

Business and Private Banking, Australia

UBS Financial Services Conference

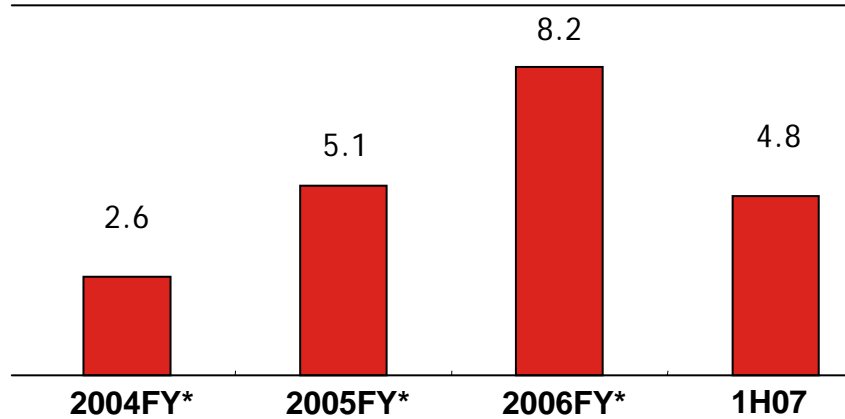
20th June 2007

George Frazis, Executive General Manager



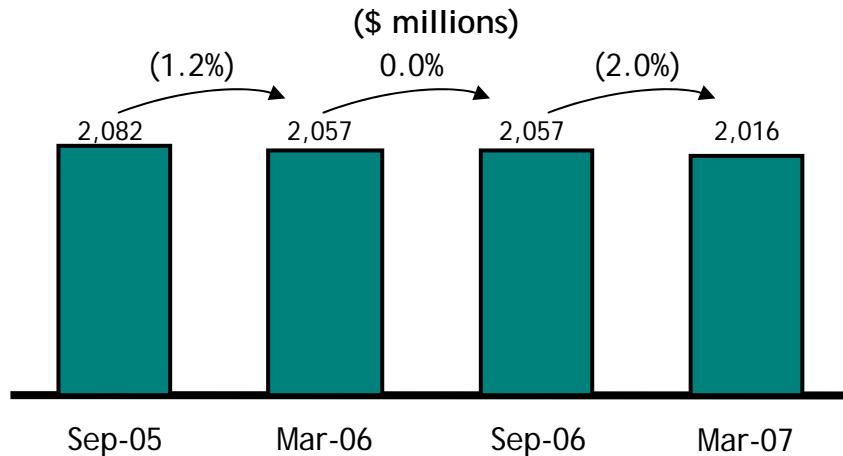
Australian Region Financial Performance - A snapshot

Australian Banking revenue growth
Percentage, YoY growth



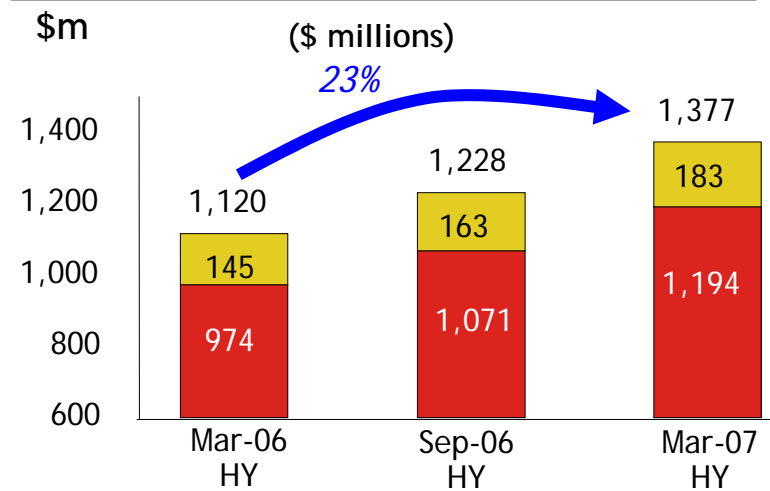
Note: * FY04 = AGAAP, FY05 = Transitional AIFRS (growth on AGAAP basis), FY06 = Full AIFRS ongoing.
Source: Internal, Ongoing basis

Australian Region (excluding Asia) Operating Expenses *



Source: Internal
Note * Ongoing basis

Australian Region Half Yearly Cash Earnings (pre IoRE)*



■ Australian Banking ■ Wealth Management Australia

Source: Internal. * Ongoing basis, Total Australian Region includes Asia

Business and Private Banking - A snapshot

- ❑ #1 position, 28.8% (SME*) business lending market share
- ❑ >225k customer relationship groups
- ❑ Corporate, Business (SME), Property, Agribusiness, Education, Government, Health (Medfin, HiCaps), Private
- ❑ 5200 people (FTE)
- ❑ 250 points of presence
- ❑ >50% of Australian Region Revenue



*Source:East & Partners June 07

Situation 3 years ago - core franchise was in trouble

- > Largest business bank, but with declining market share and declining margins
- > Cost growth faster than revenue growth
- > Customer satisfaction declining, poor staff engagement



Needed to stabilise the business urgently

Note: Largest business bank by business lending market share

Business & Private — How we achieved the turnaround

Priorities

Decentralised decision making

- > Introducing Credit Risk Managers into our Business Banking Centres and providing more authority to frontline bankers

