NAB QUARTERLY CUSTOMER SPENDING TRENDS

EXPLORING THE SPENDING PATTERNS OF NAB CUSTOMERS - Q4 2017

NAB Behavioural & Industry Economics

April 2018

Total NAB customer spending accelerated to 5.0% y/y in Q4 2017, from 3.0% y/y in the previous quarter with spending growth up across all metropolitan and regional areas. Importantly, Greater Melbourne and Sydney (responsible for almost half of total spending growth), were significantly stronger, with Finance and Insurance the fastest growth segment in both areas. By state, overall spending was fastest in VIC, the NT and NSW, and slowest in WA and QLD. By spending category, it was fastest for Arts & Recreation, Finance & Insurance and Accommodation & Food.

HIGHLIGHTS:

- **What does this report measure?** NAB's Quarterly Customer Spending Trends report explores the spending patterns of our customers, excluding things such as mortgages, other credit repayments and government services. By examining around 2.7 million daily transactions, it shows where spending is growing fastest and what customers are spending on. Given the size of NAB's customer base, it provides an indication of national and regional trends.
- **How has spending changed?** Total NAB customer spending growth accelerated to 5.0% y/y in Q4 2017 (up from 3.0% y/y in Q3 2017). Average monthly spending in metro areas was $2,306 in Q4 ($2,140 in Q3) and $2,089 in regions ($1,985 in Q3).
- **Which areas contributed most to spending growth?** By state, VIC, NSW and QLD contributed just under 90% of total growth in NAB customer spending during Q4 2017 (95.5% in Q3). The NT (0.6%) and WA (0.9%) contributed the least, with modest contributions coming from SA (5.2%), the ACT (2.4%) and TAS (1.2%). By region, Greater Melbourne and Sydney accounted for 48.4% of total spending growth in Q4 2017. Regional QLD, NSW and VIC added 33.5%.
- **Where is spending growing fastest in capital city metro areas?** Growth accelerated in all capital city metro areas relative to Q3. Customer spending grew fastest in Melbourne metro (6.4%), followed by Darwin (6.1%), Hobart (6.0%), Sydney (5.6%), Canberra (5.2%) and Adelaide (3.9%). It was slowest in Brisbane (3.5%) and Perth (0.9%) metro.
- **Which postcodes grew fastest in capital city metro areas?**
  - In **Australia** overall - Woodbridge 7162 (61.7%), Georges Hall 2198 (39.2%), Parkville 3052 (35.3%), Rydalmere 2116 (32.9%), Croydon 2132 (32.6%), Darling Point 2027 (32.0%), Richmond 7025 (30.5%), Garfield 3814 (29.3%), Little River 3211 (26.2%), Shoreham 3916 (24.4%), Fairfield 2165 (23.8%), Malmsbury 3446 (23.5%) and Lobethal 5241 (22.2%).
  - In **Sydney** - Georges Hall 2198 (39.2%), Rydalmere 2116 (32.9%), Croydon 2132 (32.6%) and Darling Point 2027 (32.0%)
  - In **Melbourne** - Parkville 3052 (35.3%), Garfield 3814 (29.3%), Little River 3211 (26.2%) and Shoreham 3916 (24.4%).
  - In **Brisbane** - Forest Hill 4342 (21.3%), Grantham 4347 (21.2%), Mackenzie 4156 (20.6%) and St Lucia 4067 (13.3%).
  - In **Adelaide** - Lobethal 5241 (22.2%), Gepps Cross 5094 (19.4%), Oakbank 5243 (19.3%) and Belair 5052 (18.5%).
  - In **Perth** - Gidgegannup 6083 (9.0%), Sawyers Valley 6074 (8.5%), Victoria Park 6100 (7.7%) and Mount Helena 6082 (7.4%).
- **What about regional areas?** - Spending growth also accelerated in all regional areas relative to Q3. Overall growth in regional areas (5.2%) continued to outpace spending in metro areas (4.9%). Regional growth was fastest in SA (7.9%), the NT (7.4%), VIC (6.6%), NSW (5.1%) and QLD (4.8%). It was slowest in WA (2.8%) and TAS (3.3%).
- **In what category did spending grow fastest?** - Arts & Recreation Services (17.2%), Financial & Insurance Services (13.5%), Accommodation & Food Services (10.4%) and Professional, Scientific & Technical Services (e.g. legal, accounting, vets etc.) (10.1%). NAB Customer spending also accelerated in 10 of 15 categories in Q4 relative to Q3.

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

	Q3 2017		Q4 2017	
	Metro	Regional	Metro	Regional
NSW	3.0%	4.3%	5.6% ↑	5.1% ↑
VIC	3.3%	5.0%	6.4% ↑	6.6% ↑
QLD	1.7%	4.0%	3.5% ↑	4.8% ↑
SA	2.5%	6.7%	3.9% ↑	7.9% ↑
WA	-2.1%	0.8%	0.9% ↑	2.8% ↑
TAS	4.3%	1.7%	6.0% ↑	3.3% ↑
NT	2.9%	2.7%	6.1% ↑	7.4% ↑
ACT	4.1%		5.2% ↑	
AUSTRALIA	**2.4%**	**4.2%**	**4.9%** ↑	**5.2%** ↑

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

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

	Q3 2017	Q4 2017
Accommodation & Food Services	7.0%	10.4% ↑
Administrative & Support Services	4.6%	4.0% ↓
Arts & Recreation Services	20.6%	17.2% ↓
Construction	1.7%	0.5% ↓
Education & Training	-6.2%	1.1% ↑
Electricity, Gas, Water & Waste	2.7%	4.4% ↑
Finance & Insurance Services	5.3%	13.5% ↑
Healthcare & Social Assistance	3.9%	3.8% ↓
Info, Media & Telecoms	-1.9%	1.9% ↑
Other Services	3.9%	5.6% ↑
Professional, Scientific & Tech Serv.	3.1%	10.1% ↑
Rental, Hiring & Real Estate Serv.	0.2%	5.3% ↑
Retail Trade	2.4%	3.4% ↑
Transport, Postal & Warehousing	-0.6%	3.6% ↑
Wholesale Trade	7.8%	5.7% ↓

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

(percentage change Q4 2017 on Q4 2016)

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	AUS
Arts & Recreation Services	13.6	19.7	24.8	16.3	4.4	20.9	35.0	15.6	17.2
Financial & Insurance Services	12.1	18.6	15.5	1.5	6.5	19.0	-8.3	12.8	13.5
Accommodation & Food Services	11.9	12.4	7.7	10.7	6.9	7.1	8.5	11.9	10.4
Professional, Scientific & Technical Services	10.1	13.9	8.6	3.3	5.7	-1.4	17.1	11.5	10.1
Wholesale Trade	4.8	12.0	0.8	33.4	-9.4	3.7	68.1	19.9	5.7
Other Services	6.1	7.0	5.0	3.8	2.3	3.3	13.8	3.9	5.6
Rental, Hiring & Real Estate Services	5.8	8.4	2.7	6.7	-0.7	-13.6	-0.7	4.9	5.3
Electricity, Gas, Water & Waste Services	10.4	3.1	0.6	8.3	-3.4	7.6	-4.2	10.2	4.4
Administrative & Support Services	4.8	5.0	3.7	2.8	0.6	4.4	7.2	-2.9	4.0
Health Care & Social Assistance	4.4	3.3	4.3	3.3	2.4	0.8	3.5	7.0	3.8
Transport, Postal & Warehousing	5.1	5.0	0.8	5.7	-0.2	-0.2	1.6	3.8	3.6
Retail Trade	3.3	4.7	3.0	3.8	0.6	4.5	6.0	3.3	3.4
Information Media & Telecommunications	2.0	2.3	2.0	1.2	0.5	2.0	6.8	0.0	1.9
Education & Training	3.4	2.8	-3.3	-0.5	-3.8	-0.4	15.4	3.1	1.1
Construction	-0.2	1.2	1.2	-2.0	1.2	-4.6	0.2	-2.8	0.5

Fastest growing by division   Slowest growing by division

SUMMARY:

Overall Customer spending in Australia

- Based on NAB's transaction data (including BPAY), total NAB customer spending accelerated to 5.0% y/y in Q4 2017, up from 3.0% y/y in the previous quarter.
- Average monthly customer spending during the quarter increased $166 to $2,306 in metropolitan areas in Q4 2017 ($2,140 in Q3) and by $104 to $2,089 in regional areas ($1,985 in Q3).

Overall Customer spending - metropolitan versus regional

- Overall NAB customer spending growth accelerated in regional and metropolitan areas in Q4 2017 relative to Q3. Growth in customer spending in regional areas increased to 5.2% in Q4 2017 (4.2% in Q3) and it continued to outpace spending growth in metropolitan or "city" areas, which grew by 4.9% (2.4% in Q3).
- Customer spending growth also accelerated in all cities and regions relative to Q3.
- In regional areas, spending growth was fastest in SA (7.9%), the NT (7.4%), VIC (6.6%), NSW (5.1%) and QLD (4.8%) and slowest in WA (2.8%) and TAS (3.3%).
- In capital cities, customer spending growth was fastest in Melbourne (6.4%), Darwin (6.1%), Hobart (6.0%), Sydney (5.6%) and Canberra (5.2%) and slowest in Perth (0.9%), Brisbane (3.5%) and Adelaide (3.9%).

Fastest growing Local Government Areas (LGAs)

- The fastest growing metropolitan LGAs in Australia were Greater Dandenong VIC (11.1%), Burwood NSW (10.4%), Liverpool NSW (10.2%), Fairfield NSW (10.2%), Derwent Valley TAS (10.0%), Woollahra NSW (9.7%), Canterbury-Bankstown NSW (9.6%), Lockyer Valley QLD (9.3%), Brighton TAS (9.1%) and Brimbank VIC (8.9%).
- The fastest growing regional LGAs were Roxby Downs SA (18.2%), Gwydir NSW (18.1%), Liverpool Plains NSW (17.5%), Inverell NSW (17.5%), Glenn Innes Severn NSW (15.3%), West Wimmera (15.1%), Hilltops NSW (14.9%), Renmark Paringa SA (13.4%), Moree Plains NSW (13.4%) and Lachlan NSW (13.0%).
- 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 overall, it was fastest in Woodbridge 7162 (61.7%), Georges Hall 2198 (39.2%), Parkville 3052 (35.3%), Rydalmere 2116 (32.9%), Croydon 2132 (32.6%), Darling Point 2027 (32.0%), Richmond 7025 (30.5%), Garfield 3814 (29.3%), Little River 3211 (26.2%), Shoreham 3916 (24.4%), Fairfield 2165 (23.8%), Malmsbury 3446 (23.5%) and Lobethal 5241 (22.2%).
- See state sheets below for top 20 fastest growing metropolitan postcodes in each state.

SUMMARY (CONTINUED):

Fastest growing postcodes - regional

- In Australia, NAB customer spending grew fastest in Kogan QLD 4406 (99.6%), Thulimbah QLD 4376 (84.0%), Tooleybuc NSW 2736 (72.0%), Urana NSW 2645 (68.3%), Harden NSW 2587 (63.8%), Bodalla NSW 2545 (63.6%), Coleambally NSW 2707 (63.2%), Picton WA 6229 (60.9%), South Johnstone QLD 4859 (56.9%), Paskeville SA 5552 (55.2%), Kingston S.E. SA 5275 (54.0%), Minyip VIC 3392 (52.8%) and Denham WA 6537 (50.1%).
- 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 regional postcodes in each state.

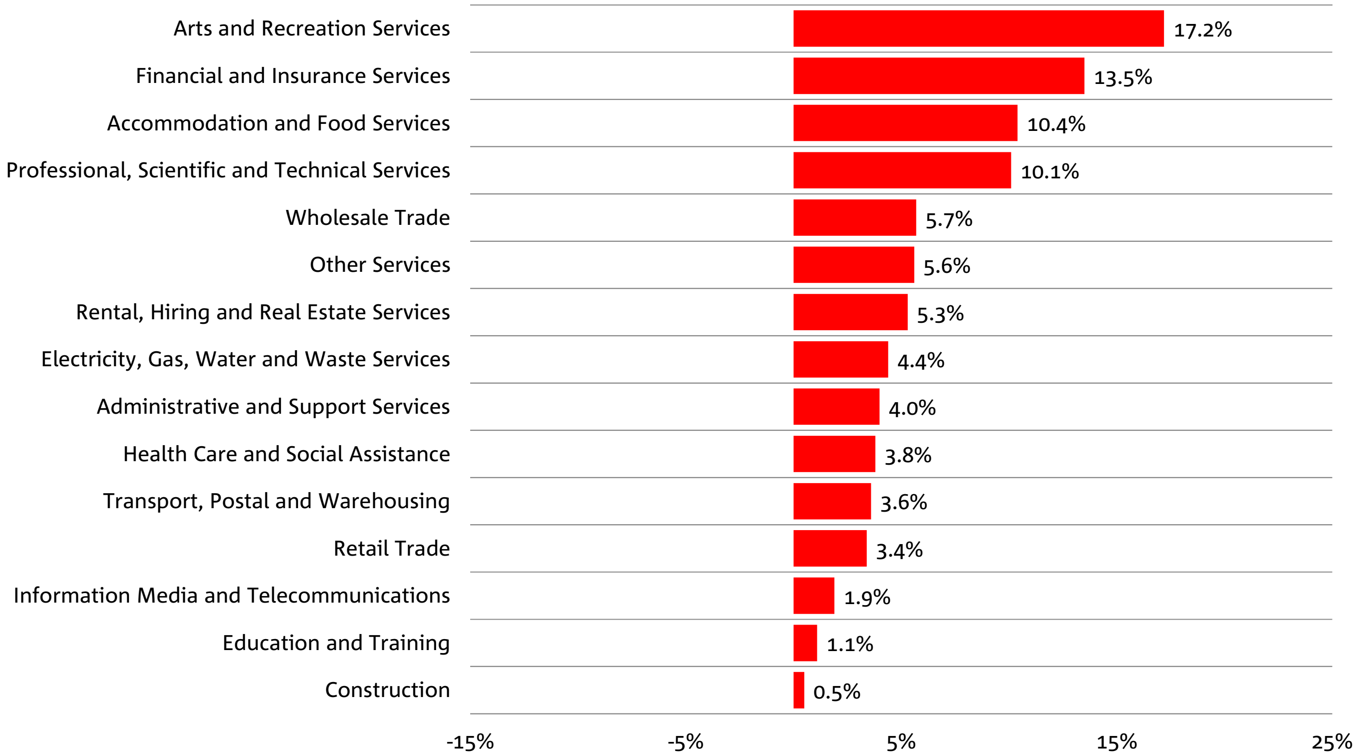
Customer spending growth by industry category

- In year-on-year terms, positive NAB customer spending growth was recorded in 15 of 15 spending categories in Q4 2017 - the first time this has happened since we first started compiling this data in Q4 2016.
- Spending also accelerated in 10 of 15 categories compared to the previous quarter - with the biggest improvements in spending recorded on Finance & Insurance Services (13.5% in Q4 2017 vs. 5.3% in Q3 2017), Education & Training (1.1% vs. -6.2%) and Professional, Technical & Scientific Services (10.1% vs. 3.1%).
- By category, however, spending growth remained fastest for Arts and Recreation Services (17.2% y/y) but was slower than in Q3 (20.6%).
- Financial & Insurance Services (13.5%), Accommodation & Food Services (10.4%) and Professional, Scientific & Technical Services (10.1%) were the next fastest growing areas of NAB customer spending in Q4 2017.
- Spending growth was slowest for Construction (0.5%), Education & Training (1.1%) and Information Media & Telecoms (1.9%).

