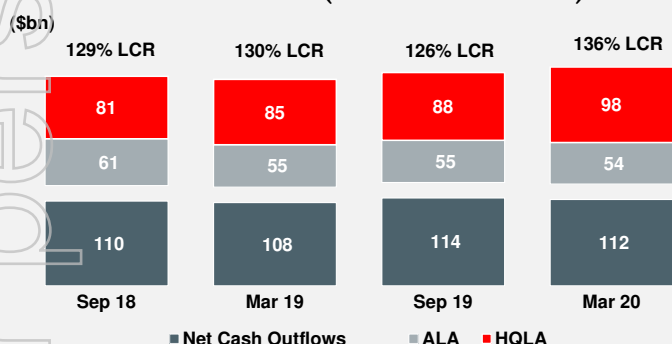


- (1) Excludes repurchase agreements, trading and hedging derivatives, and any accruals, receivables and payables that do not provide net funding
 (2) Includes operational deposits, non-financial corporate deposits and retail / SME deposits. Excludes certain offshore deposits
 (3) Includes non-operational financial institution deposits and certain offshore deposits
 (4) Market value of liquid assets including HQLA, non-HQLA and securities that are central bank repo-eligible
 (5) Includes trade finance loans
 (6) Excludes trade finance loans
 (7) Includes net derivatives, goodwill, property, plant and equipment and net of accruals, receivables and payables
 (8) Includes the net movement of other assets and other liabilities
 (9) Includes Additional Tier 1 instruments



LIQUIDITY

LIQUIDITY COVERAGE RATIO (QUARTERLY AVERAGE)

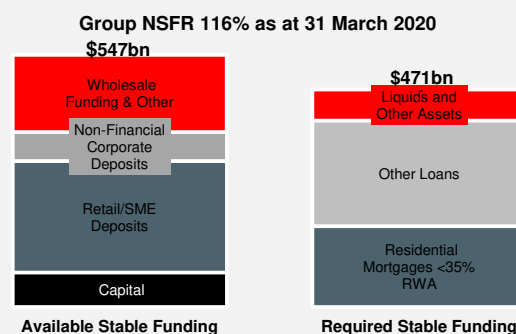


LIQUIDITY OVERVIEW

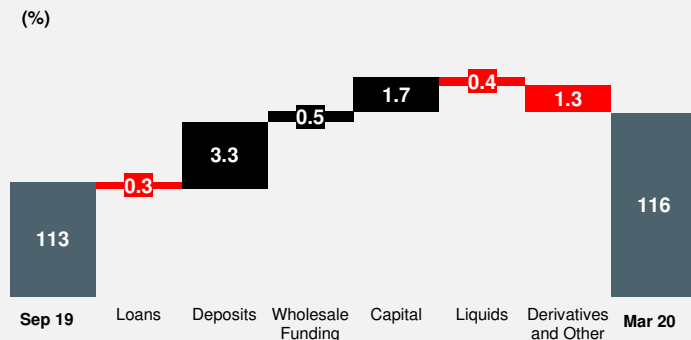
Quarterly Average (\$bn)	Sep 18	Mar 19	Sep 19	Mar 20
High quality liquid assets	81	85	88	98
Alternative liquid assets ¹	55	52	52	51
RBNZ Securities	6	3	3	3
Total LCR Liquid Assets	142	140	143	152
<i>Net outflows due to</i>				
Customer Deposits	72	72	76	80
Wholesale funding	15	15	13	15
Other	23	21	25	17
Net cash outflows	110	108	114	112
Quarterly average LCR²	129%	130%	126%	136%

- (1) Committed Liquidity Facility (CLF) value used in LCR calculation is the undrawn portion of the facility. Approved CLF of \$55.1bn for 2020, \$55.9bn for 2019 and \$59.3bn for 2018
 (2) The inclusion of the Term Funding Facility at 31 March 2020 had an impact on the quarterly average LCR of <1%

