

2011 HALF YEAR RESULTS

Investor presentation

5 May 2011

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

National Australia Bank Limited ABN 12 004 044 937



Solid result – continued progress against strategy

	Half year to				
	Mar 11	Sep 10	Change (%)	Mar 10	Change (%)
Revenue (\$m)	8,799	8,401	4.7%	8,237	6.8%
Cash earnings (\$m)	2,668	2,388	11.7%	2,193	21.7%
Tier 1 ratio	9.19%	8.91%	28bps	9.09%	10bps
Dividend (100% franked) (cps)	84	78	7.7%	74	13.5%
Cash ROE	15.1%	13.5%	160bps	12.9%	220bps
Statutory net profit (\$m)	2,428	2,129	14.0%	2,095	15.9%

Financial highlights

- ▶ Increased cash earnings
- ▶ Strong balance sheet
- ▶ Improving ROE
- ▶ Increased dividend

Optimistic on outlook – still room for caution

- ▶ Multi-speed Australian economy
- ▶ Developed economies on better footing
- ▶ Impact of natural disasters
- ▶ Regulatory and political landscape still uncertain

NAB well positioned

- ▶ Reputation strengthened
- ▶ Solid momentum
- ▶ Positioned for improved economic outlook

Overall macro outlook improving

<p>Economic outlook</p>	<ul style="list-style-type: none"> ▶ Global economic recovery continuing – growth rates differ across regions ▶ Australian economy solid but floods will impact near term growth ▶ UK and NZ still subdued
<p>Banking regulation</p>	<ul style="list-style-type: none"> ▶ Basel III requirements clearer – local interpretation still to be resolved ▶ UK environment evolving
<p>Political environment</p>	<ul style="list-style-type: none"> ▶ Ongoing political and consumer scrutiny

3

Strong progress – well positioned for the future



4

Transforming the way we do business: 2009 - 2014

End state	<ul style="list-style-type: none"> ▶ Customer experience improved ▶ Service delivery enhanced ▶ Ageing infrastructure replaced ▶ Operational risk reduced 		
Key programmes	Infrastructure & Network Transformation	Replatforming Programme (NextGen)	Customer Process Transformation
Achievements to date	<ul style="list-style-type: none"> ▶ IBM infrastructure and hosting partnership complete ▶ Network modernisation commenced – 28% of sites upgraded 	<ul style="list-style-type: none"> ▶ Target operating state defined ▶ Platform build in progress ▶ Activated some functionality (eg, customer analytics) 	<ul style="list-style-type: none"> ▶ Customer experience and end-to-end processes defined ▶ Process transformation commenced (eg, mortgages) ▶ UBank – working well
CY11 priorities	<ul style="list-style-type: none"> ▶ Contact centre voice infrastructure largely complete ▶ Continue to progress payments transformation ▶ Network modernisation completed 	<ul style="list-style-type: none"> ▶ New Australian General Ledger operational ▶ Securitisation platform – additional capability deployed ▶ Foundation release of Core Banking deployed 	<ul style="list-style-type: none"> ▶ New private client platform launched ▶ Further develop UBank ▶ Mortgage transformation largely complete

5



2011 outlook

- ▶ Continuing to make solid progress advancing our strategic priorities
- ▶ Well placed to navigate economic, regulatory and political uncertainty
- ▶ Will continue to leverage strengths to support ongoing franchise momentum and ROE improvement

6



1H11 Financials



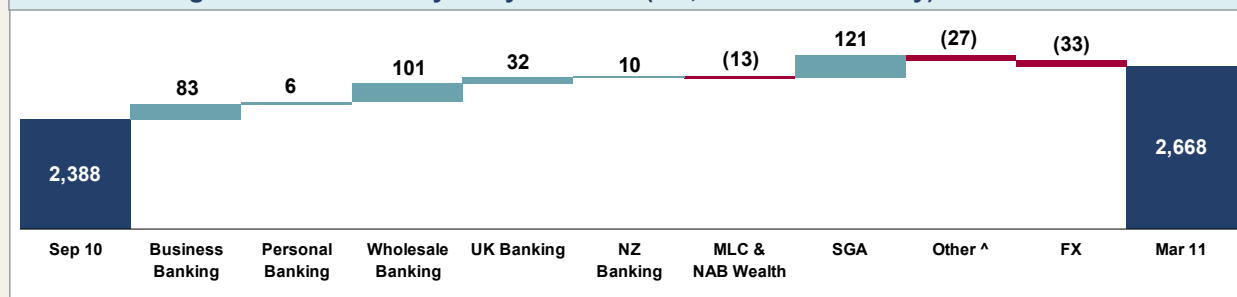
Group financial result

(\$m)	Half year to				
	Mar 11	Sep 10	Mar 10	Change on Sep 10	Change on Mar 10
Net interest income	6,304	6,174	6,114	2.1%	3.1%
Other operating income (incl MLC)	2,495	2,227	2,123	12.0%	17.5%
Net operating income	8,799	8,401	8,237	4.7%	6.8%
Operating expenses	(3,991)	(4,001)	(3,861)	0.2%	(3.4%)
Underlying profit	4,808	4,400	4,376	9.3%	9.9%
B&DDs	(988)	(1,033)	(1,230)	4.4%	19.7%
Cash earnings	2,668	2,388	2,193	11.7%	21.7%
Cash ROE	15.1%	13.5%	12.9%	160bps	220bps
NIM	2.23%	2.24%	2.26%	(1bps)	(3bps)
Tier 1 ratio	9.19%	8.91%	9.09%	28bps	10bps
Spot GLAs (\$bn)	459.2	448.0	434.5	2.5%	5.7%

Business unit contributions

Home currency (m)	Half year to				
	Mar 11	Sep 10	Mar 10	Change % on Sep 10	Change % on Mar 10
Underlying profit					
Business Banking	2,059	1,966	1,939	4.7%	6.2%
Personal Banking	778	723	682	7.6%	14.1%
Wholesale Banking	541	428	586	26.4%	(7.7%)
UK Banking	£252	£247	£264	2.0%	(4.5%)
NZ Banking	NZ\$496	NZ\$494	NZ\$449	0.4%	10.5%
MLC & NAB Wealth	388	360	367	7.8%	5.7%
Specialised Group Assets	115	(6)	(135)	large	large
Other [^]	148	117	116	26.5%	27.6%
Group underlying profit	4,808	4,400	4,376	9.3%	9.9%

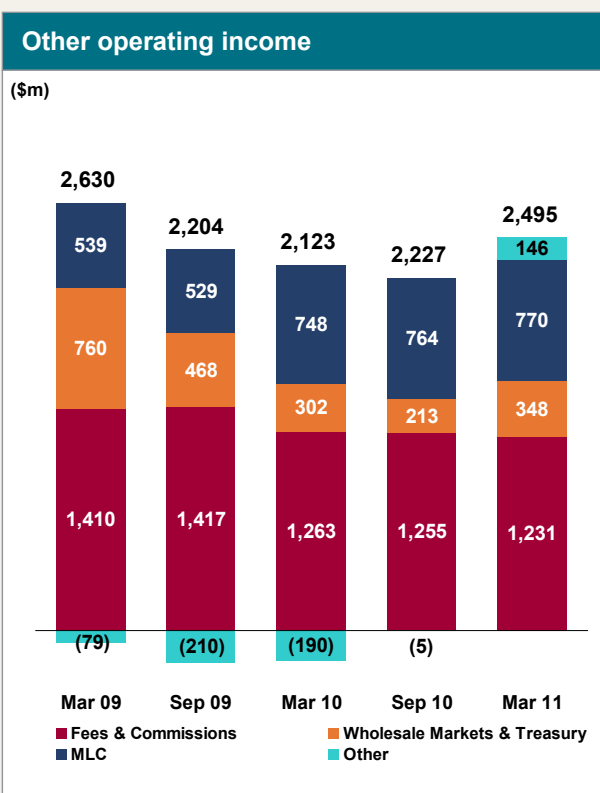
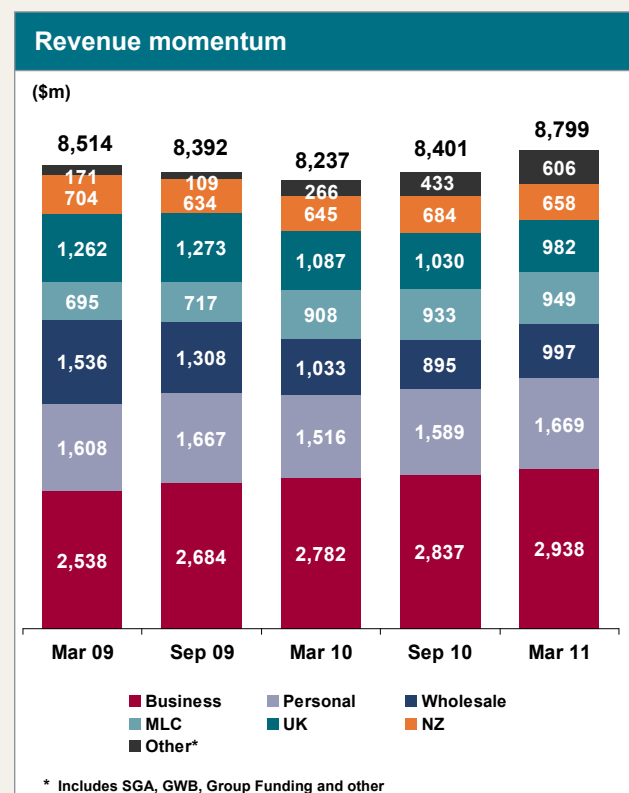
Cash earnings – attribution analysis by business (\$m, constant currency)



9 [^] Other comprises Group Funding, Group Business Services, other supporting units, Asia Banking and GWB

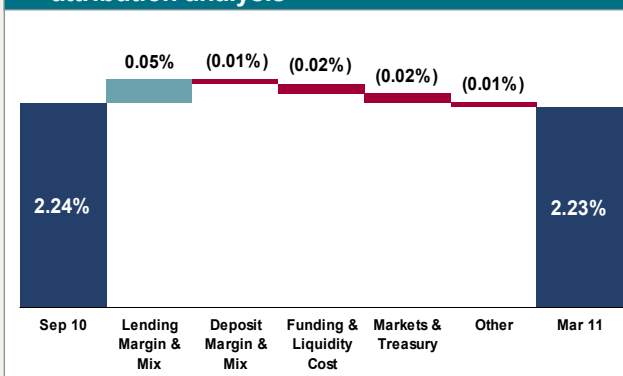


Revenue momentum



Net interest margin

Group net interest margin – attribution analysis



Business unit net interest margin

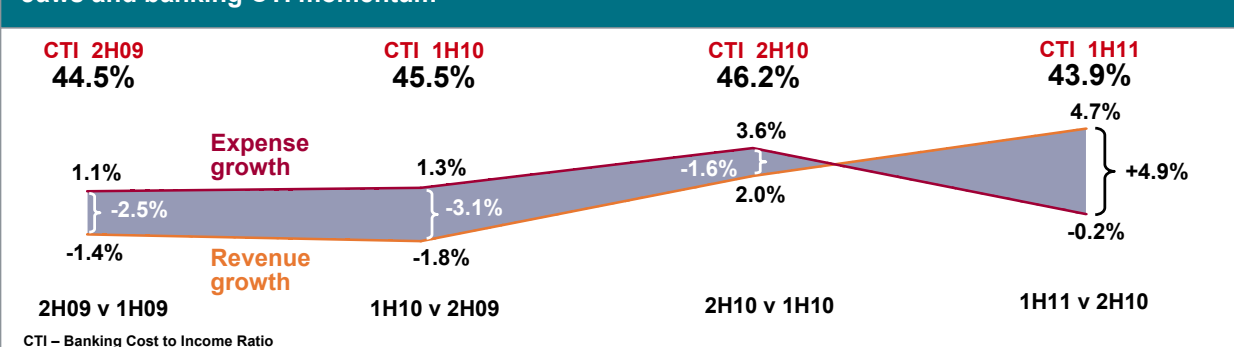
Business Unit	Half year to		
	Mar 11	Sep 10	Mar 10
Business Banking	2.57	2.50	2.51
Personal Banking	2.22	2.28	2.34
UK Banking	2.33	2.28	2.40
NZ Banking	2.24	2.24	2.08

- ▶ Current NIMs affected primarily by asset repricing, deposit mix and skew to mortgages in current growth
- ▶ At business unit level, asset growth skew most pronounced in Personal Banking
- ▶ Future NIM likely to be affected by heightened asset competition, emphasis on high Basel III value deposits, rising wholesale funding and liquidity costs, and change in mix of asset growth

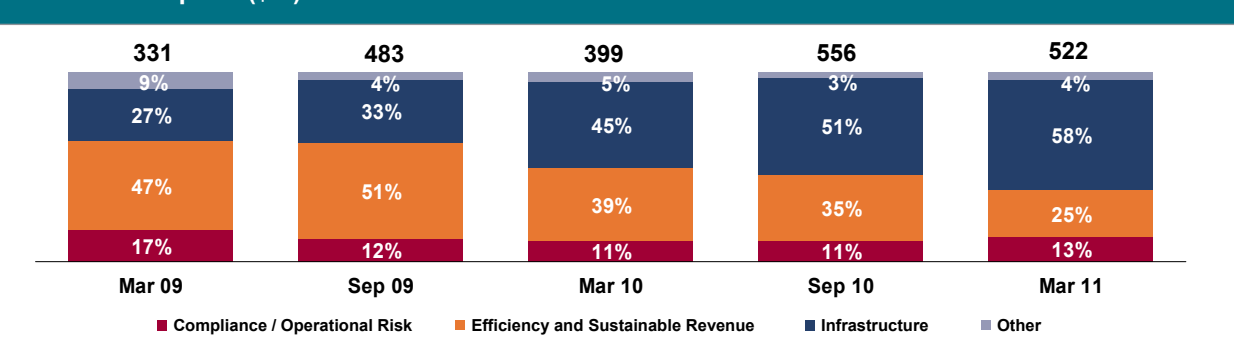
11

Jaws and investment spend

Jaws and banking CTI momentum

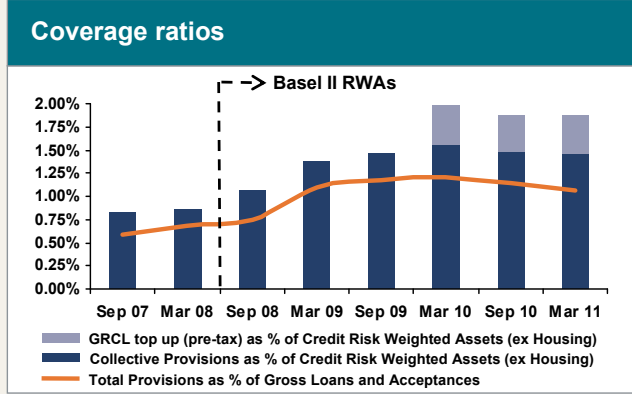
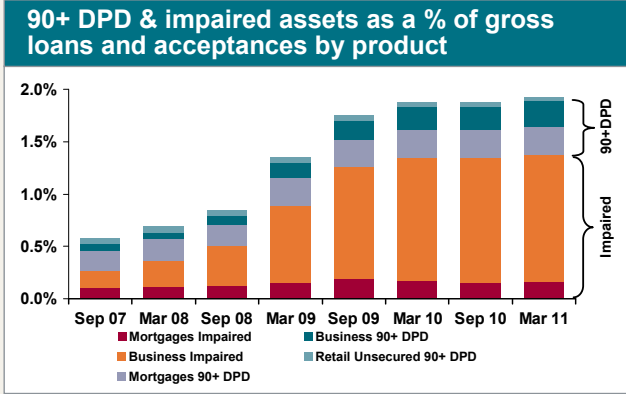
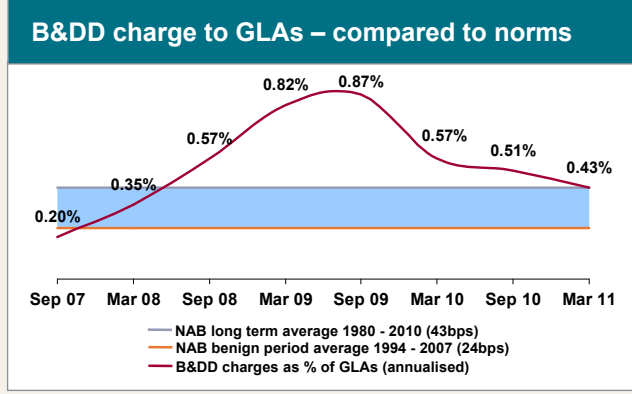
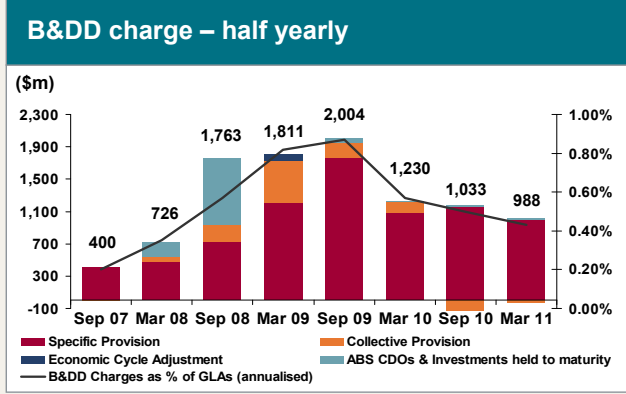


Investment spend (\$m)



12

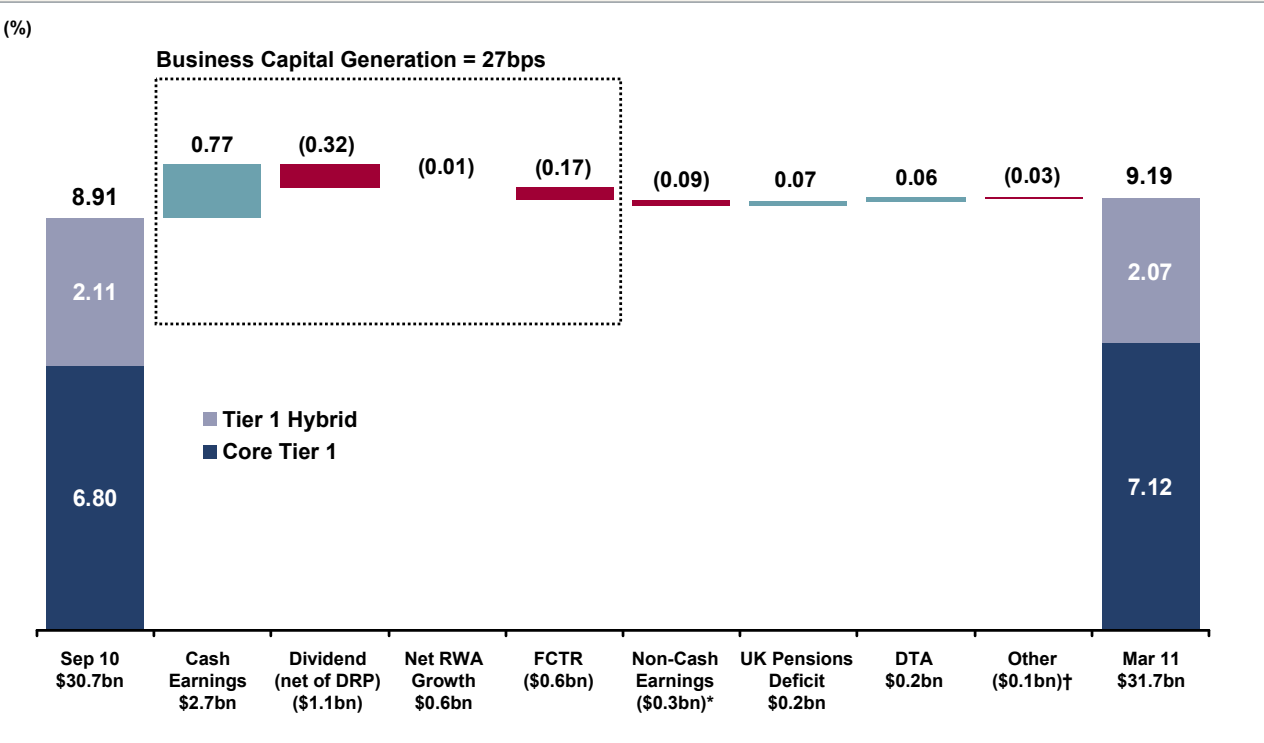
Group B&DD charge and asset quality



13



Tier 1 capital position



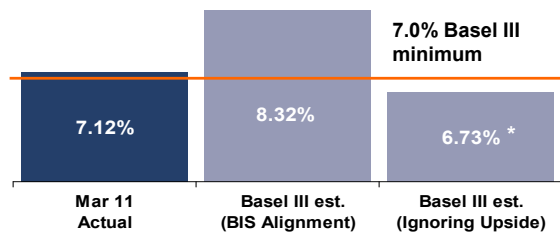
* Non-cash earnings affect on Tier 1 after adjusting for Distributions and Treasury Shares
 † Other consists primarily Wealth Management adjustment (3bps) and other immaterial movements



Regulatory reform – status update

Capital reforms

Core Tier 1



* Assumes current approach for Wealth Management. Counterparty credit risk estimate now included

- ▶ Basel III final reform package delivered
- ▶ APRA consultation underway. Discussion papers expected mid 2011
- ▶ Well placed to manage capital impact
- ▶ Existing hybrid and subordinated debt expected to amortise post January 2013
- ▶ Uncertainties still remain, including extent of harmonisation

Funding reforms

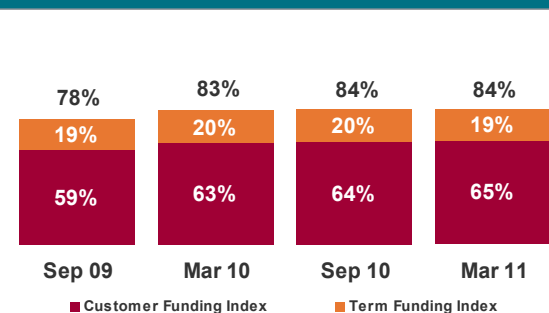
- ▶ Balance sheet transition underway to ensure compliance with
 - > Liquidity Coverage Ratio (LCR) from January 2015
 - > NSFR from January 2018
- ▶ Engaging with APRA on new Basel standards
- ▶ RBA secured facility supports LCR compliance. Main challenges likely to be:
 - > Averaging up quality of deposits and liquid assets
 - > Continuing to term out funding
 - > Sizing facility and clarifying RBA fee
- ▶ Challenge on NSFR
 - > LCR transition is supportive
 - > Taking covered bonds to issuance

15 Note: Supervisory confirmation required

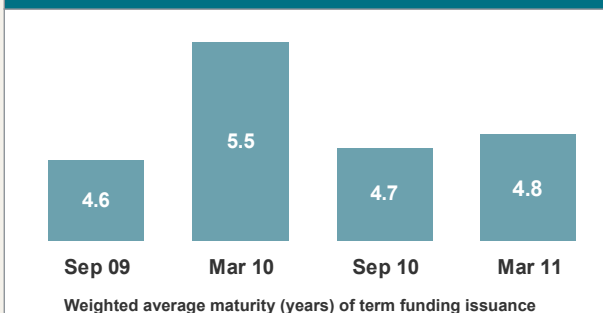


Funding and liquidity

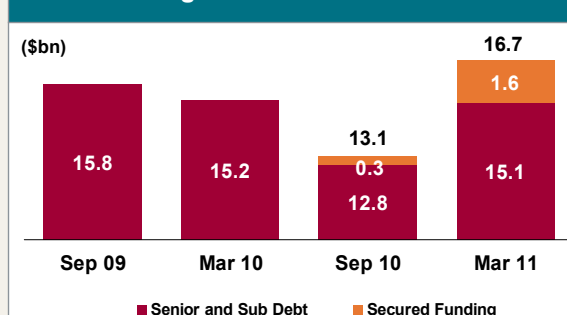
Group Stable Funding Index (SFI)



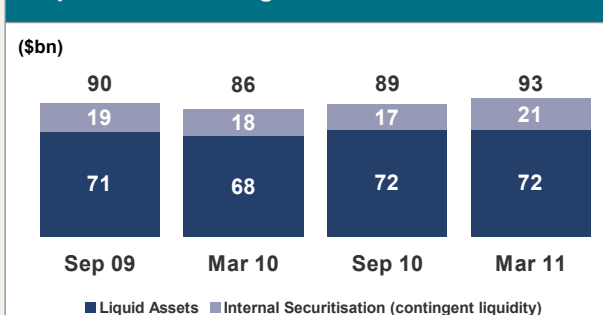
Term funding – tenor of issuance



Term funding – volume of new issuance



Liquid asset holdings

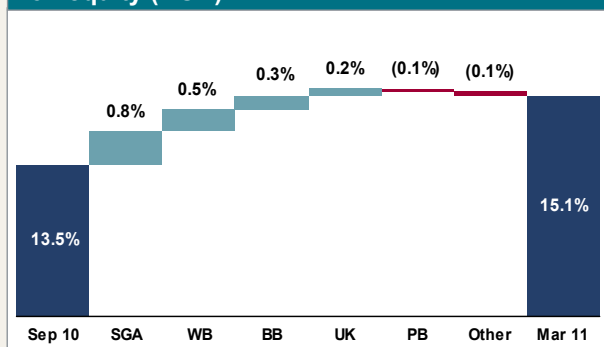


16

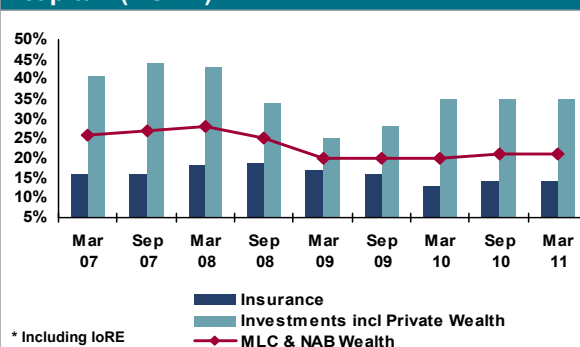


Return on equity

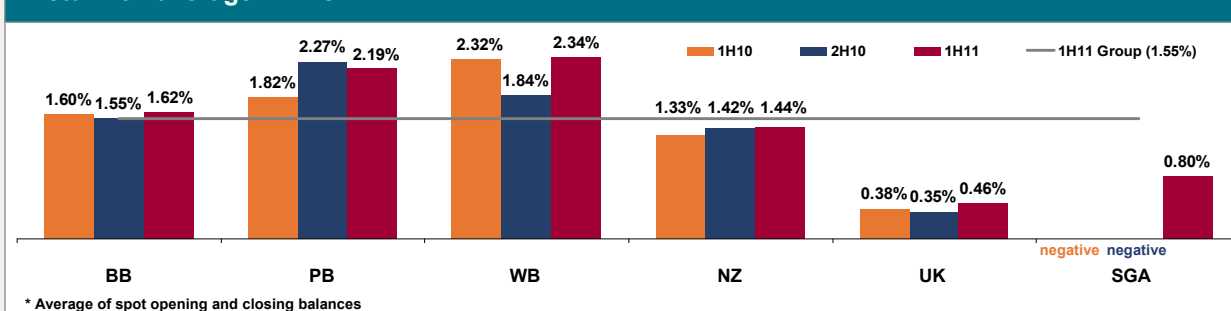
Contribution to movement in Group return on equity (ROE)



