National Australia Bank

2009 Half Year Results

Investor presentation

28 April 2009

Cameron Clyne, Group Chief Executive Officer
Mark Joiner, Executive Director Finance

National Australia Bank Limited ABN 12 004 044 937

nab | Clydesdale Bank | Yorkshire Bank | bnz | Great Western Bank | MLC

Contents

National Australia Bank

National Australia Bank

Overview

nab | Clydesdale Bank | Yorkshire Bank | bnz | Great Western Bank | MLC

Solid performance in challenging environment

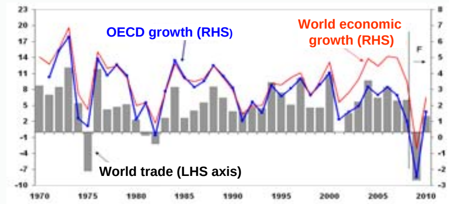
	Mar 09	Change Mar 09 vs Sep 08	Change Mar 09 vs Mar 08
Revenue ($m)	**8,514**	9.5%	11.5%
Costs ($m)	**(3,770)**	(2.5%)	(4.8%)
Underlying Profit ($m)	**4,744**	15.8%	17.4%
B&DD ($m)	**(1,811)**	(2.7 %)	Large
Cash Earnings ($m)	**2,027**	20.7%	(9.4%)
Diluted Cash EPS (cents)	**107.4**	6.7 cents	(29.8 cents)
Cash ROE (%)	**12.7**	80bps	(410bps)
Dividend per share (cents)	**73**	(24 cents)	(24 cents)

4

National Australia Bank

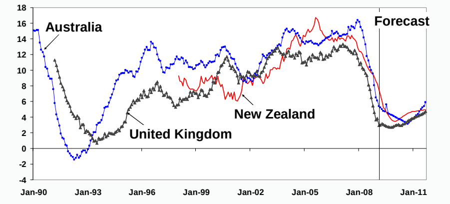
Economic conditions will continue to be difficult

Annual growth in global trade, global GDP and OECD economies - 1970 - 2010



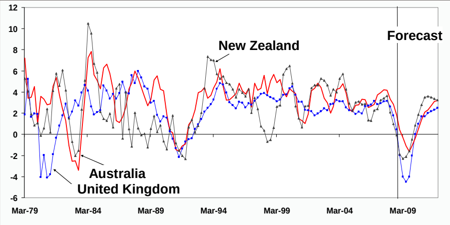
IMF, OECD, Datastream, NAB Forecasts

System credit growth % change year on year



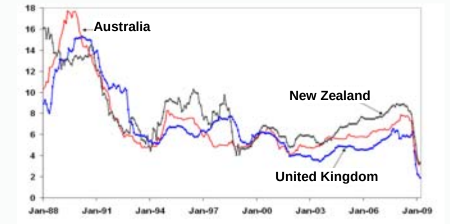
RBA, RBNZ, Bank of England, NAB Forecasts

Real GDP % change year on year



ONS, ABS, SNZ, Datastream, NAB Forecasts

3 month interbank rates in key markets



Datastream

National Australia Bank

Delivering on strategic focus

Priority	Underlying
1. Keep the bank safe	▸ Tier 1 capital ratio comfortably above 8% and plans to strengthen ▸ Liquidity and funding positions strong ▸ Strong provision coverage - further economic overlay $86 million
2. Tight cost management	▸ Strong cost performance continues ▸ Pipeline of future efficiency gains
3. Leadership, reputation and culture	▸ Strong employee engagement ▸ Move towards leadership on customer front ▸ Continue to balance the needs of all stakeholders

National Australia Bank

We will responsibly balance all stakeholder interests

7

National Australia Bank

National Australia Bank

1H09 Results

nab Clydesdale Bank Yorkshire Bank bnz Great Western Bank MLC

Group result

$m	Mar 09	Half year to Sep 08	Mar 08	Change Mar 09 v Sep 08	Mar 09 v Mar 08
Net operating income	8,514	7,775	7,639	9.5%	11.5%
Operating expenses	(3,770)	(3,678)	(3,598)	(2.5%)	(4.8%)
Underlying profit	**4,744**	**4,097**	**4,041**	**15.8%**	**17.4%**
Charge to provide for bad and doubtful debts	(1,811)	(1,763)	(726)	(2.7%)	Large
Cash earnings (incl IoRE)	**2,027**	**1,679**	**2,237**	**20.7%**	**(9.4%)**
ROE	12.7%	11.9%	16.8%	80bps	(410bps)
ROA	0.57%	0.54%	0.75%	3bps	(18bps)
Tier 1 ratio	8.31%	7.35%	6.90%*	96bps	141bps
RWA ($bn)	352.4	343.5	336.4	2.6%	4.8%
Dividend per share (cents)	73	97	97	(24)	(24)

* Basel II proforma

National Australia Bank

Individual business performance

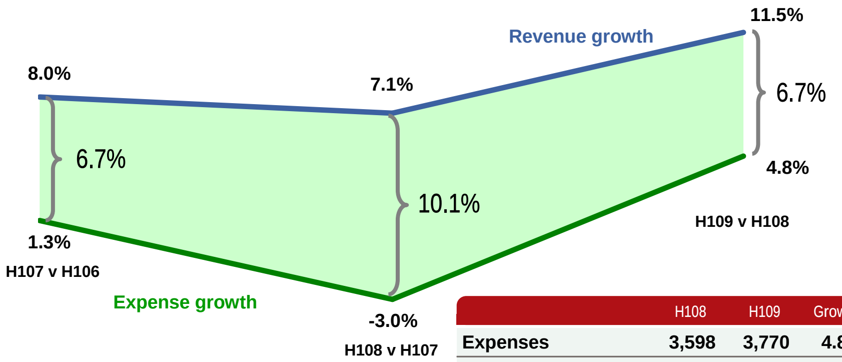
Home currency m	Half year to Mar 09	Sep 08	Change%	Half year to Mar 08	Change%
Underlying Profit					
Business & Private Banking	1,808	1,699	6.4	1,506	20.1
Retail Banking	896	800	12.0	729	22.9
MLC	209	267	(21.7)	309	(32.4)
UK Region	£238	£264	(9.8)	£254	(6.3)
NZ Region	NZ$417	NZ$388	7.5	NZ$375	11.2
nabCapital	1,035	578	79.1	731	41.6
Other[1]	(83)	(120)	30.8	(127)	34.6
Group underlying profit	**4,744**	**4,097**	**15.8**	**4,041**	**17.4**
Cash Earnings					
Business & Private Banking	1,015	1,080	(6.0)	948	7.1
Retail Banking	455	481	(5.4)	419	8.6
MLC (pre IoRE)	158	188	(16.0)	220	(28.2)
UK Region	£50	£110	(54.5)	£139	(64.0)
NZ Region	NZ$228	NZ$243	(6.2)	NZ$239	(4.6)
nabCapital	345	(417)	Large	373	(7.5)
Other[2]	(247)	(81)	Large	(241)	(2.5)
Group cash earnings	**2,027**	**1,679**	**20.7**	**2,237**	**(9.4)**

1 Other represents Central Functions, GWB and Asia
2 Other represents Central Functions, GWB, Asia, IoRE and distributions

National Australia Bank

Jaws and CTI momentum

CTI H107	CTI H108	CTI H109
51.8%	47.0%	43.4%

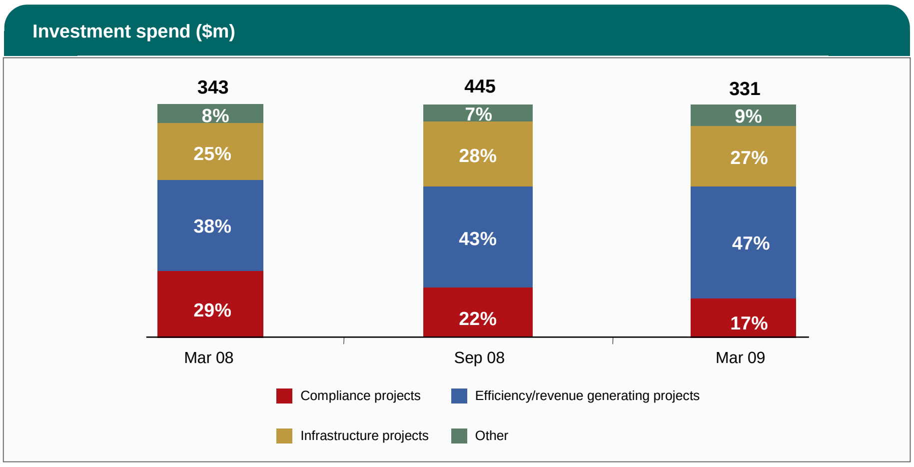


	H108	H109	Growth
Expenses	3,598	3,770	4.8%
FX		(29)	
GWB		(46)	
Total		(75)	
Net expenses	3,598	3,695	2.7%

