NAB CUSTOMER SPENDING BEHAVIOURS

EXPLORING THE SPENDING BEHAVIOURS OF NAB CUSTOMERS - Q1 2017

NAB Behavioural & Industry Economics embargoed until 11.30am Wednesday 31 May 2017

In this report, NAB explores the spending behaviours of our customers, excluding things such as mortgages, other credit repayments and government services. By examining around 4 million daily transactions, we show where spending is growing fastest and what customers are spending on. Given the size of NAB's customer base, this provides an indication of national and regional trends. NAB's customer spending growth slowed in Q1 across all capital city metropolitan areas and regions (except Tasmania). Spending growth was fastest for Arts & Recreation Services, Finance & Insurance and Accommodation & Food Services. There was little growth in spending on Retail Trade. The biggest contribution to total spending growth came from Accommodation & Food Services - over one third - well ahead of Retail Trade (around one quarter).

HIGHLIGHTS:

- **How has spending changed?** - Customer spending growth in Australia slowed (2.0% y/y in Q1 2017, down from 3.1% y/y in the previous quarter). Average monthly spending fell to $1,997 in metro ($2,171 in Q4) and $1,866 in regions ($2,021 in Q4).
- **Where is spending growing fastest across capital cities?** - Growth slowed in all cities relative to Q4 except Hobart (6.2%). Canberra (5.2%), Sydney (2.6%) and Melbourne (2.4%) were next fastest, and Perth (-2.8%) and Adelaide (0.0%) slowest.
- **Which states contributed most to spending growth?** - VIC, NSW and QLD contributed around 97% to total customer spending growth in Q1. WA detracted 7%. By region, Greater Melbourne and Sydney accounted for 53% of all customer spending growth. Regional NSW, VIC and QLD added around 42%.
- **Which postcodes grew fastest in metropolitan areas?**
  - In **AUS**, spending growth was fastest in Hall ACT 2618 (35.8%), Bardon QLD 4065 (23.7%), Red Hill VIC 3937 (21.0%), Belmont QLD 4153 (20.6%), Yarralumla ACT 2618 (18.9%), Riverview QLD 4303 (18.3%) & Georges Hall NSW 2198 (18.1%).
  - In **NSW**, spending growth was fastest in Georges Hall 2198 at 18.1%, Tahmoor 2573 (16.4%) and Bringelly 2556 (15.5%).
  - In **VIC**, Red Hill 3937 (21.0%), Bunyip 3815 (17.0%) and Abbotsford 3067 (14.8%).
  - In **QLD**, Bardon 4065 (23.7%), Belmont 4153 (20.6%) and Riverview (4303 (18.3%).
  - In **SA**, Parafield Gardens 5107 (13.1%), Stirling 5152 (10.4%) and Westlakes 5021 (9.1%).
  - In **WA**, Darlington 6070 (8.9%), Nedlands 6009 (6.1%) and Mosman Park 6012 (4.6%).
- **What about regional areas?** - Spending growth also slowed in all regional areas (except TAS) relative to Q4. However growth in regional areas (3.2%) continued to outpace Greater Metropolitan or "City" areas (1.6%). Regional growth was fastest in NSW (4.4%) and VIC (4.1%) and slowest in WA (1.0%), QLD (2.1%) and TAS (2.5%). See individual state pages below.
- **What type of spending grew fastest?** - Arts & Recreation Services (12.0%), Financial & Insurance Services (7.9%), Accommodation & Food Services (7.5%) and Other Services (5.4%) were fastest. Transport, Postal & Warehousing (-3.7%), Education and Training (-1.9%) and Construction (-0.6%) were slowest.
- **How much did each type of spending contribute to overall growth?** - Accommodation & Food Services (34.3%), Retail Trade (23.2%), Financial & Insurance Services (17.0%) and Other Services (12.0%) contributed the most to overall customer spending growth in Q1.

NAB Customer Spending: by state (% y/y)

	Q4 2016		Q1 2017	
	Metro	Regional	Metro	Regional
NSW	4.2%	5.3%	2.6% ↓	4.4% ↓
VIC	4.1%	4.2%	2.4% ↓	4.1% ↓
QLD	2.1%	3.4%	1.0% ↓	2.1% ↓
SA	3.8%	3.7%	0.0% ↓	2.8% ↓
WA	0.0%	1.4%	-2.8% ↓	1.0% ↓
TAS	4.9%	2.4%	6.2% ↑	2.5% ↑
NT	2.8%	3.9%	1.6% ↓	3.7% ↓
ACT	5.5%		5.2% ↓	
AUSTRALIA	**2.9%**	**3.5%**	**1.6% ↓**	**3.2% ↓**

Customer spending excludes government services, taxes, direct to consumer manufacturers, mortgage and other credit facility repayments.

NAB Customer Spending: by industry sector (% y/y)

	Q4 2016	Q1 2017
Accommodation & Food Services	14.3%	7.5% ↓
Administrative & Support Services	3.0%	4.3% ↑
Arts & Recreation Services	21.8%	12.0% ↓
Construction	0.6%	-0.6% ↓
Education & Training	-0.1%	-1.9% ↓
Electricity, Gas, Water & Waste	1.4%	1.3% ↓
Finance & Insurance Services	5.4%	7.9% ↑
Healthcare & Social Assistance	2.3%	1.9% ↓
Info, Media & Telecoms	1.5%	0.8% ↓
Other Services	7.3%	5.3% ↓
Professional, Scientific, Tech Serv.	1.7%	0.7% ↓
Rental, Hiring, Real Estate Services	-4.2%	1.4% ↑
Retail Trade	2.5%	1.0% ↓
Transport, Postal & Warehousing	-2.4%	-3.7% ↓
Wholesale Trade	4.6%	3.6% ↓

OVERALL GROWTH IN NAB CUSTOMER SPENDING ($) BY DIVISON & STATE

(percentage change Q1 2017 on Q1 2016)

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	AUS
Transport, Postal & Warehousing	-2.8	-4.4	-3.0	-2.5	-7.3	-1.3	-6.0	-1.8	-3.7
Education & Training	2.3	-1.9	-3.6	-2.4	-9.9	0.8	-18.3	-2.0	-1.9
Construction	-1.5	4.5	-2.6	4.8	-10.7	10.5	-13.6	2.9	-0.6
Professional, Scientific & Tech. Serv.	-0.6	4.0	-1.8	-1.3	-3.1	18.6	13.7	8.3	0.7
Information, Media & Telecoms	2.3	0.7	0.4	0.5	-1.0	-1.8	0.9	0.7	0.9
Retail Trade	2.0	2.1	0.4	0.9	-4.1	3.8	1.4	3.3	0.9
Electricity, Gas, Water & Waste Serv.	6.3	-2.2	6.9	-6.6	-3.5	1.9	-5.0	-10.8	1.0
Rental, Hiring & Real Estate Services	2.4	3.7	-0.9	-7.1	-2.0	-7.4	0.0	6.9	1.3
Healthcare & Social Assistance	4.3	1.5	0.1	1.1	-1.5	6.3	4.1	6.4	1.9
Wholesale Trade	9.3	-4.7	-1.2	-4.0	18.8	-9.4	61.0	-5.0	3.6
Administrative & Support Services	6.4	2.4	5.2	4.4	0.3	0.7	6.0	13.1	4.3
Other Services	4.9	7.4	4.9	-2.8	5.4	5.9	8.5	13.2	5.4
Accommodation & Food Services	9.2	8.0	5.8	8.2	3.9	8.6	8.0	10.0	7.5
Financial & Insurance Services	6.4	10.8	8.9	-2.9	7.3	9.9	13.4	16.7	7.9
Arts & Recreation Services	6.6	16.5	13.4	12.0	10.7	18.9	-6.3	6.3	12.0

Fastest growing by division   Slowest growing by division

SUMMARY:

Overall Customer spending in Australia

- Based on NAB's transaction data (including BPAY), customer spending grew 2.0% y/y in Q1 2017, down from 3.1% y/y in the previous quarter.
- Average monthly spending during the quarter fell to $1,997 in metropolitan areas ($2,171 in Q4) and $1,866 in regions ($2,021 in Q4).

Overall Customer spending - metropolitan versus regional

- Spending growth in regional areas (3.2%) continued to outpace spending growth in greater metropolitan or "city" areas (1.6%).
- In regional areas, spending growth was fastest in NSW (4.4%), VIC (4.1%), the NT (3.7%) and SA (2.8%) and was slowest in WA (1.0%), QLD (2.1%) and TAS (2.5%).
- In capital cities (ABS definitions), customer spending growth was fastest in Hobart (6.2%), Canberra (5.2%), Sydney (2.6%) and Melbourne (2.4%). It was slowest in Perth (-2.8%) and Adelaide (0.0%).
- NAB customer spending growth slowed in all cities and regions relative to Q4 (except in TAS).

Fastest growing Local Government Areas (LGAs)

- Fastest growing metropolitan LGAs in Australia were Brighton TAS (10.9%), Derwent Valley TAS (8.1%), Hobart TAS (6.9%), Kingborough TAS (6.5%), Somerset QLD (6.1%), Glenorchy TAS (6.0%) and Willoughby NSW (5.6%).
- Fastest growing regional LGAs were Walgett NSW (28.7%), Yarriambiack VIC (21.0%), Gannawarra VIC (20.0%), Inverell NSW (19.9%) and Lachlan NSW (17.8%).
- The top 30 fastest growing Australian metro and regional LGAs and the top 5 fastest growing metro and regional LGAs for each state are shown in Appendix 2.

Fastest growing postcodes - metropolitan

- In Australia, customer spending grew fastest in Hall ACT 2618 (35.8%), Bardon QLD 4065 (23.7%), Red Hill VIC 3937 (21.0%), Belmont QLD 4153 (20.6%), Yarralumla ACT 2618 (18.9%), Riverview QLD 4303 (18.3%) and Georges Hall NSW 2198 (18.1%).
- See state sheets below for top 20 fastest growing metropolitan postcodes for each state.

Fastest growing postcodes - regional

- In Australia, customer spending grew fastest in Koraleigh NSW 2735 (152.0%), Beulah VIC 3395 (106.7%), Moree Plains NSW 2387 (77.1%), Walpeup VIC 3507 (64.4%), Pallamallawa NSW 2399 (60.5%), Western Downs QLD 4424 (59.2%), Goroke VIC 3412 (59.1%), Toowoomba QLD 4364 (56.9%) and Theodore QLD 4719 (56.3%).

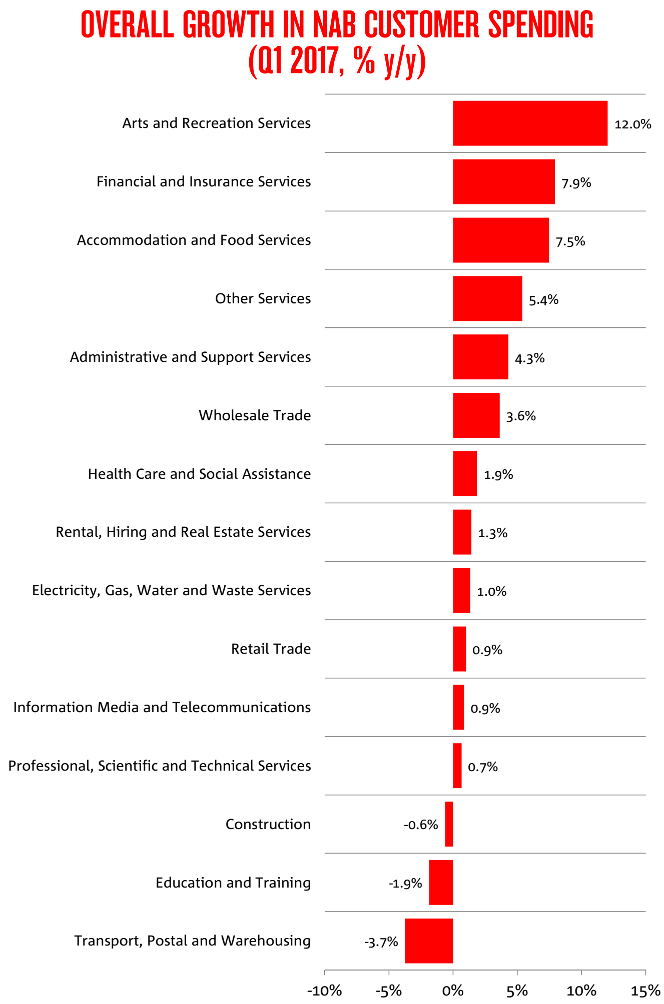
- It is important to note that while these postcodes have a statistically significant number of customers, they may include small area spending data that can be more volatile than larger postcode spending areas.
- See state sheets below for fastest growing metropolitan postcodes for each state.

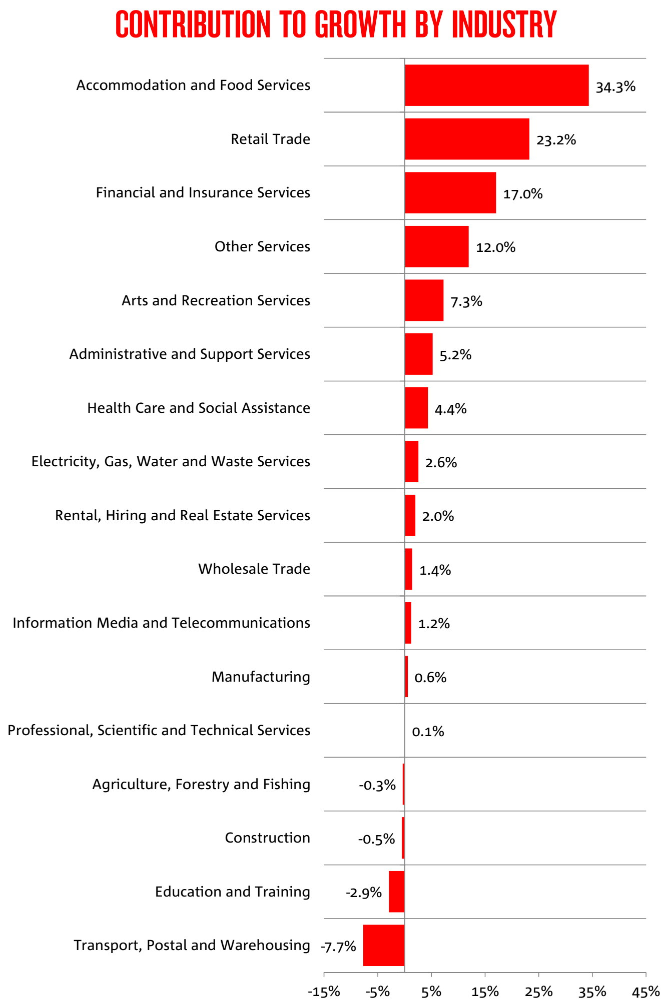
Customer spending growth by industry category

- By category, total spending was fastest for Arts and Recreation Services (12.0%), Financial and Insurance Services (7.9%), Accommodation and Food Services (7.5%) and Other Services (5.4%).
- It was slowest for Transport, Postal and Warehousing (-3.7%), Education and Training (-1.9%) and Construction (-0.6%).

