NAB DEBT INVESTOR PRESENTATION

HY22

The material in this presentation is general background information about the NAB Group. It is not intended to be relied upon as advice. Please refer to slide 72 for legal disclaimer.

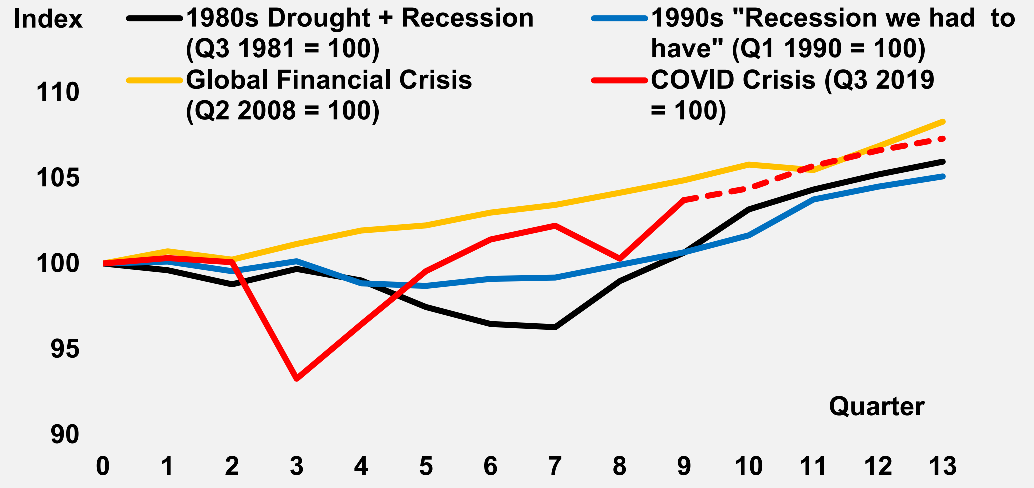
KEY MESSAGES

Strong financial results with momentum across all businesses
Disciplined execution of our strategy
Improved shareholder returns while retaining a strong balance sheet
Well positioned in an evolving economic environment
Investing to deliver sustainable growth while remaining focused on cost discipline

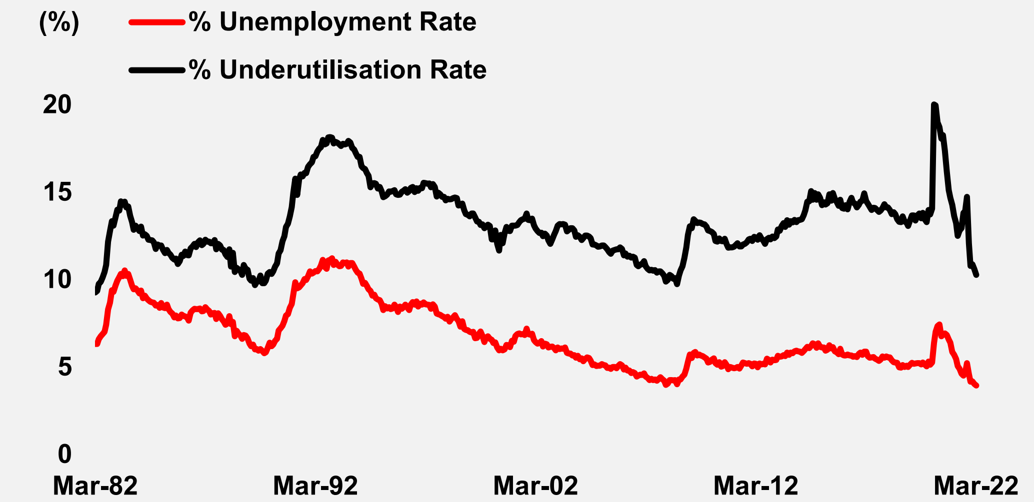
national australia bank

AUSTRALIAN ECONOMIC RECOVERY

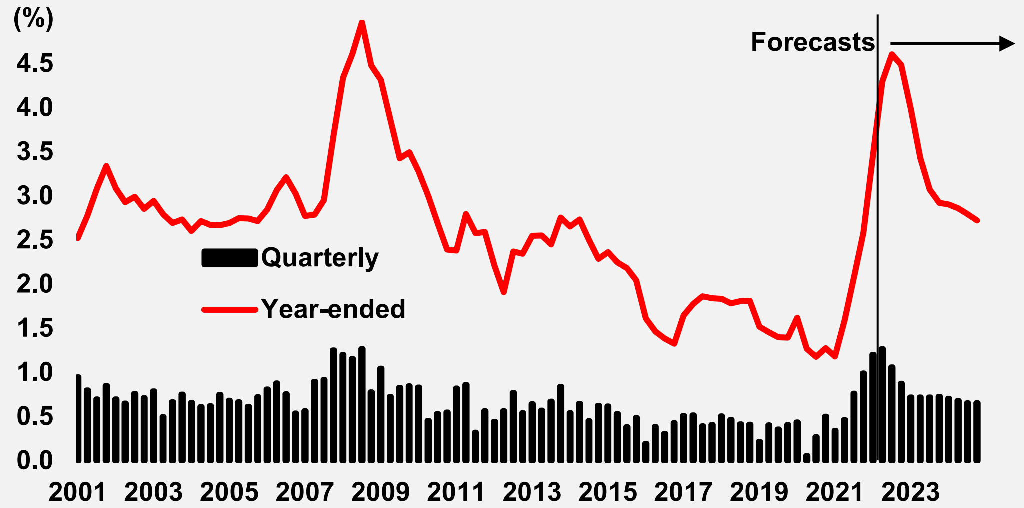
GDP HAS REBOUNDED QUICKLY FROM A SHARP DOWNTURN[1]



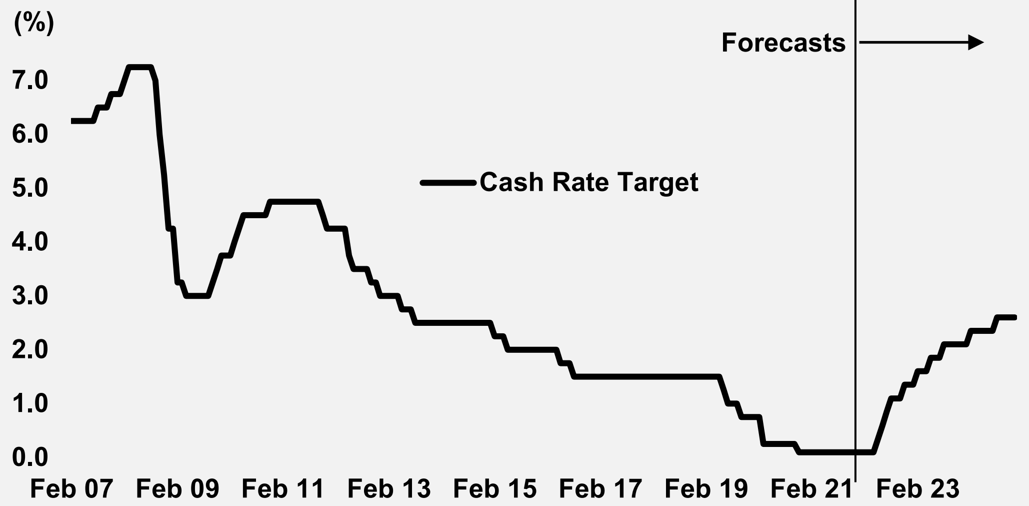
UNEMPLOYMENT HAS FALLEN TO VERY LOW LEVELS[2]



INFLATION LIKELY TO RISE IN THE NEAR TERM[3]



THE CASH RATE EXPECTED TO RISE IN 2022[4]



(1) Source: ABS, NAB Economics, Macrobond. Index of real GDP growth. Data to Q4 2021. Dotted line shows NAB forecasts.
(2) Source: ABS, NAB Economics, Macrobond. Index of total employment by state. Data to February 2022.
(3) Source: ABS, NAB Economics, Macrobond. Average of the trimmed-mean and weighted-median CPI measures, data to Q1 2022, NAB Economics forecasts thereafter
(4) Source: NAB, Macrobond. Data to 3 May 2022, NAB Economics forecasts thereafter

national australia bank

STRONG FINANCIAL RESULTS

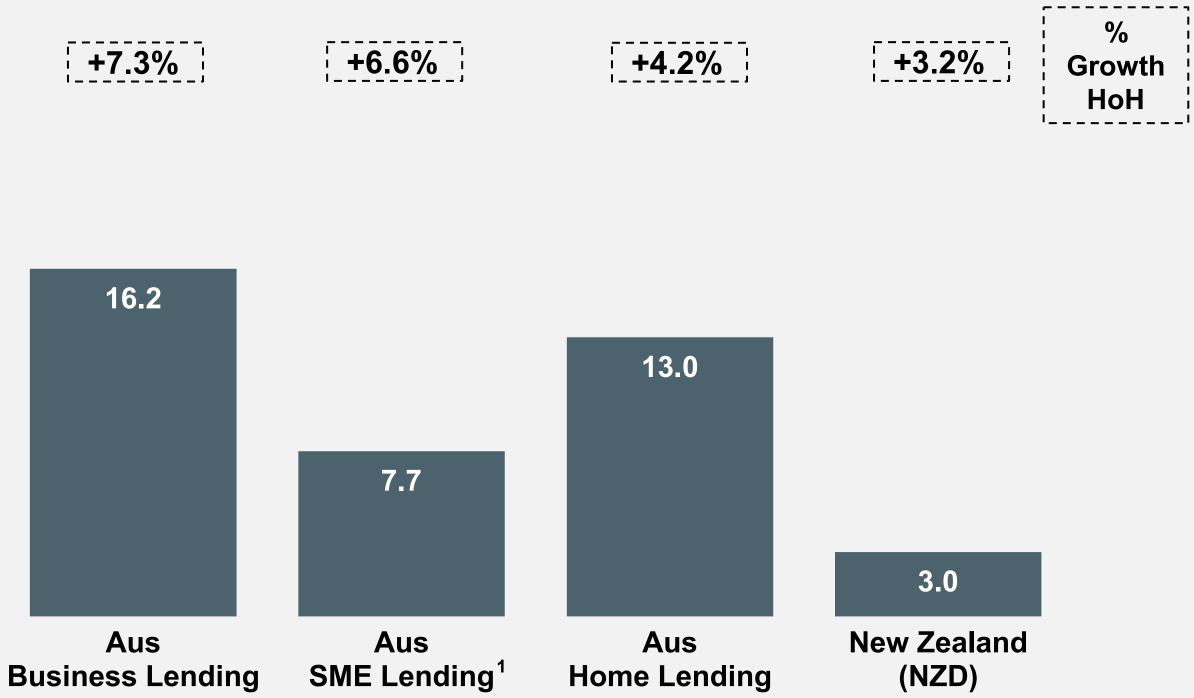
METRIC	1H22	2H21	1H22 V 2H21
Statutory net profit ($m)	3,551	3,156	12.5%
CONTINUING OPERATIONS			
Net operating income ($m)	8,828	8,367	5.5%
Operating expenses ($m)	3,963	3,954	Flat
Underlying profit ($m)	4,865	4,413	10.2%
Cash earnings ($m)	3,480	3,215	8.2%
Cash return on equity (ROE)	11.3%	10.3%	100 bps
Dividend (cents)	73	67	6
Cash payout ratio[1]	68.3%	68.6%	(30 bps)

(1) Based on basic cash EPS

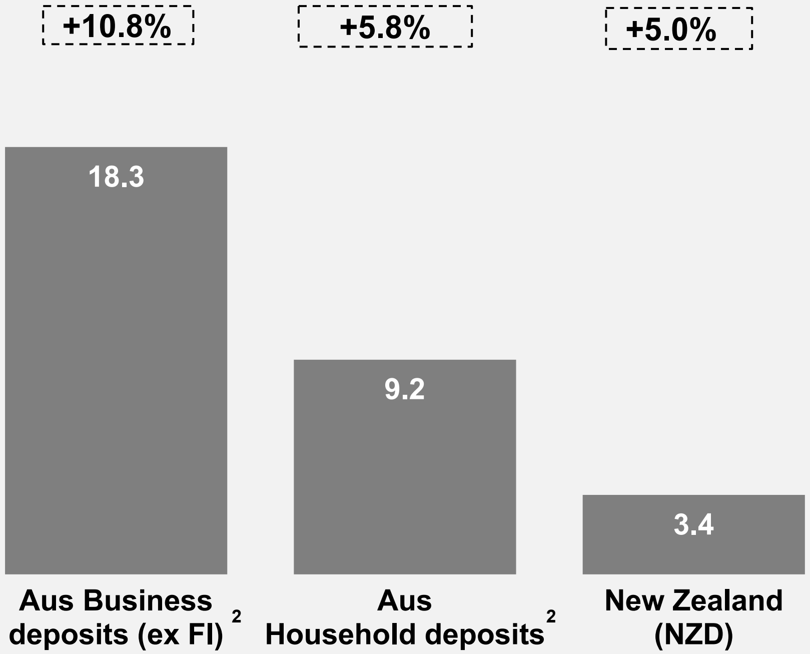
national australia bank

CONTINUED MOMENTUM IN LENDING & DEPOSITS IN 1H22

GLA CHANGE HOH ($BN)



DEPOSITS CHANGE HOH ($BN)



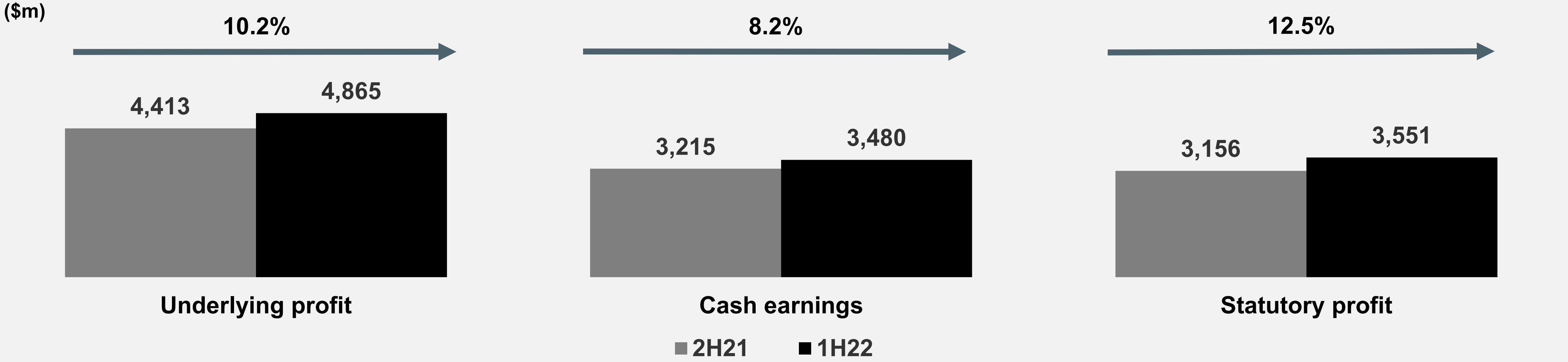
1.3x Business Lending system growth	**1.9x** SME Business Lending[3] system growth	**1.2x** Home Lending system growth	**1.0x** NZ Housing system growth **1.0x** NZ Business system growth	**2.5x** Business deposits (Ex FI) system growth	**1.1x** Household deposits system growth	**0.8x** NZ Household Deposit system growth

(1) Denotes business lending in Business & Private Banking division
(2) APRA Monthly Authorised Deposit-taking Institution statistics
(3) Derived from RBA statistics. A business is classified as SME under the RBA if NAB has exposure to the business and the business has turnover less than $50 million. Latest market share at February 2022

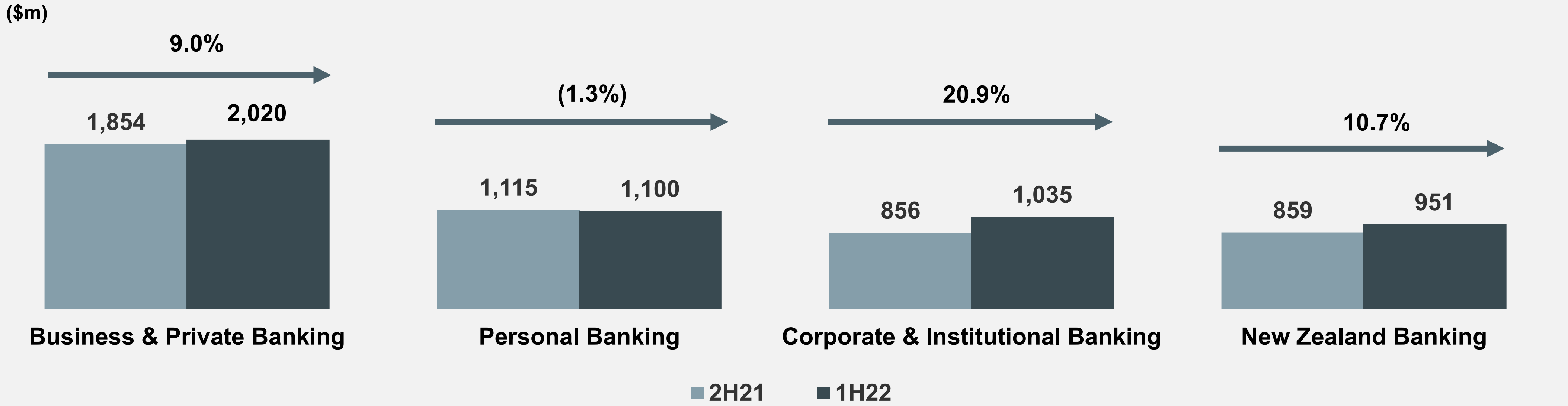
national australia bank

GROUP AND DIVISIONAL PERFORMANCES

GROUP EARNINGS



UNDERLYING DIVISIONAL PROFIT[1]



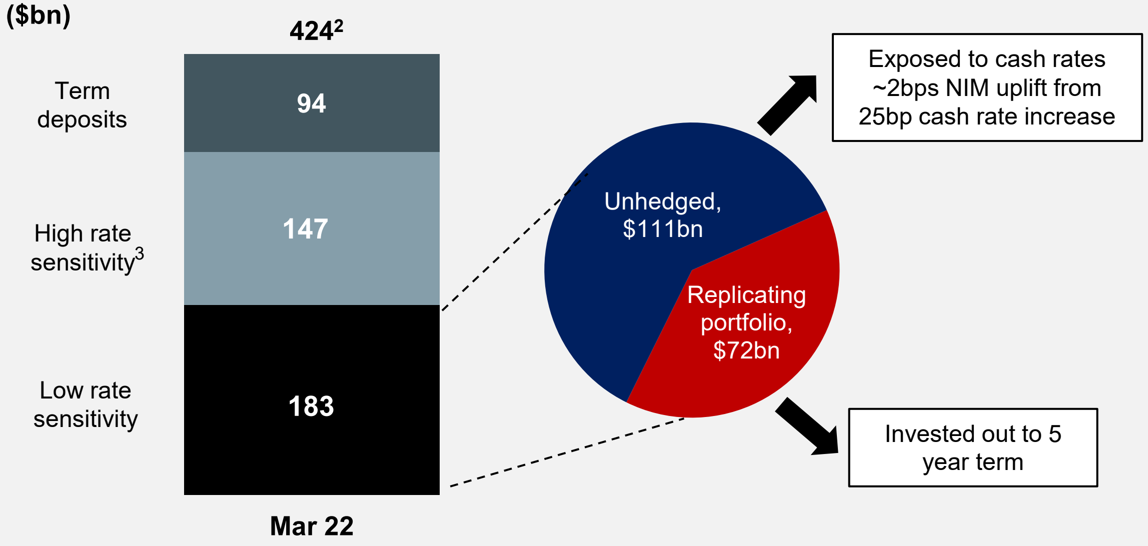
(1) Results in local currency

LEVERAGE TO RISING INTEREST RATES IN AUSTRALIA

KEY CONSIDERATIONS

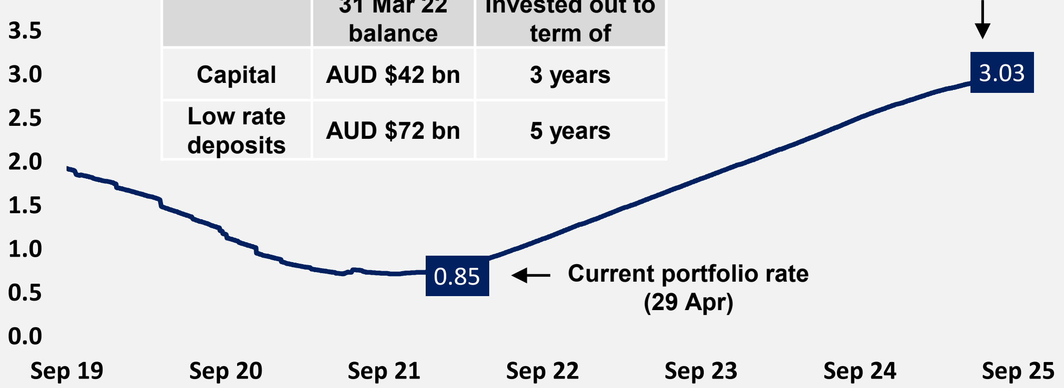
- Key sources of expected NIM leverage to rising rates:
  - Indicative impact of 25bps cash rate increase on unhedged low rate sensitivity deposits ~2bps annualised benefit to NIM
  - Benefit of higher swap rates on deposit and capital replicating portfolios over FY23-FY25 of ~8-9bps NIM p.a. (based on 29 April 2022 forward swap rates)[1]
- Actual outcomes over time will be impacted by several factors including competitive pressure, growth in Interest Earning Assets, deposit volumes and mix, swap rates, replicating portfolio volumes and investment strategy

DEPOSIT IMPACT OF 25BPS CASH RATE INCREASE ON NIM

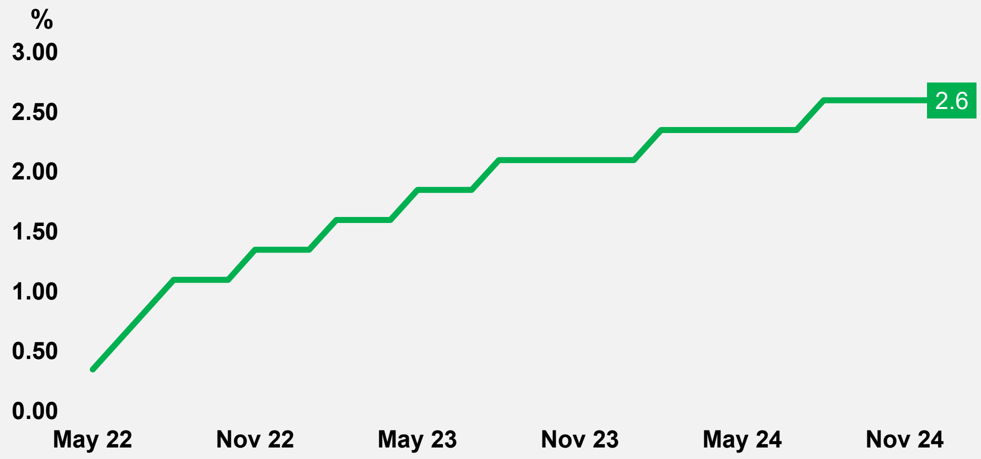


NAB REPLICATING PORTFOLIOS

Replicating portfolios		
	31 Mar 22 balance	Invested out to term of
Capital	AUD $42 bn	3 years
Low rate deposits	AUD $72 bn	5 years



NAB ECONOMICS CASH RATE FORECAST

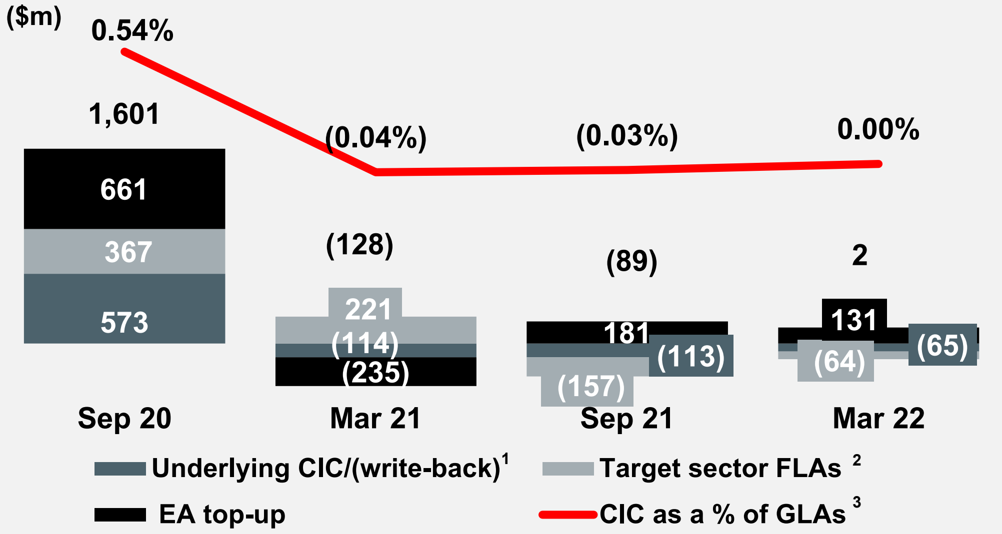


(1) Based on 3 year and 5 year forward swap rates for the capital and deposit replicating portfolios respectively, and AIEA and replicating portfolio volumes at 31 March 2022
(2) Excludes home loan offsets
(3) Represents balances where all of the cash rate increases are assumed to be passed on. Includes some balances currently classified as zero or low rate deposits

national australia bank

SMALL CREDIT IMPAIRMENT CHARGE, PROVISIONS MODESTLY LOWER

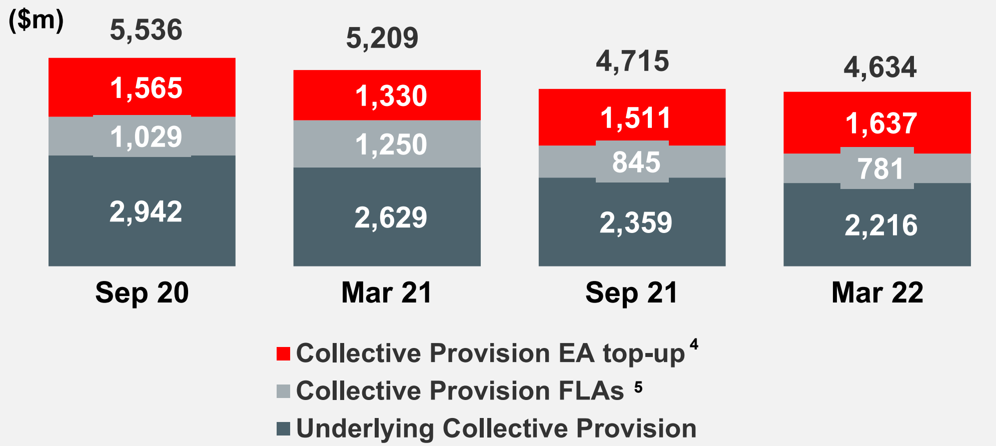
CREDIT IMPAIRMENT CHARGE (CIC)



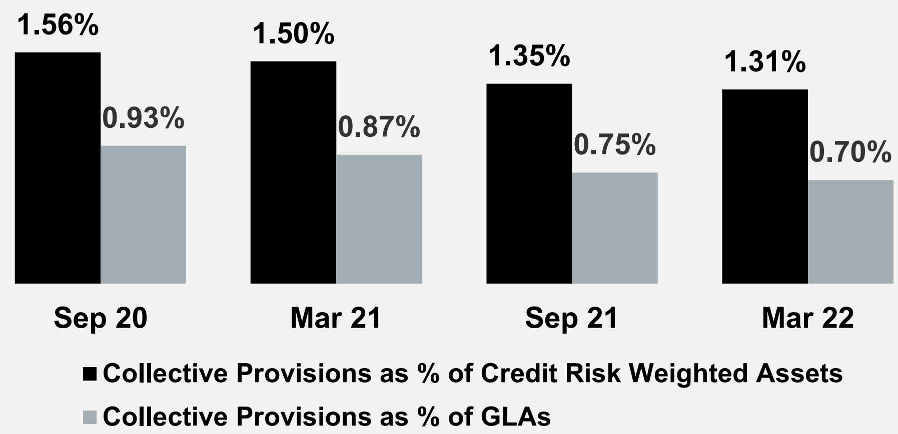
KEY CONSIDERATIONS

- Underlying CIC write-back 1H22 of $65m, driven by continued improvement in risk profile of loan portfolio and low level of specific charges
- Forward looking charges increased by $67m in 1H22:
  - Economic Adjustment (EA) top up of $131m due to an increased downside weighting
  - Partially offset by $64m release of target sector forward looking adjustments (FLAs)

COLLECTIVE PROVISION BALANCES



COLLECTIVE PROVISION COVERAGE



(1) Represents total credit impairment charge less changes in EA top-up and FLAs
(2) Represents collective provision FLAs for targeted sectors
(3) Half year annualised
(4) Collective provision EA top-up Mar 22 v Sep 21 includes a benefit of $5m due to foreign exchange movements. Balances restated to show total Collective Provision EA top-ups, not only COVID-19 EA top-ups
(5) Collective provision FLA decline Sep 21 v Mar 21 of $405m includes $248m of provisions derecognised as a result of sale of aviation loans

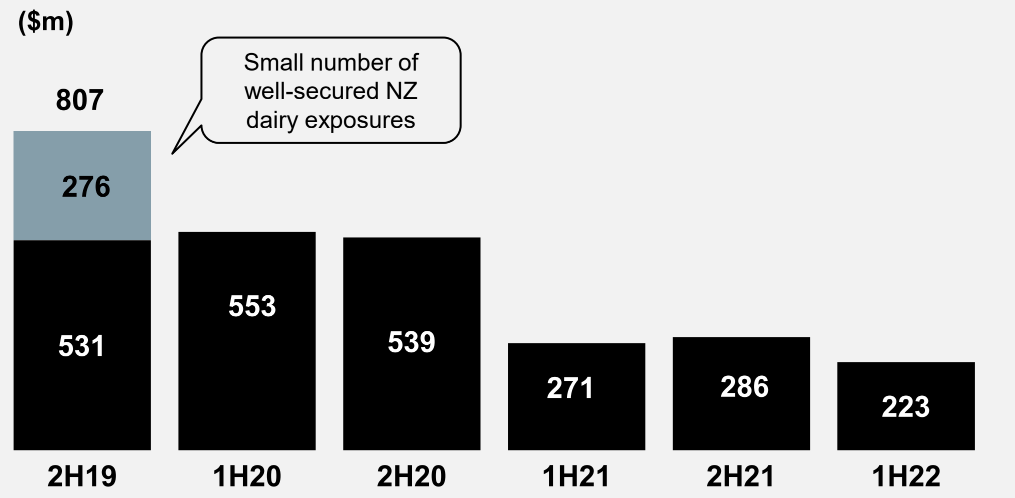
national australia bank

ASSET QUALITY IMPROVED AGAIN

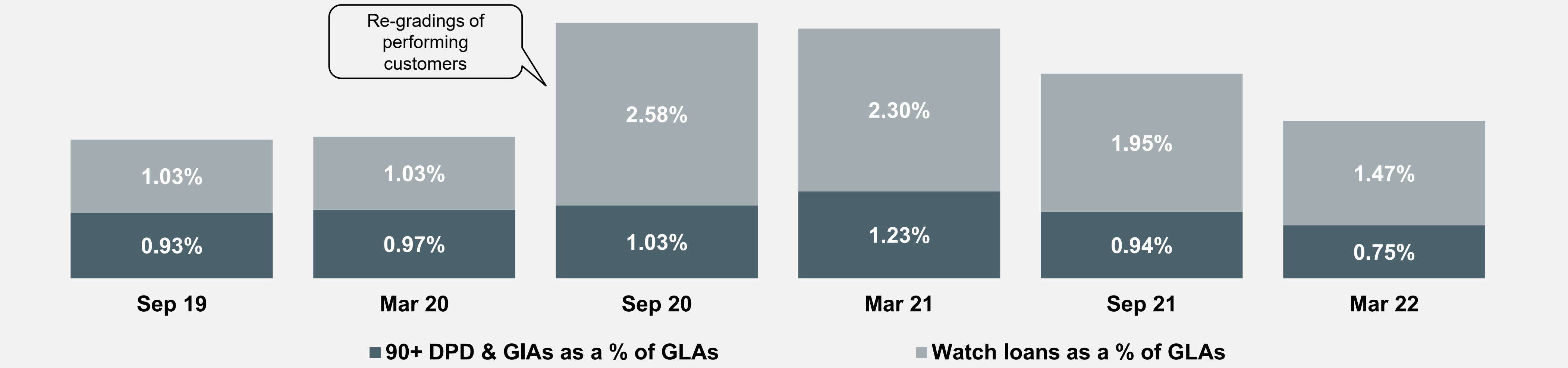
KEY IMPACTS IN 1H22

- 90+ DPD & GIA ratio reduced below pre COVID levels:
  - Lower 90+ DPD ratio driven by improvement in Australian home lending
  - Lower GIA ratio with new impaired assets remaining at low levels and continued improvement in business lending
- Reduction in Watch loans reflects broad-based improvement across the Group's non-retail portfolio

