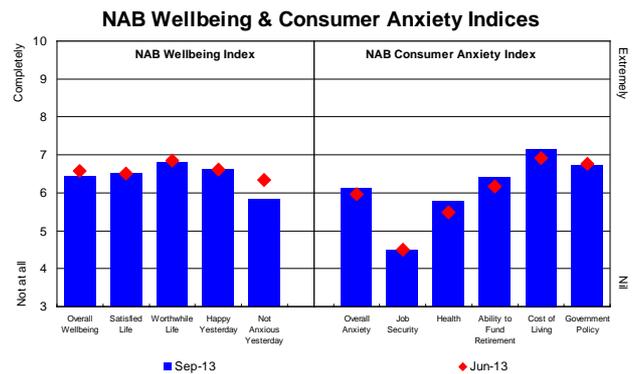
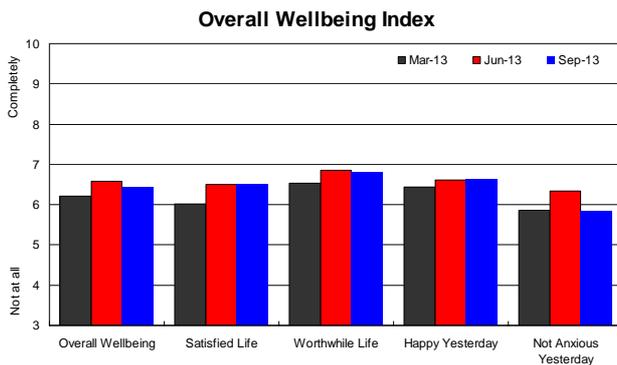


NAB Quarterly Australian Wellbeing Index: September 2013

National wellbeing deteriorates slightly in line with more subdued economic conditions with significant fall in WA driven by much higher levels of anxiety. The NAB Australian Wellbeing Index fell to 6.4 points in Q3 (6.6 points in Q2), with a big increase in anxiety in WA a key contributor to lower national wellbeing. Life satisfaction and happiness levels were unchanged, but more Australians rated the worthwhile life and not anxious yesterday questions lower (survey conducted one week before the Federal election). Wellbeing fell in nearly every demographic category, except those living in Tasmania and regional cities, earning \$75-100K, widowers and married couples, those without kids and employed in sales/clerical roles. Wellbeing is now lowest in WA - a big turnaround from the highest level of wellbeing in the last quarter. **NAB's Consumer Anxiety Index** (released today, measuring consumers' concerns about their future spending and savings plans) also increased in Q3 with the cost of living still the main concern.



In Q3, wellbeing was typically highest for those...

- residing in rural towns or the bush
- earning over \$75K
- aged 50+ and female
- widowed or married
- without children
- living in a household with 2 people
- with diplomas or tertiary qualifications
- retired
- living in Tasmania

Some of the big changes since our last survey...

- ✗ wellbeing is now lowest in WA (best state in Q2)
- ✗ anxiety in WA up notably, driving fall in WA wellbeing
- ✓ Tasmania now the best state (worst state in Q2)
- ✗ wellbeing lowest in capital cities (regional cities in Q2)
- ✓ \$75-100K group highest wellbeing (+\$100K in Q2)
- ✗ anxiety rises more for men; women also more anxious
- ✗ notable fall in wellbeing for 18-29 year old males
- ✓ wellbeing higher for those without kids than with kids
- ✗ 3+ household significantly more anxious

A deeper look at the data highlights some significant developments...

- Just over 17% of those surveyed rated their wellbeing "high" with regards to satisfied life, up from 14.6% in Q2. This compared to 15.4% who rated it "very low", which was broadly unchanged from the Q2 survey (15.9%).
- Around 24% of Australians rated the worthwhile life question "high" in Q3, up slightly from 21.1% in Q2. A bigger change was noted in the number who rated it "medium", which fell from more than 43% to just below 36% and in those who rated the worthwhile life question as "low", which increased to 28.2% from 23.6% in Q2.
- There were only marginal changes in quartile values for the happy yesterday question, leaving the overall happiness measure unchanged in September.
- In contrast, there was a notable increase in anxiety during Q3. More than 31% of Australians rated the not anxious yesterday question "very low", up from 26.4% in Q2, while only 21.5% rated the not anxious yesterday question "high" in Q3, down from 26.4% in Q2.

Wellbeing Indicator Categories (%)

	Very Low (0-4)	Low (5-6)	Medium (7-8)	High (9-10)	Average (mean)
Satisfied Life					
Q2 2013	15.9	24.7	44.7	14.6	6.5
Q3 2013	15.4	27.2	39.9	17.4	6.5
Worthwhile Life					
Q2 2013	11.9	23.7	43.3	21.1	6.9
Q3 2013	12.2	28.2	35.6	24.0	6.8
Happy Yesterday					
Q2 2013	17.4	23.6	36.4	22.3	6.6
Q3 2013	17.7	22.2	36.8	23.9	6.6
Not Anxious Yesterday	Very Low	Low	Medium	High	Average
Q2 2013	26.4	21.3	26.0	26.4	6.3
Q3 2013	31.4	25.3	21.7	21.5	5.8

For more information contact:

Alan Oster, Chief Economist
(03) 8634 2927 0414 444 652

Dean Pearson, Head of Industry
(03) 8634 2331

Robert De lure, Senior Economist -
Industry Analysis (03) 8634 4611

Brien McDonald, Economist -
Industry Analysis (03) 8634 2331

Wellbeing Indicators: directional change since last quarter

Overall Wellbeing	☹️
Satisfied Life	☹️
Worthwhile Life	☹️
Happy Yesterday	☹️
Not Anxious Yesterday	☹️

