

NAB Reconciliation Action Plan 2013

**Building strong, inclusive and
sustainable communities**



more give, less take

Group CEO Message



We are committed for the long term because we know that addressing Indigenous disadvantage will take time.

I am pleased to present NAB's 2013 Reconciliation Action Plan, which is the first 'Elevate' RAP in Australia.

From the beginning we knew we could not solve all the problems that affect Indigenous Australia. To be effective, we narrowed our focus to the key areas of employment, financial inclusion, cultural understanding and building business relationships.

I'm happy to report that we are making solid progress in all these areas. However the work remains challenging and there are no short cuts to success. NAB is learning how it can build opportunities that benefit both the bank and Indigenous Australia.

This shared value approach will be vital in ensuring that NAB's long term efforts to address Indigenous disadvantage are both meaningful and cost effective.

We have also lifted the bar with our transparency as this year's results have been independently quality assured. We believe that this sets a new accountability benchmark for corporate Australia and demonstrates our commitment, not only to Indigenous Australians but also our employees, customers and shareholders.

Cameron Clyne
Group Chief Executive Officer

Our strategy

Our aim is to support economic and social development by working in partnership with Indigenous organisations and communities. This fifth Reconciliation Action Plan (RAP) continues to build on the following areas:

- Building business partnerships with Indigenous organisations and traditional owners to support the creation of commercial opportunities.
- Providing greater access to financial products and services to promote financial inclusion.
- Building access to real jobs and a career in the banking industry.
- Increasing our cultural awareness, while supporting Indigenous Australians' aspirations.

It is our ambition to become the bank of choice for Indigenous Australia. We believe we have a role to play in building strong, inclusive and sustainable communities. Our corporate responsibility approach is founded on doing the right thing and helping our people and customers realise their potential. A natural extension of our corporate responsibility approach is building business partnerships to create shared value – which is good for business and the community.

Summary of results for 2012

Our 2012 RAP contained 22 commitments. Many of these actions were stretch targets that aimed to challenge us, build on previous progress and search for better ways to do business. We have continued to deliver solid outcomes and this year for the first time a data quality assurance process was undertaken by third party auditors which sets a new benchmark for best practice in corporate Australia. Of our 35 key performance indicators five were exceeded, 14 were completed and 16 remain in progress as results fell just short of targets set.

Program highlights for 2012 are:

- **Growth in employment**
 - Significant growth in Indigenous employment with an increase from 97 employees in 2011 to 142 employees in 2012. We have seen a further increase in the number of 'real jobs' with 19 successful trainee graduates moving into permanent positions at NAB.
- **Commercial opportunities**
 - Supporting traditional owners' aspirations to commercialise native title opportunities in the Northern Territory and Western Australia by providing strategic guidance and advice.
- **Banking Indigenous businesses**
 - NAB improved its engagement and support of the growing Indigenous business sector with our bankers in Queensland, New South Wales and Victoria establishing a number of new partnerships with local Indigenous organisations.
- **Buying from Indigenous suppliers**
 - NAB developed a new Supplier Diversity Program which ensures Indigenous businesses have the opportunity to participate in our supply chain.
- **Addressing financial exclusion**
 - NAB's network of Indigenous Money Mentors delivered practical assistance to more than 1,900 clients during the year. The mentors help create financial wellbeing by assisting clients to build their financial literacy and access NAB's microfinance products.
- **Greater access to microfinance**
 - Access by Indigenous customers to NAB's microfinance products continued to increase in 2012 as compared to 2011, as a result of NAB and Federal Government investment. Delivery of Good Shepherd Microfinance's No Interest Loan Scheme (NILS) increased from 4,150 in 2011 to more than 5,000 Indigenous customers in 2012.
- **Improved employee engagement**
 - Employee engagement continues to be strengthened as we build cultural awareness and engage with local communities. 170 managers participated in cross-cultural training, 30 senior executives gained experience in remote communities, 17 employees went on secondment to Indigenous organisations and more than 180 employees volunteered on short-term projects.
- **Increased accountability and transparency**
 - For the first time in 2012 a data quality assurance process has been undertaken by third party auditors Ernst & Young, increasing transparency and setting a new standard in Australia for RAP reporting.
- **Good governance**
 - Robust governance processes continue with NAB's Indigenous Advisory Group overseeing and guiding our progress on our commitments to Indigenous Australia.

Governance



Fred Chaney, Member NAB’s Indigenous Advisory Group, Melinda Cilento, Co-Chair Reconciliation Australia, Cameron Clyne, NAB Group CEO and Dr Chris Sarra, Co-Chair NAB’s Indigenous Advisory Group.

