

2013 Half Year Results

Investor Presentation
9 May 2013

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Executive Director Finance

National Australia Bank Limited ABN 12 004 044 937



Important note on these presentation slides, including the use of non-IFRS financial information

This document is a visual aid accompanying a presentation to analysts by the Group Chief Executive Officer and the Executive Director Finance on 9 May 2013. It is not intended to be read as a stand-alone document. It contains select information, in abbreviated or summary form, and does not purport to be complete. It is intended to be read by an analyst audience familiar with National Australia Bank Limited and its March 2013 Half Year Results, and to be accompanied by the verbal presentation. This document should not be read without first reading the National Australia Bank Limited March 2013 Half Year Results, which has been lodged with the Australian Securities Exchange at the same time as this document and is available at www.nab.com.au.

The verbal presentation to analysts places emphasis on cash earnings measures of the Group's performance. NAB uses cash earnings for its internal management reporting purposes and considers it a better reflection of the Group's underlying performance. Accordingly, as a visual aid to that presentation, information in this document is presented on a cash earnings basis unless otherwise stated.

Cash earnings is calculated by excluding some items which are included within the statutory net profit attributable to owners of the Company. It is not a statutory financial measure and is not presented in accordance with Australian Accounting Standards nor audited or reviewed in accordance with Australian Auditing Standards. **The definition of cash earnings, a discussion of non-cash earnings items and a full reconciliation of the cash earnings to statutory net profit attributable to owners of the company is set out on pages 2-8 of the National Australia Bank Limited March 2013 Half Year Results.**

The Group's financial statements, prepared in accordance with the *Corporations Act* 2001 (Cth) and Australian Accounting Standards, and reviewed by the auditors in accordance with Australian Auditing Standards, are included in Section 5 of the 2013 Half Year Results Announcement.

Note:

- The inclusion of percentage changes in brackets in this document indicates an unfavourable movement on a prior comparative period.
- This document is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. These should be considered, with or without professional advice, when deciding if an investment is appropriate.
- This document contains certain "forward-looking statements". The words "anticipate", "believe", "expect", "project", "forecast", "estimate", "outlook", "likely", "intend", "should", "could", "may", "target", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Group, which may cause actual results to differ materially from those expressed or implied in such statements. There can be no assurance that actual outcomes will not differ materially from these statements.



Solid result from core franchise and improved UK performance

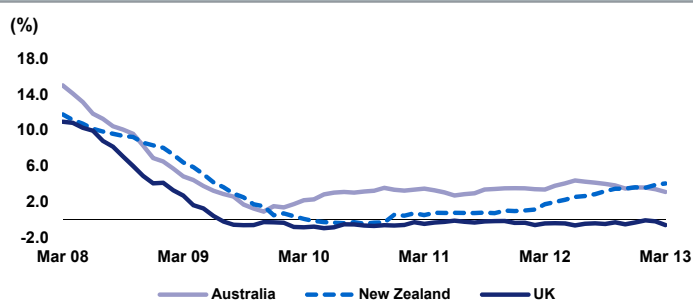
	Mar 13	Mar 13 vs Sep 12	Mar 13 vs Mar 12
Cash earnings (\$m)	2,915	11.9%	3.1%
Dividend (100% franked cps)	93	3.3%	3.3%
APRA Basel III Common Equity Tier 1 ratio	8.22%	32bps ¹	64bps ¹
Cash ROE	14.7%	120bps	(30bps)
Statutory net profit attributable to owners (\$m)	2,520	24.1%	22.8%



3 (1) Estimated comparison to Sep 12 and Mar 12 as APRA Basel III Common Tier 1 ratio was effective from 1 January 2013

Environment remains challenging, especially UK

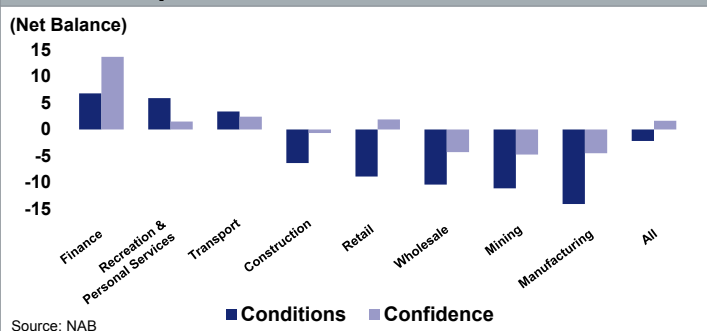
System credit growth % change year-on-year



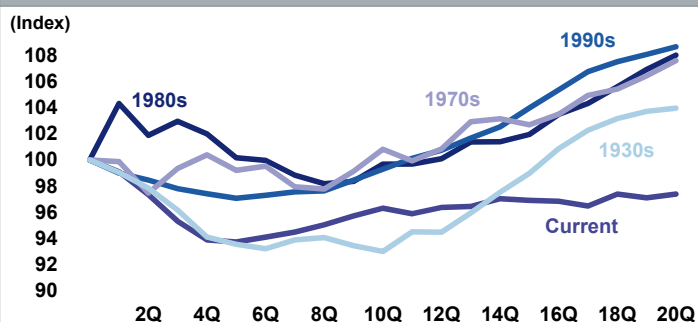
Regulation

- Basel III liquidity
- Domestic systemically important banks (D-SIBs)
- Supervision of Conglomerate Groups
- Dodd-Frank Act
- Changes to superannuation
- UK customer redress

Australian business conditions and confidence – Mar 13 quarter



Quarterly real output path during UK recessions¹



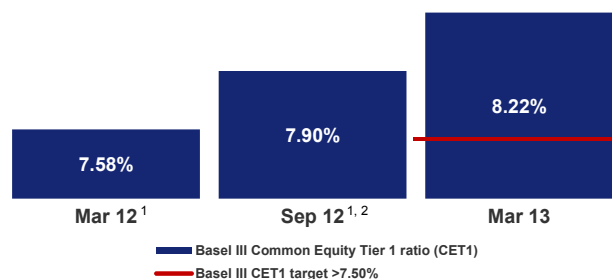
4 (1) Previous peak – 100. Source: NAB Economics, UK Office of Budget Responsibility

Good progress on a number of fronts

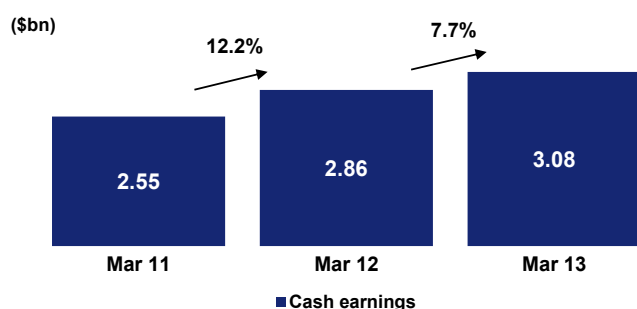
Technology transformation over 1H13

- NAB Connect launched on any smart mobile device
- Commenced roll-out of 130,000 new Verifone merchant terminals
- Money Tracker and PeopleLikeU launched
- Oracle Credit Risk Engine built and being deployed
- Same day settlement for merchants seven days a week
- NAB's private cloud core infrastructure built
- New state of the art data centre built

Basel III Common Equity Tier 1 ratio



Results excluding UK



UK restructuring

Since UK restructuring announcement in April 2012:

- ~£1bn reduction in NAB UK CRE to £5bn (£4.4bn net of provisions)
- Realised £64m of annual run-rate cost savings
 - Reduction of 1,110 FTEs (1,400 planned by 2015)
 - Footprint rationalisation nearing completion
- Clydesdale Bank now 91.6% customer funded
- 150bps increase in Clydesdale Bank Tier 1 Capital ratio to 11.8%

(1) Estimated Basel III Common Equity Tier 1 ratio

(2) The Group's Sep 12 proforma Basel III Common Equity Tier 1 ratio has been amended down by 1bp to 7.90% from the previously reported 7.91%. This reflects minor refinements to NAB's interpretation of APRA's Basel III standards



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Updated strategy aligned to changing landscape

To deliver sustainable, satisfactory returns to shareholders

Enhance Australian franchise

Manage international portfolio for value

Simplify and digitise our business

Meet evolving customer needs

- Simplify and standardise product offering
- Re-engineer and automate processes
- Simplify technology
- Reshape footprint
- Enhance payments and mobile capability

- Deliver world class customer management
- Provide DIY digital options for customers
- Enhance banking services for superannuation and ageing
- Broaden services for Asia active customers

- Maintain strong NZ franchise
- Complete SGA and UK CRE run-off
- Complete UK restructure

NextGen technology and infrastructure

People, culture and reputation

Balance sheet strength

Risk and compliance



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Summary

- Strong balance sheet
- Australia and New Zealand banking performing well
- UK restructure ahead of plan; environment still challenging
- Technology transformation well progressed
- Strategy refreshed

1H13 Financials

Group financial result

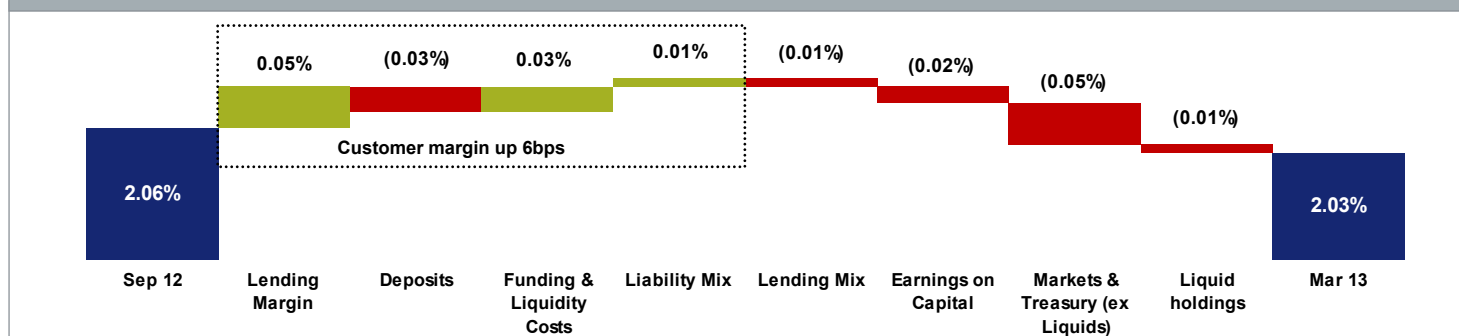
(\$m)	Mar 13	Change on Sep 12	Change on Sep 12 ex ECA	Change on Mar 12
Net operating income	9,250	1.5%		1.6%
Operating expenses	(3,976)	(2.6%)		(0.6%)
Underlying profit	5,274	0.6%		2.3%
B&DDs	(1,092)	26.4%	11.5%	3.4%
Cash earnings	2,915	11.9%	4.8%	3.1%
Cash ROE (%)	14.7%	120bps	30bps	(30bps)
Spot GLAs (\$bn)	500.6	(0.3)		10.2
Spot Customer Deposits (\$bn)	342.4	3.2		22.4
Statutory net profit attributable to owners (\$m)	2,520	24.1%	14.3%	22.8%



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Net interest margin

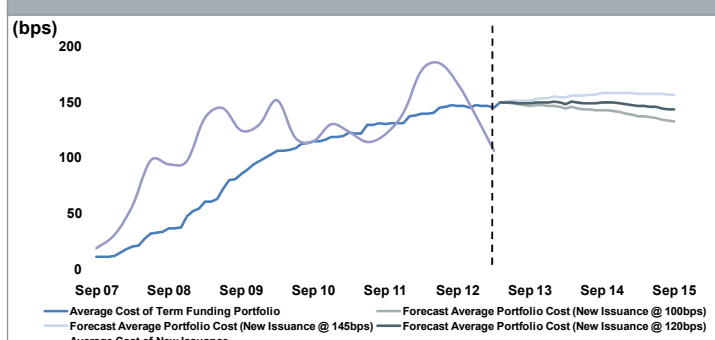
Group net interest margin – half-on-half attribution analysis



Business unit net interest margin

(%)	Mar 13	Margin change on Sep 12	Customer margin ¹ change on Sep 12
Business Banking	2.53	3bps	4bps
Personal Banking	2.09	5bps	9bps
UK Banking	2.06	9bps	4bps
NZ Banking	2.40	2bps	1bp
Group	2.03	(3bps)	6bps

Average Long Term Wholesale Funding Costs²



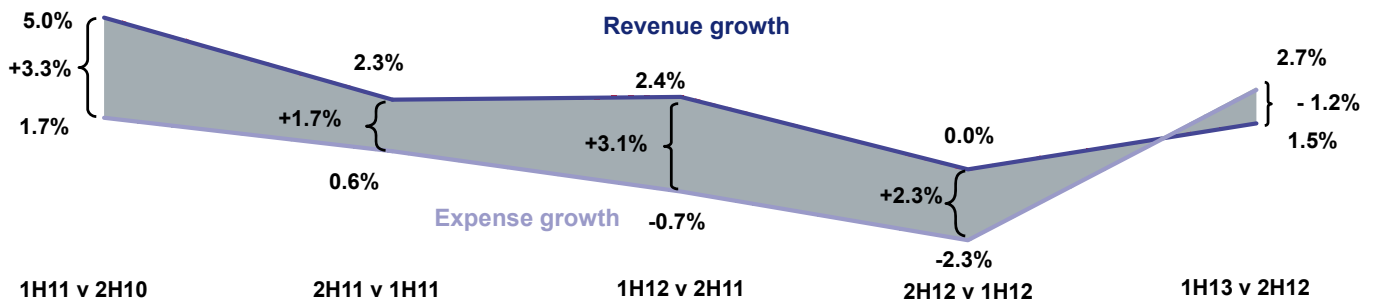
(1) Customer margin comprises lending margin, deposit and funding costs and liability mix
(2) NAB Ltd Term Wholesale Funding Costs >12 Months at issuance (spread at 3 month BBSW). Average cost of new issuance is on a 6 month rolling basis
Forecast assumptions as follows:
- new issuance at 100bps: blended onshore and offshore market levels as at 30 April 2013 (5 year)
- new issuance at 145bps: March 2013 average portfolio cost
- new issuance at 120bps: approximate cost of maturing debt to September 2014



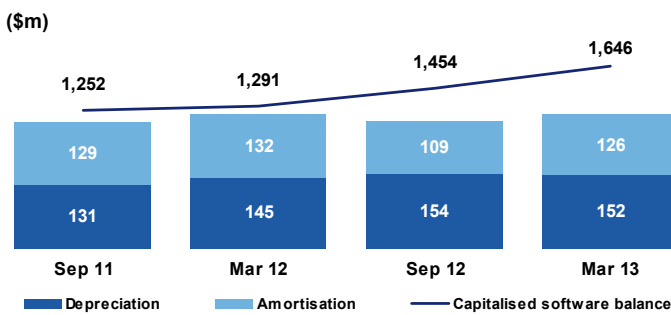
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Operating expense trends

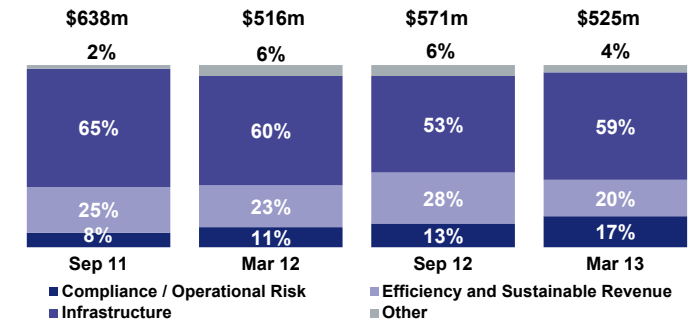
Jaws momentum (ex SCDO and FX)



Depreciation, amortisation and capitalised software balance



Investment spend

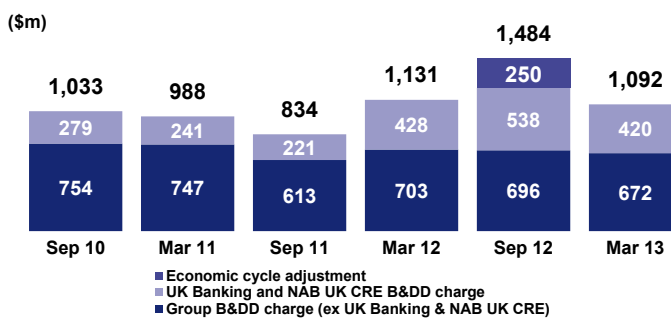


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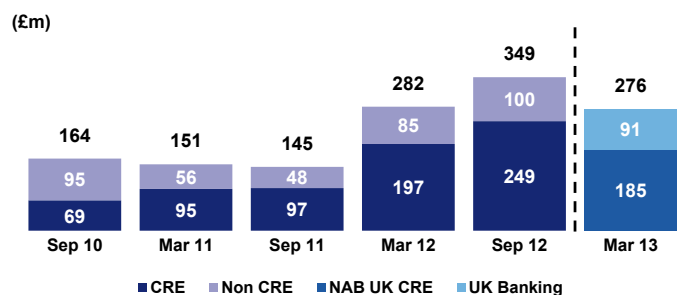


Group B&DD charge

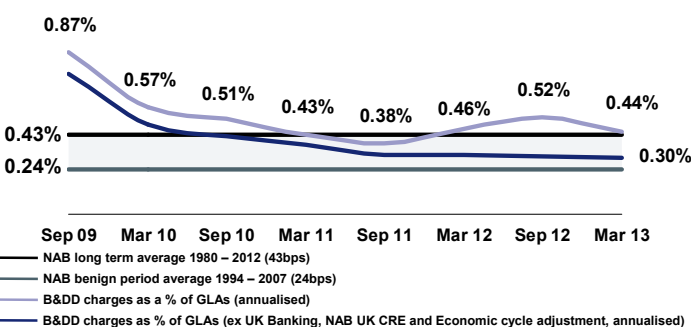
B&DD charge



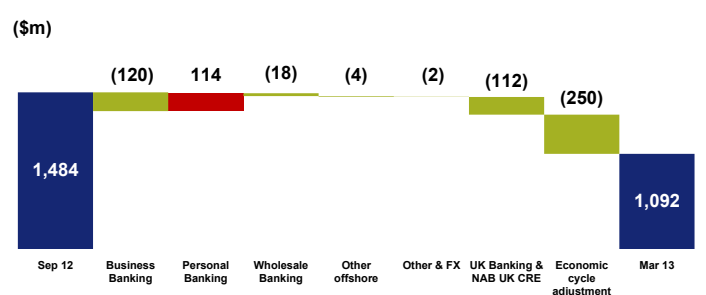
UK Banking & NAB UK CRE B&DD charge



B&DD charge to GLAs – compared to norms



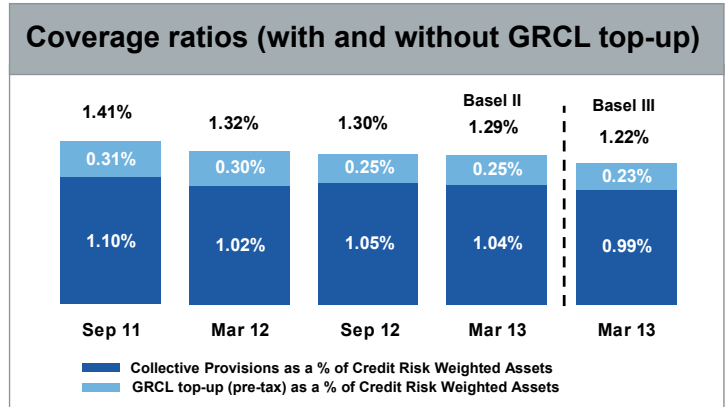
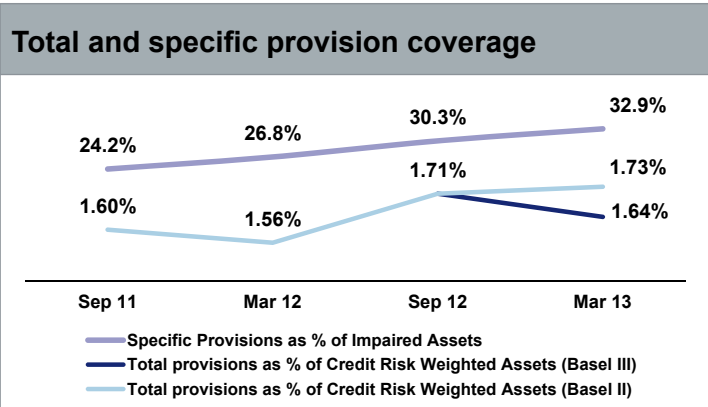
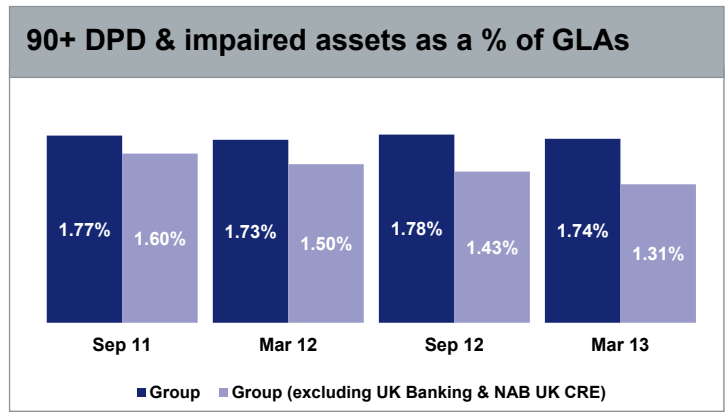
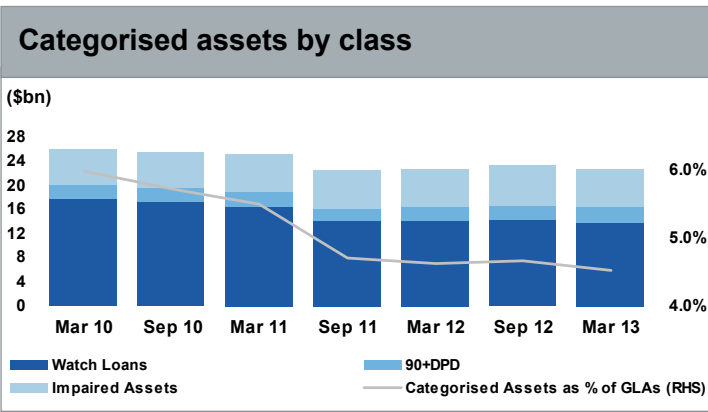
B&DD charge by business (constant currency)



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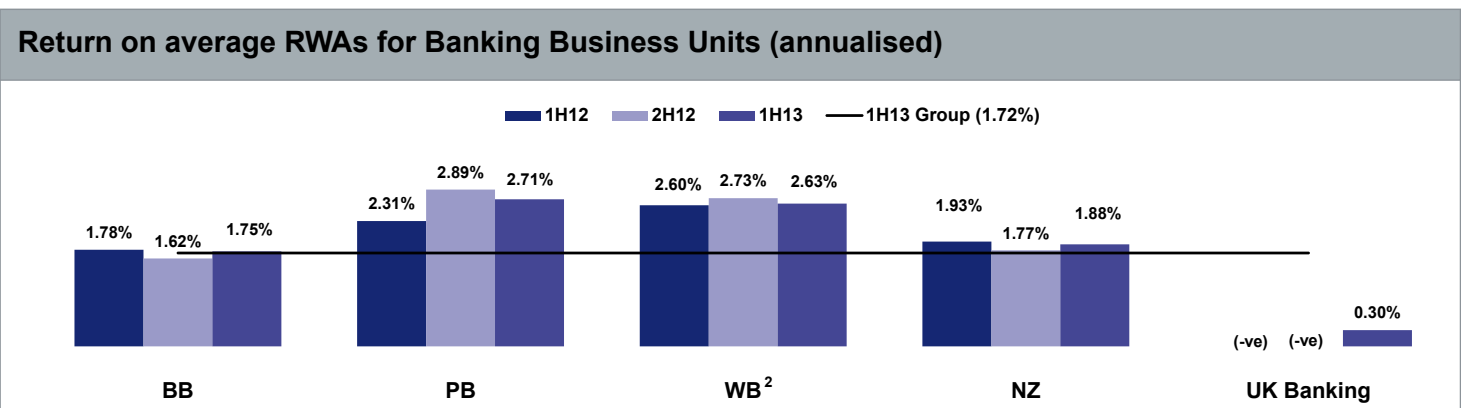
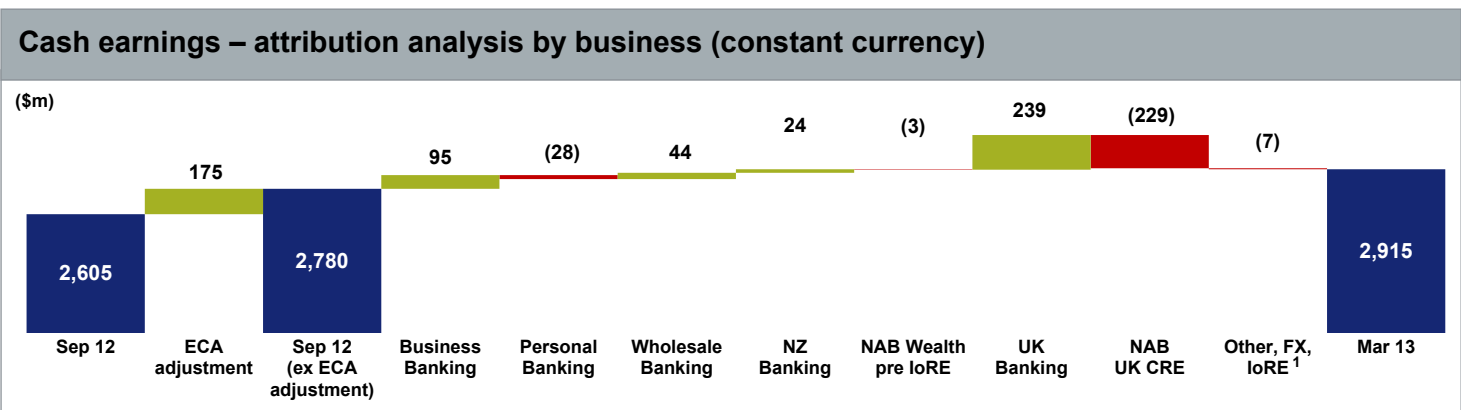


Asset quality and coverage ratios



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Business unit contributions

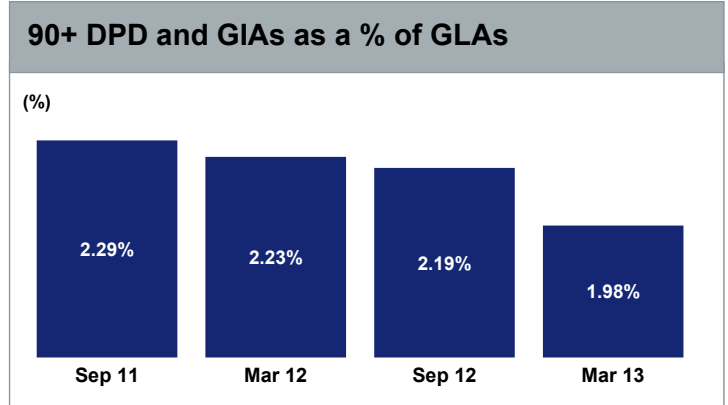
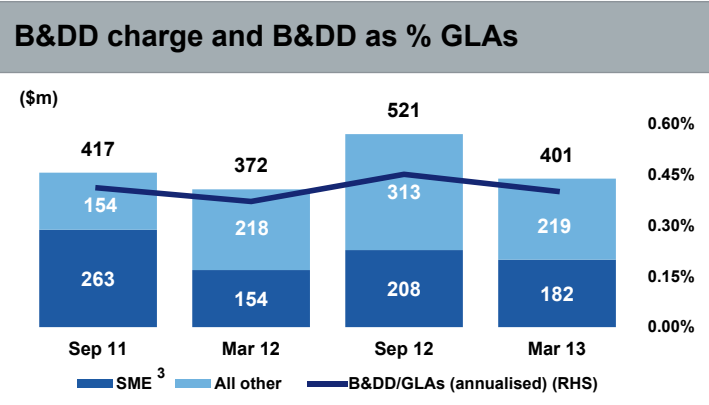
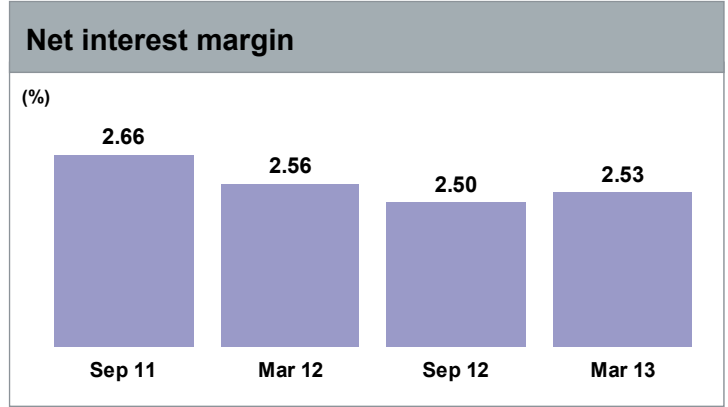
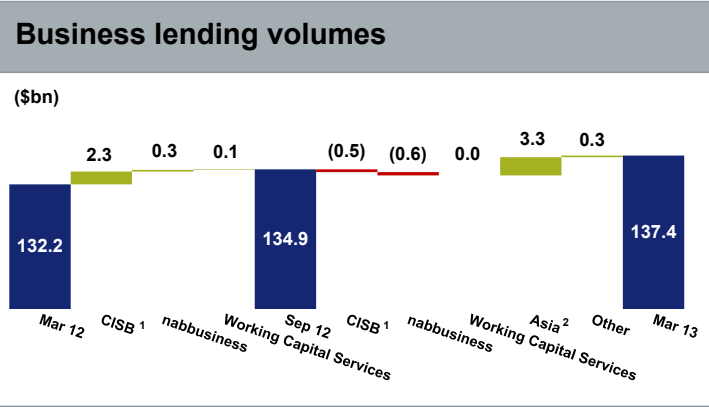


(1) Other comprises SGA, Group Funding, Group Business Services, other supporting units and Great Western Bank
 (2) Wholesale Banking Mar 13 risk-weighted assets increased by \$12.5bn due to the introduction of the Basel III regulatory capital framework



