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 FOUNDATIONS LOCAL COMMUNITIES VOLUNTEERING
YOUTH INCLUSION AND EDUCATION
 VOLUNTEERING
 SOCIAL AND FINANCIAL INCLUSION
 FINANCIAL LITERACY
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 FINANCIAL LITERACY
MATCHED GIVING
 YOUTH AND EDUCATION
 SUPPORTING LOCAL COMMUNITIES

COMMUNITY

As part of our Corporate Responsibility (CR) materiality process, we engage with our stakeholders to identify relevant community issues for our Company. The community issues identified as relevant to NAB are:

COMMUNITY INVESTMENT

DISASTER RELIEF

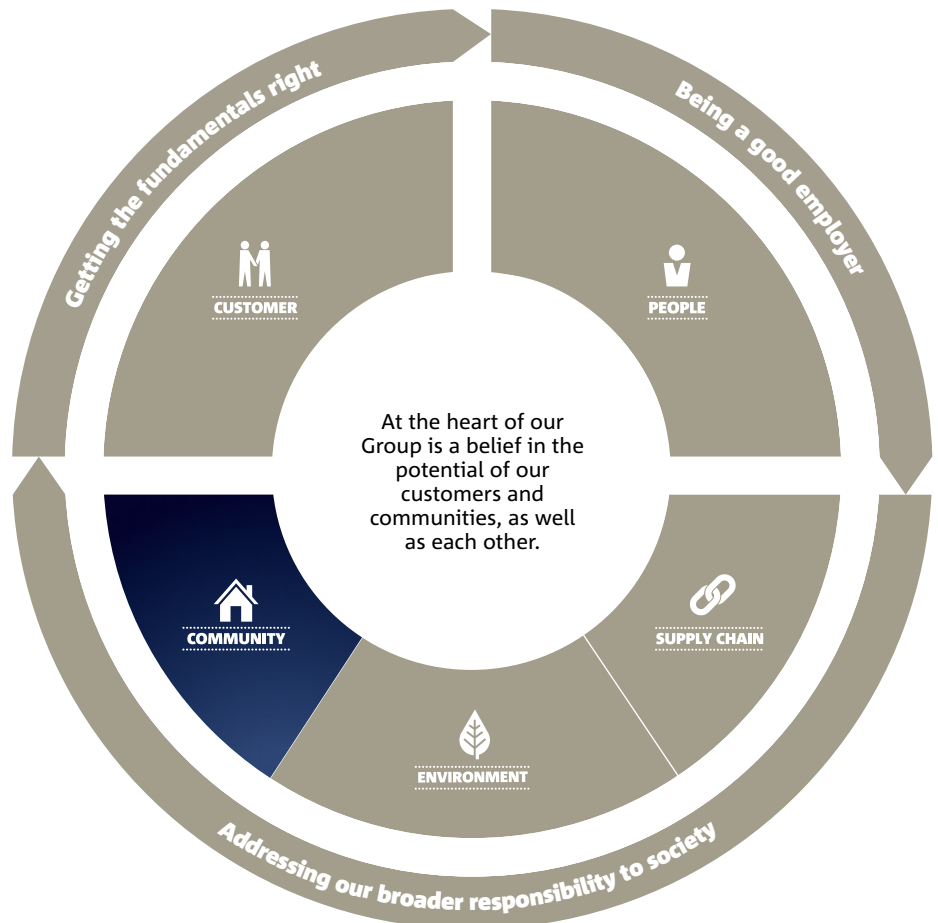
RECONCILIATION ACTION

VOLUNTEERING

Committed to our communities

We understand and acknowledge the special role a bank has in the community and as part of the economy. Our success, together with that of our customers and our people, is inextricably linked to the strength of communities we call home.

We are focused on realising the potential of young people and fostering social and financial inclusion.



THE PURPOSE OF OUR DIG DEEPER PAPERS

In 2010, for the first time, we combined our annual Shareholder Review and CR Review into an integrated report on our business. To focus the content in the Annual Review, we undertook a CR materiality process to assess the most significant issues in each of our CR segments. We then focused on including metrics in the report related to these issues (for more on our CR materiality process, visit our website <http://www.nabgroup.com/corporateresponsibility>).

We understand, however, that we have a diverse range of stakeholders, with a wide range of interests in our business. In the interest of transparent reporting, and recognising these diverse stakeholder demands, we have produced this series of *Dig Deeper* papers, to provide a broader suite of data for interested readers. In pulling these papers together, we have referred to the Global Reporting Initiative Sustainability Reporting Guidelines (G3), as well as back to our CR issues map and materiality process.

Further information on how we manage key issues, key programs, case studies and news stories can be found at www.nabgroup.com/cr.