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



Return on average RWAs*



17



Specialised Group Assets - SCDO update

Post balance date, removed the "sold protection" on three of the six SCDOs

What we have done

- ▶ Exited the "sold protection" of the three short dated SCDOs
- ▶ Original SCDOs and their matching hedges ("bought protection") retained

Impact

- ▶ Removed \$629m of credit risk
- ▶ \$2bn RWA reduction
- ▶ P&L loss in 2H11 of \$9m post tax
- ▶ MTM "noise" will continue

Regarding the remaining SCDOs

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

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

- ▶ Remaining \$821m credit risk removed
- ▶ Further \$2bn RWA reduction
- ▶ Acceleration of hedge premium cost not yet expensed (approx \$360m pre tax one-off) and;
- ▶ MTM volatility eliminated

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

18



Summary and outlook

- ▶ Solid momentum and upside potential – mainly through the Australian franchises
- ▶ Focus on ROE at Group and Business Unit level
- ▶ Disciplined with costs; managing expense growth to positive jaws
- ▶ Balance sheet settings sound and provide flexibility
- ▶ Regulatory, political and economic risks have reduced but continue to present challenges

Questions

Additional Information

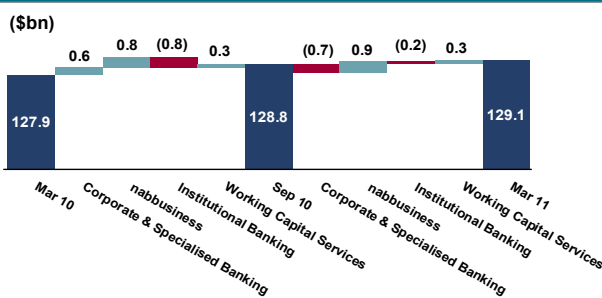
Business Banking

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



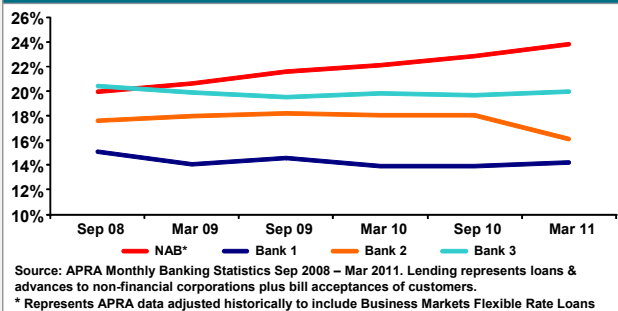
Business Banking

Business lending volumes¹

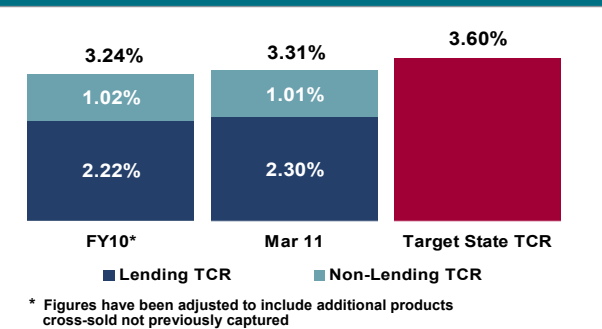


Business lending market share Sep 08 – Mar 11

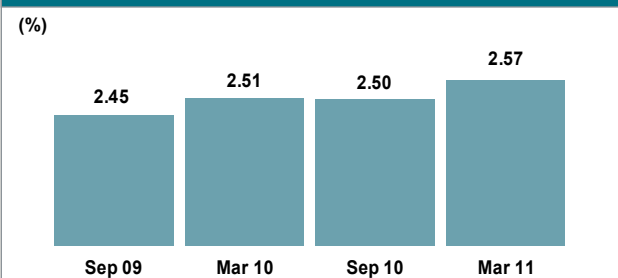
Business Lending inc Bill Acceptances volume growth



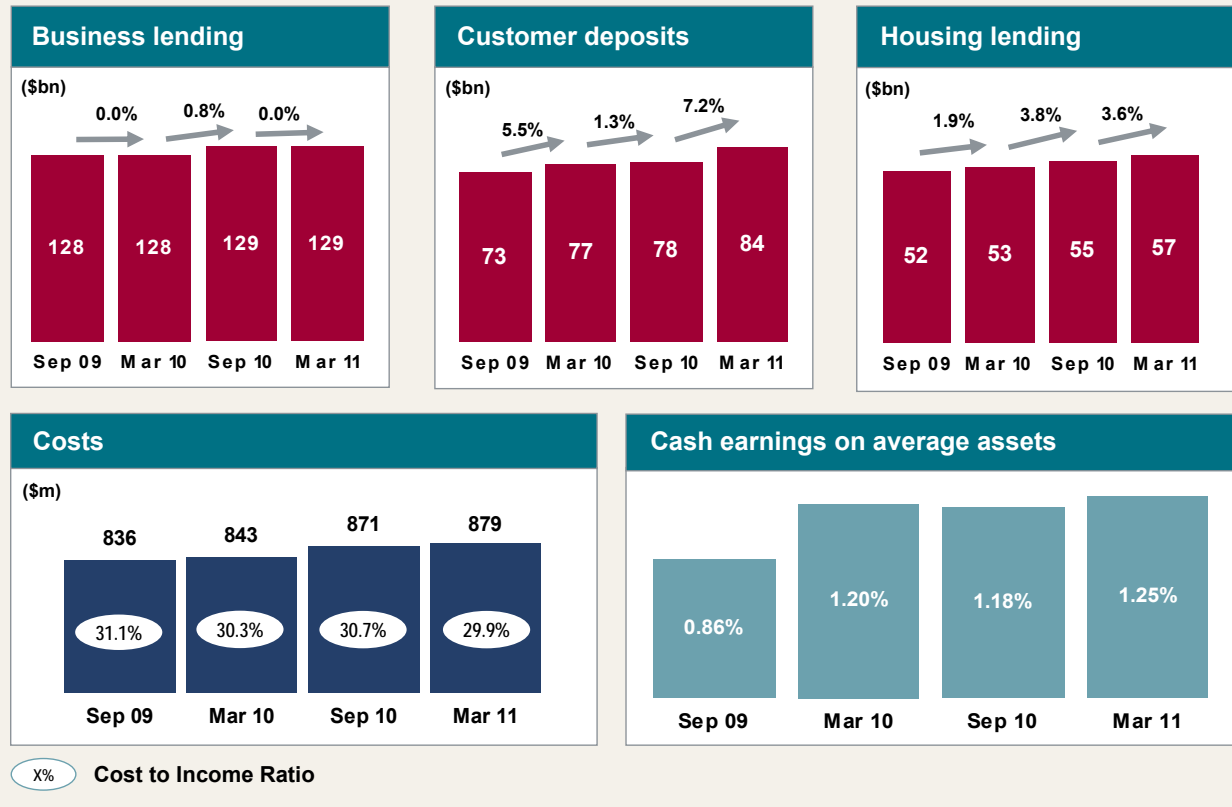
Enterprise cross-sell focus – Total Customer Returns



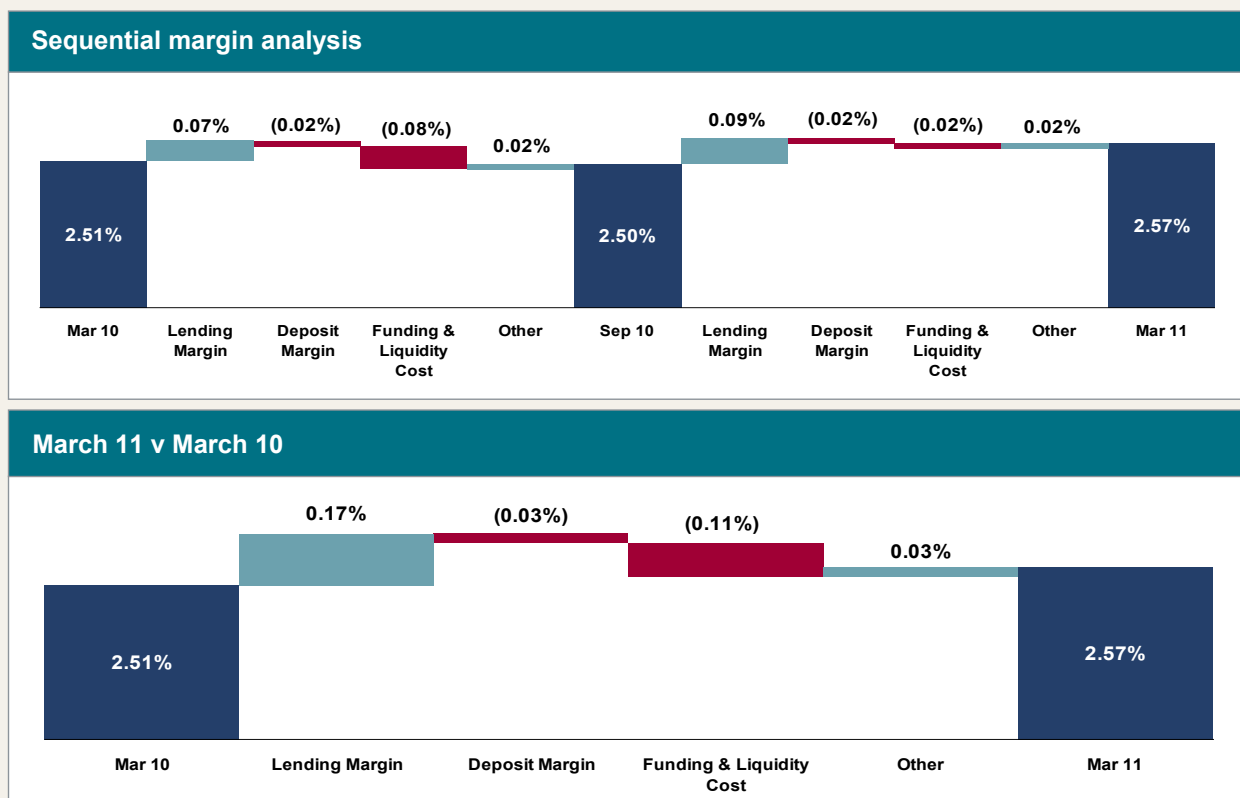
Net interest margin



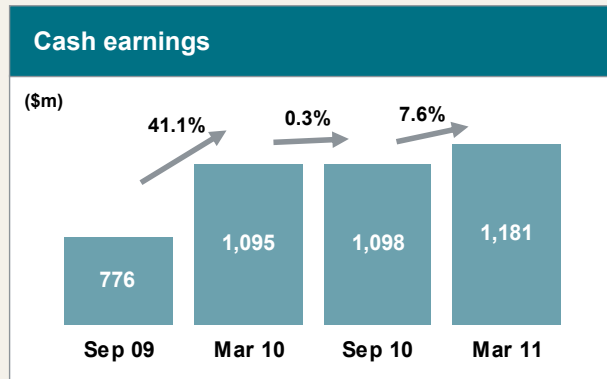
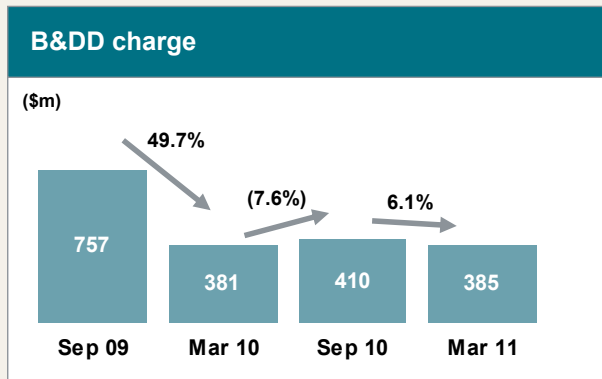
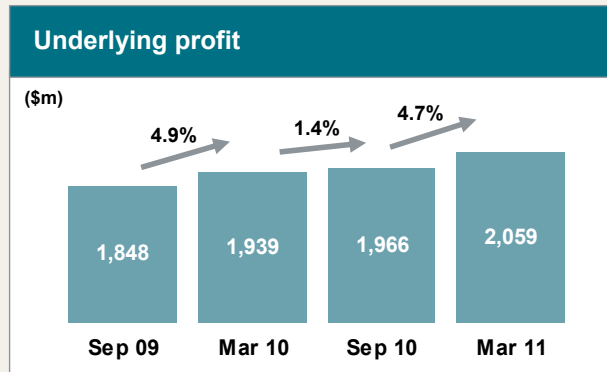
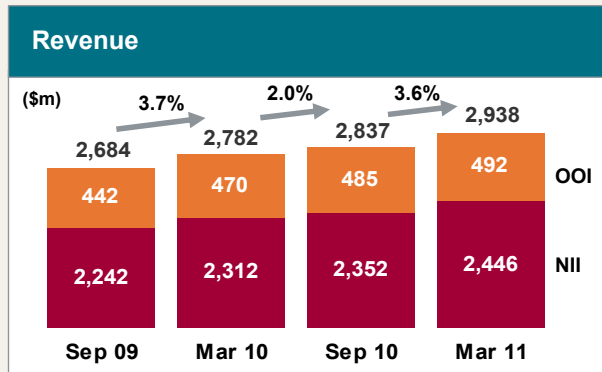
Business Banking



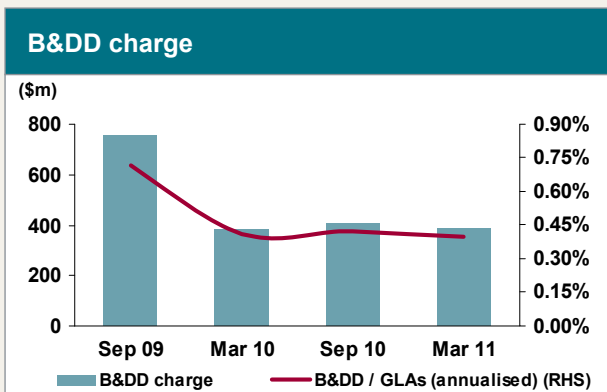
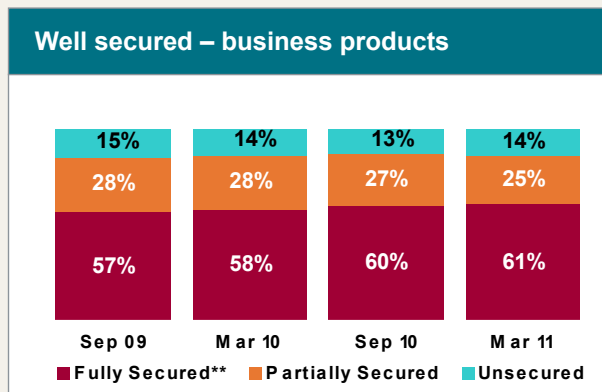
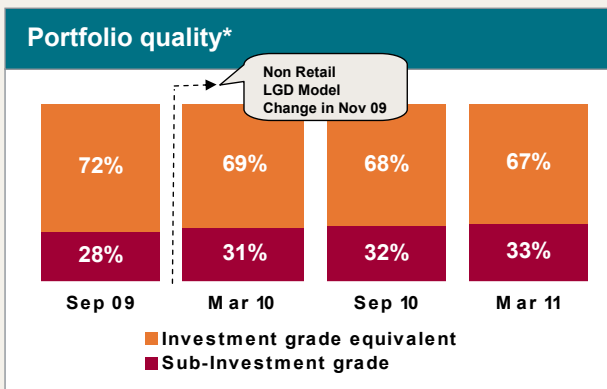
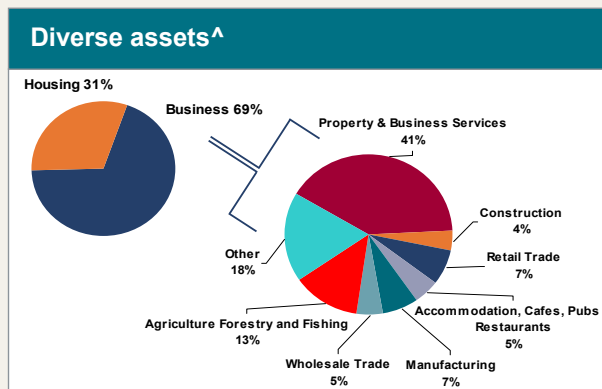
Business Banking: Net interest margin



Business Banking

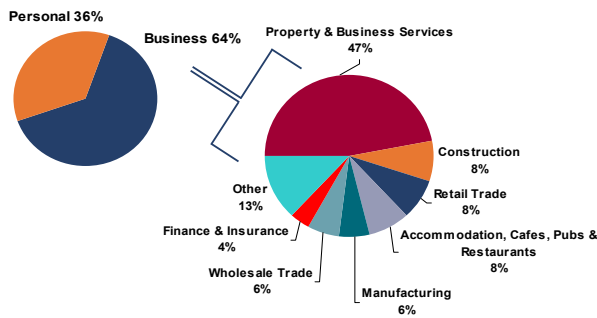


Business Banking: Total

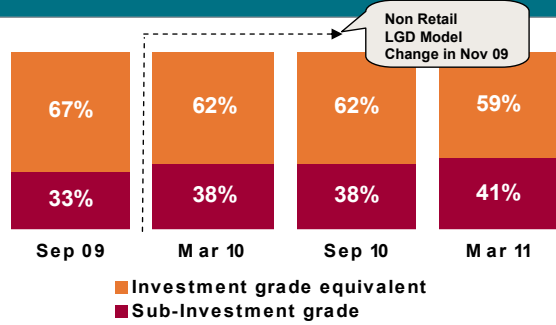


Business Banking: SME Business*

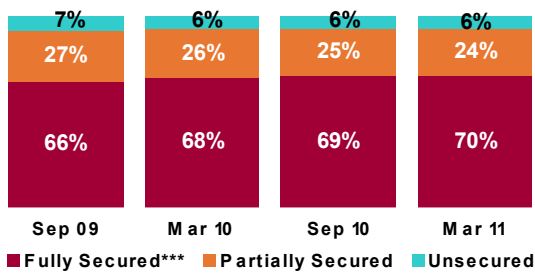
Diverse assets[^]



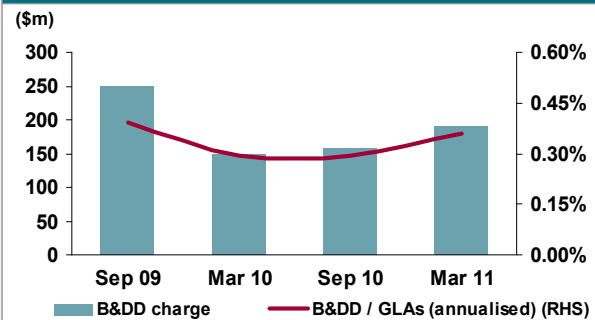
Portfolio quality**



Well secured – business products



B&DD charge



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

27



Additional Information

Business Banking

Personal Banking

Wholesale Banking

MLC & NAB Wealth

NZ Banking

UK Banking

Great Western Bank

Specialised Group Assets

Asset Quality

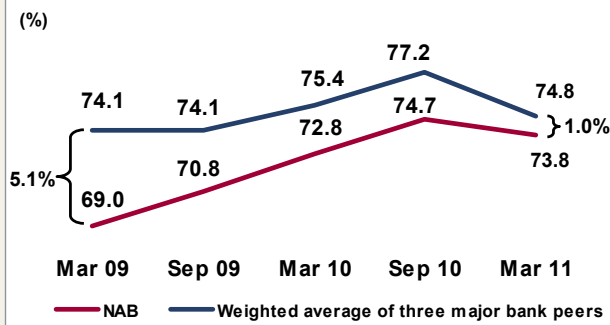
Capital and Funding

Economic Outlook

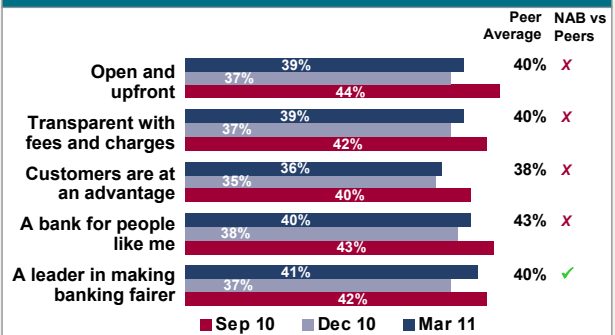


Personal Banking

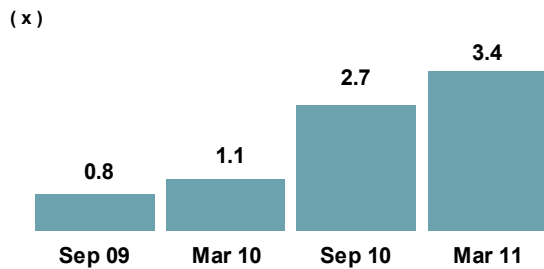
MFI customer satisfaction¹



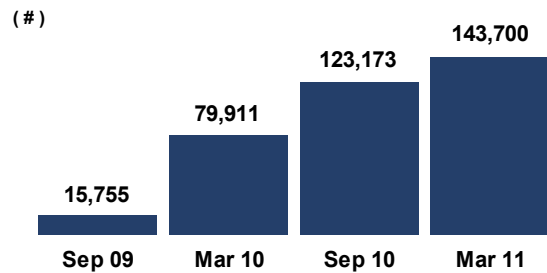
Sweeney research brand tracker²



Home loan multiple of system growth



Net transaction account growth

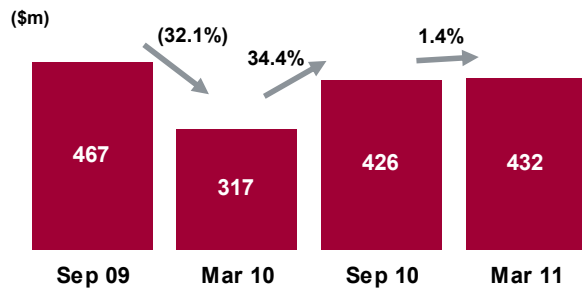


(1) Roy Morgan Research, Aust MFIs, population aged 14+, six month moving average. Customer satisfaction is based on customers who answered very/fairly satisfied. NAB compared with the weighted average of the three major banks (ANZ, CBA, WBC)
 (2) Sweeney Research Brand Tracker, 3 months ended Mar 2011

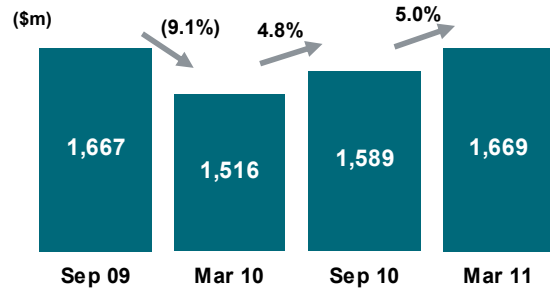


Personal Banking

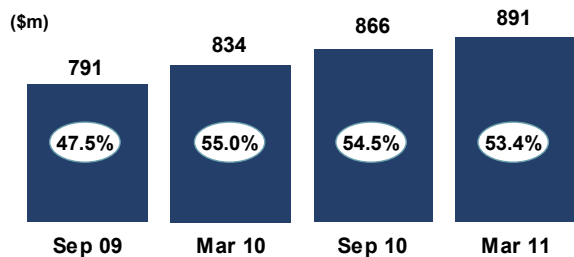
Cash earnings



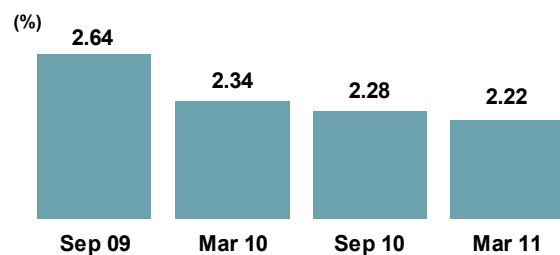
Revenue



Costs



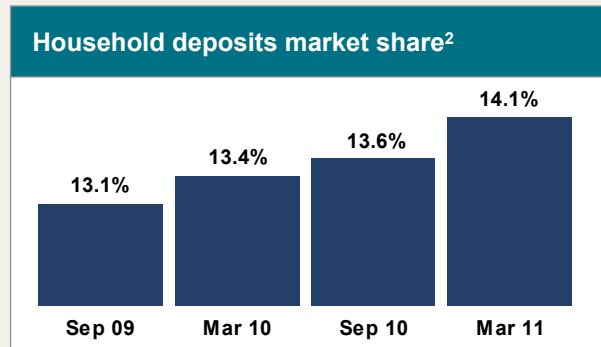
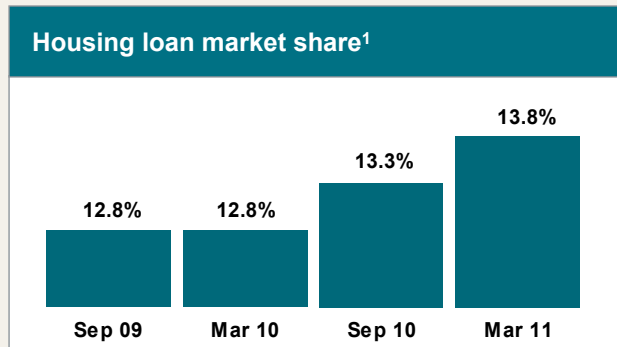
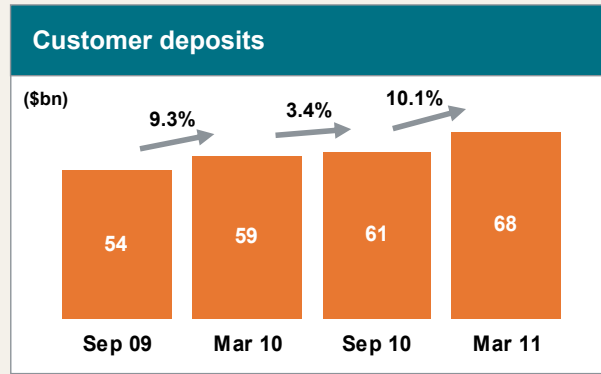
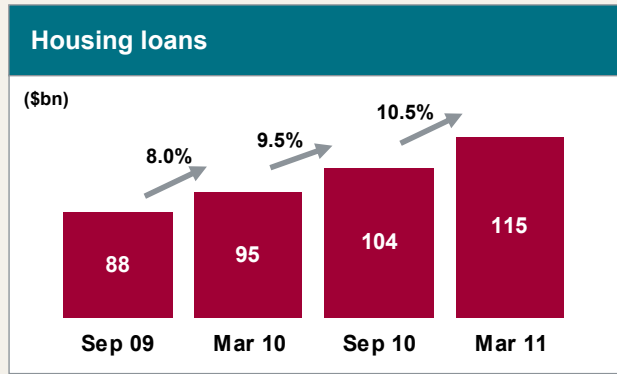
Net interest margin



