Half Year Results

Debt Investor Update

May 2023

The material in this presentation is general information about the NAB Group. It is not intended to be relied upon as advice. Please refer to slides 83 - 84 for legal disclaimer.

Financial information in this presentation is based on cash earnings, which is not a statutory financial measure. Refer to pages 10 and 96-98 of the 2023 Half Year Results for definition of cash earnings and reconciliation to statutory net profit.

Key messages

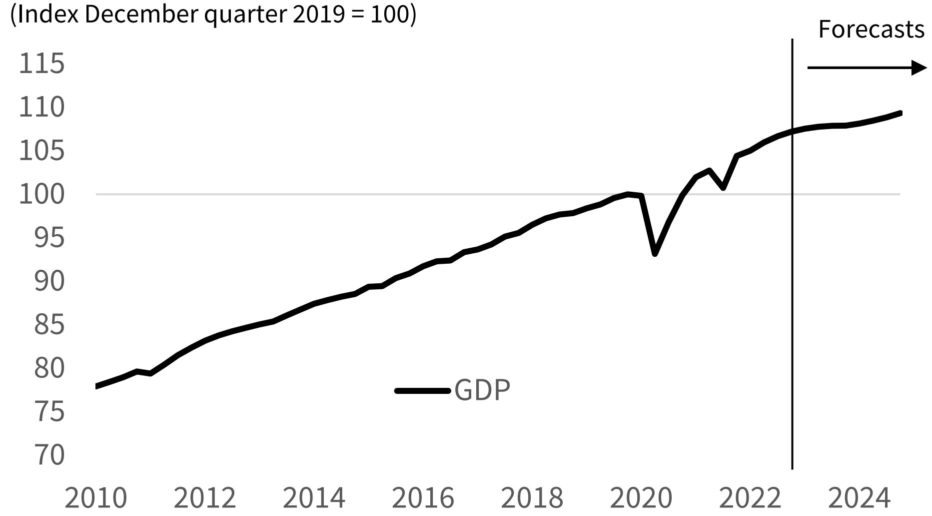
- Strong 1H23 financial performance across our businesses delivering improved returns to shareholders
- Increase in cash rates expected to slow economy – well positioned to support customers with a strong balance sheet
- Continued growth in Business & Private Banking and other target segments
- Disciplined growth in a challenging home lending environment
- Remain focused on executing our long-term strategy to deliver sustainable and safe growth for shareholders

Australian economy to slow but remain resilient

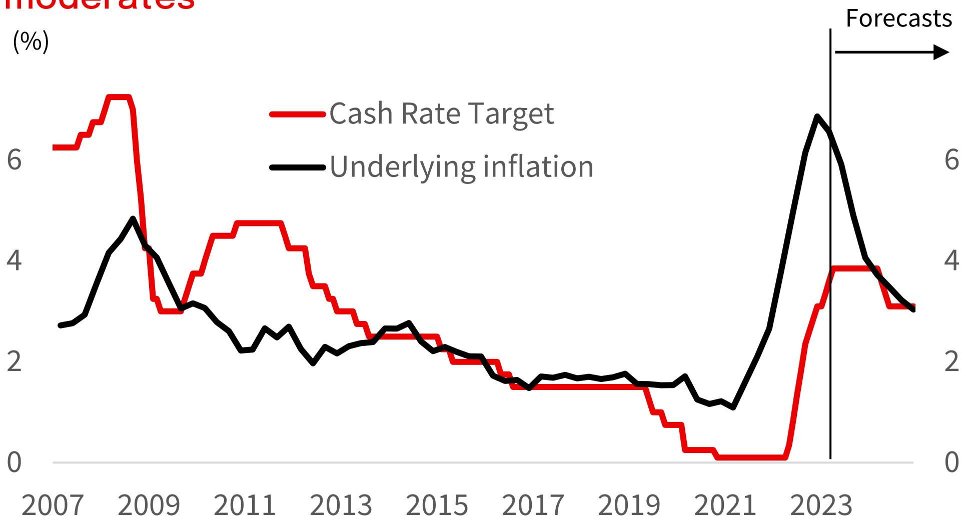
Cautiously optimistic about the outlook, although downside risks remain

- Some customers more impacted by higher cost of living and interest rates, although **inflation is expected to moderate** and the **cash rate is near its peak**
- **House prices** expected to fall by ~4% in CY23 for a total ~12% peak to trough decline (was 20%)
- Robust **employment** conditions expected in CY23
- **Population growth** rebounding with increasing immigration
- **Business conditions** remain above long-term averages; **confidence levels** have softened

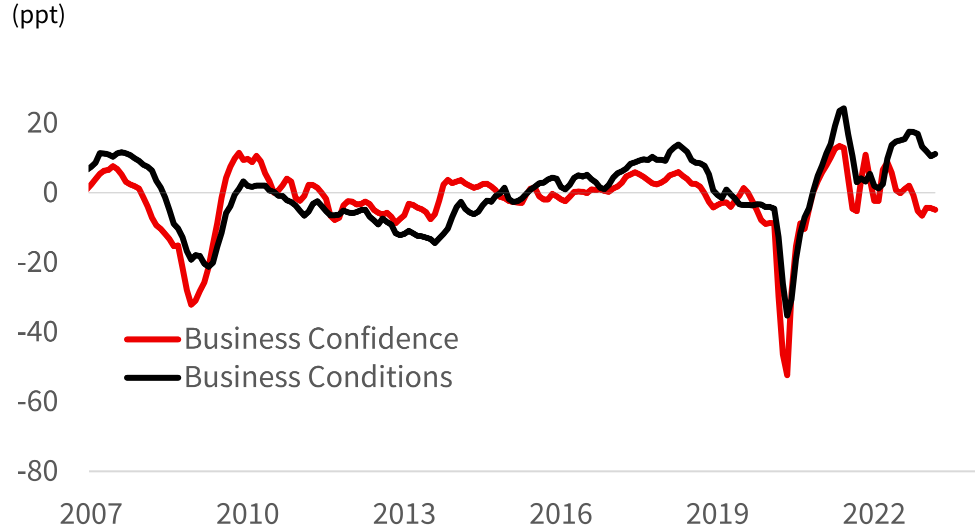
GDP[1] is 7.2% above pre-COVID-19; growth is slowing but expected to remain positive



Cash rates[2] expected to stabilise as inflation moderates



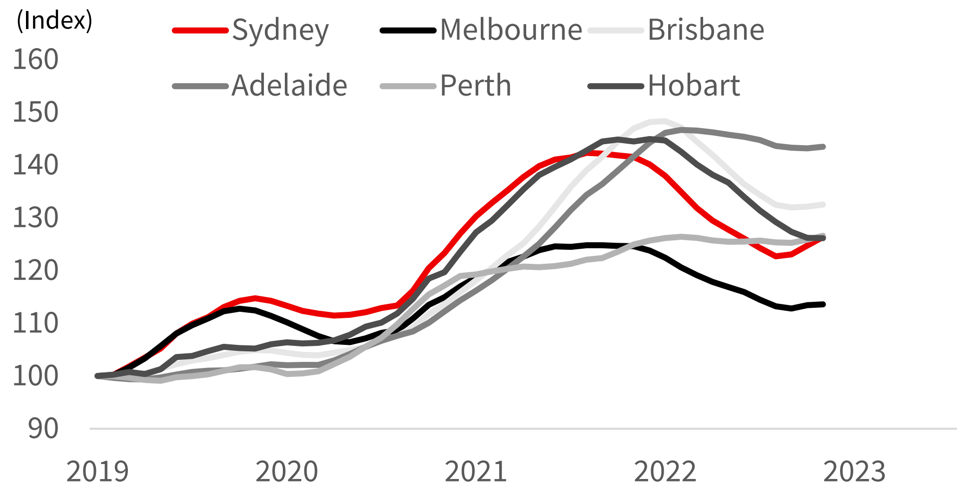
Business conditions are high, confidence has softened[3]



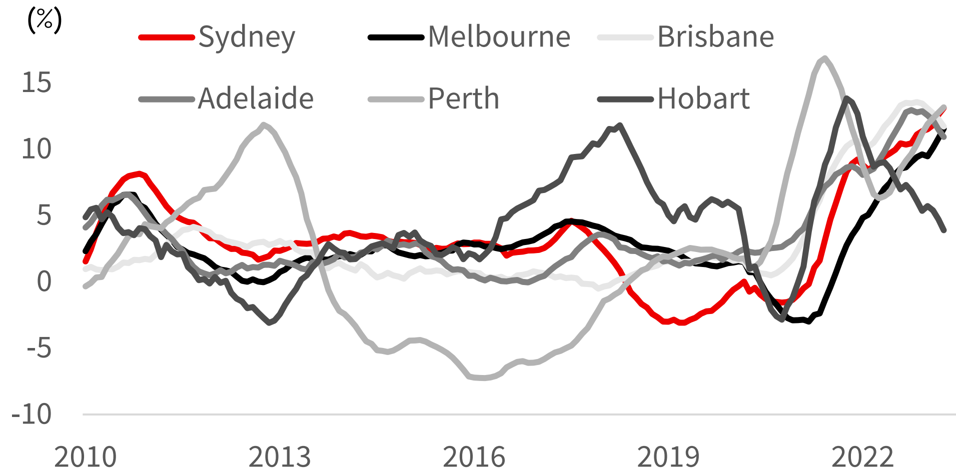
(1) Source: ABS, NAB Economics, Macrobond. Index of real GDP growth. Data to December quarter 2022. NAB Economics Forecasts thereafter
(2) Source: RBA, NAB Economics, Macrobond. Cash rate Data to 2 May 2023, NAB Economics forecasts thereafter, CPI data to Q1 2023 and NAB Economics data there after
(3) Source: NAB Economics. All industry measures from the NAB Monthly Business Survey. Ppt deviation in the Net Balance from average since March 1997. Data to March 2023

Housing market has softened but vacancies are low

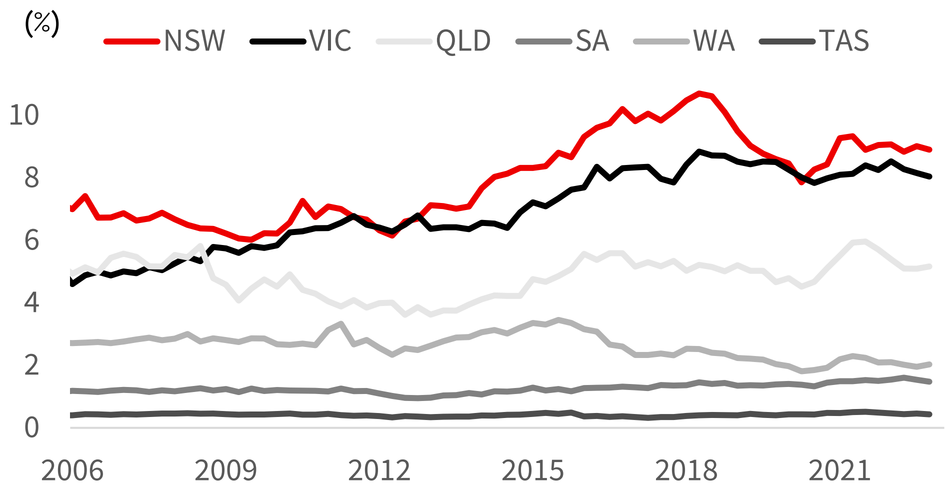
House prices have stabilised[1]



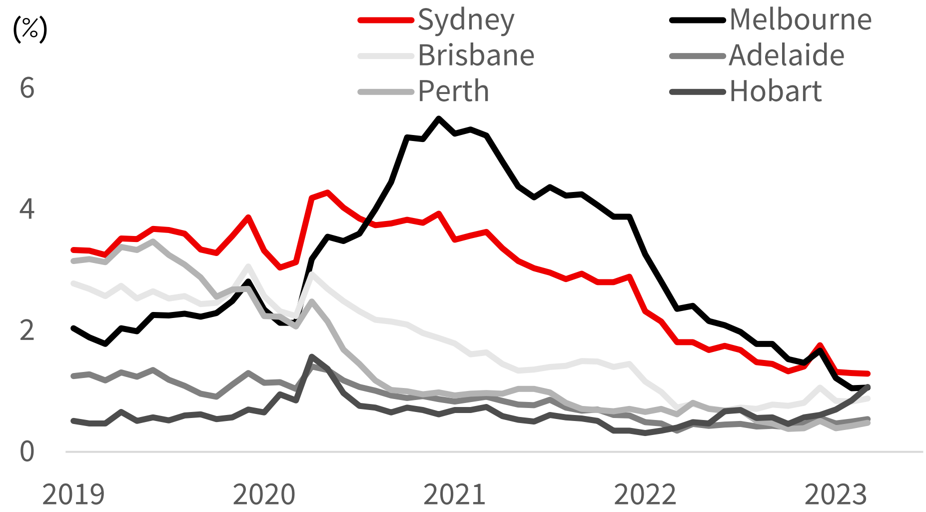
New rents growth is strong across the states[2]



Dwelling investment is high but easing[3]



Rental vacancy rates are very low[4]



(1) Source: CoreLogic. Greater Capital City Hedonic Dwelling Price Index, Index June 2019 = 100. Data to 30 April 2023
(2) Source: CoreLogic. Hedonic measure of advertised rents. Data to 30 April 2023
(3) Source: ABS, Macrobond. Chain volume measure (reference year 2019-20). Data to Q4 2022
(4) Source: SQM Research, Macrobond. Data to 31 March 2023

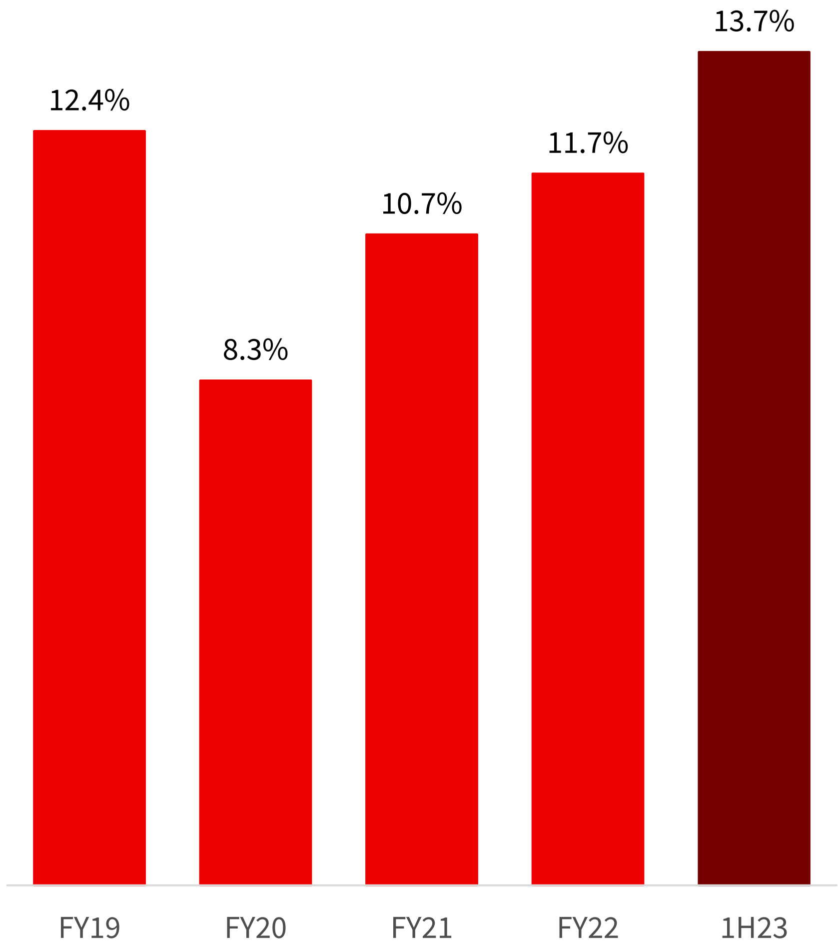
Strong financial results

Metric	1H23	2H22	1H23 v 2H22
Statutory net profit ($m)	3,967	3,340	18.8%
Continuing operations[1]			
Net operating income ($m)	10,529	9,468	11.2%
Operating expenses ($m)	(4,421)	(4,311)	2.6%
Underlying profit ($m)	6,108	5,157	18.4%
Cash earnings[2] ($m)	4,070	3,624	12.3%
Dividend (cents)	83	78	5
Cash payout ratio[3]	64.1%	68.5%	(440 bps)

(1) Includes the impact of Citigroup's Australian consumer business, acquired by the NAB Group on 1 June 2022
(2) The definition of cash earnings is set out on page 10 of the 2023 Half Year Results, and a discussion of non-cash earnings items and a full reconciliation of the cash earnings to statutory net profit attributable to owners of NAB is set out on pages 96 – 98 of the same document
(3) Based on basic Cash Earnings per share (EPS)

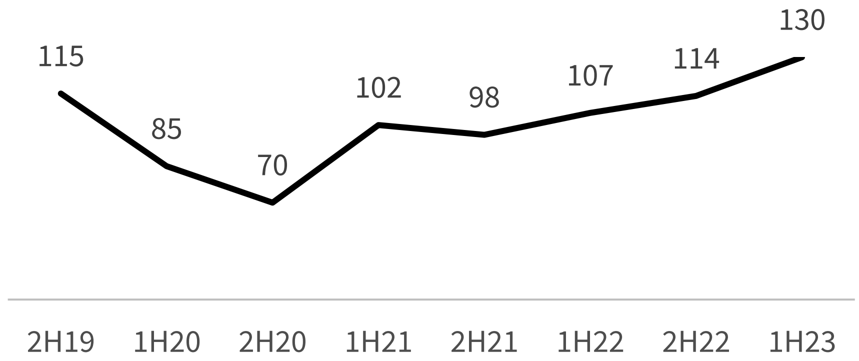
Delivering improved shareholder returns

Cash Return on Equity



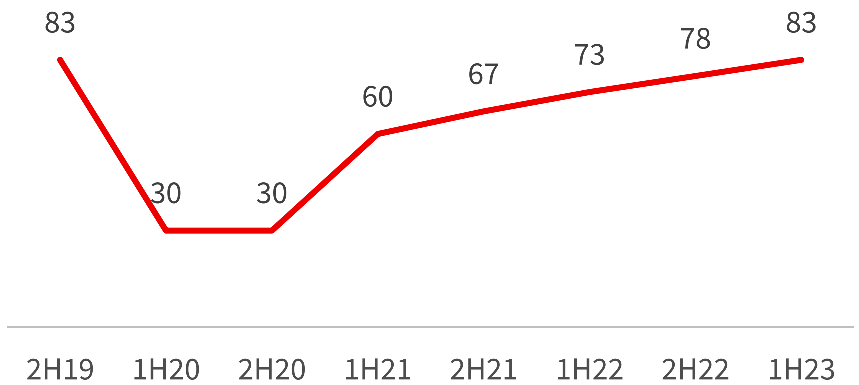
Basic Cash EPS

Cents



Dividends per share

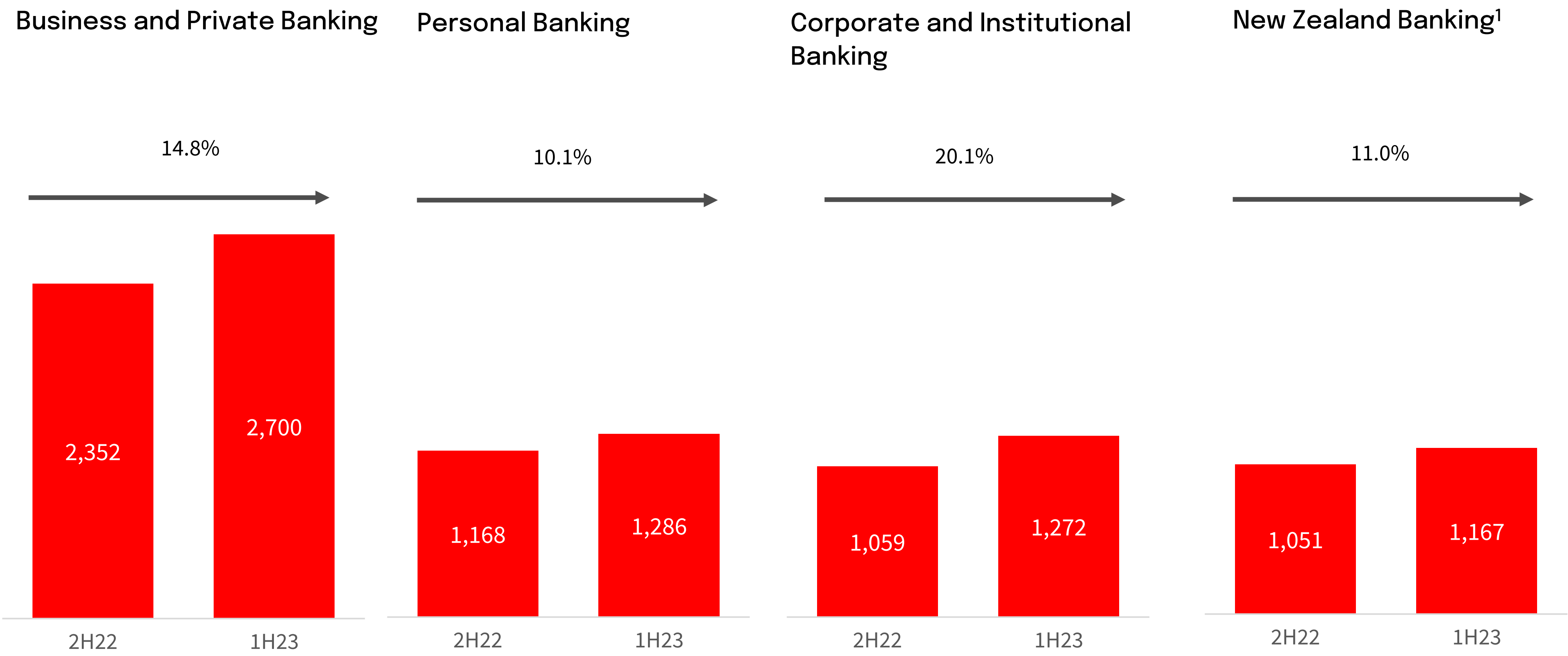
Cents



Strong earnings growth across all businesses

Underlying divisional profit

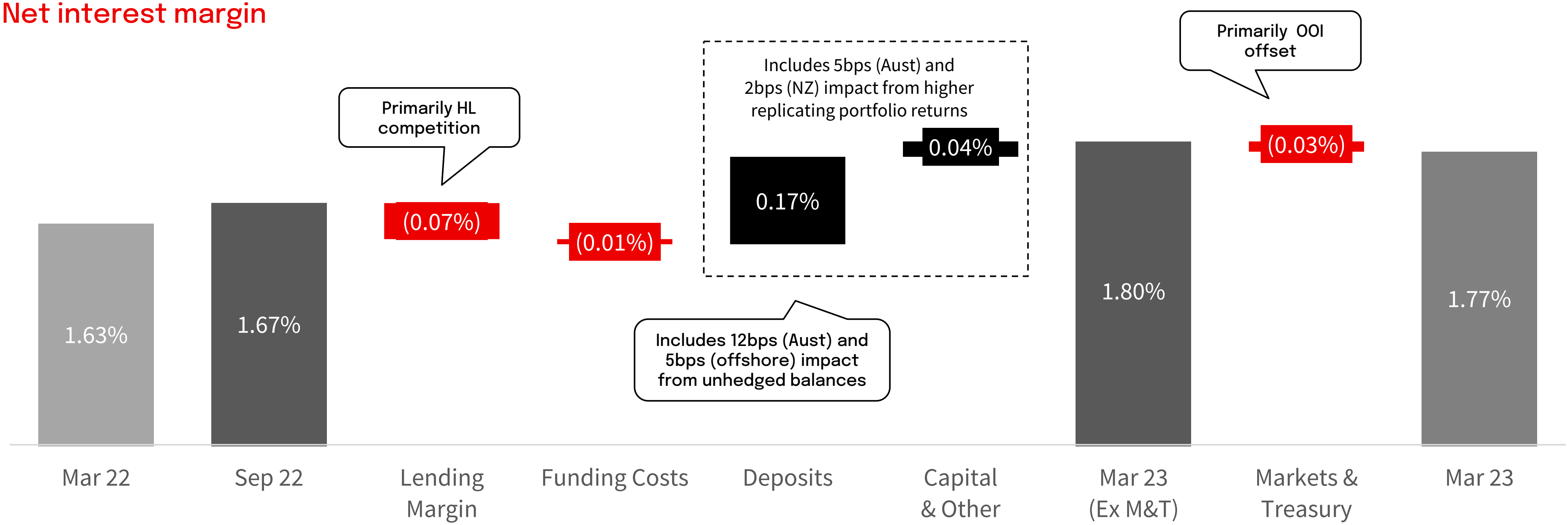
($m)



(1) New Zealand Banking results in local currency

Net interest margin

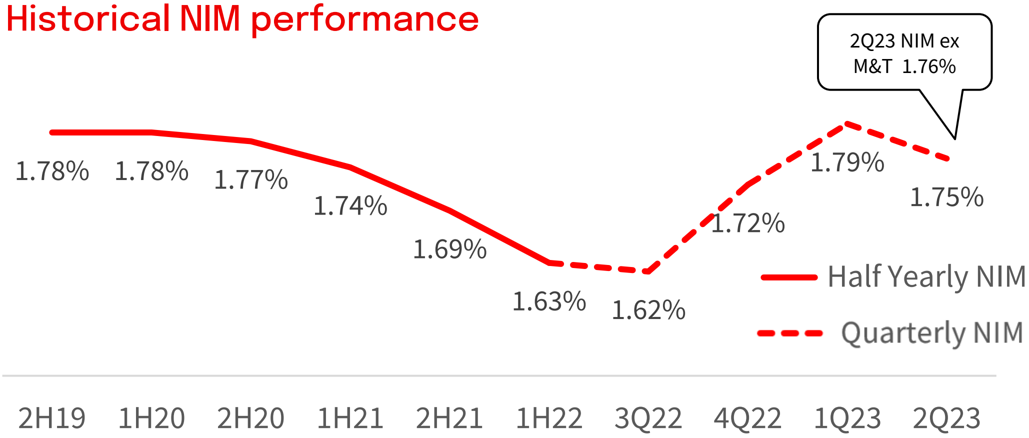
Net interest margin



Key considerations for 2H23[1]

- Housing lending competitive pressures likely to continue
- NIM impact of RBA cash rate increases on unhedged deposits peaked in 1H23 – further impacts expected to be modest
- Ongoing headwinds from deposit competition and mix
- Benefit of higher swap rates on deposit and capital replicating portfolios of ~4bps for 2H23[2]

Historical NIM performance



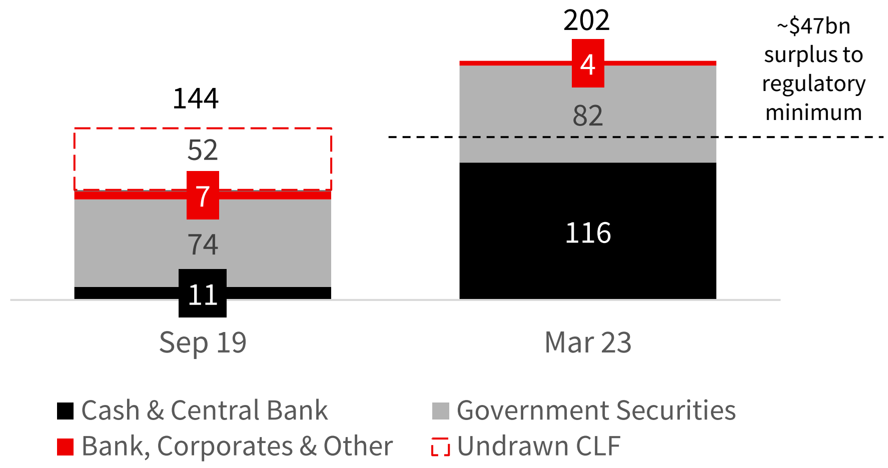
(1) Refer to key risks, qualifications and assumptions in relation to forward looking statements on slide 83
(2) Based on 3 and 5 year swap rates as at 31 March 2023 for the Australian capital and deposit replicating portfolios respectively, AIEA and replicating portfolio volumes at 31 March 2023

Maintaining strong balance sheet settings

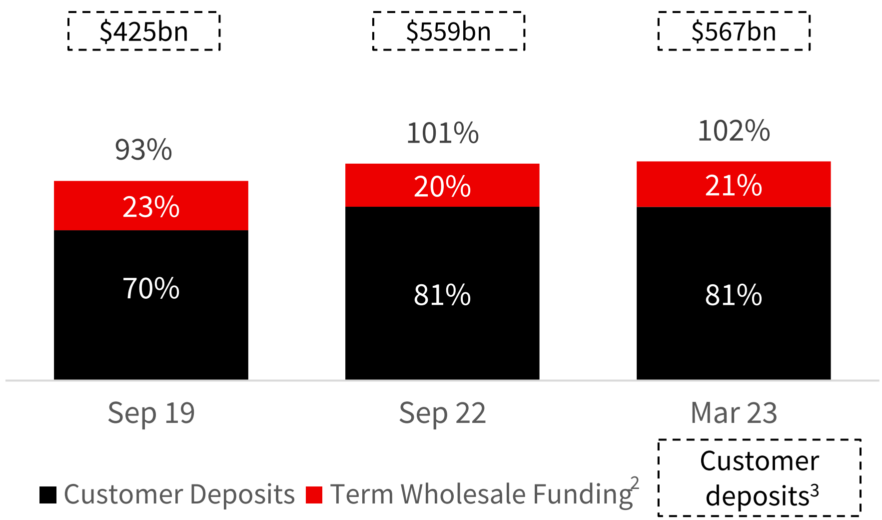
- Strong funding and liquidity position
- Over 80% of GLAs funded by customer deposits
- Capital ratios remain strong, benefiting from 33 bps of organic capital generated in 1H23 and the implementation of the revised capital framework
- Dividend payout ratio guided by a range of 65% – 75% of cash earnings, subject to Board determination based on circumstances at the relevant time

Regulatory liquid assets[1]

($bn)

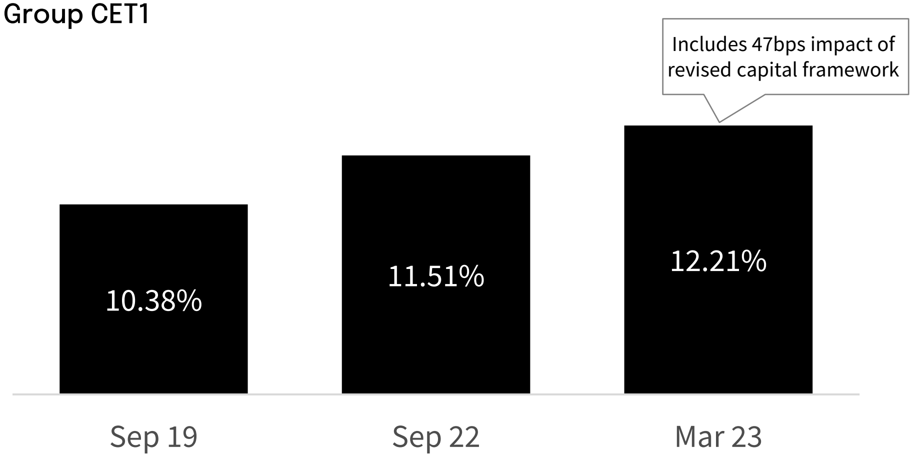


Share of GLAs funded by deposits



Capital ratios above target range of 11.0% - 11.5%

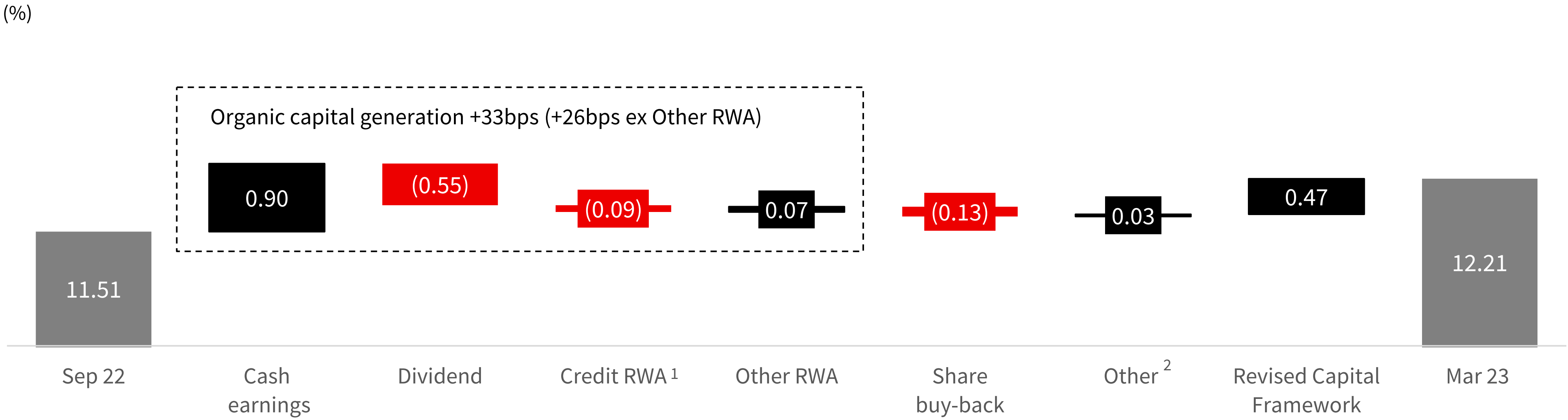
Group CET1



(1) Quarterly averages
(2) Includes senior unsecured, secured (covered bonds and securitisation), subordinated debt, Additional Tier 1 instruments, RBA TFF and RBNZ funding facility drawdowns with a remaining term to maturity or call date of greater than 12 months
(3) Excludes customer deposits in New York and London

Capital remains above target range

Group Basel III Common Equity Tier 1 capital ratio



CET1 considerations

- Strong organic capital generation in 1H23
- Impact of revised capital framework of +47bps
- $2.5bn share buy-back announced in March 2022 completed, including $0.6bn in 1H23 (-13bps CET1)
- Level 1 CET1 of 12.0% at March 2023
- CET1 target range of 11.00-11.50%

Risk-weighted assets

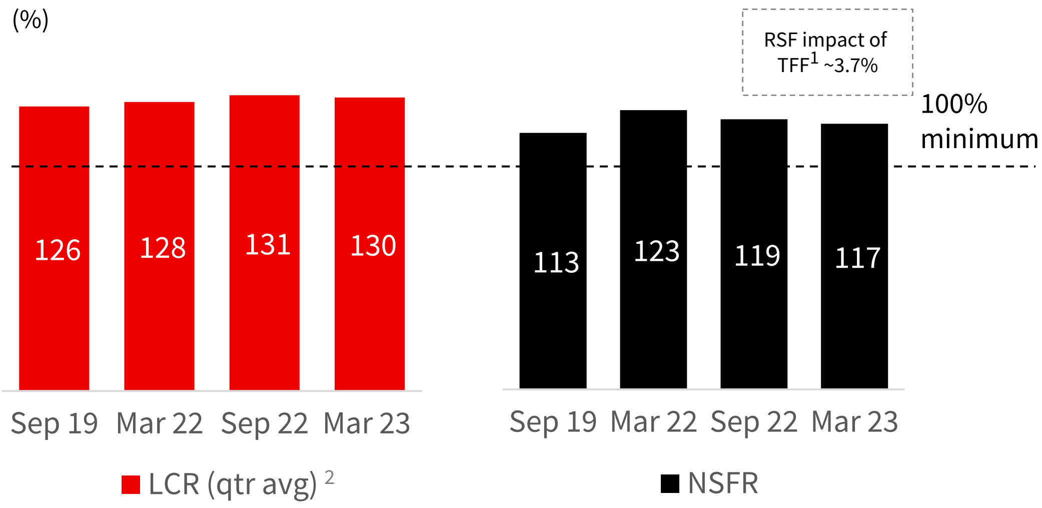
(1) Excludes FX translation
(2) Includes +7bps net FX translation

Funding and liquidity well placed

Key messages

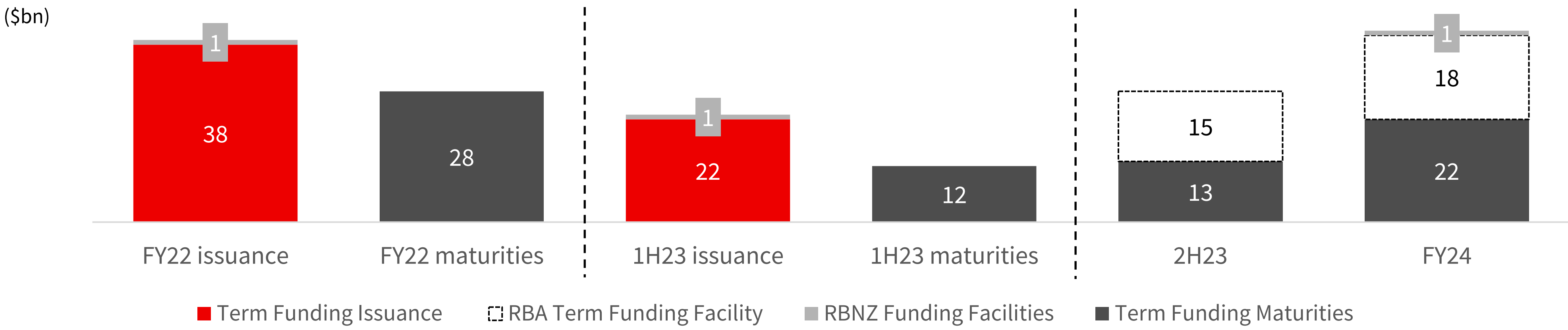
- Strong funding and liquidity position, well above regulatory minimums
- Total regulatory liquid assets of $202bn, including $47bn above the minimum regulatory requirement
- Additional $59bn contingent liquidity in the form of internal RMBS
- NSFR expected to moderate to pre COVID-19 levels reflecting the impact of TFF and CLF transitions
- Well advanced on term funding needs for FY23 with $23bn issued 1H23

