



UBS Financial Services Conference

Expanding our Leadership Position in Business Banking

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National Australia Bank Limited ABN 12 004 044 937



Business Banking Overview

Australia's leading Business Bank providing relationship banking across three customer segments;

- ▶ **nabbusiness** SME Banking (debt < \$20m) is delivered through our IFS model operating across a national distribution network

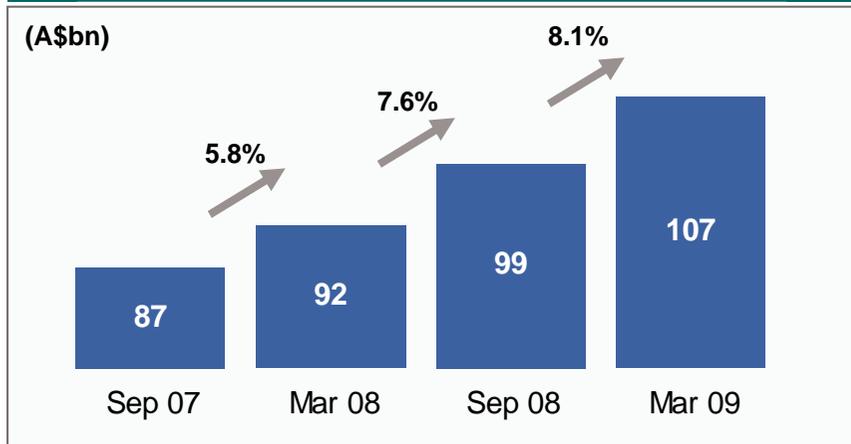
- ▶ **Corporate Banking & Specialised Businesses** Mid-market including specialist segments Health, Agribusiness and Property

- ▶ **Institutional Banking** Institutional Banking industry teams covering top 250 Corporates

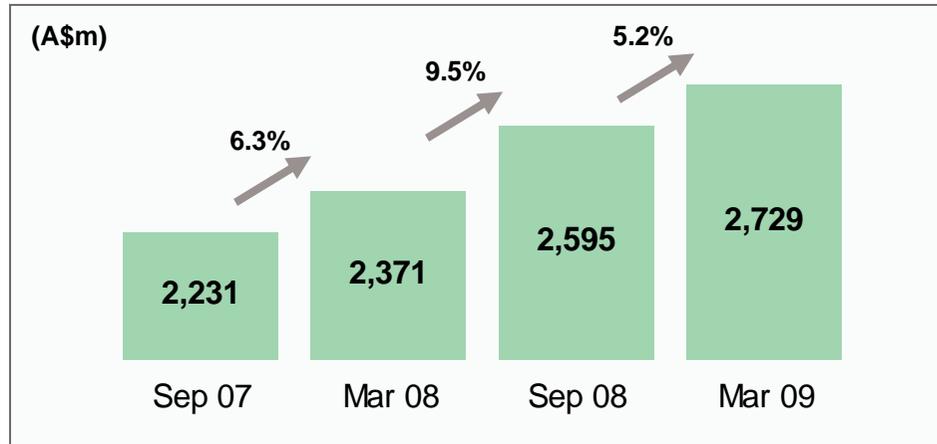
Common Philosophy	Unwavering commitment to relationship banking. A disciplined approach to growing the business, pricing appropriately for risk, credit quality and providing a broad range of products and services
Strong Leadership Team	8 of 10 team members each have over 20 years commercial banking experience in different banks and markets. Significant bench-strength at next level

Financial Performance[^]