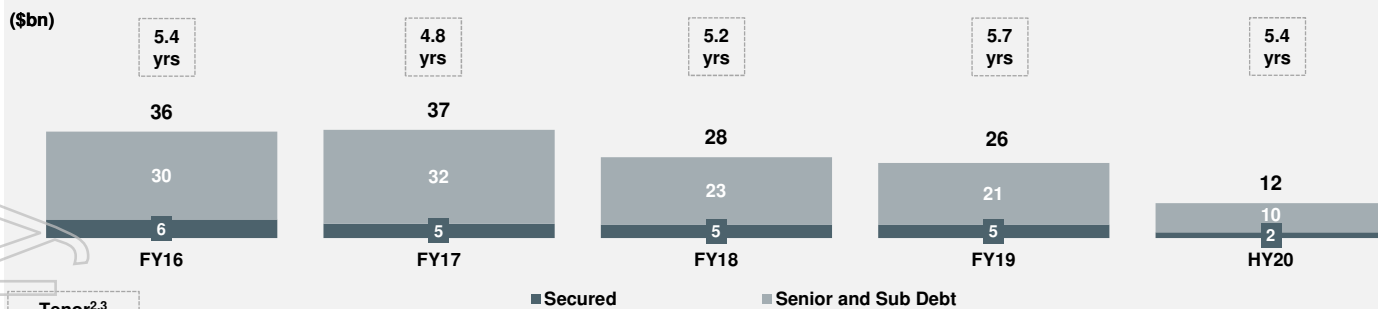
NET STABLE FUNDING RATIO COMPOSITION



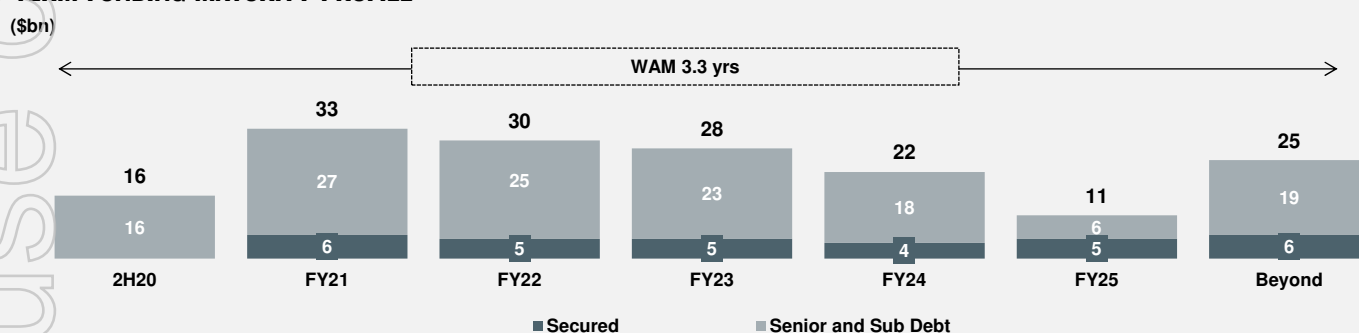
NET STABLE FUNDING RATIO MOVEMENT



HISTORIC TERM FUNDING ISSUANCE¹



TERM FUNDING MATURITY PROFILE³



(1) Includes senior unsecured, secured (covered bonds and securitisation) and subordinated debt with an original term to maturity or call date of greater than 12 months, excludes Additional Tier 1 instruments

(2) Weighted average maturity (years) of funding issuance with an original term to maturity greater than 12 months

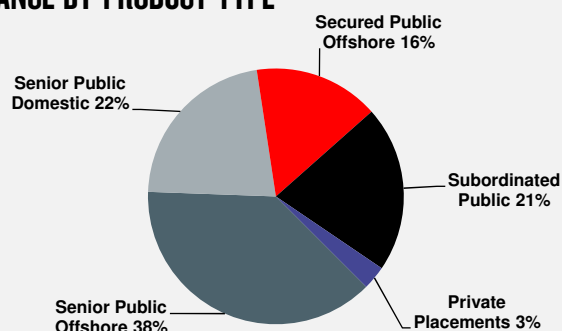
(3) Weighted average maturity and maturity profile excludes RMBS

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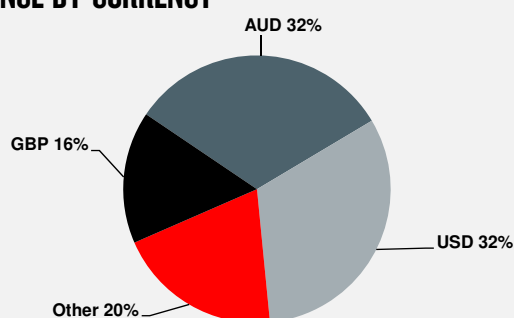