“NAB has consistently lifted the bar each year to set new benchmarks. It’s this year on year improvement that has been exciting to be a part of.” Dr Chris Sarra, Co-Chair Indigenous Advisory Group

NAB’s Indigenous Advisory Group (IAG) was established in 2009 as an outcome of our first RAP. Over the last four years, the IAG has continued to provide advice and guidance to NAB on our engagement with Indigenous Australia. The IAG has maintained close oversight of our program activities, while providing insights into current issues raised by Indigenous communities as leaders in Indigenous affairs:

- Dr Chris Sarra (Co-Chair) Executive Director, Stronger Smarter Institute
- Danny Gilbert (Co-Chair) Managing Partner, Gilbert & Tobin Lawyers, NAB Director
- Fred Chaney, Chair Desert Knowledge Australia, Board Member, Reconciliation Australia
- Terri Janke, Solicitor and Director, Terri Janke and Company
- Warren Mundine, CEO, Generation One
- Natalie Walker, CEO, Supply Nation (formerly Australian Indigenous Minority Supplier Council), and
- Paula Benson, General Manager Corporate Responsibility, NAB.

The IAG continues to set and maintain high expectations of NAB. Regular reporting occurs at meetings and to other key partners and stakeholders through specific communications.

Reporting and refreshing our RAP has been conducted consistently over the last five years. Formal accountability for implementation of the plan resides with our CEO. The reporting period for our RAP is consistent with our financial year. All references are as at 30 September 2012 except where stated otherwise.

Copies of all our RAPs are available on the NAB website Indigenous page (www.nab.com.au/indigenous) and Reconciliation Australia’s website (www.reconciliation.org.au).

“NAB has committed to strategic initiatives which relate to the bank’s core business. Delivering outcomes in the areas of financial inclusion, microfinance, business partnerships, jobs and careers is really helping to change peoples’ lives”. Melinda Cilento, Reconciliation Australia Co-Chair

Reporting Data Quality Assurance

“NAB has sought to ensure the integrity of the information it reports as part of its RAP by obtaining independent assurance from Ernst & Young.

Assurance gives confidence not just in the accuracy of the information and the consistency of the systems that underpin it, but also in the integrity of results and transparency of the positive impact that is being made across the community.

NAB’s ambitions and progress towards closing the gap between Aboriginal and Torres Strait Islander people and other Australians through its RAP is commendable, and your people rightly deserve to take pride in these efforts.

Ernst & Young is pleased to deliver assurance that provides this level of confidence to you and your stakeholders, and we are pleased to be a part of your journey.”

Rob McLeod
Ernst & Young CEO

A message from Reconciliation Australia

“Reconciliation Australia congratulates NAB on the release of their fifth RAP. The 2012 RAP Impact Measurement Report shows that by investing in RAP related activities, NAB is contributing to an approach that works.

NAB’s 2013 RAP continues to invest in their leadership approach to building trusted relationships with Aboriginal and Torres Strait Islander stakeholders. I commend NAB for undertaking a quality assurance process in 2013. This increased reporting transparency on their RAP will not only support NAB to continue to elevate their commitments and achievements to reconciliation, it will also ensure their Aboriginal and Torres Strait Islander stakeholders trust in their reporting of outcomes. I congratulate NAB for developing the first Elevate RAP under the Reconciliation Action Plan program. This Elevate RAP will support NAB to share its knowledge and experience to further the objectives of reconciliation.

On behalf of Reconciliation Australia, and as a valued partner, I wish you well for the year ahead.”

Leah Armstrong
Reconciliation Australia CEO

Business partnerships

Delivering mutual benefits for a strong economic future

A new and emerging direction introduced in 2012, NAB's business partnerships program:

- Creates shared value by delivering outcomes for Indigenous Australia and NAB.
- Builds business capacity and supports the vibrant and growing Indigenous business sector.
- Investigates potential new markets for NAB to support Indigenous interests and meet their financial services needs.
- Creates sustainable livelihoods for Indigenous organisations through engagement of Indigenous suppliers and service providers.

NAB's fourth RAP contained three commitments to build partnerships to support the inclusion of Indigenous business creating shared value for Indigenous Australia and NAB.

We have met our commitments to:

Support Indigenous business with greater access to banking products and services, as well as microfinance.

- ✓ NAB bankers in Queensland, New South Wales and Victoria supported Indigenous partnerships and engaged with Indigenous businesses. NAB supported Australia's first Aboriginal Business Magazine with 200 subscriptions for NAB bankers. NAB supported the Australian Indigenous Minority Supplier Council (now Supply Nation) with their Indigenous business awards at Connect 2012 and the Aboriginal Enterprises in Mining, Exploration and Energy conference.
- ✓ In addition, NAB Bankers supported Indigenous partners to promote the Microenterprise Loan at key events and assessed Indigenous entrepreneurs' applications for microfinance. (Action 6, 2012 RAP)

Support traditional owners to commercialise native title opportunities with appropriate financial services.

