



National
Australia
Bank

2014 Half Year Results

Investor Presentation
8 May 2014

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Group Chief Executive Officer

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Group Executive, Finance & Strategy

National Australia Bank Limited ABN 12 004 044 937



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

This document is a visual aid accompanying a presentation to analysts by the Group Chief Executive Officer and the Group Executive Finance and Strategy on 8 May 2014. It is not intended to be read as a stand-alone document. It contains select information, in abbreviated or summary form, and does not purport to be complete. It is intended to be read by an analyst audience familiar with National Australia Bank Limited and its March 2014 Half Year Results, and to be accompanied by the verbal presentation. This document should not be read without first reading the National Australia Bank Limited March 2014 Half Year Results, which has been lodged with the Australian Securities Exchange at the same time as this document and is available at www.nab.com.au.

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

Cash earnings is calculated by excluding some items which are included within the statutory net profit attributable to owners of the Company. It is not a statutory financial measure and is not presented in accordance with Australian Accounting Standards nor audited or reviewed in accordance with Australian Auditing Standards. **The definition of cash earnings, a discussion of non-cash earnings items and a full reconciliation of the cash earnings to statutory net profit attributable to owners of the company is set out on pages 2 - 7 of the National Australia Bank Limited March 2014 Half Year Results.**

Section 5 of the March 2014 Half Year Results Announcement sets out the Group's financial statements, prepared in accordance with the *Corporations Act 2001* (Cth) and Australian Accounting Standards, and reviewed in accordance with Australian Auditing Standards.

Note:

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

Good result benefitting from improved asset quality

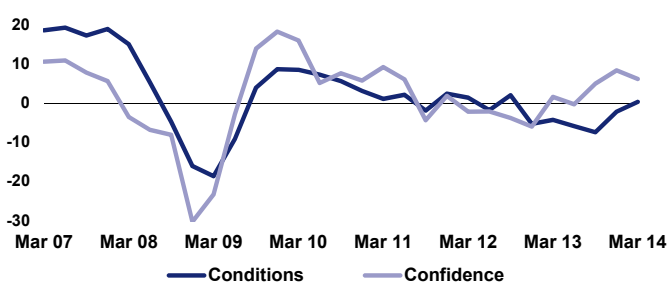
	Mar 14	Mar 14 vs Sep 13	Mar 14 vs Mar 13
Cash earnings (\$m)	3,150	4.8%	8.5%
Cash EPS (diluted cps)	131.3	3.9%	6.7%
Dividend (100% franked cps)	99	2.1%	6.5%
Cash ROE	14.6%	30bps	0bps
Statutory net profit attributable to owners (\$m)	2,856	(1.1%)	15.8%

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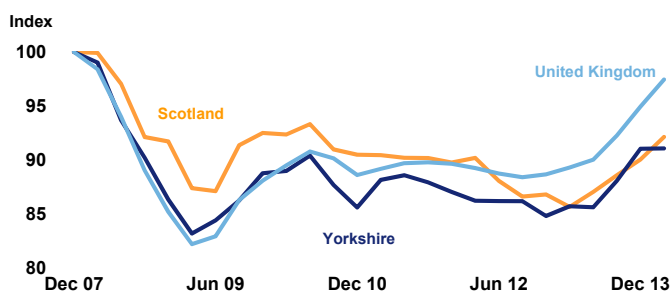


Australia and UK economy and environment

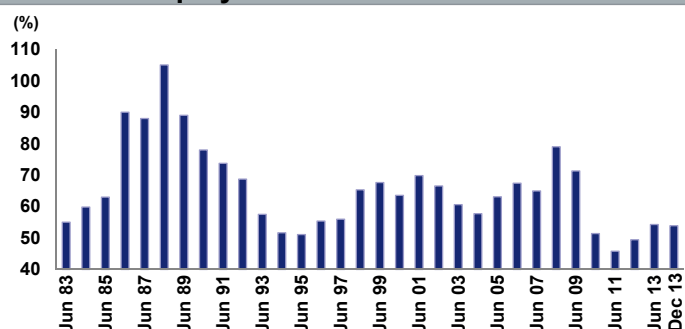
Business confidence and conditions in Australia¹



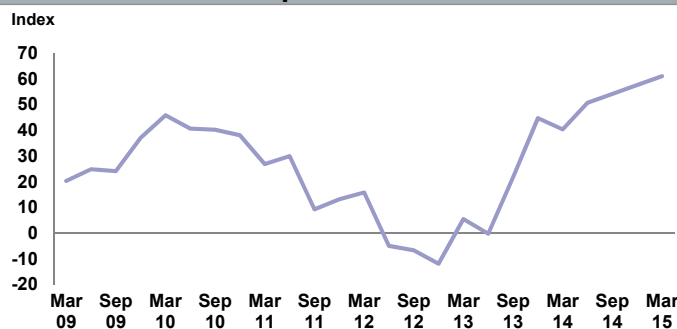
UK House Price Indices²



Australian Listed Corporations Gearing³
– Debt-to-equity



NAB Business Banker Survey
– Credit Growth Expectations⁴



(1) Source: NAB

(2) Source: Nationwide Index

(3) Source: RBA

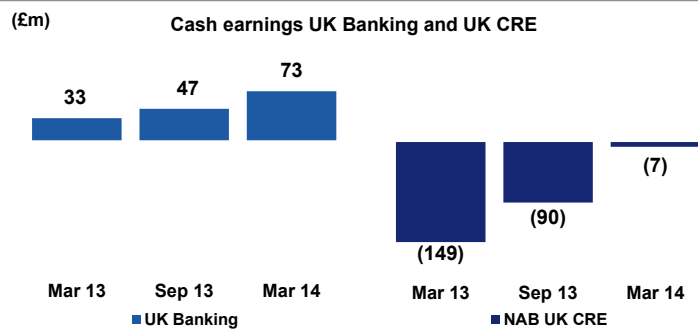
(4) Demand for business credit = net of bankers indicating increasing demand for credit less those indicating decreasing demand for credit

4

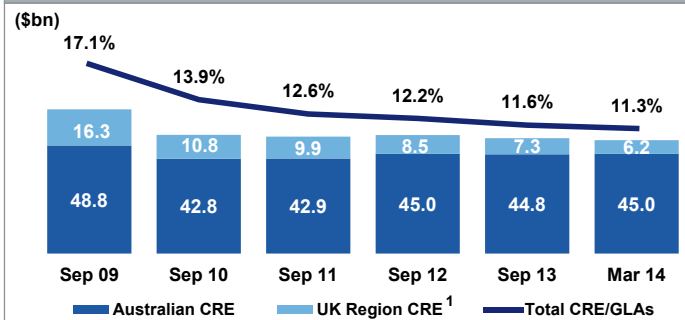


Improving risk profile and addressing legacy issues

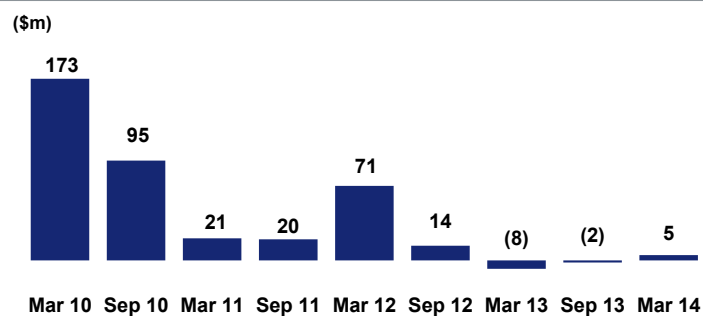
UK businesses improving



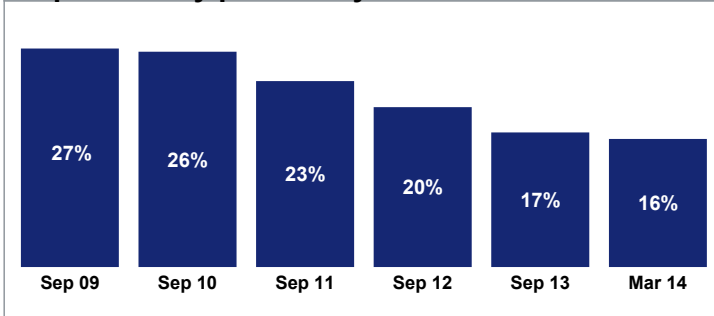
Commercial Real Estate exposure reduced



Specialised Group Assets (SGA) B&DD charge



Australian and New Zealand business exposures by probability of default $\geq 2\%$ ²



(1) From Sep13 onwards, includes commercial property exposures in both NAB UK CRE and \$0.4bn in UK Banking
 (2) The values disclosed are net of eligible financial collateral. Prior year comparatives have been represented on a like for like basis



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Market share trends – Australia & New Zealand

	Dec 2008	Mar 2013	Mar 2014	Mar 13 vs Mar 14	Dec 08 vs Mar 14
Australian Banking					
Total Business lending (APRA)	19.4	24.6	22.8	-176bps	+346bps
Total Business lending (RBA)	19.0	22.4	21.6	-80bps	+262bps
Agribusiness ¹	25.7	31.0	30.7 ²	-25bps	+506bps
Housing lending ³	13.2	15.2	15.4	+22bps	+224bps
Business deposits ⁴	21.3	20.5	20.6	+8bps	-72bps
Household deposits ¹	12.9	14.6	14.8	+18bps	+188bps
New Zealand Banking					
Housing lending ⁵	15.6	16.2	15.8	-43bps	+19bps
Business lending ⁵	24.9	26.6	26.8	+22bps	+189bps
Agribusiness ⁵	17.8	21.7	22.2	+52bps	+444bps
Retail deposits ⁵	16.6	18.8	19.0	+17bps	+234bps

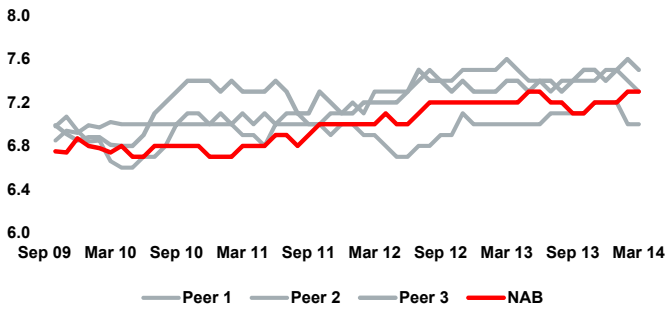
(1) APRA Banking System / NAB
 (2) Dec 13
 (3) RBA Financial System / NAB
 (4) APRA Banking System / NAB, Business Deposits (non-financial corporations only)
 (5) RBNZ (historical market share rebased with latest revised RBNZ published data) / NAB



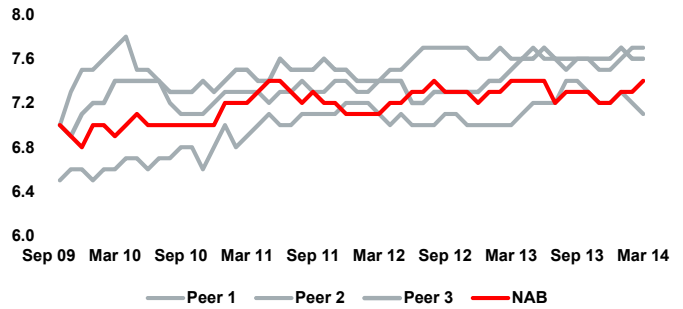
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Customer satisfaction – Australia & New Zealand

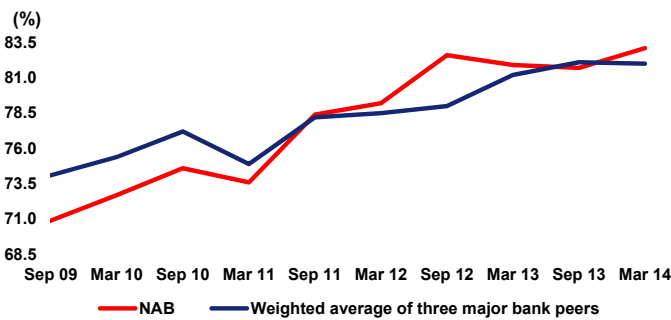
Australian SME – (\$1m - \$5m)¹



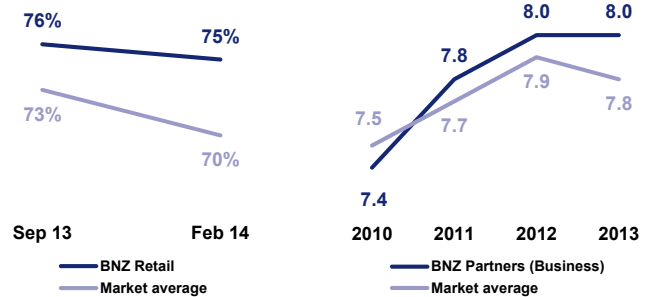
Australian SME – (\$5m - \$50 m)¹



Australian Retail – MFI customer satisfaction²



New Zealand – Retail³ and Business⁴

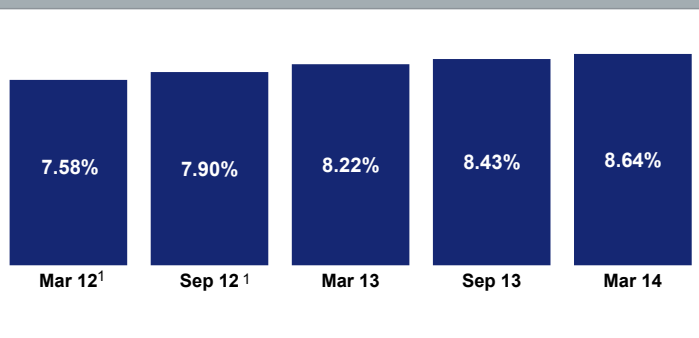


- (1) DBM Business Financial Services Monitor – Small (\$1m - \$5m) Business Segment and Medium (\$5m - \$50m) Business Segment
- (2) Roy Morgan Research, Aust MFIs, population aged 14+, six month moving average. Customer satisfaction is based on customers who answered very/fairly satisfied. NAB compared with the weighted average of the three major banks (ANZ, CBA, WBC)
- (3) Retail Market Monitor. Data based on 12 month rolling average. Market average is based on major 5 banks, ANZ, ASB, BNZ, Kiwibank and Westpac
- (4) TNS NZ Brand and Voice of Customer Tracker. Pre 2012 the survey was conducted by Gandar Associates. Market average is based on major 5 banks, ANZ, ASB, BNZ, Kiwibank and Westpac

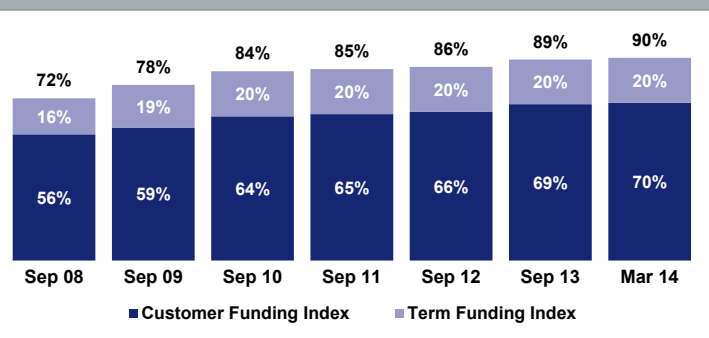


Balance sheet continues to strengthen

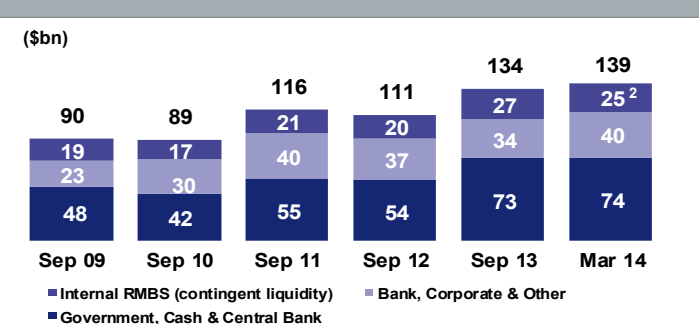
Basel III Common Equity Tier 1 ratio



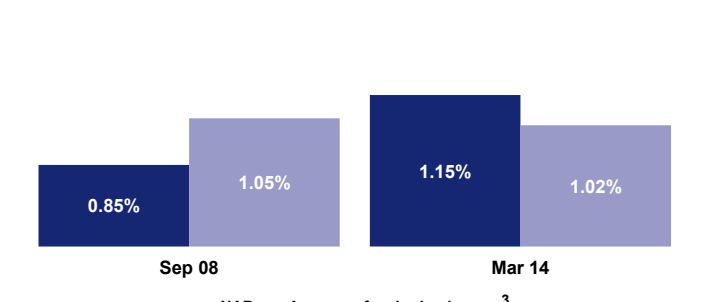
Group Stable Funding Index (SFI)



Liquid assets



Collective provisions and GRCL top-up to credit risk weighted assets

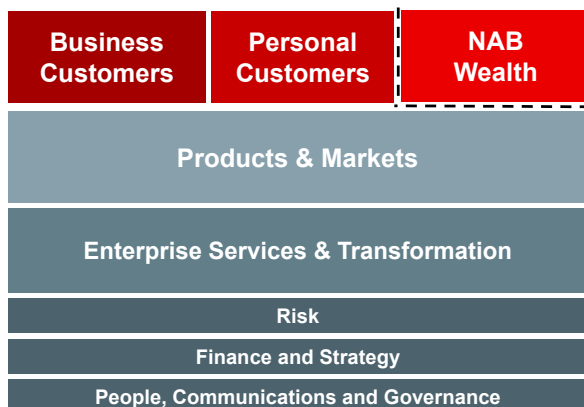


- (1) Estimated Basel III Common Equity Tier 1 ratio
- (2) Post expected RBA margin adjustment
- (3) Peer ratios as last reported



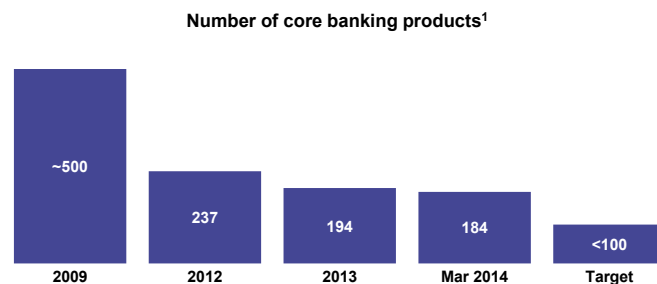
Standardisation and simplification

Benefits of Australian restructure



- Reduced management reporting layers from 10 to 8
- Clear accountabilities between customer, product and operations
- 165 Performance Units established to provide more granular focus on shareholder return
- Initial results promising – centralised pricing pilot for Term Deposits increased deposit margin by 15% with no impact on volumes

Product rationalisation



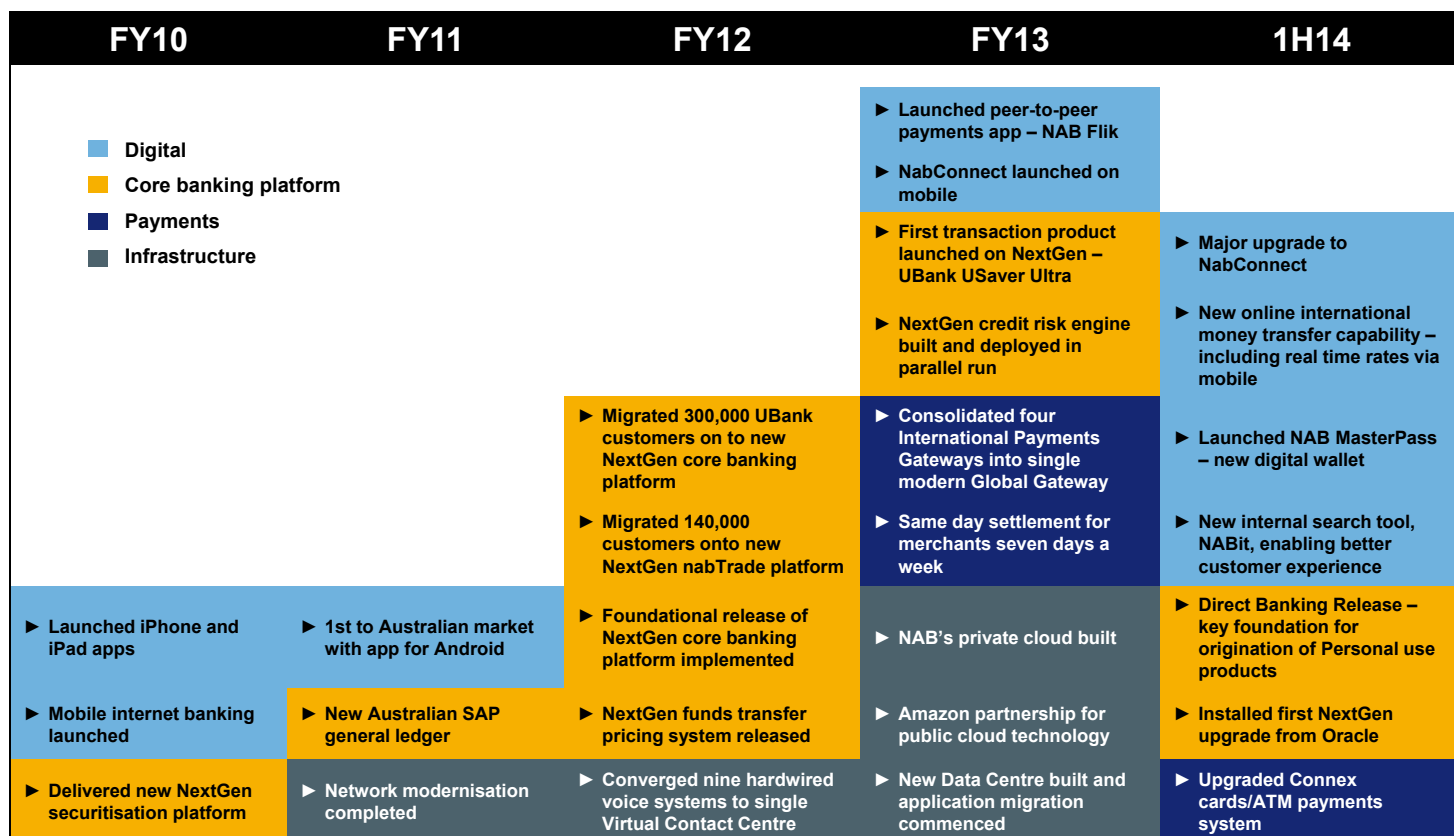
Standardisation and process improvements

- Standardised core business lending processes and centralised middle office operations of 60 Business Banking Centres into seven business credit fulfilment centres – on average freeing up ~25% of Relationship Manager time
- Consolidated Melbourne employees, including exit of four sites – reduction in property of ~16,000sqm
- Streamlined a range of duplicated and fragmented back-office functions

(1) Core retail and business banking products (excludes NAB Wealth, Wholesale products, Merchant & Payments and brands other than NAB)



Transformation program achievements over five years



Summary

- Good growth in earnings, despite revenue challenges
- Tentative signs of improving business confidence, credit demand yet to respond
- UK economic recovery becoming broad based
- Australia and NZ franchises in great shape – significant customer satisfaction and market share gains over five years
- Good progress on legacy issues and risk profile, but more to do
- Operating model changes complete and benefits emerging
- Technology transformation a source of future competitive advantage

1H14 Financials

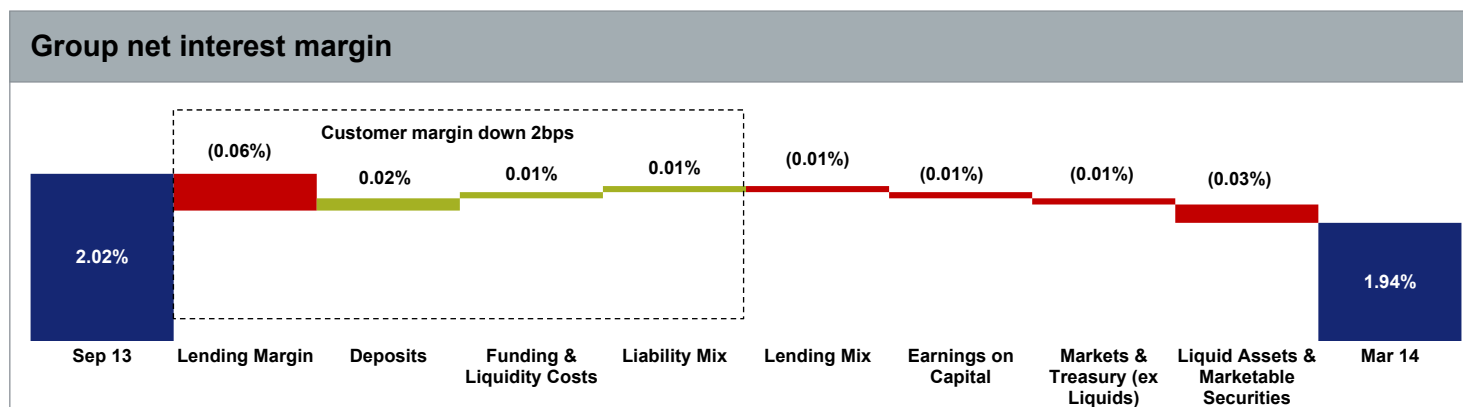
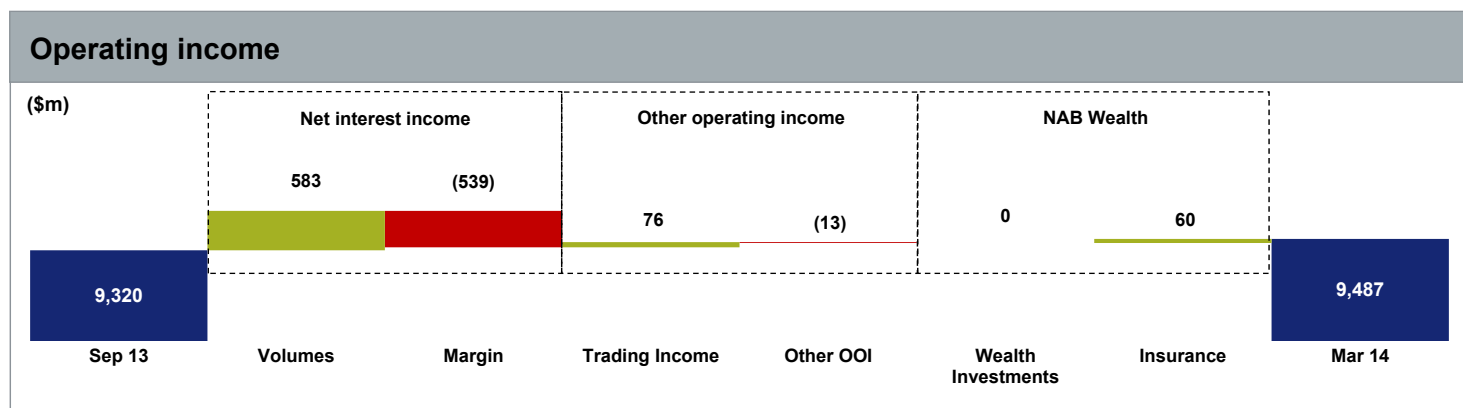
Group financial result

	Mar 14 Half year (\$m)	Change on Sep 13 (%)	Change on Mar 13 (%)	Change on Sep 13 (%) (ex FX and conduct)	Change on Mar 13 (%) (ex FX and conduct)
Net operating income	9,487	1.8	2.6	(0.4)	(1.2)
Operating expenses	(4,456)	(5.7)	(11.6)	(0.4)	(2.9)
Underlying profit	5,031	(1.5)	(4.2)	(1.0)	(4.3)
B&DDs	(528)	37.3	51.6	39.5	54.4
Cash earnings	3,150	4.8	8.5	5.8	9.2
Spot GLAs (\$bn)	534.2	2.3	6.6	1.3	2.3
Spot customer deposits (\$bn)	381.1	4.1	11.3	3.0	6.1
Statutory net profit attributable to owners (\$m)	2,856	(1.1)	15.8	(5.0)	16.8
Cash ROE	14.6%	30bps	0bps		



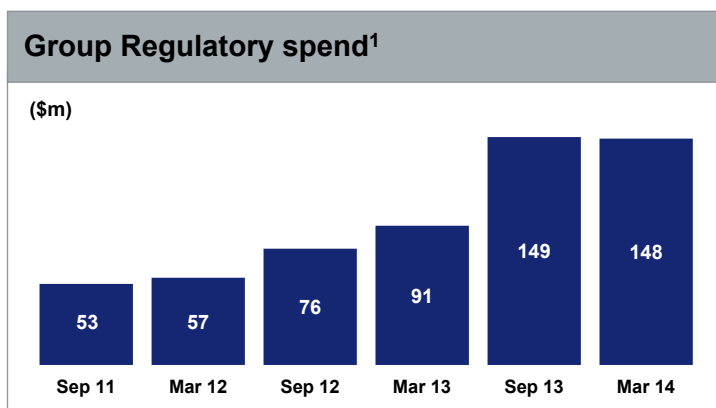
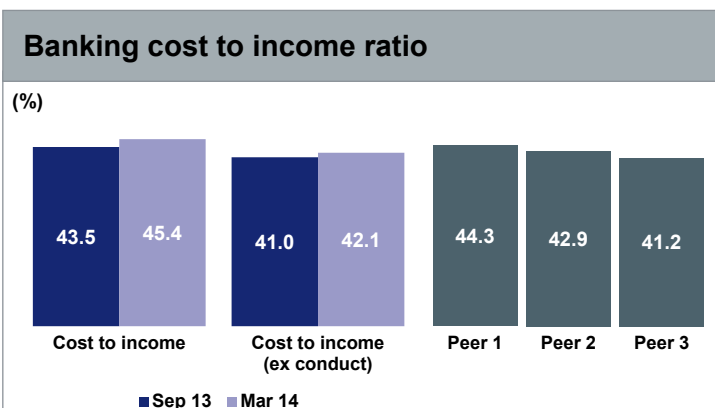
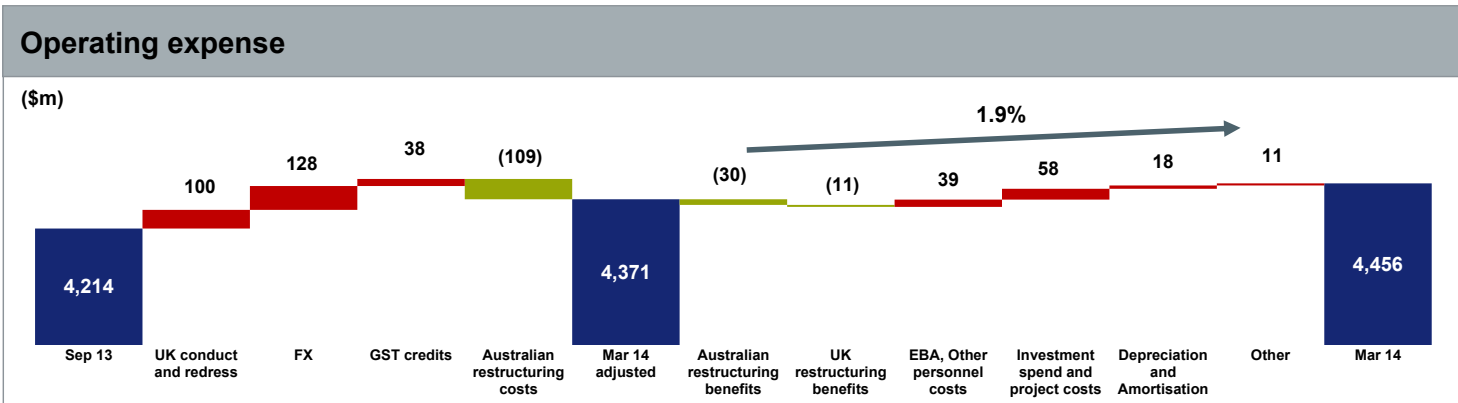
13

Operating income



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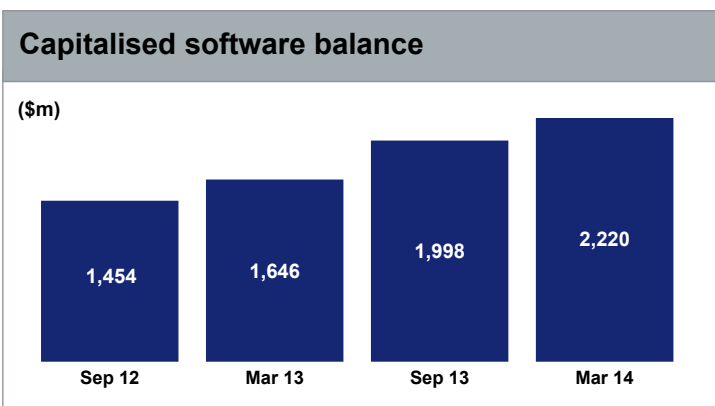
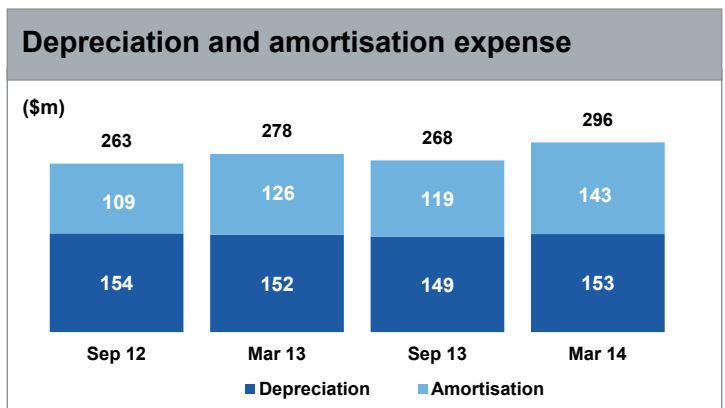
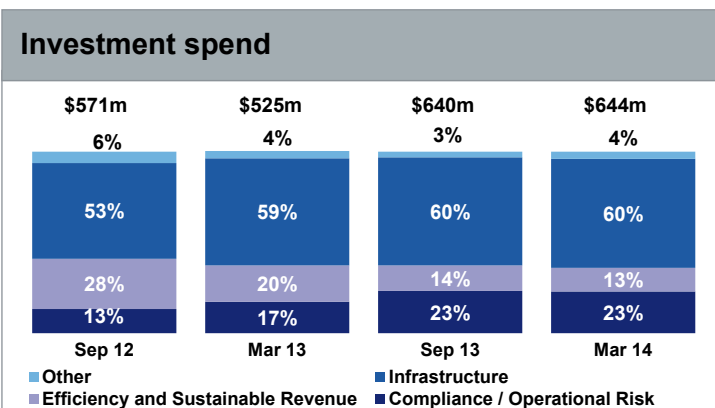
Operating expense trends



(1) Regulatory related operating and capital expenditure included in the Investment Spend disclosure in the 1H14 Results Announcement



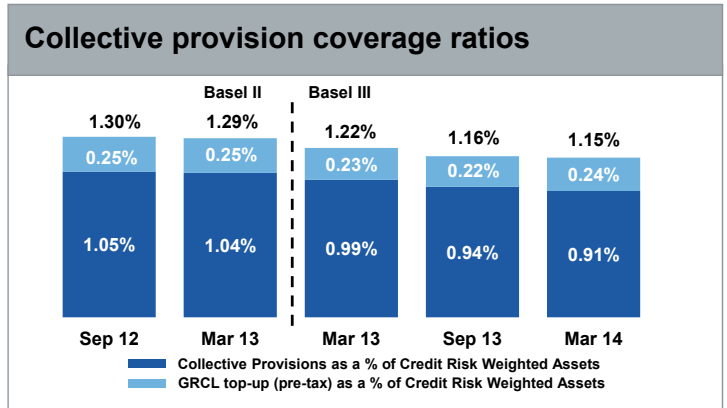
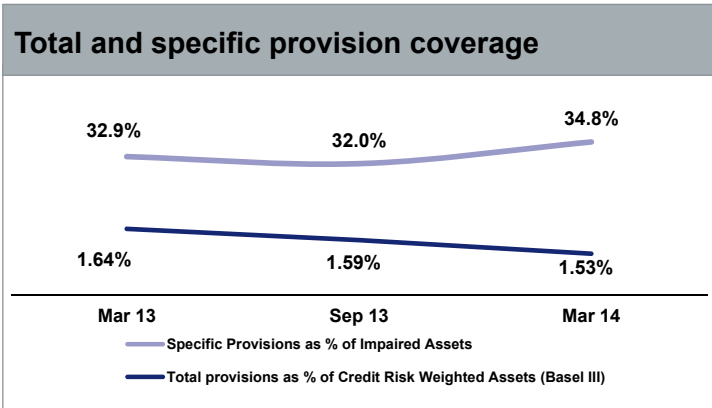
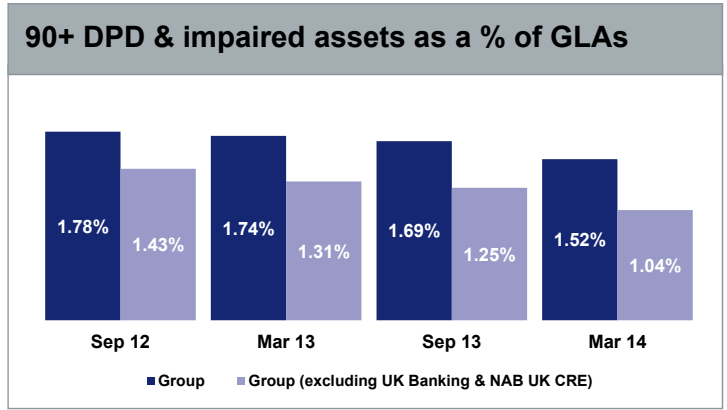
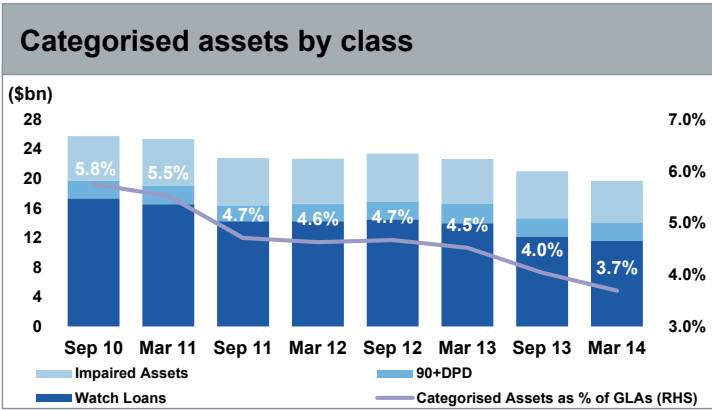
Investments, D&A, capitalised software and restructuring