X% Cost to Income Ratio



Personal Banking



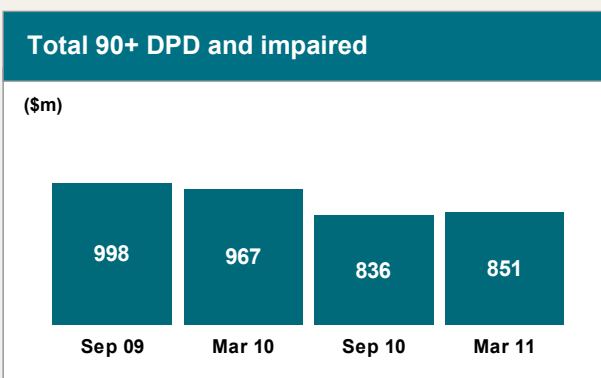
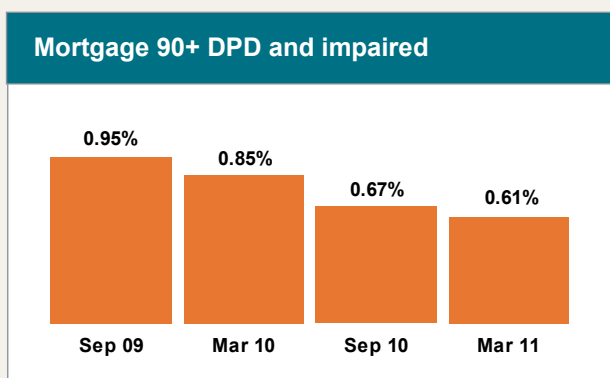
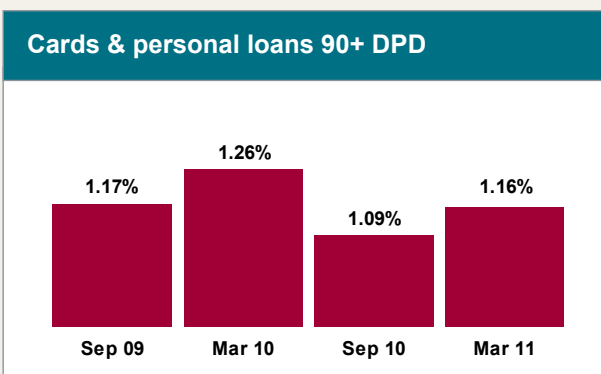
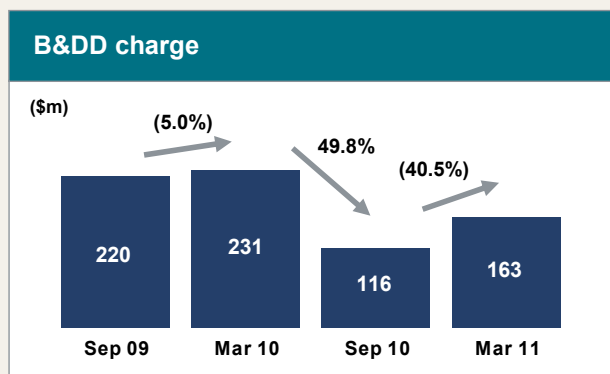
31



(1) RBA Financial System, NAB as at Mar 2011
 (2) APRA Banking System, NAB as at Mar 2011



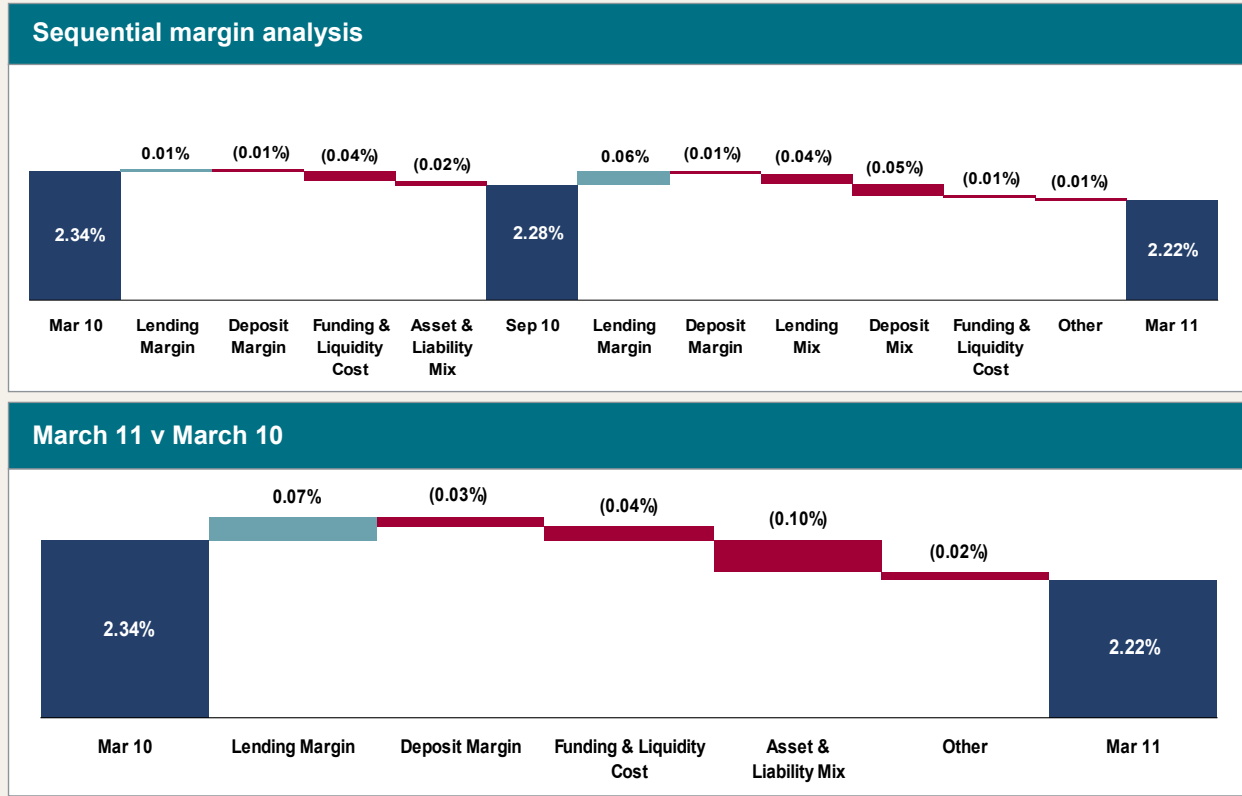
Personal Banking: Asset quality



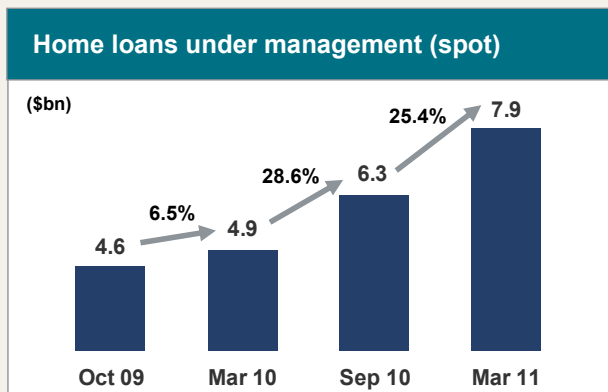
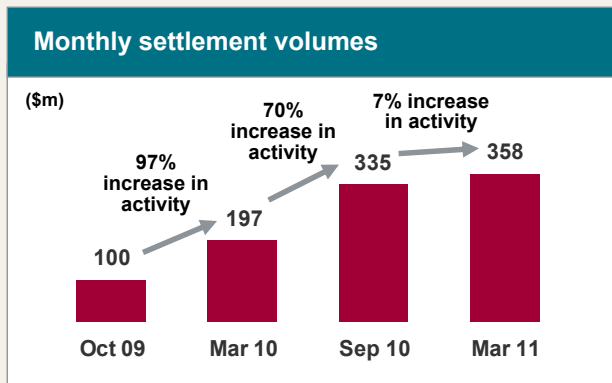
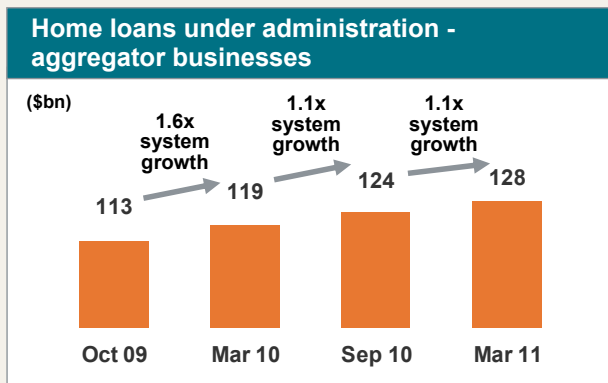
32



Personal Banking: Net interest margin



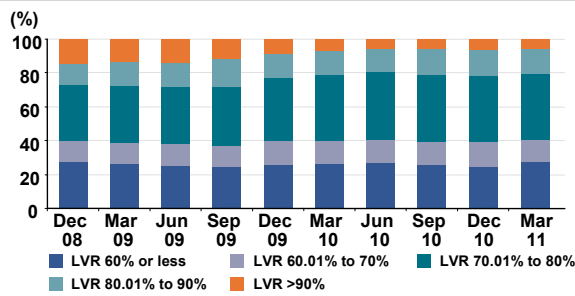
Advantage operating performance



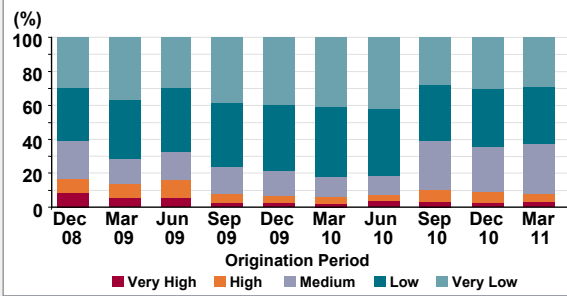
- ▶ Home loans under administration in the aggregator businesses continue to track in line with system
- ▶ Loans under management 61% higher than same time last year
- ▶ Strong pipeline remains

Change in profile of mortgage approvals

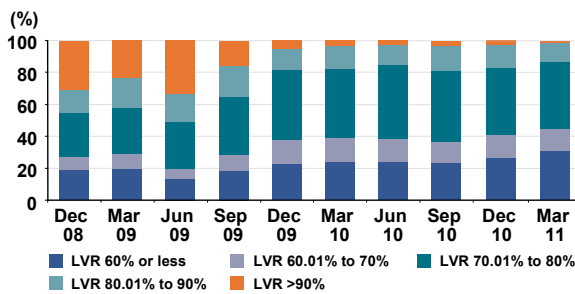
LVR breakdown of final approvals (Australian Region)



Risk grade distribution of 90%+ LVR



LVR breakdown of Homeside final approvals



Excludes Advantagedge mortgages portfolio



Additional Information

Business Banking

Personal Banking

Wholesale Banking

MLC & NAB Wealth

NZ Banking

UK Banking

Great Western Bank

Specialised Group Assets

Asset Quality

Capital and Funding

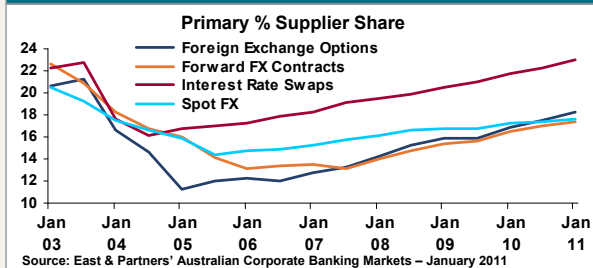
Economic Outlook



Wholesale Banking

Wholesale Banking

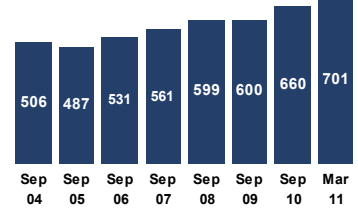
Risk Management Solutions - partnering with bank wide franchises



NAB Asset Servicing

- ▶ Delivering synergies with the Group's Wealth and Financial Institutions Group franchises to maximise opportunities from global wealth pools
- ▶ Well placed to benefit from proposed changes to superannuation contributions (Cooper report)

Asset under custody & administration (\$bn)



Targeting infrastructure and natural resources

Project	Value	Facilities	Mandated Lead Arranger
HS1 Limited	GBP1,310m	Acquisition Debt & Core Working Capital Facilities	November 2010
Port of Brisbane	AUD1,180m	Acquisition and Growth Capex Facilities	November 2010
Hill M2 Upgrade	AUD740m	Project Finance Facility	November 2010

- ▶ Rated #2 in the Australasian Mandated Lead Arranger league tables by Dealogic, lending AUD1.5bn over 19 transactions - over 10.1% of the market¹
 - ▶ Rated #9 in the Asia Pacific mandated Lead Arranger league tables by Thomson Reuters²
- Source: (1) Dealogic Global Project Finance Review 2010; (2) Thomson Reuters Project Finance Review 2010

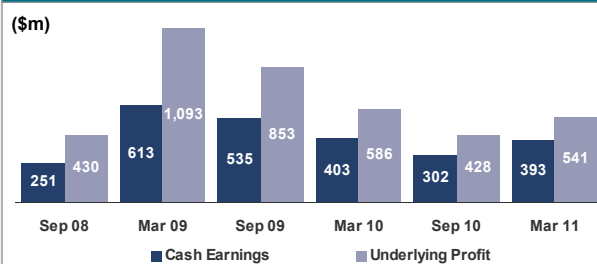
Leading debt capital solutions

Client	Deal	Value	Role	Date
Brisbane Airport	AS\$200m 8.25 Year Senior Issue	AS\$200m	Joint Lead Manager	March: 2011
me Bank	SMHL Securitisation Fund	AS\$1,000m Australian RMBS Issue	Joint Lead Manager	March: 2011
TRUenergy	US\$ 495m Two USPP Note Issues	US\$ 495m	Joint Agent	November: 2010 January: 2011
Origin Energy	AS\$2,150m & US\$350m Syndicated Loan Facility	AS\$2,150m & US\$350m	Mandated Lead Arranger, Underwriter & Bookrunner	March: 2011

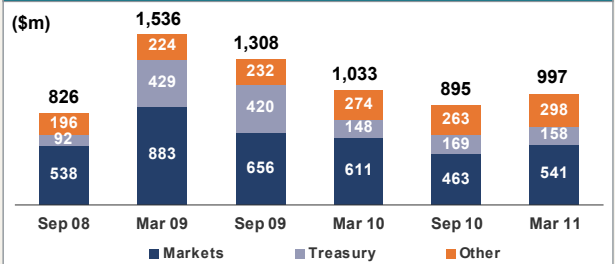
- ▶ #1 ranked Australian bank in cross-border US Private Placements, ranked #5 globally¹
 - ▶ #1 ranked Australian bank in the Global Underwriting Rankings, ranked #2 globally²
 - ▶ #1 ranked book runner of Australian syndicated loans³
- Source: (1) Thomson Reuters; (2) Dealogic; (3) Dealogic Loan Review Q1 2011.

Wholesale Banking

Cash earnings and underlying profit

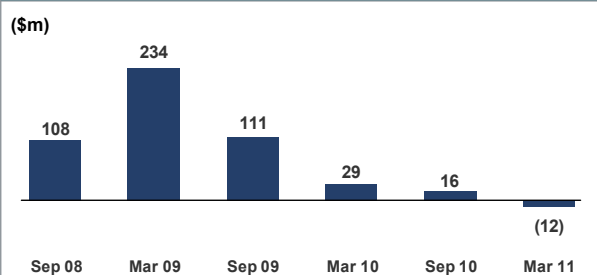


Revenue by line of business



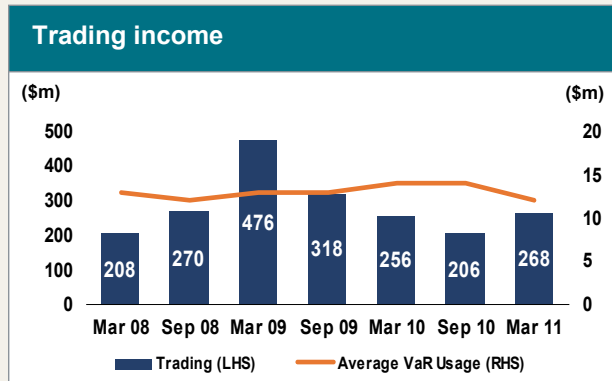
Other comprises of Asset Servicing, Specialised Finance and Financial Institutions

B&DD charge

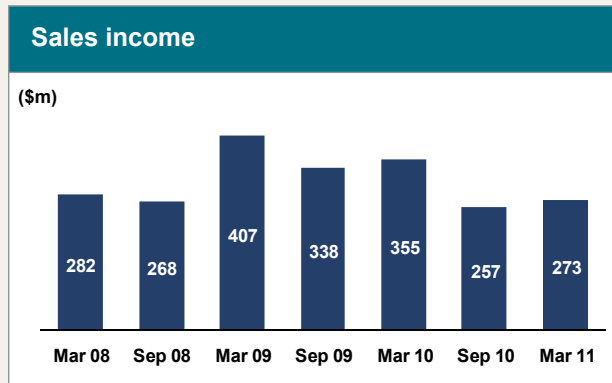


- ▶ Good momentum in revenue and cash earnings
- ▶ Robust cost management from reduced process complexity
- ▶ Improved credit quality

Wholesale Banking: Global Markets



- ▶ Trading income outperformed both the first and second halves in 2010 notwithstanding difficult market conditions

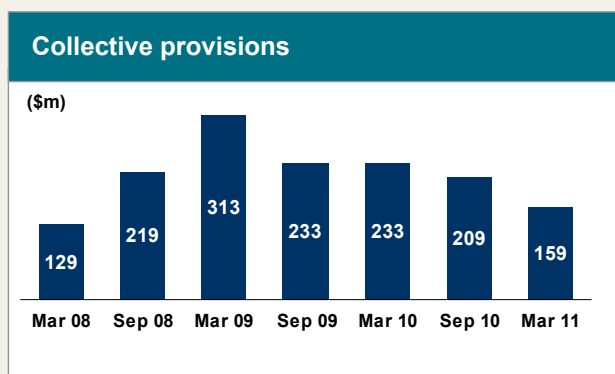
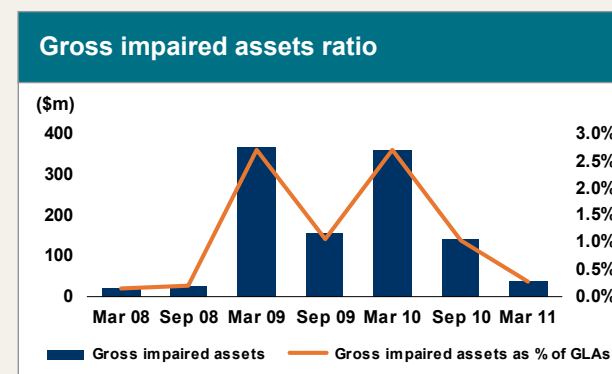


- ▶ Sales income improved against the second half of 2010 with increased market share and despite subdued business activity, a benign interest rate environment and a strong and stable \$AUD lessening demand for risk mitigation products

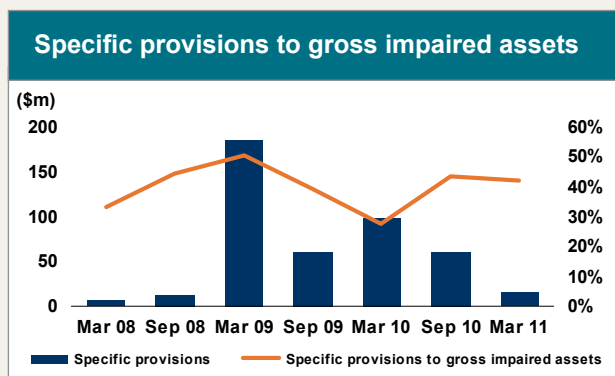
39



Wholesale Banking: Asset quality



- ▶ Improving credit quality of the portfolio driving both lower levels of impaired assets and reduced collective provisions
- ▶ Specific provisions down against prior halves
- ▶ Portfolio asset quality is stable and represents greater than 90% investment grade equivalent



40



Additional Information

Business Banking

Personal Banking

Wholesale Banking

MLC & NAB Wealth

NZ Banking

UK Banking

Great Western Bank

Specialised Group Assets

Asset Quality

Capital and Funding

Economic Outlook



 Clydesdale Bank

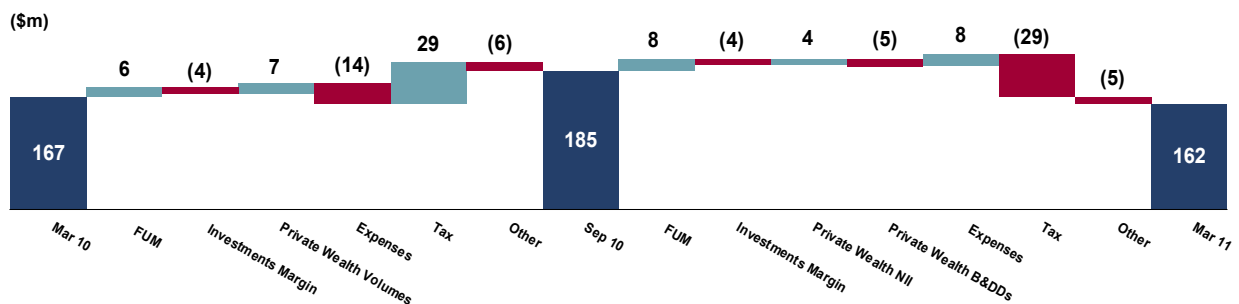
 Yorkshire Bank

 Bank of New Zealand

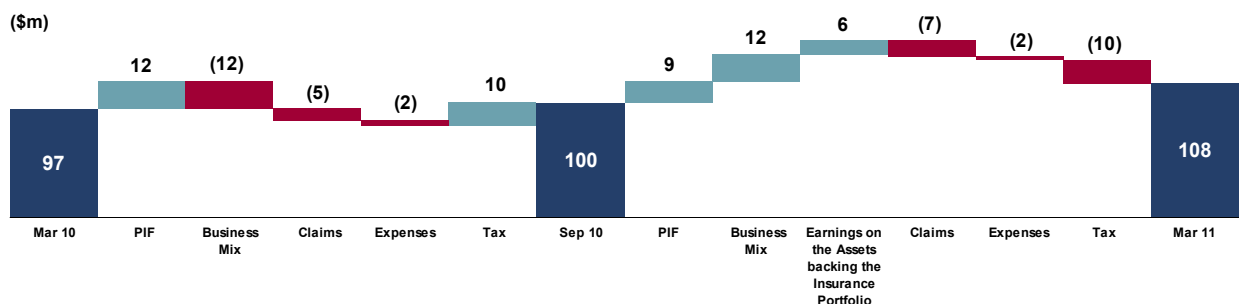
 Great Western Bank

MLC & NAB Wealth

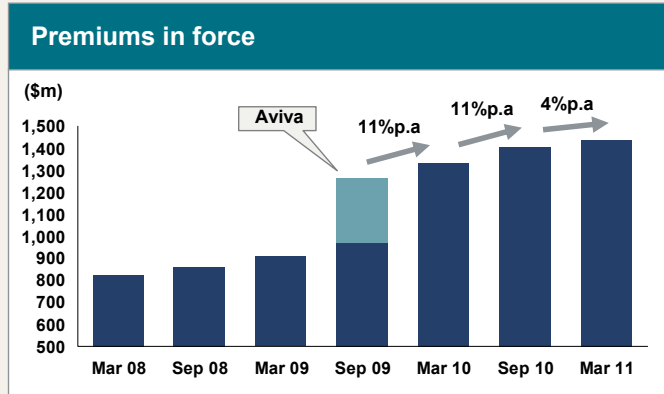
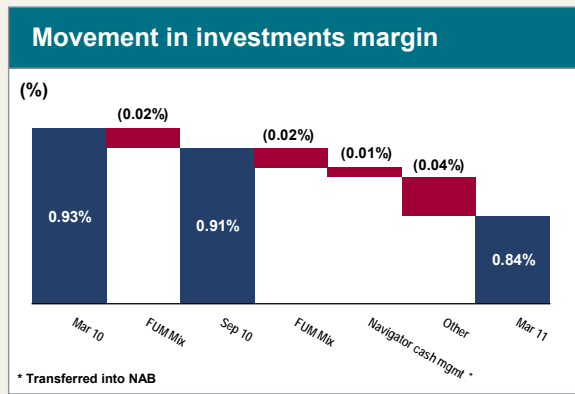
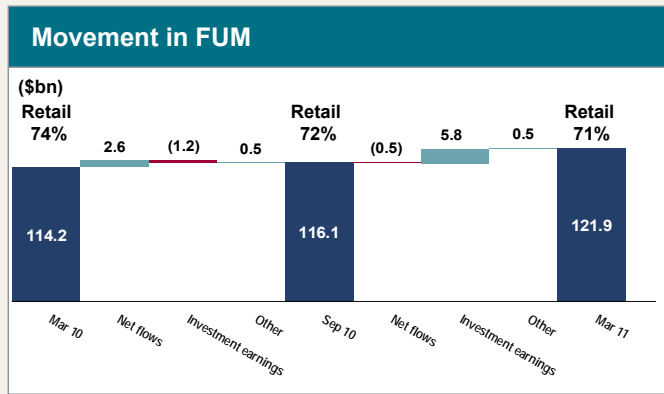
Investments cash earnings