Increased banker capability

- > Investment in our people with an uplift in training from 20,000 hours in 2003/04 to a projected 250,000 hours in 2006/07
- > Experienced Leadership with an average of 20 years financial service experience

Introduced critical new products

- > Launching of new products such as the Business Cash Maximiser and National Portfolio Facility

Simplified processes

- > Providing the ability for our bankers to reduce the 'time to yes'

Absolute external focus

- > Decisions were driven by what mattered for customers and what was required to stay ahead of competitors

What was achieved - Sustainable volume growth over 2 ½ years

| | Volumes 03/04 (\$bn) | Two year annual growth CAGR (%) 03/04 -05/06 | Volumes 05/06 (\$bn) | Volumes March 07 - (\$bn) |
|-------------------|----------------------------|---|----------------------------|---------------------------------|
| Business Lending* | \$51.6 | 20.9% | \$75.3 | \$81.9 |
| Home Lending** | \$86.6 | 12.5% | \$109.7 | \$114.1 |
| Deposits | \$48.9 | 11.3% | \$60.6 | \$64.6 |

Source - Internal (average monthly balance at end of period)

*Excludes nabCapital and adjusted for internal transfers

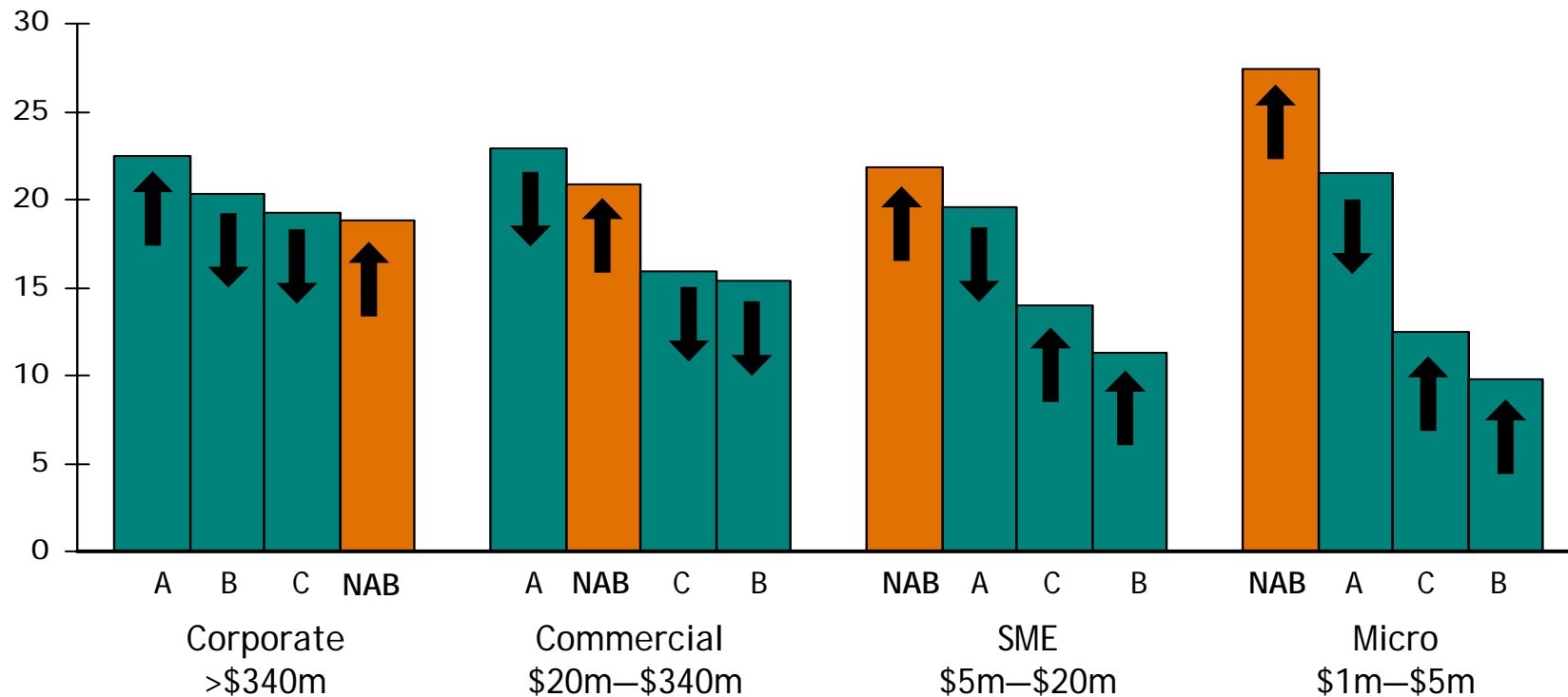
** Total bank proprietary channel (internal product definition)

| | 10/04 | 05/05 | 04/06 | 03/07 |
|--------------------------|-------|-------|-------|-------|
| Customer Satisfaction | 74.3% | 75.6% | 77.6% | 78.5% |

Source - Internal BPA Service Experience Research Program (March 2007)