- ✓ NAB senior executives supported the Northern Land Council to develop a prospectus of commercial opportunities arising from the Blue Mud Bay native title decision. NAB supported Kimberley organisations with skilled secondees to assist with the delivery of opportunities resulting from successful native title claims.
- ➔ In addition, National Australia Trustees (NAT) formed a dedicated native title working group to assess the potential to provide a specialised Native Title Trustee service. After undertaking a preliminary risk assessment, NAT decided not to pursue Native Title Trustee opportunities. (Action 7, 2012 RAP)

Access Indigenous suppliers, where relevant, through the Australian Indigenous Minority Supplier Council (now Supply Nation).

- ✓ The NAB Group Procurement Policy commits NAB to responsible and sustainable social and environmental procurement and outsourcing. Supplier Diversity is now included in the NAB Group Supplier Sustainability Principles.
- ✓✓ NAB developed a Supplier Diversity Program to incorporate Supply Nation certified Indigenous businesses, Australian Disability Enterprises, women-owned business and social enterprises in our supply chain. NAB has incorporated two Indigenous suppliers into its procurement processes and, since becoming a founding member of Supply Nation in 2009, has procured goods and services from nine different certified Indigenous businesses. In addition, NAB held in-house training on sustainable procurement and two employees completed Supply Nation's First Step Supplier Diversity Training. (Action 8, 2012 RAP)

Key:

- ✓✓ Target exceeded
- ✓ Completed
- ➔ Progress ongoing



NAB supported the Indigenous business awards at Supply Nation's Connect 2012, presenting Print Junction with the award for Certified Supplier of the Year.

Including Indigenous business in our supply chain

NAB became a founding member of Supply Nation (formerly the Australian Indigenous Minority Supplier Council – AIMSC) in 2009 and since then has worked to include Indigenous businesses in its supply chain. Supplier diversity, which encourages the inclusion of historically under-utilised businesses in corporate supply chains, is relatively new to Australia but is also a rapidly developing area. While the inclusion of small to medium enterprise in NAB's national procurement services has its challenges, during 2012 a supplier diversity principle was included in the NAB Group's Supplier Sustainability Principles and two certified Indigenous suppliers were included into NAB's procurement processes. NAB's Supplier Diversity Program was established and has procured goods and services from nine certified Indigenous suppliers since 2009. In addition, specialised training and development opportunities for our people has supported our progress in this emerging area.

Realising commercial opportunities on Aboriginal land and sea

Working in partnership with the Northern Land Council, NAB has supported traditional owners in the Northern Territory to consider, assess and call for commercial proposals to create economic, social and environmental opportunities on Aboriginal land and sea. At Blue Mud Bay, in north east Arnhem land and along 85% of the NT coastline, native title is recognised over tidal waters. Aboriginal traditional owners have the opportunity to sustainably manage the natural resources, while creating economic and social opportunities via commercial fishing rights.

“NAB has genuinely embraced its membership of Supply Nation and its role in supporting Indigenous owned businesses here in Australia. By making proactive efforts to seek out and work with certified Indigenous businesses, NAB has effectively integrated them into their procurement and supply chain activities.” Natalie Walker, CEO Supply Nation



Indigenous celebrity chef Mark Olive and NAB Executive General Manager Small Business, Cindy Batchelor, at an event in Broome.

Financial inclusion

Improving financial wellbeing

NAB's financial inclusion program:

- Provides greater access to financial products and services.
- Supports organisations that deliver banking services to Aboriginal and Torres Strait Islander communities.
- Improves access to NAB's range of not-for-profit micro-lending programs to support Indigenous businesses and individuals to buy essential household goods.
- Delivers improved financial literacy via NAB's not-for-profit microfinance programs and specific on the ground support.

NAB's fourth RAP contained five commitments to continue to create greater access to financial products and services and promote financial inclusion.

We have met our targets to:

Increase access to microfinance loans for Indigenous customers.

➔ More than 5,080 Indigenous clients accessed a No Interest Loan Schemes (NILS®) Loan (22.8% of all NILS customers) and more than 190 low interest StepUP Loans were for Indigenous customers (9.5% of all StepUP customers) in financial year 2012. Federal government investment combined with NAB capital supported the growth. Loan targets fell short by 317 NILS and only 8 StepUP customers.

➔ The newly established Good Shepherd Microfinance recruited an Indigenous Coordinator to develop an Indigenous strategy to create access to NILS and support financial inclusion in four priority regions with remote Indigenous communities. (Action 1, 2012 RAP)

Increase Indigenous customers with Addsup savings accounts.

➔ 50 new Indigenous customers opened a matched savings account in financial year 2012. Since the program began in 2010, 147 Indigenous customers have opened accounts (12% of Addsup customers are Indigenous). Progress with Addsup is ongoing as improvements are made with systems processes and reporting. (Action 2, 2012 RAP)

Provide ongoing support for the Traditional Credit Union (TCU) operations and strategic expansion.