NEW IMPAIRED ASSETS



90+ DPD, GIAs & WATCH LOANS AS A % OF GLAs[1]

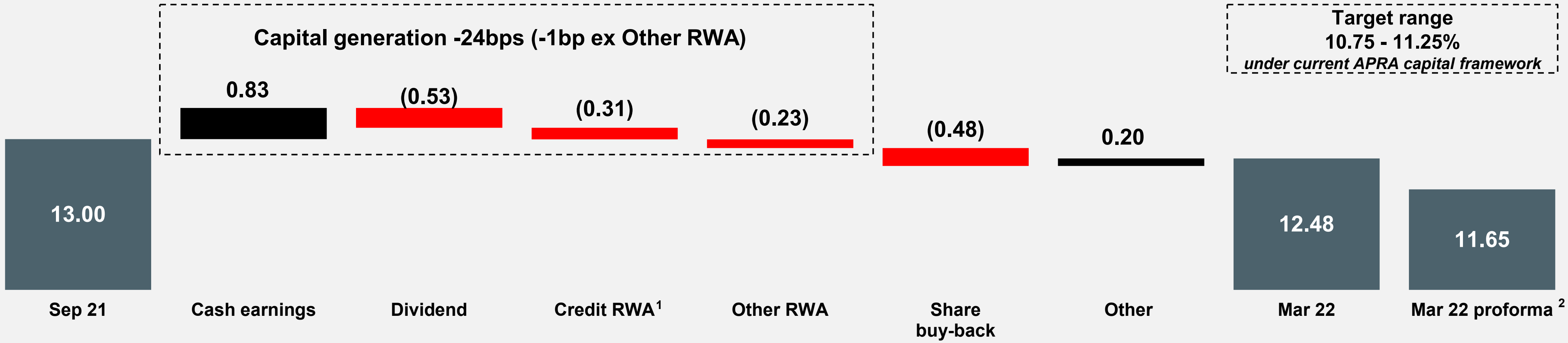


(1) Referral to Watch generally triggered by banker annual reviews through the year or as a result of performing customers experiencing cashflow pressures

national australia bank

STRONG CAPITAL POSITION

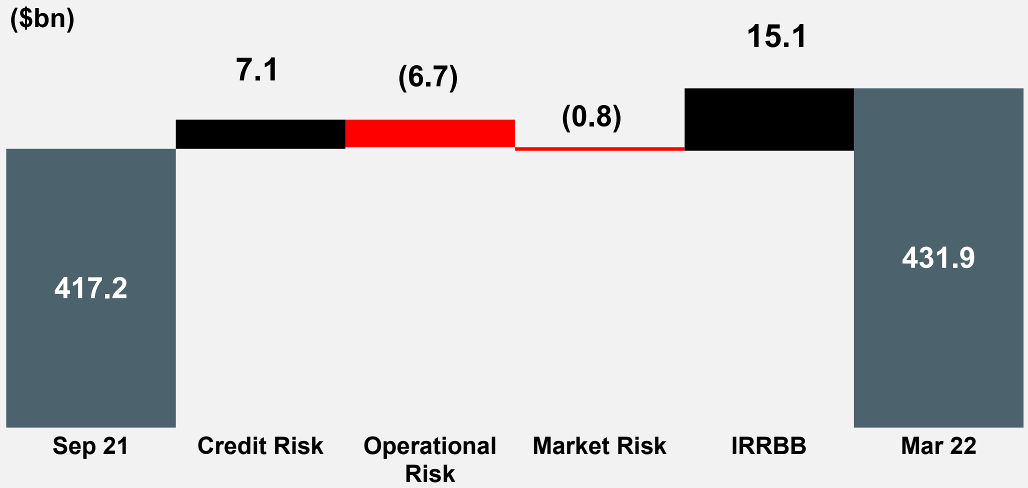
GROUP BASEL III COMMON EQUITY TIER 1 CAPITAL RATIO



CET1 CONSIDERATIONS

- $2.5bn on-market share buy-back completed in 1H22 with a further $2.5bn announced[3]
- RWA growth reflects higher CRWA driven by $30.6bn of GLA growth and higher IRRBB offset by $6.3bn benefit from early adoption of Operational Risk standardised approach
- Effective Jan 23, APRA's 'unquestionably strong' standards are expected to have minimal impact on required capital levels

GROUP RWA



(1) Excludes FX translation

(2) Pro forma impacts include estimated impacts from agreed sale of BNZ Life (+6bps), the impact of the proposed acquisition of Citigroup's Australian consumer business (-31bps), and the announced additional $2.5bn buy-back (-58bps). Both the proposed acquisition of the Citigroup Australian consumer business and the sale of BNZ Life are expected to complete in 2022, subject to relevant regulatory approvals. Final capital impact of each transaction will be determined following completion

(3) On 24 March NAB announced completion of the $2.5bn on-market buy-back and a further on-market buy-back of up to $2.5bn. Subject to market conditions, NAB expects to commence the further buy-back following its 2022 Half Year results announcement

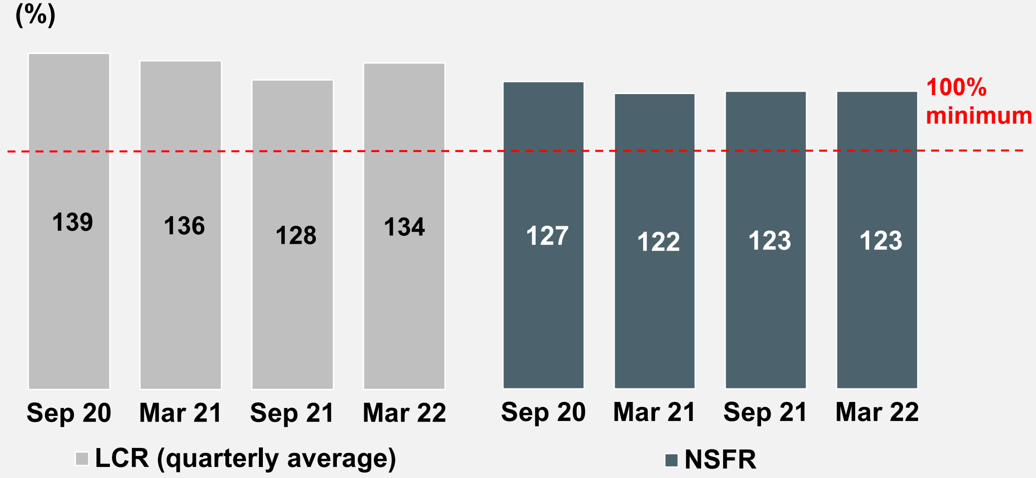
national australia bank

FUNDING AND LIQUIDITY STRONG

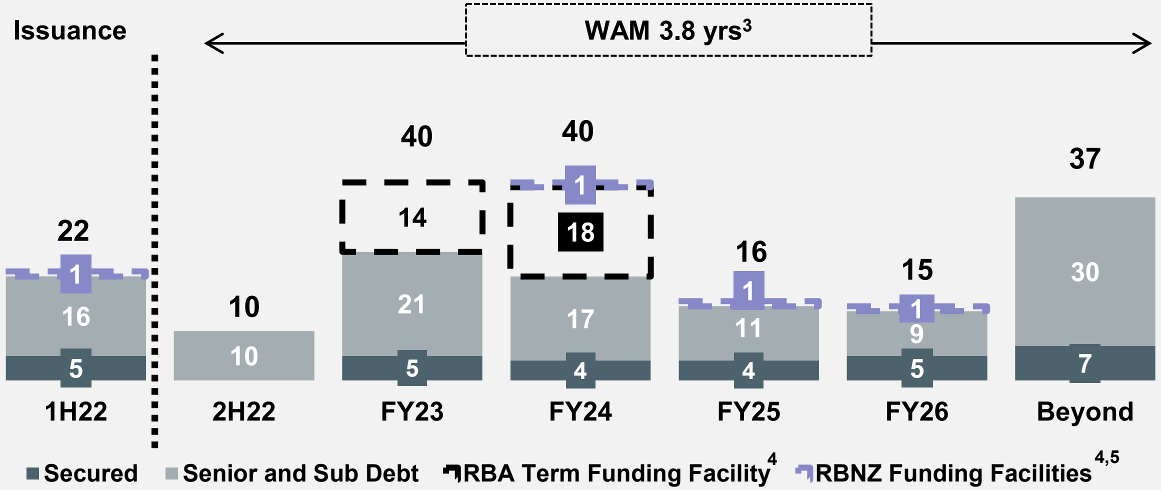
KEY MESSAGES

- Strong funding and liquidity position, well above regulatory minimums. LCR excluding the CLF (quarterly average) was 119% at March 2022
- 1H22 saw increasing market volatility and widening credit spreads
- The Group raised $21bn of term wholesale funding across a variety of markets
- Expect to continue to access funding markets over 2H22 to support balance sheet growth as well as the CLF and TFF transitions

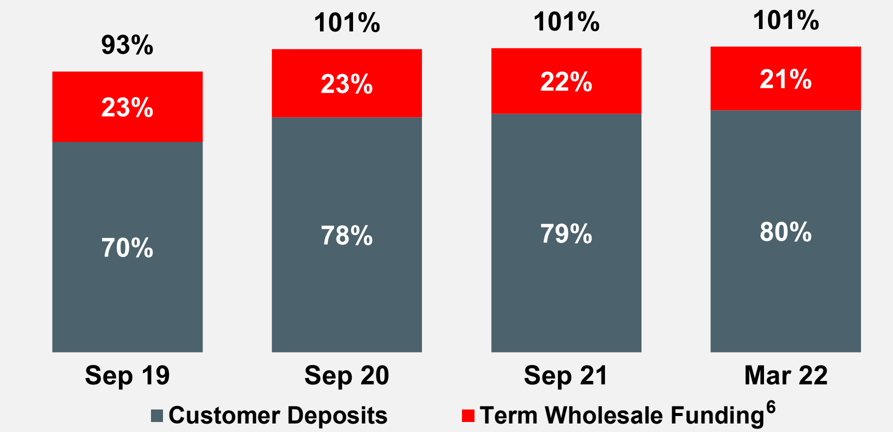
LIQUIDITY POSITION WELL ABOVE REGULATORY MINIMUMS



TERM FUNDING ISSUANCE[1] & MATURITY PROFILE[2]



LENDING FUNDED WITH STABLE SOURCES



(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. FX rate measured at time of issuance
(2) Maturity profile of funding with an original term to maturity greater than 12 months, excludes Additional Tier 1 and Residential Mortgage Backed Securities. Spot FX rate at 31 March 2022.
(3) Remaining weighted average maturity, excludes Additional Tier 1, Residential Mortgage Backed Securities, RBA Term Funding Facility and RBNZ funding facilities
(4) Contractual maturity is based on drawdown date
(5) Includes RBNZ's Term Lending Facility (TLF) and Funding for Lending Programme (FLP)
(6) Includes senior unsecured, secured (covered bonds and securitisation), subordinated debt, Additional Tier 1 instruments, RBA TFF and RBNZ funding facility drawdowns with a remaining term to maturity or call date of greater than 12 months

national australia bank

AUSTRAC UPDATE

OVERVIEW OF ENFORCEABLE UNDERTAKING

- Following its investigation, AUSTRAC has accepted an Enforceable Undertaking (EU) from NAB to lift its compliance with AML / CTF laws
- Under the terms of the EU, NAB is required to implement a comprehensive Remedial Action Plan (RAP) involving improvements to its systems, controls and record-keeping, including:
  - NAB's AML / CTF Program
  - Applicable customer identification procedures
  - Customer risk assessment and enhanced customer due diligence
  - Transaction monitoring
  - Governance and assurance
- External auditor will be appointed to report to AUSTRAC annually and to deliver a final report

Key dates	
NAB to complete RAP	By 31 December 2024
Final Audit Report submitted to AUSTRAC	By 31 March 2025

IMPLICATIONS FOR NAB

- Continue to work closely with AUSTRAC to deliver agreed actions
- Many activities under the RAP (such as improvements to NAB's AML / CTF program and Customer Identity Remediation for high risk customers) have commenced and are expected to be delivered within the next 12 months
- Other activities under the RAP require more time and resources to deliver a sustainable solution within the period of the EU
- Estimated costs of $80-120m[1] p.a. in FY22, FY23 and FY24 to deliver the EU requirements, including:
  - Costs to complete the Customer Identity Remediation program which is already underway
  - Additional FTE required to undertake activities in the timeframes required
  - Appointment of external auditor
  - Establishing a governance structure to oversee delivery of the RAP
- Continue to invest to improve financial crime systems and controls

(1) FY22 includes $30 million incurred in 1H22

CLIMATE ACTION: SUPPORTING CUSTOMERS

PROGRESS ON NET ZERO PORTFOLIO BY 2050[1]

- Joined the Net Zero Banking Alliance
- Progressing work to set 2030 science-based emissions reduction targets for key sectors, to publish in 2022 annual reporting suite
- Working closely with 100 of our largest GHG emitting customers as they develop or improve their low-carbon transition plans
  - Maturity assessments completed for 58 customers
  - On track to meet target of 100 customers by September 2023

NATURAL DISASTER AND CRISIS SUPPORT

NAB Ready Together

- Our major program supporting Australians before, during and after natural disasters
- Key areas of support for impacted colleagues, customers and communities include offering financial hardship assistance, emergency grants, and volunteering to help recovery efforts

Recent disaster relief

- ~$4.4m in disaster relief measures to support customers, colleagues and communities impacted by the NSW and QLD floods provided by NAB and NAB Foundation.

A LEADER IN SUSTAINABLE FINANCE

#1	Australian bank for global renewables transactions[2]
75%	Renewables now 75% of our total energy exposures[3]
>$61 BILLION	Have provided $61.1bn in environmental financing since 2005, and target $70bn by 2025[4]

Supporting customers with commercial solutions

- Ongoing expansion of Carbonplace – a settlement platform for voluntary carbon credits of which NAB is a founding member
- Closed our first ESG-linked Foreign Exchange (FX) derivative with TRIG, a London-listed company that invests in renewable energy infrastructure projects
- Approved first NAB Agri Green loan in Nov 2021 and now expanding pilot

Rob and Melinee Leather
Leather Cattle Company
NAB's first Agri Green loan recipient

(1) The Group continues to work on understanding its total Scope 3 attributable emissions exposure and develop its emissions-based modelling. The Group acknowledges the limitations of current data. The Group's emissions based modelling, targets and methodologies may change as the availability and quality of data improves, and as climate science evolves.
(2) Rankings based on cumulative IJGlobal League Table data from 1st Jan 2010 to 31st March 2022, MLA, Renewables.
(3) Renewables EAD as a % of Energy Generation. 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 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.
(4) Represented as a cumulative amount of new environmental finance since 1 October 2015. Refer to the Group's 2021 Sustainability Data Pack for reference to how the environmental financing commitment is calculated.

national australia bank

WE HAVE A CLEAR STRATEGIC AMBITION

WHY WE ARE HERE

To serve customers well and help our communities prosper

WHO WE ARE HERE FOR

Colleagues
Trusted professionals that are proud to be a part of NAB

Customers
Choose NAB because we serve them well every day

WHAT WE WILL BE KNOWN FOR

Relationship-led
Relationships are our strength
1. Exceptional bankers
2. Unrivalled customer value (expertise, data and analytics)
3. Truly personalised experiences

Easy
Simple to deal with
1. Simple products and experiences
2. Seamless - everything just works
3. Fast and decisive

Safe
Responsible & secure business
1. Strong balance sheet
2. Leading, resilient technology and operations
3. Pre-empting risk and managing it responsibly

Long-term
A sustainable approach
1. Commercial responses to society's biggest challenges
2. Resilient and sustainable business practices
3. Innovating for the future

WHERE WE WILL GROW

Business & Private
Clear market leadership

Corporate & Institutional
Disciplined growth

Personal
Simple & digital

BNZ
Grow in Personal & SME

UBank
New customer acquisition

HOW WE WORK

- Excellence for customers
- Grow together
- Be respectful
- Own it

MEASURES FOR SUCCESS

- Engagement
- NPS growth
- Cash EPS growth
- ROE

KEY MEASURES OF SUCCESS AND OUR AMBITION

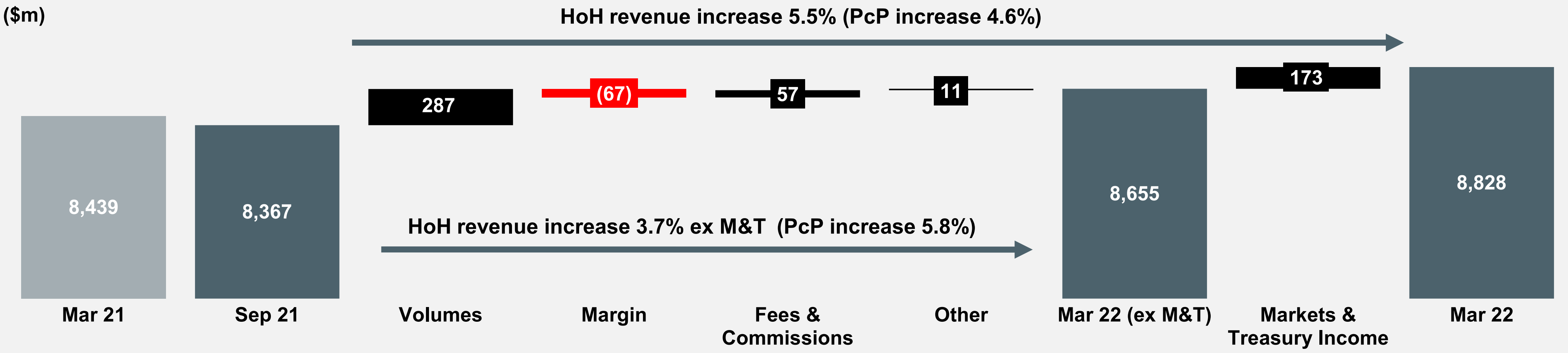
KEY MEASURES OF SUCCESS	OUR AMBITION
Colleague engagement	Top quartile engagement
Customer NPS[1]	Strategic NPS positive and #1 of majors
Cash EPS growth	Focus on growing share in target segments, while managing risk and pricing disciplines
	Disciplined approach to costs and investment
ROE	Target double digit Cash ROE

(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.

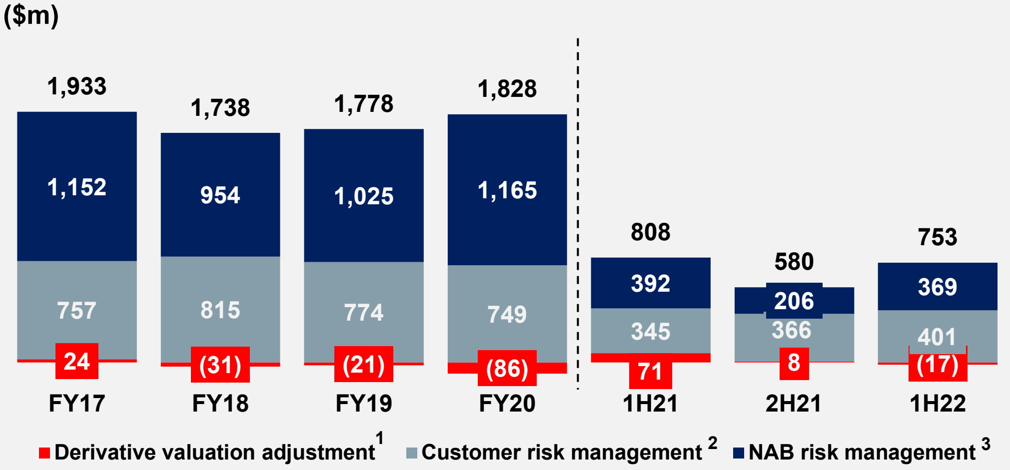
1H22 FINANCIALS

STRONG REVENUE GROWTH

NET OPERATING INCOME



MARKETS & TREASURY INCOME BREAKDOWN



KEY REVENUE DRIVERS HOH

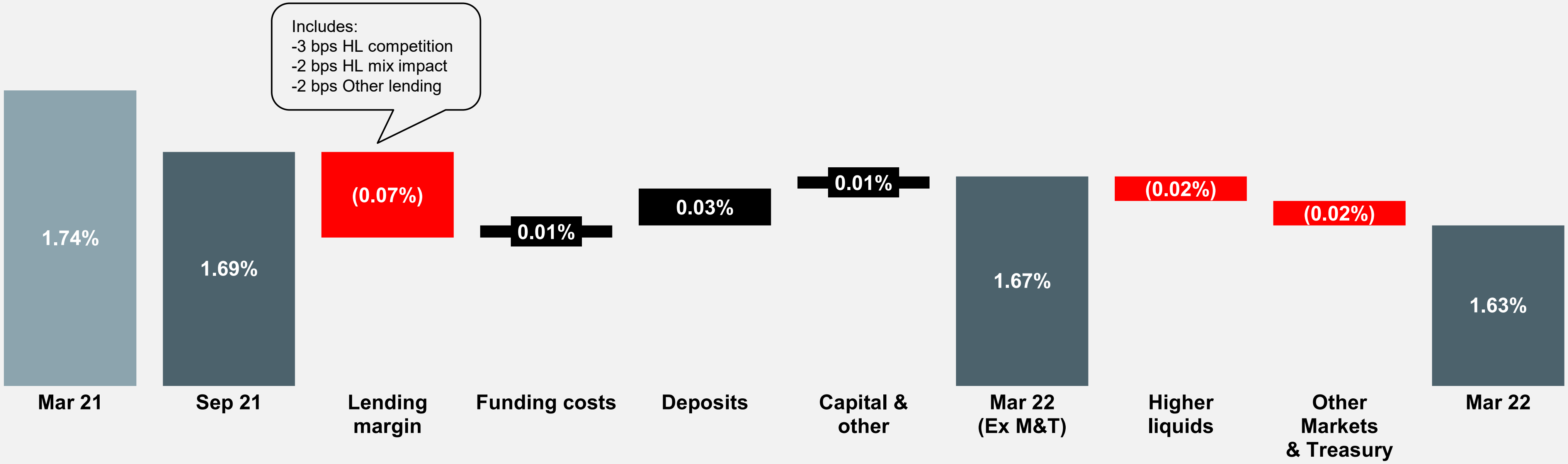
- NII growth driven by stronger volumes and margin discipline
- Fees and commissions higher from increased volumes and activity, and $20m lower remediation charges
- Increased volatility in global rates and FX markets driving improved Customer and NAB Risk Management income in 1H22

(1) Derivative valuation adjustments include credit valuation adjustments and funding valuation adjustments
(2) Customer risk management comprises NII and OOI
(3) NAB risk management comprises NII and OOI and is defined as management of interest rate risk in the banking book (IRRBB), wholesale funding and liquidity requirements and trading market risk to support the Group's franchises

national australia bank

NET INTEREST MARGIN

NET INTEREST MARGIN



KEY CONSIDERATIONS

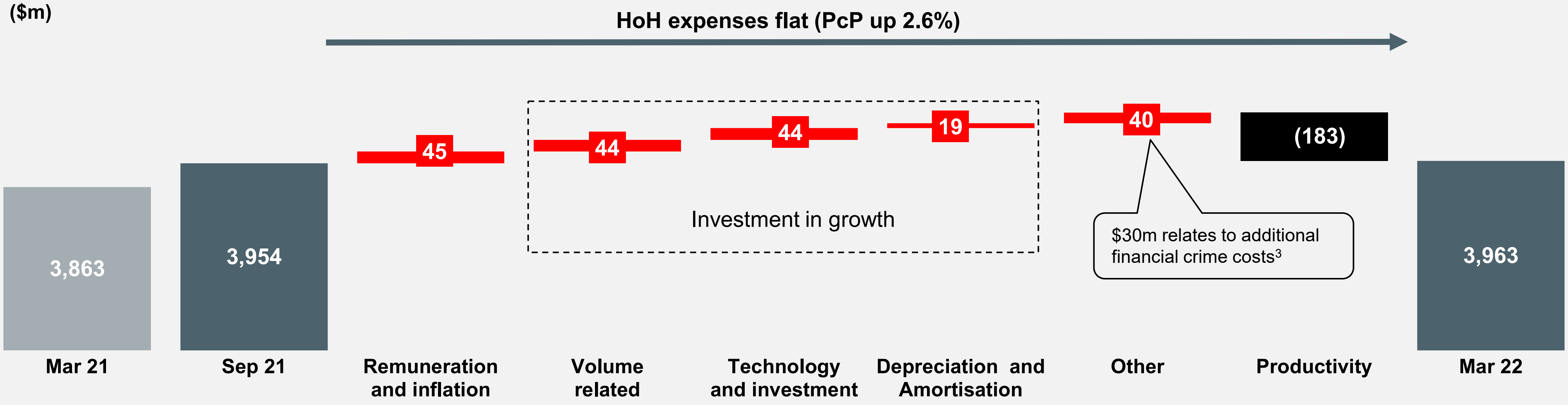
- Moderate positive NIM impact from rising rate environment[1] on replicating portfolios in 2H22; expected to continue in FY23
- Continued housing lending headwinds from competitive pressures
- Mix impact of lower margin fixed rate (FR) balances peaked in 1H22, turning positive from 2H22
- Impact of funding costs and deposit mix expected to be broadly neutral in 2H22; turning negative in FY23
- Expect minimal NIM drag from CLF phase out
- Upside from impact of potential RBA cash rate increases on rate insensitive deposits

(1) Refers to impact of the replicating portfolio net of any repricing, and based on current swap rates

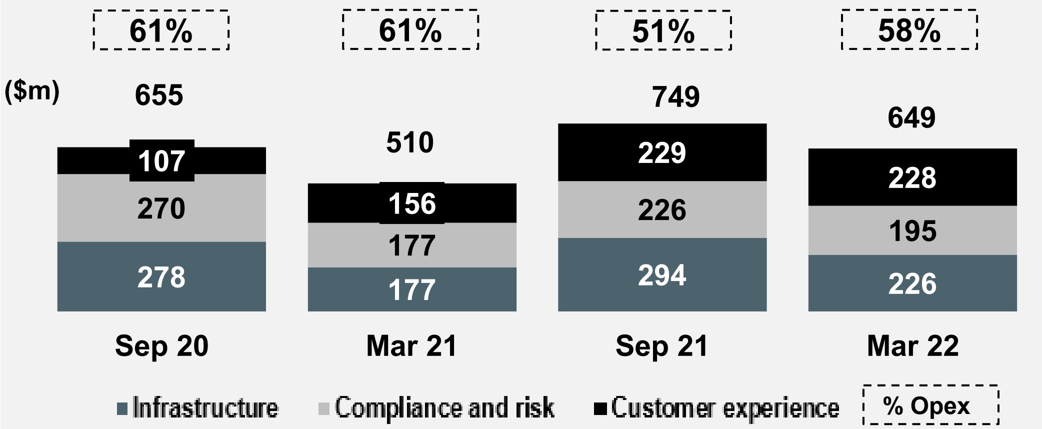
national australia bank

BALANCING GROWTH WITH COST DISCIPLINE

OPERATING EXPENSES



INVESTMENT SPEND



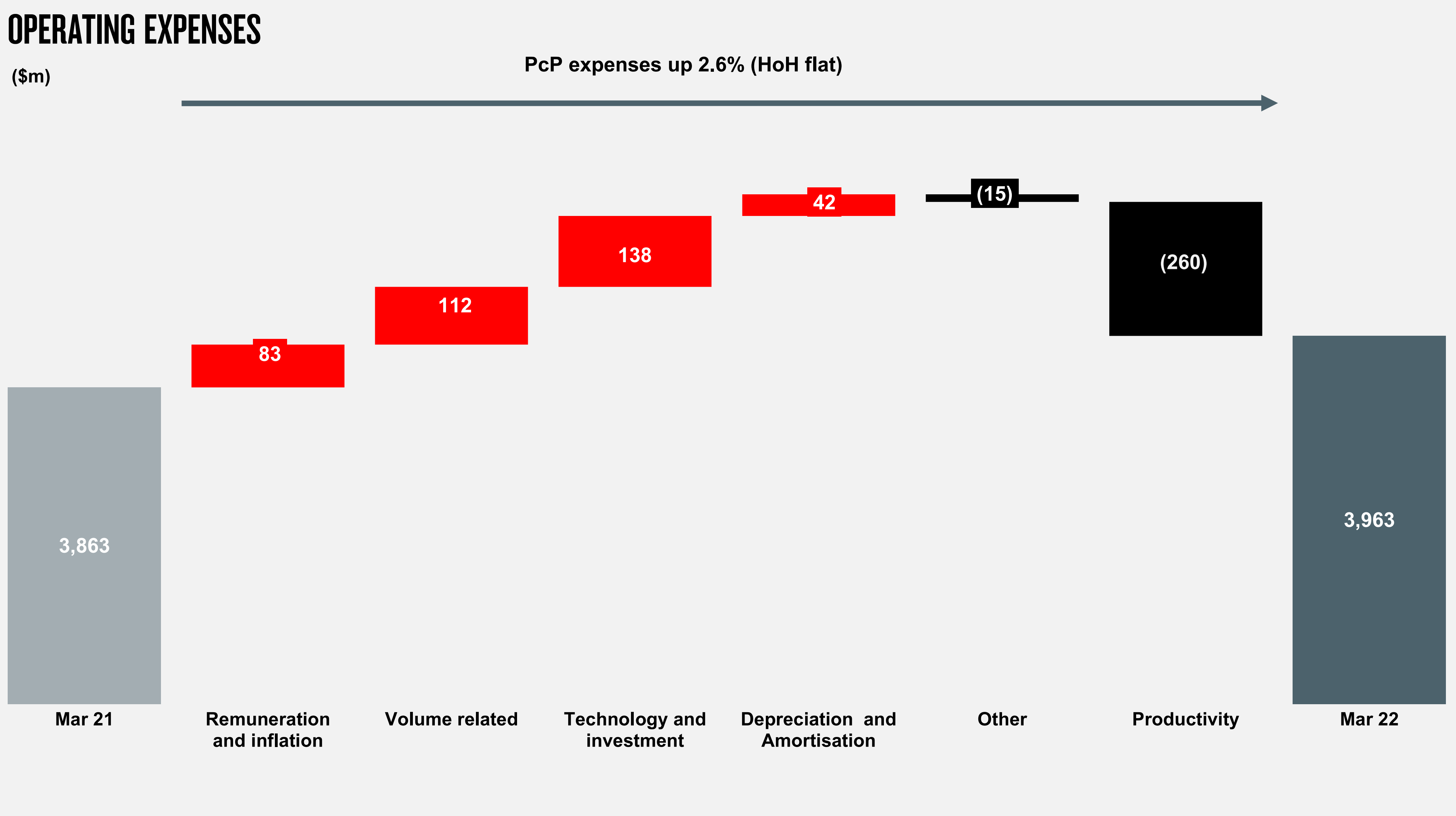
COMMENTS

- Achieved flat costs HoH as productivity savings offset higher remuneration and inflation together with investment to support growth
- Continue to focus on opportunities for growth while maintaining cost discipline
- FY22 opex expected to increase by ~2-3%[1,2]
- Investment spend expected to be ~$1.4bn p.a. from FY22[2]