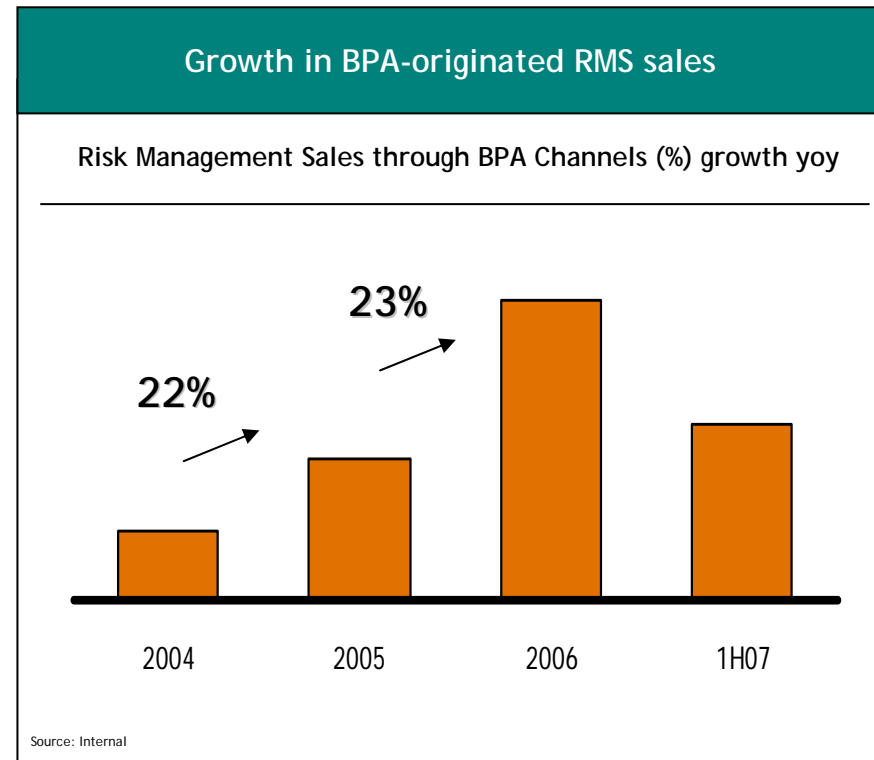
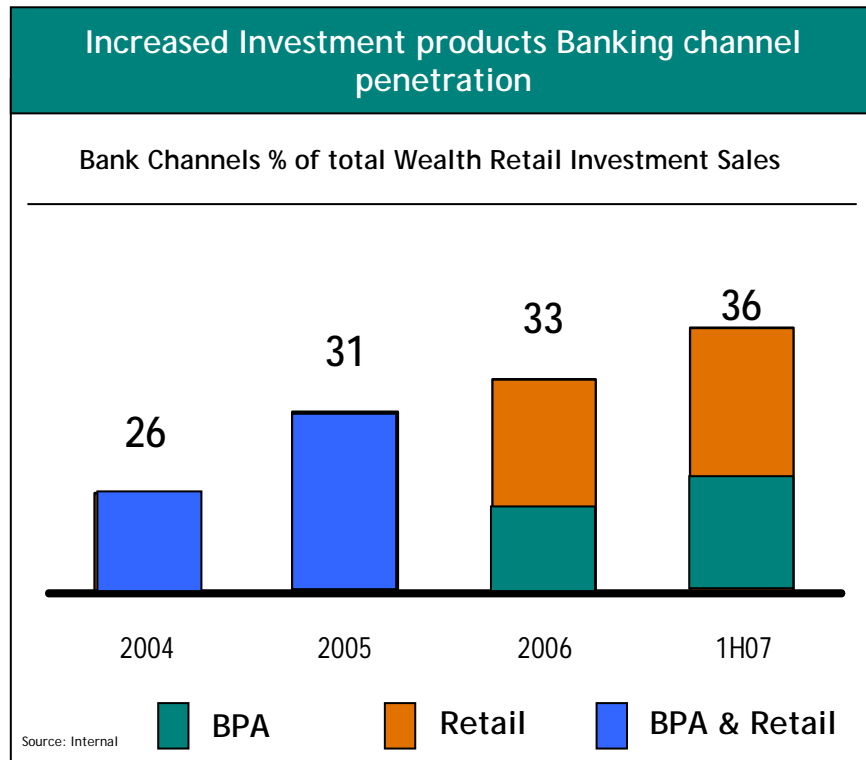
Thinking about the future - Focus on business transaction banking has increased market share in all segments

Transaction banking market share and trend
Percentage share of primary relationships, by customer segment*



Note: * Arrows relate to the trend from prior survey,
Source: East & Partners; Australian Corporate Transaction Banking Markets Nov 06, Australian Commercial Transaction Banking Markets Feb 07;
Australian SME Banking Markets Oct 06; Australian Micro Business Banking Markets Jan 07

Thinking about the future - Wealth and nabCapital products are an important emerging cross-sell opportunity



Thinking about the future - We are well positioned for growth given changing industry dynamics

Key Industry Dynamics

- Rise of non-traditional competitors, new channels
- Growth in size and sophistication of business and private banking clients
- Growing affluence and rise of superannuation
- Ageing populations
- Investor desire for greater personal control
- Growing importance of client advocacy