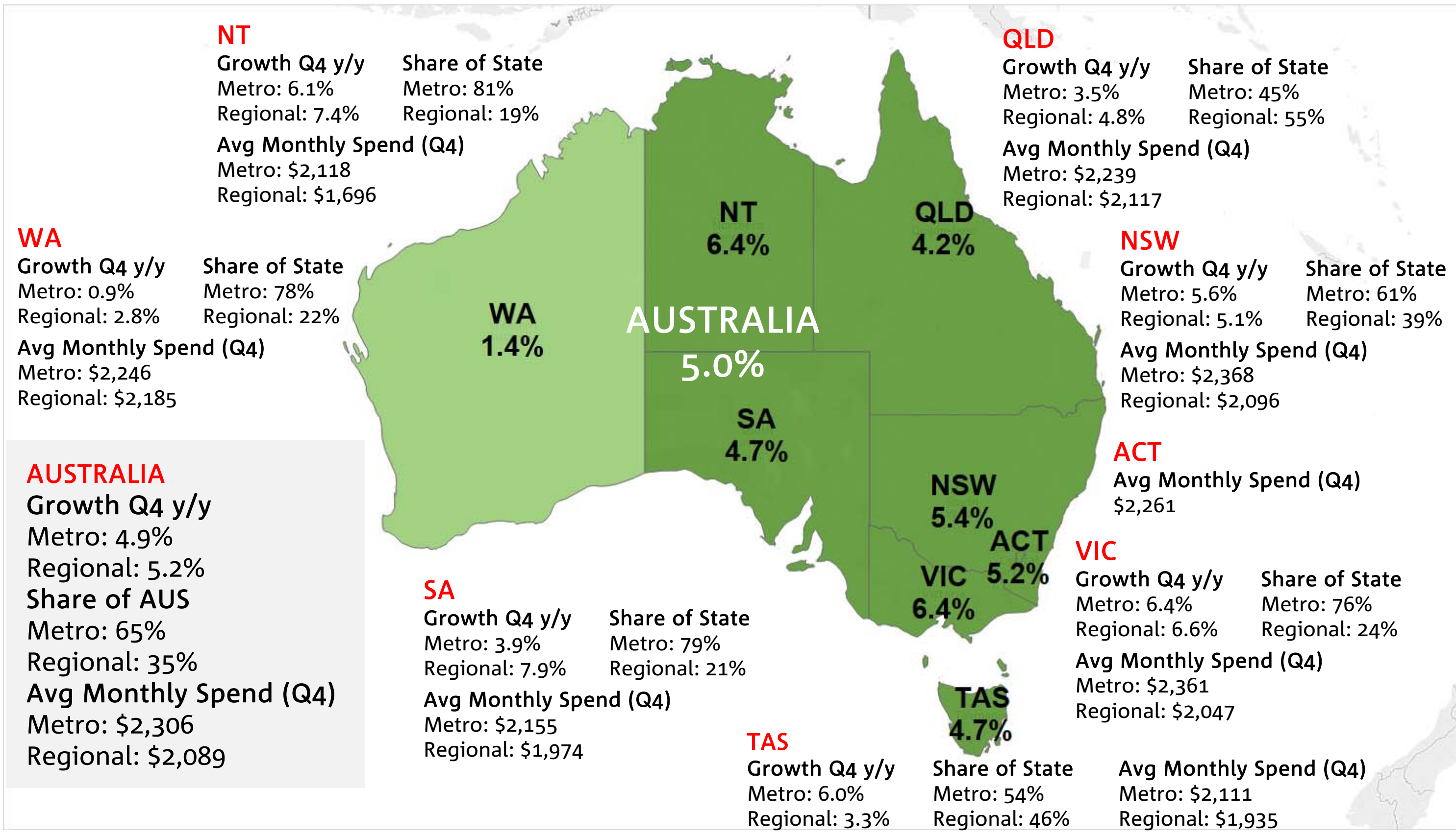
Contributions to spending growth

- By state, VIC, NSW and QLD contributed just under 90% of total growth in NAB customer spending during Q4 2017. The NT (0.6%) and WA (0.9%) contributed the least, while modest contributions came from SA (5.2%), the ACT (2.4%) and TAS (1.2%).
- By region, Greater Melbourne and Sydney accounted for 48.4% of total spending growth in Q4 2017. Regional NSW, QLD and VIC added 33.5%. Greater Hobart (0.8%), Darwin (0.4%) and Perth (0.0%) combined added just 1.2%, while the rest of SA, WA, TAS and the NT added just 2.5% - see Appendix 1.

OVERALL GROWTH IN NAB CUSTOMER SPENDING (Q4 2017, % y/y)



NAB CUSTOMER SPENDING TRENDS - Q4 2017



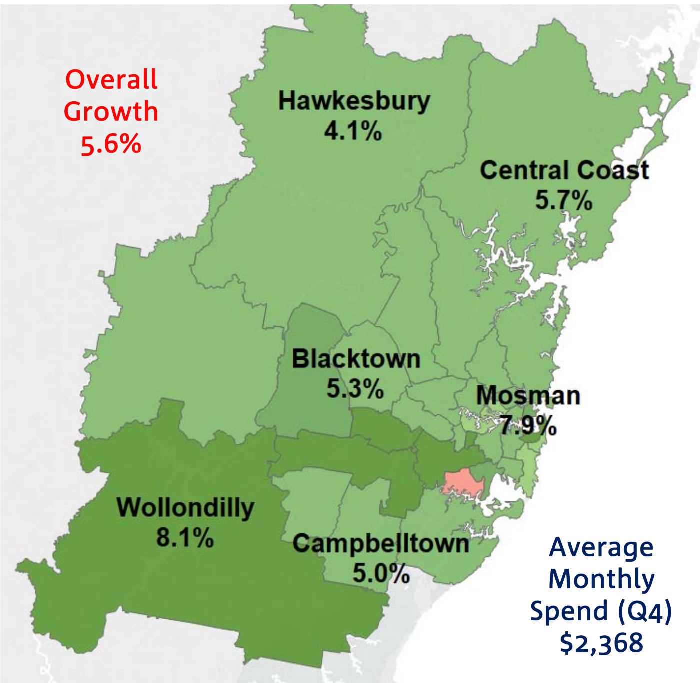
NAB CUSTOMER SPENDING BY STATE:

NSW - SYDNEY GREATER METROPOLITAN AREA

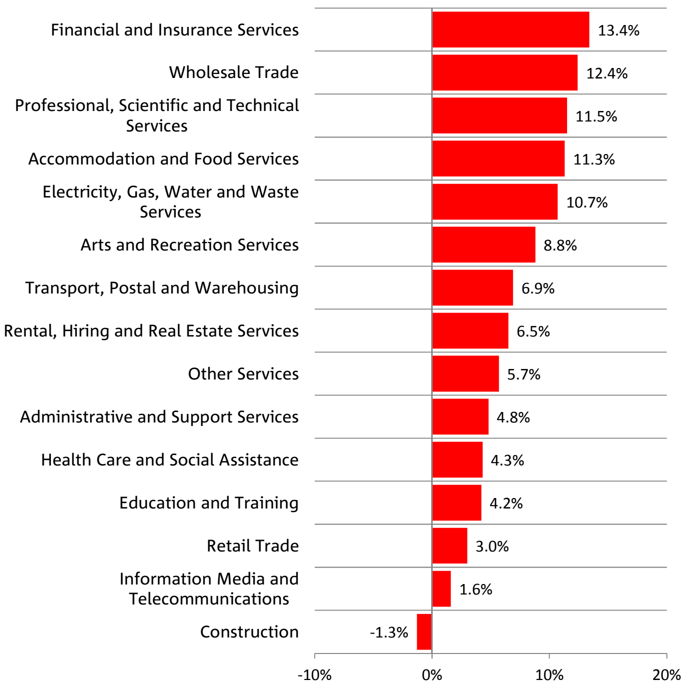
GROWTH IN NAB CUSTOMER SPENDING

(percentage change Q4 2017 on Q4 2016)

SYDNEY GREATER METROPOLITAN AREA

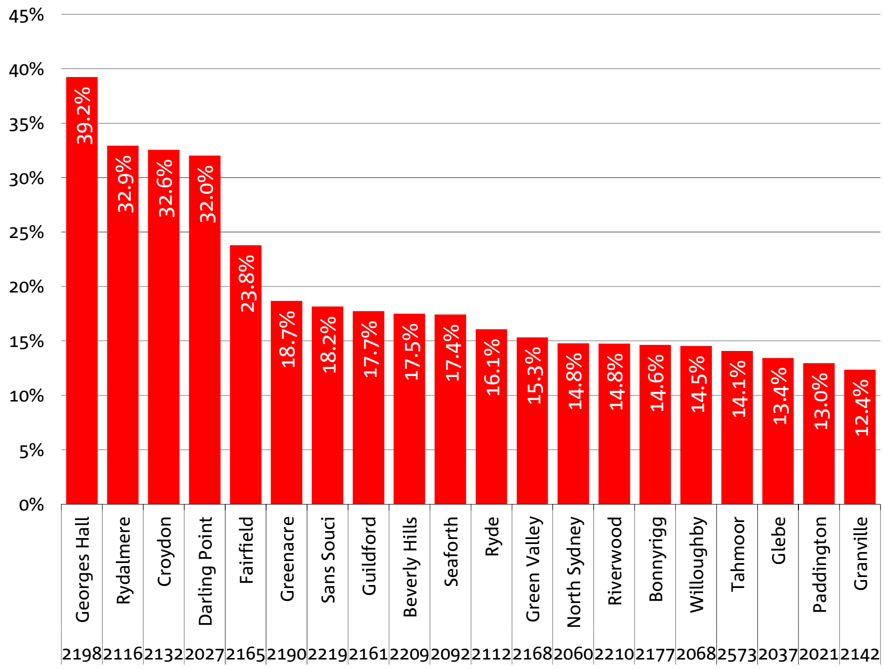


GROWTH BY SPENDING (%,Y/Y)



Top 20 Postcodes by Spending Growth: Sydney Metro

(Q4 2017 spend value on Q4 2016 spend value)



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

KEY TAKEOUTS

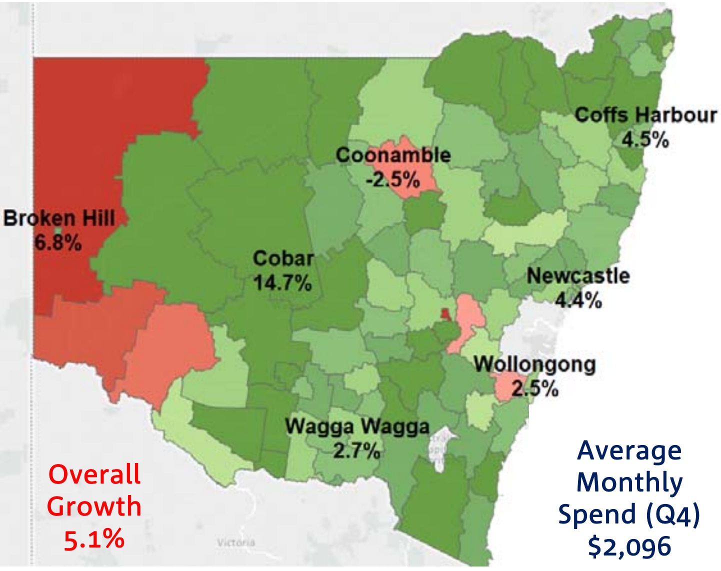
- Overall customer spending in greater Sydney (ABS definition) grew 5.6% y/y in Q4 2017 (3.0% y/y in Q3).
- Average spending per customer was $2,368 in Q4 ($2,168 in Q3) - fastest of all metro and regional areas.
- Spending growth was Financial & Insurance Services (13.4%), Wholesale Trade (12.4%), Professional, Scientific & Technical Services (11.5%), Accommodation & Food (11.3%) and Electricity, Gas, Water & Waste Services (10.7%).
- Customer spending on Construction fell (-1.3%), with modest growth in Information Media & Telecoms (1.6%) and Retail Trade (3.0%)
- By individual postcode, spending growth was fastest in Georges Hall 2198 (39.2%), Rydalmere 2116 (32.9%) and Croydon 2132 (32.6%).

