Full Year Results 2023

Investor Presentation
9 November 2023

Ross McEwan
Chief Executive Officer

Nathan Goonan
Chief Financial Officer

NAB 2023 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 139 for legal disclaimer.

Financial information in this presentation is based on cash earnings, which is not a statutory financial measure. Refer to page 39 for definition of cash earnings and reconciliation to statutory net profit.

Overview

Ross McEwan

Chief Executive Officer

Key messages

- Strong FY23 financial performance across our businesses
- 2H23 performance reflects a more challenging environment which is expected to persist in FY24
- Balance sheet settings remain prudent
- Strong growth in our core SME franchise, with a more measured approach to growth in Home Lending and Corporate & Institutional
- Supporting customers with additional resources for those in need
- Consistent multi-year investment in strategic priorities aims to drive improved returns to shareholders over the long term

Strong financial results in FY23

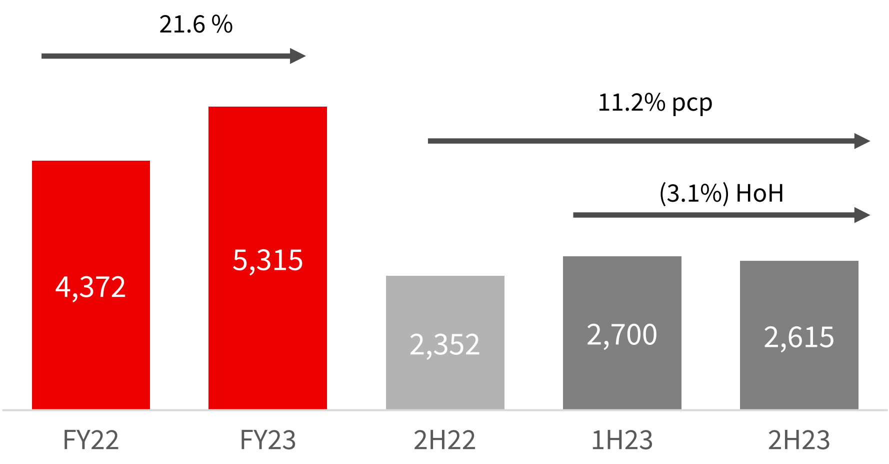
Metric	FY23	FY22	FY23 v FY22
Statutory net profit ($m)	7,414	6,891	7.6%
Continuing operations[1]			
Net operating income ($m)	20,654	18,296	12.9%
Operating expenses ($m)	(9,023)	(8,274)	9.1% (5.6% ex Citi and CSLR[2])
Underlying profit ($m)	11,631	10,022	16.1%
Cash earnings[3] ($m)	7,731	7,104	8.8%
Dividend (cents)	167	151	16
Cash payout ratio[4]	67.7%	68.4%	(70 bps)

(1) Includes the impact of Citi Consumer Business
(2) CSLR - Compensation Scheme of Last Resort
(3) Refer to page 39 for definition of cash earnings and reconciliation to statutory net profit
(4) Based on basic cash earnings per share (EPS)

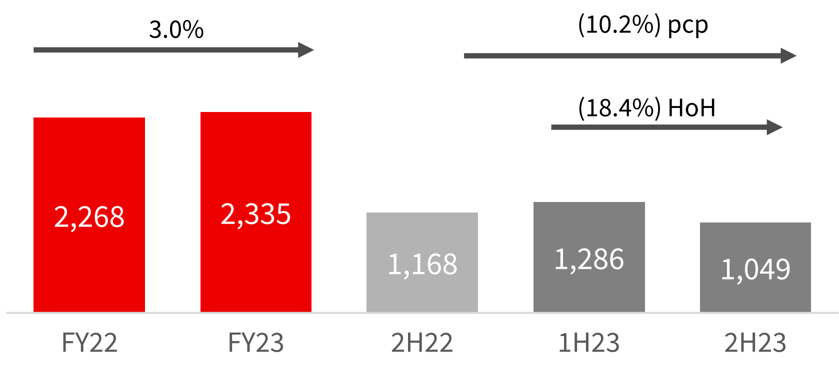
2H23 impacted by a more challenging environment

Underlying divisional profit

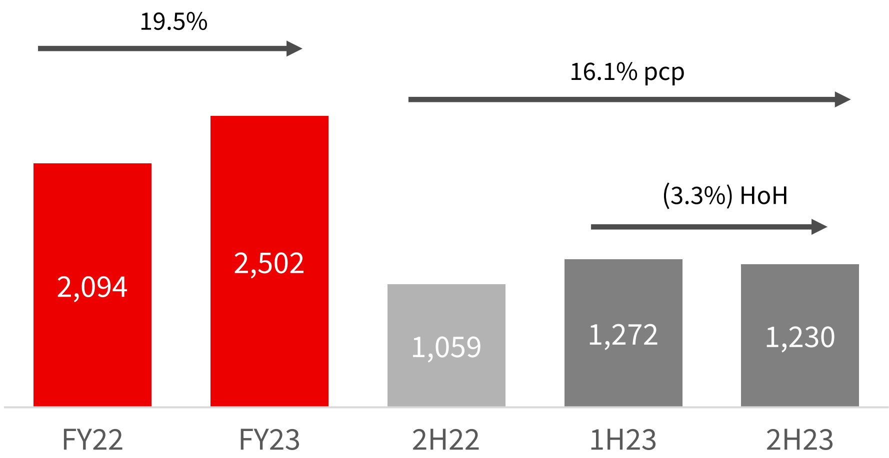
Business and Private Banking
($m)



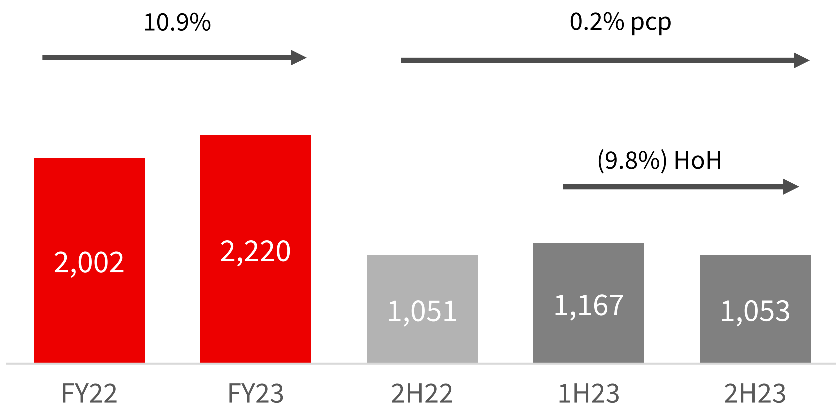
Personal Banking
($m)



Corporate and Institutional Banking
($m)

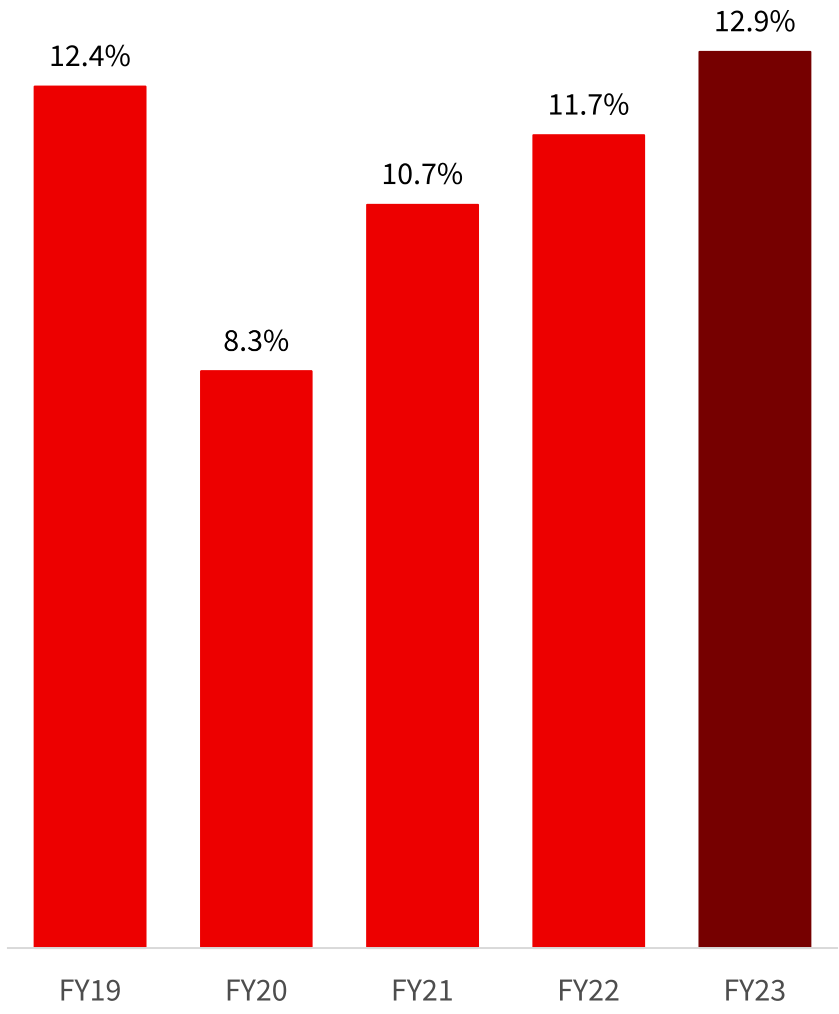


New Zealand Banking
(NZ$m)



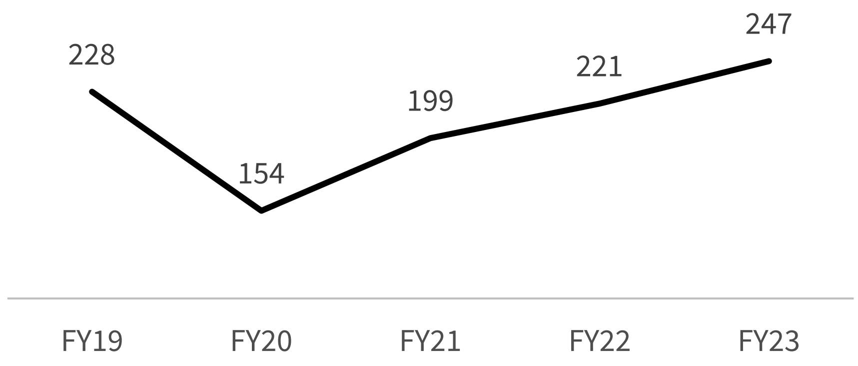
Delivering improved shareholder returns

Cash return on equity[1]



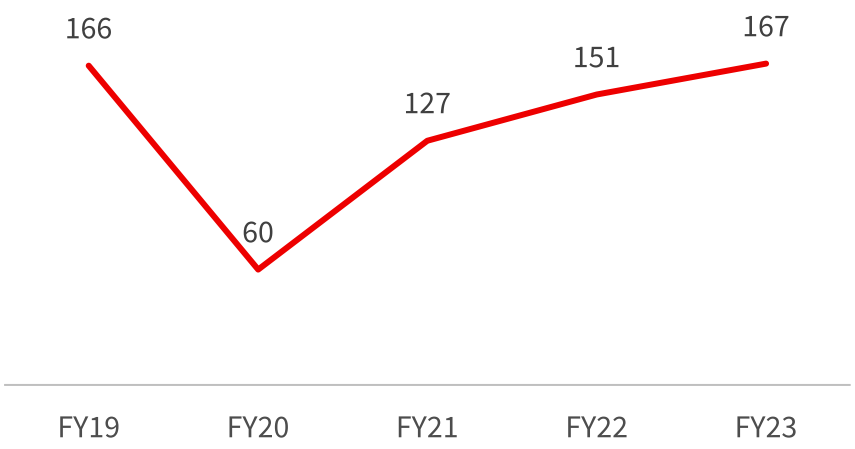
Basic cash EPS

(Cents)



Dividends per share

(Cents)



(1) FY19 and FY20 ROE exclude large notable items

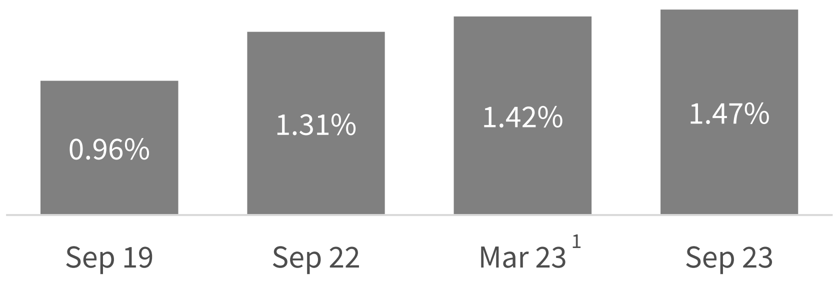
Maintaining strong balance sheet settings

- Strong provisioning with CP/CRWA increasing to 1.47%
- LCR and NSFR well above regulatory minimums
- CET1 ratio remains above the target range of 11-11.5%
- Dividend payout ratio guided by a range of 65% – 75% of cash earnings, subject to Board determination based on circumstances at the relevant time

Strong provisioning

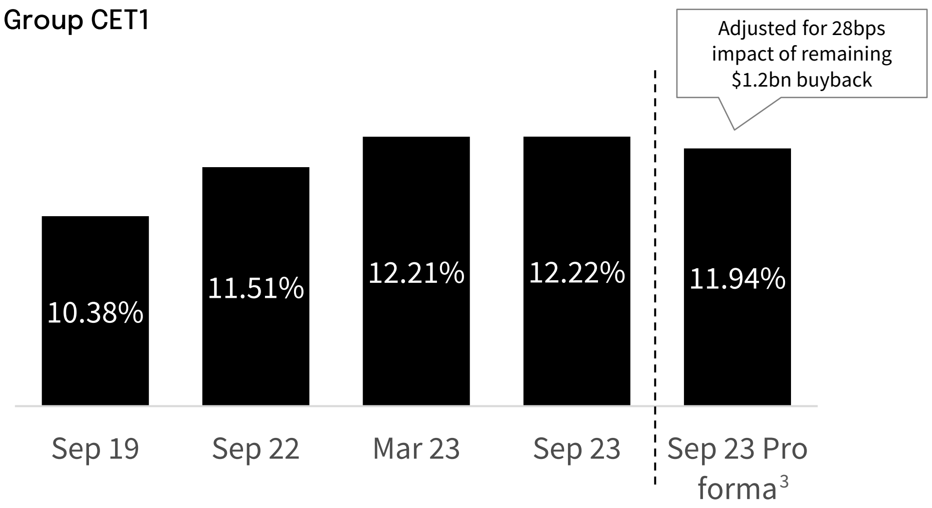
CP/CRWA

Sep 23 includes $1.4bn of additional forward looking provisions vs Sep 19

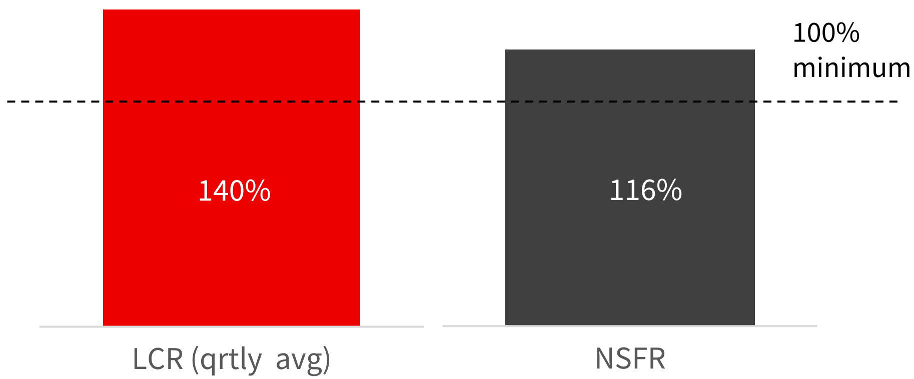


Capital ratio above target range of 11.0% - 11.5%[2]

Group CET1



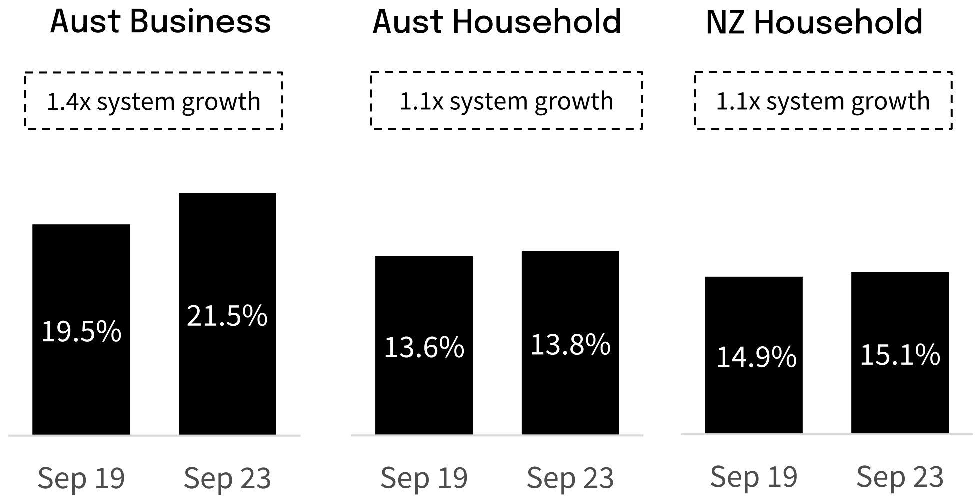
LCR and NSFR well above regulatory minimums at Sep 23



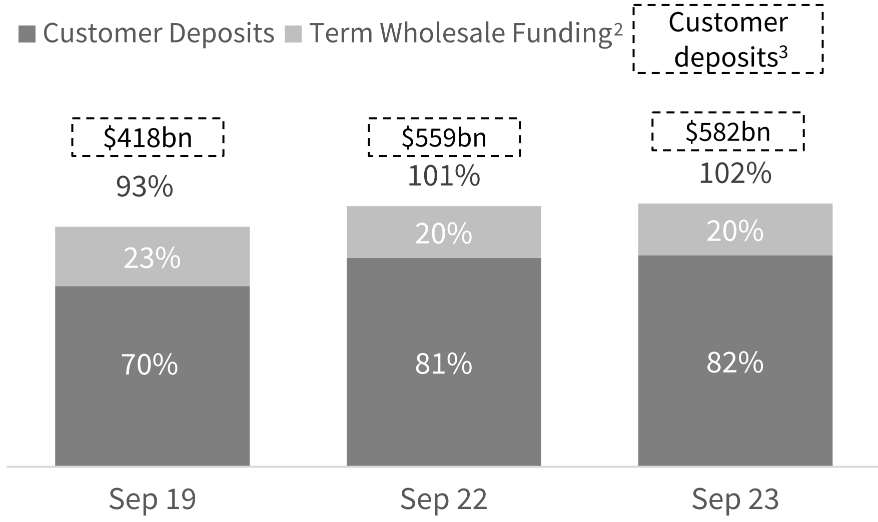
(1) Includes 7bps impact from reduction in CRWA as a result of the implementation of the revised capital framework from 1 January 2023. Refer to NAB's March 2023 Pillar 3 Report for further details
(2) From 1 January 2023 CET1 ratio is reported under APRA's revised capital framework
(3) Pro forma CET1 ratio includes the impact of the remaining $1.2bn of the $1.5bn share buy-back announced in Aug 2023

Sustainably growing customer deposits

Growing deposit market share[1]

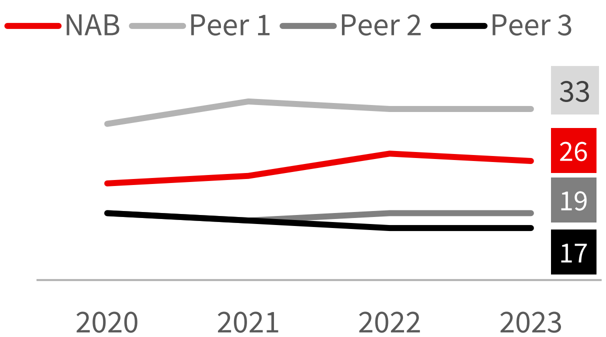


GLAs increasingly funded by deposits

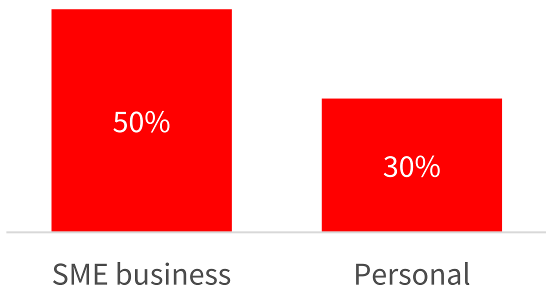


Supported by focus and investment to uplift our transactional banking proposition

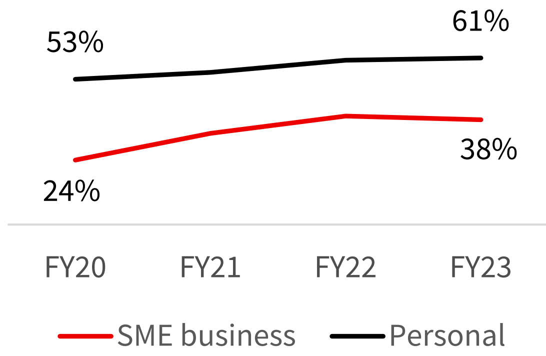
C&IB transactional banking lead bank market penetration[4]



Growth in new transaction account openings FY20-FY23[5]



New transaction accounts increasingly opened digitally[5]



(1) Australian market share: APRA Monthly ADI statistics. Aust Household multiple of system growth excluding the impact of the acquisition of the Citi Consumer Business is 1.0x. Business deposits exclude Government and Financial Institution deposits. NZ market share: RBNZ market share statistics
(2) Includes senior unsecured, secured (covered bonds and securitisation), subordinated debt, AT1 instruments, RBA TFF and RBNZ funding facility drawdowns with a remaining term to maturity or call date > 12 months
(3) Excludes customer deposits in New York and London
(4) Source: Peter Lee Associates, Australia. Large Corporate Transactional Banking Survey 2023. Based on top four banks by domestic market penetration
(5) SME business refers to business accounts in Business & Private Banking excluding offsets. Personal refers to personal accounts in Personal Banking including offsets. Excludes Citi Consumer Business and ubank

We have a clear long term strategic ambition

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
Personal & SME

ubank
Customer acquisition

How we work

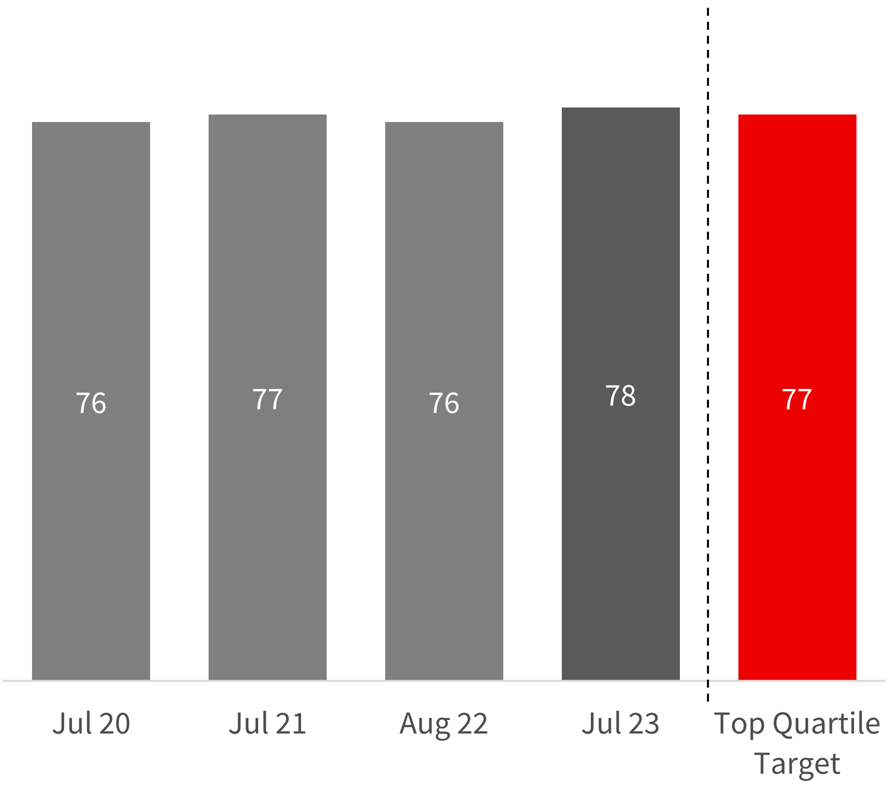
- Excellence for customers
- Grow together
- Be respectful
- Own it

Measures for success

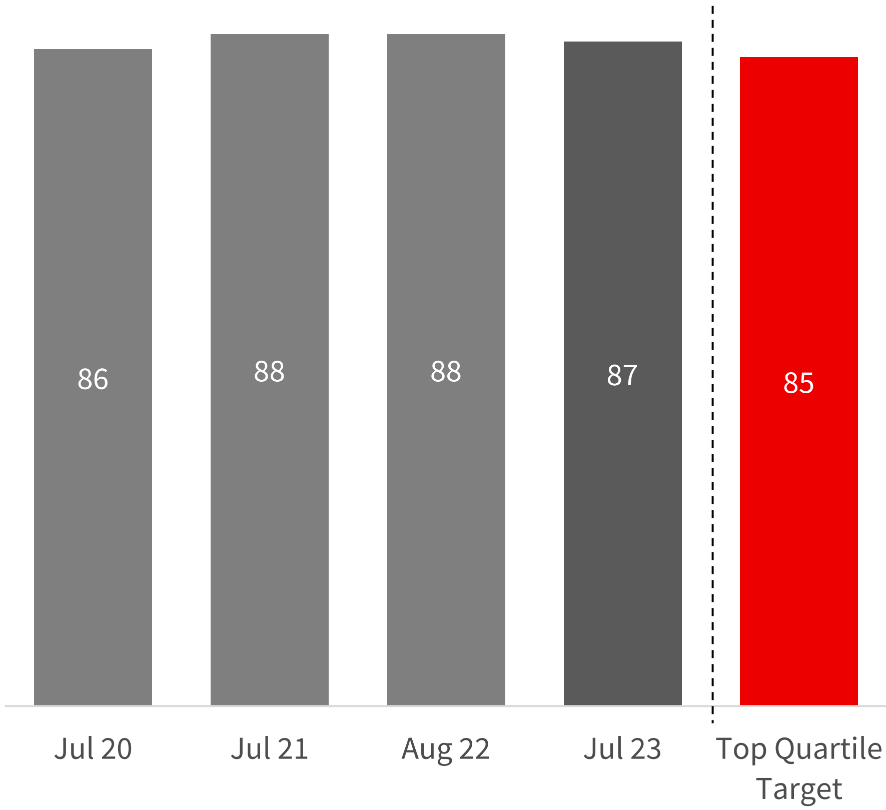
- Engagement
- NPS growth
- Cash EPS growth
- Return on Equity

Focus on colleagues

Colleague engagement score now top quartile[1]



People leader score remains broadly stable and above top quartile target[1]

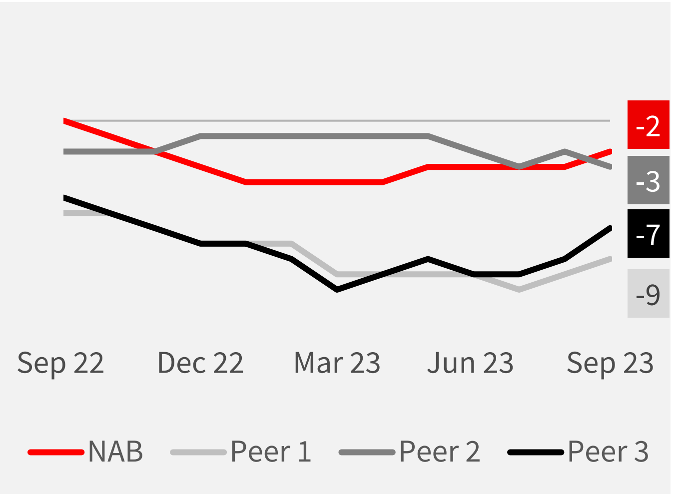


(1) Source NAB Heartbeat survey. Top quartile comparison is based upon Glint's client group (domestic and global, from all industries)

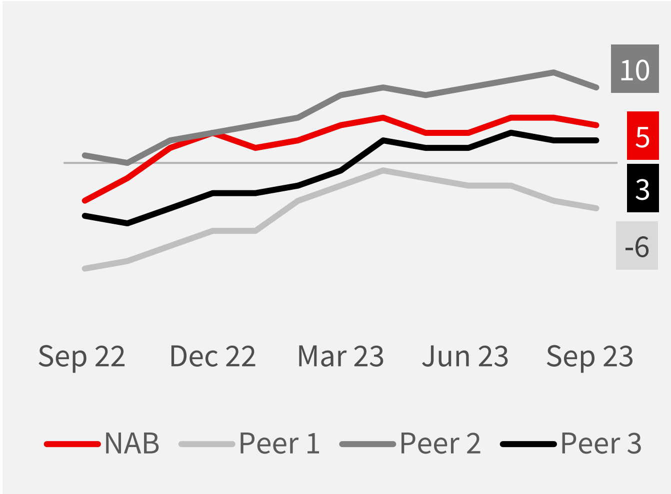
Focus on customers

Net Promoter Score relative to major bank peers

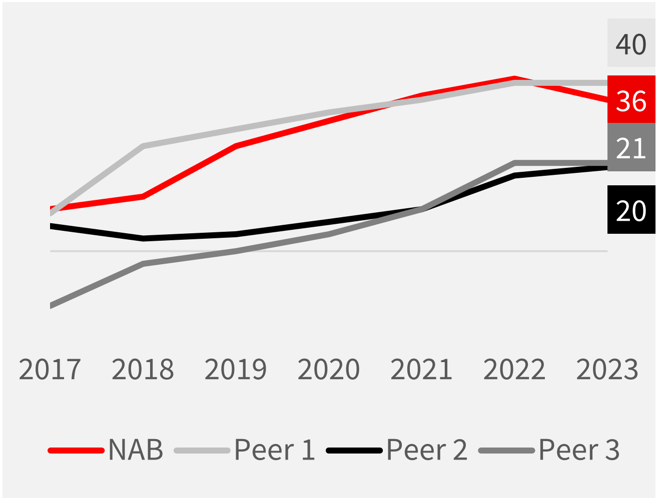
#1 Consumer[1]



#2 in Business[2]



#2 Large Corporate and Institutional NPS[3]

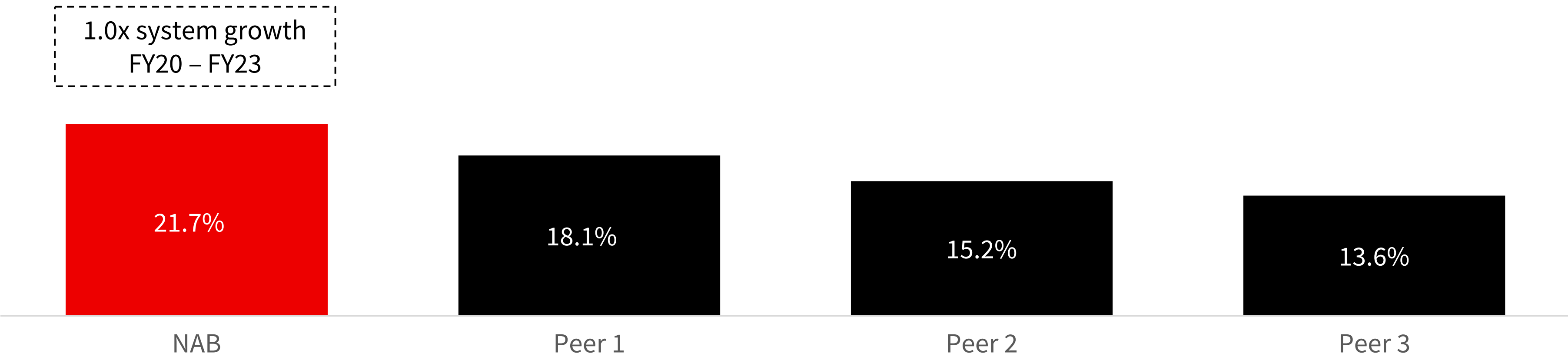


(1-3) Refer to sources and notes at the back of this presentation on page 138 for further details

Net Promoter® and NPS® are registered trademarks and Net Promoter Score and Net Promoter System are trademarks of Bain & Company, Inc., NICE Systems, Inc., and Fred Reichheld

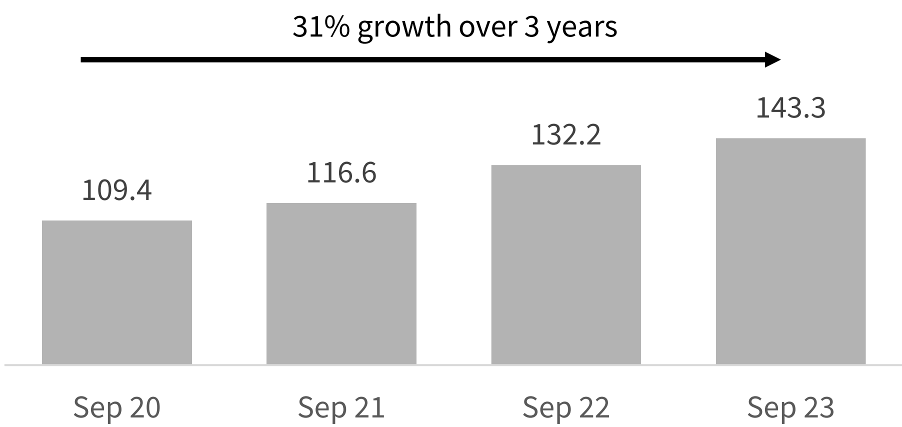
Largest lender to Australian businesses with growth aligned to strategic focus

#1 business lending in Australia with increasing tilt to SMEs[1]



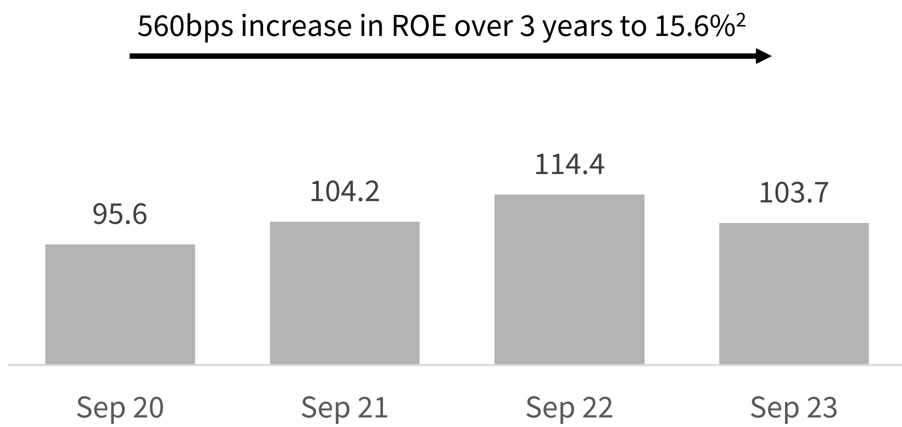
SME growth focus in Business & Private Banking

Business lending GLAs ($bn)



Disciplined growth in Corporate & Institutional Banking

Business lending GLAs ($bn)



(1) Non-financial business lending, APRA Monthly ADI statistics Sep 2023
(2) Represents ROE implied by reported return on average RWA using mid-point of Group's target CET1 ratio range in the applicable year

Business and Private Banking

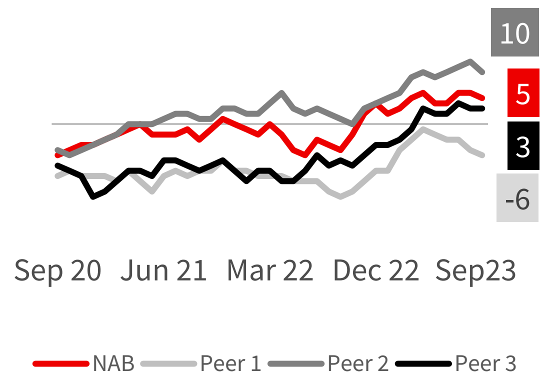
Australia's leading business bank servicing the business & personal banking needs of SME customers[1]

Relationship-led	More bankers in more places	Deep sector specialisations	Integrated HNW offering	Deep credit capability
Increasingly enabled by digital, data & analytics	>6,000 customer roles ~150 business centres ~450 branches with small business bankers	Agri, Health, CRE Govt, Education & Community, Professional Services Franchising	JB Were Private Bank nabtrade	Well diversified, highly secured portfolio

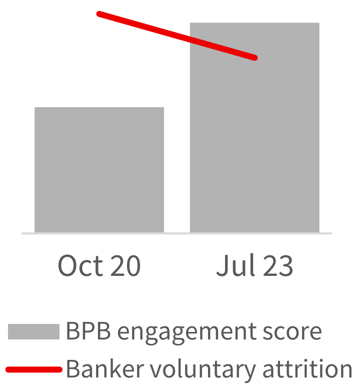
~$1.3bn investment[2] and >600 net customer facing roles added since Sep 20 to support growth

Delivering better outcomes for customers, colleagues & shareholders

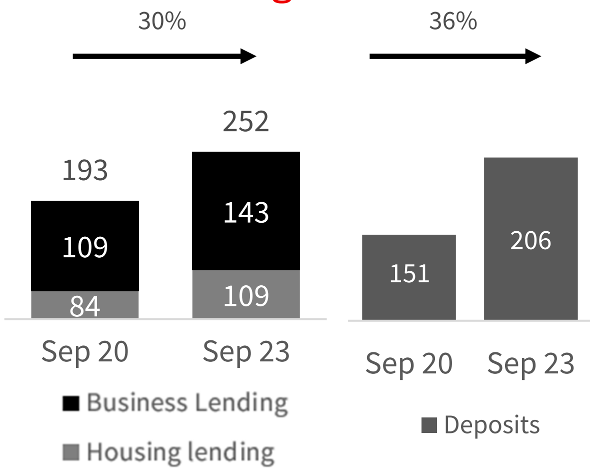
Improved Business NPS[3]



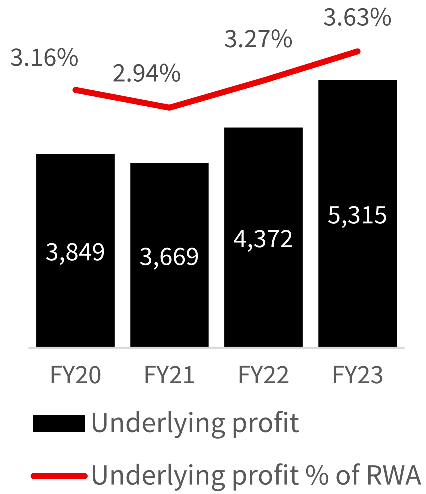
Top quartile colleague engagement, lower turnover[4]



Strong balance sheet growth



Underlying profit growth



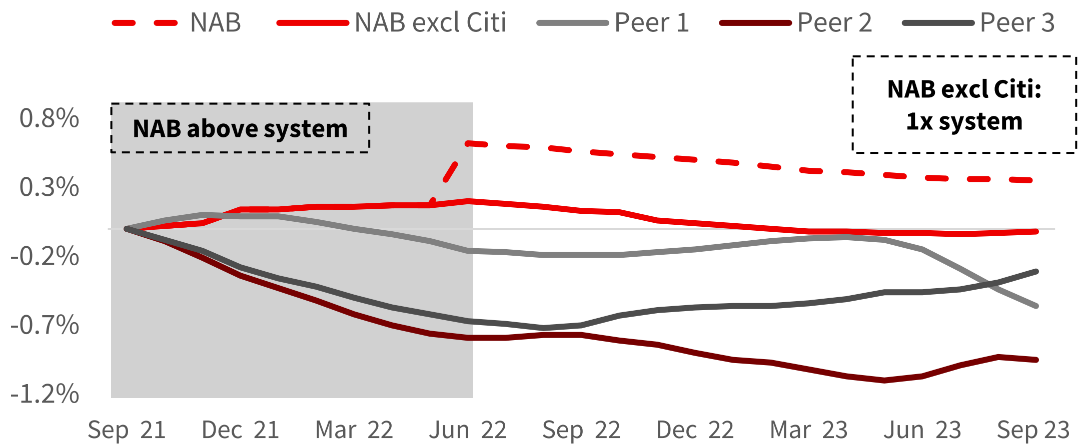
(1) B&PB customers typically have borrowings up to $50m and turnover less than $100m
(2) Investment spend includes allocation of indirect investment spend for change initiatives which benefit multiple divisions
(3) Refer to sources and notes at the back of this presentation on page 138 for further details
(4) Engagement scores refer to Glint 'Heartbeat' outcomes for B&PB. Turnover based on voluntary attrition outcomes over rolling 12 months to Oct 2020 and Jul 2023

Disciplined growth in home lending to support long term value

Navigating a challenging market environment

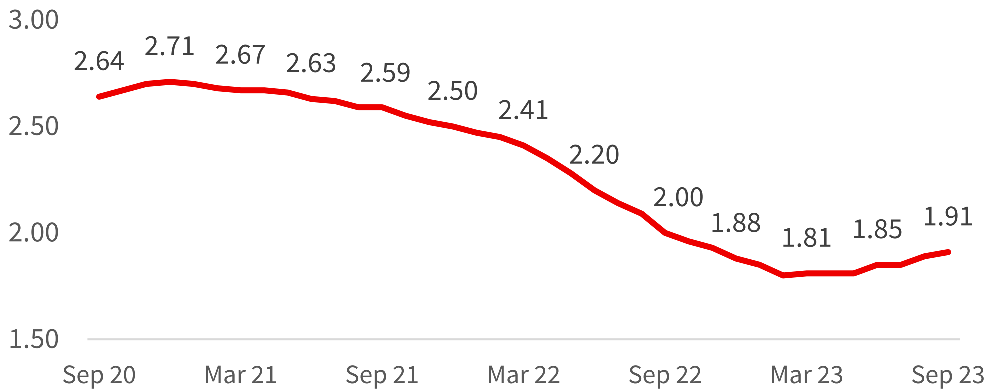
- Some easing in front book pricing pressure but margins continue to reflect competitive environment
- System growth expected to slow further in FY24
- Elevated refinancing activity across the system
- Continue to invest in Simple Home Loans (SHL) to enhance the customer and broker experience – 50% of all applications via SHL receive same day unconditional approval

Maintained market share in home lending over 2 years[1]



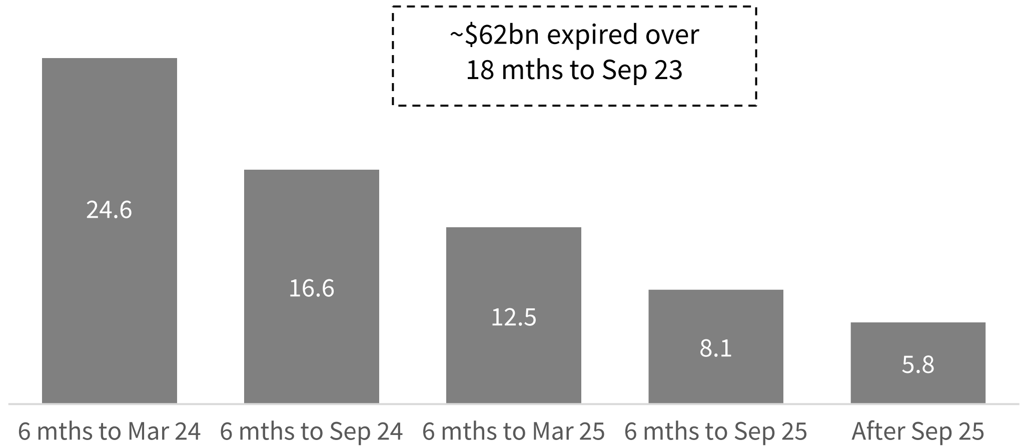
RBA owner occupier VR front book pricing[2]

(%)



Fixed rate home loan contractual expiry[3]

($bn)



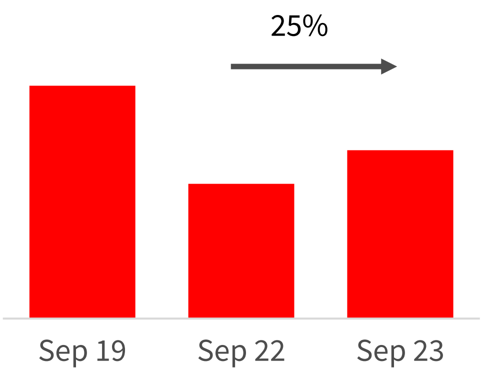
(1) APRA Monthly Authorised Deposit-taking Institution statistics Sep 2023
(2) Based on RBA Lenders' Interest Rates Aug 2023. Front book large institution owner occupier variable rate (net of cash rate)
(3) Australia only (total book $68bn). Contractual expiry dates to Mar 2027. Excludes 86 400 platform and Citi Consumer Business

Supporting customers

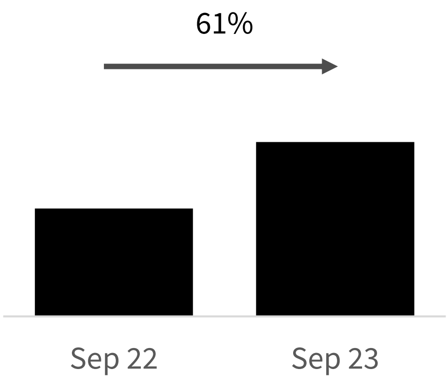
Helping customers manage higher interest rates and cost of living pressures

- Early and proactive customer engagement: since May 2022 **>620,000** wellbeing check-ins with Personal Banking customers and offers of support[1]
- Added **~120 FTE in NAB Assist** in FY23 to support increased inbound and outbound customer call volumes
- Customer **support options** include reduced repayments and payment breaks, restructures and loan term extensions

Customer accounts receiving hardship assistance[2]

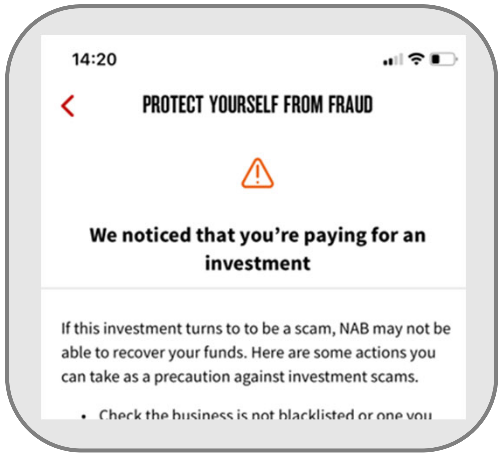


NAB Assist customer call volumes[2]



Protecting customers against scams and fraud

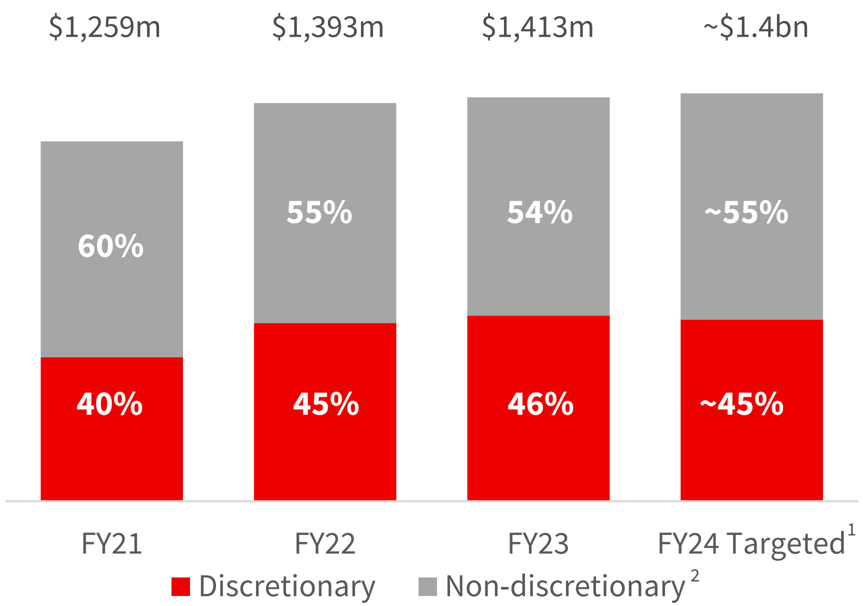
- **Prevented and recovered >$200m in scam losses** for customers since Sep 21
- **Investigations and fraud team of >470 FTE** including 70 FTE added in FY23
- **33 initiatives completed** in FY23, including:
  - Stopped sending **links in texts** to customers
  - **Partnering with telcos** to help limit spoofing
  - New blocks on some **cryptocurrency** platforms
  - **Pop-up red flag customer payment alerts**, which has subsequently seen >$40m of customer payments abandoned in App[3]



(1) Includes customer calls, SMS and emails featuring offers of support and further contact options. Excludes NAB Assist
(2) As at 30 September. Customer accounts receiving hardship assistance include home lending, unsecured lending, overdraft, transaction and small business lending accounts managed within NAB Assist. Call volumes include both inbound and outbound calls
(3) Since launch in March 2023 to 30 September 2023

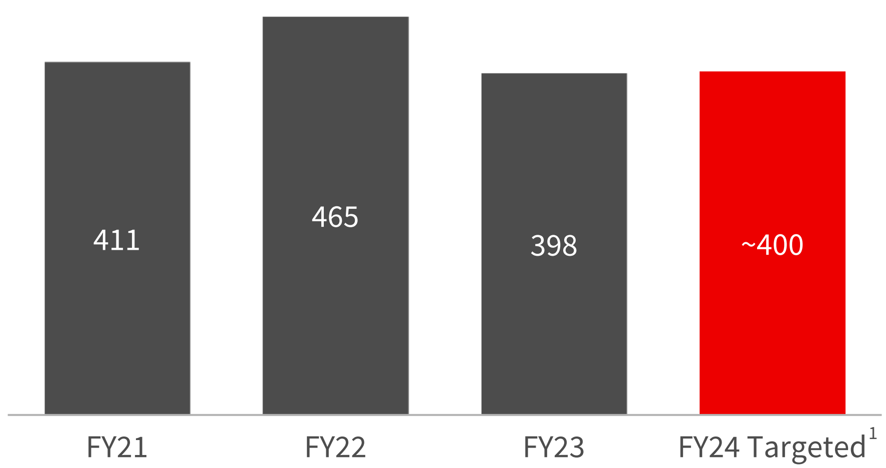
Investing for long term growth and sustainable cost efficiency

Multi-year investment aligned to strategic priorities



Focused on productivity benefits to offset investment and cost headwinds

($m)



Productivity benefits underpinned by investment

14% lower Business & Private Banking business lending unit costs over 2 years

~70% decrease in banker touch time for applications via Simple Home Loans

77% of Apps migrated to the cloud (from 54% at Sep 21)

13% reduction in legacy technology apps in FY23[3]

(1) Refer to key risks, qualifications and assumptions in relation to forward looking statements on page 139
(2) Non-discretionary investment includes investment to uplift systems, processes and control environment
(3) Based on percentage of gross applications reduced in FY23, excluding new applications

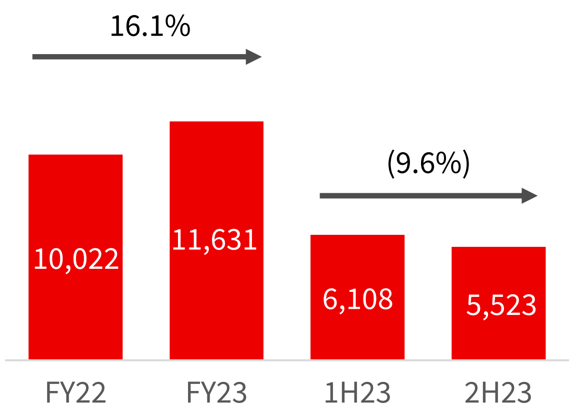
FY23 Financials

Nathan Goonan

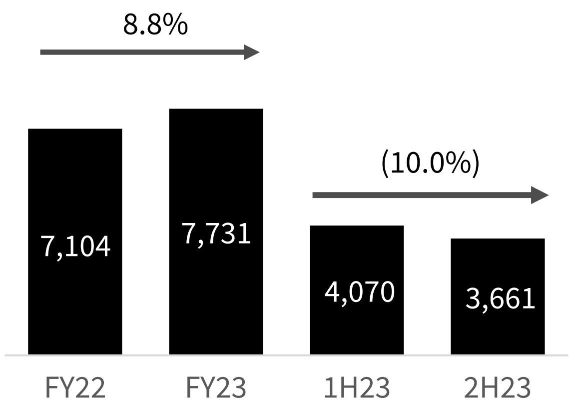
Chief Financial Officer

Group Financial Results

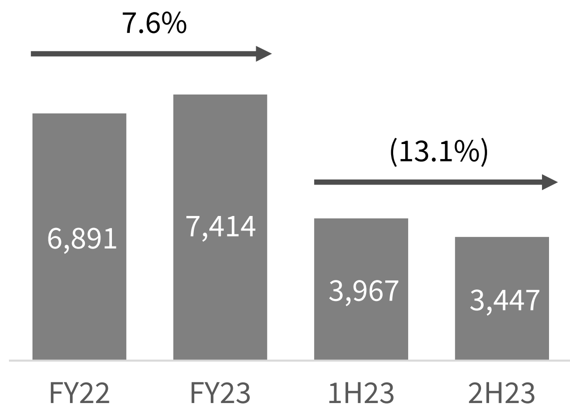
Underlying profit ($m)



Cash earnings[1] ($m)



Statutory profit ($m)



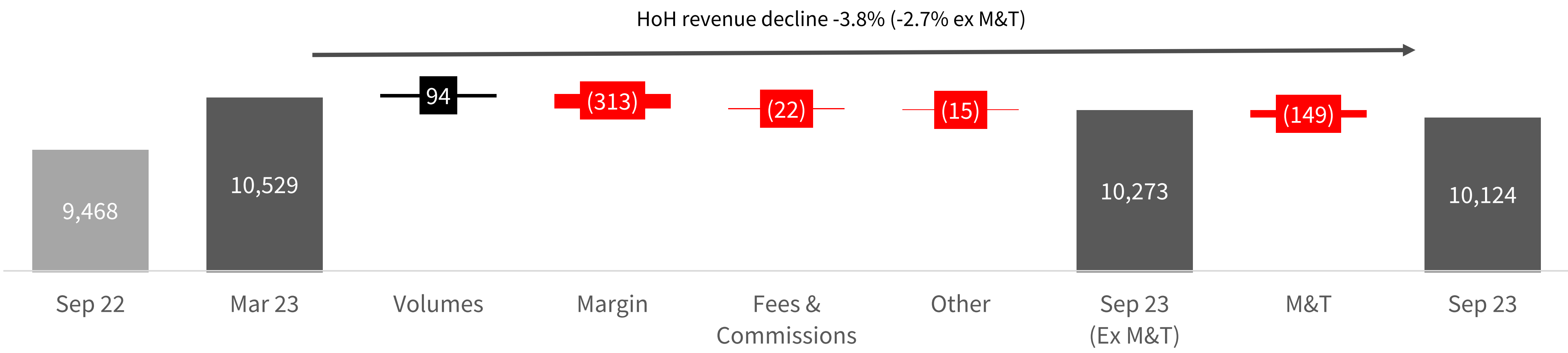
P&L key financial indicators	FY23 ($m)	FY23 v FY22	2H23 ($m)	2H23 v 1H23
Net operating income	20,654	12.9%	10,125	(3.8%)
ex Markets & Treasury	*18,981*	*12.2%*	*9,363*	*(2.7%)*
Operating expenses	(9,023)	9.1%	(4,602)	4.1%
Credit impairment charge	(802)	Large	(409)	4.1%

(1) Refer to page 39 for definition of cash earnings and reconciliation to statutory profit

2H23 revenue impacted by lower margins

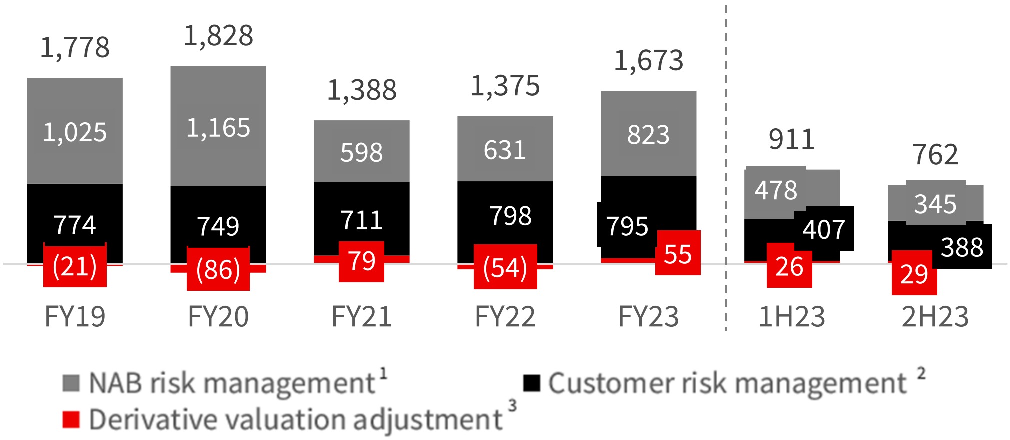
Net operating income (HoH)

($m)



Markets & Treasury (M&T) income breakdown

($m)



Key revenue drivers HoH

- Volume growth aligned to strategic focus
- Margin impacted by competitive pressures
- Lower Fees & Commissions reflecting seasonality in transaction volumes together with higher card scheme and loyalty costs, partly offset by higher fee income in business lending and lower customer remediation
- Lower NAB risk management reflecting more favourable trading conditions in 1H23

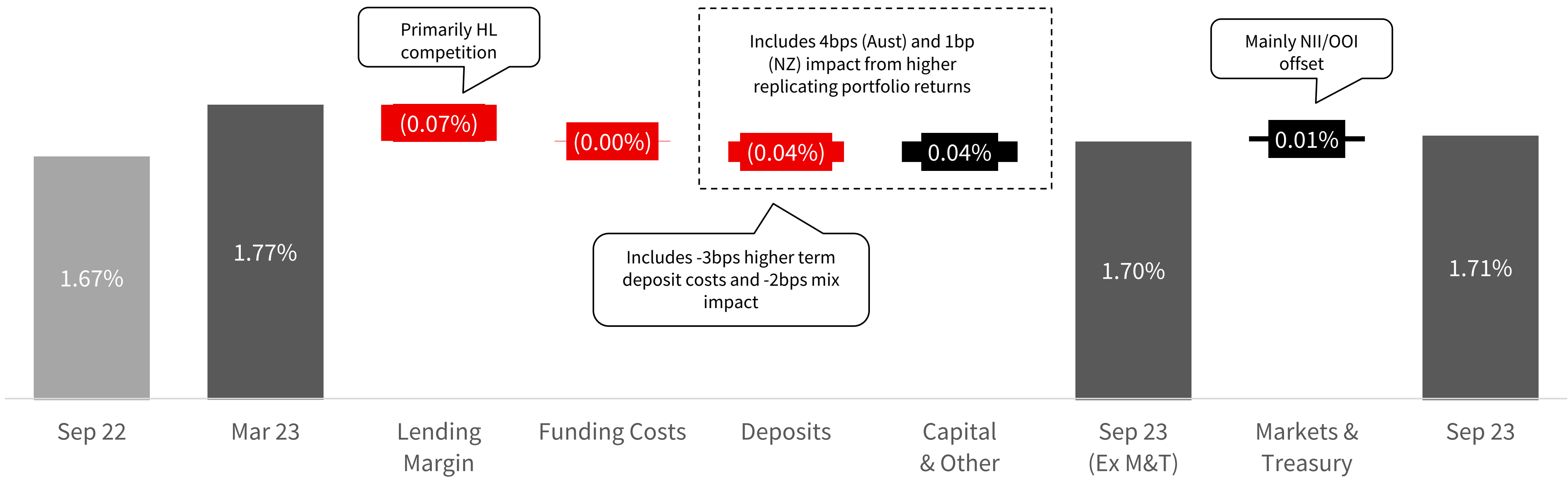
(1) NAB risk management forms part of net interest income and other operating income and is defined as management of interest rate risk in the banking book, wholesale funding and liquidity requirements and trading market risk to support the Group's franchises. Markets forms part of Corporate and Institutional Banking revenue. Treasury forms part of Corporate Functions and Other, and from 1 October 2023 the New Zealand liquidity management portfolio is reflected in New Zealand Banking

