

NAB Charitable Giving Index

Indepth report - 12 months to August 2015

by NAB Group Economics



■ Growth in charitable giving slowed to 4.9% over the year to August 2015, down from 7.8% one year earlier. This was consistent with an ongoing reluctance by consumers to spend on “non-essentials” amid elevated unemployment, subdued household income and wages growth and an uncertain economic outlook.

NAB’s Consumer Anxiety surveys also show that Australians have on balance been cutting back on charitable donations over the past year (albeit there were some encouraging signs the number of consumers cutting back on charity donations fell in Q3).

New data reveals that charitable giving growth has also slowed across most of the country, ranging from 6.6% in Victoria to 3% in South Australia. Divergent giving patterns across charity categories are clearly evident at the state and territory level (see chart 2). Victoria was the only state to report positive growth in giving across all charity categories in the year to August 2015.

Growth in charitable giving was strongest for over 65s and weakest for 15-24 year olds. Other NAB research shows that older Australians are more likely to be financially secure, consistently report the lowest levels of consumer stress and are more likely to recognise the positive impact that charitable giving has on their own personal wellbeing.

- **Alan Oster, Group Chief Economist, NAB**

■ At NAB, we see the positive impact not-for-profit organisations have in our community every day. In spending time with our customers, I have come to understand the opportunities and unique challenges that come with managing an effective, long-term fundraising strategy. Alongside our specialised relationship bankers, we are committed to supporting our customers build sustainable community businesses and grow revenue, resources and awareness.

The NAB Charitable Giving Index is one tool we provide to empower the community sector. It provides the current insights needed to understand trends in giving to leverage fundraising as a major revenue stream for their business. I hope this report supports you in harnessing the potential of giving in Australia.

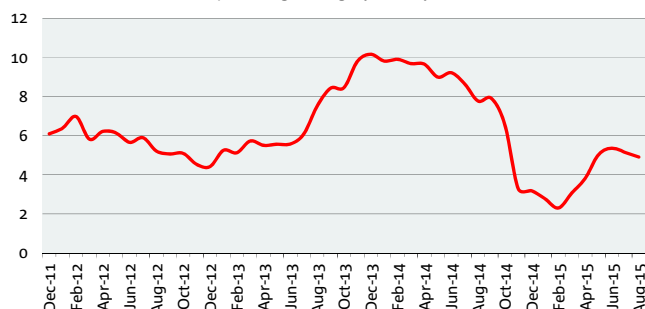
- **Rebecca Kotow, Head of Community Investment and Social Impact**

Table 1: Charity Categories

Categories	Examples of Charities Included
Animals & Environment	RSPCA; WWF Australia; Australian Conservation Foundation
Cancer	Cancer Council Donations; The Movember Group; Peter MacCullum Cancer Centre
Community Service & Children/Family	The Salvation Army; St Vincent de Paul; The Smith Family; Brotherhood of St Laurence
Health & Disability	Diabetes Australia; Fred Hollows Foundation; Vision Australia; Guide Dogs Australia
Humanitarian Services	World Vision; Oxfam; Red Cross
Medical Research & Services	Heart Research Institute; Royal Flying Doctor Service
Charitable Lotteries	Boystown Lottery; Mater Prize Home; RSL Art Union
Other*	Everyday Hero, Go Fundraise, mycause.com.au

*Other includes charity aggregators and other charities that do not fit into any of the categories above.

Chart 1: Growth in NAB Charitable Giving Index
(percentage change, year-on-year)



Key findings

Charitable giving slows in line with ongoing consumer anxiety, but those who give dig deeper...

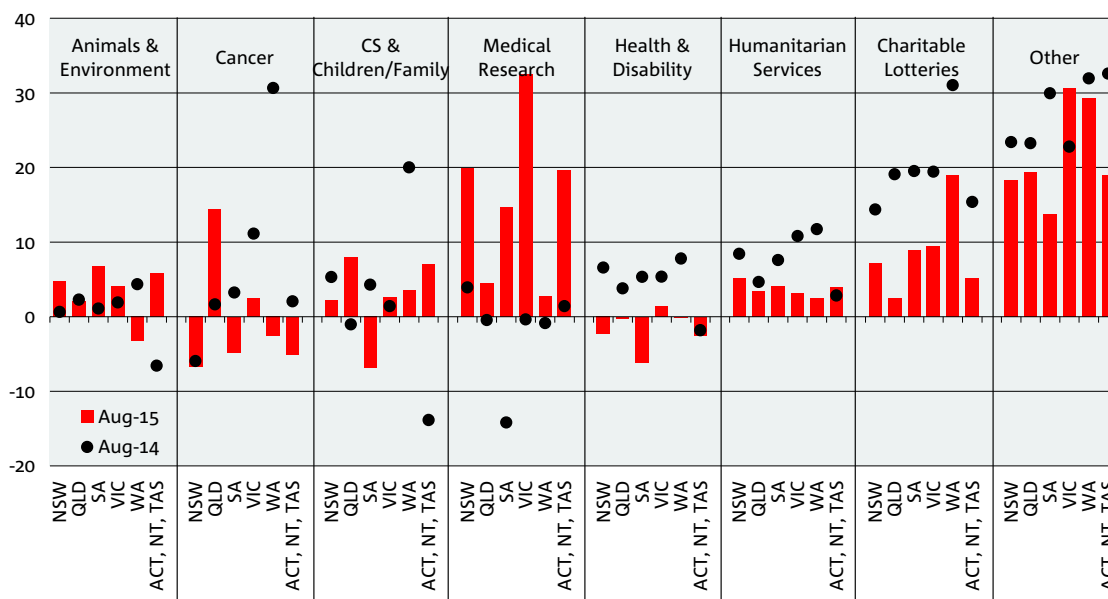
- Growth in charitable giving slowed to 4.9% over the year to August 2015, down from 7.8% one year earlier.
- Charitable giving growth has also slowed across most of the country, ranging from 6.6% in Victoria to 3% in SA.
- Divergent giving patterns across charity categories are clearly evident at the state and territory level.
- Growth in charitable giving was strongest for over 65s and weakest for 15-24 year olds.
- Growth slowed in metropolitan and regional areas, but metropolitan areas out-performed, mirroring better economic conditions relative to rural Australia.
- Humanitarian Services continued to enjoy the biggest market share with 35% of all donations.
- Giving to Other and Medical Research charities grew strongly over the past year, but giving to Health & Disability and Cancer charities contracted.
- Despite slower growth in charitable giving, the average annual donation size increased by \$9 to \$346 per donor.
- Middle Park (3206) was the most generous postcode in Australia, donating on average \$342 per person, followed by Mosman (2088) Hunters Hill (2110), Toorak (3142) and Griffith (2603).
- As a proportion of income, Castlemaine (3450), topped the list donating 0.36% of their average incomes to charity, followed by Sturt (5047), Prospect (5082), Leabrook (5068) and Blaxland (2774).