Contributions to spending growth

- In this quarter, we also look at how much each sector contributed to overall spending growth.
- By industry, the biggest contributions came from spending on Accommodation & Food Services (34.3%), Retail Trade (23.2%), Financial & Insurance Services (17.0%) and Other Services (12.0%).
- By state, VIC, NSW and QLD contributed around 97% of total customer spending growth in Q1, while WA detracted 7%.
- By region, Greater Melbourne and Sydney accounted for 53% of all NAB customer spending growth. Regional NSW, VIC and QLD added around 42% (see Appendix 1).

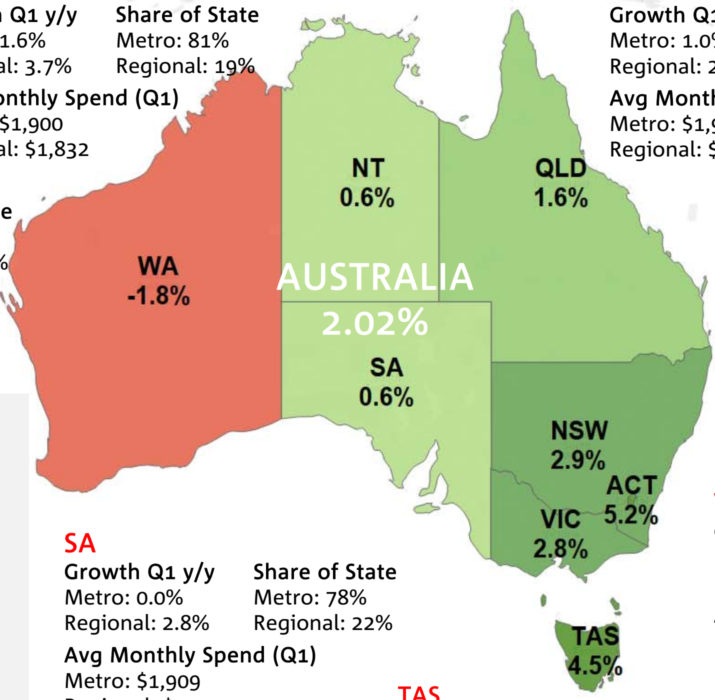




Key changes since last report

- Geographic data has been updated to reflect new 2016 ABS geographical classifications and are therefore NOT directly comparable to NAB's Q4 2016 Customer Spending Behaviours report.
- Industry descriptions have also been updated to reflect ANZSIC 2006 classifications.
- **In order to address these changes, all data presented in this report has been retro-fitted into these new geographical and industry classifications to ensure that the Q4 2016 data in this report is directly comparable to Q1 2017 data. Any data comparisons made to NAB's Q4 2016 report would need to be conscious of these changes.**

NAB CUSTOMER SPENDING BEHAVIOURS - Q1 2017



NT
Growth Q1 y/y
Metro: 1.6%
Regional: 3.7%
Share of State
Metro: 81%
Regional: 19%
Avg Monthly Spend (Q1)
Metro: $1,900
Regional: $1,832

QLD
Growth Q1 y/y
Metro: 1.0%
Regional: 2.1%
Share of State
Metro: 46%
Regional: 54%
Avg Monthly Spend (Q1)
Metro: $1,966
Regional: $1,872

WA
Growth Q1 y/y
Metro: -2.8%
Regional: 1.0%
Share of State
Metro: 77%
Regional: 23%
Avg Monthly Spend (Q1)
Metro: $1,962
Regional: $2,005

NSW
Growth Q1 y/y
Metro: 2.6%
Regional: 4.4%
Share of State
Metro: 61%
Regional: 39%
Avg Monthly Spend (Q1)
Metro: $2,021
Regional: $1,896

AUSTRALIA
Growth Q1 y/y
Metro: 1.6%
Regional: 3.2%
Share of AUS
Metro: 65%
Regional: 35%
Avg Monthly Spend (Q1)
Metro: $1,997
Regional: $1,866

ACT
Avg Monthly Spend (Q1)
$2,103

VIC
Growth Q1 y/y
Metro: 2.4%
Regional: 4.1%
Share of State
Metro: 76%
Regional: 24%
Avg Monthly Spend (Q1)
Metro: $2,020
Regional: $1,815

SA
Growth Q1 y/y
Metro: 0.0%
Regional: 2.8%
Share of State
Metro: 78%
Regional: 22%
Avg Monthly Spend (Q1)
Metro: $1,909
Regional: $1,711

TAS
Growth Q1 y/y
Metro: 6.2%
Regional: 2.5%
Share of State
Metro: 55%
Regional: 45%
Avg Monthly Spend (Q1)
Metro: $1,845
Regional: $1,705

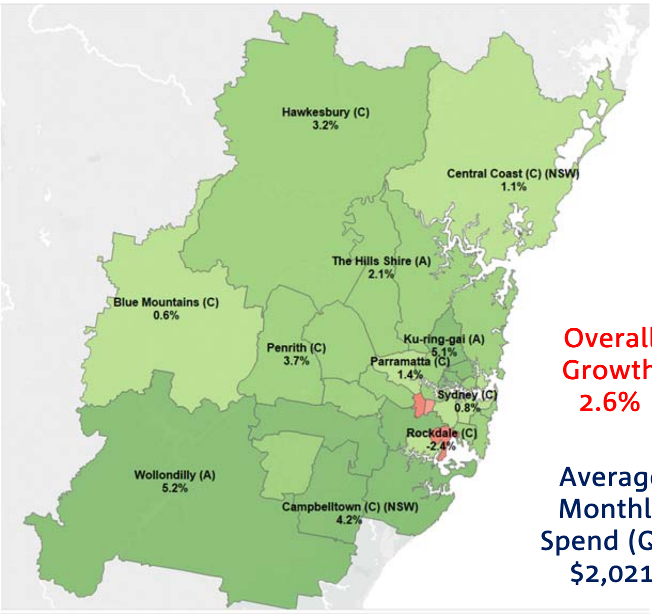
NAB CUSTOMER SPENDING BY STATE:

NSW - SYDNEY GREATER METROPOLITAN AREA

GROWTH IN NAB CUSTOMER SPENDING

(percentage change Q1 2017 on Q1 2016)

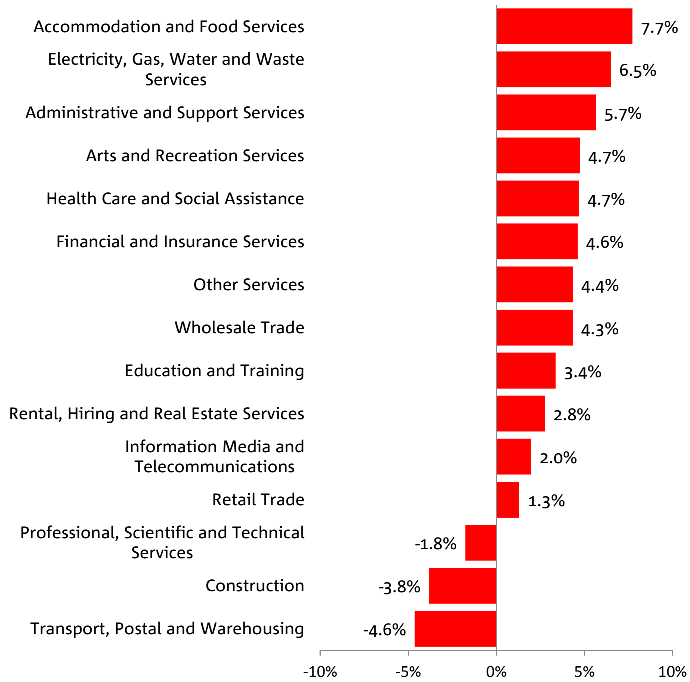
SYDNEY GREATER METROPOLITAN AREA



Overall Growth 2.6%

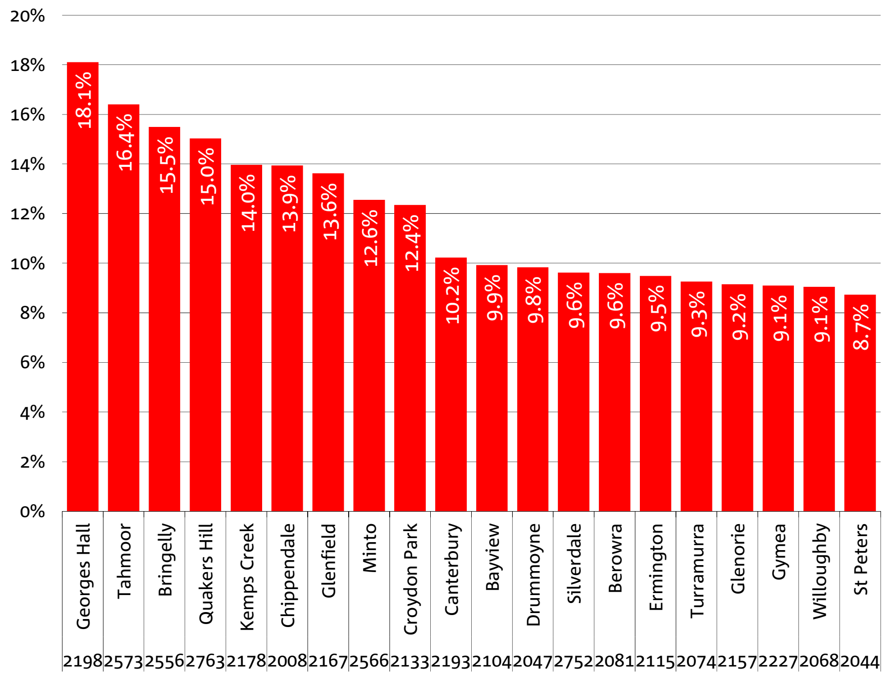
Average Monthly Spend (Q1) $2,021

GROWTH BY SPENDING (%,Y/Y)



Top 20 Postcodes by Spending Growth: Sydney Metro

(Q1 2017 spend value on Q1 2016 spend value)



**postcodes with lower than a statistically significant number of customers were omitted.*

KEY TAKEOUTS

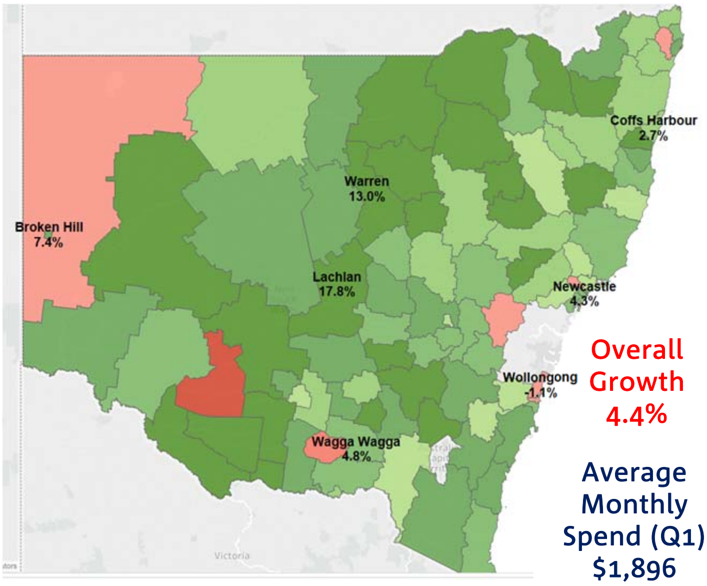
- Overall customer spending in the greater Sydney metropolitan area (ABS definition) grew 2.6% y/y in Q1 2017 (4.2% y/y in Q4 2016).
- Spending growth was fastest for Accommodation & Food Services (7.7%), Electricity, Gas, Water & Waste Services (6.5%) and Administrative & Support Services (5.7%).
- Customer spending fell for Transport, Postal & Warehousing (-4.6%), Construction (-3.8%) and Professional, Scientific & Technical Services (-1.8%).
- By individual postcode, spending growth was fastest in Georges Hall (2198) at 18.1%, Tahmoor 2573 (16.4%), Bringelly 2556 (15.5%) and Quakers Hill 2763 (15.0%).

