



22 July 2016

ASX ANNOUNCEMENT

NAB announces organisational structure and executive leadership changes

National Australia Bank (NAB) today announced changes to its organisational structure as well as its Executive Leadership Team to drive the continued focus on its Australian and New Zealand businesses.

NAB Group Chief Executive Officer, Andrew Thorburn, said following the successful demerger and IPO of Clydesdale Bank earlier in the year and with the sale of 80% of the Life Insurance business to Nippon Life nearing completion, it was now the right time to drive the next stage of organisational change.

“These changes will bring greater momentum and energy to NAB’s goal of creating a simpler, more customer-focused organisation that delivers better outcomes for customers as well as shareholder returns,” Mr Thorburn said.

“We have had a very clear plan over the last two years and have taken the action required to execute that plan. We have made progress, our customers are noticing the positive changes and our staff engagement score is the highest it has ever been but we need to do better. This new organisational structure will enable us to continue the pace of change while providing greater clarity for our customers and our people.”

The changes, which are subject to regulatory approval, are as follows, and are effective 1 August 2016:

- Business Banking becomes **Business & Private Banking** and will focus on our priority SME customers. This will bring together our leading nabBusiness franchise with specialised Agriculture, Health, Government, Education and Community services along with Private Banking and JBWere, as well as the small business segment from Personal Banking. Angela Mentis will lead this business as the Chief Customer Officer, Business & Private Banking;
- A new customer facing business unit – **Corporate & Institutional Banking (CIB)** - which will bring together the Corporate and Institutional Banking businesses from within Business Banking as well as the Fixed Income, Currencies and Commodities (FICC) and Capital Financing businesses from within Products & Markets. Asset Servicing and International Branches will also reside within CIB. While an internal and external executive search is conducted, Cathryn Carver will lead this business as the acting Chief Customer Officer, Corporate & Institutional Banking;
- Personal Banking becomes **Consumer Banking & Wealth Management** and will now include the distribution components of Wealth Management, as well as our Personal Banking network. It will also include UBank. Andrew Hagger will lead this business as the Chief Customer Officer, Consumer Banking & Wealth Management. Andrew will also continue to drive the sale process of the Life Insurance business, which remains on track for completion in the second half of calendar year 2016;

- Products & Markets becomes **Customer Products & Services** and now includes Banking & Wealth products, Strategy, Digital, NAB Labs/Ventures, Marketing and Corporate Affairs. Antony Cahill will lead this business as the Chief Operating Officer;
- Enterprise Services & Transformation becomes **Technology & Operations** and will now also include the operating functions of the non-life Wealth Management business. While an internal and external executive search is conducted, Bob Melrose will lead this business as the acting Chief Technology & Operations Officer;
- The Risk function will now also include the Legal and Governance functions of the Group and will continue to be led by David Gall as Chief Risk Officer;
- The Finance, People and Bank of New Zealand units are largely unchanged and will remain under the leadership of Gary Lennon, Lorraine Murphy and Anthony Healy respectively.

Appendix 1 provides an updated organisational structure.

NAB's financial reporting will be reviewed in light of the revised organisational structure.

Mr Thorburn said the time was right to refresh the Executive Leadership Team after two years during which the team had worked to address major legacy issues and re-focus the Bank on the core Australian and New Zealand businesses.

"With the sale of 80% of the life insurance business to Nippon Life nearing completion and other major legacy issues dealt with, we have the opportunity to look to the future and the structure and the leaders to drive the next stage of change. We have made a lot of progress in our core business, but another step change is now needed.

"Our customers will benefit from a more integrated banking and wealth offering, while the formation of the Corporate & Institutional Banking business unit brings together a range of products and services critical to the success of our Corporate and Institutional customers under the responsibility of a single senior executive. This means our SME and specialised businesses become a focussed and standalone business unit. This is a key strategic segment for us and the largest contributor to the Group's profit. It will ensure we continue to bring necessary focus to maintain and grow our industry-leading position in these important segments."