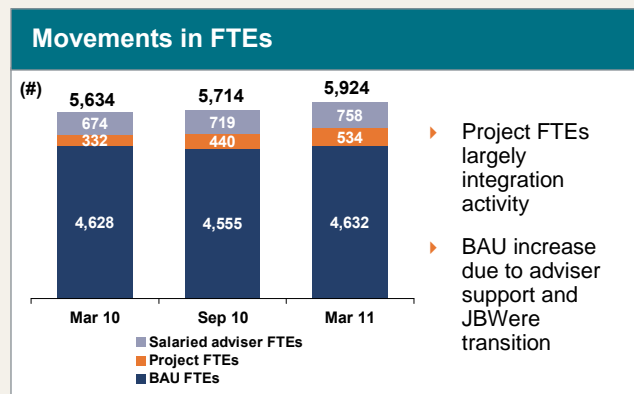
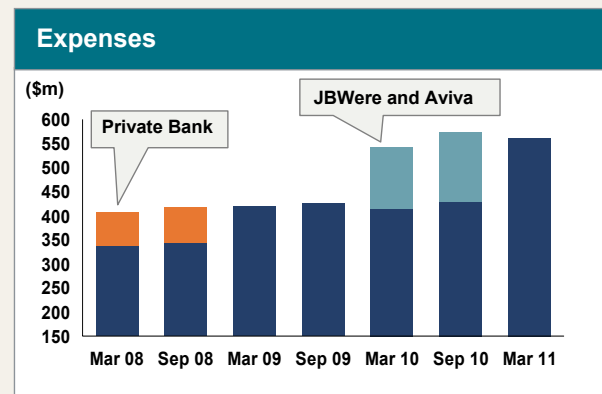
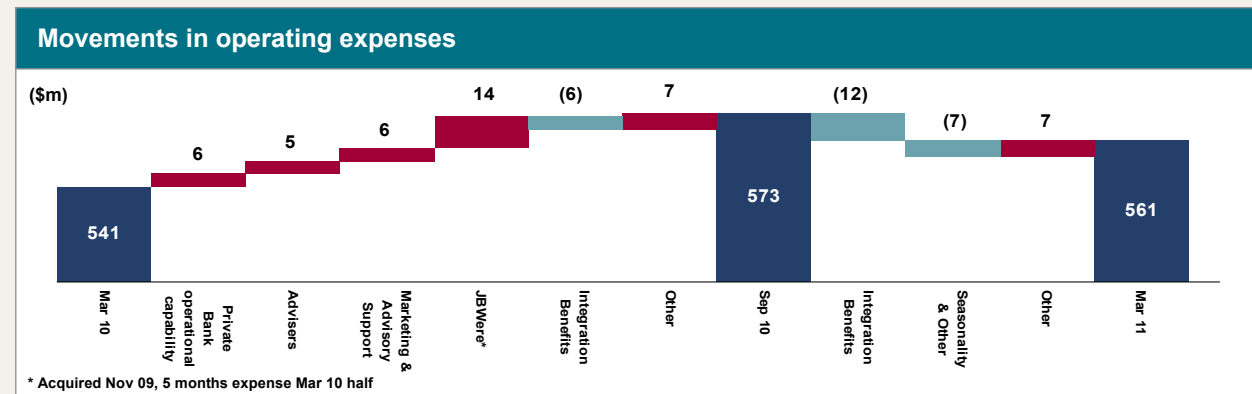
Insurance cash earnings



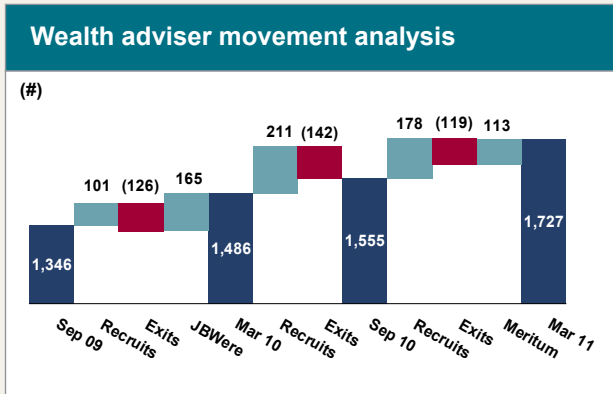
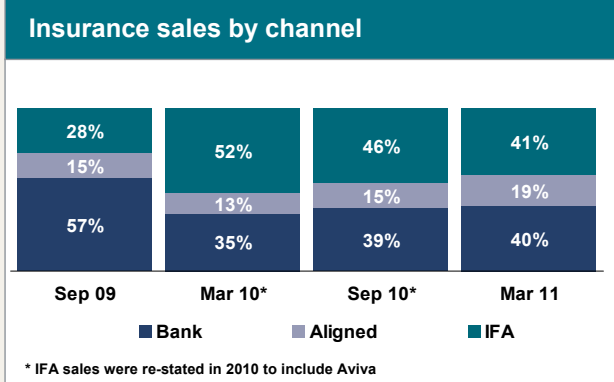
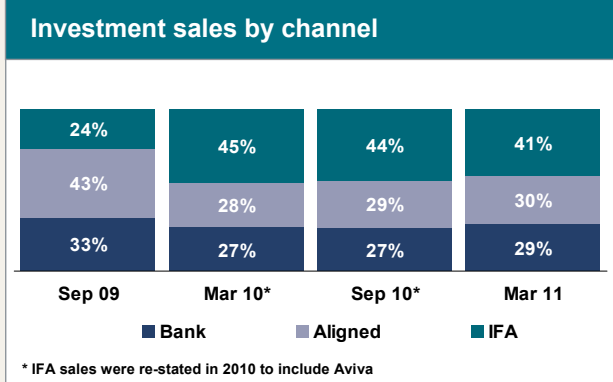
MLC & NAB Wealth



MLC & NAB Wealth



Channel and adviser growth

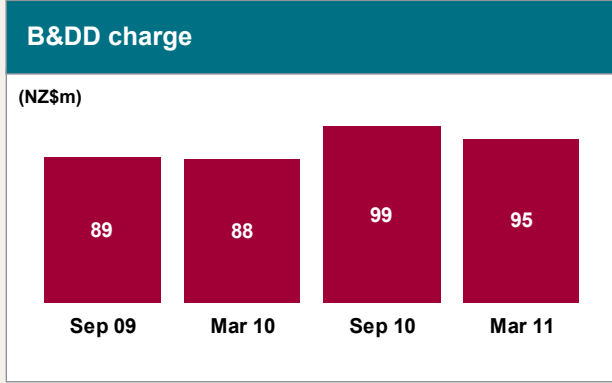
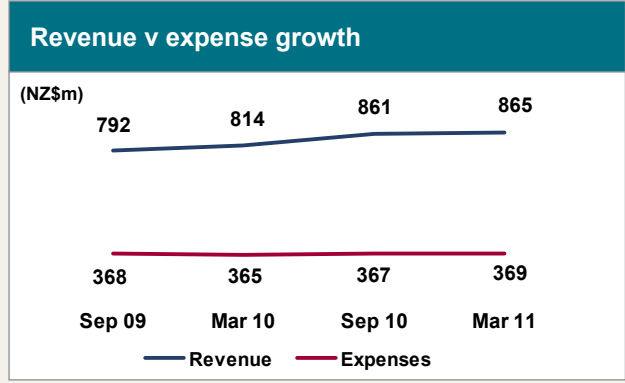
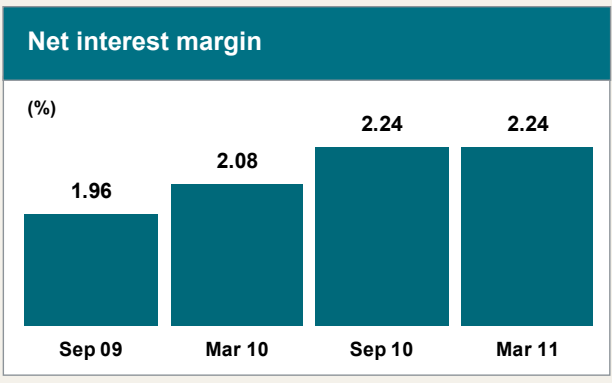
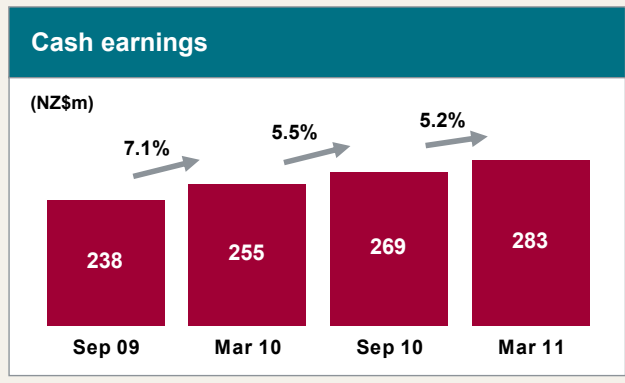


National Australia Bank

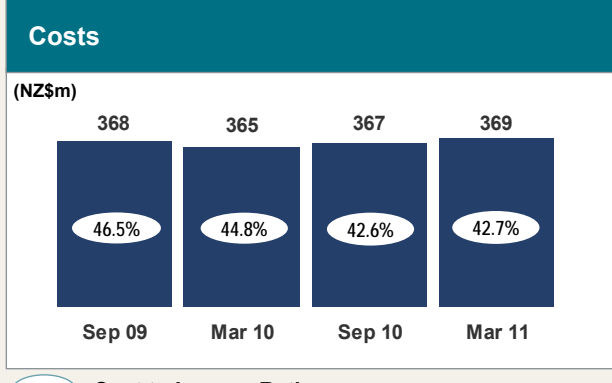
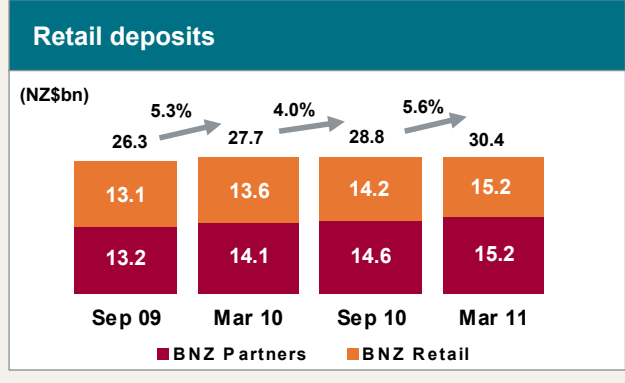
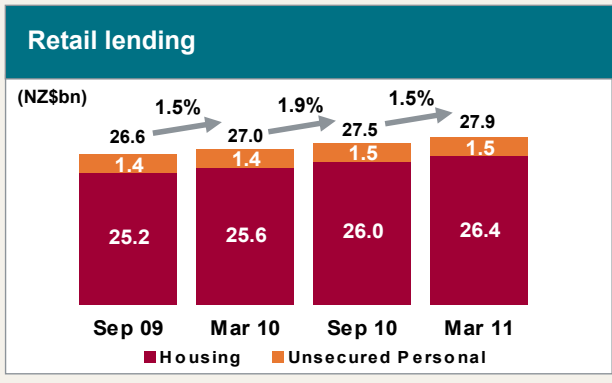
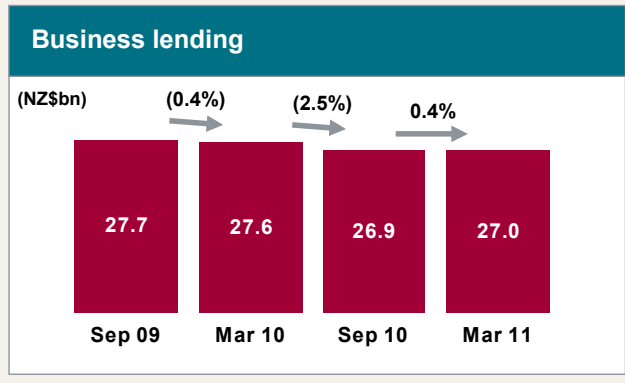
Additional Information

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

New Zealand Banking

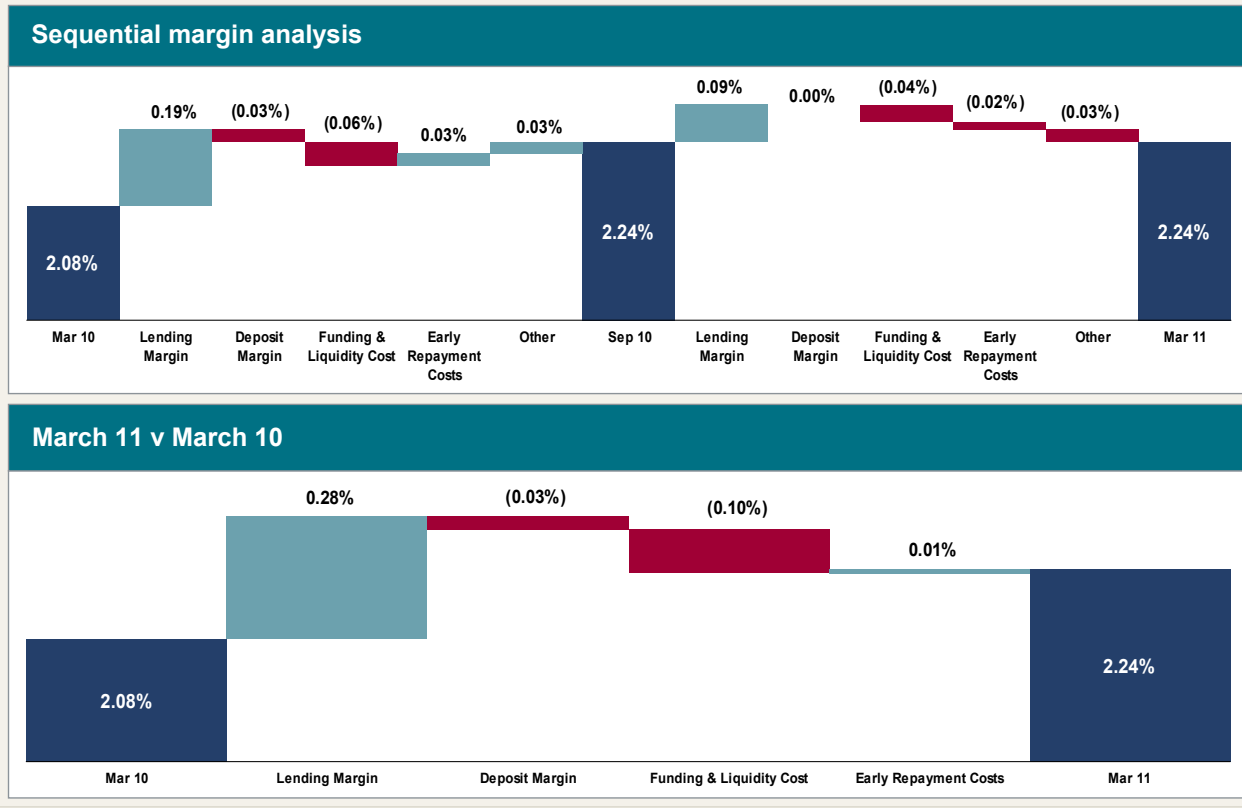


New Zealand Banking

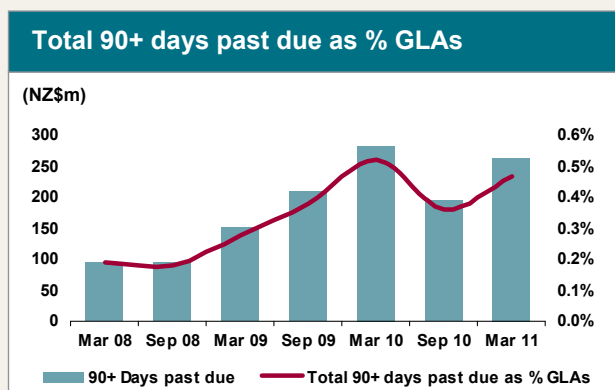


X% Cost to Income Ratio

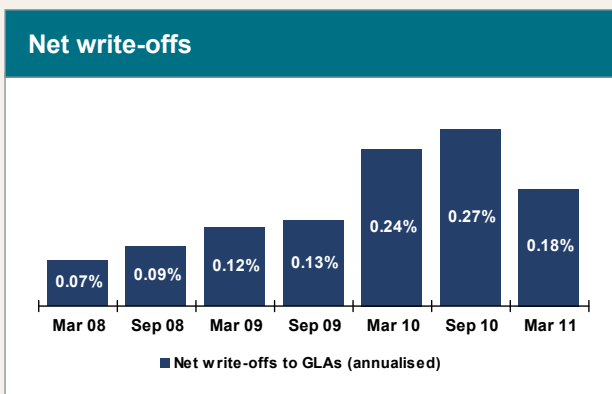
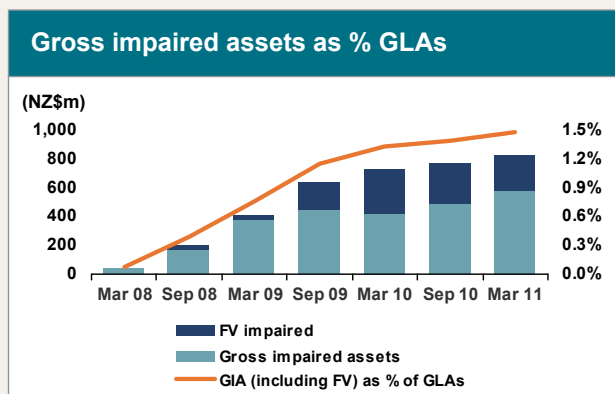
New Zealand Banking: Net interest margin



New Zealand Banking: Asset quality



- ▶ 90+ DPD have increased from the prior half primarily due to business exposures. Current levels are still below the March 10 half
- ▶ The rate of growth in impaired assets has tapered off in recent halves
- ▶ Exposures in the commercial property, business lending and agriculture sectors are the main industry hotspots
- ▶ Net write-offs have declined sharply



Additional Information

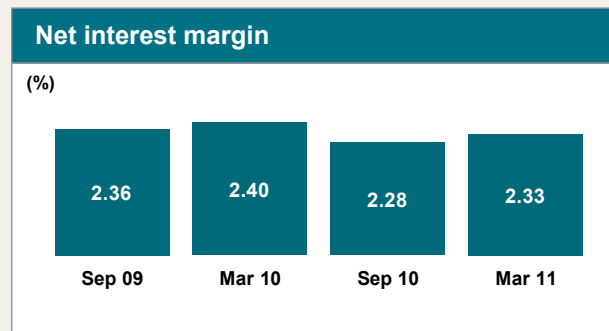
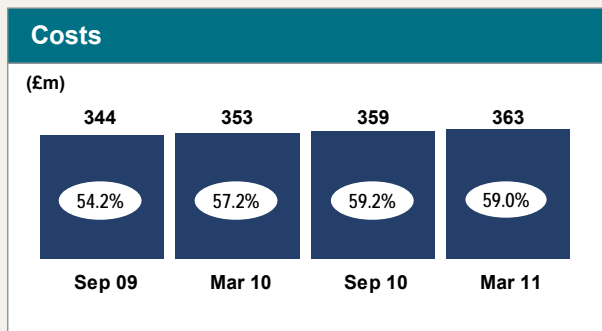
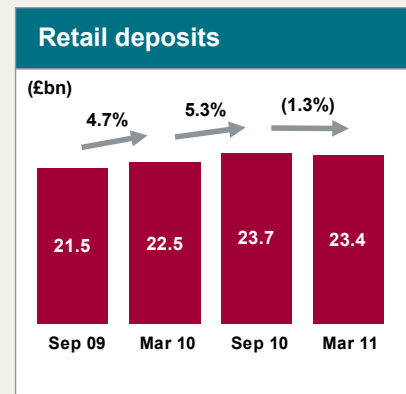
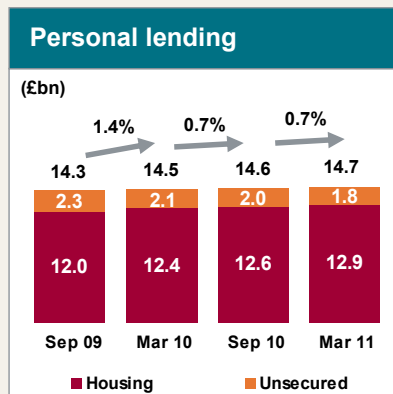
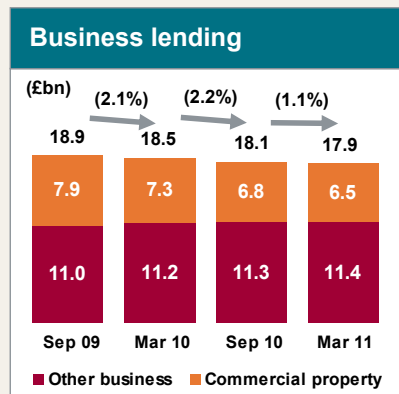
Business Banking
 Personal Banking
 Wholesale Banking
 MLC & NAB Wealth
 NZ Banking

UK Banking

Great Western Bank
 Specialised Group Assets
 Asset Quality
 Capital and Funding
 Economic Outlook