CTI – Banking Cost to Income Ratio

National Australia Bank

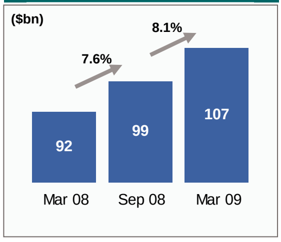
Investment spend



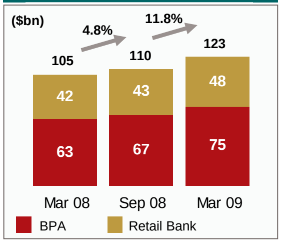
National Australia Bank

Australia Banking

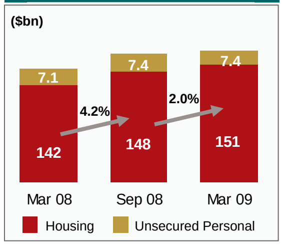
Business lending



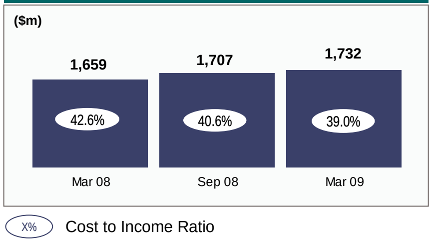
Retail deposits



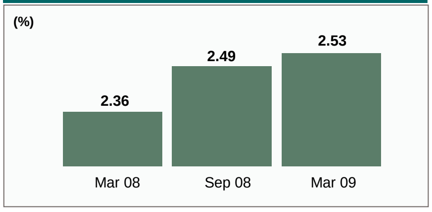
Retail lending



Costs

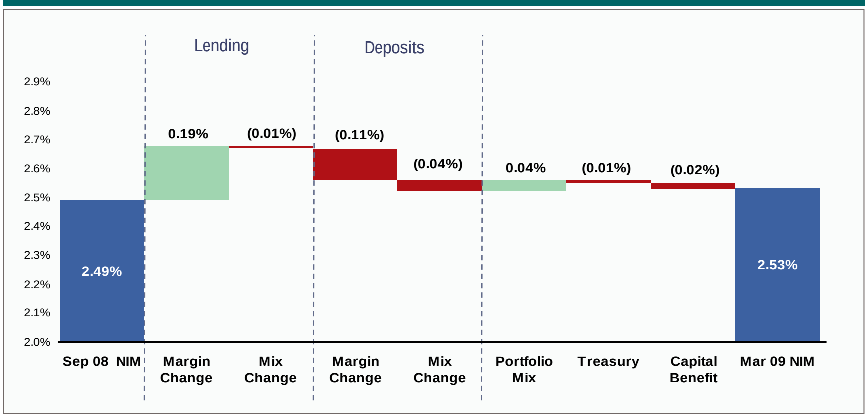


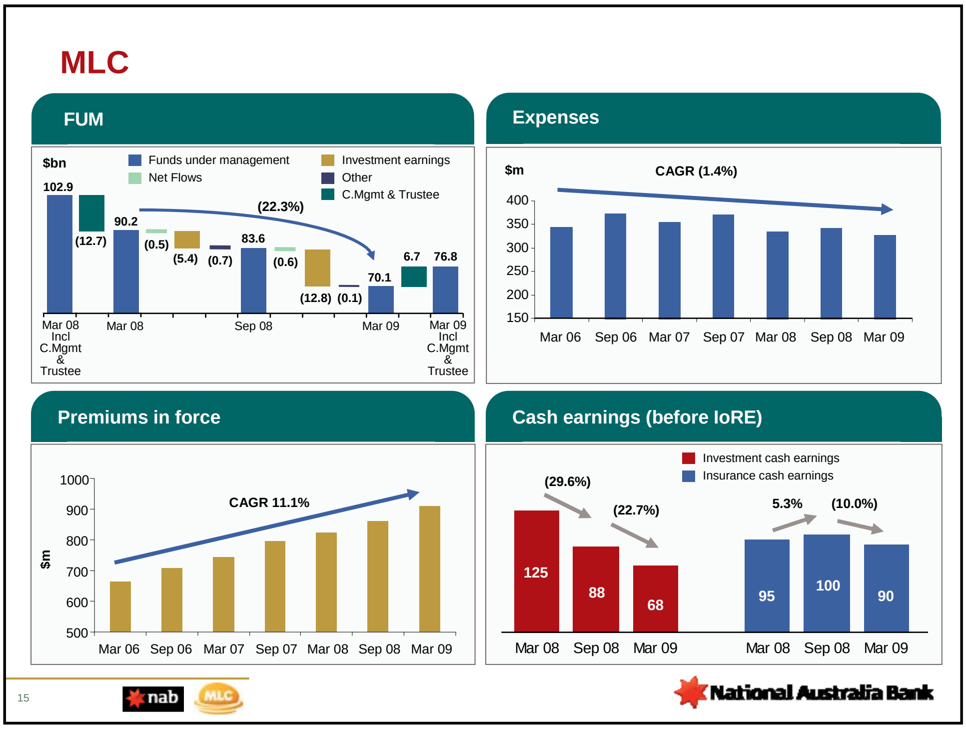
Net interest margin

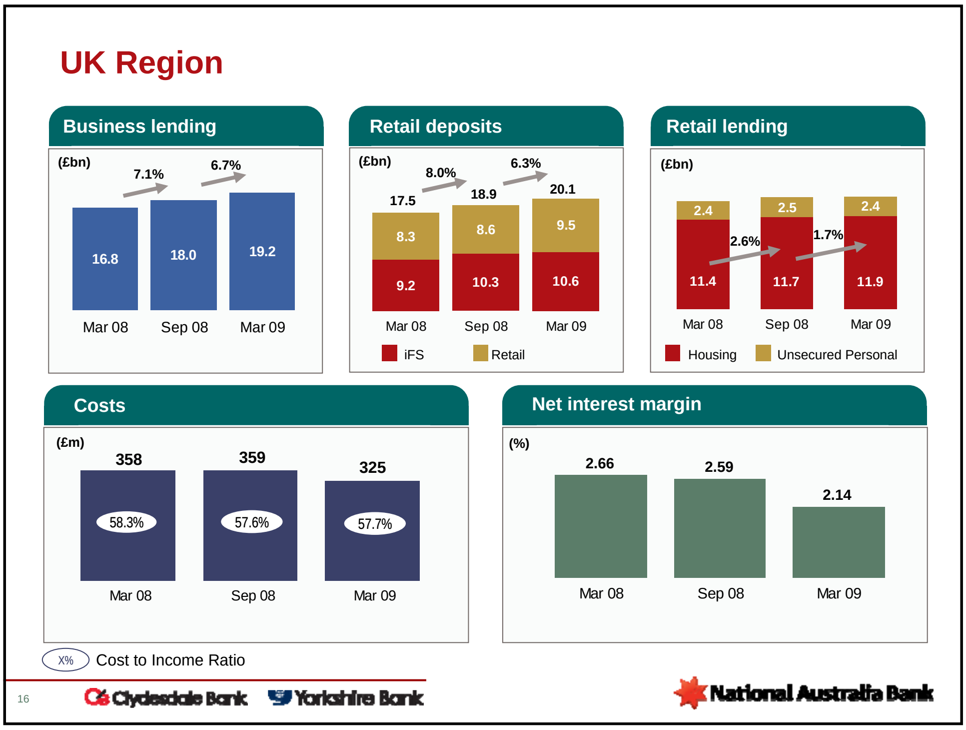


Australia Banking: Net interest margin

March 2009 up 4bps on September 2008

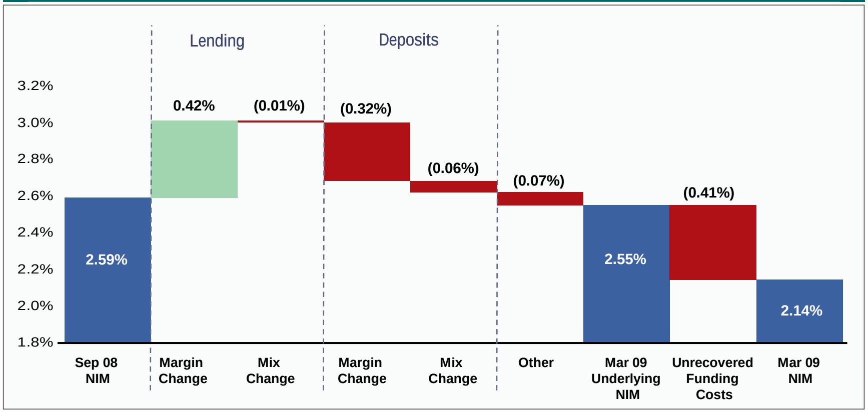



MLC
FUM
$bn
Funds under management
Net Flows
Investment earnings
Other
C.Mgmt & Trustee
102.9
(12.7)
90.2
(0.5)
(5.4)
(0.7)
83.6
(0.6)
(12.8)
(0.1)
70.1
6.7
76.8
(22.3%)
Mar 08 Incl C.Mgmt & Trustee
Mar 08
Sep 08
Mar 09
Mar 09 Incl C.Mgmt & Trustee
Expenses
$m
CAGR (1.4%)
400
350
300
250
200
150
Mar 06
Sep 06
Mar 07
Sep 07
Mar 08
Sep 08
Mar 09
Premiums in force
$m
1000
900
800
700
600
500
CAGR 11.1%
Mar 06
Sep 06
Mar 07
Sep 07
Mar 08
Sep 08
Mar 09
Cash earnings (before IoRE)
Investment cash earnings
Insurance cash earnings
(29.6%)
(22.7%)
125
88
68
5.3%
(10.0%)
95
100
90
Mar 08
Sep 08
Mar 09
Mar 08
Sep 08
Mar 09
15
nab
MLC
National Australia Bank


UK Region
Business lending
(£bn)
7.1%
6.7%
16.8
18.0
19.2
Mar 08
Sep 08
Mar 09
Retail deposits
(£bn)
8.0%
6.3%
17.5
18.9
20.1
8.3
8.6
9.5
9.2
10.3
10.6
Mar 08
Sep 08
Mar 09
iFS
Retail
Retail lending
(£bn)
2.4
2.5
2.4
2.6%
1.7%
11.4
11.7
11.9
Mar 08
Sep 08
Mar 09
Housing
Unsecured Personal
Costs
(£m)
358
359
325
58.3%
57.6%
57.7%
Mar 08
Sep 08
Mar 09
Net interest margin
(%)
2.66
2.59
2.14
Mar 08
Sep 08
Mar 09
X%
Cost to Income Ratio
16
Clydesdale Bank
Yorkshire Bank
National Australia Bank

UK Region: Net interest margin

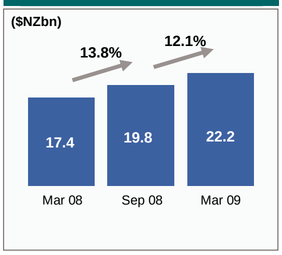
March 2009 down 45bps on September 2008



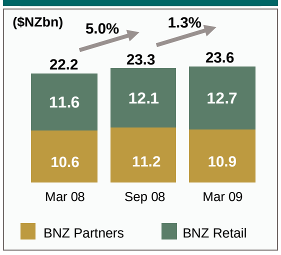
Clydesdale Bank Yorkshire Bank National Australia Bank

New Zealand Region

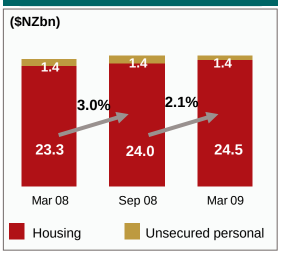
Business lending



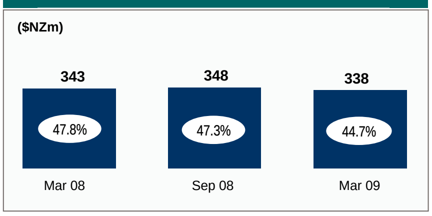
Deposits



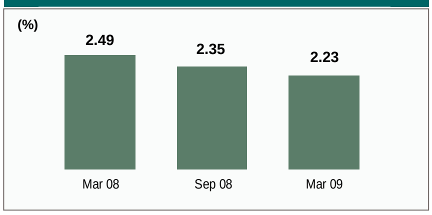
Retail lending



Costs



Net interest margin

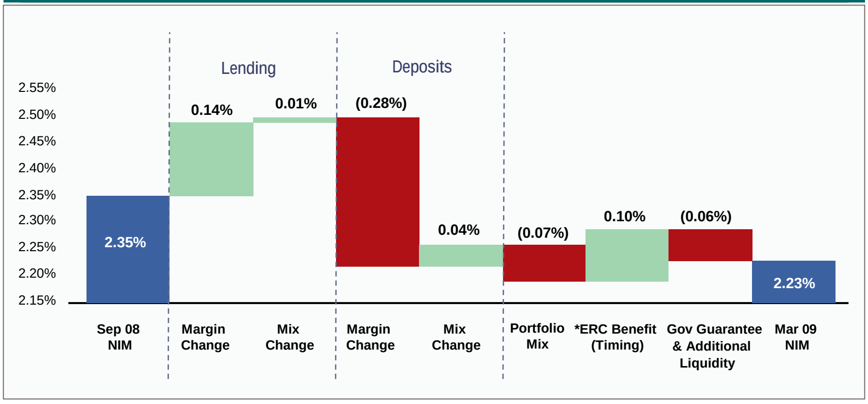


X% Cost to Income Ratio

bnz National Australia Bank

New Zealand: Net interest margin

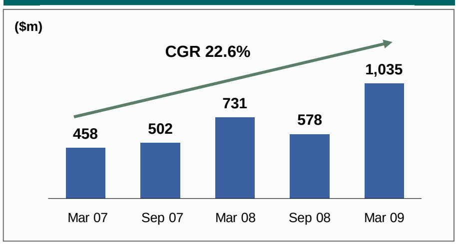
March 2009 down 12bps on September 2008



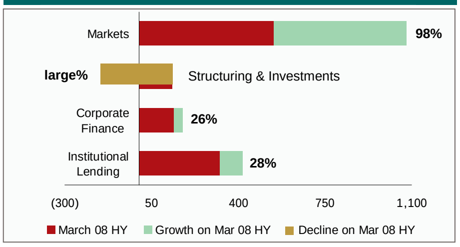
* Early repayment costs

nabCapital

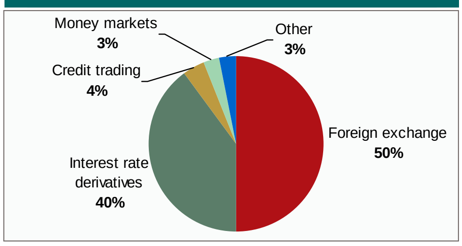
Underlying profit



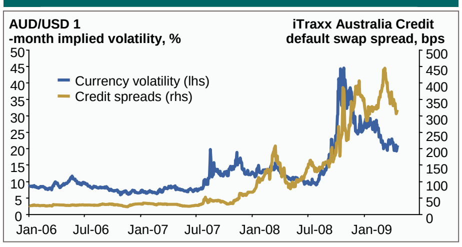
Revenue by line of business



Markets – Sales by Product



Currency volatility and credit spreads



Source: Bloomberg,
iTraxx, National Australia Bank

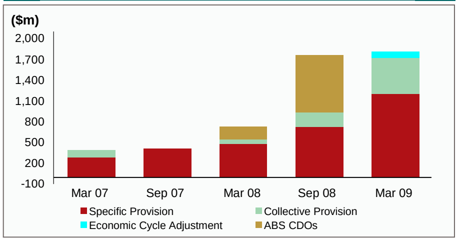
National Australia Bank

Asset quality

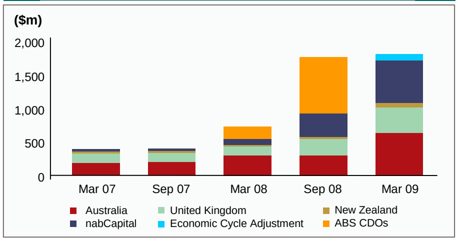
nab | Clydesdale Bank | Yorkshire Bank | bnz | Great Western Bank | MLC

Provisions and coverage

B&DD charge

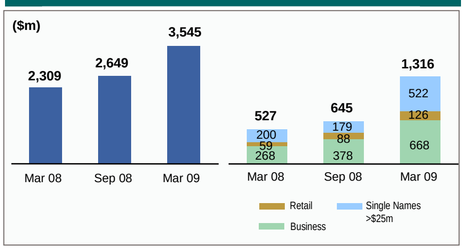


B&DD charge

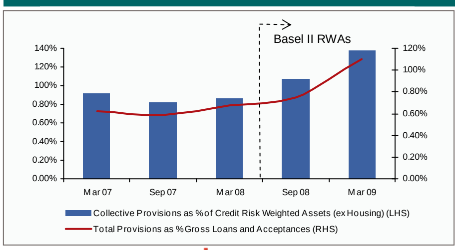


Collective Provision balances

Specific Provision balances



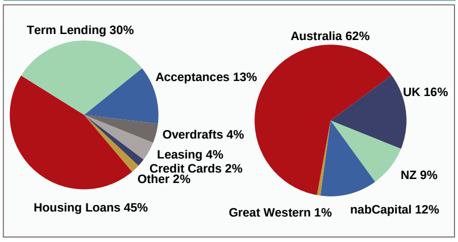
Coverage ratios



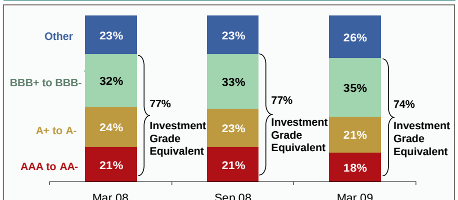
National Australia Bank

Group portfolio

Gross loans and acceptances by product and by region

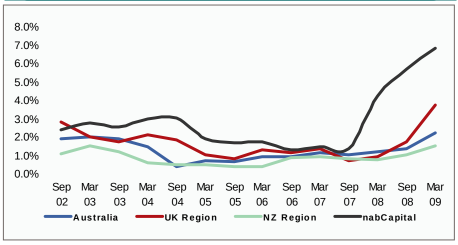


Risk rated non-retail exposures*

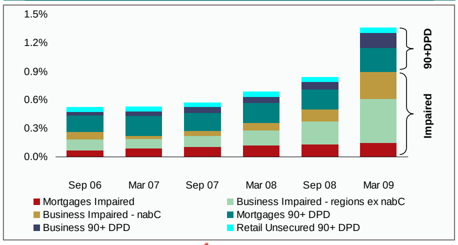


* Based on expected loss which is the product of probability of default x exposure at default x loss given default

Watch loans as a % of gross loans and acceptances by region



90+DPD & Impaired Assets as a % of Gross Loans and Acceptances by product



National Australia Bank

nabCapital conduit portfolio

Overall performance – 1H09

- No impairments; little change in subordination levels
- Some ratings migration – 97% investment grade (internal)
  – Methodology review
- $160m overlay against conduits and derivatives to reflect deteriorating economic conditions

SCDOs

- One credit event in 1H09 (impacting one SCDO)
- Large scale negative ratings migration – particularly in March
- Movements of external ratings from AAA to between AA+ and BBB+ for five of the six transactions
- Further defaults in underlying portfolios increasingly likely
- Now managing to investment grade – consider additional risk mitigation

National Australia Bank

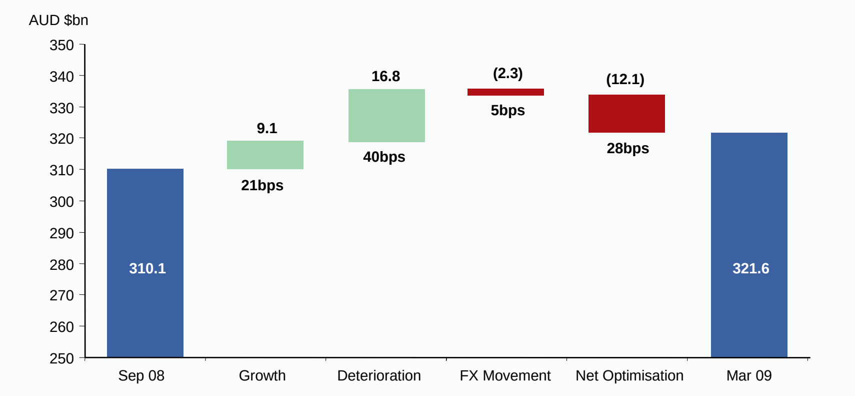
National Australia Bank

Capital and funding

nab Clydesdale Bank Yorkshire Bank bnz Great Western Bank MLC

Credit RWA movement

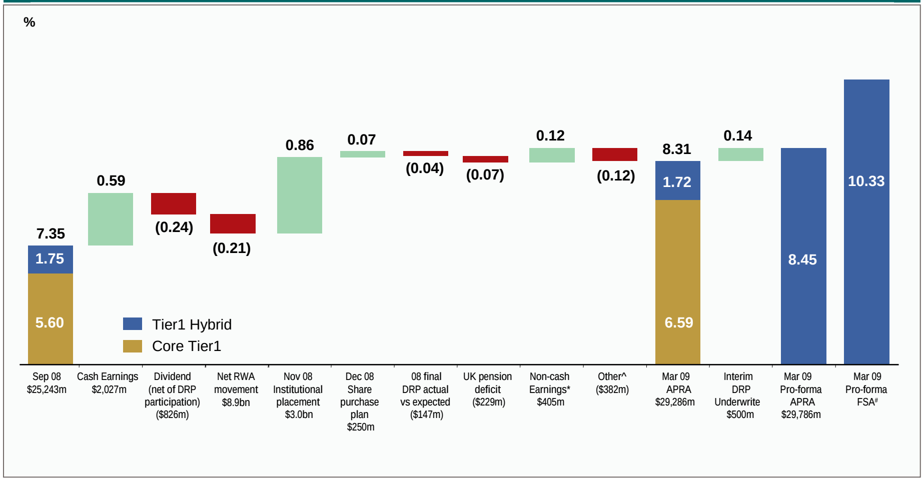
NAB Group: Credit RWA movement from Sep 08 to Mar 09



*bps - estimate of Tier 1bp impact. Total Credit RWA impact 28bps over the half.

