

Asian Investment Conference

25 March 2010

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National Australia Bank Limited ABN 12 004 044 937



Solid 2009 performance in challenging environment

	Sep 09 Full year	Sep 08 Full year	Change on Sep 08
Revenue (\$m)	16,906	15,414	9.7%
Costs (\$m)	(7,580)	(7,276)	(4.2%)
Underlying Profit (\$m)	9,326	8,138	14.6%
B&DDs (\$m)	(3,815)	(2,489)	(53.3%)
Cash Earnings (\$m)	3,841	3,916	(1.9%)
Cash ROE (%)	11.8	14.3	(250bps)
Dividend (100% franked) (cps)	146	194	(48)
Tier 1 ratio	8.96%	7.35%	161bps

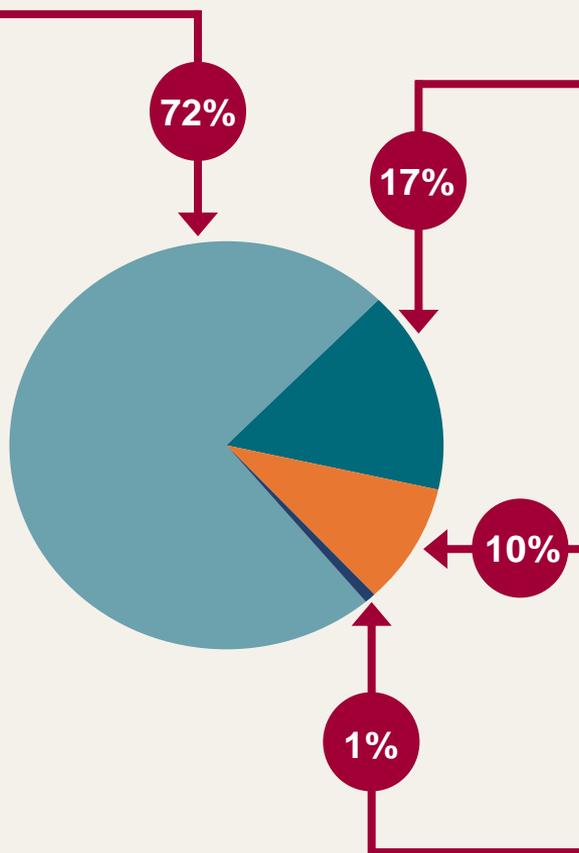
1st quarter 2010 - trading update

- ▶ Cash earnings \$1.1bn, up 20% on previous quarter
- ▶ Revenue and margins broadly stable
- ▶ Subdued economic environment driving slow business system growth
- ▶ Markets income trending to more normalised levels
- ▶ Costs contained
- ▶ Asset quality trends encouraging
- ▶ B&DDs down from peak in 3rd quarter 2009
- ▶ Strong capital and liquidity position

Economic outlook – still one of cautious optimism

Australia

- ▶ Business confidence and conditions improved
- ▶ Growth brought forward by stimulus and boosted by higher commodity prices
- ▶ Expect GDP growth approx 3% for 2010 and 3¾% in 2011
- ▶ Benefits from V-shaped upturn in non-Japan Asia and especially China
- ▶ RBA has already started raising rates – well ahead of other central banks
- ▶ Expect unemployment back down to 4¼% by 2011



United Kingdom

- ▶ Expect GDP growth to re-commence but slowly, <1% in 2010
- ▶ Indicators suggest
 - > Housing markets have modestly strengthened
 - > Commercial property prices stabilised
- ▶ Large government deficit will need to be corrected
- ▶ Sterling depreciation supports exports

New Zealand

- ▶ Emerged from long recession
- ▶ Housing market stabilised
- ▶ Consumer spending starting to increase and commodity prices recovered
- ▶ GDP forecast 3% in 2010

United States

- ▶ Responding to government stimulus
- ▶ Economy started growing again
- ▶ Higher confidence levels
- ▶ Unemployment still high
- ▶ Mid-West region faring better than many

Factors influencing the future of Australian Financial Services

Post GFC political environment

- ▶ Increased consumer and political scrutiny
- ▶ Fewer participants in short term
- ▶ 2010 Federal election

