

Credit Suisse ASIAN INVESTMENT CONFERENCE

22-23 March 2012

Cameron Clyne, Group Chief Executive Officer

National Australia Bank Limited ABN 12 004 044 937

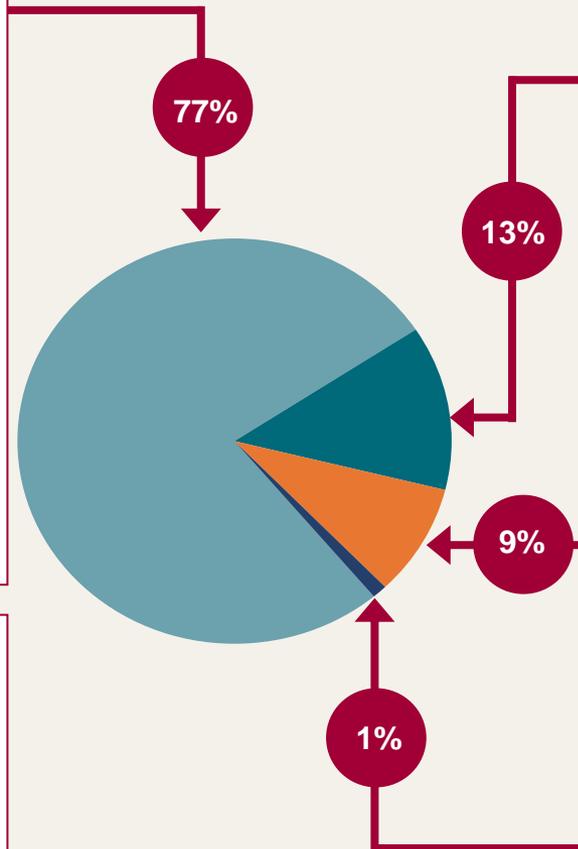
Economic outlook

Australia

- ▶ Multi-speed economy
- ▶ High \$A affecting tourism/industry
- ▶ Big regional differences in pace of economic growth (WA vs Vic)
- ▶ Expect GDP growth of 3¼% in CY 2012 and 3¾% in 2013
- ▶ Terms of trade still high but forecast to fall further as supply/demand imbalance in global markets moderates
- ▶ Large mining investment projects (LNG etc) driving much of total capital spending
- ▶ Unemployment low by global standards, but job growth has almost stalled in recent months

China

- ▶ Domestic activity slowing (softer property market)
- ▶ Exports clearly softened
- ▶ Lower official growth target (cut from 8% to 7½%)
- ▶ We still expect a soft landing ~ 8% GDP growth in CY 2012



United Kingdom

- ▶ GDP growth forecast under 1% in 2012
- ▶ Output still below its early 2008 level
- ▶ Credit demand affected by weak property market and de-leveraging in household and business sectors
- ▶ Credit growth expected to remain soft as income growth remains modest
- ▶ Sterling depreciation is assisting exports and trade flows
- ▶ Interest rates at all time lows

New Zealand

- ▶ Recovery under way
- ▶ Housing market still soft but improving
- ▶ High commodity prices helping exporters
- ▶ Main risk to the NZ economy lies in what happens to global conditions

United States

- ▶ Modest drawn-out economic recovery
- ▶ Risk of recession clearly receded
- ▶ Labour market and credit picking up
- ▶ Interest rates to stay low

