National Australia Bank

2011 FULL YEAR RESULTS

Investor presentation

27 October 2011

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National Australia Bank Limited ABN 12 004 044 937

nab MLC Clydesdale Bank Yorkshire Bank Bank of New Zealand Great Western Bank

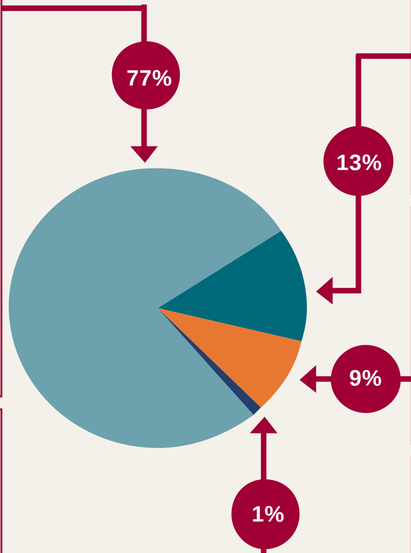
Good result and progress against strategy

	FY11	Change on Sep 10	2H11 Change on Mar 11
Revenue ($m)	17,594	5.7%	0.0%
Cash earnings ($m)	5,460	19.2%	4.6%
Tier 1 ratio	9.70%	79bps	51bps
Dividend (100% franked cps)	172	20	4
Cash ROE (%)	15.2%	200bps	10bps
Statutory net profit attributable to owners ($m)	5,219	23.6%	15.0%

Economic outlook

Australia
- Recovery post floods
- Multi-speed economy
- Expect through the year GDP growth of approx 3.2% at December 2011 and 3.1% at December 2012*
- Strong demand for Australian bulk commodity exports
- Large mining investment projects
- Unemployment low by global standards. Other measures of the labour market showing positive signs

China
- Robust domestic activity and foreign trade
- Easing inflation
- Expect soft landing ~ 8.25% GDP growth in 2012



United Kingdom
- GDP growth expected to rise to 2% in 2012
- Sluggish economic recovery
- Credit demand affected by weak housing market and de-leveraging household and business sectors
- Credit growth expected to remain soft as income growth remains modest
- Sterling depreciation is assisting exports and trade flows
- Interest rates at all time lows

New Zealand
- Recovery under way
- Housing market still soft but improving
- High commodity prices helping exporters
- Main risk to the NZ economy lies in what happens to global conditions

United States
- Continuing slow recovery
- Risk of recession receding
- Soft labour market data, with weak job creation and a persistently high unemployment rate

% represent share of 30 September 2011 GLAs, Australia includes Asia
* Through the year growth is the GDP for the December quarter compared with the prior year December quarter

Strong progress against strategic priorities

	Progress to date	2012 areas of focus
Balance sheet strength	Strengthened capital ratios Increased liquidity Improved funding position	Preparation for Basel III Secured funding
Efficiency, quality and service	Infrastructure and network transformation underway Re-platforming programme progressing Customer processes improved	Re-platforming and infrastructure and network transformation Continued discipline in efficiency and process improvements
People, culture and reputation	Improved customer satisfaction Strengthened employee engagement and collaboration Stronger reputation and brand	Maintain customer satisfaction Continue to differentiate from peers Leverage reputational gains
Portfolio	Personal Banking more competitive Wholesale Banking refocused on the core franchise SGA run-off progressing well	Maximise value from positions offshore Continue to de-risk and run-off SGA Cross-sell

Transforming the way we do business

End state	▸ Improved customer experience and service delivery ▸ Ageing infrastructure replaced ▸ Operational risk reduced ▸ More competitive cost structure		
Key programmes	**Infrastructure & Network Transformation**	**Re-platforming Programme (NextGen)**	**Customer Process Transformation**
Significant achievements	▸ Network modernisation completed – 100% of sites upgraded ▸ Contact centre voice infrastructure pilot sites implemented ▸ Workplace service uplift commenced – PC refresh	▸ Activated customer analytics functionality ▸ New Australian general ledger operational ▸ Securitisation platform – additional capability deployed	▸ Mortgage transformation significantly progressed ▸ Service improvements in 3rd Party broker channel ▸ Customer facing systems availability increased
FY12 priorities	▸ Contact centre voice infrastructure completed ▸ Continue to progress payments systems replacement ▸ Continue to upgrade technology infrastructure	▸ Foundation release of Core Banking deployed ▸ New credit risk engine and funds transfer pricing capability ▸ Customer relationship management and 'single customer view' capability	▸ New private client platform launched ▸ Mortgage transformation complete ▸ Extend UBank capabilities

2012 outlook

- Macro outlook uncertain and ongoing volatility likely
- Well placed to navigate the uncertainty
- Firmly focused on execution against strategic priorities
- Manage to positive jaws

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2H11 Financials

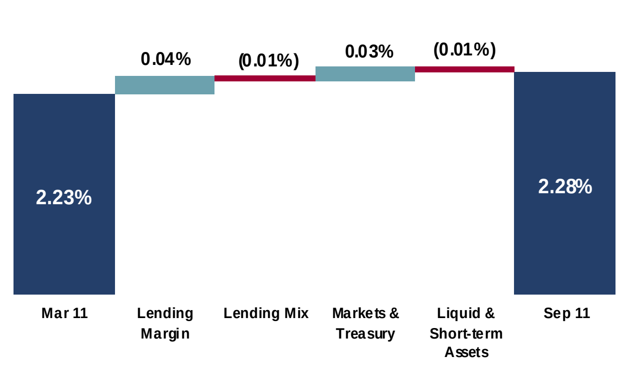
nab | MLC | Clydesdale Bank | Yorkshire Bank | Bank of New Zealand | Great Western Bank

Group financial result

$m	Sep 11 Full year	Change on Sep 10	Sep 11 Half year	Change on Mar 11
Net interest income	13,092	6.5%	6,788	7.7%
Other operating income (incl MLC)	4,502	3.5%	2,007	(19.6%)
Net operating income	17,594	5.7%	8,795	0.0%
Operating expenses	(7,974)	(1.4%)	(3,983)	0.2%
Underlying profit	9,620	9.6%	4,812	0.1%
B&DDs	(1,822)	19.5%	(834)	15.6%
Cash earnings	5,460	19.2%	2,792	4.6%
Cash ROE (%)	15.2%	200bps	15.2%	10bps
NIM (%)	2.25%	0bps	2.28%	5bps
Core Tier 1 ratio (%)	7.58%	78bps	7.58%	46bps

Net interest margin

Group net interest margin – half on half attribution analysis



Business unit net interest margin

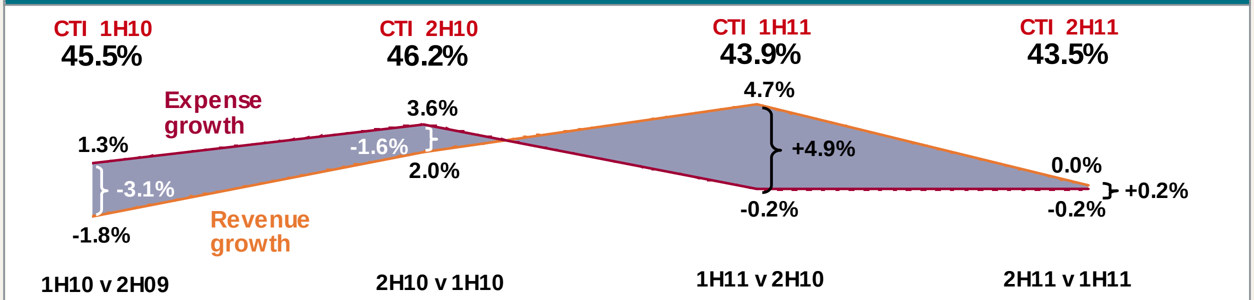
(%)	Half year to Sep 11	Mar 11	Sep 10
Business Banking	2.66	2.57	2.50
Personal Banking	2.17	2.22	2.28
UK Banking	2.33	2.33	2.28
NZ Banking	2.35	2.24	2.24

Anticipate NIM pressures due to:

- Rising wholesale funding costs
- Heightened competition for assets
- Ongoing competition for deposits
- Regulatory changes (e.g. level and composition of liquids)

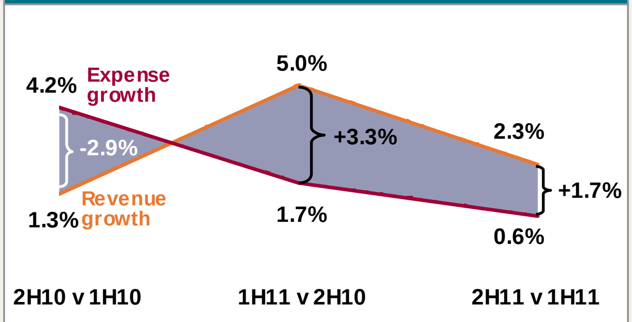
Jaws and investment spend

Jaws and banking CTI momentum

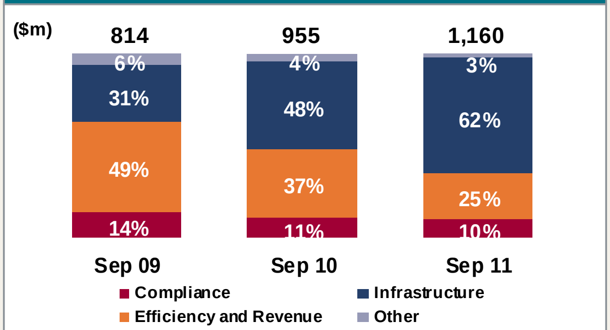


CTI – Banking cost to income ratio

Jaws momentum (ex SCDO and FX)

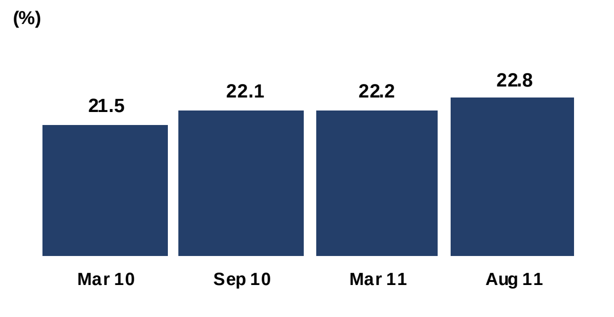


Investment spend

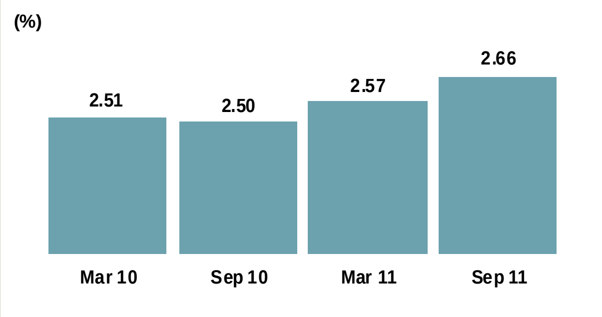


Business Banking and Personal Banking

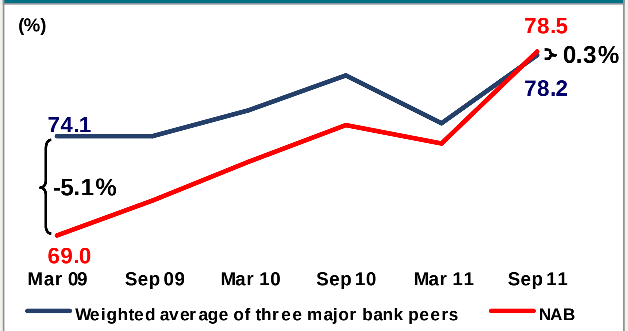
Business lending market share[1]



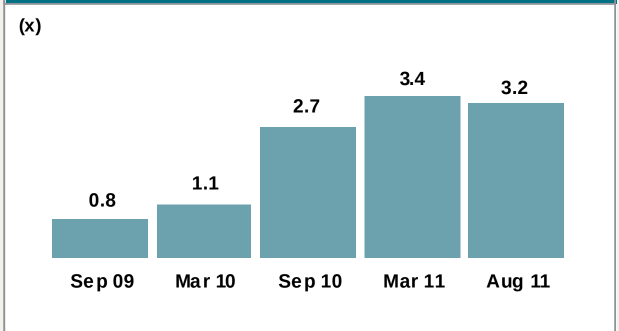
Business Banking net interest margin



Personal Banking MFI customer satisfaction[2]



Personal Banking home loan multiple of system growth[1]



(1) RBA Financial System/NAB
(2) Roy Morgan Research, Aust MFIs, population aged 14+, six month moving average. Customer satisfaction is based on customers who answered very/fairly satisfied. NAB compared with the weighted average of the three major banks (ANZ, CBA, WBC)

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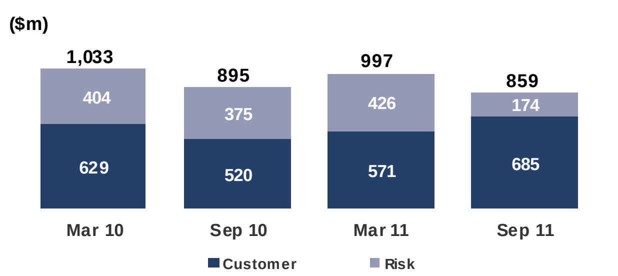
Wholesale Banking and MLC & NAB Wealth

Wholesale Banking revenue by line of business

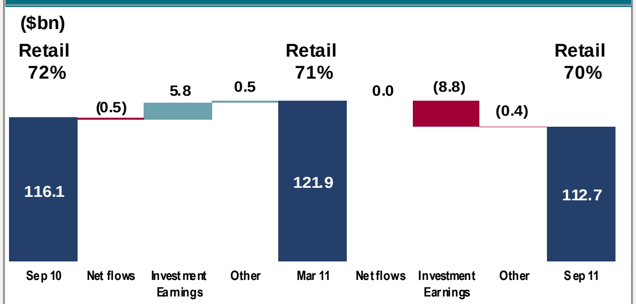


- Customer comprises Sales, Asset Servicing, Specialised Finance and Financial Institutions Group
- Risk comprises FICC[(1)] and Treasury

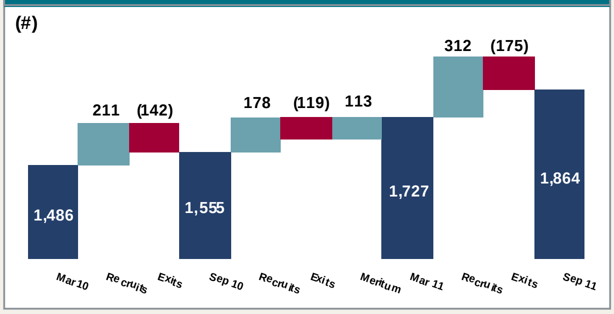
Wholesale Banking - infrastructure and natural resources

NewRoyal Adelaide Hospital	GMR Energy Singapore	PlenaryLiving
AUD2,605m	SGD975m	AUD745m
Project Finance Facility	Project Finance Facility	Project Finance Facility
Mandated Lead Arranger	Mandated Lead Arranger Insurance Bank Role	Mandated Lead Arranger, Underwriter, Bookrunner
June 2011	July 2011	July 2011

MLC & NAB Wealth - movement in FUM



MLC & NAB Wealth adviser movement



(1) Fixed Income, Currencies & Commodities, formerly known as Global Markets Trading

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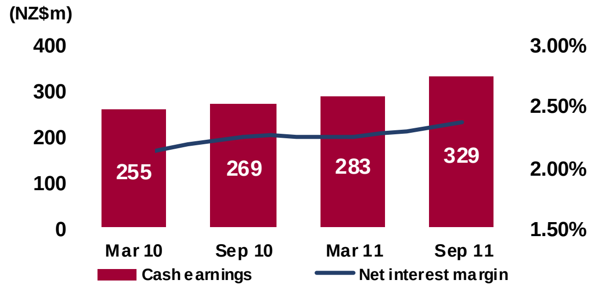
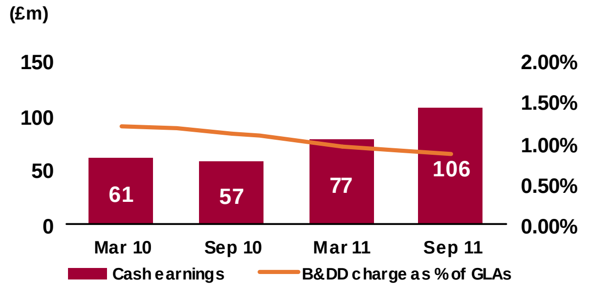
International businesses

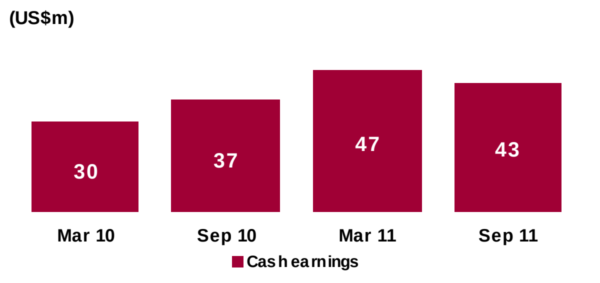
NZ Banking



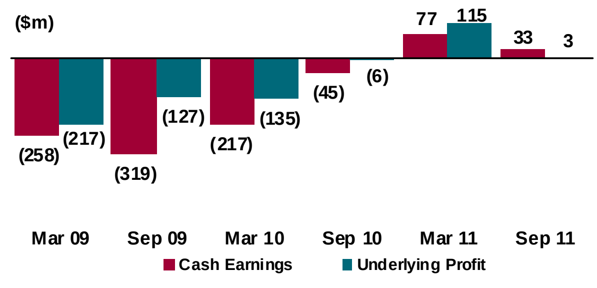
UK Banking



Great Western Bank



Specialised Group Assets



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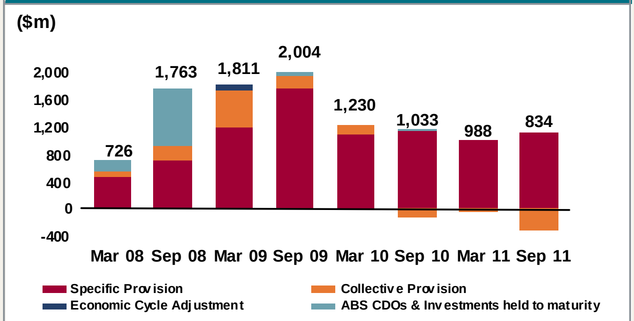
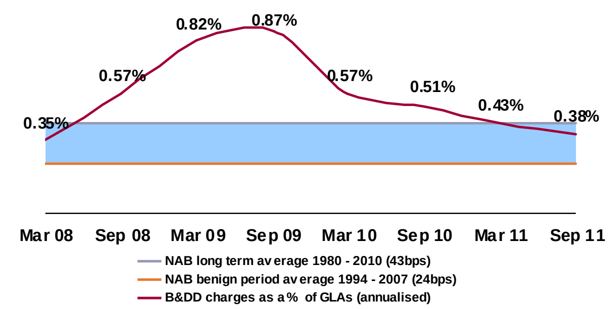
Group B&DD charge and asset quality

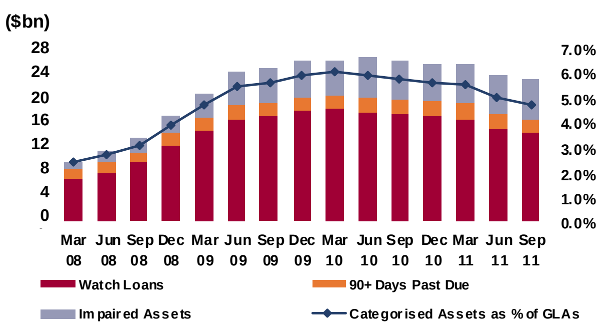
B&DD charge



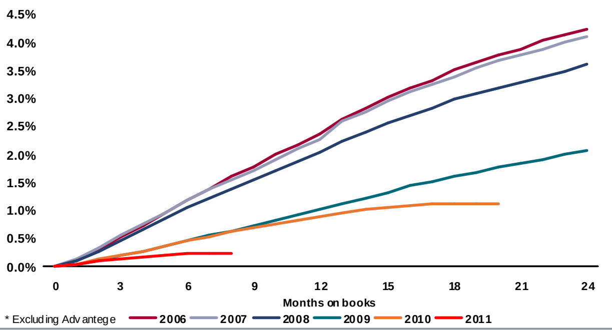
B&DD charge to GLAs – compared to norms



Categorised assets by balance



Australian mortgages* - cumulative 30+ DPD



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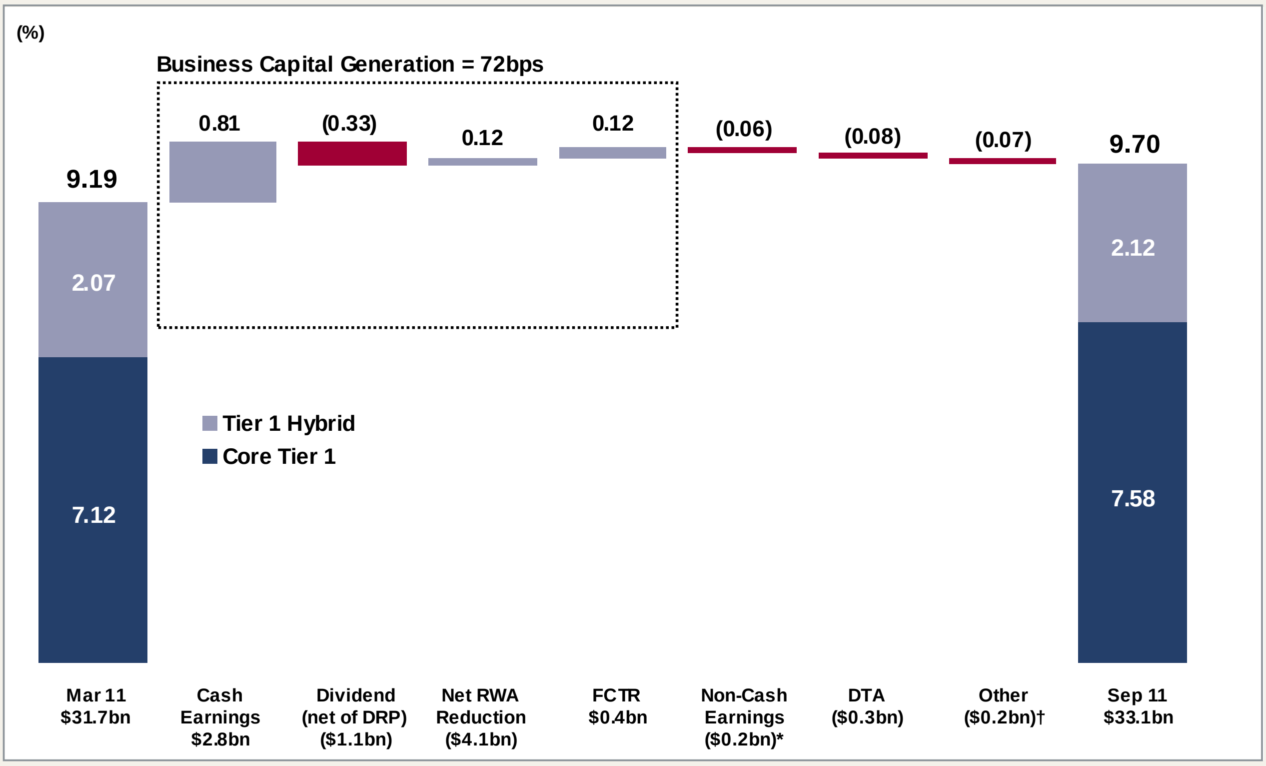
Tier 1 capital position

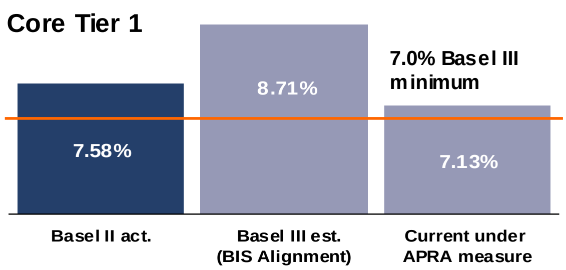


* Non-cash earnings affect on Tier 1 after adjusting for Distributions and Treasury Shares

† Primarily Wealth Management adjustment (-2bps) and other immaterial movements

Regulatory reform – status update

Capital reforms



- APRA proposed Basel III capital reform package delivered
- Broadly in line with March 11 estimate except:
  - > Additional Wealth deduction (50% NTA)
  - > Removal of dividend accrual
- Implementation phased in January 2013, earlier than Basel requires
- APRA consultation underway. Final standards expected 2012
- Well placed to manage capital impact

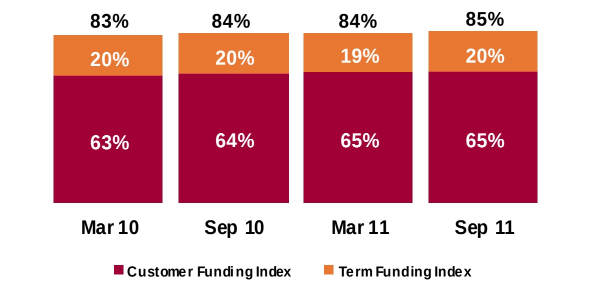
Funding and Liquidity reforms

- Balance sheet transition underway to ensure compliance with
  - > Liquidity Coverage Ratio (LCR) from January 2015
  - > Net Stable Funding Ratio (NSFR) from January 2018
- APRA consultation underway. Discussion paper expected late 2011
- RBA secured facility supports LCR compliance. Main challenges likely to be:
  - > Improving quality of deposits and liquid assets
  - > Continuing to term-out wholesale funding
- Challenge on NSFR
  - > LCR transition is supportive
  - > Taking covered bonds to issuance

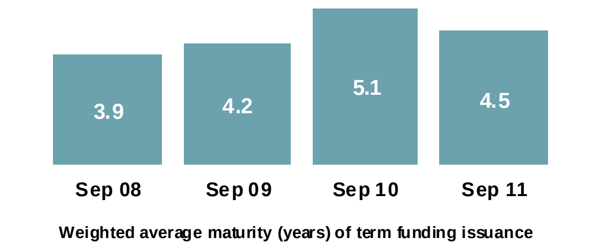
Note: Supervisory confirmation required

Funding and liquidity

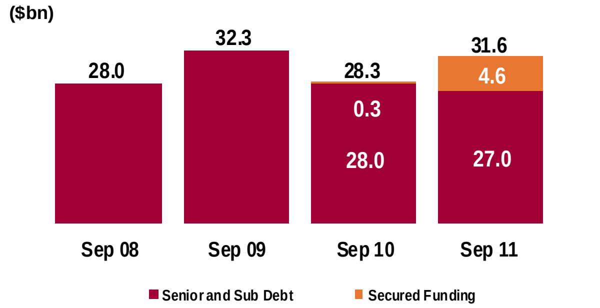
Group Stable Funding Index (SFI)