Table 2: Key NAB Charitable Giving Statistics

NAB Charitable Giving Statistics	Index (annual average)		% change (annual)	
	Aug-2014	Aug-2015	Aug-2014	Aug-2015
NAB Charitable Giving Index	139.7	146.5	7.8	4.9
Animals & Environment	120.5	124.6	1.3	3.4
Cancer	286.9	285.0	3.3	-0.7
Community Services & Children/Family	175.6	180.5	3.7	2.8
Medical Research	170.4	199.8	-2.2	17.3
Health & Disability	193.8	191.4	5.2	-1.2
Humanitarian Services	95.4	99.1	8.3	3.9
Charitable Lotteries	158.6	170.0	19.0	7.2
Other	591.9	725.1	25.0	22.5

All data is non-seasonally-adjusted (nsa). Data is produced by Quantum and includes donations via credit card, direct debit, BPAY and EFTPOS. Direct transfers into charity bank accounts are not captured (e.g. bequests and cheque donations may not be captured). Nearly 600 charity brands are included in this analysis.

Chart 2: Growth by Charity Category by State
(% change, year to August)



Analysis

Charitable giving slowed to 4.9% over the year to August 2015, from 7.8% one year ago...

Over the year to August 2015, growth in the NAB Charitable Giving Index slowed to 4.9%, compared to 7.8% one year earlier.

Economic factors appear to be a major factor behind this slow down. Australians remain nervous amid elevated unemployment, subdued household income and wages growth, and an economic outlook clouded by the end of the mining investment boom and falling commodity prices.

Against this backdrop, it is not surprising that Australian consumers are reluctant to spend on “non-essentials”, including charity. Indeed, recent NAB Consumer Anxiety Surveys show that Australians have on balance been cutting back on charitable donations over the past year (albeit there were some encouraging signs the number of consumers cutting back on charity donations fell in Q3).

Charitable giving has slowed in most states...

Total charity spending by state broadly mirrors each state’s share of total GDP, except in WA which has until recently experienced much faster growth than in all other states.

Over the year to August 2015, charitable giving in WA slowed to 5.1%, down from 15.8% a year earlier. The winding down of the mining investment boom, which has exerted significant downward pressure on the labour market, wages and consumer confidence, appears to have also impacted donations behaviour.

Charitable giving also slowed in most other states, except in ACT, TAS & NT combined, where giving increased by 4.3% (1.9% a year earlier).

Overall, growth ranges from 6.6% in VIC to 3% in SA (where the state economy continues to under-perform relative to the national average).

Chart 3: Growth in NAB Charitable Giving Index
(percentage change, year-on-year)

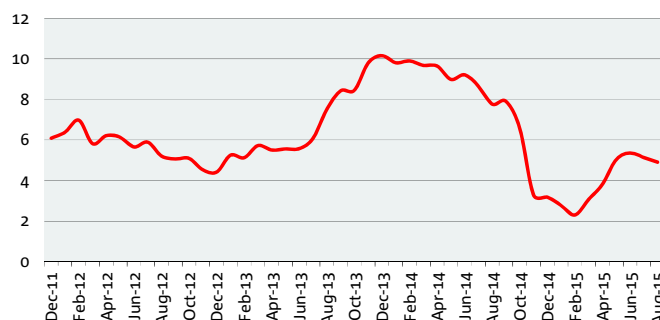
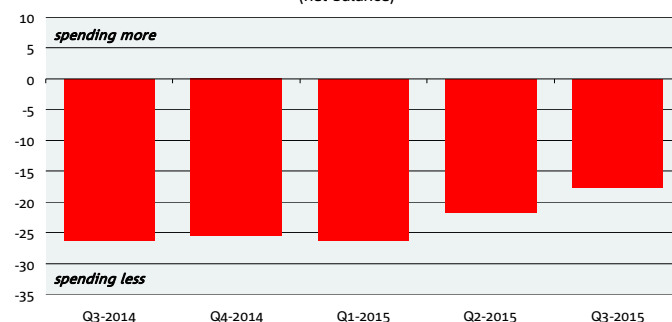


Chart 4: Overall Changes in Charitable Spending Behaviour
(net balance)



SOURCE: NAB Consumer Anxiety Index

Chart 5: Charity Spending by State
(% share of total charity spend)

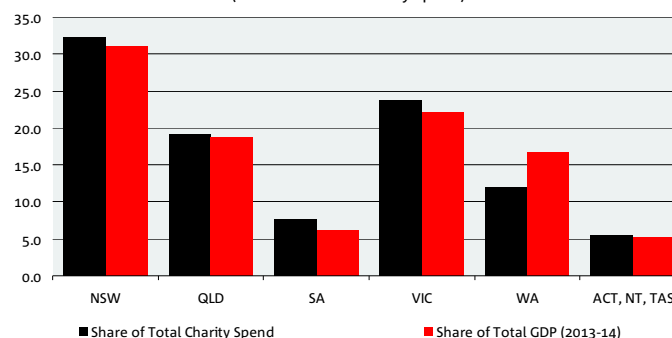
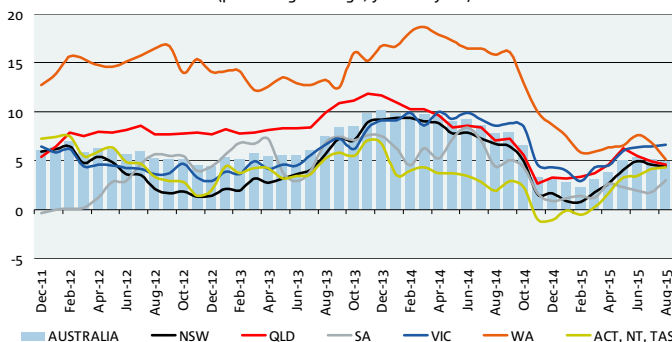


Chart 6: Growth in NAB Charitable Giving Index by State
(percentage change, year-on-year)



Growth in charitable giving was strongest for over 65s and declined for 15-24 year olds. Charitable giving grew faster in metropolitan areas...

Growth in charitable giving by age remains strongest for over 65s, but it slowed mildly to a still healthy 10.6% over the year to August 2015 (11.6% one year ago).

Faster growth in charity giving in this group is not surprising as older Australians are more likely to be financially secure (MLC Wealth Sentiment Surveys), consistently report the lowest levels of consumer stress (NAB Consumer Anxiety Reports) and are more likely to recognise the positive impact that charitable giving has on their own personal wellbeing (NAB Wellbeing Surveys).

In contrast, charitable giving growth for younger Australians softened notably. For donors aged 15-24, charitable growth contracted by -2% over the year to August 2015, while giving among 25-34 year olds grew by just 0.9%.

While younger Australians typically have much lower disposable incomes than older people, they are also currently experiencing significant employment challenges and elevated consumer stress. These factors are likely to be also impacting adversely their donations behaviours.

In terms of location, charitable giving slowed in both metropolitan and regional areas to 5.1% and 4.4% respectively. This was down from 7.7% and 7.9% one year ago.

These findings are also consistent with NAB’s own research showing that significantly more Australians living in regional areas are showing a greater inclination to cut back on charitable donations in response to consumer stress than Australians living in capital cities.

