Full Year Results 2022

Investor Presentation
9 November 2022

Ross McEwan
Group Chief Executive Officer

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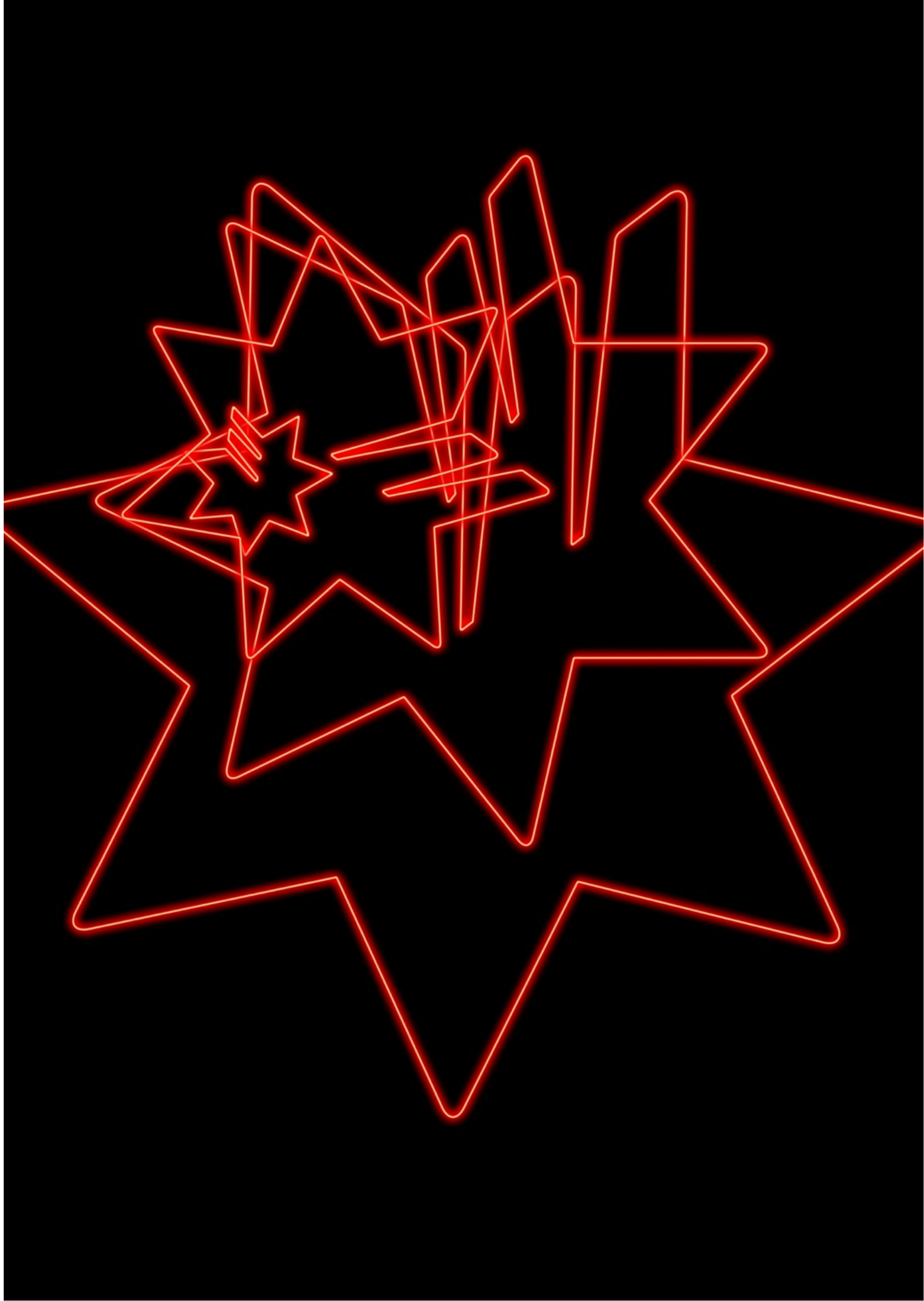
Group Chief Financial Officer

NAB 2022 Full Year Results Index

This presentation is general background information about NAB. It is intended to be used by a professional analyst audience and is not intended to be relied upon as financial advice. Refer to page 134 for legal disclaimer.

Financial information in this presentation is based on cash earnings, which is not a statutory financial measure. Refer to page 42 for definition of cash earnings and reconciliation to statutory net profit.



Overview

Ross McEwan

Group Chief Executive Officer

Key messages

- Pleasing performance across our businesses
- Executing our strategy to drive ongoing momentum
- Delivering improved shareholder returns
- Ongoing cost discipline to help offset higher inflation in FY23
- Changing environment may challenge some customers, but strong savings and low unemployment support resilience overall
- NAB is well positioned for uncertain times – business mix, strategic momentum, strong balance sheet

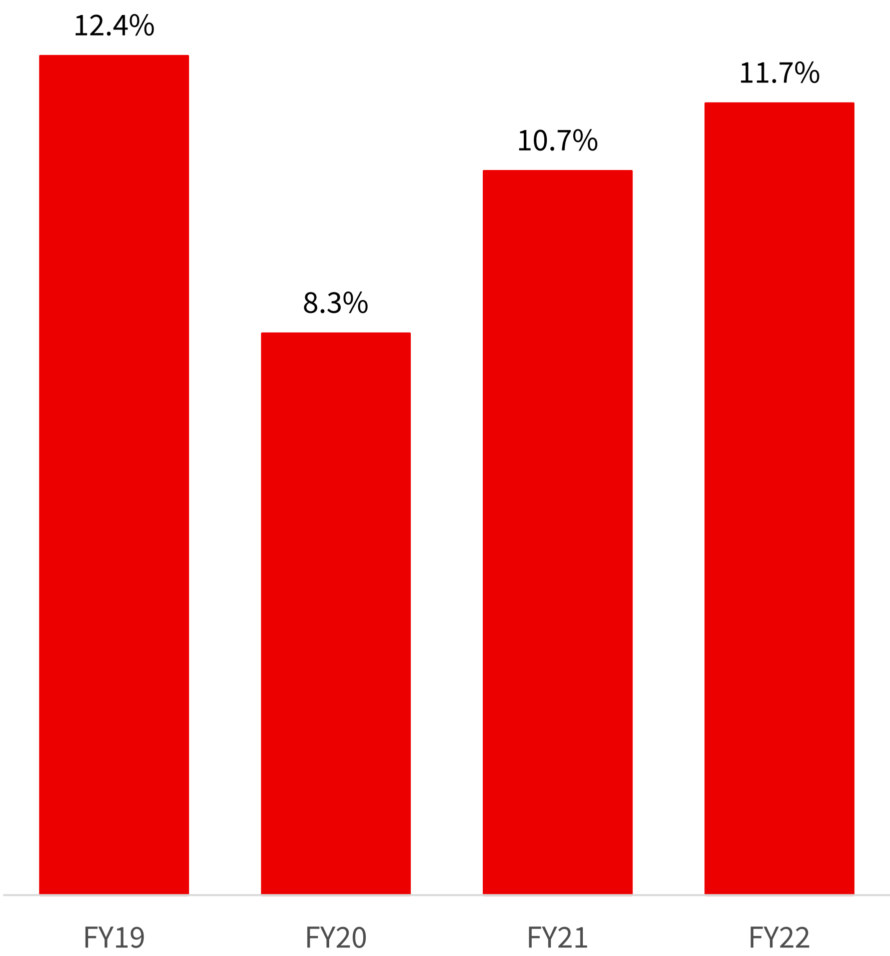
Strong financial results

Metric	FY22	FY21	FY22 v FY21
Statutory net profit ($m)	6,891	6,364	8.3%
Continuing operations (incl acquisition of Citi Consumer Business[1])			
Net operating income ($m)	18,296	16,806	8.9%
Operating expenses ($m)	(8,274)	(7,817)	5.8% (3.9% ex Citi[1])
Underlying profit ($m)	10,022	8,989	11.5%
Cash earnings[2] ($m)	7,104	6,558	8.3%
Dividend (cents)	151	127	18.9%
Cash payout ratio[3]	68.4%	63.7%	7.4%

(1) Citi or Citi Consumer Business refers to Citigroup's Australian consumer business, acquired by the NAB Group on 1 June 22
(2) Refer to page 42 for definition of cash earnings and reconciliation to statutory net profit
(3) Based on basic cash Earnings per share (EPS)

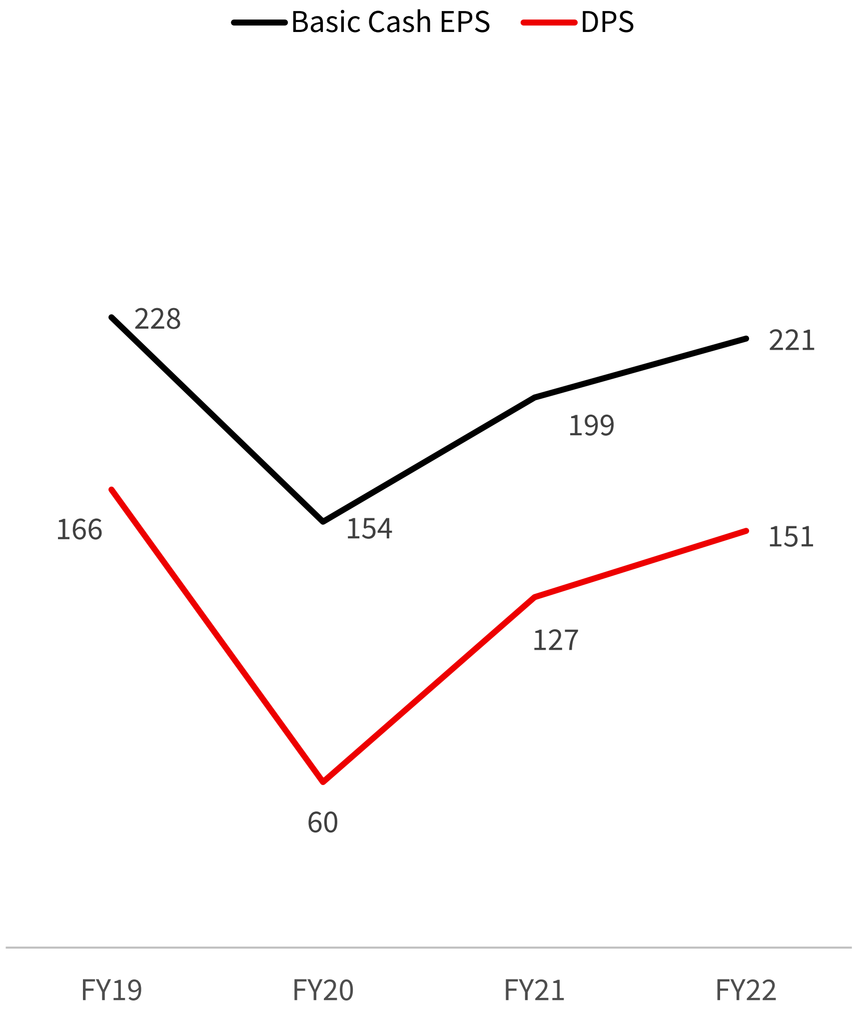
Delivering improved shareholder returns

Cash Return on Equity



Earnings and Dividends per share

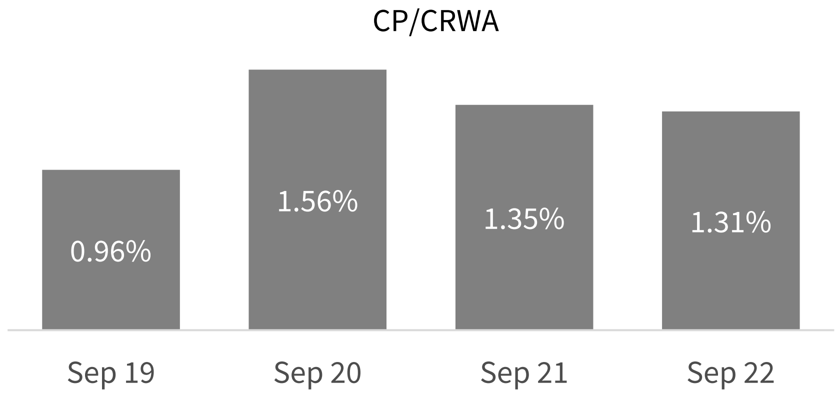
Cents



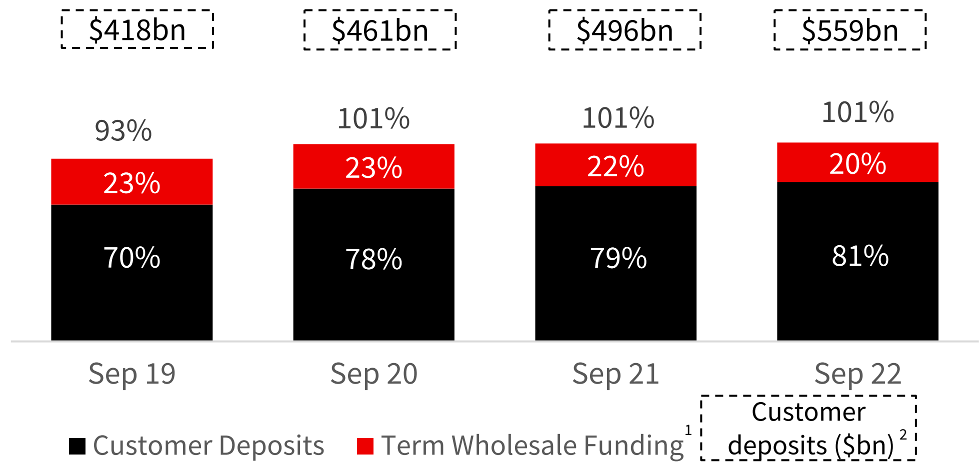
Maintained balance sheet strength

national australia bank

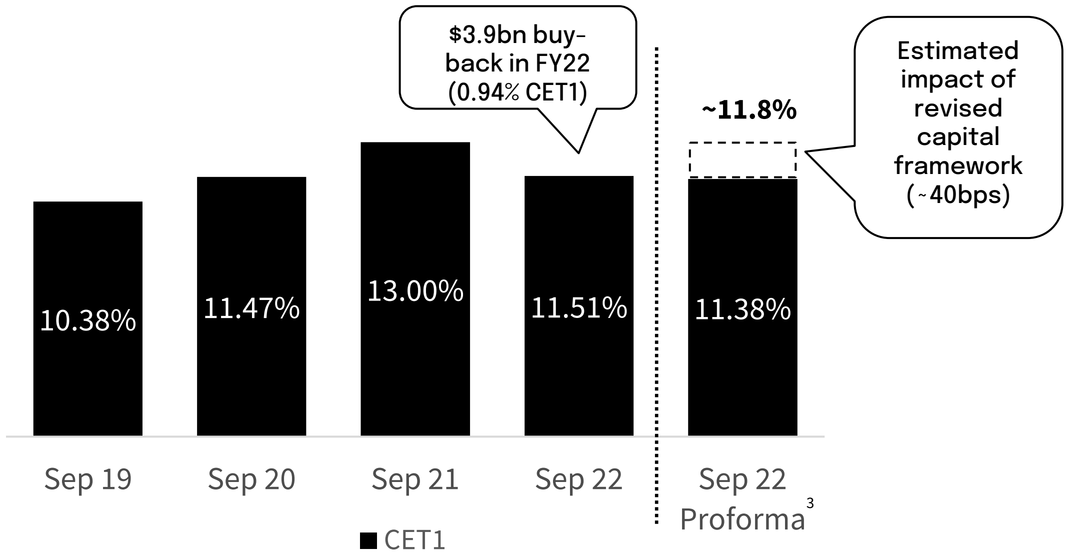
Strong provisioning



Increasing share of GLAs funded by deposits



Capital ratios remain above target range



	Current	From January 2023 (revised capital framework)
Target CET1 ratio	10.75% - 11.25%	11.00% – 11.50%
Dividend payout ratio	Guided by a range of 65% – 75% of cash earnings, subject to Board determination based on circumstances at the relevant time	

(1) Includes senior unsecured, secured (covered bonds and securitisation), subordinated debt, Additional Tier 1 instruments, RBA TFF and RBNZ funding facility drawdowns with a remaining term to maturity or call date of greater than 12 months
(2) Excludes customer deposits in New York and London
(3) Pro forma capital includes the remaining $0.6bn of the $2.5bn buy-back announced in March 2022 (-13bps). The impact of APRA's revised capital framework may be subject to change based on NAB's implementation of the revised standards

We have a clear strategic ambition

national australia bank

Why we are here

To serve customers well and help our communities prosper

Who we are here for

Colleagues
Trusted professionals that are proud to be a part of NAB

Customers
Choose NAB because we serve them well every day

What we will be known for

Relationship-led
Relationships are our strength

1. Exceptional bankers
2. Unrivalled customer value (expertise, data and analytics)
3. Truly personalised experiences

Easy
Simple to deal with

1. Simple products and experiences
2. Seamless - everything just works
3. Fast and decisive

Safe
Responsible & secure business

1. Strong balance sheet
2. Leading, resilient technology and operations
3. Pre-empting risk and managing it responsibly

Long-term
A sustainable approach

1. Commercial responses to society's biggest challenges
2. Resilient and sustainable business practices
3. Innovating for the future

Where we will grow

Business & Private
Clear market leadership

Corporate & Institutional
Disciplined growth

Personal
Simple & digital

BNZ
Grow in Personal & SME

ubank
New customer acquisition

How we work

Excellence for customers

Grow together

Be respectful

Own it

Measures for success

Engagement

NPS growth

Cash EPS growth

Return on Equity

Focus on colleagues

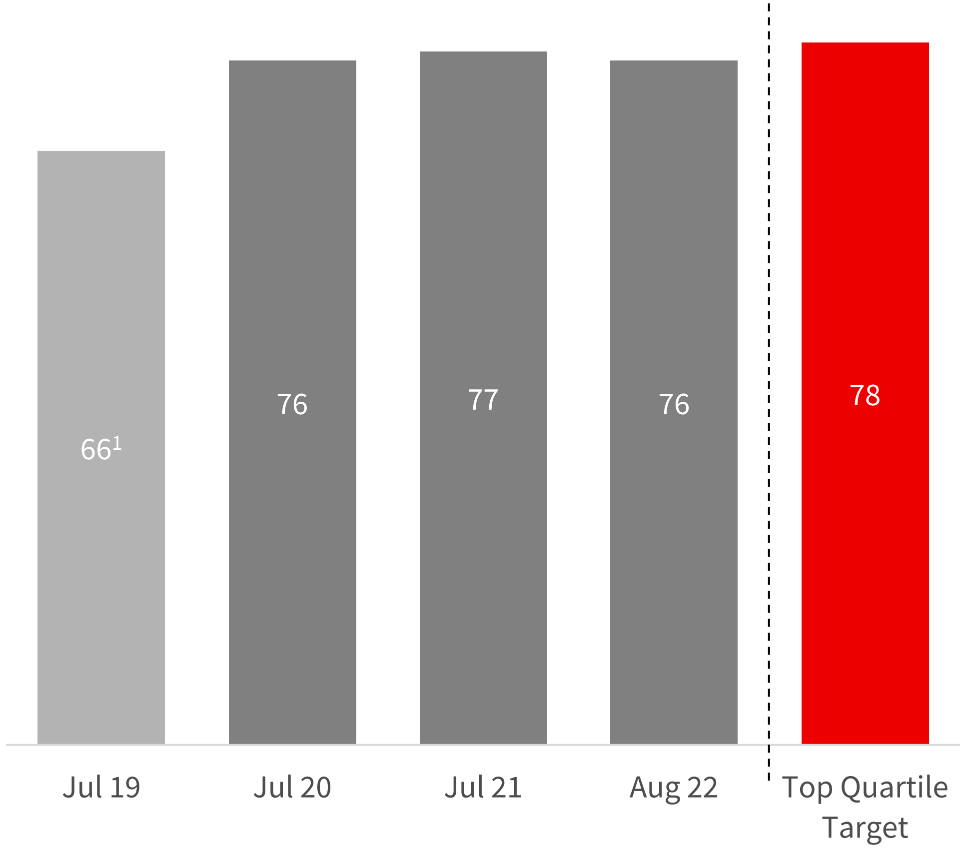
Investing in our colleagues

- Continue to invest in developing the skills and capability of our colleagues through programs such as
  - Distinctive Leadership – delivering a consistent leadership program for all leaders
  - Career Qualified in Banking – increasing the professionalism of our workforce
  - Climate Banking Training - increasing banker awareness to better support customers and manage risk
  - ~4,800 industry recognised cloud certifications – key skills powering our transformation
- Proposing a simplified and more modern Enterprise Agreement
- Delivered a redesigned platform for bankers (nabONE)
  - Improves colleague experience by providing simpler navigation tools and supports a better customer experience
  - Moves us closer to our ambition of providing bankers a single point of access to all the systems and tools they need to do their job

Colleague engagement scores broadly stable

- Broadly stable engagement reflected in record high colleague participation in most recent survey (84% participation)

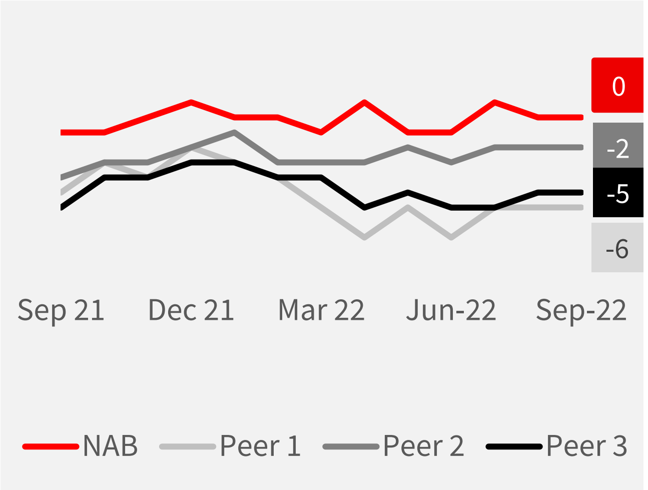
NAB 'Heartbeat' engagement score



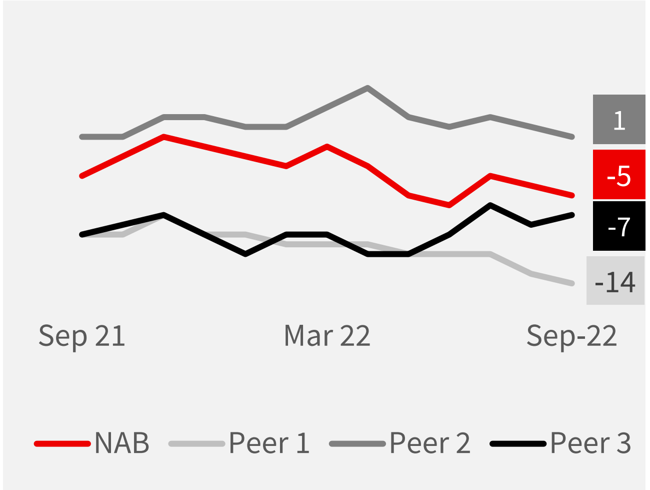
(1) The 2019 score of 66 represents a restated score of the AON survey into a Glint 'Heartbeat' score methodology. Top quartile comparison is based upon Glint's client group (domestic and global, from all industries)

Focus on customers

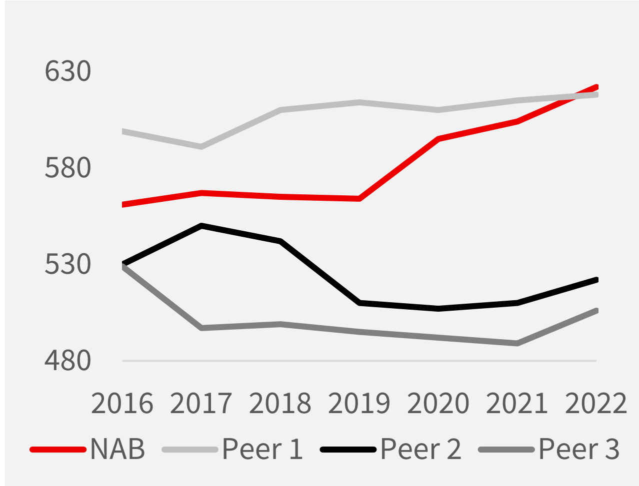
#1 Consumer[1] Net Promoter Score



#2 in Business[2] Net Promoter Score



#1 Large Corporate and Institutional – Relationship Strength Index[3]



#1 in Retail NPS (MFI Customer)[4]

#1 in BNZ Consumer[5]

#2 in Mobile App NPS (MFI Customer)[6]

=#1 in High Net Worth & Mass Affluent[7] NPS

#1 in Medium Business[8] NPS

#2 in Small Business[8] NPS

#3 in Micro business[8] NPS – more to do

#1 Institutional NPS[9]

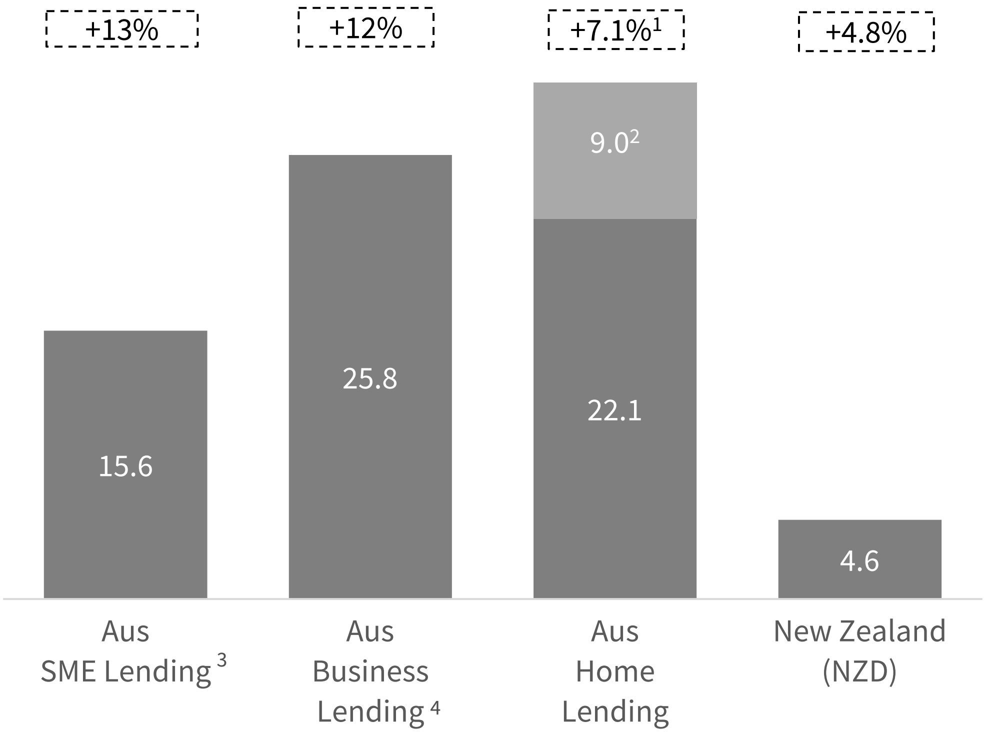
#1 Relationship Strength Index[10] across multiple categories including:

- Transactional Banking
- Interest Rate Hedging
- Foreign Exchange
- Debt Markets Origination

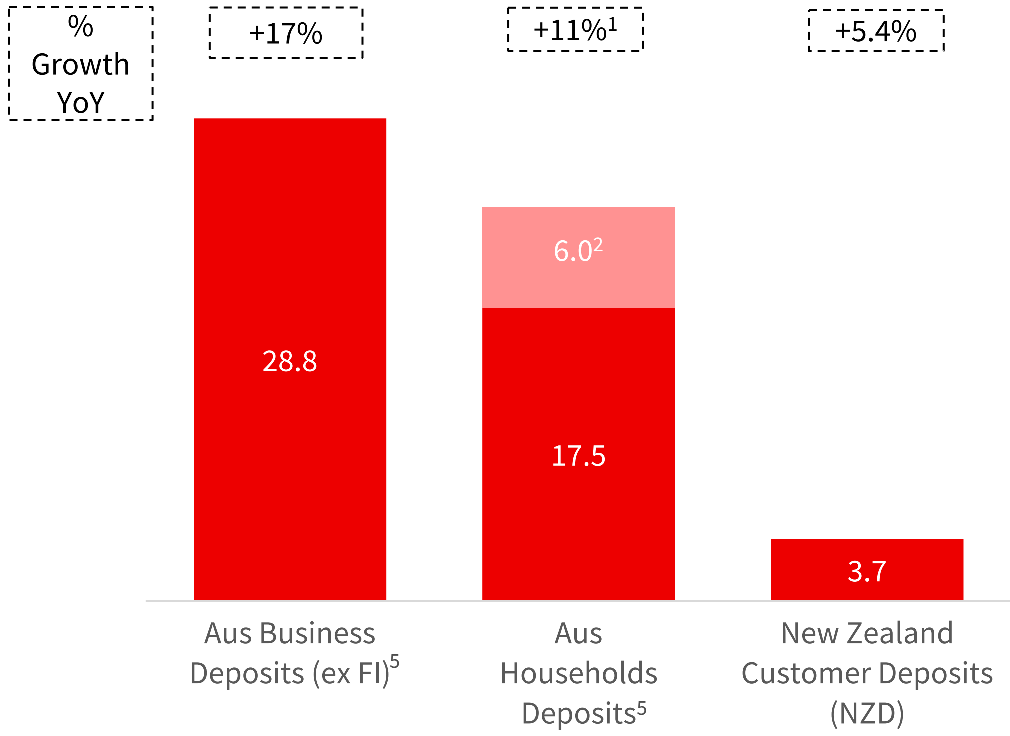
(1-10). Refer to sources and notes at the back of this presentation on page 133 for further details

Balance sheet growth aligned to strategy

GLA change YoY ($bn)



Deposits change YoY ($bn)



Aus SME Lending	Aus Business Lending	Aus Home Lending	New Zealand (NZD)		Aus Business Deposits (ex FI)	Aus Households Deposits	New Zealand Customer Deposits (NZD)
1.3x[6]	**0.9x**[5]	**1.1x**[1,5]	**0.8x** Housing[7] **1.0x** Business[7]	x system growth	**1.8x**	**1.1x**[1,5]	**0.9x**[7]

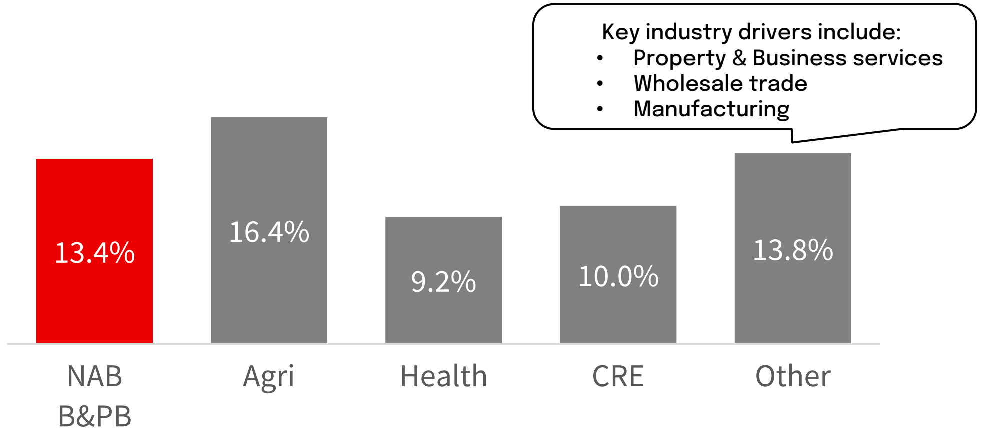
(1) Excludes impact of Citi Consumer Business balances acquired by NAB Group on 1 June 2022
(2) Represents impact of Citi Consumer Business acquired by NAB Group on 1 June 2022. APRA eligible deposits for Citi Consumer Banking include deposits to resident households only
(3) Denotes business lending in Business & Private Banking
(4) Denotes total business lending in Business & Private Banking and Corporate and Institutional Banking
(5) APRA Monthly Authorised Deposit-taking Institution statistics. Latest data as at Sep 2022
(6) Derived from RBA statistics. A business is classified as SME under the RBA if NAB has exposure to the business and the business has turnover of less than $50m. Latest market share at August 2022
(7) RBNZ market share statistics. Latest data as at September 2022

Investing to grow Business and Private Banking

Continued investment in relationship banking increasingly enabled by digital, data and analytics

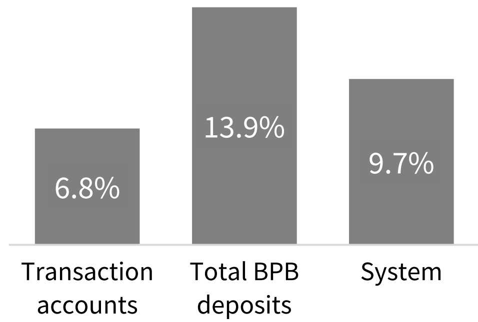
- More than **300 customer facing roles** added in FY22 across our business
- **Median 'Time to Yes'[1]** 16% faster YoY despite strong volume growth
- Business lending **unit costs down 11%[2]** YoY with digitisation, process improvements and simplification
- Expansion of **Quickbiz** digital small business lending to more customers, products and channels
- Expansion of **DigiDocs** to more products and channels
- New **Business Everyday Account openings** up 28% since Sep 20
- **Transaction accounts opened digitally** increased from 33% to 40% over 12 months to Sep 22
- Rollout of **HICAPS** nextgen terminals and expansion of claiming services for Health customers

Broad business lending growth (YoY)[3]

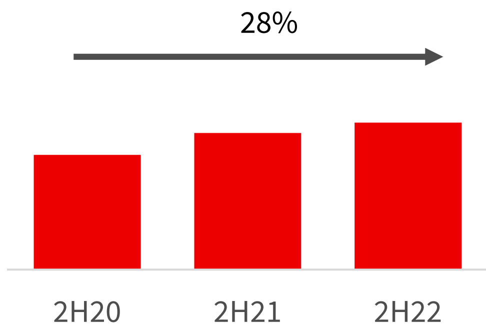


Strong growth in transaction accounts

Growth in deposit balances[4]
Sep 22 v Sep 21



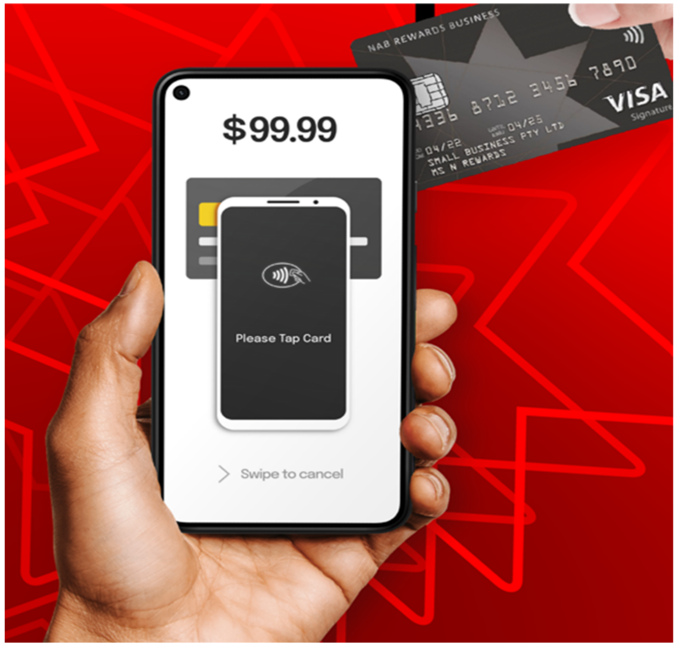
New Business Everyday Account openings



(1) Average monthly median days from submission of a customers' application to unconditional approval September 2022 versus September 2021
(2) Represents full end to end costs from application through to settlement. Excludes banker costs
(3) Growth rates are on a customer segment basis and not industry. CRE primarily represents commercial real estate investment lending across a range of asset classes including Retail, Office, Industrial, Tourism and Leisure, and Residential
(4) Transaction accounts includes NBIs. System represents APRA Monthly Authorised Deposit-taking Institution statistics - Australian Business Deposits excluding Financial Institutions

Simple and easy payment solutions for small business

Launch of NAB Easy Tap in September



Investing to improve merchant services and support growth in our small business franchise

NAB Easy Tap – A low cost, simple & easy way to accept payments

An app which turns a merchant's Android phone into an EFTPOS reader to accept contactless card payments

No set-up fees or terminal fees

Same day settlement for NAB business accounts

Fast and easy onboarding

Apply digitally for NAB Easy Tap and be approved in minutes and onboarded to accept payments in 2 business days[1]

Access to NAB Hive Merchant Portal

Real time transaction and settlement data

Provides insights and analytics to better manage business (e.g. sales trends and % return customers)

(1) Digital onboarding available to customers that meet the following criteria: new to bank, single director/'simple customer' and turnover up to $250k. Assisted onboarding available to all other customers

Disciplined growth in home lending

Simplifying our home loan experience

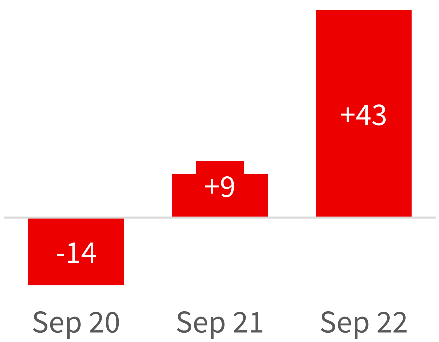
- Ongoing process and technology improvements contributing to improved customer experience in FY22
- >85% of digital-enabled loan modifications processed via self-service features in the NAB App
- Simple Home Loan (SHL) rollout across channels on track for completion in FY24
  - Broker and B&PB pilots have progressed well and foundational work is now complete
  - ~90% of Retail flow now submitted via SHL

Well positioned to manage changing market dynamics

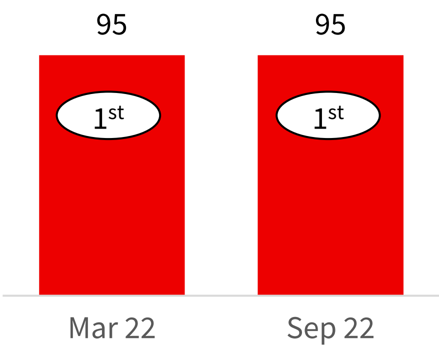
- Market dynamics are changing: volume growth expected to slow in FY23, higher refinance activity as fixed rate (FR) loans mature and intense price competition in a rising rate environment
- Focused on customer retention, maintaining strong broker relationships and maintaining price and risk discipline
- Proactive customer engagement includes early notification of FR term expiry and management of new variable rate (VR) offer via the Mobile App
- Launched simplified Tailored Home Loan product featuring tiered LVR pricing and simple features. Currently ~40% of broker applications

Continue to deliver positive customer experience

Broker NPS[1]

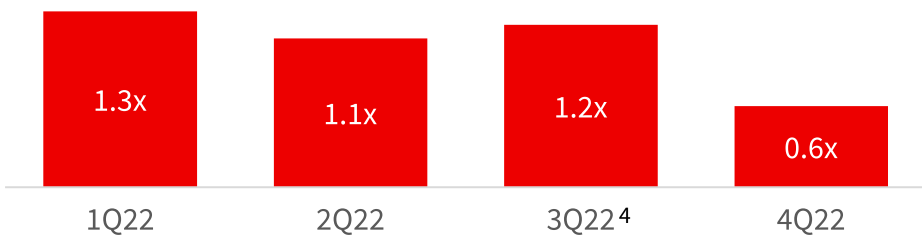


PEXA % of settlements signed on time[2]



Maintaining a disciplined approach

Home lending growth - quarterly multiple of system[3]



(1) Momentum Intelligence Broker Pulse September 2022

(2) PEXA's 'signed on time' metric is a land and property settlement performance metric that allows NAB to track performance and benchmark against industry peers

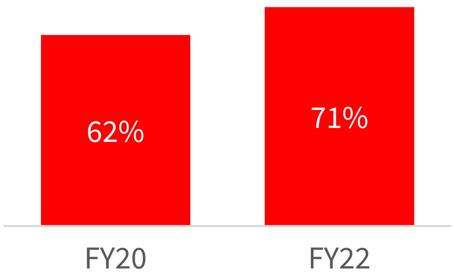
(3) APRA Monthly Authorised Deposit-taking Institution statistics. Latest data as at Sep 2022

(4) Excludes impact of Citi Consumer Business balances acquired at completion on 1 June 2022

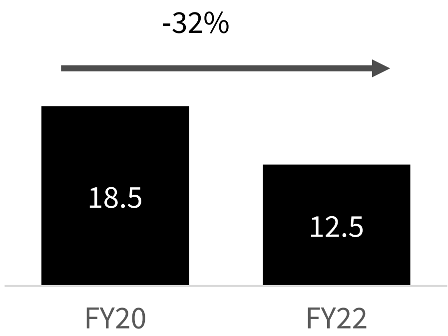
Building a simple and digital Personal Bank

Increased digital engagement and sales[1]…

>70% simple everyday banking products opened digitally[2]



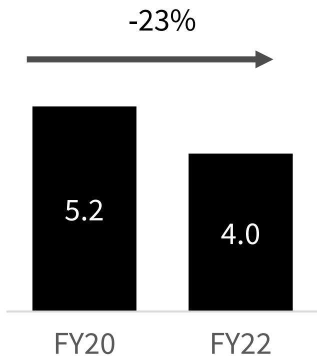
>30% decline in over-the-counter transactions (m)



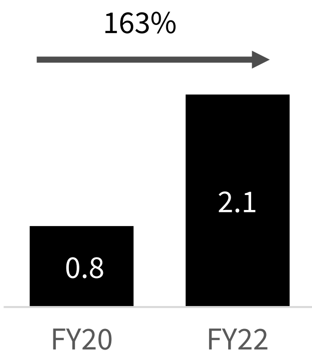
… and enhanced digital self-service capability[1]

- More personalised, continuous thread conversations via NAB Messaging
- Call NAB securely via our App with integrated pre-authentication

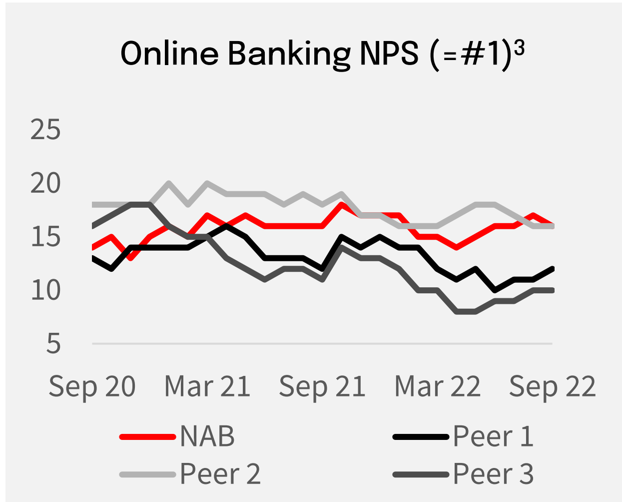
Inbound calls (m)

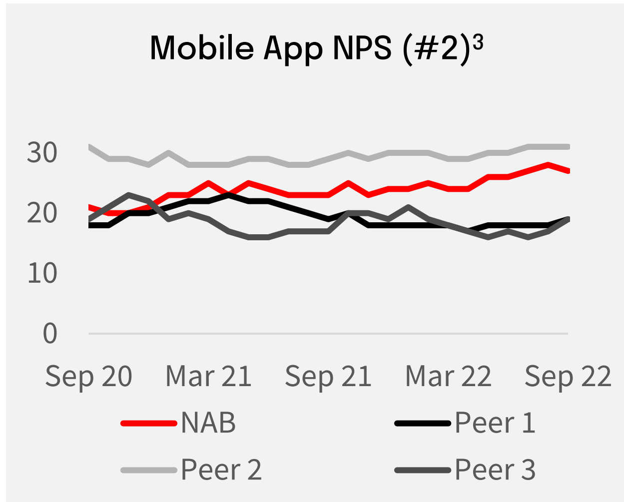


Chatbot interactions (m)



Delivering improved multi-channel digital customer experience





(1) Data excludes Citi Consumer Business
(2) Transaction and savings account, credit cards and personal loans. Full year basis
(3) DBM Consumer Main Financial Institution (MFI) xChannel NPS . All customers aged 18+, based on MFI customer rating their likelihood to recommend their MFI Mobile Banking App or Online Banking used in the last 4 weeks using a score from 0-10. NPS results are shown as a six month rolling average to September 2022. Ranking based on absolute scores, not statistically significant differences

Update on Citi Consumer Business acquisition

Aligned to Personal Banking “simple and digital” strategy

- Leveraging scale and expertise to deliver market leading capability in unsecured lending
- FY22 revenue impacted by home loan competition and higher funding costs
- Current run-rate costs reflect revised scope of products, additional marketing and volume-related spend and finalisation of TSAs
- Targeting sustainable costs of less than $300m[1] (post TSAs)
- Asset quality remains strong, with underlying trends broadly consistent with equivalent NAB portfolios

Update on integration and timetable

- Acquisition completed 1 June 2022
- Integration managed by dedicated team

Key activities	Estimated timing
First release of new unsecured lending platform	Target Dec 23
Full customer and product integration of mortgages, deposits and wealth	Target Dec 23
Complete migration of cards and exit Transitional Service Agreements (TSAs)	Target Dec 24

- Pre-tax acquisition and integration costs of $375m
- Includes $165m for new unsecured lending platform[2]

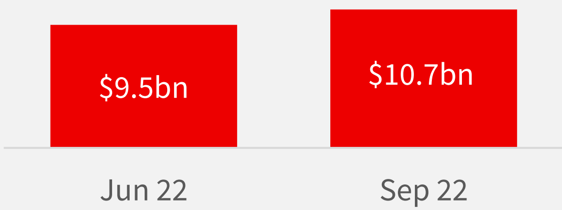
Continued business momentum post acquisition ($m)

Credit cards

Opportunities to grow via existing and new white label partners; underpinned by new platform

Deposits / wealth

Growing deposit franchise; Citi Consumer Business private wealth team moved to NAB



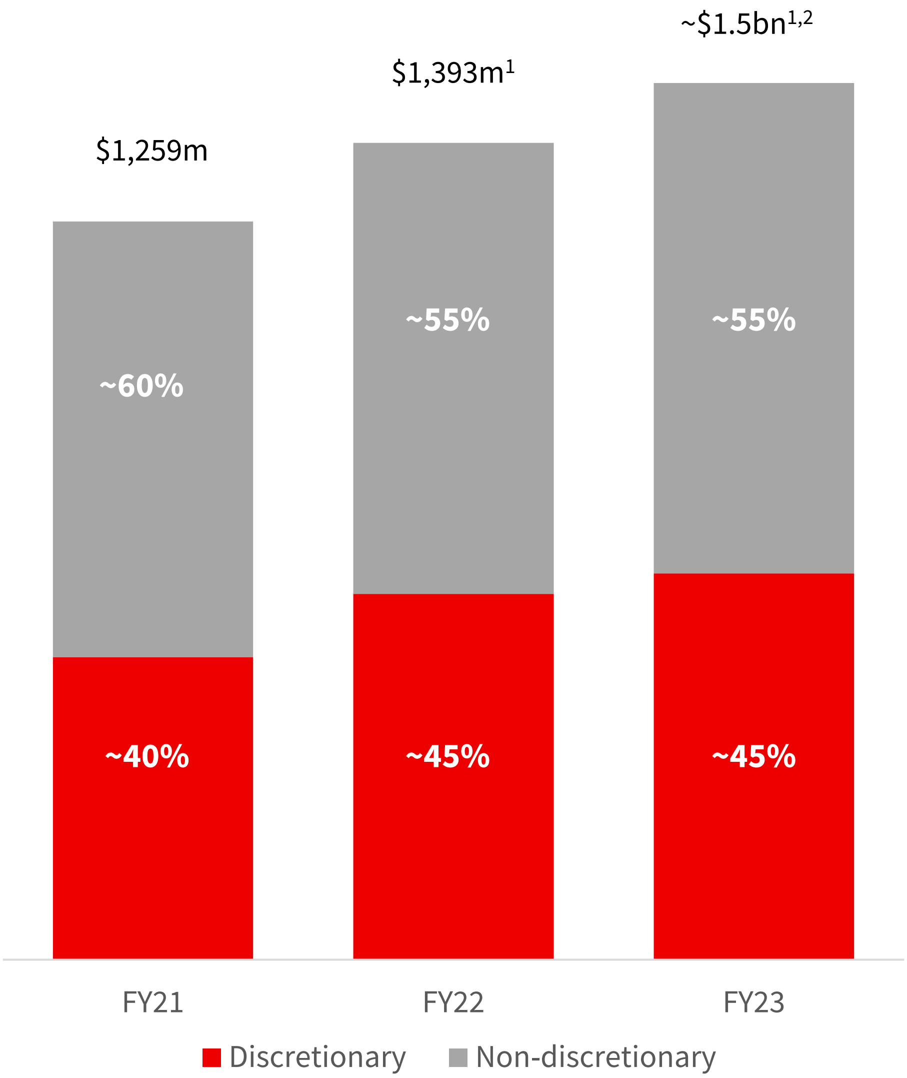
Home lending

Strong broker relationships; FY23 focus on customer retention

(1) Refer to key risks, qualifications and assumptions in relation to forward looking statements on page 134
(2) Majority of investment in unsecured platform to be capitalised and amortised over 5 years through cash opex ($21m capitalised in FY22)

Targeted investment spend in FY23

Expected additional investment spend of ~$100m[2] in FY23 reflects increased spend on systems to help keep customers and the bank safe while maintaining spend on discretionary projects which support long term growth



Non-discretionary investment

- Investment to uplift systems, processes and control environment
- Includes investment in financial crime detection and prevention and cyber security capability

Discretionary investment to support long term growth and sustainable cost efficiency

- Single end to end mortgage platform (Simple Home Loans)
- Simple and digital everyday Personal Bank proposition
- Business Lending transformation
- Enhanced payments and transaction offering for businesses
- Enhanced use of data and analytics
- Investment in colleagues – digital tools
- Migration of applications to cloud

(1) Excludes investment in new Unsecured Lending Platform which relates to the integration of Citi Consumer Business
(2) Refer to key risks, qualifications and assumptions in relation to forward looking statements on page 134

Maintaining cost discipline in a challenging environment

Focus on productivity to offset investment and cost headwinds

- Facing a number of cost headwinds in FY23 including higher inflationary pressure and ongoing costs related to compliance with the AUSTRAC Enforceable Undertaking[1]
- Investing in our business to support long-term growth, uplift customer experience and drive sustainable cost efficiency
- Disciplined approach to productivity and efficiency key to managing our overall costs

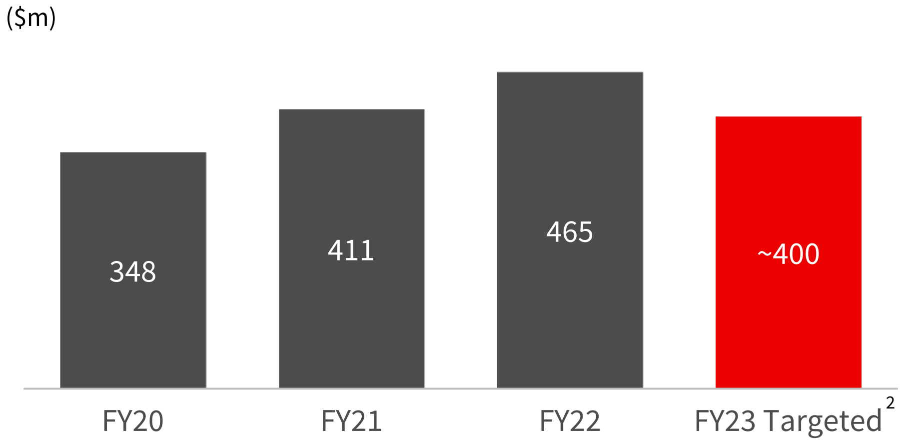
Cost to income ratio

- Cost to income ratio expected to continue to trend lower in FY23[2]

Key areas of focus to drive productivity

- Investment in digitisation of key customer experiences e.g. business and home lending
- Simplification of processes and operational activities
- Continued delivery of our technology strategy including ongoing simplification and transition to cloud
- Building centres of excellence to access operational, digital and technology skills in India and Vietnam

Track record of sustainable productivity benefits – target ~$400m productivity savings in FY23



(1) Expected to be $80-120m p.a from FY22 – FY24
(2) Refer to key risks, qualifications and assumptions in relation to forward looking statements on page 134

Our progress on Climate

Key areas of focus in FY22

- Member of the Net Zero Banking Alliance
- Inaugural Climate Report published in FY22 reporting suite
  - articulates our Climate Strategy
  - includes decarbonisation targets for four emissions-intensive sectors

- Continue supporting customers with their transition plans

86 transition maturity assessments completed as we work with 100 of our largest GHG emitting customers

- Reducing our operational emissions

74% reduction in operational Scope 1 and Scope 2 GHG emissions against a 30 June 2015 baseline[1]

Continue to be a leader in Sustainable Finance

#1 Australian bank for Global renewables transactions[2]

$70.8bn in environmental financing since 2015, met and exceeded target of $70bn by 2025[3]

Ongoing focus on innovative sustainable financing

- Offering eligible home loan customers lower variable rates on homes that meet energy efficient criteria[4]
- Co-led North Queensland Airports (NQA) innovative sustainability-linked loan helping to address climate change, biodiversity and employment of First Nations peoples

Image: NQA Environment Manager with Dawul Wuru Aboriginal Corporation Senior Ranger and Dawul Wuru Aboriginal Corporation Project Manager

(1) Significant progress demonstrated since 2020 against the Group's science-based target to reduce operational Scope 1 and 2, however, performance has been influenced by COVID-19 impacts and we do not expect all of the reductions achieved to date to be permanent. Includes our net operational Scope 1 and 2 GHG emissions, 2021 and 2022 figures calculated using a market-based approach
(2) Rankings based on IJGlobal League Table MLA, Renewables, both cumulative data from 1 Jan 2010 to 30 September 2022 and for the 12 months ending 30 September 2022
(3) Represented as a cumulative flow of new environmental finance since 1 October 2015. Refer to the Group's 2022 Climate Report for reference to how the environmental financing target is calculated
(4) Customers with a Loan to Value Ratio greater than 80% making principal and interest repayments on a Base Variable Lending Rate home loan or Tailored Home Loan may be eligible for lower variable rates of up to 1%
Properties must have a minimum NatHERS 7-star rating or a Green Building Council of Australia Green Star rating