- ### Costs and benefits of Australian restructure
- Expense savings in 1H14 of \$30m (2H13 \$30m)
 - Annualised run-rate expense savings of \$140m
 - No additional restructuring costs in 1H14
 - ~600 FTE increase in 1H14 reflects increased temps and contractors, front line staff, regulatory and transformational projects
 - Average cost of new FTE materially lower than exited FTE



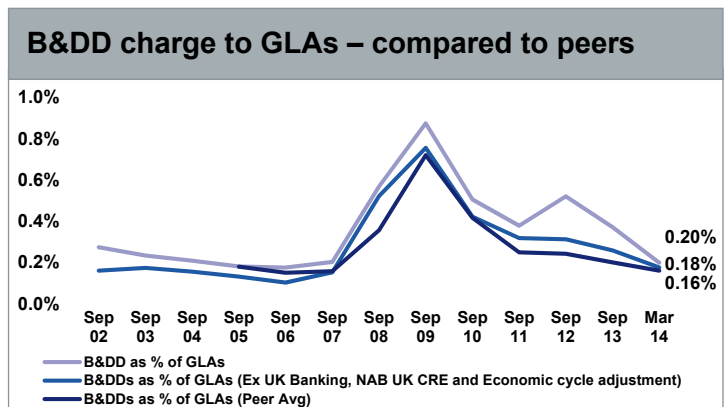
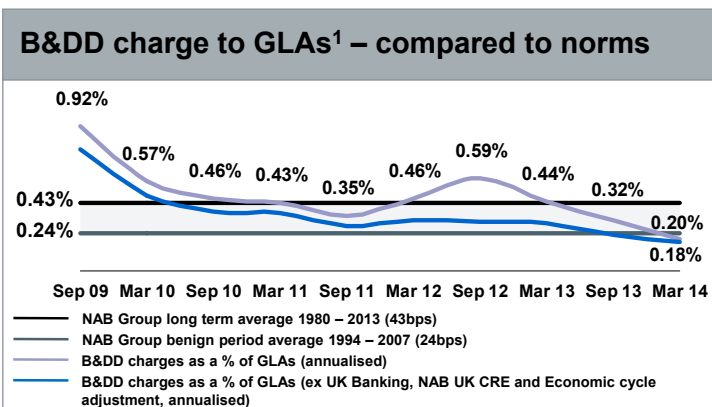
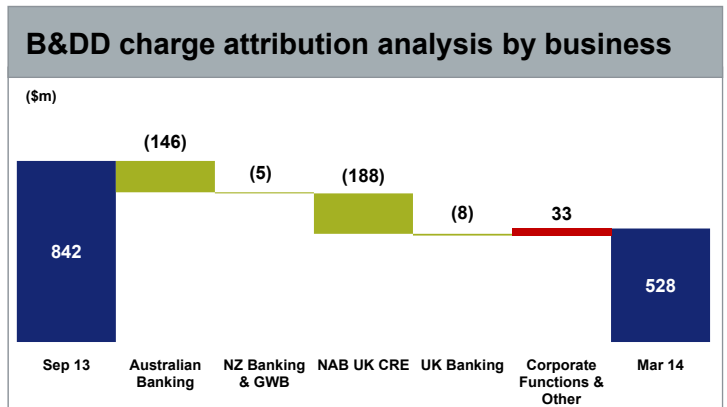
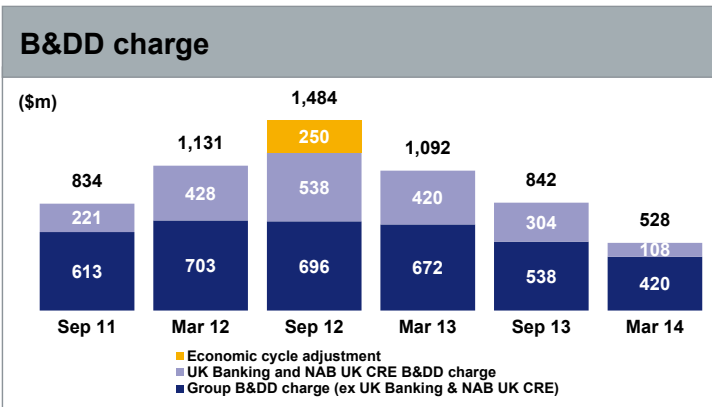
Asset quality and coverage ratios



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Group B&DD charge



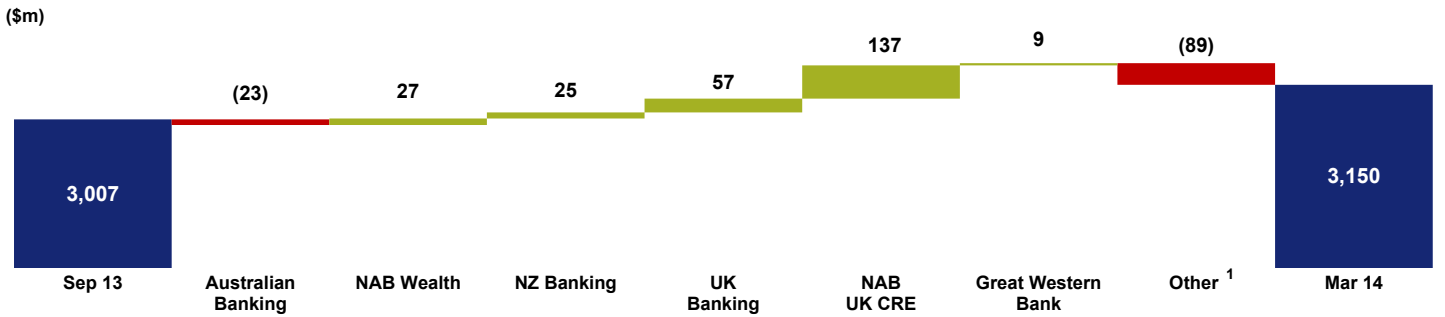
(1) Half year annualised

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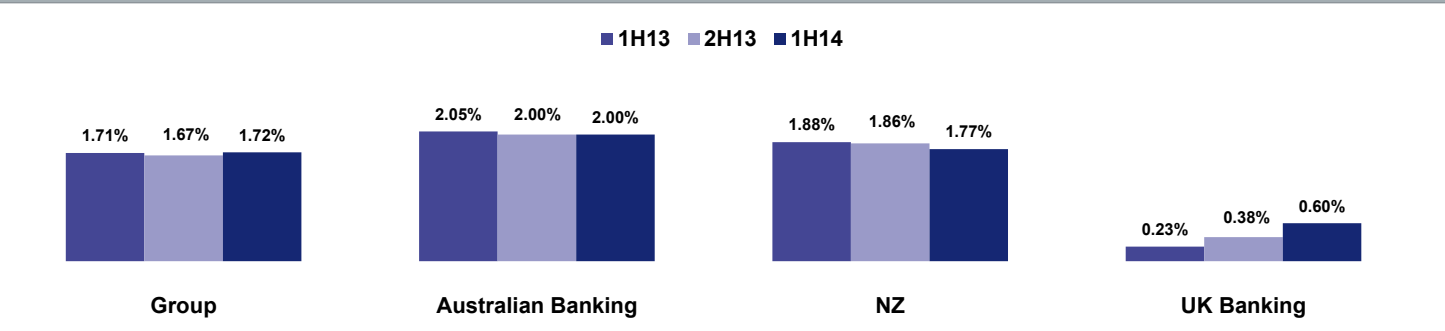


Business unit contributions

Cash earnings attribution analysis by business



Annual return on average RWAs

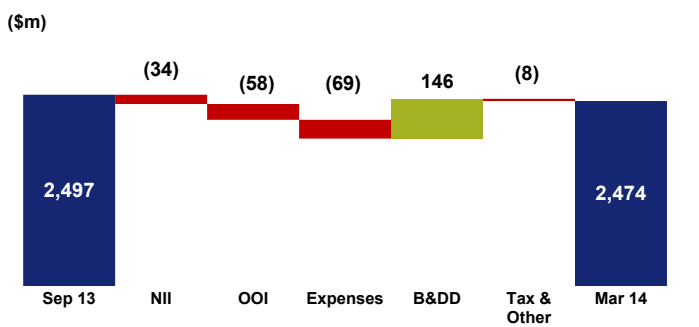


(1) Other comprises Corporate Functions & other, and distributions

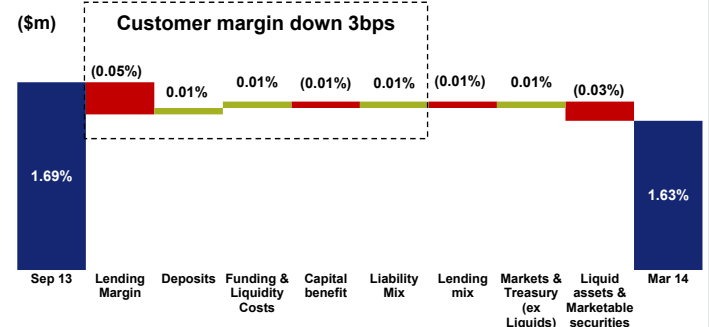


Australian Banking

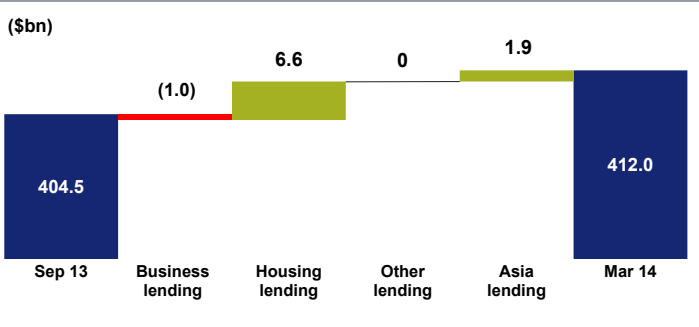
Cash earnings



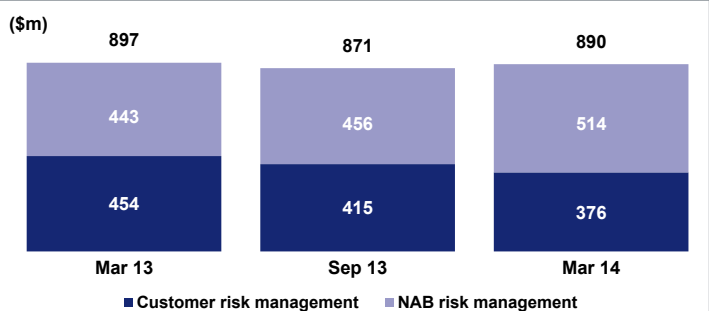
Net interest margin



Lending volumes (spot)



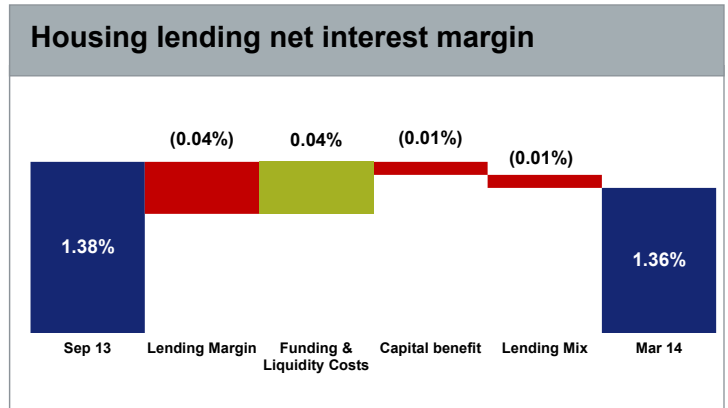
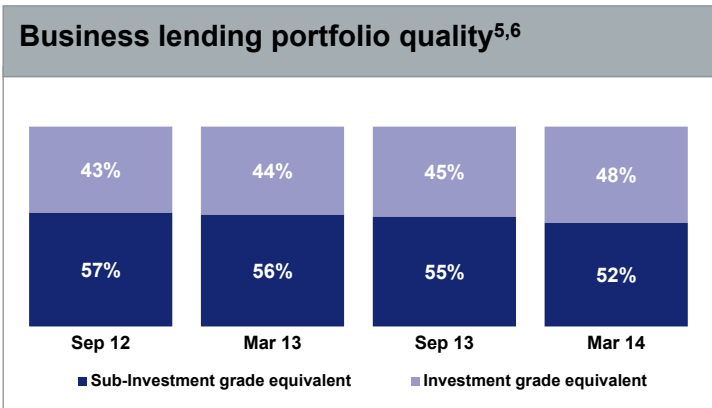
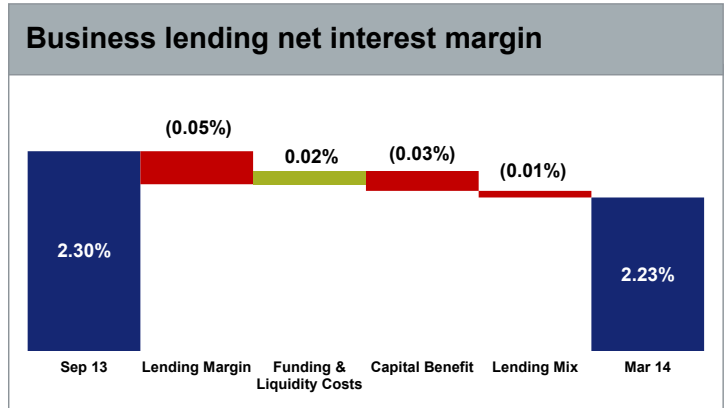
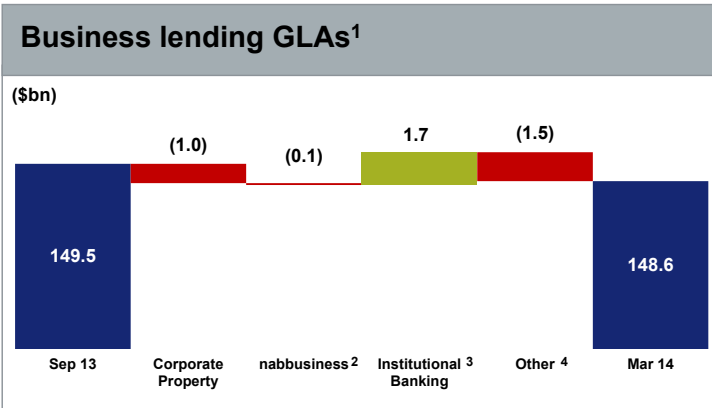
Customer risk and NAB risk management income¹



(1) NAB risk management is defined as management of interest rate risk in the lending book, wholesale funding, and liquidity requirements and trading market risk to support the Group's franchises



Australian Banking

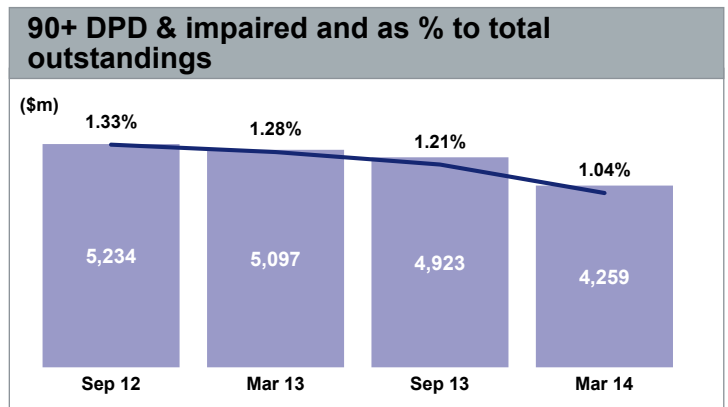
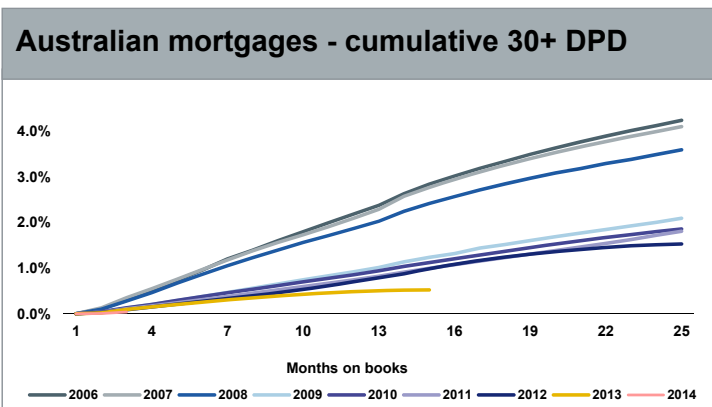
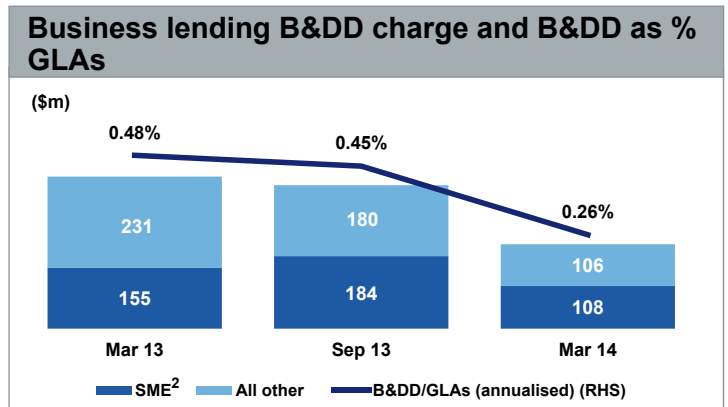
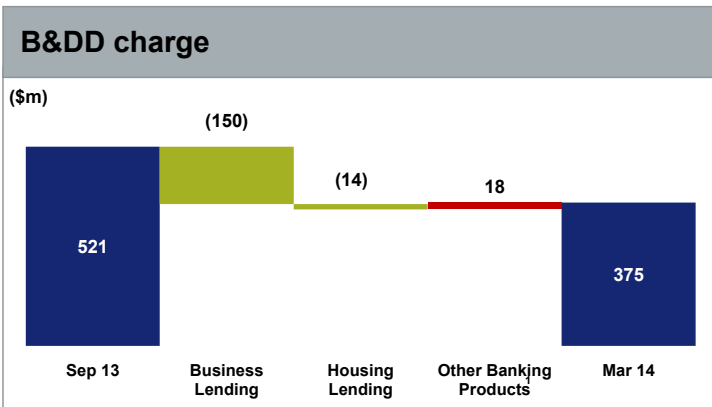


- (1) Excluding Asia and Debt Markets
- (2) nabbusiness is the segment of Business Banking which supports business customers with lending typically up to \$25m, excluding the Specialised Businesses
- (3) Includes FIG
- (4) Other includes nab Health, Private Wealth, Agri business and Corporate
- (5) Portfolio quality on a probability of default basis
- (6) Includes Asia

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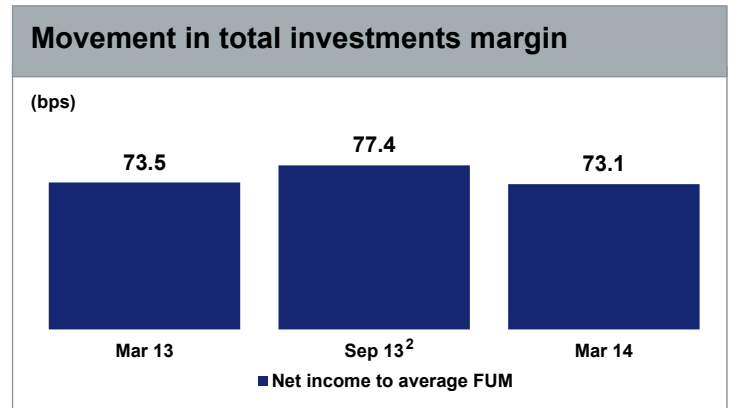
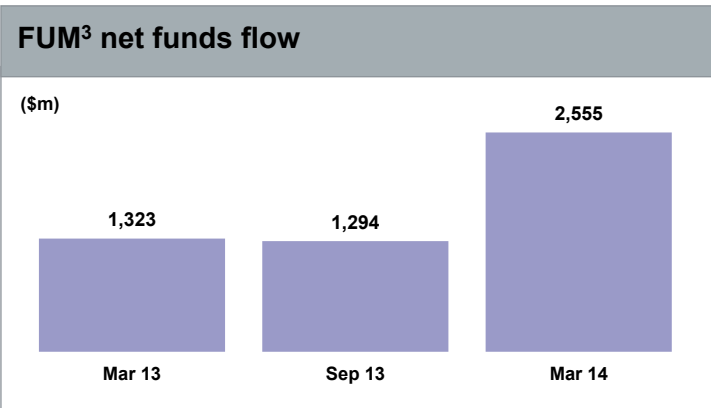
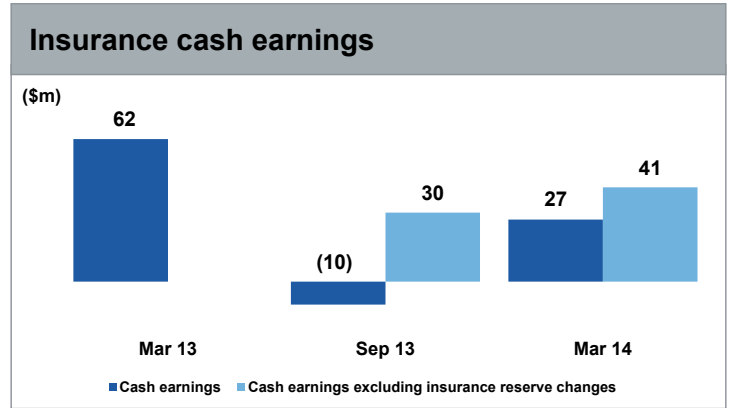
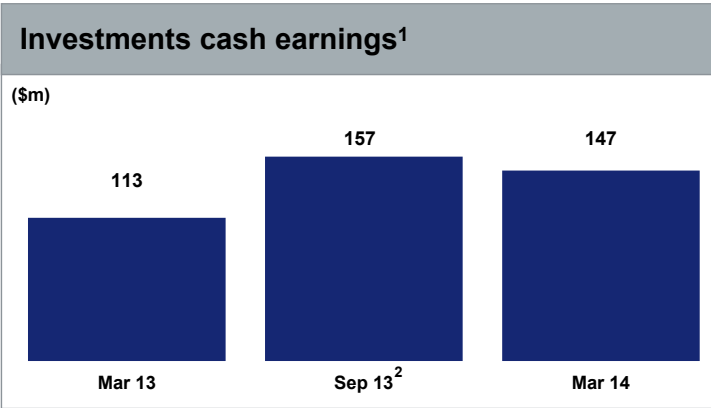
Australian Banking



- (1) Other Banking Products – Includes unsecured retail lending
- (2) SME business data reflects the nabbusiness segment of Business Lending which supports business customers with lending typically up to \$25m, excluding the Specialised Businesses

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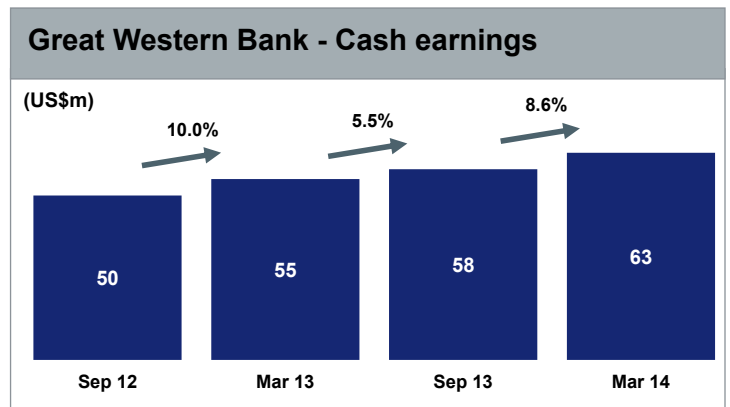
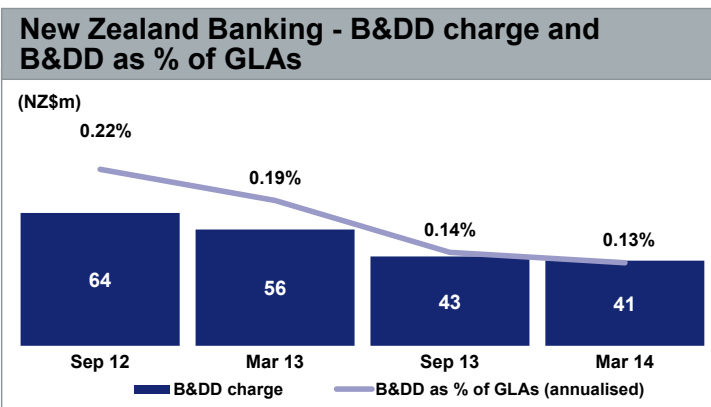
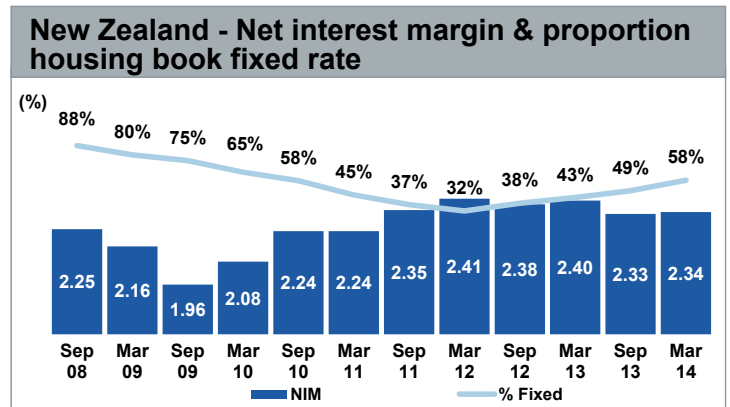
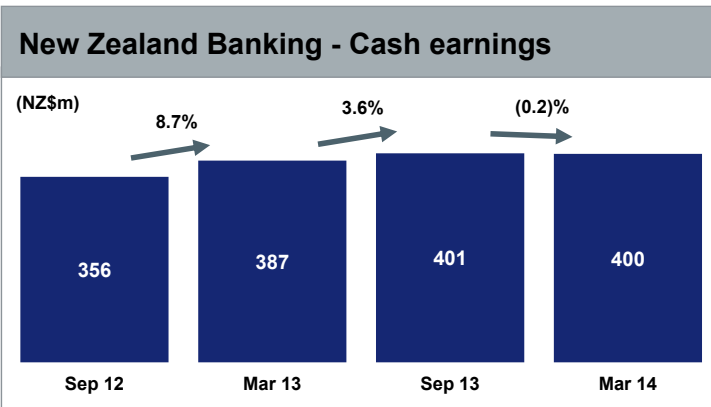




(1) Excludes Private Wealth
 (2) Includes sale of AREA Property Partners as disclosed in Sep 13
 (3) FUM on a proportional ownership basis



New Zealand Banking and Great Western Bank

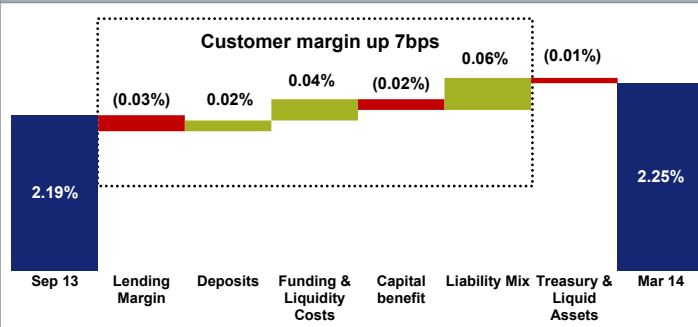


UK Banking

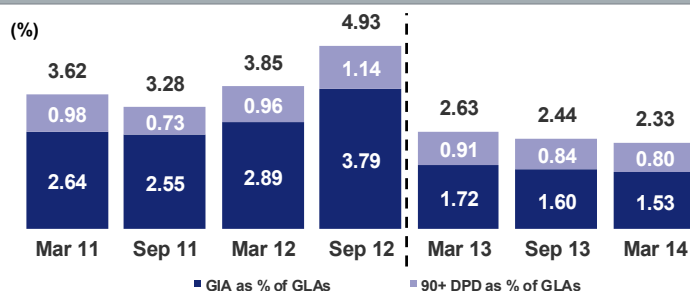
UK Banking Summary Results¹

(£m)	Mar 13	Sep 13	Mar 14	Movement Mar 14 v Mar 13
Income	490	496	485	(5)
Expenses (ex conduct)	(333)	(338)	(328)	5
B&DDs	(91)	(67)	(55)	36
Cash Earnings (ex conduct)	50	67	84	34
Cash Earnings	33	47	73	40

Net interest margin



90+ DPD and GIAs as a % of GLAs^{2,3}



Other matters

- Composition and level of capital changed in part to comply with introduction of the Basel III rules - changed treatment in respect of DTA and Pension Liability and ineligibility of existing hybrid instruments
 - Replaced £300m of Basel II hybrid capital with Basel III eligible hybrid capital in December 2013
 - Injection of £300m ordinary equity in March 2014
- Pension deficit decreased by £50m to £147m
- Scottish independence referendum on 18 September 2014

(1) Mar 13 and Sep 13 results have been restated in line with the adoption of amendments to IAS19, which resulted in £8m reduction in cash earnings for both 1H13 and 2H13

(2) On 5 October 2012 UK CRE was separated from UK Banking

(3) Mar 14 balance includes UK mortgage defaulted customers not previously disclosed as past due, where the contractual repayment date has passed but customers continue to pay interest due, or where an agreed arrangement is in place, or where the customer is deceased. Prior period comparatives have been restated

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UK conduct issues

(£m)	Mar 13	Sep 13	Mar 14	Remaining Provision
Mortgage Repayments Irregularities ¹	13	24	(6)	1
CPP Scheme of Arrangement ²	9	4	-	11
Other matters ³	-	-	19	19
UK cash expense impact	22	28	13	31
Interest Rate Hedging Products	15	21	115	152
Other matters ³	-	18	-	36
Group cash expense impact	37	67	128	219
Payment Protection Insurance	-	130	-	126

Payment Protection Insurance (PPI)

- No increase in provisions. £26m of existing provisions utilised during 1H14, leaving provision balance of £126m
- Complaint volumes down 16% on 2H13 and 49% on 1H13, but rate of reduction is slower than anticipated and increased pressure on administration costs
- Provisions remain subject to risks and uncertainties given:
 - slower than anticipated reduction in complaints
 - on-going dialogue with the FCA which will require Clydesdale Bank to revisit a significant number of complaints; and
 - general uncertainty in relation to various assumptions around ultimate redress and related costs

Interest Rate Hedging Products (IRHP)

Additional £115m of provisions raised in 1H14 due to:

- In-scope derivatives review (<200 cases) – average cost of redress higher than expected
- In-scope Tailored Business Loans (TBL) review still at an early stage, but level of assessed 'sophistication' of borrowers lower than forecast
- Higher costs of administering the programme reflecting regulatory requirements and complexity involved in resolving cases
- A number of complaints by customers in respect to certain Tailored Business Loans not currently in scope of the FCA review
- Provisions remain subject to risks and uncertainties

(1) Mortgage repayment irregularities relate to a mortgage payment system error resolved in 2010. Costs include both customer redress and associated penalties

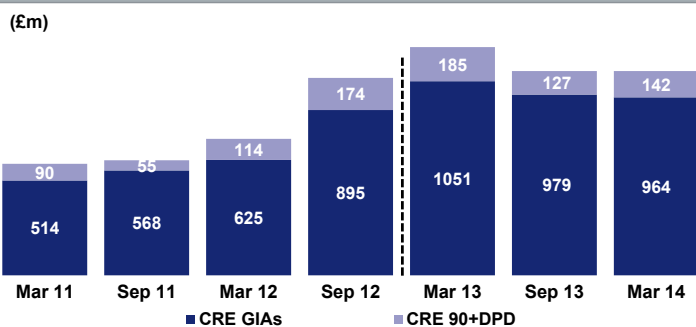
(2) CPP Scheme of Arrangement refers to Card Protection Plan Limited products sold to UK Banking customers

(3) Other matters refers to matters subject to confidentiality agreements

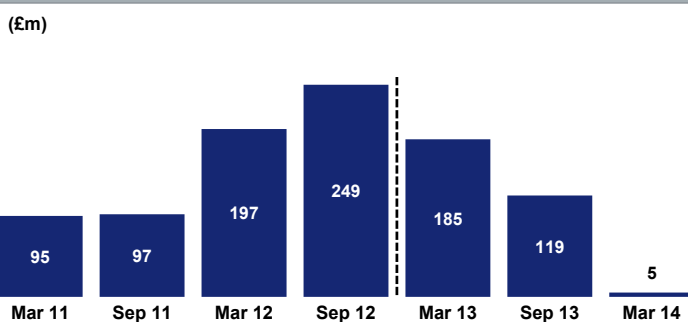
26



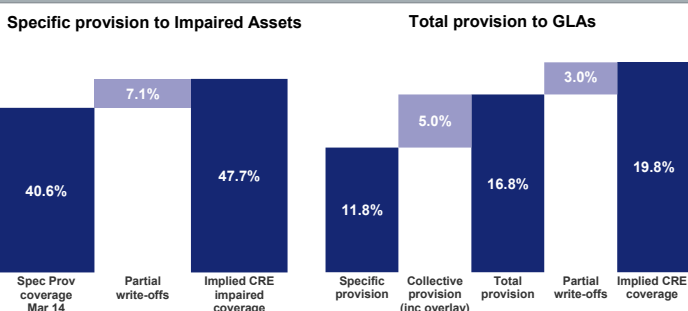
UK CRE credit quality¹



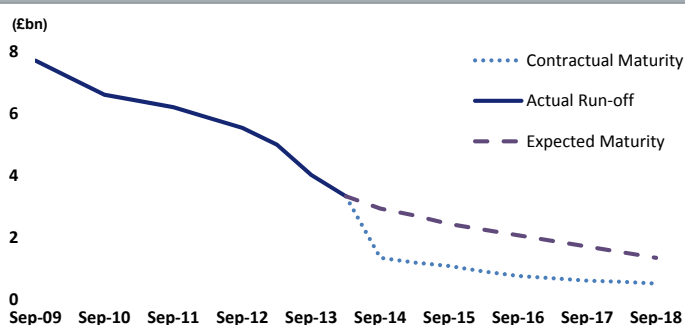
UK CRE B&DD charge¹



Provision coverage – March 2014



NAB UK CRE run off²

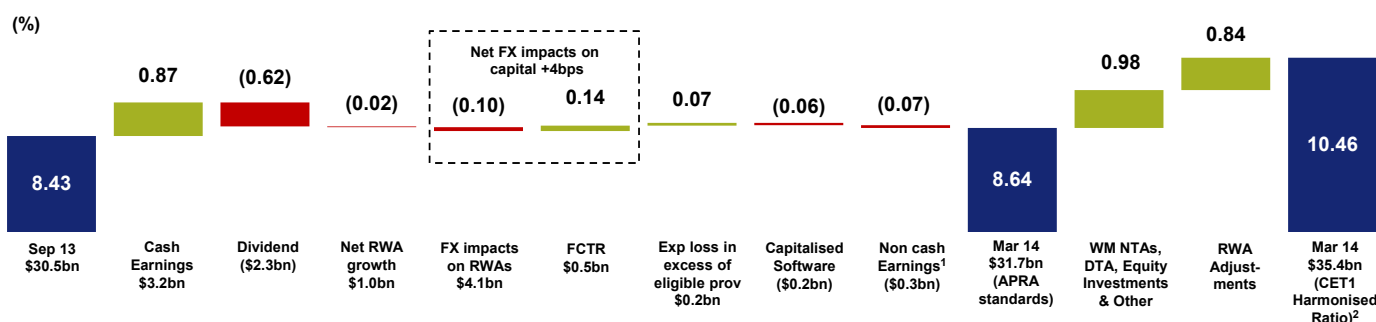


(1) On 5 October 2012 UK CRE was separated from UK Banking, comparative data before Mar 13 is indicative only
 (2) Represents CRE portfolio within UK Banking to September 2012 and the NAB UK CRE run-off portfolio post September 2012



Strong capital position

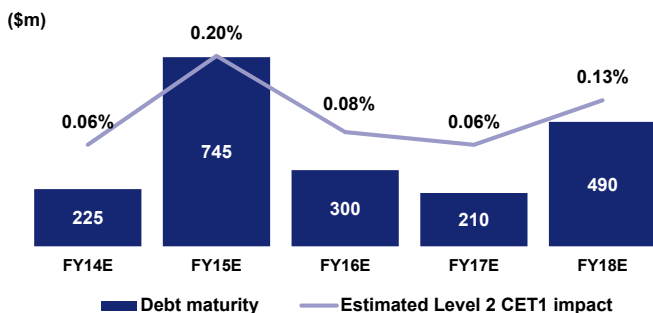
Group Basel III Common Equity Tier 1 Capital Position



Regulatory changes - Capital

- NAB has been identified as a Domestic Systemically Important Bank (D-SIB) by APRA and is subject to a one per cent higher loss absorbency requirement, effective from 1 January 2016. To reflect the new D-SIB requirement the Group's CET1 target has now been revised to operate between 8.75% and 9.25% from 1 January 2016.
- APRA has clarified the definition of Level 2 entities for capital purposes. The change is expected to remove over time the capital benefit arising from debt held in NAB's Wealth Holding Company (\$1.97bn at 31 March 2014, equivalent to 53bps of CET1). APRA has approved a transition period to 2017 and the Group is well placed to mitigate the transitional impact on capital through organic capital generation.
- Draft Level 3 (conglomerate) standards released by APRA, with final standards still pending. Based on the draft standards, the Level 3 proposals are not expected to impact the Group's capital levels.
- Leverage ratio public disclosure is due to commence on 1 January 2015. APRA is expected to consult on the Australian leverage requirements during 2014.