	Overall Wellbeing	Satisfied Life	Worthwhile Life	Happy Yesterday	Not Anxious Yesterday
State & Location - wellbeing declines in all states/regions except Tasmania and regional cities					
NSW/ACT	☹️	☹️	☹️	😊	☹️
Queensland	☹️	😊	☹️	☹️	☹️
SA/NT	☹️	☹️	☹️	😊	☹️
Tasmania	😊	😊	😊	😊	😊
Victoria	☹️	☹️	😊	☹️	☹️
WA	☹️	☹️	☹️	☹️	☹️
Capital City	☹️	☹️	☹️	☹️	☹️
Regional City	😊	😊	☹️	☹️	😊
Rural Town/Bush	☹️	☹️	☹️	☹️	☹️
Income - those earning \$75-100K the only group to report higher wellbeing					
Over \$100k	☹️	😊	☹️	😊	☹️
\$75-100k	😊	😊	😊	😊	☹️
\$50-75k	☹️	😊	☹️	😊	☹️
\$35-50k	☹️	😊	😊	😊	☹️
Under \$35k	☹️	☹️	☹️	☹️	☹️
Gender - women rated life satisfaction question higher but men slightly happier					
Male	☹️	😊	☹️	☹️	☹️
Female	☹️	☹️	☹️	😊	☹️
Age - all age groups report lower wellbeing					
18-29	☹️	☹️	☹️	☹️	☹️
30-49	☹️	☹️	☹️	😊	☹️
50+	☹️	😊	😊	☹️	☹️
Marital Status - wellbeing higher for widows and married couples					
Defacto	☹️	☹️	☹️	☹️	😊
Divorced	☹️	☹️	☹️	☹️	☹️
Married	😊	😊	😊	😊	☹️
Single	☹️	☹️	☹️	☹️	☹️
Widowed	😊	😊	😊	😊	☹️
Household Status/Size - overall wellbeing improved for those without kids					
Children	☹️	☹️	☹️	😊	☹️
No Children	😊	😊	😊	😊	☹️
One	☹️	☹️	☹️	☹️	☹️
Two	☹️	☹️	☹️	☹️	☹️
Three +	☹️	😊	😊	😊	☹️
Education - wellbeing lower for all groups except diploma (unchanged)					
Bachelor/Post Grad	☹️	☹️	☹️	😊	☹️
Diploma	☹️	☹️	☹️	☹️	☹️
High School	☹️	☹️	☹️	☹️	😊
Vocational	☹️	☹️	😊	😊	☹️
DNF High School	☹️	😊	😊	😊	☹️
Employment Type - wellbeing improves for sales/clerical workers and other workers					
Professional	☹️	☹️	☹️	☹️	☹️
Technical	☹️	☹️	☹️	☹️	☹️
Sales/Clerical	😊	😊	😊	😊	☹️
Labourer	☹️	😊	☹️	☹️	☹️
Other	😊	😊	☹️	😊	☹️

LEGEND: 😊 = up ☹️ = down ☹️ = unchanged

NAB Quarterly Australian Wellbeing Index - Main Findings

Main Findings

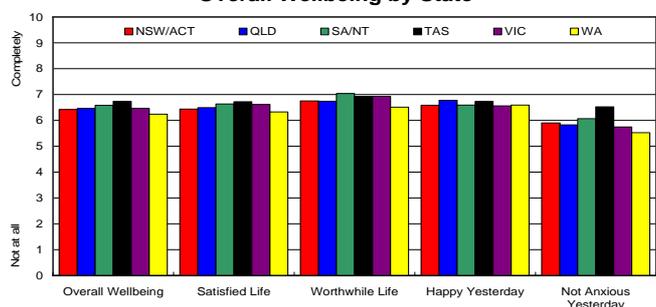
- The NAB Australian Wellbeing Index fell to 6.4 points in Q3 (6.6 points in Q2). Wellbeing was unchanged for the satisfied life and happy yesterday questions, but lower for worthwhile life and not anxious yesterday questions. More detail on consumer anxiety is in our Australian Consumer Anxiety Index (also released today).
- Wellbeing fell in all states except Tasmania in Q3 which also reported the highest overall levels of wellbeing. Tasmania was the only state to report lower anxiety and a large increase in happiness compared to Q2. In contrast, wellbeing was much lower in WA (now the weakest state in Australia) where respondents reported significantly elevated anxiety. Wellbeing rose marginally in regional cities, but it fell substantially in capital cities particularly with respect to happiness and anxiety.
- Those earning \$75-100K were the only group to report higher wellbeing in Q3 and this group also replaced the +\$100K group for the highest overall wellbeing. This result was mainly due to a large improvement in happiness, worthwhile life and satisfied life scores in the \$75-100K group. Wellbeing fell most for those earning less than \$35K, who also reported lower scores for each survey question.
- Women rated their overall wellbeing slightly higher than men in Q3. Women rated the life satisfaction question higher in Q3, rated higher for worthwhile life and were less anxious than men overall. Men reported much higher levels of anxiety in Q3 than women, but reported an improvement in happiness.
- By age cohort, women in both the 18-29 and 30-49 age groups reported higher overall wellbeing than men, whereas wellbeing in the 50+ group was slightly higher for men. A positive correlation between wellbeing and age was again noted in Q3, with wellbeing lowest in the 18-29 age group and highest in 50+ age group.
- Wellbeing among widows improved in Q3 to again rate highest, along with married people. However, widows also reported the sharpest deterioration in anxiety, followed by the divorced group. Single people rated lowest for overall wellbeing. Households with 2 people rated their overall wellbeing highest, while those with without children also reported higher wellbeing than those with children.
- Those with diplomas rated their overall wellbeing highest in Q3, followed by those with bachelor or post graduate qualifications. Those that did not finish high school rated lowest and reported much higher anxiety.
- Employed persons rated their wellbeing higher than those not employed or not retired. Wellbeing among retirees was highest overall but this group was considerably less happy in Q3. By employment type, wellbeing was highest for sales/clerical and professional workers and lowest for labourers.