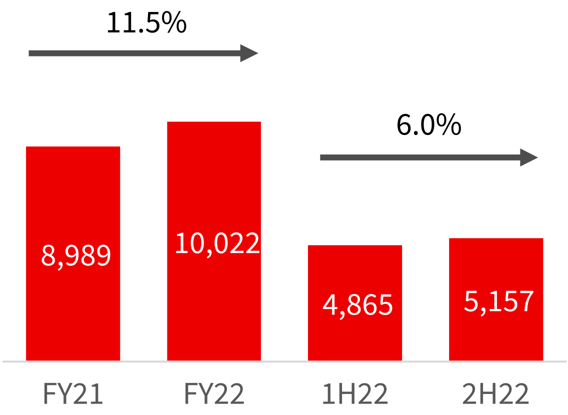
FY22 Financials

Gary Lennon

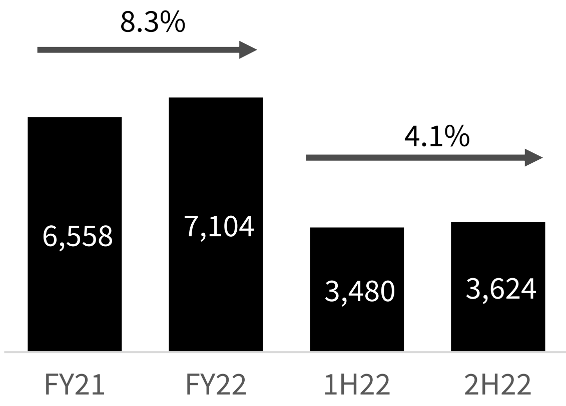
Group Chief Financial Officer

Group Financial Results

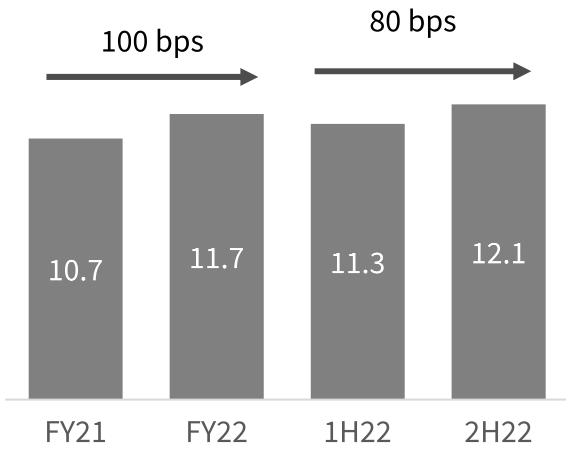
Underlying profit ($m)



Cash Earnings[1] ($m)



Cash ROE (%)



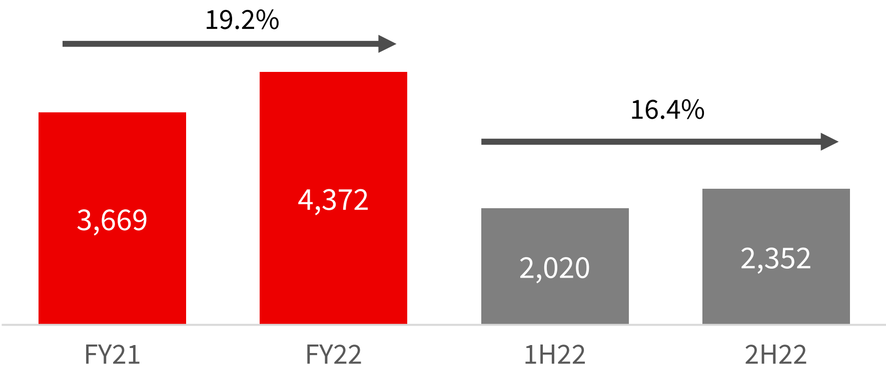
P&L key financial indicators	FY22 ($m)	FY22 v FY21	2H22 ($m)	2H22 v 1H22
Net operating income	18,296	8.9%	9,468	7.2%
ex Markets & Treasury	*16,921*	*9.7%*	*8,846*	*9.5%*
Operating expenses	(8,274)	5.8%	(4,311)	8.8%
ex Citi Consumer Business	*(8,124)*	*3.9%*	*(4,161)*	*5.0%*
Credit impairment charge	(125)	Large	(123)	Large

(1) Refer to page 42 for definition of cash earnings and reconciliation to statutory profit

Underlying divisional profit

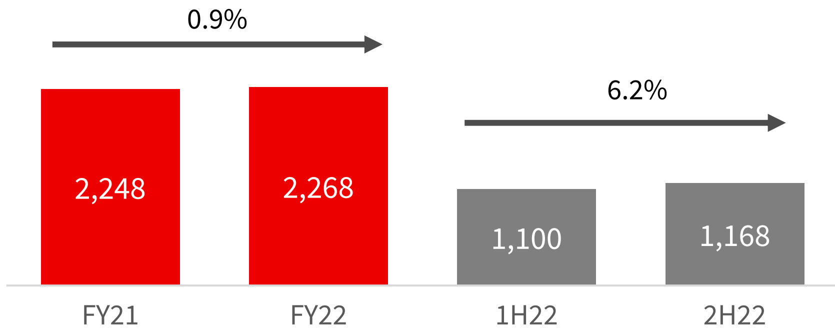
Business and Private Banking

($m)



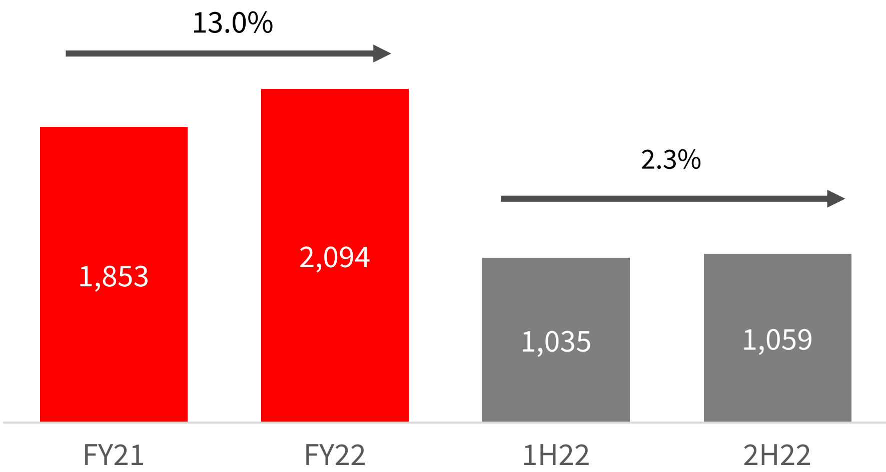
Personal Banking

($m)



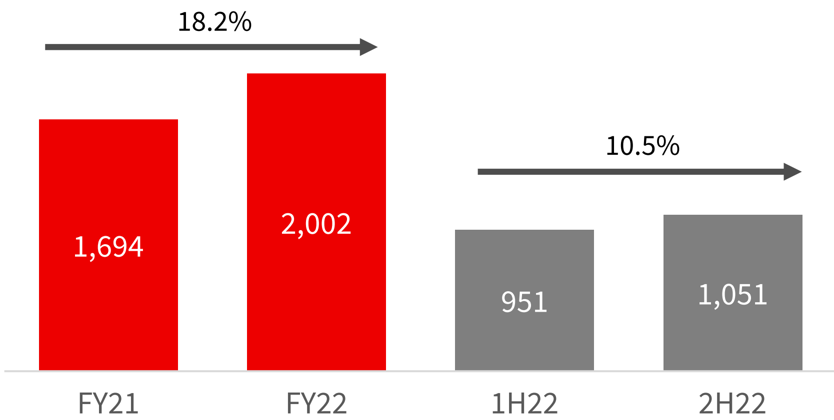
Corporate and Institutional Banking

($m)



New Zealand Banking[1]

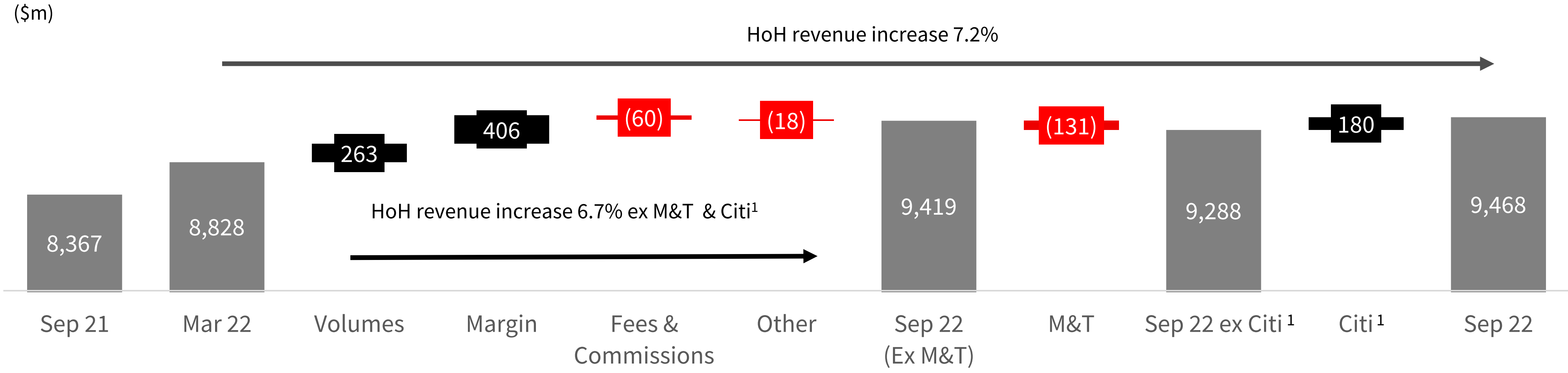
($m)



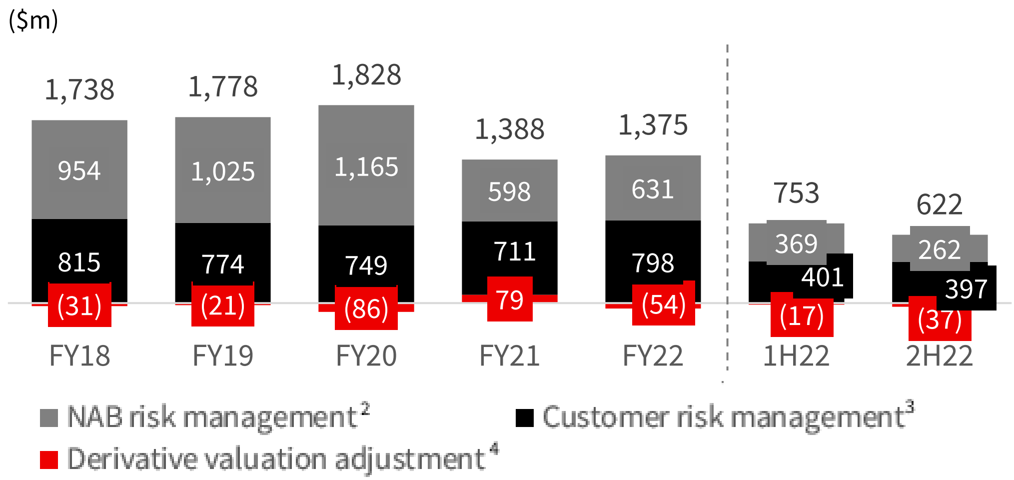
(1) New Zealand Banking results in local currency

Strong revenue growth

Net operating income



Markets & Treasury (M&T) income breakdown



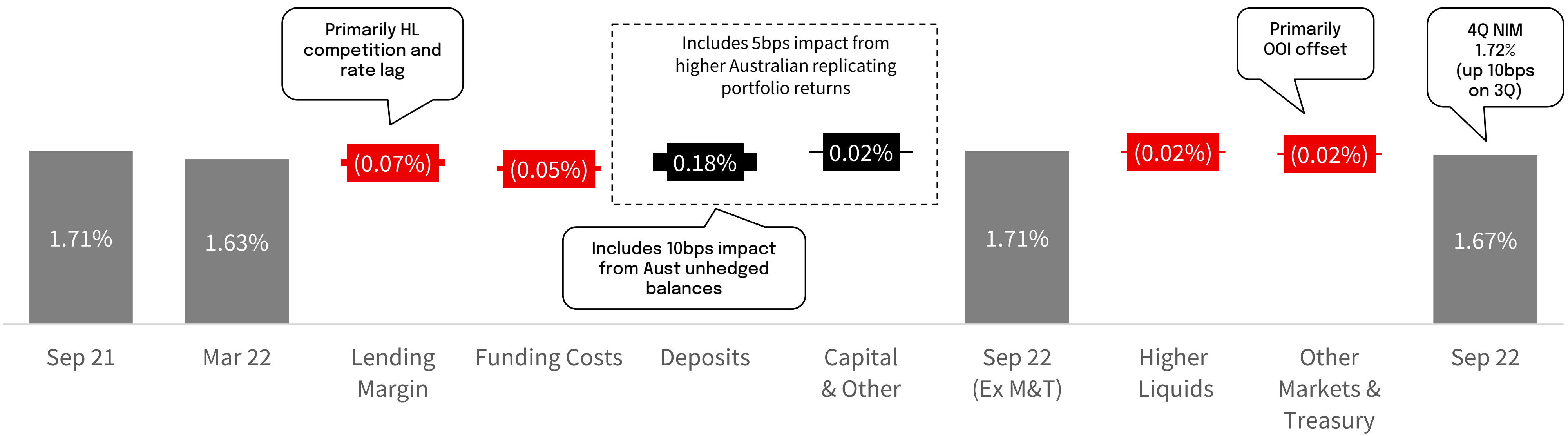
Key revenue drivers HoH

- NII growth driven by growth in volumes and margins
- Fees and commissions impacted by an increase in customer remediation of $29m
- Lower NAB Risk Management income reflects the ongoing impact of surplus liquidity in the system and a challenging trading environment

(1) Citi refers to Citigroup's Australian consumer business, acquired by the NAB Group on 1 June 2022
(2) NAB risk management comprises NII and OOI and is defined as management of interest rate risk in the banking book (IRRBB), wholesale funding and liquidity requirements and trading market risk to support the Group's franchise
(3) Customer risk management comprises OOI
(4) Derivative valuation adjustments include credit valuation adjustments and funding valuation adjustments

Net interest margin

Net interest margin



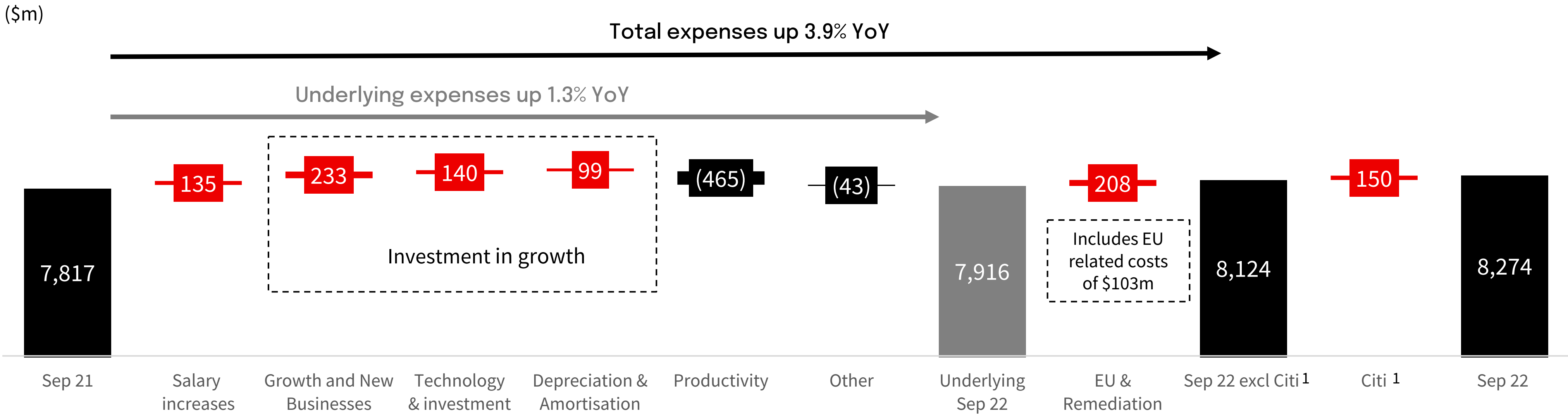
Key considerations for FY23[1]

- Housing lending competitive pressures likely to intensify
- Deposit mix headwind accelerating, further increase in funding costs
- NIM impact of RBA cash rate increases on unhedged deposits expected to peak in 1H23; estimated benefit of cash rate increases from Oct 22 expected to be lower
- Benefit of higher swap rates on deposit and capital replicating portfolios over FY23 of ~10bps p.a. based on 30 Sep 22 swap rates[2]
- Liquids impact fairly neutral

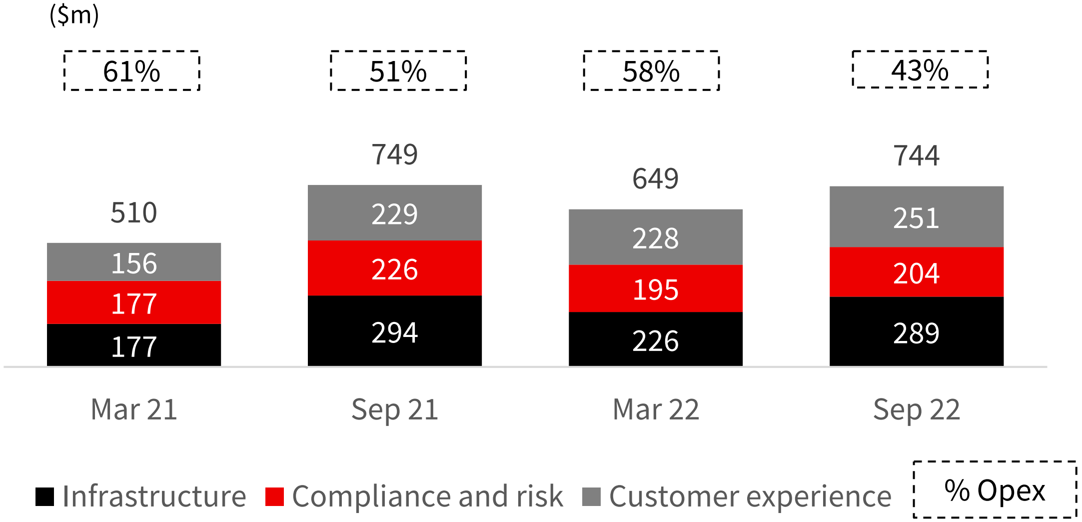
(1) Refer to key risks, qualifications and assumptions in relation to forward looking statements on page 134
(2) Based on 3 and 5 year swap rates for the Australian capital and deposit replicating portfolios respectively, AIEA and replicating portfolio volumes at 30 September 2022

Operating expenses

Operating expenses (YoY)



Investment spend



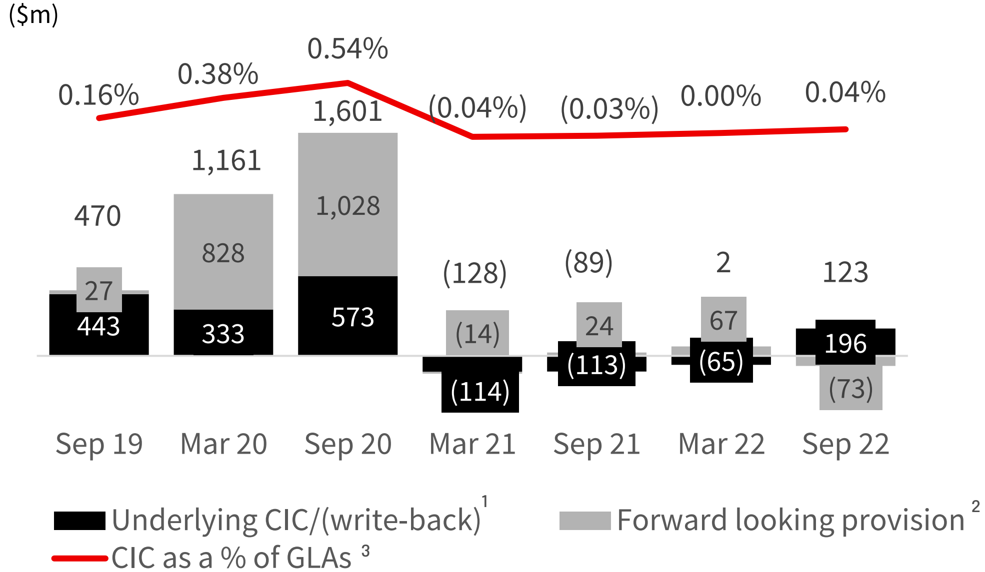
Comments

- FY22 underlying cost growth of 1.3% with productivity offsetting higher remuneration and investment
- Additional headwinds in FY23[2] include:
  - Higher inflationary pressure on wages and vendor costs
  - Higher depreciation & amortisation of ~$140m
- Targeting productivity savings of ~$400m in FY23[2]
- Overall Cost to Income ratio expected to trend lower in FY23[2,3]
- Investment spend expected to be ~$1.5bn in FY23[2]

(1) Citi refers to Citigroup's Australian consumer business, acquired by the NAB Group on 1 June 2022
(2) Refer to key risks, qualifications and assumptions in relation to forward looking statements on page 134
(3) Excluding any large notable items

Continued low CICs and improved asset quality

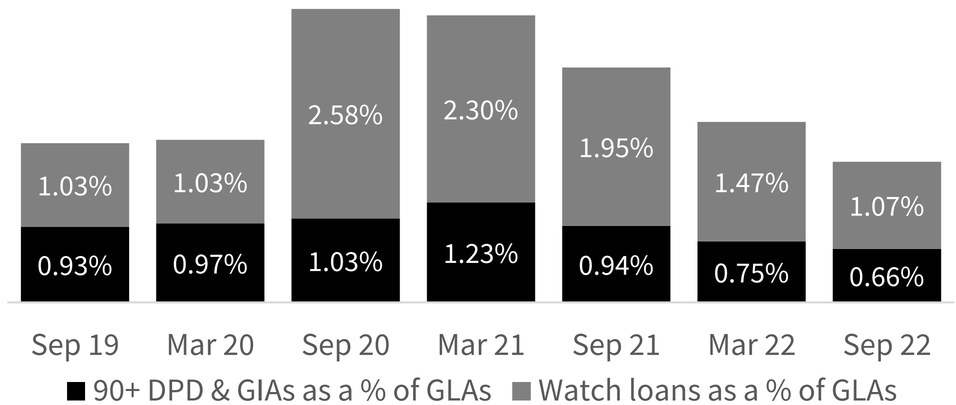
Credit impairment charge (CIC)



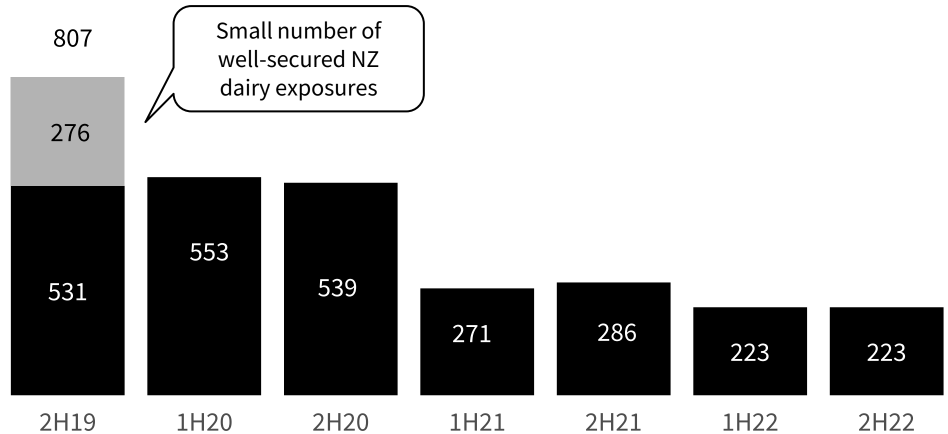
Key 2H22 considerations

- Underlying CIC of $196m reflecting continued low specific charges, improved asset quality and volume growth
- Forward looking write-back of $73m reflecting net FLA & EA movements
- 90+ DPD & GIA ratio lower reflecting:
  - Lower 90+ DPD ratio driven by improvement in Australian home lending
  - Lower GIA ratio with continued low levels of new impaired assets and further improvement in Business and Private Banking
- Reduction in Watch loans mainly driven by aviation portfolio

90+DPD, GIAs and watch loans as a % of GLAs[4]



New impaired assets ($m)



(1) Represents total credit impairment charge less forward looking provision
(2) Represents collective provision EA top-up and FLAs for targeted sectors
(3) Half year annualised
(4) Referral to Watch generally triggered by banker annual reviews through the year or as a result of performing customers experiencing cashflow pressures

Australian housing lending $329bn[1]

More challenging outlook

- Peak to trough expected **house price falls** ~20% (5% to end Sep 22)
- **Impact of higher cash rate** on repayments is accelerating
- Mitigants include:
    - Strong employment conditions expected in FY23
    - Offset balances 30% higher from Mar 20
    - Current low avg DLVR and negative equity

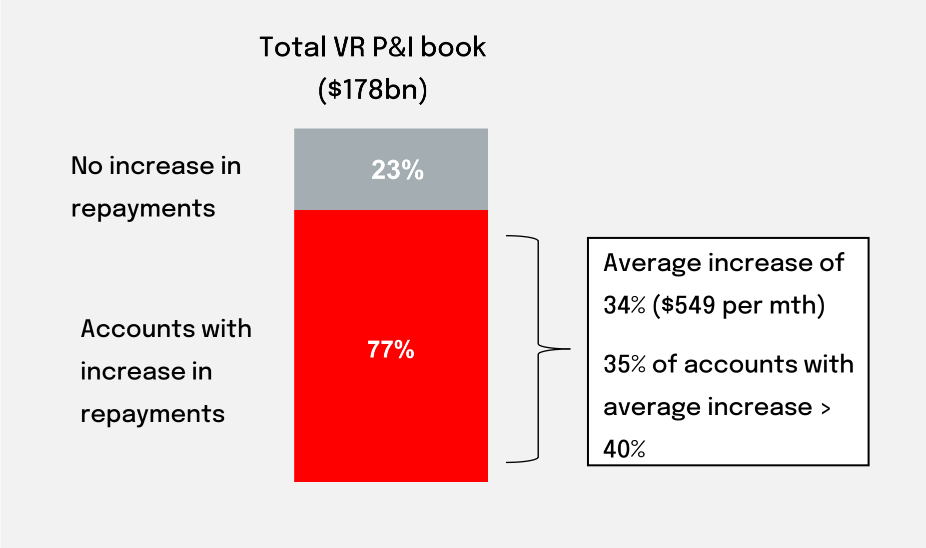
Continue to adjust settings and practices

- **DTI decline** rule of >8x from May 22 for higher risk customers (> 9x for all others)
- **Serviceability assessment** buffer increased to 3% from Nov 21, floor increased to 5.75% from Sep 22[2]
- **Early engagement** with repayment risk customers

Scenario analysis to identify higher risk exposures

- **$177bn of loans** originated Aug 19-Jul 22 with average serviceability threshold <6%
- Monthly repayments adjusted for **3.60% cash rate**
- Higher risk exposures identified as <**12 months repayment buffers** and **DVLR >80%** with no LMI or FHB govt guarantee
    - **$1.0–$9.7bn** of balances with potential for loss
    - Most at-risk cohort **~$1bn** (0.3% of total HL book) have < 3 month repayment buffer and DLVR > 90%

Increase in VR P&I repayments at 3.60% cash rate[3]



	Dynamic LVR with no LMI or FHB guarantee		
	> 80%	of which >85%	of which >90%
Repayment buffer < 12 months[3,4] (Total $89bn)	$9.7bn	$3.8bn	$1.3bn
***of which* Repayment buffer < 3 months[3,4] (Total $75bn)**	$8.3bn	$3.1bn	$1.0bn

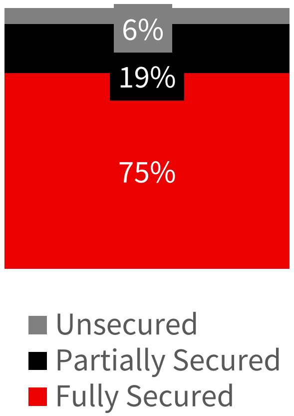
(1) Excludes 86 400 and Citi Consumer Business mortgages
(2) Buffer previously 2.5%, floor previously 4.95%
(3) Analysis assumes full pass through of cash rate increases to current customer rates. Increase relative to customer repayments in April 2022
(4) Repayment buffer based on the sum of offset and redraw balances as a multiple of adjusted monthly repayments using a 3.60% cash rate

Business and Private Banking business lending $132bn[1]

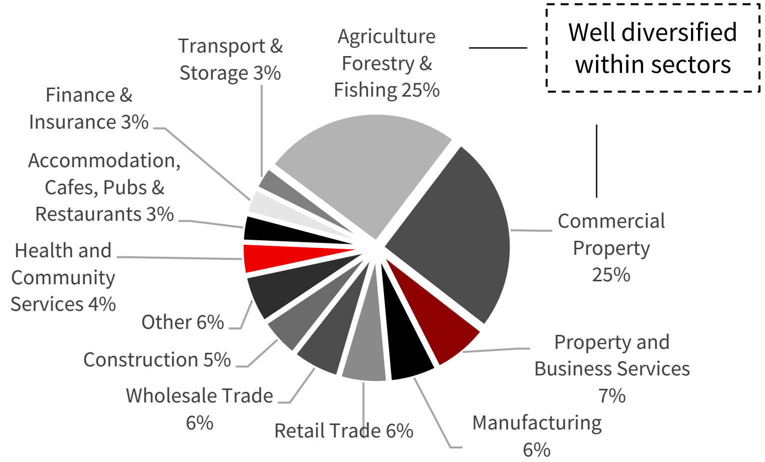
Strong origination practices

- **Well diversified, highly secured** portfolio with material discounts applied to market valuations
- All loans **assessed at minimum interest rates**, recently reviewed and materially increased
- **Maintaining front book asset quality** consistent with recent years despite strong FY22 lending growth

Security profile Sep 22[2]



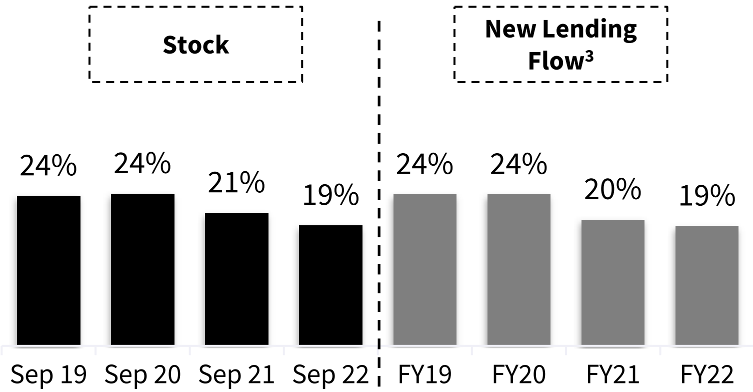
EAD by industry



Customers & book in good shape

- Strong sector **profitability** trends[4]
- B&PB **deposits up >25%** since Sep 20
- **Utilisation rates lower** than prior year comparative (PCP) and pre COVID-19 levels
- **PD** ≥ 2% exposures declining
- ~50% of $8.5bn higher risk balances in industries with **FLA coverage**

Exposures with probability of default (PD) ≥ 2%



Higher risk balances

$bn	Total balances with PD ≥ 2%
Not fully secured	~8.5
Of which: No security	~1.5

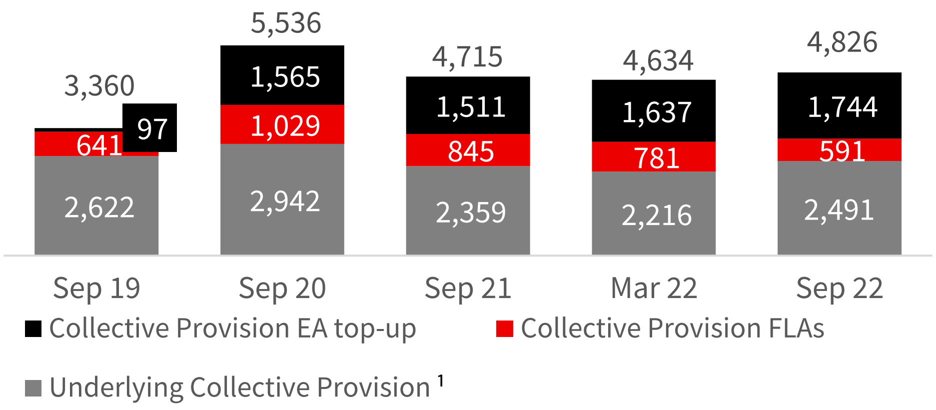
(1) Refers to business lending gross loans and advances in Business & Private Banking division
(2) Fully secured is where the loan amount is less than 100% of the bank extended value of security; Partially Secured is where the loan amount is greater than 100% of the bank extended value of security; Unsecured is where no security is held and/or no value held against the security and negative pledge arrangements may be in place. Bank extended value is calculated as a discount to market value based on the nature of the underlying security. Majority of security is comprised of property assets including residential property
(3) New lending flow includes lending to new customers and increased lending to existing customers during the financial year
(4) NAB Group Economics Quarterly Business Survey

Strong provisioning maintained

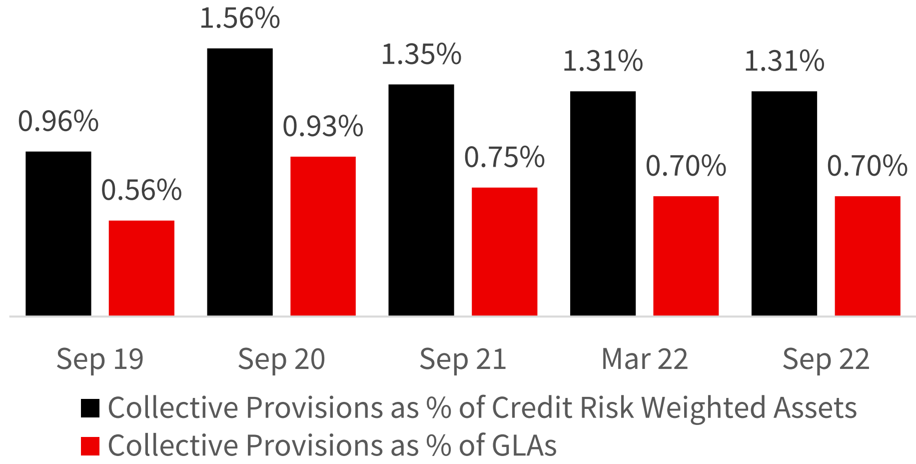
Collective provision balances

($m)

Sep 22 includes $1.6bn of additional forward looking provision vs Sep 19

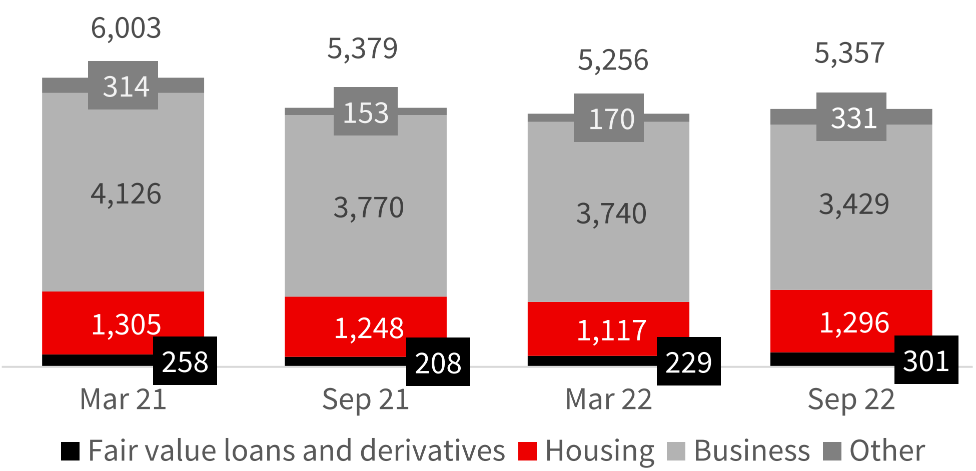


Collective provision coverage



Total provisions for expected credit losses

($m)



Prudent provisioning assumptions

- Downside EA weighting for Australia up from 40% at Mar 22 to 45% at Sep 22 and base case assumptions more stressed
- Net FLAs reduction $190m with release from some COVID-19 impacted sectors partially offset by new Aust energy FLA[2]

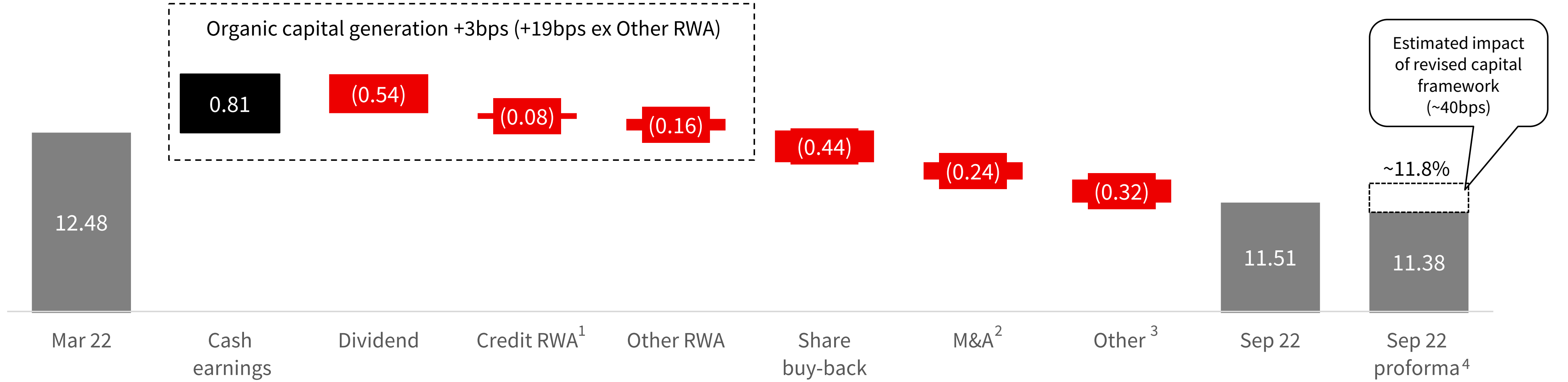
Key Australian economic assumptions considered in deriving ECL						
	Base case			Downside		
%	**FY23**	**FY24**	**FY25**	**FY23**	**FY24**	**FY25**
GDP change YoY	1.7	1.7	2.3	(4.4)	0.8	2.7
Unemployment	4.0	4.2	4.2	8.5	10.1	9.7
House price change YoY[3]	(14.3)	3.0	3.0	(21.9)	(10.4)	1.5

(1) Collective provision EA top-up Mar 22 and Sep 22 figures include $5m and $10m movements respectively due to foreign exchange
(2) Australian energy FLA in relation to Australian manufacturing and transport subsectors which have high energy consumption and limited ability to pass on higher expected energy costs
(3) House price change in addition to 5% decline to September 2022

Capital remains above target range

Group Basel III Common Equity Tier 1 capital ratio

(%)

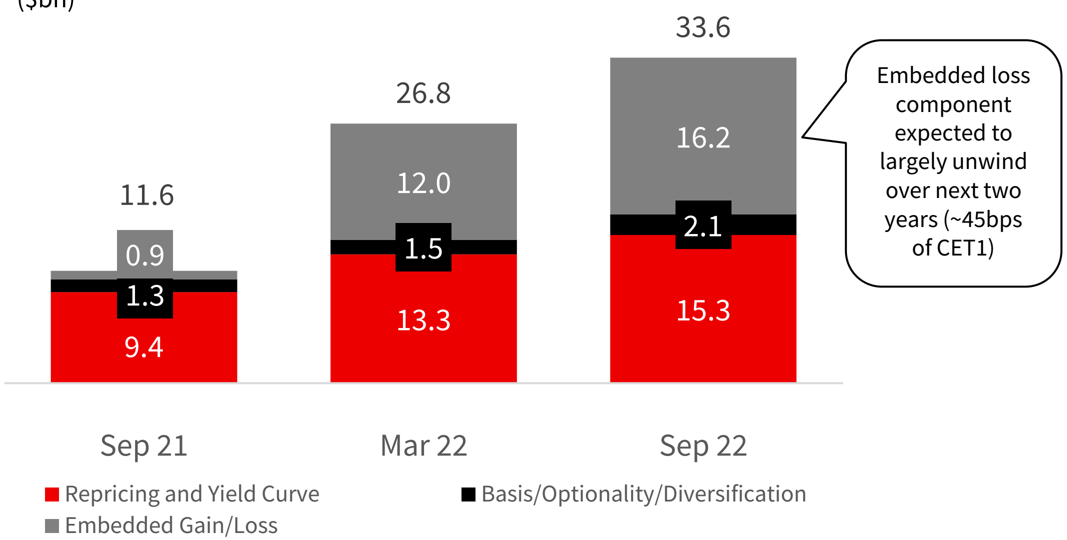


CET1 considerations

- Positive organic capital generation in 2H22
- Higher CRWA reflects increased volumes as a result of strong asset growth
- Other RWA mainly reflects higher IRRBB RWA
- $1.9 billion of shares bought back in 2H22 (44bps CET1)
- L1 CET1 of 11.24% at Sep 2022
- CET1 target range moves to 11.00-11.50% from 1 Jan 2023 to align with new calculation methodology under APRA's revised capital framework

IRRBB risk-weighted assets

($bn)



(1) Excludes FX translation
(2) Net -24bps CET1 impact from acquisition of Citi Consumer Business (-30bps) and sale of BNZ Life (+6bps)
(3) Includes -14bps net FX translation
(4) Pro forma capital includes the remaining $0.6bn of the $2.5bn buy-back announced in March 2022 (-13bps). The impact of APRA's revised capital framework may be subject to change based on NAB's implementation of the revised standards

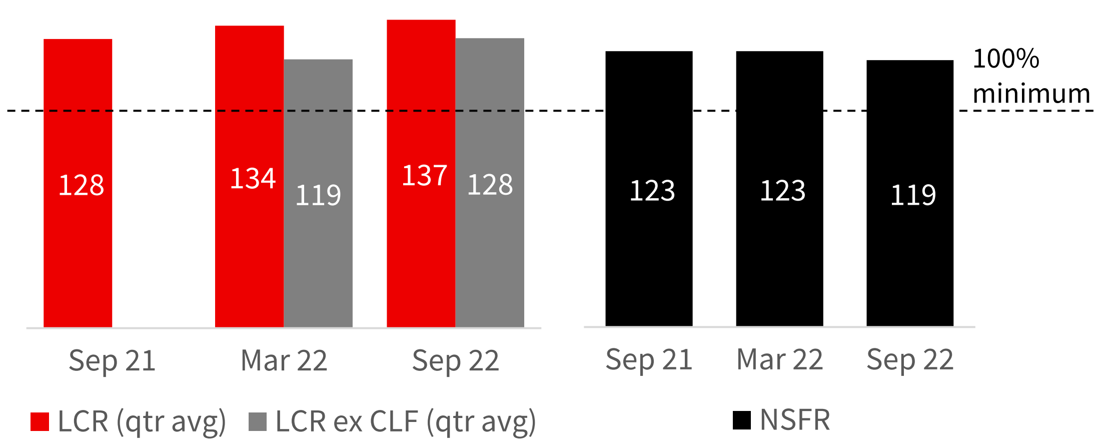
Funding and liquidity strong

Key messages

- Strong funding and liquidity position, well above regulatory minimums despite market volatility and widening credit spreads
- The Group returned to more normalised term wholesale funding issuance volumes with issuance diversified across currencies and products
- Expect to continue to access term wholesale funding markets over FY23 to support refinancing requirements, balance sheet growth as well as the CLF and TFF transitions

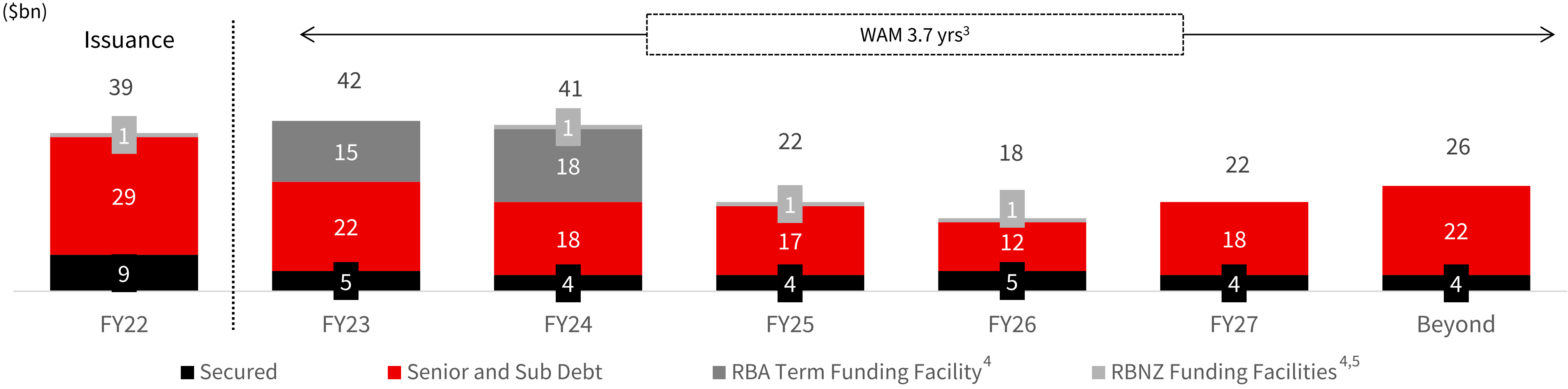
Liquidity position well above regulatory minimums

(%)



Term funding issuance[1] & maturity profile[2]

($bn)



(1) Includes senior unsecured, secured (covered and RMBS) and subordinated debt with an original term to maturity or call date of greater than 12 months, excludes Additional Tier 1 instruments. FX rate measured at time of issuance
(2) Maturity profile of funding with an original term to maturity greater than 12 months, excludes Additional Tier 1 and RMBS. Spot FX rate at 30 September 2022
(3) Remaining weighted average maturity, excludes Additional Tier 1, RMBS, RBA Term Funding Facility and RBNZ funding facilities
(4) Contractual maturity is based on drawdown date
(5) Includes RBNZ's Term Lending Facility (TLF) and Funding for Lending Programme (FLP)

Closing comments

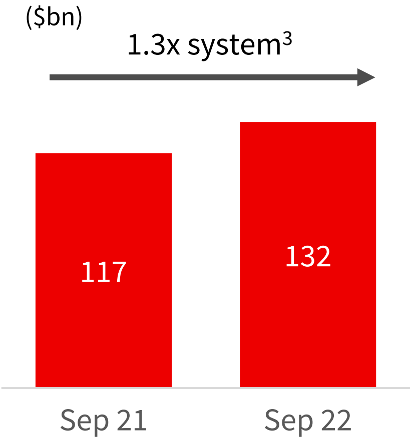
Ross McEwan

Group Chief Executive Officer

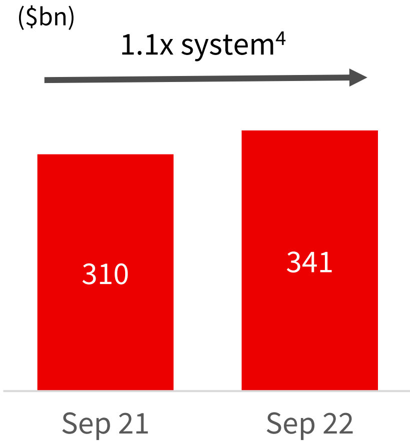
Well positioned for uncertain times

Entering this period with momentum across our business

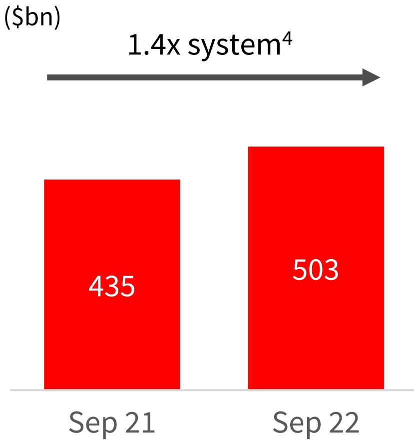
#1 in SME Business Lending[1] and above system growth



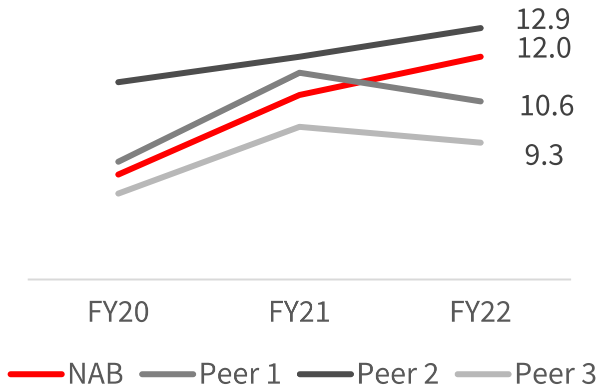
Disciplined Home Lending[2] growth



Strong total Customer Deposit[2] growth

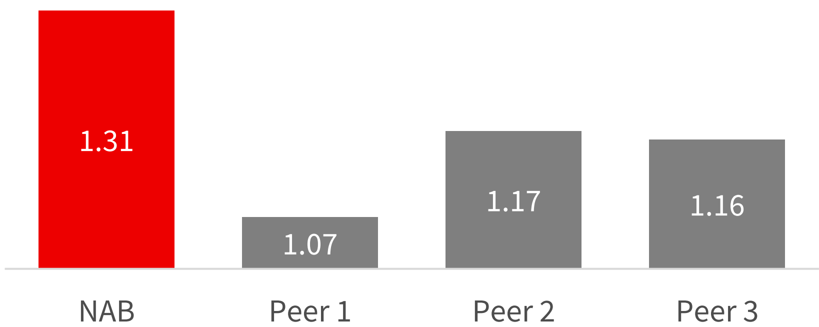


Largest ROE improvement of major banks[5]



Supported by strong balance sheet settings

CP/CRWA (%)



Group CET1[6] (%)

(1) Balances based on B&PB business lending
(2) Balances for Australian business only (exclude New Zealand)
(3) Multiple of system derived from RBA statistics which classifies a business as SME if the business has turnover less than $50 million. Latest market share at Aug 2022
(4) APRA Monthly Authorised Deposit-taking Institution statistics (excl impact of acquisition of Citi Consumer Business). Latest data as at Sep 2022. Total customer deposits based on households and non-financial business combined.
(5) Peers (including NAB) adjusted for disclosed notable, one-off and/or remediation items. A tax rate of 30% has been applied to Peer 2 for items adjusted. Peer 2 as at 30 June reporting dates
(6) Peer disclosed CET1 ratios, adjusted for announced acquisitions, divestments or buy-backs. Peer 2 as at June 2022

Priorities in FY23 – disciplined execution of our strategy

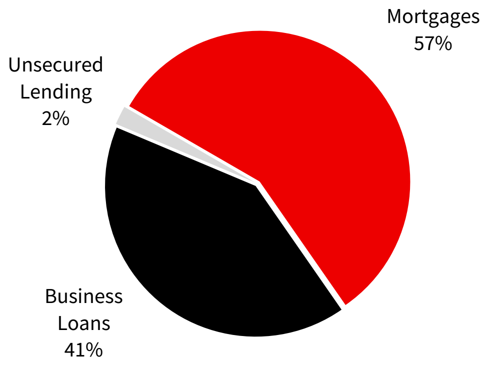
- Be there to support our customers and colleagues and maintain strategic momentum
- Retain balance sheet strength
- Continue disciplined approach to managing costs with a focus on productivity
- Progress agreed plan for AUSTRAC Enforceable Undertaking
- Integration of 86 400 and Citi Consumer Business

Additional Financial Information

NAB at a glance

Cash earnings divisional split[1]	% of FY22 Cash Earnings
Business and Private Banking	43%
Personal Banking	22%
Corporate and Institutional Banking	23%
New Zealand Banking	18%
Corporate Functions & Other	(6%)
Cash Earnings	100%

Gross loans & acceptances split



Credit Ratings NAB Ltd LT/ST	S&P AA-/A-1+ (Stable)	Moody's Aa3/P-1 (Stable)	Fitch A+/F1 (Stable)

Key Financial Data	FY22
Cash Earnings[1]	$7,104m
Cash ROE	11.7%
Gross Loans & Acceptances	$688bn
Customer deposits	$567bn
90+ DPD and gross impaired loans	66 bps
CET1 (APRA)	11.5%
NSFR (APRA)	119%
Australian Market Share	**As at Sep 22**
Business lending[2]	21.6%
Housing lending[2]	14.9%
Cards[2]	25.3%
Key Non-Financial Data	**FY22**
# Employees	>35,000
# Branches / Business Centres	714

(1) Refer to page 42 for definition of cash earnings and reconciliation to statutory net profit
(2) APRA Monthly Authorised Deposit-taking Institution statistics

Divisional contributions

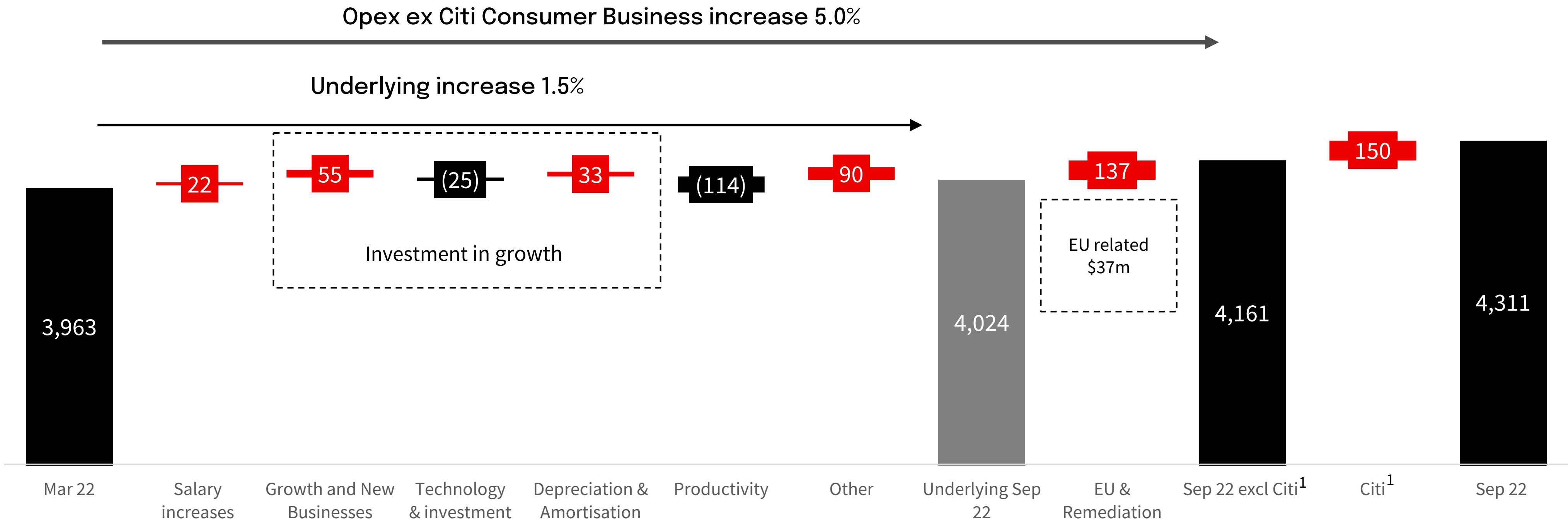
Divisional cash earnings[1]	FY22 ($m)	FY22 v FY21	2H22 ($m)	2H22 v 1H22
Business and Private Banking	3,013	21.5%	1,584	10.8%
Personal Banking	1,591	(3.6%)	803	1.9%
Corporate and Institutional Banking	1,628	34.9%	822	2.0%
New Zealand Banking[2]	1,403	14.1%	735	10.0%