(1) Excluding any large notable items and the impact of the proposed acquisition of Citigroup's Australian consumer business
(2) Refer to key risks, qualifications and assumptions in relation to forward looking statements on page 72
(3) Forms part of $80-120m estimated cost in FY22 to deliver EU requirements agreed with AUSTRAC

national australia bank

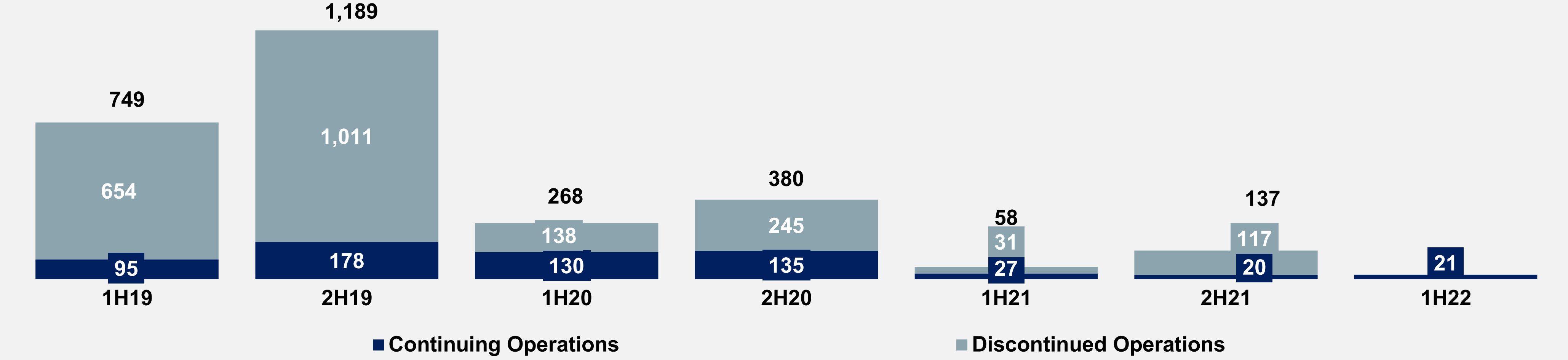
OPERATING EXPENSES – PRIOR COMPARATIVE PERIOD



REMEDIATION WORK PROGRESSING

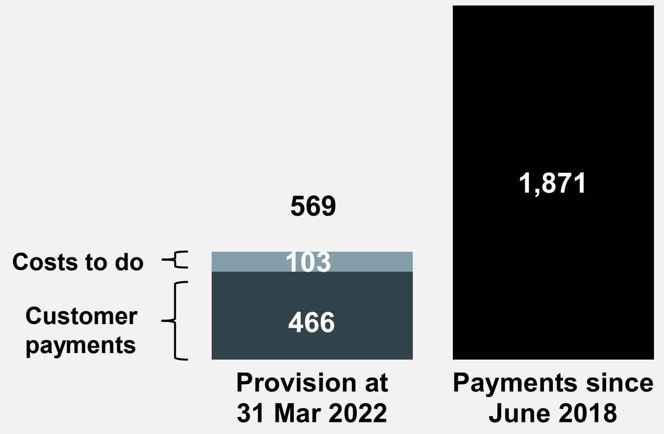
CUSTOMER-RELATED REMEDIATION PROVISION CHARGES[1]

($m)



CUSTOMER-RELATED REMEDIATION PROVISIONING AND UTILISATION

($m)

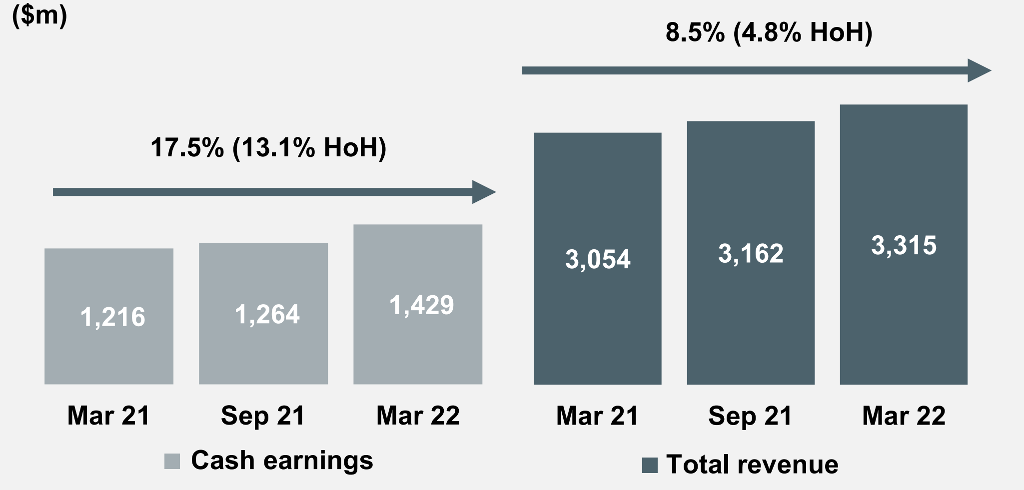


- >1,175 colleagues dedicated to remediation activities
- >1.8m payments to customers since June 2018 totalling $1,871m – up 45% from FY21
- All major programs expected to be materially completed in CY22

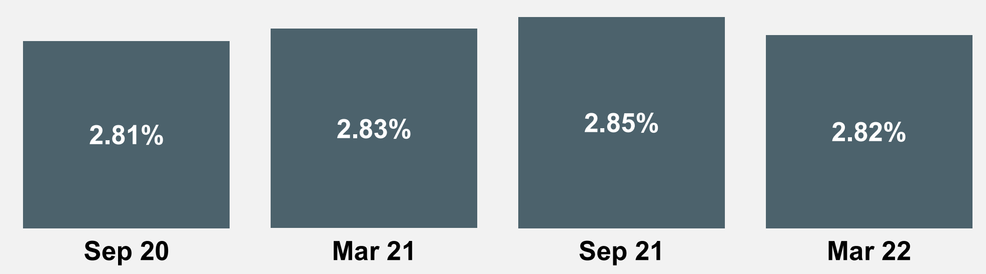
(1) Charges were included as large notable items in FY19 and FY20. Charges are shown pre-tax; 1H19 and 2H19 have been restated for the presentation of MLC Wealth as a discontinued operation

BUSINESS & PRIVATE BANKING

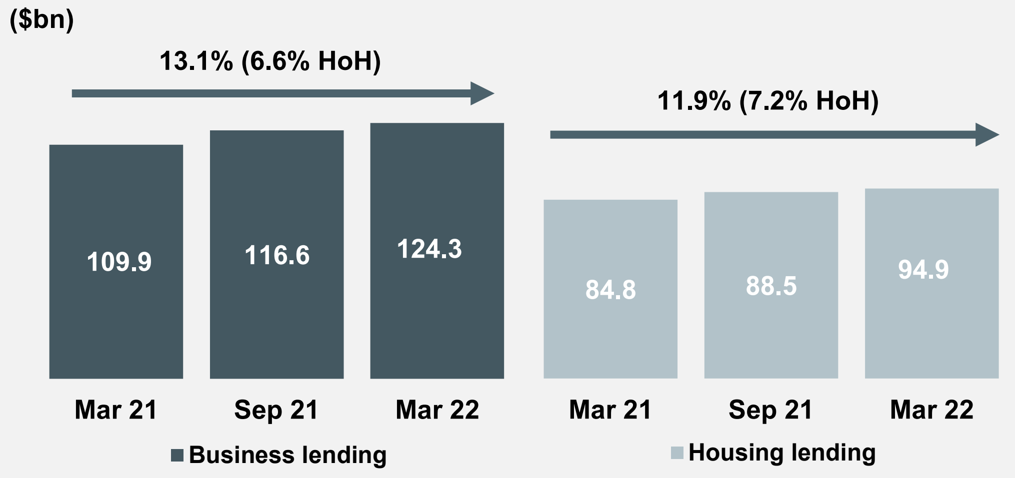
CASH EARNINGS AND REVENUE



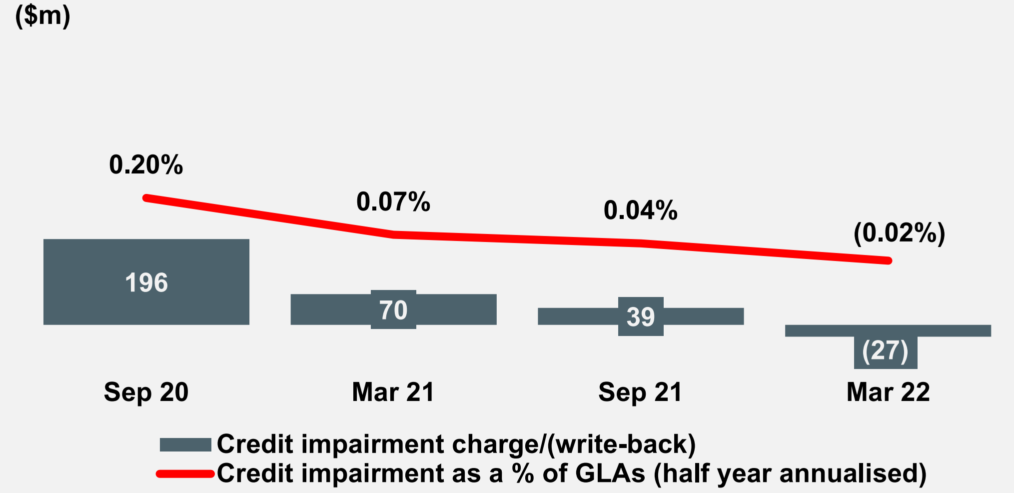
NET INTEREST MARGIN



BUSINESS AND HOUSING LENDING GLAs



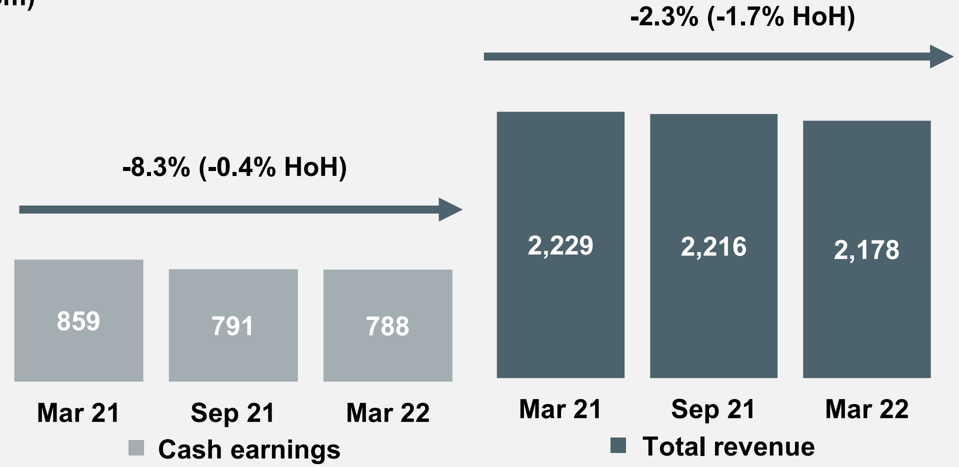
CREDIT IMPAIRMENT CHARGES AND AS A % OF GLAs



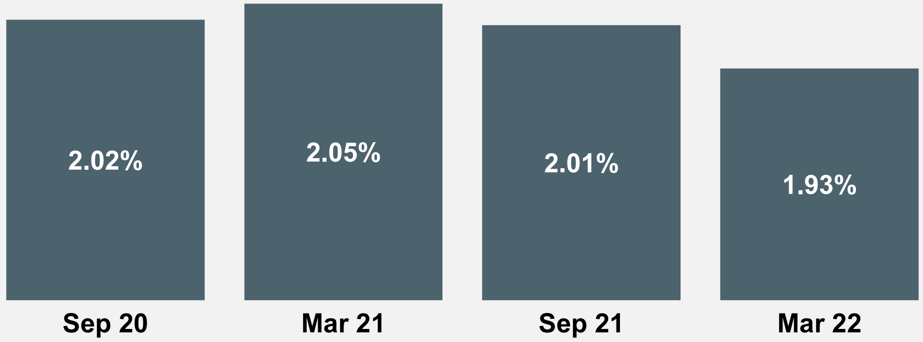
PERSONAL BANKING

CASH EARNINGS AND REVENUE

($m)



NET INTEREST MARGIN

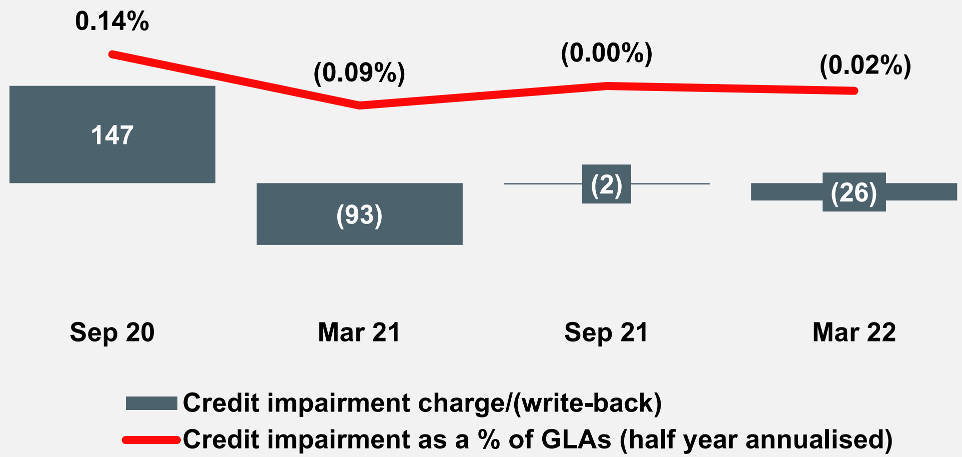


HOUSING LENDING GLAs

($bn)

CREDIT IMPAIRMENT CHARGES AND AS A % OF GLAs

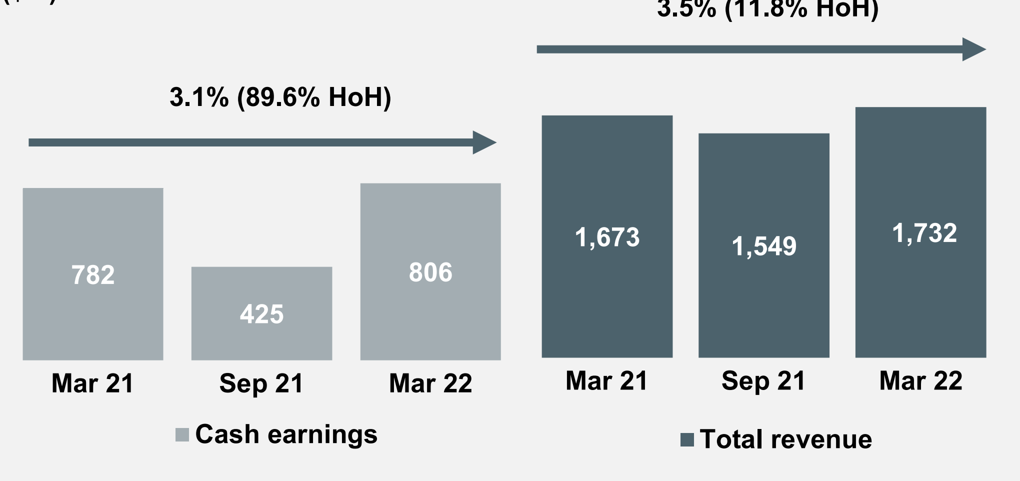
($m)



CORPORATE & INSTITUTIONAL BANKING

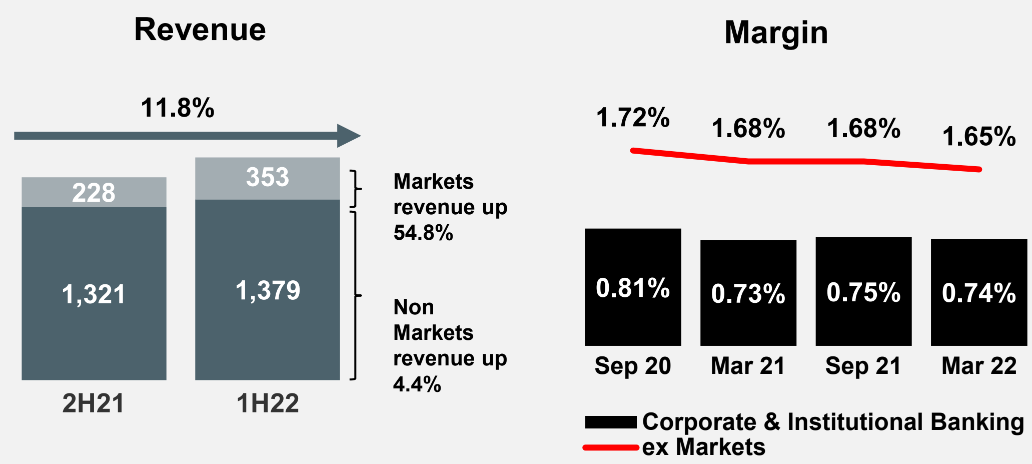
CASH EARNINGS AND REVENUE

($m)



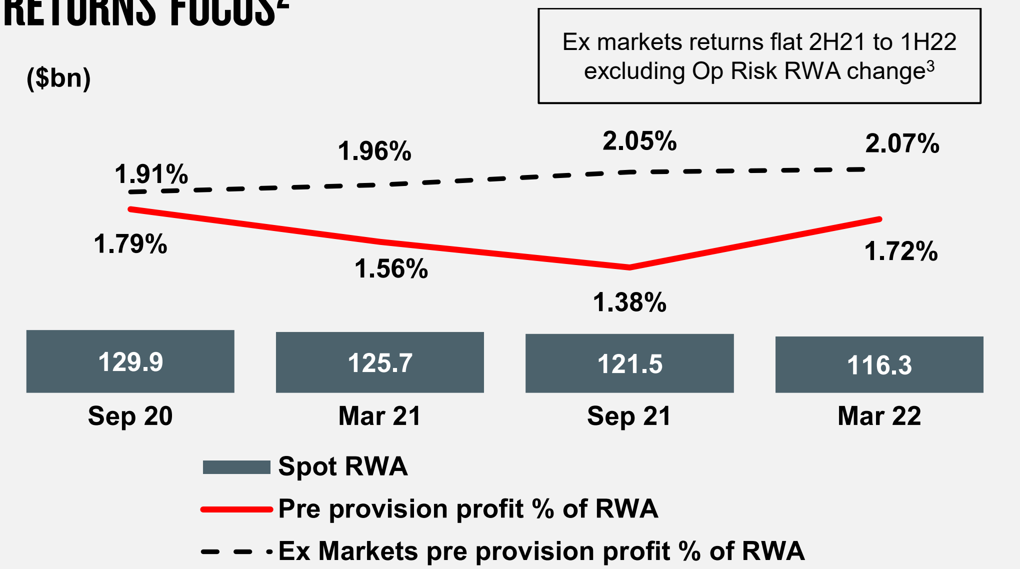
MARGINS AND REVENUE BREAKDOWN[1]

($m)

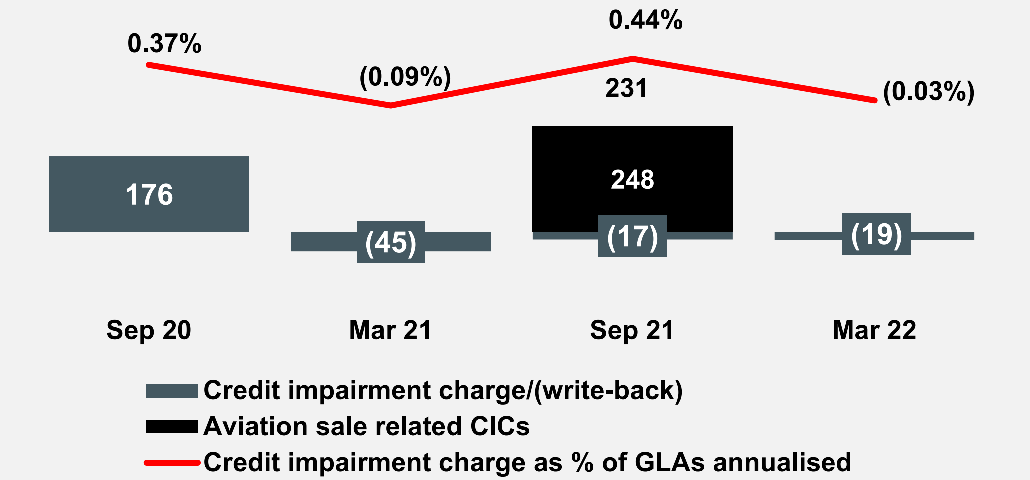


RETURNS FOCUS[2]

($bn)



CREDIT IMPAIRMENT CHARGES AND AS A % OF GLAs



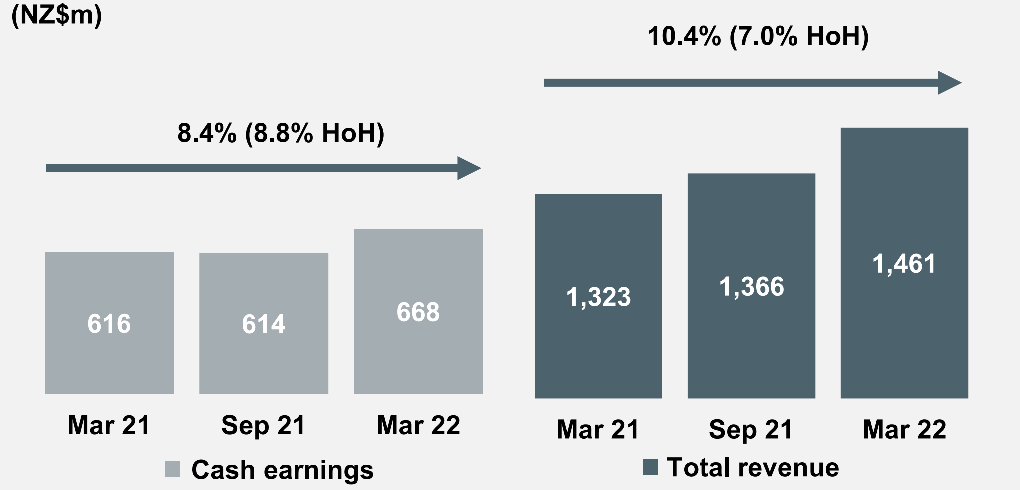
(1) Markets revenue represents Customer Risk Management revenue and NAB Risk Management Revenue. Includes derivative valuation adjustments
(2) Ex Markets pre provision profit % of RWA excludes Markets pre provision profit and average RWAs
(3) Ex Markets Operational Risk RWA reduced $2.3bn Sept 21 to Mar 22 related to NAB's early adoption of APRA's Operational Risk standardised approach and change in divisional allocation of Group Operational Risk RWA

national australia bank

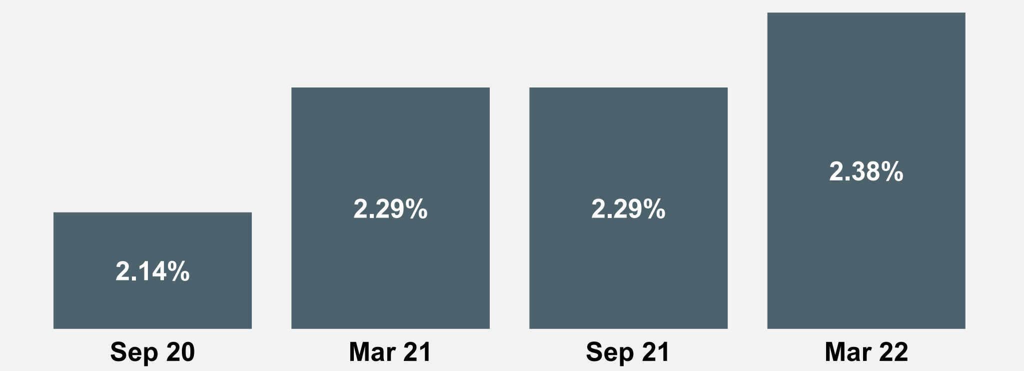
NEW ZEALAND BANKING

CASH EARNINGS AND REVENUE

(NZ$m)

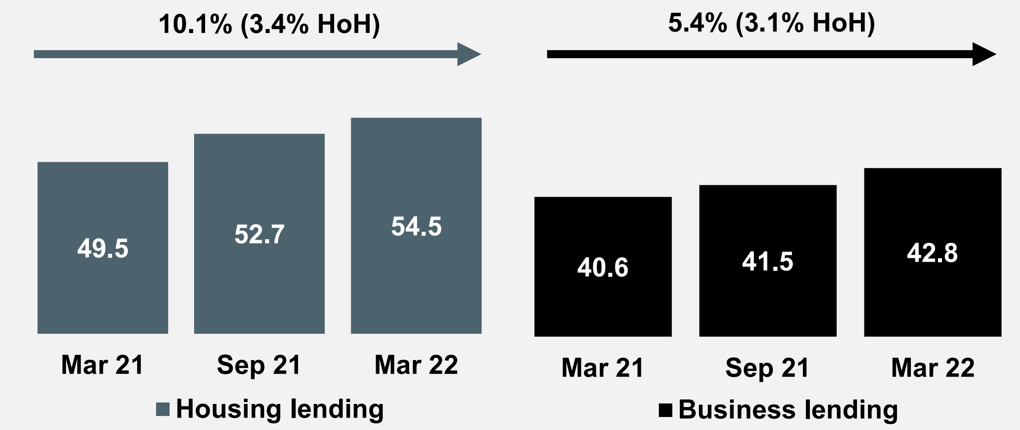


NET INTEREST MARGIN



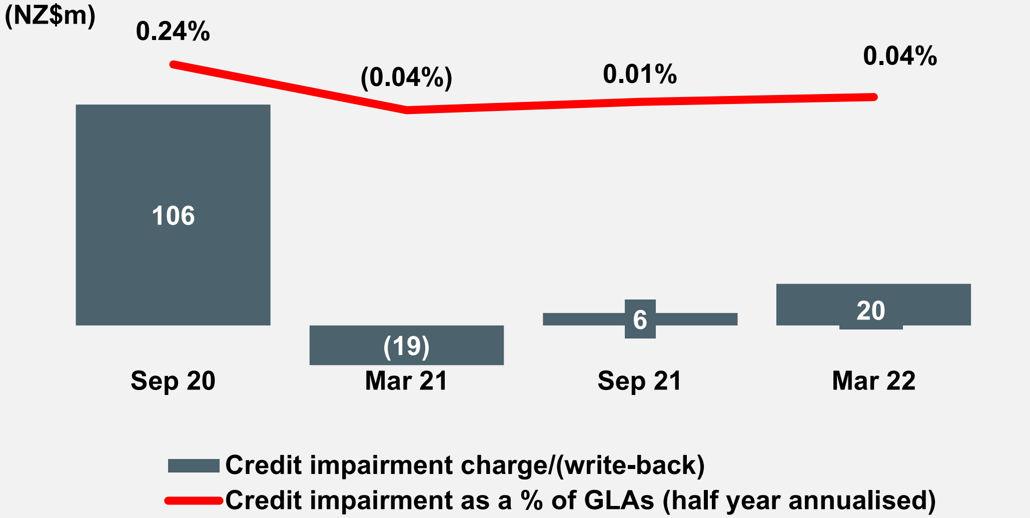
BUSINESS & HOUSING LENDING GLAs

(NZ$bn)



CREDIT IMPAIRMENT CHARGES AND AS A % OF GLAs

(NZ$m)

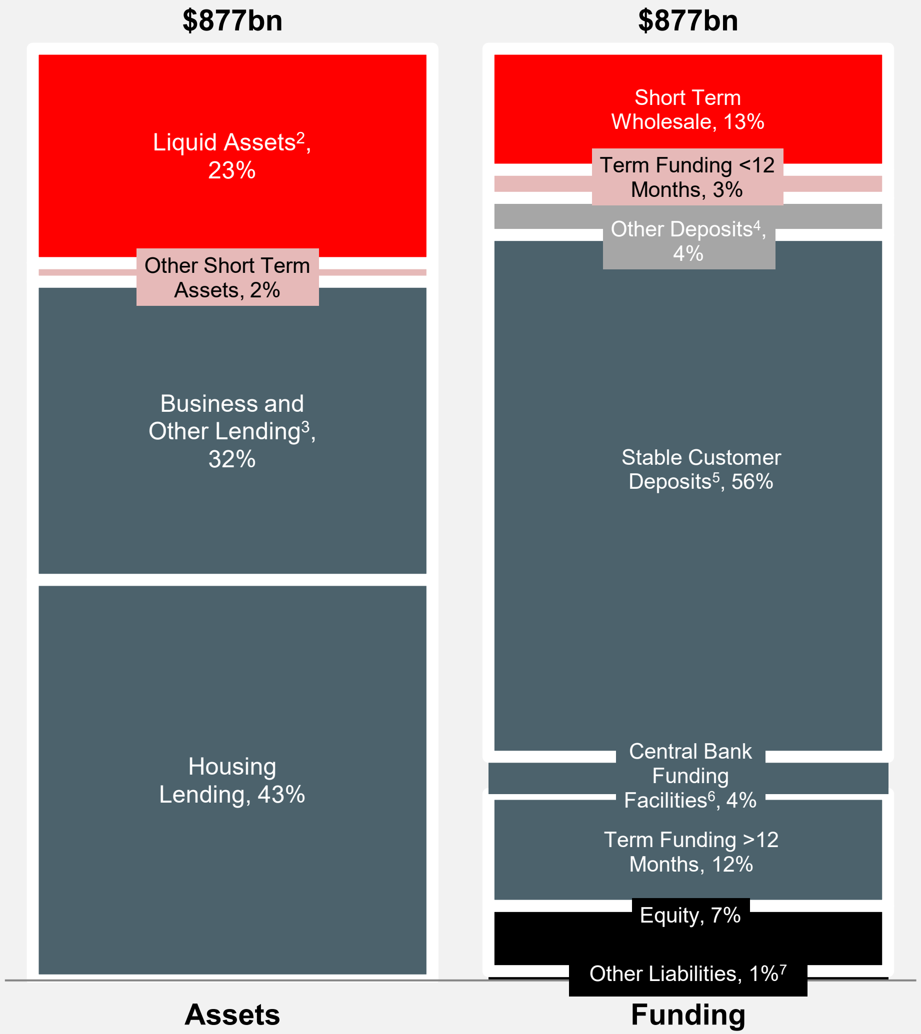


national australia bank

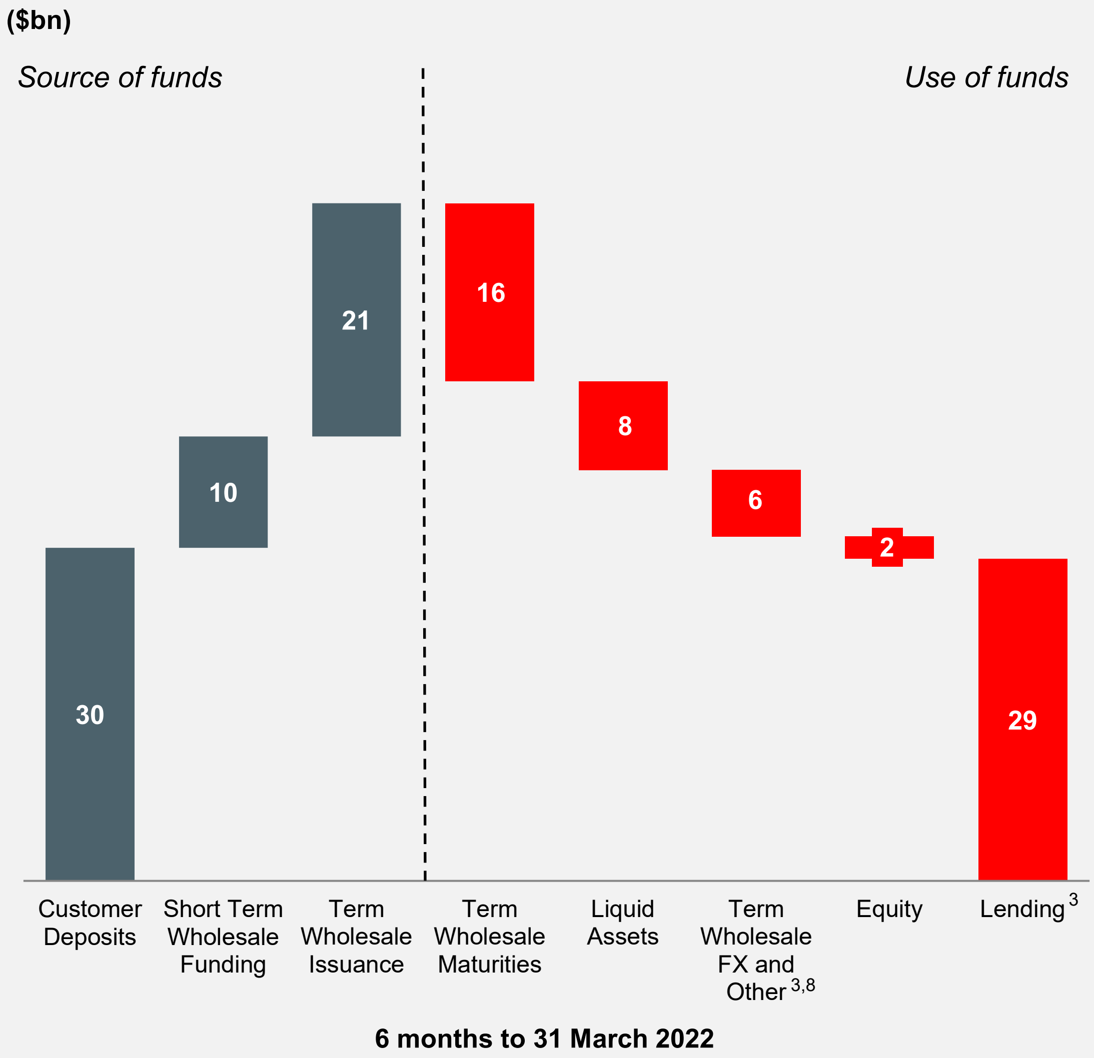
CAPITAL, FUNDING & LIQUIDITY

ASSET FUNDING

FUNDED BALANCE SHEET[1]



SOURCE AND USE OF FUNDS

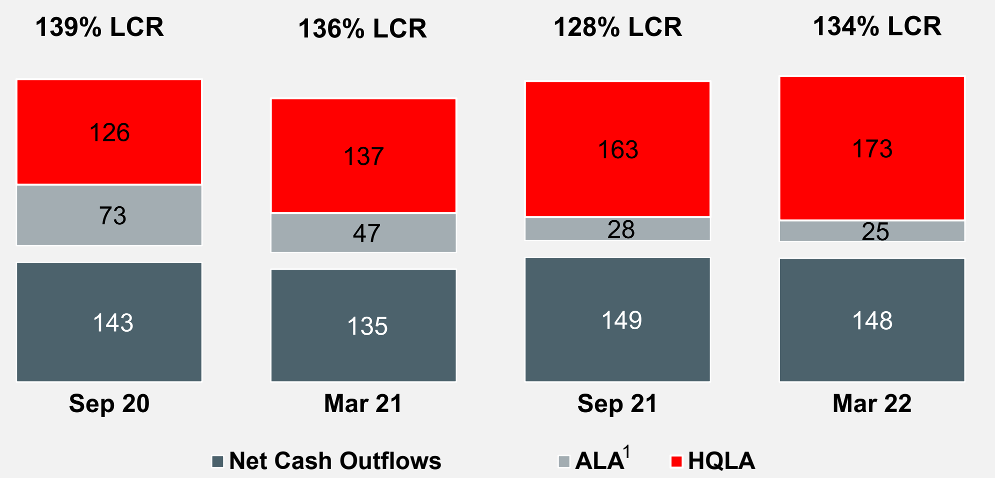


1) Excludes repurchase agreements as they do not provide net funding.
2) Market value of marketable securities including HQLA, non-HQLA securities and commodities
3) Trade finance loans are included in other short-term assets, instead of business and other lending
4) Includes non-operational financial institution deposits and certain offshore deposits as defined in APRA standard APS 210 *Liquidity*
5) Includes operational deposits, non-financial corporate deposits and retail / SME deposits and excludes certain offshore deposits as defined in APRA standard APS 210 *Liquidity*
6) Includes RBA's TFF and RBNZ's TLF and FLP
7) The net position includes derivative assets and derivative liabilities, property, plant and equipment, all net of accruals, receivables and payables
8) Includes the net movement of other assets and other liabilities, and other immaterial movements.