(2) Customer risk management forms part of other operating income and reflects customer risk management in respect of Personal Banking, Business & Private Banking, Corporate & Institutional Banking and NZ Banking

(3) Derivative valuation adjustment is shown net of hedging costs or benefits and includes credit valuation adjustments and funding valuation adjustments

Net interest margin

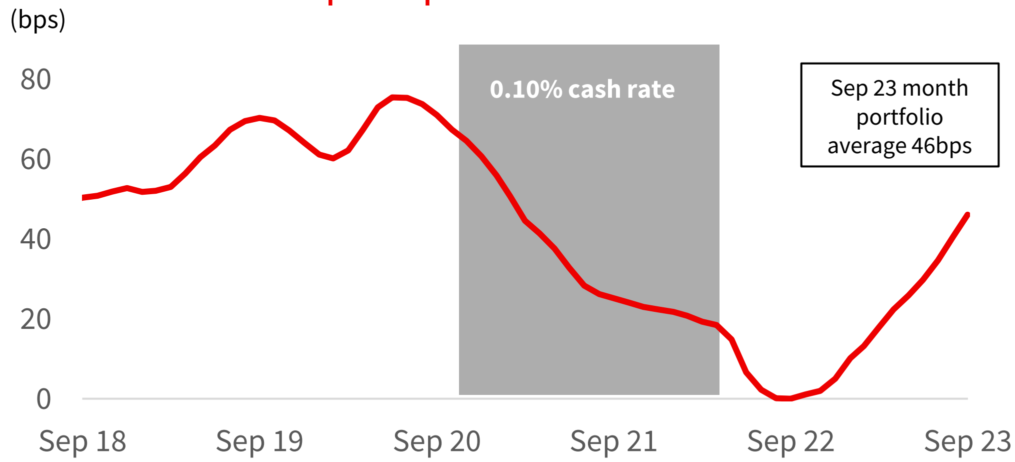
Net interest margin (HoH)



Key considerations for 1H24 NIM[1]

- Home lending (HL) competition headwinds expected to continue
- Ongoing deposit headwinds, primarily from higher term deposit costs
- Funding costs to include ~1bps impact of TFF refinancing
- Benefit of higher swap rates on deposit and capital replicating portfolios of ~4bps[2]

Australian term deposit portfolio costs[3]

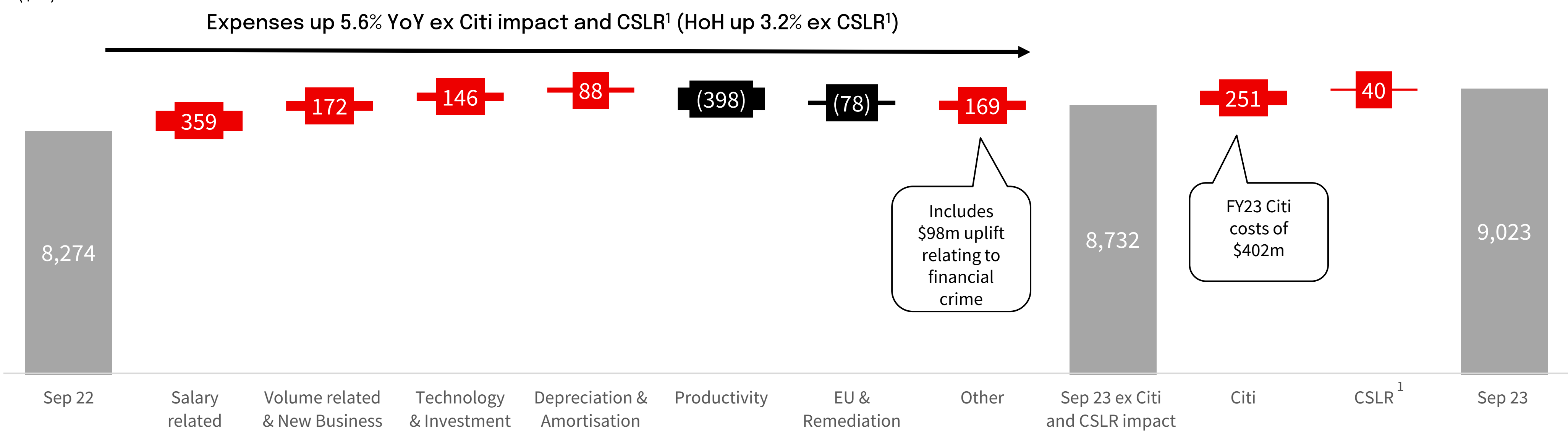


(1) Refer to key risks, qualifications and assumptions in relation to forward looking statements on page 139
(2) Based on current market implied 3 and 5 year swap rates trajectory as of 30 September 2023 for the Australian and New Zealand capital and deposit replicating portfolios respectively
(3) Monthly management data. Total deposit portfolio cost over relevant market reference rate

Operating expenses

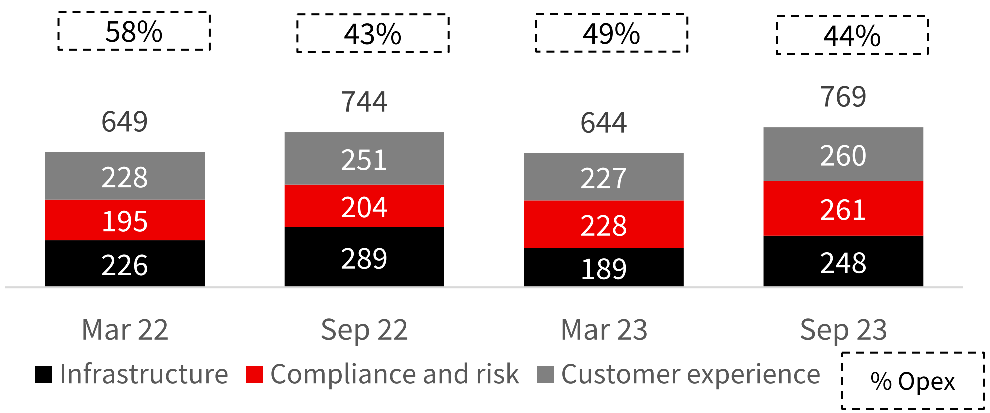
Operating expenses (YoY)

($m)



Investment spend

($m)



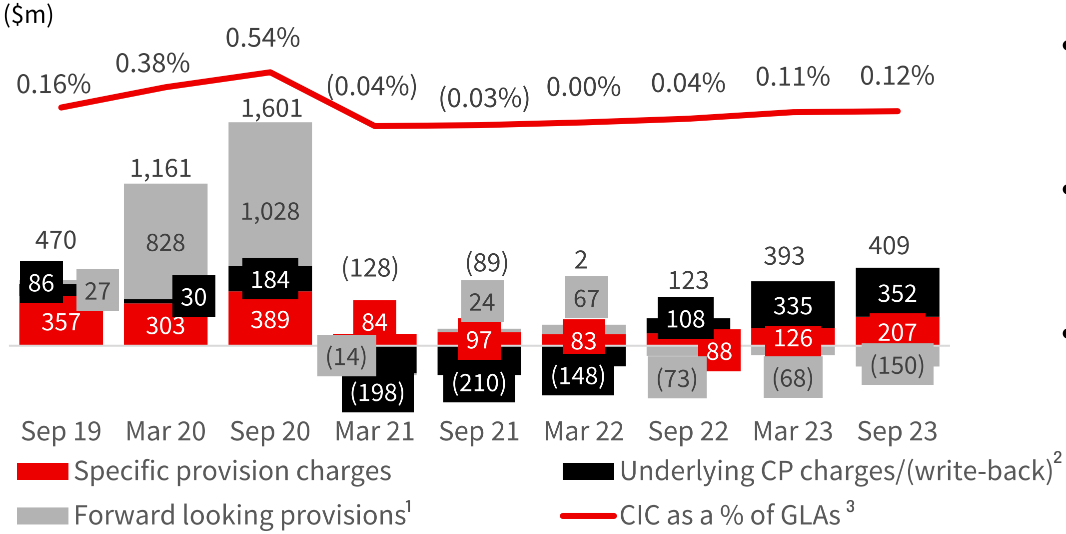
FY24 considerations[2]

- Opex growth expected to be lower than 5.6%[3]
  - Salary-related and Volume & New Business headwinds expected to slow
  - Ongoing headwinds from Technology & Investment and Depreciation & Amortisation[4]
- EU-related costs expected to be $80-120m ($105m in FY23, $103m in FY22)
- Target productivity of ~$400m
- Investment spend expected to be ~$1.4bn

(1) CSLR – Compensation Scheme of Last Resort
(2) Refer to key risks, qualifications and assumptions in relation to forward looking statements on page 139
(3) Excluding any large notable items
(4) Depreciation & Amortisation will be subject to nature of spend and timing of deployment

Asset quality

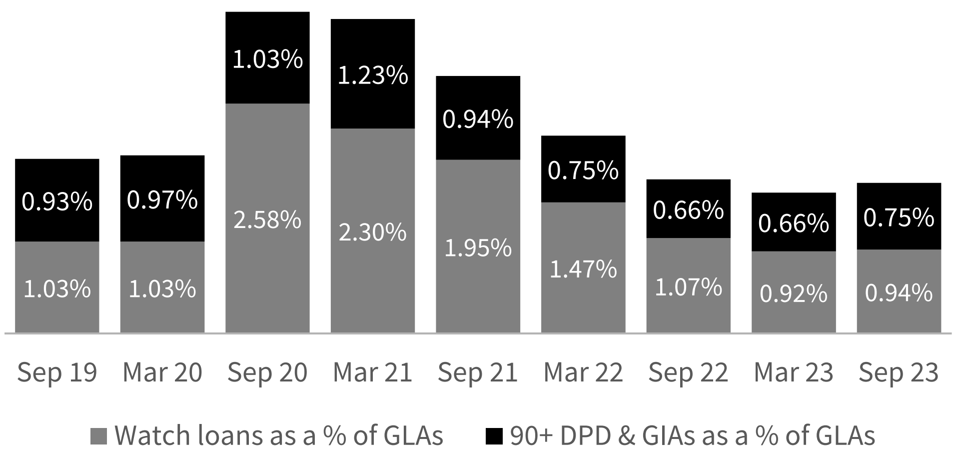
Credit impairment charge (CIC)



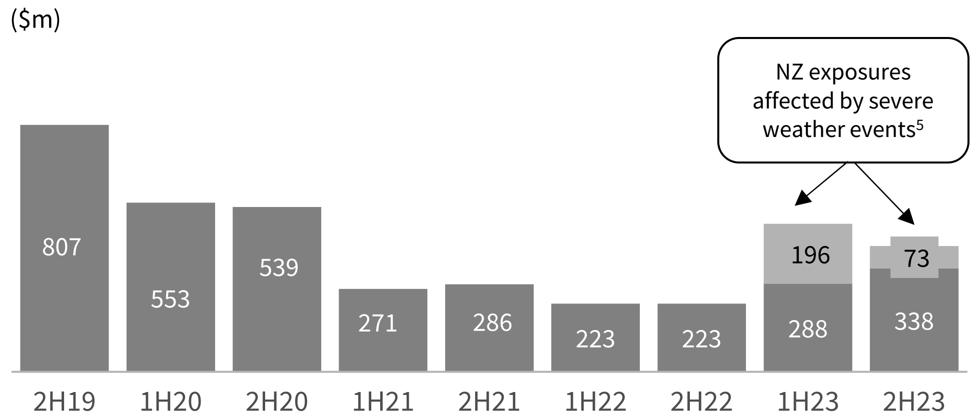
Key 2H23 drivers

- Underlying CIC of $559m reflecting deterioration in asset quality, volume growth in B&PB and a higher level of specific provision charges off a low base
- Net $150m release of forward looking provisions reflecting credit deterioration in underlying outcomes and modest improvement in overall economic outlook
- 90+ DPD & GIA ratio increase driven by an increase in delinquencies for the following portfolios:
  - Business lending portfolio in both B&PB and New Zealand Banking
  - Australian mortgage portfolio

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



New impaired assets

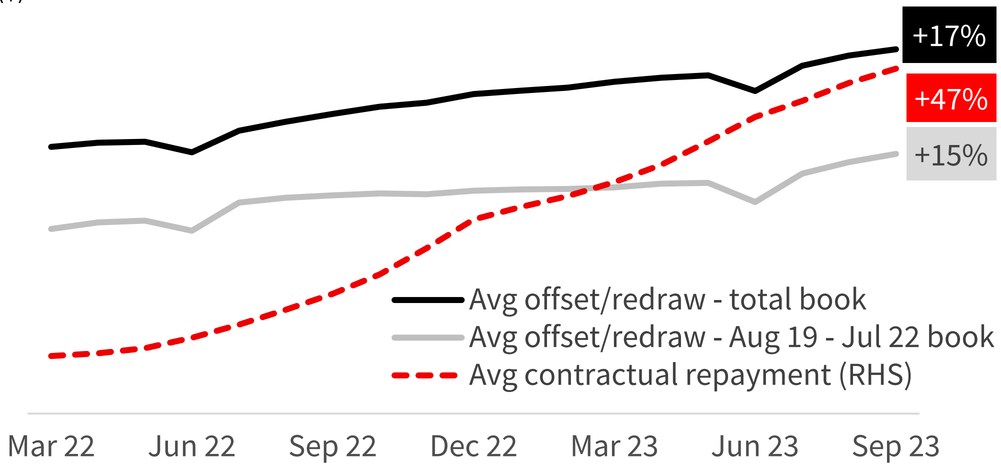


(1) Represents collective provision EA and FLAs for targeted sectors
(2) Represents collective credit impairment charge less forward looking provisions
(3) Half year annualised
(4) Referral to Watch generally triggered by banker annual reviews through the year or as a result of performing customers experiencing cashflow pressures
(5) 1H23 and 2H23 include a portfolio of customers in New Zealand affected by severe weather events. These customers have been classified as "Restructured loans" in accordance with APS 220 Credit Risk Management

Australian housing lending $338bn GLAs[1]

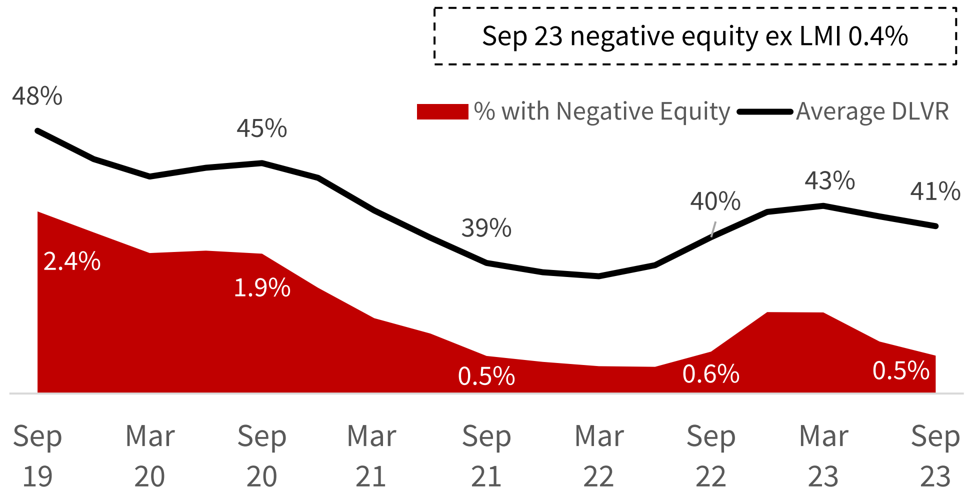
Offsets & redraws up despite higher mortgage repayments

Average offset & redraw, and average repayment per account[2]
($)

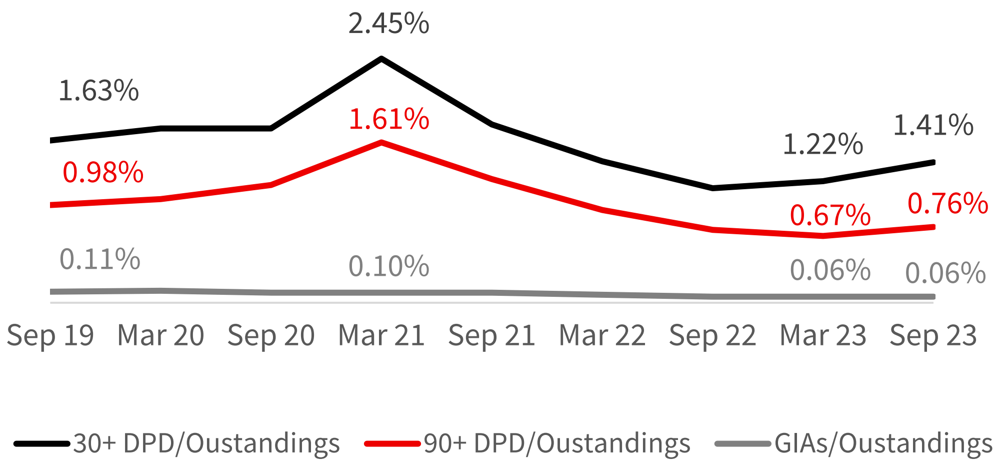


Higher house prices have improved average DLVR

Average DLVR and negative equity[3]



Arrears starting to increase as % of GLAs but limited impairment activity



Key considerations

- 2H23 increase in arrears off a low base reflects broad-based deterioration across loan types and regions
- Contribution to 2H23 arrears uplift from $145bn of loans originated in low interest rate period Aug 19 – Jul 22[4] consistent with seasoning at this stage
- Limited impairment - benefitting from house price movements and strong security positions
- Unemployment and house prices are key to outlook
- Forward looking provisions include $92m mortgage FLA and 45% weighting to downside scenario incorporating >30% cumulative house price reductions

(1) Excludes 86 400 platform and Citi Consumer Business mortgages
(2) Growth rates refer to Sep 2023 vs Mar 2022
(3) Excludes the impact of offset accounts
(4) With average serviceability threshold <6%

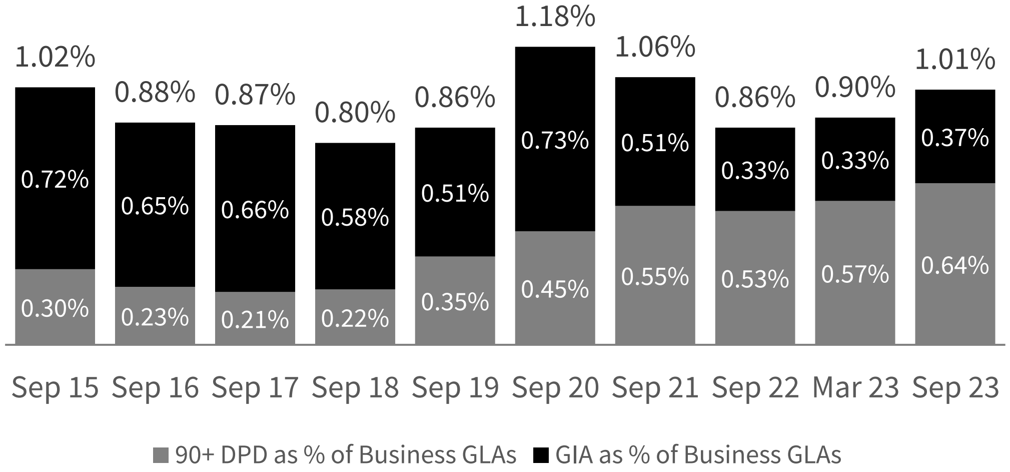
Business & Private Banking business lending $143bn

national australia bank

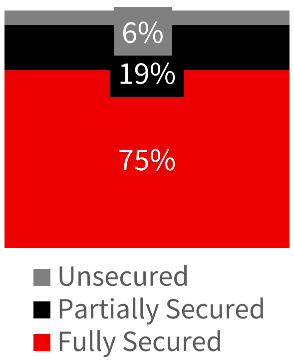
Key considerations

- SMEs enter more challenging period in good shape:
  - B&PB deposits up 36% since Sep 20 (up $5bn in 2H23)
  - Utilisation rates remain below pre COVID-19 levels
- Higher arrears reflecting inflationary pressures and higher interest rates
- Broad based deterioration across industries; some bias to smaller customers
- Arrears for sectors of interest[1] remain above book average
- Impairment activity low given strong security profile
- Portfolio remains well diversified and highly secured with material discounts applied to market valuations

90+ DPD and GIAs as % of GLAs



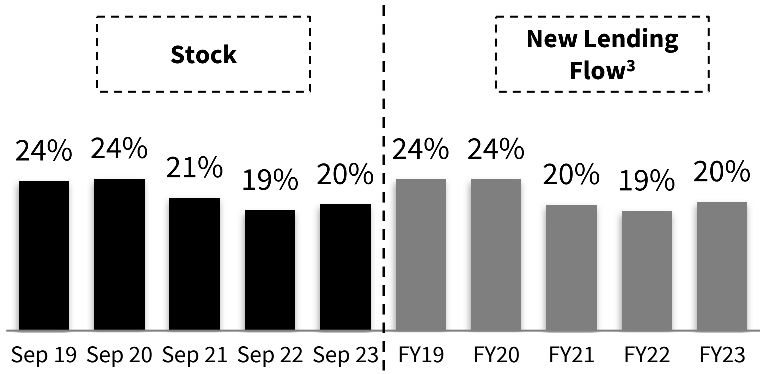
Security profile[2] Sep 23



Higher risk balances

$bn	Total balances with PD ≥ 2%
Not fully secured	~9.2
Of which: Unsecured	~1.8

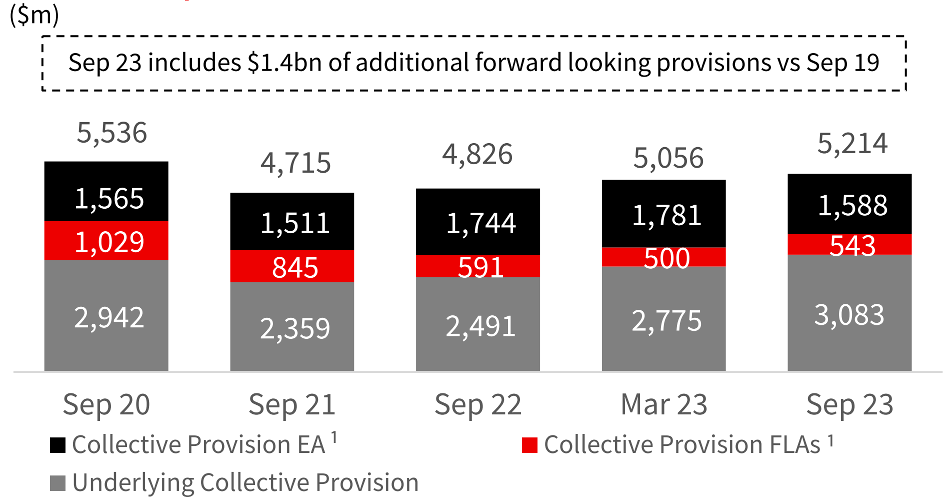
Exposures with probability of default (PD) ≥ 2%



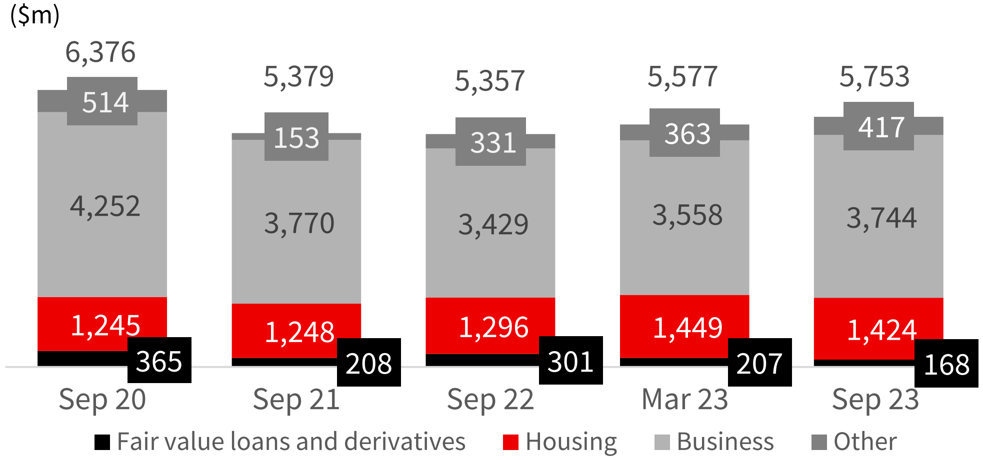
(1) Sectors of interest refers to non-retail sectors with an FLA (Retail Trade, Tourism, Hospitality and Entertainment (THE), Construction, Australian Energy and CRE)
(2) Fully Secured is where the loan amount is less than 100% of the bank extended value of security; Partially Secured is where the loan 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
(3) Lending to new customers and increased lending to existing customers during the financial year

Strong provisioning maintained

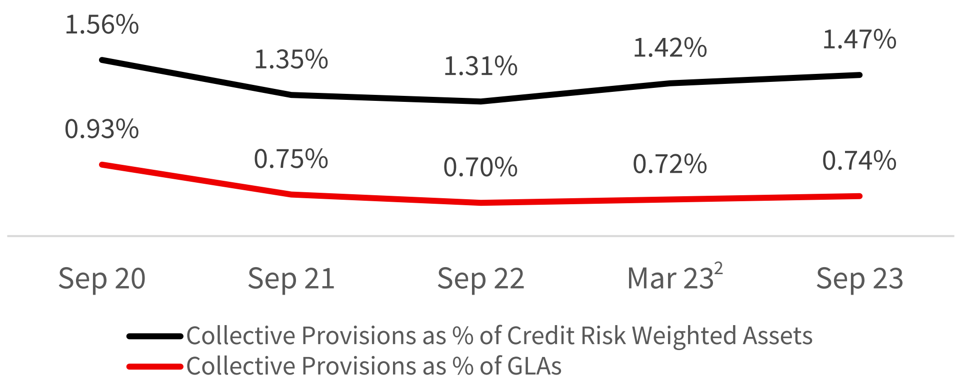
Collective provision balances



Total provisions for expected credit losses



Collective provision coverage



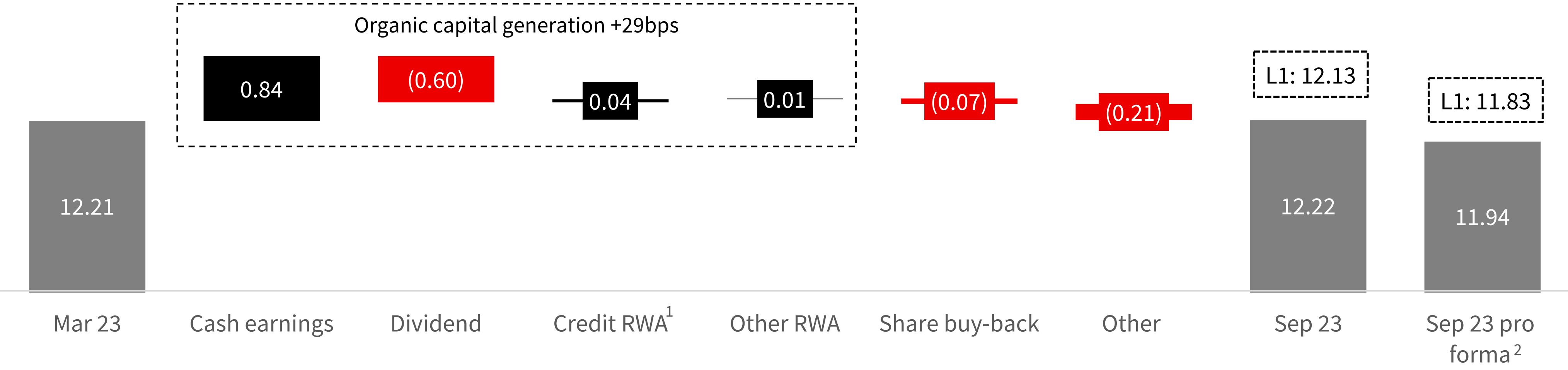
Key Australian economic assumptions considered in deriving ECL[3]						
	Base case (52.5%)			**Downside (45%)**		
%	**FY24**	**FY25**	**FY26**	**FY24**	**FY25**	**FY26**
GDP change YoY	0.8	2.0	2.6	(1.2)	(2.6)	2.8
Unemployment	4.7	4.7	4.5	4.7	7.9	9.1
House price change YoY	4.1	3.3	3.0	(24.5)	(20.3)	5.5

- ECL scenario weightings unchanged since Mar 23
- Improvement in base case (particularly house prices) since Mar 23, partly offset by weaker downside scenario
- Net FLA increase $43m including new NZ Agri FLA

(1) Collective provision FLAs/EA Sep 2022, Mar 2023 and Sep 2023 figures include $10m, $14m and $nil movements respectively due to foreign exchange
(2) Includes 7bps impact from reduction in CRWA as a result of the implementation of the revised capital framework from 1 January 2023. Refer NAB's March 2023 Pillar 3 Report for further details
(3) Scenarios prepared for purposes of informing forward looking provisions rely on NAB Economics modelling and management judgement. The base case macro-economic variables are based on NAB Economics forecasts as at 30 September 2023

Capital remains above target range

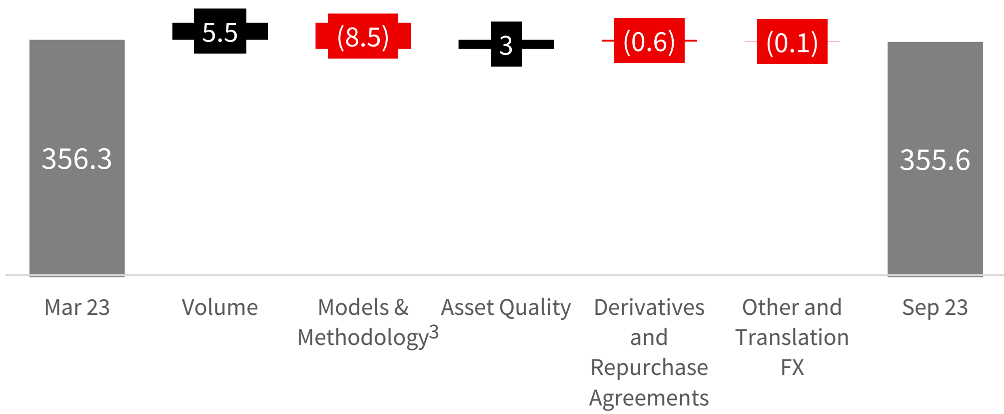
Level 2 Basel III CET1 capital ratio
(%)



CET1 considerations

- CET1 target range of 11-11.5%
- $1.5bn share buy-back announced in August 2023, with $0.3bn of shares bought back in 2H23 (-7bps CET1)
- CRWA model and methodology impacts primarily reflect RCF changes and related model updates for non retail LGD estimates

Credit risk-weighted assets
($bn)



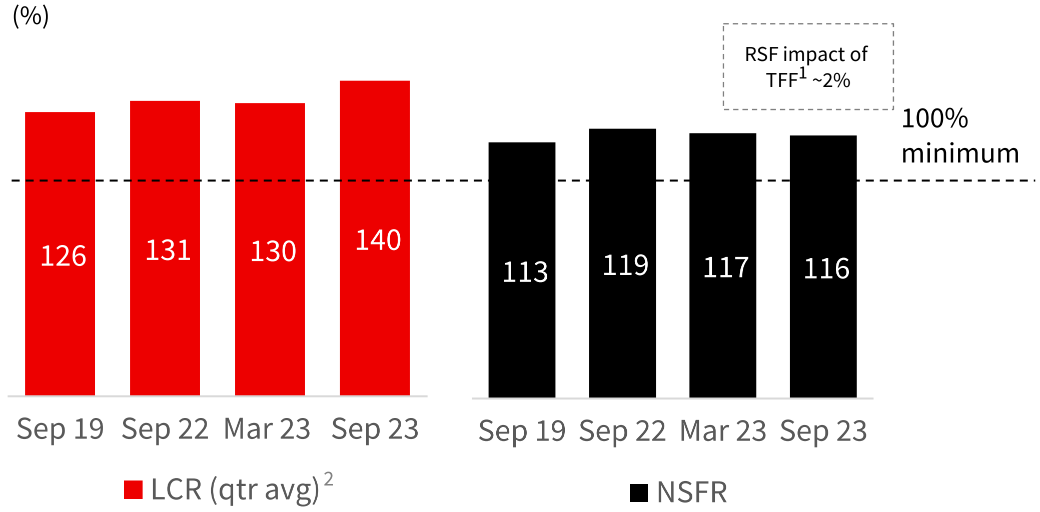
(1) Excludes FX translation
(2) Pro forma capital includes the impact of the remaining $1.2bn of the $1.5bn buy-back announced in August 2023 (-28bps at Level 2 and -30bps at Level 1)
(3) In the six months ended 30 September 2023, the loss given default (LGD) estimates for non-retail exposures subject to the advanced IRB approach were updated, including the implementation of new LGD models and other changes under the revised APS 113 Capital Adequacy: Internal Ratings-based Approach to Credit Risk. These changes have reduced credit RWA for corporate (including SME) and retail SME exposures of the Group excluding BNZ

Strong funding and liquidity metrics

Key messages

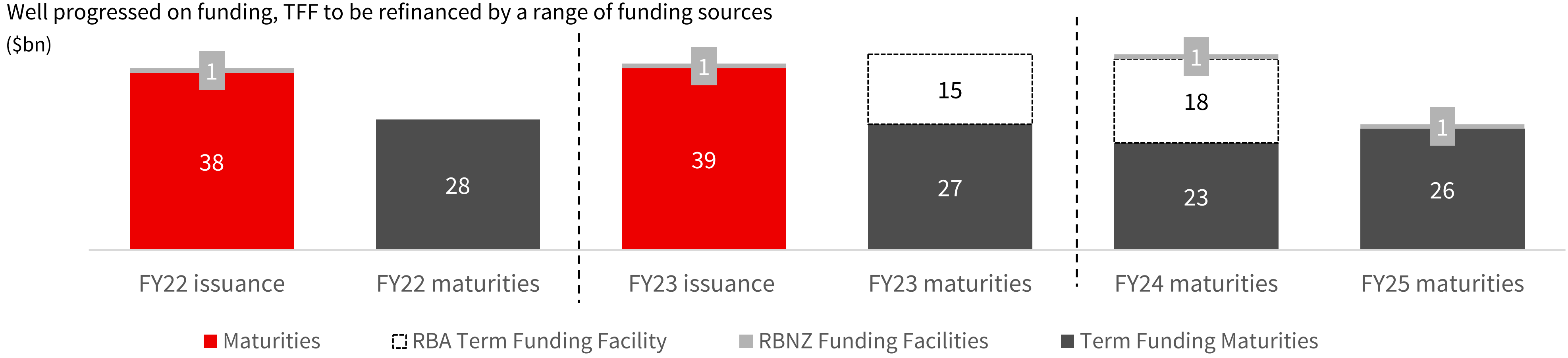
- Continued strong liquidity
- NSFR expected to continue to moderate to pre COVID-19 levels reflecting the TFF[1] transition
- Term funding issuance well diversified across product and currency to support TFF refinancing and balance sheet growth
- Well placed to manage remaining TFF maturities in FY24

Liquidity position well above regulatory minimums



Term funding issuance[3] & maturity profile[4]

Well progressed on funding, TFF to be refinanced by a range of funding sources



(1) Group NSFR at Sep 2023 includes a 2.0% benefit from the Required Stable Funding (RSF) treatment of TFF collateral. This will no longer be available following the repayment of the TFF
(2) Average LCR for the three months ended 30 September 2022 has been restated from that previously disclosed. Details of the restatement are outlined in the Appendix to the December 2022 Pillar 3 Report
(3) Includes senior unsecured, secured (covered and RMBS) and subordinated debt with an original term to maturity or call date greater than 12 months, excludes AT1 instruments. FX rate measured at time of issuance
(4) Maturity profile of funding with an original term to maturity greater than 12 months, excludes AT1 and RMBS. Spot FX rate at 30 September 2023

Closing comments

Ross McEwan

Chief Executive Officer

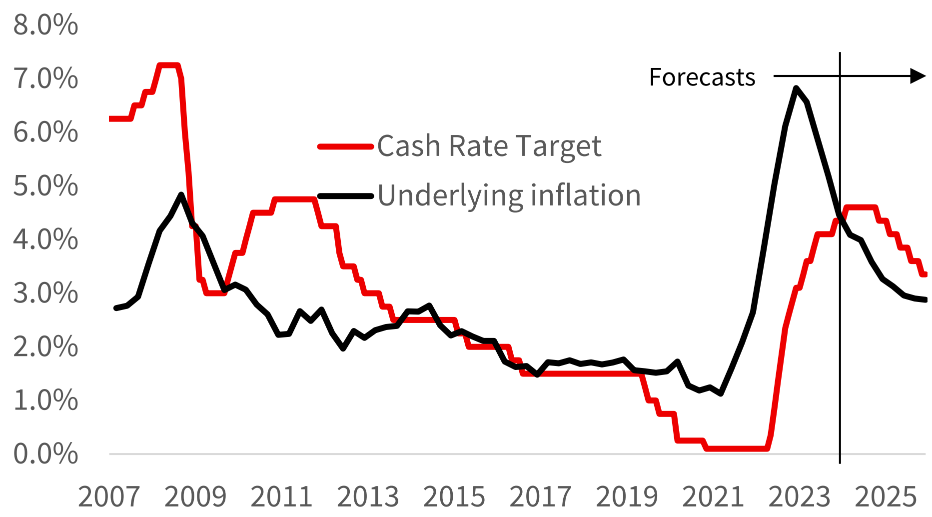
Australian economy has slowed but remains resilient

national australia bank

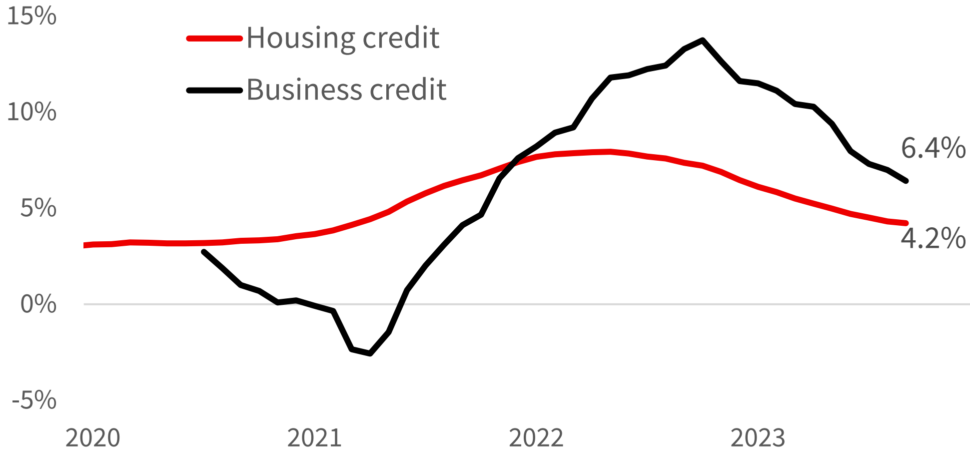
Economic conditions expected to remain soft in FY24

- Australian economy expected to slow with below trend GDP growth of less than 2% in 2023 and 2024
- Unemployment to approach 4.5% by late 2024
- Business conditions are above the long run average; although confidence remains soft
- Households remain resilient in aggregate, although pressure is unevenly distributed
- Geopolitical risks remain elevated
- Key to the outlook is the resilience of household spending and pace at which inflation moderates

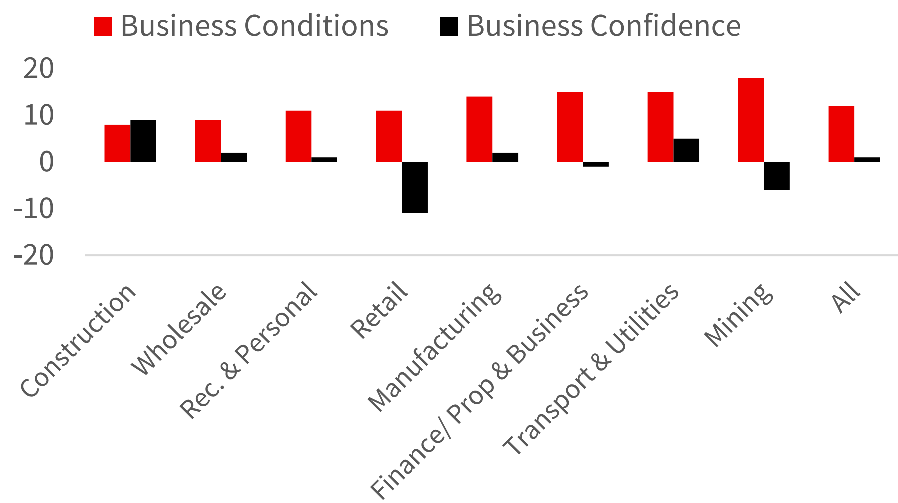
Cash rate expected to stabilise as inflation moderates[1]



Credit growth down from recent peaks and is expected to fall further in FY24[2]



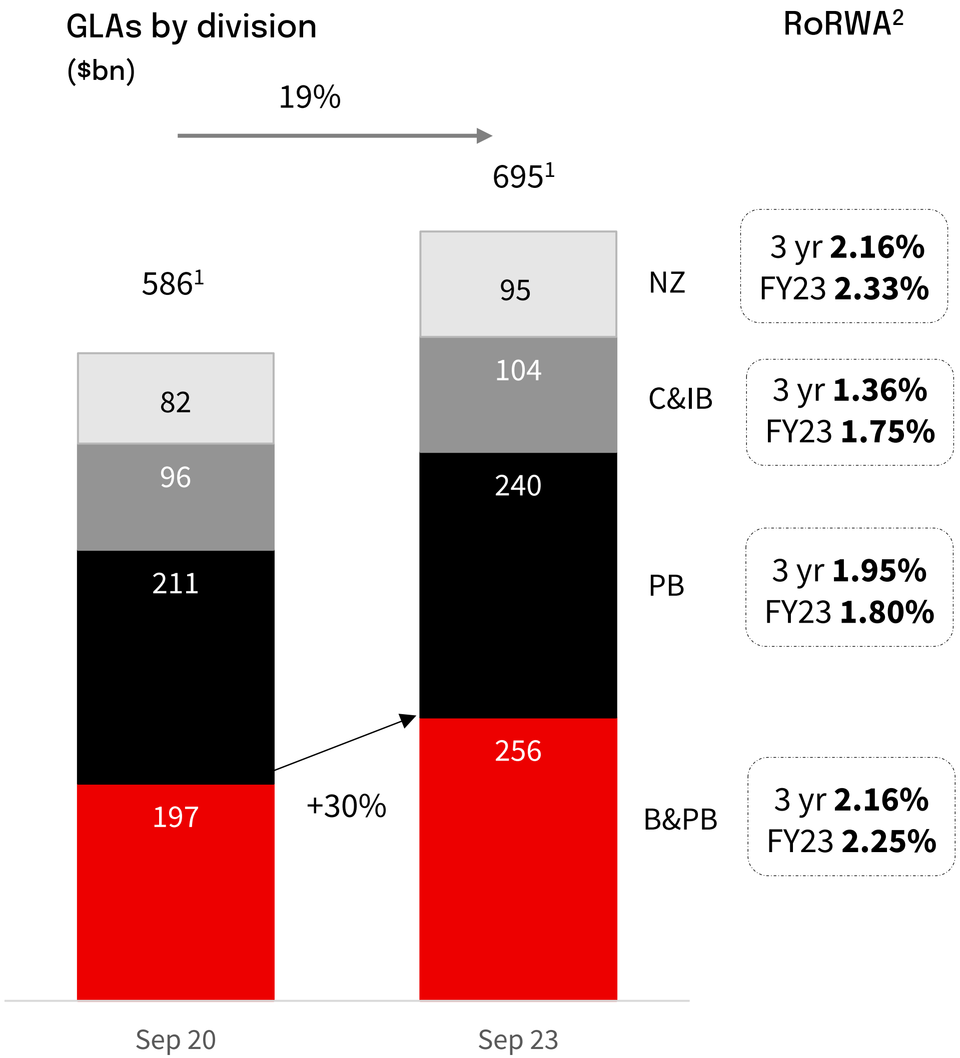
Conditions are high but confidence remains soft[3]



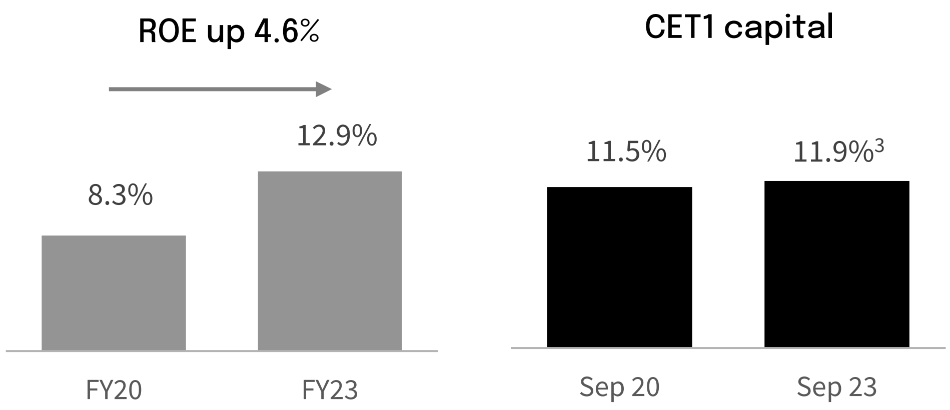
(1) Source: RBA, NAB Economics, Macrobond. Cash rate Data to 2 November 2023, NAB Economics forecasts thereafter, CPI data to September quarter 2023 and NAB Economics data thereafter
(2) Source: RBA Financial Aggregates as at Sep 2023. Rolling 12 months year ended growth. Business lending includes select financial businesses
(3) Source: NAB Economics. Three-month average of net balance for confidence and conditions by industry from the NAB Monthly Business Survey as at Sep 2023

Portfolio tilt and strategic execution driving returns

Portfolio mix increasingly tilted to high returning B&PB



Delivering a higher ROE, while maintaining a strong balance sheet



Executing our strategy

- **Increasing deposit quality** over the long term
- **Disciplined approach to lending** – investing to grow in high returning B&PB segment with more selective approach in other divisions
- **Managing costs** while continuing to invest to support long term growth and productivity
- Maintaining **prudent balance sheet settings** through the cycle
- **Good organic capital** generation

(1) Total GLAs exclude balances in the Corporate Functions and Other ($8bn at Sep 20 and $13bn at Sep 23)
(2) Average divisional return on risk-weighted assets in FY21, FY22 and FY23. NZ Banking RoRWA relates to CET1 requirements in NZ which will ultimately be higher than Group as RBNZ capital reform is phased in
(3) Pro forma CET1 including the remaining $1.2bn of the $1.5bn buy-back announced in Aug 2023 (-28bps at Level 2)

Key priorities in FY24 aligned to our long term strategy

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Maintaining strategic momentum

- Support our customers and colleagues
- Retain balance sheet strength and prudent risk settings
- Continued disciplined approach to managing costs with a focus on productivity
- Progress agreed plan for AUSTRAC Enforceable Undertaking
- Integration of Citi Consumer Business

Our long-term strategy - “What we will be known for”

Relationship-led

- Relationships are our strength

Easy

- Simple to deal with

Safe

- Responsible and secure business

Long term

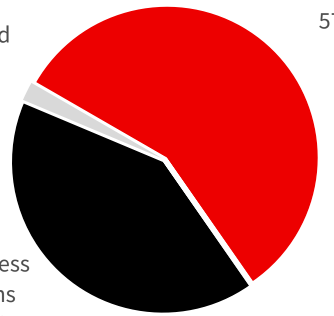
- A sustainable approach

Additional Group Information

NAB at a glance

Cash earnings divisional split[1]	% of FY23 Cash Earnings
Business and Private Banking	43%
Personal Banking	19%
Corporate and Institutional Banking	24%
New Zealand Banking	18%
Corporate Functions & Other	(4%)
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)

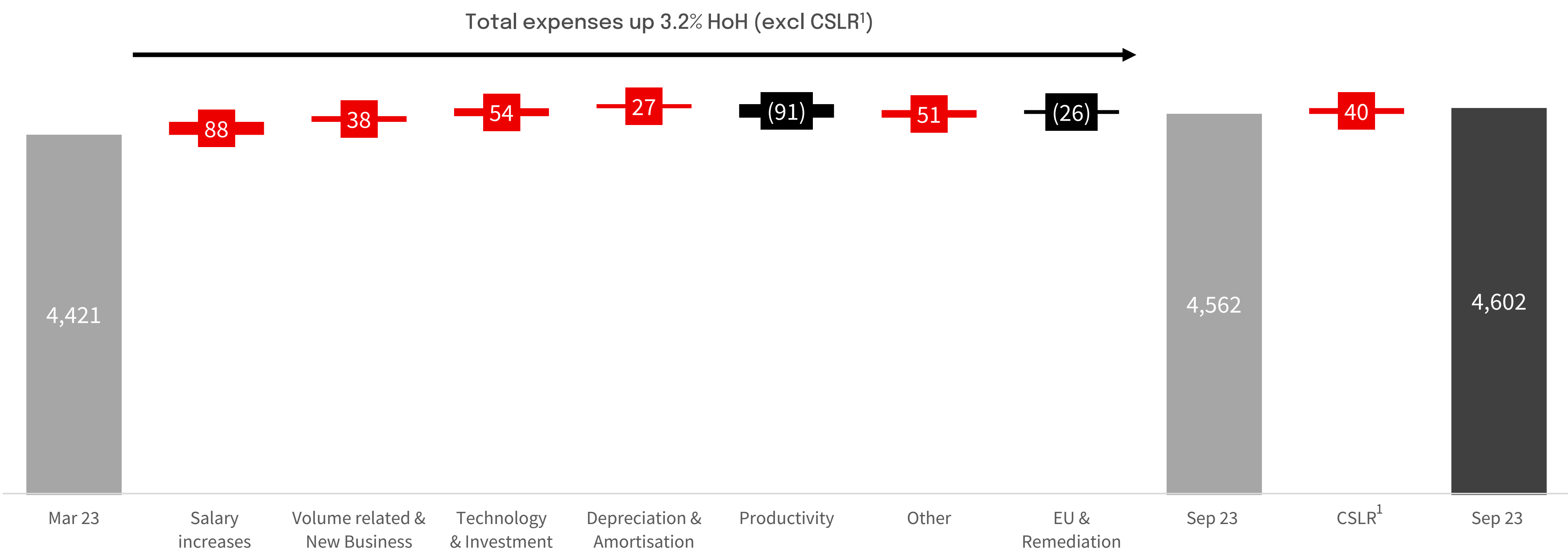
Key Financial Data	FY23
Cash Earnings[1]	$7,731m
Cash ROE	12.9%
Gross Loans & Acceptances	$708.5bn
Customer deposits	$587.4bn
90+ DPD and gross impaired loans as % of GLAs	75 bps
CET1 (APRA)	12.22%
NSFR (APRA)	116%
Australian Market Share	**As at Sep 23**
Business lending[2]	21.7%
Housing lending[2]	14.7%
Cards[2]	26.4%
Key Non-Financial Data	**FY23**
# FTE[3]	38,128
# Branches / Business Centres	643

(1) Refer to page 39 for definition of cash earnings and reconciliation to statutory net profit
(2) APRA Monthly ADI statistics. Business lending represents non-financial business lending
(3) From continuing operations

Operating expenses

Operating expenses (HoH)

($m)

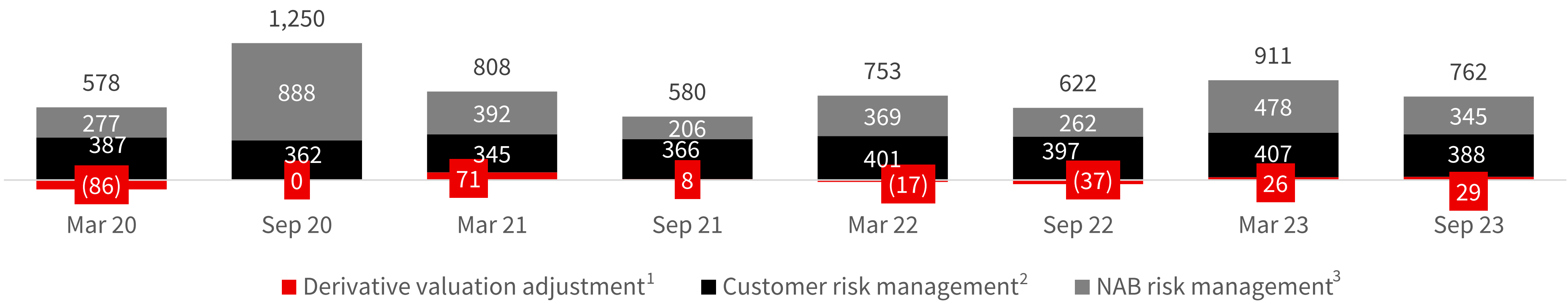


(1) CSLR – Compensation Scheme of Last Resort

Markets & Treasury income

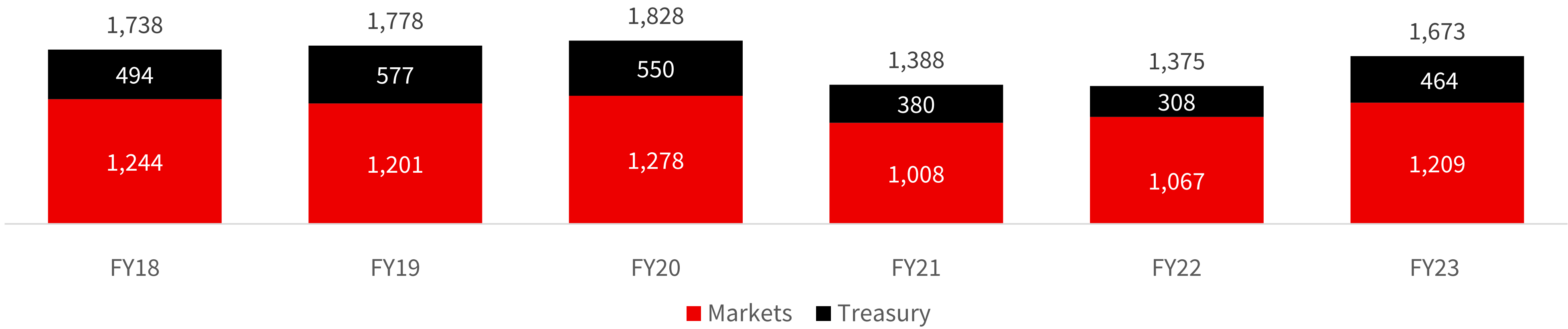
Markets & Treasury income breakdown

($m)



Historical Markets & Treasury income

($m)

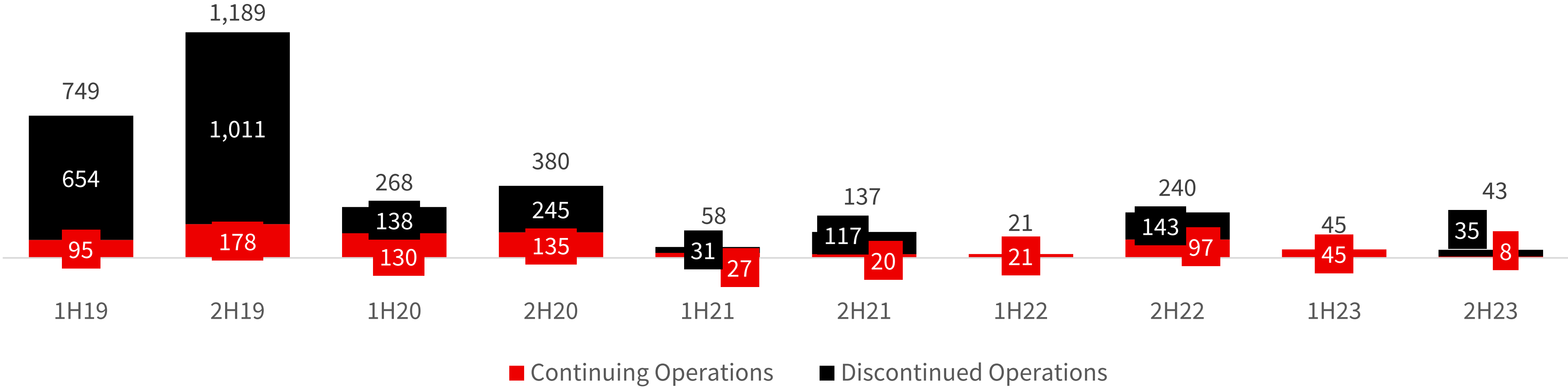


(1) Derivative valuation adjustment is shown net of hedging costs or benefits and includes credit valuation adjustments and funding valuation adjustments
(2) Customer risk management forms part of other operating income and reflects customer risk management in respect of Personal Banking, Business & Private Banking, Corporate & Institutional Banking and NZ Banking
(3) NAB risk management forms part of net interest income and other operating income and is defined as management of interest rate risk in the banking book, wholesale funding and liquidity requirements and trading market risk to support the Group's franchises. Markets forms part of Corporate and Institutional Banking revenue. Treasury forms part of Corporate Functions and Other, and from 1 October 2023 the New Zealand liquidity management portfolio is reflected in New Zealand Banking

Customer-related remediation

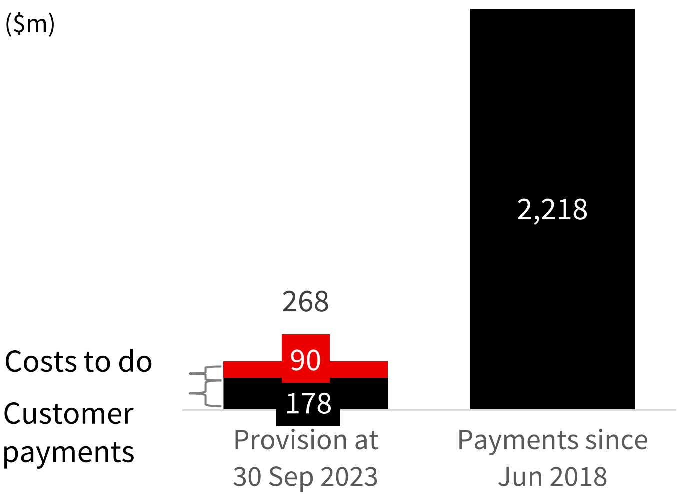
Customer-related remediation provision charges[1]