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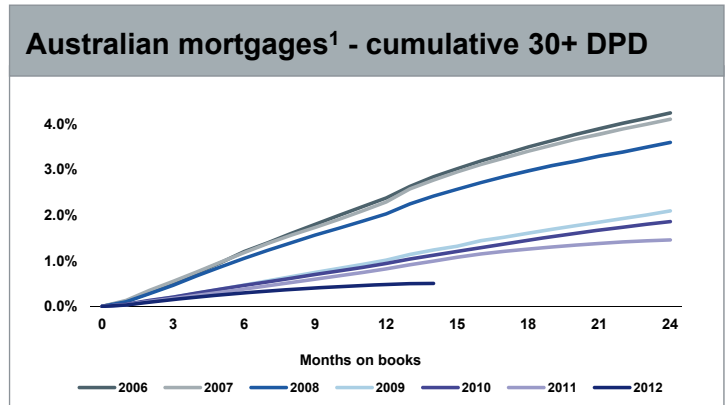
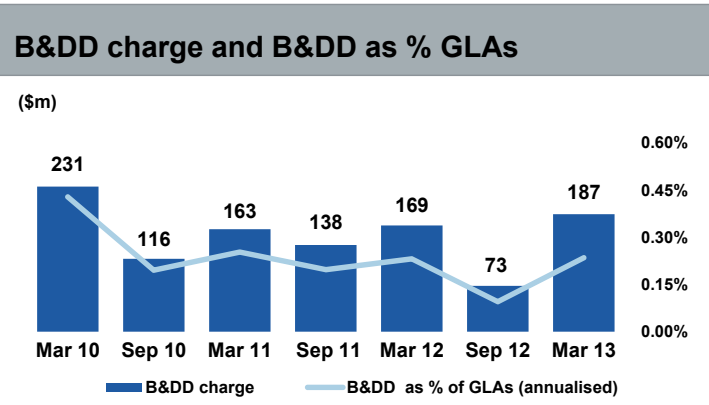
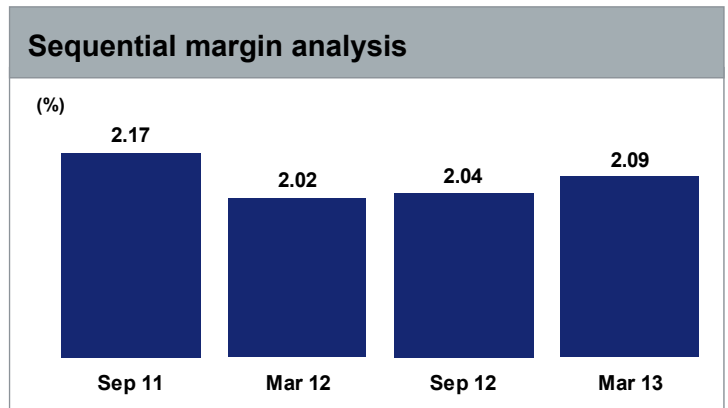
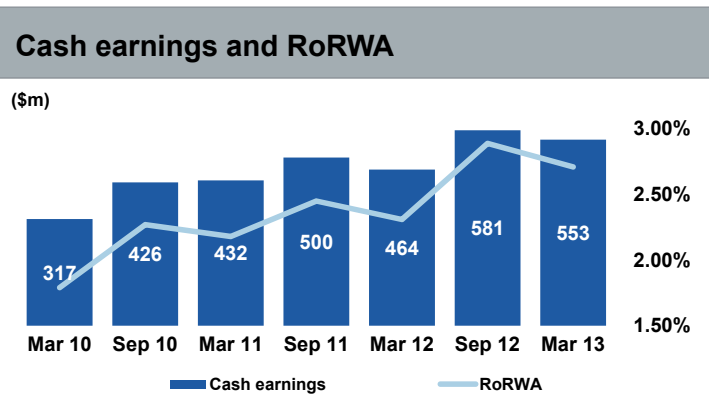
Business Banking



- (1) Corporate, Institutional and Specialised Banking
- (2) Asia transferred from Corporate Functions
- (3) SME business data reflects the nabbusiness segment of Business Banking which supports business customers with lending typically up to \$25m, excluding the Specialised Businesses



Personal Banking

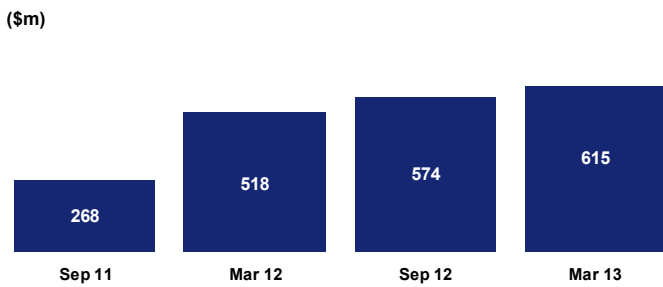


(1) Includes Business Banking and NAB Wealth

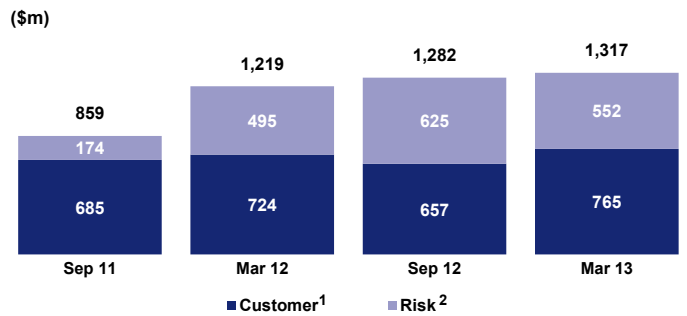


Wholesale Banking

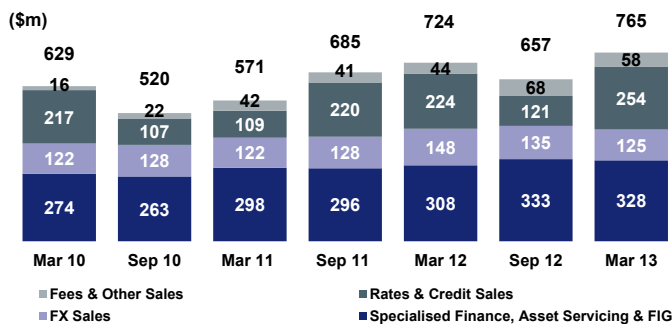
Cash earnings



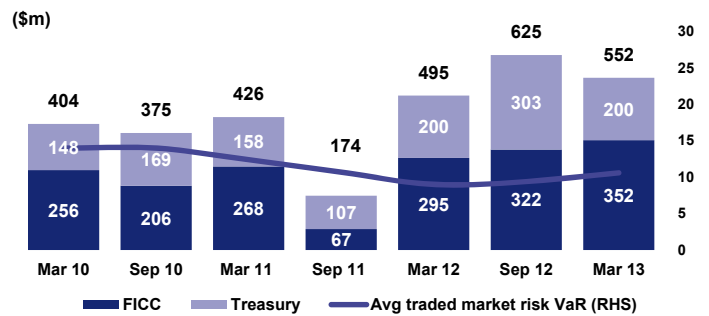
Customer and risk income



Customer income



Risk income

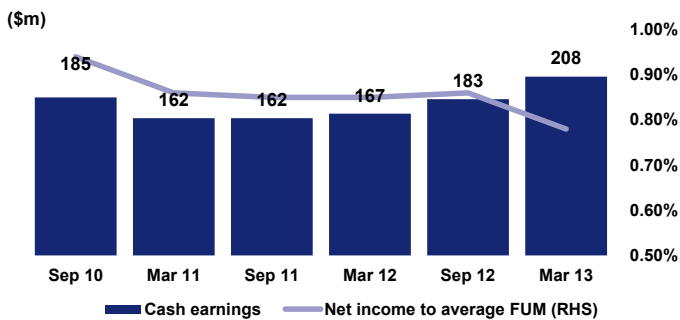


(1) Customer comprises Corporate and Business Risk Management Sales, Asset Servicing, Specialised Finance, Financial Institutions Group (FIG) and non- balance sheet related activities in Global Capital Markets (GCM)
 (2) Risk comprises Treasury, FICC, and GCM

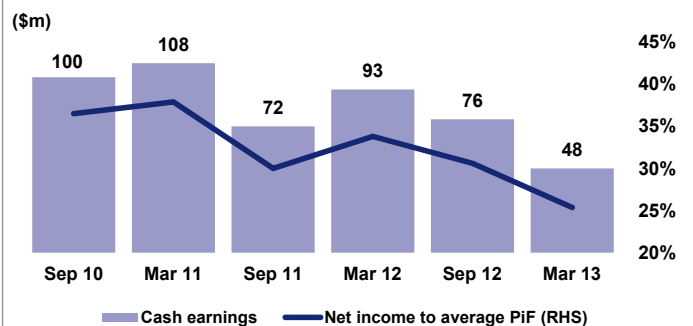


NAB Wealth

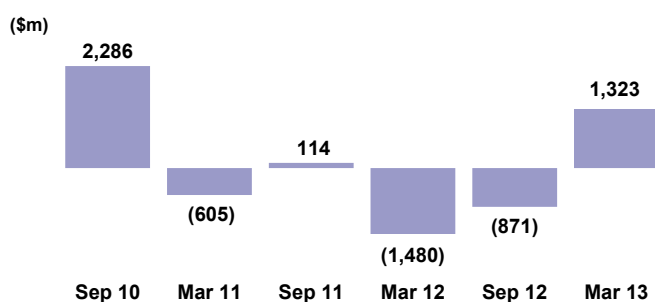
Investments cash earnings and margin



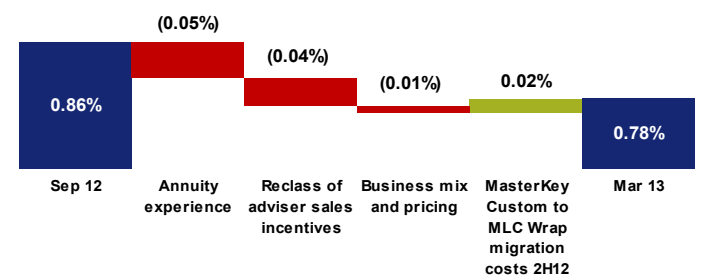
Insurance cash earnings and income to average PiF



FUM¹ net funds flow



Movement in total investments margin

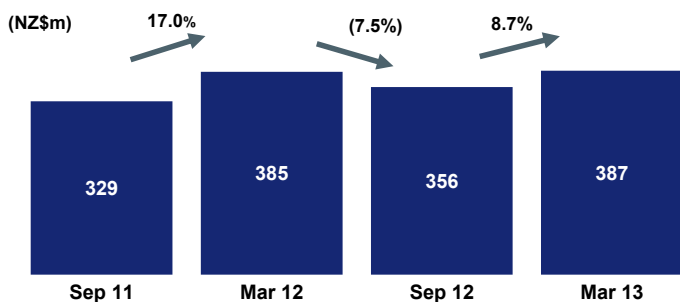


(1) FUM on a proportional ownership basis

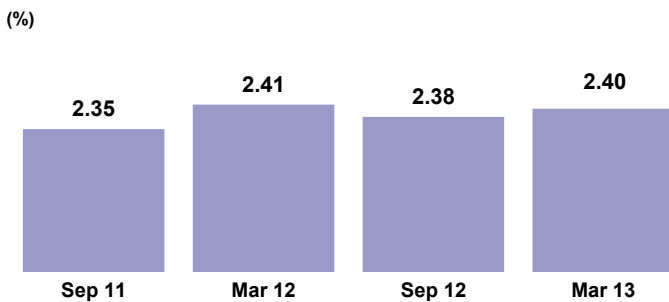


New Zealand Banking and Great Western Bank

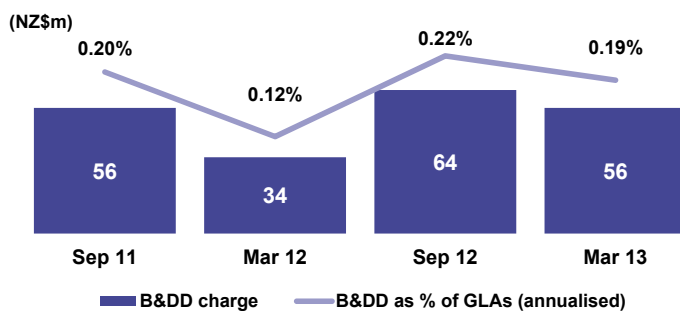
New Zealand Banking - Cash earnings



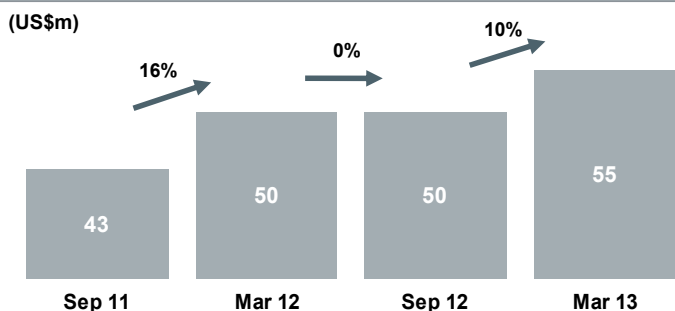
New Zealand Banking - Net interest margin



New Zealand Banking - B&DD charge and B&DD as % of GLAs



Great Western Bank - Cash earnings



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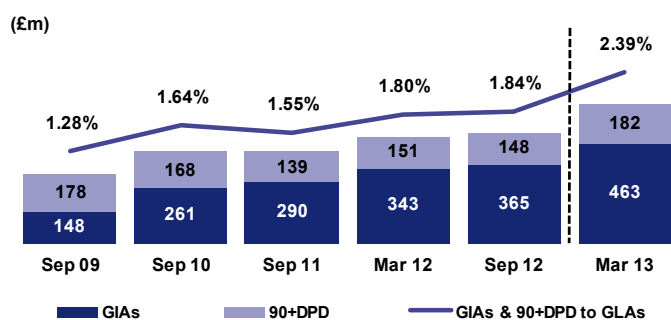


UK Banking

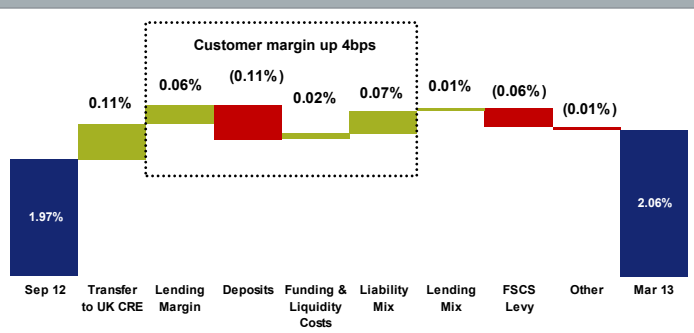
UK Banking proforma¹

(£m)	1H13 Result	2H12 Actual	2H12 Proforma
Income	490	553	514
Expenses	(345)	(349)	(342)
B&DDs	(91)	(349)	(100)
Cash earnings	41	(114)	49
CB Tier 1 ratio (%)	11.8%	9.6%	11.6%
CB Assets (£bn)	37.5	44.2	39.0

Credit quality excluding CRE²



Net interest margin



Other matters

- IAS19 pension deficit was £72m at Mar 13 down from £301m at Sep 12
- PPI claims reduced; provision of £51m remaining at Mar 13 (£108m at Sep 12). Provision usage for month of March was £6m
- Charges taken for other customer redress issues in the half of £23m. Additional £15m taken for interest rate derivative products (reported in Corporate Centre)
- Total provision for non-PPI customer redress, including claims related to interest rate derivatives, amounts to £83m at 31 Mar 13

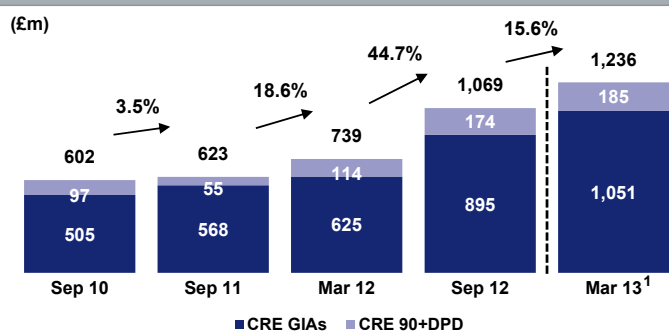
(1) Proforma is unaudited and provided for illustrative purposes only. It has been prepared based on estimations and limitations and is not a full accounting restatement. See page 73 of the March 2013 Half Year Result for further details

(2) Sep 09 to Sep 12 UK Banking excluding CRE. Mar 13 reflects UK Banking (ie excludes transferred NAB UK CRE portfolio)

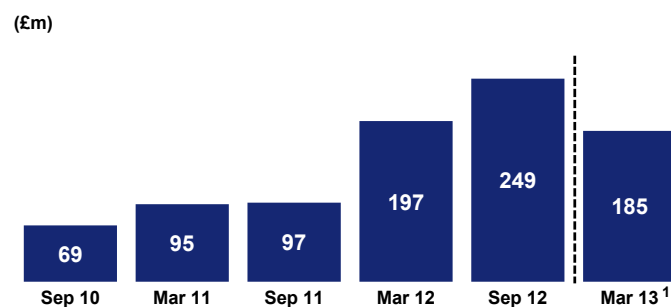
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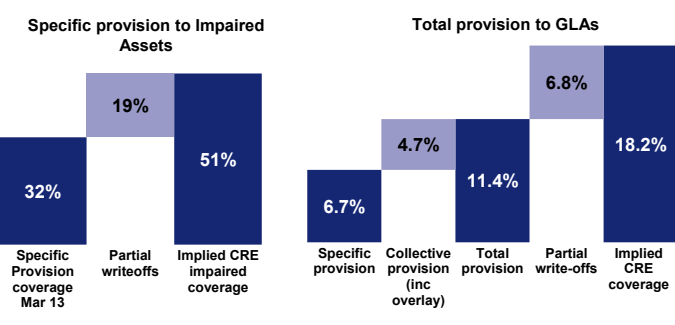
UK CRE credit quality – indicative comparisons



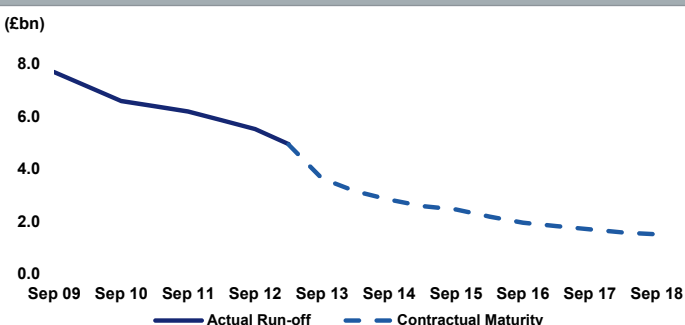
UK CRE B&DD charge – indicative comparisons



Provision coverage – March 2013



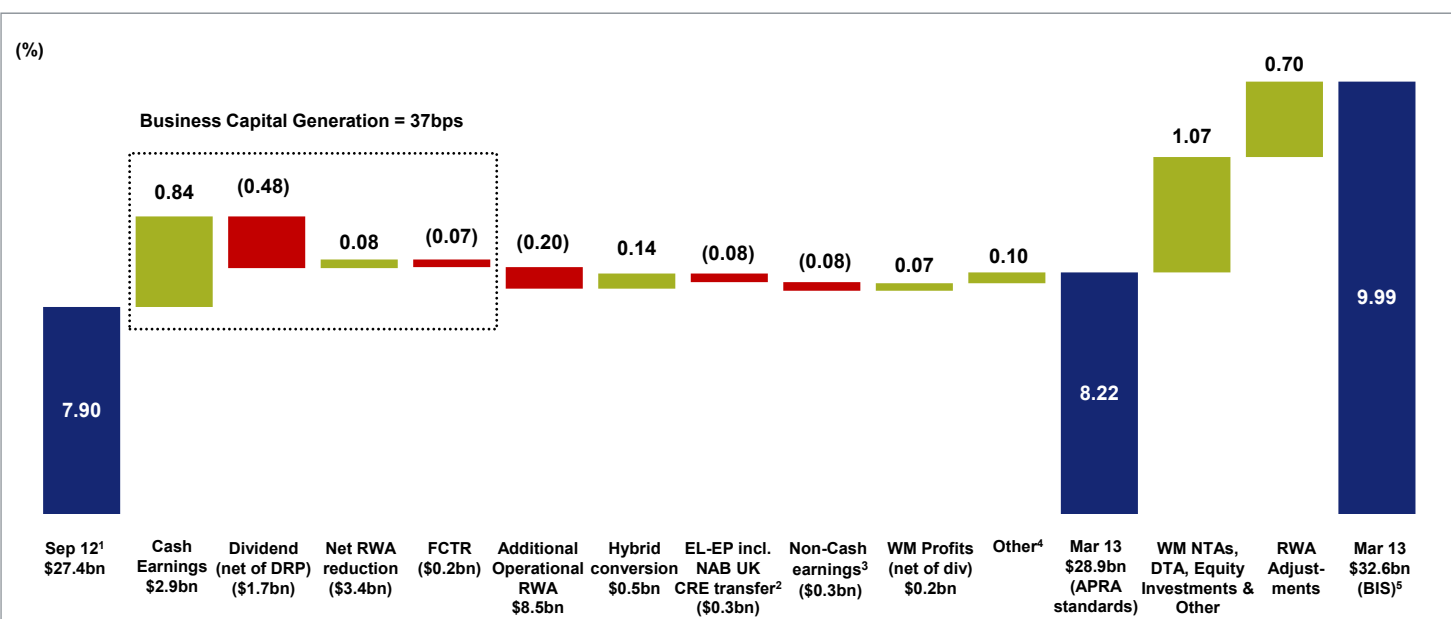
NAB UK CRE run off¹



21 (1) Represents CRE portfolio within UK Banking to September 2012 and the NAB UK CRE run-off portfolio for March 2013



Strong Basel III Common Equity Tier 1 Capital Position



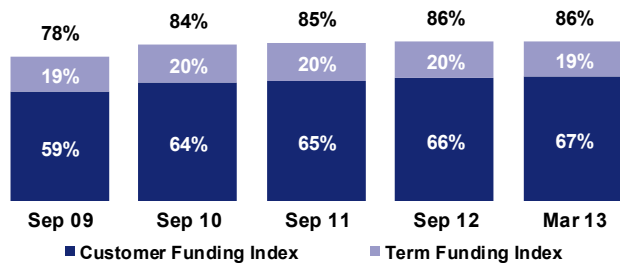
- APRA Basel III Common Equity Tier 1 target for the Group of >7.5%
- \$500m hybrid converted to NAB ordinary shares on 30 November 2012 (+14bps)
- Higher Operational RWAs included in the December 2012 quarter due to increased regulatory requirements (-20bps)
- Final FY12 dividend paid was 90c. Interim FY13 dividend will be 93c paid in July 2013
- All outstanding Tier 1 and Tier 2 securities as at 31 December 2012 are subject to transitional relief from 1 January 2013

(1) The Group's September 2012 proforma Common Equity Tier 1 ratio has been amended down by 1bps to 7.90% from the previously reported estimated position of 7.91%. This reflects minor refinements to NAB's interpretation of APRA's Basel III standards
 (2) The transfer of NAB UK CRE portfolio from Clydesdale Bank to NAB Ltd results in the portfolio's RWAs being calculated using an IRB approach. This has resulted in an increase in the Group's capital deduction relating to Expected Loss less Eligible Provisions
 (3) Non-cash earnings impact after adjusting for distributions, treasury shares and separately disclosed items not affecting regulatory capital
 (4) Other includes movements in the Deferred Tax Assets (DTA), Pension Deficit, Capitalised Software and other immaterial movements
 (5) The Group's March 2013 Common Equity Tier 1 ratio (BIS) is consistent with the Australian Bankers' Association Fact Sheet "Comparison of APRA and the Basel Committee on Banking Supervision Basel III Capital Ratios", released 14 December 2012

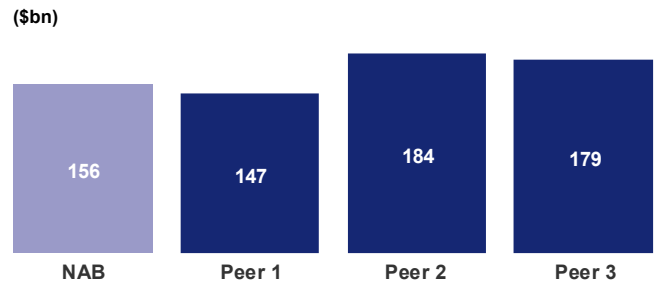


Balance sheet strength remains a priority

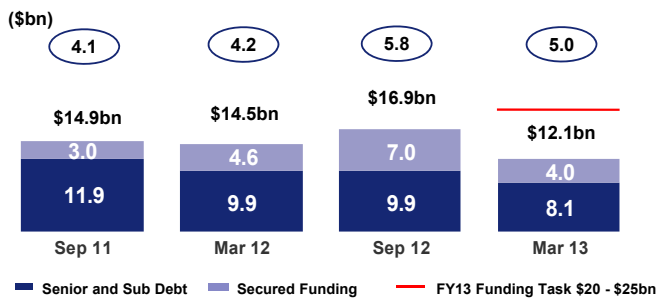
Group Stable Funding Index (SFI)



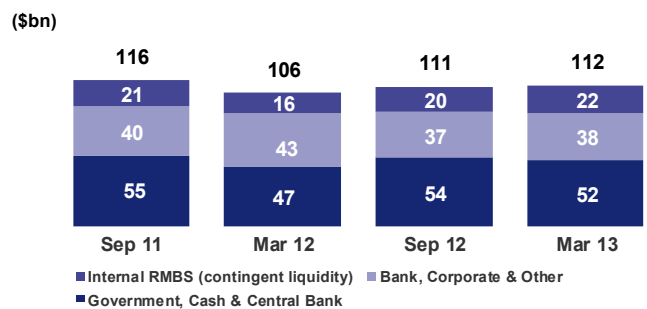
Australian funding gap¹



Term funding – volume and tenor² of new issuance



Conservative liquid assets



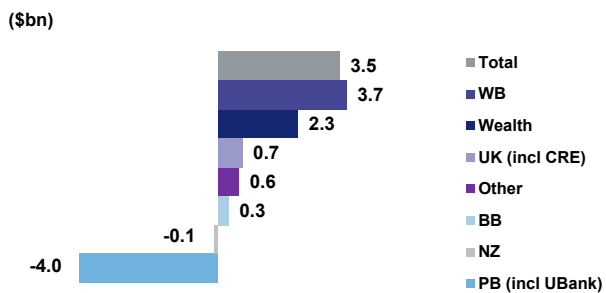
Tenor²

- (1) Australian funding gap = total loans and acceptances less total deposits (excluding certificates of deposit and financial corporation deposits). Source: APRA Monthly Banking Statistics (Mar 2013)
- (2) Weighted average maturity (years) of term funding issuance (> 12 months)

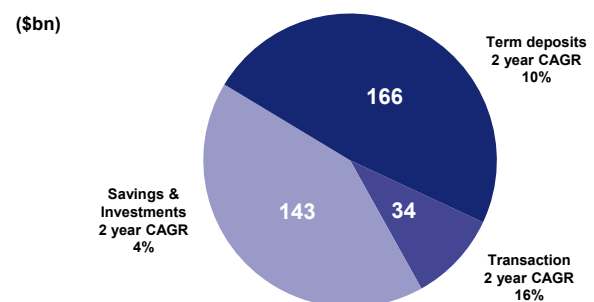


Remain focused on growing customer deposits

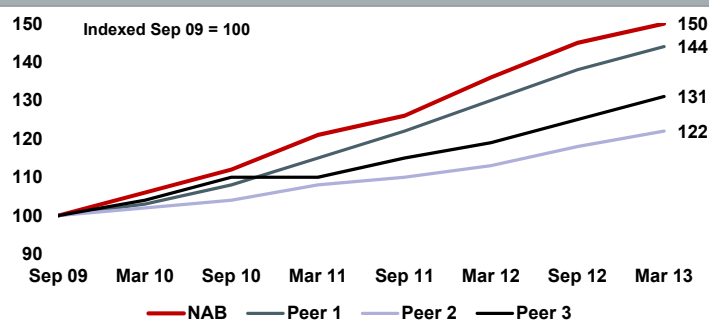
Customer deposits growth less lending growth – Mar 13 vs Sep 12¹



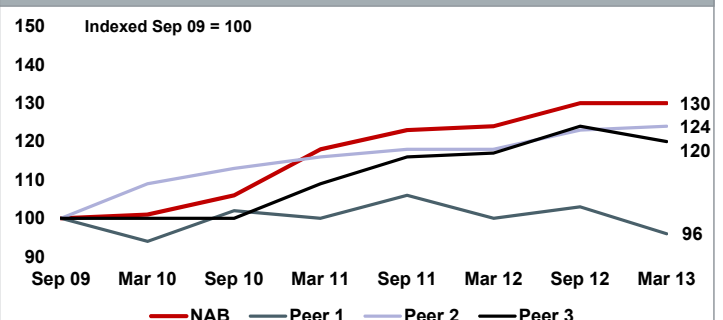
Group customer deposits by product – Mar 13



Household deposit growth²



Business deposit growth²



(1) Sep 12 customer deposits and lending have been restated to reflect that 'other' includes SGA and excludes Asia, which is reported under Business Banking and Wealth for Mar 13
 (2) APRA Monthly Banking Statistics (Mar 2013). Business Deposits excludes financial corporation deposits and certificates of deposits



Summary

- Good momentum in the Australia and New Zealand franchises
- UK still challenging, but bad and doubtful debts declined
- Asset quality improved, especially in Business Banking
- Strong organic capital generation with Common Equity Tier 1 well above minimum

Questions

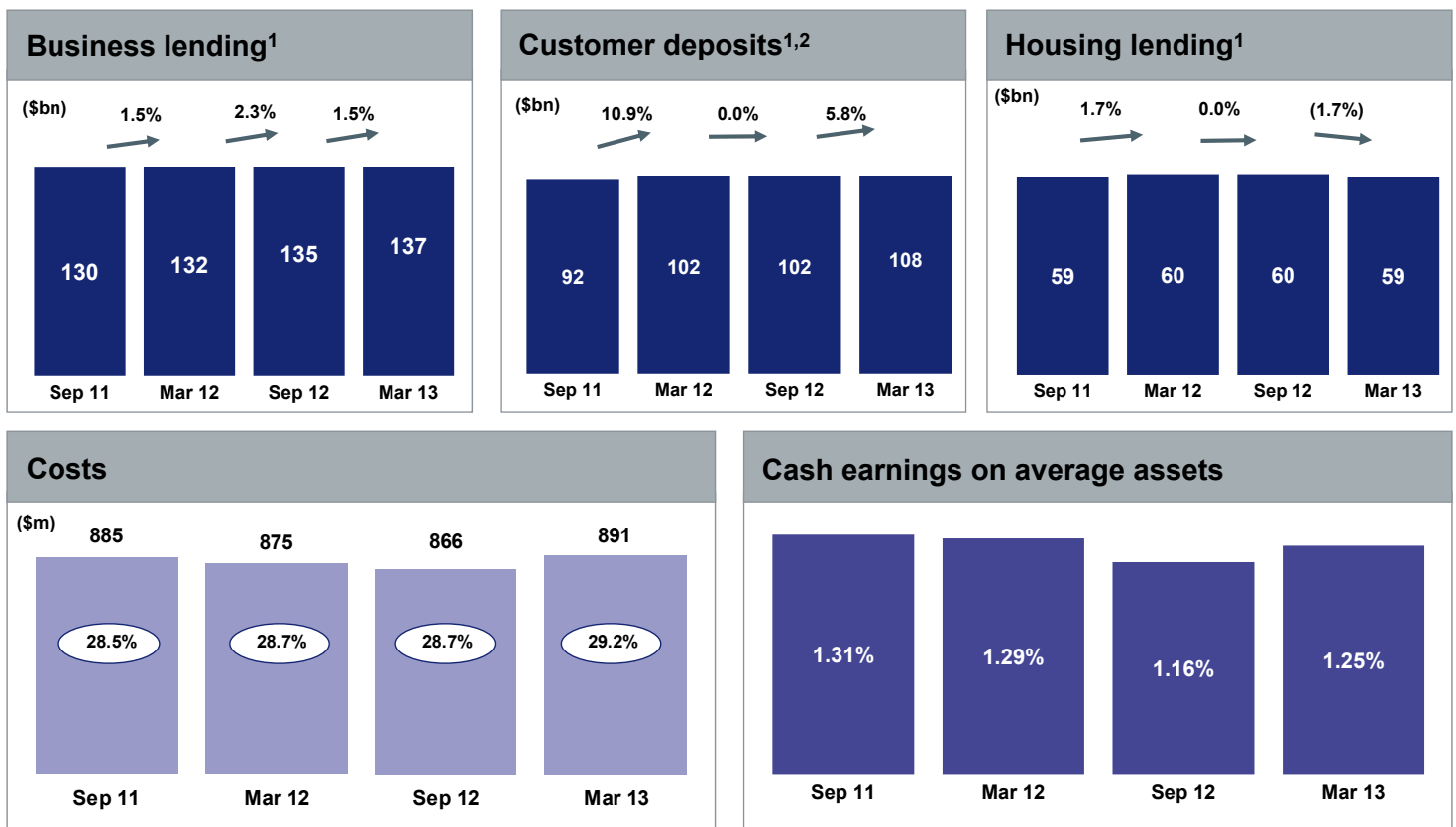
Additional Information

Business Banking

Personal Banking
 Wholesale Banking
 NAB Wealth
 NZ Banking
 UK Banking
 NAB UK CRE
 Great Western Bank
 Asset Quality
 Capital and Funding
 Other
 Economic Outlook



