NAB DEBT INVESTOR PRESENTATION

May 2021

KEY MESSAGES

Financial results reflect improving economy

Risks remain – strength and stability continue to be a priority

Executing our strategy with discipline and focus

Building momentum, with more to do

Well positioned to support a business-led recovery

SOUND FINANCIAL RESULTS

METRIC	1H21	2H20	1H21 V 2H20
Statutory net profit ($m)	3,208	1,246	Large
CONTINUING OPERATIONS (EX LARGE NOTABLE ITEMS[1])			
Cash earnings[2] ($m)	3,343	2,258	48.1%
Underlying profit ($m)	4,576	4,952	(7.6%)
Cash ROE	11.1%	7.7%	3.4%
Diluted Cash EPS (cents)	96.9	67.3	44.0%
Dividend (cents)	60	30	100%
Cash payout ratio[3]	59.1%	42.7%	16.4%

(1) For a full breakdown of large notable items in 2H20 refer to Section 4, Note 3 of the 2021 Half Year Results Announcement. No large notable items in 1H21
(2) Refer to page 114 for definition of cash earnings and reconciliation to statutory net profit
(3) Based on basic cash EPS

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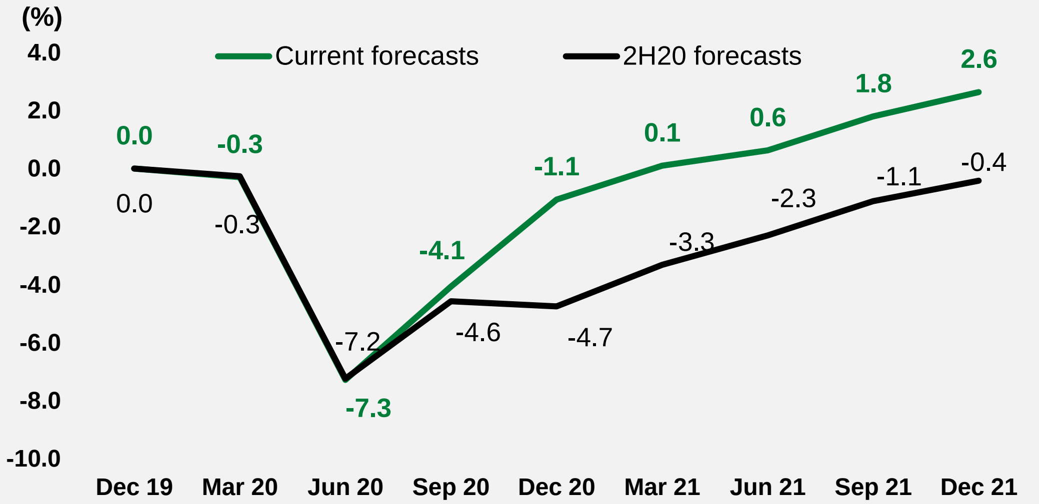
ECONOMY IMPROVING BUT RISKS REMAIN

KEY CONSIDERATIONS

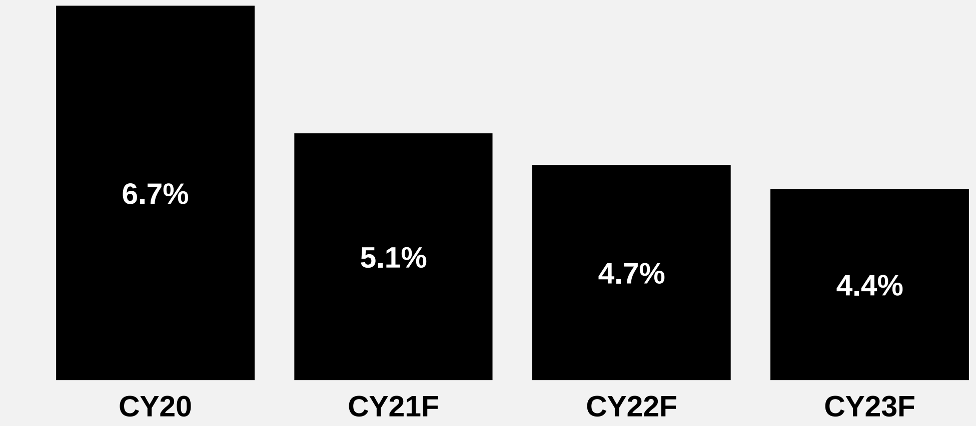
- Strong economic recovery forecast to continue in 2021 – GDP growth[1] of 3.7% and unemployment[1] to reduce to 5.1%
- Record high business conditions driven by substantial improvement across all leading indicators[2]
- Customers generally have shown high degree of resilience
- However some customers continue to be impacted by COVID-19 related restrictions or changes in consumer behaviour and face a more uncertain recovery

GDP BACK TO PRE-COVID LEVELS AND EXPECTED TO IMPROVE[3]



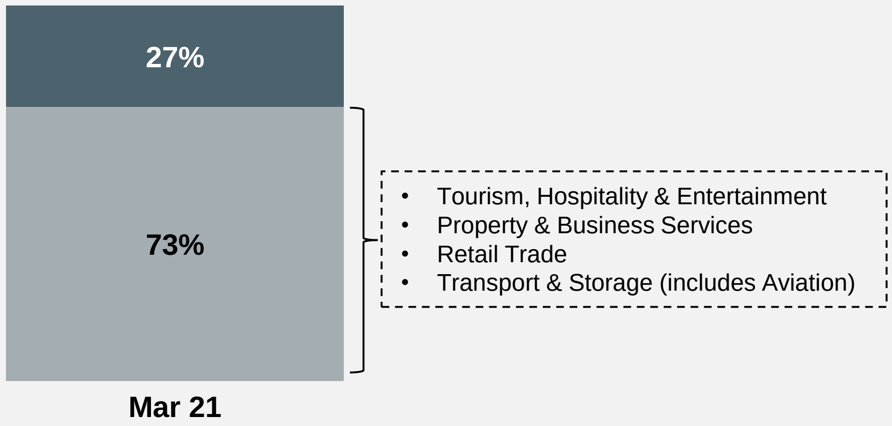
UNEMPLOYMENT TO TREND LOWER

(%) Unemployment rate[1]



SOME SECTORS REMAIN HEAVILY IMPACTED BY COVID-19

Australian non-retail categorised assets[4]



(1) NAB economic forecasts for the period to December
(2) NAB Business Survey March 2021
(3) Source: ABS, NAB. Percentage deviation from December 2019 level
(4) Includes: Watch, 90+ DPD and Impaired Loans

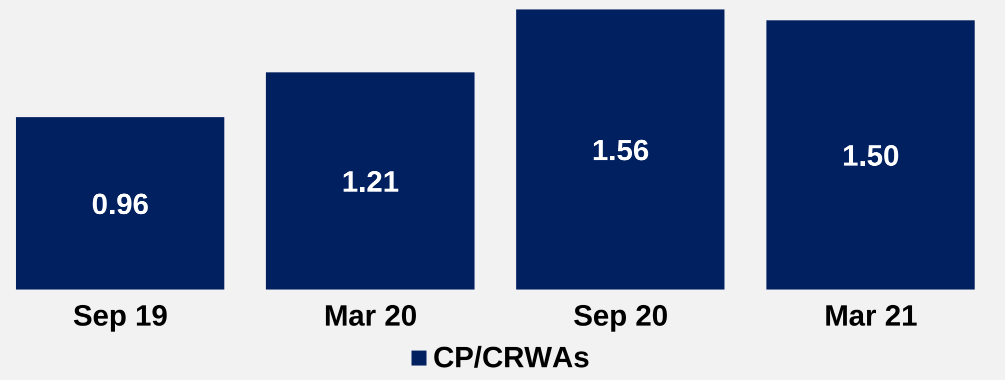
BALANCE SHEET STRENGTH REMAINS A KEY PRIORITY

COMMENTS

- Balance sheet strength and supporting customers are key strategic priorities
- Expect to reset capital and dividends for more normal operating environment as greater clarity over recovery emerges
- Revised settings will reflect a balance between:
    - retaining a strong balance sheet through the cycle;
    - supporting growth; and
    - recognising importance of capital discipline to shareholder returns
- CET1 to be managed towards target range of 10.75-11.25%
- Bias to reducing share count to drive sustainable ROE benefits
- Future dividends to be guided by a payout ratio range of 65-75% of cash earnings, subject to Board determination based on circumstances at the relevant time
- DRP for 1H21 dividend to be neutralised

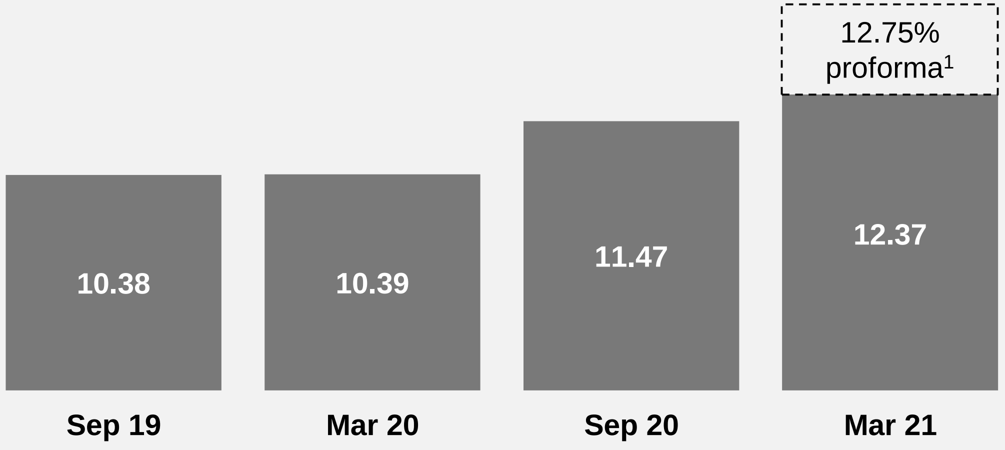
COLLECTIVE PROVISION COVERAGE

(%)



CET1 RATIO

(%)



(1) Adjusted for estimated impacts from agreed sale of MLC Wealth (~35bps) and BNZ Life (~7bps) less acquisition of 86 400 (~4bps). Sale of MLC Wealth and acquisition of 86 400 expected to complete in 2H21, and sale of BNZ Life expected to complete in 1H22, in each case subject to relevant approvals. Final capital impact will be determined following completion

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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

SUCCESSFUL EXECUTION OF OUR STRATEGY WILL DELIVER RESULTS

KEY MEASURES OF SUCCESS	OUR AMBITION OVER FY23-25
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 – target lower absolute costs[2] (relative to FY20 cost base of $7.7bn)
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
(2) Excluding large notable items

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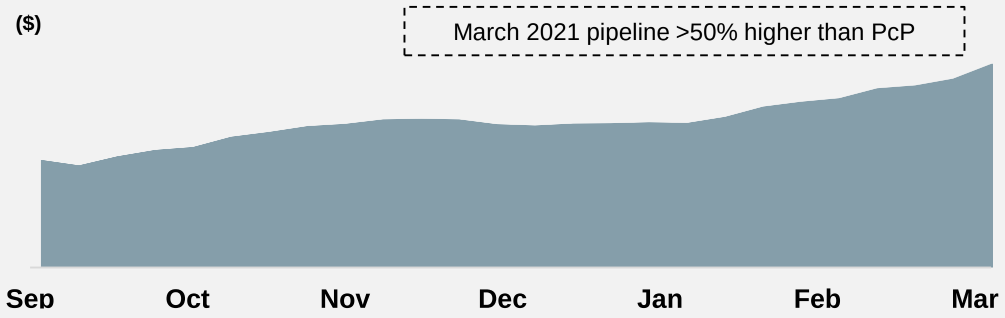
REINVIGORATING OUR LEADING BUSINESS & PRIVATE BANKING FRANCHISE

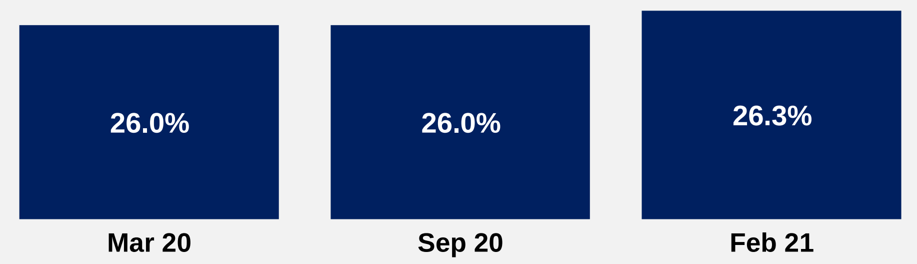
BUILDING MOMENTUM IN AN IMPROVING ENVIRONMENT

- Improving economic environment, strong business confidence and conditions, and elevated capacity utilisation
- New leadership with heightened focus on performance disciplines
- Addition of ~490 new roles in B&PB, against a target of ~550 in FY21
- Continuing to progress simplification, automation and digitisation

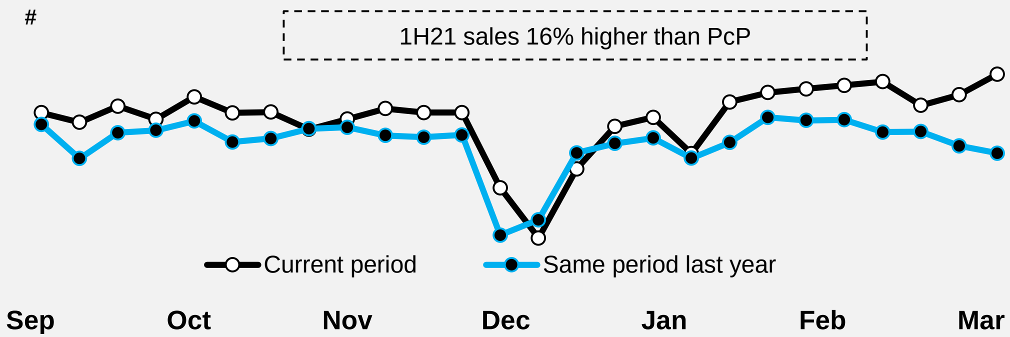
Business and home lending pipeline[1]



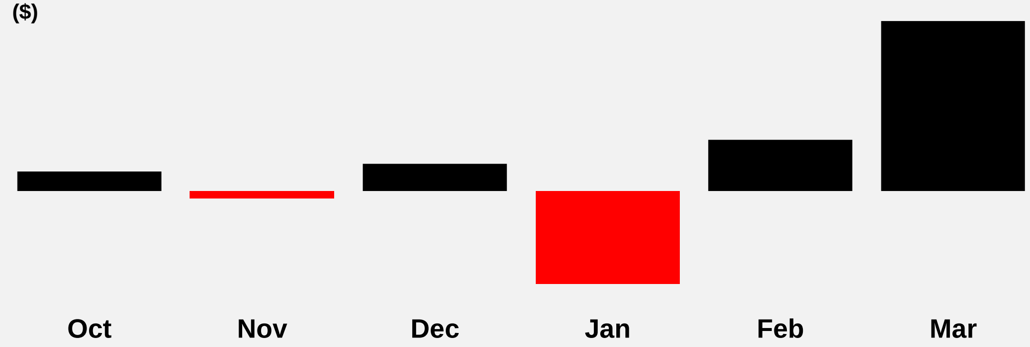
RBA SME Business Lending Market Share



Business transaction account sales[2]



Business lending growth – monthly change



(1) Pipeline refers to value of applications, approvals and acceptances. Based on unaudited management information
(2) Weekly count of new Business Everyday Accounts

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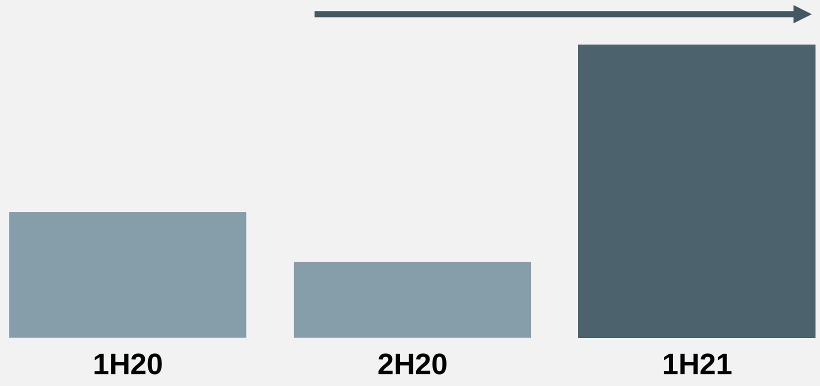
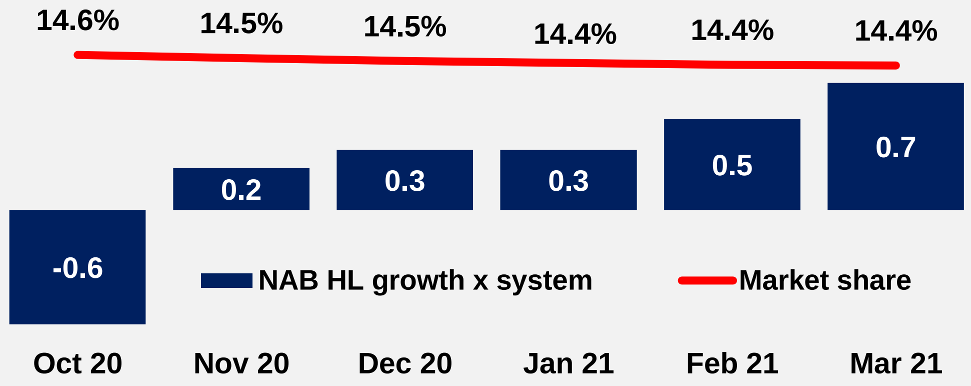
BUILDING MOMENTUM IN PERSONAL BANKING

HOME LOAN APPLICATIONS UP AND GROWTH CLOSER TO SYSTEM

Applications up ~45%

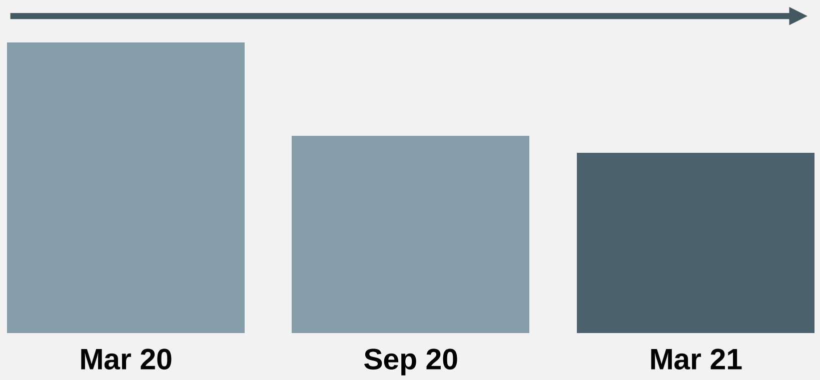


System growth multiple improving and market share stabilising



TURNAROUND TIMES IMPROVING

'Time to yes'[1] improved ~30%



SUPPORTED BY SIMPLE HOME LOANS

- A digital home loan application tool simplifying the application experience for bankers and customers
- ~60% of proprietary applications currently eligible
- Continue to expand eligible customers and progressively rollout to B&PB and Broker in 2H21

'Time to Yes' for applications through Simple Home Loans

~50%
In <1 day

(1) Monthly median days to unconditional approval measured from time of a customer's application

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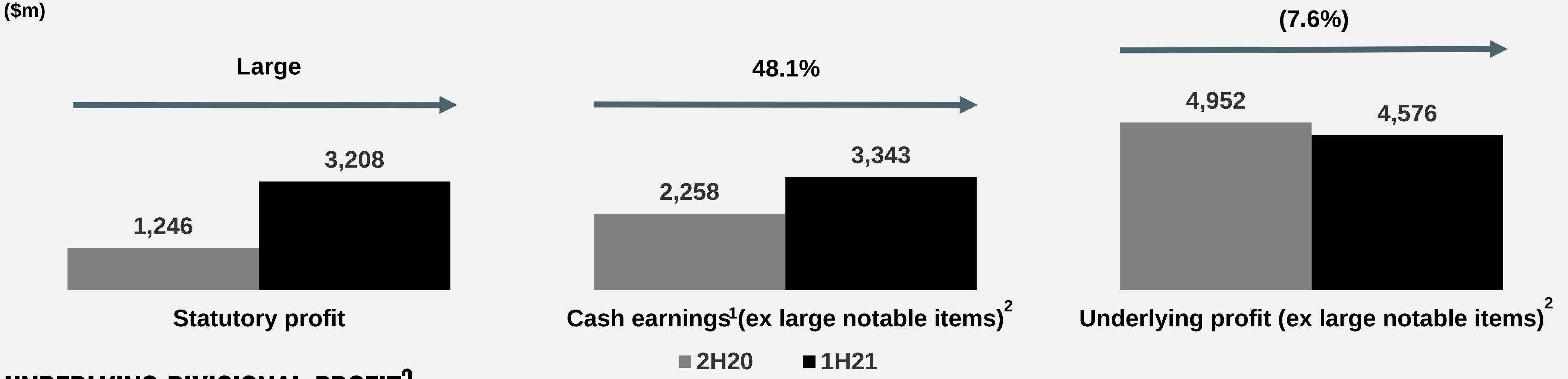
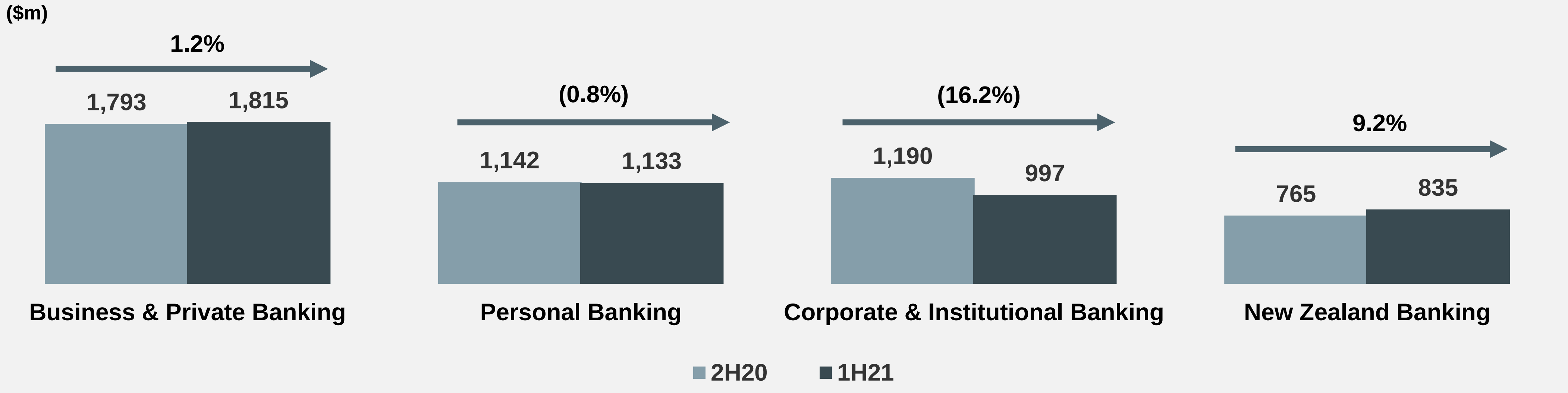
1H21 FINANCIALS

GROUP AND DIVISIONAL PERFORMANCES

GROUP EARNINGS



UNDERLYING DIVISIONAL PROFIT[3]

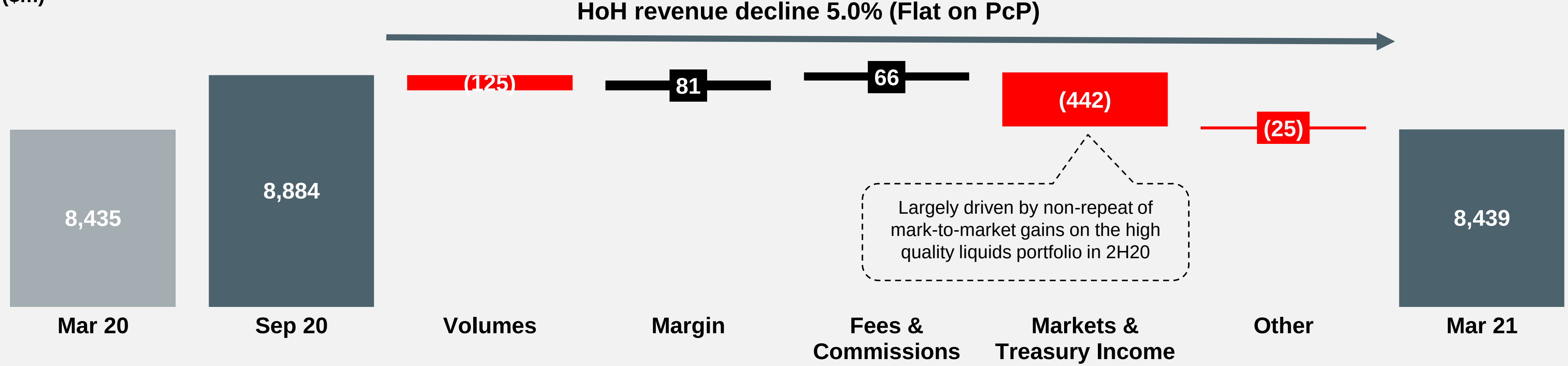


(1) Refer to page 114 for definition of cash earnings and reconciliation to statutory profit
(2) Refers to large notable items in 2H20. No notable items in 1H21
(3) Results in local currency

REVENUE STABLE EX MARKETS & TREASURY

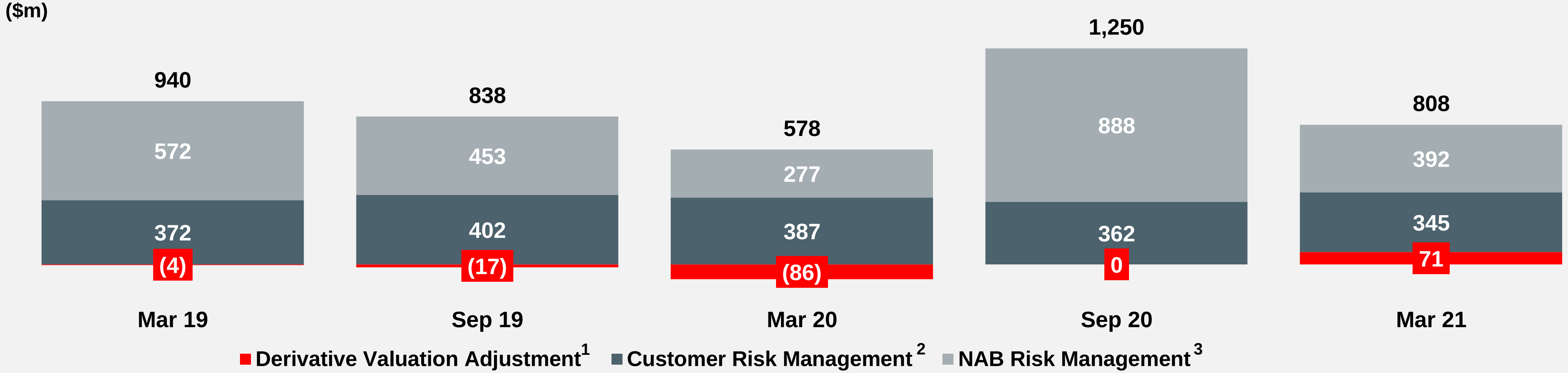
NET OPERATING INCOME (EX LARGE NOTABLE ITEMS)

($m)



GROUP MARKETS & TREASURY INCOME

($m)



(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

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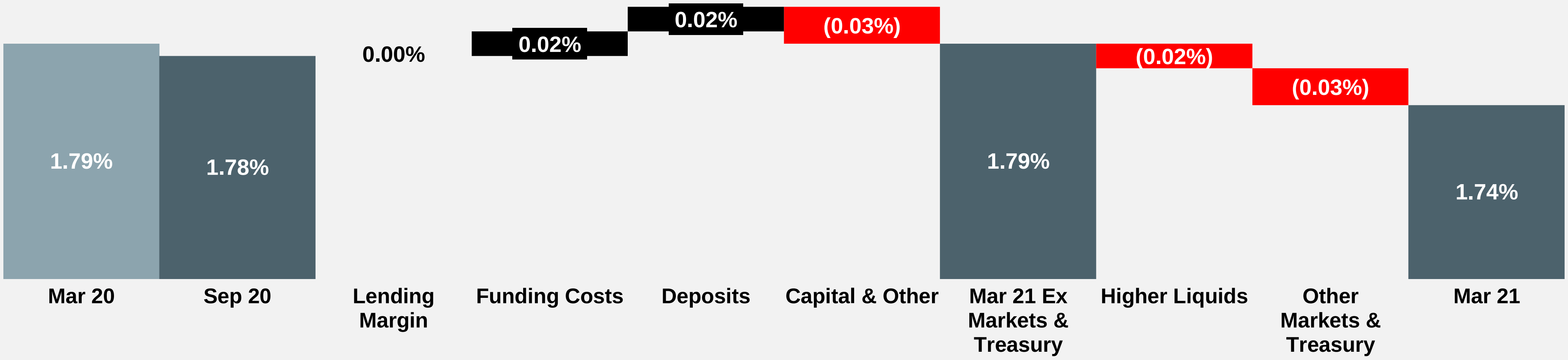
NET INTEREST MARGIN BENEFITING FROM LOWER FUNDING COSTS