(1) Refer to page 42 for definition of cash earnings and reconciliation to statutory net profit
(2) In local currency

Operating expenses (HoH)

Operating expenses

($m)

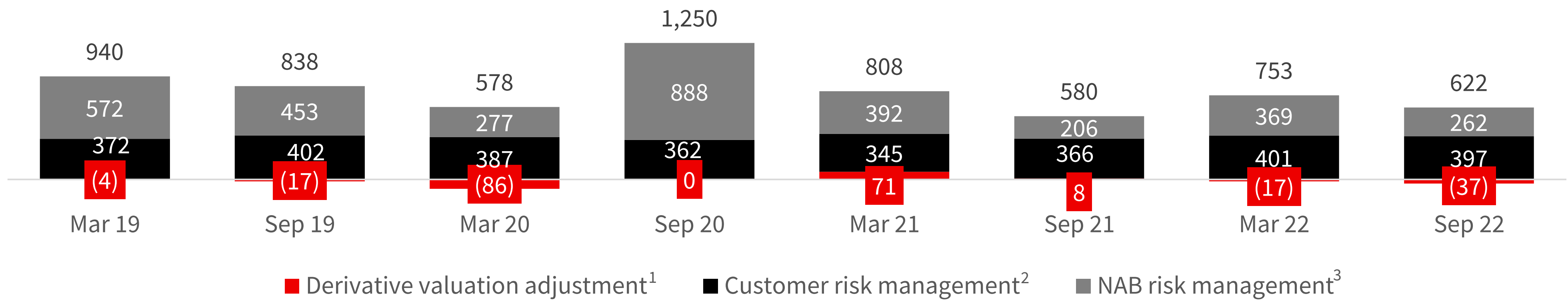


(1) Citi refers to Citigroup's Australian consumer business, acquired by the NAB Group on 1 June 2022

Markets & Treasury income

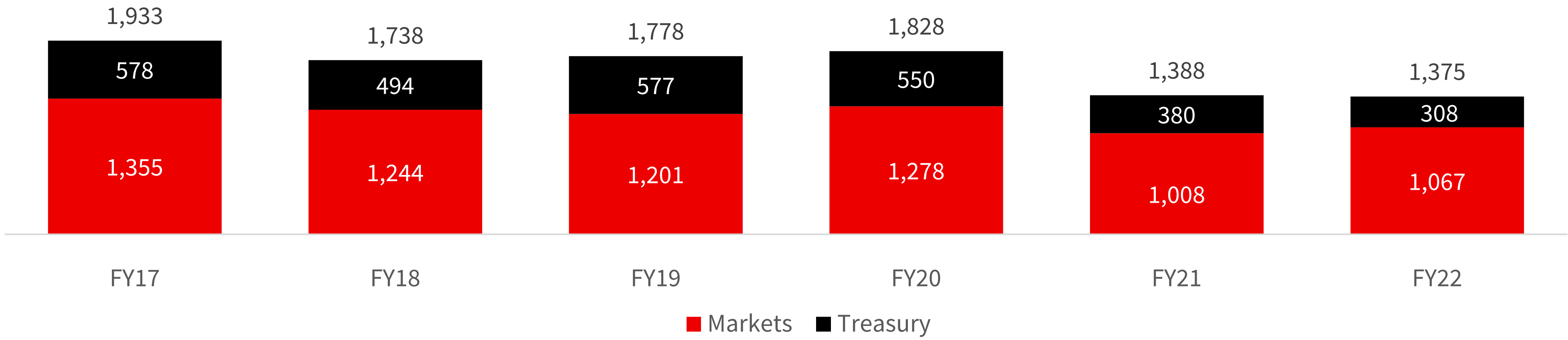
Markets & Treasury income breakdown

($m)



Historical Markets & Treasury income

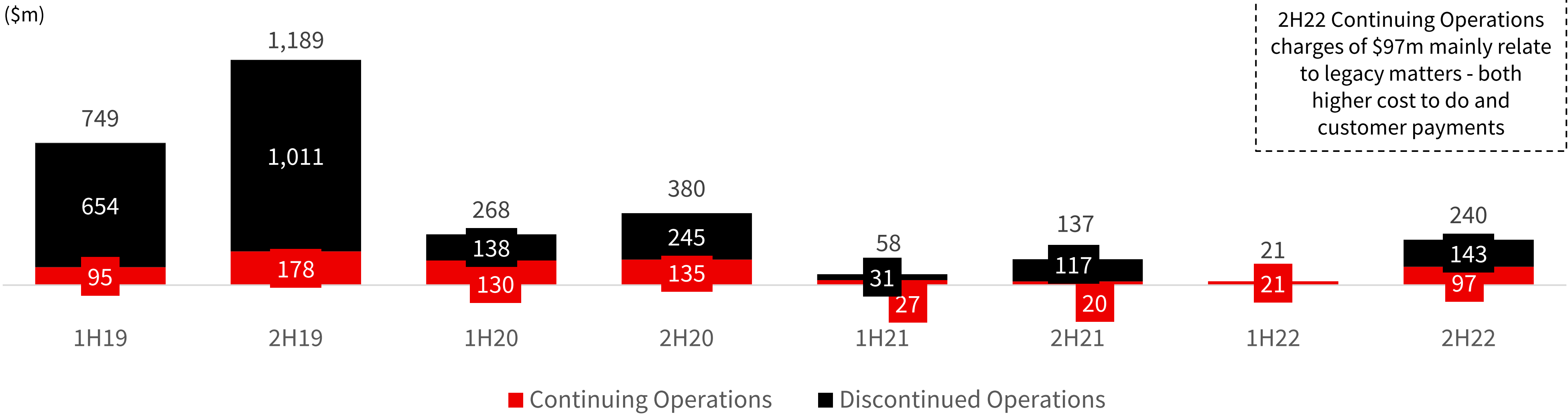
($m)



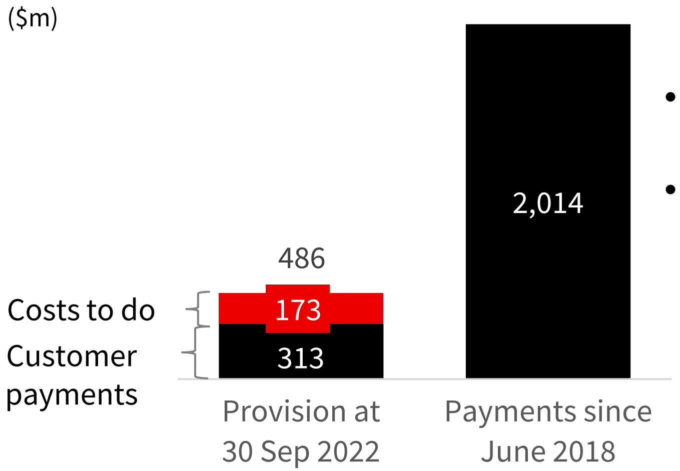
(1) Derivative valuation adjustments include credit valuation adjustments and funding valuation adjustments
(2) Customer risk management comprises OOI
(3) NAB risk management comprises NII and OOI and is defined as management of interest rate risk in the banking book (IRRBB), wholesale funding and liquidity requirements and trading market risk to support the Group's franchise

Customer-related and payroll remediation

Customer-related remediation provision charges[1]



Customer-related remediation provisioning and utilisation



- >896 colleagues dedicated to remediation activities
- >1.95m payments to customers since June 2018 totalling $2,014m – up 56% from FY21

Payroll remediation

- Program expected to be materially completed in CY22
- 2H22 provision top-up of $72m (of which $17m for Discontinued Operations) for revised estimates to existing matters
- $131m payments to colleagues made

(1) Charges were included as large notable items in FY19 and FY20. Charges are shown pre-tax and include both operating expenses and contra revenue amounts; 1H19 and 2H19 have been restated for the presentation of MLC Wealth as a discontinued operation

AUSTRAC Enforceable Undertaking

Overview of Enforceable Undertaking

- Following its investigation, AUSTRAC accepted an Enforceable Undertaking (EU) from NAB in April 2022 to lift its compliance with AML/CTF laws
- Under the terms of the EU, NAB is required to implement a comprehensive Remedial Action Plan (RAP) involving improvements in its systems, controls and record-keeping, including:
  - NAB's AML/CTF Program
  - Applicable customer identification procedures
  - Customer risk assessment and enhanced customer due diligence
  - Transaction monitoring
  - Governance and assurance
- External Auditor to provide a final report to NAB covering the period up to 31 March 2025
- The EU will end on the date that the AUSTRAC CEO provides written consent to the cancelling or withdrawal of the EU

Status as at September 2022

- An External Auditor was appointed in May and will report to NAB and AUSTRAC periodically. The Auditor has commenced engagement with NAB and AUSTRAC
- NAB has established a governance structure to oversee delivery of the RAP commitments and coordinate the completion of activities
- NAB continues to work closely with AUSTRAC to monitor and deliver agreed actions
- Many activities under the RAP have commenced and some have been completed (subject to confirmation by the External Auditor)
- Estimated costs of \$80-\$120m p.a. in FY23 and FY24 (in addition to \$103m in FY22) to deliver the EU requirements, including:
  - Costs to complete the Customer Identify Remediation in progress
  - Additional FTE required to undertake activities in the timeframes required
  - Costs of the appointed Auditor
  - Ongoing costs associated with overseeing delivery of the RAP

Group cash earnings reconciliation to statutory net profit

- NAB uses cash earnings (rather than statutory net profit attributable to owners of NAB) for its internal management reporting purposes and considers it a better reflection of the Group's underlying performance. Accordingly, information is presented on a cash earnings basis unless otherwise stated.
- Cash earnings is not a statutory financial measure and is not presented in accordance with Australian Accounting Standards nor audited or reviewed in accordance with Australian Auditing Standards. Cash earnings is calculated by excluding discontinued operations and certain other items which are included within the statutory net profit attributable to owners of NAB. These non-cash earning items, and a reconciliation to statutory net profit attributable to owners of NAB, are presented in the table below.
- The definition of cash earnings is set out on page 10 of the 2022 Full Year Results Management Discussion and Analysis, and a discussion of non-cash earnings items and a full reconciliation of the cash earnings to statutory net profit attributable to owners of NAB is set out on pages 72-74 of the same document. The Group's financial statements, prepared in accordance with the Corporations Act 2001 (Cth) and Australian Accounting Standards, and audited by the auditors in accordance with Australian Auditing Standards, are set out in the 2022 Annual Report.

	FY22 ($m)	FY22 v FY21	2H22 ($m)	2H22 v 1H22
Cash earnings	**7,104**	**8.3%**	**3,624**	**4.1%**
Non-cash earnings items (after tax):				
Distributions	-	Large	-	-
Hedging and fair value volatility	69	Large	(114)	Large
Amortisation of acquired intangible assets	(17)	Large	(11)	83.3%
Acquisition, disposals and business closures	(96)	Large	(10)	(88.4%)
Net profit from continuing operations	**7,060**	**9.1%**	**3,489**	**(2.3%)**
Net loss attributable to owners of NAB from discontinued operations	(169)	57.9%	(149)	Large
Statutory net profit attributable to owners of NAB	**6,891**	**8.3%**	**3,340**	**(5.9%)**

Additional information

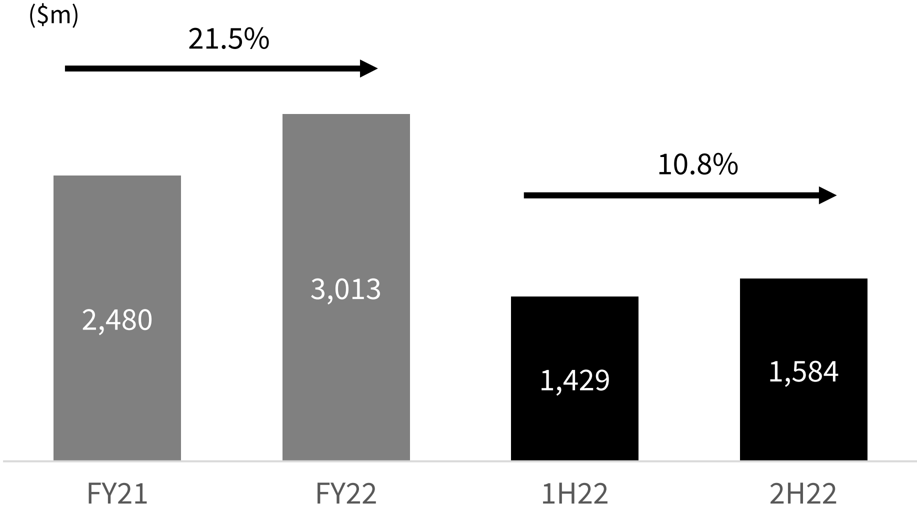
Divisional performances

We have clear growth opportunities

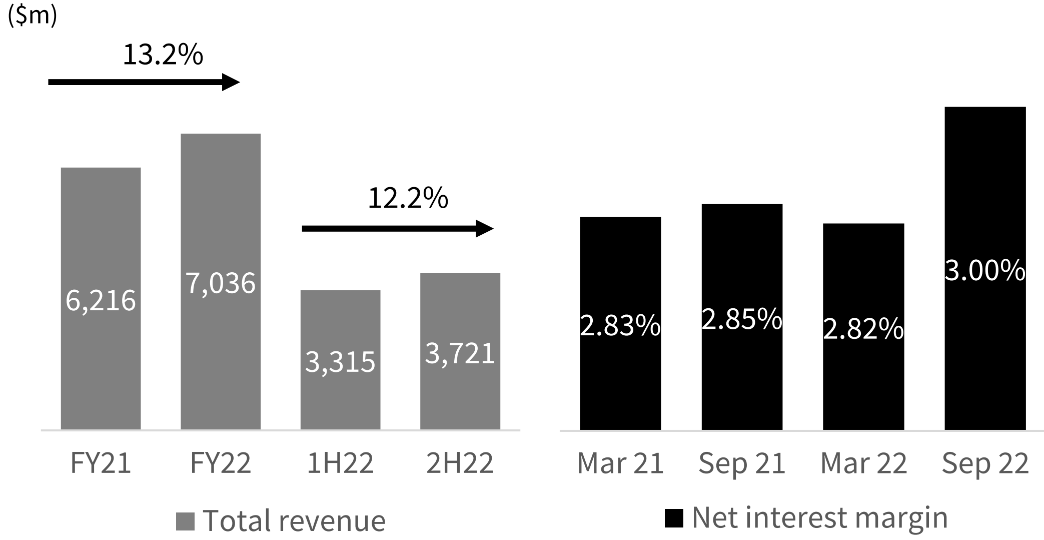
Business and Private Banking	Personal Banking	Corporate and Institutional Banking	BNZ	ubank
Clear market leadership	Simple & digital	Disciplined growth	Grow in personal & SME	New customer acquisition
• Industry-leading relationship bankers, enabled by data and analytics • Adding new customer facing roles • Strengthen sector specialisation • Transform business lending experience • Leverage High Net Worth proposition • Partner to deliver differentiated transactional banking experiences	• Investing in professional and flexible bankers making it easier and quicker to serve customers • Deliver a simple and digital everyday banking experience, including unsecured lending • Ambition to build Australia's simplest home loan	• Highly professional relationship managers and specialists • Leadership in infrastructure, investors, and sustainability • Enhanced transactional banking and asset distribution capability	• Step change in digital banking capability • Simpler, more focused bank • Re-weight to less capital intense segments	• New propositions driving customer acquisition • Market leading digital experience • Ambition to expand share in younger segments

Business and Private Banking

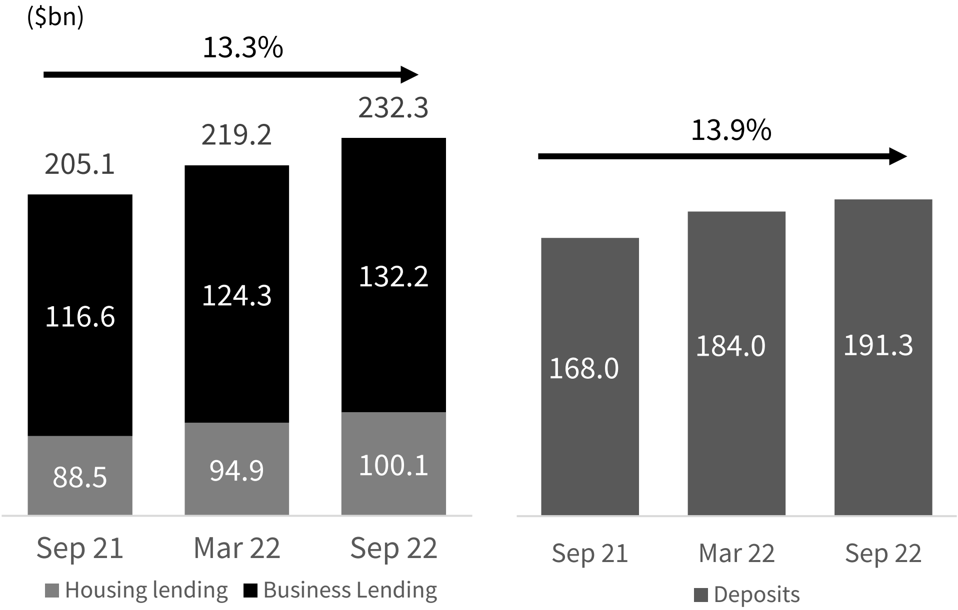
Cash earnings



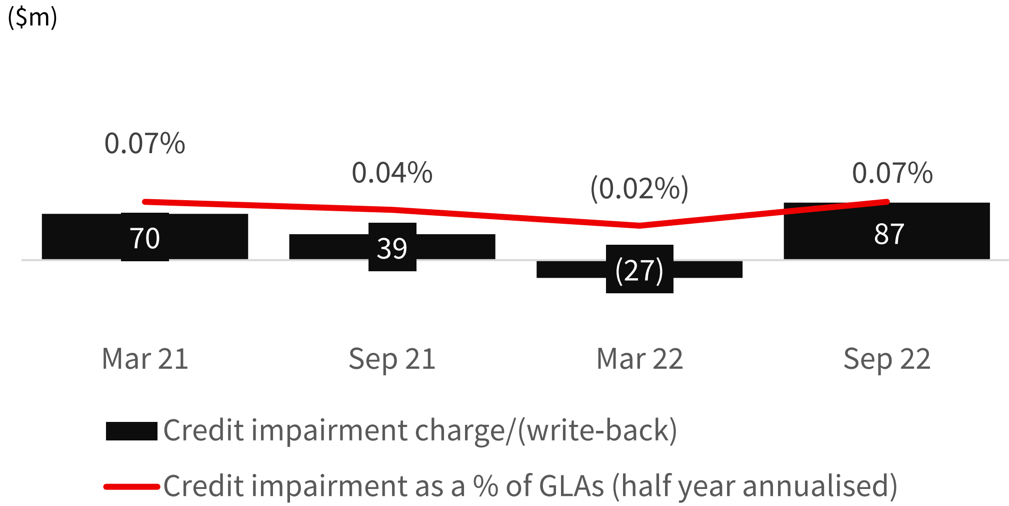
Revenue and margin



Business and housing lending GLAs and deposits



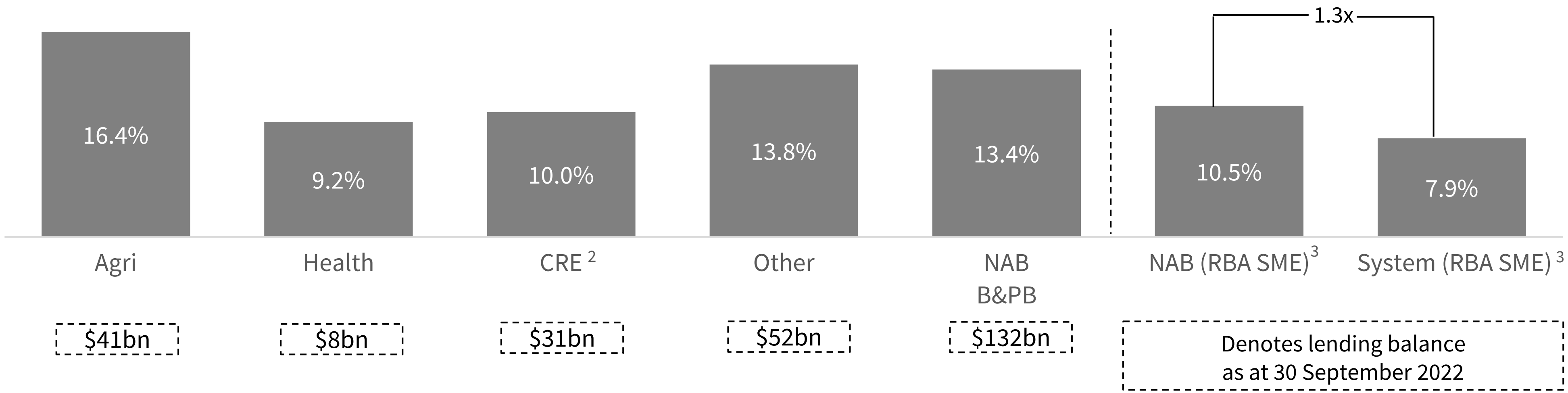
Credit impairment charges and as a % of GLAs



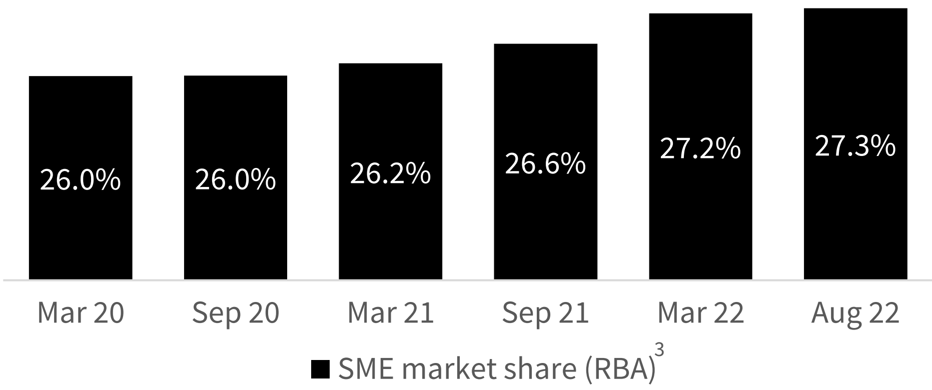
Business lending growth and market share

national australia bank

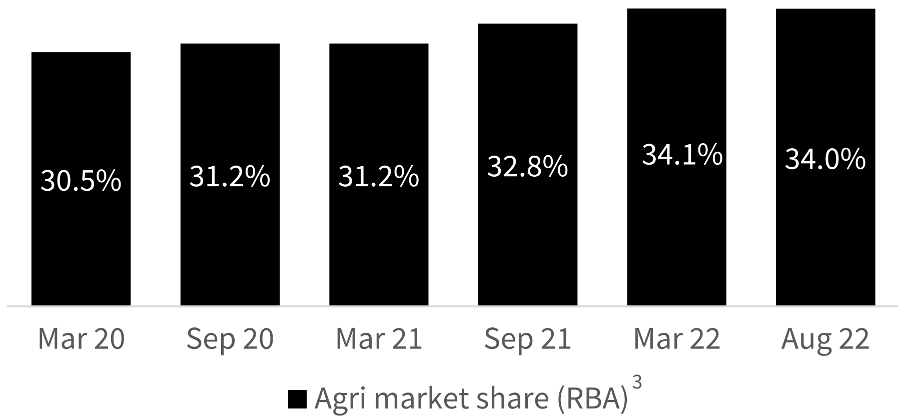
Australian business lending growth (YoY)[1]



SME lending market share



Agri business lending market share

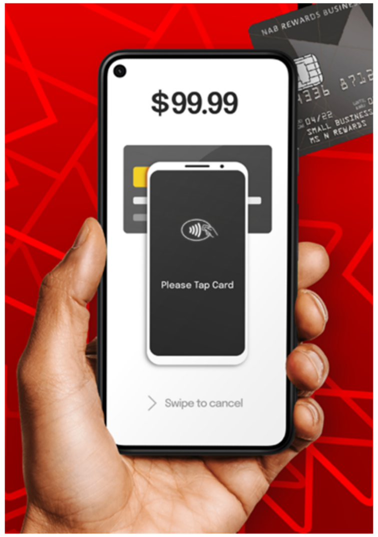


(1) Growth rates are on a customer segment basis and not industry
(2) CRE primarily represents commercial real estate investment lending across a range of asset classes including Retail, Office, Industrial, Tourism and Leisure, and Residential
(3) Derived from RBA statistics. A business is classified as SME under the RBA if NAB has exposure to the business and the business has turnover less than $50m. A business is classified as B&PB if NAB has exposure to the business less than $50m; and the business has turnover less than $100m. Latest market share at Aug 2022

Making payments easier for SMEs

NAB Easy Tap launched

- Turns a merchant's Android phone into an EFTPOS reader to accept contactless card payments
- Apply digitally for NAB Easy Tap and be approved in minutes and onboarded to accept payments in 2 business days[1]
- No additional hardware or terminal fees
- Access to real time transaction and settlement data on App and via NAB Hive digital portal



NAB Hive digital portal

- Launched 1H22
- Simpler, more flexible way for merchant customers to manage business and payment needs via a single, easy-to-use portal

Uplifting healthcare payments

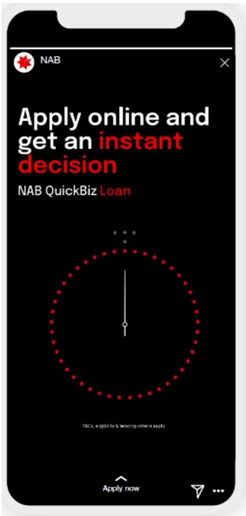
- Rollout of nextgen HICAPS terminals – improved security and reliability; better usability including larger screen and vision impaired features
- LanternPay delivering enhanced, more digital HICAPS offering for healthcare providers
- Expanded claiming including state based schemes and pharmacies
- HICAPS integration hub delivering enhanced and easy practice management systems (PMS) integrations for GPs, pharmacy, etc

(1) Digital onboarding available to customers that meet the following criteria: new to bank, single director/'simple customer' & turnover up to $250k. Assisted onboarding available to all other customers
(2) Currently available for existing customers only

Making banking easier for SMEs

Easier access to lending

- Expansion of Quickbiz digital small business unsecured lending offer:



  - Eligible customers[1] now include multi director companies
  - Business Cards via secure 20 mins self-service application, new card instantly available in customer's digital wallet after approval and agreement acceptance
  - Launch of banker assisted experience

- Continued expansion of DigiDocs to more lending products and brokers, allowing bankers to issue documents directly to customers on any device with greater document quality and speed

Improved digital banking experience for business customers

- Moved our business banking platform, NAB Connect, to our new target state architecture, delivering improved usability and reliability to customers. NAB Connect can now use shared mini apps providing customers with a consistent experiences across our channels

- Business customers now have the benefit of default faster payments using the NPP rails for amounts up to $20m, providing greater certainty on when payments will be received. We have seen a 170% increase in usage in the three months to Sep 22

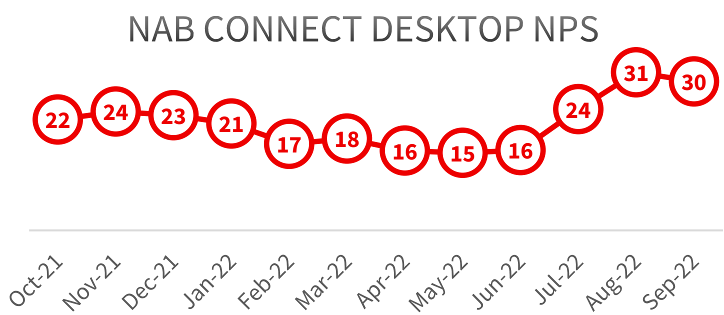
- We have automated the onboarding of customers to NAB Connect enabling complex business customers to have easier access to our digital channels

Ranked

#1

Online Banking Platform[2]

Improving customer NPS[3]



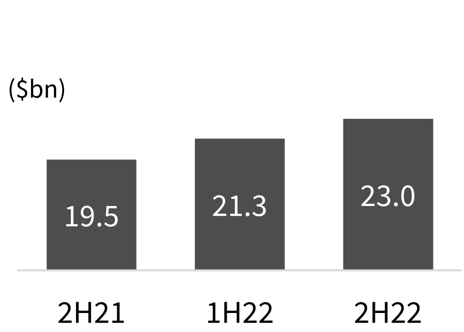
(1) Currently available for existing customers only
(2) Peter Lee Associates – Transaction Banking Survey Australia 2022. Ranking against the four major domestic banks
(3) Internal measure of NPS. Net Promoter® and NPS® are registered trademarks and Net Promoter Score and Net Promoter System are trademarks of Bain & Company, Satmetrix Systems and Fred Reichheld

Integrated high net worth offering

- **Single leadership** of Private Bank, JBWere and nabtrade and a differentiated whole of customer balance sheet approach
- **Closer alignment** between NAB Private and Business Banking including co-location of private bankers and wealth advisors with specialised business banking teams and cross business referral model
- **Dedicated credit team** and tailored high net worth (HNW) credit policies delivering improved turnaround times
- Key initiatives in FY22:
  - Exclusive Australian **partnership with Blackrock** launching 3 new listed ETFs
  - Continued enhancements to **nabtrade app**, including new iPad version and personalised content
  - **Addition of 121 roles** from Citi Consumer Business acquisition

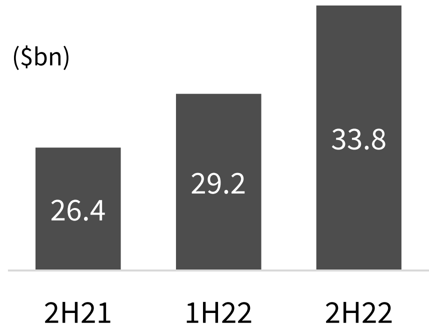
Growth in home lending balances

2.6X system growth in FY22[4]



Growth in deposit balances

2.8X system growth in FY22[4]

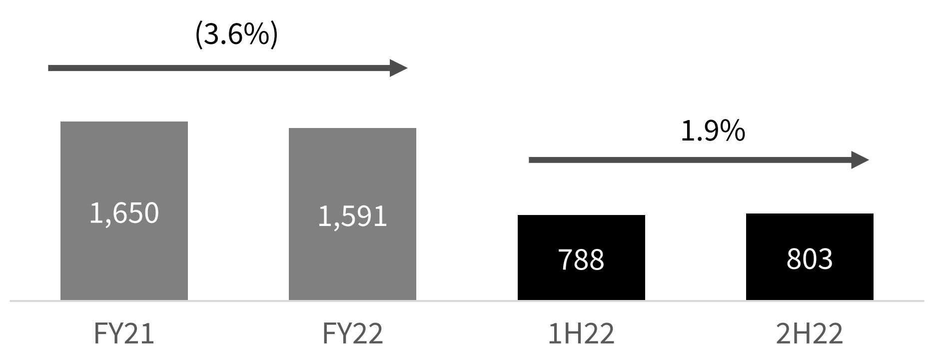


(1) NAB Private Bank: Winner - Australia
(2) Winner Euromoney's Private Banking and Wealth Management Survey 2022 – 'Best Private Bank – Australia - Investment Management and Next Generation
(3) Best Private Bank in Australia at the Global Private Banking Awards 2022
(4) System represents APRA Monthly authorised deposit-taking institution statistics March 2019 - September 2022

Personal Banking

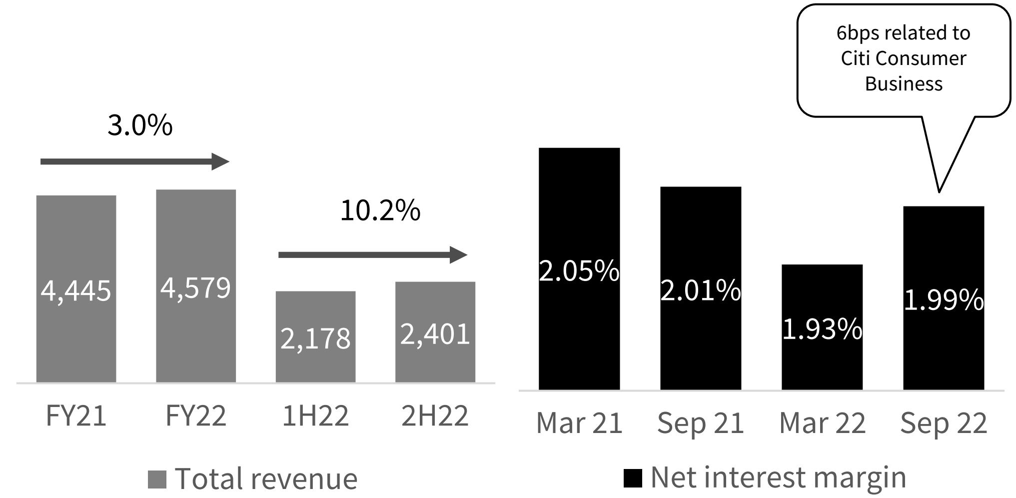
Cash earnings

($m)



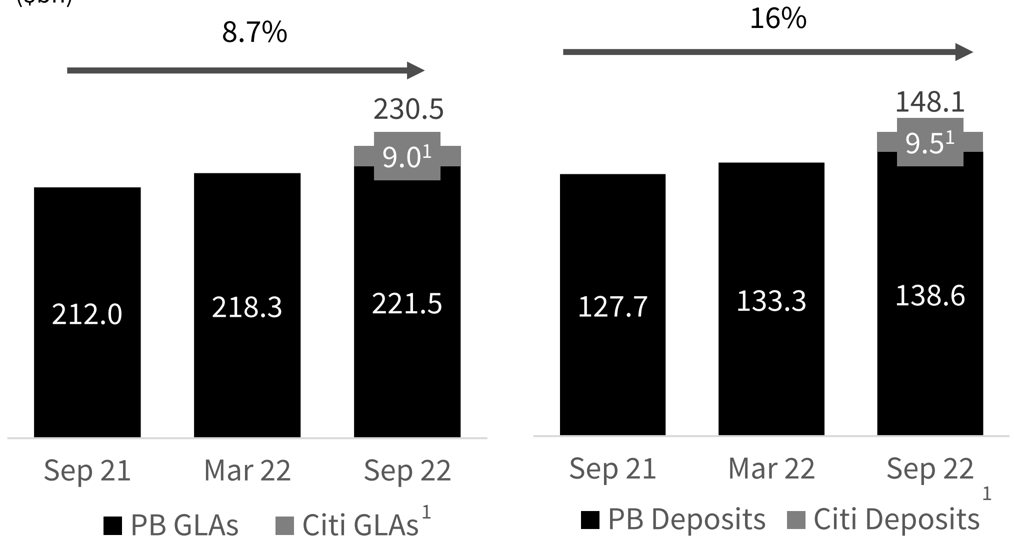
Revenue and margin

($m)



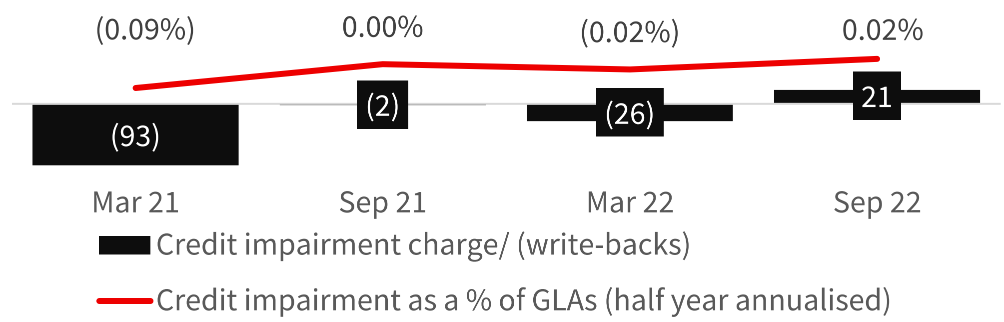
Housing lending GLAs and deposits

($bn)



Credit impairment charges and as a % of GLAs

($m)

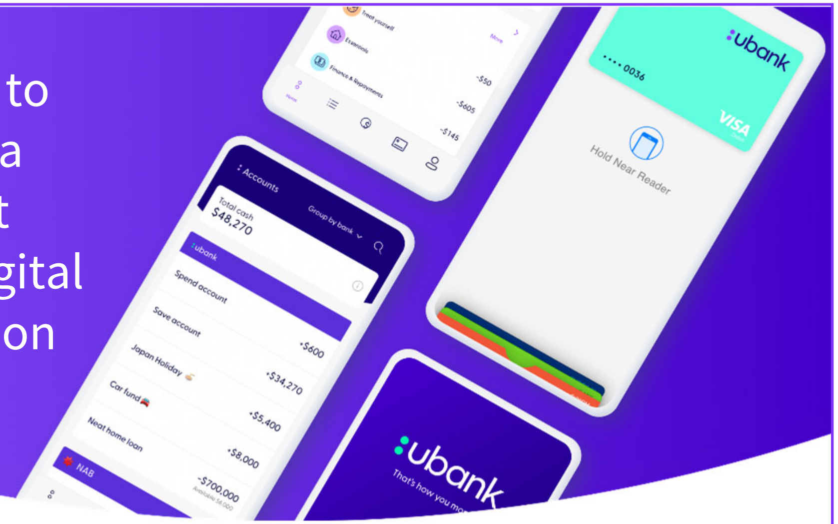


(1) Represents Citi Consumer Business balances acquired at completion on 1 June 2022

ubank

- Combining ubank's established customer base and name with acquired technology and innovation capability
- Relaunched ubank brand in May 2022
- Accelerating new customer acquisition with >2x growth rate post brand relaunch
- ~60% of new customers are < 35 years of age
- Home loans portfolio of $10bn and ~9,500 accredited brokers
- Australian Mortgage Awards 2022 Fintech Lender of the Year (for third consecutive year) and 2022 MFAA National Excellence Awards Fintech Lender award
- Focus on integration in 2022 / 2023

Strategy to deliver a market leading digital proposition



New features

- New online banking capability
- Spending footprint to automatically sort transactions into categories
- Low balance alerts and bill predictions to help manage money
- Personalised savings targets on up to 10 accounts and bonus interest nudges

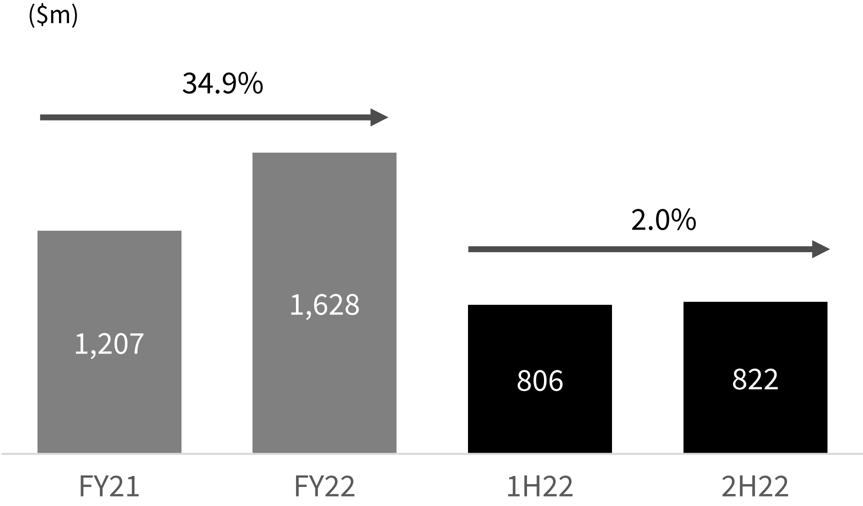
Highly rated app

Sign up in 2 minutes

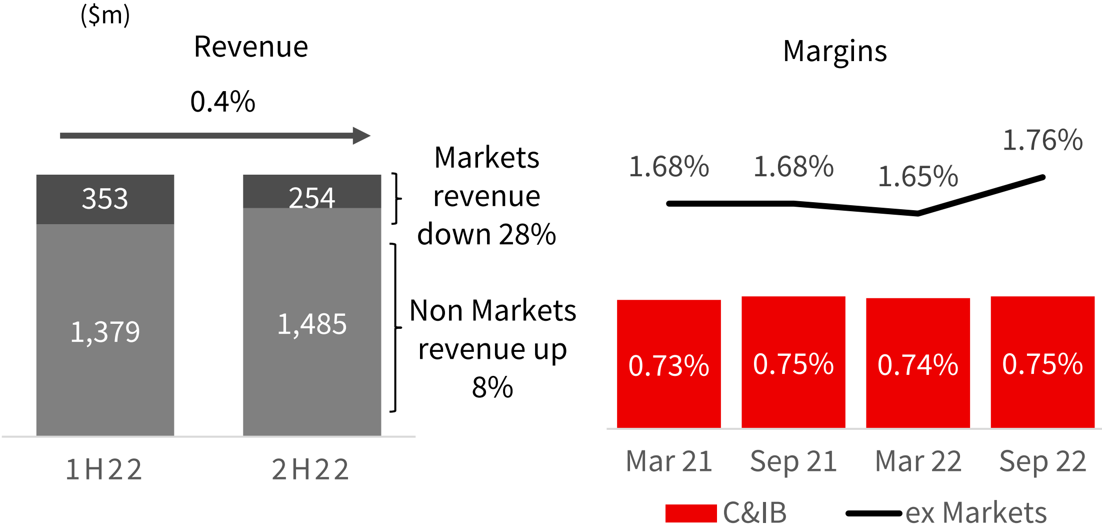
Simple online home loan application process

Corporate and Institutional Banking

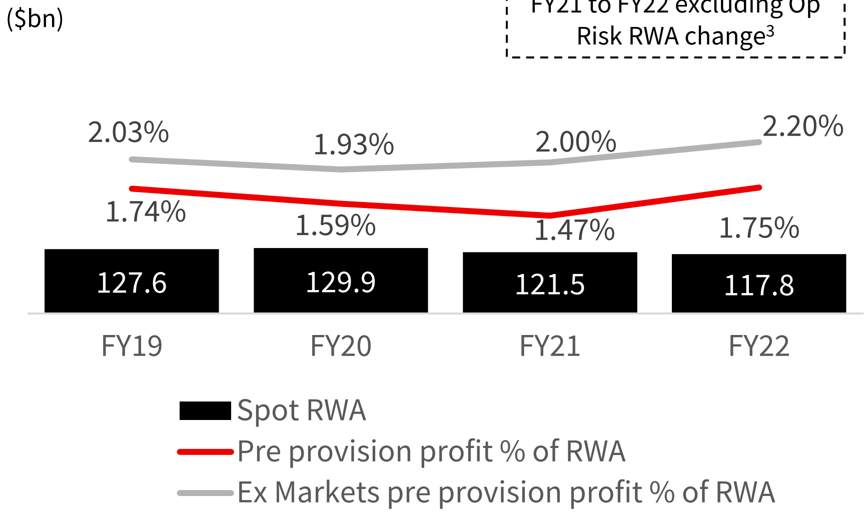
Cash earnings



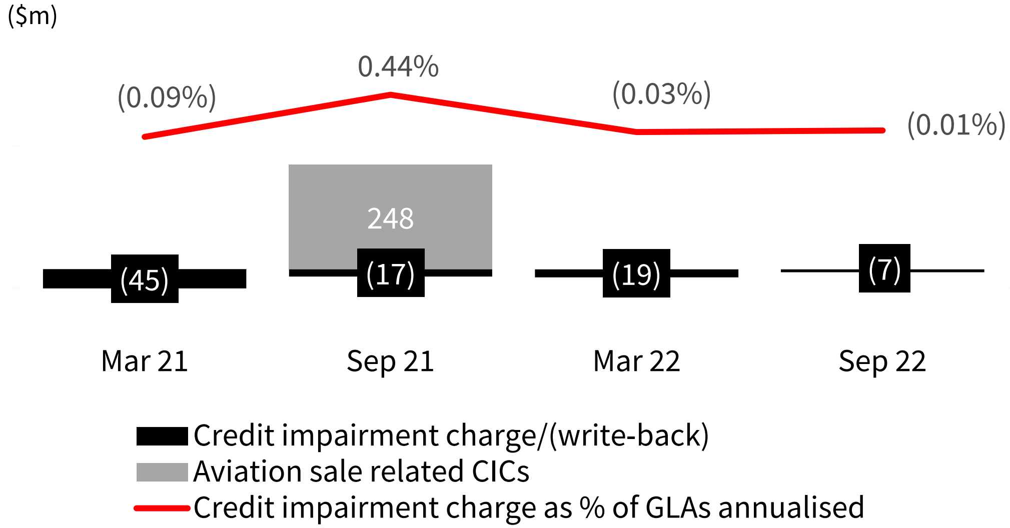
Margins and revenue breakdown



Returns focus



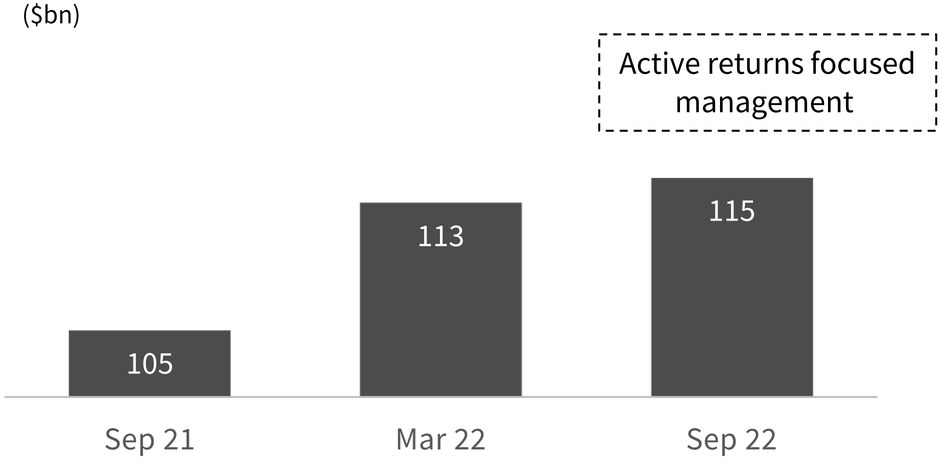
Credit impairment charges and as a % of GLAs



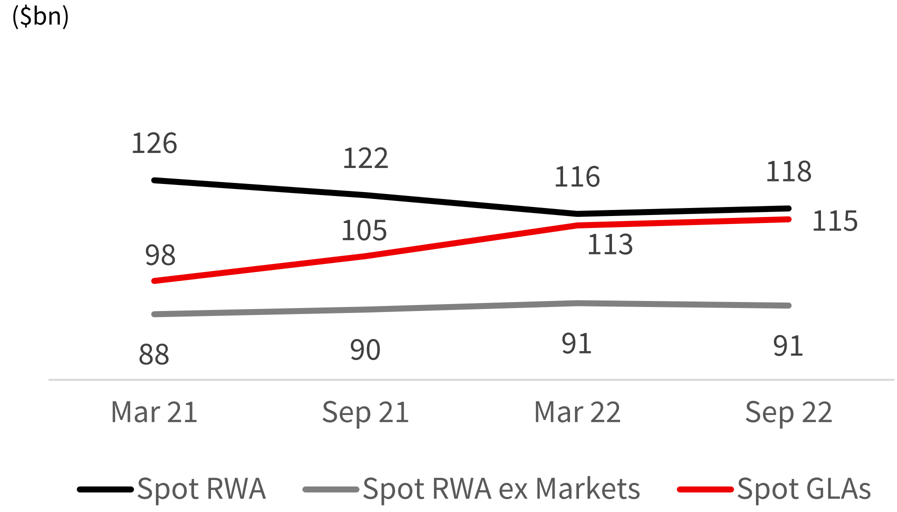
(1) Markets revenue represents Customer Risk Management revenue and NAB Risk Management Revenue. Includes derivative valuation adjustments
(2) Ex Markets pre provision profit % of RWA excludes Markets pre provision profit and average RWA
(3) Ex Markets Operational Risk RWA reduced $2.3bn Sep 21 to Mar 22 related to NAB's early adoption of APRA's Standardised Measurement Approach to Operational Risk and change in divisional allocation of Group Operational Risk RWA

Disciplined growth in Corporate and Institutional Banking

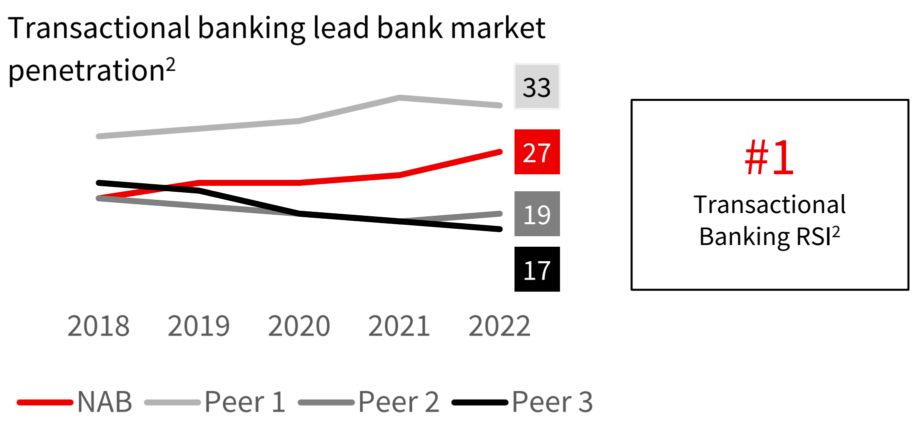
Moderating 2H22 GLA growth



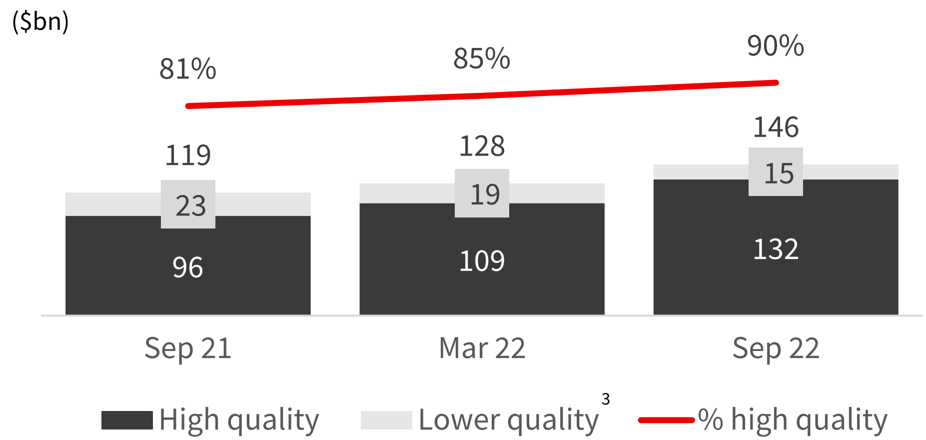
Reducing capital intensity[1]



Leveraging payments & transactions capability



Improving deposit quality



(1) NAB's early adoption of APRA's Standardised Measurement Approach to Operational Risk and change in divisional allocation of Group Operational Risk RWA resulted in a reduction in Operational Risk RWA Sep 21 to Mar 22 of $6.4bn for total RWA and $2.3bn for RWA ex Markets

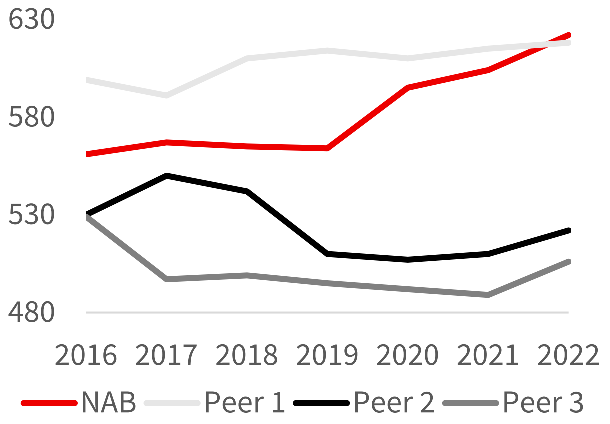
(2) Source: Peter Lee Associates, Australia. Large Corporate Transactional Banking Survey 2022. Based on top four banks by overall market penetration. Relationship Strength Index (RSI) is based on a combined measure of most qualitative evaluations

(3) At call, non-operational deposits with 100% run-off profile for LCR purposes

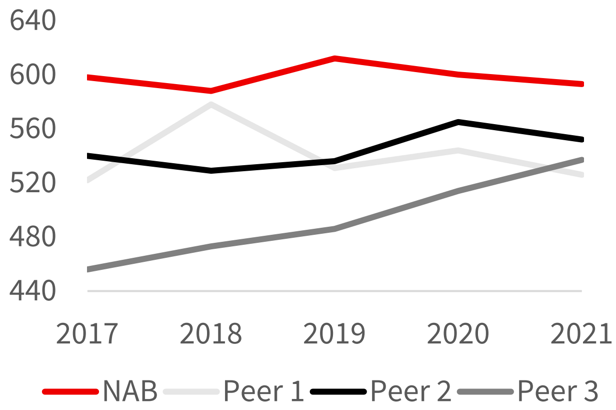
Corporate and Institutional Banking customer metrics

national australia bank

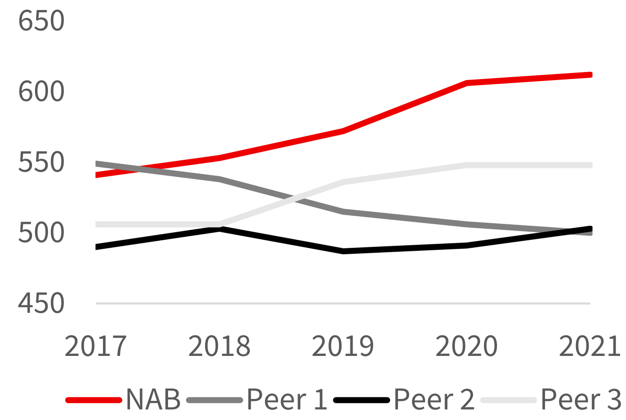
Large Corporate and Institutional – Relationship Strength Index[1]



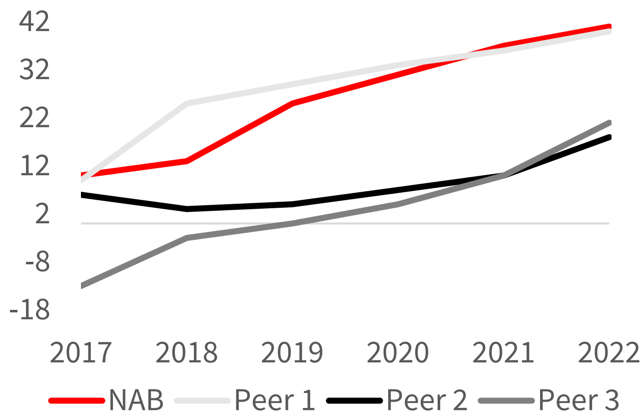
Interest Rate Hedging – Relationship Strength Index[2]