Banking regulation

- ▶ Funding and liquidity
- ▶ Capital

Australian reliance on wholesale funding

- ▶ Current account deficit
- ▶ Deposit funding gap

Changing Australian Wealth Management environment

- ▶ Strong market growth potential
- ▶ Retirement income gap issue
- ▶ Regulatory reforms

- ▶ Potential for lower growth, lower return banking environment in the future

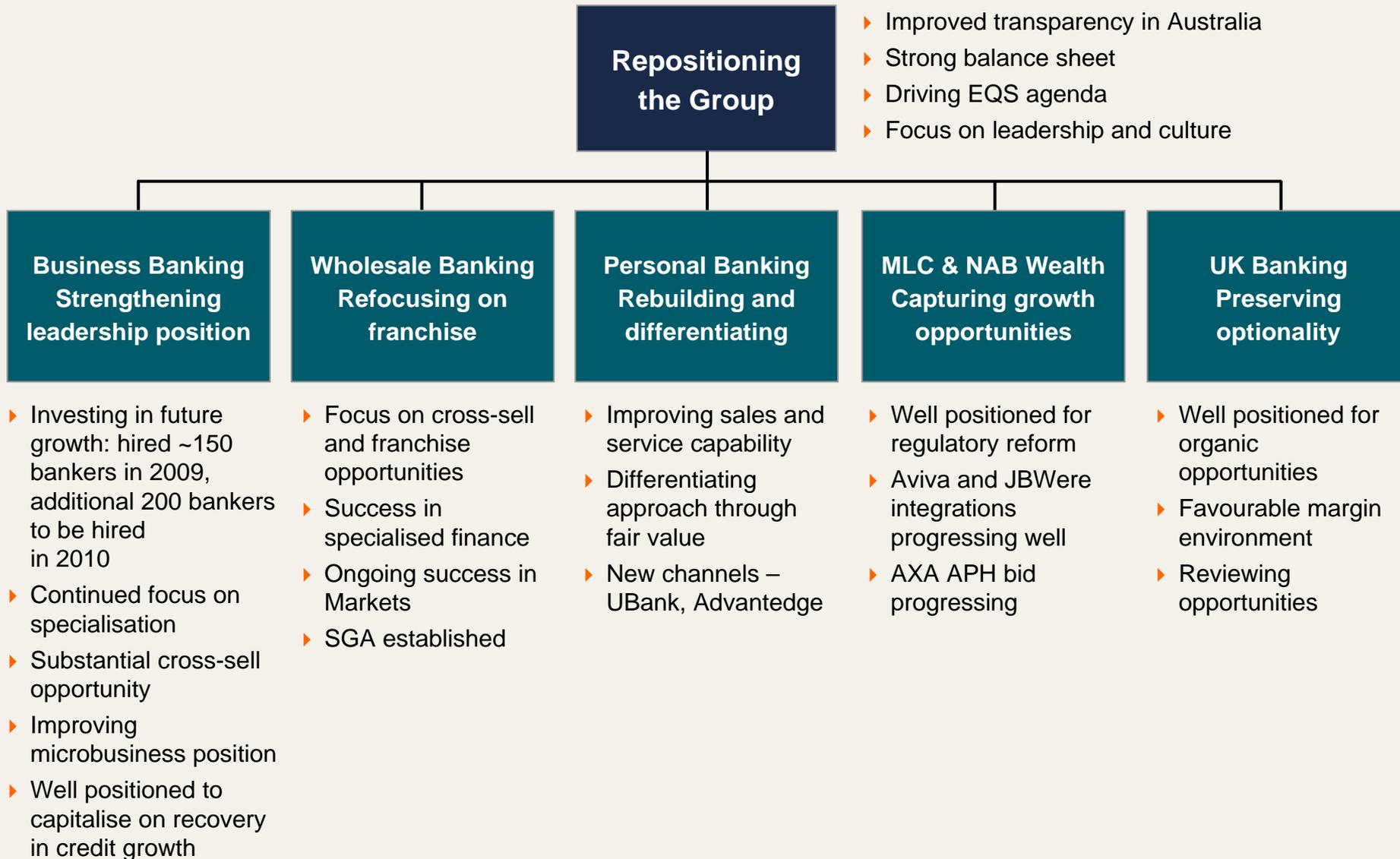
- ▶ In wealth management, the need for more transparency and elimination of conflicts