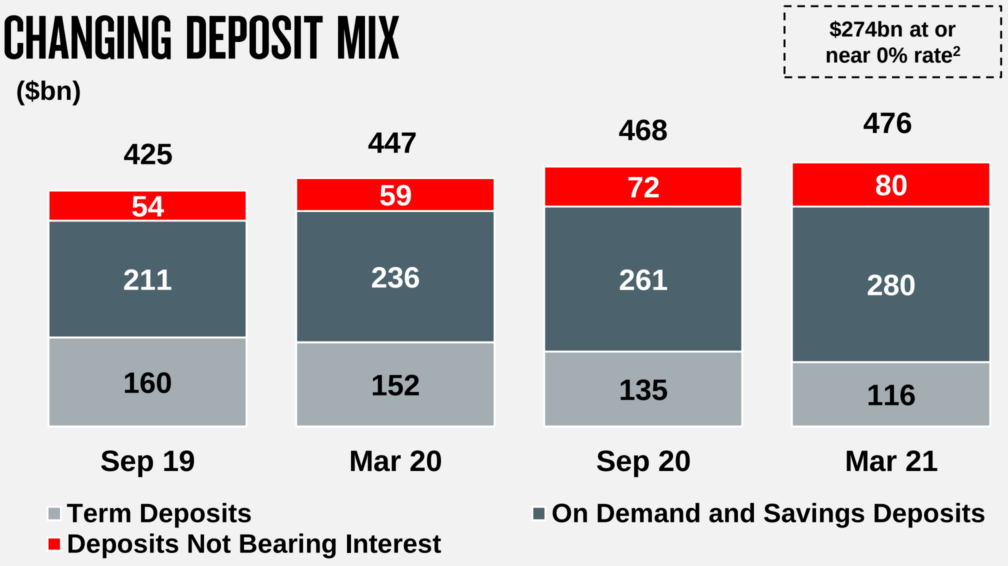
NET INTEREST MARGIN (EX LARGE NOTABLE ITEMS)



KEY CONSIDERATIONS

- 2H21 NIM drag from low rate environment expected to be ~3bps[1] but impact to moderate into FY22
- Competitive pressures and housing lending product mix expected to remain as headwinds, along with higher liquids
- Lower funding costs and deposit mix expected to remain a modest tailwind in 2H21
- $98bn replicating portfolio comprises $41bn of capital (2 year avg investment term) and $57bn of deposits (5 year avg investment term)

CHANGING DEPOSIT MIX



(1) Estimated impact of previously announced RBA and RBNZ cash rate cuts on Group NIM, including the deposits impact, lower expected replicating portfolio benefits, and impact of announced repricing. Excludes the impact of any future cash rate movements. 2H21 impact consistent with expected FY21 impact of ~6bps
(2) Includes $235bn in Australian customer deposits at or near 0% rate and NZ$42.5bn in New Zealand deposits at or near 0% rate

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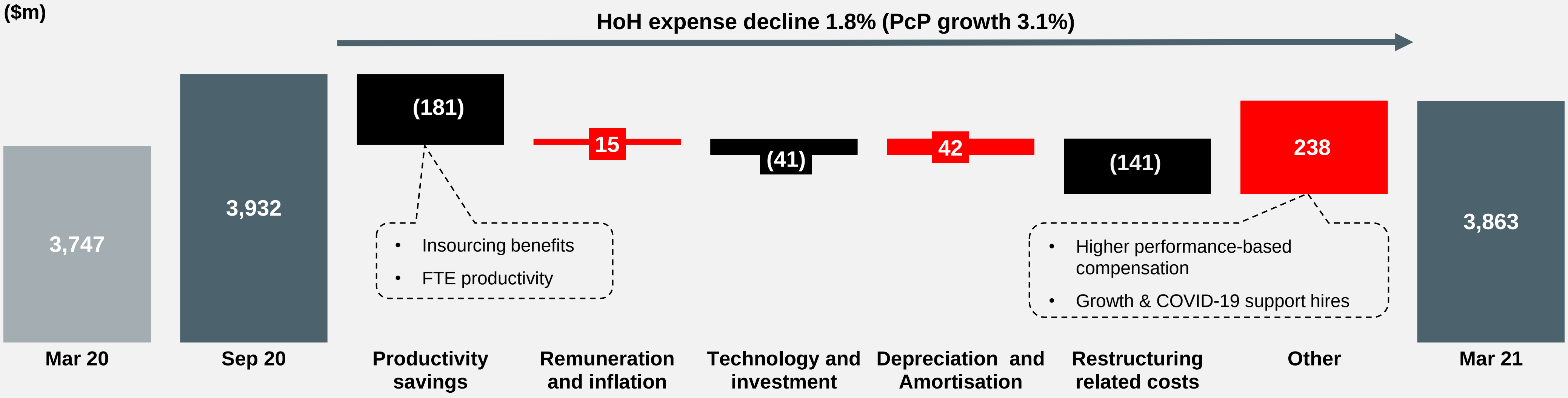
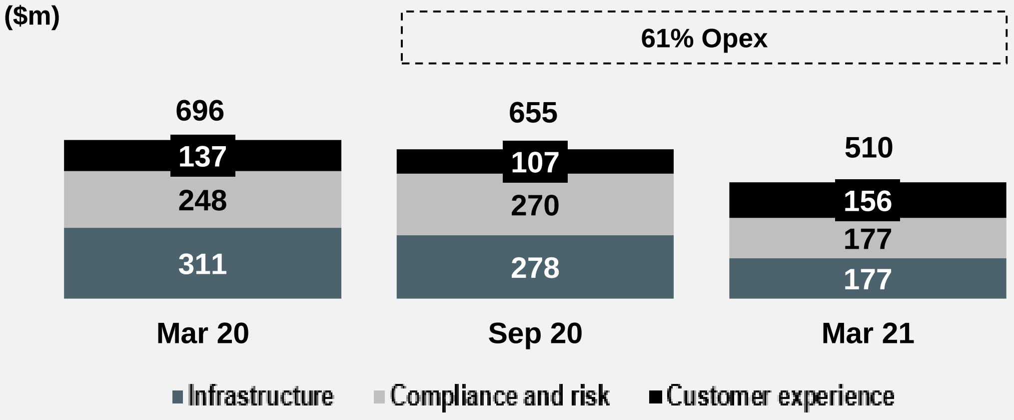
LOWER OPERATING EXPENSES AND INVESTMENT SPEND

OPERATING EXPENSES (EX LARGE NOTABLE ITEMS)



INVESTMENT SPEND



COMMENTS

- HoH expense decline compared to PcP increase primarily reflects non-repeat of restructuring related costs in 2H20
- Investment spend expected to increase in 2H21 to ~$700-750m. Relative to FY20, the mix of spend is shifting from Infrastructure and Compliance & Risk towards Customer Experience
- Re-affirming 0-2% cost growth guidance for FY21

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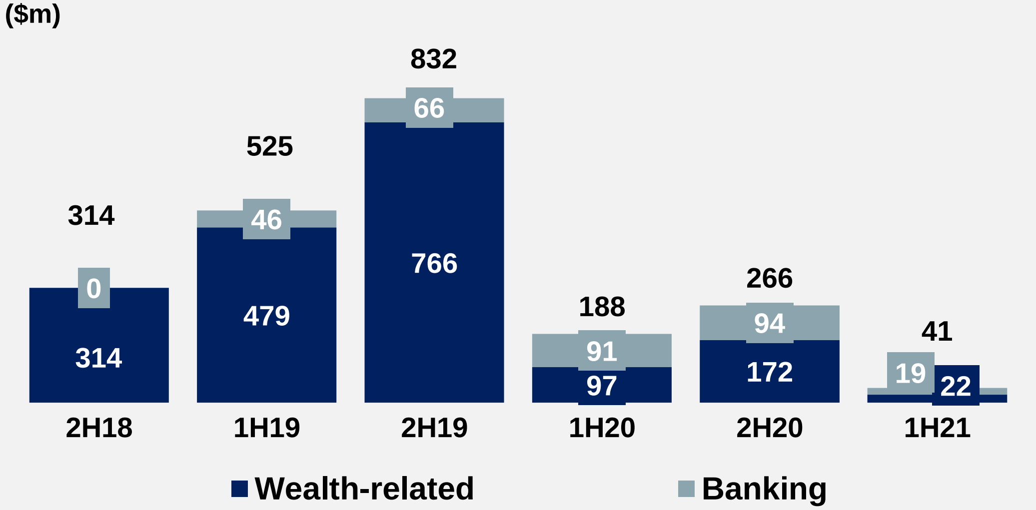
REMEDIATION WORK PROGRESSING

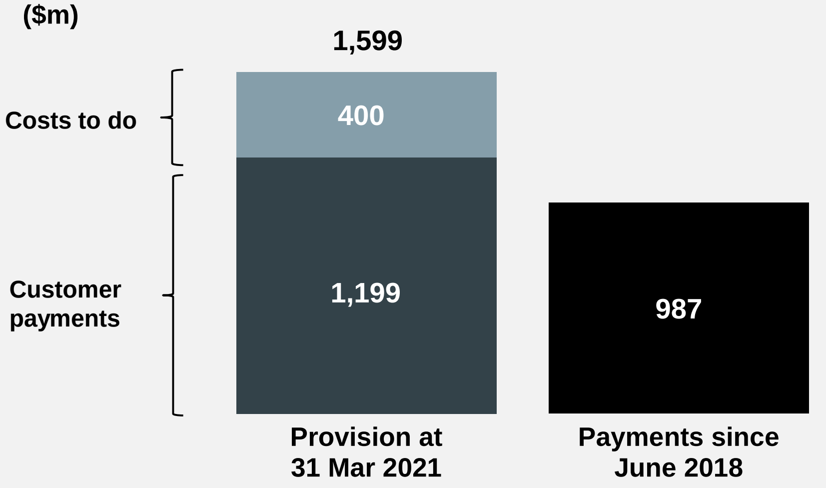
CUSTOMER-RELATED REMEDIATION PROVISION CHARGES[1]



PAYROLL REMEDIATION

- Extensive review into payments to both current and former Australian colleagues
- Range of potential payroll under and over payment issues; remediating under payments dating back to 1 October 2012
- $40m has been paid
- Additional 1H21 provision charge of $51m before tax ($36m after tax) including $25m before tax ($18m after tax) in Discontinued Operations

CUSTOMER-RELATED REMEDIATION PROVISIONING AND UTILISATION



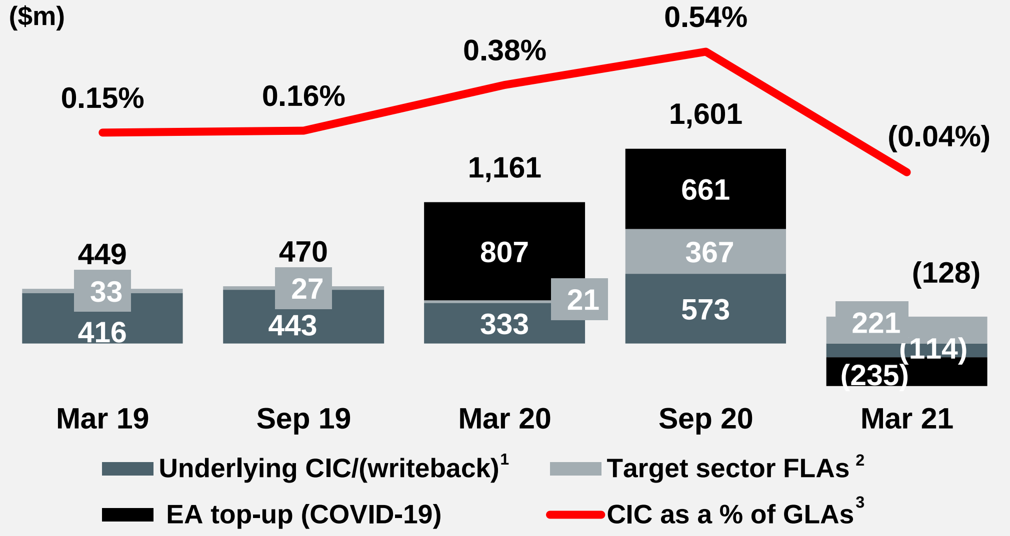
- >1,300 colleagues dedicated to remediation activities across NAB and MLC Wealth
- More than one million payments made to customers since June 2018 at a total value of $987m – up 38% from FY20
- Commenced accelerated payments to customers for advice partnership fee for no service program

(1) Charges are post-tax and include amounts taken through discontinued operations. As part of the sale of MLC Wealth to IOOF Holdings Ltd (IOOF), NAB has agreed to retain all customer-related remediation liabilities associated with the conduct of the Wealth Advice business pre-completion

ASSET QUALITY

CREDIT IMPAIRMENT WRITEBACK, PROVISIONS MODESTLY LOWER

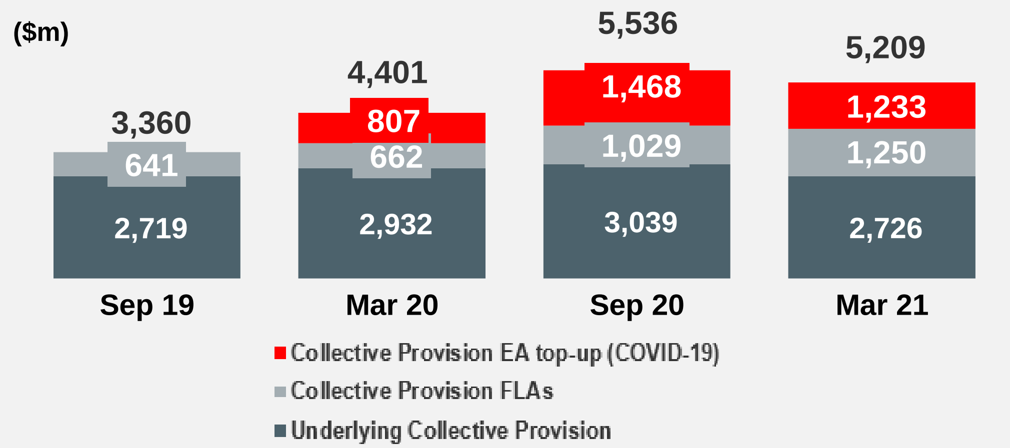
CREDIT IMPAIRMENT CHARGE (CIC)



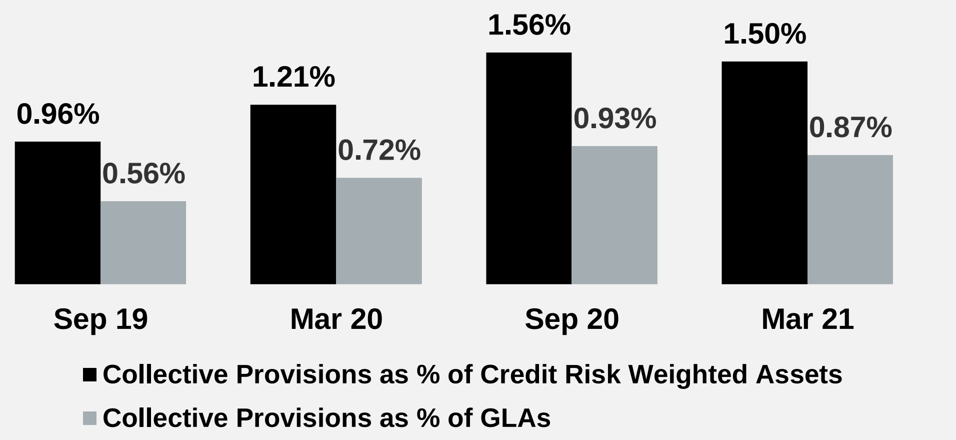
KEY CONSIDERATIONS 1H21

- Underlying CIC writeback of $114m, including a low level of individual impairments and improved delinquencies for the unsecured retail portfolio
- Release of Economic Adjustment (EA) of $235m reflecting improved economic outlook
- Net increase in target sector forward looking adjustments (FLAs) of $221m mostly reflecting aviation and mortgages

COLLECTIVE PROVISION BALANCES



COLLECTIVE PROVISION COVERAGE



(1) Represents total credit impairment charge less EA top-up and FLAs increase
(2) Represents collective provision FLAs for targeted sectors
(3) Half year annualised

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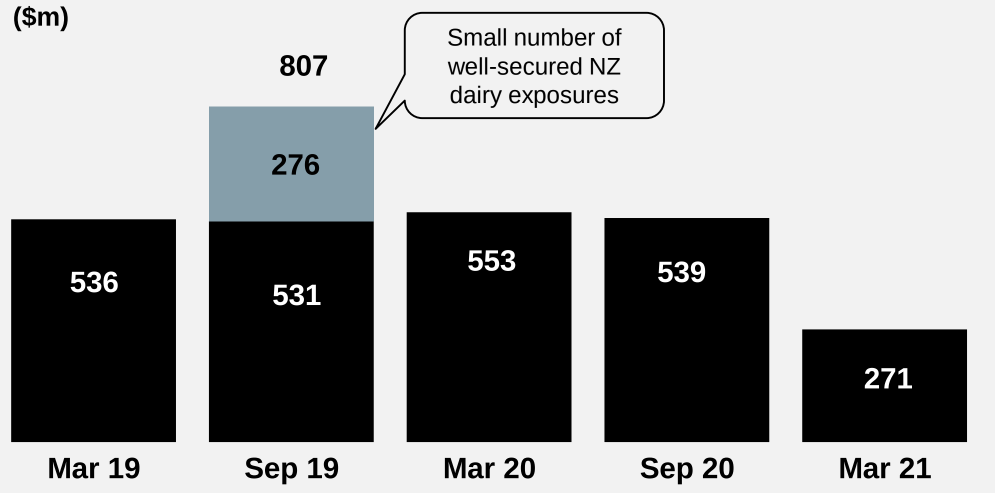
ASSET QUALITY

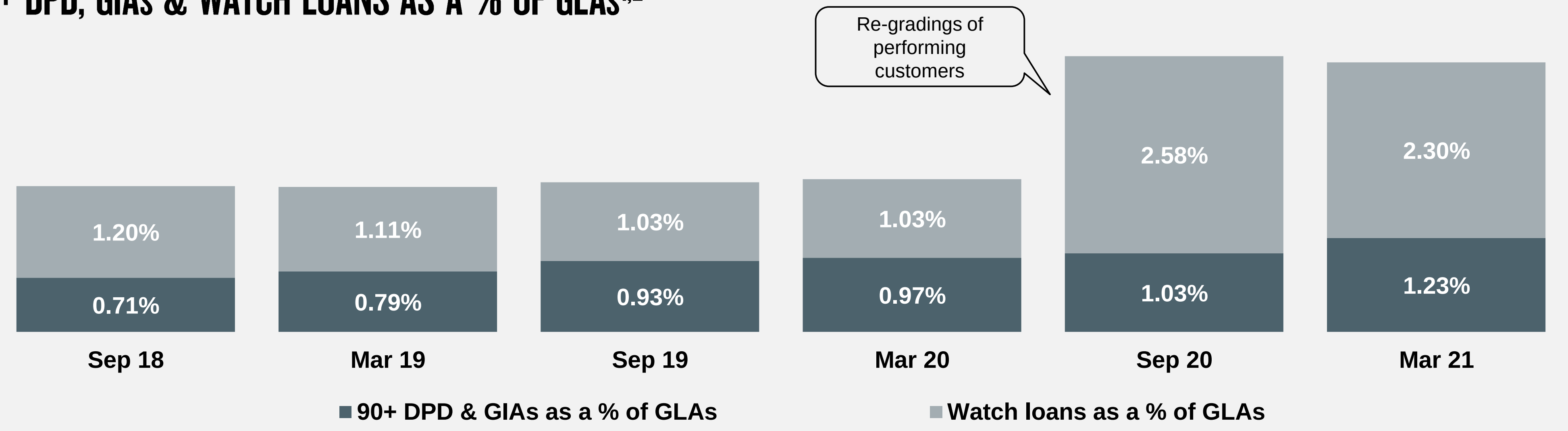
KEY CONSIDERATIONS

- 90+ DPD & GIA ratio uplift mainly due to missed payments for a portion of the cohort of Australian home loan customers exiting deferrals
- Modest reduction in Watch loans post Sep 20 mainly reflects reassessment of deferral customers previously classified as Watch and FX impacts
- New impaired assets lower due to a lower level of single larger name impairments during 1H21

NEW IMPAIRED ASSETS



90+ DPD, GIAs & WATCH LOANS AS A % OF GLAs[1,2]



(1) Referral to Watch generally triggered by banker annual reviews through the year or as a result of performing customers experiencing cashflow pressures
(2) Eligible deferral customers treated in accordance with APRA guidance, with arrears profile frozen for period of deferral (up to 31 March 2021)

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COVID-19 NON-RETAIL SECTORS OF INTEREST DETERIORATING

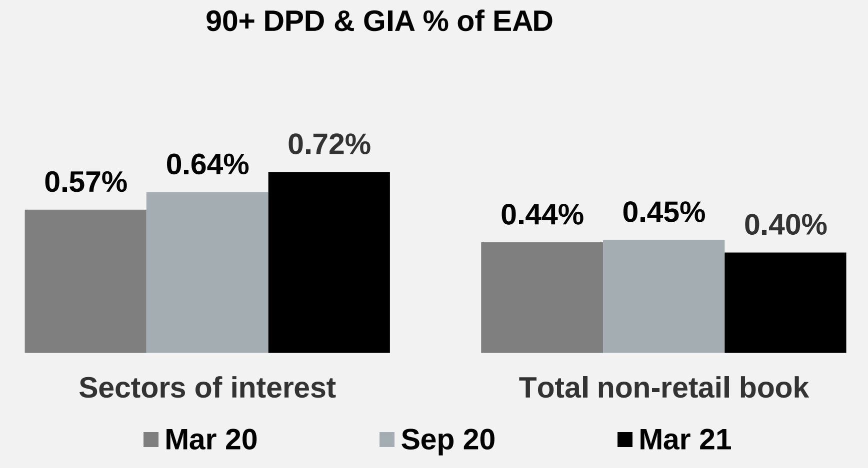
KEY CONSIDERATIONS

- Continued close monitoring of exposures to sectors significantly impacted by COVID-19
- Sectors of interest have experienced asset quality deterioration, against improved asset quality for the total non-retail book
- EAD broadly stable vs 2H20
- Additional FLAs vs 2H20 reflect incremental forward looking stress beyond that captured for total portfolio in EA top-up based on granular, bottom-up analysis

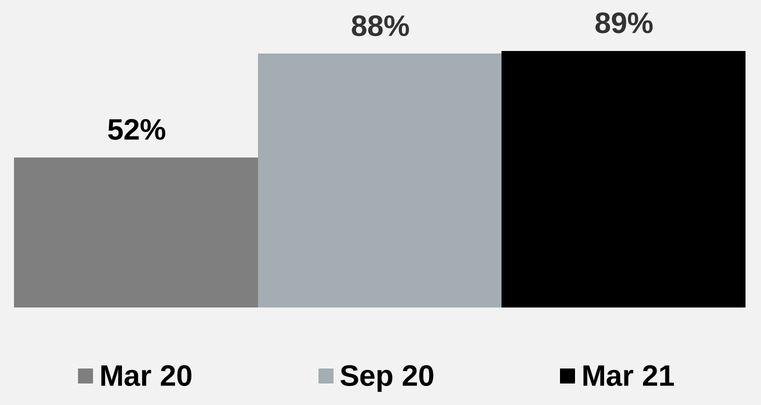
SECTORS OF INTEREST – KEY METRICS SUMMARY

	EAD $bn		% of 90+ DPD and GIA to EAD	
	Sep 20	Mar 21	Sep 20	Mar 21
Retail Trade	**14.5**	**14.5**	**1.58**	**1.71**
Tourism, Hospitality & Entertainment[1]	**14.1**	**13.5**	**1.07**	**1.23**
Air travel and related services	**11.3**	**10.1**	**0.43**	**0.77**
Office, retail tourism and leisure CRE[2]	**41.9**	**41.6**	**0.22**	**0.21**
Total non-retail sectors of interest	**81.8**	**79.7**	**0.64**	**0.72**

SECTORS OF INTEREST VS TOTAL NON-RETAIL BOOK



SECTORS OF INTEREST FLAs % OF TOTAL NON-RETAIL FLAs[3]

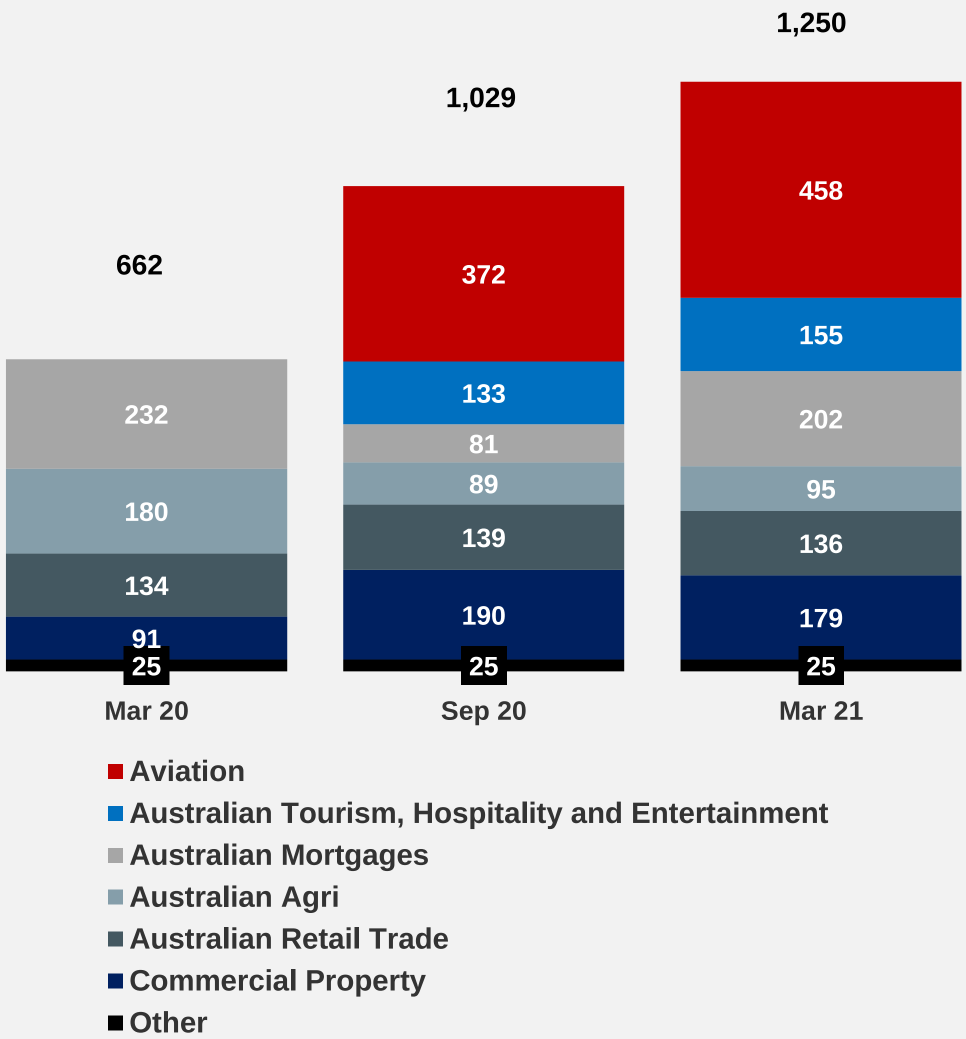


(1) Tourism, hospitality and entertainment include regulatory industry classification of accommodation and hospitality, plus cultural and recreational services
(2) CRE EAD figures are limits based on ARF230 and the FLAs relate to the whole CRE portfolio with Office, Retail, Tourism and Leisure CRE most impacted by COVID-19 stress
(3) Refer page 79 for a breakdown of target sector FLAs

TARGET SECTOR FLAs STRENGTHENED

COLLECTIVE PROVISION TARGET SECTOR FLAs

($m)



KEY COMMENTS

- Additional FLAs vs 2H20 reflect incremental forward looking stress beyond that captured for total portfolio in EA top-up based on granular, bottom-up analysis
- Top-up to aviation FLA reflects slower recovery profile than previously assumed given continued international border closures
- Top-up to Australian High Risk Mortgage FLA, reflecting emerging stress on a cohort of expired deferral customers and the potential impacts from the removal of government support measures
- Movement in other FLAs reflects refresh of underlying inputs

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ECL ASSESSMENT

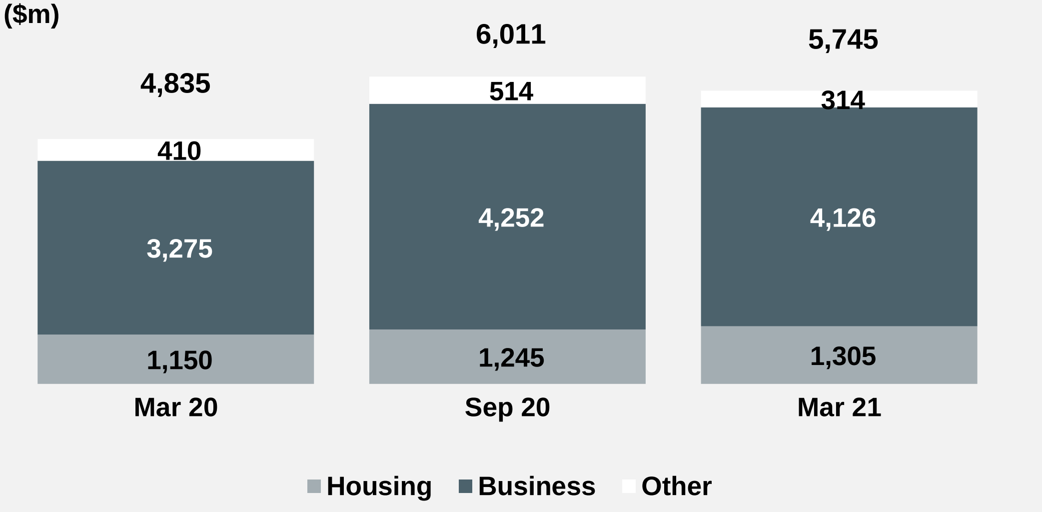
ECL SCENARIOS

	Total Provisions for ECL[1,2]		
$m	1H21 (probability weighted)	100% Base case	100% Downside
Total Group	5,745	4,904	7,330
Change vs Sep 20	**(266)**	**(707)**	**(444)**