National Australia Bank

Tier 1 capital position

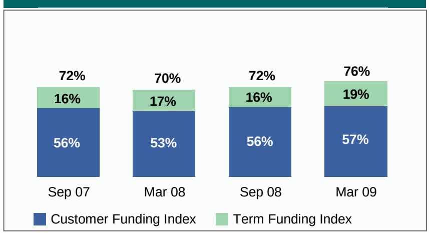


* Non cash earnings impacts Tier 1 after adjusting for Distributions and Treasury Shares.
^ Other relates primarily to change in foreign currency translation reserve (-5bps), general reserve (-4bps), Wealth Management related deductions (4bps), deferred tax asset (net of eligible deferred tax liability) (-7bps)
\# FSA number is approximate

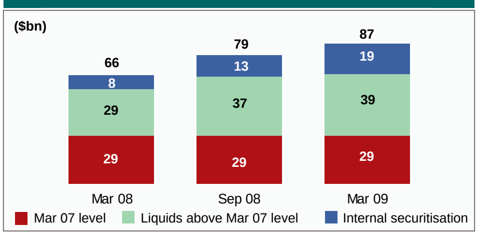
National Australia Bank

Funding and liquidity

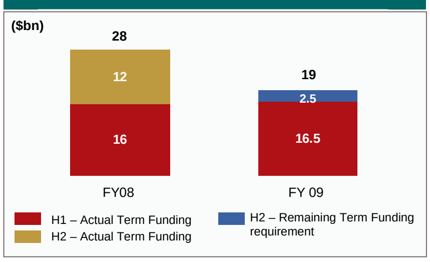
Group Stable Funding Index (SFI)



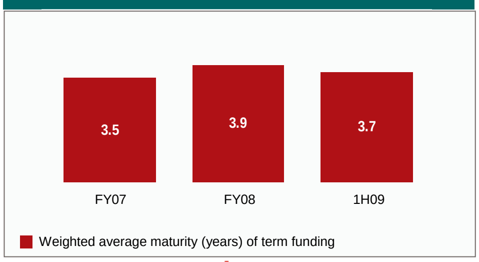
Liquid asset holdings



Term funding



Term funding tenor



National Australia Bank

National Australia Bank

Questions

nab Clydesdale Bank Yorkshire Bank bnz Great Western Bank MLC

National Australia Bank

Additional Information

Australia Region, NZ Region and nabCapital

Asset quality

Capital and Funding

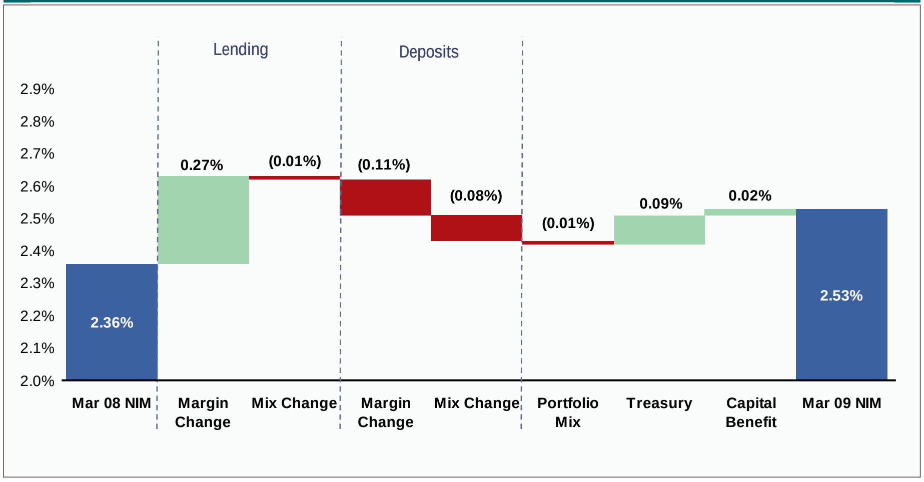
Economic outlook

UK Region Update

nab Clydesdale Bank Yorkshire Bank bnz Great Western Bank MLC

Australia Banking: Net interest margin

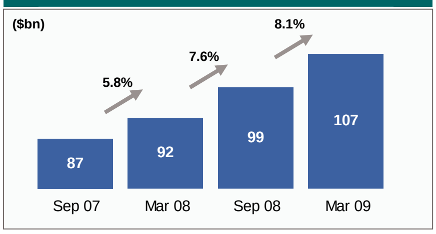
March 2009 up 17bps on March 2008



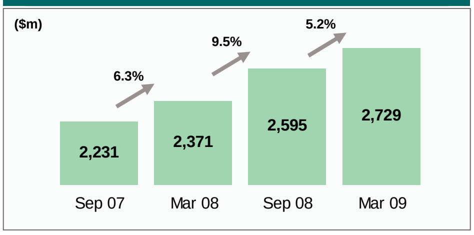
National Australia Bank

Business and Private Banking

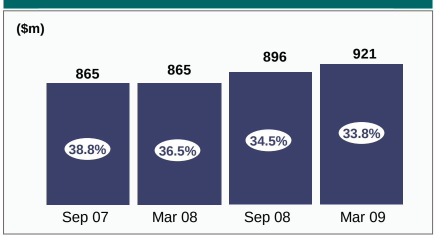
Business lending*



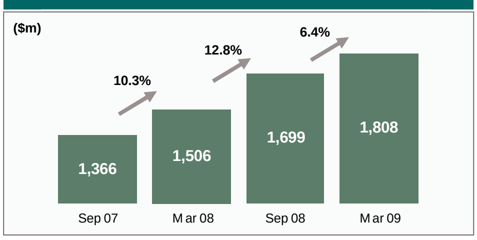
Revenue



Costs



Underlying profit



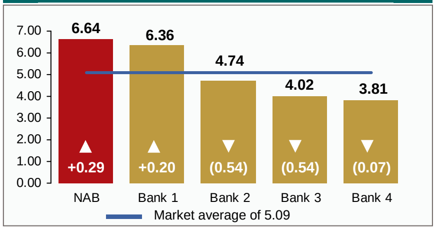
* Total Australia Banking business lending

X% Cost to Income Ratio

National Australia Bank

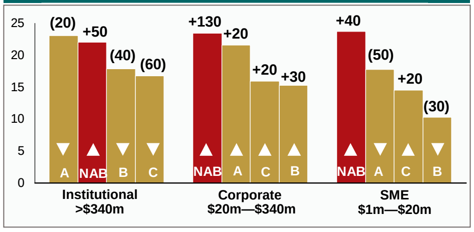
Business and Private Banking

Business customer satisfaction[1]



Transaction banking market share and trend

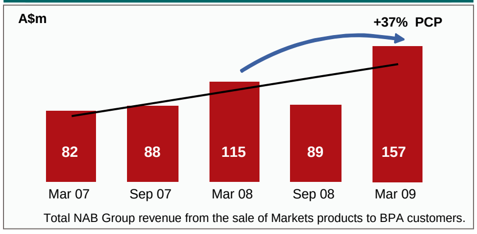
Percentage share and basis point change of primary relationships, by customer segment [2]



nabSpecialised banking (% growth Mar 09 v Mar 08)

	Year Established	Revenue	Lending	Deposits
Agribusiness	2000	11	13	7
Health	2007	22	25	33
Education	2007	35	37	116
Government	2007	52	12	230

Cross sell nabCapital



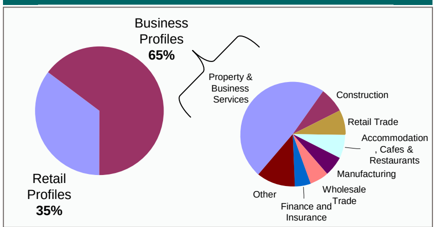
Total NAB Group revenue from the sale of Markets products to BPA customers.

[1] East & Partners: Business Banking Customer Satisfaction Monitor – March 2009 results and half yearly change[2] East & Partners - Arrows relate to the trend from prior survey, basis point change above the bar. Australian Institutional Transaction Banking Markets Nov 08, Australian Corporate Transaction Banking Markets Feb 09; Australian SME Banking Markets Oct 08

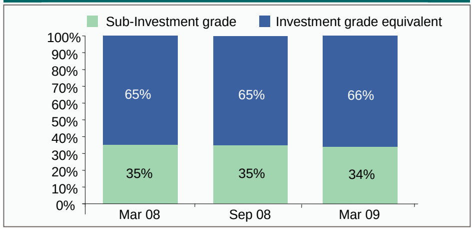
nab National Australia Bank

Business and Private Banking: SME Business*

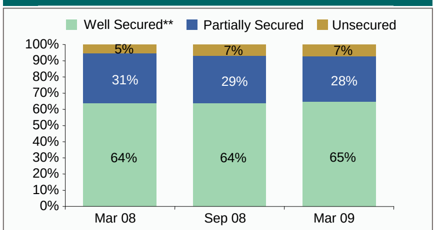
Diverse assets



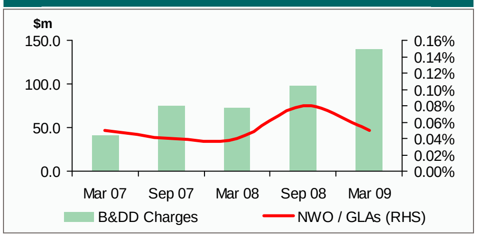
High quality



Well secured – business products



B&DD Charges have increased but Net Write Off rates remain low

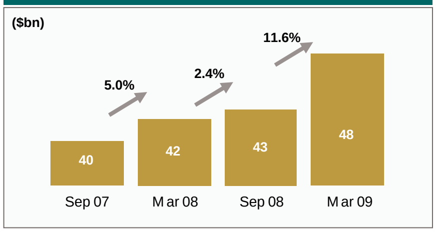


* SME business data reflects the nabBusiness segment of Business & Private Banking which supports business customers with lending typically up to $25m, excluding the Specialised Businesses.
** Based upon security categories in internal ratings systems.

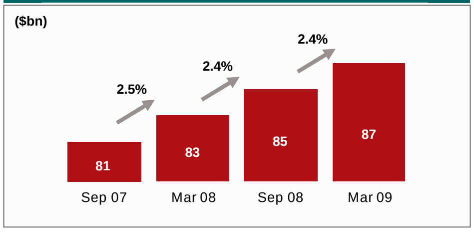
nab National Australia Bank

Retail Banking

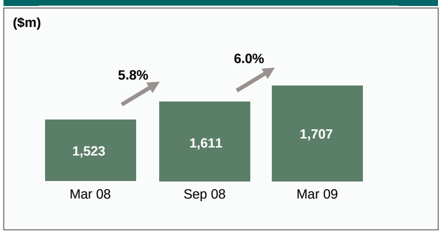
Retail deposits



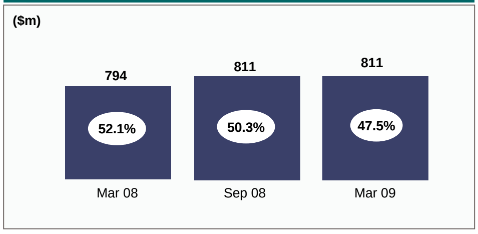
Housing loans



Revenue



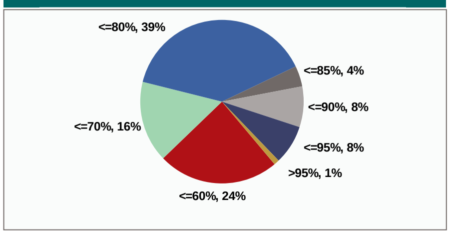
Costs



X% Cost to Income Ratio

Australia Banking Mortgages Portfolio – $154bn

LVR distribution



Low doc loans

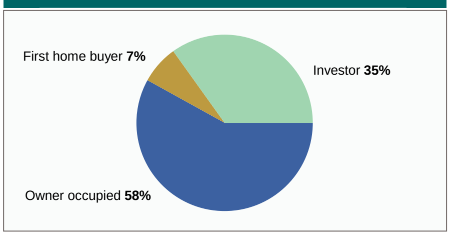
- $3.3bn outstanding (2.2% of housing book)
- LVR capped at 60% (without LMI)

Inner-city apartments

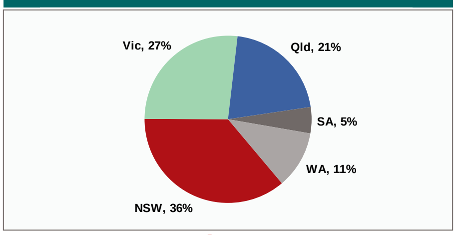
- $4.6bn outstanding
- Approx 3.0% of housing book

Origination source – flows (Australia)	Sep 07	Mar 08	Sep 08	Mar 09
Proprietary	76%	78%	77%	81%
Broker	17%	16%	16%	12%
Introducer	7%	6%	7%	7%