Liquidity position well above regulatory minimums



Term funding issuance[3] & maturity profile[4]

Well progressed on funding, TFF to be refinanced by a range of funding sources



(1) Group NSFR at March 2023 includes a 3.7% benefit from the Required Stable Funding (RSF) treatment of TFF collateral. This will no longer be available following the repayment of the TFF
(2) Average LCR for the three months ended 31 March 2022 and 30 September 2022 has been restated from that previously disclosed. Details of the restatement are outlined in the Appendix of First Quarter Pillar 3 Report 2023
(3) Includes senior unsecured, secured (covered and RMBS) and subordinated debt with an original term to maturity or call date of greater than 12 months, excludes Additional Tier 1 instruments. FX rate measured at time of issuance
(4) Maturity profile of funding with an original term to maturity greater than 12 months, excludes Additional Tier 1 and RMBS. Spot FX rate at 31 March 2023

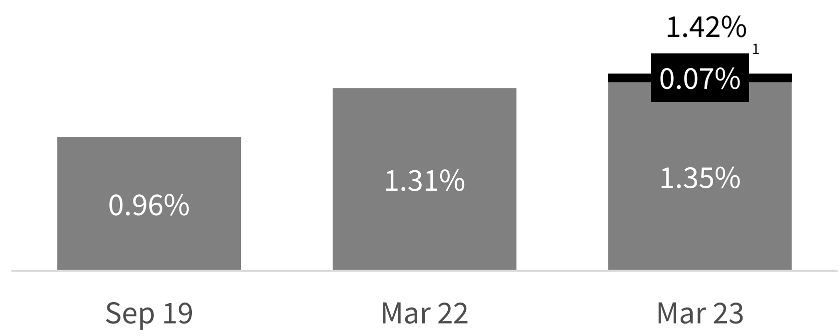
Well provisioned with a disciplined approach to risk

national australia bank

Strong provisioning

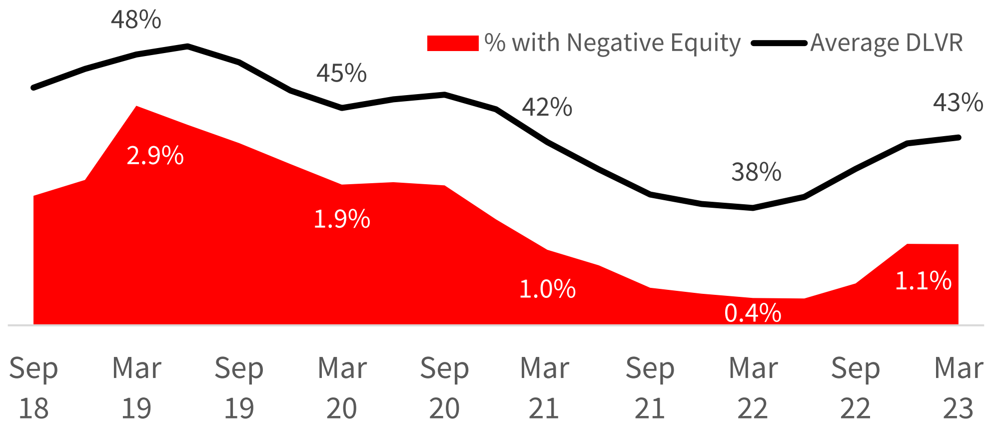
CP/CRWA

Mar 23 includes $1.5bn of additional forward looking provision vs Sep 19



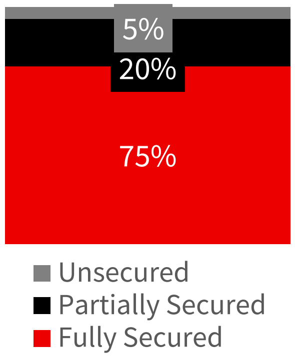
High quality Australia housing book[2]

Mar 23 negative equity ex LMI 0.7%

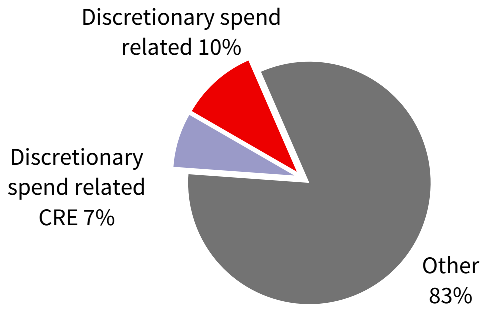


SME[3] book is well secured with manageable exposure to discretionary spend[4]

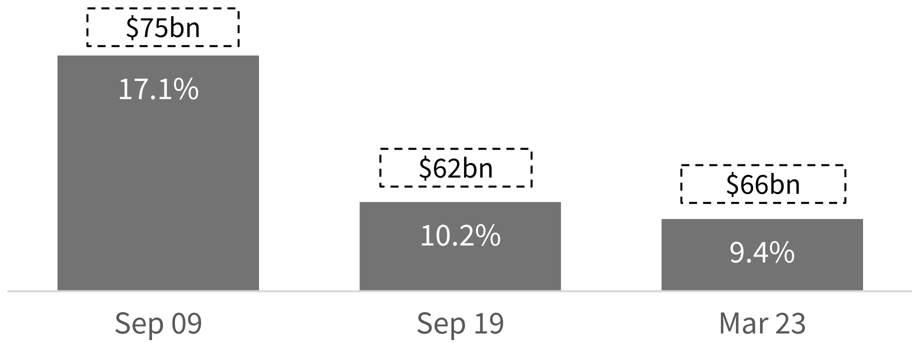
Security profile Mar 23



Sector exposure (EAD)



Reduced exposure to CRE as % of GLAs[5]

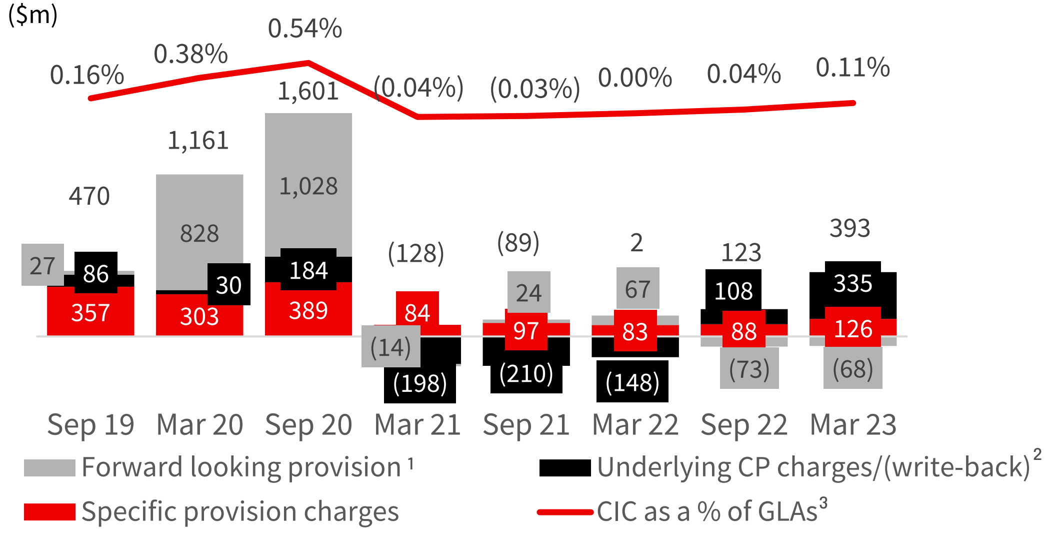


CRE balances ($bn)

(1) Impact of a reduction in CRWA as a result of the implementation of the revised capital framework from 1 January 2023. Refer NAB's March 2023 Pillar 3 Report for further details
(2) Excludes 86 400 & Citi Consumer Business mortgages. Excludes the impact of offset accounts
(3) Denotes business lending in Business & Private Banking
(4) 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 may be in place. Bank extended value is calculated as a discount to market value based on the nature of the underlying security. Discretionary spend related exposures reflect Retail Trade and Tourism, Hospitality & Entertainment exposures. CRE EAD figures are limits based on APRA Commercial Property ARF230
(5) Measured as balance outstanding as at 31 March 2023 per APRA Commercial Property ARF 230 definitions

Increase in CICs and stabilising asset quality

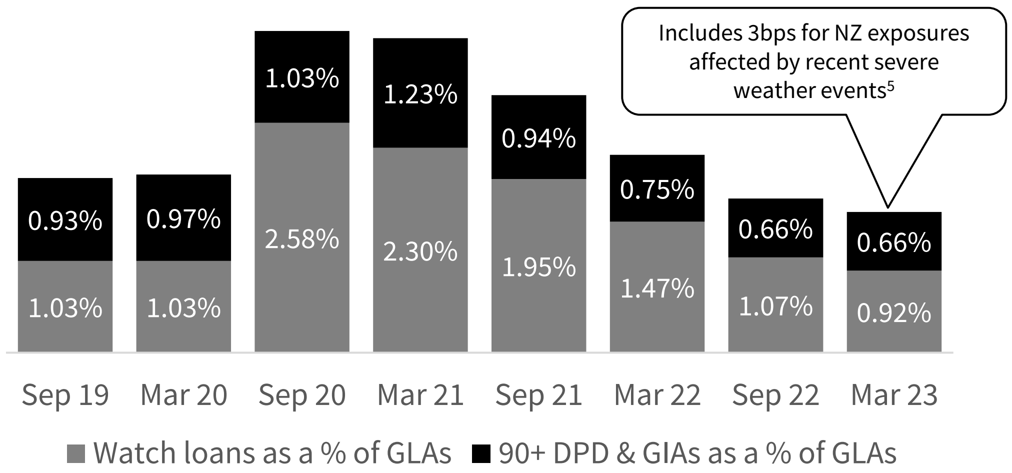
Credit impairment charge (CIC)



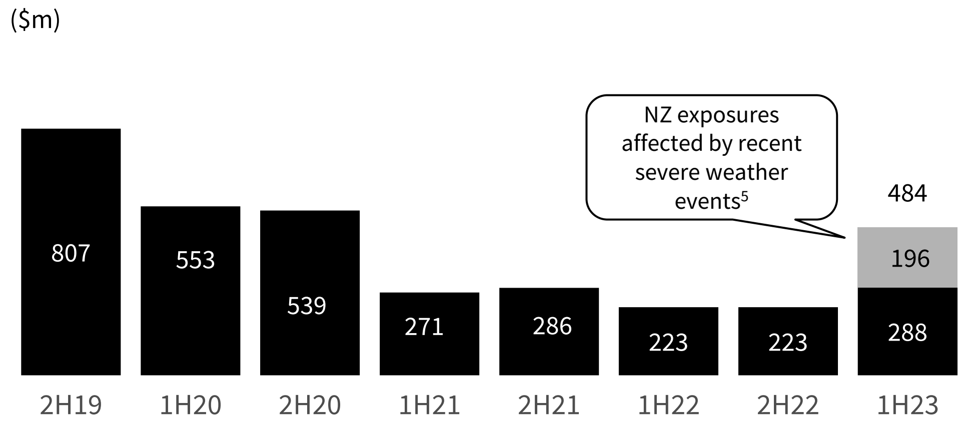
Key 1H23 drivers

- Underlying CIC of $461m reflecting lower house prices, volume growth and modest increase in specific provision charges
- Net $68m release of forward looking provisions
- 90+ DPD & GIA ratio is flat reflecting:
  - improvement in Australian home lending arrears
  - restructure of a number of customers affected by recent severe weather events in New Zealand impacting GIAs, offset by improvements in Australian lending portfolio

90+DPD, GIAs and watch loans as a % of GLAs[4]



New impaired assets



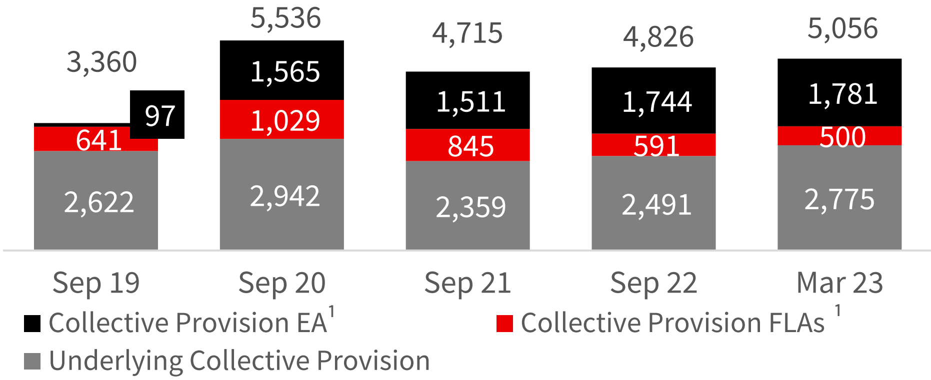
(1) Represents collective provision EA and FLAs for targeted sectors
(2) Represents collective credit impairment charge less forward looking provision
(3) Half year annualised
(4) Referral to Watch generally triggered by banker annual reviews through the year or as a result of performing customers experiencing cashflow pressures
(5) A portfolio of customers affected by recent severe weather events in New Zealand have been granted up to 6 months of interest forgiveness. These customers have been classified as “Restructured loans” in accordance with APS 220 Credit Risk Management

Strong provisioning maintained

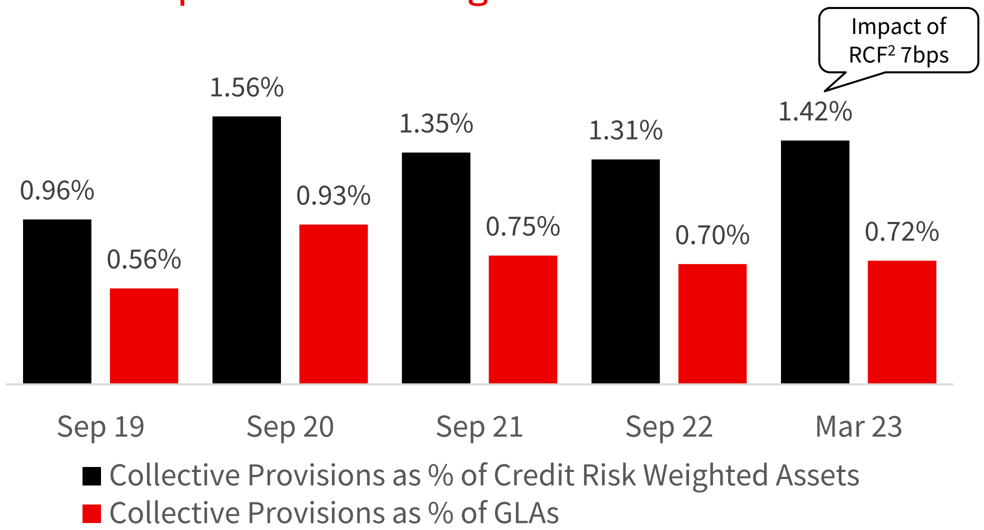
Collective provision balances

($m)

Mar 23 includes $1.5bn of additional forward looking provision vs Sep 19

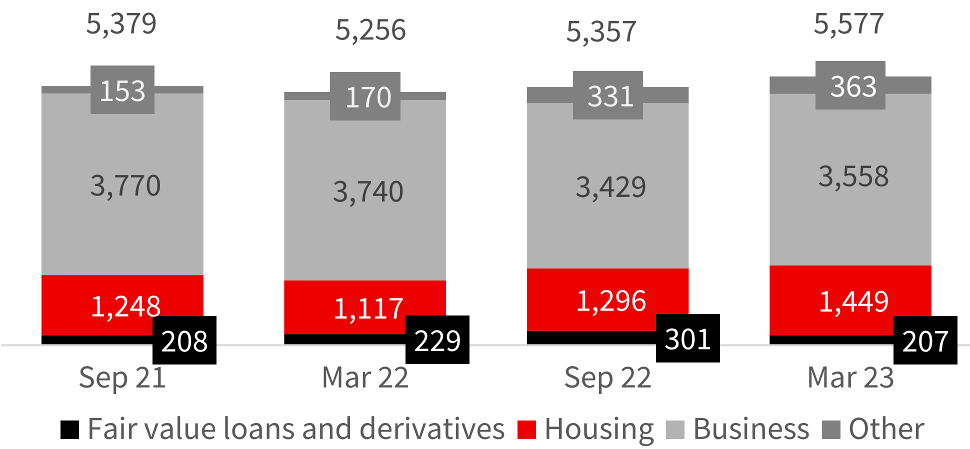


Collective provision coverage



Total provisions for expected credit losses

($m)



Prudent provisioning assumptions

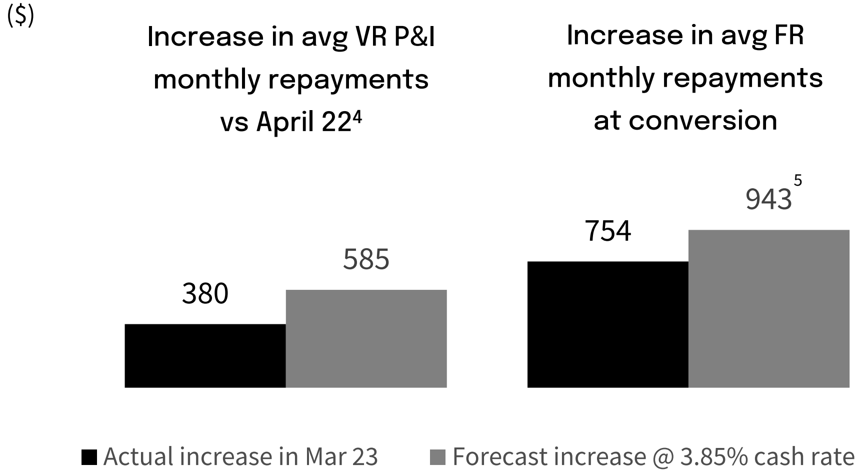
- No changes to ECL scenario weighting since Sep 22
- Net FLA reduction $91m

Key Australian economic assumptions considered in deriving ECL[3]						
	Base case			**Downside**		
%	**FY23**	**FY24**	**FY25**	**FY23**	**FY24**	**FY25**
GDP change YoY	1.5	0.6	2.1	(2.7)	(1.6)	2.1
Unemployment	3.8	4.6	4.7	6.4	9.7	9.9
House price change YoY[3]	(12.6)	0.4	6.0	(11.2)	(18.6)	(2.5)

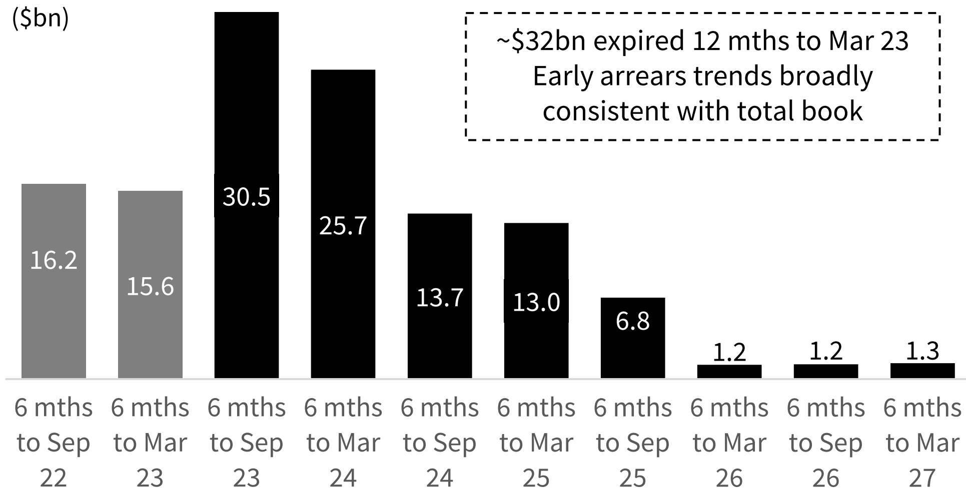
(1) Collective provision FLAs / EA March 2022, September 2022 and March 2023 figures include $5m, $10m and $14m movements respectively due to foreign exchange
(2) Impact of a reduction in credit risk-weighted assets as a result of the implementation of the revised capital framework from 1 January 2023. Refer NAB's March 2023 Pillar 3 Report for further details
(3) Scenarios, prepared for purposes of informing forward looking provisions, rely on NAB Economics modelling and management judgement. The base case macro-economic variables are based on NAB Economics forecasts as at 31 March 2023

Australian housing lending $333bn[1]

Cash rate increases now more meaningful to customer repayments[2,3]

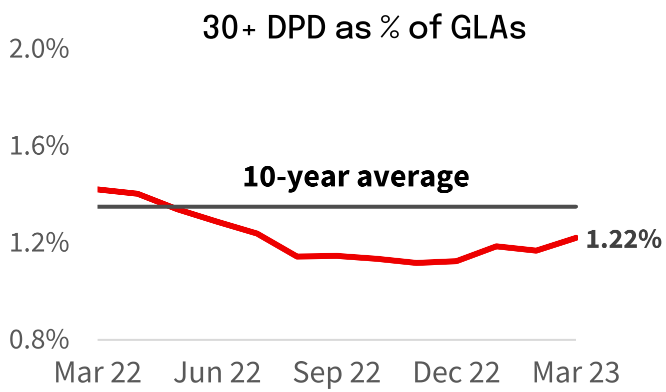


Fixed Rate (FR) home loan expiry profile



Customer impacts are uneven

- **Offsets** continue to grow up 37% vs Mar 20 (+$2bn 1H23)
- **Early stage arrears** deteriorating modestly



Scenario analysis to identify higher risk exposures[6,7]

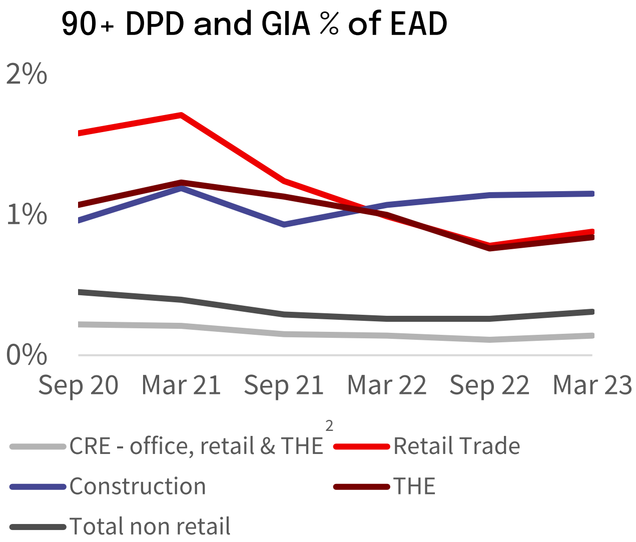
	Dynamic LVR with no LMI or FHB guarantee		
	> 80%	of which >85%	of which >90%
Repayment buffer < 12 months (Total $95bn)	$16.7bn	$9.2bn	$3.9bn
of which **Repayment buffer < 3 months (Total $80bn)**	$14.7bn	$8.0bn	$3.4bn

(1) Excludes 86 400 and Citi Consumer Business mortgages
(2) Increase in Mar 23 for VR reflects change in repayments at Mar 23 vs Apr 22 for customers subject to an increase in repayments. Increase in Mar 23 for FR reflects change in repayments from FR to VR for loans expiring in Mar 23
(3) Forecast increase at 3.85% cash rate when fully reflected in actual customer repayments. Analysis assumes full pass through of cash rate increases to current customer rates with no changes in customer discounts
(4) Based on VR principal and interest (PI) loans on book at Apr 22 and still on book at Mar 23. Increase relative to customer repayments in Apr 22
(5) Expected repayment increase analysis excludes FR home loans expiring after Mar 24 given uncertainty regarding cash rates and relevant customer variable rates applicable at expiry of these FR terms
(6) Based on $163bn of loans currently on book which were originated between Aug 19 and July 22 with average serviceability threshold <6% less FR home loans expiring after Mar 24
(7) Repayment buffer based on the sum of offset and redraw balances as a multiple of adjusted monthly repayments using a 3.85% cash rate

Group non retail EAD $615bn[1]

Non retail asset quality sectors of interest $84bn EAD

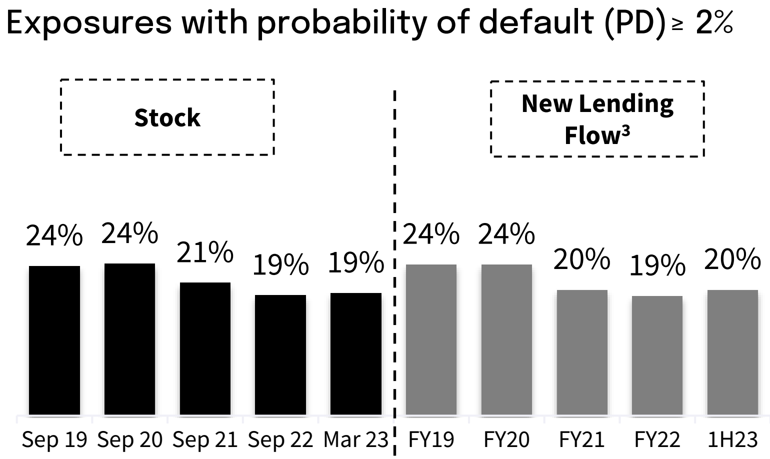
- **Closely monitoring** exposures to sectors most challenged by higher interest rates and inflation and softening consumer spend
- **Lower exposure** as % of total book since Mar 20
- Sectors of interest account for **86% of total non retail FLAs**



Mar 23	EAD $bn[1]	EAD[1] change since Mar 20 %	FLA $m
Retail Trade	15.0	2.7%	67
Tourism, Hospitality & Entertainment (THE)	13.5	-0.7%	70
Construction	12.8	9.4%	52
CRE - Office, retail & THE[2]	42.9	2.1%	166
Non retail sectors of interest	**84.2**	**2.8%**	**355**
Total non retail book	**615**	**25.5%**	**412**

Business & Private Banking division – business lending GLA $137bn

- **Well diversified, highly secured portfolio** with material discounts applied to market valuations
- Above average sector **profitability[4]**
- B&PB **deposits up >30%** since Sep 20 (up $10bn in 1H23)
- **Utilisation rates** below pre COVID-19 levels



Higher risk balances

$bn	Total balances with PD ≥ 2%
Not fully secured	~8.8
Of which: Unsecured	~1.6

(1) March 2023 includes the impact of changes to the calculation of EAD as a result of the implementation of the revised capital framework from 1 January 2023. Refer NAB's March 2023 Pillar 3 Report for further details
(2) CRE EAD figures are limits based on ARF230 and CRE FLAs relate to total CRE portfolio with Office, Retail and THE CRE viewed as most at risk
(3) Lending to new customers and increased lending to existing customers during the financial year
(4) NAB Economics Quarterly Business Survey for March 2023

Progress against our climate strategy

Supporting customers to decarbonise and build resilience

1H23 sustainable financing activity

#1 Australian bank for global renewables transactions[1]

$7.4bn raised for customers through labelled green, social and sustainability bonds[2] supported by the Group

$9.1bn raised for customers through labelled green, social and sustainability-linked loans[2] supported by the Group

Developing product offerings across divisions

- Launched business finance for green equipment[3]
- Completed pilot and launched Agri Green Loan
- NAB's Carbon Desk operational for C&IB clients
- Carbonplace successfully operating as an independent company with 9 founding banks, including NAB[4]
- NAB Ventures led a seed funding round for Greener[5]

Investing in climate capabilities

- Chief Climate Officer appointed and embedding updated governance and operating model
- Capability build through training program development and specialist recruitment

Reducing financed emissions

- Goal to align with pathways to net zero by 2050, consistent with limiting warming to 1.5°C above pre-industrial levels by 2100
- Progressing target setting for remaining intensive sectors, progress update will be provided in 2023 Climate Report

Reducing operational emissions

- Scope 1 and 2 emissions reduced ~22% compared with 1H22[6]
- Reductions primarily achieved through increased renewable energy purchase, energy efficiencies and consolidation of property portfolio

(1) Rankings based on IJGlobal League Table MLA, Renewables, both cumulative data from 1 Jan 2010 to 31 December 2022 and for the 12 months ending 31 December 2022
(2) Total value of bonds and loans presented based on principal value, and include deals that reached close during 1H23. Designation of "labelled green, social, sustainability and sustainability-linked" based on assessment by NAB of alignment with relevant external guidelines and principles (e.g. the ICMA Green/Social/ Sustainability-Linked Bond Principles, ICMA Sustainability Bond Guidelines, LMA/APLMA/LSTA) Green/Social/ Sustainability-Linked Loan Principles. Figures presented represent total bond and total loan size, and do not represent NAB's notional allocation/loan commitment
(3) For more information see: https://www.nab.com.au/business/loans-and-finance/vehicle-or-equipment/green-equipment-finance
(4) The platform is being developed in partnership with 8 other banks - CIBC, Itaú Unibanco, NatWest, UBS, Standard Chartered, Sumitomo Mitsui Banking Corporation, BNP Paribas, and BBVA
(5) Greener is a clean-tech start-up aimed at driving a green economy to help shoppers understand and reduce the emissions impact of their purchasing
(6) NAB's operational emissions data is reported on a 1 July – 30 June environmental year, comparisons based on 1H2023 to 1H2022. Reduction presented based on NAB's Scope 1 and 2 market-based operational emissions

Additional information

Strategy

We have a clear long-term 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

Return on Equity

Disciplined execution of our strategy to deliver long-term growth

Key priorities in FY23 are aligned to our long-term strategy

- Support our customers and colleagues
- Retain balance sheet strength and prudent risk settings
- Continued disciplined approach to managing costs with a focus on productivity
- Progress agreed plan for AUSTRAC Enforceable Undertaking
- Integration of 86 400 and Citi Consumer Business

Our long-term strategy – "What we will be known for"

Relationship-led
- Relationships are our strength

Easy
- Simple to deal with

Safe
- Responsible and secure business

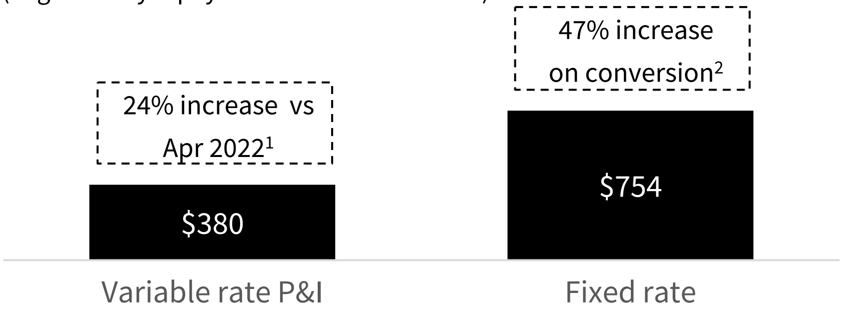
Long-term
- A sustainable approach

Navigating a challenging home lending environment

Market context driving intense pricing competition

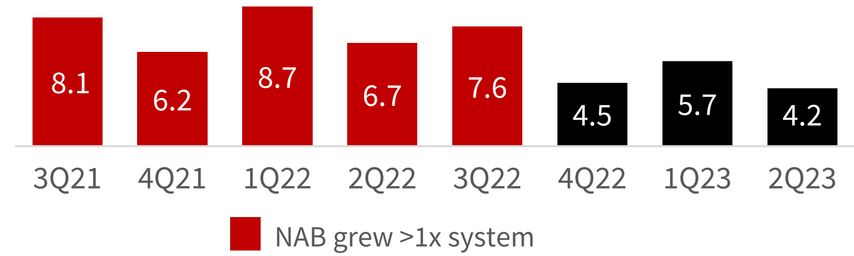
Cash rate increases flowing to higher mortgages repayments

(Avg monthly repayment increase in Mar 23)



Home lending system growth[3] has slowed

(% quarterly growth annualised)



Refinancing proportion of system flow[4]

Key priorities in home lending

- **Supporting mortgage customers** facing increased cost of living pressures
  - Proactive customer engagement with customers rolling off FR loans – ~85% retention to date
- Continue to maintain **a disciplined approach in home lending**

Home lending growth - half year multiple of system[5]

Ongoing focus on positive customer and broker experiences

- **Simplified Tailored Home Loan product** featuring tiered LVR pricing now rolled out across all channels
- Enhanced broker experience with **straight-through-processing of our instant pricing tool** to assist with customer retention
- **Rollout of simple home loans through B&PB channel progressing well** with ~40% of banker flow submitted via the platform

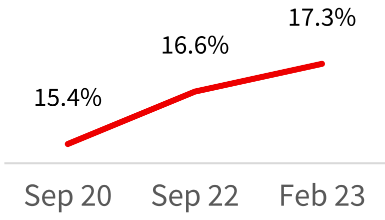
(1) Based on variable rate (VR) principal and interest (PI) loans on book at April 2022 and still on book at March 2023 who experienced an increase in repayments. Excludes 86 400 and Citi Consumer Business mortgages
(2) Based on fixed rate (FR) loans that converted to variable rate in March 2023. Excludes 86 400 and Citi Consumer Business mortgages
(3) APRA Monthly Authorised Deposit-taking Institution statistics – December 2020 to March 2023
(4) Australian Bureau Statistics. Lending Indicators - New borrower-accepted finance commitments for housing
(5) APRA Monthly Authorised Deposit-taking Institution statistics. Latest data as at March 2023. 2H22 excludes impact of Citi Consumer Business balances acquired at completion on 1 June 2022, 1H23 adjusted for Citi Consumer Business reclassification

Delivering growth across our core SME franchise

Consistent focus on relationship banking increasingly enabled by digital, data and analytics

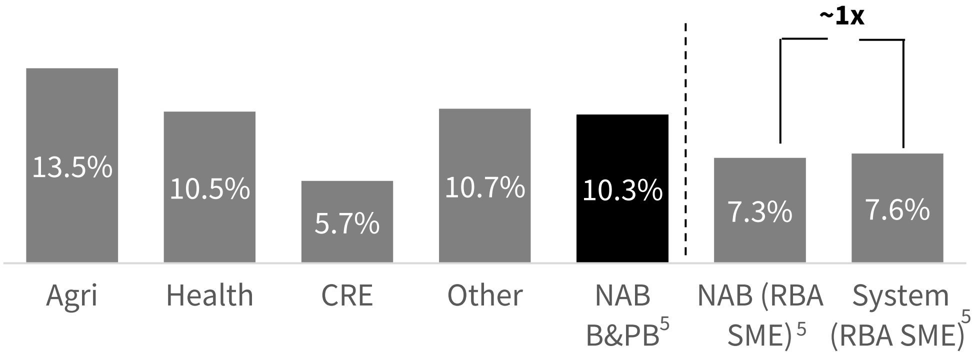
Growing business lending

- Market share gains in **small business lending**[1] supported by simplified origination, enhanced digital capability and specialist local small business bankers



- Simplification and digitisation driving 26% faster '**time to yes**'[2] and 11% **lower business lending unit costs**[3]
- New products launched include **NAB Agri Green Loan** and **NAB Flex-Flow Loan** for merchants

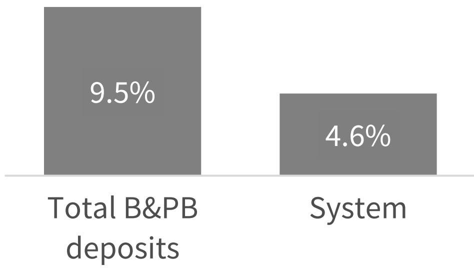
Business lending growth YoY[4]



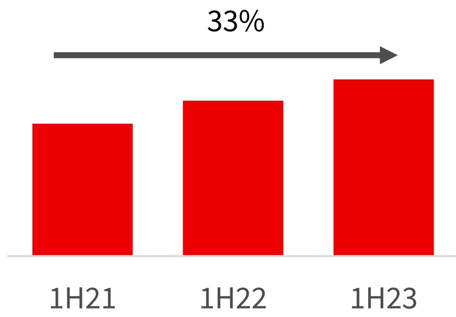
Growing business deposits

- Faster, more seamless process for banker-assisted **TD origination** with embedded anti-money laundering and Know Your Customer (KYC)
- ~**70% of B&PB** lending customers with active transaction accounts
- 33% growth in **new transaction account** openings 1H23 vs 1H21 with continued strong digital origination

Growth in deposit balances YoY[6]



New Business Transaction Account openings



(1) Derived from RBA statistics. A business is classified as Small under the RBA if the business has turnover less than $50m and loans less than $1m. Latest market share at February 2023
(2) Average monthly median days from submission of a customer's application to unconditional approval 12 months to March 2023 versus 12 months to March 2022. Refers to non-automated lending
(3) Represents full end to end costs from application through to settlement. Excludes banker costs. September 2021 to March 2023
(4) Growth rates are on a customer segment basis and not industry. CRE primarily represents investment lending across a range of asset classes including Retail, Office, Industrial, Tourism and Leisure, and Residential
(5) A business is classified as B&PB if NAB has exposure to the business less than $50m and the business has turnover less than $100m. A business is classified as SME under the RBA if the business has turnover less than $50m. Latest market share derived from RBA statistics as at February 2023 (12 months to February 2023)
(6) System represents APRA Monthly Authorised Deposit Taking Institutions statistics - Australian Business Deposits excluding Financial Institutions. Latest data as at March 2023