($m)



Customer-related remediation provisioning and utilisation

($m)



- >655 colleagues dedicated to remediation activities
- >2.8m payments to customers since June 2018 totalling $2,218m – up 10% from FY22

Customer remediation

- Adviser Service Fee NAB Advice Partnerships program reached completion and regulatory close in Jun 2023
- Key outstanding matters relate to wealth inappropriate advice and JBWere programs, with material progress towards finalisation expected by Dec 2024

(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

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 Anti Money Laundering / Counter Terrorism Financing (AML/CTF)
- 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
- NAB will obtain interim reports from the external auditor on a quarterly basis and an annual basis. The external auditor will provide a final report to NAB for 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 Sep 23

- An external auditor was appointed in May 2022 and continues to report to NAB and AUSTRAC periodically
- NAB continues to work closely with AUSTRAC and the external auditor to monitor and deliver agreed actions
- NAB has completed approximately three-quarters of its required activities under the RAP. A number of these activities require review by the external auditor, and some of the more complex activities under the RAP have longer timeframes for completion
- NAB continues to oversee delivery of the RAP commitments through dedicated EU Governance forums
- Estimated costs of $80-$120m for FY24. This is in addition to:
  - $103m in FY22
  - $105m in FY23

Group cash earnings reconciliation to statutory net profit

- NAB uses cash earnings (rather than statutory net profit attributable to owners of the Company) 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 the Company. These non-cash earning items, and a reconciliation to statutory net profit attributable to owners of the Company, are presented in the table below
- The definition of cash earnings is set out on page 10 of the 2023 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 the Company is set out on pages 70-72 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 2023 Annual Report

	FY23 ($m)	FY23 v FY22	2H23 ($m)	2H23 v 1H23
Cash earnings	**7,731**	**8.8%**	**3,661**	**(10.0%)**
Non-cash earnings items (after tax):				
Hedging and fair value volatility	(29)	Large	(24)	large
Amortisation of acquired intangible assets	(30)	76.5%	(15)	-
Acquisition, disposals and business closures	(207)	Large	(139)	Large
Net profit attributable to owners of the Company from continuing operations	**7,465**	**5.7%**	**3,483**	**(12.5%)**
Net loss attributable to owners of the Company from discontinued operations	(51)	(69.8%)	(36)	Large
Statutory net profit	**7,414**	**7.6%**	**3,447**	**(13.1%)**

Digital transformation, Technology and Innovation

Our 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

Technology transformation

Delivering resilient, safe and simple services for customers & colleagues

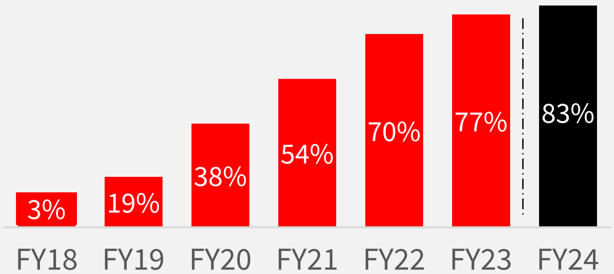
Building resilience and ensuring always-on services

- 99.89% average availability across our top 47 **critical services**
- 17% YoY reduction in **critical & high incidents** due to cloud migration and service improvements

Critical & High Incidents reduction
83%
since FY18

- **Ranked #1** in 6 of 7 Retail Payments Service Reliability categories (of the Major banks)[1]
- 77% of apps now migrated to the **cloud** improving resilience and flexibility – on track to meet FY24 target of 83%

Cloud migrations



De-risking the bank and protecting our customers

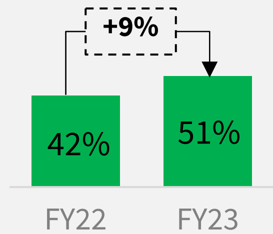
- Significant non-discretionary investment in **cyber security** capability and **technology risk** reduction
- Achieved target **NIST[2] Cyber security** capability maturity level (across people, process and technology)
- Continued **collaboration with Federal agencies** to share information and adjust our response to organised cyber activity
- Customer protections enhanced with new **phishing, scam and identity** features, including participation in new industry identity verification service (Connect ID)

Reduction in time to contain cyber threats
>50%
since FY19

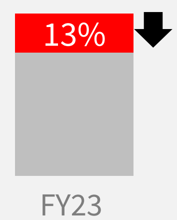
Simplifying and modernising our technology

- Completed modernisation of two legacy core banking applications to new platforms:
  - **All ubank customers** migrated - improving the banking experience
  - **Trade Finance** business migrated – fewer manual processes and improved compliance
- Simplified technology for colleagues:
  - ~3,000+ bankers **migrated to a new CRM** platform (~70% complete) – improving sales activity

Strategic Applications as % Total



Legacy applications reduced[3]

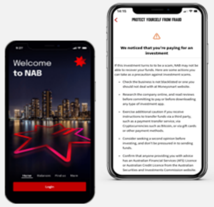


Underpinned by strong technology foundations

(1) Based on analysis of disclosures provided to the RBA since Q3 2021 (Major banks)
(2) Based on an external assessment against National Institute of Standards and Technology (US Government) Cyber Security Framework
(3) Based on percentage of gross applications reduced in FY23, excluding new applications

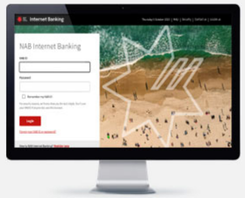
Investing in our digital banking channels

NAB Mobile App



Manage your money securely, whenever and wherever you are

NAB Internet Banking



Desktop digital banking for personal and small business customers

NAB Connect

Digital banking platform for business and corporate customers

FY23 features delivered to provide simpler, safer and more personalised experiences for our customers

NAB Mobile App

- Apply for new products directly via the app
- View and control bills and payments with PayTo
- Enhancements to in-app calling when updating SMS security
- Proactive scams and fraud alerts in key payment flows
- NAB Messaging connects directly with fraud bankers

NAB Internet Banking

- Real-time authenticated chat
- Customers can now easily apply for business transaction accounts within Internet Banking
- Proactive scam and fraud alerts
- Proactive and targeted notifications
- 'Best Internet Banking Initiative' - Global Retail Innovation Awards 2023[1]

NAB Connect

- Faster payments via the all-new Domestic Payments experience
- Increase self-service support and help capabilities
- Enhanced security and fraud warnings for security tokens
- Equipment Finance capability
- Introduced new digital user amendment process
- Voted #1 online banking platform 5 years in a row[2]

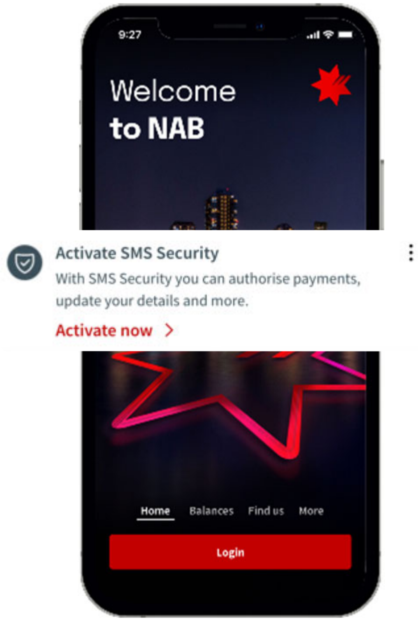
(1) Transaction history capability voted Best Internet Banking Initiative - Global Retail Innovation Awards 2023
(2) Peter Lee and Associates: Large Corporate Transactional Banking Survey Australia 2023

Building a simple and digital Personal Bank

Enhancing the digital customer experience

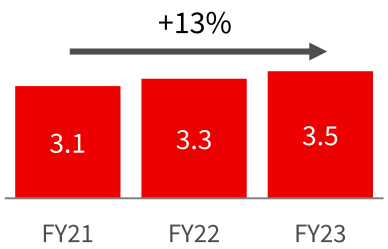
Continued improvements to simplify the digital service experience

- ~40m personalised digital notifications sent
- ~2.1m conversations across 800k customers via ‘NAB Messaging’ now with push notifications when new messages received
- >1m customers using spending tool in mobile
- ~50k customers now have NAB Now Pay Later, spending ~$90m with +67 NPS

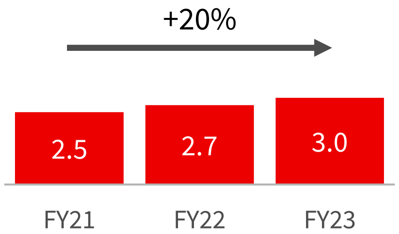


More customers using digital, driven by mobile

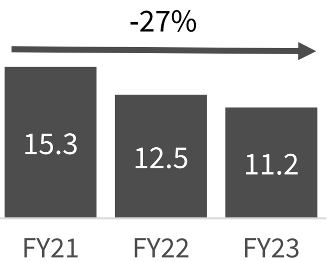
Digitally active NAB banking customers[1] (m)



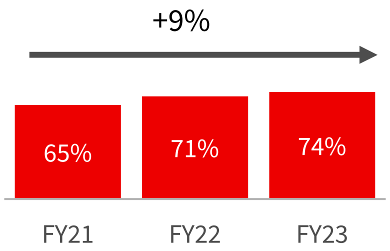
Mobile active NAB banking customers[1] (m)

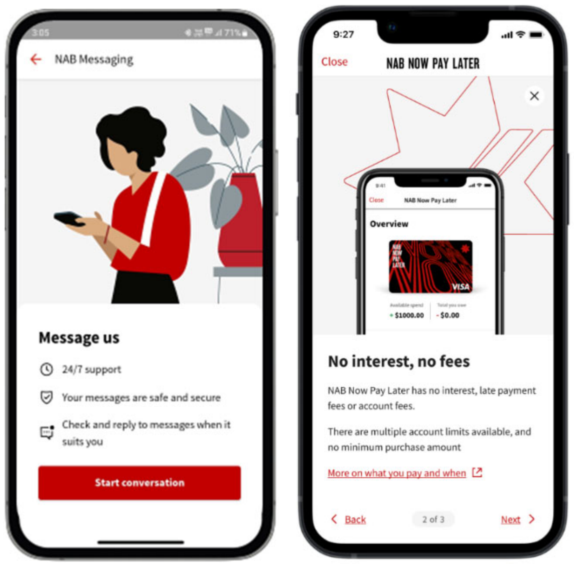


Over-the-counter transactions (m)



Simple everyday banking products opened digitally[2]





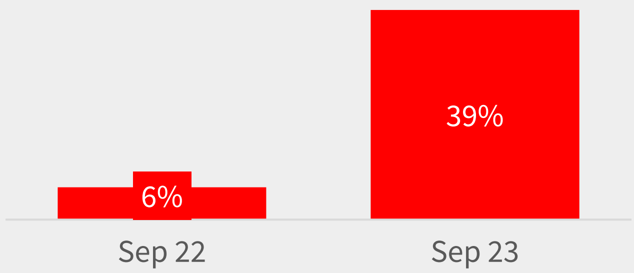
(1) Excludes ubank and Citi Consumer Business customers. Includes NAB customers logging into NAB digital channels in the month
(2) Full year basis – comprises Transaction, Savings, Credit Cards and Personal Loan products

SME business lending supported by digital

Continued expansion of customers, products, actions and channels capable of digitisation

- Better business lending experiences supported by **digital business lending platform** including Quickbiz[1] which gives small business customers access to unsecured lending within minutes, and more seamless banker-enabled deals
- **Expanding Quickbiz eligibility** to more customers, products and channels – in 2H23, added Health, Professional Services, Specialised and new-to-bank customers, and 5 year loan term
- Continuing to expand **digital document eligibility** across more customers, lending and products and enabling digital execution of more document types[3]
- More than half of all business lending documentation can now be fulfilled digitally, allowing customers to **receive and sign documents same day** speeding up time-to-cash and reducing touch time for bankers

Business lending applications originated digitally[2]

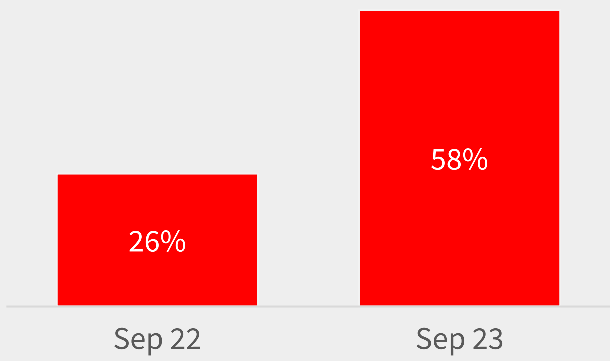


Productivity benefits FY21-23

14% lower
business lending unit costs

25% faster
time to yes[4]

Digital documents % of business lending documents



(1) Unsecured term lending up to $250k and Business Cards & Overdrafts up to $50k currently available via direct and banker channels to Sole Traders, Partnerships, Trusts and single and multi director private companies
(2) Number of eligible applications (new) decisioned on digital business lending platform by bankers and customers as a proportion of total eligible applications (new and increase) decisioned digitally or manually
(3) Currently available for QuickBiz Lending, Term Lending, Simple Home Lending , Commercial Broker and Equipment Finance
(4) Avg monthly median days from submission of customer's application to unconditional approval, 12 months to Sep 23 vs 12 months to Sep 22 for non automated lending

Making payments easier for SMEs

HICAPS: simplifying & innovating in healthcare payments

Nextgen terminal rollout

- >30k in-field currently
- Improved security, reliability and usability including larger screen and vision impaired features
- Simple pricing and merchant choice routing

Seamless and digital claims and invoicing

- Integrations with >50 practice management systems
- Ongoing extension of claiming services
- New NDIS digital invoicing solution – NDIS Invoice Anyone - helping NDIS providers streamline transactions with scheme participants

Digital self service via HICAPS portal

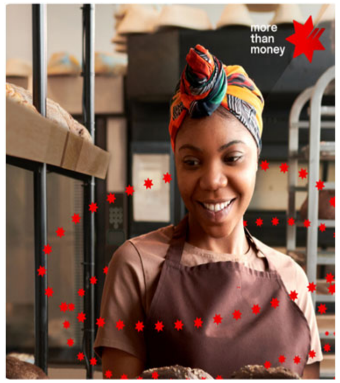
- Providers can see terminals, configurations and fees online and update their details
- New streamlined onboarding enabling additional providers to be digitally added to terminal for claiming

Nextgen EPTPOS terminal rollout underway

- 4G connectivity, modern design, leading accessibility features
- Review settlements and print via the terminal
- Merchant Choice Routing
- NAB designed and controlled software, enabling rollout of further value added services e.g. data analytics, buy now pay later
- 15k in-field currently

NAB Flex-Flow Loan for merchants

- Fast and flexible cashflow loans for existing merchant customers [1]
- Launched April 2023
- Repayments that flex with cashflows - customers choose repayments of between 10-30% of daily merchant sales with repayments automatically deducted from NAB settlement account and applied to loan daily

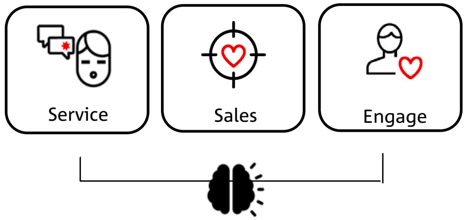


(1) Customers must have a NAB Merchant facility, settlement account & have trading history for a minimum of 12 months. Additional credit eligibility may apply

Customer Brain

Creating personalised experiences for our customers, simply and at scale

Real-time decisioning driving Next Best Actions for our customers across three action types



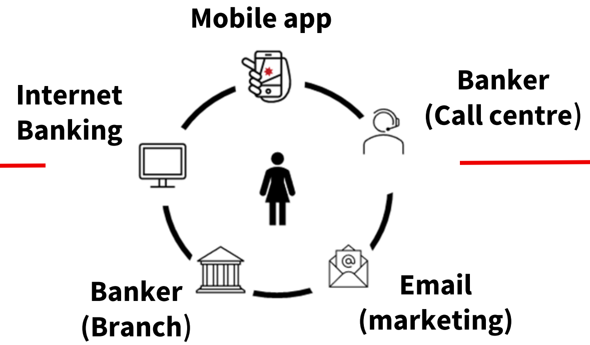
The Brain enables us to understand our customers and meet their needs in the moment

NAB Data & insights → **Connecting with customer** → **Customer experience**

Using our **rich data ecosystem and AI**, the Brain generates meaningful, individualised **Next Best Actions**

Connecting with customers in their **channel of choice**

Follow up engagement automatically **adapts to feedback** and preferences



In FY23 the Brain has

- Enabled 386m customer decisions across 11.3m customer interactions
- Uplifted customer engagement by 40% when action identified by Customer Brain

Delivering at speed to create value early

- Powered by >200 machine learning models and 36bn data points

Examples of customer interactions prompted by the Brain

Customer Brain identifies customer behaviour indicating a change in circumstance related to their home loan. E.g. customer uses home loan repayment calculator

Banker proactively contacts customer to explore home loan needs. E.g. solutions to save money via offsets, options to manage repayments, or an increase in lending

Customer Brain surfaces data to indicate that customer could be travelling overseas soon. E.g. customer pays for travel on credit card

NAB via Mobile app customer is proactively informed of digital tools they can use while overseas. E.g. a foreign currency calculator for on-the-spot currency conversions

Customer Brain identifies customers interested in learning about scams and fraud. E.g. more vulnerable and less digitally active customers

Inbound digital channel takes customer to learning page with tips and tricks to help avoid scams and fraud.
E.g. how to spot scam phone calls

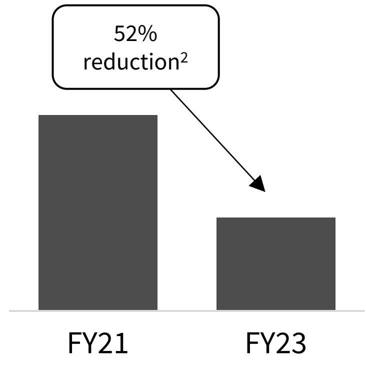
Our ambition to build Australia's simplest home loan

A digital end-to-end platform with 'intervention by exception'

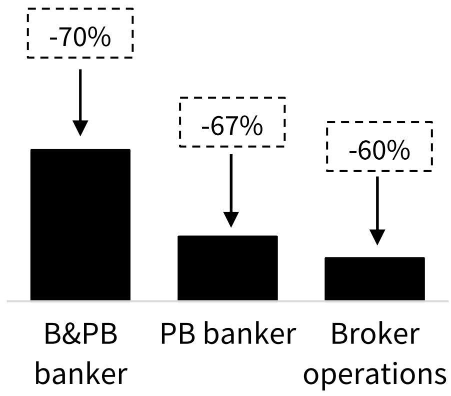
2H23 Simple Home Loans (SHL) update

- 50% SHL applications receive same-day unconditional approval
- 15% broker home loans now submitted via SHL, with ~1 day median time to unconditional approval
- SHL roll out is well progressed:
  - 50% of B&PB home loans eligible (25% uplift from 1H23)
  - 95% of retail home loans eligible (from 90% in 1H23)

Median TTUA[1] reduction



Touch time per SHL app vs FY19



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

Conditional approval → Unconditional approval → Settlement

Application	Verification	Credit assessment	Digital documentation	Fulfilment
Fast applications with pre-populated data	Automatically verified using data, manual by exception	Fast, automated decisions	Auto generate documents and send digitally	Auto verify digitally signed documents

Retail and B&PB – Stage 1 & 2 rollout (nearing completion)

Stage 3 rollout commenced FY24 – FY25

Broker – end to end rollout continuing across FY24 - FY25

(1) Time to unconditional approval measures the time taken from the banker/broker submitting for credit assessment/verification until Unconditional Approval is achieved and Loan Documents are in the customer's hand
(2) Includes Broker, Retail and Business & Private home lending applications via Personal Bank Lending Assessment

Innovating with NAB Ventures

national australia bank

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 three new investments in FY23 and follow on investments into 5 portfolio companies

Innovation themes

- Data & AI
- Property/Home Lending
- Payments
- Fintech/Alternative Banking
- Alternative Lending
- Agtech
- Climate
- Cybersecurity
- Digital Assets

New investments in FY23

Banked : has developed a global cloud-based payments network designed to streamline payments for consumers, businesses and banks

carbonplace a settlement platform to facilitate secure transfers of certified carbon credits

Greener a digital platform that provides tailored recommendations for consumers and business which aims to reduce climate impact with every dollar spent

Follow on investments

bugcrowd a crowdsourced security platform providing cybersecurity, bug bounty and vulnerability disclosure services

Edstart offers financing for private school fees with a mission of supporting access to learning

hometime provides a short-term rental management services (co-hosting) platform

DataMesh provides payments and data analytics hardware and software to merchants

Figured a farm financial management software company that aims to help farmers better manage the profitability of their farming operations

Additional Divisional Information

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 • Strengthen sector specialisation • Transform business lending experience • Leverage High Net Worth proposition • Partner to deliver differentiated transactional banking and payment experiences	• Professional and flexible bankers backed by customer centric technology • Deliver a simple and digital everyday banking experience, including unsecured lending • On track to deliver Australia's simplest home loan	• Highly professional relationship managers and specialists • Targeted growth in higher returning strategic segments • Enhancing capability in transactional banking, asset distribution and sustainability • Digitisation and automation supporting key customer and colleague interactions	• 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

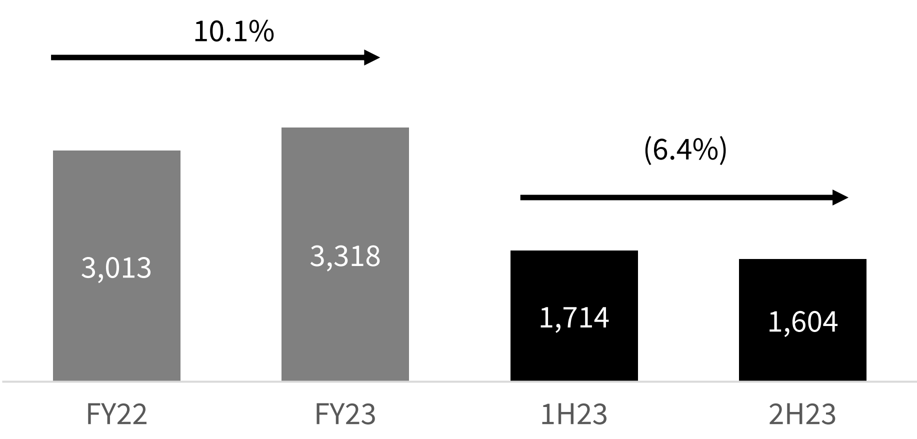
Divisional contributions

Divisional cash earnings[1]	FY23 ($m)	FY23 v FY22	2H23 ($m)	2H23 v 1H23
Business and Private Banking	3,318	10.1%	1,604	(6.4%)
Personal Banking	1,446	(9.1%)	661	(15.8%)
Corporate and Institutional Banking	1,870	14.9%	930	(1.1%)
New Zealand Banking[2]	1,522	8.5%	697	(15.5%)

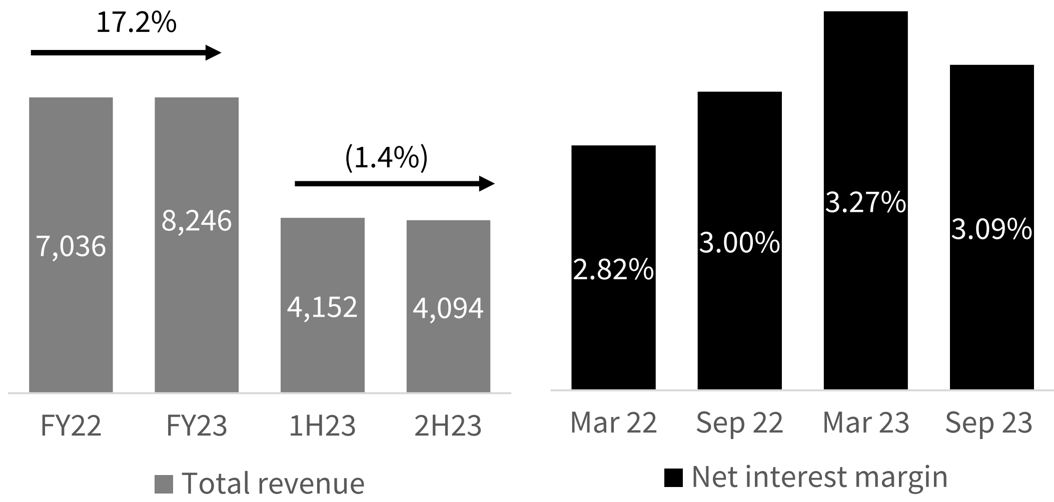
(1) Refer to page 39 for definition of cash earnings and reconciliation to statutory net profit
(2) New Zealand Banking in local currency

Business and Private Banking

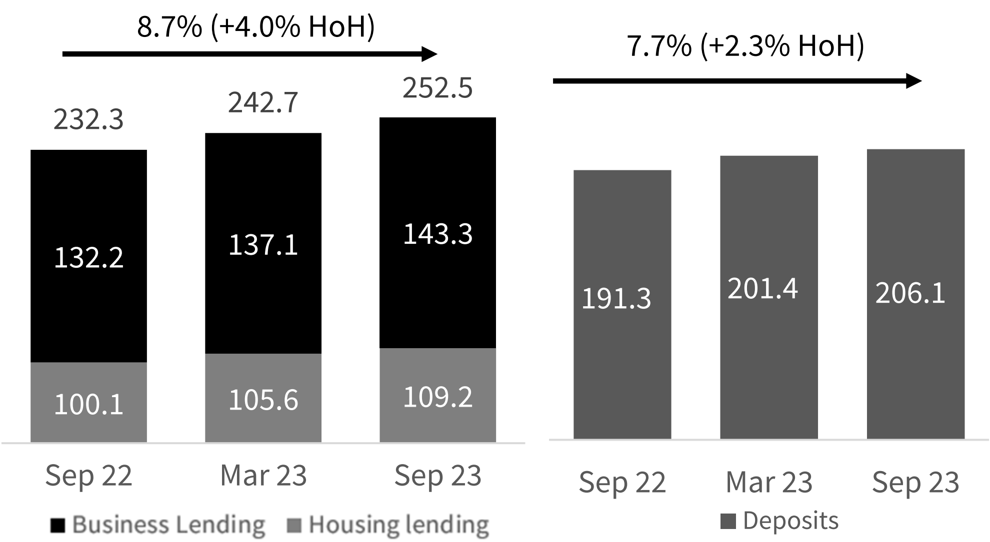
Cash earnings
($m)



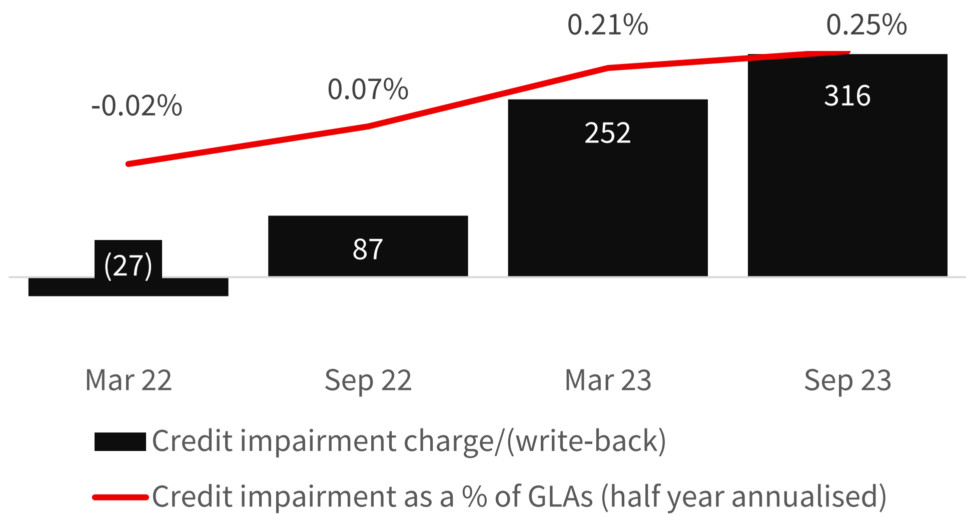
Revenue and margin
($m)



Business and housing lending GLAs and deposits
($bn)



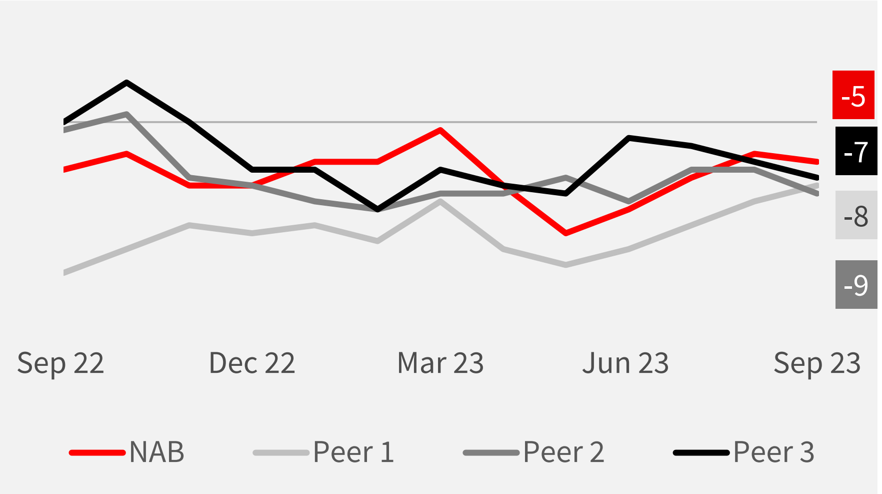
Credit impairment charges and as a % of GLAs
($m)



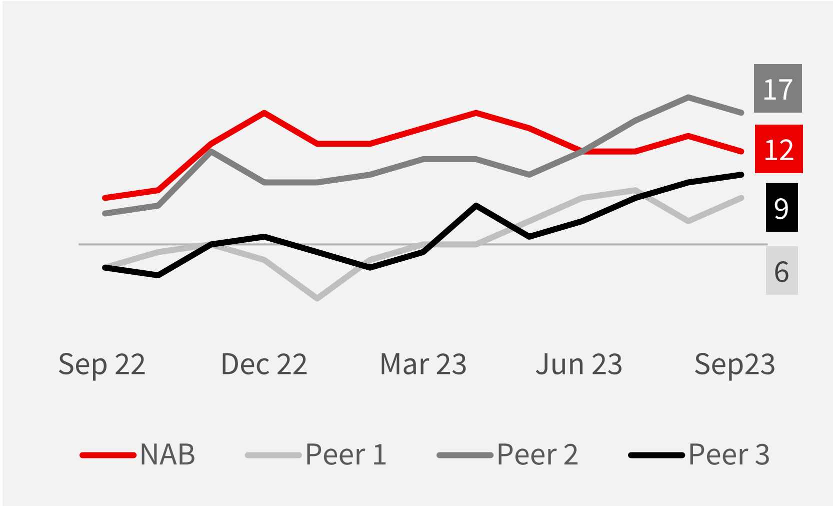
Business and Private Banking customer metrics

Net Promoter Score relative to major bank peers

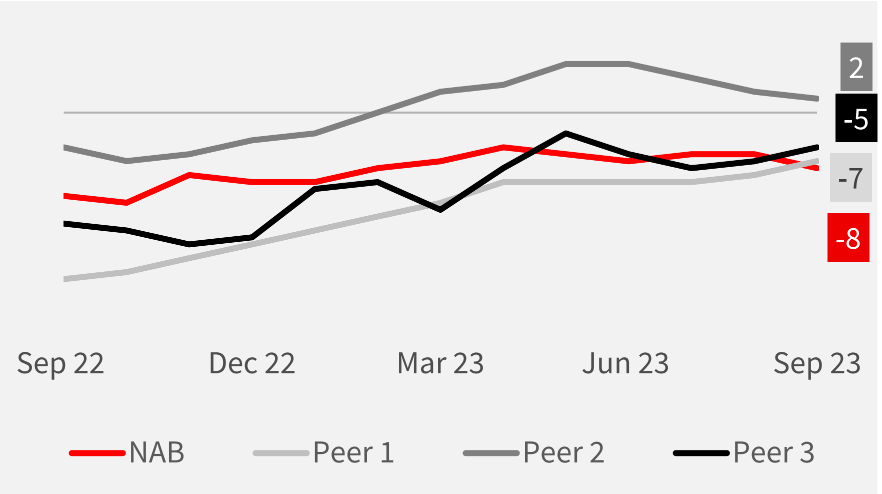
#1 High Net Worth[1]



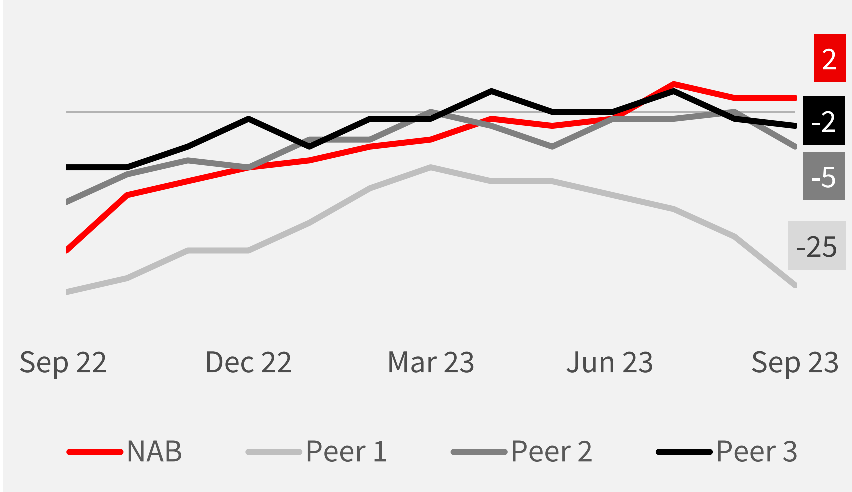
#2 in Medium Business[2]



#4 Small Business[2]



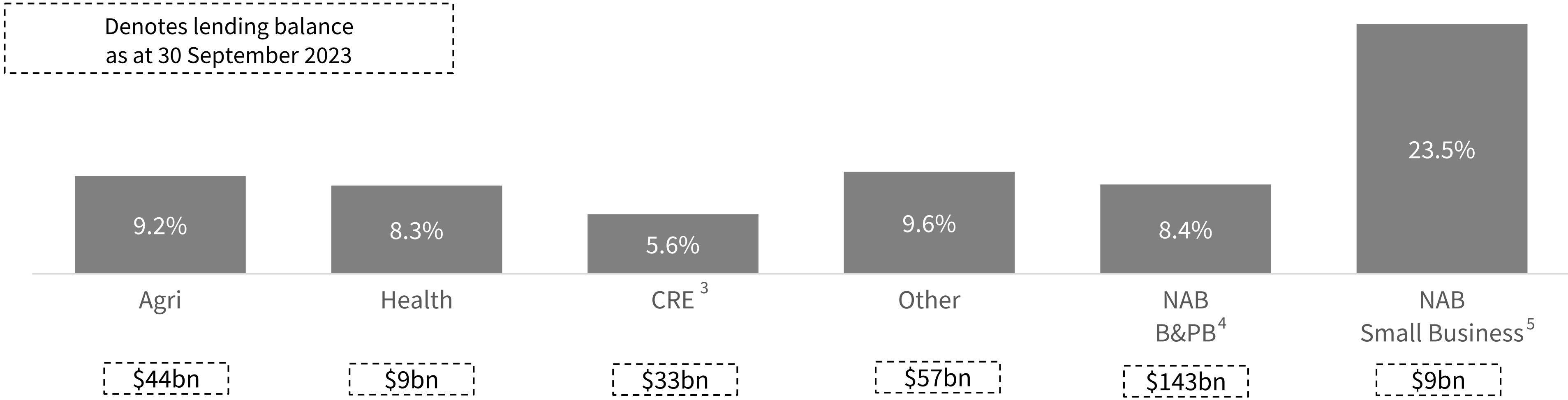
#1 Micro Business[2]



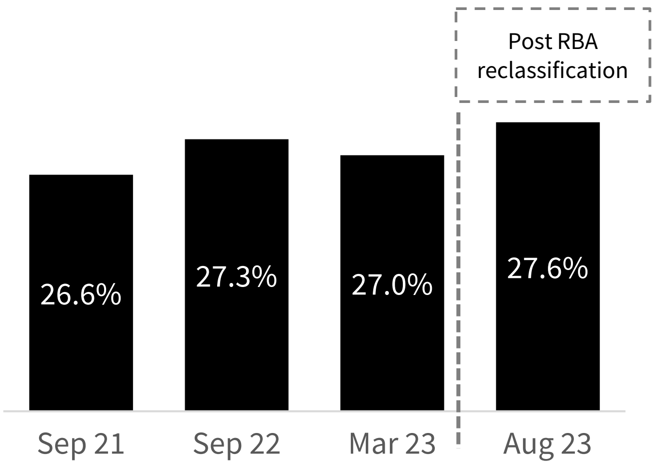
(1-2) Refer to sources and notes at the back of this presentation on page 138 for further details
Net Promoter® and NPS® are registered trademarks and Net Promoter Score and Net Promoter System are trademarks of Bain & Company, Inc., NICE Systems, Inc., and Fred Reichheld

Business and Private Banking business lending

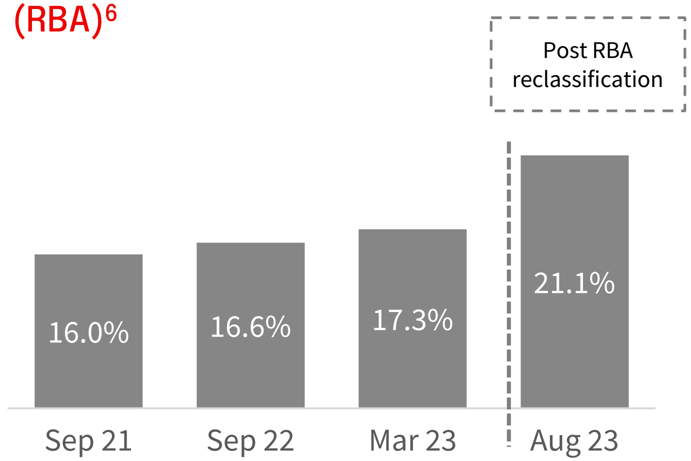
Diversified Australian business lending growth (YoY)[1,2]



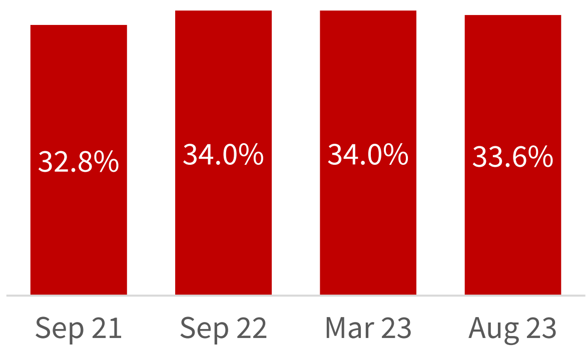
SME lending market share (RBA)[6]



Small business lending market share (RBA)[6]



Agri business lending market share (RBA)

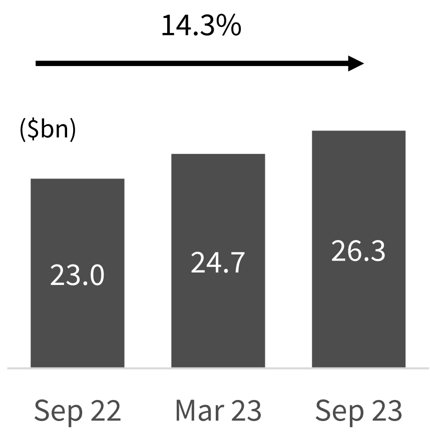


(1) Growth rates are on a customer segment basis and not industry
(2) NAB has modified its interpretation of the ARS 230 Commercial Property standard, with the guidance of APRA. This has seen an additional ~$2.5bn in Australian balances now qualifying for ARS 230 reporting at Sep 23 (previously presented as "Other"). To measure growth on a consistent basis since Sep 22, the Sep 23 balances have been adjusted to remove the impact of this reporting change
(3) CRE primarily represents commercial real estate investment lending across a range of asset classes including Retail, Office, Industrial, Tourism and Leisure, and Residential
(4) B&PB customers typically have borrowings up to $50m and turnover less than $100m
(5) Small business reflects business lending by B&PB's Business Direct & Small Business unit
(6) Derived from RBA statistics. Data to Mar 2023 represents the old definition where a business is classified as SME under APRA if the business has turnover of less than $50m and as a small business if exposure is less than $1m. Break in series for SME and small business post Mar 23. Starting Apr 23 APRA amended the rules for SME size classification to turnover less than $75m and the classification for small business to exposure less than $1.5m. Historical system numbers have not been restated. Both NAB and system data post Mar 23 include adjustments to align to new APRA size classifications

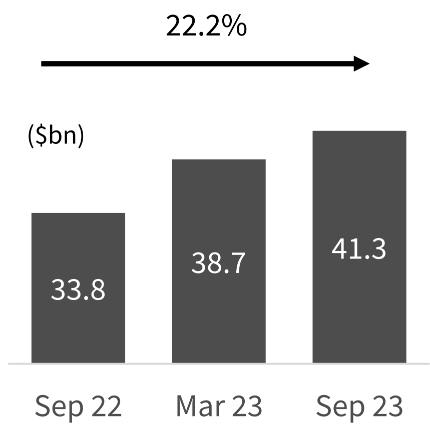
Integrated Private Wealth offering

- An **integrated offer** which brings together JBWere, NAB Private Investments, nabtrade and Private Banking to deliver banking, investments and advice for high net worth (HNW) customers
- **Strong growth** in Private Banking home lending and consumer deposits supported by increased referrals across Business & Private Banking
- Progressing integration of the **Citi private wealth business**[1] with colleague movements completed and finalisation of client consents for funds transfers
- Peer leading **#1 NPS HNW** segment (-5)[2]
- Ongoing enhancements to **nabtrade app** with continued high ratings in Google Play and Apple stores

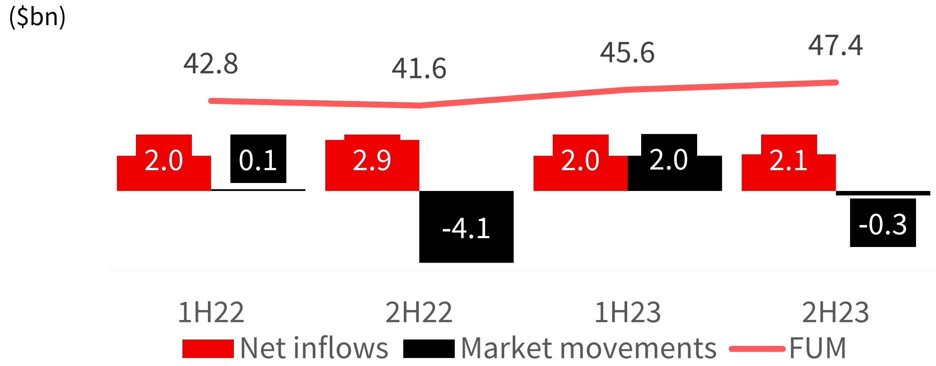
Private Banking home lending balances



Private Banking deposit balances



JBWere net inflows and FUM



PWM The Banker Global Private Banking Awards
Best Private Bank Australia 2022 & 2023
Best Private Bank Australia 2022

Global Finance[3]
Best Private Bank Australia 2022 & 2023

Asian Private Banker Awards for Distinction
Best Domestic Private Bank Australia 2021 & 2022

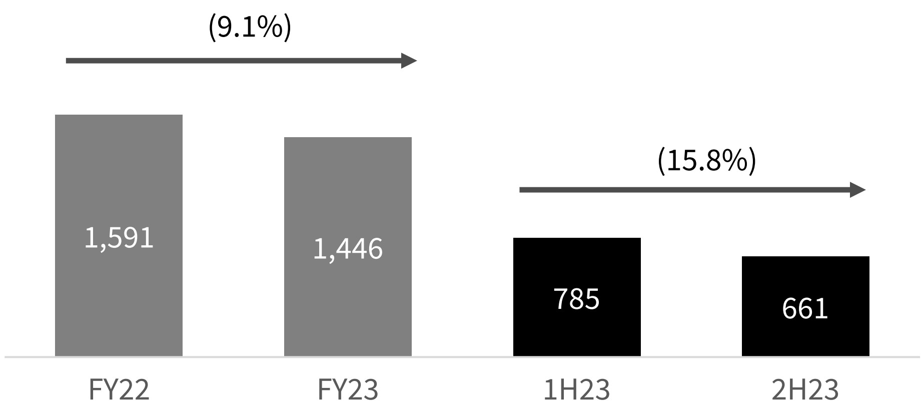
Euromoney Global Private Banking Awards 2023[4]
Best in Australia 2023
- Domestic Private Bank
- For Ultra High Net Worth Individuals
- For Investment Research

(1) Forming part of the Citi Consumer Business
(2) DBM Consumer Atlas (part of RFI Global), measured on 6 month rolling average to Sep 2023. High Net Worth includes consumers with Investible assets of $2.5m+. Ranking based on absolute scores, not statistically significant differences and compared against major peers
(3) Best Private Bank in Australia at the Global Finance magazine Best Private Bank Awards 2022 & 2023
(4) Best Domestic Private Bank Australia, Best for Ultra High Net Worth Individuals and Best for Investment Research at the Euromoney Global Private Banking Awards 2023

Personal Banking

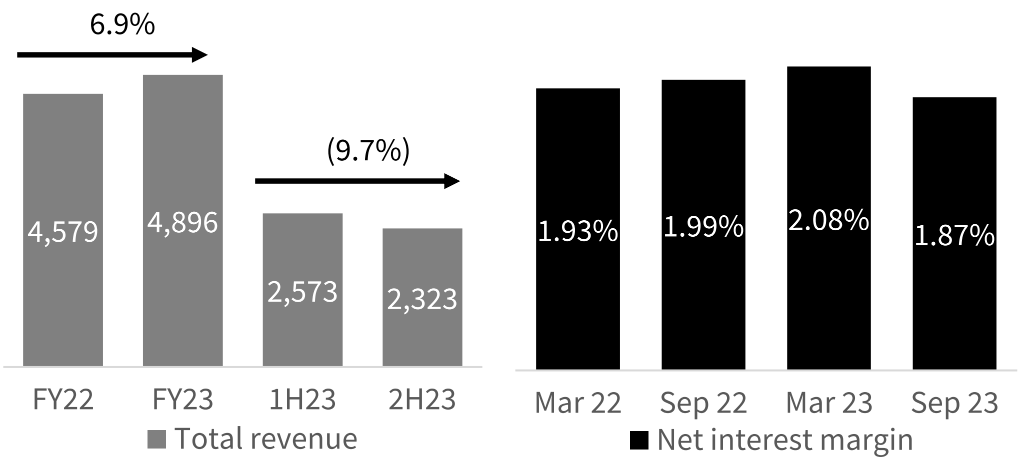
Cash earnings

($m)



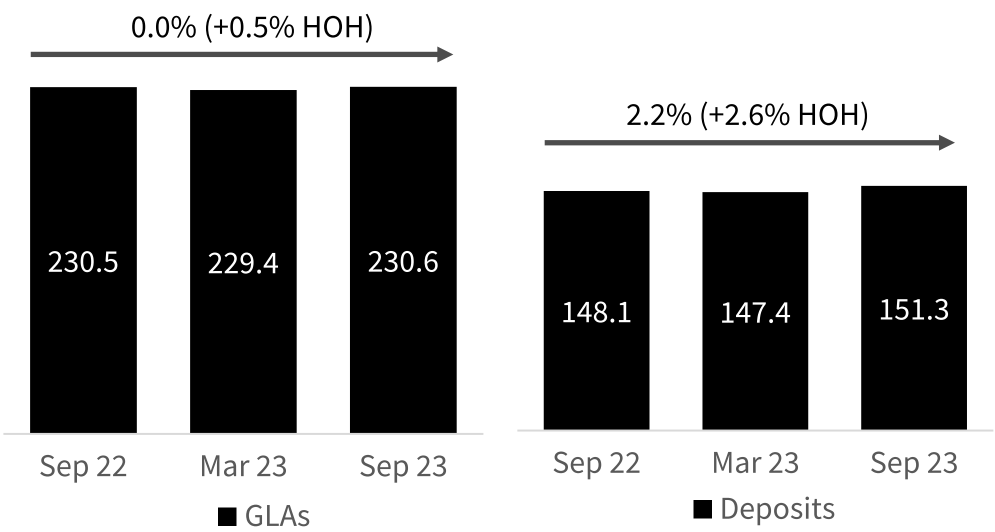
Revenue and margin

($m)



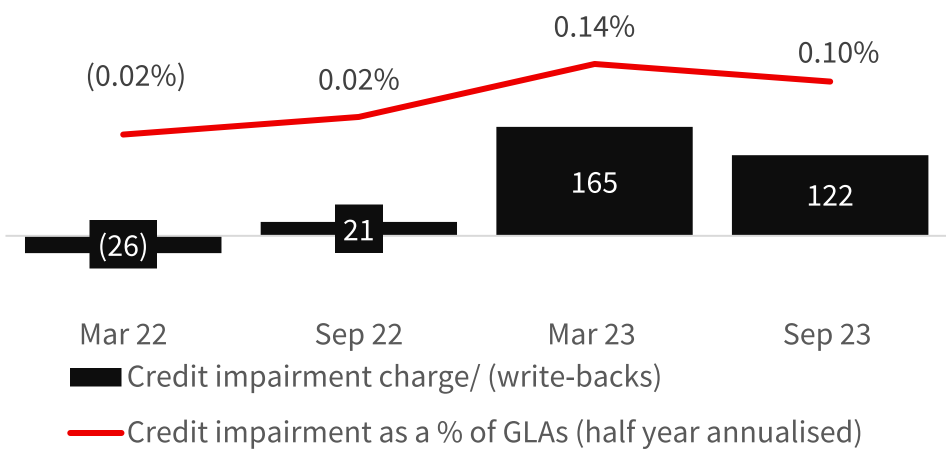
Housing lending GLAs and deposits

($bn)



Credit impairment charges and as a % of GLAs

($m)



Update on Citi Consumer Business acquisition

Ambition to deliver market leading capability in unsecured lending

FY23 Update

- Citi branded portfolio is outperforming retention targets for both mortgages and deposits
- Citi branded and white label credit cards portfolio grew by 10.4% driven by new account openings
- Asset quality of Citi cards portfolio performing broadly in line with NAB portfolio
- FY23 Citi costs of $402m relative to FY22 run-rate of $450m[1]
- Citi costs expected to run-rate at less than $300m p.a. post expiry of Transactional Service Agreements (TSAs) targeted for Dec 24

Integration timeline

1 June 2022
Acquisition completed

Sep 2022
High Net Worth colleagues integrated into NAB Private Wealth

Mar 2023
New unsecured lending platform foundations complete

June 2023
New unsecured lending platform pilot commenced

Oct 2023
Mortgages, deposits and wealth customer profiles and accounts creation

Target March 2024
Mortgages, deposits and wealth customers fully integrated

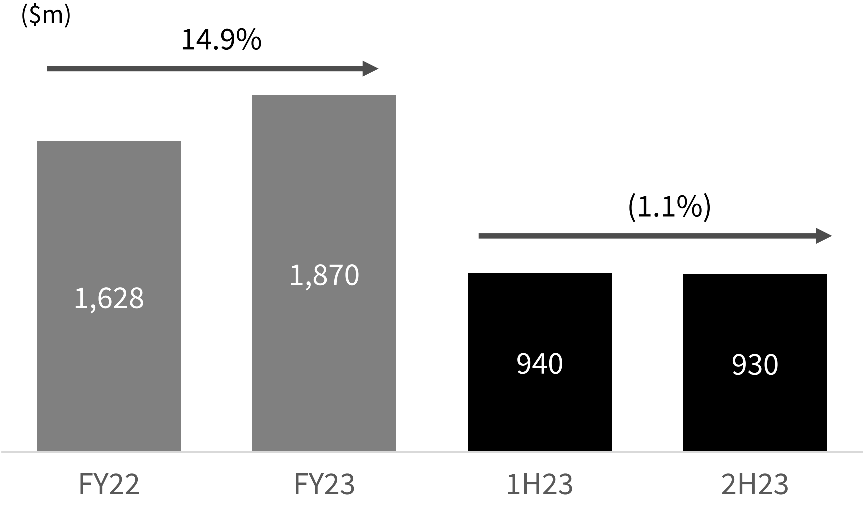
Target June 2024
New unsecured lending platform – migration ready

Target Dec 2024
Complete migration and exit TSA

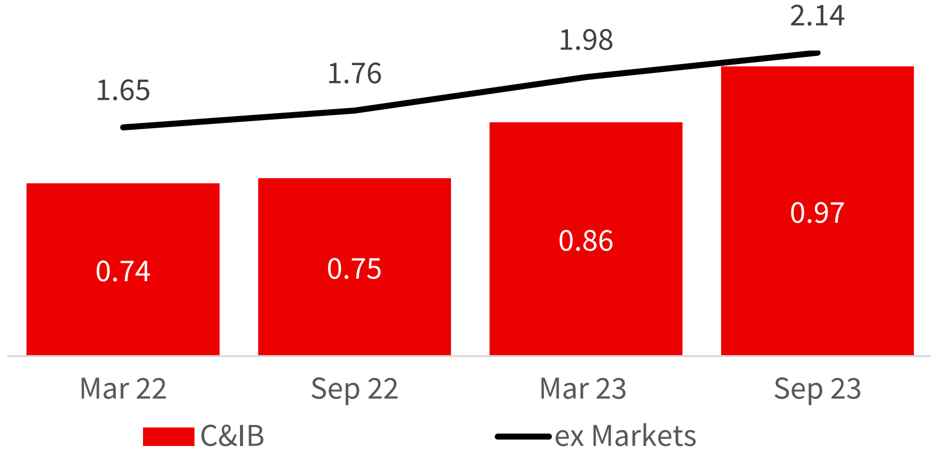
(1) Based on $150m costs for four months to Sep 2022

Corporate and Institutional Banking

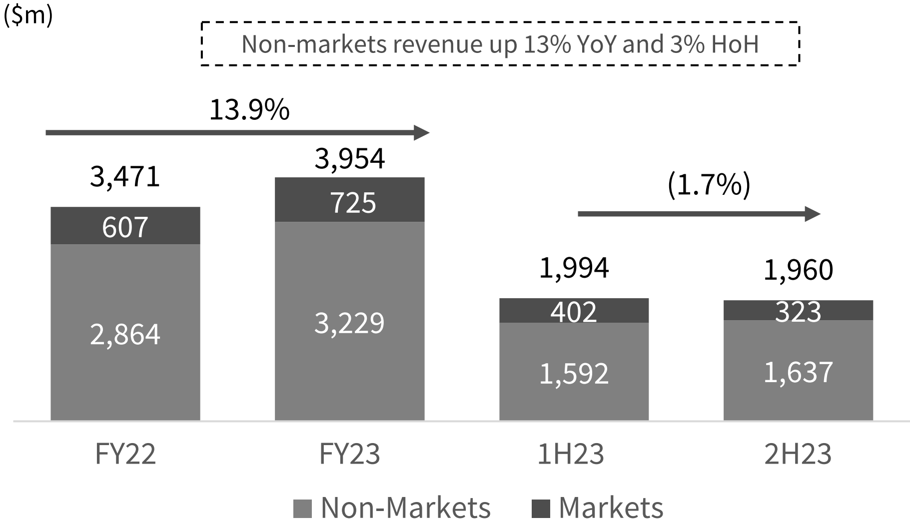
Cash earnings
($m)



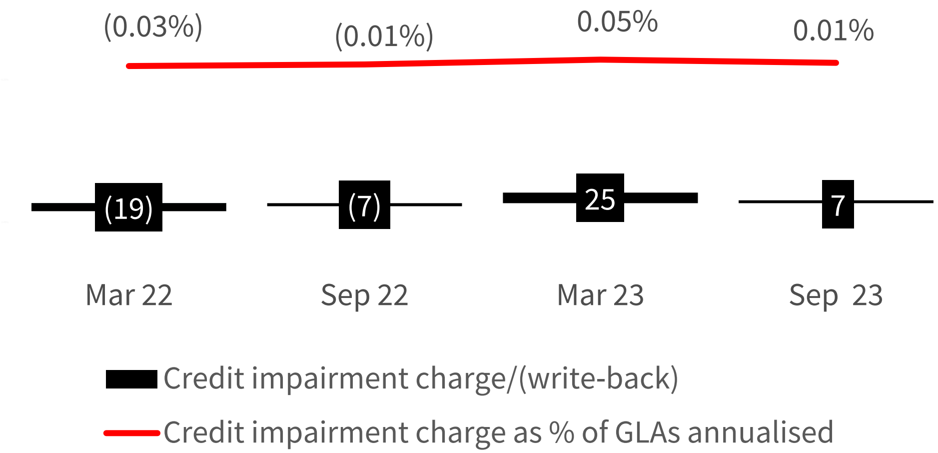
Net interest margin
(%)



Revenue breakdown[1]
($m)



Credit impairment charges and as a % of GLAs
($m)



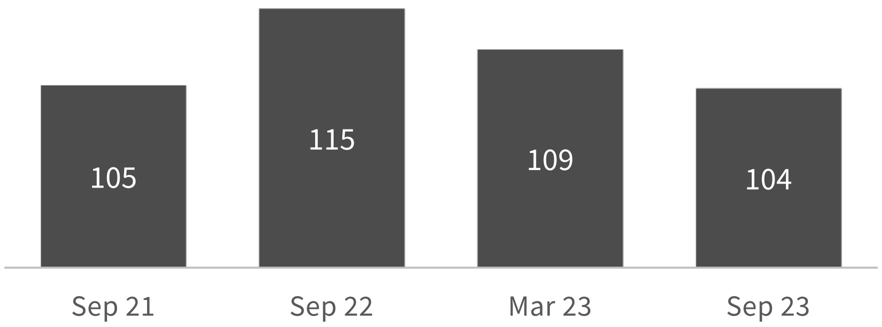
(1) Markets revenue represents Customer Risk Management revenue and NAB Risk Management revenue. Includes derivative valuation adjustments

Disciplined growth in Corporate and Institutional Banking

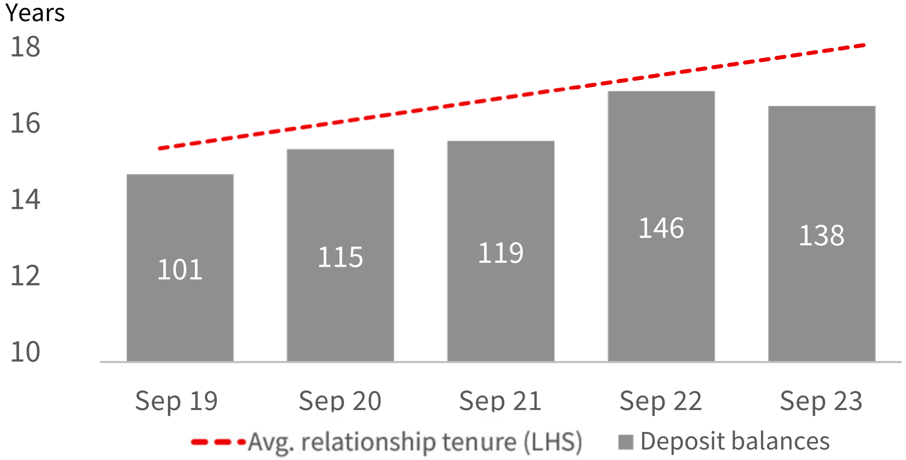
GLA outcomes

($bn)

