

INDUSTRIAL RELATIONS
LEADERSHIP
ORGANISATIONAL CULTURE
HEALTH AND WELLBEING
**FLEXIBLE
WORKING**
DIVERSITY AND INCLUSION
LEARNING
AND DEVELOPMENT
ORGANISATIONAL
EQUITY

BEHAVIOURS
VALUES
WELL
BEING
OHS

TALENT
MANAGEMENT
INDUSTRIAL RELATIONS
BELIEFS
VOLUNTEERING
VALUES
FLEXIBLE WORKING
ORGANISATIONAL
CULTURE
LEADERSHIP
DEVELOPMENT
RELATIONS
**PERFORMANCE AND
REWARD**
ORGANISATIONAL CULTURE VALUES

DIVERSITY
AND INCLUSION
FLEXIBLE

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PERFORMANCE
AND REWARD
MANAGEMENT
INDUSTRIAL
RELATIONS
BEHAVIOURS
HEALTH AND WELLBEING VOLUNTEERING BELIEFS
EQUITY
INCLUSION
LEARNING AND DEVELOPMENT

**FLEXIBLE
WORKING**
AND
DIVERSITY
AND INCLUSION
TALENT
REWARD

PEOPLE ISSUES

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

DIVERSITY AND INCLUSION

FLEXIBLE WORKING

INDUSTRIAL RELATIONS

LEARNING AND DEVELOPMENT

OHS AND WELLBEING

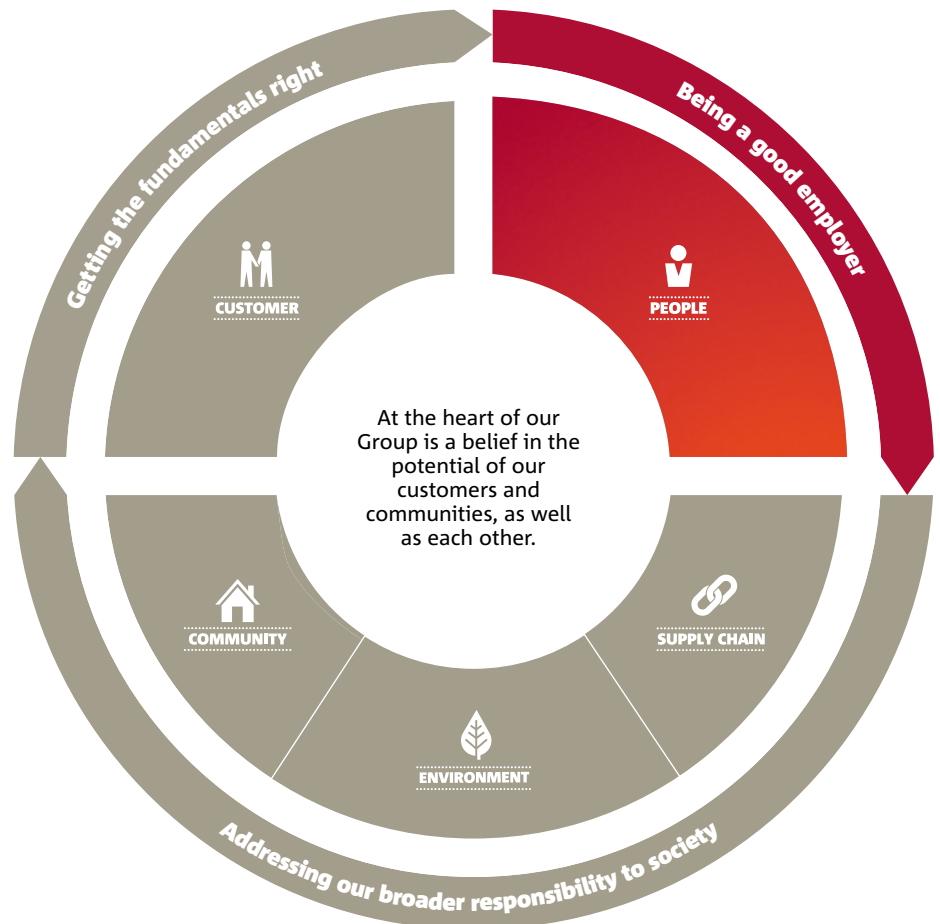
ORGANISATIONAL CULTURE

PERFORMANCE AND REWARD

TALENT MANAGEMENT

Committed to being a good employer

As an employer, we play a significant role in the lives of more than 40,000 people. Being a great place to work is fundamental to creating the type of organisation with which our customers want to do business.