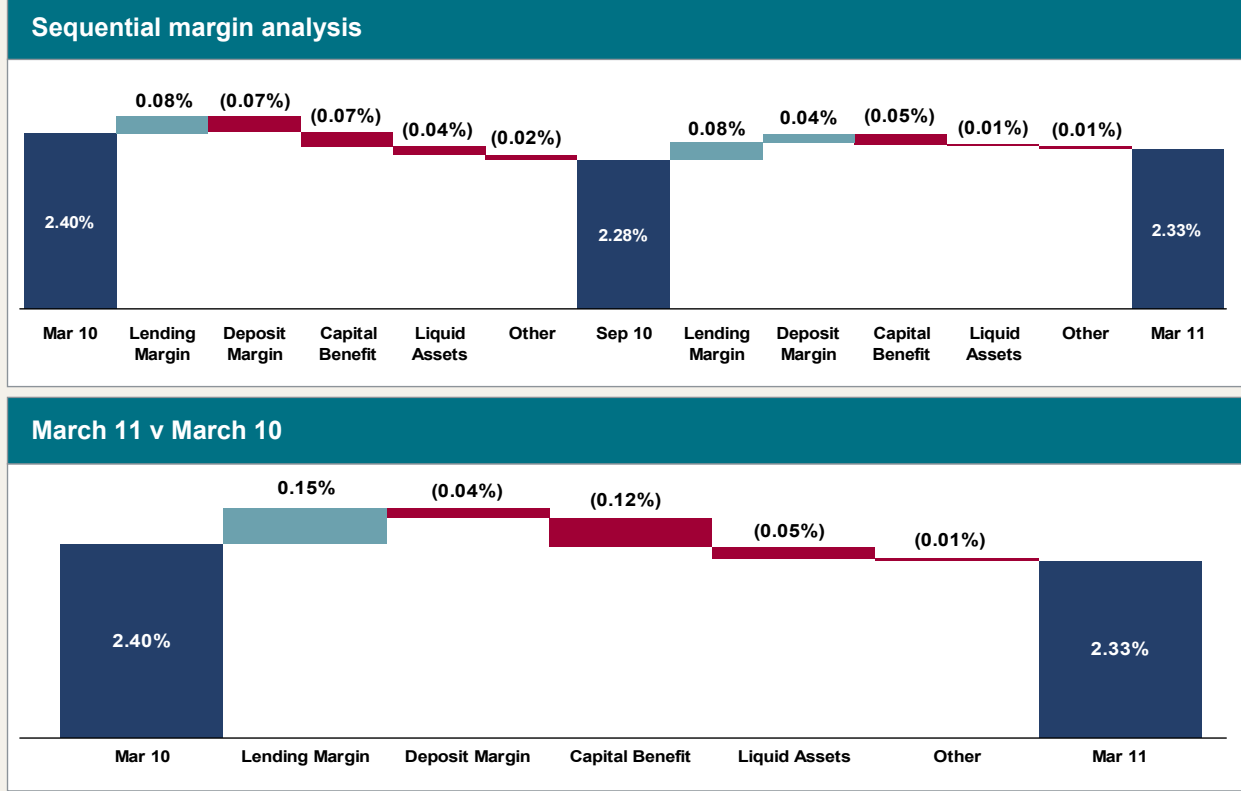


UK Banking

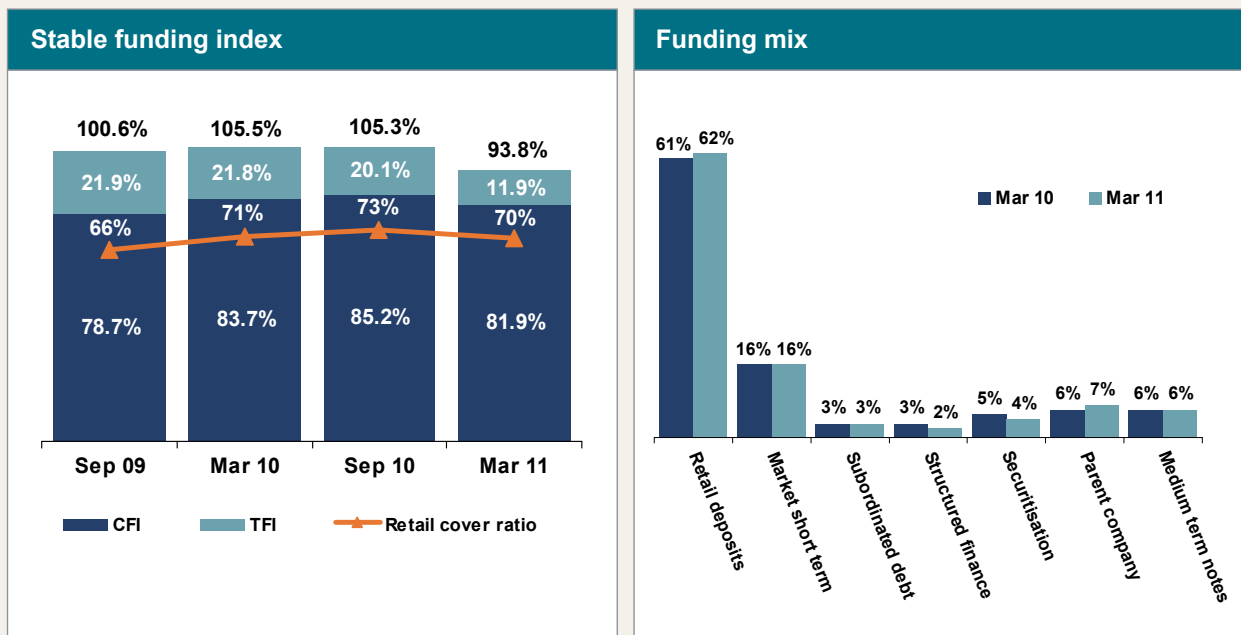


 **Cost to Income Ratio**

UK Banking: Net interest margin

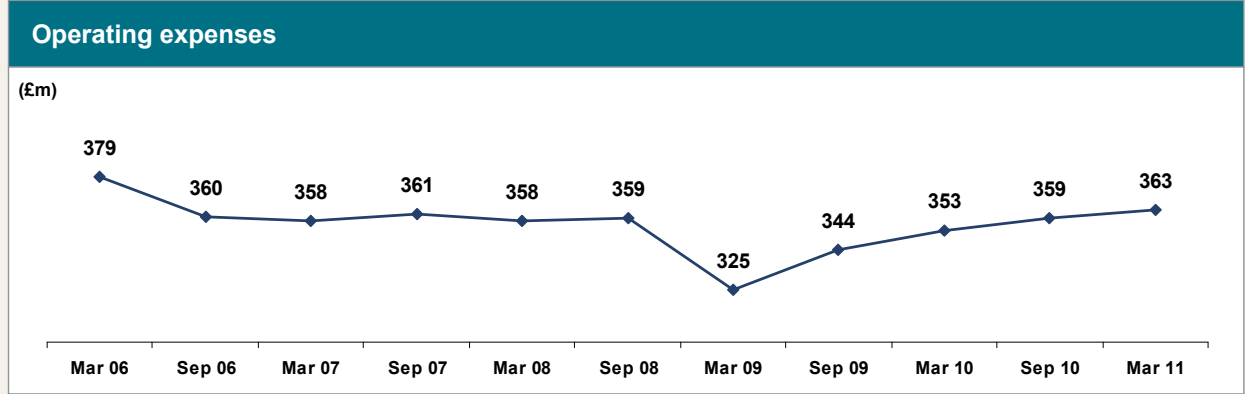
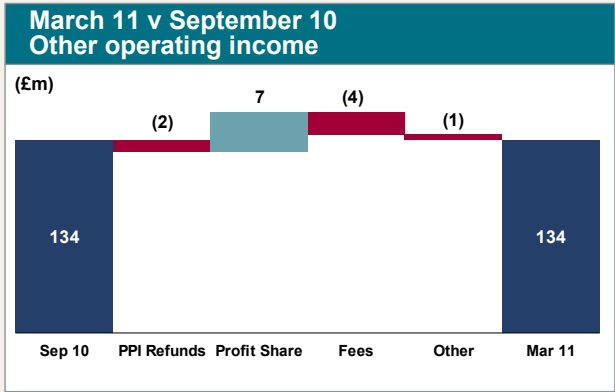
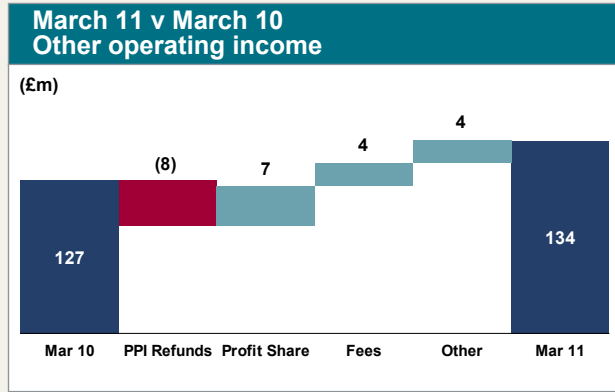


Funding mix

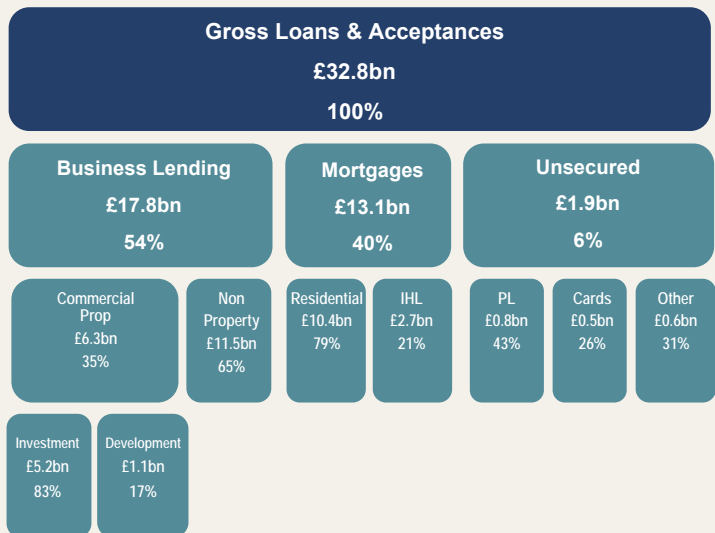
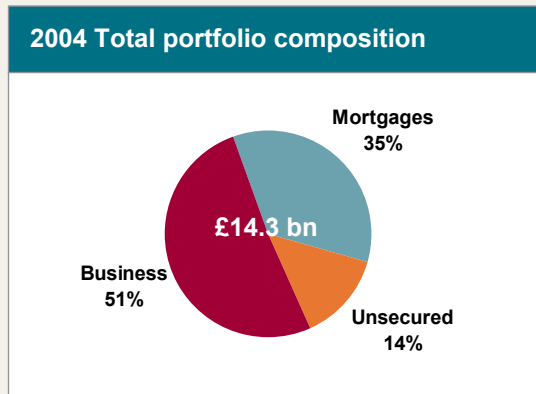
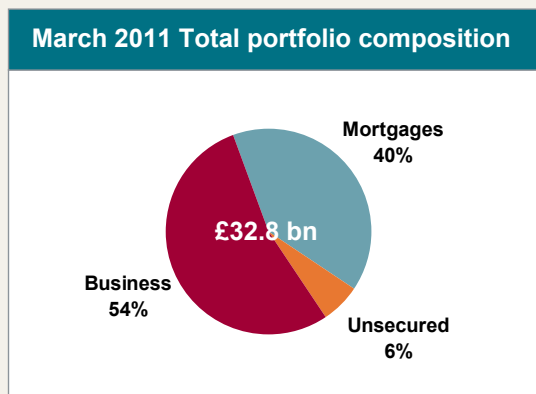


Stable funding index (SFI) and funding mix charts based on spot balances

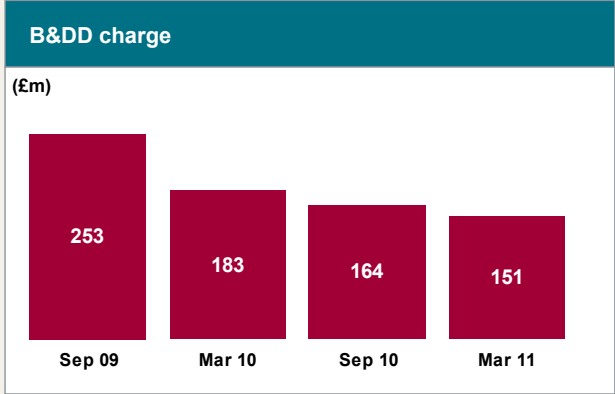
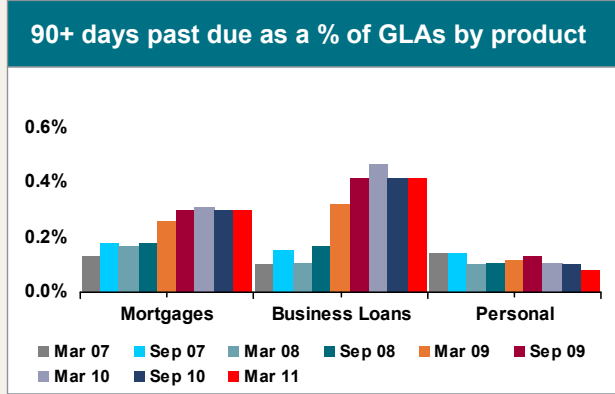
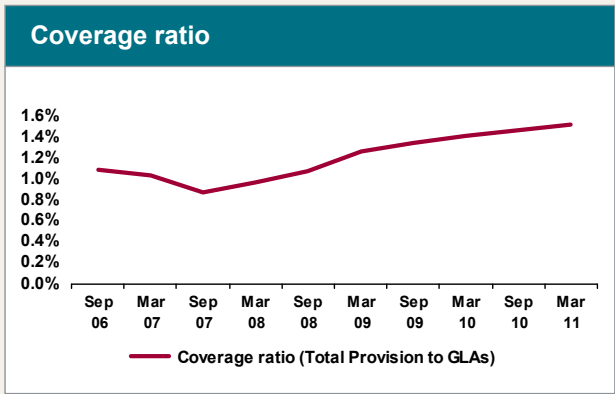
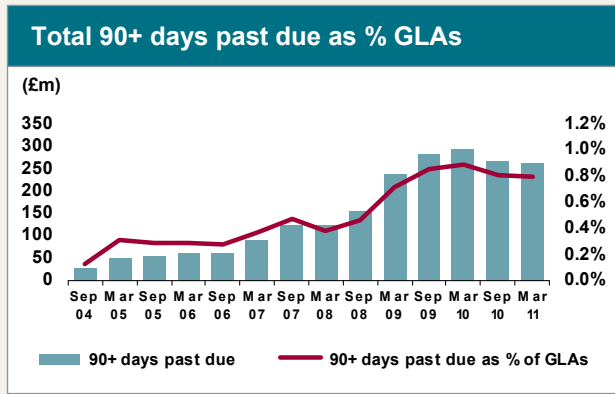
UK Banking: Other operating income and expenses



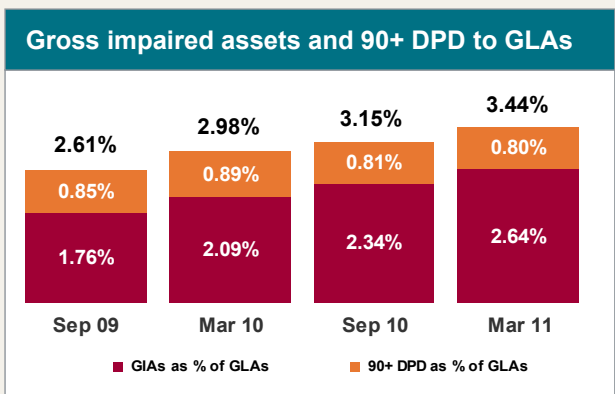
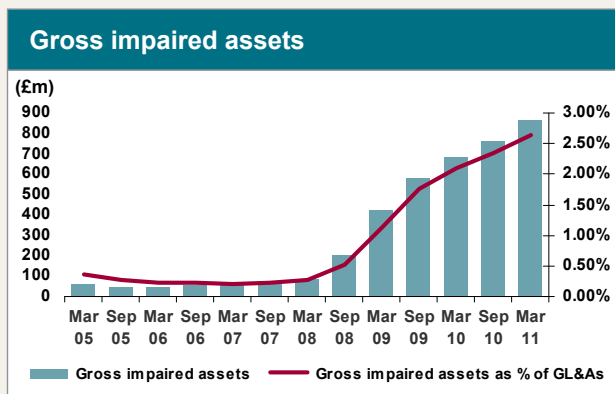
UK portfolio composition



UK Banking: Asset quality



UK Banking: Gross impaired assets



- ▶ Increase in gross impaired asset balances reflects impact of ongoing difficult economic and market conditions
- ▶ Commercial property exposures continue to dominate this asset category and whilst there has been some stabilisation in property prices the market for disposing of these assets is still operating below normal levels

Additional Information

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

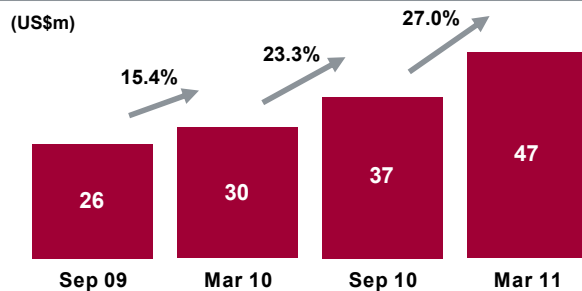
Great Western Bank

Specialised Group Assets
 Asset Quality
 Capital and Funding
 Economic Outlook

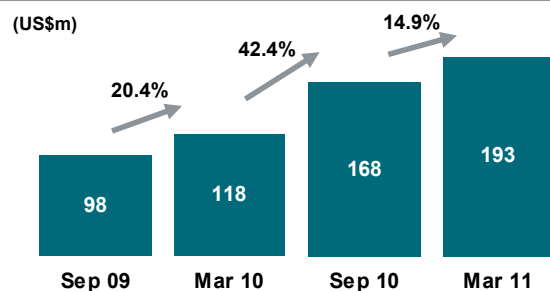


Great Western Bank

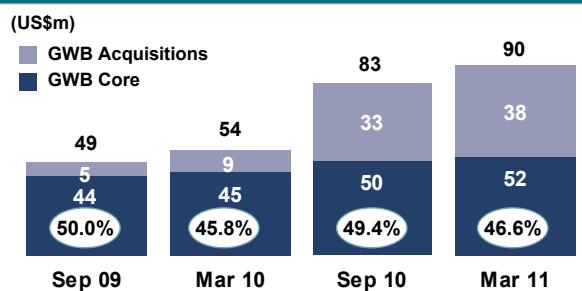
Cash earnings



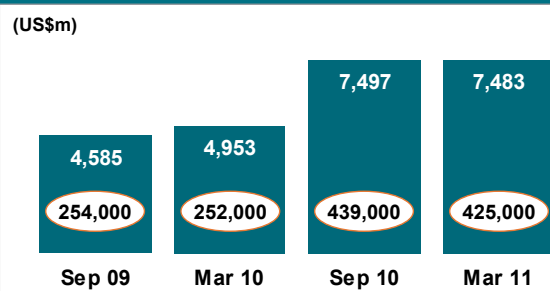
Revenue



Costs



Tangible assets & customers



X% Cost to Income Ratio

Customers

Additional Information

Business Banking
 Personal Banking
 Wholesale Banking
 MLC & NAB Wealth
 NZ Banking
 UK Banking
 Great Western Bank

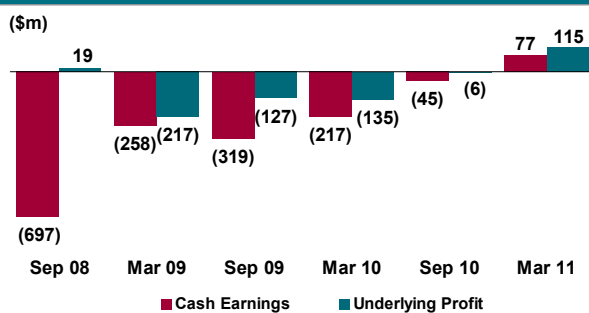
Specialised Group Assets

Asset Quality
 Capital and Funding
 Economic Outlook

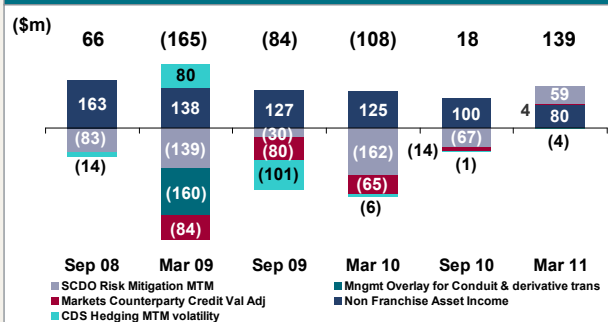


Specialised Group Assets

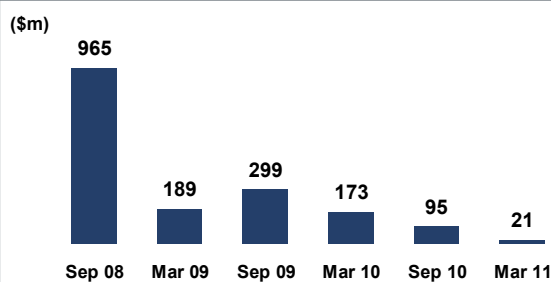
Cash earnings & underlying profit



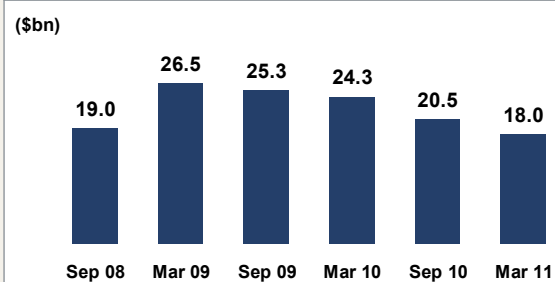
Portfolio income



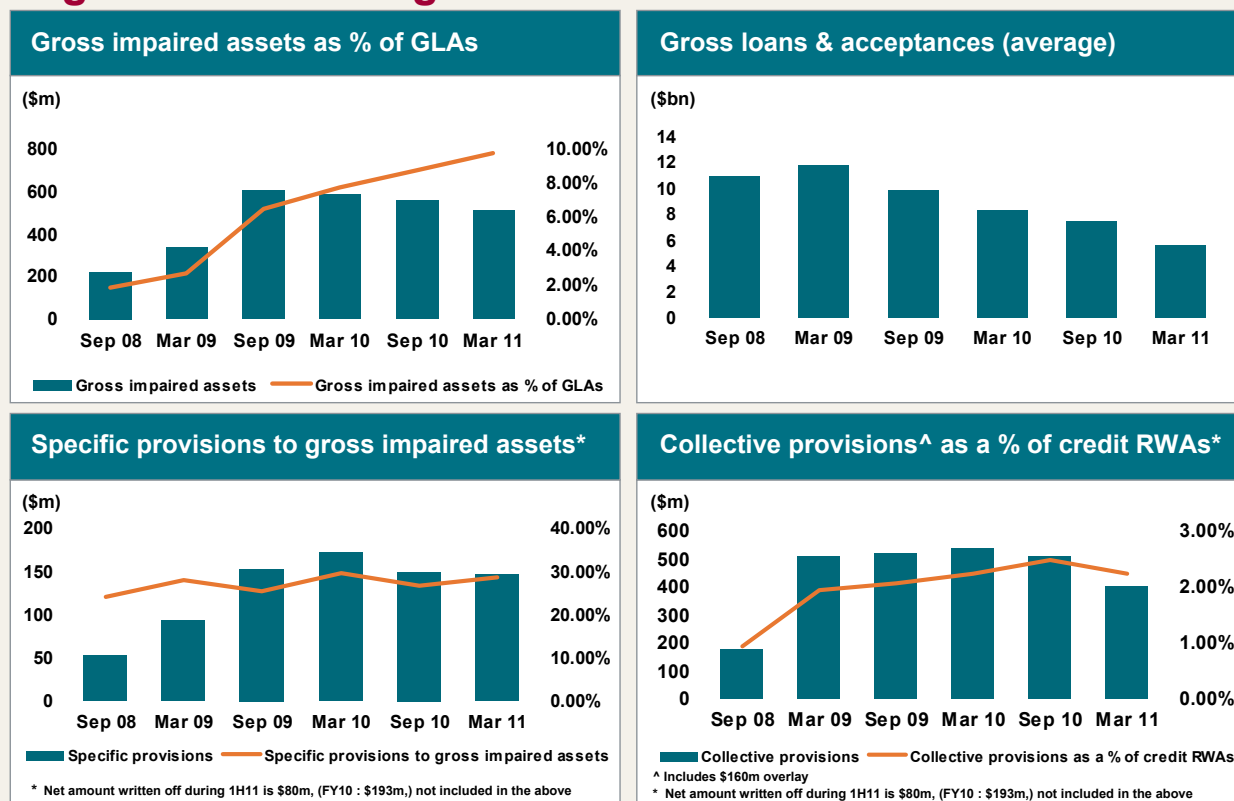
B&DD charge



RWAs



Specialised Group Assets: Rate of portfolio degradation slowing



63



SGA Structured Asset Management Portfolio

Overall performance – 2011 Half Year

- ▶ Portfolio \$4.9bn at 31 March 2011 (\$5.2bn September 2010)
- ▶ Portfolio performance in 2011 Half Year as expected
- ▶ Ongoing close management attention

SCDOs - \$1.5bn

- ▶ One credit event occurred during the first half of the 2011 fiscal year, however this did not cause any losses in NABs SCDOs
- ▶ Corporate credit spreads generally tightened over the half year, and March market valuations show improvements relative to September year-end results. These positions will continue to exhibit MTM volatility in the future
- ▶ In April 2011 NAB terminated the post-risk mitigation (Leg 2) portion of Deals 1-3 at an economic cost of \$59m, which resulted in a 2H11 accounting loss of \$17m (\$9m after tax), and a reduction of RWAs of \$2bn

Credit Wrapped ABS - \$0.6bn

- ▶ One portfolio policy provider (AMBAC) defaulted in March 2010. The other (MBIA) is still performing
- ▶ Provision increased marginally by \$2m to \$85m to capture further weakening in US housing markets and recent regulatory developments affecting AMBAC

64



SGA Conduit Portfolio Summary*

Movements between September 2010 and March 2011

Sep 2010		Mar 2011
Asset Backed CDO A\$0.2bn	(A\$0.2bn)	Asset Backed CDO A\$0.2bn
Corporates (SCDOs) A\$1.5bn	Changes due to repayments and maturities or restructured facilities	Corporates (SCDOs) A\$1.5bn
Credit Wrapped ABS A\$0.6bn		Credit Wrapped ABS A\$0.6bn
CMBS A\$0.6bn		CMBS A\$0.6bn
NAB CLO A\$0.4bn		NAB CLO A\$0.4bn
Infrastructure Bonds A\$0.3bn		Infrastructure Bonds A\$0.2bn
Credit Wrapped Bonds A\$0.7bn		Credit Wrapped Bonds A\$0.7bn
Leveraged Loans A\$1.5bn		Leveraged Loans A\$1.4bn
Subscription loans A\$0.6bn		Subscription loans A\$0.4bn
Mortgages A\$0.3bn		Mortgages A\$0.2bn
A\$6.7bn	(A\$0.3bn) Decrease in exposure due to foreign currency exchange rate movements	A\$6.2bn

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



Structured Asset Management Portfolio Summary

Corporates (SCDOs) – \$1.5bn (as at 31 March 2011)

	Deal 1	Deal 2	Deal 3	Deal 4	Deal 5	Deal 6
Tranche size	\$241.9m (US\$250m)	\$193.5m (US\$200m)	\$193.5m (US\$200m)	\$300m	\$220.9m (NZ\$300m)	\$300m
Portfolio notional amount (A\$bn)	\$43	\$17	\$15	\$28	\$20	\$26
Remaining pre-risk mitigation (i.e. "Leg 1") number of Credit Events to loss at average concentration/in descending order of concentration (@ 20% recovery for deals 4/5/6)	4/3	-/-	1/1	4/3	-/-	-/-
Attachment point – 31 March 2011	3.77%	4.67%	5.97%	8.85%	6.07%	8.75%
Detachment point – 31 March 2011	4.32%	5.77%	7.33%	9.89%	7.14%	9.88%
Tranche thickness	0.56%	1.10%	1.33%	1.04%	1.07%	1.13%
Recovery rate	70%	50%	40%	Floating	Floating	Floating
Maturity (years)	3.0	2.5	2.7	6.3	6.0	6.3
Number of Reference Entities	115	124	135	107	117	100
Individual Exposure Weighting	Max: 1.17% Avg: 0.87% Min: 0.22%	Max: 1.27% Avg: 0.91% Min: 0.27%	Max: 1.37% Avg: 0.74% Min: 0.17%	Max: 1.56% Avg: 0.93% Min: 0.17%	Max: 1.39% Avg: 0.85% Min: 0.16%	Max: 1.41% Avg: 1.00% Min: 0.28%
Portfolio weighted average rating (30 Sept 09/31 March 11)	BBB-/BB+	A+/BBB-	BBB-/BBB-	BBB-/BBB-	BBB-/BBB-	BB+/BBB-
Number of CEs to loss at average concentration (@ 20% recovery for deals 4/5/6)	15	12	14	12	9	11
Number of CEs to loss in descending order of concentration (@ 20% recovery for deals 4/5/6)	13	7	9	8	6	10
Rating 30 September 09 (external/internal)	BBB-/BBB-	A+/BBB-	AA+*/BBB	AA+*/BBB-	A*/BBB-	BBB*/BBB-
Rating 30 September 10 (external/internal)	BB+/BBB-	BBB+/BBB-	A-/BBB	BBB-/A	BB/BBB-	BB+/BBB-
Rating 31 March 11 (external/internal)	BBB-/BBB	BBB+/BBB-	A-/A	BBB-/A+	BB/BBB+	BB+/BBB-