NAB Quarterly Australian Wellbeing Index - Main Charts

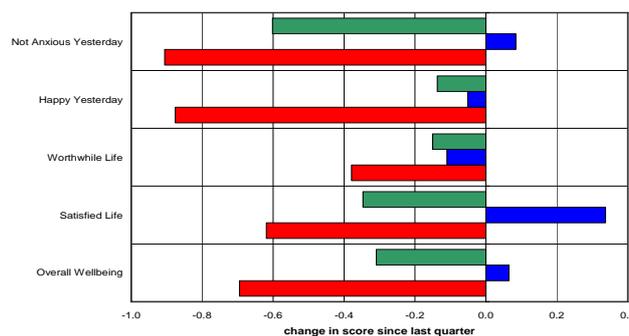
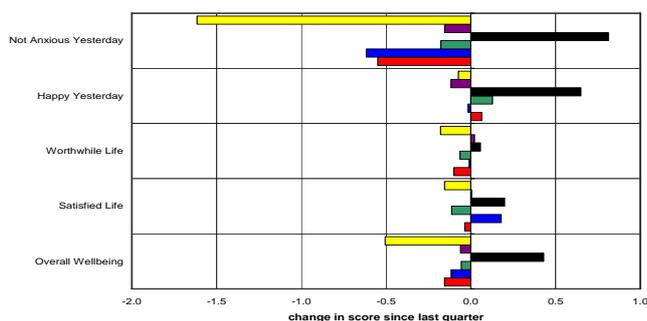
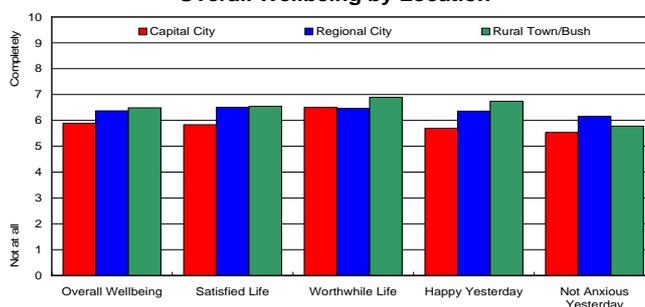
Wellbeing declined in all states except Tasmania in Q3 (now the highest state for overall wellbeing) with higher scores for all survey questions. Wellbeing fell most in WA, mainly due to much higher anxiety.

Regional cities reported higher wellbeing in Q3 (due to higher life satisfaction). Rural towns/bush still report the highest wellbeing overall. Wellbeing in capital cities fell due to elevated anxiety and a large drop in happiness.

Overall Wellbeing by State



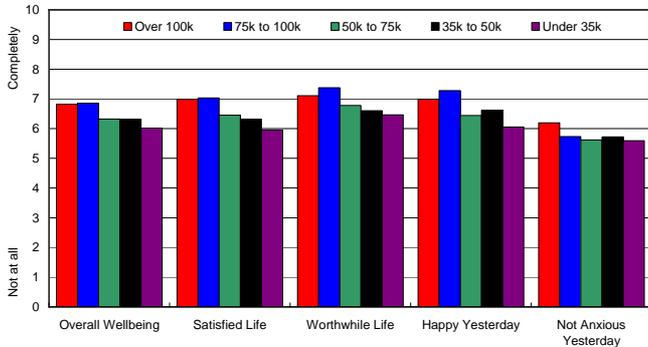
Overall Wellbeing by Location



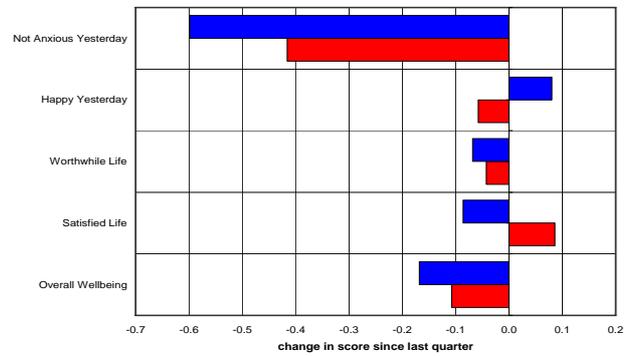
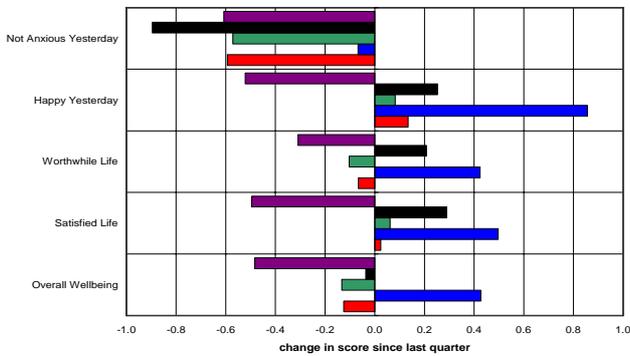
Those earning \$75K-\$100K were the only group to report higher wellbeing in Q3, and reported higher scores for all questions except anxiety. Consequently, overall wellbeing in this group is now slightly higher than for those earning +\$100K. Wellbeing fell most for those earning less than \$35K

Women rated their overall wellbeing slightly higher than men in Q3. Women rated the life satisfaction question higher, whereas men were slightly happier. However, men also reported a bigger increase in overall anxiety levels in Q3 and were slightly more anxious than women overall.