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.

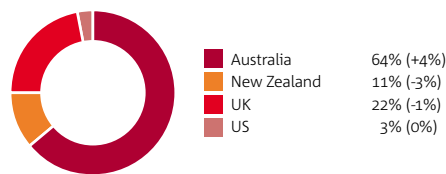
WORKFORCE

Across the Group we have more than 40,000 employees. Our people are predominantly Australian based, with a majority in permanent full-time positions. Of the Australian business, Personal Bank has the greatest number of employees with over 8,900, while Business Bank and MLC and NAB Wealth have around 5,000 employees each. Wholesale Banking has over 3,000 employees.

84% of our people are permanent full-time. Although not currently tracked, much of our workforce utilises flexible working arrangements. Our recent Group-wide employee survey told us that 67% of Group respondents feel that “The organisation supports me in achieving a reasonable balance between my work and my personal life”, 14% above the financial services norm.

EMPLOYEE DISTRIBUTION*

FTE

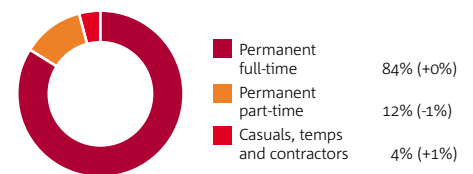


* +/- from 2009 Workforce Statistics

- Excludes employees in Asia (represent less than 1%).
- GRI reference: LA1 – Breakdown of employment type.

WORKFORCE BY TYPE*

FTE



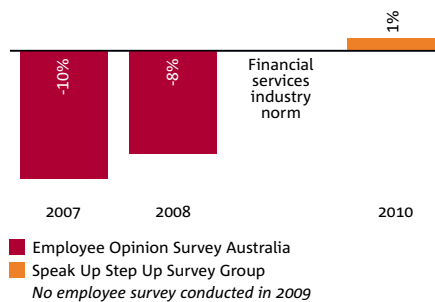
* +/- from 2009 Workforce Statistics

SPEAK UP STEP UP SURVEY RESULTS

In 2010, we conducted a Group-wide survey that measured our people’s perceptions of how we demonstrate our beliefs and behaviours. The survey achieved an 85% response rate and showed that our employees strongly believe we do the right thing and are helpful to our customers and communities. It also showed that we can do more to realise the potential of our people. The survey told us how connected people feel to the organisation (engagement) and what things help them in, or hinder them from, doing their jobs (enablement). Our improvement on engagement and enablement scores indicates we are on the right path. Now on par with the financial services industry norm, we’ve built a solid basis for future improvements.

EMPLOYEE ENGAGEMENT

85% survey response rate 2010



- Survey conducted by Hays Group and achieved an 85% response rate.

LIVING OUR BELIEFS

% OF OUR PEOPLE WHO BELIEVE THE ORGANISATION DOES THE RIGHT THING BY OUR CUSTOMERS, COMMUNITY AND EMPLOYEES

75%

EMPLOYEE TURNOVER

As a change in calculation methodology has been applied in 2010, the results from prior years are not directly comparable. However, analysis indicates that the trends determined are still applicable. That is, turnover in the Australian region has remained relatively static, while reductions in turnover have been noted in the UK and New Zealand.

In the US, we have recorded an increase in turnover. During the reporting period, there were two acquisitions made by the US business and integration of these businesses resulted in a higher than normal turnover.

RATE OF EMPLOYEE TURNOVER

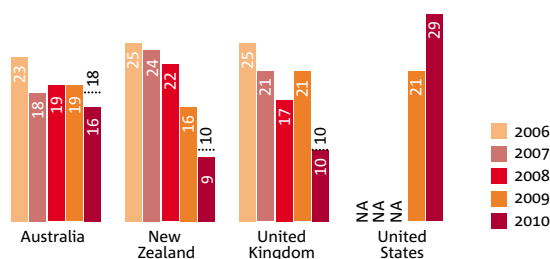
Gender	Age	Australia	NZ	UK	US
Female	<25	28%	14%	15%	5%
	25-34	17%	13%	11%	5%
	35-44	14%	8%	6%	3%
	45-54	14%	5%	6%	3%
	55+	20%	6%	9%	3%
Male	<25	26%	24%	20%	1%
	25-34	18%	13%	12%	3%
	35-44	14%	8%	8%	1%
	45-54	13%	4%	7%	2%
	55+	14%	6%	9%	2%
Total all		16%	9%	10%	29%
		18%	10%	10%	3%