Business Banking



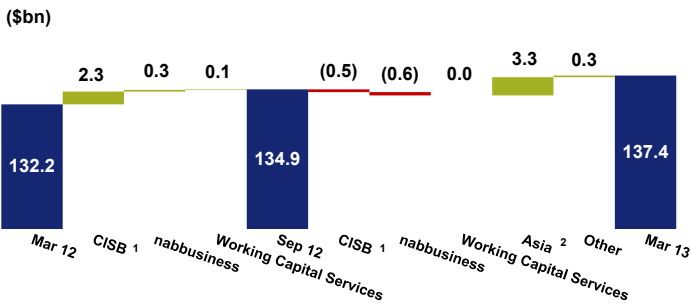
% Cost to income ratio

(1) Average volumes
 (2) Includes retail and institutional deposits

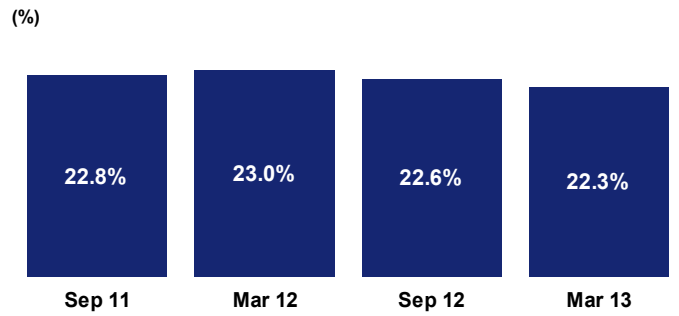


Business Banking

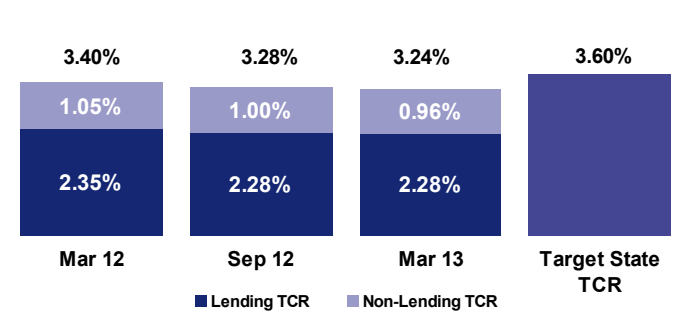
Business lending volumes



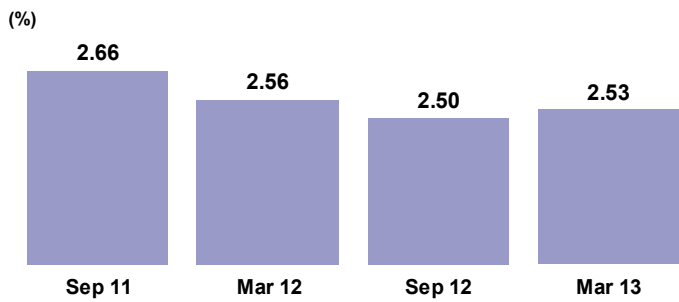
Business lending market share³



Enterprise cross-sell focus – Total Customer Returns⁴



Net interest margin

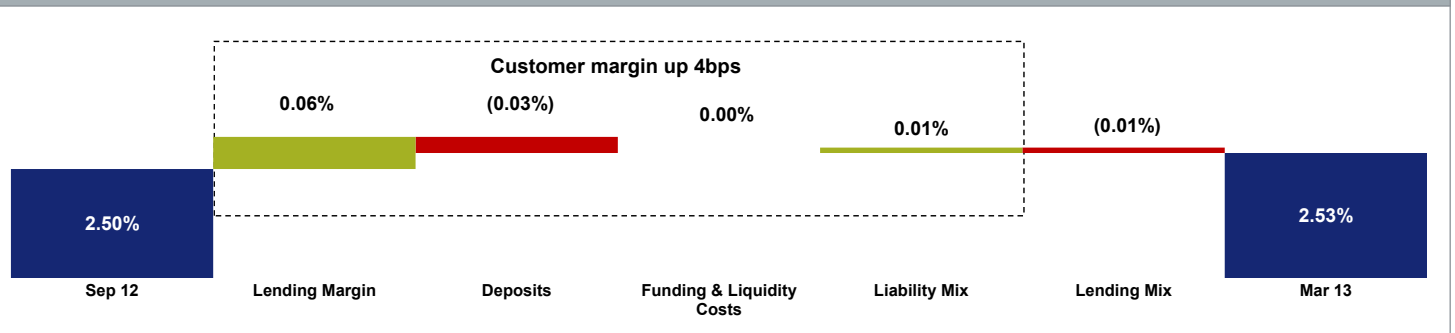


- (1) Corporate, Institutional and Specialised Banking
 (2) Asia transferred from Corporate Functions
 (3) RBA Financial System / NAB
 (4) TCR is an internal management tool used to measure banker cross sell effectiveness. From March 2013 the calculation of TCR has been changed to reflect refinements to funding costs (improving comparability across periods), and the inclusion of Asia

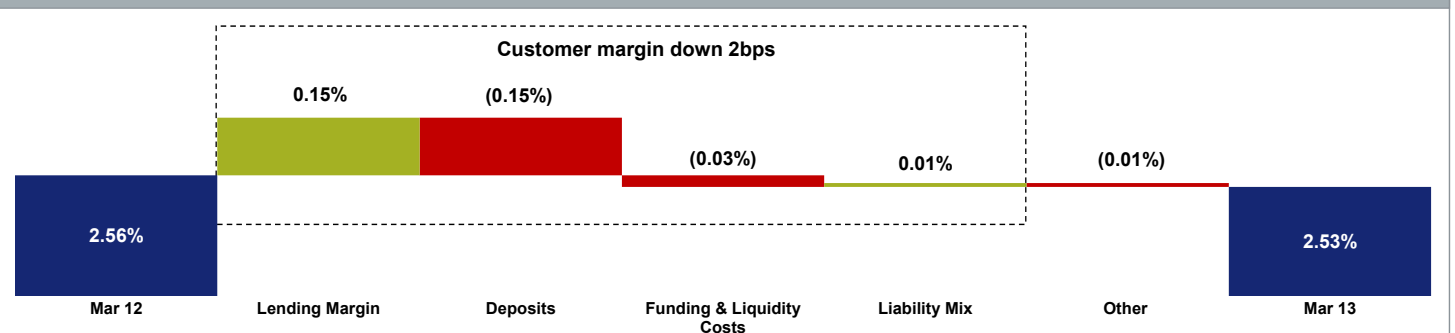


Business Banking: Net interest margin

March 13 v September 12

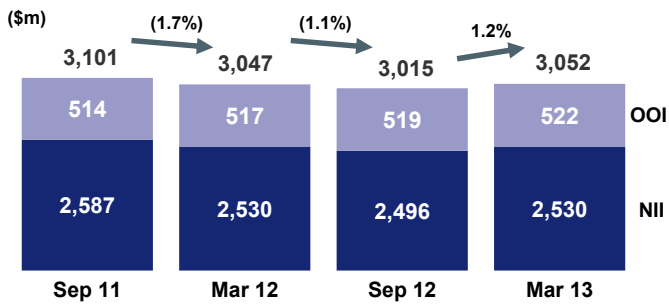


March 13 v March 12

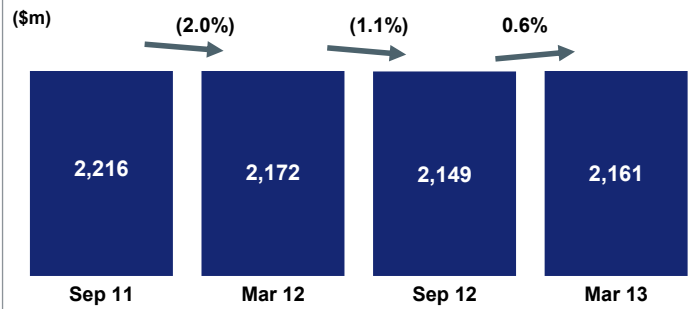


Business Banking

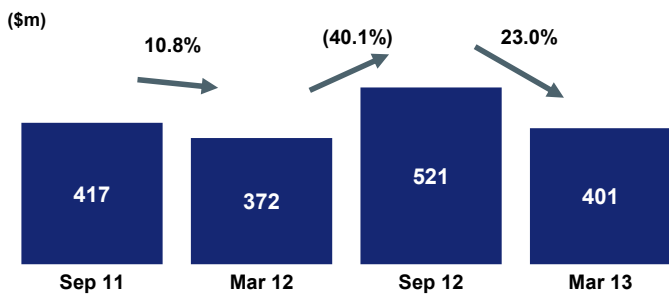
Revenue



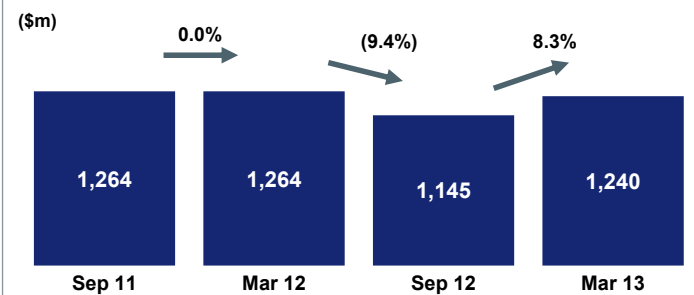
Underlying profit



B&DD charge



Cash earnings

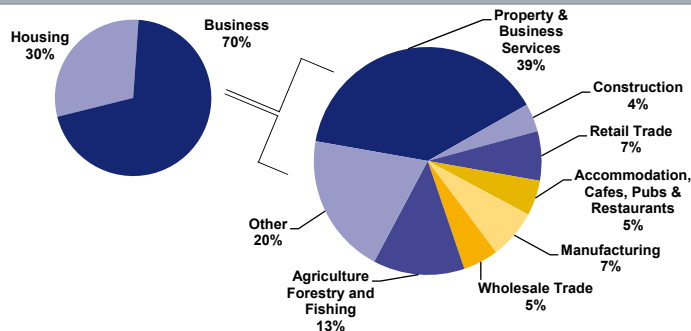


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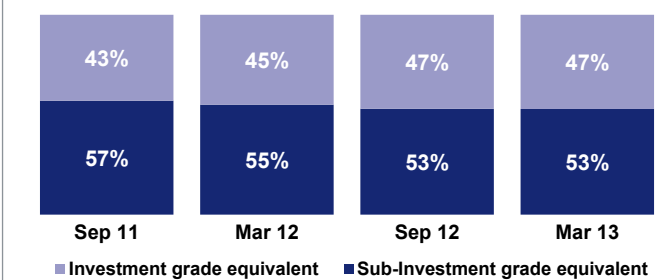


Business Banking: Asset Quality

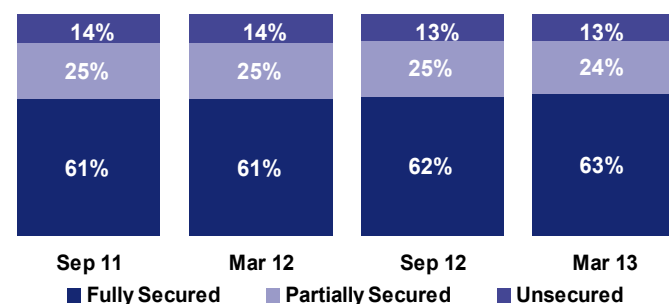
Diverse assets¹



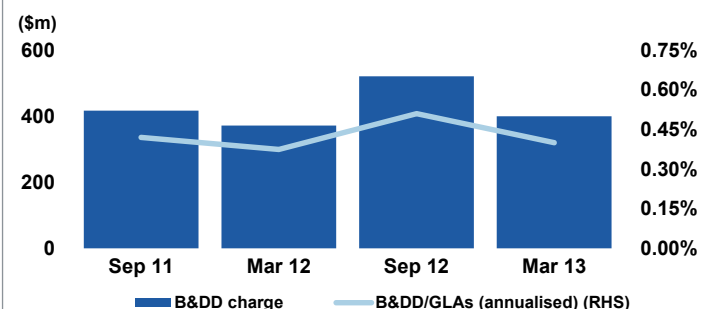
Portfolio quality²



Well secured – business products³



B&DD charge and B&DD as % GLAs



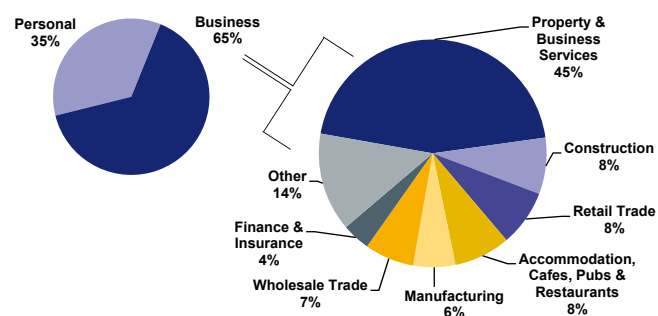
(1) Based on product split
 (2) Portfolio quality on a probability of default basis
 (3) Based upon security categories in internal ratings systems

32

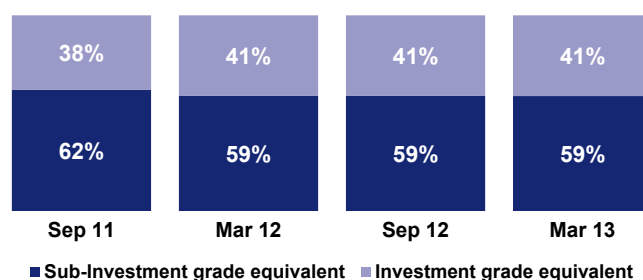


Business Banking: SME Business¹ Asset Quality

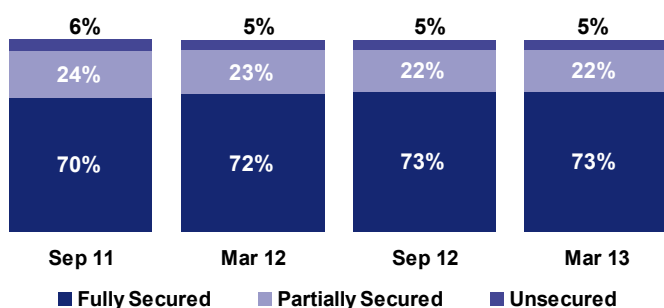
Diverse assets²



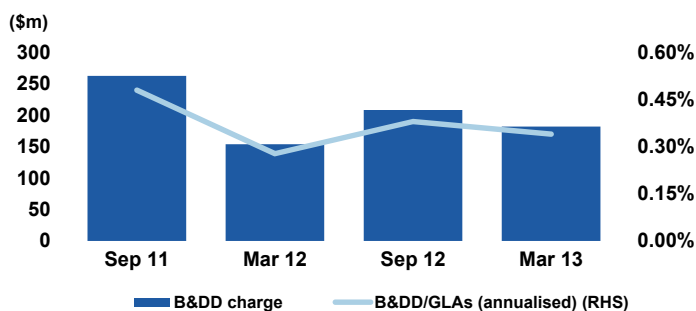
Portfolio quality³



Well secured – business products⁴



B&DD charge and B&DD as % GLAs



- (1) SME business data reflects the nabbusiness segment of Business Banking which supports business customers with lending typically up to \$25m, excluding the Specialised Businesses
- (2) Based on customer split
- (3) Portfolio quality on a probability of default basis
- (4) Based upon security categories in internal ratings systems

Additional Information

Business Banking

Personal Banking

Wholesale Banking

NAB Wealth

NZ Banking

UK Banking

NAB UK CRE

Great Western Bank

Asset Quality

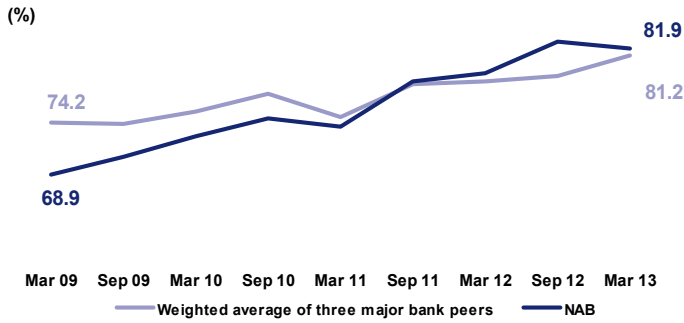
Capital and Funding

Other

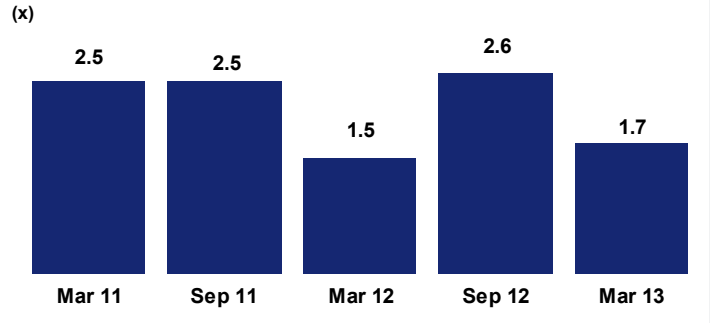
Economic Outlook

Personal Banking

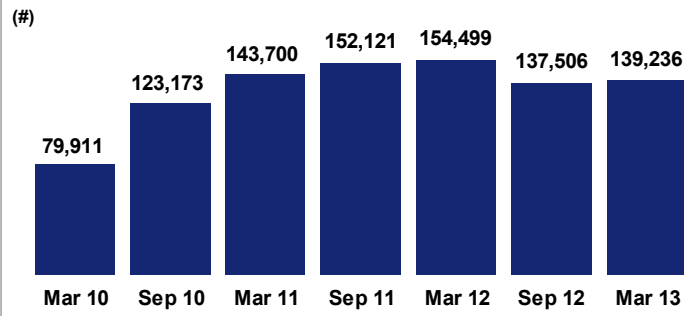
MFI customer satisfaction¹



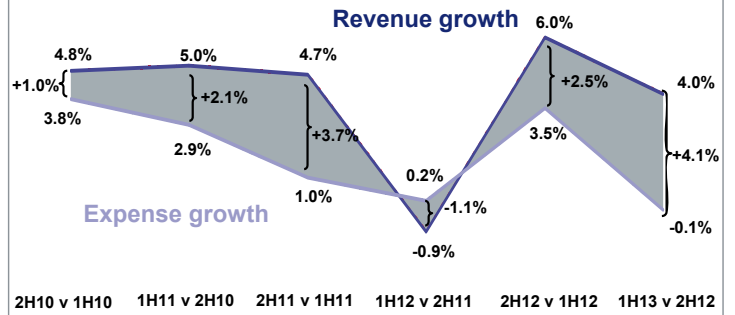
Home loan multiple of system growth²



Net transaction account growth



Jaws momentum

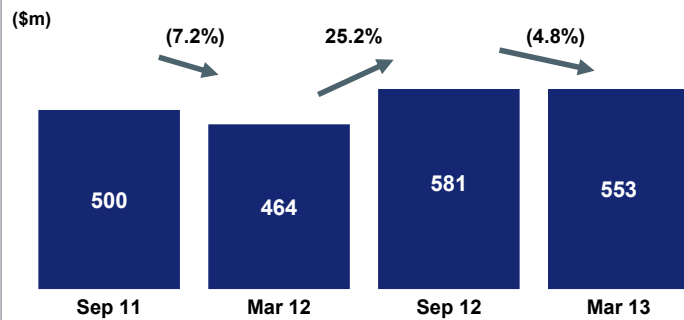


(1) Roy Morgan Research, Aust MFIs, population aged 14+, six month moving average. Customer satisfaction is based on customers who answered very/fairly satisfied. NAB compared with the weighted average of the three major banks (ANZ, CBA, WBC)
 (2) RBA Financial System / NAB total Australian mortgages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

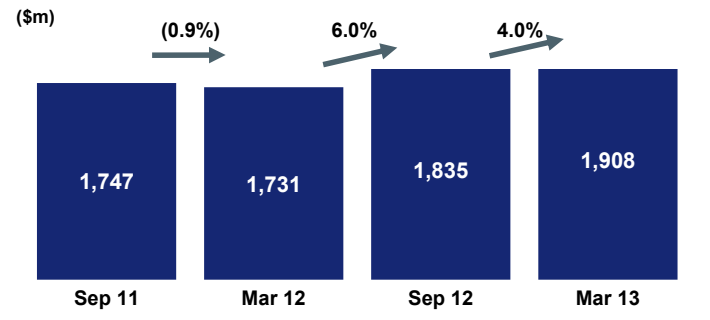


Personal Banking

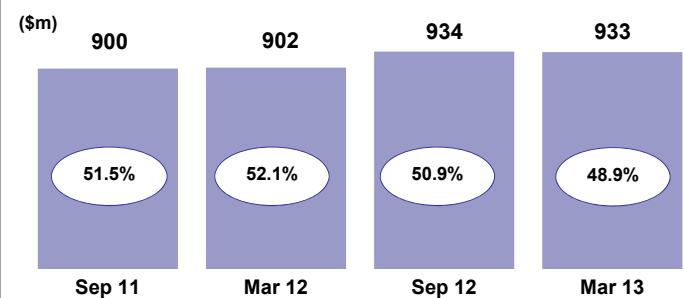
Cash earnings



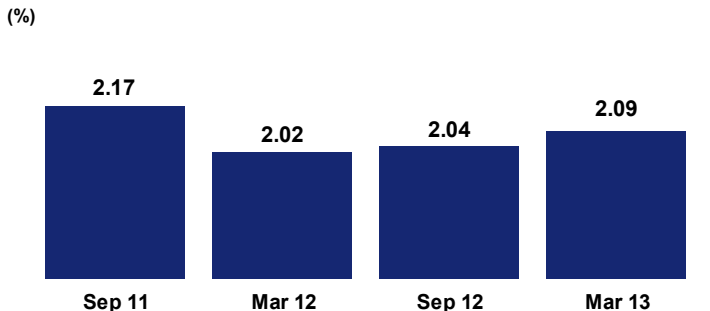
Revenue



Costs



Net interest margin

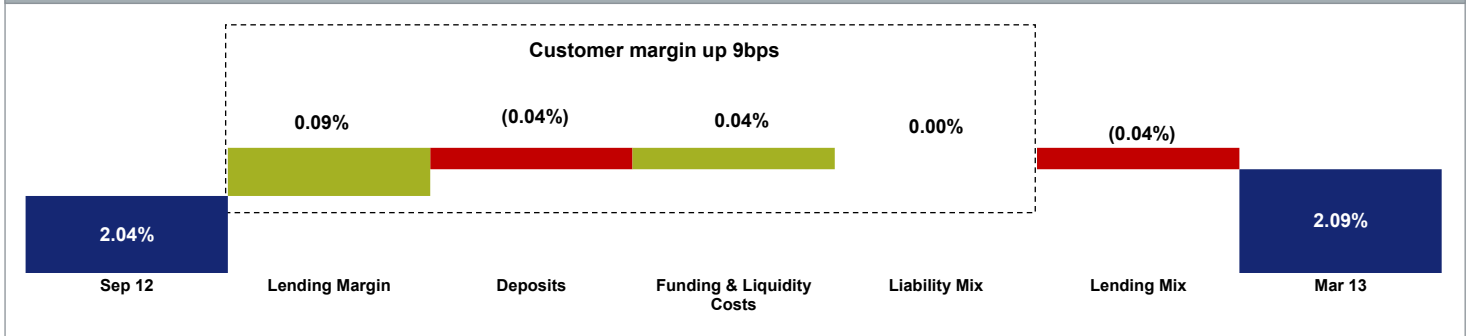


% Cost to income ratio

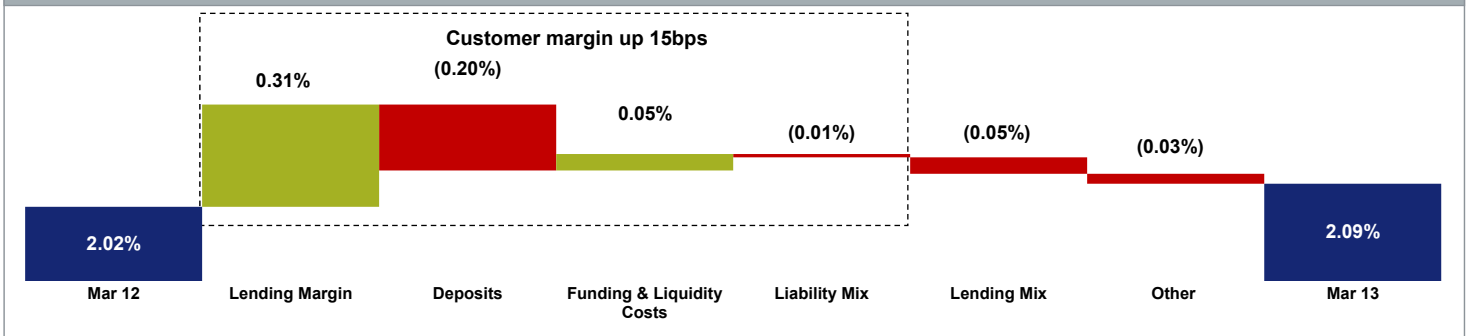


Personal Banking: Net interest margin

March 13 v September 12



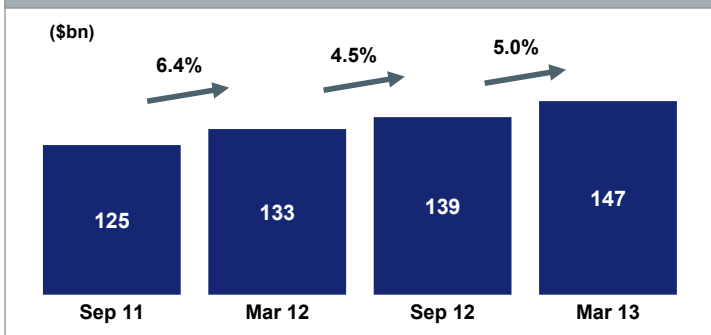
March 13 v March 12



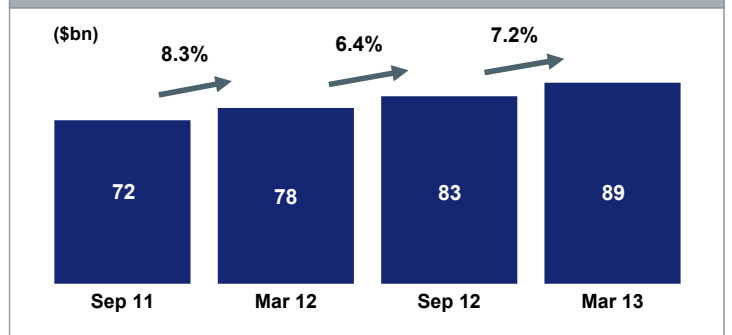
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Personal Banking

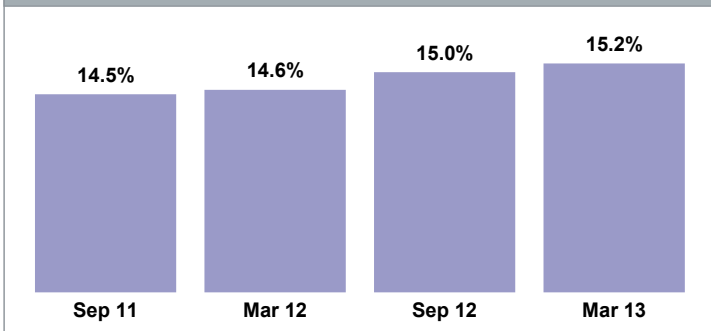
Housing loans¹



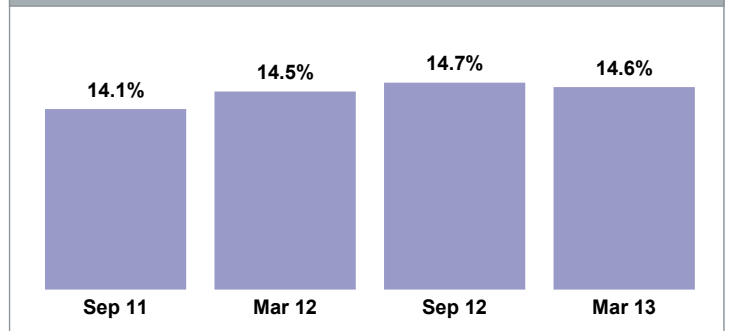
Customer deposits¹



Housing loan market share²



Household deposits market share³

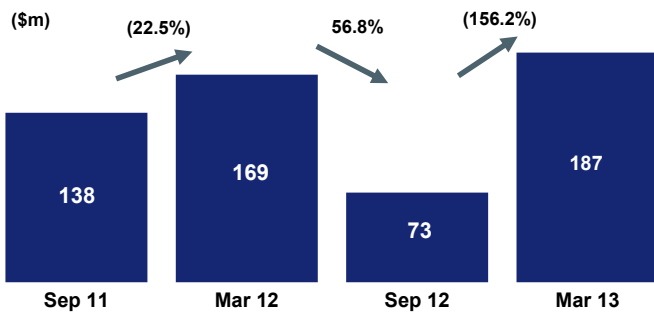


(1) Average volumes
 (2) RBA Financial System / NAB (includes Business Banking and NAB Wealth)
 (3) APRA Banking System / NAB (includes Business Banking and NAB Wealth)

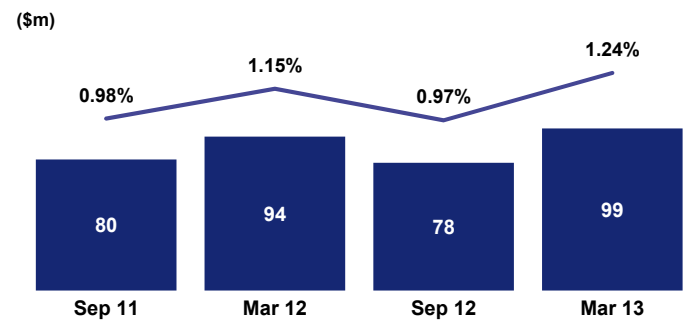
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Personal Banking: Asset quality