Debt maturity profile of National Wealth Management Holdings

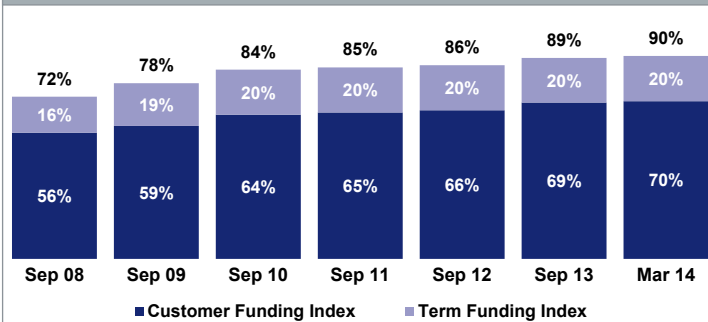


(1) Non-cash earnings impact after adjusting for distributions and treasury shares
 (2) The Group's March 2014 Harmonised Ratio is consistent with the Australian Bankers' Association Fact Sheet "Comparison of APRA and the Basel Committee on Banking Supervision Basel III Capital Ratios", released 14 December 2012

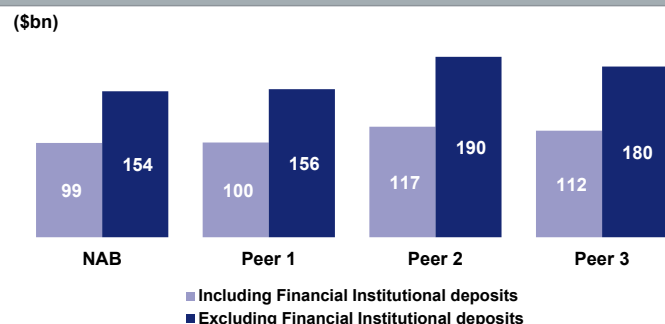


Balance sheet strength remains a priority

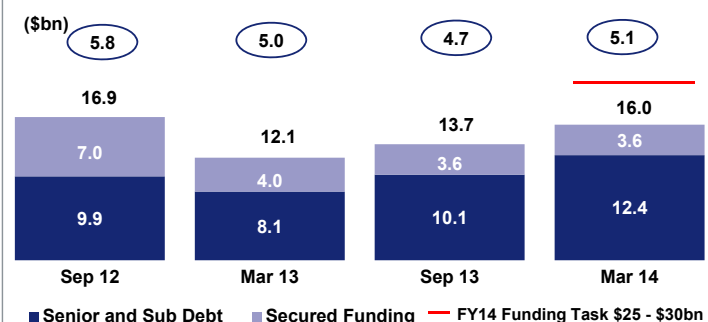
Group Stable Funding Index (SFI)



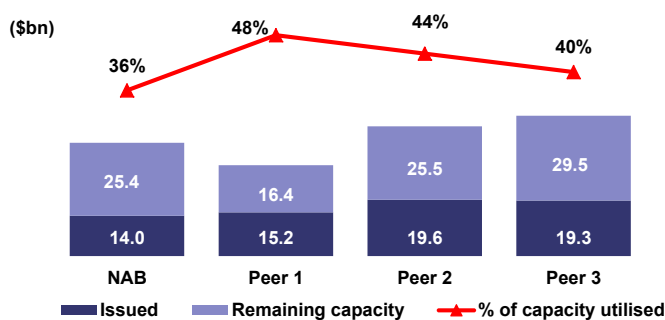
Australian funding gap¹



Term funding – volume and tenor² of new issuance



Australian Covered Bond issuance³



Tenor²

- (1) Australian funding gap = Gross loans and advances + Acceptances less Total deposits (excluding certificates of deposits) Source: APRA Monthly Banking Statistics (31 March 2014)
- (2) Weighted average maturity (years) of term funding issuance (> 12 months)
- (3) Bank covered bond investor reports & APRA Monthly Banking Statistics as at 31 March 2014. Remaining capacity based on current rating agency over collateralisation (OC) & legislative limit

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Summary

- Good result – mainly B&DDs driven on improved asset quality
- B&DDs back to pre-GFC levels – near term outlook benign
- Risk reduction loan volume impact, but capital benefit and lower B&DDs
- Expenses, excluding FX and conduct, well contained
- UK results continue to improve, especially CRE
- Uncertainty remains on UK conduct matters
- Strong capital generation, well placed to meet target range of 8.75% - 9.25%
- Open for business, but won't compromise on risk



Priorities

- Accelerate run-down of legacy and low returning assets
- Tight control of expenses
- Continue to build balance sheet strength – capital and asset quality
- Close the ROE gap to peers

Questions

Additional Information

Australian Banking

NAB Wealth

NZ Banking

UK Banking

NAB UK CRE

Great Western Bank

Group Asset Quality

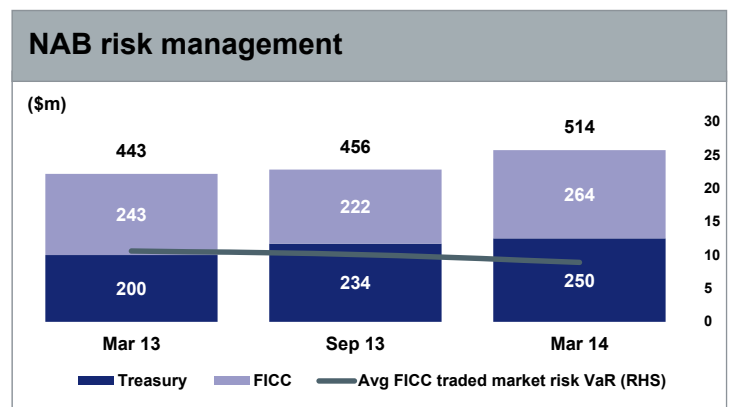
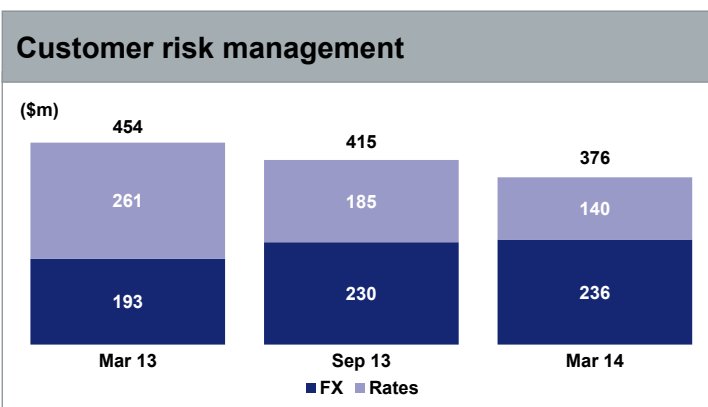
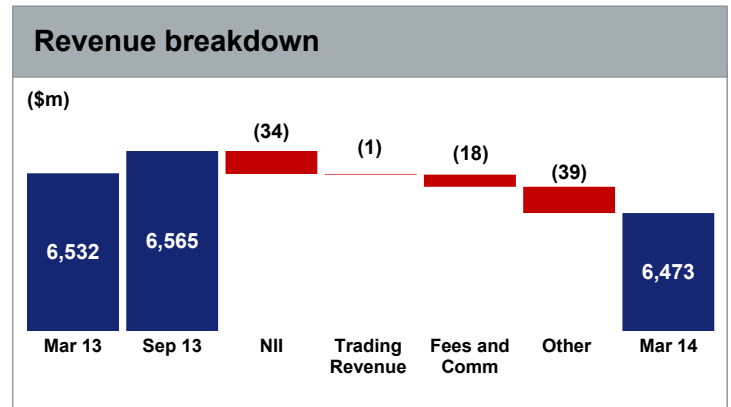
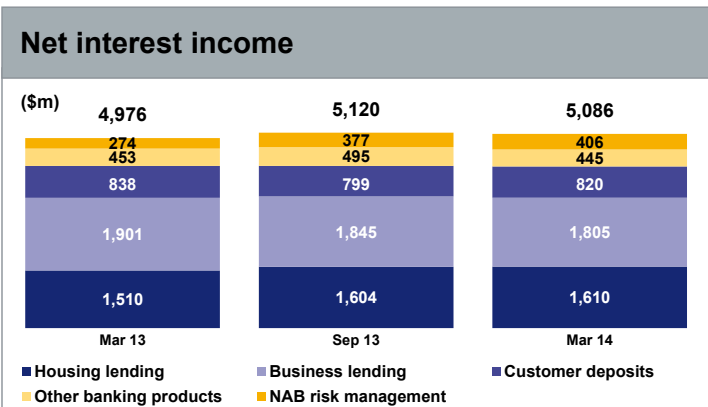
Capital and Funding

Other

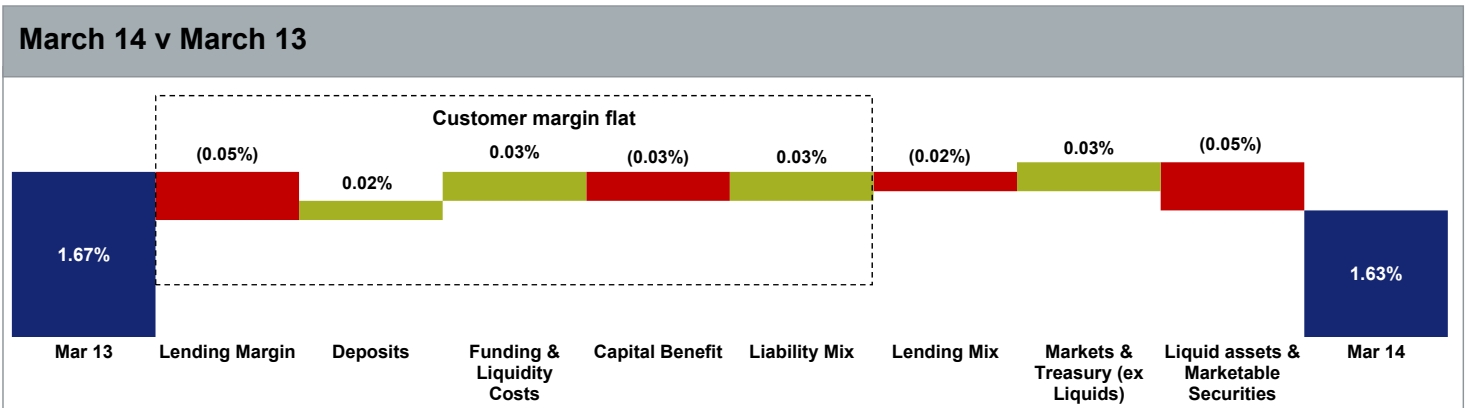
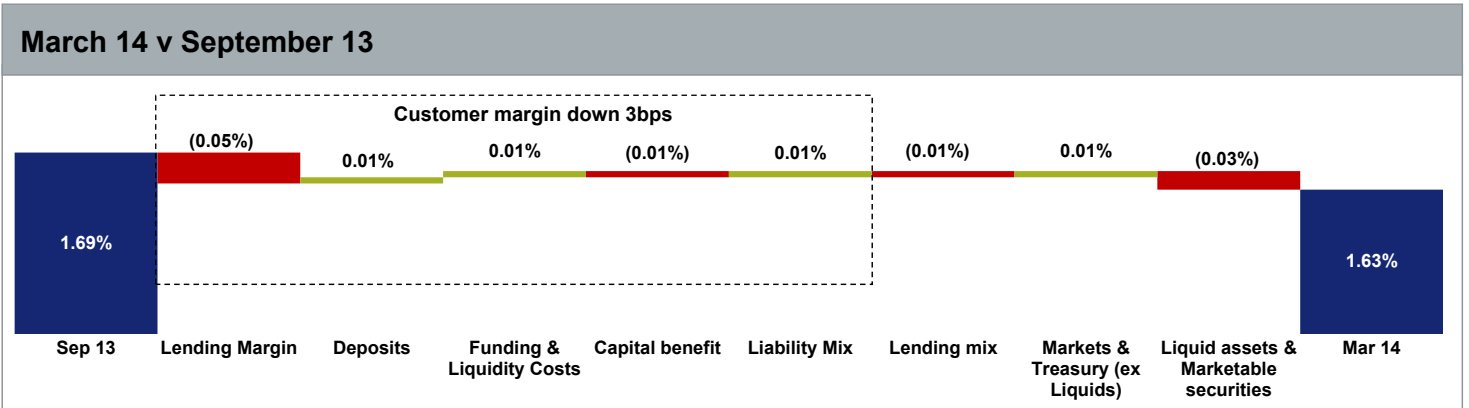
Economic Outlook



Australian Banking



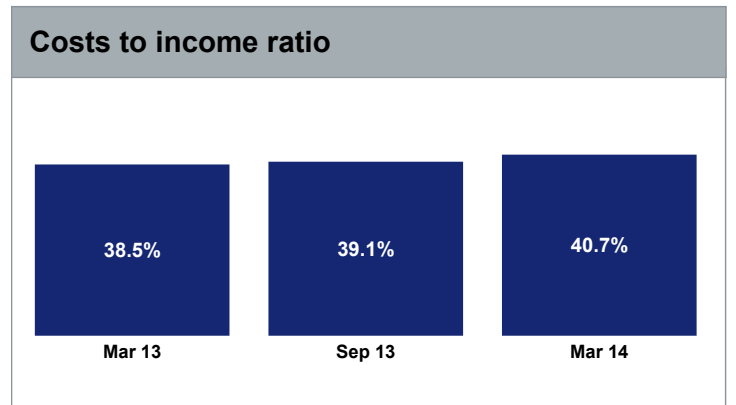
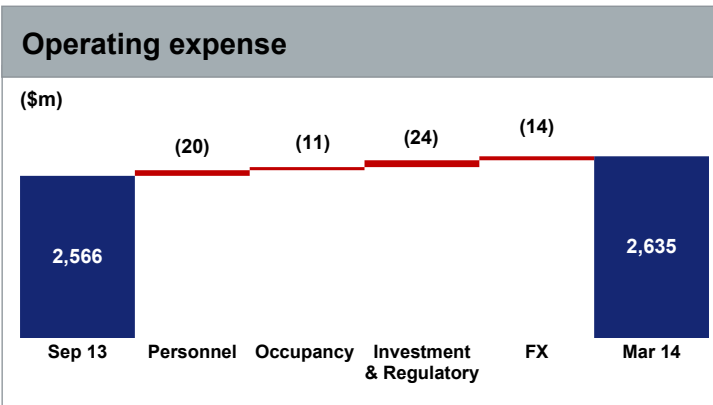
Australian Banking: Net interest margin



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Australian Banking

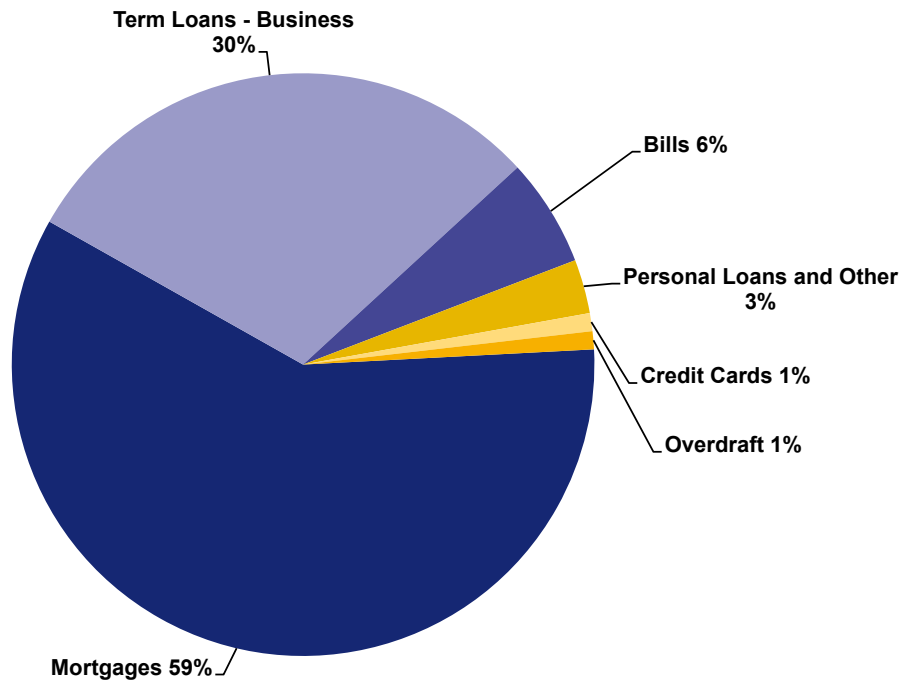


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Australian Banking: Lending mix

Australian portfolio breakdown – total \$412bn¹

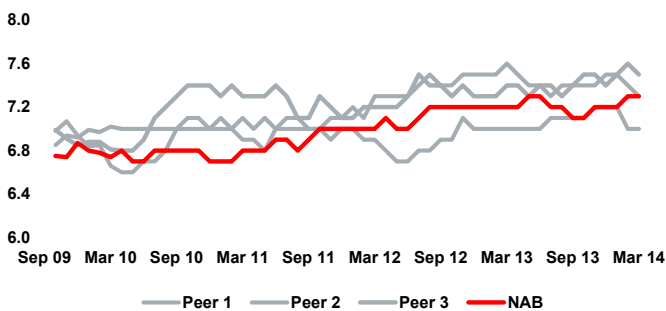


(1) Includes Asia gross loans and acceptances

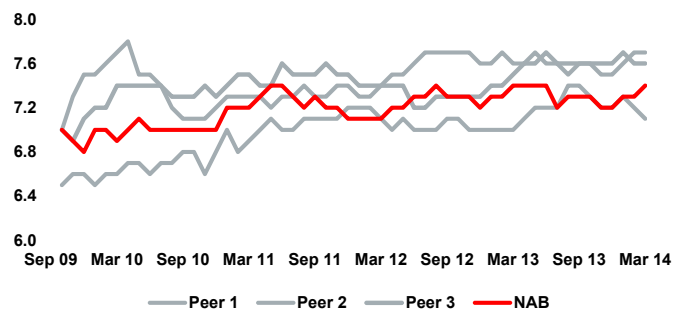


Australian Banking: Customer satisfaction

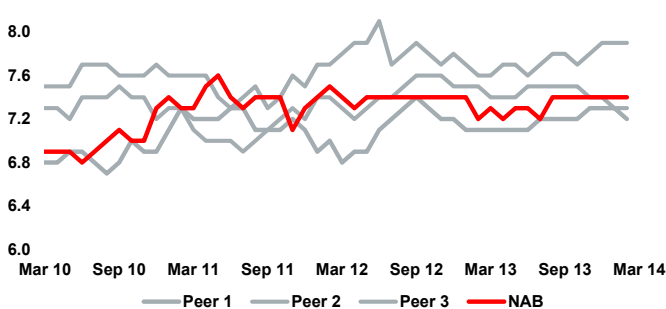
Australian SME – (\$1m - \$5m)¹



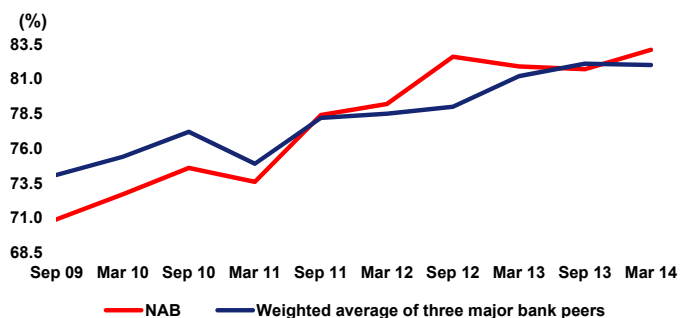
Australian SME – (\$5m - \$50m)¹



Australian Business – (\$50m+)¹



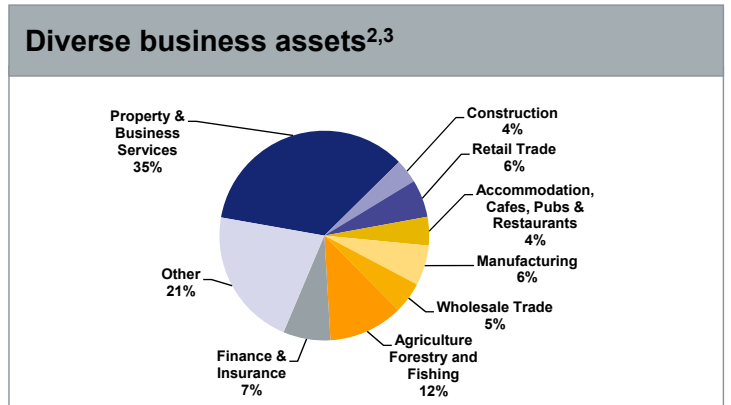
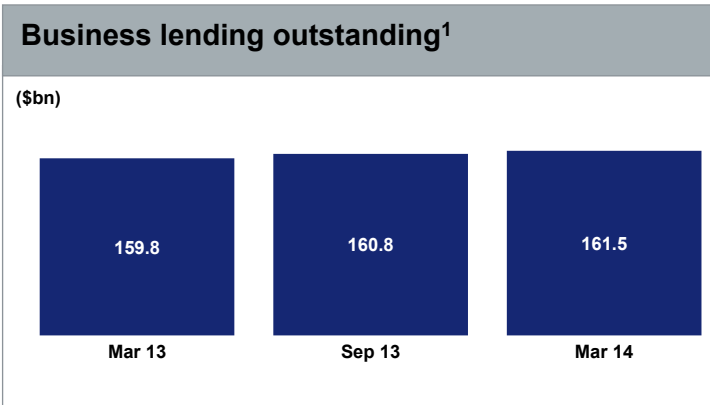
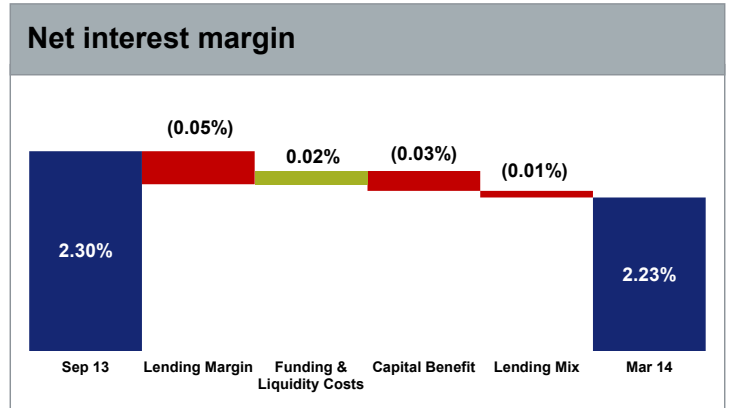
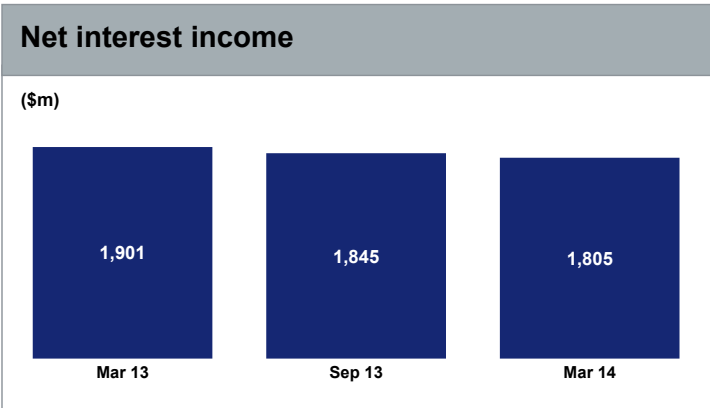
Australian Retail – MFI customer satisfaction²



(1) DBM Business Financial Services Monitor – Small (\$1m - \$5m) Business Segment, Medium (\$5m - \$50m) Business Segment, and Large (\$50m+) Business Segment
 (2) 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)



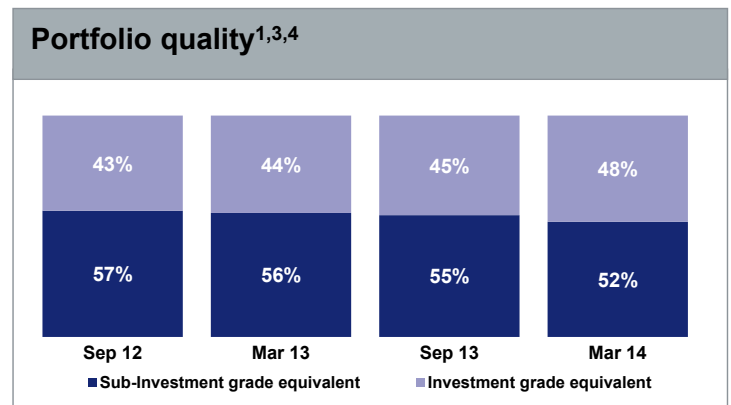
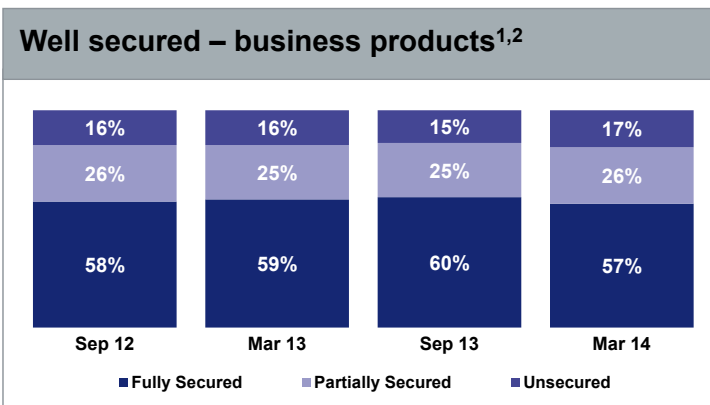
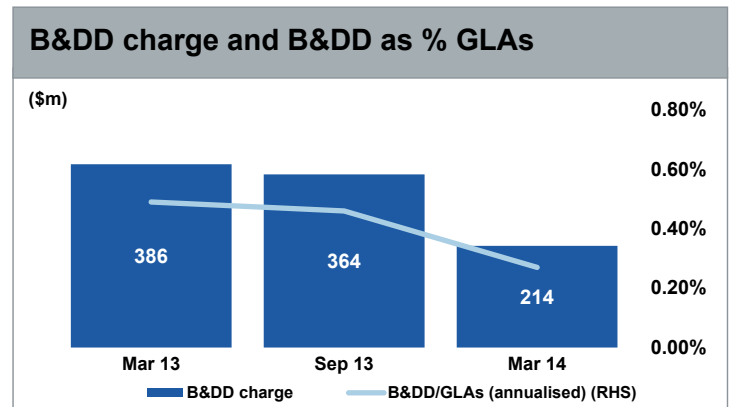
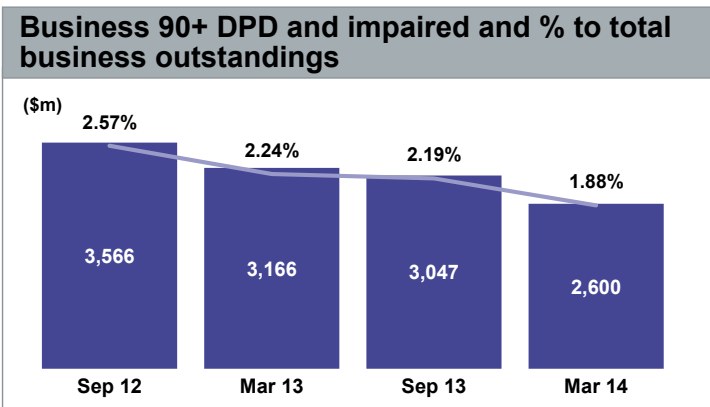
Australian Banking: Business lending



- (1) Spot GLA volumes
- (2) Excludes Consumer Lending Product, Everyday Banking – Consumer & Cards, UBank and Margin Lending products
- (3) Represents assets within the Australian geography.



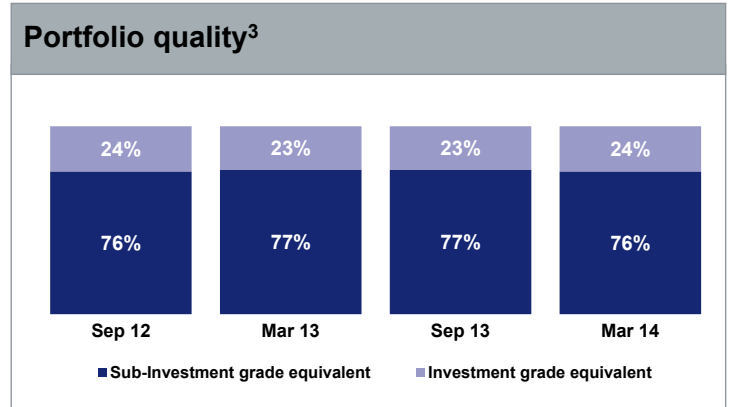
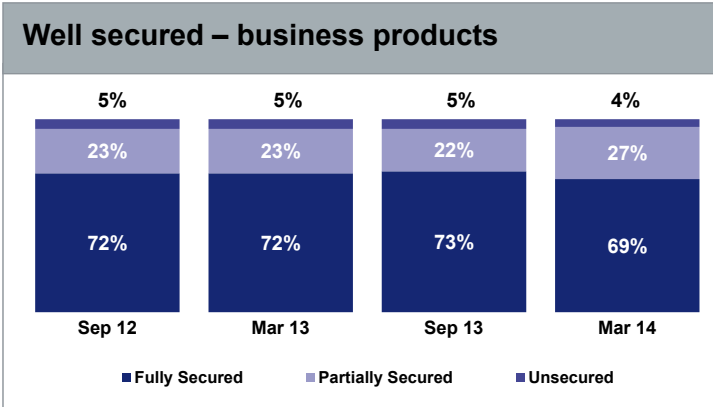
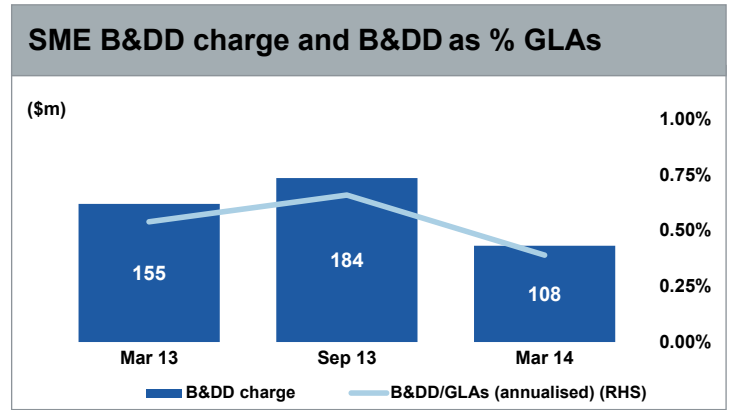
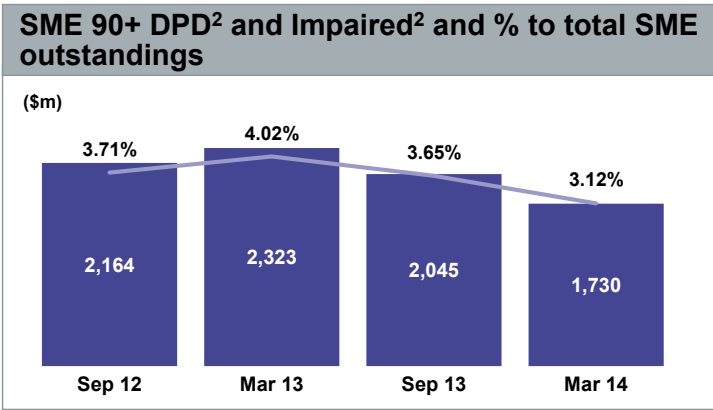
Australian Banking: Business lending – Asset Quality



- (1) Excludes Consumer Lending Product, Everyday Banking – Consumer & Cards, UBank and Margin Lending products
- (2) Represents assets within the Australian geography
- (3) Portfolio quality on a probability of default basis
- (4) Includes Asia



Australian Banking: Business lending - SME¹ Asset Quality

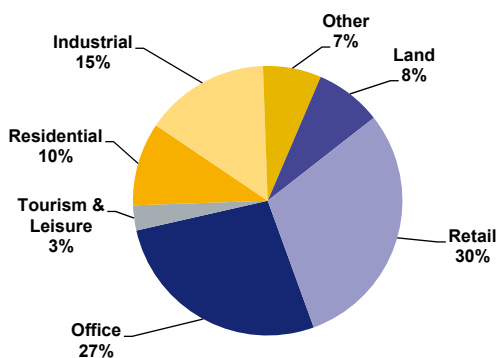


(1) SME business data reflects the nabusiness segment of Business Lending which supports business customers with lending typically up to \$25m, excluding the Specialised Businesses
 (2) Includes nabusiness mortgages
 (3) Portfolio quality on a probability of default basis