Strong progress against strategic priorities

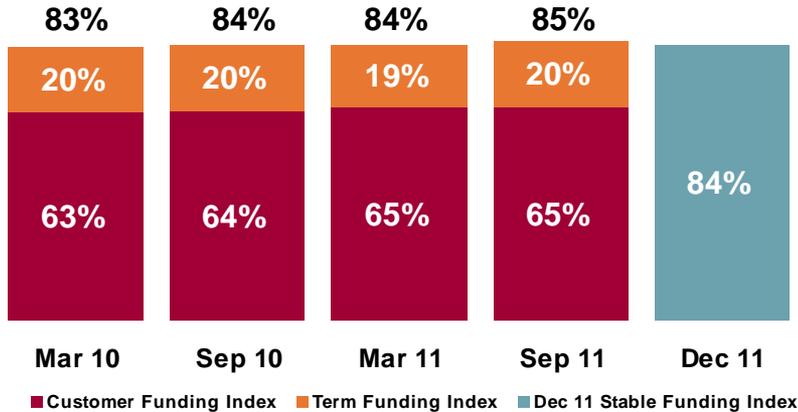
	Progress to date	2012 areas of focus
Balance sheet strength	<ul style="list-style-type: none"> ▶ Strengthened capital ratios ▶ Increased liquidity ▶ Improved funding position 	<ul style="list-style-type: none"> ▶ Preparation for Basel III ▶ Secured funding
Efficiency, quality and service	<ul style="list-style-type: none"> ▶ Infrastructure and network transformation underway ▶ Re-platforming programme progressing ▶ Customer processes improved 	<ul style="list-style-type: none"> ▶ Re-platforming and infrastructure and network transformation ▶ Continued discipline in efficiency and process improvements
People, culture and reputation	<ul style="list-style-type: none"> ▶ Improved customer satisfaction ▶ Strengthened employee engagement and collaboration ▶ Stronger reputation and brand 	<ul style="list-style-type: none"> ▶ Maintain customer satisfaction ▶ Continue to differentiate from peers ▶ Leverage reputational gains
Portfolio	<ul style="list-style-type: none"> ▶ Personal Banking more competitive ▶ Wholesale Banking refocused on the core franchise ▶ SGA run-off progressing well 	<ul style="list-style-type: none"> ▶ Maximise value from positions offshore ▶ Continue to de-risk and run-off SGA ▶ Cross-sell

FY11 result demonstrated progress against strategy

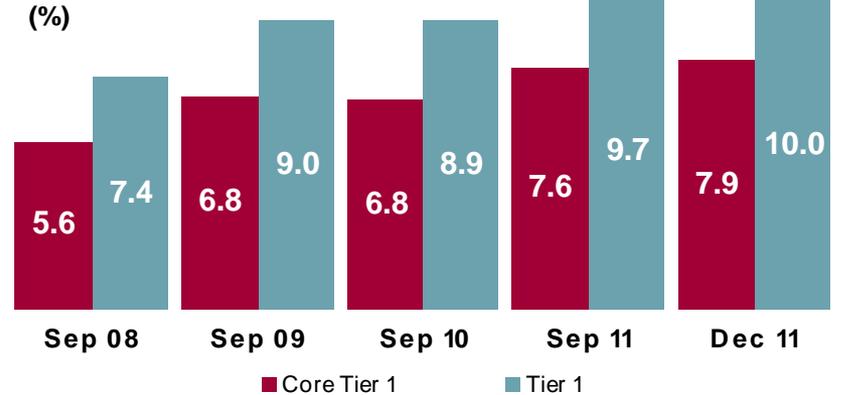
	FY11		2H11
		Change on Sep 10	Change on Mar 11
Revenue (\$m)	17,594	5.7%	0.0%
Cash earnings (\$m)	5,460	19.2%	4.6%
Tier 1 ratio	9.70%	79bps	51bps
Dividend (100% franked cps)	172	20	4
Cash ROE (%)	15.2%	200bps	10bps
Statutory net profit attributable to owners (\$m)	5,219	23.6%	15.0%

Balance sheet strength

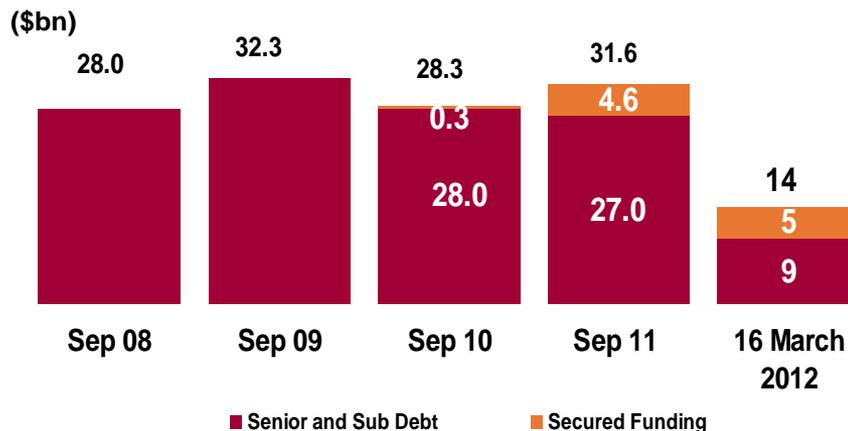
Group Stable Funding Index (SFI)