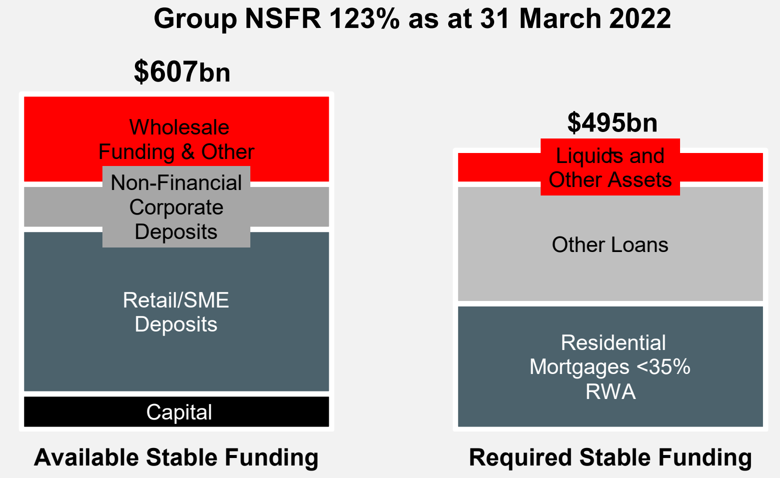
national australia bank

LIQUIDITY

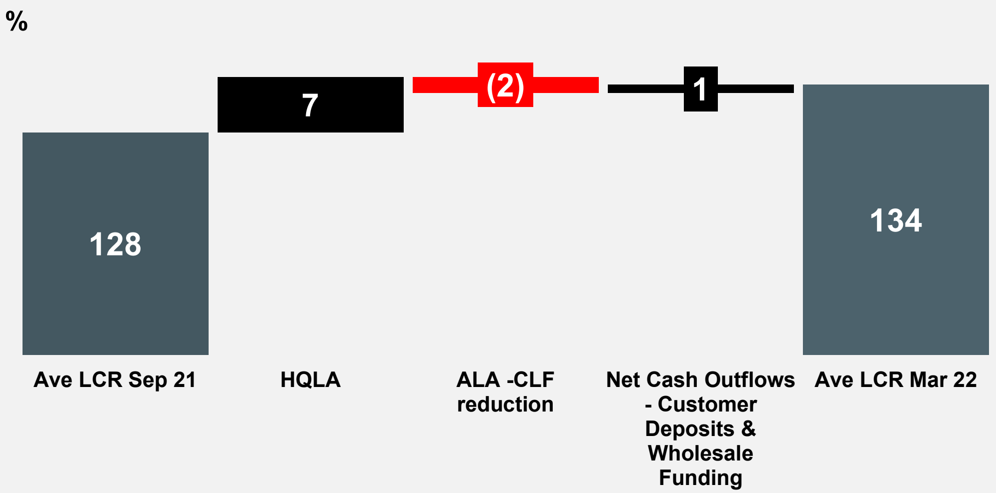
LIQUIDITY COVERAGE RATIO (QUARTERLY AVERAGE)



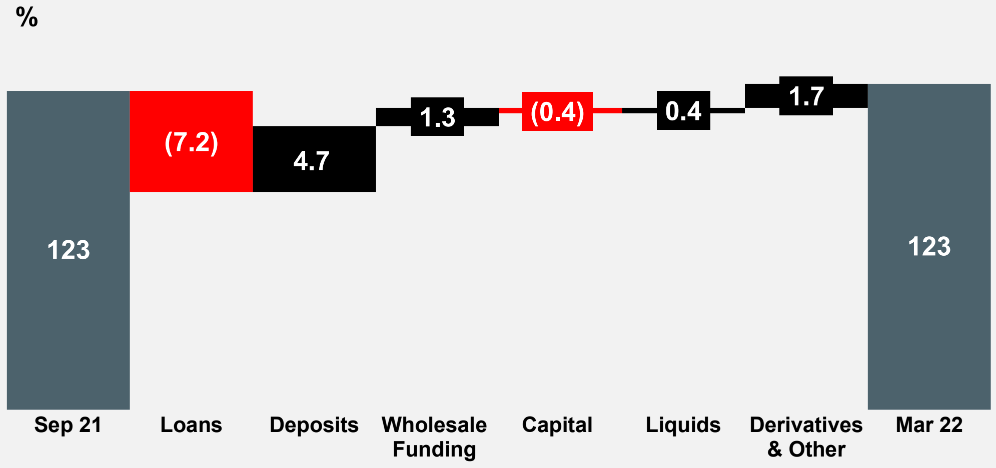
NET STABLE FUNDING RATIO COMPOSITION



LIQUIDITY COVERAGE RATIO MOVEMENT



NET STABLE FUNDING RATIO MOVEMENT

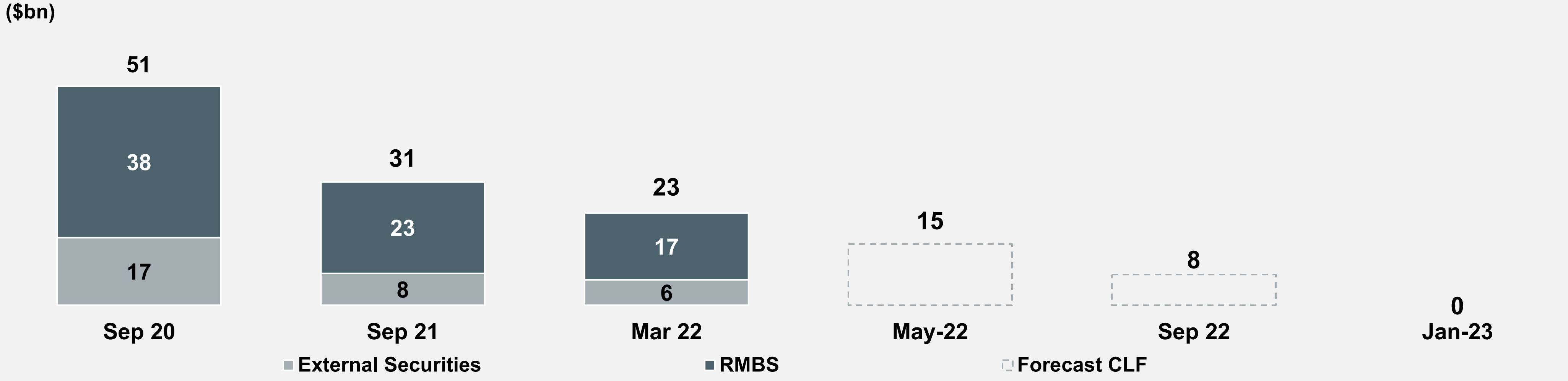


(1) CLF and TFF values used in LCR calculation are the undrawn portion of the facility

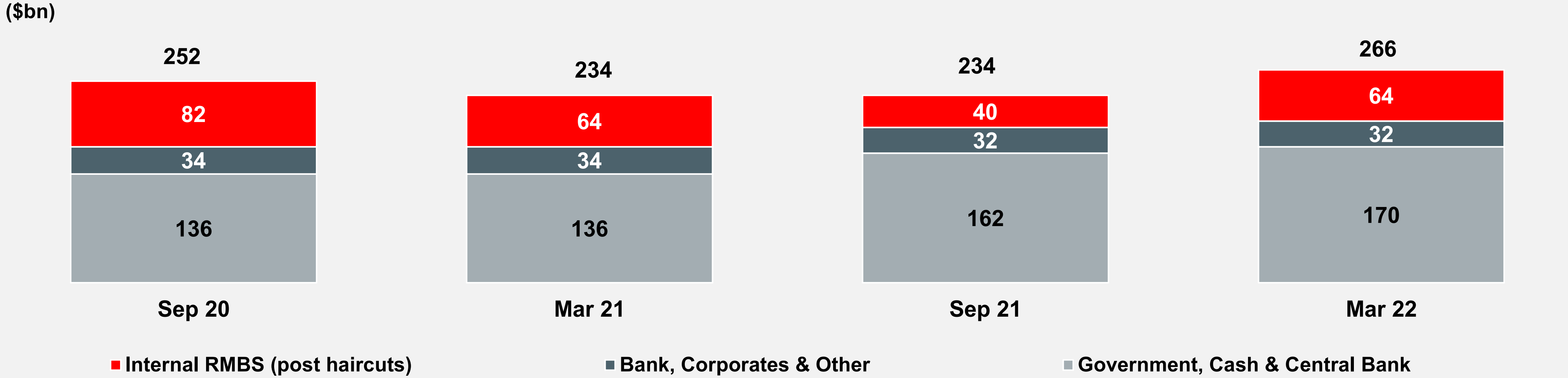
national australia bank

LIQUIDITY

COMMITTED LIQUIDITY FACILITY REDUCES TO ZERO IN 2023[1]



LIQUID ASSETS[2,3]



(1) CLF reduction dates are 1 January 2022, 1 May 2022, 1 September 2022 and 1 January 2023
(2) Spot Liquid Assets as at end of each period
(3) In November 2021, APRA released guidance on contingent liquidity, requiring LCR ADIs to hold 30% of the Group AUD net cash outflows as surplus collateral

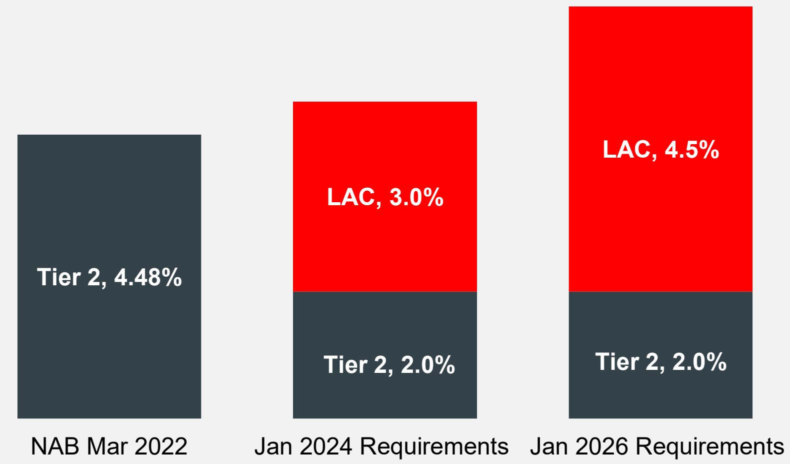
national australia bank

LOSS-ABSORBING CAPACITY

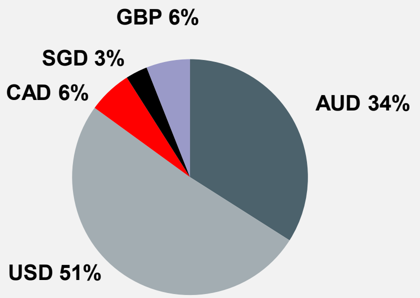
- Based on the Group's RWA and Total Capital position as at 31 March 2022, the incremental Group Total Capital requirement prior to January 2024 is $2.2bn, and $8.7bn prior to January 2026
- $1.7bn of surplus provisions are eligible for inclusion in Tier 2 Capital
- $4.7bn of NAB's existing Tier 2 Capital has optional redemption dates prior to January 2026, including $1.4bn before January 2024[1]

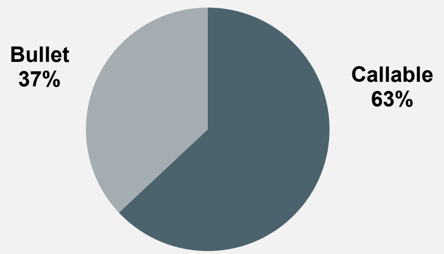
($bn)	Jan-24	Jan-26
Group RWA (at Mar-22)	431.9	431.9
Tier 2 Requirement (5% by Jan-24, 6.5% by Jan-26)[2]	21.6	28.1
Existing Tier 2 at Mar-22 (4.48%)	19.4	19.4
Current Shortfall	2.2	8.7

APRA CHANGES TO MAJOR BANKS' CAPITAL STRUCTURES[3]



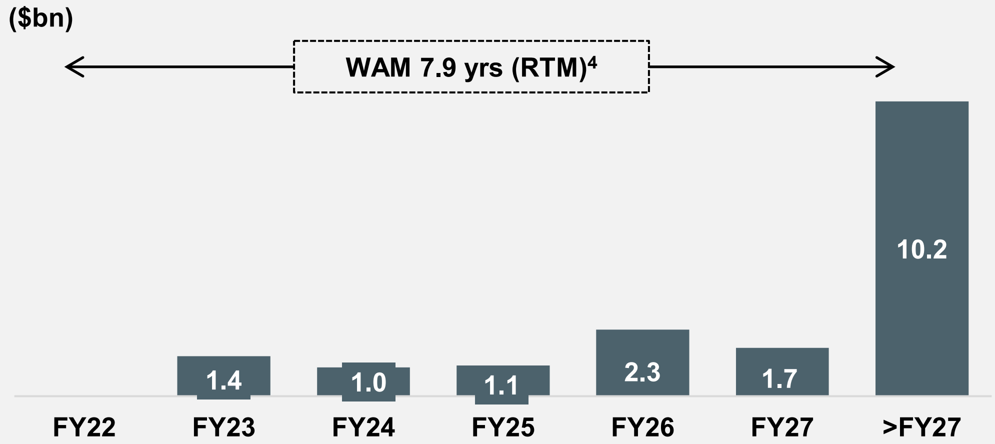
NAB TIER 2 OUTSTANDING ISSUANCE





- In 1H22, NAB issued $2.1bn of Tier 2
- NAB's FY22 Tier 2 issuance is expected to be approximately $3-4bn

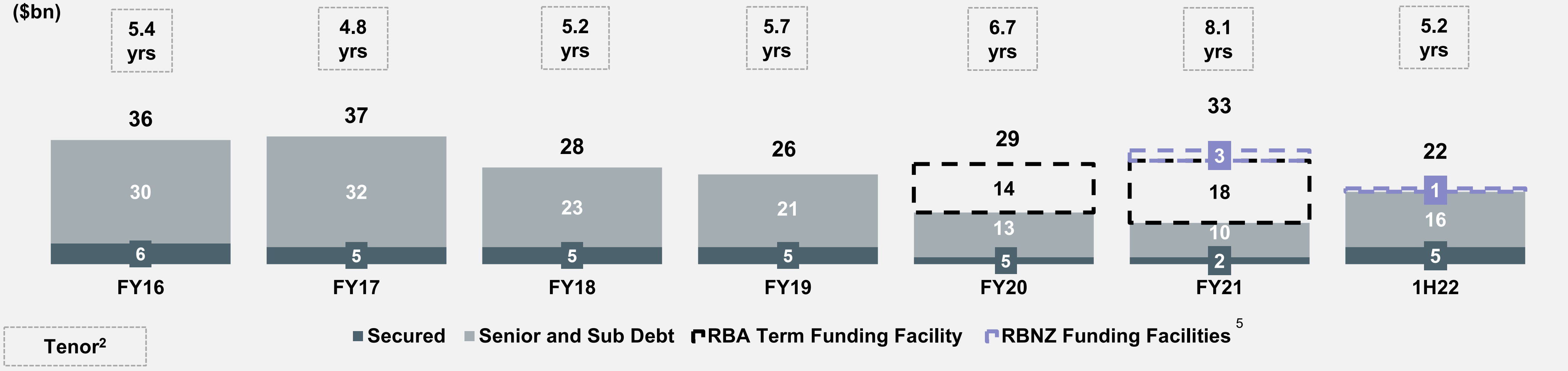
NAB TIER 2 MATURITIES (TO FIRST CALL[1])



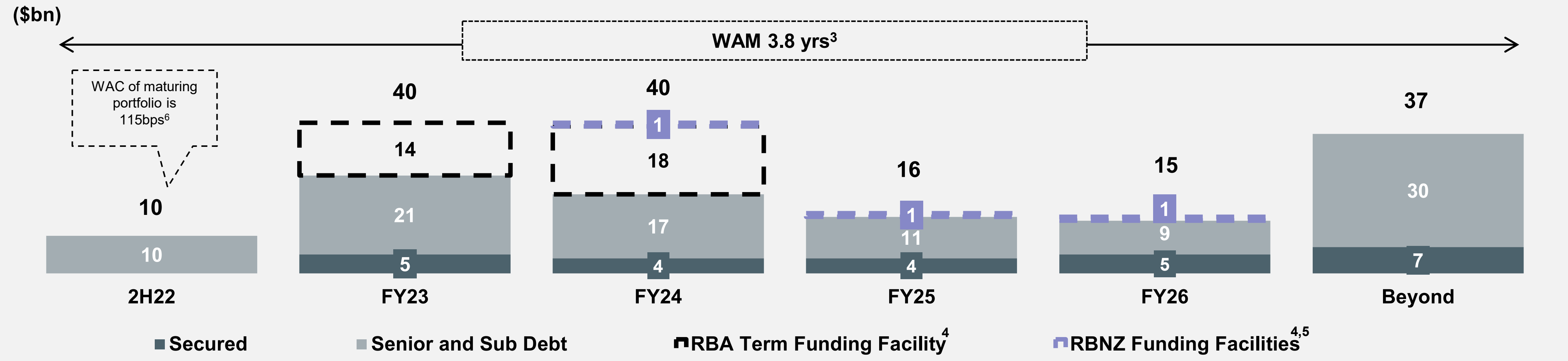
(1) Subject to the prior written approval required by APRA
(2) In December 2021, APRA finalised Loss-Absorbing Capacity requirements for D-SIBs, set as an increase to minimum Total Capital requirement of 4.5% of RWA from 1 January 2026. D-SIBs are required to hold the interim setting of an increase to minimum Total Capital requirement of 3% of RWA by 1 January 2024.
(3) APRA's revisions to An Unquestionably Strong Framework for Bank Capital (released November 2021) not reflected
(4) Weighted Average Maturity and Remaining Term to Maturity

TERM WHOLESALE FUNDING PROFILE

HISTORICAL TERM FUNDING ISSUANCE[1]



TERM FUNDING MATURITY PROFILE[2]

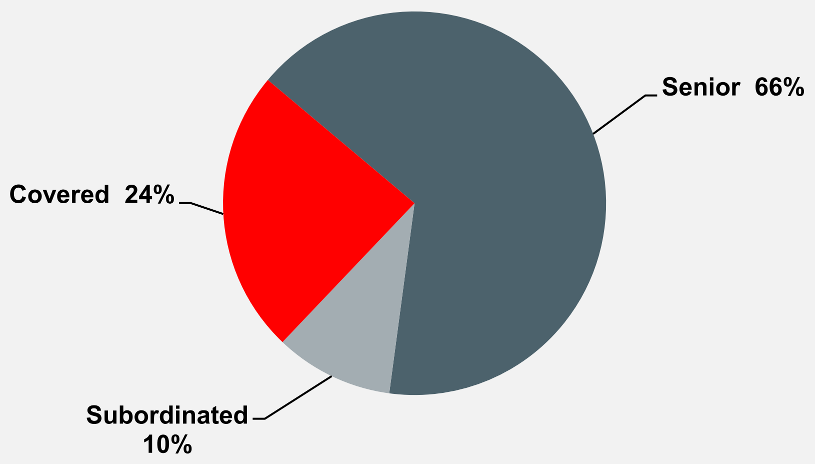


(1) Includes senior unsecured, secured (covered bonds and securitisation) and subordinated debt with an original term to maturity or call date of greater than 12 months, excludes Additional Tier 1 instruments. FX rate measured at time of issuance
(2) Maturity profile of funding with an original term to maturity greater than 12 months, excludes Additional Tier 1 and Residential Mortgage Backed Securities. Spot FX rate at 31 March 2022
(3) Remaining weighted average maturity, excludes Additional Tier 1, Residential Mortgage Backed Securities, RBA Term Funding Facility and RBNZ funding facilities
(4) Contractual maturity is based on drawdown date
(5) Includes RBNZ's TLF and FLP
(6) Weighted average cost refers to the weighted cost of the maturing portfolio over the next half and is shown as a spread over 3m BBSW. Includes subordinated debt and excludes Additional Tier 1 and BNZ

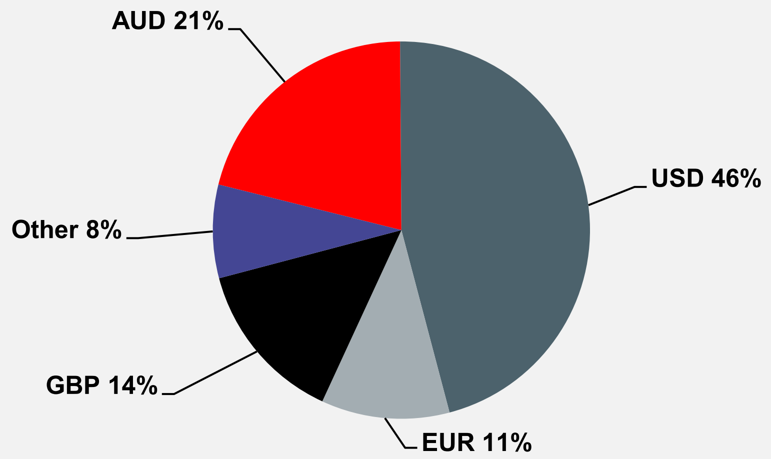
national australia bank

DIVERSIFIED AND FLEXIBLE TERM WHOLESALE FUNDING PORTFOLIO

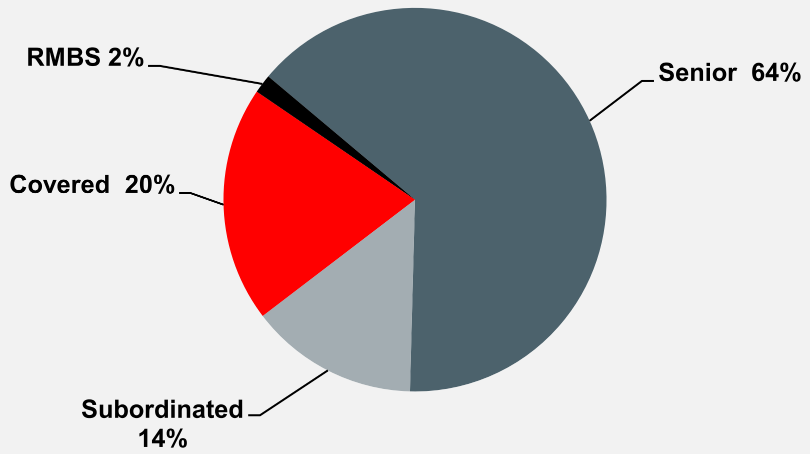
1H22 ISSUANCE BY PRODUCT TYPE[1]



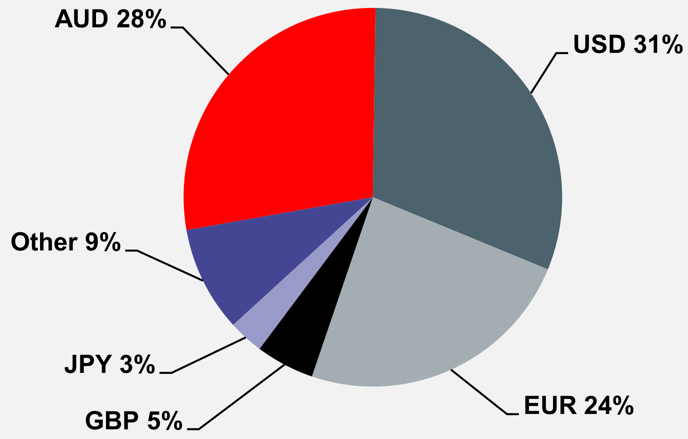
1H22 ISSUANCE BY CURRENCY[1]



OUTSTANDING ISSUANCE BY PRODUCT TYPE[1]

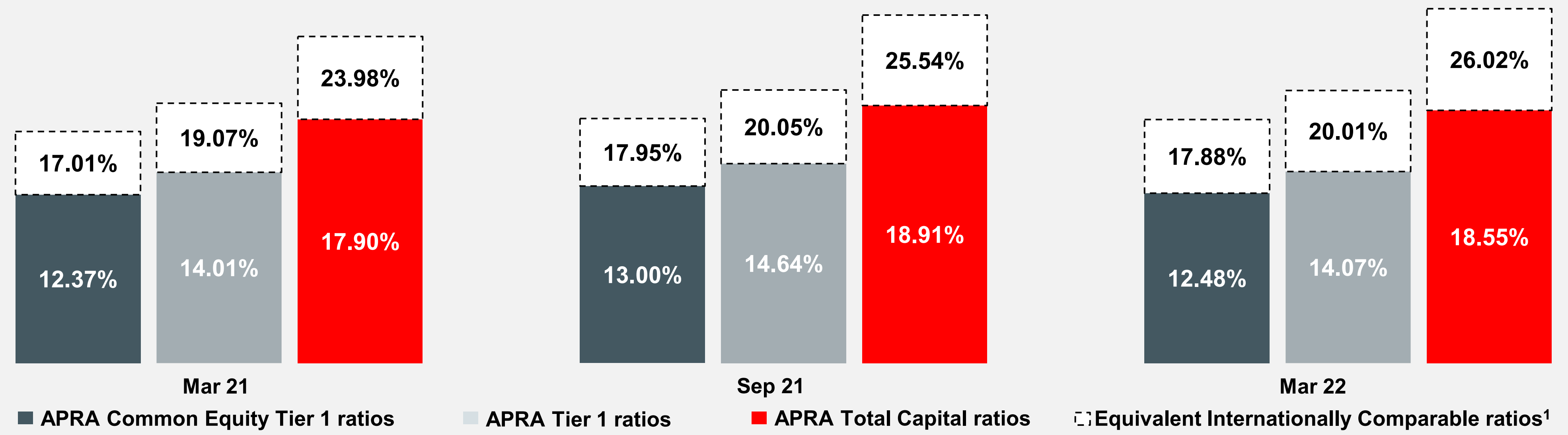


OUTSTANDING ISSUANCE BY CURRENCY[1]



(1) Excludes Additional Tier 1, RBA Term Funding Facility and RBNZ funding facilities

GROUP BASEL III CAPITAL RATIOS



APRA to Internationally Comparable CET1 Ratio Reconciliation	CET1
Group CET1 ratio under APRA	12.48%
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	+61bps
Mortgages – reduction in loss given default floor from 20% to 15% and adjustment for correlation factor	+190bps
Interest rate risk in the banking book (IRRBB) – removal of IRRBB risk weighted assets from Pillar 1 capital requirements	+109bps
Other adjustments including corporate lending adjustments and treatment of specialised lending	+180bps
Group Internationally Comparable CET1	17.88%

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

KEY REGULATORY CHANGES IMPACTING CAPITAL AND FUNDING

Change	1HCY22	2HCY22	CY23	CY24	CY25	CY26
Capital Adequacy (APS 110)			Implementation			
Measurement of Capital (APS 111)	Implementation					
Credit Risk (APS 112/113)			Implementation			
Operational Risk (APS 115)	Implementation[1]					
Market Risk (APS 116)		Consult	Finalise		Implementation	
Counterparty Credit Risk (APS 180)		Consult	Finalise		Implementation	
Interest Rate Risk in the Banking Book (APS 117)		Finalise		Implementation		
Public Disclosures (APS 330)	Consult	Finalise		Implementation		
Credit Risk Management (APS 220)	Implementation					
Loss-Absorbing Capacity				Implementation[2]		Implementation[2]
Remuneration (CPS 511)			Implementation			
Recovery and Resolution		Finalise		Implementation		

APRA'S REVISIONS TO ADI CAPITAL FRAMEWORK

- Revisions follow the 2017 APRA benchmark of 'unquestionably strong' capital ratios and APRA's discussion paper on 'a more flexible and resilient capital framework for ADIs' released in December 2020
- Final prudential standards were released in November 2021, with implementation from 1 January 2023
- Interim reporting requirements to be finalised throughout 2022 and final reporting standards to be released in 2024

APRA FUNDING & LIQUIDITY CHANGES

- In September 2021, APRA announced the phasing out of the RBA's CLF by the end of December 2022 subject to market conditions. The CLF reduction is expected to be offset by ADIs increasing holdings of HQLA. NAB's CLF is $23bn at 31 March 2022
- APRA is engaging with industry on a Post Implementation Review of Basel III liquidity ratios to inform a broader review of liquidity requirements, scheduled for 2023

(1) APRA has provided Advanced Measurement Approach accredited ADIs the option to apply APS 115 Capital Adequacy: Standardised Measurement Approach to Operational Risk from either 1 January 2022 or 1 January 2023. NAB implemented the Standardised Measurement Approach on 1 January 2022

(2) In December 2021, APRA finalised Loss-Absorbing Capacity requirements for D-SIBs, set as an increase to minimum Total Capital requirement of 4.5% of RWA from 1 January 2026. D-SIBs are required to hold the interim setting of an increase to minimum Total Capital requirement of 3% of RWA by 1 January 2024.