Overall Wellbeing by Income



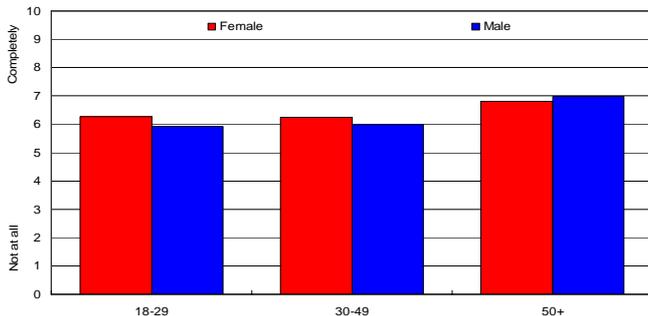
Overall Wellbeing by Gender



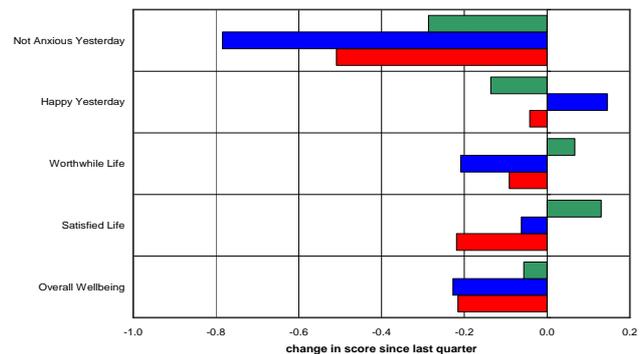
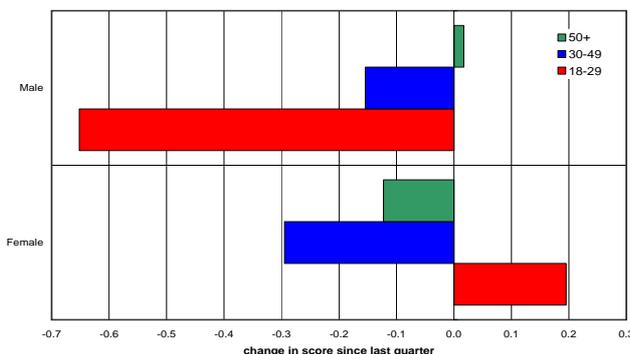
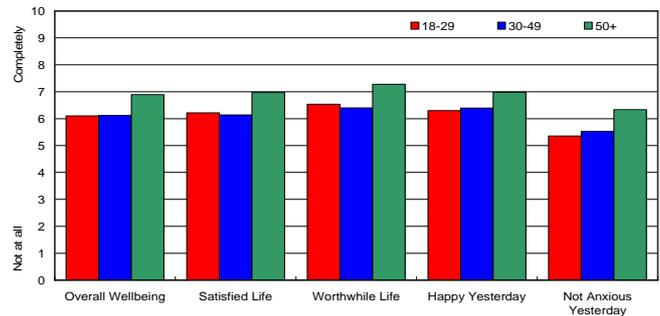
In contrast to our last survey, males in the 18-29 age group reported much lower levels of overall wellbeing in Q3, whereas women in this age group reported slightly higher wellbeing. Males also reported lower wellbeing in the 30-49 age bracket, but continued to report slightly higher levels of wellbeing in the 50+ age group.

Overall wellbeing declined across all age groups in Q3. Wellbeing continues to be highest in the 50+ age group and lowest in the 18-29 age group. The 50+ group reported a smaller increase in anxiety compare to other groups and an improvement in life satisfaction and worthwhile life. Anxiety rose most in the 30-49 group.