DIVERSIFIED AND FLEXIBLE TERM WHOLESALE FUNDING PORTFOLIO

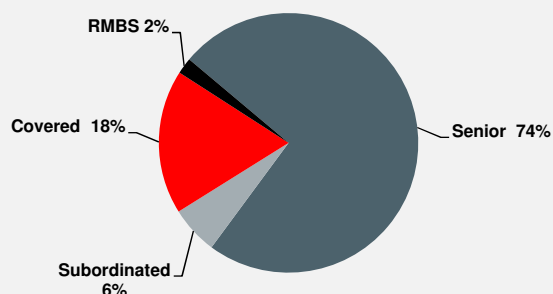
1H20 ISSUANCE BY PRODUCT TYPE



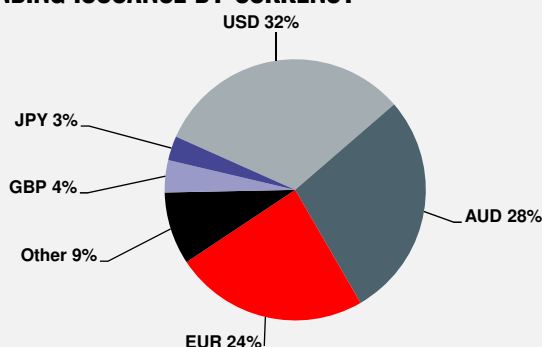
1H20 ISSUANCE BY CURRENCY



OUTSTANDING ISSUANCE BY PRODUCT TYPE¹



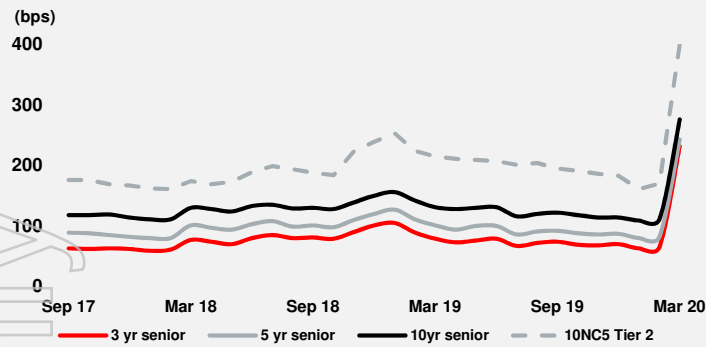
OUTSTANDING ISSUANCE BY CURRENCY



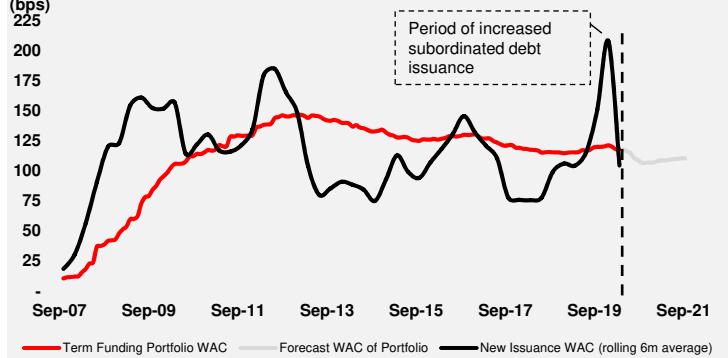
(1) At 31 March 2020, NAB has utilised 42% of its covered bond capacity. Capacity based on current rating agency over collateralisation (OC) and legislative limit



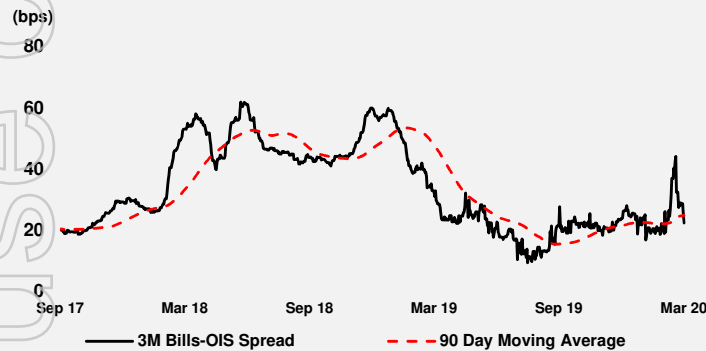
INDICATIVE TERM WHOLESALE FUNDING ISSUANCE COSTS¹



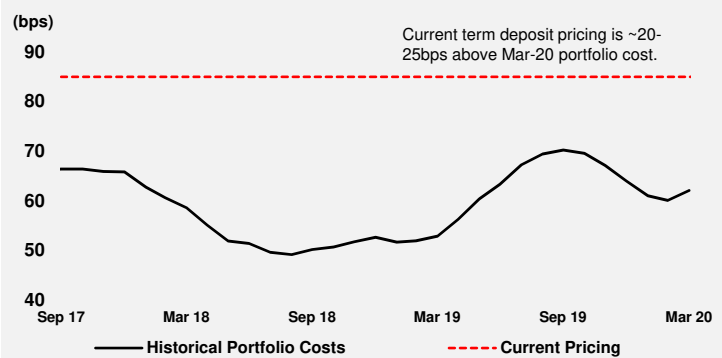
AVERAGE LONG TERM WHOLESALE FUNDING COSTS²



DOMESTIC SHORT TERM WHOLESALE FUNDING COSTS³



TERM DEPOSIT PORTFOLIO COSTS⁴



- (1) Indicative Major Bank Wholesale Tier 2 Subordinated and Senior Unsecured Funding rates over 3m BBSW using a blend of multi-currency inputs (3 years, 5 years, 10-year non-call 5-year and 10 years)
- (2) NAB Ltd Term Wholesale Funding Costs (including subordinated debt) >12 Months at issuance (spread to 3 month BBSW). Average cost of new issuance is on a 6 month rolling basis.
- (3) Spread between 3 month AUD Bank Bills and Overnight Index Swaps (OIS). Source: Bloomberg
- (4) Management data. Term deposit portfolio cost over market reference rate. Australia only.