NSW - REGIONAL (EX. GREATER METRO AREA)

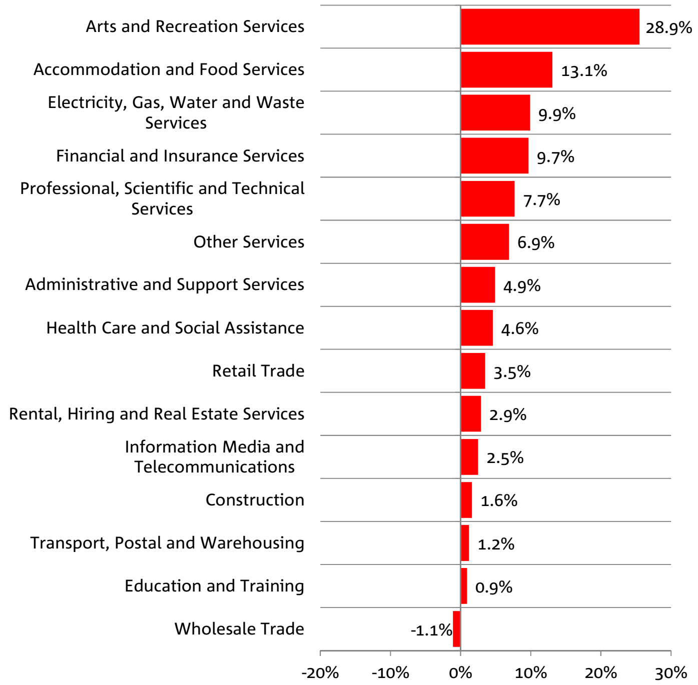
GROWTH IN NAB CUSTOMER SPENDING

(percentage change Q4 2017 on Q4 2016)

REGIONAL NSW (EX METRO)

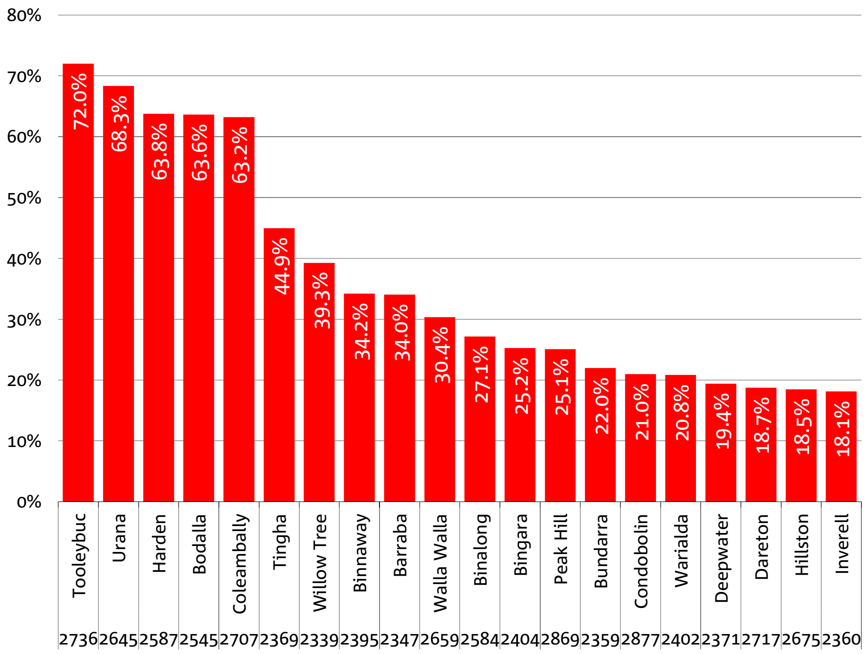


GROWTH BY SPENDING (%,Y/Y)



Top 20 Postcodes by Spending Growth: NSW Regional

(Q4 2017 spend value on Q4 2016 spend value)



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

KEY TAKEOUTS

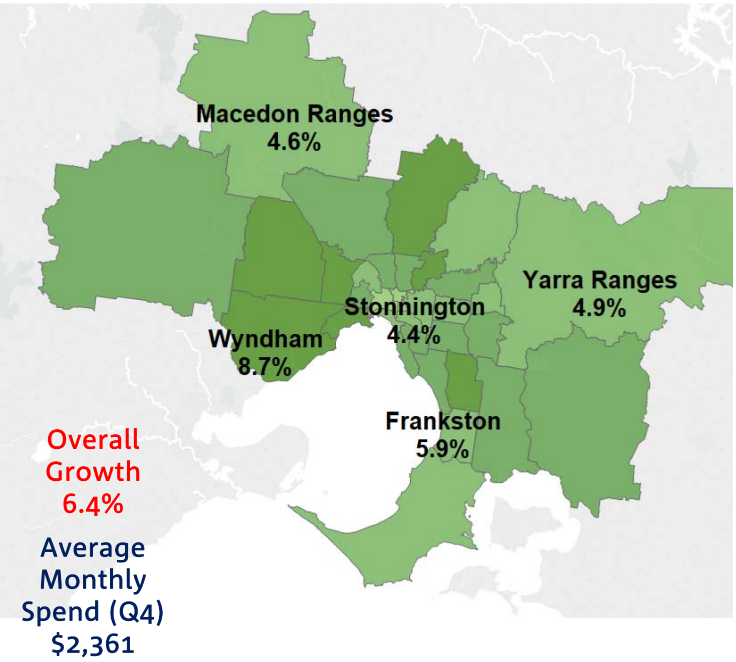
- Overall customer spending in regional NSW (ex metro) grew 5.1% y/y in Q4 2017 (4.3% y/y in Q3) - slower than in Sydney metro (5.6%).
- Average customer spending was $2,096 in Q4 ($2,019 in Q3), below that in Sydney metro ($2,368).
- Spending growth was fastest for Arts & Recreation (28.9%), Accommodation & Food Services (13.1%), Utilities (9.9%) and Financial & Insurance Services (9.7%).
- Spending on Wholesale Trade (-1.1%) contracted. It grew very modestly for Education & Training (0.9%), Transport Postal & Warehousing (1.2%) and Construction (1.6%).
- By postcode, spending was fastest in Tooleybuc 2736 (72.0%), Urana 2645 (68.3%), Harden 2587 (63.8%), Bodalla 2545 (63.6%) and Coleambally 2707 (63.2%).

VIC - MELBOURNE GREATER METROPOLITAN AREA

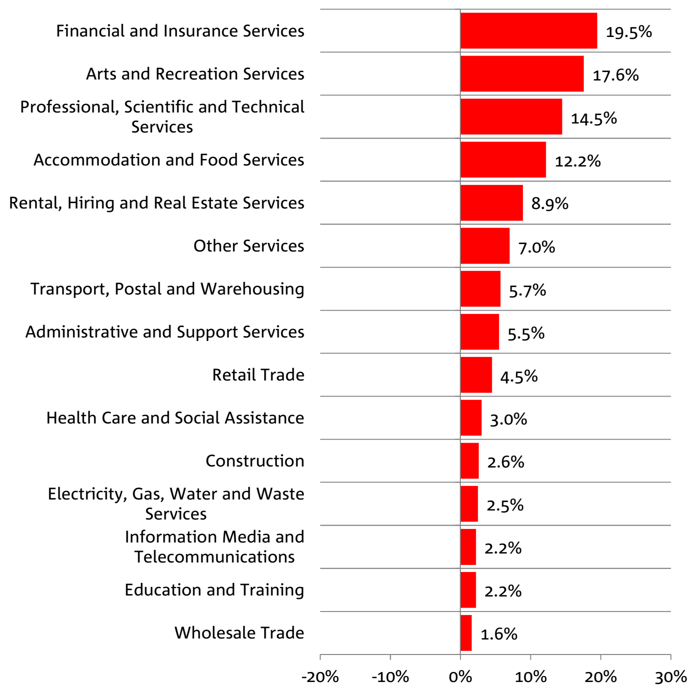
GROWTH IN NAB CUSTOMER SPENDING

(percentage change Q4 2017 on Q4 2016)

MELBOURNE GREATER METROPOLITAN AREA

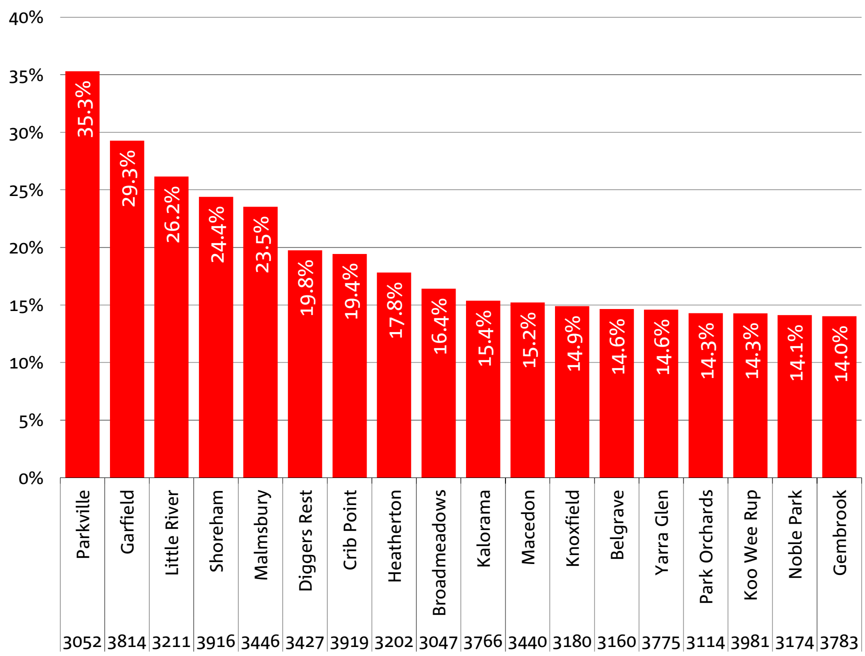


GROWTH BY SPENDING (%,Y/Y)



Top 20 Postcodes by Spend Growth: Melbourne Metro

(Q4 2017 spend value on Q4 2016 spend value)



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

KEY TAKEOUTS

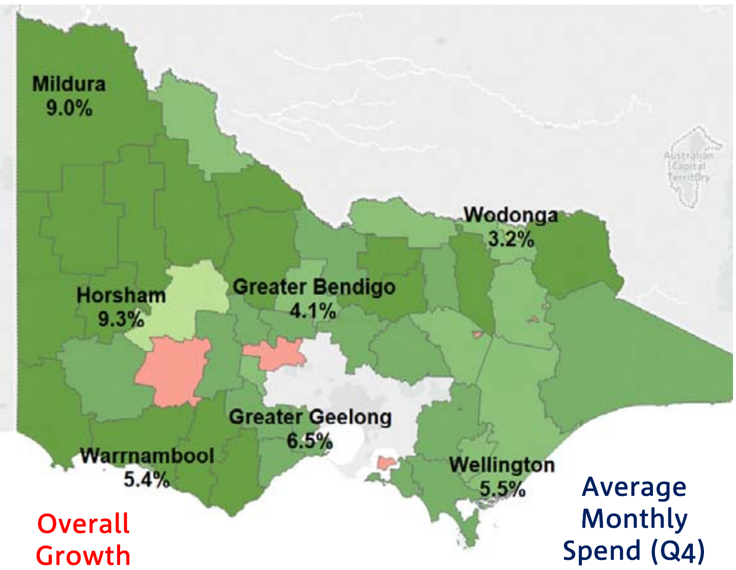
- Customer spending in Melbourne metro grew 6.4% y/y in Q4 2017 (3.3% y/y in Q3) - the fastest of all metro areas.
- Average monthly customer spending was $2,361 in Q4 ($2,167 in Q3).
- Financial & Insurance Services (19.5%), Arts & Recreation (17.6%), Professional, Scientific & Technical Services (14.5%) and Accommodation & Food Services (12.2%) led the way.
- Spending growth was slowest for Wholesale Trade (1.6%), Education & Training (2.2%), Information Media & Telecoms (2.2%), Utilities (2.5%) and Construction (2.5%).
- By postcode, spending growth was fastest in Parkville 3052 (35.3%), Garfield 3814 (29.3%), Little River 3211 (26.2%), Shoreham 3916 (24.4%) and Malmsbury 3446 (23.5%).