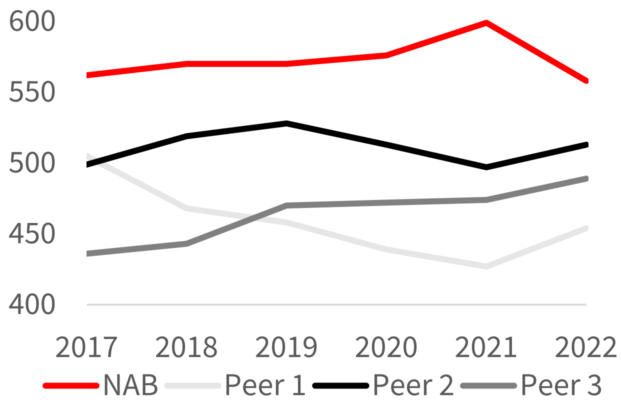
Foreign Exchange – Relationship Strength Index[3]



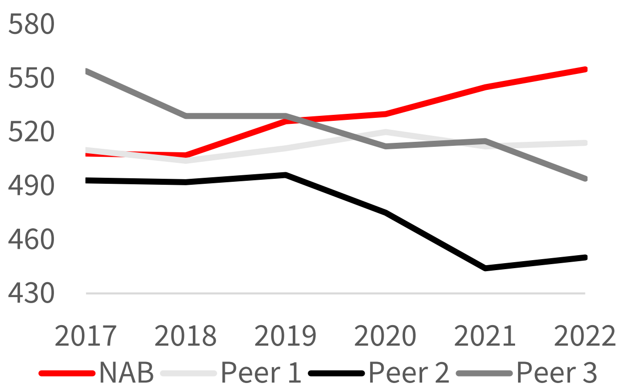
Large Corporate and Institutional NPS[4,7]



Debt Markets Origination – Relationship Strength Index[5]



Transactional Banking – Relationship Strength Index[6]



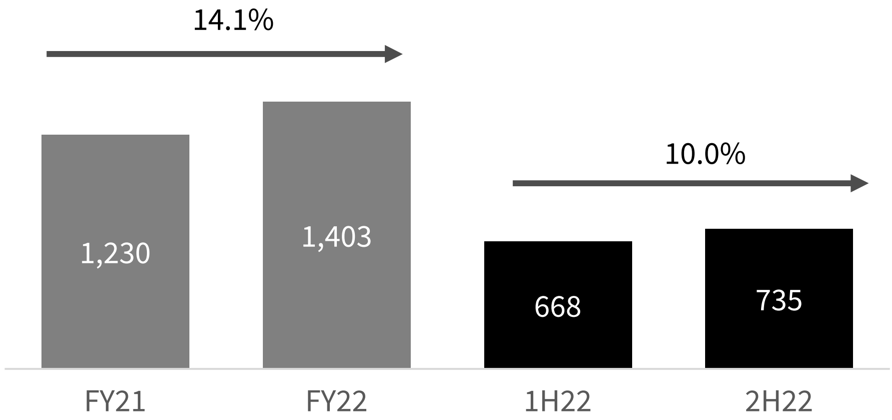
All data from the most recently available Peter Lee Associates surveys, Australia. Based on top four banks by penetration. Relationship Strength Index (RSI) is based on the results of key qualitative measures

(1) Large Corporate and Institutional Relationship Banking Survey 2022 - Ranking against all banks
(2) Interest Rate Derivatives Survey 2021
(3) Foreign Exchange Survey 2021
(4) Net Promoter® and NPS® are registered trademarks and Net Promoter Score and Net Promoter System are trademarks of Bain & Company, Satmetrix Systems and Fred Reichheld
(5) Debt Securities Origination Survey 2022
(6) Transaction Banking Survey 2022
(7) Large Corporate and Institutional Relationship Banking Survey 2022- Ranking against the four major domestic banks

New Zealand Banking

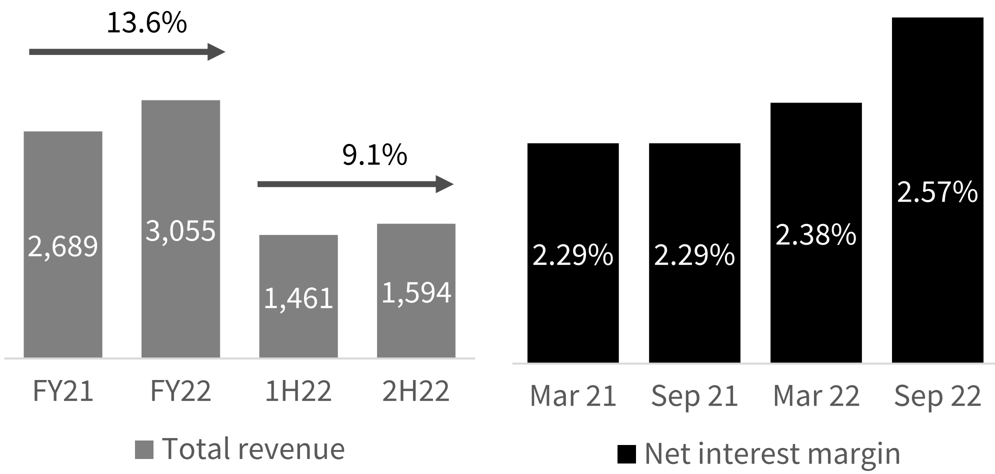
Cash earnings

(NZ$m)



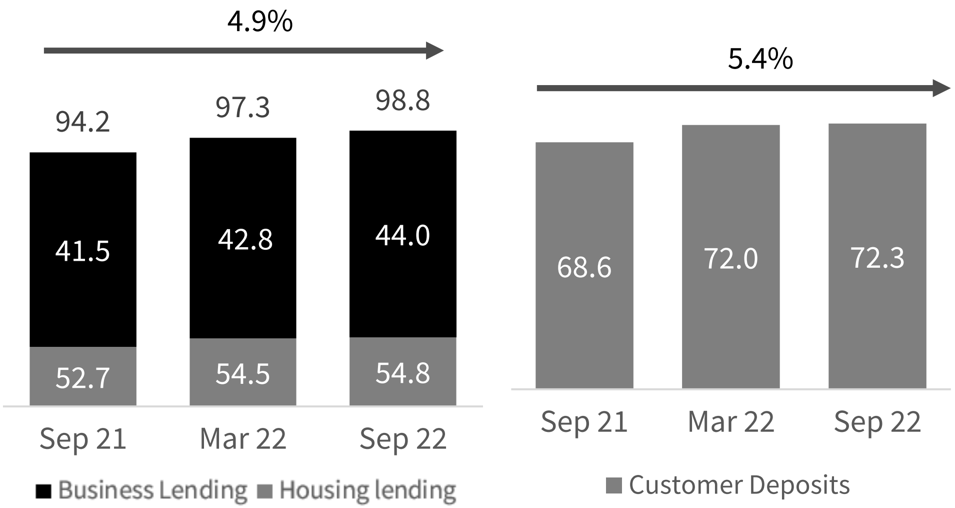
Revenue and margin

(NZ$m)



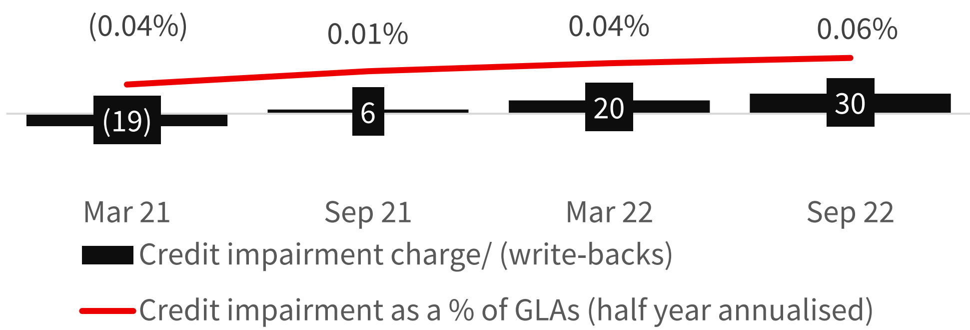
Business and housing lending GLAs

(NZ$bn)



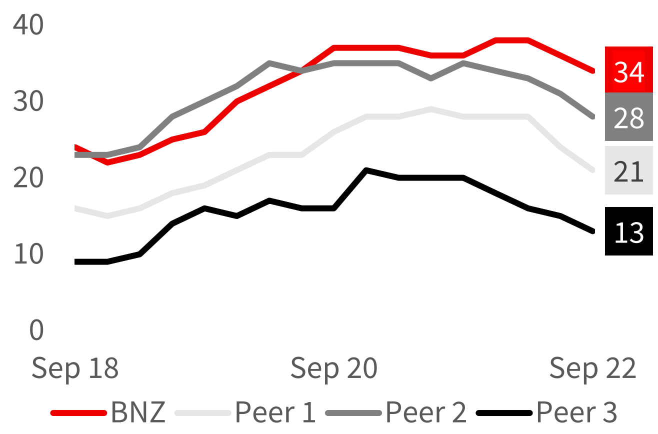
Credit impairment charges and as a % of GLAs

(NZ$m)

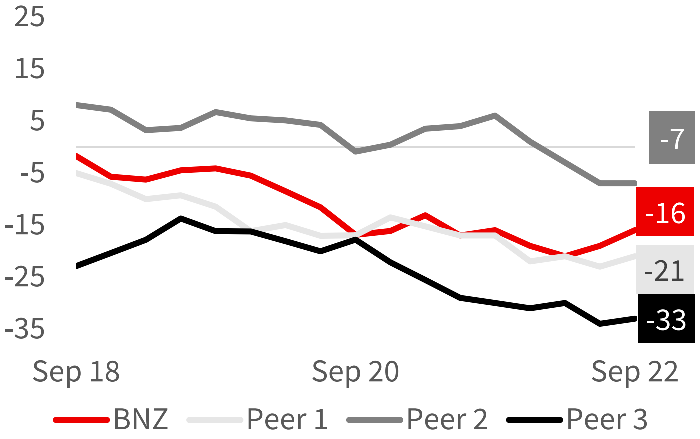


New Zealand Banking customer metrics

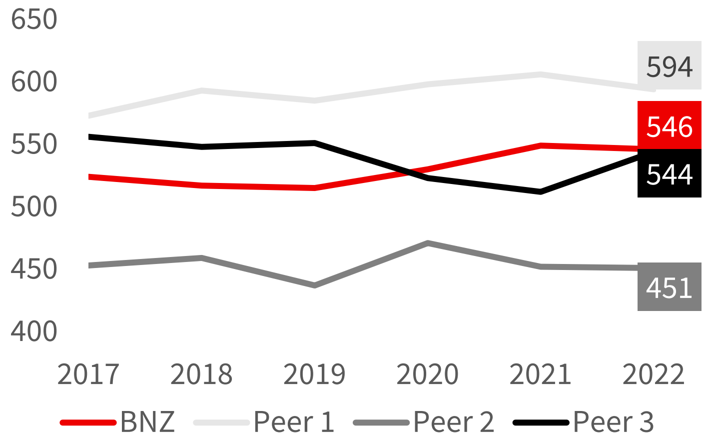
BNZ Consumer NPS[1,3,4,5]



BNZ Business NPS[2,3,6]



BNZ Large Corporate Relationship Strength Index (RSI)[7]



#1 in Consumer NPS[1]

#1 in Home Owner NPS[8]

#1 in Starters and Savers NPS[9]

#2 SME NPS[2]

#1 in helping businesses be good with money[2]

#2 Large Corporate RSI[7]

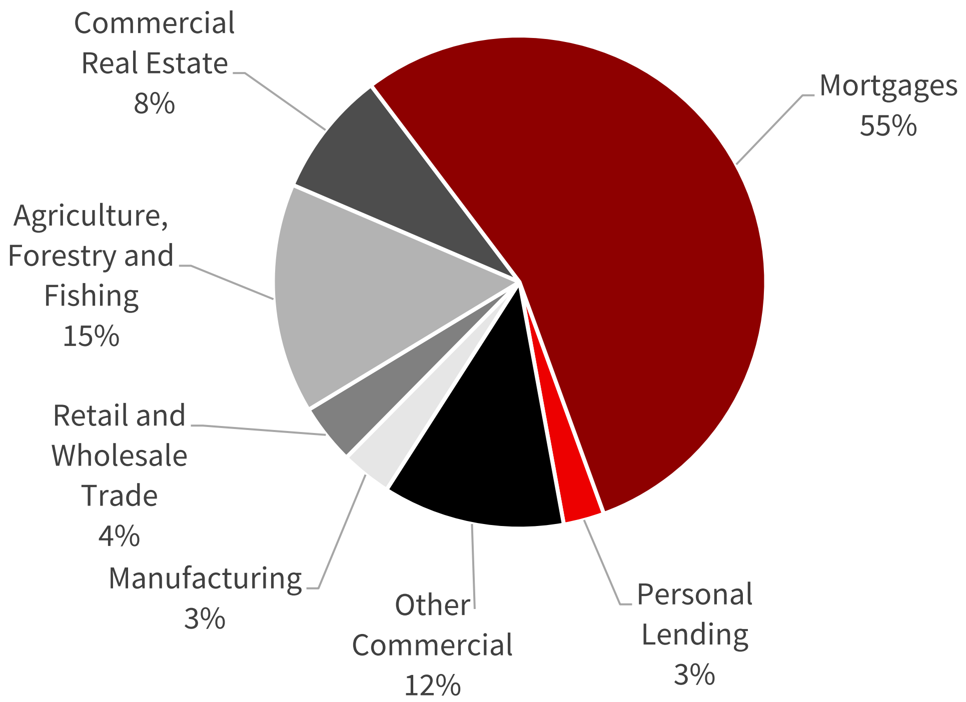
#1 Large Corporate Relationship Manager capability[7]

#1 in COVID-19 support[7]

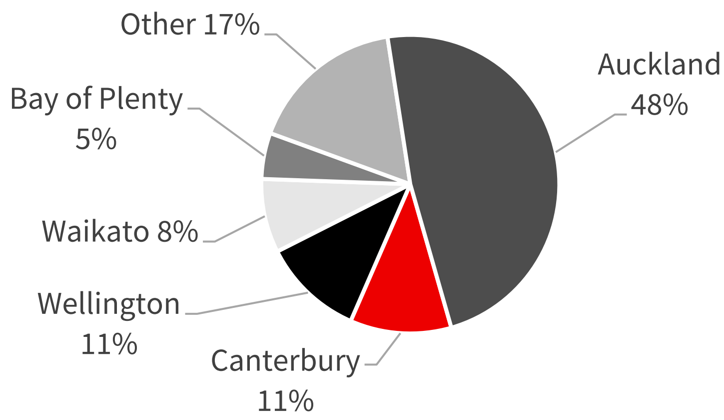
(1) Source: Camorra Retail Market Monitor (data on 12 month roll). The result reflects the total Consumer market
(2) Source: Kantar Business Finance Monitor (data on 4 quarter roll). Total business market up to annual turnover of $150m; includes Agribusiness with a turnover of $100k+
(3) Net Promoter® and NPS® are registered trademarks and Net Promoter Score and Net Promoter System are trademarks of Bain & Company, Satmetrix Systems and Fred Reichheld
(4) In 2019, a change in Retail Market Monitor methodology led to a re-set of NPS for the consumer market for all major banks. Use of a 12 month rolling average in BNZ reporting smoothed the transition but a methodology-driven increase in NPS for all banks is visible. The new methodology has been fully embedded since October 2019
(5) In September 2021 there was a further methodological improvement. Customer share (alongside population census results) is now included in the underlying data weighting approach. This change has been applied across the market (affects both BNZ and our peers). It has also been applied to the historical results from May 19 so comparisons over time remain valid, including for blended periods
(6) From July 2022 a new data collection approach was introduced for all banks. The use of the 4QRA means the impact of this change for the final FY22 result is small
(7) Source: Peter Lee Associates – Large Corporate Relationship Banking Survey New Zealand 2022. Ranking against the four major domestic banks
(8) Source: Camorra Retail Market Monitor (data on 12 month roll). Customers with one or more mortgage product
(9) Source: Camorra Retail Market Monitor (data on 12 month roll). Customers aged under 30 with total deposits less than $10,000 plus customers aged under 40 with total deposits greater than $10,000

New Zealand lending mix

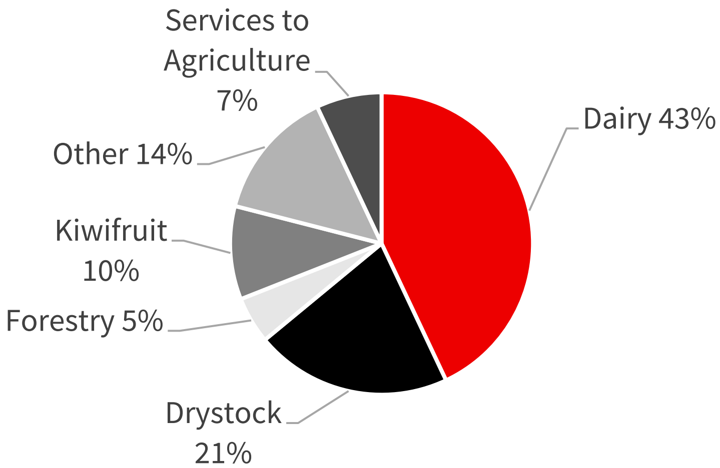
Portfolio breakdown – Total NZ$99.7bn



Mortgage portfolio breakdown by geography – Total NZ$54.8bn



Agribusiness portfolio breakdown by industry – Total NZ$15.1bn



New Zealand housing lending key metrics

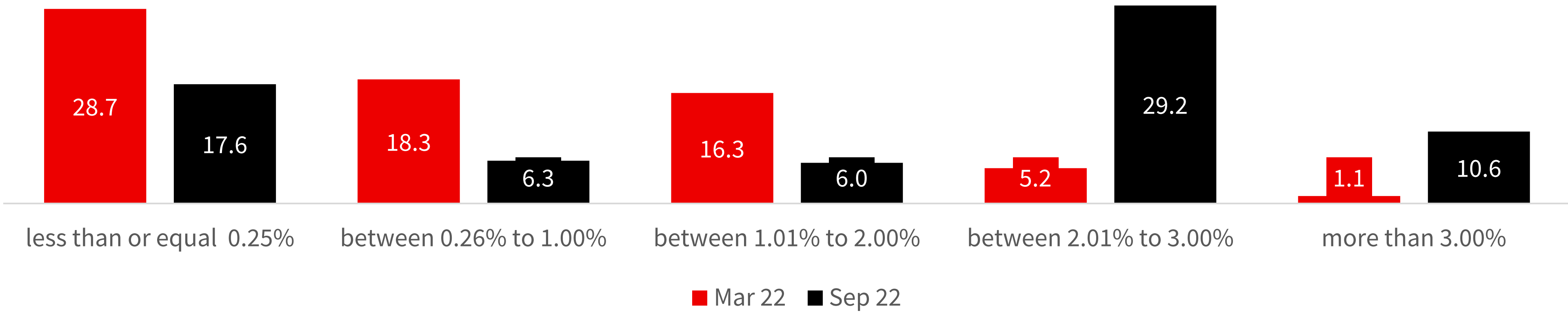
New Zealand Housing Lending Portfolio	Mar 21	Sep 21	Mar 22	Sep 22		Sep 21	Mar 22	Sep 22
							Drawdowns[1]	
Total Balances (spot) NZ$bn	49.5	52.7	54.5	54.8		9.6	7.4	5.4
By product								
- Variable rate	12.9%	11.3%	10.6%	9.7%		10.1%	12.8%	13.9%
- Fixed rate	85.5%	87.3%	88.0%	88.8%		89.0%	86.1%	84.6%
- Line of credit	1.6%	1.4%	1.4%	1.5%		0.9%	1.1%	1.5%
By borrower type								
- Owner Occupied	66.0%	66.1%	66.4%	66.2%		69.2%	69.6%	68.0%
- Investor	34.0%	33.9%	33.6%	33.8%		30.8%	30.4%	32.0%
By channel								
- Proprietary	73.7%	71.6%	70.2%	69.3%		65.4%	65.4%	65.7%
- Broker	26.3%	28.4%	29.8%	30.7%		34.6%	34.6%	34.3%
Low Documentation	0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
Interest only[2]	20.6%	19.2%	18.4%	17.5%		25.5%	25.3%	23.2%
LVR at origination	66.0%	65.4%	64.3%	63.3%				
90+ days past due	0.14%	0.09%	0.09%	0.11%				
Impaired loans	0.01%	0.00%	0.00%	0.01%				
Specific Impairment coverage ratio	20.8%	11.5%	20.9%	15.0%				
Loss rate[3]	0.00%	0.00%	0.00%	0.00%				

(1) Drawdowns is defined as new lending including limit increases and excluding redraws in the previous six month period
(2) Excludes line of credit products
(3) 12 month rolling Net Write-offs / Spot Drawn Balances

NZ customer deposits by interest rate

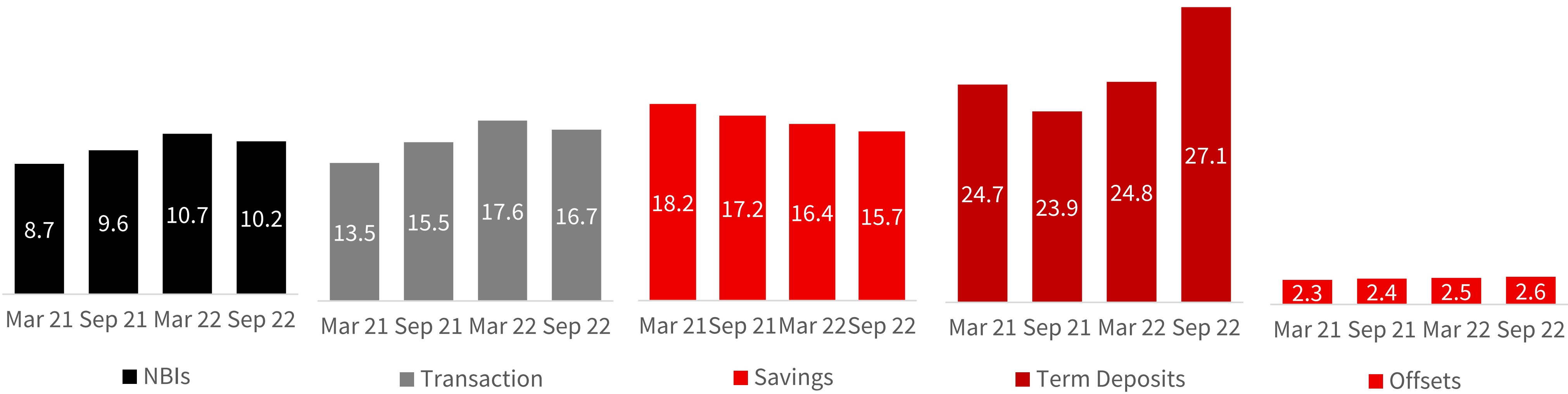
NZ customer deposits by interest rate (NZD)[1]

($bn)



Customer deposits balances by product (NZD)

($bn)



(1) Customer deposits exclude offset products, and set-off facilities

Additional information

Digital and Technology

Strong technology foundations now in place

Improving the resilience and flexibility of our technology

Key areas of focus	Achievements since FY18
Cloud, microservices and APIs	• 70% of applications now running on the cloud – more reliable and sustainable • Built >400 microservices and >3,900 APIs – increasing speed of new feature delivery
Simplifying legacy technology	• 86% reduction in High and Critical rated incidents – dramatic reduction in customer impacting technology issues • Migrated NABConnect and NABOne to NAB Digital Platform, enabling faster release of new features for our customers and greater resilience
Better digital experiences	• Fast, simple and safe customer onboarding enabled through enhanced electronic identification verification • 24/7 chat capability with history maintained across devices • Introduced automated verification of financial data to enable instant decisioning
Cyber security	• Achieved a 28% increase in NIST[2] score – improved capability to protect customers • Losses from fraud decreased by more than 50% despite an increase in attempted fraud
Insourcing key technology functions & uplifting skills	• ~4,800 industry recognised cloud certifications – key skills powering our transformation • ~400 interns onboarded in FY22 and >1,000 since FY18, focused on critical technology areas including data, analytics, cloud, and engineering • Building a global workforce through our NAB Innovation Centres, with over 800 colleagues in Vietnam and over 250 in India

(1) The NIST Cybersecurity Framework provides guidance for how organisations can assess and improve their ability to prevent, detect, and respond to cyber attacks. Last score derived in September 2022

Our refreshed technology strategy

Focused on better outcomes for our customers and colleagues

1 **Digital First**
Seamless and adaptable customer & colleague experiences

2 **Simplify and Automate**
A radically reduced and standardised technology estate

3 **Data like Electricity**
Trusted, predictable & continuously available

4 **Secure by Design**
Unwavering trust in our security

5 **Platform Mindset**
Standardisation. Build once, consolidate, reuse many times

6 **Expert Engineering**
Differentiated tooling to significantly accelerate business outcomes

7 **Delivery Excellence**
Fast and more predictable delivery

8 **Best Tech Colleagues**
Attracting, developing and retaining top talent

Underpinned by strong technology foundations

NAB Digital Platform

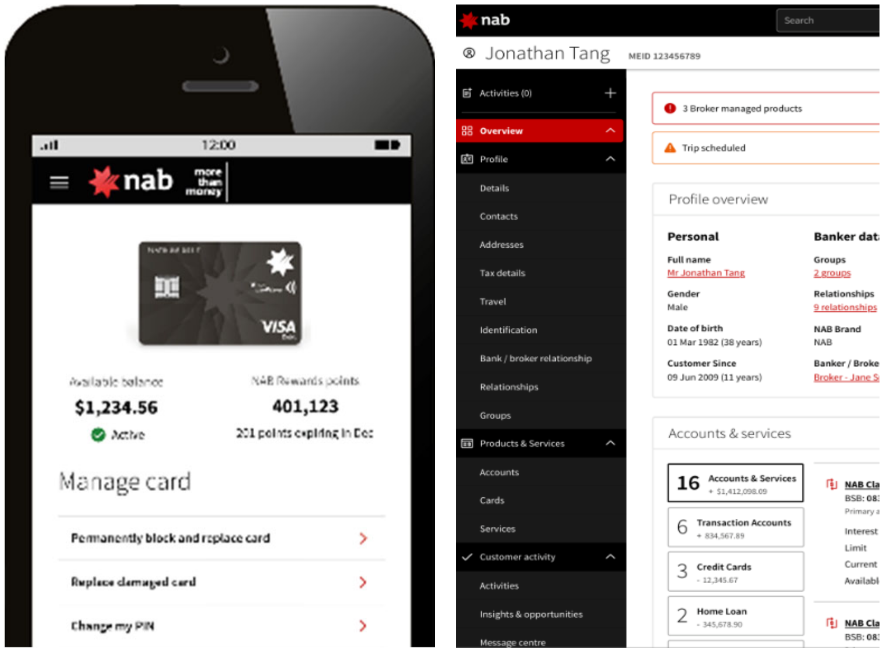
Seamless and adaptable digital experiences for our customers and colleagues, accelerating our Digital, Data & Analytics strategic priorities

Personalised experience

- NAB Digital Platform is an assembly of core components including security, authorisation, experience and personalisation
- Underpinned by strong cloud foundations, engineering expertise and colleague training

Our customers

Our colleagues



Consistent across channels

- Core channels (NAB One and NAB Connect) moved onto Digital Platform allowing for re-use of functionality
- Internet Banking on NAB Digital Platform by end of FY23
- Re-use enabling lower cost and faster speed to market

Powered by NAB Digital Platform

Build once, deploy many	Accelerated deployments	Reuse & Mini-App Store	Data privacy and control	API ecosystem	Personalised insights	Open data experiences

Innovating with NAB Ventures

national australia bank

NAB Ventures is NAB's venture capital arm that makes investments to promote strategic priorities

The NAB Ventures team:

- Works alongside other parts of the bank that incubate and test innovative new customer propositions and leverage new developments in technology
- Manages over 20 investments spread across our innovation themes
- Made six new investments in FY22 and a further follow on investment into portfolio companies

Innovation themes

Open Data & Data driven personalisation

Home ownership & property data

Payments, Merchants and new forms of lending

Banking as a service and Embedded finance

New to banking market

Brand owned platforms/ecosystems and adjacent services

Carbon and the environment, inc Agri

Security & ID

Tokenisation/Blockchain

New investments in FY22

TROVATA provides Corporate Treasurers with tools to manage money across multiple banking institutions

DataMesh provides payments and data analytics hardware and software to merchants

Thriday is a platform utilising AI to automate banking, accounting, tax and lending for SMEs

GEORA is a software platform built on blockchain technology for agri-supply chains

SafeStack Academy is a community-based security architecture, development and QA testing, training platform

amberdata is a blockchain and digital asset data company offering tools for exchanges, wallets, traders, and developers

Follow on investments

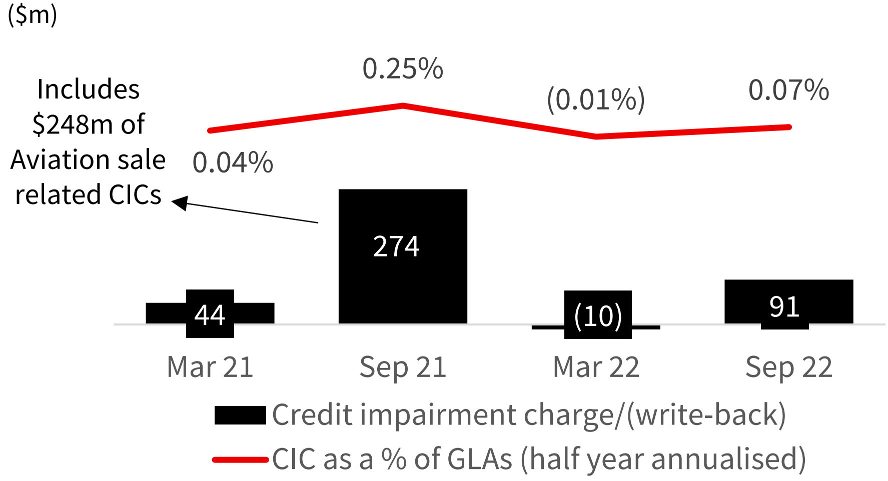
Slyp is a digital receipting company enabling banks to embed receipts in banking apps with rich data, relevant merchant and loyalty offers

Additional information

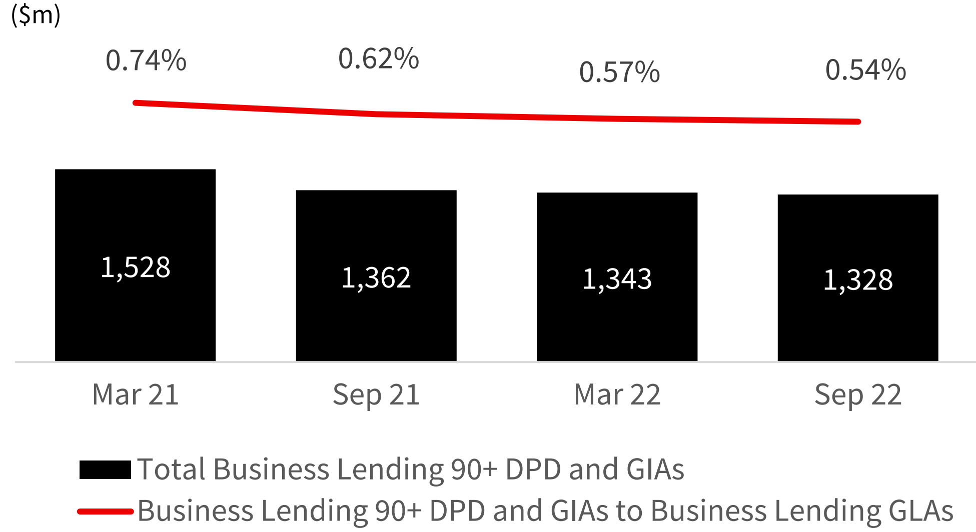
Australian Business Lending

Business lending asset quality

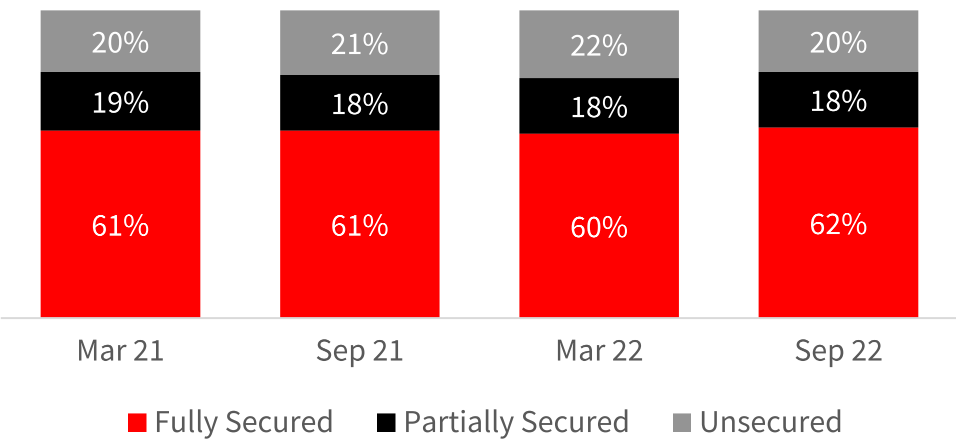
Business lending credit impairment charge and as a % of GLAs



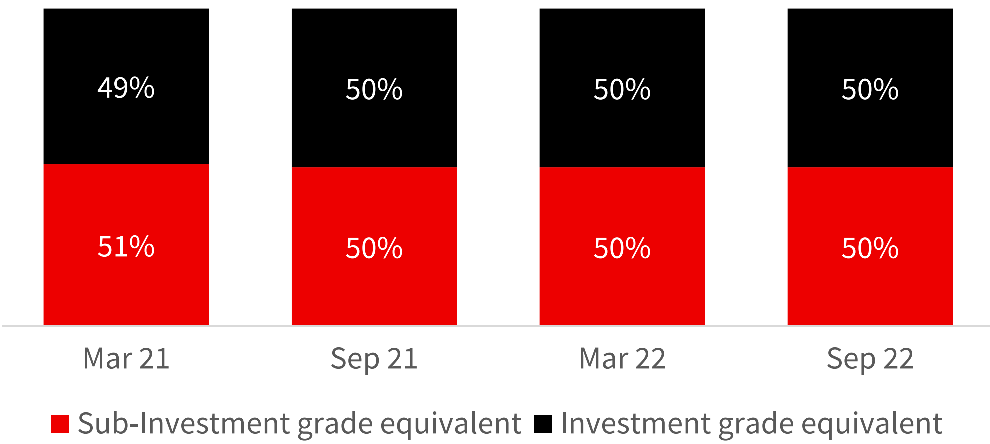
Business lending 90+DPD and GIAs and as % of GLAs



Total business lending security profile[1]



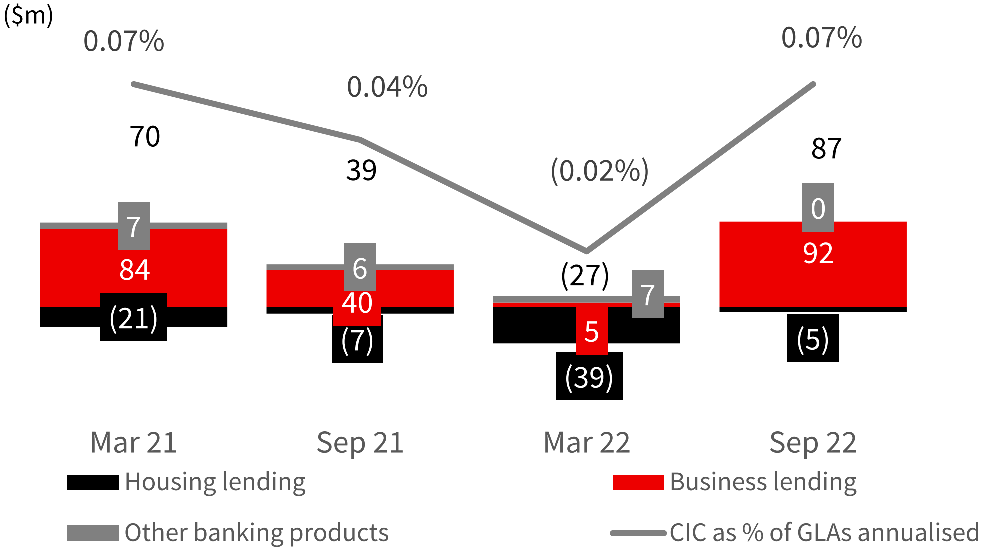
Business lending portfolio quality



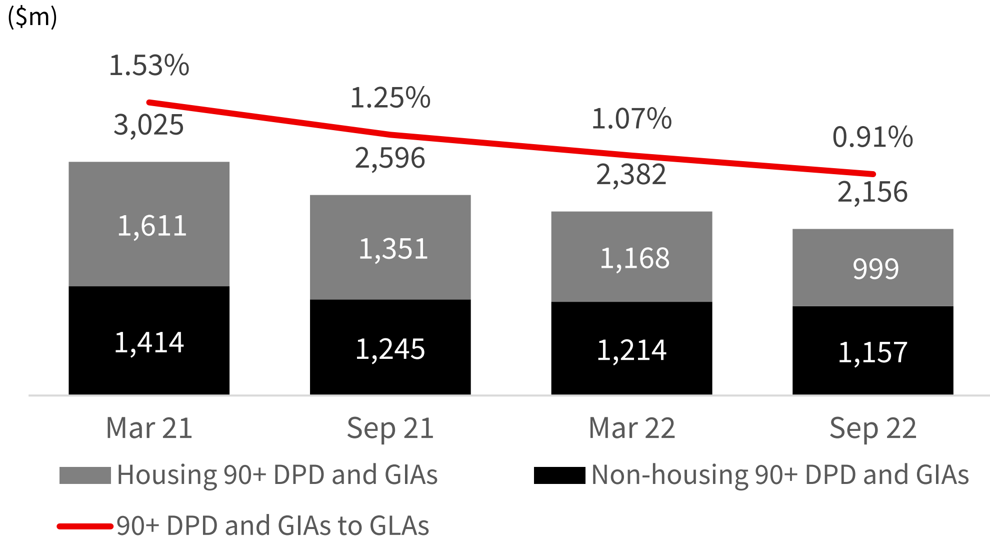
(1) Fully Secured is where the loan amount is less than 100% of the bank extended value of security; Partially Secured is where the loan amount is greater than 100% of the bank extended value of security; Unsecured is where no security is held and/or no value held against the security and negative pledge arrangements may be in place. Bank extended value is calculated as a discount to market value based on the nature of the underlying security

Business and private banking asset quality

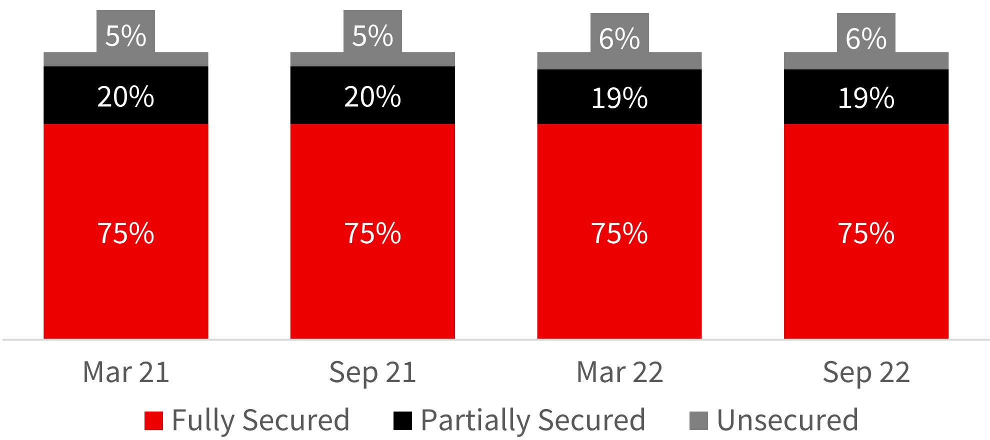
B&PB credit impairment charge and as % of GLAs[1]



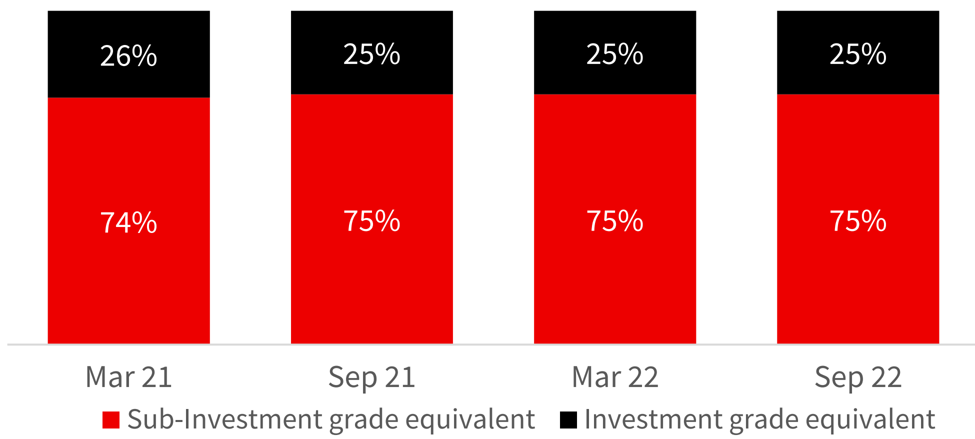
B&PB 90+DPD and GIAs and as % of GLAs[1]



B&PB business lending security profile[2]



Business lending portfolio quality



(1) B&PB credit impairment charges and 90+ DPD and GIAs reflect the total B&PB portfolio including mortgages
(2) Fully Secured is where the loan amount is less than 100% of the bank extended value of security; Partially Secured is where the loan amount is greater than 100% of the bank extended value of security; Unsecured is where no security is held and/or no value held against the security and negative pledge arrangements may be in place. Bank extended value is calculated as a discount to market value based on the nature of the underlying security

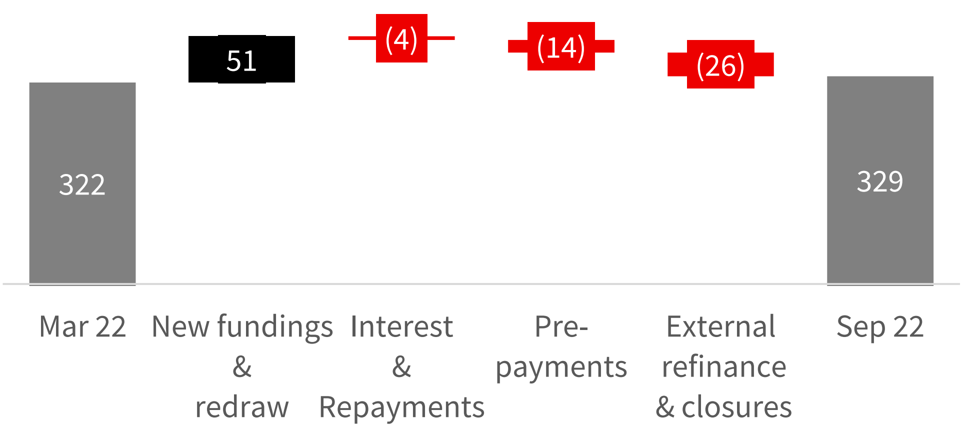
Additional information

Australian Housing Lending

Housing lending portfolio profile

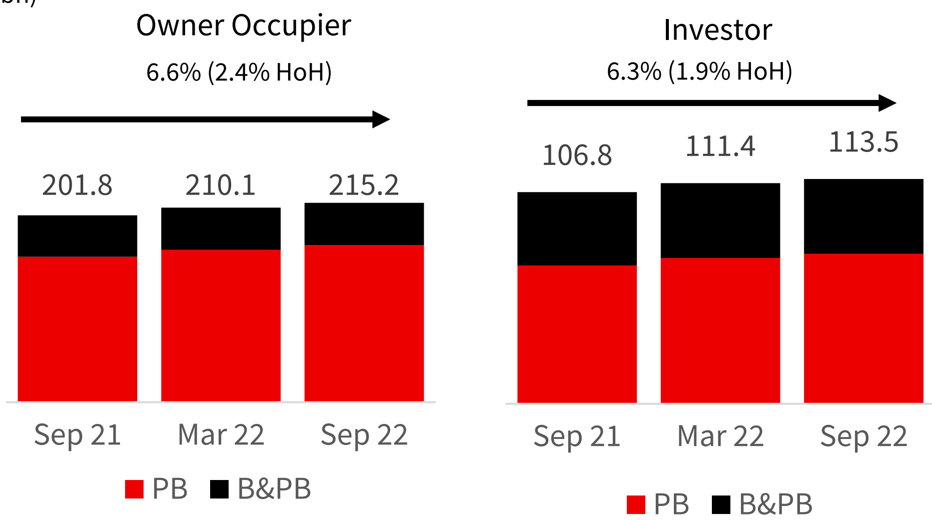
Housing lending flow movements[1]

($bn)



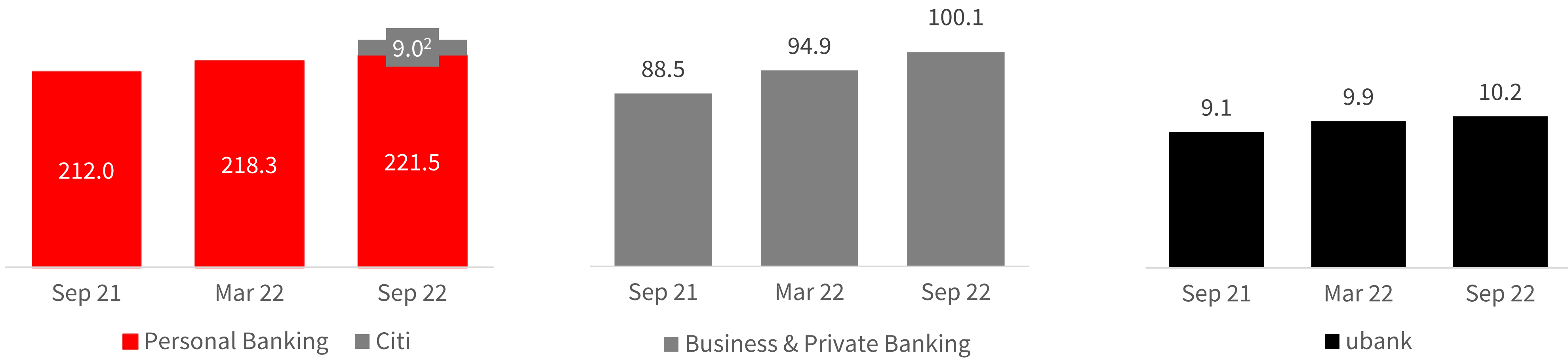
Housing lending volume growth[1]

($bn)



Housing lending by division

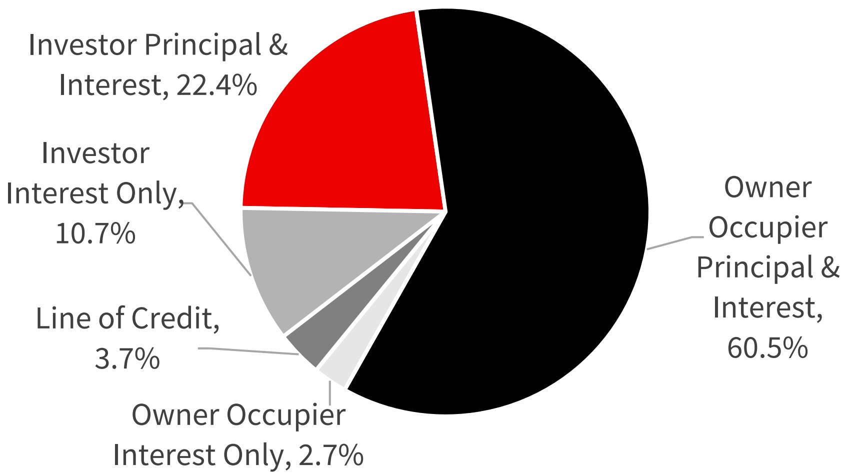
($bn)



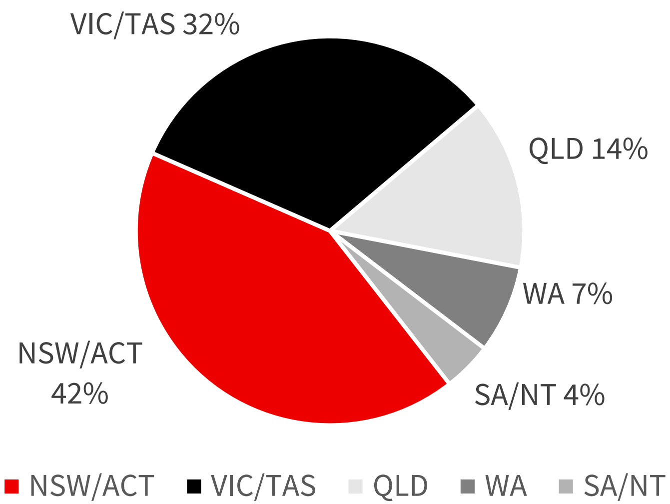
(1) Excludes home loan offsets , 86 400 platform and Citi Consumer Business
(2) Represents Citi Consumer Business balances acquired at completion on 1 June 22

Housing lending portfolio profile

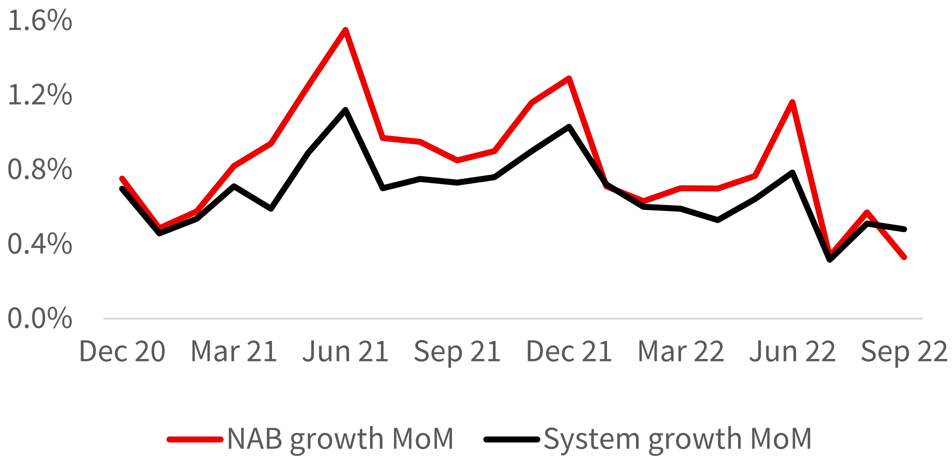
Housing lending volume by borrower and repayment type[1]



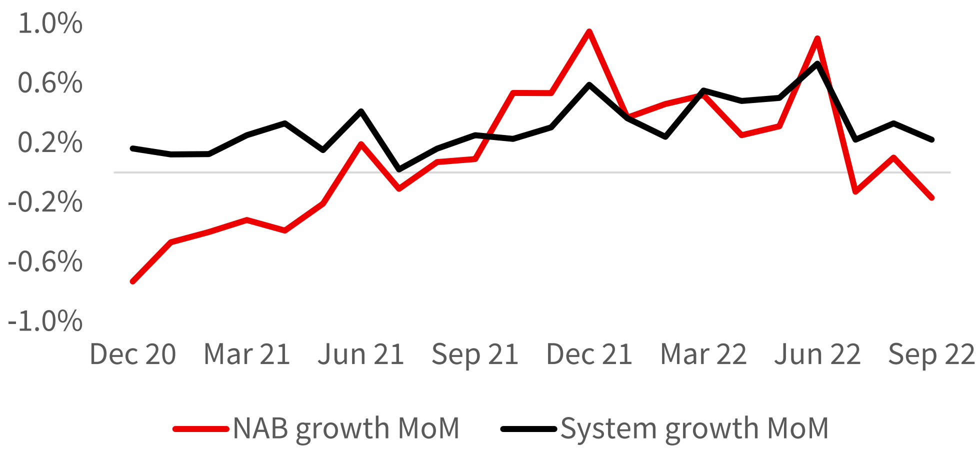
Australian mortgages profile[1,2]



Owner Occupier monthly growth[3,4]



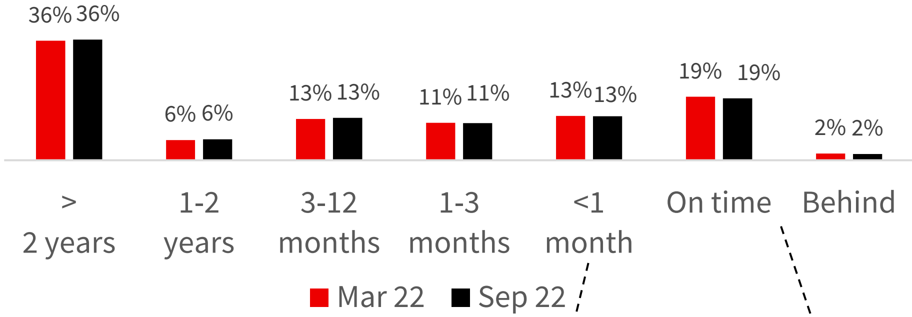
Investor monthly growth[3,4]



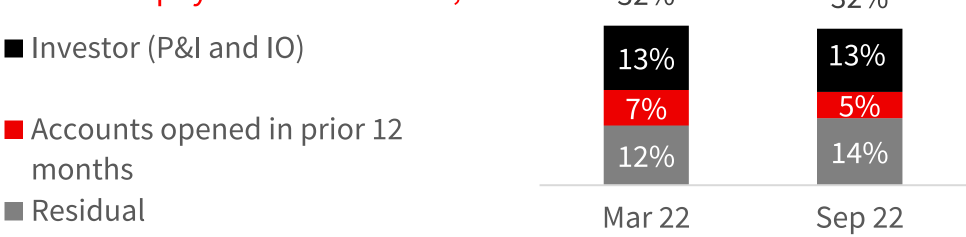
(1) Excludes 86 400 platform and Citi Consumer Business
(2) Does not sum to 100% due to rounding
(3) Only includes housing loans to households based on APRA ARF 720.1 reporting definitions, and excludes counterparties such as private trading corporations
(4) Includes 86 400 from May 2021 and Citi Consumer Business from June 2022

Housing lending portfolio profile

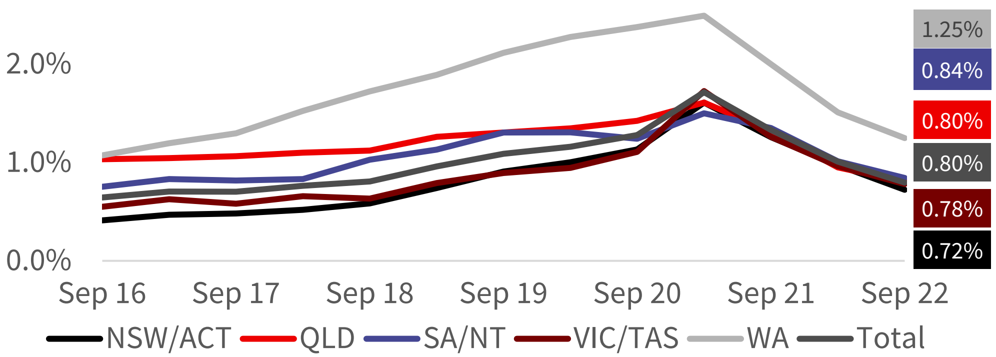
Offset and redraw balances multiple of monthly repayments[1]



