

NATIONAL AUSTRALIA BANK

Template for Key Performance Measures

Output summary - ratios ⁽¹⁾⁽²⁾

Key indicators	Year to		Half Year to	
	Sep 16	Sep 15	Sep 16	Mar 16
	\$m	\$m	\$m	\$m
Basic statutory earnings per ordinary share - cents	8.8	252.7	78.0	(70.1)
Basic statutory earnings per ordinary share - cents (continuing operations)	242.4	271.7	120.2	122.7
Net profit / (loss) attributable to owners of NAB	352	6,338	2,094	(1,742)
Less: Distributions on other equity instruments (statutory basis)	(124)	(175)	(60)	(64)
Net profit / (loss) attributable to owners of NAB (adjusted)	228	6,163	2,034	(1,806)
Net profit attributable to owners of NAB (adjusted from continuing operations)	6,296	6,625	3,136	3,160
Net (loss) attributable to owners of NAB (adjusted from discontinued operations)	(6,068)	(462)	(1,102)	(4,966)
Add: Interest expense on convertible notes	75	30	46	29
Add: Interest expense on convertible preference shares	130	135	65	65
Adjusted earnings (diluted)	433	6,328	2,145	(1,712)
Adjusted earnings (diluted- continuing operations)	6,501	6,790	3,247	3,254
Weighted average ordinary shares (no. '000) (statutory basis)	2,596,957	2,438,782	2,608,186	2,575,501
Diluted weighted average ordinary shares (no. '000) (statutory basis)	2,793,686	2,578,648	2,818,915	2,762,116
Diluted statutory earnings per ordinary share - cents	15.5	245.4	76.1	(62.0)
Diluted statutory earnings per ordinary share - cents (continuing operations)	232.7	263.3	115.2	117.8
Basic cash earnings per ordinary share - cents	245.1	249.0	123.1	122.3
Adjusted cash earnings (basic)	6,483	6,222	3,263	3,220
Add: Interest expense on convertible notes	75	30	46	29
Add: Interest expense on convertible preference shares	130	135	65	65
Adjusted cash earnings (diluted)	6,688	6,387	3,374	3,314
Weighted average ordinary shares (no. '000) (cash earnings basis)	2,645,573	2,498,364	2,650,869	2,633,700
Diluted weighted average ordinary shares (no. '000) (cash earnings basis)	2,842,302	2,638,230	2,861,598	2,820,315
Diluted cash earnings per share - cents	235.3	242.1	117.9	117.5
Statutory profit on average equity (Statutory return on equity)	0.5%	15.2%	9.1%	(8.3%)
Net profit / (loss) attributable to owners of NAB (adjusted)	228	6,163	2,034	(1,806)
Cash earnings on average equity (Cash return on equity)	14.3%	14.8%	14.3%	14.3%
Cash earnings	6,483	6,222	3,263	3,220
Average equity	47,649	44,254	47,998	46,803
Less: Average non-controlling interest in controlled entities	(24)	(17)	(24)	(24)
Less: Average Trust Preferred Securities	(975)	(975)	(975)	(975)
Less: Average Trust Preferred Securities II	-	(469)	-	-
Less: Average National Income Securities	(1,945)	(1,945)	(1,945)	(1,945)
Less: Average National Capital Instruments	(397)	(397)	(397)	(397)
Adjusted average equity for earnings on average equity calculation (statutory basis)	44,308	40,451	44,657	43,462
Add: Average Treasury shares	1,148	1,721	862	1,491
Adjusted average equity for cash earnings on average equity calculation (cash earnings basis)	45,456	42,172	45,519	44,953
Profitability, performance and efficiency measures				
Dividend payout ratio	80.8%	79.5%	80.4%	80.9%
Dividend per share (cents)	198	198	99	99
Basic cash earnings per ordinary share - cents	245.1	249.0	123.1	122.3
Cash earnings on average assets	0.76%	0.72%	0.78%	0.74%
Cash earnings	6,483	6,222	3,263	3,220
Average assets	855,808	864,609	837,099	874,017
Cash earnings on average risk-weighted assets	1.77%	1.86%	1.76%	1.80%
Cash earnings	6,483	6,222	3,263	3,220
Risk-weighted assets	388,445	351,178	388,445	361,433
Risk-weighted assets (prior third quarter)	363,550	340,242	363,550	362,479
Risk-weighted assets (prior half year)	361,433	340,109	361,433	351,178
Risk-weighted assets (prior first quarter)	362,479	320,065	n/a	n/a
Risk-weighted assets (prior year)	351,178	318,405	n/a	n/a
Cash earnings per average FTE (\$'000)	188	182	187	188
Cash earnings	6,483	6,222	3,263	3,220
Full Time Equivalent Employees (FTE) (average)	34,567	34,148	34,835	34,330
Banking cost to income ratio	41.4%	41.2%	41.2%	41.6%
Group operating expenses	7,438	7,278	3,683	3,755
Less: NAB Wealth Operating expenses	(758)	(786)	(370)	(388)
Add: Eliminations	47	37	28	19
Banking operating expenses	6,727	6,529	3,341	3,386
Group net operating income	17,433	17,005	8,724	8,709
Less: NAB Wealth net operating income	(1,233)	(1,208)	(635)	(598)
Add: Eliminations	47	37	28	19
Banking net operating income	16,247	15,834	8,117	8,130
Net tangible assets (NTA) per share (\$)	16.06	13.90	16.06	14.47
Total equity / net assets	51,315	46,596	51,315	48,426
Less: non-controlling interest in controlled entities	(23)	(19)	(23)	(25)
Less: Trust Preferred Securities	(975)	(975)	(975)	(975)
Less: National Income Securities	(1,945)	(1,945)	(1,945)	(1,945)
Less: National Capital Instruments	(397)	(397)	(397)	(397)
Less: Goodwill and other intangible assets	(5,302)	(6,774)	(5,302)	(6,820)
Net tangible assets (NTA)	42,673	36,486	42,673	38,264
Ordinary shares - Including partly paid (no. '000)	2,657,025	2,625,828	2,657,025	2,644,997