Customer segment

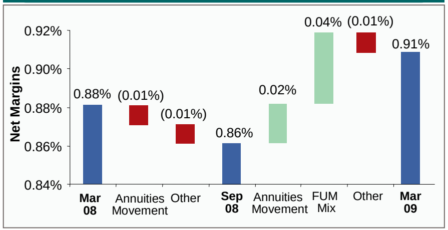


Geography

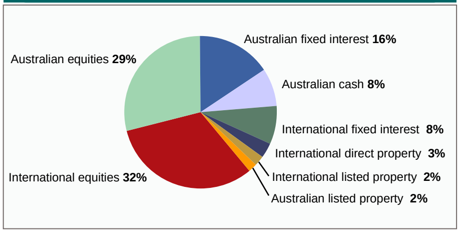


MLC

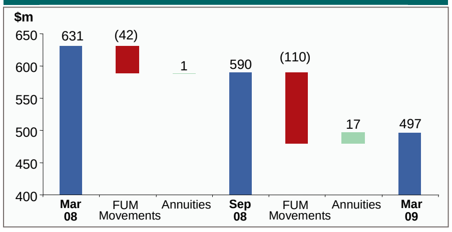
Investments Margins



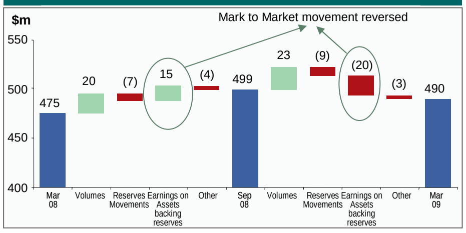
FUM by Asset Class



Investments Gross Income



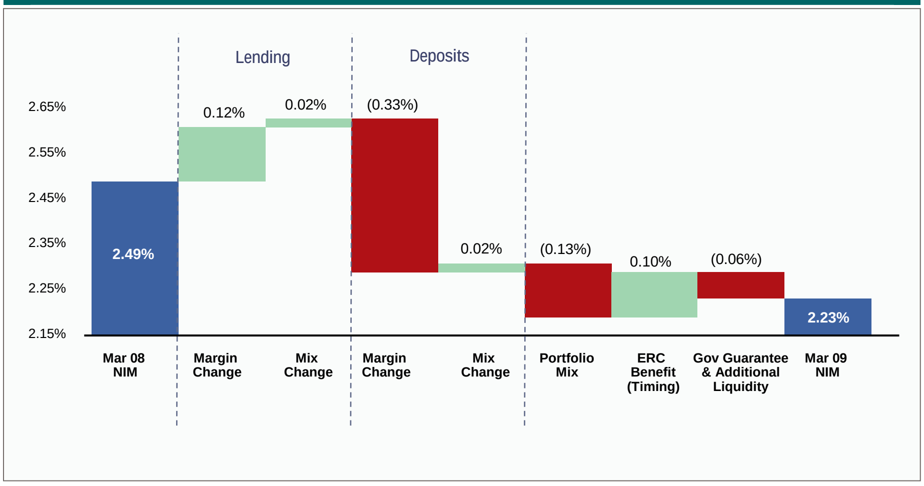
Insurance Gross Income



nab MLC National Australia Bank

New Zealand: Net interest margin

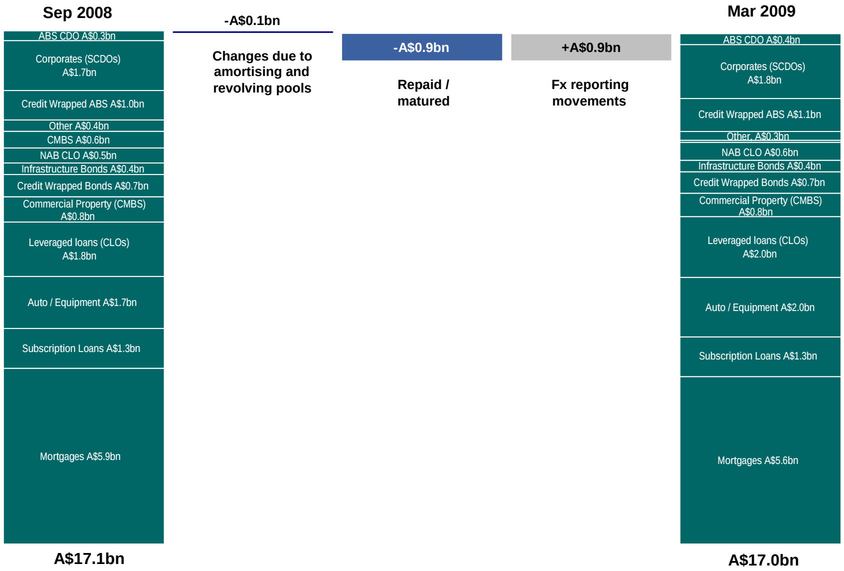
March 2009 down 26bps on March 2008



bnz National Australia Bank

Conduit Portfolio Summary

Movements between September 2008 and March 2009



National Australia Bank

Conduit Portfolio Summary - A$17.0bn

Mortgages – Australia (A$4.5bn)

- Underlying mortgage portfolios geographically diversified
- Predominantly prime mortgages, LMI-insured (or insurable) – over 85%
- The balance - non-conforming mortgages (structures benefit from various forms of credit enhancement)
- Internal risk grade of exposures is AA (S&P equivalent) and above
- Cross-section of established RMBS issuers including ADIs and non-bank originators
- Performance and composition of the underlying pools is closely monitored and stress-tested

Auto/Equipment – Australia/ New Zealand (A$0.7bn)

- Transactions fund auto and equipment receivables originated by captive auto finance companies
- All exposures are senior ranking and benefit from credit support in the form of first loss protection and excess spread available to absorb losses (weighted average subordination of 12%)
- All transactions are in amortisation with credit support continuing to increase as these facilities repay
- Greater emphasis is placed on contingent servicing arrangements (considered prudent given the stress being experienced within automotive industry)

Mortgages – UK/US (A$0.5bn)

- UK non-conforming and US subprime mortgages
- Breakdown:
  - UK - 58%; 2006/07 vintages
  - US - 42%; 2005 vintage
- Most senior tranches in structures – current subordination of 42% in UK deals and 53% in US deals
- Originally all deals rated AAA/Aaa
- Current rating AAA/Aa1 (UK deals) and AAA/A1 and AAA/A2 (US deals)

Auto – US (A$1.3bn)

- 100% of loans originated by a captive US auto financier
- Most senior positions in capital structure – current subordination averages 12%

Subscription Loans (A$1.3bn)

- 100% US originated transactions
- Minimal structure within the transactions
- High quality investor base
- No investor defaults to date in any of the transactions
- Monthly performance monitoring and reporting by syndicate manager confirm all performance parameters have been met

Infrastructure / Credit Wrapped Bonds (A$1.1bn)

- Underlying credits are with highly rated infrastructure assets
- Monoline wrap means both the underlying counterparty and the monoline must default to cause a loss
- Minimal structure – similar in nature to on-balance sheet lends to these corporates

NAB CLO (A$0.6bn)

- NAB originated
- Standard internal assessment processes followed
- Current subordination is 12.4% (unchanged)

ABS CDO (A$0.4bn) / Other (A$0.9bn)

- ABS CDO – no additional provisioning made
- Other assets fall into four categories:
  - US Insurance Regulatory Capital funds
  - Australian Insurance Premium Loans
  - US 40s Act Fund securitisation
  - Mortgage backed consumer finance (included in Mortgages)

Leveraged Loans (CLOs) / Commercial Property (UK CMBS) / Corporate (SCDO) / Credit Wrapped ABS (A$5.7bn)

- Refer individual slides

National Australia Bank

Conduit Portfolio Summary
Leveraged Loans (CLOs) – A$2.0bn

- Geographical distribution of underlying assets: Europe – 50%; US – 50%
- 9 CLOs backed by pools of broadly syndicated commercial loans to tier 2 corporates
- In all but one case our exposure is to the most senior class of notes in the CLO
- Defaults and downgrades are increasing as a result of current economic conditions, but attachment points are very senior
- No material realised losses to date; subordination is unchanged

	Deal 1	Deal 2	Deal 3	Deal 4	Deal 5	Deal 6	Deal 7	Deal 8	Deal 9
Current Holding	A$260m (Eur135m)	A$106m (Eur55m)	A$291m (US200m)	A$218m (US$150m)	A$321m (Eur166m)	A$110m (Eur57m)	A$289m (Eur150m)	A$314m (US$216m)	A$116m (US$80m)
Original Rating	AAA/Aaa	AAA/Aaa	AAA/Aaa	AAA/Aaa	AAA/Aaa	AAA/Aaa	AAA/Aaa	AAA/Aaa	AAA/Aaa
Current Rating	AAA/Aaa	AAA/Aaa	AAA/Aaa	AAA/Aaa	AAA/Aaa	AAA/Aaa	AAA/Aaa	AAA/Aaa	AAA/Aaa
Initial Note Subordination	32.0%	30.5%	27.0%	38.1%	32.9%	30.5%	29.1%	28.1%	26.9%
Defaults to Date	0.4%	3.0%	5.5%	4.9%	1.2%	2.6%	1.4%	2.1%	4.6%
Current Note Subordination (unchanged)	32.0%	30.5%	27.0%	38.1%	32.9%	30.5%	29.1%	28.1%	26.9%
Reinvestment Period Ends	1-Aug-13	23-Oct-12	22-Sep-13	19-Oct-12	28-Feb-13	30-Jul-13	15-Apr-13	24-Nov-12	17-Feb-13
Total Issue Size	Eur500m	Eur383m	US$500m	US$514m	Eur345m	Eur408m	Eur358m	US$300m	US$621m
Number of Borrowers	82	93	214	273	71	80	78	110	170
Collateral obligations									
1st Lien Loans	84.4%	86.0%	98.3%	96.8%	86.0%	81.0%	84.9%	96.9%	98.1%
2nd Lien Loans	15.5%	14.0%	1.6%	1.7%	9.0%	17.8%	14.9%	2.4%	1.3%
High Yield Bonds				1.3%		0.5%			0.6%
Structured Finance Obligations					5.0%			0.7%	
Original/Current Portfolio Weighted Average Rating (S&P equivalent of Moody's ratings on underlying loans)	B+ / B	B+(B) / B	B+ / B	B / B(B-)	B+(B) / B+(B)	B+ / B	B+ / B	B / B(B-)	B+(B) / B
Largest Industry Exposure	Food & Beverage 10.2%	Healthcare 11.3%	Printing & publishing 8.4%	Healthcare 11.2%	Telecom 9.6%	Broadcasting 10.3%	Broadcasting 10.1%	Healthcare 11.3%	Healthcare 9.9%
Single Largest Exposure	2.8%	2.8%	1.3%	1.3%	2.8%	2.6%	2.9%	1.7%	2.1%

National Australia Bank

Conduit Portfolio Summary
Commercial Property (UK CMBS) – A$0.8bn

- Two layers of protection give the senior notes in which NAB has invested in a significant level of cushion against loss, despite the deterioration in the UK property market, and currently entitles the bonds to AAA ratings from S&P and Moody's
- We hold the most senior position (note) in all deals with inherent over-collateralisation provided by the subordinate bonds
  - The note balance relative to the original property value was conservative at issuance across all deals
- All loans are current on loan payments with only one small (0.5%) loan in one deal in default
- Expectation of consistent cashflow from high quality tenants with strong lease terms
- Long lease tenors when compared to the terms of the underlying loans

	Deal 1	Deal 2	Deal 3	Deal 4
Current Holding	A$206m (£99m)	A$292m (£140m)	A$175m (£84m)	A$104m (£50m)
Initial & Current Rating	AAA/Aaa	AAA/Aaa	AAA/Aaa	AAA/Aaa
Most Senior Tranche	Yes	Yes	Yes	Yes
Number of Loans	4	1	19	10
Original Note to Value Ratio	48%	38%	52%	42%
Estimated Approx. Current Note to Value Ratio	78%	63%	80%	70%
Major Tenants	International Insurance Co 26% UK Govt Department 18.5%	International Legal Firm 35.3% Serviced Office Space Provider 13.8%	UK Govt Department 12% International Management Consultancy 7.8%	Major UK Retailer 44%

National Australia Bank

Conduit Portfolio Summary

Corporates (SCDOs) – A$1.8bn

- Sept 2008 hedges improved credit profile
  - Internal ratings initially established between BBB and A
  - External ratings initially at AAA
  - Internal ratings were lower because relatively more defaults were expected
- 1H2009 brought significant negative pressure on SCDOs
  - One credit event, affecting a single SCDO
  - Large scale negative ratings migration in portfolio - particularly in March 2009
  - Changes to the model used by the external rating agency in late 2008 brought external ratings closer to NAB's internal ratings (i.e. more conservative)
- End of March internal re-assessment (done monthly) showed internal migration to BBB category for all six SCDOs
  - External ratings between AAA and BBB+ but trending downward towards internal ratings
- Negative pressure in 1H2009 was expected
  - Downgrades occurred primarily on names NAB views as riskiest in portfolio (including monolines and mortgage insurers)
  - Defaults were minimal but will probably increase
- What to expect in the future
  - Defaults of names under pressure with concurrent reduction in credit enhancement expected and modeled in NAB's ongoing assessment of the transactions
  - Potential for modest hedging from time to time to manage to internal investment grade standard
  - Active management of portfolio (using internal and external resources) to increase enhancement and reduce exposure to riskiest names

National Australia Bank

Conduit Portfolio Summary

Corporates (SCDOs) – A$1.8bn

- One credit event in first half of FY2009, affecting a single SCDO (Deal 2 – subordination reduced by 0.50%); subordination levels across other deals unchanged since 30 September
- Downgrades in the portfolios as a result of current economic conditions have put pressure on the transactions. These downgrades and recent changes in ratings methodology by the external rating agency have resulted in movements of external ratings from AAA to between AA+ and BBB+ for five of the six transactions (one deal still has a AAA external rating)
- Managed by a dedicated specialist team together with an external portfolio manager
- Additional modest hedging will be considered from time to time to maintain investment grade classification

	Deal 1	Deal 2	Deal 3	Deal 4	Deal 5	Deal 6
Tranche size	A$364m (US$250m)	A$291m (US$200m)	A$291m (US$200m)	A$300m	A$249m (NZ$300m)	A$300m
Portfolio Notional Amount (A$b)	$68	$27	$23	$30	$23	$30
Attachment Point – 30 March 2009	4.68%	5.18%	6.28%	9.82%	7.11%	7.80%
Detachment Point – 30 March 2009	5.22%	6.25%	7.53%	10.83%	8.16%	8.88%
Tranche Thickness	0.54%	1.06%	1.25%	1.01%	1.05%	1.08%
Recovery Rate	70%	50%	40%	Floating	Floating	Floating
Maturity (years)	4.98	4.48	4.73	8.26	8.01	8.29
Number of Reference Entities	112	136	134	100	113	102
Individual Exposure Weighting	Max: 1.34% Avg: 0.89% Min: 0.64%	Max: 1.33% Avg: 0.74% Min: 0.27%	Max: 1.77% Avg: 0.75% Min: 0.41%	Max: 1.52% Avg: 1.00% Min: 0.51%	Max: 1.37% Avg: 0.88% Min: 0.32%	Max: 1.63% Avg: 0.98% Min: 0.54%
Portfolio Weighted Average Rating (30 Sep 08*/31 Mar 09)	BBB-/BB+	BBB+/BBB-	BBB+/BBB-	BBB+/BBB-	A-/BBB-	BBB+/BBB-
Number of credit events to loss at average/maximum concentration (assuming 20% recovery for deals 4, 5 and 6)	17.4 / 11.6	14.4 / 7.9	14.1 / 7.7	12.1 / 8.0	9.8 / 6.5	9.8 / 6.0
Rating 30 Sept 08 (external/internal)	AAA/BBB+	AAA/A-	AAA/A-	AAA/A	AAA/BBB	AAA/BBB
Rating 31 Mar 09 (external/internal)	A+/BBB-	AA/BBB-	AAA/BBB-	AA+ (neg) /BBB	AA/BBB-	BBB+/BBB-