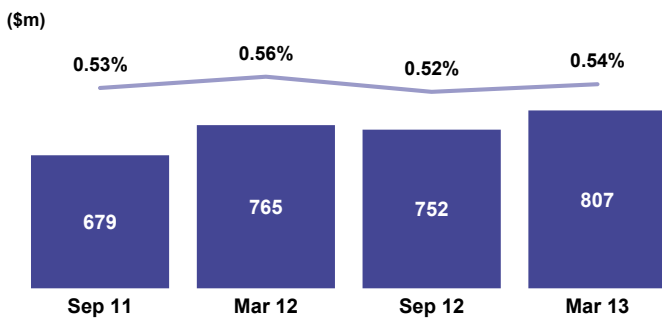
B&DD charge



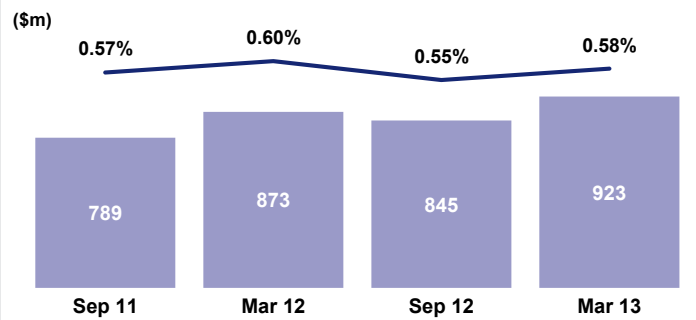
Cards and personal loans 90+ DPD and % to total cards and personal loans outstandings



Mortgage 90+ DPD and impaired and % to total mortgage outstandings



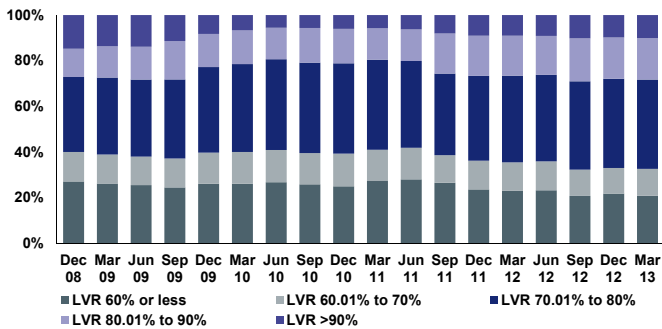
Total 90+ DPD and impaired and % to total outstandings



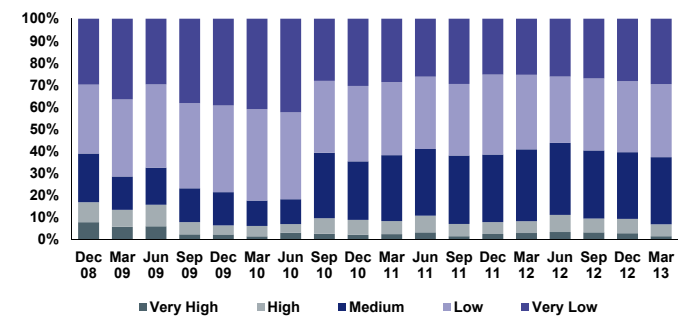
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Personal Banking: Change in profile of mortgage approvals

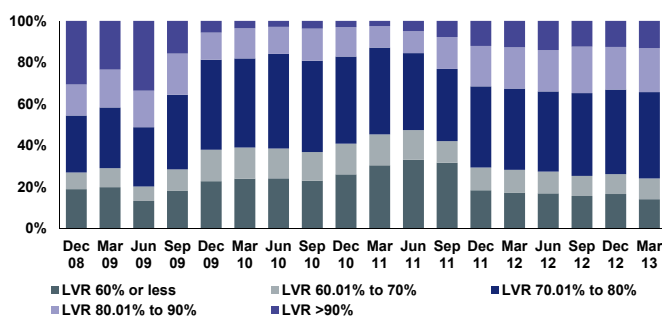
LVR breakdown of final approvals (Australian Region¹)



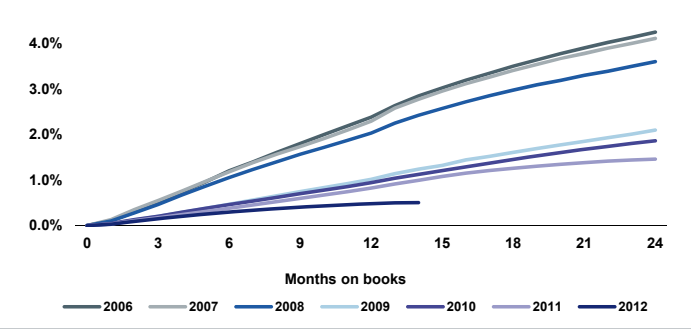
Risk grade distribution of 90%+ LVR



LVR breakdown of Homeside final approvals



Australian mortgages¹ – cumulative 30+ DPD



(1) Includes Business Banking and NAB Wealth



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Additional Information

Business Banking

Personal Banking

Wholesale Banking

NAB Wealth

NZ Banking

UK Banking

NAB UK CRE

Great Western Bank

Asset Quality


Capital and Funding

Other

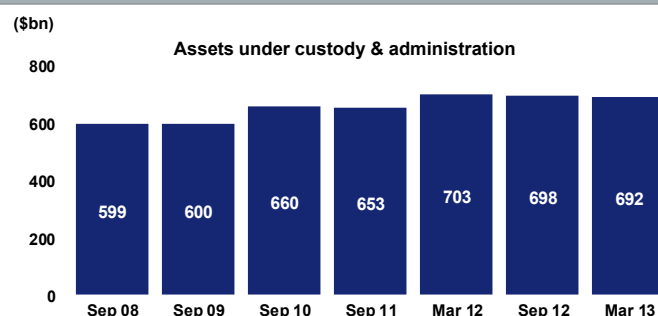
Economic Outlook



Wholesale Banking

Customer Lee sales performance	Current ranking	Previous ranking
Best advice on Use of Interest Rate Risk Management ¹	#1	#1
Lead Interest Rate provider where the relevant bank is lead credit provider ¹	#1	#1
Lead Interest Rate Derivatives Bank ¹	#1	#3
Best Bank-delivered Industry Analysis ²	#=2	#3
Provider of Interest Rate Swaps (% of primary relationships – Corporate) ³	#1	#1
Provider of Spot Foreign Exchange (% of primary relationship – Corporate) ³	#2	#2
Best Domestic Provider of FX Services as voted by Corporates – Australia ⁴	#1	na
 60,000 NAB Traveller Card customers have loaded \$200m for their travel spend since the April 2012 launch		

Delivering value to Financial Institutions



Market leading positions

- ★ Largest Asset Servicing business⁵ in Australia with ~28% market share (by volume)
- #1 Foreign Exchange Survey of FI's: Market Penetration, Market Share and Relationship Strength Index⁶
- #1 Interest Rate Swaps and Short Dated Securities Market Share⁷
- #1 AUD Repurchase Agreements, with 29.4% market share⁸

(1) Peter Lee Associates – Large Corporate & Institutional Relationship Banking Australia Survey 2012 (Users of Interest Rate Derivatives). Ranking against the four major domestic banks; (2) Peter Lee Associates – Large Corporate & Institutional Relationship Banking Australia Survey 2012. Ranking against the four major domestic banks; (3) East & Partners Australian Corporate Banking Markets Report, Jan 2013; (4) Asiamoney FX Poll 2012; (5) Australian Custodial Services Association, Total Assets Under Custody for Australian Investors, December 2012; (6) Peter Lee Associates – Foreign Exchange Survey Australia 2012, Financial Institution Respondents. Ranking against the four major domestic banks; (7) Peter Lee Associates – Debt Securities Investor Survey Australia 2012. Ranking against the four major domestic banks; (8) AFMA, 2012 Australian Financial Markets Report



Wholesale Banking

Originate to distribute funding solutions

Wholesale Banking capabilities assist NAB's clients with direct access to funding markets as well as providing funding and investment products to:

- NabWealth (MLC)
- JBWere and NAB Private Wealth
- Nab Health Corporate
- Business Bank
- Private Bank

Wholesale Banking's market leading debt capital raising and distribution capabilities has raised US\$6.3bn in distributions (volume) in the March 2013 half year exclusive of NAB deals of US\$13.3bn

Market leading positions

Infrastructure and Natural Resources

- ★ Infrastructure Bank of the Year, Asia ¹
- #1 MLA in Australian Project Finance ²
- #1 MLA in Project Finance in Australian Power and Renewable sectors ²

Debt Capital Solutions

- #1 Australian Securitisation House of the Year ³
- ★ Top amongst the Australian banks in US Private Placements ⁴

Key transactions

 <p>Peel Ports GBP 1.05bn Term Loan & RCF Loan Bookrunner US\$515m USPP Joint Lead Agent December 2012</p>	 <p>168MW Musselroe Wind Farm A\$275m Project Finance Facilities Sole ECA Arranger Mandated Lead Arranger and Bookrunner February 2013</p>	 <p>Origin Energy A\$2.4bn Syndicated Loan Facility Mandated Lead Arranger and Bookrunner October 2012</p>
 <p>REDS Trust Series 2012-1E A\$1bn Australian RMBS Issue Arranger and Joint Lead Manager November 2012</p>	 <p>Australia Pacific LNG US\$8.5bn Project Finance Facilities Mandated Lead Arranger Commercial Bank Facility September 2012</p>	 <p>Ichthys Project US\$20bn Commercial Bank and ECA Covered Facilities Mandated Lead Arranger January 2013</p>

(1) Infrastructure Investor Awards, 2012; (2) Infrastructure Journal Online League Tables Project Finance Mandated Lead Arranger, Full Year 2012; (3) Kanganews, Australian Market Awards 2012; (4) Thomson Reuters US Private Placement Review, Full Year 2012 – Traditional Private Placements

Additional Information

Business Banking

Personal Banking

Wholesale Banking

NAB Wealth

NZ Banking

UK Banking

NAB UK CRE

Great Western Bank

Asset Quality

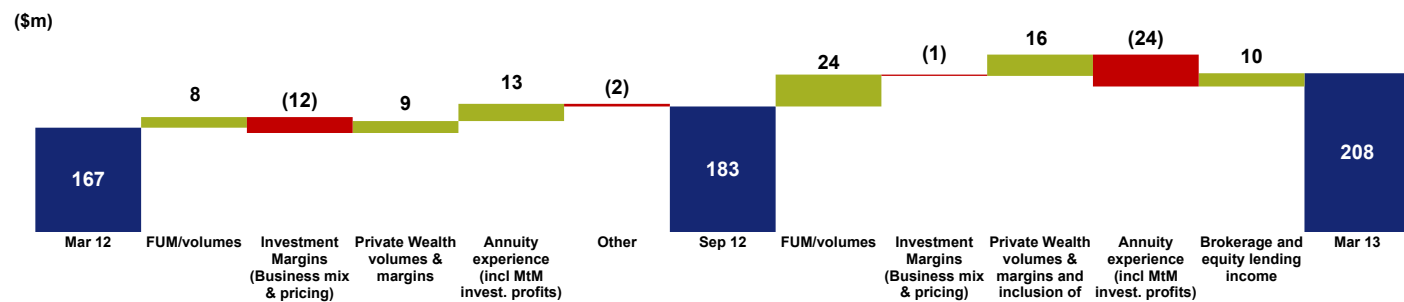
Capital and Funding

Other

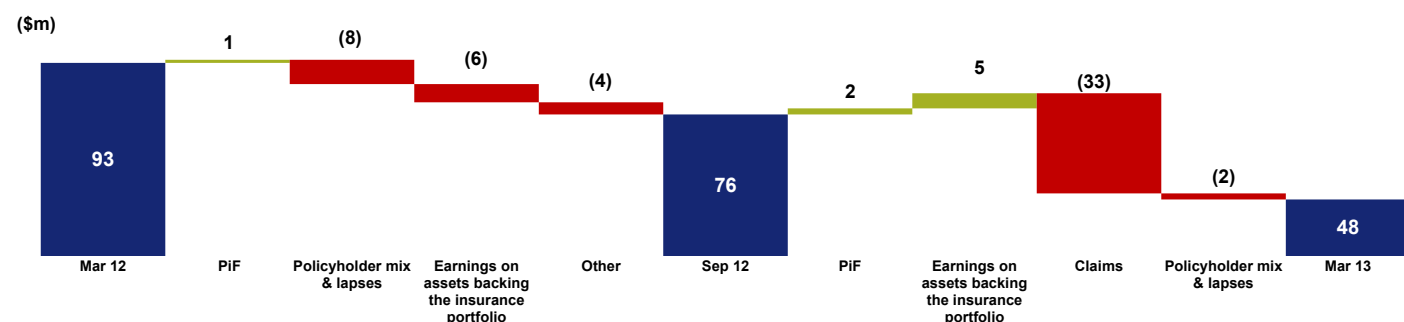
Economic Outlook

NAB Wealth: Cash earnings

Investments cash earnings inclusive of Private Wealth



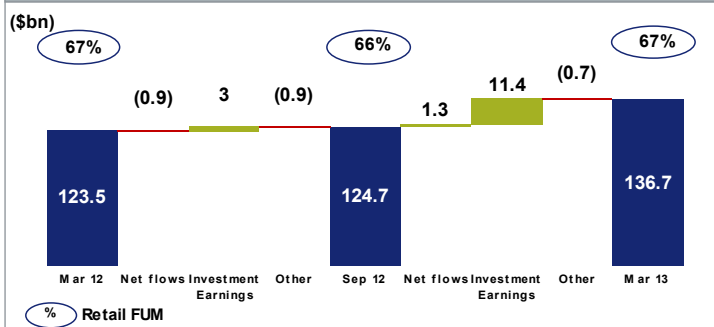
Insurance cash earnings



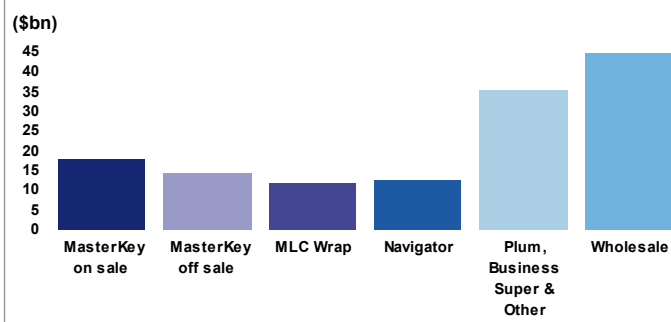
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NAB Wealth: FUM

Movement in FUM¹



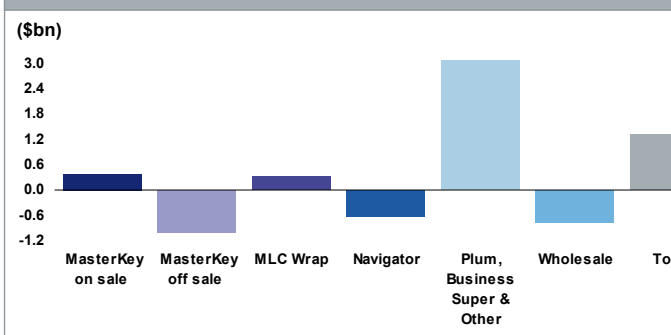
FUM by product group



Net Funds Flow by product group

Product group	1H13 NFF (\$m)	NFF as % of Opening FUM	2H12 NFF (\$m)
MasterKey on sale	385	2%	333
MasterKey off sale	(1,023)	(7%)	(1,162)
MLC Wrap	309	3%	238
Navigator	(642)	(5%)	(639)
Plum, Business Super & Other	3,065	10%	(380)
Wholesale	(771)	(2%)	739
Total Net Funds Flow	1,323	1%	(871)

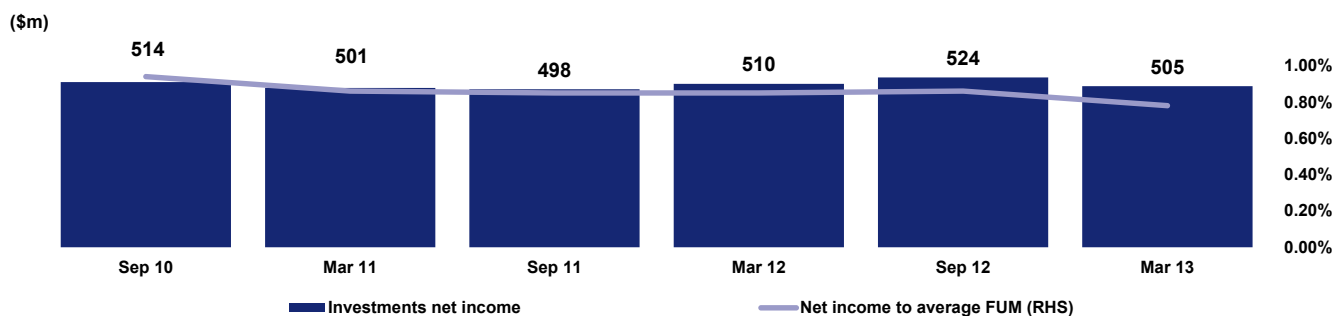
1H13 Net Funds Flow by product group



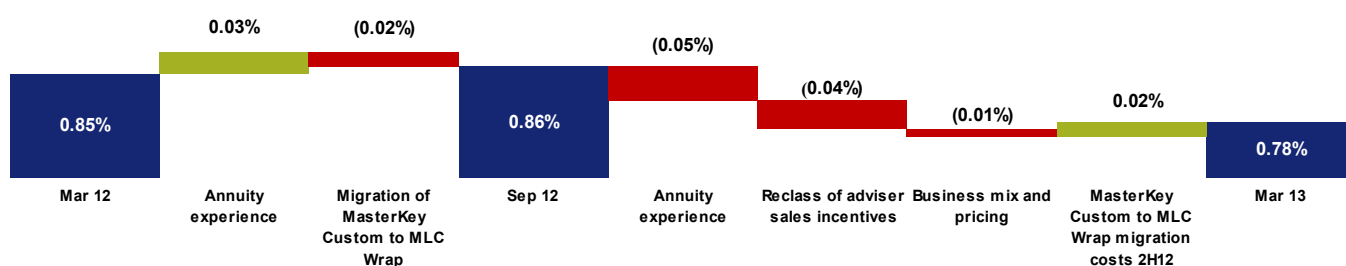
46 (1) FUM on a proportional ownership basis

NAB Wealth: Investments margin

Investments net income to average FUM

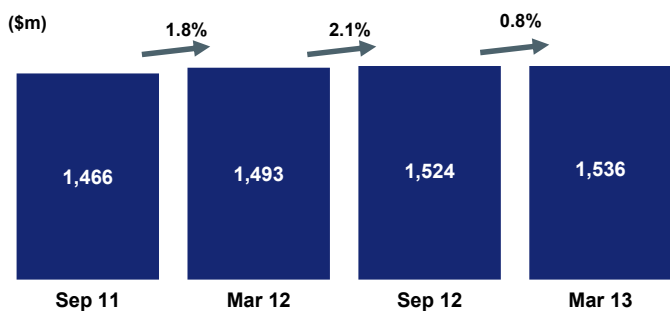


Movement in total investments margin

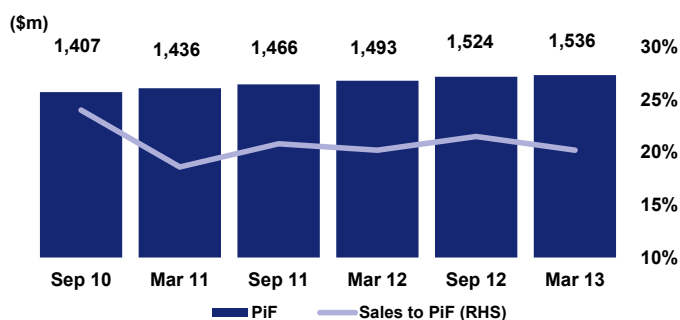


NAB Wealth: Insurance

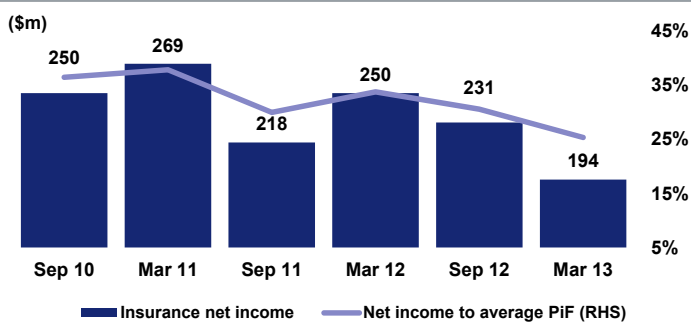
Premiums inforce



PiF and Insurance sales as % of PiF

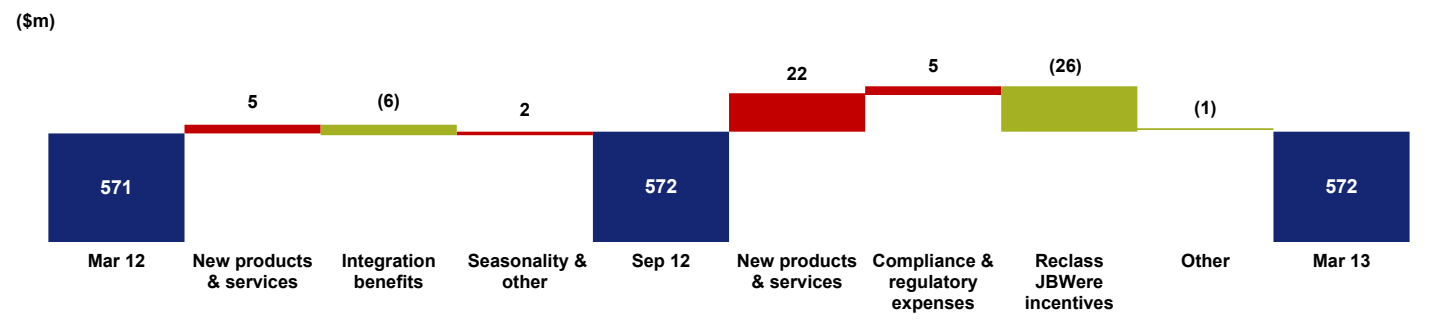


Insurance net income to average PiF

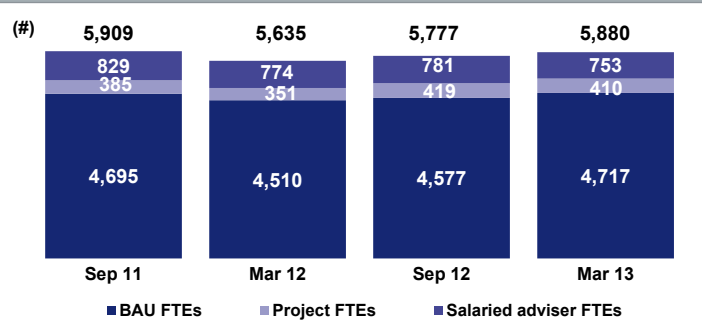


NAB Wealth: Operating Expenses

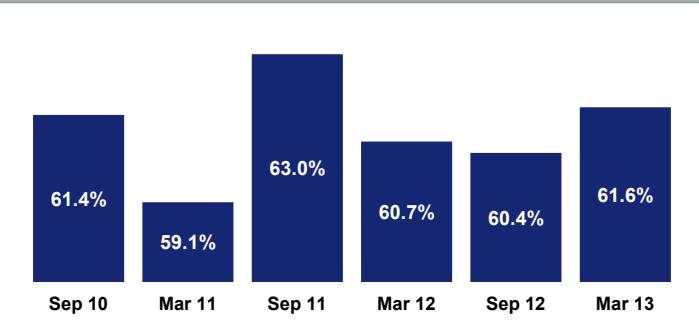
Movements in operating expenses



Movements in FTEs

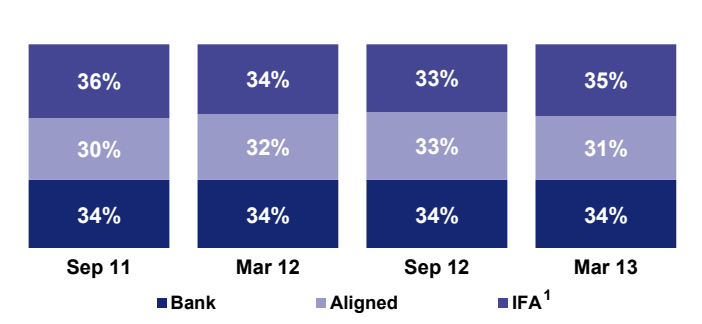


Cost to Income trends

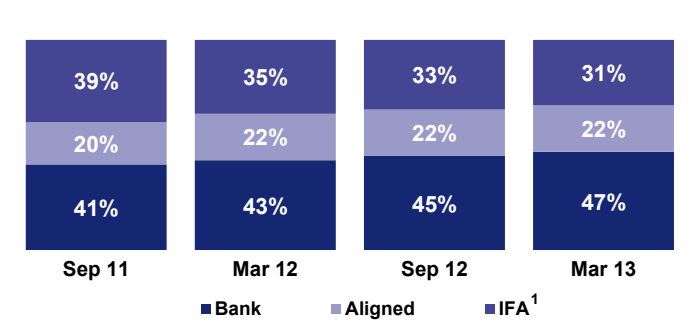


NAB Wealth: Channel and adviser growth

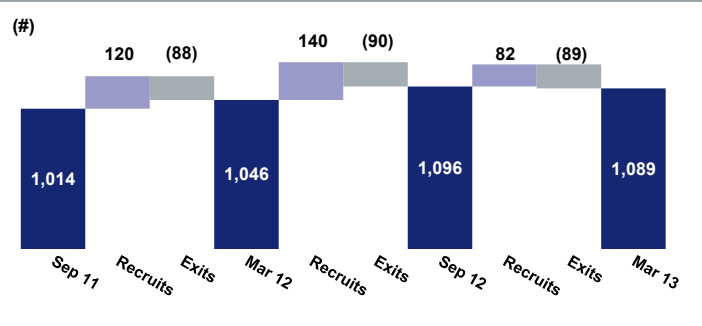
Investment sales by channel



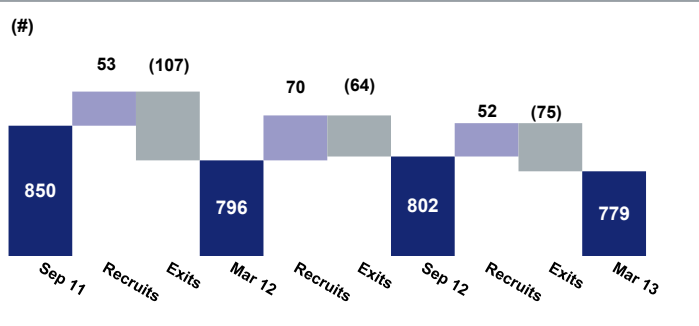
Insurance sales by channel



Wealth aligned adviser movement analysis



Wealth salaried adviser movement analysis



Additional Information

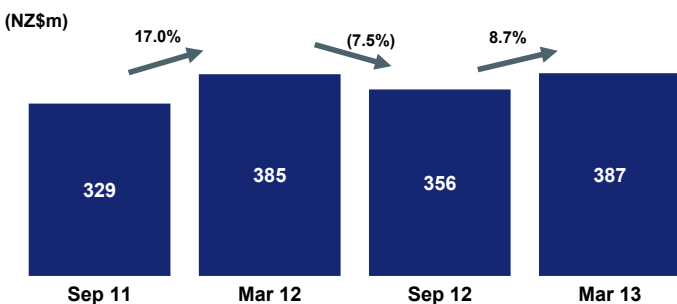
Business Banking
 Personal Banking
 Wholesale Banking
 NAB Wealth

NZ Banking

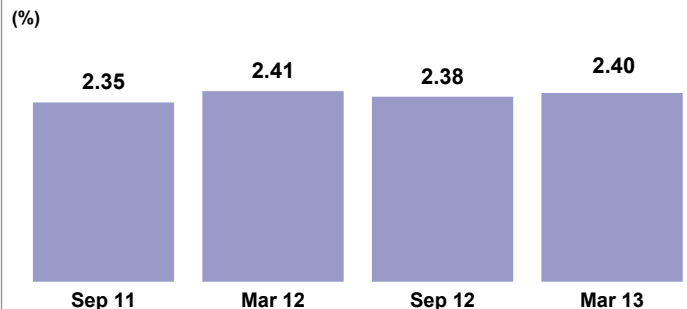
UK Banking
 NAB UK CRE
 Great Western Bank
 Asset Quality
 Capital and Funding
 Other
 Economic Outlook