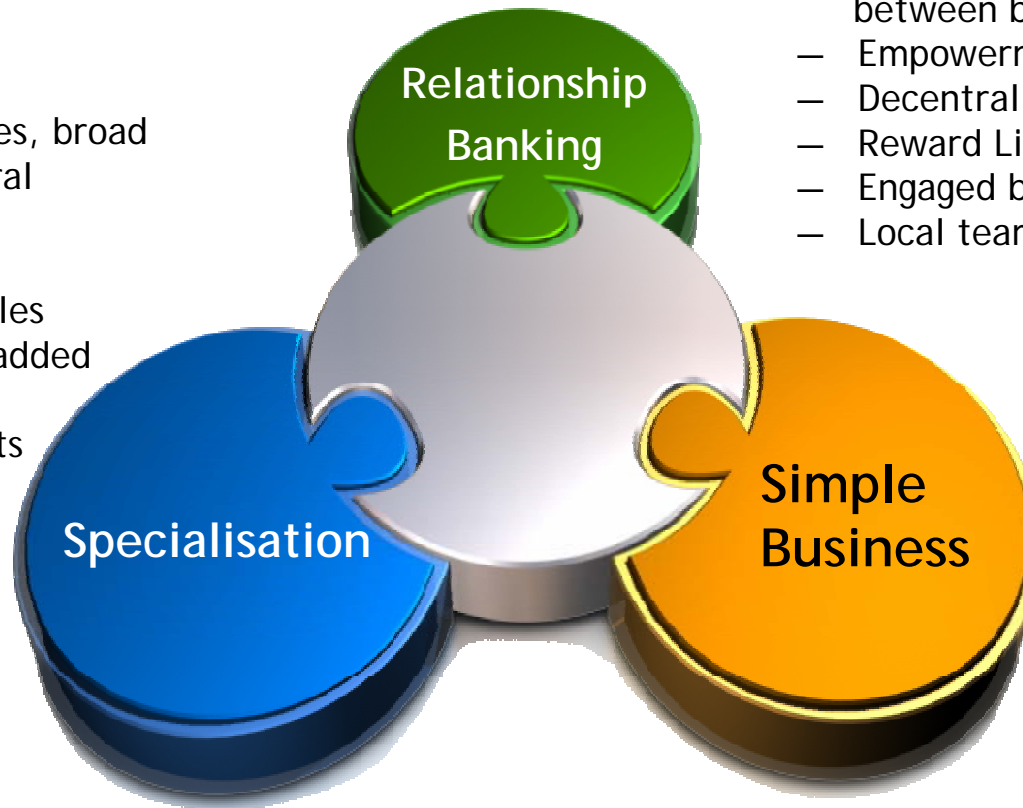
Why we are well positioned?

- Leading business and private bank
- Relationship banking - more bankers in more places
- Best bankers - more than our share of talent - strong focus on investing in proprietary channel
- Innovative service offerings is increasing our relevance to clients

Note: Leading business and private bank by business lending market share

Thinking about the future - Achieving Genuine Contact - Our business model

- Best Bankers
- Specialist Industries, broad and capable general distribution
- Deep Knowledge
- Growth across cycles
- Advice and value added services
- Innovative Products