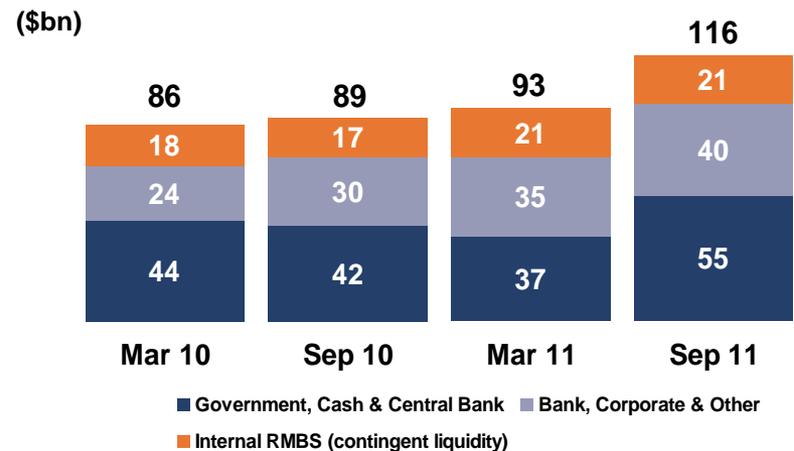
Tier 1 capital ratio



Term funding – volume of new issuance

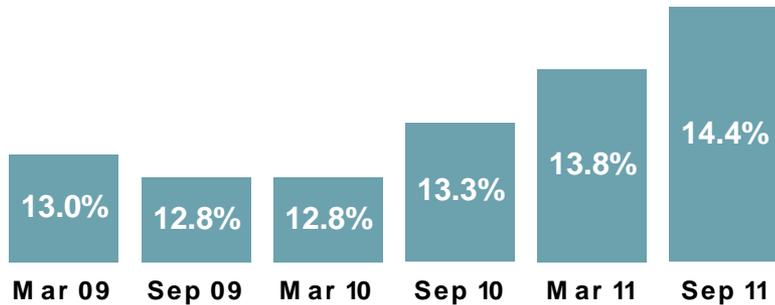


Liquid asset holdings

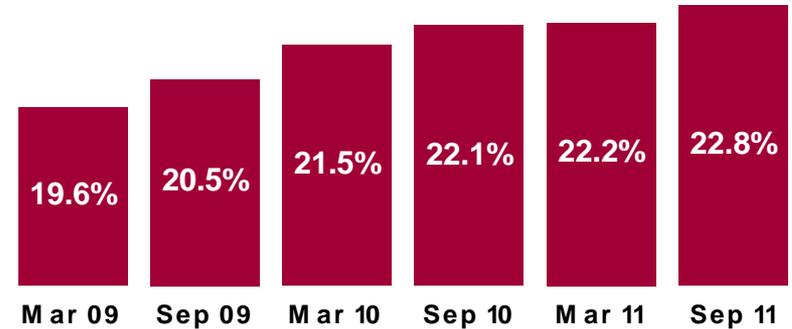


Market share gains

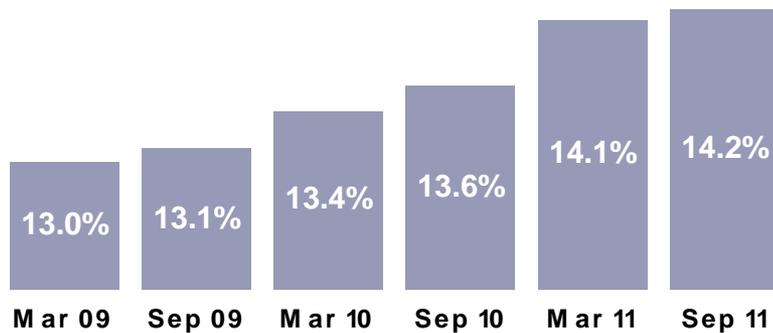
Australian housing lending market share¹