NSW - REGIONAL (EX. GREATER METRO AREA)

GROWTH IN NAB CUSTOMER SPENDING

(percentage change Q1 2017 on Q1 2016)

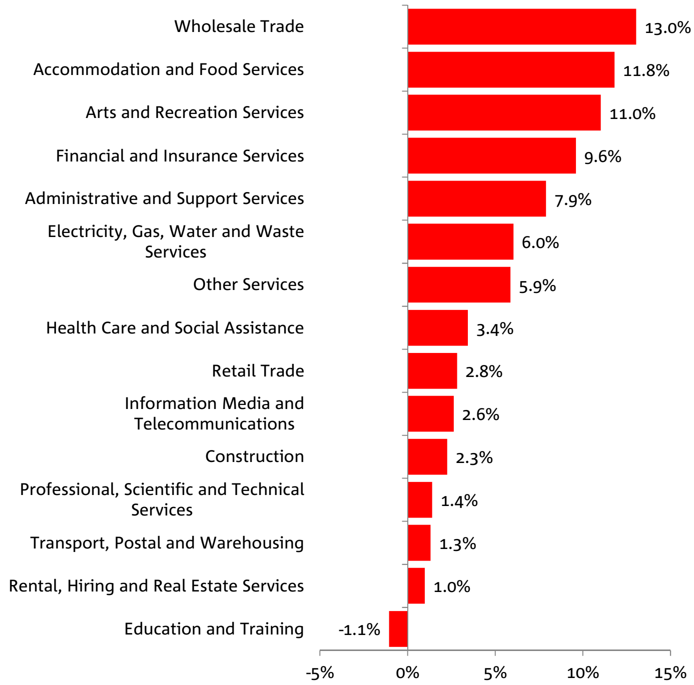
REGIONAL NSW (EX METRO)



Overall Growth 4.4%

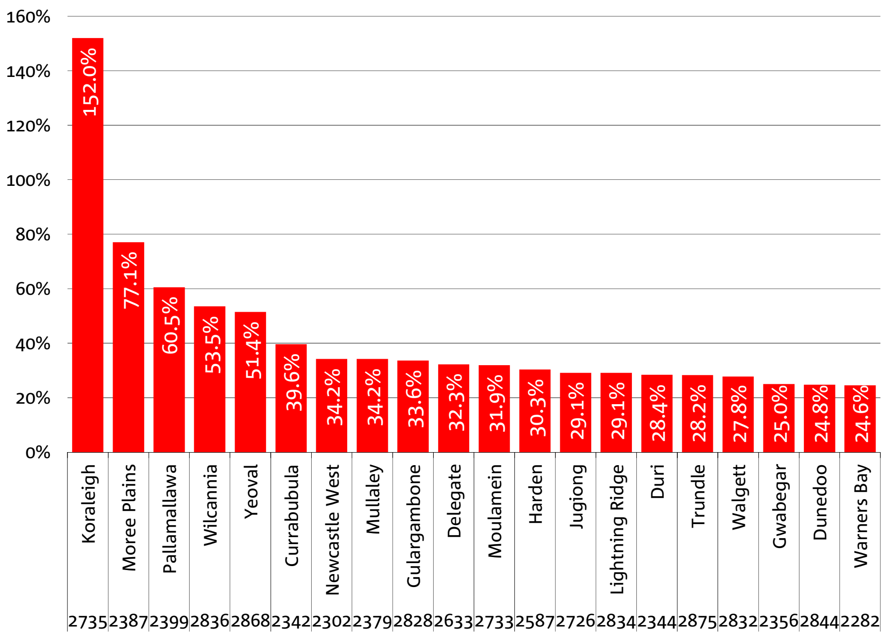
Average Monthly Spend (Q1) $1,896

GROWTH BY SPENDING (%,Y/Y)



Top 20 Postcodes by Spending Growth: NSW Regional

(Q1 2017 spend value on Q1 2016 spend value)



**postcodes with lower than a statistically significant number of customers were omitted.*

KEY TAKEOUTS

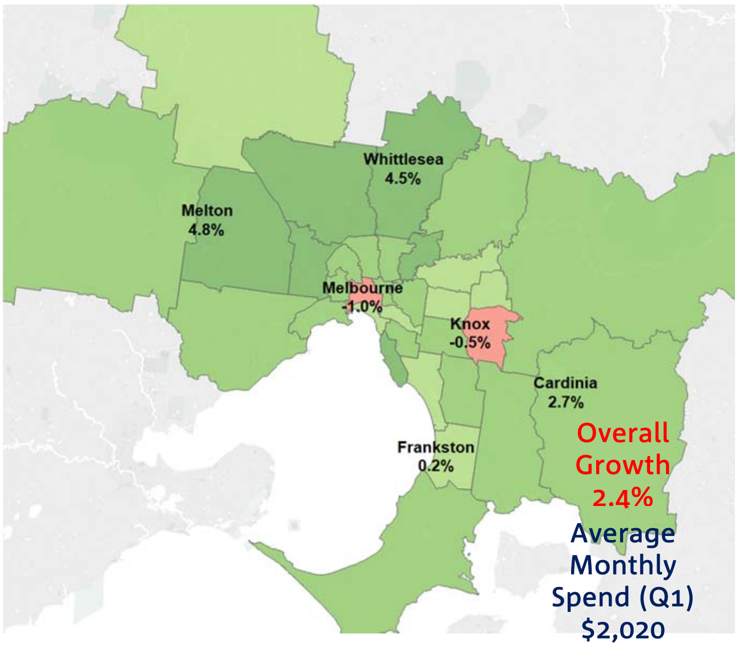
- Overall customer spending in regional NSW (ex metro) grew 4.4% y/y in Q1 2107, down from 5.3% y/y in Q4 2016, but was noticeably stronger than in Sydney metro (2.6%).
- Spending growth in regional NSW was fastest for Wholesale Trade (13.0%). Accommodation & Food Services (11.8%) and Arts & Recreation Services (11.0%).
- Education and Training was the only category to contract (-1.1%). Spending growth for Rental, Hiring & Real Estate Services (1.0%), Transport, Postal & Warehousing (1.3%) and Professional, Scientific & Technical Services (1.4%) was also weak.
- By individual postcode, spending was fastest in Koraleigh 2735 (152.0%), Moree Plains 2387 (77.1%), Pallamallawa 2399 (60.5%) and, Wilcannia 2836 (53.6%).

VIC - MELBOURNE GREATER METROPOLITAN AREA

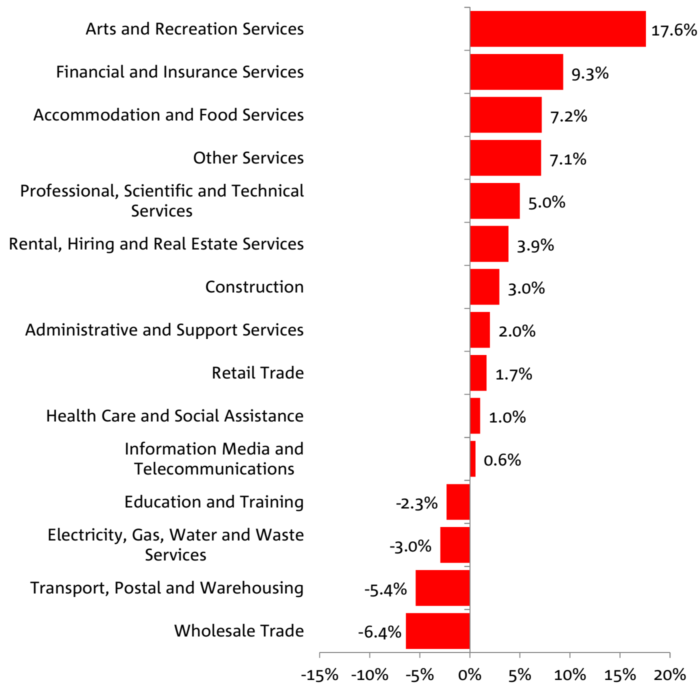
GROWTH IN NAB CUSTOMER SPENDING

(percentage change Q1 2017 on Q1 2016)

MELBOURNE GREATER METROPOLITAN AREA

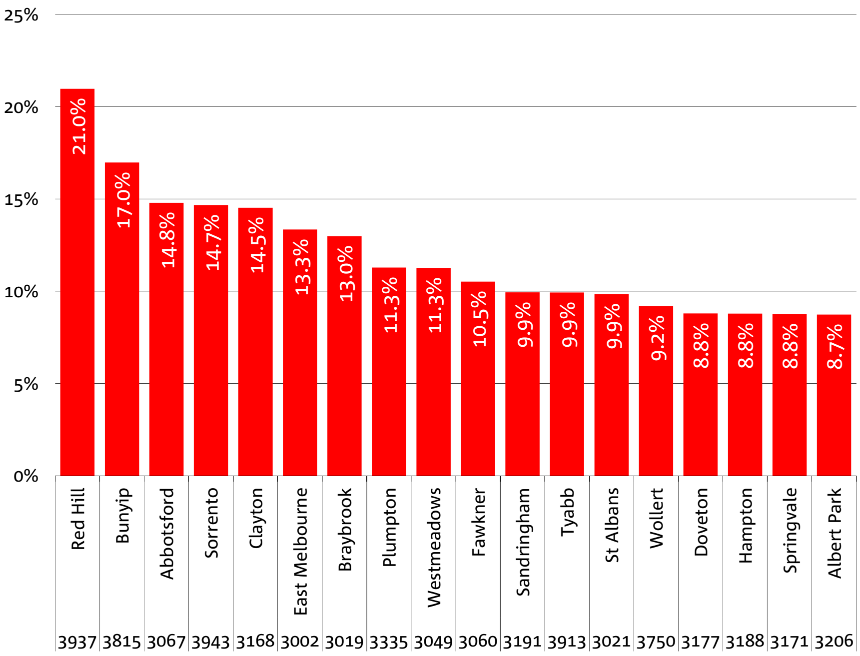


GROWTH BY SPENDING (%,Y/Y)



Top 20 Postcodes by Spend Growth: Melbourne Metro

(Q1 2017 spend value on Q1 2016 spend value)



**postcodes with lower than a statistically significant number of customers were omitted.*

KEY TAKEOUTS

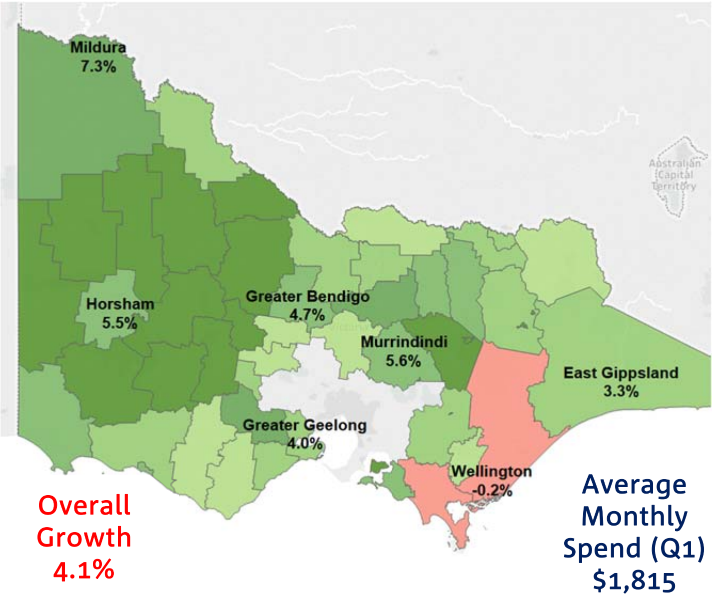
- Customer spending in the greater Melbourne metro area (ABS definition) grew 2.4% y/y in Q1 2017, down from 4.1% y/y in Q4 2016.
- Spending growth was fastest for Arts & Recreation Services (17.6%), Financial & Insurance Services (9.3%), Accommodation & Food Services (7.3%) and Other Services (7.1%).
- Customer spending contracted for Wholesale Trade (-6.4%), Transport, Postal & Warehousing (-5.4%), Electricity, Gas, Water & Waste Services (-3.0%) and Education & Training (-2.3%).
- By individual postcode, spending growth was fastest in Red Hill 3937 (21.0%), Bunyip 3815 (17.0%), Abbotsford 3067 (14.8%), Sorrento 3943 (14.7%) and Clayton 3168 (14.5%).

VIC - REGIONAL (EX. GREATER METRO AREA)

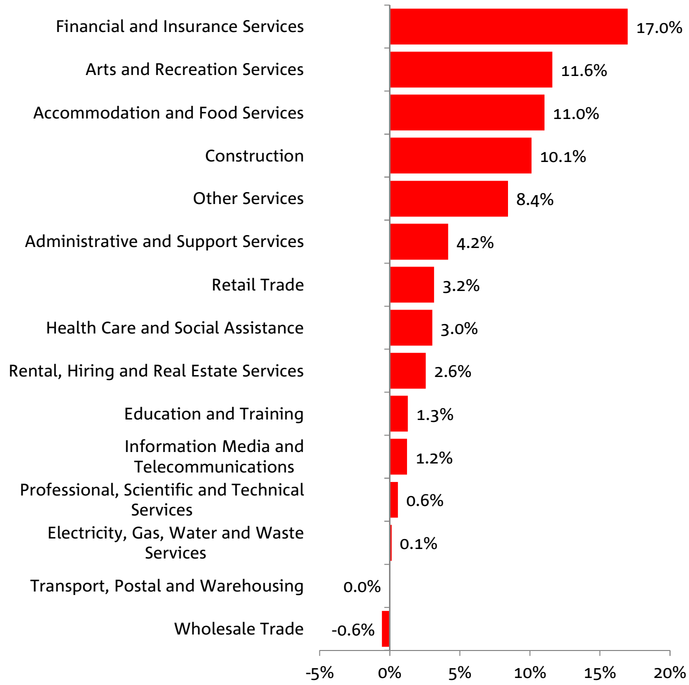
GROWTH IN NAB CUSTOMER SPENDING

(percentage change Q1 2017 on Q1 2016)

REGIONAL VIC (EX METRO)