ADDITIONAL INFORMATION

ECONOMICS

AUSTRALIAN ECONOMIC INDICATORS (%)¹

	CY17	CY18	CY19	CY20(f)	CY21(f)
GDP growth ²	2.2	2.7	1.8	-4.3	3.5
Unemployment ³	5.4	5.0	5.1	11.6	7.3
Core Inflation ⁴	1.9	1.8	1.4	1.5	0.2
Cash rate ³	1.50	1.50	0.75	0.25	0.25

AUSTRALIAN SYSTEM GROWTH (%)⁵

	FY17	FY18	FY19	FY20(f)	FY21(f)
Housing	6.6	5.3	3.1	3.1	0.3
Personal	-0.9	-1.4	-4.4	-5.3	-0.4
Business	4.1	4.4	3.3	16.5	2.5
Total lending	5.3	4.6	2.7	7.0	1.0
System deposits	6.9	2.1	3.9	6.3	1.0

(1) Sources: ABS, Econdata DX, RBA, RBNZ, Stats NZ, NAB

(2) Average for year ended December on average of previous year

(3) As at December quarter

(4) CPI, December quarter on December quarter of previous year. For Australia, average of trimmed mean and weighted median indices

(5) Source: RBA, RBNZ, NAB. Bank fiscal year-ended (September)

NZ ECONOMIC INDICATORS (%)¹

	CY17	CY18	CY19	CY20(f)	CY21(f)
GDP growth ²	3.1	3.2	2.3	-9.1	1.4
Unemployment ³	4.5	4.3	4.0	10.0	9.5
Inflation ⁴	1.6	1.9	1.9	0.9	1.2
Cash rate (OCR) ³	1.75	1.75	1.0	0.25	0.25

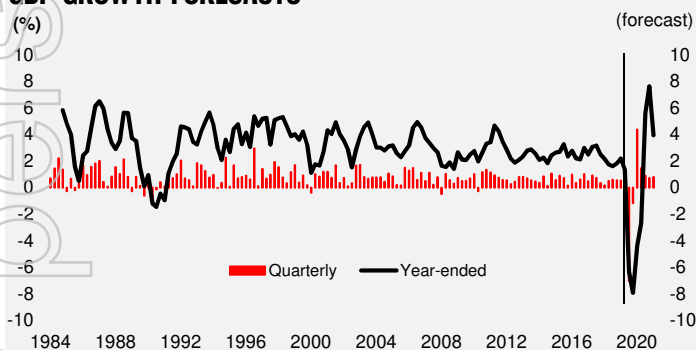
NZ SYSTEM GROWTH (%)⁵

	FY17	FY18	FY19	FY20(f)	FY21(f)
Housing	6.6	6.0	6.5	7.3	2.9
Personal	7.8	4.7	0.1	-4.8	-5.5
Business	4.8	4.1	4.8	7.5	-4.0
Total lending	5.8	5.2	5.6	7.0	0.0
Household retail deposits	7.7	6.9	5.1	7.0	3.3