Lower funds utilisation rates, reduced securitisation exposures and disciplined portfolio management

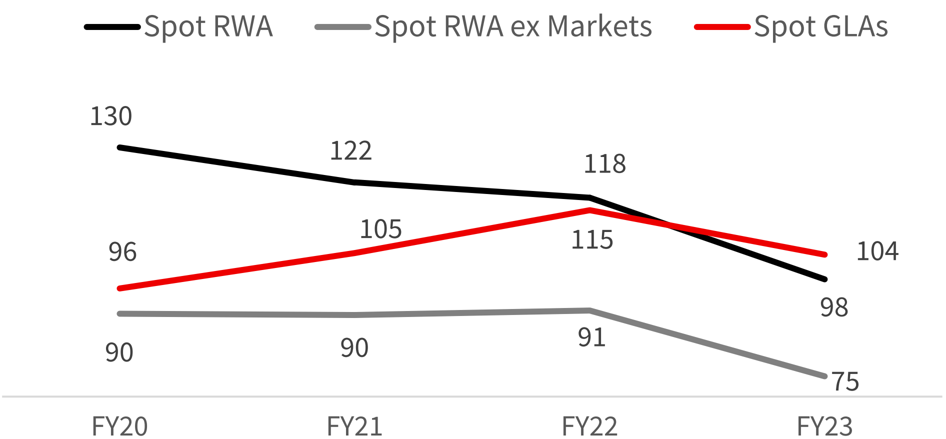


Growing deposit balances and average deposit relationship tenure[1]



Disciplined capital usage[2]

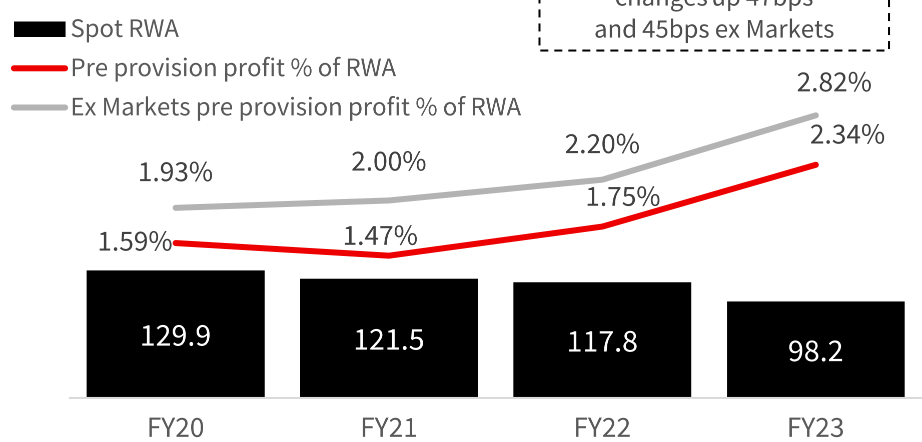
($bn)



Returns focus[2,3]

($bn)

Sep 23 v Sep 22 returns ex RCF changes up 47bps and 45bps ex Markets



(1) Relationship tenure is weighted by spot volumes. For each account, the earliest of the account start date, customer establishment date or Group establishment date is used. Excludes Markets & Treasury deposits and Asian term deposits. Shown as trend line on chart

(2) 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 2021 to Mar 2022 of $6.4bn for total RWA and $2.3bn for RWA ex Markets. NAB's implementation of the revised capital framework (RCF) from 1 January 2023 has resulted in a reduction of $10.0bn in spot RWAs and $9.2bn in ex Markets RWAs from Sep 2022 to Sep 2023

(3) Ex Markets pre provision profit % of average RWA excludes Markets pre provision profit and average RWA

Corporate and Institutional Banking

Deep expertise & leading capabilities	Long term Australian & New Zealand focused relationship banking partnerships	Disciplined balance sheet usage

Targeted growth segments

Private Capital Strategic Investors
NBFIs
Infrastructure
Government
Private Companies

Sustainability

Supporting customers decarbonise and build resilience with transition planning, innovative solutions, investment in climate capabilities

Leading Transaction Banking capability

Seamless domestic/ international payments, liquidity management & trade finance delivered via modern technology

Leading Debt Capital Markets offering

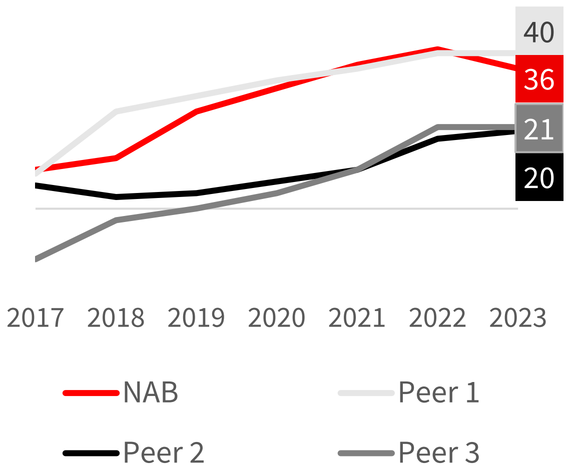
Asset distribution expertise, trusted investor relationships, execution excellence

Focused Global Markets offering

AUD & NZD currencies, strategic hedging, currency overlay, interest rate derivatives

Delivering better outcomes for customers, colleagues & shareholders

Institutional NPS[1]



Market leading advocacy and rankings

#1 RSI[1]

DCM 9 years in a row

FX 5 years in a row

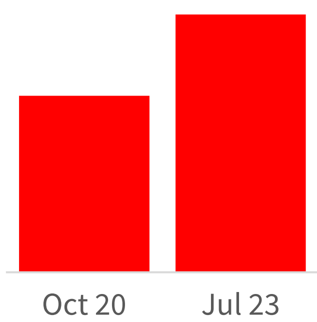
Interest Rate Derivatives 9 years in a row

Transaction Banking 4 years in a row

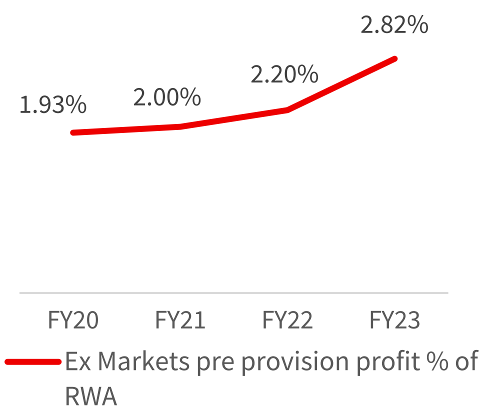
#1

Australian bank provider of project finance to the global renewable energy segment[2]

Top quartile colleague engagement[3]



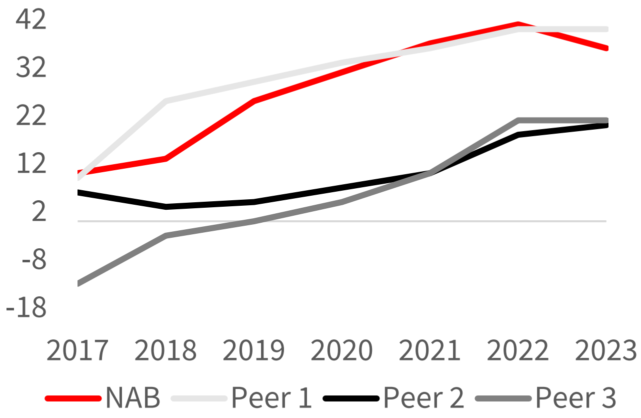
Improving returns[4]



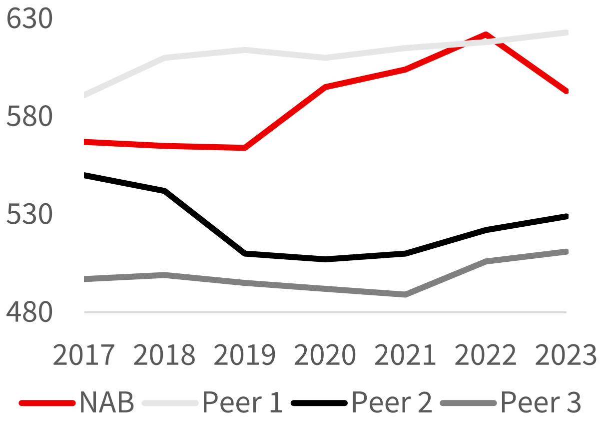
(1) Refer to sources and notes at the back of this presentation on page 138 for further details
(2) Rankings based on IJGlobal League Table MLA, Renewables, both cumulative data from 1 January 2010 to 30 September 2023 and for the 9 months ending 30 September 2023
(3) Engagement scores refer to Glint 'Heartbeat' outcomes for C&IB
(4) Ex Markets pre provision profit % of average RWA excludes Markets pre provision profit and average RWA. FY23 v FY22 returns ex RCF changes up 45bps. FY22 v FY21 returns ex Operational Risk changes up 15bps

Corporate and Institutional Banking customer metrics

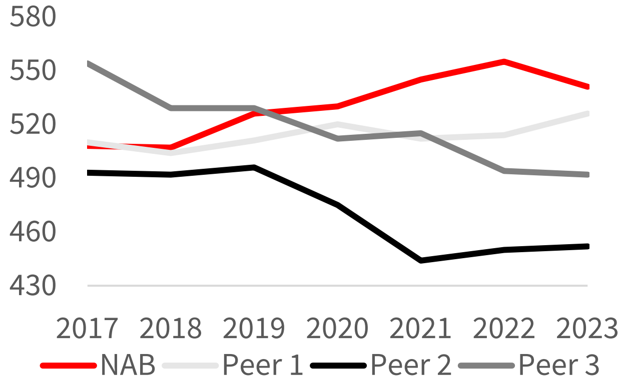
Large Corporate and Institutional NPS[1]



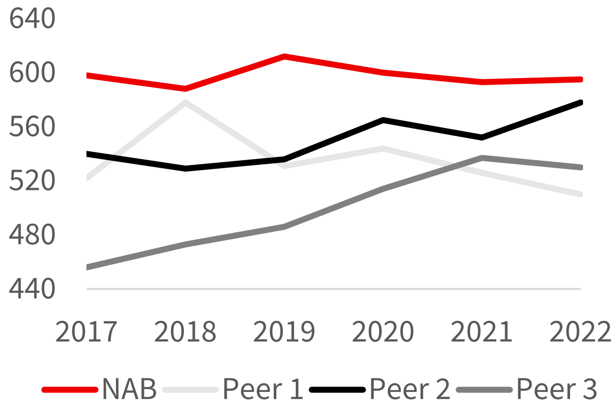
Large Corporate and Institutional – Relationship Strength Index[2]



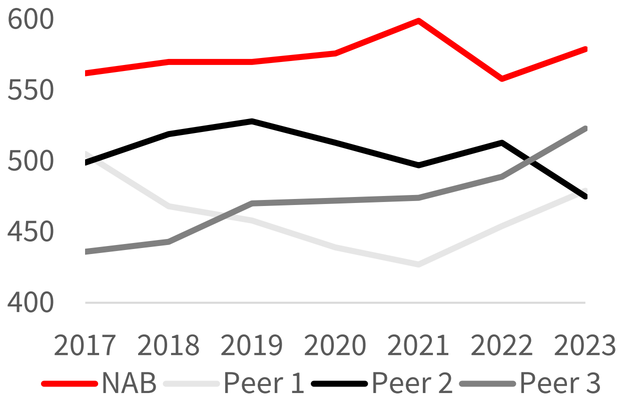
Transactional Banking – Relationship Strength Index[3]



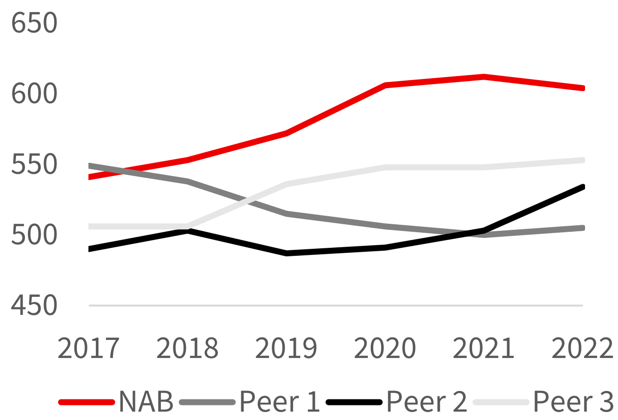
Interest Rate Hedging – Relationship Strength Index[4]



Debt Capital Markets – Relationship Strength Index[5]



Foreign Exchange – 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 2023 - Ranking against the four major domestic banks
(2) Large Corporate and Institutional Relationship Banking Survey 2023
(3) Transaction Banking Survey 2023
(4) Interest Rate Derivatives Survey 2022
(5) Debt Capital Markets Survey 2023
(6) Foreign Exchange Survey 2022

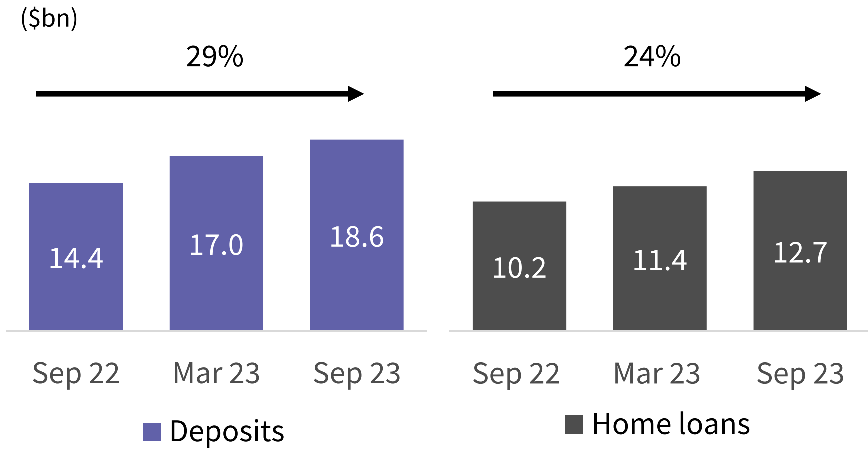
ubank

national australia bank

FY23 highlights

- All original ubank customers upgraded to new platform - customer migration now complete
- New features released include simplified automated savings to help customers meet their goals, PayTo launch to put customers in control of their spending, and more digital self-service options
- Continued strong volume growth and customer advocacy
- 175k net new customers acquired on new platform
- ~55% of new customers are < 35 years of age

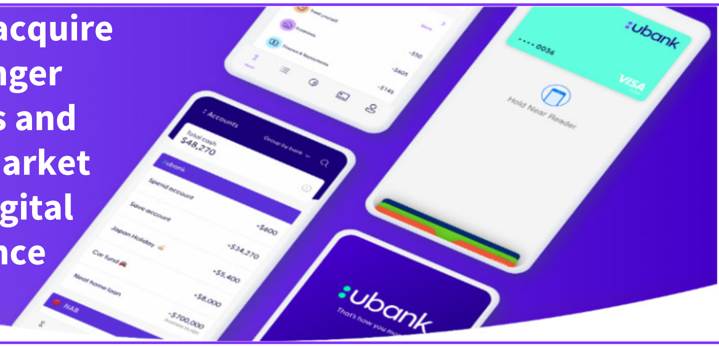
Strong volume growth



Strong customer advocacy

Overall NPS[1]	NPS[1] <35 yrs	Highly rated app
+31	+47	4.7
#2 vs peers[2]	#2 vs peers[2]	out of 5[3]

Strategy to acquire new younger customers and deliver a market leading digital experience



Fast customer sign-up

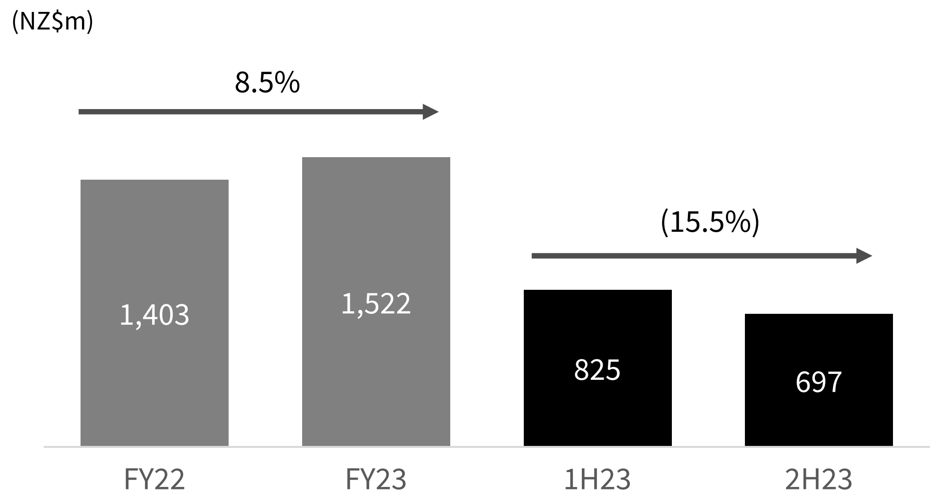
In app features including Smart Search capability, automated bill predictions and savings targets

Simple online home loan application process

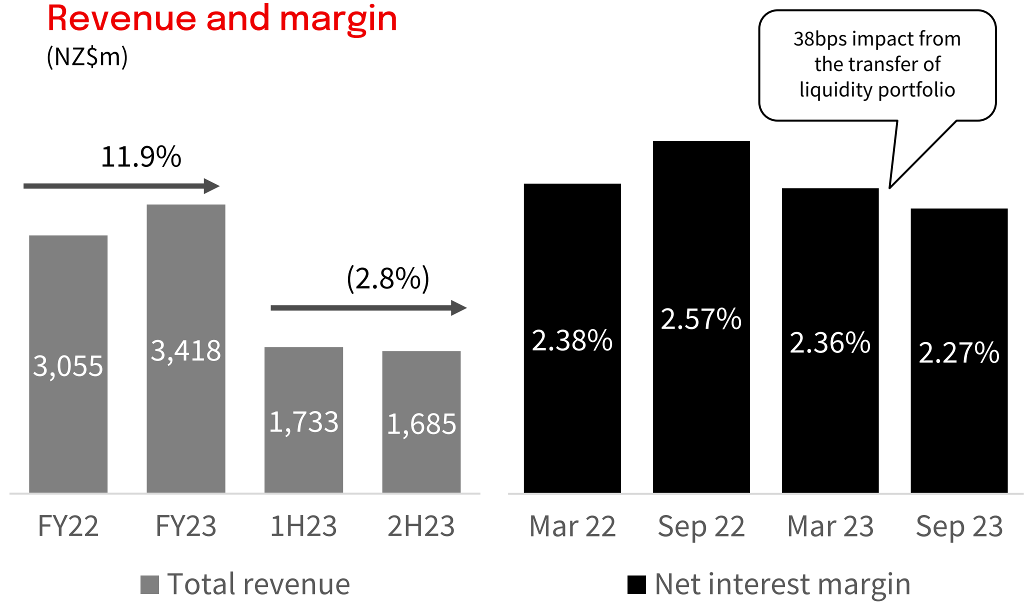
(1) DBM Consumer Atlas (part of RFI Global), measured on 6 month rolling average to September 2023. Includes consumers 18+. Ranking based on absolute scores, not statistically significant differences
(2) Including UP, ING, ME, Macquarie and Bendigo Bank
(3) Apple store rating as at 30 September 2023

New Zealand Banking[1]

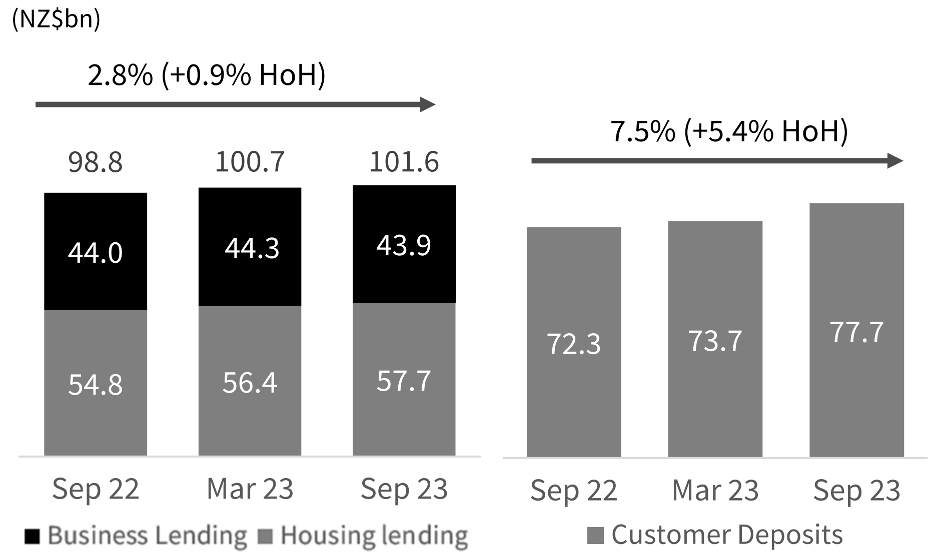
Cash earnings



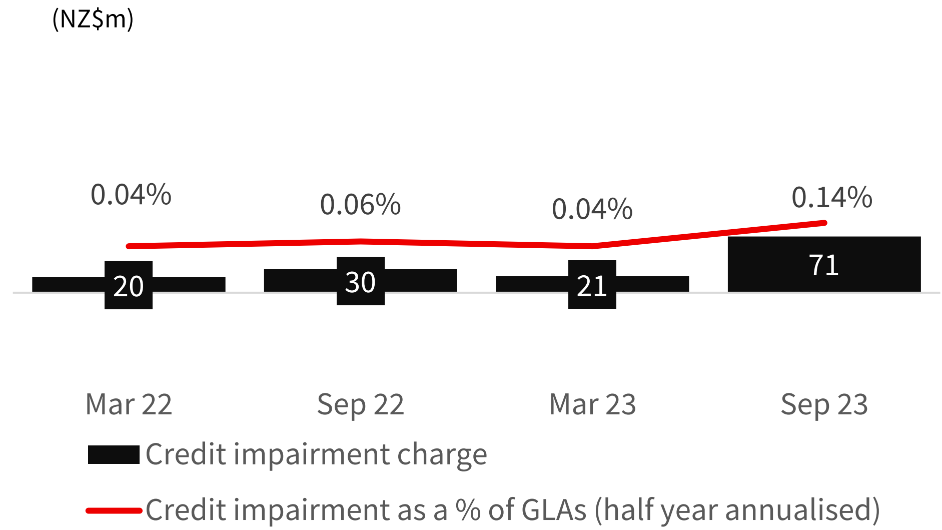
Revenue and margin



Business and housing lending GLAs



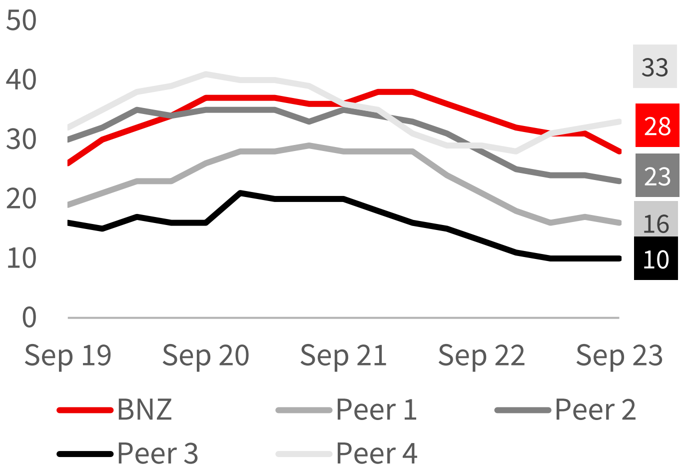
Credit impairment charges and as a % of GLAs



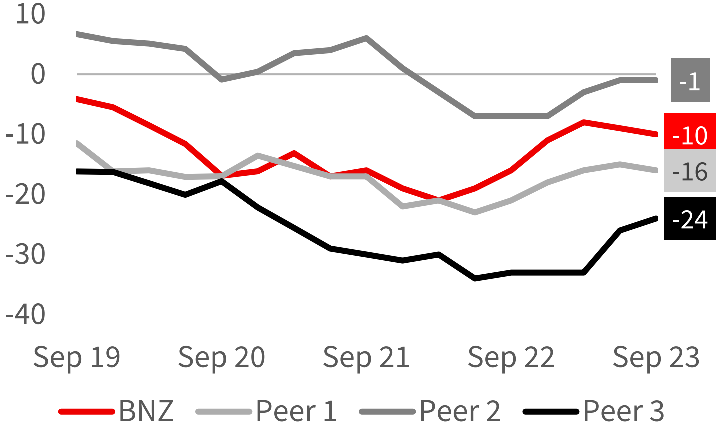
(1) New Zealand Banking results include the financial performance of the New Zealand liquidity management portfolio, effective 1 October 2022

New Zealand Banking customer metrics

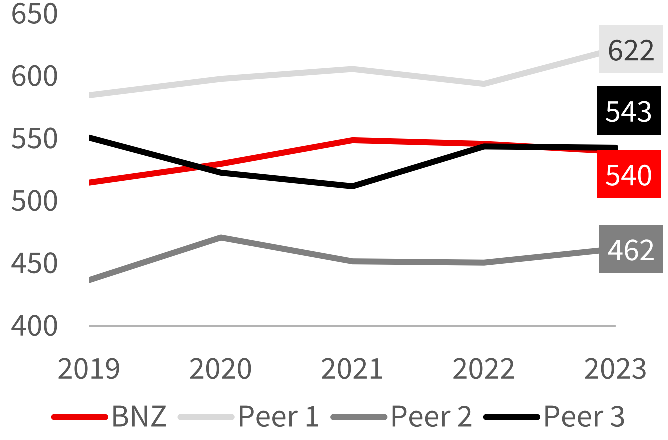
#2 BNZ Consumer NPS[1]



#2 BNZ Business NPS[2,3]



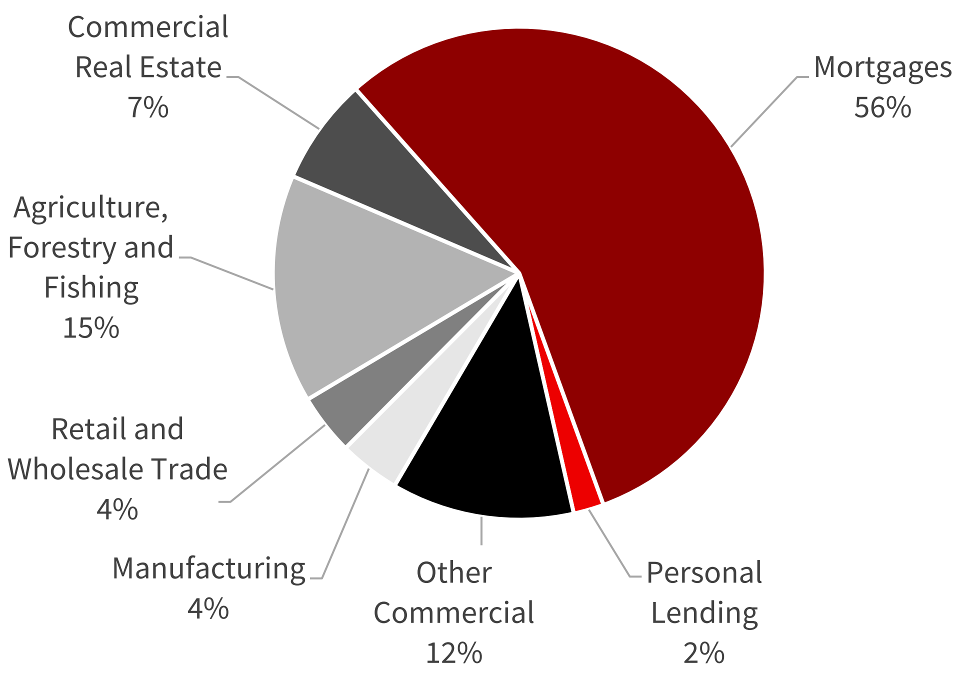
#3 BNZ Large Corporate Relationship Strength Index (RSI)[4]



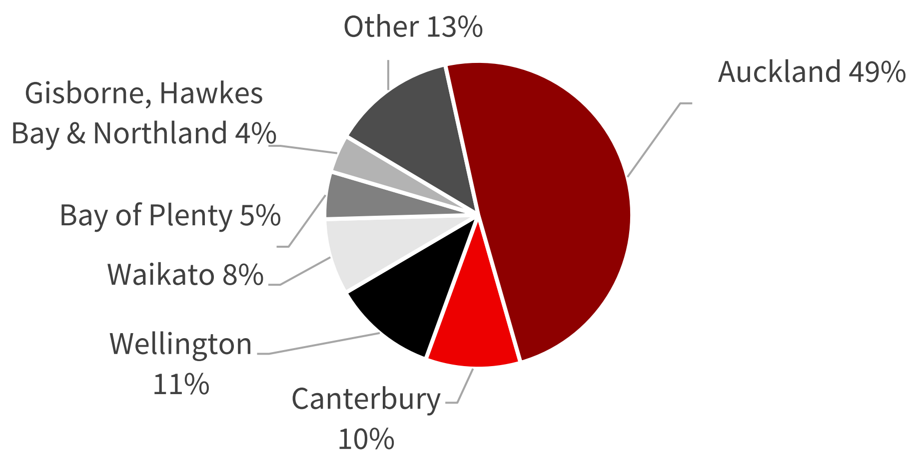
(1-4) Refer to sources and notes at the back of this presentation on page 138 for further details

New Zealand lending mix

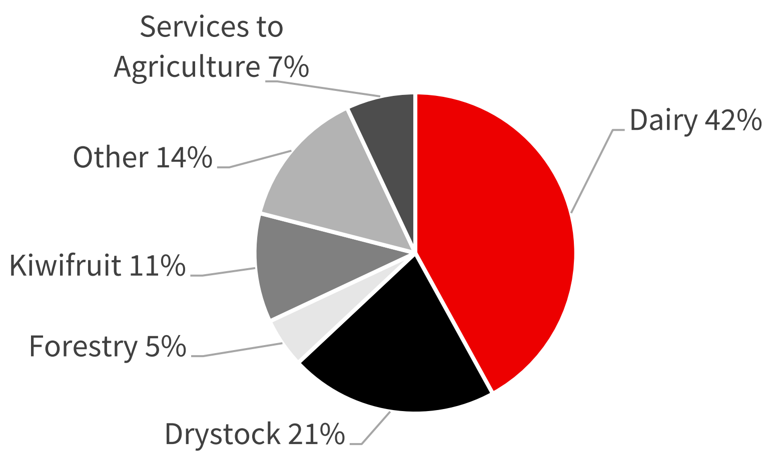
Portfolio breakdown by GLAs – Total NZ$102.4bn



Mortgage portfolio breakdown by geography – Total NZ$57.7bn



Agriculture, Forestry & Fishing portfolio breakdown by industry GLAs – Total NZ$15.4bn



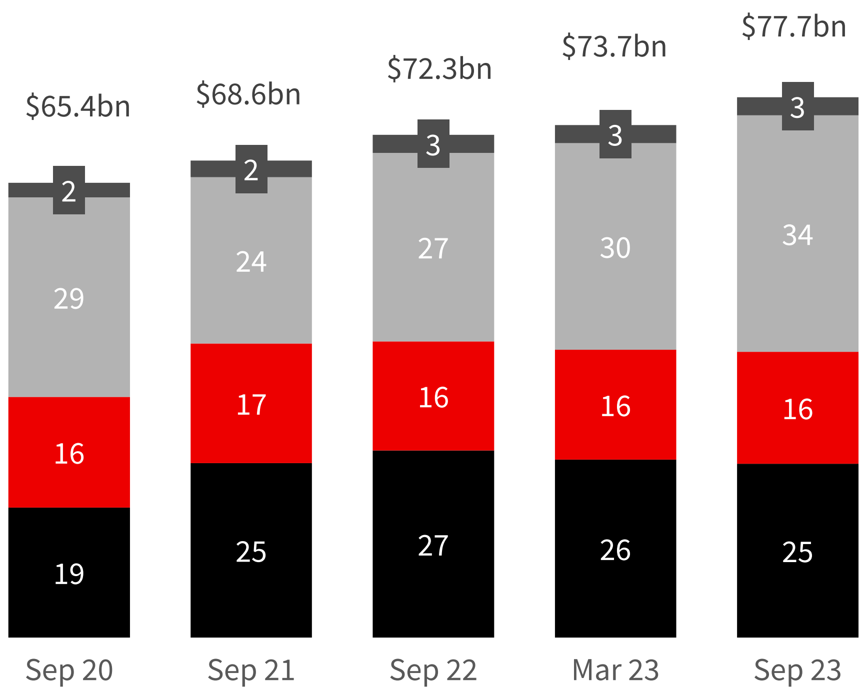
New Zealand housing lending key metrics

New Zealand housing lending portfolio	Mar 22	Sep 22	Mar 23	Sep 23		Sep 22	Mar 23	Sep 23
							Drawdowns[1]	
Total Balances (spot) NZ$bn	54.5	54.8	56.4	57.7		5.4	5.7	5.9
By product								
- Variable rate	10.6%	9.7%	8.9%	8.4%		13.9%	10.1%	8.9%
- Fixed rate	88.0%	88.8%	89.6%	90.1%		84.6%	88.4%	89.3%
- Line of credit	1.4%	1.5%	1.5%	1.5%		1.5%	1.5%	1.8%
By borrower type								
- Owner Occupied	66.4%	66.2%	66.2%	66.3%		68.0%	67.4%	68.4%
- Investor	33.6%	33.8%	33.8%	33.7%		32.0%	32.6%	31.6%
By channel								
- Proprietary	70.2%	69.3%	67.3%	65.2%		65.7%	56.2%	51.9%
- Broker	29.8%	30.7%	32.7%	34.8%		34.3%	43.8%	48.1%
Low Documentation	0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
Interest only[2]	18.4%	17.5%	17.5%	17.7%		23.2%	23.8%	23.8%
LVR at origination	64.3%	63.3%	63.0%	63.1%				
90+ days past due	0.09%	0.11%	0.16%	0.17%				
Impaired loans[3]	0.00%	0.01%	0.01%	0.02%				
Specific Impairment coverage ratio	20.9%	15.0%	22.6%	14.2%				
Loss rate[4]	0.00%	0.00%	0.00%	0.00%				

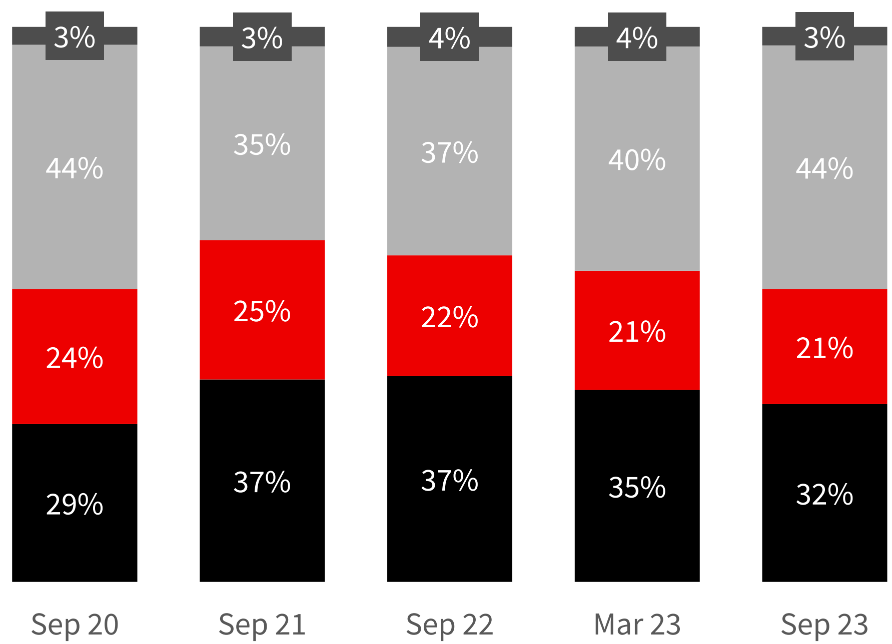
(1) Drawdowns is defined as new lending including limit increases and excluding redraws in the previous six month period
(2) Excludes line of credit products
(3) Excludes customers affected by recent severe weather events whose loans have been classified as "Restructured Loans" under APS 220 Credit Risk Management
(4) 12 month rolling Net Write-offs / Spot Drawn Balances

NZ customer deposits by interest rate

Customer deposits balances by product (NZD)
($bn)



Customer deposits percentage by product (NZD)
(%)



Transaction incl NBIs | Savings | TD | Offset

Additional product information

Australian Housing Lending

Housing lending key metrics[1]

Australian housing lending	Mar 22	Sep 22	Mar 23	Sep 23	Sep 22	Mar 23	Sep 23
	Portfolio				Drawdowns[2]		
Total Balances (spot) $bn	322	329	333	338	42	35	40
Average loan size $'000 per account	324	334	345	358	489	526	536
By product type							
- Variable rate	58.7%	63.4%	68.4%	76.8%	86.0%	95.3%	91.5%
- Fixed rate	37.4%	32.9%	28.2%	20.2%	12.5%	3.6%	7.6%
- Line of credit	4.0%	3.7%	3.4%	3.0%	1.5%	1.1%	0.9%
By borrower type							
- Owner Occupied	65.4%	65.5%	65.4%	65.3%	64.4%	62.2%	61.9%
- Investor	34.6%	34.5%	34.6%	34.7%	35.6%	37.8%	38.1%
By channel							
- Proprietary	55.8%	53.9%	52.3%	50.4%	40.7%	38.7%	35.7%
- Broker	44.2%	46.1%	47.7%	49.6%	59.3%	61.3%	64.3%
Interest only[3]	12.9%	13.4%	14.1%	14.7%	22.1%	24.0%	24.5%
Low Documentation	0.3%	0.2%	0.2%	0.2%			
Offset account balance ($bn)	38	39	41	43			
LVR at origination	69.5%	69.2%	68.9%	68.7%	68.2%	67.7%	67.6%
Dynamic LVR on a drawn balance calculated basis	37.9%	40.5%	42.6 %	41.2%			
Customers with offset and redraw balances ≥1 month repayment[3]	65.6%	66.4%	66.4%	67.4%			
Offset and redraw balances multiple of monthly repayments	47.6	45.6	41.2	37.8			
90+ days past due	0.93%	0.73%	0.67%	0.76%			
Impaired loans	0.08%	0.06%	0.06%	0.06%			
Specific provision coverage ratio	34.0%	30.5%	28.9%	28.1%			
Loss rate[4]	0.01%	0.01%	0.01%	0.005%			
Number of properties in possession	155	135	140	151			

(1) Excludes Citi Consumer Business and 86 400 platform (ubank housing lending originated on the 86 400 platform)
(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) 12 month rolling Net Write-offs / Spot Drawn Balances

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 • 10% shading applies to rental income (Nov 22) • Rental expenses included in serviceability calculation post-household expenses calculation. Rental expenses floor set at minimum 10% of rental income (Mar 23) • 20% shading applies to other less certain income types
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 • **Lowered our serviceability buffer to 1% for customers who meet certain criteria (Jul 23)**
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

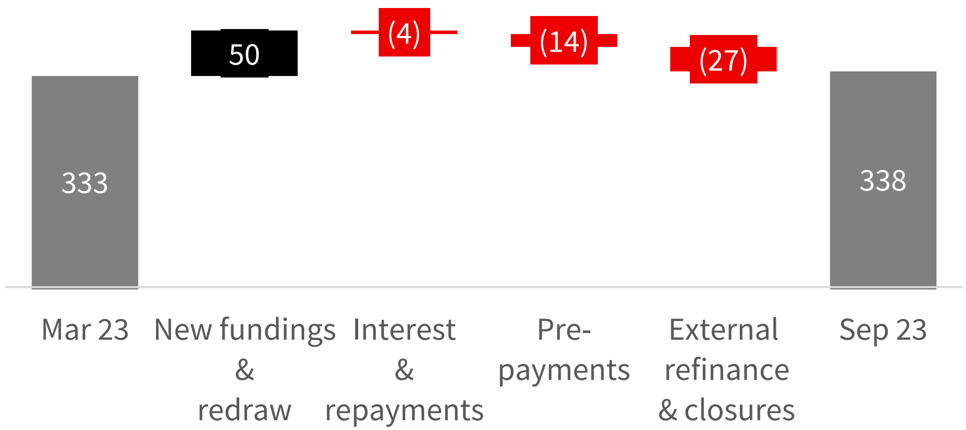
- DTI decline rule of >8x from May 22 for higher risk customers (> 9x for all others)
- Lenders' mortgage insurance (LMI) applicable for majority of lending >80% LVR
- LMI for inner city investment housing >70% LVR
- Apartment size to be 50 square metres or greater (including balconies and car park)
- 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 volume and flow movements

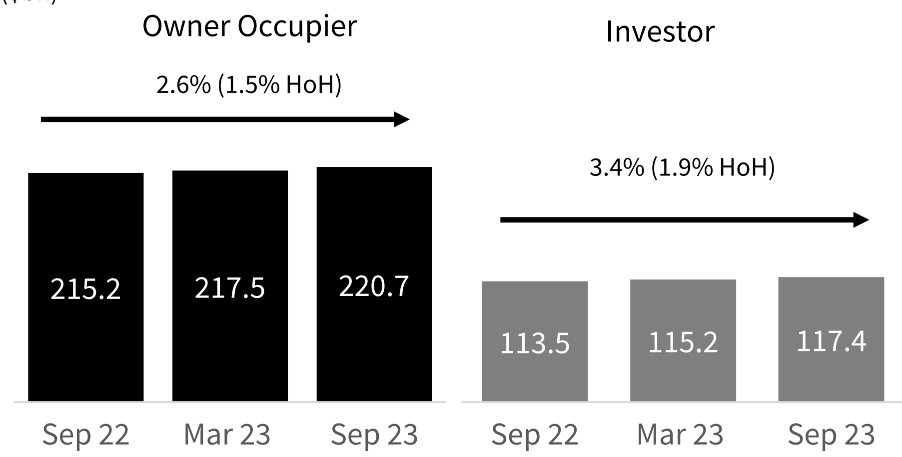
Housing lending flow movements[1]

($bn)



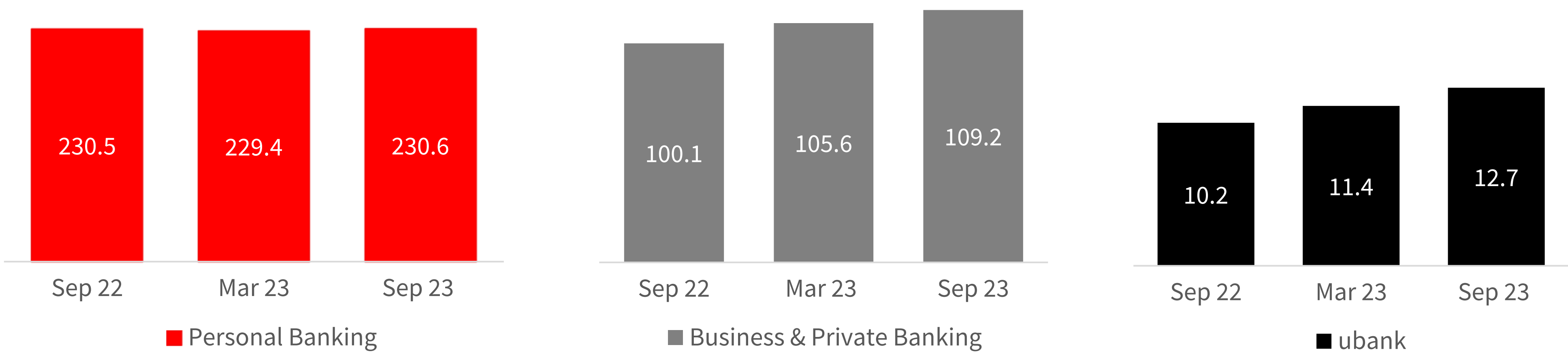
Housing lending volume growth[1]

($bn)



Housing lending by division

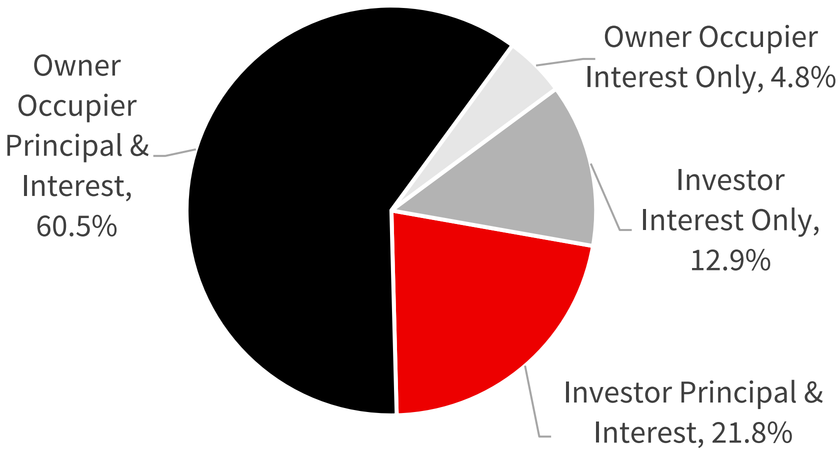
($bn)



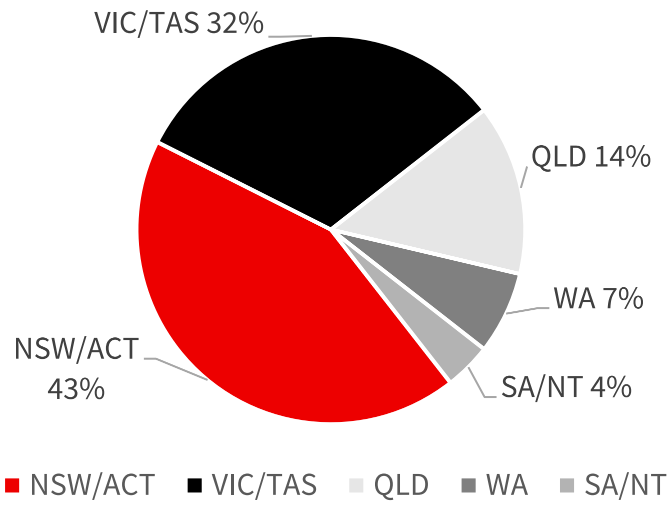
(1) Excludes 86 400 platform and Citi Consumer Business

Housing lending portfolio profile

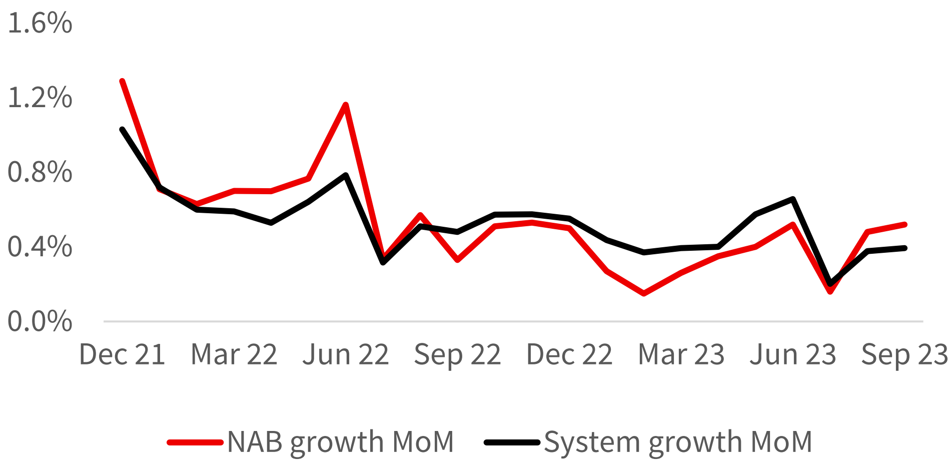
Housing lending volume by borrower and repayment type[1]



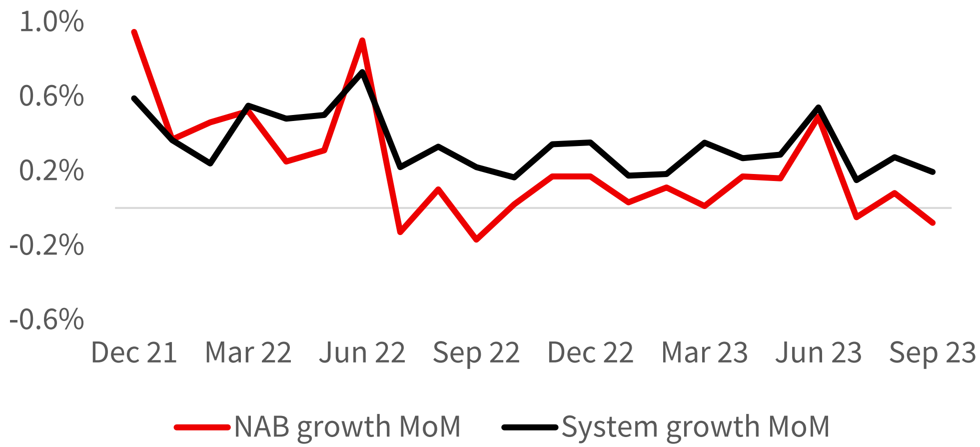
Australian mortgages profile[1]



Owner Occupier monthly growth[2,3]



Investor monthly growth[2,3]



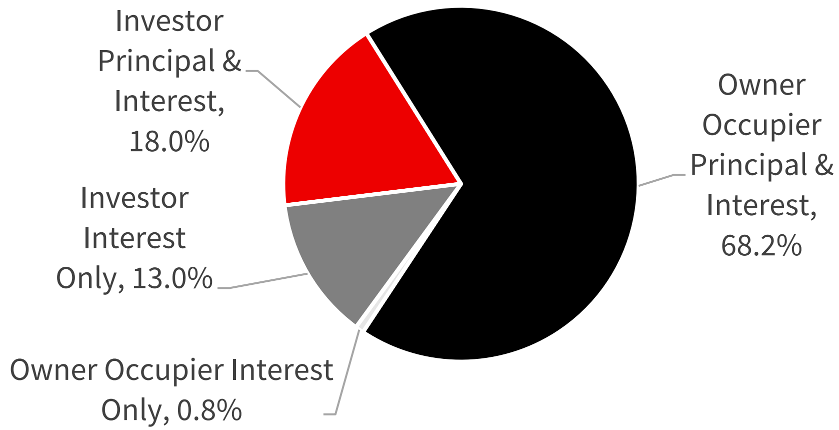
(1) Excludes 86 400 platform and Citi Consumer Business
(2) Only includes housing loans to households based on APRA ARF 720.1 reporting definitions, and excludes counterparties such as private trading corporations
(3) Includes 86 400 from May 2021 and Citi Consumer Business from Jun 2022. Contains a reclassification of ~$0.8-$0.9bn from Home Lending to Personal Lending (results in an approximate 5bps change overall), that occurred in Nov 22, with no historical restatements from APRA published data

Housing lending fixed rate portfolio profile[1]

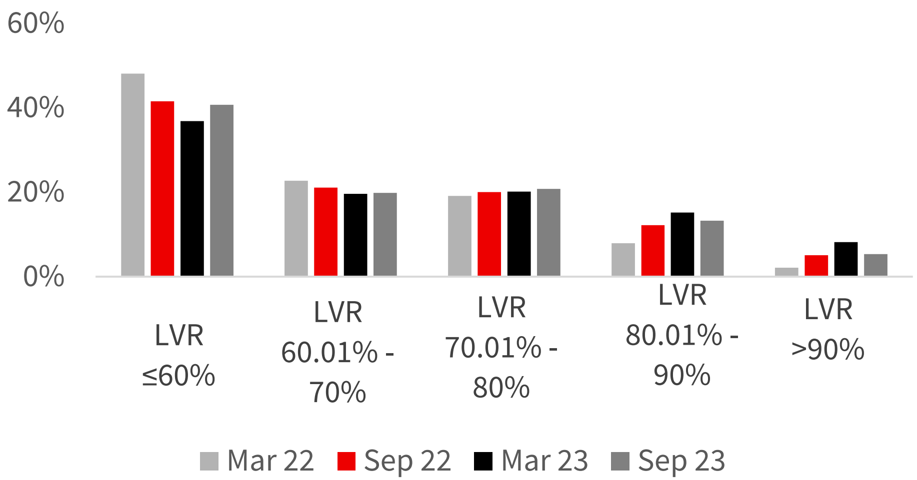
Fixed rate (FR) lending book

- $68bn FR book, rolls to variable rate (VR) loan at expiry, and ~91% to expire over the next two years
- 73% originated since Oct 20
- Proactive customer engagement with customers rolling off FR loans – ~85% retention to date
- 54% of customers also have a VR loan i.e. split loan
- All loans originated in past 3 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

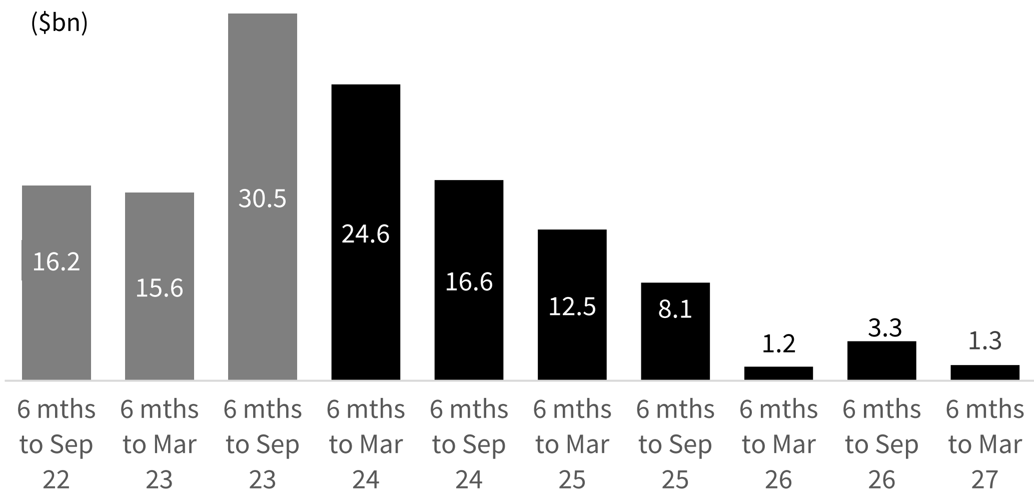
FR housing lending volume by borrower and repayment type



FR dynamic LVR



FR home loan contractual expiry profile



(1) Excludes 86 400 platform and Citi Consumer Business

Housing lending repayment profile

Key considerations

- All VR loan repayments subject to quarterly repayment reviews from Feb 23 (previously annual)
- $31bn FR loans expired in 2H23; 86% of all FR loans are P&I
- Early engagement underway for customers identified as potentially at repayment risk

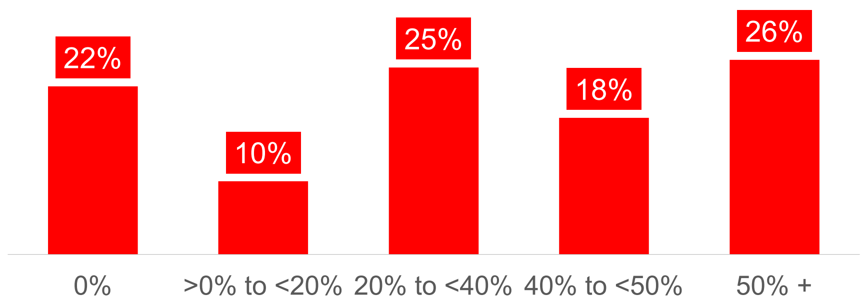
Profile of forecast mortgage repayments at 4.35% cash rate[1,2,3]

Repayment profile from April 22 at 4.35% cash rate	VR P&I[4]	FR expiring by Sep 24
% of accounts with monthly repayment increase, **for which:**	78%	100%
- Ave monthly % increase	42%	61%
- Ave monthly $ increase	$674	$1,042
- % of accounts with >40% increase in monthly repayments	56%	73%

Profile of forecast mortgage repayments at 4.35% cash rate[1,2,3]

Variable rate principal & interest book[4,5]

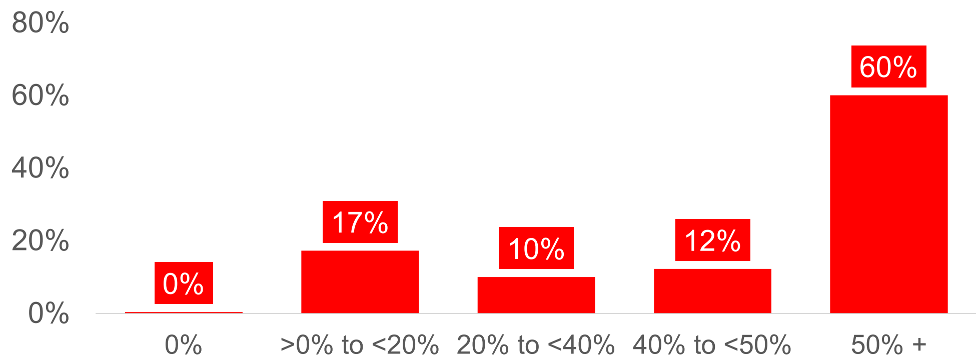
% of Portfolio



% increase in repayments from April 2022

Fixed rate book expiring by Sep 24 - $41.2bn[5]

% of Portfolio



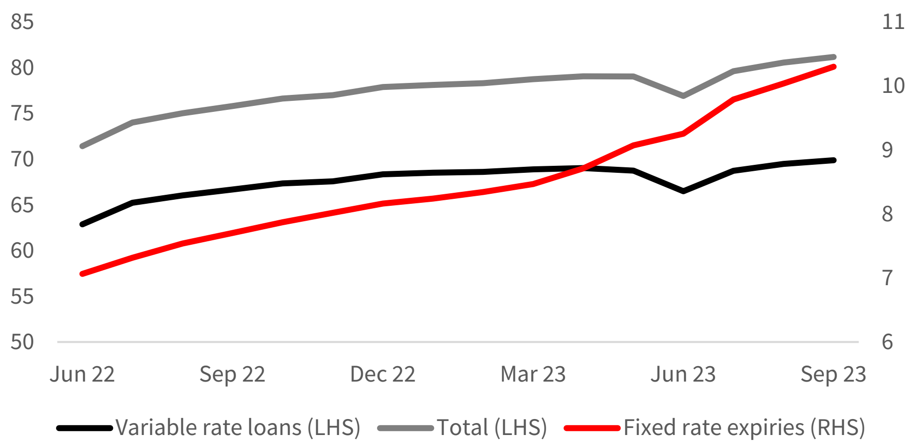
% increase in repayments at conversion

(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) Based on VR P&I loans on book at Apr 2022 and still on book at Sep 2023. Increase relative to customer repayments in Apr 2022
(5) Does not sum up to 100% due to rounding