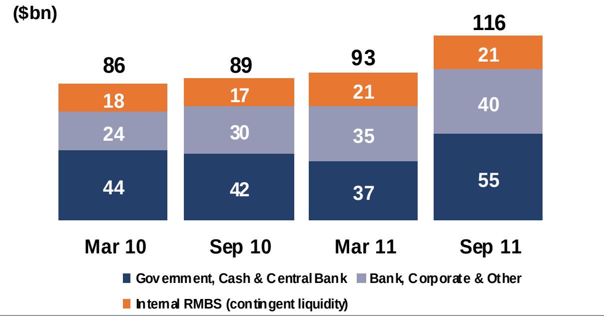
Term funding – tenor of issuance



Term funding – volume of new issuance



Liquid asset holdings



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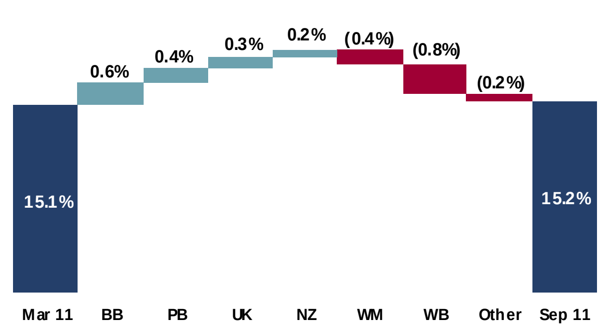
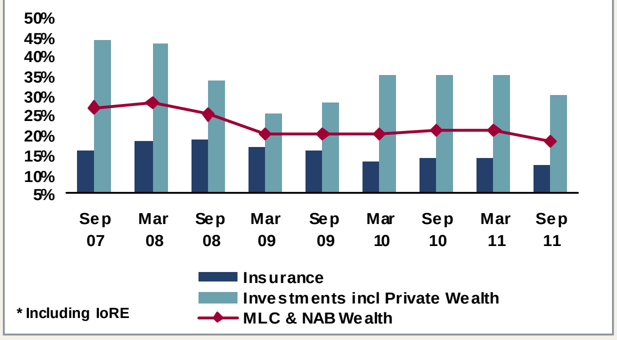
Return on equity

Contribution to movement in Group return on equity (ROE)

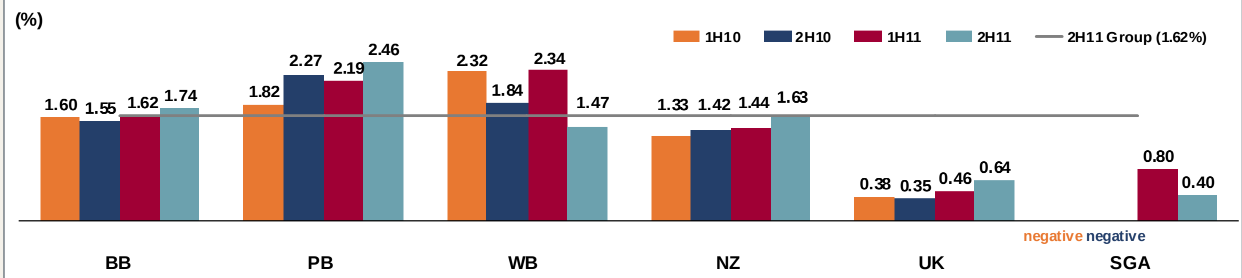


MLC & NAB Wealth return on regulatory capital* (RORC)



* Including IoRE

Return on average RWAs*



* Average of spot opening and closing balances

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Summary and outlook

- Solid momentum in the banking businesses – economically and strategically
- Managing expense growth to positive jaws while continuing to invest in capabilities and efficiency
- Balance sheet settings continue to be strengthened
- Regulatory environment continues to present challenges
- Strong focus on ROE at Group and Business Unit levels

National Australia Bank

Questions

nab MLC Clydesdale Bank Yorkshire Bank Bank of New Zealand Great Western Bank

National Australia Bank

Additional Information

Business Banking

Personal Banking

Wholesale Banking

MLC & NAB Wealth

NZ Banking

UK Banking

Great Western Bank

Specialised Group Assets

Asset Quality

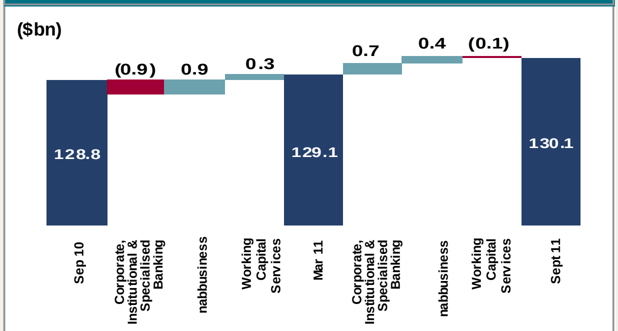
Capital and Funding

Economic Outlook

nab · MLC · Clydesdale Bank · Yorkshire Bank · Bank of New Zealand · Great Western Bank

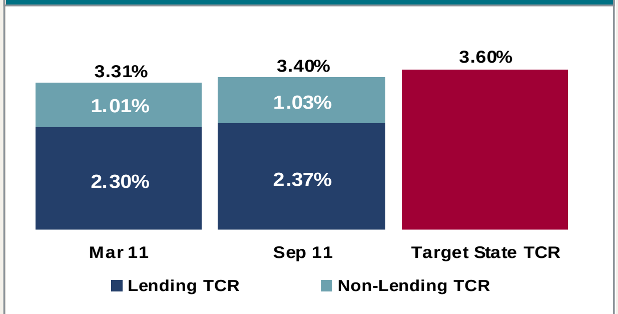
Business Banking

Business lending volumes[1]

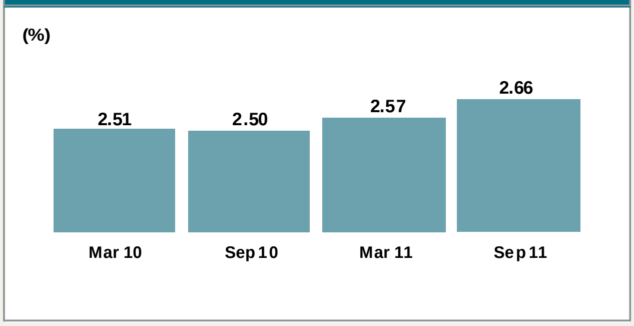


Business lending market share[2]

Enterprise cross-sell focus – Total Customer Return



Net interest margin

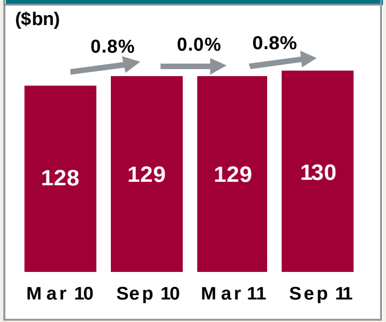


(1) Updated to reflect transfers of customers between business units

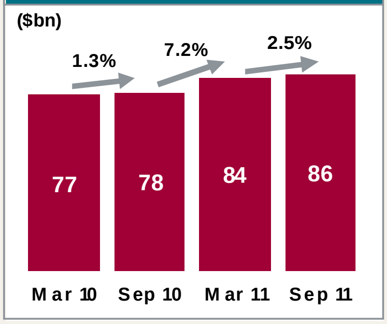
(2) RBA Financial System/NAB

Business Banking

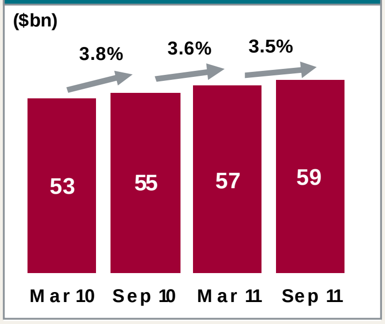
Business lending



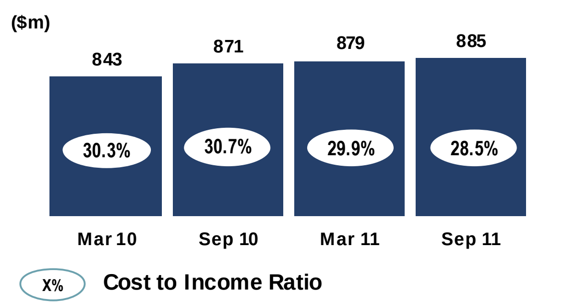
Customer deposits



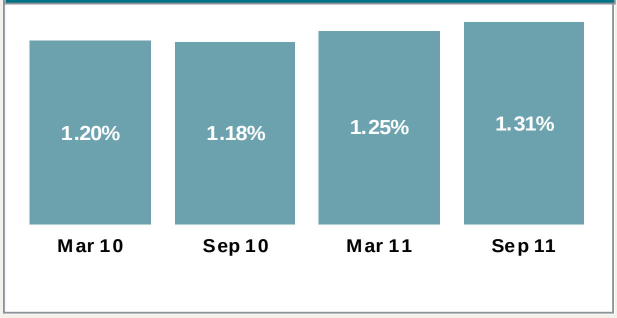
Housing lending



Costs

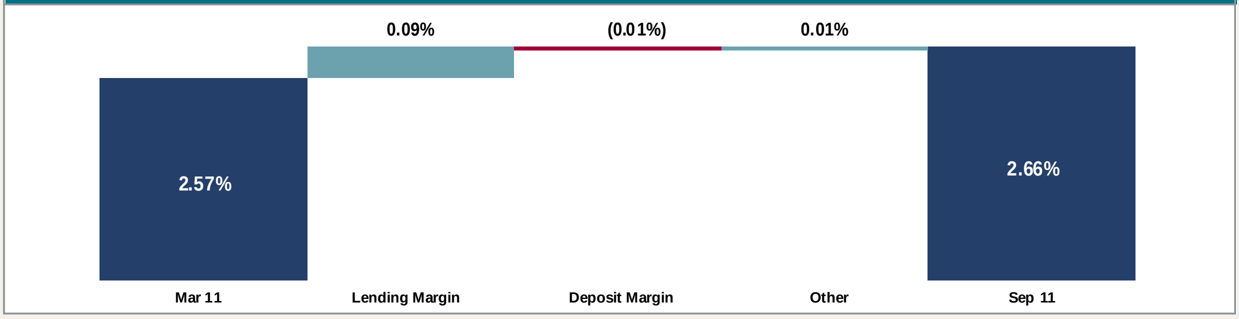


Cash earnings on average assets

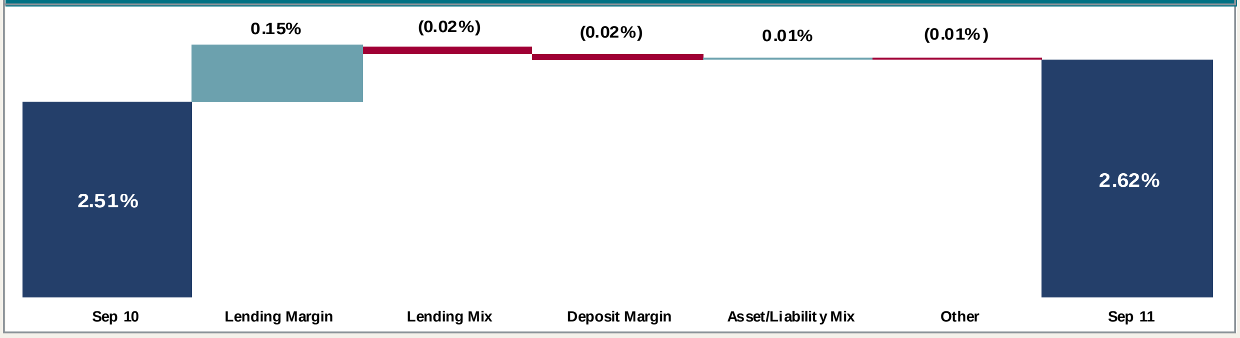


Business Banking: Net interest margin

Sequential margin analysis

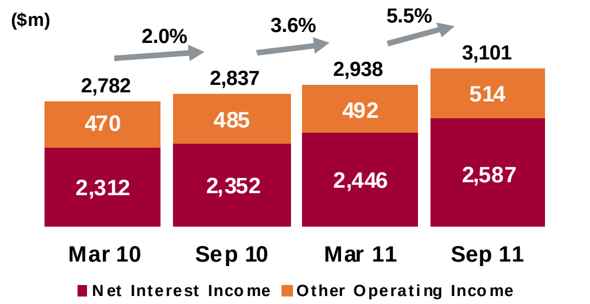


PCP margin analysis

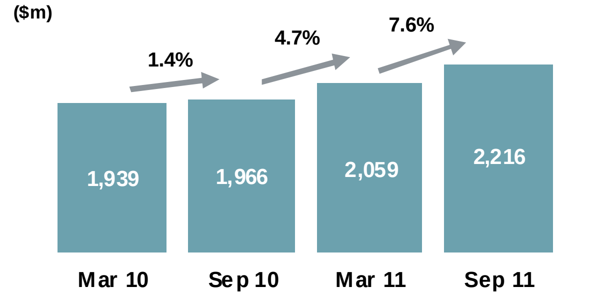


Business Banking

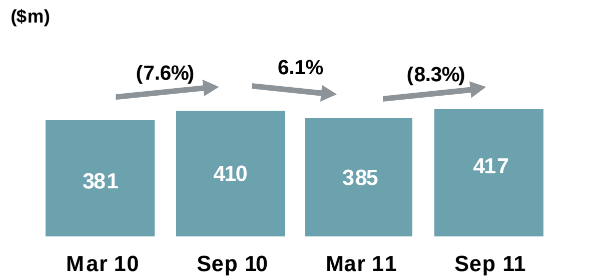
Revenue



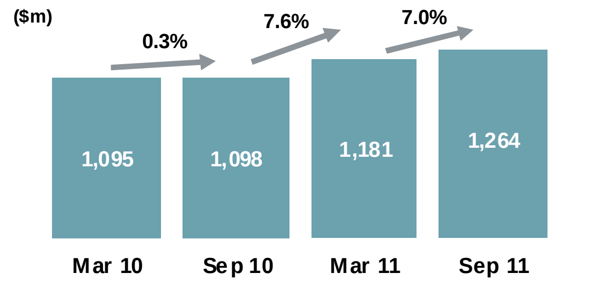
Underlying profit



B&DD charge

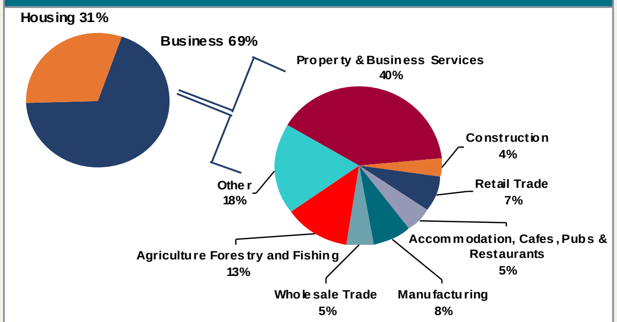


Cash earnings

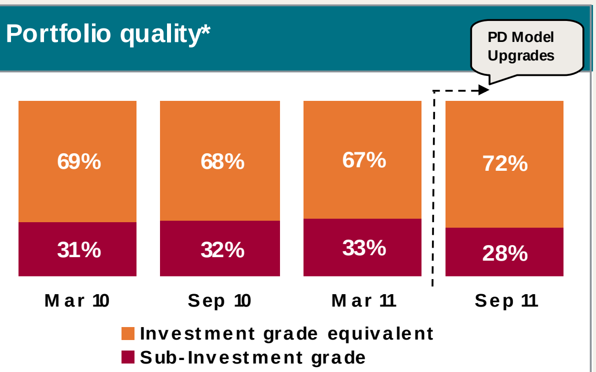


Business Banking: Total

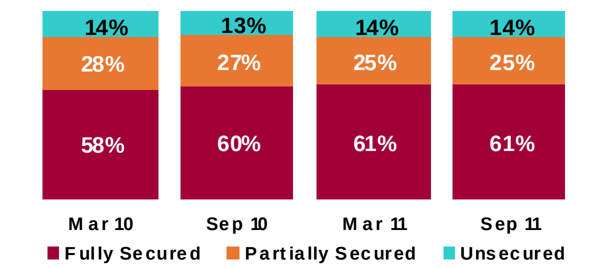
Diverse asset mix^



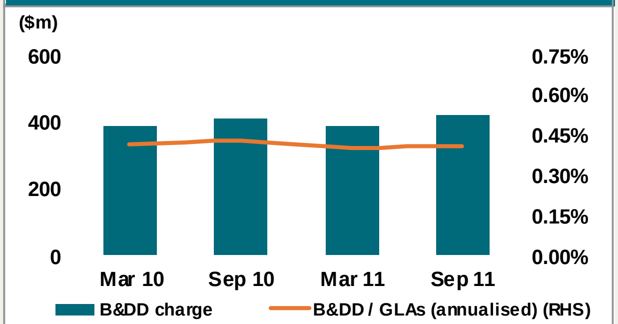
Portfolio quality*



Business products – level of security**



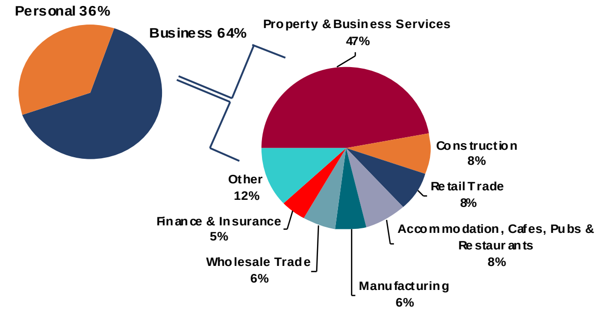
B&DD charge



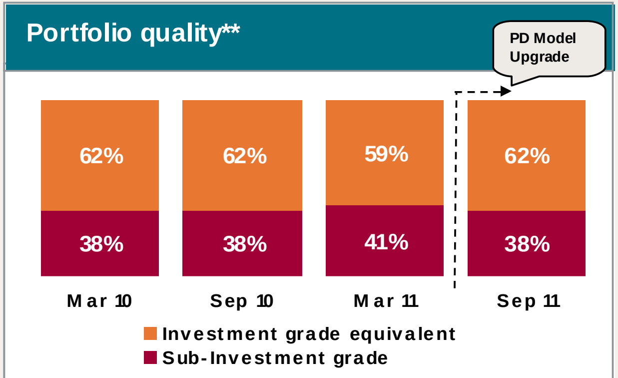
^ Based on product split
* Based upon expected loss
** Based upon internal ratings systems

Business Banking: SME Business*

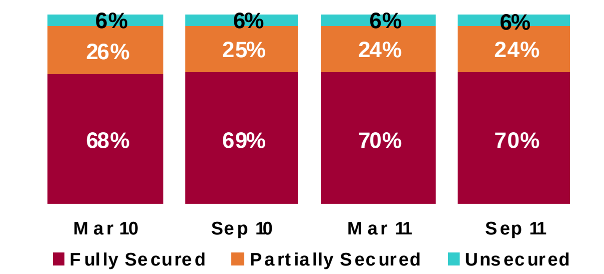
Diverse asset mix^



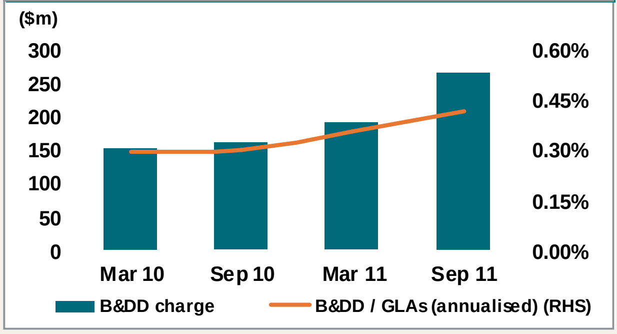
Portfolio quality**



Business products – level of security***



B&DD charge



^ Based on customer split
* SME business data reflects the nabbusiness segment of Business Banking which supports business customers with lending typically up to $25m, excluding the Specialised Businesses
** Based upon expected loss
*** Based upon internal ratings systems

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Additional Information

Business Banking

Personal Banking

Wholesale Banking

MLC & NAB Wealth

NZ Banking

UK Banking

Great Western Bank

Specialised Group Assets

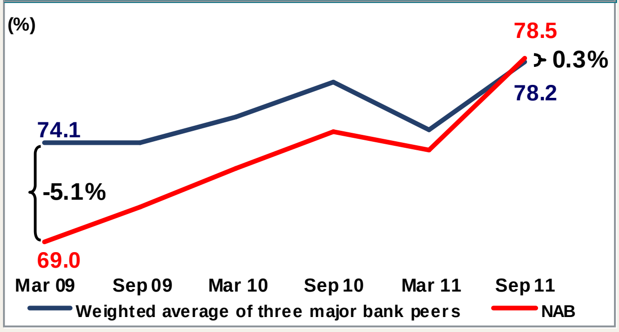
Asset Quality

Capital and Funding

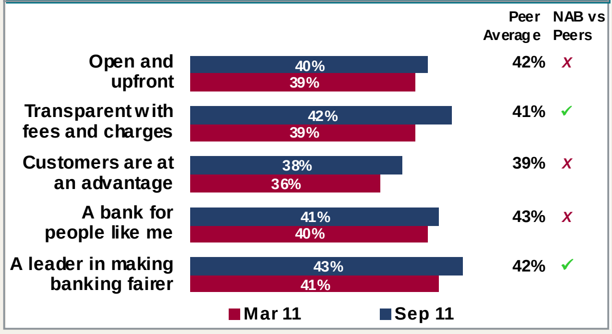
Economic Outlook

Personal Banking

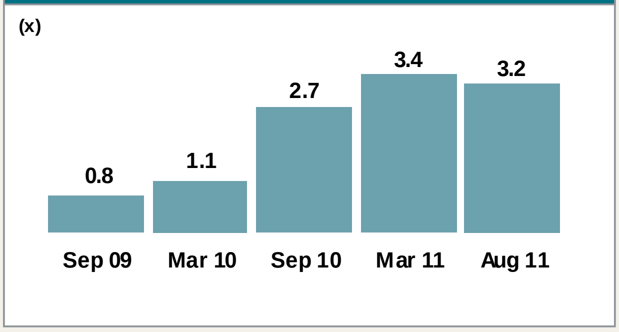
Personal Banking MFI customer satisfaction[1]



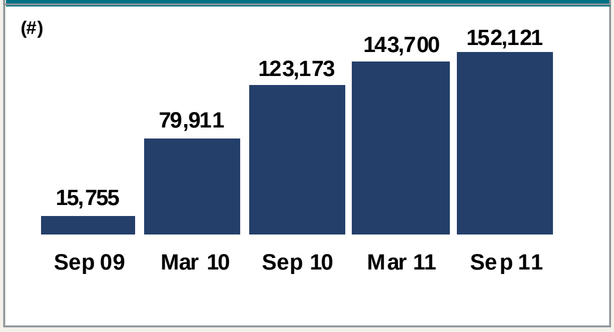
Sweeney research brand tracker[2]



Home loan multiple of system growth[3]



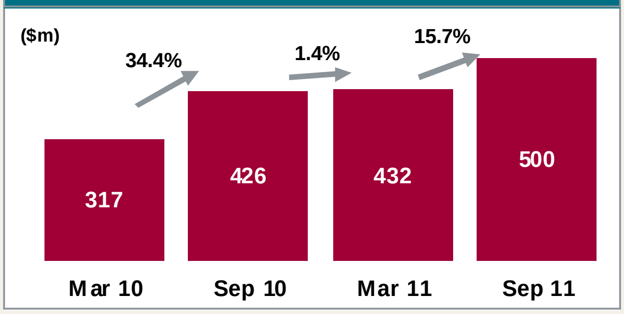
Net transaction account growth



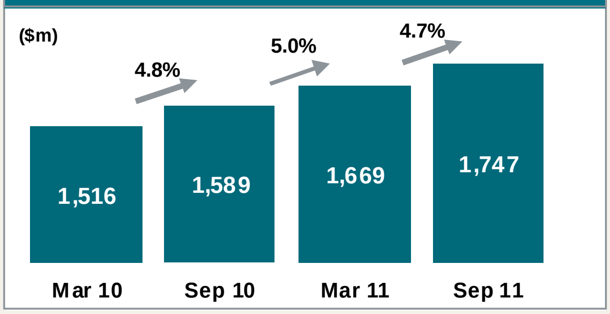
(1) Roy Morgan Research, Aust MFIs, population aged 14+, six month moving average. Customer satisfaction is based on customers who answered very/fairly satisfied. NAB compared with the weighted average of the three major banks (ANZ, CBA, WBC)
(2) Sweeney Research Brand Tracker March 2011 and September 2011
(3) RBA Financial System/NAB