Business lending*



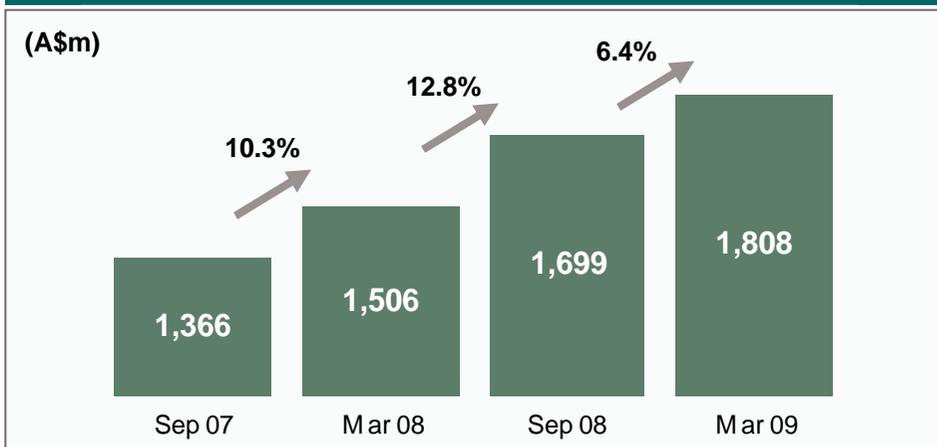
Revenue



Costs



Underlying profit



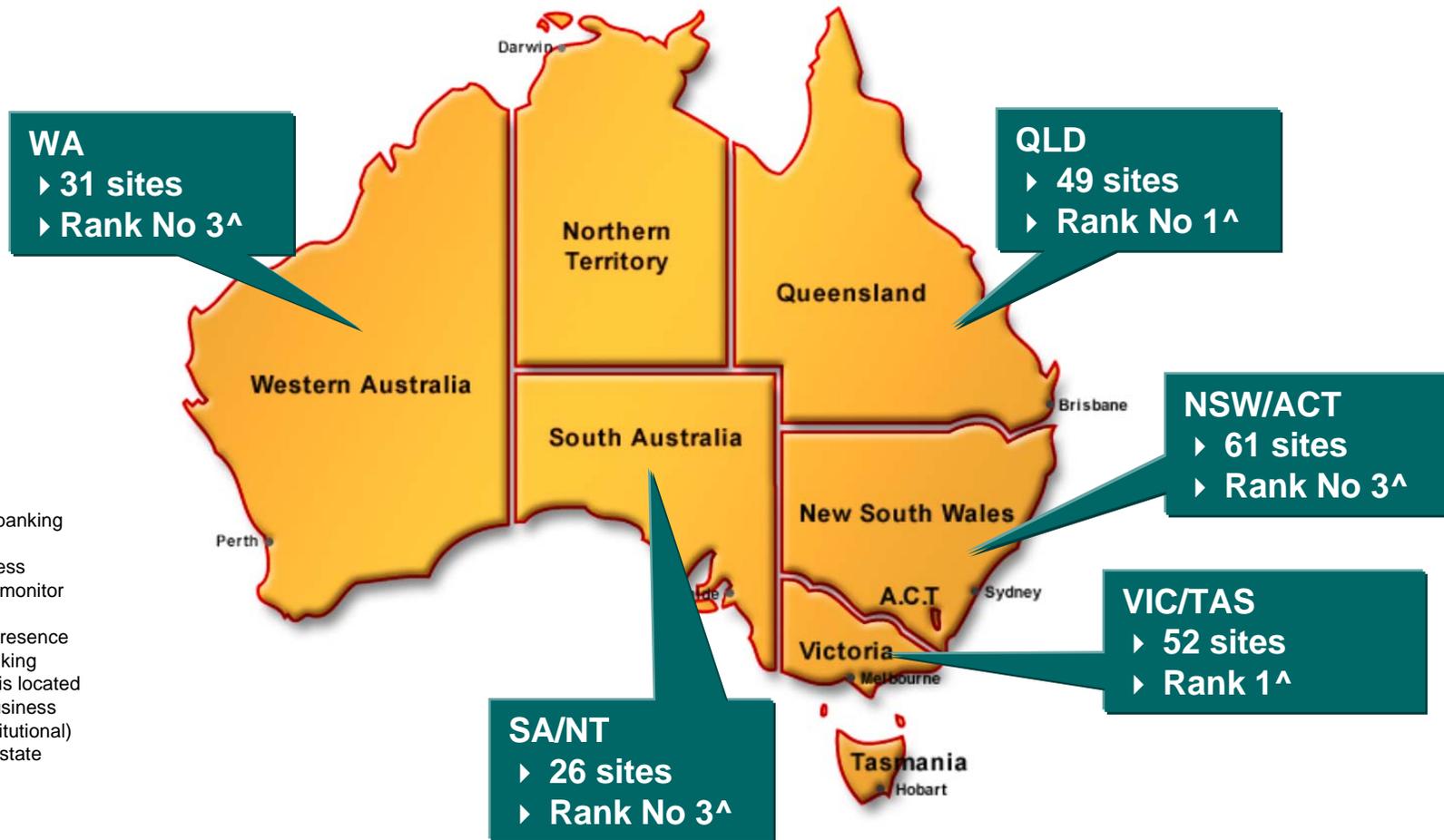
[^] Excludes Institutional Banking * Total Australia Banking business lending