VIC - REGIONAL (EX. GREATER METRO AREA)

GROWTH IN NAB CUSTOMER SPENDING

(percentage change Q4 2017 on Q4 2016)

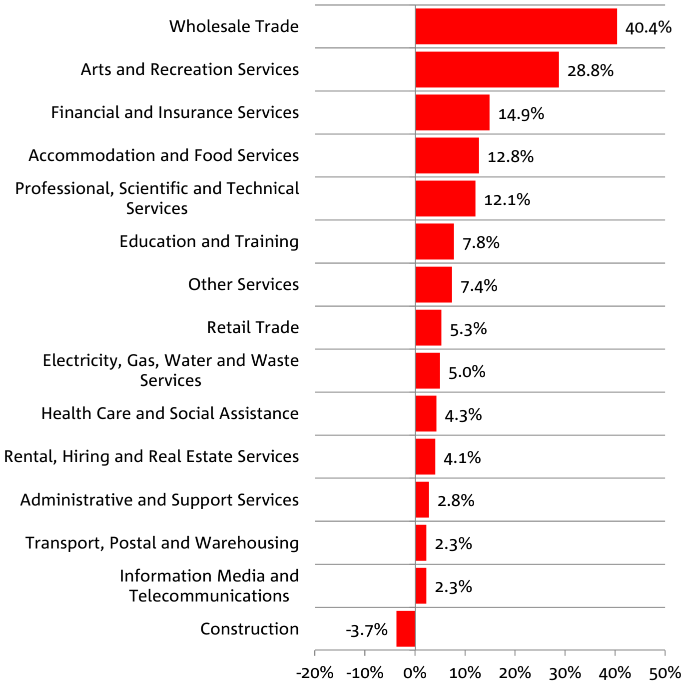
REGIONAL VIC (EX METRO)



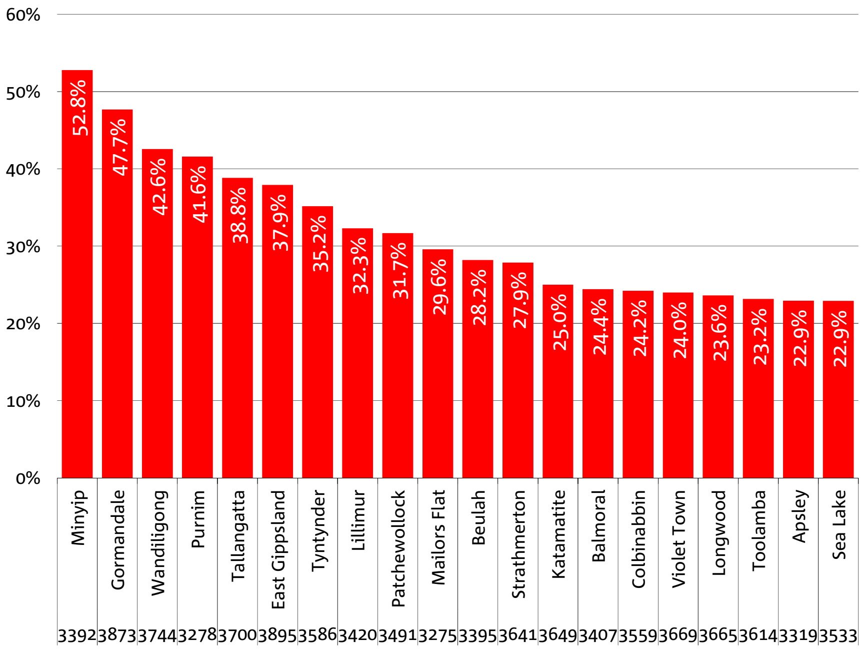
Overall Growth 6.6%

Average Monthly Spend (Q4) $2,047

GROWTH BY SPENDING (%,Y/Y)



Top 20 Postcodes by Spending Growth: VIC Regional
(Q4 2017 spend value on Q4 2017 spend value)



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

KEY TAKEOUTS

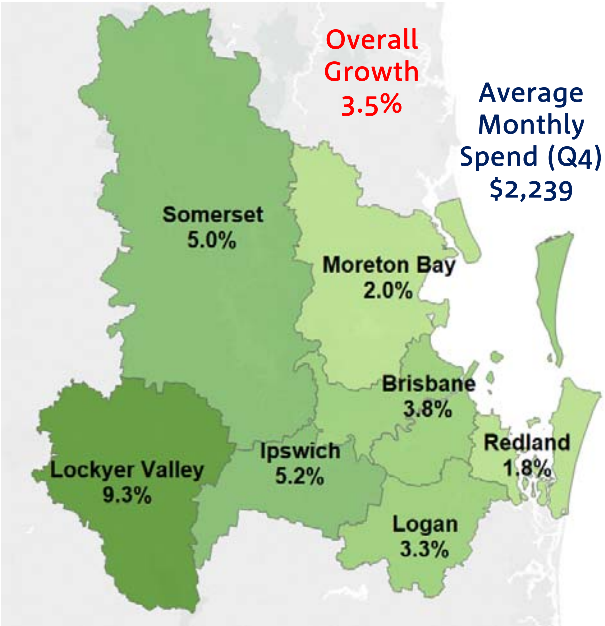
- Customer spending in regional VIC (ex metro) grew 6.6 % y/y in Q4 2017 (5.0% y/y in Q3) - slightly ahead of Melbourne metro (6.4%).
- Average spending was $2,047 in Q4 ($1,932 in Q3), below Melbourne metro ($2,361).
- Spending growth was fastest for Wholesale Trade (40.4%), Arts & Recreation (28.8%), Financial & Insurance Services (14.9%) and Accommodation & Food (12.8%).
- Spending on Construction fell (-3.7%). The next weakest categories were Information Media & Telecoms (2.3%), Transport, Postal & Warehousing (2.3%) and Administrative & Support Services (2.8%).
- By individual postcode, spending growth was fastest in Minyip 3392 (52.8%), Gormandale 3873 (47.7%), and Wandiligong 3744 (42.6%).

QLD - BRISBANE GREATER METROPOLITAN AREA

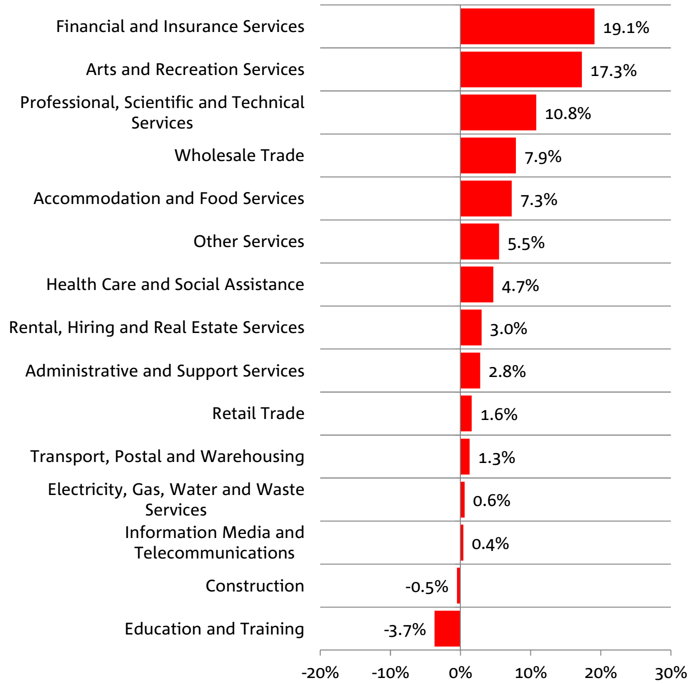
GROWTH IN NAB CUSTOMER SPENDING

(percentage change Q4 2017 on Q4 2016)

BRISBANE GREATER METROPOLITAN AREA

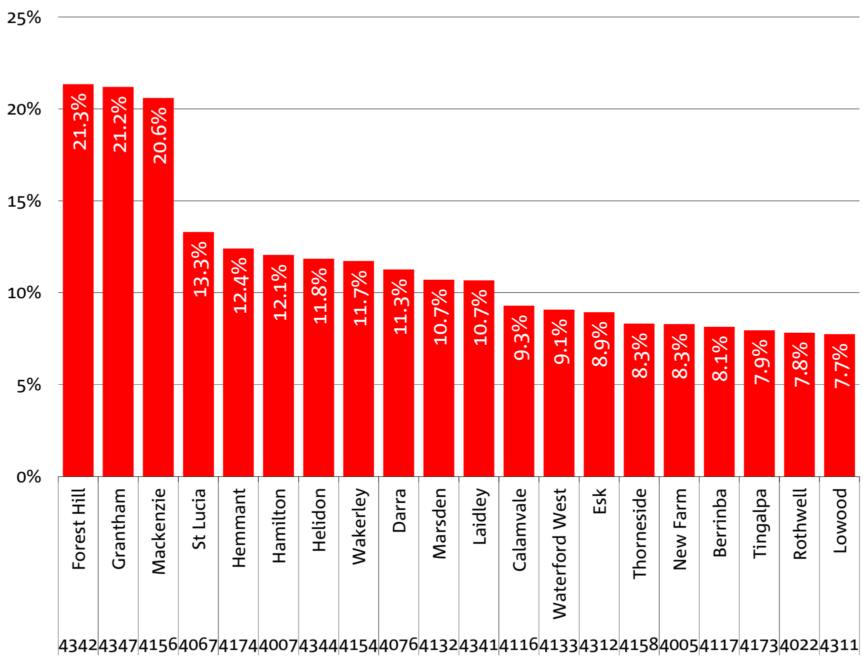


GROWTH BY SPENDING (%,Y/Y)



Top 20 Postcodes by Spend Growth: Brisbane Metro

(Q4 2017 spend value on Q4 2016 spend value)



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

KEY TAKEOUTS

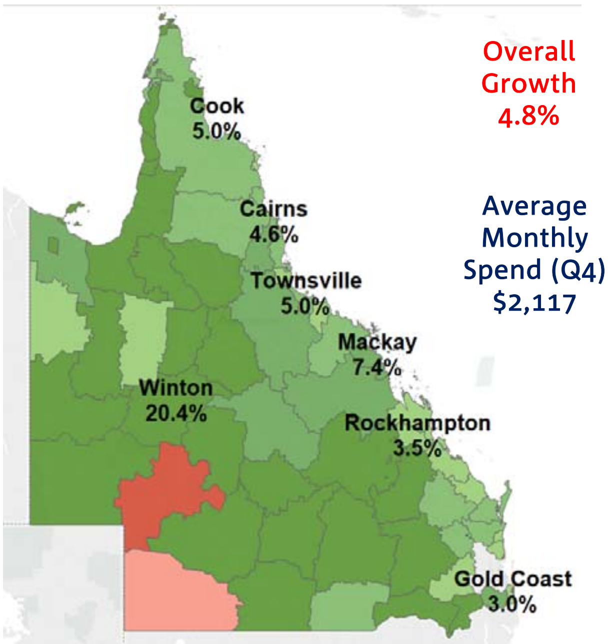
- Customer spending in the greater Brisbane metropolitan area grew 3.5% y/y in Q4 2017 (1.7% y/y in Q3).
- Average monthly spending was $2,239 in Q4 ($2,074 in Q3).
- Spending grew fastest for Financial & Insurance Services (19.1%), Arts & Recreation (17.3%), Professional, Scientific & Technical Services (10.8%), Wholesale Trade (7.9%) and Accommodation & Food Services (7.3%).
- It fell for Education & Training (-3.7%) and Construction (-0.5%) and was basically flat for Information Media & Telecoms (0.4%) and Electricity, Gas, Water & Waste Services (0.6%).
- By postcode, spending growth was fastest in Forest Hill 4342 (21.3%), Grantham 4347 (21.2%) and Mackenzie 4156 (20.6%).

QLD - REGIONAL (EX. GREATER METRO AREA)

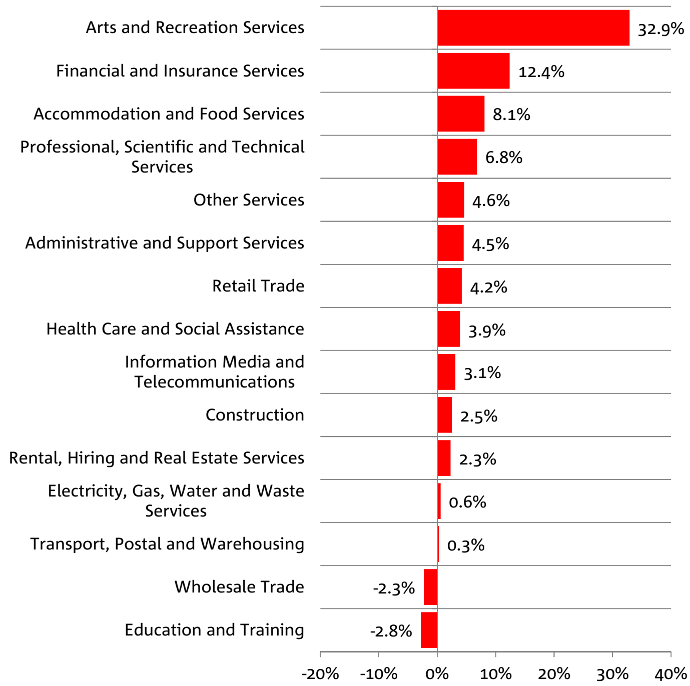
GROWTH IN NAB CUSTOMER SPENDING

(percentage change Q4 2017 on Q4 2016)

REGIONAL QLD (EX METRO)

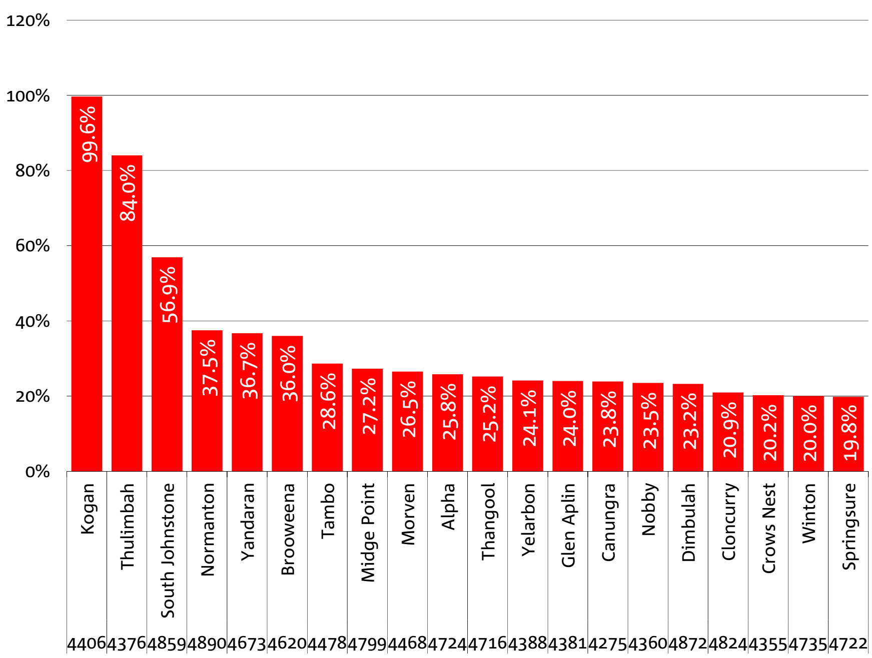


GROWTH BY SPENDING (%,Y/Y)



Top 20 Postcodes by Spending Growth: QLD Regional

(Q4 2017 spend value on Q4 2017 spend value)



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

KEY TAKEOUTS

- Spending in regional QLD grew 4.8% y/y in Q4 2017 (4.0% y/y in Q3) and faster than Brisbane metro (3.5%).
- Average monthly customer spending was $2,117 in Q4 ($2,009 in Q3), below average spending in metro Brisbane ($2,239).
- Spending growth was fastest for Arts & Recreation (32.9%), followed by Financial & Insurance Services (12.4%), Accommodation & Food Services (8.1%) and Professional, Scientific & Technical Services (6.8%),
- NAB Customer spending fell for Education & Training (-2.8%) and Wholesale Trade (-2.3%) and was essentially flat for Transport, Postal & Warehousing (0.3%) and Electricity, Gas, Water & Waste Services (0.6%)
- By postcode, spending grew fastest in Kogan 4406 (99.6%), Thulimbah 4376 (84.0%) & Sth Johnstone 4859 (56.9%).