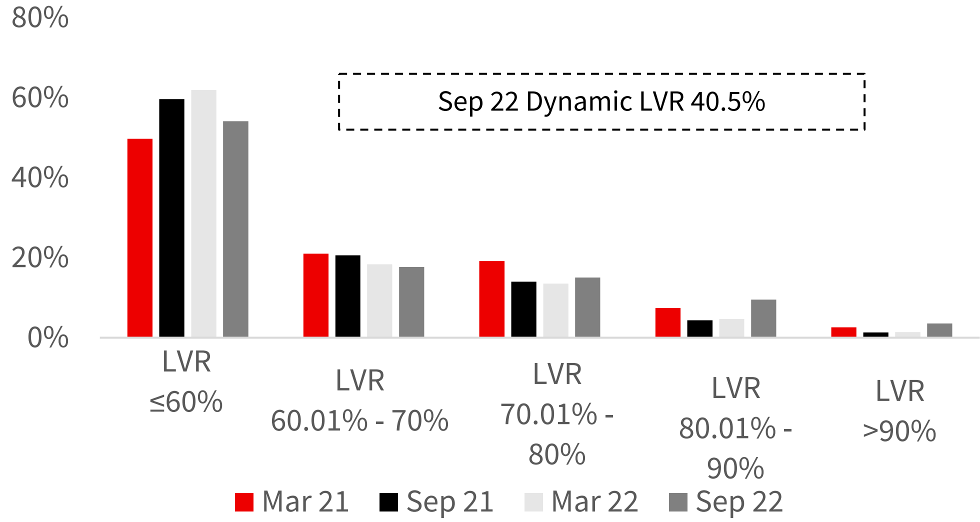
Profile of repayments <1 month, on time[1]



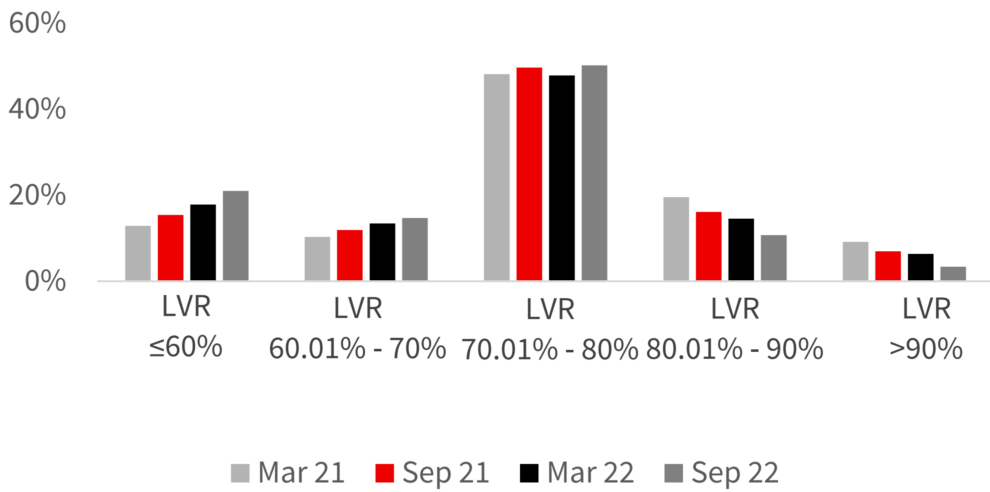
Housing lending 90+DPD & GIAs as a % of GLAs[2]



Dynamic LVR breakdown of drawn balance[2]



LVR breakdown at origination[2]



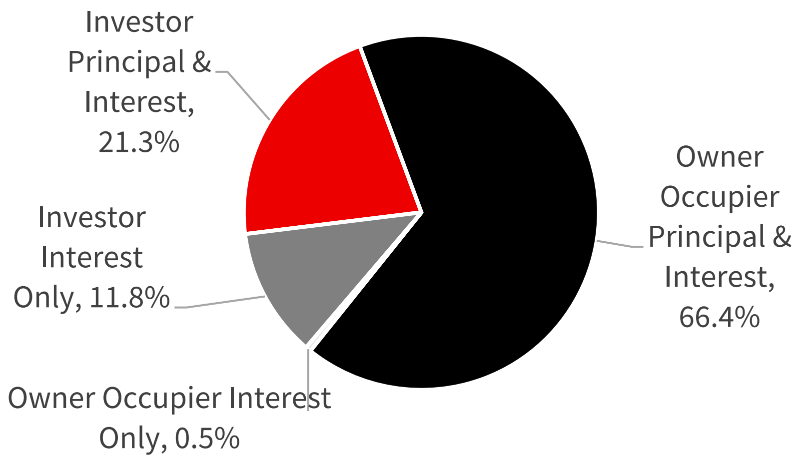
(1) By accounts. Includes offsets. Excludes line of credit, Citi Consumer Business and 86 400 platform
(2) Excludes 86 400 platform and Citi Consumer Business

Housing lending fixed rate portfolio profile[1]

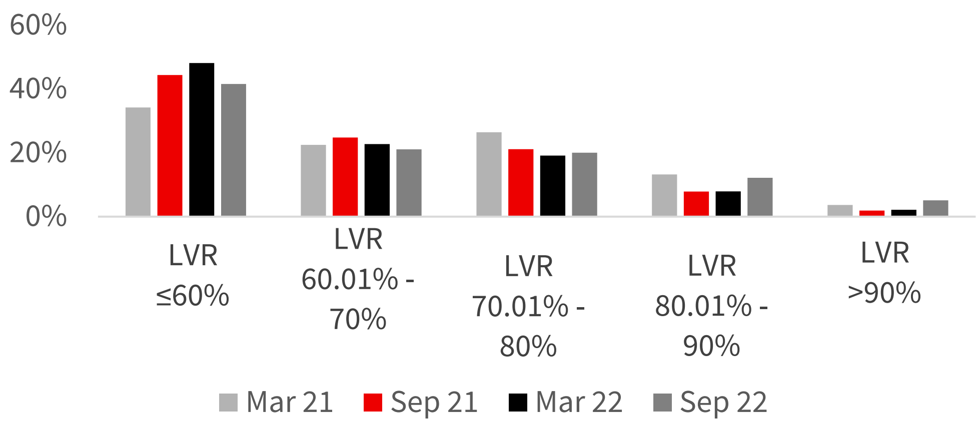
Fixed rate (FR) lending book

- $108bn FR book, rolls to VR loan at expiry
- ~78% of fixed rate loans expire over the next two years, with early engagement planning underway
- 63% originated since Oct 20
- 53% of customers also have a VR loan i.e. split loan
- All loans originated in past 2 years assessed on P&I basis using floor of at least 4.95% (5.75% from Sep 22) or buffer of at least 2.5% (3% from Nov 21) whichever is higher

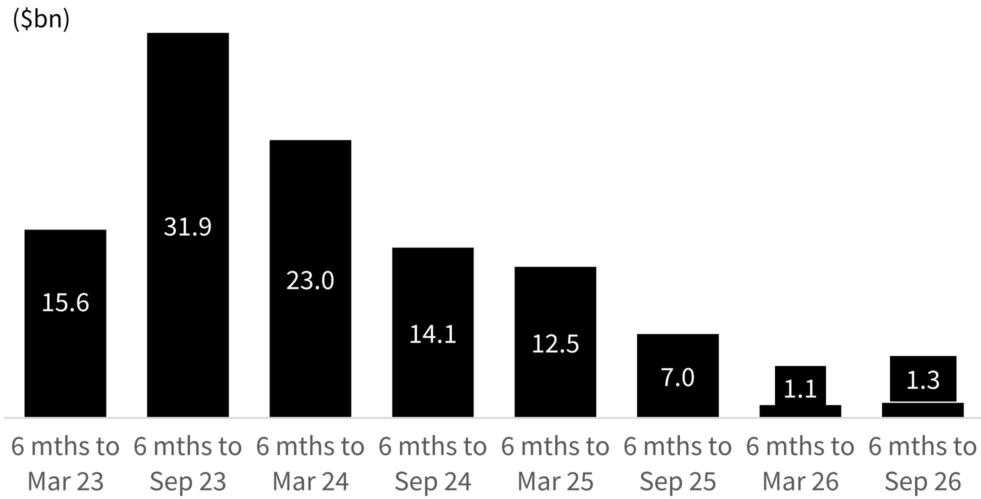
FR housing lending volume by borrower and repayment type



FR Dynamic LVR



FR home loan expiry profile



(1) Excludes 86 400 platform and Citi Consumer Business

Housing lending practices & policies

Key origination requirements

Income	• Income verified using a variety of documents including payslips and/or checks on salary credits into customers' accounts • 20% shading applies to less certain incomes (temporarily increased to 30% in May 2020, reduced back to 20% in November 2020)
Household expenses	Assessed using the greater of: • Customers' declared living expenses, enhanced in 2016 to break down into granular sub categories • Household Expenditure Measure (HEM) benchmark plus specific customer declared expenses (e.g. private school fees). HEM is adjusted by income and household size
Serviceability	• Assess customers' ability to repay based on the higher of the customer rate plus serviceability buffer (3.0%[1]) or the floor rate (5.75%[2]) • Assess Interest Only loans on the full remaining Principal and Interest term
Existing debt	• Verify using declared loan statements and assess on the higher of the customer rate plus serviceability buffer (3.0%[1]) or the floor rate (5.75%[2]) • Assessment of customer credit cards assuming repayments of 3.8% per month of the limit • Assessment of customer overdrafts assuming repayments of 3.8% per month of the limit

Loan-to-value (LVR) limits

Principal & Interest – Owner Occupier	95%
Principal & Interest – Investor	90%
Interest Only – Owner Occupier	80%
Interest Only – Investor	90%
'At risk' postcodes	80%
'High risk' postcodes (e.g. mining towns)	70%

Other policies

- DTI decline rule of >8x from May 2022 for higher risk customers (> 9x for all others)
- Lenders' mortgage insurance (LMI) applicable for majority of lending >80% LVR
- LMI for inner city investment housing >70% LVR
- Apartment size to be 50 square metres or greater (including balconies and car park)
- NAB Broker applications assessed centrally – verification and credit decisioning
- Maximum Interest Only term for Owner Occupier borrowers of 5 years

(1) Serviceability buffer increased by 0.50% to 3.00% as of 1 November 2021
(2) Serviceability floor increased by 0.80% to 5.75% as of 9 September 2022

Housing lending key metrics[1]

Australian Housing Lending	Mar 21	Sep 21	Mar 22	Sep 22	Sep 21	Mar 22	Sep 22
	Portfolio				Drawdowns[2]		
Total Balances (spot) $bn	300	309	322	329	49	49	42
Average loan size $'000 per account	310	315	324	334	427	468	489
By product type							
- Variable rate	67.8%	61.3%	58.7%	63.4%	41.9%	53.3%	86.0%
- Fixed rate	27.3%	34.4%	37.4%	32.9%	56.9%	45.2%	12.5%
- Line of credit	4.9%	4.4%	4.0%	3.7%	1.2%	1.5%	1.5%
By borrower type							
- Owner Occupied	64.4%	65.4%	65.4%	65.5%	67.8%	62.5%	64.4%
- Investor	35.6%	34.6%	34.6%	34.5%	32.2%	37.5%	35.6%
By channel							
- Proprietary	60.0%	58.2%	55.8%	53.9%	48.8%	44.9%	40.7%
- Broker	40.0%	41.8%	44.2%	46.1%	51.2%	55.1%	59.3%
Interest only[3]	13.6%	12.7%	12.9%	13.4%	18.9%	22.5%	22.1%
Low Documentation	0.3%	0.3%	0.3%	0.2%			
Offset account balance ($bn)	33	34	38	39			
LVR at origination	69.5%	69.6%	69.5%	69.2%	72.1%	70.8%	68.2%
Dynamic LVR on a drawn balance calculated basis	42.3%	38.8%	37.9%	40.5%			
Customers with offset and redraw balances ≥1 month repayment[4]	66.6%	66.4%	65.6%	66.4%			
Offset and redraw balances multiple of monthly repayments	44.2	46.2	47.6	45.6			
90+ days past due	1.61%	1.24%	0.93%	0.73%			
Impaired loans	0.10%	0.10%	0.08%	0.06%			
Specific provision coverage ratio	32.8%	32.3%	34.0%	30.5%			
Loss rate[5]	0.01%	0.01%	0.01%	0.01%			
Number of properties in possession	113	169	155	135			

(1) Excludes 86 400 platform and Citi Consumer Business
(2) Drawdowns is defined as new lending excluding limit increases and redraws in the previous six month period
(3) Excludes line of credit products.
(4) Excludes line of credit
(5) 12 month rolling Net Write-offs / Spot Drawn Balances

Housing lending repayment profile

Key considerations

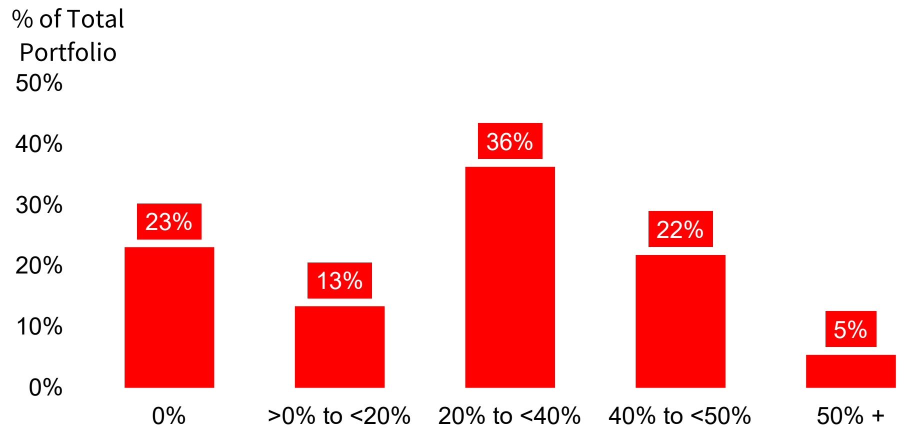
- All variable rate (VR) loan repayments will be reviewed at least once by early Jan 23 with payments adjusted accordingly; moving to quarterly repayment reviews from February (previously annual)
- $48bn FR loans expiring in FY23; 88% of all FR loans are P&I
- Early engagement commenced for customers identified as potentially at repayment risk

Profile of mortgage repayments at 3.60% cash rate[1,3]

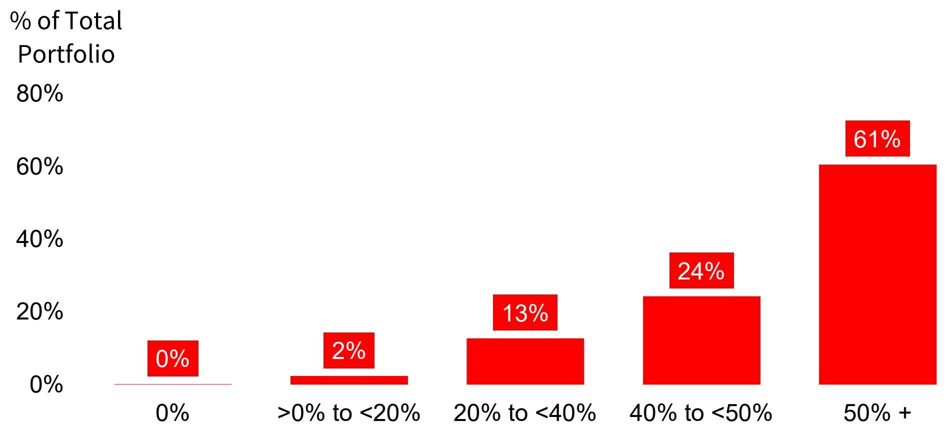
Repayment profile from April 22 at 3.60% cash rate	VR P&I $178bn	FR expiring by Sep 23 $32bn[4]
% of accounts with monthly repayment increase, **for which:**	77%	100%
- Avg monthly % increase	34%	70%
- Avg monthly $ increase	$549	$972
- % of accounts with >40% increase in monthly repayments	35%	85%

Profile of mortgage repayments at 3.60% cash rate[1,2,3]

Variable rate principal & interest book



Fixed rate book expiring by Sep 23[4]



(1) Excludes line of credit, 86 400 platform and Citi Consumer Business
(2) By account
(3) Analysis assumes full pass through of cash rate increases to current customer rates
(4) Fixed Rate loans drawn down since Aug 19 with expiry between Sep 22 and Sep 23

Our ambition to build Australia's simplest home loan

Simple home loans: A digital end-to-end platform with 'intervention by exception'

Stage 1 – Application	Stage 2 – to Unconditional Approval	Stage 3 – to Settlement

Lodge via Simple Home Loans platform
- Retail Bankers
- Business & Private Bankers

3rd party lodgement
- Brokers

Application – Fast applications with pre-populated data

Submit

Verification – Automatically verified using data, manual by exception

Credit assessment – Fast, automated decisions

Unconditional approval

Digital documentation – Auto generate docs and send digitally

Fulfilment – Auto verify digitally signed documents

Settlement

FY22 progress

Retail– Stage 1 rollout complete	Stage 2 rollout ongoing	Targeting Stage 3 rollout across FY23 – FY24
B&PB – Stage 1 & 2 rollout ongoing		Targeting Stage 3 rollout across FY23 – FY24

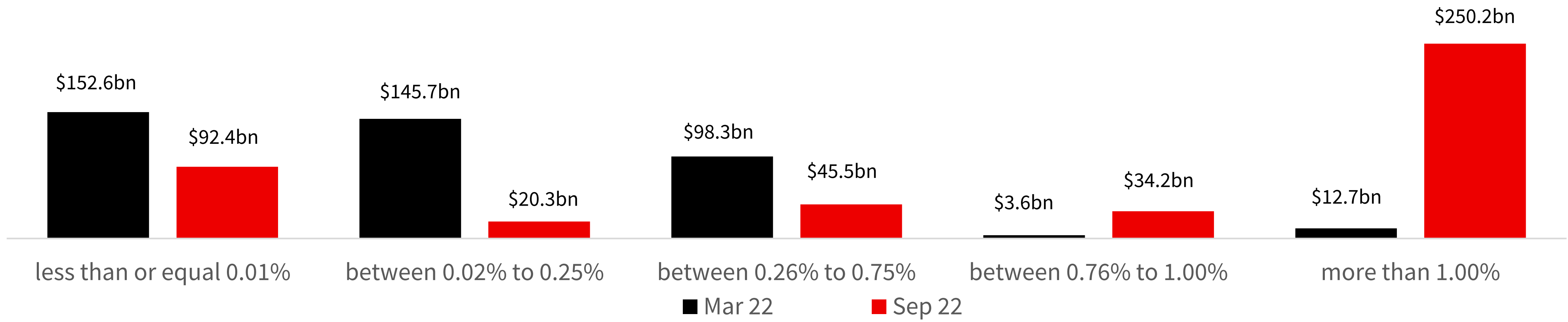
Broker – end to end rollout commenced FY22 and continuing into FY23/FY24

Additional information

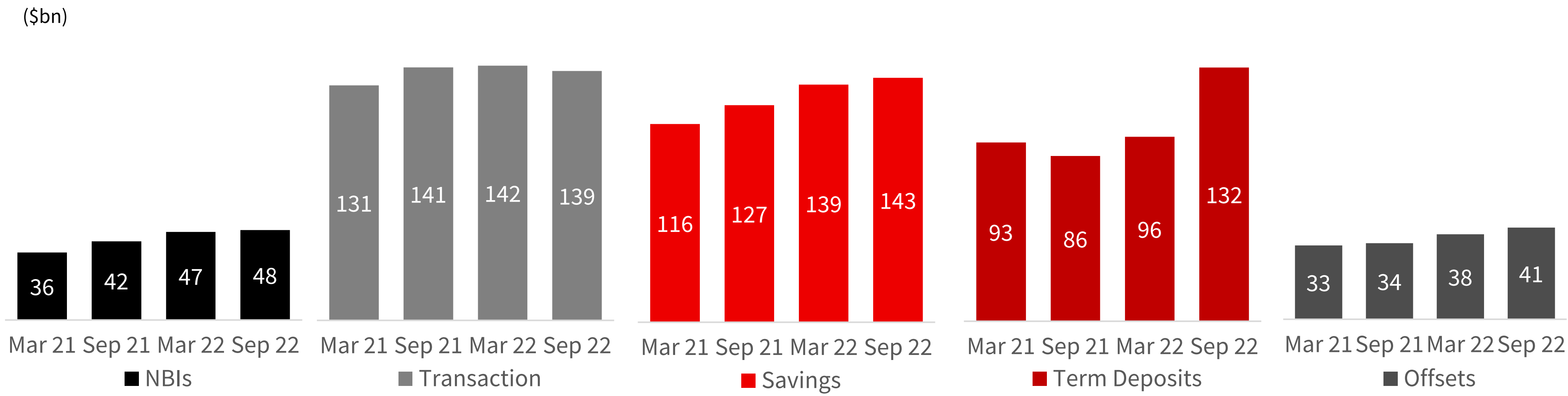
Other Australian Products

Deposits & transaction accounts[1]

Customer deposits by interest rate[2]



Customer deposit balances by product

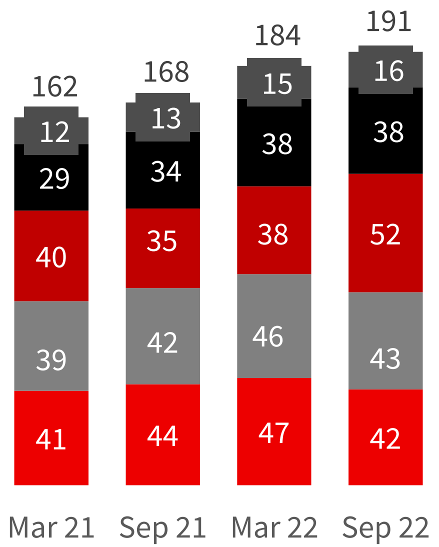


(1) Includes Citi Consumer Business balances
(2) Australia only, as at 30 September 2022. Customer deposits exclude home loan offsets, wholesale deposits and set-off facilities

Divisional customer deposits by product

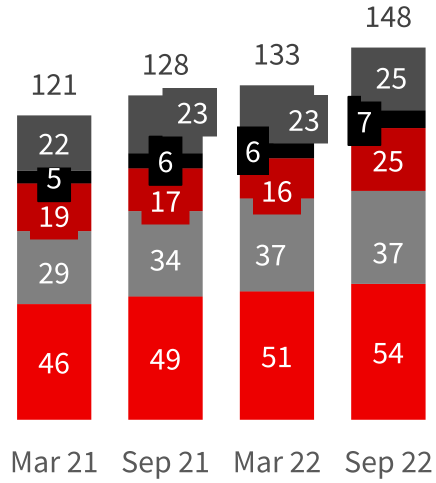
Business and Private Banking

($bn)



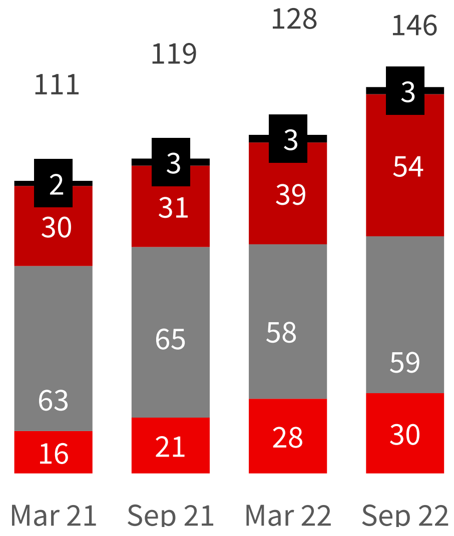
Personal Banking[1]

($bn)



Corporate and Institutional Banking

($bn)



Other[2]

($bn)

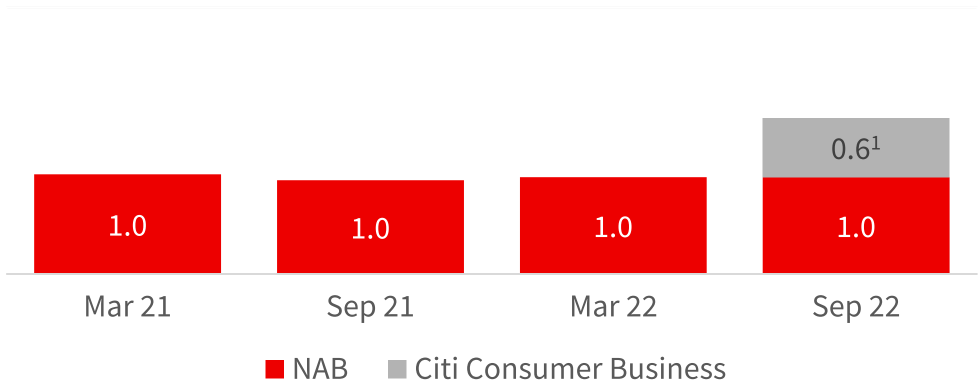
Savings Transaction TD NBI Offset

(1) Includes Citi Consumer Business balances
(2) Includes ubank and 86 400

Other banking products

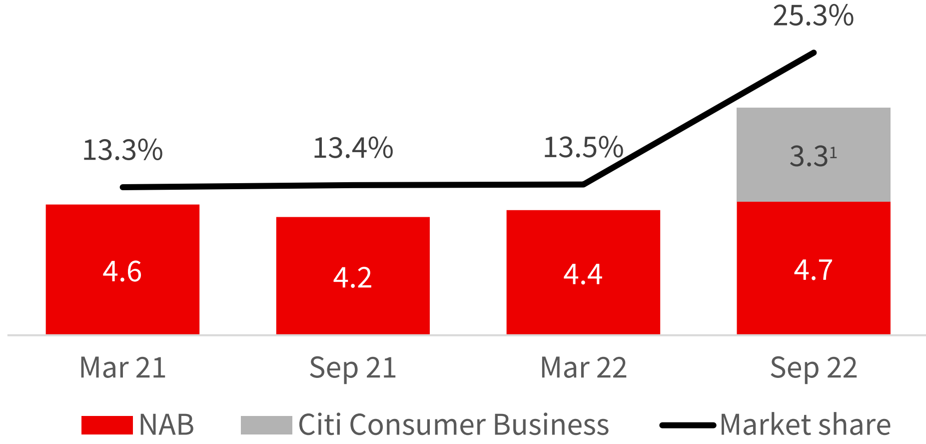
Personal lending balance

($bn)



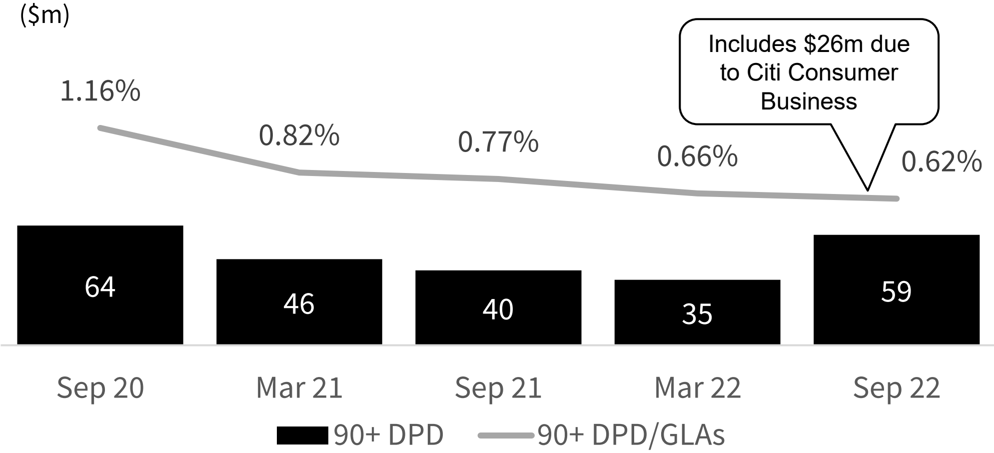
Cards balance and market share[2,3]

($bn)

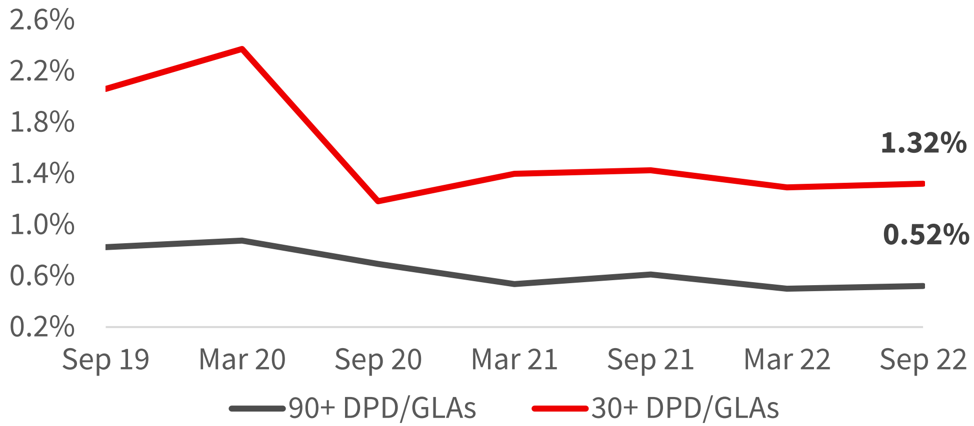


Cards[2] and personal lending 90+DPD and as a % of total cards and personal lending GLAs

($m)



Consumer cards 30+DPD & 90+DPD as % of outstandings



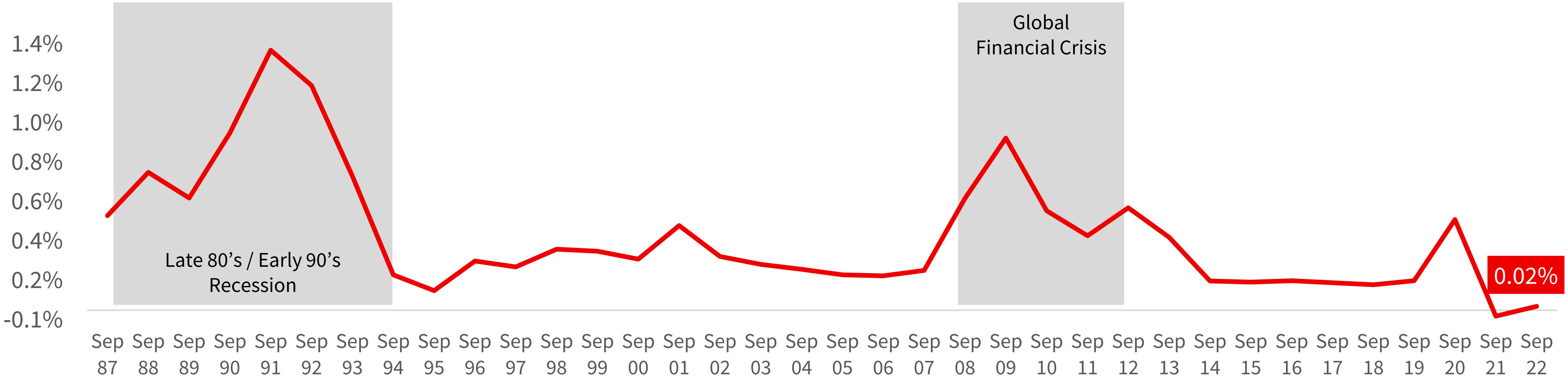
(1) Represents Citi Consumer Business balances acquired by NAB Group on 1 June 2022 of $0.55bn for personal lending and $3.27 billion for cards
(2) Includes consumer and commercial cards
(3) Market share refers to consumer cards only. APRA Monthly Authorised Deposit-taking Institution statistics. Latest data as at Sep 2022

Additional information

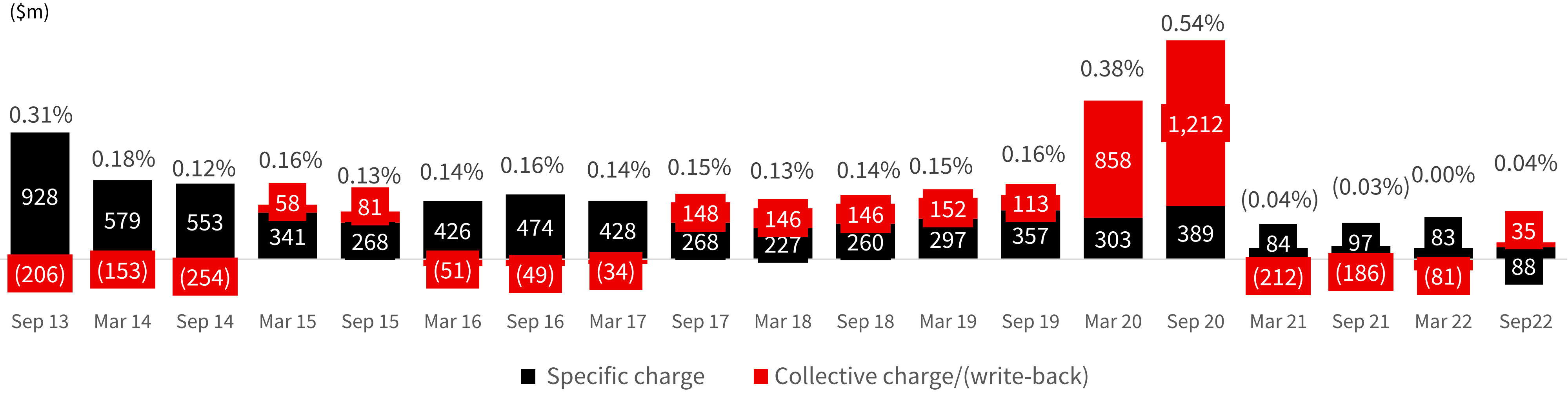
Group Asset Quality

Group credit impairment charge

Credit impairment charge as % of GLAs



Credit impairment charge and as a % of GLAs[1]

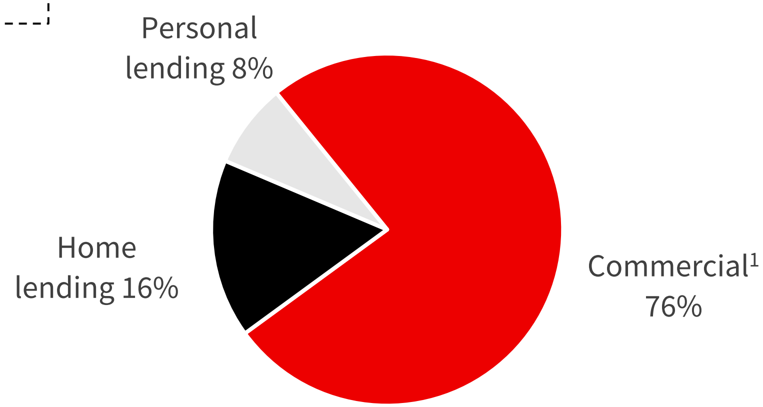


(1) Ratios for all periods refer to the half year ratio annualised

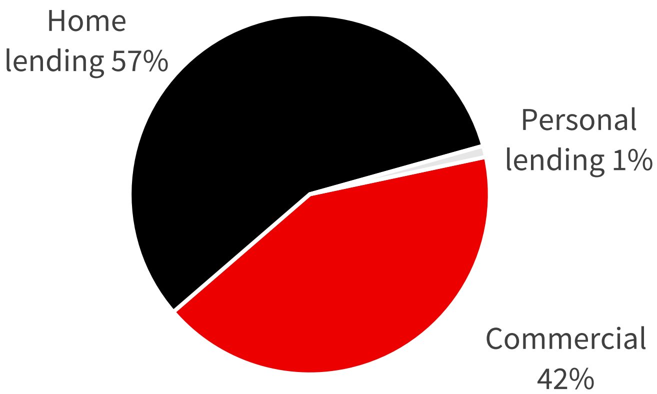
Group estimated long run loan loss rate

Group business mix – GLAs by category

1985



2022



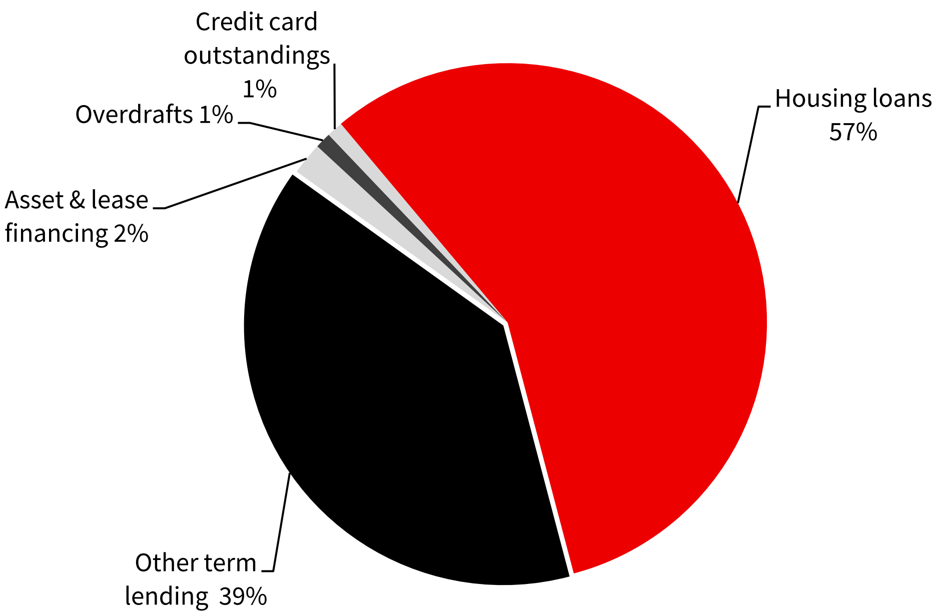
Estimating long run loan loss rate

NAB Australian geography net write off rates as a % of GLAs	Long run average (1985 – 2022[2])	Long run average (2003 – 2022[2])
Home lending[3]	0.03%	0.03%
Personal lending[3,4]	1.53%	2.18%
Commercial[3]	0.50%	0.39%
Australian average	0.31%	0.21%
Group average[5] based on 2022 business mix	0.25%	0.21%
Group average[5] based on 2022 business mix (excluding 1991-1993 and 2009-2012)	0.16%	n/a
Group average[5] based on 2022 business mix (excluding 2009-2012)	n/a	0.16%

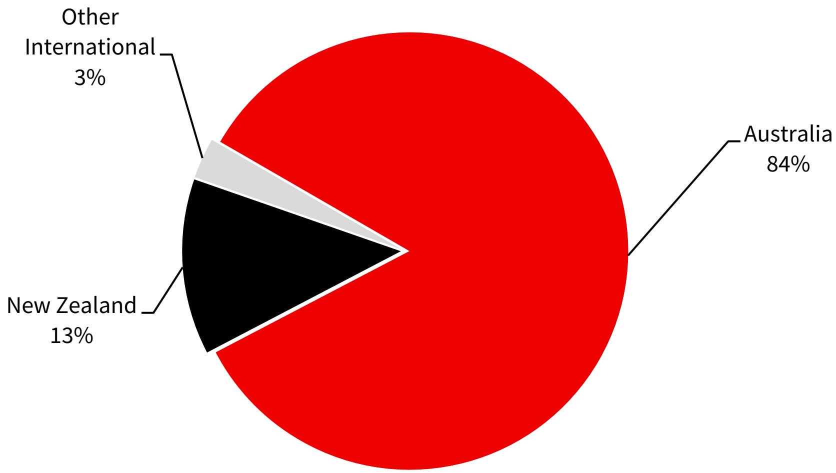
(1) For 1985 Group business mix, all overseas GLAs are allocated to Commercial category
(2) Data used in calculation of net write off rate as a % of GLAs is based on NAB's Australian geography and sourced from NAB's U.S. Disclosure Document (2021 - 2022), NAB's Supplemental Information Statements (2007 - 2020) and NAB's Annual Financial Reports (1985 - 2006)
(3) Home lending represents "Real estate – mortgages" category; Personal lending represents "Instalment loans to individuals and other personal lending (including credit cards)" category; Commercial represents "all other industry lending categories" as presented in the source documents as described in note 2 above
(4) Personal lending net write off rate since 2008 is above long run average of 1.53% (1985 – 2022) or 2.18% (2003 – 2022). Average net write off rate 2008 - 2022 is 2.50%
(5) Group average is calculated by applying each of the Australian geography long run average net write off rates by product to the respective percentage of Group GLAs by product as at 30 September 2022. Commercial long run average net write off rate has been applied to acceptances

Group lending mix

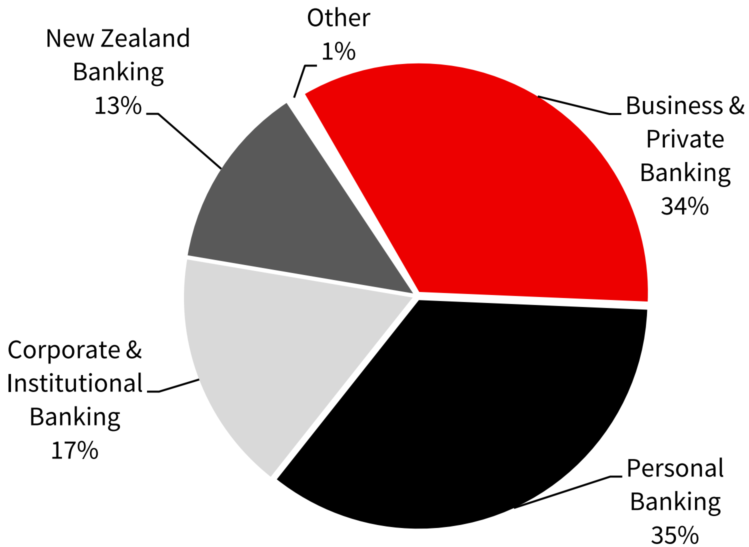
Gross loans and acceptances by product - $687.7bn



Gross loans and acceptances by geography[1]



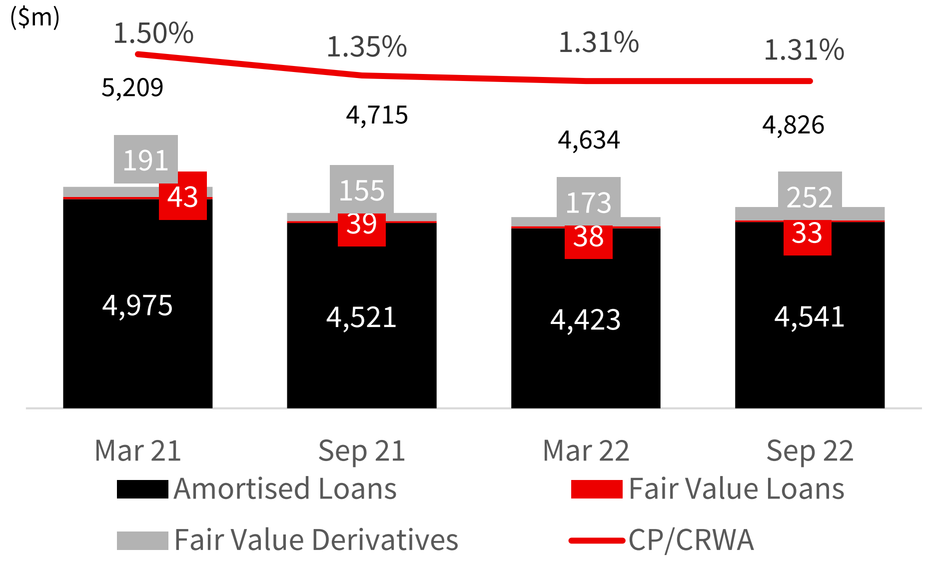
Gross loans and acceptances by business unit



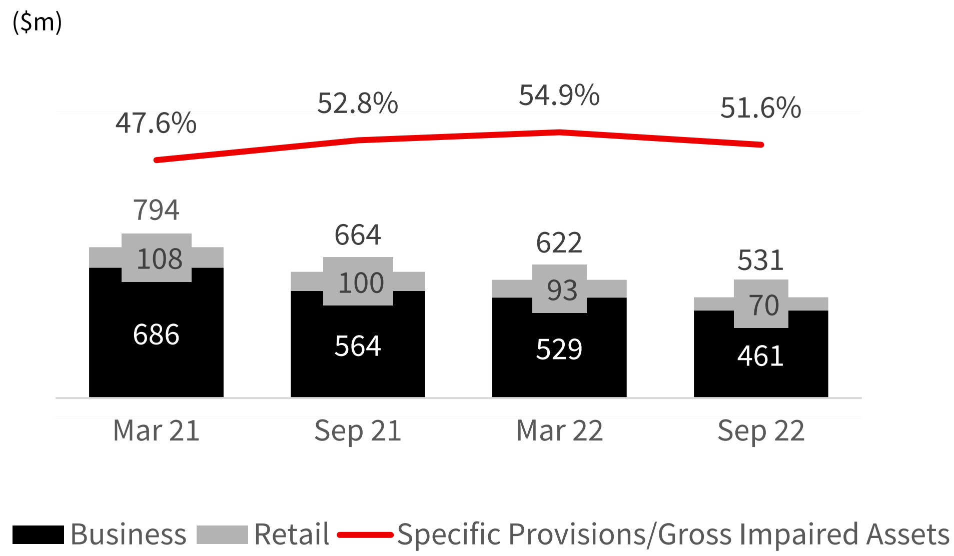
(1) Based on booking office where transactions have been recorded

Group provisions

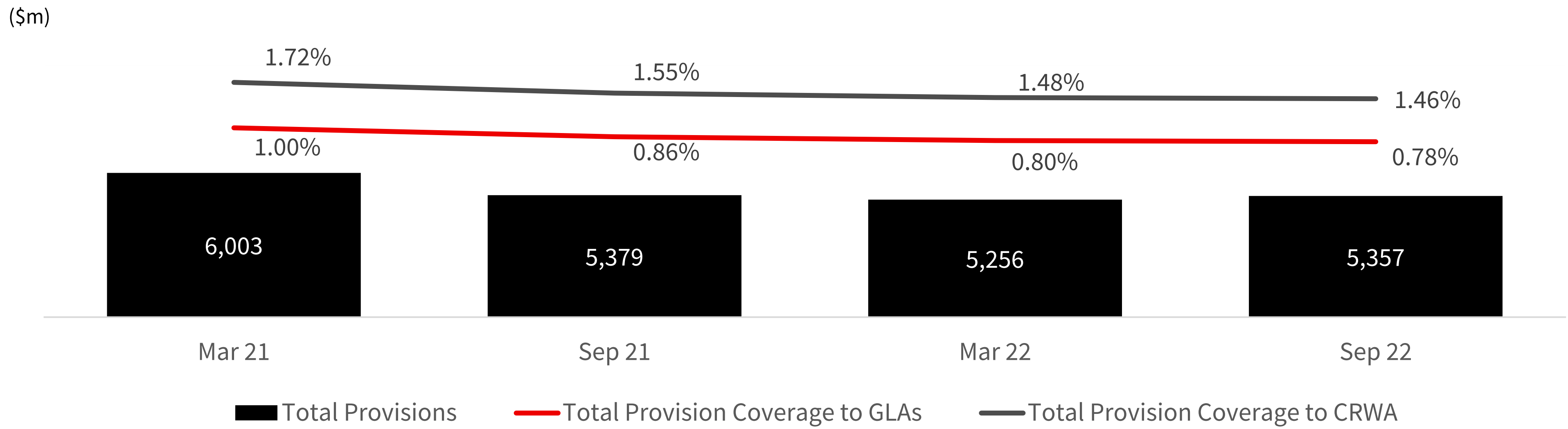
Collective provisions



Specific provisions



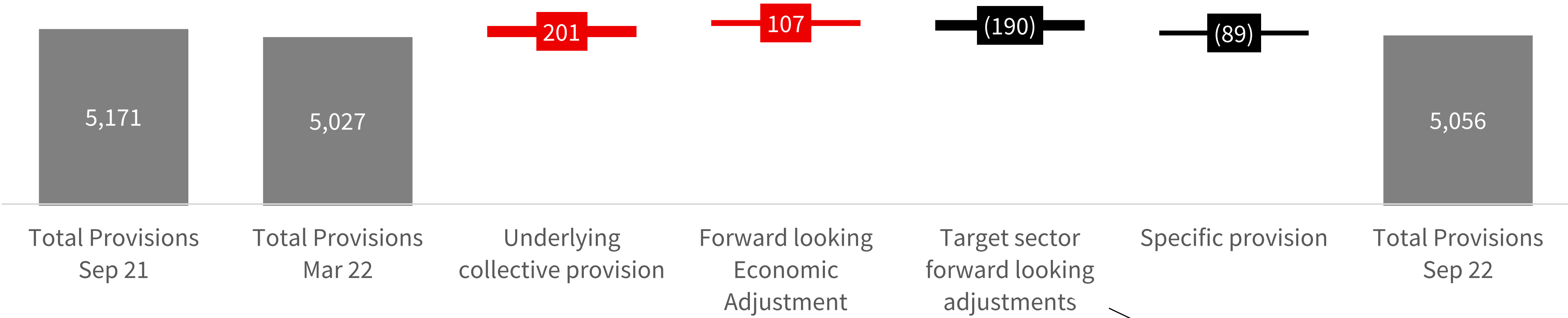
Total provisions



Provisions

Movement in provisions[1]

($m)



Underlying CP

- Model outcomes based on point-in-time data
- 2H22 increase reflects portfolio growth for Australian business lending and the acquisition of Citi Consumer Business

Economic adjustment (EA)

- Forward view of additional stress across portfolio, according to 3 probability weighted scenarios (upside, base case & downside)
- Scenarios based on forward looking macro economic data and granular PD and LGD assumptions
- EA top-up required where probability weighted EA higher over the period (and vice versa)
- 2H22 EA increase of $107m mainly reflects deterioration in the base case economic assumptions including Australian house price fall by 14.3% in 2023[2]

Target sector FLAs

- Considers forward looking stress incremental to EA changes
- $190m net release of target sector FLAs

(1) Excludes provisions on fair value loans and derivatives
(2) Australian base case weighting now 52.5% (from 57.5% at 1H22), upside weighting now 2.5% (no change from 1H22) and downside weighting now 45.0% (from 40.0% at 1H22). Collective provision EA top-up Sep 22 v Mar 22 includes $10m due to foreign exchange movements

ECL assessment

ECL scenarios & weightings

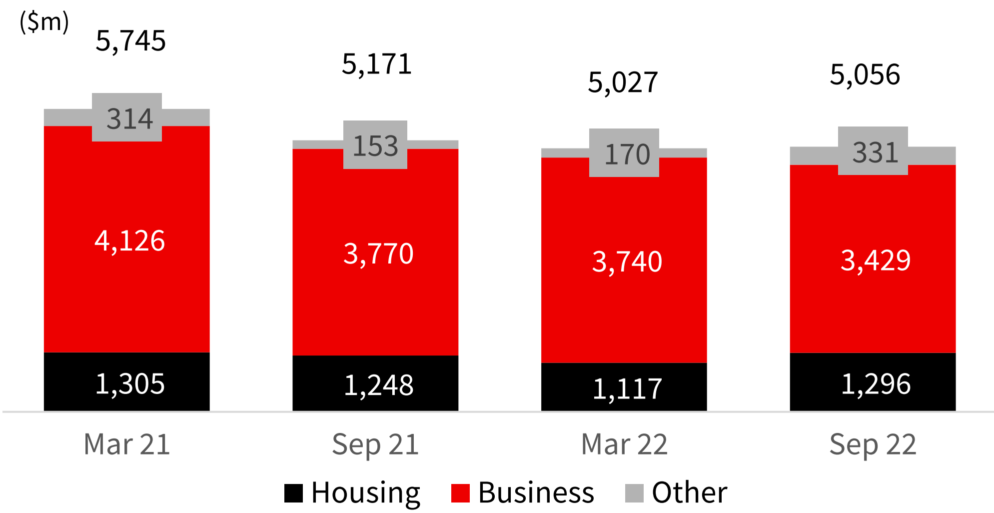
	Total Provisions for ECL[1,2]		
$m	2H22 (probability weighted)	100% Base case	100% Downside
Total Group	5,056	4,292	6,008
Increase/(decrease) vs Mar 22	29	229	(439)

	Macro economic scenario weightings[3]		
Australian Portfolio (%)	Upside	Base case	Downside
31 Mar 22	2.5	57.5	40.0
30 Sep 22	2.5	52.5	45.0

Key considerations

- Increase in ECL vs Mar 22 includes growth in the Australian business lending portfolio, the acquisition of the Citi Consumer Business and deterioration in the base case economic variables
- $89m SP reduction due to work-outs and low levels of new impairments
- $190m release from target sector FLAs
- $107m EA top up mainly reflecting increased stress in base case economics, including a reduction of 14.3% for Australian house prices in 2023

Total provisions for expected credit losses[1]



Economic assumptions

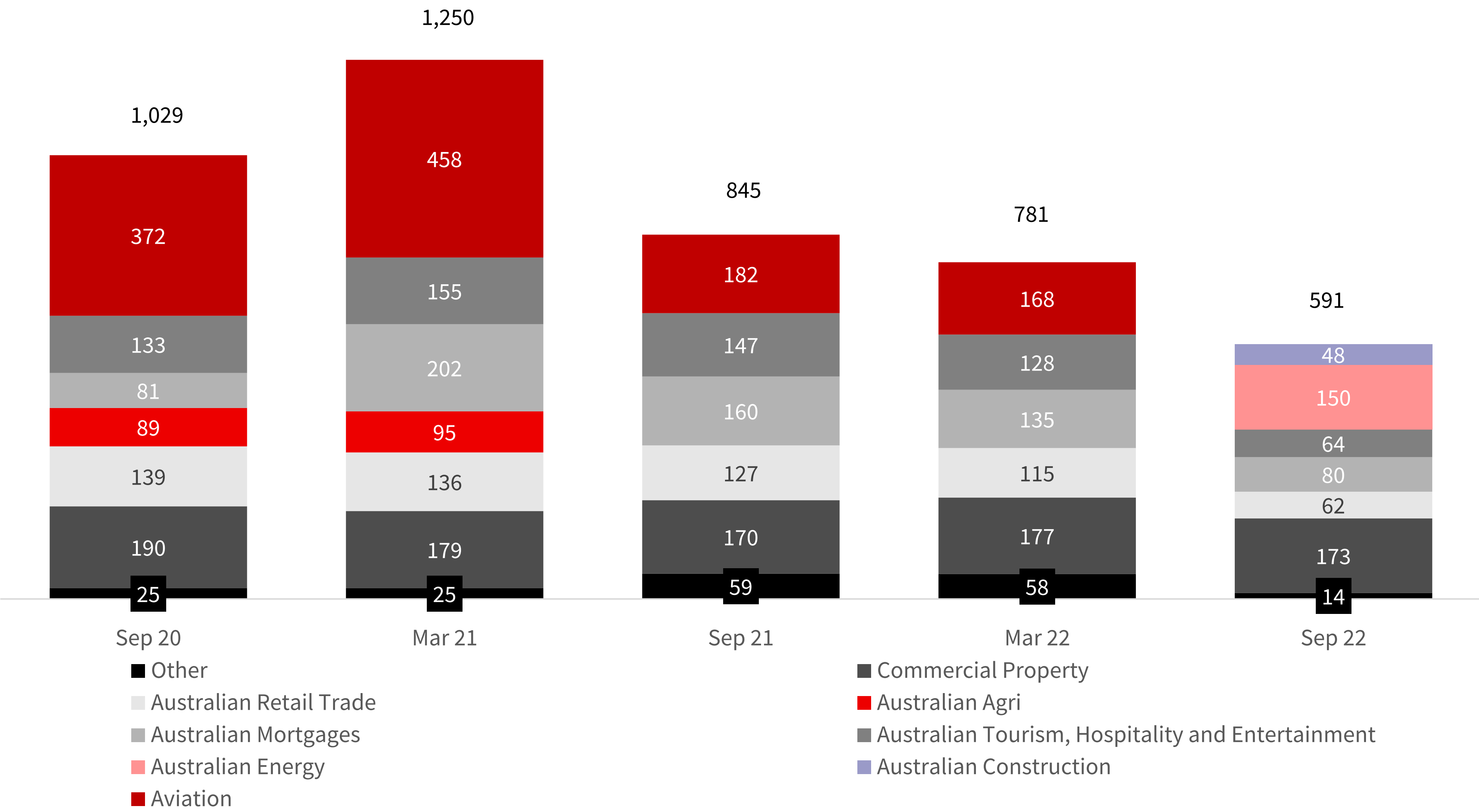
Australian economic assumptions considered in deriving ECL						
	Base case			Downside		
%	FY23	FY24	FY25	FY23	FY24	FY25
GDP change YoY	1.7	1.7	2.3	(4.4)	0.8	2.7
Unemployment	4.0	4.2	4.2	8.5	10.1	9.7
House price change YoY[4]	(14.3)	3.0	3.0	(21.9)	(10.4)	1.5