APRA BASEL III CHANGES – 'UNQUESTIONABLY STRONG'

SUMMARY

- APRA has finalised the revised ADI capital framework, with the aim to:
  - improve flexibility via increasing regulatory capital buffers.
  - implement more risk-sensitive risk-weights.
  - enhance competition via a capital floor for IRB ADIs.
  - improve transparency and comparability through the disclosure of capital ratios under the standardised approach.
- Overall, the revisions will result in a decrease in risk weights, offset by higher minimum capital ratios.
- APRA's new standards for capital adequacy and credit risk capital will come into effect from 1 January 2023.

KEY CHANGES

MORTGAGES

- Lower risk Owner Occupier, P&I loans attract 1.4x scalar (1.7x scalar for other mortgages)
- Advanced banks can use internal Loss Given Default (LGD) models, subject to APRA approval
- "Non-standard mortgages"[1]attract 100% RWA
- Mortgages with LVR > 80% and LMI, attract 20% discount to LGD estimates

CORPORATE

- 'Slotting' approach removed and replaced by IRB Corporate modelling with 1.5x scalar
- Credit Conversion Factors (CCFs) for unutilised non-retail exposures reduce from 100% to 40%
- Unsecured non-retail LGDs reduce from 60% to 50%

OTHER

- 100 bps baseline setting for the Countercyclical Capital Buffer
- 475 bps setting for Capital Conservation buffers for D-SIB ADIs
- Therefore, regulatory capital buffers for D-SIB ADIs will increase to 10.25%[2]
- Operational Risk measurement moves to Standardised Measurement Approach (SMA)[3]
- RBNZ capital rules apply for New Zealand credit risk exposures from 1 January 2023.

(1) Non standard mortgages are classified as mortgages with both an interest-only period of 5 years or more and an LVR above 80%
(2) APRA has noted their expectation that ADIs will operate within the regulatory buffer range in periods of stress
(3) APRA has provided Advanced Measurement Approach accredited ADIs the option to apply APS 115 Capital Adequacy: Standardised Measurement Approach to Operational Risk from either 1 January 2022 or 1 January 2023. NAB implemented the Standardised Measurement Approach on 1 January 2022

NAB GREEN BONDS

NAB GREEN BONDS

- NAB Green bonds issuance contributes to NAB's climate change strategy. NAB's goal is to align its business to help achieve the temperature goals of the Paris Agreement[1], and supporting a just transition to a net zero emissions economy by 2050.
- In 2014, NAB became the first Australian issuer of a Certified Green Bond under the Climate Bonds Standard.
- NAB is the largest bank issuer of Green Bonds in Australia[2].
- NAB has issued four Climate Bond Initiative (CBI) certified Green Bonds and one CBI certified green RMBS tranche.

OUTSTANDING SENIOR GREEN BOND ISSUANCE[3,4]

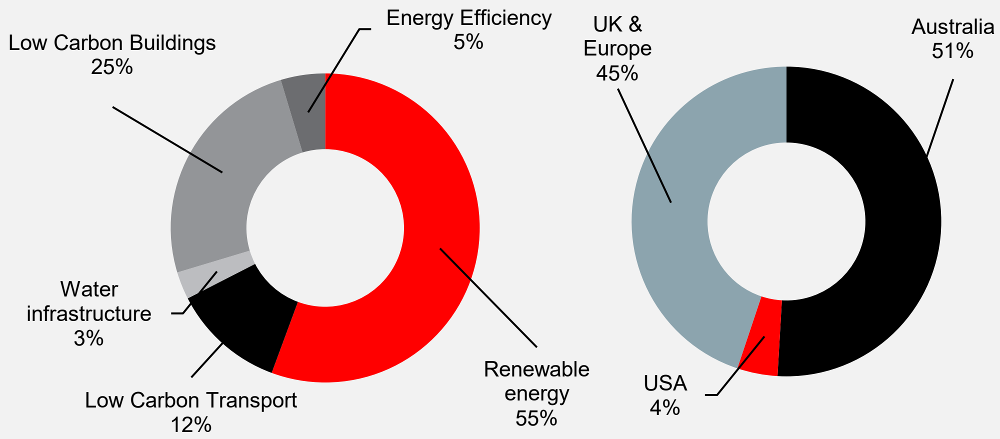
Currency & Size	Tenor (years)	Issue Date	Maturity Date
EUR 500m	5.5	07 Mar 2017	07 Sep 2022
USD 750m	5.0	20 Jun 2018	20 Jun 2023
EUR 750m	5.0	30 Aug 2018	30 Aug 2023

GREEN BOND ASSET POOL[3,5,6]

	Sept 2020	Sept 2021
Green Bond Portfolio Collateral Pool	$3.57bn	$5.29bn
Surplus in Green Bond Portfolio Collateral Pool	$0.58bn	$1.81bn

NAB's A$300m CBI Certified Green Bond matured in December 2021.

ELIGIBLE ASSETS BY CATEGORY & REGION[3,5]



Further detail on NAB's Green Bonds can be found on the NAB Capital and Funding website.

(1) The Paris Agreement is a legally binding international treaty on climate change. It was adopted by 196 Parties at COP 21 in Paris, on 12 December 2015 and entered into force on 4 November 2016. Its goal is to limit global warming to well below 2, preferably to 1.5 degrees Celsius, compared to pre-industrial levels
(2) Based on publicly disclosed issuance and FX rates as at 31 March 2022
(3) Excludes NAB's CBI certified green RMBS tranche, issued 15 February 2018
(4) As at 31 March 2022
(5) As at 30 September 2021
(6) The Green Bond collateral pool excludes green mortgage assets

national australia bank

GREEN BOND FRAMEWORK

GREEN BOND FRAMEWORK UPDATE

- NAB updated its Green Bond Framework in April 2022.
- Instruments issued under the Framework align to:
  - the Climate Bonds Standard V3.0 of the CBI; and/or
  - the International Capital Market Association Green Bond Principles (June 2021).
- NAB Green Bonds provide an opportunity for investors to direct capital towards green projects and assets.

GREEN BOND FRAMEWORK PRODUCTS

Under the Framework, NAB can issue the following:

- Unsecured, senior or subordinated “use of proceeds” bonds;
- Asset-backed and residential mortgage-backed securities;
- Covered bonds;
- Project bonds;
- Deposits; or
- Other funding instruments.

FRAMEWORK OUTLINE

The Framework describes the processes to support NAB’s Green Bond issuance:

Use of Proceeds	• NAB will allocate an amount equivalent to the net proceeds of each NAB Green Bond towards financing, or refinancing, a portfolio of projects, assets and other expenditures which are in accordance with the Framework.
Process for Evaluation and Selection of Eligible Projects and Assets	• NAB has implemented processes for the identification, approval, tagging, tracking and reporting of lending for eligible green projects, assets and expenditures within NAB systems. • NAB’s Socially Responsible Investment Forum has oversight of the Framework and annual Green Bond reporting.
Management of Proceeds	• NAB has processes to monitor and report on the Green Bond portfolio, including a monthly verification to confirm that an amount equal to the net proceeds of all outstanding NAB Green Bonds has been fully allocated against eligible projects, assets and expenditures.
Reporting	• NAB publishes an annual Green Bond Report, which may include details of allocation of proceeds, information about the eligible projects, assets and expenditures in the portfolio and environmental impact.
External Review and Assurance	• Annually, NAB will engage an appropriate verification agent to provide assurance over compliance with the Framework and applicable standards.

USE OF PROCEEDS

At issuance, an amount equivalent to the net proceeds of any Climate Bonds Standard certified NAB Green Bonds will be allocated only against projects, assets and expenditures that meet the eligibility requirements of Climate Bonds Standard Sector Criteria.

Association Green Bond Principles Eligible Green Project Categories	Climate Bonds Standard Sector Criteria	UN SDG Alignment
Renewable energy	• Solar Energy • Wind Energy • Marine Renewable Energy • Geothermal Energy • Bioenergy • Hydropower • Electrical grids and storage	7 Affordable and Clean Energy 9 Industry, Innovation and Infrastructure
Energy Efficiency		7 Affordable and Clean Energy 9 Industry, Innovation and Infrastructure 11 Sustainable Cities and Communities 12 Responsible Consumption and Production
Pollution prevention and control	• Waste management	11 Sustainable Cities and Communities 12 Responsible Consumption and Production
Environmentally sustainable management of living natural resources and land use	• Agriculture • Forestry, Land Conservation & Restoration	2 Zero Hunger 12 Responsible Consumption and Production 15 Life on Land
Clean transportation	• Low Carbon Transport • Shipping	9 Industry, Innovation and Infrastructure 11 Sustainable Cities and Communities
Green buildings	• Buildings	7 Affordable and Clean Energy 11 Sustainable Cities and Communities
Sustainable water and wastewater management	• Water infrastructure	6 Clean Water and Sanitation 11 Sustainable Cities and Communities 12 Responsible Consumption and Production

EXTERNAL REVIEW & ASSURANCE

NAB has obtained a second party opinion from DNV GL Business Assurance Australia Pty. Ltd. to confirm that NAB's updated Green Bond Framework aligns with the International Capital Market Association Green Bond Principles and with the Climate Bonds Standard specific requirements for Green Bond Frameworks.

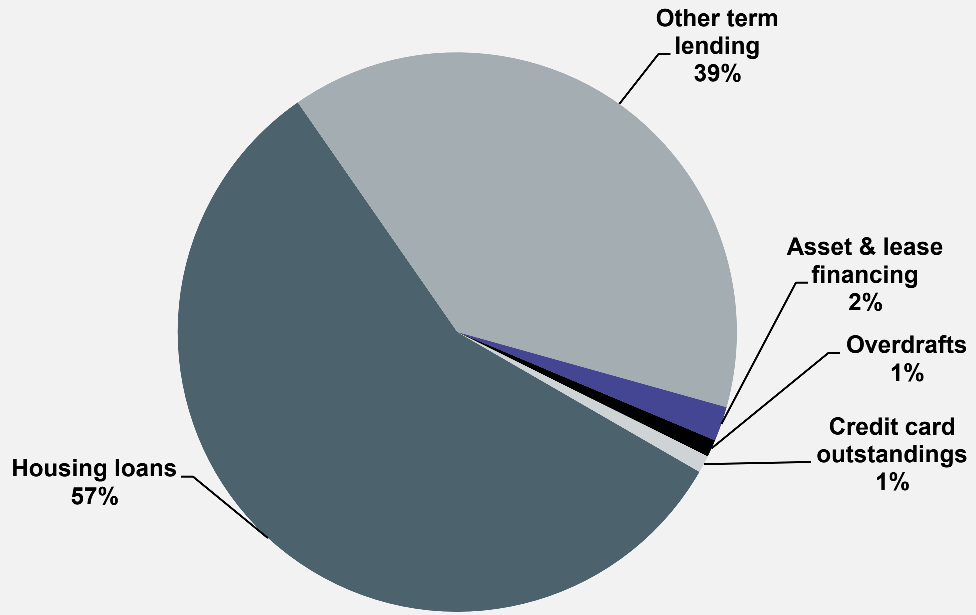
EXTERNAL REVIEW
DNV
Second Party Opinion

national australia bank

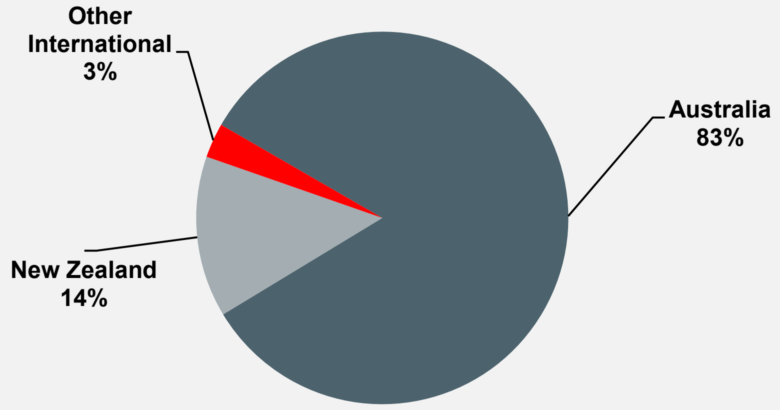
ASSET QUALITY

GROUP LENDING MIX

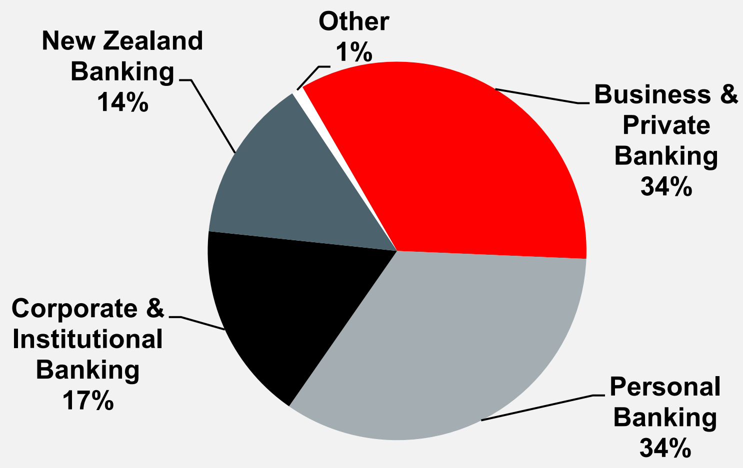
GROSS LOANS AND ACCEPTANCES BY PRODUCT - $660BN



GROSS LOANS AND ACCEPTANCES BY GEOGRAPHY[1]



GROSS LOANS AND ACCEPTANCES BY BUSINESS UNIT

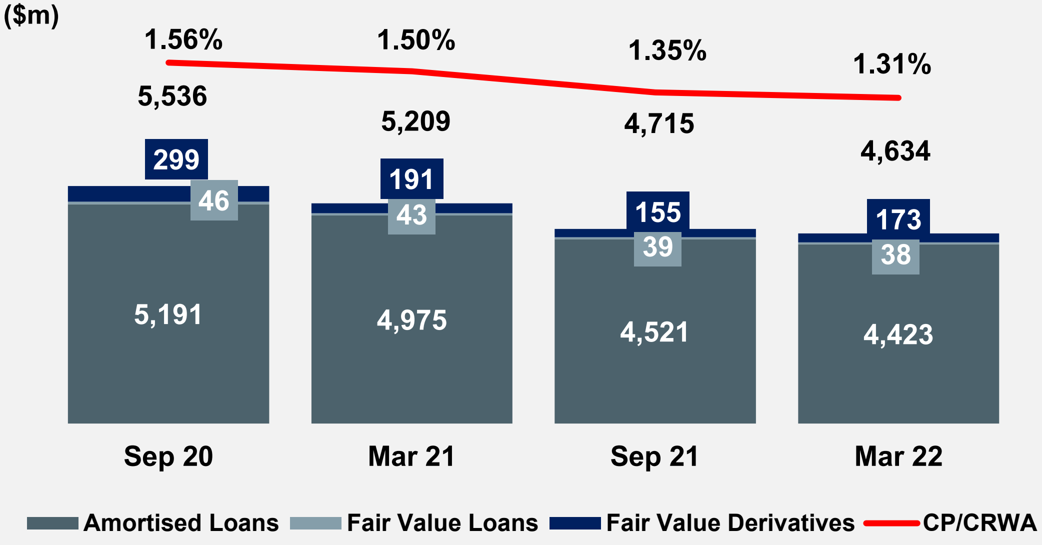


(1) Based on booking office where transactions have been recorded

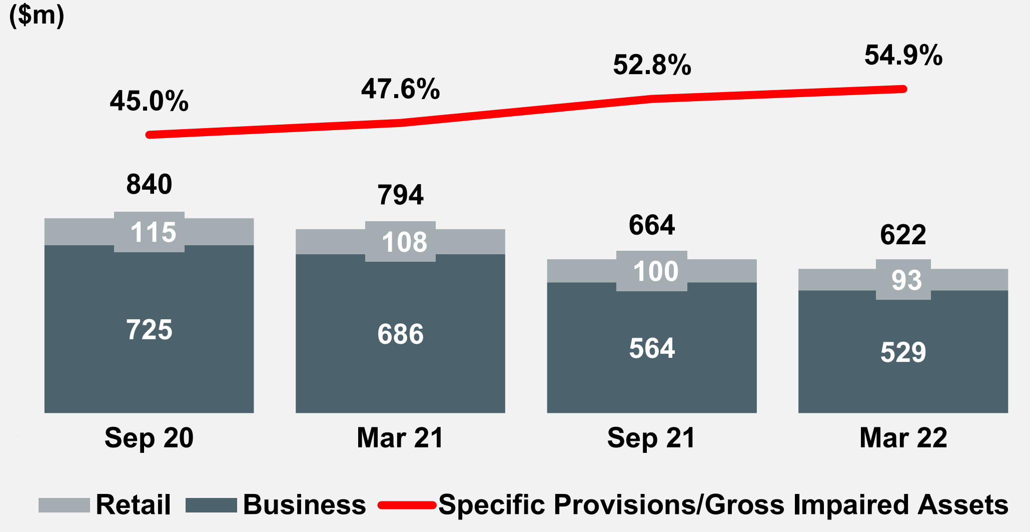
national australia bank

GROUP PROVISIONS

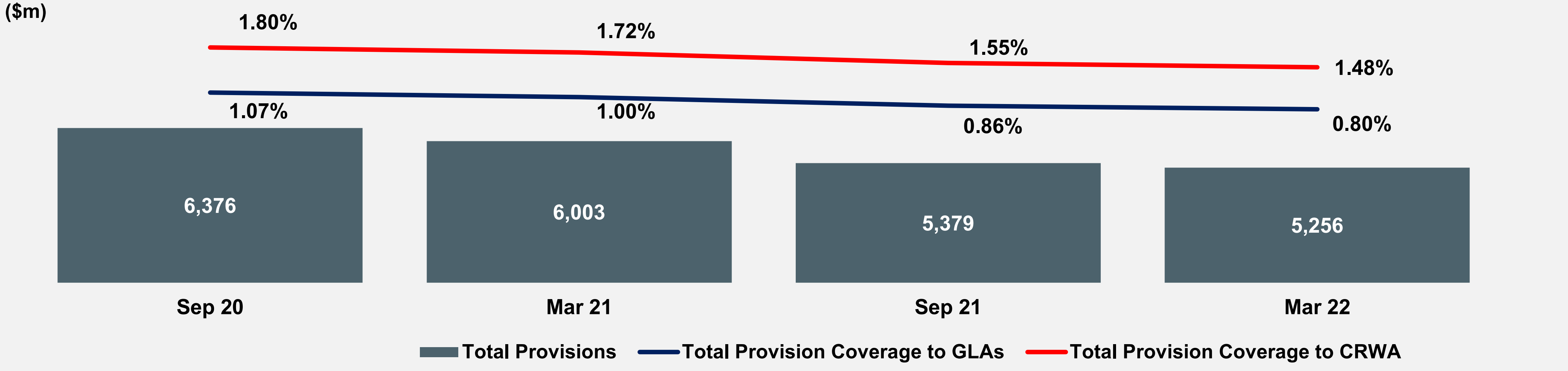
COLLECTIVE PROVISIONS



SPECIFIC PROVISIONS

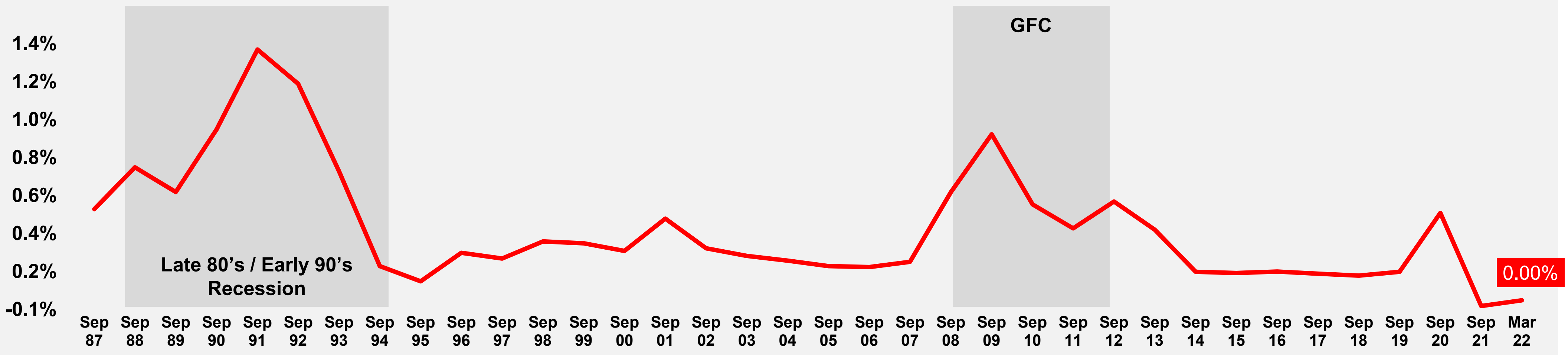


TOTAL PROVISIONS

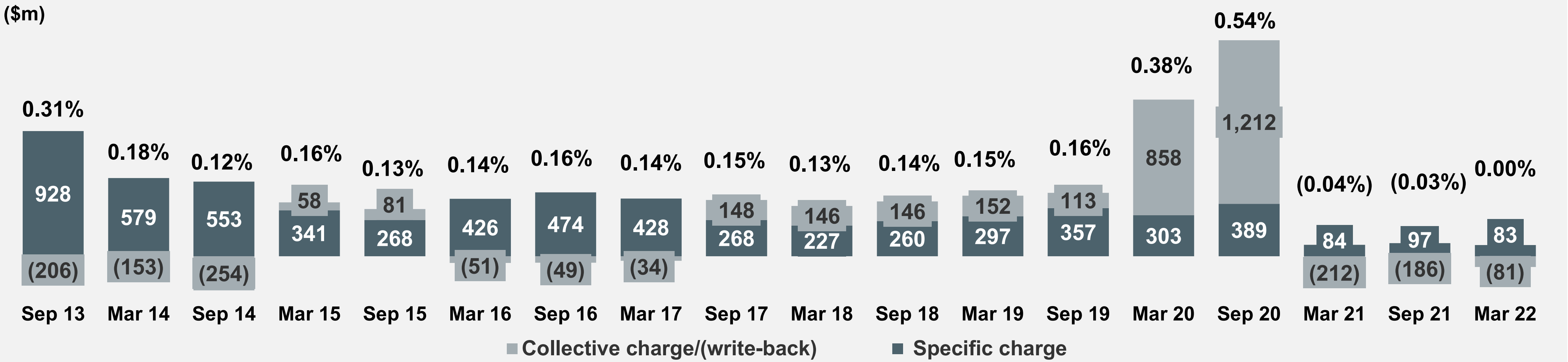


GROUP CREDIT IMPAIRMENT CHARGE

CREDIT IMPAIRMENT CHARGE AS % OF GLAs



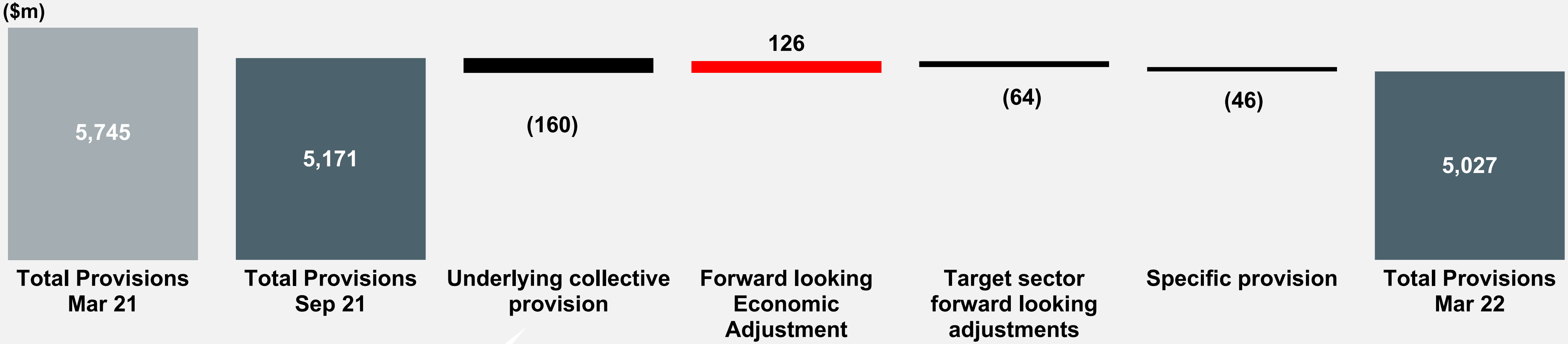
CREDIT IMPAIRMENT CHARGE AND AS % OF GLAs[1]



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

PROVISIONS

MOVEMENT IN PROVISIONS[1]



UNDERLYING CP

- Model outcomes based on point-in-time data
- 1H22 release reflects improved credit quality for the Australian lending portfolio

ECONOMIC ADJUSTMENT (EA)

- Forward view of additional stress across portfolio, according to 3 probability weighted scenarios (upside, base case & downside)
- Scenarios based on forward looking macro economic data and granular PD and LGD assumptions
- EA top-up required where probability weighted EA higher over the period (and vice versa)
- 1H22 EA increase of $126m primarily reflects increased weighting to downside scenario (32.5% to 40.0%) including the potential impact of higher inflation and interest rates[2]

TARGET SECTOR FLAs

- Considers forward looking stress incremental to EA changes
- $64m release of target sector FLAs

(1) Excludes provisions on fair value loans and derivatives
(2) Australian base case weighting now 57.5% (from 62.5% at 2H21), upside weighting now 2.5% (from 5% at 2H21) and downside weighting now 40.0% (from 32.5% at 2H21). Collective provision EA top-up Mar 22 v Sep 21 includes a benefit of $5m due to foreign exchange movements.

ECL ASSESSMENT

ECL SCENARIOS & WEIGHTINGS

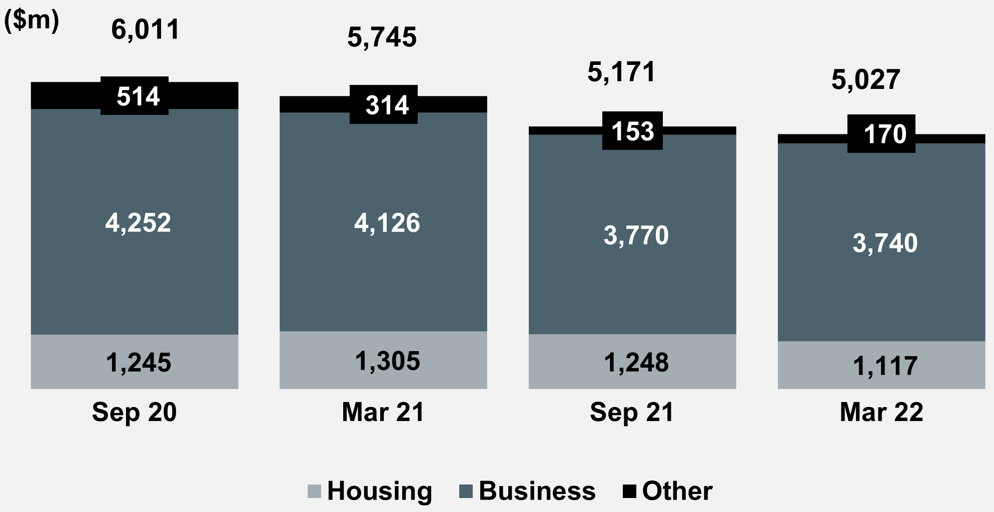
	Total Provisions for ECL[1,2]		
$m	1H22 (probability weighted)	100% Base case	100% Downside
Total Group	5,027	4,063	6,447
Change vs Sep 21	**(144)**	**(228)**	**(537)**

	Macro economic scenario weightings		
Australian Portfolio (%)	**Upside**	**Base case**	**Downside**
30 Sep 21	**5**	**62.5**	**32.5**
31 Mar 22	**2.5**	**57.5**	**40.0**

KEY CONSIDERATIONS

- Reduction in ECL vs Sep 21 includes underlying CP release for Australian mortgage (impact of house price movements and improved delinquencies) and business lending (improved credit quality) portfolios
- $46m SP reduction due to work-outs and low levels of new impairments
- $64m release from target sector FLAs
- Modest EA top up reflecting cautionary outlook

TOTAL PROVISIONS FOR EXPECTED CREDIT LOSSES[1]



ECONOMIC ASSUMPTIONS

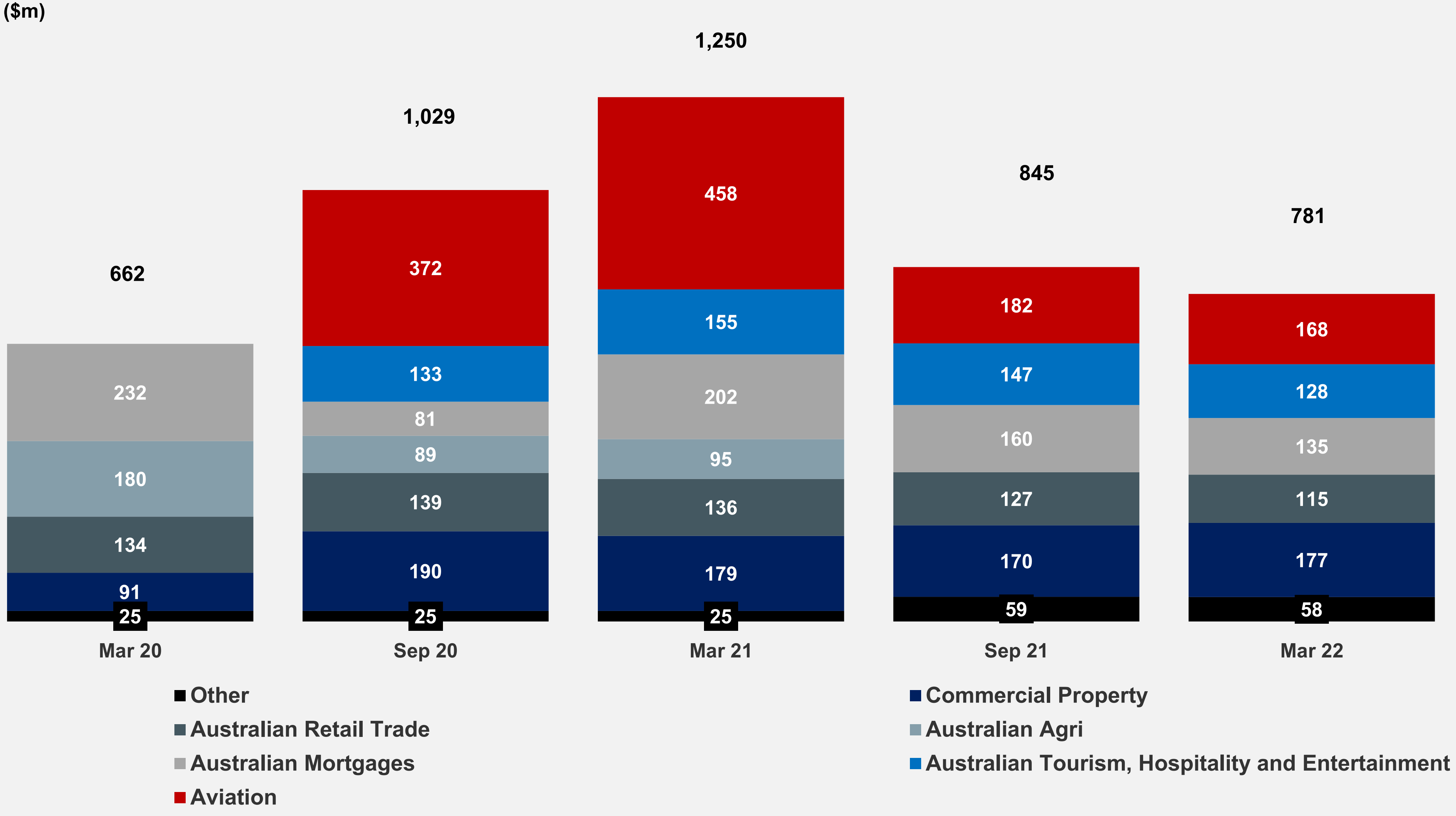
Economic assumptions considered in deriving Base Case ECL scenario at Mar 22			
%	**2022**	**2023**	**2024**
GDP change (Year ended September)	5.8	2.6	2.5
Unemployment (as at 30 September)	4.0	3.6	3.8
House price change (Year ended September)	7.7	(8.7)	3.0