* Estimate based on August 2008 data

National Australia Bank

Conduit Portfolio Summary
Credit Wrapped ABS – A$1.1bn

- NAB owns a pro-rata share of two RMBS/ABS portfolios
- At issue, all collateral in the portfolios was rated AAA/Aaa by S&P and Moody's either directly or as the result of an insurance policy
- Each portfolio also benefits from a portfolio-wide policy from AMBAC or MBIA
  - MBIA was downgraded to BBB+/B3 by S&P/Moody's on February 18th and AMBAC was downgraded to A by S&P on November 19th and to Ba3 by Moody's on April 13th
- Much of the collateral in each portfolio is backed by residential mortgage backed securities and has experienced some credit deterioration due to the distressed housing market
- For so long as the insurers perform under their policies, no losses will be incurred. However NAB has estimated a maximum loss of c. 20% of principal assuming immediate default of both insurers and no recovery in respect of the policies

	Portfolio 1	Portfolio 2
Current NAB Exposure	A$620m (US$425m)	A$475m (US$326m)
Asset Breakdown		
Residential Mortgage Backed Securities*	33.8%	57.6%
Collateralized Debt Obligations	11.6%	0.00%
Insurance ABS	5.3%	2.3%
Student Loan ABS	23.6%	22.8%
Transportation and Other ABS	25.6%	17.2%
Portfolio Guarantor	MBIA (BBB+/B3)	AMBAC (A/Ba3)
% of Underlying Assets with Wrap	51.0%	37.2%

* Includes Prime and non-Prime RMBS

National Australia Bank

National Australia Bank

Additional Information

Australia Region, NZ Region and nabCapital

Asset quality

Capital and Funding

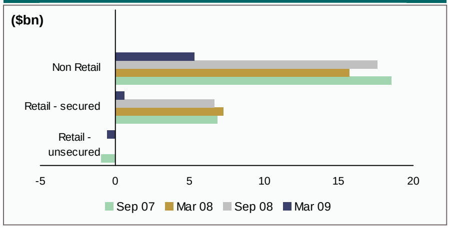
Economic outlook

UK Region Update

nab Clydesdale Bank Yorkshire Bank bnz Great Western Bank MLC

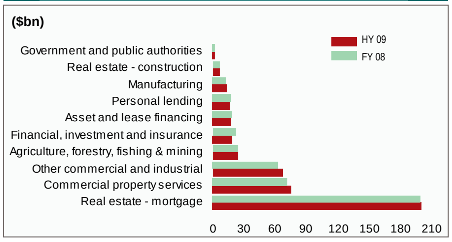
Group gross loans & acceptances

Group asset composition – growth by product segment

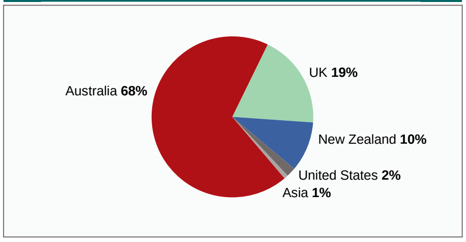


Retail Portfolio – Outstandings Volume

Industry balances*



Gross loans and acceptances - Geography

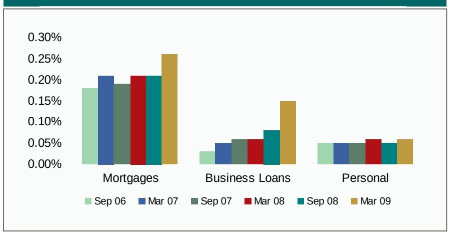


* Defined by ANZSIC codes

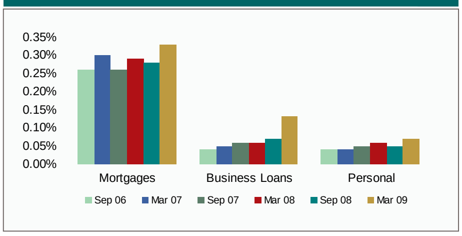
National Australia Bank

90+ days past due

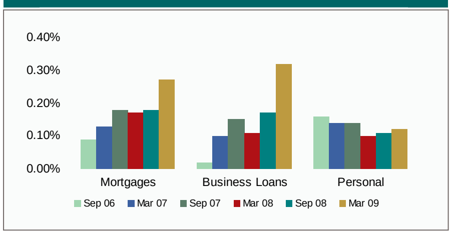
Group - 90+ days past due as a % of GLA



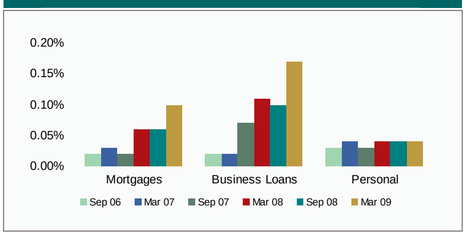
Australia Banking - 90+ days past due as a % of GLA



UK Region - 90+ days past due as a % of GLA



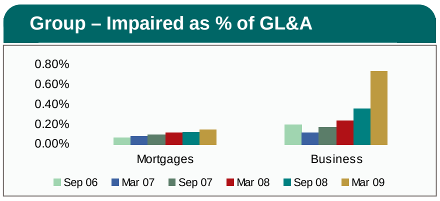
NZ Region - 90+ days past due as a % of GLA

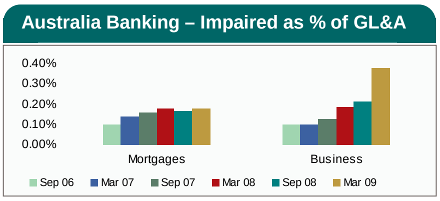


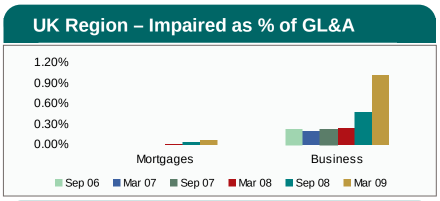
Note: nabCapital continues to have no 90+ DPD loans

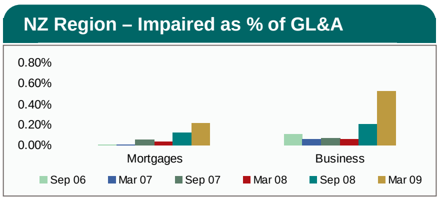
National Australia Bank

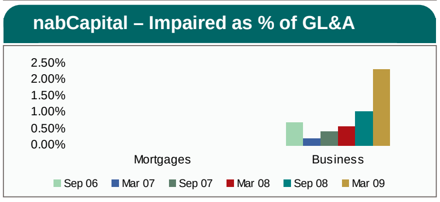
Impaired assets





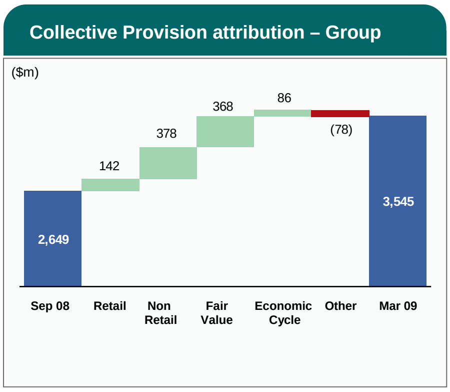


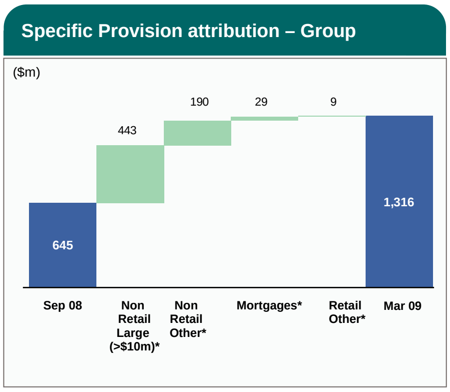




National Australia Bank

Attribution analysis



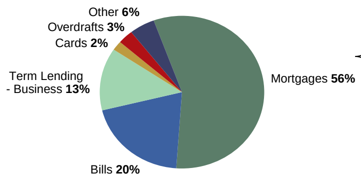


* Net of write-offs

National Australia Bank

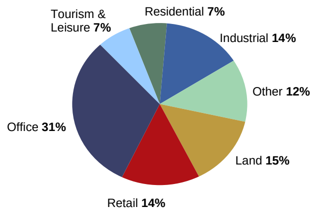
Australia Banking

Portfolio break up – total $275bn



Australian Mortgages	Mar 09	Sep 08	Mar 08
Owner Occupied	65.4%	64.7%	64.1%
Investment	34.6%	35.3%	35.9%
Low Document	2.2%	2.1%	1.8%
Proprietary	76.7%	76.3%	76.2%
Third Party Introducer	23.3%	23.7%	23.8%
LMI Insured % of Total HL Portfolio	13.4%	12.9%	12.7%
Loan to Value (at origination)[1]	68.3%	67.7%	67.6%
Customers ahead of minimum repayments %	84.8%	84.7%	83.8%
Average loan size $	$218.2k	$213.3k	$206.0k
90 + days past due[2]	0.67%	0.54%	0.53%
Impaired loans[2]	0.37%	0.32%	0.31%
Specific provision coverage	14.5%	14.9%	14.3%
Loss rate	0.04%	0.03%	0.02%

Commercial property – total $40.2bn – 15% of Portfolio



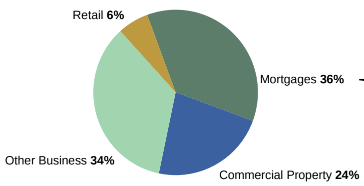
Australian Commercial Property	NSW	VIC	QLD	Remaining States
Location %	31%	23%	21%	25%
Loan Balance < $5m	13%	10%	8%	11%
Loan Balance $5m < $10m	5%	4%	3%	4%
Loan Balance > $10m	13%	9%	10%	10%
Loan to Value (current)	59%	60%	65%	85%[4]
Average loan tenor < 3 yrs	26%	18%	16%	12%
Average loan tenor 3 < 5 yrs	3%	3%	3%	11%
Average loan tenor > 5 yrs	2%	2%	2%	2%
Average loan size $	2.4m	1.9m	2.4m	2.1m
90 + days past due[3]	0.10%	0.07%	0.11%	0.06%
Impaired loans[3]	0.10%	0.06%	0.14%	0.08%
Specific provision coverage	21.2%	14.0%	5.7%	23.8%
Loss rate	0.01%	0.01%	0.00%	0.00%

[1] LVR drawndown by NAB. Previously reported LVR of all applications
[2] Ratio relates to the Mortgage Portfolio only
[3] Ratio relates to the Commercial Portfolio only
[4] Excludes other collateral

National Australia Bank

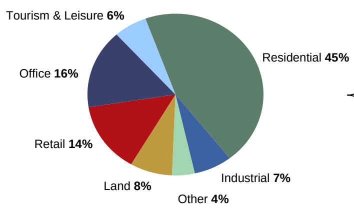
UK Region

Portfolio break up – total £33.6bn



UK Mortgages	Mar 09	Sep 08	Mar 08
Owner Occupied	75%	74%	73%
Investment	25%	26%	27%
Low Document	0%	0%	0%
Proprietary	77%		
Third Party Introducer	23%		
LMI Insured % of Total HL Portfolio	1%	1%	1%
Loan to Value (at origination)	63%	63%	63%
Average loan size £	87k		
90 + days past due[2]	0.75%	0.51%	0.49%
Impaired loans[2]	0.19%	0.12%	0.06%
Specific provision coverage	23.2%	21.4%	19.0%
Loss rate	0.02%	0.01%	0.00%

Commercial property – total £8.1bn[1] - 24% of Portfolio



UK Commercial Property	Scotland	North	South	London
Location %	26%	44%	18%	12%
Loan Balance < £2m	14%	26%	13%	5%
Loan Balance £2m < £5m	5%	9%	4%	3%
Loan Balance > £5m	7%	9%	2%	4%
Average loan tenor < 3 yrs	9%	16%	10%	6%
Average loan tenor 3 < 5 yrs	5%	7%	3%	2%
Average loan tenor > 5 yrs	13%	21%	6%	4%
Average customer loan size £M	1.1	1.1	1.0	1.6

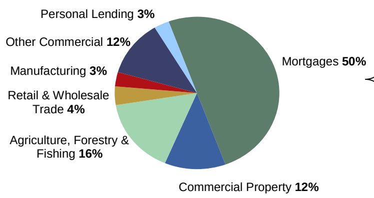
UK Commercial Property – Total Portfolio	Mar-09	Sep-08	Mar-08
90 + days past due[3]	0.68%	0.55%	0.20%
Impaired loans[3]	3.08%	1.28%	0.55%
Specific provision coverage	12.9%	22.6%	16.3%

[1] Note £8.1bn includes transfer of assets from nabCapital whereas analysis excludes these
[2] Ratio relates to the Mortgage Portfolio only
[3] Ratio relates to the Commercial Portfolio only

National Australia Bank

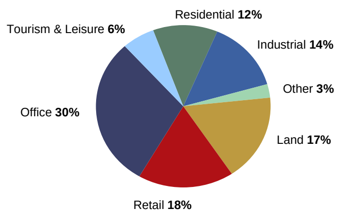
New Zealand

Portfolio break up – total NZ$49.5bn



New Zealand Mortgages	Mar 09	Sep 08	Mar 08
Low Document	0.09%	0.02%	Nil
Proprietary	100%	100%	100%
Third Party Introducer	Nil	Nil	Nil
LMI Insured % of Total HL Portfolio	4.7%	5.4%	5.9%
Loan to Value (at origination)	61.9%	62.0%	62.5%
Average loan size $	$0.222m	$0.219m	$0.215m
90 + days past due[1]	0.20%	0.13%	0.11%
Impaired loans[1]	0.43%	0.25%	0.07%
Specific provision coverage	29.2%	23.3%	31.3%
Loss rate (12 month)	0.017%	0.014%	0.001%

Commercial property - total NZ$5.9bn - 12% of Portfolio



New Zealand Commercial Property	Auckland	Remaining Regions
Location %	40%	60%
Loan Balance < $5m	15%	33%
Loan Balance $5m < $10m	5%	10%
Loan Balance > $10m	19%	18%
Loan to Value (current)	48.4%	46.4%
Average loan tenor < 3 yrs	33%	49%
Average loan tenor 3 < 5 yrs	3%	5%
Average loan tenor > 5 yrs	4%	6%
Average loan size $	$3.1m	$2.1m
90 + days past due[2]	1.94%	0.72%
Impaired loans[2]	2.99%	0.55%
Specific provision coverage	23.7%	18.1%
Loss rate (12 month)	Nil	Nil