% Cost to Income Ratio

Source: 2009 Half Year Results

Leading Business Banking Position

- ▶ No. 1 business lending market share¹ 19.9% (~30% SME) – YTD improved 80 bps
- ▶ No. 1 business deposits market share¹ 23.7% - YTD improved 113 bps
- ▶ Highest business customer satisfaction of the major banks² (in \$5M - \$100M segment)



Source: Internal

¹ RBA / APRA monthly banking statistics April 2009

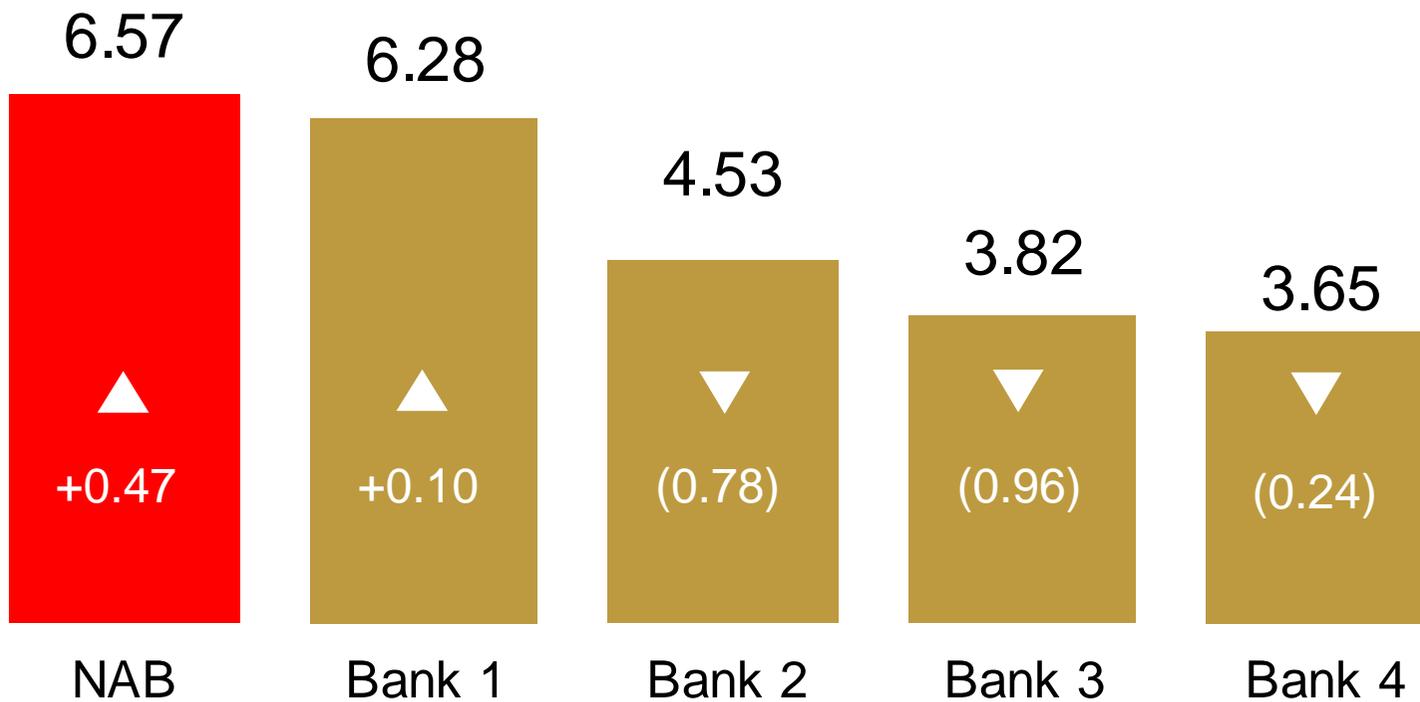
² East & Partners business customer satisfaction monitor May 2009