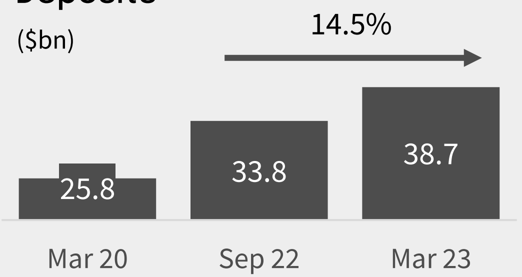
Driving growth in target segments

High Net Worth (Private Bank and JBWere)

- Integrated strategy delivering strong lift in business referred across B&PB since Mar 22
- Achieving strong growth in deposits (3.5x system[1]) and FUM
- #1 in High Net Worth NPS[2]

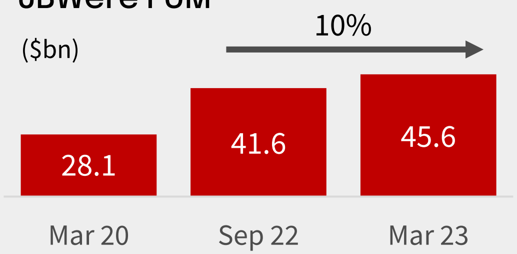
Deposits

($bn)



JBWere FUM

($bn)

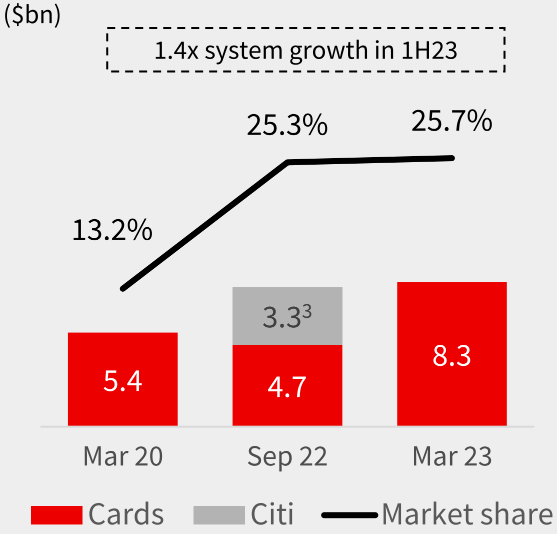


Unsecured lending

- Combined NAB and Citi Consumer Business capabilities delivering account growth across both businesses
- Acquisition providing access to strong white label partners
- 6% total unsecured account growth in 1H23, supported by increased automation and improved conversion rates

Cards balance[3] and market share[3,4]

($bn)

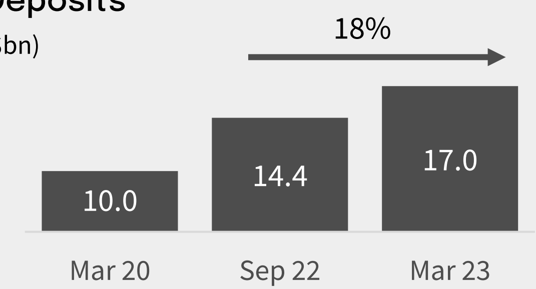


ubank

- Growing in target customer segment with 95k net new customers in 1H23 and 55% of new customers <35yrs
- Achieving strong growth in deposits, up $2.6bn in 1H23 (4.8x system[1])
- Well progressed on 86 400 integration, 75% of original customers now upgraded to new platform[5]

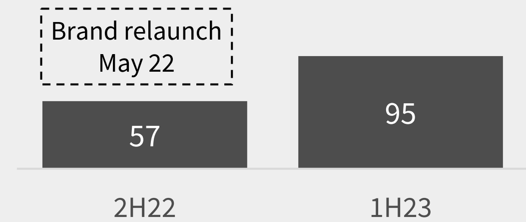
Deposits

($bn)



Net new customers

(k)

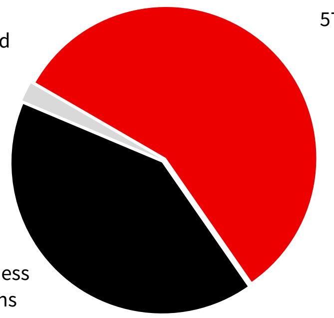


(1) Period October 2022 – March 2023 based on APRA Monthly Authorised Deposit-taking Institution statistics
(2) DBM Consumer Atlas (part of RFI Global), measured on 6 month rolling average to March 2023. Includes consumers with investible assets of $2.5m+. Ranking based on absolute scores, not statistically significant differences and compared against major peers as at March 2023
(3) Includes consumer and commercial cards and $3.3bn represents Citi Consumer Business balances acquired by NAB Group on 1 June 2022
(4) Market share refers to consumer cards only. APRA Monthly Authorised Deposit-taking Institution statistics. Latest data as at March 2023
(5) Refers to original UBank customers who are eligible to be upgraded to the new platform

NAB at a glance

Cash earnings divisional split[1]	% of 1H23 Cash Earnings
Business and Private Banking	42%
Personal Banking	19%
Corporate and Institutional Banking	23%
New Zealand Banking	19%
Corporate Functions & Other	(3%)
Cash Earnings	100%

Gross loans & acceptances split



Credit Ratings NAB Ltd LT/ST	S&P AA-/A-1+ (Stable)	Moody's Aa3/P-1 (Stable)	Fitch A+/F1 (Stable)

Key Financial Data	1H23
Cash Earnings[1]	$4,070m
Cash ROE	13.7%
Gross Loans & Acceptances	$701bn
Customer deposits	$575bn
90+ DPD and gross impaired loans	66 bps
CET1 (APRA)	12.21%
NSFR (APRA)	117%
Australian Market Share	**As at Mar 23**
Business lending[2]	21.6%
Housing lending[2]	14.7%
Cards[2]	25.7%
Key Non-Financial Data	**1H23**
# Employees	36,963
# Branches / Business Centres	680

(1) The definition of cash earnings is set out on page 10 of the 2023 Half Year Results, and a discussion of non-cash earnings items and a full reconciliation of the cash earnings to statutory net profit attributable to owners of NAB is set out on pages 96 – 98 of the same document

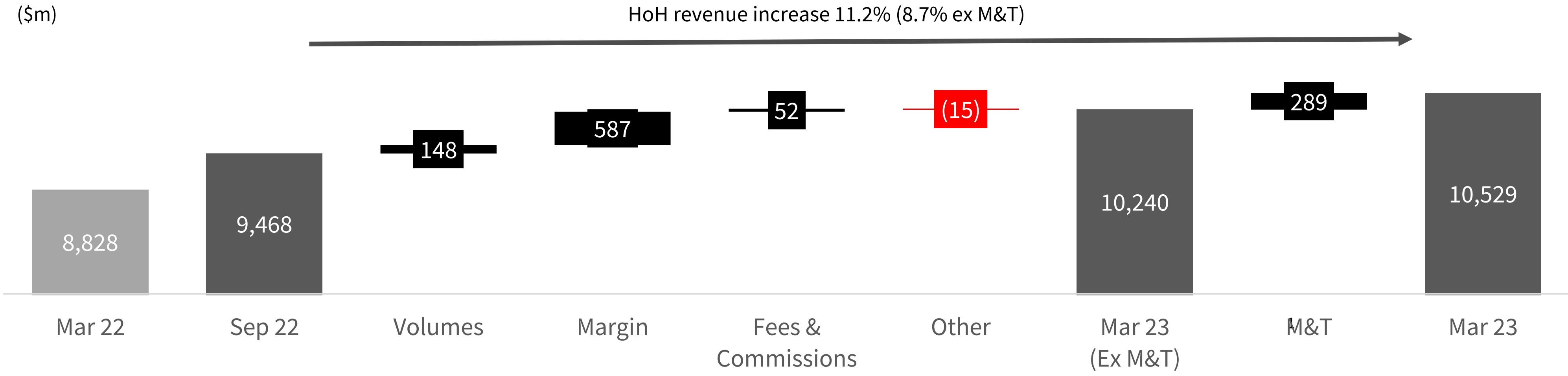
(2) APRA Monthly Authorised Deposit-taking Institution statistics. Business lending market share excludes financial institutions, general government and community service organisations

Additional information

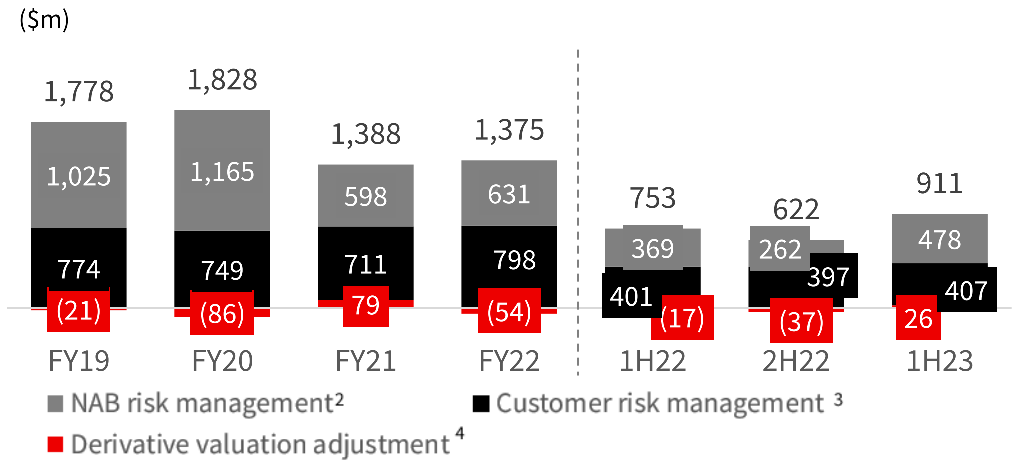
Financial & Divisional Performance

Strong revenue growth

Net operating income



Markets & Treasury (M&T) income breakdown



Key revenue drivers HoH

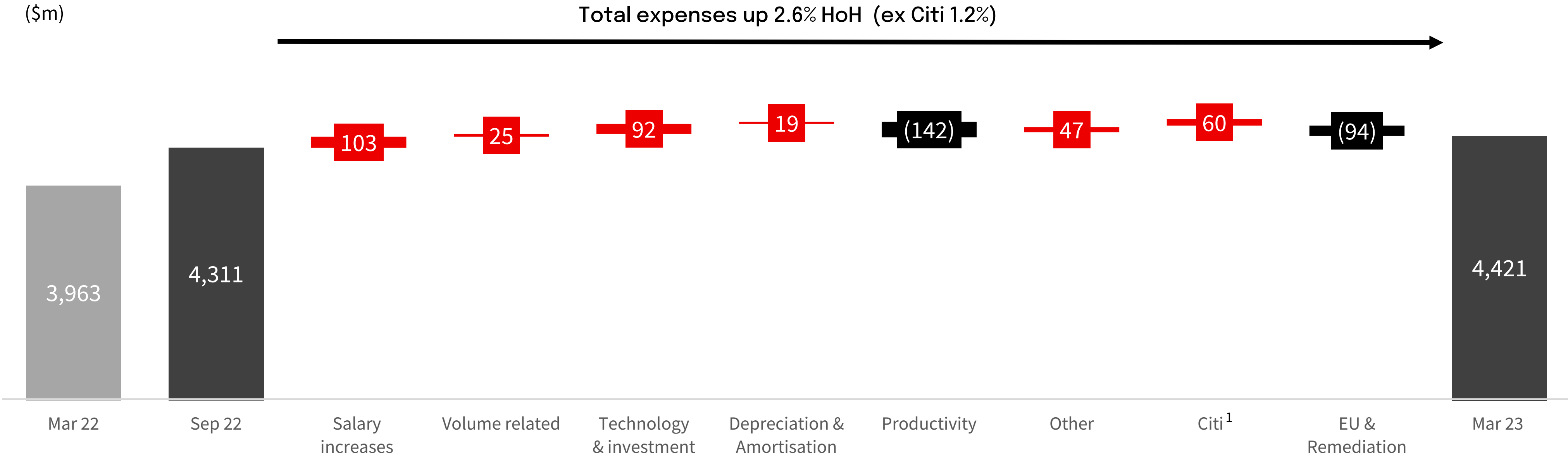
- NII growth driven by higher margins and volumes
- Increased Fees & Commissions mainly due to lower customer remediation in 2H22 ($27m), Citi[1] and higher merchant and cards income
- Higher NAB Risk Management income mainly due to favourable trading conditions in 1H23

(1) Citi refers to Citigroup's Australian consumer business, acquired by the NAB Group on 1 June 2022
(2) 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 franchise
(3) Customer risk management comprises OOI and NII
(4) Derivative valuation adjustments include credit valuation adjustments and funding valuation adjustments

Operating expenses

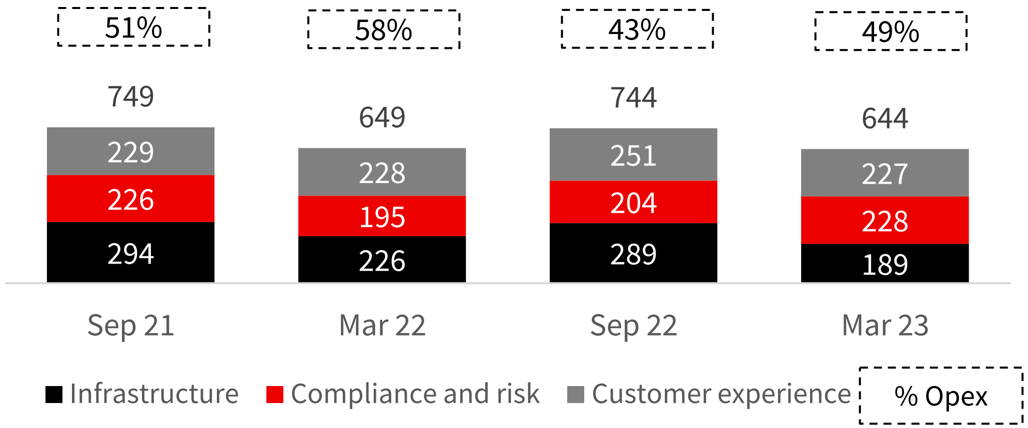
Operating expenses (HoH)

($m)



Investment spend

($m)



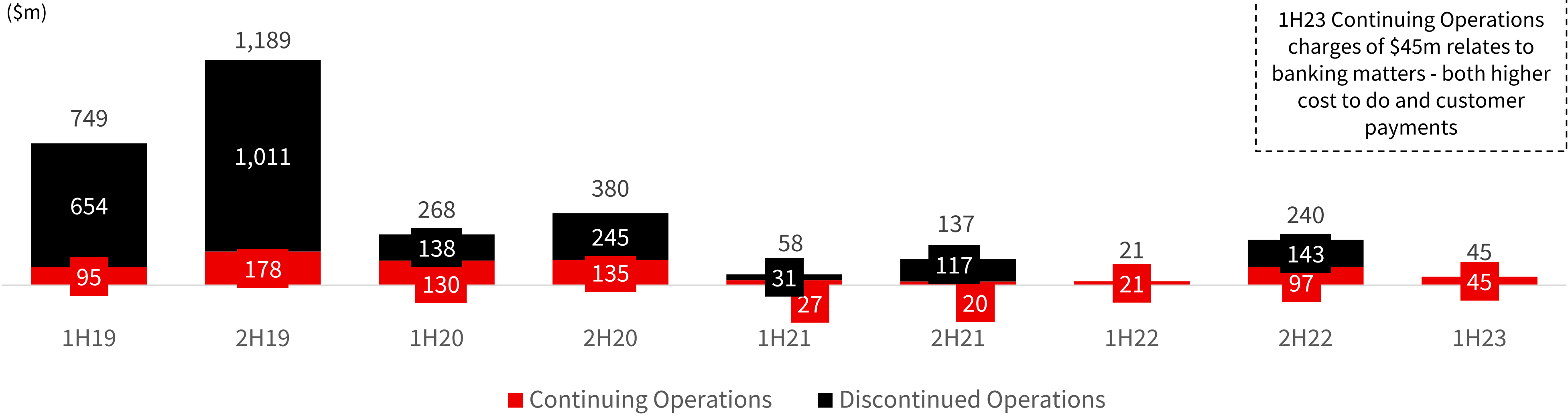
Comments[2]

- Other includes $43m financial crime capability uplift and frauds and scams
- 1H23 Citi costs of $210m
- EU-related costs of $56m ($70m in 2H22), expected to be $80-120m in FY23 and FY24
- Targeting productivity savings of ~$400m in FY23
- Overall Cost to Income ratio for FY23 expected to be lower than FY22[3]

(1) Citi refers to Citigroup's Australian consumer business, acquired by the NAB Group on 1 June 2022
(2) Refer to key risks, qualifications and assumptions in relation to forward looking statements on slide 82
(3) Excluding any large notable items

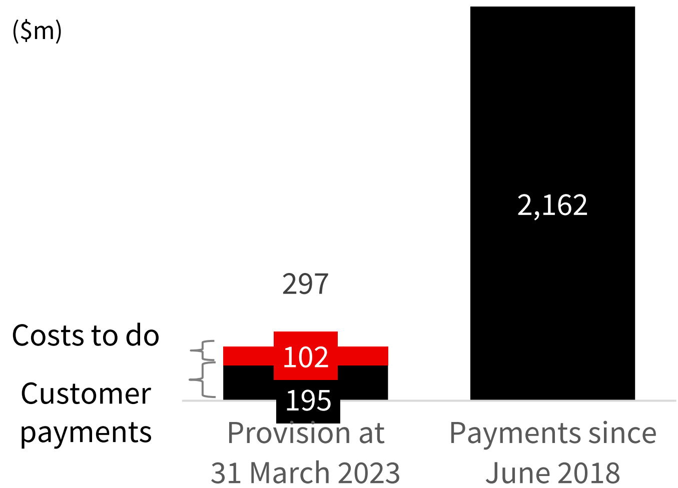
Customer-related and payroll remediation

Customer-related remediation provision charges[1]



1H23 Continuing Operations charges of $45m relates to banking matters - both higher cost to do and customer payments

Customer-related remediation provisioning and utilisation



- >786 colleagues dedicated to remediation activities
- >2m payments to customers since June 2018 totalling $2,162m – up 7.3% from FY22

Payroll remediation

- The program reached practical completion in December 2022 with known remediation matters resolved, any other payroll reviews will be conducted through the normal course of business

(1) Charges were included as large notable items in FY19 and FY20. Charges are shown pre-tax and include both operating expenses and contra revenue amounts

AUSTRAC Enforceable Undertaking

Overview of Enforceable Undertaking

- Following its investigation, AUSTRAC accepted an Enforceable Undertaking (EU) from NAB in April 2022 to lift its compliance with Anti Money Laundering / Counter Terrorism Financing (AML/CTF)
- Under the terms of the EU, NAB is required to implement a comprehensive Remedial Action Plan (RAP) involving improvements in its systems, controls and record-keeping, including:
  - NAB's AML/CTF Program
  - Applicable customer identification procedures
  - Customer risk assessment and enhanced customer due diligence
  - Transaction monitoring
  - Governance and assurance
- NAB will obtain interim reports from the external auditor on a quarterly basis and an annual basis. The external auditor will provide a final report to NAB for the period up to 31 March 2025
- The EU will end on the date that the AUSTRAC CEO provides written consent to the cancelling or withdrawal of the EU

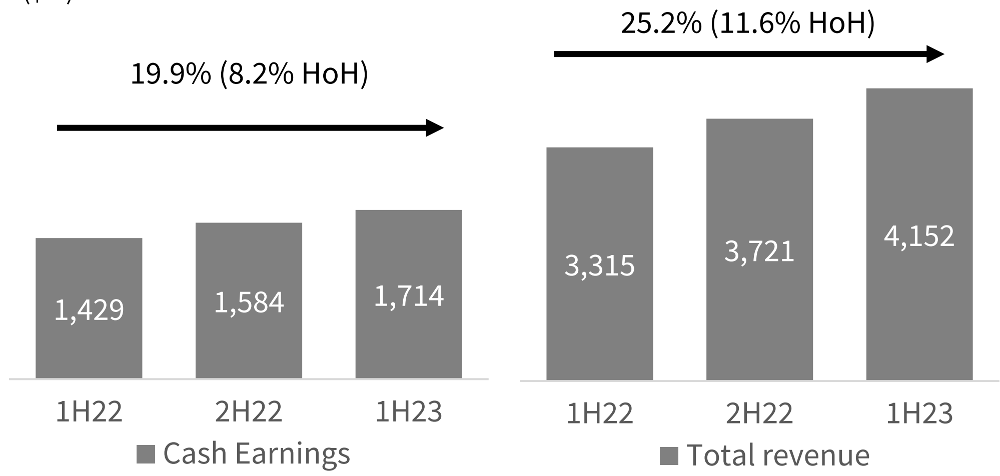
Status as at March 2023

- An External Auditor was appointed in May 2022 and will report to NAB and AUSTRAC periodically. The Auditor has commenced engagement with NAB and AUSTRAC
- NAB has established a governance structure to oversee delivery of the RAP commitments and coordinate the completion of activities
- NAB continues to work closely with AUSTRAC to monitor and deliver agreed actions
- NAB has completed approximately half of the required activities under the RAP (subject to confirmation by the External Auditor where required, and noting that some of the more complex activities under the RAP have longer time frames for completion)
- Estimated costs $80-$120m p.a. in FY23 and FY24
  - This is in addition to $103m in FY22
  - 1H23 actual cost incurred $56m

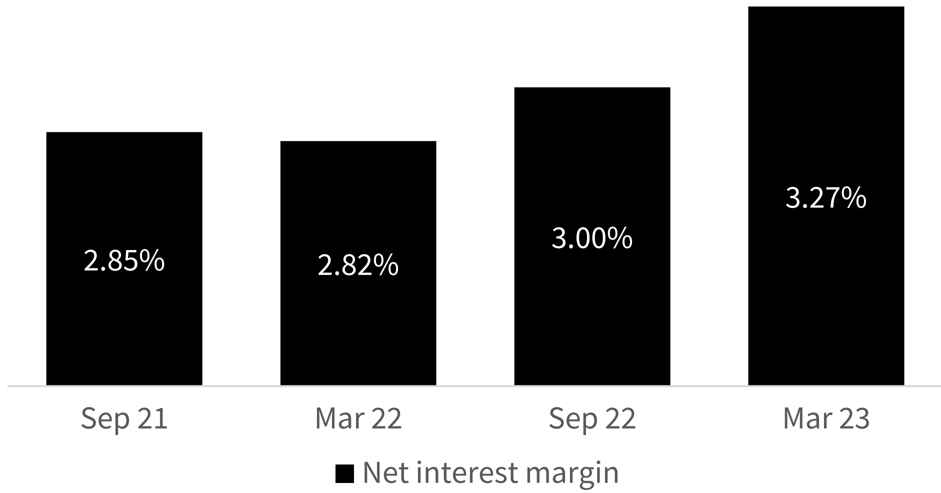
Business and Private Banking

Cash earnings and revenue

($m)

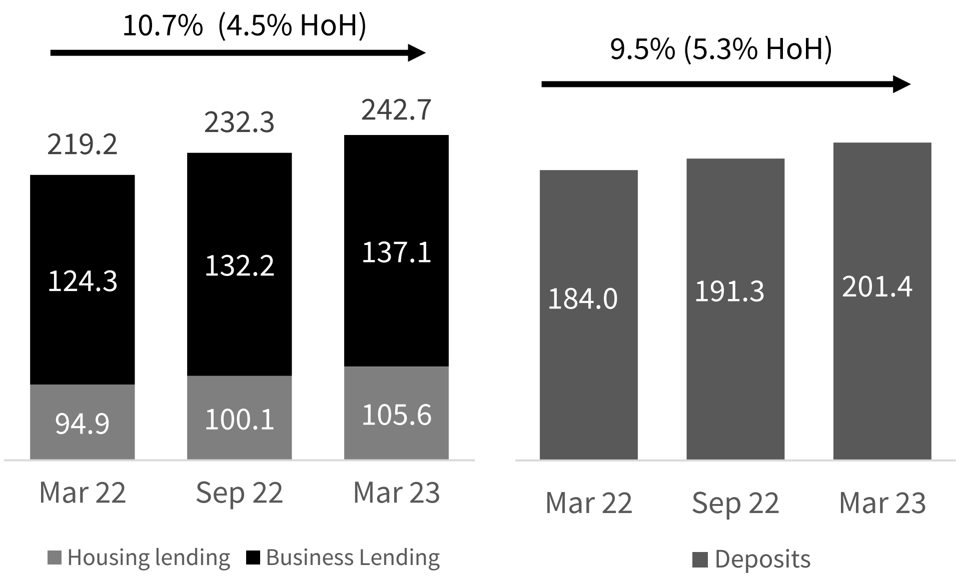


Net interest margin



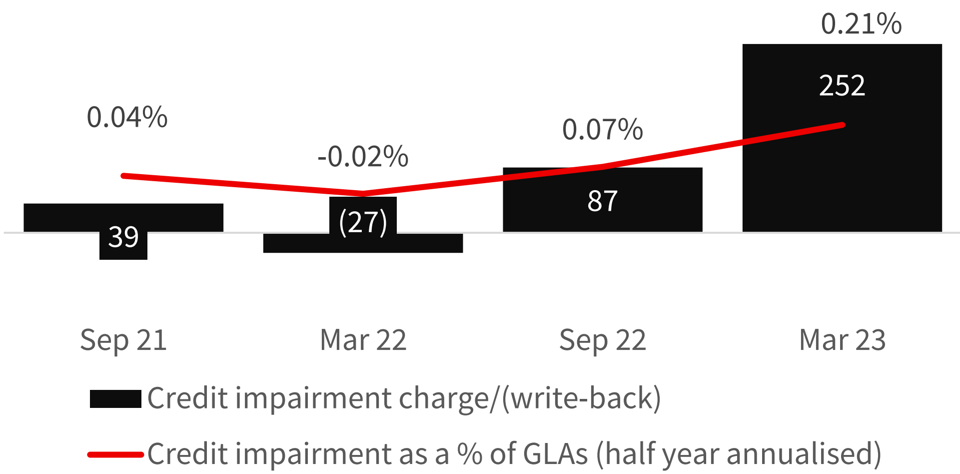
Business and housing lending GLAs and deposits

($bn)



Credit impairment charges and as a % of GLAs

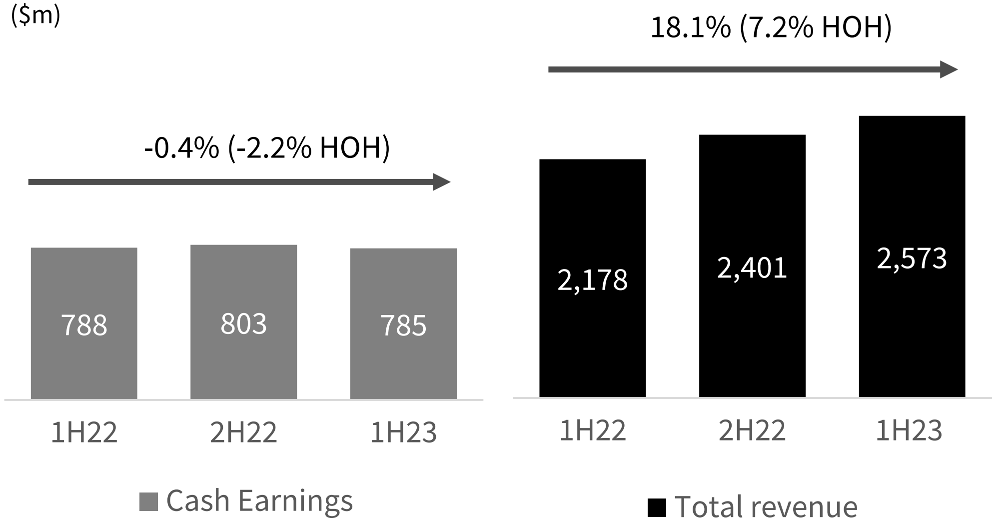
($m)



Personal Banking

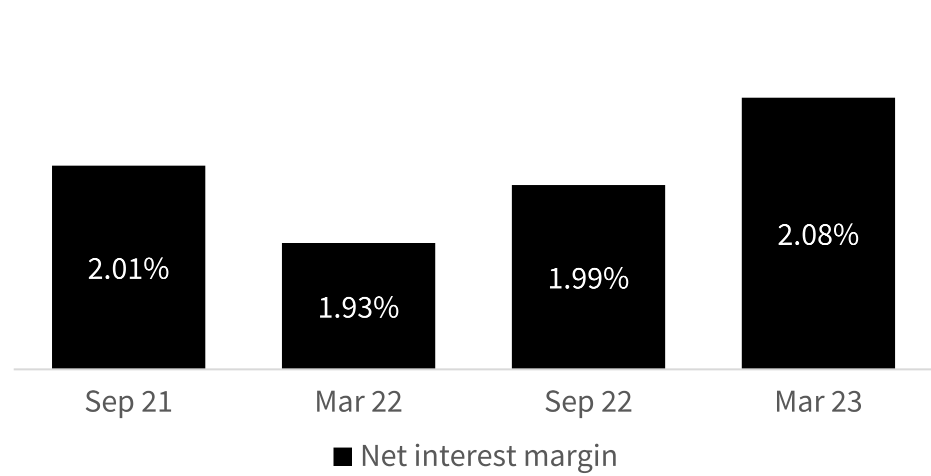
Cash earnings and revenue

($m)



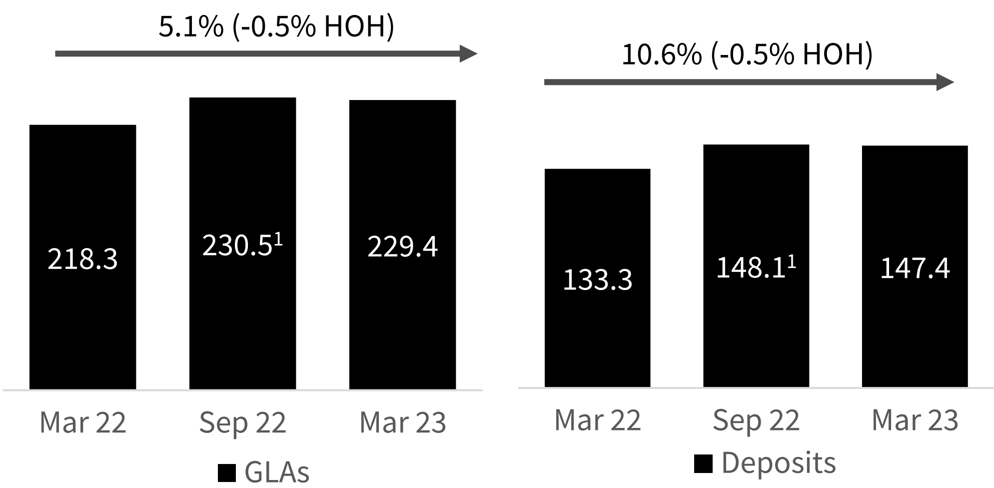
Net interest margin

(%)



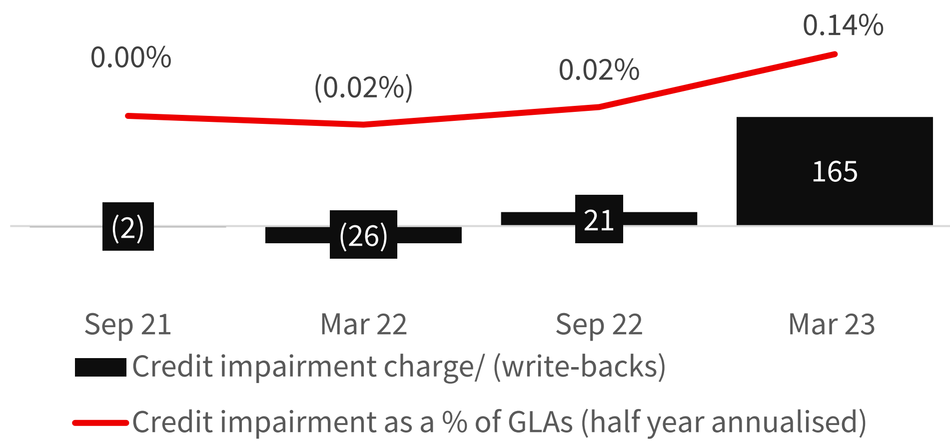
Housing lending GLAs and deposits

($bn)



Credit impairment charges and as a % of GLAs

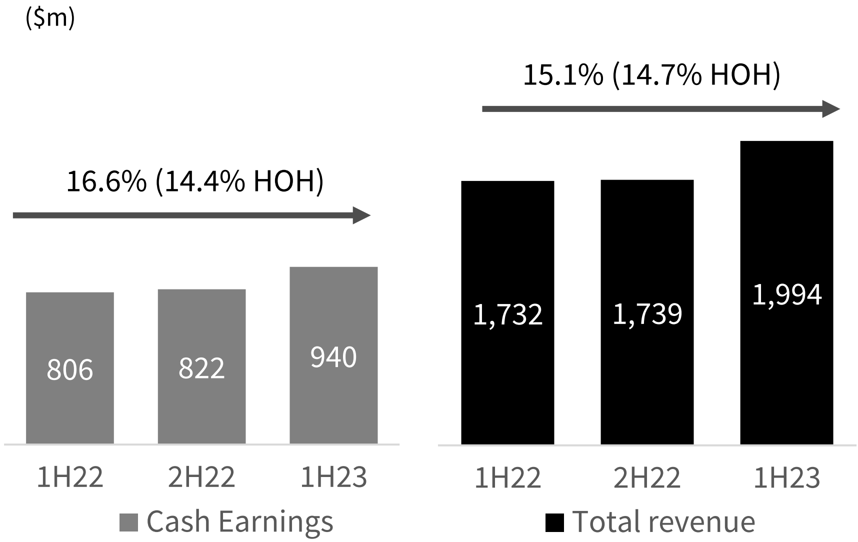
($m)



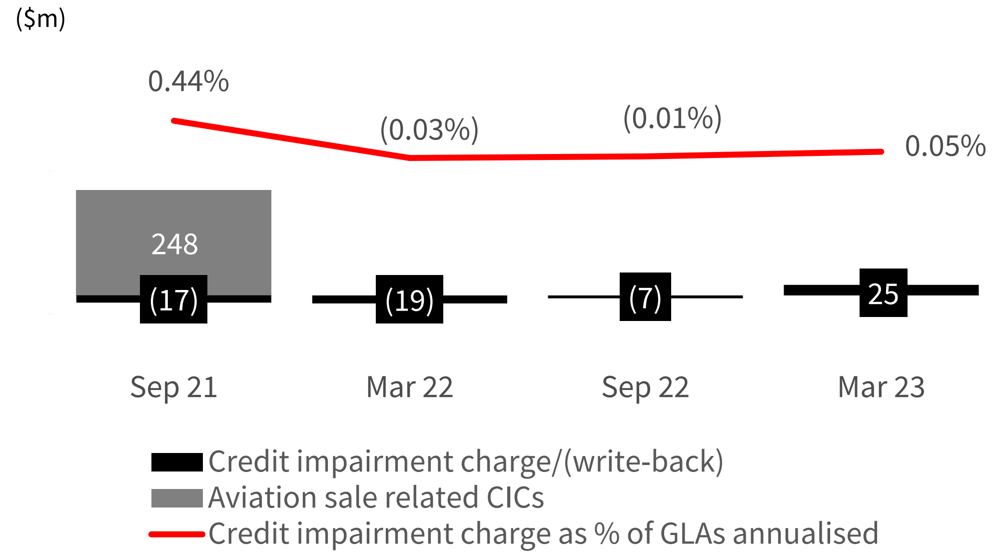
(1) Includes Citi Consumer Business balances acquired at completion on 1 June 2022, $9bn GLAs and $9.5bn deposits

Corporate and Institutional Banking

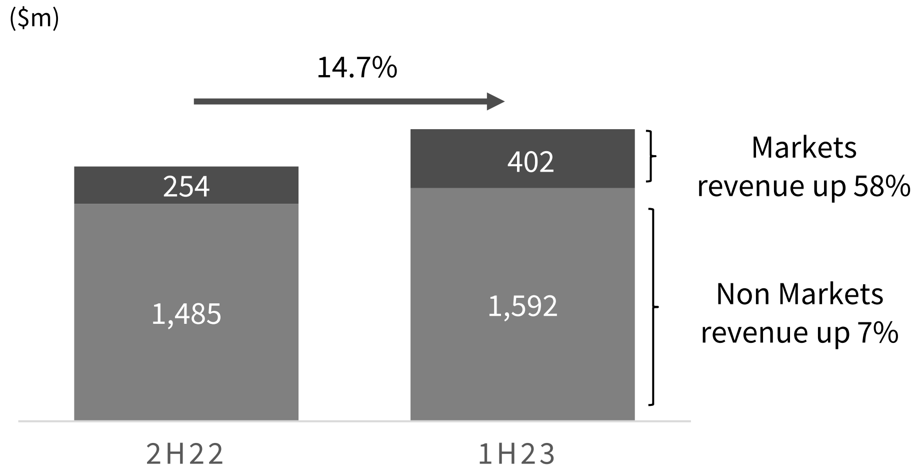
Cash earnings and revenue



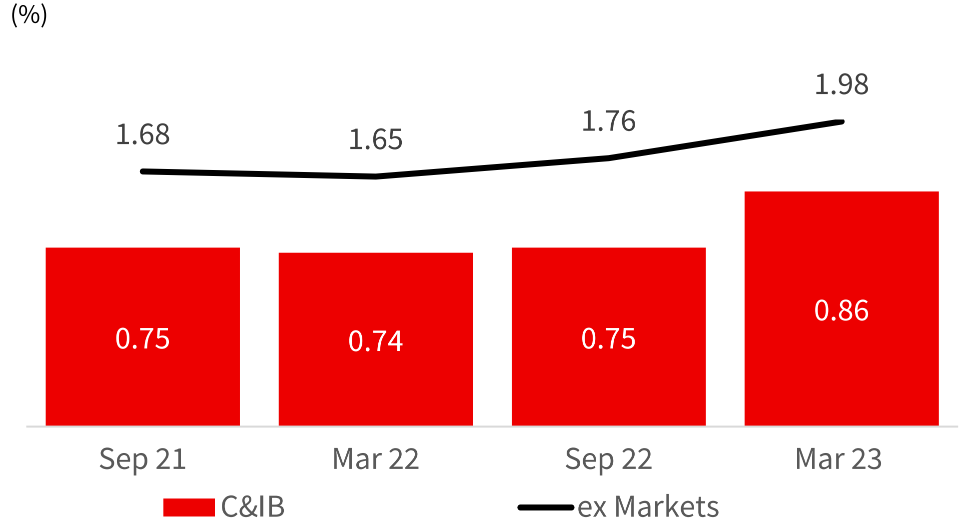
Credit impairment charges and as a % of GLAs