53

[1] Ratio relates to the Mortgage Portfolio only
[2] Ratio relates to the Commercial Portfolio only

National Australia Bank

National Australia Bank

Additional Information

Australia Region, NZ Region and nabCapital

Asset quality

Capital and Funding

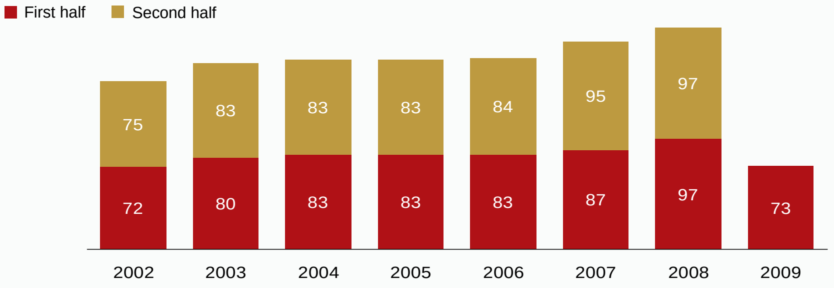
Economic outlook

UK Region Update

nab Clydesdale Bank Yorkshire Bank bnz Great Western Bank MLC

Dividend

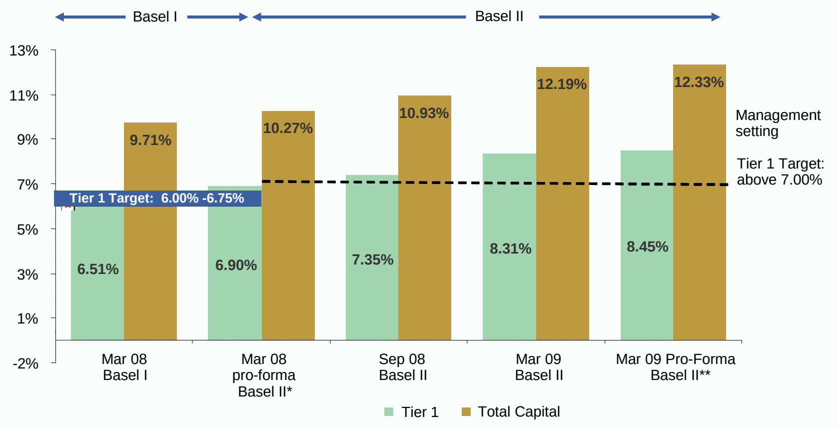
Dividends (cents per share)



	2002	2003	2004	2005	2006	2007	2008	2009
Payout ratio	59.2%	60.7%	72.6%	78.2%	67.3%	67.4%	81.4%	67.4%

National Australia Bank

Capital ratios

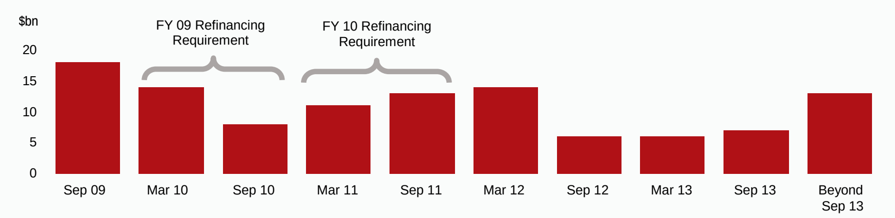


* Mar 08 pro-forma Basel II position does not include IRRBB RWAs
** Mar 09 Pro-forma includes interim DRP underwrite of $500m

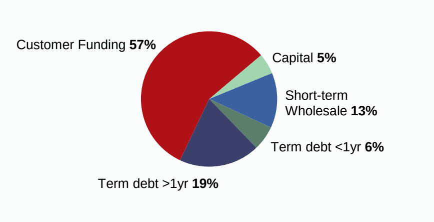
National Australia Bank

Funding profile remains robust

Term funding maturity profile*



Funding of core assets**



- The Group's focus is on maintaining a strong SFI
- Debt that has a remaining term to maturity < 12 months is considered short-term funding under the Group metrics
- FY09 term re-financing requirement is driven by term debt that will roll into the < 12 month maturity bucket during FY09 and therefore is excluded from the FY09 SFI calculation

* Based on 31-Mar-09 exchange rates. Term debt (to call date).
** Based on 31-Mar-09 exchange rates. Term debt (to call date). Term debt includes Hybrid Debt.

National Australia Bank

UK FSA Capital Comparison – Basel II

- Summarised below are details of current key differences as pertinent to the Group as 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
Mortgages	APRA requires that the Loss Given Default estimate for loans secured by mortgages 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)	The APRA rules require the inclusion of IRRBB within Pillar 1 calculations. This is not required by FSA. This 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, that is now an intangible asset. VBIF is deducted from Tier 1 capital under APRA guidelines, whereas under the FSA, it is deducted from Total Capital.	Increase
Estimated Final Dividend	FSA requires that dividends be deducted from regulatory capital when declared and/or approved. APRA requires dividends to be deducted on an anticipated basis. This is partially offset by APRA making allowance for expected shares to be issued under a dividend re-investment plan. This results in higher capital under FSA rules.	Increase
DTA (excluding DTA on the collective provision for doubtful debts)	APRA requires that Deferred Tax Assets (DTAs) be deducted from Tier 1 capital except for any Deferred Tax Assets associated with collective provisions eligible to be included in the General Reserve for Credit Losses. Under FSA, DTAs are risk weighted at 100%.	Increase
Eligible Deferred Fee Income	APRA requires certain deferred fee income to be included in Tier 1 capital. FSA does not allow this deferred fee income to be included in Tier 1 capital. This 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. 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	The schemes have moved into deficit as at 31 March 2009. Under FSA rules, the bank may substitute for a defined benefit liability the bank's deficit reduction amount. No deficit reduction amounts are presently being paid, therefore the liability is able to be reversed from reserves (net of tax) and there is no liability 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
31 March 2009 – APRA basis	**8.31%**	**12.19%**
RWA treatment – Mortgages[1]	0.72%	1.02%
IRRBB (RWA)	0.04%	0.05%
Wealth Value of Business in Force (VBIF) at acquisition[2]	0.42%	0.00%
Estimated final dividend (net of estimated reinvestment under DRP / BSP)	0.23%	0.24%
DTA (excluding DTA on the collective provision for doubtful debts)	0.26%	0.24%
Eligible deferred fee income	(0.08)%	(0.08)%
Capitalised expenses[3]	0.04%	0.04%
Investments in non-consolidated controlled entities (net of intangible component)	0.18%	0.00%
UK Defined Benefit Pension	0.07%	0.07%
Total Adjustments	**1.88%**	**1.58%**
31 March 2009 – Normalised for UK FSA differences	**10.19%**	**13.77%**

[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] This ignores any potential accounting differences between IFRS and UK GAAP.
[3] Capitalised expenses associated with debt raisings only.

National Australia Bank

Basel II Risk Weighted Assets

Asset Class ($m)	Mar 09		Sep 08	
	RWAs	RWA/EAD %	RWAs	RWA/EAD %
Corporate & Business	192,112	56%	181,535	49%
Mortgages	44,449	22%	44,977	23%
Retail	7,601	52%	7,503	52%
Standardised*	70,038	58%	68,494	57%
Other Assets	7,416	82%	7,622	82%
Total Credit RWAs	**321,616**	**47%**	**310,131**	**44%**
Market RWAs	5,121		5,088	
Operational RWAs	24,336		23,649	
IRRBB RWAs	1,300		4,643	
Total RWAs	**352,373**		**343,511**	

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

National Australia Bank

IRB Eligible Provisions vs Expected Losses

- Expected losses (EL): a regulatory measure under Basel II on a gross-of-tax basis, representing losses based on long-term estimates and through-the-cycle considerations
- Eligible provisions (EP): based on the AIFRS definition of incurred losses. Collective provisions are net of tax while specific provisions and partial write-offs are pre-tax.
- The capital deduction is also impacted by the different tax treatment in calculating EL and EP

$m	Mar 09	Sep 08
Collective provision	2,772	2,030
Specific provision	1,125	669
Partial write-offs	597	534
Total IRB Eligible Provisions (EP) before tax	**4,494**	**3,233**
Tax on collective provision	(716)	(547)
Total IRB Eligible Provisions (EP) after tax	**3,778**	**2,686**
Regulatory Expected Loss (EL) before tax	4,582	3,292
Regulatory EL – EP	804	606
Tier 1 deductions (50%)	402	303
Tier 2 deductions (50%)	402	303
Total deductions	**804**	**606**

National Australia Bank

Additional Information

Australia Region, NZ Region and nabCapital

Asset quality

Capital and Funding

Economic outlook

UK Region Update

Australia Regional Outlook

Economic Indicators (%) (a)	FY07A	FY08A	FY09 (f)	FY10 (f)	FY11 (f)
GDP growth	4.5	1.9	-1.5	1.3	3
Unemployment rate	4.3	4.1	6	7.5	7.7
Core Inflation	3.1	4.8	3.5	2.1	2.2
Cash rate	6.5	6.75	2.25	2.5	4
System Growth (%)	**FY07A**	**FY08A**	**FY09(f)**	**FY10(f)**	**FY11(f)**
Housing	11.9	9.2	7	8	10
Cards	10.7	8	5	6	6
Other personal (incl cards)	11.7	2.5	3	6	6
Business	20.7	14.1	4	-5	0
Total system credit	15.4	10.5	5.5	3	6
Retail deposits	9.3	19.6	7	8	8
Business deposits	23	14.2	5	5	5
Total $A ADI deposits (b)	15.6	14.8	7.5	8.5	10

(a) Percentage change in year ended September, except for cash and unemployment rates, which are as at end September.

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

- Activity and credit demand set to slow significantly.
- Despite avoiding the worst of the global financial and economic disruption, Australian real output/income is forecast to decline by 1.5% during the '09 bank year before rising by 1.3% the year after. Do not see any positive growth until early 2010 and no return to trend growth until late 2010/ early 2011.
- Forecasting a moderate recession followed by a relatively slow recovery.
- Significant falls in business investment and exports with Australia's major trading partner output falling by around 1%.
- Consumers have experienced falls in wealth for the first time in 20 years – private consumption will be, at best, flat notwithstanding large government cash injections.
- Sharply slowing business credit.
- Moderate growth in housing lending. Total credit growth forecast to slow to around 3% in 2010 and around 5% in 2011.
- Deposits forecast however to be stronger (especially retail) as consumers keep their cash in less risky assets.
- While core inflation is not expected to be back in the RBA target range until early 2010, the RBA is likely to continue to respond to the downside risks to growth and cut cash rates further – forecast at 125 points to a low of 2% by December 2009 quarter.

National Australia Bank

UK Regional Outlook

Economic Indicators (%)	FY07A	FY08A	FY09(f)	FY10(f)	FY11(f)
GDP growth	3.1	1.9	-3.6	0.3	2.6
Unemployment	5.3	5.8	7.9	10	9.5
Inflation (RPI/CPI)	3.9	3.6	0.3	1.7	1.5
Cash rate	5.5	5.0	0.5	1	2.5
System Growth (%)	**FY07A**	**FY08A**	**FY09(f)**	**FY10(f)**	**FY11(f)**
Housing	11	5.2	2.2	4	5
Consumer	6	6.2	4.5	5.3	6
Business	16.3	7.5	3	1	3
Total lending	12.3	6	2.7	3.0	4
Household deposits	8.2	5.7	5.0	5.2	5

- Deep recession under way – could prove to be the worst of the postwar period with a likely cumulative drop in output of almost 5%.
- Few areas of resilience outside the public sector. Output declining in almost every part of the private sector and virtually all categories of demand are softening. Business investment falling, firms are running down stocks and consumer spending is very weak.
- Unemployment is rising fast and expected to worsen. Latest monthly numbers for unemployment benefit recipients showed a large rise. Asset prices falling fast with commercial property prices down by 40% from their peak. Asset quality deteriorating as activity falls, unemployment rises and asset prices decline.
- Eventually, sharply weaker Sterling, very low interest rates, tax cuts, public spending and lower commodity prices should trigger a recovery in UK activity but not likely until 2010.

National Australia Bank

NZ Regional Outlook

Economic Indicators (%)	FY07A	FY08A	FY09(f)	FY10(f)	FY11(f)
GDP growth	2.8	1.6	-2	1.3	3
Unemployment	3.5	4.2	5.8	7.5	7
Inflation	1.8	4.1	2.6	1.6	2.0
Cash rate	8.3	7.5	2	3.25	4.25
System Growth (%)	**FY07A**	**FY08A**	**FY09(f)**	**FY10(f)**	**FY11(f)**
Housing	14	7	2.8	4	4.5
Personal	6.5	5.4	1.2	1.7	2
Business	15.3	14.0	6	5	5.5
Total lending	14.1	9.6	4.5	4.25	4.9
Household retail deposits	13.5	13	12	9	8

- Long recession with weak domestic spending and rising unemployment. Fortunately, entered recession with low public debt, scope to use fiscal pump-priming and able to reduce interest rates by a large amount.
- Business survey results are still very poor
- Commodity prices fallen heavily as dairy boom fades but lower NZ$ cushions the blow.
- Overall system credit growth has slowed sharply.
- Household credit growth slowed substantially
- Scope to ease policy by cutting interest rates and lower NZ$. Shrinking scope for more tax cuts and higher public spending as Government deficit already set to widen considerably as revenue falls.
- Asset prices falling - house prices easing. Commercial property yields up.