Continuing to address portfolio priorities

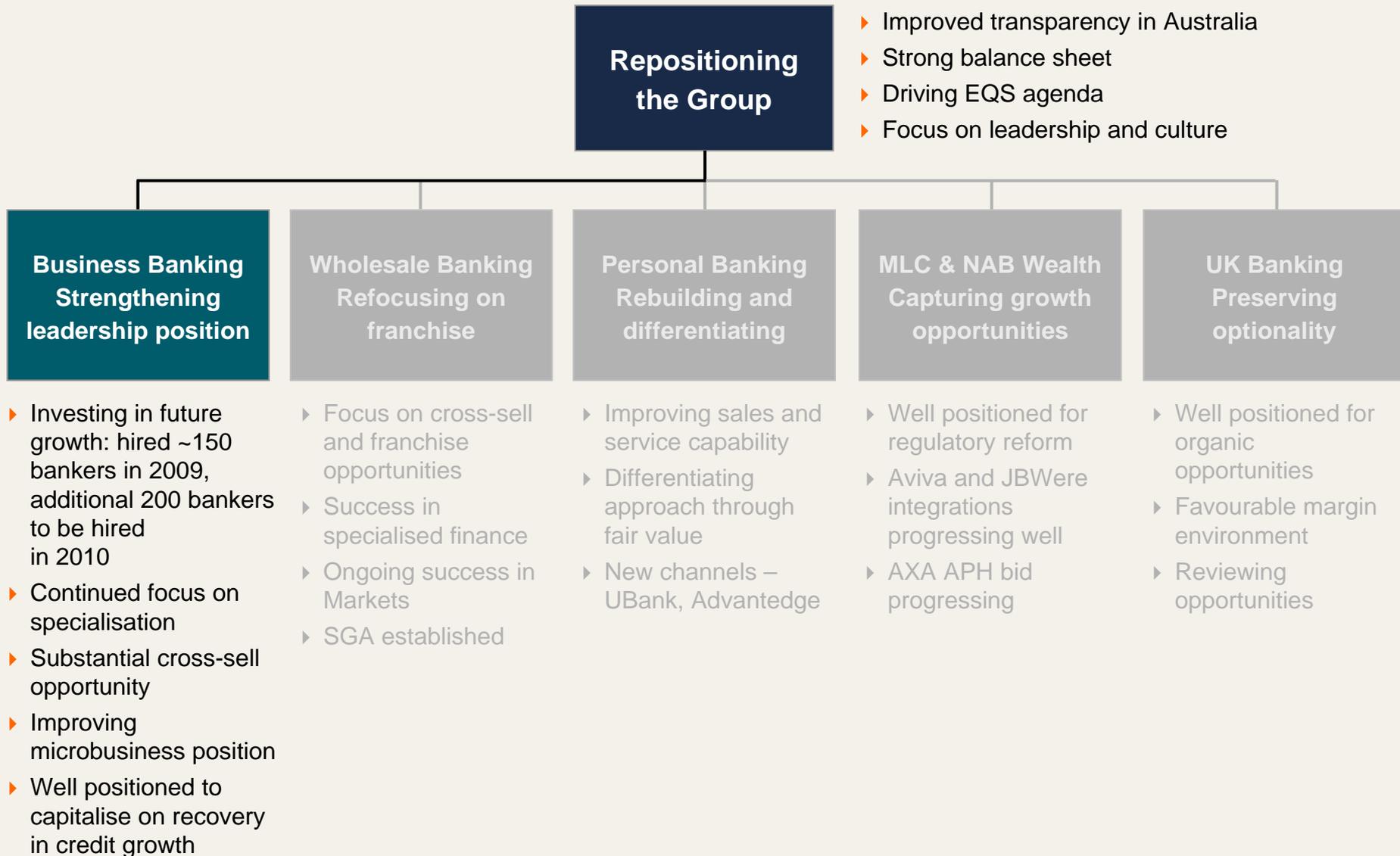
Key Businesses

	Strong position, with growth opportunity	Significant upside from continuing reinvention	Smaller businesses, resilient in tough conditions	Unsatisfactory returns today in tough conditions
	<ul style="list-style-type: none">▶ Business/ Corporate (Aust)▶ Institutional Wealth (Aust)▶ Insurance (Aust)▶ Markets	<ul style="list-style-type: none">▶ Retail (Aust)▶ Investments/ superannuation▶ Asset Management▶ Private Wealth (Aust)	<ul style="list-style-type: none">▶ BNZ (NZ)▶ GWB (US)▶ Asia	<ul style="list-style-type: none">▶ CYB (UK)▶ Specialised Group Assets (SGA) – non franchise activity
	<p><i>Focus in Australia</i></p>			<p><i>Maintain value, innovation & options internationally nabCapital restructured</i></p>