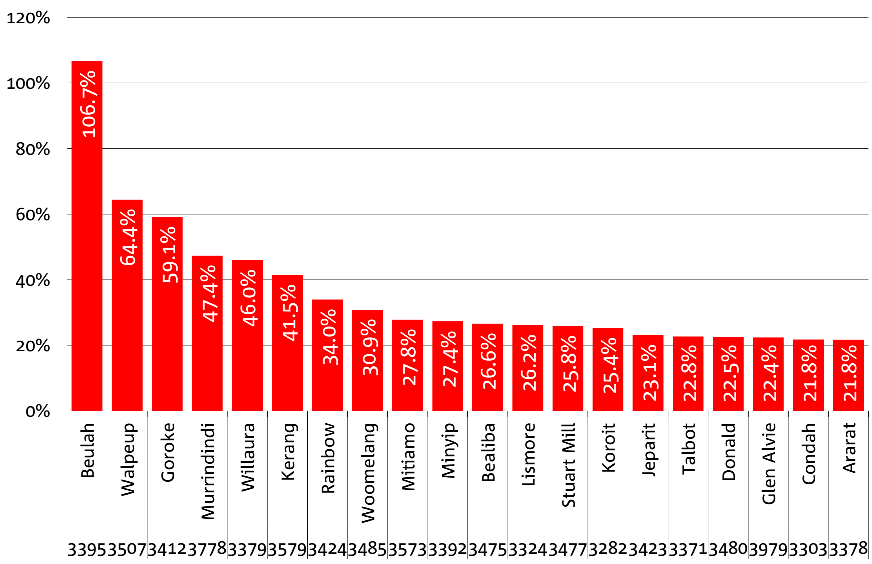


GROWTH BY SPENDING (%,Y/Y)



Top 20 Postcodes by Spending Growth: VIC Regional

(Q1 2017 spend value on Q1 2017 spend value)



**postcodes with lower than a statistically significant number of customers were omitted.*

KEY TAKEOUTS

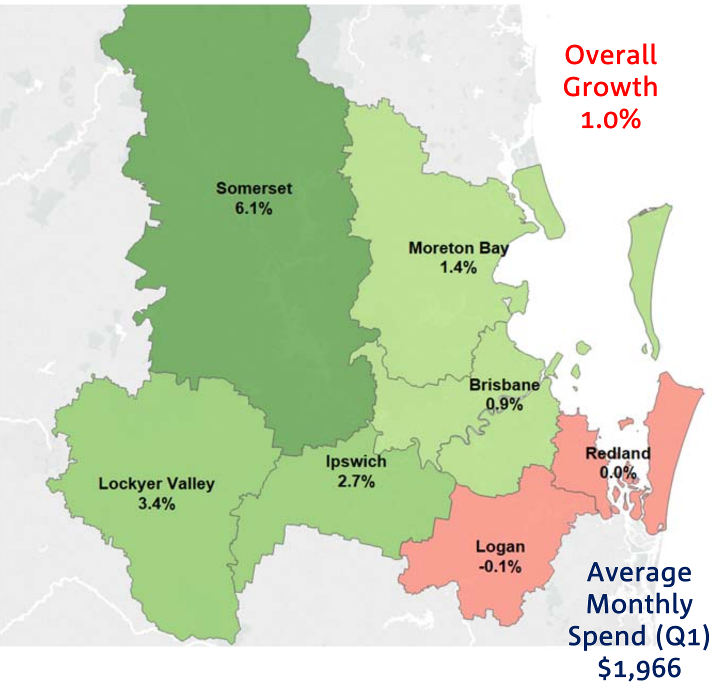
- Customer spending in regional VIC (ex metro) grew 4.1% y/y in Q1 2017, down from 4.2% y/y in Q4 2016, and ahead of Melbourne metro (2.4%).
- Spending growth was fastest for Financial & Insurance Services (17.0%), Arts & Recreation Services (11.6%), Accommodation & Food Services (11.0%) and Construction (10.1%).
- Customer spending on Wholesale Trade fell (-0.6%) and was broadly unchanged for Transport, Postal & Warehousing (0.0%) and Electricity, Gas, Water & Waste Services (0.1%),
- By individual postcode, spending growth was fastest in the Mallee region towns of Beulah (106.7%) and Walpeup 3507 (64.4%) and in Goroke 3412 (59.1%), Murrindindi 3778 (47.4%) and Willaura 3379 (46.0%).

QLD - BRISBANE GREATER METROPOLITAN AREA

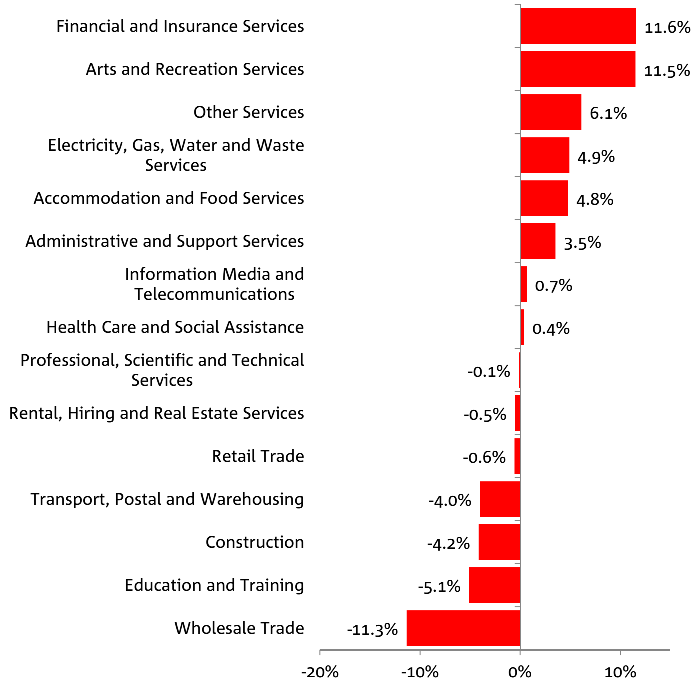
GROWTH IN NAB CUSTOMER SPENDING

(percentage change Q1 2017 on Q1 2016)

BRISBANE GREATER METROPOLITAN AREA

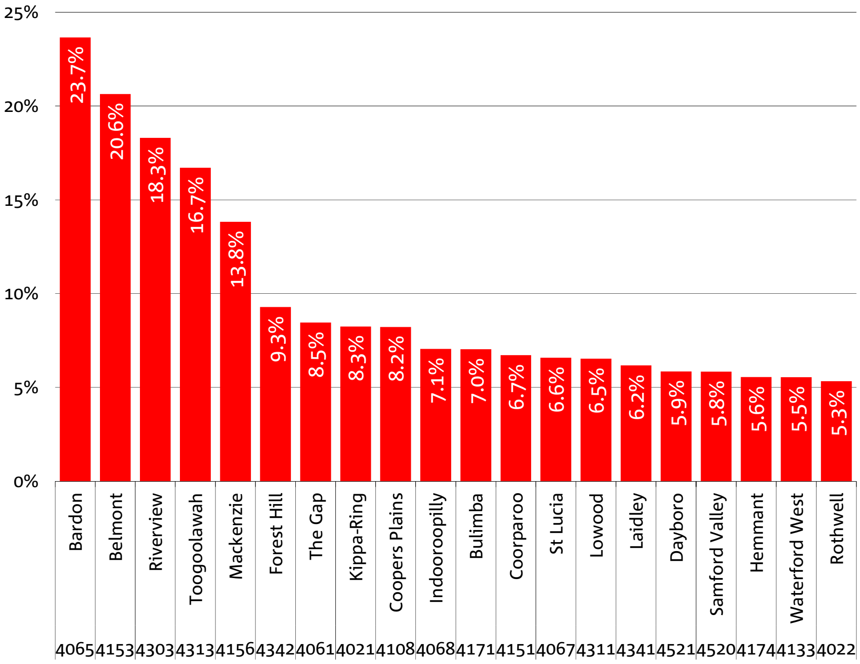


GROWTH BY SPENDING (%,Y/Y)



Top 20 Postcodes by Spend Growth: Brisbane Metro

(Q1 2017 spend value on Q1 2016 spend value)



**postcodes with lower than a statistically significant number of customers were omitted.*

KEY TAKEOUTS

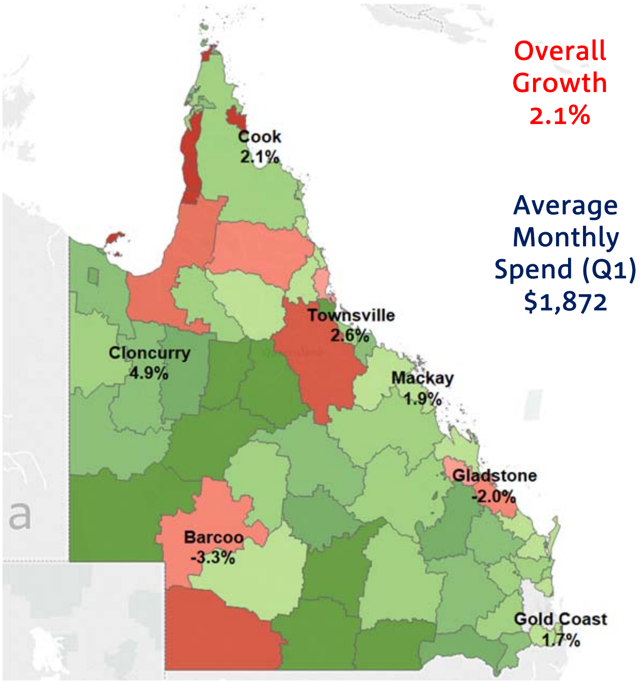
- Customer spending in the greater Brisbane metropolitan area (ABS definition) grew 1.0% y/y in Q1 2017, down from 2.1% y/y in Q4 2016.
- Spending grew fastest for Financial & Insurance Services (11.6%) and Arts & Recreation Services 11.5%).
- Customer spending fell in 7 of 15 spending categories, with the biggest falls in Wholesale Trade (-11.1%), Education & Training (-5.1%), Construction (-4.2%) and Transport, Postal & Warehousing (-4.0%).
- By postcode, overall spending growth was fastest in Bardon 4065 (23.7%), Belmont 4153 (20.6%), Riverview (4303 (18.3%) and Toogoolawah 4313 (16.7%).

QLD - REGIONAL (EX. GREATER METRO AREA)

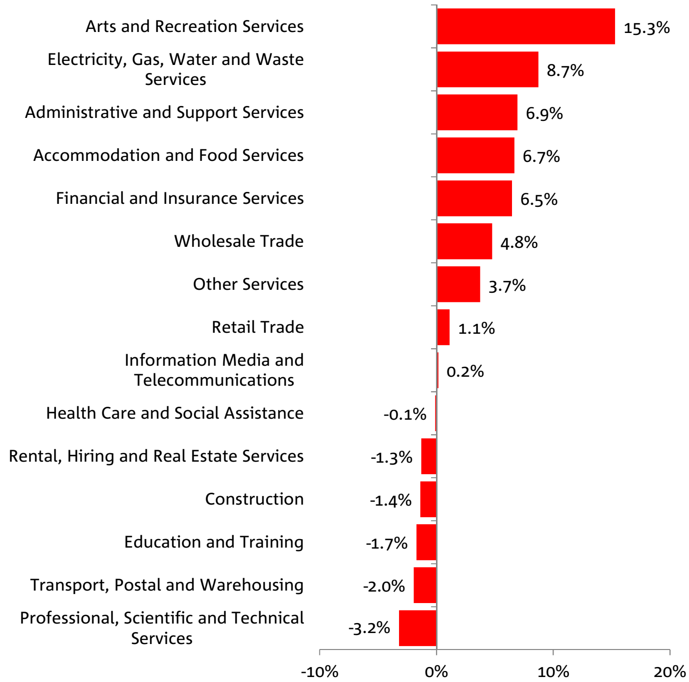
GROWTH IN NAB CUSTOMER SPENDING

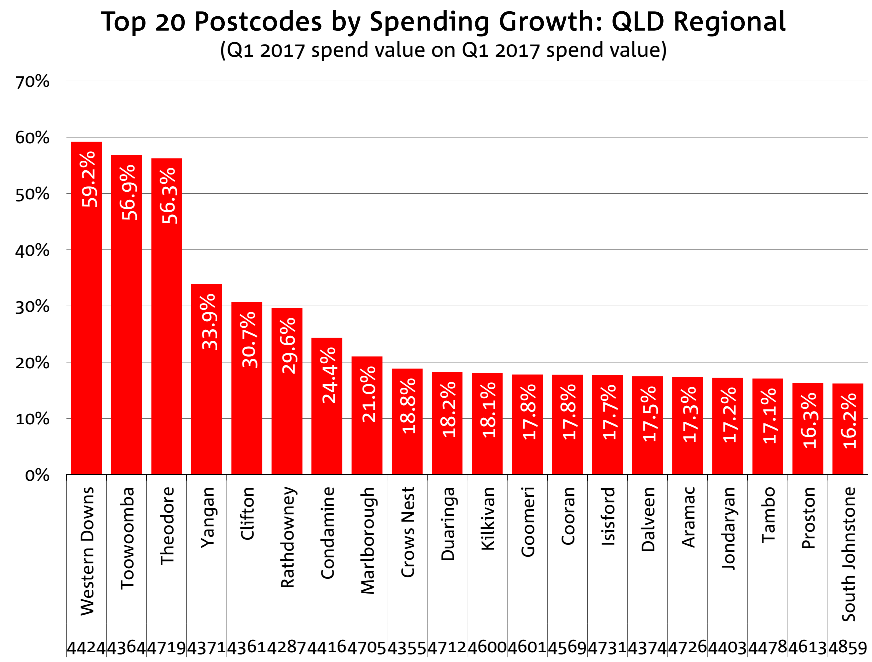
(percentage change Q1 2017 on Q1 2016)

REGIONAL QLD (EX METRO)



GROWTH BY SPENDING (%,Y/Y)





**postcodes with lower than a statistically significant number of customers were omitted.*

KEY TAKEOUTS

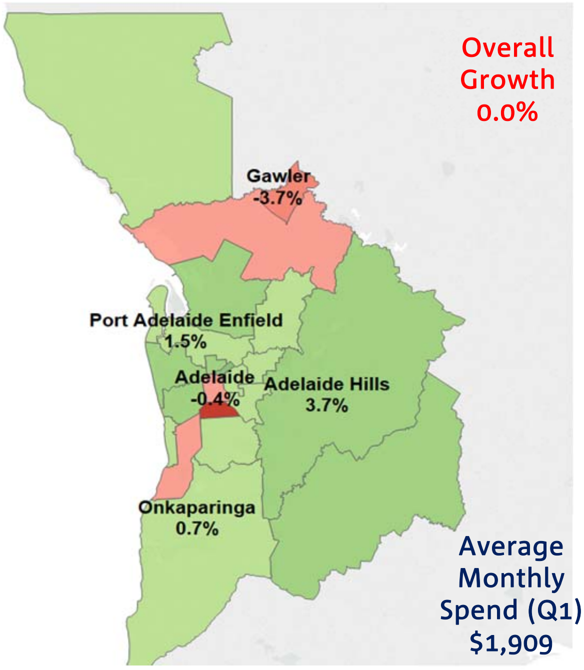
- Customer spending in regional QLD grew 2.1% y/y in Q1 2017, down from 3.4% y/y in Q4 2016, and around double that in Brisbane metro (1.0%).
- Spending growth was fastest for Arts & Recreation Services (15.3%), followed by Electricity, Gas, Water & Waste Services (8.7%), Administrative & Support Services (6.9%) and Accommodation & Food Services (6.7%).
- NAB customer spending growth was weakest for Professional, Scientific & Technical Services (-3.2%), Transport, Postal & Warehousing (-2.0%) and Education & Training (-1.7%) and Construction (-1.4%).
- By postcode, spending growth was fastest in Western Downs 4424 (59.2%), Toowoomba 3644 (56.9%) and Theodore 4719 (56.3%).