Australian Banking: Business lending - Commercial Real Estate

Total \$45.0bn¹
 11.3% of Australian geography
 Gross Loans & Acceptances



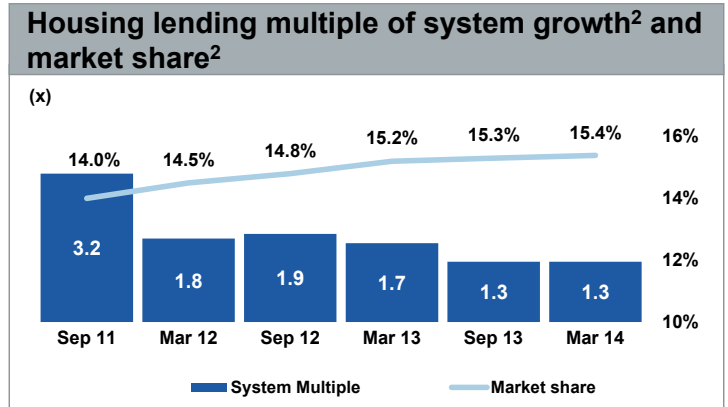
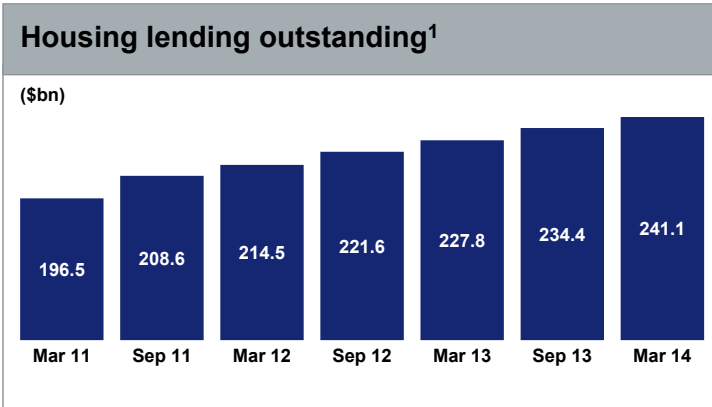
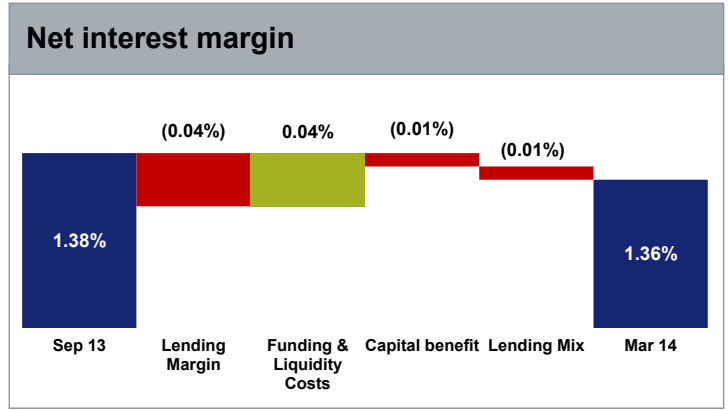
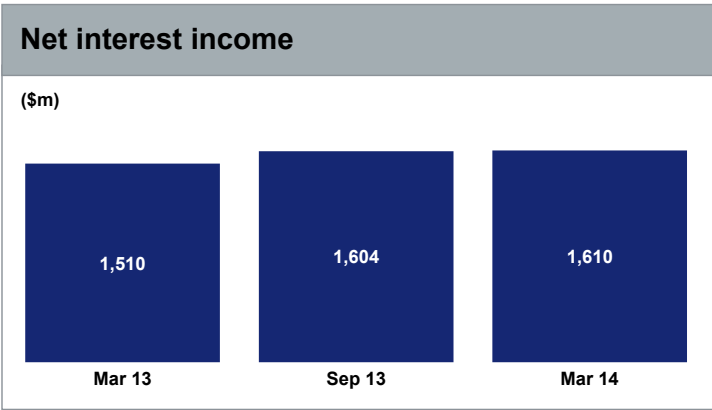
State	NSW	VIC	QLD	Other	Total
Location %	37%	27%	19%	17%	100%
Loan Balance ² < \$5m	10%	10%	7%	6%	33%
> \$5m < \$10m	4%	3%	2%	3%	12%
> \$10m	23%	14%	10%	8%	55%
Loan tenor < 3 yrs	29%	22%	17%	13%	81%
Loan tenor > 3 < 5 yrs	7%	4%	1%	3%	15%
Loan tenor > 5 yrs	1%	1%	1%	1%	4%
Average loan size \$m	3.5	2.5	2.7	3.0	2.9
Security Level ³ – Fully Secured	27%	23%	16%	15%	81%
Partially Secured	4%	3%	3%	2%	12%
Unsecured	6%	1%	0%	0%	7%
90+ days past due	0.06%	0.04%	0.03%	0.01%	0.14%
Impaired loans	0.66%	0.25%	0.39%	0.13%	1.43%
Specific provision coverage	9.5%	15.6%	18.5%	33.0%	15.1%

Trend	Mar 14	Sep 13	Mar 13	Sep 12
90+ days past due	0.14%	0.18%	0.38%	0.17%
Impaired loans	1.43%	1.75%	2.01%	2.75%
Specific provision coverage	15.1%	18.0%	19.3%	14.0%

(1) Data has been prepared in accordance with APRA ARF230 guidelines
 (2) Distribution based on loan balance
 (3) Fully Secured represents loans of up to 70% of the Market Value of Security. Partially Secured are over 70%, but not Unsecured. Unsecured is primarily Negative Pledge lending



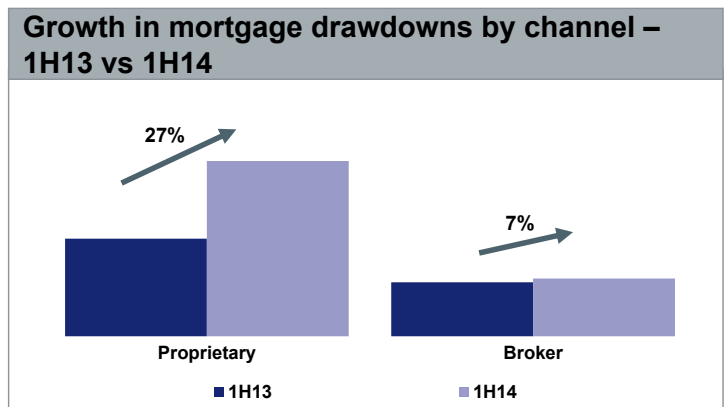
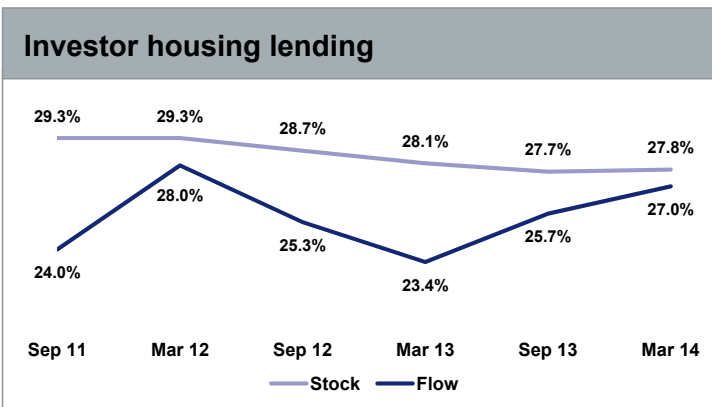
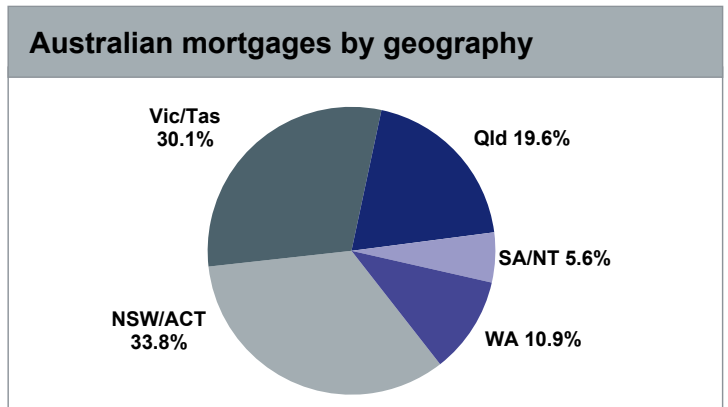
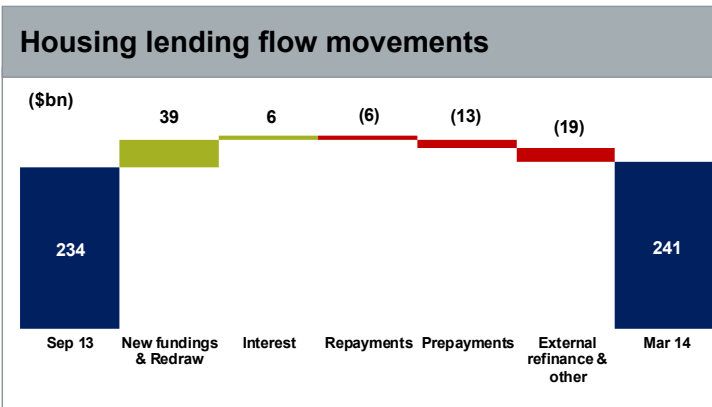
Australian Banking: Housing lending



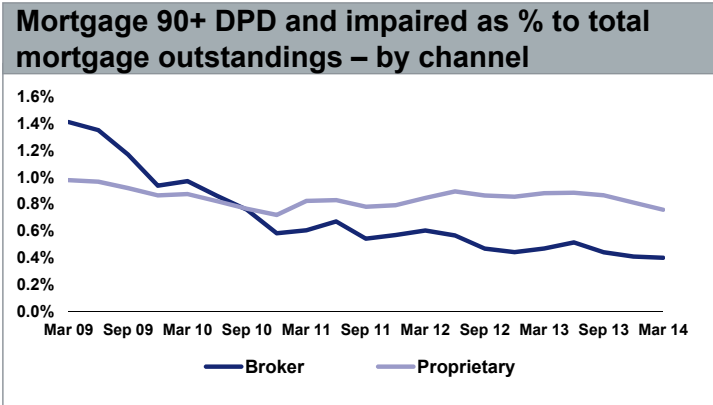
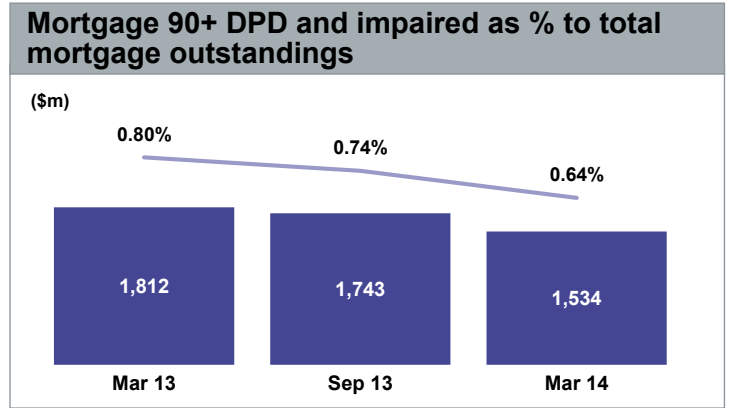
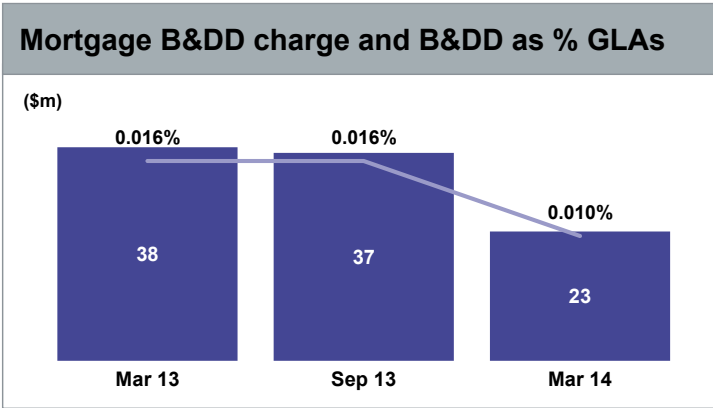
(1) Spot GLA volumes
(2) RBA Financial System



Australian Banking: Housing lending



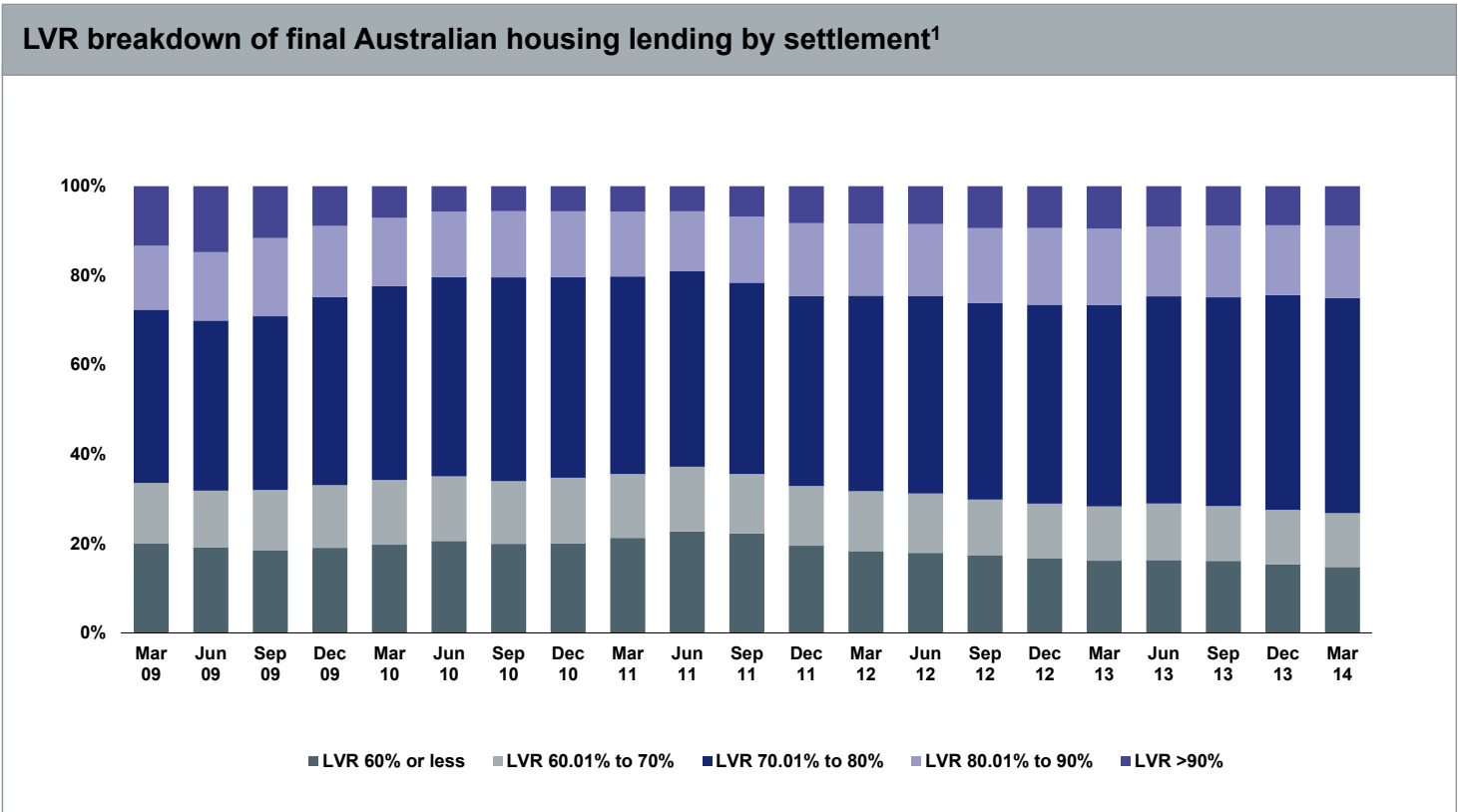
Australian Banking: Housing lending - Asset Quality



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Australian Banking: Housing lending - LVR profile



(1) Includes Advantedge portfolio

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Australian Banking: Housing lending - Key metrics

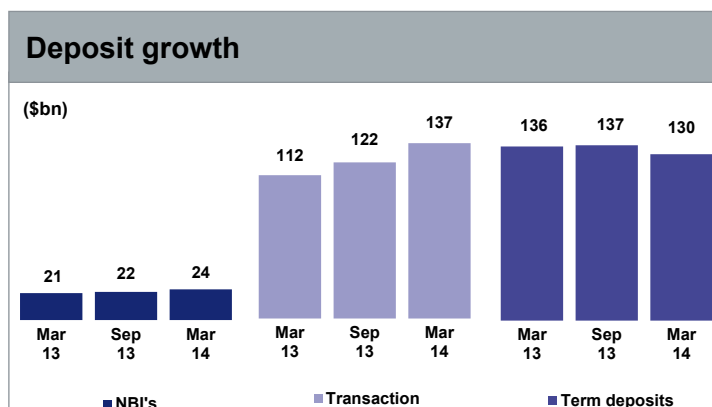
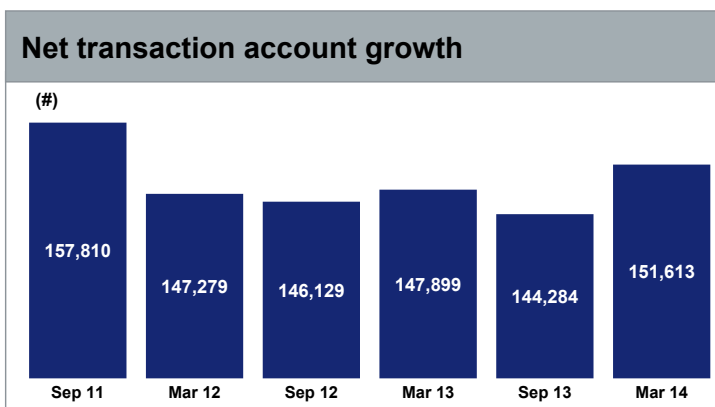
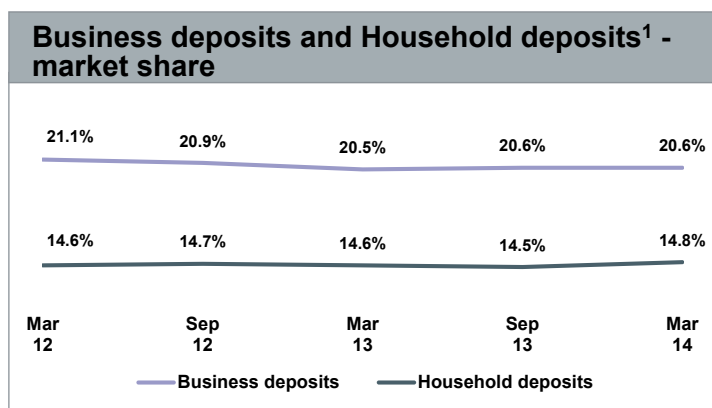
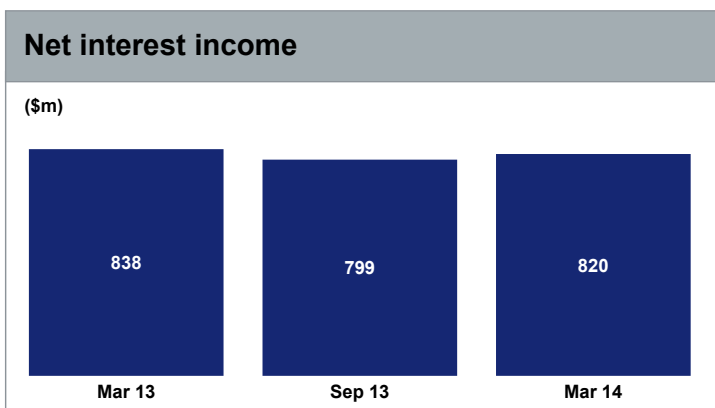
Australian Mortgages	Mar 14	Sep 13	Mar 13	Sep 12
Owner Occupied ¹	72.1%	72.2%	71.9%	71.4%
- of which First Home Buyer	8%	8%	8%	8%
Investment ¹	27.9%	27.8%	28.1%	28.6%
Low Documentation	1.7%	1.8%	2.0%	2.2%
Low Documentation LVR cap (without LMI)	60%	60%	60%	60%
Variable rate lending drawn balance	72.3%	72.6%	74.3%	73.8%
Fixed rate lending drawn balance	13.8%	12.4%	9.9%	9.2%
Line of credit drawn balance	13.9%	15.0%	15.8%	17.0%
Interest only drawn balance	32.3%	31.3%	30.7%	30.3%
Offset account balance \$ (bn)	\$15.6	\$13.9	\$12.7	\$11.3
Mortgage balances attributed to:				
- Proprietary	71.0%	71.9%	73.1%	74.7%
- Broker	29.0%	28.1%	26.9%	25.3%
Mortgage drawdowns attributed to:				
- Proprietary	65.7%	64.9%	62.1%	64.6%
- Broker	34.3%	35.1%	37.9%	35.4%
Current LVR on an exposure calculated basis ²	53.4%	55.4%	56.1%	56.3%
Current LVR on a drawn balance calculated basis ²	45.9%	47.7%	48.3%	48.5%
Customers in advance >1 month ³	63.8%	63.8%	64.1%	65.9%
Avg # of payments in advance ⁴	13.3	12.9	12.5	12.3
Average drawn balance \$ ('000)	\$267	\$265	\$266	\$262
90+ days past due	0.47%	0.50%	0.52%	0.50%
Impaired loans	0.19%	0.26%	0.27%	0.30%
Specific provision coverage	23.0%	20.7%	21.2%	19.1%
Loss rate ⁵	0.05%	0.04%	0.05%	0.06%

- (1) Portfolio purpose classification under review
 (2) Methodology under review
 (3) Excludes Advantedge, Offset accounts and Line of Credit
 (4) Comparative periods have been revised to present data on a like-for-like basis
 (5) Loss Rate = Annual Write-offs / Spot Drawn Balances

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Australian Banking: Deposits and transaction accounts

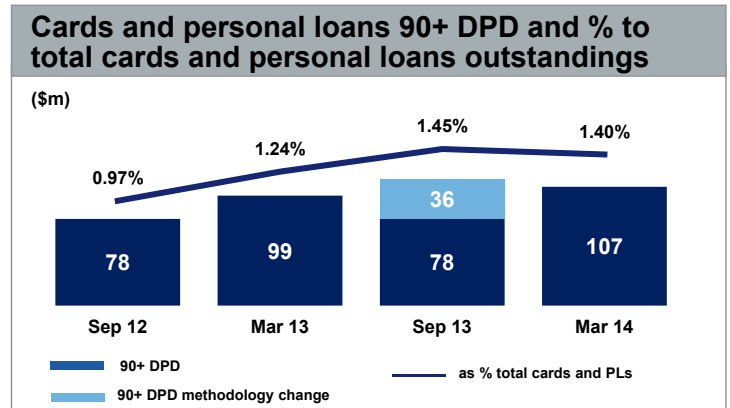
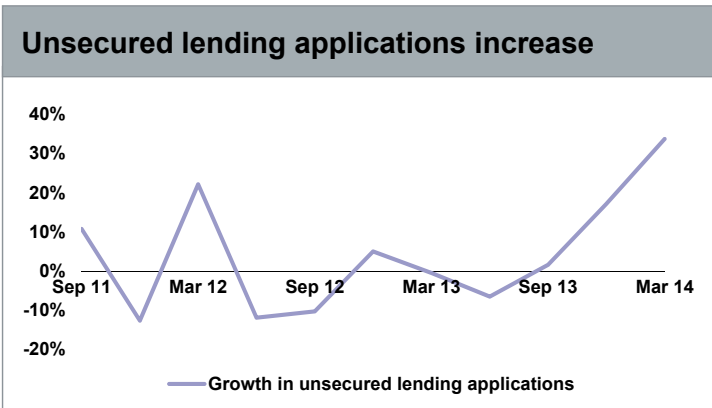
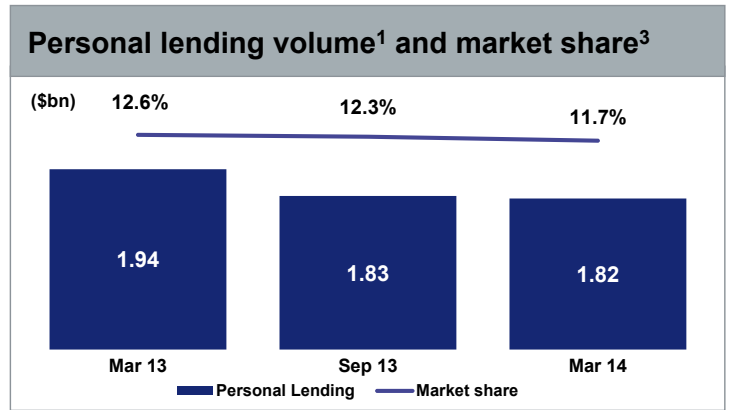
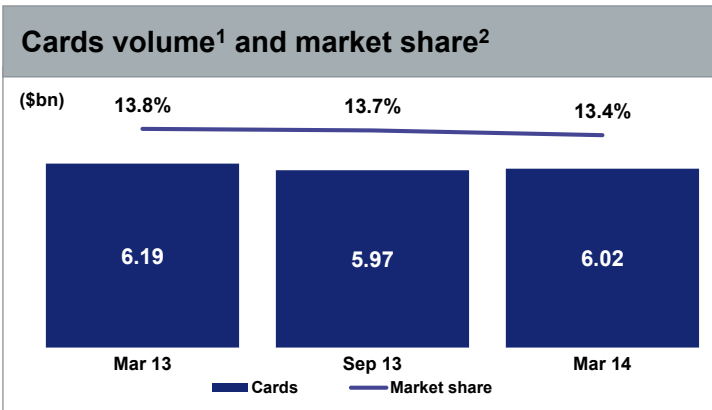


(1) APRA Banking System / NAB

48



Australian Banking: Other banking products



(1) Spot volumes
 (2) APRA Banking System
 (3) Personal loans business tracker reports provided by RFI



Australian Banking: Markets and Specialised Finance

Customer sales performance

	Current ranking	Previous ranking
Best Advice on Use of Interest Rate Risk Management – Corporate & Financial Institution Clients ¹	#1	#1
Lead Interest Rate provider where the relevant bank is lead domestic credit provider ²	#1	#1
Most Trusted Adviser for FX – Financial Institution Clients ⁵	#1	#1
Interest Rate Derivative Structuring Ability – Corporate Clients ³	#1	#2
Bank of Choice for Sensitive / Strategic Interest Rate Derivative Transactions – Corporate Clients ³	#1	#3
FX Market Share - Financial Institution Clients ⁴	#1	#1
Relationship Strength for FX - Financial Institution Clients ⁵	#1	#1
Interest Rate Swap (excl. OIS) Market Share – Fixed Income Clients ⁷	#1	#1
Short Dated Securities Market Share - Fixed Income Clients ⁶	#1	#1

135,000 NAB Traveller Card customers have loaded \$625m for their travel spend since the April 2012 launch

Market leading sales positions

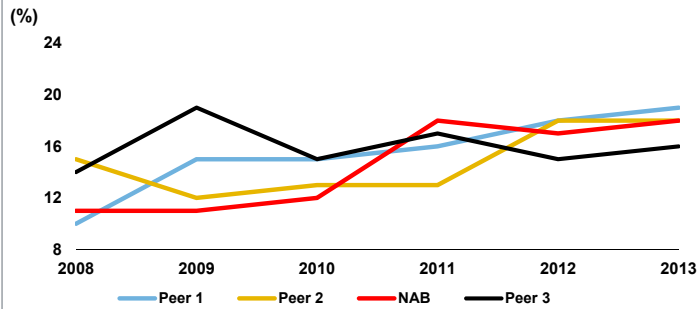
#1	MLA Project Finance in Australasia ⁸
#1	MLA Project Finance in Australasian PPPs ⁹
#1	MLA Project Finance in Australian Renewables Sector ¹⁰
Debt Capital Solutions	
#1	Australian Securitisation House of the Year (2 nd year in a row) ¹¹
#1	Australia Domestic Market FIG DCM Bookrunner ¹²
#1	Non-Domestic Financial Institution Originations - total market penetration ^{13a} (=1 st) and 'lead' citations (1 st) ^{13b}
#1	Hybrid Securities - total market penetration ^{13a} and 'lead' citations ^{13b}
#1	Medium Term Asset / Mortgage Backed Securities - total market penetration ^{13a} and 'lead' citations ^{13a}

(1) Peter Lee Associates – Large Corporate & Institutional Relationship Banking Australia Survey 2013. Ranking against the four major domestic banks; (2) Peter Lee Associates – Large Corporate & Institutional Relationship Banking Australia Survey 2013. Ranking against the four major domestic banks; (3) Peter Lee Associates – Interest Rate Derivatives Australia Survey 2013. Ranking against the four major domestic banks; (4) Peter Lee Associates – Foreign Exchange Survey Australia 2013. Financial Institution Respondents; (5) Peter Lee Associates – Foreign Exchange Survey Australia 2013. Financial Institution Respondents. Ranking against the four major domestic banks; (6) Peter Lee Associates – Debt Securities Investor Survey Australia 2013; (7) Peter Lee Associates – Debt Securities Investor Survey Australia 2013. Ranking against the four major domestic banks; (8) Dealogic Project Finance Review Australasian Project Finance Loans Mandated Lead Arranger, Full Year 2013; (9) Infrastructure Journal Online League Tables Project Finance Mandated Lead Arranger (Australia & New Zealand), Full Year 2013; (10) Infrastructure Journal Online League Tables Project Finance Mandated Lead Arranger (Australia), Full Year 2013; (11) KangaNews, Australian Market Awards 2012 & 2013; (12) Dealogic Australia DCM Review, Full Year Results 2013 (13) Peter Lee Associates – Debt Securities Originations Survey Australia 2013 (a) ranking against all banks, (b) ranking against the four major domestic banks

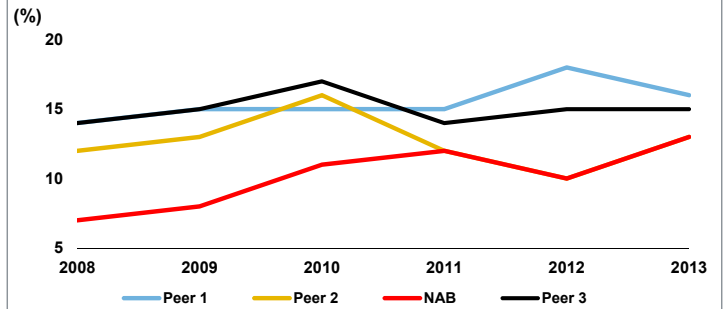


Australian Banking: Markets

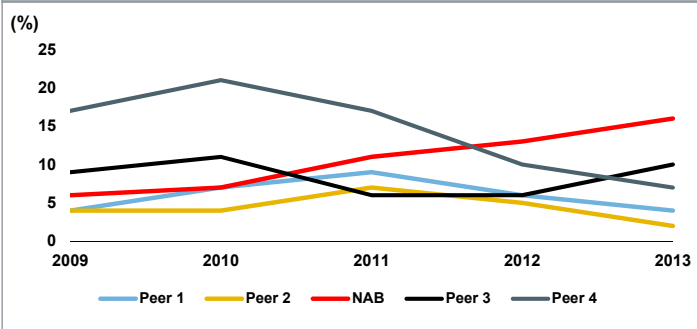
Interest rate hedging market share trends – Corporates¹



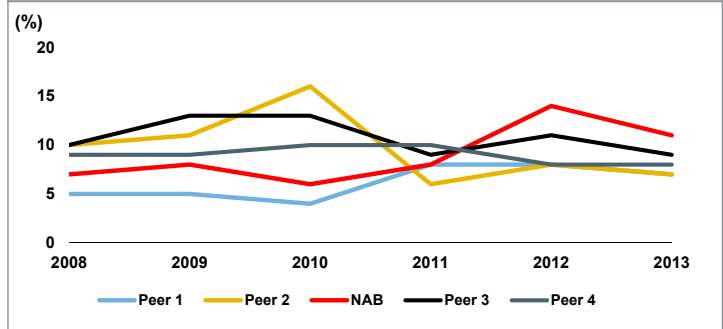
FX hedging market share trends – Corporates²



Interest Rate Swaps (excl OIS) market share trends – Financial Institutions³



FX hedging market share trends – Financial Institutions⁴

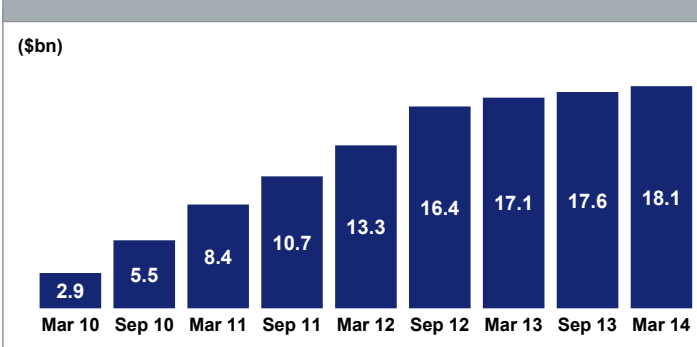


- (1) Peter Lee Associates Interest Rate Derivatives Survey, Australia 2013. Based on Top 4 banks by penetration
- (2) Peter Lee Associates Foreign Exchange Survey, Australia 2013 – Corporate Respondants. Based on Top 4 banks by penetration
- (3) Peter Lee Associates Debt Securities Investors Survey, Australia 2013. Based on Top 5 banks by penetration
- (4) Peter Lee Associates Foreign Exchange Survey, Australia 2013 – Financial Institution Respondants. Based on Top 5 banks by penetration

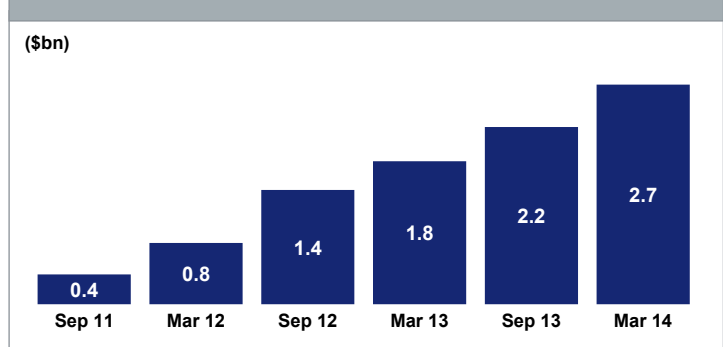


Australian Banking: UBank and Nabtrade

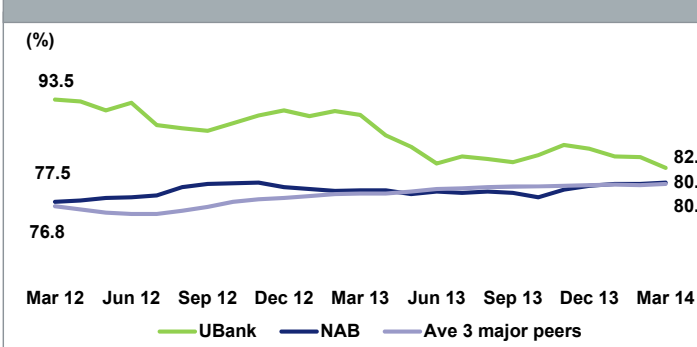
UBank - Deposits¹



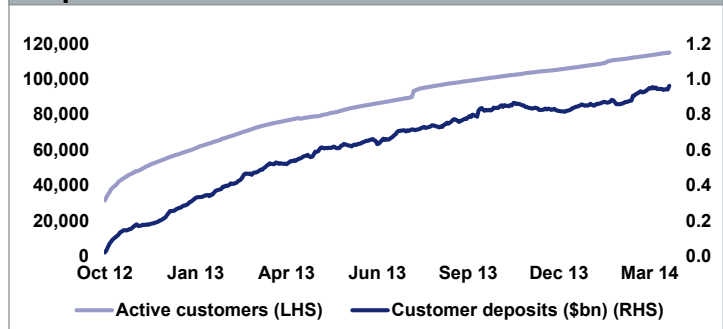
UBank - Housing loans¹



UBank - Customer satisfaction²



Nabtrade - Active customers and customer deposits



- (1) Spot volumes
- (2) Roy Morgan Research, March 2014. Australian pop'n aged 14+, six-month moving average. Customer Satisfaction is based on customers who answered very/fairly satisfied.