Revenue breakdown[1]



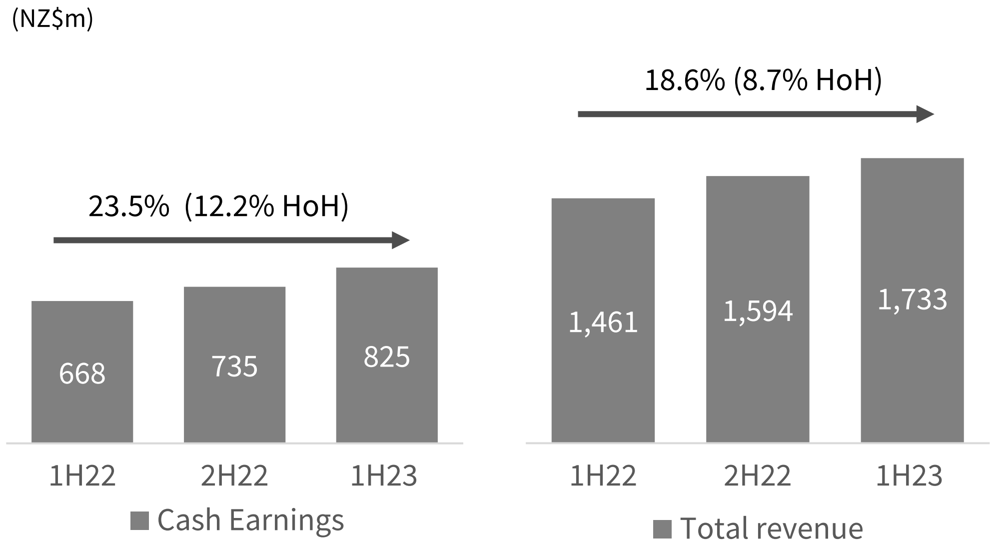
Net interest margin



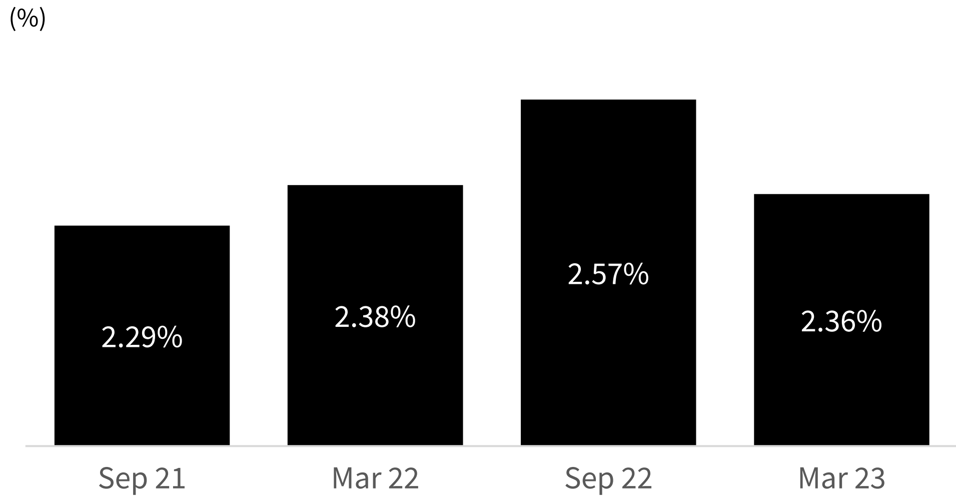
(1) Markets revenue represents Customer Risk Management revenue and NAB Risk Management Revenue. Includes derivative valuation adjustments

New Zealand Banking[1]

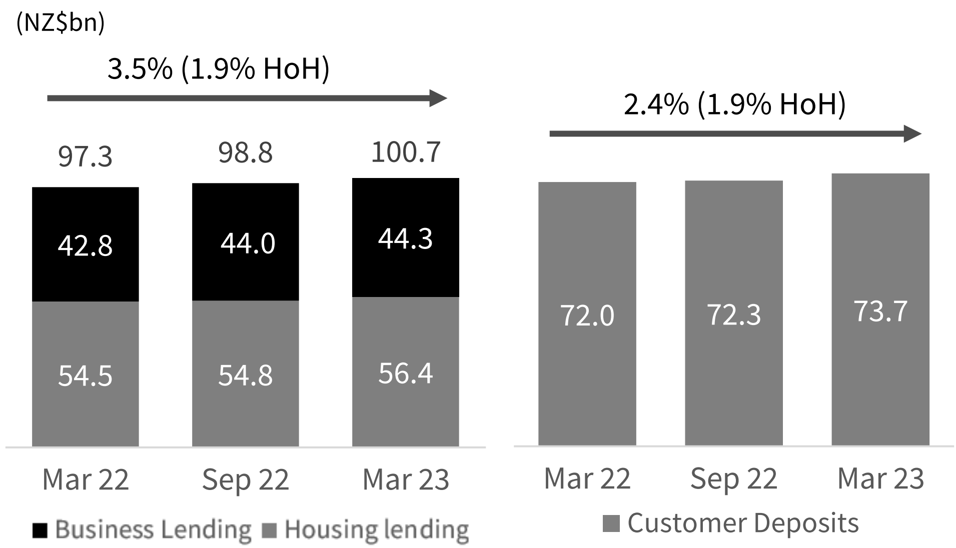
Cash earnings and revenue



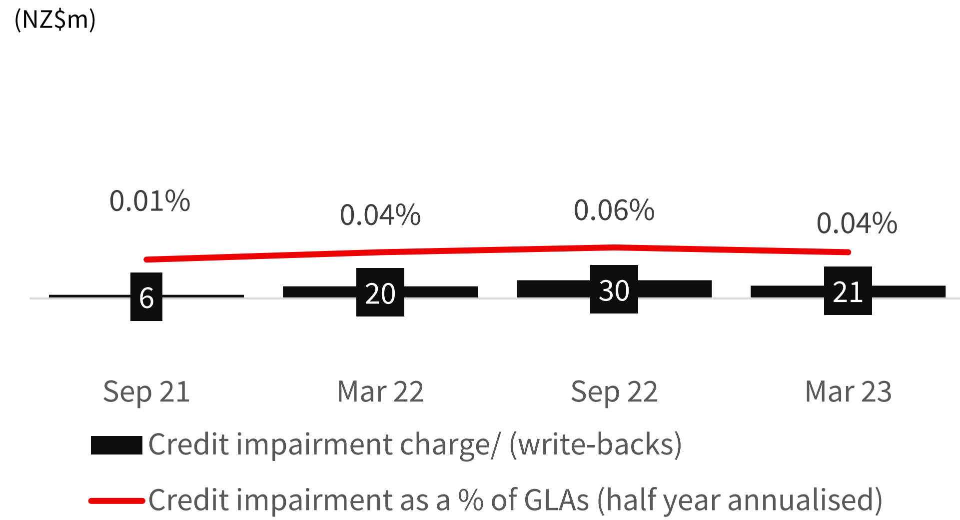
Net interest margin



Business and housing lending GLAs



Credit impairment charges and as a % of GLAs



(1) New Zealand Banking results include the financial performance of the New Zealand liquidity management portfolio, effective 1 October 2022

Additional information

Capital & Funding

Credit risk-weighted assets

Credit risk-weighted assets

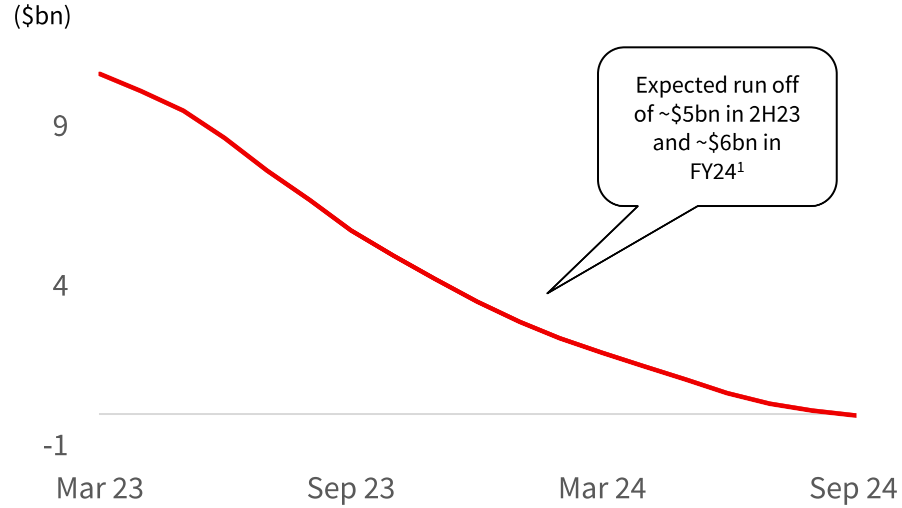
IRRBB risk-weighted assets

Key messages

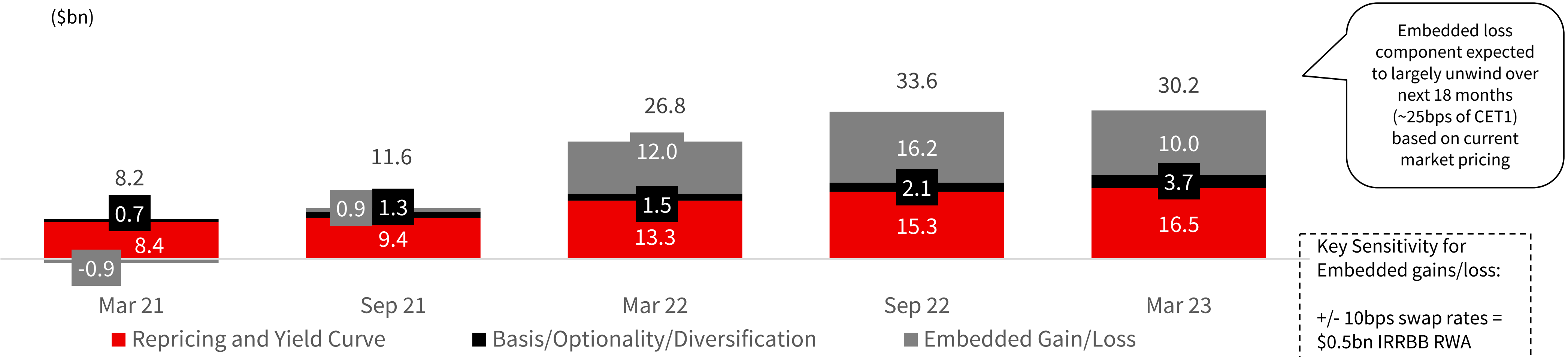
- The Investment Term of Capital (IToC) smooths the impact of interest rate volatility on NAB's NIM and earnings profile. NAB currently applies a 3 year IToC
- IRRBB regulatory capital is calculated based on comparison to a 1 year investment term
- Swap rate increases have created a $10bn RWA requirement related to embedded losses (~25bps of CET1 based on Mar 23 ratio)
- Embedded loss RWA expected to largely unwind over the next 18 months based on current market pricing
- Repricing and yield curve RWA expected to remain reasonably steady as the market stabilises

Embedded Gain/Loss RWA Run off profile

(Based on yield curves as at 31 Mar 23)



IRRBB risk-weighted assets



Key Sensitivity for Embedded gains/loss:

+/- 10bps swap rates = $0.5bn IRRBB RWA

(1) Refer to key risks, qualifications and assumptions in relation to forward looking statements on slide 83

Capital & Deposit hedges

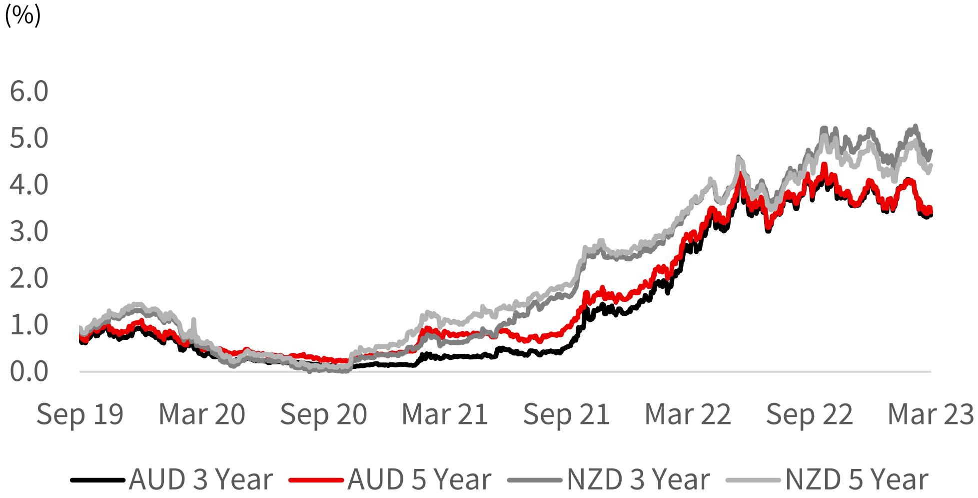
NAB replicating portfolios

Replicating portfolio		
	31 Mar 23 balance	Invested out to term of
Capital	AUD $42bn	3 years
Low rate deposits	AUD $78bn	5 years

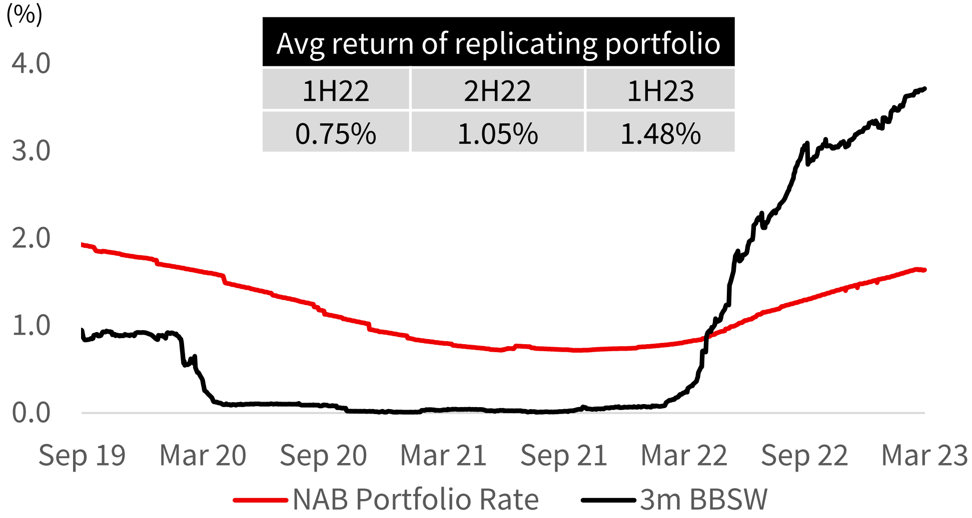
BNZ replicating portfolios

Replicating portfolio		
	31 Mar 23 balance	Invested out to term of
Capital	NZD $10bn	3 years
Low rate deposits	NZD $11bn	5 years

Swap rates[2]

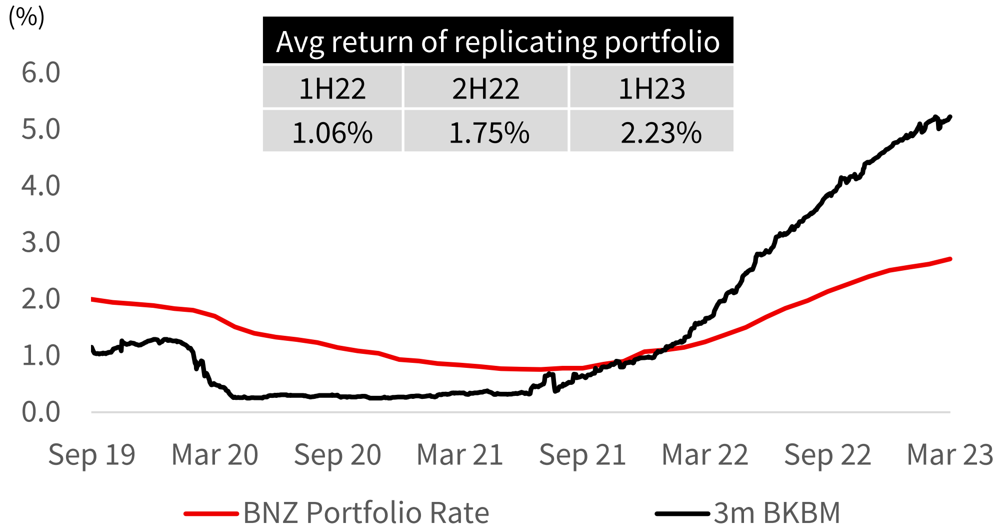


NAB replicating portfolios[1]



Avg return of replicating portfolio		
1H22	2H22	1H23
0.75%	1.05%	1.48%

BNZ replicating portfolios[3]



Avg return of replicating portfolio		
1H22	2H22	1H23
1.06%	1.75%	2.23%

(1) Blended replicating portfolio (Australia only). Replicating portfolio includes capital, non-interest bearing and rate insensitive deposits
(2) AUD Swap Rates sourced from Bloomberg and NZD Swap Rates sourced from Reuters
(3) Blended replicating portfolio (New Zealand only). Replicating portfolio includes capital, non-interest bearing and rate insensitive deposits

Transition to the Revised Capital Framework

Migration to revised capital framework reduced credit RWA by $17.8bn (or +47bps of CET1)

Mortgages

- Lower risk (Owner Occupier, P&I) mortgages attract 1.4x scalar (1.7x scalar for other mortgages; 2.5x scalar where 5 or more investment properties)
- Advanced banks can use internal Loss Given Default (LGD) models approved by APRA
- Probability of Default (PD) model correlation factor reduces to 15%
- "Non-standard mortgages"[1] attract 100% RWA

Income Producing Real Estate (IPRE) and Corporate Lending

- Income Producing Real Estate 'Slotting' approach removed and replaced by IRB Corporate modelling with 1.5x scalar
- Credit Conversion Factors (CCFs) for certain unutilised non-retail exposures reduce from 100% to 40%
- Timing of commitments now measured from time of acceptance instead of when offer is extended
- FIRB LGD treatment applies to Large Corporate exposures

'Other' RWA changes

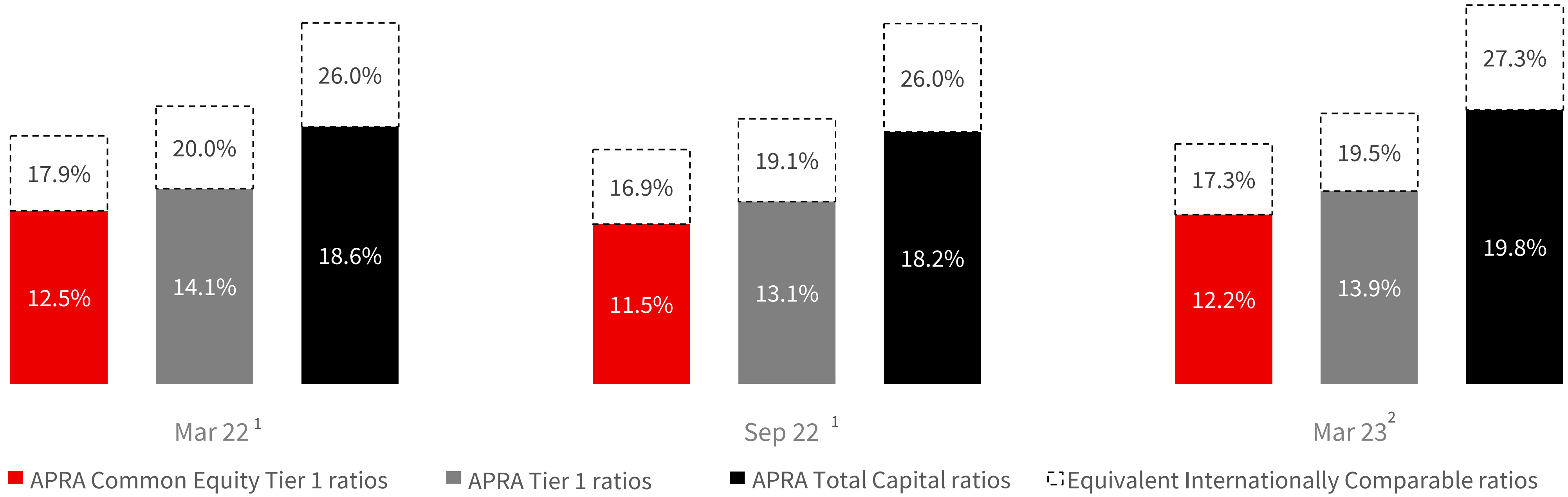
- Various changes to Standardised treatment, Retail SME, non-lending assets, NZ securitisation and Credit Valuation Adjustment (CVA)
- Foundation IRB (FIRB) LGD treatment applies to Sovereign and Banks

New Zealand

- RBNZ measurement rules applied (Bank and Sovereign use a standardised approach)
- APRA IRB scalar of 1.1x used instead of RBNZ scalar of 1.2x

(1) Non standard mortgages are classified as mortgages with both an interest-only period of 5 years or more and an LVR above 80%

Key Adjustments for Internationally Comparable Ratio



APRA to Internationally comparable CET1 ratio reconciliation	**CET1 %**
APRA CET1 ratio	**12.2%**
Deferred tax assets, capitalised expenses and equity exposures below prescribed thresholds are risk weighted under the Basel framework, compared to being deducted in full from CET1 capital under APRA requirements	+0.7%
APRA requirement for Interest Rate Risk in the Banking Book (IRRBB) risk-weighted assets not in the Basel framework	+1.2%
APRA requirements for residential mortgages not in the Basel framework (i.e. APRA multipliers of 1.4, 1.7 or 2.5 and standardised treatment for non-standard mortgages)	+1.2%
APRA internal ratings-based approach scaling factor of 1.1 from exposures of the Level 2 Group not in the Basel framework	+1.1%
APRA internal ratings-based approach income-producing real estate multiplier of 1.5 not in the Basel framework	+0.5%
Reserve Bank of New Zealand requirements not in the Basel framework (i.e. farm lending exposures, mortgages and specialised lending)	+0.4%
Internationally comparable CET1 ratio [3]	**17.3%**

(1) Internationally comparable methodology based on the APRA Information Paper 'International Comparison Study' (July 2015), which compares APRA's capital adequacy prudential requirements prior to the revised capital framework changes with Basel III

(2) Internationally comparable methodology based on the Australian Banking Association publication 'Basel 3.1 Capital Comparison Study '(March 2023), which compares APRA's revised capital framework, including RBNZ prudential requirements, with the finalised post-crisis Basel III reforms

(3) The Internationally comparable CET1 ratio does not include the impact of the Basel capital floor. That said, RWA used in the internationally comparable capital ratios are higher than 50% of RWA under APRA's standardised methodology, where 50% is the Basel transitional capital floor that applies from 1 January 2023

Key regulatory changes impacting capital and funding

Change	CY23	CY24	CY25	CY26
Capital Adequacy (APS 110)	Implemented 1 January			
Credit Risk (APS 112/113)	Implemented 1 January			
Operational Risk (APS 115) (implemented) [1]				
Market Risk (APS 116)		Consult		Implementation
Counterparty Credit Risk (APS 180)		Consult		Implementation
Interest Rate Risk in the Banking Book (APS 117)	Finalise		Implementation	
Liquidity (APS 210)	Consult	Finalise	Implementation	
Public Disclosures (APS 330)			Implementation	
Loss-Absorbing Capacity		Implementation[2]		Implementation[2]
Remuneration (CPS 511)	Finalise	Implementation		
Recovery and Resolution (CPG 190, CPS 900, CPG 900)	Finalise	Implementation		
RBNZ Capital Review	Increases in capital will be phased in over a seven-year period from July 2022. Other changes will be gradually phased in by 1 July 28.			

(1) APRA has provided Advanced Measurement Approach accredited ADIs the option to apply APS 115 Capital Adequacy: Standardised Measurement Approach to Operational Risk from either 1 Jan 22 or 1 Jan 23. NAB implemented the Standardised Measurement Approach on 1 January 2022

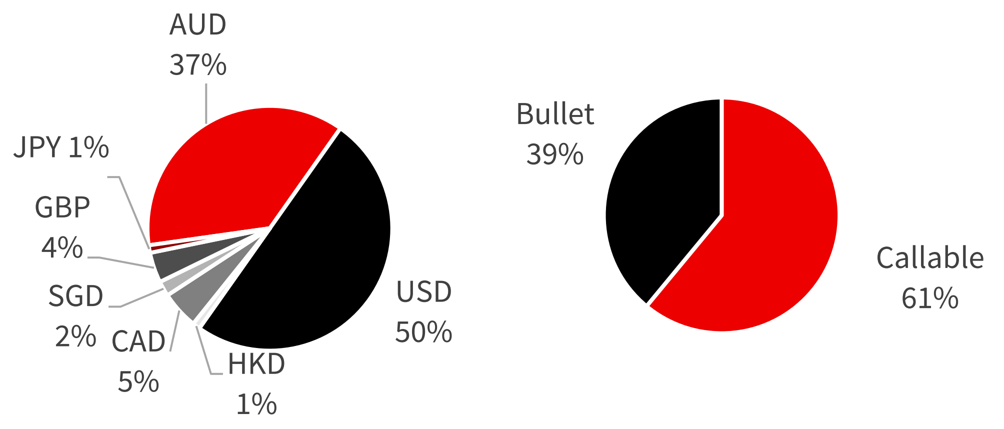
(2) In Dec 21, APRA finalised Loss-Absorbing Capacity requirements for D-SIBs, set as an increase to minimum Total Capital requirement of 4.5% of RWA from 1 Jan 26. D-SIBs are required to hold the interim setting of an increase to minimum Total Capital requirement of 3% of RWA by 1 January 2024

Loss-absorbing capacity

- Based on the Group's RWA and Total Capital position as at 31 Mar 23, NAB has met the interim Group Total Capital requirement for Jan 24, and has an incremental $2.8bn requirement by Jan 26
- $4.8bn of NAB's existing Tier 2 Capital has optional redemption dates prior to Jan 26, including $1.4bn before Jan 24[1]

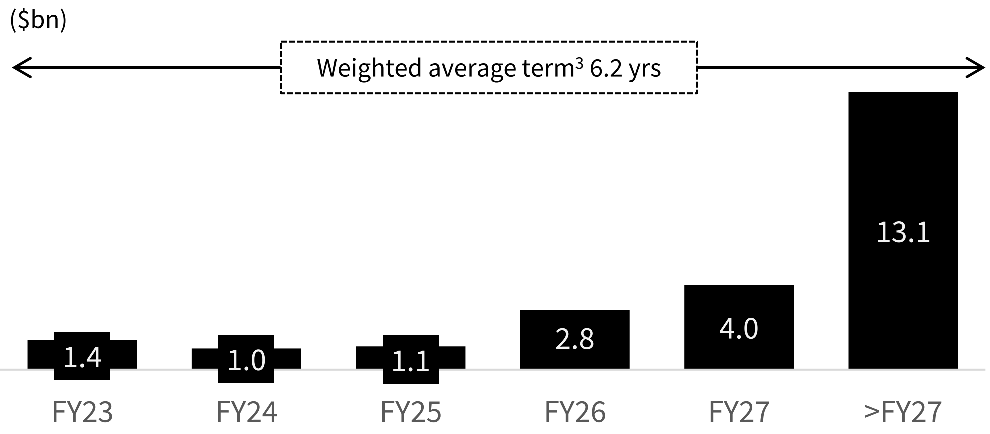
($bn)	Jan 24	Jan 26
Group RWA (at Mar 23)	436.2	436.2
Tier 2 Requirement (5.0% by Jan 24, 6.5% by Jan 26) [2]	21.8	28.4
Existing Tier 2 at Mar 23 (5.9%)	25.6	25.6
Current Shortfall	0	2.8

NAB Tier 2 outstanding issuance



APRA changes to major banks' capital structures

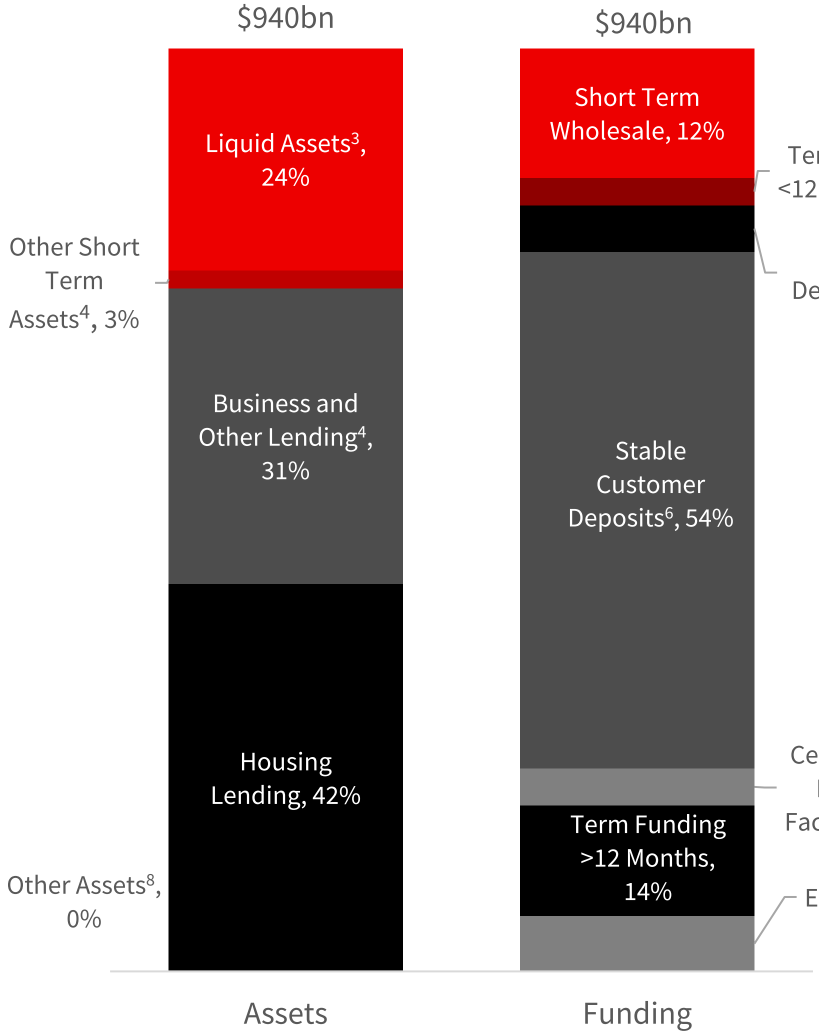
NAB Tier 2 runoff[2]



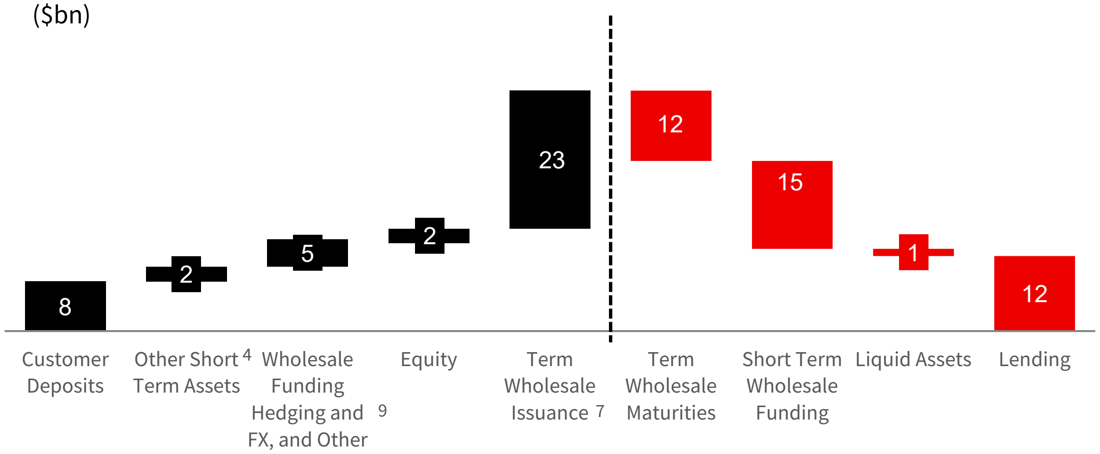
(1) Any early redemption would be subject to prior written approval from APRA (which may or may not be provided)
(2) Based on remaining term to maturity (adjusted for any capital amortisation) or to first optional call date (subject to APRA approval)
(3) Based on capital value, including adjustments for any capital amortisation

Asset Funding[1]

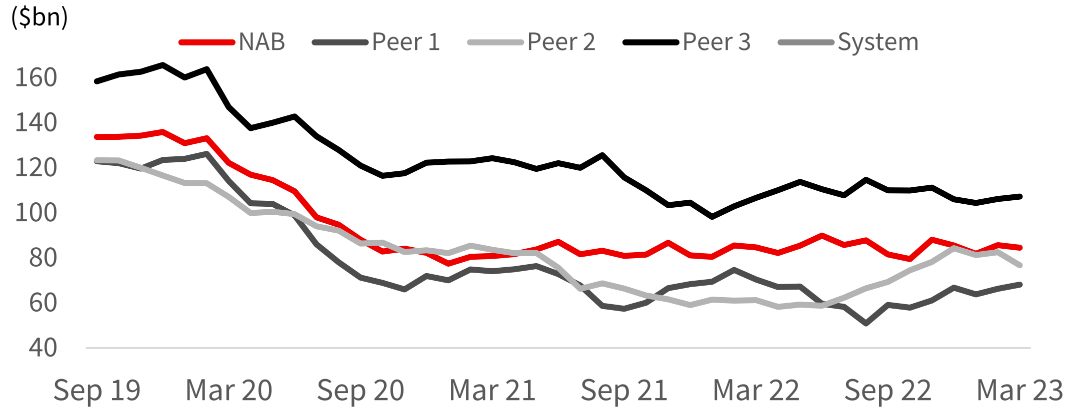
Funded balance sheet[2]



Group source and uses of funds, 6 months to 31 March 2023



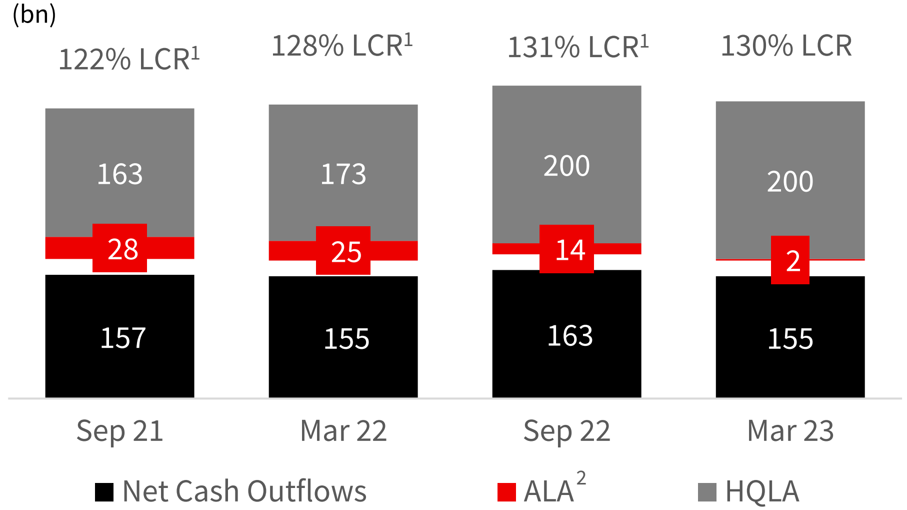
Australian core funding gap[10,11]



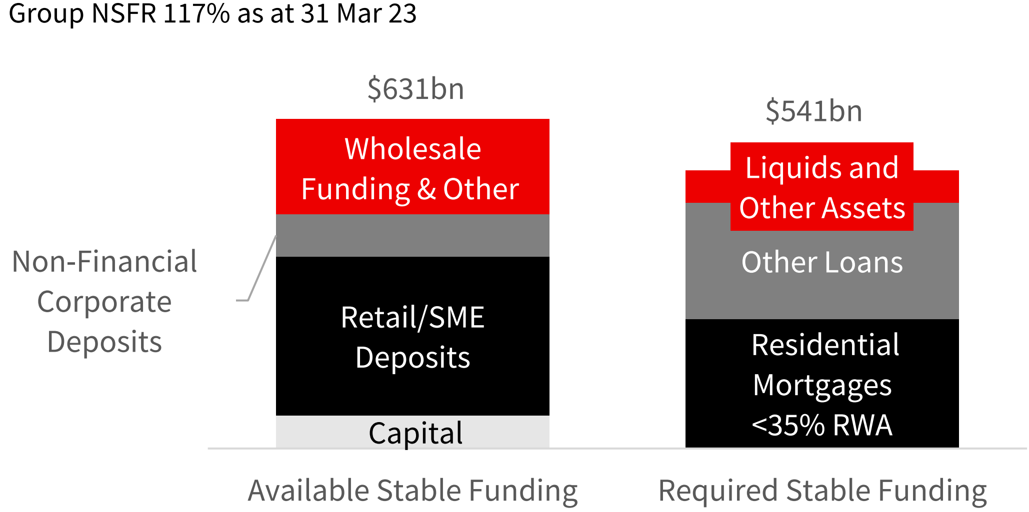
(1) All charts include Citi Consumer Business acquisition
(2) Excludes repurchase agreements as they do not provide net funding
(3) Liquid asset securities are measured at fair value with valuation changes recognised immediately through profit or loss or other comprehensive income
(4) Trade finance loans are included in other short-term assets, instead of business and other lending
(5) Includes non-operational financial institution deposits and certain offshore deposits as defined in APRA standard APS 210 Liquidity
(6) Includes operational deposits, non-financial corporate deposits and retail / SME deposits and excludes certain offshore deposits as defined in APRA standard APS 210 Liquidity
(7) Includes RBA's TFF and RBNZ's TLF and FLP
(8) The net position includes net derivatives, property, plant and equipment, all net of accruals, receivables and payables
(9) Includes the net movement of other assets and other liabilities, net derivatives, term wholesale funding hedging, fair value and FX adjustments
(10) Australian core funding gap = Gross loans and advances plus Acceptances less Total deposits (excluding certificates of deposit
(11) Statistics as at March 2023