Chart 7: Growth in NAB Charitable Giving Index by Age Group
(percentage change, year-on-year)

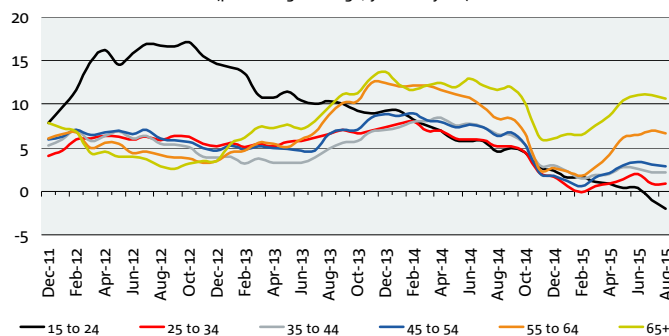
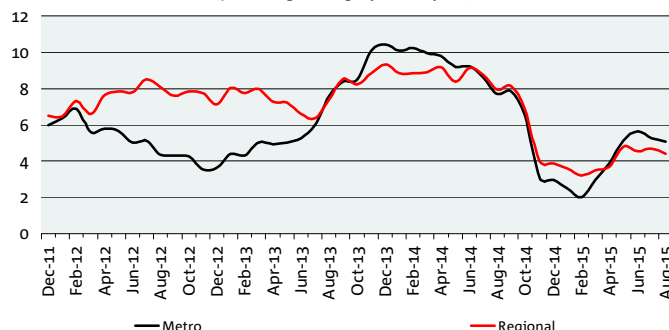


Chart 8: Growth in NAB Charitable Giving Index by Region
(percentage change, year-on-year)



“The 15-24 year olds once experienced the strongest growth in charitable giving prior to mid 2013, although this trend has reversed in recent times”
Tony Davis, Quantum

Market share by charity category was broadly unchanged, with Humanitarian Services still dominating...

Market share by charity category was broadly unchanged across all categories over the year to August 2015.

Humanitarian Services continue to dominate market share for charitable giving with 35% of total donations. Health and Disability and Charitable Lotteries hold the second biggest share with 12% each, followed by Community Services (11%), Cancer (9%), Animals and Environment (8%) and Other charities (7%).

Humanitarian Services continues to attract the lion’s share of the charitable giving market in all age brackets and regions...

Humanitarian Services continued to attract the lion’s share of donations in all age groups, ranging from 38% for 15-24 and 25-34 year olds to 31% for over 65s. Medical Research received the smallest share from all age groups, except over 65s who allocated the smallest share of their total spending to Other charities.

There were some significant differences in allocations among other categories. Australians aged 15-24 allocated a much larger share to Animals and Environment charities (14%) relative to all other groups, while 25-34 year olds gave the biggest share to Cancer (12%) and Other (10%) charities.

Over 65s allocated a much bigger share of their total donations to Health and Disability (17%) and Community Service and Children/Family (12%) charities, while 55-64 year olds allocated the biggest share to Charitable Lotteries (15%).

Humanitarian Services also attracted the biggest share of donations in metropolitan (36%) and regional (33%) areas.

Regional areas however allocated a notably bigger share of their total charity donations to Lotteries than metropolitan areas (16% vs. 11%), while metropolitan areas gave notably more to Community Services and Children/Family (11% vs. 8%) and Other (8% vs. 6%) charities.

Chart 9: Market Share of Total Charity Donations (12 months to August)

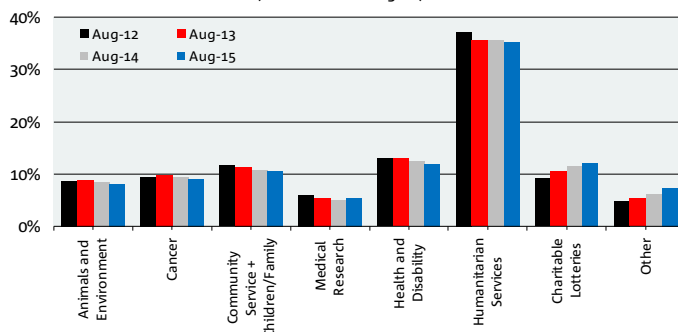


Chart 10: Market Share of Total Charity Donations by Age (12 months to August 2015)

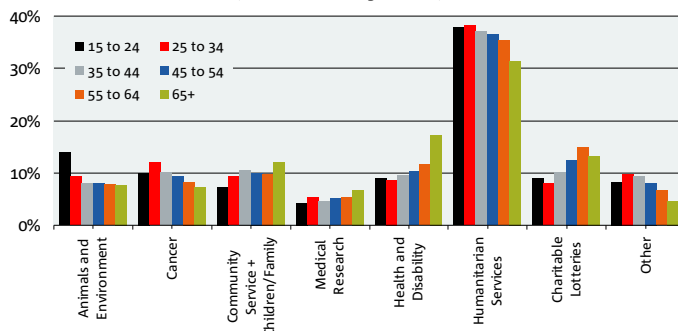
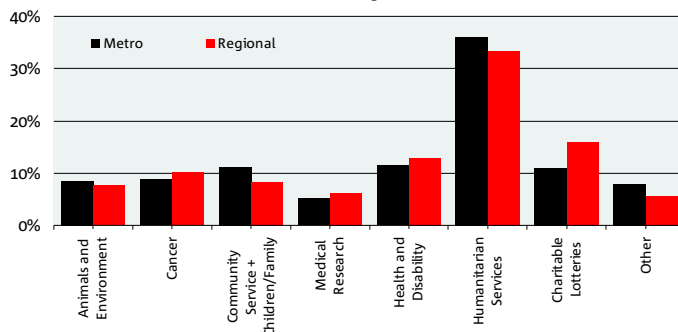


Chart 11: Market Share of Total Charity Donations by Region (12 months to August 2015)



Divergent growth patterns were evident across charity categories over the year to August 2015. Other and Medical Research charities experienced the fastest growth in donations, while giving to Health and Disability and Cancer contracted...

Divergent growth patterns were evident across charity categories over the year to August 2015.

Other charities continued to experience the fastest growth in donations over the year (22.5%),

Medical Research charities also experienced a sustained acceleration in giving growth to 17.3% (-2.3% in the year to August 2014), with significantly faster growth seen in most age groups, all regions and in VIC, NSW and ACT, NT and TAS combined (see Chart 12).

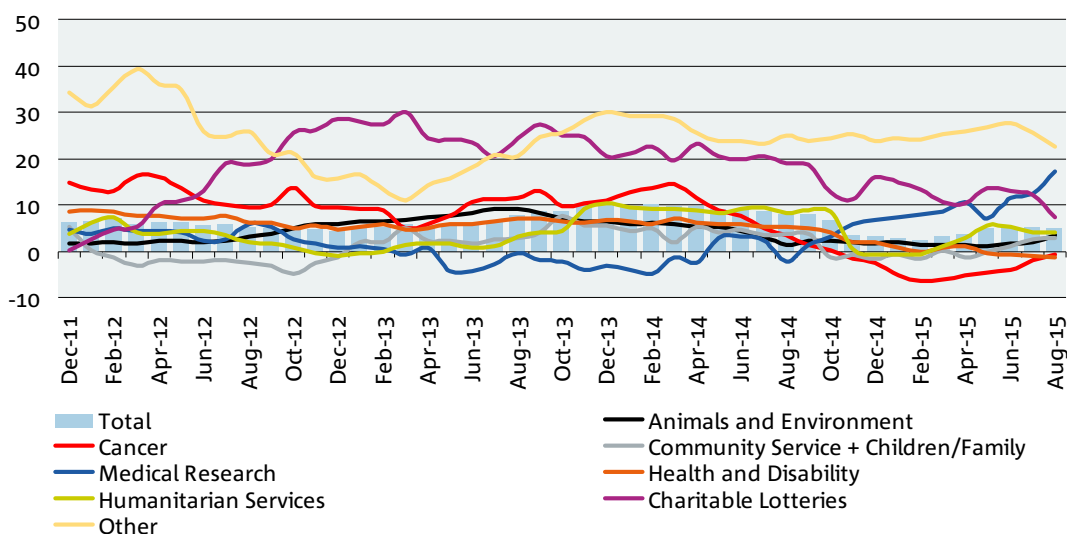
Donations growth to Animals and Environment charities also accelerated, albeit more modestly to 3.4%, from 1.3% in the previous year.