KEY CONSIDERATIONS

- Modest underlying CP release reflecting improved environment and customer positions
- Modest EA release reflecting upgraded economic assumptions partly offset by changes to scenario weightings including reduced upside weighting (15% to 5%) with base case now capturing part of previously assumed upside
- Detailed analysis of exposures most at risk driving higher target sector FLAs
- Limited change in exposures (total and mix)

TOTAL PROVISIONS FOR EXPECTED CREDIT LOSSES[1]



ECONOMIC ASSUMPTIONS

Economic assumptions considered in deriving ECL scenarios as at Mar 21						
	Base case			Downside		
%	2021	2022	2023	2021	2022	2023
GDP change (Year ended September)	5.3	2.6	2.5	(0.1)	(4.7)	2.8
Unemployment (as at 30 September)	6.2	5.5	5.0	7.5	9.5	9.0
House price change (Year ended September)	7.7	6.5	3.5	(5.7)	(9.6)	(5.4)

(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

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SOME DEFERRAL CUSTOMERS EXPERIENCING STRESS

HOME LOAN CUSTOMERS EXITED DEFERRALS[1]

- ~$4.9bn (~10% of total deferral balances) of exited deferral customers are behind on repayments and being managed on a case-by-case basis in NAB Assist
- Of the ~$4.9bn balances, $2.4bn are 90+ DPD, including over representation from Victoria and IO conversions

Dynamic LVR profile of ~$4.9bn past due balances	$m
90.01% - 100% DLVR, no LMI	~60
>100% DLVR, no LMI	~55

SME BUSINESS LOAN CUSTOMERS EXITED DEFERRALS[2]

- ~$2bn (~9% of deferral EAD) of exited deferral customers being managed by SBS[3], of which $0.2bn are 90+ DPD
- Relatively low level of 90+ DPD reflects customers' strong cash buffers, including as a result of our continuing support to customers and government stimulus
- Key industries being managed by SBS include Accommodation & Hospitality, Transport & Storage and Property & Business Services

Category	SBS business deferrals ~$2bn
Watch loan	~1.1
In Default	~0.9
- of which 90+ DPD	~0.2

(1) All data as at 19 April 2021
(2) All data as at 31 March 2021
(3) Strategic Business Services team (SBS) assists our non-retail customers in financial difficulty and seeks to minimise the risk of loss to the bank

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CAPITAL & FUNDING

STRONG CAPITAL POSITION

GROUP BASEL III COMMON EQUITY TIER 1 CAPITAL RATIO

CET1 CONSIDERATIONS

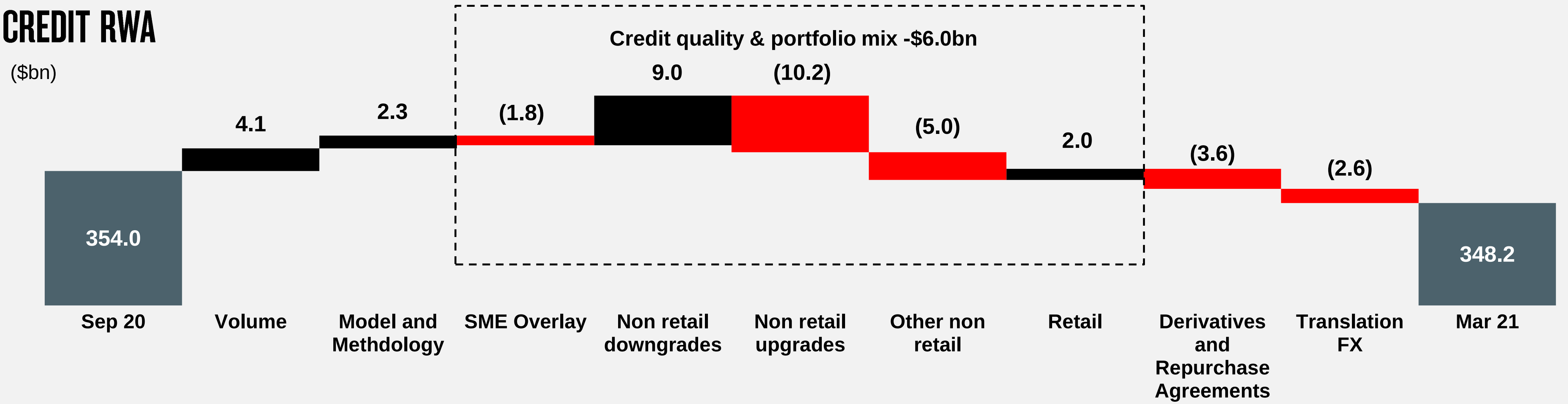
- Strong organic capital generation over the period, with low CICs, asset quality impacts and asset growth
- Completion of MLC Wealth sale[3] estimated to add ~35bps CET1, expected to complete in 2H21 subject to timing of regulatory approvals
- If current economic conditions continue, material credit risk migration is not expected
- Level 1 CET1 ratio of 12.40%
- DRP for 1H21 dividend to be neutralised

GROUP RWA

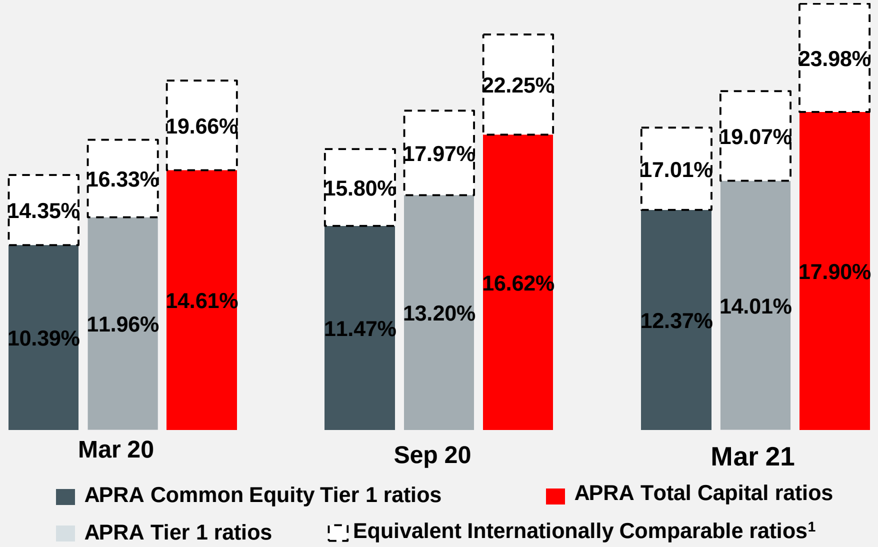
(1) Excludes FX translation
(2) Adjusted for estimated impacts from agreed sale of MLC Wealth (~35bps) and BNZ Life (~7bps) less acquisition of 86 400 (~4bps). Sale of MLC Wealth and acquisition of 86 400 expected to complete in 2H21, and sale of BNZ Life expected to complete in 1H22, in each case subject to relevant approvals. Final capital impact of each transaction will be determined following completion.
(3) ASX announcement on 31 August 2020; the purchase price of $1,440m comprises $1,240m in cash proceeds from IOOF and $200m in the form of a 5-year structured subordinated note in IOOF

CRWA AND BASEL III CAPITAL RATIOS

CREDIT RWA



GROUP BASEL III CAPITAL RATIOS



APRA to Internationally Comparable CET1 Ratio Reconciliation	CET1
Group CET1 ratio under APRA	12.37%
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	+79bps
Mortgages – reduction in loss given default floor from 20% to 15% and adjustment for correlation factor	+184bps
Interest rate risk in the banking book (IRRBB) – removal of IRRBB risk weighted assets from Pillar 1 capital requirements	+32bps
Other adjustments including corporate lending adjustments and treatment of specialised lending	+169bps
Group Internationally Comparable CET1	17.01%

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

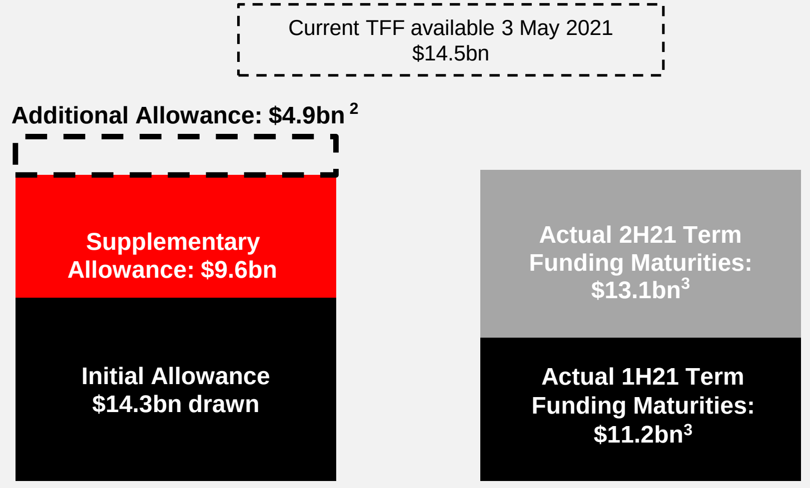
National Australia Bank

FUNDING & LIQUIDITY

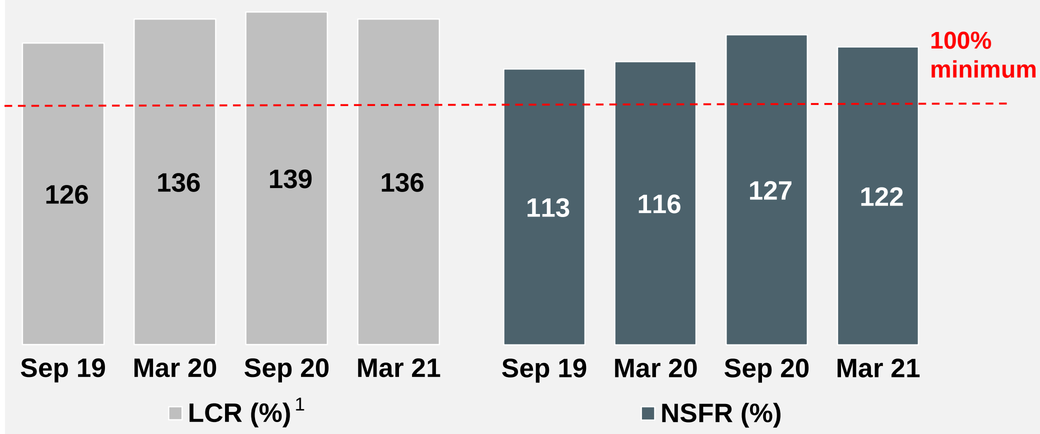
KEY MESSAGES

- Funding and liquidity position remains strong with significant surpluses above regulatory minimums
- System liquidity remains high due to continued deposit inflows, central bank and government stimulus measures
- Strong liquidity position has allowed for a reduction in the RBA's Committed Liquidity Facility (CLF) from $55.1bn to $31.0bn
- Term Funding Facility (TFF) capacity of $14.5bn is available to be drawn up to 30 June 2021

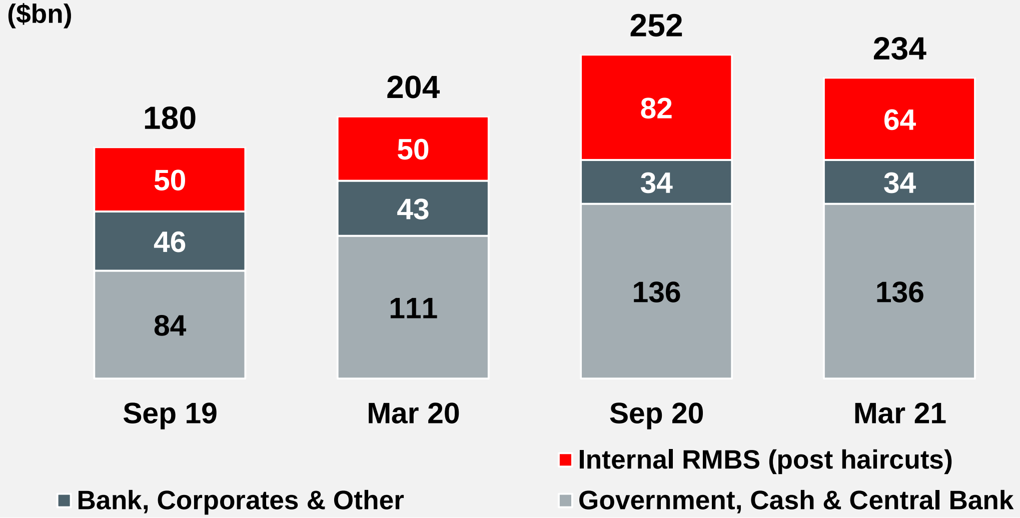
TERM FUNDING FACILITY



LIQUIDITY REMAINS ABOVE REGULATORY MINIMUMS



LIQUID ASSETS[4]



(1) Average LCR for the quarter
(2) The Additional Allowance allocation remains static from 1 June 2021. The Additional and Supplementary Allowances are available to be drawn down until 30 June 2021
(3) Excludes BNZ, hybrids and RMBS maturities
(4) Spot Liquid Assets as at end of each period

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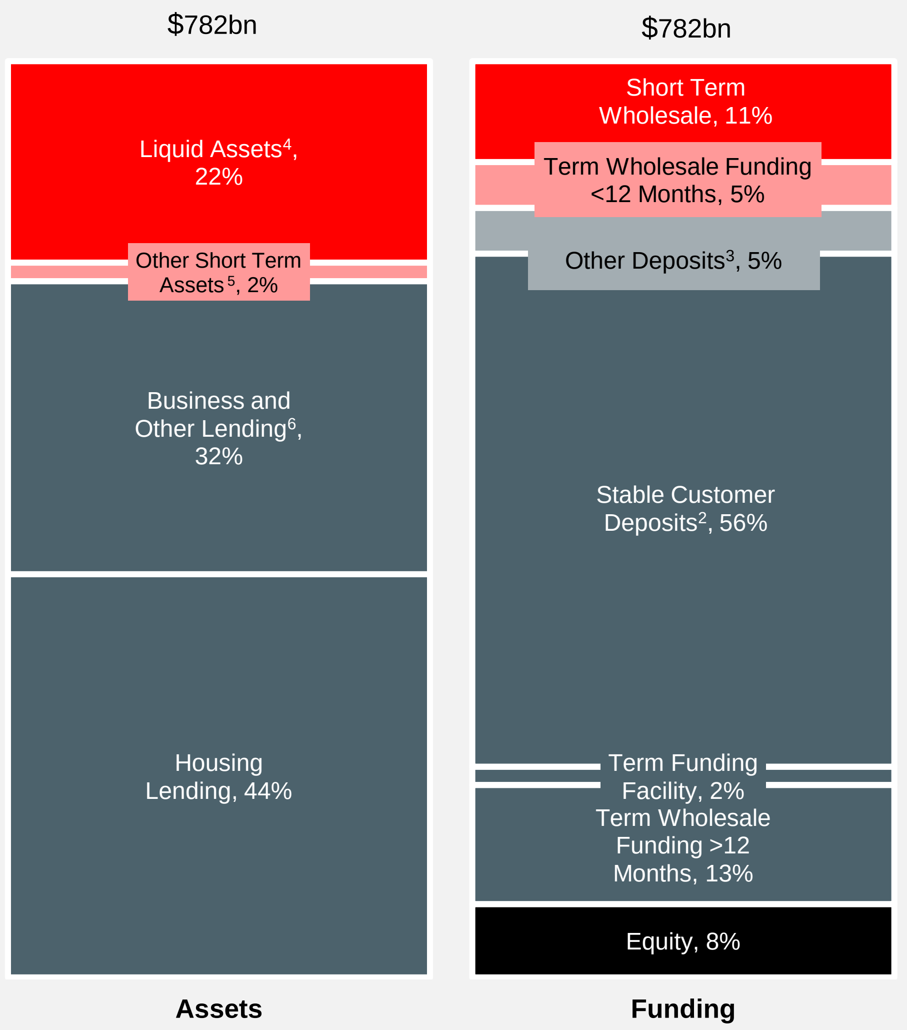
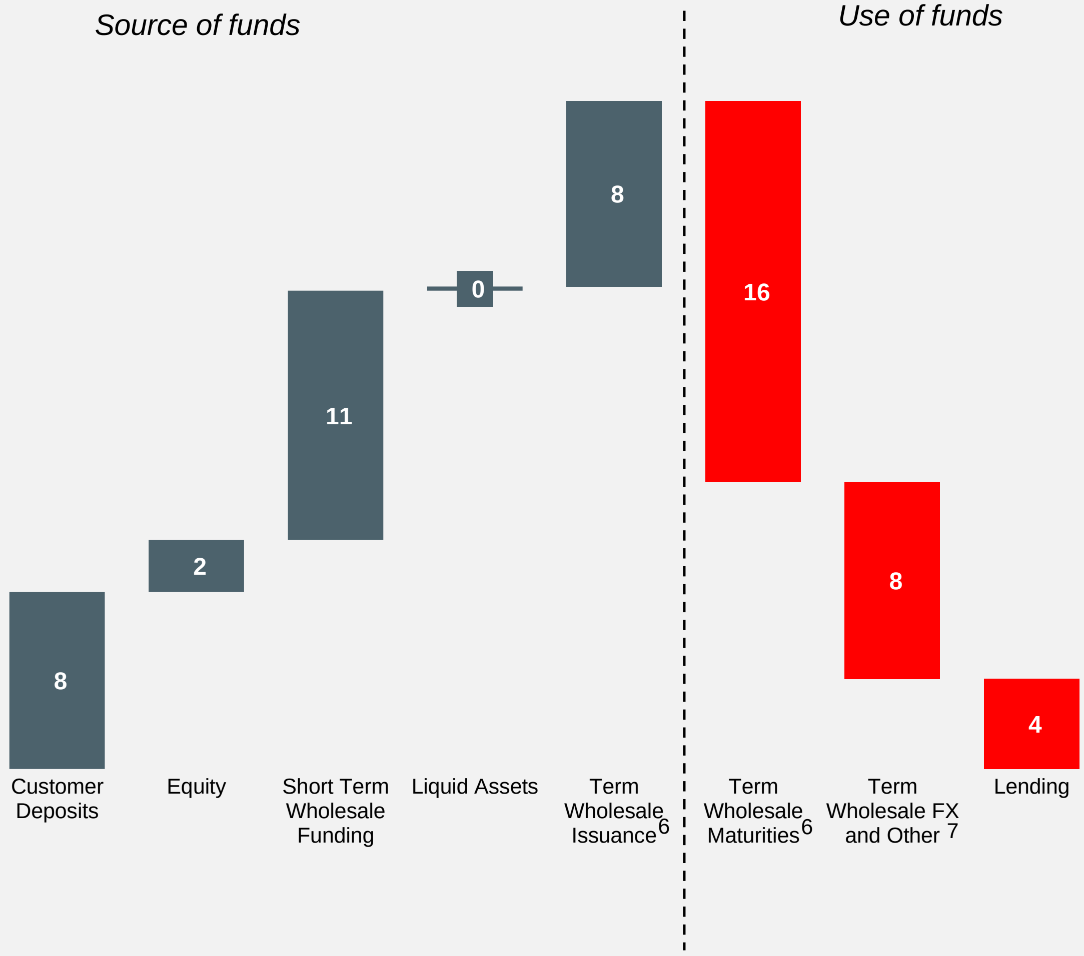
ASSET FUNDING

FUNDED BALANCE SHEET[1]



SOURCE AND USE OF FUNDS

($bn)



6 months to 31 March 2021

(1) Excludes repurchase agreements, trading and hedging derivatives, and any accruals, receivables and payables that do not provide net funding.
(2) Includes operational deposits, non-financial corporate deposits and retail / SME deposits. Excludes certain offshore deposits.
(3) Includes non-operational financial institution deposits and certain offshore deposits.
(4) Market value of marketable securities including HQLA, non-HQLA securities and commodities.
(5) Trade finance loans are included in other short-term assets, instead of business and other lending.
(6) Includes Additional Tier 1 and RBNZ funding facility drawdowns.
(7) Includes the net movement of other assets and other liabilities.

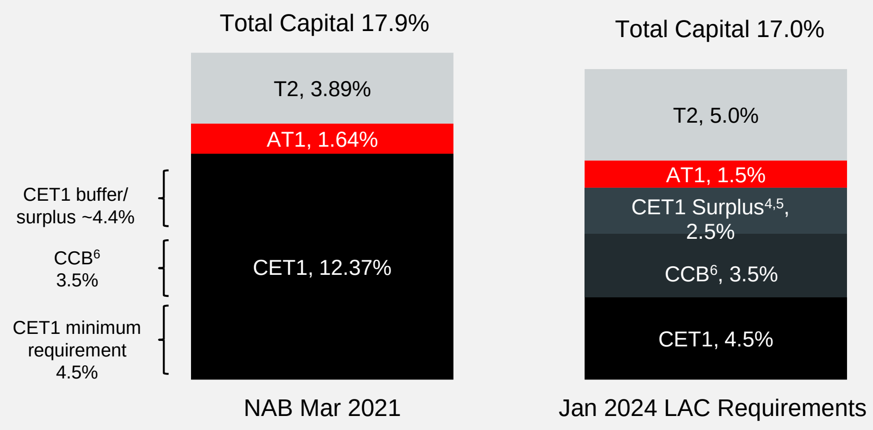
LOSS ABSORBING CAPACITY

LOSS ABSORBING CAPACITY

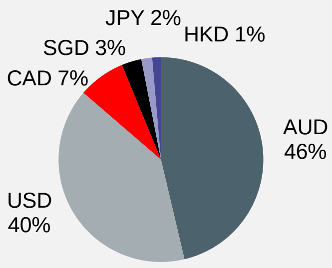
- Based on the Group's RWA and Total Capital position as at 31 March 2021, the incremental Group Total Capital requirement prior to January 2024 is approximately $4.6bn.
- $2bn of surplus provisions are eligible for inclusion in Tier 2 Capital.
- $2.6bn of NAB's existing Tier 2 Capital has optional redemption dates prior to January 2024[1].

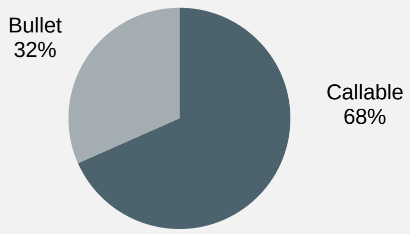
	Mar-21 ($bn)
Group RWA	417.6
Tier 2 Requirement (5% by Jan-24)	20.9
Existing Tier 2 Capital (3.89%)	16.3
Current Shortfall [2]	4.6

APRA CHANGES TO MAJOR BANKS' CAPITAL STRUCTURES[3]

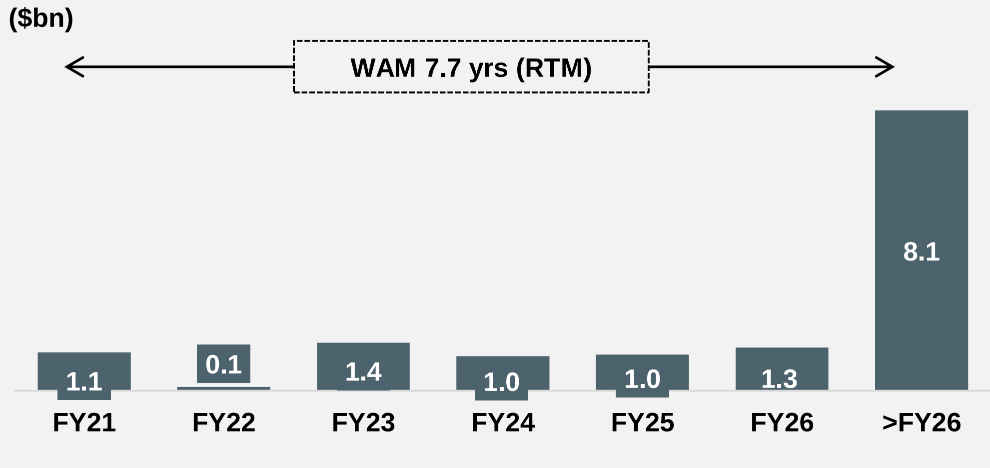


NAB TIER 2 PORTFOLIO BY CURRENCY AND FORMAT





NAB TIER 2 MATURITIES (TO FIRST CALL)



(1) Subject to the prior written approval of APRA
(2) Ahead of January 2024 APRA will consider "feasible alternative methods" for raising an additional 1% to 2% of RWA in loss-absorbing capacity, in consultation with industry and other interested stakeholders
(3) APRA's proposed revisions to Unquestionably Strong framework (released December 2020) not reflected
(4) Capital surplus of 2.5% is generally higher than the normal level for D-SIBs, as a result of the 'unquestionably strong' capital benchmarks
(5) Excludes any Pillar 2 requirements and additional 1-2% RWA requirement through "feasible alternative methods"
(6) CCB is the Capital Conservation Buffer

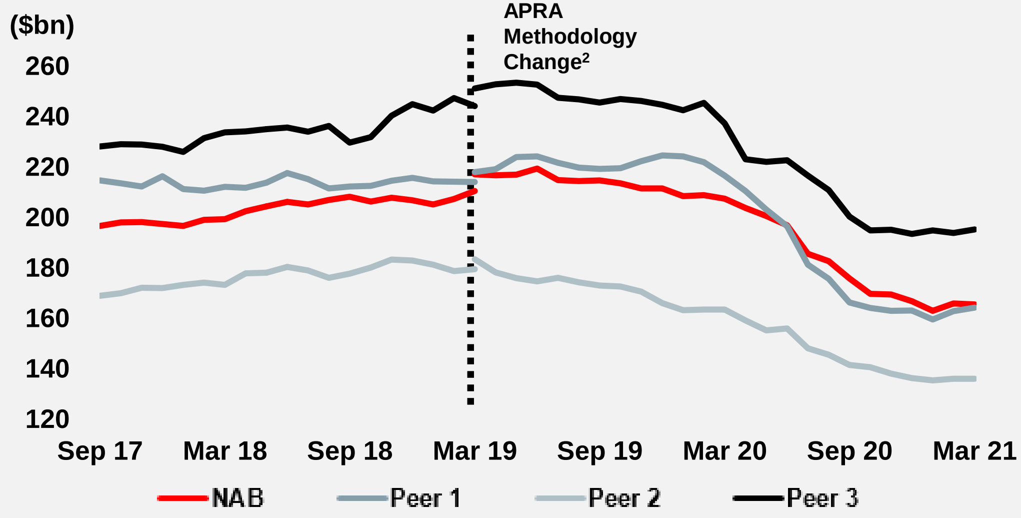
National Australia Bank

LIQUIDITY CONSIDERATIONS

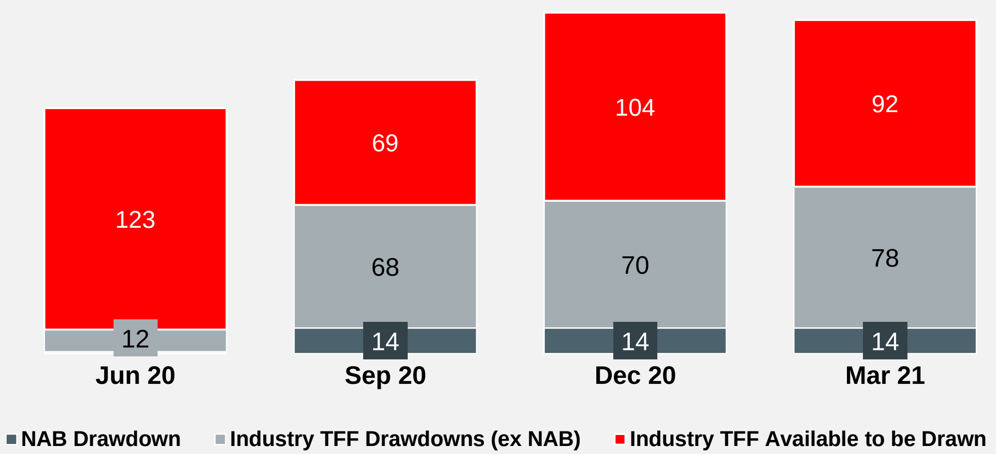
INCREASED SYSTEM LIQUIDITY

- Deposits increasing due to central bank and government response to COVID-19
- Term Funding Facility provides a significant stable funding source
- Low rate environment encouraging migration from term deposits to at-call deposits
- CLF reduced from $55.1bn in 2020 to $31.0bn for 2021
- Implications for NAB include:
  - Reduced wholesale funding requirement
  - Liquids drag on margins

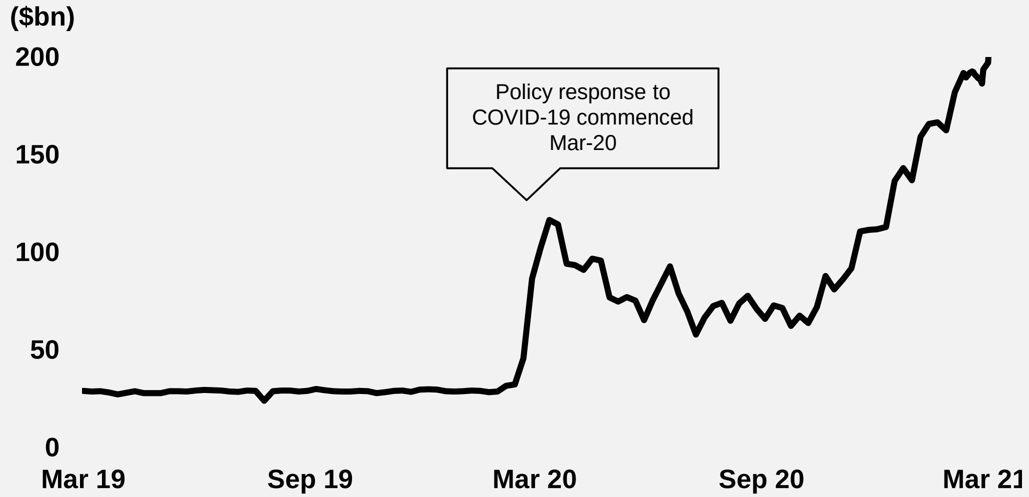
AUSTRALIAN CORE FUNDING GAP[1]