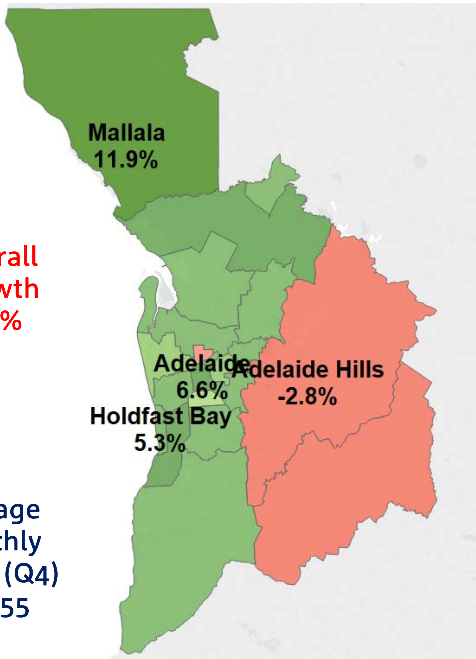
SA - ADELAIDE GREATER METROPOLITAN AREA

GROWTH IN NAB CUSTOMER SPENDING

(percentage change Q4 2017 on Q4 2016)

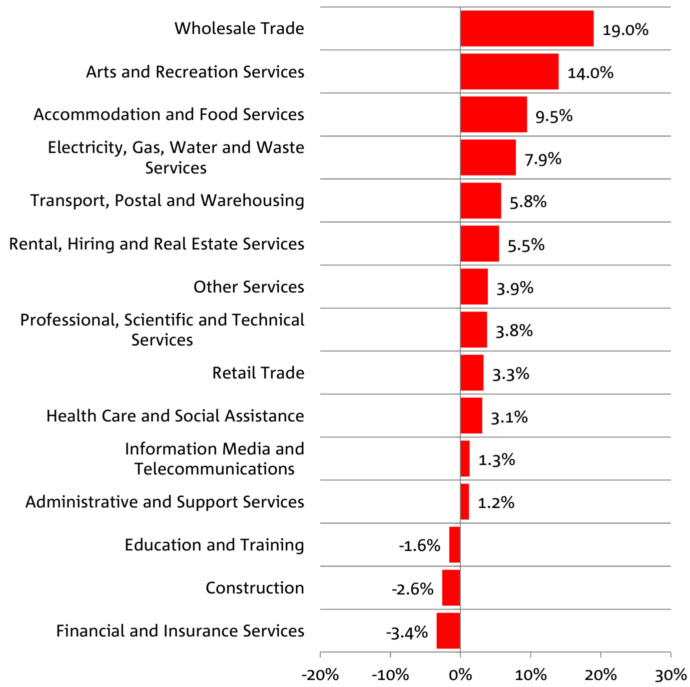
ADELAIDE GREATER METROPOLITAN AREA

Overall Growth 3.9%

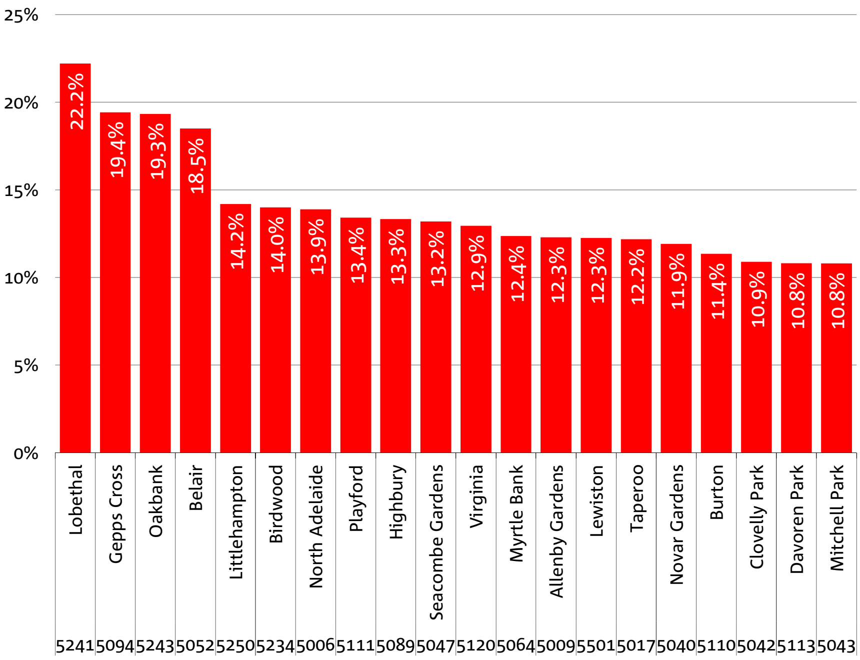


Average Monthly Spend (Q4) $2,155

GROWTH BY SPENDING (%,Y/Y)



Top 20 Postcodes by Spend Growth: Adelaide Metro
(Q4 2017 spend value on Q4 2016 spend value)



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

KEY TAKEOUTS

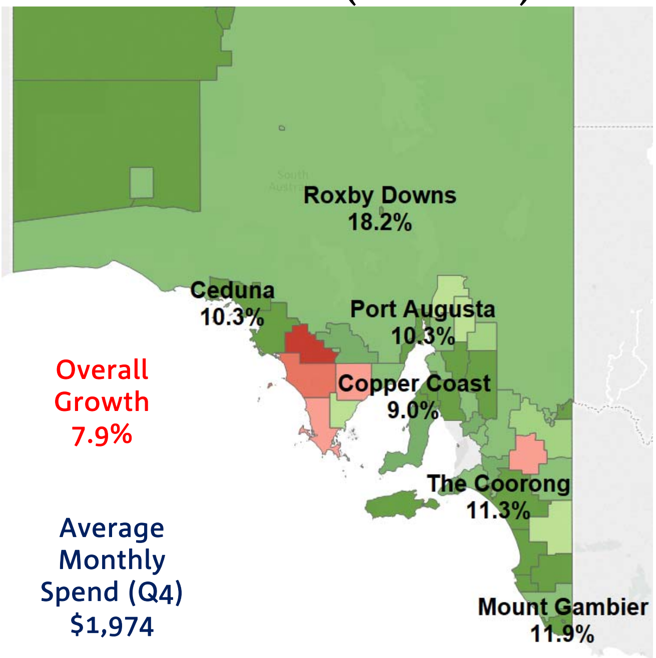
- NAB Customer spending in the greater Adelaide metropolitan area grew 3.9% y/y in Q4 2017 (2.5% in Q3).
- Average monthly customer spending was $2,115 in Q4 ($2,220 in Q3).
- Spending growth was fastest for Wholesale Trade (19.0%), Arts & Recreation (14.0%), Accommodation & Food Services (9.5%) and Electricity, Gas, Water & Waste Services (7.9%).
- Customer Spending fell for Financial & Insurance Services (-3.4%), Construction (-2.6%) and Education & Training (-1.6%).
- By postcode, overall customer spending growth was fastest in Lobethal 5241 (22.2%), Gepps Cross 5094 (19.4%), Oakbank 5243 (19.3%) and Belair 5052 (18.5%).

SA - REGIONAL (EX. GREATER METRO AREA)

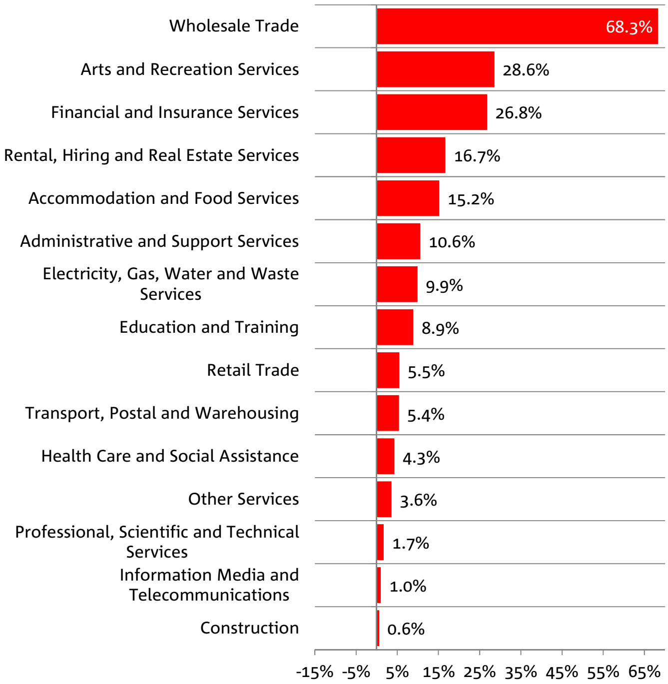
GROWTH IN NAB CUSTOMER SPENDING

(percentage change Q4 2017 on Q4 2016)

REGIONAL SA (EX METRO)

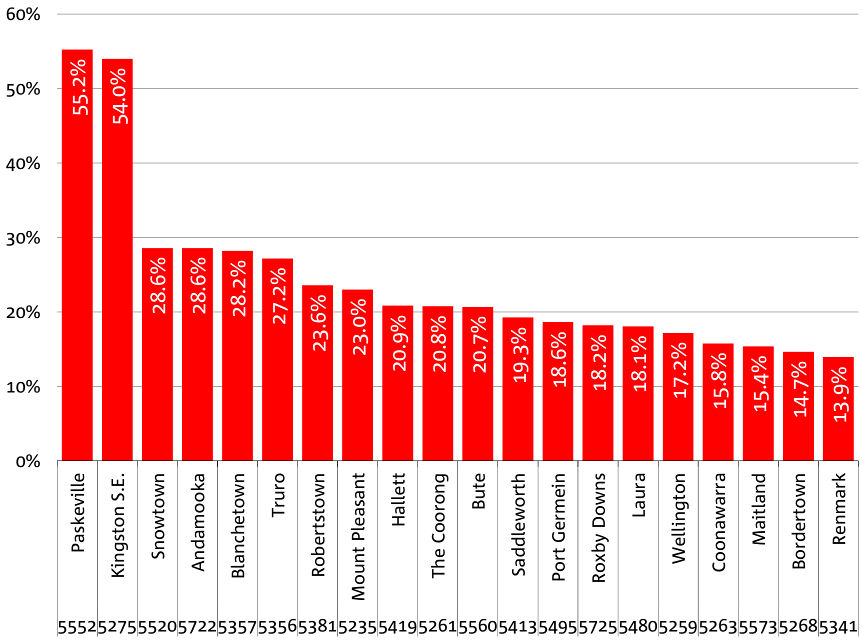


GROWTH BY SPENDING (%,Y/Y)



Top 20 Postcodes by Spending Growth: SA Regional

(Q4 2017 spend value on Q4 2017 spend value)



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

KEY TAKEOUTS

- Customer spending in regional SA grew 7.9% y/y in Q4 2017 (6.7% y/y in Q3) and was the fastest growing area of regional spending in Australia.
- Average monthly spending was $1,974 in Q4 ($1,838 in Q3), lower than Adelaide metro ($2,155).
- Spending was slowest for Wholesale Trade (68.3%), Arts & Recreation (28.6%), Financial & Insurance Services (26.8%), Rental, Hiring & Real Estate Services (16.7%) and Accommodation & Food Services (15.2%).
- Spending was basically flat for Construction (0.6%) and Information Media & Telecoms (1.0%).
- By postcode, growth was fastest in Paskeville 5552 (55.2%), Kingston S. E. 5275 (54.0%), Snowtown 5520 (28.6%), Andamooka 5722 (28.6%) and Blanchetown 5357 (28.2%).