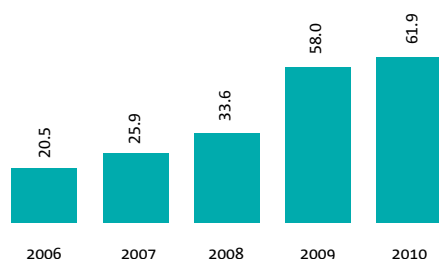
We hope we've met your data needs below. If we haven't, please let us know by emailing corporate.responsibility@nab.com.au.

Unless otherwise stated, all data in this *Dig Deeper* is reported for the period 1 October 2009 to 30 September 2010 and all graphs represent Group-wide data from internal sources.

COMMUNITY INVESTMENT

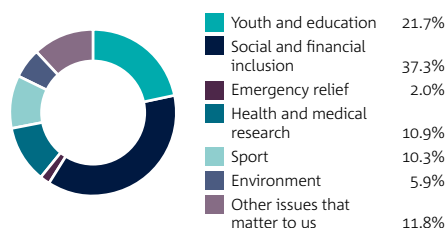
COMMUNITY INVESTMENT

\$ millions



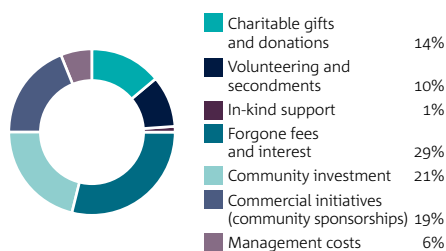
COMMUNITY INVESTMENT

Focus areas (%)



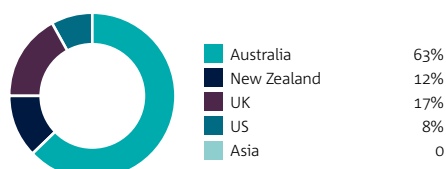
COMMUNITY INVESTMENT

By type (%)



COMMUNITY INVESTMENT

By region (%)



COMMUNITY INVESTMENT AS A PERCENTAGE OF CASH EARNINGS BEFORE TAX

	2006	2007	2008	2009	2010
Community investment (\$ millions)	20.5	25.9	33.6	58.0	61.9
Community investment (% of cash earnings)	0.31	0.47	0.53	1.05	0.95

Investing in communities (also known as Corporate Community Investment, or CCI) encompasses all forms of Company support, including charitable gifts and donations, community partnerships, employer-supported volunteering and community sponsorships.

To manage and track NAB Group's community investment, eight categories are used. These categories (with the exception of forgone fees and interest) derive from the London Benchmarking Group, with some small changes adopted by the Australian Benchmarking Group. The categories show the difference between short-term donations and longer-term community capacity-building programs. They also show the difference between contributions delivered in-kind and those that are financial.

The CCI categories are as follows:

Charitable gifts and donations: intermittent or one-off support for a broad range of causes in response to the needs and appeals of charitable and community organisations.

In-kind support: includes in-kind gifts, space and equipment.

Volunteer time: the value of volunteer time undertaken by staff in support of community causes.

Forgone fees and interest: the fees or charges on products or services that are waived for community benefit.

Community investment: long-term strategic involvement in community partnerships to address a specific range of social issues.

Commercial initiatives: includes community activities by business departments that support the success of the business in partnership with charities and community-based organisations.

Management costs: costs incurred in developing and sustaining CCI initiatives, both wage and non-wage.

3rd party facilitated donations: any additional funds that are raised by 3rd parties as a direct result of NAB's involvement.

3rd party facilitated donations are only recorded for the Australian region and are not included in the community investment total of \$61.9 million.

Sponsorships that are used to raise awareness about the Company or to promote the Company or the Company's brand do not fall under the 'community investment' heading. These sponsorships are typically accompanied by advertising and are generally not directly associated with specific community group(s). Commercially based sponsorships are not included in this report.