- ▶ In April 2011 NAB terminated the post-risk mitigation (Leg 2) portion of Deals 1-3
- ▶ Fundamental performance in the first half was generally positive. The internal ratings of deals 4 and 5 were upgraded in December 2010

Structured Asset Management Portfolio Summary

Credit Wrapped ABS – \$0.6bn

	Portfolio 1	Portfolio 2
Current NAB Exposure	\$332m (US\$344m)	\$234m (US\$242m)
Average Portfolio Rating (excludes Portfolio Policy, includes Bond Level Policies)	B2 / B+	B3 / CCC+
Portfolio Guarantor	MBIA (B3 / B)	AMBAC (NR / NR)
% of Underlying Asset with Wrap	48.8%	31.6%
Asset Breakdown		
Residential Mortgage Backed Security*	34.9%	48.6%
Commercial Mortgage Backed Security	0.0%	5.5%
Insurance	14.4%	3.2%
Student Loan	6.5%	30.0%
Collateralized Debt Obligation	25.8%	0.0%
Transportation & Other ABS	18.4%	12.7%

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

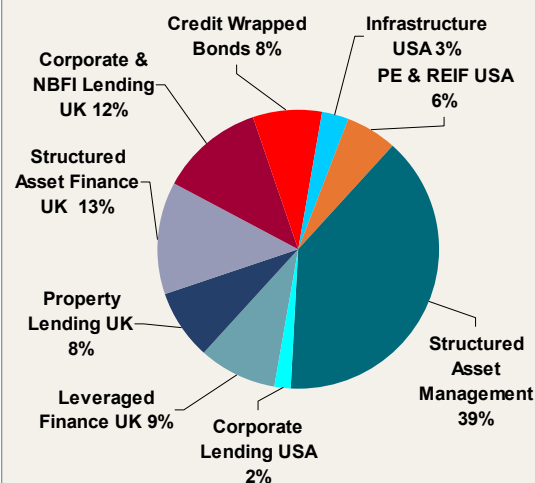
- ▶ NAB owns a pro-rata share of two RMBS/ABS portfolios with concentrations to US residential mortgage-backed securities
- ▶ At issue, all bonds in the portfolios were rated AAA/Aaa by S&P and Moody's either directly or as the result of an insurance policy
- ▶ In addition to the bond-level policies covering a portion of each portfolio, there are portfolio-wide policies from AMBAC and MBIA that serve as insurance against loss
- ▶ The provision held against the portfolios increased marginally to \$85m due to further weakening in US housing markets and a reduction in recovery expectations of the defaulted AMBAC policies
- ▶ While S&P downgraded MBIA to B from BB+ in December 2010, this rating action has no impact on the provision as an eventual default of MBIA has been anticipated in provision analysis

67



Portfolio Composition as at 31 March 2011

	Total Commitments (A\$bn)	Total Provisions (specific & collective)* (A\$m)	Average Contractual Tenor (years)
Leveraged Finance UK	1.1	98	3.9
Property Lending UK	1.0	133	1.3
Structured Asset Finance UK	1.7	26	14.2
Corporate & NBF I Lending UK	1.5	48	2.0
Infrastructure USA	0.4	6	8.4
PE & REIF USA	0.8	0	0.6
Corporate Lending USA	0.3	0	1.8
Total Loans & Advances	6.8	311	n/a
Structured Asset Management	4.9	190	12.7
Credit Wrapped Bonds	1.0	1	5.2
Total Hold to Maturity assets	5.9	191	n/a
Total Commitments	12.7	n/a	n/a
Total Provisions	n/a	502	n/a



68

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



Portfolio Composition - Credit profile

▶ 65% of commitments relate to Investment Grade equivalent clients or transactions

(A\$bn)	Investment Grade AAA/BBB-	Non-Investment Grade BB+/BB	Non-Investment Grade BB-/B+	Non-Investment Grade B+/CCC-	Default or restructure D
Leveraged Finance UK	0.0	0.2	0.5	0.3	0.1
Property Lending UK	0.0	0.3	0.1	0.4	0.2
Structured Asset Finance UK	1.3	0.3	0.0	0.0	0.1
Corporate & NBFi Lending UK	0.6	0.5	0.1	0.2	0.1
Infrastructure USA	0.3	0.0	0.0	0.1	0.0
PE & REIF USA	0.8	0.0	0.0	0.0	0.0
Corporate Lending USA	0.2	0.0	0.1	0.0	0.0
Total Loans & Advances	3.2	1.3	0.8	1.0	0.5
Structured Asset Management	4.1	0.4	0.0	0.2	0.2
Credit Wrapped Bonds	1.0	0.0	0.0	0.0	0.0
Total Hold to Maturity assets	5.1	0.4	0.0	0.2	0.2
Total Commitments	8.3	1.7	0.8	1.2	0.7
Total RWAs	8.0	2.5	1.6	4.0	1.9
Total Provisions*	0.004	0.053	0.024	0.143	0.278
Number of Accounts	74	30	34	29	22
Number of Close Review Accounts	0	1	4	23	22

All data as at 31 March 2011

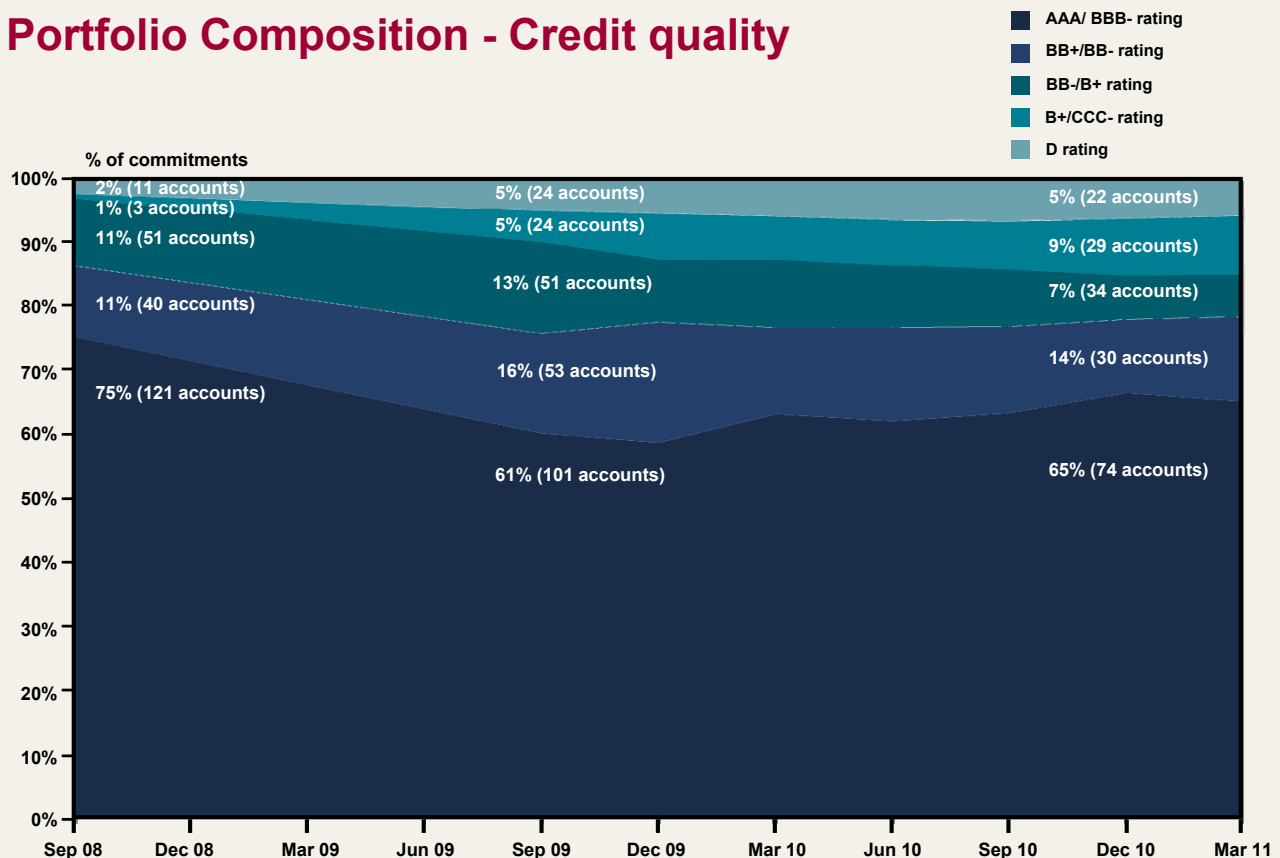
Investment grades equivalent of external ratings

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

69



Portfolio Composition - Credit quality



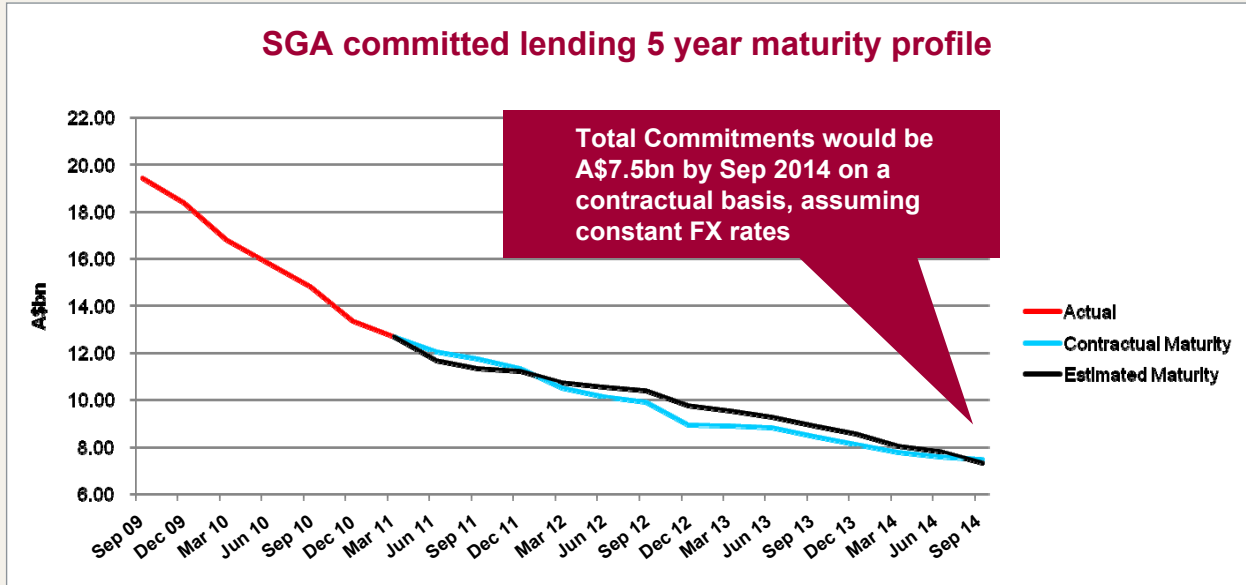
70 Investment grades equivalent of external ratings



Portfolio Composition

Contractual Maturity Profile - Commitments

- ▶ Actual commitments have decreased from September 2009 largely due to the weakening of both USD and GBP against the AUD as well as through repayments and decreased commitments
- ▶ The contractual maturity profile differs to the estimated maturity profile due to potential refinancing risks for a number of clients. The weighted average contracted maturity of the portfolio is 8.2 years

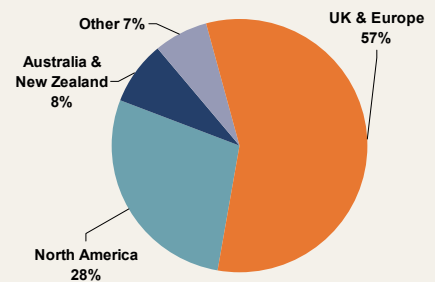


SGA Portfolio Composition

Commitments by Geography of Risk

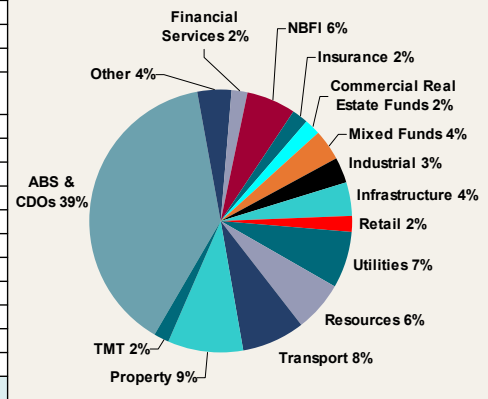
	Commitments (\$bn)	RWAs (\$bn)
UK & Europe	7.3	9.7
North America	3.5	6.1
Australia & New Zealand	1.0	1.0
Other	0.9	1.2
Total	12.7	18.0

Commitments



Commitments by Sector of Risk

	Commitments (\$bn)	RWAs (\$bn)	Collective Provisions (\$m)	Specific Provisions* (\$m)
Financial Services	0.2	0.0	0.1	0.0
NBFI	0.7	0.7	0.4	23.4
Insurance	0.3	0.7	13.8	0.0
Commercial Real Estate Funds	0.3	0.4	0.1	0.0
Mixed Funds	0.5	0.5	0.3	0.0
Industrial	0.4	0.7	20.8	0.0
Infrastructure	0.5	0.4	3.4	1.1
Retail	0.3	0.9	7.7	0.0
Utilities	0.9	0.8	0.6	0.0
Resources	0.8	0.6	8.0	0.0
Transport	1.0	1.2	36.1	14.4
Property	1.1	1.8	53.6	87.3
TMT	0.3	0.9	7.2	20.6
ABS & CDOs	4.9	7.6	86.6	102.9
Other	0.5	0.8	13.2	0.2
Total	12.7	18.0	251.9	249.9



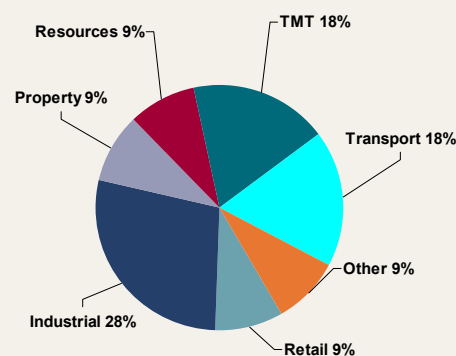
Leveraged Finance UK Portfolio

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

No. of Clients	35	Commitments Drawn Balance	\$1.1bn \$1.1bn	Credit RWA	\$2.7bn
No. of Close Review Clients	14	Close Review Commitments	\$363m	Avg* contractual maturity	3.9 yrs
				*weighted average by commitment	

Sector Analysis

	Commitments (\$bn)	Collective Provisioning (\$m)	Specific Provisioning (\$m)
Retail	0.1	6.3	-
Industrial	0.3	14.5	-
Property	0.1	8.2	-
Resources	0.1	7.2	-
TMT	0.2	5.5	20.6
Transport	0.2	10.0	14.4
Other	0.1	11.2	0.1
Total	1.1	62.9	35.1



73



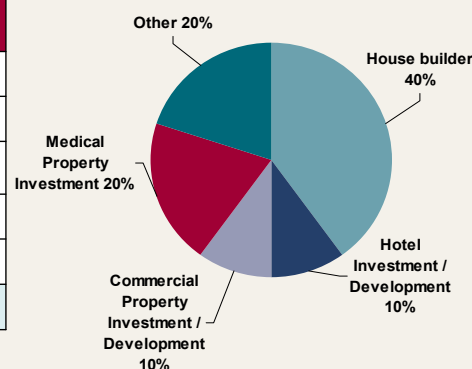
Property UK Portfolio

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

No. of Clients	19	Commitments Drawn Balance	\$1.0bn \$0.9bn	Credit RWA	\$1.7bn
No. of Close Review Clients	14	Close Review Commitments	\$661m	Avg* contractual maturity	1.4yrs
				*weighted average by commitment	

Sector Analysis

	Commitments (\$bn)	Collective Provisioning (\$m)	Specific Provisioning (\$m)
House builder	0.4	25.0	54.3
Hotel Investment/ Development	0.1	1.1	9.9
Commercial Property Investment/ Development	0.1	5.4	18.4
Medical Property Investment	0.2	0.3	-
Other	0.2	13.6	4.7
Total	1.0	45.4	87.3



74



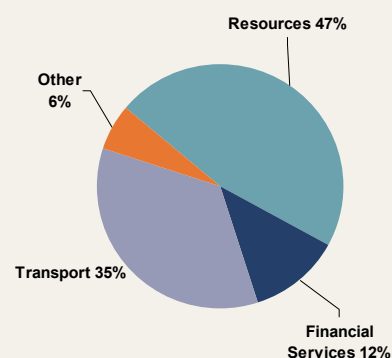
Structured Asset Finance Portfolio

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

No. of Clients	20	Commitments Drawn Balance	\$1.7bn \$1.7bn	Credit RWA	\$1.2bn
No. of Close Review Clients	1	Close Review Commitments	\$49m	Avg* contractual maturity	14.2 yrs
				*weighted average by commitment	

Sector Analysis

	Commitments (\$bn)	Collective Provisioning (\$m)	Specific Provisioning (\$m)
Resources	0.8	0.8	-
Financial Services	0.2	0.1	-
Transport	0.6	25.2	-
Infrastructure	0.1	0.2	-
Total	1.7	26.3	-



75



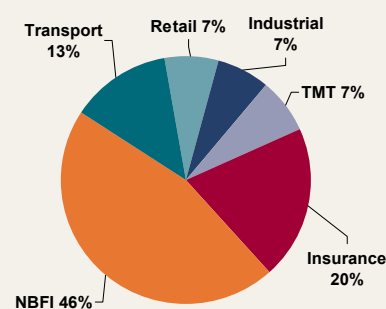
UK Corporate & NBFi Lending Portfolio

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

No. of Clients	30	Commitments Drawn Balance	\$1.5bn \$1.3bn	Credit RWA	\$2.4bn
No. of Close Review Clients	10	Close Review Commitments	\$607m	Avg* contractual maturity	2.0 yrs
				*weighted average by commitment	

Sector Analysis

	Commitments (\$bn)	Collective Provisioning (\$m)	Specific Provisioning (\$m)
Retail	0.1	1.4	-
Industrial	0.1	6.3	-
TMT	0.1	1.6	-
Insurance	0.3	13.8	-
NBFi	0.7	0.4	23.4
Transport	0.2	0.7	-
Total	1.5	24.2	23.4



76



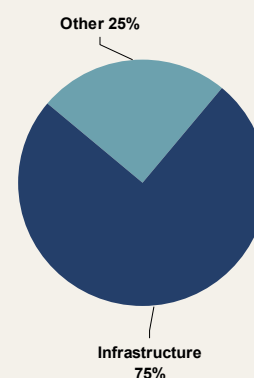
Infrastructure USA Portfolio

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

No. of Clients:	10	Commitments Drawn Balance	\$0.4bn \$0.3bn	Credit RWA	\$0.5bn
No. of Close Review Clients:	4	Close Review Commitments	\$74m	Avg* contractual maturity	8.4 yrs
				<small>*weighted average by commitment</small>	

Sector Analysis

	Commitments (\$bn)	Collective Provisioning (\$m)	Specific Provisioning (\$m)
Infrastructure	0.3	3.4	1.1
Transport	0.1	1.6	-
Total	0.4	5.0	1.1



77

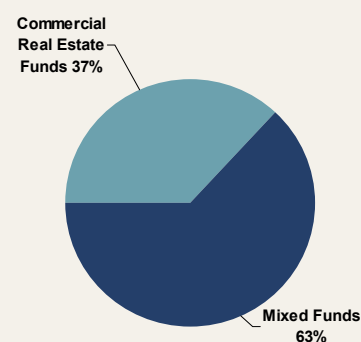
Private Equity & Real Estate Investment Funds Portfolio

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

No. of Clients	22	Commitments Drawn Balance	\$0.8bn \$0.6bn	Credit RWA	\$0.9bn
No. of Close Review Clients	1	Close Review Commitments	\$0m	Avg* contractual maturity	0.6 yrs
				<small>*weighted average by commitment</small>	

Sector Analysis

	Commitments (\$bn)	Collective Provisioning (\$m)	Specific Provisioning (\$m)
Commercial Real Estate Funds	0.3	0.1	-
Mixed Funds	0.5	0.3	-
Total	0.8	0.4	-



78

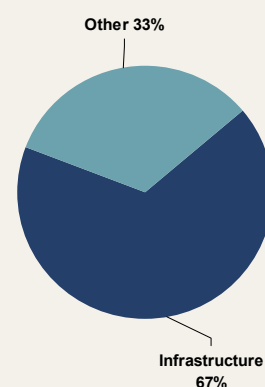
Corporate Lending USA Portfolio

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

No. of Clients	11	Commitments Drawn Balance	\$0.3bn \$0.02bn	Credit RWA	\$0.1bn
No. of Close Review Clients	1	Close Review Commitments	\$13m	Avg* contractual maturity	1.8 yrs
				*weighted average by commitment	

Sector Analysis

	Commitments (\$bn)	Collective Provisioning (\$m)	Specific Provisioning (\$m)
Infrastructure	0.2	-	-
Other	0.1	0.3	-
Total	0.3	0.3	-



79

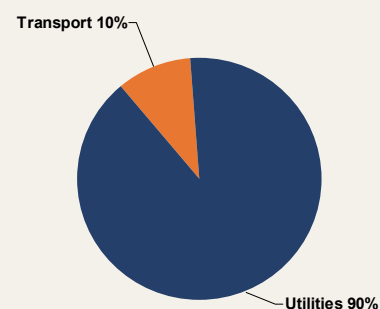
Credit Wrapped Bonds Portfolio

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

No. of Clients	4	Commitments Drawn Balance	\$1.0bn \$0.9bn	Credit RWA	\$0.9bn
No. of Close Review Clients	-	Close Review Commitments	-	Avg* contractual maturity	5.2 yrs
				*weighted average by commitment	

Sector Analysis

	Commitments (\$bn)	Collective Provisioning (\$m)	Specific Provisioning (\$m)
Transport	0.1	0.2	-
Utilities	0.9	0.6	-
Total	1.0	0.8	-



80

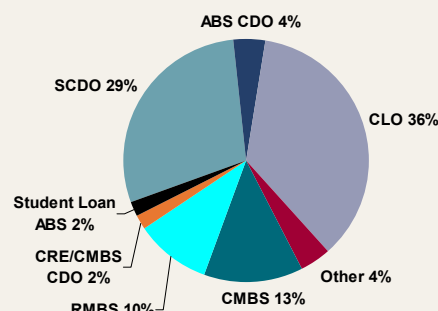
Structured Asset Management Portfolio

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

No. of Transactions	31	Commitments Drawn Balance	\$4.9bn \$4.9bn	Credit RWA	\$7.6bn
No. of Close Review Clients	3	Close Review Commitments	\$450m	Avg* contractual maturity	12.7 yrs
				<small>*weighted average by commitment</small>	

Sector Analysis

	Commitments (\$bn)	Collective Provisioning* (\$m)	Specific Provisioning # (\$m)
SCDO	1.5	-	-
ABS CDO	0.2	-	103.0
CLO	1.8	-	-
Other	0.1	-	-
CMBS	0.6	-	-
RMBS	0.5	-	-
CMBS / CRE CDO	0.1	-	-
Student Loan ABS	0.1	-	-
Total	4.9	86.6*	103.0 #



* Collective provision is applied to the entire portfolio (primarily to credit wrapped ABS) and is not assigned to individual sectors. In addition to the provision is a further \$160m management overlay for conduits and MTM derivative exposures

Provisions on this portfolio are booked against hold to maturity assets

Additional Information

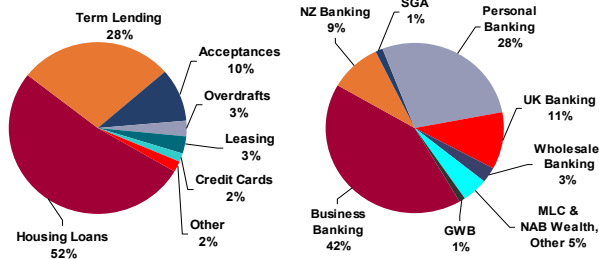
Business Banking
 Personal Banking
 Wholesale Banking
 MLC & NAB Wealth
 NZ Banking
 UK Banking
 Great Western Bank
 Specialised Group Assets

Asset Quality

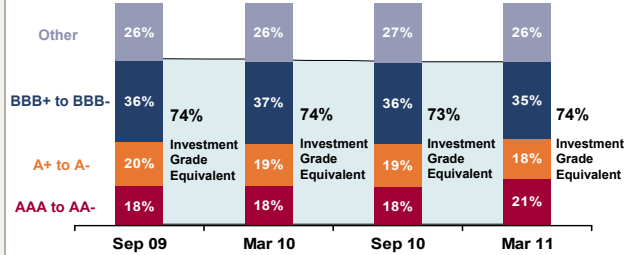
Capital and Funding
 Economic Outlook

Group portfolio

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

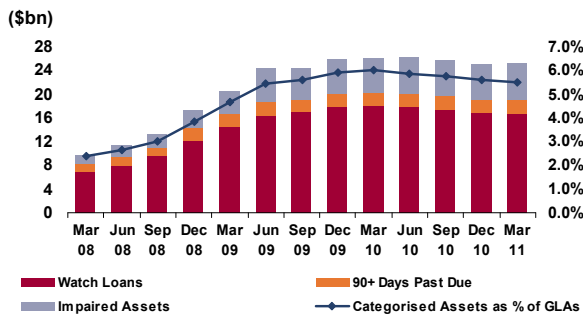


Risk rated non-retail exposures*

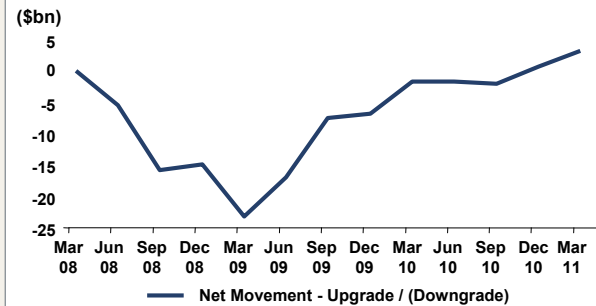


* Expected loss is the product of Probability of Default x Exposure at Default x Loss Given Default. The calculation excludes defaulted assets.