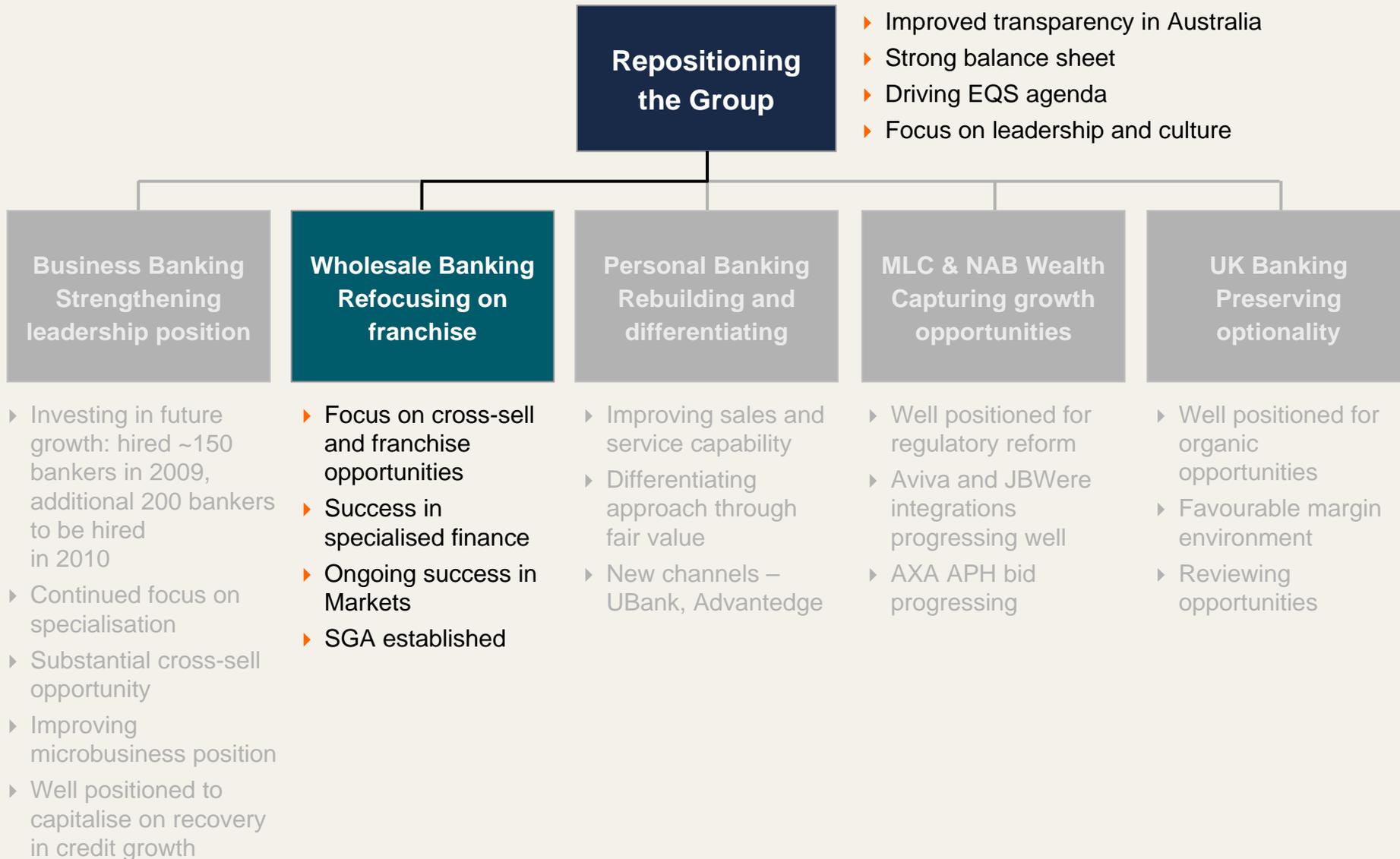
Strong progress – well positioned for the future