TFF DRAWDOWNS VS AVAILABLE ALLOWANCE[3]



SYSTEM EXCHANGE SETTLEMENT ACCOUNT (ESA) BALANCES[4]

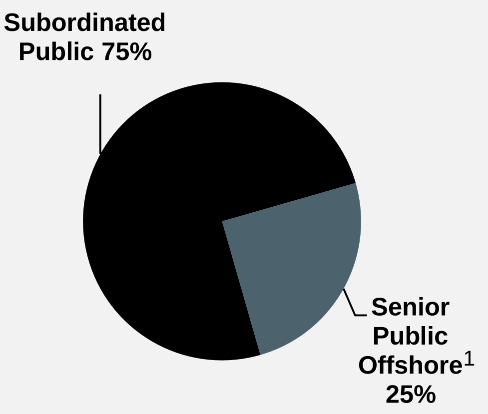


(1) Australian core funding gap = Gross loans and advances plus Acceptances less Total deposits (excluding financial institution deposits and certificates of deposit)
(2) APRA Monthly Banking Statistics are used from September 2017 to March 2019. April 2019 onwards is prepared using APRA Monthly Authorised Deposit-taking Institution Statistics. Statistics as at March 2021
(3) RBA and NAB data
(4) ESAs are the means by which providers of payments services settle obligations that have accrued in the clearing process, operated through the Reserve Bank Information and Transfer System (RITS). Effective 4 November 2020, the interest rate on surplus ESA balances set by the RBA is 0.00%, with any shortfall in ESA balances attracting 25bps above the cash rate target. RBA data

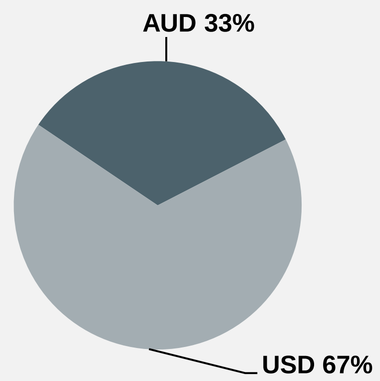
National Australia Bank

DIVERSIFIED AND FLEXIBLE TERM WHOLESALE FUNDING PORTFOLIO

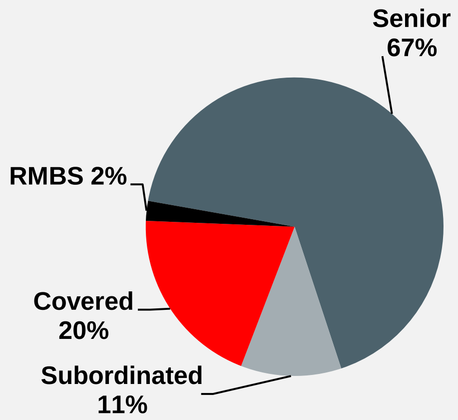
1H21 ISSUANCE BY PRODUCT TYPE



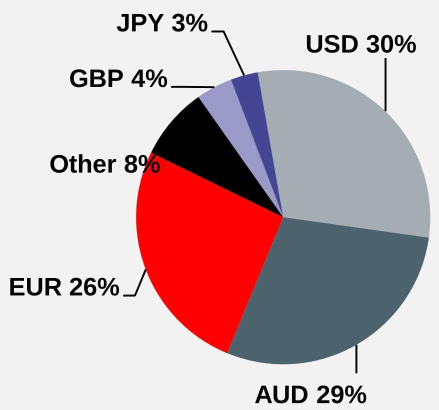
1H21 ISSUANCE BY CURRENCY



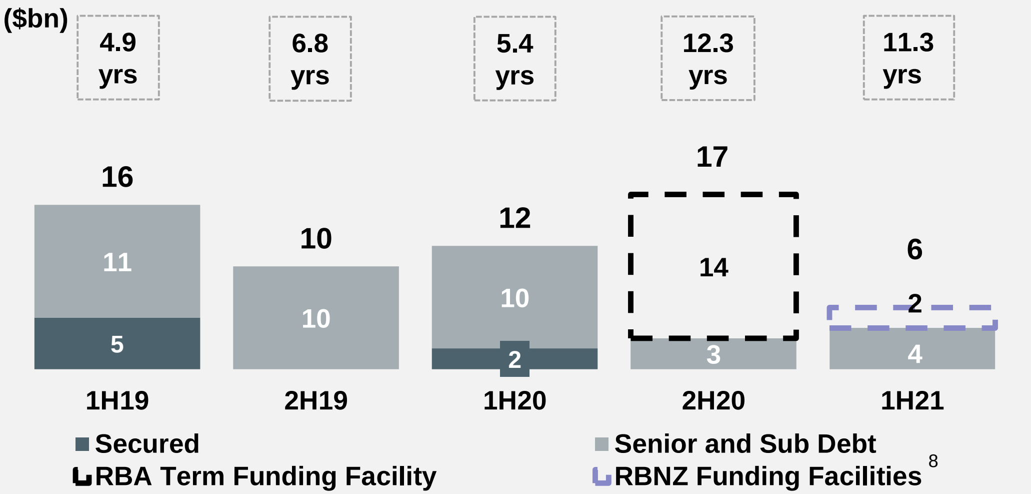
OUTSTANDING ISSUANCE BY PRODUCT TYPE[2]



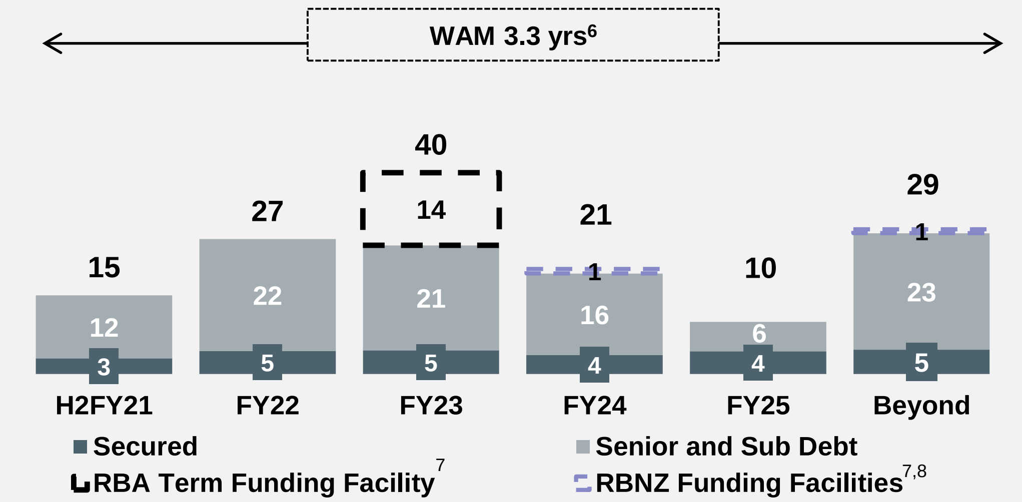
OUTSTANDING ISSUANCE BY CURRENCY[2]



HISTORIC TERM WHOLESALE FUNDING ISSUANCE[3]



TERM FUNDING MATURITY PROFILE[3]



(1) Issued by BNZ
(2) Excludes Additional Tier 1, RBA Term Funding Facility and RBNZ funding facilities
(3) 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
(4) Weighted average maturity (years) of funding issuance with an original term to maturity greater than 12 months
(5) Weighted average maturity and maturity profile excludes RMBS
(6) Weighted average maturity excludes Additional Tier 1, Residential Mortgage Backed Securities, RBA Term Funding Facility and RBNZ funding facilities
(7) Drawdowns treated at contractual maturity
(8) Includes RBNZ's Term Lending Facility (TLF) and Funding for Lending Programme (FLP)

National Australia Bank

KEY REGULATORY CHANGES IMPACTING CAPITAL AND FUNDING

Change	2020	1H21	2H21	2022	2023	2024
Capital Adequacy	Consult		Finalise		Implementation	
Measurement of Capital		Consult	Finalise	Implementation		
Credit Risk	Consult		Finalise		Implementation	
Operational Risk					Implementation	
Market Risk			Consult			Implementation
Interest Rate Risk in the Banking Book			Finalise		Implementation	
Public Disclosures			Consult	Finalise	Implementation	
Loss Absorbing Capacity						Implementation
Recovery and Resolution	*Consultation and implementation date not yet advised*					

APRA POLICY PRIORITIES

- APRA's consultation on 'a more flexible and resilient capital framework for ADIs' released in December 2020
  - Follows the 2017 APRA benchmark of 'unquestionably strong' capital ratios.
  - Includes revisions to the capital adequacy framework
  - Overall level of capital in the banking system is not proposed to change
- APRA's active 2021 policy development also includes proposed consultations for Interest Rate Risk, Remuneration and Public disclosure

RBNZ UPDATE

- The RBNZ has eased restrictions on dividend payments, allowing banks to pay up to 50% of their earnings as dividends to shareholders
- The 50% restriction will remain in place until 1 July 2022, at which point the RBNZ intends to remove the restrictions entirely, subject to economic conditions
- The RBNZ has also lifted the restriction on redeeming non-CET1 capital instruments

National Australia Bank

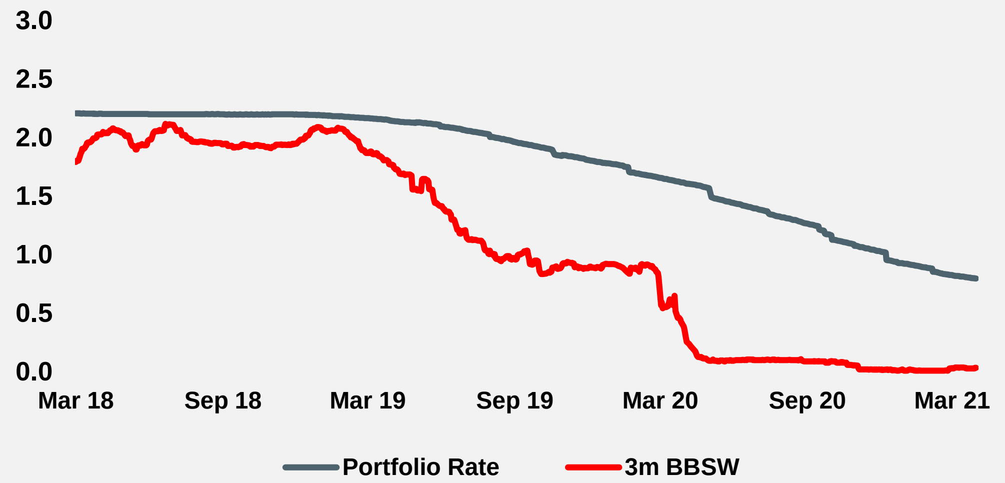
CAPITAL & DEPOSIT HEDGES

REPLICATING PORTFOLIO

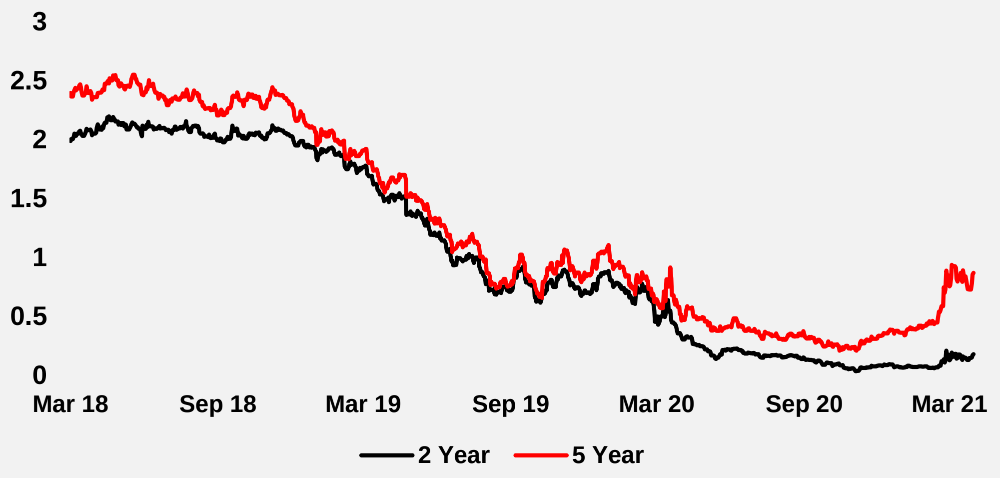
Replicating portfolio		
	31 Mar 21 balance	Avg investment term
Capital	$41bn	2 years
Low rate deposits	$57bn	5 years

Ave return of replicating portfolio			
FY18	FY19	FY20	1H21
2.21%	2.12%	1.57%	0.95%

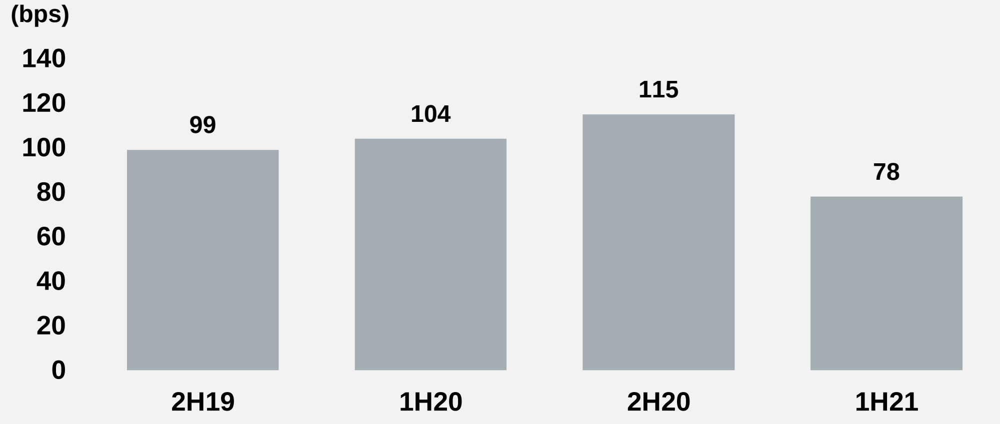
CAPITAL & DEPOSIT HEDGES – REPLICATING PORTFOLIOS[1]



2 YEAR AND 5 YEAR SWAP RATES[3]



SPREAD BETWEEN AVERAGE SWAP RATE VS AVERAGE PORTFOLIO RATE[2]



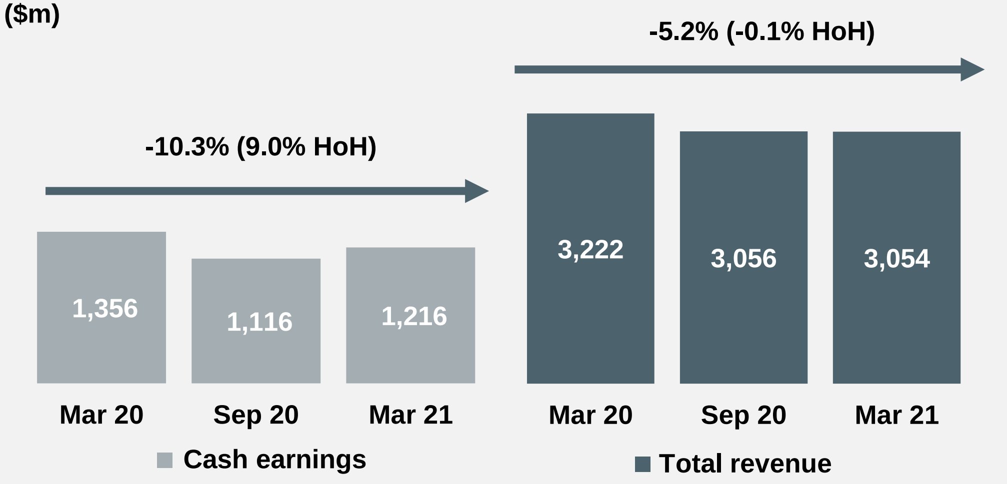
(1) Blended replicating portfolio earnings rate (Australia only). Replicating portfolio includes capital and non-interest bearing deposits (incl. lower tiers in Retirement account)
(2) Average rates during the reporting period
(3) Source: Bloomberg

ADDITIONAL INFORMATION

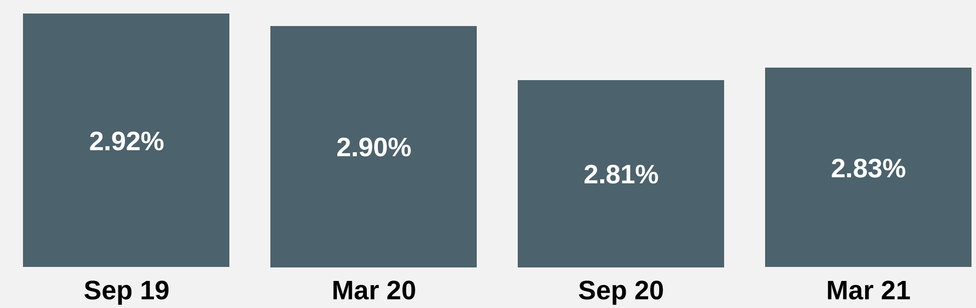
DIVISIONAL PERFORMANCE

BUSINESS & PRIVATE BANKING

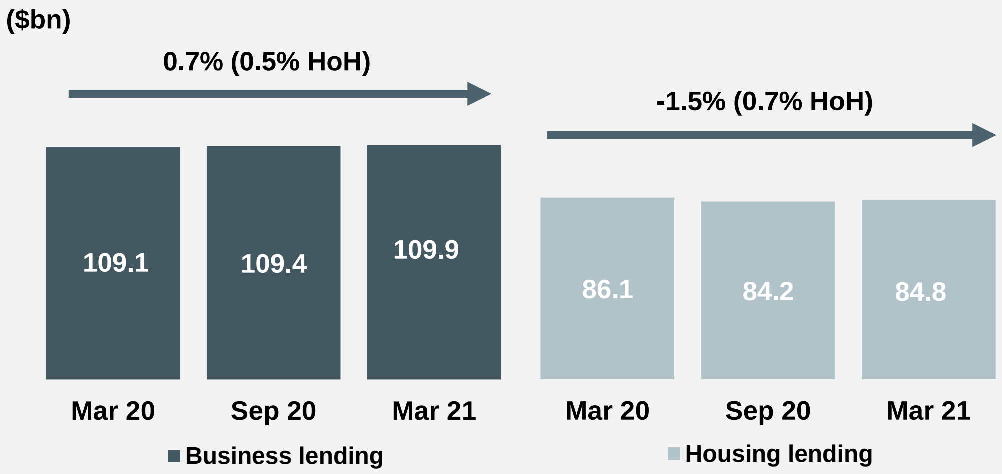
CASH EARNINGS AND REVENUE



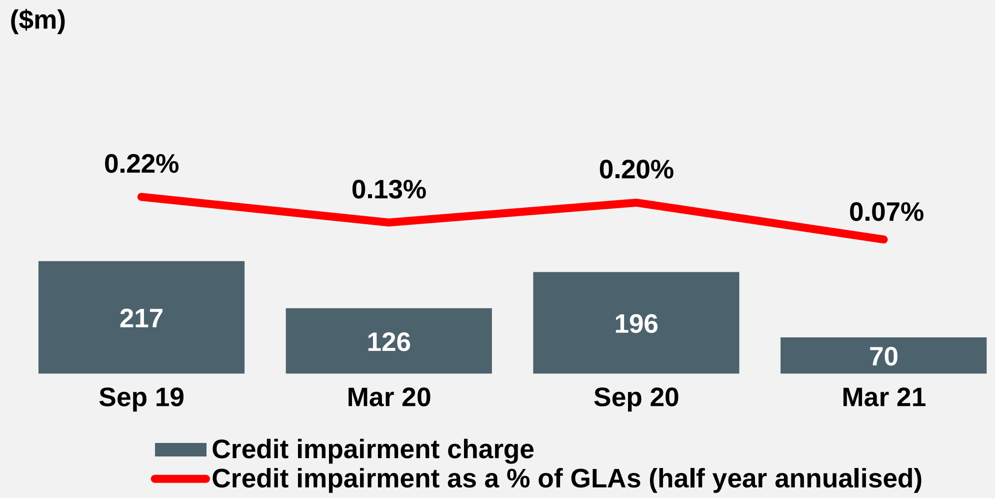
NET INTEREST MARGIN



BUSINESS AND HOUSING LENDING GLAs

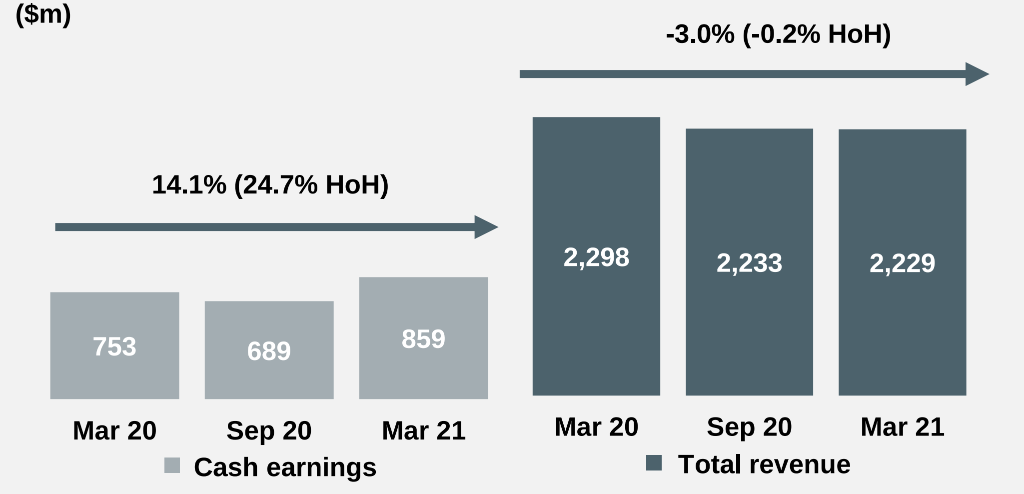


CREDIT IMPAIRMENT CHARGES AND AS A % OF GLAs

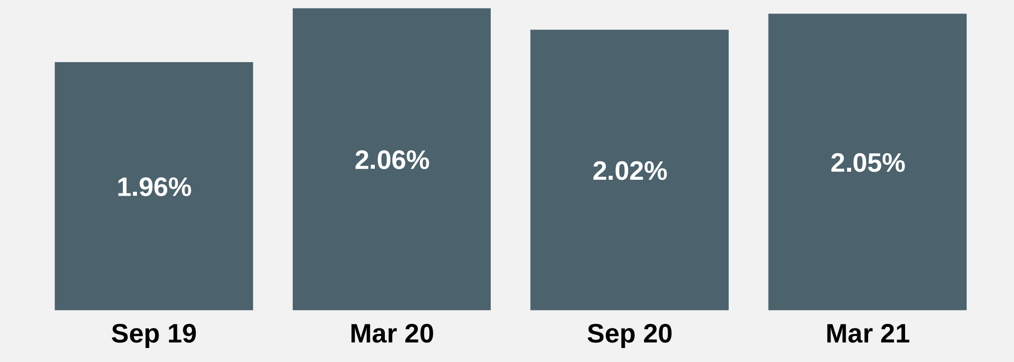


PERSONAL BANKING

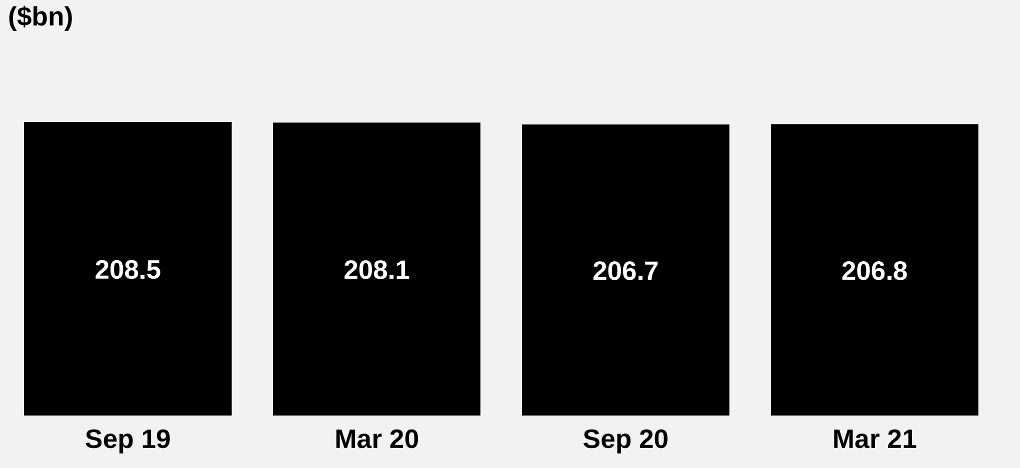
CASH EARNINGS AND REVENUE



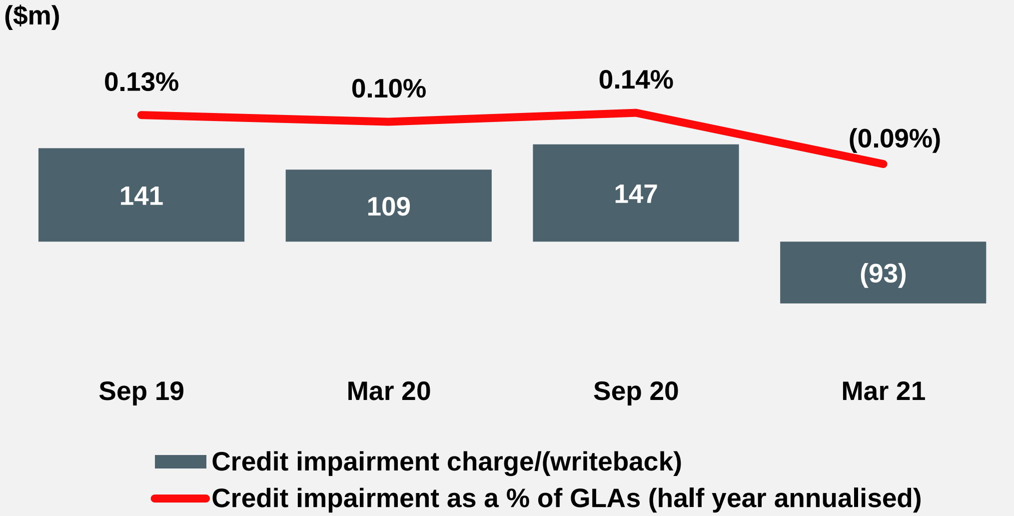
NET INTEREST MARGIN



HOUSING LENDING GLAs



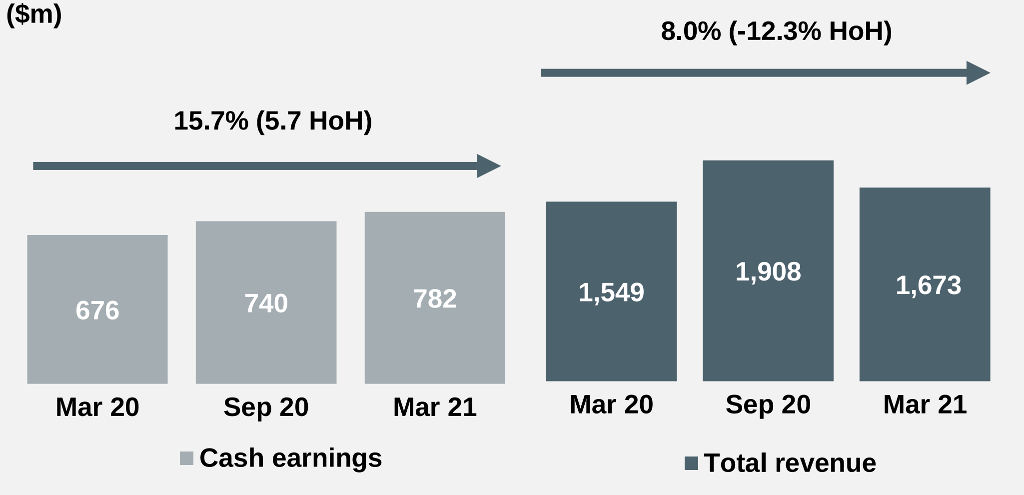
CREDIT IMPAIRMENT CHARGES AND AS A % OF GLAs



CORPORATE & INSTITUTIONAL BANKING

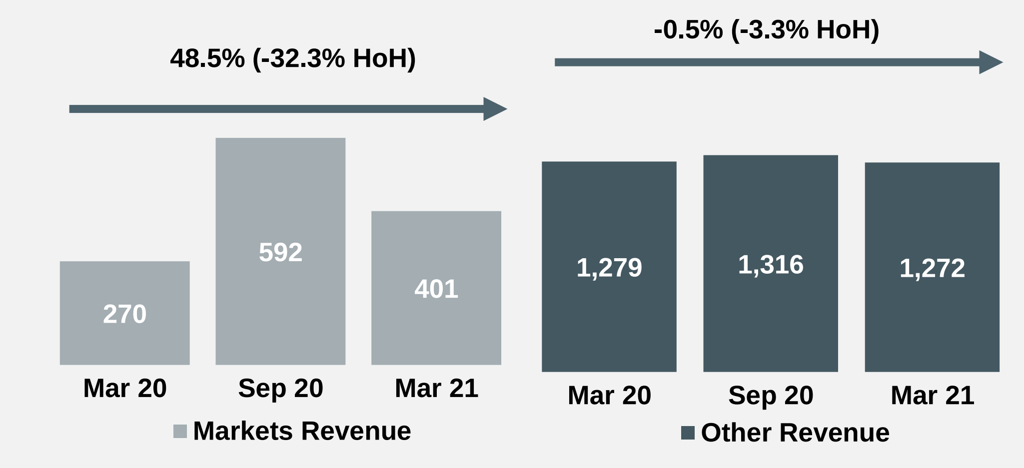
CASH EARNINGS AND REVENUE

($m)