NAB's operational focus in Asia

Beijing NAB and NAB Wealth representative offices
Shanghai branch
 > Institutional and Corporate, Financial Institutional Group, Migrant Banking

Tokyo branch & Osaka sub-branch
 > Institutional and Corporate, Financial Institutional Group, Trade, Markets and Private Wealth

Hong Kong branch
 > Institutional and Corporate, Financial Institutional Group, Trade, Markets, Private Wealth

Mumbai branch
 > Institutional and Corporate, Trade, Markets and Private Wealth

Singapore branch
 > Institutional and Corporate, Financial Institutional Group, Trade, Markets and Private Wealth

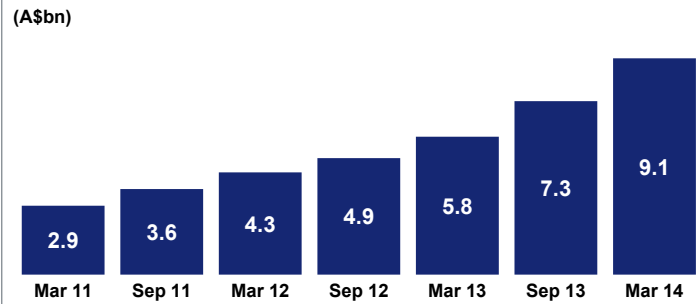
Indonesia representative office
 > Supporting offshore Trade, Markets and Institutional Banking

● Representative office(s) ● Branch or sub-branch

Australia in Asia Strategy

- Earnings growth potential for our core businesses in the region
- Supporting our franchise customers in key market segments – Food & Agri, Energy & Resources, Infrastructure, Property and AUD/NZD solutions
- Clearly defined customer segments – Institutional, Trade, Markets, Financial Institutions and Private Wealth
- Enhanced product capability for customers transacting between Australia/New Zealand and Asia

Loan balances in Asia



Additional Information

Australian Banking

NAB Wealth

NZ Banking

UK Banking

NAB UK CRE

Great Western Bank

Group Asset Quality

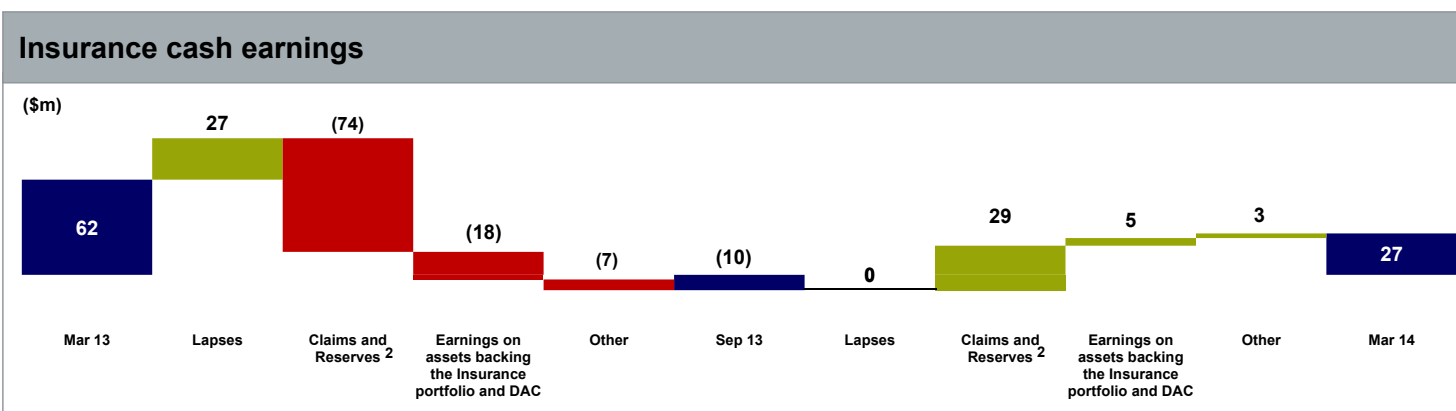
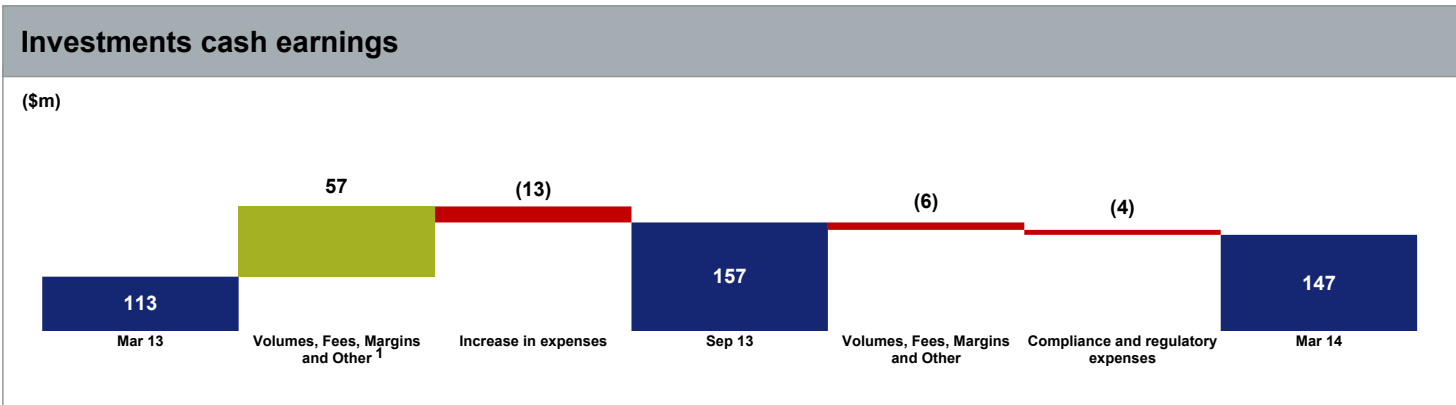
Capital and Funding

Other

Economic Outlook



NAB Wealth: Cash earnings

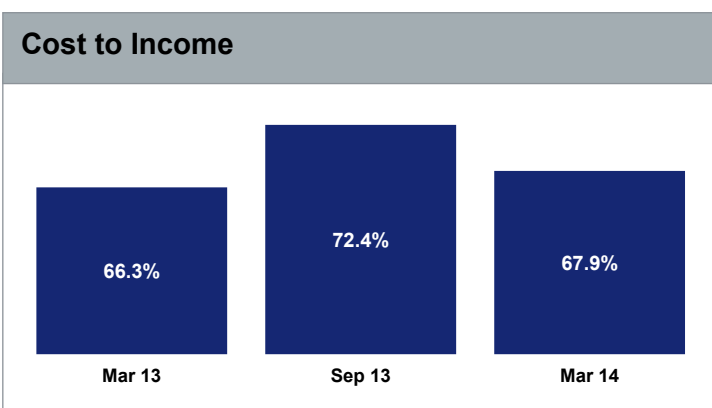
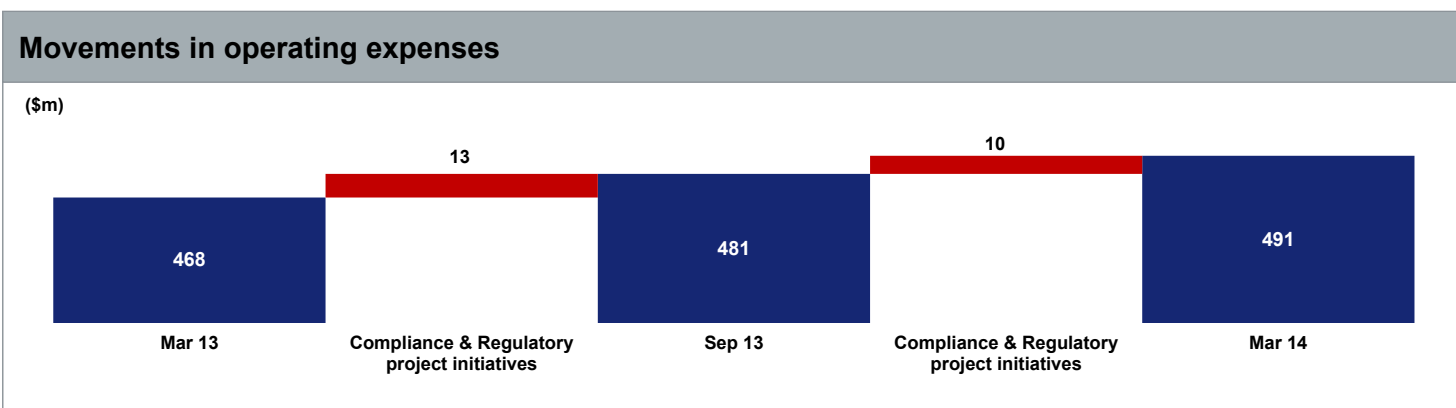


(1) Includes sale of AREA Property Partners

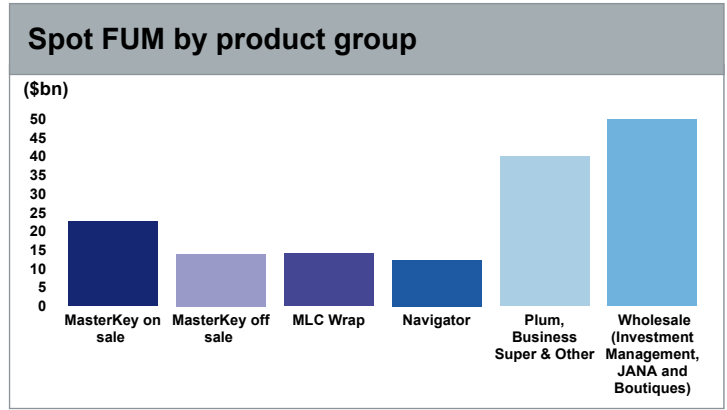
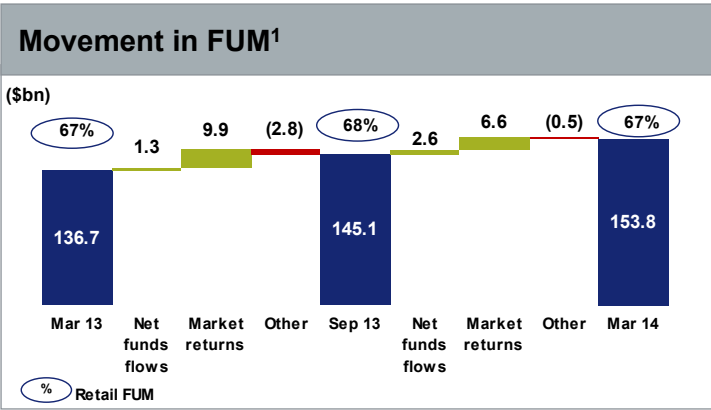
(2) Includes impact of after-tax insurance reserve changes (\$40m in Sep 13 half, \$14m in Mar 14 half)



NAB Wealth: Operating expenses

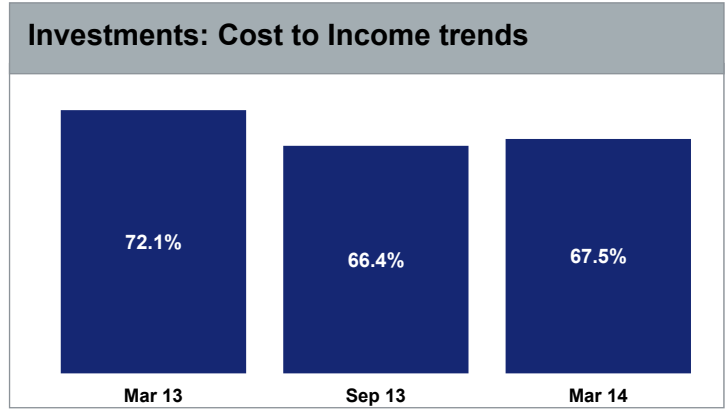


NAB Wealth: Investments



Net Funds Flow¹ by product group

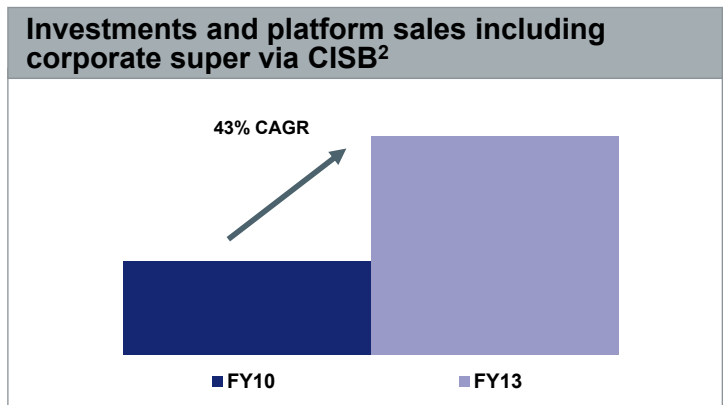
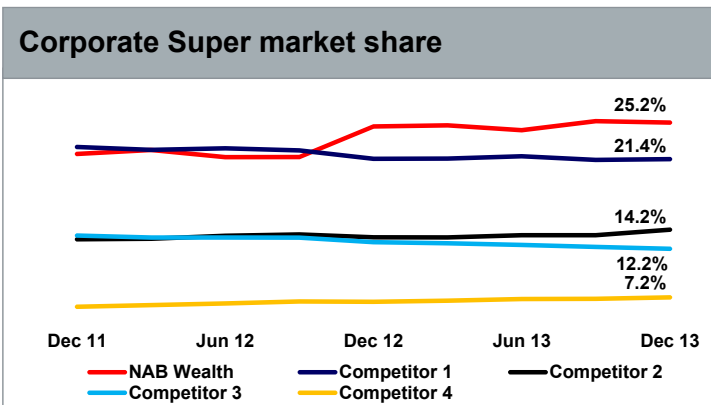
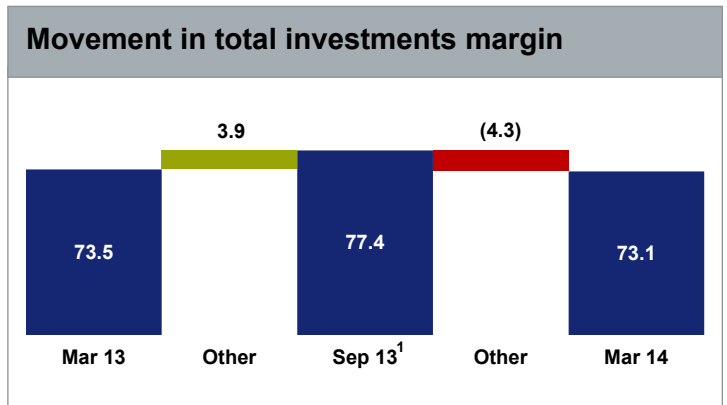
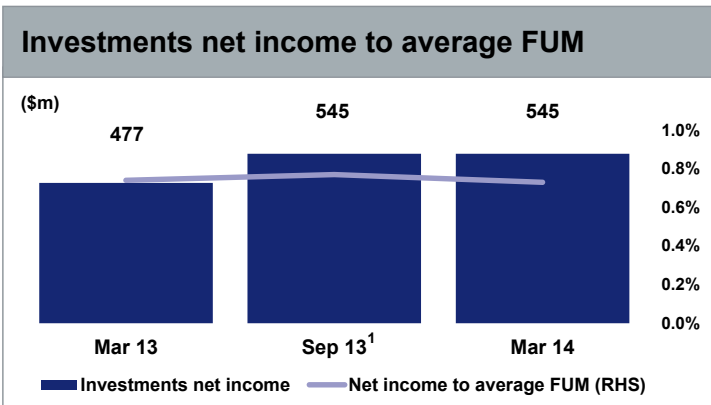
Product group	1H13 Net Funds Flow (\$m)	2H13 Net Funds Flow (\$m)	1H14 Net Funds Flow (\$m)
MasterKey on sale	385	582	590
MasterKey off sale	(1,023)	(987)	(839)
MLC Wrap	309	377	492
Navigator	(642)	(737)	(683)
Plum, Business Super & Other	3,065	1,568	1,229
Wholesale (Investment Management, JANA and Boutiques)	(771)	491	1,766
Total Net Funds Flow	1,323	1,294	2,555



(1) FUM on a proportional ownership basis



NAB Wealth: Investments

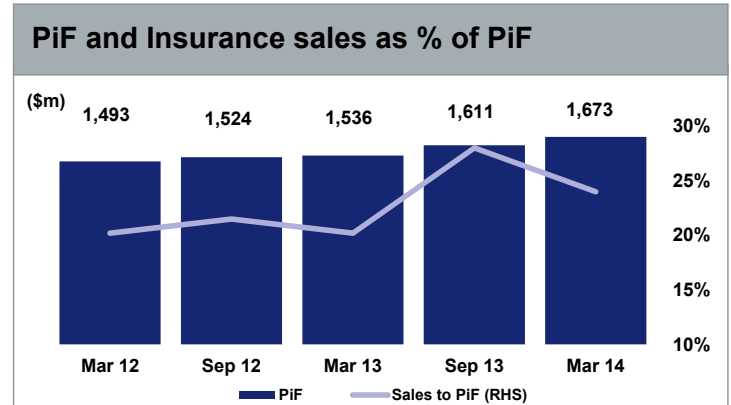
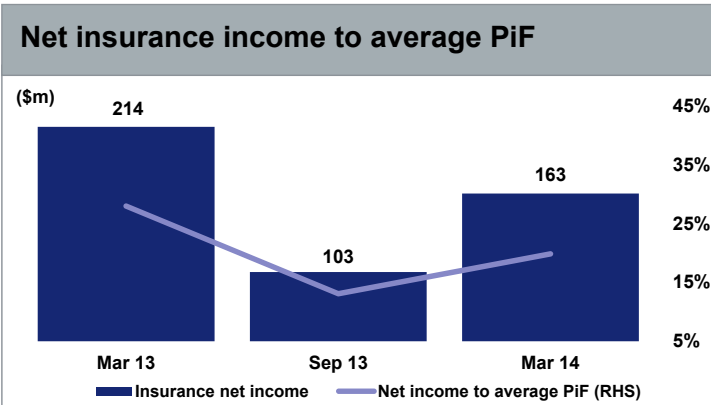
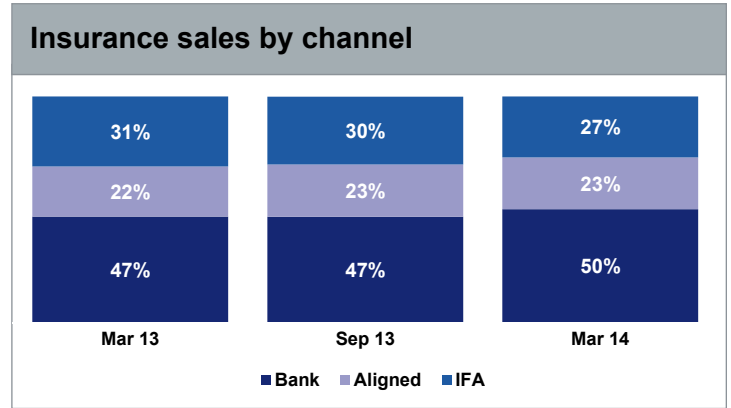
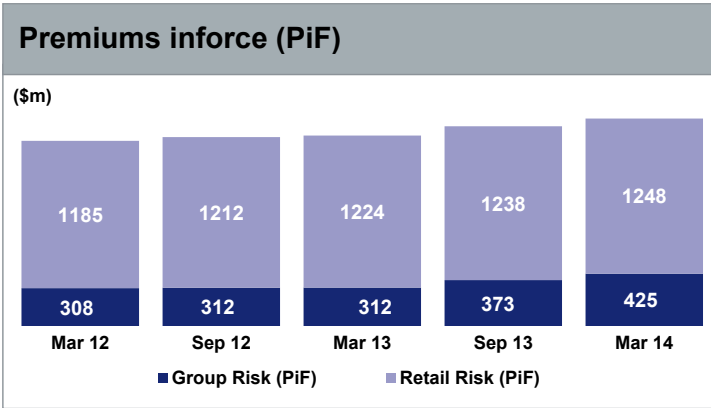


(1) Includes sale of AREA Property Partners

(2) CISB refers to business customers in Corporate, Institutional and Specialised Business



NAB Wealth: Insurance



Additional Information

Australian Banking

NAB Wealth

NZ Banking

UK Banking

NAB UK CRE

Great Western Bank

Group Asset Quality

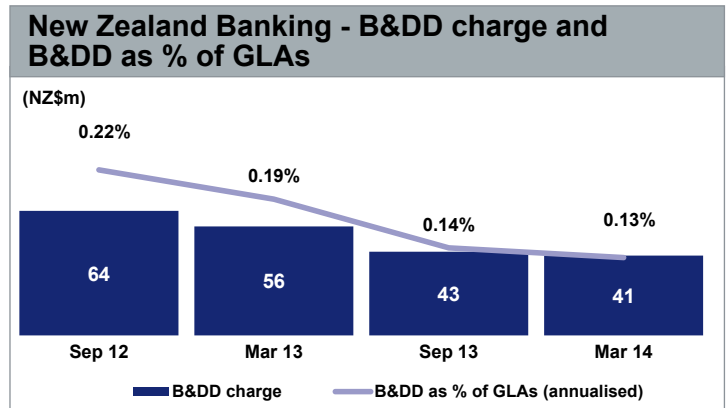
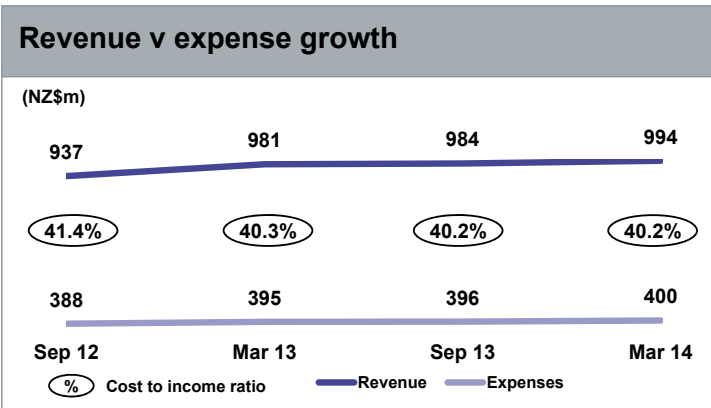
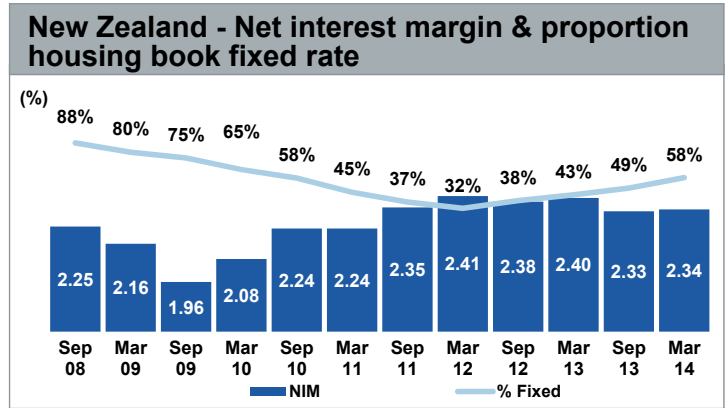
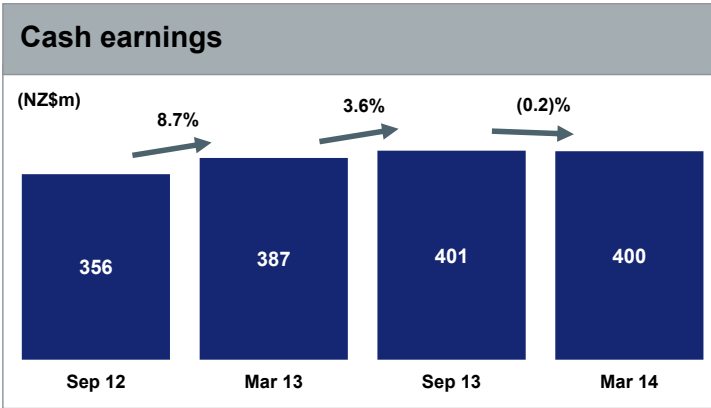
Capital and Funding

Other

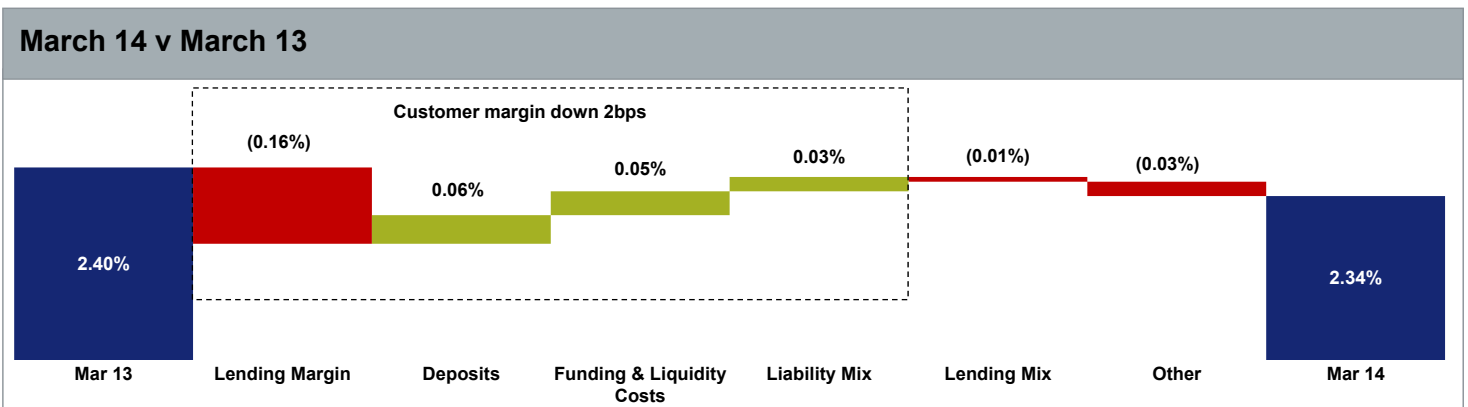
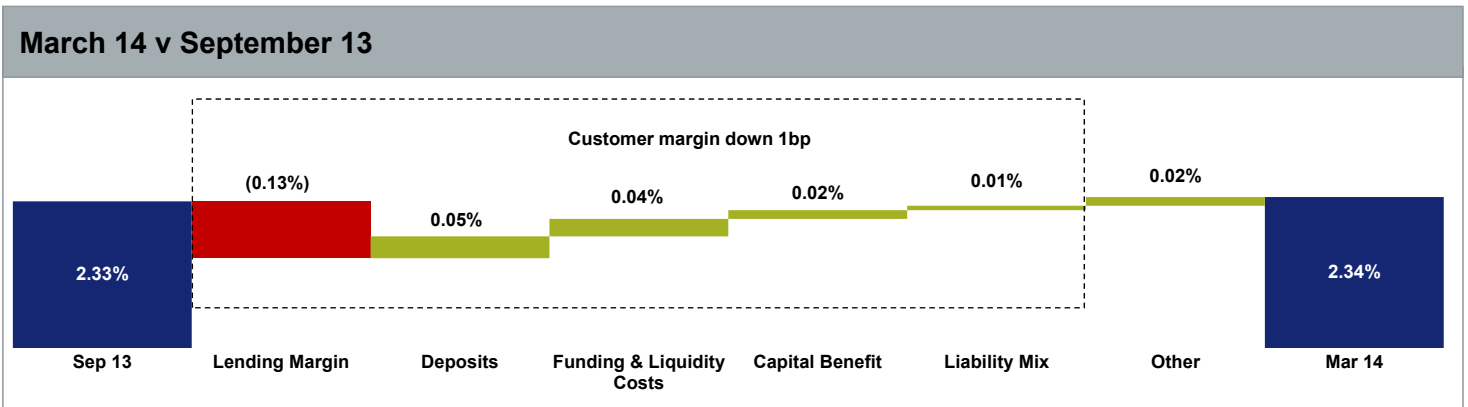
Economic Outlook



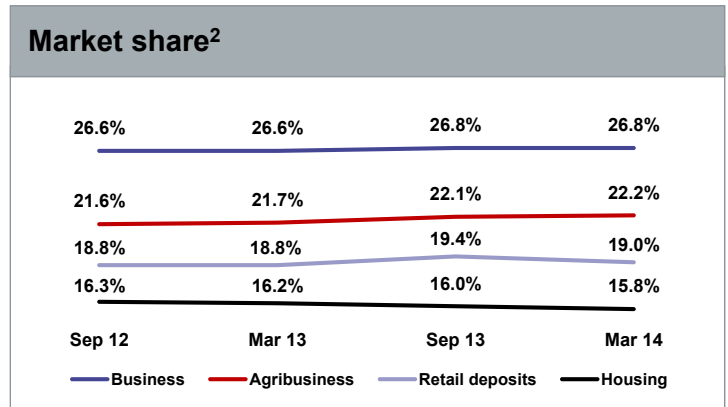
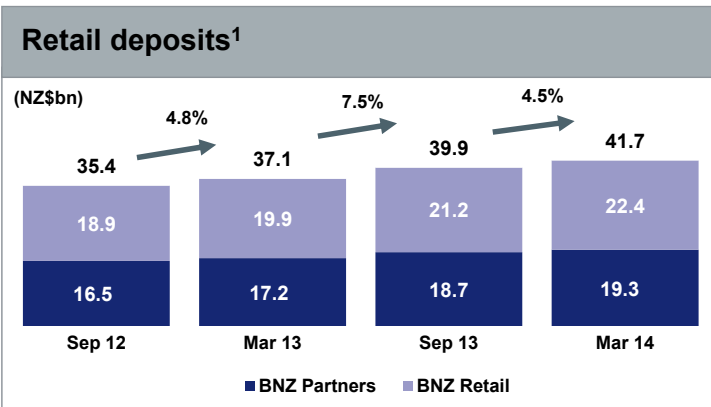
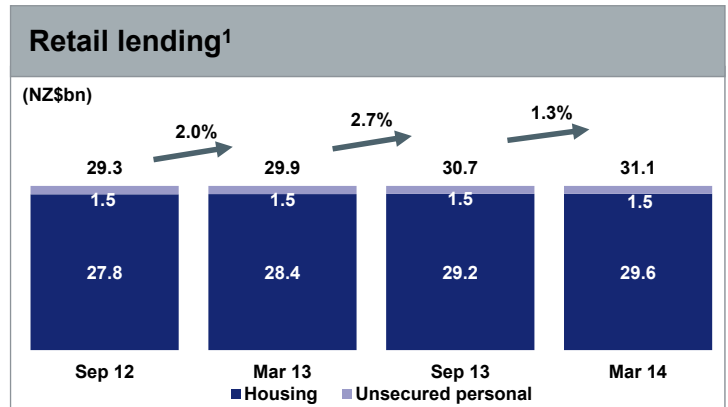
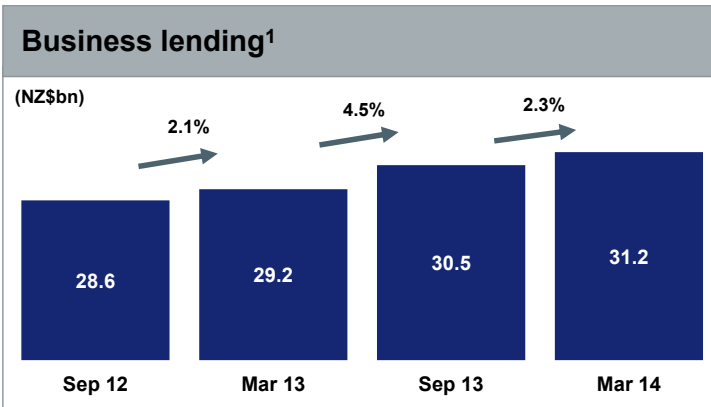
New Zealand Banking



New Zealand Banking: Net interest margin



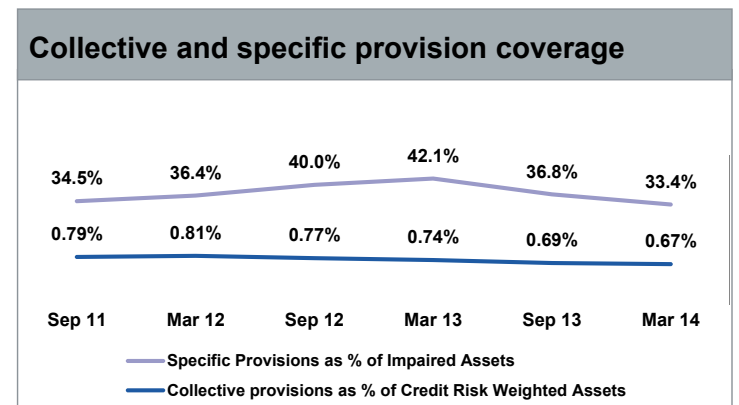
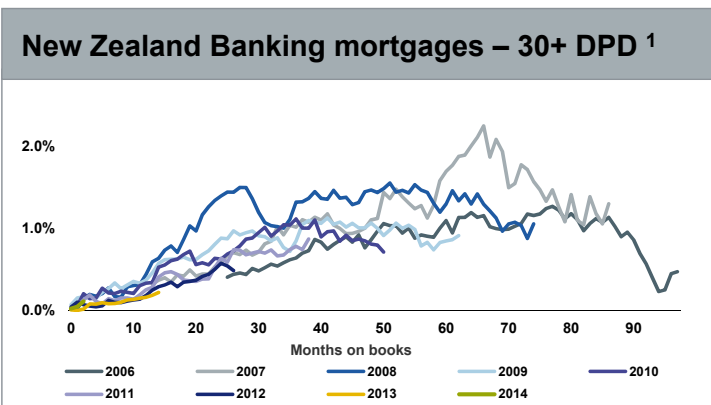
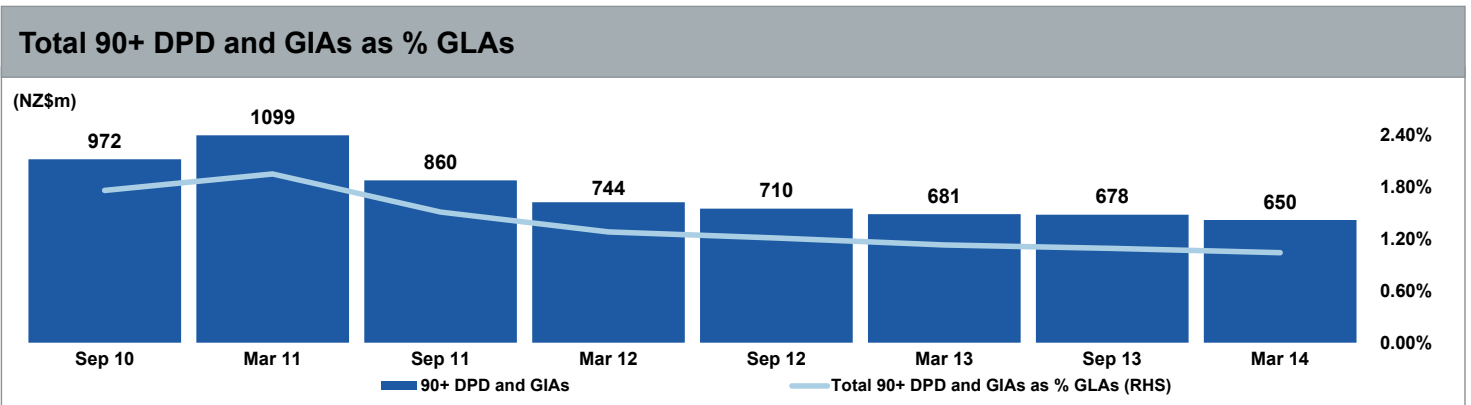
New Zealand Banking: Volumes and market share



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



New Zealand Banking: Asset quality

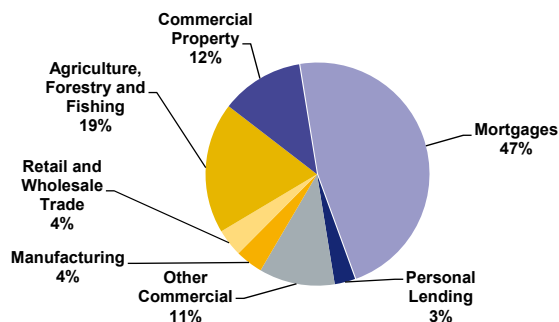


(1) The New Zealand vintage methodology differs from NAB as they calculate their vintage on a cumulative basis

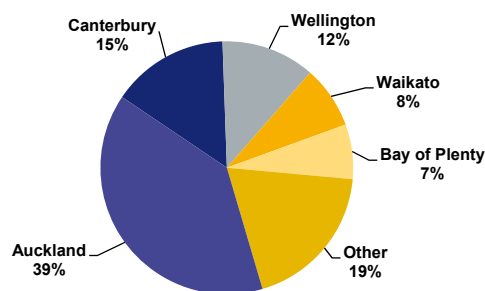


New Zealand - Lending mix and LVR

Portfolio breakdown - total NZ\$62.8bn

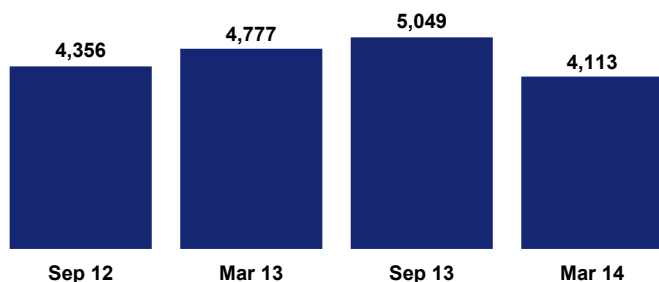


Mortgage portfolio breakdown by geography



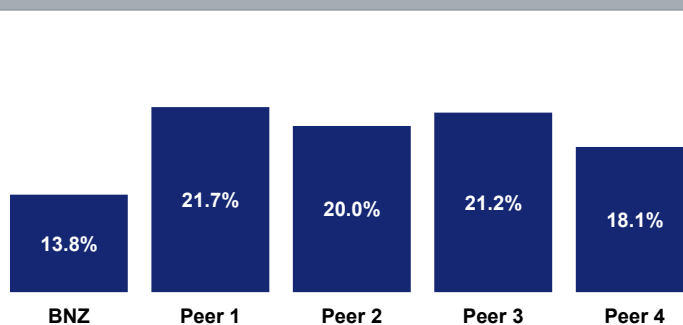
Home loans >80% LVR¹

(NZ\$m)



- (1) >80% LVR volumes are on an exposure at default (EAD) basis, and include commitments
 (2) Dec 13 is the latest available LVR peer comparison

Home loan LVR Proportion (>80%) - Dec 13²



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New Zealand mortgages: Key metrics