⁽¹⁾ All key performance measures and Group performance indicators are calculated on a cash earnings basis unless otherwise stated. A Glossary of Terms is included in Section 7 of the Results Announcement.

⁽²⁾ Information is presented on a continuing operations basis including prior period restatements.

NATIONAL AUSTRALIA BANK

Template for Key Performance Measures

Input Schedule ⁽¹⁾

	Year to		Half Year to		Sep 16
	Sep 16	Sep 15	Sep 16	Mar 16	Results
Group Cash Earnings	\$m	\$m	\$m	\$m	Announcement
Net interest income	12,930	12,498	6,330	6,600	Page 3
Other operating income	4,503	4,507	2,394	2,109	Page 3
Net operating income	17,433	17,005	8,724	8,709	Page 3
Operating expenses	(7,438)	(7,278)	(3,683)	(3,755)	Page 3
Underlying profit	9,995	9,727	5,041	4,954	Page 3
Charge to provide for bad and doubtful debts	(800)	(748)	(425)	(375)	Page 3
Cash earnings before tax and distributions	9,195	8,979	4,616	4,579	Page 3
Income tax expense	(2,588)	(2,582)	(1,293)	(1,295)	Page 3
Cash earnings before distributions	6,607	6,397	3,323	3,284	Page 3
Distributions	(124)	(175)	(60)	(64)	Page 3
Cash earnings	6,483	6,222	3,263	3,220	Page 3

Non-cash earnings items (after-tax):