New Zealand Banking

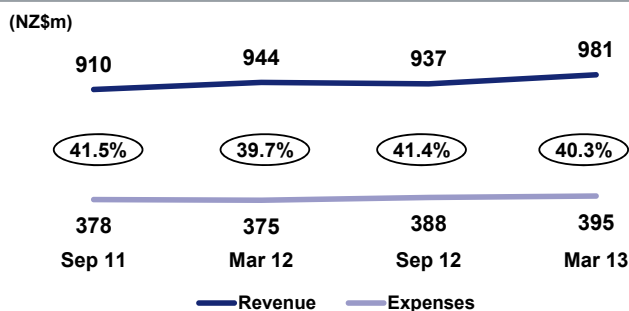
Cash earnings



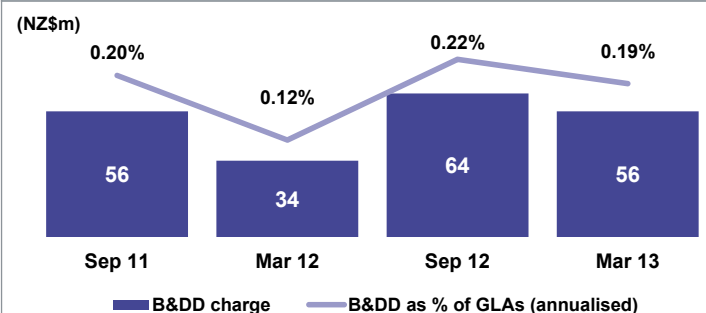
Net interest margin



Revenue v expense growth



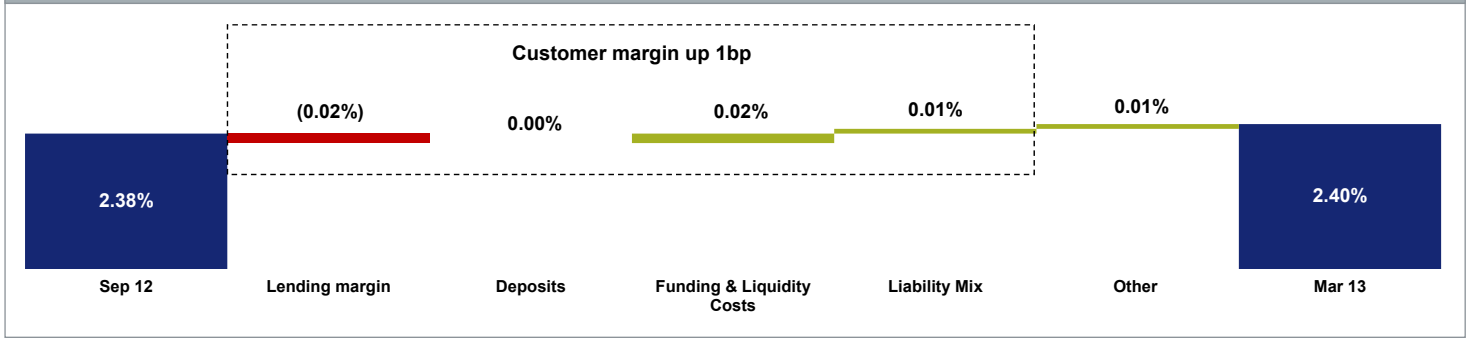
B&DD charge and B&DD as % of GLAs



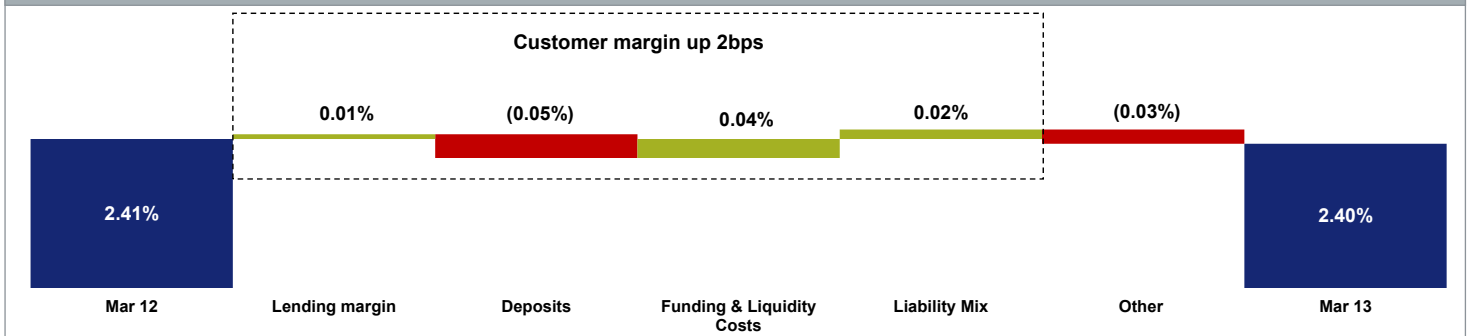
(%) Cost to income ratio

New Zealand Banking: Net interest margin

March 13 v September 12



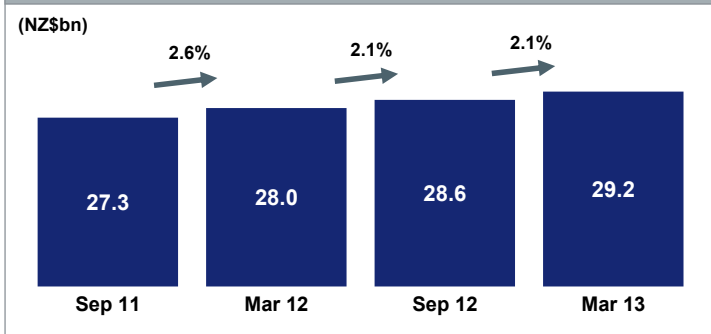
March 13 v March 12



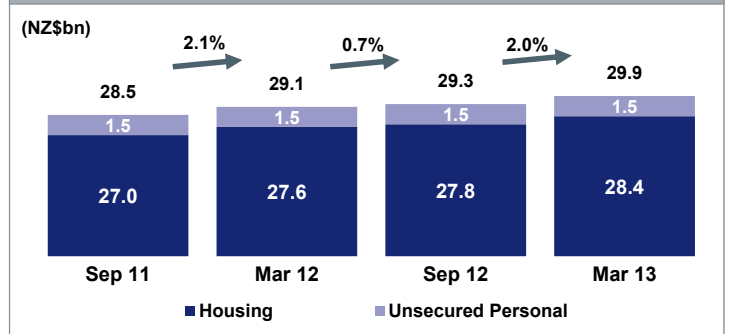
53

New Zealand Banking: Volumes and market share

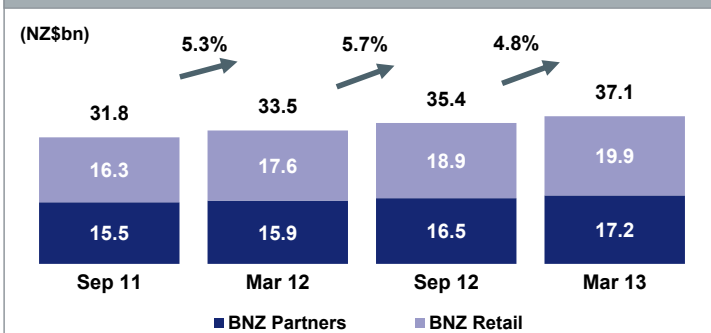
Business lending¹



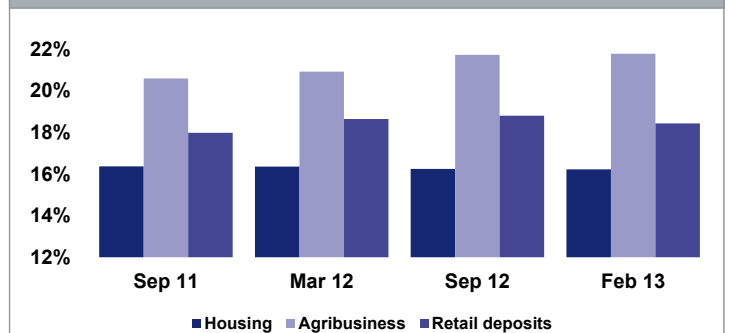
Retail lending¹



Retail deposits¹



New Zealand market share²

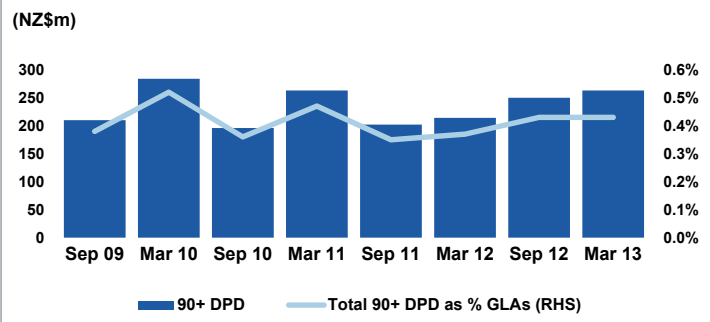


(1) Average volumes
 (2) RBNZ (historical market share rebased with latest revised RBNZ published data)

54

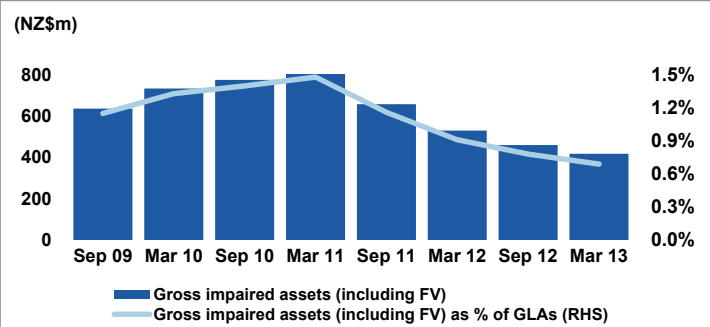
New Zealand Banking: Asset quality

Total 90+ DPD as % GLAs

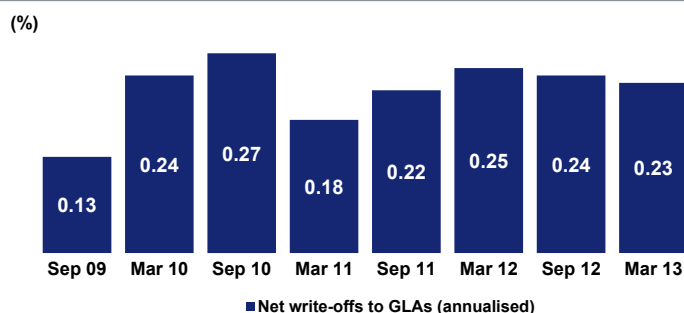


- Gross impaired assets and 90+ DPD to GLAs were 1.13% at Mar 13, lower than 1.21% at Sep 12
- Impairments continue to fall in business and retail due to favourable interest rate environment and improving economic conditions
- 90+DPD assets to GLAs ratio flat on prior half
- Exposures in the commercial property, dairy farming and kiwifruit sectors are the main industry concerns

Gross impaired assets as % GLAs



Net write-offs



Additional Information

Business Banking

Personal Banking

Wholesale Banking

NAB Wealth

NZ Banking

UK Banking

NAB UK CRE

Great Western Bank

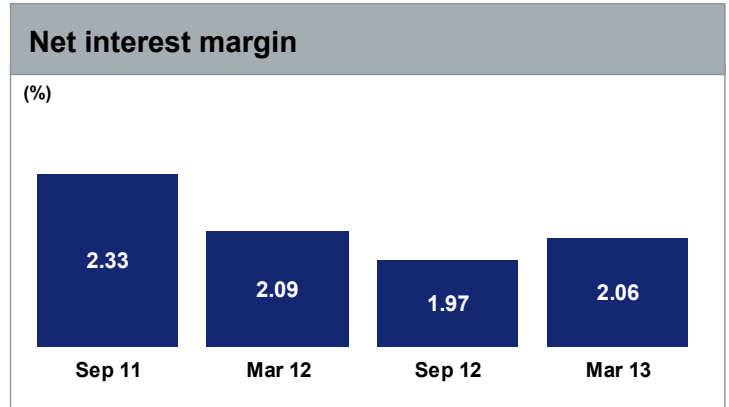
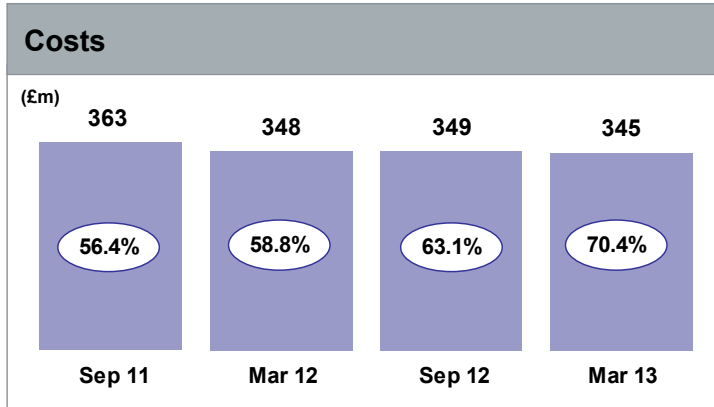
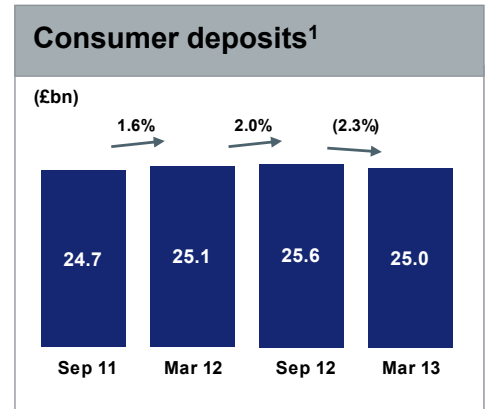
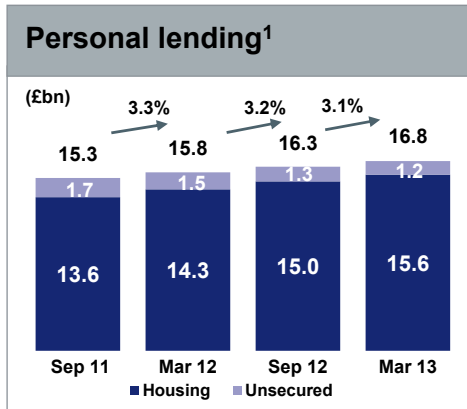
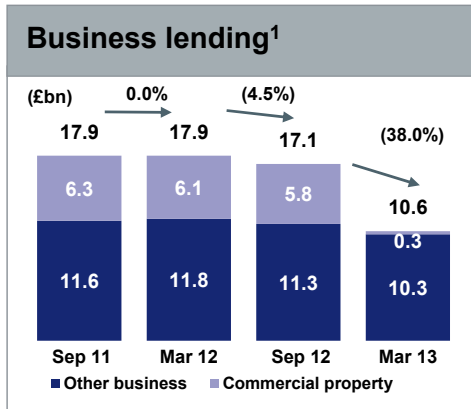
Asset Quality

Capital and Funding

Other

Economic Outlook

UK Banking



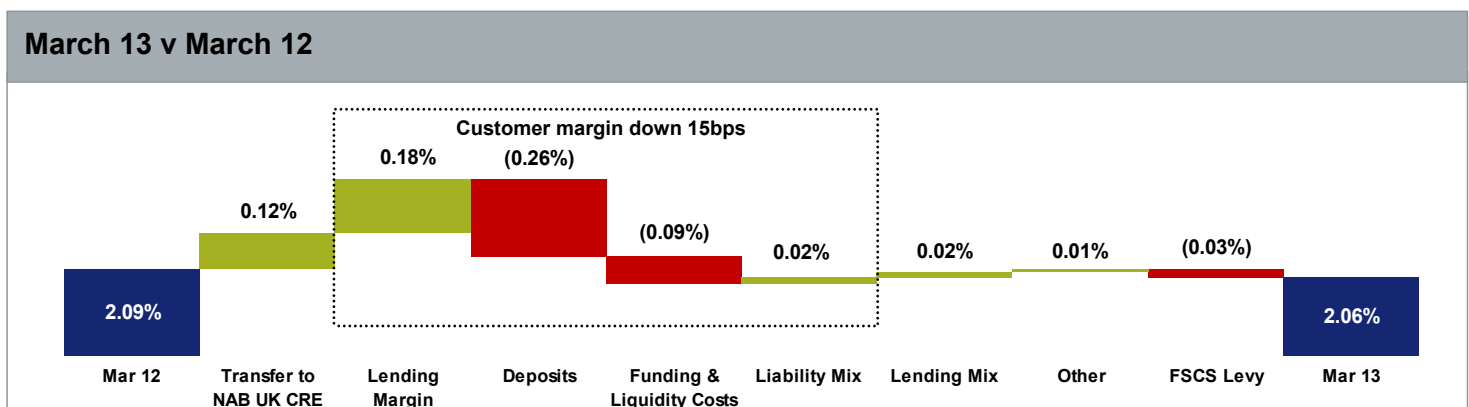
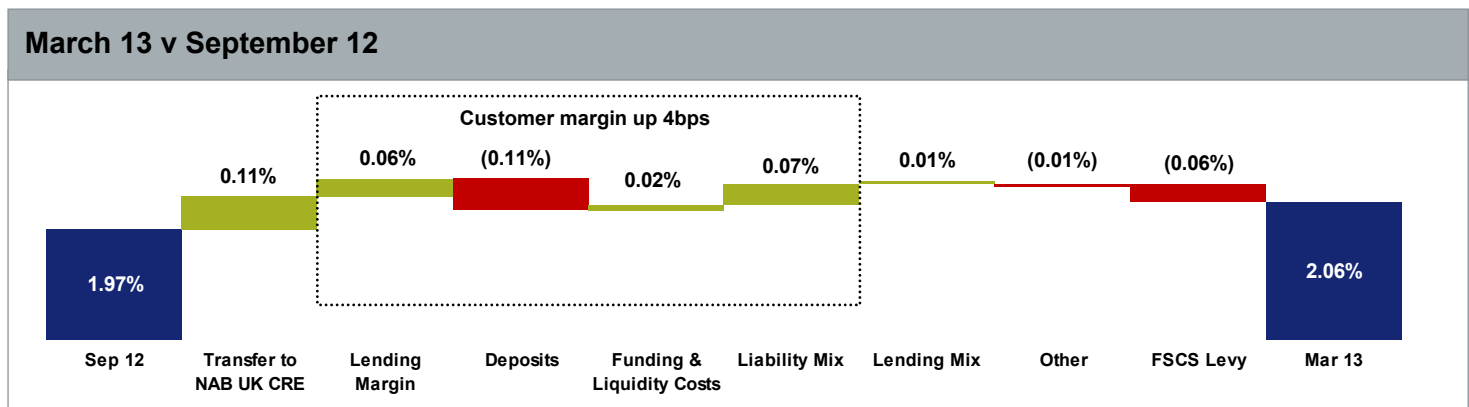
% Cost to Income Ratio

57

(1) Average volumes



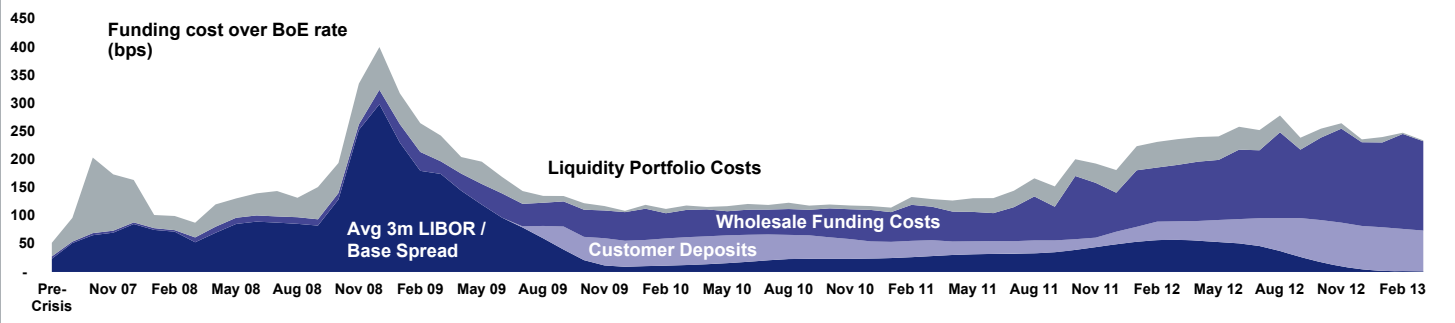
UK Banking: Net interest margin



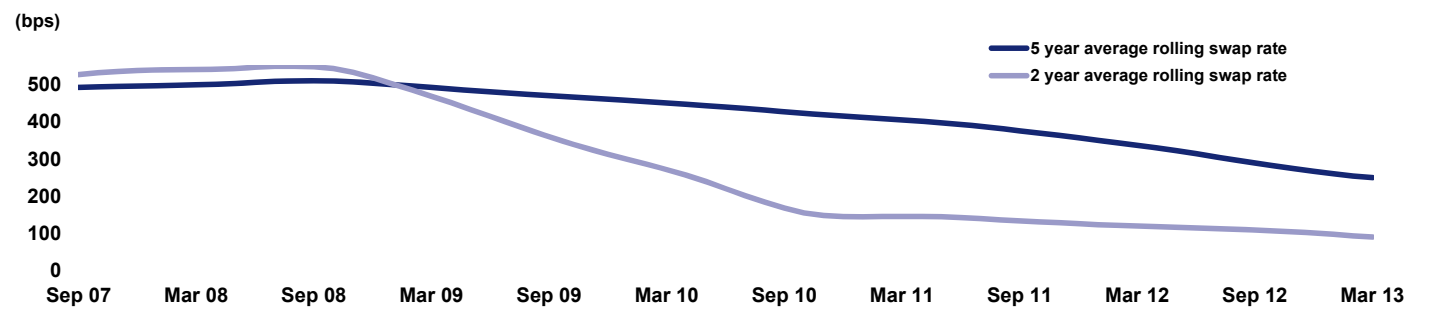
58

UK Banking: Funding cost components and swap rates

Clydesdale Bank PLC funding costs since 2007



Interest rate earned on ~£8bn of free funds¹

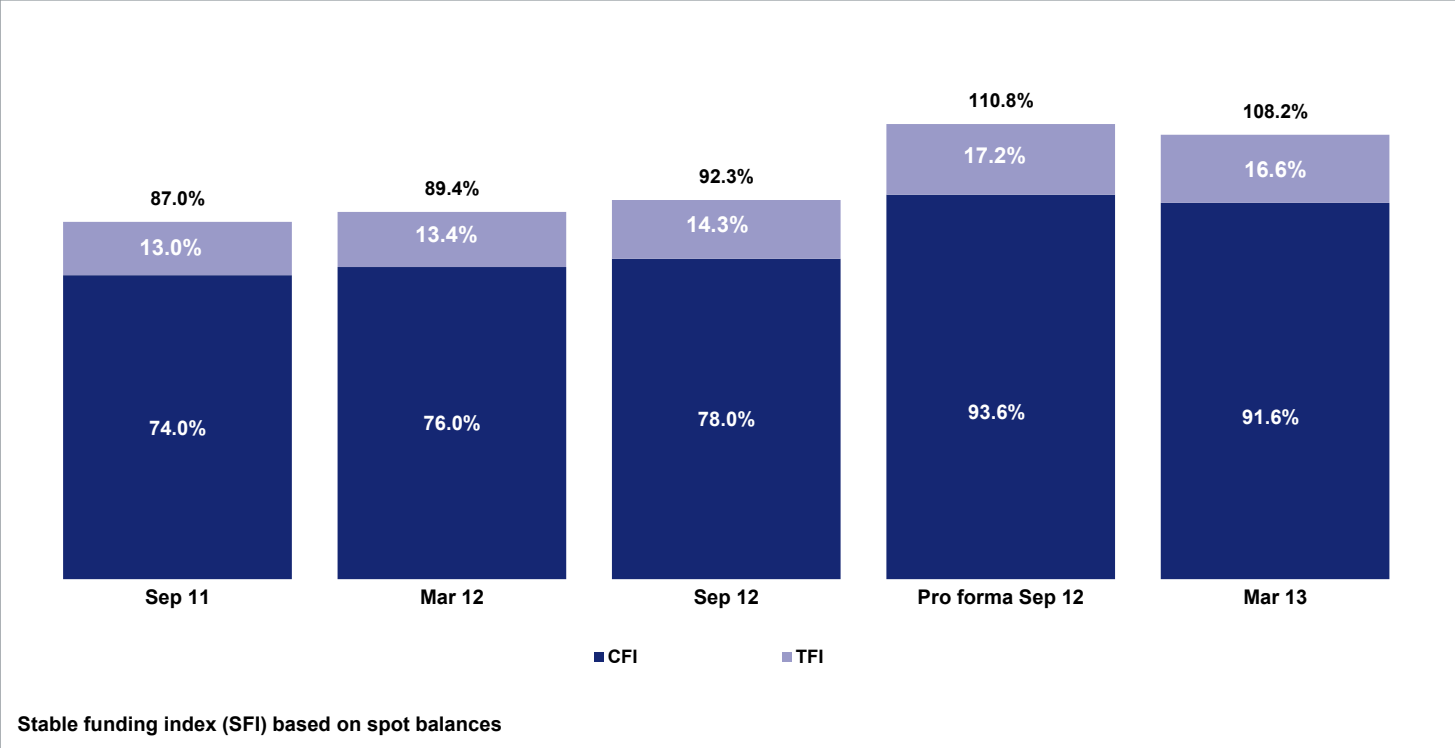


(1) Free funds are shareholders equity and non-interest bearing deposits. These flows are hedged over a 2 and 5 year period to reduce volatility from movements in benchmark interest rates



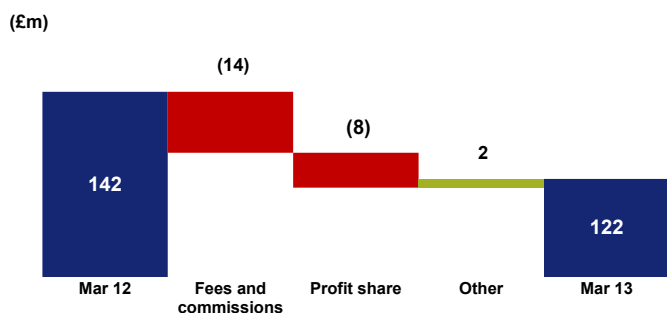
UK Banking: Funding mix

Clydesdale Bank PLC Stable Funding Index

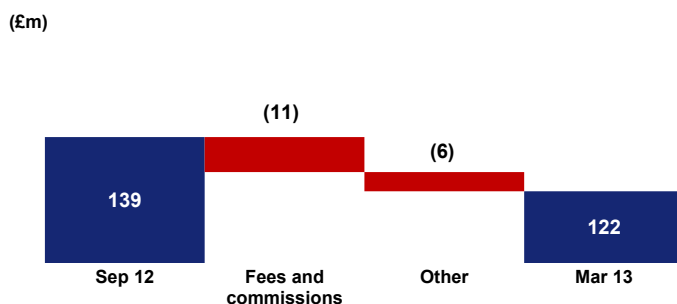


UK Banking: Other operating income and expenses

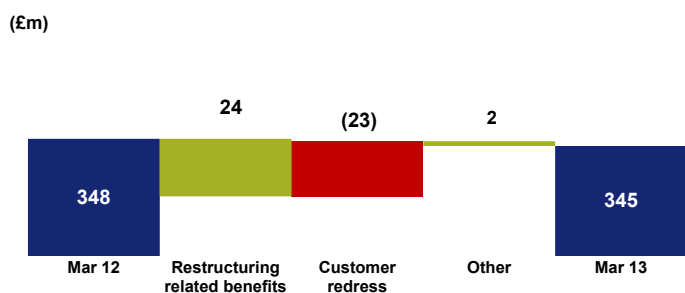
March 13 v March 12
Other operating income



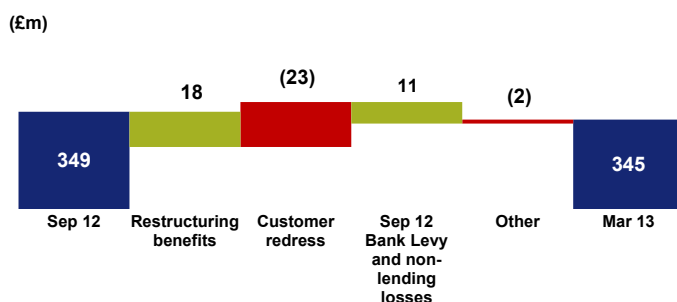
March 13 v September 12
Other operating income



March 13 v March 12
Operating expenses



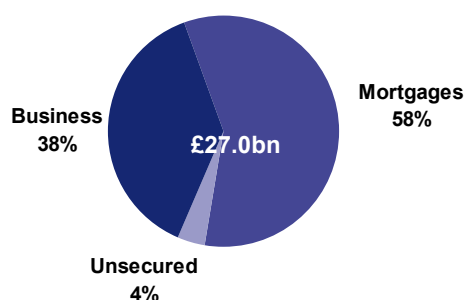
March 13 v September 12
Operating expenses



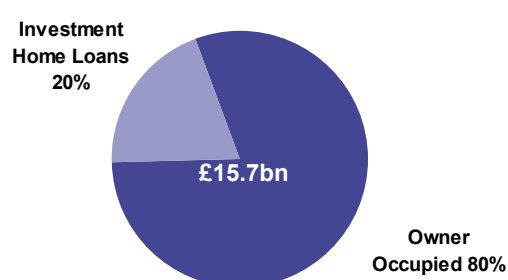
61

UK Banking: Portfolio composition

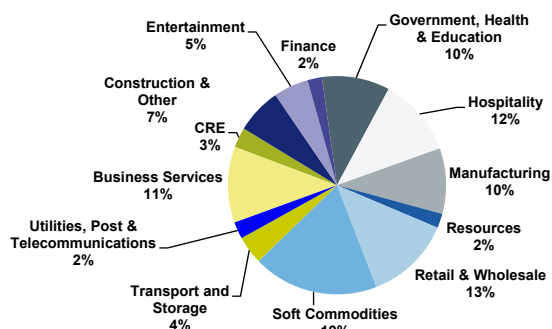
March 2013 Total portfolio composition



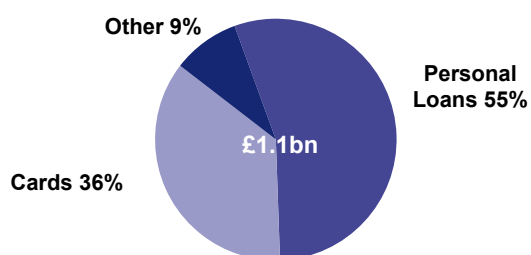
March 2013 Mortgage portfolio composition



March 2013 Business portfolio composition



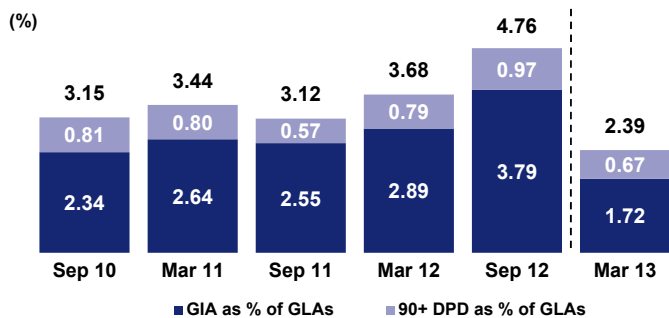
March 2013 Unsecured portfolio composition



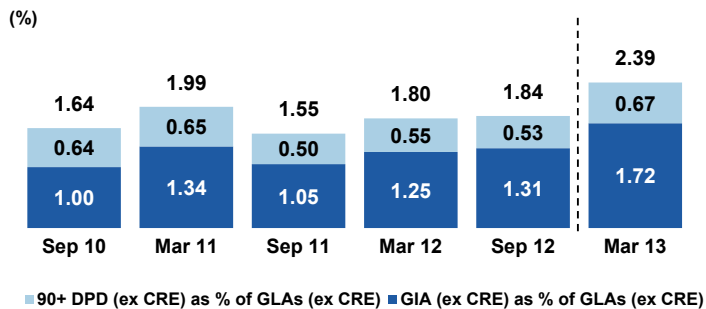
62

UK Banking: Asset quality

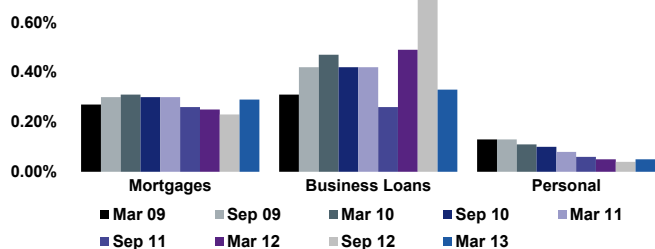
90+ DPD and GIAs as a % of GLAs



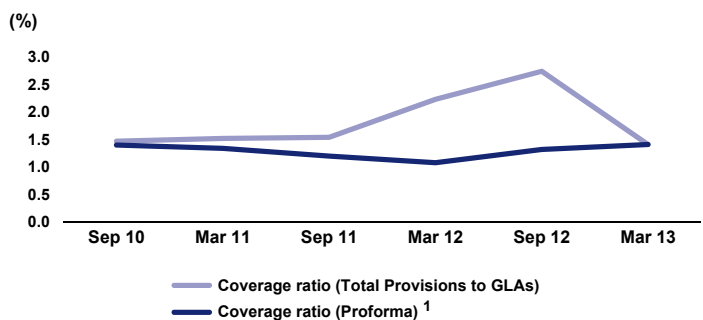
UK Credit quality (comparatives excluding CRE)