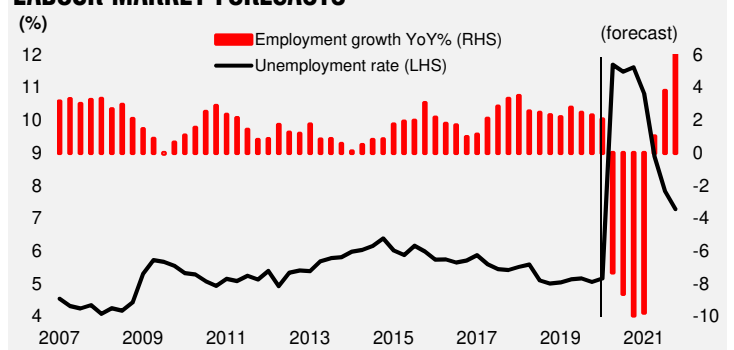


MATERIAL DOWNSIDE RISK TO THE ECONOMY FROM COVID-19

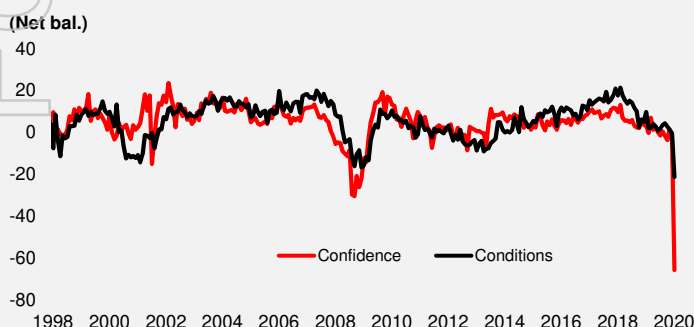
GDP GROWTH FORECASTS¹



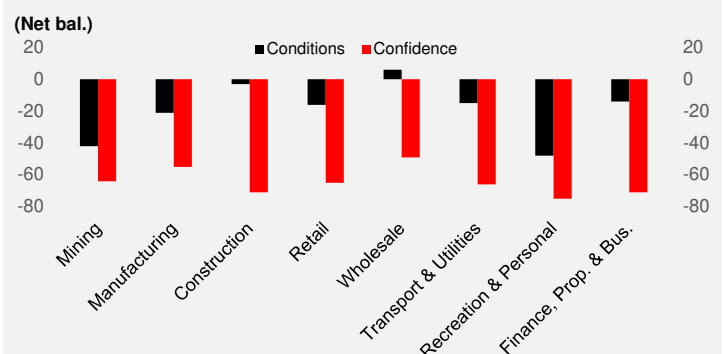
LABOUR MARKET FORECASTS¹



BUSINESS CONFIDENCE AND CONDITIONS²



BUSINESS CONFIDENCE AND CONDITIONS BY INDUSTRY²

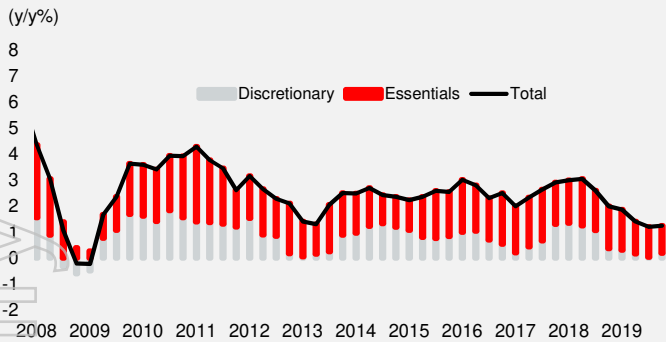


(1) Source: ABS, NAB forecasts from Q1 2020 onwards

(2) Source: NAB Monthly Business Survey (March 2020)



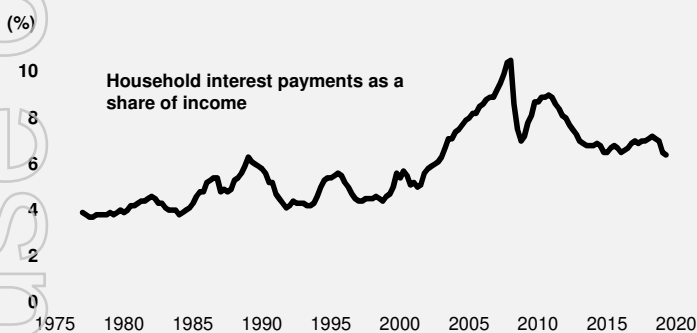
HOUSEHOLD CONSUMPTION TO REMAIN SOFT¹



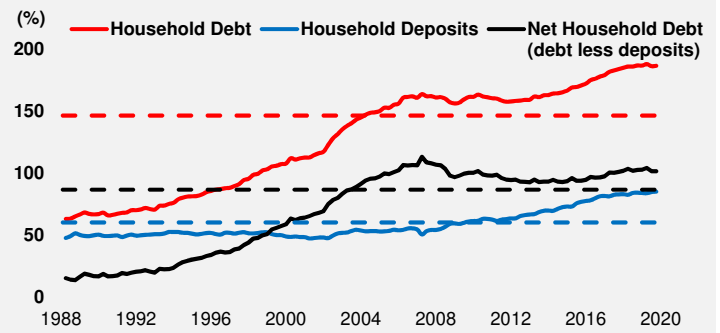
PRIVATE WAGE GROWTH SUBDUED²



HOUSEHOLD INTEREST PAYMENTS³



HOUSEHOLD DEBT AND DEPOSITS⁴



- (1) Source: ABS, NAB
 (2) Source: ABS, NAB. Actual data to 2019 Q4, NAB forecasts thereafter
 (3) Source: ABS, NAB. Actual data to 2019 Q4
 (4) Source: RBA, NAB. Actual data to 2019 Q4