Overall Wellbeing by Gender & Age



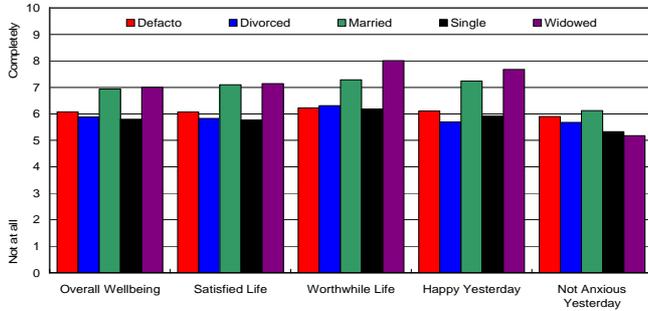
Overall Wellbeing by Age



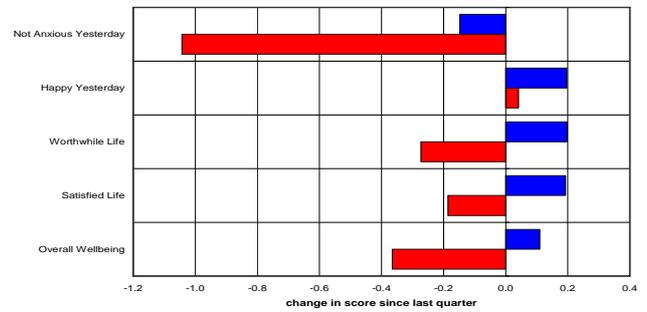
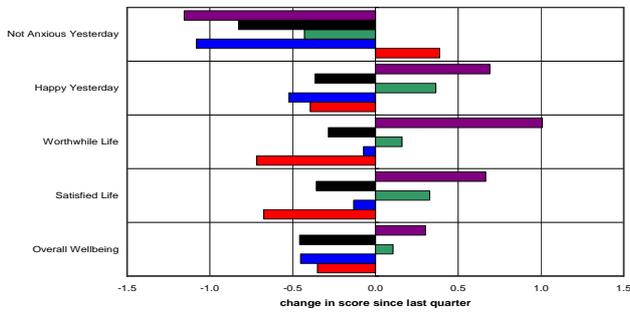
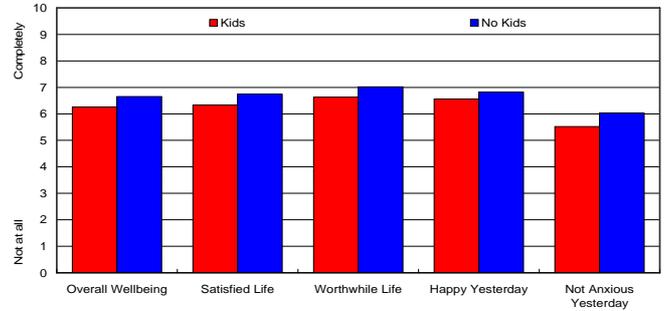
Widowers reported the highest levels of overall wellbeing in Q3 (slightly ahead of married couples). Despite a large increase in anxiety, widows reported higher scores for all other survey questions. Single people rated lowest for overall wellbeing and reported the lowest scores for life satisfaction and worthwhile life. Defactors were the only segment to record an improvement in anxiety.

Overall wellbeing improved for those without kids and was higher than for those with kids. Those without children reported higher wellbeing scores for all survey questions bar anxiety, which rose slightly this quarter. In contrast, households with kids reported a decline in their overall wellbeing, influenced by a big increase in their anxiety scores and lower ratings for the satisfied and worthwhile life questions.

Overall Wellbeing by Marital Status



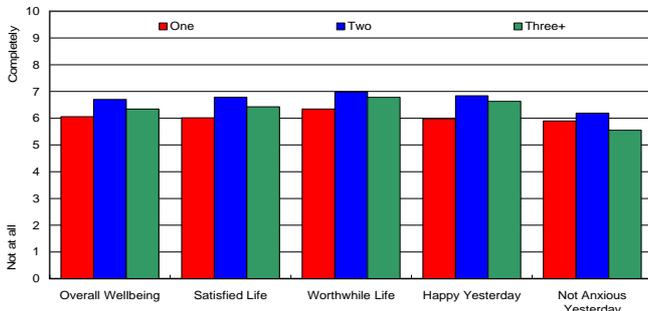
Overall Wellbeing by Household - Kids



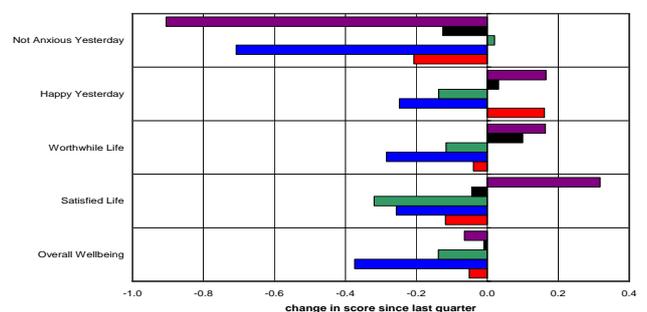
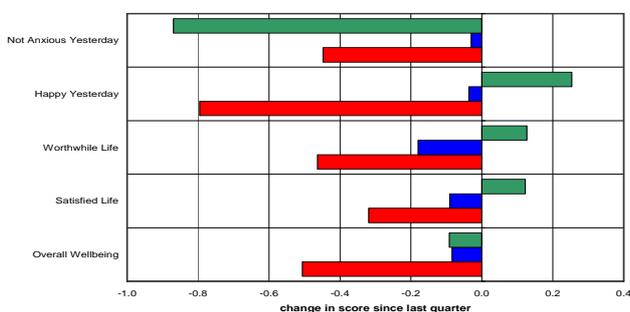
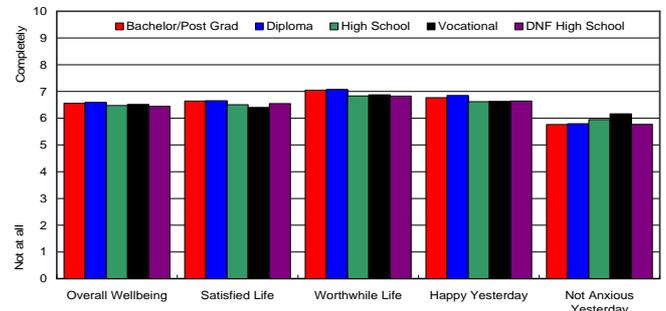
Single person households saw the biggest decline in overall wellbeing in Q3 and rated lowest among all groups, especially with regards to the happy yesterday, worthwhile life and satisfied life questions. Overall wellbeing remains highest in 2 person households and across all survey questions. Despite an improvement in the happy yesterday, worthwhile life and satisfied life questions, anxiety in households of 3 or more people rose sharply in Q3.