✓ NAB continues to support governance to the TCU by providing a Board Member.

➔ In addition, two NAB secondees provided assistance to the TCU on specialised operations projects.

✓ NAB supported the 'Bikes for the Bush' campaign, which rewarded children's school attendance in remote Northern Territory communities with TCU branches in north east Arnhem land. NAB employees donated 720 bicycles and 49 NAB volunteers helped collect and service the bikes before they were transported to the Top End. (Action 3, 2012 RAP)

Build greater access to NAB's Indigenous Money Mentors.

➔ NAB provided assistance to more than 1,900 clients during its third year of operation. Since the program began in 2009, more than 5,400 clients have worked with a mentor to build their financial capability.

✓ Standardised operating systems including periodical data collection and improved reporting mechanisms were implemented. (Action 4, 2012 RAP)

Improve access to Microenterprise Loans via partnerships to promote and support Indigenous business.

➔ Eight Indigenous entrepreneurs were supported with a Microenterprise Loan.

✓ NAB and its partners, Indigenous Business Australia, Torres Strait Regional Authority, Kinaway Victorian Aboriginal Chamber of Commerce, South East Queensland Indigenous Chamber of Commerce and Murdi Paaki Regional Enterprise Corporation promoted the loans to Indigenous entrepreneurs via networking events, their websites and advertising in the Aboriginal Business Magazine. Progress is incremental and supporting start ups in the current economic climate remains challenging. (Action 5, 2012 RAP)

Key:

- ✓✓ Target exceeded
- ✓ Completed
- ➔ Progress ongoing



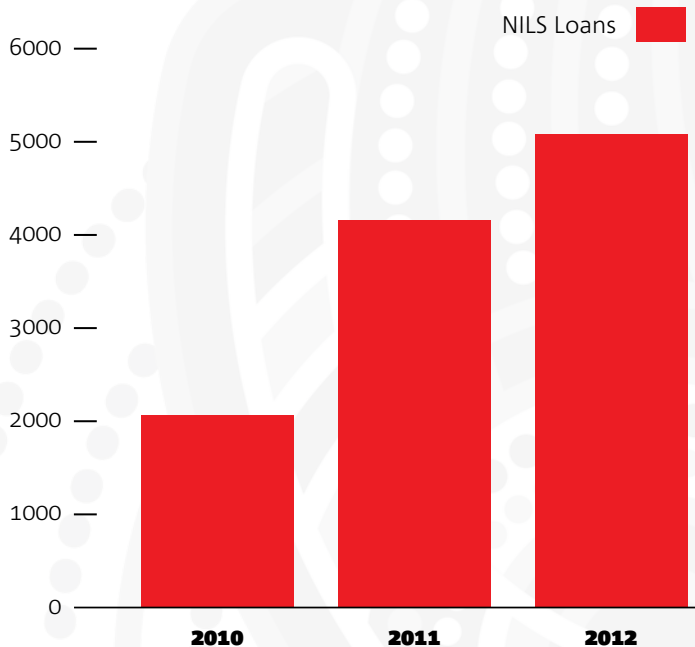
Cherie McAdam, Indigenous Money Mentor Kununurra, WA. Photo: Kimberley Echo.

Cherie Mc Adam joined NAB's Indigenous Money Mentor network in 2012 to work with clients in the East Kimberley of WA. Cherie is based at Wunan in Kununurra and works directly supporting clients in their transitional housing program. She is passionate about helping her people create a stronger financial future, including preparing them for owning a home and protecting their asset. Cherie said, "One of the things I talk with my clients about is how their

money is like a water hole. When there's not enough to go around, the waterhole dries up. But when it can be spread around to other places, it starts to green up a whole lot of other areas in life". Cherie is also the author of her own book 'Money Bird', a tool she uses to explain and understand the types of 'money personalities' people are.

"One of the things I talk with my clients about is how their money is like a water hole. When there's not enough to go around, the waterhole dries up. But when it can be spread around to other places, it starts to green up a whole lot of other areas in life".
Cherie McAdam

NILS Loans accessed by Indigenous customers



Micky Wunungmurra, Chairman Traditional Credit Union presented children in Gapuwiyak with a bike.

Employment

Creating access to real jobs and building careers

NAB's Indigenous employment program:

- Provides tailored traineeships and other purpose-built employment opportunities across NAB.
- Provides appropriate support and mentoring within NAB for Indigenous employees.
- Supports trainees and employees to develop a career pathway through development and planning.
- Supports programs that build literacy and numeracy with Indigenous students.

NAB's fourth RAP contained six commitments to build access to valuable, long lasting and meaningful employment opportunities that are delivered in a sustainable way.

We have met our targets to:

Continue to support school based traineeships.