Liquidity

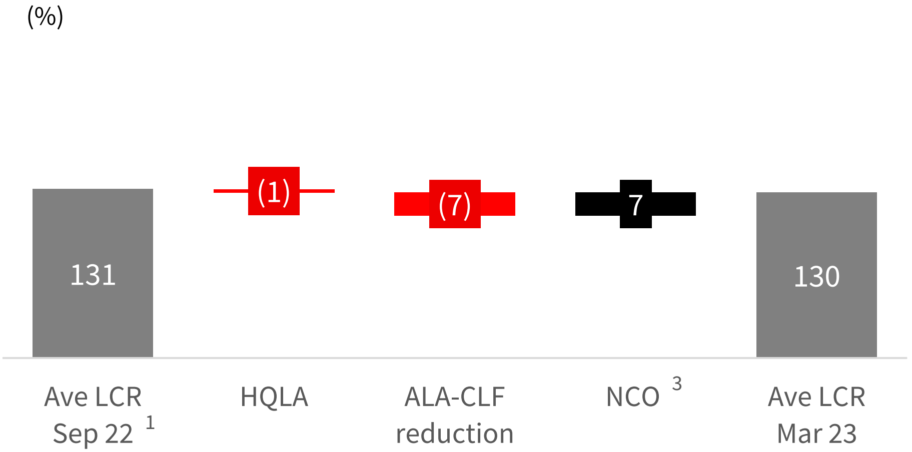
Liquidity coverage ratio (quarterly average)



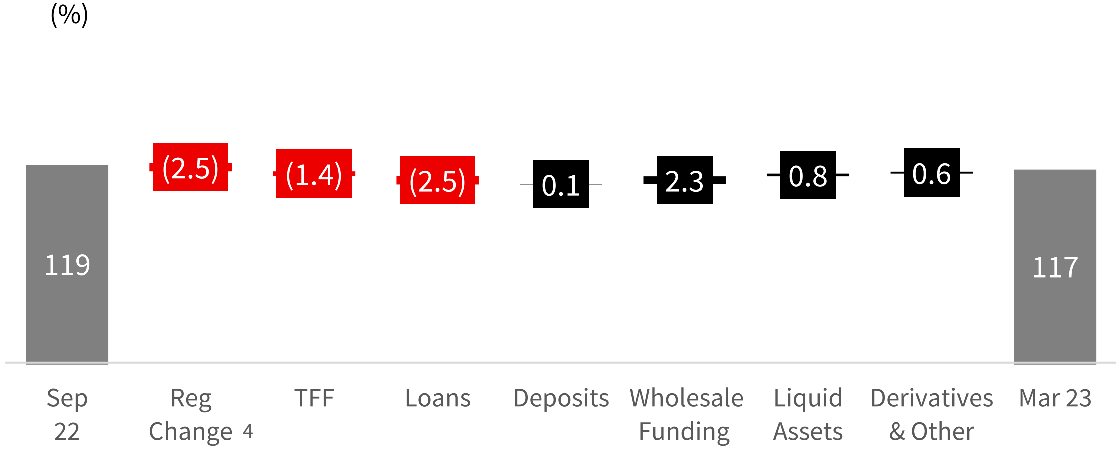
Net stable funding ratio composition



Liquidity coverage ratio movement

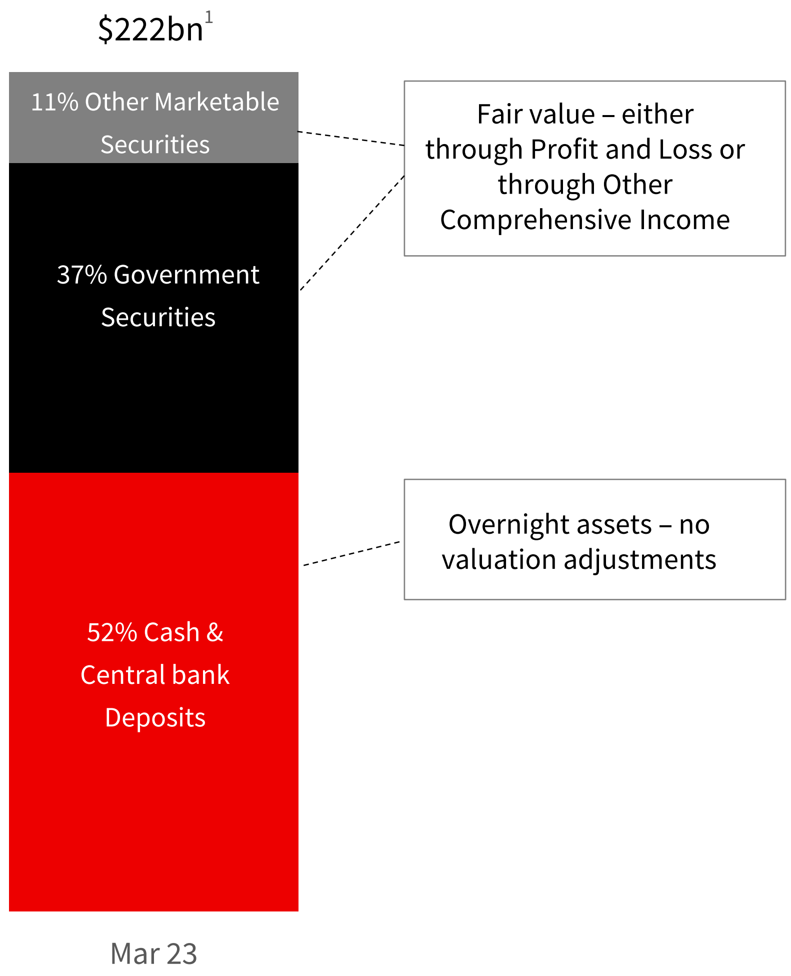


Net stable funding ratio movement



(1) Average LCR for the three months ended 30 September 2021, 31 March 2022 and 30 September 2022 has been restated from that previously disclosed. Details of the restatement are outlined in the Appendix of First Quarter Pillar 3 Report 2023
(2) Alternative Liquid Assets (ALA). CLF and TFF values used in LCR calculation are the undrawn portion of the facility
(3) The decrease in average net cash outflows was largely due to a reduction in modelled downgrade related cash outflows on self-securitisation exposures following changes to the timing of payments required in the event of a downgrade
(4) Impacts include final reduction in CLF along with the impacts of the revised capital framework and associated changes to APS 210

Treatment of marketable securities and cash

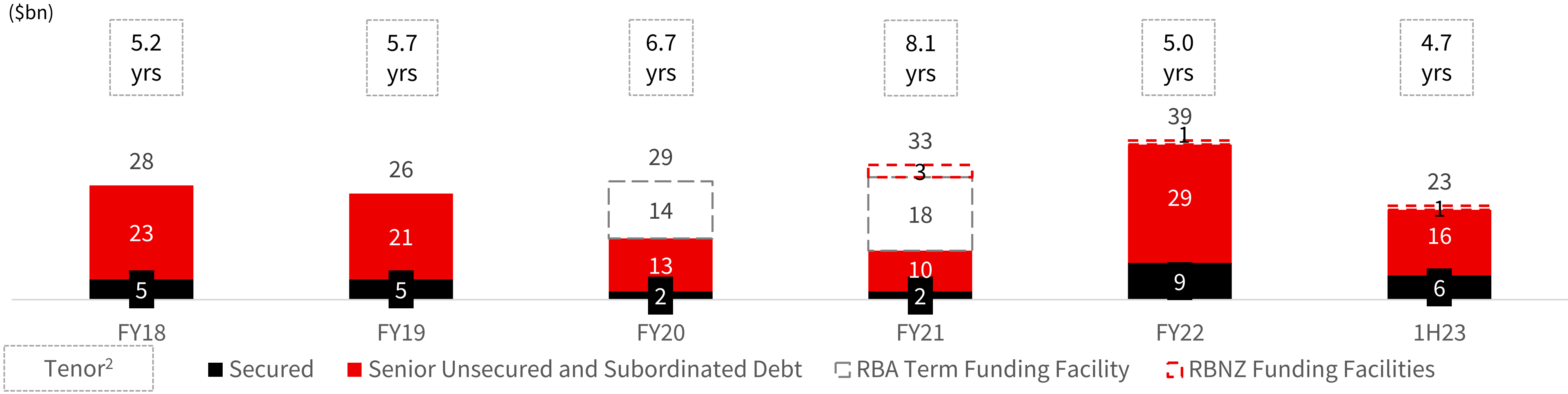


- NAB's marketable securities and cash of $222bn are largely regulatory compliant HQLA with small holdings for customer activities
- Over half of the regulatory compliant HQLA are held in cash or overnight deposits at central banks resulting in no interest rate risk
- Marketable securities are hedged with derivatives to manage interest rate risk with any residual risk largely credit spread related
- All marketable securities and associated derivatives are:
  - Marked to market in Profit and Loss (P&L) or in Other Comprehensive Income (OCI)[2]
  - Recognised at fair value in regulatory capital metrics
- APRA's APS 117 Interest Rate in the Banking Book (IRRBB) standard requires additional IRRBB capital to be held against any residual interest rate exposures and credit spread risk

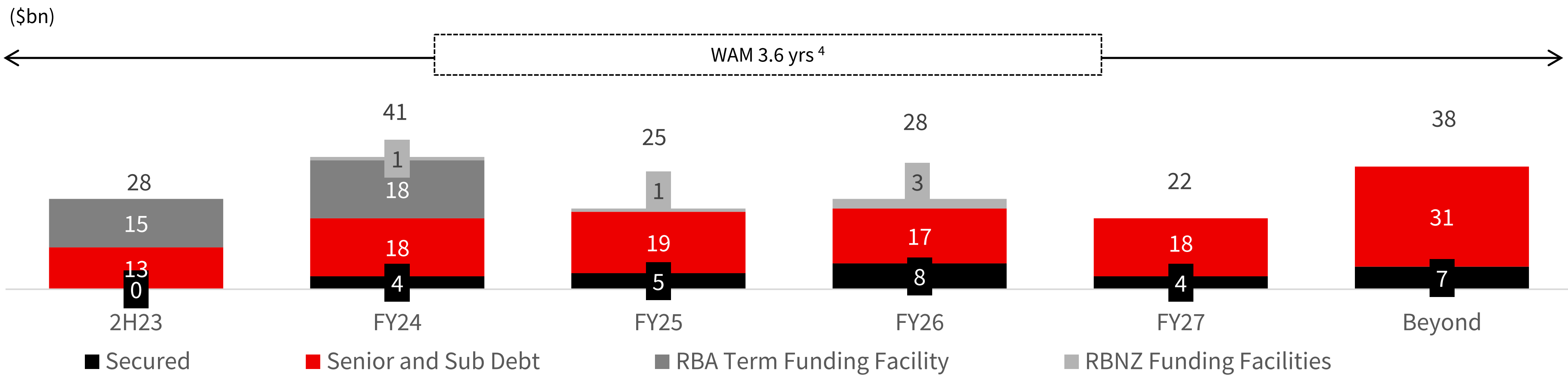
(1) Marketable securities and cash as per NAB's Funded Balance Sheet (refer slide 42)
(2) Treatment is determined under NAB's Accounting Policy with trading securities measured at fair value through profit and loss and debt instruments measured at fair value through other comprehensive income

Term wholesale funding profile

Historical term funding issuance[1]



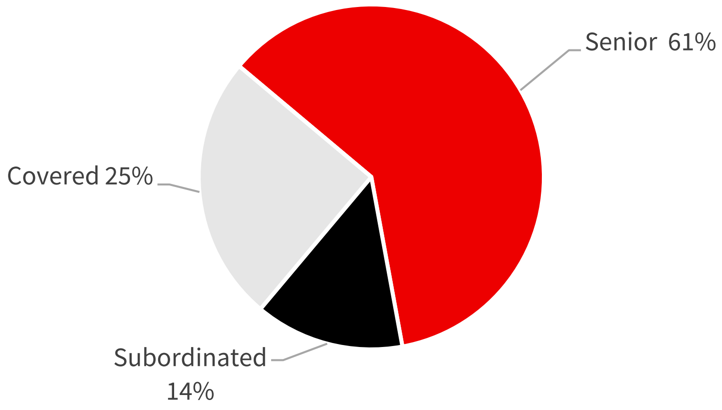
Term funding maturity profile[3]



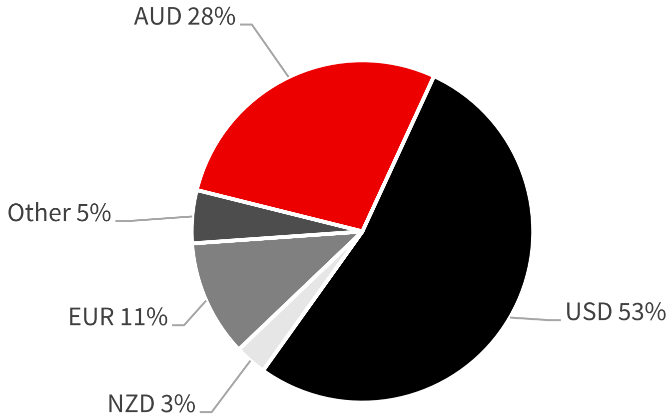
(1) Includes senior unsecured, secured (covered bonds and RMBS) and subordinated debt with an original term to maturity or call date of greater than 12 months, excludes Additional Tier 1 instruments. FX rate measured at time of issuance
(2) Weighted average maturity of new issuance, excludes Additional Tier 1, RMBS, RBA Term Funding Facility and RBNZ funding facilities
(3) Maturity profile of funding with an original term to maturity greater than 12 months, excludes Additional Tier 1 and RMBS. Spot FX rate at 31 March 2023
(4) Remaining weighted average maturity, excludes Additional Tier 1, RMBS, RBA Term Funding Facility and RBNZ funding facilities

Diversified & flexible term wholesale funding portfolio

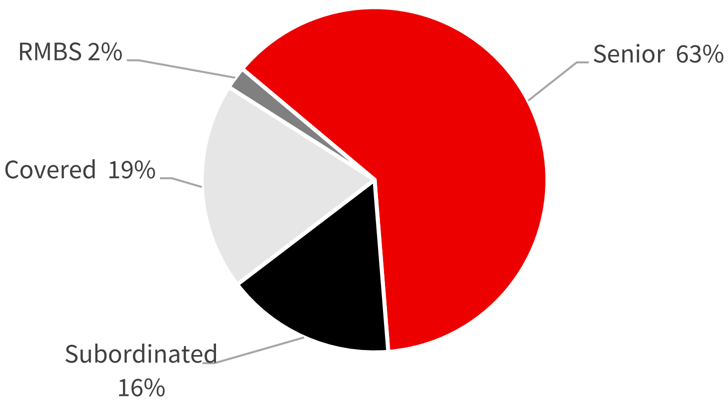
1H23 issuance by product type[1]



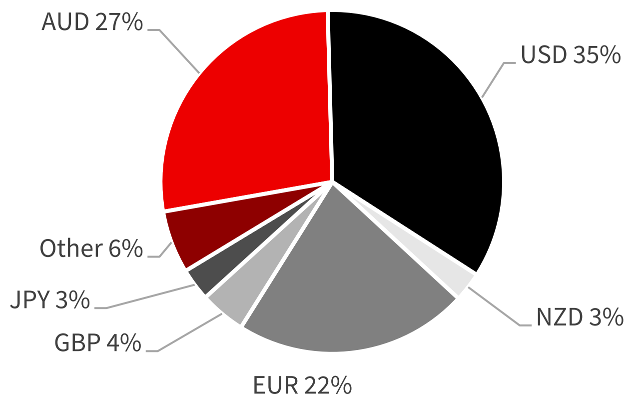
1H23 issuance by currency[1]



Outstanding issuance by product type[1, 2]



Outstanding issuance by currency[1]



(1) Excludes Additional Tier 1, RBA Term Funding Facility and RBNZ funding facilities
(2) At 31 March 2023, NAB has utilised 35% of its covered bond capacity. Capacity based on current rating agency over collateralisation (OC) and legislative limit

NAB Green Bonds

- NAB has been an Australian market leader in thematic bond issuance since becoming the first Australian issuer to issue a climate bond into the domestic market, and the first bank-issuer of a Certified Green Bond under the Climate Bond Standard in 2014
- NAB Green Bonds provide an opportunity for investors to direct capital towards projects/ assets that may contribute towards the objectives of the Paris Agreement or address environmental challenges[1]
- To date, NAB has issued five Climate Bond Initiative (CBI) certified Green Bonds and two CBI certified green RMBS tranches

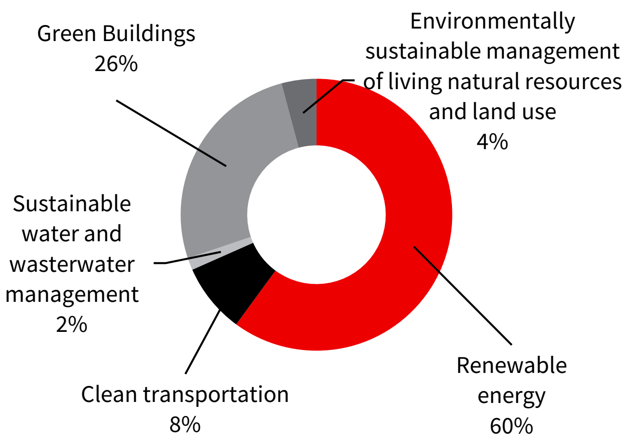
Outstanding Senior Green Bond Issuance[2,3]

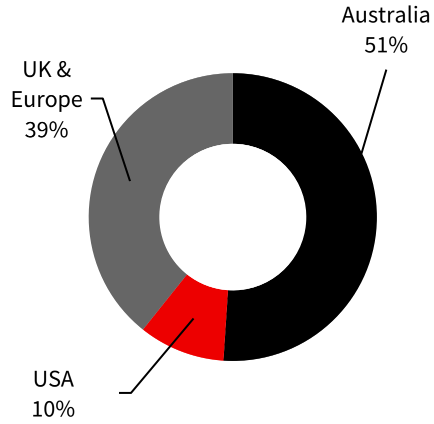
Currency & Size	Tenor (years)	Issue Date	Maturity Date
USD 750m	5	20 Jun 2018	20 Jun 2023
EUR 750m	5	30 Aug 2018	30 Aug 2023
EUR 1bn	6	24 May 2022	24 May 2028

Green Bond Asset Pool[4,5]

	Sep 2022
Green Bond Portfolio Collateral Pool	$5.89bn
Green Bond Portfolio[6]	$3.84bn
Surplus in Green Bond Portfolio Collateral Pool	$2.05bn

Eligible assets by category & region[4,5]





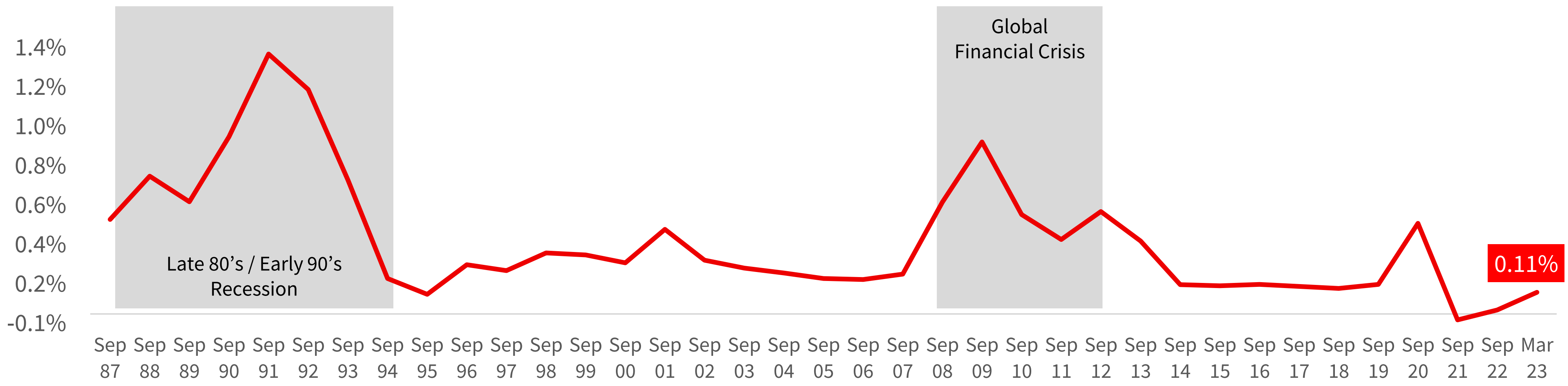
(1) Further detail on NAB's Green Bonds can be found on the NAB Capital and Funding website
(2) Excludes NAB's CBI certified green RMBS tranches, issued February 2018 and June 2022
(3) As at 1 May 2023
(4) As at 30 September 2022, information extracted from FY22 Green Bond Report.
(5) The Green Bond collateral pool excludes green mortgage assets
(6) Includes $39.8m of ubank green term deposits. ubank no longer offers the green term deposit product to new customers

Additional information

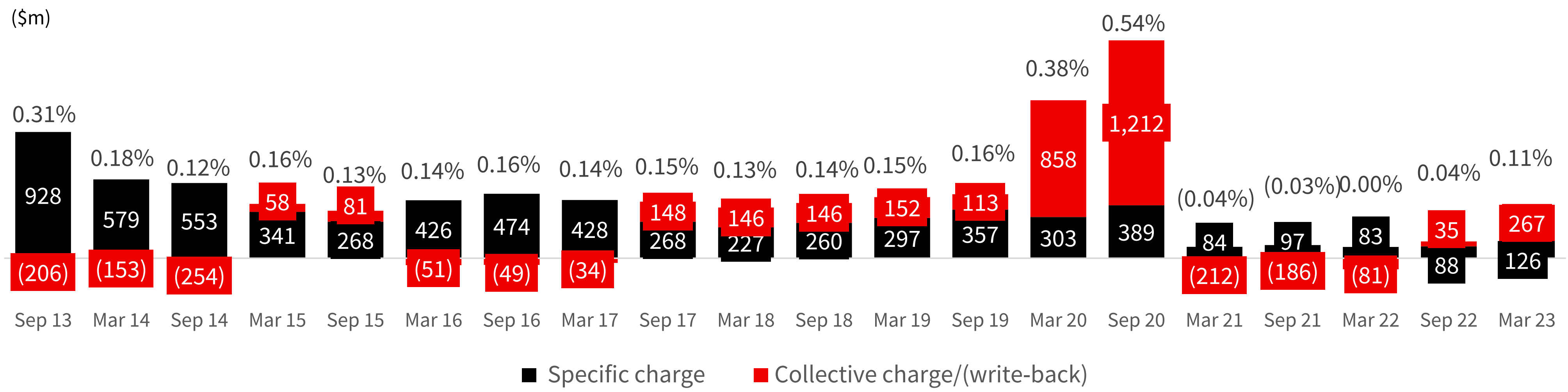
Asset Quality

Group credit impairment charge

Credit impairment charge as % of GLAs



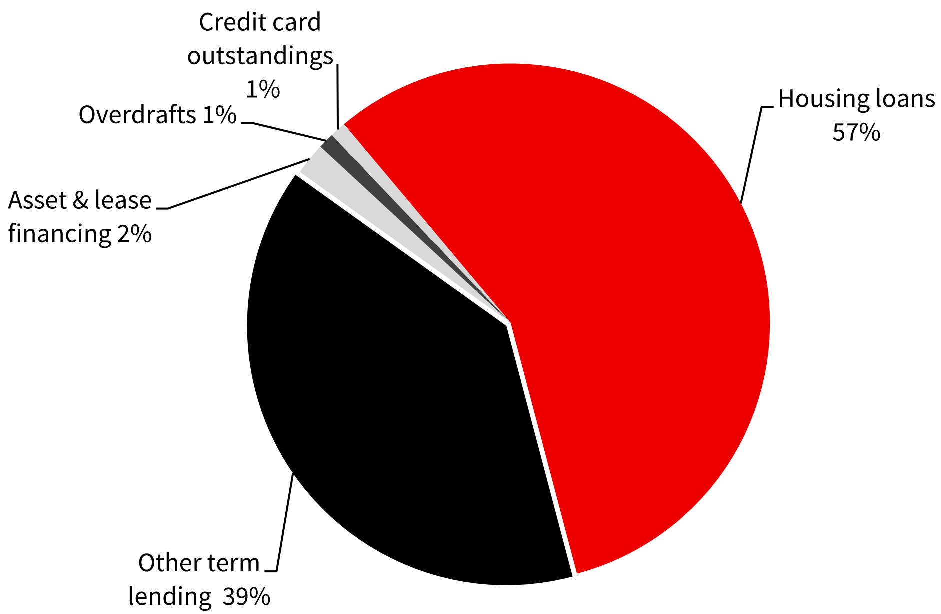
Credit impairment charge and as a % of GLAs[1]



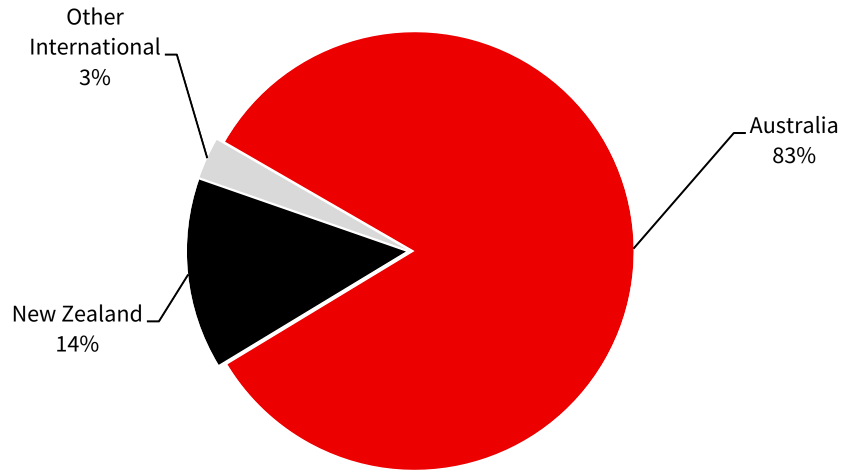
(1) Ratios for all periods refer to the half year ratio annualised

Group lending mix

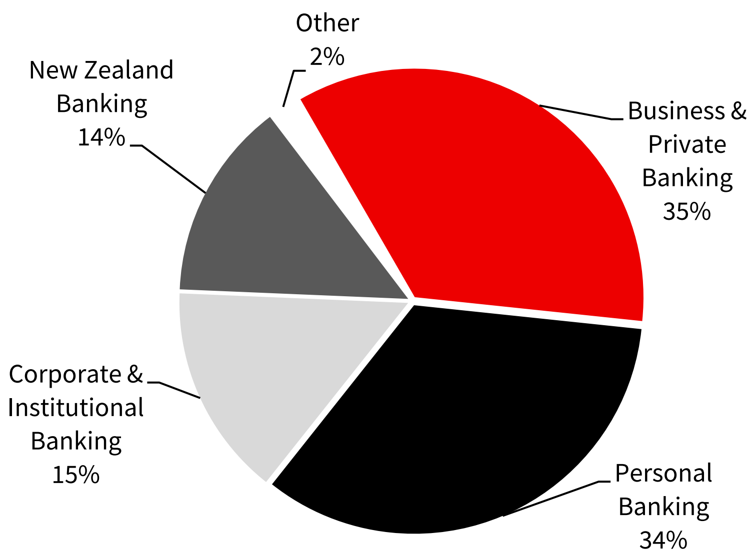
Gross loans and acceptances by product - $701bn



Gross loans and acceptances by geography[1]



Gross loans and acceptances by business unit

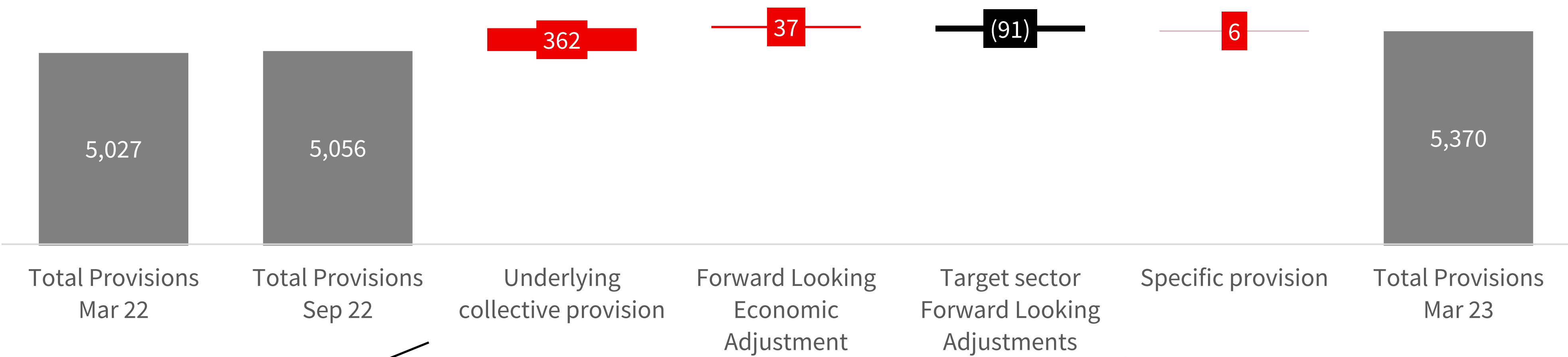


(1) Based on booking office where transactions have been recorded

Provisions

Movement in provisions[1]

($m)



Underlying CP

- Model outcomes based on point-in-time data
- 1H23 increase reflects growth for business lending portfolio in Business & Private Banking and the impact of lower house prices

Economic adjustment (EA)

- Forward view of additional stress across portfolio, according to 3 probability weighted scenarios (upside, base case & downside)
- Scenarios based on forward looking macro economic data and granular PD and LGD assumptions
- EA top-up required where probability weighted EA higher over the period (and vice versa)
- 1H23 EA increase of $37m[2] reflects a top-up to reflect a slightly weaker economic outlook

Target sector FLAs

- Considers forward looking stress incremental to EA changes
- $91m[2] net release of target sector FLAs including partial release of Aust energy FLA

(1) Excludes provisions on fair value loans and derivatives
(2) Collective provision net FLA / EA change March 2023 v September 2022 includes $14m due to foreign exchange movements

Expected Credit Losses (ECL) assessment

ECL scenarios & weightings

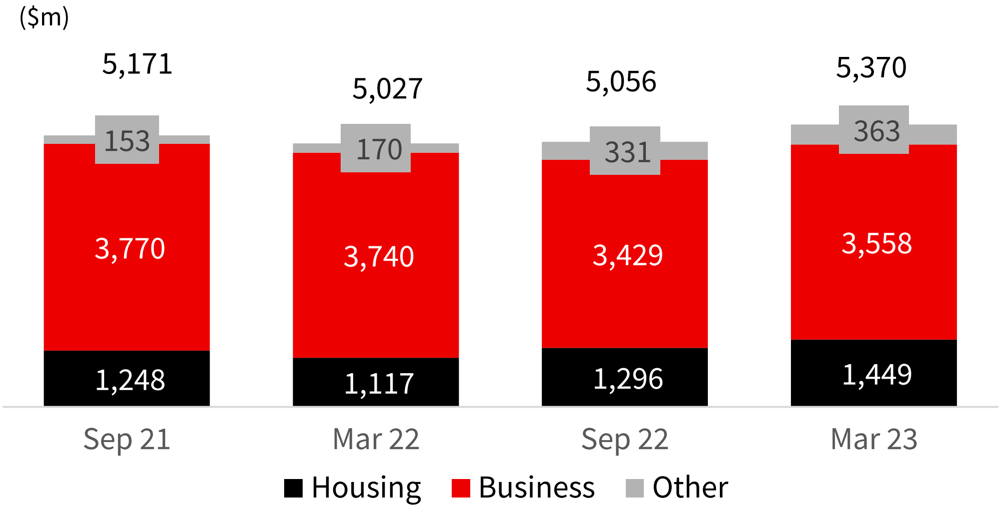
	Total Provisions for ECL[1,2]		
$m	**1H23 (probability weighted)**	**100% Base case**	**100% Downside**
Total Group	5,370	4,493	6,454
Increase from Sep 22	314	201	446

	Macro economic scenario weightings		
Group Portfolio (%)	**Upside**	**Base case**	**Downside**
30 Sep 22	2.5	52.5	45.0
31 Mar 23	2.5	52.5	45.0

Key considerations

- Increase in ECL vs Sep 22 reflects growth for business lending portfolio in Business & Private Banking and the impact of lower house prices
- $91m release from target sector FLAs including partial release of Aust energy FLA
- $37m EA top up reflects a slightly weaker economic outlook
- $6m SP increase due to low levels of new impairments partially offset by work-outs

Total provisions for expected credit losses[1]

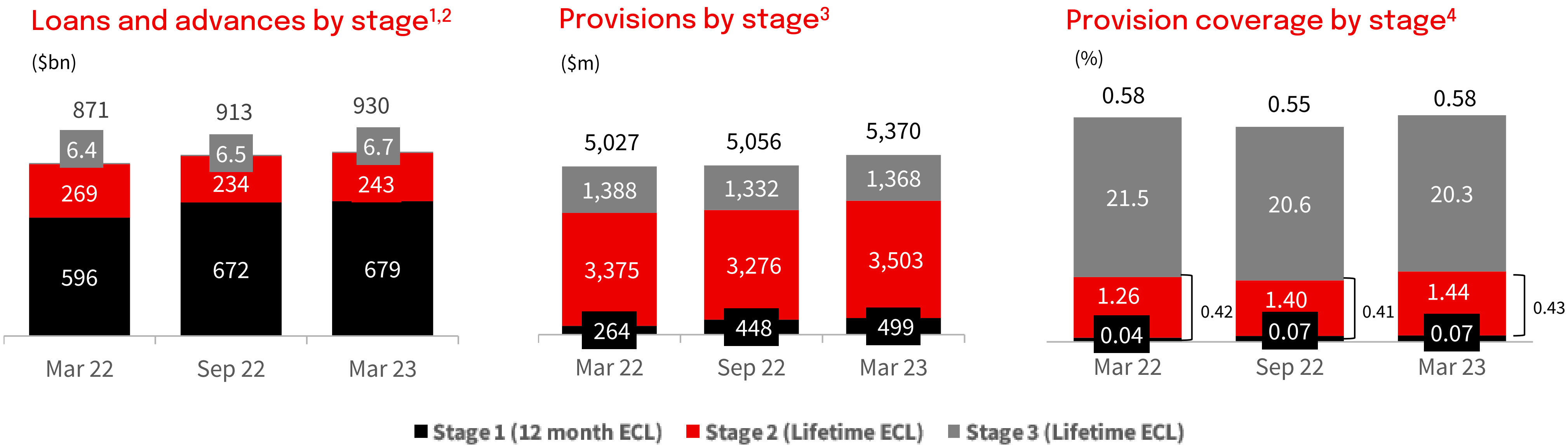


Economic assumptions

Australian economic assumptions considered in deriving ECL[2]						
	Base case			**Downside**		
%	**FY23**	**FY24**	**FY25**	**FY23**	**FY24**	**FY25**
GDP change YoY	1.5	0.6	2.1	(2.7)	(1.6)	2.1
Unemployment	3.8	4.6	4.7	6.4	9.7	9.9
House price change YoY[4]	(12.6)	0.4	6.0	(11.2)	(18.6)	(2.5)

(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. The base case macro-economic variables are based on NAB Economics forecasts as at 31 March 2023