WA - PERTH GREATER METROPOLITAN AREA

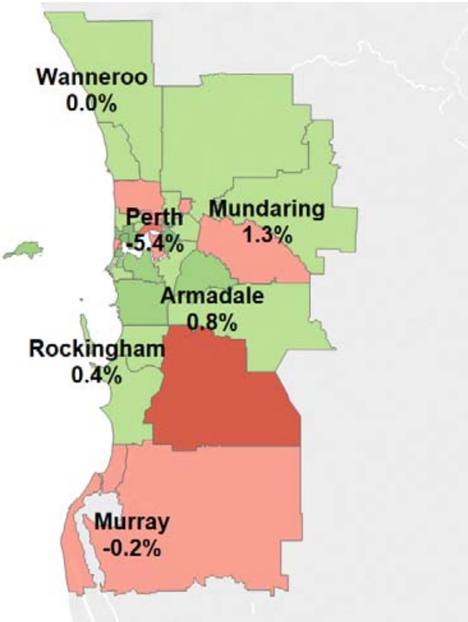
GROWTH IN NAB CUSTOMER SPENDING

(percentage change Q4 2017 on Q4 2016)

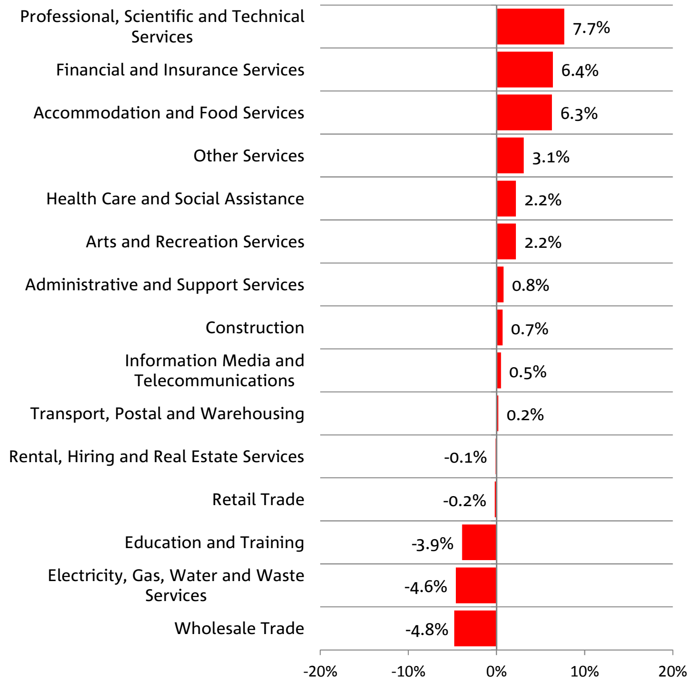
PERTH GREATER METROPOLITAN AREA

Overall Growth 0.9%

Average Monthly Spend (Q4) $2,246

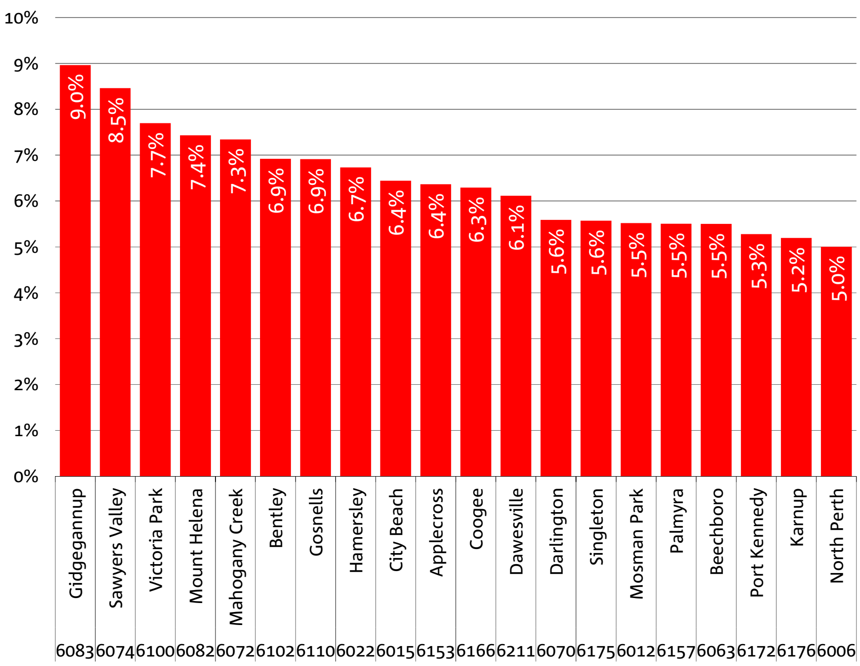


GROWTH BY SPENDING (%,Y/Y)



Top 20 Postcodes by Spend Growth: Perth Metro

(Q4 2017 spend value on Q4 2016 spend value)



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

KEY TAKEOUTS

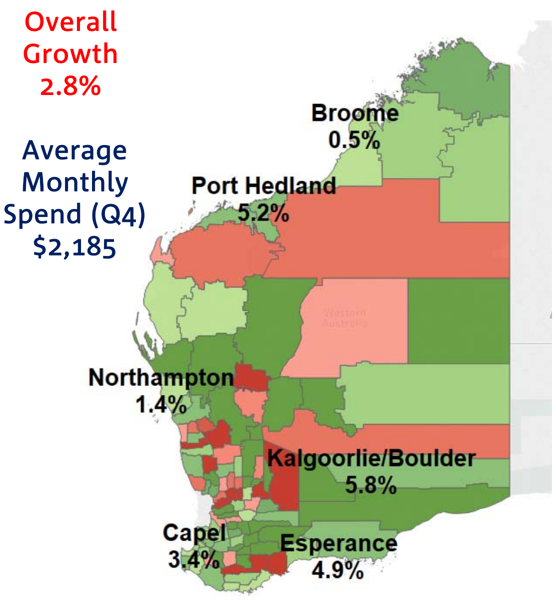
- NAB customer spending in the greater Perth metropolitan grew 0.9% in Q4 2017 (-2.1% y/y in Q3) and still weakest of all cities.
- Average monthly spending was $2,246 in Q4 ($2,140 in Q3).
- Spending grew fastest for Professional, Scientific & Technical Services (7.7%), Financial & Insurance Services (6.4%) and Accommodation & Food Services (6.3%).
- It fell for Wholesale Trade (-4.8%), Electricity, Gas, Water & Waste Services (-4.6%), Education & Training (-3.9%), Retail Trade (-0.2%) and Rental, Hiring & Real Estate (-0.1%).
- Modest growth was seen in all other spending categories.
- By postcode, spending was fastest in Gidgegannup 6083 (9.0%), Sawyers Valley 6074 (8.5%), Victoria Park 6100 (7.7%) and Mount Helena 6082 (7.4%).

WA - REGIONAL (EX. GREATER METRO AREA)

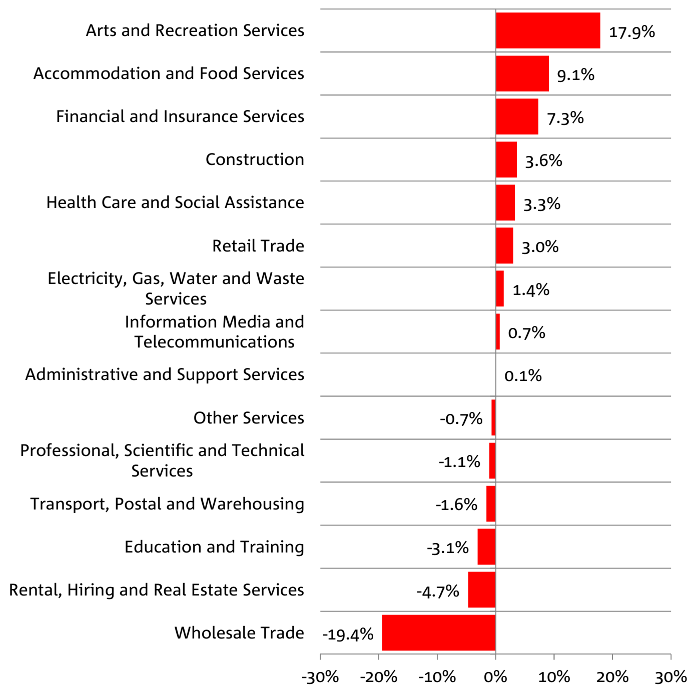
GROWTH IN NAB CUSTOMER SPENDING

(percentage change Q4 2017 on Q4 2016)

REGIONAL WA (EX METRO)

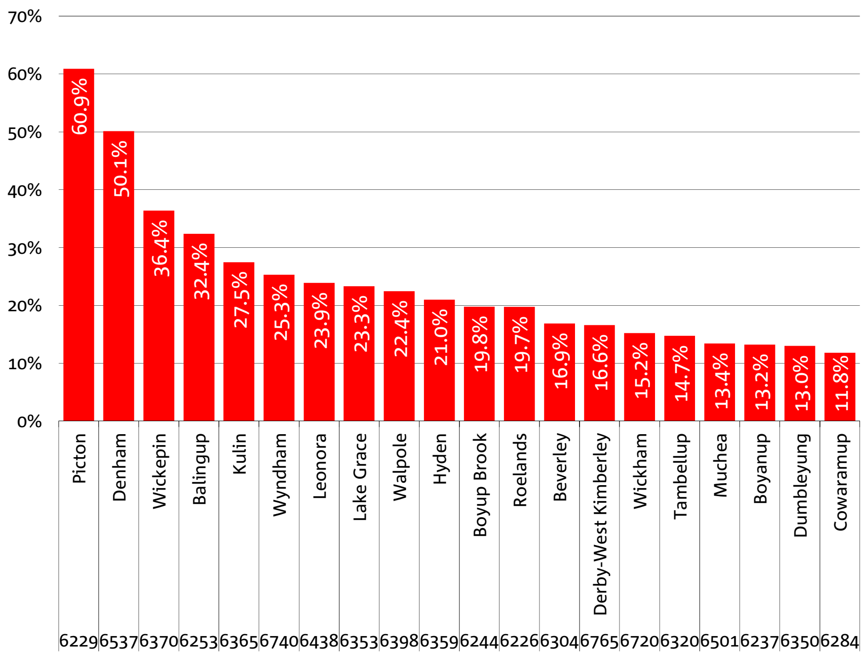


GROWTH BY SPENDING (%,Y/Y)



Top 20 Postcodes by Spending Growth: WA Regional

(Q4 2017 spend value on Q4 2017 spend value)



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

KEY TAKEOUTS

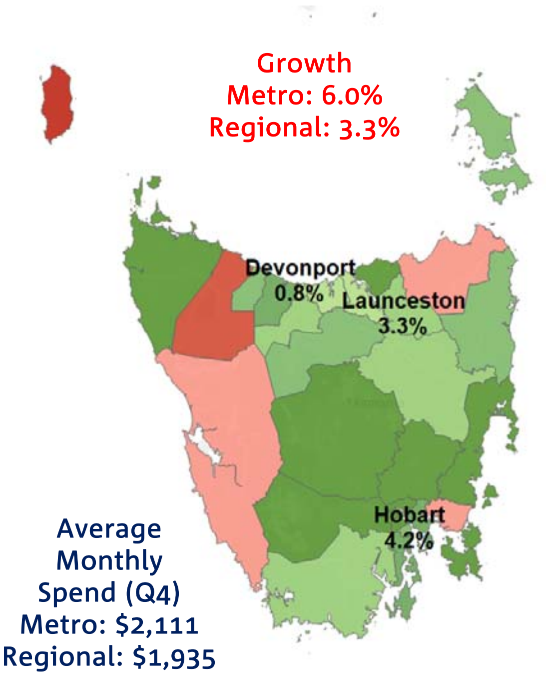
- Customer spending in regional WA (ex metro) grew 2.8% y/y in Q4 2017 (0.8% y/y in Q3), faster than Perth (0.9%) but slowest of all regions.
- Average monthly spending was $2,185 in Q4 ($1,985 in Q3) - the highest regional spend in Australia, but lower than Perth metro ($2,246).
- Spending grew fastest for Arts & Recreation Services (17.9%), Accommodation & Food Services (9.1%) and Financial & Insurance Services (7.3%).
- Spending fell heavily on Wholesale Trade (-19.4%). Notable falls were also seen in spending on Rental, Hiring & Real Estate Services (-4.7%) and Education & Training (-3.1%).
- By postcode, spending growth was fastest in Picton 6229 (60.9%), Denham 6537 (50.1%), Wickepin 6370 (36.4%) and Balingup 6253 (32.4%).

TASMANIA

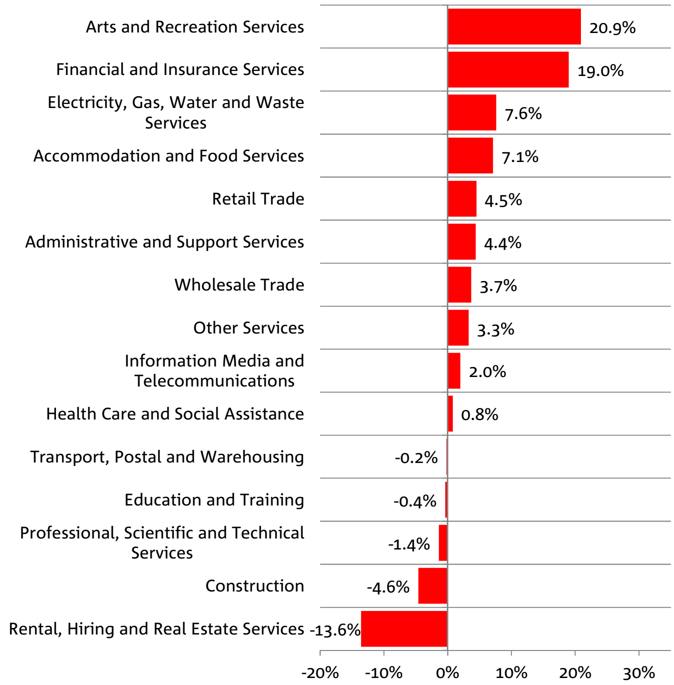
GROWTH IN NAB CUSTOMER SPENDING

(percentage change Q4 2017 on Q4 2016)