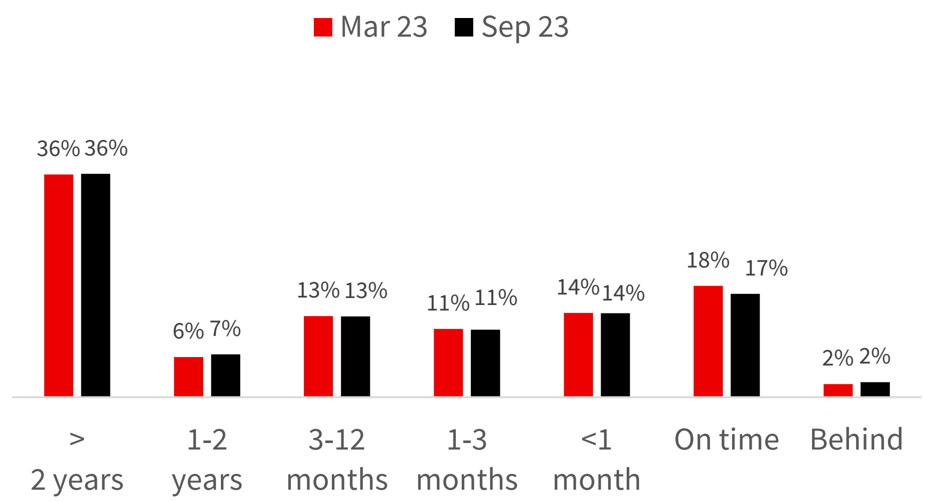
Housing lending offsets and redraw balances

Offset & redraw balances continue to increase

($bn)



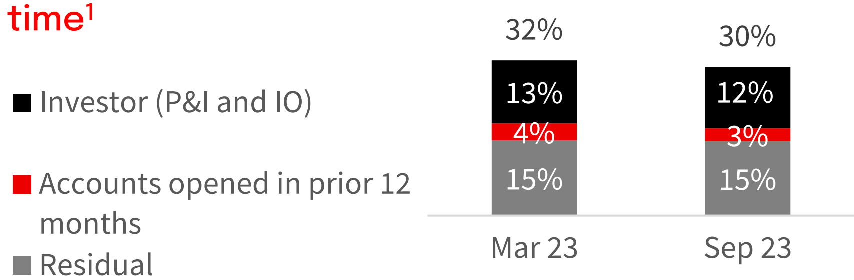
Offset and redraw balances multiple of monthly repayments[1]



Scenario analysis to identify higher risk exposures[2]

	Dynamic LVR with no LMI or FHB guarantee		
	> 80%	of which >85%	of which >90%
Repayment buffer[3] < 12 months (Total $108bn)	$10.3bn	$4.5bn	$1.6bn
***of which* Repayment buffer[3] < 3 months (Total $91bn)**	$9.0bn	$3.9bn	$1.4bn

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



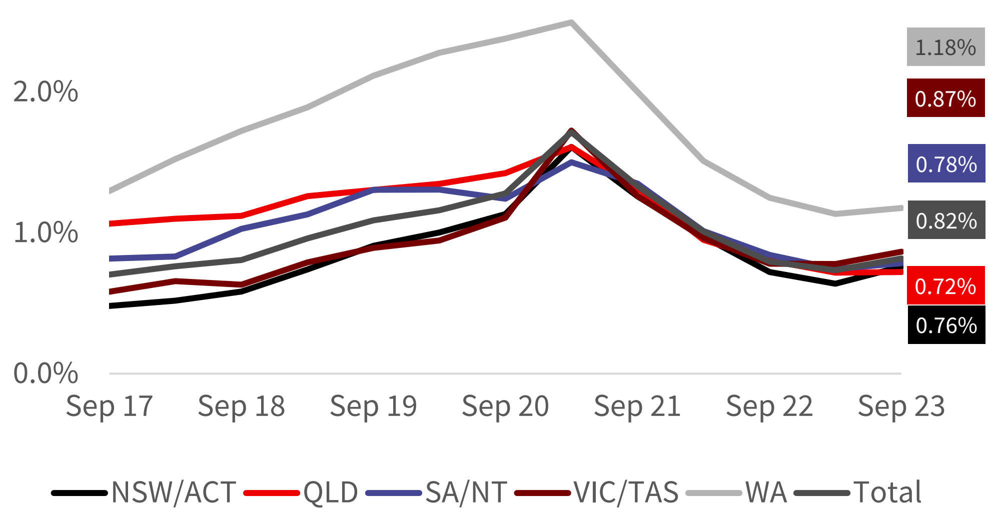
(1) By accounts. Includes offsets. Excludes line of credit, Citi Consumer Business and 86 400 platform
(2) Based on $145bn (Mar 23: $163bn; Sep 22: $177bn) of loans currently on book which were originated between Aug 19 and Jul 22 with average serviceability threshold <6% less FR home loans expiring after Sep 24
(3) Repayment buffer based on the sum of offset and redraw balances as a multiple of adjusted monthly repayments using a 4.35% cash rate

Housing lending arrears profile

Key considerations

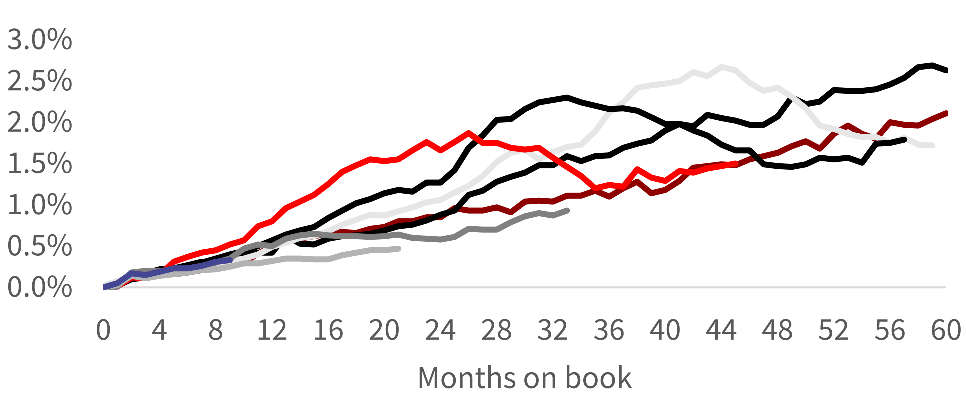
- Recent state-based 90+ DPD trends fairly consistent
- Trajectory of arrears for 2017, 2018 and 2019 vintages impacted by COVID-19 responses
- To date, early arrears trends for loans originated during period of low interest rates (2020 and 2021 vintages) not dissimilar to earlier vintages
- Similar arrears for FR and VR in 2020 vintage
- While FR arrears are lower than VR for 2021 vintage, many FR loans are still within fixed rate period
- Numerous serviceability and lending policy initiatives since FY18 to enhance risk outcomes

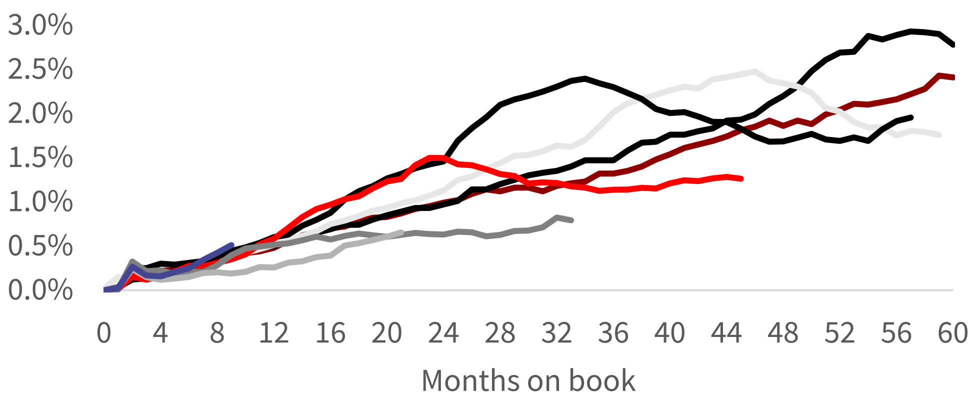
Housing lending 90+DPD & GIAs as a % of GLAs[1]



Fixed rate 30+ by vintage year[2]

Variable rate 30+ by vintage year[2]

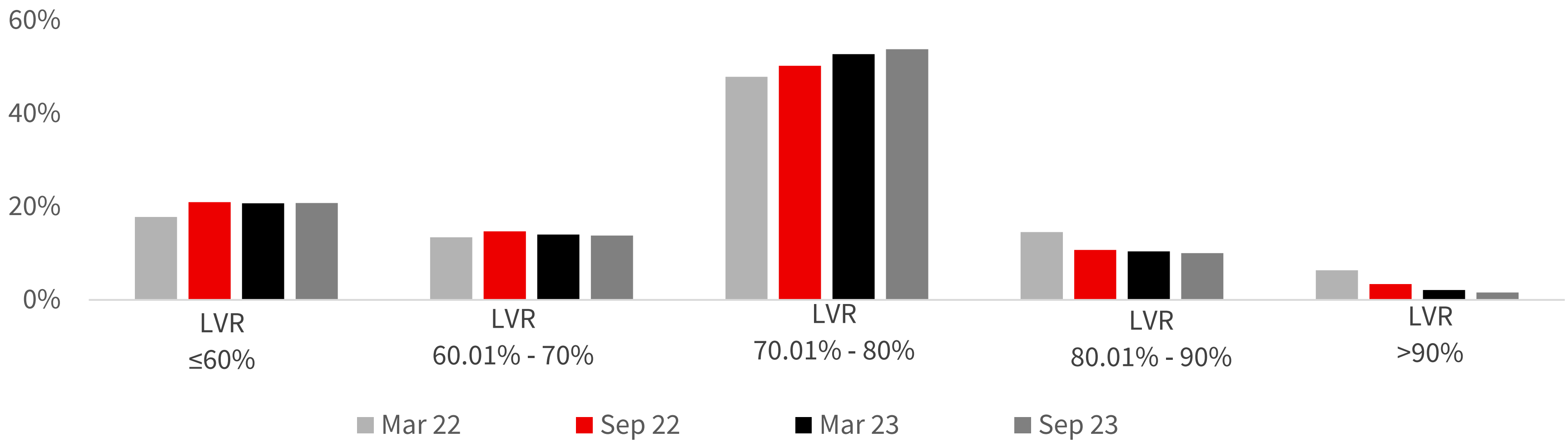




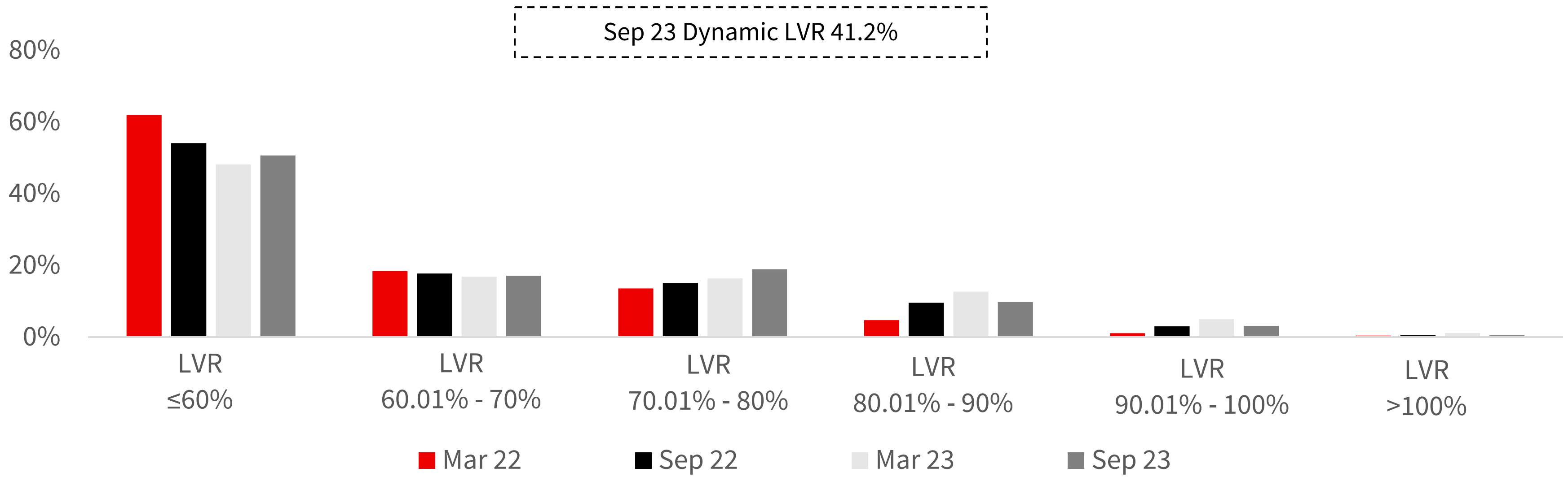
(1) Excludes 86 400 platform and Citi Consumer Business
(2) Calendar year

Housing lending LVR[1]

LVR breakdown at origination



Dynamic LVR breakdown of drawn balance



(1) Excludes 86 400 platform and Citi Consumer Business

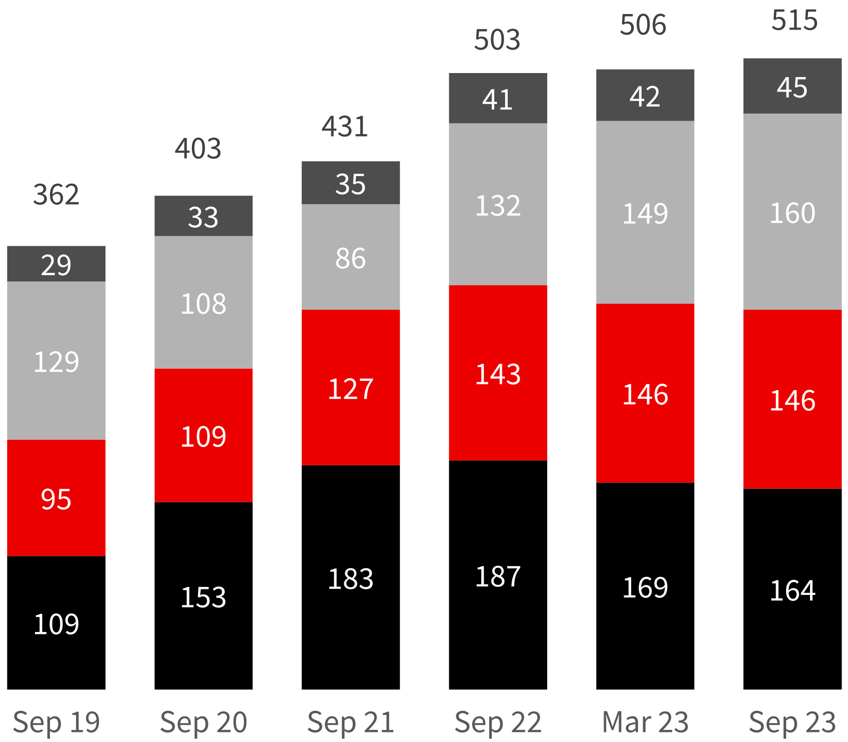
Additional product information

Australian Deposits and Unsecured Personal Lending

Deposits & transaction accounts[1]

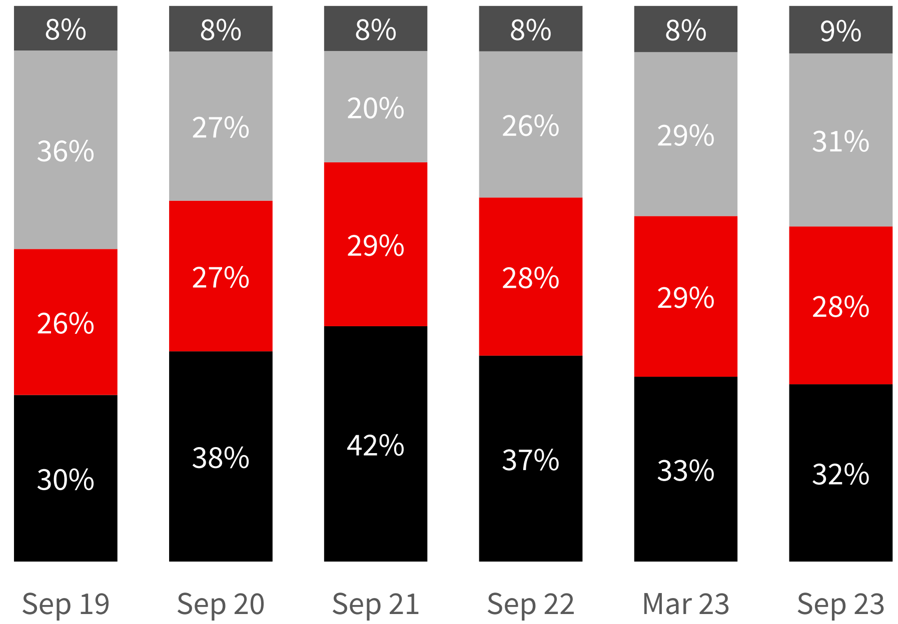
Customer deposit mix by product

($bn)



Customer deposit percentage by product

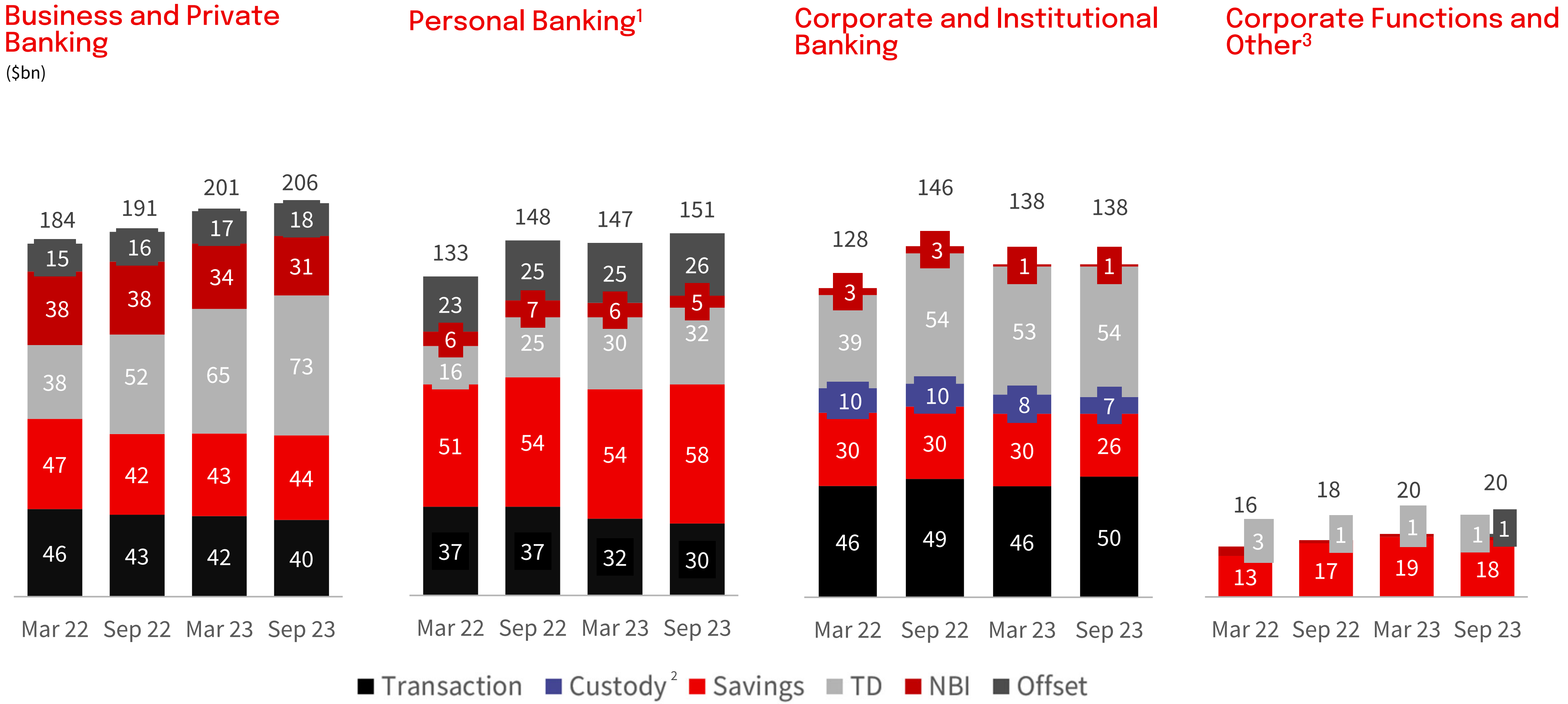
(%)



■ Transaction (incl NBIs)[2] ■ Savings ■ Term Deposits ■ Offsets

(1) Balances from Sep 2022 include Citi Consumer Business
(2) Transaction includes NBIs and Custody deposits

Deposits & transaction accounts[1]



(1) Balances from Sep 2022 include Citi Consumer Business
(2) The NAB Asset Servicing business includes total deposits for approximately $10bn, of which $6bn relates to custody deposits. This business is being wound down over approximately three years from November 2022
(3) Includes ubank and Treasury

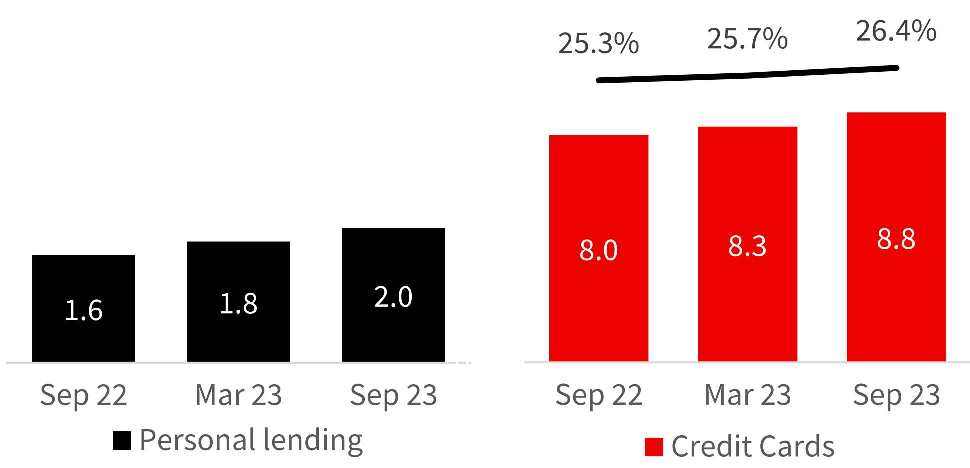
Unsecured lending

Key considerations

- Strong growth in credit cards in FY23, supported by net new account openings in NAB and Citi portfolios
- Portfolio quality remains sound
  - Arrears increased in 2H23 but remain below pre-COVID 19 levels
  - Revolve rates stable at ~60%, compared to ~65-70% in 2019

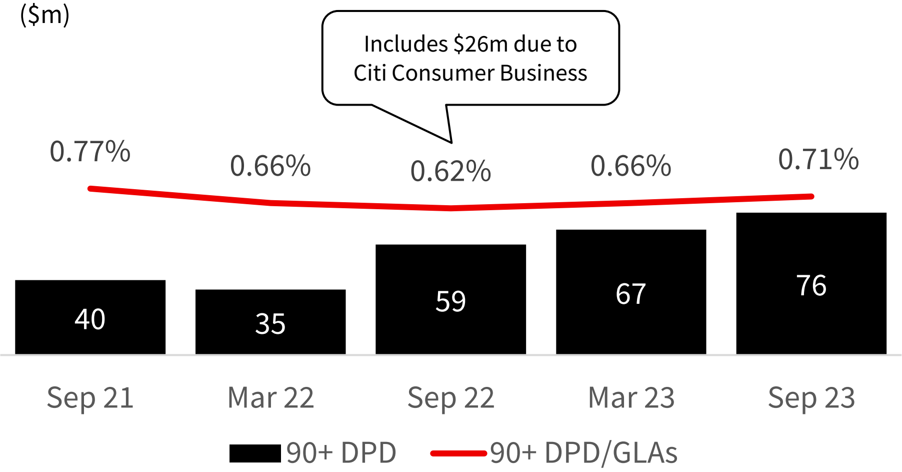
Balance and market share[1]

($bn)

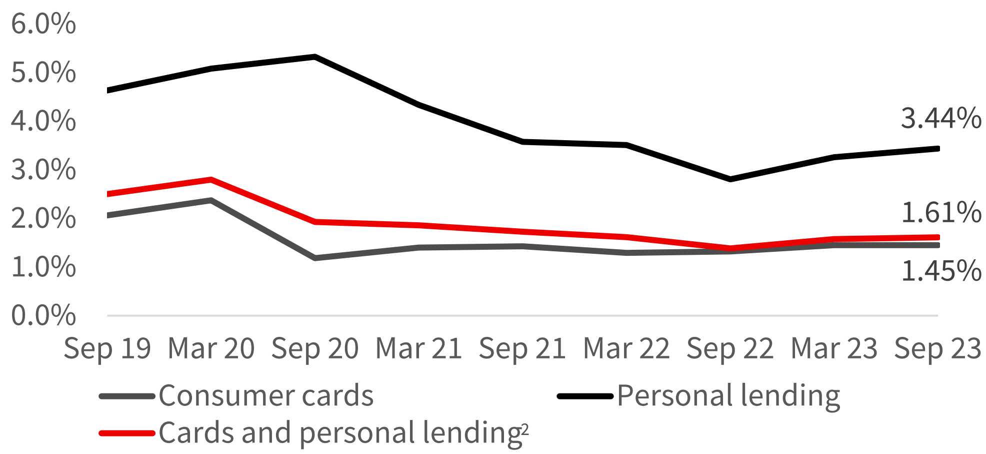


Cards[2] and personal lending 90+DPD and as a % of total cards and personal lending GLAs

($m)



30+DPD as % of outstandings



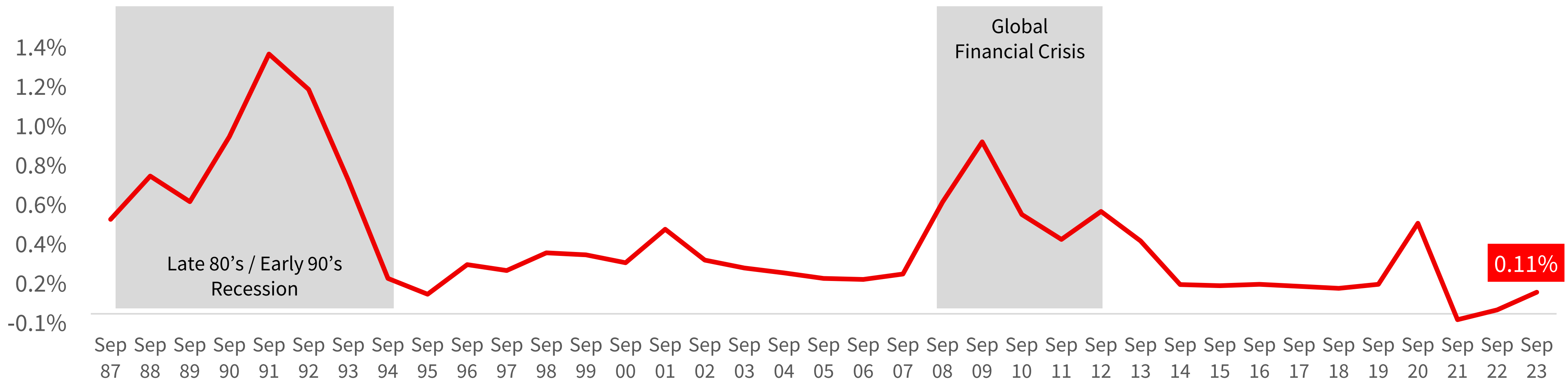
(1) Market share refers to consumer cards only. APRA Monthly ADI statistics
(2) Includes consumer and commercial cards

Additional information

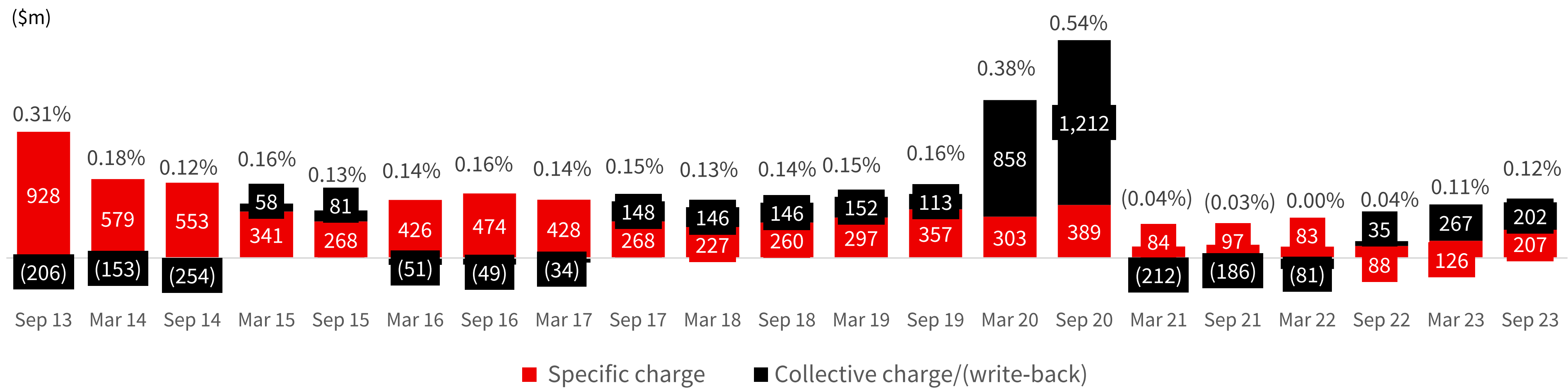
Group Asset Quality

Group credit impairment charge

Credit impairment charge as % of GLAs



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

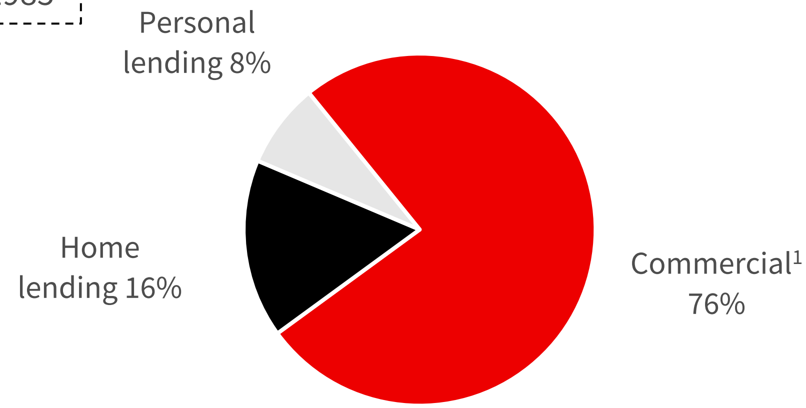


(1) Ratios for all periods refer to the half year ratio annualised

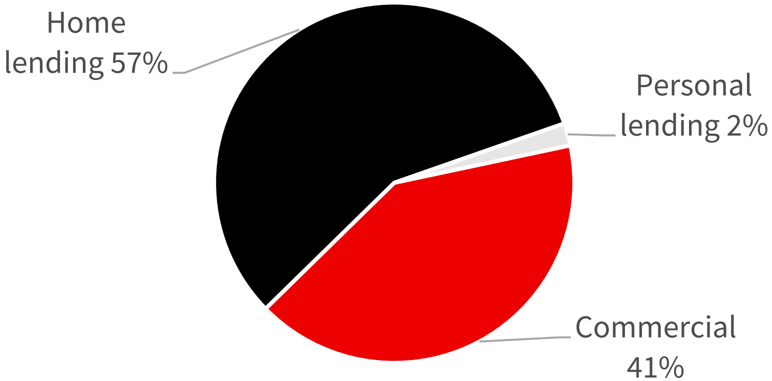
Group estimated long run loan loss rate

Group business mix – GLAs by category

Sep 1985



Sep 2023



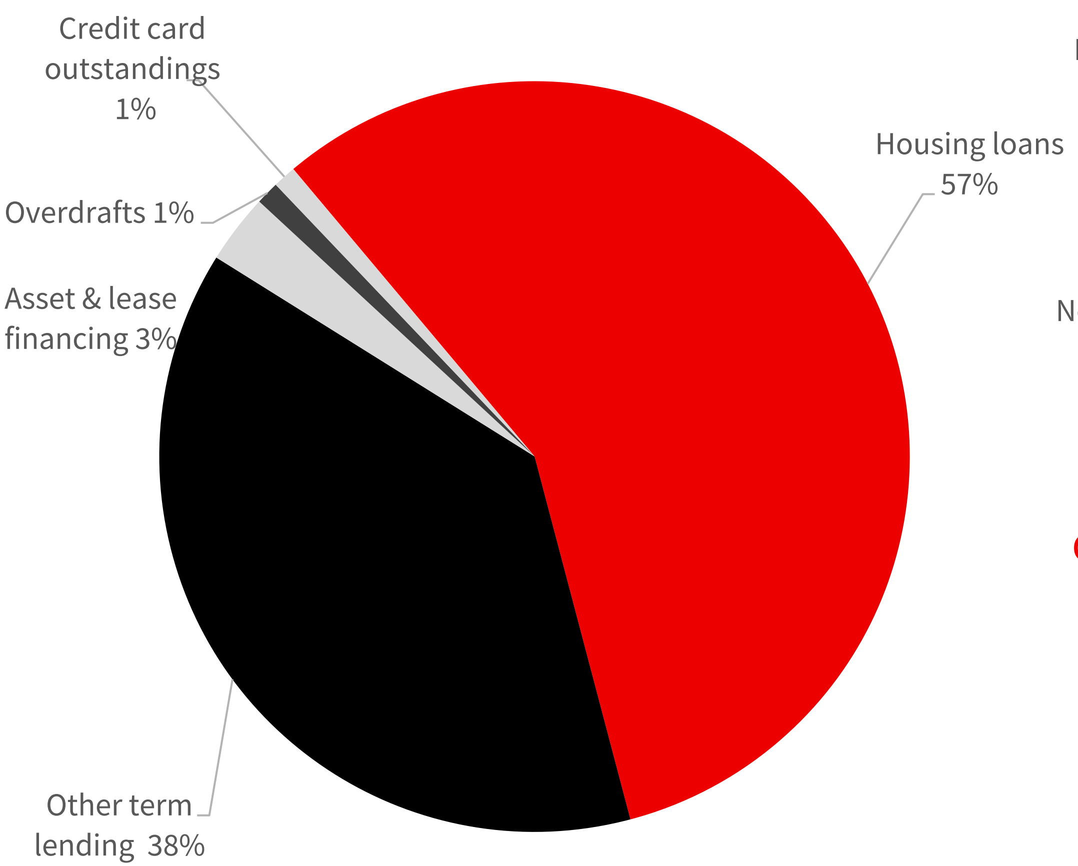
Estimating long run loan loss rate

NAB Australian geography net write off rates as a % of GLAs	Long run average (1985 – 2023[2])	Long run average (2004 – 2023[2])
Home lending[3]	0.03%	0.03%
Personal lending[3,4]	1.53%	2.20%
Commercial[3]	0.49%	0.36%
Australian average	0.31%	0.20%
Group average[5] based on 2023 business mix	0.24%	0.20%
Group average[5] based on 2023 business mix (excluding 1991-1993 and 2009-2012)	0.16%	n/a
Group average[5] based on 2023 business mix (excluding 2009-2012)	n/a	0.14%

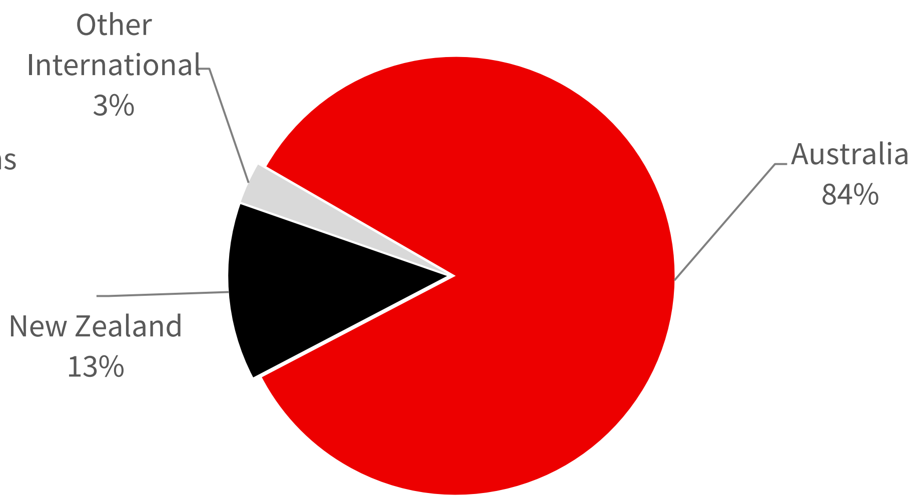
(1) For 1985 Group business mix, all overseas GLAs are allocated to Commercial category
(2) Data used in calculation of net write off rate as a % of GLAs is based on NAB's Australian geography and sourced from NAB's U.S. Disclosure Document (2021 - 2023), NAB's Supplemental Information Statements (2007 - 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 – 2023) or 2.20% (2004 – 2023). Average net write off rate 2008 - 2023 is 2.43%
(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 2023. Commercial long run average net write off rate has been applied to acceptances

Group lending mix

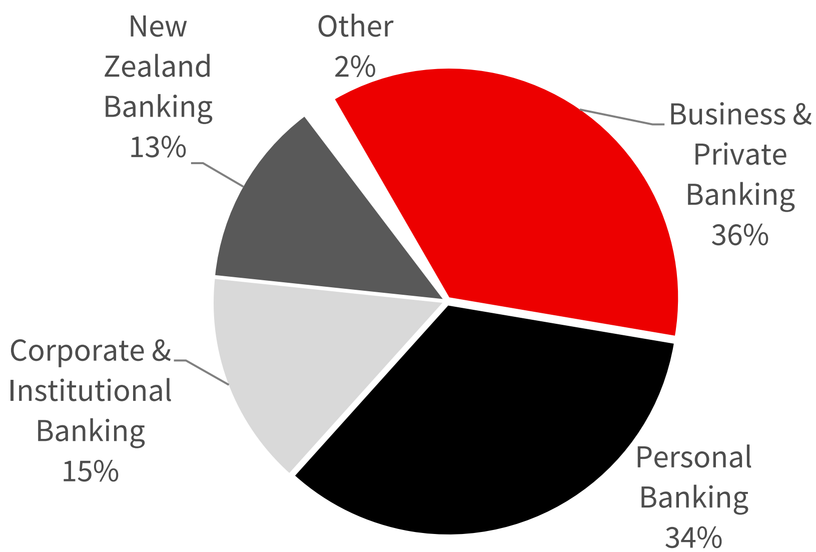
Gross loans and acceptances by product – $708.5bn



Gross loans and acceptances by geography[1]



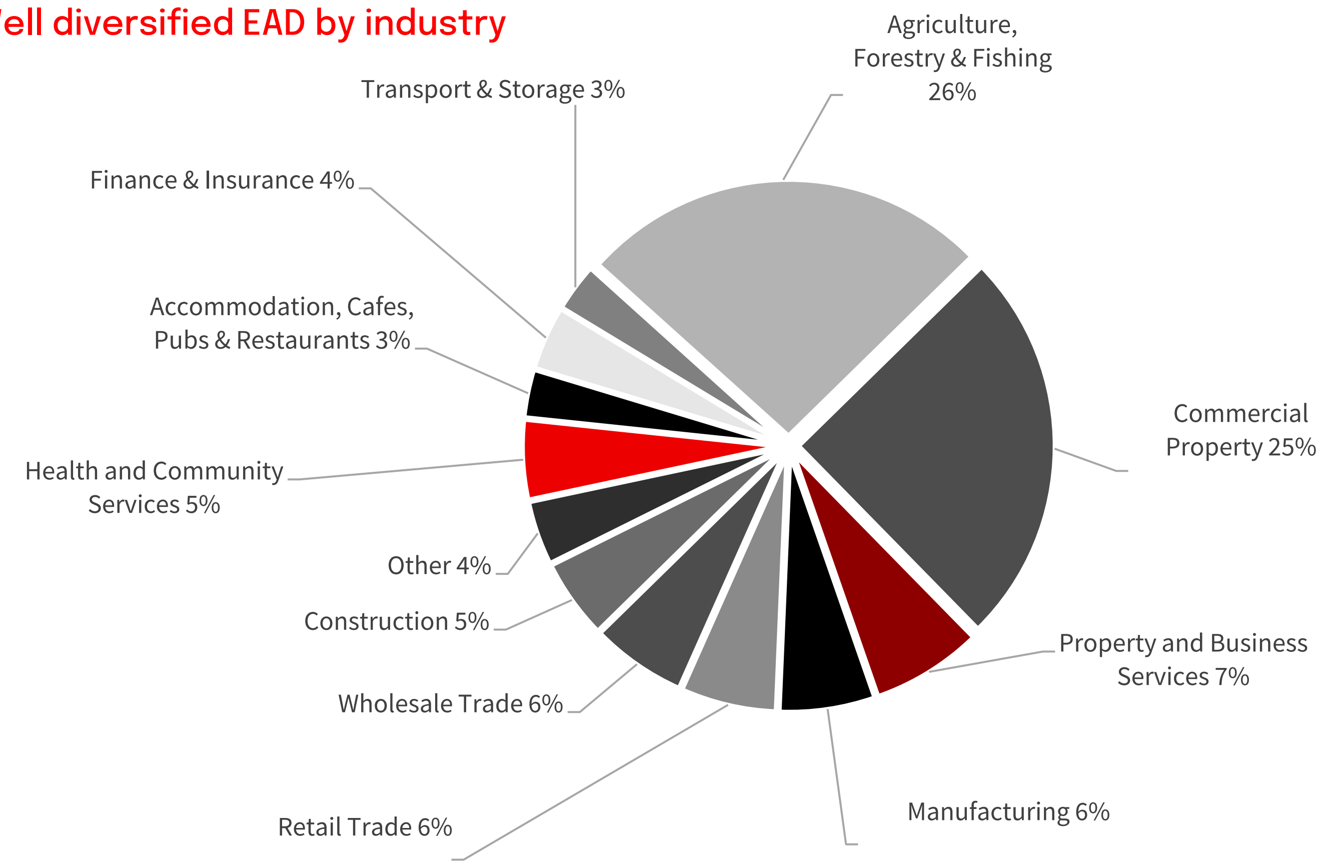
Gross loans and acceptances by business unit

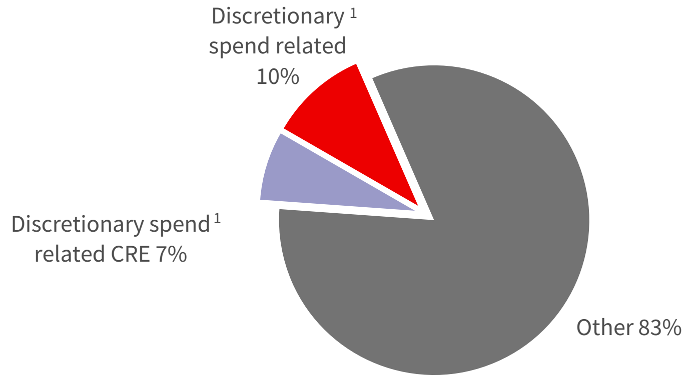


(1) Based on booking office where transactions have been recorded

Business and Private Banking business lending $143bn

Well diversified EAD by industry



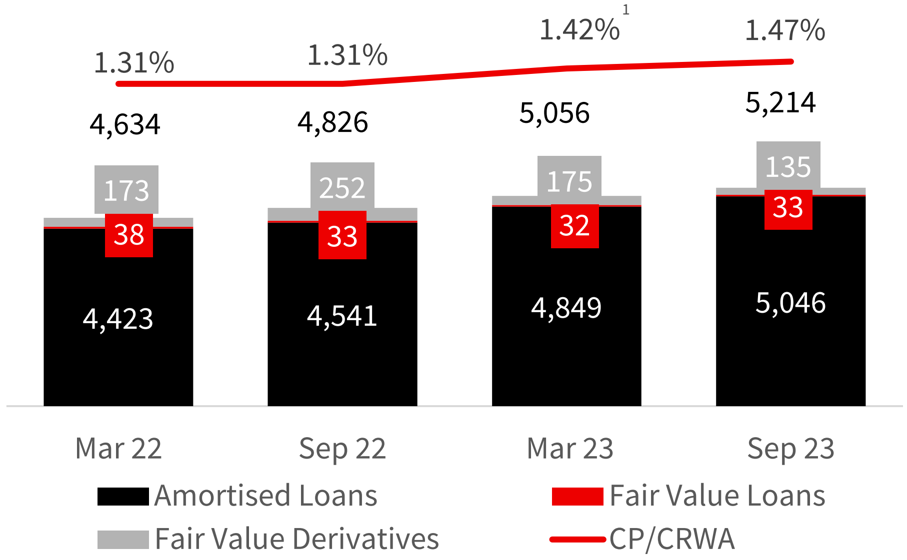


(1) Discretionary spend related exposures reflect Retail Trade and Tourism, Hospitality & Entertainment exposures. CRE EAD figures are limits based on APRA Commercial Property ARS 230

Group provisions

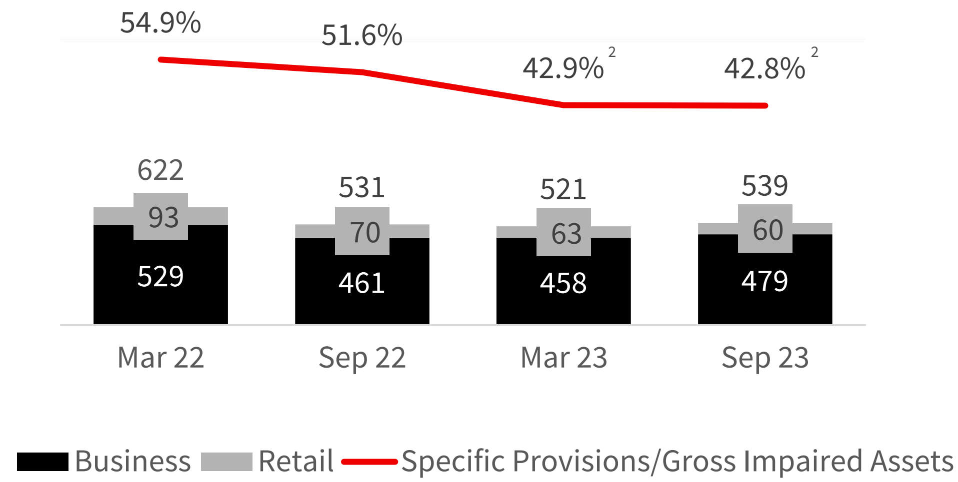
Collective provisions

($m)



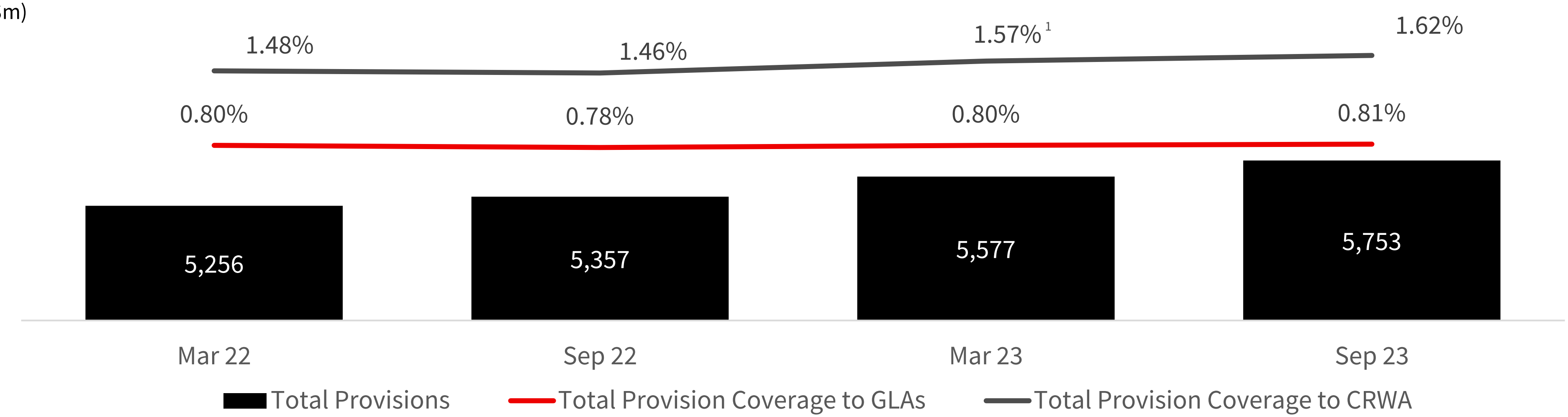
Specific provisions

($m)



Total provisions

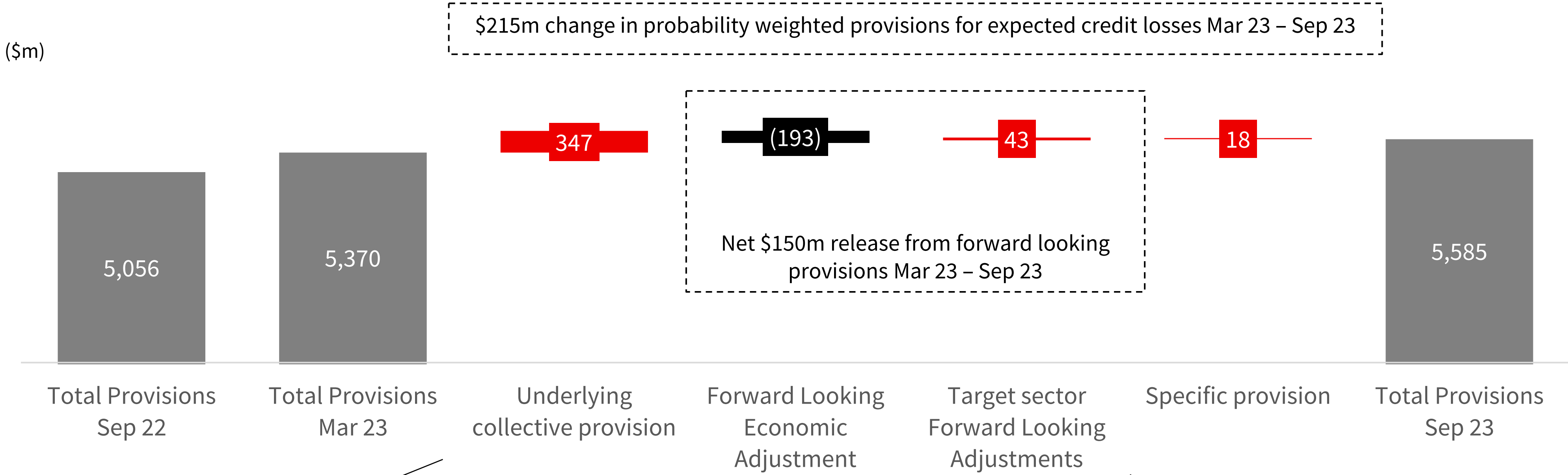
($m)



(1) March 2023 figures include the impact of a reduction in credit risk-weighted assets as a result of the implementation of the revised capital framework from 1 January 2023
(2) Excluding the impact of NZ exposures affected by severe weather events classified as "Restructured loans" these ratios would be 54.4% at September 2023 (March 2023: 51.1%). Collective provisions are held against these loans

Provisions

Movement in provisions[1]



Underlying CP

- Model outcomes based on point-in-time data
- 2H23 increase reflects deterioration in asset quality and volume growth in B&PB

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)
- 2H23 EA decrease of $193m reflects modest improvement in overall economic outlook and credit deterioration in underlying outcomes

Target sector FLAs

- Considers forward looking stress incremental to EA
- Net $43m increase in target sector FLAs mainly driven by BNZ Agri

(1) Excludes provisions on fair value loans and derivatives

Expected Credit Losses (ECL) assessment

ECL scenarios & weightings

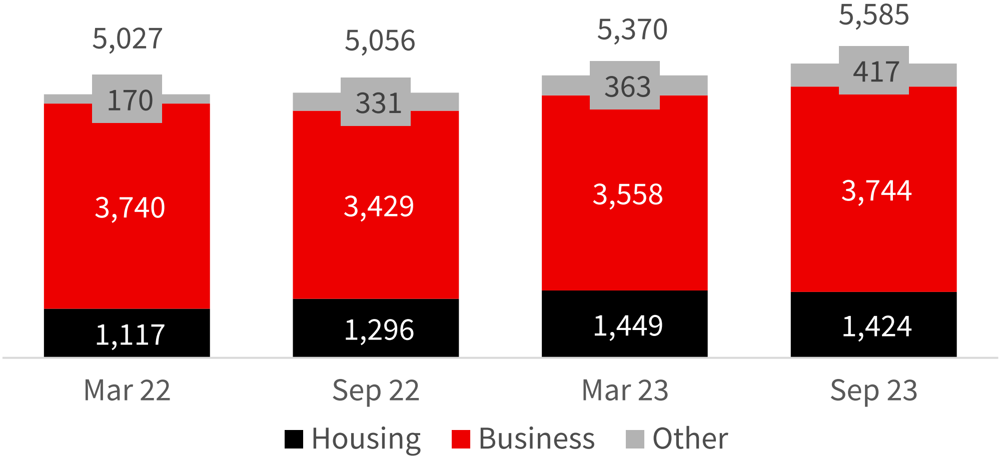
Total Provisions for ECL[1,2]			
$m	**2H23 (probability weighted)**	**100% Base case**	**100% Downside**
Total Group	5,585	4,000	7,546
Increase/ (decrease) from Mar 23	215	(493)	1,092
Macro economic scenario weightings			
Group Portfolio (%)	**Upside**	**Base case**	**Downside**
31 Mar 23	2.5	52.5	45.0
30 Sep 23	2.5	52.5	45.0

Key considerations

- Increase in ECL vs Mar 23 reflects deterioration in asset quality across the Group's lending portfolio and volume growth in Business and Private Banking
- Net release of $150m from forward looking provisions reflecting credit deterioration in underlying outcomes and modest improvement in overall economic outlook
- 100% base case and probability weighted scenario both include $543m of FLAs. NAB holds $2,218m in provisions above the 100% base case, after excluding $543m in FLA balances from the 100% base scenario

Total provisions for expected credit losses[1]

($m)



Economic assumptions

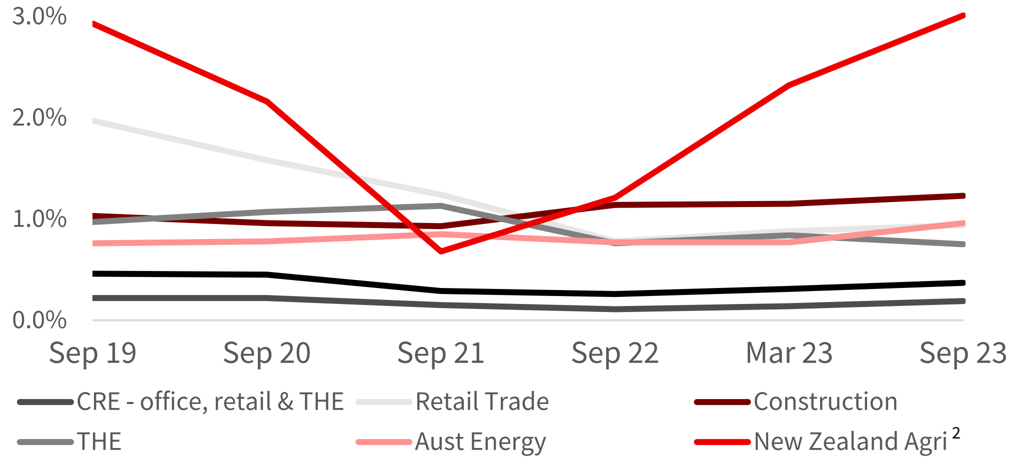
Australian economic assumptions considered in deriving ECL[2]						
	Base case			**Downside**		
%	**FY24**	**FY25**	**FY26**	**FY24**	**FY25**	**FY26**
GDP change YoY	0.8	2.0	2.6	(1.2)	(2.6)	2.8
Unemployment	4.7	4.7	4.5	4.7	7.9	9.1
House price change YoY	4.1	3.3	3.0	(24.5)	(20.3)	5.5

(1) ECL excludes provisions on fair value loans and derivatives
(2) Scenarios, prepared for purposes of informing forward looking provisions, rely on NAB Economics modelling and management judgement. The base case macro-economic variables are based on NAB Economics forecasts as at 30 September 2023

Sectors of interest

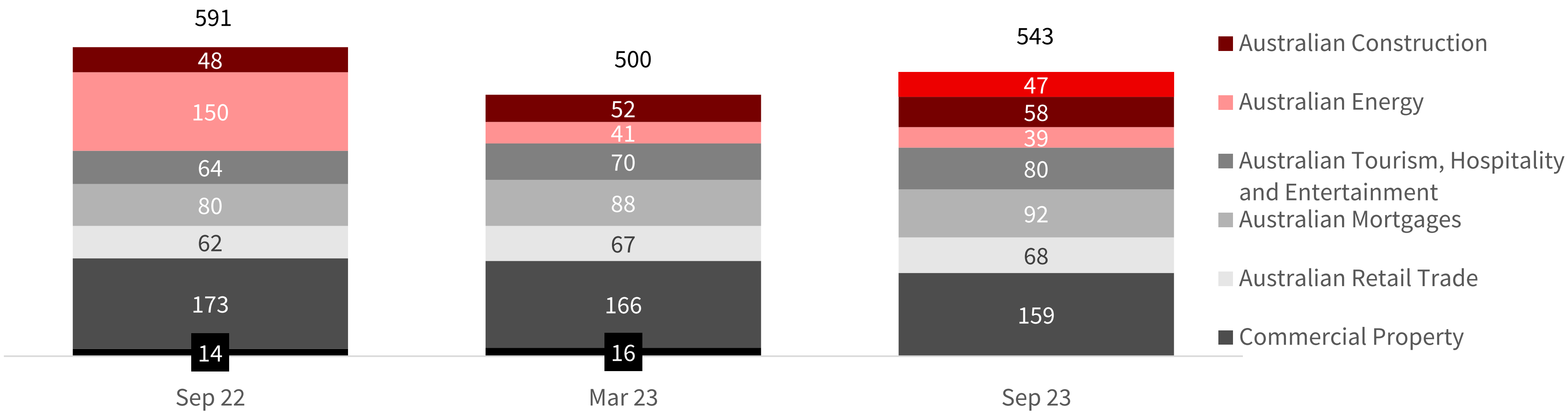
Sep 23	EAD $bn[1]	EAD[1] change since Sep 20	90+ DPD and GIAs as % EAD
Retail Trade	15.0	3.4%	0.94%
Tourism, Hospitality & Entertainment (THE)	14.3	1.4%	0.75%
Construction	13.0	12.1%	1.23%
Australian Energy	29.6	8.8%	0.96%
New Zealand Agri	16.2	3.2%	3.01% [2]
CRE - Office, retail & THE[3]	44.4	6.0%	0.19%
Non retail sectors of interest	**132.5**	**6.0%**	**0.95%**
Total non retail book	**597**	**21.8%**	**0.37%**

Non retail sectors of interest 90+ DPD and GIAs as % of EAD



Collective provision target sector FLAs

($m)



(1) Mar 2023 and beyond include the impact of changes to the calculation of EAD as a result of the implementation of the revised capital framework from 1 January 2023. Refer NAB's March 2023 Pillar 3 Report for further details

(2) Mar 2023 and Sep 2023 include NZ$195m and NZ$270m respectively relating to a portfolio of New Zealand customers affected by severe weather events. These customers have been classified as "Restructured loans" in accordance with APS 220 Credit Risk Management. Excluding the impact of the restructured loans, 90+DPD and impaired ratio would be 1.19% at Mar 23 and 1.46% at Sep 23