Personal Banking

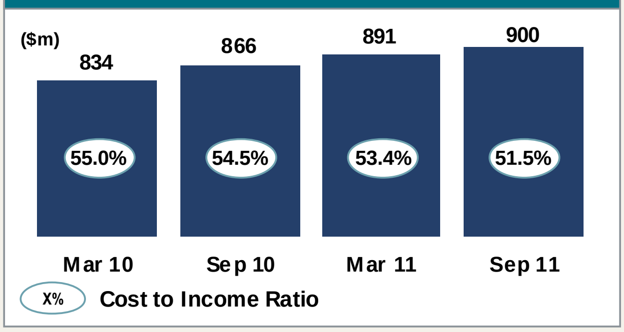
Cash earnings



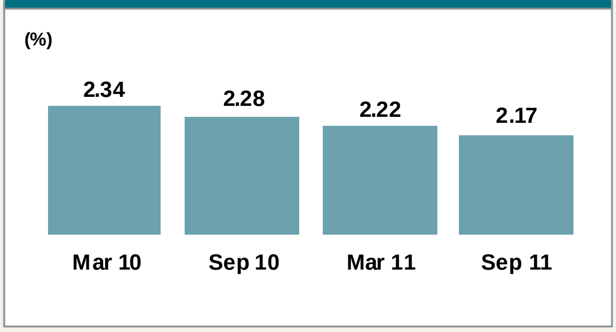
Revenue



Costs

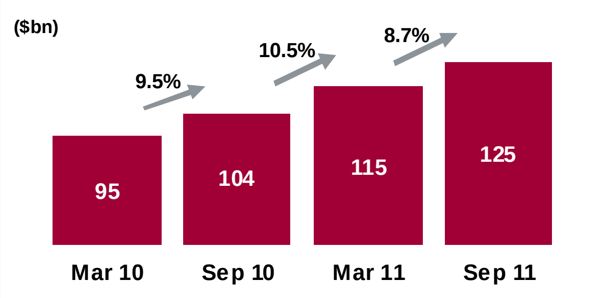


Net interest margin

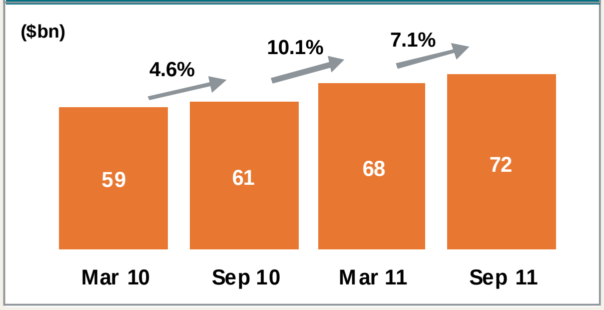


Personal Banking

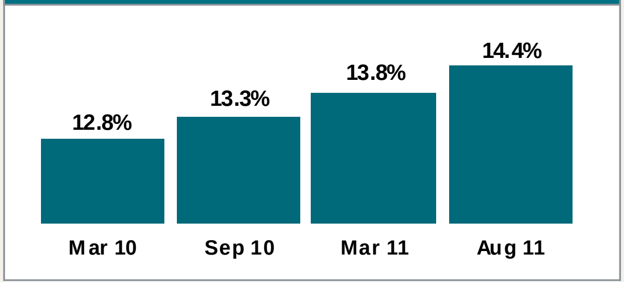
Housing loans



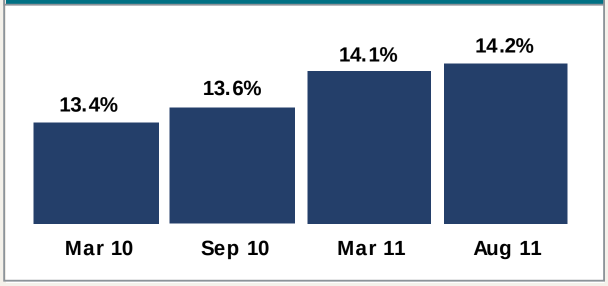
Customer deposits



Housing loan market share[1]



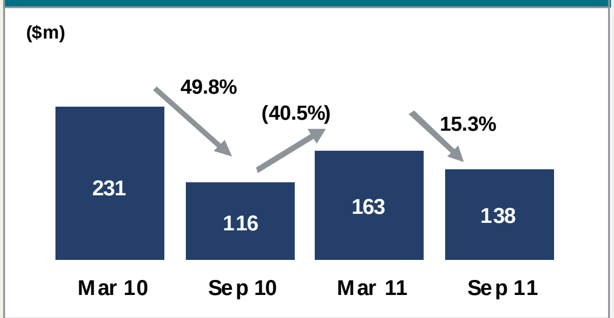
Household deposits market share[2]



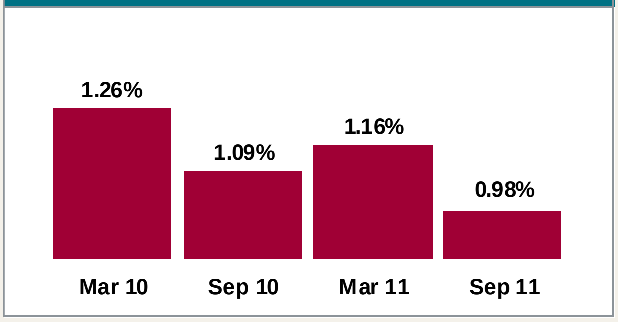
(1) RBA Financial System/NAB
(2) APRA Banking System/NAB

Personal Banking: Asset quality

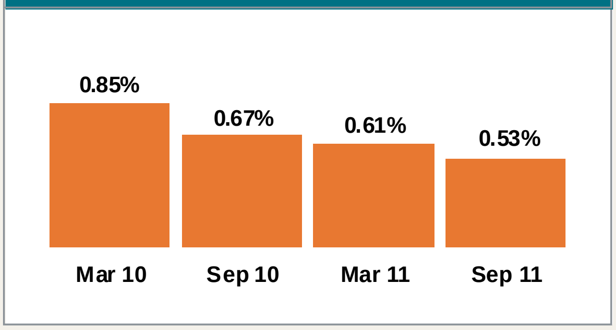
B&DD charge



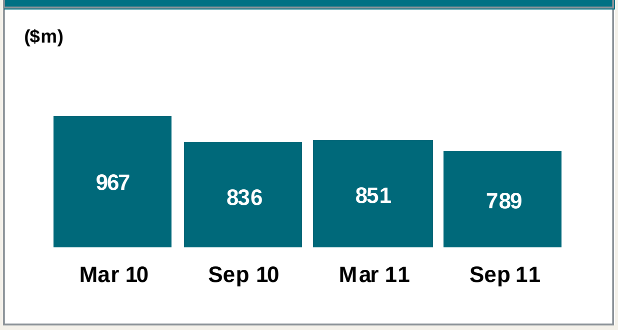
Cards & personal loans - 90+ DPD to GLAs



Mortgages - 90+ DPD and impaired to GLAs

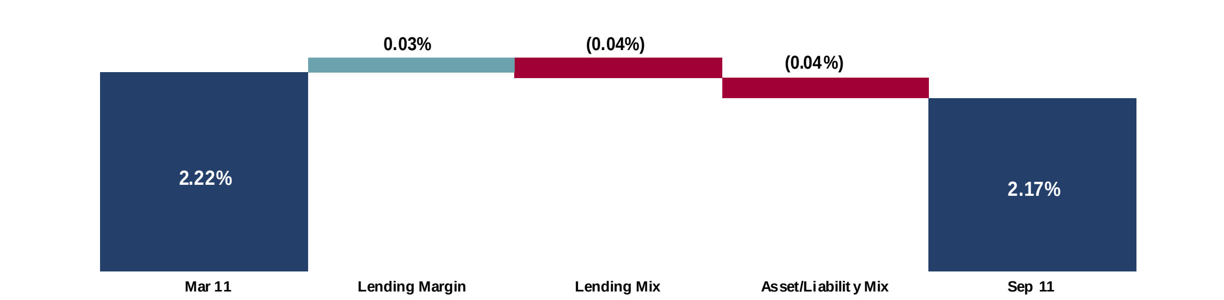


Total 90+ DPD and impaired

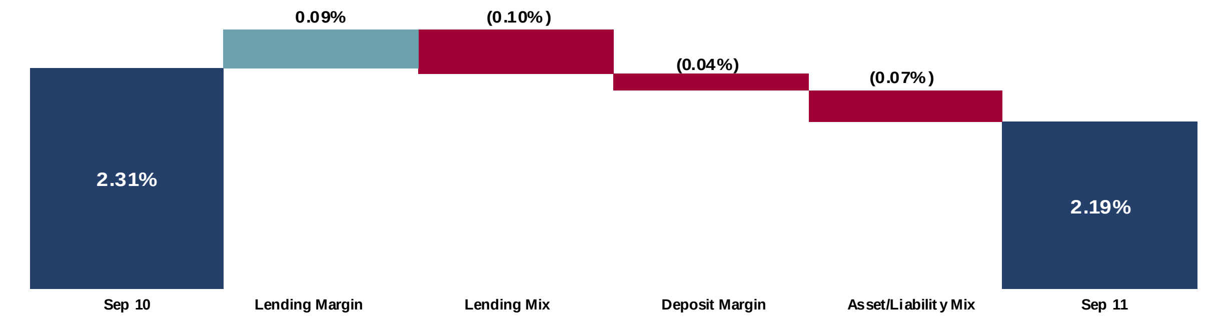


Personal Banking: Net interest margin

Sequential margin analysis

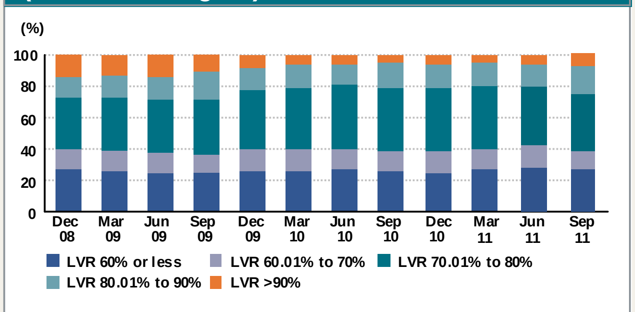


PCP margin analysis

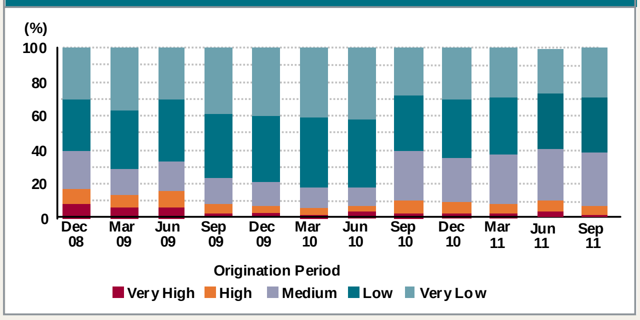


Change in profile of mortgage approvals

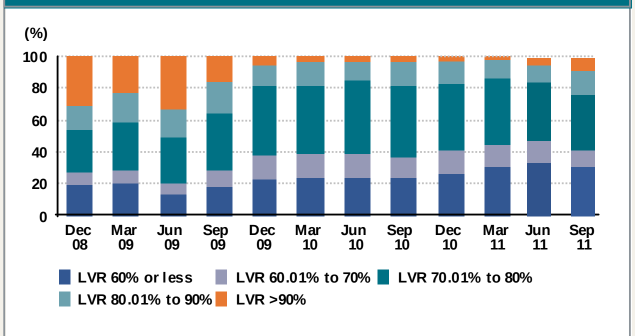
LVR breakdown of final approvals (Australian Region)



Risk grade distribution of 90%+ LVR



LVR breakdown of Homeside final approvals



National Australia Bank

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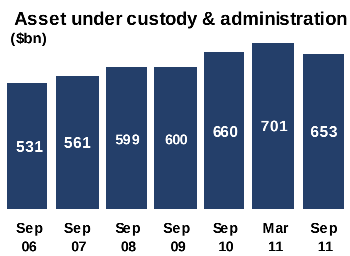
Wholesale Banking

Sales performance

	Current Ranking	12 mth prior
Best advice in Interest Rate Risk Management (Corporate/Institutional: peer group ranking) (2)	#1	#3
Lead Interest Rate provider where the relevant bank is lead credit provider (Corporate /Institutional: peer group ranking) (2)	#1	#1
Provider of Interest Rate Swaps (% primary relationship – Corporate) (3)	#1	#1
Provider of Spot Foreign Exchange (% primary relationship – Corporate) (3)	#2	#2

NAB Asset Servicing

- #1 Asset Servicing business[1] in Australia with ~30% market share
- Assets under custody & administration fell 6.8% reflecting the weak share market conditions since March 11 with the All Ords index falling 17.4%



Infrastructure and natural resources

New Royal Adelaide Hospital	GMR Energy Singapore	Plenary Living
AUD2,605m	SGD975m	AUD745m
Project Finance Facility	Project Finance Facility	Project Finance Facility
Mandated Lead Arranger	Mandated Lead Arranger Insurance Bank Role	Mandated Lead Arranger, Underwriter, Bookrunner
June 2011	July 2011	July 2011

Debt capital solutions

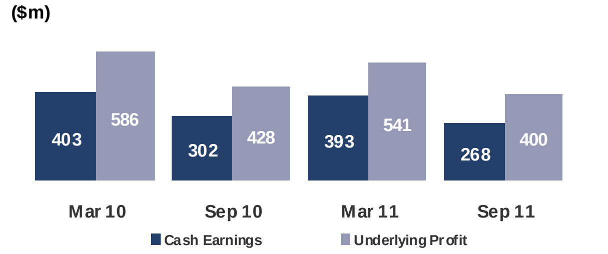
- #1 ranked book runner of Australian syndicated loans (5)
- #1 ranked Australian bank in US Private Placements, ranked #9 globally (4)
- #1 ranked Australian bank in Syndicated Loan Arranging Capability (6)

Westfield Retail Trust	Australian Pacific Airports (Melbourne Pty Ltd)	MYER	Torrens Series 2011-1 (E)
A$900m 5.5 Year Senior A$MTN Issue	US$600m Senior Secured Notes	A$625m Syndicated Loan Facility	A$1.0bn (equivalent) Australian RMBS Issue
Joint Lead Manager	Joint Agent	Sole Lead Arranger & Bookrunner	Co-Arranger & Joint Lead Manager
April 2011	June 2011	June: 2011	July 2011

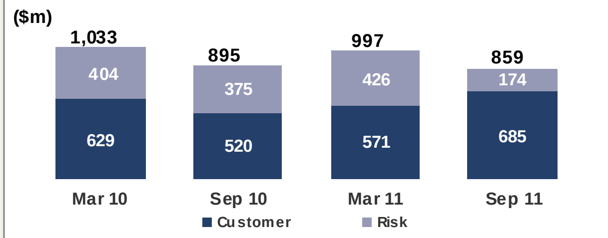
Sources: (1) Australian Custodial Services Association, Total Assets Under Custody for Australian Investors, June 2011; (2) Peter Lee Associates - Large Corporate & Institutional Relationship Banking Australia Survey 2011. Ranking against the four major domestic banks; (3) East & Partners Australian Corporate Banking Market Survey, July 11; (4) Thomson Reuters US Private Placement Review Full Year 2010; (5) Dealogic Global Loan Review, 1H2011; (6) Peter Lee Associates – Large Corporate & Institutional Relationship Banking Australia Survey 2011

Wholesale Banking

Cash earnings and underlying profit

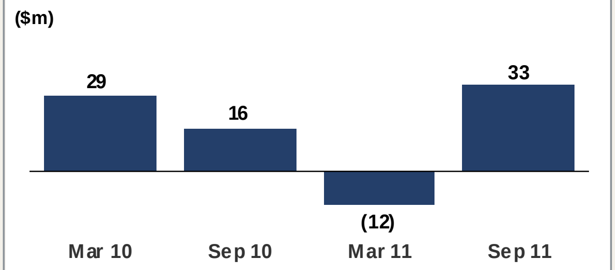


Revenue by line of business



- Customer comprises Sales, Asset Servicing, Specialised Finance and Financial Institutions Group
- Risk comprises FICC(1) and Treasury

B&DD charge

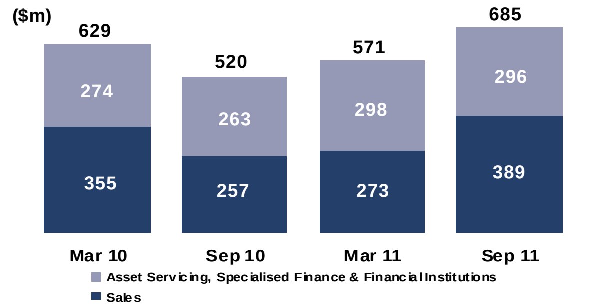


- Risk income (FICC(1) and Treasury) affected by European sovereign debt concerns and deterioration in the global economic outlook
- Credit quality remains sound and FY11 B&DDs lower than FY10

(1) Fixed Income, Currencies & Commodities, formerly known as Global Markets Trading

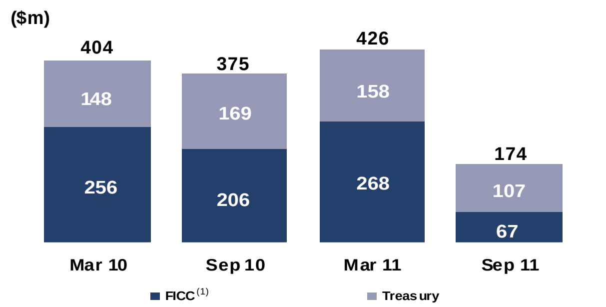
Wholesale Banking: Income

Customer income



- Strong Customer income in September 2011 half on improved products and service to franchise customers following:
  - success with cross-sell initiatives;
  - good deal flows in Syndicated Loans; and
  - strong Interest Rate Derivative sales

Risk income

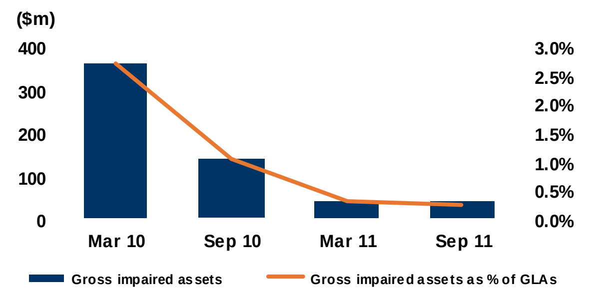


- Risk income (FICC(1) and Treasury) affected by financial markets predominantly in the September 2011 half
- The challenging trading environment was dominated by low and stable interest rates in the March 2011 half replaced by sovereign debt concerns, lower yield curves and increased credit risk implicit in derivative valuations in the September 2011 half

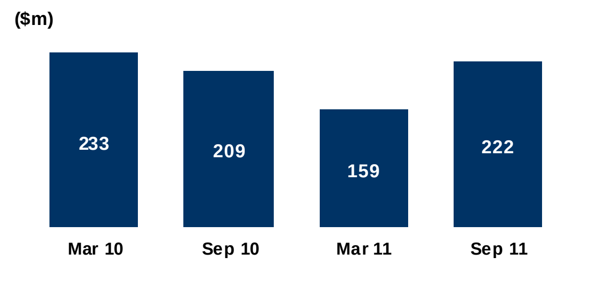
(1) Fixed Income, Currencies & Commodities, formerly known as Global Markets Trading

Wholesale Banking: Asset quality

Gross impaired assets ratio



Collective provisions



- Portfolio asset quality is stable and represents greater than 90% investment grade equivalent
- Gross impaired assets have fallen steadily since March 10 and remain relatively low at 0.25% of Gross Loans and Acceptances

National Australia Bank

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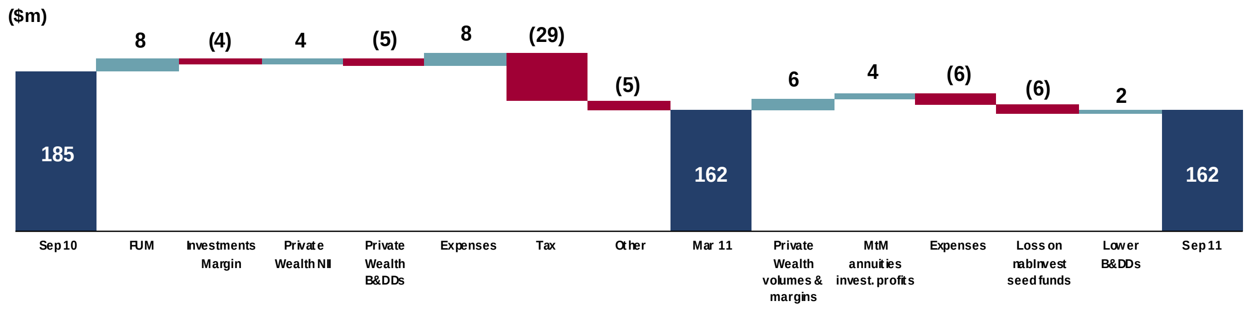
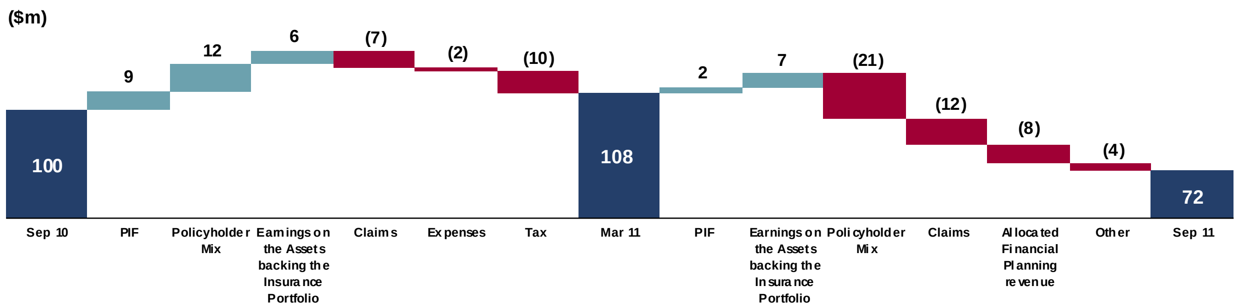
MLC & NAB Wealth

Investments cash earnings



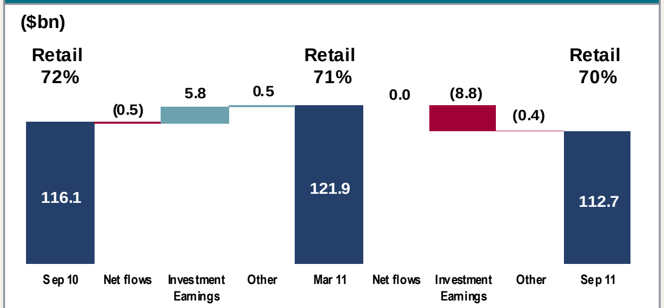
Insurance cash earnings



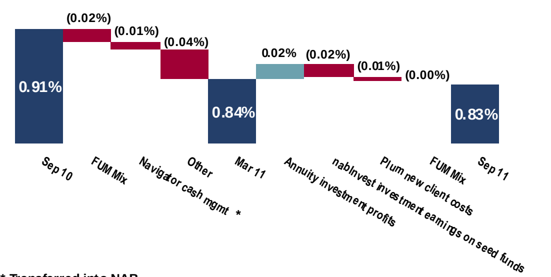
National Australia Bank

MLC & NAB Wealth

Movement in FUM

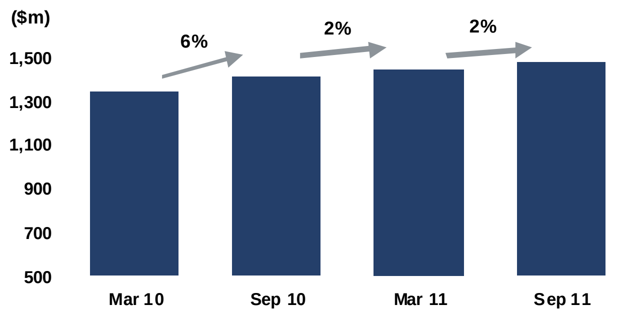


Movement in investments margin



* Transferred into NAB

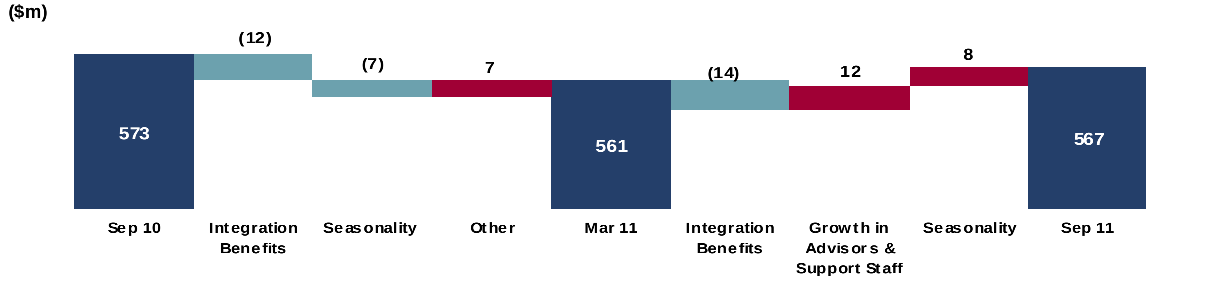
Premiums in force



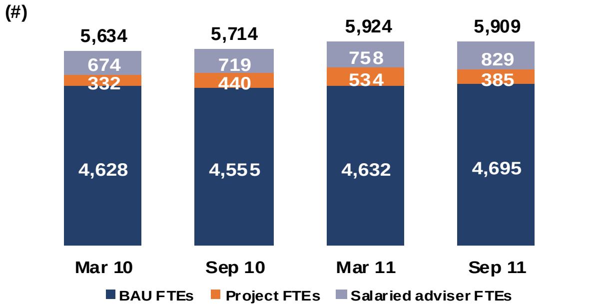
National Australia Bank

MLC & NAB Wealth

Movements in operating expenses

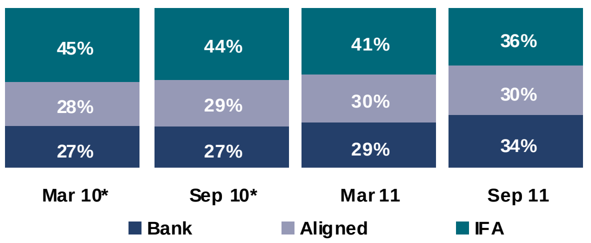


Movements in FTEs



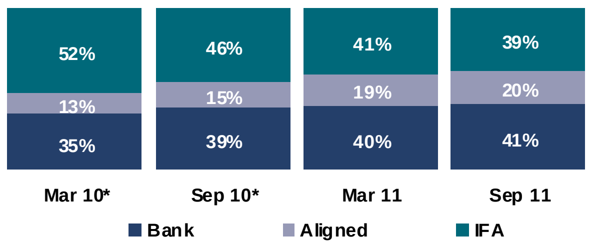
Channel and adviser growth

Investment sales by channel



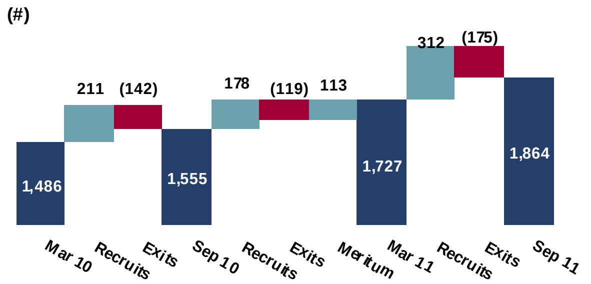
* IFA sales were re-stated in 2010 to include Aviva