In contrast, growth in charitable giving slowed most for Lotteries, although this category still saw a healthy 7.2% increase (19% one year earlier).

Giving to Humanitarian Services slowed to 3.9% (8.3% a year ago) and was also slightly weaker for Community Service and Children/Family (2.8% vs. 3.7%).

Health & Disability (-1.2%) and Cancer (-0.7%) were the only two charity categories that experienced a contraction in giving over the year to August 2015.

Chart 12: Growth in NAB Charitable Giving Index by Category
(percentage change, year-on-year)



Divergent growth trends were also evident at the state level. Medical Research and Other charities out-performed in nearly all states, whereas Cancer and Health & Disability charities under-performed...

Divergent giving patterns across charity categories were also evident at the state level.

Medical Research charities were the clear standout, with stronger growth reported in all states relative to last year (particularly in VIC (32.5%), NSW (19.8%) and ACT, NT and TAS combined (19.6%).

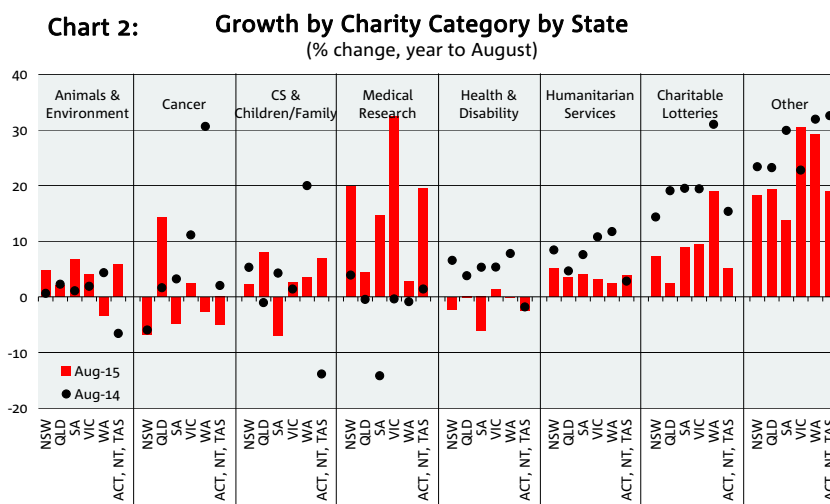
Most other categories experienced a slow down in giving in nearly all states.

This was particularly evident for Health and Disability, Humanitarian Services, Charitable Lotteries and Other charities, albeit Other charities continued to report relatively strong rates of growth in all states ranging from 30.6% in VIC to 13.7% in SA.

Among some other notable trends:

- VIC was the only state to report positive growth in giving in all charity categories over the year to August 2015.
- Medical Research, Humanitarian Services, Charitable Lotteries and Other charities were the only categories to report positive increases in giving in all states.
- Giving to Cancer charities contracted in nearly all states, except QLD (14.3%) and VIC (2.4%), with particularly large contractions in NSW (-6.7%) and ACT, NT and TAS combined (-5%).
- SA reported the biggest falls in giving to Community Service and Children/Family (-6.9%) and Health and Disability (-6.1%) charities.
- Despite strong growth in giving to Other (29.3%) charities and Lotteries (18.9%) in WA, giving to Animals and Environment (-3.3%), Cancer (-2.6%) and Health and Disability (-0.1%) charities contracted, with negligible growth seen in all other categories.

“The strong growth in Other charities is being driven by digital fundraising platforms, consisting of key players such as Everyday Hero, Go Fundraise and mycause.com.au.”
Tony Davis, Quantum



Medical Research was the only category to experience faster donations growth in all age groups. In contrast, giving slowed in all age groups for Health and Disability, Humanitarian Services and Lotteries...

Medical Research was the only charity category to experience faster growth in all age groups over the year to August 2015, reversing the contraction seen in all age groups (bar over 65s) in the previous year. Growth was strongest among donors aged 25-34 (25.9%).

Relatively solid growth was also reported in the Other charity category, led by a 43.1% increase in giving by over 65s.

In contrast, charitable giving slowed across all age groups for Health and Disability and Humanitarian Services charities and for Charitable Lotteries.

The overall -1.2% decline in giving to Health and Disability charities was largely underpinned by a contraction in giving in the 35-44 (-4.6%) and 45-54 (-4.4%) age groups, while the -0.7% fall in overall Cancer giving was largely driven by an 18.5% fall in growth by 15-24 year olds, which offset relatively solid growth among those aged over 55.

Chart 13: Growth by Category by Age (part 1)
(year to August)

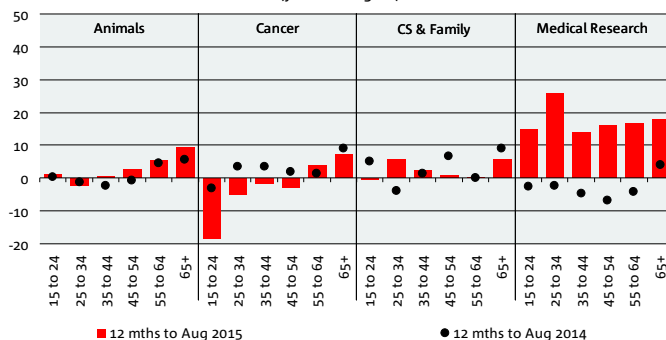
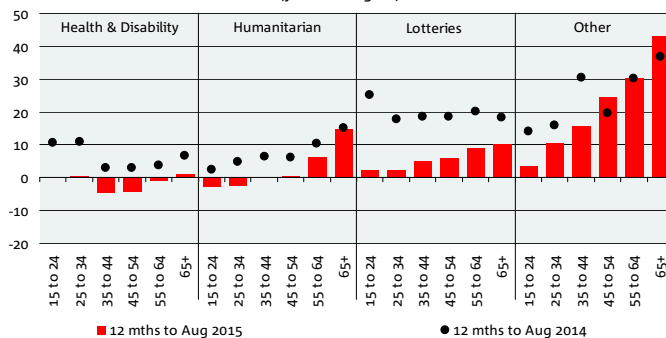


Chart 14: Growth by Category by Age (part 2)
(year to August)



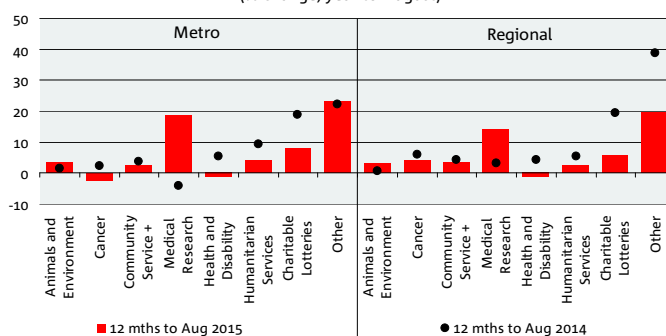
Giving to Medical Research charities accelerated in both metropolitan and regional areas. Regional areas also saw faster growth in giving to Animals and Environment, but slower growth was recorded in all other charity categories in all areas.