Mr Thorburn paid tribute to the departing Group Executives for their support and dedication to NAB, their work in evolving NAB into a more customer-focused organisation and in helping lead an important and successful phase at NAB.

"With these changes, there are three Executive Leadership Team members who will be leaving us. I thank Michaela Healey (who has indicated her intention to retire), Renee Roberts and Gavin Slater for their long and loyal service at NAB. I have known them the entire time I have worked here at NAB. Each of them has played a significant role in taking NAB forward, and has been an integral part of what we have achieved together. They have been valued colleagues and friends and I extend our thanks and best wishes for what lies ahead."

For further information:

Media

Mark Alexander
M: +61 (0) 412 171 447

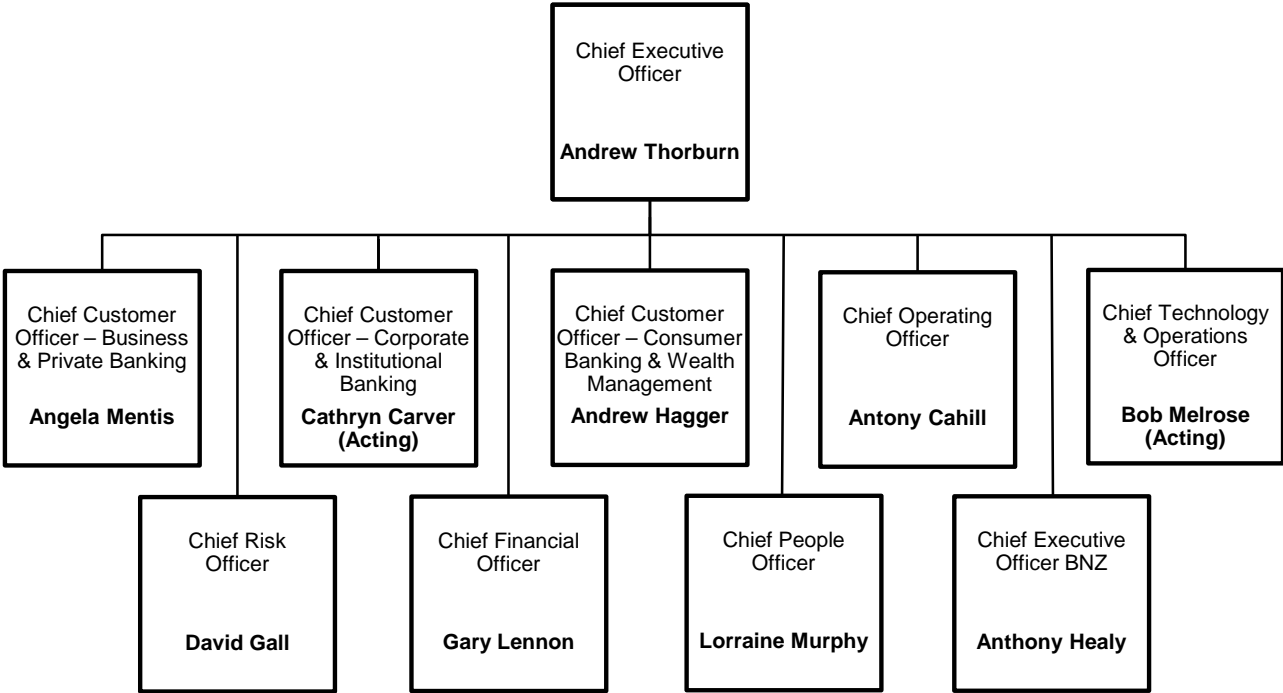
Jessica Forrest
M: +61 (0) 457 536 958

Investor Relations

Ross Brown
M: +61 (0) 417 483 549

Natalie Coombe
M: +61 (0) 438 641 669

Appendix 1 – NAB Executive Leadership Team structure, effective 1st August 2016¹



1. Subject to regulatory approval