(1) ECL excludes provisions on fair value loans and derivatives. Sep 22 total provisions for Housing and Other includes the impact of the Citi Consumer Business acquisition
(2) Scenarios, prepared for purposes of informing forward looking provisions, rely on NAB Economics modelling and management judgement
(3) There is no change to the scenario weightings for New Zealand portfolio during 2H22. At Sep 22, these weightings are consistent with the Australian portfolio
(4) House price change in addition to 5% decline to September 2022

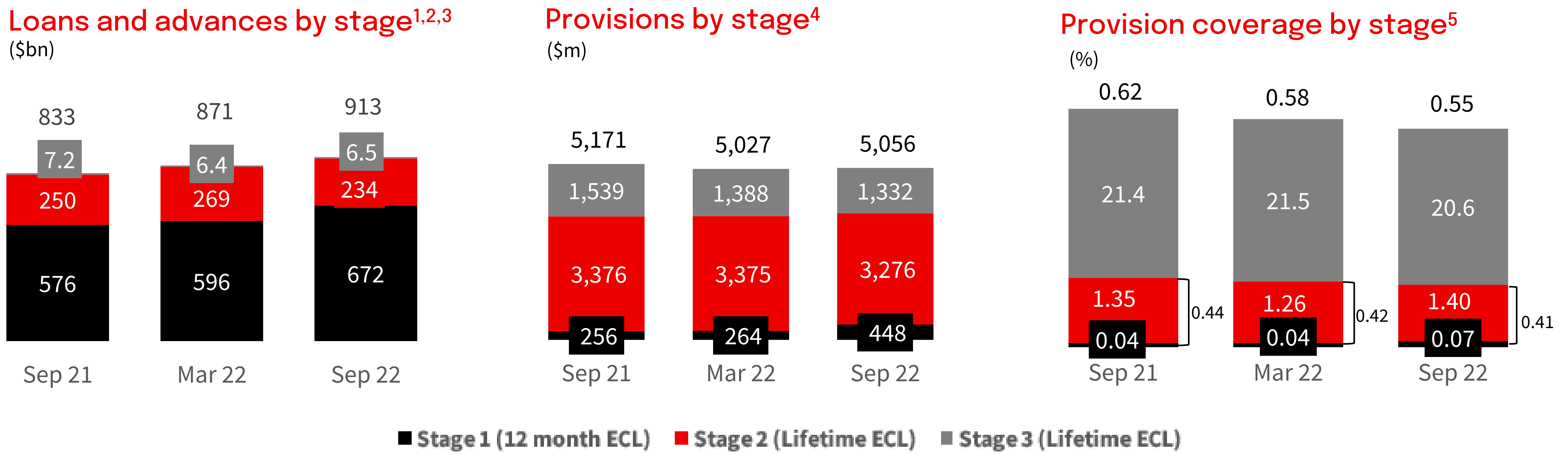
Target sector FLAs

Collective provision target sector FLAs

($m)



ECL provisioning by stages



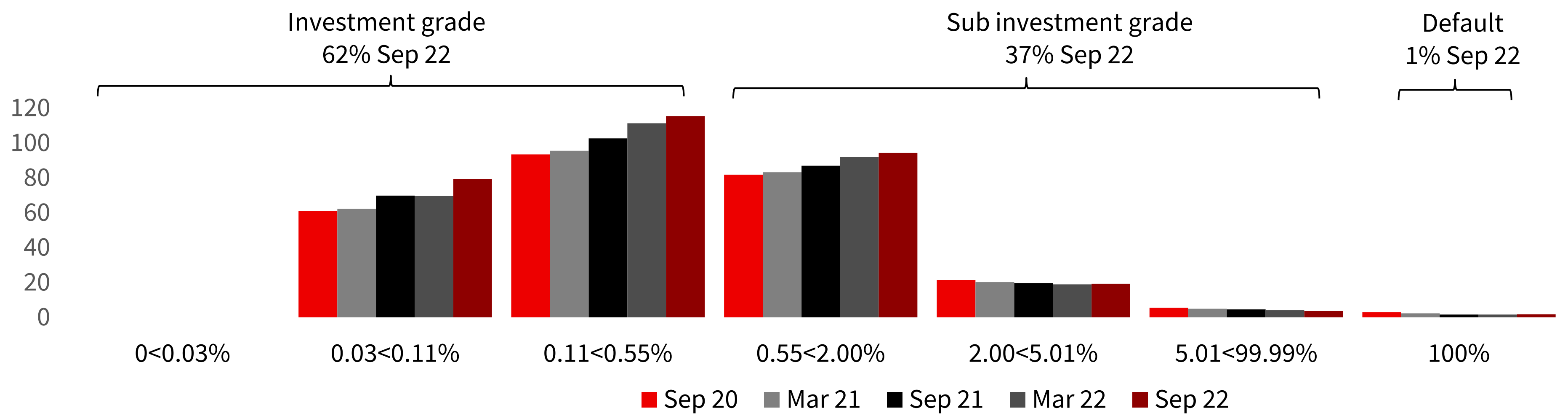
	Status	Type of provision
Stage 1 (12 month ECL)	Credit risk not increased significantly since initial recognition; performing	Collective
Stage 2 (Lifetime ECL)	Credit risk increased significantly since initial recognition but not credit impaired	Collective
Stage 3 (Lifetime ECL)	Credit impaired: default no loss Credit impaired: default with loss	Collective Specific

- Significant increase in credit risk determined by change in credit risk scores for business exposures and change in behavioural scoring outcomes for retail exposures. These rules are not prescribed by accounting standards
- Migration assumptions included in forward looking adjustments
- Stage 2 includes majority of forward looking adjustments

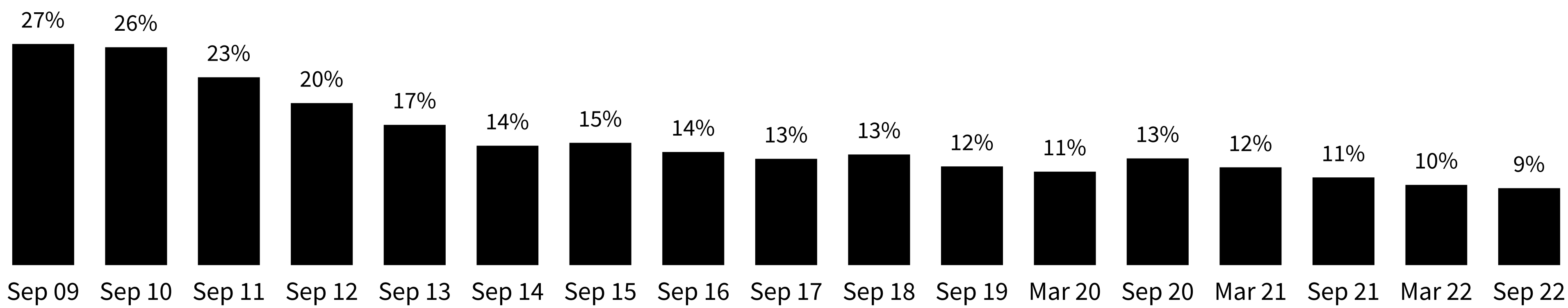
(1) Notional staging of loans and advances including contingent liabilities and credit-related commitments, incorporates forward looking stress applied in the ECL model
(2) Comparative information has been restated to align with the presentation in the current period where classifications have been revised to align to the definitions in APS 220 *Credit Risk Management*
(3) Current year Stage 3 loans include the impact of APS 220 regulatory changes requiring an extension to the period over which exposures remain classified as non-performing before they can be reclassified to performing
(4) Excludes collective provision on loans at fair value and derivatives which are not allocated to a stage under the ECL model
(5) Provision coverage: provisions as a percentage of loans and advances including contingent liabilities and credit-related commitments

Probability of default (PD) analysis

Non retail corporate EAD[1] by probability of default



Australia and NZ Business exposures PD ≥ 2%



(1) For internal ratings based portfolios. Excluding Bank and Sovereign exposures. Total $314bn at Sep 22, $298bn at Mar 22 and $285bn at Sep 21

Non retail industry sector analysis

Non retail EAD by industry[1] – $645bn

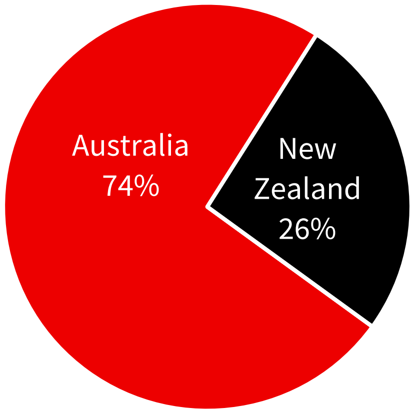
Industry	Share of EAD	% of 90+ DPD and GIA Sep 21	% of 90+ DPD and GIA Mar 22	% of 90+ DPD and GIA Sep 22
Finance & insurance	40%	0.02%	0.02%	0.02%
Commercial property	13%	0.34%	0.33%	0.30%
Govt & public utilities	10%	0.00%	0.00%	0.00%
Agri, forestry & fishing	9%	0.56%	0.47%	0.57%
Transport & storage	4%	0.54%	0.53%	0.53%
Other inc Health, Education, Community	4%	0.43%	0.39%	0.42%
Business & property services	4%	0.97%	0.88%	0.83%
Manufacturing	4%	0.65%	0.65%	0.49%
Wholesale trade	3%	0.29%	0.25%	0.25%
Retail Trade	2%	1.24%	0.99%	0.78%
Utilities	2%	0.01%	0.01%	0.01%
Construction	2%	0.93%	1.07%	1.14%
Accomodation & Hospitality	2%	1.24%	1.07%	0.78%
Mining	2%	0.16%	0.13%	0.47%
Total		0.29%	0.26%	0.26%

Includes assets supporting the Group's LCR

(1) Industry classifications are aligned to those disclosed in the 30 September 2022 Pillar 3 report – Table 5.1D

Group agriculture, forestry & fishing exposures[1]

Group EAD $58.5bn September 2022

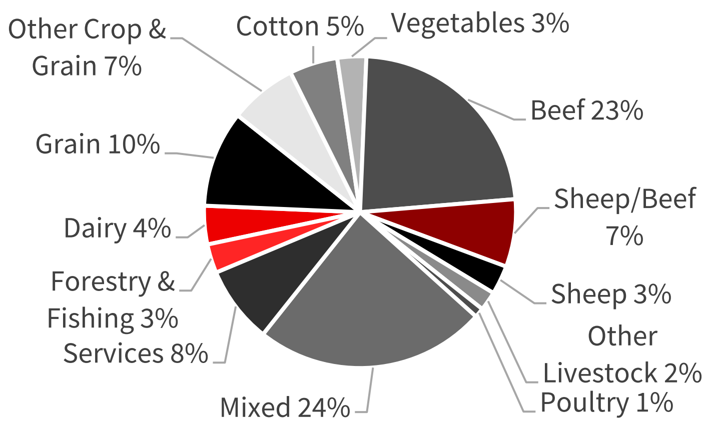


Key considerations

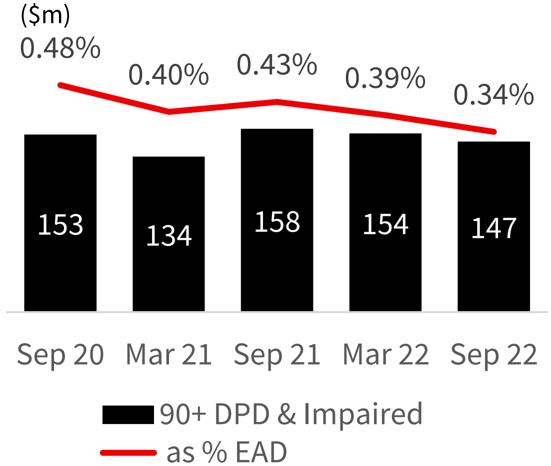
- Sector outlook is broadly positive in terms of main agricultural commodity prices, but headwinds exist in terms of elevated energy and fertiliser costs, labour shortages and rising interest rates
- A series of flood events in eastern Australia have damaged roads and infrastructure, hampering transport logistics and the harvest of the winter grain crop in some regions
- ~9% non retail EAD

Australian Agriculture, Forestry & Fishing

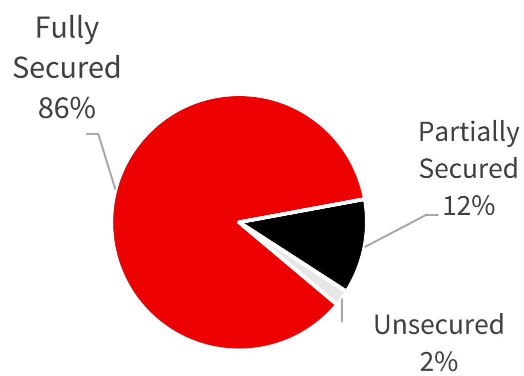
Diverse Portfolio EAD $43.1bn Sep 22



Australian Agriculture Asset Quality



Australian Agriculture Portfolio Well Secured[2]



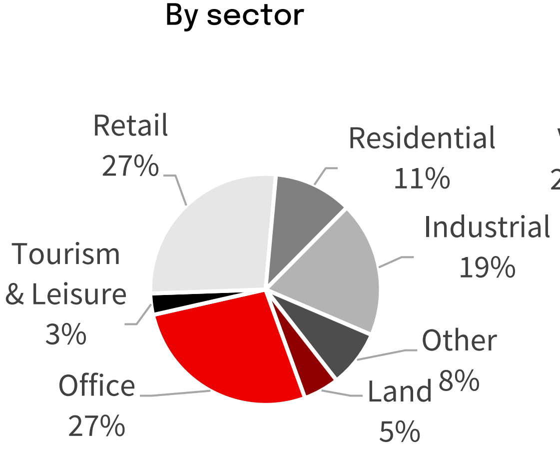
(1) Based on ANZSIC Level 1 classifications of the counterparty to which the Group is exposed to credit risk, including guarantors and derivative counterparties
(2) Fully Secured is where the loan amount is less than 100% of the bank extended value of security; Partially Secured is where the loan amount is greater than 100% of the bank extended value of security; Unsecured is where no security is held and/or no value held against the security and negative pledge arrangements may be in place. Bank extended value is calculated as a discount to market value based on the nature of the underlying security

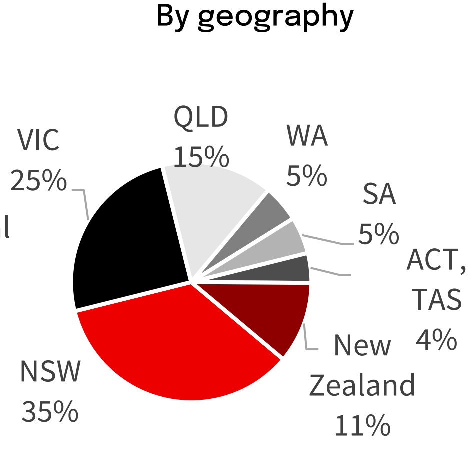
Group commercial real estate (CRE)[1]

Gross loans & acceptances (GLAs)

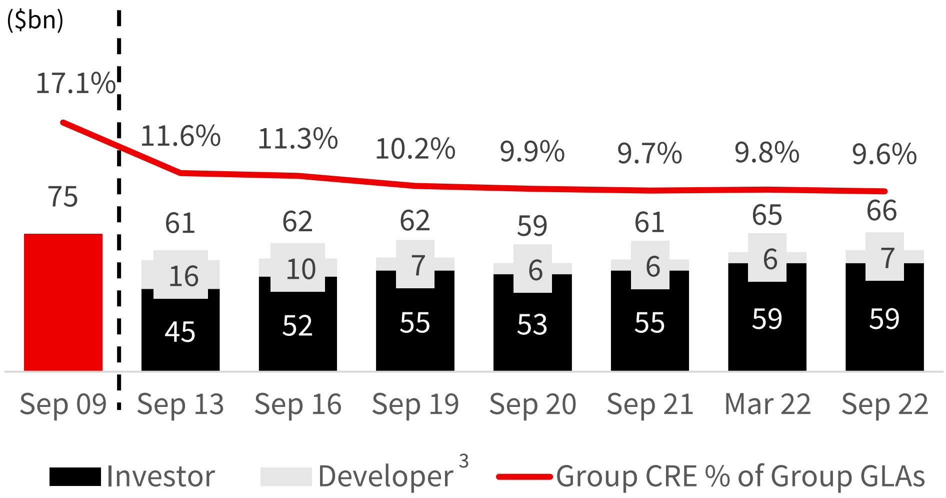
	Aust	New Zealand	Total[2]
Total CRE (A$bn)	58.7	7.1	65.9
Increase/(decrease) from Sep 21 (A$bn)	5.5	(0.5)	5.1
% of geographical GLAs	10.2%	8.1%	9.6%
Change in % from Sep 21	(0.1%)	(0.3%)	(0.1%)

Breakdown by total GLAs ($65.9bn)

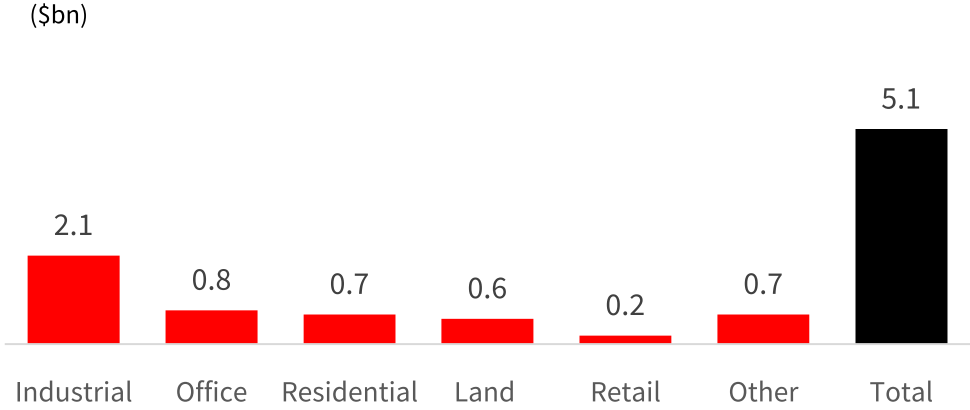




Balances over time



Change in balances Sep 21 - Sep 22



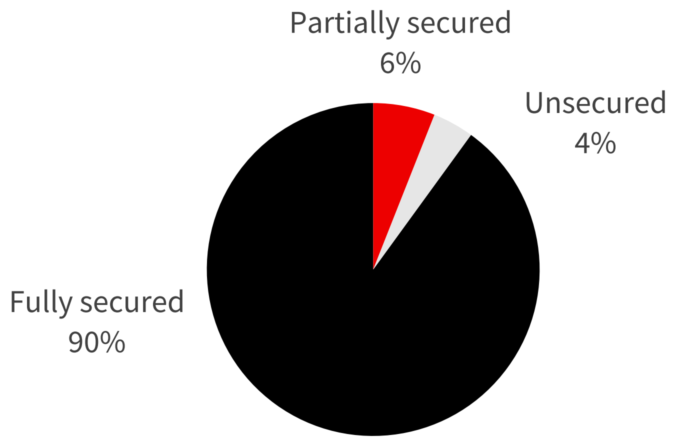
(1) Measured as balance outstanding as at 30 September 2022 per APRA Commercial Property ARF 230 definitions
(2) Includes overseas offices not separately disclosed
(3) Developer at Sep 22 includes $1.4bn for land development and $2.5bn for residential development in Australia

Group commercial real estate[1]

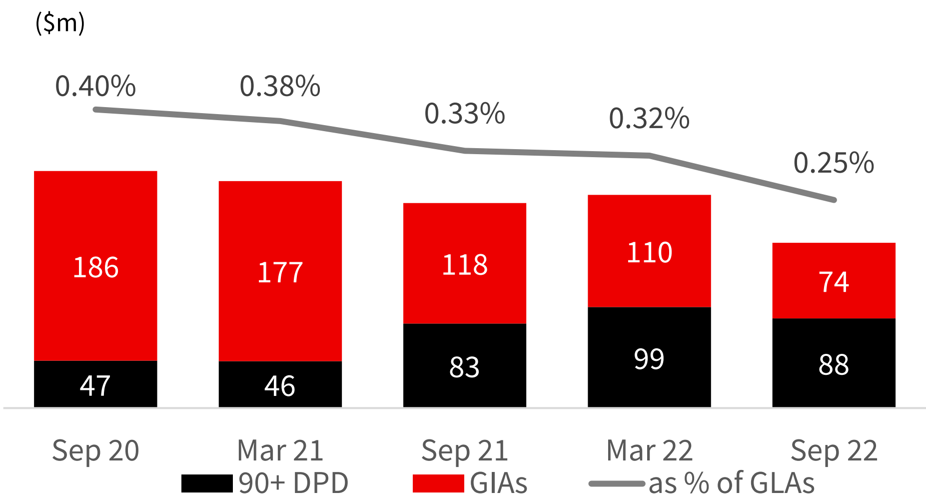
Key asset quality considerations

- Strong market activity over the past 18 months has started to slow, as participants monitor inflation and the rising interest rate environment; quality CRE assets with strong leasing profiles continue to be in demand by investors
- Impact of rising interest rates on property valuations and yields still to play out, as investors await stability in the interest rate environment
- 90% of CRE balances are fully secured[2]; unsecured volumes largely represent Institutional investment grade exposures
- 90+ DPD and Impaired exposures continue to trend lower
- FY22 growth biased towards the Industrial segment (~$2.1bn, or 40% of annual CRE portfolio growth) with segment supported by strong demand and rental growth expectations
- Modest annual growth in Australian development balances with project commencements impacted by higher construction costs, however demand for completed stock remains
- Provisioning includes $173m target sector FLA

Group CRE Security Profile[2]



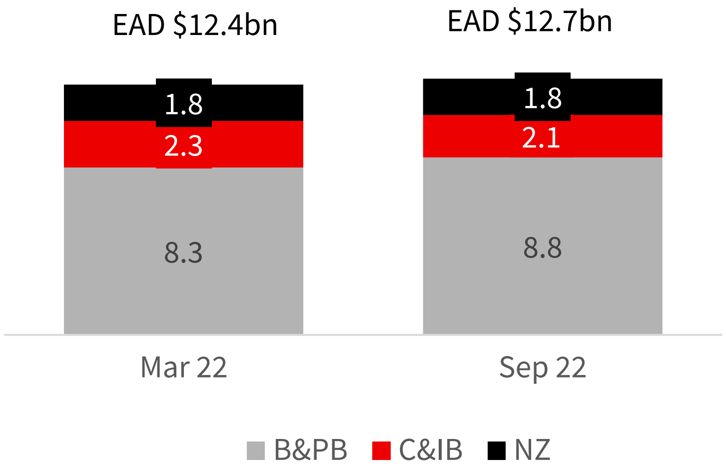
90+ DPD and GIAs and as % GLAs



(1) Measured as balance outstanding as at 30 September 2022 per APRA Commercial Property ARF 230 definitions
(2) Fully Secured is where the loan amount is less than 100% of the bank extended value of security; Partially Secured is where the loan amount is greater than 100% of the bank extended value of security; Unsecured is where no security is held and/or no value held against the security and negative pledge arrangements may be in place. Bank extended value is calculated as a discount to market value based on the nature of the underlying security

Construction[1]

Exposure at default

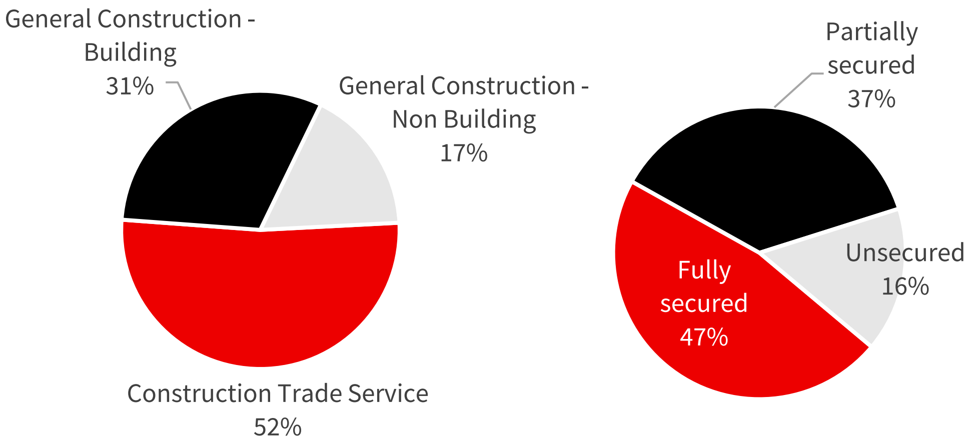


Key considerations

- Elevated shipping costs and supply chain issues are starting to moderate; labour shortages and costs remain a challenge
- ~2% non retail EAD including subcontractors and construction services
- Highly diversified and secured portfolio
- Provisioning includes $48m target sector FLA raised in 2H22
- >50% of C&IB exposures are contingent facilities e.g. performance guarantees

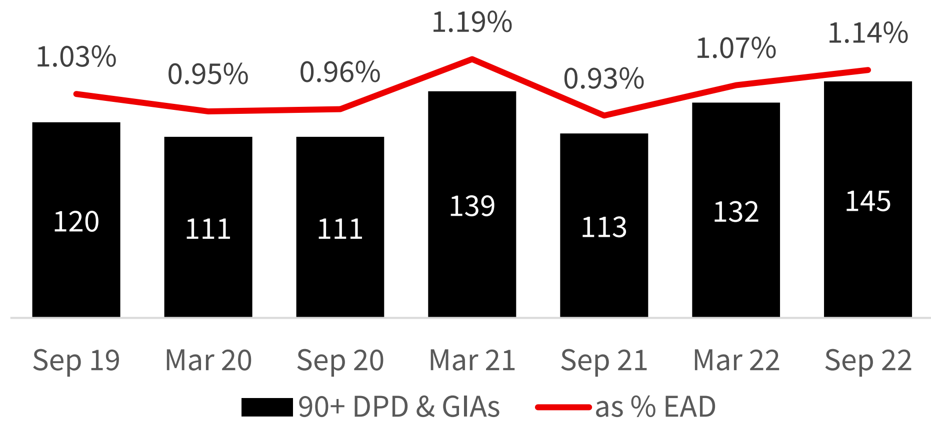
Australian Construction	B&PB	C&IB	Total
EAD ($bn)	8.8	2.1	10.9
# customers	~26k	~300	~26k
% Fully or Partially Secured	94%	48%	84%

EAD portfolio by sector and security[1,2]



90+ DPD and GIAs and as % of sector EAD

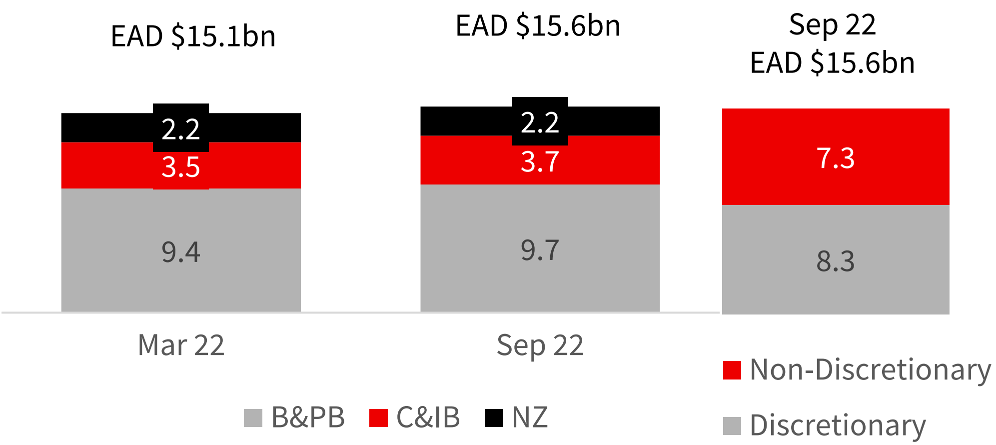
($m)



(1) Based on ANZSIC Level 1 classifications of the counterparty to which the Group is exposed to credit risk, including guarantors and derivative counterparties
(2) Fully Secured is where the loan amount is less than 100% of the bank extended value of security; Partially Secured is where the loan amount is greater than 100% of the bank extended value of security; Unsecured is where no security is held and/or no value held against the security and negative pledge arrangements may be in place. Bank extended value is calculated as a discount to market value based on the nature of the underlying security

Retail Trade[1]

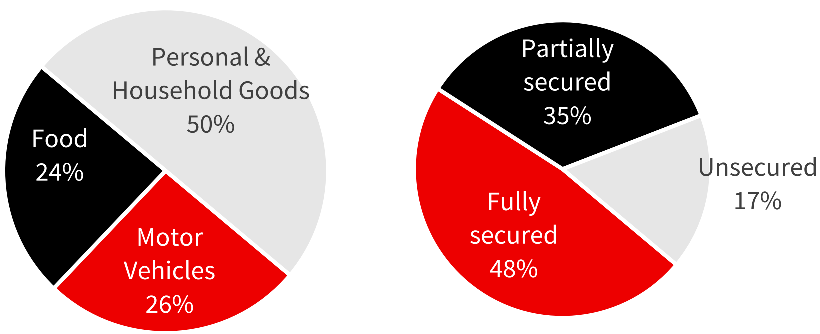
Exposure at default



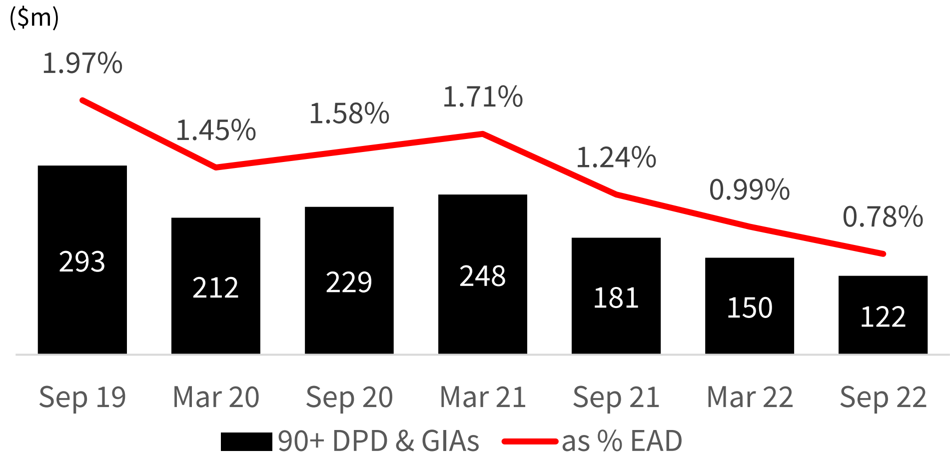
Key considerations

- While retail spending has remained robust, higher official interest rates are likely to put pressure on disposable income and lead to reduced spending, with the main impact on consumption growth expected across 2023
- Pent-up demand post COVID-19 now appears to be moderating. There is also evidence in certain segments of customers prioritising spending and 'trading down' purchases, and a trend of increased spend being directed towards services (including travel) rather than goods
- Provisioning includes $62m target sector FLA
- ~2% non retail EAD

EAD portfolio by sector and security[2]



90+ DPD and GIAs and as % of sector EAD



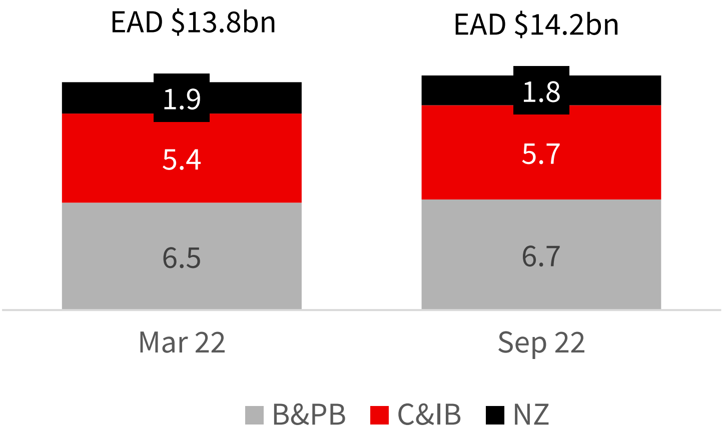
(1) Based on ANZSIC Level 1 classifications of the counterparty to which the Group is exposed to credit risk, including guarantors and derivative counterparties. Discretionary / Non-discretionary Retail Trade determined at an individual ANZSIC code level

(2) Fully Secured is where the loan amount is less than 100% of the bank extended value of security; Partially Secured is where the loan amount is greater than 100% of the bank extended value of security; Unsecured is where no security is held and/or no value held against the security and negative pledge arrangements may be in place. Bank extended value is calculated as a discount to market value based on the nature of the underlying security

Tourism, hospitality and entertainment[1]

national australia bank

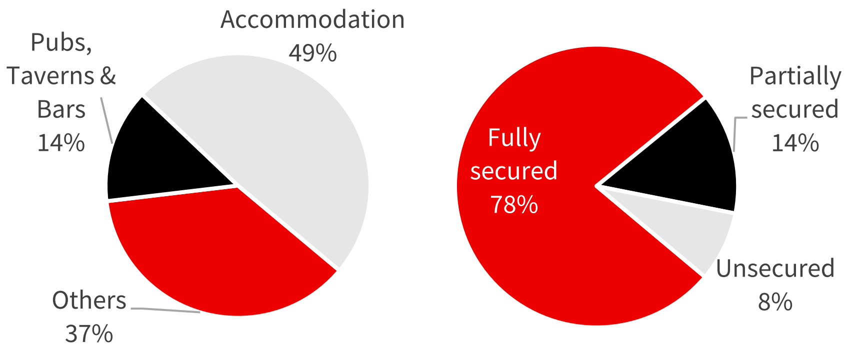
Exposure at default



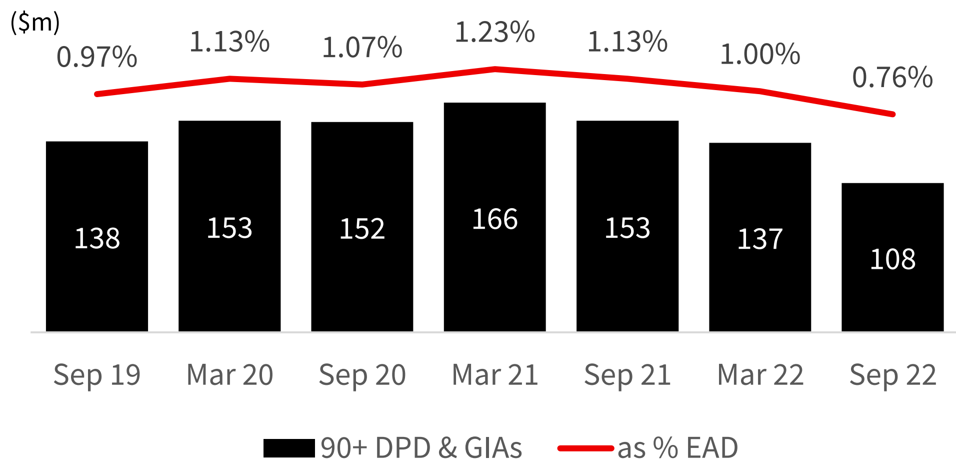
Key considerations

- Industry data suggests the outlook for Tourism & Entertainment continues to improve. Accommodation performance is region specific, with regional areas outperforming CBDs which remain more reliant on overseas tourists
- Consumer confidence, discretionary spending and the impact of higher costs of living and interest rates will influence the outlook for the sector. In addition, the availability of stock and staff continues to be a headwind to the sector
- ~2% of non retail EAD with ~16% of B&PB portfolio located in CBDs
- Provisioning includes $64m target sector FLA

EAD portfolio by sector and security[2]



90+ DPD and GIAs and as % of sector EAD

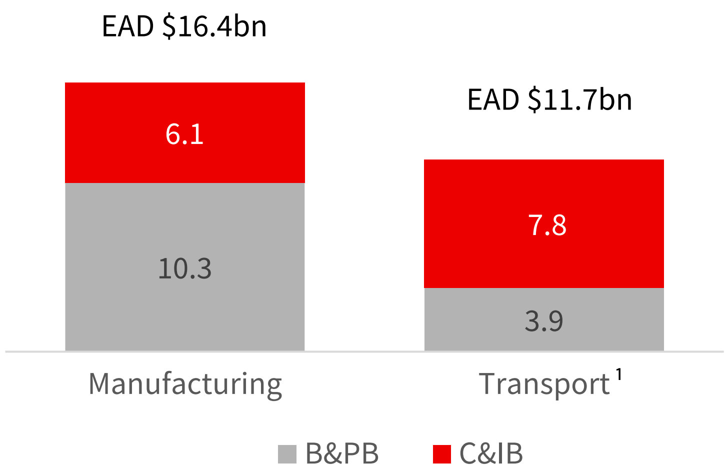


(1) Based on the ANZSIC Level 1 classifications of accommodation and hospitality, plus cultural and recreational services; based on the counterparty to which the Group is exposed to credit risk, including guarantors and derivative counterparties.

(2) Fully Secured is where the loan amount is less than 100% of the bank extended value of security; Partially Secured is where the loan amount is greater than 100% of the bank extended value of security; Unsecured is where no security is held and/or no value held against the security and negative pledge arrangements may be in place. Bank extended value is calculated as a discount to market value based on the nature of the underlying security

Australia Energy[1]

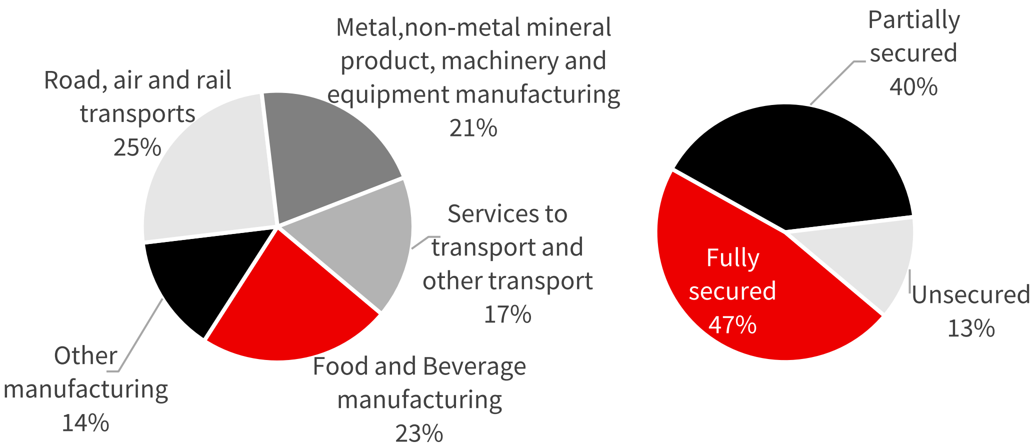
Exposure at default at Sep 22



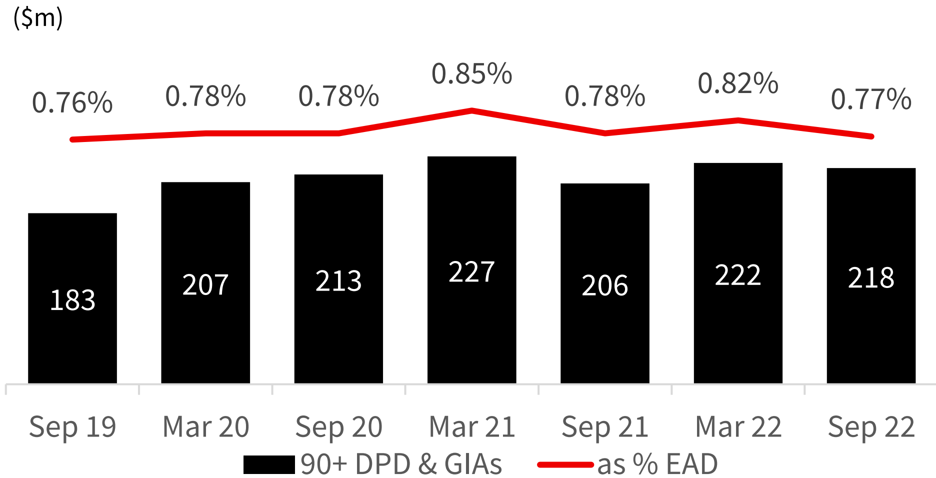
Key considerations

- Manufacturing and certain sub-sectors within Transport are expected to be disproportionately impacted by elevated and rising energy costs due to their high energy consumption
- Greatest concerns are for those customers who are unable to pass on increased costs
- Provisioning includes $150m of target sector FLA raised in 2H22
- ~4% of non retail EAD

EAD portfolio by sector and security[2]



90+ DPD and GIAs and as % of sector EAD



(1) Australian energy includes ANZSIC Level 1 classifications of Manufacturing and certain segments within Transport with high energy consumption, based on the counterparty to which the Group is exposed to credit risk, including guarantors and derivative counterparties

(2) Fully Secured is where the loan amount is less than 100% of the bank extended value of security; Partially Secured is where the loan amount is greater than 100% of the bank extended value of security; Unsecured is where no security is held and/or no value held against the security and negative pledge arrangements may be in place. Bank extended value is calculated as a discount to market value based on the nature of the underlying security

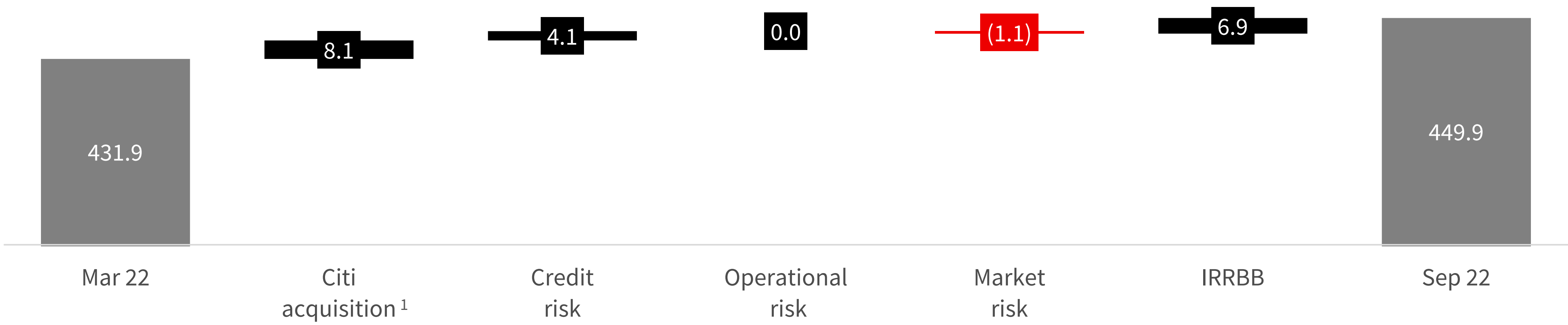
Additional information

Capital Funding & Liquidity

Risk weighted assets

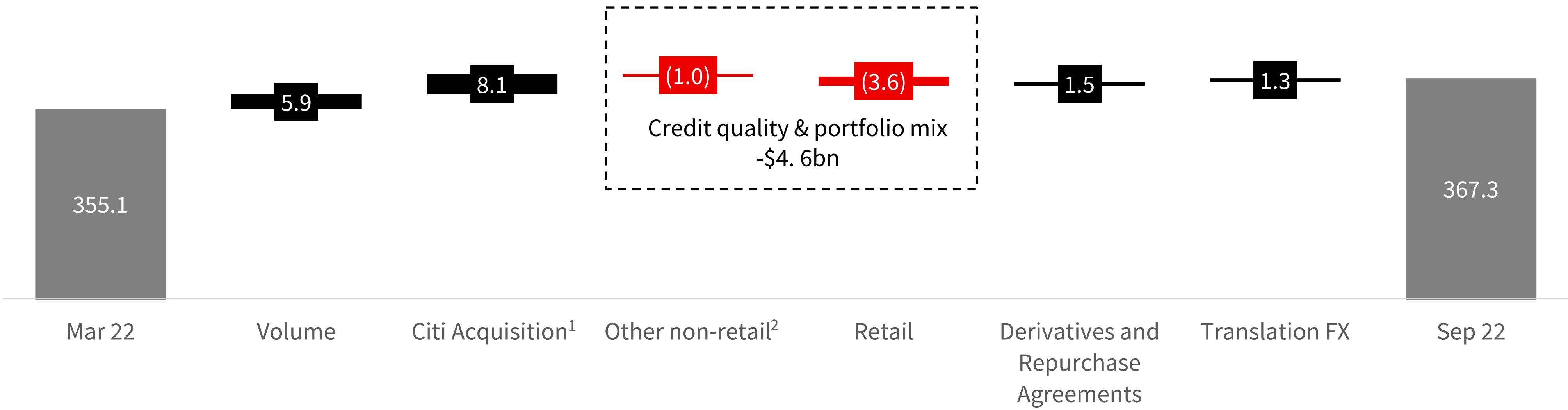
Total risk weighted assets

($bn)



Credit risk weighted assets

($bn)



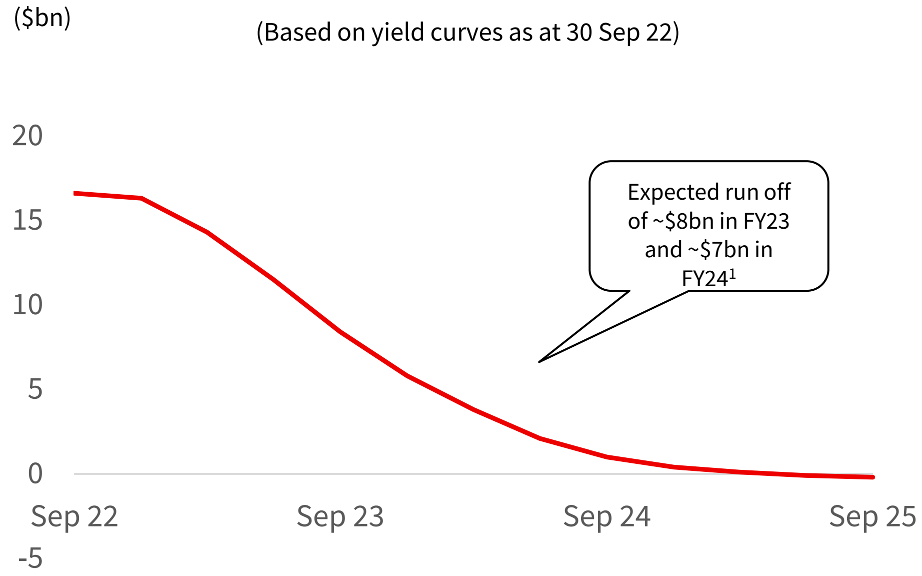
(1) Credit RWA impacts of Citi Consumer Business acquisition
(2) Includes changes in quality, portfolio mix and maturity

IRRBB risk weighted assets

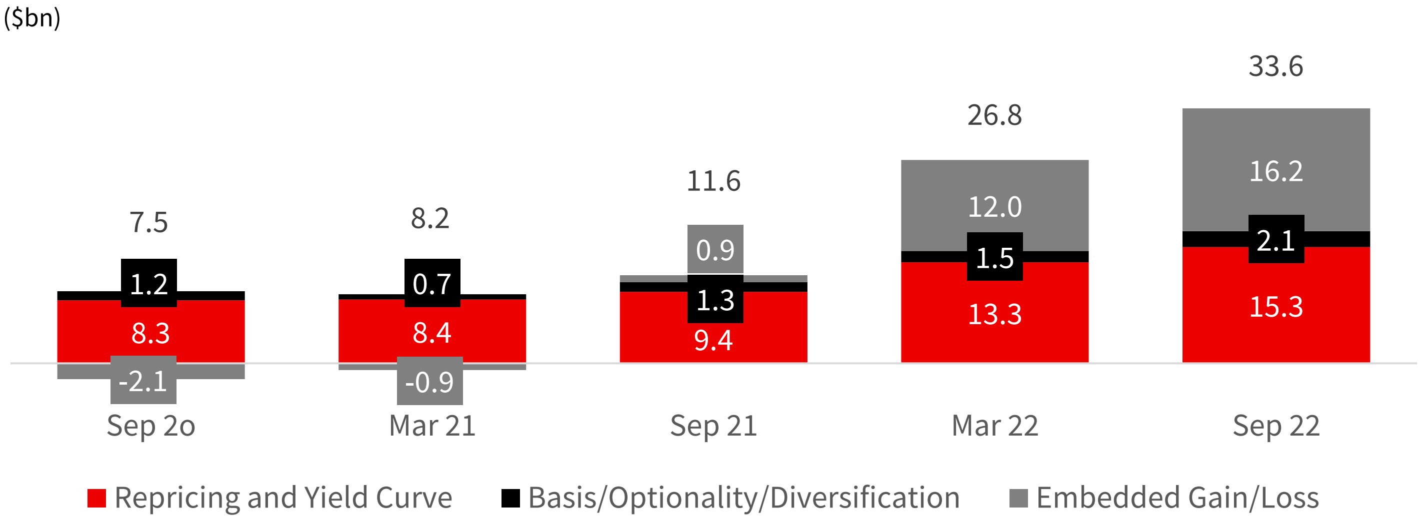
Key messages

- The Investment Term of Capital (IToC) smooths the impact of interest rate volatility on NAB's NIM and earnings profile. NAB currently applies a 3 year IToC
- IRRBB regulatory capital is calculated based on comparison to a 1 year investment term
- As swap rates have risen this has created a $16.2bn RWA requirement related to embedded losses (~45bps of CET1)
- This requirement is expected to largely unwind over the next two years based on current market pricing
- Repricing and yield curve RWA increases due to rate volatility expected to remain steady

Embedded Gain/Loss RWA Run off profile



IRRBB risk weighted assets



Key Sensitivity for Embedded gains/loss:
+/- 10bps swap rates = $0.5bn IRRBB RWA

(1) Refer to key risks, qualifications and assumptions in relation to forward looking statements on page 134

Capital & Deposit hedges

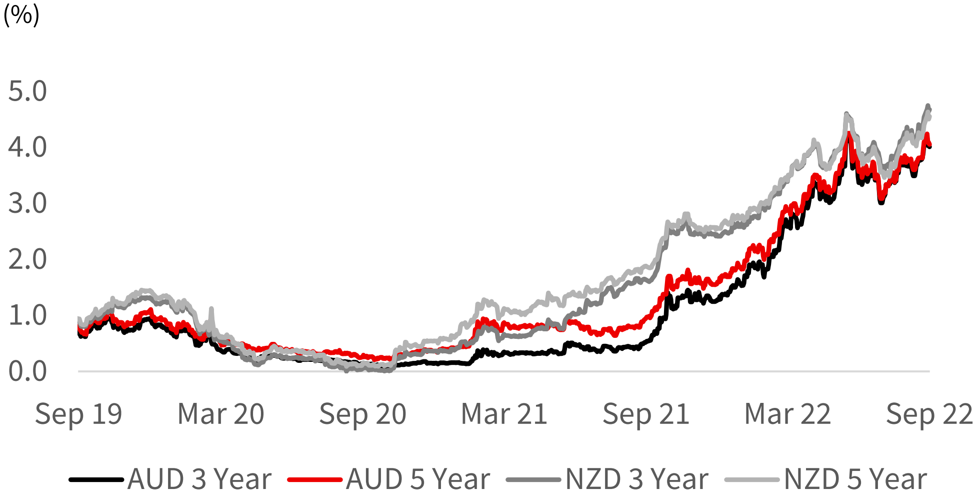
NAB replicating portfolios

Replicating portfolio		
	30 Sep 22 balance	Invested out to term of
Capital	AUD $42bn	3 years
Low rate deposits	AUD $80bn	5 years

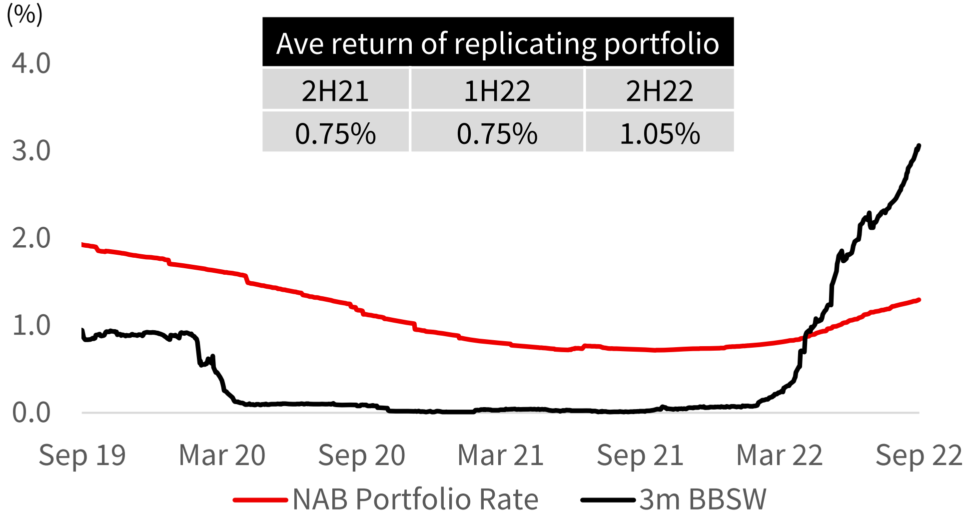
BNZ replicating portfolios

Replicating portfolio		
	30 Sep 22 balance	Invested out to term of
Capital	NZD $10bn	3 years
Low rate deposits	NZD $11bn	5 years

Swap rates[2]

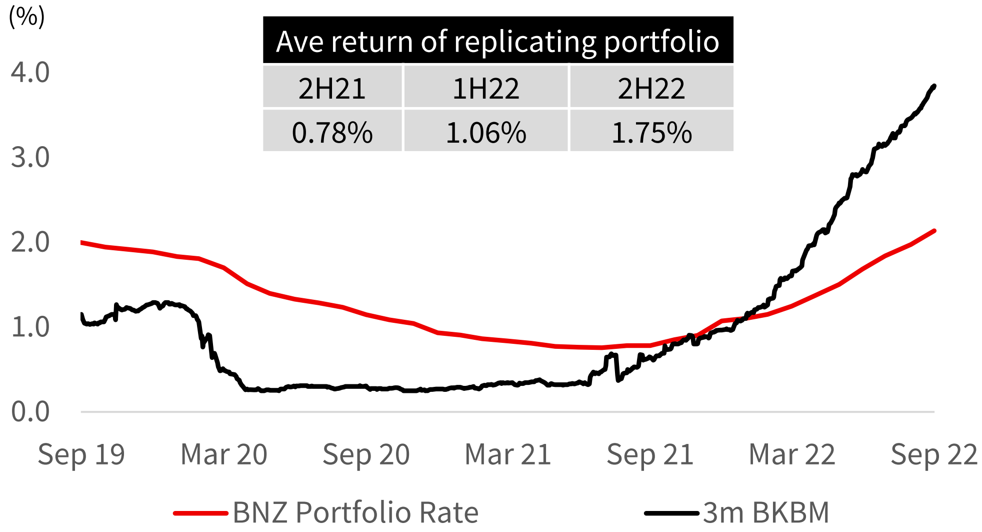


NAB replicating portfolios[1]



Ave return of replicating portfolio		
2H21	1H22	2H22
0.75%	0.75%	1.05%

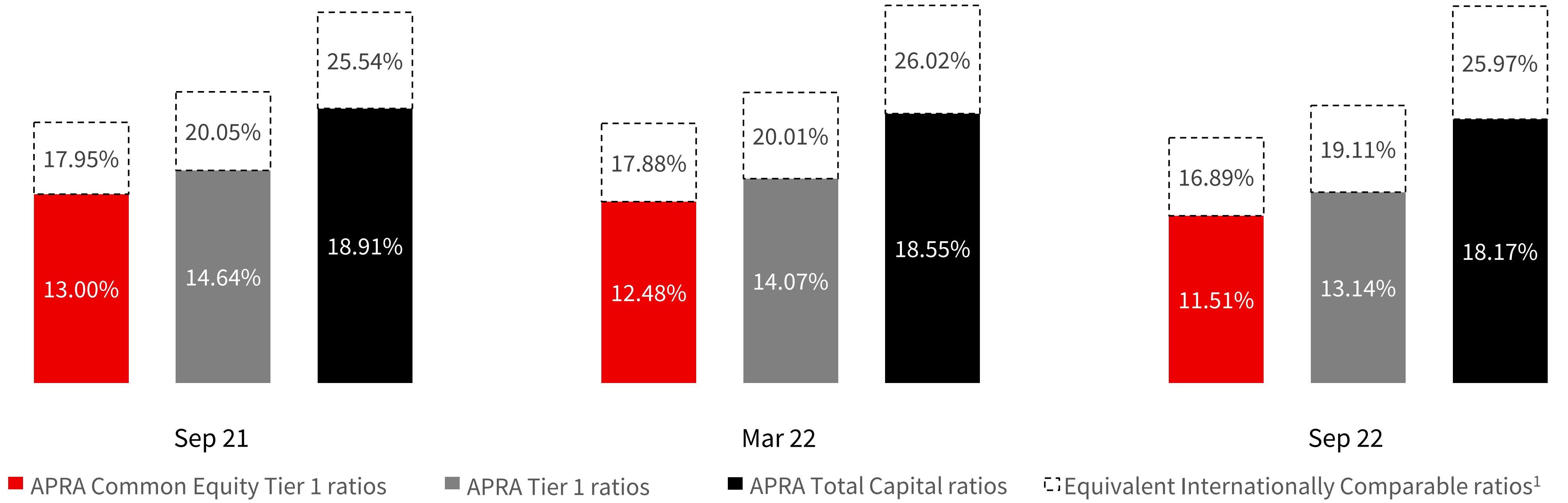
BNZ replicating portfolios[3]



Ave return of replicating portfolio		
2H21	1H22	2H22
0.78%	1.06%	1.75%

(1) Blended replicating portfolio (Australia only). Replicating portfolio includes capital, non-interest bearing and rate insensitive deposits
(2) AUD Swap Rates sourced from Bloomberg and NZD Swap Rates sourced from Reuters
(3) Blended replicating portfolio (New Zealand only). Replicating portfolio includes capital, non-interest bearing and rate insensitive deposits

Group Basel III Capital Ratios



APRA to Internationally Comparable CET1 Ratio Reconciliation	**CET1**
Group CET1 ratio under APRA	11.51%
APRA's Basel capital adequacy standards require a 100% deduction from common equity for deferred tax assets, investments in non-consolidated subsidiaries and equity investments. Under Basel Committee on Banking Supervision (BCBS) such items are concessionally risk weighted if they fall below prescribed thresholds	+65bps
Mortgages – reduction in loss given default floor from 20% to 15% and adjustment for correlation factor	+172bps
Interest rate risk in the banking book (IRRBB) – removal of IRRBB risk weighted assets from Pillar 1 capital requirements	+124bps
Other adjustments including corporate lending adjustments and treatment of specialised lending	+177bps
Group Internationally Comparable CET1	16.89%

(1) Internationally Comparable CET1 ratios align with the APRA study entitled "International capital comparison study" released on 13 July 15

Key regulatory changes impacting capital and funding

national australia bank

Change	2HCY22	CY23	CY24	CY25	CY26
Capital Adequacy (APS 110)		Implementation			
Credit Risk (APS 112/113)		Implementation			
Operational Risk (APS 115) (implemented) [1]					
Market Risk (APS 116)		Finalise		Implementation	
Counterparty Credit Risk (APS 180)	Consult	Finalise		Implementation	
Interest Rate Risk in the Banking Book (APS 117)			Implementation		
Public Disclosures (APS 330)	Finalise		Implementation		
Credit Risk Management (APS 220) (implemented)[2]					
Loss-Absorbing Capacity			Implementation[3]		Implementation[3]
Remuneration (CPS 511)		Implementation			
Recovery and Resolution (CPS 190, CPG 900)	Consult	Finalise	Implementation		

APRA's revisions to ADI capital framework

- Revisions follow the 2017 APRA benchmark of 'unquestionably strong' capital ratios and APRA's discussion paper on 'a more flexible and resilient capital framework for ADIs' released in Dec 20
- Final prudential standards were released in Nov 21, with implementation from 1 Jan 23
- Reporting requirements finalised in Aug 22

APRA funding & liquidity changes

- In September 2021, APRA announced the phasing out of the RBA's CLF by the end of Dec 22 subject to market conditions. The CLF reduction is expected to be offset by ADIs increasing holdings of HQLA. NAB's CLF is $7.8bn at 30 Sep 22
- APRA is engaging with industry on a Post Implementation Review of Basel III liquidity ratios to inform a broader review of liquidity requirements, scheduled for 2023

(1) APRA has provided Advanced Measurement Approach accredited ADIs the option to apply APS 115 Capital Adequacy: Standardised Measurement Approach to Operational Risk from either 1 Jan 22 or 1 Jan 23. NAB implemented the Standardised Measurement Approach on 1 Jan 22
(2) Implemented 1 Sep 22
(3) In Dec 21, APRA finalised Loss-Absorbing Capacity requirements for D-SIBs, set as an increase to minimum Total Capital requirement of 4.5% of RWA from 1 Jan 26. D-SIBs are required to hold the interim setting of an increase to minimum Total Capital requirement of 3% of RWA by 1 Jan 24

APRA's revised capital framework– 'Unquestionably strong'

Summary

- APRA has finalised the revised ADI capital framework, with the aim to:
  - improve flexibility via increasing regulatory capital buffers.
  - implement more risk-sensitive risk-weights.
  - enhance competition via a capital floor for IRB ADIs.
  - improve transparency and comparability through the disclosure of capital ratios under the standardised approach.
- Overall, the revisions will result in a decrease in risk weights, offset by higher minimum capital ratios.
- APRA's new standards for capital adequacy and credit risk capital will come into effect from 1 Jan 23.