TOTAL NUMBER OF EMPLOYEE TURNOVER

Gender	Age	Australia	NZ	UK	US
Female	<25	319	28	111	57
	25-34	787	97	182	63
	35-44	596	69	106	36
	45-54	345	31	96	39
	55+	186	24	39	37
Total female	All ages	2,233	249	534	232
Male	<25	221	26	71	15
	25-34	754	73	120	31
	35-44	518	48	95	14
	45-54	241	15	71	20
	55+	79	9	25	19
Total male	All ages	1,813	171	382	99
		4,046	420	916	331

EMPLOYEE TURNOVER

(%)



- A change in calculation methodology was introduced in 2010, which affects Australia, NZ and UK. The dotted bars show results if the prior method had been continued.
- GRI reference: LA2 – Employee turnover.

DIVERSITY

The proportion of women in management and senior management has continued to trend upwards since 2006, reflecting our ongoing focus on this key issue. Nonetheless, we recognise the need to accelerate progress, and have implemented a range of initiatives to identify and eliminate barriers (both tangible and intangible) to the progress of our talented women into leadership roles.

As the first Australian financial institution to conduct a comprehensive gender pay equity audit in 2007, we are fully committed to eliminating any gender-based pay differentials. Whilst the overall average pay gap between men and women is closing, we again aim to increase the rate of change. We expect to conduct another pay equity audit in the near future to address any remaining inequities. Female career progression and gender pay equity are interlinked issues, and improvements in one area will typically benefit the other.

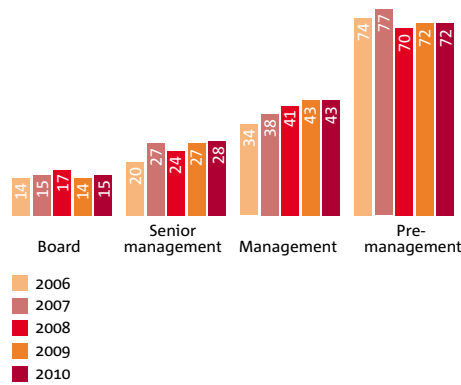
We closely monitor and report on progress to our Group Executive and Board. Whilst our current position in Australia typically exceeds national and industry averages, NAB is committed to being a leader in diversity and inclusion best practice for women and all workforce segments.

NAB is committed to improving the continuous disadvantage experienced by Indigenous Australians. As part of our Reconciliation Action Plan we have an *Indigenous Employment Program* to build access to long-term jobs in a sustainable way.

Find out more about NAB's diversity initiatives at www.nabgroup.com/cr/people.

FEMALE REPRESENTATION

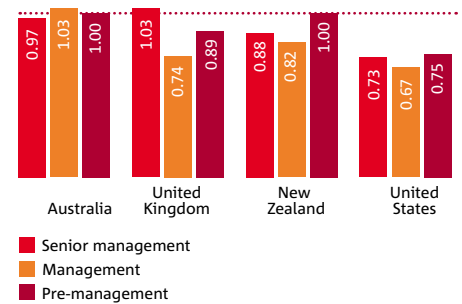
By employment level (%)



- Australian remuneration ratio is calculated using base salary, excluding short-term incentive payments, for permanent employees.
- Data calculated using headcount.
- GRI reference:
LA13 – Gender, age group, work role and other indicators of diversity.
LA14 – Ratio of basic salary of men to women by employee category.

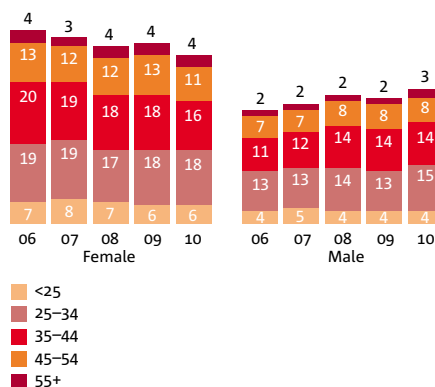
FEMALE VS MALE REMUNERATION RATIO

By employment level

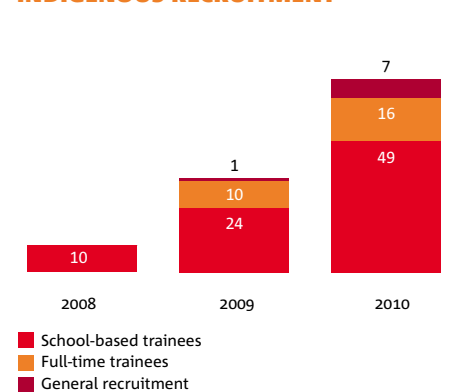


EMPLOYEE PROFILE

(%)