MAJOR INVESTMENTS IN 2010	REGION	AMOUNT A\$	DETAILS
Charitable gifts and donations			
NAB Matched Giving program	Australia	\$303,209	Launched in February 2007, NAB's Workplace Giving program allows employees to make regular donations directly from their salaries to any Australian registered charity and NAB matches all employee donations made, to the value of \$1,200 per employee annually.
Canterbury Earthquake Appeal	NZ	\$577,728	Donation made by BNZ in response to the Christchurch earthquake on 4 September 2010. The bank pledged NZ\$1 million in response, of which over NZ\$700,000 was donated to the NZ Red Cross and Salvation Army.
Yorkshire and Clydesdale Bank Foundation	UK	\$1,597,946	Launched in July 2008, the Yorkshire and Clydesdale Bank Foundation provides support to registered charities, not-for-profit organisations, community and other voluntary organisations.
MLC Community Foundation	Australia	\$4,000,000	Established in 2008, the MLC Community Foundation supports Australian communities by investing in key areas of need and employee interest. This represents the amount contributed from MLC into the Foundation.
In-kind support			
Save the Kiwi Trust	NZ	\$14,412	Rental of office premises.
Common Purpose	UK	\$26,938	Rental of office premises.
The Alannah and Madeline Foundation	Australia	\$70,500	Rental of office premises.
NAB AFL Auskick	Australia	\$403,000	In-kind contributions to AFL Auskick (refer to community initiatives below for further description of AFL contributions).
Volunteer time			
Refer below			
Forgone fees and interest			
Rural Over the Counter Withdrawals	Australia	\$316,102	As part of its commitment to regional Australia, NAB provides customers at approximately 104 rural branches with reduced bank fees. These rural branches typically have no NAB ATM within 25 kilometres of the branch.
Concession Card Accounts	Australia	\$1,535,780	This product provides concession card holders with an account free of monthly transaction fees, reference fees and dishonour fees. The value of forgone fees has reduced dramatically in this category since the introduction of NAB's fair value initiatives, which reduced and abolished many fees across NAB's standard accounts.
Microfinance programs	Australia	\$2,754,318	As part of its commitment to providing fair and affordable banking for all Australians, NAB provides a range of no-interest and low-interest loans through the No Interest Loans Scheme, StepUP Loans and Microenterprise Loans. The amount shown here includes fees waived, interest forgone, and bad and doubtful debts. More information on the microfinance programs and investment is provided under community investment below.
CYB Term Deposit Accounts	UK	\$3,008,478	This product is for registered charities and is the difference on interest paid between a business term deposit and a charity term deposit.
Business Choice Charities Accounts	UK	\$3,488,032	This product is for registered charities and is the difference on interest between interest paid to a business current account and a charity current account.

MAJOR INVESTMENTS IN 2010	REGION	AMOUNT A\$	DETAILS
Community investment			
Plunket	NZ	\$487,894	In 2009, BNZ became the principal sponsor of Plunket, New Zealand's largest provider of support services for the development, health and wellbeing of children under five.
Save the Kiwi Trust	NZ	\$722,885	The BNZ Save the Kiwi Trust is a partnership between the Department of Conservation, the Royal Forest & Bird Protection Society and BNZ to protect the kiwi and its natural environment.
Schools First	Australia	\$7,228,413	Schools First is one of NAB's most significant community investments. A partnership between NAB, the Australian Council for Educational Research and The Foundation for Young Australians, Schools First encourages and rewards innovative partnerships between schools and their communities, and, ultimately, aims to improve student learning beyond the classroom. NAB has committed \$15 million to Schools First award funding over the first three years of the program. In 2010, we have provided \$5.2 million in awards funding. The remainder of this amount includes program delivery costs supported by NAB, such as development and printing of program materials.
Indigenous programs	Australia	\$1,821,400	In December 2009, NAB launched its second Reconciliation Action Plan, which focuses on three areas: financial inclusion, building access to real jobs and cultural awareness. The most significant components include investments to support the Indigenous Employment Program and Indigenous Money Mentors program.
Microfinance programs	Australia	\$1,477,978	In addition to committed loan capital and forgone fees and interest, NAB has invested funds to support community finance workers and networks that support the programs.
Community initiatives			
NAB AFL (Auskick, Rising Stars and NAB Cup)	Australia	\$3,886,500	Since 2002, NAB has worked with the AFL in communities around Australia with a focus on grassroots programs. NAB's commitment to the AFL extends from NAB AFL Auskick, the country's leading junior sport program, to the NAB AFL Rising Stars program and the NAB Cup. This amount represents a proportion of our contribution to the AFL, reflective of the community benefit of programs like Auskick.
The Alannah and Madeline Foundation	Australia	\$243,150	The Alannah and Madeline Foundation is a national children's charity keeping children safe from violence by providing care, prevention programs and advocacy. NAB is a sponsor and its involvement has helped The Alannah and Madeline Foundation develop an anti-bullying framework, 'The Better Buddies Program'.
Ovarian Cancer Research Foundation (OCRF)	Australia	\$222,500	NAB has been the founding partner of the Ovarian Cancer Research Foundation (OCRF) since 2001. NAB is continuing to raise vital funds and community awareness about ovarian cancer. In addition to this contribution, we have facilitated fund-raising of \$800,000 in 2010 (refer to 3rd party facilitated donations below).
The Australian Ballet	Australia	\$262,500	NAB is a Lead Sponsor of The Australian Ballet and Major Sponsor of the National Education Programme, which provides workshops, seminars and in-theatre performances around the country. The NAB Dance the Dream program, designed to educate and inspire regional dance students, takes dancers from The Australian Ballet to local classrooms of dance schools across Australia, offering advice on technique and sharing insights into life as a dancer. This amount represents a portion of our contribution, reflective of the community benefits of programs like Dance the Dream.
Yachad Accelerated Learning Program (YALP)	Australia	\$700,000	YALP is a three-year educational intervention program aimed at raising the scholastic achievements of students in remote and rural locations in Australia, particularly indigenous students. It is based on community educational approaches developed by the Hebrew University of Jerusalem.
3rd party facilitated donations			
Ovarian Cancer Research Foundation (OCRF)	Australia	\$800,000	NAB has been the founding partner of OCRF since 2001. NAB is continuing to raise vital funds and community awareness about ovarian cancer. In addition to facilitated fund-raising, we have contributed over \$200,000 in 2010.