SA - ADELAIDE GREATER METROPOLITAN AREA

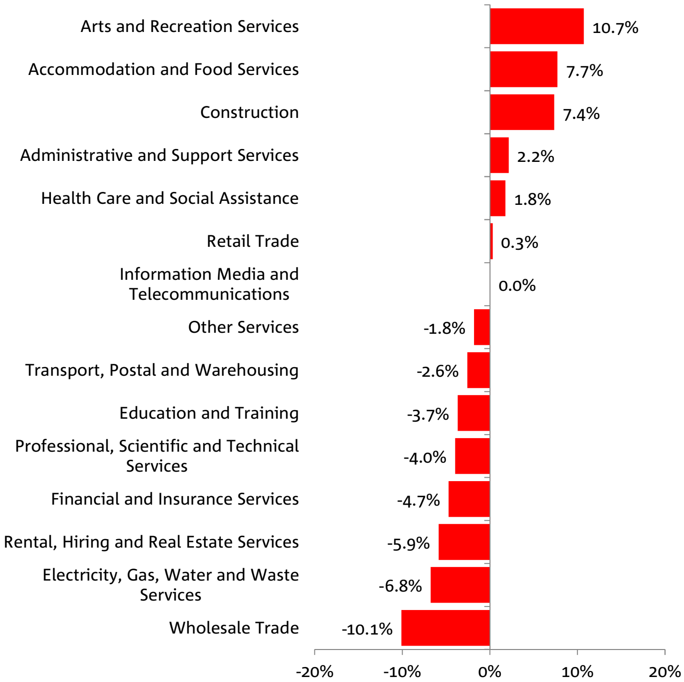
GROWTH IN NAB CUSTOMER SPENDING

(percentage change Q1 2017 on Q1 2016)

ADELAIDE GREATER METROPOLITAN AREA

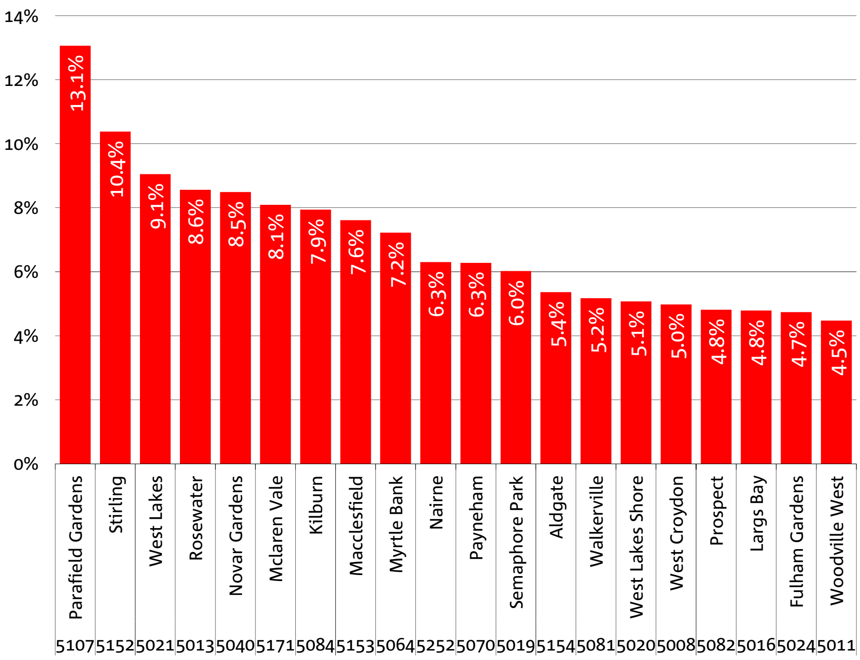


GROWTH BY SPENDING (%,Y/Y)



Top 20 Postcodes by Spend Growth: Adelaide Metro

(Q1 2017 spend value on Q1 2016 spend value)



**postcodes with lower than a statistically significant number of customers were omitted.*

KEY TAKEOUTS

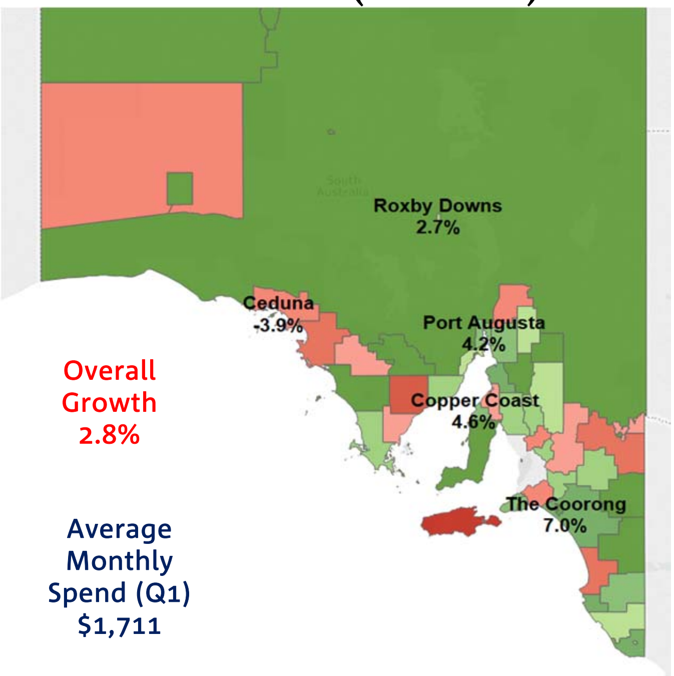
- Customer spending growth in the greater Adelaide metropolitan area (ABS definition) was flat in Q1 2017 (3.8% y/y in Q4 2016).
- Spending growth was fastest for Arts & Recreation (10.7%), Accommodation & Food Services (7.7%) and Construction (7.4%).
- Spending contracted in 8 of 15 spending categories, led by Wholesale Trade (-10.1%), Electricity, Gas, Water & Waste Services (-6.8%) and Rental, Hiring & Real Estate Services (-5.9%).
- By postcode, overall customer spending growth was fastest in Parafield Gardens 5107 (13.1%), Stirling 5152 (10.4%), Westlakes 5021 (9.1%), Rosewater 5013 (8.6%) and Novar Gardens 5040 (8.5%).

SA - REGIONAL (EX. GREATER METRO AREA)

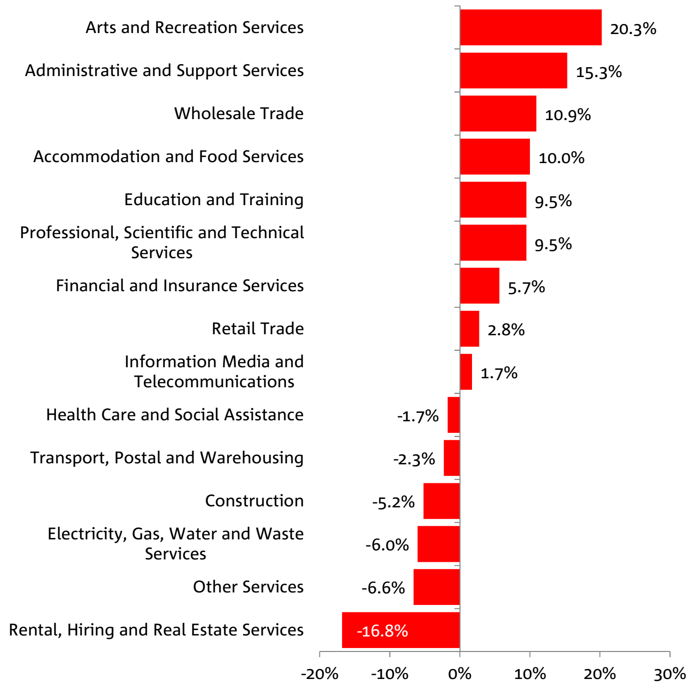
GROWTH IN NAB CUSTOMER SPENDING

(percentage change Q1 2017 on Q1 2016)

REGIONAL SA (EX METRO)

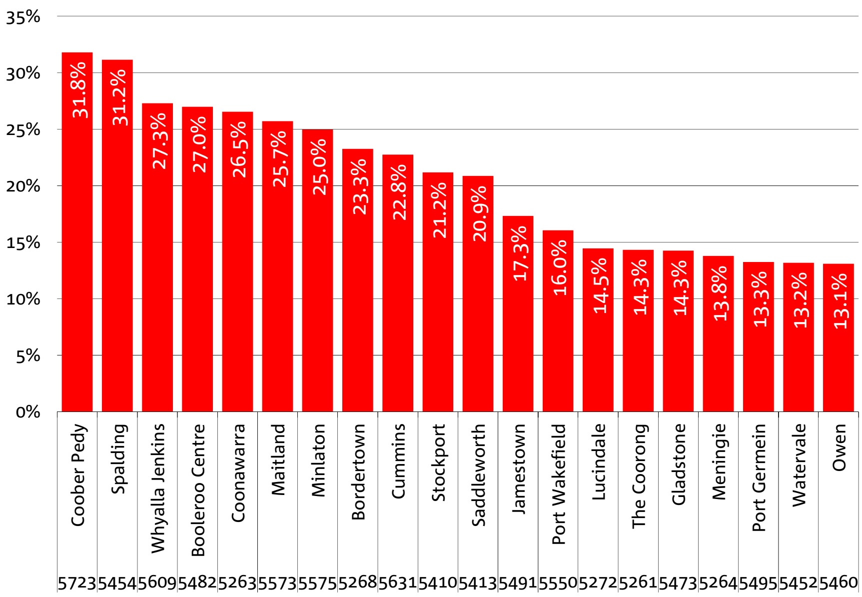


GROWTH BY SPENDING (%,Y/Y)



Top 20 Postcodes by Spending Growth: SA Regional

(Q1 2017 spend value on Q1 2017 spend value)



**postcodes with lower than a statistically significant number of customers were omitted.*

KEY TAKEOUTS

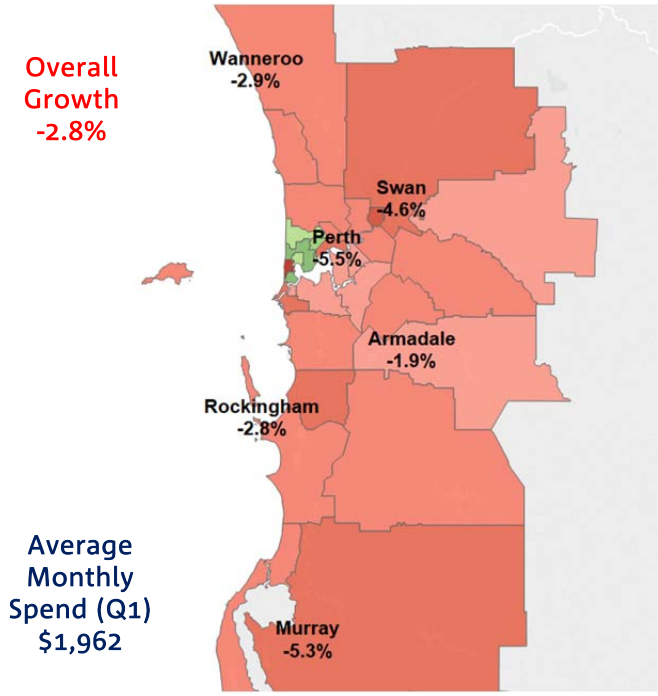
- Customer spending in regional SA (ex metro) grew 2.8% y/y in Q1 2017, down from 3.7% y/y in Q4 2016.
- Spending growth was fastest for Arts & Recreation (20.3%), Administrative & Support Services (15.3%), Wholesale Trade (10.9%) and Accommodation & Food Services (10.0%).
- Customer spending in regional SA was weakest for Rental, Hiring & real Estate Services (-16.8%), followed by Other Services (-6.6%), Electricity, Gas, Water & Waste Services (-6.0%) and Construction (-5.2%).
- By postcode, growth was fastest in Coober Pedy 5723 (31.8%), Spalding 5454 (31.2%), Whyalla Jenkins 5609 (27.3%), Booleroo Centre 5842 (27.0%) and Coonawarra 5263 (26.5%).