90+ DPD as a % of total GLAs by product



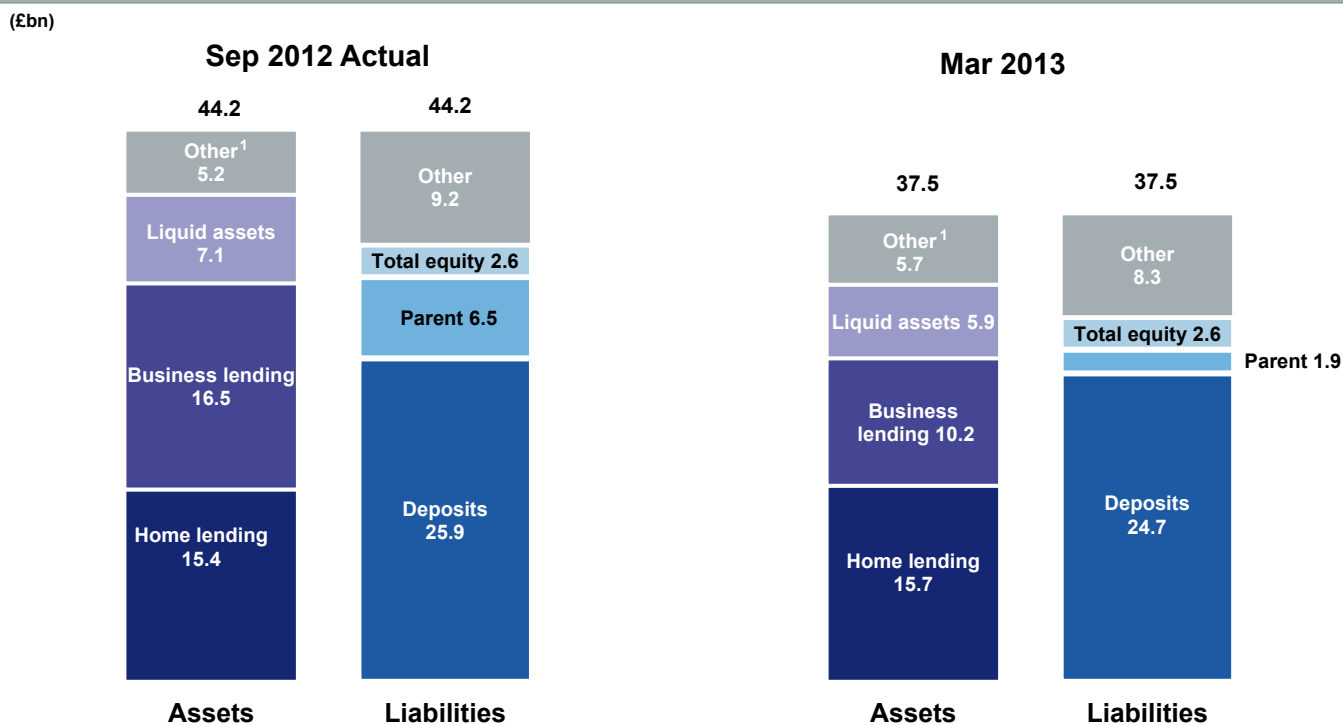
Coverage ratio



(1) Proforma coverage ratio is UK Banking excluding CRE for the period Sep 10 to Sep 12



UK Banking: Restructure improves CB balance sheet structure



(1) Other is net of provision for bad and doubtful debts and includes £1.3bn of unsecured personal lending



Restructuring – provision utilisation and benefits profile

£m	Restructuring costs	Provision	
		Utilised	Remaining
Restructuring provisions	139	65	74
Software write-off	36		
Total	175		

- £65m of the original £139m provision utilised to date
- Timing of provision utilisation currently lags restructuring activity. Particularly surplus lease costs for property exit
- Cost benefits delivered of £24m in 1H13 (£64m on an annual run-rate basis)
- Represents an incremental benefit on 2H12 of £18m
- Including other initiatives FTEs were reduced 1,110 between Sep 2011 and March 2013 (plan of 1,400 in total by 2015)

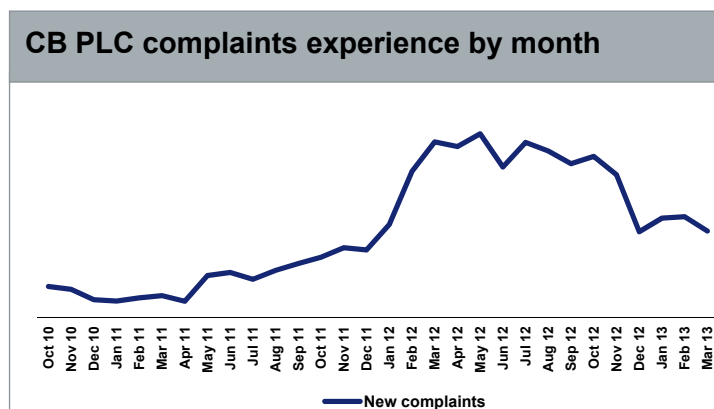
Benefits profile				
£m	Actual 1H13	Expected FY13	Expected FY14	Expected FY15
Actual ¹	24	35	63	74
Annualised run rate ¹	64	52	64	74
Total Cumulative FTE	643	831	958	987

65 (1) 1H13 actual incorporates benefits related to pre-existing restructuring programs in Business & Private Bank



UK Banking: Payment Protection Insurance (PPI)

- £57m utilised since 30 September 2012 leaving provisions of £51m at 31 March 2013
- Complaints experience accelerated in 1H12 but have now reduced
- Pattern of recent claims is broadly consistent with modelling used to determine provisions. Provision usage during the month of March was £6m



As at 31 March 2013 ¹	Cumulative charge (£m)	Redress paid (£m)	Utilisation (%)
Barclays Bank	2,600	1,900	73%
Lloyds Banking Group	6,775	4,930	73%
RBS	2,175	1,470	67%
HSBC (US \$m)	2,397	1,076	45%
Clydesdale Bank	256	205	80%

(1) HSBC is at 31 December 2012 and is not directly comparable. Other banks based on 2013 first quarter results announcements. CB PLC based on management accounts



Additional Information

Business Banking
 Personal Banking
 Wholesale Banking
 NAB Wealth
 NZ Banking
 UK Banking

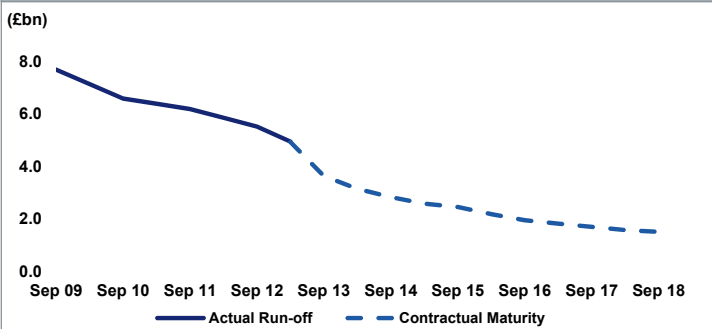
NAB UK CRE

Great Western Bank
 Asset Quality
 Capital and Funding
 Other
 Economic Outlook



NAB UK CRE

NAB UK CRE run-off¹

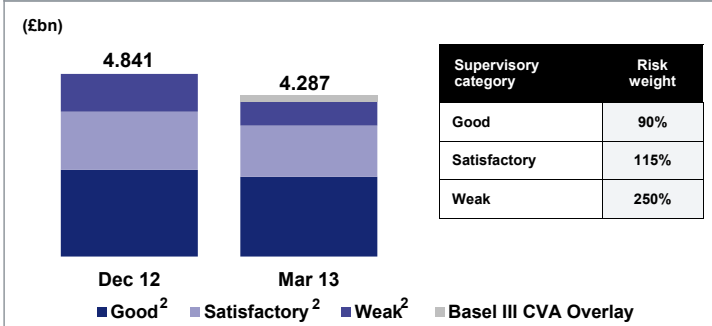


UK commercial property capital values



Source: IPD

NAB UK CRE RWAs



Supervisory category	Risk weight
Good	90%
Satisfactory	115%
Weak	250%

(1) Represents CRE portfolio within UK Banking to September 2012 and the NAB UK CRE run-off portfolio for March 2013
 (2) Based on supervisory slotting categories, the criteria of which are based on APS 113 Capital Adequacy: Internal Ratings-based Approach to Credit Risk (see pg 35 NAB Group September 2012 Risk and Capital Report)



Additional Information

Business Banking
 Personal Banking
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 NAB UK CRE

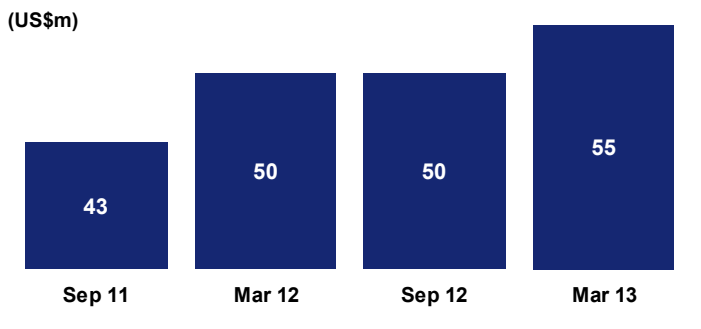
Great Western Bank

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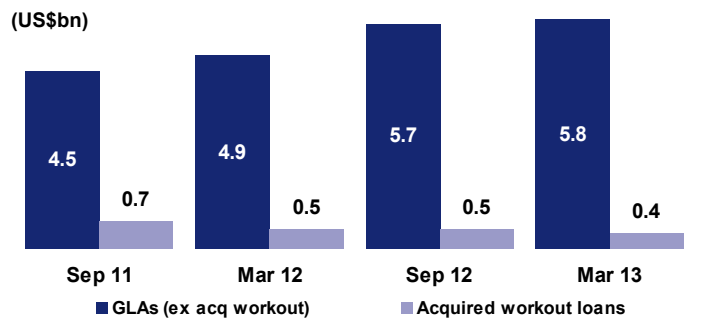


Great Western Bank

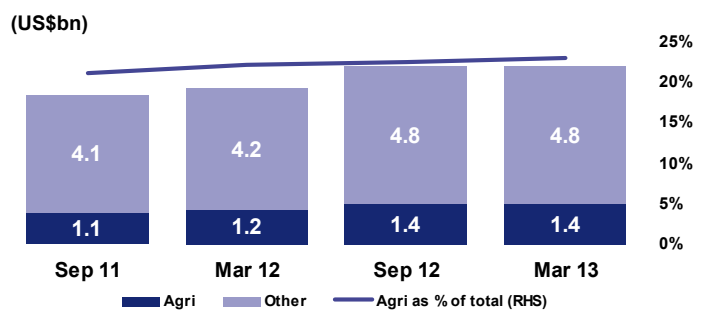
Cash earnings



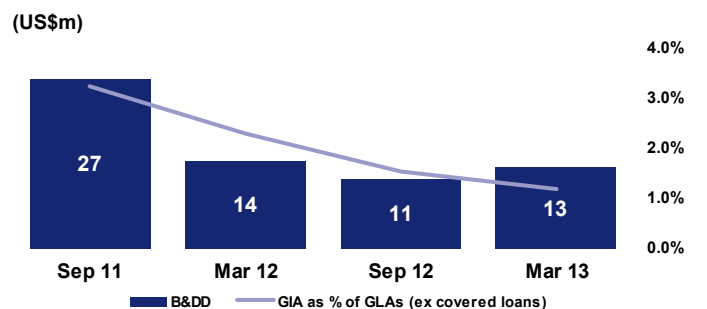
Gross loans & acceptances¹



Loan portfolio composition



B&DD charge and asset quality metrics



(1) GWB acquired First Federal Savings Bank of Iowa on 22 June 2012. The acquisition contributed approximately US\$0.3bn of gross loans and acceptances

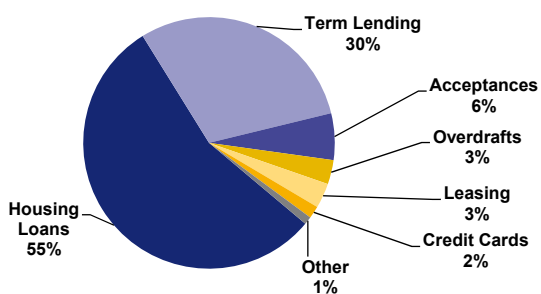


Additional Information

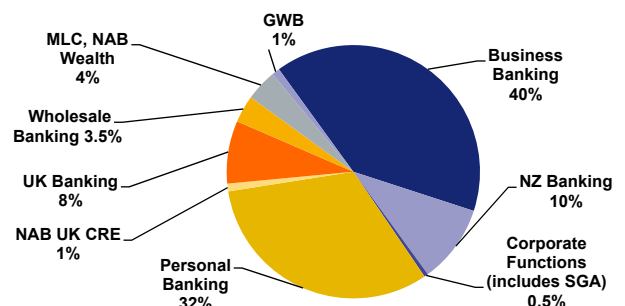
Business Banking
 Personal Banking
 Wholesale Banking
 NAB Wealth
 NZ Banking
 UK Banking
 NAB UK CRE
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Group portfolio

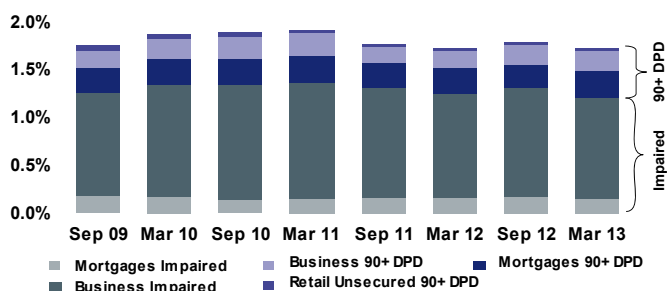
Gross loans and acceptances by product as at March 2013



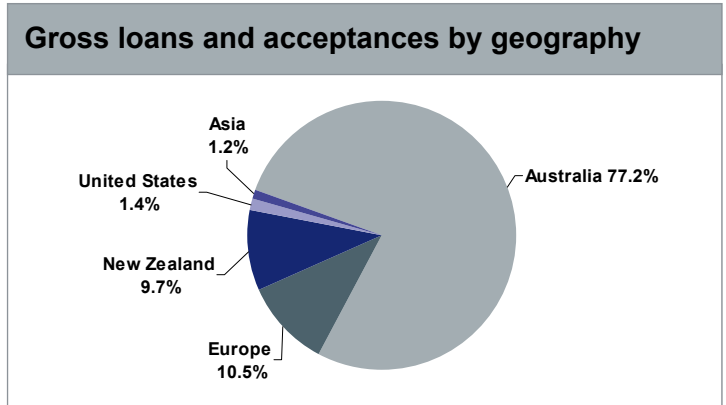
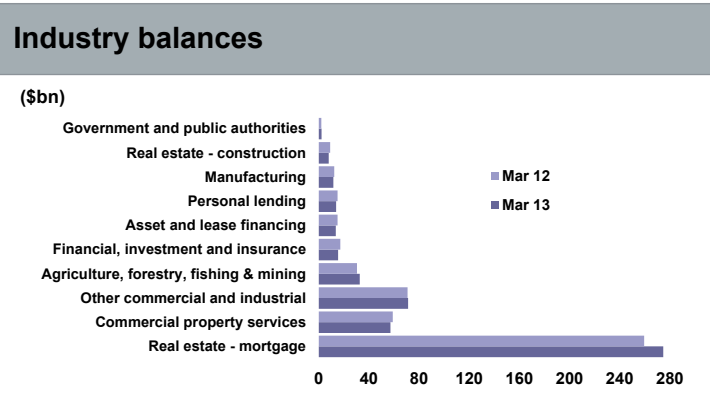
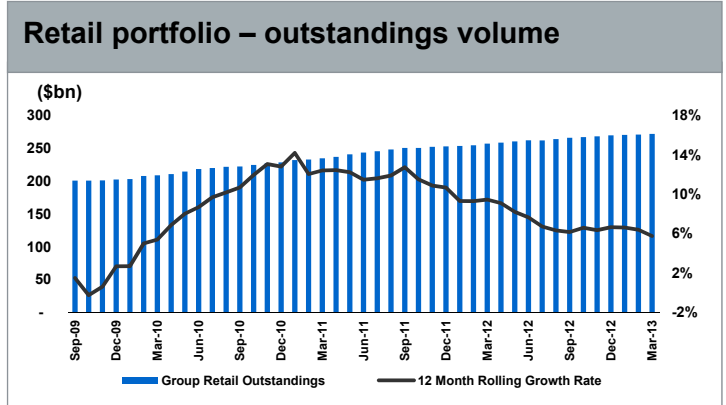
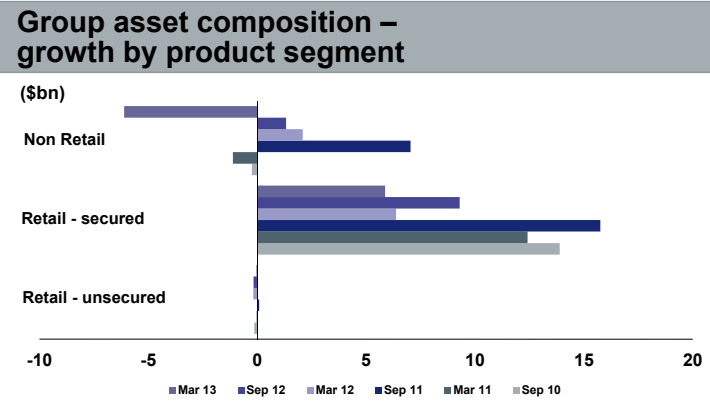
Gross loans and acceptances by business unit as at March 2013



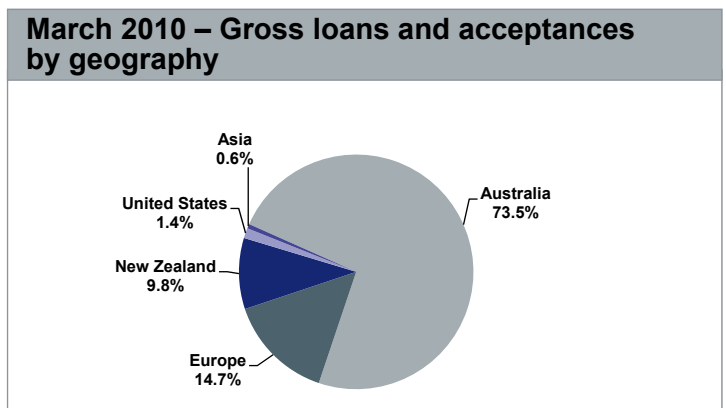
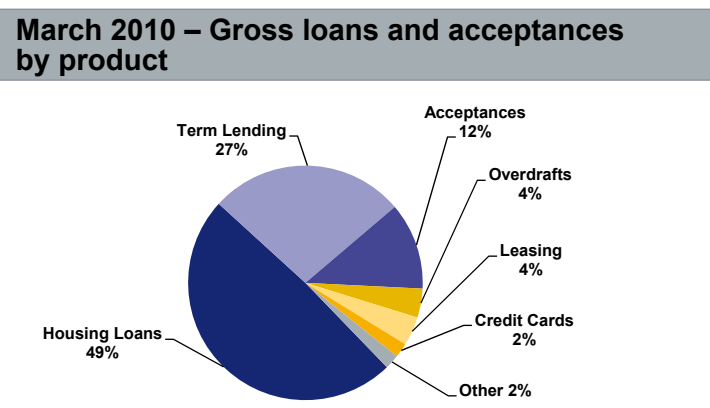
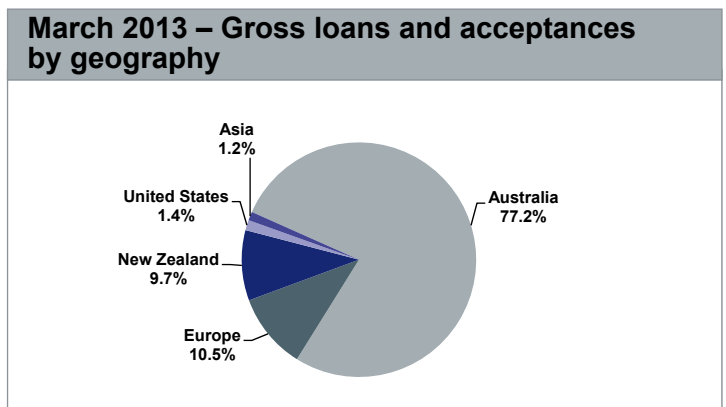
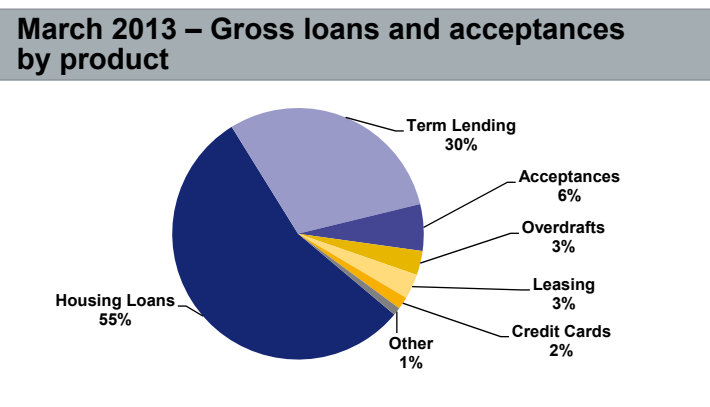
90+ DPD & gross impaired assets as a % of gross loans and acceptances by product



Group gross loans and acceptances



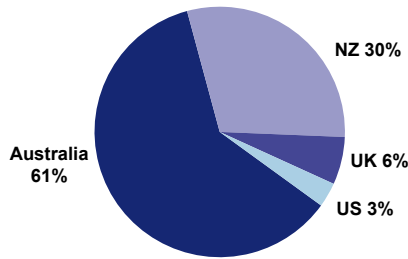
Group portfolio – change over three year period



Agricultural and Mining exposures

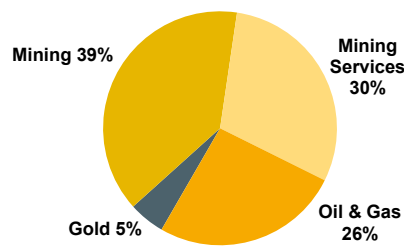
Agriculture, Forestry and Fishing exposures

Agriculture, Forestry and Fishing EAD \$35.1bn March 2013



Mining exposure

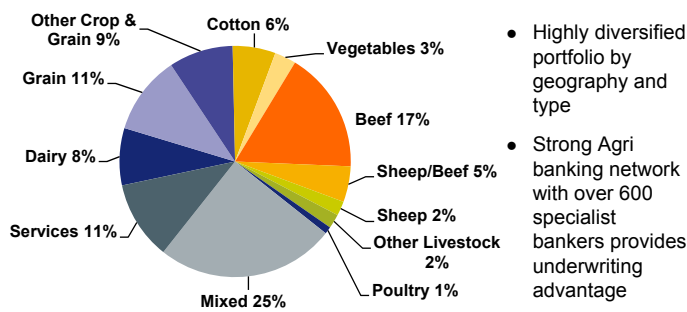
EAD \$9.2bn March 2013



- Impaired assets and 90+DPD <1% of GLAs
- Portfolio concentrated in better rated risk grades

Australian Agricultural exposures

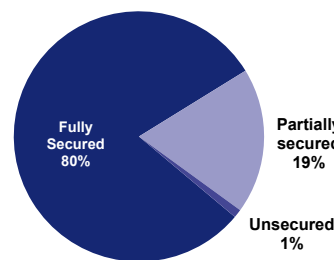
EAD \$20.3bn March 2013



- Highly diversified portfolio by geography and type
- Strong Agri banking network with over 600 specialist bankers provides underwriting advantage

Agriculture portfolio asset quality¹

Australian Agriculture portfolio - March 2013



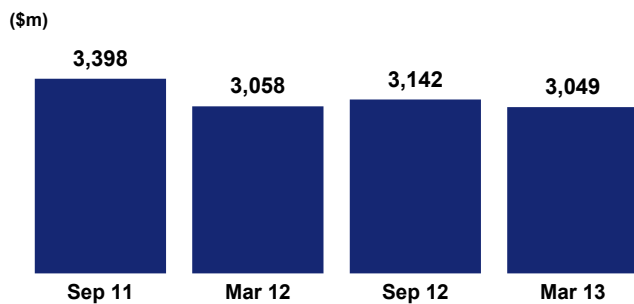
- Well secured portfolio
- Some signs of stress (especially NT cattle, VIC dairy) but in line with expectations and historical experience

(1) Fully secured is where the loan amount is less than 100% of the bank extended value of security; partially secured is where the loan amount is greater than 100% of the bank extended value of security; unsecured is where no security is held and negative pledge arrangements are normally in place. Bank extended value is calculated as a discount to market value based on the nature of the underlying security

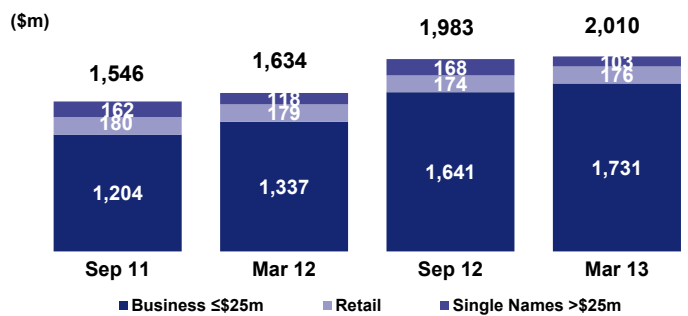


Group provision balances and coverage ratios

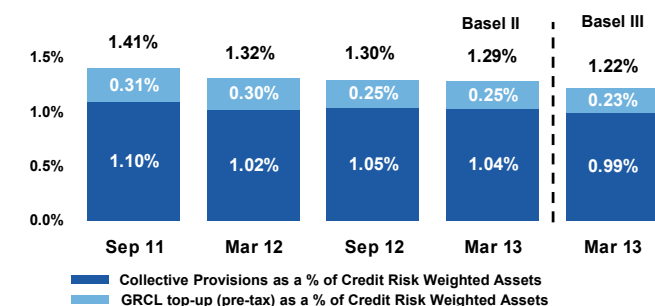
Collective provision balances



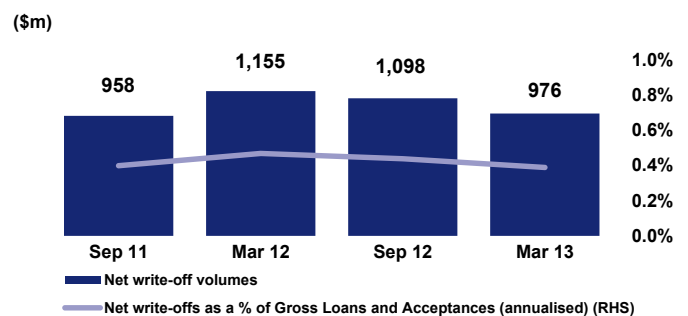
Specific provision balances



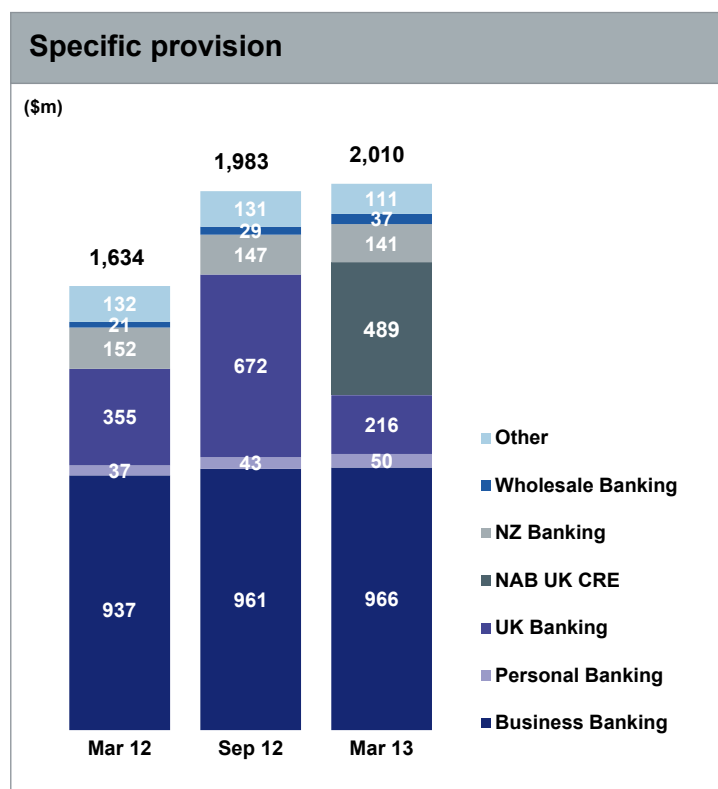
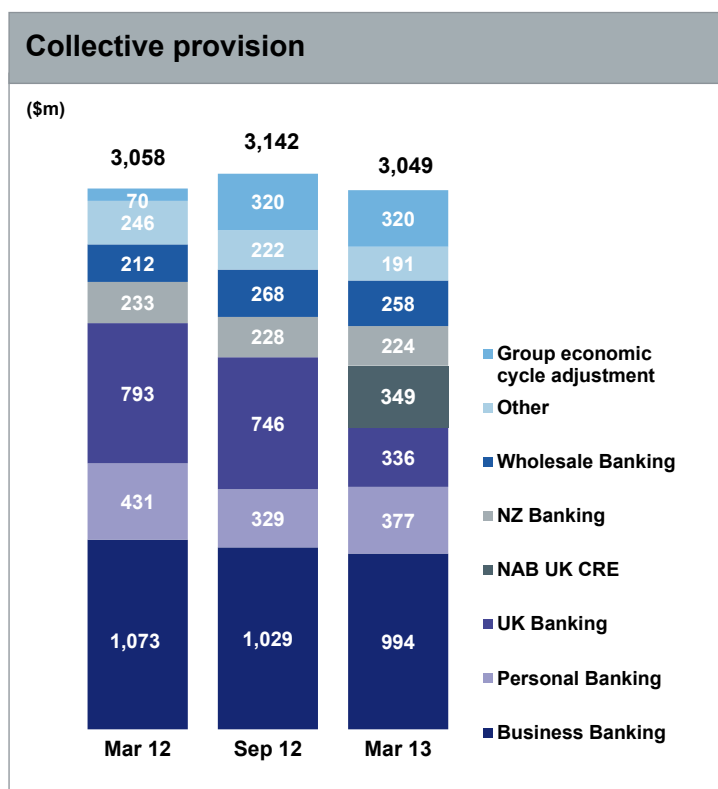
Coverage ratios (with and without GRCL top-up)



Net write-off volumes



Group provision movements

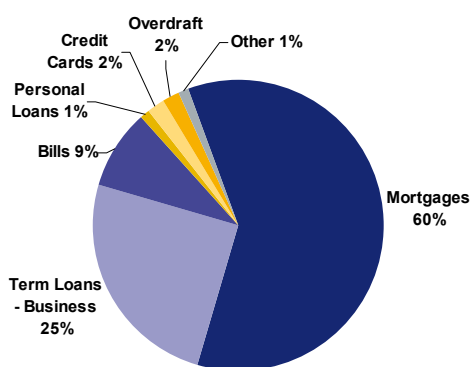


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Business Banking, Personal Banking and NAB Wealth

Portfolio breakdown – total \$379.6bn*



Australian Mortgages	Mar 13	Sep 12	Mar 12
Owner Occupied	71.9%	71.4%	70.8%
Investment	28.1%	28.6%	29.2%
Low Document	2.0%	2.2%	2.4%
Proprietary	65.3%	66.6%	68.0%
Third Party Introducer	34.7%	33.4%	32.0%
LMI Insured % of Total HL Portfolio	15.6%	15.0%	14.7%
CLVR on an exposure calculated basis ¹	56.1%	56.3%	55.8%
CLVR on a drawn balance calculated basis ¹	46.8%	47.2%	47.6%
Customers ahead 3 repayments or more ^{**}	44.8%	45.7%	45.4%
Average loan size \$ ('000)	\$266.0	\$262.0	\$258.4
90 + days past due	0.52%	0.50%	0.55%
Impaired loans	0.27%	0.30%	0.27%
Specific provision coverage	21.2%	19.1%	20.2%
Loss rate	0.05%	0.06%	0.06%