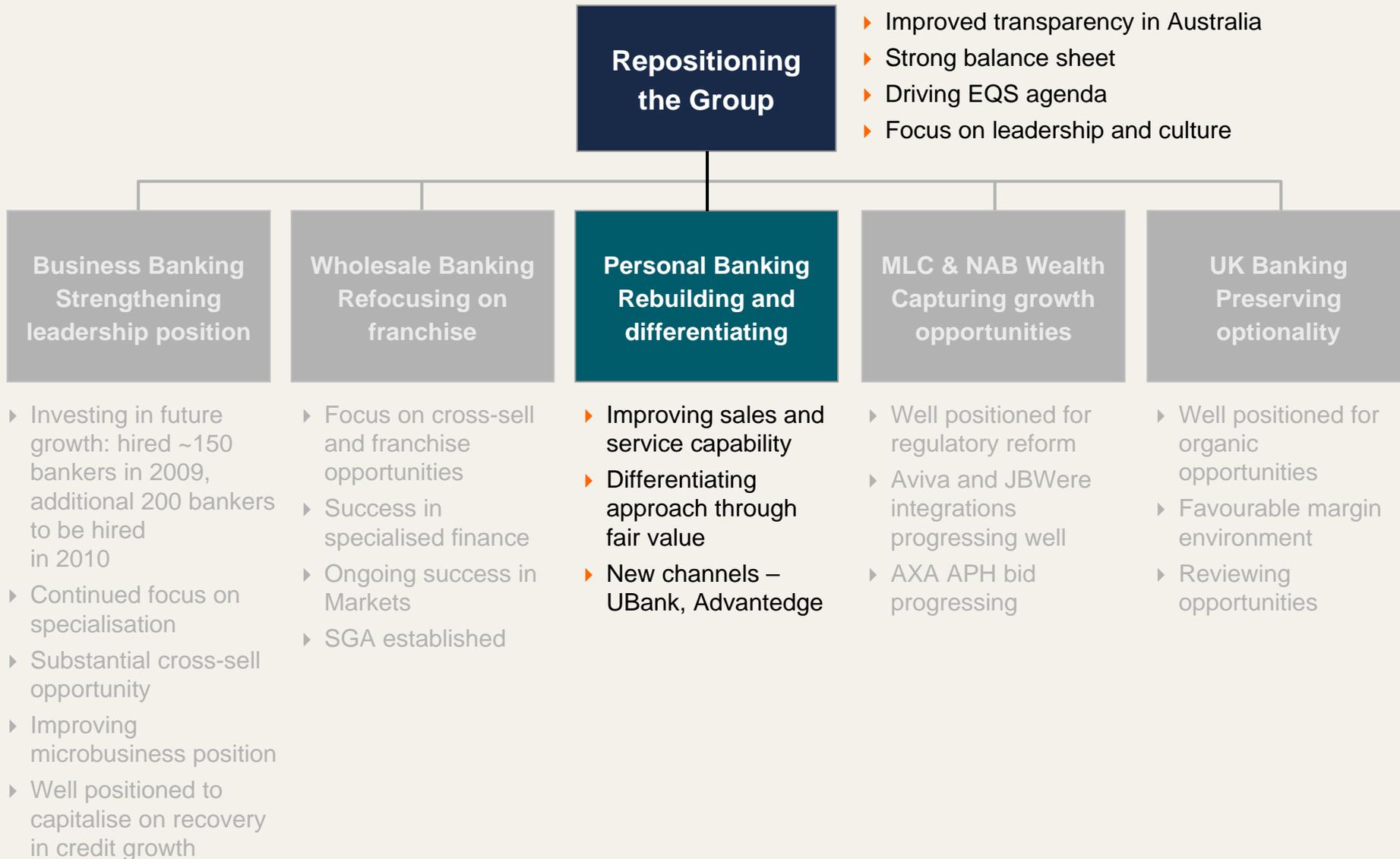
Strong progress – well positioned for the future