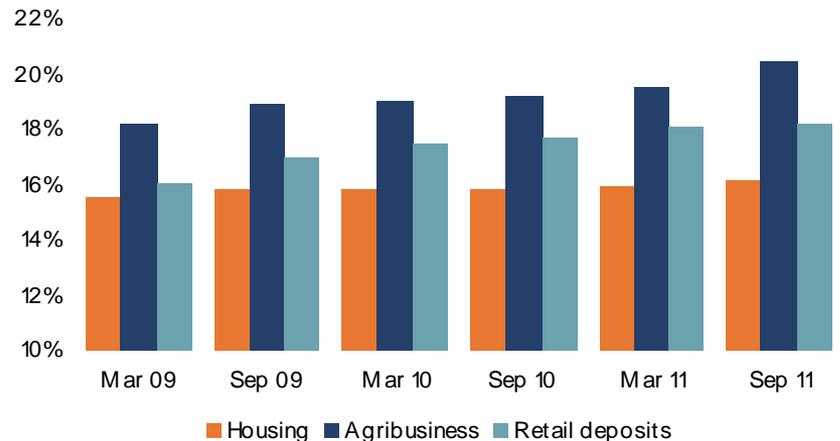
Australian business lending market share¹



Australian household deposit market share²



New Zealand market share³

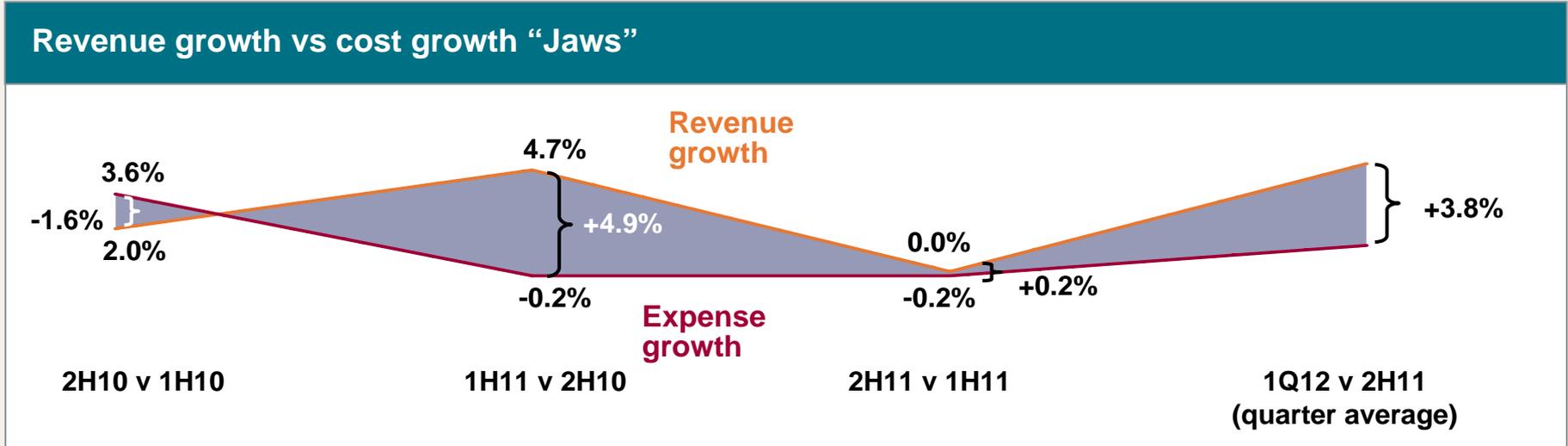


(1) Source – RBA Financial System

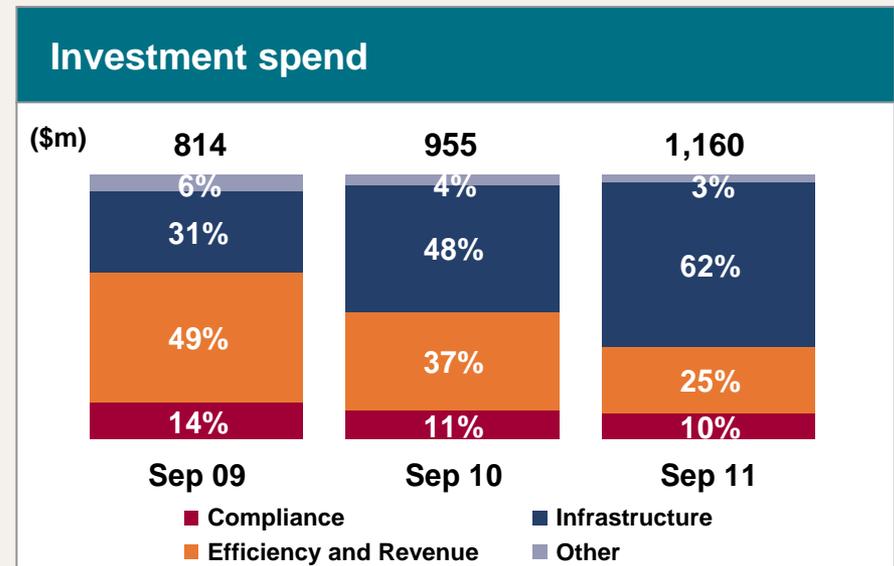
(2) Source – APRA Banking System / NAB Including Wholesale Banking data

(3) Source – RBNZ (historical market share rebased with latest revised RBNZ published data)

Cost discipline and focus on positive jaws continues



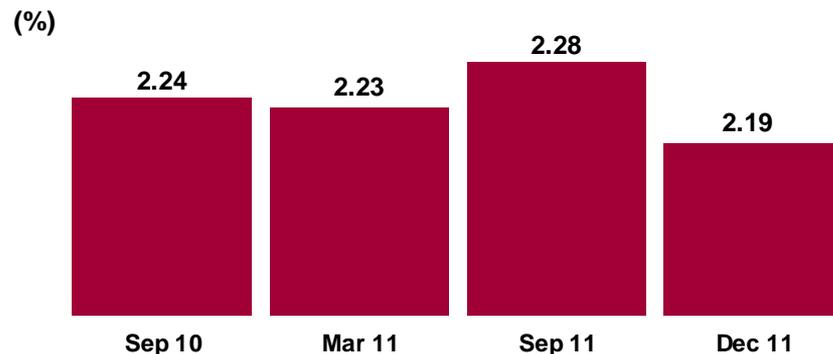
- ▶ Positive jaws since 1H11
- ▶ Solid revenue growth