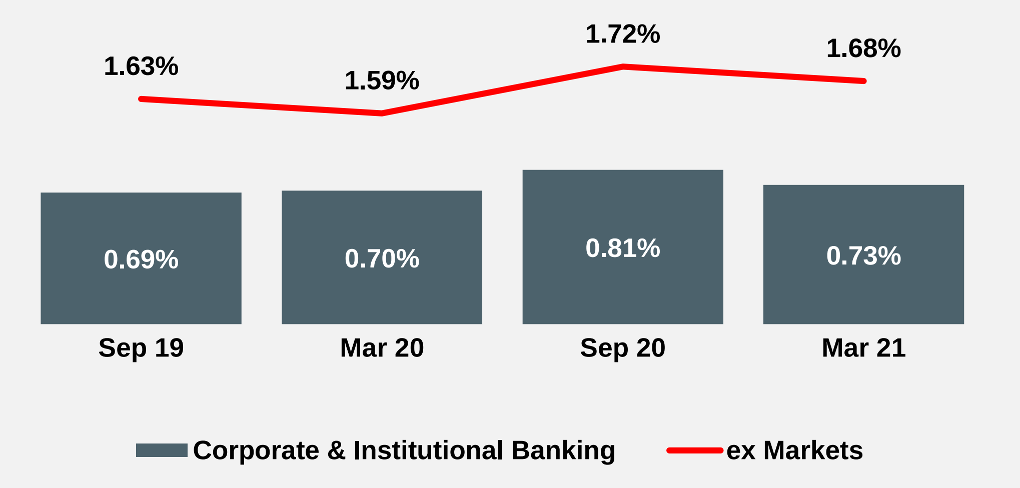


REVENUE BREAKDOWN[1]

($m)

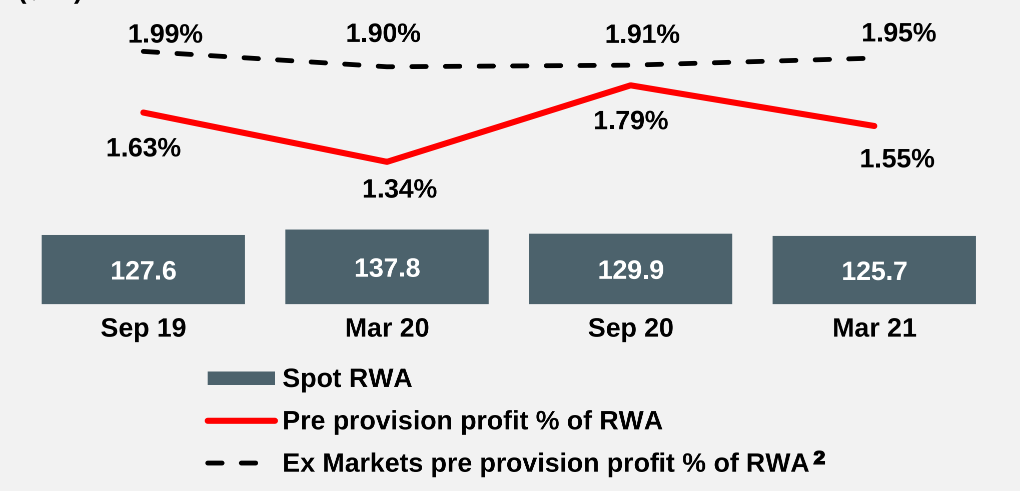


NET INTEREST MARGIN



RETURNS FOCUS

($bn)

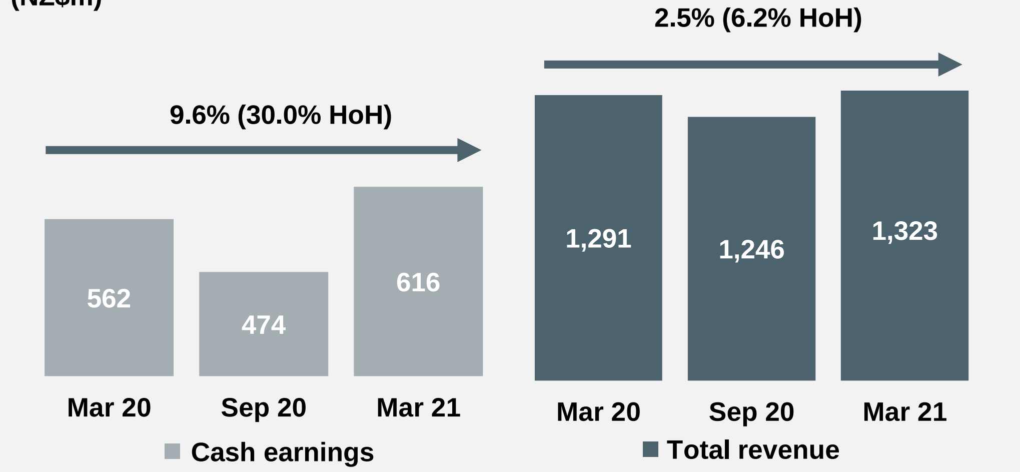


(1) Markets revenue represents Customer Risk Management revenue and NAB Risk Management Revenue. Includes derivative valuation adjustments
(2) Ex Markets pre provision profit % of RWA excludes Markets pre provision profit and average RWAs

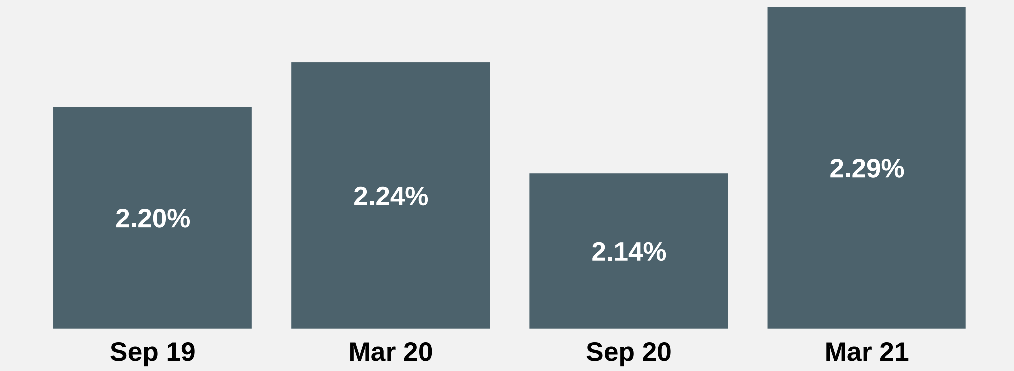
NEW ZEALAND BANKING

CASH EARNINGS AND REVENUE

(NZ$m)

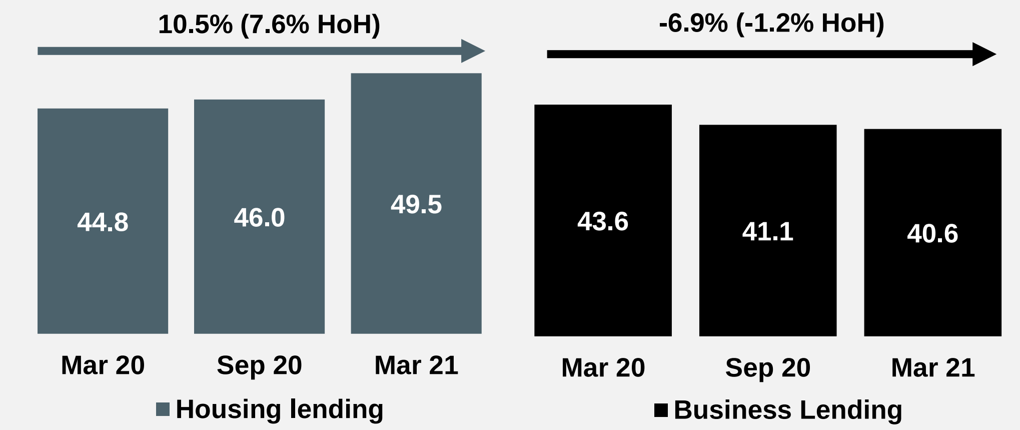


NET INTEREST MARGIN



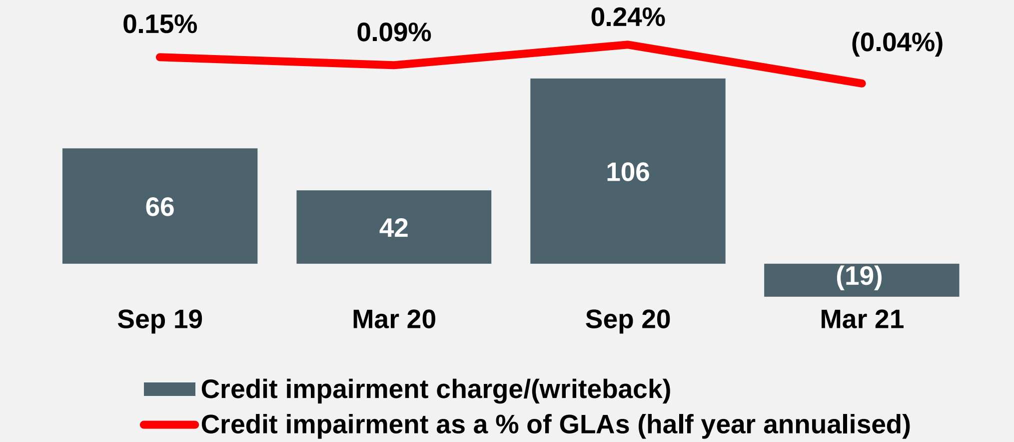
BUSINESS & HOUSING LENDING GLAs

(NZ$bn)



CREDIT IMPAIRMENT CHARGES AND AS A % OF GLAs

(NZ$m)



ADDITIONAL INFORMATION

LONG-TERM: A SUSTAINABLE APPROACH

SUSTAINABILITY IS EMBEDDED IN THE LONG-TERM PILLAR OF OUR GROUP STRATEGY

COMMERCIAL RESPONSES TO SOCIETY'S BIGGEST CHALLENGES

Supporting a low-carbon economy, driving investment in natural assets, helping people reduce financial stress and supporting more sustainable and inclusive communities

Our priorities:

- Climate change
- Affordable and specialist housing
- Financial health and resilience
- Sustainable agriculture
- Indigenous economic participation

RESILIENT AND SUSTAINABLE BUSINESS PRACTICES

Managing our environmental, social and governance (ESG) risks and opportunities responsibly, and creating Australia's leading ESG risk capability

Our priorities:

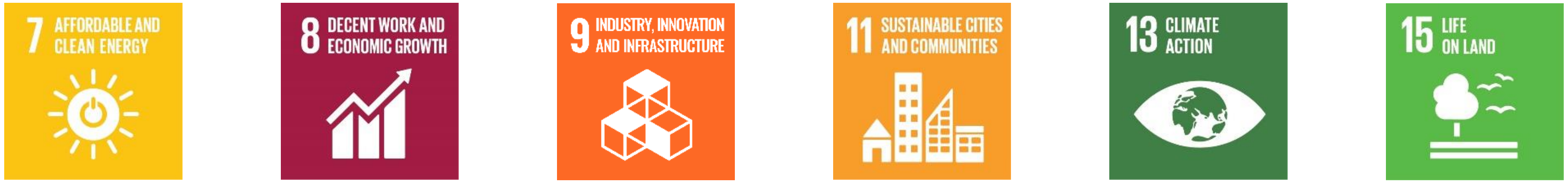
- Colleagues and culture
- ESG risk management
- Supply chain management
- Human rights, including modern slavery
- Inclusive banking

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

COMMERCIAL RESPONSES – CLIMATE CHANGE

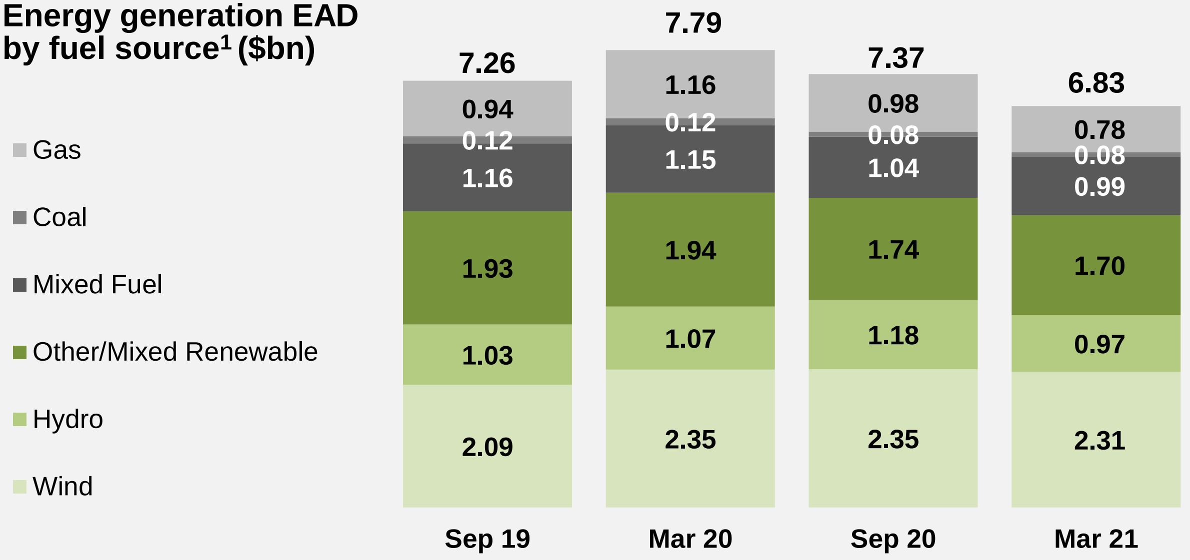
- **NAB is the only Australian bank to have signed the United Nations' Collective Commitment to Climate Action**
- **Focused on supporting customers with their transition plans, aligning our portfolio to net zero emissions by 2050**
- **Continued drive for opportunities in sustainable financing**
- **Carbon neutral in operations for over a decade, with ongoing work to drive further efficiencies**

Commitments	1H21 Progress
Achieve a Paris Agreement aligned net zero emissions lending portfolio by 2050	• Sector specific pathway mapping work is underway and target-setting is on track for completion and disclosure by 2022 • Commenced engagement with 100 of our largest GHG-emitting customers on their low-carbon transition pathways • Review of oil & gas sector underway
Provide $70bn in environmental financing by 2025	• $47.6bn cumulative progress, $5.1bn delivered in 1H21[1]
Cap thermal coal mining exposures at Sep 2019 levels, reduce thermal coal mining financing by 50% by 2028 and effectively zero by 2035, apart from residual performance guarantees to rehabilitate existing coal assets	• 14.7% ($112.0m) reduction from FY19 including 3.7% ($24.9m) reduction from FY20. Expected 50% reduction by 2026, and effectively zero by 2030
Source 100% of our electricity consumption from renewable sources by 2025	• 30% of electricity use from renewable sources in 1H21, increase from 6% in 1H20[2] • All branches in Australia expected to be powered by 100% renewable energy by the end of 2021
Reduce operational GHG emissions (tCO_2-e) by 51% from 2019 levels by 2025 (Science-based target)	• 64% reduction in GHG emissions (tCO_2-e)[2] from FY19[3]
Reduce operational energy use (GJ) by 30% from 2019 levels by 2025	• 23% reduction in energy use (GJ)[2] from FY19

(1) Represents total cumulative new flow of environmental financing from 1 October 2015. Our 2020 Sustainability Data Pack provides a breakdown of what this target includes and how the progress is calculated.
(2) NAB's operational environment numbers, are reported on a July-June performance period, therefore H1 figures refer to 1 July 2020 – 31 December 2020.
(3) The significant progress towards NAB's GHG and energy reductions targets has been influenced by COVID-19 impacts, we do not expect all of the reductions achieved to date to be permanent.

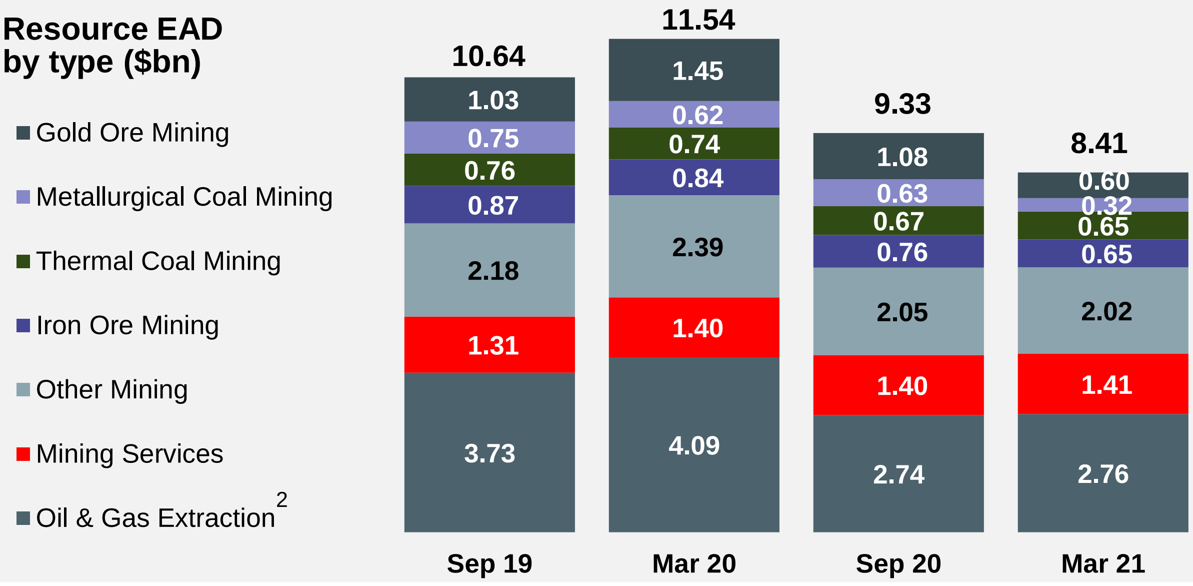
COMMERCIAL RESPONSES – CLIMATE CHANGE

Energy generation EAD by fuel source[1] ($bn)



- Renewables comprise 72.8% of energy generation EAD at 1H21, compared to 68.8% at 1H20
- Longer-term trajectory: renewables have steadily increased from 43.5% of energy generation portfolio at 1H16

Resource EAD by type ($bn)



- Thermal coal exposures decreased 12.4% from 1H20, and 3.7% from FY20
- ~36% of thermal coal mining EAD is for performance guarantees to rehabilitate existing coal mine sites

(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. More detail at https://www.nab.com.au/about-us/social-impact.

(2) A significant contributor to the reduction of $1.3bn in the Resources portfolio between Mar-20 and Sep-20 is AUD currency appreciation of USD denominated exposures and lower mark-to-market positions of treasury-related products in the Oil & Gas extraction sector.

COMMERCIAL RESPONSES – CLIMATE CHANGE

SUSTAINABLE FINANCING

- #10 in Climate Bond Initiative's list of largest cumulative global issuers of certified climate bonds[1]
- Led issuance of 12 green, social, sustainability and sustainability-linked (GSS) bonds raising over $5bn for customers, including:
  - Australian-first: Arranged and led $190 million Climate Bond certified 100% green asset-backed securitisation from Brighte, to help Australian families save on energy bills
  - New Zealand-first: BNZ led the first on-farm sustainability-linked loan, a three-year $50m loan set to deliver water, emissions and biodiversity benefits
- Together with Melbourne Business School, we are raising the bar on Climate Banking professionalisation, having highly skilled bankers work with customers on their transition planning

Green bonds - asset-backed/asset-based bond of the year: Brighte Green Trust

Best Sustainable Finance House

Best Refinancing of the Year –€100m incorporating a sustainability linked loan. NAB acted as Joint Lead Sustainability Arranger

TOP RENEWABLE ENERGY PLAYERS – AUSTRALIA[2]

Cumulative value of deals in US$bn (2004 – 31 March 2021)

National Australia Bank Ltd	2.7
Clean Energy Finance Corp	1.6
Mitsubishi UFJ Financial Group Inc	1.6
Westpac Banking Corp	1.5
Australia & New Zealand Banking Group Ltd	1.4
Sumitomo Mitsui Financial Group Inc	1.4
Mizuho Financial Group Inc	1.2
Societe Generale SA	1.2
Commonwealth Bank of Australia	1.2
BNP Paribas SA	0.9

DISASTER RESILIENCE

- >1,700 grants worth over >$3m provided to support customers and colleagues whose homes and business' are affected by NSW floods and WA Cyclone Seroja[3]
- $100,000 committed to each of NSW SES and GIVIT's Severe Storms and Flooding relief package[3]
- Launched $1.2m NAB Foundation Community Grants program to help customers prepare for and recover from natural disasters, as well as building resilience against future disasters
- Committed $10m over the next ten years as part of NAB's Environmental Resilience Fund for regional projects that improve resilience to natural disasters

(1) Ranking as at October 2020
(2) BloombergNEF Country Profile for Australia - Top Renewable Energy Players (2004 to 1Q 2021). Cumulative totals are in USD as at 31 March 2021. Totals do not include large hydro
(3) Support provided for customers and colleagues affected by natural disasters will cover payments made after 31 March 2021

National Australia Bank

COMMERCIAL RESPONSES – SUPPORTING INDUSTRY AND COMMUNITIES

FINANCIAL HEALTH AND INCLUSION

- Implemented measures to block descriptions in transfers made via internet banking that contain abusive, threatening or explicit language to further our work in addressing financial abuse
- Ongoing capital commitment of $130 million to support microfinance initiatives, including >$1m worth of NILS loans provided to support customers affected by COVID-19
- Australian Network on Disability Access and Inclusion Index score of 71, compared with an average of 44 from participating organisations
- Rolling out Portable Hearing Loop devices across all branches to support customers who are hard of hearing

INDIGENOUS ECONOMIC PARTICIPATION

- Progressed key NAB Elevate Reconciliation Action Plan[1] commitments:
  - $1.5m spent with Indigenous businesses in NAB's supply chain
  - 3,443 microfinance loans provided to Indigenous Australians[2]
- Increased calls to the Indigenous Customer Service Line, with >1,880 customers served during 1H21
- Released our first radio advertising campaign available in seven First Nations languages

SUSTAINABLE AGRICULTURE

- Progressed NAB's Natural Capital Roadmap through continued collaboration with ClimateWorks, presenting the Natural Capital Metric Catalogue to a range of advisory industry bodies, technology, research, financial institutions and government stakeholders
- Supported a CSIRO research project to develop and apply a framework for natural capital risk assessment in the Australian forestry industry

AFFORDABLE AND SPECIALIST HOUSING

- Financed ~240 affordable and environmentally sustainable dwellings with Nightingale Housing across multiple projects; Nightingale Village, Terrace House & Ballarat. These contribute towards NAB's goal of $2bn in financing for affordable and specialist housing by FY23
- Closed GBP 212.5m deals to English Regulated Housing Associations, over 50% structured on a sustainability-linked basis[3]
- Joint-lead manager and ESG Structuring Bank for Kensington Mortgage Company's world-first social GBP 472m RMBS, improving access to finance for buyers with non-traditional incomes

(1) NAB's Elevate Reconciliation Action Plan (2019-2021) outlines our commitments to support Indigenous Australians, available at http://nab.com.au/indigenous
(2) Microfinance loans provided in partnership with Good Shepherd Australia and New Zealand (GSANZ), loans provided to Indigenous Australians are reported aligned to GSANZ's July-June reporting year. 1H21 numbers therefore reflect 1 July 2020 – 31 December 2020
(3) Deals lead by NAB London Branch, an "Early adopter" to the Sustainability Reporting Standard for Social Housing in the UK

National Australia Bank

RESILIENT AND SUSTAINABLE BUSINESS PRACTICES

INCLUSIVE CULTURE

- Belonging for all: additional gender marker and salutation options added to our systems
- NAB CEO committed to stand against gendered harassment and violence by signing Diversity Council Australia's #IStandForRespect pledge, committing to continue to address sexual and sex-based harassment in the workplace
- Offered 41 traineeships to Indigenous Australians and offered 10 virtual Summer Internship for Indigenous Australians[1]
- Supported the 'Gari Yala' research into the experiences of First Nations employees in workplaces across Australia, incorporating key findings into NAB's employment strategies
- WGEA Employer of Choice for Gender Equality citation, ranked #14th Globally in Equileap's 2021 Gender Equality Global Report and Ranking and included in the 2021 Bloomberg Gender-Equality Index

WGEA Employer of Choice for Gender Equality

Bloomberg Gender-Equality Index 2021

EQUILEAP MAKE A DIFFERENCE AND A RETURN

AUSTRALIAN LGBTQ INCLUSION AWARDS 2020 AWEI GOLD EMPLOYER

TOP GRADUATE EMPLOYERS 2021

SUSTAINABLE PROPERTY PORTFOLIO

- Upon completion, all new commercial buildings are expected to achieve a 5 Star Green rating
- Our new commercial buildings are designed to be intuitive and adaptive spaces for colleagues to connect in the office and virtually

PRINCIPLES FOR RESPONSIBLE BANKING

- NAB driving progress to align to Principles[2] with a focus on:
  - **Impact analysis**: Piloting the Portfolio Impact Analysis tool, assessing environmental and social impacts of our product portfolio. Disclosure on this process to take place in NAB's FY21 reporting
  - **Target-setting**: Contributing to member sub-groups to develop guidance for consistent, appropriate target setting with regards to biodiversity and financial inclusion
  - **Collective progress**: Supporting and aligning activities across banks for the measurement of collective progress

(1) Data is as at 31 March 2021. Active recruitment for Traineeships will continue throughout 2021

(2) The United Nations Principles for Responsible Banking are a unique framework for ensuring that signatory banks' strategy and practice align with the vision society has set out for its future in the Sustainable Development Goals and the Paris Climate Agreement. Banks representing one third of the global banking sector have committed to the Principles

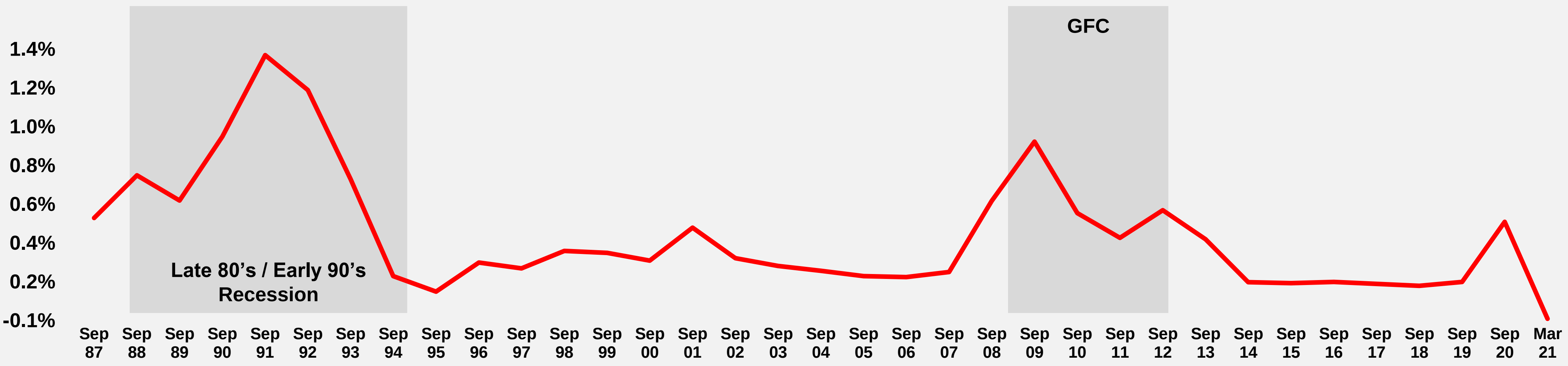
National Australia Bank

ADDITIONAL INFORMATION

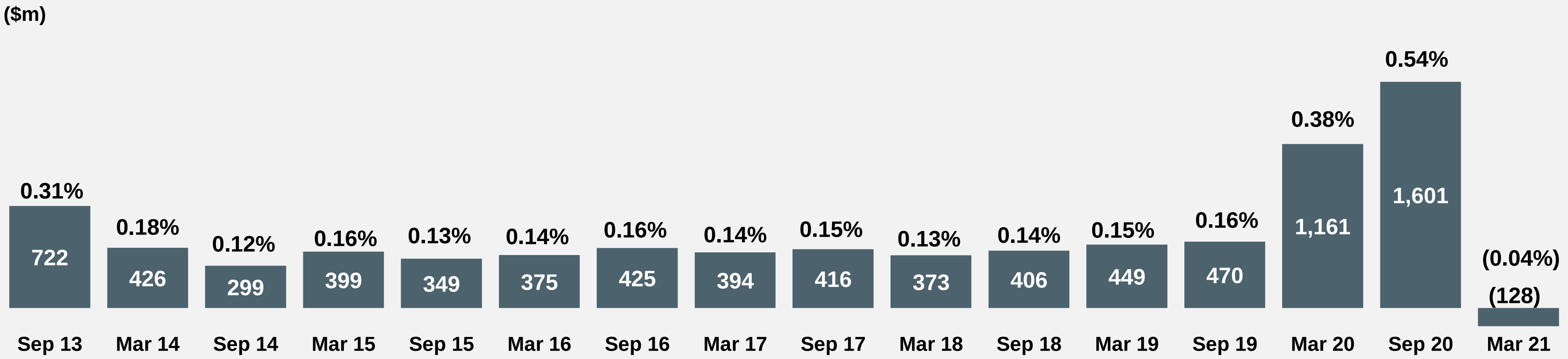
ASSET QUALITY

GROUP CREDIT IMPAIRMENT CHARGE

CREDIT IMPAIRMENT CHARGE AS % OF GLAs



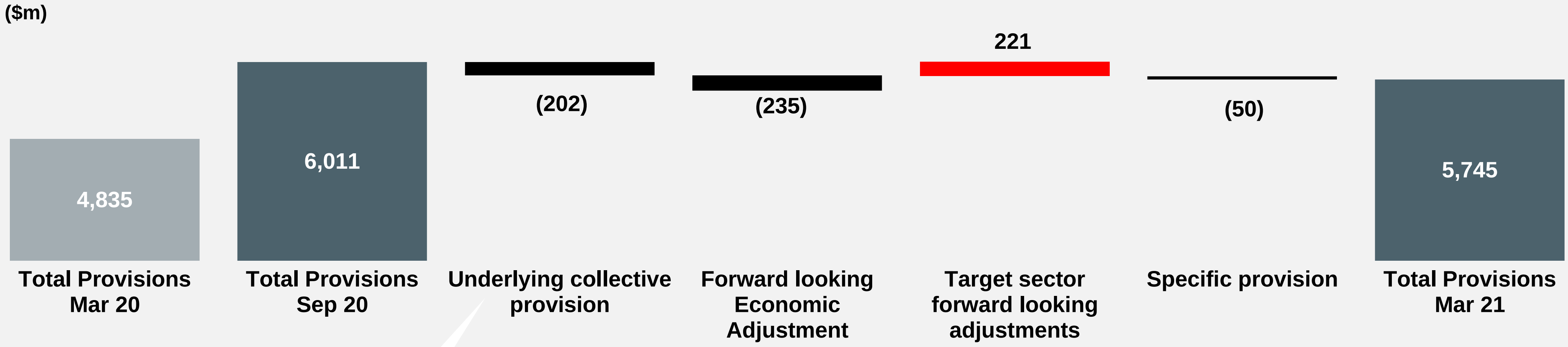
CREDIT IMPAIRMENT CHARGE AND AS % OF GLAs[1]