* Includes Business Banking Asia gross loans and acceptances of \$3.6bn at March 2013
 ** Ratio excludes Advantedge mortgages portfolio

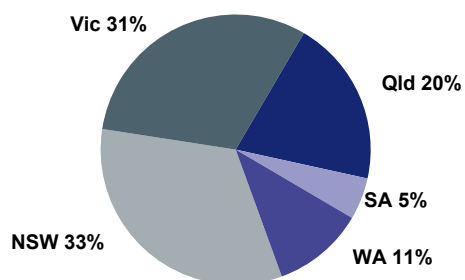
78

(1) CLVR is current loan to value ratio



Australian Mortgages¹ – \$226bn

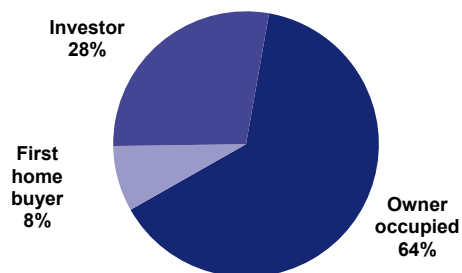
Geography



Low Doc Loans

- \$4.6bn outstanding (2.0% of housing book)
- LVR capped at 60% (without LMI)

Customer segment



Origination source – flows (Australia)

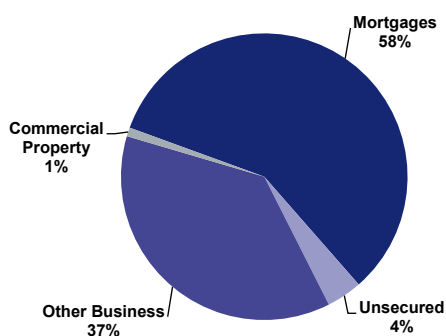
	Mar 13	Sep 12	Mar 12	Sep 11
Proprietary	58%	61%	64%	61%
Broker	36%	32%	29%	31%
Introducer	6%	7%	7%	8%

79 (1) Excludes Wholesale Banking



UK Banking

Portfolio breakdown – total £27.0bn



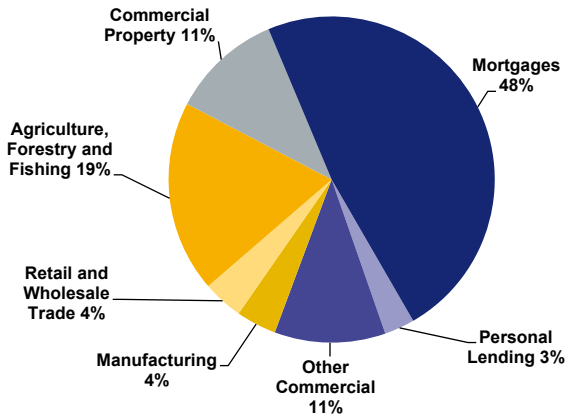
UK Mortgages	Mar 13	Sep 12	Mar 12
Owner Occupied	79.6%	79.8%	79.7%
Investment	20.4%	20.2%	20.3%
Low Document	0.0%	0.0%	0.0%
Proprietary	63.3%	65.1%	72.0%
Third Party Introducer	36.7%	34.9%	28.0%
LMI Insured % of Total HL Portfolio	1.1%	1.2%	1.3%
Loan to Value (at Origination)	63.1%	62.9%	62.7%
Loan to Value Indexed	53.2%	53.6%	53.5%
Average loan size £ ('000)	102	100	97
90+ days past due	0.50%	0.51%	0.57%
Impaired loans	0.45%	0.46%	0.43%
Specific provision coverage	22.0%	20.0%	21.4%
Loss rate	0.06%	0.09%	0.11%

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NZ Banking

Portfolio breakdown – total NZ\$60.4bn



New Zealand Mortgages	Mar 13	Sep 12	Mar 12
Low Document Loans	0.27%	0.26%	0.26%
Proprietary	100%	100%	100%
Third Party Introducer	0.0%	0.0%	0.0%
Insured % of Total HL Portfolio ¹	12.3%	11.8%	11.4%
Loan to Value (at origination)	64.3%	63.7%	63.5%
Average loan size NZ\$ ('000)	265	258	252
90 + days past due	0.22%	0.26%	0.31%
Impaired loans	0.32%	0.35%	0.46%
Specific provision coverage	32.1%	39.0%	38.7%
Loss rate	0.09%	0.10%	0.09%

81 (1) Insured includes both LMI and Low Equity Premium



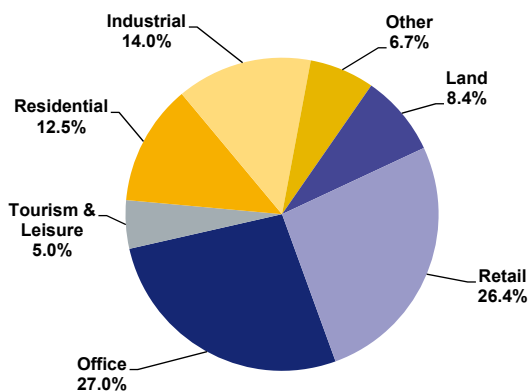
Commercial Real Estate – Group Summary¹

Total \$60.1bn

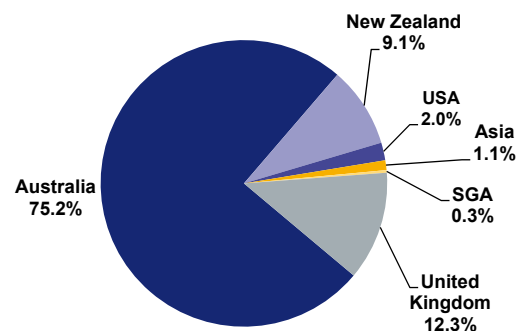
12.0% of Gross Loans & Acceptances

	Aus	NAB UK CRE	NZ	USA ²	Other ³	Total
TOTAL CRE (A\$bn)	45.2	7.0	5.4	1.2	1.3	60.1
Increase/(decrease) on Sep 12 (A\$bn)	0.2		0.0	0.0		(1.1)
% of GLAs	11.7%	96.1%	11.2%	20.7%	2.6%	12.0%
Change in % on September 2012	0.0%		(0.4%)	2.2%		(0.2%)

Group Commercial Property by type



Group Commercial Property by geography



(1) Measured as balance outstanding at March 2013 per APRA Commercial Property ARF 230 definitions
 (2) Excludes SGA
 (3) Includes SGA, Asia and UK Banking commercial real estate

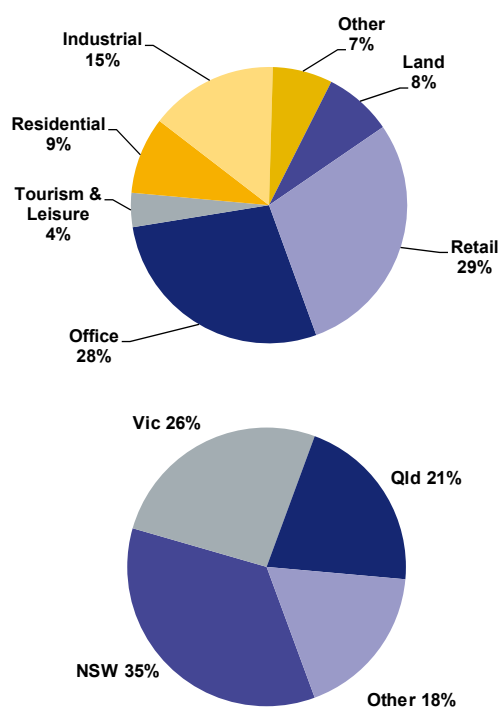


Commercial Real Estate – Business Banking

Total \$45.1bn

11.7% of Australian geography

Gross Loans & Acceptances



State	NSW	VIC	QLD	Other	Total
Location %	35%	26%	21%	18%	100%
Loan Balance ¹ < \$5m	10%	10%	7%	5%	32%
> \$5m < \$10m	4%	3%	3%	3%	13%
> \$10m	21%	13%	11%	10%	55%
Loan tenor < 3 yrs	29%	22%	18%	15%	84%
Loan tenor > 3 < 5 yrs	5%	3%	2%	2%	12%
Loan tenor > 5 yrs	1%	1%	1%	1%	4%
Average loan size \$m	3.4	2.5	2.8	3.2	3.0
Security Level ² – Fully Secured	26%	23%	16%	16%	81%
Partially Secured	4%	2%	4%	2%	12%
Unsecured	5%	1%	1%	0%	7%
90+ days past due	0.13%	0.06%	0.07%	0.12%	0.38%
Impaired loans	0.70%	0.26%	0.98%	0.07%	2.01%
Specific provision coverage	12.9%	20.9%	23.3%	24.2%	19.3%

Trend	Mar 13	Sep 12	Mar 12	Sep 11
90+ days past due	0.38%	0.17%	0.31%	0.20%
Impaired Loans	2.01%	2.75%	2.91%	3.12%
Specific Provision Coverage	19.3%	14.0%	16.4%	14.7%

(1) Distribution based on loan balance

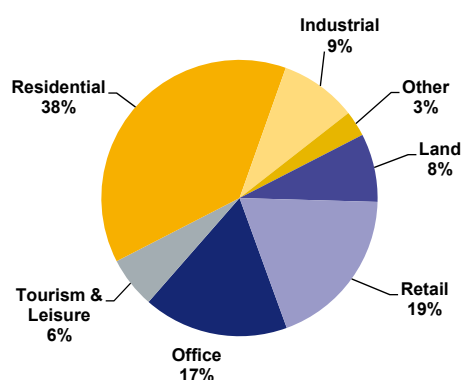
(2) Fully Secured represents loans of up to 70% of the Market Value of Security. Partially Secured are over 70%, but not Unsecured. Unsecured is primarily Negative Pledge lending

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Commercial Real Estate – NAB UK CRE

Total £5.0bn¹



Region	North	East	South	West	Total
Location %	29%	29%	16%	26%	100%
Loan Balance ² < £2m	13%	12%	6%	14%	45%
> £2m < £5m	8%	6%	3%	5%	22%
> £5m	8%	11%	7%	7%	33%
Average loan tenor < 3 yrs	19%	17%	7%	13%	56%
Average loan tenor > 3 < 5 yrs	3%	3%	4%	4%	14%
Average loan tenor > 5 yrs	7%	9%	5%	9%	30%
Average loan size (£m) spot	£0.77m	£0.90m	£1.12m	£0.76m	£0.84m
Security Level ³ Fully Secured	12%	13%	11%	15%	51%
Partially Secured	15%	14%	5%	11%	45%
Unsecured	2%	2%	0%	0%	4%

Mar 13	
90+ days past due	3.86%
Impaired Loans	21.78%
Specific Provision Coverage	31.53%

(1) Total portfolio size of £5.0bn includes £0.2bn non-CRE assets

(2) Distribution based on loan balance

(3) Fully Secured represents loans of up to 70% of the Market Value of Security. Partially Secured are over 70%, but not Unsecured. Unsecured is primarily Negative Pledge lending

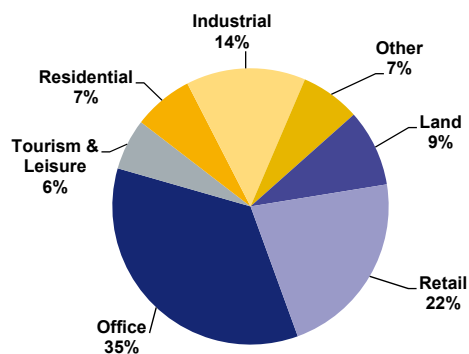
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Commercial Real Estate – NZ Banking

Total NZ\$6.8bn

11.2% of Gross Loans & Acceptances



Region	Auckland	Other Regions	Total	
Location %	37%	63%	100%	
Loan Balance¹				
< NZ\$5m	11%	26%	37%	
> NZ\$5m < NZ\$10m	5%	8%	13%	
> NZ\$10m	21%	29%	50%	
Loan tenor				
< 3 yrs	35%	55%	90%	
> 3 < 5 yrs	1%	4%	5%	
> 5 yrs	1%	4%	5%	
Average loan size NZ\$m	4.3	3.0	3.4	
Security Level²				
Fully Secured	24%	44%	68%	
Partially Secured	11%	13%	24%	
Unsecured	2%	6%	8%	
90+ days past due	0.22%	0.48%	0.70%	
Impaired Loans	0.23%	1.13%	1.36%	
Specific Provision Coverage	54.9%	31.9%	35.8%	
Trend	Mar 13	Sep 12	Mar 12	Sep 11
90+ days past due	0.70%	0.81%	0.56%	0.50%
Impaired Loans	1.36%	1.31%	1.34%	1.66%
Specific Provision Coverage	35.8%	22.9%	17.2%	24.6%

(1) Distribution based on loan balance

(2) Fully Secured represents loans of up to 70% of the Market Value of Security. Partially Secured are over 70%, but not Unsecured. Unsecured is primarily Negative Pledge lending



Additional Information

Business Banking

Personal Banking

Wholesale Banking

NAB Wealth

NZ Banking

UK Banking

NAB UK CRE

Great Western Bank

Asset Quality

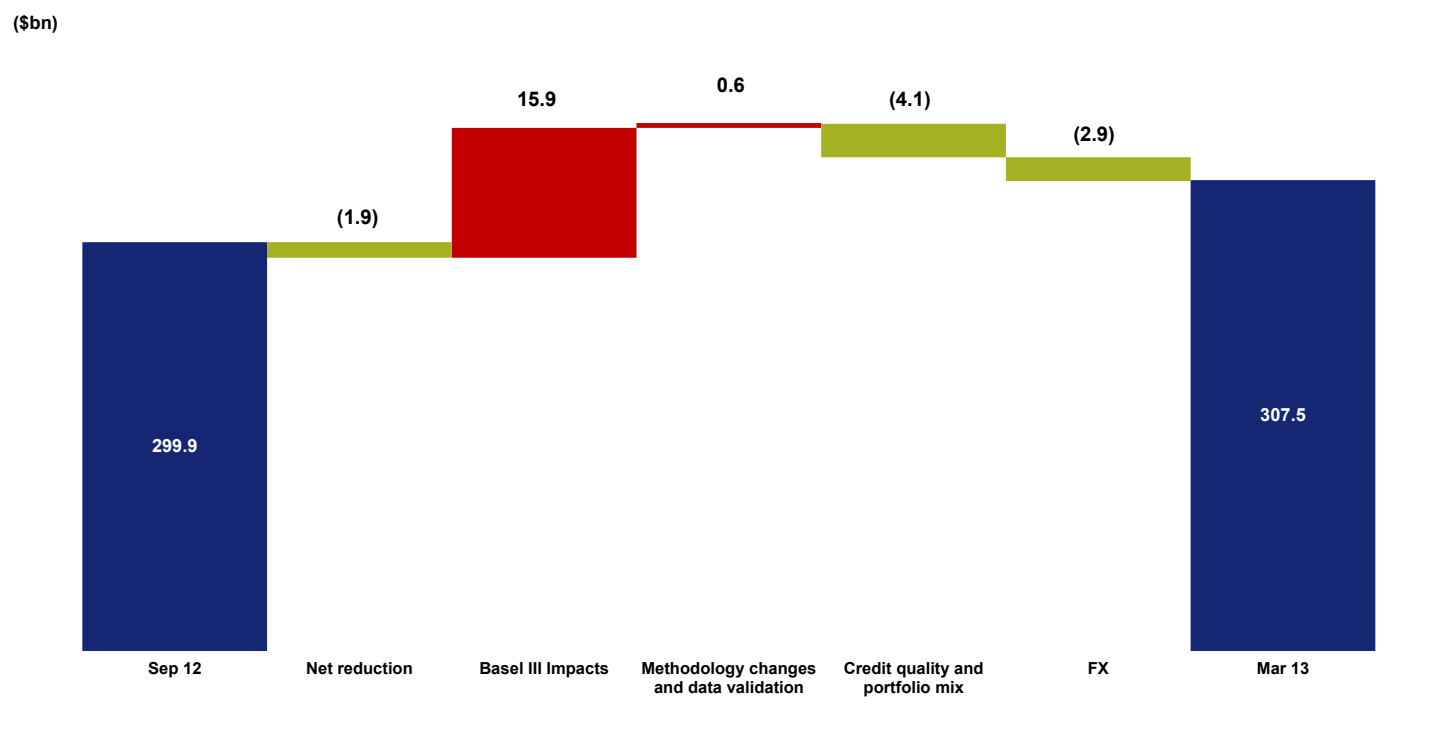
Capital and Funding

Other

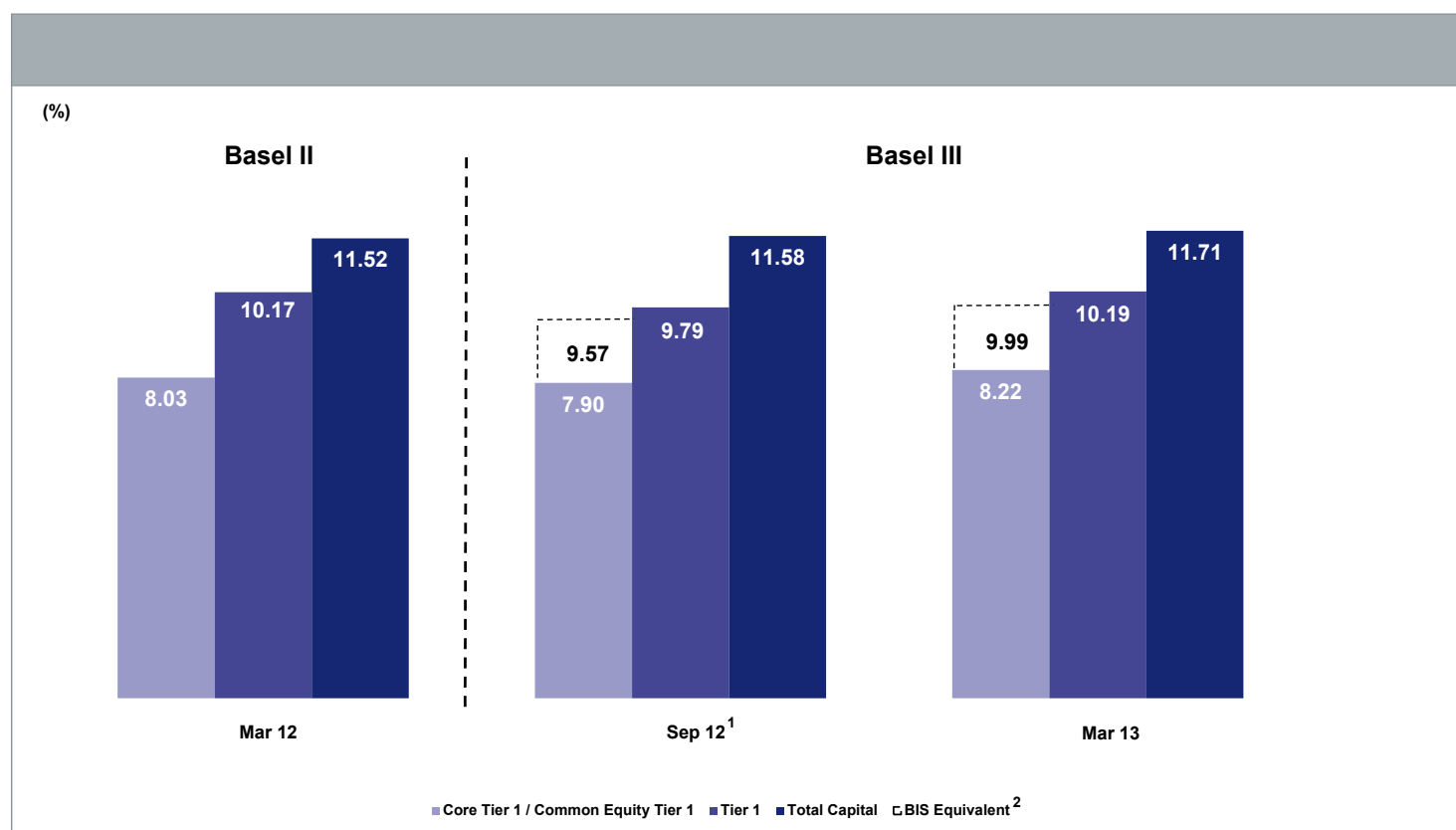
Economic Outlook

Credit RWA movement

Credit RWA movement September 2012 to March 2013



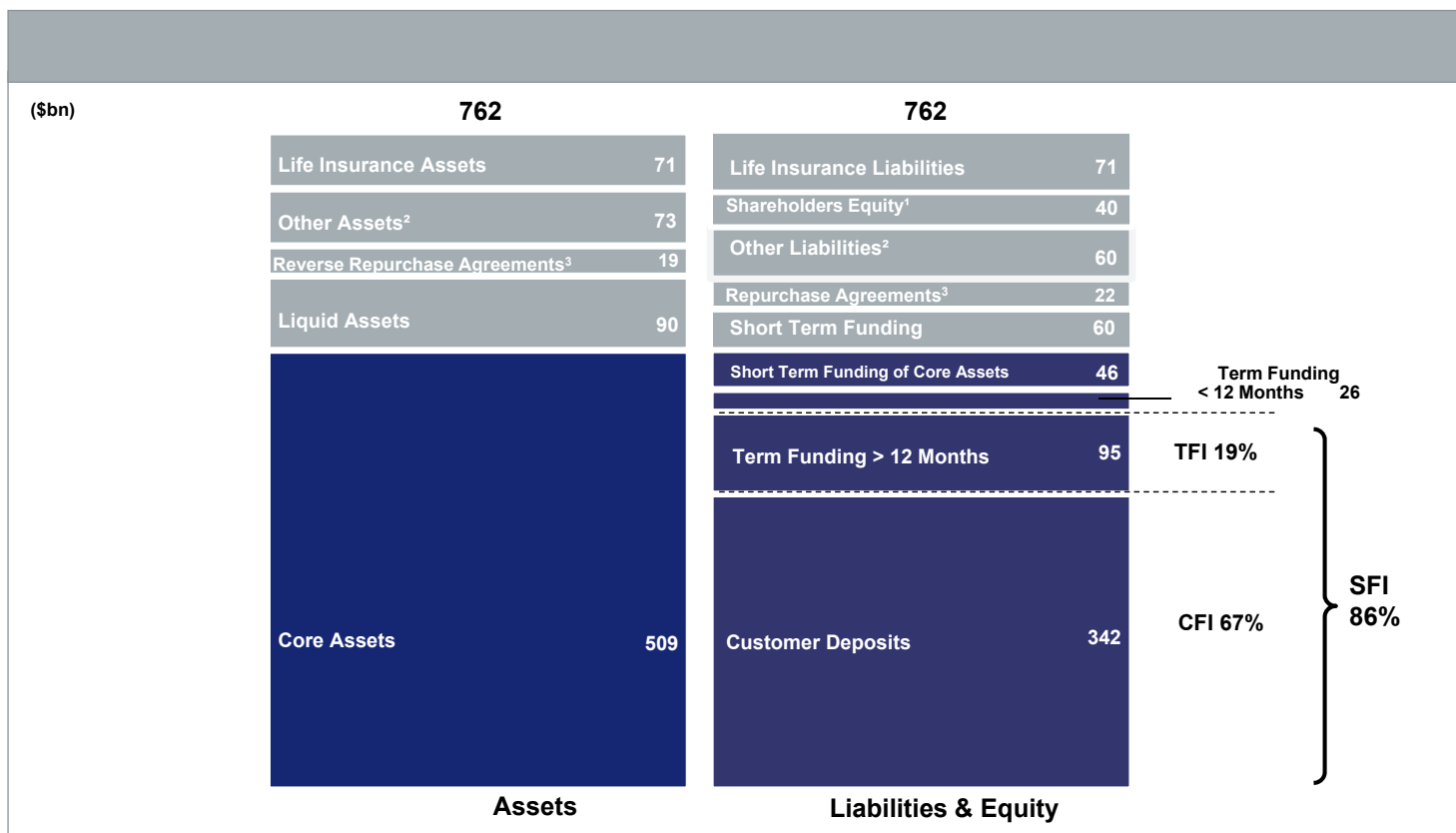
Basel II and Basel III Capital Ratios



(1) The Group's Sep 12 proforma Basel III Common Equity Tier 1 ratio has been amended down by 1bps to 7.90% from the previously reported position of 7.91%. This reflects minor refinements to NAB's interpretation of APRA's Basel III standards. The Group's Sep 12 proforma Basel III Common Equity Tier 1 ratio (BIS) has been amended up by 32bps from the previously reported position of 9.25% to include Treasury shares held outside of the Level 2 Banking Group. This aligns with the Australian Bankers' Association Fact Sheet "Comparison of APRA and the Basel Committee on Banking Supervision Basel III Capital Ratios", released 14 December 2012

(2) The above comparison is based on public information at the time on the BIS approach to calculating Common Equity Tier 1

Asset funding – March 2013

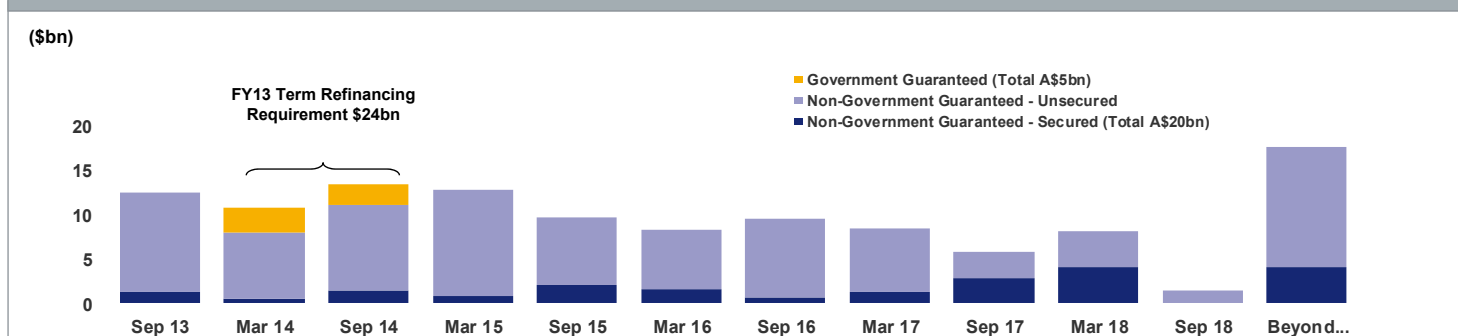


(1) Shareholder equity excludes preference shares and other contributed equity
 (2) Other assets and liabilities comprises mainly trading derivatives
 (3) Repurchase agreements entered into are materially offset by reverse repurchase agreements with similar maturity profiles as part of normal trading activities



Funding profile remains robust

Term Wholesale Funding Maturity Profile as at March 2013

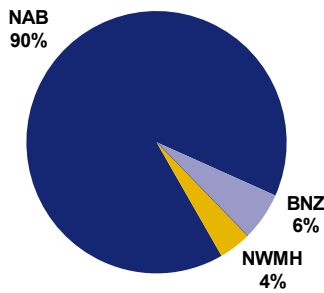


- The weighted average remaining maturity of the Group's term funding index qualifying (includes debt with > 12 months remaining term to maturity, excludes debt with < 12 months) senior, secured and subordinated debt is 3.8 years (3.7 years as at September 2012)
- The weighted average remaining maturity of the Group's senior, secured and subordinated debt is 3.1 years (3.1 years as at September 2012)
- The FY13 term funding requirement is largely driven by the need to refinance term debt that has less than 12 months remaining term to maturity during FY14
- In November 2012, National Australia Bank Limited repurchased and retired \$4.5 billion of Government guaranteed securities. \$5 billion of these securities remain, all of which are due to mature in FY14

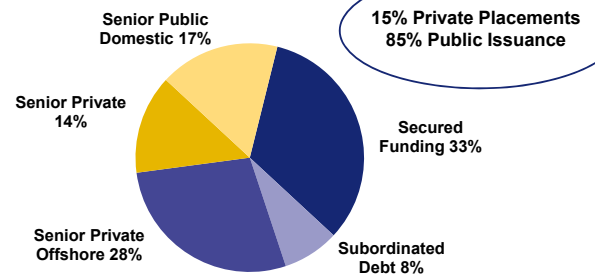


Diversified funding issuance – March 2013

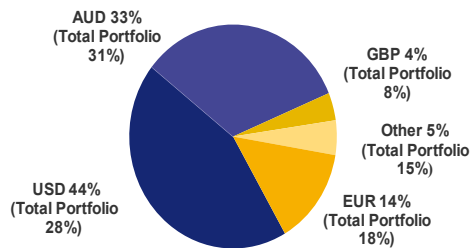
Issuer (\$12.1bn)



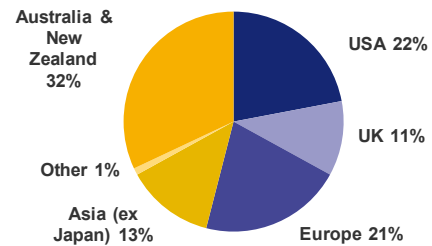
Type (\$12.1bn)



Currency (\$12.1bn)

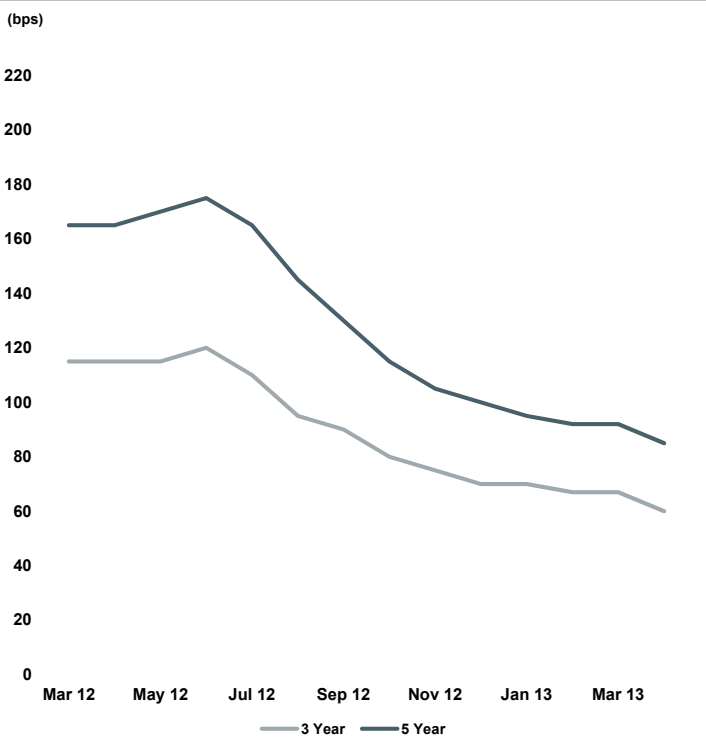


Investor location (\$12.1bn)