Overall wellbeing by educational attainment was broadly similar across all groups in Q3. Those with a diploma reported the biggest decline in their overall wellbeing this quarter and rated all four survey questions lower. Those that did not finish high school rated lowest for overall wellbeing in Q3. Despite reporting much higher anxiety this quarter, this group also reported the biggest gains for the satisfied life, worthwhile life and happy yesterday questions.

Overall Wellbeing by Household Size

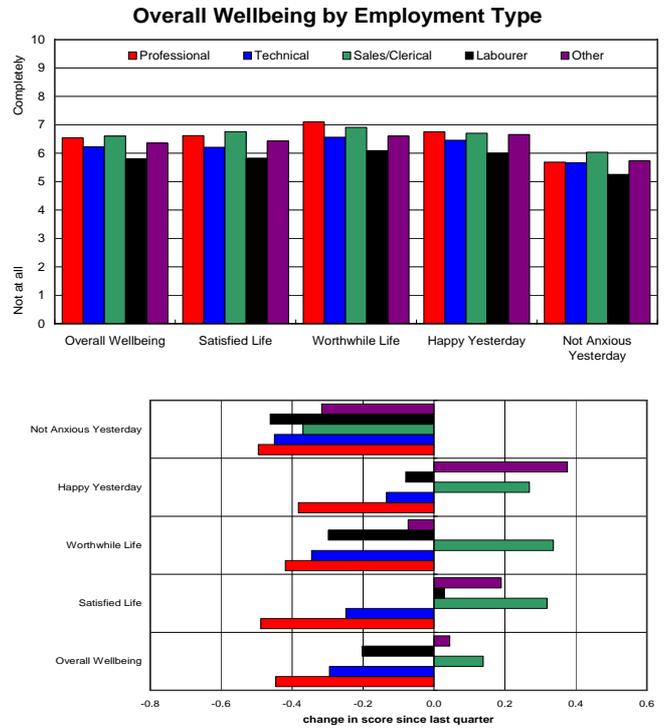
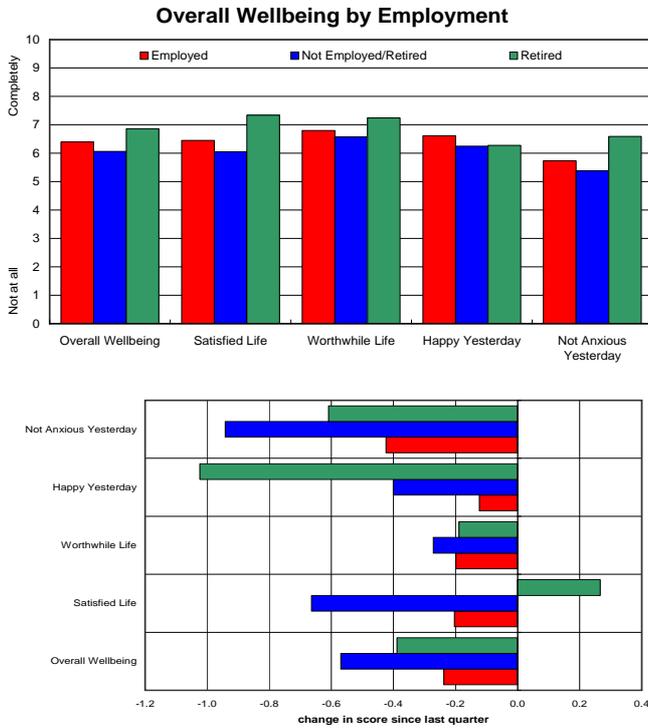


Overall Wellbeing by Education



Retirees continue to report the highest levels of overall wellbeing. However, overall wellbeing in this group fell slightly in Q3, underpinned by much lower scores for the happy yesterday question and elevated anxiety. Nevertheless, this group rated highest for all survey questions (by some margin) except happiness. Wellbeing fell for those not employed/retired in Q3, especially with regards to anxiety and life satisfaction. Those with jobs also rated their overall wellbeing slightly lower, but they were the happiest group overall.

Sales/clerical workers rated highest for overall wellbeing in Q3. Slightly elevated anxiety in this group was offset by higher scores the worthwhile life, satisfied life and happy yesterday questions. Wellbeing was next highest for professional workers, although this group also reported the biggest declines in overall wellbeing scores across all survey questions in Q3. Overall wellbeing continues to be lowest among labourers across all survey questions (and by some margin), although this group reported slightly higher scores for life satisfaction.



Appendix 1: About the Survey

The NAB Australian Wellbeing Index was launched in April 2013 in conjunction with the NAB Australian Consumer Anxiety Index with the aim of assessing perceptions of wellbeing and consumer stress.

