

**Media Release****Thursday 25 October, 2007****National Australia Bank adopts equator principles**

National Australia Bank (NAB), through its institutional banking and capital markets division nabCapital, has agreed to a global social and environmental benchmark for financing projects greater than US\$10 million by adopting the Equator Principles.

NAB joins other global banks from 21 countries adhering to the policies set down by the World Bank and International Finance Corporation. The Equator Principles are a set of globally recognised, voluntary guidelines to assess and manage social and environmental project financing risk, especially in emerging markets. NAB's Project Finance activities reside within the nabCapital business.

John Hooper, CEO of nabCapital, said the bank's project finance credit risk policies have been guided by the Equator Principles' requirements for at least a decade.

"Irrespective of the value of the project financing work we undertake, we apply the Equator Principles to be a responsible lender," he said. "The adoption of the standard now formalises the rigour that NAB has applied to all projects in developing countries.

"Borrowers must have action plans to reduce or mitigate environmental and social risks. In some cases they will be obliged to consult with affected communities if projects have potential for significant adverse environmental and social impacts.

"Our screening of projects for environmental and social impacts is consistent with the Group's pledge to be carbon neutral by 2010 by reducing our greenhouse gas impact in Australia, the UK and New Zealand. The pledge extends to helping our customers and employees respond to sustainability challenges with advice, products and services."

NAB project finance activities covers various sectors including renewable and coal (non-renewables) energy, infrastructure (road, rail, airports, ports, pipelines and telecommunications), mining and refining (metals and coal), water treatment infrastructure, oil and gas, waste management and recycling.

The Equator Principles website can be found at <http://equator-principles.com/>

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