65

National Australia Bank

National Australia Bank

Additional Information

Australia Region, NZ Region and nabCapital

Asset quality

Capital and Funding

Economic outlook

UK Region Update

nab Clydesdale Bank Yorkshire Bank bnz Great Western Bank MLC

National Australia Bank

UK Region Update

Investor presentation

28 April 2009

Lynne Peacock, UK Chief Executive Officer
David Thorburn, UK Executive Director

National Australia Bank Limited ABN 12 004 044 937

nab Clydesdale Bank Yorkshire Bank bnz Great Western Bank MLC

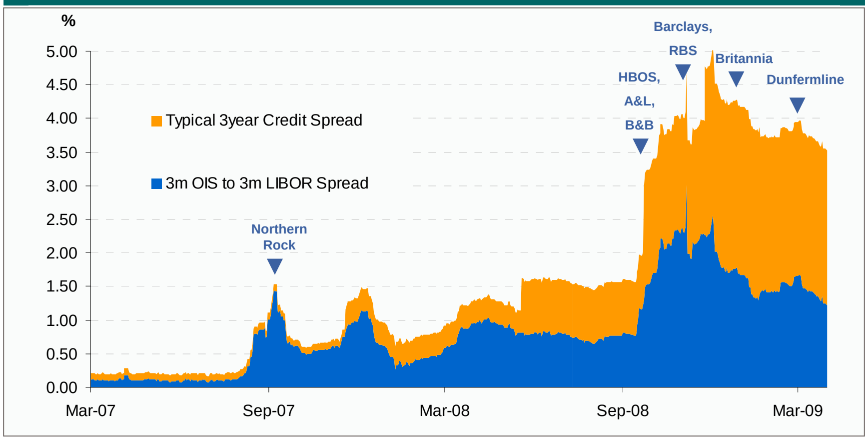
National Australia Bank

Market and Economic Background

nab Clydesdale Bank Yorkshire Bank bnz Great Western Bank MLC

The banking crisis in the UK

Spread movements



69

National Australia Bank

Large scale regulatory and government response

- Large scale re-capitalisation programme, liquidity and funding support
- Customer protection measures
- Implementation of protection against credit losses arising from 'toxic' balance sheet assets

Phase 1 – Initial liquidity support and recapitalisation of UK banking sector (2008)

Capital initiatives
- Government Reconstruction Fund (£37bn injected into RBS, Lloyds & HBOS)
- New Tier 1 capital requirements

Funding & liquidity initiatives
- Special Liquidity Scheme
- Credit Guarantee Scheme
- Interest rates cut to 2.0% (subsequently cut to 0.5%)

Market & customer support
- Deposit Guarantee raised to £50,000, and Financial Services Compensation Scheme imposes levy on ADI's to fund compensation payments
- SME Loan Guarantee Scheme

Phase 2 – Credit impairment, capital, funding and liquidity (2009 - ongoing)

Capital initiatives
- Increase in Government holding in RBS from 58% - 70% (conversion of pref shares to ordinary equity)

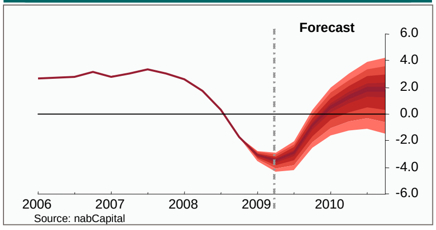
Funding & liquidity initiatives
- Credit Guarantee/Liquidity Schemes extended (end 09)
- Guarantee Scheme for Asset Backed Securities
- Asset Purchase Facility

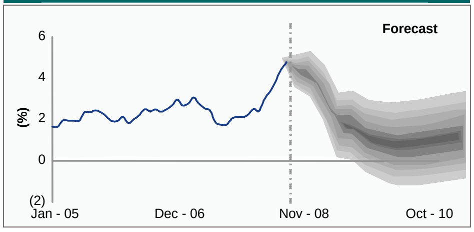
Credit Impairment Support
- Asset Protection Scheme – insurance (beyond first loss and 10% thereafter) against future credit losses arising from 'toxic' asset exposure

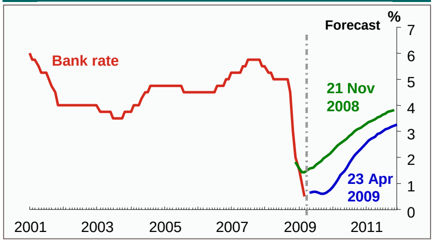
70

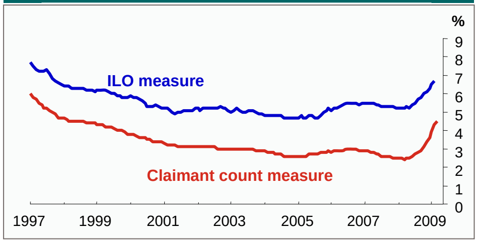
National Australia Bank

Economic impacts

UK GDP forecast


Inflation rate (Bank of England forecasts)


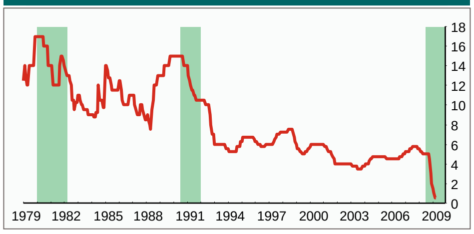
Bank rate and forward curves


UK unemployment rate


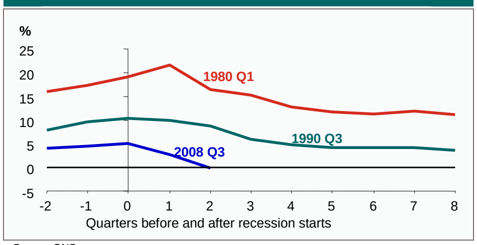
National Australia Bank

Economic impacts - comparison with 1990's

- Low interest rates - underpin the affordability of household and company debt
- Sterling exchange rate depreciated - UK exports more competitive in foreign markets
- Significant falls in energy prices - enhance households' & SME's purchasing power
- Internationally coordinated efforts - previous recessions no consensus
- 'Margin Lending' rare – mitigates downside

Bank rate


Source: Bank of England / ONS

RPI (Percentage change on a year earlier)


Source: ONS

National Australia Bank

Regulatory outlook – Turner Review

- The FSA published the Turner Review in March 2009
- Purpose to review the causes of the current crisis and make recommendations on the changes in regulation and supervisory approach
- The key proposed reforms covers the following key areas;
  - Strengthening the capital adequacy, accounting and liquidity regimes
  - Increasing the scope of regulation
  - Deposit insurance to provide better protection for consumers
  - FSA supervisory approach greater focus on Risk Management and Governance
  - Remuneration structures more risk-based
  - Global cross-border banks
  - Pro-cyclicality
- The 'consultation period' is to June 18th, 2009
- The report makes 38 recommendations 20 requiring international agreement

National Australia Bank

National Australia Bank

UK Results

nab Clydesdale Bank Yorkshire Bank bnz Great Western Bank MLC

UK Region result

£m	Half year to Mar 09	Half year to Mar 08	% Change	Half year to Mar 09	Half year to Sep 08	% Change
Net operating income	**563**	612	(8.0)	**563**	623	(9.6)
Operating expenses	**(325)**	(358)	9.2	**(325)**	(359)	9.5
Underlying profit	**238**	**254**	**(6.3)**	**238**	**264**	**(9.8)**
Charge to provide for bad and doubtful debts	**(168)**	(60)	large	**(168)**	(115)	(46.1)
Cash earnings	**50**	**139**	**(64.0)**	**50**	**110**	**(54.5)**
ROA	**0.24%**	0.79%	(55bps)	**0.24%**	0.59%	(35bps)
CTI	**57.7%**	58.3%	60bps	**57.7%**	57.6%	(10bps)

National Australia Bank

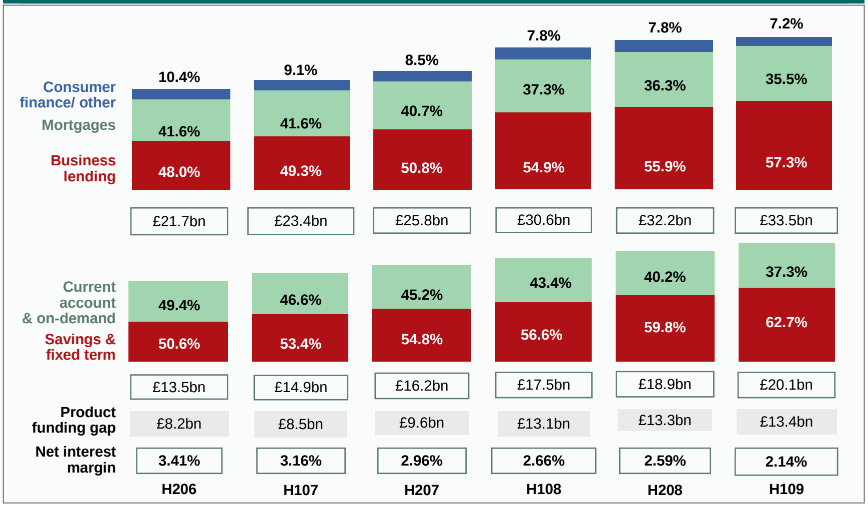
National Australia Bank

Margins and Funding Costs

nab Clydesdale Bank Yorkshire Bank bnz Great Western Bank MLC

Balance sheet reshaping

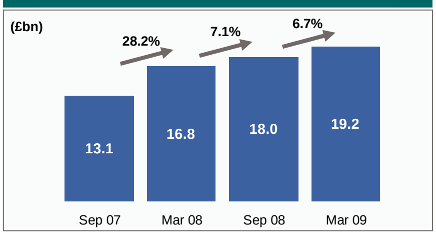
Current shape of average balance sheet



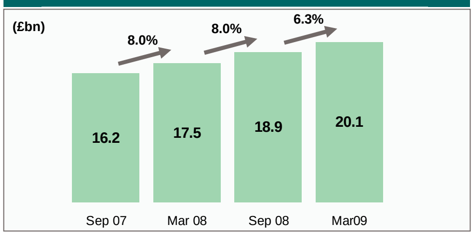
Note all balances are half year averages

UK Region drivers

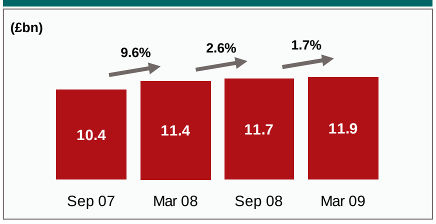
Business lending



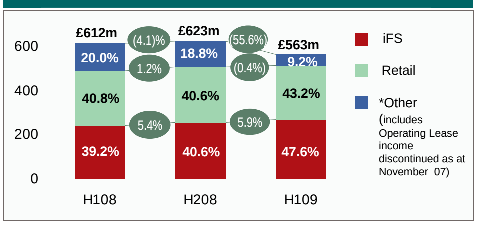
Retail deposits



Housing

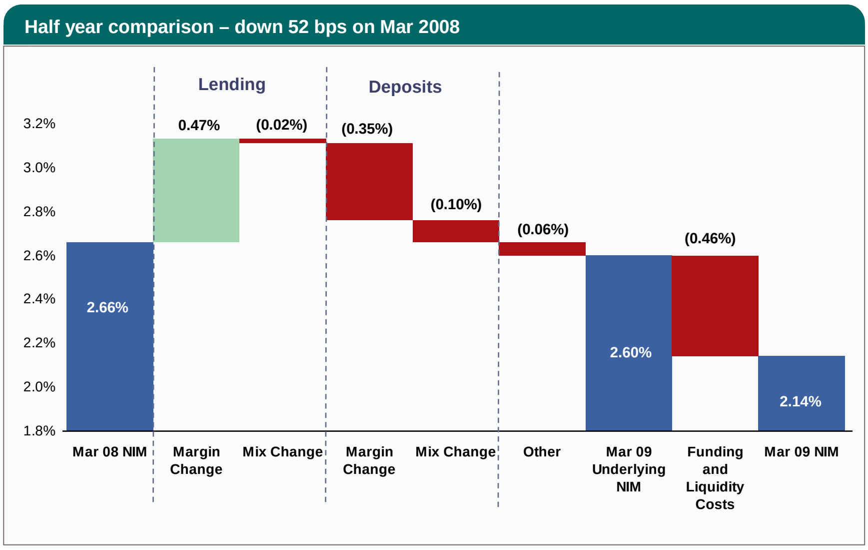


Segmental income



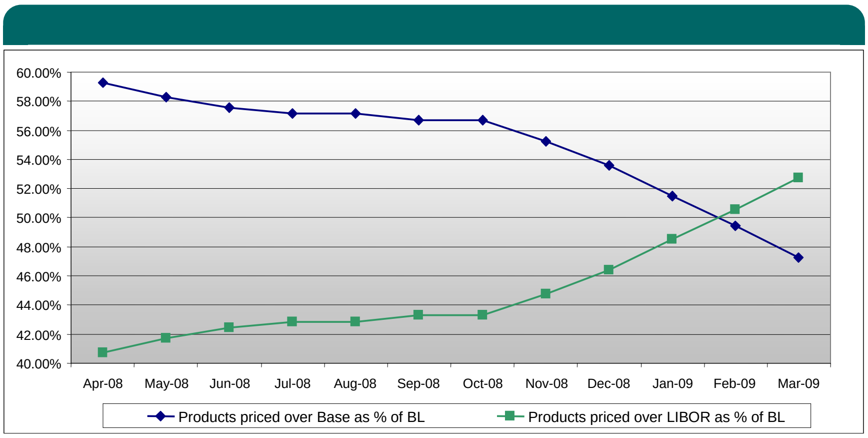
X Half on-half change in total revenue from segment

Net interest margin



National Australia Bank

Business lending pricing*

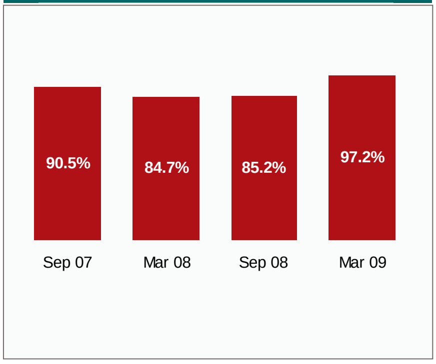


* Data is based on iFS monthly average volumes

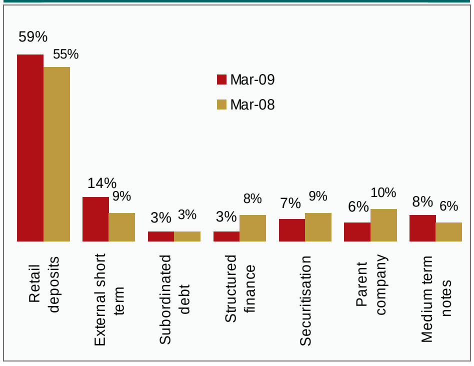
National Australia Bank

Funding mix

Stable Funding Index



Funding mix



Note: Stable Funding Index and funding charts based on based on spot balances.
Funding mix chart based on Clydesdale Bank PLC as at 31 March 2009.