- ▶ Continue to manage cost base well
- ▶ Focused on sustainable productivity improvements
- ▶ Investment in critical infrastructure programs continues



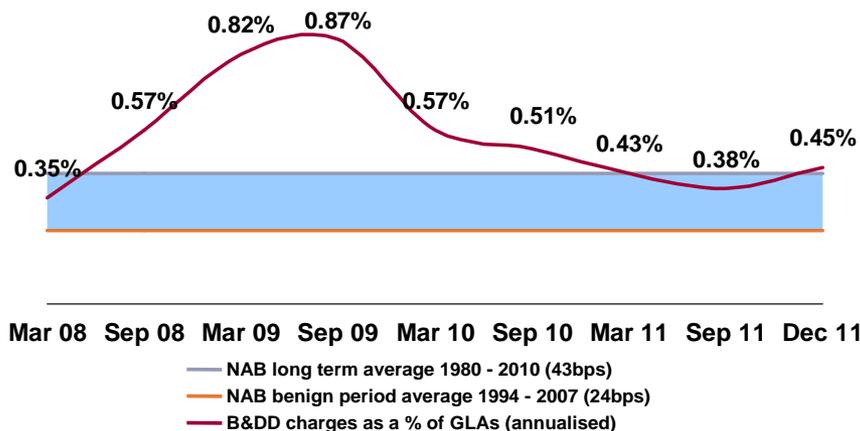
1Q12 trading update – solid result in difficult conditions

- ▶ Cash earnings of \$1.4bn
- ▶ Solid revenue growth, cost discipline and positive jaws
- ▶ Margin down 9bps on second half FY11 to 2.19% mainly a result of increased cost of deposit and wholesale funding
- ▶ Personal and Business Bank revenue relatively flat - continuing to gain share
- ▶ Wholesale Banking income up strongly
- ▶ Increased B&DDs mainly UK related