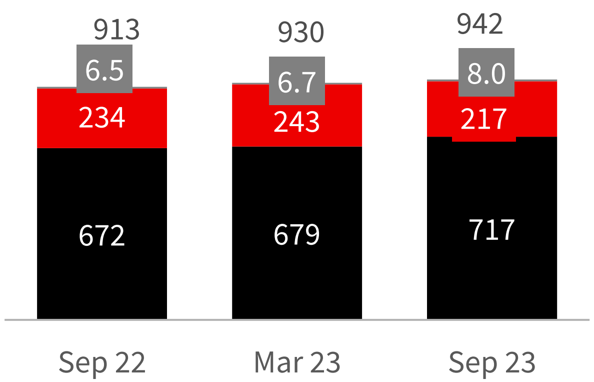
(3) CRE EAD figures are limits based on ARS 230 definitions and CRE FLAs relate to total CRE portfolio with Office, Retail and THE CRE viewed as most at risk

ECL provisioning by stages

national australia bank

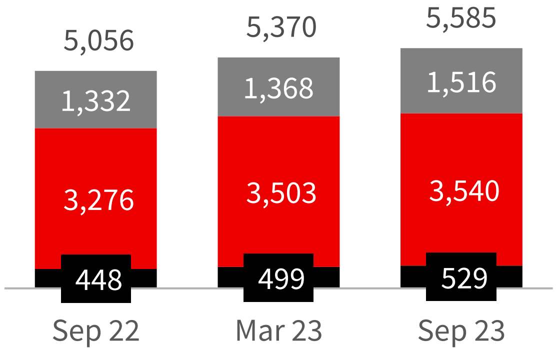
Loans and advances by stage[1]

($bn)



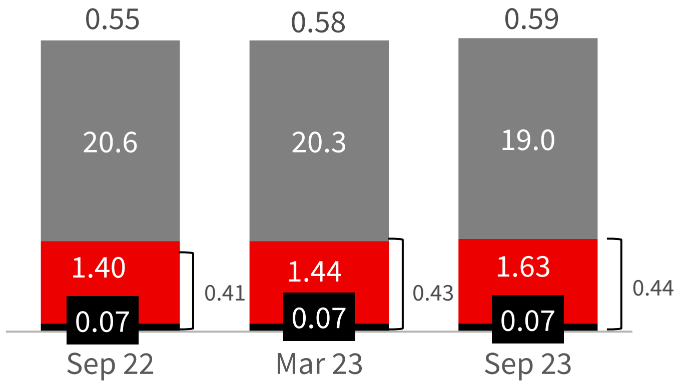
Provisions by stage[2]

($m)



Provision coverage by stage[3]

(%)



■ Stage 1 (12 month ECL) ■ Stage 2 (Lifetime ECL) ■ Stage 3 (Lifetime ECL)

	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[4] since initial recognition but not credit impaired	Collective
Stage 3 (Lifetime ECL)	Credit impaired: default no loss Credit impaired: default with loss	Collective Specific

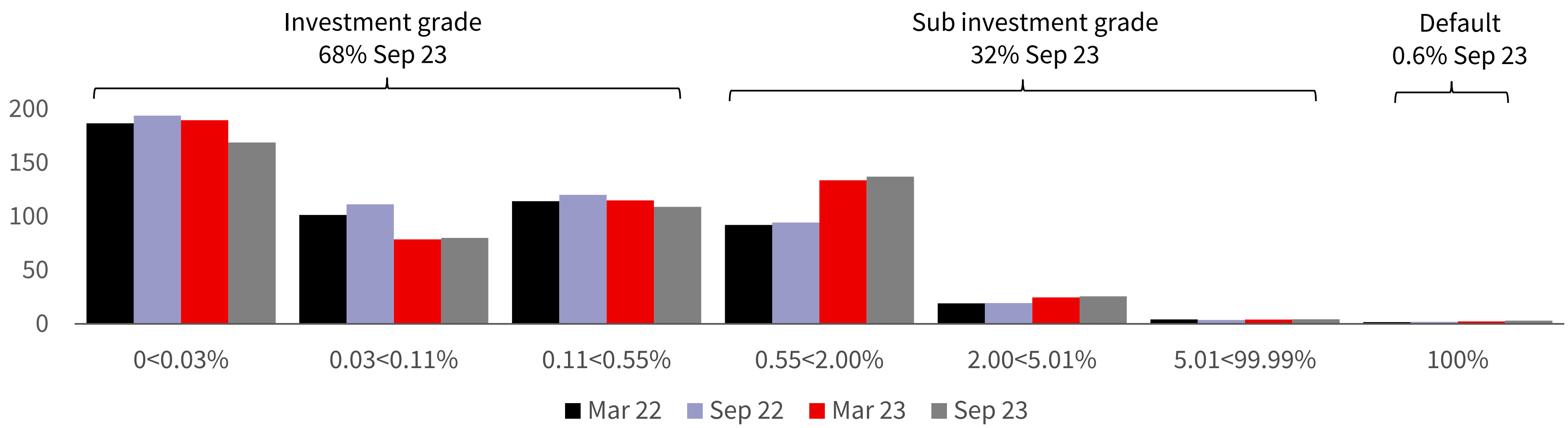
- Significant increase in credit risk rules are not prescribed by accounting or regulatory standards
- Migration assumptions included in forward looking adjustments
- Stage 2 includes majority of forward looking adjustments

(1) Notional staging of loans and advances, including contingent liabilities and credit-related commitments, incorporates forward looking stress applied in the ECL model
(2) Excludes collective provision on loans at fair value and derivatives which are not allocated to a stage under the ECL model
(3) Provision coverage: provisions as a percentage of loans and advances including contingent liabilities and credit-related commitments
(4) Significant increase in credit risk primarily determined by change in credit risk scores for business exposures and change in behavioural scoring outcomes for retail exposures

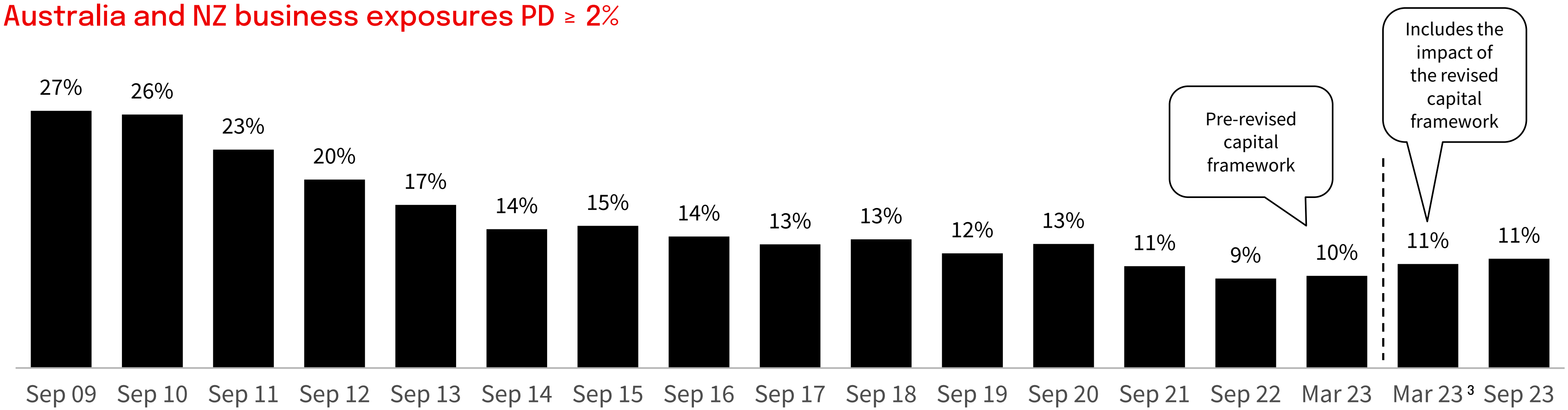
Probability of default (PD) analysis

Non-retail IRB EAD[1] by probability of default[2,3]

($bn)



Australia and NZ business exposures PD ≥ 2%



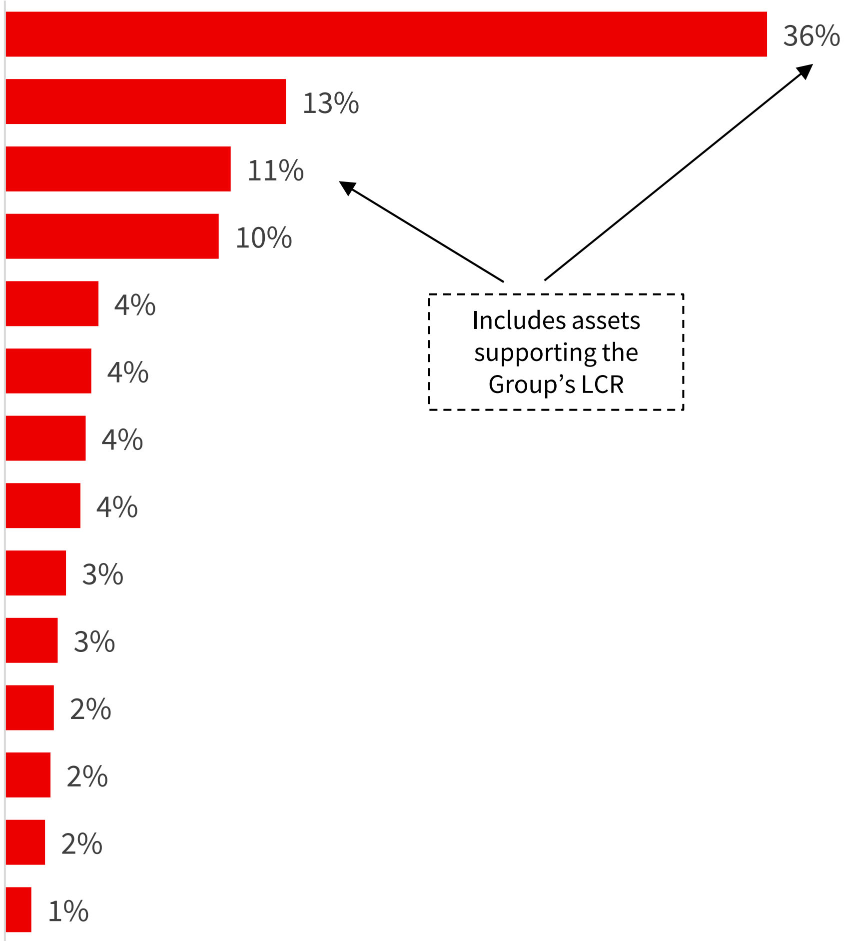
(1) Non-retail internal ratings based portfolios are aligned to those disclosed in the September 2023 Pillar 3 report – Table 5.3A. Total $528bn at Sep 2023, $548bn at Mar 2023, $544bn at Sep 2022 and $519bn at Mar 2022

(2) Mar 2023 Non-retail IRB EAD includes the impact of exposures being reflected under different asset classes as a result of the implementation of the revised capital framework from 1 January 2023. This includes a change to income-producing real estate exposures which were previously classified as specialised lending exposures and are now subject to the IRB approach. This change resulted in an increase of $62bn in exposures subject to the IRB approach

(3) Mar 2023 and beyond includes the impact of changes to the calculation of EAD as a result of the implementation of the revised capital framework from 1 January 2023

Non retail industry sector analysis

Non retail EAD by industry[1,2] – $597bn

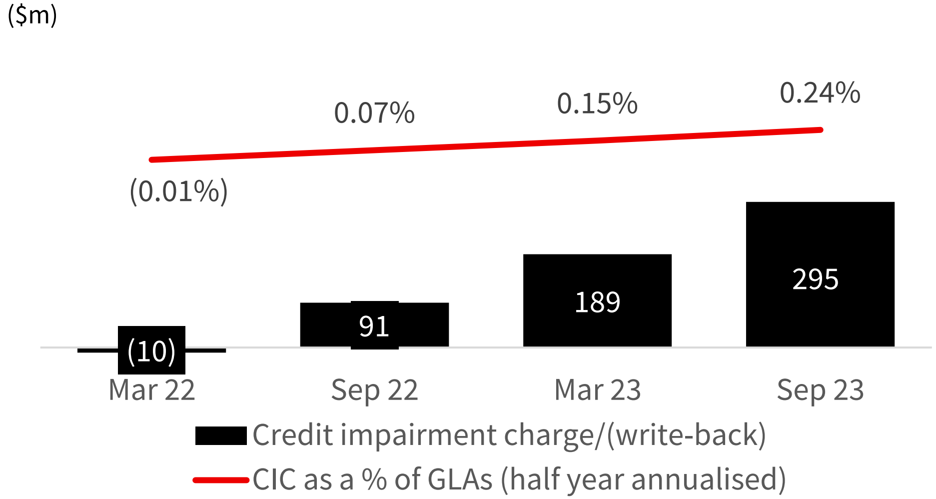


		% of 90+ DPD and GIA		
		Sep 22	Mar 23	Sep 23
Finance & insurance	36%	0.02%	0.02%	0.02%
Commercial property	13%	0.30%	0.26%	0.36%
Govt & public utilities	11%	0.00%	0.00%	0.00%
Agri, forestry & fishing	10%	0.57%	0.87%[3]	1.11%[3]
Other inc Health, Education, Community	4%	0.42%	0.48%	0.48%
Transport & storage	4%	0.53%	0.46%	0.48%
Business & property services	4%	0.83%	0.93%	0.96%
Manufacturing	4%	0.49%	0.60%	0.84%
Wholesale trade	3%	0.25%	0.33%	0.67%
Retail Trade	3%	0.78%	0.88%	0.94%
Utilities	2%	0.01%	0.21%	0.01%
Construction	2%	1.14%	1.15%	1.23%
Accomodation & Hospitality	2%	0.78%	0.83%	0.73%
Mining	1%	0.47%	0.73%	0.71%
Total		0.26%	0.31%	0.37%

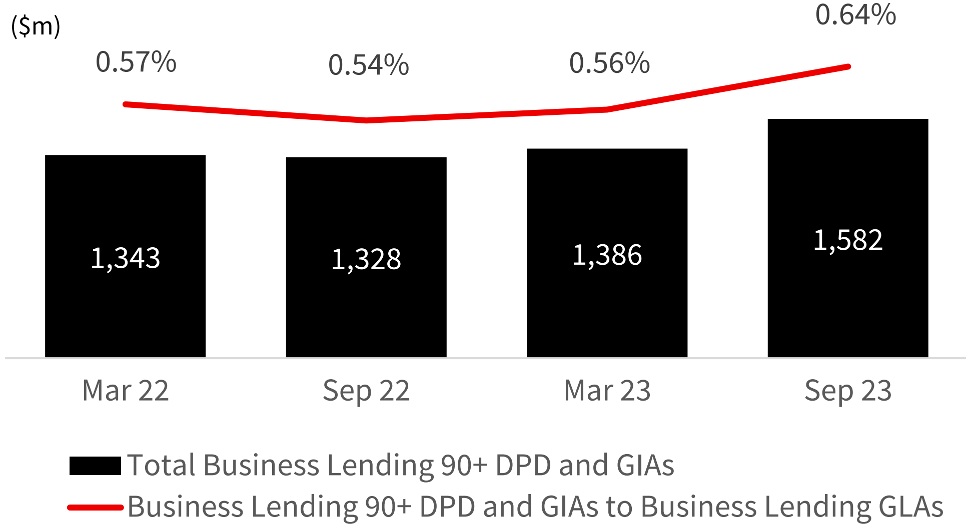
(1) Industry classifications are aligned to those disclosed in the 30 September 2023 Pillar 3 report – Table 5.1D. Non retail EAD shown excludes non-lending assets
(2) Mar 2023 includes the impact of changes to the calculation of EAD as a result of the implementation of the revised capital framework from 1 January 2023. Non retail EAD shown excludes non-lending assets
(3) Both Sep 2023 and Mar 2023 figures include the impact of NZ exposures affected by severe weather events classified as "Restructured loans" in accordance with APS 220 Credit Risk Management. Group 90+ DPD and GIA % of EAD excluding NZ restructured loans is 0.70% at Sep 23 and 0.57% at Mar 23

Australian Business lending asset quality

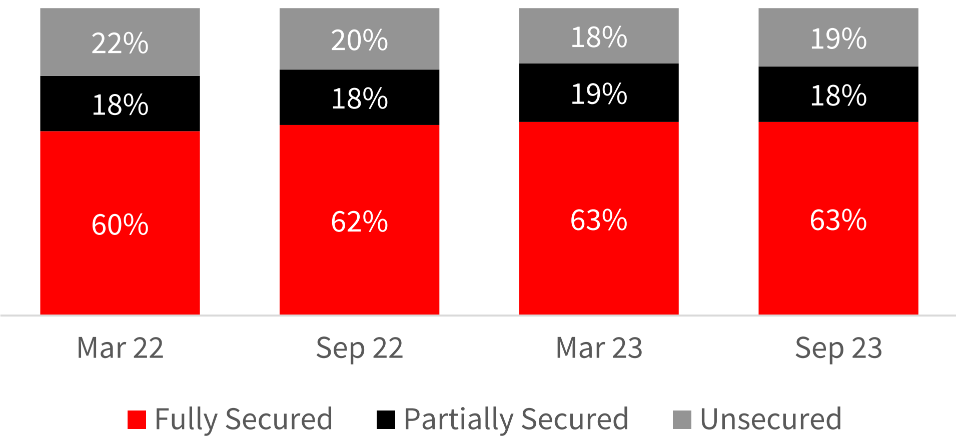
Business lending credit impairment charge and as a % of GLAs



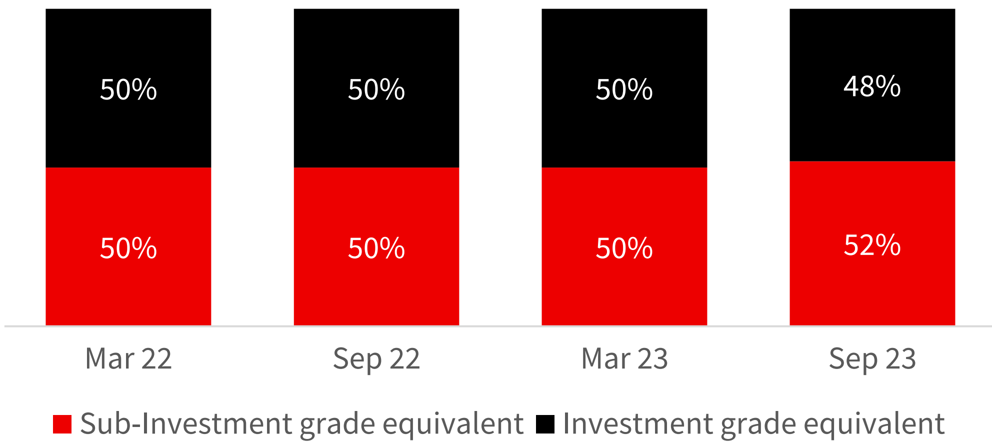
Business lending 90+DPD and GIAs and as % of GLAs



Total business lending security profile[1]



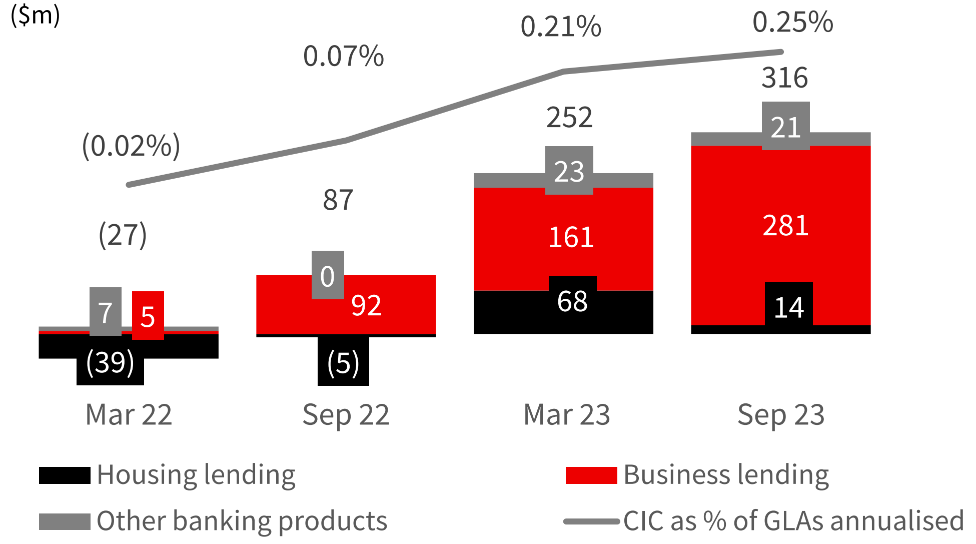
Business lending portfolio quality



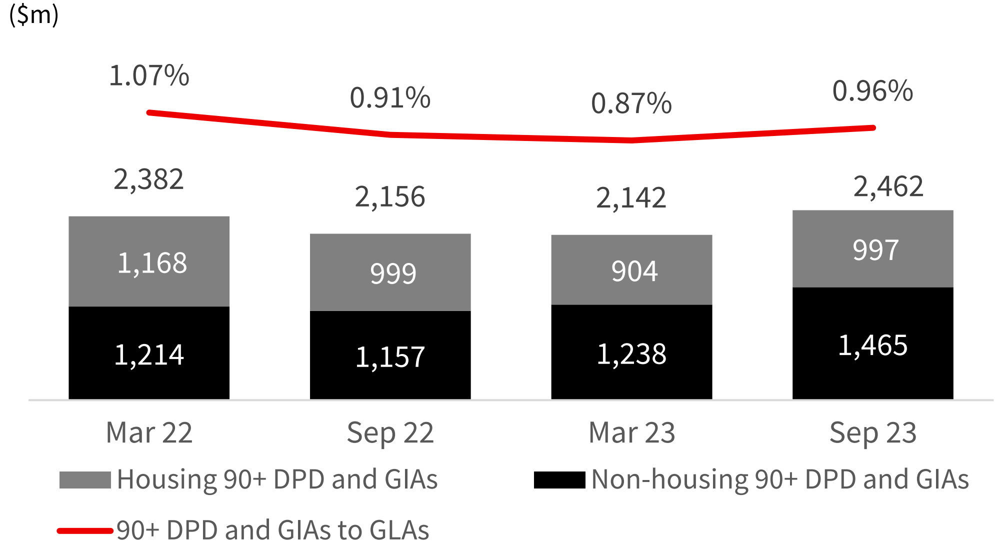
(1) Fully Secured is where the loan amount is less than 100% of the bank extended value of security; Partially Secured is where the loan amount is greater than 100% of the bank extended value of security; Unsecured is where no security is held and/or no value held against the security and negative pledge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

Australian Business and Private Banking asset quality

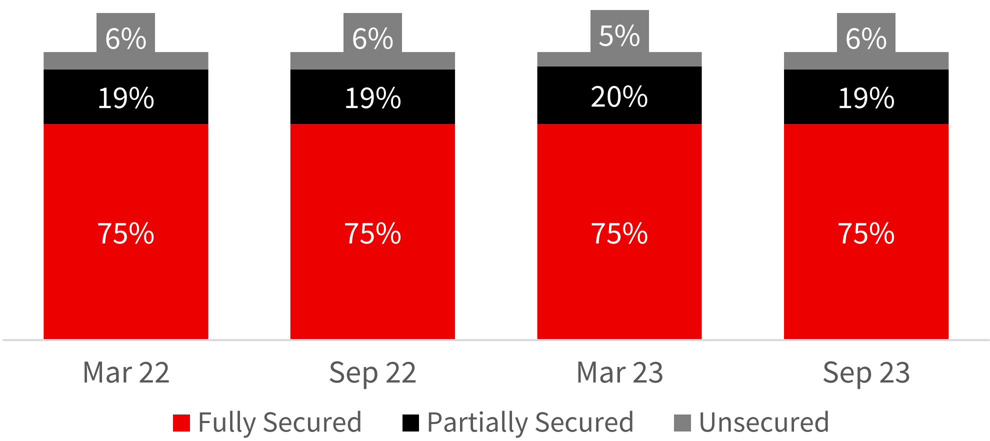
B&PB credit impairment charge and as % of GLAs[1]



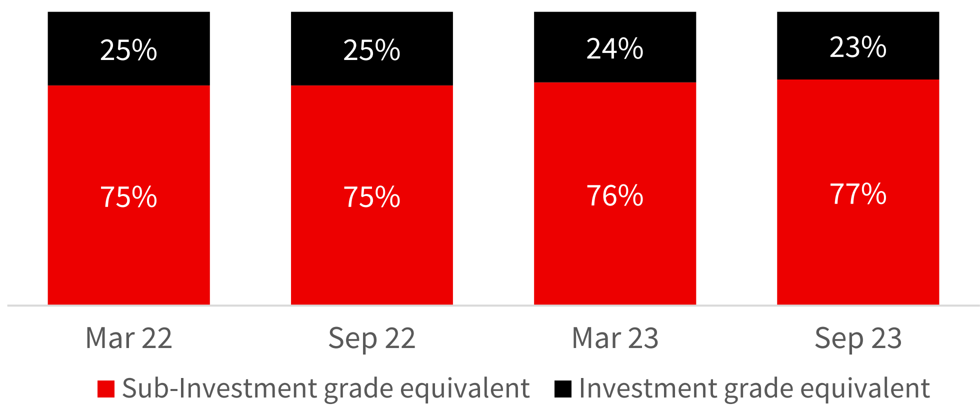
B&PB 90+DPD and GIAs and as % of GLAs[1]



B&PB business lending security profile[2]



Business lending portfolio quality

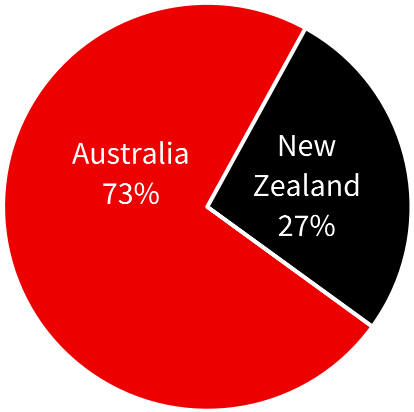


(1) B&PB credit impairment charges and 90+ DPD and GIAs reflect the total B&PB portfolio including mortgages

(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

Agriculture, forestry & fishing exposures[1]

Group EAD $61.0bn September 2023

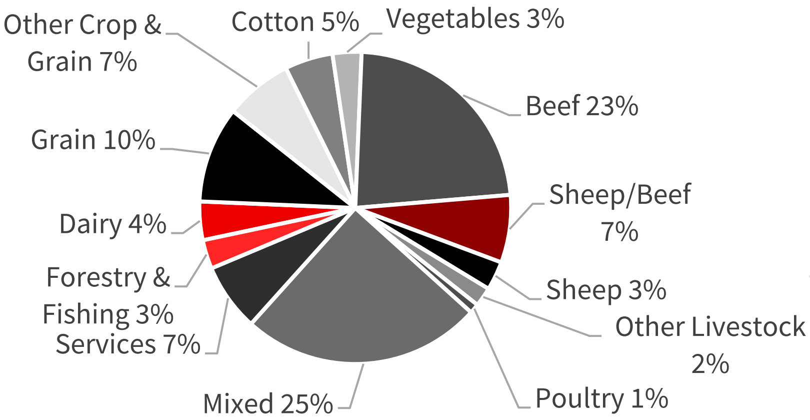


Key Australian considerations

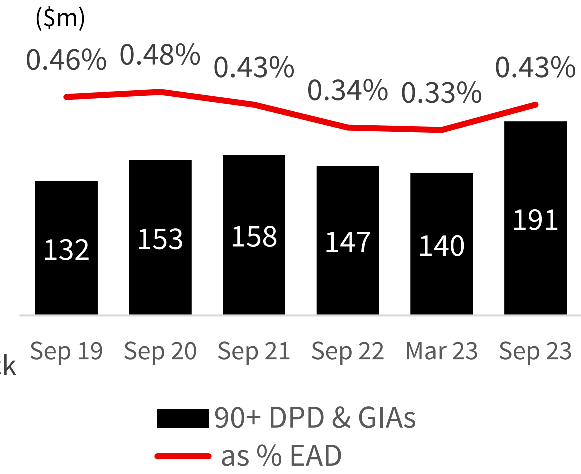
- Deterioration in asset quality from Mar 2023 off low levels of recent years
- Conditions becoming more challenging in some areas following several years of good conditions:
  - Onset of drier conditions in parts of QLD and NSW and significant reduction in livestock prices, particularly beef and sheep
  - Labour shortages and rising interest costs impacting industry confidence
- Asset valuations remain strong currently, with little sign of any significant correction so far
- ~10% of non retail EAD

Australian Agriculture, Forestry & Fishing

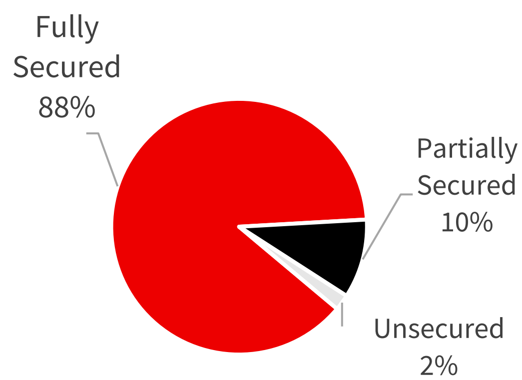
Portfolio EAD $44.8bn September 2023



Australian agriculture asset quality



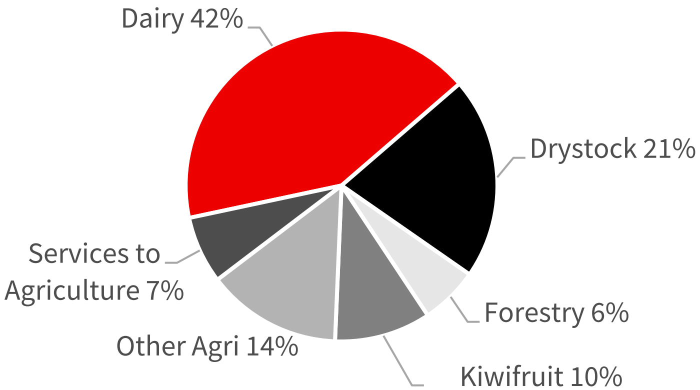
Australian agriculture portfolio well secured[2]



(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

New Zealand Banking agriculture exposures[1]

EAD NZ$17.4bn September 2023[1]

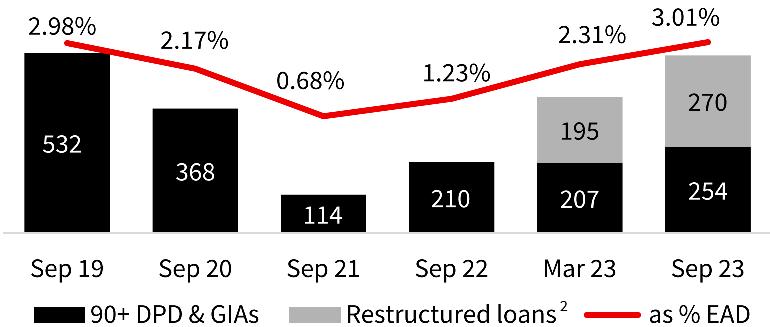


Key considerations

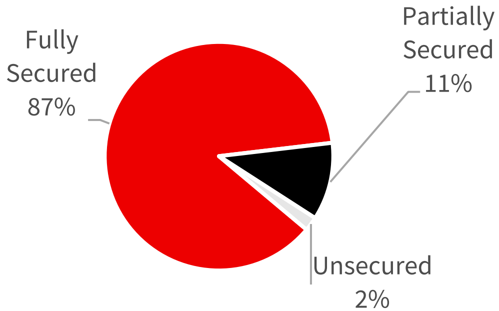
- 90+ DPD and impaired assets higher since Sep 21 given lower commodity prices, high farm inputs inflation (fuel, fertiliser, wages) and interest rate rises
- Largest sector exposure is dairy at 42%, down from 57% at Sep 2016
  - Outlook challenging with substantial drop in Fonterra forecast Farm Gate Milk Solids price reflecting lower global demand - below production cost for most farmers
  - Most customers fully secured and benefitted from above average milk prices over recent years enabling amortisation of debt
- Softening sheep and beef price outlook given reduced global demand and supply side pressures from onset of drier conditions, with potential flow on effects to rural New Zealand
- Provisioning includes NZ Agri FLA of NZ$51m – majority relates to NZ dairy

New Zealand Agri asset quality

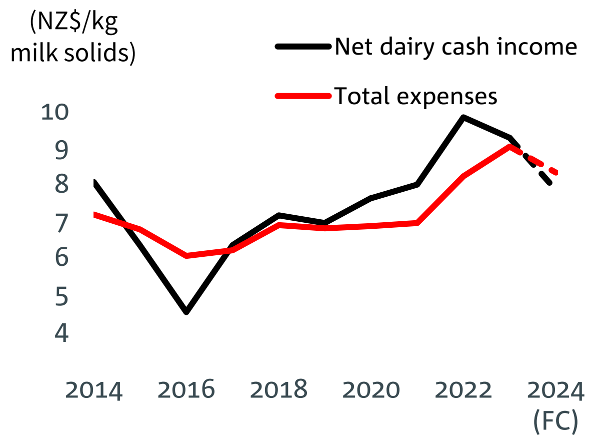
(NZ$m)



Portfolio well secured[1,3]



Dairy farm viability[4]



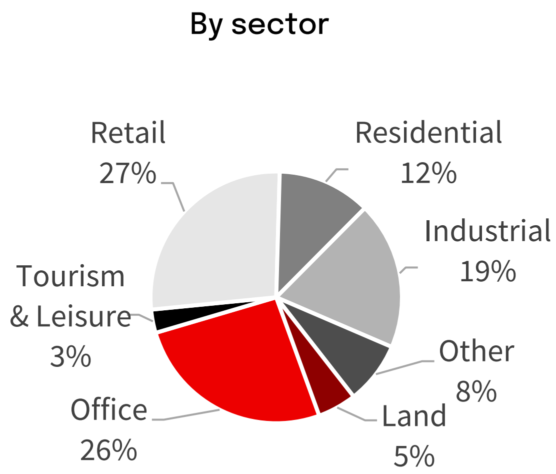
(1) Includes ANZSIC Level 1 classifications of agriculture, forestry & fishing based on the counterparty to which the Group is exposed to credit risk, including guarantors and derivative counterparties
(2) Sep 2023 includes a portfolio of customers affected by severe weather events. These customers have been classified as “Restructured loans” in accordance with APS 220 Credit Risk Management. Excluding the impact of the restructured loans, 90+DPD & GIA ratio would be 1.19% at Mar 23 and 1.46% at Sep 23
(3) 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
(4) Source: DairyNZ Econ Tracker. Net dairy income is cash received in the year from milk, dividends and net stock sales. Total Expense includes farm working expenses, interest and rent, net drawings, depreciation and tax. 2023 and 2024 represent forecast periods

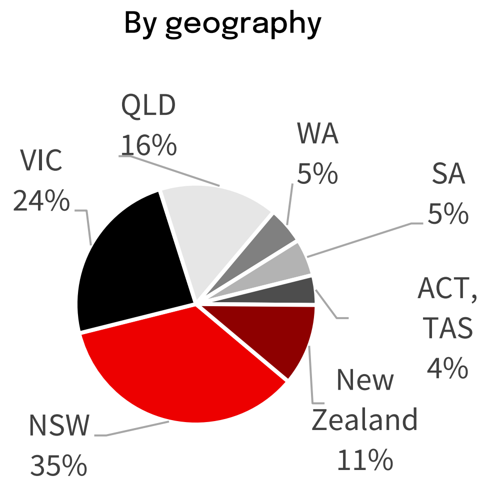
Commercial real estate (CRE)[1]

Gross loans & acceptances (GLAs)

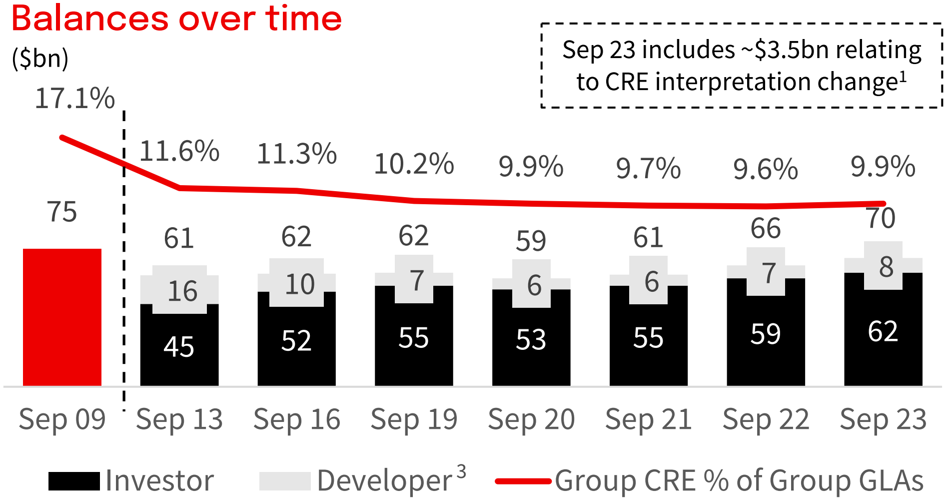
	Australia	New Zealand	Total[2]
Total CRE (A$bn)	63.3	7.0	70.4
Increase/(decrease) from Sep 22 (A$bn)	4.6	(0.1)	4.5
% of geographical GLAs	10.7%	7.3%	9.9%
Change in % from Sep 22	0.5%	(0.8%)	0.3%

Breakdown by total GLAs

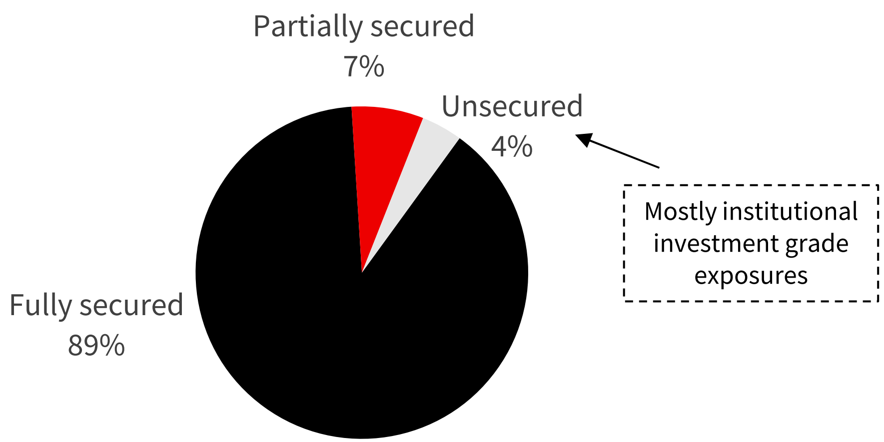




Balances over time



Group CRE Security Profile[4]



(1) Measured as balance outstanding as at 30 September 2023 per APRA Commercial Property ARF 230 definitions. NAB has modified its interpretation of the ARS 230 Commercial Property standard, with the guidance of APRA. This has seen an additional ~$3.5bn in Australian balances now qualifying for ARS 230 reporting at Sep 23

(2) Includes overseas offices not separately disclosed

(3) Developer at September 2023 includes $1.7bn for land development and $3.4bn for residential development in Australia

(4) 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

Commercial real estate[1]

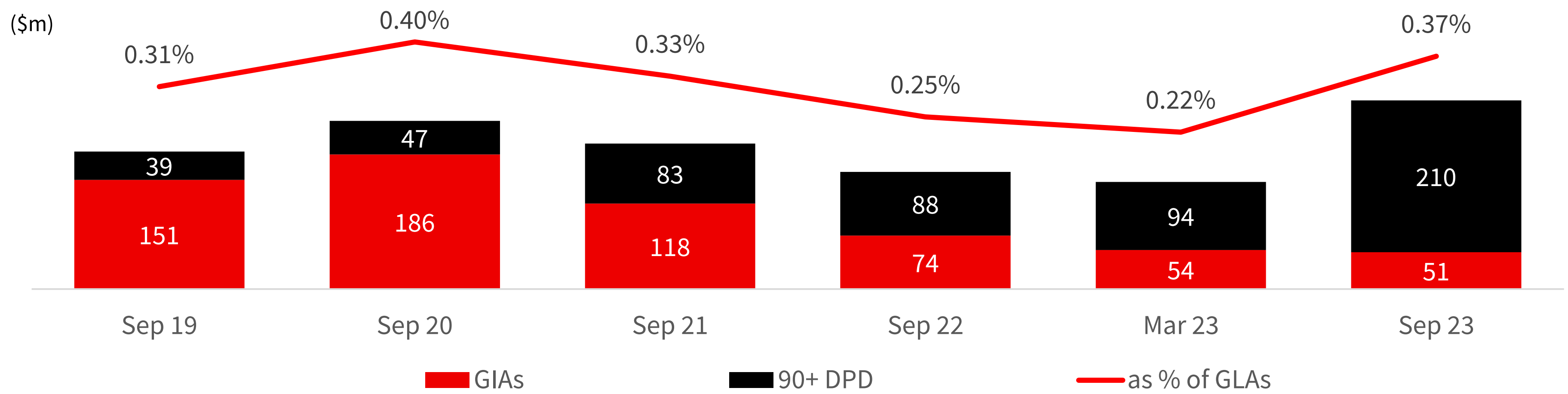
Key asset quality considerations

- Higher interest rates have lowered **Interest Cover Ratios,** but a more stable interest rate outlook and rental growth prospects (particularly those linked to CPI) provide some upside
- NAB continues to focus on **leverage** being commensurate with a transaction's ability to service debt now and into the future
- CRE Investment book originated/renewed on prudent loan to valuation ratios (**LVRs)** including a material portion of new/renewed loan volumes over the past 12 months associated with LVR<60%
- Low level of **transacted volumes** currently reflects continued disconnect between vendor and purchaser price expectations
- Provisioning includes $159m target sector **FLA**

Sector considerations

- **Discretionary income** exposed assets are of continued focus, given recent slowdown in retail trade turnover
- Labour shortages in construction sector continue to challenge new **development** starts
- Despite strong labour market fundamentals and effective rental growth, elevated vacancy rates are evident across **Office** markets. Secondary assets[2] with shorter lease expiries located in CBD-type location deemed higher risk
  - C&IB portfolio (~65% of Australian office) biased towards prime/A-grade assets
  - B&PB portfolio (~35% of Australian office) typically associated with C to D grade assets located in non-CBD locations

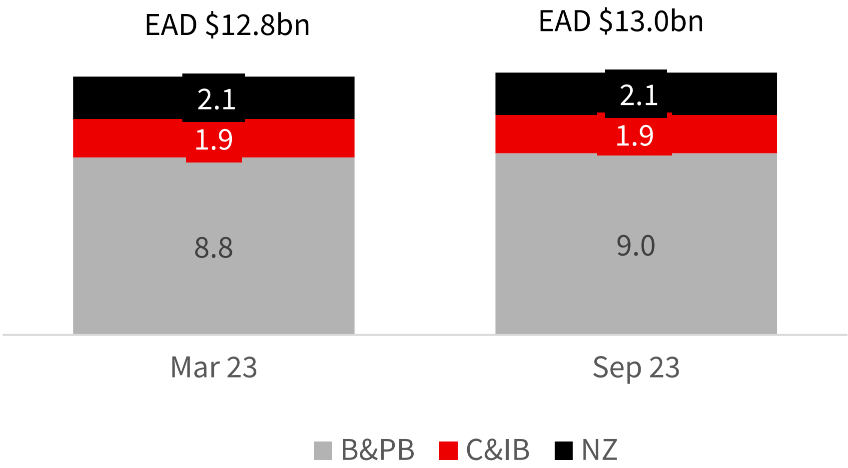
90+ DPD and GIAs and as % GLAs



(1) Measured as balance outstanding as at 30 September 2023 per APRA Commercial Property ARS 230 definitions
(2) Refers to office assets below Prime and A-grade

Construction[1]

Exposure at default

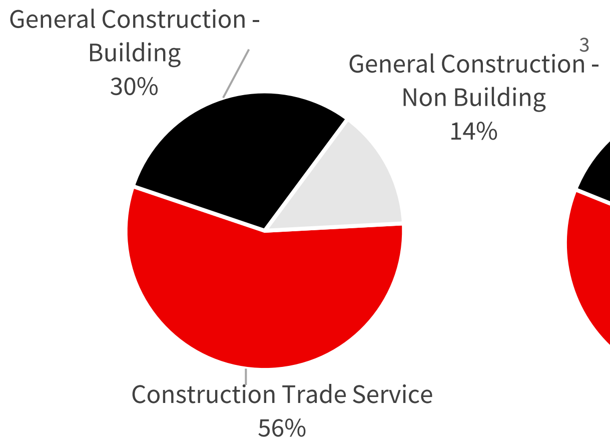


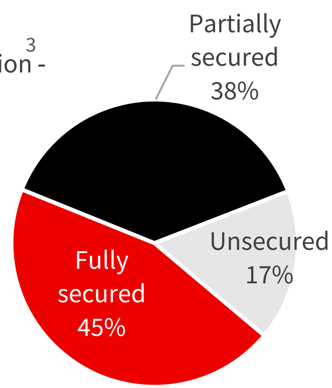
Key considerations

- Availability of labour and subcontractor risks remain key challenges. Input prices stabilised but remain elevated
- ~2% non retail EAD including subcontractors and construction services
- Highly diversified and secured portfolio
- Provisioning includes $58m target sector FLA
- >60% of C&IB exposures are contingent facilities e.g. performance guarantees

Australian Construction	B&PB	C&IB	Total
EAD ($bn)	9.0	1.9	10.9
# customers	~25k	~300	~25k
% Fully or Partially Secured	94%	45%	83%

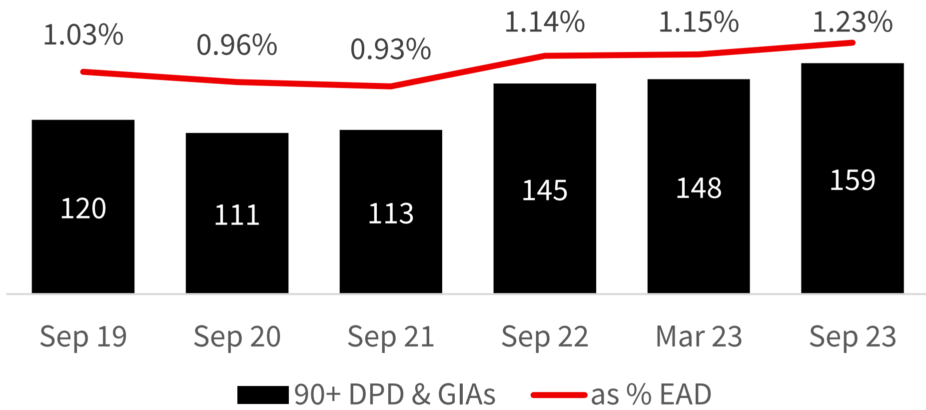
EAD portfolio by sector and security[2]





90+ DPD and GIAs and as % of sector EAD

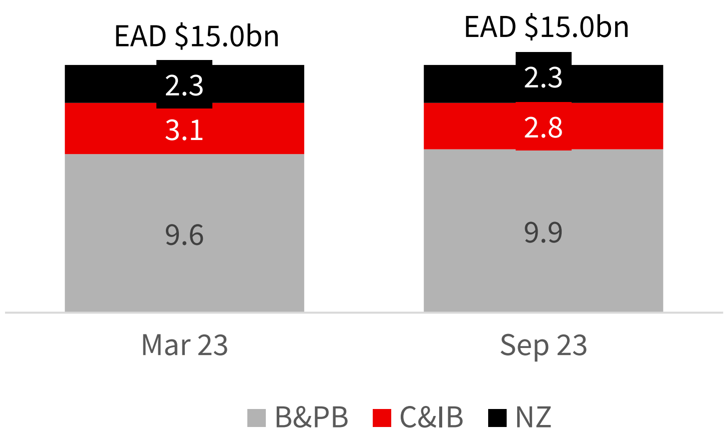
($m)



(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
(3) General Construction – Non Building EAD includes construction activities such as infrastructure, leisure, irrigation, mining etc

Retail Trade[1]

Exposure at default

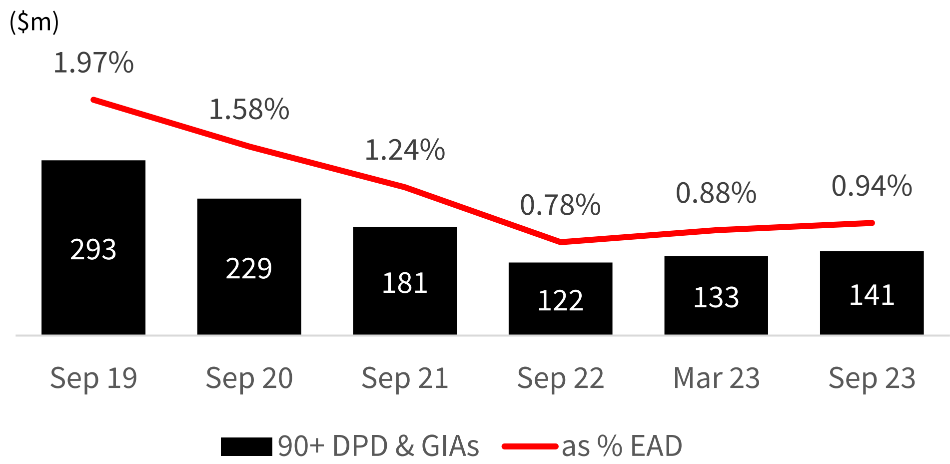


Key considerations

- Nominal retail trade spend remains robust, led by spending at cafes & restaurants, offsetting slower spend on goods
- Consumption growth expected to weaken further over balance of 2023 and into 2024
- Provisioning includes $68m target sector FLA
- ~2% non retail EAD

EAD portfolio by sector and security[2]

90+ DPD and GIAs and as % of sector EAD

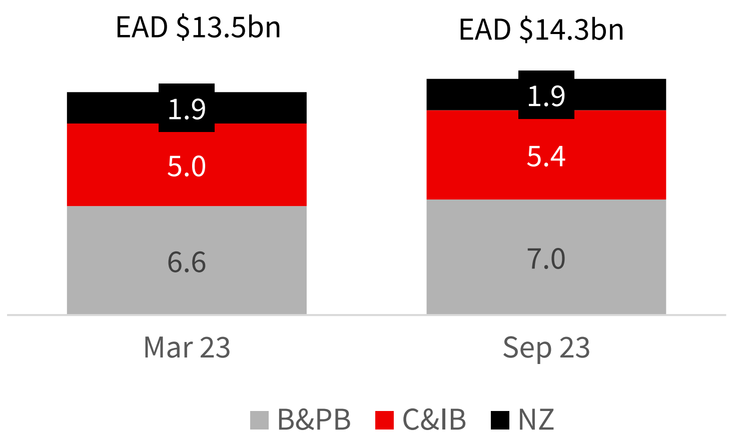


(1) Based on ANZSIC Level 1 classifications of the counterparty to which the Group is exposed to credit risk, including guarantors and derivative counterparties. Discretionary / Non-discretionary Retail Trade determined at an individual ANZSIC code level

(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]

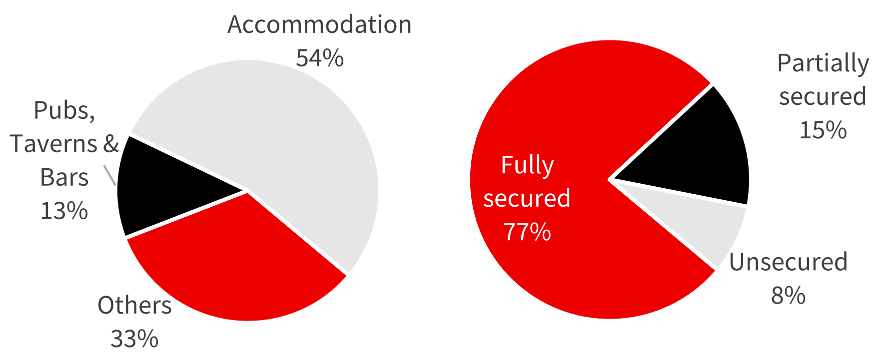
Exposure at default



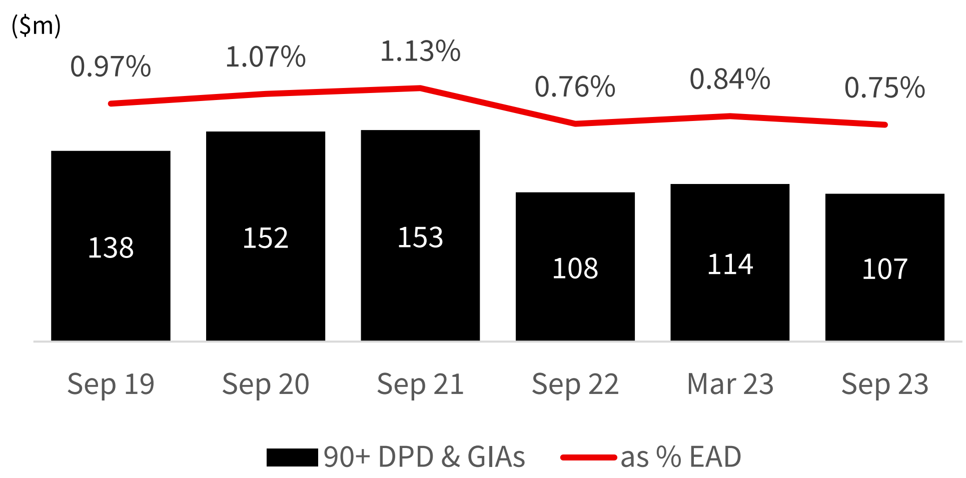
Key considerations

- Industry data suggests trading performance for Tourism and Entertainment operators remains robust, notwithstanding wage/electricity cost increases and reduced savings levels
- Consumer confidence, discretionary spending, higher cost of living and increased interest rates not immediately reflected in current performance, but are likely to influence longer term outlook
- ~2% of non retail EAD
- Provisioning includes $80m target sector FLA

EAD portfolio by sector and security[2]



90+ DPD and GIAs and as % of sector EAD

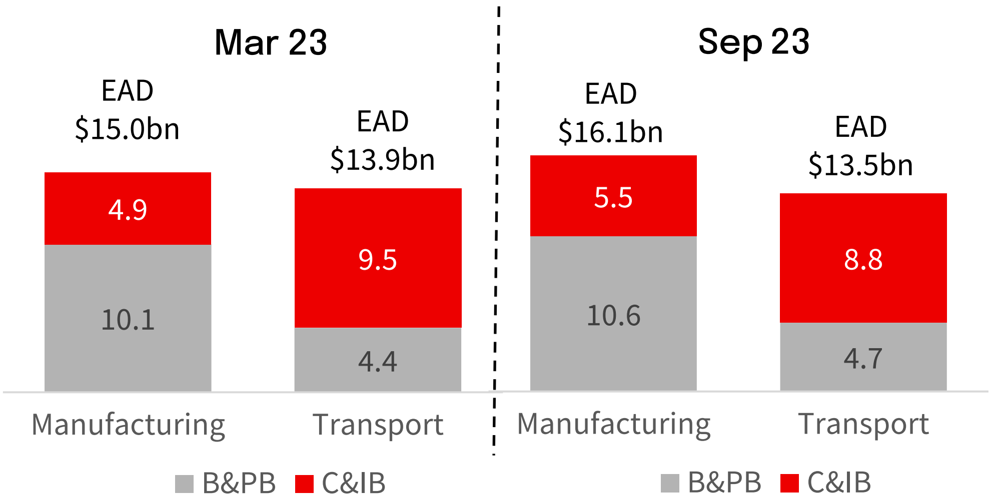


(1) Based on the ANZSIC Level 1 classifications of accommodation and hospitality, plus cultural and recreational services; based on the counterparty to which the Group is exposed to credit risk, including guarantors and derivative counterparties

(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

Australian Energy[1]

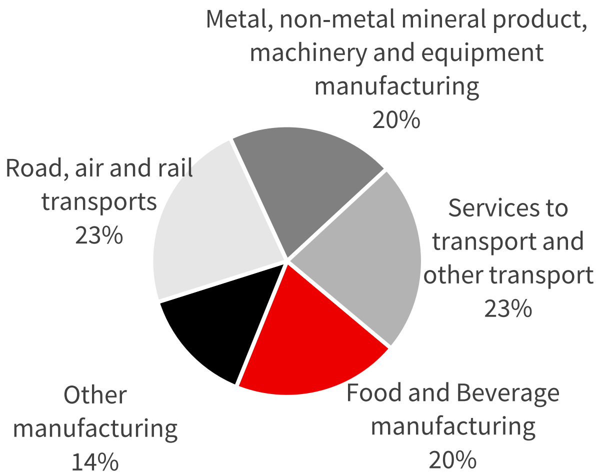
Exposure at default

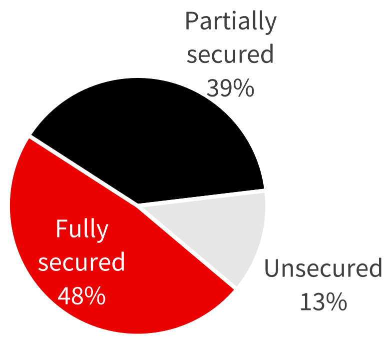


Key considerations

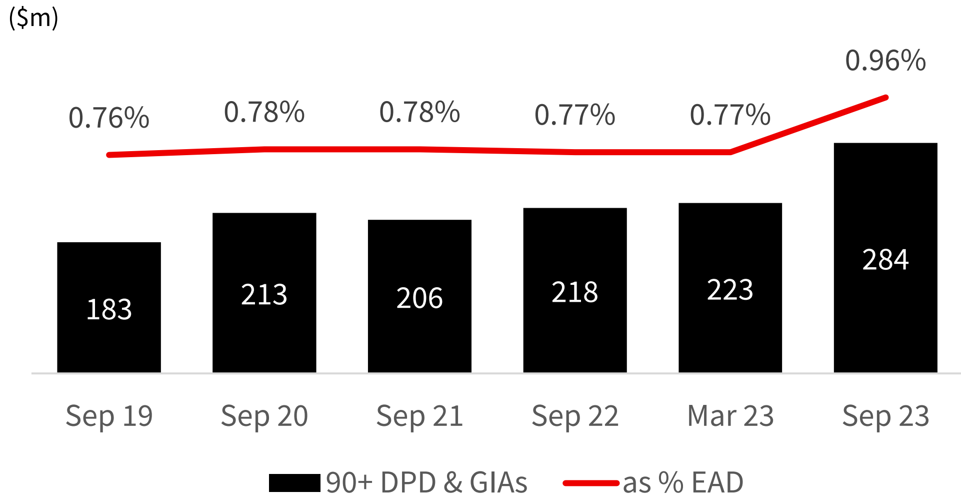
- The outlook for domestic energy prices remains elevated including as a result of geographical tensions
- Manufacturing and Transport expected to be disproportionately impacted by elevated energy costs due to their high energy consumption
- Increase in 90+ DPD and GIA ratio in 2H23 primarily reflects a single name exposure
- Provisioning includes $39m of target sector FLA
- ~5% 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 Transport due to high energy consumption, based on the counterparty to which the Group is exposed to credit risk, including guarantors and derivative counterparties. EAD is shown for the Australian geographical area, based on the booking office where the exposure was transacted