(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
- Forms baseline
- 1H21 release reflects improved environment and customer positions

ECONOMIC ADJUSTMENT (EA)

- Forward view of additional stress across portfolio from base-line, 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)
- 1H21 EA release of $235m reflects improved economic outlook partly offset by changes to scenario weightings including reduced upside weighting (15% to 5%) given some upside now captured in base case[2]

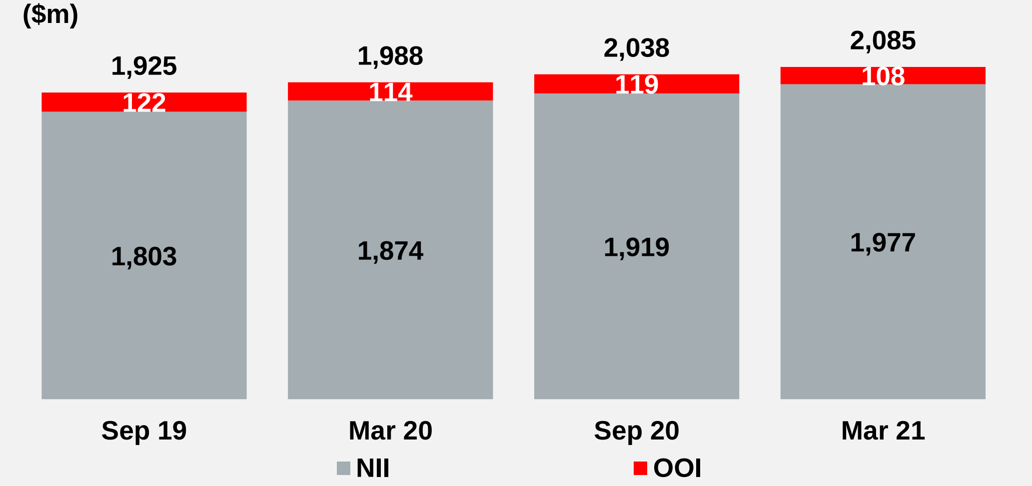
TARGET SECTOR FLAs

- Considers forward looking stress incremental to EA changes
- $221m increase mostly reflects additional stress in aviation & mortgage exposures

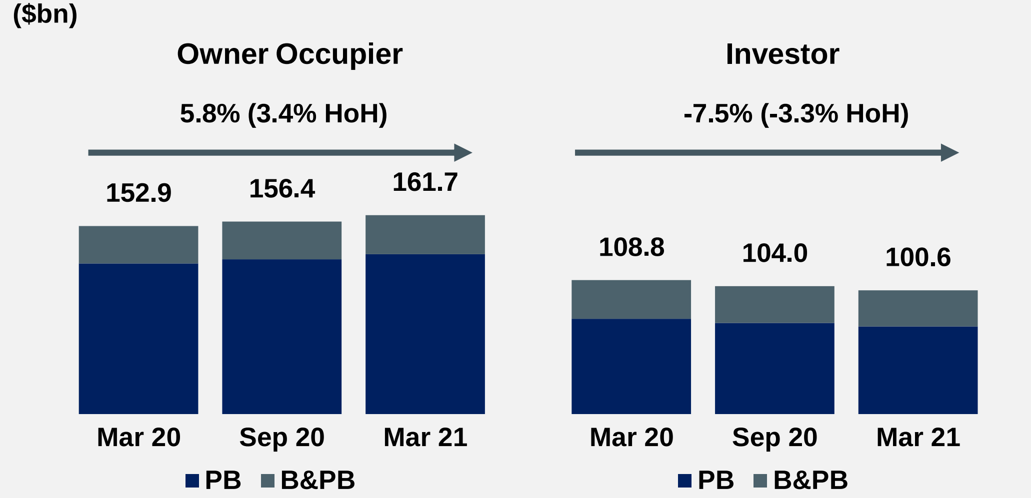
(1) Excludes provisions on fair value loans and derivatives
(2) Base case weighting now 65% (from 60% at FY20) and Downside weighting now 30% (from 25% at FY20)

HOUSING LENDING PORTFOLIO PROFILE

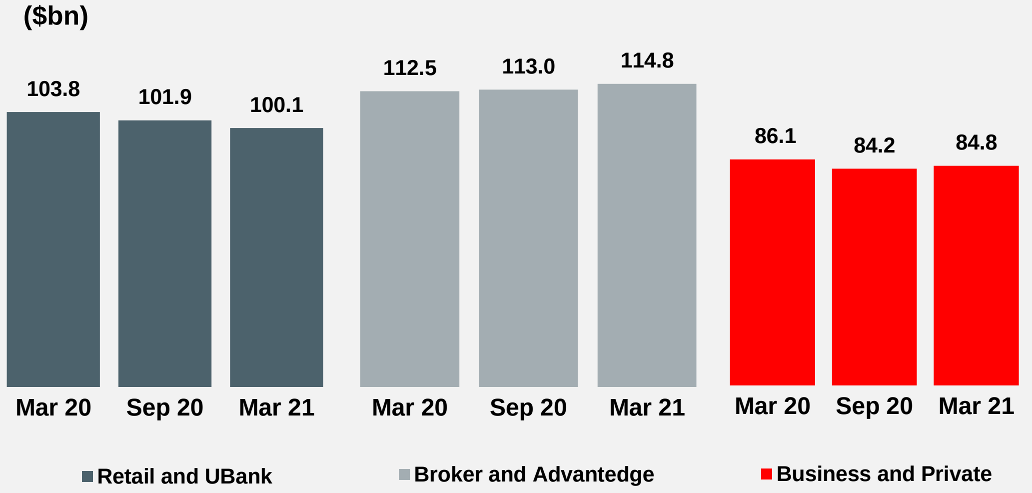
HOUSING LENDING REVENUE



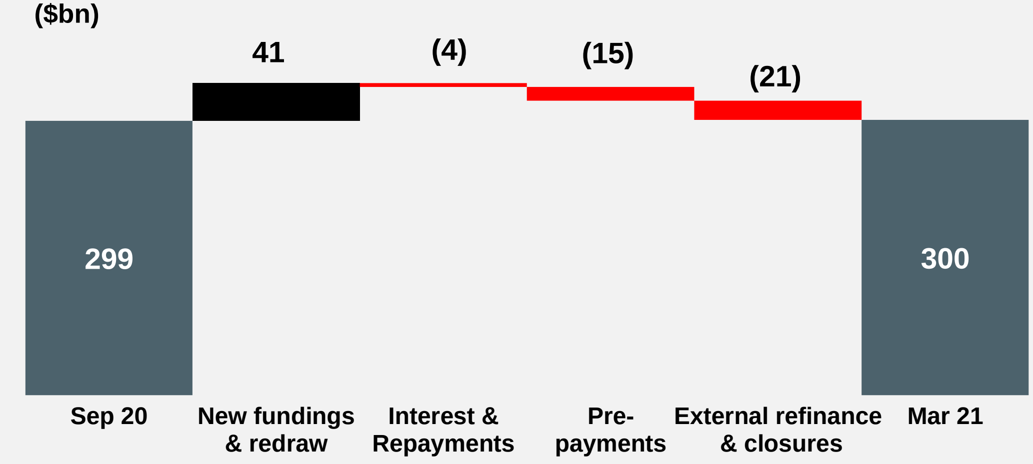
HOUSING LENDING VOLUME GROWTH[1]



HOUSING LENDING BY CHANNEL



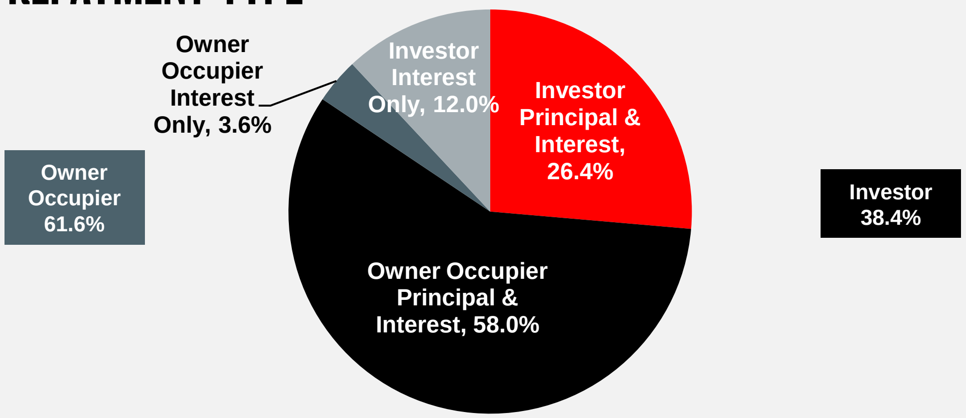
HOUSING LENDING FLOW MOVEMENTS



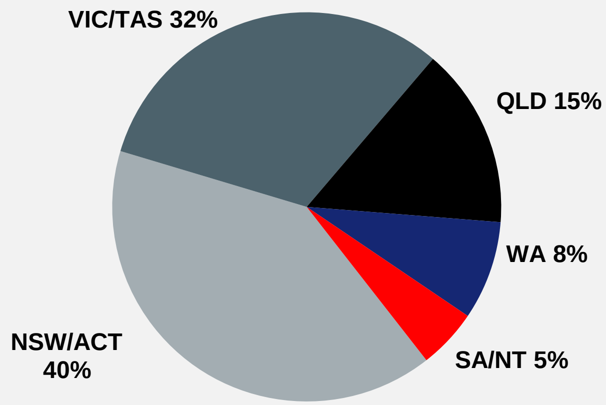
(1) APRA Monthly Authorised Deposit-taking Institution statistics March 2021. UBank included in Personal Banking

HOUSING LENDING PORTFOLIO PROFILE

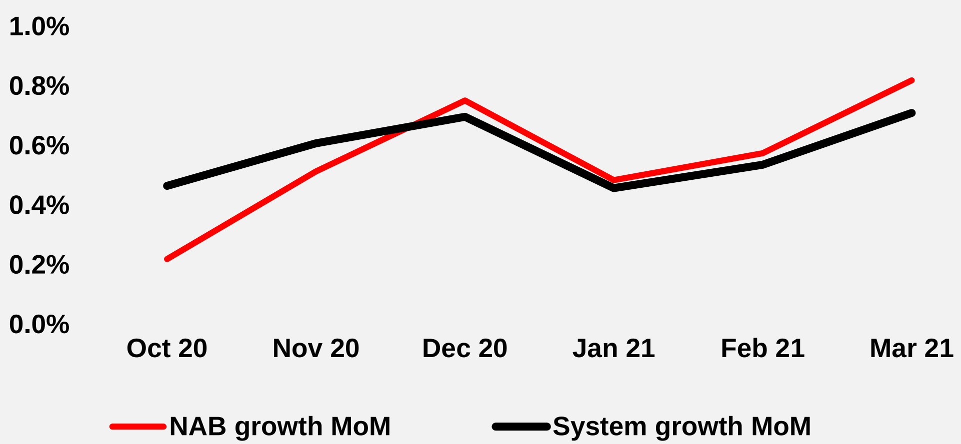
HOUSING LENDING VOLUME BY BORROWER AND REPAYMENT TYPE[1]



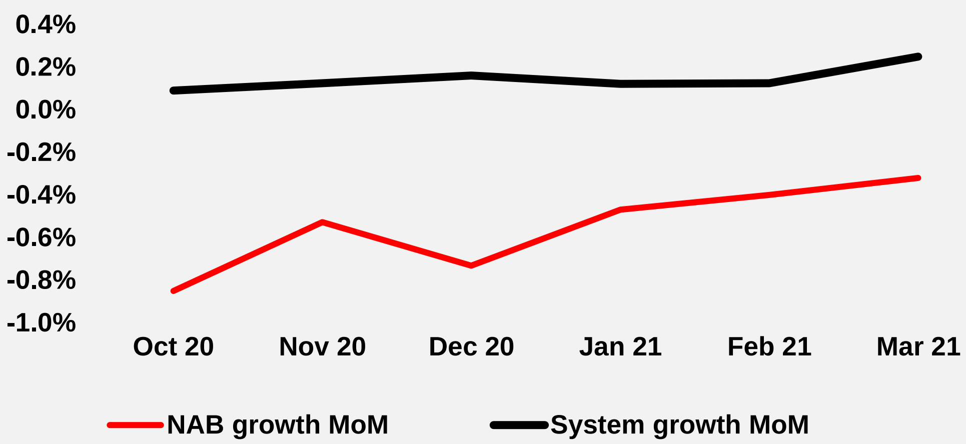
AUSTRALIAN MORTGAGES STATE PROFILE



OWNER OCCUPIER MONTHLY GROWTH[1]



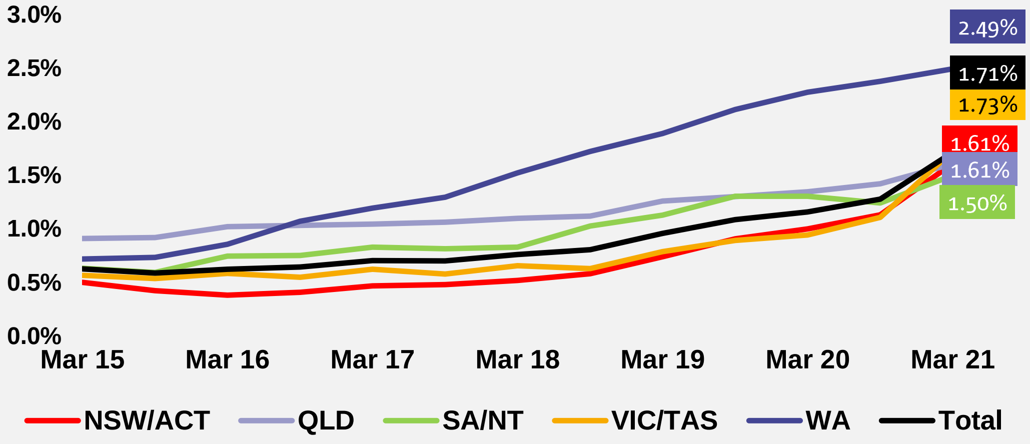
INVESTOR MONTHLY GROWTH[1]



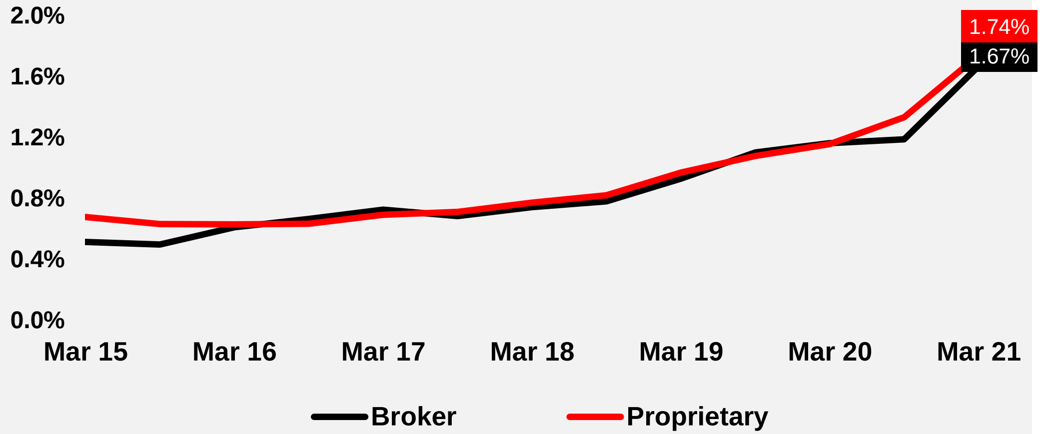
(1) Only includes housing loans to households based on APRA ARF 720.1 reporting definitions, and excludes counterparties such as private trading corporations

HOUSING LENDING PORTFOLIO PROFILE

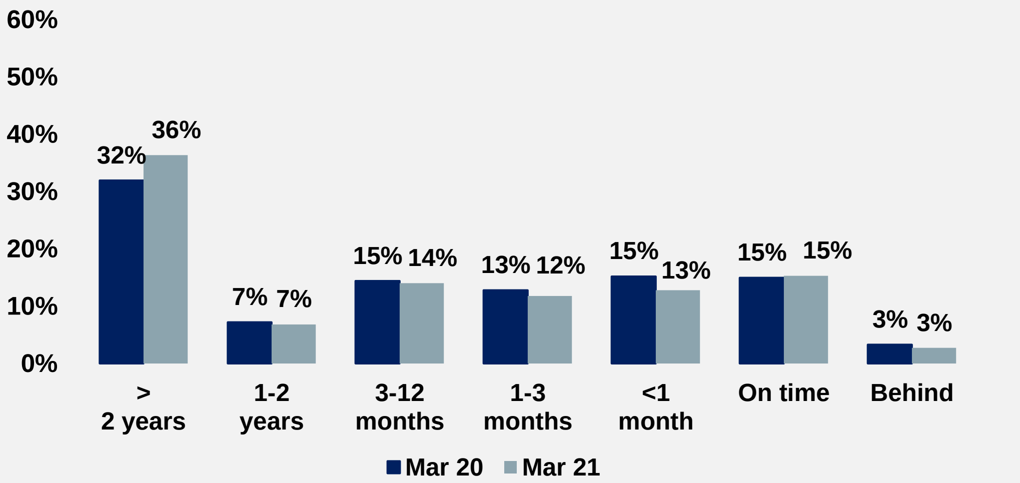
HOUSING LENDING 90+ DPD & GIAs AS % OF GLAs



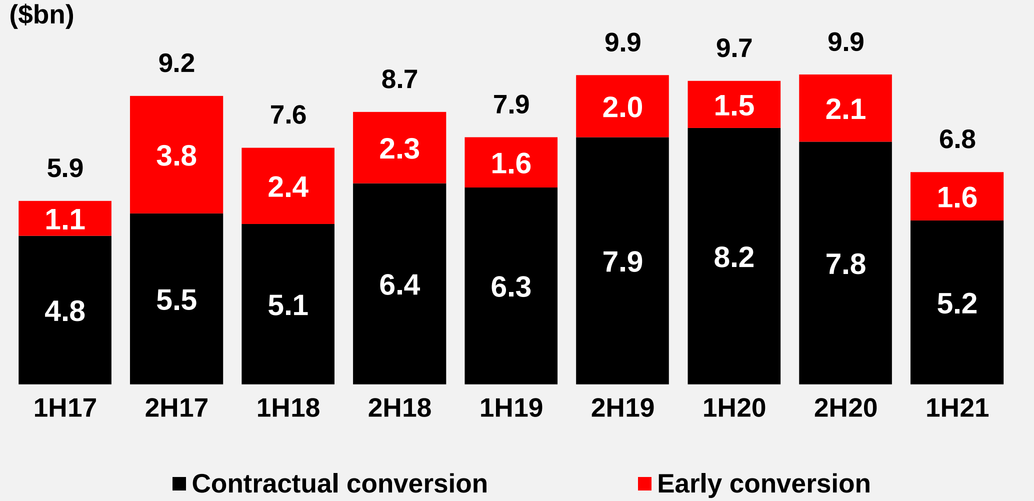
90+ DPD & GIAs AS % OF TOTAL HOUSING LENDING GLAs – BY CHANNEL



REPAYMENT BUFFERS[1]



INTEREST ONLY CONVERSIONS TO P&I



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

HOUSING LENDING KEY METRICS[1]

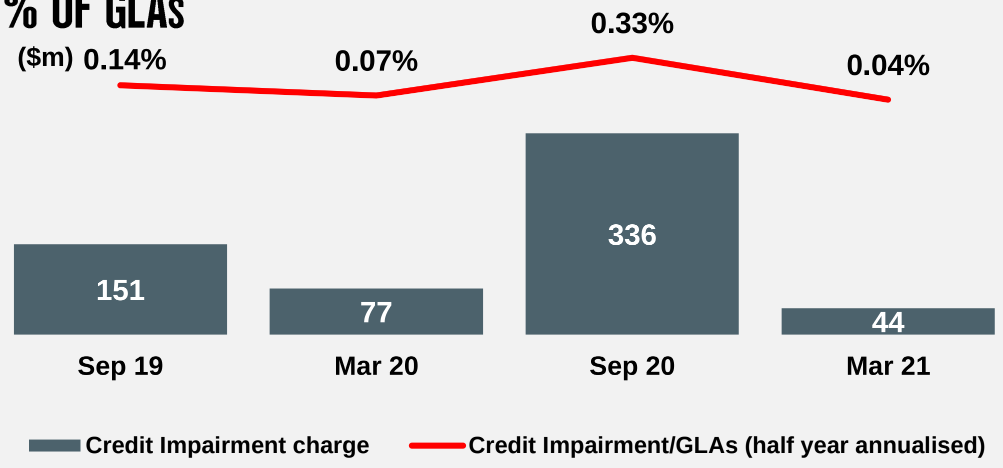
Australian Housing Lending	Sep 19	Mar 20	Sep 20	Mar 21	Mar 20	Sep 20	Mar 21
	Portfolio				Drawdowns[2]		
Total Balances (spot) $bn	304	302	299	300	27	29	32
Average loan size $'000	308	309	309	310	389	383	401
- Variable rate	73.5%	75.9%	71.9%	67.8%	78.5%	64.0%	53.2%
- Fixed rate	20.4%	18.3%	22.8%	27.3%	20.4%	35.0%	45.8%
- Line of credit	6.1%	5.8%	5.3%	4.9%	1.1%	1.1%	1.0%
By borrower type							
- Owner Occupied[3,4]	56.9%	58.4%	60.1%	61.6%	67.7%	70.1%	71.3%
- Investor[3,4]	43.1%	41.6%	39.9%	38.4%	32.3%	29.9%	28.7%
By channel							
- Proprietary	63.3%	62.8%	62.2%	60.0%	54.6%	53.1%	52.1%
- Broker	36.7%	37.2%	37.8%	40.0%	45.4%	46.9%	47.9%
Interest only[5]	19.8%	17.2%	14.8%	13.6%	17.4%	17.9%	17.3%
Low Documentation	0.4%	0.4%	0.4%	0.3%			
Offset account balance ($bn)	29.0	30.0	32.6	33.3			
LVR at origination	69.0%	69.1%	69.2%	69.5%			
Dynamic LVR on a drawn balance calculated basis	47.6%	44.6%	45.5%	42.3%			
Customers in advance ≥1 month[6] (including offset facilities)	66.1%	66.5%	69.9%	69.1%			
Avg # of monthly payments in advance[6] (including offset facilities)	34.3	36.3	43.4	45.1			
90+ days past due	0.98%	1.04%	1.18%	1.61%			
Impaired loans	0.11%	0.12%	0.10%	0.10%			
Specific provision coverage ratio	33.4%	33.3%	35.4%	32.8%			
Loss rate[7]	0.02%	0.02%	0.02%	0.01%			
Number of properties in possession[8]	320	268	155	113			
HEM reliance	27%	33%	33%	35%			

(1) Excludes Asia
(2) Drawdowns is defined as new lending excluding limit increases and redraws in the previous six month period
(3) Portfolio sourced from APRA Monthly Banking Statistics
(4) Drawdowns sourced from management data
(5) Excludes line of credit products
(6) Excludes Advantedge and line of credit
(7) 12 month rolling Net Write-offs / Spot Drawn Balances
(8) Reduction in properties in possession in Sep 20 and Mar 21 reflects pause in legal activity due to COVID-19

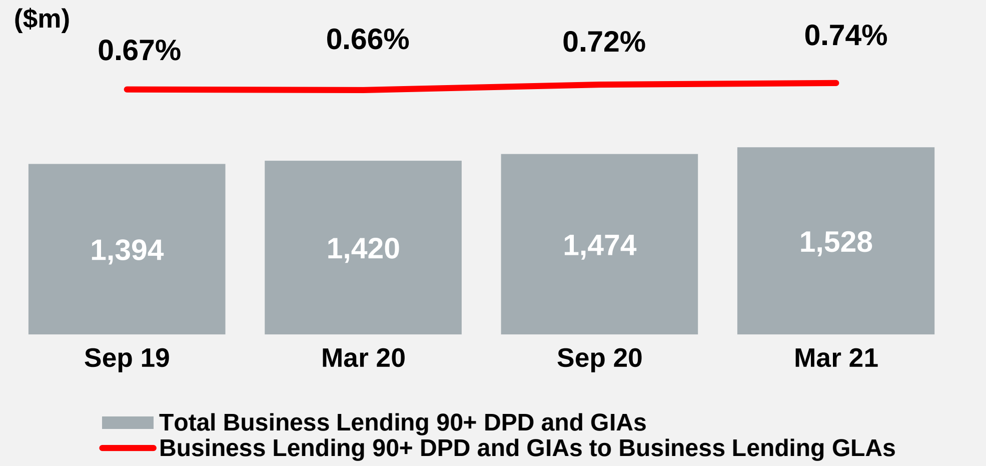
National Australia Bank

BUSINESS LENDING ASSET QUALITY

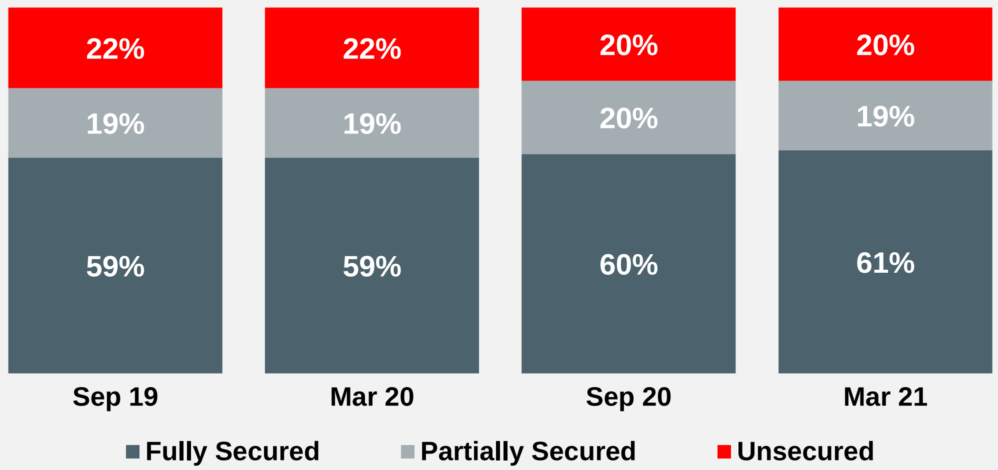
BUSINESS LENDING CREDIT IMPAIRMENT CHARGE AND AS % OF GLAs



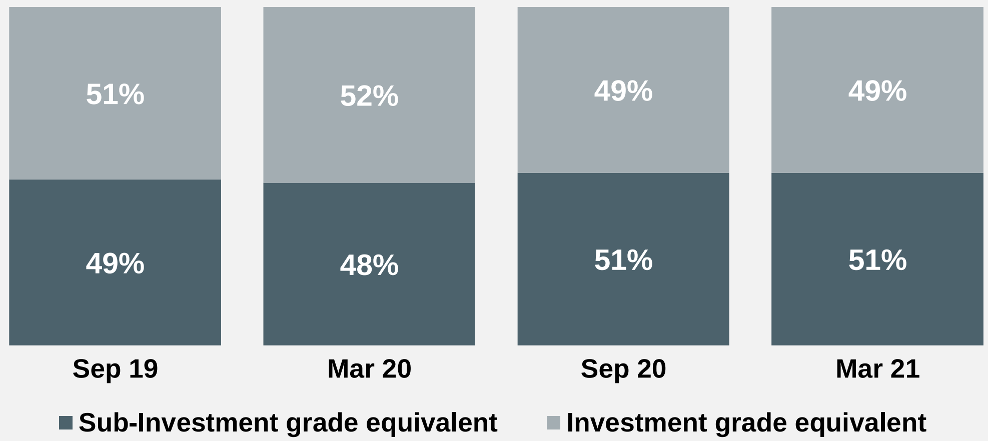
BUSINESS LENDING 90+ DPD AND GIAs AND AS % OF GLAs



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

GROUP COMMERCIAL REAL ESTATE[1]