Distributions	124	175	60	64	Page 3
Treasury shares	61	4	(1)	62	Page 3
Fair value and hedge ineffectiveness	(126)	516	(66)	(60)	Page 3
Life insurance 20% share of profit	(39)	(37)	(17)	(22)	Page 3
Amortisation of acquired intangible assets	(83)	(80)	(43)	(40)	Page 3
Net profit from continuing operations	6,420	6,800	3,196	3,224	Page 3
Net profit/loss after tax from discontinued operations	(6,068)	(462)	(1,102)	(4,966)	Page 3
Net profit / (loss) attributable to owners of the Company	352	6,338	2,094	(1,742)	Page 3

	Year to		Half Year to		Sep 16
	Sep 16	Sep 15	Sep 16	Mar 16	Results
Average equity data	\$m	\$m	\$m	\$m	Announcement
Average interest-earning assets	689,526	658,134	695,138	683,910	Page 90 & 94
Average assets	855,808	864,609	837,099	874,017	Page 91 & 95
Average equity	47,649	44,254	47,998	46,803	Page 93 & 97
Average non-controlling interest in controlled entities	24	17	24	24	Page 93 & 97
Average Trust Preferred Securities	975	975	975	975	
Average Trust Preferred Securities II	-	469	-	-	
Average National Income Securities	1,945	1,945	1,945	1,945	
Average National Capital Instruments	397	397	397	397	
Average Treasury shares	1,148	1,721	862	1,491	

Statutory earnings per share data

Basic weighted average ordinary shares (no. '000)	2,596,957	2,438,782	2,608,186	2,575,501	Page 100
Diluted weighted average ordinary shares (no. '000)	2,793,686	2,578,648	2,818,915	2,762,116	Page 100
Distributions on other equity instruments	124	175	60	64	Page 100
Interest expense on convertible notes	75	30	46	29	Page 100
Interest expense on convertible preference shares	130	135	65	65	Page 100

Cash Earnings per share data

Basic weighted average ordinary shares (no. '000)	2,645,573	2,498,364	2,650,869	2,633,700	Page 101
Diluted weighted average ordinary shares (no. '000)	2,842,302	2,638,230	2,861,598	2,820,315	Page 101
Interest expense on convertible notes	75	30	46	29	Page 101
Interest expense on convertible preference shares	130	135	65	65	Page 101

Risk-weighted assets data

Risk-weighted assets	388,445	351,178	388,445	361,433	Page 99
Risk-weighted assets (prior third quarter)	363,550	340,242	363,550	362,479	
Risk-weighted assets (prior half year)	361,433	340,109	361,433	351,178	
Risk-weighted assets (prior first quarter)	362,479	320,065	n/a	n/a	
Risk-weighted assets (prior year)	351,178	318,405	n/a	n/a	

Average Full Time Equivalent Employees (FTE)	34,567	34,148	34,835	34,330	Page 11
---	---------------	---------------	---------------	---------------	---------

Dividend per share (cents)	198	198	99	99	Page 10
-----------------------------------	------------	------------	-----------	-----------	---------

Banking cost to income ratio data

Group operating expenses	7,438	7,278	3,683	3,755	Page 3
NAB Wealth operating expenses	(758)	(786)	(370)	(388)	Page 49
Operating expenses / net operating income eliminations	47	37	28	19	
Group net operating income	17,433	17,005	8,724	8,709	Page 3
NAB Wealth net operating income	1,233	1,208	635	598	Page 49

Net tangible assets per share data

Ordinary shares - Fully paid (no. '000)	2,656,976	2,625,764	2,656,976	2,644,943	Page 103
Ordinary shares - Partly paid (no. '000)	49	64	49	54	Page 103
Total equity / net assets	51,315	46,596	51,315	48,426	Page 56
Non-controlling interest in controlled entities	23	19	23	25	Page 56
Trust Preferred Securities	975	975	975	975	Page 75
National Income Securities	1,945	1,945	1,945	1,945	Page 75
National Capital Instruments	397	397	397	397	Page 75
Goodwill and other intangible assets	5,302	6,774	5,302	6,820	

⁽¹⁾ Information is presented on a continuing operations basis including prior period restatements.