Categorised assets by balance



Customer re-rating score movement – non retail exposures (EAD)

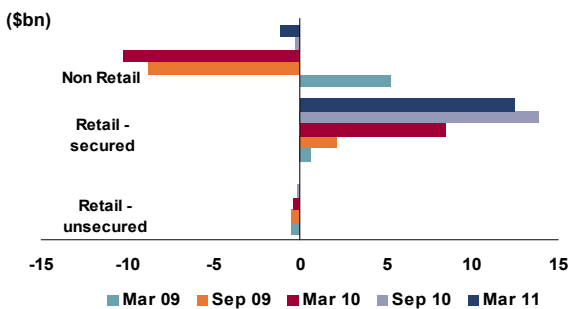


Note: Categorised Assets includes Watch, 90+ DPD & Impaired Assets but excludes default no loss < 90DPD loans.

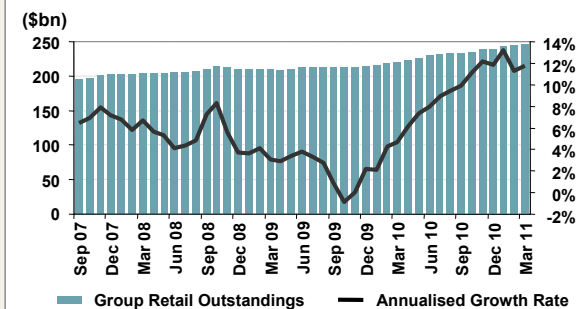


Group gross loans and acceptances

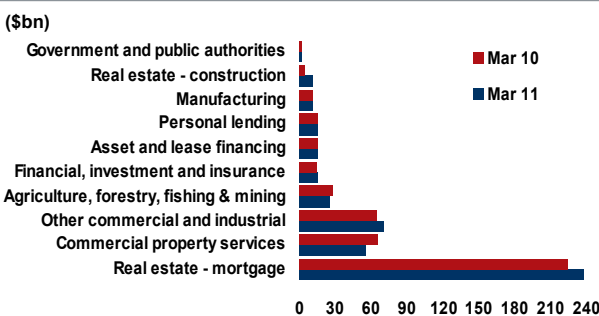
Group asset composition – growth by product segment



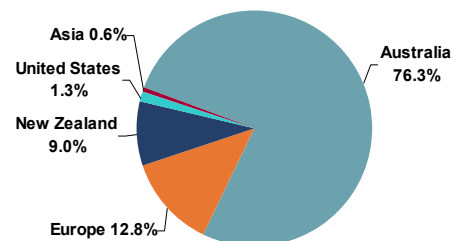
Retail portfolio – outstandings volume



Industry balances*



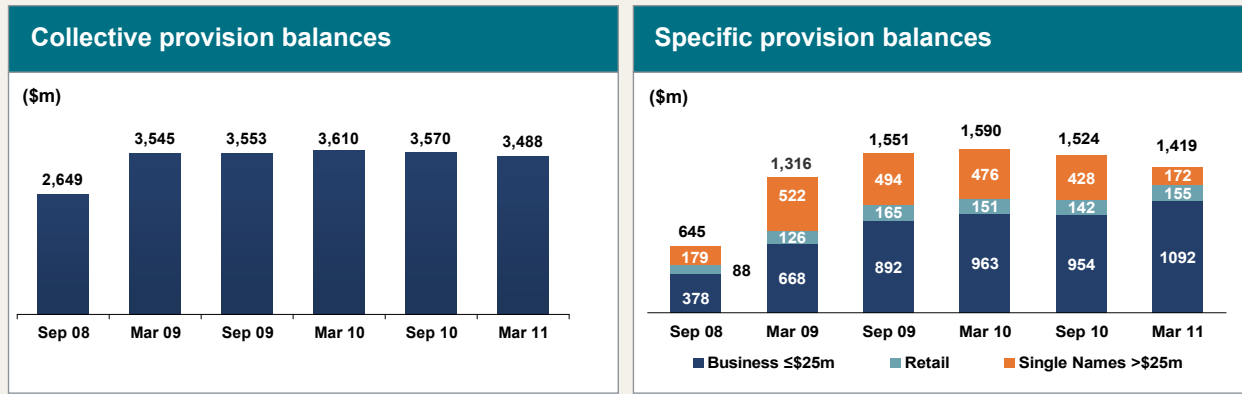
Gross loans and acceptances by geography



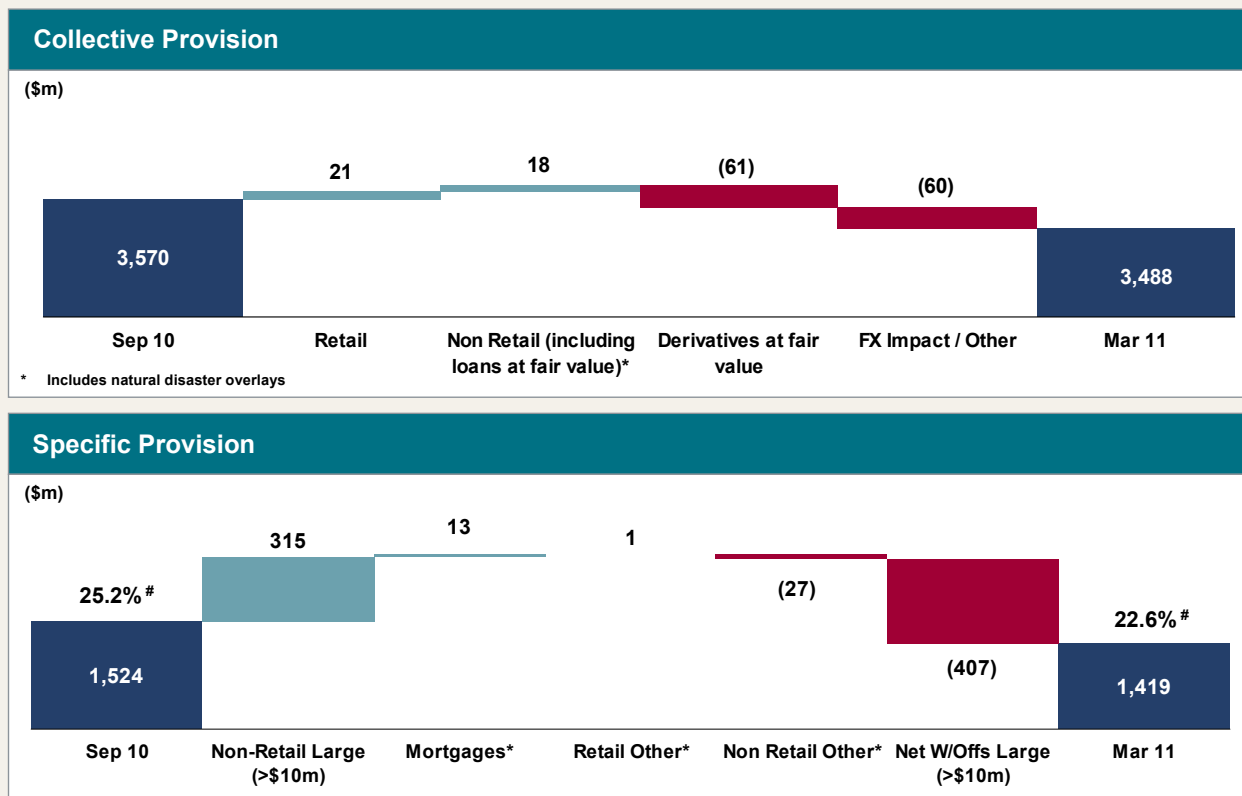
* Mar 11 includes UK reclassification of \$6.5bn from Commercial property services to Real estate-construction (\$5.6bn) and Financial, investment and insurance (\$0.9bn)
 Note: These charts use spot exchange rates. Weakening of the Pound Sterling relative to the Australian dollar since Sep 2008 has partly affected growth rates



Group provision balances

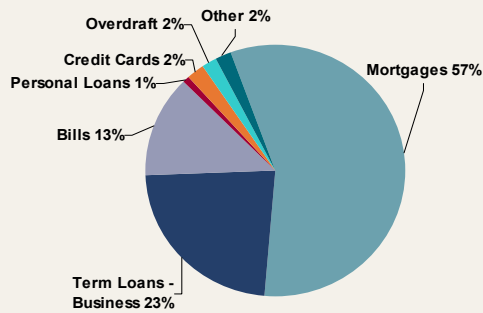


Group provision movements



Business Banking, Personal Banking and NAB Wealth

Portfolio breakdown– total \$340bn



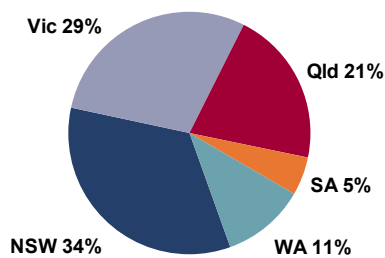
Australian Mortgages	Mar 11	Sep 10	Mar 10
Owner Occupied	68.6%	67.4%	66.9%
Investment	31.4%	32.6%	33.1%
Low Document	2.0%	2.3%	2.5%
Proprietary	70.6%	72.8%	74.8%
Third Party Introducer	29.4%	27.2%	25.2%
LMI Insured % of Total HL Portfolio	14.7%	15.1%	15.7%
Loan to Value (at origination)*	68.8%	68.7%	67.7%
Dynamic LVR (Balance to Valuation) % *	55.3%	54.6%	54.3%
Customers ahead 3 repayments or more% *	46.0%	46.6%	46.7%
Average loan size \$ ('000)	\$247.5	\$238.9	\$222.0
90 + days past due	0.54%	0.53%	0.56%
Impaired loans	0.28%	0.27%	0.36%
Specific provision coverage	18.2%	18.6%	18.0%
Loss rate	0.06%	0.06%	0.08%

87 * Ratio exclude Advantaged mortgages portfolio



Australia Mortgages* – \$195bn

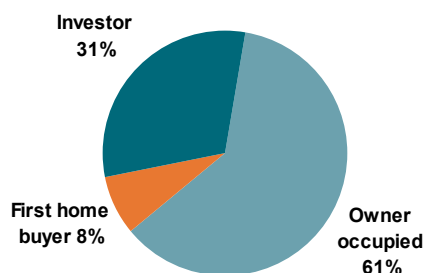
Geography



Low doc loans

- ▶ \$4.0bn outstanding (2.0% of housing book)
- ▶ LVR capped at 60% (without LMI)

Customer segment



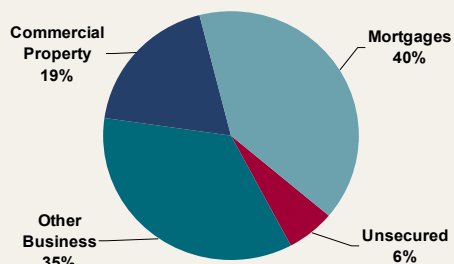
Origination source – flows (Australia)	Sep 09	Mar 10	Sep 10	Mar 11
Proprietary	81%	75%	61%	60%
Broker	11%	17%	31%	32%
Introducer	8%	8%	8%	8%

88 * Excludes Wholesale Banking



UK Banking

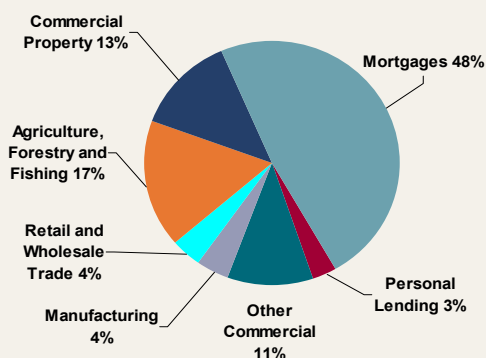
Portfolio breakdown – total £32.8bn



UK Mortgages	Mar 11	Sep 10	Mar 10
Owner Occupied	79.6%	78.7%	77.9%
Investment	20.4%	21.3%	22.1%
Low Document	0.0%	0.0%	0.0%
Proprietary	75.1%	78.4%	77.1%
Third Party Introducer	24.9%	21.6%	22.9%
LMI Insured % of Total HL Portfolio	1.5%	1.6%	1.5%
Loan to Value (at Origination)	62.5%	62.2%	64.0%
Loan to Value Indexed	53.5%	51.9%	52.2%
Average loan size £ ('000)	90	88	86
90 + days past due	0.76%	0.76%	0.81%
Impaired loans	0.38%	0.35%	0.24%
Specific provision coverage	22.8%	17.1%	20.0%
Loss rate	0.05%	0.05%	0.06%

NZ Banking

Portfolio breakdown – total NZ\$26.7bn



New Zealand Mortgages	Mar 11	Sep 10	Mar 10
Low Document Loans	0.22%	0.19%	0.18%
Proprietary (Distributed by Bank)	100%	100%	100%
Third Party Introducer	0.0%	0.0%	0.0%
LMI Insured % of Total HL Portfolio	2.9%	3.2%	3.6%
Loan to Value (at origination)	61.7%	59.5%	58.8%
Average loan size NZ\$ ('000)	242	240	236
90 + days past due	0.35%	0.30%	0.38%
Impaired loans	0.58%	0.62%	0.46%
Specific provision coverage	35.0%	32.6%	35.4%
Loss rate	0.07%	0.08%	0.07%

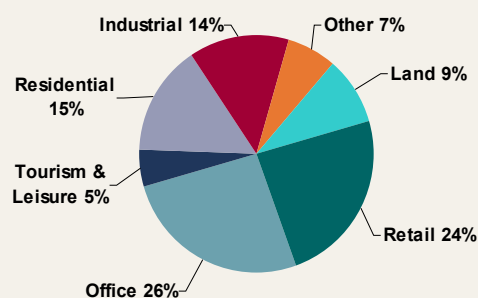
Commercial Real Estate – Group Summary¹

Total \$60.2bn

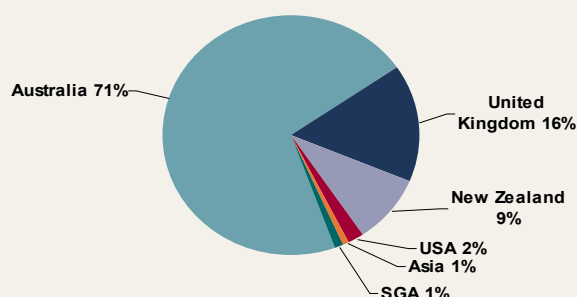
13.1% of Gross Loans & Acceptances

	Aus	UK*	NZ	USA*	SGA	Asia/Other	Total
TOTAL CRE (A\$bn)	42.7	9.9	5.2	1.3	0.8	0.3	60.2
% of GLAs	12.2%	19.2%	12.5%	25.0%	15.1%	13.6%	13.1%
Increase/(decrease) on Sep 10 (A\$bn)	(0.1)	(0.9)	(0.1)	(0.5)	(0.3)	(0.1)	(2.0)

Group Commercial Property by type



Group Commercial Property by geography



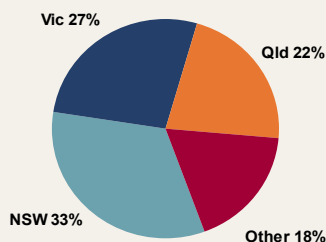
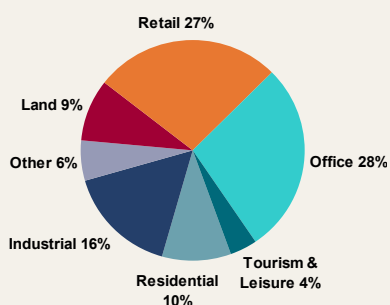
91 (1) Measured as balance outstanding at March 2011 per APRA Commercial Property ARF definitions
* Excludes SGA



Commercial Real Estate – Business Banking

Total \$42.7bn

12.2% of Australian geography Gross Loans & Acceptances



State	NSW	VIC	QLD	Other	Total
Location %	33%	27%	22%	18%	100%
Loan Balance < \$5m	9%	10%	7%	5%	31%
Loan Balance > \$5m < \$10m	5%	3%	3%	2%	13%
Loan Balance > \$10m	19%	14%	12%	11%	56%
Loan tenor < 3 yrs	28%	24%	19%	15%	86%
Loan tenor > 3 < 5 yrs	3%	2%	2%	2%	9%
Loan tenor > 5 yrs	2%	1%	1%	1%	5%
Average loan size \$m	3.3	2.7	2.9	3.3	3.0
Security Level ¹ – Fully Secured	23%	22%	18%	15%	78%
Partially Secured	6%	4%	4%	2%	16%
Unsecured	4%	1%	0%	1%	6%
90+ days past due	0.08%	0.11%	0.20%	0.04%	0.43%
Impaired loans	1.25%	0.50%	1.00%	0.05%	2.80%
Specific provision coverage	10.1%	28.7%	18.0%	28.2%	16.6%

Trend	Mar 11	Sep 10	Mar 10	Sep 09
90+ days past due	0.43%	0.44%	0.32%	0.21%
Impaired Loans	2.80%	2.53%	1.79%	1.40%
Specific Provision Coverage	16.6%	23.5%	15.6%	10.9%

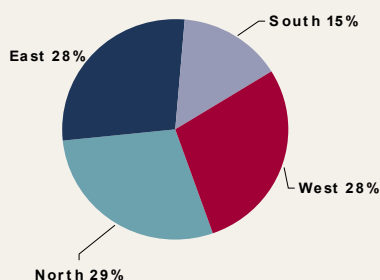
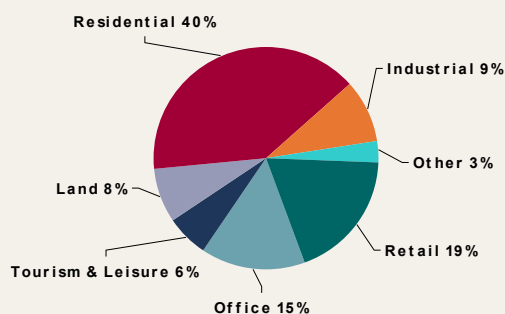
92 (1) Fully Secured represents loans of up to 70% of the Market Value of Security. Partially Secured are over 70%, but not Unsecured. Unsecured is primarily Negative Pledge lending



Commercial Real Estate - UK Banking

Total £6.3bn

19.2% of Gross Loans & Acceptances



Region	North	East	South	West	Total
Location %	29%	28%	15%	28%	100%
Loan Balance < £2m	20%	19%	11%	20%	70%
Loan Balance > £2m < £5m	3%	4%	2%	4%	13%
Loan Balance > £5m	6%	5%	2%	4%	17%
Average loan tenor < 3 yrs	20%	16%	11%	16%	63%
Average loan tenor > 3 < 5 yrs	3%	3%	1%	4%	11%
Average loan tenor > 5 yrs	6%	9%	3%	8%	26%
Average loan size	£0.75m	£0.85m	£0.87m	£0.77m	£0.80m
Security Level ¹					
Fully Secured	12%	15%	10%	14%	51%
Partially Secured	14%	12%	5%	14%	45%
Unsecured	3%	1%	0%	0%	4%

Trend	Mar 11	Sep 10	Mar 10	Sep 09
90+ days past due	1.42%	1.47%	1.52%	1.35%
Impaired Loans	8.13%	7.69%	7.15%	5.60%
Specific Provision Coverage	9.1%	4.8%	8.2%	11.8%

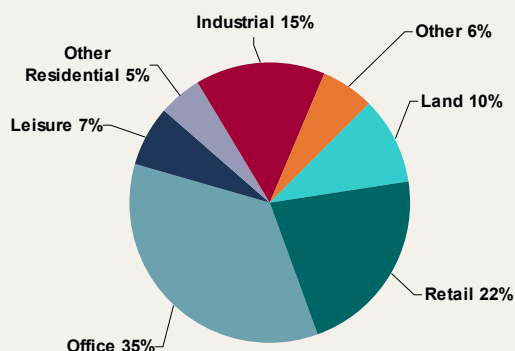
93 (1) Fully Secured represents loans of up to 70% of the Market Value of Security. Partially Secured are over 70%, but not Unsecured. Unsecured is primarily Negative Pledge lending



Commercial Real Estate – NZ Banking

Total NZ\$7.0bn

12.5% of Gross Loans & Acceptances



Region	Auckland	Other Regions	Total
Location %	40%	60%	100%
Loan Balance < NZ\$5m	11%	25%	36%
Loan Balance > NZ\$5m < NZ\$10m	4%	9%	13%
Loan Balance > NZ\$10m	25%	26%	51%
Loan tenor < 3 yrs	37%	55%	92%
Loan tenor > 3 < 5 yrs	1%	2%	3%
Loan tenor > 5 yrs	2%	3%	5%
Average loan size NZ\$m	4.8	2.8	3.4
Security Level ¹			
Fully Secured	22%	40%	62%
Partially Secured	11%	14%	25%
Unsecured	7%	6%	13%
90+ days past due	0.18%	0.71%	0.89%
Impaired Loans	0.26%	1.77%	2.03%
Specific Provision Coverage	48.1%	17.5%	21.3%

Trend	Mar 11	Sep 10	Mar 10	Sep 09
90+ days past due	0.89%	0.43%	1.28%	1.11%
Impaired Loans	2.03%	1.68%	1.77%	2.35%
Specific Provision Coverage	21.3%	14.1%	22.6%	28.4%

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

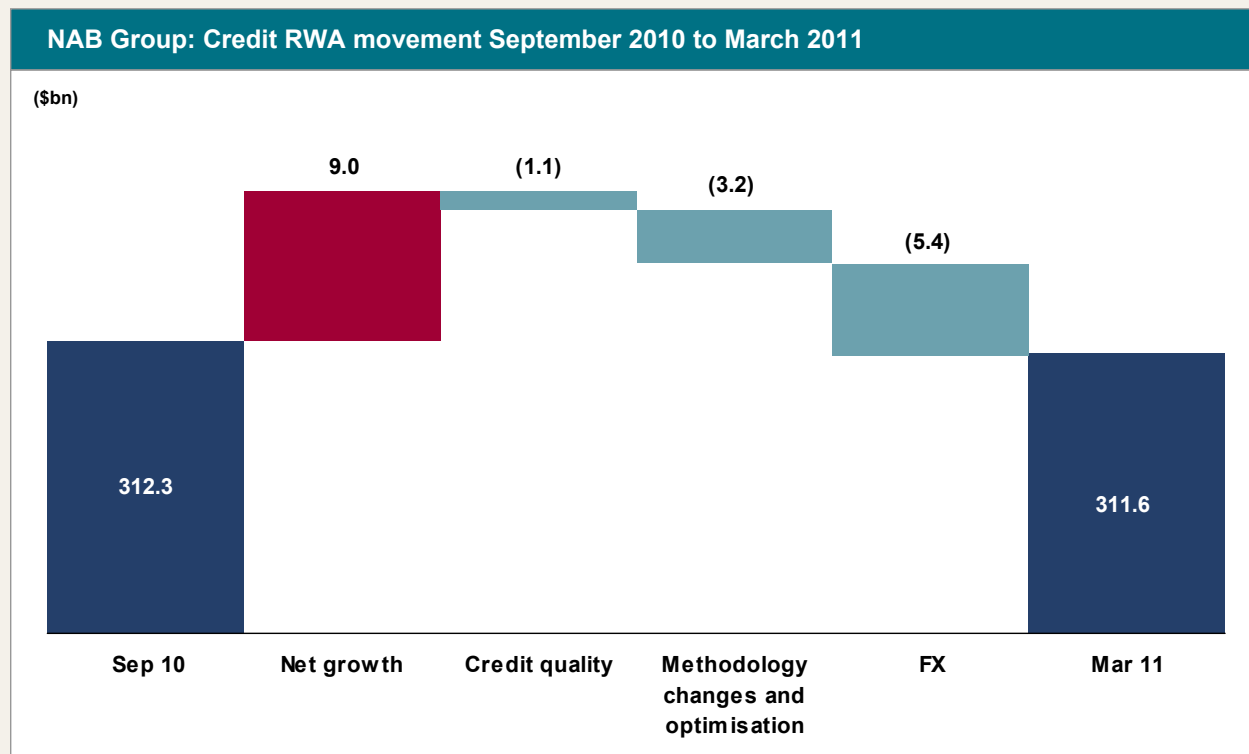


Additional Information

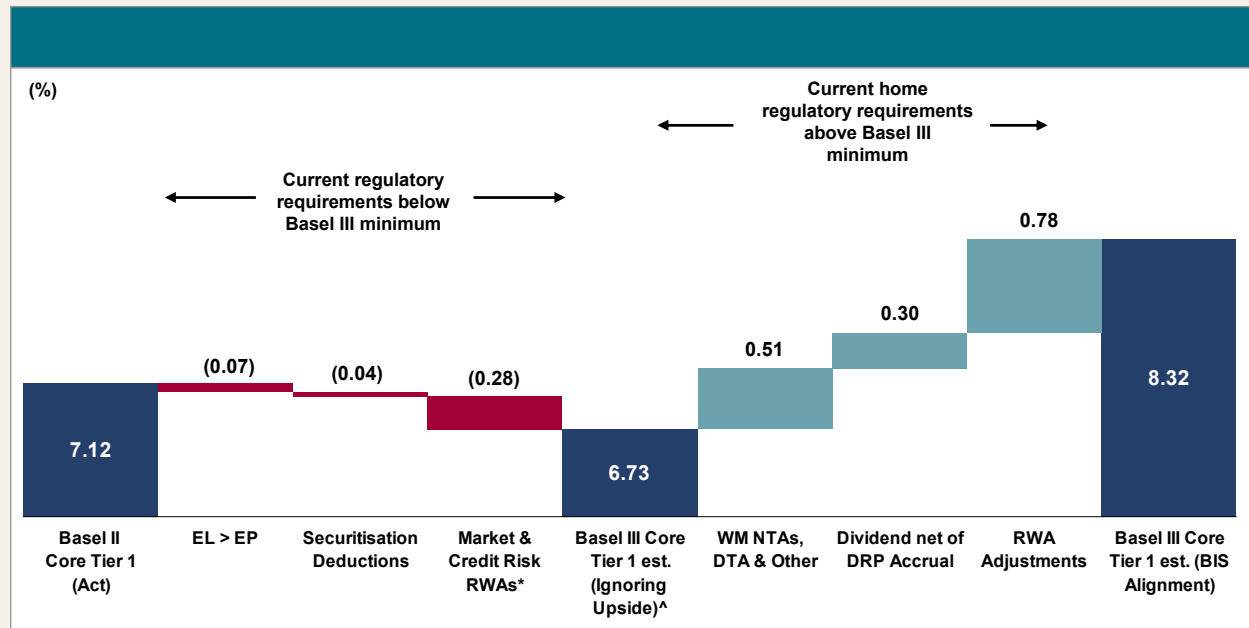
Business Banking
 Personal Banking
 Wholesale Banking
 MLC & NAB Wealth
 NZ Banking
 UK Banking
 Great Western Bank
 Specialised Group Assets
 Asset Quality
Capital and Funding
 Economic Outlook