TASMANIA - STATE

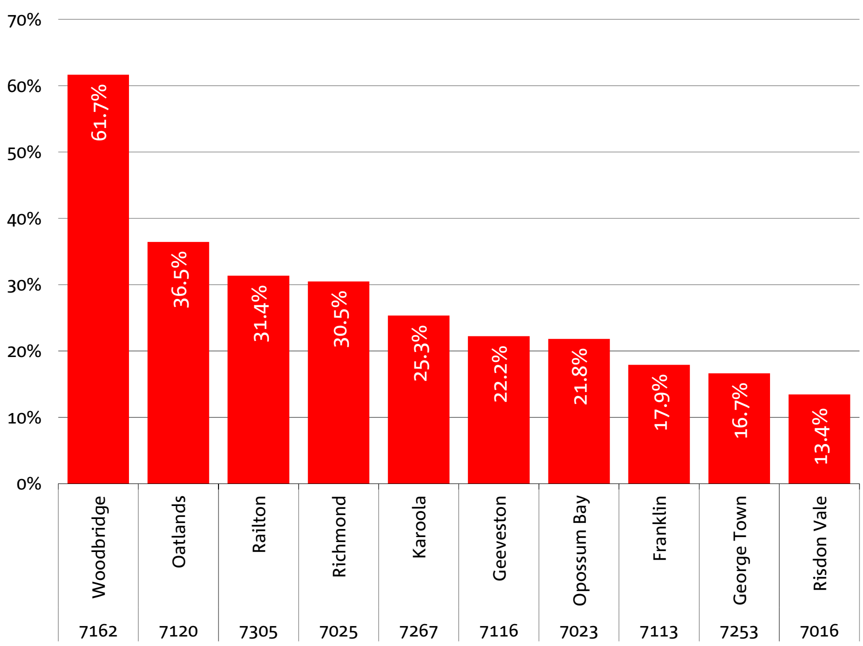


GROWTH BY SPENDING (%,Y/Y)



Top 10 Postcodes by Spend Growth: TAS

(Q4 2017 spend value on Q4 2016 spend value)



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

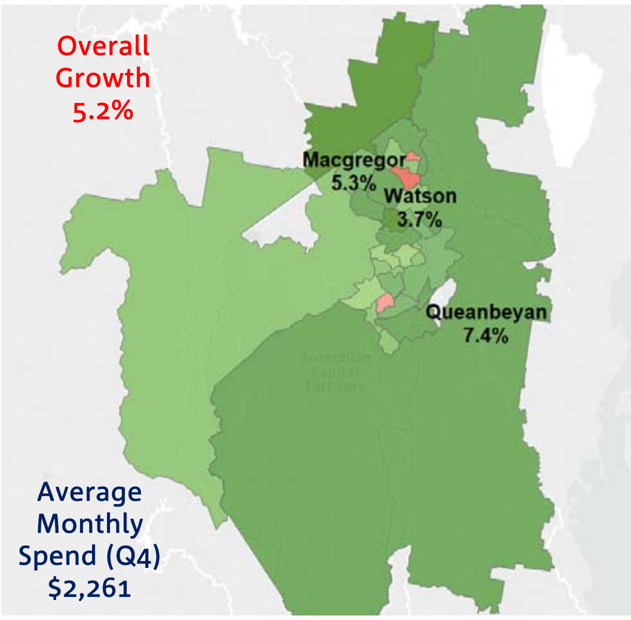
KEY TAKEOUTS

- Customer spending grew 6.0% y/y in Q4 2017 in Hobart metro (4.4% y/y in Q3), and by 3.3% y/y in regional TAS (1.7% y/y in Q3).
- Average spending in Q4 was $2,111 in Hobart metro ($1,957 in Q3) and $1,935 in regional TAS ($1,816 in Q3).
- Overall spending (metro/regional) was fastest for Arts & Recreation (20.9%), Financial & Insurance Services (19.0%), Utilities (7.6%) and Accommodation & Food Services (7.1%).
- It fell for Rental, Hiring & Real Estate Services (-13.6%), Construction (-4.6%), Professional, Scientific & Technical Services (-1.4%), Education & Training (-0.4%) and Transport, Postal & Warehousing (-0.4%)
- By postcode, growth was fastest in Woodbridge 7162 (61.7%), Oatlands 7120 (36.5%) & Railton 7305 (31.4%).

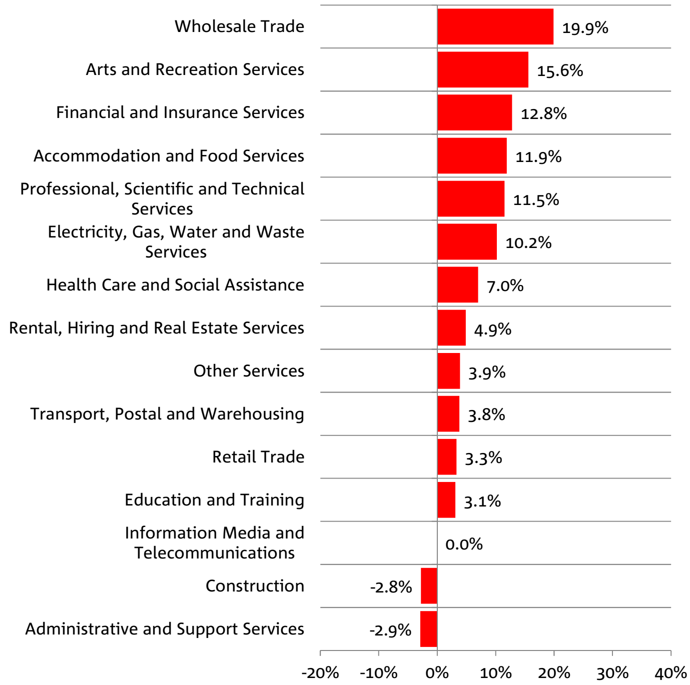
ACT

GROWTH IN NAB CUSTOMER SPENDING
(percentage change Q4 2017 on Q4 2016)

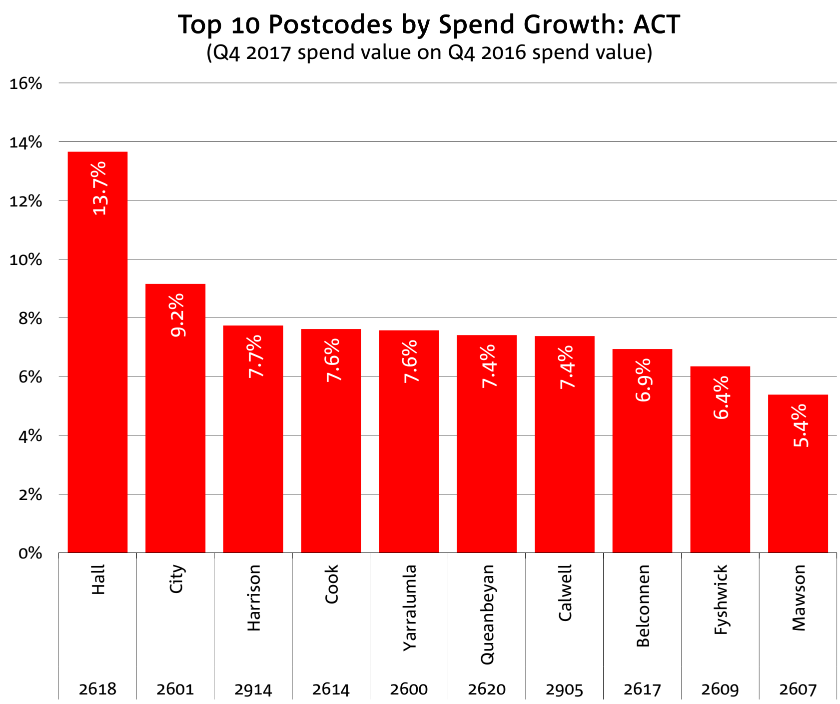
ACT



GROWTH BY SPENDING (%,Y/Y)



**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.*



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

KEY TAKEOUTS

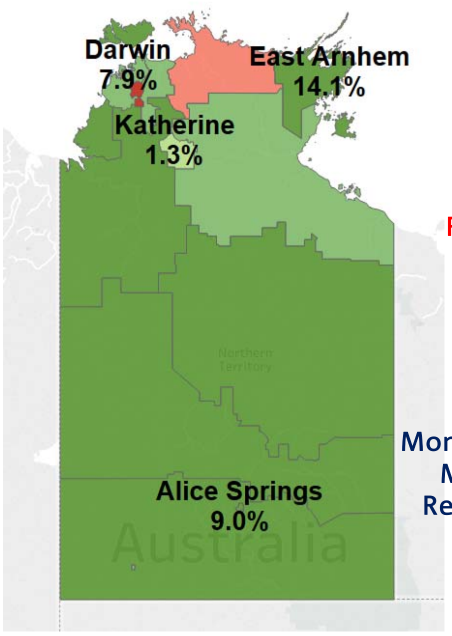
- Customer spending in the ACT grew 5.2% y/y in Q4 2017 (4.1% y/y in Q3).
- Average monthly was $2,261 in Q4 ($2,234 in Q3).
- Spending growth was fastest for Wholesale Trade (19.9%), Arts & Recreation (15.6%), Financial & Insurance Services (12.8%) and Accommodation & Food Services (11.9%).
- Spending fell for Administrative & Support Services (-2.9%), Construction (-2.8%) and was flat for Information Media & Telecoms (0.0%).
- By postcode, spending growth was fastest in Hall 2618 (13.7%), City 2601 (9.2%), Harrison 2914 (7.7%), Cook 2614 (7.6%) and Yarralumla 2600 (7.6%).

NORTHERN TERRITORY

GROWTH IN NAB CUSTOMER SPENDING

(percentage change Q4 2017 on Q4 2016)

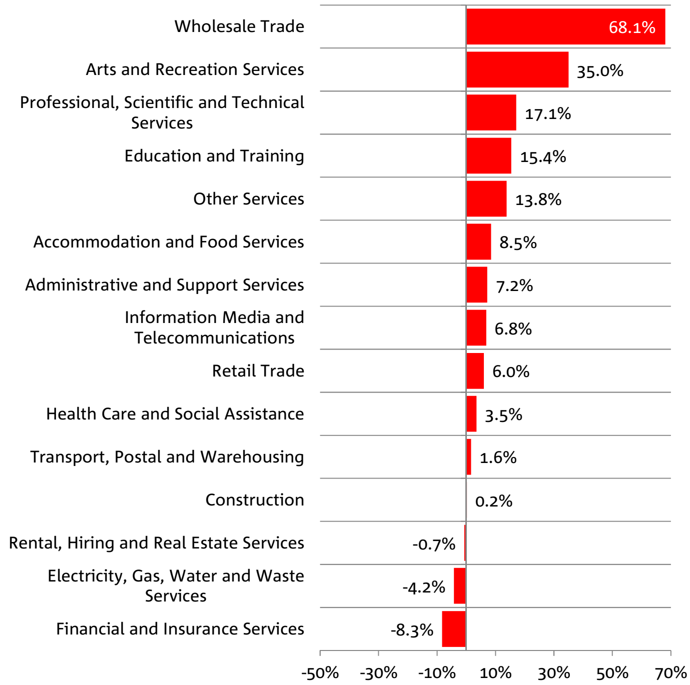
NORTHERN TERRITORY



Overall Growth
Metro: 6.1%
Regional: 7.4%

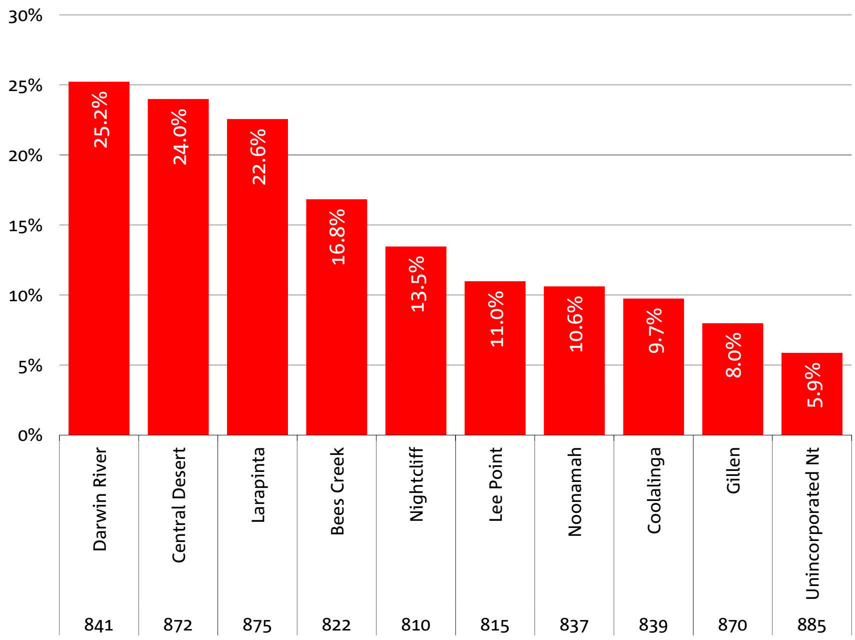
Average Monthly Spend (Q4)
Metro: $2,118
Regional: $1,696

GROWTH BY SPENDING (%, Y/Y)



Top 10 Postcodes by Spend Growth: NT

(Q4 2017 spend value on Q4 2016 spend value)



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

KEY TAKEOUTS

- Customer spending grew 6.1% y/y in Darwin metro in Q4 2017 (2.6% y/y in Q3), and by 7.4% y/y in regional NT (4.2% y/y in Q3).
- Average monthly spending in Q4 was $2,118 in Darwin metro ($2,075 in Q3), the lowest of all cities, and $1,696 in regional NT ($1,916 in Q3).
- Customer spending in the NT was fastest for Wholesale Trade (68.1%), and Arts & Recreation (35.0%).
- It fell for Financial & Insurance Services (-8.3%), Electricity, Gas, Water & Waste Services (-4.2%) and Rental, Hiring & Real Estate Services (-0.7%).
- By postcode, spending growth was fastest in Darwin River 841 (25.2%), Central Desert 872 (24.0%), Larapinta 875 (22.6%), Bees Creek 822 (16.8%) and Nightcliff 810 (13.5%).

APPENDIX 1

By state, VIC, NSW and QLD contributed just under 90% of total growth in NAB customer spending during Q4 2017.

The NT (0.6%) and WA (0.9%) contributed the least.