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

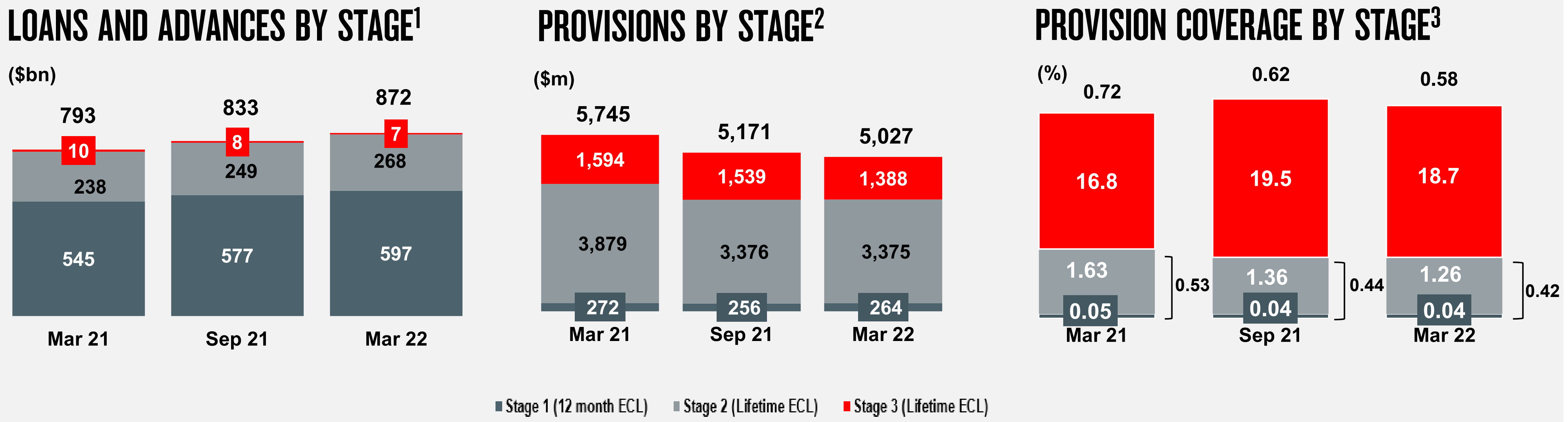
national australia bank

TARGET SECTOR FLAs

COLLECTIVE PROVISION TARGET SECTOR FLAs



ECL PROVISIONING BY STAGES



	Status	Type of provision
Stage 1 (12 month ECL)	Credit risk not increased significantly since initial recognition; performing	Collective
Stage 2 (Lifetime ECL)	Credit risk increased significantly since initial recognition but not credit impaired	Collective
Stage 3 (Lifetime ECL)	Credit impaired: default no loss Credit impaired: default with loss	Collective Specific

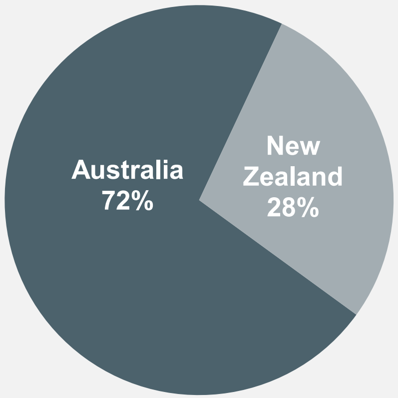
- Significant increase in credit risk determined by change in credit risk scores for business exposures and change in behavioural scoring outcomes for retail exposures. These rules are not prescribed by accounting standards
- Migration assumptions included in forward looking adjustments
- Stage 2 includes majority of forward looking adjustments

(1) Notional staging of loans and advances including contingent liabilities and credit-related commitments, incorporates forward looking stress applied in the ECL model
(2) Excludes collective provision on loans at fair value and derivatives which are not allocated to a stage under the ECL model
(3) Provision coverage: provisions as a percentage of loans and advances including contingent liabilities and credit-related commitments

national australia bank

GROUP AGRICULTURE, FORESTRY & FISHING EXPOSURES

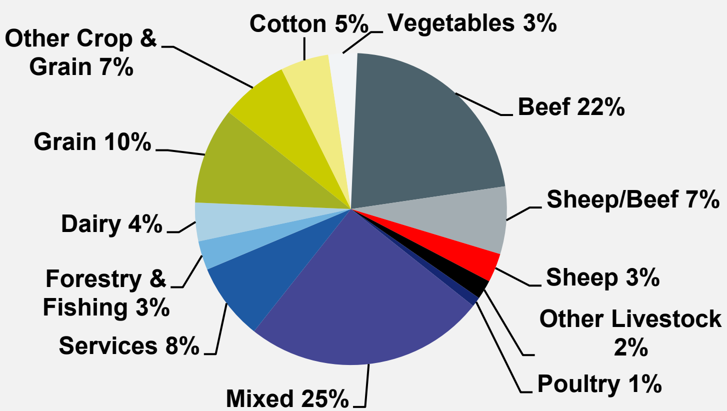
GROUP EAD $55.8BN MARCH 2022

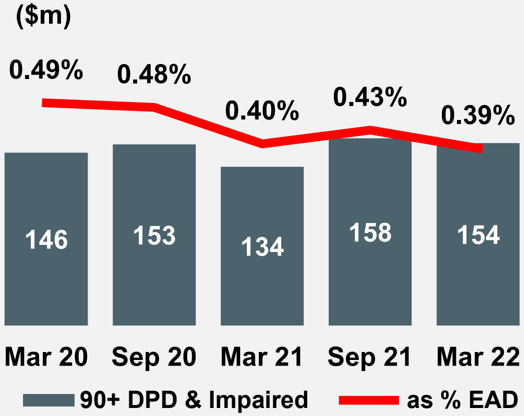


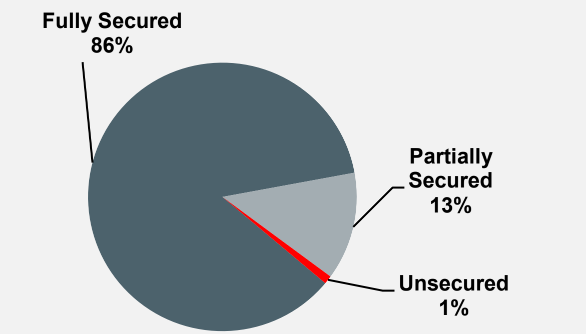
KEY CONSIDERATIONS

- Sector outlook is broadly positive in terms of main agricultural commodity prices, but headwinds exist in terms of elevated energy and fertiliser costs as a result of the recent rise in crude oil price
- The sector also continues to experience localised weather event challenges in specific regions

AUSTRALIAN AGRICULTURE, FORESTRY & FISHING







(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

national australia bank

GROUP COMMERCIAL REAL ESTATE[1]

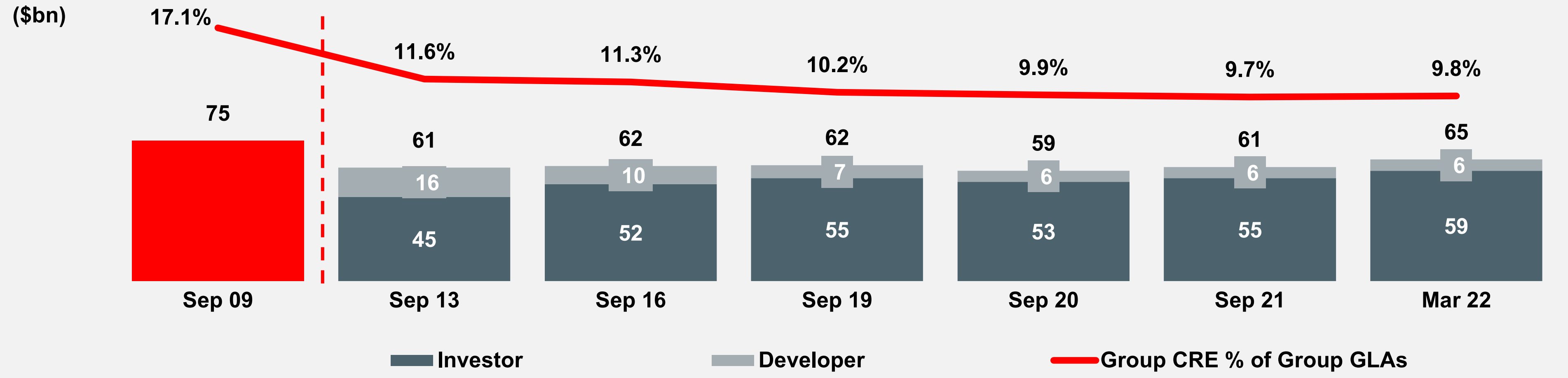
GROSS LOANS & ACCEPTANCES

	Aust	New Zealand	Total[2]
TOTAL CRE (A$bn)	57.3	7.4	64.8
Increase/(decrease) from Sep 21 (A$bn)	4.1	(0.2)	4.0
% of geographical GLAs	10.5%	8.2%	9.8%
Change in % from Sep 21	0.2%	(0.2%)	0.1%

ASSET QUALITY

Trend	Sep 19	Mar 20	Sep 20	Mar 21	Sep 21	Mar 22
Impaired loans ratio	0.25%	0.26%	0.32%	0.30%	0.19%	0.17%
Specific Provision Coverage	31.9%	32.2%	39.9%	39.2%	44.6%	47.8%

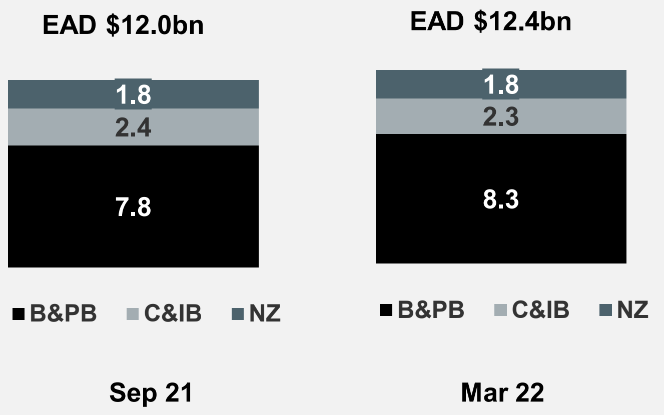
BALANCES OVER TIME



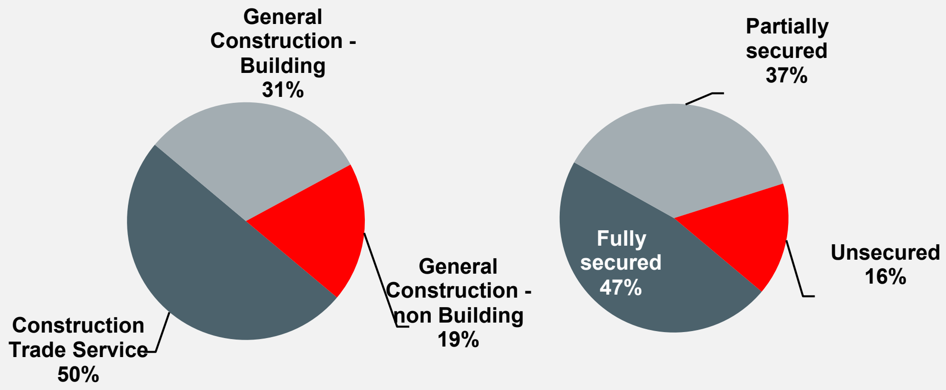
(1) Measured as balance outstanding as at 31 March 2022 per APRA Commercial Property ARF 230 definitions
(2) Includes overseas offices not separately disclosed

CONSTRUCTION

EXPOSURE AT DEFAULT



EAD PORTFOLIO BY SECTOR AND SECURITY[1,2]



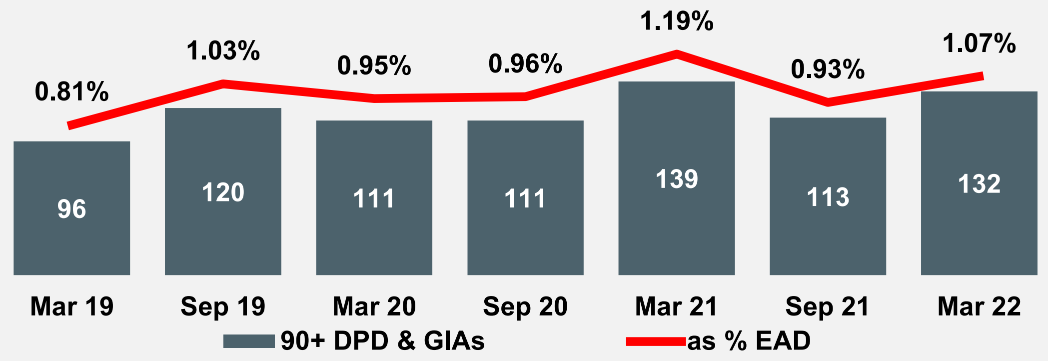
KEY CONSIDERATIONS

- Challenges include COVID-related completion delays, fixed price contracts, rising input costs, supply chain issues
- ~2% non retail EAD including subcontractors & developers
- Highly diversified and secured portfolio
- >50% of CIB exposures are contingent facilities eg performance guarantees

Australian Construction	B&PB	C&IB	Total
EAD ($bn)	8.3	2.3	10.6
# customers	~25k	~300	~25k
% Fully or Partially Secured	94%	51%	84%

90+ DPD AND GIAs AND AS % OF SECTOR EAD

($m)

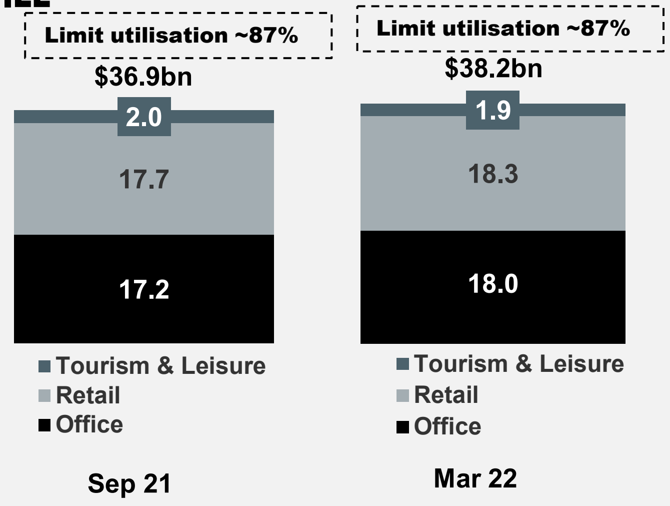


(1) Construction Trade Service includes sub contractors. General Construction – Non Building includes engineering and infrastructure construction
(2) Fully Secured is where the loan amount is less than 100% of the bank extended value of security; Partially Secured is where the loan amount is greater 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

national australia bank

GROUP OFFICE, RETAIL, TOURISM & LEISURE COMMERCIAL REAL ESTATE[1]

GLA PROFILE

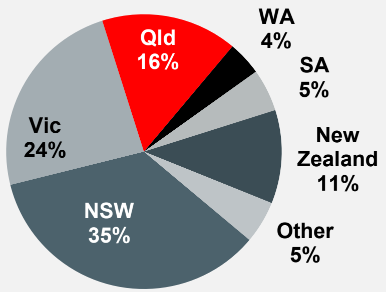


KEY CONSIDERATIONS

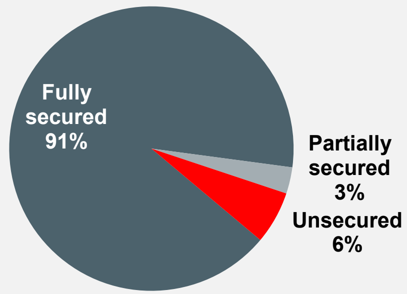
- Office, Retail and Tourism & Leisure (T&L) viewed as most impacted by COVID-19 across Group CRE portfolio, however asset quality metrics remain sound at this stage
- Demand and market liquidity for quality Australian assets remains strong, reflecting improved investor sentiment and outlook
- Positive leasing momentum in Australian CBD office markets. ~41% of Australian Office balances are CBD-based
- CBD located Retail and T&L assets remain challenged by slow return of office workers and tourists. ~6% of Australian Retail balances are CBD-based

PORTFOLIO CHARACTERISTICS[1]

Geographic breakdown

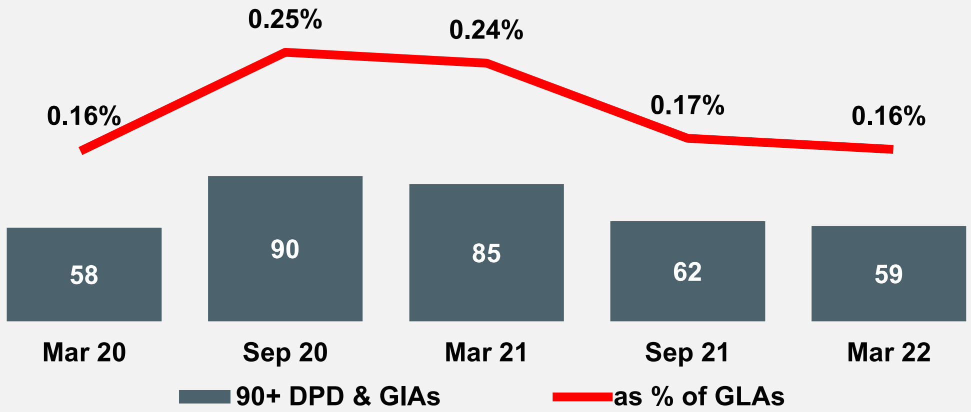


Portfolio security[2]



Borrower breakdown: Investor 98%, Developer 2%

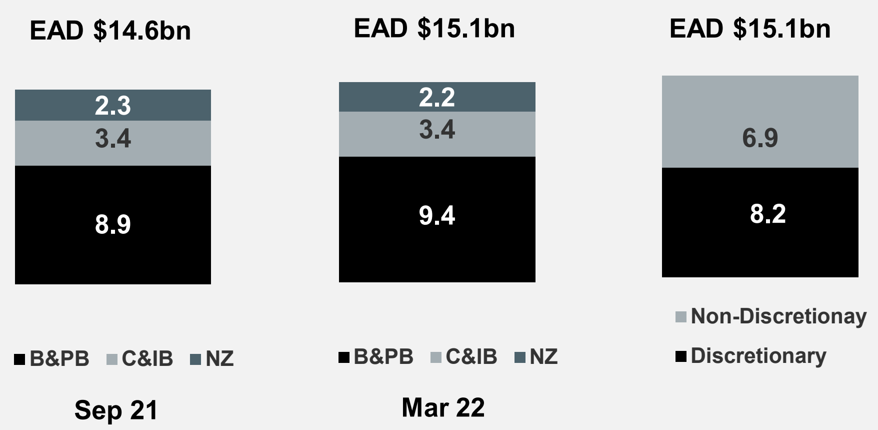
90+ DPD AND GIAs AND AS % OF SECTOR GLAs



(1) Measured as balance outstanding as at 31 March 2022 per APRA Commercial Property ARF230 definitions
(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. Unsecured proportion represents Institutional exposures that are weighted towards listed A-REITs and wholesale funds which are lowly geared and exhibit strong debt servicing.

RETAIL TRADE[1]

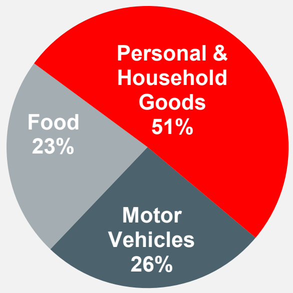
EXPOSURE AT DEFAULT

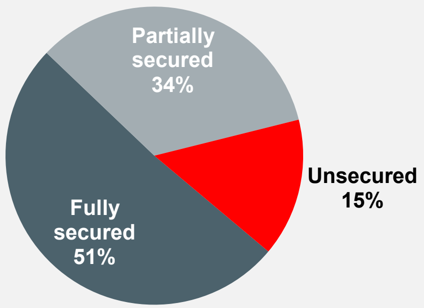


KEY CONSIDERATIONS

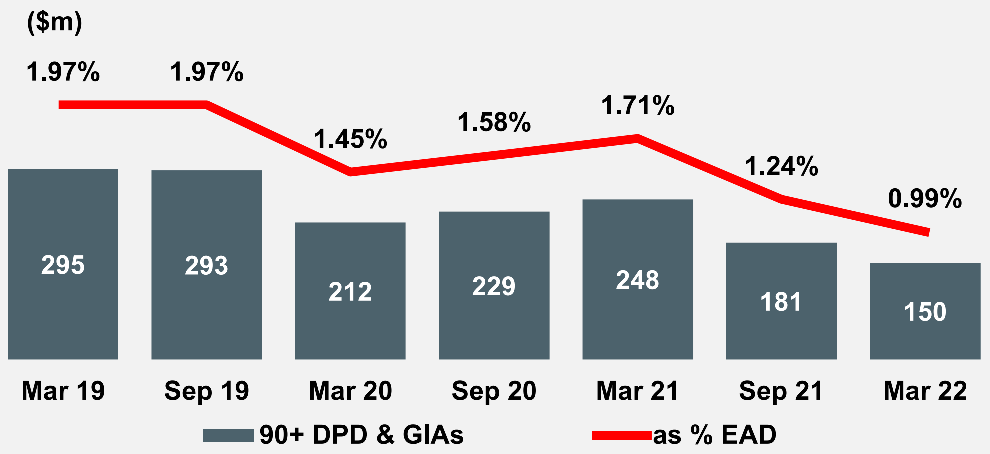
- Notwithstanding challenges pre COVID-19, the Retail Trade sector has continued to perform relatively well during and post-lockdowns (including Omicron in early 2022), as consumers continued spending
- Future outlook will depend on wages growth, interest rates, direction of householding spending including savings and overall consumer confidence
- Continued acceleration is expected in eCommerce and alongside ongoing change in consumer behaviours, this will drive the continued transformation of business models in the Retail Industry, as structural change continues post COVID-19

EAD PORTFOLIO BY SECTOR AND SECURITY[2]





90+ DPD AND GIAs AND AS % OF SECTOR EAD

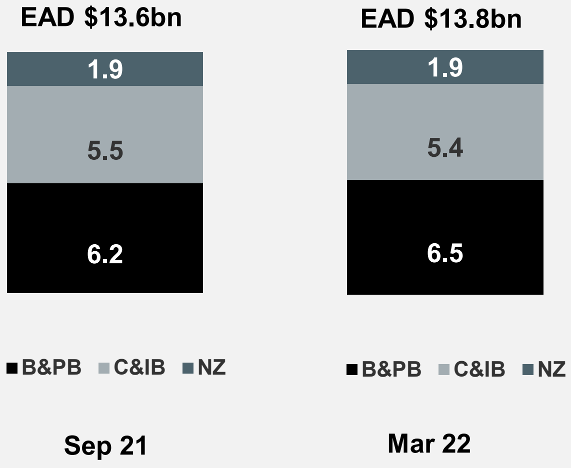


(1) Retail Trade is aligned to Regulatory Industry Classifications. Discretionary / Non-discretionary Retail Trade determined at an individual ANZSIC code level
(2) Fully Secured is where the loan amount is less than 100% of the bank extended value of security; Partially Secured is where the loan amount 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

national australia bank

TOURISM, HOSPITALITY AND ENTERTAINMENT[1]

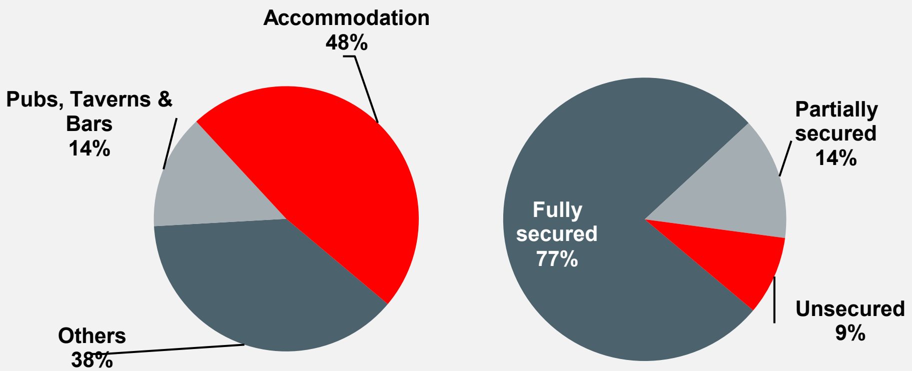
EXPOSURE AT DEFAULT



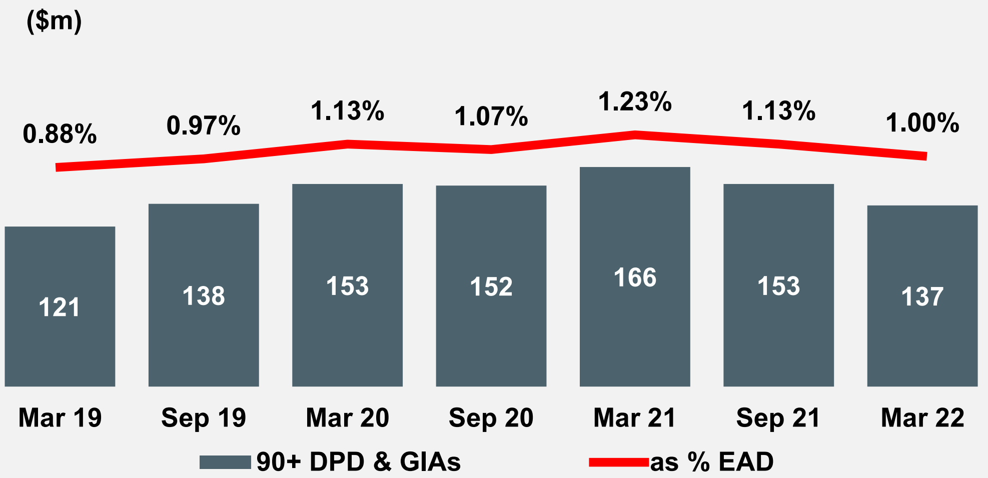
KEY CONSIDERATIONS

- Industry outlook for Hospitality & Entertainment sectors continues to improve, reflecting growing confidence in COVID-19 tracking, controls and immunisation levels
- Tourism and Accommodation sectors exposed to international visitors continue to face uncertainties
- Lack of workers and low unemployment, which has led to a material increase in labour costs, is a headwind to the sector
- ~2.2% of non retail EAD with ~16% of B&PB portfolio is located in CBDs

EAD PORTFOLIO BY SECTOR AND SECURITY[2]



90+ DPD AND GIAs AND AS % OF SECTOR EAD



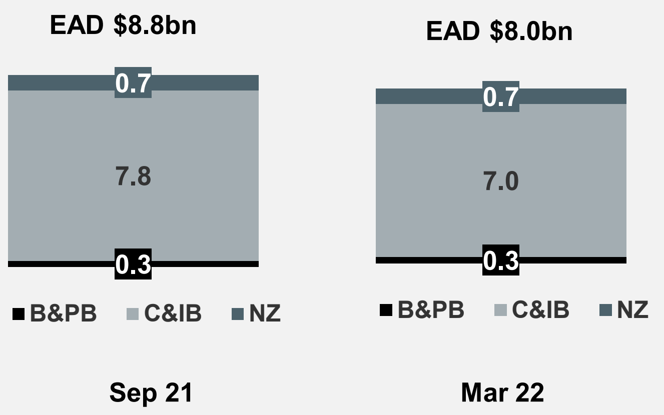
(1) Tourism, hospitality and entertainment include regulatory industry classification of accommodation and hospitality, plus cultural and recreational services

(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

national australia bank

AIR TRAVEL AND RELATED SERVICES

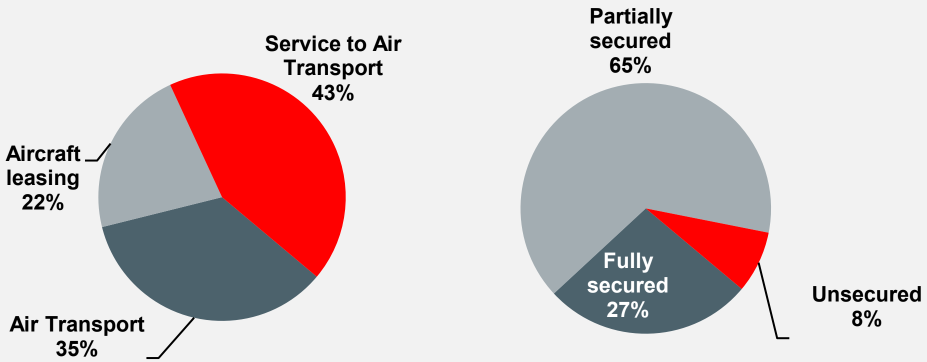
EXPOSURE AT DEFAULT



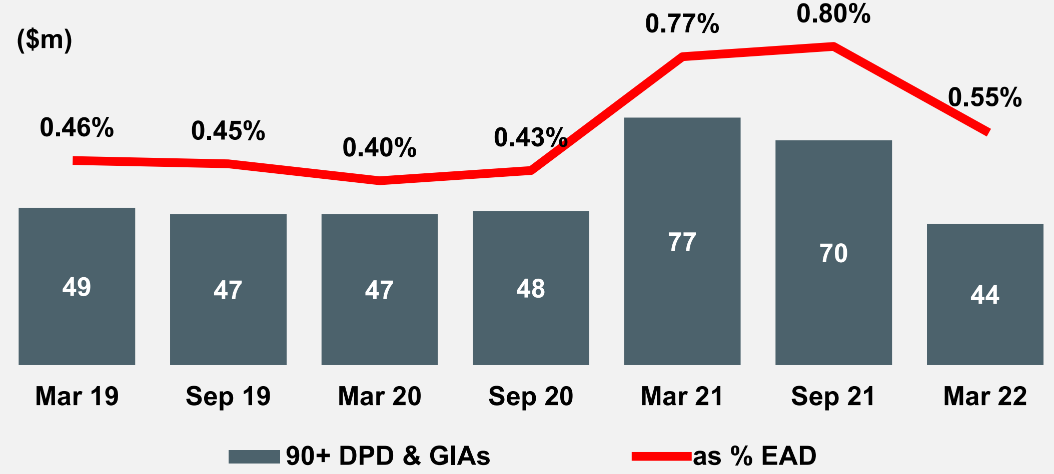
KEY CONSIDERATIONS

- Portfolio comprises airlines which are usually national carriers and sovereign owned, airports, lessors and service companies supporting the aviation industry
- Partial recovery as travel restrictions slowly removed but passenger numbers remain depressed and recent oil price spikes impacting profitability; sovereign support and access to capital markets continues
- No payment defaults across the portfolio with exposures reducing $0.8bn during 1H22 including a number of recent lessor prepayments
- ~1.3% of non retail EAD

EAD PORTFOLIO BY SECTOR AND SECURITY[1]