³ Includes all points of presence where a business banking relationship manager is located

[^] ABA / Cannex total business lending (including institutional) market share rank by state January 2009

Leading Business Banking presence across Australia³

Highest Business Customer Satisfaction of the Majors*

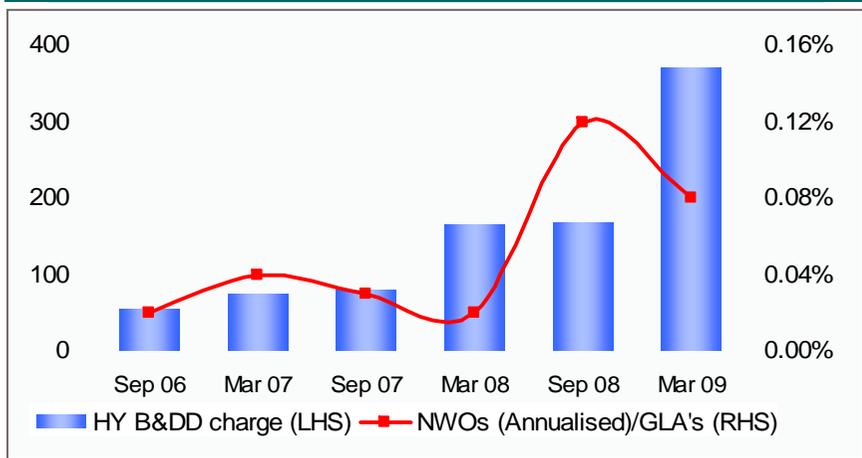


* East & Partners business banking customer satisfaction monitor - May 2009 and annual change

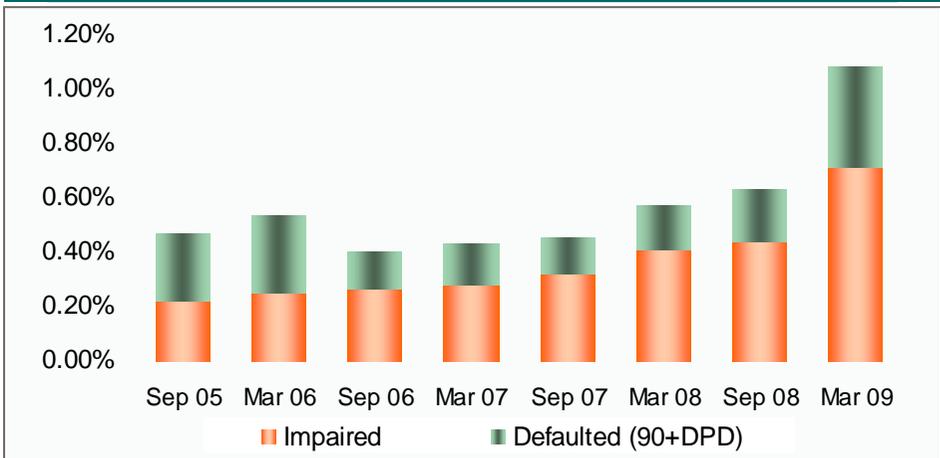
Asset Quality in a challenging environment

- ▶ Economic and credit conditions for businesses deteriorated over 1H09;
 - Decrease in business confidence and conditions
 - Rise in the volume of loan loss provision charges, defaulted (90+DPD) loans and impaired assets

B&DD Charges[^] increase but Net Write Off rate[^] remains low.



Defaulted (90+DPD) and Impaired Asset rate[^] increased as the environment deteriorated.