WA - PERTH GREATER METROPOLITAN AREA

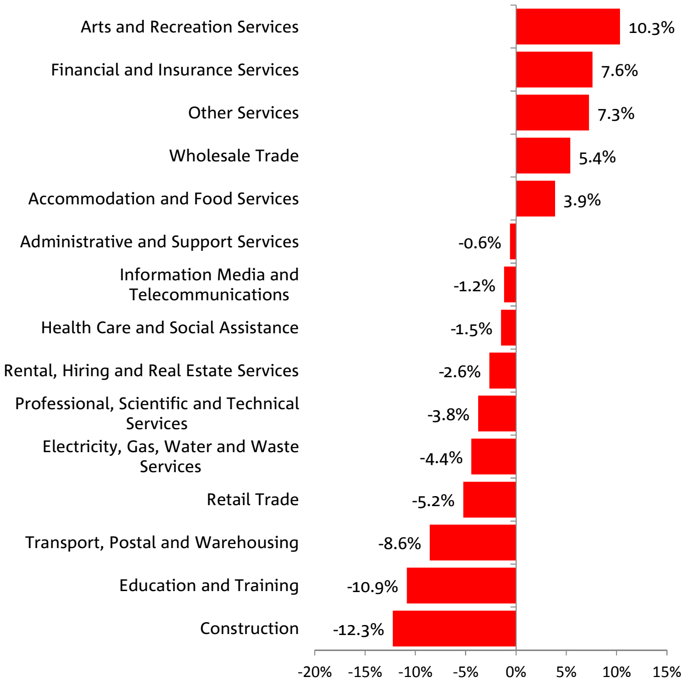
GROWTH IN NAB CUSTOMER SPENDING

(percentage change Q1 2017 on Q1 2016)

PERTH GREATER METROPOLITAN AREA

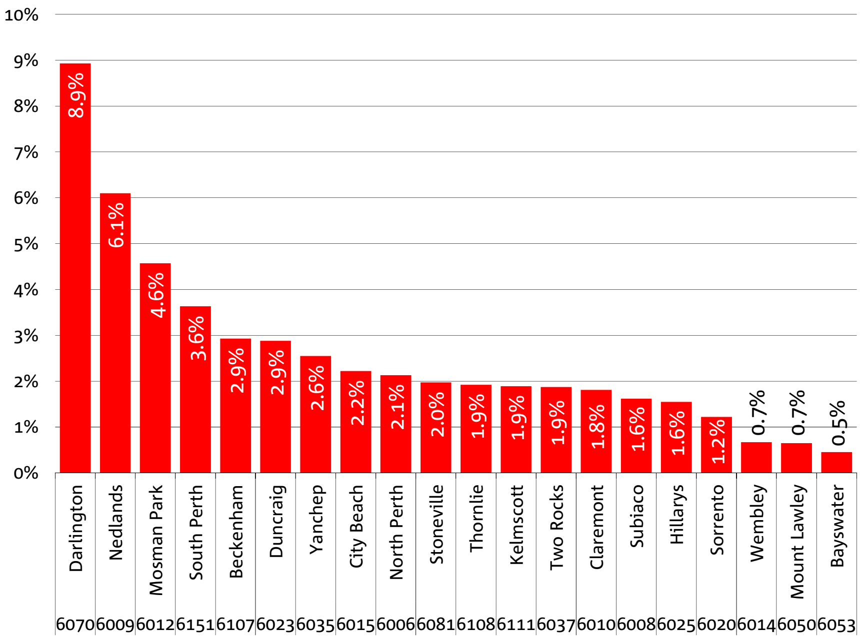


GROWTH BY SPENDING (%,Y/Y)



Top 20 Postcodes by Spend Growth: Perth Metro

(Q1 2017 spend value on Q1 2016 spend value)



**postcodes with lower than a statistically significant number of customers were omitted.*

KEY TAKEOUTS

- The post-mining slump impact on spending remains evident in WA.
- Spending in the greater Perth metropolitan area (ABS definition) fell -2.8% y/y in Q1 2017 (flat in Q4 2016) and weakest of all cities.
- Spending grew for Arts & Recreation Services (10.3%), Financial & Insurance Services (7.6%), Other Services (7.3%), Wholesale Trade (5.4%) and Accommodation & Food Services (3.9%).
- Spending contracted in all other categories, with the biggest falls in Construction (-12.3%), Education & Training (-10.9%) and Transport, Postal & Warehousing (-8.6%).
- By postcode, growth was fastest in Darlington 6070 (8.9%), Nedlands 6009 (6.1%) and Mosman Park 6012 (4.6%). All other 18 postcodes in the top 20 grew less than 4%.

WA - REGIONAL (EX. GREATER METRO AREA)

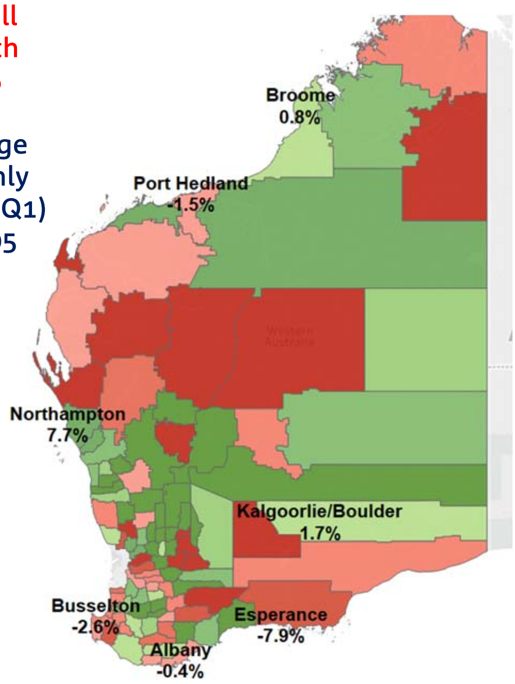
GROWTH IN NAB CUSTOMER SPENDING

(percentage change Q1 2017 on Q1 2016)

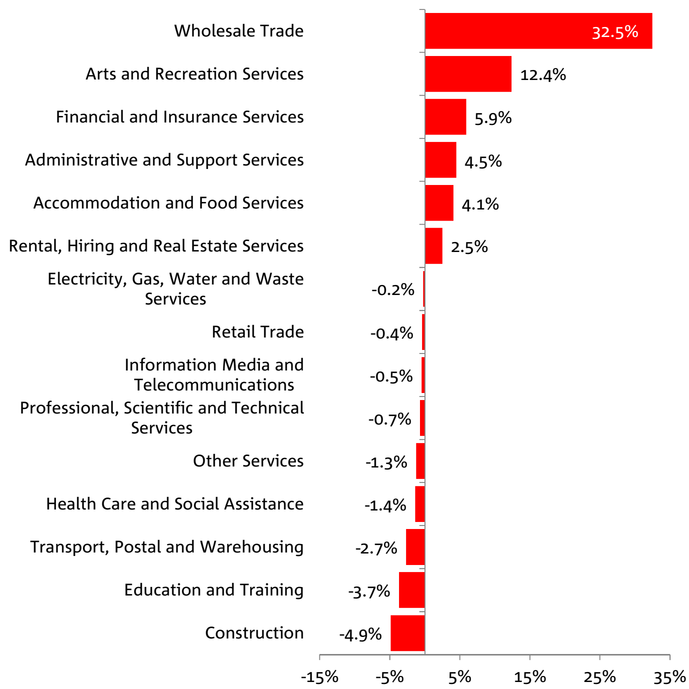
REGIONAL WA (EX METRO)

Overall Growth 1.0%

Average Monthly Spend (Q1) $2,005

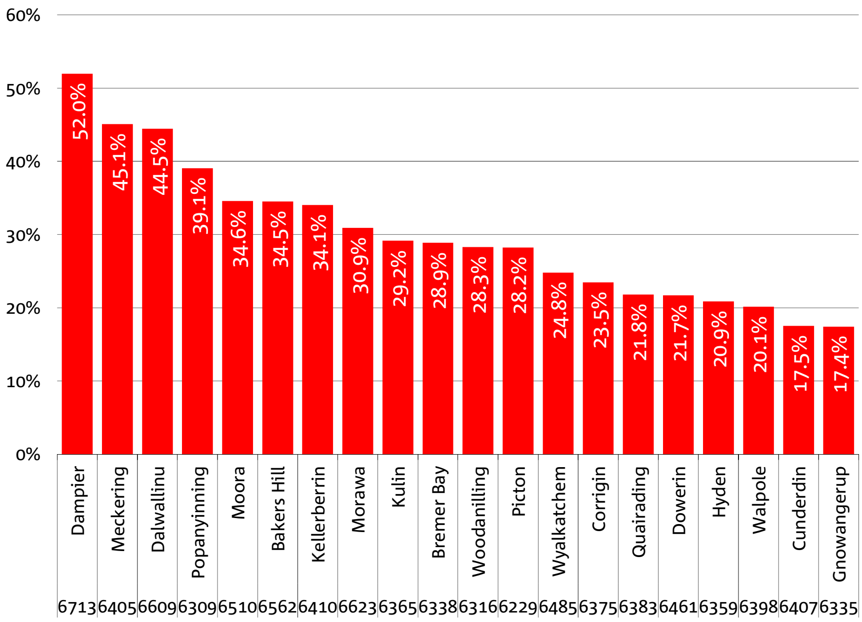


GROWTH BY SPENDING (%,Y/Y)



Top 20 Postcodes by Spending Growth: WA Regional

(Q1 2017 spend value on Q1 2017 spend value)



**postcodes with lower than a statistically significant number of customers were omitted.*

KEY TAKEOUTS

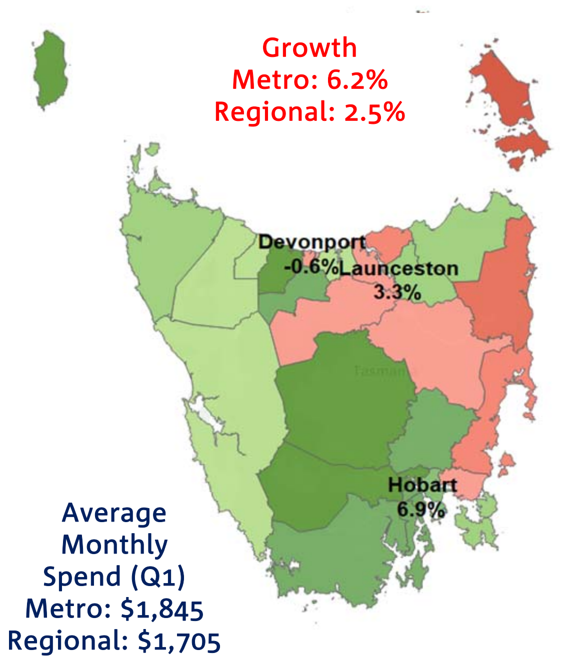
- Customer spending in regional WA (ex metro) grew 1.0% in Q1 2017, down from 1.4% in Q4 2016.
- Spending grew in only 6 of 15 categories - Wholesale Trade (32.5%), Arts & Recreation (12.4%), Financial & Insurance Services (5.9%), Administrative & Support Services (4.1%) and Rental, Hiring & Real Estate Services (2.5%).
- Spending fell in all other categories, led by Construction (-4.9%), Education & Training (-3.7%) and Transport, Postal & Warehousing (-2.7%).
- By postcode, spending growth was fastest in Dampier 6713 (52.0%), Meckering 6405 (45.1%), Dalwallinu 6609 (44.5%), Popanyinning 6309 (39.1%), Moora 6510 (34.6%), Bakers Hill 6562 (34.5%) and Kellerberrin 6410 (34.1%).

TASMANIA

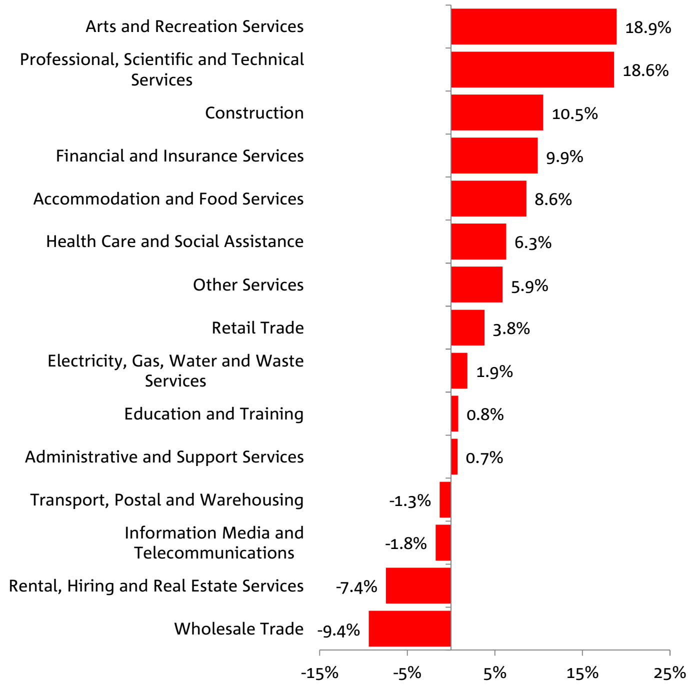
GROWTH IN NAB CUSTOMER SPENDING

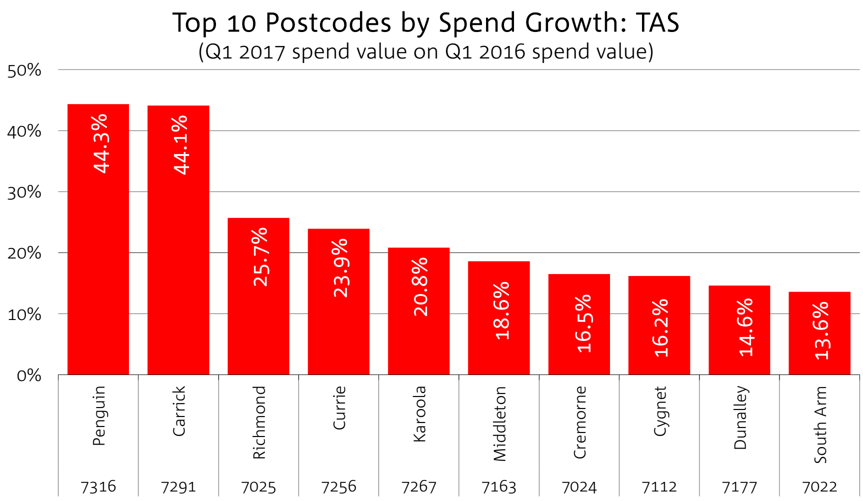
(percentage change Q1 2017 on Q1 2016)