The rate of donations growth accelerated sharply in both regions for Medical Services charities, and was also slightly higher for Animals and Environment charities in regional areas.

In contrast, the giving growth slowed in both metropolitan and regional areas in all other charity categories, except for Other charities in metropolitan areas.

Whereas the rate of growth in giving to Other charities in metropolitan areas was broadly unchanged at 23.1% over the year to August 2015, giving to Other charities in regional areas slowed to 19.8% from almost 39% over the year to August 2014.

Chart 15: Growth by Category by Region
(% change, year to August)



Despite a slow down in the rate of overall charitable giving growth, average annual donation size increased by \$9 to \$346 per donor...

While giving growth has slowed against a backdrop of slower economic growth and a continued reluctance among consumers to spend, it was encouraging that the average annual charity donation per donor increased.

Over the year to August 2015, average donation size across all charities increased by \$9 to \$346, with average donation size increasing in all charity categories.

Average donation size remains biggest for Humanitarian Services (by some margin), and increased by \$3 to \$435. Average donation size was next biggest for Community Services and Children/Family charities (up \$7 to \$244), but was only slightly more than half that for Humanitarian Services.

It was also encouraging that despite recording contractions in overall giving growth over the year to August 2015, Cancer charities enjoyed one of the biggest increases in average donation size (up \$11 to \$143), while Health & Disability also saw a small gain (up \$3 to \$158).

Other charities had the lowest average donation (\$127), but experienced the biggest increase (\$12) in average donation size over the year to August 2015.

Average donation size increased in nearly all age groups (led by over the 55s), except for the very youngest donors...

There is a positive correlation between annual average donation size and age, with average donation size smallest for 15-24 year olds (\$141) and highest for over 65s (\$451).

In the year to August 2015, average donation size increased in most categories, led by over 65s (up \$21), followed by 55-64 year olds (up \$13 to \$428). More modest gains were seen in the 45-54 age group (up \$4 to \$382) and for 25-34 year olds (up \$1 to \$228), but was unchanged for 35-44 year olds (\$311).

In contrast, average donation size among 15-24 year olds fell \$1 to \$141, against a backdrop of elevated levels of youth unemployment and typically lower disposable incomes.

Chart 16: Average Annual Donation per Donor (A\$)

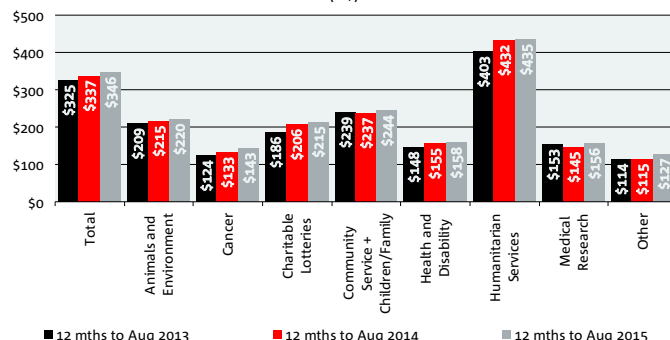
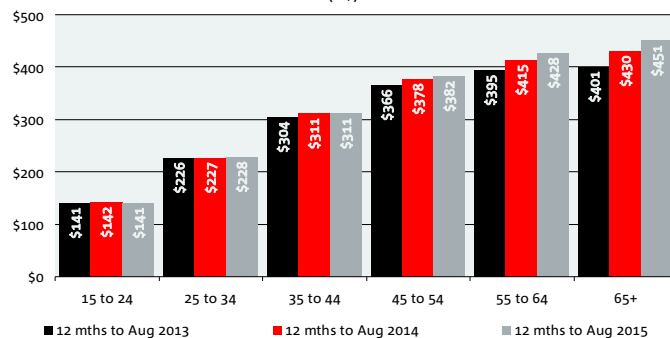


Chart 17: Average Annual Donation per Donor by Age (A\$)



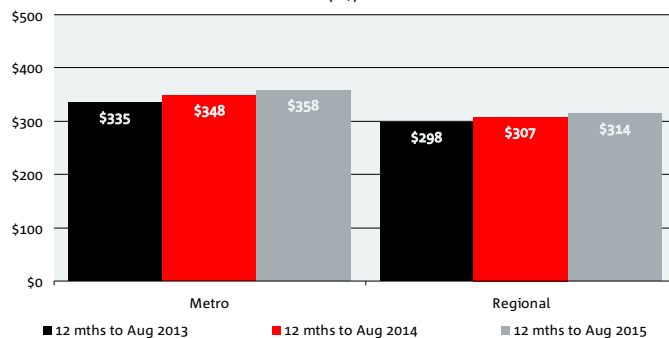
Average donation size increased in both metropolitan and regional areas, but the gap in average donation size widened in favour of metropolitan donors...

By region, the average annual donation per donor increased in both metropolitan (up \$10 to \$358) and regional (up \$7 to \$314) areas.

However, average donation size was \$44 higher in metropolitan areas than in regional areas, up from \$41 in the year to August 2014.

This growing discrepancy may reflect better economic conditions in metropolitan areas relative to rural Australia.

Chart 18: Average Annual Donation per Donor by Region (A\$)



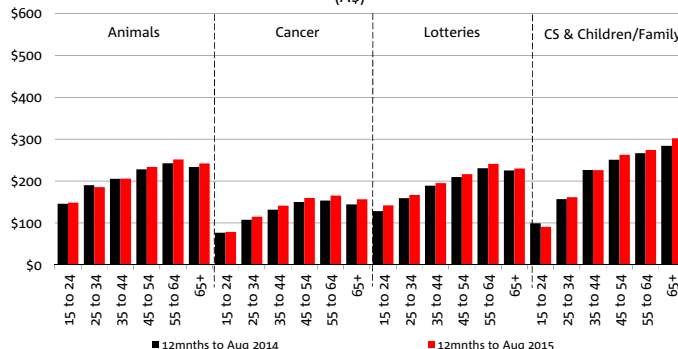
Cancer, Charitable Lotteries and Other charities were the only categories to experience an increase in average donation size in all age groups...

There is typically also a strong positive correlation between age and average donation size across most charity categories.

Australians aged over 65 had the biggest average donation for Community Service and Children/Family (\$302), Health and Disability (\$194) and Other (\$180) charities in the year to August 2015.

Those aged 55-64 had the biggest average donation for Animals and Environment (\$252), Cancer (\$165), Lotteries (\$241) and Humanitarian Services (\$520) charities, while Australians aged 45-54 had the biggest average donation to Medical Services (\$172) charities.