Credit RWA movement



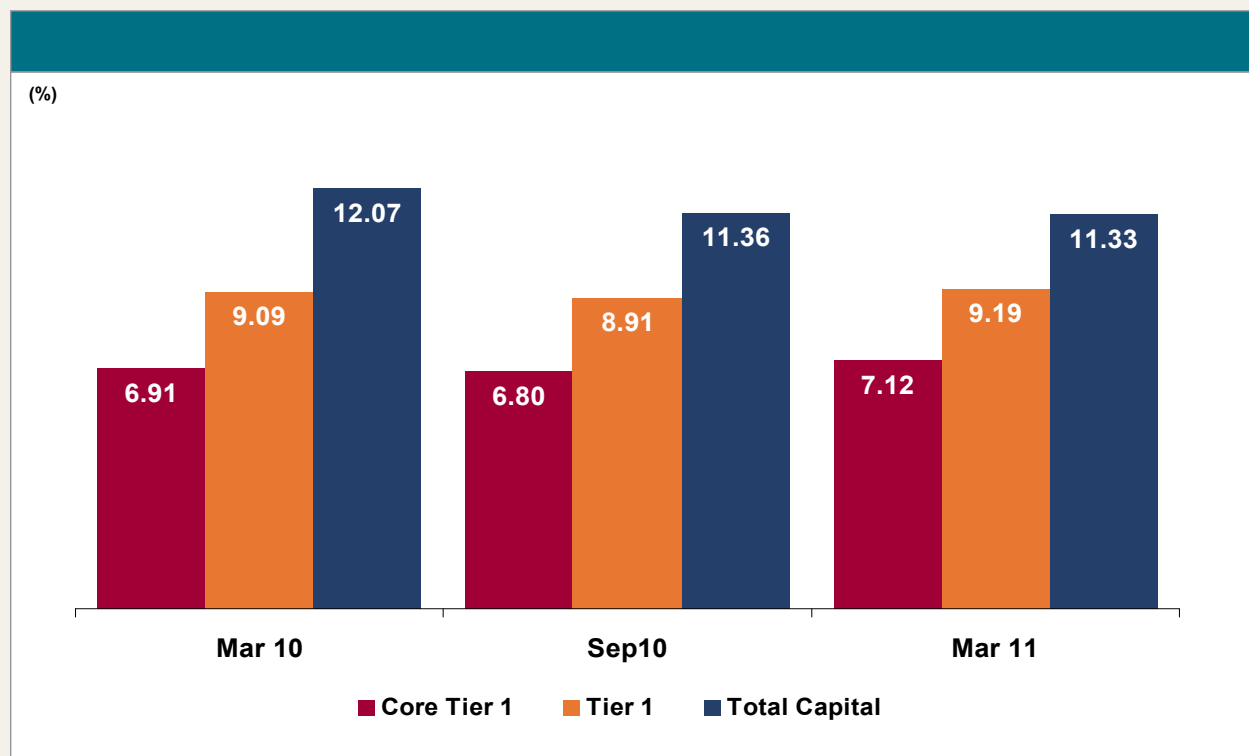
Estimated impacts of Basel III: March 11



^ Wealth Management – assumes current Basel II capital deduction treatment remains unchanged. Moving to 100% deduction would result in a further 25bp impact

* Estimated Counterparty Credit Risk impact now included

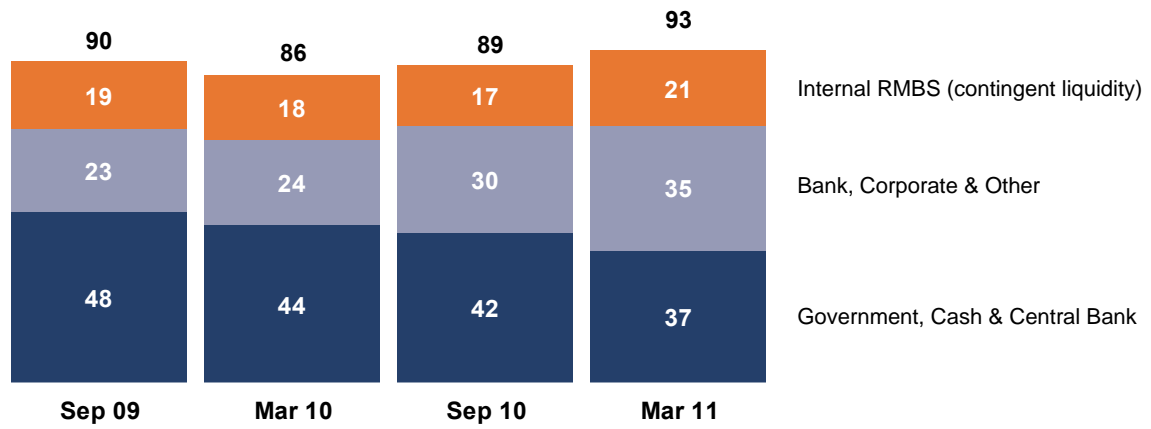
Group capital ratios



Liquidity portfolio

Group liquid asset breakdown

(\$bn)



99

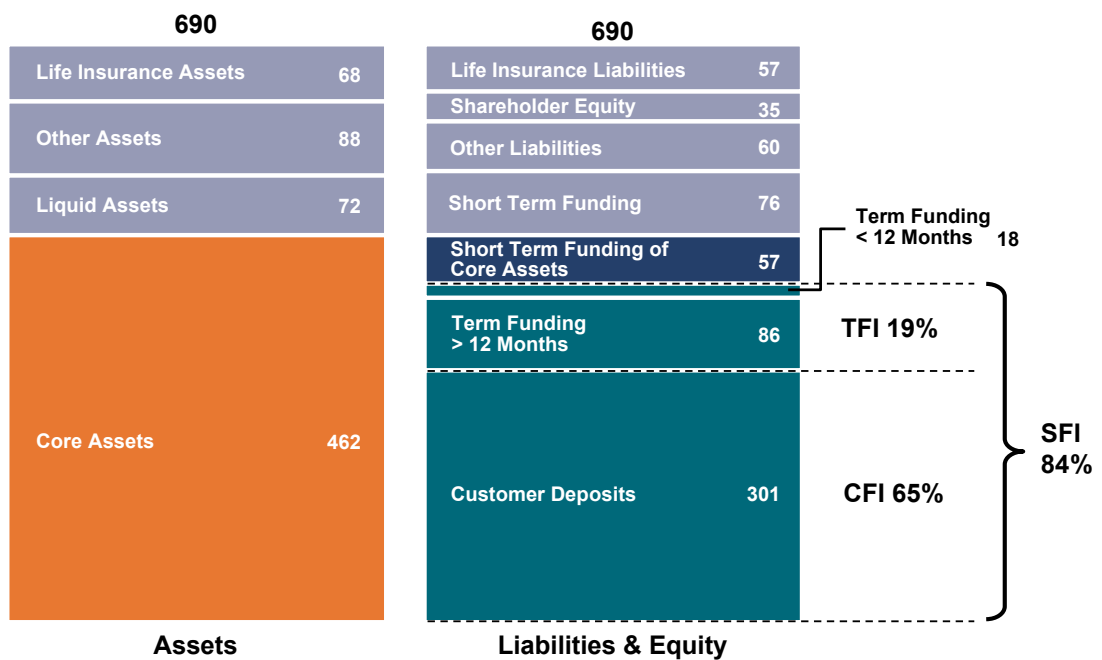
Based on management reporting



Asset funding

Balance sheet

(\$bn)



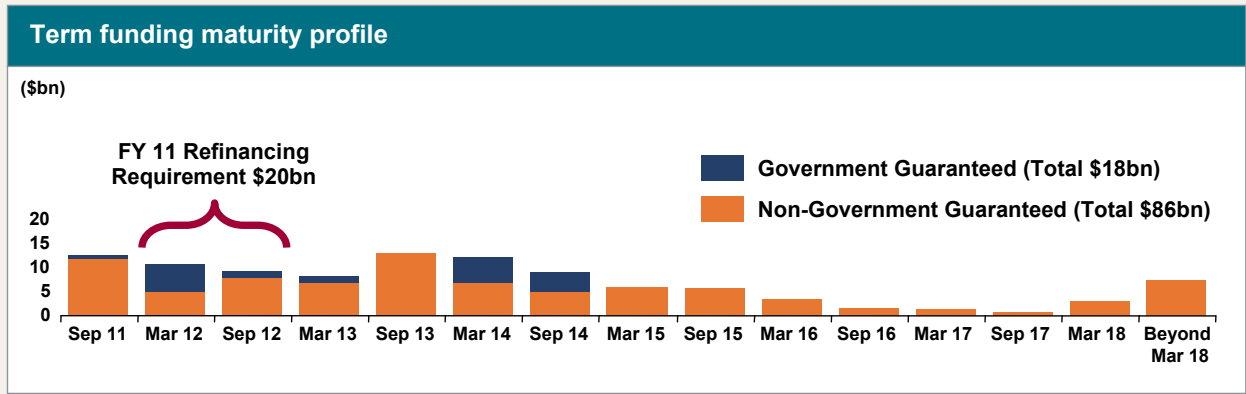
Note: Other liabilities comprises mainly trading derivatives

100

Based on management reporting

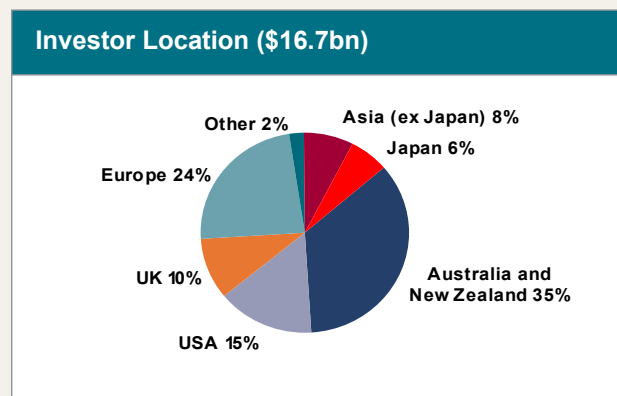
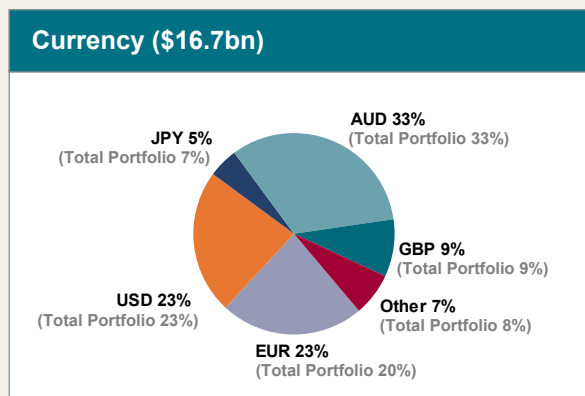
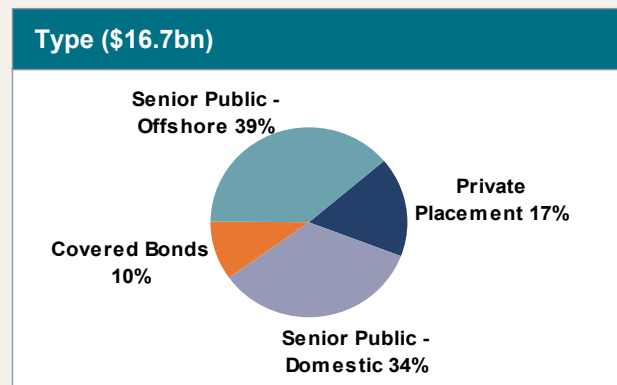
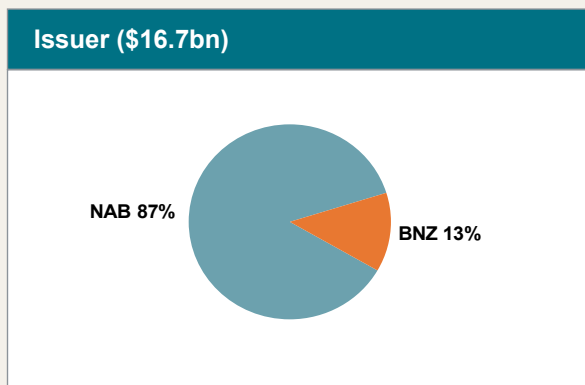


Funding profile remains robust



- ▶ The weighted average remaining maturity of the Group's term funding index qualifying (includes > 12 months remaining maturity, excludes <12 months) senior and subordinated debt is 3.6 years (Sep 10 3.6 years)
- ▶ The weighted average remaining maturity of the Group's senior and subordinated debt is 2.9 years (Sep 10 2.9 years)
- ▶ FY11 term funding requirement is partly driven by term debt that will roll into the < 12 month remaining to maturity category during FY11
- ▶ National Australia Bank Ltd repurchased and retired \$2.5bn of Government guaranteed debt during the half year to 31 March, reducing the FY11 refinancing requirement

Diversified funding issuance – Mar 11



UK FSA Capital Comparison – Basel II

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

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

103 (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



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 2011 – APRA basis	9.19	11.33
RWA treatment – Mortgages ¹	0.86	1.04
IRRBB (RWA)	0.30	0.35
Wealth Value of Business in Force (VBIF) at acquisition ²	0.46	0.00
Estimated final dividend (net of estimated reinvestment under DRP / BSP)	0.32	0.32
DTA (excluding DTA on the collective provision for doubtful debts)	0.16	0.15
Eligible deferred fee income	(0.07)	(0.07)
Capitalised expenses ³	0.03	0.03
Investments in non-consolidated controlled entities (net of intangible component)	0.25	0.00
UK Defined Benefit Pension	0.04	0.04
Total Adjustments	2.35	1.86
31 March 2011 – Normalised for UK FSA differences	11.54	13.19

(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



Basel II Risk Weighted Assets

Asset Class (\$m)	31 March 2011		30 September 2010	
	RWAs	RWA/EAD %	RWAs	RWA/EAD %
Corporate & Business	175,947	54%	174,723	54%
Mortgages	51,389	21%	48,909	22%
Retail	16,870	48%	16,914	48%
Standardised*	58,972	67%	63,624	68%
Other Assets	8,447	82%	8,175	79%
Total Credit RWAs	311,625	45%	312,345	45%
Market RWAs	3,159		3,079	
Operational RWAs	21,862		22,234	
IRRBB RWAs	8,565		7,000	
Total RWAs	345,211		344,658	

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



Additional Information

[Business Banking](#)
[Personal Banking](#)
[Wholesale Banking](#)
[MLC & NAB Wealth](#)
[NZ Banking](#)
[UK Banking](#)
[Great Western Bank](#)
[Specialised Group Assets](#)
[Asset Quality](#)
[Capital and Funding](#)

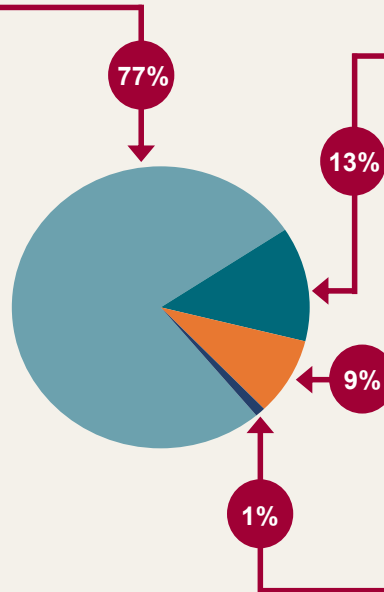
Economic Outlook



Economic outlook

Australia

- ▶ March quarter held back by floods but conditions now recovering
- ▶ Multi-speed economy: retail, manufacturing, construction soft but mining strong
- ▶ Expect GDP growth of approx 2.5% for calendar 2011, 3.7% in 2012
- ▶ Demand for Australian bulk commodity exports still strong & large mining investment projects under way
- ▶ RBA expected to raise rates by 50 basis points by late 2011 & A\$ likely to remain strong relative to US\$



United Kingdom

- ▶ Moderate upturn in economic activity started in late 2009 and growth should continue at 1.8% to 2.3% through to 2013
- ▶ Weak housing market, household sector de-leveraging and fiscal tightening hold back pace of recovery
- ▶ Economy needs to shift toward exports and business investment (Sterling depreciation will help)
- ▶ Modest recovery in credit growth expected. Asset quality seems to have stabilised

New Zealand

- ▶ Moderate recovery seems under way but 2011 GDP affected by earthquake and Rugby World Cup
- ▶ Mixed picture across sectors – housing and retail weak, very high commodity prices helping exporters
- ▶ RBNZ has cut rates – need to watch inflation stays within target band

United States

- ▶ Growth has resumed and labour market has started to improve
- ▶ Upturn evident in Mid-West States after milder downturn than elsewhere in the US. Mid-West being helped by high global commodity prices

107 % represent share of 31 March 2011 GLAs
Australia includes Asia



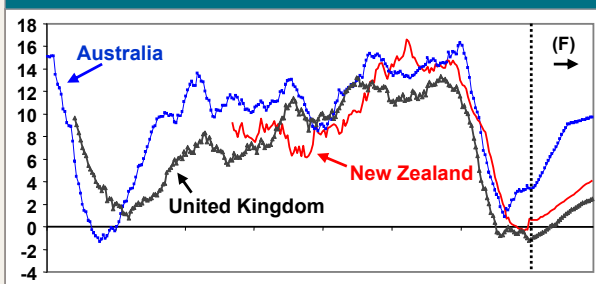
Economic conditions

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



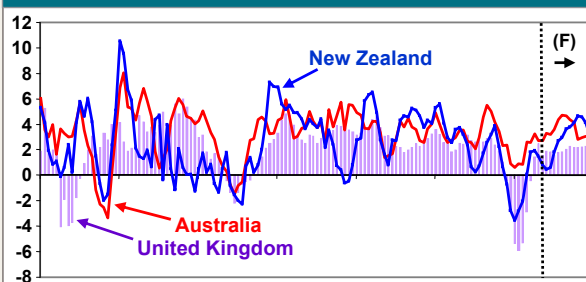
IMF, OECD, Datastream, NAB Forecasts

System credit growth % change year on year



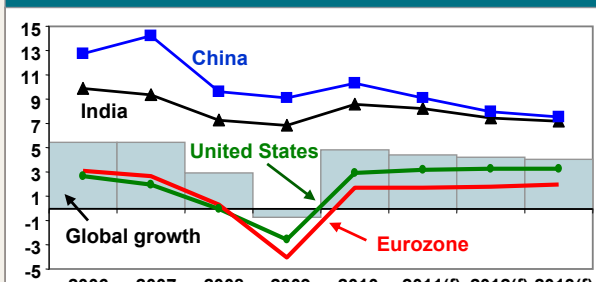
RBA, RBNZ, Bank of England, NAB Forecasts

Real GDP % change year on year



ONS, ABS, SNZ, Datastream, NAB Forecasts

Annual % growth in major economies



Datastream

108 (F) - Forecast



Australia regional outlook

Economic Indicators (%) (a)	CY09	CY10	CY11 (f)	CY12 (f)	CY13 (f)
GDP growth	1.3	2.7	2.5	3.7	3.0
Unemployment rate	5.5	4.9	4.6	4.4	5.0
Core Inflation	3.3	2.3	2.7	2.6	2.8
Cash rate	3.75	4.75	5.25	5.25	5.25
System Growth (%)	FY09	FY10	FY11(f)	FY12(f)	FY13(f)
Housing	7.4	8.0	8.0	9.0	10.0
Other personal (incl cards)	-5.8	2.7	3.3	6.5	6.5
Business	-2.6	-3.9	2.0	10.0	10.0
Total system credit	2.4	3.2	5.6	9.1	9.7
Total A\$ ADI deposits (b)	8.0	4.5	10.0	9.5	9.5

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

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

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

- ▶ The March quarter is likely to see no growth in GDP due to the flood and cyclone induced slowdown in January. This would be consistent with NAB business surveys, which reported weak business conditions in January and February. Despite the slowdown, growth is expected to rebound in the second half of 2011, driven by reconstruction in Queensland, the mining sector and the overall strength of our international trading environment. Increases in the contract prices of commodities have increased the terms of trade by around 22% over 2010, resulting in a significant boost to our export income
- ▶ Trade-exposed sectors outside mining, especially manufacturing, retail, wholesale and construction, continue to struggle. However, there are indications from the NAB business survey that March provided a strong springboard into the June quarter
- ▶ Consumers are still wary and continue to increase savings. We expect consumers to remain cautious over the next year or so, but a strong labour market should help increase incomes (through lower unemployment), and softer house price growth should also help to alleviate financial pressures
- ▶ The RBA is likely to raise the cash rate in the second half of 2011, in anticipation of the potentially inflationary consequences of stronger growth resulting from wealth and income effects of the renewed minerals boom. We expect the cash rate to rise to 5¼% by end of 2011. The A\$ is likely to be supported by the relative strength of the Australian economy to the US in the near-term, which is likely to be partly unwound by some improvement in the US economy in 2012 and 2013
- ▶ Business credit is showing signs of improvement, though remains weak relative to its history. Growth is expected to rise over 2011 on the back of rising business investment, reflecting strengthening investment intentions. Modest growth in personal credit is continuing. Housing credit is expected to grow on the back of continuing dwelling under-supply and low levels of unemployment

UK regional outlook

Economic Indicators (%)	CY09	CY10	CY11(f)	CY12(f)	CY13(f)
GDP growth	-4.9	1.3	1.8	2.2	2.3
Unemployment	7.8	8.0	8.2	8.1	7.6
Inflation	2.1	3.3	3.8	2.5	2.0
Cash rate	0.5	0.5	0.75	1.75	2.0
System Growth (%)	FY09	FY10	FY11(f)	FY12(f)	FY13(f)
Housing	2.2	0.9	1.1	2.0	2.9
Consumer	2.9	-0.1	1.0	2.1	3.0
Business	0.7	-2.9	-4.1	-1.8	0.5
Total lending	1.7	-0.6	-0.8	0.6	2.0
Household deposits	4.8	4.4	3.3	3.7	4.6

- ▶ Although UK economic growth will be held down by the government's fiscal austerity measures, there should still be enough momentum in the private sector to sustain a moderate economic recovery from the exceptionally deep recession of 2008/9
- ▶ The mix of growth in the UK needs to be rebalanced with a greater reliance on exports and business investment and less on the public sector and consumer spending. Progress is being made toward this goal with export volumes trending up but business investment growth slowed through 2010
- ▶ Pressure on household incomes, reluctance to borrow and concern over unemployment are curbing the growth in demand and that should slow the pace of growth. The housing market is still weak, holding back growth in household credit
- ▶ Increased UK competitiveness stemming from the depreciation of Sterling and protracted weakness in household spending should gradually result in the required restructuring of activity but the jobless rate is likely to remain quite high through this process
- ▶ Forecasts for system credit growth allow for ongoing softness in household lending and business caution in taking on new debt
- ▶ Although system asset quality has worsened with recession and rising unemployment, it has not fared as badly as might have been expected and showed sign of stabilising through 2010

NZ regional outlook

Economic Indicators (%)	CY09	CY10	CY11(f)	CY12(f)	CY13(f)
GDP growth	-2.1	1.5	1.4	3.6	4.1
Unemployment	7.0	6.8	6.3	5.6	5.3
Inflation	2.0	4.0	3.4	2.6	2.5
Cash rate (end period)	2.5	3.0	2.75	4.75	4.75
System Growth (%)	FY09	FY10	FY11(f)	FY12(f)	FY13(f)
Housing	3.8	3.1	2.1	3.1	3.7
Personal	-1.0	-3.2	-0.2	2.9	4.3
Business	10.7	-2.8	-1.4	0.3	2.7
Total lending	6.3	0.5	0.6	2.0	3.4
Household retail deposits	11.6	2.2	5.2	5.3	6.2

- ▶ Underlying picture is for moderate economic growth after the long recession that ran from the start of 2008 to early 2009. Christchurch earthquake and the Rugby World Cup is likely to affect the profile of economic activity in New Zealand through 2011
- ▶ Business conditions are very mixed across the economy. Very high commodity export prices have produced the highest terms of trade in almost 40 years and boosted exporter incomes
- ▶ At the same time consumer spending remains soft and the housing market is weak – part of a necessary process of adjustment in the mix of economic growth which needs to rely more on exports and business investment and less on household spending and asset price inflation
- ▶ While the hoped for transition to a new growth model is under way the pace of domestic demand is expected to be held down by higher household savings as well as de-leveraging that curbs credit demand
- ▶ The RBNZ has cut interest rates as an emergency response to the Christchurch earthquake and it already expected inflation to rapidly return to the middle of its target range
- ▶ With inflationary pressures rising across the Asia-Pacific region plus pressure on local supply capacity stemming from reconstruction after the earthquake, the RBNZ will need to watch that inflation does not turn out higher than expected

Disclaimer: This document is a presentation of general background information about the Group's activities current at the date of the presentation, 5 May 2011. It is information in a summary form and does not purport to be complete. It is to be read in conjunction with the National Australia Bank Limited Half Year Results filed with the Australian Securities Exchange on 5 May 2011. It is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. These should be considered, with or without professional advice, when deciding if an investment is appropriate.

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

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

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

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

George Wright
General Manager, Public Affairs, Research & Media
Mobile | 0419 556 616