TASMANIA - STATE



GROWTH BY SPENDING (%,Y/Y)





**postcodes with lower than a statistically significant number of customers were omitted.*

KEY TAKEOUTS

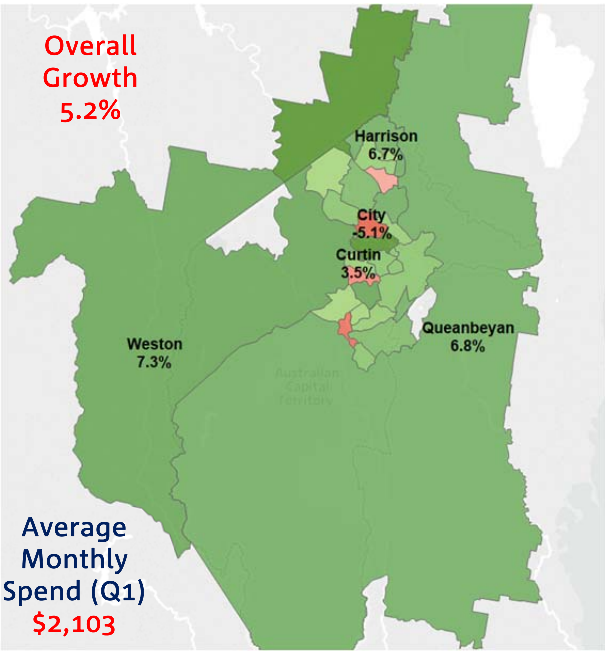
- Customer spending in Hobart metro grew 6.2% y/y in Q1 2017 (4.9% y/y in Q4 2016), and by 2.5% y/y in regional TAS (2.4% y/y in Q4 2016).
- TAS was the only state where customer spending growth accelerated - and in both metro and regional areas
- Overall spending growth in TAS (metro & regional) was fastest for Arts and Recreation Services (18.9%) and Professional, Scientific & Technical Services (18.9%).
- Spending growth was weakest for Wholesale Trade (-9.4%) and Rental, Hiring & Real Estate Services (-7.4%).
- By postcode, spending growth was fastest by some margin in both Penguin 7316 (44.3%) and Carrick 7291 (44.1%), followed by Richmond 7025 (25.7%), Currie 7256 (23.9%) and Karoola 7267 (20.8%).

ACT

GROWTH IN NAB CUSTOMER SPENDING

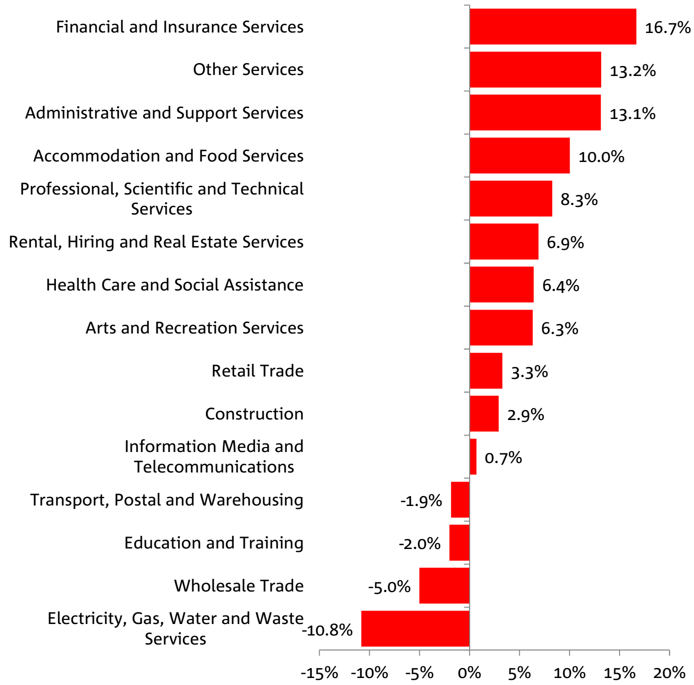
(percentage change Q1 2017 on Q1 2016)

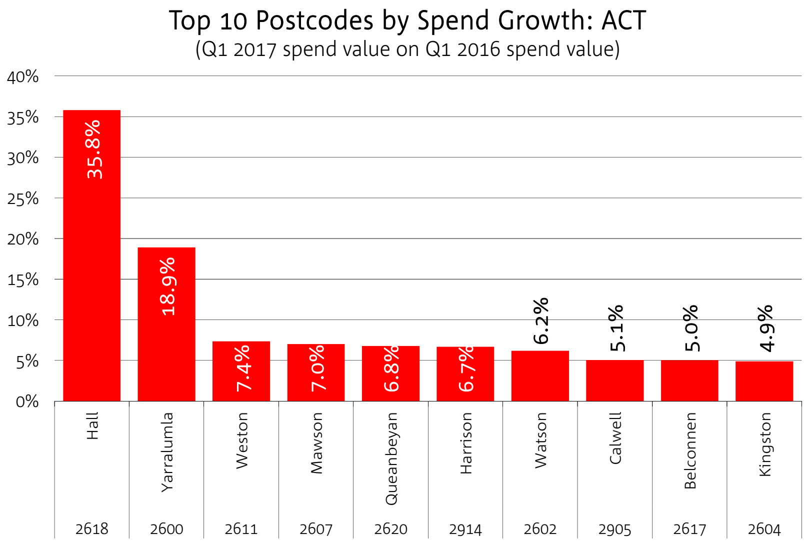
ACT



**postcode level details shown instead of LGAs as ACT does not have separate LGAs. Hall, located within the ACT shares the 2618 postcode with nearby Wallaroo NSW, thus is partially represented outside ACT boundary in the map.*

GROWTH BY SPENDING (%,Y/Y)





**postcodes with lower than a statistically significant number of customers were omitted.*

KEY TAKEOUTS

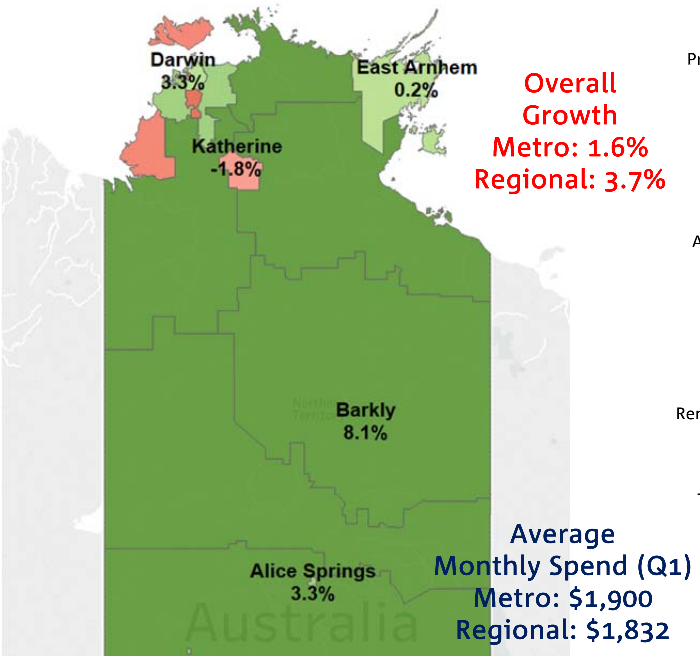
- Customer spending in the ACT grew by 5.2% in Q1 2017 (5.5% in Q4 2016).
- Spending growth was dominated by Financial & Insurance Services (16.7%), Other Services (13.2%), Administrative & Support Services (13.1%) and Accommodation & Food Services (10.0%).
- Overall, customer spending growth was weakest for Electricity, Gas, Water & Waste Services (-10.8%), followed by Wholesale Trade (-5.0%), Education & Training (-2.0%) and Transport, Postal& Warehousing (-1.9%).
- By postcode, spending growth was fastest in Hall 2618 (25.8% and Yarralumla 2600 (18.9%).

NORTHERN TERRITORY

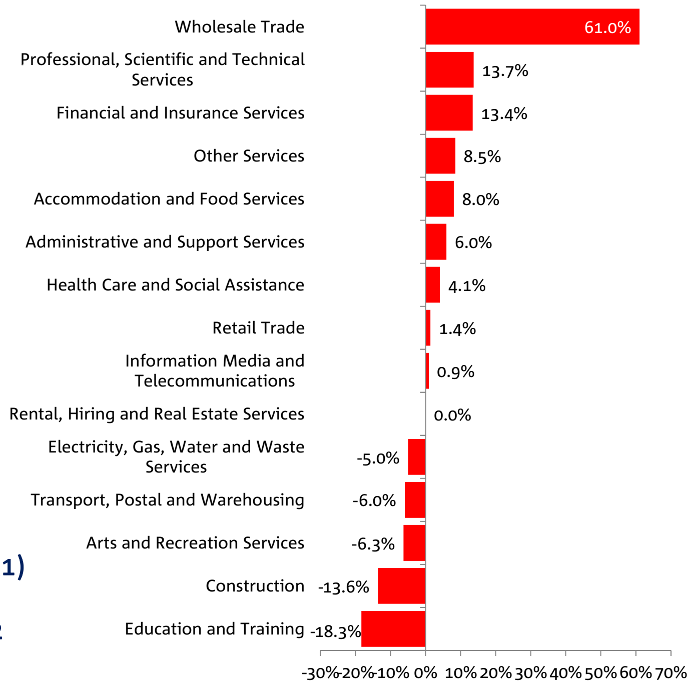
GROWTH IN NAB CUSTOMER SPENDING

(percentage change Q1 2017 on Q1 2016)

NORTHERN TERRITORY

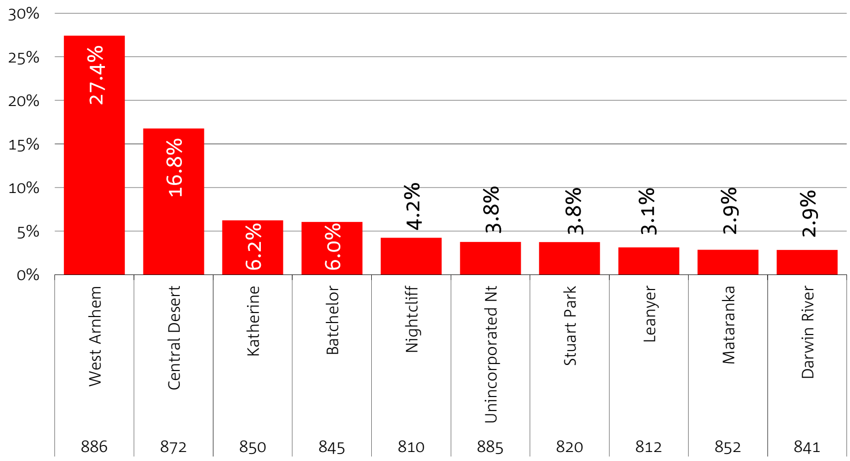


GROWTH BY SPENDING (%, Y/Y)



Top 10 Postcodes by Spend Growth: NT

(Q1 2017 spend value on Q1 2016 spend value)



**postcodes with lower than a statistically significant number of customers were omitted.*

KEY TAKEOUTS

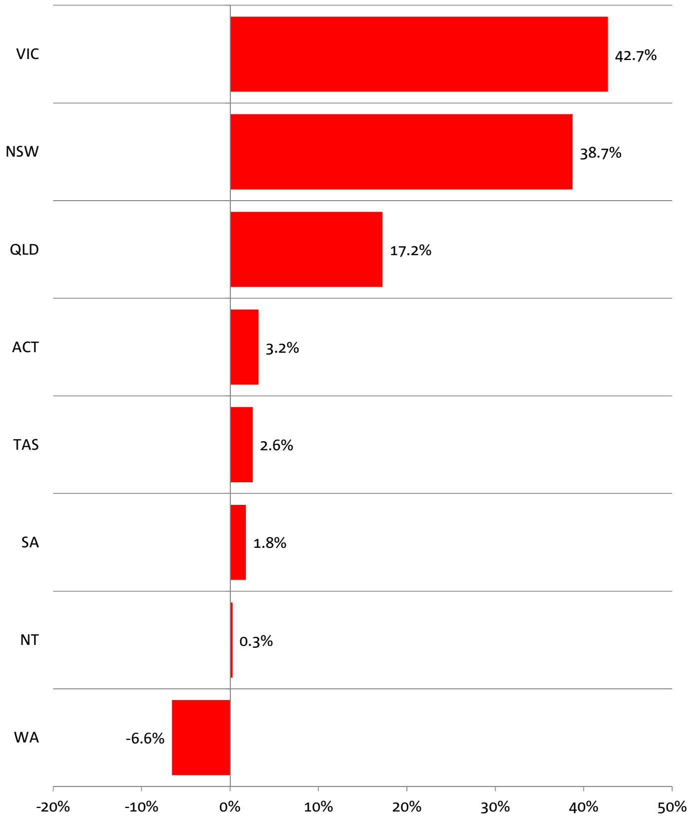
- Customer spending in Darwin metro grew 1.6% y/y in Q1 2017 (2.8% y/y in Q4 2016), and by 3.7% y/y in regional NT (3.9% y/y in Q4 2016).
- Customer spending in the NT was led by Wholesale Trade (61.0%), followed by Professional, Scientific & Technical Services (13.7%) and Financial & Insurance Services (13.4%).
- Modest or flat growth was reported in most other categories, except Education & Training (-18.3%), Construction (-13.6%), Arts & Recreation Services (-6.3%), Transport, Postal & Warehousing (-6.0%) and Electricity, Gas, Water & Waste Services (-5.0%).
- By postcode, spending growth was fastest in West Arnhem 886 (27.4%) and Central Desert 872 (16.8%).