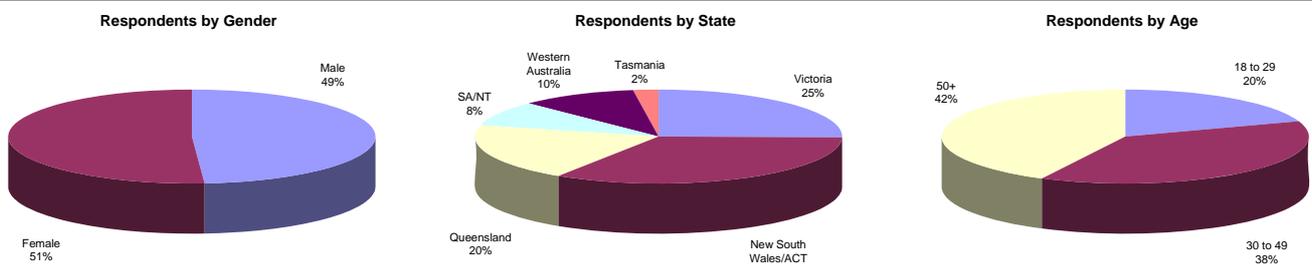
The NAB Australian Wellbeing Index is based on survey participants' responses to four questions (developed by the UK Office of National Statistics) related to how people "think and feel about their own lives":

- Overall, how satisfied are you with your life nowadays?
- Overall, to what extent do you feel the things that you do in your life are worthwhile?
- Overall, how happy did you feel yesterday?
- Overall, how anxious did you feel yesterday?

All questions were answered on a scale of 0-10 where 0 is "not at all" and 10 is "completely".

Around 2,062 respondents participated in the September 2013 survey, with weights applied to age, location and gender to ensure that the survey reasonably reflects the Australian population.

The breakdown of our survey respondents - by age, location, and gender - is shown in the charts below.



Macroeconomic, Industry & Markets Research

Australia

Alan Oster	Group Chief Economist	+(61 3) 8634 2927
Jacqui Brand	Personal Assistant	+(61 3) 8634 2181
Rob Brooker	Head of Australian Economics & Commodities	+(61 3) 8634 1663
Alexandra Knight	Economist - Australia	+(61 3) 9208 8035
Vyanne Lai	Economist - Agribusiness	+(61 3) 8634 0198
Dean Pearson	Head of Industry Analysis	+(61 3) 8634 2331
Robert De Iure	Senior Economist - Industry Analysis	+(61 3) 8634 4611
Gerard Burg	Economist - Industry Analysis	+(61 3) 8634 2788
Brien McDonald	Economist - Industry Analysis & Risk Metrics	+(61 3) 8634 3837
Tom Taylor	Head of International Economics	+(61 3) 8634 1883
John Sharma	Economist - Sovereign Risk	+(61 3) 8634 4514
Tony Kelly	Economist - International	+(61 3) 9208 5049
James Glenn	Economist - Asia	+(61 3) 9208 8129

Global Markets Research - Wholesale Banking

Peter Jolly	Head of Markets Research	+(61 2) 9237 1406
Robert Henderson	Chief Economist Markets - Australia	+(61 2) 9237 1836
Spiros Papadopoulos	Senior Economist - Markets	+(61 3) 8641 0978
David de Garis	Senior Economist - Markets	+(61 3) 8641 3045

New Zealand

Tony Alexander	Chief Economist - BNZ	+(64 4)474 6744
Stephen Toplis	Head of Research, NZ	+(64 4) 474 6905
Craig Ebert	Senior Economist, NZ	+(64 4) 474 6799
Doug Steel	Markets Economist, NZ	+(64 4) 474 6923

London

Nick Parsons	Head of Research, UK/Europe & Global Head of FX Strategy	+(44 20) 7710 2993
Tom Vosa	Head of Market Economics - UK/Europe	+(44 20) 7710 1573
Gavin Friend	Markets Strategist - UK/Europe	+(44 20) 7710 2155

Foreign Exchange

Sydney	+800 9295 1100
Melbourne	+800 842 3301
Wellington	+800 64 642 222
London	+800 747 4615
New York	+1 800 125 602
Singapore	+(65) 338 0019

Fixed Interest/Derivatives

	+(61 2) 9295 1166
	+(61 3) 9277 3321
	+800 64 644 464
	+(44 20) 7796 4761
	+1877 377 5480
	+(65) 338 1789

Important Notices

Disclaimer: This document has been prepared by National Australia Bank Limited ABN 12 004 044 937 AFSL 230686 ("NAB"). Any advice contained in this document has been prepared without taking into account your objectives, financial situation or needs. Before acting on any advice in this document, NAB recommends that you consider whether the advice is appropriate for your circumstances. NAB recommends that you obtain and consider the relevant Product Disclosure Statement or other disclosure document, before making any decision about a product including whether to acquire or to continue to hold it. Products are issued by NAB unless otherwise specified.

So far as laws and regulatory requirements permit, NAB, its related companies, associated entities and any officer, employee, agent, adviser or contractor thereof (the "**NAB Group**") does not warrant or represent that the information, recommendations, opinions or conclusions contained in this document ("**Information**") is accurate, reliable, complete or current. The Information is indicative and prepared for information purposes only and does not purport to contain all matters relevant to any particular investment or financial instrument. The Information is not intended to be relied upon and in all cases anyone proposing to use the Information should independently verify and check its accuracy, completeness, reliability and suitability obtain appropriate professional advice. The Information is not intended to create any legal or fiduciary relationship and nothing contained in this document will be considered an invitation to engage in business, a recommendation, guidance, invitation, inducement, proposal, advice or solicitation to provide investment, financial or banking services or an invitation to engage in business or invest, buy, sell or deal in any securities or other financial instruments.