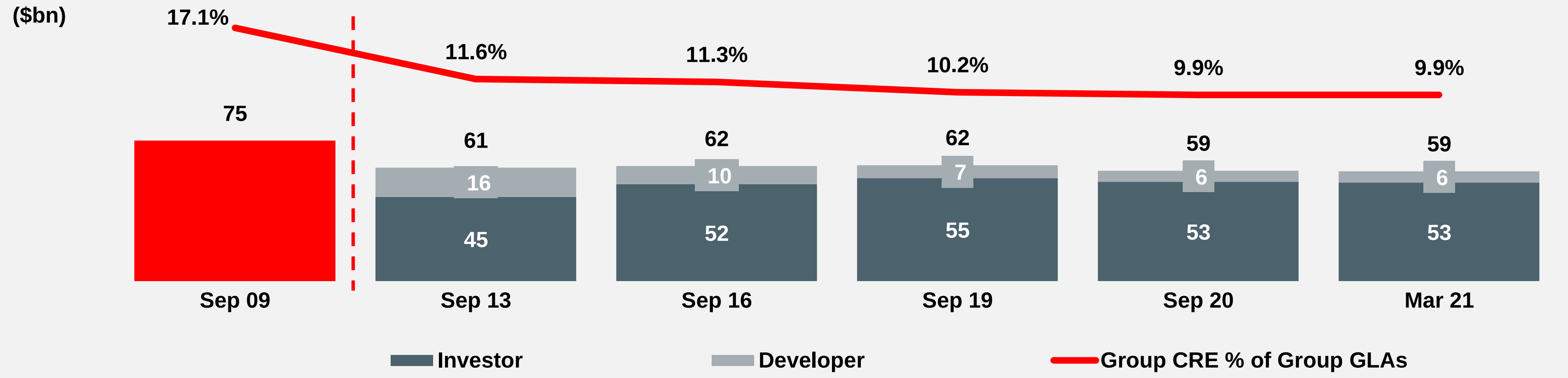
GROSS LOANS & ACCEPTANCES

	Aust	New Zealand	Total
TOTAL CRE (A$bn)	51.6	7.1	58.7
Increase/(decrease) from Sep 20 (A$bn)	0.4	(0.4)	(0.1)
% of geographical GLAs	10.5%	8.5%	9.9%
Change in % from Sep 20	0.2%	(0.6%)	-

ASSET QUALITY

Trend	Mar 19	Sep 19	Mar 20	Sep 20	Mar 21
Impaired loans ratio	0.22%	0.25%	0.26%	0.32%	0.30%
Specific Provision Coverage	34.4%	31.9%	32.2%	39.9%	39.2%

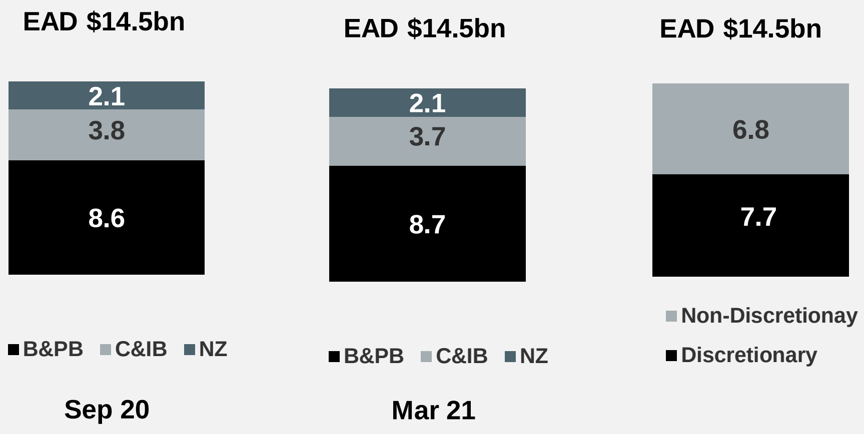
BALANCES OVER TIME



(1) Measured as balance outstanding as at 31 March 2021 per APRA Commercial Property ARF 230 definitions

RETAIL TRADE[1]

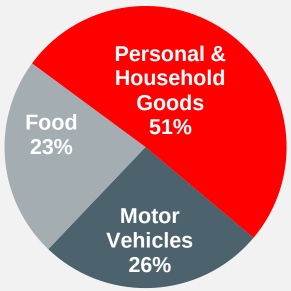
EXPOSURE AT DEFAULT

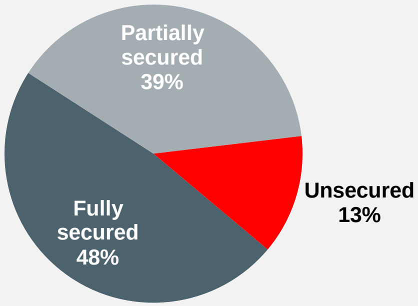


KEY CONSIDERATIONS

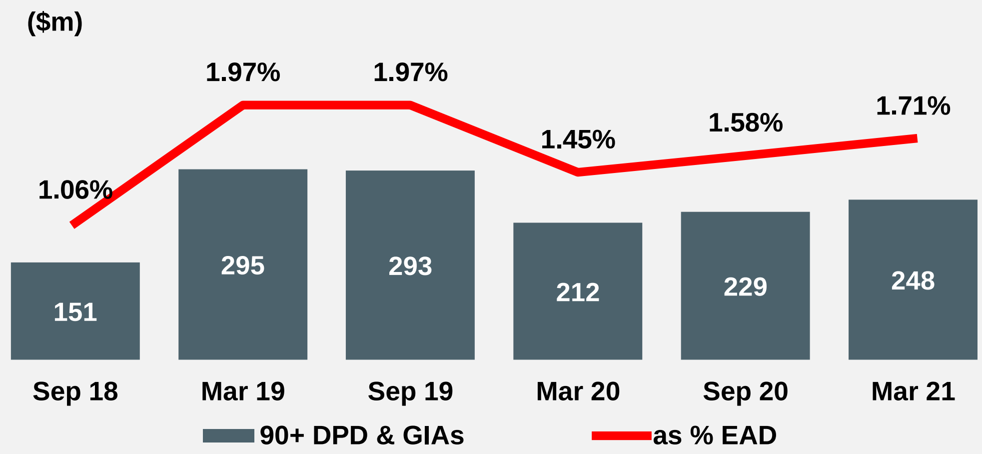
- ~3% of non retail EAD
- Notwithstanding structural problems, the Retail Trade sector performed relatively well during COVID-19, as consumers continued spending. Though some parts of sector have performed better than others
- Retail Trade portfolio experience is mixed: ~47% is non-discretionary retail
- Personal & Household Goods includes: Pharmacy Retailers (42%), Apparel (14%), Furniture & Homewares (19%)
- Department store exposure ~$100m

EAD PORTFOLIO BY SECTOR AND SECURITY[2]





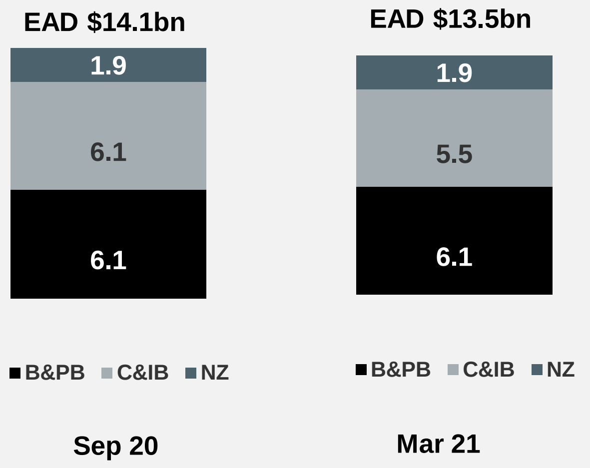
90+ DPD AND GIAs AND AS % OF SECTOR EAD



(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

TOURISM, HOSPITALITY AND ENTERTAINMENT[1]

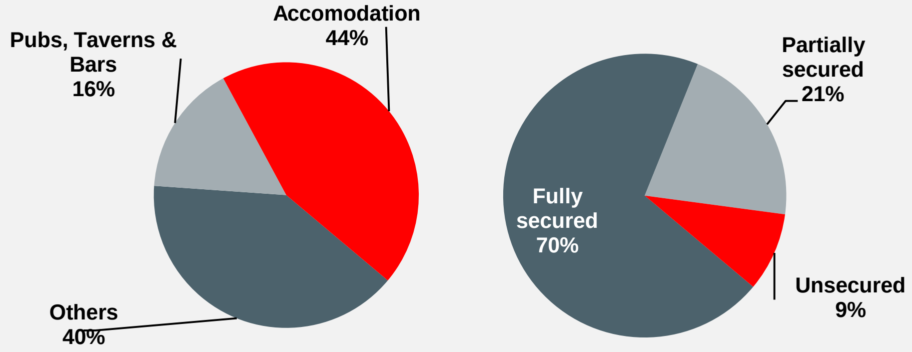
EXPOSURE AT DEFAULT



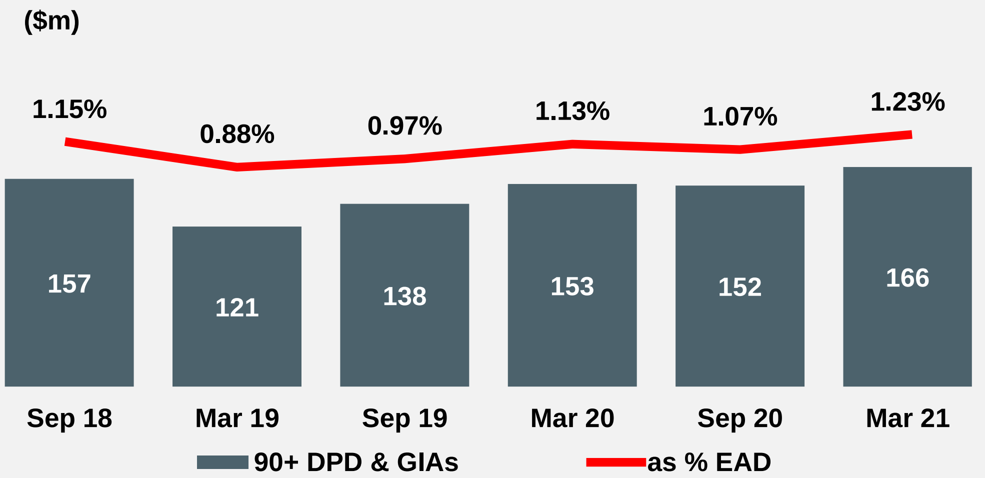
KEY CONSIDERATIONS

- ~3% of non retail EAD
- Industry outlook for Hospitality & Entertainment sectors continues to improve, reflecting growing confidence in COVID-19 tracking and controls. The outlook for the Tourism and Accommodation sectors is less certain for those exposed to international visitors
- Extent of COVID-19 impacts dependent on location. For B&PB exposures[3]:
  - 18% in CBD
  - 20% in Victoria

EAD PORTFOLIO BY SECTOR AND SECURITY[2]



90+ DPD AND GIAs AND AS % OF SECTOR EAD

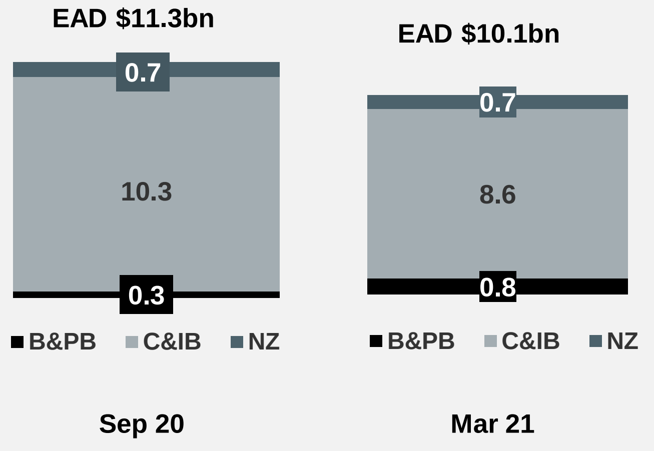


(1) Tourism, hospitality and entertainment include regulatory industry classification of accommodation and hospitality, plus cultural and recreational services
(2) Fully Secured is where the loan amount is less than 100% of the bank extended value of security; Partially Secured is where the loan amount 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
(3) Corporate & Institutional Banking exposures have been excluded from location analysis given many involve a range of post codes

National Australia Bank

AIR TRAVEL AND RELATED SERVICES

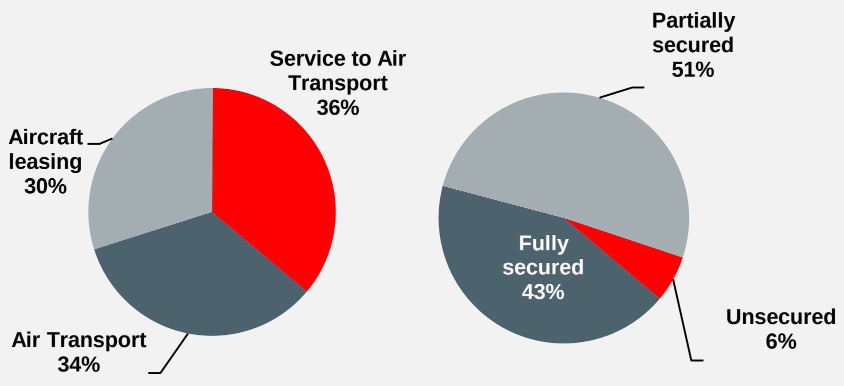
EXPOSURE AT DEFAULT



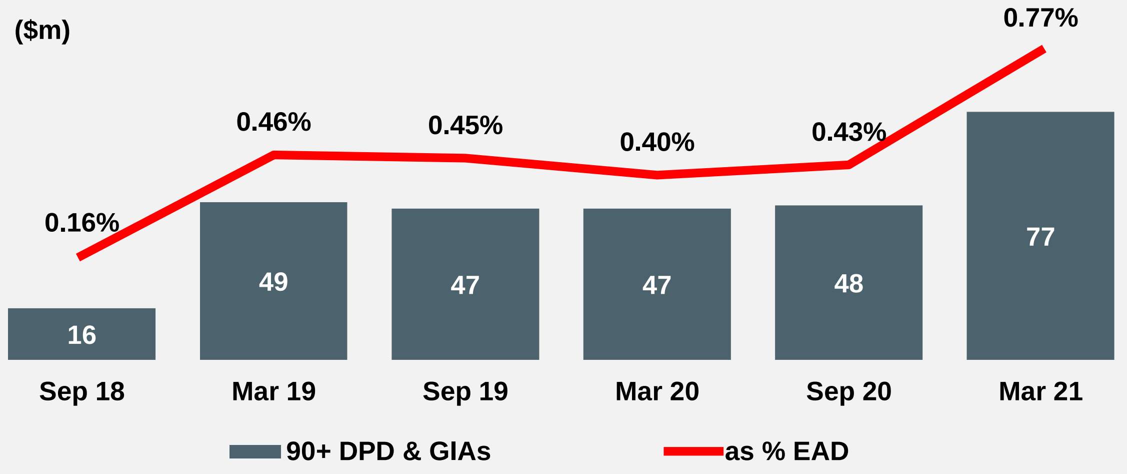
KEY CONSIDERATIONS

- ~2% of non retail EAD
- Portfolio comprises airlines which are usually national carriers and sovereign owned, airports, lessors and service companies supporting the aviation industry
- Ongoing disruption caused by COVID-19 related travel restrictions, with length and severity unknown. However, sovereign support and access to capital markets remain
- EAD reduction Sep 20 vs Mar 21 driven by FX movements and reduction in derivative exposures

EAD PORTFOLIO BY SECTOR AND SECURITY[1]



90+ DPD AND GIAs AND AS % OF SECTOR EAD

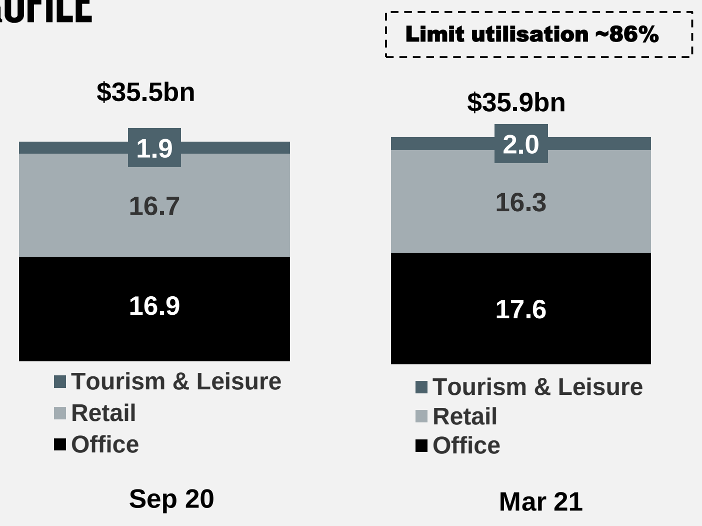


(1) Fully Secured is where the loan amount is less than 100% of the bank extended value of security; Partially Secured is where the loan amount is greater than 100% of the bank extended value of security; Unsecured is where no security is held and/or no value held against the security and negative pledge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

National Australia Bank

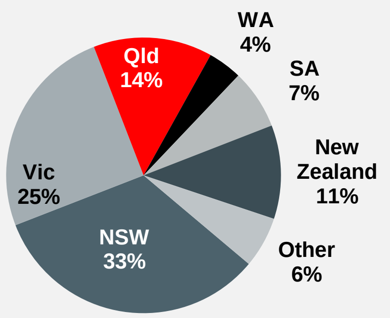
GROUP OFFICE, RETAIL, TOURISM & LEISURE COMMERCIAL REAL ESTATE[1]

GLA PROFILE

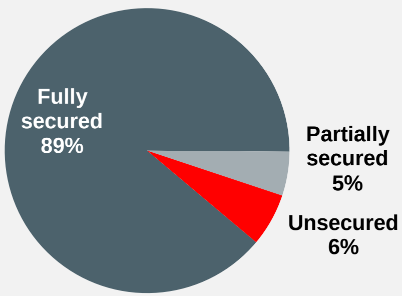


PORTFOLIO CHARACTERISTICS[1]

Geographic breakdown



Portfolio security[2]



KEY CONSIDERATIONS

- Office, Retail and Tourism & Leisure (T&L) viewed as most impacted by COVID-19 across Group CRE portfolio
- 90+ DPD and impaired assets collectively represent 0.24% ($85m) of GLA, down from 0.26% at Sep 20
- Borrower breakdown: Investor 95%, Developer 5%
- Office faces more medium term uncertainties, dependent on the extent and timing of return to work and asset-specific lease expiries
- ~51% of Australian Office balances are CBD based, ~89% relating to Corporate & Institutional exposures
- Retail assets with a stronger bias towards non-discretionary tenants remain resilient and sought after. T&L to benefit from recently announced government stimulus
- Retail and T&L assets located in CBD locations continue to be most impacted, as CBD office occupancy levels remain below pre-pandemic levels and international borders remain shut. The end of JobKeeper presents an additional headwind
  - 6% of Australian Retail balances are CBD based, ~51% relating to Corporate & Institutional exposures
  - 27% of Australian T&L balances are CBD based

(1) Measured as balance outstanding as at 31 March 2021 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.

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ADDITIONAL INFORMATION

ECONOMICS

AUSTRALIA KEY ECONOMIC INDICATORS

- GDP rose by 3.1% q/q in the December quarter 2020, leaving GDP 1.1% below its pre-COVID level a year ago. This represents a strong recovery from the severe recession seen in first half 2020. However, the recovery has been uneven, with some service sector industries well below pre-COVID levels.
- Indicators point to the recovery continuing into 2021. The March NAB Business Survey business conditions index was at a record high. While business confidence eased slightly in the month it remained at a high level and capacity utilisation has risen to above average levels. This points to a pick-up in business investment and employment, which will support the recovery even as fiscal support tapers off.
- The labour market continues to recover. From its mid-2020 peak of 7.5% the unemployment rate has fallen to 5.6%, just 0.4pp above its March 2020 level, and employment is now above its pre-COVID level.
- Housing markets are showing strength. The CoreLogic 8-capital city dwelling price index increased by 7.5% between September and April. The monthly gain in March was the highest since 1988 but price growth eased in April. House building approvals have also risen sharply.
- The RBA does not expect the conditions it has set for an increase in the cash rate from 0.1% will be met until 2024 at the earliest. The RBA is also targeting the 3-year government bond yield at 10 basis points. Later this year it will consider whether to retain the April 2024 bond as the target bond or to shift to the next maturity. In April 2021, the RBA commenced a second $100bn bond purchase program, and a third round is expected.
- System housing credit growth has strengthened modestly. Over the three months to March 2021 it grew at an annualised rate of 5.6%, up from the 2.8% pace in the three months to July 2020. Business credit, after falling in late 2020, has started growing again. Other personal credit has been very weak but stabilised in March 2021.

AUSTRALIAN ECONOMIC INDICATORS (%)[1]

	CY19	CY20	CY21(f)	CY22(f)	CY23(f)
GDP growth[2]	2.3	-1.1	3.7	1.7	2.6
Unemployment[3]	5.2	6.7	5.1	4.7	4.4
Core Inflation[4]	1.4	1.3	1.4	1.8	2.0
Cash rate target[3]	0.75	0.10	0.10	0.10	0.10

AUSTRALIAN SYSTEM GROWTH (%)[5]

	FY19	FY20	FY21(f)	FY22(f)	FY23(f)
Housing	3.0	3.3	5.2	4.4	5.0
Personal	-4.3	-12.9	-3.1	0.0	1.5
Business	3.3	1.9	0.6	4.2	4.5
Total lending	2.7	1.9	3.2	4.1	4.7
System deposits	3.8	11.7	7.6	5.6	3.4

(1) Sources: ABS, Econdata DX, RBA, NAB
(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, NAB. Bank fiscal year-ended (September)

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NZ KEY ECONOMIC INDICATORS

- The New Zealand economy continues to recover relatively well from its COVID-19 related hit in 2020 – at least in aggregate. GDP in Q4 2020 was just 0.9% shy of its level in Q4 2019. Fiscal policy has underpinned this, albeit the centrepiece Wage Subsidy scheme was largely phased out by the end of Q3 2020.
- The country has managed to keep community transmission of COVID-19 at bay, by way of border control and quarantine. In April 2021, NZ considered it safe to allow travellers from Australia to enter quarantine free. Effective inoculation of the local populace is expected to be complete by late 2021, solely by way of the Pfizer vaccine.
- Economic confidence surveys have firmed up in 2021, signalling steady GDP growth and solid investment/hiring, but also a lot of cost and pricing inflation. Risks to the recovery remain, including from COVID-19. However, global economic indicators are now strongly supportive and the major obstacle facing local economic expansion is capacity constraint, especially in staff, rather than aggregate demand.
- The Reserve Bank has kept its Official Cash Rate at 0.25% since March 2020 and has expressed an intent to keep it at this record low for a considerable period. The RBNZ also continues with its Large Scale Asset Purchase programme to try to suppress interest rates more generally.
- NZ commodity export prices are relatively strong, across a broad range of products, including for the dominant dairy industry.
- The housing market has been hot over the last 6-9 months, even with the collapse in net inward migration and a now relatively high rate of homebuilding activity. In March, the government introduced tax changes for investors to try rebalance house price inflation.
- Employment in the year to Q1 2021 expanded 0.3%. With this, the unemployment rate eased back to 4.7% (from the peak of 5.2% in Q3 2020) and we expect it to keep trending lower over 2021, consistent with the likelihood of annual CPI inflation rising toward the top of the Reserve Bank's 1.0 to 3.0% target band.
- Bank system lending growth has slowed to around 3% y/y. Annual growth has been strong in housing and negative (to varying degrees) for agriculture, business and, most notably, consumer credit. Household deposit growth has been running around 8% per annum.

NZ ECONOMIC INDICATORS (%)[1]

	CY19	CY20	CY21(f)	CY22(f)	CY23(f)
GDP growth[2]	1.7	-0.9	2.3	4.0	1.6
Unemployment[3]	4.1	4.9	4.6	3.9	4.6
Inflation[4]	1.9	1.4	2.9	1.6	2.5
Cash rate (OCR)[3]	1.0	0.25	0.25	1.00	2.00

NZ SYSTEM GROWTH (%)[5]

	FY19	FY20	FY21(f)	FY22(f)	FY23(f)
Housing	6.5	6.8	11.6	3.5	3.6
Personal	0.1	-11.7	-2.9	3.6	3.7
Business	4.8	-1.4	0.3	4.0	5.7
Total lending	5.6	3.0	6.9	3.7	4.3
Household retail deposits	5.1	9.4	5.8	4.6	4.3

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

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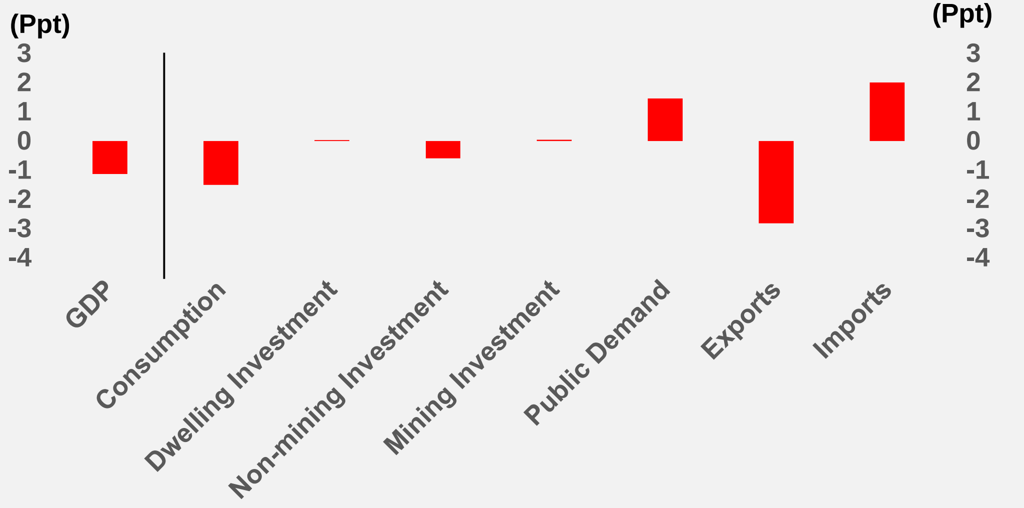
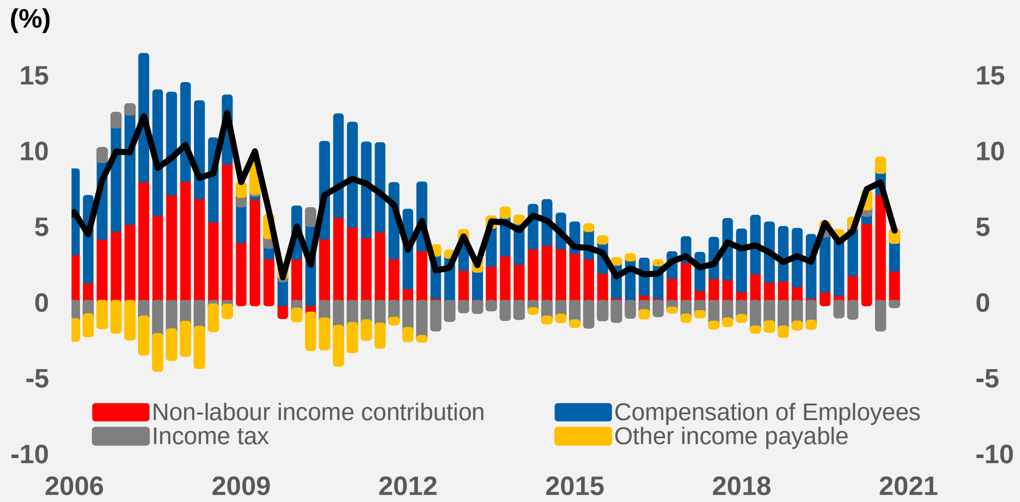
ACTIVITY CONTINUES TO RECOVER FROM THE IMPACT OF COVID-19

- Economic activity and the labour market have rebounded relatively quickly from the COVID-19 related fall in June 2020. GDP ended the year 1% lower, and is now expected to return to pre-COVID levels by Q1 2021.
- Relatively good health outcomes alongside significant support have aided the rebound – though intermittent localised shutdowns and a closed international border have led to elevated uncertainty.
- While in aggregate the recovery has been strong, areas of stress remain, particularly in sectors which see impact from travel restrictions or changes to spending patterns.
- Interest rates remain low but some fiscal support will wind back. Offsetting some of the pull-back in support to households will be the savings buffers built up with earlier support.