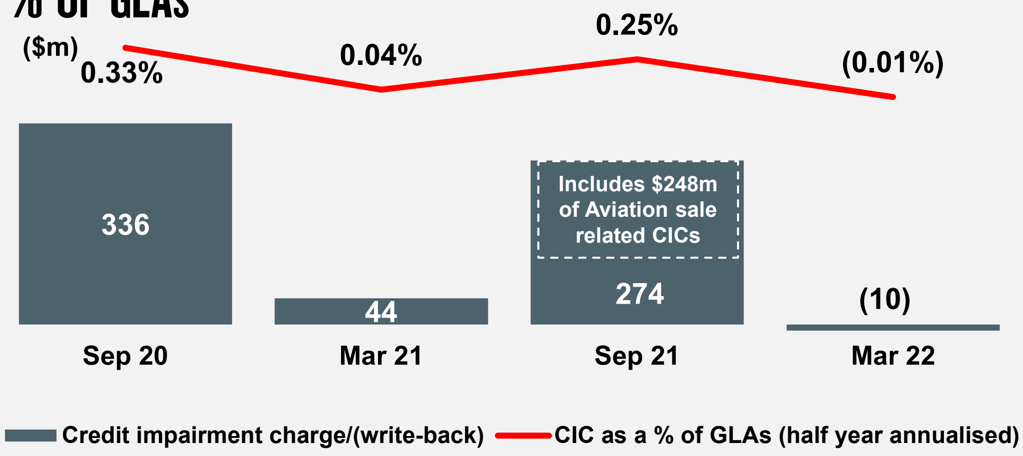
90+ DPD AND GIAs AND AS % OF SECTOR EAD



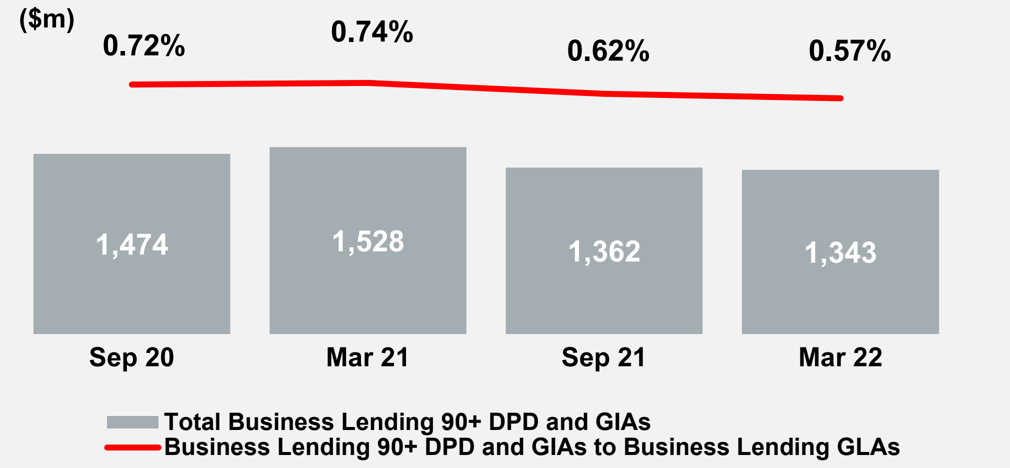
(1) Fully Secured is where the loan amount is less than 100% of the bank extended value of security; Partially Secured is where the loan amount is greater than 100% of the bank extended value of security; Unsecured is where no security is held and/or no value held against the security and negative pledge 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 LENDING ASSET QUALITY

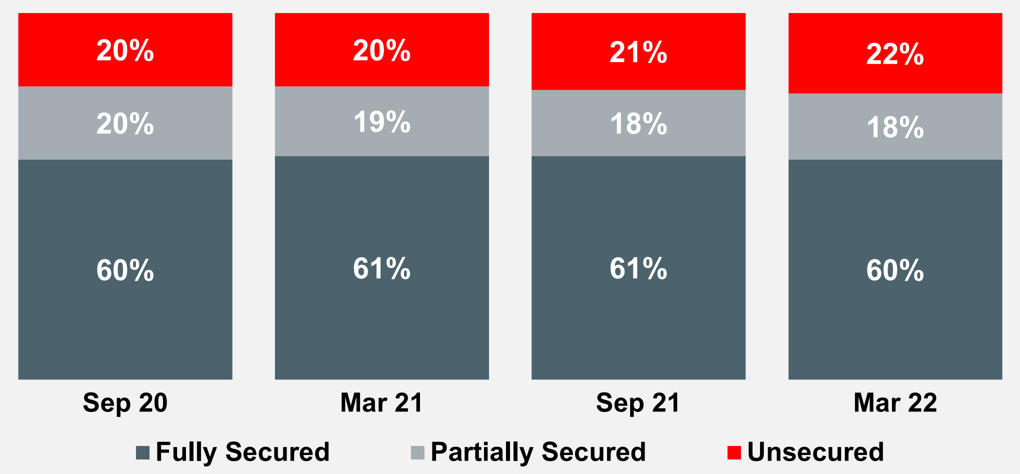
BUSINESS LENDING CREDIT IMPAIRMENT CHARGE AND AS % OF GLAs



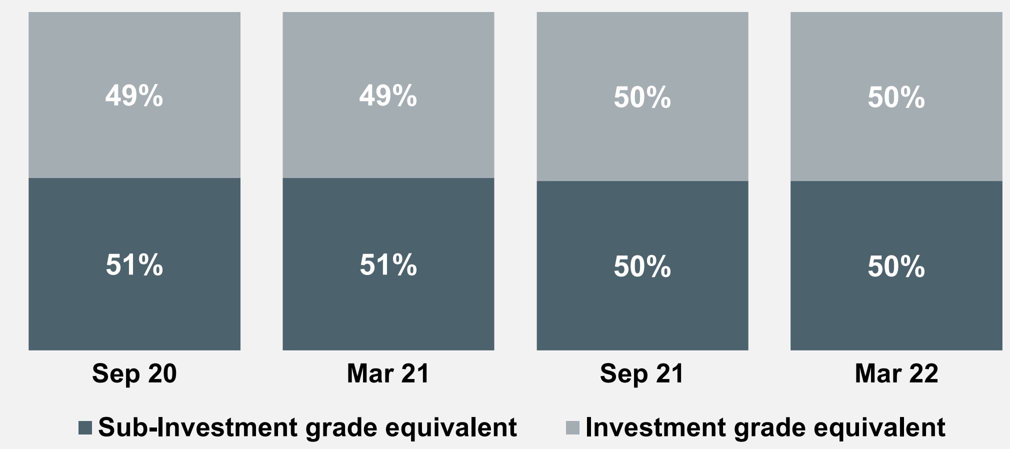
BUSINESS LENDING 90+ DPD AND GIAs AND AS % OF GLAs



TOTAL BUSINESS LENDING SECURITY PROFILE[1]



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

national australia bank

AUSTRALIAN HOUSING LENDING

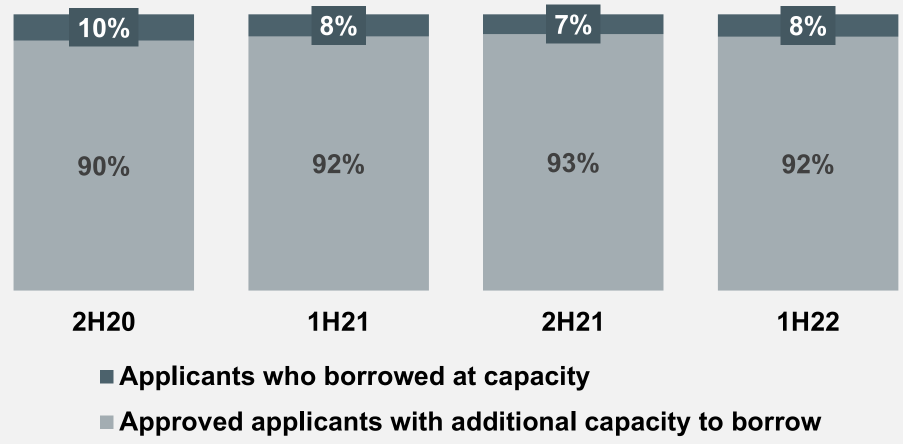
AUSTRALIAN HOME LOAN PORTFOLIO RESILIENT

KEY CONSIDERATIONS

Overall portfolio well positioned for higher cost of living and rates:

- Unemployment rate expected to remain <4% over medium term
- Dynamic LVR[1] down from 44.6% to 37.9% since Mar 20[3]
- All loans originated since FY15 assessed on P&I basis using rates of 4.95% or above, with ~50% assessed at 7.25% or above[4]
- >90% of customers had excess borrowing capacity[2,6]
- Avg number of monthly payments in advance increased from 36.3 to 48.4 since Mar 20[5]

APPROVED APPLICANTS BORROWING CAPACITY[2,6]

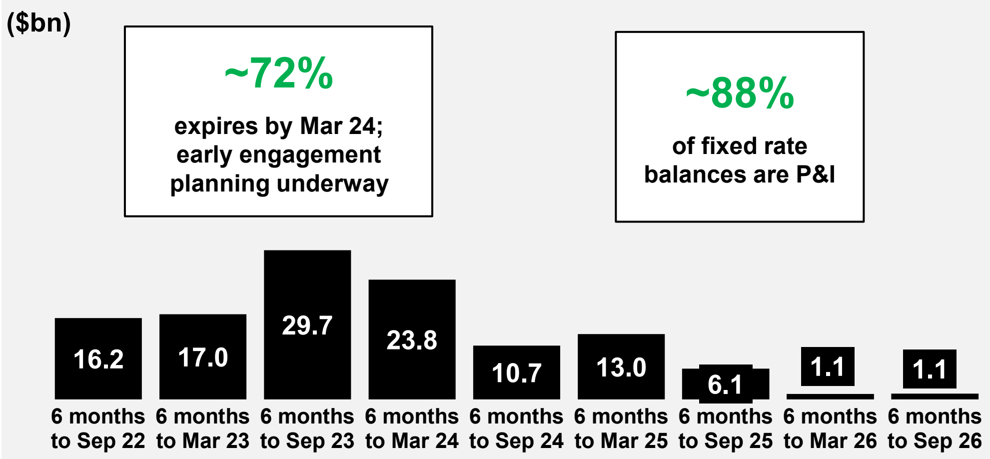


LIMITED HIGHER RISK EXPOSURES

- ~30% of customer repayments on time or <1month ahead, of which ~67% are either investment loans or opened less than 12 months ago[5]
- 0.6% of total mortgage book with DLVR > 90% and no LMI or FHB Government guarantee[3]

Dynamic LVR profile[3]	$bn	Avg. # of payments ahead[3]
>90% DLVR, no LMI or FHB government guarantee	~1.8	22

FIXED RATE HOME LOAN EXPIRY PROFILE[3]



(1) Dynamic LVR is a measure of home loan exposure as a proportion of supporting security value at a given point in time and provides insight on the equity coverage available to support recoveries in the event of possession of the property
(2) Excludes 86 400 and Advantedge
(3) Excludes 86 400
(4) Assessment rate derived using customer rate at the time of drawdown. This may differ slightly to the actual assessment rate used at the time of application.
(5) By accounts. Includes offsets. Excludes Advantedge book, line of credit and 86 400
(6) Based on applications that are system approved via the Auto Decisioning tool

HOUSING LENDING PRACTICES & POLICIES

KEY ORIGINATION REQUIREMENTS

Income	• Income verified using a variety of documents including payslips and/or checks on salary credits into customers' accounts • 20% shading applies to less certain incomes (temporarily increased to 30% in May 2020, reduced back to 20% in November 2020)
Household expenses	Assessed using the greater of: • Customers' declared living expenses, enhanced in 2016 to break down into granular sub categories • Household Expenditure Measure (HEM) benchmark plus specific customer declared expenses (e.g. private school fees). HEM is adjusted by income and household size
Serviceability	• Assess customers' ability to repay based on the higher of the customer rate plus serviceability buffer (3.0%[1]) or the floor rate (4.95%) • Assess Interest Only loans on the full remaining Principal and Interest term
Existing debt	• Verify using declared loan statements and assess on the higher of the customer rate plus serviceability buffer (3.0%[1]) or the floor rate (4.95%) • Assessment of customer credit cards assuming repayments of 3.8% per month of the limit • Assessment of customer overdrafts assuming repayments of 3.8% per month of the limit

LOAN-TO-VALUE RATIO (LVR) LIMITS

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

OTHER CREDIT POLICIES

- Loan-to-Income decline threshold of 7x
- 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
- Maximum Interest Only term for Owner Occupier borrowers of 5 years

(1) Serviceability buffer increased by 0.50% to 3.00% as of 1 November 2021

national australia bank

HOUSING LENDING KEY METRICS[1]

Australian Housing Lending	Sep 20	Mar 21	Sep 21	Mar 22	Mar 21	Sep 21	Mar 22
	Portfolio				Drawdowns[2]		
Total Balances (spot) $bn	299	300	309	322	32	49	49
Average loan size $'000	309	310	315	324	401	427	468
By product type							
- Variable rate	71.9%	67.8%	61.3%	58.7%	53.2%	41.9%	53.3%
- Fixed rate	22.8%	27.3%	34.4%	37.4%	45.8%	56.9%	45.2%
- Line of credit	5.3%	4.9%	4.4%	4.0%	1.0%	1.2%	1.5%
By borrower type							
- Owner Occupied[3,4]	60.1%	61.6%	63.2%	63.8%	71.3%	67.8%	62.5%
- Investor[3,4]	39.9%	38.4%	36.8%	36.2%	28.7%	32.2%	37.5%
By channel							
- Proprietary	62.2%	60.0%	58.2%	55.8%	52.1%	48.8%	44.9%
- Broker	37.8%	40.0%	41.8%	44.2%	47.9%	51.2%	55.1%
Interest only[5]	14.8%	13.6%	12.7%	12.9%	17.8%	18.9%	22.5%
Low Documentation	0.4%	0.3%	0.3%	0.3%			
Offset account balance ($bn)	33	33	34	38			
LVR at origination	69.2%	69.5%	69.6%	69.5%	73.7%	72.1%	70.8%
Dynamic LVR on a drawn balance calculated basis	45.5%	42.3%	38.8%	37.9%			
Customers in advance ≥1 month[6] (including offset facilities)	69.9%	69.1%	68.5%	67.6%			
Avg # of monthly payments in advance[6] (including offset facilities)	43.4	45.1	47.1	48.4			
90+ days past due	1.18%	1.61%	1.24%	0.93%			
Impaired loans	0.10%	0.10%	0.10%	0.08%			
Specific provision coverage ratio	35.4%	32.8%	32.3%	34.0%			
Loss rate[7]	0.02%	0.01%	0.01%	0.01%			
Number of properties in possession	155	113	169	155			
HEM reliance	33%	35%	33%	34%			

(1) Excludes 86 400
(2) Drawdowns is defined as new lending excluding limit increases and redraws in the previous six month period. Only includes drawdowns from new accounts, not balances that internally switch
(3) Portfolio sourced from APRA Monthly Banking Statistics
(4) Drawdowns sourced from management data
(5) Excludes line of credit products. Historical drawdowns figures updated to reflect 6 month period, previously 3 months
(6) Excludes Advantedge and line of credit
(7) 12 month rolling Net Write-offs / Spot Drawn Balances

national australia bank

LONG-TERM: A SUSTAINABLE APPROACH

SUSTAINABILITY IS EMBEDDED IN OUR GROUP STRATEGY

COMMERCIAL RESPONSES TO SOCIETY'S BIGGEST CHALLENGES

Embedding sustainability means doing good through the way we do business. Using our core skills and resources and focusing activity in three areas:

Our priorities:

- Climate change
- Affordable and specialist housing
- Indigenous business

RESILIENT AND SUSTAINABLE BUSINESS PRACTICES

Getting the basics right and managing our environmental, social and governance (ESG) risks and opportunities responsibly.

Our priorities:

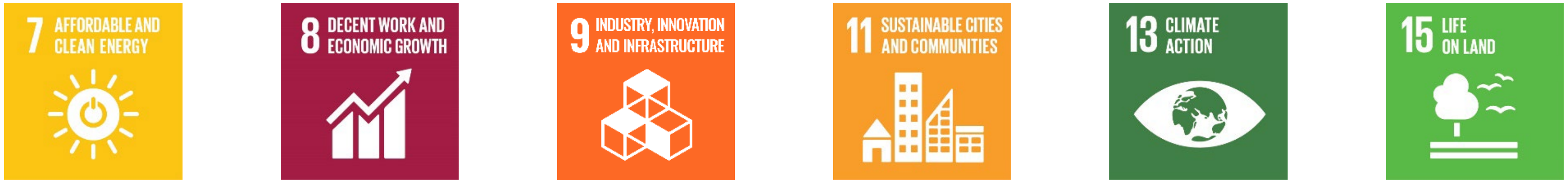
- Colleagues and culture
- Inclusive banking
- ESG risk management
- Supply chain management
- Human rights, including modern slavery

INNOVATING FOR THE FUTURE

Driving investment in new, emerging and disruptive technologies, and partnering with customers, industry and government on critical initiatives.

Our priorities:

- Our future core business and market-leading data analytics
- Partnerships that matter



ALIGNED TO SIX KEY UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS[1] – WHERE WE CAN MAKE THE BIGGEST IMPACT

(1) www.un.org/sustainabledevelopment

national australia bank

OUR GROUP CLIMATE STRATEGY

GOAL OF ALIGNING OUR LENDING PORTFOLIO TO NET ZERO EMISSIONS BY 2050[1]

- First Australian bank to have **signed the Collective Commitment to Climate Action** and have joined the **Net Zero Banking Alliance**
- Progressing work to set 2030 science-based emissions reduction targets for key sectors, with the targets to be published in our 2022 annual reporting suite.

SUPPORTING OUR CUSTOMERS TO DECARBONISE AND BUILD RESILIENCE

- **Working closely with 100 of our largest GHG-emitting customers** to support them as they develop or improve their low carbon transition plans by 30 September 2023, maturity assessments completed on 58 of our top 100 emitters so far.
- **$70 billion environmental financing target by 2025[2],** $61.1bn cumulative progress, $4.8bn delivered in 1H22.
- **Bank for transition Centre of Excellence** providing targeted support and insights to customers

MANAGING CLIMATE RISK

- **Committed to Taskforce on Climate-Related Financial Disclosures (TCFD) since 2017**
- Progressing APRA's **Climate Vulnerability Assessment** to further understand the physical and transition risks of climate change
- Completed **review of oil and gas sector -** published additional ESG-related credit policy settings and capped exposure to oil and gas

SUPPORTED BY

ACTIVELY REDUCING OUR OWN EMISSIONS

- **Carbon neutral certified in operations** since 2011 though Climate Active
- 64% of electricity consumption from **renewable sources** in 1H22, increased from 30% in 1H21, against our target of 100% by 30 June 2025[3]
- Focused on **reducing our operational greenhouse gas emissions**, achieving a 65% reduction in scope 1 & 2 emissions as at 1H22 against a 30 June 2015 baseline[4]

HIGHLY CAPABLE COLLEAGUES

- **Climate change module in annual Risk Awareness training** for all colleagues
- Extended climate change **course on identifying climate-risk and developing transition plans** in partnership with Melbourne Business School to select Agri bankers.

RESEARCH, PARTNERSHIPS & ENGAGEMENT

- Actively taking part in nationwide discussions on how **Australia gets to net zero as a leader in sustainable technology**
- Ongoing expansion of **Carbonplace** – a settlement platform for voluntary carbon credits of which NAB is a founding member

(1) The Group continues to work on understanding its total Scope 3 attributable emissions exposure and develop its emissions-based modelling. The Group acknowledges the limitations of current data. The Group's emissions based modelling, targets and methodologies may change as the availability and quality of data improves, and as climate science evolves.
(2) Represented as a cumulative amount of new environmental finance since 1 October 2015. Refer to the Group's 2021 Sustainability Data Pack for reference to how the environmental financing commitment is calculated.
(3) NAB's operational environmental numbers are reported on a July-June performance period. This information is audited annually at the end of the performance period, the 1H 22 progress figures presented in this graph are unaudited and could be subject to change. Progress towards NAB's RE100 target has been influenced by COVID-19 and resultant decrease in electricity consumption, and we do not expect progress achieved to date to be permanent
(4) Significant progress towards NAB's 2025 science-based target demonstrated since 2020 however performance has been influenced by COVID-19 impacts and we do not expect all of the reductions achieved to date to be permanent. Includes our net operational scope 1 and 2 GHG emissions, 2021 and 2022 figures calculated using a market-based approach. This information is audited annually at the end of the performance period and as such, the progress figures presented in this graph are unaudited and could be subject to change.

FY22 CLIMATE PRIORITIES AND PROGRESS

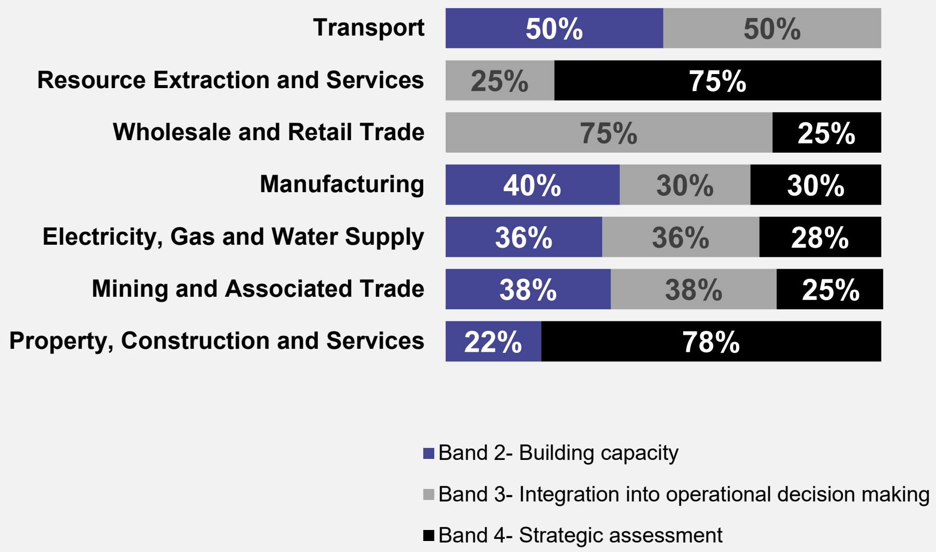
INTERIM DECARBONISATION TARGETS

- Working to publish, in our 2022 annual reporting suite, interim sector-specific decarbonisation targets, applying the following principles:
  - **Broad portfolio coverage:** targets set will account for substantial majority of Australian lending portfolio
  - **Science-based**: Decarbonisation scenarios will be set for 2030 and 2050 using scenarios that are science-based and aligned to limit global warming to 1.5°C
  - **Governance:** Targets will be approved by the Executive Leadership Team and Board
  - **Guided by global best practice:** NAB will be guided by the UN Environment Programme Finance Initiative's Guidelines for Climate Target Setting for Banks
  - **Up to date**: Targets will be reviewed regularly to ensure consistency with current climate science, updated data and available methodologies
- Engaging industry experts including Australian Industry Energy Transition Initiative Hub and the UN Global Compact Just Transition working group on the path forward for transitioning key and hard to abate sectors.

CUSTOMER TRANSITION PLANS

- Progressing against our target to work with 100 of our largest greenhouse gas emitting customers by September 2023 to support them as they develop or improve their low-transition plans.
- 58 high emitting customers having been assessed on their transition maturity using NAB's Transition Framework Diagnostic which is aligned with Transition Pathways Initiative and Cambridge Institute for Sustainability.
- Of the 58 engaged, ~69% of companies assessed in Band 3 or 4.

TRANSITION MATURITY OF 58 OF OUR HIGHEST EMITTERS[1]

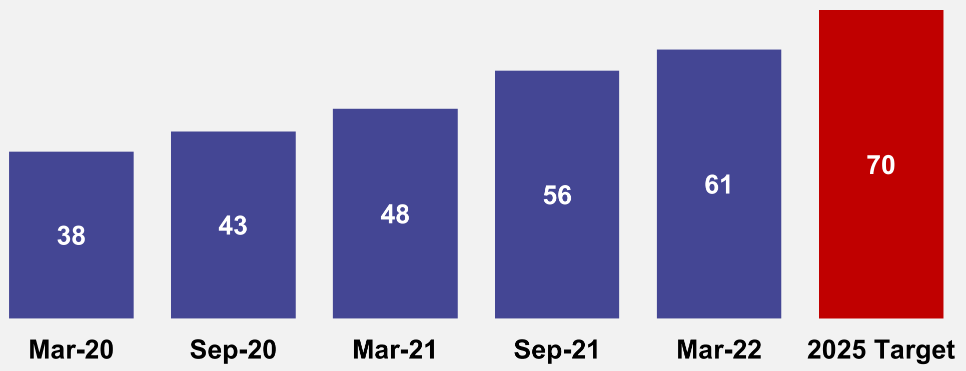


(1) The Diagnostic assists in the classification of transition maturity in the following bands: 0 - Unaware of (or not acknowledging) climate change as a business issue, 1 - Acknowledgement of climate change as a business issue, 2 - Building capacity, 3 - Integration into operational decision making, 4 - Strategic assessment. Percentage breakdown per sector may not sum to 100 due to rounding.

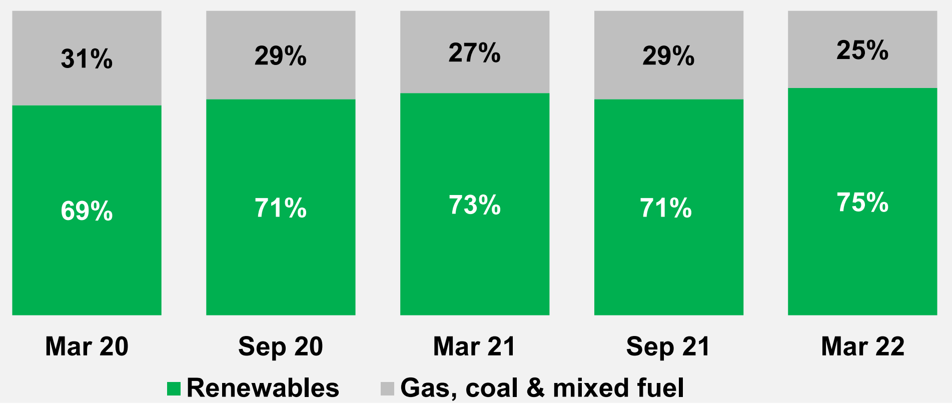
CLIMATE METRICS AND TARGETS

ENVIRONMENTAL FINANCING[1]

(cumulative $bn)

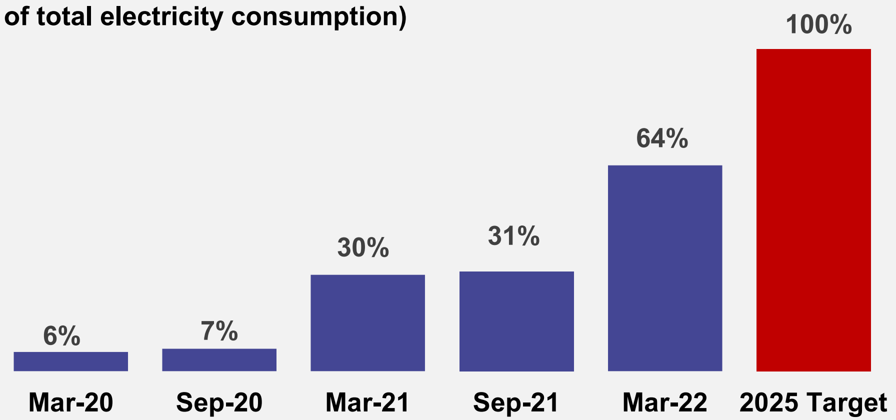


RENEWABLES EAD AS A % OF ENERGY GENERATION[2]



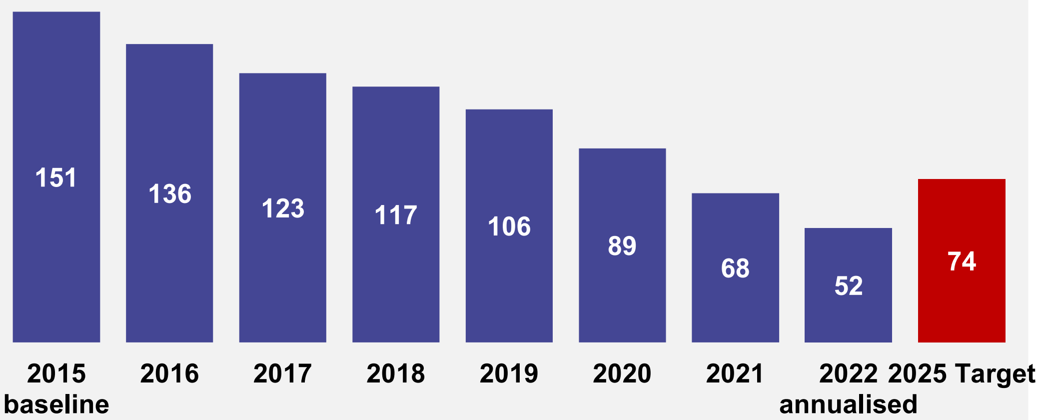
NAB GROUP ELECTRICITY CONSUMPTION FROM RENEWABLE SOURCES[3]

(% of total electricity consumption)



NAB GROUP OPERATIONAL GHG EMISSIONS (SCOPE 1 & 2)[3,4]

(tCO_2-e 000's)



(1) This includes NAB's financing of green infrastructure, capital markets, asset finance and new mortgage lending flow for 6 Star residential housing in Australia (new dwellings and significant renovations) as a cumulative flow of new environmental finance since 1 October 2015. Refer to 2021 Sustainability Data Pack. This information is audited annually at the end of the performance period and as such, the 1H 22 progress figures presented in this graph are unaudited and could be subject to change.

(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 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) NAB's operational environmental numbers are reported on a July-June performance period. This information is audited annually at the end of the performance period, the 1H 22 progress figures presented in this graph are unaudited and could be subject to change. Progress towards NAB's RE100 target has been influenced by COVID-19 and resultant decrease in electricity consumption, and we do not expect progress achieved to date to be permanent.

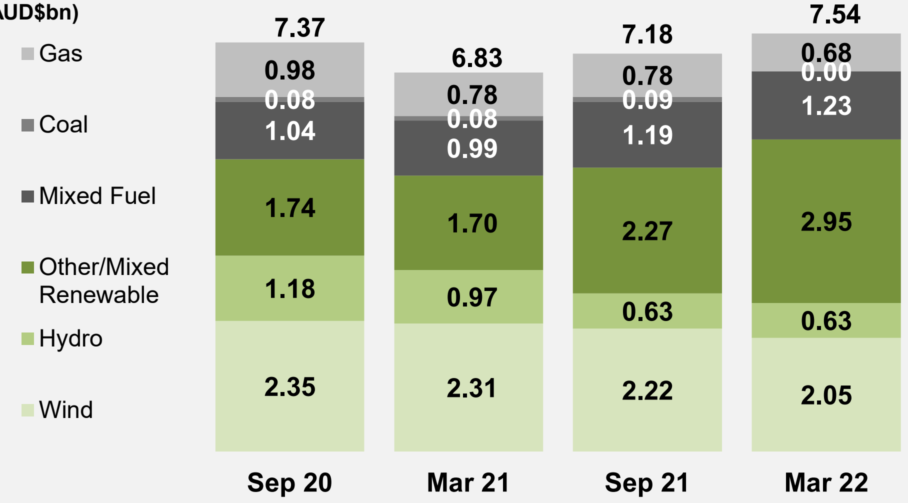
(4) Significant progress towards NAB's 2025 science-based target was demonstrated since 2020 however performance has been influenced by COVID-19 impacts and we do not expect all of the reductions achieved to date to be permanent. Includes our net operational scope 1 and 2 GHG emissions, Figures calculated using a market-based approach from 2020 onwards. This information is audited annually at the end of the performance period, the 1H 22 progress figures presented in this graph are unaudited and could be subject to change. 2022 data presented on an estimated annualised basis.

national australia bank

OUR EXPOSURES TO THE ENERGY GENERATION AND RESOURCE SECTOR

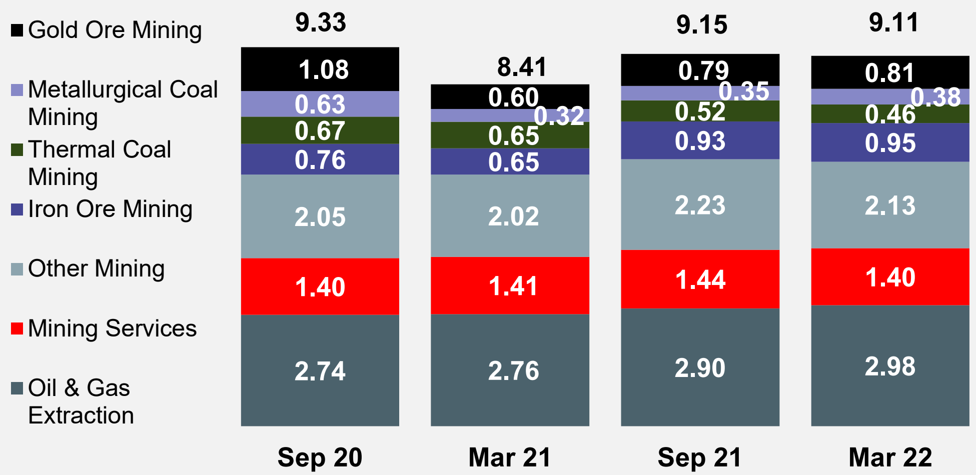
ENERGY GENERATION EAD BY FUEL SOURCE[1]

(AUD$bn)



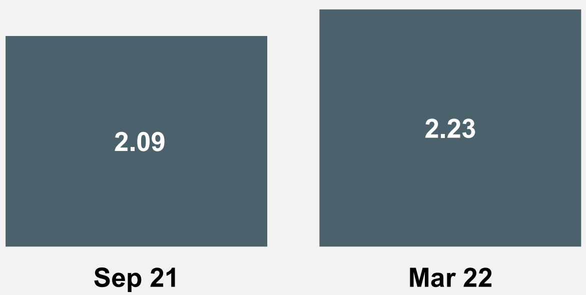
RESOURCE EAD BY TYPE

(AUD$bn)



OIL AND GAS EXPOSURE[2]

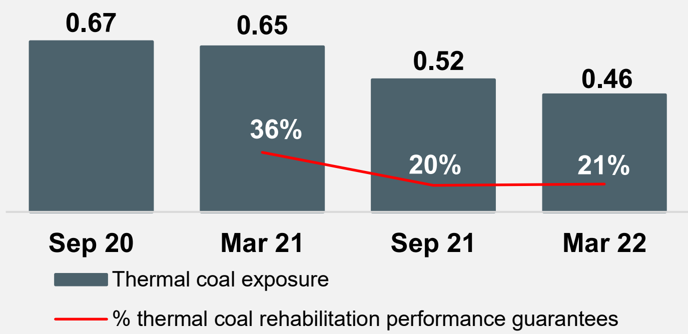
(USD$bn)



- NAB's exposure cap of USD2.4bn was announced in 2021, effective from October 2021, reducing exposure from 2026-2050 aligned with the IEA NZE 2050 scenario[3]
- Increase from Sept 21 to Mar 22 is primarily due to exchange rate movements for derivative exposures, rather than representing an increase in lending

THERMAL COAL MINING EXPOSURE

(AUD$bn)



- Thermal coal lending portfolio capped at 2019 levels, reducing by 50% by 2026, intending to be effectively zero by 2030, apart from performance guarantees to rehabilitate existing coal assets
- ~21% of thermal coal mining EAD is for performance guarantees to rehabilitate existing coal assets[4]

(1) 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 included and categorised as renewable where majority of their generation activities sourced from renewable energy. NAB have no direct lending to coal-fired power generation assets remaining, however there is indirect exposure to coal- fired power within the Mixed Fuel category as a result of NAB's corporate level exposure to gentailers, which have a mix of generation assets (including coal, gas and renewables) within their generation portfolio. More detail at https://www.nab.com.au/about-us/social-impact.