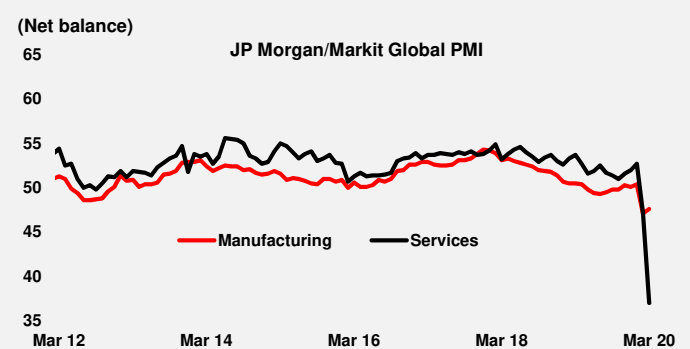


GLOBAL RECESSION

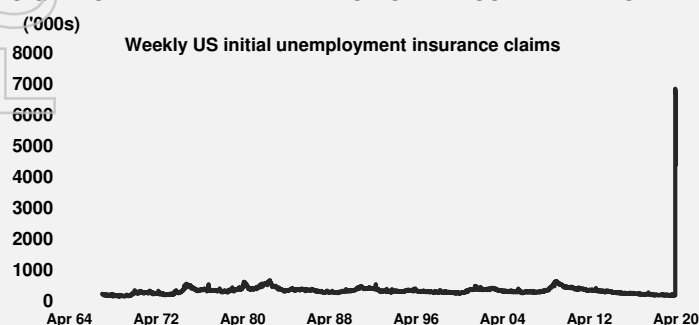
CHINA'S ECONOMY CONTRACTED IN Q1 DUE TO COVID-19¹



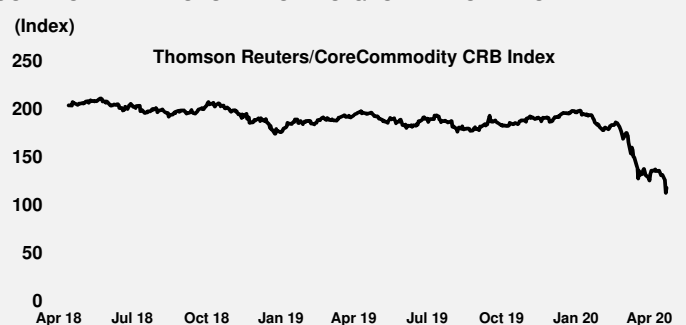
BUSINESS SURVEYS POINT TO LARGE GLOBAL IMPACT¹



SIGNIFICANT AND RAPID IMPACT ON LABOUR MARKETS¹



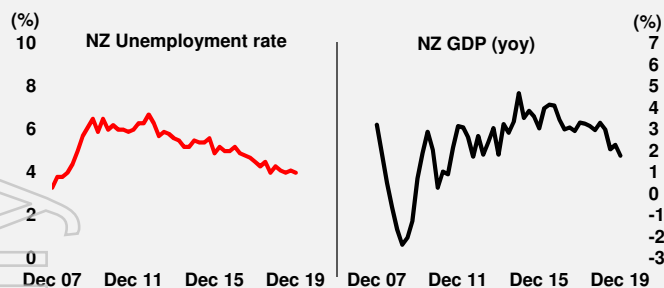
COMMODITY PRICES REACT TO GLOBAL DOWNTURN¹



- (1) Source: Refinitiv



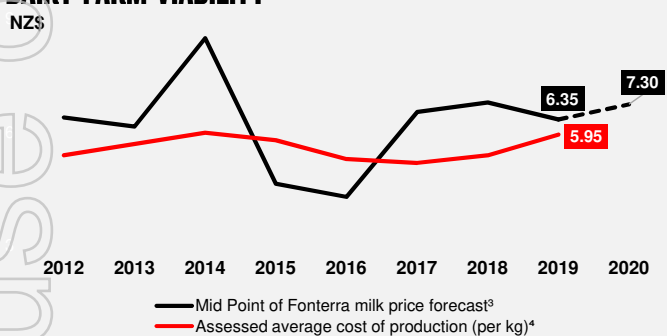
NZ GROWTH SLOWING PRE COVID-19; UNEMPLOYMENT LOW BUT LIKELY TO RISE RAPIDLY¹



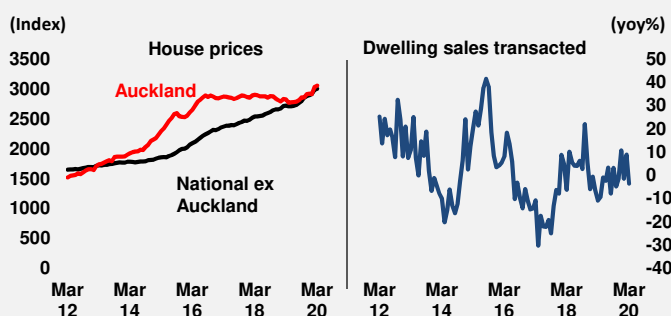
BUSINESS SURVEYS FLAG BIG INITIAL IMPACT FROM COVID-19²



DAIRY FARM VIABILITY



HOUSING MARKET SOLID PRE COVID-19⁵



- (1) Source: Refinitiv, Statistics NZ, Dec-19
 (2) Source: NZIER
 (3) Source: Fonterra forecast (milk price)
 (4) Source: Dairy NZ estimate of average cost of production (includes interest, rent, tax and drawings)
 (5) Source: Refinitiv, REINZ