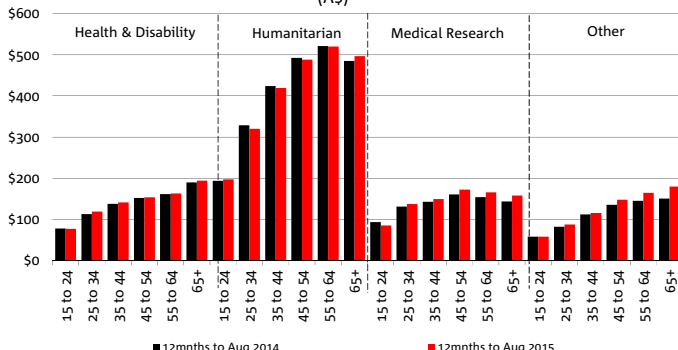
Chart 19: Average Annual Donation per Donor by Age (A\$)



Cancer, Charitable Lotteries and Other charities were the only categories to experience an increase in average donation size in all age groups.

It was also notable that despite attracting the biggest average donation across all age groups, the average donation size to Humanitarian Services fell in four age groups (25-34, 35-44, 45-54 and 55-64).

Chart 20: Average Annual Donation per Donor by Age (A\$)



Average donation size also fell in the 25-34 age group for Animals and Environment, in the 15-24 and 35-44 age groups for Community Service and Children/Family, in the 15-24 age group for Health and Disability and the 15-24 age group for Medical Research charities.

Humanitarian Services had the highest average donation per donor in both metropolitan and regional locations; Other charities had the lowest...

The average annual donation size increased in nearly all charity categories in both metropolitan and regional areas, except Humanitarian Services in regional areas where it was unchanged.

Humanitarian charities continued to enjoy the biggest average donation in both metropolitan (\$443) and regional (\$408) areas. In contrast, Other charities had the smallest donation size (\$131 in the metropolitan area and \$115 in regional areas).

Despite the contraction in the rate of charitable giving growth to Cancer and Health and Disability charities in metropolitan areas, average donation size increased by \$10 to \$143 for Cancer and by \$4 to \$162 for Health and Disability charities.

A similar trend was also evident in donation size to Health and Disability Charities in regional areas, where average donation size increased by \$1 to \$148, despite a -1.3% contraction in overall regional giving to Health and Disability charities.

Among some other key trends, average donation size to Animals and Environment, Community Service and Children/Family, Health and Disability, Humanitarian Services, Medical Research and Other charities was bigger in metropolitan areas, whereas average donation size to Cancer and Charitable Lotteries was bigger in regional areas.

Chart 21: Average Annual Donation per Donor: Metro (A\$)

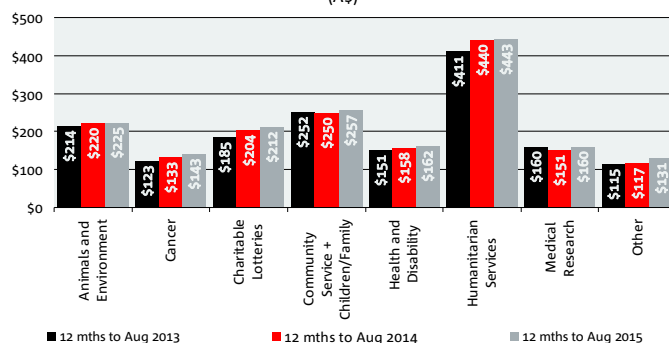
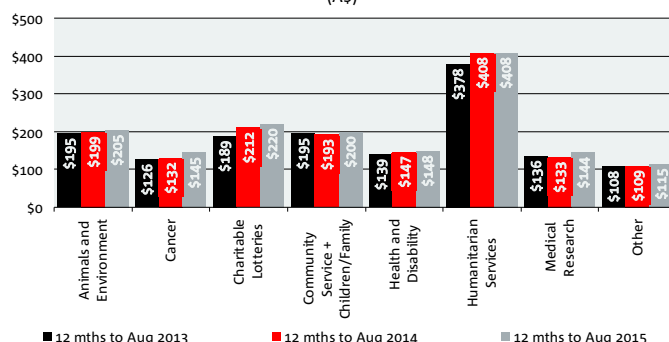


Chart 22: Average Annual Donation per Donor: Regional (A\$)



Charitable Giving By Postcode

Middle Park (3206) was the most generous (donating \$342). In terms of income, Castlemaine (3450) was the most generous, donating 0.36% of their incomes to charity.

Chart 23: Top 20 Postcodes for Charitable Giving: Australia
(average donation per person, 12 months to August 2015)

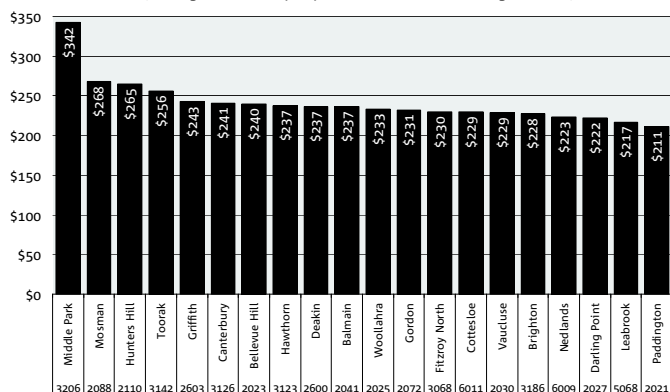
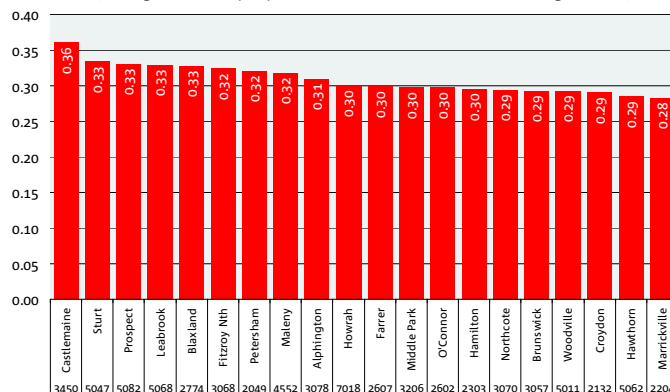


Chart 24: Top 20 Postcodes for Charitable Giving: Australia
(average donation per person, % of income, 12 months to August 2015)



Among the top 20 suburbs for charitable giving in Australia, Middle Park (3206) was the most generous, donating on average \$342 per person, or almost 4 times the national average. Mosman (2088) was the next most generous postcode, donating on average \$268, followed by Hunters Hill (2110) with \$265, Toorak (3142) with \$256 and Griffith (2603) with \$243.

The most generous postcodes in the top 20 for dollar giving are also typically higher income areas. According to the latest data from the Australian Taxation Office, average taxable incomes in the top 20 postcodes amounted to around \$116,000, more than double the national average of \$56,390. Leabrook (5068) in SA with an average income of almost \$66,000 and Fitzroy North (3068) in Victoria, with an average income of around \$71,000, were the exceptions in this group.

A different picture of generosity emerges when average donations are expressed as a percentage of income. In this instance, Castlemaine (3450), with an average income of around \$41,500 ranked as the most generous postcode in Australia donating 0.36% of their average incomes to charity.