→ 90 school based trainees (SBTs) were employed in the program in 2012, including one in the Pilbara and one in the Kimberley. We retained 85% of second year SBTs and 74% of first year SBTs. While we fell 10 trainees short of our target of 100, our retention rate of second year trainees rose 10% higher than 2011 and 13 SBTs accepted permanent positions at NAB as at 30 September 2012. (Action 9, 2012 RAP)

Continue to support full time traineeships in personal and business banking.

✓✓ 23 full time trainees were employed with 74% retained during 2012. As at 30 September 2012, 6 full time trainees transitioned to permanent positions upon successful completion.

→ In addition, two full time trainees were placed in the Kimberley and Pilbara region of WA. While we exceeded the target of 20 full time trainees, we fell one short of reaching our target in the Kimberley and Pilbara. (Action 10, 2012 RAP)

As school based and full time traineeships are successfully completed, permanent positions be offered.

→ A total of 19 SBTs and full time trainees accepted permanent roles – real jobs at NAB. While an increase of five permanent employees was achieved this year, we fell short of the target to convert 33 trainees to real jobs, mainly due to a delay in onboarding some full time trainees which extended graduations into the next reporting year. (Action 11, 2012 RAP)

Support general recruitment of Indigenous candidates.

→ 4 positions were filled in VIC, SA and QLD. Further work is required to meet the target of recruiting 10 Indigenous employees through NAB recruitment channels. (Action 12, 2012 RAP)

Support Indigenous internships.

→ 6 Indigenous university students have accepted internships within NAB in Personal Banking, Business Banking, Agribusiness Banking, Group Governance & Legal and People & Culture during semester break commencing November 2012. This target was re-focused last year to provide internships which build on-going relationships with potential candidates prior to graduation from university. (Action 13, 2012 RAP)

Support Indigenous employees' professional development.

✓ A requirement of NAB's People Policy sees our employees prepare Individual Development Plans in consultation with their People Leader.

✓ In addition, NAB provides regular quarterly reviews of the mentoring available through its traineeship programs and facilitates informal mentoring as permanent employees (former trainees) seek to support their local trainees. (Action 14, 2012 RAP)

Key:

✓✓ Target exceeded

✓ Completed

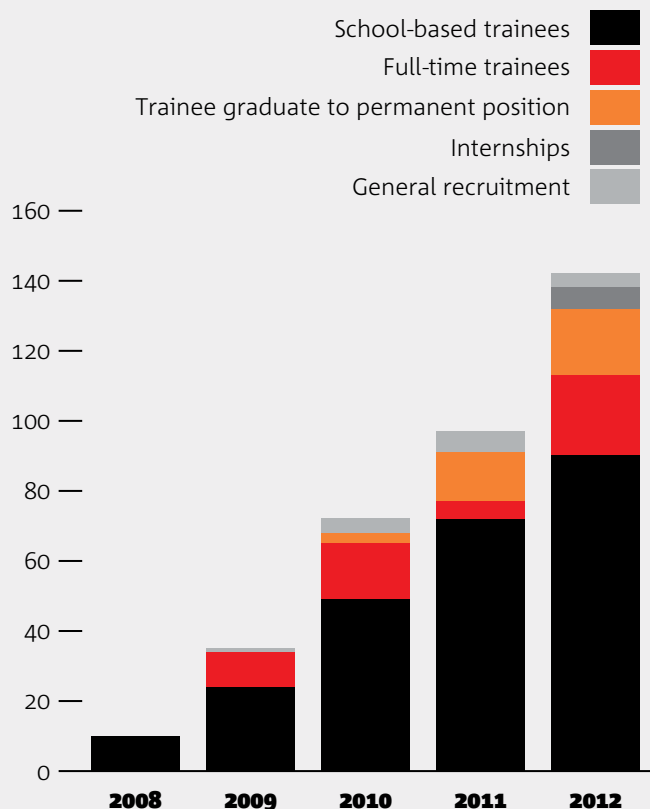
→ Progress ongoing



Top left: Aesha Joshua, Customer Adviser Trainee, NT.
 Botom left: Tanya Parker, Home Loan Officer, NSW.
 Right: Anthony Lew Fatt, Business Bank Associate, NT.

“I joined NAB as a trainee in 2009 and upon graduating a year later, accepted a permanent role working in the Blacktown branch. I’ve recently taken the next step in my career after being promoted to home loan officer. It’s great to see even more trainees now coming through the program and I’m pleased to help guide others on their career journey where I can”
 Tanya Parker

Indigenous Recruitment Australia



Cultural awareness and understanding

Lending a hand to Indigenous organisations while learning about culture

NAB's cultural awareness and engagement program:

- Implements appropriate cross-cultural awareness activities within NAB, in particular with senior leaders.
- Sources volunteering and secondment opportunities for NAB employees within Indigenous organisations.
- Sources appropriate external governance and advice to guide NAB's activities with Indigenous Australia.
- Builds alliances with key Indigenous organisations to establish strong links between management teams, personnel and constituents.
- Works with similarly engaged people and organisations.