OTHER INFORMATION

GROUP CASH EARNINGS RECONCILIATION TO STATUTORY NET PROFIT

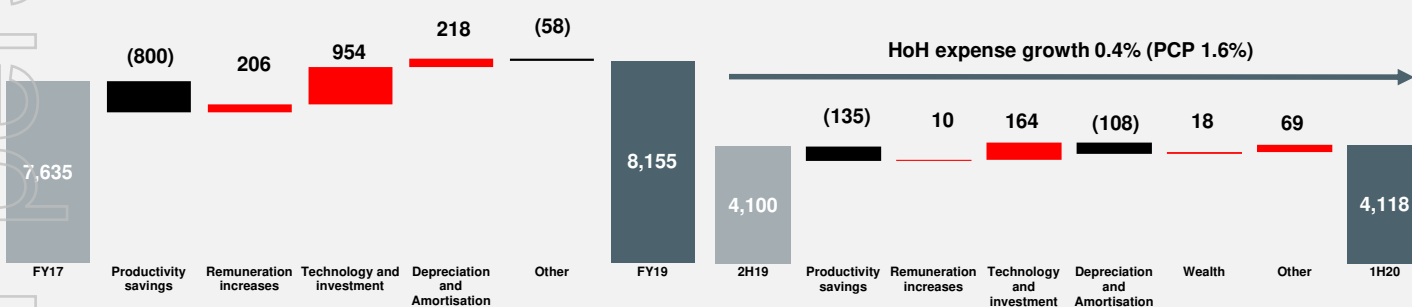
- NAB uses cash earnings (rather than statutory net profit attributable to owners of NAB) for its internal management reporting purposes and considers it a better reflection of the Group's underlying performance. Accordingly, information is presented on a cash earnings basis unless otherwise stated.
- Cash earnings is not a statutory financial measure and is not presented in accordance with Australian Accounting Standards nor audited or reviewed in accordance with Australian Auditing Standards. Cash earnings is calculated by excluding discontinued operations and certain other items which are included within the statutory net profit attributable to owners of NAB. These non-cash earning items, and a reconciliation to statutory net profit attributable to owners of NAB, are presented in the table below. Prior period non-cash earnings have been restated to exclude discontinued operations.
- The definition of cash earnings, a discussion of non-cash earnings items and a full reconciliation of the cash earnings to statutory net profit attributable to owners of NAB is set out on page 2 of the 2020 Half Year Results Announcement. The Group's financial statements, prepared in accordance with the Corporations Act 2001 (Cth) and Australian Accounting Standards, and reviewed by the auditors in accordance with Australian Auditing Standards, are set out in the 2020 Half Year Results Announcement.

	1H20 (\$m)	1H20 v 2H19	1H20 v 1H19
Cash earnings	1,436	(33.0%)	(51.4%)
Non-cash earnings items (after tax)			
Distributions	22	(29.0%)	(57.7%)
Fair value and hedge ineffectiveness	8	(82.6%)	large
Amortisation and impairment of acquired intangible assets	(221)	large	large
MLC Wealth divestment separation costs	(37)	12.1%	94.7%
Net profit from continuing operations	1,208	(44.7%)	(58.4%)
Net profit after tax from discontinued operations	105	large	large
Statutory net profit attributable to owners of NAB	1,313	(37.6%)	(51.3%)