New Zealand Mortgages	Mar 14	Sep 13	Mar 13	Sep 12
Low Document Loans	0.21%	0.23%	0.27%	0.26%
Proprietary	100%	100%	100%	100%
Third Party Introducer	0.0%	0.0%	0.0%	0.0%
Variable rate lending drawn balance	38.3%	46.6%	52.7%	57.7%
Fixed rate lending drawn balance	57.9%	49.4%	43.1%	38.0%
Line of credit drawn balance	3.8%	4.0%	4.2%	4.3%
Interest only drawn balance ¹	23.0%	23.0%	22.4%	21.7%
Insured % of Total HL Portfolio ²	11.4%	12.5%	12.3%	11.8%
Current Loan to Value (% at drawn balance)	64.0%	64.7%	64.3%	63.7%
Loan to Value (at origination)	69.3%	69.9%	69.4%	68.7%
Average loan size NZ\$ ('000)	281	272	265	258
90+ days past due	0.18%	0.20%	0.22%	0.26%
Impaired loans	0.24%	0.21%	0.32%	0.35%
Specific provision coverage	32.7%	35.2%	32.1%	39.0%
Loss rate	0.04%	0.07%	0.09%	0.10%

- (1) Excludes Line of Credit
 (2) Insured includes both LMI and Low Equity Premium

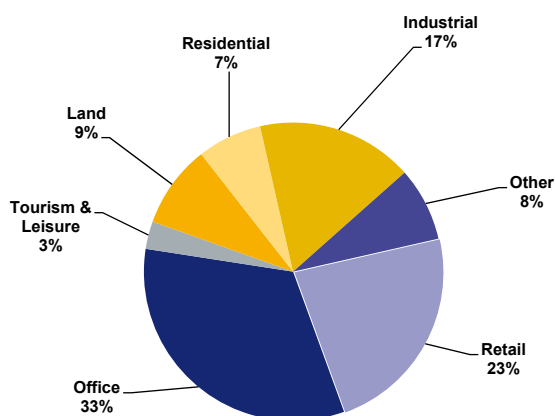
66



New Zealand Banking: Commercial Real Estate

Total NZ\$7.2bn

11.5% of Gross Loans & Acceptances



Region	Auckland	Other Regions	Total
Location %	40%	60%	100%
Loan Balance < NZ\$5m	11%	24%	35%
Loan Balance > NZ\$5m<NZ\$10m	6%	6%	12%
Loan Balance > NZ\$10m	23%	30%	53%
Loan tenor < 3 yrs	37%	51%	88%
Loan tenor > 3 < 5 yrs	1%	5%	6%
Loan tenor > 5 yrs	2%	4%	6%
Average loan size NZ\$m	4.6	2.9	3.5
Security Level ¹			
Fully Secured	28%	38%	66%
Partially Secured	11%	19%	30%
Unsecured	1%	3%	4%
90+ days past due	0.02%	0.62%	0.64%
Impaired loans	0.33%	0.66%	0.99%
Specific provision coverage	36.2%	53.7%	47.9%
Trend	Mar 14	Sep 13	Mar 13
90+ days past due	0.64%	0.83%	0.70%
Impaired loans	0.99%	1.02%	1.36%
Specific provision coverage	47.9%	46.3%	35.8%

(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



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New Zealand Banking: Key metrics

	Sep 08 (half year)	Mar 14 (half year)	Mar 14 vs Sep 08
Cash earnings (\$m)	276	400	+44.9%
Underlying profit (\$m)	443	594	+34.1%
Cost to income (CTI) ratio	45.1%	40.2%	-490bps
Return on assets (ROA)	1.03%	1.26%	+23bps
Cash earnings / Average FTE (\$ '000)	125	171	+36.8%
Customer deposits (\$bn)	25.0	41.7	+66.8%
Gross loans & acceptances (\$bn)	50.4	62.5	+24.0%
Mortgage market share ¹	15.9%	15.8%	-8bps
Agri lending market share ¹	17.7%	22.2%	+459bps
Business lending share ¹	25.1%	26.8%	+172bps
Retail deposits share ¹	17.0%	19.0%	+191bps

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



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Additional Information

Australian Banking

NAB Wealth

NZ Banking

UK Banking

NAB UK CRE

Great Western Bank

Group Asset Quality

Capital and Funding

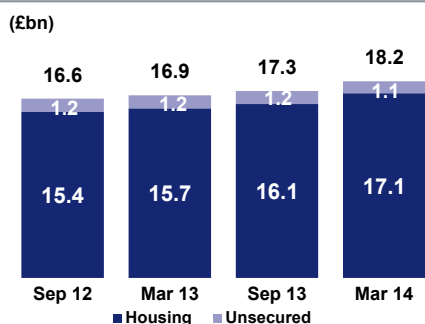
Other

Economic Outlook

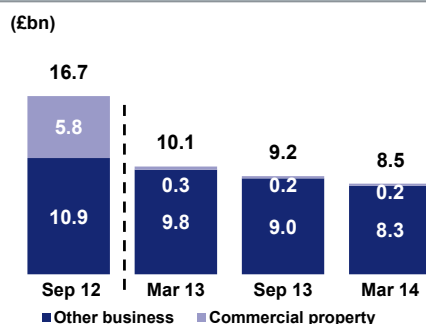


UK Banking

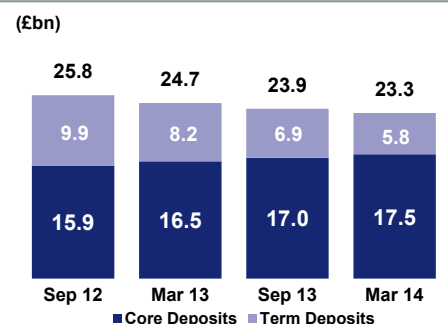
Personal lending¹



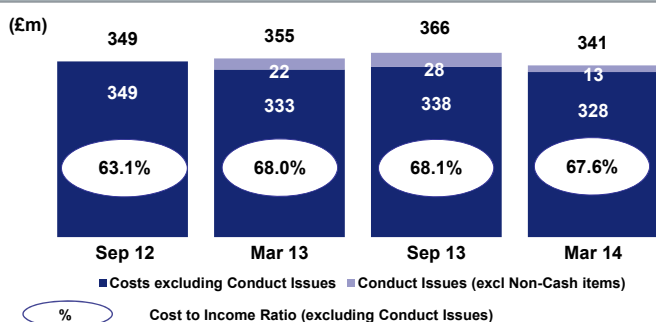
Business lending^{1,2}



Customer deposits^{1,3}



Costs⁴



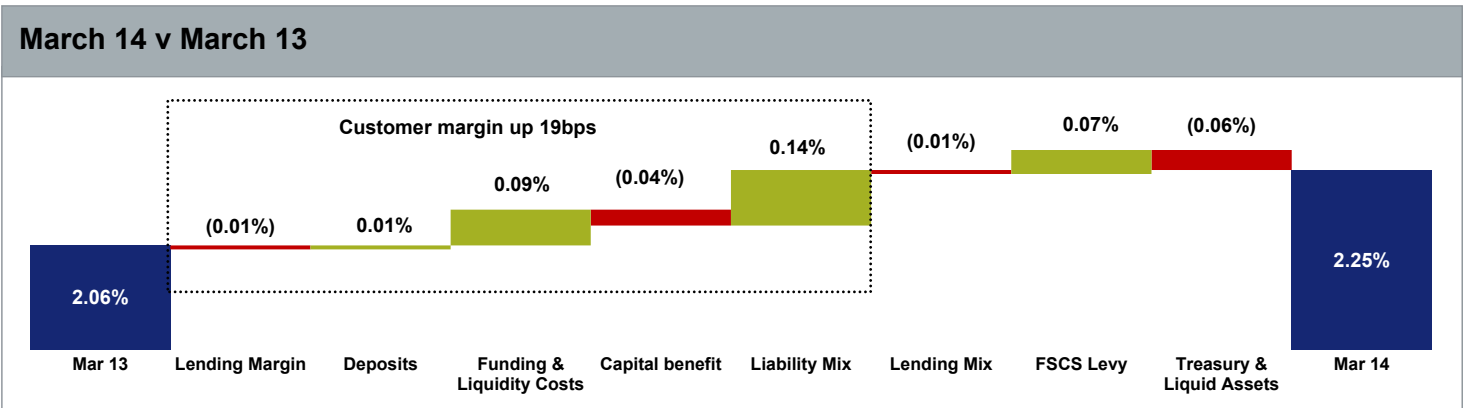
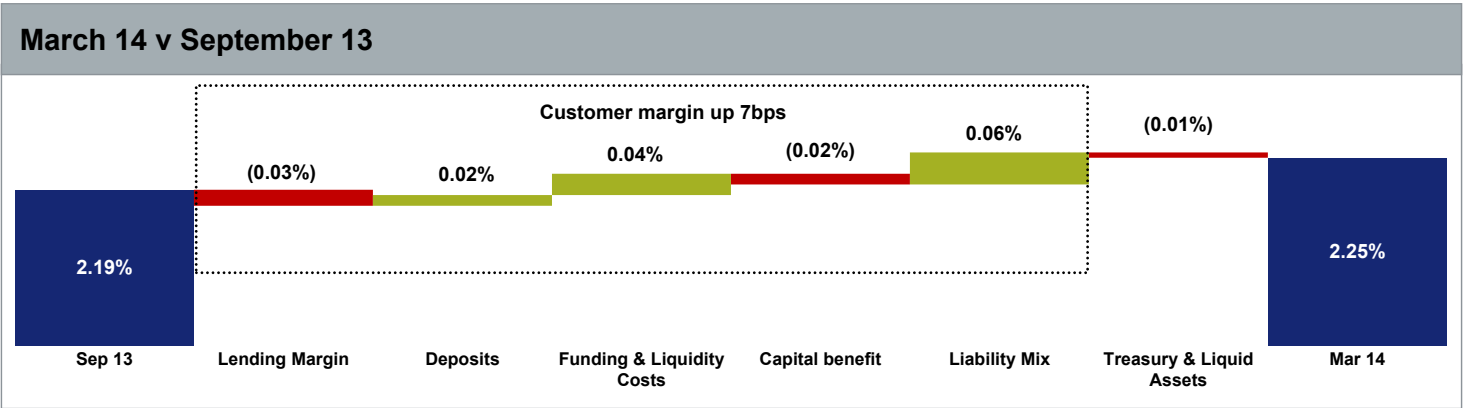
Net interest margin



(1) Spot volumes
 (2) On 5 October 2012 UK CRE was separated from UK Banking
 (3) Comparative numbers have been restated to conform with current period presentation.
 (4) Mar 13 and Sep 13 costs have been restated in line with the adoption of amendments to IAS19



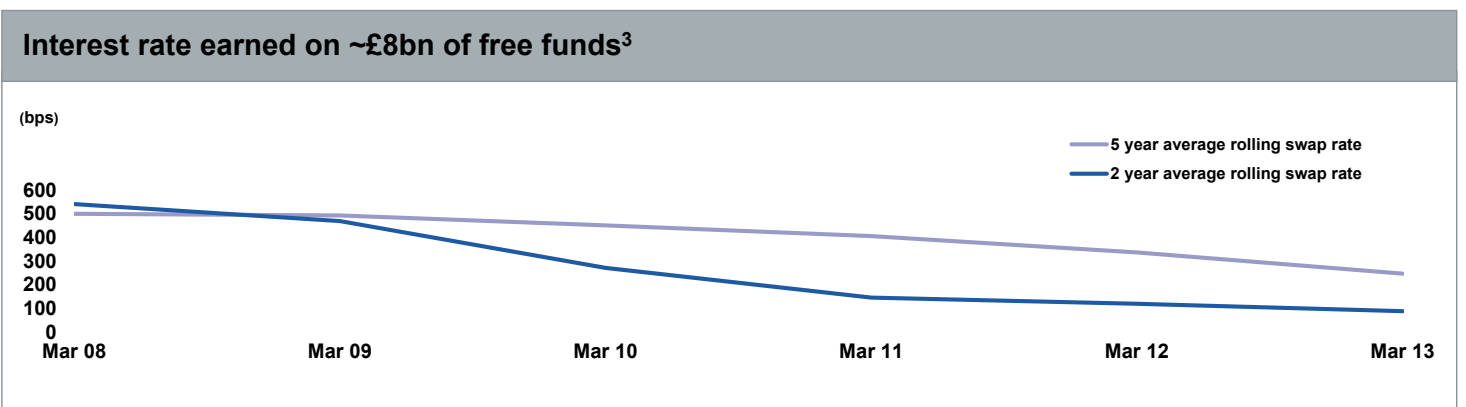
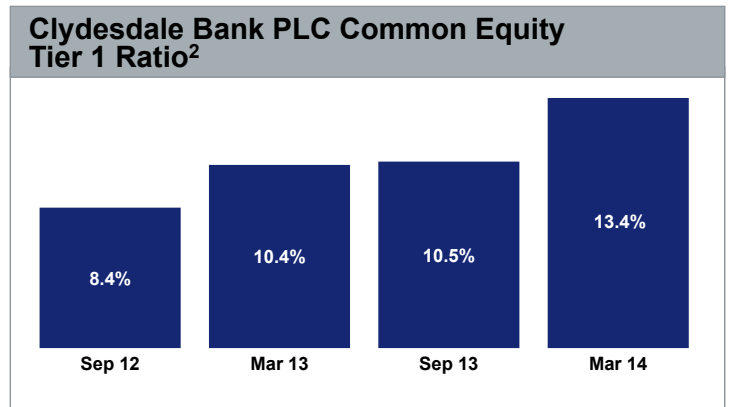
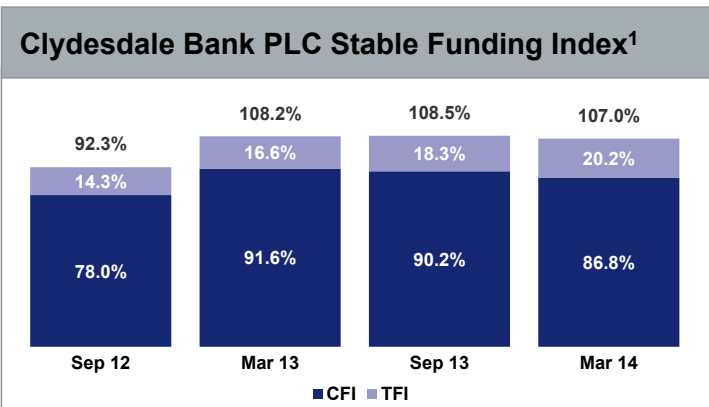
UK Banking: Net interest margin



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UK Banking: Funding Mix and Capital Ratios



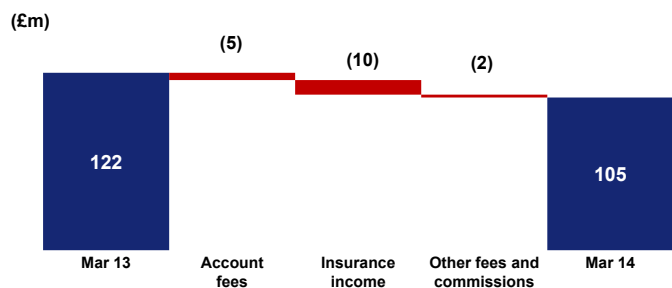
(1) Stable funding index (SFI) based on spot balances
 (2) On a UK Prudential Regulation Authority basis
 (3) Free funds are shareholders equity and non-interest bearing deposits. These flows are hedged over a 2 and 5 year period to reduce volatility from movements in benchmark interest rates

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UK Banking: Other operating income and expenses

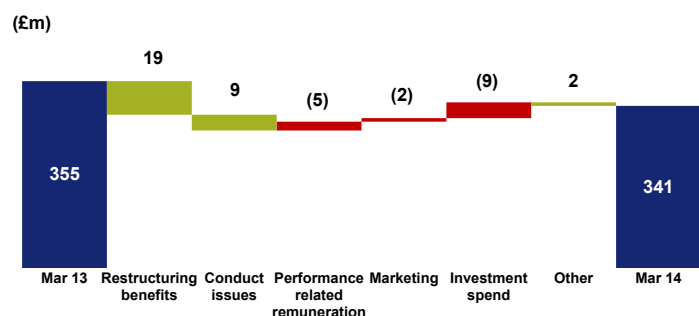
March 14 v March 13 Other operating income



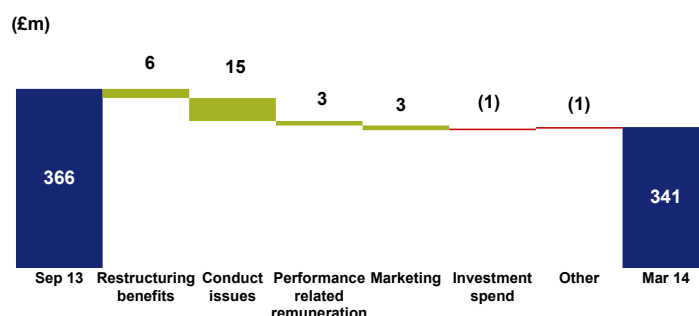
March 14 v September 13 Other operating income



March 14 v March 13 Operating expenses¹



March 14 v September 13 Operating expenses¹



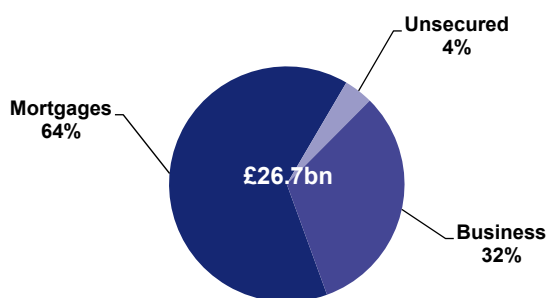
(1) Mar 13 and Sep 13 expenses have been restated in line with the adoption of amendments to IAS19

73

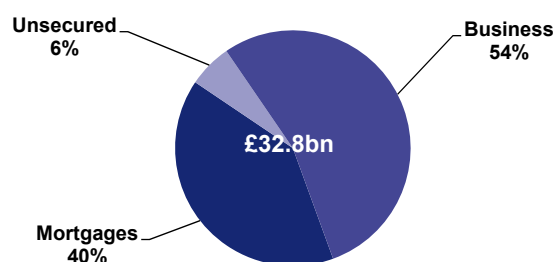


UK Banking: Portfolio composition

March 2014 Total portfolio composition



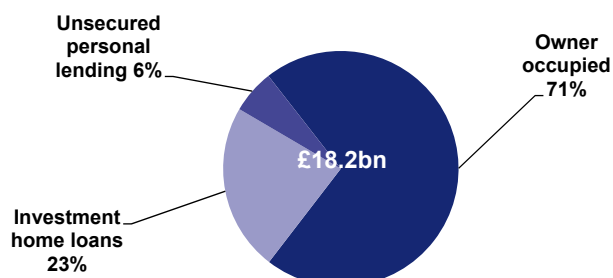
March 2011 Total portfolio composition¹



March 2014 Business portfolio composition

Industry	% Business Portfolio	% Total Portfolio
Agribusiness	21%	6%
Retail and Wholesale Trade	12%	4%
Hospitality	10%	3%
Business Services	11%	3%
Government, Health and Education	11%	3%
Manufacturing	10%	3%
Other	25%	10%
Total	100%	32%

March 2014 Retail portfolio composition



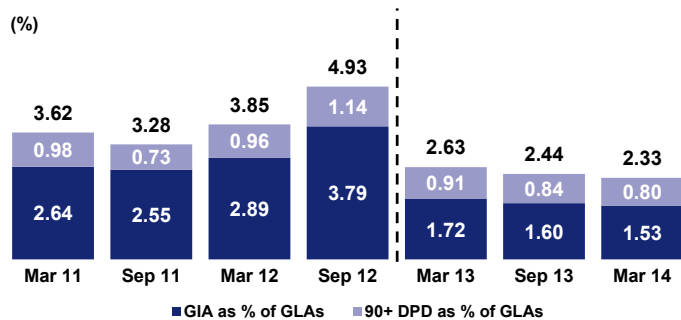
(1) March 2011 portfolio composition includes NAB UK CRE portfolio which was separated from UK Banking on 5 October 2012

74

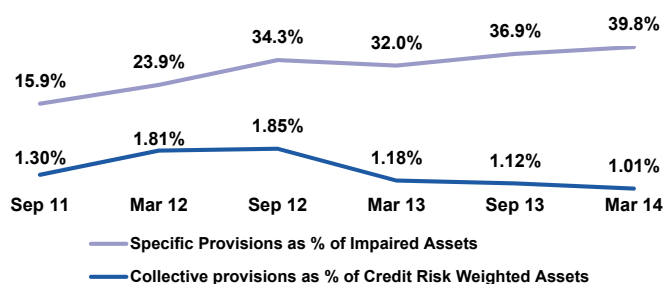


UK Banking: Asset quality

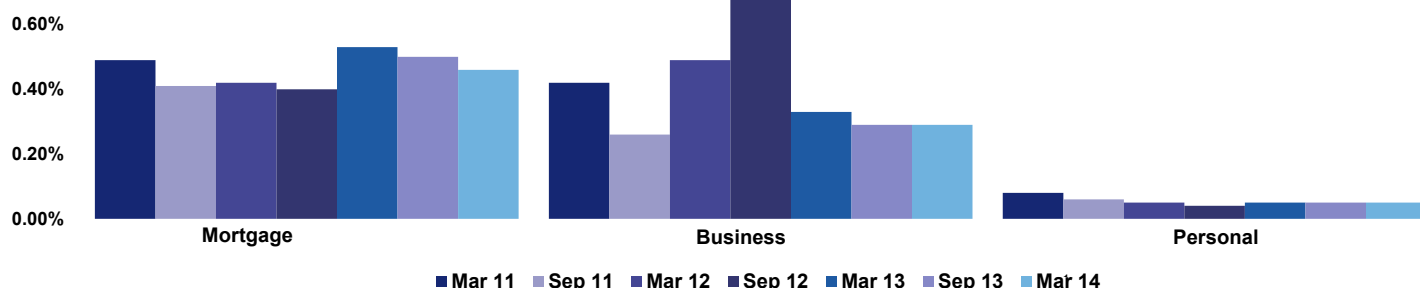
90+ DPD and GIAs as a % of GLAs^{1,2}



Collective and specific provision coverage



90+ DPD as a % of total GLAs by product^{1,2}



(1) On 5 October 2012 UK CRE was separated from UK Banking

(2) Mar 14 balance includes UK mortgage defaulted customers not previously disclosed as past due, where the contractual repayment date has passed but customers continue to pay interest due, or where an agreed arrangement is in place, or where the customer is deceased. Prior period comparatives have been restated

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UK mortgages: Key metrics

UK Mortgages	Mar 14	Sep 13	Mar 13	Sep 12
Owner Occupied	75.7%	78.3%	79.6%	79.8%
Investment	24.3%	21.7%	20.4%	20.2%
Low Document	0.0%	0.0%	0.0%	0.0%
Proprietary	56.4%	60.0%	63.3%	65.1%
Third Party Introducer	43.6%	40.0%	36.7%	34.9%
Variable rate lending drawn balance	49.2%	56.5%	60.5%	62.9%
Fixed rate lending drawn balance	43.5%	35.3%	30.5%	27.5%
Line of credit drawn balance	7.3%	8.2%	9.0%	9.6%
Interest only drawn balance ¹	41.2%	40.9%	42.3%	43.5%
LMI Insured % of Total HL Portfolio	0.9%	1.1%	1.1%	1.2%
Loan to Value (at Origination)	63.6%	63.3%	63.1%	62.9%
Loan to Value Indexed	49.9%	51.5%	53.2%	53.6%
Average loan size £ ('000)	107	104	102	100
90+ days past due (restated)	0.72%	0.83%	0.89%	0.86%
Impaired loans	0.42%	0.47%	0.45%	0.46%
Specific provision coverage	24.3%	23.8%	22.0%	20.0%
Loss rate ²	0.06%	0.06%	0.06%	0.09%

(1) Excludes Line of Credit

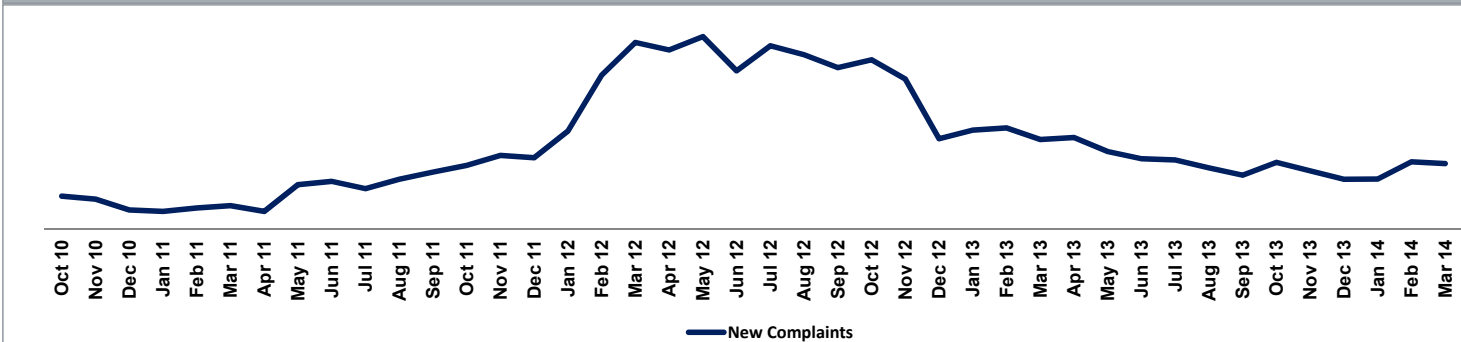
(2) Loss Rate = Annual Write offs/ Spot Drawn Balances

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UK Banking: Conduct issues – Payment Protection Insurance (PPI)

CB PLC complaints experience by month



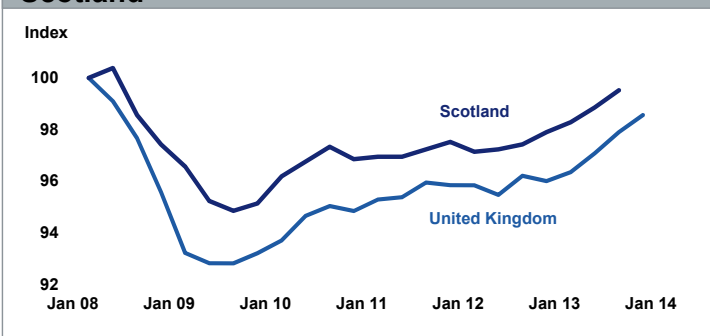
Bank	Cumulative charge (£m)	Redress paid (£m)	Utilisation (%)
Barclays Bank ¹	3,950	2,979	75%
Lloyds Banking Group ¹	9,825	7,018	71%
RBS ¹	3,075	2,149	70%
HSBC (US \$m) ¹	3,153	2,207	70%
Clydesdale Bank ²	386	260	67%

(1) Peer banks as at 31 December 2013 (full year results announcements)
 (2) CB PLC as at 31 March 2014

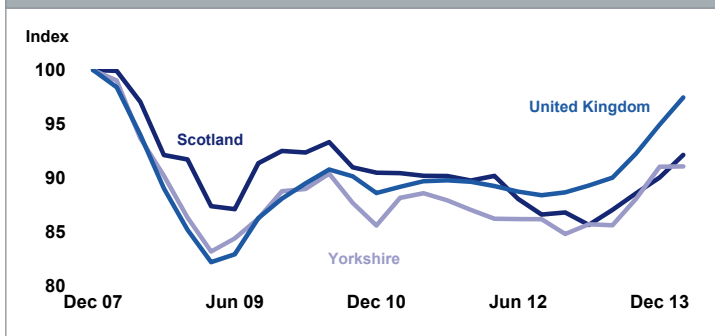


UK economy

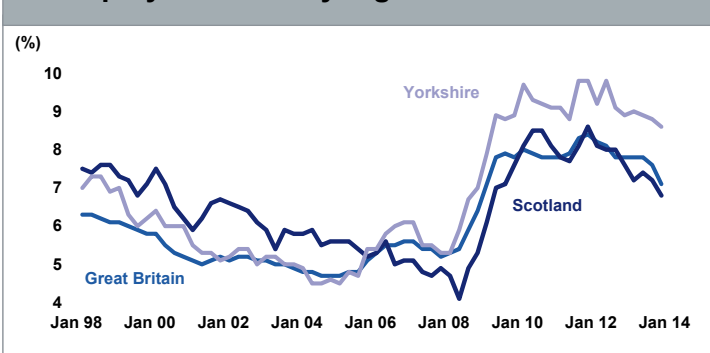
Level of real GDP Economic growth – UK and Scotland¹



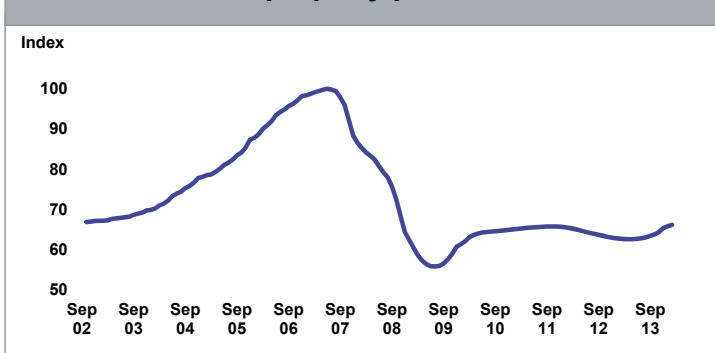
UK House Price Indices²



Unemployment rate by region³



UK Commercial property prices⁴



(1) Source: ONS, Thomson Reuters Datastream, Scottish Government March 2008 = 100 indices
 (2) Source: Nationwide Index
 (3) Source: ONS, Thomson Reuters Datastream (ILO survey)
 (4) Source: IPD June 2007 = 100 indices



Additional Information

Australian Banking

NAB Wealth

NZ Banking

UK Banking

NAB UK CRE

Great Western Bank

Group Asset Quality

Capital and Funding

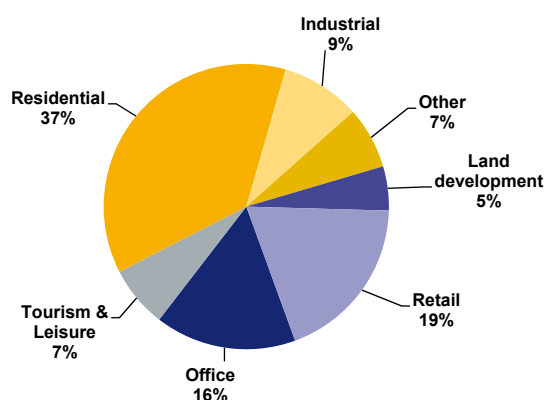
Other

Economic Outlook



NAB UK CRE: Commercial Real Estate

Total £3.3bn¹



Region	North	East	South	West	Total
Location %	27%	27%	18%	28%	100%
Loan Balance ² < £2m	14%	12%	7%	13%	46%
> £2m < £5m	6%	7%	3%	6%	22%
> £5m	7%	8%	8%	9%	32%
Average loan tenor < 3 yrs	13%	14%	10%	15%	52%
Average loan tenor > 3 < 5 yrs	4%	4%	3%	2%	13%
Average loan tenor > 5 yrs	10%	9%	5%	11%	35%
Average loan size (£m) spot	0.69	0.81	1.07	0.79	0.81
Security Level ³					
Fully Secured	12%	18%	11%	20%	61%
Partially Secured	14%	8%	6%	8%	36%
Unsecured	1%	1%	1%	0%	3%
	Mar 14	Sep 13	Mar 13		
90+ days past due (%)	4.33%	3.18%	3.86%		
Impaired loans (%)	28.0%	24.4%	21.8%		
Specific Provision Coverage	37.4%	37.8%	31.5%		

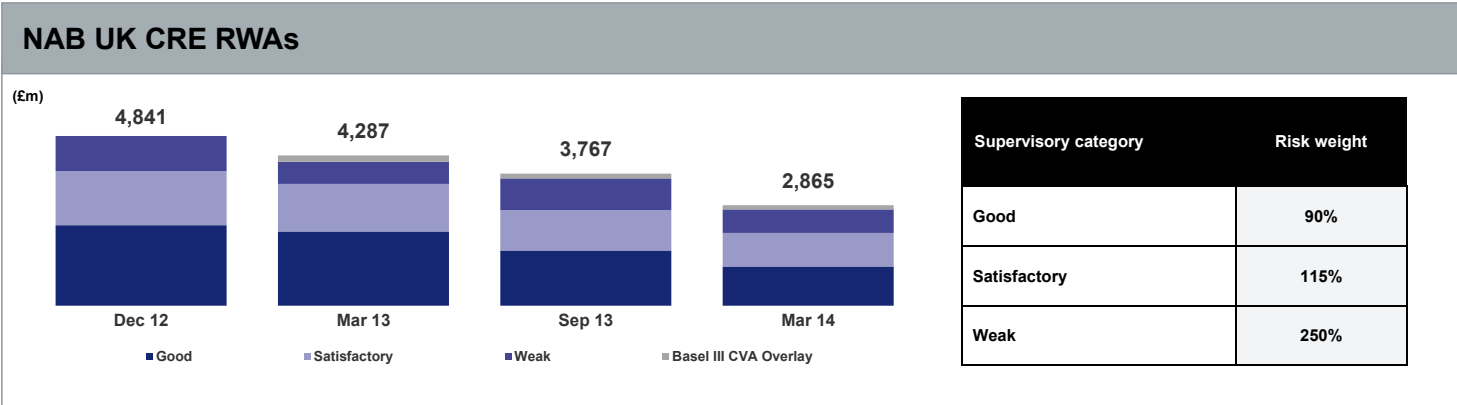
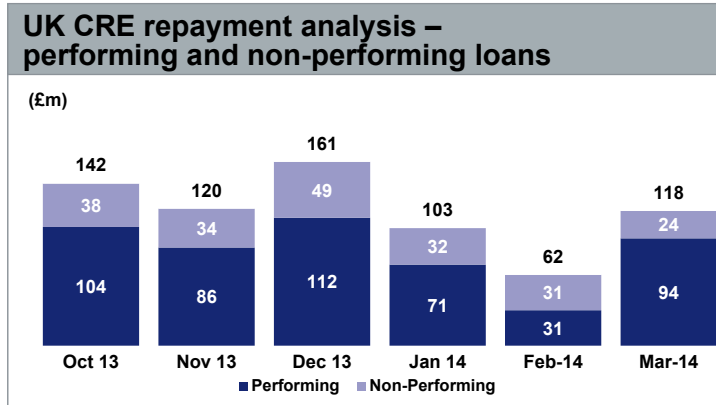
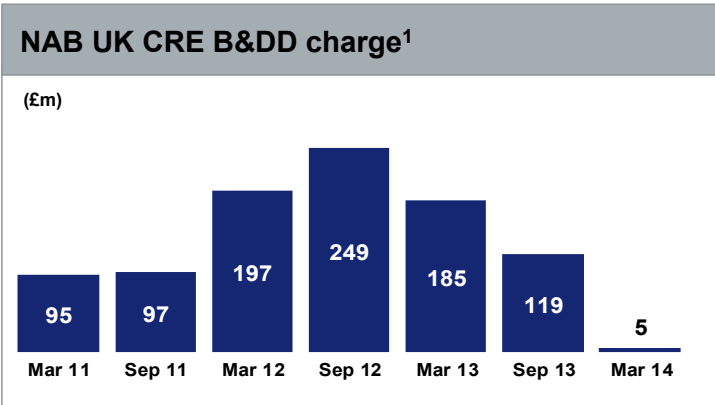
(1) Data has been prepared in accordance with APRA ARF230 guidelines. Total portfolio of £3.3 billion excludes £0.1bn of UK CRE assets, not defined as Commercial Real Estate for regulatory purposes

(2) Distribution based on loan balance

(3) Fully Secured represents loans of up to 70% of the market value of security, Partially Secured are over 70%, but not Unsecured



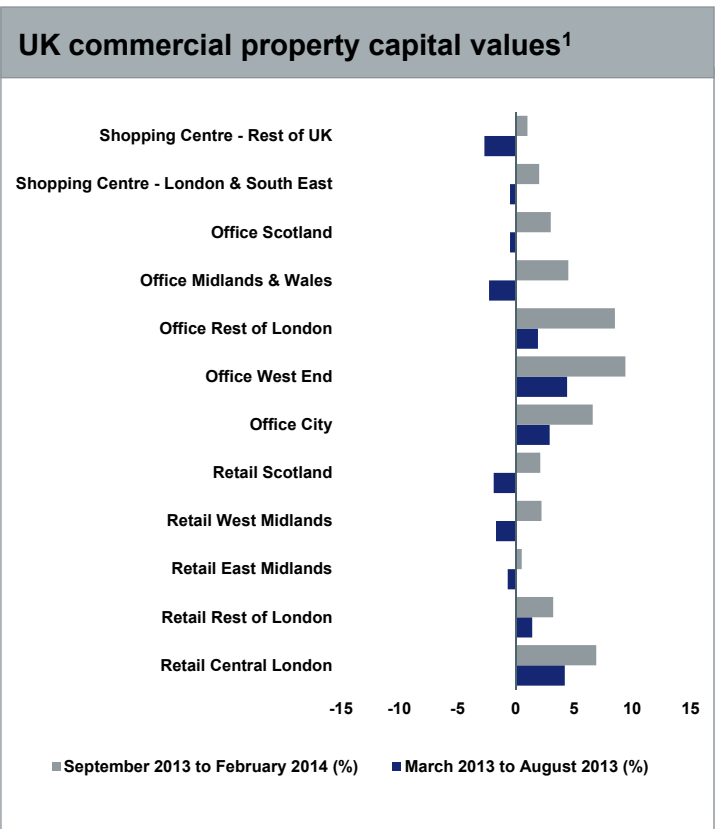
NAB UK CRE



(1) On 5 October 2012 UK CRE was separated from UK Banking. Comparative data prior to Mar 13 is indicative only