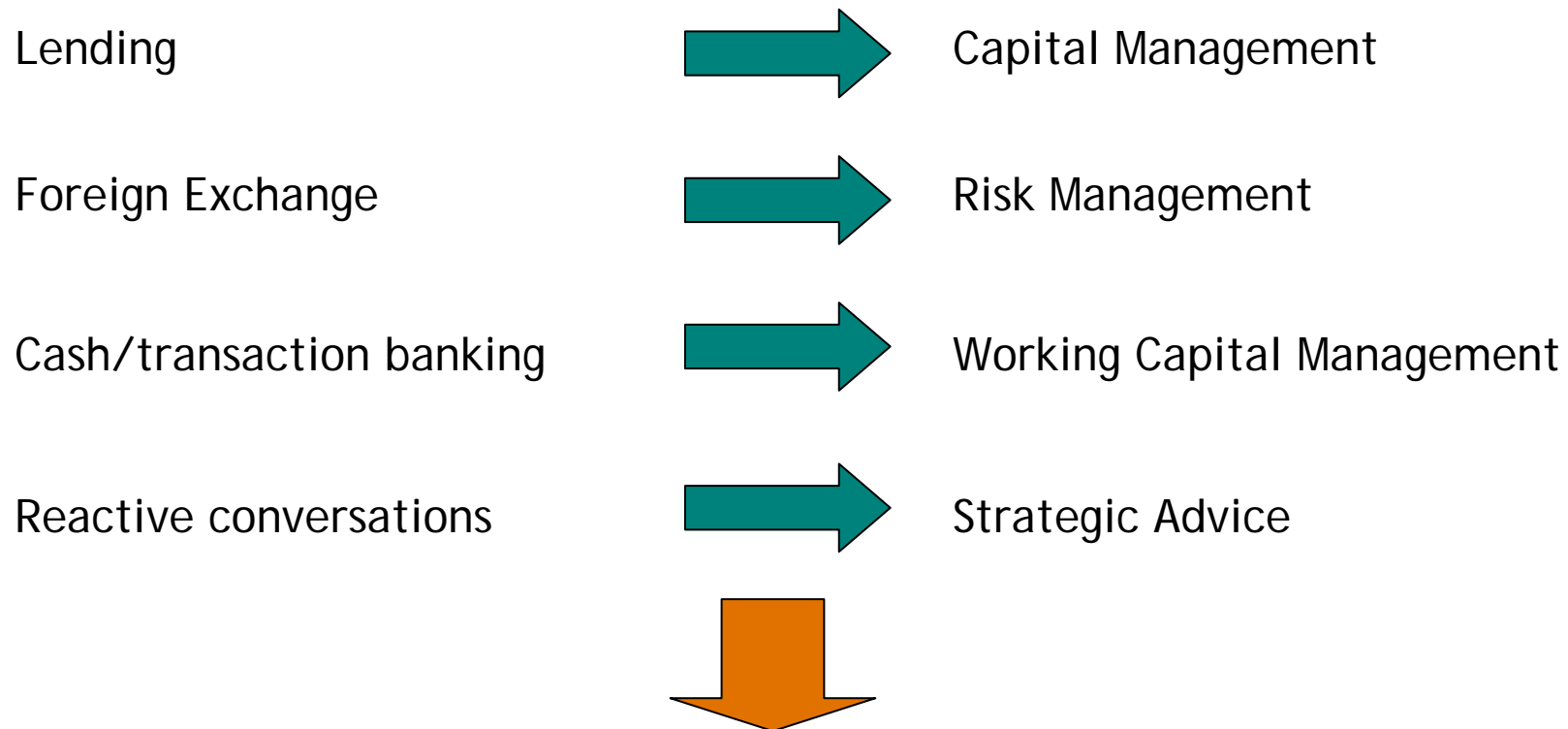


- Long Term Relationship between banker and client
- Empowerment
- Decentralised
- Reward Linked to Performance
- Engaged business owners
- Local teams with specialists

- Doing things once, quality
- Creating time for client interaction
- Making it easy for clients to interact with us
- Enabling platforms (here and offshore)

Thinking about the future - We have the best bankers and will continue to invest in their capabilities

Extending our Relationship and Relevance with our Clients



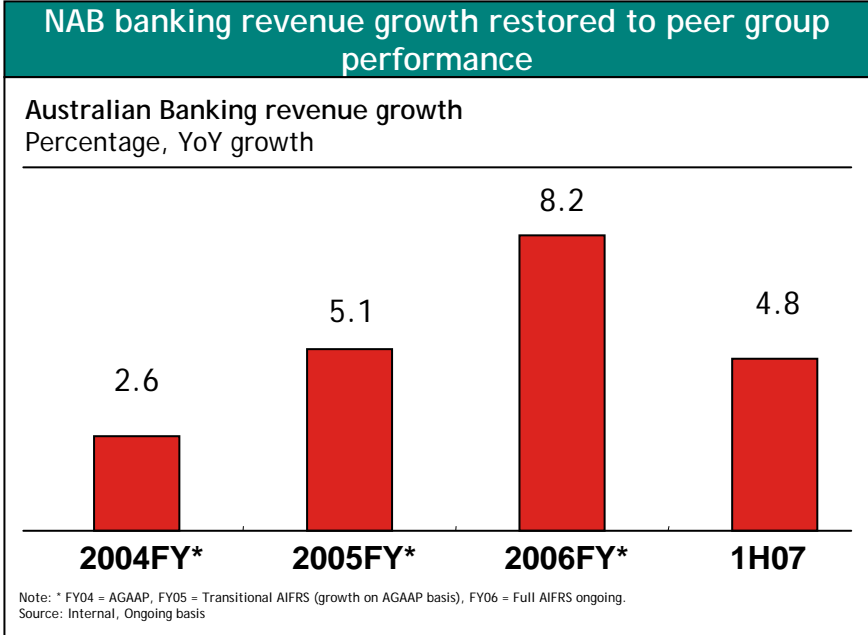
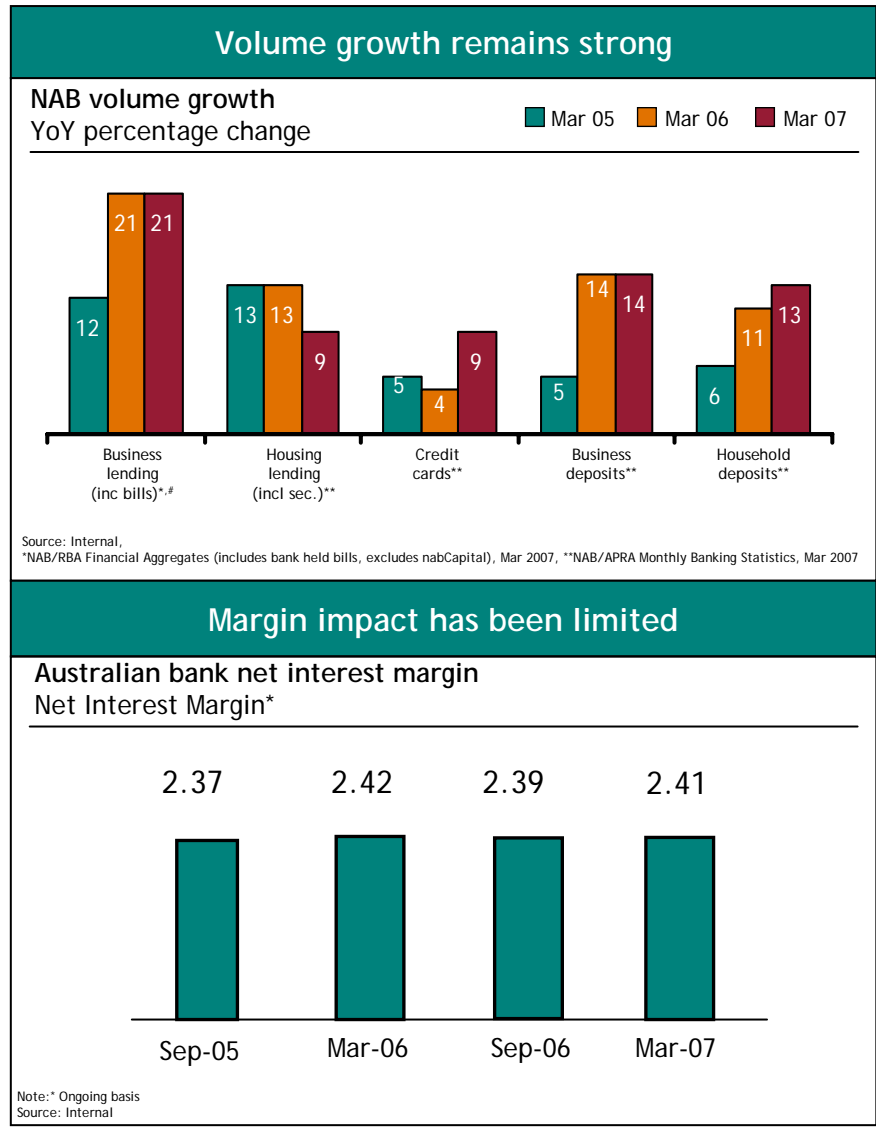
Right People, distinctive capability, right conversations