APPENDIX 1

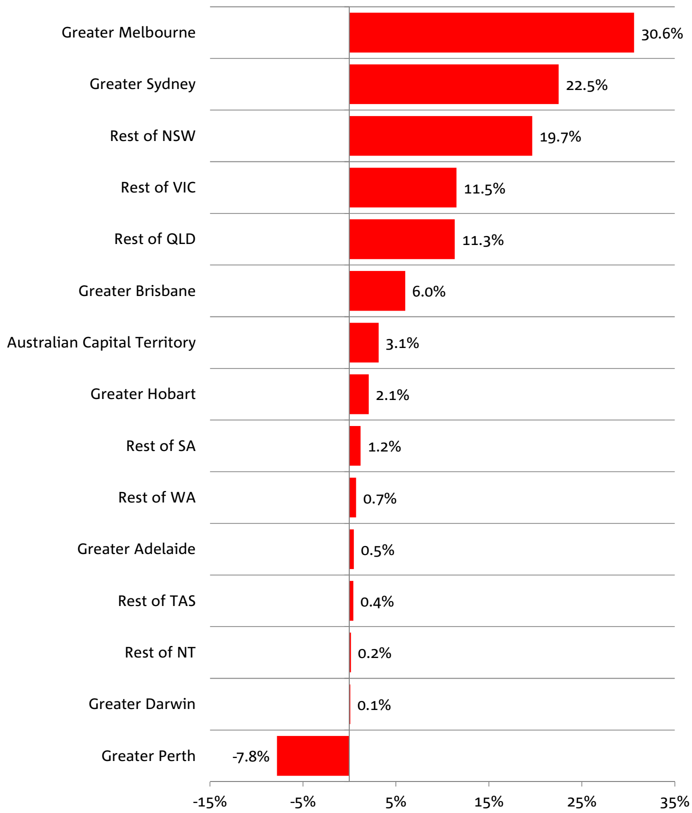
By state, VIC, NSW and QLD contributed around 97% of all growth in NAB customer spending in Q1 2017. WA detracted around 7% from total growth. There were modest contributions from ACT (3.2%), TAS (2.6%), SA (1.8%) and the NT (0.3%).

By region, greater Melbourne and Sydney accounted for 53% of total NAB customer spending growth in Q1. Regional NSW, VIC and QLD contributed 42%. All other areas made modest contributions, except greater Perth, which detracted -7.8% from total spending growth.

CONTRIBUTION TO GROWTH BY STATE

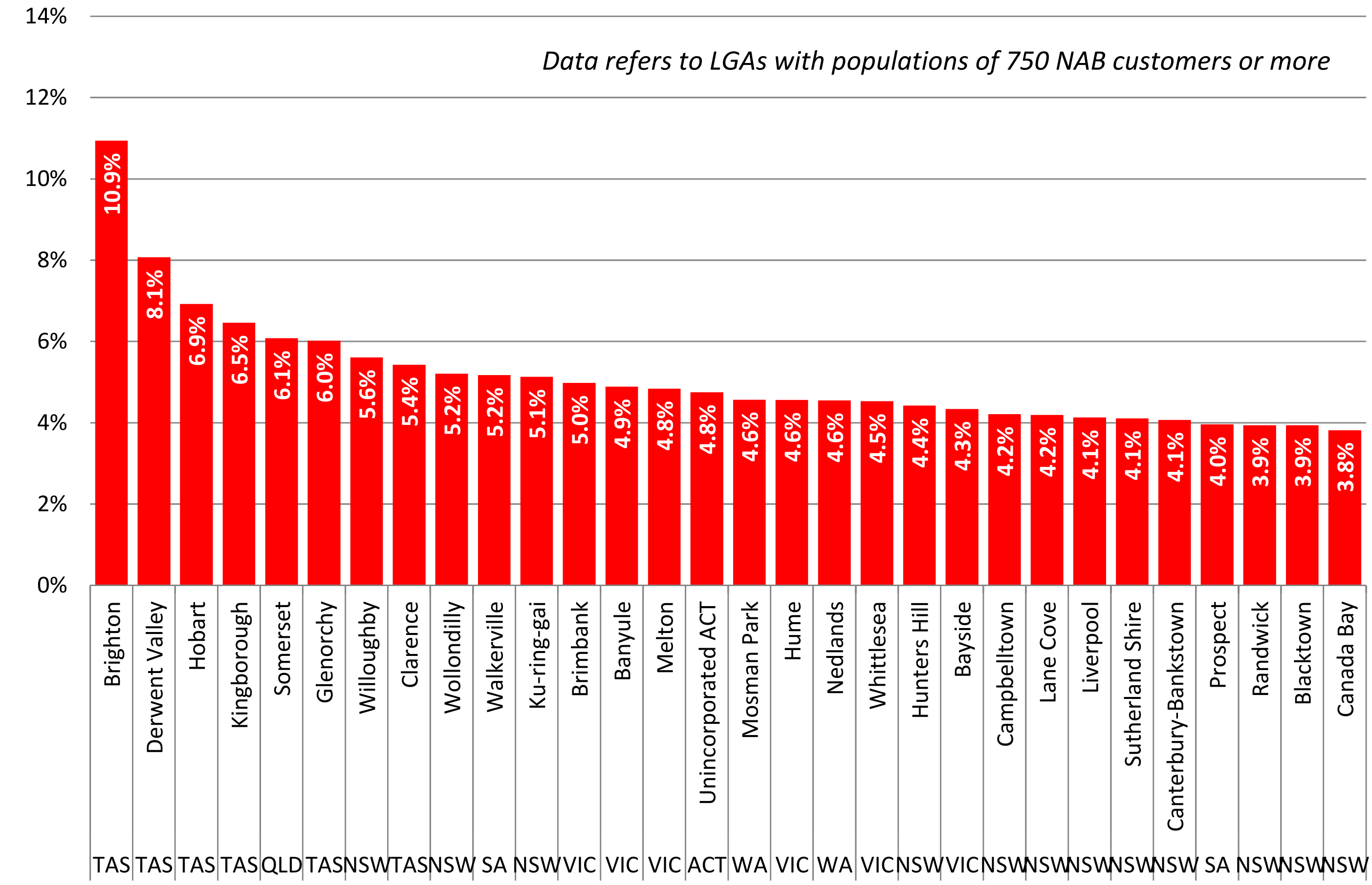


CONTRIBUTION TO GROWTH BY REGION



APPENDIX 2

TOP 30 FASTEST GROWING AUSTRALIAN METROPOLITAN LGA'S



TOP 5 FASTEST GROWING METROPOLITAN LGA'S BY STATE

SYDNEY	% Y/Y
Willoughby	5.6
Wollondilly	5.2
Ku-ring-gai	5.1
Hunters Hill	4.4
Campbelltown	4.2

MELBOURNE	% Y/Y
Brimbank	5.0
Banyule	4.9
Melton	4.8
Hume	4.6
Whittlesea	4.5

BRISBANE	% Y/Y
Somerset	6.1
Lockyer Valley	3,4
Ipswich	2.7
Moreton Bay	1.4
Brisbane	0.9

ADELAIDE	% Y/Y
Walkerville	5.2
Prospect	4.0
Adelaide Hills	3.7
Salisbury	3.0
Mount Barker	2.6

PERTH	% Y/Y
Mosman Park	4.6
Nedlands	4.6
Subiaco	2.4
Claremont	1.8
Cambridge	0.7

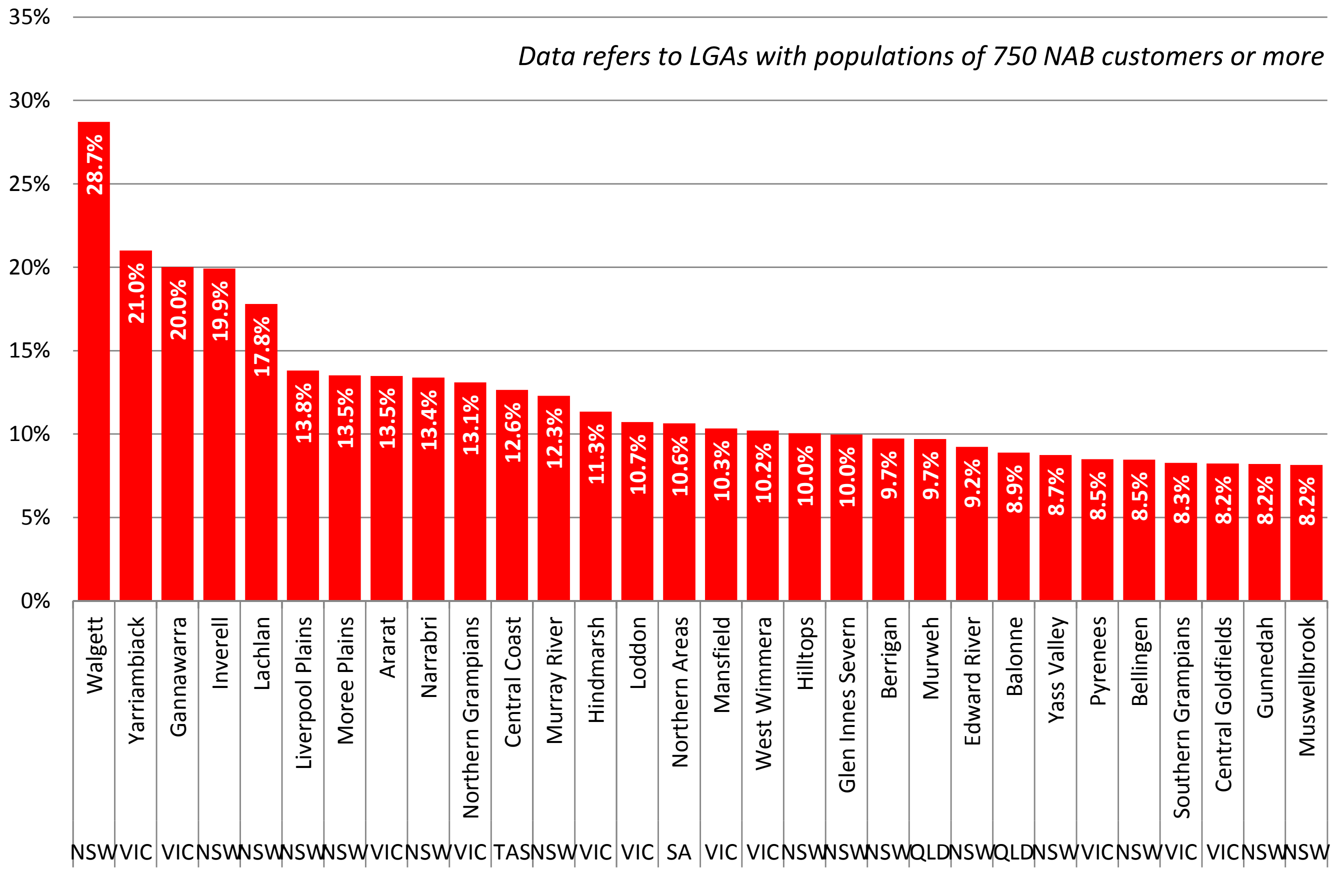
HOBART	% Y/Y
Brighton	10.9
Derwent Valley	8.1
Hobart	6.9
Kingborough	6.5
Glenorchy	6.0

CANBERRA	% Y/Y
Unincorporated ACT*	4.8

* The ACT does not have separate LGAs.

DARWIN	% Y/Y
Darwin	3.3
Litchfield	0.8
Palmerston	-2.3

TOP 30 FASTEST GROWING AUSTRALIAN REGIONAL LGA'S



TOP 5 FASTEST GROWING REGIONAL LGA'S BY STATE

NSW	% Y/Y
Walgett	28.7
Inverell	19.9
Lachlan	17.8
Liverpool Plains	13.8
Moree Plains	13.5

VIC	% Y/Y
Yarriambiack	21.0
Gannawarra	20.0
Ararat	13.5
Northern Grampians	13.1
Hindmarsh	11.3

QLD	% Y/Y
Murweh	9.7
Balonne	8.9
Hinchinbrook	8.0
Banana	6.9
Goondiwindi	6.7

SA	% Y/Y
Northern Areas	10.6
Port Pirie City & Districts	7.4
The Coorong	7.0
Naracoorte and Lucindale	5.6
Victor Harbor	5.0

WA	% Y/Y
Northampton	7.7
Northam	7.6
Karratha	6.1
Irwin	5.4
Greater Geraldton	4.5

TAS	% Y/Y
Central Coast	12.6
Huon Valley	7.0
Launceston	3.3
Burnie	0.3
Meander Valley	-0.2

NT	% Y/Y
Alice Springs	3.3

APPENDIX 3

NOTES ON NAB'S CUSTOMER SPENDING ESTIMATES

- Customer spending represents consumption-based spending.
- Customer spending does not include spending on government services, tax payments, direct to public manufacturers, mortgage and other credit facility repayments.
- Customer spending is based on where the customer lives - which may or may not be where the actual spending activity occurs.
- Customers without an Australian residential address are excluded.
- Spending includes both online and offline transactions.
- Transaction data may include EFTPOS, Credit Card, BPAY, Bank Transfers, Direct Debits and Paypal services where available.
- Spending on Health & Community Services excludes spending at HICAPS terminals.
- Geographic areas have been defined using the ABS Local Government Area (LGA) and Statistical areas in the form of both Greater Capital City Statistical Area and Statistical Area 4 definitions.
- All geographic data are now defined by 2016 ABS geographic standards from the 2016 census.
- Where lower tier geographic areas may be assigned to multiple higher tier areas, the spend value is apportioned using ABS weights. However for definitions (e.g. Whether an LGA lays within GCCSA or not, if more than 50% of the LGA lays within a GCCSA it will be defined as part of the GCCSA).
- Some postcodes may correspond to several different locality names. Where this is the case, only one locality name will be shown.
- Year-on-year spending change represents non-seasonally adjusted change compared to the same quarter in the previous year.
- Cut-offs have been applied to remove small area data which may be statistically volatile and may bias estimates of spending. Even with this treatment, regional areas may have greater spending volatility than metro areas. This cut-off does not apply to maps for aesthetic reasons.
- Spending may be biased due increased take-up in payment methods such as the use of near field communication terminals/online applications that are growing in preference to cash, particularly in hospitality related sectors.

More details about this measure of customer spending are available upon request.

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