NAB UK CRE



(1) Source: IPD



Additional Information

Australian Banking

NAB Wealth

NZ Banking

UK Banking

NAB UK CRE

Great Western Bank

Group Asset Quality

Capital and Funding

Other

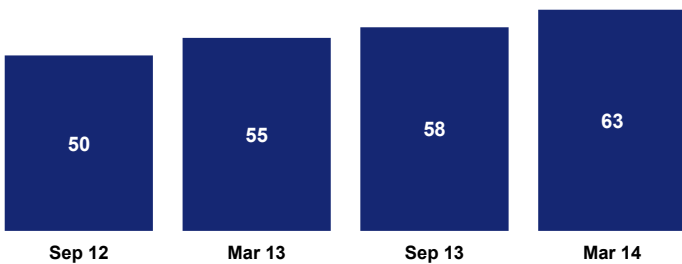
Economic Outlook



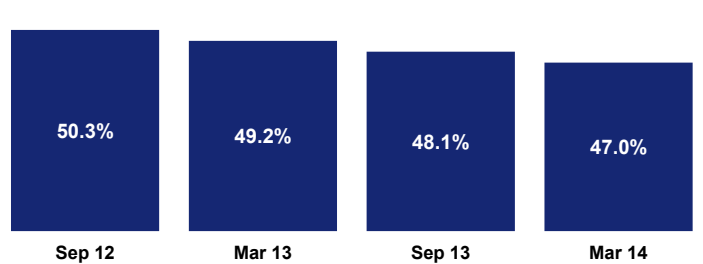
Great Western Bank

Cash earnings

(US\$m)

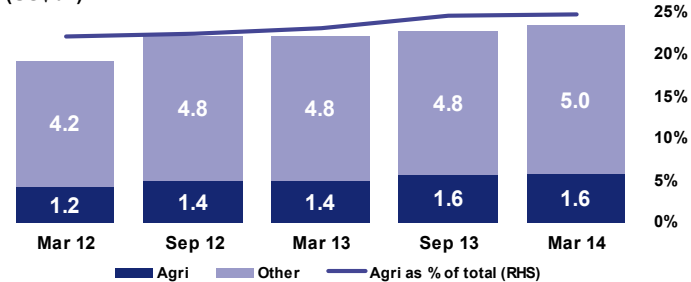


Cost to income ratio



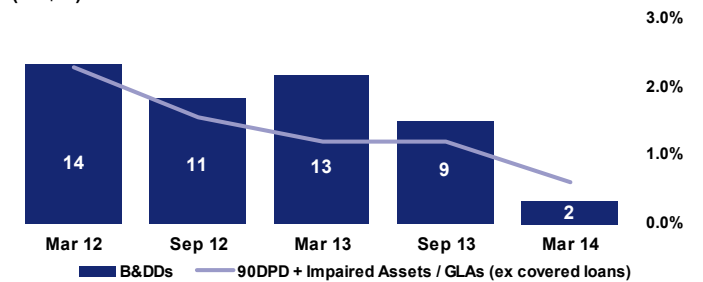
Loan portfolio composition

(US\$bn)



B&DD charge and asset quality metrics

(US\$m)



Additional Information

Australian Banking

NAB Wealth

NZ Banking

UK Banking

NAB UK CRE

Great Western Bank

Group Asset Quality

Capital and Funding

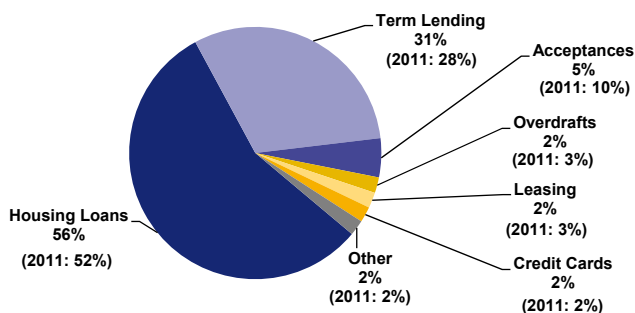
Other

Economic Outlook

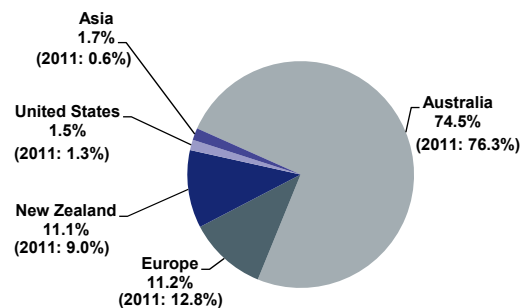


Group portfolio

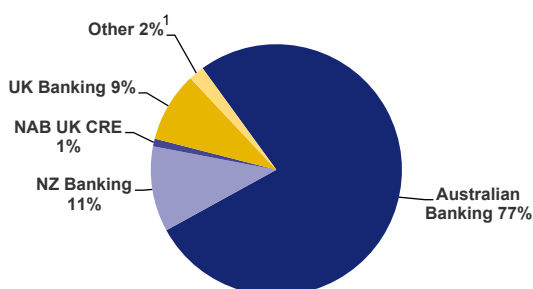
Gross loans and acceptances by product - March 2014 (March 2011)



Gross loans and acceptances by geography - March 2014 (March 2011)



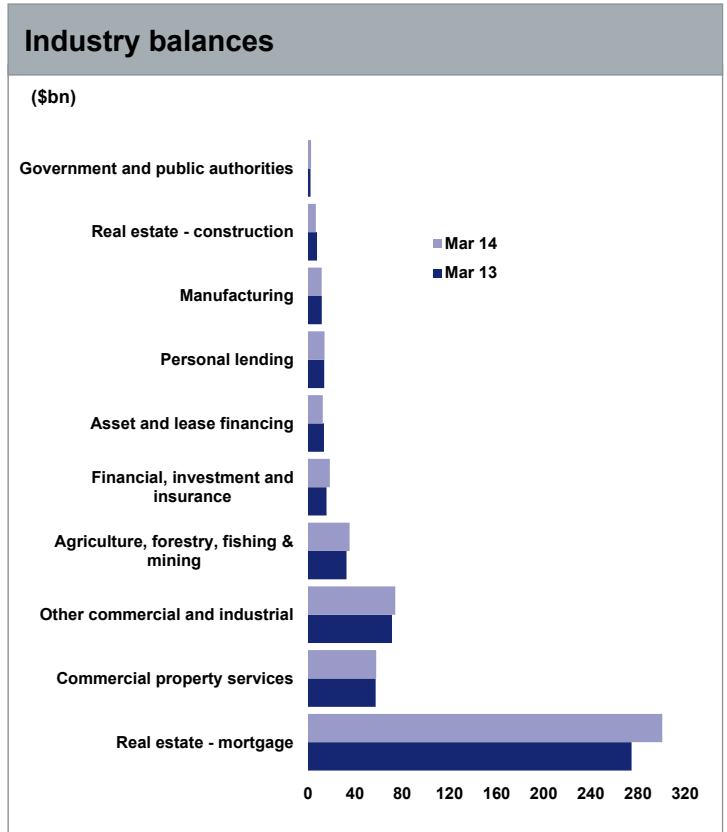
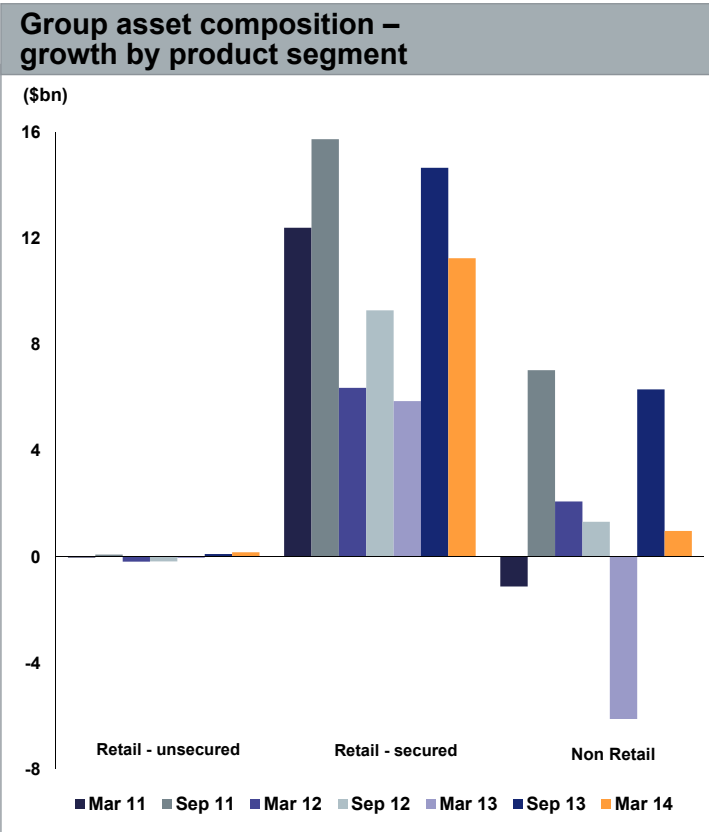
Gross loans and acceptances by business unit as at March 2014



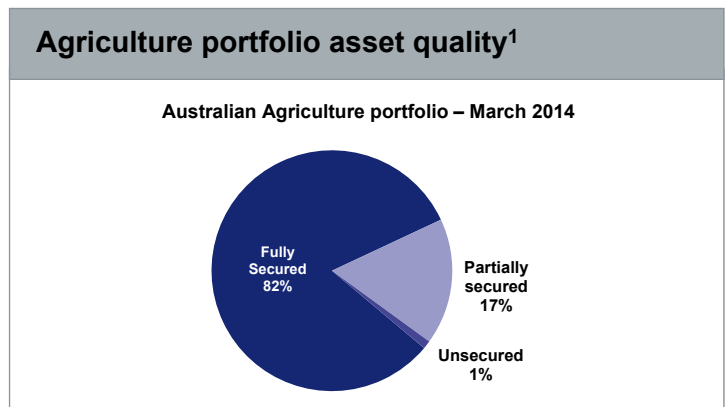
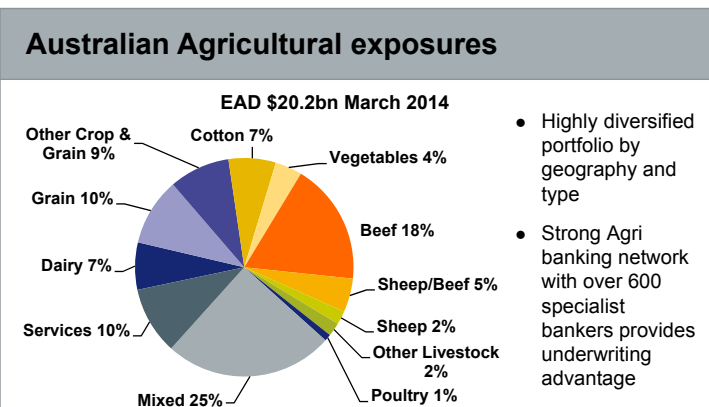
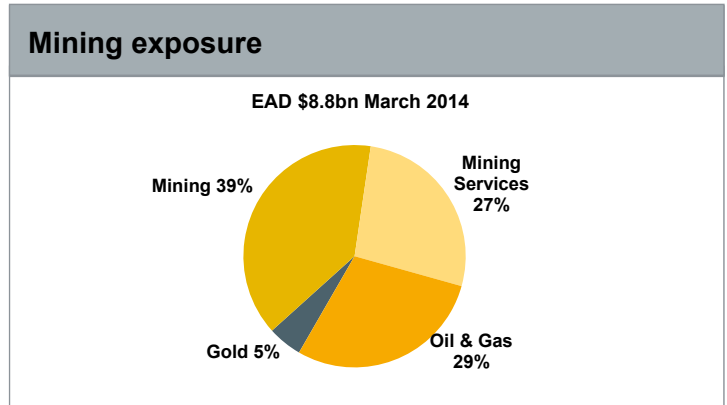
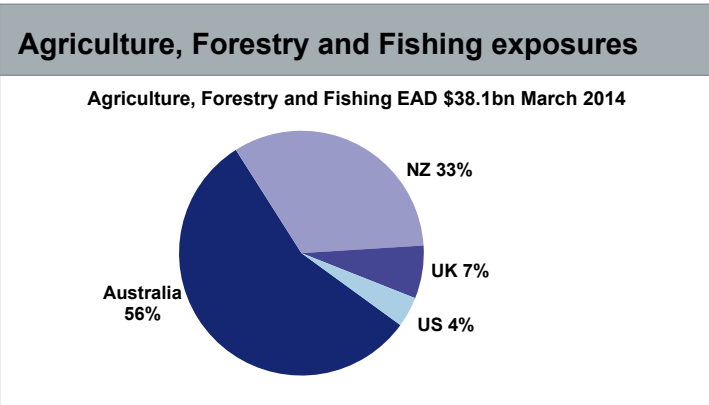
(1) Other includes: NAB Wealth, GWB and Corporate Functions



Group gross loans and acceptances



Agricultural and Mining exposures



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



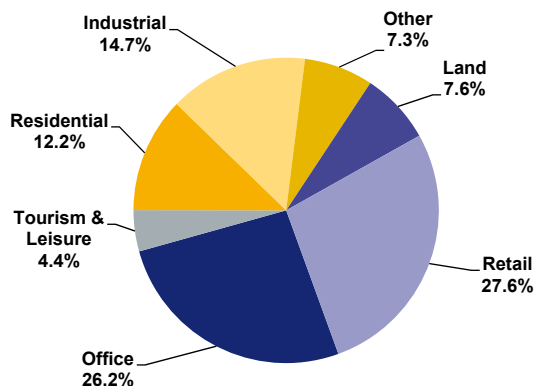
Commercial Real Estate – Group Summary¹

Total \$60.4bn

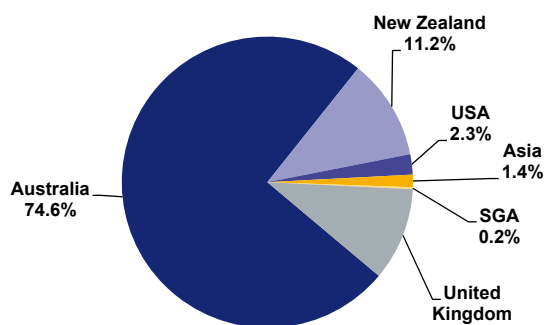
11.3% of Gross Loans & Acceptances

	Aus	NAB UK CRE	NZ	USA ²	Other ³	Total
TOTAL CRE (A\$bn)	45.0	5.8	6.8	1.4	1.4	60.4
Increase/(decrease) on Sep 13 (A\$bn)	0.2	(1.1)	0.4	0	0.2	(0.3)
% of GLAs	11.3%	95.9%	11.5%	17.0%	2.4%	11.3%
Change in % on September 2013	(0.1%)	(2.7%)	(0.1%)	(0.6%)	0.2%	(0.3%)

Group Commercial Property by type



Group Commercial Property by geography

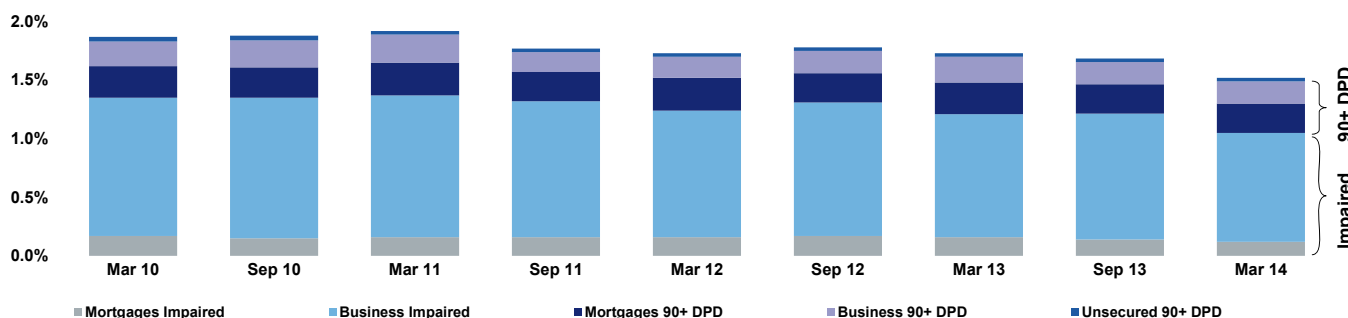


- (1) Measured as balance outstanding at March 2014 per APRA Commercial Property ARF 230 definitions
- (2) Excludes SGA
- (3) Includes SGA, Asia and UK Banking

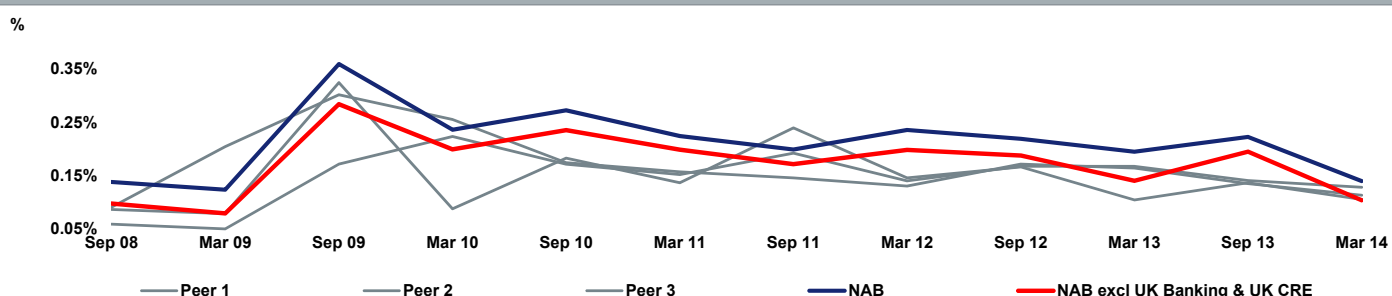


Group portfolio

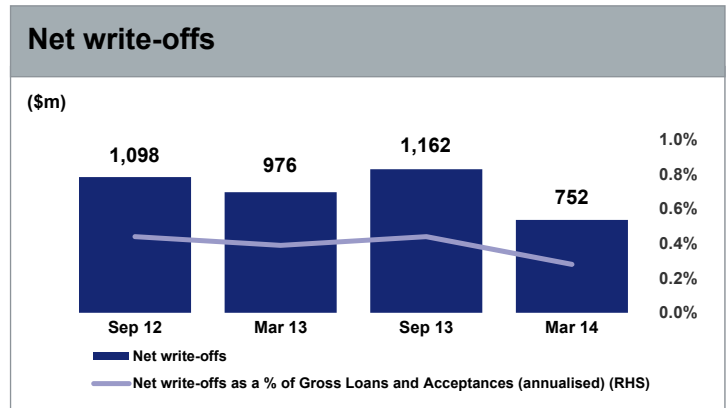
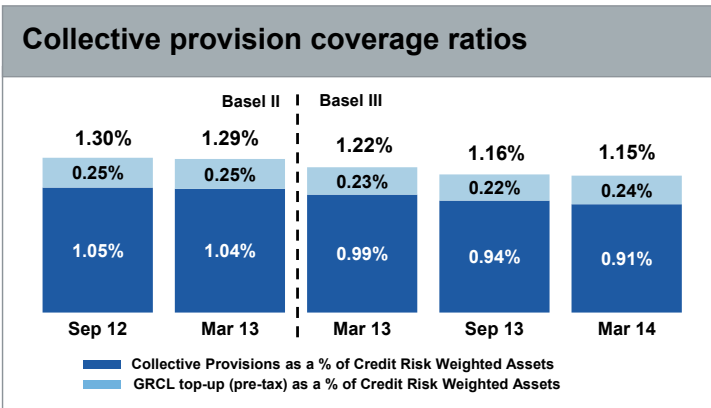
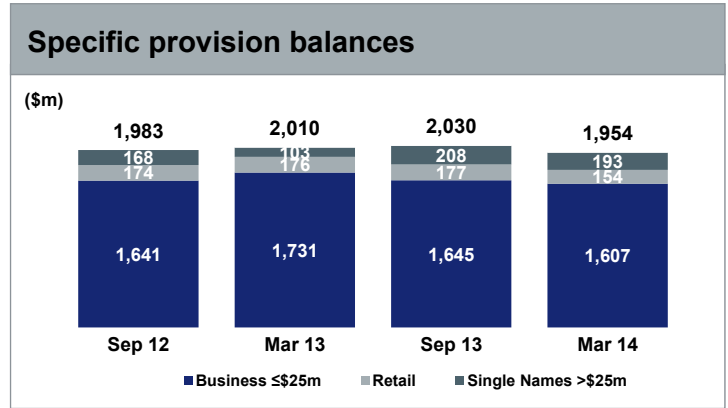
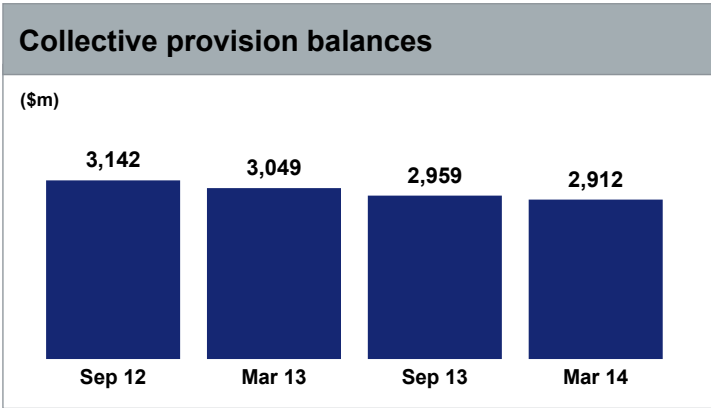
90+ DPD & gross impaired assets as a % of gross loans and acceptances by product



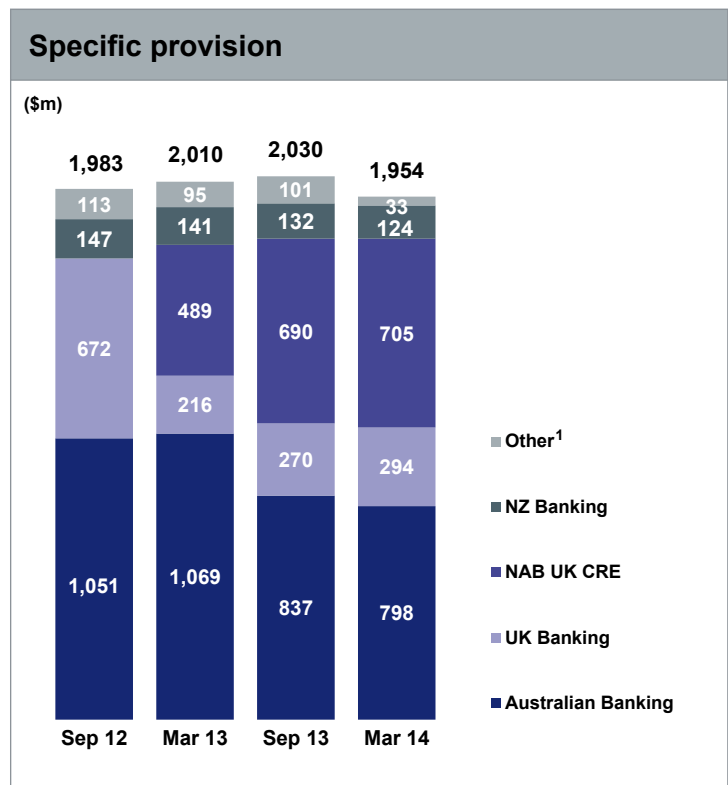
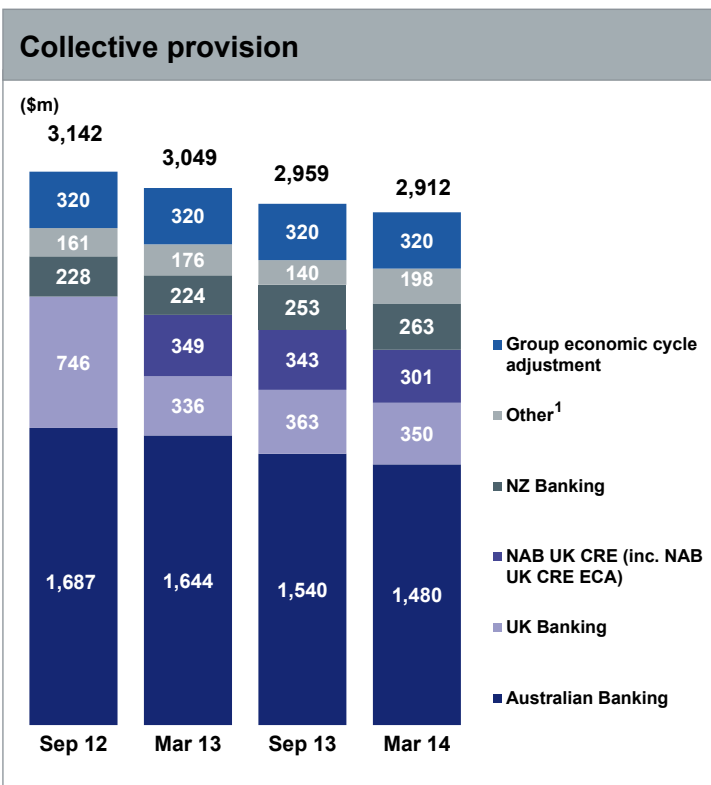
Net write-offs as a % of GLAs (NAB vs peers)



Group provision balances and coverage ratios



Group provision movements



(1) Other includes GWB and corporate functions



Eligible Provisions and Regulatory Expected Loss

	Sep 13		Mar 14		Movement	
	Defaulted	Non-Defaulted	Defaulted	Non-Defaulted	Defaulted	Non-Defaulted
Eligible Provisions						
Collective Provision	460	2,499	520	2,392	60	(107)
Specific Provisions	2,030		1,954		(76)	
General Reserve for Credit Losses top-up		539		563		24
Collective provision on standardised portfolio	(70)	(564)	(67)	(554)	3	10
Specific provisions on standardised portfolio	(302)		(328)		(26)	
Partial write-offs on IRB portfolio	1,512		1,410		(102)	
Total Eligible Provisions	3,630	2,474	3,489	2,401	(141)	(73)
Regulatory Expected Loss	4,298	2,345	3,909	2,355	(389)	10
Shortfall in EP over EL (100% CET1 Deduction)	668	-	421		(247)	
Surplus in EP over EL (Tier 2 capital for non-defaulted)	-	129		45		(84)

Additional Information

Australian Banking

NAB Wealth

NZ Banking

UK Banking

NAB UK CRE

Great Western Bank

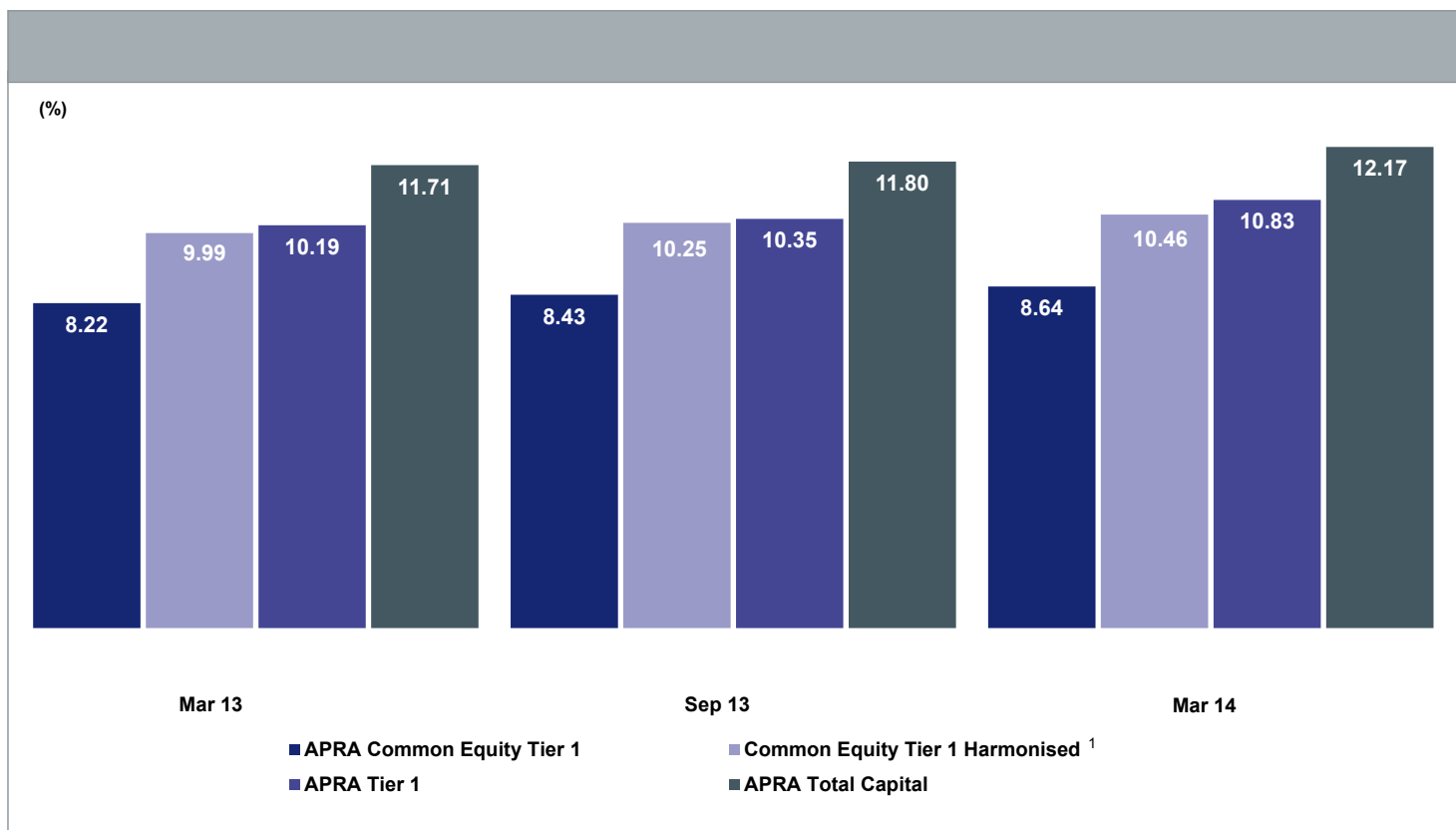
Group Asset Quality

Capital and Funding

Other

Economic Outlook

Group Basel III Common Equity Tier 1 Ratios

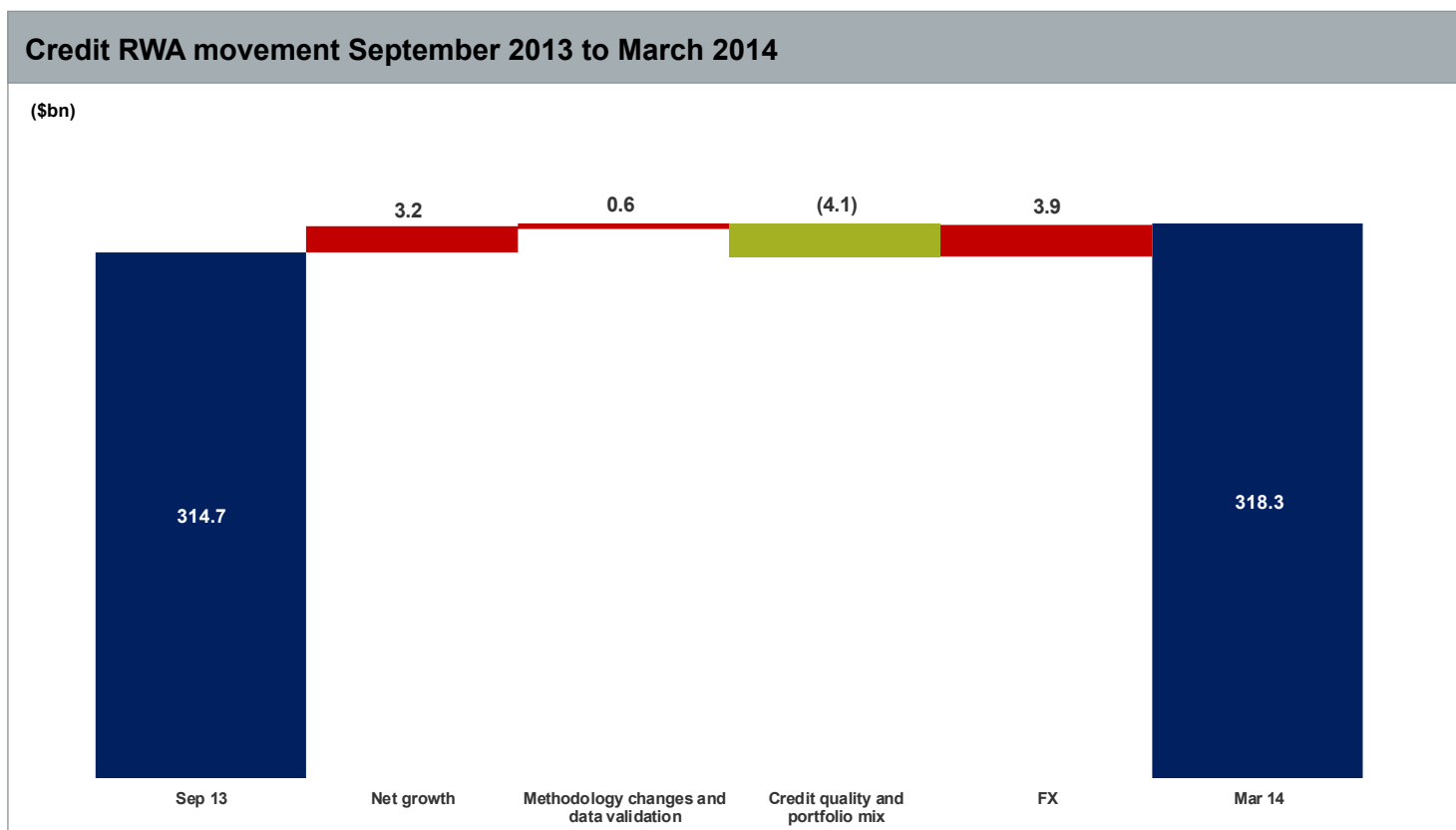


(1) The Group's March 2014 Harmonised Ratio is consistent with the Australian Bankers' Association Fact Sheet "Comparison of APRA and the Basel Committee on Banking Supervision Basel III Capital Ratios", released 14 December 2012