Net interest margin

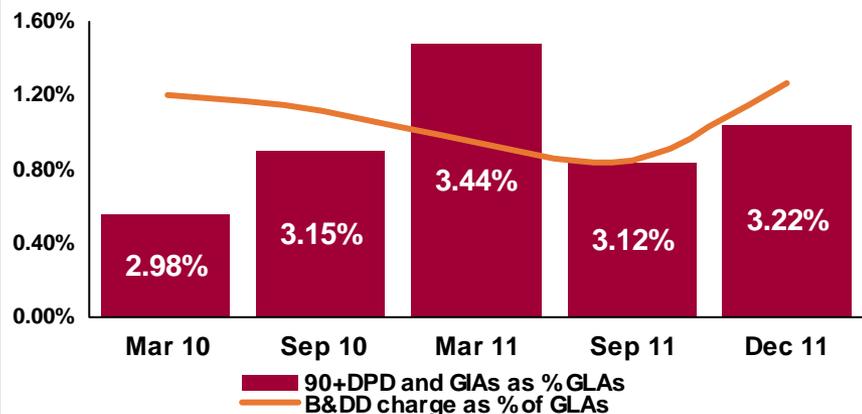


B&DD charge to GLAs – compared to norms

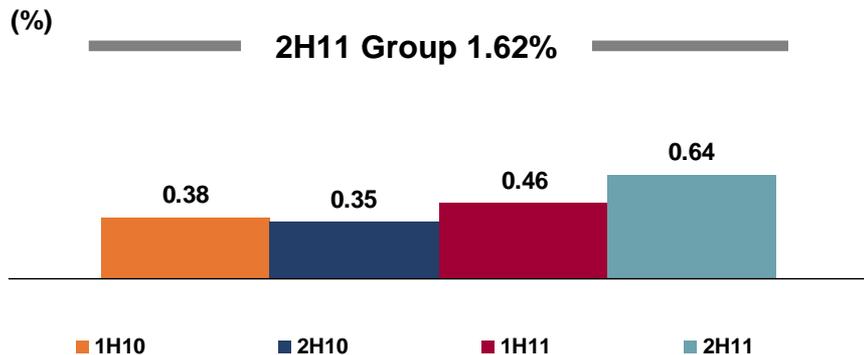


Commenced strategic review of UK Banking

UK Banking asset quality and B&DDs



UK return on average RWAs*



* Average of spot opening and closing balances

UK Economic Forecasts

	2012	2013	2014
GDP (% change)	0.7	1.8	2.3
System credit (% change)	-0.3	0.2	3.0
Base rate (%)	0.5	0.5	2.0
Sterling / \$A	0.65	0.62	0.59
Fiscal deficit (% of GDP) ¹	8.4	7.6	6.0
CPI (% change)	2.6	2.0	2.1

(1) – Source: OBR forecasts, UK fiscal years

- ▶ Reposition business mix and structure for changed economic environment
- ▶ Expect to complete and announce to the market by the time of our interim result

2012 outlook

- ▶ Macro outlook uncertain and ongoing volatility likely
- ▶ Well placed to navigate the uncertainty
- ▶ Firmly focused on execution against strategic priorities
- ▶ Manage to positive jaws

Disclaimer: *This document is a presentation of general background information about the Group's activities current at the date of the presentation, 22 March 2012. 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 Full Year Results and Investor Presentation filed with the Australian Securities Exchange on 27 October 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.*

"Cash earnings" is a key non-GAAP financial performance measure used by NAB, the investment community and NAB's Australian peers with a similar business portfolio. "Cash earnings" are calculated by excluding certain items which are otherwise included within the calculation of net profit attributable to owners of the company, in order to better reflect what NAB considers to be the underlying performance of the Group. A more detailed definition of cash earnings, and a full reconciliation of cash earnings to net profit, is included within the 2011 Full Year Results dated 27 October 2011. Section 5 of the 2011 Full Year Results includes the Consolidated Income Statement of the Group, including net profit. The Group's audited financial statements, prepared in accordance with Corporations Act 2001 (Cth) and Australian Accounting Standards, will be published in its 2011 Annual Financial Report on 14 November 2011.

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