Insurance sales by channel



* IFA sales were re-stated in 2010 to include Aviva

Wealth adviser movement analysis



National Australia Bank

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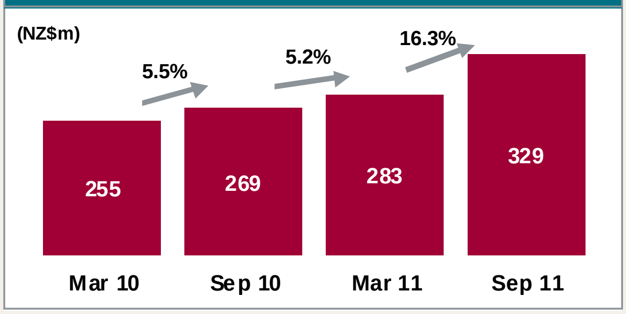
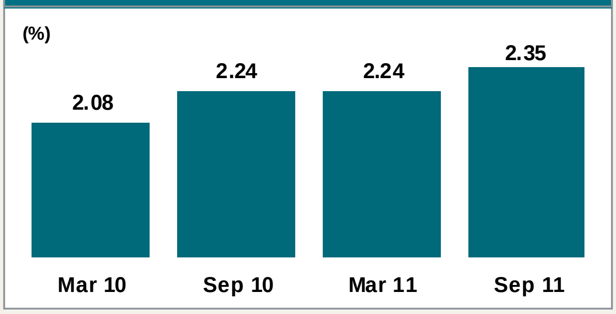
New Zealand Banking

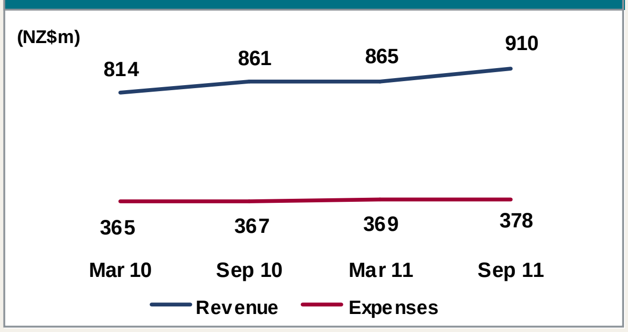
Cash earnings



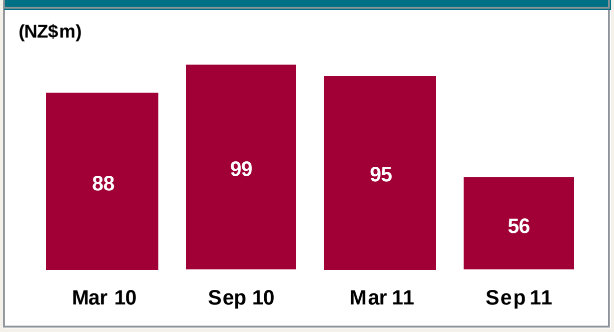
Net interest margin



Revenue v expense growth

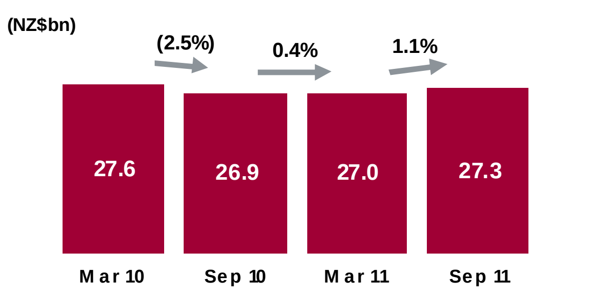


B&DD charge

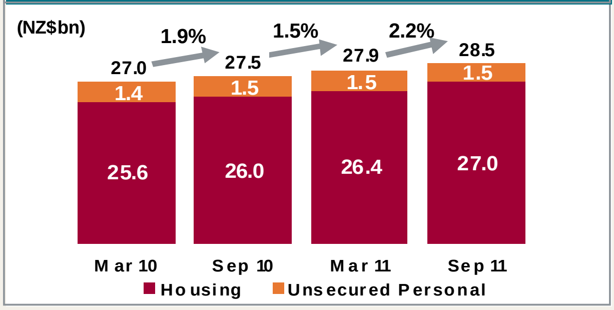


New Zealand Banking

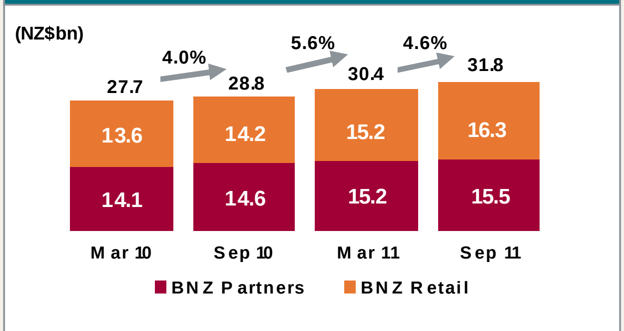
Business lending



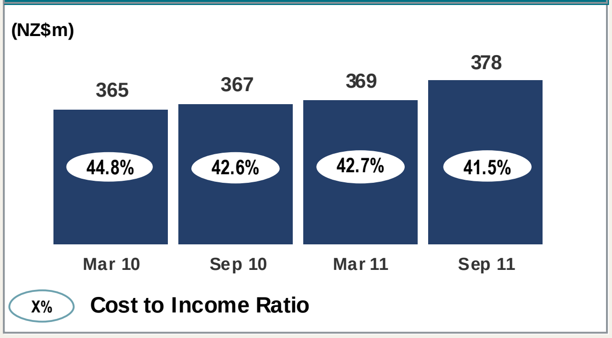
Retail lending



Retail deposits

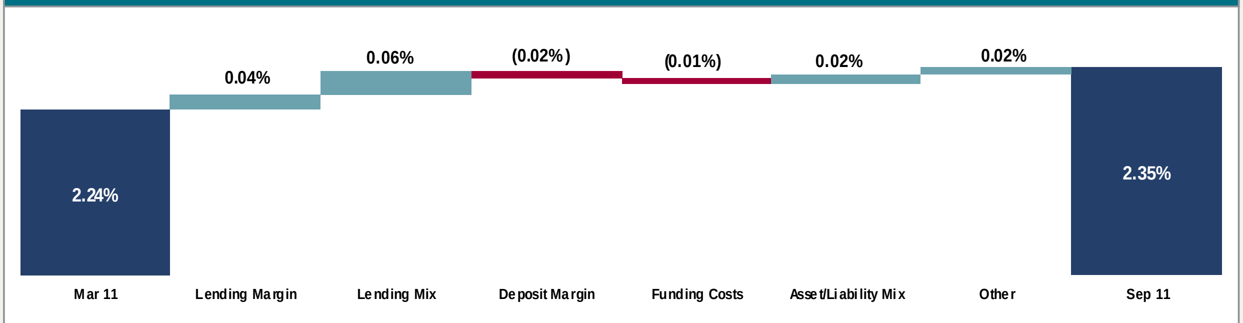


Costs

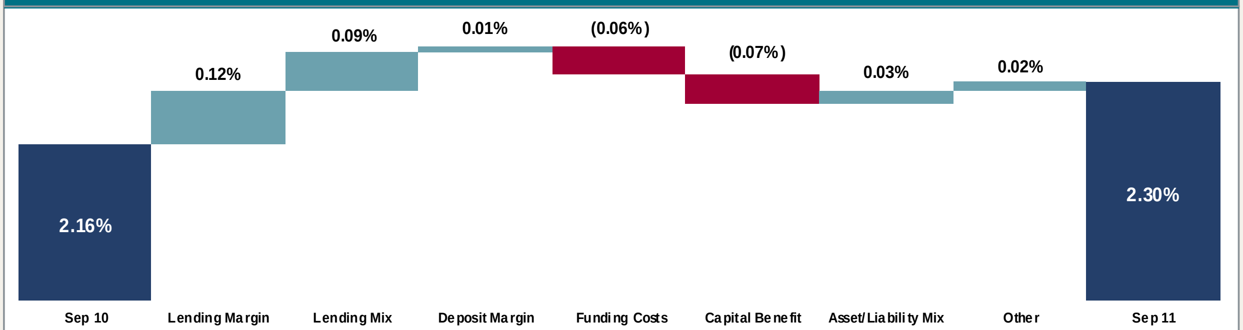


New Zealand Banking: Net interest margin

Sequential margin analysis

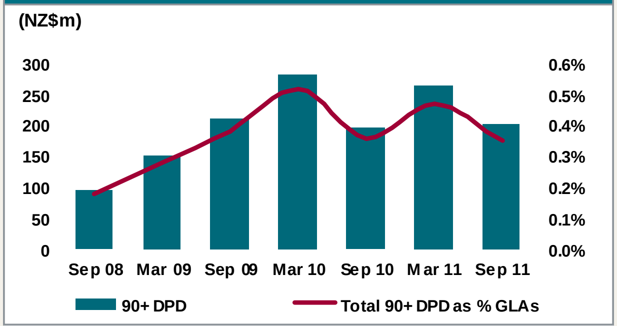


PCP margin analysis



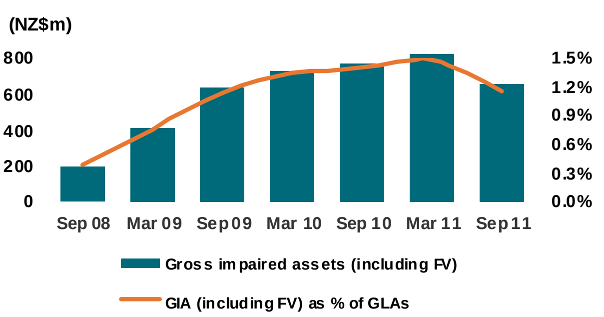
New Zealand Banking: Asset quality

Total 90+ DPD as %GLAs

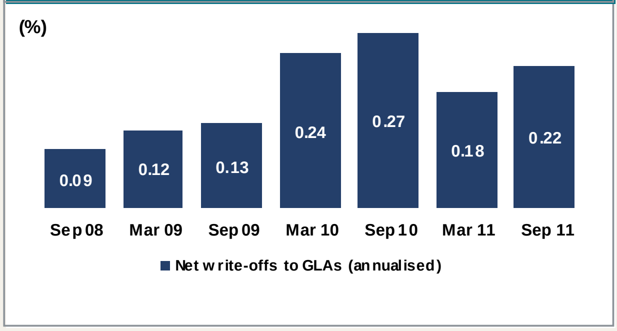


- Gross impaired assets and 90+ DPD decreased from the prior half primarily due to business exposures
- Exposures in the commercial property and dairy farming sectors are the main industry concerns
- Net write-offs lower than prior year

Gross impaired assets as %GLAs



Net write-offs



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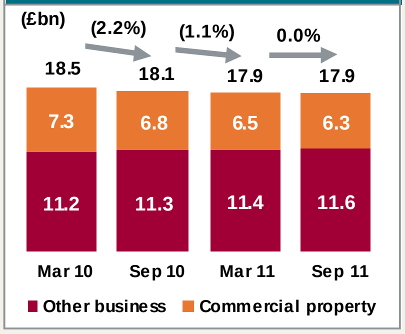
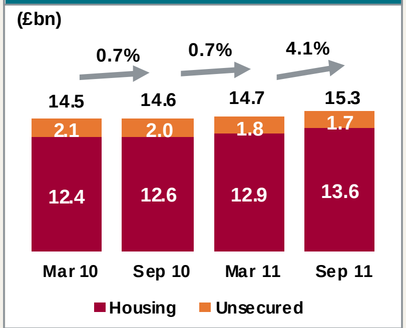
UK Banking

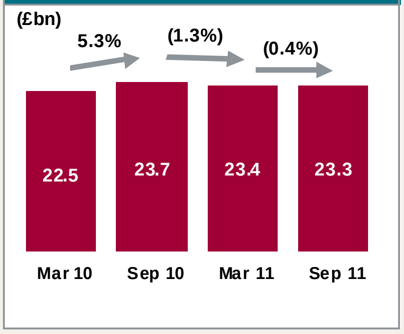
Business lending



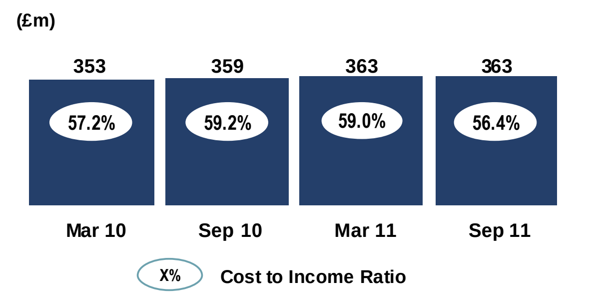
Personal lending



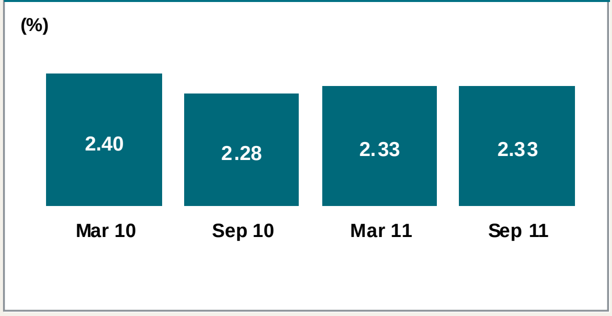
Retail deposits



Costs

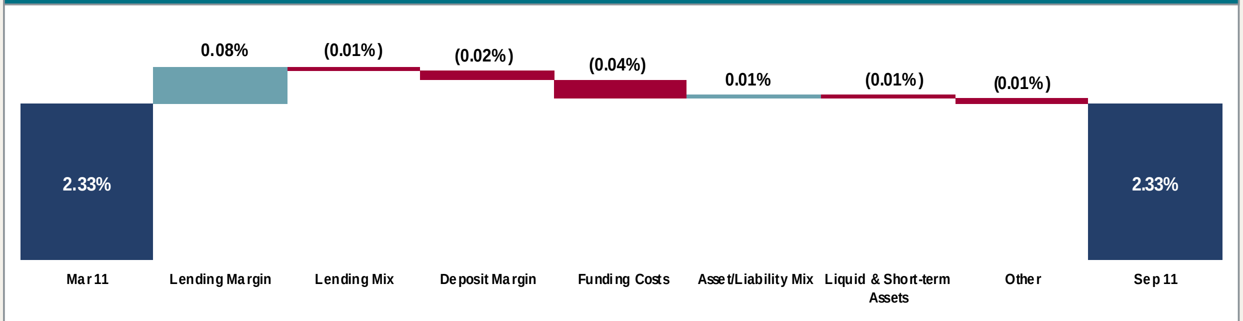


Net interest margin

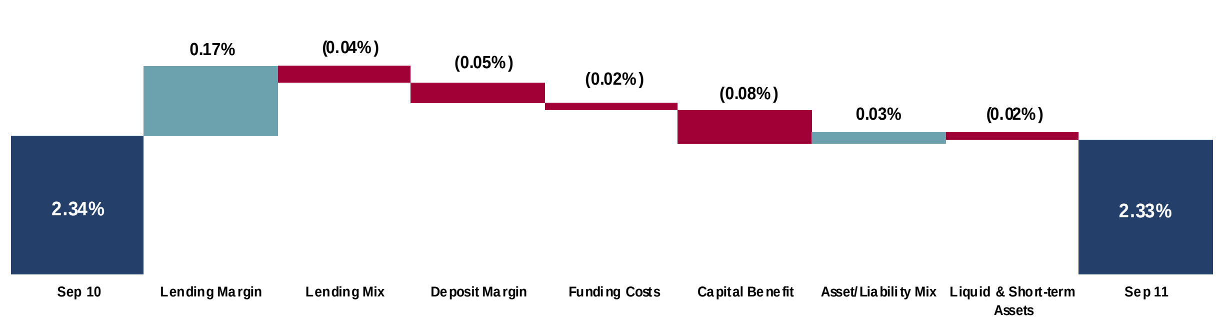


UK Banking: Net interest margin

Sequential margin analysis

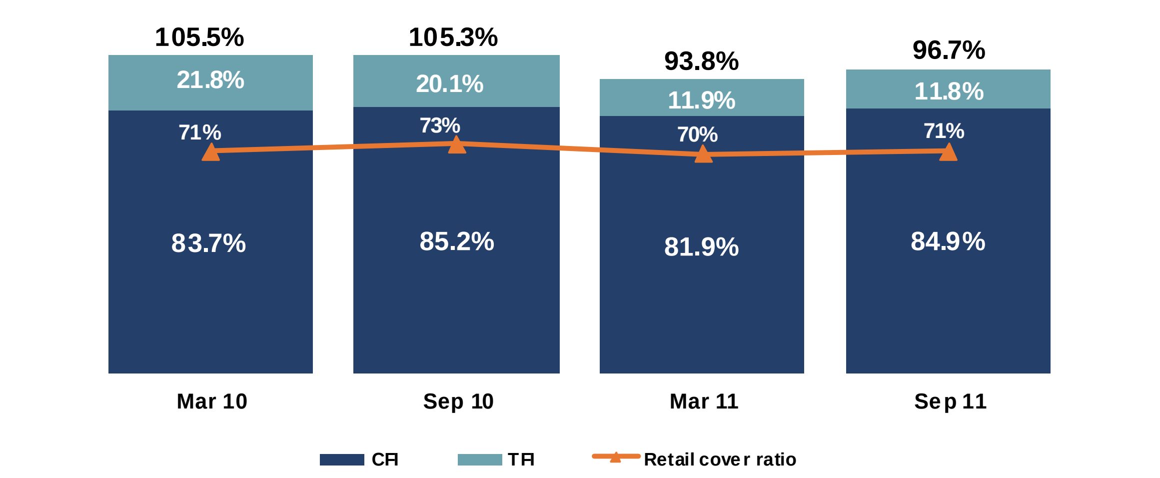


PCP margin analysis



Funding mix

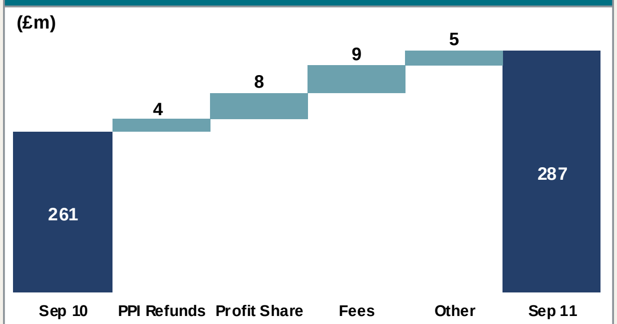
Stable funding index



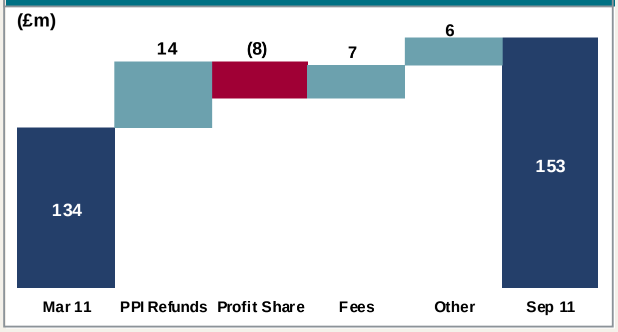
Stable funding index (SFI) based on spot balances

UK Banking: Other operating income and expenses

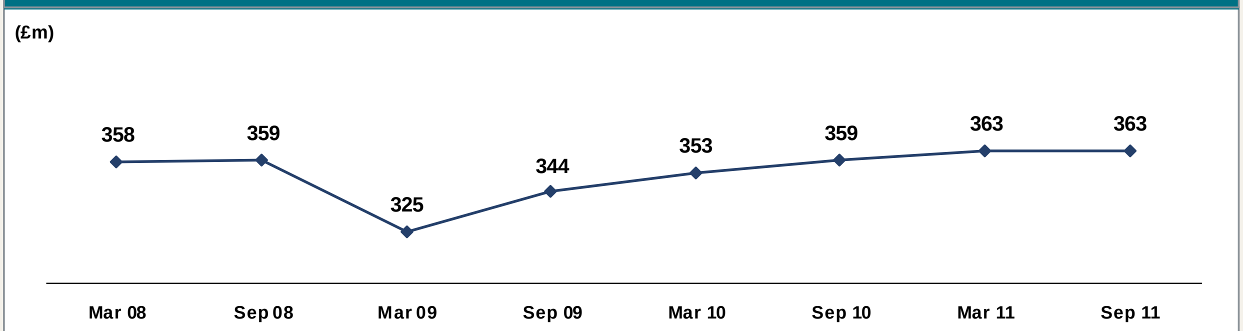
September 11 v September 10 Other operating income