ECL provisioning by stages



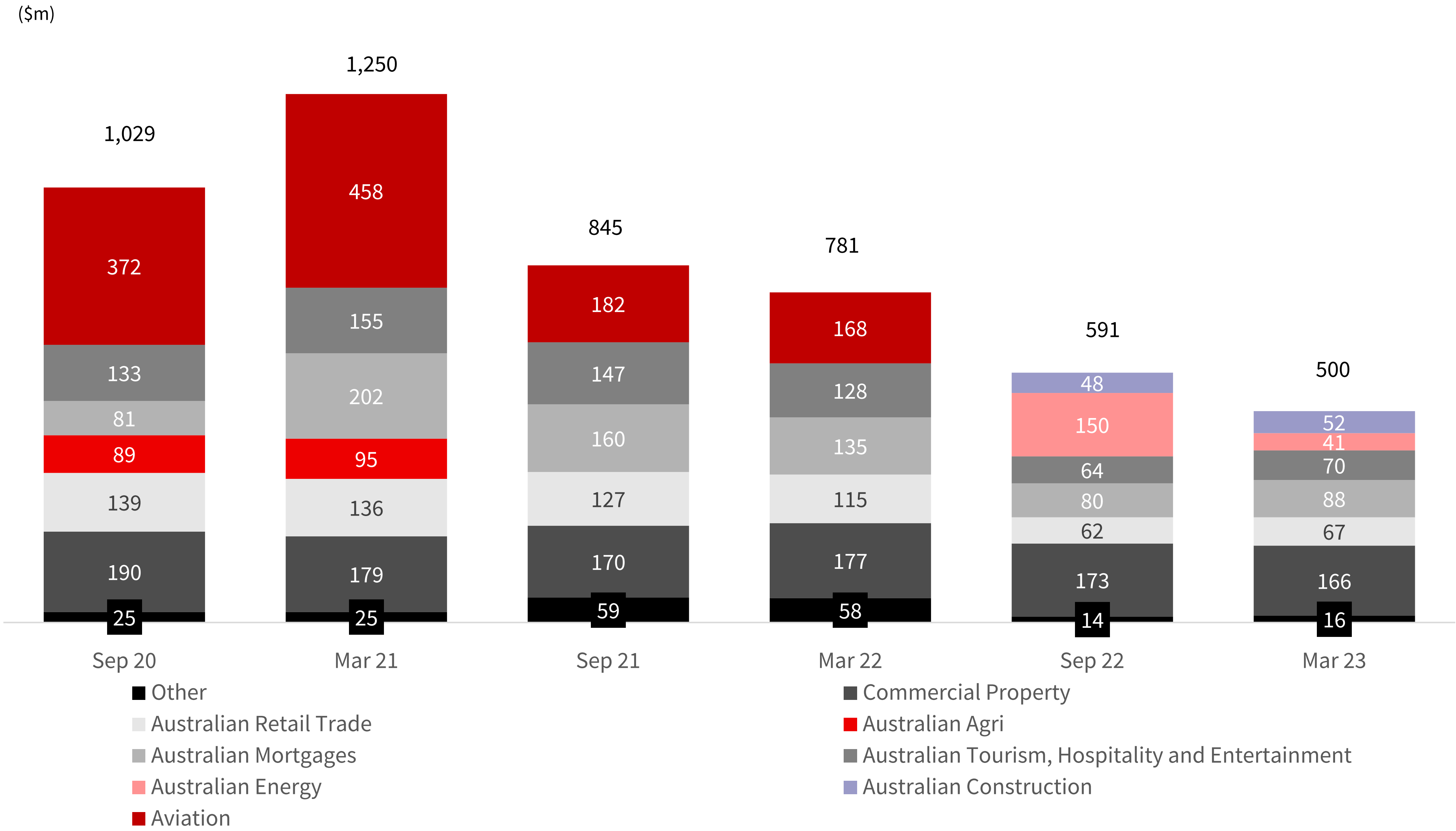
	Status	Type of provision
Stage 1 (12 month ECL)	Credit risk not increased significantly since initial recognition; performing	Collective
Stage 2 (Lifetime ECL)	Credit risk increased significantly since initial recognition but not credit impaired	Collective
Stage 3 (Lifetime ECL)	Credit impaired: default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

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

(1) Notional staging of loans and advances, including contingent liabilities and credit-related commitments, incorporates forward looking stress applied in the ECL model
(2) Increase in Stage 3 loans and advances during the March 2023 half year is primarily due to customers affected by recent severe weather events in New Zealand
(3) Excludes collective provision on loans at fair value and derivatives which are not allocated to a stage under the ECL model
(4) Provision coverage: provisions as a percentage of loans and advances including contingent liabilities and credit-related commitments

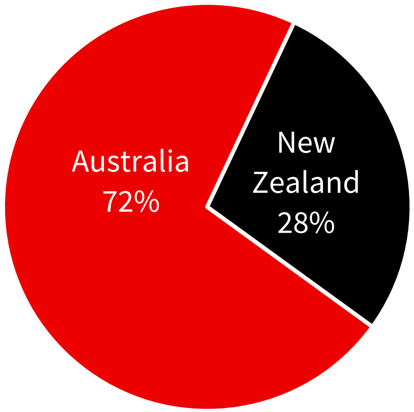
Target sector FLAs

Collective provision target sector FLAs



Agriculture, forestry & fishing exposures[1]

Group EAD $59.2bn March 2023

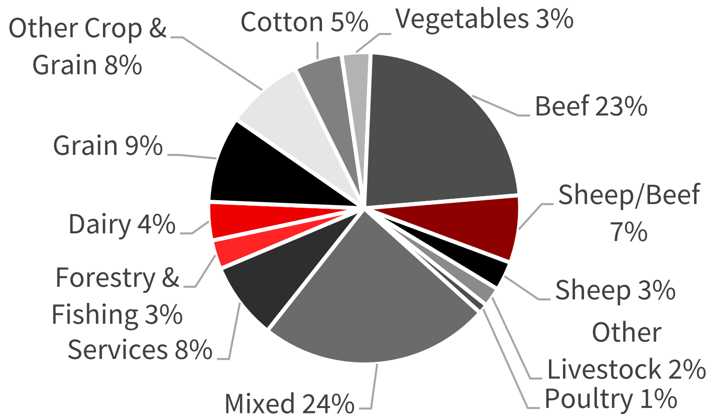


Key considerations

- Sector outlook is broadly positive (albeit with increasing volatility) in terms of main agricultural commodity prices, but headwinds exist in terms of elevated energy and fertiliser costs, labour shortages and rising interest rates
- Australian flood events of 2022 continue to impact supply chain logistics and some individual businesses, but winter grain harvest has been much better than originally anticipated
- A number of customers in New Zealand have been affected by recent severe weather events, including a portion that have been restructured during 1H23
- ~10% non retail EAD

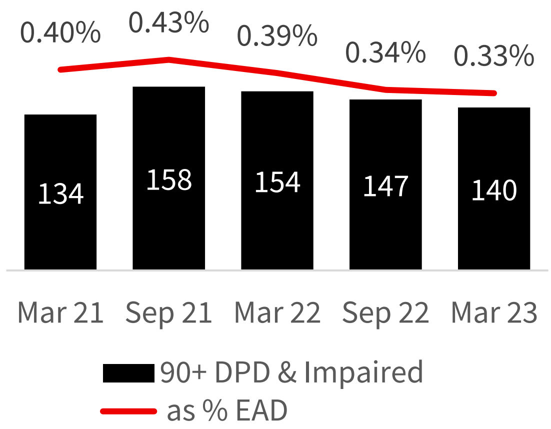
Australian Agriculture, Forestry & Fishing

Diverse Portfolio EAD $42.9bn Mar 23

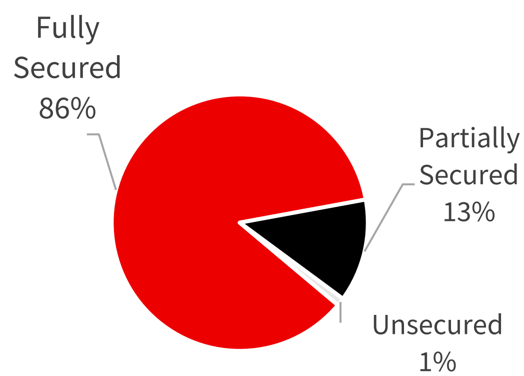


Australian Agriculture Asset Quality

($m)



Australian Agriculture Portfolio Well Secured[2]



(1) Based on ANZSIC Level 1 classifications of the counterparty to which the Group is exposed to credit risk, including guarantors and derivative counterparties

(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 may be in place. Bank extended value is calculated as a discount to market value based on the nature of the underlying security

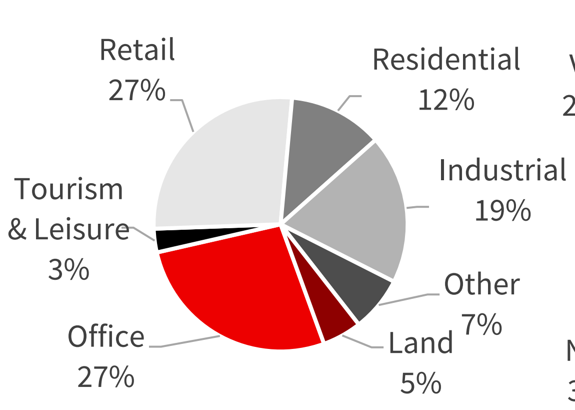
Commercial real estate (CRE)[1]

Gross loans & acceptances (GLAs)

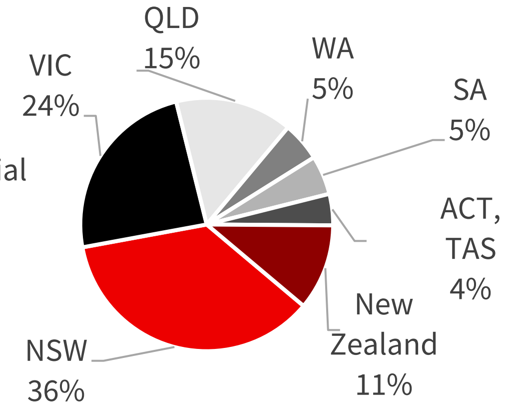
	Aust	New Zealand	Total[2]
Total CRE (A$bn)	58.8	7.3	66.1
Increase/(decrease) from Sep 22 (A$bn)	0.1	0.2	0.2
% of geographical GLAs	10.0%	7.7%	9.4%
Change in % from Sep 22	(0.2%)	(0.4)	(0.2%)

Breakdown by total GLAs ($66.1bn)

By sector

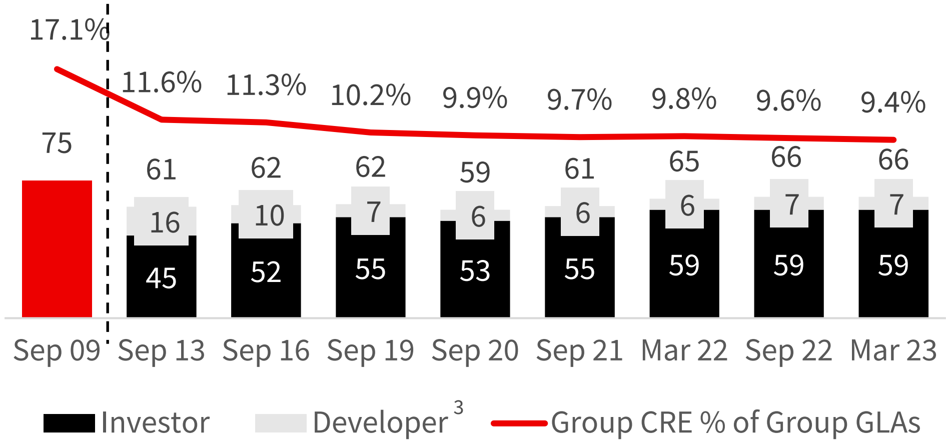


By geography



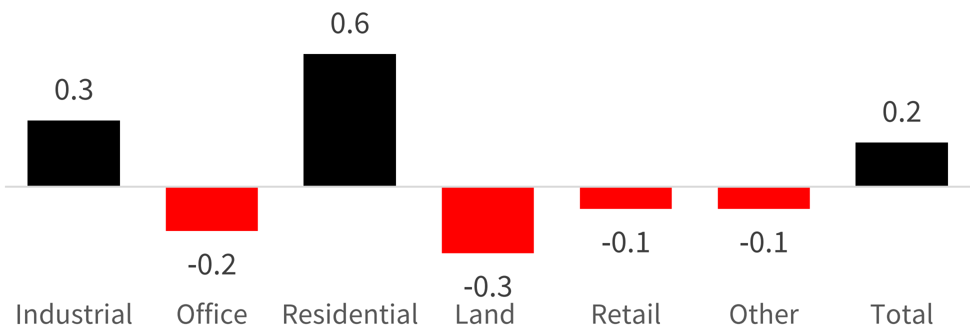
Balances over time

($bn)



Change in balances Sep 22 – Mar 23

($bn)



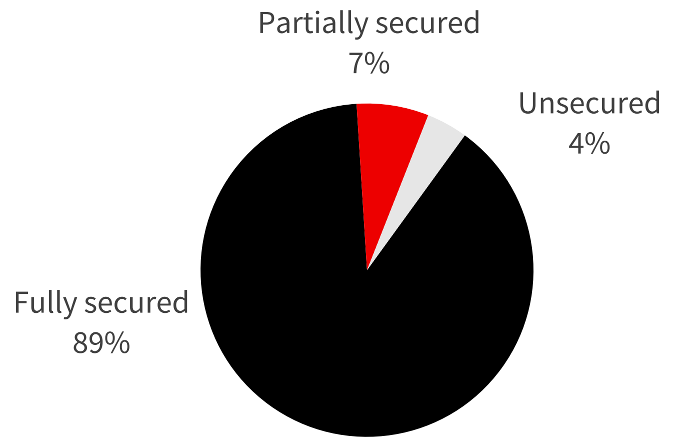
(1) Measured as balance outstanding as at 31 March 2023 per APRA Commercial Property ARF 230 definitions
(2) Includes overseas offices not separately disclosed
(3) Developer at March 2023 includes $1.2bn for land development and $3.0bn for residential development in Australia

Commercial real estate[1]

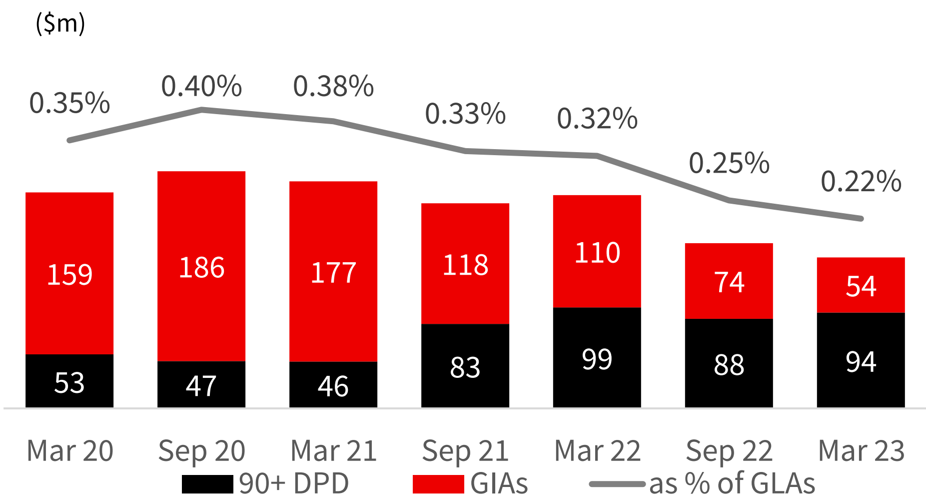
Key asset quality considerations

- Market participants continue to seek more stabilised conditions to reassess investment opportunities and development starts
- In response to the higher interest rate environment more recent deals have generally seen Interest Cover Ratios trend downwards, although deleveraging and the pledging of additional income sources is being evidenced in some cases
- NAB continues to make serviceability assessments factoring in forecast interest rate movements
- 90+ DPD and Impaired rate continues to trend lower
- 89% of CRE balances are fully secured[2]; unsecured volumes largely represent Institutional investment grade exposures
- CRE development portfolio broadly unimpacted by builder insolvency or settlement issues
- Office occupancy continues its post-COVID-19 recovery with Australian office and labour market fundamentals significantly stronger than other markets
- Discretionary income exposed assets are of continued focus, as the impact of higher interest rates feeds into consumption expenditure
- Provisioning includes $166m target sector FLA

Group CRE Security Profile[2]



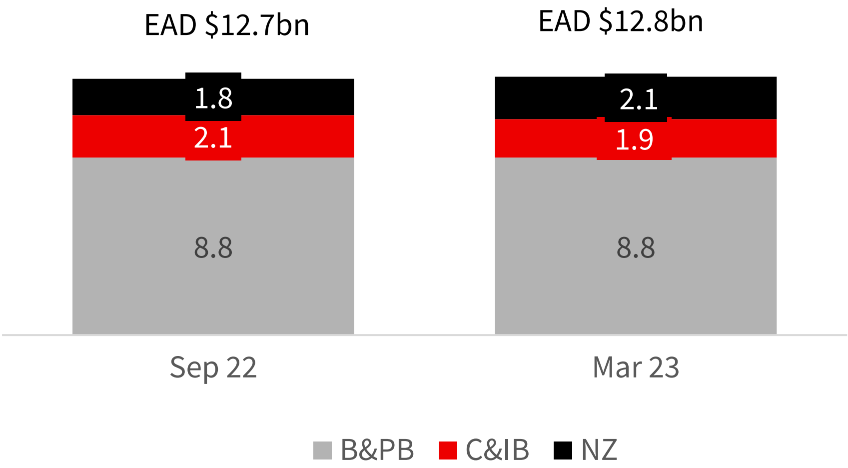
90+ DPD and GIAs and as % GLAs



(1) Measured as balance outstanding as at 31 March 2023 per APRA Commercial Property ARF 230 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 may be in place. Bank extended value is calculated as a discount to market value based on the nature of the underlying security

Construction[1]

Exposure at default

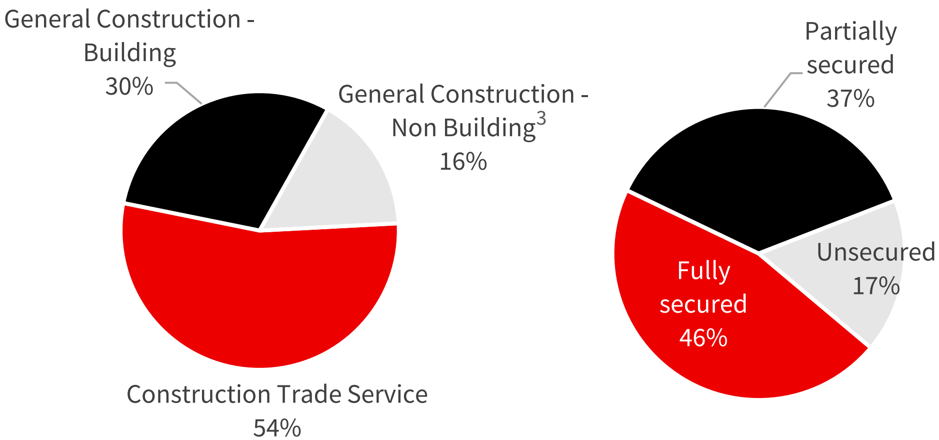


Key considerations

- Elevated shipping costs and supply chain issues are starting to moderate; labour shortages and costs remain a challenge
- ~2% non retail EAD including subcontractors and construction services
- Highly diversified and secured portfolio
- Provisioning includes $52m target sector FLA
- >50% of C&IB exposures are contingent facilities e.g. performance guarantees

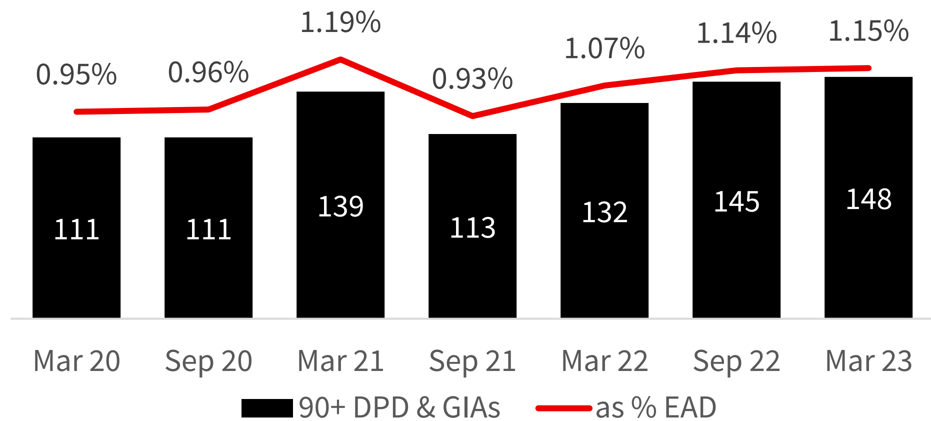
Australian Construction	B&PB	C&IB	Total
EAD ($bn)	8.8	1.9	10.7
# customers	~26k	~300	~26k
% Fully or Partially Secured	94%	48%	83%

EAD portfolio by sector and security[2]



90+ DPD and GIAs and as % of sector EAD

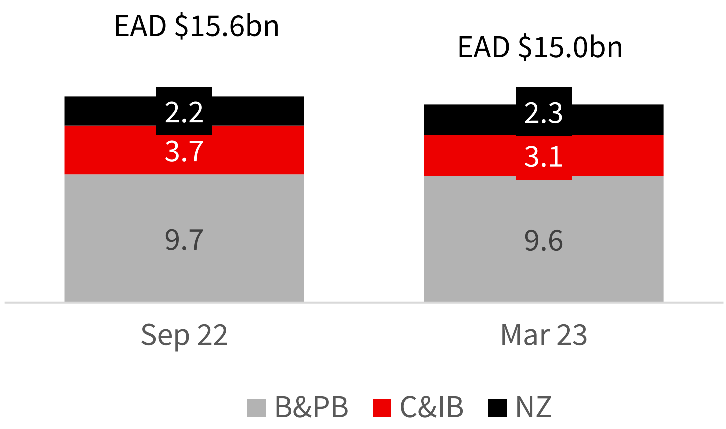
($m)



(1) Based on ANZSIC Level 1 classifications of the counterparty to which the Group is exposed to credit risk, including guarantors and derivative counterparties
(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 may be in place. Bank extended value is calculated as a discount to market value based on the nature of the underlying security
(3) General Construction – Non Building EAD includes construction activities such as infrastructure, leisure, irrigation, mining etc

Retail Trade[1]

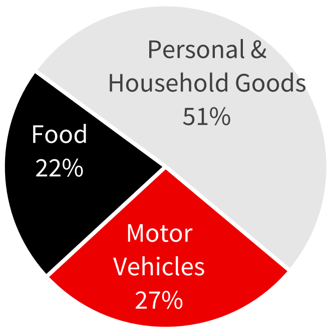
Exposure at default

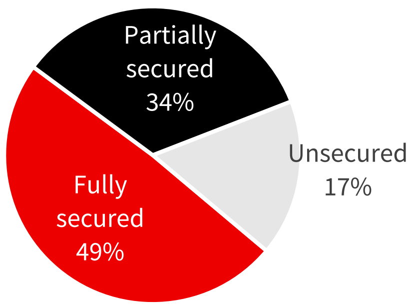


Key considerations

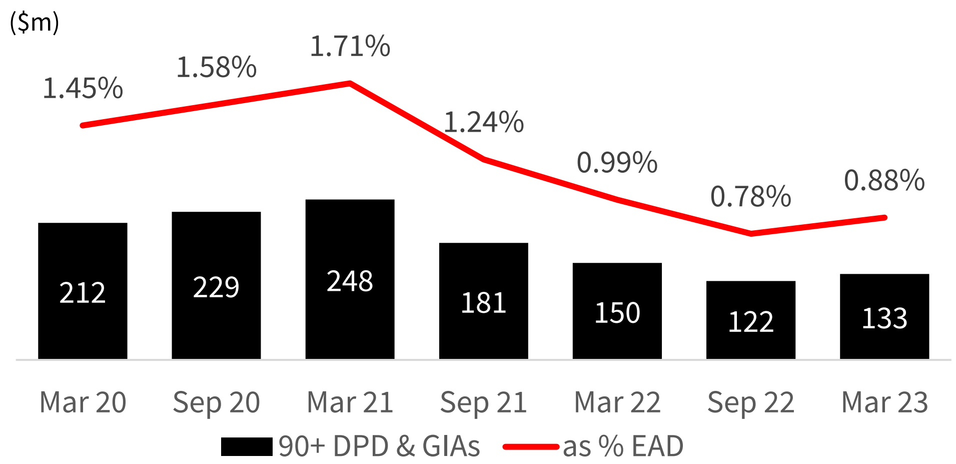
- Consumption and spending on retail trade has generally been resilient to date, though growth has slowed recently
- Higher official interest rates are likely to put pressure on disposable income and lead to reduced spending, with the main impact on consumption growth expected across 2023
- Trends associated with pent-up demand and high consumer savings rates post COVID-19 now appear to be moderating
- While spending on goods appears to be slowing, spending directed towards services continues to recover
- Provisioning includes $67m target sector FLA
- ~2% non retail EAD

EAD portfolio by sector and security[2]





90+ DPD and GIAs and as % of sector EAD

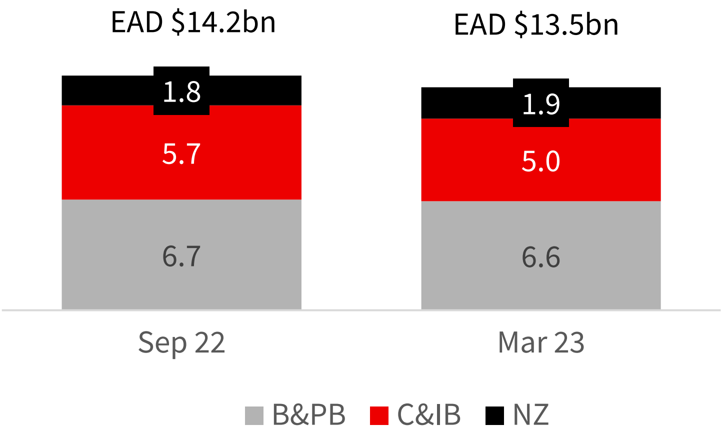


(1) Based on ANZSIC Level 1 classifications of the counterparty to which the Group is exposed to credit risk, including guarantors and derivative counterparties. Discretionary / Non-discretionary Retail Trade determined at an individual ANZSIC code level

(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 may be 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]

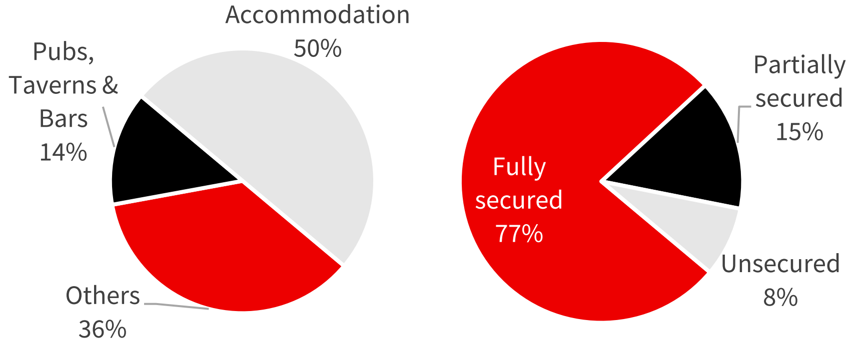
Exposure at default



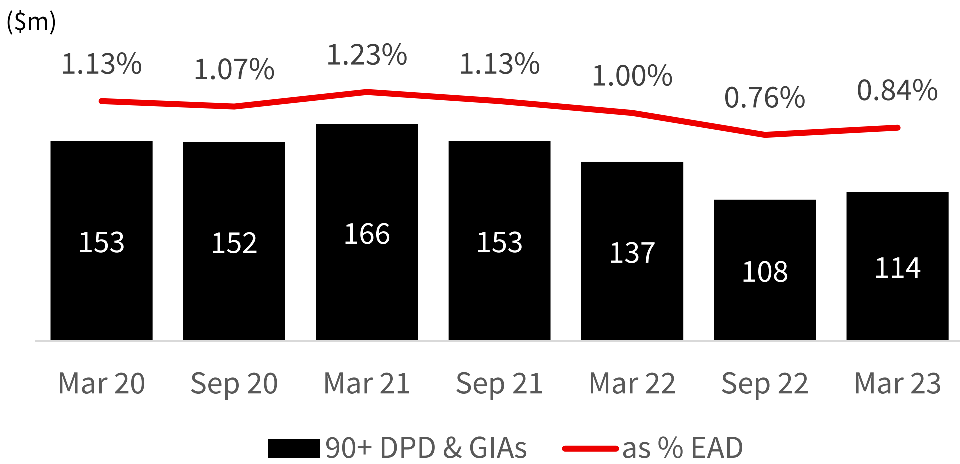
Key considerations

- Industry data suggests performance for Tourism and Entertainment remains robust, notwithstanding wage/electricity cost increases
- Consumer confidence, discretionary spending, higher cost of living and increased interest rates not immediately reflected in current performance, but are likely to influence longer term outlook
- ~2% of non retail EAD
- Provisioning includes $70m target sector FLA

EAD portfolio by sector and security[2]



90+ DPD and GIAs and as % of sector EAD

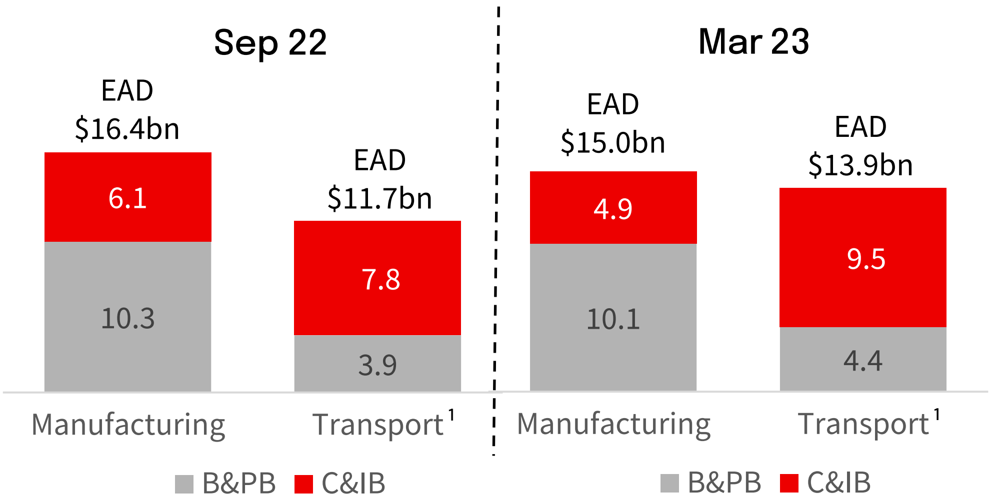


(1) Based on the ANZSIC Level 1 classifications of accommodation and hospitality, plus cultural and recreational services; based on the counterparty to which the Group is exposed to credit risk, including guarantors and derivative counterparties

(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 may be in place. Bank extended value is calculated as a discount to market value based on the nature of the underlying security

Australia Energy[1]

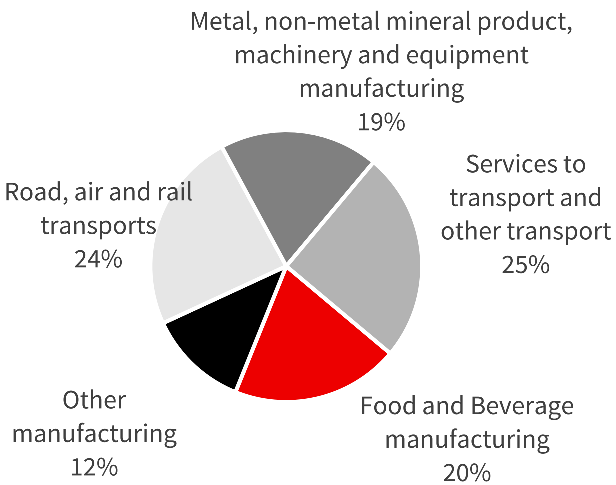
Exposure at default

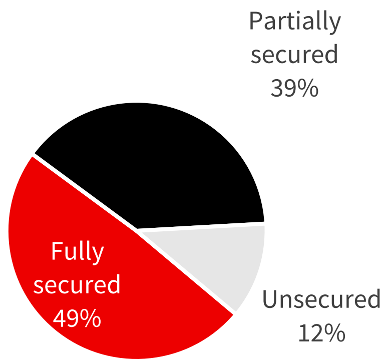


Key considerations

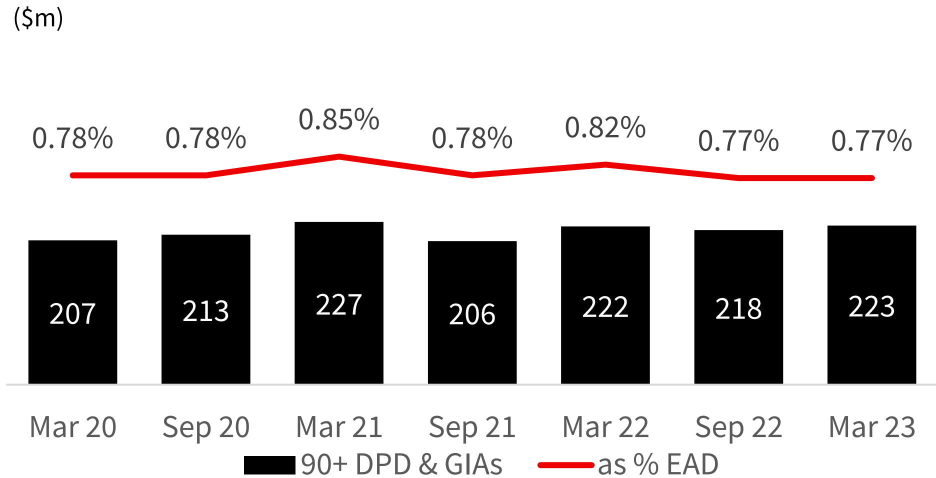
- While the outlook for domestic energy prices remains elevated, it is lower than that forecast in September 2022, driven by Federal Government Policy intervention in December 2022 and the global easing of prices
- Manufacturing and Transport are expected to be disproportionately impacted by elevated energy costs due to their high energy consumption
- Provisioning includes $41m of target sector FLA
- ~5% of non retail EAD

EAD portfolio by sector and security[2]





90+ DPD and GIAs and as % of sector EAD

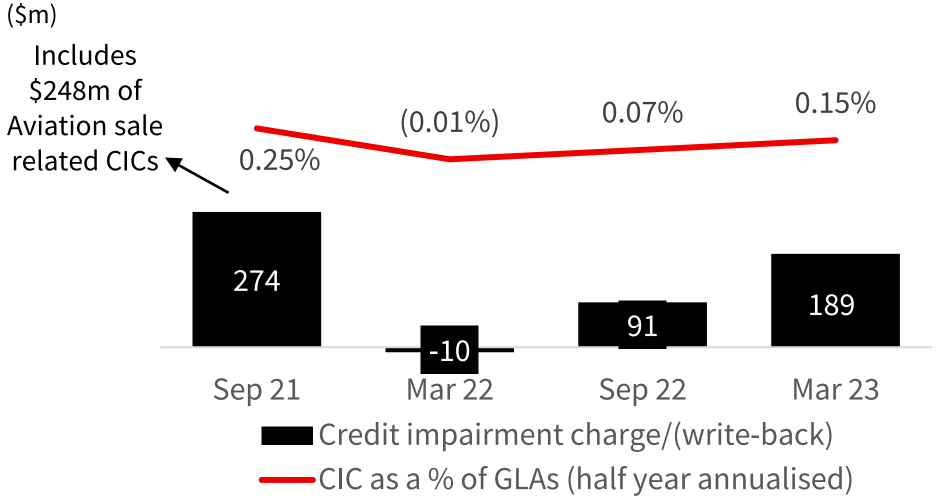


(1) Australian energy includes ANZSIC Level 1 classifications of Manufacturing and Transport due to high energy consumption, based on the counterparty to which the Group is exposed to credit risk, including guarantors and derivative counterparties. EAD is shown for the Australian geographical area, based on the booking office where the exposure was transacted

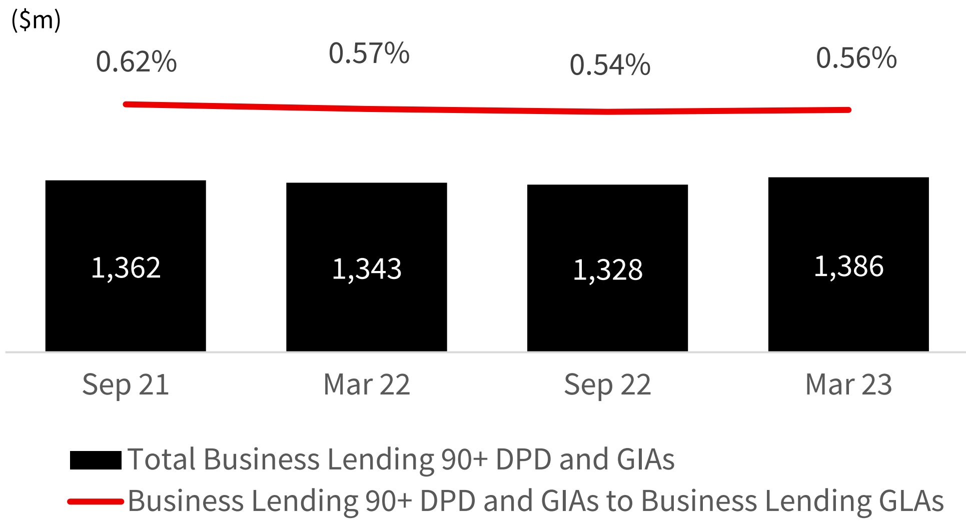
(2) Fully Secured is where the loan amount is less than 100% of the bank extended value of security; Partially Secured is where the loan amount is greater than 100% of the bank extended value of security; Unsecured is where no security is held and/or no value held against the security and negative pledge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