INDIGENOUS RECRUITMENT

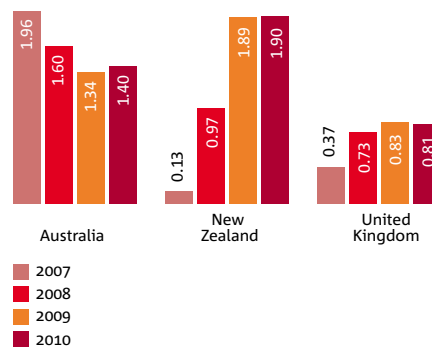


HEALTH AND WELLBEING

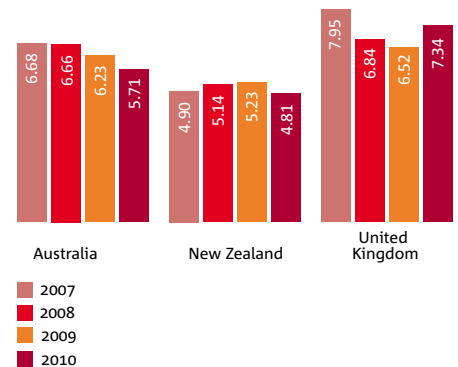
In New Zealand, we have seen an increase in our LTIFR in 2009 and 2010 as a result of two significant harm injuries. These injuries were a fracture of the arm and a fracture of the foot. No hazards were identified following these injuries. BNZ is managing the above claims and has a comprehensive claims management system with the medical and vocational rehabilitation in place. These two claims accounted for over 50% of BNZ LTIFR in 2009 and 2010.

LOST TIME INJURY FREQUENCY RATE

Number of work-related lost-time injuries per million hours worked



ABSENTEEISM



- GRI reference:
LA7 – Rates of injury, occupational diseases, lost days, and absenteeism and number of work-related fatalities by region.

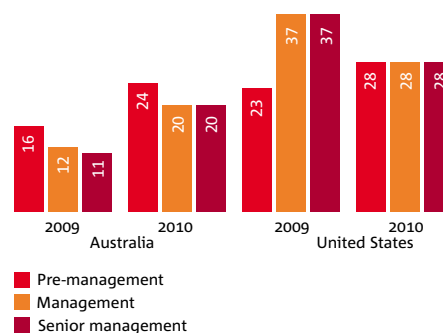
WORKFORCE TRAINING

In Australia, The Academy was launched in November 2008 and offers both online learning and training and development at one of our six physical sites. In 2010, we have seen an increase in the average training hours per employee at all levels of employment.

Find out more about The Academy, and NAB's learning and development initiatives at www.nabgroup.com/cr/people.

AVERAGE TRAINING HOURS

Per employee per level



- UK and NZ systems do not enable data collection.
- US record total hours and have attributed these evenly by level of employment in 2010.
- GRI reference:
LA10 – Workforce training.

COLLECTIVE BARGAINING

Our people can join and be represented by a union without suffering from any form of discrimination or prejudice. We comply with all relevant freedom of association legislation, regulatory requirements and ILO Conventions 87 and 98.

Specifically, in the three largest regions in which we operate, our people are represented by the following unions:

Australia – Finance Sector Union
New Zealand – Finsec
United Kingdom – Unite.

All NAB Australian employees are covered by a collective agreement. In the US, it is not customary in the financial services industry to cover employees with collective bargaining agreements.

EMPLOYEES COVERED BY COLLECTIVE BARGAINING AGREEMENTS

	Australia		NZ		UK		US	
	2009	2010	2009	2010	2009	2010	2009	2010
Percentage of employees covered by collective bargaining agreements	100%	100%	17%	18%	98%	86%	0%	0%

- GRI reference:
LA4 – Percentage of employees covered by collective bargaining agreements.

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*.