The Information is subject to change without notice, but the NAB Group shall not be under any duty to update or correct it. All statements as to future matters are not guaranteed to be accurate and any statements as to past performance do not represent future performance.

The NAB Group takes various positions and/or roles in relation to financial products and services, and (subject to NAB policies) may hold a position or act as a price-maker in the financial instruments of any company or issuer discussed within this document, or act and receive fees as an underwriter, placement agent, adviser, broker or lender to such company or issuer. The NAB Group may transact, for its own account or for the account of any client(s), the securities of or other financial instruments relating to any company or issuer described in the Information, including in a manner that is inconsistent with or contrary to the Information.

Subject to any terms implied by law and which cannot be excluded, the NAB Group shall not be liable for any errors, omissions, defects or misrepresentations in the Information (including by reasons of negligence, negligent misstatement or otherwise) or for any loss or damage (whether direct or indirect) suffered by persons who use or rely on the Information. If any law prohibits the exclusion of such liability, the NAB Group limits its liability to the re-supply of the Information, provided that such limitation is permitted by law and is fair and reasonable.

This document is intended for clients of the NAB Group only and may not be reproduced or distributed without the consent of NAB. The Information is governed by, and is to be construed in accordance with, the laws in force in the State of Victoria, Australia.

Analyst Disclaimer: The Information accurately reflects the personal views of the author(s) about the securities, issuers and other subject matters discussed, and is based upon sources reasonably believed to be reliable and accurate. The views of the author(s) do not necessarily reflect the views of the NAB Group. No part of the compensation of the author(s) was, is, or will be, directly or indirectly, related to any specific recommendations or views expressed. Research analysts responsible for this report receive compensation based upon, among other factors, the overall profitability of the Global Markets Division of NAB.

For distribution by WealthHub Securities: Where you have received this document via the nabtrade service (nabtrade), it is distributed to you by WealthHub Securities Limited ABN 83 089 718 249 AFSL No. 230704 ("WealthHub Securities"). WealthHub Securities is a Participant of the Australia Securities Exchange and a wholly owned subsidiary of National Australia Bank Limited ABN 12 004 044 937 AFSL No. 230686 ("NAB"). NAB doesn't guarantee the obligations or performance its subsidiaries, or the products or services its subsidiaries offer. Any material provided to you by WealthHub Securities will contain factual information or general advice. This factual information or general advice does not take into account your particular objectives, financial situation and needs, and a statement of advice will not be provided. WealthHub Securities will not give you any legal, tax, financial or accounting advice or any advice or recommendation regarding the suitability or profitability about your transactions. Before you make a decision about whether to acquire a financial product, you should obtain and read the Product Disclosure Statement available at nabtrade.com.au and consider the appropriateness of the information having regard to your particular circumstances. You agree that you will not solely rely on the information provided by WealthHub Securities or elsewhere on nabtrade.com.au when making investment and/or financial decisions. WealthHub Securities does not provide personal advice to online retail clients. WealthHub Securities receives commission from dealing in securities and from its authorised representatives. Introducers of business may directly share in this commission. WealthHub Securities and its associates may hold shares in the companies that it distributes research/information on.

The value of investments and future returns may rise or fall and, at times, returns may be negative. Past performance is not a guarantee of future performance. Please note, this material has not been verified by WealthHub Securities. WealthHub Securities does not make any representation or warranty as to the timeliness, reliability, accuracy or completeness of the material, nor does it accept any responsibility arising in any way for errors in, or omissions from, that material.

United Kingdom: If this document is distributed in the United Kingdom, such distribution is by National Australia Bank Limited, 88 Wood Street, London EC2V 7QQ. Registered in England BR1924. Head Office: 800 Bourke Street, Docklands, Victoria, 3008. Incorporated with limited liability in the State of Victoria, Australia. Authorised and regulated by the Australian Prudential Regulation Authority. Authorised in the UK by the Prudential Regulation Authority. Subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details about the extent of our regulation by the Prudential Regulation Authority are available from us on request.

USA: If this document is distributed in the United States, such distribution is by nabSecurities, LLC. This document is not intended as an offer or solicitation for the purchase or sale of any securities, financial instrument or product or to provide financial services. It is not the intention of nabSecurities to create legal relations on the basis of information provided herein. **Hong Kong:** In Hong Kong this document is for distribution only to "professional investors" within the meaning of Schedule 1 to the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) ("SFO") and any rules made thereunder and may not be redistributed in whole or in part in Hong Kong to any person. Issued by National Australia Bank Limited, a licensed bank under the Banking Ordinance (Cap. 155, Laws of Hong Kong) and a registered institution under the SFO (central entity number: AAO169).

New Zealand: This publication has been provided for general information only. Although every effort has been made to ensure this publication is accurate the contents should not be relied upon or used as a basis for entering into any products described in this publication. To the extent that any information or recommendations in this publication constitute financial advice, they do not take into account any person's particular financial situation or goals. Bank of New Zealand strongly recommends readers seek independent legal/financial advice prior to acting in relation to any of the matters discussed in this publication. Neither Bank of New Zealand nor any person involved in this publication accepts any liability for any loss or damage whatsoever may directly or indirectly result from any advice, opinion, information, representation or omission, whether negligent or otherwise, contained in this publication. National Australia Bank Limited is not a registered bank in New Zealand.

Japan: National Australia Bank Ltd. has no license of securities-related business in Japan. Therefore, this document is only for your information purpose and is not intended as an offer or solicitation for the purchase or sale of the securities described herein or for any other action.