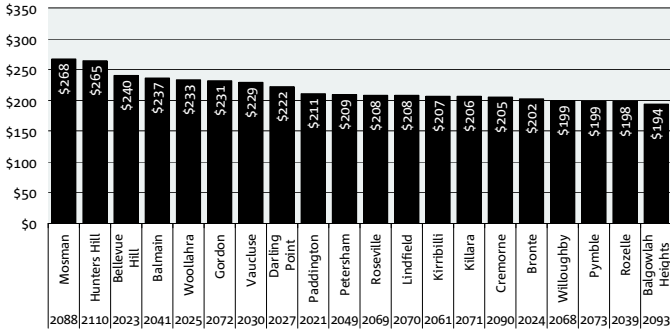
Sturt (5047), Prospect (5082) and Leabrook (5068), which are all located in the under-performing South Australian economy, and Blaxland (2774) in NSW, were the next most generous postcodes donating 0.33% of their average income to charity.

Interestingly, the average income in the top 20 postcodes for charitable giving by income share was around \$61,000, just ahead of the national average. Middle Park (3206), with an average donation equivalent to 0.30% of their average income, was the only postcode to also report a significantly higher average income (around \$115,000). Middle Park (3206) was, along with Fitzroy North (3068) and Leabrook (5068), one of only 3 postcodes to also feature in the top 20 for charitable giving in absolute dollar terms and as a proportion of income.

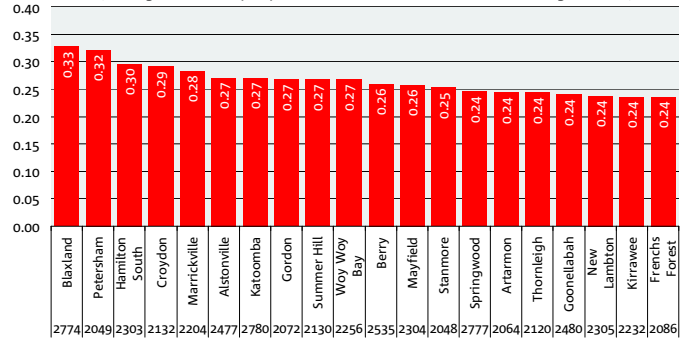
More detailed postcode rankings by each individual state are contained in the Postcode Charts below.

Postcode Charts

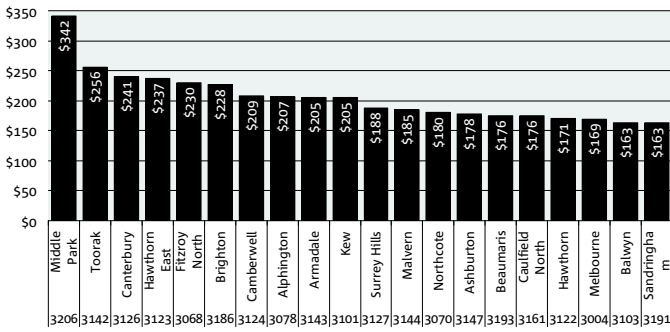
Top 20 Postcodes for Charitable Giving: NSW
(average donation per person, 12 months to August 2015)



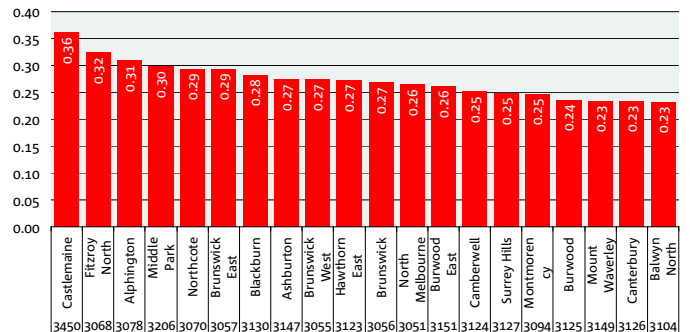
Top 20 Postcodes for Charitable Giving: NSW
(average donation per person, % of income, 12 months to August 2015)



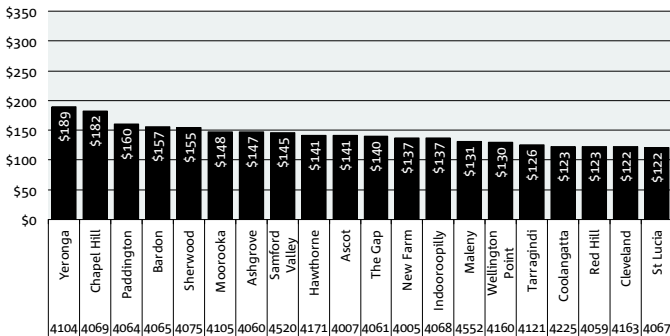
Top 20 Postcodes for Charitable Giving: VIC
(average donation per person, 12 months to August 2015)



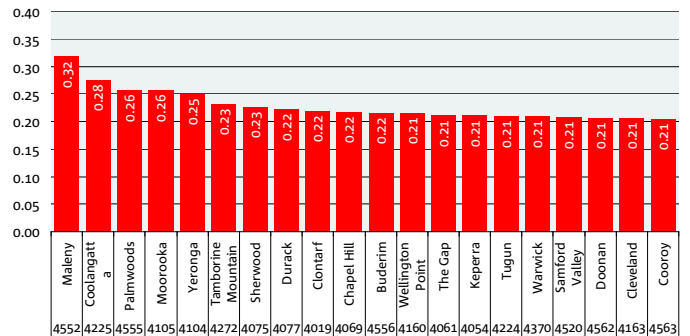
Top 20 Postcodes for Charitable Giving: VIC
(average donation per person, % of income, 12 months to August 2015)



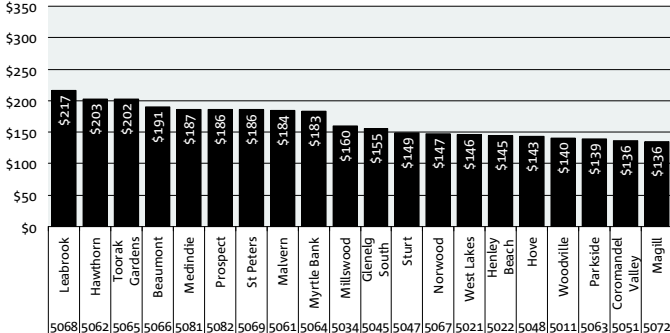
Top 20 Postcodes for Charitable Giving: QLD
(average donation per person, 12 months to August 2015)



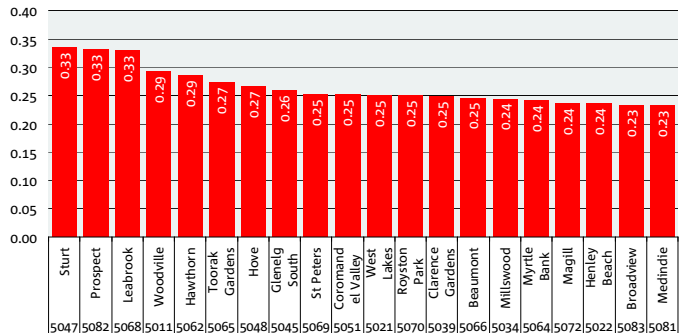
Top 20 Postcodes for Charitable Giving: QLD
(average donation per person, % of income, 12 months to August 2015)



Top 20 Postcodes for Charitable Giving: SA
(average donation per person, 12 months to August 2015)