Summary

- > Australian Region growing and controlling costs
- > Major franchise, Business and Private, a significant part of the Region's success
- > We have a differentiated approach, not easily replicated, and sustainable
- > Growth opportunities

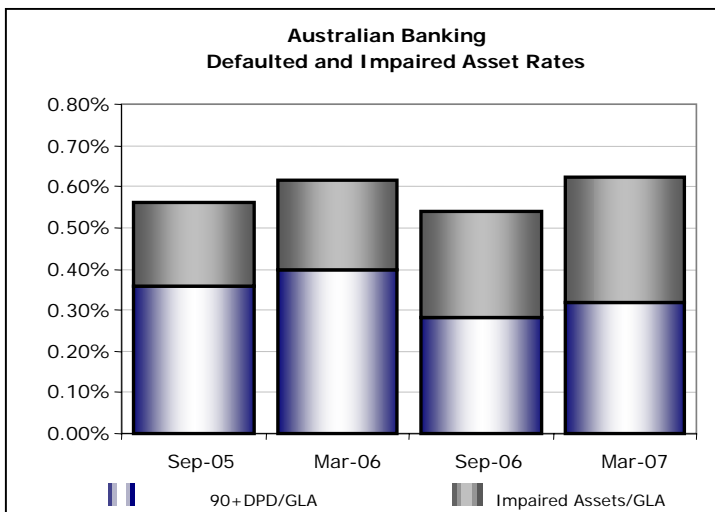
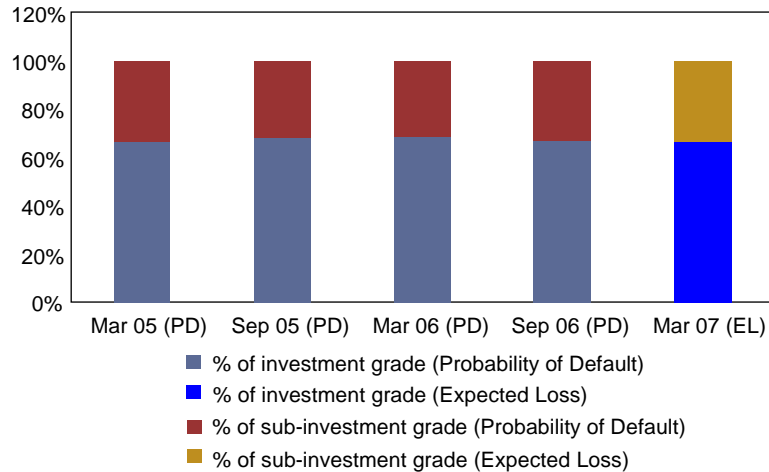
Appendix