September 11 v March 11 Other operating income

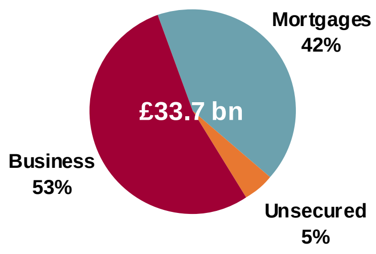


Operating expenses

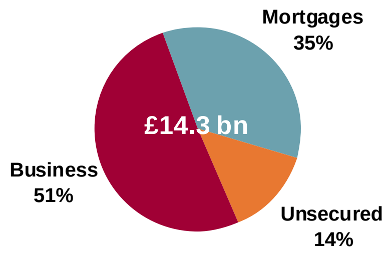


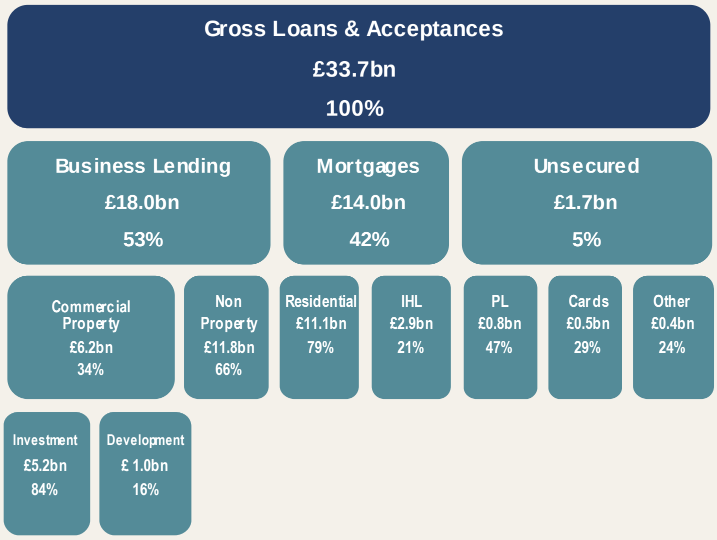
UK portfolio composition

Sep 2011 Total portfolio composition



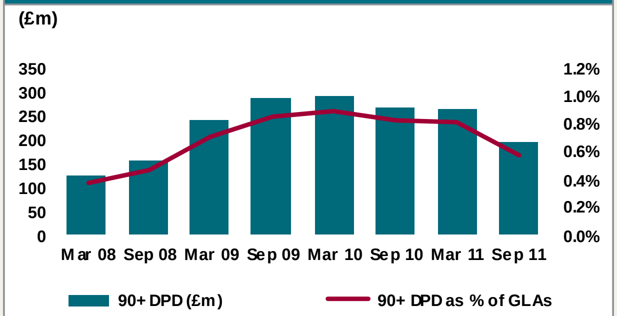
Sep 2004 Total portfolio composition



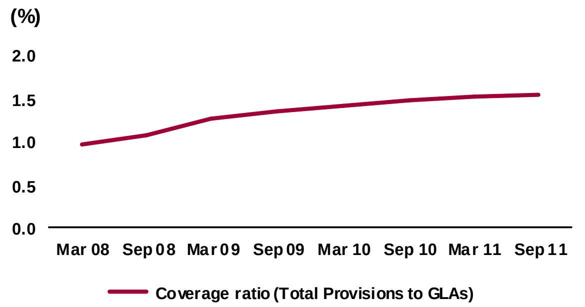


UK Banking: Asset quality

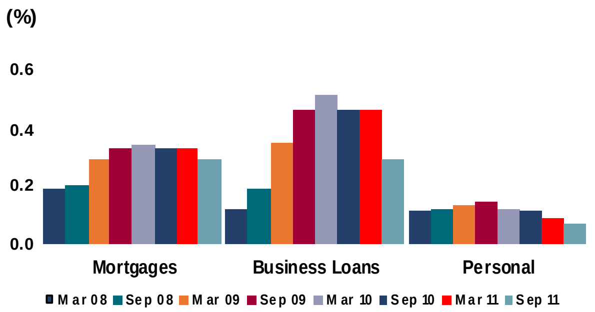
Total 90+ DPD as %GLAs



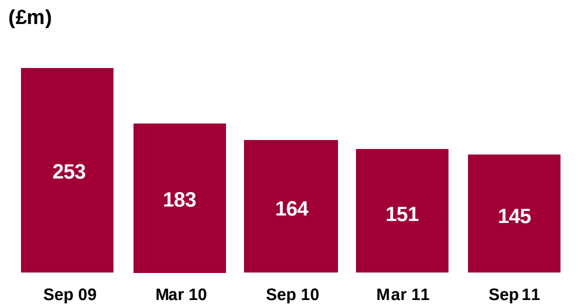
Coverage ratio



90+ DPD as a %of GLAs by product

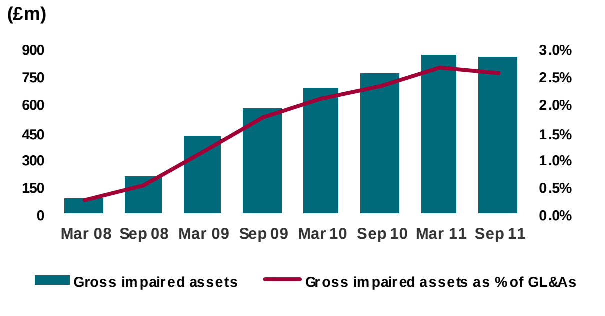


B&DD charge

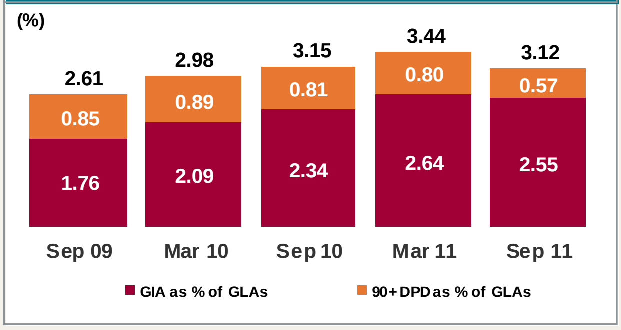


UK Banking: Asset quality

Gross impaired assets



90+ DPD and GIAs as %GLAs



National Australia Bank

Additional Information

Business Banking

Personal Banking

Wholesale Banking

MLC & NAB Wealth

NZ Banking

UK Banking

Great Western Bank

Specialised Group Assets

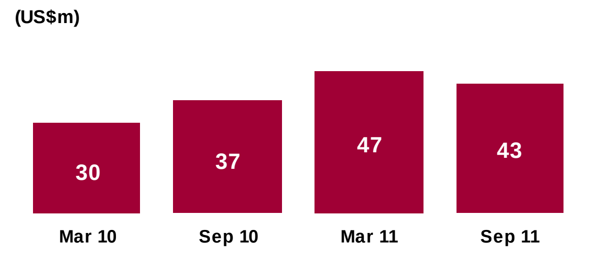
Asset Quality

Capital and Funding

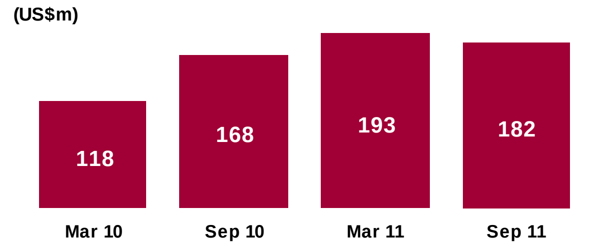
Economic Outlook

Great Western Bank

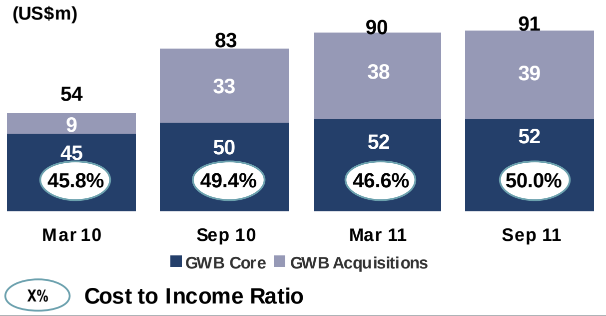
Cash earnings



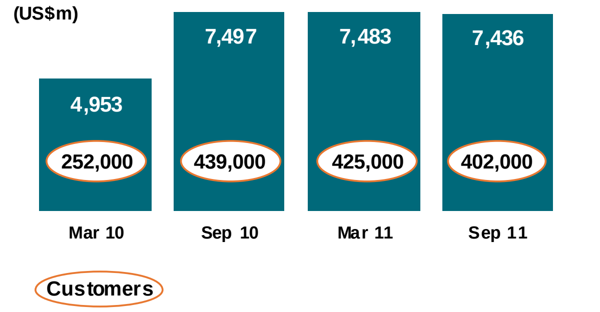
Revenue



Costs

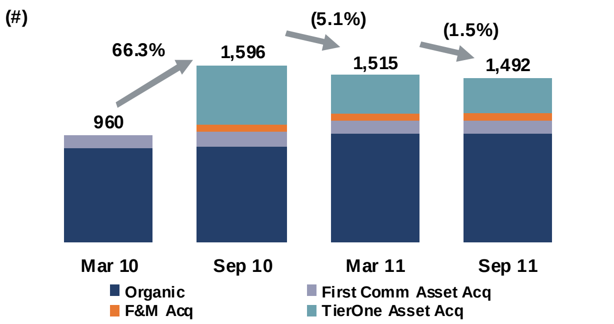


Tangible assets & customers

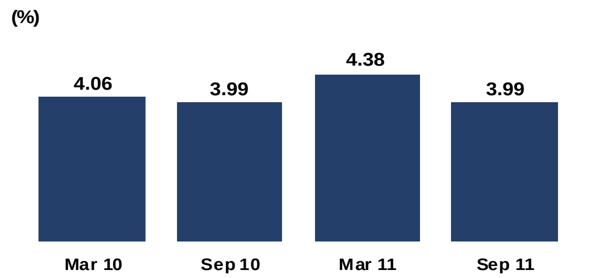


Great Western Bank

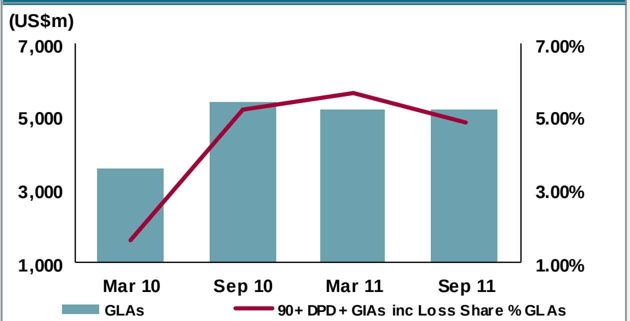
Movements in FTEs



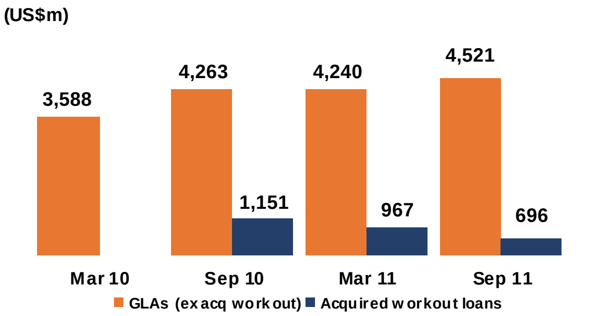
Net interest margin



90+ DPD and GIAs as %GLAs



Gross loans



National Australia Bank

Additional Information

Business Banking
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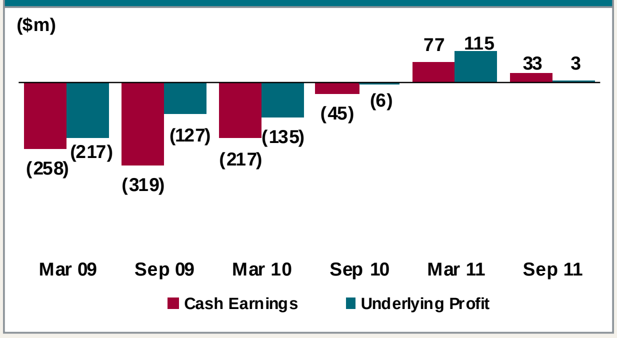
NZ Banking
UK Banking
Great Western Bank

Specialised Group Assets

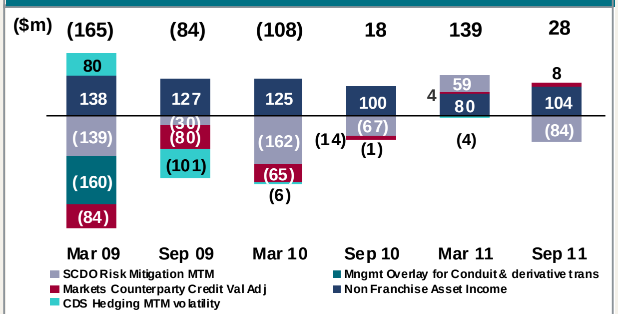
Asset Quality
Capital and Funding
Economic Outlook

Specialised Group Assets

Cash earnings & underlying profit

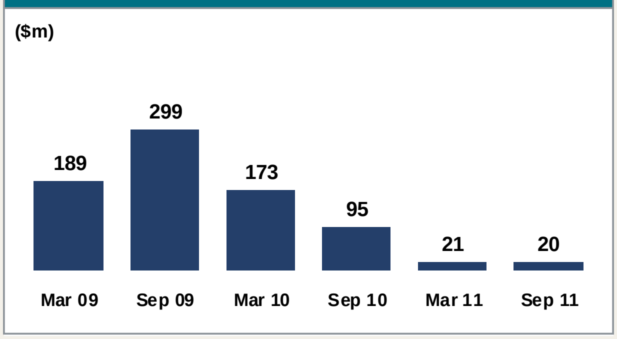


Portfolio income^

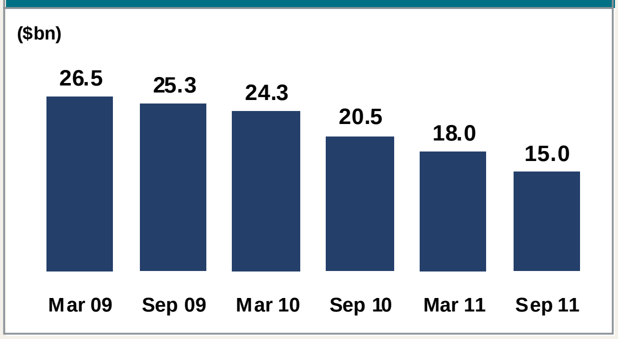


^ Sept 11 income includes recovery for equity workout

B&DD charge

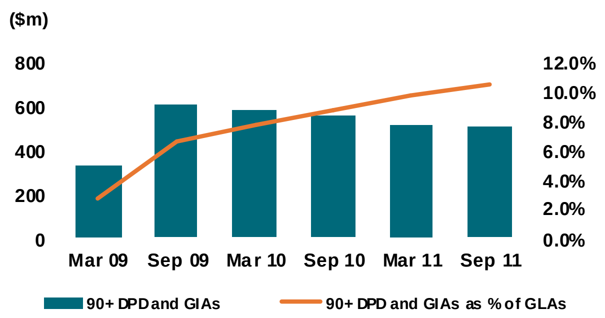


RWAs

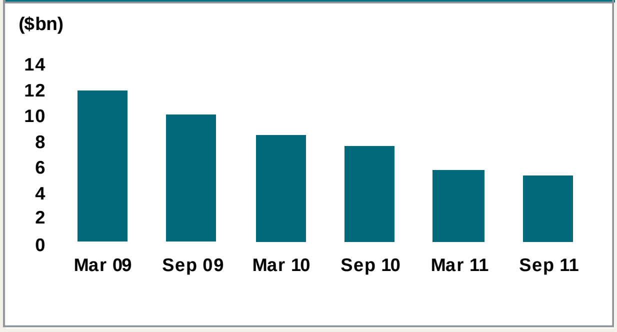


Specialised Group Assets: Asset quality

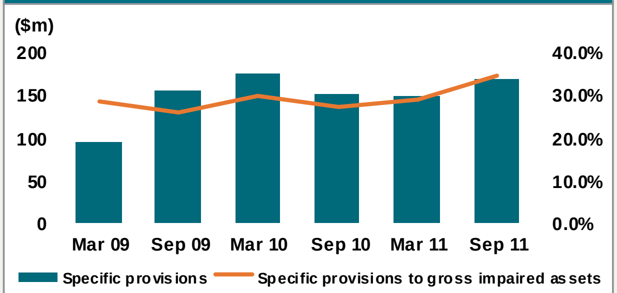
90+ DPD and GIAs as %GLAs



Gross loans & acceptances (average)

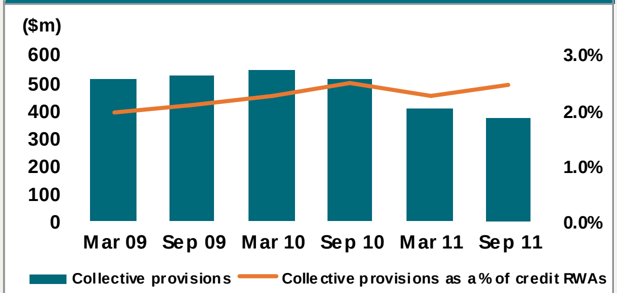


Specific provisions to gross impaired assets*



* Net amount written off during FY11 is $110m (FY10: $193m) not included in the above

Collective provisions^ as a % of credit RWAs*



^ Includes $160m overlay

* Net amount written off during FY11 is $110m, (FY10: $193m) not included in the above

Specialised Group Assets - SCDO update

In 2H11, removed the "sold protection" on four of the six SCDOs

Action

- Exited the "sold protection" of four SCDOs
- Original SCDOs and their matching hedges ("bought protection") retained

Impact

- Removed $901m of credit risk
- $2.6bn RWA reduction
- $219m of hedge premium cost accelerated
- $122m economic cost
- MTM "noise" will continue albeit with lower levels of volatility

Remaining SCDOs

Any termination of the sold protection of the remaining two SCDOs **will be subject to market conditions and appropriate pricing levels**

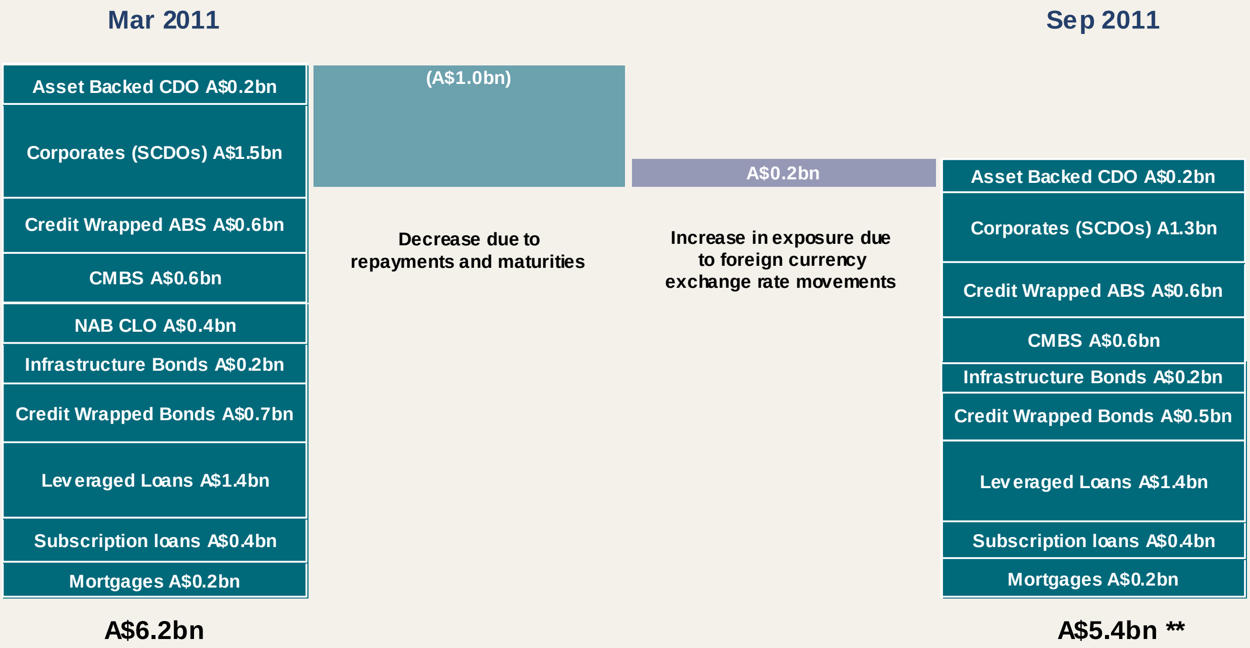
Estimated incremental impacts had the "sold protection" on the remaining two SCDOs been removed at the same time:

- Remaining $600m credit risk removed
- Further $1.5bn RWA reduction
- Acceleration of hedge premium cost not yet expensed (approx $141m pre tax one-off) and;
- MTM volatility eliminated

Additional accounting loss on exit of the remaining SCDO assets would be applied against the existing $160m management overlay

SGA Conduit Portfolio Summary*

Movements between March 11 and September 2011



* Includes Group's exposures (drawn and available to be drawn) initially funded by NAB sponsored and third party sponsored asset backed commercial paper conduits and SPE purchased assets

** During the year Specialised Group Assets removed the economic risk associated with four of the six sold protection SCDO derivative exposures. Represented in the above chart are the four underlying asset exposures of $690m where the economic risk has been hedged and the two remaining sold protection SCDO derivative exposures of $600m in lieu of the underlying asset exposures, which is the higher of the sold protection exposure and the underlying asset

National Australia Bank

Structured Asset Management Portfolio Summary

Corporates (SCDOs) – $600m (as at 30 September 2011)

	Deal 1	Deal 2	Deal 3	Deal 4	Deal 5	Deal 6
Original tranche notional (A$m)	$256	$205	$205	$300	$235	$300
Portfolio notional amount (A$bn)	$46	$19	$16	$28	$22	$27
Original SCDO Asset (remaining balance) (A$m)	$256	$64	$205	$300	$165	$0
Remaining pre-risk mitigation (i.e. "Leg 1") number of Credit Events to loss at average concentration/in descending order of concentration (@ 20% recovery for deals 4/5/6)	4/3	Original note and hedge partially eroded by losses	1/1	4/3	Original note and hedge partially eroded by losses	Original note and hedge fully eroded by losses

	Deal 1	Deal 2	Deal 3	Deal 4	Deal 5	Deal 6
Attachment point – 30 September 2011	Terminated in April 2011			9.10%	Terminated in May 2011	9.39%
Detachment point – 30 September 2011				10.14%		10.51%
Tranche thickness				1.04%		1.13%
Recovery rate				Floating		Floating
Maturity (years)				5.8		5.8
Number of Reference Entities				108		100
Individual Exposure Weighting				Max: 1.56% Avg: 0.93% Min: 0.17%		Max: 1.32% Avg: 1.00% Min: 0.28%
Portfolio weighted average rating (30 Sept 09/30 Sept 11)				BBB-/BBB-		BB+/BBB-
Number of CEs to loss at average concentration at 20% recovery				13		12
Number of CEs to loss in descending order of concentration at 20% recovery				9		11
Rating 30 September 09 (external/internal)				AA-/BBB-		BBB/BBB-
Rating 31 March 11 (external/internal)				BBB-/A+		BB+/BBB-
Rating 30 September 11 (external/internal)				BBB-/A+		BB+/BBB-

- In April 2011 NAB terminated the post-risk mitigation (Leg 2) portion of Deals 1-3 and in May 2011 terminated the post-risk mitigation portion of Deal 5
- Fundamental performance in the second half was generally stable to positive, but market values for the two remaining transactions decreased significantly in relation to March 2011 values. This decrease is reflective of turmoil in global credit markets related to the European sovereign debt crisis

National Australia Bank

Structured Asset Management Portfolio Summary

Credit Wrapped ABS – $0.6bn

	Portfolio 1	Portfolio 2
Current NAB Exposure	$336m (US$328m)	$234m (US$229m)
Average Portfolio Rating (excludes Portfolio Policy, includes Bond Level Policies)	B3 / B	B3 / CCC+
Portfolio Guarantor	MBIA (B3 / B)	AMBAC (NR / NR)
% of Underlying Asset with Wrap	47.8%	31.3%
Asset Breakdown		
Residential Mortgage Backed Security*	34.8%	48.1%
Commercial Mortgage Backed Security	0.0%	5.2%
Insurance	15.0%	3.3%
Student Loan	6.8%	30.9%
Collateralised Debt Obligation	26.6%	0.0%
Transportation & Other ABS	16.8%	12.4%

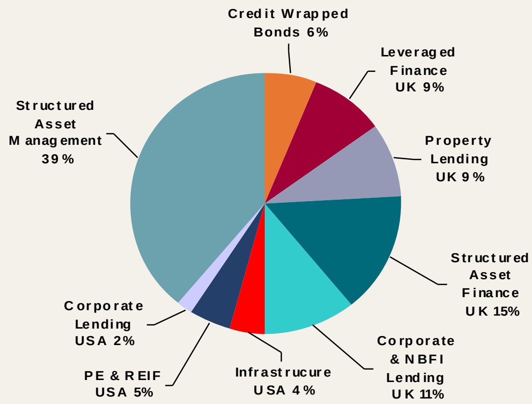
* Note that this includes Subprime, Prime, Alternative A, 2nd Lien and HELOC RMBS

- NAB owns a pro-rata share of two RMBS/ABS portfolios with concentrations to US residential mortgage-backed securities
- At issue, all bonds in the portfolios were rated AAA/Aaa by S&P and Moody's either directly or as the result of an insurance policy
- In addition to the bond-level policies covering a portion of each portfolio, there are portfolio-wide policies from AMBAC and MBIA that serve as insurance against loss
- The collective provision of $93.2m held against the portfolios has been changed to a specific provision as the realisation of losses becomes imminent

National Australia Bank

Portfolio Composition as at 30 September 2011

	Total Commitments (A$bn)	Total Provisions (specific & collective)* (A$m)	Average Contractual Tenor (years)
Leveraged Finance UK	1.0	91	3.4
Property Lending UK	1.0	135	1.1
Structured Asset Finance UK	1.7	8	14.3
Corporate & NBFI Lending UK	1.2	64	2.1
Infrastructure USA	0.4	8	12.3
PE & REIF USA	0.5	0	0.4
Corporate Lending USA	0.2	4	1.4
Total Loans & Advances	**6.0**	**310**	**n/a**
Structured Asset Management	4.3	202	14.2
Credit Wrapped Bonds	0.7	1	7.0
Total Hold to Maturity assets	**5.0**	**203**	**n/a**
Total Commitments	**11.0**	**n/a**	**n/a**
Total Provisions	**n/a**	**513**	**n/a**



* Provisions for Structured Asset Management include specific and collective provisions booked against Hold to Maturity assets.
Not included in the above is a A$160m reserve held against conduits and MTM derivative exposures

National Australia Bank

Portfolio Composition - Credit profile

- 63% of commitments relate to Investment Grade equivalent clients or transactions

(A$bn)	Investment Grade AAA/BBB-	Non-Investment Grade BB+/BB	Non-Investment Grade BB-/B+	Non-Investment Grade B+/CCC-	Default or restructure D
Leveraged Finance UK	0.0	0.2	0.4	0.3	0.1
Property Lending UK	0.0	0.3	0.1	0.3	0.3
Structured Asset Finance UK	1.2	0.3	0.2	0.0	0.0
Corporate & NBFI Lending UK	0.5	0.1	0.4	0.1	0.1
Infrastructure USA	0.3	0.0	0.1	0.0	0.0
PE & REIF USA	0.5	0.0	0.0	0.0	0.0
Corporate Lending USA	0.2	0.0	0.0	0.0	0.0
Total Loans & Advances	**2.7**	**0.9**	**1.2**	**0.7**	**0.5**
Structured Asset Management	3.6	0.0	0.0	0.3	0.4
Credit Wrapped Bonds	0.7	0.0	0.0	0.0	0.0
Total Hold to Maturity assets	**4.3**	**0.0**	**0.0**	**0.3**	**0.4**
Total Commitments	**7.0**	**0.9**	**1.2**	**1.0**	**0.9**
Total RWAs	**5.2**	**1.1**	**2.5**	**4.0**	**2.2**
Total Provisions*	**0.004**	**0.006**	**0.032**	**0.066**	**0.405**
Number of Accounts	**56**	**22**	**33**	**30**	**18**
Number of Close Review Accounts	**0**	**0**	**9**	**25**	**18**

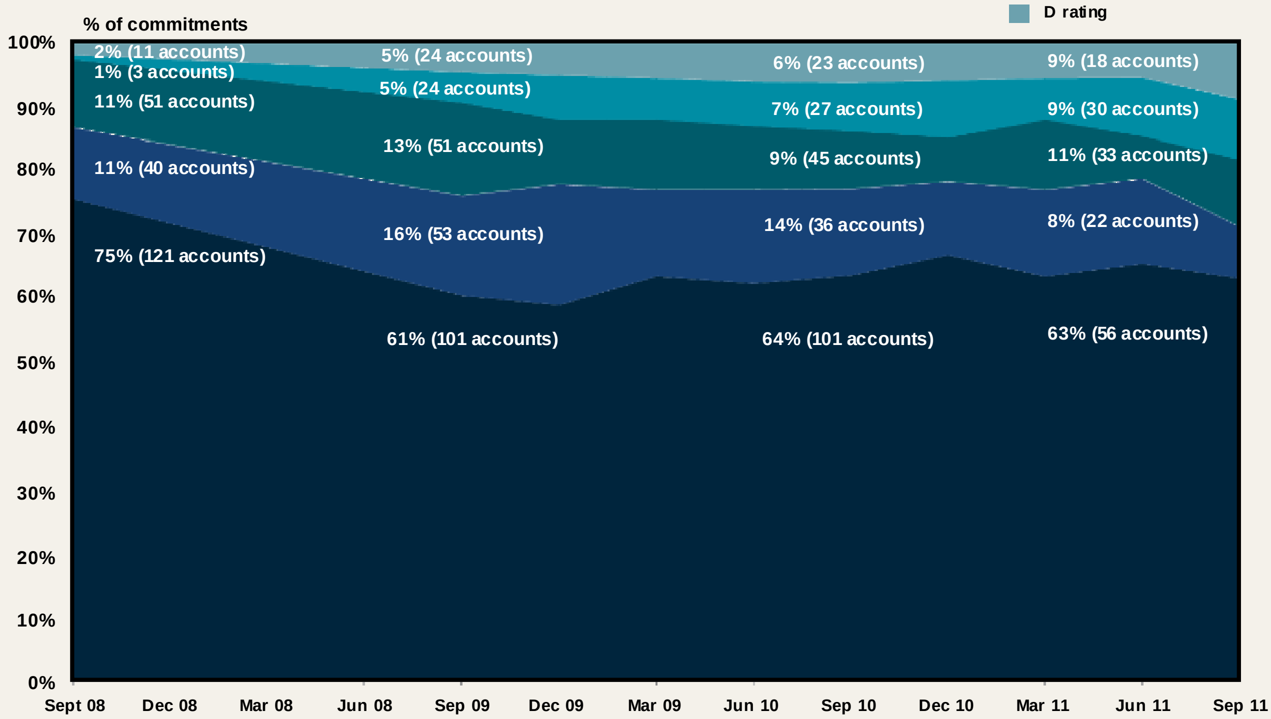
All data as at 30 September 2011

Investment grades equivalent of external ratings

* Provisions for Structured Asset Management include specific and collective provisions booked against Hold to Maturity assets
Not included in the above is a A$160m reserve held against conduits and MTM derivative exposures