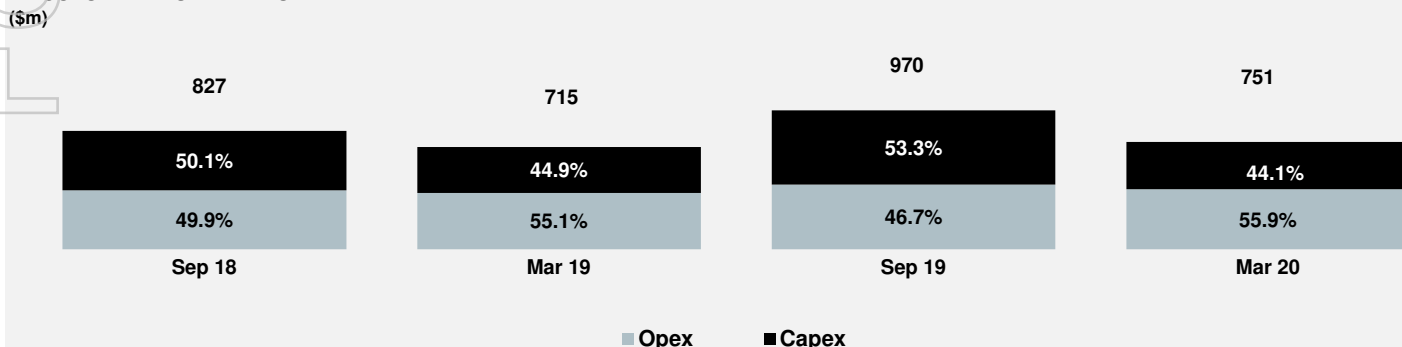


OPERATING EXPENSES AND PROJECT INVESTMENT SPEND

OPERATING EXPENSE TRACK SINCE SEP-17



PROJECT INVESTMENT SPEND



ABBREVIATIONS

AUM	Assets Under Management
CET1	Common Equity Tier 1 Capital
CIC	Credit impairment charge
CLF	Committed Liquidity Facility
CPS	Cents Per Share
CTI	Cost to income ratio
DRP	Dividend Reinvestment Plan
DVA	Derivative valuation adjustment
EAD	Exposure at Default
EA	Economic Adjustment
EPS	Earnings Per Share
FTEs	Full-time Equivalent Employees
FUM/A	Funds Under Management and Administration
GIAs	Gross Impaired Assets
GLAs	Gross Loans and acceptances
HQLA	High Quality Liquid Assets
IRB	Internal Ratings Based approach

LCR	Liquidity Coverage Ratio
LVR	Loan to Value Ratio
MTM	Mark to market
NII	Net Interest Income
NPS	Net Promoter Score
NSFR	Net Stable Funding Ratio
OIS	Overnight Index Swap
OOI	Other operating income
OTC	Over the counter
RMBS	Residential Mortgage Backed Securities
ROE	Return on Equity
RWAs	Risk-weighted assets
SFI	Stable Funding Index
SME	Small and Medium Enterprise
TCFD	Task Force on Climate-related Financial Disclosures
TFF	Term Funding Facility
UNEP FI	United Nations Environment Programme - Finance Initiative

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DISCLAIMER

The material in this presentation is general background information about the NAB Group current at the date of the presentation on 27 April 2020. 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 2020 Half Year Results Announcement (available at www.nab.com.au). It is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. No representation is made as to the accuracy, completeness or reliability of the presentation.

This presentation contains statements that are, or may be deemed to be, forward looking statements. These forward looking statements may be identified by the use of forward looking terminology, including the terms "believe", "estimate", "plan", "project", "anticipate", "expect", "target", "intend", "likely", "may", "will", "could" or "should" or, in each case, their negative or other variations or other similar expressions, or by discussions of strategy, plans, objectives, targets, goals, future events or intentions. Indications of, and guidance on, future earnings and financial position and performance are also forward looking statements. You are cautioned not to place undue reliance on such forward looking statements. Such forward looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Group, which may cause actual results to differ materially from those expressed or implied in such statements. There can be no assurance that actual outcomes will not differ materially from these statements.

This presentation describes certain initiatives relating to the Group's strategic agenda ("Program"), including certain forward looking statements. These statements are subject to a number of risks, assumptions and qualifications, including: (1) the Group's ability to execute productivity initiatives and realise operational synergies, cost savings and revenue benefits in accordance with the Program plan (including, in relation to CTI and ROE targets, the extension of improvements beyond the current Program plan); (2) the Group's ability to meet its internal net FTE reduction targets; (3) the Group's ability to recruit and retain FTE and contractors with the requisite skills and experience to deliver Program initiatives; (4) there being no significant change in the Group's financial performance or operating environment, including the economic conditions in Australia and New Zealand, changes to financial markets and the Group's ability to raise funding and the cost of such funding, increased competition, changes in interest rates and changes in customer behaviour; (5) there being no material change to law or regulation or changes to regulatory policy or interpretation, including relating to the capital and liquidity requirements of the Group; (6) for the purpose of calculating FTE cost savings and redundancy costs, the Group has assumed an average FTE cost based on Group-wide averages, and such costs are not calculated by reference to specific productivity initiatives or individual employee entitlements; and (7) NAB's proposed divestment of its wealth management businesses (excluding JBWere and nabtrade) may have an impact on the timing, scope and cost of the Program, however the impact cannot be quantified at this time.

There are a number of other important factors that could cause actual results to differ materially from those projected in such Statements, including (without limitation) the risks and uncertainties associated with the ongoing impacts of COVID-19, the Australian and global economic environment and capital market conditions. Further information is contained in the Group's Luxembourg Transparency Law disclosures released to the ASX on 27 April 2020 and the Group's Annual Financial Report for the 2019 financial year, which is available at www.nab.com.au.

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