Business lending asset quality

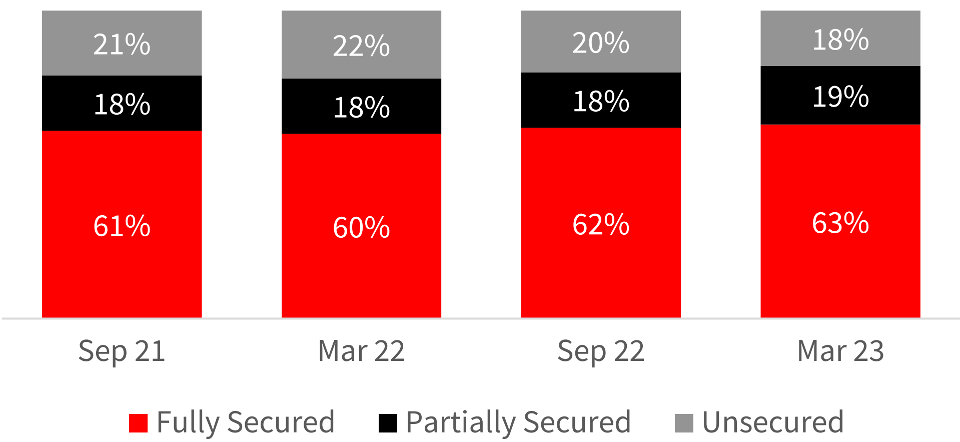
Business lending credit impairment charge and as a % of GLAs



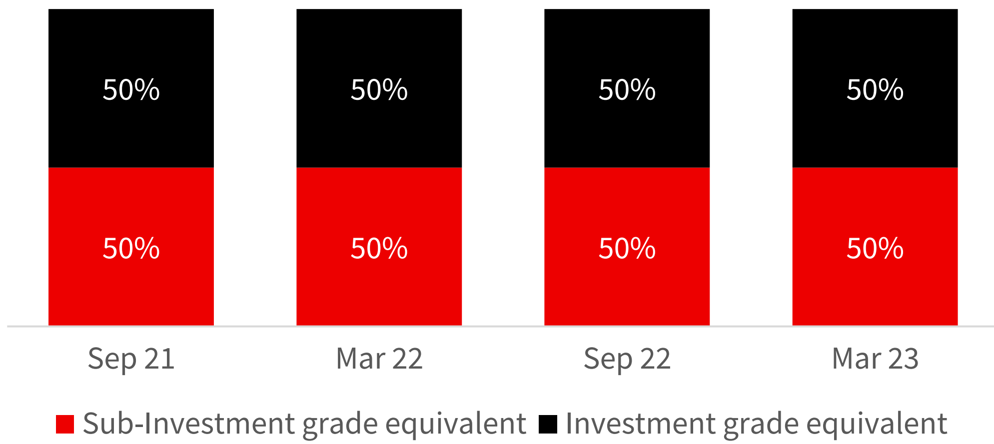
Business lending 90+DPD and GIAs and as % of GLAs



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 may be in place. Bank extended value is calculated as a discount to market value based on the nature of the underlying security

Additional information

Australian Housing Lending

Housing lending key metrics[1]

Australian Housing Lending	Sep 21	Mar 22	Sep 22	Mar 23	Mar 22	Sep 22	Mar 23
	Portfolio				Drawdowns[2]		
Total Balances (spot) $bn	309	322	329	333	49	42	35
Average loan size $'000 per account	315	324	334	345	468	489	526
By product type							
- Variable rate	61.3%	58.7%	63.4%	68.4%	53.3%	86.0%	95.3%
- Fixed rate	34.4%	37.4%	32.9%	28.2%	45.2%	12.5%	3.6%
- Line of credit	4.4%	4.0%	3.7%	3.4%	1.5%	1.5%	1.1%
By borrower type							
- Owner Occupied	65.4%	65.4%	65.5%	65.4%	62.5%	64.4%	62.2%
- Investor	34.6%	34.6%	34.5%	34.6%	37.5%	35.6%	37.8%
By channel							
- Proprietary	58.2%	55.8%	53.9%	52.3%	44.9%	40.7%	38.7%
- Broker	41.8%	44.2%	46.1%	47.7%	55.1%	59.3%	61.3%
Interest only[3]	12.7%	12.9%	13.4%	14.1%	22.5%	22.1%	24.0%
Low Documentation	0.3%	0.3%	0.2%	0.2%			
Offset account balance ($bn)	34	38	39	41			
LVR at origination	69.6%	69.5%	69.2%	68.9%	70.8%	68.2%	67.7%
Dynamic LVR on a drawn balance calculated basis	38.8%	37.9%	40.5%	42.6 %			
Customers with offset and redraw balances ≥1 month repayment[4]	66.4%	65.6%	66.4%	66.4%			
Offset and redraw balances multiple of monthly repayments	46.2	47.6	45.6	41.2			
90+ days past due	1.24%	0.93%	0.73%	0.67%			
Impaired loans	0.10%	0.08%	0.06%	0.06%			
Specific provision coverage ratio	32.3%	34.0%	30.5%	28.9%			
Loss rate[5]	0.01%	0.01%	0.01%	0.01%			
Number of properties in possession	169	155	135	140			

(1) Excludes 86 400 platform and Citi Consumer Business
(2) Drawdowns is defined as new lending excluding limit increases and redraws in the previous six month period
(3) Excludes line of credit products
(4) Excludes line of credit
(5) 12 month rolling Net Write-offs / Spot Drawn Balances

Housing lending practices & policies

Key origination requirements

Income	• Income verified using a variety of documents including payslips and/or checks on salary credits into customers' accounts • **10% shading applies to rental income (Nov 22)** • Rental expenses included in serviceability calculation post-household expenses calculation. Rental expenses floor set at minimum 10% of rental income (Mar 23) • 20% shading applies to other less certain income types
Household expenses	Assessed using the greater of: • Customers' declared living expenses, enhanced in 2016 to break down into granular sub categories • Household Expenditure Measure (HEM) benchmark plus specific customer declared expenses (e.g. private school fees). HEM is adjusted by income and household size
Serviceability	• Assess customers' ability to repay based on the higher of the customer rate plus serviceability buffer (3.0%[1]) or the floor rate (5.75%[2]) • Assess Interest Only loans on the full remaining Principal and Interest term
Existing debt	• Verify using declared loan statements and assess on the higher of the customer rate plus serviceability buffer (3.0%[1]) or the floor rate (5.75%[2]) • Assessment of customer credit cards assuming repayments of 3.8% per month of the limit • Assessment of customer overdrafts assuming repayments of 3.8% per month of the limit

(1) Serviceability buffer increased by 0.50% to 3.00% as of 1 November 2021
(2) Serviceability floor increased by 0.80% to 5.75% as of 9 September 2022

Loan-to-value (LVR) limits

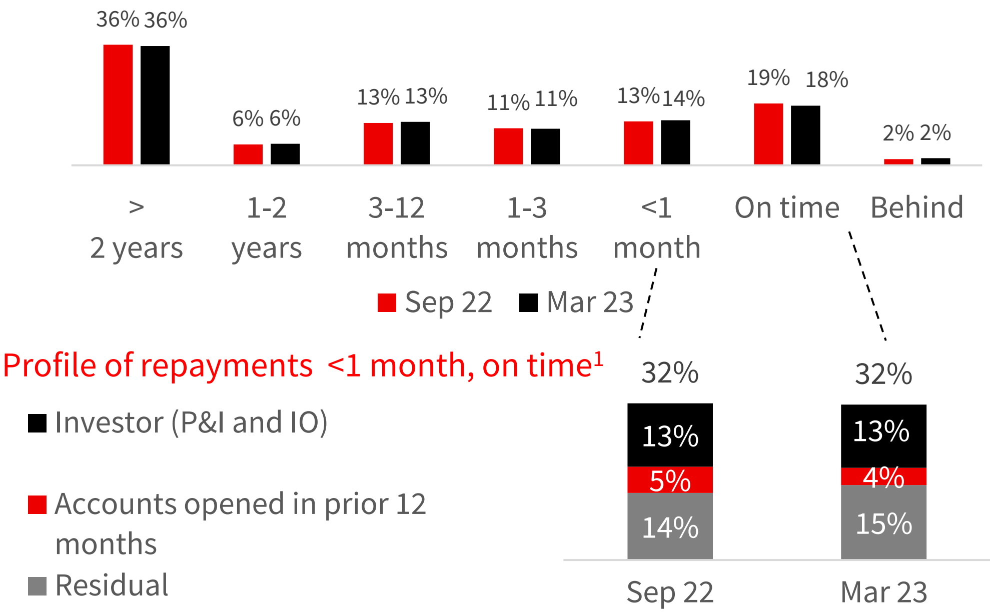
Principal & Interest – Owner Occupier	95%
Principal & Interest – Investor	90%
Interest Only – Owner Occupier	80%
Interest Only – Investor	90%
'At risk' postcodes	80%
'High risk' postcodes (e.g. mining towns)	70%

Other policies

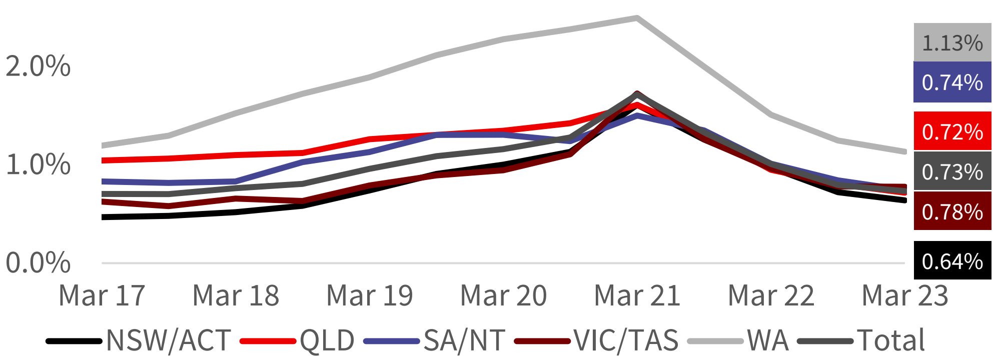
- DTI decline rule of >8x from May 22 for higher risk customers (> 9x for all others)
- Lenders' mortgage insurance (LMI) applicable for majority of lending >80% LVR
- LMI for inner city investment housing >70% LVR
- Apartment size to be 50 square metres or greater (including balconies and car park)
- NAB Broker applications assessed centrally – verification and credit decisioning
- Maximum Interest Only term for Owner Occupier borrowers of 5 years

Housing lending portfolio profile

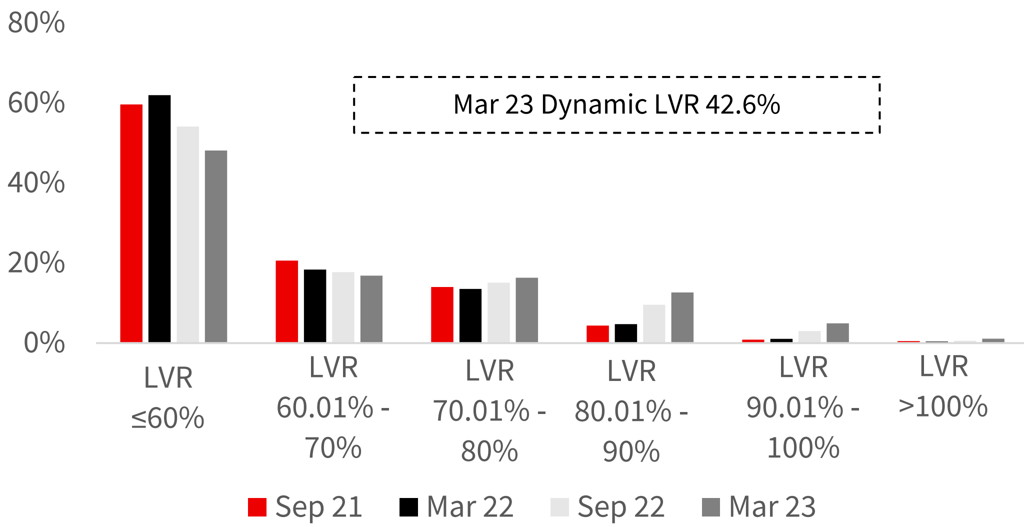
- Offset and redraw balances multiple of monthly repayments[1]



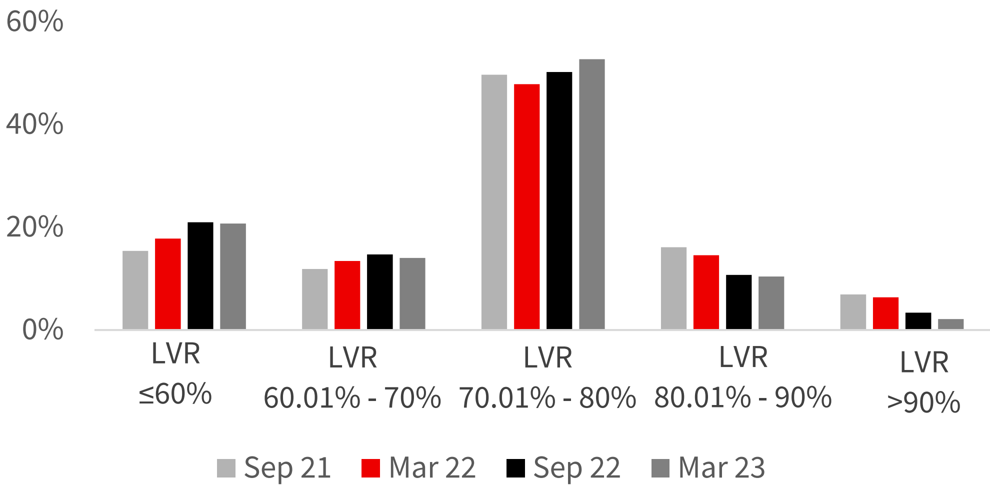
- Housing lending 90+DPD & GIAs as a % of GLAs[2]



- Dynamic LVR breakdown of drawn balance[2]



- LVR breakdown at origination[2]



(1) By accounts. Includes offsets. Excludes line of credit, Citi Consumer Business and 86 400 platform
(2) Excludes 86 400 platform and Citi Consumer Business

Housing lending repayment profile

Key considerations

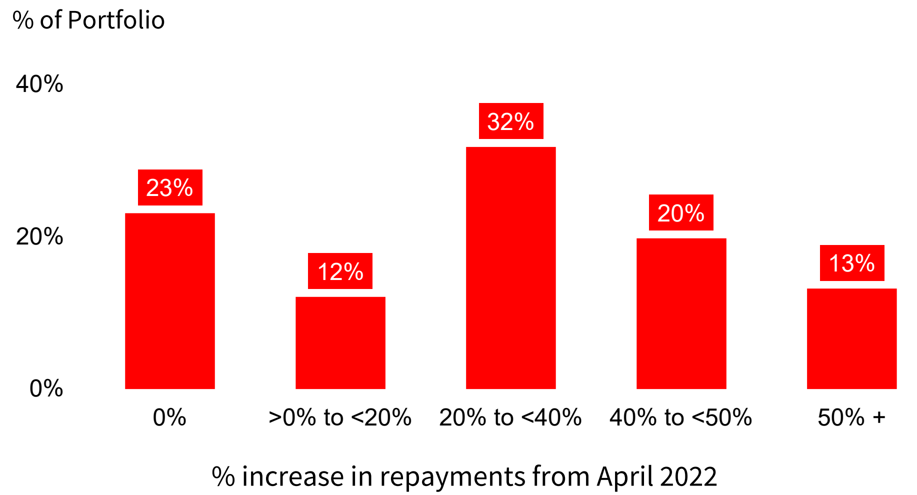
- All variable rate (VR) loan repayments were reviewed at least once by early Jan 23 with payments adjusted where required; moved to quarterly repayment reviews from February (previously annual)
- $31bn Fixed Rate (FR) loans expiring in 2H23; 87% of all FR loans are P&I
- Early engagement underway for customers identified as potentially at repayment risk

- Profile of forecast mortgage repayments at 3.85% cash rate[1,2,3]

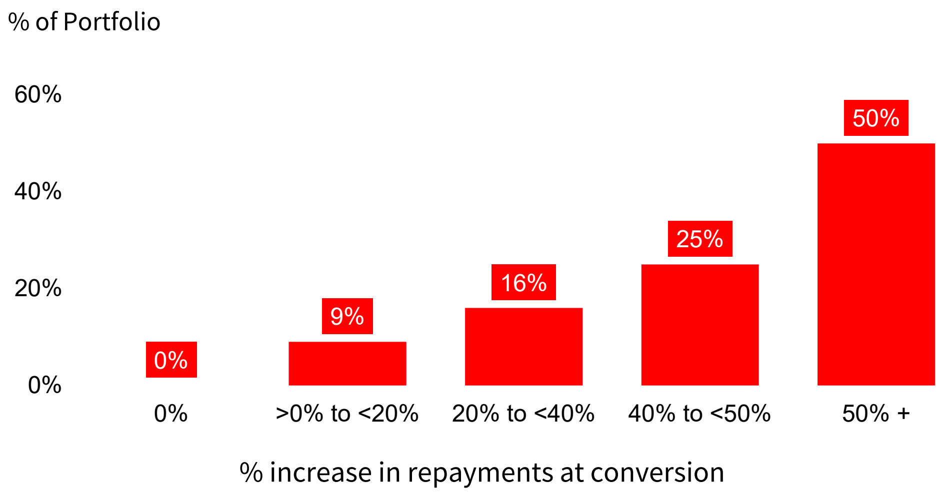
Repayment profile from April 22 at 3.85% cash rate	VR P&I[4]	FR expiring by Mar 24
% of accounts with monthly repayment increase, **for which:**	77%	100%
- Ave monthly % increase	37%	59%
- Ave monthly $ increase	$585	$943
- % of accounts with >40% increase in monthly repayments	43%	75%

Profile of forecast mortgage repayments at 3.85% cash rate[1,2,3]

Variable rate principal & interest book[4]



Fixed rate book expiring by Mar 24



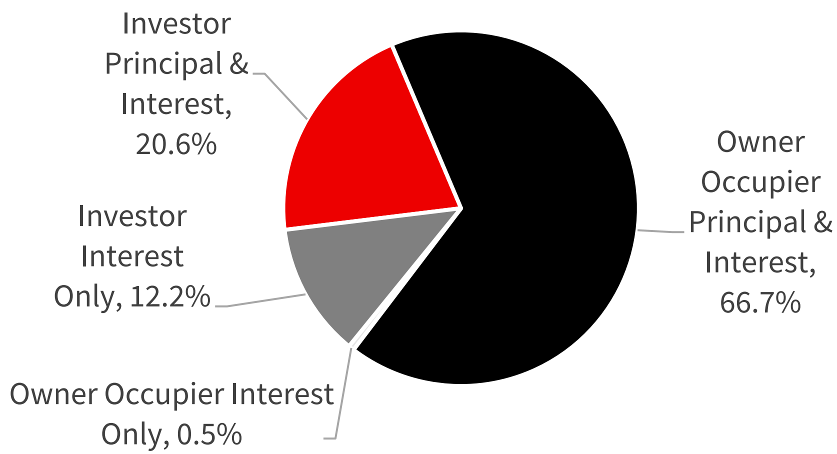
(1) Excludes line of credit, 86 400 platform and Citi Consumer Business
(2) By account
(3) Analysis assumes full pass through of cash rate increases to current customer rates
(4) Based on VR P&I loans on book at April 2022 and still on book at March 2023. Increase relative to customer repayments in April 2022

Housing lending fixed rate portfolio profile[1]

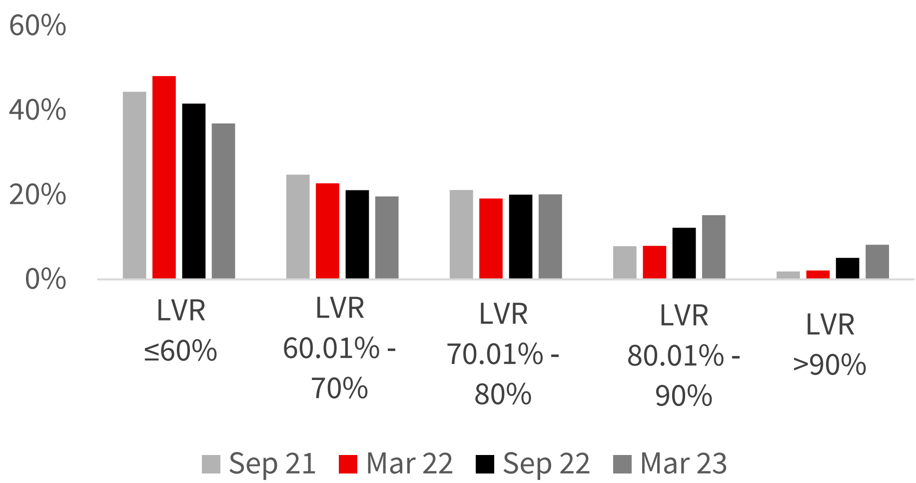
Fixed rate (FR) lending book

- $94bn FR book, rolls to VR loan at expiry, and ~88% to expire over the next two years
- 66% originated since Oct 20
- Proactive customer engagement with customers rolling off FR loans – ~85% retention to date
- 54% of customers also have a VR loan i.e. split loan
- All loans originated in past 2.5 years assessed on P&I basis using floor of at least 4.95% (5.75% from Sep 22) or buffer of at least 2.5% (3% from Nov 21) whichever is higher

FR housing lending volume by borrower and repayment type

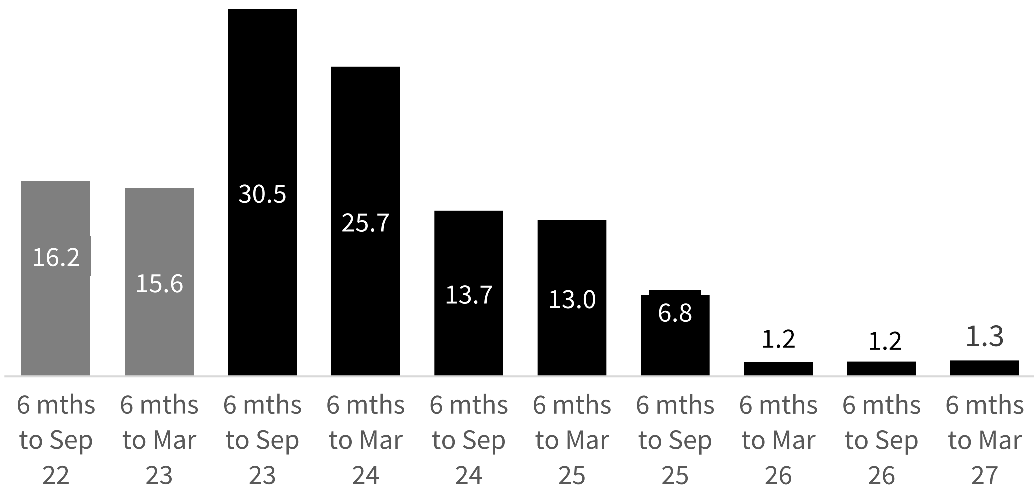


FR Dynamic LVR



FR home loan contractual expiry profile

($bn)



(1) Excludes 86 400 platform and Citi Consumer Business

Additional information

Sustainability

Sustainability is embedded in our Group Strategy

national australia bank

Commercial responses to society's biggest challenges

Resilient and sustainable business practices

Innovating for the future

Our priorities

Commercial responses to society's biggest challenges

- Climate action
- Affordable and specialist housing
- Indigenous business

Resilient and sustainable business practices

- Colleagues and culture
- Inclusive banking
- Environmental, Social and Governance (ESG) risk management
- Supply chain management
- Human rights, including modern slavery

Innovating for the future

- 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

Progress against our climate strategy

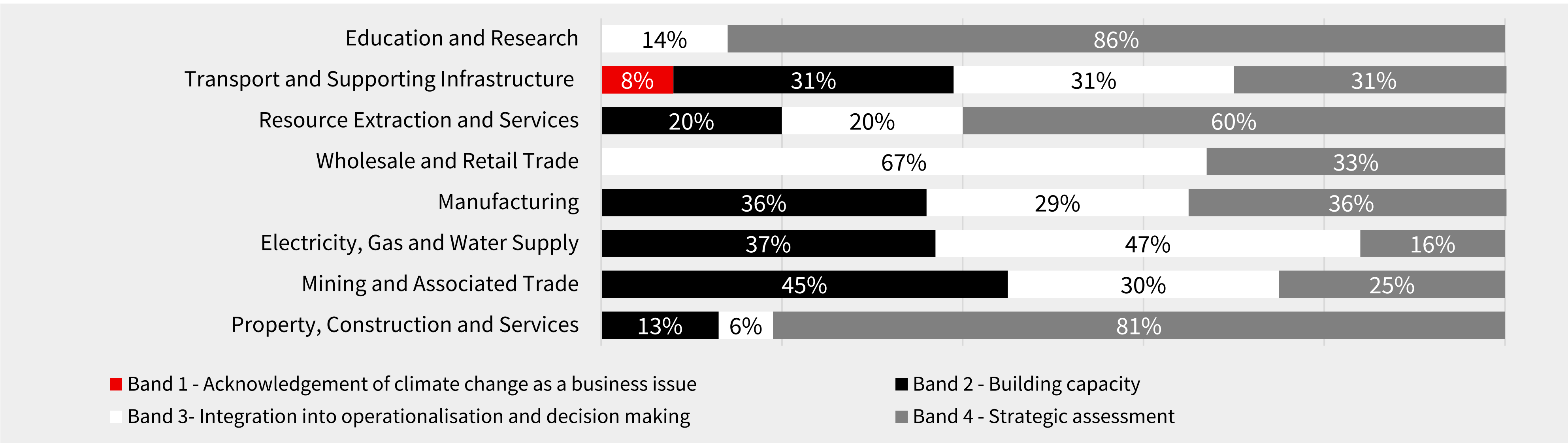
Supporting customers with their transition plans

- Completed transition maturity assessments for 100 of our largest greenhouse gas (GHG) emitting customers, ahead of target date of September 2023
- The assessment shows transition maturity varies across industries
- Intend to further build transition maturity capability, including to inform operationalisation of NAB's interim sector decarbonisation targets
- Next step is to draw on this exercise to seek further integration of customer transition planning and assessment in our existing processes

Transition maturity assessment completed for 100 customers

- 100% acknowledge climate change as a business issue
- 72% have committed to reporting under the Taskforce on Climate-Related Financial Disclosures (TCFD) framework
- 67% have set a goal to be net zero by 2050 or sooner

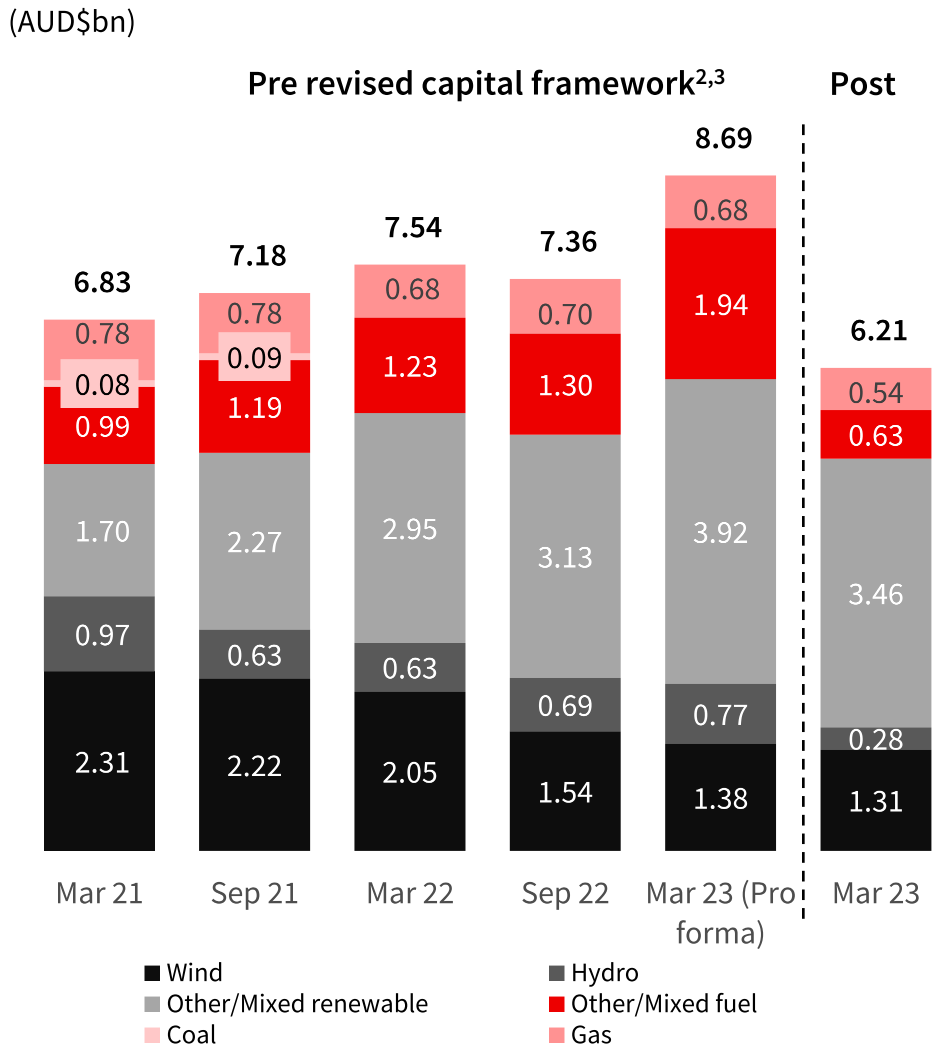
Transition maturity of 100 of our largest emitting customers by sector[1]



(1) The Diagnostic assists in the classification of transition maturity in the following bands: 0 – Unaware of (or not acknowledging) climate change as a business issue, 1 – Acknowledgement of climate change as a business issue, 2 – Building capacity, 3 – Integration into operational decision making, 4 – Strategic assessment. Note, no clients were assessed at the '0' level of maturity. Percentage breakdown per sector may not sum to 100 due to rounding

Energy generation exposures

Energy generation EAD by fuel source[1]

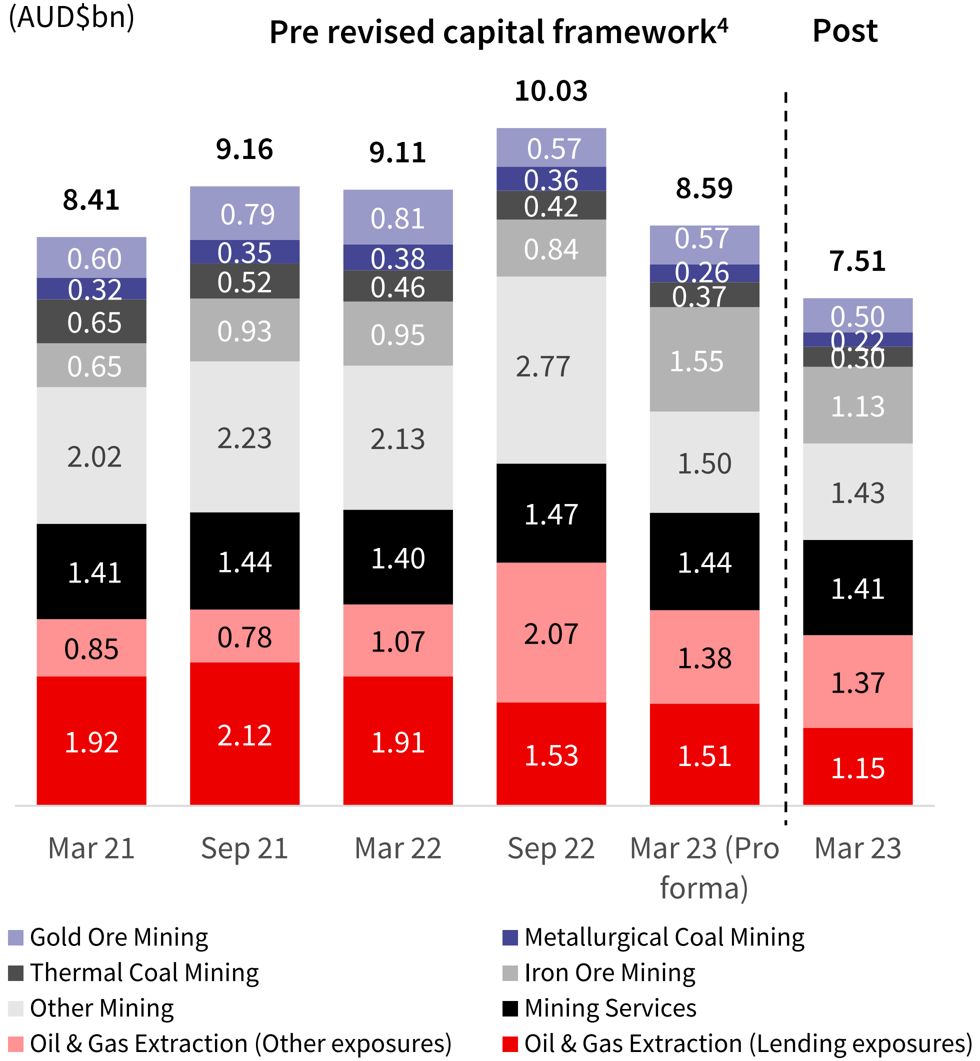


- From 1 January 2023, the revised capital framework[4] has come into effect
- The primary impact of this change on NAB's energy generation exposures is a reduction in EAD due to changes in the calculation of off-balance sheet EAD for certain undrawn commitments
- For comparison, EAD under previous methodology has been presented for March 2023[3]
- From March 2022, NAB has no direct lending[2] to coal-fired power generation assets remaining, therefore it doesn't appear in the graph after this point
- On a like-for-like basis:
  - Continued increase in 'Other/Mixed renewable' due to funding for companies with a mixed portfolio of renewable assets (e.g. wind and solar)
  - Increase in 'Other/Mixed fuel' from support provided to customers due to National Electricity Market volatility
  - 70% total energy generation financing to renewables
- NAB has also set an interim sector decarbonisation target for power generation, details available in the 2022 Climate Report

(1) Totals presented in chart may not sum due to rounding
(2) NAB methodology (based upon the 1993 ANZSIC codes) at net EAD basis. Excludes exposure to counterparties predominantly involved in transmission and distribution. Vertically integrated retailers included and categorised as renewable where majority of their generation activities sourced from renewable energy. NAB has no direct lending to coal-fired power generation assets remaining. Note there is indirect exposure to coal-fired power within the Mixed Fuel category as a result of NAB's corporate level exposure impact
(3) March 2023 numbers 'pre revised capital framework' are presented on a proforma basis for illustrative purposes only, and to aid comparison with prior periods. March 2023 numbers 'post' are calculated in accordance with APRA's revised capital framework which came into effect on 1 January 2023
(4) The revised capital framework refers to revisions to APRA's capital adequacy and credit risk capital requirements for ADIs. For more information on the impact of the revised capital framework and impacts on NAB's reported EAD, see NAB's 1H23 Pillar 3 report

Resources exposures

Resources EAD by type[1,2,3]

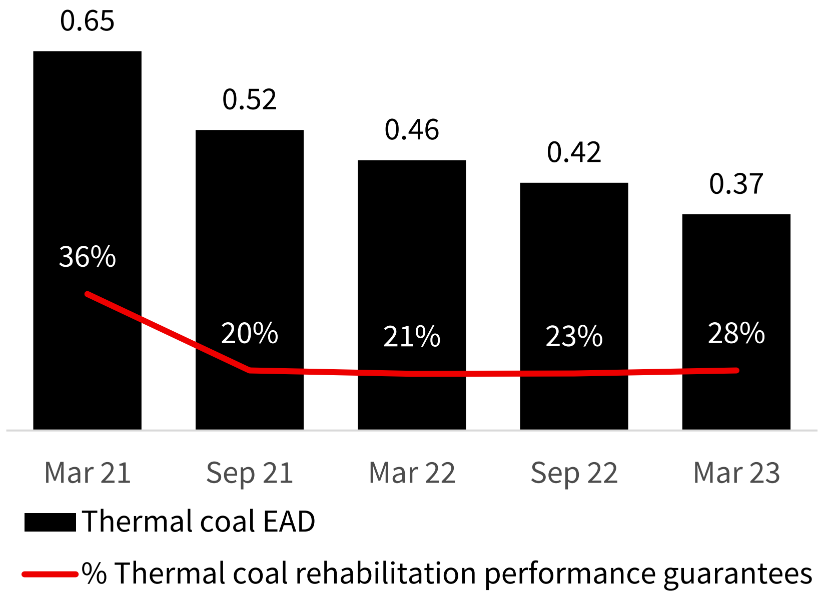


- From 1 January 2023, the revised capital framework[5] has come into effect
- The primary impact of this change on NAB's resources exposures is a reduction in EAD due to changes in the calculation of off-balance sheet EAD for certain undrawn commitments
- For comparison, EAD under previous methodology has been presented for March 2023[4]
- On a like-for-like basis:
  - Decrease in oil and gas 'other exposures' primarily due to changes in foreign exchange positions across existing portfolio
  - Increase in 'Iron Ore' exposures and subsequent decrease in 'Other Mining' exposures driven by customer reclassification

(1) Totals presented in chart may not sum due to rounding
(2) Oil and gas extraction exposures includes lending (e.g. revolving/term lending and guarantees) and other markets-related exposures (e.g. derivatives, foreign exchange, repurchase agreements)
(3) Thermal coal exposures includes direct exposure (including lending and guarantees) to customers whose primary activity is thermal coal mining. Includes performance guarantees for the rehabilitation of existing coal mining assets. Excludes metallurgical coal mining and diversified mining customers
(4) March 2023 numbers 'pre revised capital framework' are presented on a proforma basis for illustrative purposes only, and to aid comparison with prior periods. March 2023 numbers 'post' are calculated in accordance with APRA's revised capital framework which came into effect on 1 January 2023
(5) The revised capital framework refers to revisions to APRA's capital adequacy and credit risk capital requirements for ADIs. For more information on the impact of the revised capital framework and impacts on NAB's reported EAD, see NAB's 1H23 Pillar 3 report