National Australia Bank

Portfolio Composition - Credit quality



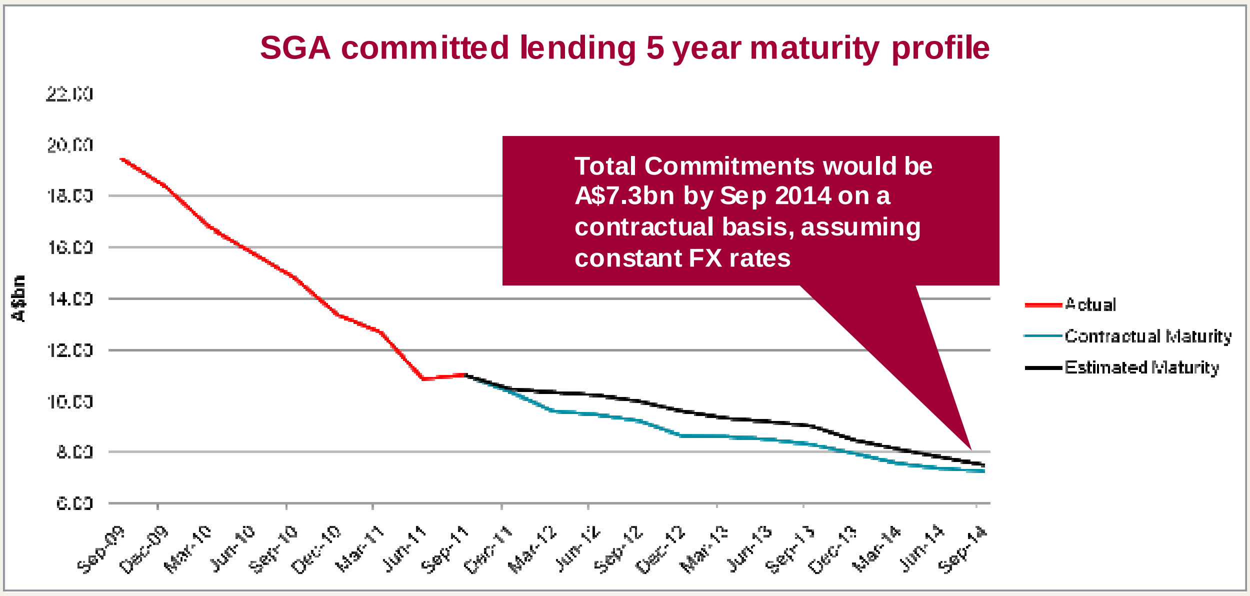
 Investment grades equivalent of external ratings

National Australia Bank

Portfolio Composition

Contractual Maturity Profile - Commitments

- Actual commitments have decreased from September 2009 largely through repayments and decreased commitments as well as the weakening of both USD and GBP against the AUD
- The contractual maturity profile differs to the estimated maturity profile due to potential refinancing risks for a number of clients. The weighted average contracted maturity of the portfolio is 9.0 years



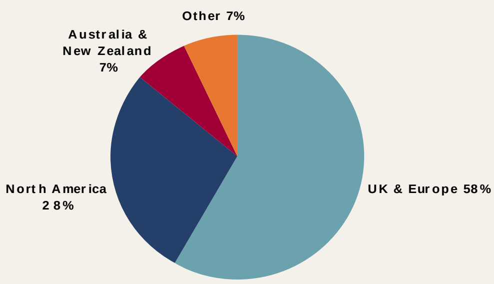
National Australia Bank

SGA Portfolio Composition

Commitments by Geography of Risk

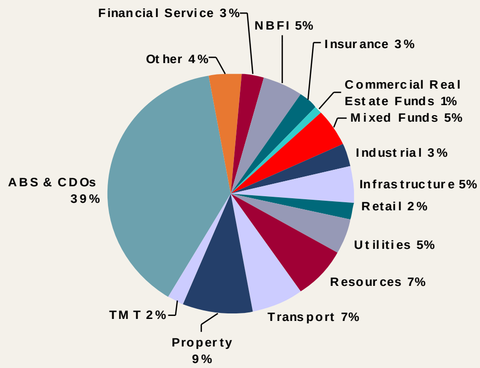
	Commitments ($bn)	RWAs ($bn)
UK & Europe	6.3	7.6
North America	3.1	5.6
Australia & New Zealand	0.8	0.7
Other	0.8	1.1
Total	**11.0**	**15.0**

Commitments



Commitments by Sector of Risk

	Commitments ($bn)	RWAs ($bn)	Collective Provisions ($m)	Specific Provisions* ($m)
Financial Services	0.3	-	0.1	-
NBFI	0.6	0.5	0.4	23.9
Insurance	0.3	0.7	11.2	-
Commercial Real Estate Funds	0.1	0.3	-	-
Mixed Funds	0.5	0.5	0.3	-
Industrial	0.3	0.6	16.4	-
Infrastructure	0.5	0.4	5.7	0.9
Retail	0.2	0.4	23.3	-
Utilities	0.6	0.5	1.0	-
Resources	0.8	0.5	8.5	-
Transport	0.8	1.1	9.9	25.5
Property	1.0	1.9	29.2	111.1
TMT	0.2	0.4	18.9	5.1
ABS & CDOs	4.3	6.6	1.8	200.6
Other	0.5	0.6	19.4	0.2
Total	**11.0**	**15.0**	**146.1**	**367.3**



* Provisions for ABS & CDOs is on Hold to Maturity assets. All other specific provisions are on loans and advances

National Australia Bank

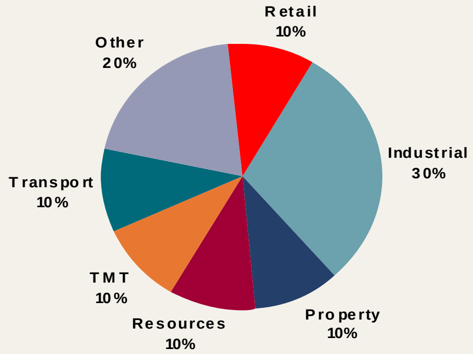
Leveraged Finance UK Portfolio

Description: The UK leveraged finance book was mostly originated between 2005-7 to finance syndicated Leveraged Buy-Outs (LBOs).

No. of Clients	31	Commitments Drawn Balance	$1.0bn $1.0bn	Credit RWA	$2.0bn
No. of Close Review Clients	14	Close Review Commitments	$380m	Avg* contractual maturity *weighted average by commitment	3.4 yrs

Sector Analysis

	Commitments ($bn)	Collective Provisioning ($m)	Specific Provisioning ($m)
Retail	0.1	2.5	-
Industrial	0.3	10.3	-
Property	0.1	5.3	-
Resources	0.1	7.8	-
TMT	0.1	18.1	5.1
Transport	0.1	2.6	25.5
Other	0.2	14.0	0.2
Total	**1.0**	**60.6**	**30.8**



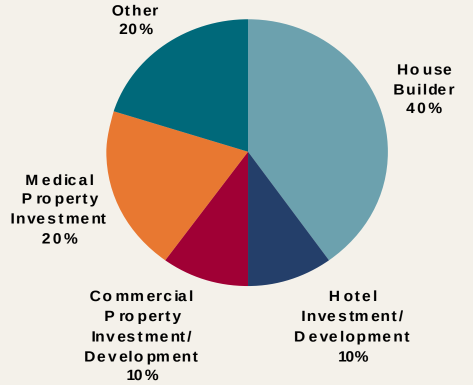
Property UK Portfolio

Description: Syndicate and bilateral loans made to national and regional house builders, institutional clients and developers on a secured or unsecured basis. All assets are located within the UK.

No. of Clients	19	Commitments Drawn Balance	$1.0bn $0.8bn	Credit RWA	$1.7bn
No. of Close Review Clients	14	Close Review Commitments	$583m	Avg* contractual maturity *weighted average by commitment	1.1 yrs

Sector Analysis

	Commitments ($bn)	Collective Provisioning ($m)	Specific Provisioning ($m)
House builder	0.4	11.4	67.1
Hotel Investment/Development	0.1	3.4	15.5
Commercial Property Investment/ Development	0.1	1.2	21.2
Medical Property Investment	0.2	0.3	-
Other	0.2	7.6	7.3
Total	**1.0**	**23.9**	**111.1**



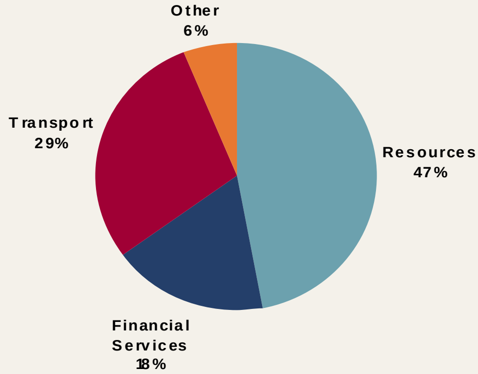
Structured Asset Finance Portfolio

Description: Structured finance and operating leases involving mobile infrastructure assets (i.e. ships, trains, buses, etc.) or loans to such structures.

No. of Clients	19	Commitments Drawn Balance	$1.7bn $1.6bn	Credit RWA	$1.0bn
No. of Close Review Clients	1	Close Review Commitments	$47m	Avg* contractual maturity *weighted average by commitment	14.3 yrs

Sector Analysis

	Commitments ($bn)	Collective Provisioning ($m)	Specific Provisioning ($m)
Resources	0.8	0.6	-
Financial Services	0.3	0.1	-
Transport	0.5	6.6	-
Infrastructure	0.1	0.2	-
Total	**1.7**	**7.5**	**-**



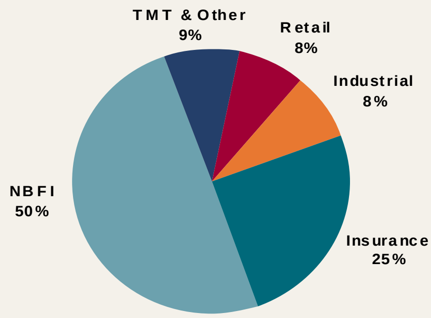
UK Corporate & NBFI Lending Portfolio

Description: Corporate loans and funding facilities for non-bank financial institutions. Largely based in the UK, across a broad mix of industries.

No. of Clients	23	Commitments Drawn Balance	$1.2bn $1.1bn	Credit RWA	$1.7bn
No. of Close Review Clients	9	Close Review Commitments	$567m	Avg* contractual maturity *weighted average by commitment	2.1 yrs

Sector Analysis

	Commitments ($bn)	Collective Provisioning ($m)	Specific Provisioning ($m)
Retail	0.1	20.8	-
Industrial	0.1	6.2	-
Insurance	0.3	11.2	-
NBFI	0.6	0.4	23.9
TMT & Other	0.1	1.2	-
Total	**1.2**	**39.8**	**23.9**



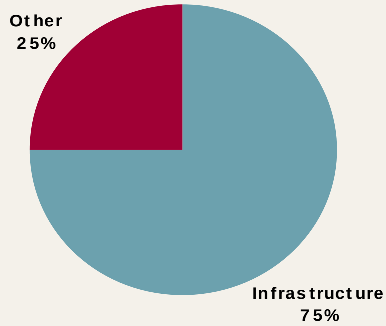
Infrastructure USA Portfolio

Description: Portfolio consists primarily of essential infrastructure assets across both the USA and Canada, in both operating and construction phases.

No. of Clients:	10	Commitments Drawn Balance	$0.4bn $0.4bn	Credit RWA	$0.5bn
No. of Close Review Clients:	3	Close Review Commitments	$59m	Avg* contractual maturity *weighted average by commitment	12.3 yrs

Sector Analysis

	Commitments ($bn)	Collective Provisioning ($m)	Specific Provisioning ($m)
Infrastructure	0.3	5.7	0.9
Other	0.1	1.0	-
Total	**0.4**	**6.7**	**0.9**



National Australia Bank

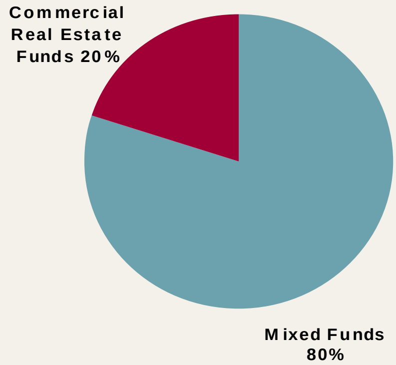
Private Equity & Real Estate Investment Funds Portfolio

Description: Bridging loans and markets facilities to pooled investment funds used for making debt and equity investments primarily in global real estate assets.

No. of Clients	15	Commitments Drawn Balance	$0.5bn $0.5bn	Credit RWA	$0.8bn
No. of Close Review Clients	1	Close Review Commitments	$0m	Avg* contractual maturity *weighted average by commitment	0.4 yrs

Sector Analysis

	Commitments ($bn)	Collective Provisioning ($m)	Specific Provisioning ($m)
Commercial Real Estate Funds	0.1	0.0	-
Mixed Funds	0.4	0.3	-
Total	**0.5**	**0.3**	**-**



National Australia Bank

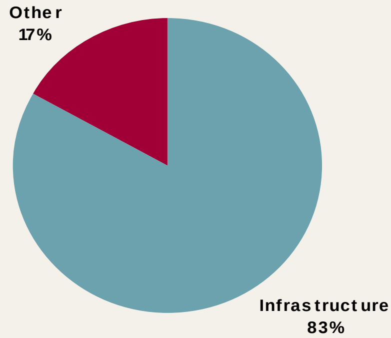
Corporate Lending USA Portfolio

Description: Senior secured and unsecured credit facilities across various sectors within the US including Industrial, Infrastructure (Public Finance) and Property.

No. of Clients	7	Commitments Drawn Balance	$0.24bn $0.01bn	Credit RWA	$0.01bn
No. of Close Review Clients	1	Close Review Commitments	$14m	Avg* contractual maturity *weighted average by commitment	1.4 yrs

Sector Analysis

	Commitments ($bn)	Collective Provisioning ($m)	Specific Provisioning ($m)
Infrastructure	0.20	-	-
Other	0.04	4.20	-
Total	**0.24**	**4.20**	**-**



National Australia Bank

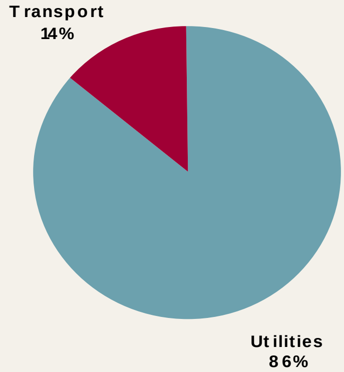
Credit Wrapped Bonds Portfolio

Description: Transactions where corporate bond issuers add a monoline insurance company guarantee as credit enhancement to achieve a higher external rating and better market pricing. The insurance is not factored into the internal credit rating.

No. of Clients	3	Commitments Drawn Balance	$0.7bn $0.7bn	Credit RWA	$0.7bn
No. of Close Review Clients	-	Close Review Commitments	$0m	Avg* contractual maturity *weighted average by commitment	7.0 yrs

Sector Analysis

	Commitments ($bn)	Collective Provisioning ($m)	Specific Provisioning ($m)
Transport	0.1	0.3	-
Utilities	0.6	1.0	-
Total	**0.7**	**1.3**	**-**



National Australia Bank

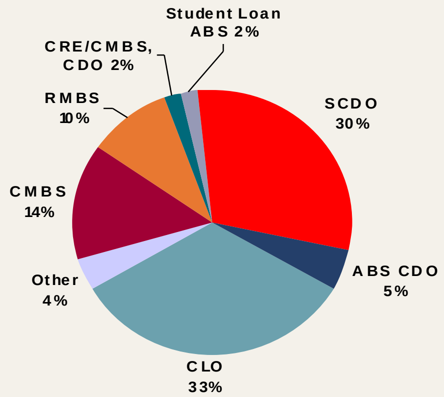
Structured Asset Management Portfolio

Description: CDOs, residential mortgage backed securities ("RMBS"), commercial mortgage backed securities ("CMBS") and other asset backed securities. ABS CDOs were mostly written off in 2008.

No. of Transactions	28	Commitments Drawn Balance	$4.3bn $4.3bn	Credit RWA	$6.6bn
No. of Close Review Clients	3	Close Review Commitments	$795m	Avg* contractual maturity *weighted average by commitment	14.2 yrs

Sector Analysis

	Commitments ($bn)	Collective Provisioning* ($m)	Specific Provisioning # ($m)
SCDO	1.3	-	-
ABS CDO	0.2	-	107.4
CLO	1.4	-	-
Other	0.2	-	-
CMBS	0.6	-	-
RMBS	0.4	-	-
CMBS /CRE CDO	0.1	-	-
Student Loan ABS	0.1	-	-
Provision~	-	-	93.2
Total	**4.3**	**1.8***	**200.6 #**



* Collective provision is applied to the entire portfolio and is not assigned to individual sectors
In addition to the provision is a further $160m management overlay for conduits and MTM derivative exposures

\# Provisions on this portfolio are booked against hold to maturity assets

~ The collective provision on the Credit Wrapped ABS has been changed to a specific provision as the realisation of material expected losses becomes imminent. The Credit Wrapped ABS commitments are included in the Sector categories above

National Australia Bank

Additional Information

Business Banking

Personal Banking

Wholesale Banking

MLC & NAB Wealth

NZ Banking

UK Banking

Great Western Bank

Specialised Group Assets

Asset Quality

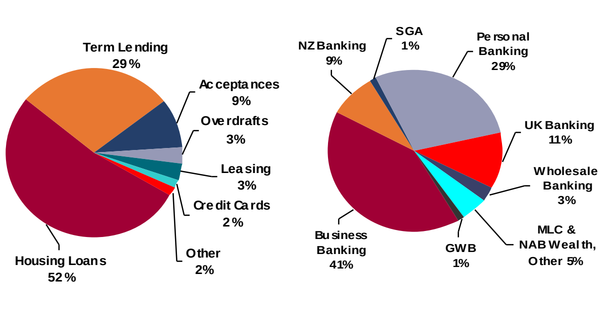
Capital and Funding

Economic Outlook

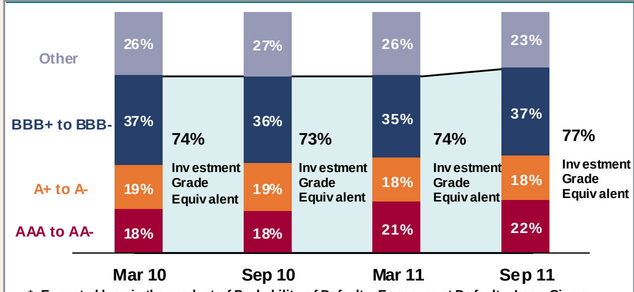
nab MLC Clydesdale Bank Yorkshire Bank Bank of New Zealand Great Western Bank

Group portfolio

Gross loans and acceptances by product and by business unit as at September 2011

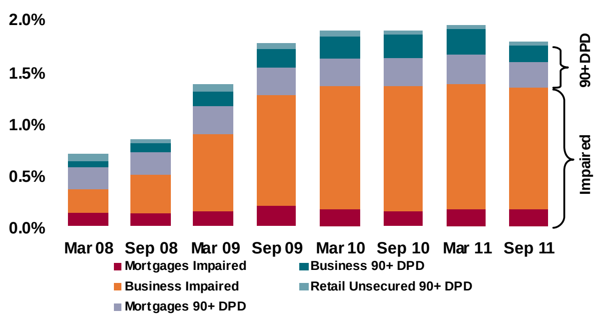


Risk rated non-retail exposures*



* Expected loss is the product of Probability of Default x Exposure at Default x Loss Given Default. The calculation excludes defaulted assets.

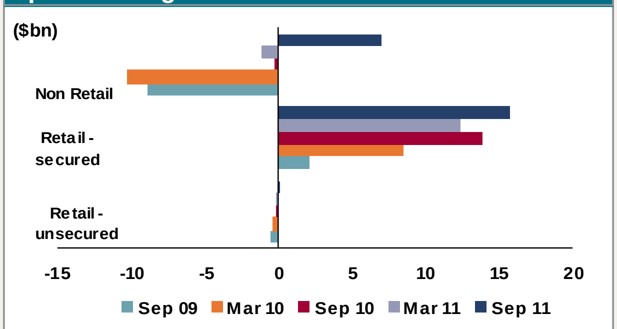
90+ DPD & impaired assets as a % of gross loans and acceptances by product



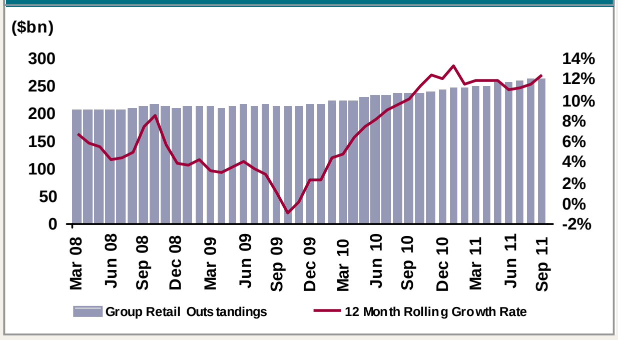
National Australia Bank

Group gross loans and acceptances

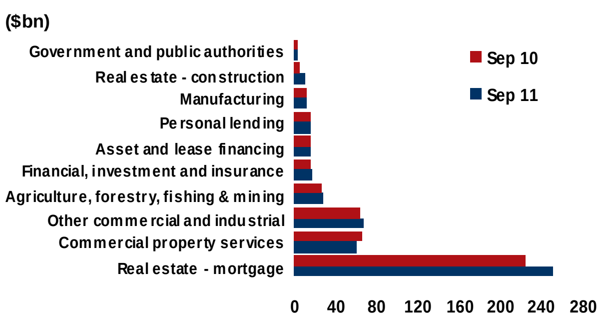
Group asset composition – growth by product segment



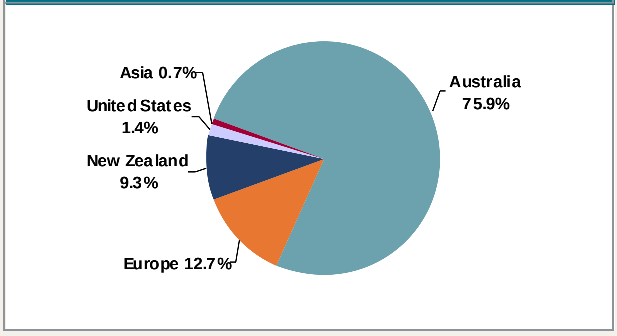
Retail portfolio – outstandings volume



Industry balances



Gross loans and acceptances by geography

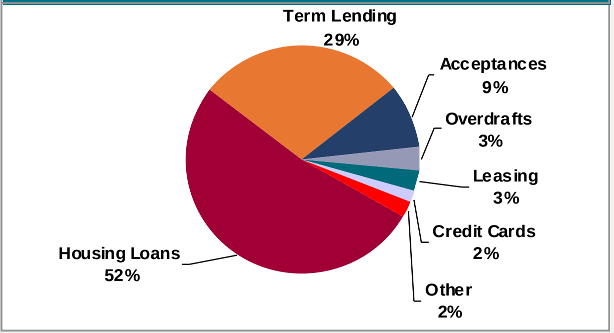


Note: These charts use spot exchange rates. Change in exchange rates relative to the Australian dollar since 2008 has partly affected growth rates

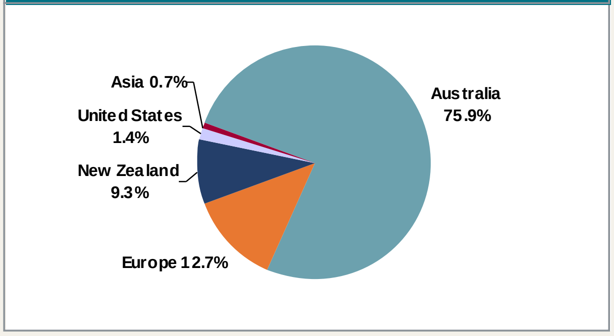
National Australia Bank

Group portfolio – change over three year period

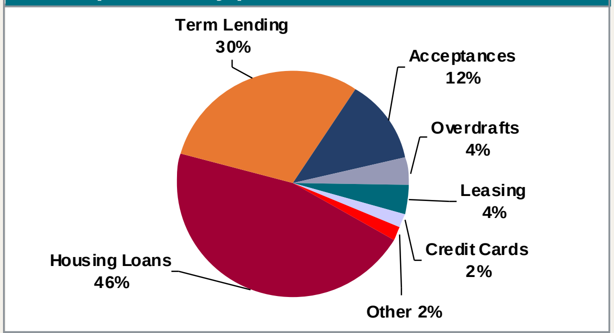
September 2011 – Gross loans and acceptances by product



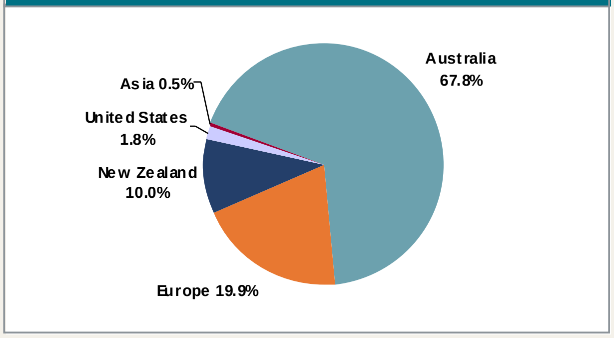
September 2011 – Gross loans and acceptances by geography