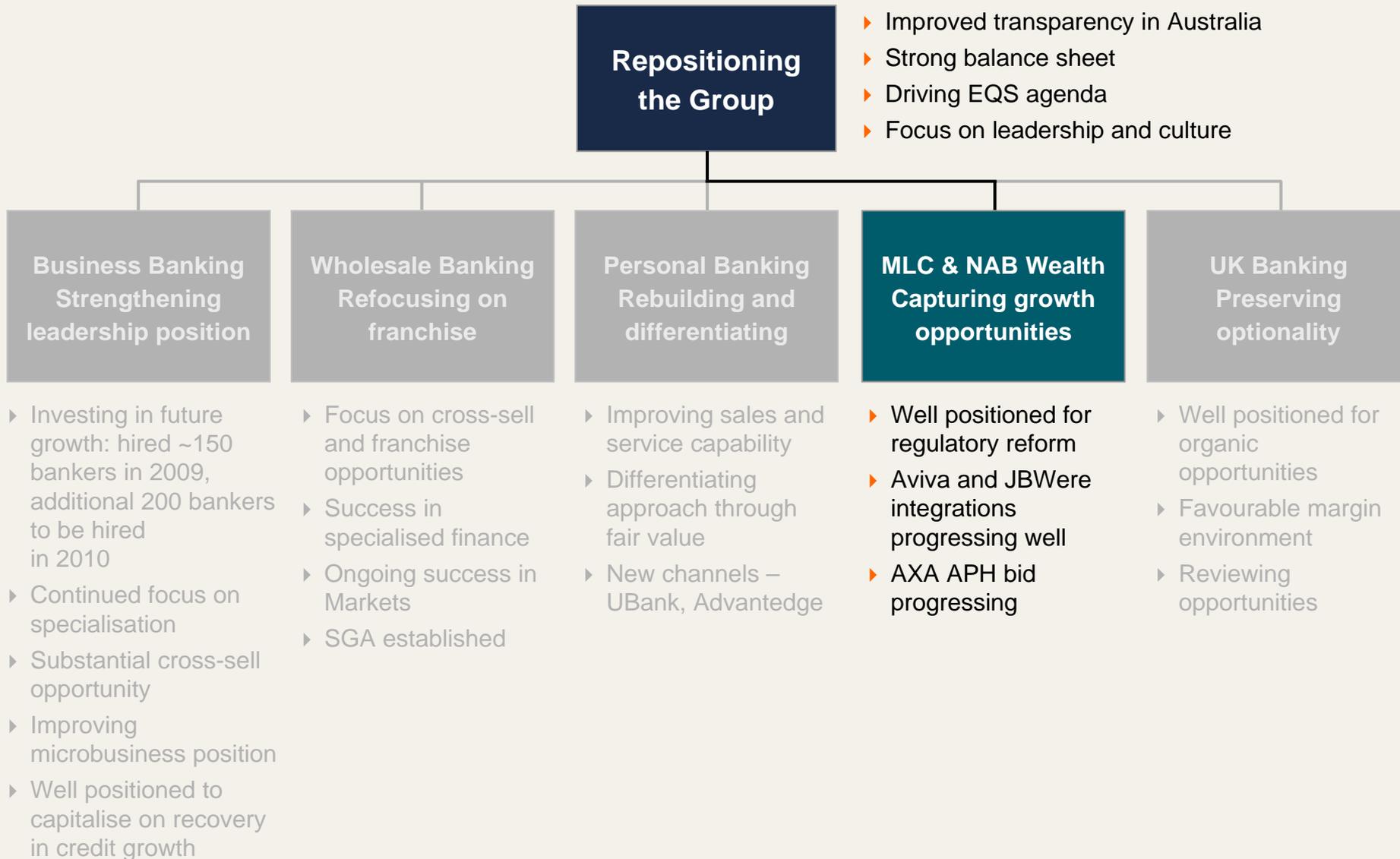
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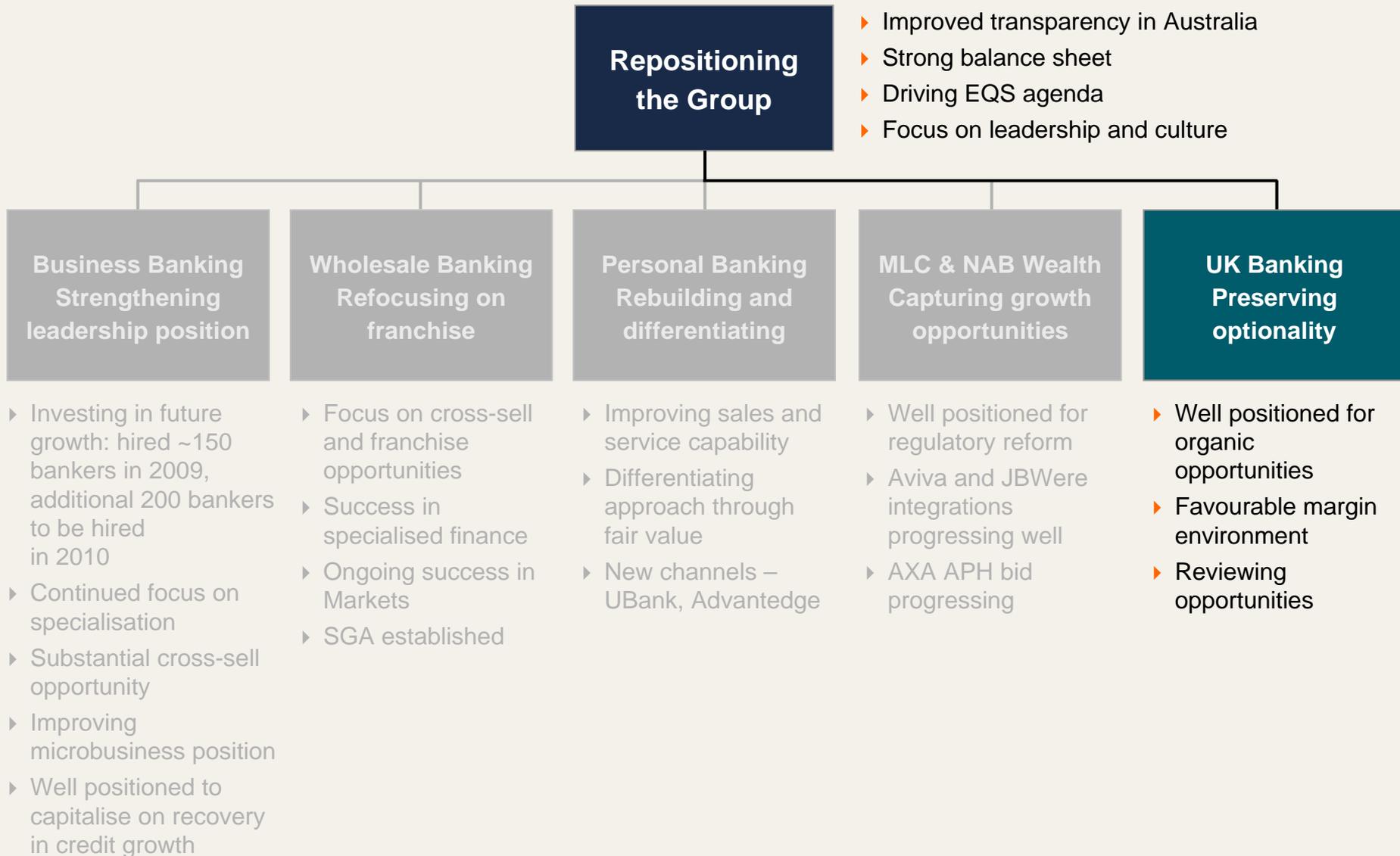
Strong progress – well positioned for the future



Strong progress – well positioned for the future



Strong progress – well positioned for the future



Summary

- ▶ Financial performance reflects emerging economic recovery
- ▶ Continue to address portfolio priorities – making strong progress
- ▶ Well positioned to capitalise on the trends that will reshape the Australian financial services industry

Questions

Disclaimer: *This document is a presentation of general background information about the Group's activities current at the date of the presentation, 25 March 2010. 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 2009 Annual Report filed with the Australian Securities Exchange on 25 November 2009. 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.*

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Note: *Information in this document is presented on an ongoing operations basis.*

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