NAB's fourth RAP contained eight commitments to support greater organisational understanding of and respect for Indigenous Australians, their culture and aspirations.

We have met our targets to:

Continue longitudinal research study to follow the progress of Indigenous employees at NAB.

✓ The third and final year of research was undertaken by the University of Canberra, effectively completing the longitudinal study. The report was finalised at the end of November 2012.

➔ As the report was not completed by the end of the reporting period, canvassing industry interest in continuing the study had not occurred. (Action 15, 2012 RAP)

Continue RAP governance with Indigenous Advisory Group (IAG) to oversee delivery of programs.

✓ The IAG continues to guide and advise NAB. Two meetings were held in March and September 2012. (Action 16, 2012 RAP)

Continue offering NAB employees opportunities for volunteering and secondments with Indigenous organisations.

➔ NAB provided 17 secondees opportunities to work for Indigenous organisations in the Kimberley, such as Wunan, Nyamba Buru Yawuru, MG Corporation, and Gelganyem Ltd on social and economic development projects (by end December 2012). Facilitated by Jawun, for the first time this year secondees participated in projects in the West Kimberley. We were three secondees short of our target.

✓✓ In addition, 182 employees volunteered on short-term projects including for The Long Walk, Tranby College, Kura Yerlo and a regional Indigenous Expo via NAB's volunteering program. We exceeded our target of volunteers by more than 80. (Action 17, 2012 RAP)

Continue offering senior executive leadership development with first hand experience in remote communities.

✓✓ 23 senior executives completed the Accelerate leadership development program.

➔ In addition, seven senior executives attended the Garma Festival. In 2012, Garma was held with fewer attendee places available for the Yutjuwala Garma Key Forum, with the theme of Australia's resources boom – a stepping stone to an Indigenous future. (Action 18, 2012 RAP)

Continue providing in-house cross cultural training for employees involved in the Indigenous employment program.

➔ 176 senior managers and employees participated in training. The program continues to receive positive feedback from participants. We were short 24 employees of reaching our target. (Action 19, 2012 RAP)

Key:

- ✓✓ Target exceeded
- ✓ Completed
- ➔ Progress ongoing



Michaela Healey, Company Secretary and Group Executive, NAB Group Governance and Legal, Mark Leibler AC, Senior Partner Arnold Bloch Leibler and Member of the Expert Panel, Tanya Hosch, Deputy Campaign Director You Me Unity and Paula Benson, General Manager, NAB Corporate Responsibility, at the thought leadership seminar on Recognising Indigenous Australians in the Constitution.



NAB Thuringowa Branch Manger Genevieve Kindt, Indigenous leader Gracelyn Smallwood, Raeshana Blackman, Customer Adviser Trainee and Fiona Smallwood, Business Bank Associate celebrate National Reconciliation Week.

Continue monitoring attitudes of employees to gauge awareness of Indigenous programs.

✓ NAB employees were surveyed in March, as part of an enterprise-wide employee survey. In addition, NAB employees participated in Reconciliation Australia's survey of RAP organisations in July 2012. (Action 20, 2012 RAP)

Continue to encourage and guide NAB employees in acknowledging traditional owners and custodians of the land, as set out in NAB's protocol.

✓ More than 140 acknowledgements were given including NAB's Annual General Meeting of shareholders. 3 Welcome to country ceremonies were given by Aboriginal elders at NAB events. (Action 21, 2012 RAP)

Encourage employees to participate in events on the Indigenous calendar including NAIDOC Week and Reconciliation Week.

✓✓ 51 events were held in NAB branches and offices to celebrate National Reconciliation Week. NAB held a thought leadership employee seminar on Recognising Indigenous Australians in the Constitution to engage employees in nation-wide discussions of this issue (Action 22, 2012 RAP)



NAB Reconciliation Action Plan 2013

Our commitments

In 2013 we aim to continue building on our programs and delivering outcomes to:

- develop business partnerships,
- promote financial inclusion,
- create real jobs, and
- build our cultural understanding.

Our 23 commitments remain aligned to Reconciliation Australia’s three action themes – opportunities, relationships and respect.



Opportunities

NAB aims to deliver outcomes that bring real change for Aboriginal and Torres Strait Islander people and NAB alike. NAB recognises these opportunities become possible through partnerships based on the principles of relationships and respect.



Relationships

NAB aims for outcomes which are founded on Indigenous-led solutions, not just what NAB believes should be done. Such relationships are built on principles of dialogue, respect, understanding and reciprocity in outcomes. We believe that this leads to learning and trust.



Respect

NAB aims to deliver outcomes which are grounded fundamentally in respect, understanding and celebrating Indigenous cultures and aspirations.