National Australia Bank

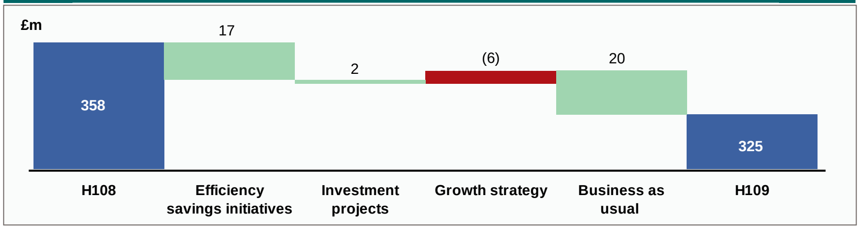
National Australia Bank

Costs and Pensions

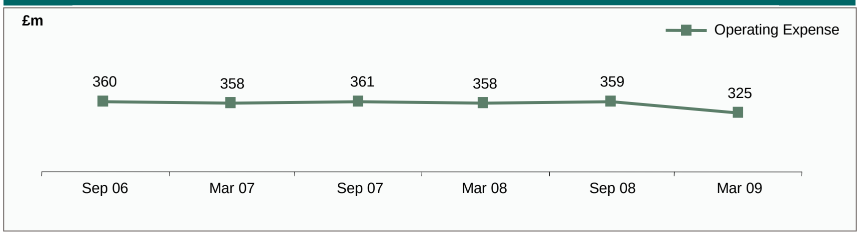
nab Clydesdale Bank Yorkshire Bank bnz Great Western Bank MLC

Operating expenses

Operating expenses: Half year comparison



Operating expenses: Trend

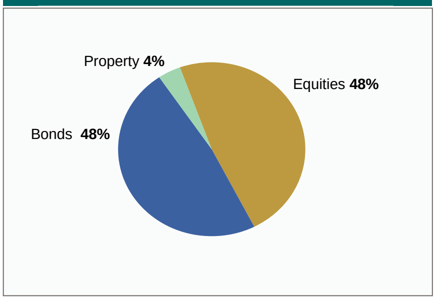


83

Pensions

Assumption	Impact on net pension position	Impact on Group Tier 1 ratio* (Gross of tax)	Impact on Group Tier 1 ratio* (Net of tax)
50bps increase in UK Inflation rate	(£86m)	(5bps)	(4bps)
50bps decrease in UK Inflation rate	£77m	5bps	3bps
50bps increase in corporate bond yield	£118m	7bps	5bps
50bps decrease in corporate bond yield	(£151m)	(9bps)	(7bps)
20% movement in UK equities	+/- £144m	+/- 9bps	+/- 6bps

Pension Fund Assets



- Fall from IAS19 surplus of £249m in Sep 08 to £141m deficit in Mar 09
- Key sensitivities are :-
  - Equity, bond and property prices
  - Liabilities discounted by corporate bond rate
- Further 10% fall in equities est. approximately £72m increase in deficit
- Reforms of 2006 addressed structural shortfall
- Present deficit driven by asset valuation in recession

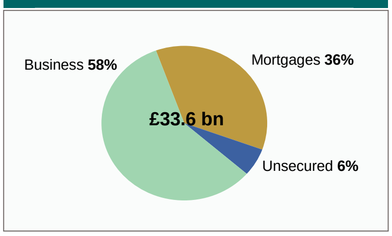
* There is no impact on UK Tier 1 ratio

84

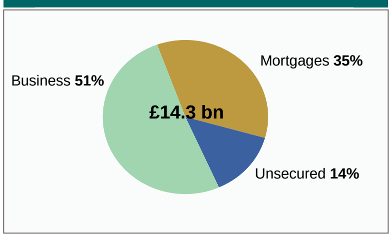
Asset Quality

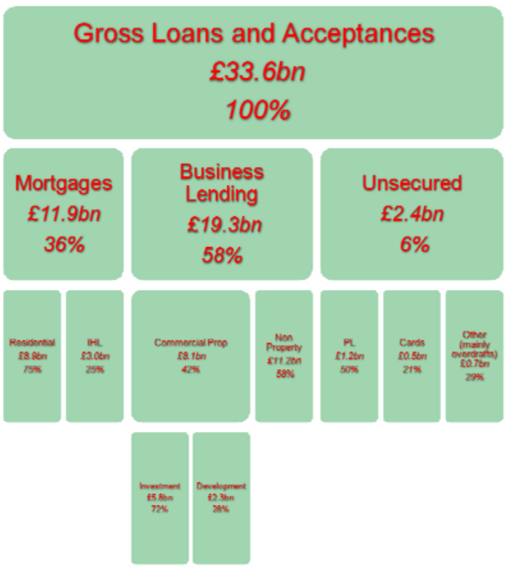
UK portfolio composition

2009 Total portfolio composition



2004 Total portfolio composition

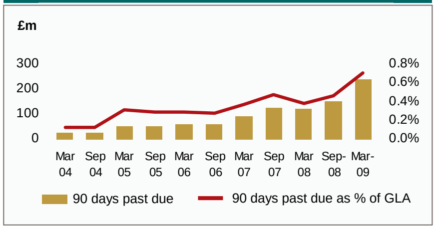




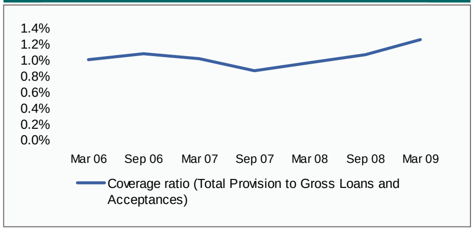
Based on spot balances @ 31 March 2009

Asset quality

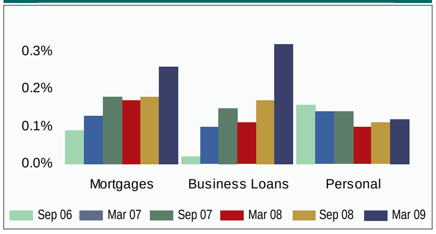
Total 90 days past due as % gross loans & acceptances



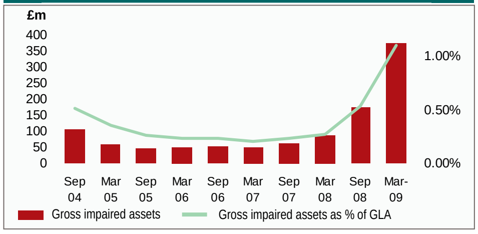
Coverage ratio



90+ days past due as a % of gross loans and acceptances by product



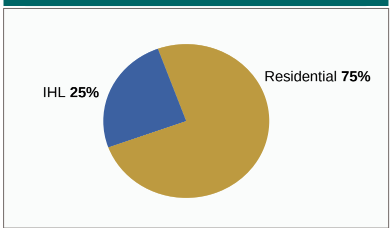
Gross impaired assets



National Australia Bank

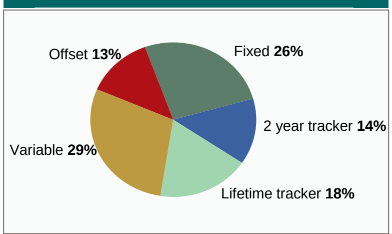
Mortgage portfolio £11.9bn (36% of GLA)

Mortgage type

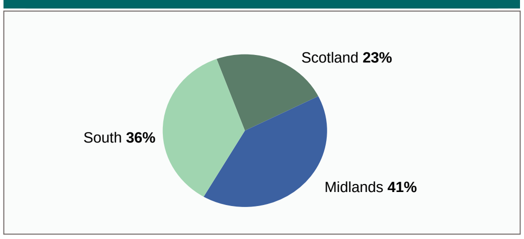


UK Mortgages	Mar 09	Sep 08	Mar 08
Owner Occupied	75%	74%	73%
Investment	25%	26%	27%
Self Certified	0%	0%	0%
LMI Insured % of Total HL Portfolio	1%	1%	1%
Loan to Value (at origination)	63%	63%	63%
90 + days past due (UK Region)	0.75%	0.51%	0.49%
90+ days past due (UK Market) *	1.88%	1.33%	1.02%
Properties taken into possession	38	39	4
Impaired loans	0.19%	0.12%	0.06%
Loss rate	0.02%	0.01%	0.00%

Mortgages split by product



Mortgages split by geography

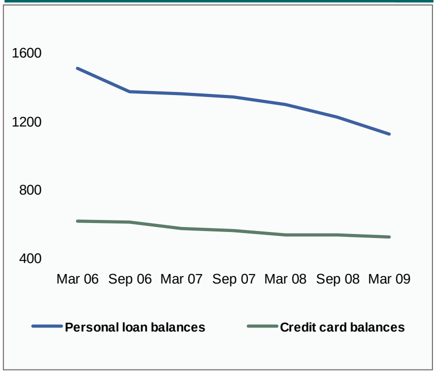


* *as at 31 December 2008*

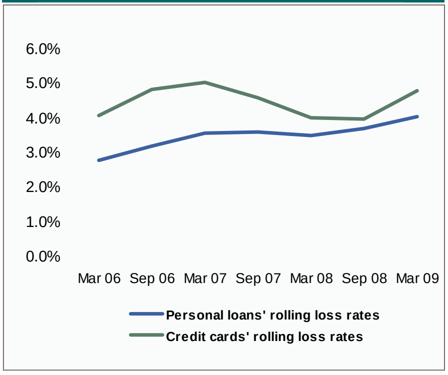
National Australia Bank

Unsecured personal portfolio £2.4bn (6% of GLA)

Outstanding balances (£m)



Rolling loss rates

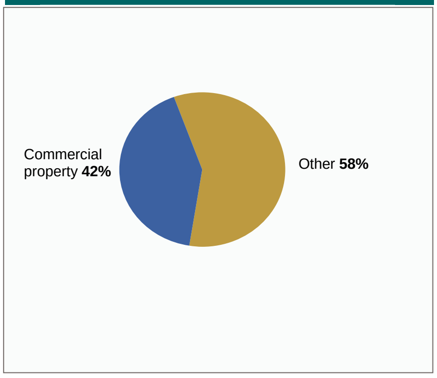


89

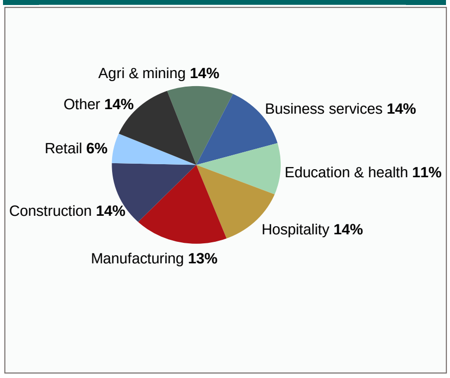
National Australia Bank

Business lending portfolio £19.3bn (58% of GLA)

Business lending portfolio composition



Business lending by sector excluding commercial property

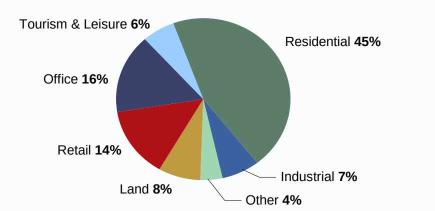


90

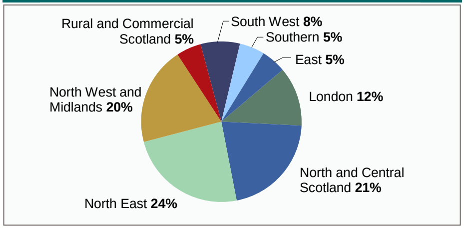
National Australia Bank

Commercial property £8.1bn (24% of GLA)

Distribution by asset class *



Distribution by geography *



Balance distribution *

Customer Loan Balance	Size £	% of Commercial Property Portfolio
< 1M	1.9bn	25%
1M > 2M	1.5bn	20%
2M > 5M	1.9bn	25%
5M > 10M	1.2bn	16%
10M > 15M	0.3bn	4%
15M+	0.8bn	10%
Total	**7.6bn**	**100%**

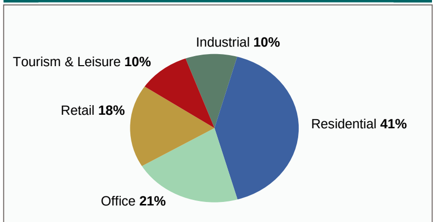
* excludes the transfer of assets from nabCapital

91

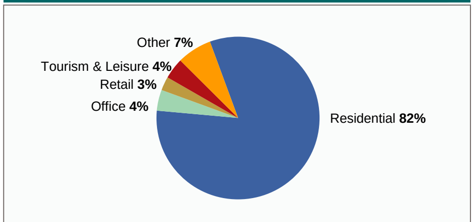
National Australia Bank

Commercial property investment & development lending *

Investment lending



Development lending



Investment lending by balance

Customer Loan Balance	Size £	% of Commercial Property Portfolio
< 1M	1.6bn	21%
1M > 2M	1.0bn	13%
2M > 5M	1.3bn	17%
5M > 10M	0.8bn	11%
10M > 15M	0.1bn	1%
15M+	0.6bn	8%
Total	**5.4bn**	**71%**

Development lending by balance

Customer Loan Balance	Size £	% of Commercial Property Portfolio
< 1M	0.4bn	5%
1M > 2M	0.4bn	5%
2M > 5M	0.6bn	8%
5M > 10M	0.4bn	5%
10M > 15M	0.2bn	3%
15M+	0.2bn	3%
Total	**2.2bn**	**29%**

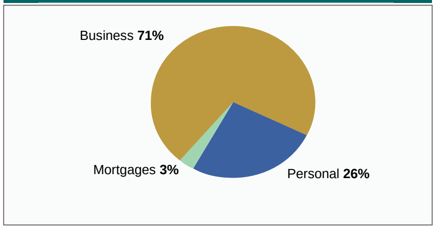
* Analysis excludes transfer of assets from nabCapital

92

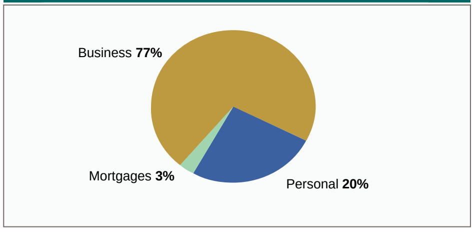
National Australia Bank

Bad and doubtful debts

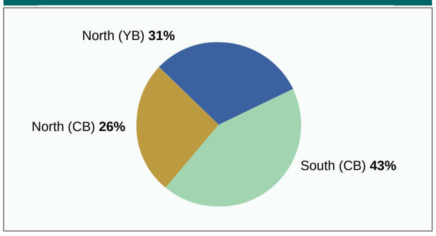
Specific charge by product



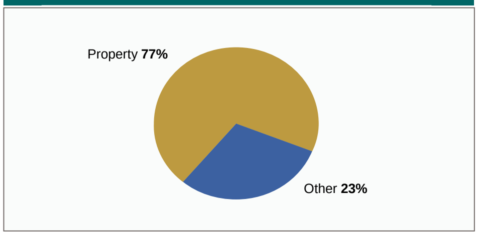
Collective charge by product



Business specific charge by geography



Business specific charge by sector



93

National Australia Bank

Strong risk mitigants in place

- Strong credit culture - independent but embedded Credit Officers in iFS
- Larger value deals centrally approved
- Specialised Property Team on deals > £2.5m on development and >£5m on investment
- Portfolio assurance team created
- File review completed of all Property Development exposure and review underway of Property Investment exposure
- Initiatives developed in conjunction with developers to support and improve liquidity in the market

94

National Australia Bank

Conclusion – Future strategy

- Build out business franchise on iFS platform
- Continue to:
  - Accelerate cost and quality efforts
  - Take advantage of new customer opportunities
  - Maintain focus on deposits and funding
- Examine small acquisition opportunities that add value and de-risk our position
  - Deposit franchises
  - Branches
- Preserve future options and leverage scarcity value

For further information visit www.nabgroup.com or contact:

Nehemiah Richardson
General Manager, Investor Relations
Mobile | 0427 513 233

George Wright
Head of Group Communications
Mobile | 0419 556 616