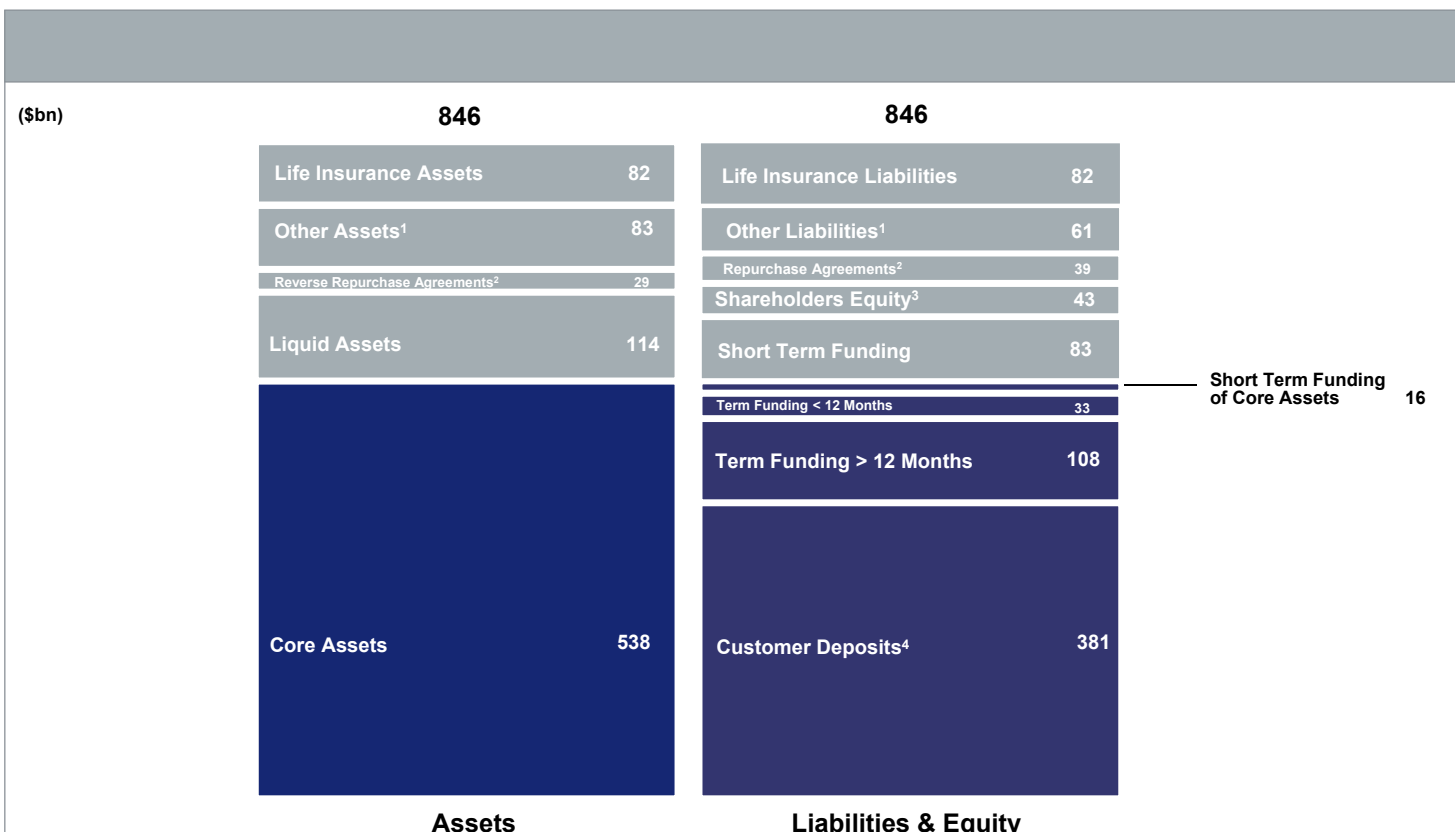
95

Credit RWA movement



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Asset funding – March 2014

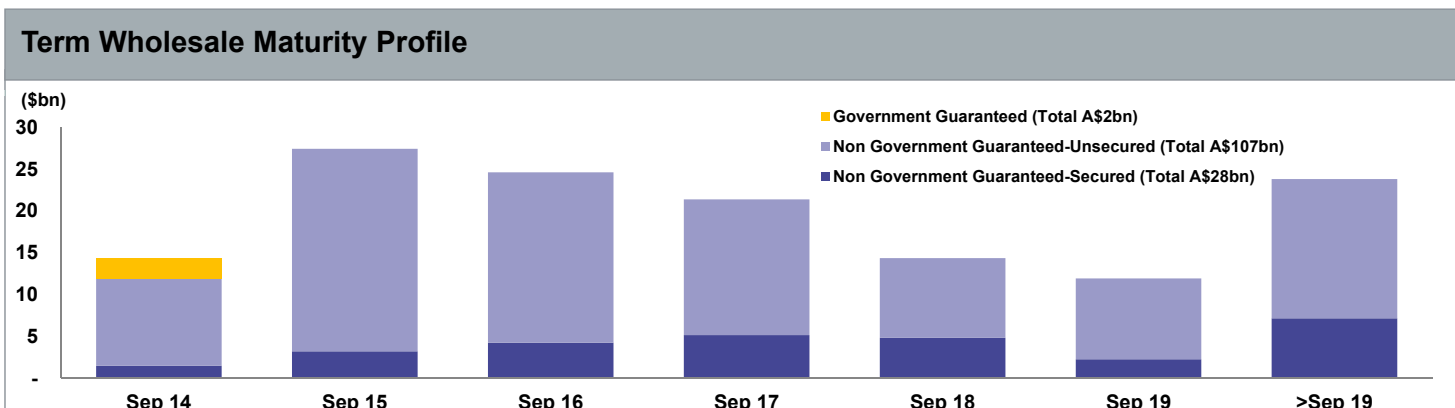


- (1) Other assets and liabilities comprises mainly trading derivatives
- (2) Repurchase agreements entered into are materially offset by reverse repurchase agreements with similar maturity profiles as part of normal trading activities, noting the increased cash holdings in our Exchange Settlement Account with the RBA have increased the difference between balances.
- (3) Shareholder equity excludes preference shares and other contributed equity
- (4) For CFI purposes refer to the definition on page 128 of the Results Announcement

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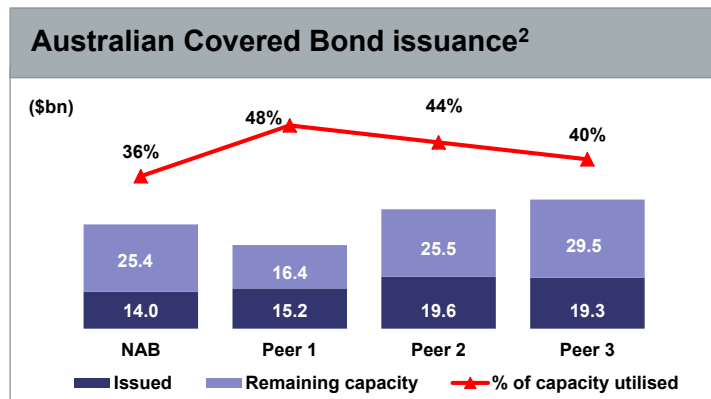


Funding profile remains robust



Robust Funding Profile

- The weighted average remaining maturity of the Group's TFI qualifying term funding is 4.0 years¹ (3.9 years as at September 2013).
- The weighted average remaining maturity of the total term funding portfolio (including <12 months) is 3.2 years (3.2 years as at September 2013).
- The weighted average remaining maturity of the Group's covered bond debt is 3.5 years. Over the half, the Group raised \$2.5bn in covered bonds with a weighted average maturity of approximately 7.5 years.
- The FY14 Term funding requirement is driven by the need to refinance term debt <12 months remaining to maturity during FY15.

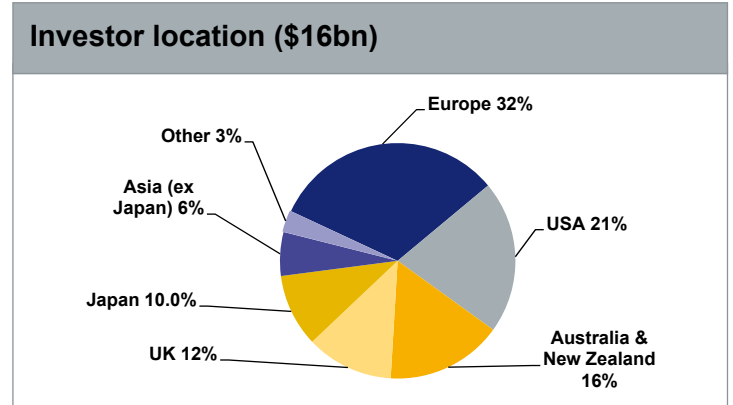
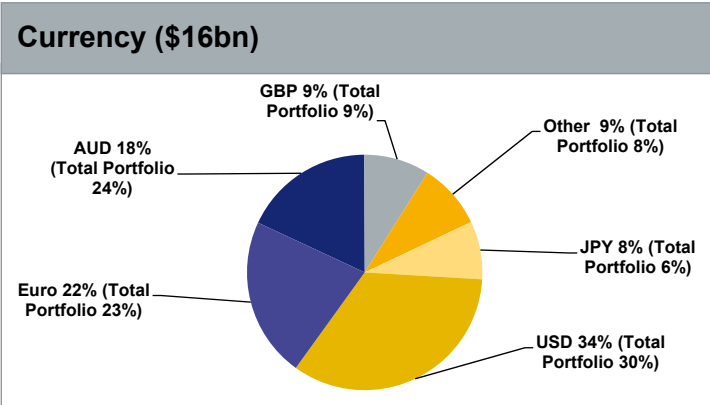
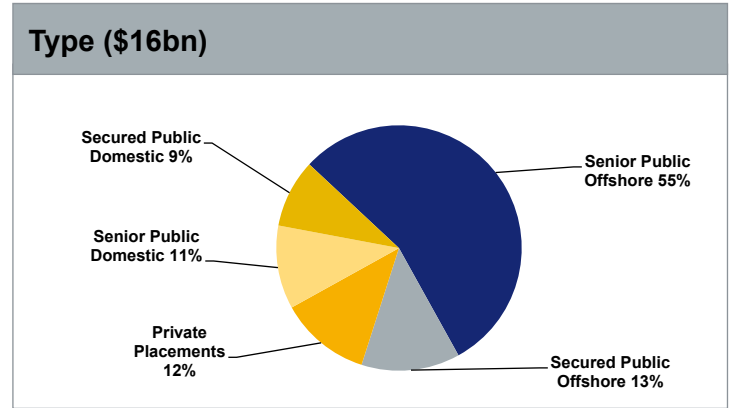
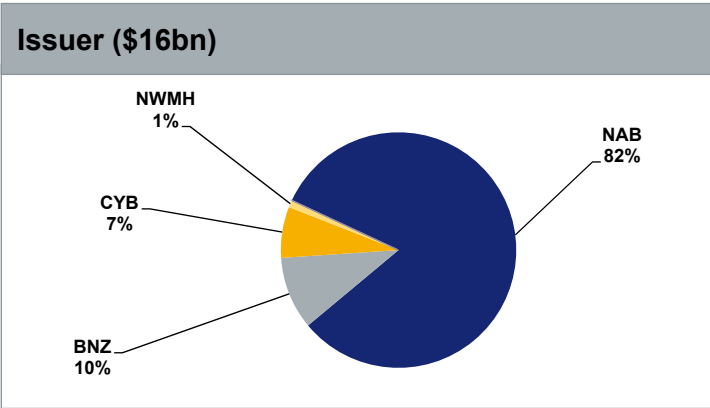


- (1) This includes senior, secured and subordinated debt and debt with >12 months remaining term to maturity
- (2) Bank covered bond investor reports & APRA Monthly Banking Statistics as at 31 March 2014. Remaining capacity based on current rating agency over collateralisation (OC) & legislative limit

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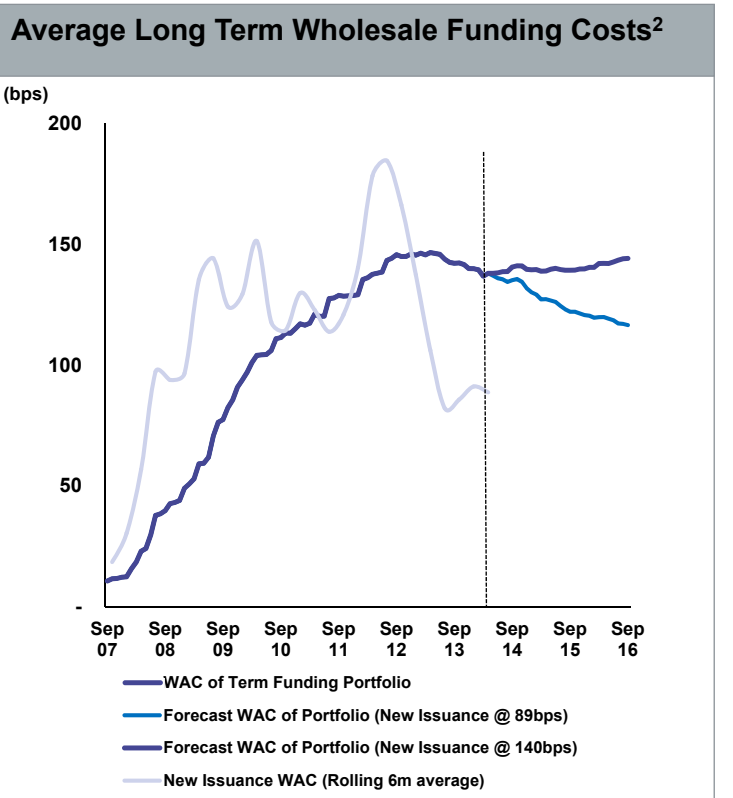
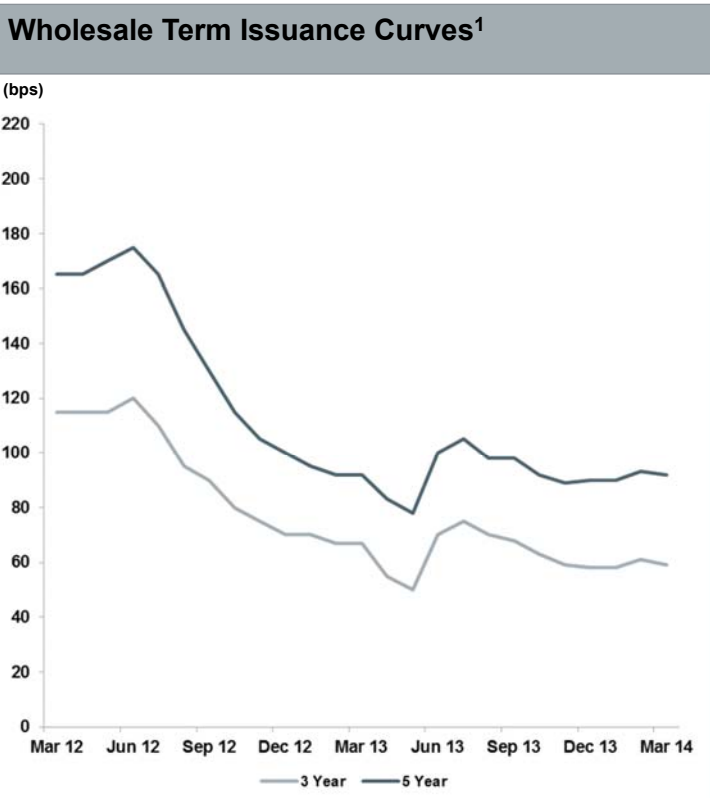


Diversified and flexible funding issuance (since 1 Oct 2013)



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Wholesale funding costs



(1) Source: NAB Group Treasury. Curves based on AUD Major Bank Wholesale Unsecured Funding rate (3 years and 5 years)
 (2) NAB Ltd Term Wholesale Funding Costs >12 Months at issuance (spread at 3 month BBSW). Average cost of new issuance is on a 6 month rolling basis
 Forecast assumptions as follows:
 - new issuance at 89bps: 1H14 average new issuance cost
 - new issuance at 140bps: 1H14 average portfolio cost



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Basel III Risk Weighted Assets

Asset Class (\$m)	31 March 2014		30 September 2013	
	RWAs	RWA/EAD %	RWAs	RWA/EAD %
Corporate & Business	179,625	41%	178,563	45%
Mortgages	60,301	20%	59,527	20%
Retail	13,592	42%	13,799	42%
Standardised ¹	46,157	41%	44,973	44%
Credit Value Adjustment (Basel III)	10,221	n/a	10,035	n/a
Other Assets	8,443	85%	7,777	85%
Total Credit RWAs	318,339	35%	314,674	37%
Market RWAs	5,791		5,191	
Operational RWAs	36,280		34,749	
IRRBB RWAs	6,814		7,464	
Total RWAs	367,224		362,078	

(1) The majority of the Group's standardised portfolio is the UK Clydesdale PLC banking operations



Additional Information

Australian Banking

NAB Wealth

NZ Banking

UK Banking

NAB UK CRE

Great Western Bank

Group Asset Quality

Capital and Funding

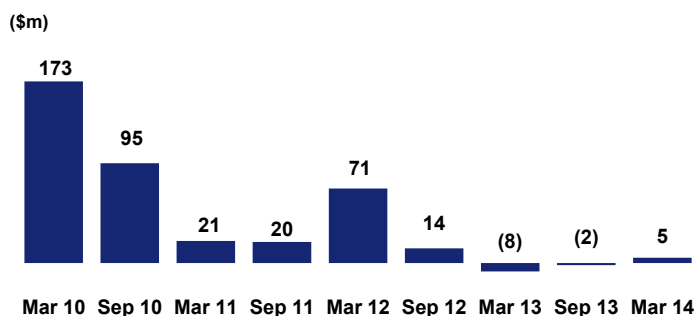
Other

Economic Outlook

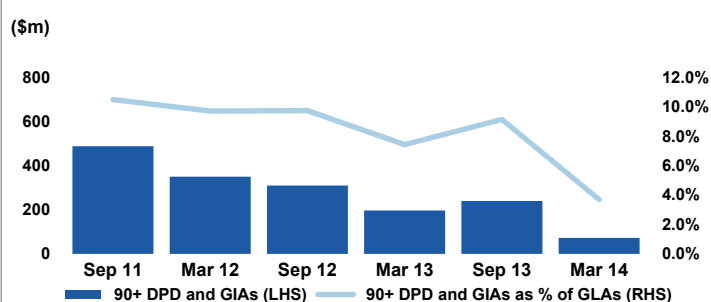


Specialised Group Assets

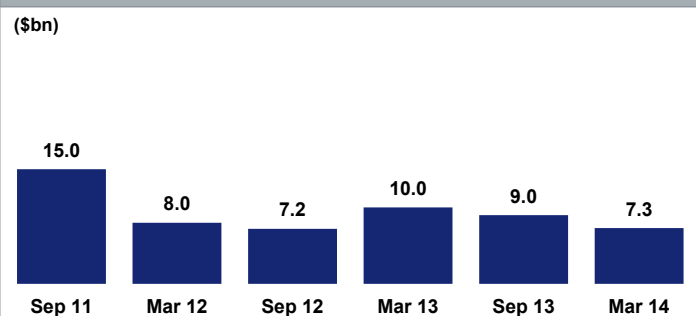
B&DD charge



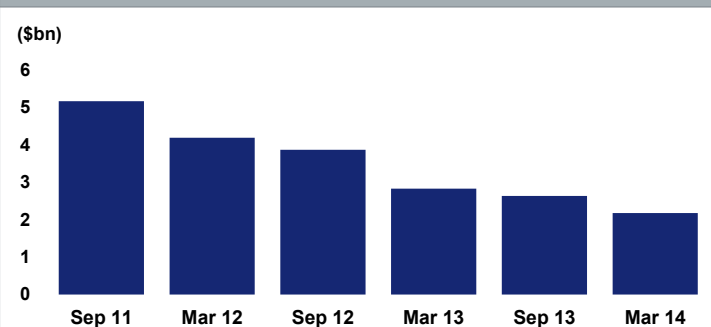
90+ DPD and GIAs as % of GLAs



RWAs¹



Gross loans & acceptances (average)



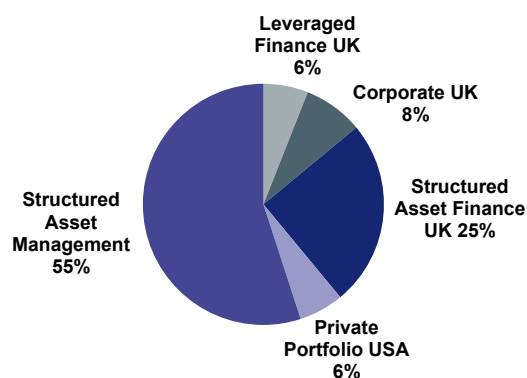
(1) The increase of RWAs from September 12 to March 13 was primarily due to a change in treatment under APS 120 on the Structured Asset Management Portfolio, but with no impact on underlying capital - the transactions creating the RWA increase were previously capital deductions

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SGA Portfolio Composition as at March 2014

	Total Commitments (A\$bn)	Total Provisions (specific & collective) (A\$m)	Average Contractual Tenor (years)	RWAs (A\$bn)	Number of Clients	Close Review Commitments (A\$bn)
Leveraged Finance UK	0.3	45.5	2.3	0.6	13	0.3
Corporate UK	0.4	16.8	3.0	0.8	6	0.1
Structured Asset Finance UK	1.3	3.5	13.7	1.0	11	0.0
Private Portfolio USA	0.3	1.4	14.8	0.5	6	0.1
Total Loans & Advances	2.3	67.2	10.4	2.9	36	0.5
Structured Asset Management ¹	2.9	59.9	9.4	4.4	20	0.4
Total	5.2	127.1	9.9	7.3	56	0.9



(1) Held To Maturity Assets

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Additional Information

Australian Banking

NAB Wealth

NZ Banking

UK Banking

NAB UK CRE

Great Western Bank

Group Asset Quality

Capital and Funding

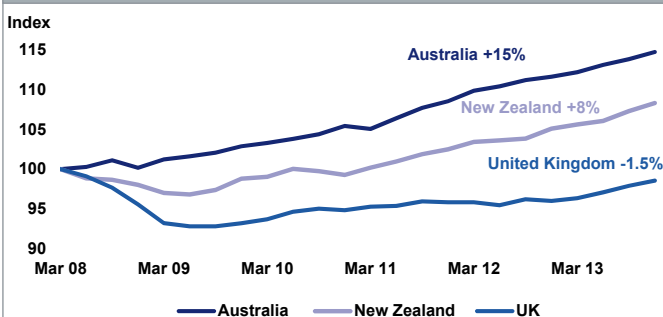
Other

Economic Outlook

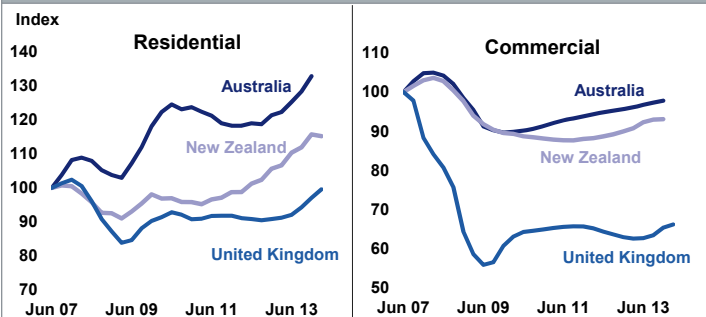


Economic conditions

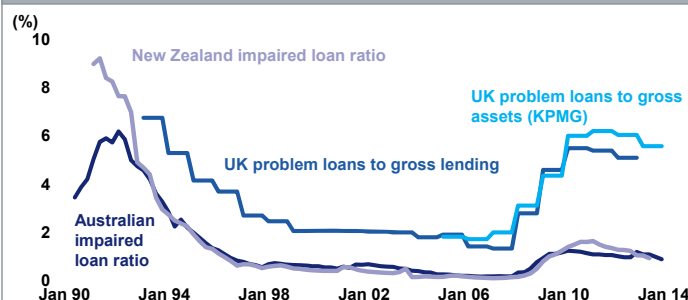
Index of real GDP¹



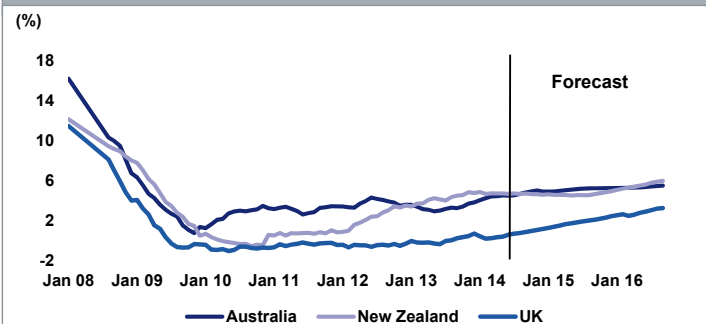
Residential and commercial property prices²



System bad debt ratios³



System credit growth % year on year⁴



(1) Thomson Reuters Datastream (March 2008=100) data to end 2013
 (2) REINZ, Nationwide, ABS, IPD (June 2007=100 Indices)
 (3) RBA, APRA, RBNZ, KPMG, Moody's
 (4) IMF, Thomson Reuters Datastream, NAB forecasts



Economic outlook

Australia

- Economy facing structural change as mining shifts from the investment to exports phase – lifting unemployment
- Business indicators improving, but still soft. Consumption better, but consumer confidence has waned
- Consumer deleveraging has stabilised, but soft wages growth could limit spending
- Outlook is still for low inflation
- Expect sub-trend GDP growth of 2.9% in 2014 & 2015. Unemployment expected to drift up, keeping housing activity in check
- RBA is now less dovish – interest rate on hold in the near term. But, downside risks from mining and public spending

China

- Fears of sharp slowing have receded as solid growth continues
- Government keen to rebalance toward more consumption
- Economic growth under 7.5% in early 2014
- Concern over shadow banking and local government lending
- Exports hit by slow growth in key markets and bureaucracy

United Kingdom

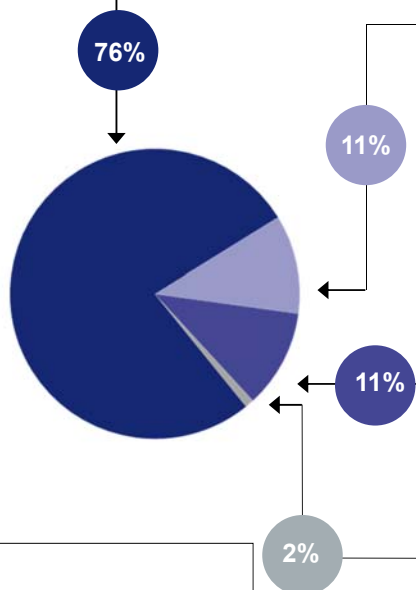
- Economic upturn set to continue
- Recovery evident in key group regions, not restricted to South East England
- Output slightly below early 2008 level
- Property market picking up in most areas, especially around London
- Credit growth still modest as deleveraging continues in business
- Business investment finally starting to improve as confidence lifts
- Interest rates expected to stay low

New Zealand

- Christchurch rebuild boosting activity
- Bulk of economy has a very solid upturn
- Commodity export prices still high
- Housing upturn, especially in Auckland

United States

- Modest drawn-out economic recovery
- Housing and job levels all recovering
- Interest rates expected to stay low plus quantitative easing still ongoing
- Credit growth has picked up as substantial deleveraging achieved



107 (%) represent share of 31 March 2014 GLAs including acceptances, Australia includes Asia



Australia regional outlook

Economic Indicators (%)	CY11	CY12	CY13	CY14(f)	CY15(f)
GDP growth ¹	2.4	3.7	2.4	2.9	2.9
Unemployment rate ²	5.2	5.4	5.7	6.5	6.1
Core inflation ³	2.8	2.4	2.6	2.6	2.4
System Growth (%) ⁴	FY11	FY12	FY13	FY14(f)	FY15(f)
Housing	5.8	4.7	4.8	6.2	5.8
Other personal (incl cards)	-1.0	-0.7	0.9	0.7	2.2
Business	0.3	3.7	1.1	3.2	4.9
Total system credit	3.3	4.0	3.3	4.8	5.3
Total A\$ ADI deposits ⁵	8.5	7.3	5.2	7.0	7.4

- The Australian economy grew by 0.8% in Q4 or by 2.8% compared with a year earlier. Quarterly GDP growth has been range bound between 0.5% and 0.9% for the past seven quarters and has only modestly outpaced population growth recently.
- Businesses exhibited a high level of exuberance in H2 last year, which was hoped to pass through to better levels of business activity. Business conditions have improved since then, but remain at soft levels, dragging down confidence from their multi-year highs in recent months. Promisingly, some leading indicators have started to pick up.
- Measures of consumer spending have shown reasonable growth following a spike in consumer confidence last year. However, the recent spate of negative news – particularly regarding jobs in manufacturing and the airline industry – has seen confidence drop sharply in recent months. However, low interest rates and higher asset prices continue to support spending.
- There are still no signs that non-mining investment has begun to rise to compensate for the anticipated decline in mining investment. The stubbornly high AUD is not assisting in the transition.
- GDP is forecast to lift to 2.9% in 2014 and remain around that level in 2015. Unemployment is expected to reach 6.5% by end 2014 and remain at elevated levels for some time. Consistent with this soft outlook, we predict core CPI edging down to 2.2% by mid 2015, lifting to 3% by mid 2016.
- With many economic indicators improving, the RBA is likely to keep the cash rate on hold in the near term. However, there are still risks from the downturn in mining investment and the likely belt tightening to come from the Federal Budget.
- Credit growth has remained modest, despite historically low borrowing rates. However, demand for housing credit (investor and owner occupied) continues to grow, while business credit demand picked up a little recently.

(1) Per cent change, average for year ended December quarter on average of previous year

(2) Per cent, as at December

(3) Per cent change, December quarter on December quarter of previous year

(4) Per cent change September (bank fiscal year end) on September of previous year

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



UK regional outlook

Economic Indicators (%)	CY11	CY12	CY13	CY14(f)	CY15(f)
GDP growth ¹	1.1	0.3	1.7	2.9	2.4
Unemployment ²	8.3	7.8	7.2	6.7	6.4
Inflation ³	4.6	2.7	2.1	2.0	2.5
Cash rate ²	0.5	0.5	0.5	0.5	1.0
System Growth (%) ⁴	FY11	FY12	FY13	FY14(f)	FY15(f)
Housing	0.7	0.9	0.7	1.0	1.5
Consumer	-1.0	-0.5	2.3	4.6	4.5
Business	-2.5	-3.1	-2.7	-1.3	1.0
Total lending	-0.7	-0.7	-0.4	0.5	1.6
Retail deposits	3.1	3.7	5.6	4.8	4.2

- (1) Per cent change, average for year ended December quarter on average of previous year
 (2) Per cent, as at December
 (3) Per cent change, December quarter on December quarter of previous year
 (4) Per cent change September (bank fiscal year end) on September of previous year

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- The UK economy grew steadily through 2013 with full-year growth of 1.7% and this has continued into early 2014 with a 0.8% rise in March quarter GDP. Labour market indicators suggest that this upturn has been experienced across Northern England as well as Scotland with a strong upturn in employment in Yorkshire and Scotland through last year as well as a fall in their unemployment rate. With inflation looking under control and the central bank believing that the economy still has spare capacity, interest rates should remain low by historical standards through the forecast horizon.
- Higher consumer spending has been the main driving force of the expansion, accounting for around three quarters of the lift in 2013's GDP. This reflects the growth in employment boosting household incomes, a fall in the savings rate and the wealth effects of higher house and equity prices. Housing investment has also been recovering and revised data finally shows the long awaited upward trend in business investment that the Government has been counting on to drive more growth.
- Property markets have started to improve, particularly in London where house prices in early 2014 were almost 20% above year-earlier levels. This housing market upturn has spread across the rest of the country with March quarter 2014 Scottish prices 7.6% yoy higher and Yorkshire up by 6.2% yoy. Surveys show positive demand in early 2014 across all UK regions, the ratio of unsold stock is well below long run averages and market sentiment is positive. Commercial property prices are rising nationally with by far the strongest market upturn in London. Although they are lagging in the upturn, commercial property market conditions are looking better in other regions as well and surveys of commercial building activity for early 2014 show growth in London, the rest of SE England and elsewhere.
- The upturn in the housing market has flowed into solid growth in the number of loan approvals but the acceleration in growth in housing credit has been minimal with the stock of housing credit still only rising by around 1% yoy. Unsecured credit growth has experienced a much greater acceleration – from near zero in the latter half of 2012 to around 5% yoy in early 2014. Although the surveys, including that of CFOs, show a more positive attitude to expansionary plans and taking on risk, business credit remains weak – it was still below year-earlier levels in early 2014.



NZ regional outlook

Economic Indicators (%)	CY11	CY12	CY13	CY14(f)	CY15(f)
GDP growth ¹	1.9	2.6	2.7	4.0	3.4
Unemployment ²	6.4	6.8	6.0	5.4	5.0
Inflation ³	1.8	0.9	1.6	1.8	2.8
Cash rate ²	2.5	2.5	2.5	4.0	5.0
System Growth (%) ⁴	FY11	FY12	FY13	FY14(f)	FY15(f)
Housing	1.6	1.6	4.6	5.7	5.1
Personal	-1.6	0.1	1.9	3.7	4.8
Business	-0.7	2.2	3.1	3.5	4.0
Total lending	0.6	1.8	3.9	4.7	4.6
Household retail deposits	7.0	9.0	9.8	9.4	7.4

- (1) Per cent change, average for year ended December quarter on average of previous year
 (2) Per cent, as at December
 (3) Per cent change, December quarter on December quarter of previous year
 (4) Per cent change September (bank fiscal year end) on September of previous year

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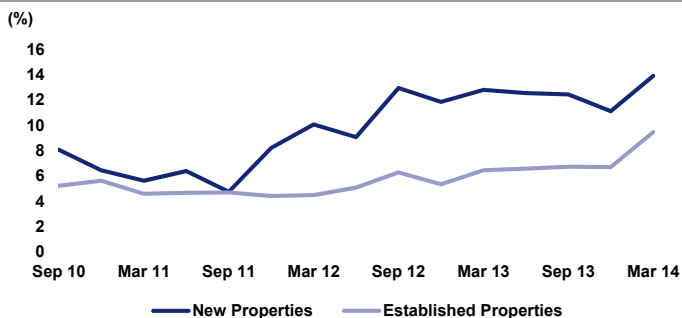
- A major upswing is well underway in the New Zealand economy. Exceptionally high commodity export prices and surging construction are playing an important role. However, the expansion is now looking broad-based across industries and regions, with the household sector buoyant as well. GDP growth in 2014 is expected to hit 4.0%, the best outcome since a series of strong years between 2002 and 2004.
- New Zealand's terms of trade are their highest in 40 years (albeit with a recent dip in dairy export prices), injecting significant amounts of income into the economy. China's burgeoning demand for NZ commodities, especially dairy and forestry products, aided by the 2008 FTA, has seen it displace Australia as New Zealand's biggest merchandise export market.
- The property and construction industries have been very strong, boosted by Canterbury's rebuilding (post quakes), rising confidence, commercial and infrastructure spend, very low interest rates and, most recently, surging immigration. House prices have stretched even higher (especially in Auckland and Canterbury) although the RBNZ-imposed mortgage restrictions appear to be taking a degree of heat out of the market.
- The strength of the economy is flowing into the labour market. Employment at Dec 13 was 3% above its Dec 12 level and the jobless rate fell to 6.0%, from 6.8% in Dec 12. Business surveys show firms reporting more difficulty in hiring staff, facing capacity constraints and planning more price rises. Facing a period of excess demand, and the inflation it will likely generate, the RBNZ has started the process of normalising the cash rate and more hikes are signaled.
- Specific issues to note are the May Budget (expected to signal surpluses resuming next year) and the September General Election.



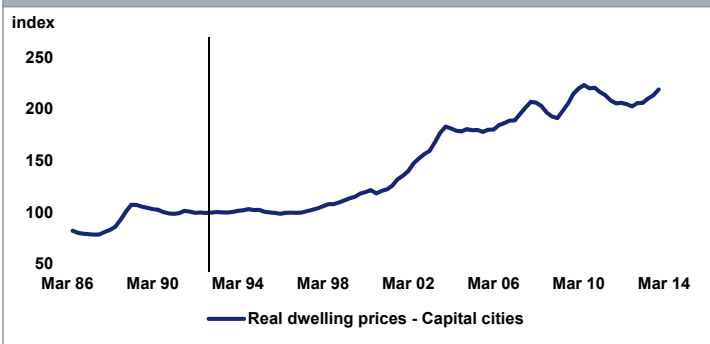
Characteristics of the Australian mortgage market

- After recording strong growth in 2013, residential property prices picked up again in Q1 2014 – particularly in Melbourne and Sydney. Further growth expected in 2014, but expectations softened since late last year.
- While there is much discussion about “bubbles”, we do not believe that to be the case given continued subdued credit demand, soft income growth and a falling housing debt to asset ratio.
- Low interest rates, supply shortages and foreign demand should continue to support the housing market, but rising unemployment is likely to keep price increases well contained
- While Australia’s household debt service burden remains at very high levels, it has improved – largely due to low interest rates.
- Over 80% of Australian mortgages are variable, making the most common mortgage rate very sensitive to monetary policy.

Share of demand for new and established properties from overseas buyers¹

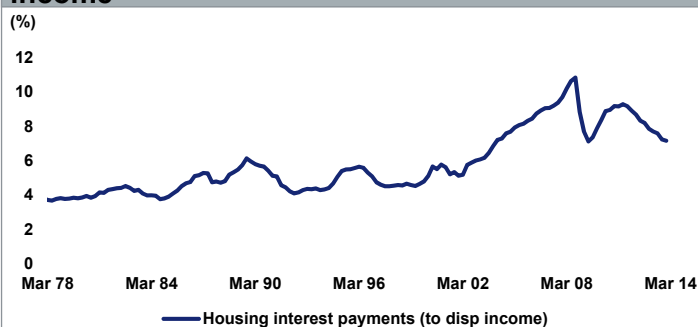


Real dwelling prices²



- (1) NAB Property Survey
 (2) ABS, deflated by private household consumption deflator. 1993 – 100 indices
 (3) RBA

Housing interest payments to disposable income³



For further information visit www.nab.com.au or contact:

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