Opportunities

Action	Responsibility	Timeline	Performance Indicator	NAB program area	
1	Continue to create access to microfinance loans for Indigenous customers.	Community Finance & Development (CF&D)	September 2013	6,000 new NILS loans and 200 StepUP loans for Indigenous customers. 4 pilot regions established to deliver NILS in remote Indigenous communities.	Financial inclusion
2	Continue to create access for Indigenous customers to AddsUP Savings accounts.	CF&D	September 2013	50 new Indigenous customers open accounts. Program evaluation, including Indigenous customers completed.	Financial inclusion
3	Continue to build greater access to the Indigenous Money Mentor network.	Indigenous Finance & Development (IF&D)	July 2013	Establish 5 new community partnerships to expand the network. Provide assistance to 3,000 Indigenous clients.	Financial inclusion
4	Improve access to Microenterprise Loans to support Indigenous entrepreneurs.	IF&D CF&D	October 2013	Support 10 Indigenous businesses around Australia. Continue to work with partners to raise awareness of loan availability.	Financial inclusion
5	Support Indigenous organisations and traditional owners commercialise native title opportunities with appropriate financial services.	Group Strategy & Finance Wholesale bank IF&D	September 2013	Support 2 Land Councils and Native Title Bodies develop commercial ventures. Identify and pursue business development opportunities.	Business partnerships
6	Continue Indigenous business development.	IF&D	September 2013	Conduct Native Title Banker Orientation Workshop to support bankers in the regions engage with the Indigenous business sector.	Business partnerships
7	Include Indigenous business suppliers in our supply chain.	Procurement IF&D	September 2013	Continue developing NAB's Supplier Diversity Program, including improvements in reporting. Support Indigenous business integration by facilitating supplier introductions.	Business partnerships
8	Continue to support school based traineeships.	IF&D People & Culture (P&C)	October 2013	95 trainees in the program, including 3 in the Pilbara and Kimberley.	Employment
9	Continue to support full time traineeships.	IF&D P&C	October 2013	20 trainees in the program. Plus 3 in the Kimberley and Pilbara.	Employment
10	As school based and full time traineeships are successfully completed, permanent positions to be offered.	IF&D P&C	March 2013	33 trainees offered 'real jobs'.	Employment
11	Support general recruitment of Indigenous candidates.	P&C IF&D	March 2013	10 Indigenous employees recruited.	Employment
12	Support Indigenous internships.	P&C IF&D	November 2013	10 interns placed.	Employment
13	Support Indigenous employees' career development.	P&C IF&D	November 2013	Ensure employees have Individual Development Plans. Support permanent Indigenous employees' professional development.	Employment



 **Relationships**

Action	Responsibility	Timeline	Performance Indicator	NAB program area
14 Provide ongoing support for the Traditional Credit Union.	IF&D	September 2013	Board member provided. 4 NAB secondees provided.	Financial inclusion
15 Support initiatives to improve Indigenous customers' access to every day banking products and services.	IF&D	September 2013	Participate in industry-wide initiatives. Investigate opportunities for systems and process improvements.	Financial inclusion
16 Continue RAP governance with Indigenous Advisory Group (IAG).	IF&D	September 2013	Two IAG meetings held in 2013.	Understanding and awareness
17 Continue offering NAB employees opportunities for volunteering and secondments with Indigenous organisations.	IF&D Community Engagement & Giving	November 2013	NAB and Jawun sign 3 year MOU. 32 secondees and 150 employees on volunteering projects across a range of Indigenous organisations.	Understanding and awareness
18 Continue sharing learnings and program insights with other similarly engaged organisations.	IF&D	July 2013	Participate in industry bodies and groups, such as Indigenous Financial Services Network, Business Council of Australia Indigenous network and Generation One.	Understanding and awareness

 **Respect**

Action	Responsibility	Timeline	Performance Indicator	NAB program area
19 Continue senior executive leadership development with first hand experience in remote communities.	IF&D	October 2012	3 senior executives participate in remote region visits and 15 senior leaders attend Garma Festival.	Understanding and awareness
20 Continue providing in-house cross cultural training for employees involved in Indigenous employment program.	IF&D	October 2012	200 managers and buddies complete training, with a focus on new managers.	Understanding and awareness.
21 Continue monitoring attitudes of employees to gauge awareness of Indigenous programs.	IF&D	July 2012	Survey completed.	Understanding and awareness.
22 Continue to guide NAB in appropriate acknowledgements, as set out in NAB's protocol.	IF&D	October 2013	Acknowledgements and Welcomes standard practice at AGM, RAP launch, and Australian Centre for Corporate Social Responsibility meetings.	Understanding and awareness.
23 Employees engaged to celebrate events on the Indigenous calendar including NAIDOC and Reconciliation Week.	Personal and Business bank	October 2013	50 events held to celebrate Indigenous activities in stores and business banking centres.	Understanding and awareness.