Australian Banking Revenue Growth



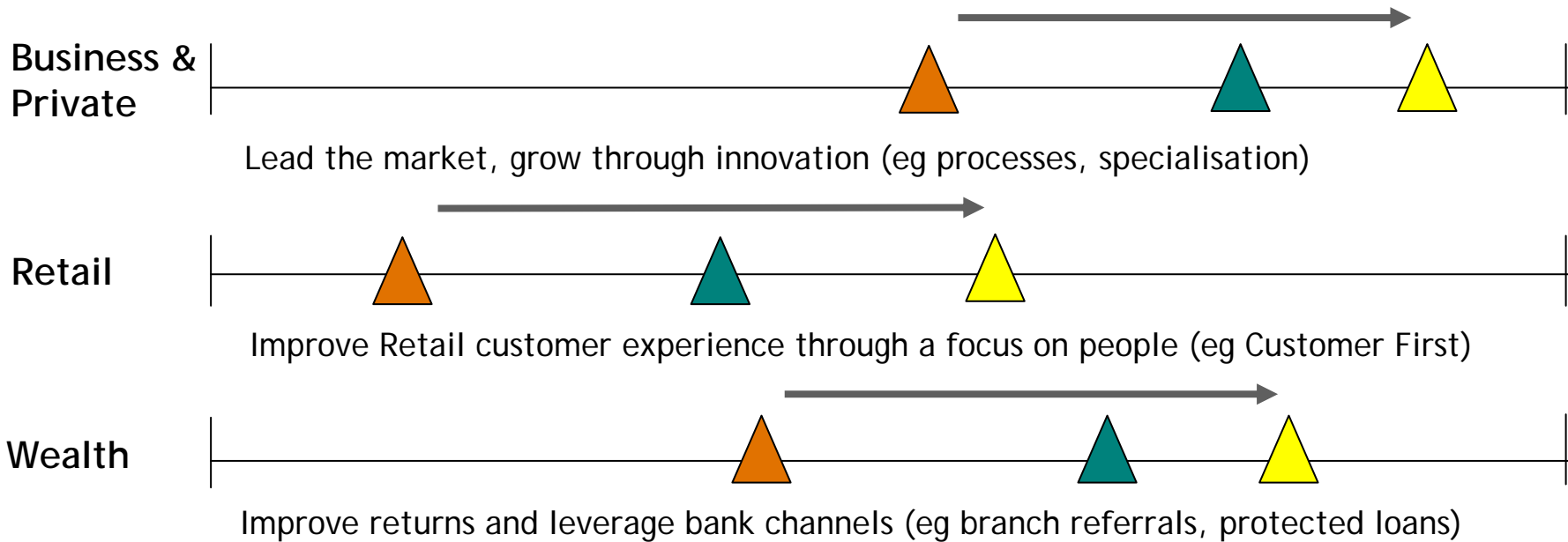
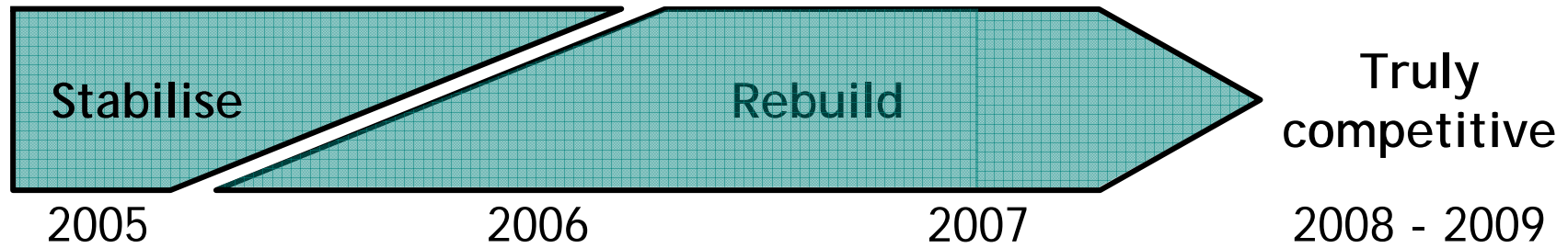
Asset Quality remains sound

Non-Retail Lending Customer Risk Distribution (Australian Region)



- Loan loss provision cover is within expectations.
- Implemented new models as part of Basel II enhancements in Australia
- Proportion of Non Retail investment grade equivalent (AAA to BBB-) and well secured lending (ie bank security > 100% of exposure) remains relatively stable.
- Rise in defaulted and impaired assets partly driven by seasonal factors and current economic conditions across NSW.

Our Business and Private portfolio - major franchise



Business & Private — lead the market, grow through innovation

Priorities

Industry
Specialisation

Progress

- > Establishment of the new specialisation business within BPA continues:
 - > Actual portfolios are now in place for Healthcare, Government and Education in Victoria with rollout through NSW about to begin.
 - > We are creating scale in the Eastern States with national roll out scheduled.

- > Implementation of new capacity releasing initiatives, including:
 - > Smart docs - dedicated to streamlining our lending documentation and processes to improve customer and banker experience.
 - > Continuous Improvement Program - The program aims to reduce the time bankers' spent on non-facing customer activities by creating a more efficient workplace using 'Lean' principles.

Business & Private — lead the market, grow through innovation

Priorities

Relationship Model Redesign

Progress

- > Refining our operating model to further integrate specialist sales and link reward for performance.
- > Ongoing investment in training to support bankers with over 250,000 hours projected to be completed this financial year.