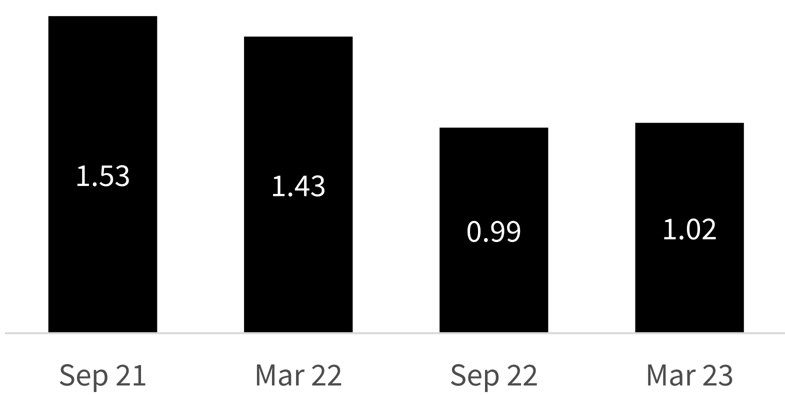
Resources exposure by type[1]

Thermal coal mining (AUD$bn) exposure[2,3]



- Progressing towards effectively zero[4] thermal coal mining exposures by 2030, apart from residual performance guarantees to rehabilitate existing thermal coal mining assets

Oil & Gas Extraction – lending only (USD$bn) exposure[5]



- Oil and gas (lending exposures) presented in USD as majority of portfolio is denominated in USD
- NAB's Net Zero Banking Alliance-aligned oil and gas sector target guides intended financed emissions reduction. See 2022 Climate Report for full details
- Increase in oil and gas lending primarily driven by movements in foreign exchange rates

(1) Thermal coal and oil and gas exposures reported on this page reflect EAD consistent with prior year methodology, and do not reflect the changes implemented in the revised capital framework
(2) Thermal coal exposures includes direct exposure (including lending and guarantees) to customers whose primary activity is thermal coal mining. Includes performance guarantees for the rehabilitation of existing coal mining assets. Excludes metallurgical coal mining and diversified mining customers
(3) % of thermal coal EAD for performance guarantees to rehabilitate existing assets available from March 2021
(4) 'Effectively zero' refers to the fact that the Group may still hold some exposures to thermal coal in 2030, only through residual performance guarantees to rehabilitate existing coal mining assets. These guarantees are excluded from the financed emissions coverage of NAB's thermal coal sector target
(5) Relevant exposure conversions based on rates of AUD/USD 0.72115 (Sep 21); AUD/USD 0.74855 (Mar 22); AUD/USD 0.64925 (Sep 22); and AUD/USD 0.67140 (Mar 23)

Nature-related risks and opportunities

Approach to integrating nature-related risks and opportunities in our business

Focusing on customers

- Prioritising action in agribusiness.
- Research and analysis to develop our understanding of risks and opportunities
- Exploring financing solutions to incentivise strong nature management (e.g. Agri green loans, Sustainability-Linked Loans, green bonds)

Integrating within risk management

- Part of 'Sustainability risk' , which is a Material Risk Category[1]
- Nature-related topics (e.g. impacts on biodiversity) inform NAB's High Risk ESG Sectors and Sensitive Areas List and associated due diligence requirements
- Participation in industry working groups and initiatives to build knowledge and capability e.g. COP15

Reporting and engaging

- Taskforce on Nature-related Financial Disclosures (TNFD) Forum member
- Piloting TNFD recommendations on 'freshwater' with United Nations Environment Program Finance Initiative (UNEP FI)
- Engaging with customers, investors, government, industry associations and not-for-profit bodies

(1) Refer to NAB's HY23 Risk Factors Disclosures, lodged with the Luxembourg Commission de Surveillance du Secteur Financier (CSSF) on 4 May 2023, and also lodged with the Australian Securities Exchange

Additional information

Economics

Australia and NZ key economic indicators

Australian economic indicators (%)[1]

	CY20	CY21	CY22	CY23(f)	CY24(f)
GDP growth[2]	-0.1	4.6	2.7	0.7	1.3
Unemployment[3]	6.8	4.7	3.5	4.0	4.7
Trimmed-mean inflation[4]	1.2	2.7	6.9	4.0	3.0
Cash rate target[3]	0.10	0.10	3.10	3.85	3.10

NZ Economic indicators (%)[1]

	CY20	CY21	CY22	CY23(f)	CY24(f)
GDP growth[2]	1.0	3.3	2.2	-0.6	1.5
Unemployment[3]	4.9	3.2	3.4	4.0	5.4
Inflation[4]	1.4	5.9	7.2	4.7	2.5
Cash rate (OCR)[3]	0.25	0.75	4.25	5.50	4.25

Australian system growth (%)[5]

	FY20	FY21	FY22	FY23(f)	FY24(f)
Housing	3.3	6.4	7.4	3.2	3.5
Personal	-12.9	-5.3	0.0	-0.4	0.0
Business	1.0	4.1	13.3	3.9	3.0
Total lending	1.6	5.1	8.9	3.2	3.2
System deposits	11.8	8.2	7.6	4.0	1.7

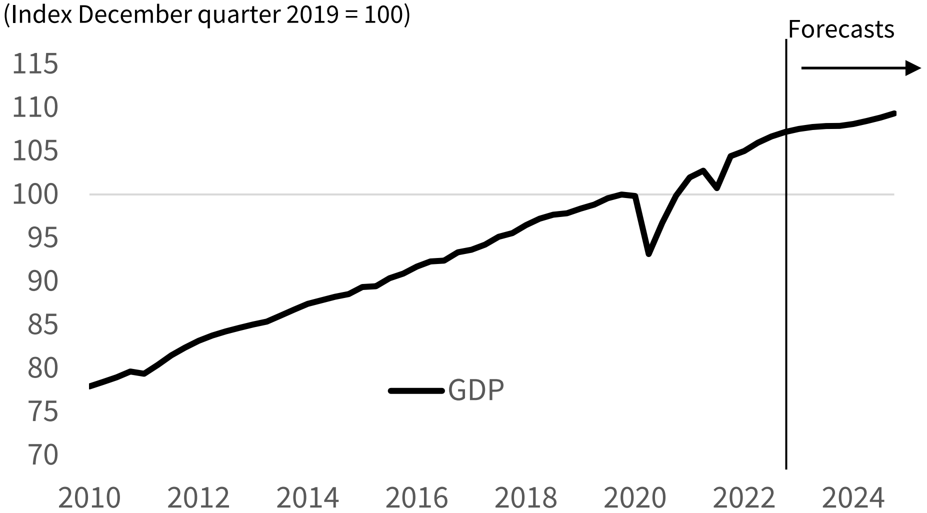
NZ System growth (%)[5]

	FY20	FY21	FY22	FY23(f)	FY24(f)
Housing	6.8	11.6	5.7	1.6	1.6
Personal	-11.5	-8.6	1.1	2.1	-3.7
Business	-1.5	1.5	5.7	1.9	1.3
Total lending	2.9	7.3	5.6	1.7	1.4
Household retail deposits	9.4	4.5	7.7	2.5	1.4

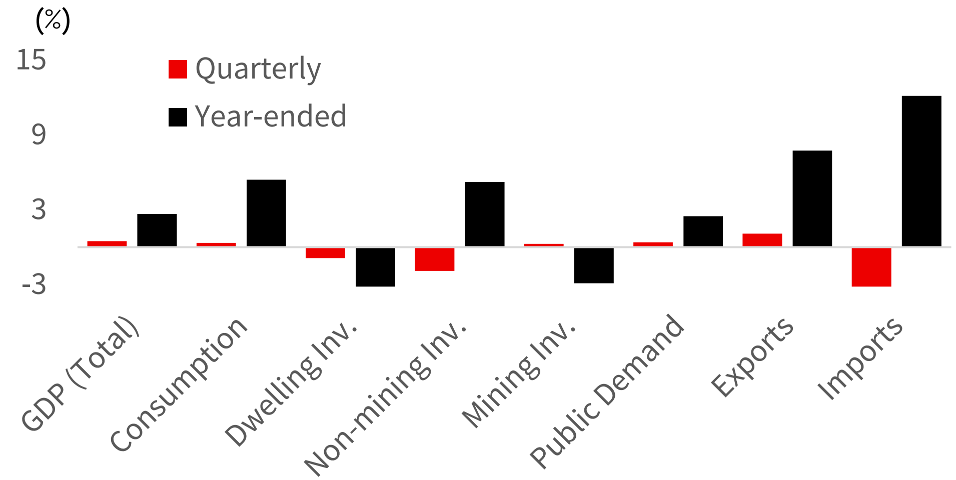
(1) Sources: ABS, Econdata DX, RBA, RBNZ, Stats NZ, NAB Economics
(2) December quarter on December quarter of previous year
(3) As at December quarter
(4) December quarter on December quarter of previous year. For Australia, trimmed-mean measure of underlying inflation
(5) Source: RBA, RBNZ, NAB. Bank fiscal year-ended (September). NZ business credit includes credit to Agriculture and is calculated from break adjusted data

GDP

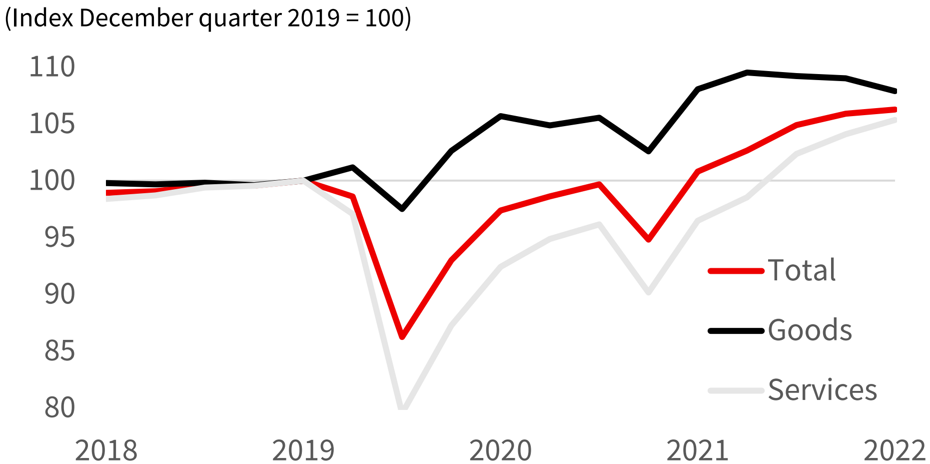
GDP is now 7.2% above pre-COVID-19, but growth is slowing



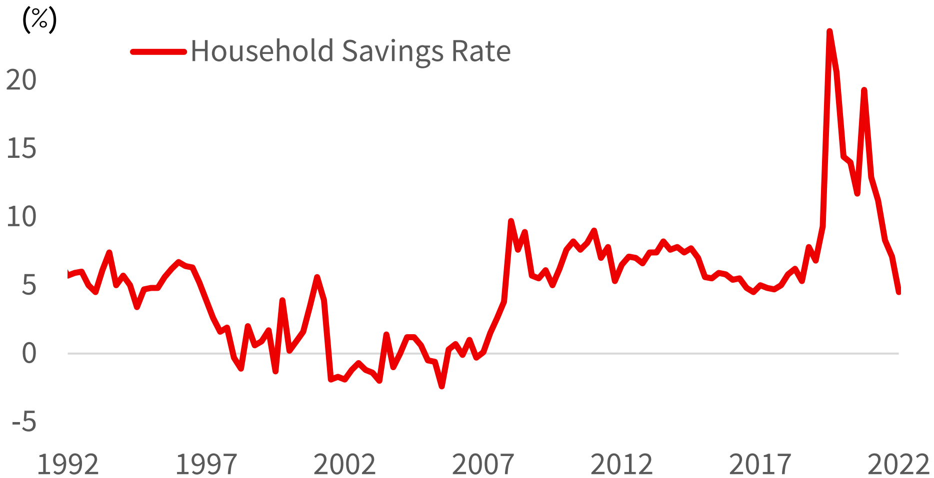
Growth in GDP and components[2]



Goods and services spending are normalising[3]



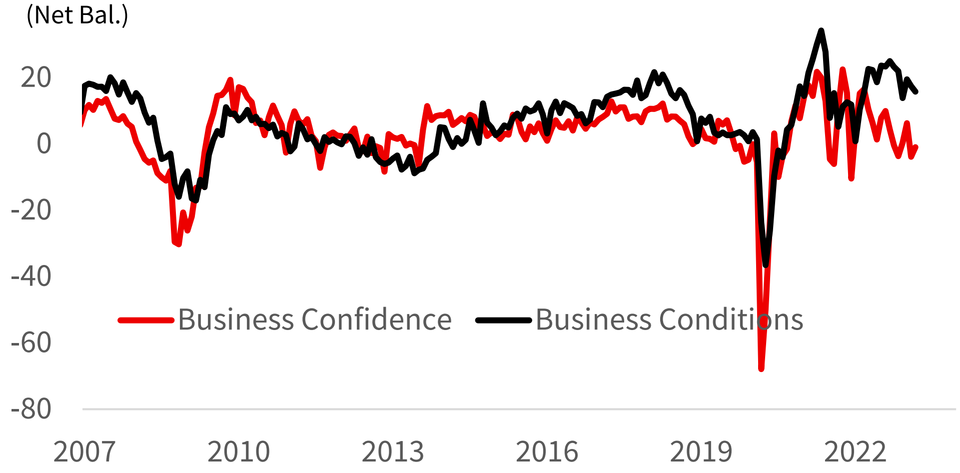
The household savings rate is now around pre-COVID levels[4]



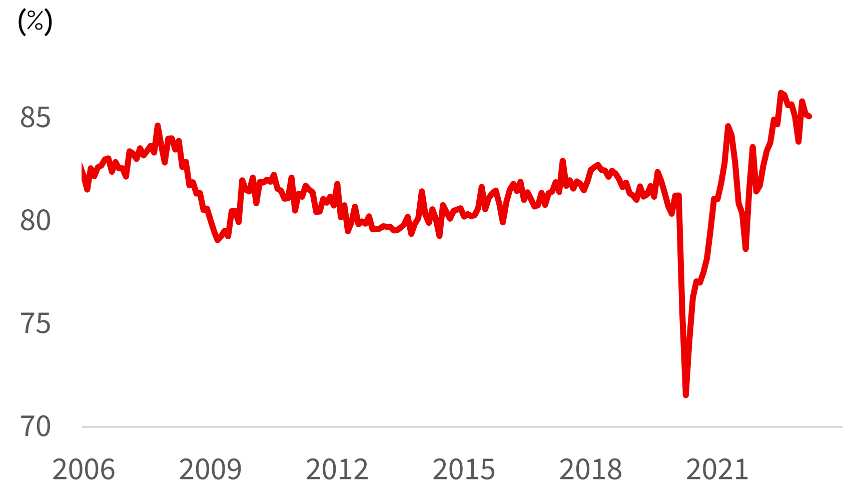
(1) Source: ABS, NAB Economics, Macrobond. Index of real GDP growth. Data to December quarter 2022. NAB Economics Forecasts thereafter
(2) Source: ABS, NAB Economics, Macrobond. Data to Q4 2022
(3) Source: ABS, NAB Economics, Macrobond. Data to Q4 2022
(4) Source: ABS, NAB Economics, Macrobond. Household savings rate. Data to Q4 2022

The business sector has remained resilient

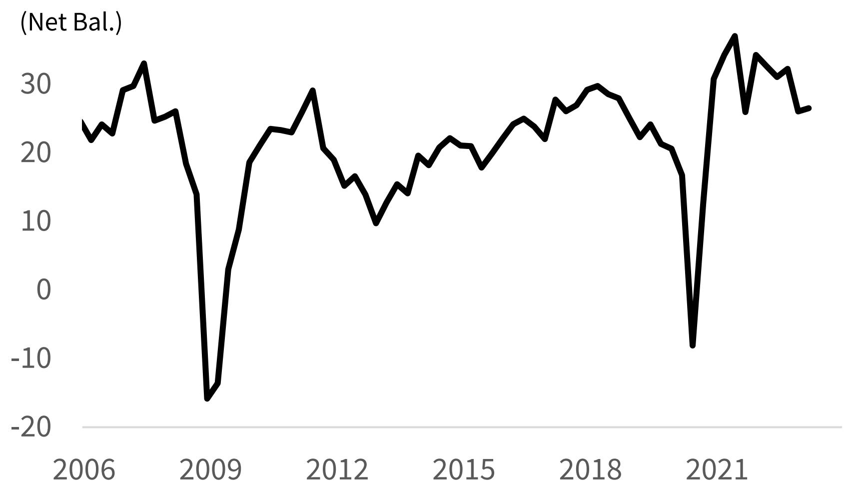
Conditions are high but confidence is soft[1]



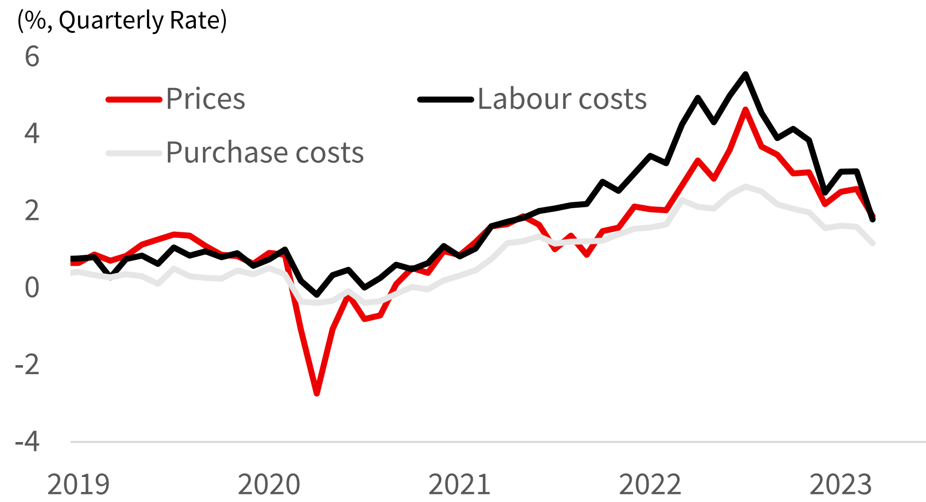
Capacity utilisation is high[1]



Investment Intentions remain solid[2]



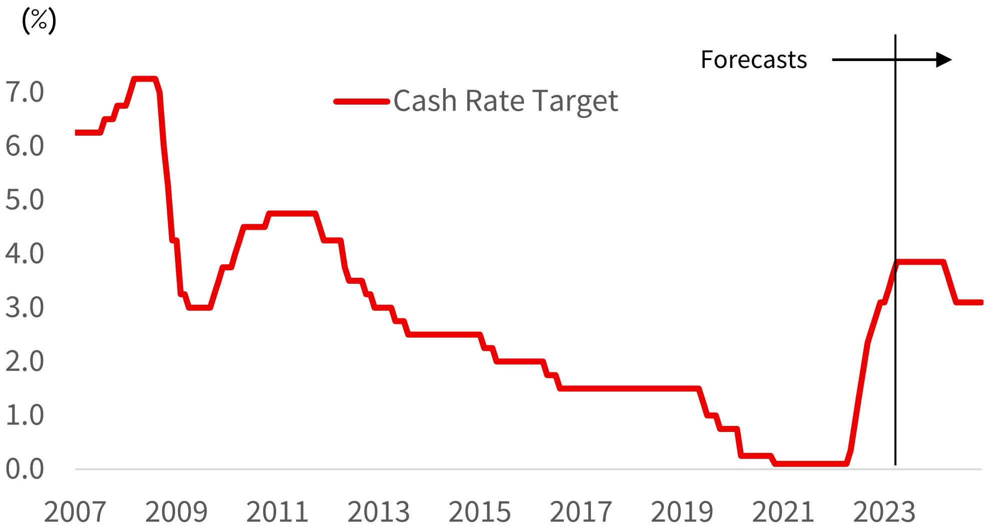
Price and cost growth has peaked[1]



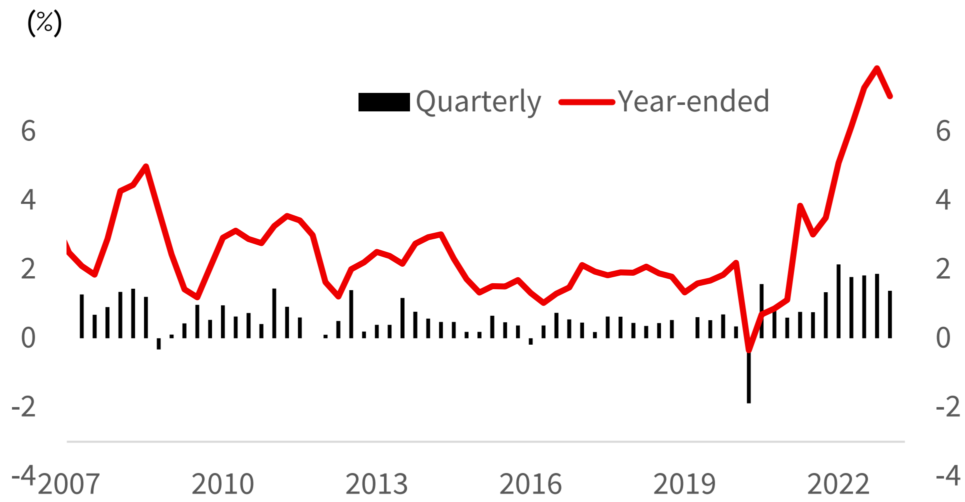
(1) Source: NAB Economics. All industry measures from the NAB Monthly Business Survey. Data to March 2023
(2) Source: NAB Economics. NAB Quarterly Survey measure of 12-month Capex expectations. Data to Q1 2023

Monetary Policy is tightening and inflation is high

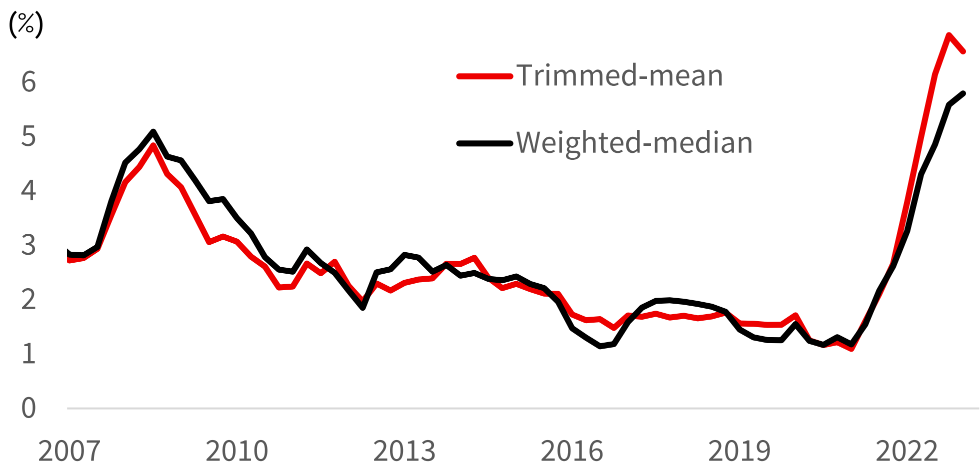
The cash rate is near the peak[1]



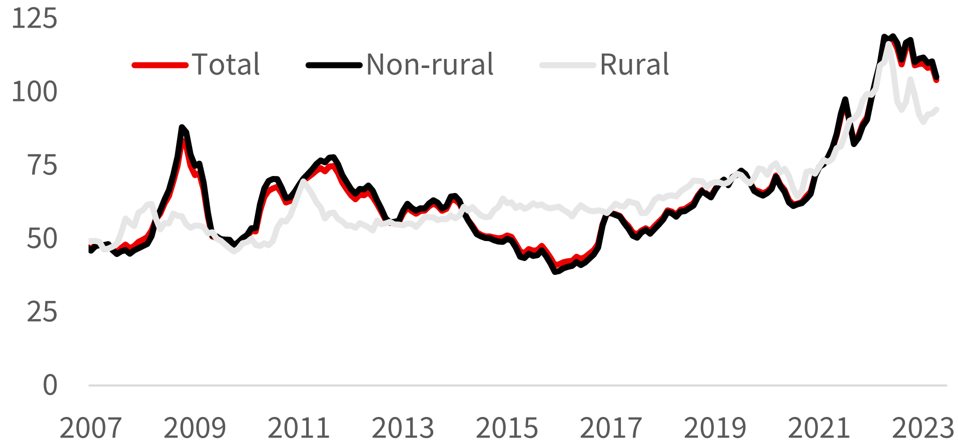
Headline inflation has peaked but remains high[2]



Underlying inflation remains high[2]



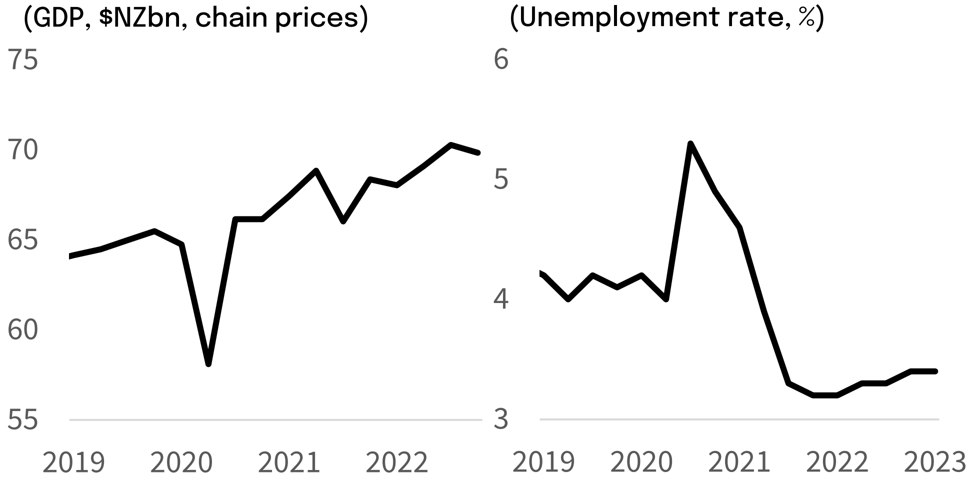
Commodity prices are high[3]



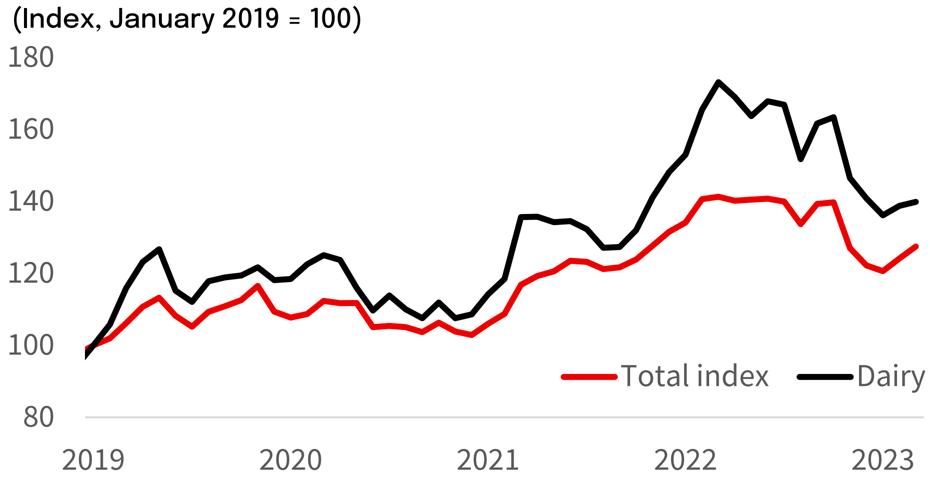
(1) Source: RBA, NAB Economics, Macrobond. Data to 2 May 2023, NAB Economics forecasts thereafter
(2) Source: ABS, Macrobond. Data to Q1 2023
(3) Source: RBA. Macrobond. Data to 30 April 2023

New Zealand economy

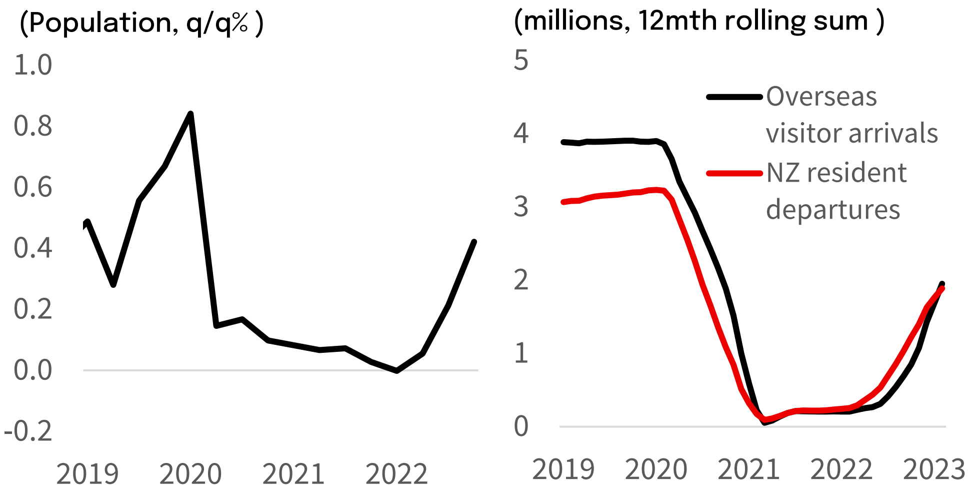
Economy contracted in Q4 2022, unemployment rate remains at very low level[1]



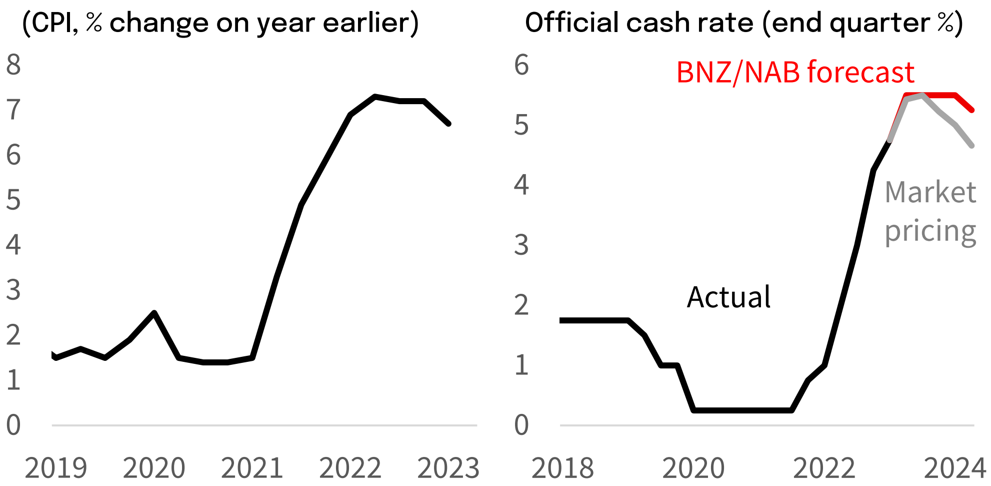
Commodity export prices have fallen back, including dairy[3]



Population growth picking up as is international tourism [2]



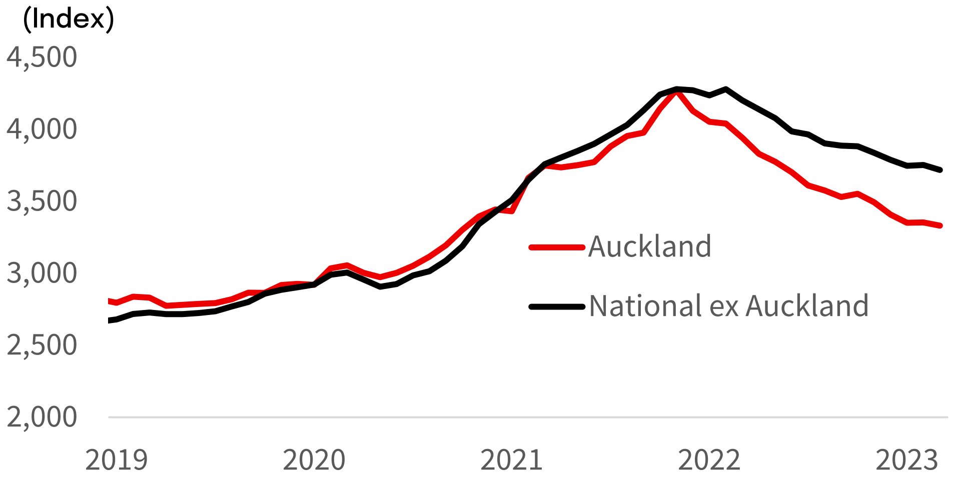
Inflation remains very high but OCR viewed as nearing its peak in the current tightening cycle[4]



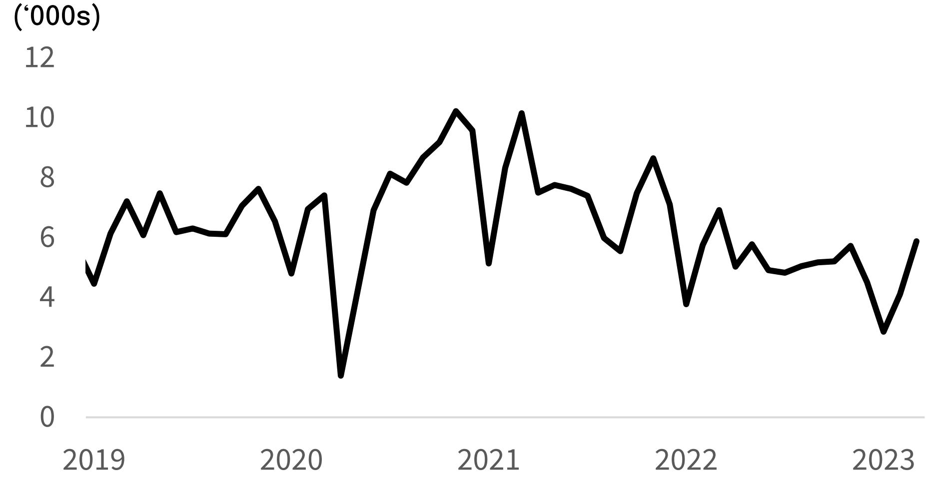
(1) Source: Refinitiv, Stats NZ
(2) Source: Refinitiv, Macrobond, Stats NZ
(3) Source: Macrobond, ANZ Commodity Price Index, NZ dollar indices
(4) Refinitiv, Stats NZ, RBNZ, BNZ, Market pricing as at 3.30 pm AEST 28 April 2023

New Zealand housing

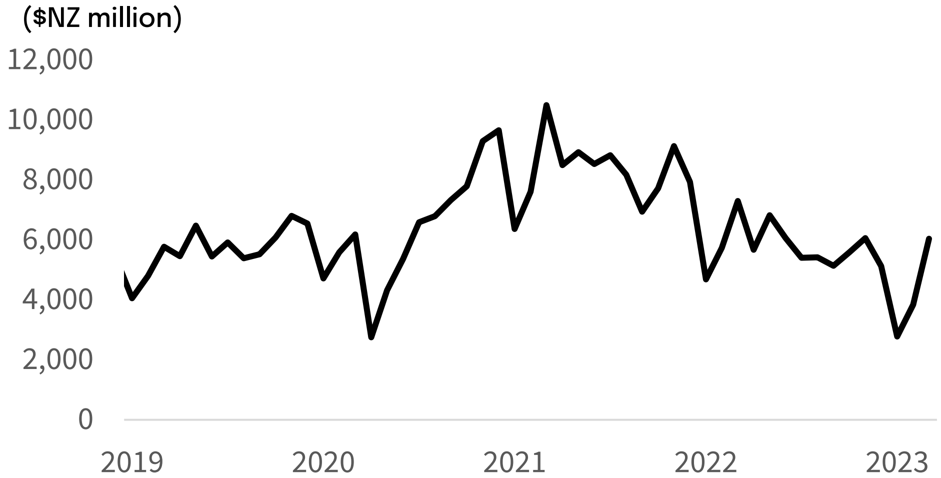
House prices falling [1]



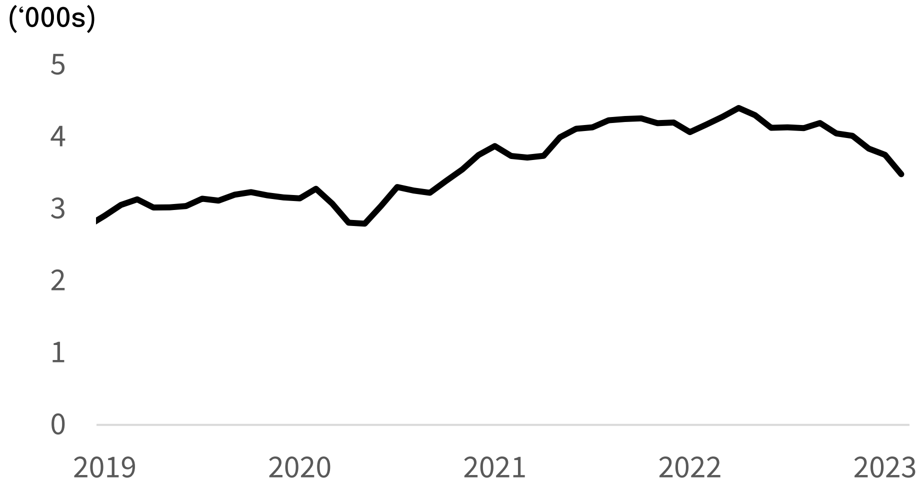
Sales volumes also down [2]



New residential mortgage lending has moved to a lower level[3]



Dwelling approvals (consents) held up amidst the broader housing market downturn, but now also falling[4]



(1) Source: Macrobond, REINZ
(2) Source: Macrobond, REINZ
(3) Source: RBNZ
(4) Source: Refinitiv, Stats NZ. Three month moving average of seasonally adjusted new dwellings consented

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