Independent Limited Assurance Report in relation to National Australia Bank Limited's 2012 Reconciliation Action Plan

To the Management and Directors of National Australia Bank Limited ('NAB'),

We have carried out a limited assurance engagement in order to state whether anything has come to our attention that causes us to believe that the subject matter detailed below and as presented in the NAB 2012 Reconciliation Action Plan ('RAP'), has not been reported and presented fairly, in all material respects, in accordance with the criteria below.

Subject Matter

The subject matter ('Subject Matter') for our limited assurance engagement included for the year ended 30 September 2012 the 22 metrics listed at www.nab.com.au/indigenous and related performance disclosures.

The Subject Matter did not include:

- Data sets, statements, information, systems or approaches relating to areas other than the metrics selected
- Management's forward looking statements
- Any comparisons made against historical data

Criteria

The criteria applied to the Subject Matter described above is NAB's reported performance indicators for the key metrics detailed at www.nab.com.au/indigenous

The Responsibility of Management

The management of NAB is responsible for the preparation and presentation of the Subject Matter in the RAP in accordance with the above criteria, and is also responsible for the selection of methods used in the criteria. No conclusion is expressed as to whether the selected methods used are appropriate for the purpose described above. Further, NAB's management is responsible for establishing and maintaining internal controls relevant to the preparation and presentation of the Subject Matter that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate criteria; maintaining adequate records and making estimates that are reasonable in the circumstances.

Assurance Practitioner's Responsibility

Our responsibility is to express a limited assurance conclusion on the Subject Matter based on our assurance engagement in accordance with the Auditing and Assurance Standards Board Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ASAE 3000') and in accordance with the terms of reference for this engagement as agreed with NAB.

Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and, as such, do not provide all the evidence that would be required to provide a reasonable level of assurance. The procedures performed depend on the assurance practitioner's judgement including the risk of material misstatement of the Subject Matter, whether due to fraud or error. While we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls.

Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems, which would have been performed under a reasonable assurance engagement.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Work Performed

Our assurance procedures included, but were not limited to:

- Checking that calculation criteria have been correctly applied as per the performance indicators detailed at www.nab.com.au/indigenous
- Identifying and testing assumptions supporting calculations
- Conducting interviews with key personnel and collating evidence to understand NAB's process for reporting the metrics
- Testing, on a sample basis, underlying source information to check accuracy of the data, and
- Testing, on a sample basis, the accuracy and balance of performance statements within the RAP associated with the 22 metrics

Use of our Report

We disclaim any assumption of responsibility for any reliance on this assurance statement or on the Subject Matter to which it relates, to any person other than management and directors of NAB, or for any purpose other than that for which it was prepared.

Independence, Competence and Experience

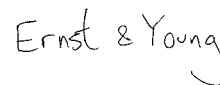
In conducting our assurance engagement we have met the independence requirements of the APES 110 Code of Ethics for Professional Accountants. We have the required competencies and experience to conduct this assurance engagement.

Limited Assurance Conclusion

Based on our limited assurance procedures, nothing has come to our attention that causes us to believe that the Subject Matter has not been reported and presented fairly, in all material respects, in accordance with the criteria above.

Matters Relating to Electronic Presentation of Information

Our limited assurance engagement included web-based information that was available via web links as of the date of this statement. We provide no assurance over changes to the content of this web-based information after the date of this assurance statement.



Ernst & Young
Melbourne, Australia

18 February 2013

Becoming Business as Usual



NAB secondee, Abbey White, was welcomed into the Warmun community with a smoking ceremony.



NAB secondee, Kerry Spoor, with Jawun cultural awareness facilitator, Brenda Garstone, in the East Kimberley.



NAB Docklands hosted a Constitutional Recognition employee information seminar.



Aunty Diane Kerr, Wurundjeri elder, provided a Welcome to Country at NAB's 2012 Reconciliation Action Plan launch.



NAB Business Banking Associate, Marcia Campbell, with Senior Manager, Angela Hugo, in Darwin.



NAB Personal Bank's Shine award winners enjoyed Mark Olive catering at their event in Broome.



ARIA award winner, Dan Sultan, performed at NAB's 2012 Reconciliation Action Plan launch.



NAB Commercial Network Services built on their relationship with artists from Tjitjkala NT when they visited the community and Tapatjatjaka Art Centre.



NAB Kingaroy celebrated National Reconciliation Week with a morning tea at their branch.



Previous school based trainees, Morgan Hurrell and Taylor Seaton, are now permanent Customer Advisors at Wee Waa branch, making it NAB's first branch fully employed with Indigenous staff.



Reconciliation
ACTION PLAN
ELEVATE RAP

For more information:

Email: indigenous@nab.com.au

Visit: nab.com.au/indigenous

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