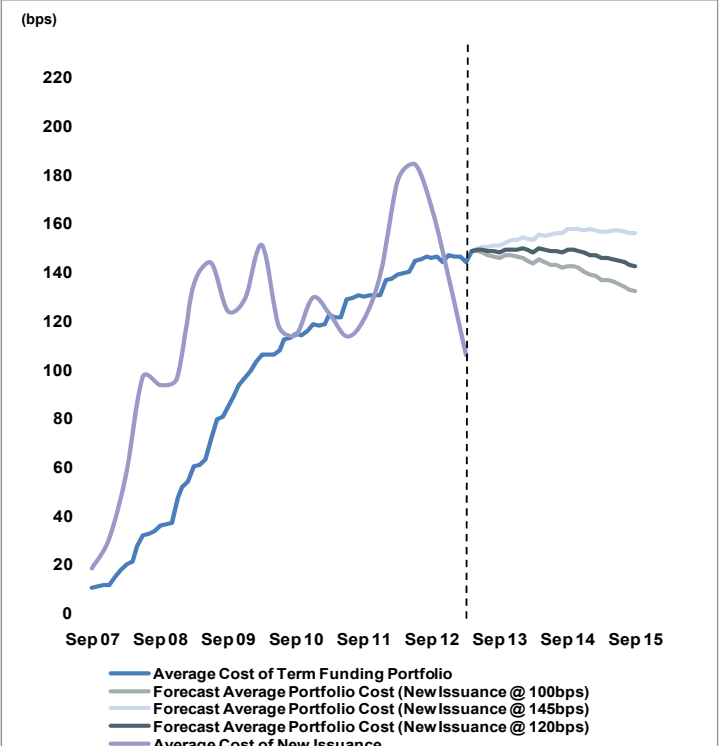


Wholesale Funding Costs

Wholesale Term Issuance Curves¹



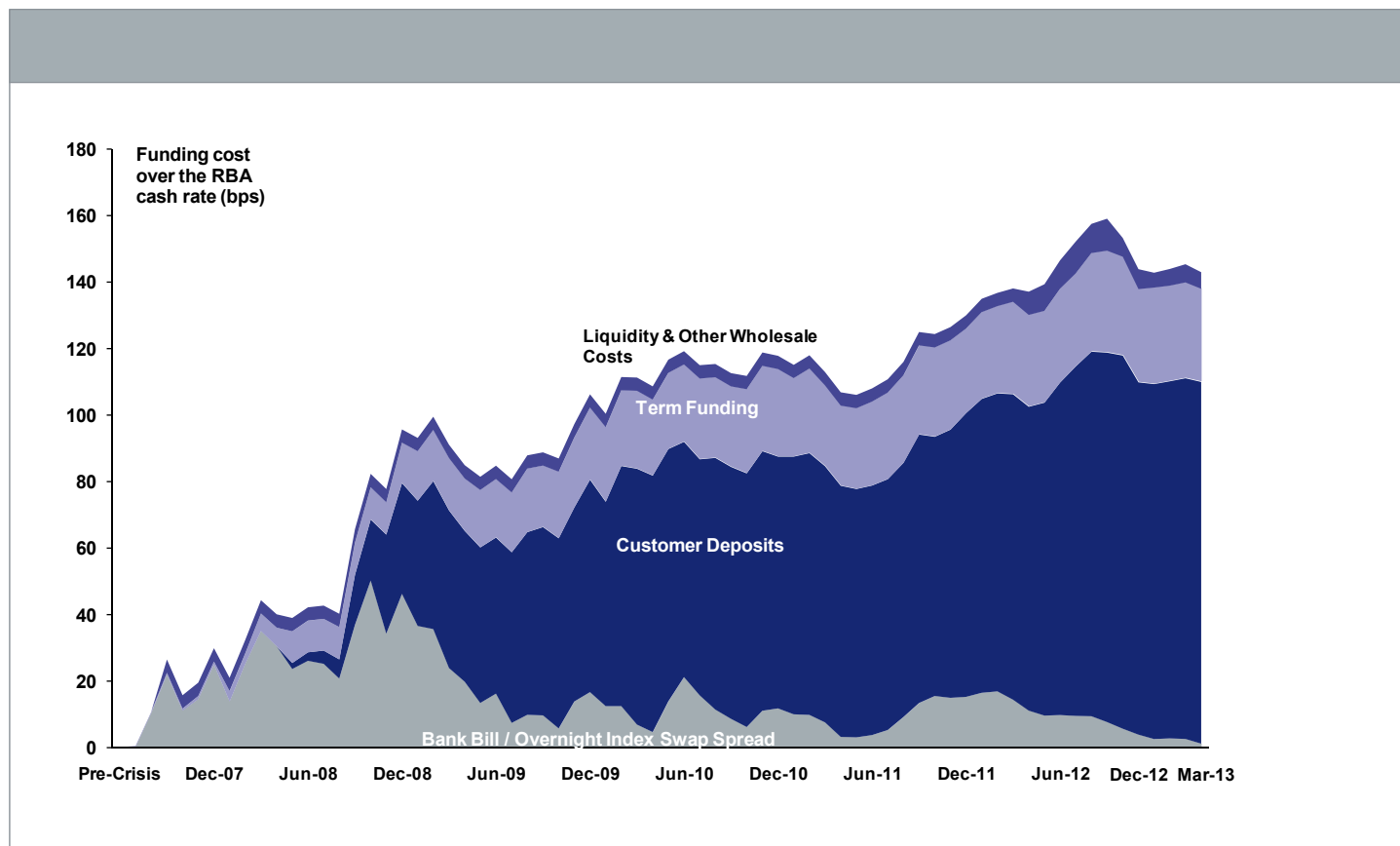
Average Long Term Wholesale Funding Costs²



(1) Source: NAB Group Treasury. Curves based on AUD Major Bank Wholesale Unsecured Funding rate (3 years and 5 years)
 (2) NAB Ltd Term Wholesale Funding Costs >12 Months at issuance (spread at 3 month BBSW). Average cost of new issuance is on a 6 month rolling basis
 Forecast assumptions as follows:
 - new issuance at 100bps: blended onshore and offshore market levels as at 30 April 2013 (5 year)
 - new issuance at 145bps: March 2013 average portfolio cost
 - new issuance at 120bps: approximate cost of maturing debt to September 2014



Cost of funding an Australian variable rate mortgage



 National Australia Bank

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Risk Weighted Assets

Asset Class (\$m)	Mar 13		Sep 12	
	RWAs Basel III	RWA/EAD %	RWAs Basel II	RWA/EAD %
Corporate & Business	178,873	47%	169,062	46%
Mortgages	58,062	20%	56,403	20%
Retail	14,341	44%	14,723	45%
Standardised ¹	39,809	41%	51,412	61%
Credit Value Adjustment (Basel III)	10,343	n/a	n/a	n/a
Other Assets	6,089	63%	8,271	83%
Total Credit RWAs	307,517	38%	299,871	39%
Market RWAs	5,899		4,436	
Operational RWAs ²	33,332		23,008	
IRRBB RWAs	4,643		4,021	
Total RWAs	351,391		331,336	

(1) The majority of the Group's standardised portfolio is the UK Clydesdale PLC banking operations
(2) Higher Operational RWAs included in the December 2012 quarter due to increased regulatory requirements

 National Australia Bank

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Additional Information

Business Banking

Personal Banking

Wholesale Banking

NAB Wealth

NZ Banking

UK Banking

NAB UK CRE

Great Western Bank

Asset Quality

Capital and Funding

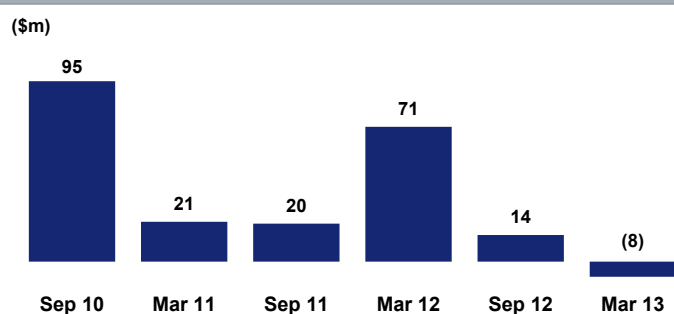
Other

Economic Outlook

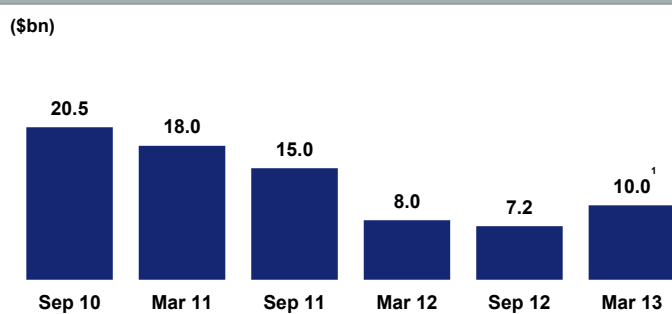


Specialised Group Assets

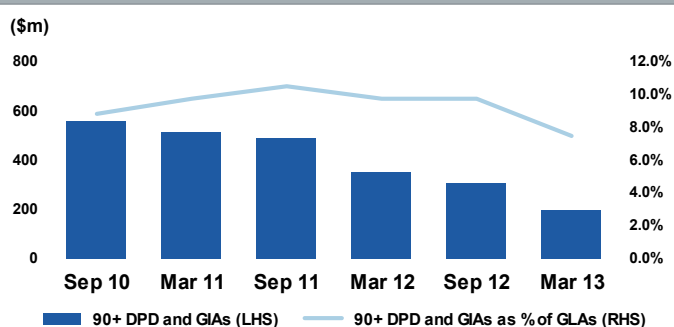
B&DD charge



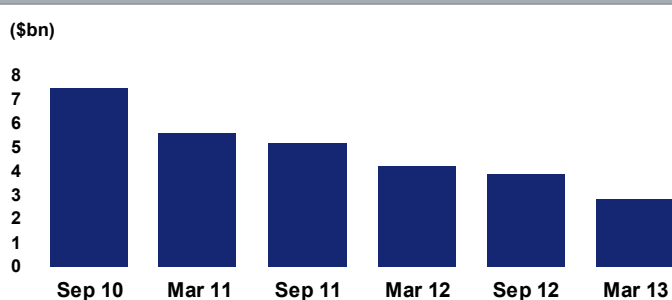
RWAs¹



90+ DPD and GIAs as % of GLAs



Gross loans & acceptances (average)

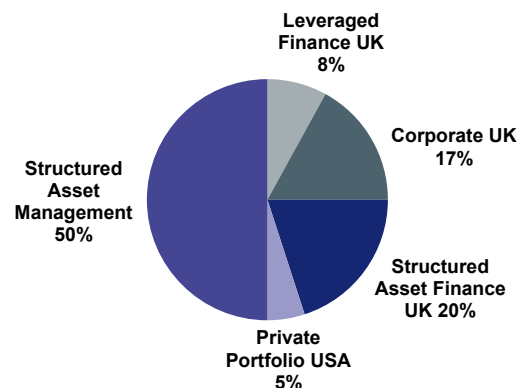


(1) The increase of RWAs to March 13 includes \$3.3bn which is primarily due to a change in treatment under APS 120 on the Structured Asset Management Portfolio, but with no impact on underlying capital - the transactions creating the RWA increase were previously capital deductions



SGA Portfolio Composition as at March 2013

	Total Commitments (A\$bn)	Total Provisions (specific & collective) (A\$m)	Average Contractual Tenor (years)	RWAs (A\$bn)	Number of Clients	Close Review Commitments (A\$bn)
Leveraged Finance UK	0.5	31.8	2.6	1.0	22	0.2
Corporate UK ¹	1.0	110.8	2.4	1.5	27	0.6
Structured Asset Finance UK	1.2	4.6	13.9	1.1	13	0.0
Private Portfolio USA	0.3	1.5	14.6	0.3	10	0.0
Total Loans & Advances	3.0	148.7	n/a	3.9	72	0.8
Structured Asset Management ²	3.0	87.6	10.6	6.1	22	0.7
Total	6.0	236.3	9.4	10.0	94	1.5



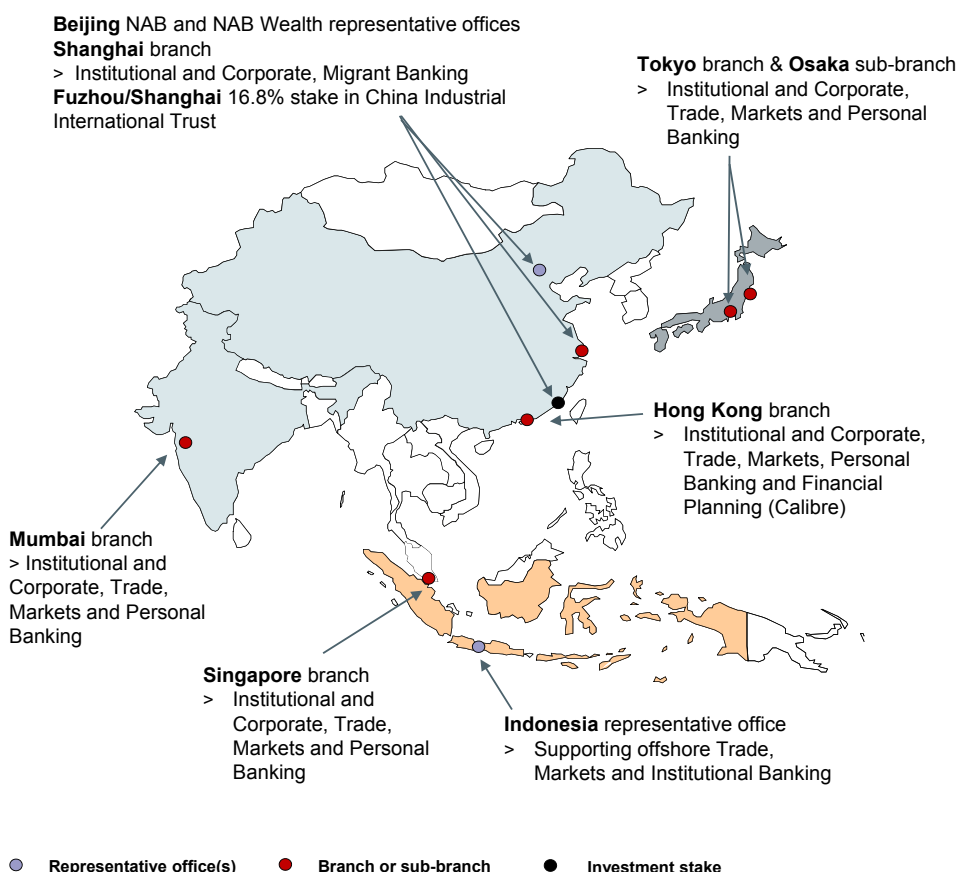
(1) Of which:

Property UK	0.2	53.7	0.6	0.4	12	0.2
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97 (2) Held To Maturity Assets



NAB's operational focus in Asia



Geographic Focus

- Trading partners of Japan, China, India and Indonesia
- Liquidity hubs of Singapore and Hong Kong
- Linking the flows of these markets with Australia and New Zealand

Customer Focus

- Corporates and Institutions in key industries
- Australian Corporates linked to Asia, and Asian Corporates with interests in Australia
- Wealthy individuals and families with links between NAB's home markets and Asia
- Local cash rich deposit customers
- Personal Banking is in the process of being rebranded NAB Private Wealth

Product Focus

- Corporate Finance and Trade Finance
- FX products, Interest rate and Commodity Risk Management
- Multi-currency mortgages
- Institutional and Retail deposits



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Additional Information

Business Banking

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NZ Banking

UK Banking

NAB UK CRE

Great Western Bank

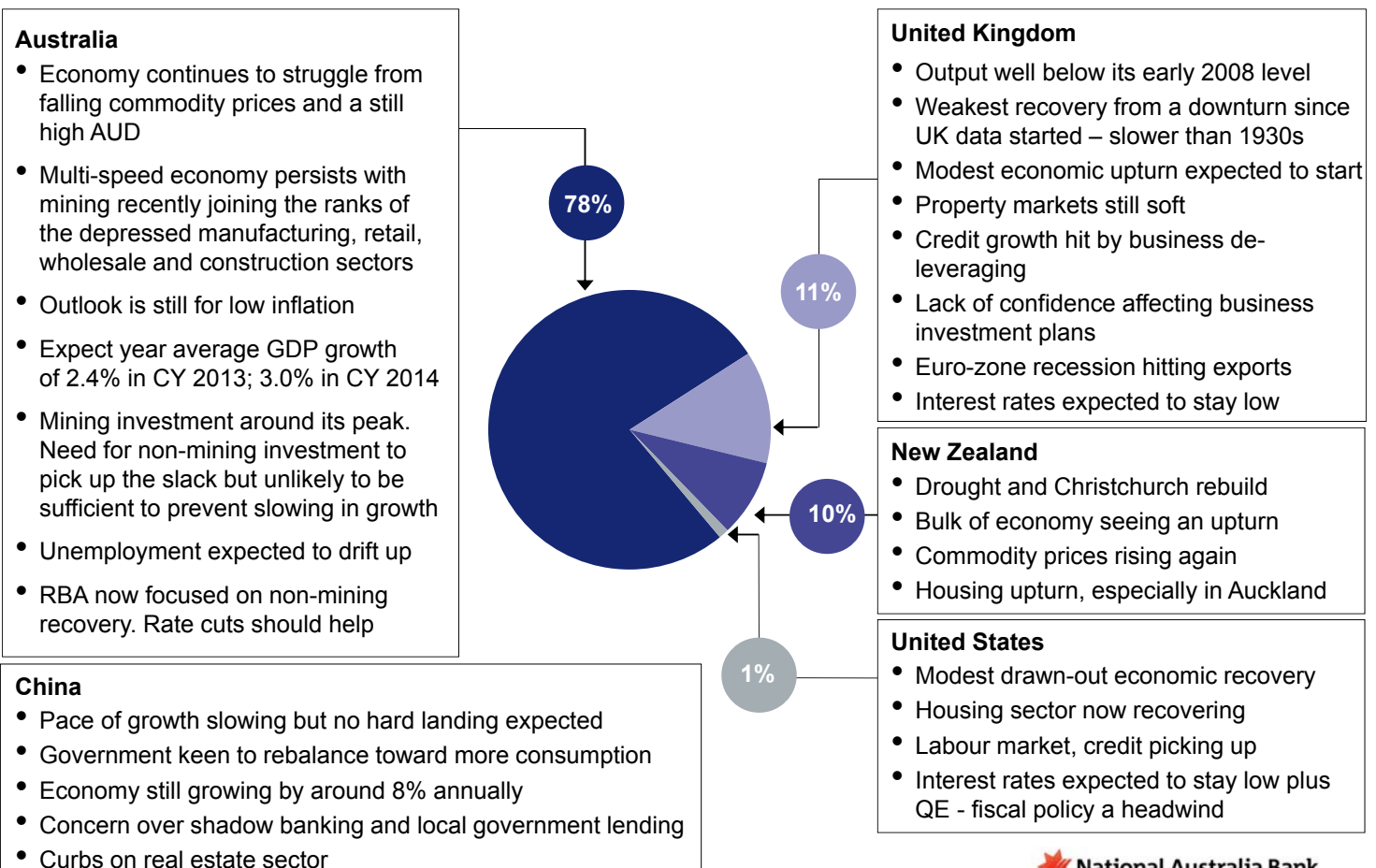
Asset Quality

Capital and Funding

Other

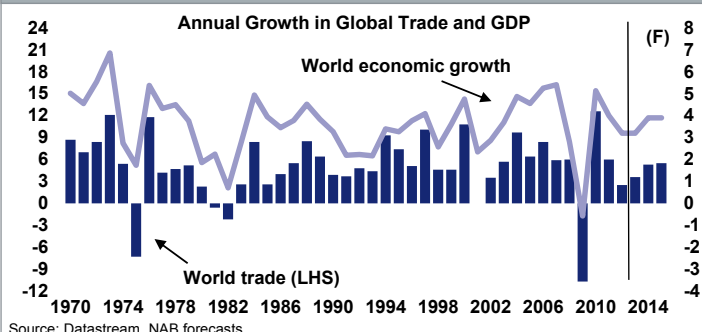
Economic Outlook

Economic outlook

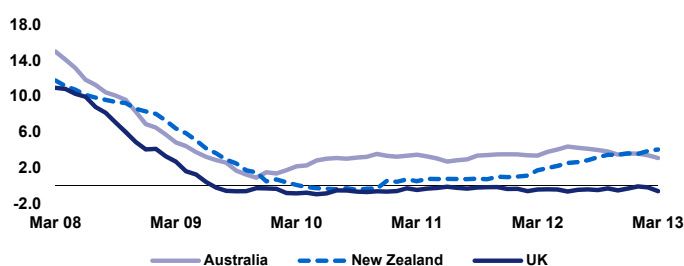


Economic conditions

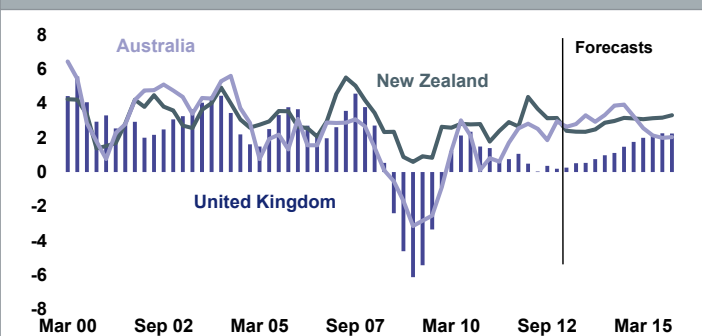
Annual % growth in global trade and GDP - 1970 - 2015



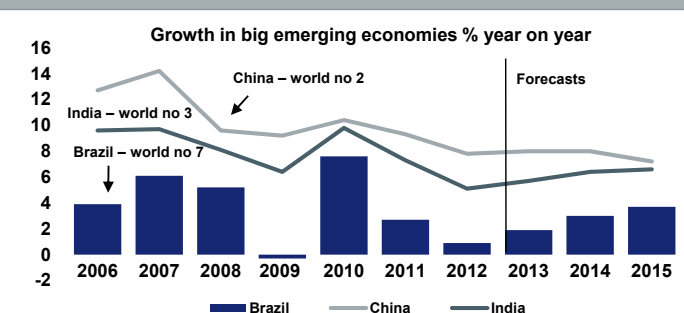
System credit growth % change year-on-year



Real GDP % change year on year



Annual % growth in emerging economies



Source: ABS, Datastream, NAB forecasts

Source: IMF, Datastream, NAB forecasts



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Australia regional outlook

Economic Indicators (%) ¹	CY11	CY12	CY13(f)	CY14(f)	CY15(f)
GDP growth	2.4	3.6	2.4	3.0	3.2
Unemployment rate	5.1	5.3	5.9	5.8	5.8
Core inflation	2.8	2.4	2.3	2.6	2.8
Cash rate	4.25	3.00	2.50	3.00	4.00
System Growth (%) ²	FY11	FY12	FY13(f)	FY14(f)	FY15(f)
Housing	5.8	4.7	5.3	6.2	6.6
Other personal (incl cards)	-1.0	-0.7	1.4	4.5	6.3
Business	0.3	3.7	0.0	3.3	7.4
Total system credit	3.4	4.0	3.2	5.1	6.9
Total A\$ ADI deposits ³	8.5	7.2	5.0	6.4	8.4

- Australian GDP growth rose by a moderate 0.6% in Q4 2012, to be 3.1% higher over the year
- 'Green shoots' such as improving retail turnover, house prices and equity markets should be balanced against the weakness in labour market forward indicators, the downturn in the mining sector and the relentless pressure of the AUD on trade-exposed businesses
- Continued weak business activity suggests we are yet to see the upswing in consumer demand that policy makers are searching for
- While the mining investment peak is approaching, there remains a significant amount of work in the pipeline yet to be completed
- GDP is forecast to soften to 2.4% in 2013 before lifting to 3.0% in 2014, that is, still below trend. Consistent with this, we forecast unemployment to rise to around 6% by late 2013 as the labour intensive mining investment phase slows and the capital intensive exports phase begins
- With inflationary pressures expected to be well contained in the near term, assisted by soft demand and a still high AUD, there is still scope for another rate cut by year-end (possibly November). Timing is still very fluid with higher house prices a possible delaying factor and unemployment path a key variable
- Despite historically low borrowing rates, overall demand for credit remains subdued, and is expected to remain relatively soft over the year ahead

(1) Percentage change at year end December, except for GDP, which is year-average at year end December, and cash and unemployment rates, which are as at end December

(2) Percentage change at bank fiscal year end September

(3) Total ADI deposits also include wholesale deposits (such as CDs), community and non-profit deposits but exclude deposits by government & ADIs



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UK regional outlook

Economic Indicators (%)	CY11	CY12	CY13(f)	CY14(f)	CY15(f)
GDP growth	1.0	0.3	0.8	1.8	2.2
Unemployment	8.3	7.8	7.8	7.7	7.5
Inflation	4.5	2.8	2.9	2.5	2.4
Cash rate	0.5	0.5	0.5	0.5	1.5
System Growth (%)	FY11	FY12	FY13(f)	FY14(f)	FY15(f)
Housing	0.7	0.8	0.7	1.4	2.8
Consumer	-1.0	-0.5	0.5	0.9	1.7
Business	-2.5	-3.1	-2.5	-0.8	1.1
Total lending	-0.6	-0.7	-0.5	0.5	2.1
Retail deposits	3.1	3.7	5.3	5.7	6.0

- Business conditions remain subdued with the economy shrinking in late 2012 and growth was only modest in the early months of 2013. The level of output remains well below its early 2008 level. After this very disappointing record, we expect to see a sustained period of growth through the next few years but the pace of expansion is likely to be fairly modest
- The UK economy has been hit by a combination of adverse events – the Euro-zone recession has hit sales to its biggest export market, a lack of confidence has held back the upturn in business confidence that the official forecasters have been long expecting, household incomes have been squeezed by modest pay increases combined with reasonably high inflation and the government has been pursuing its fiscal austerity agenda
- Weak property markets have held down spending levels and activity. Commercial property prices are still trending down gently but some of the housing market indicators are looking slightly better (with modestly rising prices and higher volumes). There is a big variation between regions in terms of housing market strength in early 2013 with prices rising in SE England but still falling in Northern England and Scotland. The London commercial property market is also outperforming other regions
- System credit remains weak in the UK with business still de-leveraging (the stock of credit is still trending down) and housing lending is only growing very slowly. The lack of confidence impeding investment is holding back credit demand and government efforts to boost the flow of new lending have not yet had a marked impact on new lending
- Against this background of sluggish growth, the Bank of England seems likely to keep interest rates very low and we do not expect to see any rise off the current historic low until 2015



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NZ regional outlook

Economic Indicators (%)	CY11	CY12	CY13(f)	CY14(f)	CY15(f)
GDP growth	1.4	2.5	2.9	3.6	2.2
Unemployment	6.4	6.9	6.5	6.0	5.8
Inflation	1.8	0.9	0.9	2.0	2.9
Cash rate (end period)	2.5	2.5	2.5	4.0	4.5
System Growth (%)	FY11	FY12	FY13(f)	FY14(f)	FY15(f)
Housing	1.6	1.6	4.3	6.5	5.7
Personal	-1.6	0.1	2.8	4.5	4.5
Business	-0.7	2.3	4.0	4.9	5.2
Total lending	0.5	1.8	4.1	5.8	5.4
Household retail deposits	7.0	9.0	8.8	8.2	7.1

- Although the drought and reconstruction in Canterbury are expected to substantially affect the economic growth numbers this year, the underlying picture remains one of an upturn in activity continuing across the bulk of the economy. Recent business surveys suggest that the solid economic growth seen in late 2012 has carried over into this year. Domestic demand has picked up, the housing market has turned much more positive and household credit growth is accelerating. This upturn has had surprisingly little impact on the official labour market data with the jobless rate still around 7% and little growth in employment through the last few years
- The recent marked increase in commodity export prices will help support farm incomes, which are being hit hard by the drought and the high New Zealand dollar. The central bank has expressed concern at the impact of the high local currency on the competitiveness of local industry but that strong currency is also holding down price inflation with the CPI growing by under 1% through the year to March 2013
- Interest rates are very low in New Zealand by historical standards – the policy rate has been set at 2.50% since early 2011, a record low. System-wide floating rate mortgages have been around 6% and average fixed mortgage rates are even lower. The RBNZ is expected to start lifting its policy rate in early 2014 and it is watching the housing market (where Auckland prices have been growing at double-digit rates) very closely. The RBNZ is also looking closely into “macro-prudential tools” to address potential risks to financial stability from future asset market bubbles
- The outlook for continued economic growth through the next few years should help boost credit growth but it is expected to remain well below the rates seen before 2008. Higher interest rates should eventually slow housing credit but deposit growth, albeit slowing, should stay solid
- System asset quality indicators remain good with impaired assets being only around 1.25% of registered bank assets in late 2012

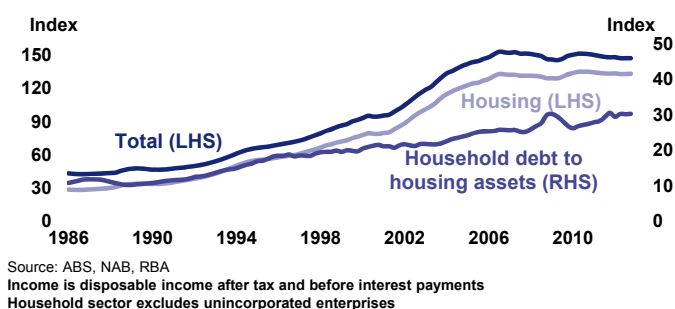


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Characteristics of the Australian mortgage market

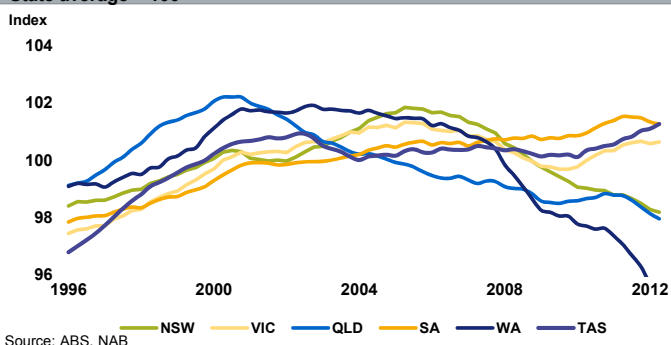
- Solid population growth combined with an insufficient expansion in Australia's dwelling stock has led to an undersupply of housing in most regions
- While Australia's household debt service burden remains at historically high levels, it has improved marginally
- Recent NAB Australian Property Surveys show increased demand from resident investors, likely to be in response to lower borrowing costs and positive income returns
- However, employment security and access to credit remain significant impediments to purchasing existing property
- Around 80% of Australian mortgages are at variable rates, making the most common mortgage rate very sensitive to changes in monetary policy

Household debt-to-income ratio

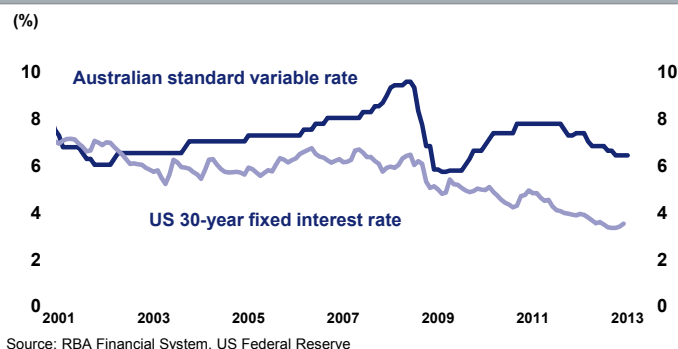


Ratio of dwellings to resident population

State average = 100



Mortgage interest rates



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