VOLUNTEERING

Across Australia, New Zealand and the UK, our employees are entitled to two days' volunteer leave each year to contribute to the community. In 2010, we have seen a 66% increase in the number of volunteer days contributed by the Group. This is a significant increase, driven through factors such as the closer linking of our volunteering program to our major community investments, the offering of a greater number of longer-term secondments, an increased number of skilled volunteering opportunities and placements, and initiatives such as BNZ's *Closed For Good* day (refer below). A brief summary of regional activity is provided below.

Australia

NAB has had a corporate volunteering program in place since 1998. Since the program's inception, we have developed relationships with over 350 community organisations nationally. We supported 30 employee secondments with partners such as Earthwatch and Jawun and we offered over 15,562 opportunities to NAB employees via the Volunteer Planner. Our people helped plant over 24,000 trees and knit over 5,000 squares for the Save the Children Knit One, Save One program, and contributed to the preparation of over 10,000 nutritious meals for a variety of community partners. You can read more at nab.com.au/volunteering.

VOLUNTEERING DATA

Number of volunteer days contributed to the community in 2010	20,718
Increase in the number of volunteer days contributed to the community from 2009 to 2010	66%
Value of volunteer days contributed	\$6.38 million
% of Australian employees who took volunteer leave in 2010	31%

New Zealand

On 4 November 2009, BNZ closed the bank for a day to enable over 3,500 staff to volunteer for 500 community projects. An additional 2,500 volunteer days were recorded outside this event, including an increased focus on supporting our major community partner, Plunket. *Closed for Good* significantly contributed to the 80% increase in volunteering on the previous year and will be repeated on 9 March 2011. BNZ hopes to incorporate skilled volunteering opportunities into the program.

UK

Following the launch of our employee volunteering policy in April 2007, we have seen a significant increase in the number of employees participating. Volunteering opportunities that align with our community strategy are provided and promoted by the bank. In the last financial year, our employees contributed 3,609 volunteering days, which is an increase of 26% on the previous year. Activities are split into 'Hands Up', such as gardening, painting, fund-raising and administration tasks, and 'Skills Based', such as mentoring pupils, making presentations to schools, or taking up a role as a Charity non-executive Board member or School Governor. Of our volunteer days taken, approximately 40% are Skills Based and 60% Hands Up.

ASSURANCE STATEMENT

ERM Independent Assurance Report to National Australia Bank Limited: Summary for the 2010 Annual Review and *Dig Deeper* papers.

Environmental Resources Management Australia Pty Limited (ERM) was engaged by National Australia Bank Limited (NAB) to provide independent limited assurance of its 2010 Annual Review and *Dig Deeper* papers to the scope of work outlined in ERM's Independent Full Assurance Report (see link provided below), which for Environment data relates to 1 July 2009 to 30 June 2010.

<http://annualreports.nabgroup.com/assurance.html> for details of ERM's scope of work, experience, independence and key findings.

Conclusion

ERM concludes that, based on the scope of work and related limitations, for the specified subject matter, NAB's 2010 Annual Review and *Dig Deeper* papers:

- Provide a balanced representation of the material issues concerning NAB's CR performance
- Report accurate CR metrics, based on the limitations outlined above and the representative sampling of a limited dataset
- Incorporate correctly transcribed greenhouse gas and energy data that has been subject to assurance by a third party

for the 12 months to 30 September 2010. In addition, ERM provides a more detailed Management Report to NAB.

Environmental Resources Management Australia Pty Limited (ERM),
9 November 2010, Melbourne, Australia

Please follow this link (<http://annualreports.nabgroup.com/assurance.html>) for ERM's Disclaimer Statement that applies to this *ERM Independent Assurance Summary Report*.