September 2008 – Gross loans and acceptances by product

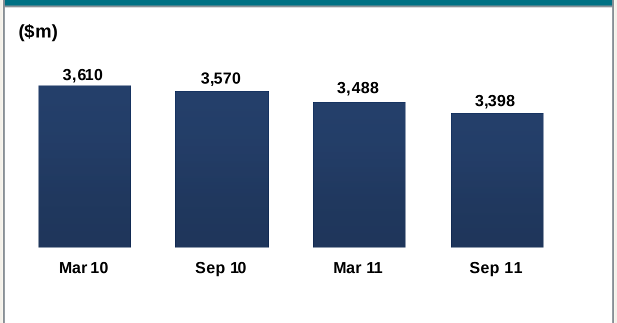


September 2008 – Gross loans and acceptances by geography

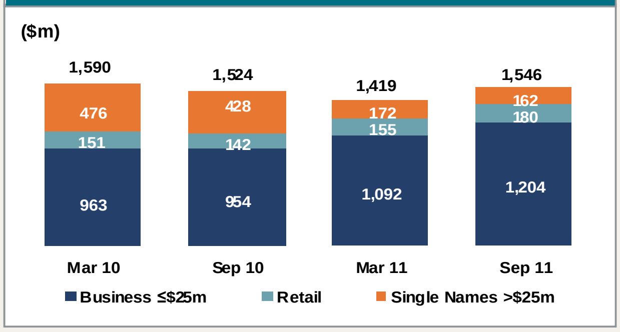


Group provision balances and coverage ratios

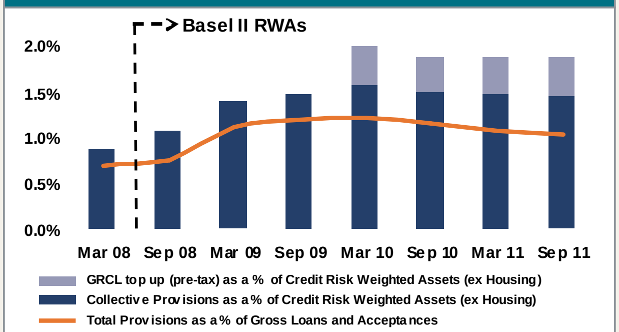
Collective provision balances



Specific provision balances

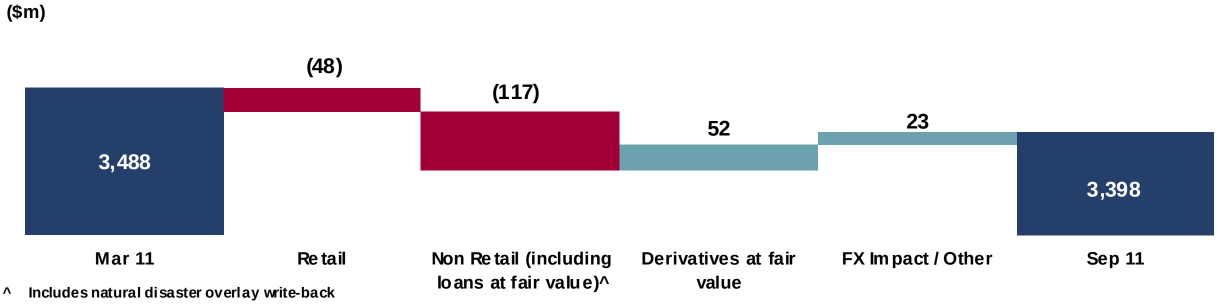


Coverage ratios



Group provision movements

Collective provision



^ Includes natural disaster overlay write-back

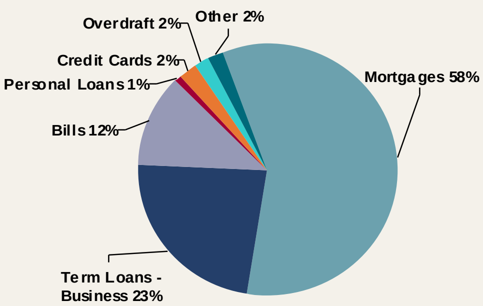
Specific provision

Specific provision as a % of impaired assets

* Net of write-offs

Business Banking, Personal Banking and NAB Wealth

Portfolio breakdown – total $354.5bn

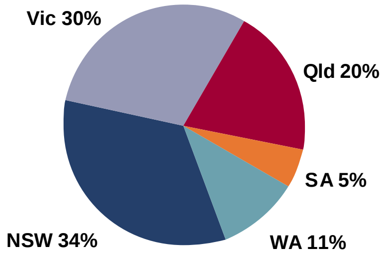


Australian Mortgages	Sep 11	Mar 11	Sep 10
Owner Occupied	70.2%	68.6%	67.4%
Investment	29.8%	31.4%	32.6%
Low Document	2.4%	2.0%	2.3%
Proprietary	69.0%	70.6%	72.8%
Third Party Introducer	31.0%	29.4%	27.2%
LMI Insured % of Total HL Portfolio	14.4%	14.7%	15.1%
Current Loan to Value Ratio (CLVR)*	52.4%	50.2%	47.9%
Customers ahead 3 repayments or more% *	45.7%	46.0%	46.6%
Average loan size $ ('000)	$254.9	$247.5	$238.9
90 + days past due	0.48%	0.54%	0.53%
Impaired loans	0.29%	0.28%	0.27%
Specific provision coverage	19.6%	18.2%	18.6%
Loss rate	0.06%	0.06%	0.06%

* Ratio excludes Advantedge mortgages portfolio

Australia Mortgages* – $207bn

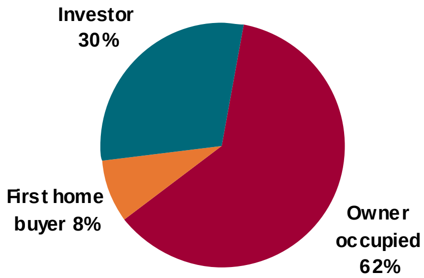
Geography



Low doc loans

- $4.9bn outstanding (2.4% of housing book)
- LVR capped at 60% (without LMI)

Customer segment

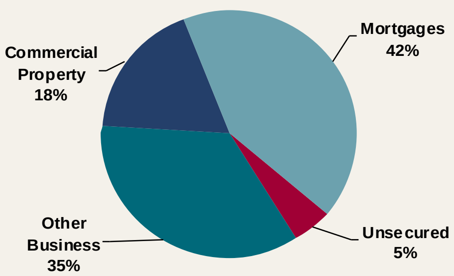


Origination source – flows (Australia)	Sep 11	Mar 11	Sep 10	Mar 10
Proprietary	61%	60%	61%	75%
Broker	31%	32%	31%	17%
Introducer	8%	8%	8%	8%

* Excludes Wholesale Banking

UK Banking

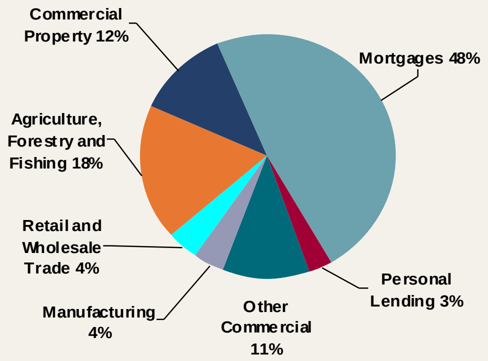
Portfolio breakdown – total £33.7bn



UK Mortgages	Sep 11	Mar 11	Sep 10
Owner Occupied	79.6%	79.6%	78.7%
Investment	20.4 %	20.4 %	21.3%
Low Document	0.0 %	0.0 %	0.0%
Proprietary	72.8 %	75.1 %	78.4%
Third Party Introducer	27.2 %	24.9 %	21.6%
LMI Insured % of Total HL Portfolio	1.4 %	1.5 %	1.6%
Loan to Value (at Origination)	64.0 %	62.5 %	62.2%
Loan to Value Indexed	53.4 %	53.5 %	51.9%
Average loan size £ ('000)	94	90	88
90 + days past due	0.62 %	0.76 %	0.76%
Impaired loans	0.44 %	0.38 %	0.35%
Specific provision coverage	30.1 %	22.8 %	17.1%
Loss rate	0.06%	0.05 %	0.05%

NZ Banking

Portfolio breakdown – total NZ$56.9bn



New Zealand Mortgages	Sep 11	Mar 11	Sep 10
Low Document Loans	0.24%	0.22%	0.19%
Proprietary (Distributed by Bank)	100%	100%	100%
Third Party Introducer	0.0%	0.0%	0.0%
Insured% of Total HL Portfolio[1]	10.7%	10.0%	9.5%
Loan to Value (at origination)	63.0%	61.7%	59.5%
Average loan size NZ$ ('000)	248	242	240
90 + days past due	0.29%	0.35%	0.30%
Impaired loans	0.51%	0.58%	0.62%
Specific provision coverage	37.0%	35.0%	32.6%
Loss rate	0.08%	0.07%	0.08%

(1) Insured includes both LMI and Low Equity Premium

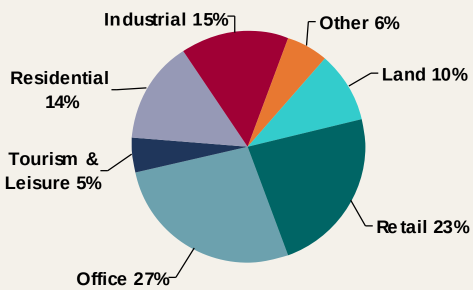
Commercial Real Estate – Group Summary[1]

Total $60.9bn

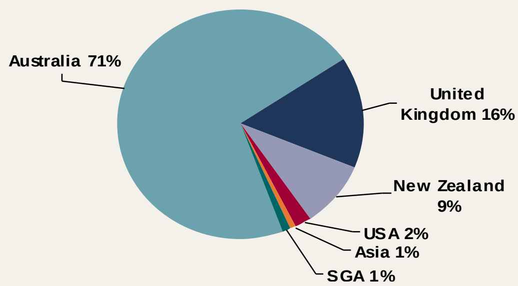
12.6% of Gross Loans & Acceptances

	Aus	UK*	NZ	USA*	SGA	Asia/Other	Total
TOTAL CRE (A$bn)	42.9	9.9	5.5	1.4	0.8	0.4	60.9
Increase/(decrease) on Mar 11 (A$bn)	0.2	0.0	0.3	0.1	0.0	0.1	0.7
% of GLAs	11.7%	18.4%	12.2%	23.7%	16.5%	11.2%	12.6%
Change in % on Mar 11	(0.5%)	(0.8%)	(0.3%)	(1.3%)	1.4%	(2.4%)	(0.5%)

Group Commercial Property by type



Group Commercial Property by geography

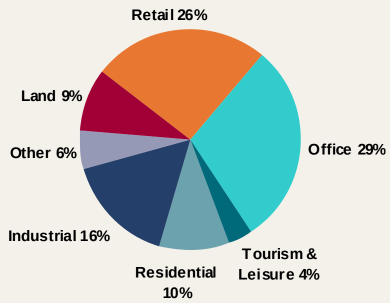


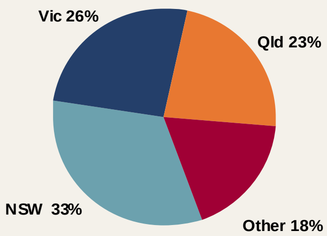
(1) Measured as balance outstanding at September 2011 per APRA Commercial Property ARF definitions
* Excludes SGA

Commercial Real Estate – Business Banking

Total $42.9bn

11.7% of Australian geography Gross Loans & Acceptances





State	NSW	VIC	QLD	Other	Total
Location %	33%	26%	23%	18%	100%
Loan Balance < $5m	10%	10%	8%	5%	33%
Loan Balance > $5m < $10m	5%	3%	3%	2%	13%
Loan Balance > $10m	18%	13%	12%	11%	54%
Loan tenor < 3 yrs	26%	23%	21%	15%	85%
Loan tenor > 3 < 5 yrs	4%	2%	1%	2%	9%
Loan tenor > 5 yrs	3%	1%	1%	1%	6%
Average loan size $m	3.2	2.5	2.8	3.1	2.9
Security Level[1] – Fully Secured	24%	22%	18%	17%	81%
Partially Secured	5%	4%	5%	1%	15%
Unsecured	4%	0%	0%	0%	4%
90+ days past due	0.06%	0.05%	0.07%	0.02%	0.20%
Impaired loans	1.20%	0.17%	1.61%	0.14%	3.12%
Specific provision coverage	11.6%	23.7%	15.6%	19.2%	14.7%

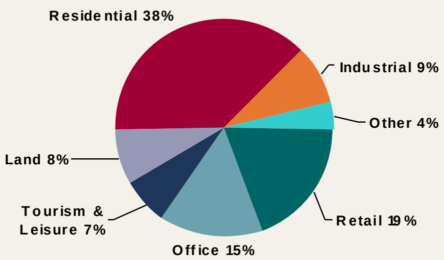
Trend	Sep 11	Mar 11	Sep 10
90+ days past due to GLAs	0.20%	0.43%	0.44%
Impaired Loans to GLAs	3.12%	2.80%	2.53%
Specific Provision Coverage	14.7%	16.6%	23.5%

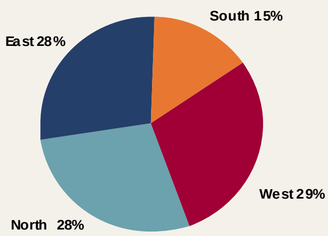
(1) Fully secured represents loans of up to 70% of the market value of security.
Partially secured are over 70%, but not unsecured. Unsecured is primarily negative pledge lending

Commercial Real Estate - UK Banking

Total £6.2bn

18.4% of Gross Loans & Acceptances





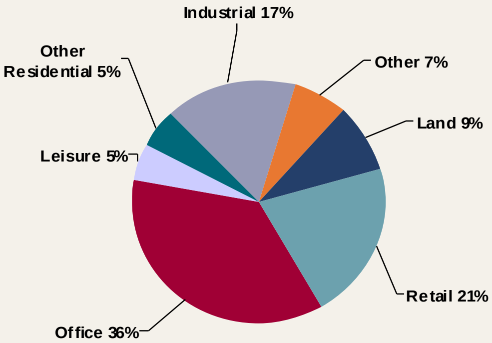
Region	North	East	South	West	Total
Location %	28%	28%	15%	29%	100%
Loan Balance < £2m	18%	19%	10%	19%	66%
Loan Balance > £2m < £5m	3%	4%	2%	4%	13%
Loan Balance > £5m	6%	6%	3%	6%	21%
Average loan tenor < 3 yrs	19%	18%	10%	16%	63%
Average loan tenor > 3 < 5 yrs	3%	3%	2%	5%	13%
Average loan tenor > 5 yrs	6%	8%	3%	7%	24%
Average loan size £m	0.75	0.86	0.95	0.83	0.83
Security Level[1] Fully Secured	12%	14%	10%	15%	51%
Partially Secured	15%	14%	5%	13%	47%
Unsecured	0.8%	0.2%	0.4%	0.2%	1.6%

Trend	Sep 11	Mar 11	Sep 10
90+ days past due to GLAs	0.88%	1.42%	1.47%
Impaired Loans to GLAs	9.12%	8.13%	7.69%
Specific Provision Coverage	11.2%	9.1%	4.8%

(1) Fully secured represents loans of up to 70% of the market value of security.
Partially secured are over 70%, but not unsecured. Unsecured is primarily negative pledge lending

Commercial Real Estate – NZ Banking

Total NZ$7.0bn
12.2% of Gross Loans & Acceptances



Region		Auckland	Other Regions	Total
Location %		40%	60%	100%
Loan Balance < NZ$5m		11%	26%	37%
Loan Balance > NZ$5m<NZ$10m		4%	9%	13%
Loan Balance > NZ$10m		25%	25%	50%
Loan tenor < 3 yrs		38%	52%	90%
Loan tenor > 3 < 5 yrs		1%	3%	4%
Loan tenor > 5 yrs		1%	5%	6%
Average loan size NZ$m		$4.8m	$2.7m	$3.3m
Security Level[1]	Fully Secured	22%	43%	65%
	Partially Secured	11%	11%	22%
	Unsecured	7%	6%	13%
90+ days past due		0.32%	0.18%	0.50%
Impaired Loans		0.19%	1.47%	1.66%
Specific Provision Coverage		39.0%	22.8%	24.6%

Trend	Sep 11	Mar 11	Sep 10
90+ days past due to GLAs	0.50%	0.89%	0.43%
Impaired Loans to GLAs	1.66%	2.03%	1.68%
Specific Provision Coverage	24.6%	21.3%	14.1%

(1) Fully secured represents loans of up to 70% of the market value of security.
Partially secured are over 70%, but not unsecured. Unsecured is primarily negative pledge lending

National Australia Bank

Additional Information

Business Banking
Personal Banking
Wholesale Banking
MLC & NAB Wealth
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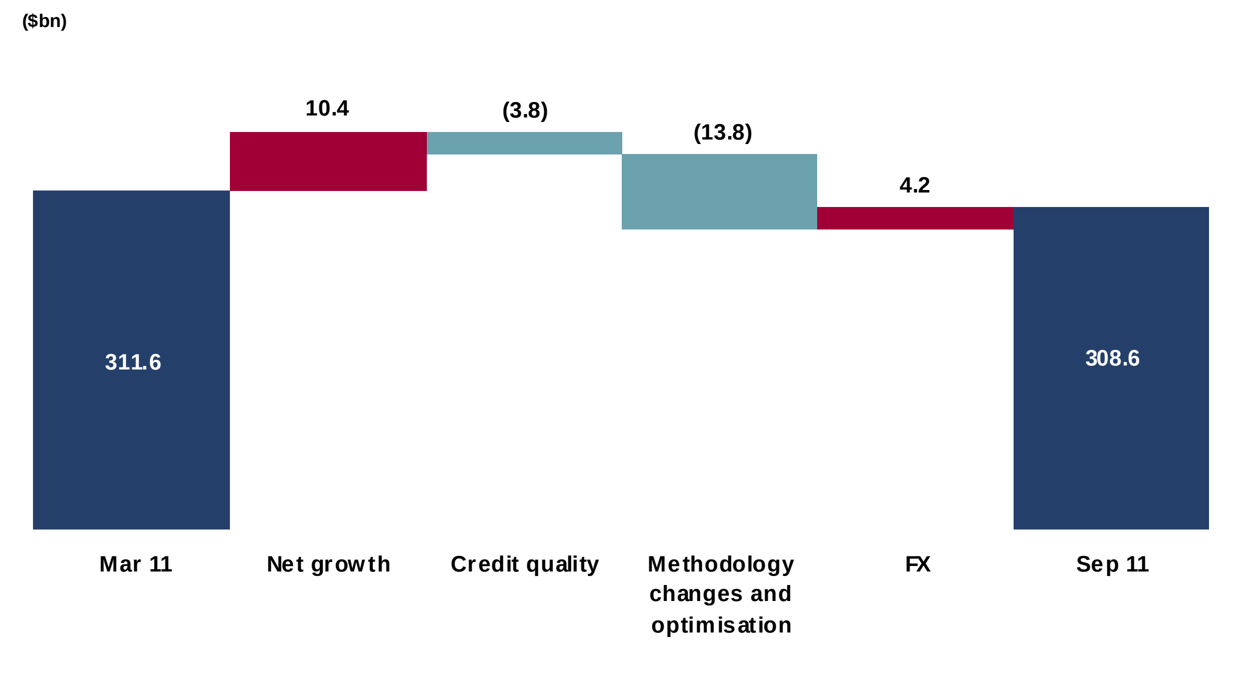
UK Banking
Great Western Bank
Specialised Group Assets
Asset Quality
Capital and Funding
Economic Outlook

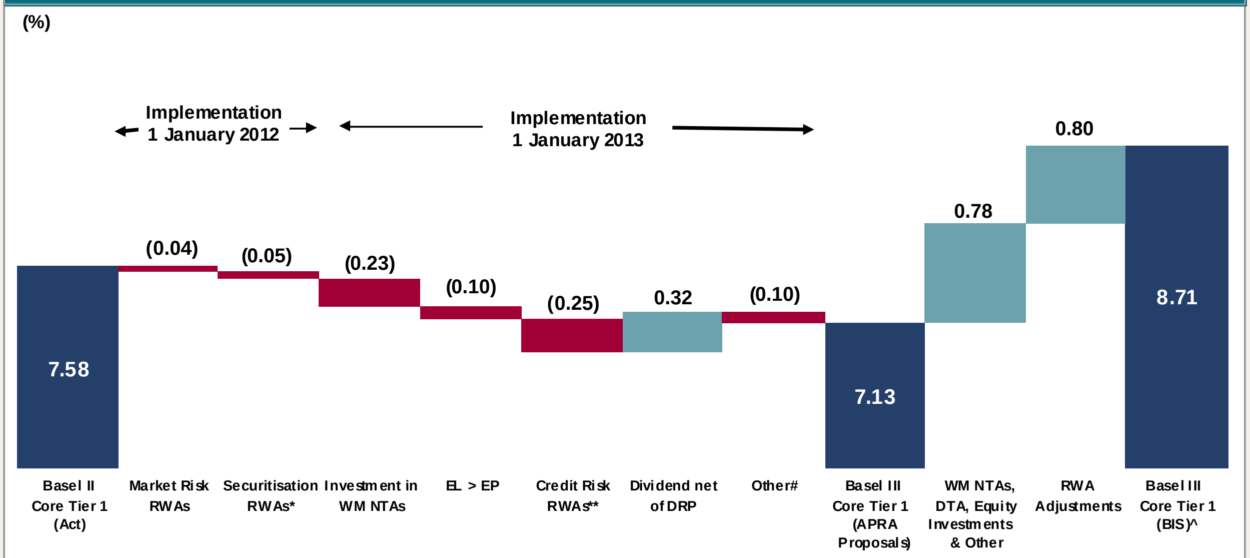
nab MLC Clydesdale Bank Yorkshire Bank Bank of New Zealand Great Western Bank

Credit RWA movement

NAB Group: Credit RWA movement March 11 to September 11



Estimated impacts of Basel III: September 11



Estimated based on APRA discussion paper on Basel III capital reforms, released 6 September 2011

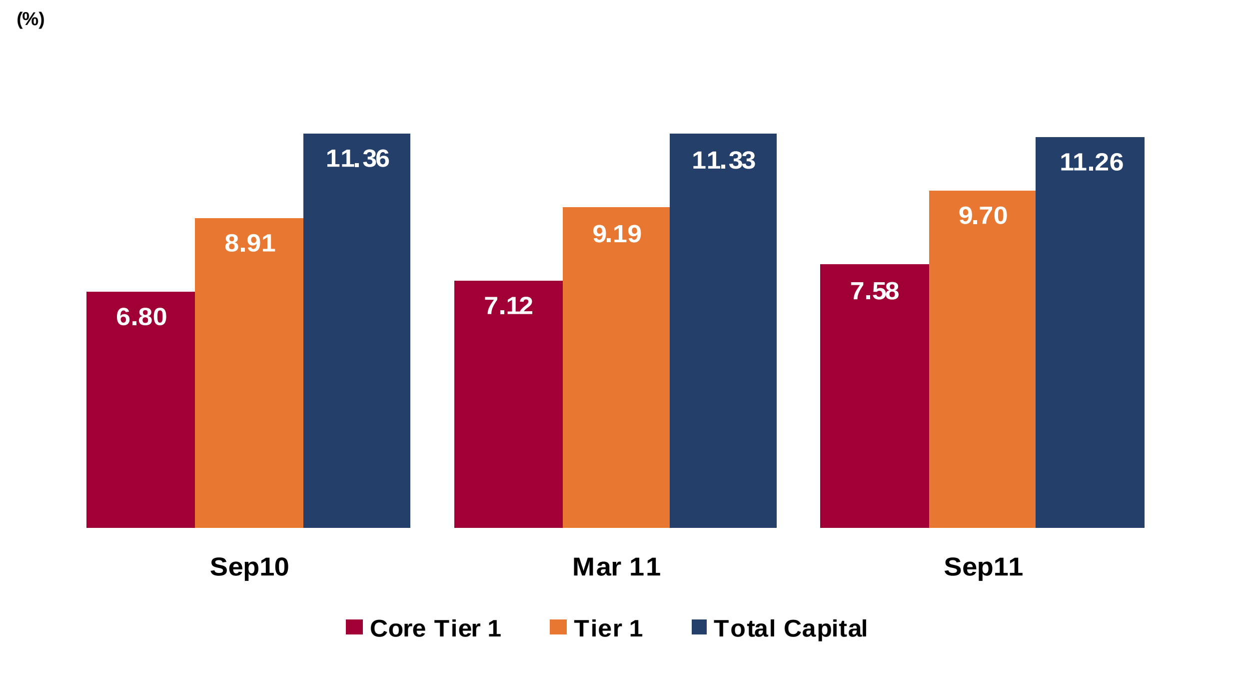
* Excludes 1,250% risk weighting of the current Basel II 50/50 capital adjustment which takes effect on 1 January 2013

** Counterparty credit risk are estimated to add an additional $13 billion of risk weighted assets

\# Other consists of equity investments (-10bps), 1,250% securitisation risk weighting (-2bps) and other immaterial adjustments individually less than 5bps

^ Assumes no change to the treatment of treasury shares

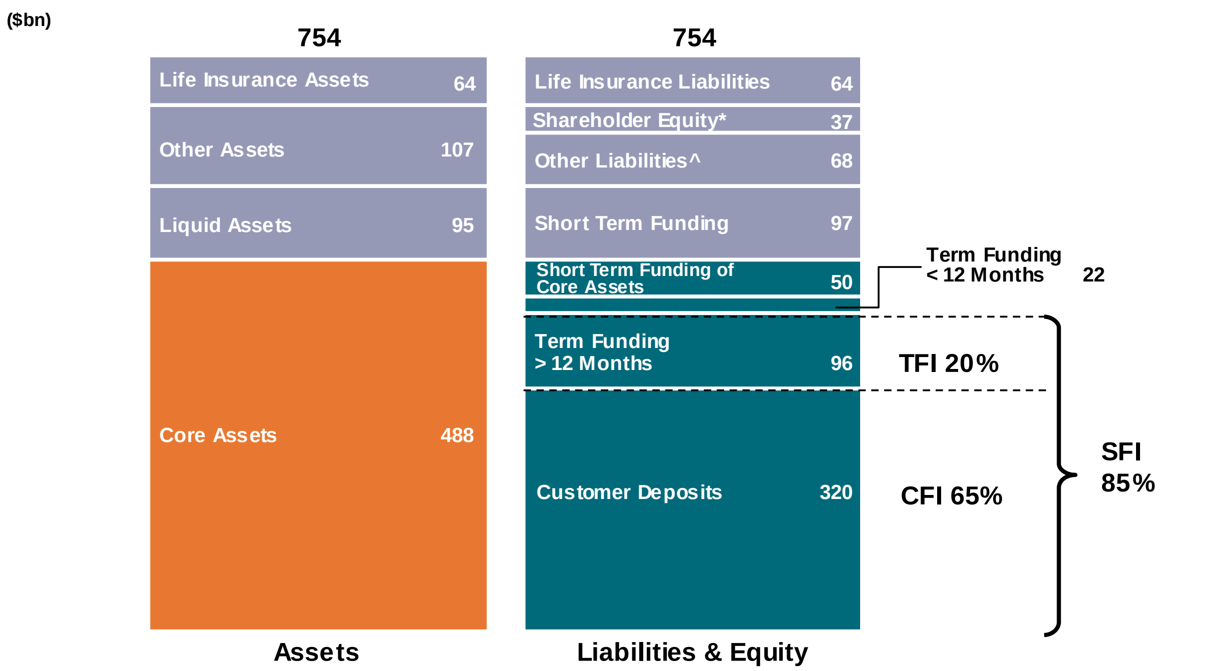
Group capital ratios



National Australia Bank

Asset funding

Balance sheet

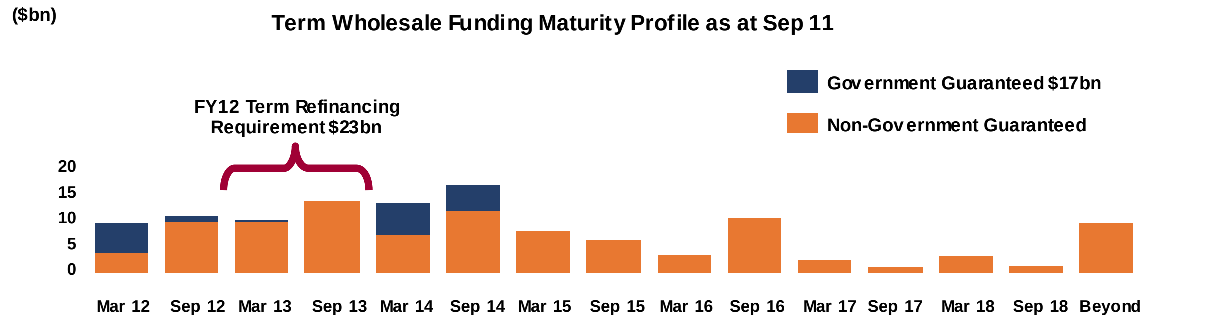


* Shareholder equity excludes preference shares and other contributed equity
^ Other liabilities comprises mainly trading derivatives