(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

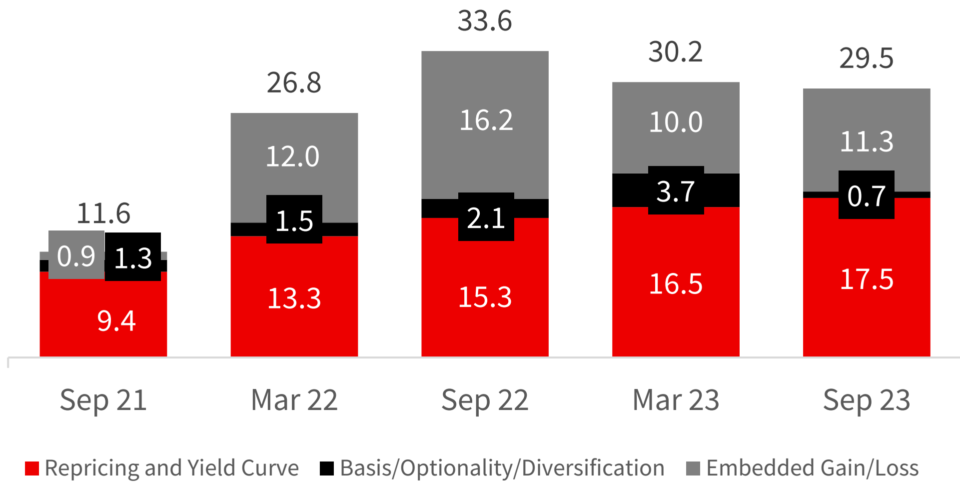
Risk-weighted assets and IRRBB run off

Risk-weighted assets

($bn)

IRRBB risk-weighted assets

($bn)

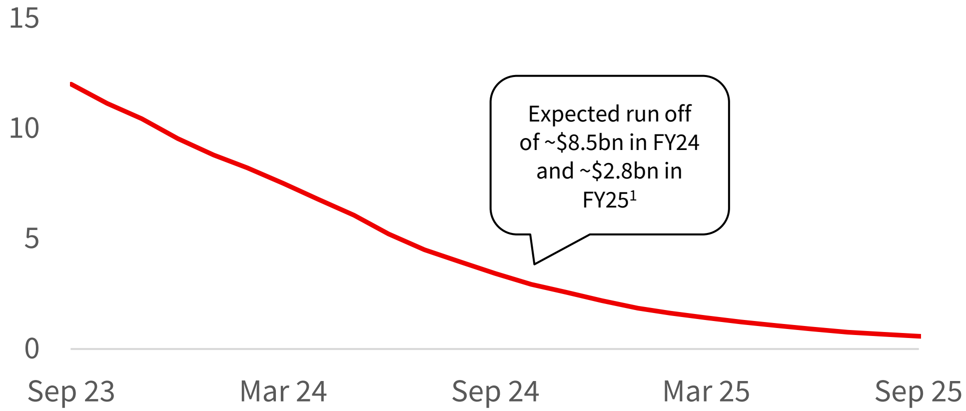


IRRBB run off

- Swap rate increases have created a $11.3bn RWA requirement related to embedded losses on the investment term of capital hedge (~30bps of CET1 based on Sep 23 ratio)
- Based on current market pricing, embedded loss RWA expected to largely unwind over the next 12-18 months

Embedded Gain/Loss RWA run off profile

($bn)



(1) Based on yield curves as at 29 September 2023

(2) Refer to key risks, qualifications and assumptions in relation to forward looking statements on page 139

Capital & Deposit hedges

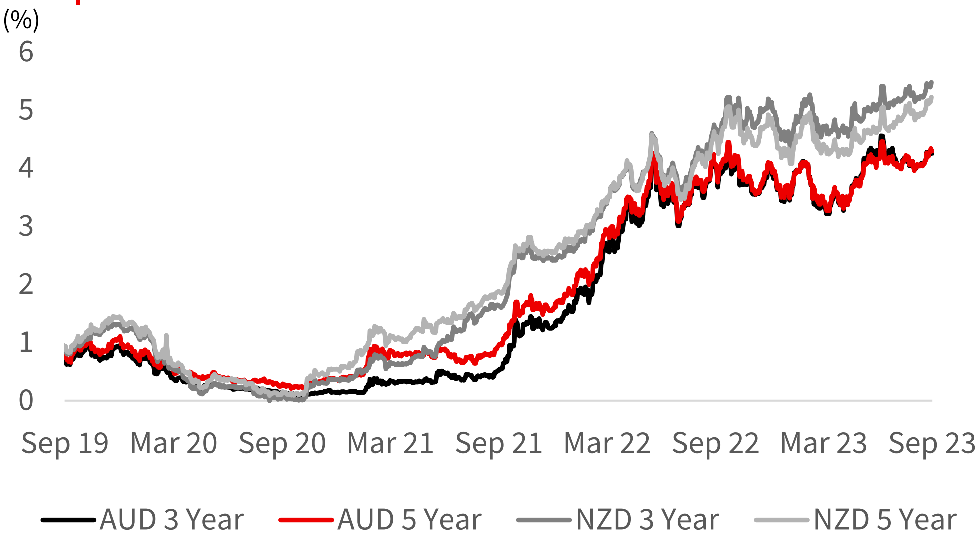
NAB replicating portfolios

Replicating portfolio		
	30 Sep 23 balance	Invested out to term of
Capital	AUD $42bn	3 years
Low rate deposits	AUD $75bn	5 years

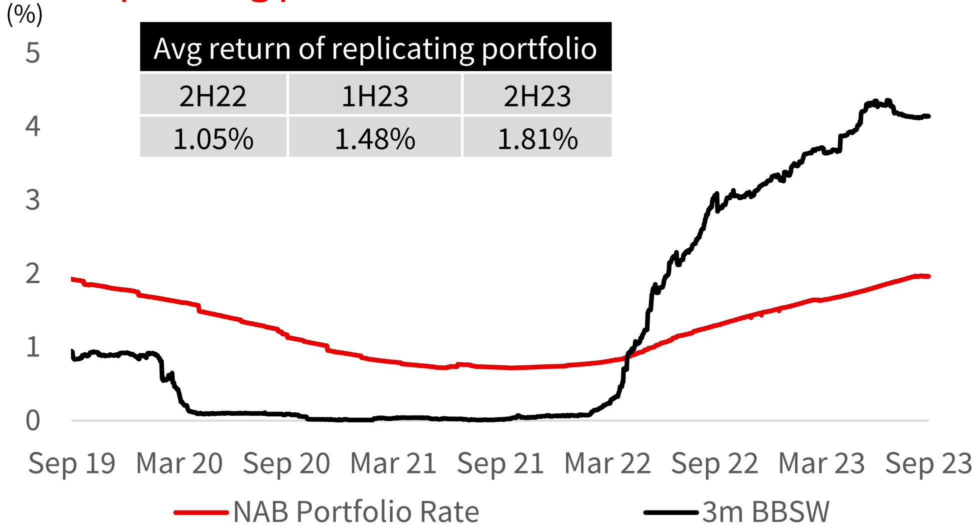
BNZ replicating portfolios

Replicating portfolio		
	30 Sep 23 balance	Invested out to term of
Capital	NZD $11bn	3 years
Low rate deposits	NZD $10bn	5 years

Swap rates[2]

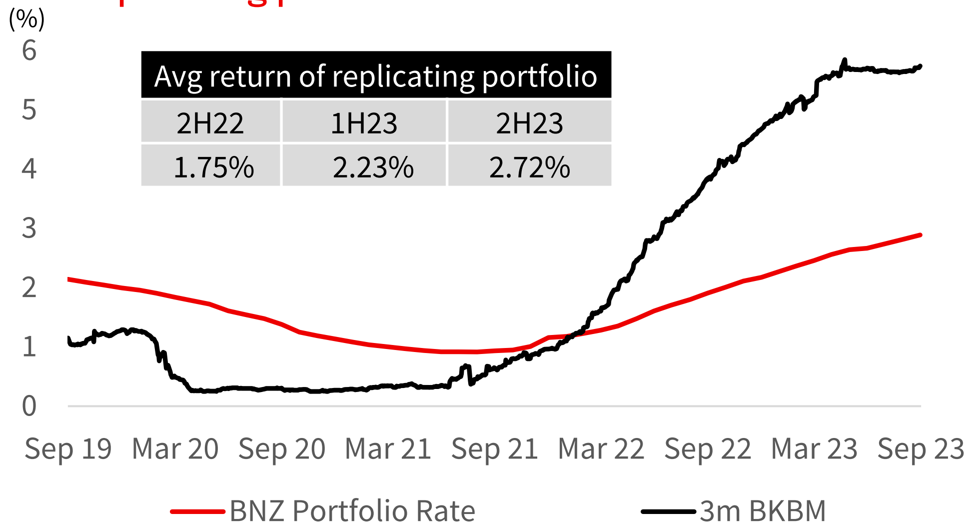


NAB replicating portfolios[1]



Avg return of replicating portfolio		
2H22	1H23	2H23
1.05%	1.48%	1.81%

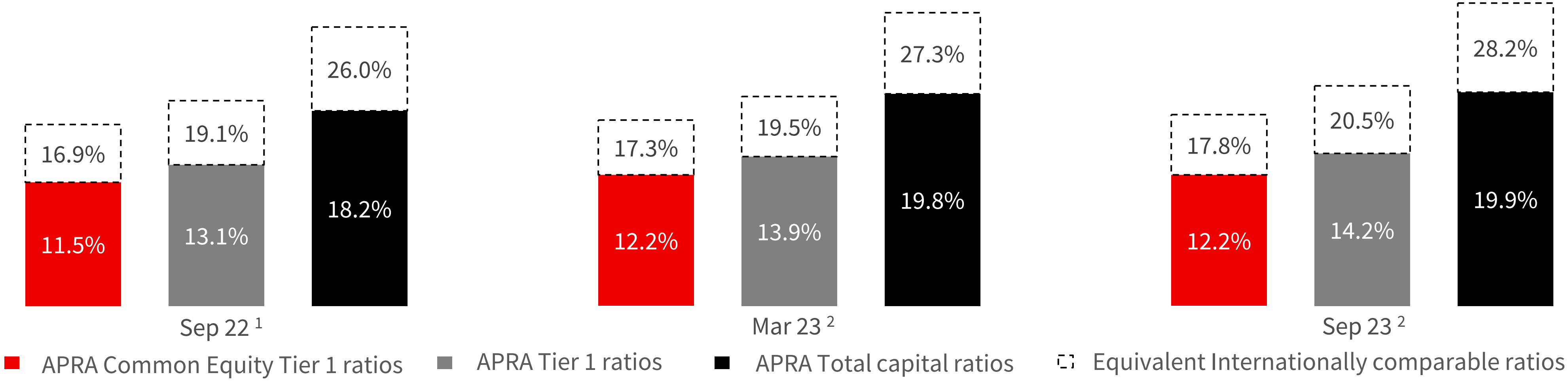
BNZ replicating portfolios[3]



Avg return of replicating portfolio		
2H22	1H23	2H23
1.75%	2.23%	2.72%

(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

APRA to minimum internationally comparable CET1 ratio reconciliation



APRA to Internationally comparable CET1 ratio reconciliation	CET1 %
APRA CET1 ratio	**12.2%**
Deferred tax assets, capitalised expenses and equity exposures, net of deferred fee income deducted under APRA requirements, compared to being risk weighted (subject to thresholds) in the Basel framework	+0.7%
APRA requirement for IRRBB risk-weighted assets (RWA) not in the Basel framework	+1.2%
APRA requirements for residential mortgages not in the Basel framework (i.e. APRA multipliers of 1.4, 1.7 or 2.5 and standardised treatment for non-standard mortgages)	+1.3%
APRA internal ratings-based approach scaling factor of 1.1 not in the Basel framework (including for exposures of the RBNZ regulated banking subsidiary)	+1.1%
APRA internal ratings-based approach Income-Producing Real Estate (IPRE) multiplier of 1.5 not in the Basel framework	+0.5%
RBNZ requirements for credit RWA for the RBNZ regulated banking subsidiary not in the Basel framework (i.e. farm lending exposures, mortgages and specialised lending)	+0.4%
Non-retail loss given default (LGD) differences between APRA and Basel framework for certain exposures under foundation IRB and advanced IRB approaches	+0.2%
Other [3]	+0.2%
Internationally comparable CET1 ratio [4]	**17.8%**

(1) Internationally comparable methodology based on the APRA Information Paper 'International Comparison Study' (July 2015), which compares APRA's capital adequacy prudential requirements prior to the revised capital framework changes with Basel III
(2) Internationally comparable methodology based on the Australian Banking Association publication 'Basel 3.1 Capital Comparison Study' (March 2023), which compares APRA's revised capital framework, including RBNZ prudential requirements, with the Finalised post-crisis Basel III reforms
(3) Other includes the impact of concessional Credit Conversion Factors (CCFs) for certain credit commitments under the Basel framework, and APRA requirements for margin lending and specialised lending exposures not in the Basel framework
(4) The Internationally comparable CET1 ratio does not include the impact of the Basel capital floor. RWA used in the internationally comparable capital ratios are higher than 50% of RWA under APRA's standardised methodology, where 50% is the Basel transitional capital floor that applies from 1 January 2023

Key regulatory changes impacting capital and funding

Change	CY23	CY24	CY25	CY26
Capital Adequacy (APS 110)	Implemented 1 January			
Credit Risk (APS 112/ APS113)	Implemented 1 January			
Additional Tier 1 Capital	Discussion Paper	Consult		
Market Risk (APS 116)		Consult		Implementation
Counterparty Credit Risk (APS 180)		Consult		Implementation
Interest Rate Risk in the Banking Book (APS 117)	Finalise		Implementation	
Liquidity (APS 210)		Consult		Implementation
Public Disclosures (APS 330)			Implementation	
Loss-Absorbing Capacity		Implementation[1]		Implementation[1]
Remuneration (CPS 511)	Finalise	Implementation		
Recovery and Resolution (CPG 190/ CPS 900/ CPG 900)	Finalise	Implementation		
RBNZ Capital Review	Increases in capital will be phased in over a seven-year period from July 2022. Other changes will be gradually phased in by 1 July 2028			

(1) In December 2021, 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 January 2026. D-SIBs are required to hold the interim setting of an increase to minimum Total Capital requirement of 3% of RWA by 1 January 2024

Transition to the Revised Capital Framework

Migration to APRA's Revised Capital Framework reduced credit RWA by $17.8bn (or +47bps of CET1) at 1 January 2023

Mortgages

- Lower risk (Owner Occupier, P&I) mortgages attract 1.4x scalar (1.7x scalar for other mortgages; 2.5x scalar where 5 or more investment properties)
- Advanced banks can use internal Loss Given Default (LGD) models approved by APRA
- Probability of Default (PD) model correlation factor reduces to 15%
- 'Non-standard mortgages'[1] attract 100% RWA

Income Producing Real Estate (IPRE) and Corporate Lending

- Income Producing Real Estate 'Slotting' approach removed and replaced by IRB Corporate modelling with 1.5x scalar
- Credit Conversion Factors (CCFs) for certain unutilised non-retail exposures reduce from 100% to 40%
- Timing of commitments now measured from time of acceptance instead of when offer is extended
- FIRB LGD treatment applies to Large Corporate exposures

'Other' RWA changes

- Various changes to Standardised treatment, Retail SME, non-lending assets, NZ securitisation and Credit Valuation Adjustment (CVA)
- Foundation IRB (FIRB) LGD treatment applies to Sovereign and Banks

New Zealand

- RBNZ measurement rules applied (Bank and Sovereign use a standardised approach)
- APRA IRB scalar of 1.1x used instead of RBNZ scalar of 1.2x

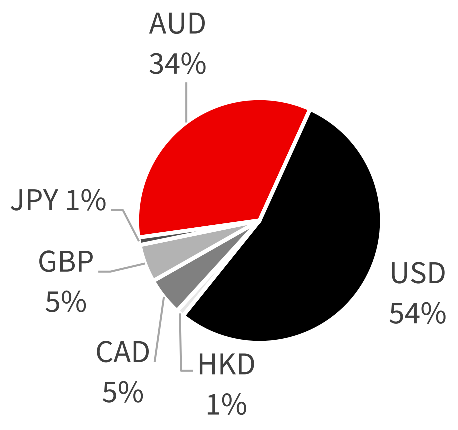
(1) Non standard mortgages are classified as mortgages with both an interest-only period of 5 years or more and an LVR above 80%

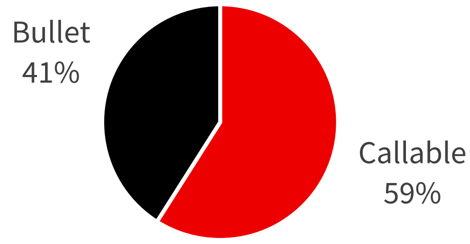
Loss-absorbing capacity

- Based on the Group's RWA and Total Capital position as at 30 Sep 23, NAB has met the interim Group Total Capital requirement for Jan 24, and has an incremental $3.6bn requirement by Jan 26
- $3.4bn of NAB's existing Tier 2 Capital has optional redemption dates prior to Jan 26[1]

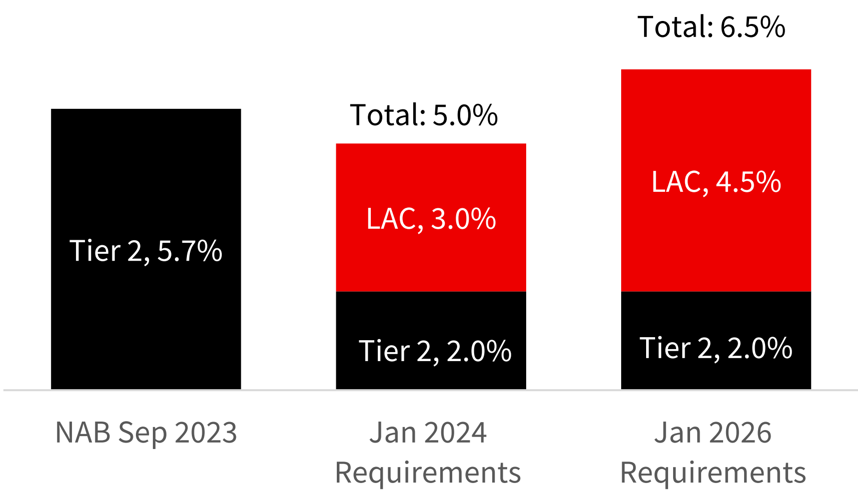
($bn)	Jan 24	Jan 26
Group RWA (at Sep 23)	435.0	435.0
Total Tier 2 Requirement (5.0% by Jan 24, 6.5% by Jan 26) [2]	21.8	28.3
Existing Tier 2 at Sep 23 (5.7%)	24.7	24.7
Current Shortfall	–	3.6

NAB Tier 2 outstanding issuance

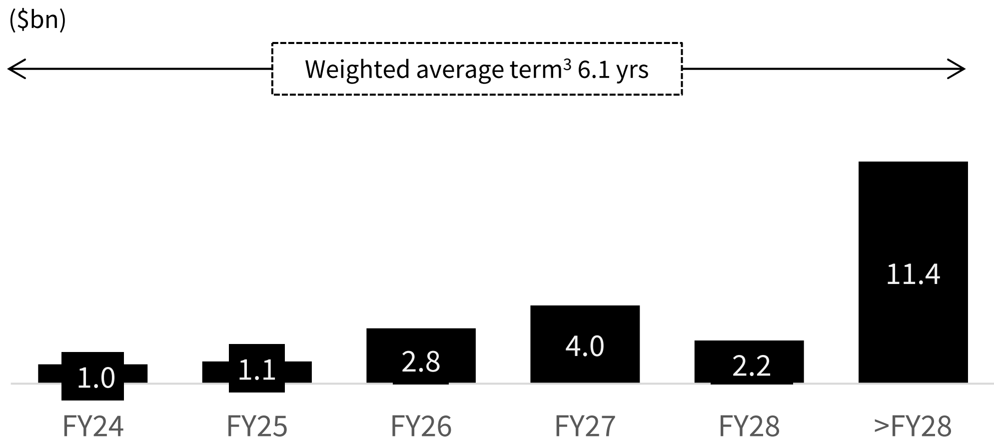




APRA changes to major banks' capital structures



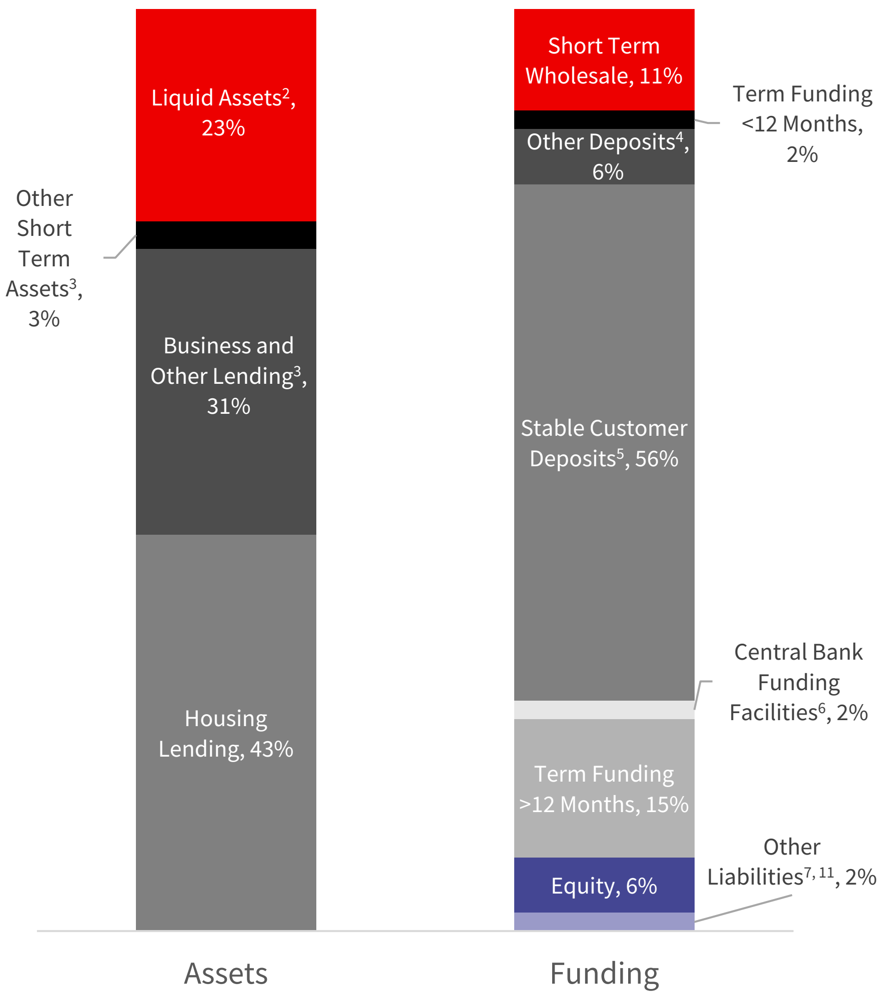
NAB Tier 2 runoff[2]



(1) Any early redemption would be subject to prior written approval from APRA (which may or may not be provided)
(2) Based on remaining term to maturity (adjusted for any capital amortisation) or to first optional call date (subject to APRA approval)
(3) Based on capital value, including adjustments for any capital amortisation

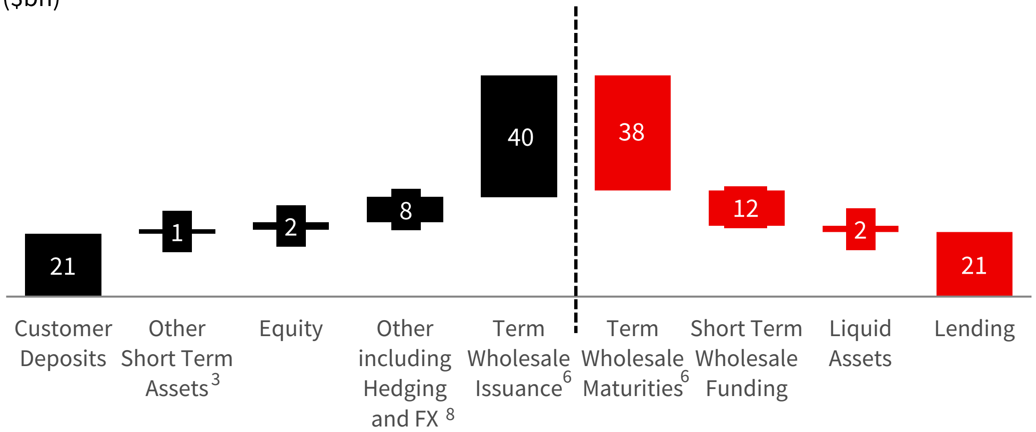
Asset Funding[1]

Funded balance sheet



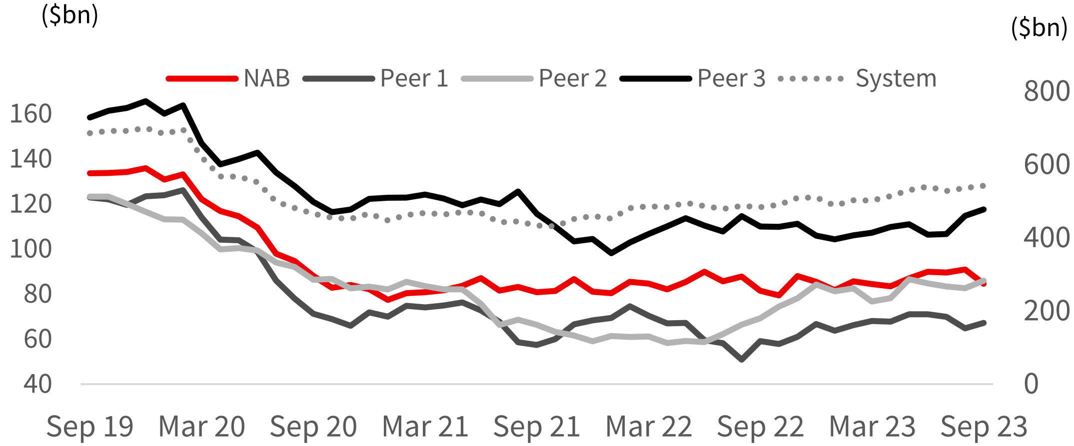
Group source and uses of funds, 12 months to 30 Sep 23

($bn)



Australian core funding gap[9,10]

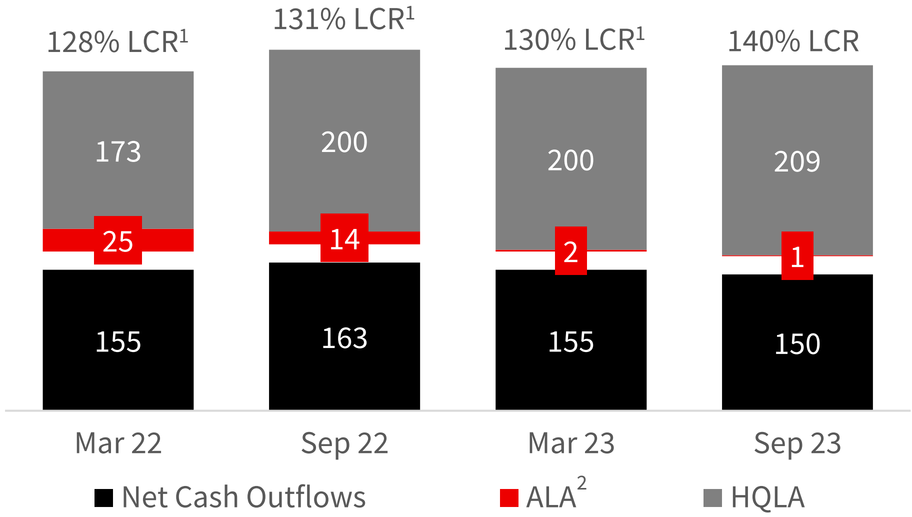
($bn)



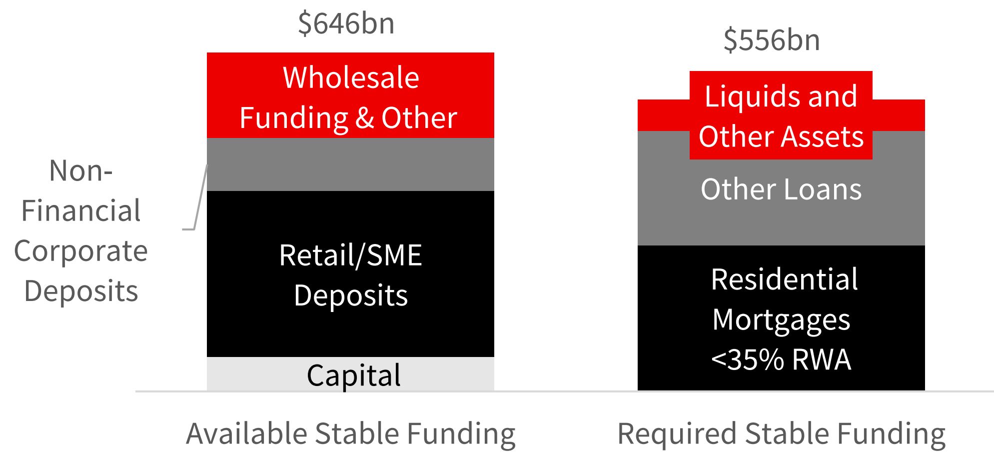
(1) All charts include Citi Consumer Business
(2) Liquid asset securities are measured at fair value with valuation changes recognised immediately through profit or loss or other comprehensive income
(3) Trade finance loans are included in other short-term assets, instead of business and other lending
(4) Includes non-operational financial institution deposits and certain offshore deposits as defined in APRA standard APS 210 *Liquidity*
(5) Includes operational deposits, non-financial corporate deposits and retail / SME deposits and excludes certain offshore deposits as defined in APRA standard APS 210 *Liquidity*
(6) Issuance includes RBNZ funding facilities. Maturity includes RBA Term Funding Facility and RBNZ funding facilities
(7) The net position includes net derivatives, property, plant and equipment, all net of accruals, receivables and payables
(8) Includes the net movement of other assets and other liabilities, net derivatives, term wholesale funding hedging, fair value and FX adjustments
(9) Australian core funding gap = Gross loans and advances plus Acceptances less Total deposits (excluding certificates of deposit)
(10) Statistics as at 30 September 2023
(11) Short-Term Collateral and Settlements included in other liabilities

Liquidity

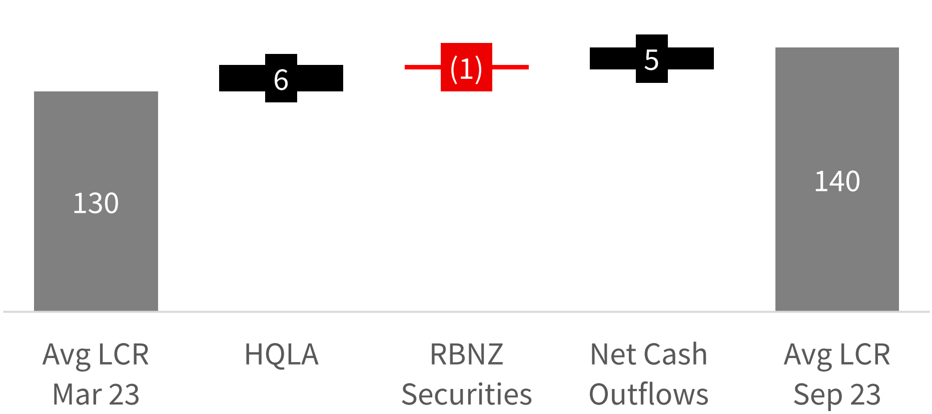
Liquidity coverage ratio (quarterly average)
($bn)



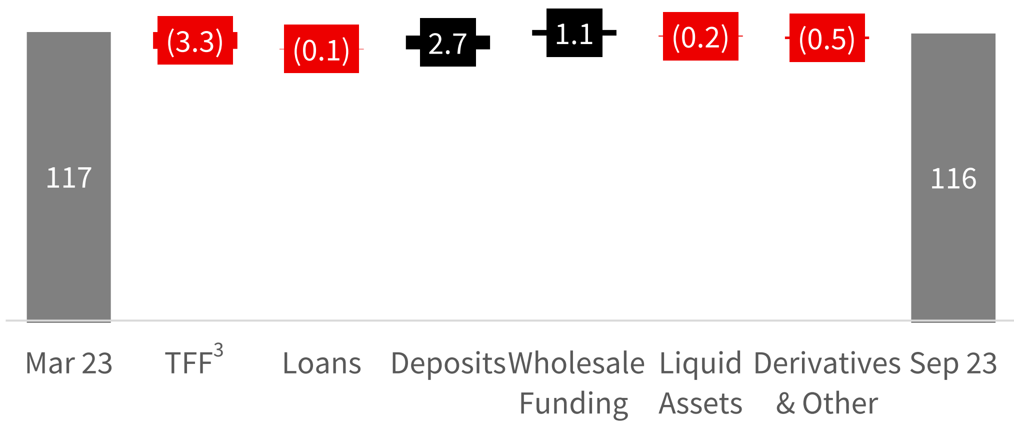
Net stable funding ratio composition
Group NSFR 116% as at 30 Sep 23



Liquidity coverage ratio movement
(%)

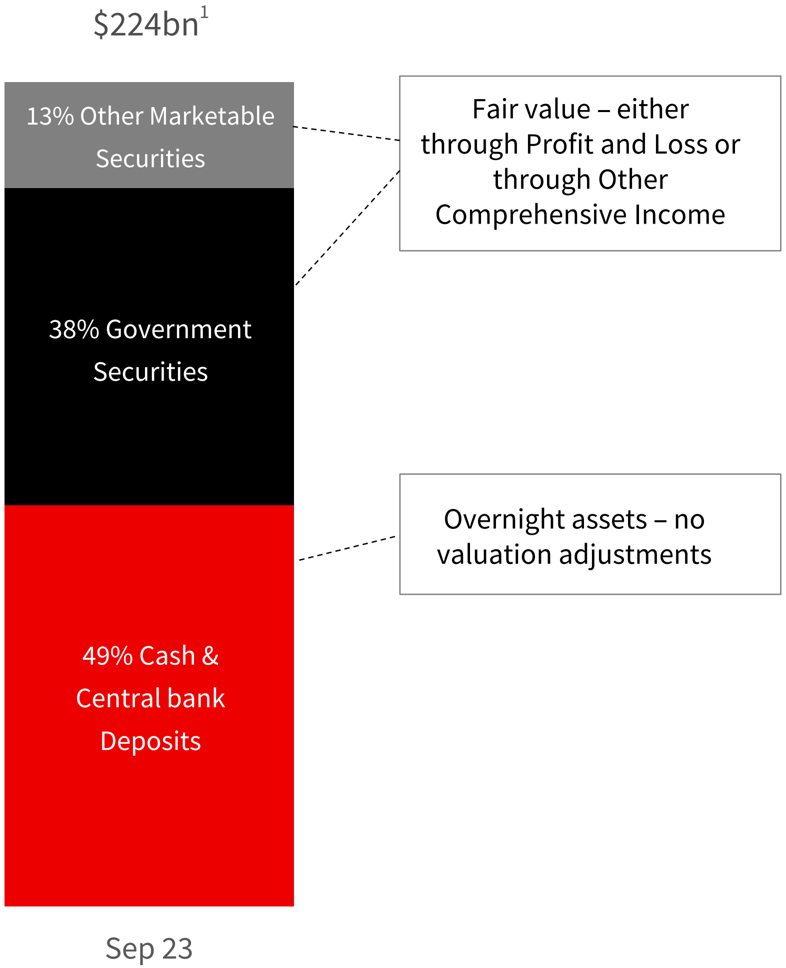


Net stable funding ratio movement
(%)



(1) Average LCR for the three months ended 31 March 2022 and 30 September 2022 has been restated from that previously disclosed. Details of the restatement are outlined in the Appendix of December 2022 Pillar 3 Report
(2) Alternative Liquid Assets (ALA). CLF and TFF values used in LCR calculation are the undrawn portion of the facility
(3) Includes the unwind of Available Stable Funding (ASF) and Required Stable Funding (RSF) benefits related to the TFF

Treatment of marketable securities and cash

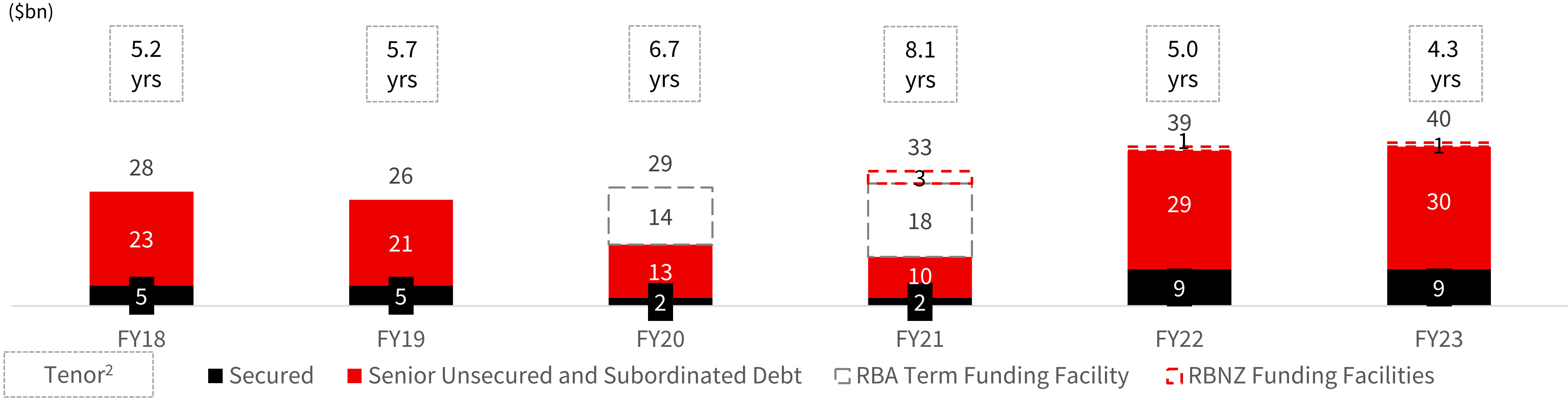


- NAB's marketable securities and cash of $224bn are largely regulatory compliant HQLA with small holdings for customer activities
- Over half of the regulatory compliant HQLA are held in cash or overnight deposits at central banks resulting in no interest rate risk
- Marketable securities are hedged with derivatives to manage interest rate risk with any residual risk largely credit spread related
- All marketable securities and associated derivatives are:
  - Marked to market in Profit and Loss (P&L) or in Other Comprehensive Income (OCI)[2]
  - Recognised at fair value in regulatory capital metrics
- APRA's APS 117 IRRBB standard requires additional IRRBB capital to be held against any residual interest rate exposures and credit spread risk

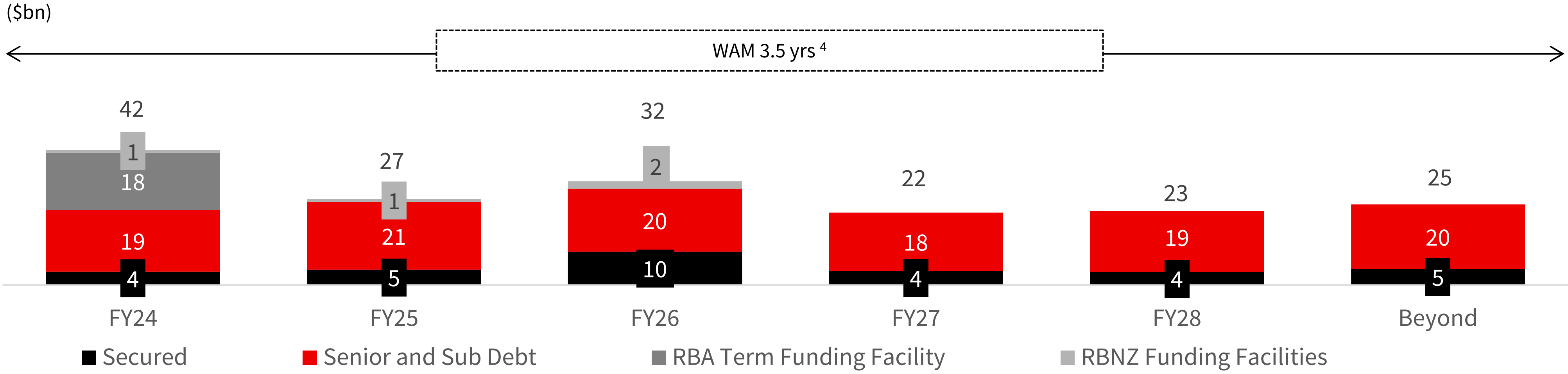
(1) Marketable securities and cash as per NAB's Funded Balance Sheet (refer slide 112)
(2) Treatment is determined under NAB's Accounting Policy with trading securities measured at fair value through profit and loss and debt instruments measured at fair value through other comprehensive income

Term wholesale funding profile

Historical term funding issuance[1]



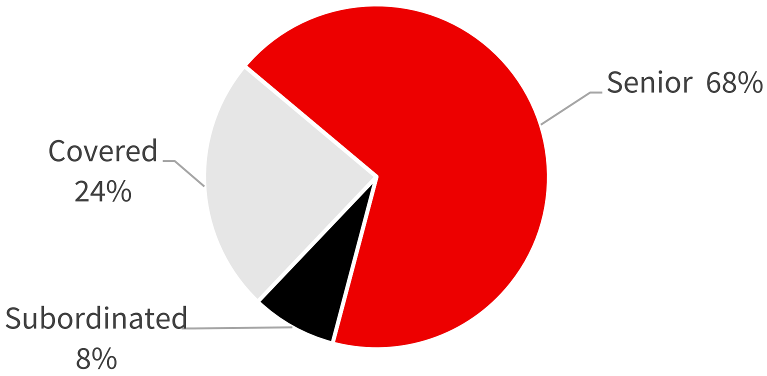
Term funding maturity profile[3]



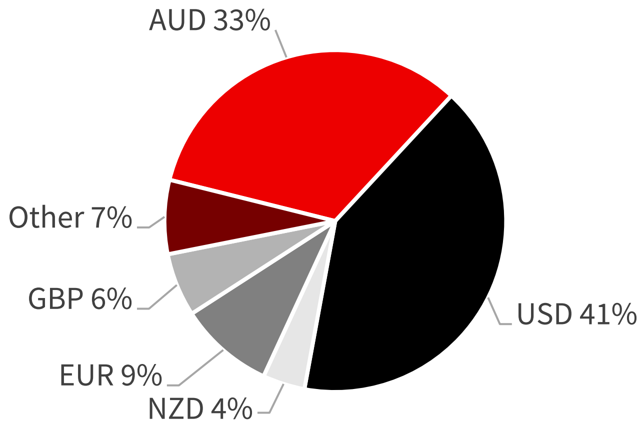
(1) Includes senior unsecured, secured (covered bonds and RMBS) and subordinated debt with an original term to maturity or call date of greater than 12 months, excludes Additional Tier 1 instruments and Citi's RBA Term Funding Facility. FX rate measured at time of issuance
(2) Weighted average maturity of new issuance, excludes Additional Tier 1, RMBS, RBA Term Funding Facility and RBNZ funding facilities
(3) 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 2023
(4) Remaining weighted average maturity, excludes Additional Tier 1, RMBS, RBA Term Funding Facility and RBNZ funding facilities

Diversified & flexible term wholesale funding portfolio

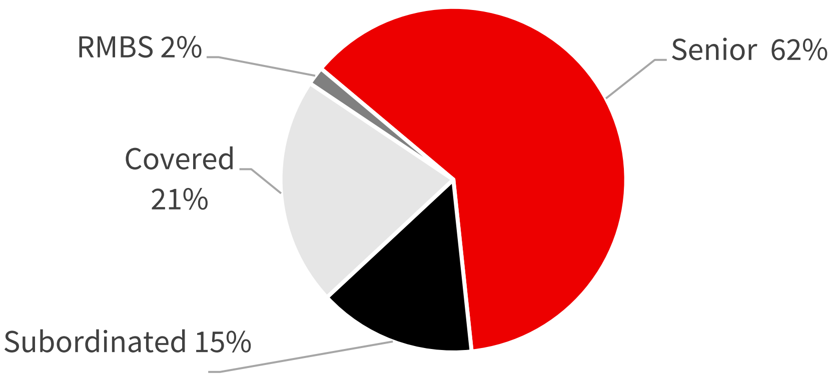
FY23 Issuance by product type[1]



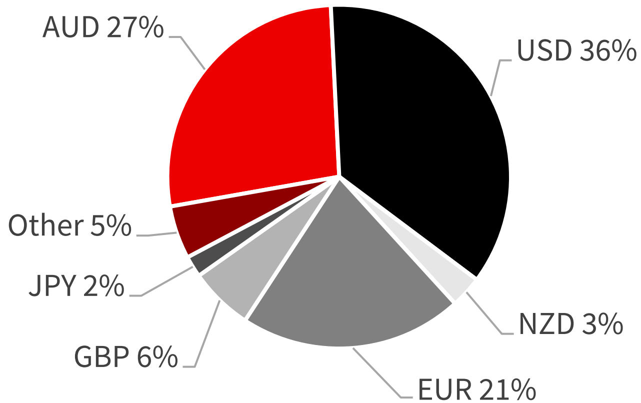
FY23 Issuance by currency[1]



Outstanding issuance by product type[1, 2]



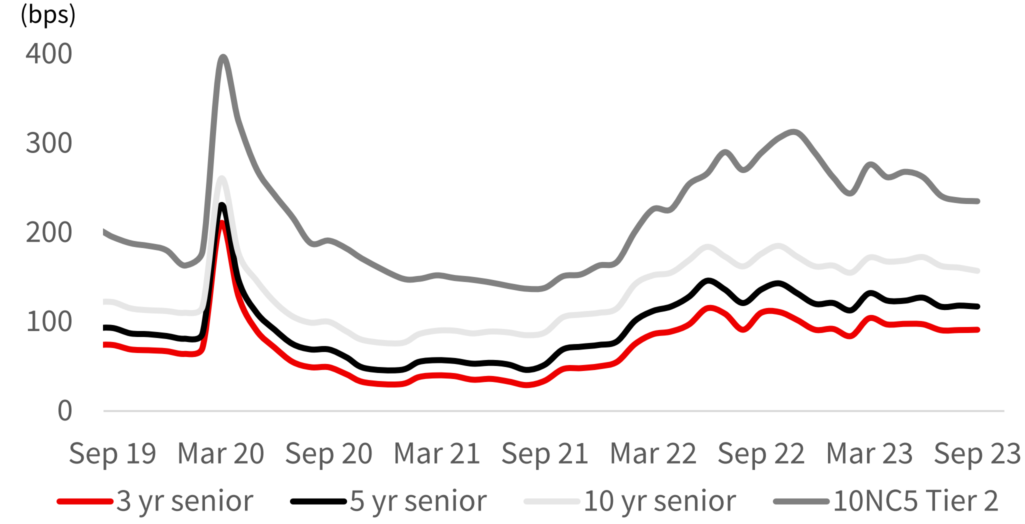
Outstanding issuance by currency[1]



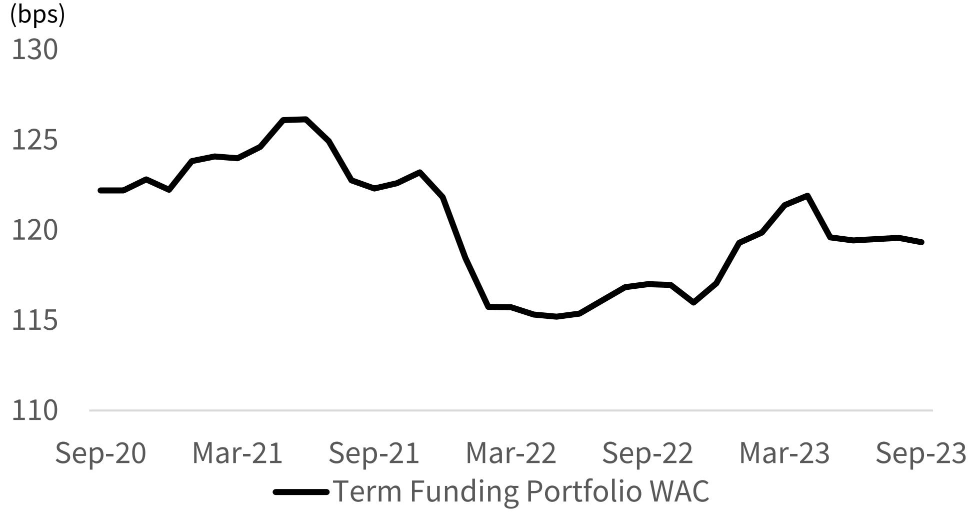
(1) Excludes Additional Tier 1, RBA Term Funding Facility and RBNZ funding facilities
(2) At 30 September 2023, NAB has utilised 38% of its covered bond capacity. Capacity based on current rating agency over collateralisation (OC) and legislative limit

Funding costs

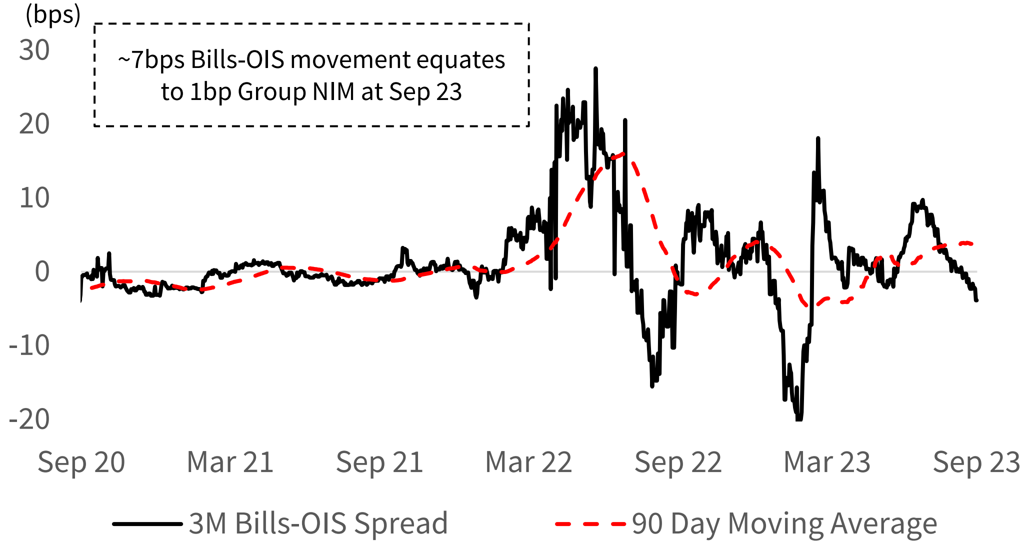
Indicative term wholesale funding issuance costs[1]



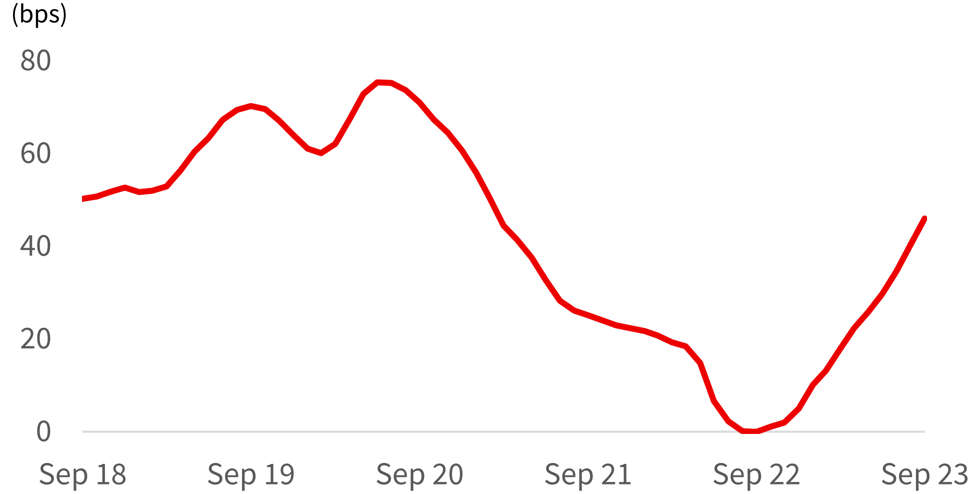
Average term wholesale funding costs[2]



Domestic short term wholesale funding costs[3]



Australian term deposit portfolio costs[4]



(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 years and 10-year non-call 5-years)
(2) NAB Ltd term wholesale funding costs >12 months at issuance (spread to 3 month BBSW), includes subordinated debt and excludes TFF
(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
(4) Management data. Total deposit portfolio cost over relevant market reference rate. Australia only

Additional information

Sustainability

Sustainability is embedded in our Group Strategy

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Commercial responses to societal challenges

Resilient and sustainable business practices

Innovating for the future

Our priorities

- Climate action
- Affordable and specialist housing
- Economic advancement of First Nations people

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

- 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

FY23 progress against our climate strategy

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Supporting customers to decarbonise and build resilience

- **#1** Australian bank for global renewables transactions[1]
- **$4.5bn** in green lending, green CRE (REIT), securitisation, and underwriting and arranging activities as at 30 September 2023[2]
- New products and initiatives across divisions launched, including business finance for green equipment, Agri Green Loan and carbon market capability

Reducing financed emissions

- **7** interim sector-specific decarbonisation targets now set
- New targets published for aluminium, iron & steel and transport (aviation) sectors, progress reported on 2022 targets; power generation, thermal coal, cement and oil & gas
- Further targets planned to be set in May 2024

Refer to NAB's 2023 Climate Report for details and progress against existing targets

Investing in climate capabilities

- **~1,200** colleagues supported with specialised climate training in FY23
- Data Science and Engineering team established to build capability in decarbonisation and physical risk

Investing in climate advocacy and partnerships

- 'All Systems Go: Powering Ahead', research[3] outlining the cost and opportunity the transition brings, including to Australia's export industries
- Reviewed alignment of key industry associations' climate positions with NAB

Reducing operational emissions

- **35%** reduction in Scope 1 and 2 (market-based) GHG emissions compared to 2022 baseline[4,5]
- **88%** operational electricity consumption sourced from renewable energy, against target to source 100% by 2025[5]

(1) Rankings based on IJGlobal League Table MLA, Renewables, both cumulative data from 1 January 2010 to 30 September 2023 and for the 9 months ending 30 September 2023
(2) Comprises green lending, green CRE (REIT) lending and green securitisation for new 2023 lending drawn amounts ($2.6 billion), and new 2023 underwriting and arranging activities ($1.9 billion) as at 30 September 2023. This figure excludes green RMBS assets and other green labelled mortgage assets as the benchmark for these is being updated according to the National Construction Code (NCC) 2022 with uplift to NatHERS 7 Star from 1 October 2023. Refer to pages 55 and 74 of NAB's 2023 Climate Report for more information
(3) Research commissioned by NAB and conducted by Deloitte Access Economics
(4) In 2023, the Group updated its Scope 1 and 2 (market-based method) Science-based GHG emissions reduction target to align with pathways that limit warming to 1.5 degrees Celsius. The Group's new target is for a 72% reduction in Scope 1 and 2 (market-based) Science-based GHG emissions by 2030 from a 2022 baseline. For more information see pages 56 and 59 of the 2023 Climate Report
(5) NAB's operational emissions data is reported on a 1 July – 30 June environmental year. Emissions reduction presented based on NAB's Scope 1 and 2 market-based operational emissions

Reducing financed emissions

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Target-setting status (10 emissions-intensive sectors)[1]

Targets set in 2022	Targets set in 2023	Target work ongoing
Power generation	Iron and steel	Transport (Remaining)
Cement	Aluminium	Commercial real estate
Thermal coal	Transport (Aviation)	Agriculture
Oil and gas		Residential real estate

Sector decarbonisation targets

- 7 sector-specific decarbonisation targets now set
- Prioritisation of interim target-setting based on:
  - Significance of emissions
  - Sufficient data quality and availability
- Scope 1 and 2 emissions included for all sectors. Scope 3 emissions included for sectors (or sub-sectors within value chain) where material and where reliable data is available, including thermal coal and oil and gas
- Target baselines and progress are subject to external limited assurance

Key principles for target-setting

The following principles have guided NAB's approach to sector decarbonisation target setting:

- Aligned to UNEP FI Guidance and NAB's climate ambition
- Scientifically credible pathway to achievement, in line with Australian market conditions
- Consistency in decision-making across the portfolio where possible; departures only made where the resulting baseline and/or target is more consistent with local market conditions and/or portfolio makeup
- Consideration of market practice and alignment to emerging disclosure regimes
- Simplicity in reporting and operationalising the targets that have been set

(1) Information presented on this slide is a summary of NAB's sector decarbonisation targets published in NAB's 2023 Climate Report. Please refer to that report for further information

Understanding customer transition plans

Maturity assessments of 100 of our largest greenhouse gas (GHG) emitting customers

- Completed the assessment of transition maturity for 100 of our largest greenhouse gas (GHG) emitting customers in March 2023
- Used NAB's Transition Framework Diagnostic[1] which drew on Transition Pathways Initiative and Cambridge Institute for Sustainability Leadership's ClimateWise Transition Risk Framework
- Lessons learned through this exercise have informed NAB's approach to building assessments into decision-making processes – see 'Approach to Customer Transition Plans'

Key maturity assessment findings

- 100% of the customers acknowledged climate change as a business issue
- 72% have committed to reporting under the Taskforce on Climate-Related Financial Disclosures (TCFD) framework
- 67% have set a goal to be net zero by 2050 or sooner

Approach to Customer Transition Plans

- From 1 October 2025, NAB intends to require a Customer Transition Plan to be in place for new or renewed corporate lending or project-level lending[2] for Corporate and Institutional Banking customers in the following sectors[3]:
  - Power generation, where at time of lending 25% or more of the electricity generated by the customer is from thermal coal
  - Oil and gas[4]
  - Metallurgical coal
- Requirement for Customer Transition Plans may be extended to other relevant sectors and customers in other business units as NAB sets further decarbonisation targets
- Developing a framework to assess Customer Transition Plans, expected to consider elements such as:
  - Relevant Scope 1, 2 and 3 emissions disclosures
  - Inclusion of interim and long-term targets and their alignment with Paris Agreement
  - Actions planned to meet their targets, including capital expenditure
  - Level of reliance on offsets over time, and future technology developments
- NAB's approach will continue to be guided by relevant external frameworks, and may evolve over time, to reflect advancements in technology and science, and improvement to data

(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. Note, no clients were assessed at the '0' level of maturity. See page 12 of 2023 Climate Report

(2) This includes lending at a corporate level (for example, general facilities made available to the parent company of a group of companies), or at a project-level (that is on an individual project basis for a specific project purpose), and subject to national energy security considerations

(3) Sectors referenced here are consistent with sector definitions used for NAB's target setting emissions baseline, although metallurgical coal forms part of the iron and steel sector. For more information see page 71 of the 2023 Climate Report. NAB does not intend to apply this requirement to customers in the thermal coal sector because NAB has set a target to reduce financed emissions for this sector to zero by 2030

(4) This requirement for the oil and gas sector was previously communicated in NAB's 2022 Climate Report