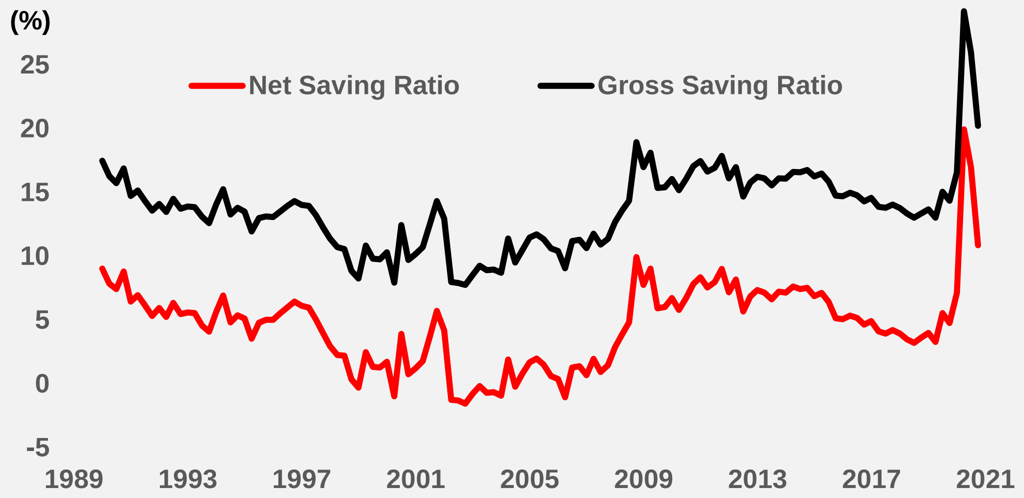
GDP ENDED THE YEAR 1% LOWER[1]



INCOMES HAVE SEEN SIGNIFICANT POLICY SUPPORT[2]



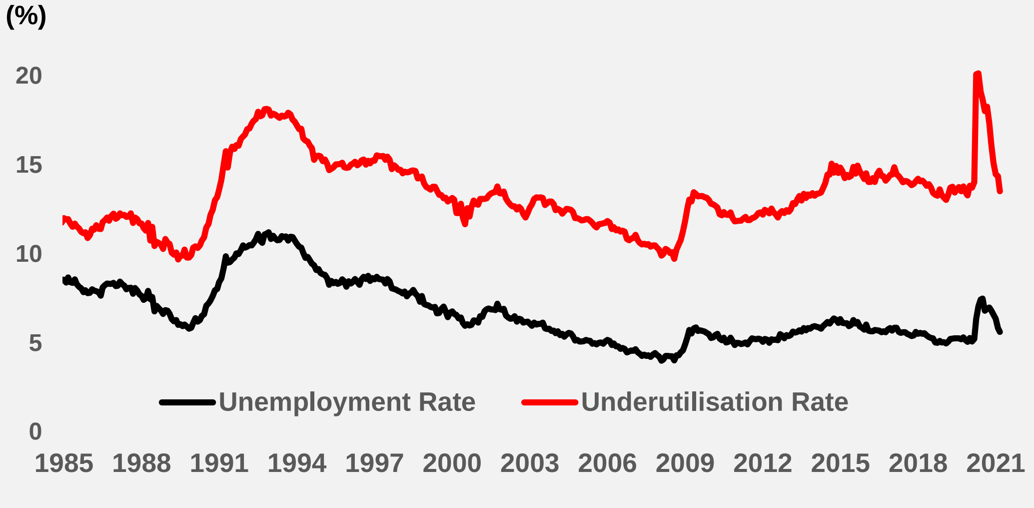
INCREASED SAVINGS HAVE BUILT A BUFFER[3]



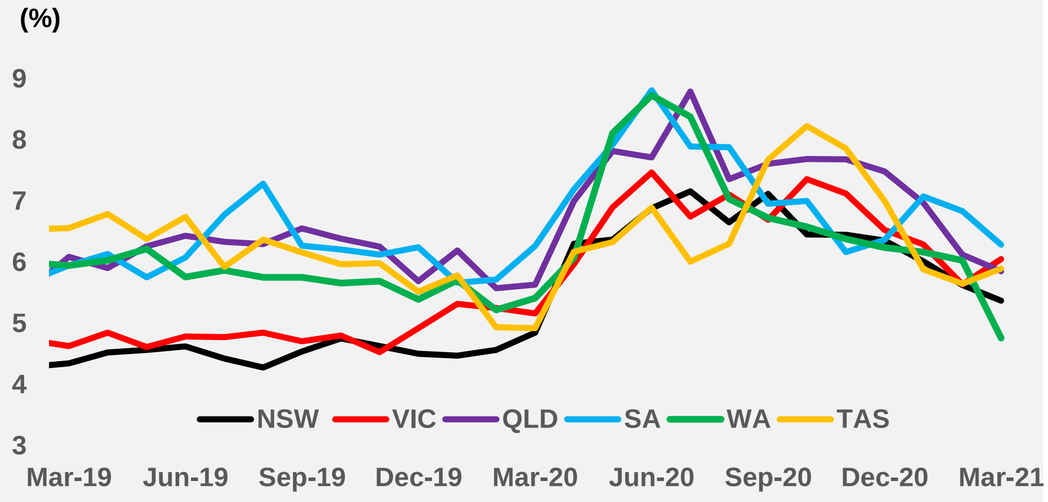
(1) Source: ABS, NAB. Data shows year-ended contributions to December quarter 2020
(2) Source: ABS, NAB. Year-ended growth. Data to December quarter 2020
(3) Source: ABS, NAB. Data to December quarter 2020

THE LABOUR MARKET HAS RECOVERED AT A RELATIVELY QUICK PACE

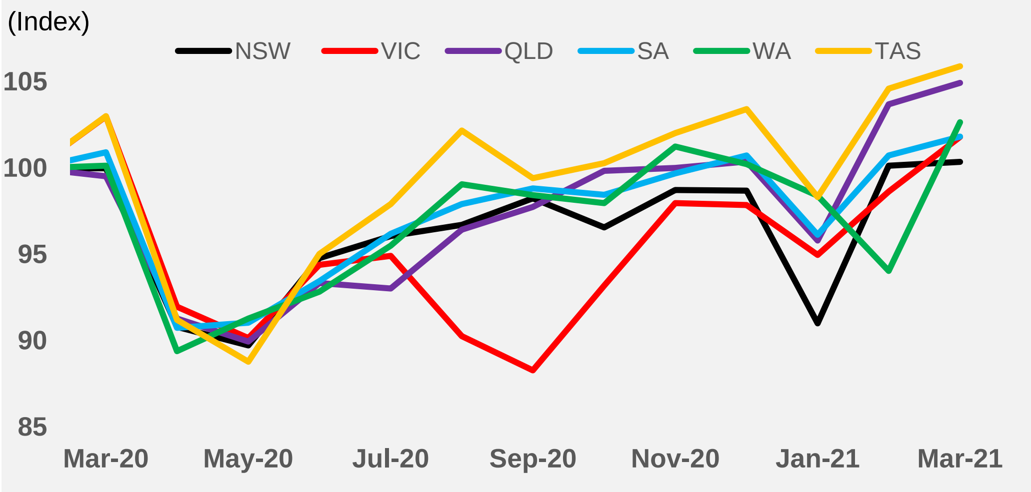
UNEMPLOYMENT HAS RECOVERED QUICKLY[1]



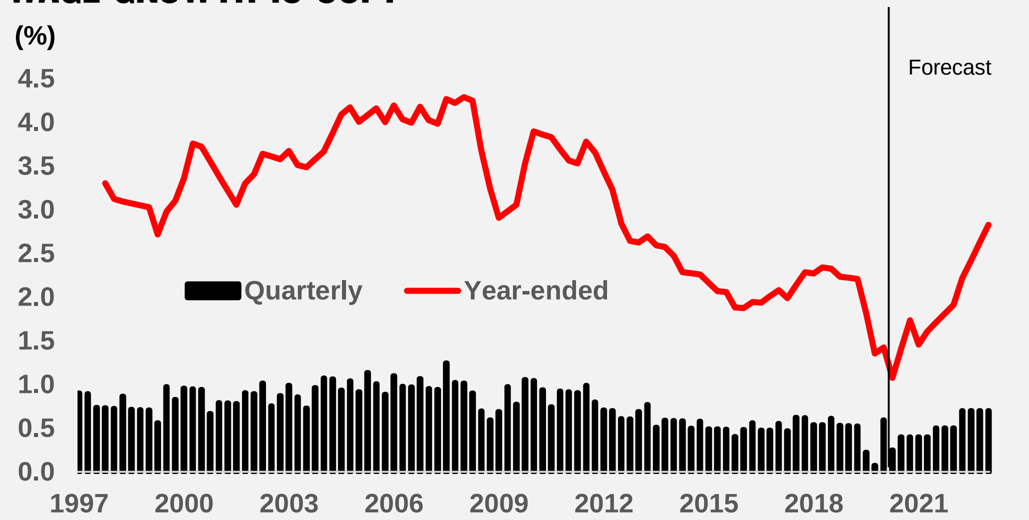
UNEMPLOYMENT HAS FALLEN ACROSS STATES[1]



HOURS WORKED HAVE REBOUNDED ACROSS STATES[2]



WAGE GROWTH IS SOFT[3]



(1) Source: ABS. Data to March 2021
(2) Source: ABS, NAB. February 2020 = 100, data to March 2021
(3) Source: ABS. Data to December quarter 2020, NAB forecasts thereafter

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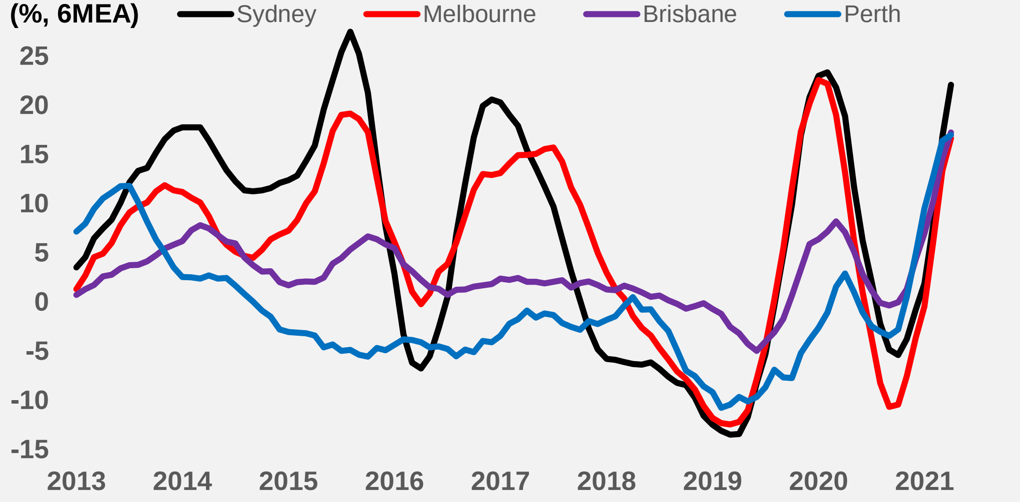
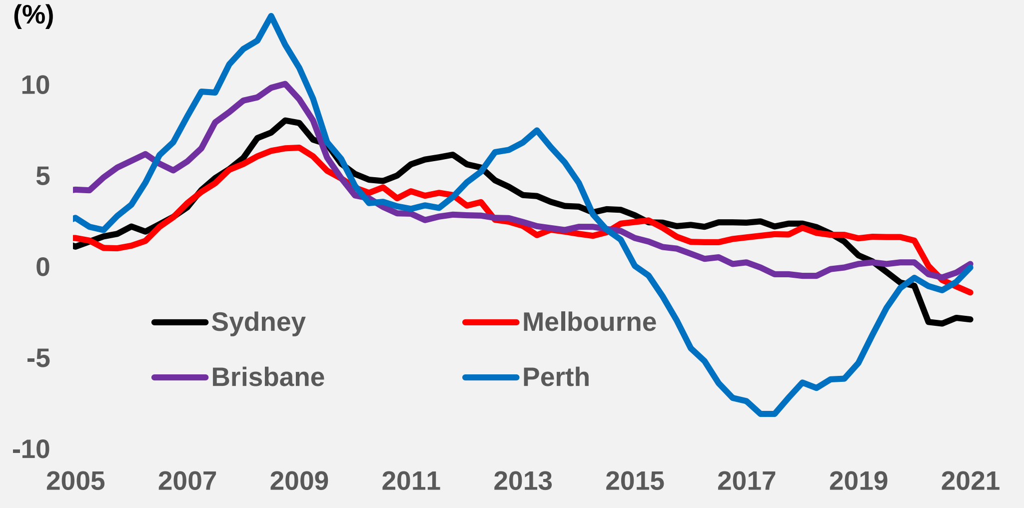
THE HOUSING MARKET HAS STRENGTHENED

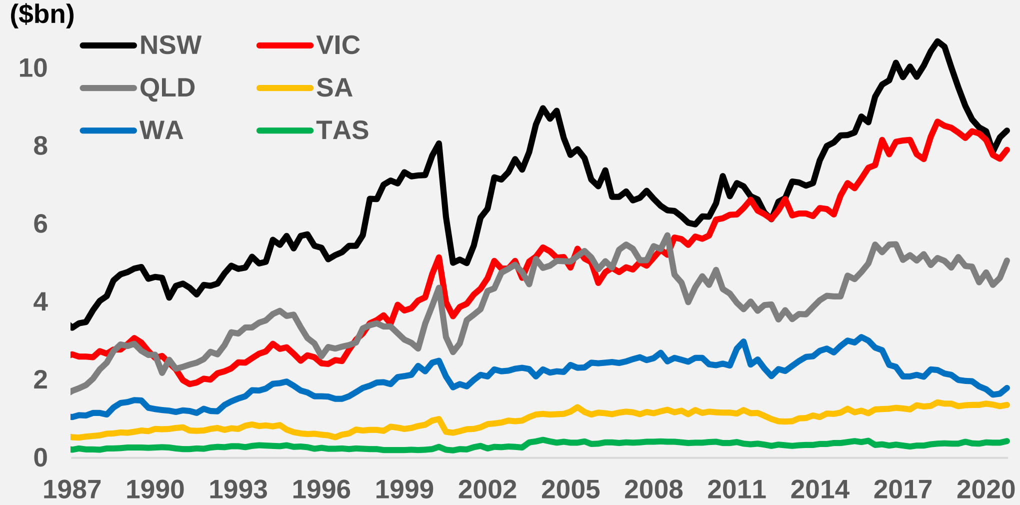
HOUSE PRICE GROWTH HAS BEEN STRONG[1]



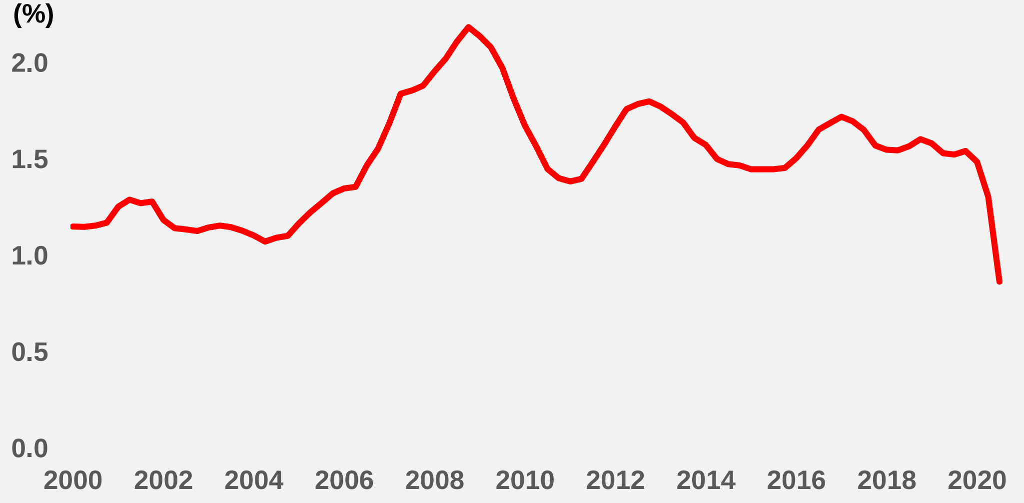
RENTS GROWTH CONTINUES TO BE WEAK[2]



DWELLING INVESTMENT HAS PICKED UP[3]



POPULATION GROWTH IS SLOWING[4]



(1) Source: CoreLogic. 6-month-ended-annualised growth. Data to 30 April 2021
(2) Source: ABS. Year-ended growth in CPI rents. Data to March quarter 2021
(3) Source: ABS. Chain volume measure (reference year 2017-18)
(4) Source: ABS. Year-ended growth. Data to Q3 2020

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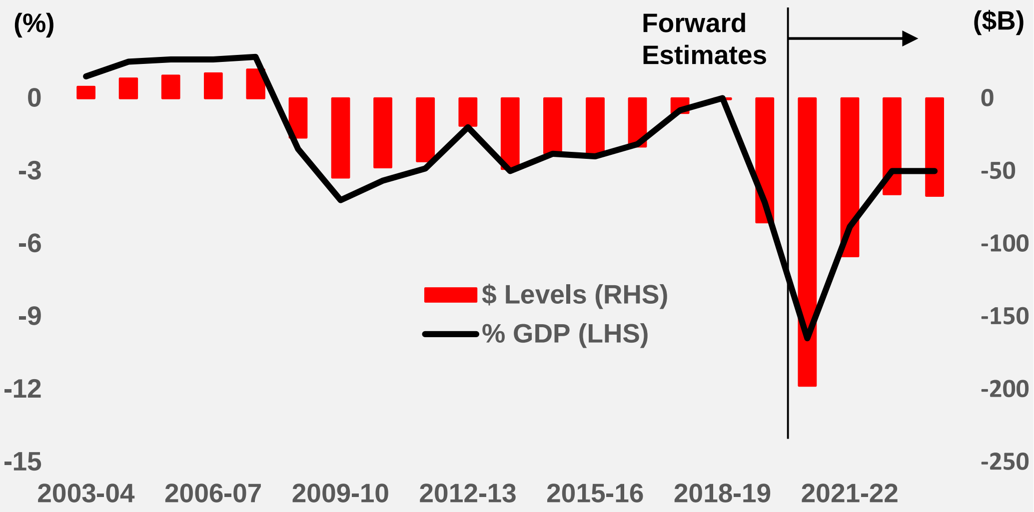
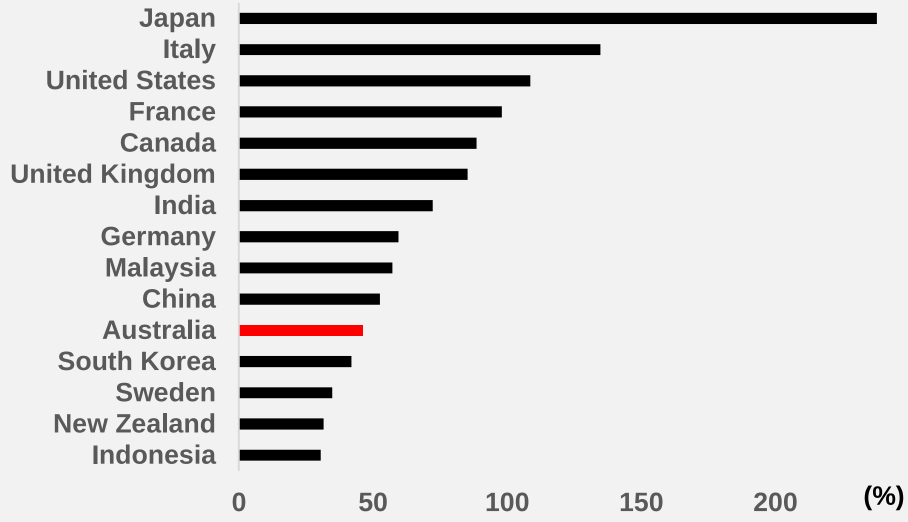
SIGNIFICANT POLICY SUPPORT DURING THE PANDEMIC

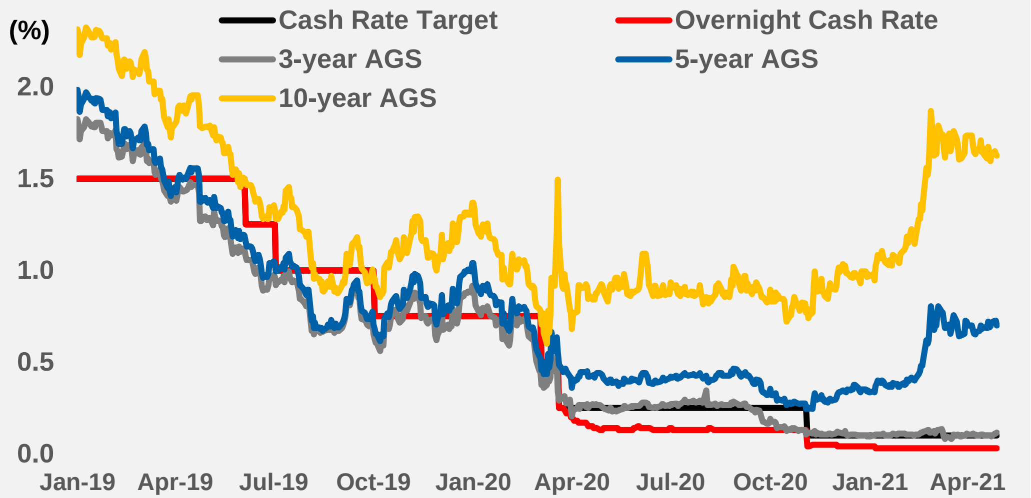
LARGE BUDGET DEFICITS EXPECTED IN THE NEAR TERM[1]



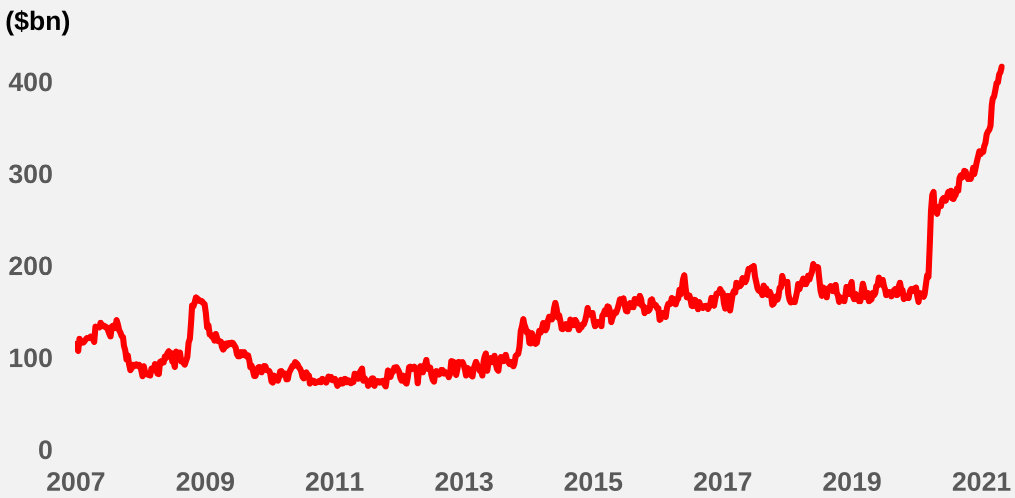
GOVERNMENT DEBT AT A LOW STARTING POINT[2]



THE CASH RATE REMAINS LOW[3]



RBA HAS CONTINUED UNCONVENTIONAL POLICY[4]



(1) Source: Commonwealth Treasury. MYEFO Estimates
(2) Source: IMF. Data are for 2019 shown as a share of each country's GDP
(3) Source: Macrobond. Data to 28 April 2021
(4) Source: RBA, NAB. Data to 26 April 2021. Total Assets on the RBA's Balance Sheet

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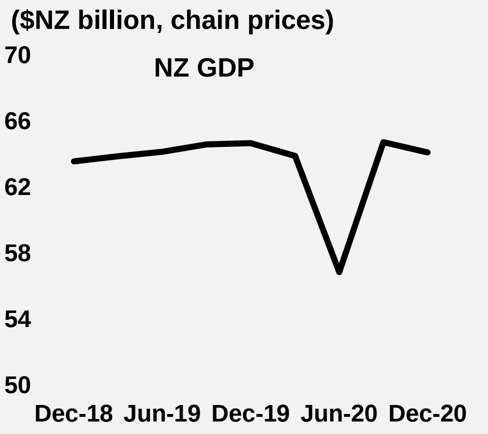
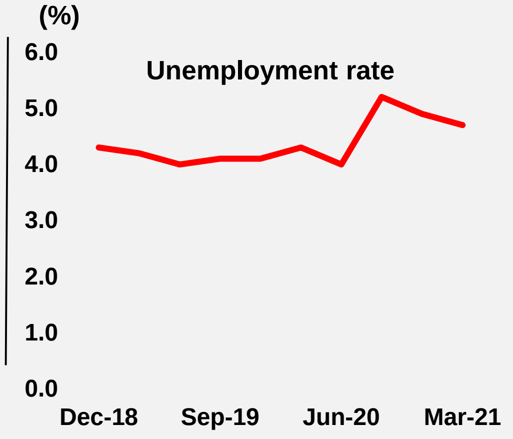
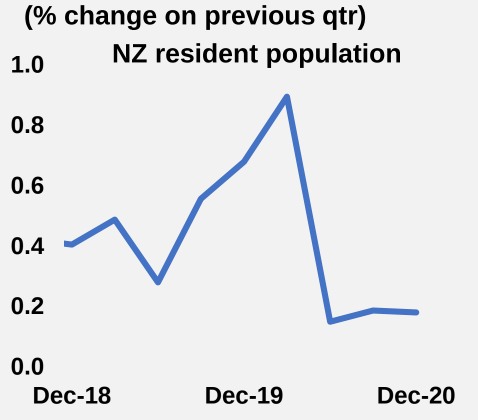
NEW ZEALAND

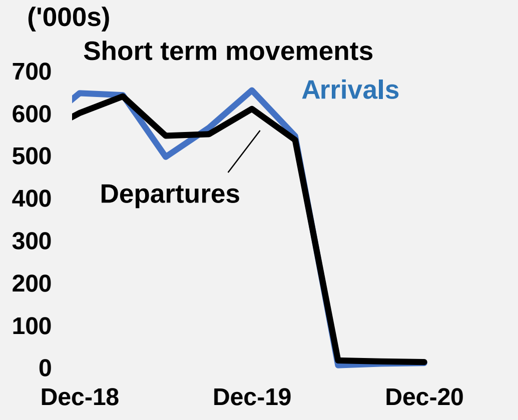
NZ GDP RECOVERY RELATIVELY RAPID BUT Q420 WEAK AND LABOUR MARKET RECOVERY SLOW[1]



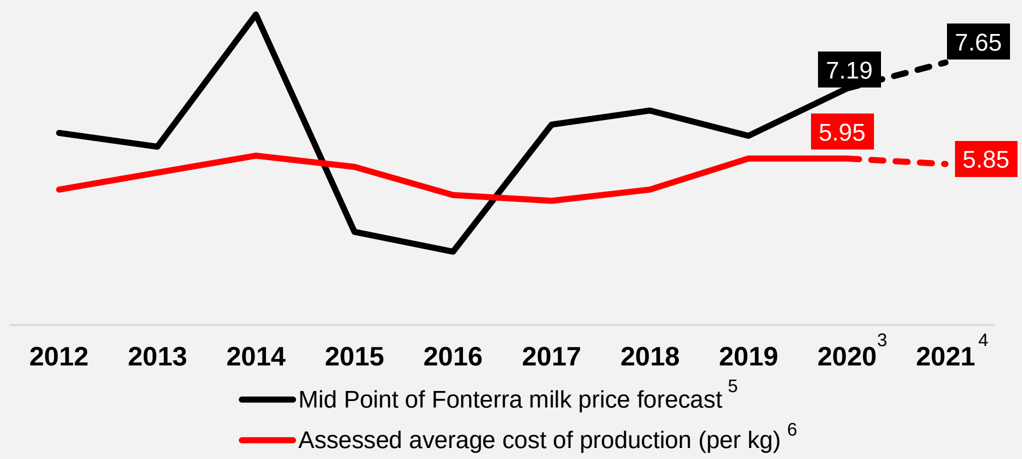


AGGREGATE MEASURES HIDE CHANGES – POPN GROWTH WELL DOWN AND INTERNATIONAL TOURISM DEPRESSED[2]

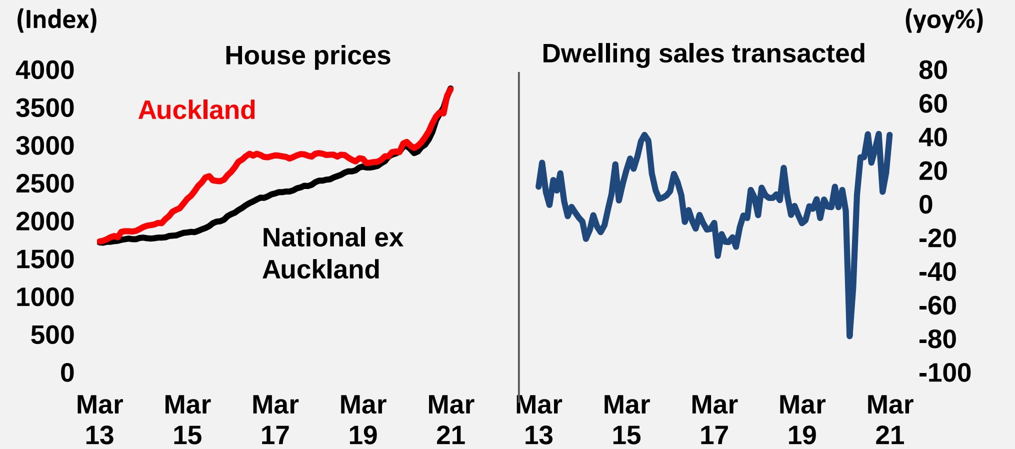




DAIRY FARM VIABILITY



HOUSING MARKET VERY STRONG; GOVT RESPONDING BY SEEKING TO CURB HOUSE PRICE GROWTH[7]



(1) Source: Refinitiv, Statistics NZ
(2) Source: Econdata DX, NAB
(3) 2020 figure includes Milk Price of $7.14 and Dividend of $0.05
(4) 2021 figure includes Milk Price of $7.60 and Dividend of $0.05
(5) Source: Fonterra (milk price)
(6) Source: Dairy NZ (Forecast cost of production)
(7) Source: Refinitiv, REINZ

ABBREVIATIONS

CET1	Common Equity Tier 1 Capital
CIC	Credit impairment charge
CLF	Committed Liquidity Facility
CP	Collective Provision
CTI	Cost to income ratio
DPD	Days Past Due
DRP	Dividend Reinvestment Plan
EAD	Exposure at Default
EA	Economic Adjustment
ECL	Expected Credit Losses
EOFY	End Of Financial Year
EPS	Earnings Per Share
FTEs	Full-time Equivalent Employees
GHG	Greenhouse Gas
GIAs	Gross Impaired Assets
GLAs	Gross Loans and Acceptances
HQLA	High Quality Liquid Assets
IRB	Internal Ratings Based approach

LCR	Liquidity Coverage Ratio
LGD	Loss given default
LVR	Loan to Value Ratio
MTM	Mark to market
NBI	Non Bearing Interest
NCO	Net Cash Outflow
NII	Net Interest Income
NILS	No Interest Loan Scheme
NPS	Net Promoter Score
NSFR	Net Stable Funding Ratio
OIS	Overnight Index Swap
OOI	Other Operating Income
PD	Probability of Default
RMBS	Residential Mortgage Backed Securities
ROE	Return on Equity
RWAs	Risk-weighted assets
SFI	Stable Funding Index
SME	Small and Medium Enterprise
TFF	Term Funding Facility

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CONTACT DETAILS

For further information please contact:

Tom Wirth

Group Treasurer

+61 438 094 009

Hannah Henderson-Smith

Debt Investor Relations

+61 401 613 136

Michael Johnson

Head of Group Funding

+61 400 621 839

Email:

debtinvestorrelations@nab.com.au

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