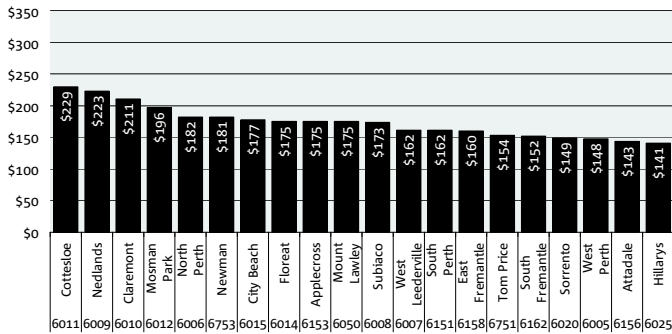


Top 20 Postcodes for Charitable Giving: SA
(average donation per person, % of income, 12 months to August 2015)

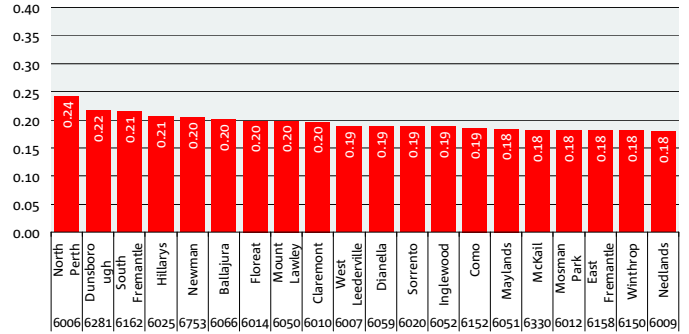


Postcode Charts (continued)

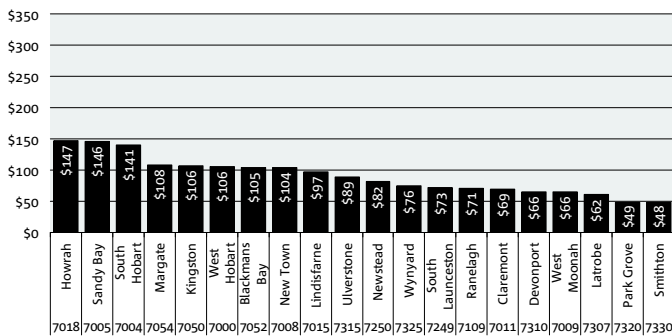
Top 20 Postcodes for Charitable Giving: WA
(average donation per person, 12 months to August 2015)



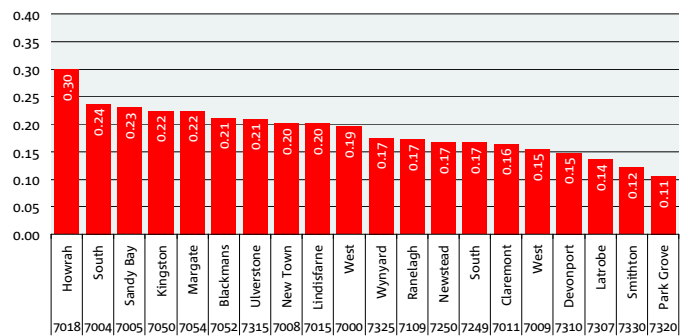
Top 20 Postcodes for Charitable Giving: WA
(average donation per person, % of income, 12 months to August 2015)



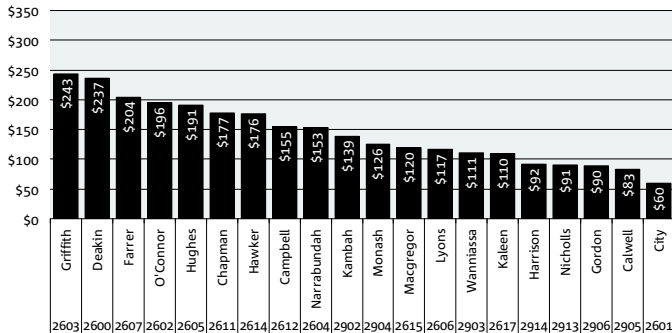
Top 20 Postcodes for Charitable Giving: TAS
(average donation per person, 12 months to August 2015)



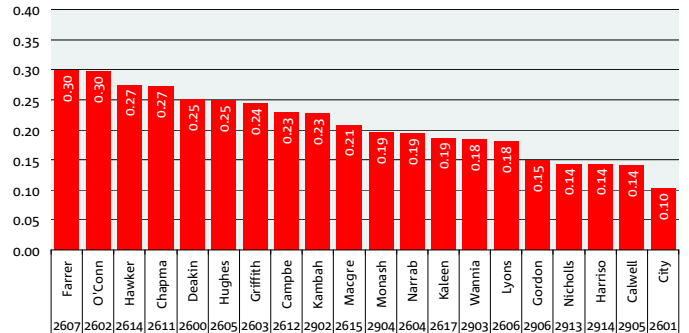
Top 20 Postcodes for Charitable Giving: TAS
(average donation per person, % of income, 12 months to August 2015)



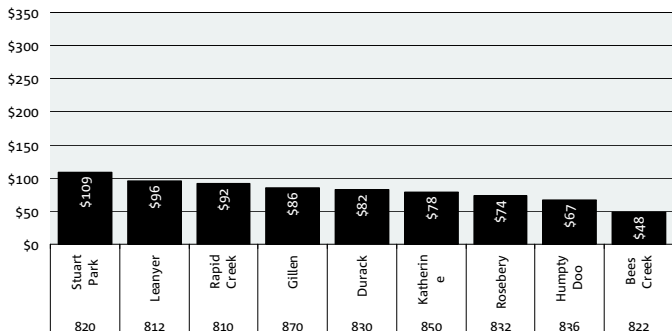
Top 20 Postcodes for Charitable Giving: ACT
(average donation per person, 12 months to August 2015)



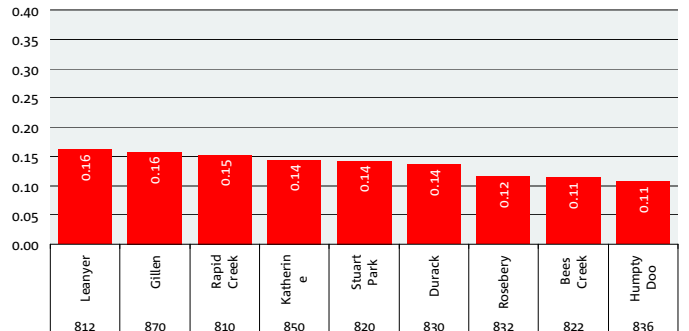
Top 20 Postcodes for Charitable Giving: ACT
(average donation per person, % of income, 12 months to August 2015)



Top Postcodes for Charitable Giving: NT
(average donation per person, 12 months to August 2015)



Top Postcodes for Charitable Giving: NT
(average donation per person, % of income, 12 months to August 2015)





About Quantum

Quantium is Australia's leading data analytics and marketing strategy firm. Quantum has worked with NAB for more than 6 years, assessing de-identified transaction data to derive insights, trends and shopping habits of different customer groups. The resulting analysis forms Market Blueprint and is used by NAB and other businesses to drive innovation and business performance through customer, distribution and marketing strategies.

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To discuss this report in more detail, please speak
with your NAB Relationship Manager, email
community@nab.com.au, or contact:

Alan Oster

Group Chief Economist
National Australia Bank
+61 (0) 3 8634 2927
Alan.Oster@nab.com.au

Tony Davis

Director
Quantium
+61 (0) 2 9292 6400
Tony.Davis@quantium.com.au