Energy generation exposures

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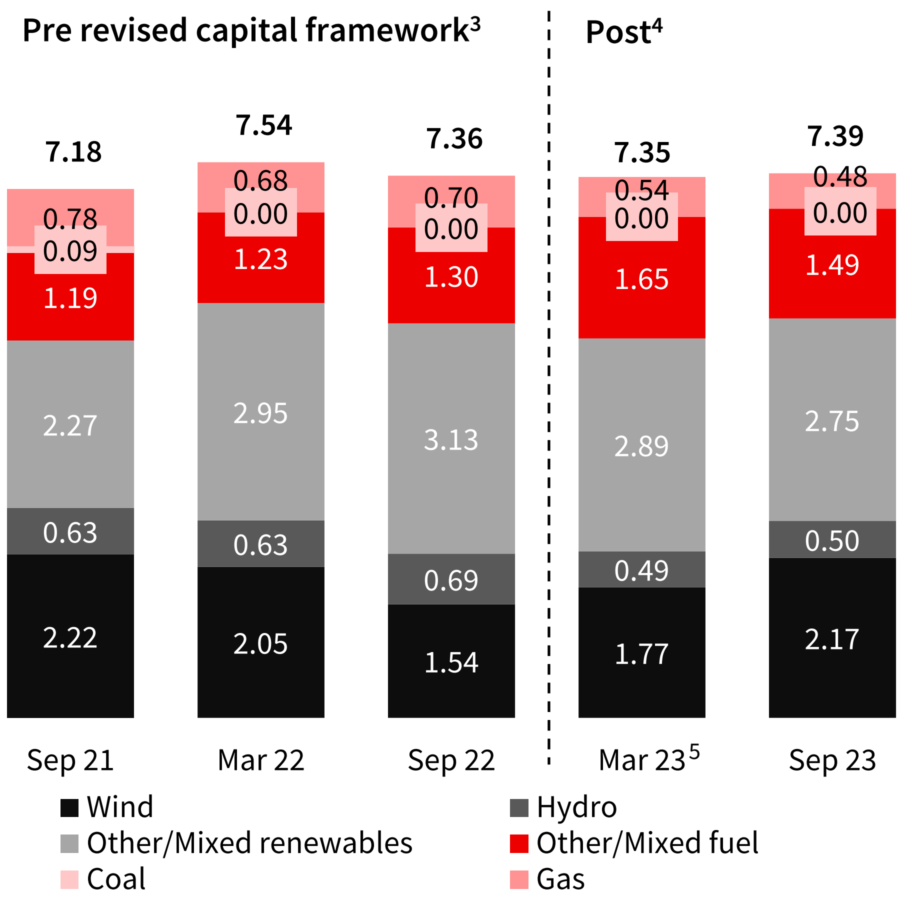
Energy generation EAD by fuel source[1,2]

(AUD$bn)



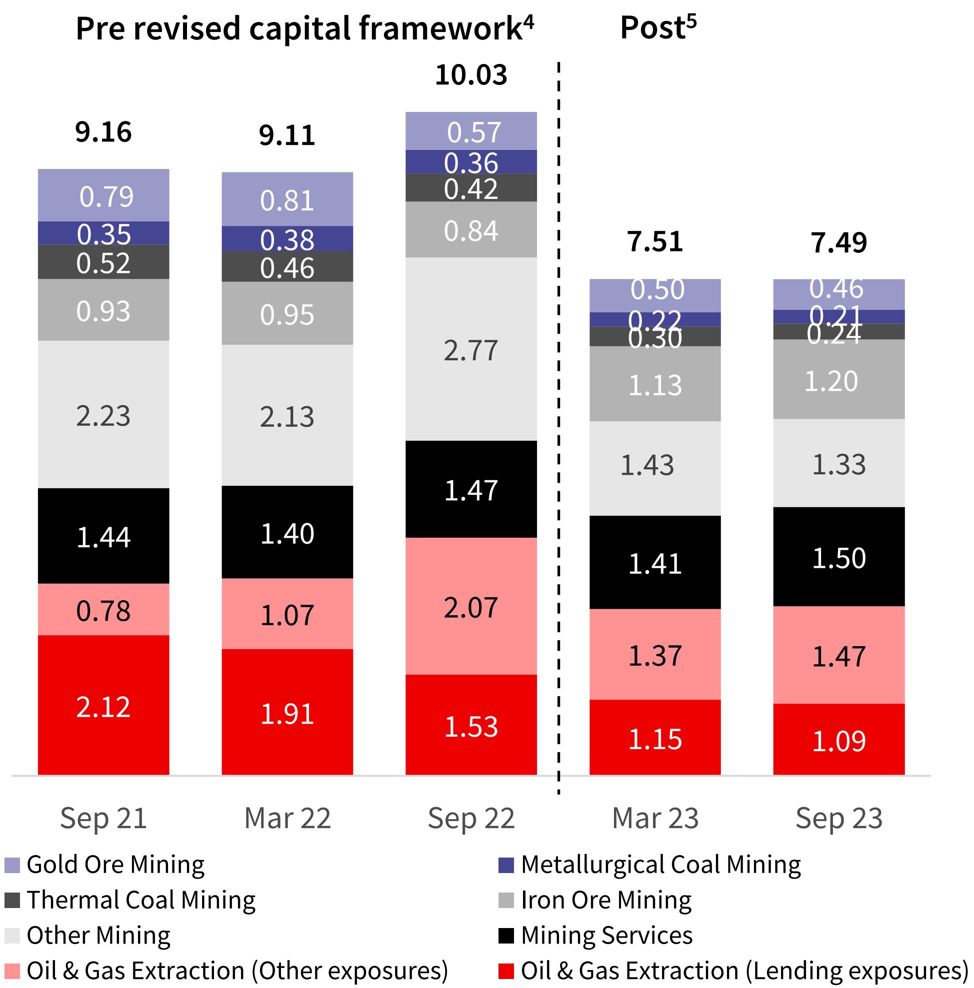
- 73% total energy generation financing to renewables
- From March 2022, NAB has no direct lending[2] to coal-fired power generation assets remaining
- NAB has set an interim sector decarbonisation target for power generation, details available in the 2023 Climate Report

(1) Totals presented in chart may not sum due to rounding
(2) 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. Note there is indirect exposure to coal fired power within the Mixed Fuel category as a result of NAB's corporate level exposure to gentailers, which have a mix of generation assets (including coal, gas and renewables) within their generation portfolio
(3) The revised capital framework refers to revisions to APRA's capital adequacy and credit risk capital requirements for ADIs. For more information on the impact of the revised capital framework and impacts on NAB's reported EAD, see NAB's 1H23 Pillar 3 report
(4) March and September 2023 'post' numbers are calculated in accordance with APRA's revised capital framework which came into effect on 1 January 2023
(5) March 2023 has been restated

Resources exposures

Resources EAD by type[1,2,3]

(AUD$bn)

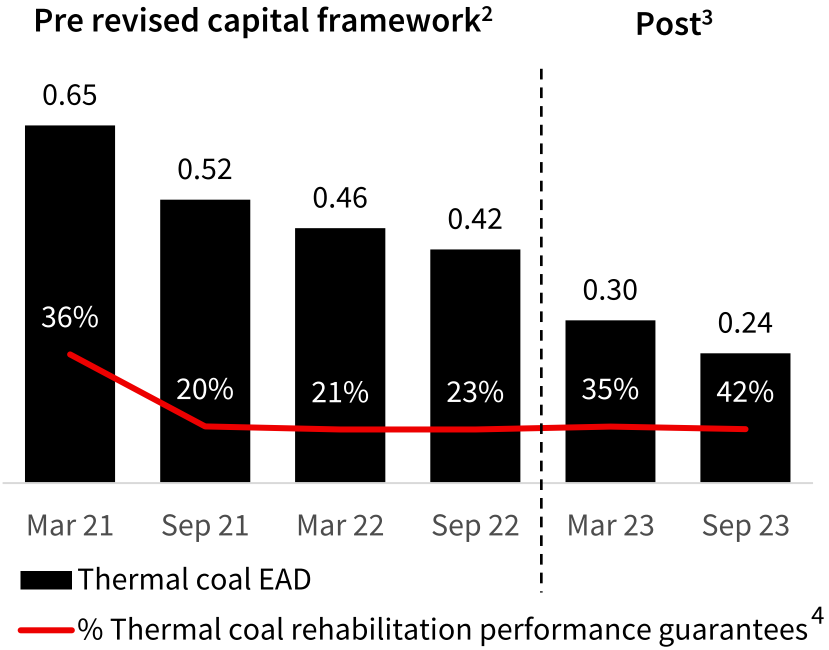


- Decreasing exposure to thermal coal, on track to be effectively zero[6] by 2030 excluding performance guarantees for rehabilitation of existing coal mining assets
- From 1 January 2023, the revised capital framework[6] came into effect. The primary impact of this change on NAB's resources exposures was a reduction in EAD due to changes in the calculation of off-balance sheet EAD for certain undrawn commitments

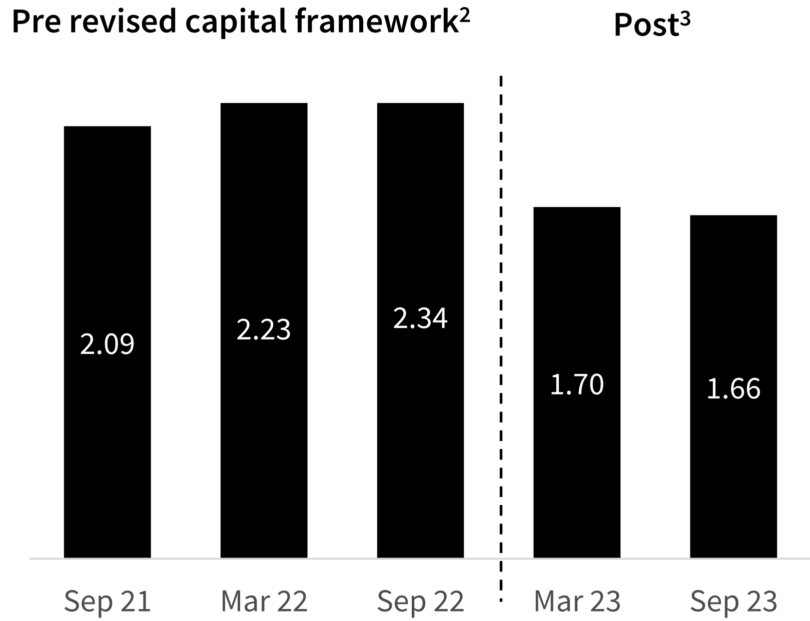
(1) Totals presented in chart may not sum due to rounding
(2) Oil and gas extraction exposures includes lending (e.g. revolving/term lending and guarantees) and other markets-related exposures (e.g. derivatives, foreign exchange, repurchase agreements)
(3) Thermal coal exposures includes direct exposure (including lending and guarantees) to customers whose primary activity is thermal coal mining. Includes financial guarantees and performance guarantees for the rehabilitation of existing coal mining assets. Excludes metallurgical coal mining and diversified mining customers
(4) The revised capital framework refers to revisions to APRA's capital adequacy and credit risk capital requirements for ADIs. For more information on the impact of the revised capital framework and impacts on NAB's reported EAD, see NAB's 1H23 Pillar 3 report
(5) March and September 2023 'post' numbers are calculated in accordance with APRA's revised capital framework which came into effect on 1 January 2023
(6) 'Effectively zero' refers to the fact that the Group may still hold some exposures to thermal coal in 2030, only through residual performance guarantees to rehabilitate existing coal mining assets. These guarantees are excluded from the financed emissions coverage of NAB's thermal coal sector target

Thermal coal mining and oil and gas limits

Thermal coal mining (AUD$bn) exposure[1]



Oil and gas extraction – (USD$bn) exposure



- As at 30 September 2023, NAB no longer has any corporate lending to thermal coal mining customers or project finance in respect of thermal coal mining assets. NAB intends to maintain this position into the future
- BNZ is exiting all lending to thermal coal mining by the end of 2025

- Oil and gas presented in USD as majority of portfolio is denominated in USD[5]
- To reflect the impact of revised capital framework changes, the oil and gas cap was reduced from USD2.4bn to USD 2.28bn
- NAB's Net Zero Banking Alliance-aligned oil and gas sector target guides intended financed emissions reduction. See 2023 Climate Report for full details

(1) Thermal coal exposures includes direct exposure to customers whose primary activity is thermal coal mining. Includes financial guarantees and performance guarantees for the rehabilitation of existing coal mining assets. Excludes metallurgical coal mining and diversified mining customers
(2) The revised capital framework refers to revisions to APRA's capital adequacy and credit risk capital requirements for ADIs. For more information on the impact of the revised capital framework and impacts on NAB's reported EAD, see NAB's 1H23 Pillar 3 report
(3) March and September 2023 'post' numbers are calculated in accordance with APRA's revised capital framework which came into effect on 1 January 2023
(4) % of thermal coal EAD for performance guarantees to rehabilitate existing assets available from March 2021
(5) Relevant exposure conversions based on rates of AUD/USD 0.72115 (Sep 21); AUD/USD 0.74855 (Mar 22); AUD/USD 0.64925 (Sep 22); AUD/USD 0.67140 (Mar 23); AUS/USD 0.64765 (Sep 23)

Natural capital and biodiversity

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Supporting customers to consider and manage nature-related risks and opportunities

Supporting customers to manage their natural assets

- Agri Green Loan: Tailored finance for customers investing to manage nature-related impacts (e.g. water use) and dependencies (e.g. soil quality)
- Farming for the Future: Industry-led research to identify how sustainable long-term management of natural assets can optimise on-farm production, build resilience and reduce risks

Managing nature-related impacts & dependencies

- Nature-related issues, including those associated with land clearing, are considered within ESG Risk assessment processes (see page 42 of 2023 Annual Report)
- FarmID capability: More accurately geo-locate agricultural customers' assets. Initial focus is climate risk, with applicability across a range of nature-related risks
- Members of TNFD Forum. Pilot test of TNFD LEAP[1] process using fresh water as a case study
- Preliminary assessment of lending portfolio identified nature-related impact and dependency areas using ENCORE tool. Findings will contribute to TNFD roadmap

Nature-related impact and dependency preliminary assessment (Australia)[2]

Industry grouping	Impacts	Dependencies
Accommodation, Cafes, Pubs and Restaurants	L	M
Agriculture	H	VH
Fishing	M	VH
Forestry	M	VH
Mining	VH	H
Construction	H	M
Finance and insurance	L	L
Manufacturing	H	H
Health care and pharmaceutical services	M	L
Telecommunications	L	H
Energy and utilities	H	VH
Property and services	M	M
Retail and wholesale	M	L
Transport and storage	H	H

L = Low, M = Medium, H = High, VH = Very High

See Page 41 of NAB's 2023 Annual Report for further detail on NAB's preliminary assessment of nature-related impacts and dependencies

(1) The LEAP process encompasses: **L**ocate interface with nature. **E**valuate dependencies and impacts. **A**ssess material risks and opportunities. **P**repare to respond and report

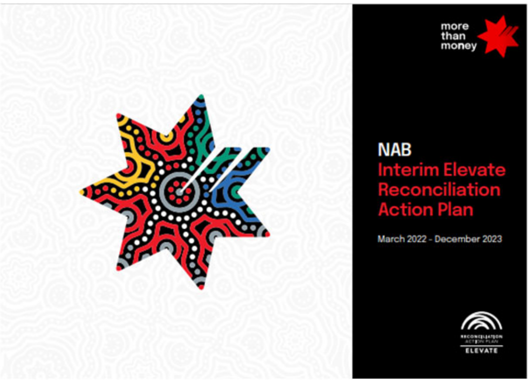
(2) The Exploring Natural Capital Opportunities, Risks and Exposure (ENCORE) tool assesses impacts and dependencies across 11 sectors. These categories were manually aligned to NAB's industry groupings. For some areas, it was not possible to achieve a robust alignment, resulting in the following portfolio areas being excluded from the assessment: personal lending, residential mortgages, commercial property, and government. To gain greater insights some industry groupings were disaggregated, e.g. agriculture, fishing, forestry and mining were assessed as separate categories. The assessment has been undertaken from the perspective of the primary industry of impact or dependency

Commercial responses to societal challenges

Economic advancement for First Nations people

$1bn Announced target to more than double NAB's lending to First Nations businesses and community organisations to $1 billion by 31 December 2026[1]

- $16.4m in No Interest Loans (NILS) provided to First Nations customers, up from $10.8m in FY22
- 98% of NAB colleagues completed refreshed First Nations cultural awareness training
- Finalising actions outlined in our **interim Reconciliation Action Plan for 2022-2023,** on track to publish our fifth Reconciliation Action Plan for 2024-2026 early in calendar year 2024



Affordable and specialist housing

$2.2bn Finance provided in FY23, against target to lend at least a further **$6bn by 2029** to help more Australians access affordable and specialist housing[2]

Focused on priority areas where we can have the biggest impact:

- Access to finance for low-income earners and essential workers through Government-supported housing schemes
- Financing and partnering to enable social, affordable and community housing projects
- New funding models for Specialist Disability Accommodation (e.g. Social Loan to support Lighthouse Infrastructure ADAPT2 fund)

Image: Lighthouse Infrastructure special disability accommodation. See news.nab.com.au/news/funding-homes-for-Australians-in-need

(1) Lending target position refers to 'Gross Loans and Advances' as at the target of 31 December 2026 to customers who have been identified as a First Nations business or community organisation. Baseline position of $413.6m calculated as at 31 August 2023

(2) Affordable and specialist housing includes affordable housing, specialist disability accommodation, and sustainable housing. This includes loans made under the First Home Guarantee, as part of the Home Guarantee Scheme (previously the 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

Additional information

Economic data

Australia and NZ key economic indicators

national australia bank

Australian economic indicators (%)[1]

	CY20	CY21	CY22	CY23(f)	CY24(f)
GDP growth[2]	-0.1	4.6	2.7	1.4	1.7
Unemployment[3]	6.8	4.7	3.5	3.8	4.5
Trimmed-mean inflation[4]	1.2	2.7	6.9	4.5	3.3
Cash rate target[3]	0.10	0.10	3.10	4.35	4.35

NZ Economic indicators (%)[1]

	CY20	CY21	CY22	CY23(f)	CY24(f)
GDP growth[2]	1.0	3.3	2.4	0.6	1.8
Unemployment[3]	4.9	3.2	3.4	4.3	5.7
Inflation[4]	1.4	5.9	7.2	5.0	2.9
Cash rate (OCR)[3]	0.25	0.75	4.25	5.50	4.25

Australian system growth (%)[5]

	FY20	FY21	FY22	FY23	FY24(f)
Housing	3.3	6.4	7.4	4.2	3.5
Personal	-12.9	-5.3	-0.2	2.3	0.0
Business	1.0	4.1	13.3	6.4	2.0
Total lending	1.6	5.1	8.9	4.9	2.8
System deposits	11.8	8.2	7.7	5.3	2.9

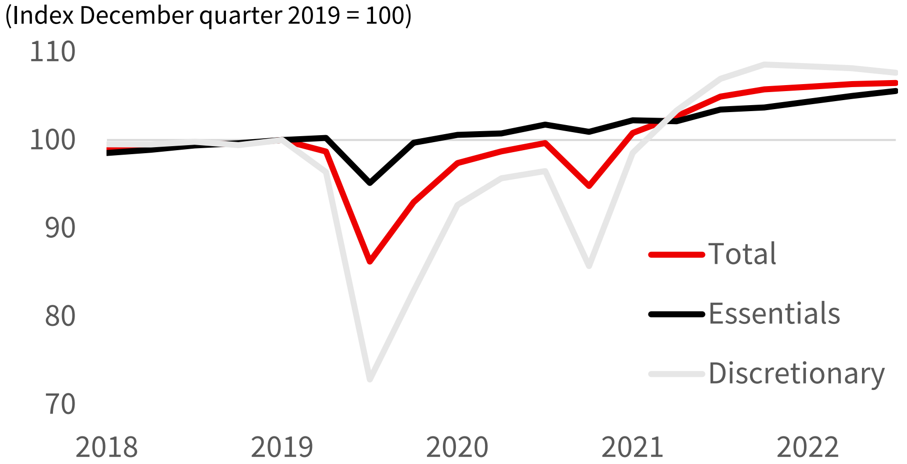
NZ System growth (%)[5]

	FY20	FY21	FY22	FY23	FY24(f)
Housing	6.8	11.6	5.7	3.0	3.7
Personal	-11.5	-8.6	1.1	4.8	-2.4
Business	-1.5	1.5	5.7	1.1	0.6
Total lending	2.9	7.3	5.6	2.4	2.5
Household retail deposits	9.4	4.5	7.7	5.3	2.5

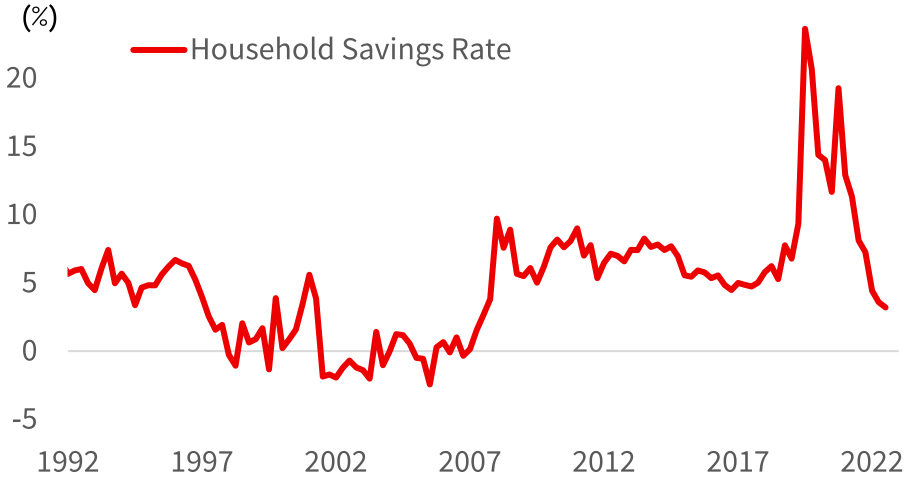
(1) Sources: ABS, Econdata DX, RBA, RBNZ, Stats NZ, NAB Economics
(2) December quarter on December quarter of previous year
(3) As at December quarter
(4) December quarter on December quarter of previous year. For Australia, trimmed-mean measure of underlying inflation
(5) Source: RBA, RBNZ, NAB. Bank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

Consumers are adjusting, but the labour market has held up

Discretionary spending had declined slightly[1]

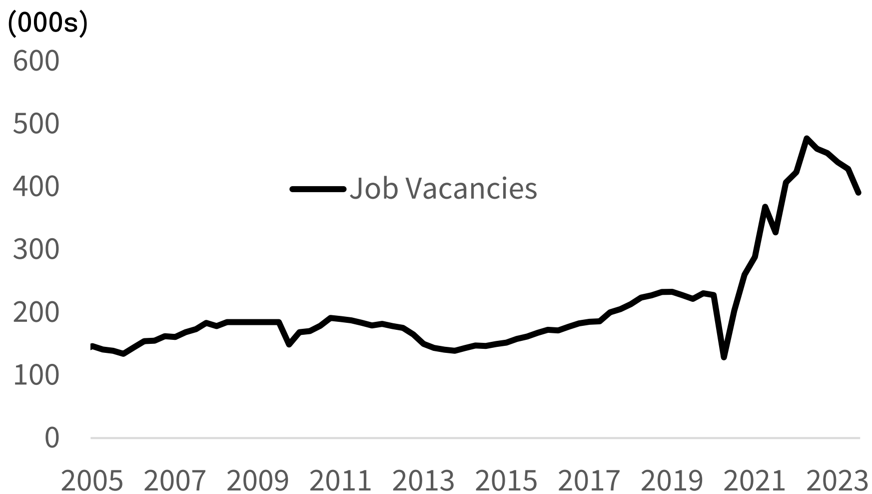


The household savings rate is now below pre-COVID levels[2]



The unemployment rate is very low[3]

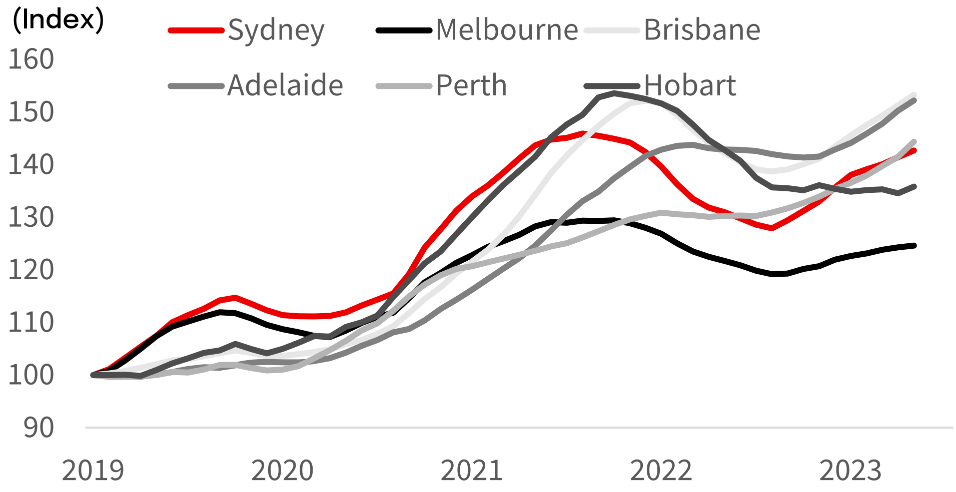
Job vacancies remain elevated[4]



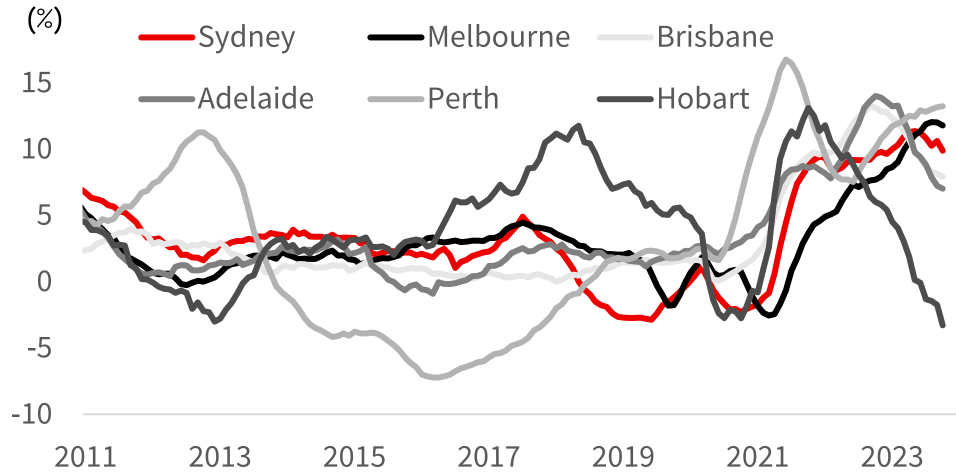
(1) Source: ABS, Macrobond. Analytical measures of consumption from the quarterly national accounts release. Data to Q2 2023
(2) Source: ABS, Macrobond. Net savings rate from the quarterly national accounts release. Data to Q2 2023
(3) Source: ABS, Macrobond. Data to Sep 2023
(4) Source: ABS, Macrobond. Australia-wide job vacancies. Data to Q3 2023

House prices have rebounded and rents remain strong

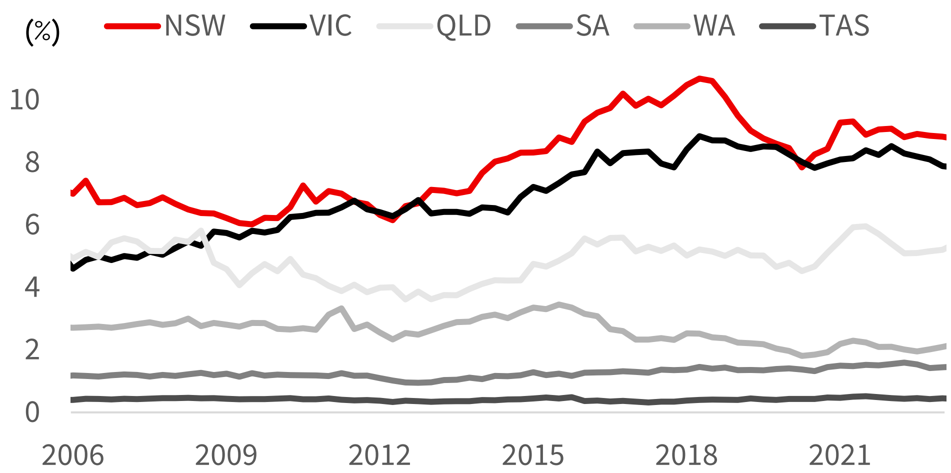
House prices have rebounded[1]



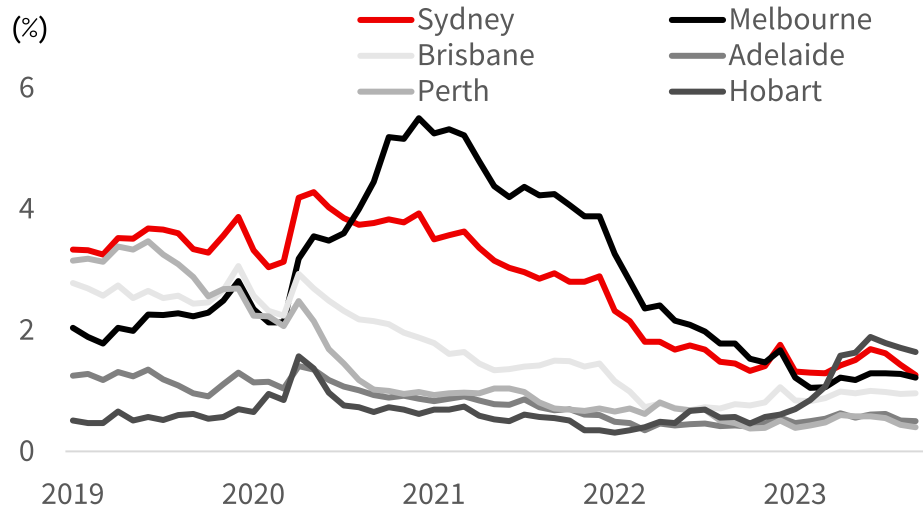
Rents growth is strong across most capital cities[2]



Dwelling investment has levelled off[3]



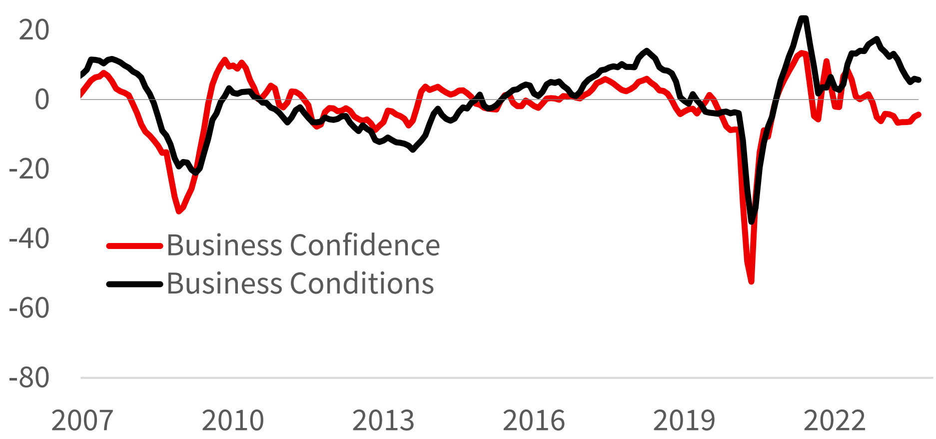
Rental vacancy rates are low[4]



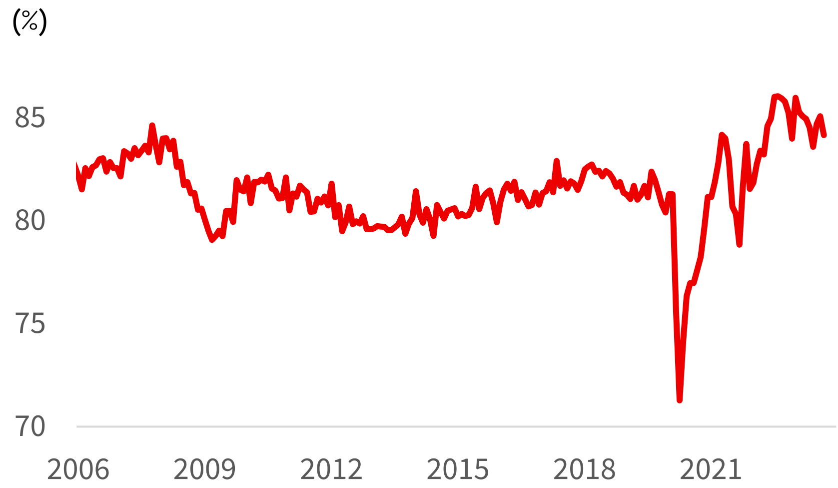
(1) Source: CoreLogic. Greater Capital City Hedonic Dwelling Price Index, Index June 2019 = 100. Data to 31 October 2023
(2) Source: CoreLogic. Hedonic measure of advertised rents. Data to 31 October 2023
(3) Source: ABS, Macrobond. Chain volume measure (reference year 2019-20). Data to Q2 2023
(4) Source: SQM Research, Macrobond. Data to 30 September 2023

The business sector has remained resilient

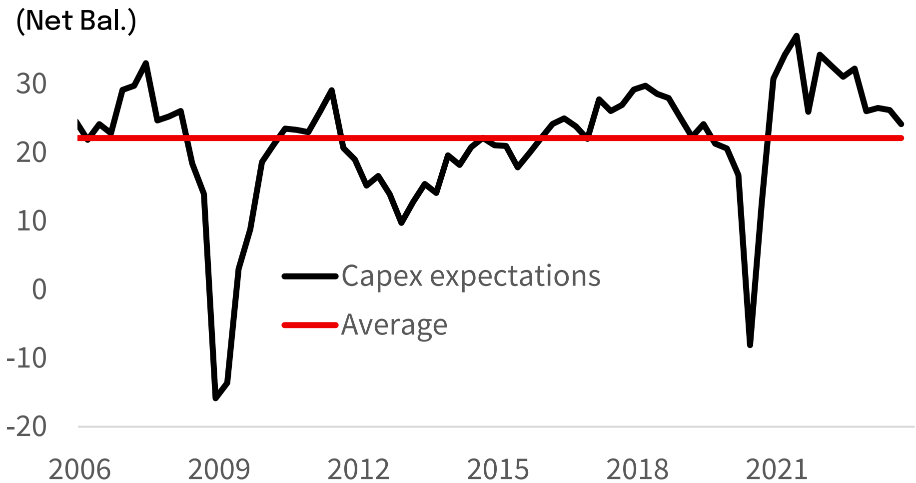
Conditions are favourable but confidence is soft[1]



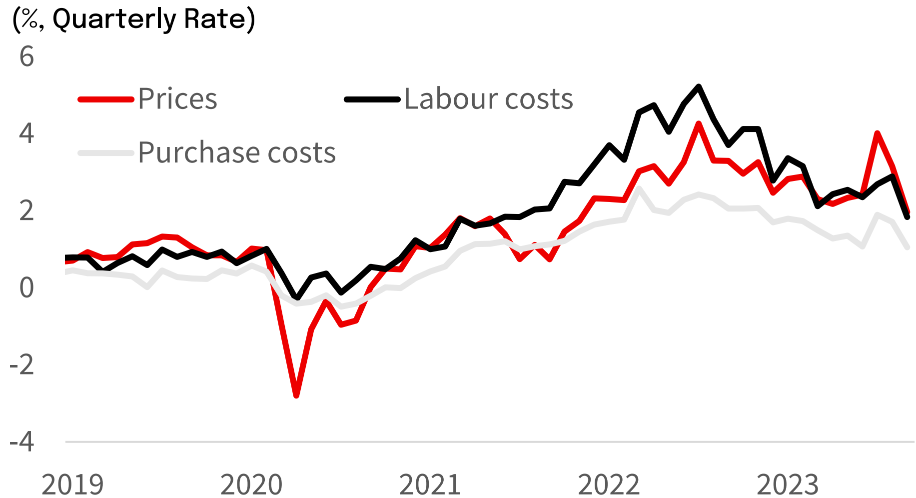
Capacity utilisation is high[2]



Investment Intentions are around average[3]



Price and cost growth remains strong[2]



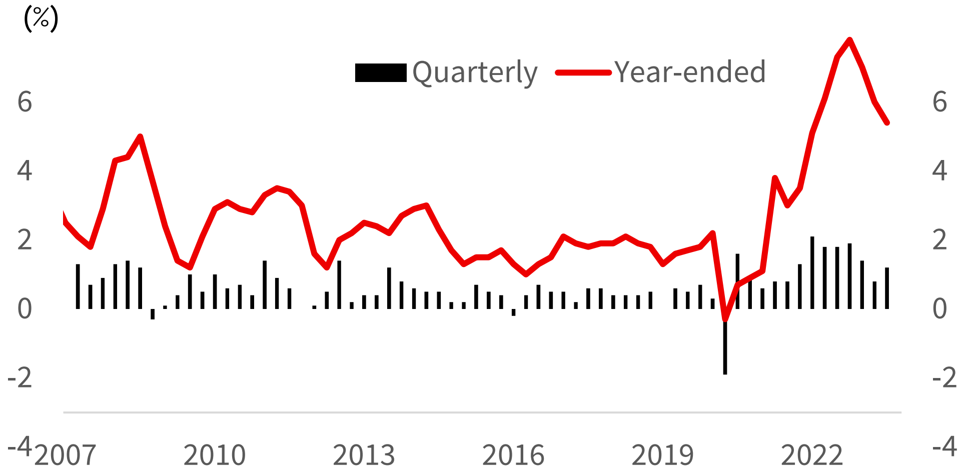
(1) Source: NAB Economics. Three-month moving average of all industry measures from the NAB Monthly Business Survey. Ppt deviation in the Net Balance from average since March 1997. Data to September 2023

(2) Source: NAB Economics. Data to September 2023

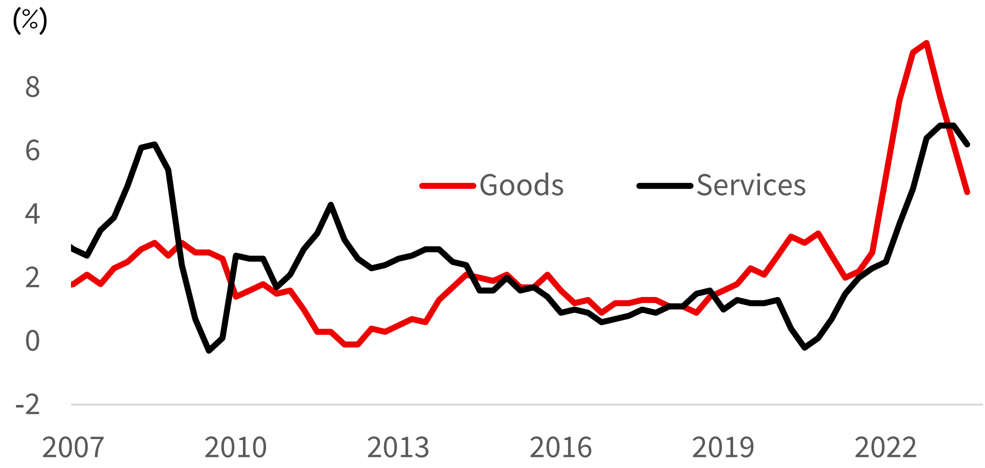
(3) Source: NAB Economics. NAB Quarterly Survey measure of 12-month Capex expectations. Data to Q3 2023

Inflation is high but moderating

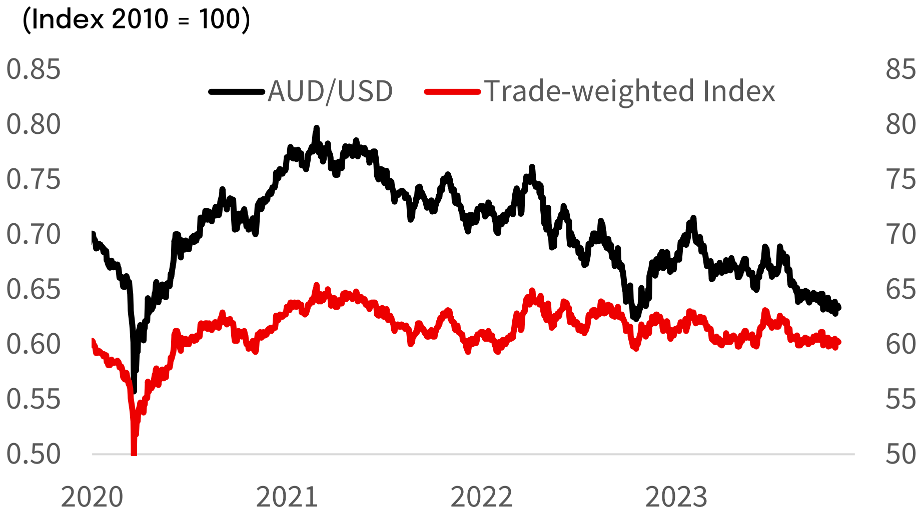
Inflation has peaked but remains volatile[1]



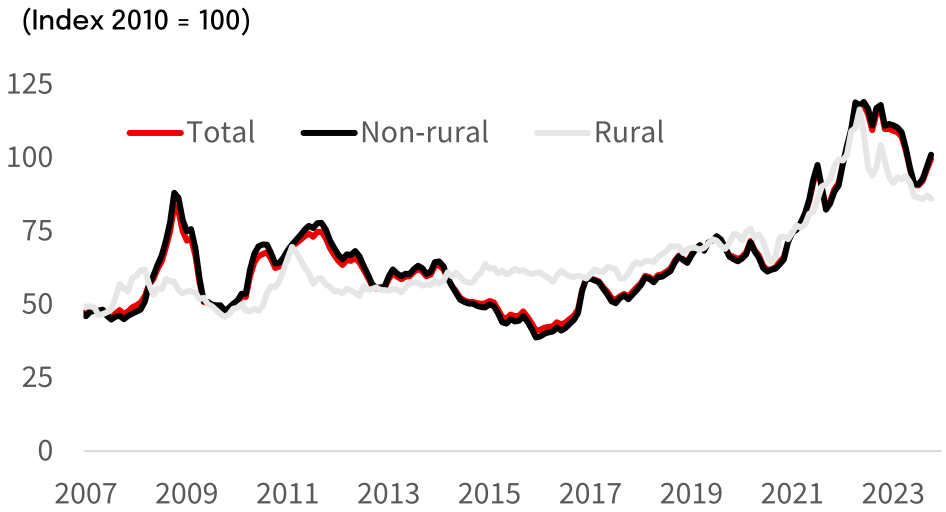
Services inflation has been more persistent[2]



The exchange rate has weakened[3]



Commodity prices are high[4]

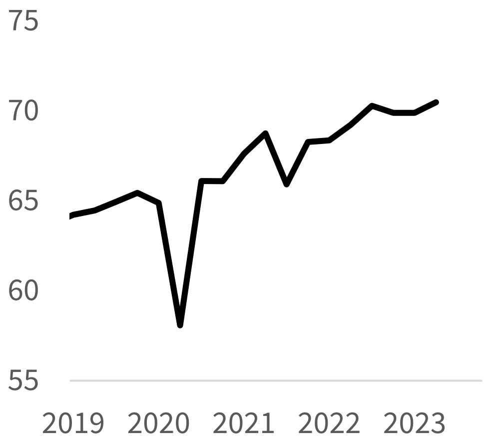


(1) Source: ABS, Macrobond. Headline, non-seasonally adjusted quarterly CPI. Data to Q3 2023
(2) Source: ABS, Macrobond. Market goods and services measures from the Quarterly CPI release. Data to Q3 2023
(3) Source: RBA, Macrobond. Data to 1 November 2023
(4) Source: RBA. Macrobond. Data to 31 October 2023

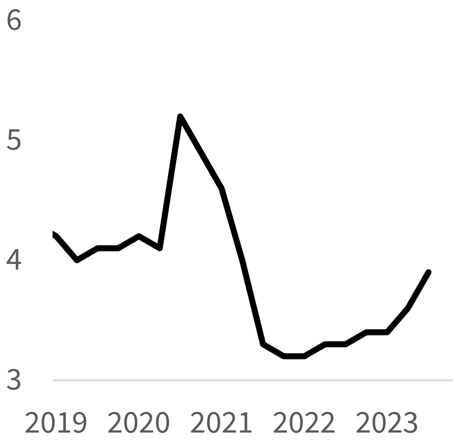
New Zealand economy

Slowdown in growth since Q3 2022, unemployment rate still low but has moved up[1]

(GDP, $NZ billion, chain prices)

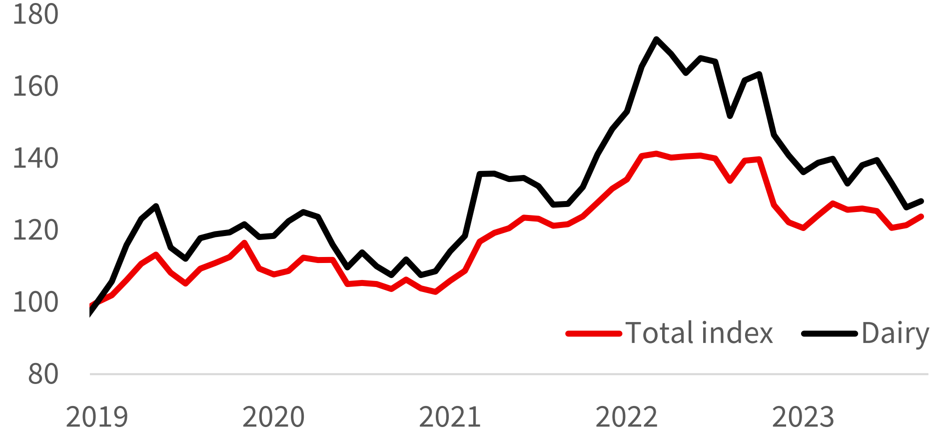


(Unemployment rate, %)



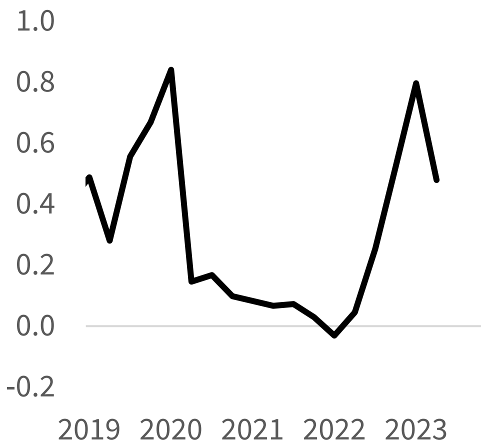
Commodity export prices decline, including dairy[2]

(Index, January 2019 = 100)

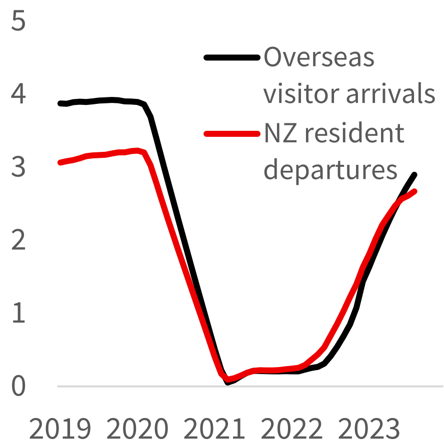


Population growth has picked up while international tourism recovery continues[3]

(Population, q/q%)

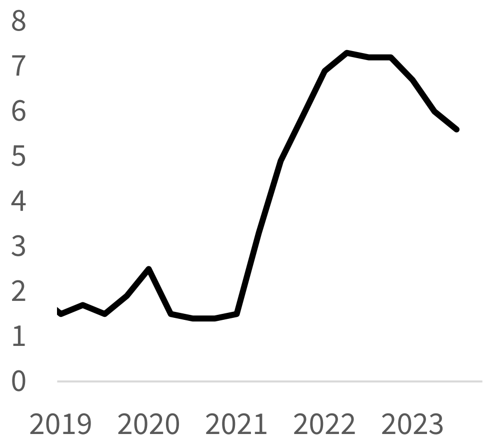


(millions, 12mth rolling sum)

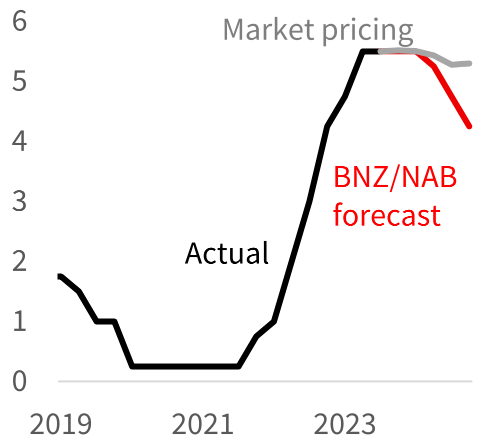


Inflation high, but easing, while OCR has probably peaked[4]

(CPI, % change on year earlier)



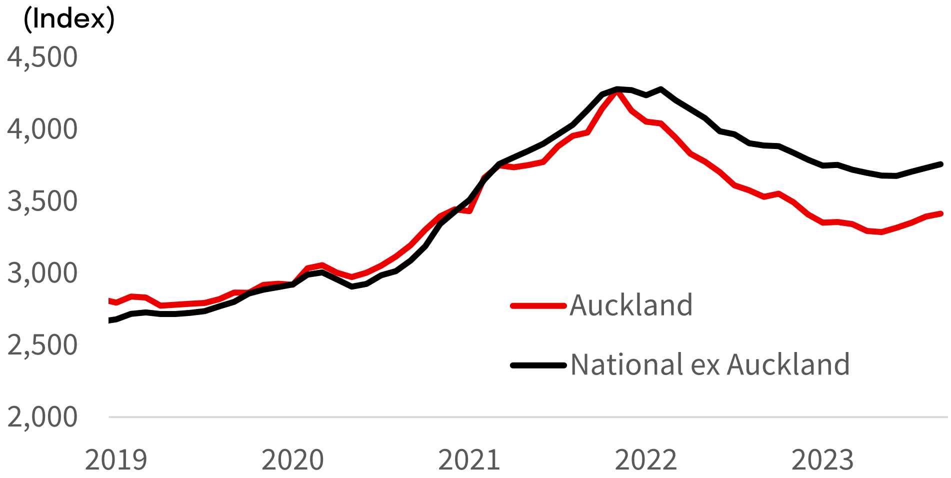
Official cash rate (end quarter %)



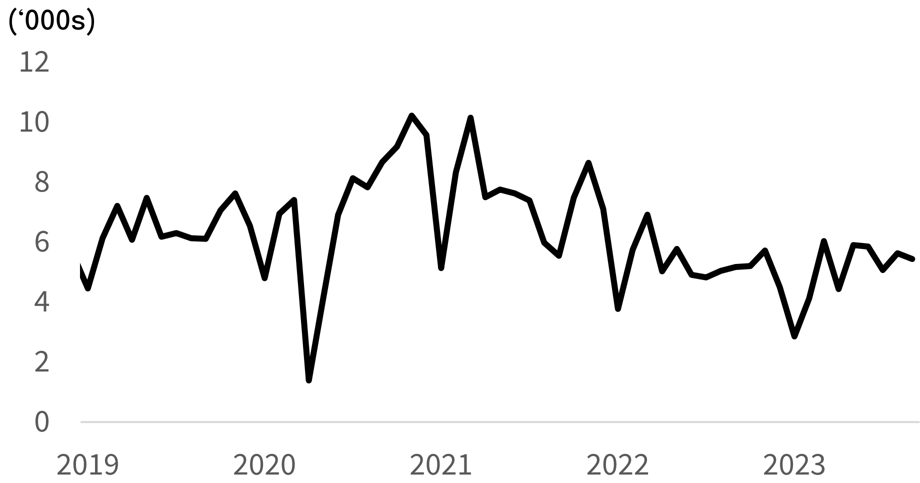
(1) Source: Refinitiv, Stats NZ
(2) Source: Macrobond, ANZ Commodity Price Index, NZ dollar indices
(3) Source: Refinitiv, Macrobond, Stats NZ
(4) Refinitiv, Stats NZ, RBNZ, BNZ, Market pricing as at 9:30 AEDT 7 November 2023

New Zealand housing

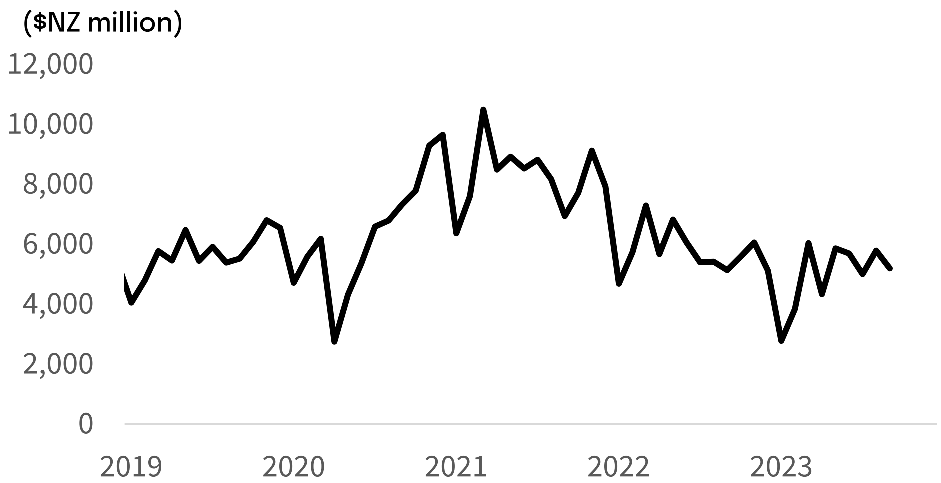
House prices have bottomed out[1]



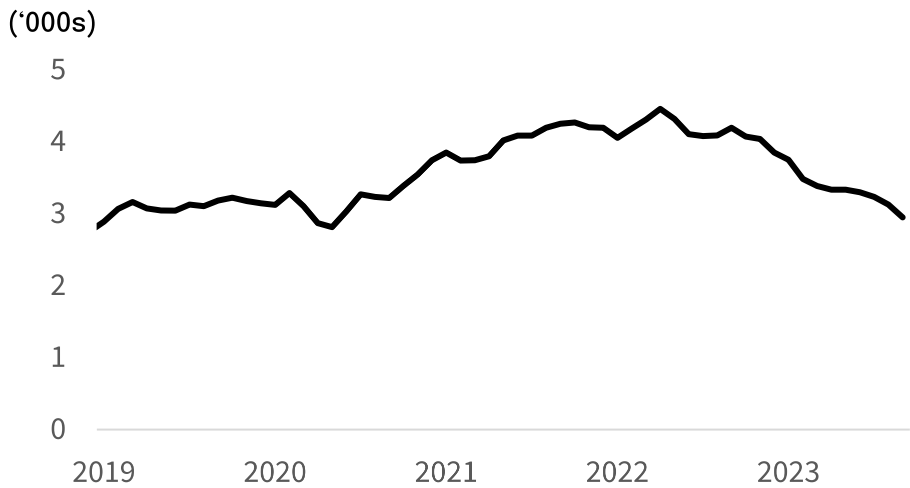
Sales volumes also stabilising[2]



New residential mortgage lending has also steadied[3]



Dwelling approvals (consents) trending down[4]



(1) Source: Macrobond, REINZ
(2) Source: Macrobond, REINZ
(3) Source: RBNZ
(4) Source: Refinitiv, Stats NZ. Three month moving average of seasonally adjusted new dwellings consented

Abbreviations and disclaimers

Abbreviations

ALA	Alternative Liquid Assets
AML	Anti Money Laundering
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
CSLR	Compensation Scheme of Last Resort
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, Inc., NICE Systems, Inc., and Fred Reichheld
NSFR	Net Stable Funding Ratio
OIS	Overnight Index Swap
OOI	Other Operating Income
PD	Probability of Default
RCF	Revised capital framework
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	RBA - Term Funding Facility

Source and notes

Slide 12

(1) Sourced from DBM Consumer Atlas (part of RFI Global), measured on 6 month rolling average to Sep 2023. Consumer NPS excludes consumers with Personal income of $260k+ and/or investible assets $1m. Ranking based on absolute scores, not statistically significant differences and compared against major peers
(2) Sourced from DBM Business Atlas (part of RFI Global), measured on 6 month rolling average to Sep 2023. Business NPS is 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 and compared against major peers
(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 2023

Slide 14

(3) Sourced from DBM Business Atlas (part of RFI Global), measured on 6 month rolling average to Sep 2023. Business NPS is 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 and compared against major peers

Slide 54

(1) DBM Consumer Atlas (part of RFI Global), measured on 6 month rolling average to Sep 2023. High Net Worth includes consumers with Investible assets of $2.5m+. Ranking based on absolute scores, not statistically significant differences and compared against major peers
(2) DBM Business Atlas (part of RFI Global), measured on 6 month rolling average to September 2023 . 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. Ranking based on absolute scores, not statistically significant differences and compared against major peers

Slide 61

(1) 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 2023

Slide 65

(1) Source: Camorra Retail Market Monitor (data on 12-month roll). NPS for nominated main bank provider. The result reflects the 5 major banks in New Zealand. Home Owners are customers with one or more mortgage products. Starters and Savers are customers aged under 30 with total deposits less than $10,000 plus customers aged under 40 with total deposits greater than $10,000. Rank is based on absolute results and may be within the confidence interval of another brand
(2) Source: Kantar Business Finance Monitor (data on 12-month roll). NPS for nominated main bank provider. Total business market up to annual turnover of $150m; includes Agribusiness with a turnover of $100k+. SME proxy is stated turnover to $20m and includes Agribusiness. Large Business proxy is stated turnover between $20m and $150m and includes Agribusiness. The result reflects Australian-owned banks in New Zealand. Rank is based on absolute results and may be within the confidence interval of another brand
(3) From July 2022 a new data collection approach was introduced for all banks. The use of the 12MRA means the impact of this change on results is small
(4) Source: Peter Lee Associates – Large Corporate Relationship Banking Survey New Zealand 2023. Ranking against the four major domestic banks

Disclaimer

The material in this presentation is general background information about the NAB Group current at the date of the presentation on 9 November 2023. 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 2023 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

This presentation contains statements that are, or may be deemed to be, forward looking statements. These forward looking statements may be identified by the use of forward looking terminology, including the terms "believe", "estimate", "plan", "project", "anticipate", "expect", “target”, "intend", “likely”, "may", "will", “could” or "should" or, in each case, their negative or other variations or other similar expressions, or by discussions of strategy, plans, objectives, targets, goals, future events or intentions. Indications of, and guidance on, future earnings and financial position and performance are also forward looking statements. You are cautioned not to place undue reliance on such forward looking statements. Such forward looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Group, which may cause actual results to differ materially from those expressed or implied in such statements. There can be no assurance that actual outcomes will not differ materially from these statements

There are a number of other important factors that could cause actual results to differ materially from those projected in such statements, including (without limitation) a significant change in the Group’s financial performance or operating environment; a material change to law or regulation or changes to regulatory policy or interpretation; and risks and uncertainties associated with the ongoing impacts of the Russia and Ukraine war, conflict in the Middle East and other geographical tensions, the Australian and global economic environment and capital market conditions. Further information is contained in the Group's Annual Report for the 2023 financial year, which is available at www.nab.com.au

For further information visit www.nab.com.au or contact:

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