Key changes

Mortgages

- Lower risk Owner Occupier, P&I loans attract 1.4x scalar (1.7x scalar for other mortgages)
- Advanced banks can use internal Loss Given Default (LGD) models, subject to APRA approval
- "Non-standard mortgages"[1] attract 100% RWA
- Mortgages with LVR > 80% and LMI, attract 20% discount to LGD estimates

Corporate

- 'Slotting' approach removed and replaced by IRB Corporate modelling with 1.5x scalar
- Credit Conversion Factors (CCFs) for unutilised non-retail exposures reduce from 100% to 40%
- Unsecured non-retail LGDs reduce from 60% to 50%

Other

- 100bps baseline setting for the Countercyclical Capital Buffer
- 475bps setting for Capital Conservation Buffers for D-SIB ADIs
- Therefore, minimum regulatory capital inclusive of buffers for D-SIB ADIs will increase to 10.25%[2]
- Operational Risk measurement moves to Standardised Measurement Approach (SMA)[3]
- RBNZ capital rules begin to apply for New Zealand credit risk exposures from 1 Jan 23 with APRA adjustments and floor

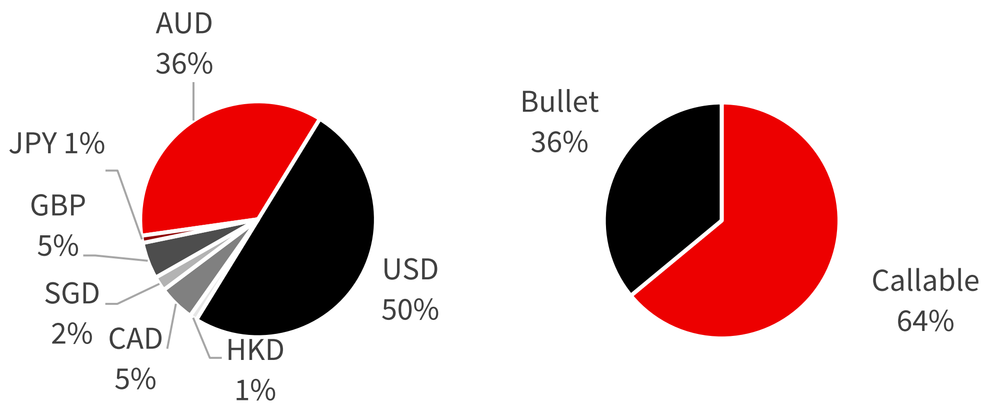
(1) Non standard mortgages are classified as mortgages with both an interest-only period of 5 years or more and an LVR above 80%
(2) APRA has noted their expectation that ADIs will operate within the regulatory buffer range in periods of stress
(3) APRA has provided Advanced Measurement Approach accredited ADIs the option to apply APS 115 Capital Adequacy: Standardised Measurement Approach to Operational Risk from either 1 Jan 22 or 1 Jan 23. NAB implemented the Standardised Measurement Approach on 1 Jan 22

Loss-absorbing capacity

- Based on the Group's RWA and Total Capital position as at 30 Sep 22, NAB has met the incremental Group Total Capital requirement for Jan 24, and has a $6.6bn requirement by Jan 26
- $3.6bn of NAB's existing Tier 2 Capital has optional redemption dates prior to Jan 26, including $1.4bn before Jan 24[1]

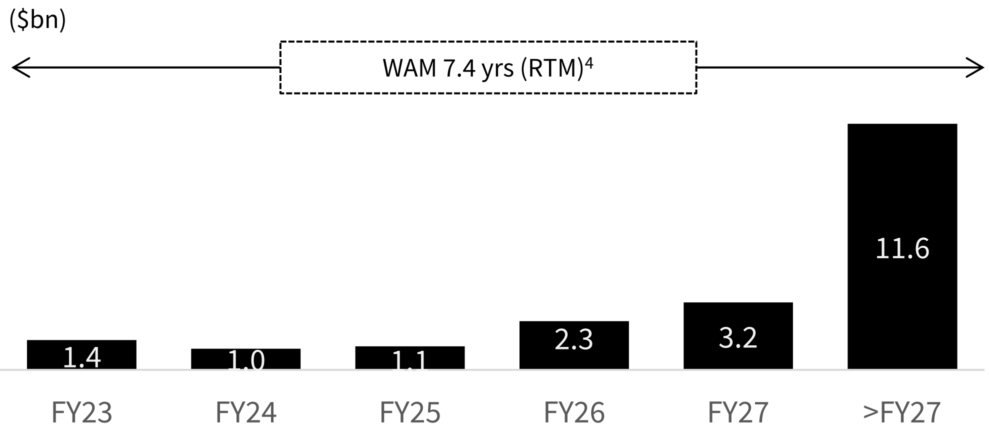
($bn)	Jan-24	Jan-26
Group RWA (at Sep-22)	449.9	449.9
Tier 2 Requirement (5.0% by Jan-24, 6.5% by Jan-26)[2]	22.5	29.2
Existing Tier 2 at Sep-22 (5.0%)	22.6	22.6
Current Shortfall	0	6.6

NAB Tier 2 outstanding issuance



APRA changes to major banks' capital structures[3]

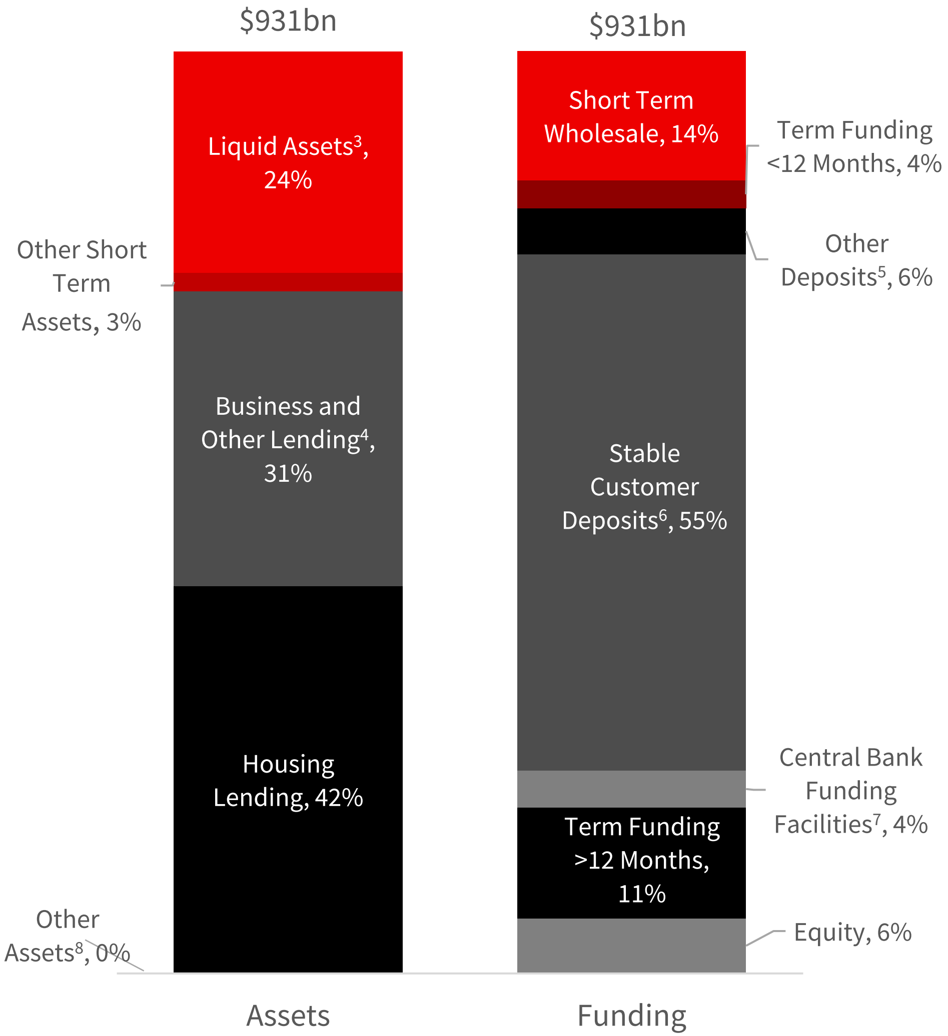
NAB Tier 2 maturities (to first call[1])



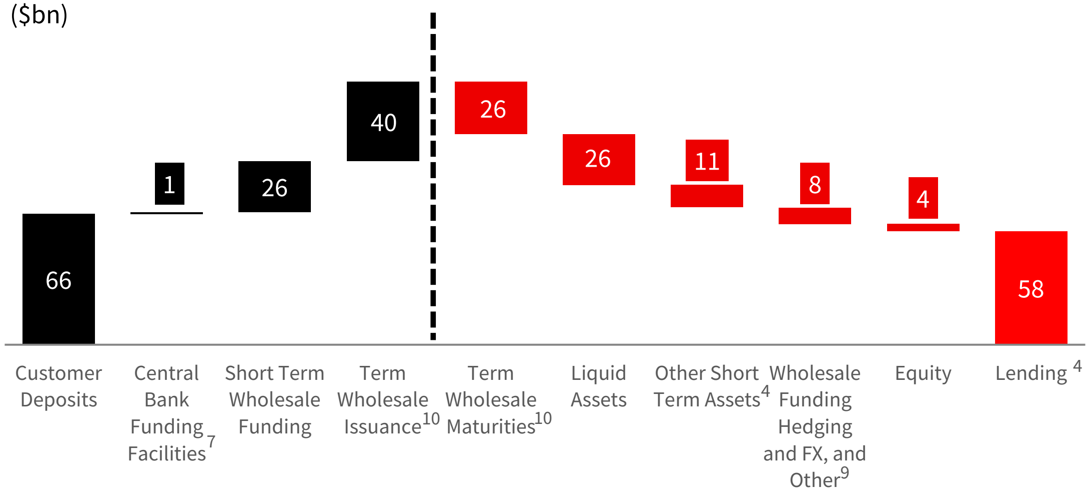
(1) Subject to the prior written approval required by APRA
(2) In Dec 21, APRA finalised Loss-Absorbing Capacity requirements for D-SIBs, set as an increase to minimum Total Capital requirement of 4.5% of RWA from 1 Jan 26. D-SIBs are required to hold the interim setting of an increase to minimum Total Capital requirement of 3% of RWA by 1 Jan 24. $1.9bn of surplus provisions are eligible for inclusion in Tier 2 Capital at 30 Sep 22
(3) Does not include changes from APRA's revised capital framework
(4) Weighted Average Maturity, based on remaining term to maturity or to first optional call date (subject to APRA approval)

Asset Funding[1]

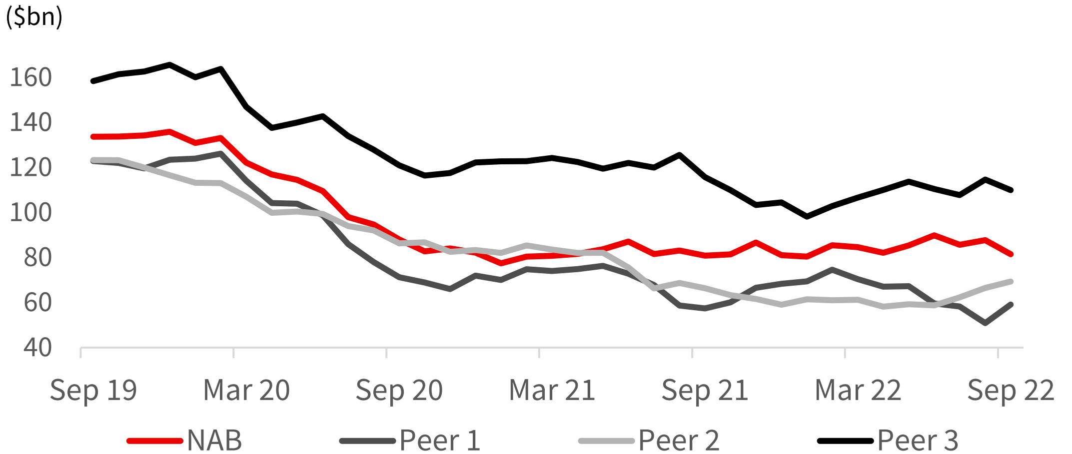
Funded balance sheet[2]



Source and use of funds, 12 months to 30 Sep 22



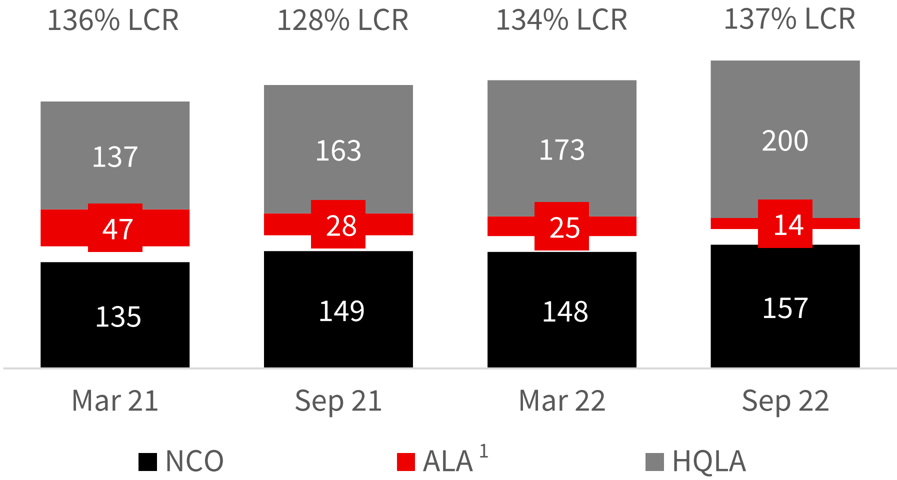
Australian core funding gap[11,12]



(1) All charts include Citi Consumer Business acquisition.
(2) Excludes repurchase agreements as they do not provide net funding.
(3) Market value of marketable securities including HQLA, non-HQLA securities and commodities
(4) Trade finance loans are included in other short-term assets, instead of business and other lending
(5) Includes non-operational financial institution deposits and certain offshore deposits as defined in APRA standard APS 210 *Liquidity*
(6) Includes operational deposits, non-financial corporate deposits and retail / SME deposits and excludes certain offshore deposits as defined in APRA standard APS 210 *Liquidity*
(7) Includes RBA's TFF and RBNZ's TLF and FLP
(8) The net position includes net derivatives, property, plant and equipment, all net of accruals, receivables and payables
(9) Includes the net movement of other assets and other liabilities, net derivatives, term wholesale funding hedging, fair value and FX adjustments
(10) Includes Additional Tier 1 capital instruments
(11) Australian core funding gap = Gross loans and advances plus Acceptances less Total deposits (excluding certificates of deposit)
(12) Statistics as at Sep 22

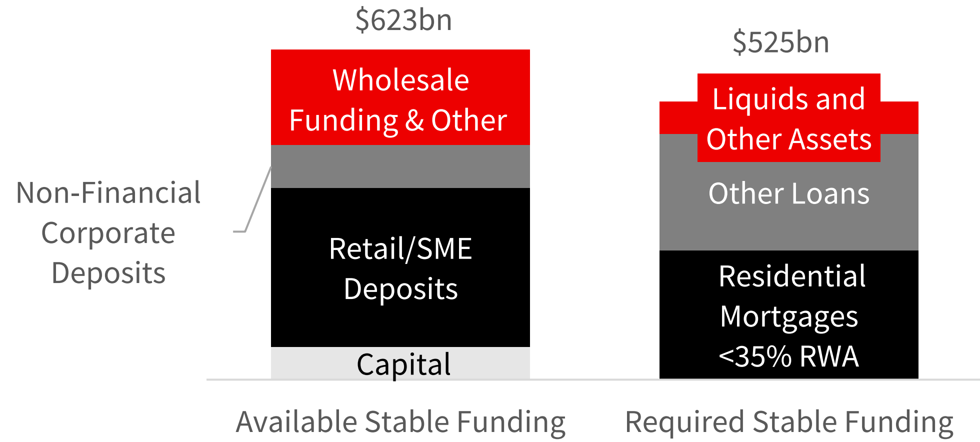
Liquidity

Liquidity coverage ratio (quarterly average)



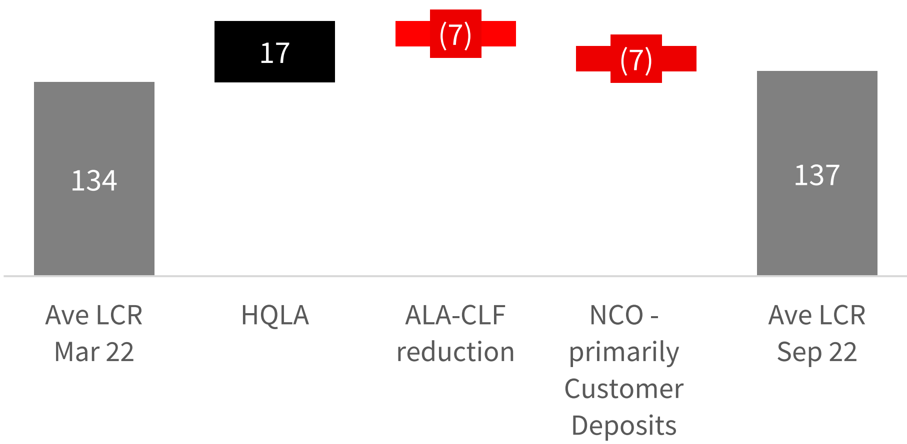
Net stable funding ratio composition

Group NSFR 119% as at 30 Sep 22



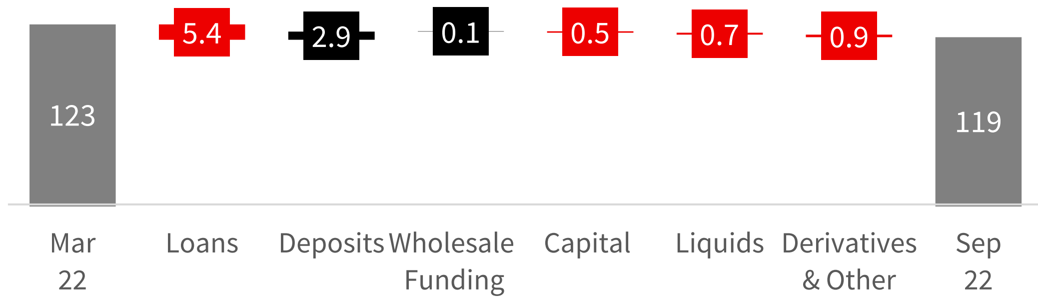
Liquidity coverage ratio movement

(%)



Net stable funding ratio movement

(%)

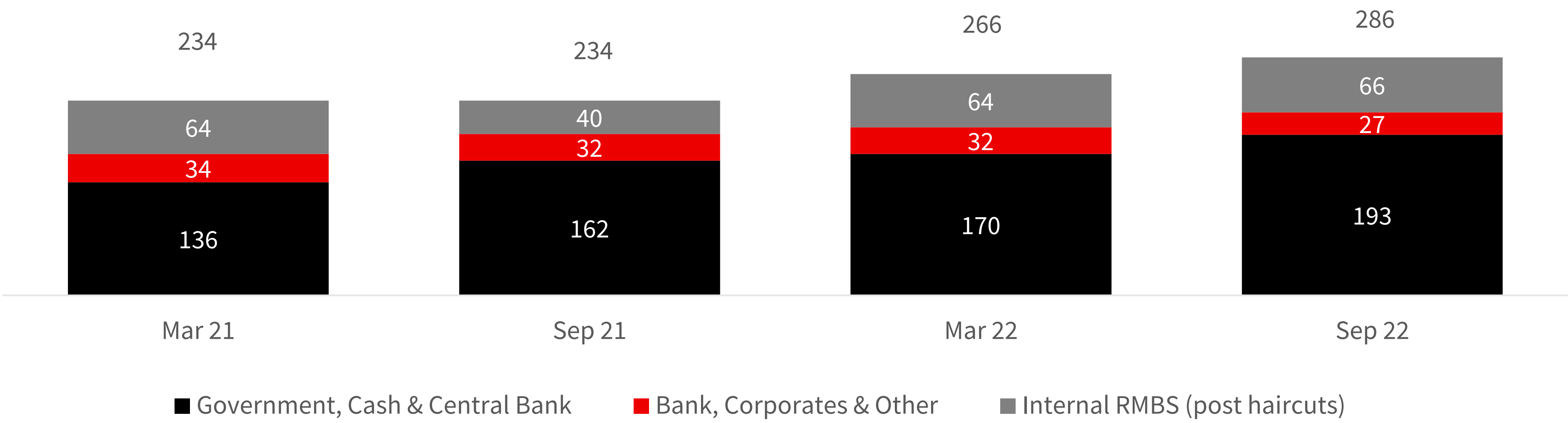


(1) CLF and TFF values used in LCR calculation are the undrawn portion of the facility
(2) Includes CLF reduction impacts

Liquid Assets

Liquid assets[1]

($bn)

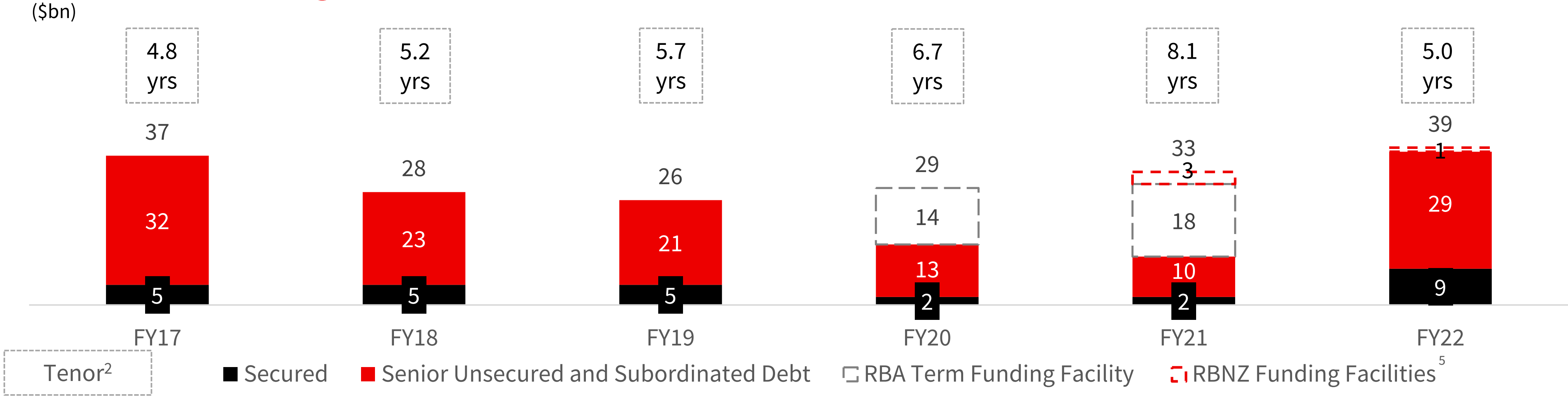


(1) Spot Liquid Assets as at end of each period

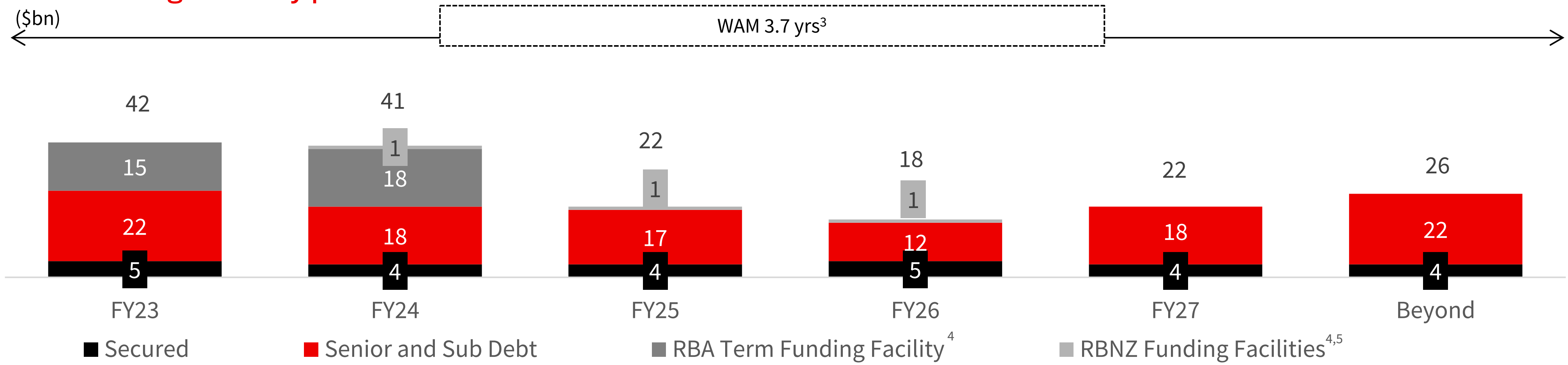
Term wholesale funding profile

national australia bank

Historical term funding issuance[1]



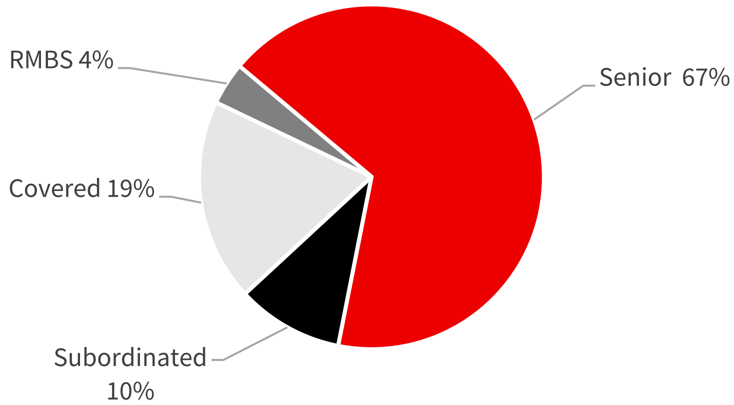
Term funding maturity profile[2]



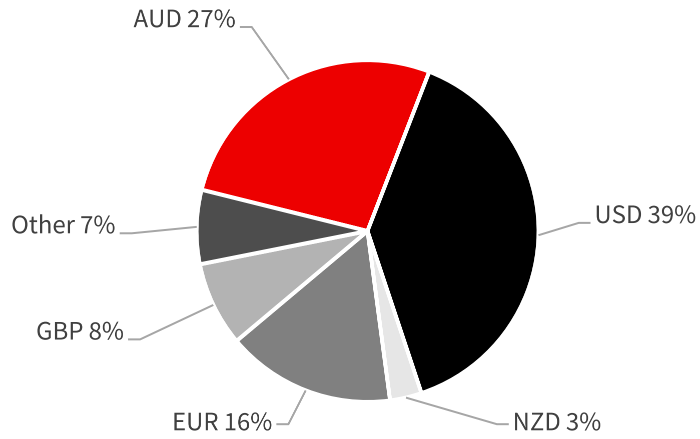
(1) Includes senior unsecured, secured (covered bonds and RMBS) and subordinated debt with an original term to maturity or call date of greater than 12 months, excludes Additional Tier 1 instruments. FX rate measured at time of issuance
(2) Weighted average maturity of new issuance, excludes Additional Tier 1, RMBS, RBA Term Funding Facility and RBNZ funding facilities
(3) Remaining weighted average maturity, excludes Additional Tier 1, RMBS, RBA Term Funding Facility and RBNZ funding facilities
(4) Contractual maturity is based on drawdown date
(5) Includes RBNZ's TLF and FLP

Diversified & flexible term wholesale funding portfolio

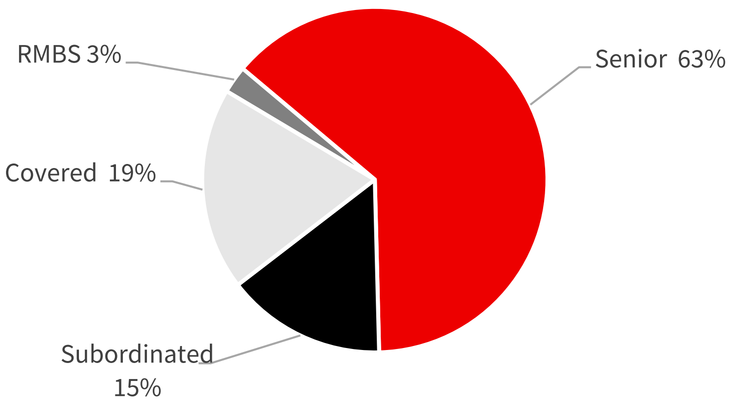
FY22 issuance by product type[1]



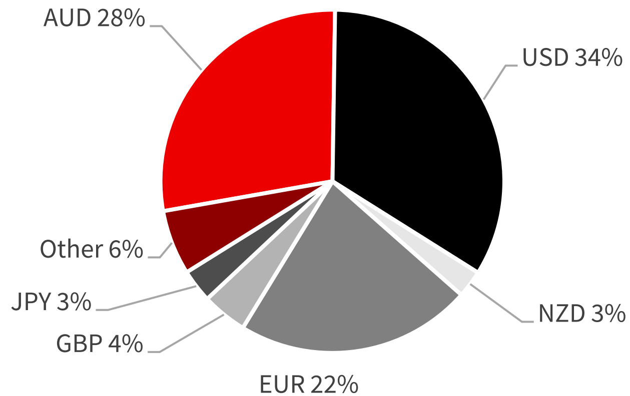
FY22 issuance by currency[1]



Outstanding issuance by product type[1]



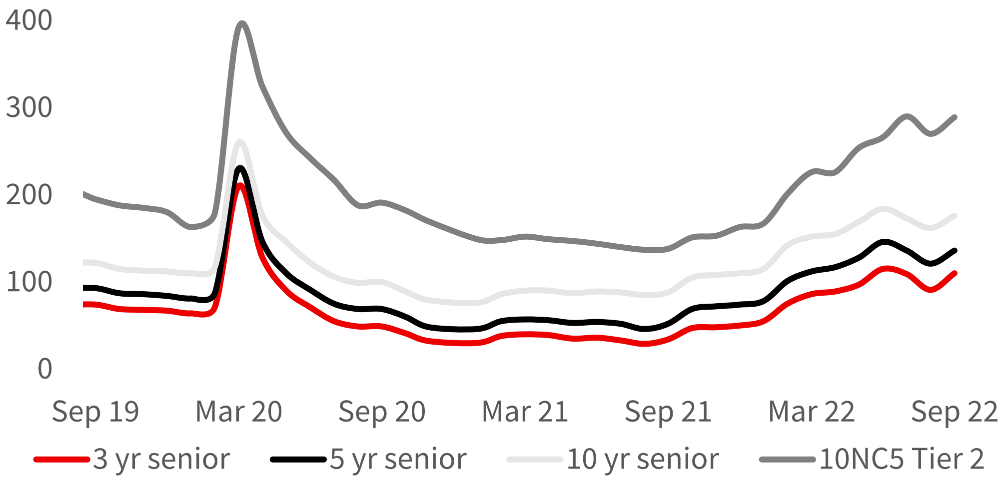
Outstanding issuance by currency[1]



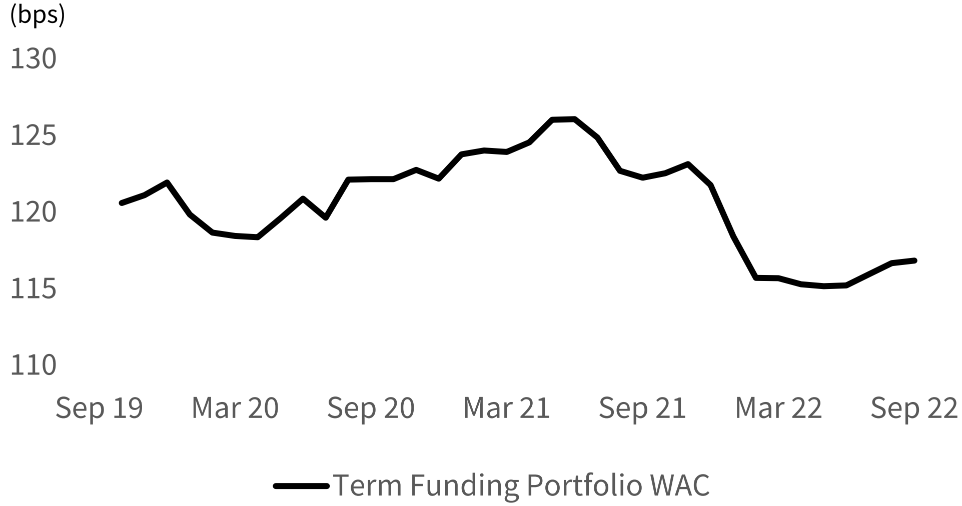
(1) Excludes Additional Tier 1, RBA Term Funding Facility and RBNZ funding facilities

Funding costs

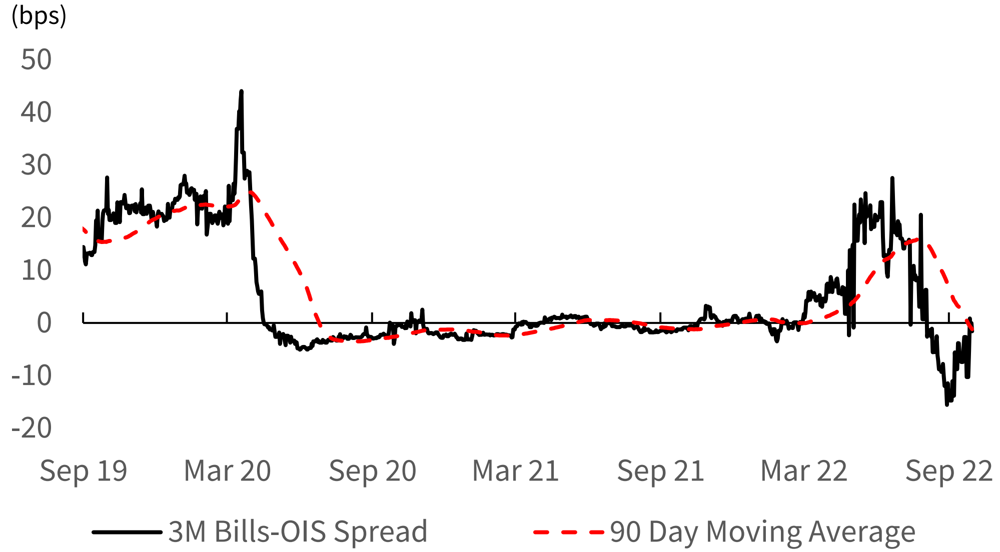
Indicative term wholesale funding issuance costs[1]



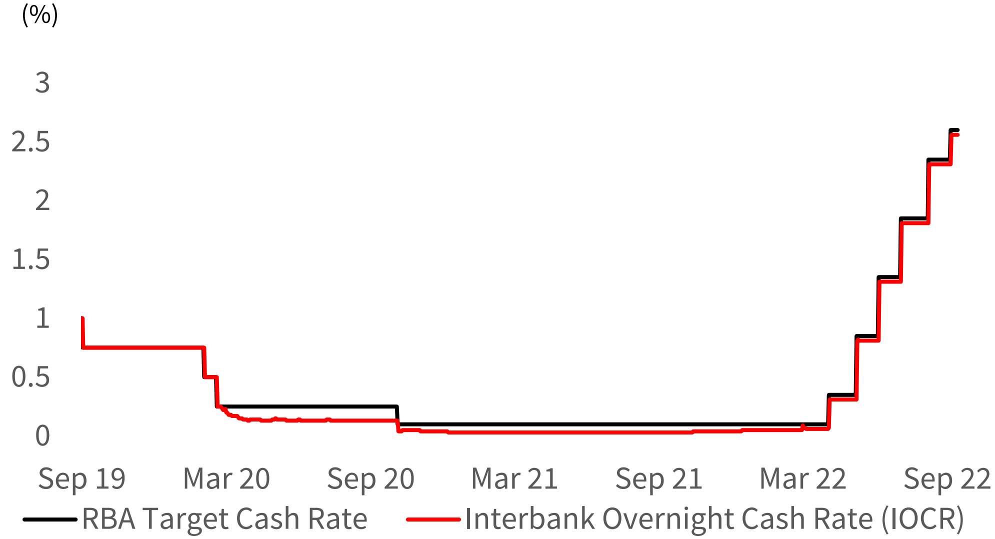
Average term wholesale funding costs[2]



Domestic short term wholesale funding costs[3]



RBA Cash Rate



(1) Indicative major bank wholesale subordinated and senior unsecured funding rates over 3m BBSW using a blend of multi-currency inputs (3 years, 5 years, 10-year non-call 5-years and 10 years)
(2) NAB Ltd term wholesale funding costs >12 months at issuance (spread to 3 month BBSW), includes subordinated debt
(3) Spread between 3 month AUD Bank Bill Swap Rate and Overnight Index Swaps (OIS). Data that is one day after a RBA cash rate change has been smoothed. Source: Bloomberg

Additional information

Sustainability

Sustainability is embedded in our Group Strategy

national australia bank

Commercial responses to society's biggest challenges

Our priorities

- Climate action
- Affordable and specialist housing
- Indigenous business

Resilient and sustainable business practices

- Colleagues and culture
- Inclusive banking
- Environmental, Social and Governance (ESG) risk management
- Supply chain management
- Human rights, including modern slavery

Innovating for the future

- Our future core business and market-leading data analytics
- Partnerships that matter

Aligned to six key United Nations Sustainable Development Goals[1] – where we can make the biggest impact

(1) www.un.org/sustainabledevelopment

Four key pillars to our climate strategy

Grow by supporting our customers to decarbonise and to build resilience

- Supporting customers with their transition plans and working with 100 of our largest GHG emitting customers – completed maturity transition assessments for 86
- A leader in sustainable finance solutions, providing \$70.8bn in environmental financing since 2015[1], meeting and exceeding our target of \$70bn by 2025
- Developing product offerings across divisions

Reducing financed emissions

- Member of Net Zero Banking Alliance
- Goal of aligning with pathways to net zero by 2050, consistent with limiting warming to 1.5°C above pre-industrial levels by 2100

We have set interim sector decarbonisation targets for four of our most emissions-intensive sectors.
Details available in our 2022 Climate Report

Investing in climate capabilities

- Investing in colleagues, technology and processes, and risk management
- Chief Climate Officer role created and recruitment process underway
- Completed the APRA-led Climate Vulnerability Assessment

Reducing operational emissions

- Certified carbon neutral in operations since 2010 through Climate Active[2]
- Sourced renewable energy for 72% of Group electricity consumption
- 74% reduction in operational GHG emissions against a 30 June 2015 baseline[3]

(1) Represented as a cumulative flow of new environmental finance since 1 October 2015. Refer to the Group's 2022 Climate Report for reference to how the environmental financing target is calculated
(2) Certified carbon neutral since 1 July 2010. NAB has a forward purchasing approach and forward purchased and retired offsets for the environmental reporting year (1 July 2010 to 30 June 2011) to be carbon neutral for 2011 and meet certification obligations, under the Australian Government's Carbon Neutral Program, now administered by Climate Active
(3) Significant progress demonstrated since 2020 against the Group's science-based target to reduce operational Scope 1 and 2, however, performance has been influenced by COVID-19 impacts and we do not expect all of the reductions achieved to date to be permanent. Includes our net operational Scope 1 and 2 GHG emissions, 2021 and 2022 figures calculated using a market-based approach

Grow by supporting our customers to decarbonise

A leader in sustainable financing

#1 Australian bank for Global renewables transactions[1]

$70.8bn in environmental financing since 2015, met and exceeded target of $70bn by 2025[2]

$11bn raised for customers through green, social and sustainability-linked bonds[3] supported by the Group

$22bn raised for customers through green, social and sustainability-linked loans[3] supported by the Group

- Closed first sustainability-linked derivative in New Zealand and multiple deals for global and domestic clients

Ongoing focus on innovative sustainable financing

- Co-led North Queensland Airports (NQA) innovative sustainability-linked loan helping to address climate change, biodiversity and employment of First Nations peoples

Image: NQA Environment Manager with Dawul Wuru Aboriginal Corporation Senior Ranger and Dawul Wuru Aboriginal Corporation Project Manager

Developing product offerings across divisions

- Offering eligible home loan customers[4] lower variable rates on homes that meet energy efficient criteria
- Completed a pilot transfer of Carbon Credits on behalf of Visa through Carbonplace, a global carbon credit transaction network for voluntary carbon credits[5]
- Partnered with BlackRock to make three ETFs (Exchange Traded Funds), including globally diversified and sustainable multi-asset portfolios, more accessible for Australian investors
- Working towards the commercial launch of our Agri Green Loan product

(1) Rankings based on IJGlobal League Table MLA, Renewables, both cumulative data from 1 Jan 2010 to 30 September 2022 and for the 12 months ending 30 September 2022
(2) Represented as a cumulative flow of new environmental finance since 1 October 2015. Refer to the Group's 2022 Climate Report for reference to how the environmental financing target is calculated
(3) Total value of bonds and loans presented based on principal value. Designation of "green, social, sustainability and sustainability-linked" based on application of relevant external guidelines and principles (e.g. the ICMA Green/Social/ Sustainability-Linked Bond Principles, ICMA Sustainability Bond Guidelines, LMA/APLMA/LSTA) Green/Social/ Sustainability-Linked Loan Principles. Figures presented represent total bond and total loan size, and do not represent NAB's notional allocation/loan commitment
(4) Customers with a Loan to Value Ratio greater than 80% making principal and interest repayments on a Base Variable Lending Rate home loan or Tailored Home Loan may be eligible for lower variable rates of up to 1%. Properties must have a minimum NatHERS 7-star rating or a Green Building Council of Australia Green Star rating
(5) The platform is being developed in partnership with 8 other banks - CIBC, Itaú Unibanco, NatWest, UBS, Standard Chartered, Sumitomo Mitsui Banking Corporation, BNP Paribas, and BBVA

Grow by supporting our customers to decarbonise

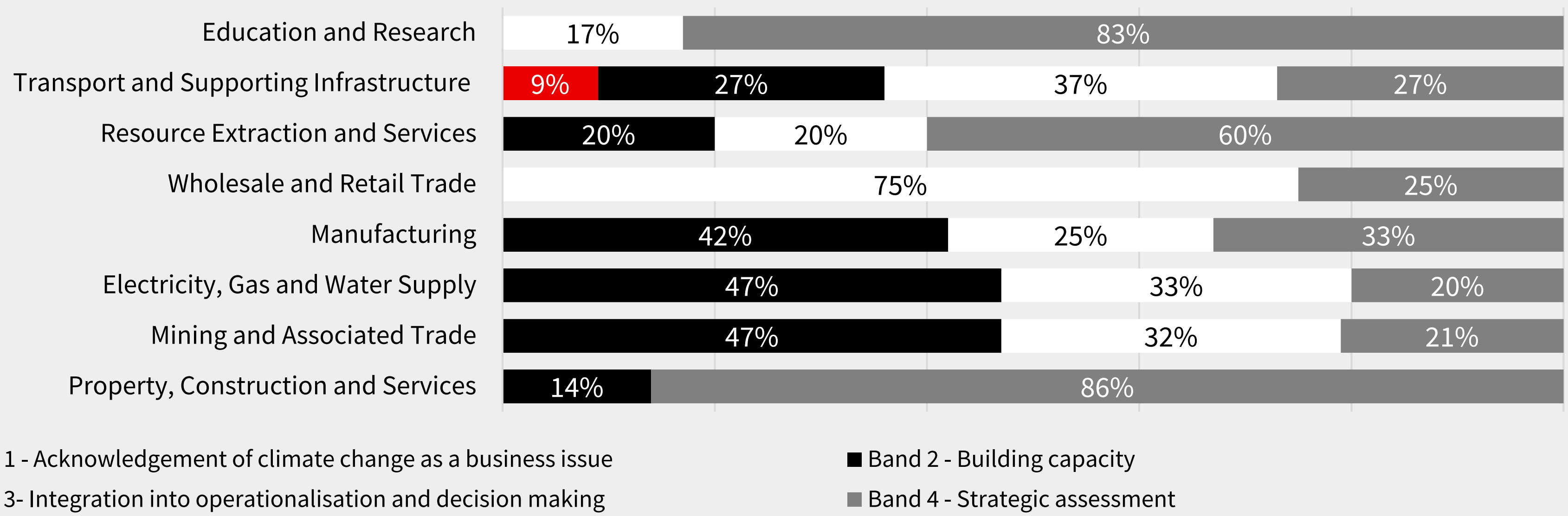
Supporting customers with their transition plans

- In 2020, set a target to work with 100 largest GHG emitting customers by September 2023 to support them as they develop or improve transition plans
- Completed transition maturity assessments for 86 of these customers
- Seek to further embed customer transition assessments in our processes

Transition maturity assessment completed for 86 customers

- 100% acknowledge climate change as a business issue
- 76% have committed to the Taskforce on Climate-Related Financial Disclosures (TCFD) framework
- 63% have set a goal to be net zero by 2050 or sooner

Transition maturity of 86 of our largest emitting customers by sector[1]



(1) The Diagnostic assists in the classification of transition maturity in the following bands: 0 – Unaware of (or not acknowledging) climate change as a business issue, 1 – Acknowledgement of climate change as a business issue, 2 – Building capacity, 3 – Integration into operational decision making, 4 – Strategic assessment. Percentage breakdown per sector may not sum to 100 due to rounding

Investing in climate capabilities

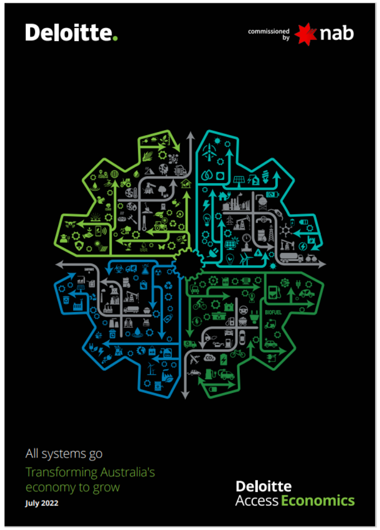
Investing in colleagues to support customer transition

- >100 corporate and institutional bankers enrolled in the FINSIA/Chartered Banker Institute 'Green and Sustainable Finance' qualification
- In addition to 75 corporate and institutional bankers, 50 agri bankers also completed climate training in partnership with University of Melbourne Business School
    - Tailored version to be delivered to more than 300 agri bankers by end of December 2022
- All colleagues provided with an updated climate risk module in mandatory Risk Awareness training

Effective governance and managing climate risk

- Chief Climate Officer role created and recruitment process underway
- Completed APRA's Climate Vulnerability Assessment to further understand the physical and transition risks of climate change
- Released a standalone TCFD aligned Climate Report

Involvement in partnerships, research and industry initiatives



- Commissioned "All Systems Go: Transforming Australia's Economy To Grow" by Deloitte Access Economics assessing economic opportunity in a net-zero economy, which forecasted
    - $70bn capital reallocated away from emissions-intensive assets by 2030
    - $420 billion in new investment required across the economy by 2050
- Working with Downforce Technologies to pilot remote soil carbon measurement technology with 20 of NAB's customers
- In partnership with IAG and Bluescope Steel, supported the Bushfire Building Council of Australia and CSIRO to develop the Bushfire Resilience Star Rating System
- Supported the Australian Banking Association's development of an industry climate roadmap