National Australia Bank

Funding profile remains robust

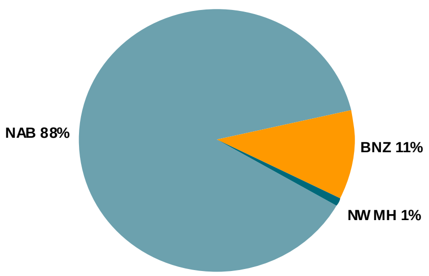
Term funding maturity profile



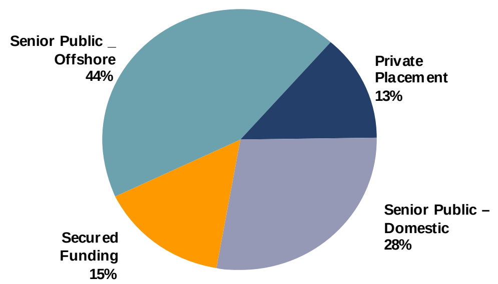
- The weighted average remaining maturity of the Group's term funding index qualifying (includes debt with > 12 months remaining term to maturity, excludes debt with < 12 months) senior and subordinated debt is 3.5 years (3.6 years as at March 2011)
- The weighted average remaining maturity of the Group's senior and subordinated debt is 2.9 years (2.9 years as at March 2011)
- The FY12 term funding requirement is largely driven by the need to refinance term debt that matures during FY13
- National Australia Bank Ltd repurchased and retired $2.9bn of Government guaranteed debt over FY11, reducing the refinancing requirements

Diversified funding issuance – FY11

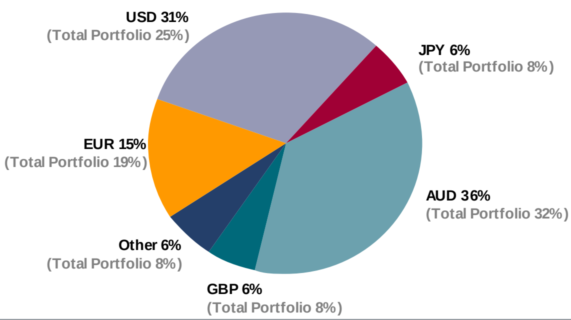
Issuer ($31.6bn)



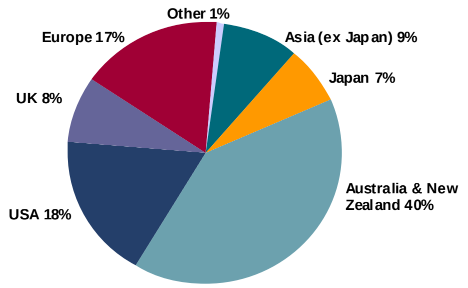
Type ($31.6bn)



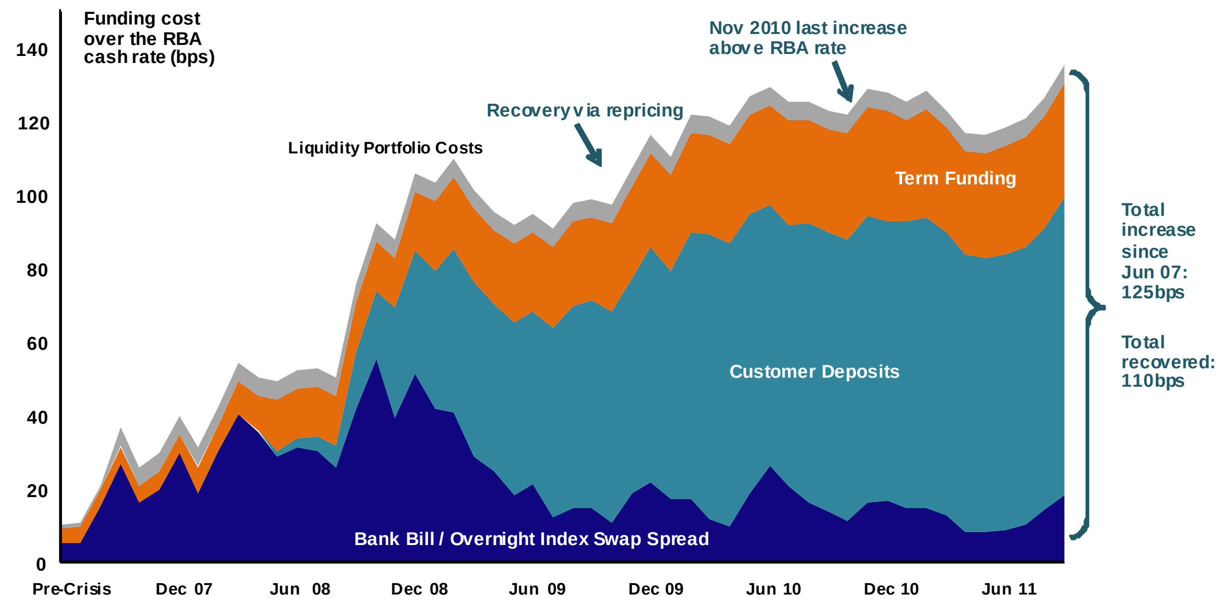
Currency ($31.6bn)



Investor Location ($31.6bn)



Increased cost of funding and Australian variable rate mortgage



National Australia Bank

UK FSA Capital Comparison – Basel II

- Summarised below are details of current key differences as pertinent to the Group and identified by the ongoing Australian Bankers' Association (ABA) study "Comparison of Regulatory Capital Frameworks – APRA and FSA"[1]

Item	Details of differences	Impact on Bank's Tier 1 capital ratio if FSA rules applied
RWA Treatment – Mortgages	APRA requires Loss Given Default estimate for loans secured by mortgages to be a minimum of 20% compared to a 10% minimum under FSA rules. This results in lower RWA under FSA rules.	Increase
Interest Rate Risk in the Banking Book (IRRBB)	APRA rules require the inclusion of IRRBB within Pillar 1 calculations. This is not required by the FSA and results in lower RWA under FSA rules.	Increase
Wealth Value of Business in Force at acquisition	This amount represents the value of business in force (VBIF) at acquisition of MLC, which is an intangible asset. VBIF is deducted from Tier 1 capital under APRA guidelines, whereas under FSA rules, it is deducted from Total capital.	Increase
Estimated Final Dividend	The FSA requires dividends to be deducted from regulatory capital when declared and/or approved. APRA requires dividends to be deducted on an anticipated basis, which is partially offset by APRA making allowance for expected shares to be issued under a dividend re-investment plan. This difference results in higher capital under FSA rules.	Increase
DTA (excluding DTA on the collective provision for doubtful debts)	APRA requires Deferred Tax Assets (DTA) to be deducted from Tier 1 capital, except for any DTA associated with collective provisions which are eligible to be included in the General Reserve for Credit Losses. Under FSA rules, DTA are risk weighted at 100%.	Increase
Eligible Deferred Fee Income	APRA requires certain deferred fee income to be included in Tier 1 capital. The FSA does not allow this deferred fee income to be included in Tier 1 capital, which results in lower capital under FSA rules.	Decrease
Capitalised Expenses	APRA requires a deduction from Tier 1 capital for up-front costs associated with a debt issuance. The FSA requires costs associated with debt issuance not used in the capital calculations to follow the accounting treatment.	Increase
Investments in Non-Consolidated Controlled Entities	APRA requires Wealth Net Tangible Assets (NTA) to be deducted 50/50 from Tier 1 and Tier 2 capital. The FSA allows embedded value (including NTA) to be included in Tier 1 capital and deducted from Total capital under transitional rules to 31 December 2012 (when it will revert to a 50/50 deduction from Tier 1 and Tier 2).	Increase
UK Defined Benefit Pension Scheme	The scheme continues to be in deficit as at 31 March 2011. Under FSA rules, the bank's deficit reduction amount may be substituted for a defined benefit liability. No deficit reduction amounts are presently being paid, therefore the liability can be reversed from reserves (net of tax) and no liability is required to be substituted at this time.	Increase

(1) The above comparison is based on public information on the FSA approach to calculating Tier 1. Some items cannot be quantified where the FSA may have entered into bi-lateral agreements on specific items, which are not generally in the public domain

National Australia Bank

UK FSA Capital Comparison – Basel II

Estimated impact on NAB's capital position

- The following table illustrates the impact on the Group's capital position considering these key differences between APRA and UK FSA Basel II guidelines
- This reflects only a partial list of the factors requiring adjustment

	Tier 1 Capital %	Total Capital %
30 September 2011 – APRA basis	9.70%	11.26%
RWA treatment – Mortgages[1]	0.94%	1.07%
IRRBB (RWA)	0.27%	0.30%
Wealth Value of Business in Force (VBIF) at acquisition	0.46%	0.00%
Estimated final dividend (net of estimated reinvestment under DRP / BSP)	0.34%	0.33%
DTA (excluding DTA on the collective provision for doubtful debts)	0.24%	0.24%
Eligible deferred fee income	-0.08%	-0.08%
Capitalised expenses[2]	0.03%	0.03%
Investments in non-consolidated controlled entities (net of intangible component)	0.25%	0.00%
UK Defined Benefit Pension	0.07%	0.07%
Total adjustments	2.52%	1.96%
30 September 2011 – Normalised for UK FSA differences	12.22%	13.22%

(1) RWA treatment for mortgages is based on APRA 20% loss given default (LGD) floor compared to FSA LGD floor of 10% aligned to the Basel II Framework
(2) Capitalised expenses associated with debt raisings only

Basel II Risk Weighted Assets

Asset Class ($m)	30 September 2011		31 March 2011	
	RWAs	RWA/EAD %	RWAs	RWA/EAD %
Corporate & Business	172,208	47%	175,947	54%
Mortgages	51,620	21%	51,389	21%
Retail	16,198	46%	16,870	48%
Standardised*	59,922	61%	58,972	67%
Other Assets	8,700	82%	8,447	82%
Total Credit RWAs	308,648	41%	311,625	45%
Market RWAs	2,968		3,159	
Operational RWAs	22,255		21,862	
IRRBB RWAs	7,198		8,565	
Total RWAs	341,069		345,211	

* The majority of the Group's standardised portfolio is the UK Clydesdale PLC banking operations

Additional Information

Business Banking

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MLC & NAB Wealth

NZ Banking

UK Banking

Great Western Bank

Specialised Group Assets

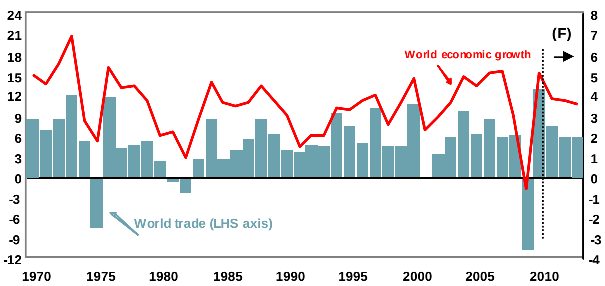
Asset Quality

Capital and Funding

Economic Outlook

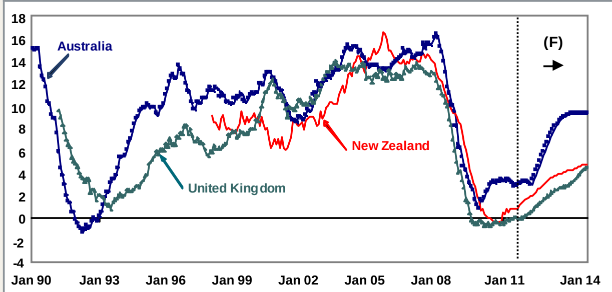
Economic conditions

Annual % growth in global trade and GDP - 1970 - 2012



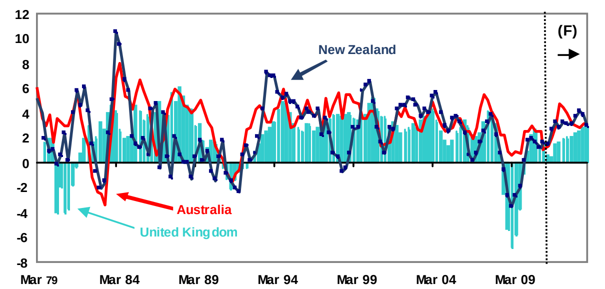
IMF, OECD, Datastream, NAB Forecasts

System credit growth % change year on year



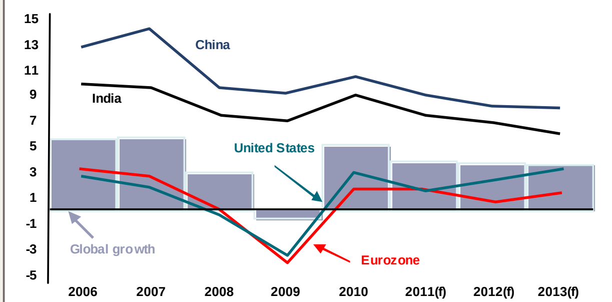
RBA, RBNZ, Bank of England, NAB Forecasts

Real GDP % change year on year



ONS, ABS, SNZ, Datastream, NAB Forecasts

Annual % growth in major economies



Datastream

(F) - Forecast

Australia regional outlook

Economic Indicators (%) (a)	CY09	CY10	CY11 (f)	CY12 (f)	CY13 (f)
GDP growth	2.7	2.7	3.2	3.1	3.2
Unemployment rate	5.6	5.0	5.2	4.8	4.9
Core Inflation	3.5	2.3	2.5	2.7	3.1
Cash rate	3.75	4.75	4.5	4.25	4.75
System Growth (%)	**FY09**	**FY10**	**FY11(f)**	**FY12(f)**	**FY13(f)**
Housing	7.2	7.7	5.7	6.3	9.8
Other personal (incl cards)	-5.5	2.7	-1.6	1.3	4.9
Business	-4.5	-3.5	-0.3	5.0	8.7
Total system credit	1.6	3.2	3.1	5.5	9.1
Total A$ ADI deposits (b)	6.8	5.8	8.2	11.8	12.7

(a) Percentage change at year end December, except for cash and unemployment rates, which are as at end December

(b) Total ADI deposits also includes wholesale deposits (such as CDs), community and non-profit deposits but excludes deposits by government & ADI's

CY = calendar year (ending December); FY = bank fiscal year (ending September)

- Growth in GDP in early 2011 was significantly slowed due to the flood and cyclone induced slowdown in January. Over the second half of this year, GDP growth is expected to be boosted by reconstruction efforts in Queensland, the mining sector and the overall strength of our international trading environment. Furthermore, commodity prices are expected to remain firm, keeping the terms of trade at an elevated level, which should continue to support strong export income
- While the mining industry continues to perform strongly, trade-exposed sectors outside of mining and those industries dependant on consumer demand – particularly manufacturing, retail and wholesale – are still struggling with very poor conditions. Against that, service sectors (utilities, accountants, lawyers, business professionals, health etc) continue to report strong activity and high confidence
- RBA now likely to take advantage of the very low inflation outcome in September and the lower near term outlook to lower rates. We now expect a 25 point cut next week and – data dependent – another cut in February 2012. That said the medium term outlook is for inflation moving back above 3% in 2013 on the back of stronger growth and carbon taxes. Hence we see near term cuts being reversed in 1H 2013. Low rates will however marginally help near term growth
- Business credit has been subdued for a number of months and remains weak relative to history. SME credit demand is also very soft. Growth is expected to rise over 2012 on the back of rising business investment, reflecting strengthening investment intentions and a general broadening out of economic growth. Consistent with high savings rates and subdued consumer spending, personal credit growth has been weak for some time and is expected to remain soft. Housing credit has also softened over recent months. Subdued house prices and weak sentiment is likely to see housing credit remain relatively soft for the near term. Beyond that, growth could strengthen on the back of continuing dwelling under-supply and improved housing affordability

UK regional outlook

Economic Indicators (%)	CY09	CY10	CY11(f)	CY12(f)	CY13(f)
GDP growth	-4.4	1.8	1.0	2.0	2.7
Unemployment	7.8	8.0	7.9	8.3	7.9
Inflation	2.2	3.3	4.5	2.3	2.0
Cash rate	0.5	0.5	0.5	0.5	1.25
System Growth (%)	**FY09**	**FY10**	**FY11(f)**	**FY12(f)**	**FY13(f)**
Housing	2.2	0.9	0.7	1.3	2.8
Consumer	2.9	0.3	1.5	2.1	3.0
Business	1.3	-3.3	-2.5	-0.5	1.6
Total lending	2.0	-0.7	-0.4	0.8	2.4
Retail deposits	4.8	4.4	3.1	3.5	4.0

- Although distorted by many special factors, the underlying pace of UK economic growth is very weak. The combination of fiscal austerity measures and still soft private sector demand means that the volume of activity at the end of this year is expected to be below its early 2008 level
- The mix of growth in the UK needed to be rebalanced with a greater reliance on exports and business investment and less on the public sector and consumer spending. Weaker Sterling helps this process. The business surveys show that the strongest results are in export-related parts of industry, but they are vulnerable to any weakening in key Euro-zone markets
- Pressure on household incomes, reluctance to borrow and concern over unemployment are curbing the growth in demand and that is likely to slow the pace of GDP growth. The housing market is still weak, holding back growth in household credit
- System credit growth is still very weak with growth in household lending running at under 1% yoy and the stock of business credit has continued to shrink through the last few months, extending a long period of decline. We are not expecting any significant upturn in credit demand through the next few years with very low growth forecast by historical standards
- Although system asset quality has worsened with recession and rising unemployment, it has not fared as badly as might have been expected, given the magnitude of the drop in output. The jobless rate has risen, but not as much as expected, helping support asset quality

NZ regional outlook

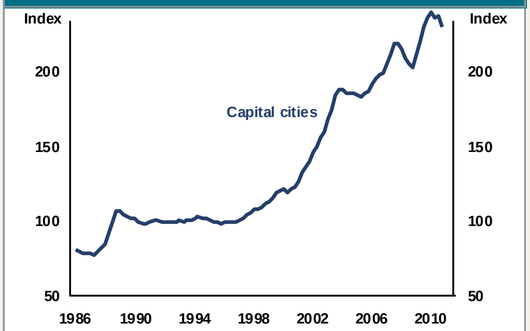
Economic Indicators (%)	CY09	CY10	CY11(f)	CY12(f)	CY13(f)
GDP growth	-2.0	1.6	2.3	3.1	3.7
Unemployment	7.0	6.7	6.1	5.1	4.7
Inflation	2.0	4.0	2.8	2.1	2.9
Cash rate (end period)	2.5	3.0	2.5	3.75	4.5
System Growth (%)	**FY09**	**FY10**	**FY11(f)**	**FY12(f)**	**FY13(f)**
Housing	3.7	3.1	1.6	2.4	3.8
Personal	-0.8	-3.2	-0.9	1.3	3.1
Business	10.6	-3.0	-0.7	1.9	3.7
Total lending	6.3	0.4	0.6	2.1	3.7
Household retail deposits	12.4	2.8	7.2	8.0	7.5

- Despite the unsettled global economic outlook and turbulence in financial markets, the latest business surveys still point to moderate expansion. The outlook for firms' own activity is holding at a level consistent with solid growth
- Conditions are however still very mixed across the economy. Very high commodity prices have taken the terms of trade to a 37 year high and led to above-average real farm incomes
- Credit growth is still very weak – business credit is flat, mortgage credit growth is very slow and consumer credit is going backwards. We are not expecting much of an upturn in system credit, despite the forecast economic growth
- Global economic uncertainty and a relatively weak activity performance in mid-2011 means that there is less urgency for the RBNZ to start increasing its very low policy rate. We expect interest rate normalisation to start in 2012 with rates climbing gradually to 4½% in 2013
- The long period of weakness in domestic spending has had an impact on asset quality – the total system impaired asset ratio has risen from 0.1% in 2007 to 1.6% in late 2010 – but that is well below the peak level (9¼%) seen in the early 1990s downturn
- Currently the main risk to the NZ economy lies in what happens to global conditions – especially the outlook for commodities and growth in the Asia-Pacific region

National Australia Bank

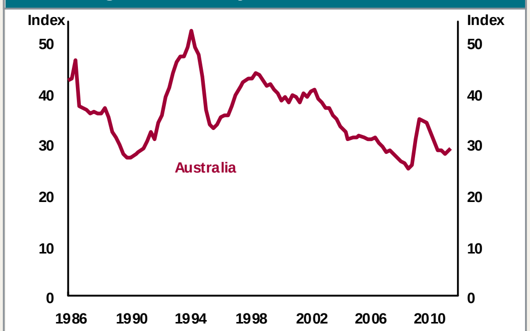
Australian housing prices and debt

Real dwelling prices 1993 = 100



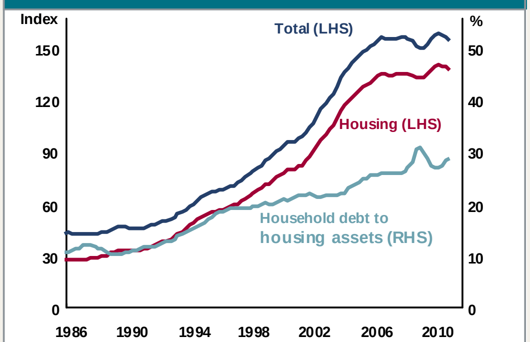
Source: ABS, deflated by private household consumption deflator

Housing affordability



Source: REIA

Household debt-to-income ratio



Sources: ABS; NAB; RBA

- House prices have fallen since mid-2010, though remain at relatively high levels. House price growth was most marked from mid 1990s to 2004, and also accelerated sharply through 2009 and the first half of 2010
- Housing affordability has stabilised at a relatively low level over recent quarters, but still above its trough in mid-2008
- Debt servicing burden is easing, which is consistent with housing being more affordable now compared to prior to the financial crisis

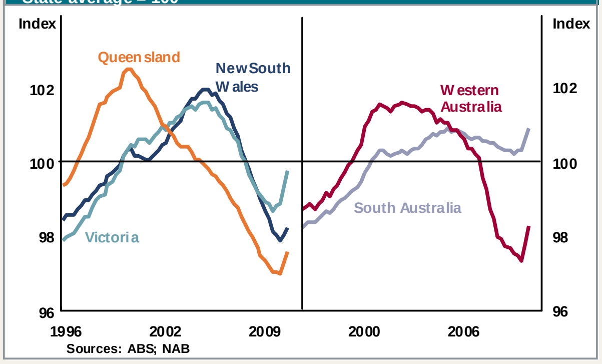
Note: Income is disposable income after tax and before interest payments
Household sector excludes unincorporated enterprises

National Australia Bank

Characteristics of the Australian Mortgage Market

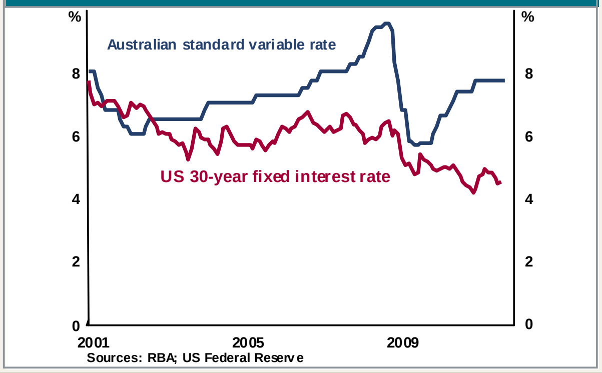
- Solid population growth combined with an insufficient expansion in Australia's dwelling stock has led to a broad-based undersupply of housing in most locations
- The latest NAB Australian Property Survey indicates that resident owner occupiers have been more active in the existing property market than investors, but the pace of new housing purchasing from investors is expected to pick up over the next year. Tight credit conditions are the main impediment to new residential developments, but concerns over rising interest rates are growing
- Around 80% of Australian mortgages are at variable rates, making the most common mortgage rate very sensitive to changes in monetary policy

Ratio of Dwellings to Resident Population
State average = 100



Sources: ABS; NAB

Most common mortgage interest rates



Sources: RBA; US Federal Reserve

National Australia Bank

Disclaimer: *This document is a presentation of general background information about the Group's activities current at the date of the presentation, 27 October 2011. It is information in a summary form and does not purport to be complete. It is to be read in conjunction with the National Australia Bank Limited Full Year Results filed with the Australian Securities Exchange on 27 October 2011. It is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. These should be considered, with or without professional advice, when deciding if an investment is appropriate.*

This announcement contains certain "forward-looking statements". The words "anticipate", "believe", "expect", "project", "forecast", "estimate", "outlook", "upside", "likely", "intend", "should", "could", "may", "target", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Group, that may cause actual results to differ materially from those expressed or implied in such statements. There can be no assurance that actual outcomes will not differ materially from these statements.

Note: *Information in this document is presented on a cash earnings basis.*

"Cash earnings" is a key non-GAAP financial performance measure used by NAB, the investment community and NAB's Australian peers with a similar business portfolio. "Cash earnings" are calculated by excluding certain items which are otherwise included within the calculation of net profit attributable to owners of the company, in order to better reflect what NAB considers to be the underlying performance of the Group. A more detailed definition of cash earnings, and a full reconciliation of cash earnings to net profit, is included within the 2011 Full Year Results dated 27 October 2011. Section 5 of the 2011 Full Year Results includes the Consolidated Income Statement of the Group, including net profit. The Group's audited financial statements, prepared in accordance with Corporations Act 2001 (Cth) and Australian Accounting Standards, will be published in its 2011 Annual Financial Report on 14 November 2011.

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