(2) The cap of USD2.4 bn was determined giving consideration to the three-year average exposure up to 30 September 2021 due to COVID impacts. Use of USD for the purposes of this cap is to account for currency movement because the majority of the portfolio is USD denominated. For the purposes of this review oil and gas included: oil and gas extraction (upstream); liquefied natural gas (LNG) production (not at refineries–downstream LNG); and LNG production at wellhead (integrated LNG).

(3) The International Energy Agency's Net Zero by 2050: A Roadmap for the Global Energy Sector was used as a key reference point for this cap. This scenario outlines a path to limit temperature rise from pre industrial levels to 1.5 degrees Celsius by 2050.

(4) % of thermal coal EAD for performance guarantees to rehabilitate existing sites is presented from March 2021 onward as this was the first year that NAB calculated this figure.

national australia bank

ESG GOVERNANCE & PERFORMANCE

BOARD COMMITTEES:

Audit Committee	Customer Committee	Nomination & Governance Committee	People & Remuneration Committee	Risk & Compliance Committee
Chair: David Armstrong	Chair: Ann Sherry	Chair: Philip Chronican	Chair: Anne Loveridge	Chair: Simon McKeon

Updates on ESG risks are provided to the Board Risk & Compliance Committee and Board as appropriate

EXECUTIVE COMMITTEES OVERSEEING KEY ASPECTS OF ESG RISK

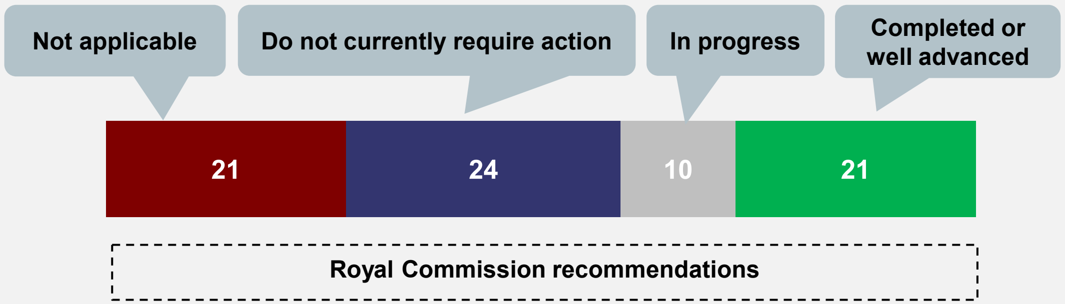
Sustainability Council	Executive Risk & Compliance Committee	Group Non-Financial Risk Committee	Group Asset & Liability Committee	Group Credit & Market Risk Committee
Chair: Les Matheson	Chair: Shaun Dooley	Chair: Patrick Wright	Chair: Gary Lennon	Chair: David Gall

NAB's overall approach to corporate governance available at: nab.com.au/corporategovernance
Summary of relevant ESG policies and positions available at: nab.com.au/esgrisk

IMPLEMENTATION OF APRA SELF-ASSESSMENT ACTIONS AND ROYAL COMMISSION RECOMMENDATIONS

- Of 26 actions identified in NAB's 2018 Self-Assessment**, all are now completed and closed.**
- NAB has provided evidence in support of closure to APRA and awaits APRA's response on whether related issues identified in NAB's Self-Assessment have been addressed to the satisfaction of the regulator.
- Reform program has driven **improvement in governance, accountability and culture**, to address the root causes of past failings.
- **The voice of the customer is now firmly represented**, executive accountabilities are clear due to updated operating model and risk committee governance structure has improved ownership and accountability for risks and issues.

- **Actively Implementing all applicable reforms** following the Banking & Financial Services Royal Commission



ECONOMICS

AUSTRALIA AND NZ KEY ECONOMIC INDICATORS

AUSTRALIAN ECONOMIC INDICATORS (%)[1]

	CY20	CY21	CY22(f)	CY23(f)	CY24(f)
GDP growth[2]	-0.8	4.2	3.4	2.1	2.2
Unemployment[3]	6.7	4.7	3.5	3.5	3.7
Core Inflation[4]	1.3	2.6	4.5	2.9	2.7
Cash rate target[3]	0.10	0.10	1.35	2.10	2.60

NZ ECONOMIC INDICATORS (%)[1]

	CY20	CY21	CY22(f)	CY23(f)	CY24(f)
GDP growth[2]	0.3	3.1	3.6	1.4	3.0
Unemployment[3]	4.9	3.2	3.3	3.9	4.1
Inflation[4]	1.4	5.9	5.3	1.7	2.2
Cash rate (OCR)[3]	0.25	0.75	3.00	3.00	2.00

AUSTRALIAN SYSTEM GROWTH (%)[5]

	FY20	FY21	FY22(f)	FY23(f)	FY24(f)
Housing	3.3	6.5	6.6	4.4	4.5
Personal	-12.9	-5.3	-0.7	0.0	2.0
Business	1.9	4.6	8.1	4.9	5.0
Total lending	1.9	5.3	6.7	4.4	4.6
System deposits	11.7	8.1	6.7	3.4	3.2

NZ SYSTEM GROWTH (%)[5]

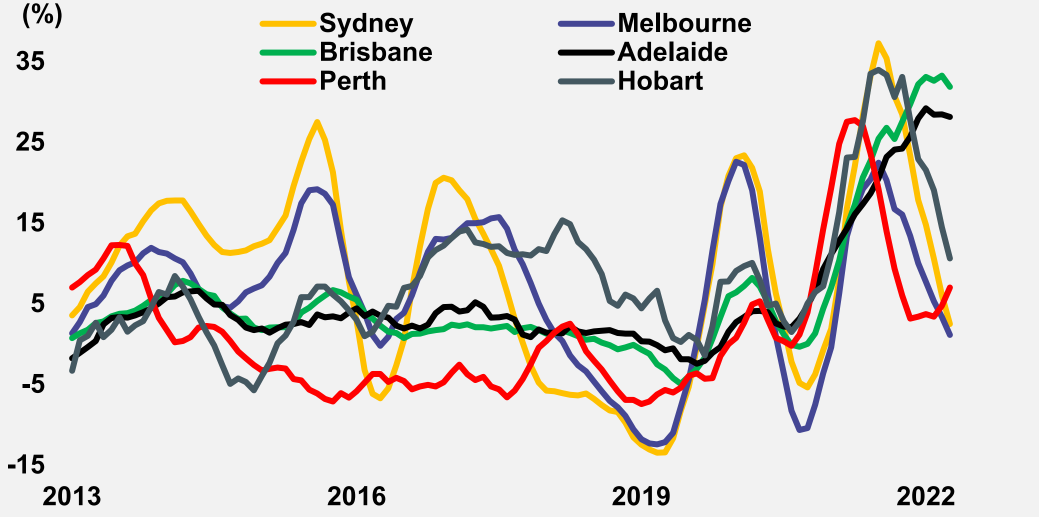
	FY20	FY21	FY22(f)	FY23(f)	FY24(f)
Housing	6.8	11.6	5.0	1.2	4.1
Personal	-11.5	-8.6	-0.8	1.6	3.0
Business	-1.5	1.5	5.2	5.2	4.8
Total lending	2.9	7.3	4.9	2.6	4.3
Household retail deposits	9.4	4.5	6.4	2.6	4.3

(1) Sources: ABS, Econdata DX, RBA, RBNZ, Stats NZ, NAB Economics
(2) December quarter on December quarter of previous year
(3) As at December quarter
(4) 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 business credit includes credit to Agriculture and is calculated from break adjusted data.

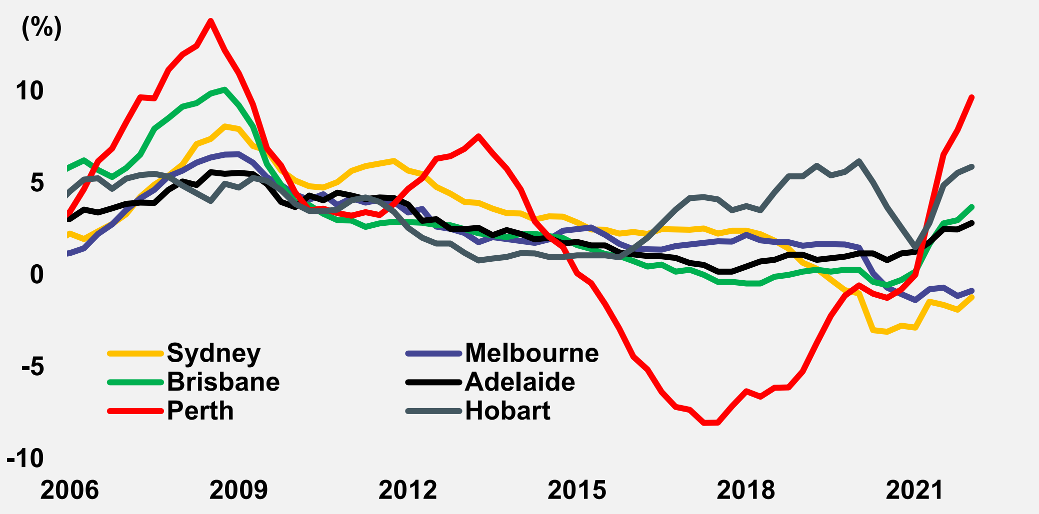
national australia bank

THE HOUSING MARKET HAS BEEN RESILIENT THROUGH THE PANDEMIC

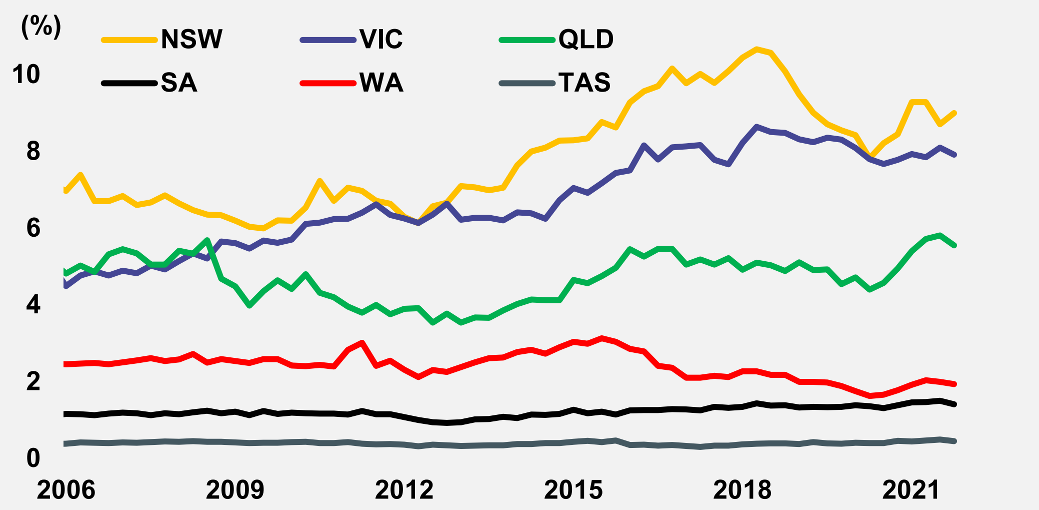
HOUSE PRICE GROWTH HAS DIVERGED ACROSS THE STATES[1]



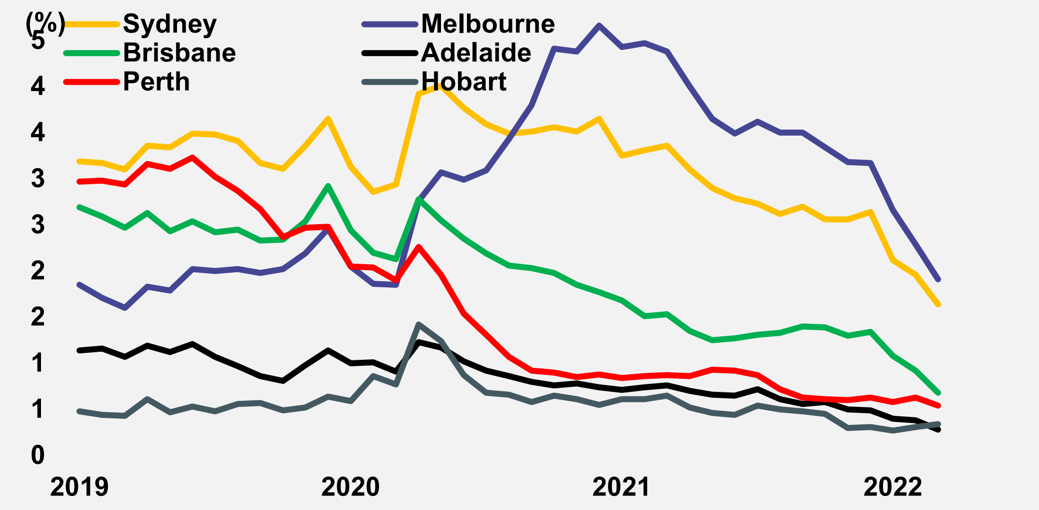
RENTS GROWTH HAS STAYED WEAK IN SYD AND MELB[2]



DWELLING INVESTMENT IS HIGH BUT EASING[3]



VACANCY RATES ARE LOW OR FALLING[4]

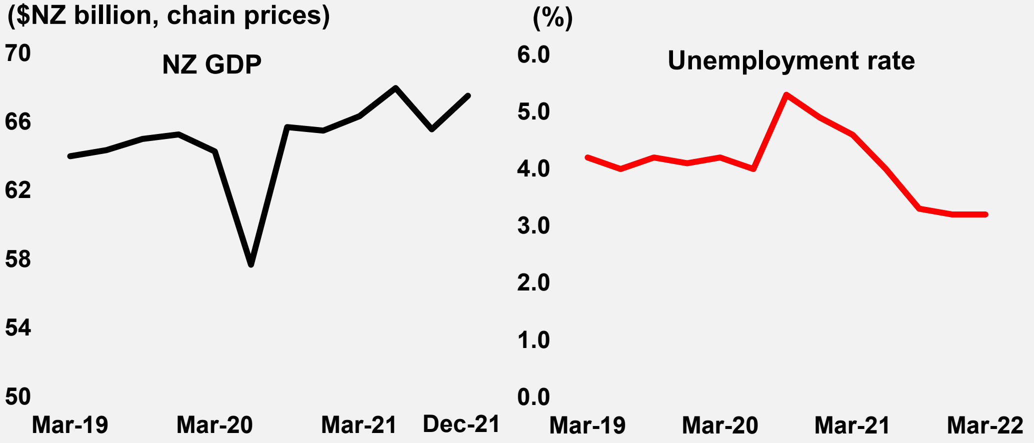


(1) Source: CoreLogic. 6-month-ended-annualised growth. Data to 30 April 2022
(2) Source: ABS, Macrobond. Year-ended growth in CPI rents, data to Q1 2022
(3) Source: ABS, Macrobond. Chain volume measure (reference year 2018-19). Data to Q1 2021
(4) Source: SQM Research, Macrobond. Data to 30 March 2022

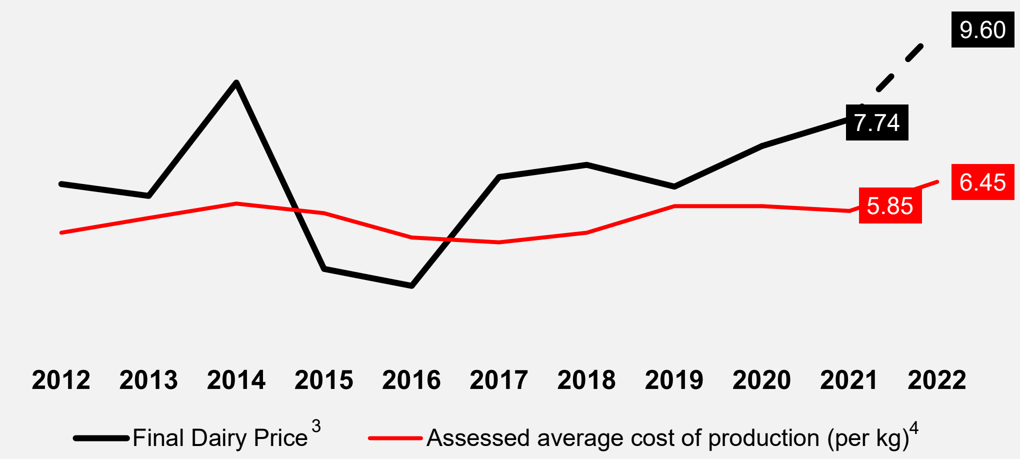
national australia bank

NEW ZEALAND ECONOMY

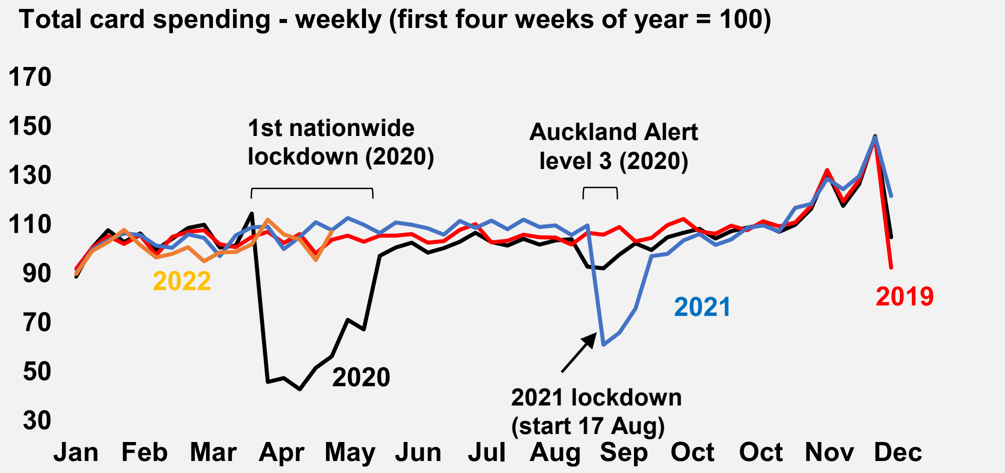
ECONOMY REBOUNDED FROM LOCKDOWN AT THE END OF 2021; UNEMPLOYMENT RATE VERY LOW[1]



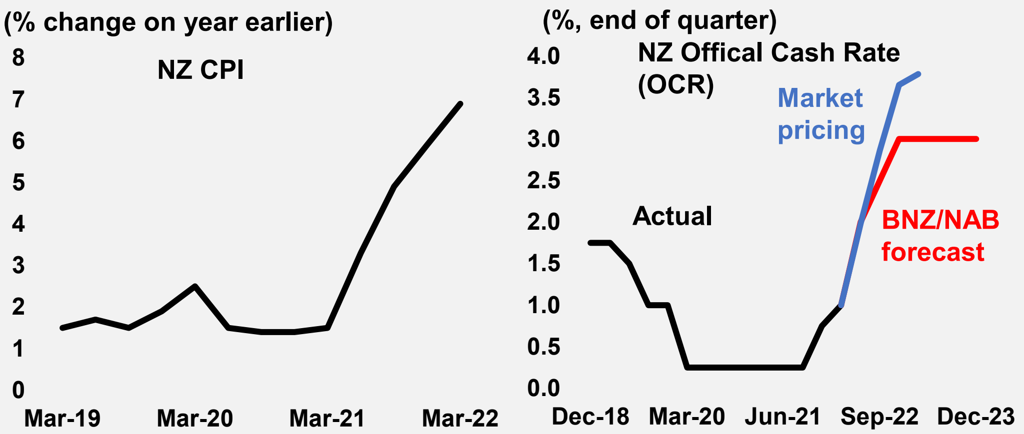
STRONG DAIRY FARM VIABILITY



2022 COVID-19 WAVE A DRAG ON ACTIVITY[2]



WITH INFLATION VERY HIGH, RBNZ HAS INCREASED THE OCR – FURTHER INCREASES EXPECTED[5]

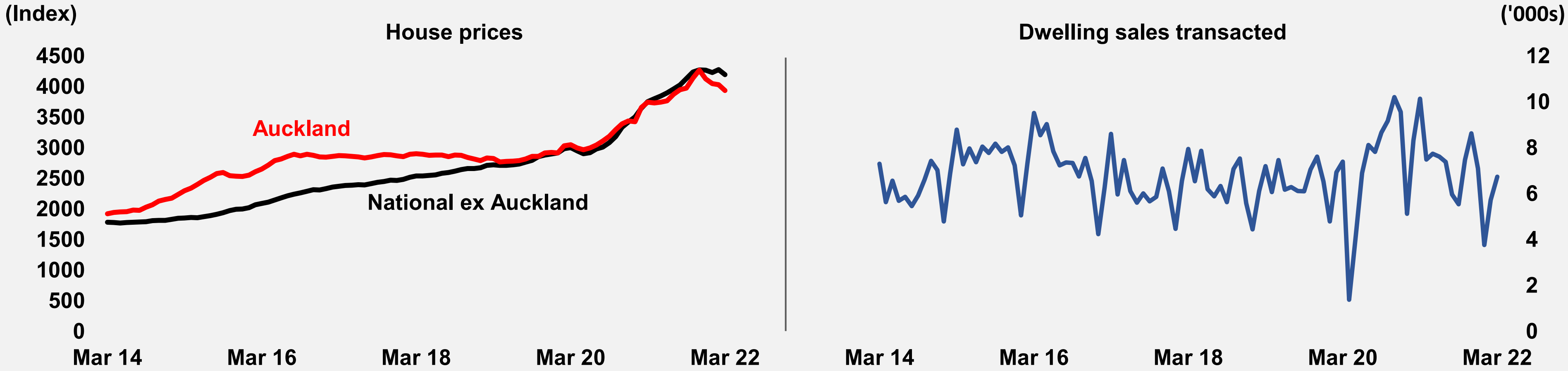


(1) Source: Refinitiv, Statistics NZ
(2) Source: BNZ; weekly card spending by BNZ customers through New Zealand merchants. This includes all credit and debit card transactions plus EFTPOS card transactions. Transactions include spending less any refunds. Spending data has been indexed to 100 in the first four weeks in each series. Dates displayed are for 2022 (2019 begins week ended 8-Jan; 2020 7-Jan,; 2021 5 Jan.; 2022 4-Jan.). Comparisons across years can be affected by holiday timing (e.g. for Easter).
(3) Source: Fonterra (milk price) Mid point forecast for the current year is $9.60, dividend had not been announced yet.
(4) Source: Dairy NZ estimated cost of production
(5) Source: Refinitiv, BNZ, March qtr 2023 pricing based on market pricing for February meeting. Market pricing at noon 2 May 2022.

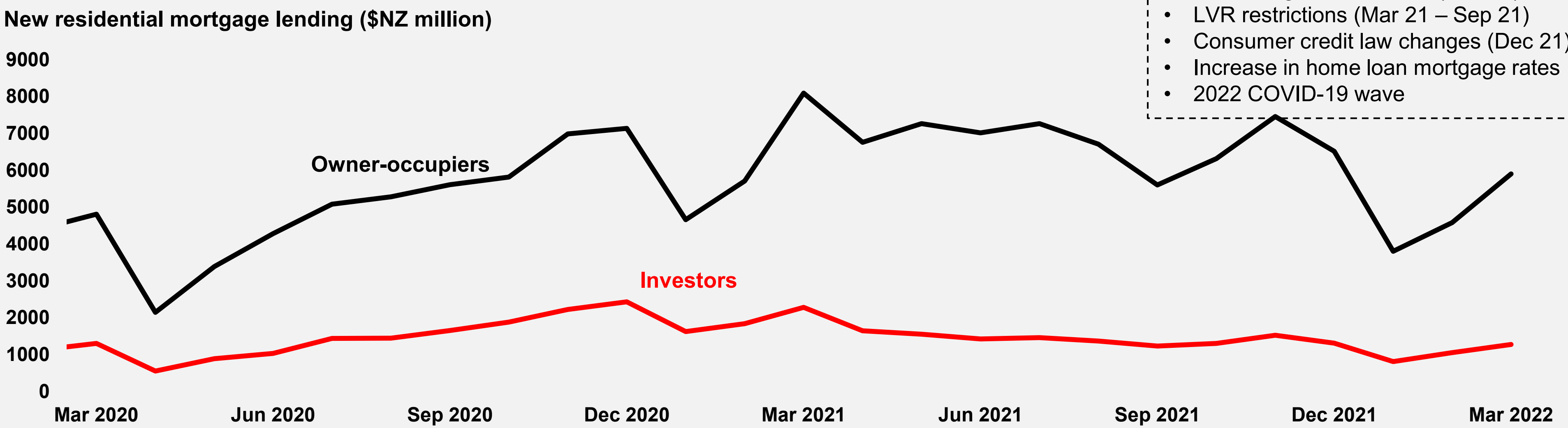
national australia bank

NEW ZEALAND HOUSING

HOUSING MARKET HAS SOFTENED – HOUSE PRICES FLATTENING OUT, AS SALES VOLUMES DOWN[1]



SLOWER PACE OF NEW LENDING DRIVEN BY VARIOUS FACTORS[2]



Various factors impacting the NZ Housing market
- Tax changes announced (Mar 21)
- LVR restrictions (Mar 21 – Sep 21)
- Consumer credit law changes (Dec 21)
- Increase in home loan mortgage rates
- 2022 COVID-19 wave

(1) Source: Macrobond, REINZ
(2) Source: RBNZ

CONTACT DETAILS

For further information please contact:

Tom Wirth

Group Treasurer

Tom.C.Wirth@nab.com.au

+61 438 094 009

Michael Johnson

Executive, Funding & Liquidity

Michael.N.Johnson@nab.com.au

+61 400 621 839

Sarah Stokie

Debt Investor Relations

Sarah.M.Stokie@nab.com.au

+61 477 721 489

Email:

debtinvestorrelations@nab.com.au

national australia bank

DISCLAIMER

THIS PRESENTATION DOES NOT CONSTITUTE AN OFFER TO SELL, OR THE SOLICITATION OF AN OFFER TO BUY, ANY SECURITIES IN THE UNITED STATES OR TO ANY "U.S. PERSON" (AS DEFINED IN REGULATION S UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE U.S. SECURITIES ACT)) AND MAY NOT BE DISTRIBUTED OR RELEASED, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES. ANY SECURITIES OR BORROWING PROGRAMMES DESCRIBED IN THIS PRESENTATION HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT AND MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY U.S. PERSONS UNLESS REGISTERED UNDER THE U.S. SECURITIES ACT OR OFFERED AND SOLD PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS.

The material in this presentation is general background information about the NAB Group current at the date of the presentation on 5 May 2022. The information is given in summary form and does not purport to be complete. 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 does not constitute or form part of and should not be construed as, an offer or invitation for the sale or purchase of any securities in any jurisdiction.

The presentation is for distribution only to persons who are not a "retail client" within the meaning of section 761G of the Corporations Act 2001 of Australia and are also sophisticated investors, professional investors or other investors in respect of whom disclosure is not required under Part 6D.2 or Chapter 7 of the Corporations Act 2001 of Australia and, in all cases, in such circumstances as may be permitted by applicable law in any jurisdiction in which an investor may be located. Each person receiving this presentation confirms that they are a person who is entitled to do so under all applicable laws, regulations and directives in all applicable jurisdictions.

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", "goal", "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.

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) a significant change in the Group's financial performance or operating environment; a material change to law or regulation or changes to regulatory policy or interpretation; and risks and uncertainties associated with the ongoing impacts of the COVID-19 pandemic, the conflict between Russia and the Ukraine, and 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 5 May 2022 and Annual Financial Report for the 2021 financial year, which is available at www.nab.com.au.

Certain information in this presentation has been sourced from third parties. NAB takes no responsibility for the accuracy or completeness of such information. Neither NAB nor any entity in the Group (including, without limitation, each of their respective affiliates, shareholders, directors, officers, partners, employees, advisers and agents and any other person involved in the preparation of the presentation) accept any liability whatsoever for any direct, indirect or consequential damages for losses arising from any use or reliance on anything contained in, or omitted from, this presentation. Neither NAB nor any entity in the Group accepts any responsibility or obligation to inform you of any matter arising or coming to their notice, after the date of the presentation or this document, which may affect any matter referred to herein.

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. The definition of cash earnings is set out on page 4 of the 2022 Half Year Results, and 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 pages 91– 93 of the same document. 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 2022 Half Year Results.

The information contained in this presentation does not constitute or form part of any (i) offer or invitation or inducement to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities in any member of the NAB Group or any other securities or (ii) invitation or inducement to engage in investment activity within the meaning of Section 21 of the United Kingdom Financial Services and Markets Act 2000, as amended, nor shall any part of this presentation nor the fact of its distribution form part of or be relied on in connection with any contract or investment decision relating thereto, nor does it constitute a recommendation regarding the securities of any member of the NAB Group. The presentation is not being distributed to and must not be passed on to the general public in the UK. In the UK, the presentation is for distribution only to (i) persons who have professional experience in matters relating to investments who fall within Article 19(5) of the UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Order"); (ii) high net worth entities and other persons falling within Article 49(2)(a) to (d) of the Order; or (iii) other persons to whom it may otherwise lawfully be communicated in accordance with the Order.

This presentation does not comprise a prospectus for the purposes of Regulation (EU) 2017/1129 (the "EU Prospectus Regulation") or Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "UK Prospectus Regulation"). In respect of any offering of securities, a prospectus will be made available in accordance with the EU Prospectus Regulation and may be obtained in accordance with the EU Prospectus Regulation. Investors should not subscribe for any securities except on the basis of information contained in the prospectus.

This presentation may only be distributed in the European Economic Area or the UK to persons who are "qualified investors" as defined in the EU Prospectus Regulation or the UK Prospectus Regulation, as the case may be. The information contained in this presentation is given in confidence and you should not engage in any behaviour which would or might amount to market abuse for the purposes of the Market Abuse Regulation ((EU) 596/2014), including as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018.

All amounts are in Australian Dollars unless otherwise stated.

national
australia
bank