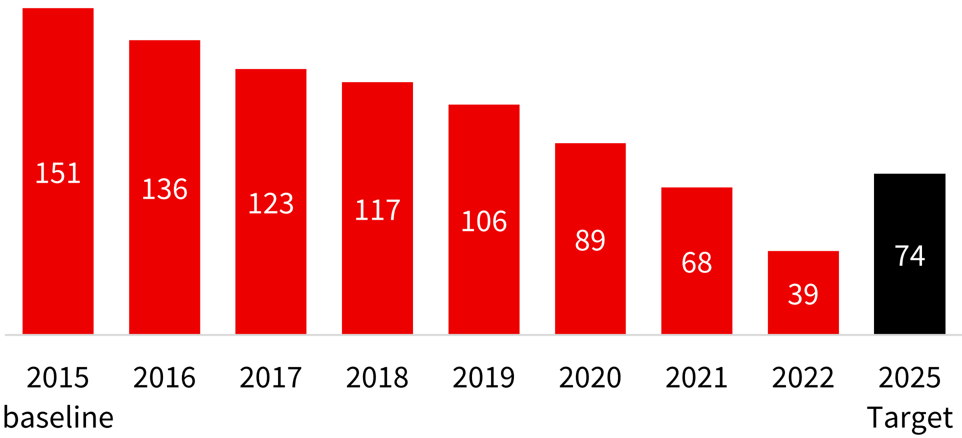
Reducing operational emissions

Working to achieve net zero emissions in our operations

- 74% reduction in Scope 1 and Scope 2 emissions as at 30 June 2022, against a 30 June 2015 baseline[1]
- 72% of electricity consumption from renewable sources, increased from 31% prior year, against target of 100% by 30 June 2025[2]
- Certified carbon neutral in operations since 2010 through Climate Active[3]
- Performance against targets has continued to be influenced by COVID-19 impacts (e.g. reduction in travel, building shutdowns), although efficiencies due to the consolidation of NAB's commercial office buildings have also reduced energy usage and associated emissions

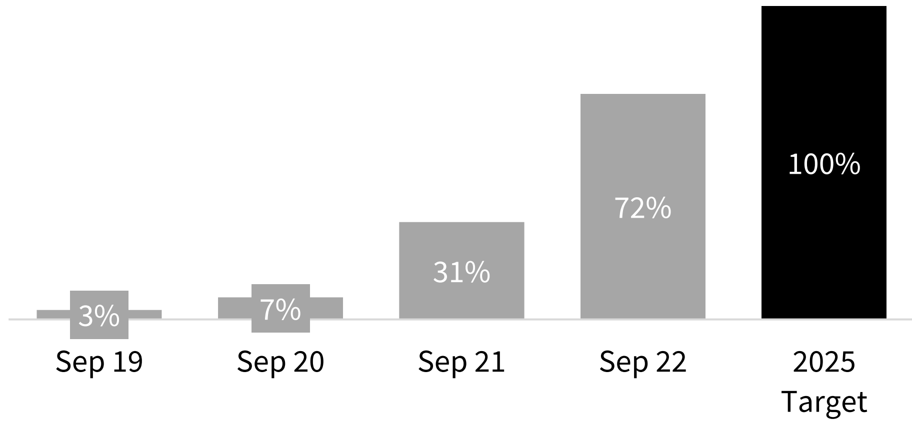
Group operational GHG emissions (Scope 1 & 2)[1]

(tCO_2-e 000's)



Group electricity consumption from renewable sources[2]

(% of total electricity consumption)



(1) Since 2020, significant progress has been made towards the Group's 2025 science-based target. Reduction achieved through additional sourcing of renewable energy, increased efficiency in property network and temporary reductions due to COVID-19. We do not expect all of the COVID-19 related reductions achieved to date to be permanent. Includes net operational Scope 1 and 2 GHG emissions, 2021 and 2022 figures calculated using a market-based approach. NAB will review this target in 2023. Refer to NAB's 2022 Sustainability Data Pack for more information, see nab.com.au/annualreports

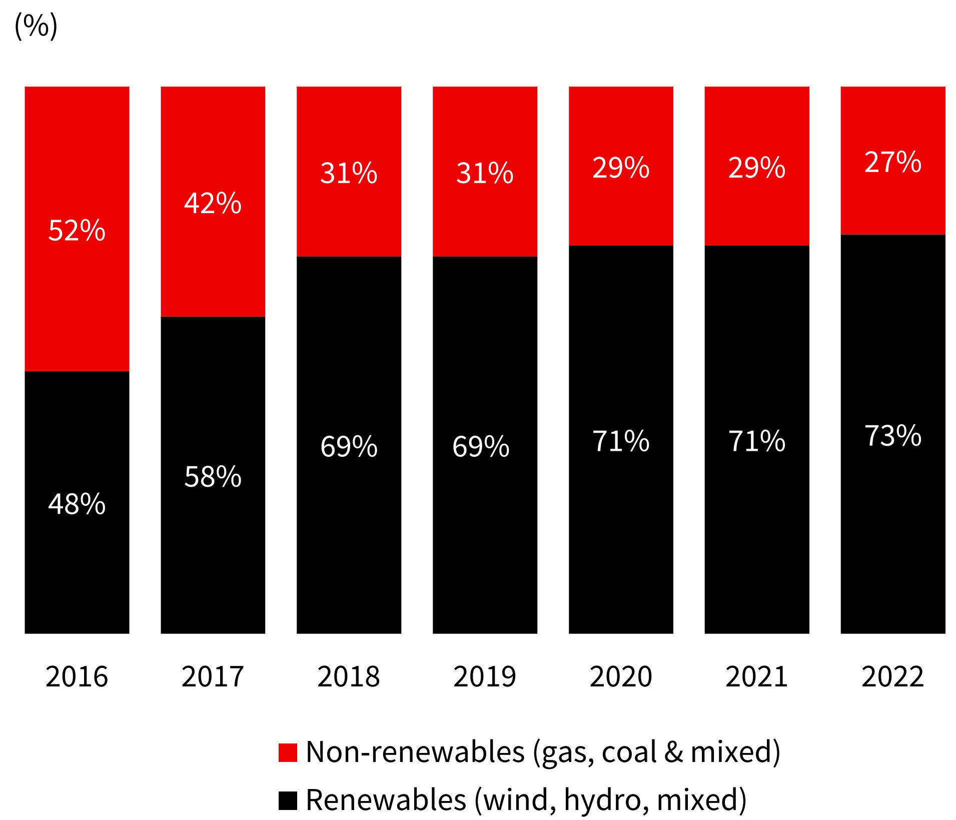
(2) NAB's operational environmental numbers are reported on a July-June performance period. Progress towards NAB's RE100 target has been influenced by COVID-19 and a resultant decrease in electricity consumption. We do not expect all progress achieved to date to be permanent

(3) Certified carbon neutral since 1 July 2010. NAB has a forward purchasing approach and forward purchased and retired offsets for the environmental reporting year (1 July 2010 to 30 June 2011) to be carbon neutral for 2011 and meet certification obligations, under the Australian Government's Carbon Neutral Program, now administered by Climate Active

Energy generation exposures

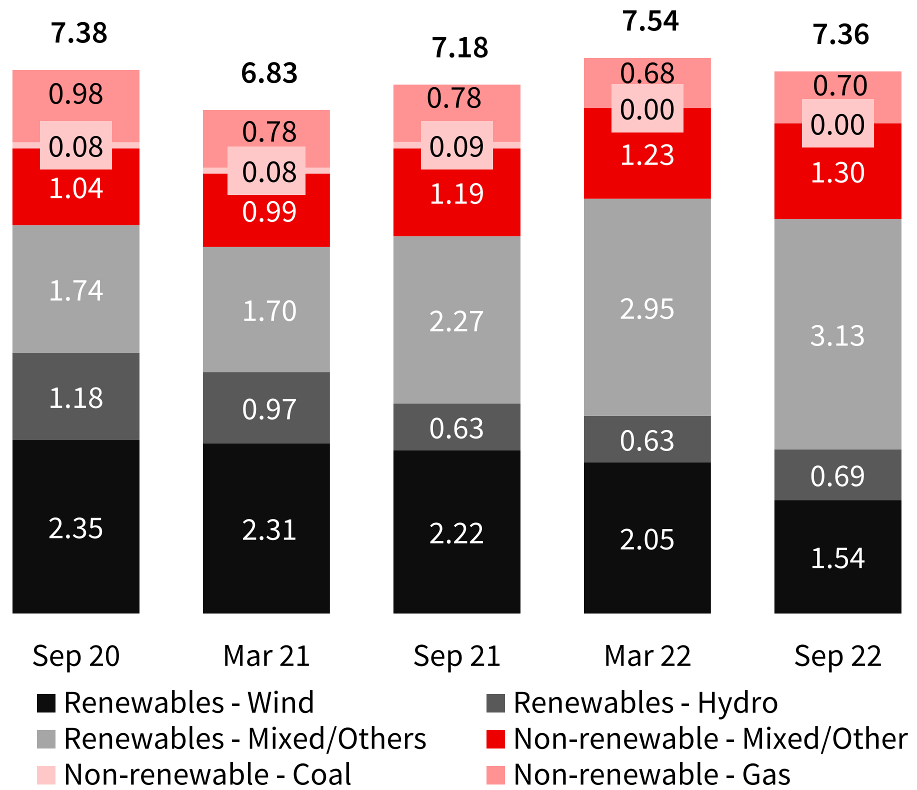
73% of energy generation financing is to renewables

Energy generation EAD split by renewable and non-renewable



Energy generation EAD by fuel source[1]

(AUD$bn)

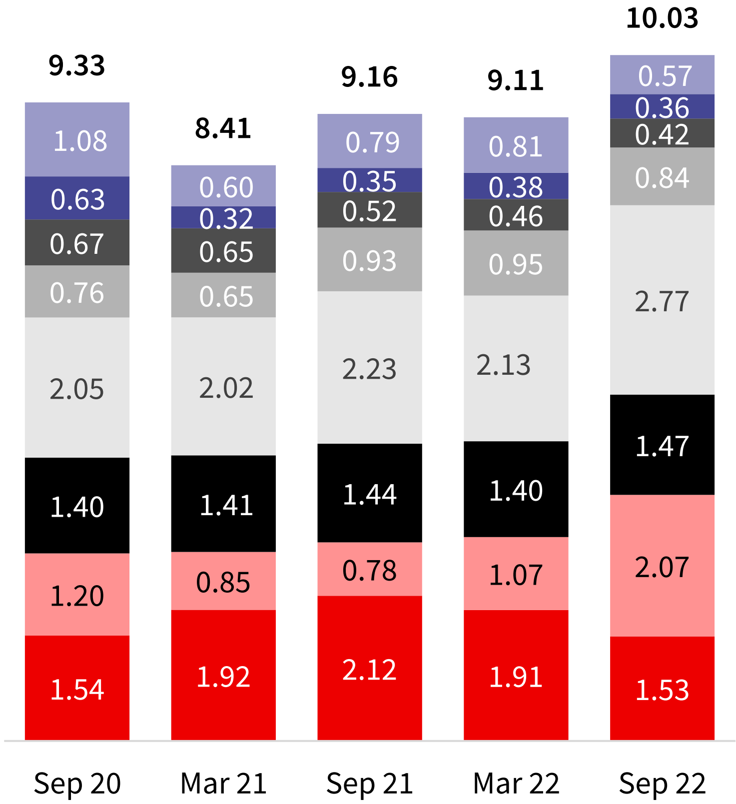


- Steady increase in financing for renewable energy over time, to now be 73% of total energy generation
- Change in portfolio exposures by fuel source in past year primarily due to a decline in direct financing to wind projects, partially offset by increase in financing to customers classified as mixed portfolio of renewable generation

(1) NAB methodology (based upon the 1993 ANZSIC codes) at net EAD basis. Excludes exposure to counterparties predominantly involved in transmission and distribution. Vertically integrated retailers included and categorised as renewable where majority of their generation activities sourced from renewable energy. NAB has no direct lending to coal-fired power generation assets remaining, however there is indirect exposure to coal- fired power within the Mixed Fuel category as a result of NAB's corporate level exposure impact

Resources exposures

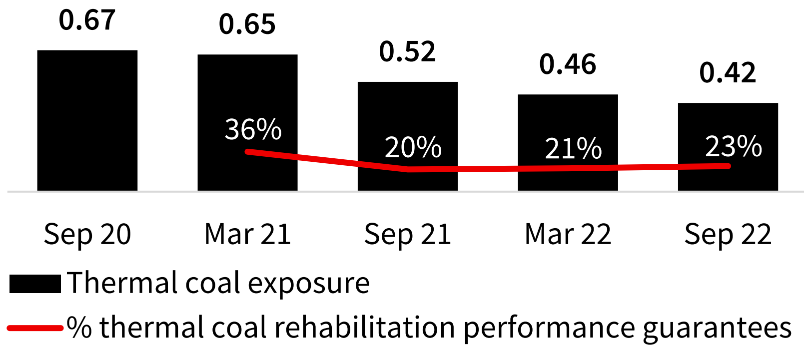
Resources (AUDbn) exposure by type



2H22 movement relates to market instruments, largely driven by significant passive movements in foreign exchange positions across existing portfolio

- Oil & Gas Extraction[1] (Lending exposures)
- Oil & Gas Extraction[1] (Other exposures)
- Mining Services
- Other Mining
- Iron Ore Mining
- Thermal Coal Mining
- Metallurgical Coal Mining
- Gold Ore Mining

Thermal coal mining (AUDbn) exposure[2,3]



Oil & Gas extraction – lending only (USDbn) exposure[4]

- Oil and gas (lending exposures) presented in USD as majority of lending is denominated in USD
- NAB's NZBA-aligned oil and gas sector target (See Climate Report) guides intended financed emissions reduction

(1) Oil and gas extraction EAD includes lending (e.g. revolving/term lending and guarantees) and other markets-related exposures (e.g. derivatives, foreign exchange, repurchase agreements)
(2) Thermal coal EAD includes direct exposure to customers whose primary activity is thermal coal mining. EAD for these caps includes lending, derivatives and performance guarantees for the rehabilitation of existing assets. Excludes metallurgical coal mining and diversified mining customers. NAB's NZBA-aligned sector decarbonisation target includes diversified mining customers with revenue >5% from direct sale of thermal coal and excludes metallurgical coal mining customers
(3) % of thermal coal EAD for performance guarantees to rehabilitate existing assets available from March 2021
(4) Relevant exposure conversions based on rates of AUD/USD 0.72115 (Sep 21); AUD/USD 0.74855 (Mar 22); and AUD/USD 0.64925 (Sep 22)

Our responses to society's biggest challenges

national australia bank

Affordable and specialist housing

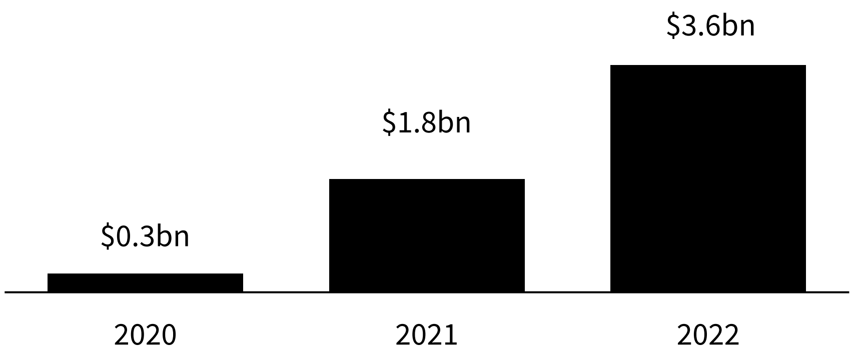
- Surpassed our existing target[1] to provide cumulative $2bn (since 2020) in affordable and specialist housing financing by 2023, reaching $3.6bn in 2022. Currently working on future ambition.
- Focused on priority areas where we can have the biggest impact:
  - First home buyers
  - Specialist Disability Accommodation
  - Social, affordable, community housing

Supporting Indigenous Australians

- Launch of NAB's Indigenous Business Strategy, investing in a new team of specialist bankers to support Indigenous businesses to develop and grow
- 8,044 Indigenous customers supported through microfinance loans
- Spent $4.1m with Indigenous businesses through NAB's supply chain
- Pledged support for the "From the Heart" campaign, which is leading the call to the Australian public to come together and vote in favour of change to the Constitution

Progress against $2bn financing target to support affordable and specialist housing

(Cumulative $bn)



Designed by Marcus Lee.

NAB launched an Indigenous star, recommended by NAB colleague, and Kamilaroi Aboriginal man Kieran Cain-Hall to recognise the contribution of Indigenous Australians to NAB's success, and NAB's ambition to drive positive outcomes for Indigenous Australians.

(1) Cumulative total from target start date 1st October 2019. Affordable and specialist housing includes affordable housing, specialist disability accommodation, sustainable housing. This includes loans made under the Home Guarantee Scheme (previously First Home Loan Deposit Scheme) for properties under the national median house price, and for borrowers with taxable income below the national median household income. Progress is based on total lending facilities committed, where first drawdown occurred during the target period. This number does not reflect debt balance. Only the 2022 and 2021 portion of the cumulative progress figure has been assured by EY

ESG governance and performance

Board committees

Audit Committee	Customer Committee	Nomination & Governance Committee	People & Remuneration Committee	Risk & Compliance Committee
Chair: David Armstrong	Chair: Ann Sherry	Chair: Philip Chronican	Chair: Anne Loveridge	Chair: Simon McKeon

Updates on ESG risks are provided to the Board Risk & Compliance Committee and Board as appropriate

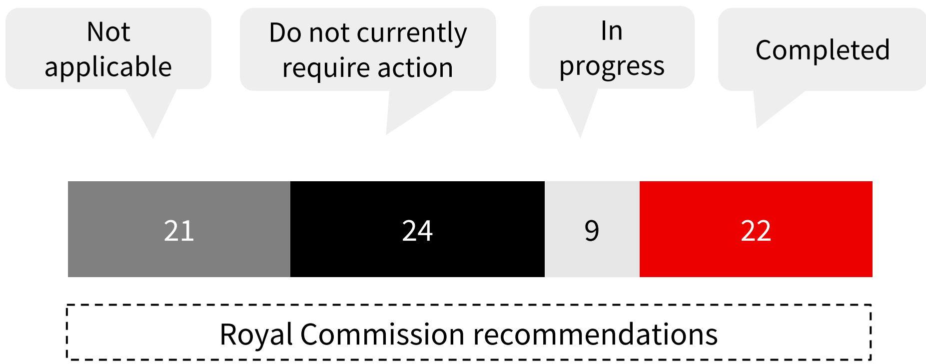
Executive ESG-related committees and councils

Sustainability Council	Executive Risk & Compliance Committee	Group Asset & Liability Committee	Group Credit & Market Risk Committee
Chair: Les Matheson	Chair: Shaun Dooley	Chair: Gary Lennon	Chair: David Gall

Implementation of APRA self-assessment actions and Royal Commission recommendations

- Of 26 actions identified in NAB's 2018 Self-Assessment, all are now embedded and closed
- NAB has provided evidence in support of closure to APRA and continues to engage with APRA regarding formal closure of the Governance and Risk Transformation program, which brought together the issues identified in the self-assessment
- Reform program has driven improvement in governance, accountability and culture, to address the root causes of past failings
- The voice of the customer is now firmly represented, executive accountabilities are clear due to updated operating model and risk committee governance structure has improved ownership and accountability for risks and issues

- Actively Implementing all applicable reforms following the Banking & Financial Services Royal Commission



Additional information

Economic data

Australia and NZ key economic indicators

Australian economic indicators (%)[1]

	CY20	CY21	CY22(f)	CY23(f)	CY24(f)
GDP growth[2]	-0.7	4.5	2.5	0.8	0.9
Unemployment[3]	6.8	4.7	3.5	4.2	4.5
Trimmed-mean inflation[4]	1.2	2.6	6.8	4.0	3.2
Cash rate target[3]	0.10	0.10	3.10	3.60	2.85

NZ economic indicators (%)[1]

	CY20	CY21	CY22(f)	CY23(f)	CY24(f)
GDP growth[2]	0.3	3.0	2.8	-0.1	2.5
Unemployment[3]	4.9	3.2	3.2	3.7	4.2
Inflation[4]	1.4	5.9	6.2	3.0	1.9
Cash rate (OCR)[3]	0.25	0.75	4.25	4.25	3.25

Australian system growth (%)[5]

	FY20	FY21	FY22	FY23(f)	FY24(f)
Housing	3.3	6.5	7.3	2.5	3.5
Personal	-12.9	-5.3	0.1	0.0	2.0
Business	1.9	4.5	14.7	3.6	3.0
Total lending	1.9	5.2	9.4	2.8	3.3
System deposits	11.8	8.2	7.6	1.9	2.1

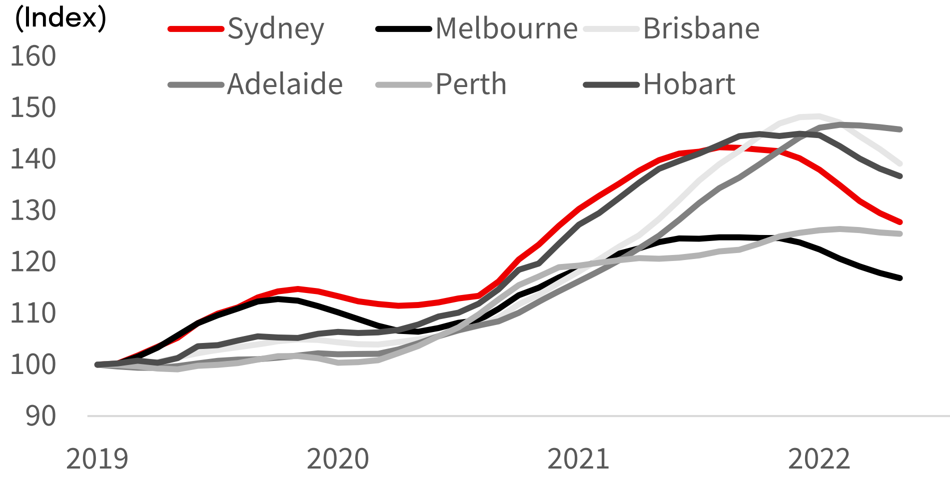
NZ system growth (%)[5]

	FY20	FY21	FY22	FY23(f)	FY24(f)
Housing	6.8	11.6	5.7	1.1	3.4
Personal	-11.5	-8.6	1.1	-0.4	-1.2
Business	-1.5	1.5	5.7	3.8	1.8
Total lending	2.9	7.3	5.6	2.0	2.7
Household retail deposits	9.4	4.5	7.7	2.0	2.7

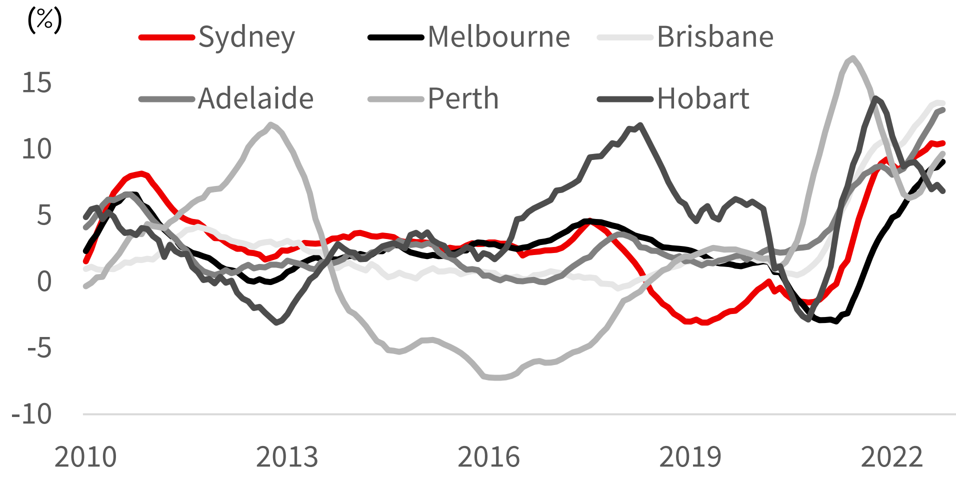
(1) Sources: ABS, Econdata DX, RBA, RBNZ, Stats NZ, NAB Economics
(2) December quarter on December quarter of previous year
(3) As at December quarter
(4) December quarter on December quarter of previous year. For Australia, trimmed-mean measure of underlying inflation
(5) Source: RBA, RBNZ, NAB. Bank fiscal year-ended (September). NZ business credit includes credit to Agriculture and is calculated from break adjusted data

Housing market has softened but vacancies are low

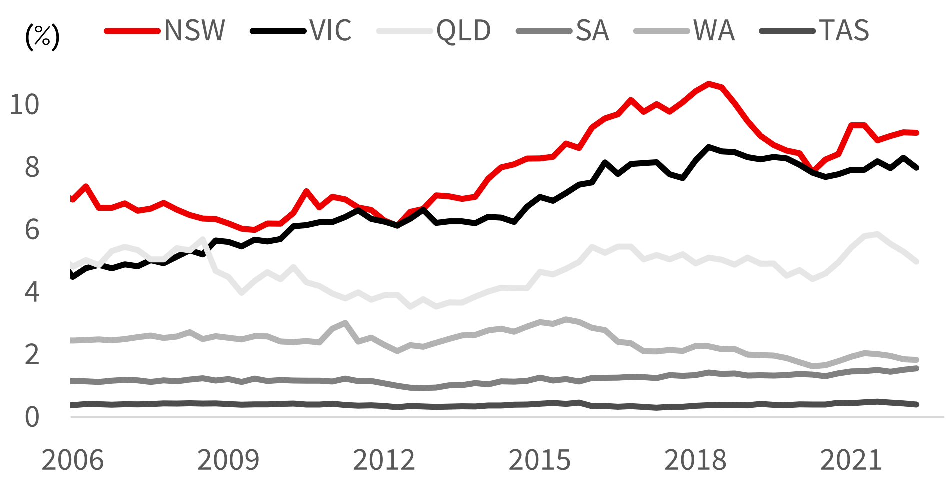
House prices are falling across the states[1]



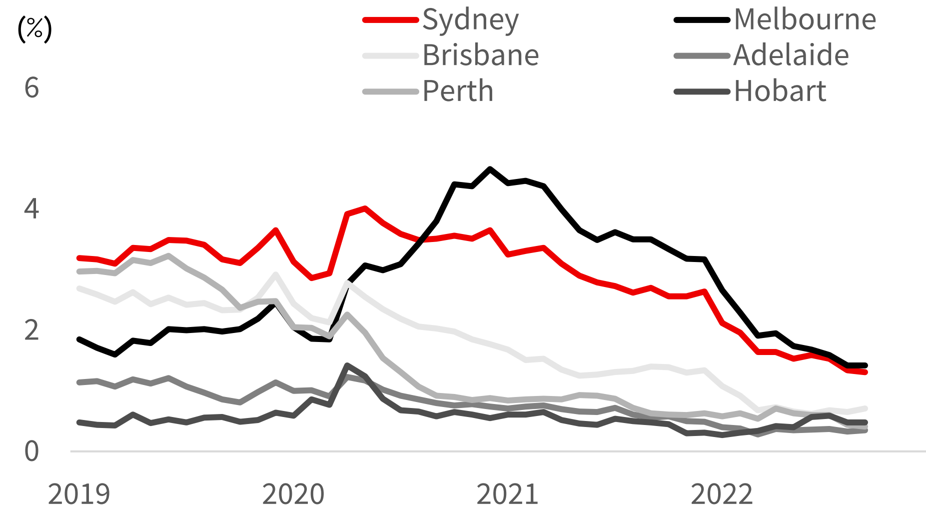
New rents growth has been strong[2]



Dwelling investment is high but easing[3]



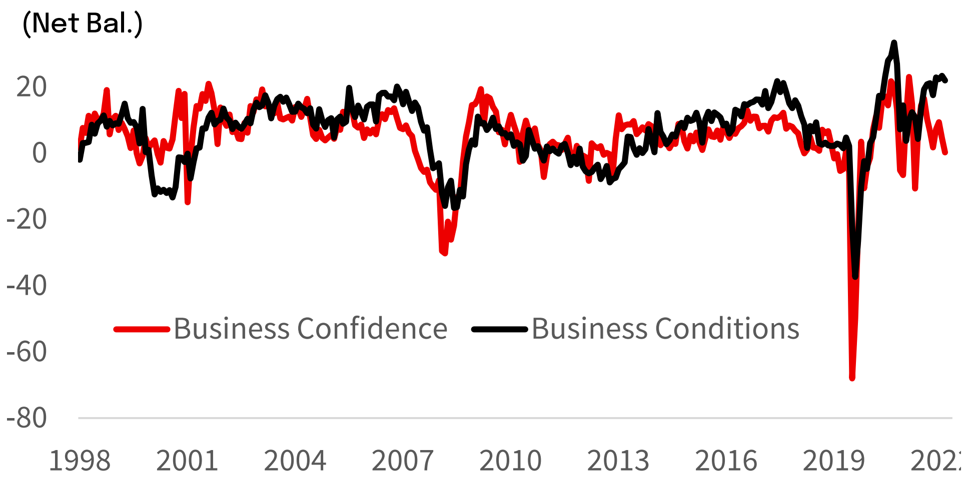
Rental vacancy rates are very low[4]



(1) Source: CoreLogic. Greater Capital City Hedonic Dwelling Price Index, Index June 2019 = 100. Data to 31 Oct 22
(2) Source: CoreLogic. Hedonic measure of advertised rents. Data to 31 Oct 22
(3) Source: ABS, Macrobond. Chain volume measure (reference year 2019-20). Data to Q2 2022
(4) Source: SQM Research, Macrobond. Data to 30 Sep 22

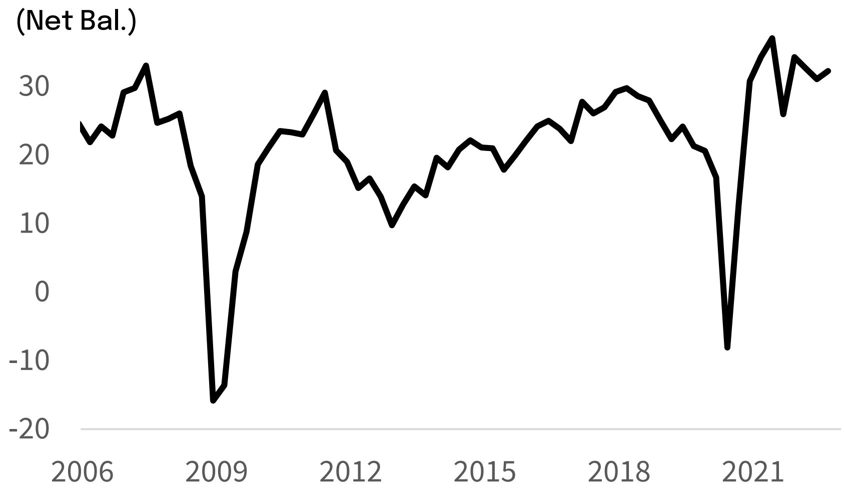
The business sector has remained resilient

Conditions are high but confidence is soft[1]

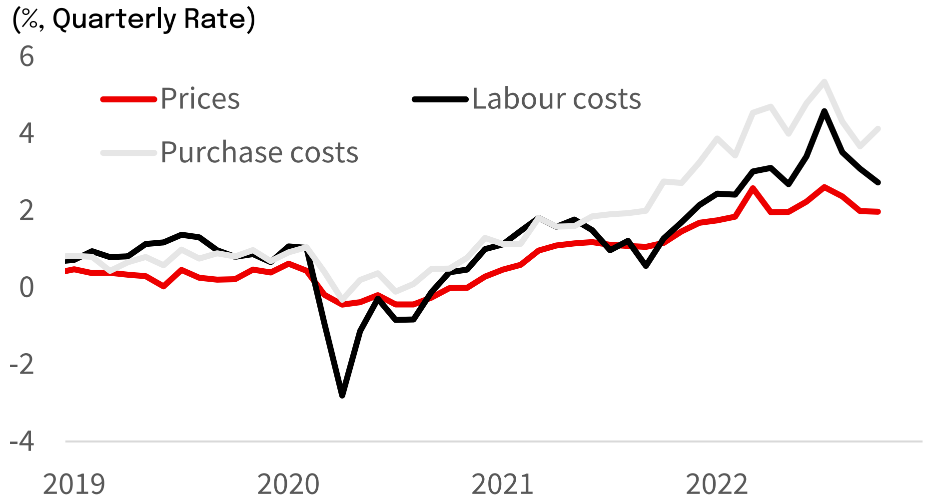


Capacity utilisation is high[1]

Investment Intentions are elevated[2]



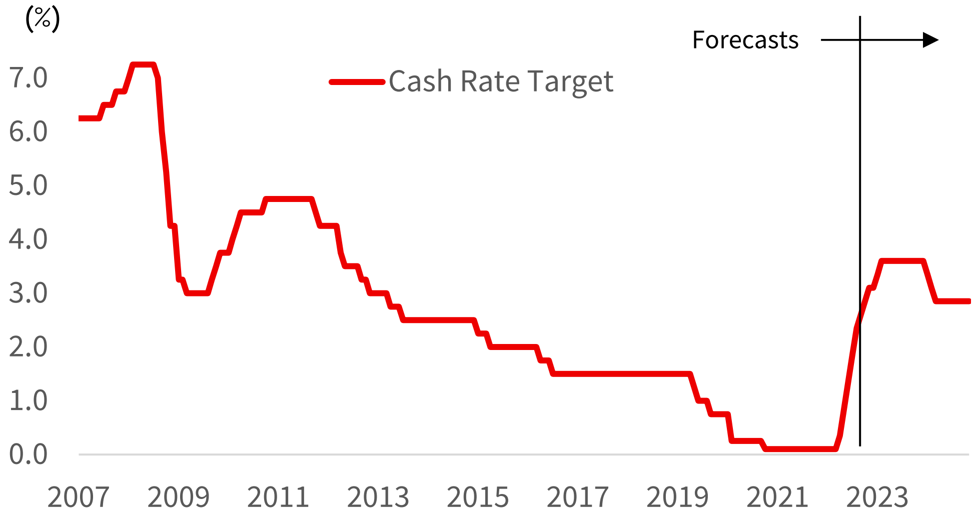
Price and cost growth measures remain elevated[1]



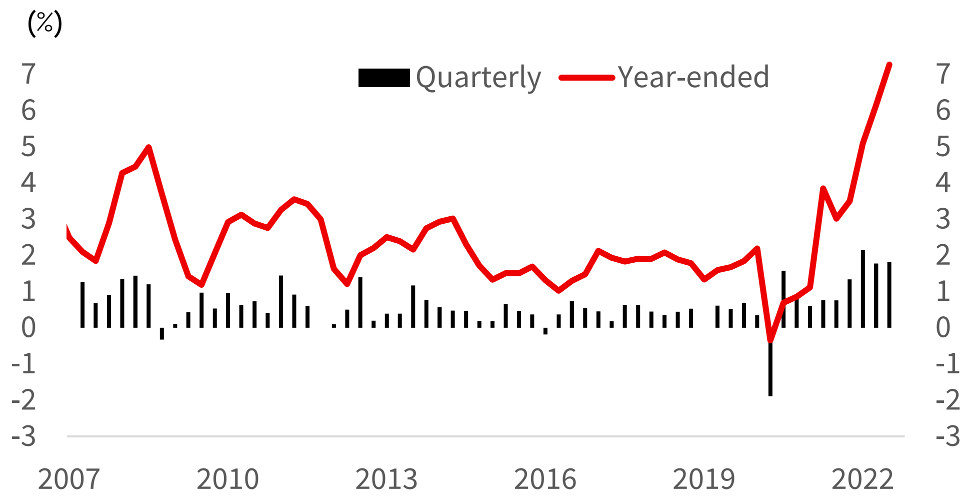
(1) Source: NAB Economics. All industry measures from the NAB Monthly Business Survey. Data to Oct 22.
(2) Source: NAB Economics. NAB Quarterly Survey measure of 12-month Capex expectations. Data to Q3 2022.

Monetary Policy is tightening and inflation is high

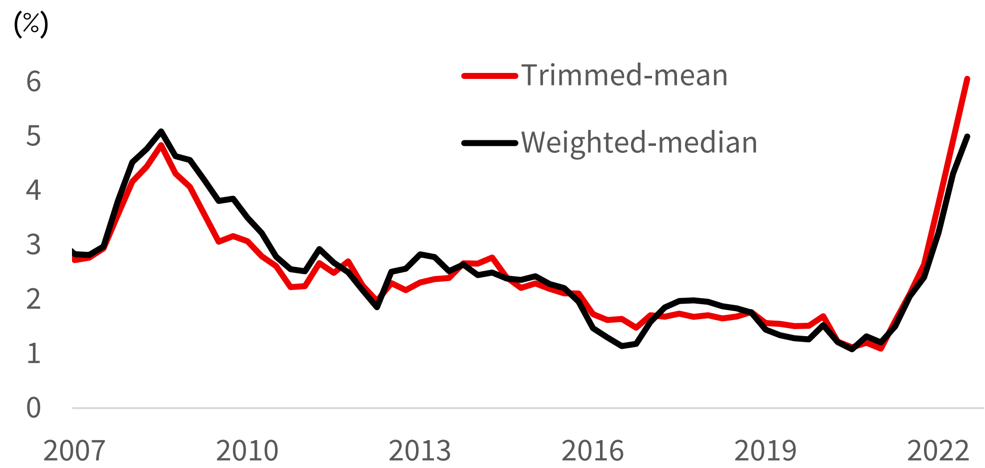
The cash rate expected to reach 3.6%[1]



Headline inflation is yet to peak[2]

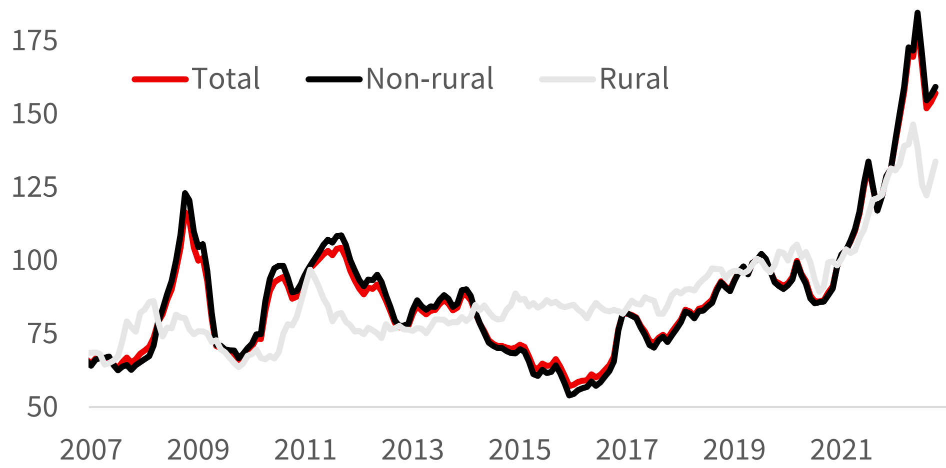


Underlying inflation is also strong[2]



Commodity prices are high[3]

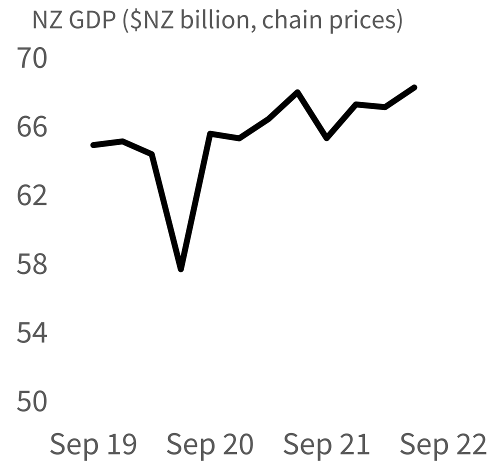
(Index 2010 = 100)

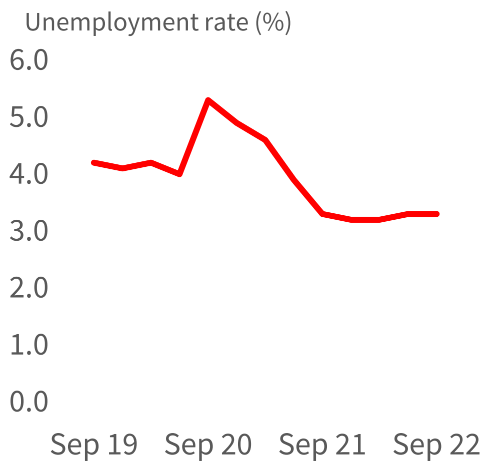


(1) Source: RBA, NAB Economics, Macrobond. Data to 1 Nov 22, NAB Economics forecasts thereafter
(2) Source: ABS, Macrobond. Data to Q3 2022.
(3) Source: RBA. Macrobond. Data to 31 Oct 22

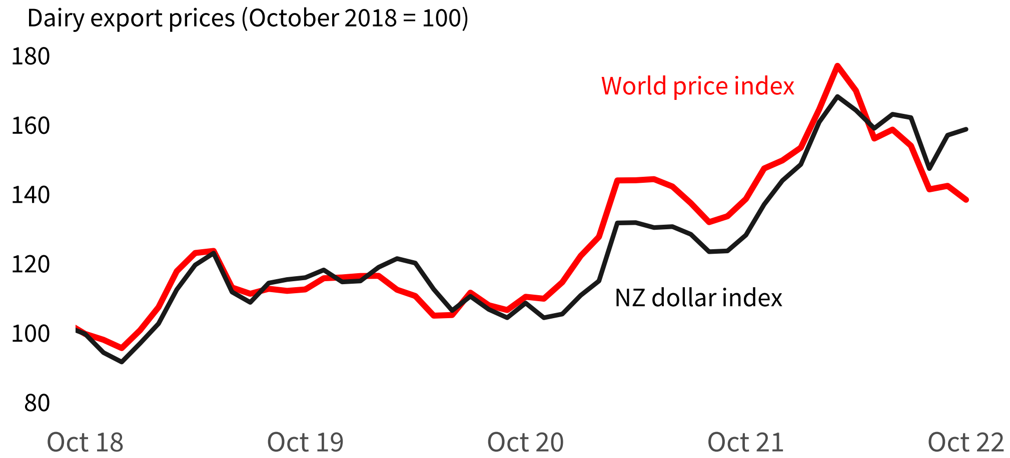
New Zealand economy

Economy over last year bounced around by COVID-19; unemployment rate very low[1]

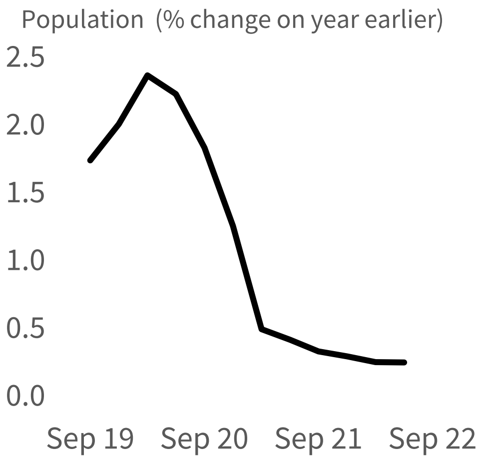


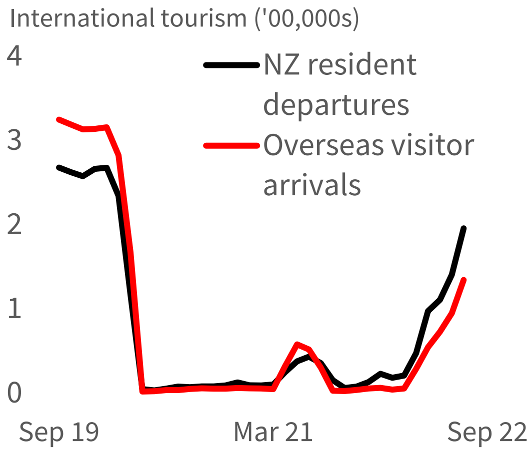


Dairy prices have come off but remain solid[3]

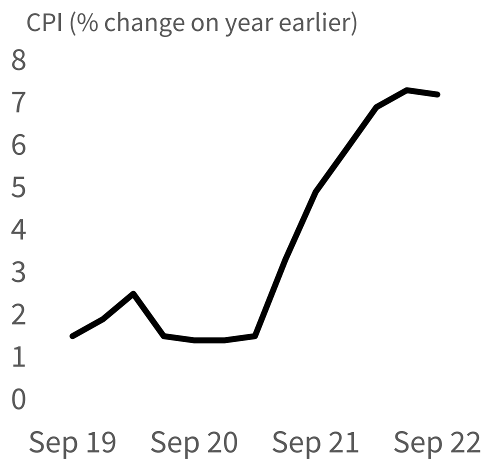


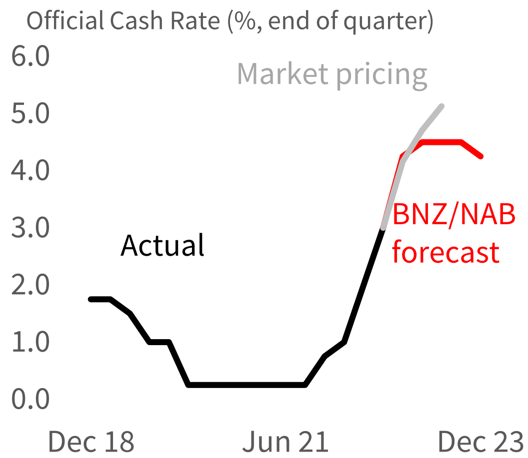
Population growth still very low; tourism travel starting to recover[2]





With inflation very high, RBNZ has increased the OCR – further increases expected[4]

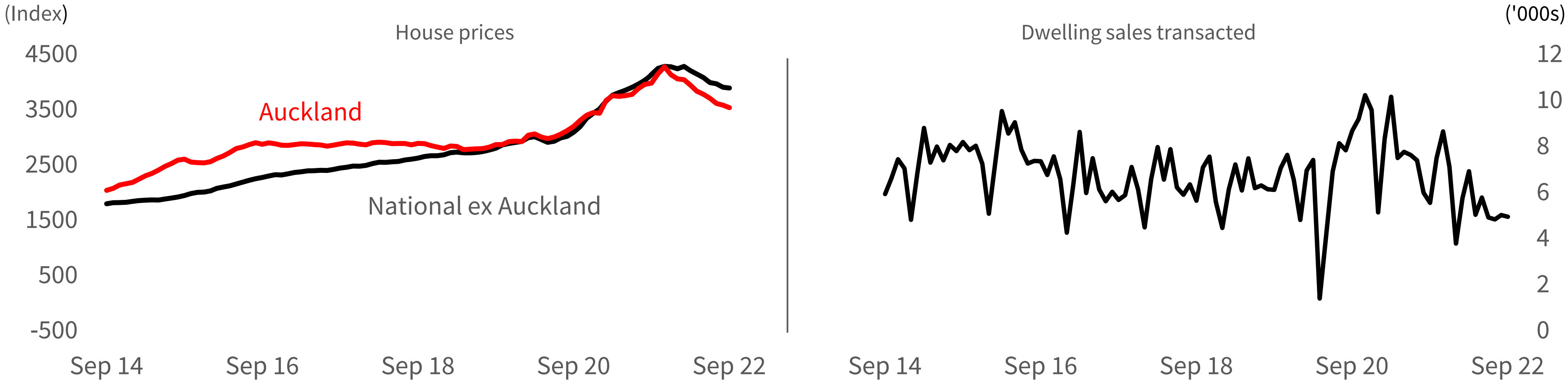




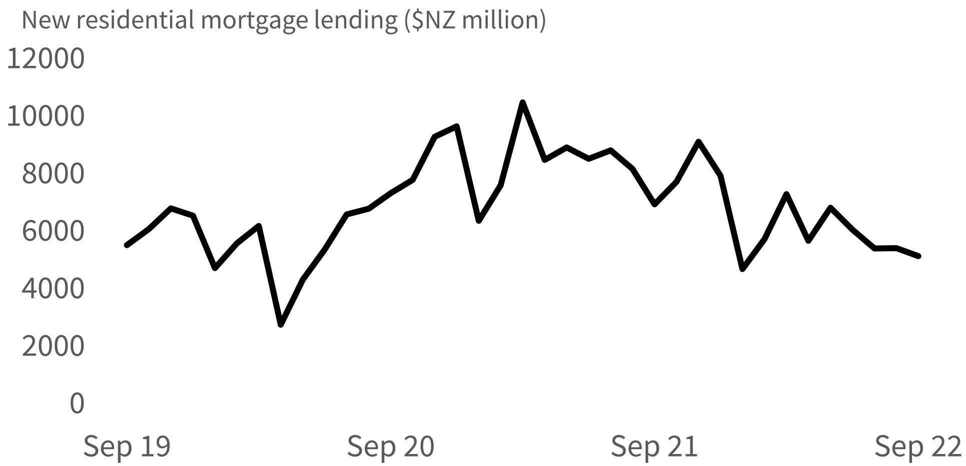
(1) Source: Refinitiv, Stats NZ
(2) Source: Refinitiv, Macrobond, Stats NZ
(3) Source: ANZ Commodity Price Index
(4) Refinitiv, Stats NZ, RBNZ, BNZ, Market pricing as at 9am AEDT 7 Nov 22.

New Zealand housing

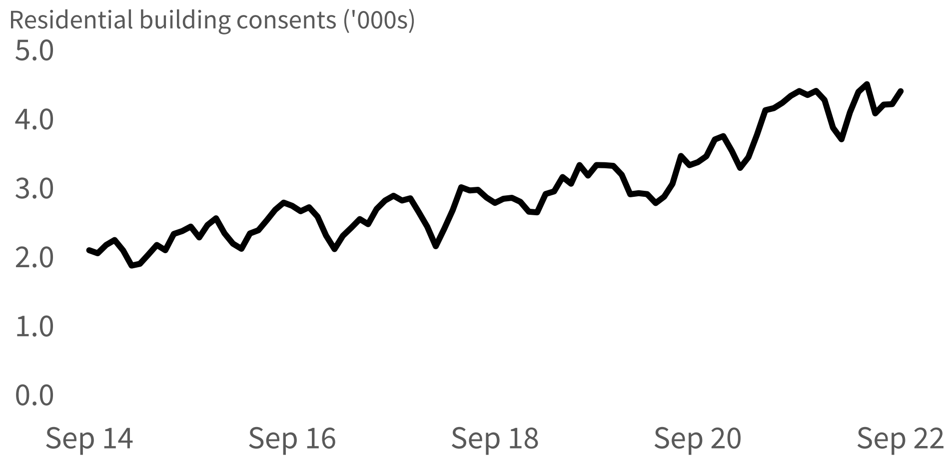
Housing Market – prices and sales volumes have fallen[1]



Slower pace of new lending driven by various factors[2]



Demand for new housing holding up[3]



(1) Source: Macrobond, REINZ
(2) Source: RBNZ
(3) Source: Refinitiv, Stats NZ. Three month moving average.

Abbreviations and disclaimers

Abbreviations

national australia bank

ALA	Alternative Liquid Assets
AML	Anti Money Laundering
APLMA	Asia Pacific Loan Market Association
CET1	Common Equity Tier 1 Capital
CIC	Credit impairment charge
CLF	Committed Liquidity Facility
CP	Collective Provision
CTI	Cost to income ratio
Citi or Citi Consumer Business	Citigroup's Australian consumer business, acquired by the NAB Group on 1 June 2022
DPD	Days Past Due
DLVR	Dynamic Loan to Value Ratio
DRP	Dividend Reinvestment Plan
DTI	Debt to income ratio
EAD	Exposure at Default
EA	Economic Adjustment
ECL	Expected Credit Losses
EPS	Earnings Per Share
EU	AUSTRAC Enforceable Undertaking
FTEs	Full-time Equivalent Employees
GHG	Greenhouse Gas
GIAs	Gross Impaired Assets
GLAs	Gross Loans and Acceptances
HEM	Household Expenditure Measure
HQLA	High Quality Liquid Assets
IRB	Internal Ratings Based approach

ICMA	International Capital Market Association
KYC	Know Your Customer
LCR	Liquidity Coverage Ratio
LGD	Loss given default
LMA	Loan Market Association
LSTA	Loan Syndications and Trading Association
LVR	Loan to Value Ratio
MTM	Mark to market
NBI	Non Bearing Interest
NCO	Net Cash Outflow
NII	Net Interest Income
NPS	Net Promoter® and NPS® are registered trademarks and Net Promoter Score and Net Promoter System are trademarks of Bain & Company, Satmetrix Systems and Fred Reichheld
NSFR	Net Stable Funding Ratio
OIS	Overnight Index Swap
OOI	Other Operating Income
PD	Probability of Default
RMBS	Residential Mortgage Backed Securities
ROE	Return on Equity
RWAs	Risk-weighted assets
SFI	Stable Funding Index
SHL	Simple Home Loans
SME	Small and Medium Enterprise
TFF	Term Funding Facility

Source and notes

Slide 10

(1) DBM Consultants Business and Consumer Atlas, measured on 6 month rolling average. A number of changes have been made to our Strategic NPS measure to align more closely to the Group Strategy. Consumer NPS now excludes consumers with Personal income of $260k+ and/or investible assets $1m+. Sep 21 and prior has been restated. Ranking based on absolute scores, not statistically significant differences

(2) DBM Consultants Business and Consumer Atlas, measured on 6 month rolling average. Business NPS is now based on equal (25:25:25:25) combined weighting of NAB turnover segments: Micro (Up to $100k turnover), Small ($100k-$5m turnover), Medium ($5m-$50m turnover), Large ($50m+). Ranking based on absolute scores, not statistically significant differences

(3) Peter Lee Associates, Australia. Based on top four banks by penetration. Relationship Strength Index (RSI) is based on a combined measure of most qualitative evaluations. Large Corporate and Institutional Relationship Banking Survey 2022

(4) DBM Consumer Main Financial Institution (MFI) Branch NPS. All customers aged 18+, based on MFI customer rating their likelihood to recommend their MFI Branch used in the last 4 weeks using a score from 0-10. NPS results are shown as a six month rolling average to Sep 22. Ranking based on absolute scores, not statistically significant differences

(5) Source: Camorra Retail Market Monitor (data on 12 month roll). The result reflects the total Consumer market.

(6) DBM Consumer Main Financial Institution (MFI) Mobile Banking NPS . All customers aged 18+, based on MFI customer rating their likelihood to recommend their MFI Mobile Banking App used in the last 4 weeks using a score from 0-10. NPS results are shown as a six month rolling average to Sep 22. Ranking based on absolute scores, not statistically significant differences

(7) DBM Consultants Consumer Atlas, measured on 6 month rolling average. Includes consumers with Personal income of $260k+ and/or investible assets $1m+. Ranking based on absolute scores, not statistically significant differences

(8) DBM Business Atlas, measured on 6 month rolling average. Ranking based on absolute scores, not statistically significant differences. Micro defined as all businesses with a turnover $0 - <$0.1m, Small defined as all businesses with turnover $0.1m - <$5m and Medium defined as all businesses with a turnover of $5m - $50m

(9) Peter Lee Associates, Australia. Large Corporate Relationship Banking Survey 2022. Ranking against the four major domestic banks

(10) Peter Lee Associates, Australia. Large Corporate Transactional Banking Survey 2022. Debt Securities Originations Survey 2022. Interest Rate Derivatives Survey 2021. Foreign Exchange Survey 2021. Based on top four banks by penetration. Relationship Strength Index (RSI) is based on a combined measure of most qualitative evaluations. All results are the most recently available

Disclaimer

The material in this presentation is general background information about the NAB Group current at the date of the presentation on 09 November 2022. The information is given in summary form and does not purport to be complete. It is intended to be read by a professional analyst audience in conjunction with the verbal presentation and the 2022 Full Year Results Management Discussion and Analysis (available at www.nab.com.au). 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. No representation is made as to the accuracy, completeness or reliability of the presentation.

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