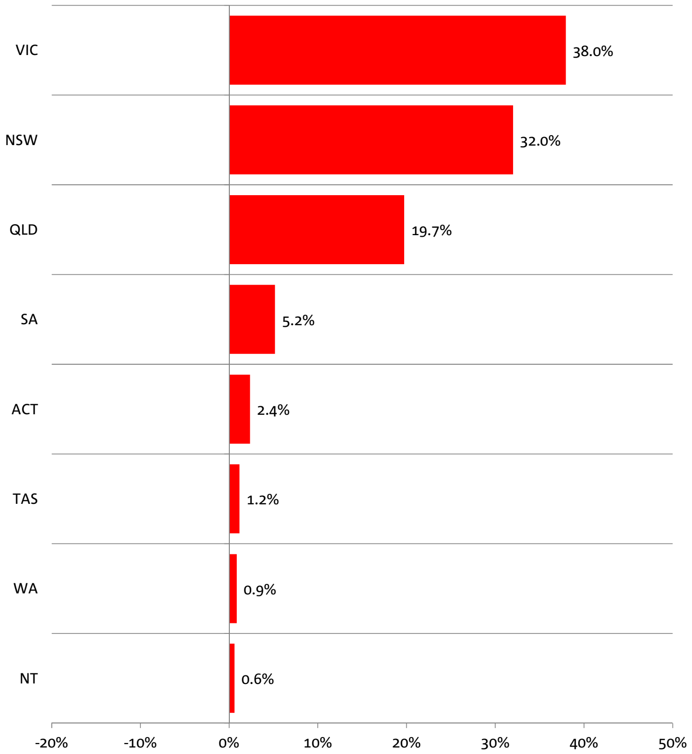
There were modest contributions from SA (5.2%), the ACT (2.4%) and TAS (1.2%).

By region, Greater Melbourne and Sydney accounted for nearly half (48.4%) of total spending growth in Q4 2017.

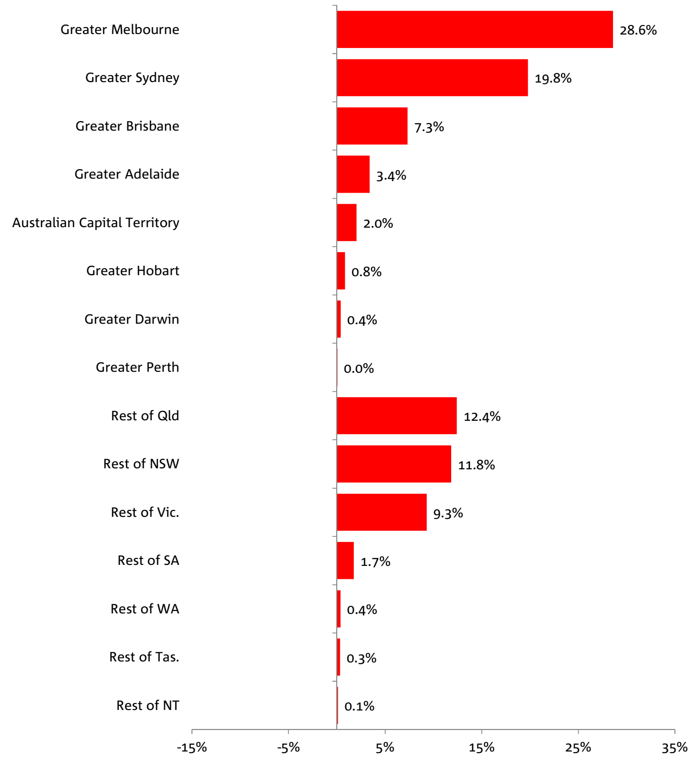
Regional NSW, QLD and VIC added 33.5%.

Greater Hobart (0.8%), Darwin (0.4%) and Perth (0.0%) combined added just 1.2%, while the rest of SA, WA, TAS and the NT added just 2.5%

CONTRIBUTION TO GROWTH BY STATE

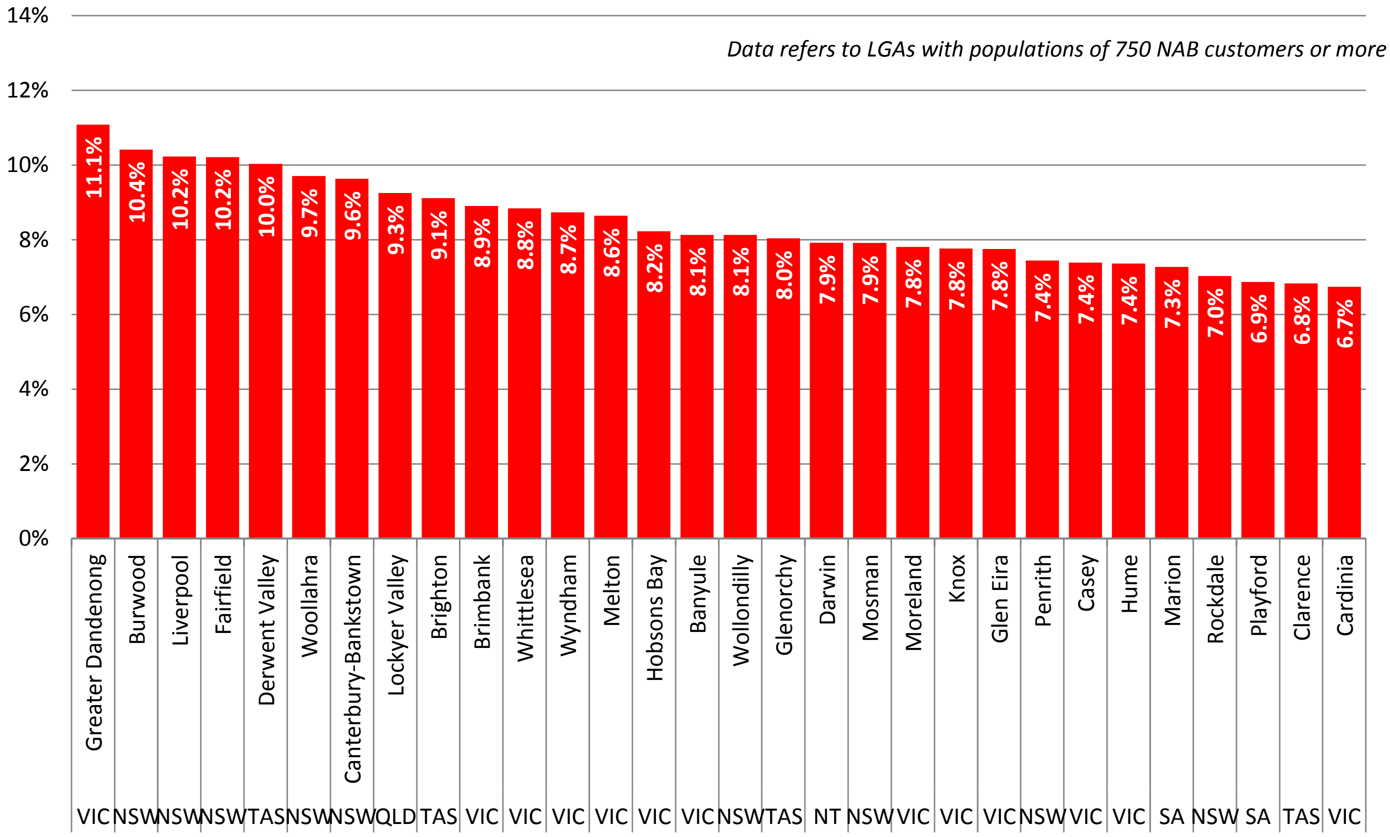


CONTRIBUTION TO GROWTH BY REGION



APPENDIX 2

TOP 30 FASTEST GROWING AUSTRALIAN METROPOLITAN LGA'S



TOP 5 FASTEST GROWING METROPOLITAN LGA'S BY STATE

SYDNEY	% Y/Y
Burwood	10.4%
Liverpool	10.2%
Fairfield	10.2%
Woollahra	9.7%
Canterbury-Bankstown	9.6%

MELBOURNE	% Y/Y
Greater Dandenong	11.1%
Brimbank	8.9%
Whittlesea	8.8%
Wyndham	8.7%
Melton	8.6%

BRISBANE	% Y/Y
Lockyer Valley	9.3%
Ipswich	5.2%
Somerset	5.0%
Brisbane	3.8%
Logan	3.3%

ADELAIDE	% Y/Y
Marion	7.3%
Playford	6.9%
Adelaide	6.6%
Mitcham	5.7%
Salisbury	5.6%

PERTH	% Y/Y
Victoria Park	5.5%
Mosman Park	5.5%
Claremont	4.3%
Nedlands	4.1%
Melville	3.5%

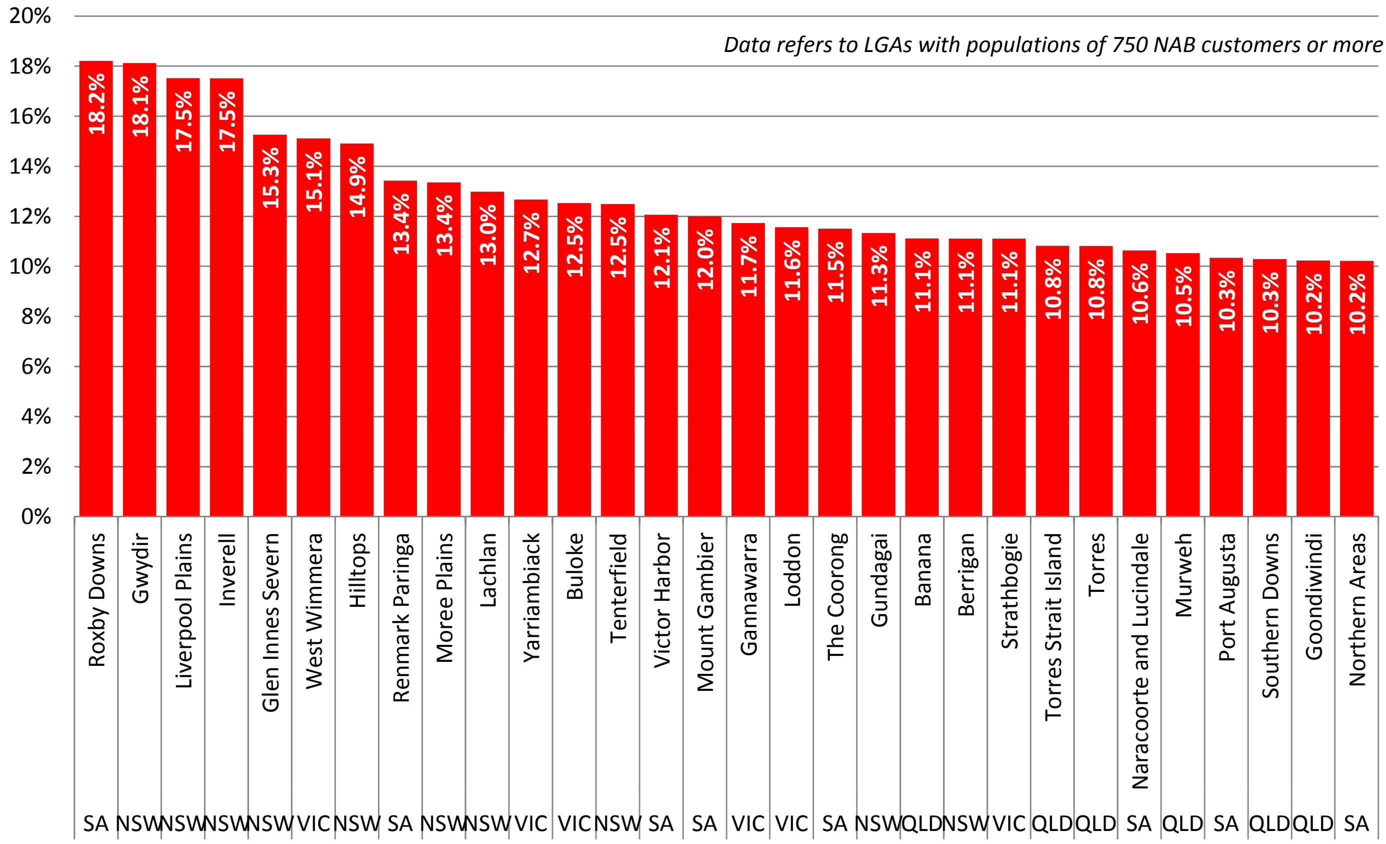
HOBART	% Y/Y
Derwent Valley	10.0%
Brighton	9.1%
Glenorchy	8.0%
Clarence	6.8%
Kingborough	6.2%

CANBERRA	% Y/Y
Unincorporated ACT*	4.9%

* The ACT does not have separate LGAs.

DARWIN	% Y/Y
Darwin	7.9%
Litchfield	4.5%
Palmerston	2.8%

TOP 30 FASTEST GROWING AUSTRALIAN REGIONAL LGA'S



TOP 5 FASTEST GROWING REGIONAL LGA'S BY STATE

NSW	% Y/Y
Gwydir	18.11%
Liverpool Plains	17.5%
Inverell	17.5%
Glen Innes Severn	15.3%
Hilltops	14.9%

VIC	% Y/Y
West Wimmera	15.1%
Yarriambiack	12.7%
Buloke	12.5%
Gannawarra	11.7%
Loddon	11.6%

QLD	% Y/Y
Banana	11.1%
Torres Strait Island	10.8%
Torres	10.8%
Murweh	10.5%
Southern Downs	10.3%

SA	% Y/Y
Roxby Downs	18.2%
Renmark Paringa	13.4%
Victor Harbor	12.1%
Mount Gambier	12.0%
The Coorong	11.5%

WA	% Y/Y
Wyndham-East Kimberley	7.55%
Manjimup	5.9%
Kalgoorlie/Boulder	5.8%
Port Hedland	5.2%
Greater Geraldton	4.9%

TAS	% Y/Y
Burnie	5.9%
Central Coast	5.5%
Meander Valley	5.2%
Launceston	3.4%
Huon Valley	3.3%

NT	% Y/Y
Alice Springs	9.0%

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 is 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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