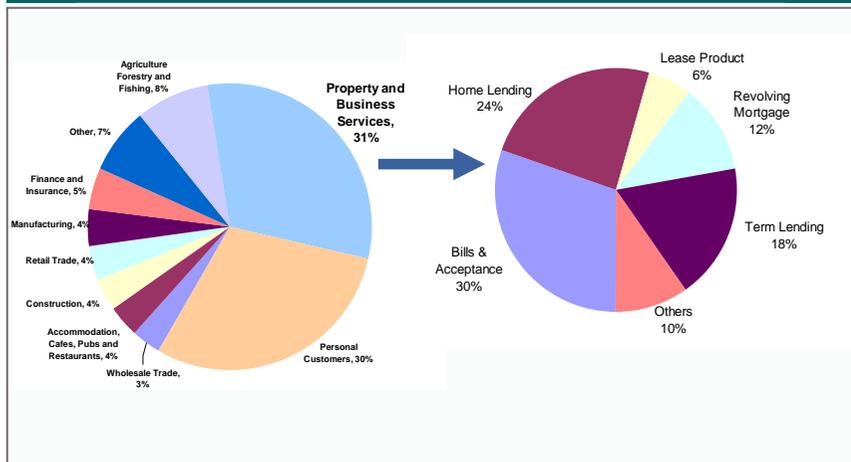
[^] Excludes Institutional Banking and includes Private Banking

Source: Internal

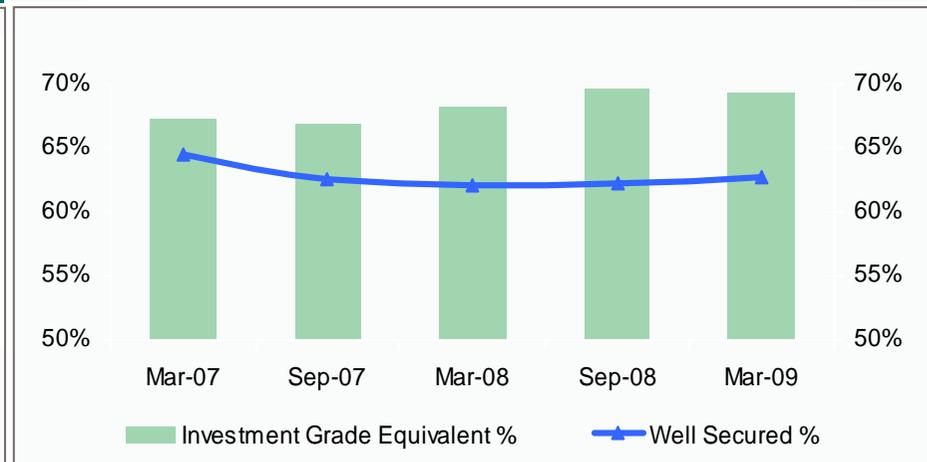
Asset Quality well diversified

- ▶ Business Bank’s loan portfolio remains well diversified and well managed with the;
 - Proportion of investment grade equivalent exposure and the proportion of well secured exposure remained relatively stable at ~70% and ~63% respectively
 - Net write off rate across the portfolio remains low
- ▶ NAB’s commercial property continues to be well secured, received significant management attention and to date experienced low levels of impairment

Portfolio^ remains diversified across industries and by product



Asset Quality across Non Retail Portfolio^ remains sound (and stable).



^ Excludes Institutional Banking and includes Private Banking

Source: Internal

Strategic Priorities

Grow share AND margin AND manage risk AND improve customer & employee satisfaction

Changing industry landscape	<ul style="list-style-type: none"> • Grow presence in NSW, WA and QLD • Hiring 150-200 bankers/product specialists and opening 12 new BBC's • "Don't waste a crisis" but execution focus the "AND"
Improve cross-sell and banker performance	<ul style="list-style-type: none"> • Investing in banker customer management capabilities • Cross-sell goal of ~\$1bn in incremental revenues • Pricing for risk: repriced ~25% of book and approx. 85% of funding costs
Tighter risk management	<ul style="list-style-type: none"> • Asset quality a priority. Risk settings reflect market • Strength in risk management personnel in the front line • Established a portfolio review team and strengthening of risk resources. Close relationship with our workout team via an early referral culture
Customer experience	<ul style="list-style-type: none"> • Efficiency, Quality and Service (EQS) focus on redistribution of sales activities • NextGen to enhance customer and banker experience • Integrate and reenergise Institutional Banking
Talent and reputation	<ul style="list-style-type: none"> • Enhance leadership talent and bench strength • Ongoing commitment to transparency and consistency as foundations for maintaining customer trust

Disclaimer: This document is a presentation of general background information about the Group's activities current at the date of the presentation, 25 June 2009. 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 28 April 2009 and the 2008 Annual Financial Report lodged with the Australian Securities Exchange on 17 November 2008. 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 an ongoing operations basis.

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