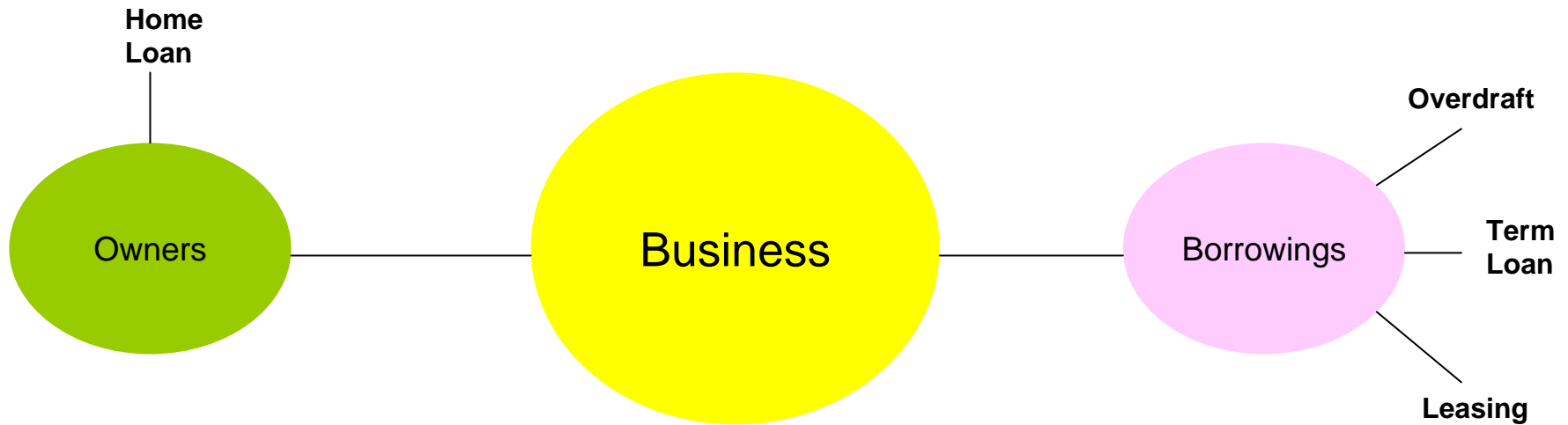
Product innovation

- > Introduction of our new Investment Product and Services Group: Responsible for the distribution of alternative investment products through the business and private bank platforms.
- > NAB Connect - Phase 3 of our new internet based platform for conducting business related transactions. Functionality currently piloting with selected customers and rollout to wider group scheduled this calendar year.

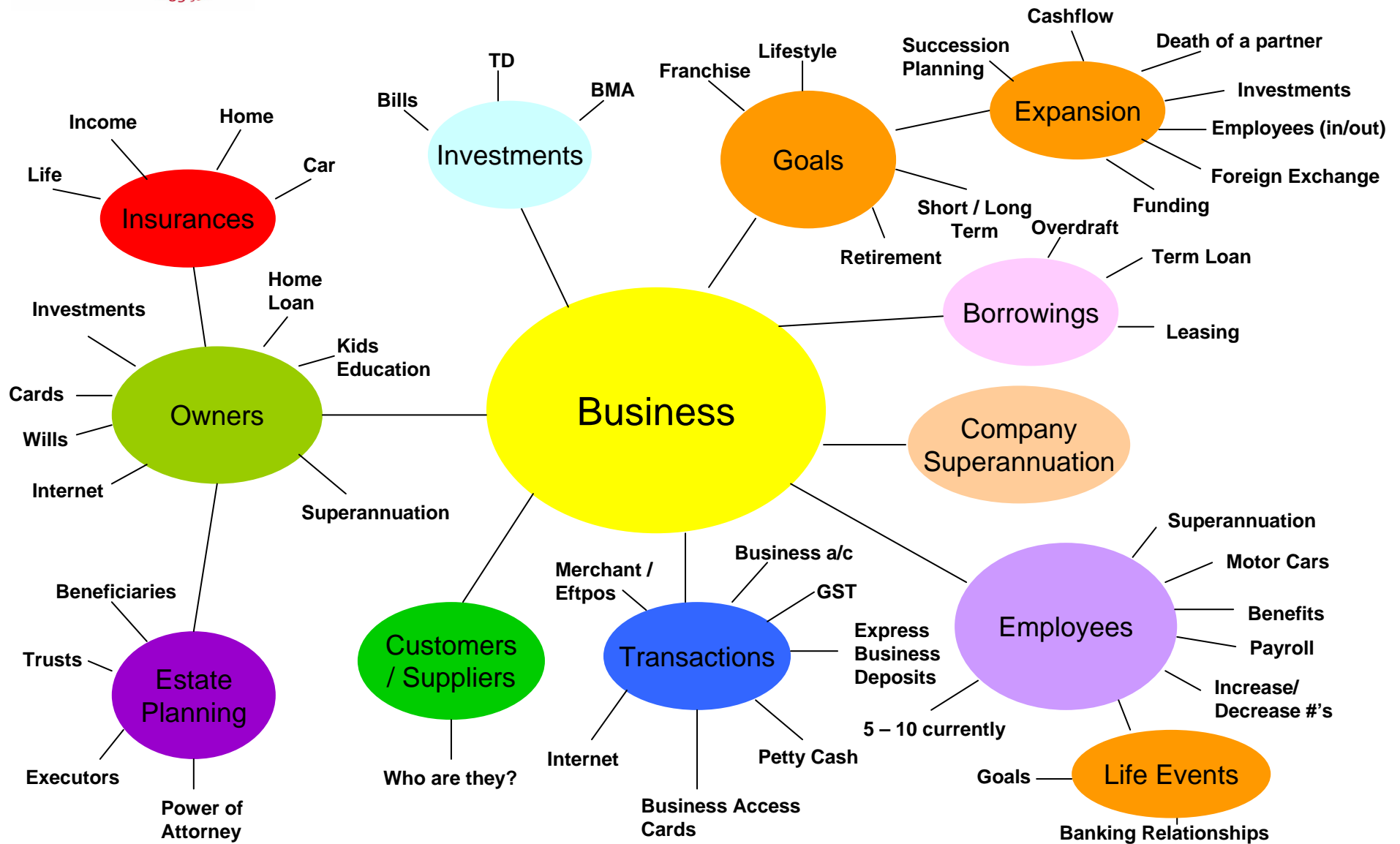
Building businesses - industry specialisation



Initial focus on business and home lending



Helping our customers fulfill their aspirations



Disclaimer

This document is a presentation of general background information about the Group's activities current at the date of the presentation, 20 June 2007. It is information in a summary form and does not purport to be complete. It is to be read in conjunction with the National Australia Bank Limited Half Year results filed with the Australian Securities Exchange on 10 May 2007. It is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. These should be considered, with or without professional advice, when deciding if an investment is appropriate.

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